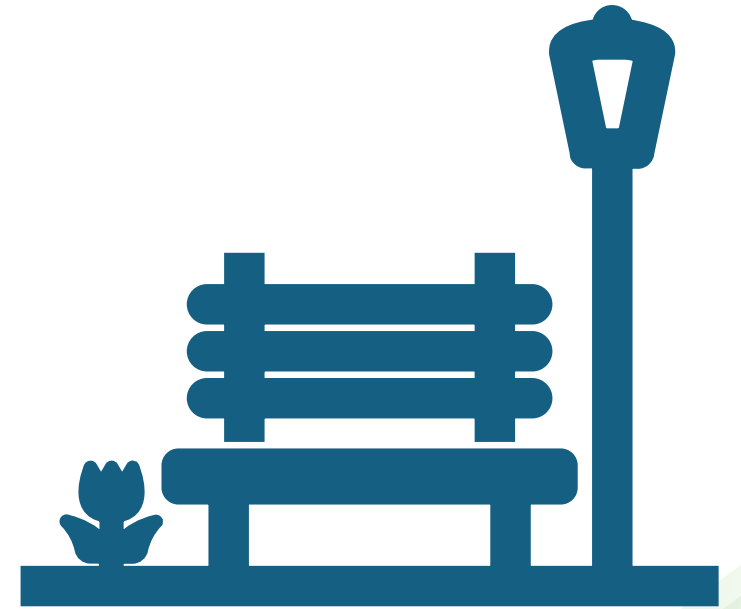


Clearfield City | April 9, 2024
Draft Fiscal Year 2025 Budget
Utility Funds

Tonight

- Questions to Answer
- Utility Funds Sustainability



Future Meetings

- April 23 – CDRA, general discussion
- April 30 & May 7 – General discussion & review (if needed)
- May 14—Review & Adopt Tentative Budget (mandatory)
- June – first week of June tax certification due from County Auditor
- June 28 – If no truth in taxation, must adopt budget here
- Aug 30 – With truth in taxation, adopt budget at or before this date

Questions to Answer


Questions to Answer

- New staff requests currently not funded
- Water rates
- Sewer rates
- Delay utility projects
- Bond in Utility Funds
- Recycling & Second Can subsidy
- Christmas décor at City Hall
- Anything in the budget you would like modified, postponed, cut, and/or added?

New Staff Requests

Options

- Higher property tax rate
- Increase % unspent number \$220k
- Reduce operational expenses
- Partially fund staff requests
 - Wait for future growth revenue to catch up to actual growth



Enterprise/Utility Funds Sustainability

Enterprise Revenues-Utility Rates

- North Davis Sewer District—No increase this year
- Wasatch Integrated—No increase. Mandatory recycling July 2025
- Waste Management—5.5%
- City Utility Increase—January 2025
 - Water Base Fee 6%
 - Water Usage 2%
 - Sewer 2%
 - Storm 8%
 - Total bill increase of \$2.36 per month or \$28.32 for the year

Garbage and Recycling Costs

	WM	Wasatch Integrated	City Direct Cost	Current Residential Charge
First Trash Container	6.48	7.20	13.68	16.75
Additional Trash Container	3.47	7.20	10.67	10.50
Clean-up Dumpsters	\$122.92	\$26 per ton		134.00
Recycling 50% to 74%	6.23	N/A	6.23	5.50

- Mandatory recycling in 2024 about a 25% reduction from current rate
 - \$5.90 down to \$4.56 per can
 - Based on a renewed 3-year contract
- Three-month lead time for 100% recycling

Water Conservation Rates History

May '23 rate changes

- Raised single family, multi fam, commercial base 10%
- Made conservation usage rates permanent
 - Now varies from rate study projections

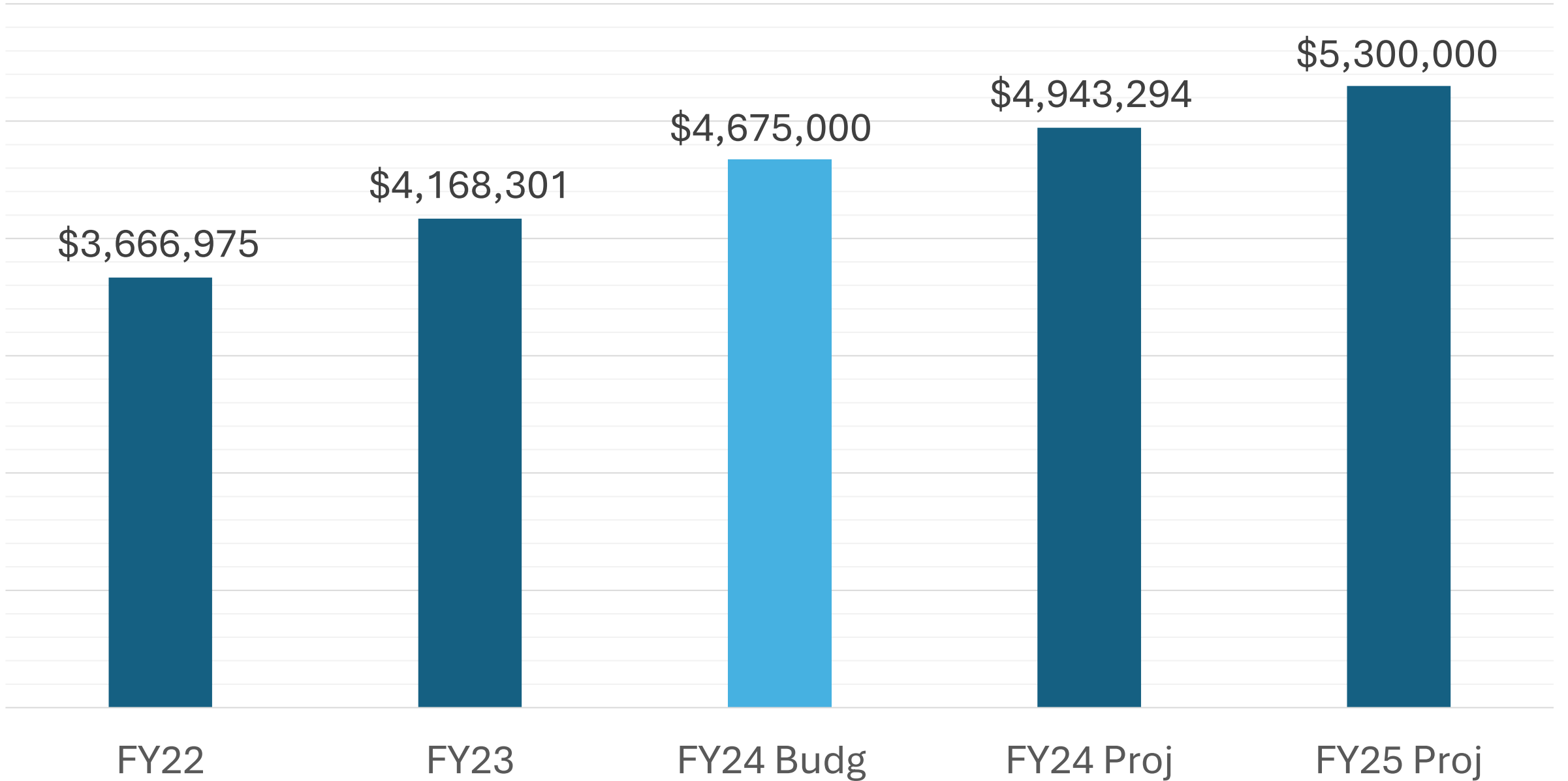
Jan '24 rate changes

- Increased rates by percentages outlined in rate study
 - Base rates: 6%
 - Usage rates: 2% residential, 6% commercial

Water Conservation Rates vs Study – January 2025

	Water Study Rate	Current Conservation Rate	Draft Conservation Rate
Single Family Base 6%	\$18.89	\$19.60	\$20.78
First 10,000 gallons	\$0.99	\$0.98	\$1.00
10,001-20,000 gallons	\$1.16	\$1.20	\$1.22
20,001-40,000 gallons	\$1.16	\$1.50	\$1.53
40,001-60,000 gallons	\$1.32	\$2.19	\$2.23
60,001-80,000 gallons	\$1.52	\$2.86	\$2.92
80,000+ gallons	\$1.68	\$3.98	\$4.06
Commercial & Multi per 1k	\$1.21	\$1.45	\$1.48

Water Revenues



Water Sustainability

- Rate Study
- Water Conservation
- Water supply/Weber Basin cost continues to increase & unpredictable
- Unanticipated Projects
- Inflation
 - Operations
 - Project Costs
- Fund some future projects with debt
- Water meter project more revenue
- Other ways to fund Freeport

Enterprise/Utility Funds—Sustainability

	Water	Sewer	Storm
FY25 Budget Net Revenue	1,214,534	289,021	809,676
Rate Study FY25 Net Rev	1,013,090	1,205,008	678,960

- Water - Weber Basin 11% increase, study 7.5%
 - '26 12.1% or \$227k, '27 12.4% or \$261k, '28 12.9% or \$306k
- Water –\$431k debt service
- Water – Usually \$367k for equipment & fleet, but zero FY25
- Water – Low cash
- Sewer - Charges \$188k less than rate study
- Sewer - Impact fee revenue \$393k higher in study
- Sewer - Reduce equipment & fleet to normal levels - net is \$509k

Water Projects Cost Variance

	Rate Study	Budget	Increase
#254 700 S Reservoir Site Repairs/PRV & Flow Valve (W/STRM)	250,000	515,341	265,341
MOC Ph 3	1,060,000	1,500,000	440,000
#210 350 South, State St to Depot	252,206	334,000	81,794
#296 was #238 – 500 East, Center St. to 200 South	399,125	482,000	82,875
#296 was #259 Lynnwood Drive, 500 E to end		509,000	509,000
#296 was #261 Sycamore & 100 N		604,000	604,000
#226 - 975 South and 1480 W Streets - 8 inch (\$1.6M)	753,960	817,000	63,040
#213 - 2200 South, South Main to 150 W - 8”	355,402	415,000	59,599
#243 - Freeport 13th Street, Z to C - 10”	390,411	559,000	168,589
#281 Overflow Freeport		80,000	80,000
#283 Davis & Weber Canal		107,400	107,400
#256 800 N, 100 W to 450 W		560,000	560,000
#266 300 N, 1000 W to Pacific St		1,034,000	1,034,000
#244 - FY25 - Freeport 13th Street, C to E - 10”	448,000	1,135,000	687,000
#264 - FY25 - 350 South - Birch to 750 East	130,581	219,500	88,919
#297 - FY25 - PRV Updates - Depot Street (1 new PRV per year)		154,500	154,500
PRV SCADA Rebuild of 1 location		175,000	175,000
	\$4,039,685	\$9,200,741	\$5,161,057

Enterprise/Utility Funds Sustainability

	Water	Sewer	Storm
FY25 Budget Net Revenue	1,214,534	289,021	809,676
Rate Study FY25 Net Rev	1,013,090	1,205,008	678,960
Current Capital Projects	6,043,674	1,457,500	5,318,148
FY25 Capital Projects	3,359,000	1,120,125	686,000
FY25 Ending Cash	(3,669,290)	(734,672)	1,110,637
Rate Study Ending Cash	3,201,193	2,094,475	732,759

- *Water study had \$5.5M in bond proceeds minus \$2.1M meters – Net \$3.4M*
- *Net cash variance with rate study after bond - \$3.47M*

Water Sustainability

Water	
Budget Net Revenue	1,214,534
Rate Study FY25 Net Rev	1,013,090

	Current Base	Mid-year adj	Jan 2025
Residential Water Base Rate	19.60		20.78

- Water Base Rate each 1% increase = \$36k yearly
 - Residential base rate 1% increase = .20 cents per month
- January 2025 normal 6% = \$216k extra (1/2 year already built into budget)
- Cash is insufficient
 - Needs to be greater 150 days
- Prior years' net much lower and projects much higher

Sewer Sustainability

	Water
Budget Net Revenue	289,021
Rate Study FY25 Net Rev	1,205,008

	Current Base	Mid-year adj	Jan 2025
Residential Sewer Base Rate	13.93		14.21

- Sewer Base Rate each 1% increase = \$20k yearly
 - Residential base rate 1% increase = .14 cents per month
- January 2025 normal 2% = \$39k extra (1/2 year already built into budget)
- Debt service coverage ratio better above 1.5
- Reduce equipment & fleet to normal levels - net is \$509k
- Cash is insufficient
 - Needs to be greater 150 days
 - Bond

Meter Project

Commercial

Residential

- 2 new FT staff
 - Attrition to phase out headcount in 2 years



The End

New Staff Requests

2 FT Police Officers —\$108k each

- 2 x \$108k = \$216k total wages & benefits
- \$197k equipment
- 3 on 24/7

Park Maintenance Clearfield Station

- 1 FT - \$88k, 1 PT - \$28k, 2 Seasonal - \$20k each
 - \$156k Total Wages & Benefits
 - Start-up equipment costs - \$165k