

General Fund Analysis



Which trends
look
awesome?

Which are
concerning?

What else do
you notice?

	6/30/2021	6/30/2022	6/30/2023	12/31/2023	6/30/2024
	FY2021	FY2022	FY2023	FY2024	FY2024
GENERAL FUND REVENUES	Prior 3	Prior 2	Prior 1	Current YR	Rev 1
CATEGORY	Actuals	Actuals	Actuals	Actuals	Budget
PROPERTY TAX	\$ 3,949,811	\$ 4,157,606	\$ 5,344,759	\$ 4,709,902	\$ 5,537,295
SALES TAX	\$ 10,731,036	\$ 12,839,769	\$ 13,487,649	\$ 6,948,469	\$ 14,030,000
ENERGY SALES TAX	\$ 2,179,059	\$ 2,480,772	\$ 3,023,094	\$ 1,256,815	\$ 2,870,000
TELEPHONE TAX	\$ 164,689	\$ 140,841	\$ 136,840	\$ 67,791	\$ 130,000
CABLE TV TAX	\$ 192,179	\$ 204,474	\$ 198,173	\$ 93,029	\$ 200,000
MISC. TAX	\$ 29,695	\$ 46,873	\$ 55,999	\$ 32,514	\$ 50,000
LICENSE- BUS/DOG	\$ 83,680	\$ 85,570	\$ 71,720	\$ 51,826	\$ 83,837
BUILDING PERMIT/DEV	\$ 2,384,983	\$ 3,079,616	\$ 3,347,803	\$ 1,616,123	\$ 2,848,600
GRANTS	\$ 1,032,276	\$ 182,854	\$ 5,234,242	\$ 111,107	\$ 208,105
SENIORS CENTER	\$ 38,537	\$ 76,689	\$ 54,614	\$ 41,610	\$ 59,400
RECREATION FEES	\$ 651,746	\$ 651,881	\$ 669,987	\$ 296,760	\$ 695,000
CONCESSIONS	\$ 158,078	\$ 105,726	\$ 98,574	\$ 38,121	\$ 103,800
AMBULANCE REVENUE	\$ 907,158	\$ 1,425,692	\$ 2,241,456	\$ 1,272,330	\$ 2,271,386
FIRE REVENUE	\$ 234,339	\$ 222,727	\$ 197,682	\$ 146,805	\$ 250,000
LIBRARY	\$ 41,723	\$ 77,212	\$ 61,931	\$ 32,237	\$ 71,800
CEMETERY	\$ 487,349	\$ 422,420	\$ 366,991	\$ 207,471	\$ 426,750
COURT REVENUE	\$ 343,806	\$ 384,038	\$ 406,099	\$ 178,774	\$ 359,700
INTEREST EARNINGS	\$ 69,378	\$ 115,446	\$ 918,238	\$ 507,004	\$ 826,367
RENTALS	\$ 245,586	\$ 272,418	\$ 281,864	\$ 134,571	\$ 272,500
FESTIVAL OF LIGHTS	\$ 175,370	\$ 156,196	\$ 190,067	\$ 206,176	\$ 190,000
FAIRGROUNDS	\$ 287,527	\$ 348,946	\$ 456,046	\$ 235,769	\$ 491,000
SHARED EMPLOYEES	\$ 364,735	\$ 141,326	\$ 290,314	\$ 156,962	\$ 415,883
ARTS COUNCIL	\$ 151,108	\$ 194,478	\$ 178,500	\$ 68,735	\$ 177,750
MISCELLANEOUS	\$ 831,259	\$ 306,966	\$ 173,383	\$ 126,125	\$ 115,904
SFCITYTIX	\$ 57,990	\$ 66,779	\$ 69,153	\$ 62,423	\$ 60,000
RODEO	\$ 801,974	\$ 844,771	\$ 859,191	\$ 624,969	\$ 892,325
FIESTA DAYS	\$ 83,821	\$ 167,189	\$ 167,487	\$ 70,841	\$ 146,250
POOL/RECREATION CENTER	\$ 253,421	\$ 90,857	\$ 0	\$ 295	\$ 0
GOLF	\$ 1,578,645	\$ 1,593,084	\$ 1,656,694	\$ 1,207,129	\$ 1,720,600
FROM ENTERPRISE FUNDS	\$ 1,925,438	\$ 1,975,000	\$ 1,975,000	\$ 1,027,513	\$ 2,055,025
TQ/FROM CAP FUNDS	-\$ 7,796,670	-\$ 9,664,790	-\$ 10,989,929	-\$ 4,800,000	-\$ 4,800,000
TQ/FROM DEBT SERVICE	-\$ 200,000	-\$ 200,000	-\$ 413,186	-\$ 413,186	-\$ 413,186
INTERFUND SERVICES PROVIDED	\$ 4,497,411	\$ 5,448,343	\$ 5,827,007	\$ 2,849,840	\$ 5,699,678
(INCREASE)DECREASE IN FUND BAL	-\$ 295,257	\$ 2,020,742	\$ 1,283,852	\$ 834,572	\$ 684,335
IMPACT FEES	\$ 2,499,988	\$ 3,161,172	\$ 802,861	\$ 343,440	\$ 875,000
TQ/FROM RDA	-\$ 771,227	-\$ 1,049,928	-\$ 448,657	\$ 0	-\$ 345,025
TQ/FROM LBA	\$ 0	\$ 0	-\$ 60,000	\$ 0	\$ 0
TQ/FROM AIRPORT	-\$ 105,000	-\$ 105,000	-\$ 105,000	-\$ 95,000	-\$ 95,000
TQ/FROM STREETS & STORM DRAIN	-\$ 500,000	-\$ 500,000	-\$ 1,258,750	\$ 0	\$ 0
TOTAL REVENUE	\$ 27,765,641	\$ 31,968,755	\$ 36,851,748	\$ 20,249,862	\$ 39,165,079

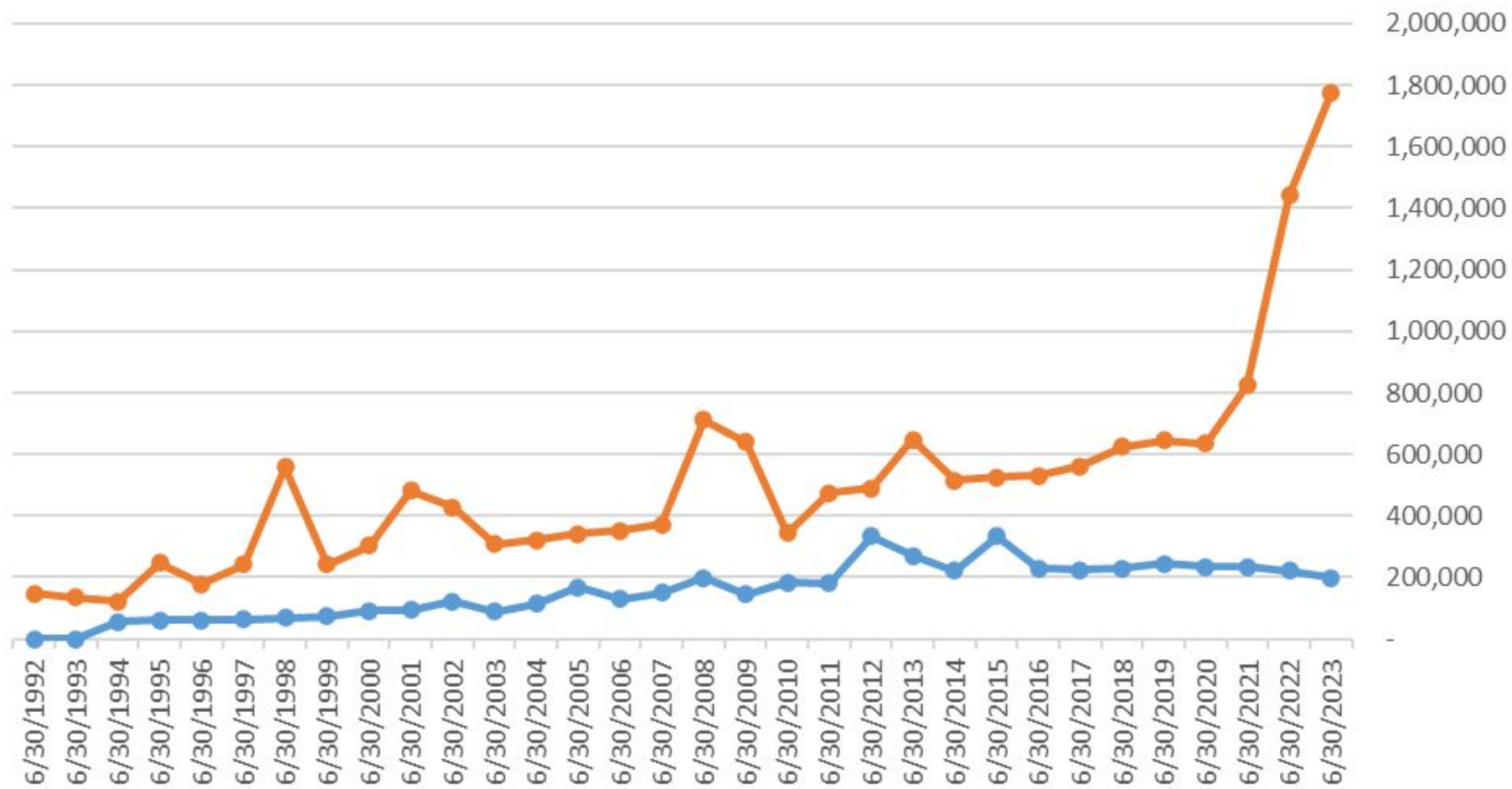


What
stories are
you seeing
from these
numbers?

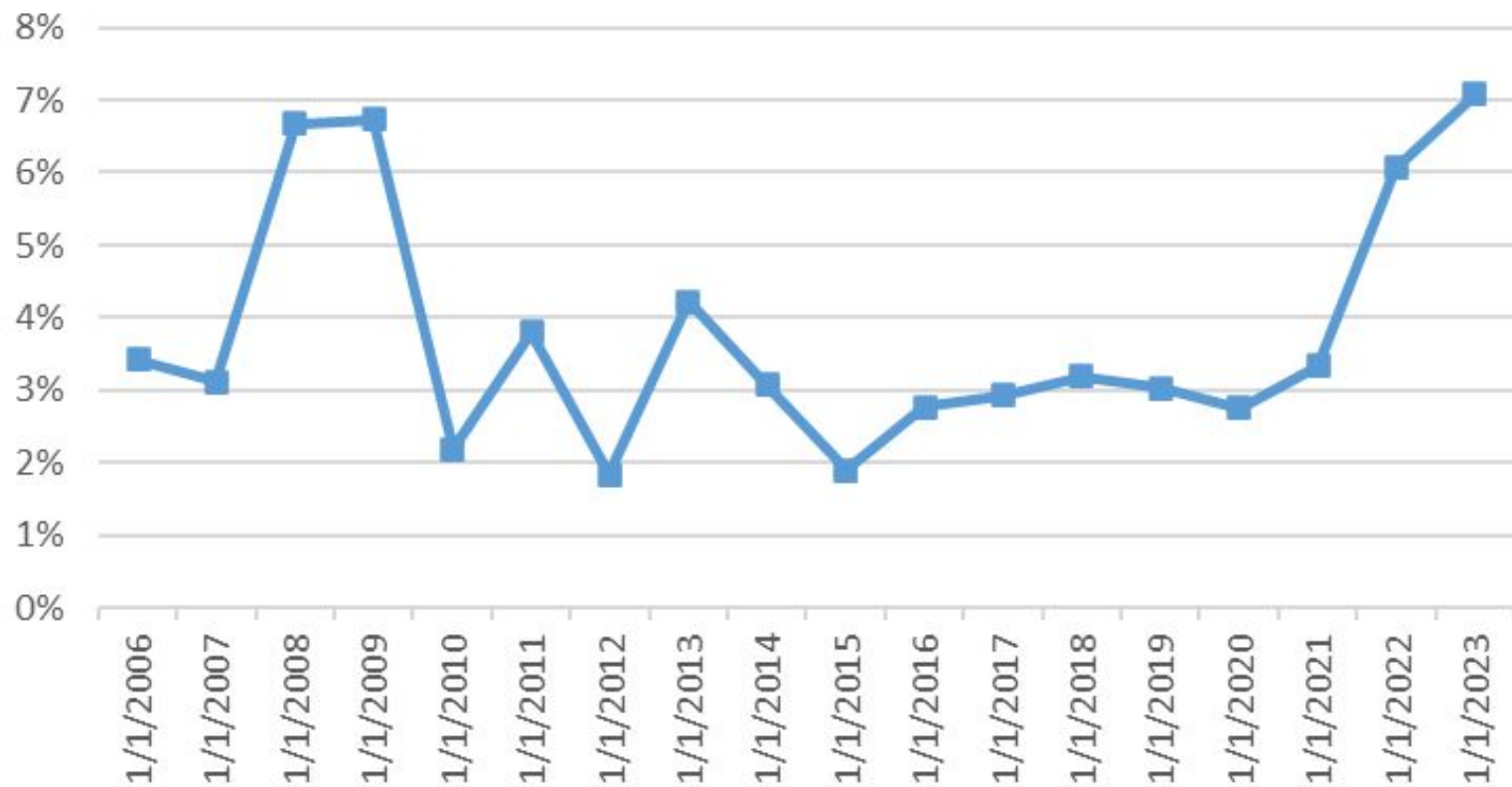
GENERAL FUND EXPENDITURES BY DIVISION	6/30/2021	6/30/2022	6/30/2023	12/31/2023	6/30/2024
	FY2021	FY2022	FY2023	FY2024	FY2024
	Prior 3	Prior 2	Prior 1	Current YR	Rev 1
	Actuals	Actuals	Actuals	Actuals	Budget
ADMIN & GENERAL GOVERNMENT	\$ 563,018	\$ 1,791,708	\$ 1,865,650	\$ 1,142,670	\$ 2,190,311
SENIOR CITIZEN	\$ 172,542	\$ 311,739	\$ 322,246	\$ 167,537	\$ 351,020
INFORMATION SERVICES	\$ 664,023	\$ 614,921	\$ 727,046	\$ 472,982	\$ 874,503
FINANCE	\$ 1,609,016	\$ 830,313	\$ 813,782	\$ 496,236	\$ 950,799
LEGAL	\$ 679,920	\$ 745,547	\$ 744,237	\$ 423,773	\$ 815,458
PLANNING	\$ 394,958	\$ 393,203	\$ 715,378	\$ 397,073	\$ 706,275
ENGINEERING	\$ 1,881,610	\$ 2,677,023	\$ 3,213,558	\$ 1,721,347	\$ 3,354,338
BUILDING INSPECTION	\$ 794,895	\$ 998,424	\$ 1,165,414	\$ 600,952	\$ 1,217,539
POLICE	\$ 6,130,290	\$ 7,068,638	\$ 7,785,777	\$ 4,164,957	\$ 8,114,872
FIRE	\$ 823,346	\$ 1,422,858	\$ 1,775,816	\$ 1,046,201	\$ 2,259,314
AMBULANCE	\$ 1,525,286	\$ 1,833,993	\$ 3,314,341	\$ 1,796,156	\$ 3,563,833
ANIMAL CONTROL	\$ 237,230	\$ 251,774	\$ 281,069	\$ 151,899	\$ 308,014
EMERGENCY PREPAREDNESS	\$ 1,899,842	\$ 175,852	\$ 190,646	\$ 90,824	\$ 190,699
FACILITIES	\$ 1,079,315	\$ 1,246,484	\$ 988,055	\$ 572,248	\$ 1,022,947
JUSTICE CENTER	\$ 184,863	\$ 239,090	\$ 228,654	\$ 104,646	\$ 258,982
PARKS	\$ 2,991,468	\$ 3,805,550	\$ 3,538,180	\$ 2,138,859	\$ 4,256,973
CEMETERY	\$ 502,643	\$ 505,431	\$ 516,289	\$ 308,114	\$ 589,913
LIBRARY	\$ 827,231	\$ 1,849,029	\$ 2,208,375	\$ 1,182,467	\$ 2,353,997
FAIRGROUNDS	\$ 630,535	\$ 869,162	\$ 1,934,732	\$ 527,687	\$ 960,761
RECREATION	\$ 1,332,439	\$ 1,442,834	\$ 1,429,958	\$ 778,672	\$ 1,540,782
SNACK SHACK	\$ 181,356	\$ 133,445	\$ 130,106	\$ 54,210	\$ 183,052
ARTS COUNCIL	\$ 165,963	\$ 223,201	\$ 286,347	\$ 86,614	\$ 289,535
SPECIAL EVENTS	\$ 984,937	\$ 1,086,214	\$ 1,276,880	\$ 1,099,866	\$ 1,375,533
SWIMMING POOL/RECREATION CENTER	\$ 366,667	\$ 233,695	\$ 0	\$ 0	\$ 0
GOLF	\$ 1,142,248	\$ 1,218,627	\$ 1,399,212	\$ 723,872	\$ 1,435,629
TOTAL EXPENDITURES	\$ 27,765,641	\$ 31,968,755	\$ 36,851,748	\$ 20,249,862	\$ 39,165,079



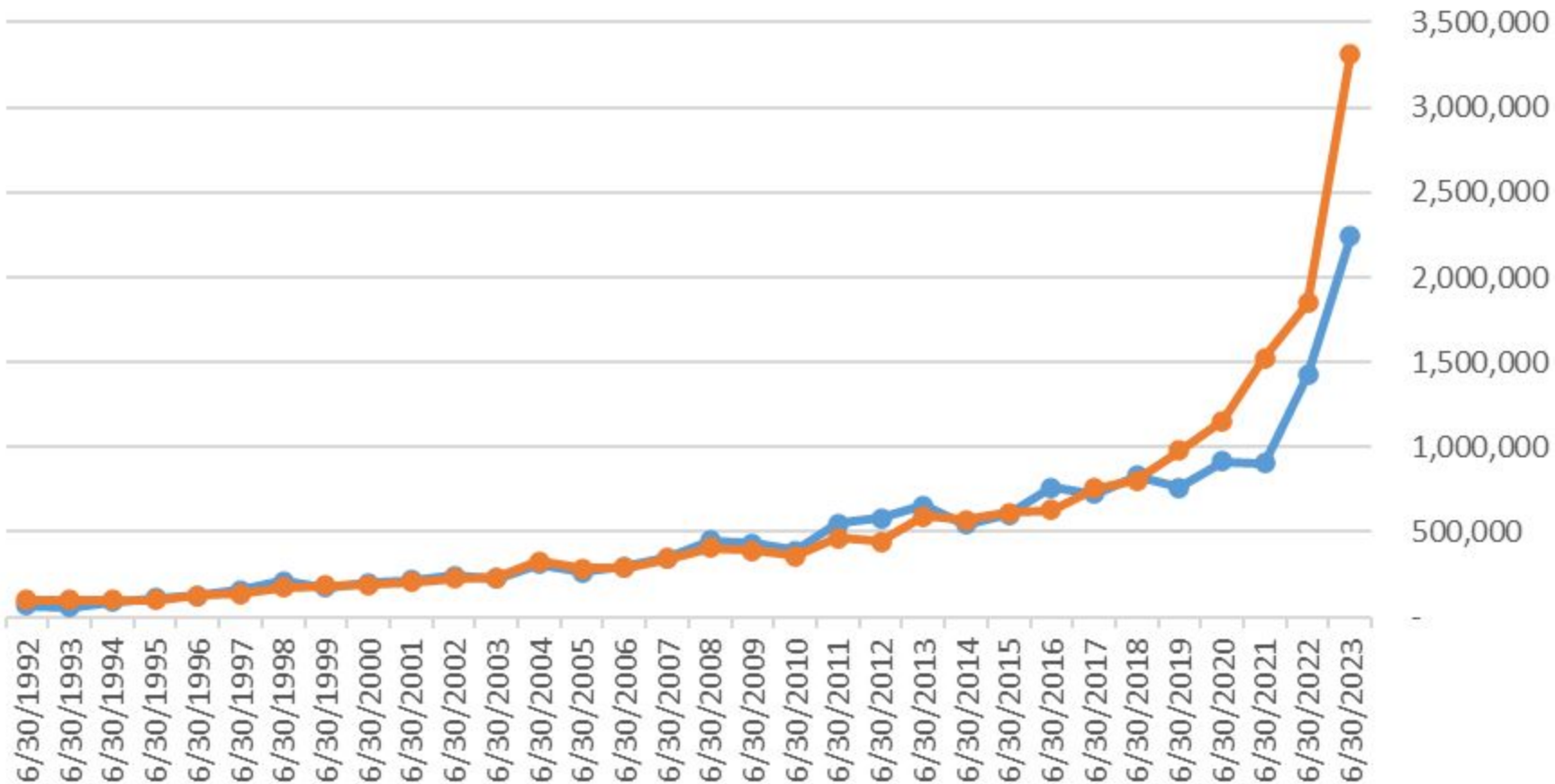
Fire Revenue and Expenses



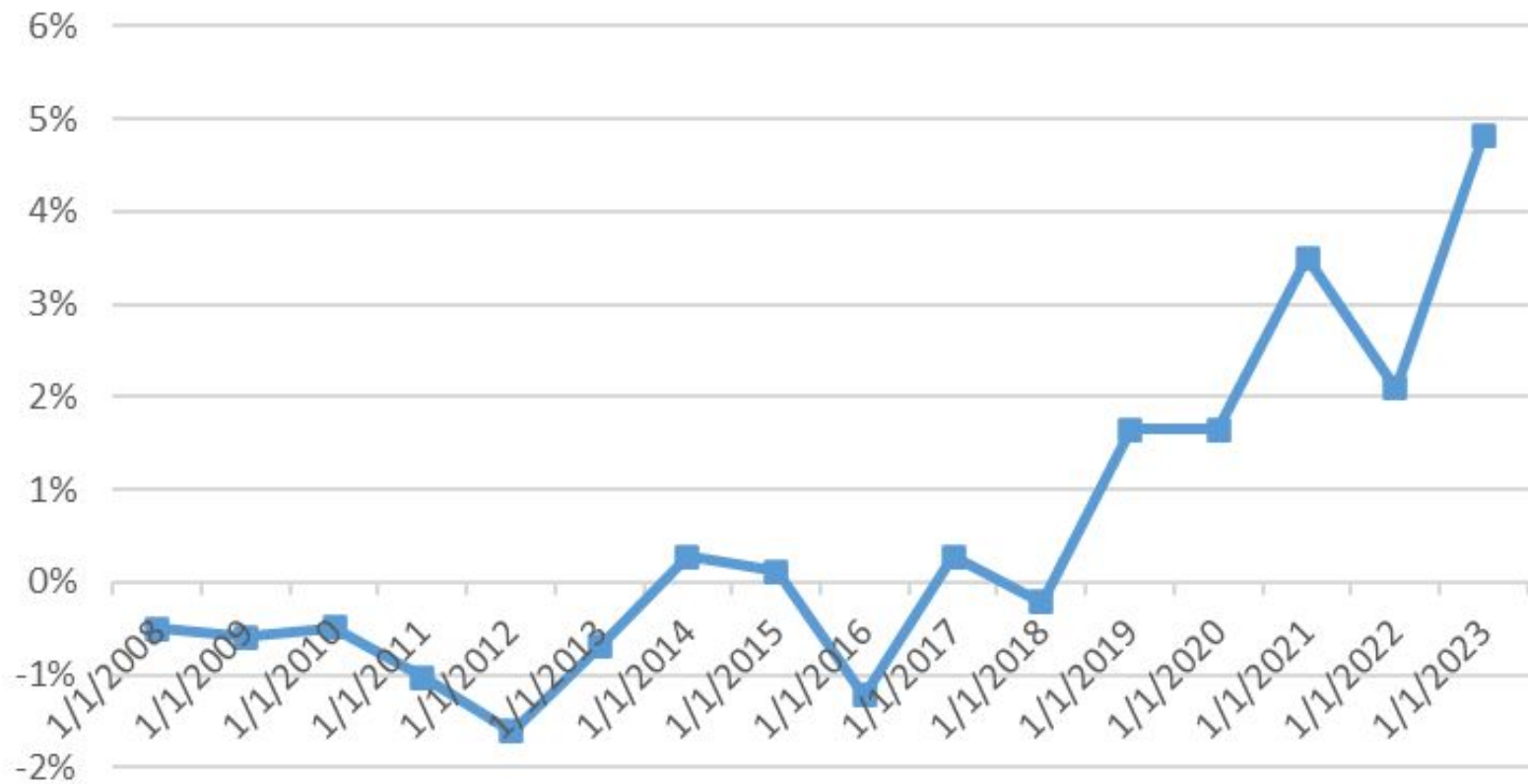
% of Taxes Spent of Fire



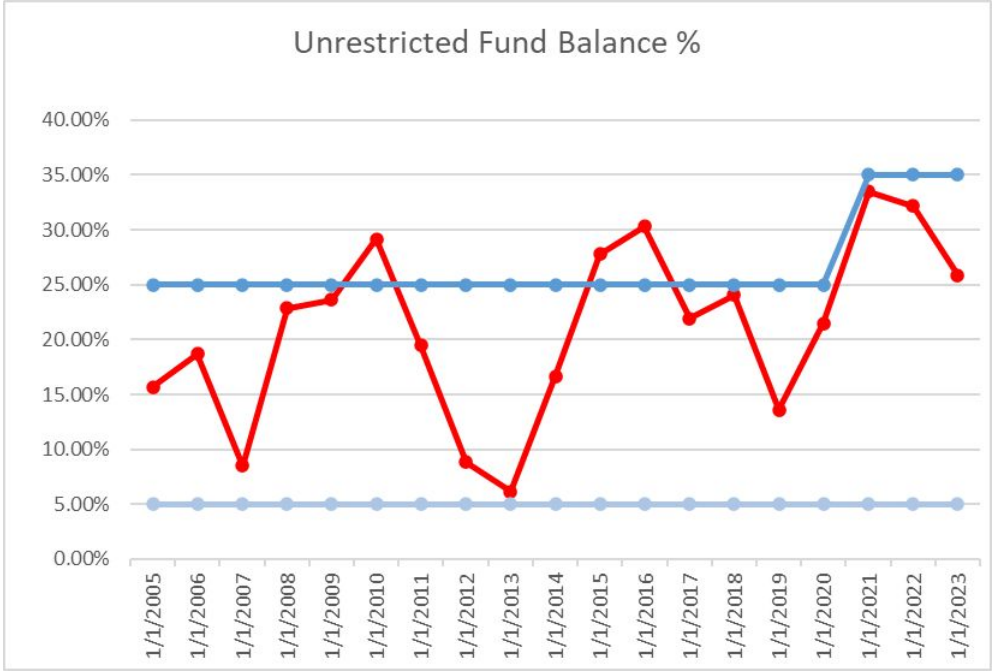
Ambulance Revenue and Expenses



% of Taxes Spent of Ambulance



Balance in the General Fund



Gen Fund Balance/Gen Fund Revenue

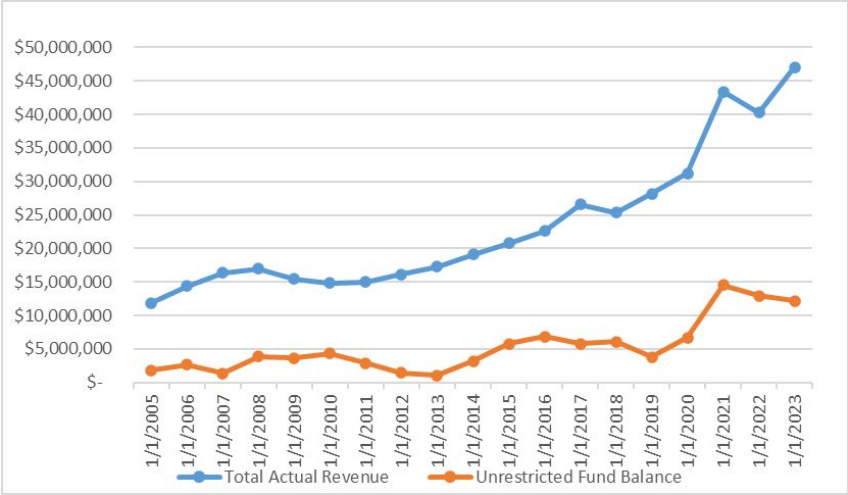
Actual End of FY21 = 32.16%

Actual End of FY22 = 33.51%

Actual End of FY23 = 25.88%

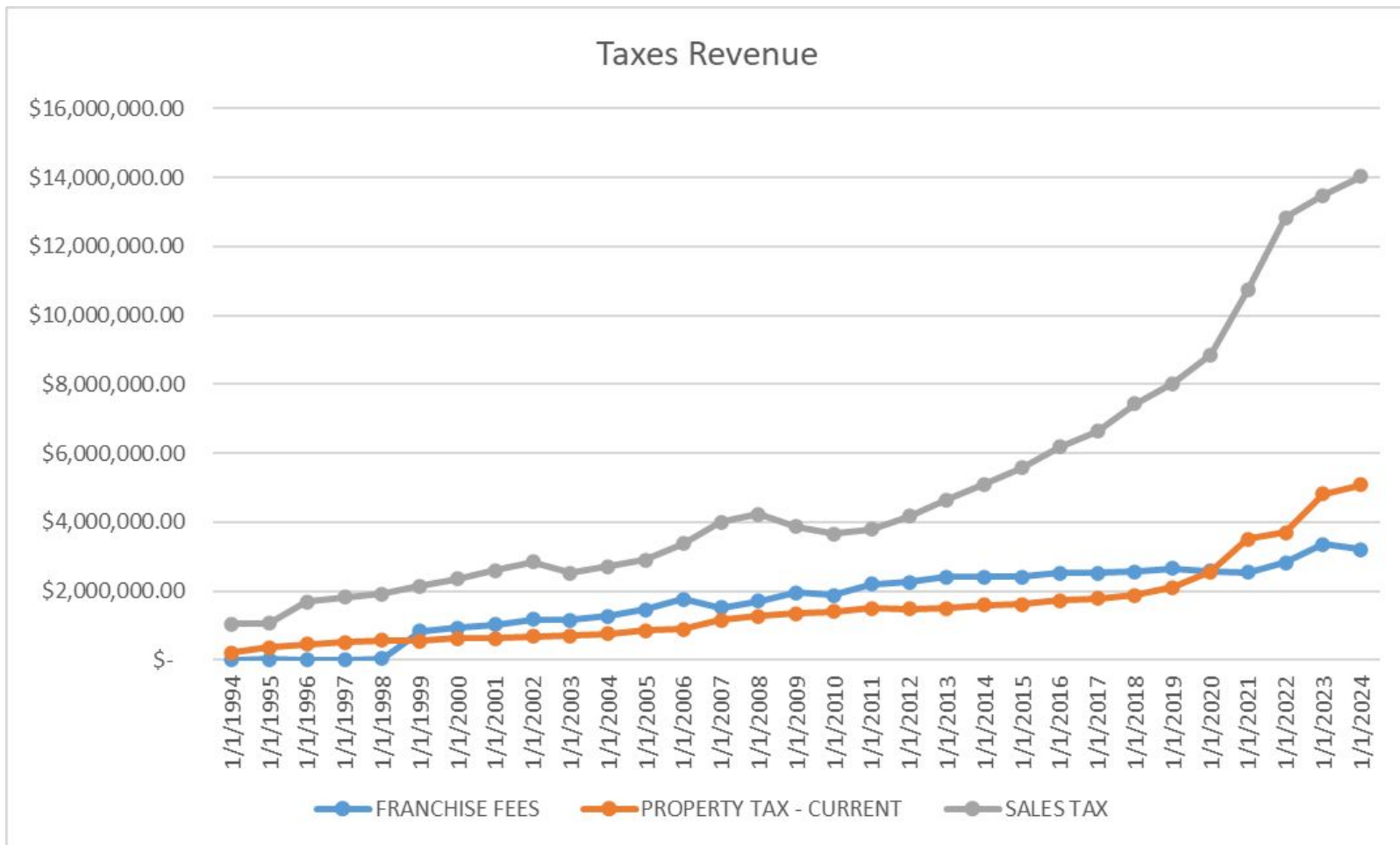
Projected End of FY24 = 29.50%

\$1M change in fund balance equals 2.37%

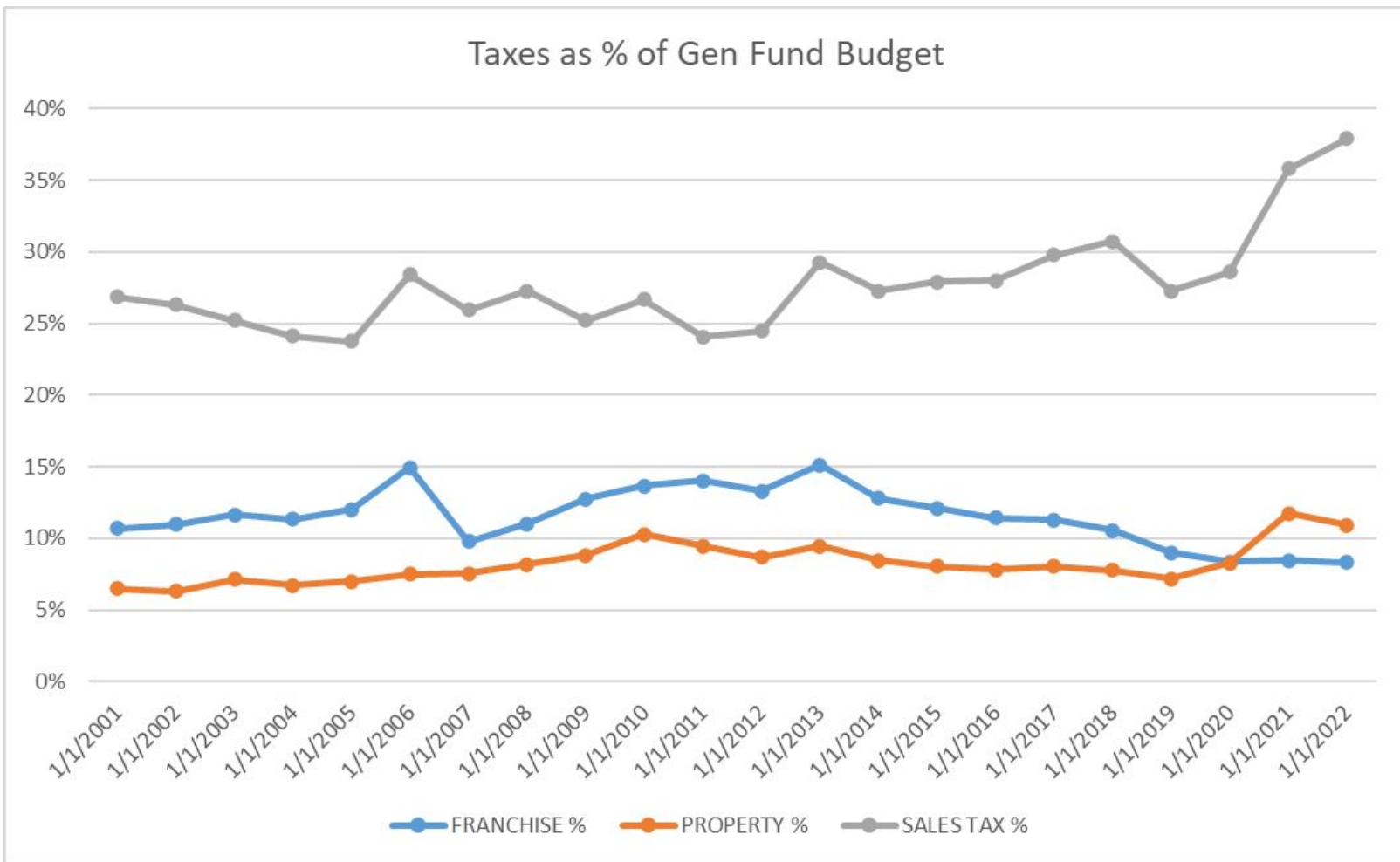


The final data points are budgeted numbers.

Taxes are how we pay for things that don't pay for themselves such as public safety.

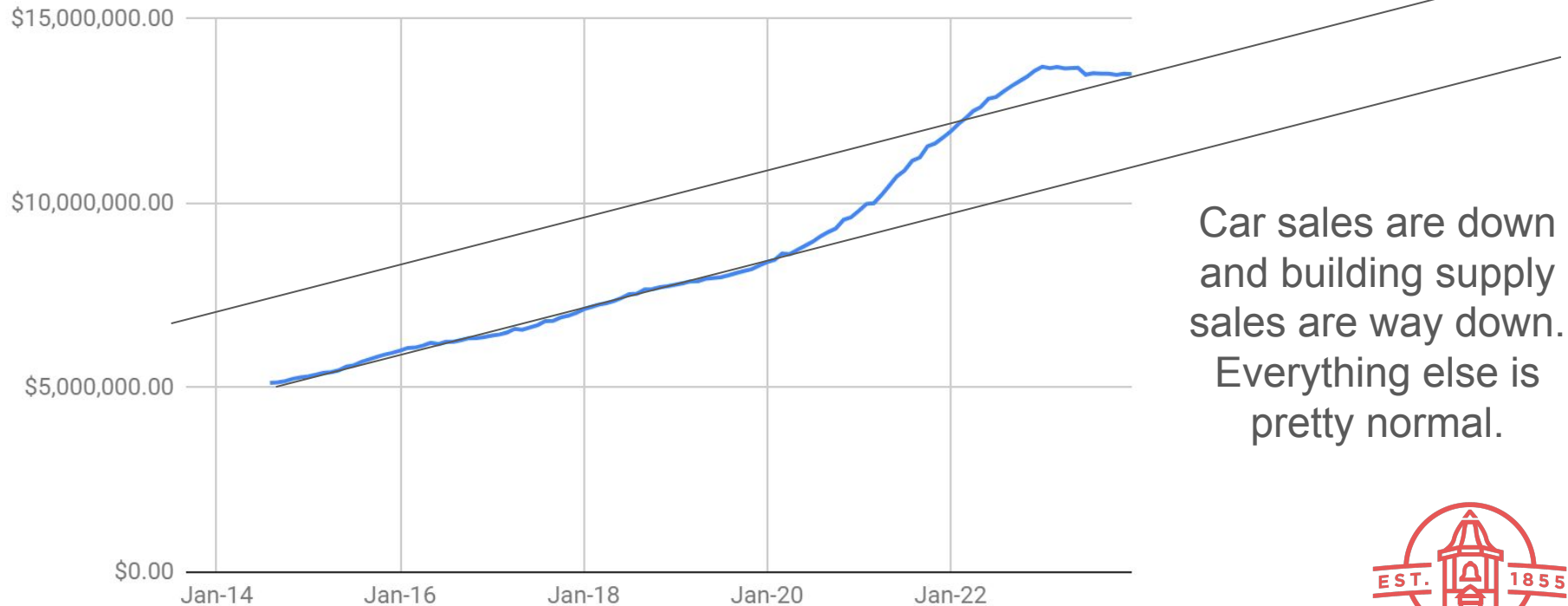


This slide shows that we are becoming more reliant on sales tax, which is volatile.

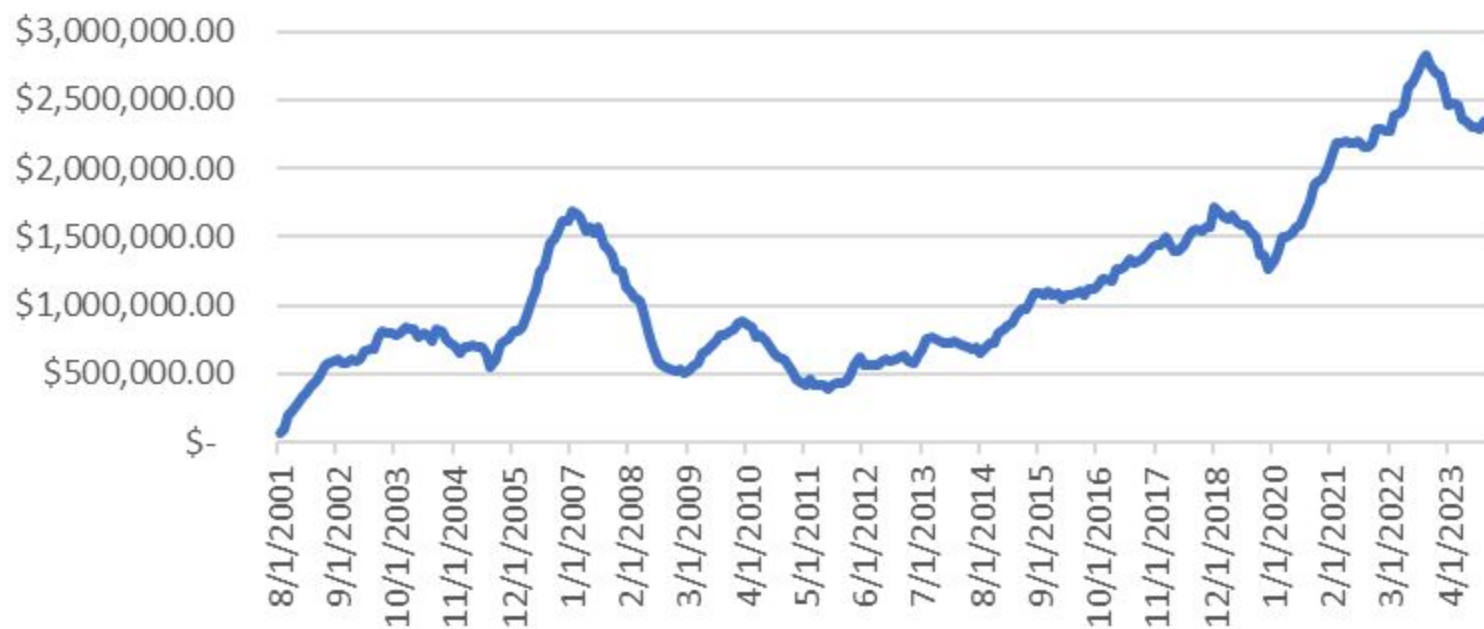


Sales Tax Revenue has Flatlined

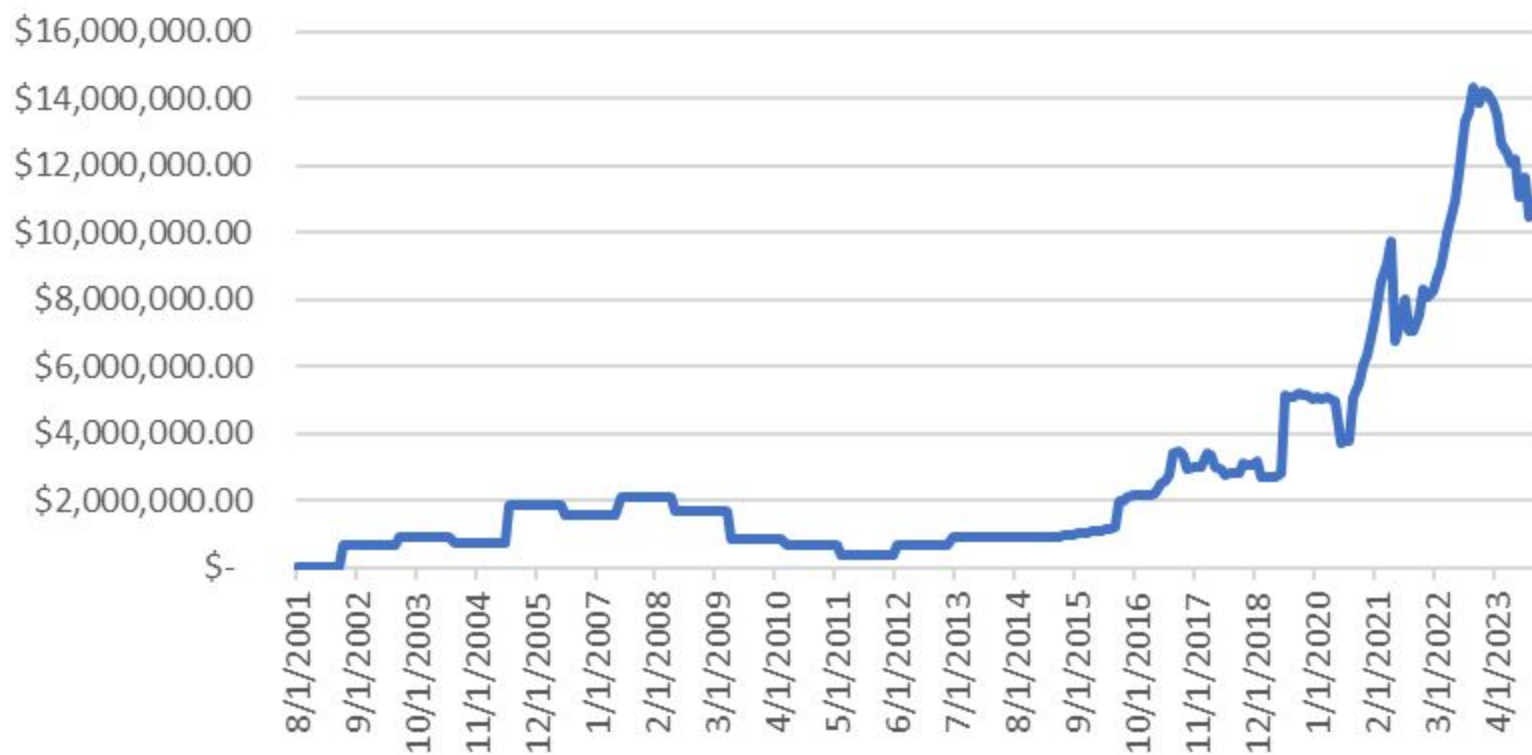
Rolling 12 Months of Sales Tax Received



Community Development Revenue - Rolling 12 Months



Impact Fee Revenue - Rolling 12 Months



NOTICE TO SPANISH FORK CITY UTILITY CUSTOMERS

State law requires that the City provide an annual disclosure on funds transferred from a utility enterprise fund to any other fund. With the adoption of the FY24 budget on June 20, 2023, the City has completed the following transfers.

The City of Spanish Fork has budgeted for the transfer from each utility fund to the general fund as a dividend to Spanish Fork taxpayers. This dividend is the result of the rate payers' investment in the City's utility infrastructure. These funds are used each year to help cover costs of important city services like police, fire, library, senior center, parks and recreation, and other city functions. The utility transfer helps keep property taxes low in Spanish Fork. If City utility services were provided by private utility vendors, these dividends would instead be paid to the private investor-owners. Because Spanish Fork residents are the investor-owners, these dividends are used to offset what otherwise would be a significant increase in property tax rates. These transfers are of funds which cannot be defined as reasonable allocation of costs between funds. These amounts will not be repaid.

The amounts of the transfers are as follows:

	Dollar Amount	% of Expenditures
From the Water Fund to the General Fund	\$ 352,513	2.76 %
From the Sewer Fund to the General Fund	\$ 152,513	0.30 %
From the Electric Fund to the General Fund	\$ 1,300,000	4.87 %
From the Storm Drainage Fund to the General Fund	\$ 25,000	0.11 %
From the Solid Waste Fund to the General Fund	\$ 25,000	0.70 %
From the Broadband Fund to the General Fund	\$ 200,000	1.90 %

Spanish Fork City also has a debt obligation that the Power Fund is making payments on. The funds are to pay for the Justice Center (Police/Court Building). This transfer is for funds which cannot be defined as a reasonable allocation of costs between funds. These amounts will not be repaid.

The amount of these transfers are as follows:

	Dollar Amount	% of Expenditures
From the Power Fund to the Debt Service Fund	\$ 679,503	1.78 %

Dividends

Fiscal Year	% of Utility Fund's Operating Revenue	Amount
2024	Varies	\$2,055,025
2023	Varies	\$1,975,000
2022	Varies	\$1,975,000
2021	4.00%	\$1,925,438
2020	3.50%	\$1,637,354
2019	3.50%	\$1,531,895
2018	3.50%	\$1,379,448
2017	3.50%	\$1,370,914
2016	4.50%	\$1,651,446
2015	3.50%	\$1,255,482



Dividend Revenue compared to Property Tax

- Of the \$5,062,294 billed property tax for 2023, \$3,248,166 comes from 11,638 residential properties. An average of \$279.10 per home. This means that 64.16% comes residential and 35.84% comes from commercial properties.
- Of the \$2,005,026 dividend transfer from utility funds into the general fund 58.43% comes from residential customers while 41.57% from commercial properties.
- To get \$2M from property tax instead of from the utility funds the city's portion of the property tax rate would need to be increased by 39.5%. This would increase be an annual increase of \$110.24 a year.



Indirect Services: Other Fund's use of General Fund Services

Airport's Bill from Finance
Airport's Total Bill from Gen Fund
Total Amount to Gen Fund from Enterprise Funds

DEPARTMENT	TOTAL BUDGET	General Fund	Water Fund	Sewer Col Fund	WWTP Fund	Electric Fund	Airport Fund	Broadband Fund	Solid Waste Fund	Storm Drain Fund	TOTAL Enterprise
General Govt/ Admin	\$ 2,197,547	\$ 1,010,872	\$ 351,608	\$ 241,730	\$ 87,902	\$ 351,608	\$ 10,988	\$ 21,975	\$ 43,951	\$ 76,914	\$ 1,186,675
Percent	100%	46%	16%	11%	4%	16%	0.5%	1%	2%	3.5%	54%
Finance	\$ 962,120	\$ 471,439	\$ 144,318	\$ 67,348	\$ 38,485	\$ 134,697	\$ 4,811	\$ 19,242	\$ 19,242	\$ 62,538	\$ 490,681
Percent	100%	49%	15%	7%	4%	14%	0.5%	2%	2%	6.5%	51%
Legal	\$ 778,781	\$ 428,329	\$ 85,666	\$ 23,363	\$ 46,727	\$ 140,181	\$ 7,788	\$ 23,363	\$ 15,576	\$ 7,788	\$ 350,451
Percent	100%	55%	11%	3%	6%	18%	1.0%	3%	2%	1.0%	45%
IS	\$ 818,257	\$ 327,303	\$ 130,921	\$ 73,643	\$ 49,095	\$ 130,921	\$ 4,091	\$ 49,095	\$ 8,183	\$ 45,004	\$ 490,954
Percent	100%	40%	16%	9%	6%	16%	0.5%	6%	1%	5.5%	60%
Planning	\$ 654,517	\$ 281,442	\$ 104,723	\$ 52,361	\$ 6,545	\$ 52,361	\$ 3,273	\$ 52,361	\$ 52,361	\$ 49,089	\$ 373,074
Percent	100%	43%	16%	8%	1%	8%	0.5%	8%	8%	7.5%	57%
Engineering	\$ 2,727,484	\$ 272,748	\$ 927,345	\$ 272,748	\$ 190,924	\$ 463,672	\$ 13,637	\$ 81,825	\$ 54,550	\$ 450,035	\$ 2,454,735
Percent	100%	10%	34%	10%	7%	17%	0.5%	3%	2%	16.5%	90%
Facilities	\$ 1,169,476	\$ 701,686	\$ 105,253	\$ 58,474	\$ 11,695	\$ 70,169	\$ 0	\$ 70,169	\$ 11,695	\$ 140,337	\$ 467,790
Percent	100%	60%	9%	5%	1%	6%	0%	6%	1%	12.0%	40%
TOTAL	\$ 9,308,181	\$ 3,493,819	\$ 1,849,832	\$ 789,669	\$ 431,373	\$ 1,343,608	\$ 44,587	\$ 318,031	\$ 205,557	\$ 831,705	\$ 5,814,362
PERCENT	100%	38%	20%	8%	5%	14%	0.5%	3%	2%	8.9%	62%

2024 General Fund Headlines

Development Revenue and Expenses - State Auditor Alert

Fire & EMS Budget - There is continued need for full time staff. This is an EXPENSIVE and ONGOING need, not a one time expense.

Franchises taxes have been stagnating for years, but sales tax was strong. Sales tax has been flat for 10 months.

Community development and impact fee revenue has come down.

Fiesta Days and Festival of Lights are more popular than ever.



Capital Project Funds

Land Acquisition and Capital Building Fund

- Began the year with \$8.3M.
- Buildings and Grounds Shop is being built out of here.
- The library remodel to recreation office is also budgeted here.
- Receives its funds mostly from transfers from the general fund.
- Projected to end with \$5.2M.



Capital Project Funds

Recreation Center Fund

- The rec center will be built out of this fund.
 - Once operational the operations will run through the general fund.
- Transferred in \$2.05M from general fund (this includes revenue raised from the property tax increase).
- We will be issuing bonds in the next few months.
 - We will get a better rate if the debt is backed by sales tax than if we back the debt with the Local Building Authority.



Capital Project Funds

Parks Construction Fund

- Had \$3M to start the year.
- Budgeted for \$1.5M in impact fee revenue.
 - Part of this revenue stream goes to the construction and debt repayment of the rec center.
- \$343k in this fund goes to repay loan from power fund for the all-abilities park.
 - 1st of seven \$343k annual payments.
- Projected to spend \$3.2M.
 - Electric Park, Urban Forest, Power Line Park, and land purchase.
- Ending cash balance anticipated to be \$900k.



Special Revenue Funds

RAP Fund (Recreation, Arts, & Parks)

- Beginning Cash Balance = \$2.2M
- Projected Ending Cash Balance = \$2M
- RAP tax revenue had grown the past few years, but has flatlined (like sales tax) right at \$1.25M. Budgeted \$1.35M.
- Spent \$1.25MM on All-abilities Park over FY 2020 & FY 2021.
- Spending \$250k on each playground replacement.
- \$1M earmarked each year for Rec Center construction and then debt once construction is finished.
- There is a RAP Program Committee.
 - Granting money to both city programs and external parties.
- RAP Tax on a \$10 purchase is 1 penny.
- Some purchases are subject to sales tax, but not the RAP tax. About 85% of purchases subject to sales are also subject to RAP tax.
- Data tells us much more than half of sales tax is from outside of 84660.



Special Revenue Funds

LBA Fund (Local Building Authority)

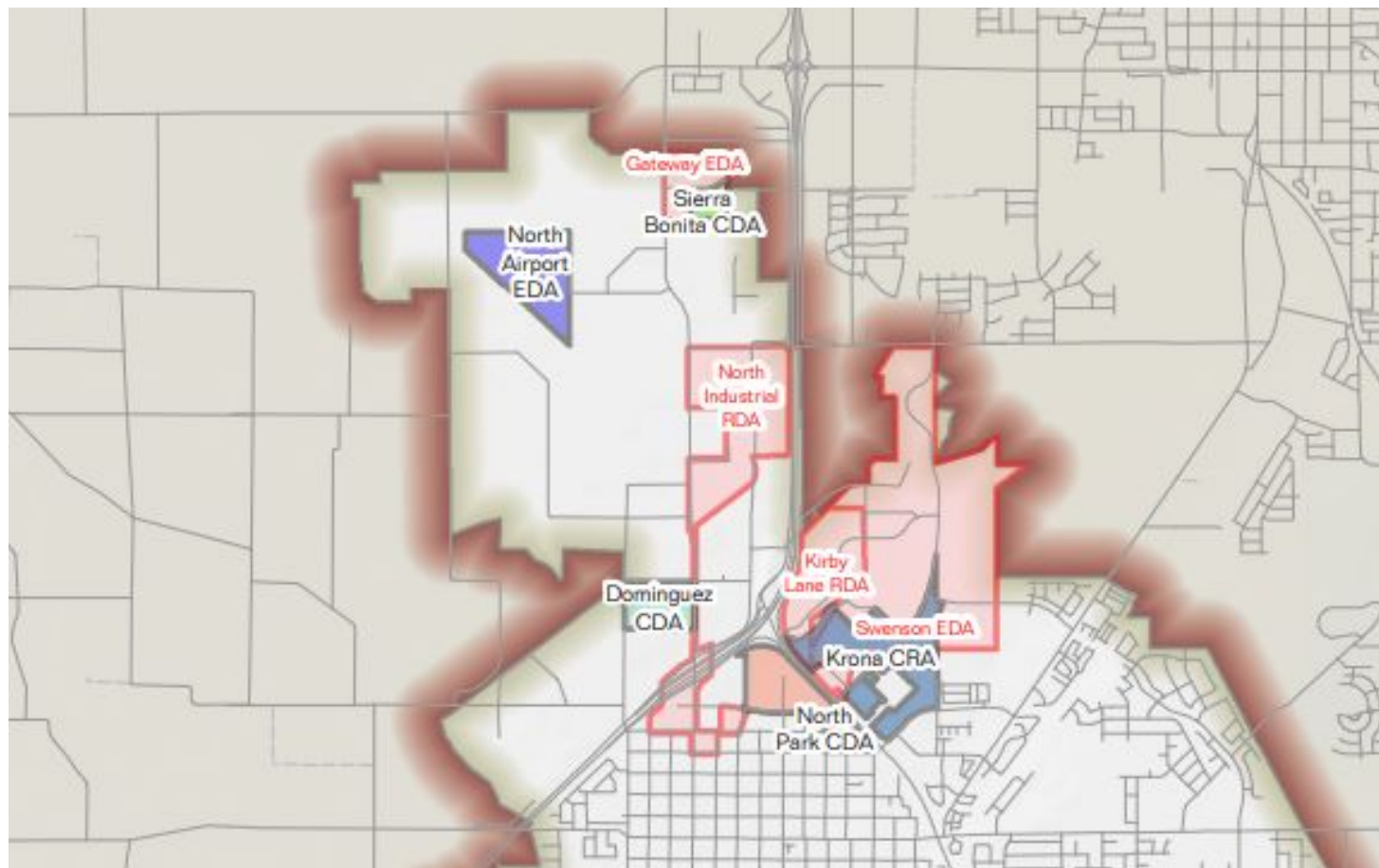
- Separate entity from the city.
- Separate board and separate budget.

Library Hall and SFCN Global Headquarters being built and financed out of this fund.

- Issued \$20.12M in bonds in January 2021 for Library Hall construction.
 - 1.69% Interest Rate
- Issued \$12M in bonds in May 2022 for SFCN.
 - 3.73% Interest Rate
- Will receive \$1.2M lease payment from the city to fund the \$1.2M debt payment on Library Hall.
- 70% or \$840k from Library and 30% or \$360k from Enterprise Funds.
- Will receive about \$800k lease annually from SFCN fund to pay the SFCN debt.



Map of RDA Areas



Redevelopment Agency Fund

North Industrial Project Area

- Began the year with \$2.1M in cash.
- Budgeted \$1.8M in capital expenses for work near the airport.



Redevelopment Agency Fund

Sierra Bonita Project Area

- Agreement with Young Living from 2018 to 2027 for 65% of property tax increment.
- This fund is simply a pass through, so no cash stays in this fund. As soon as the tax increment comes in it goes out the door.
- Check started at \$48k a year and is now up to \$80k a year.



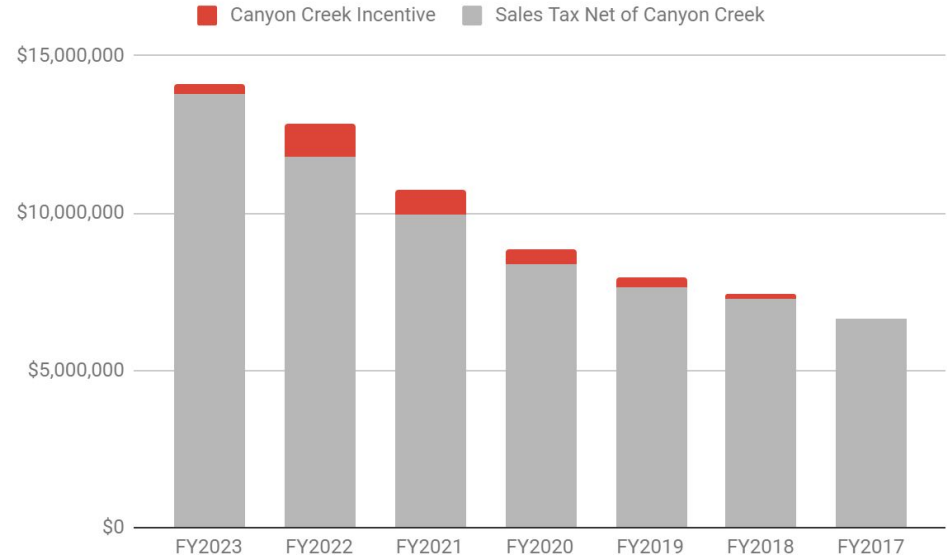
Redevelopment Agency Fund

Year	Sales Tax Received	Sales Tax Net of Canyon Creek	Canyon Creek Incentive
FY 2023	\$14,125,000	\$13,802,321	\$322,679
FY 2022	\$12,839,769	\$11,789,840	\$1,049,928
FY 2021	\$10,731,036	\$9,933,953	\$797,083
FY 2020	\$8,850,164	\$8,387,482	\$462,681
FY 2019	\$7,976,261	\$7,641,009	\$335,252
FY 2018	\$7,434,913	\$7,279,929	\$154,984
FY 2017	\$6,633,219	\$6,633,219	\$0
			\$3,122,609
Red Numbers are Projections			

Krona Project Area

- Canyon Creek Agreement
 - Last year cut final check to Woodbury for \$290k for their share of Canyon Creek sales tax.

1st Year	100.00%
2nd Year	95.00%
3rd Year	90.00%
4th Year	85.00%
5th Year	80.00%



Redevelopment Agency Fund

Krona Project Area

- \$3M Target Agreement
 - They get 70% of their sales tax dollars.
 - They get 50% of the property tax increment the building generates.
 - They get 50% of the utility bill reimbursed.
 - Once they hit \$3M in total incentives or 10 years it stops.



Redevelopment Agency Fund

RDA Housing

- State law requires 10% of tax increment generated by RDAs to go towards affordable housing.
- Projected to have \$370k at the end of the year.
 - Is this enough to buy even one house in Spanish Fork?



Redevelopment Agency Fund

RDA Administration Fees

- The city is able to assess a fee for the cost of administering redevelopment.
- Projected to have \$214k at the end of the year.



Analyzing Enterprise Fund's Cash Balance

Resident's don't know what the cash balances are, but they DO care about the rates and their utility bill.

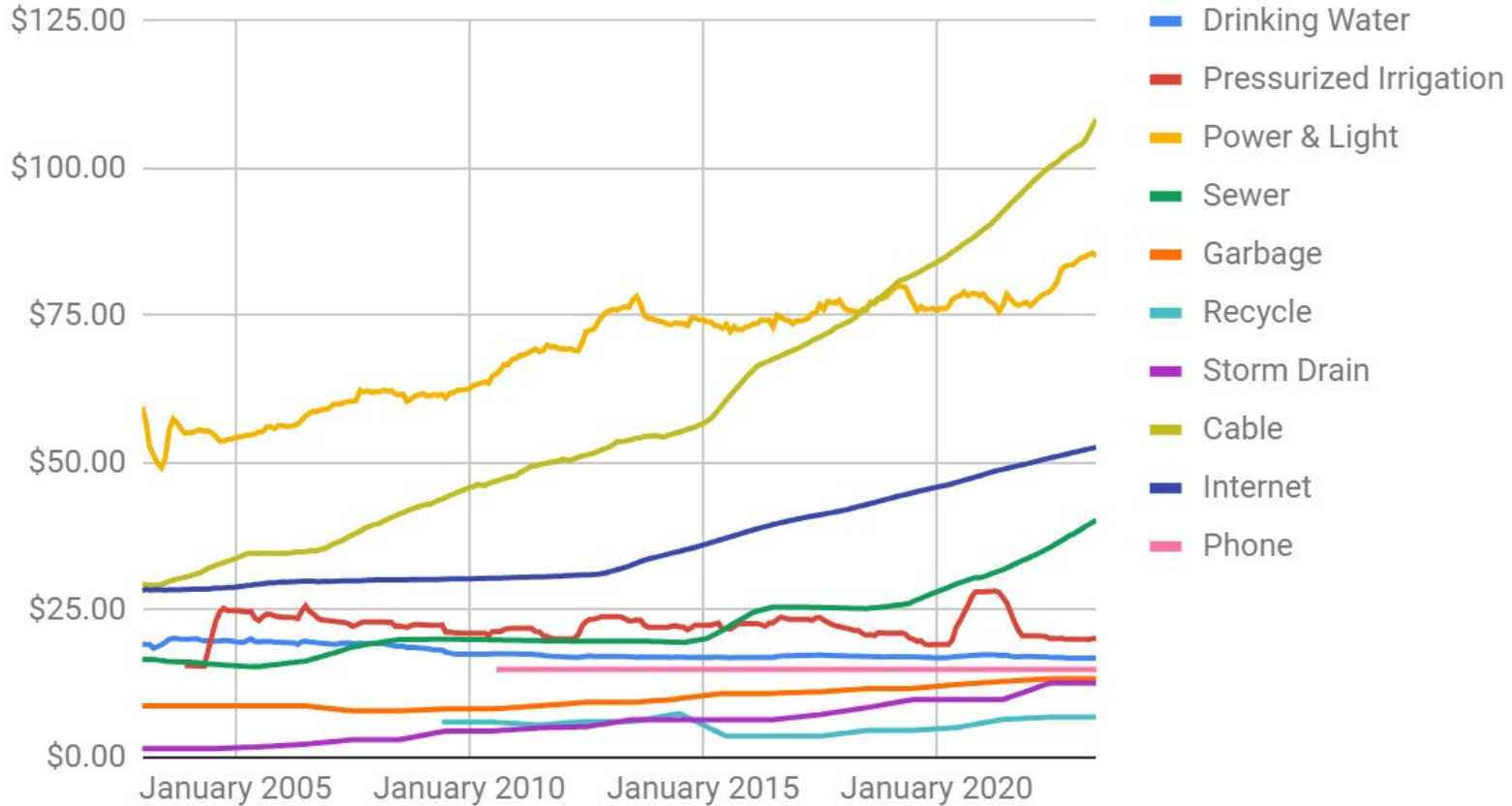
- The city is able to assess a fee for the cost of administering redevelopment.

The staff and elected officials need to be focused on cash balances and the amount of debt.

- The amount of cash and debt in a fund dictates what rates need to be.

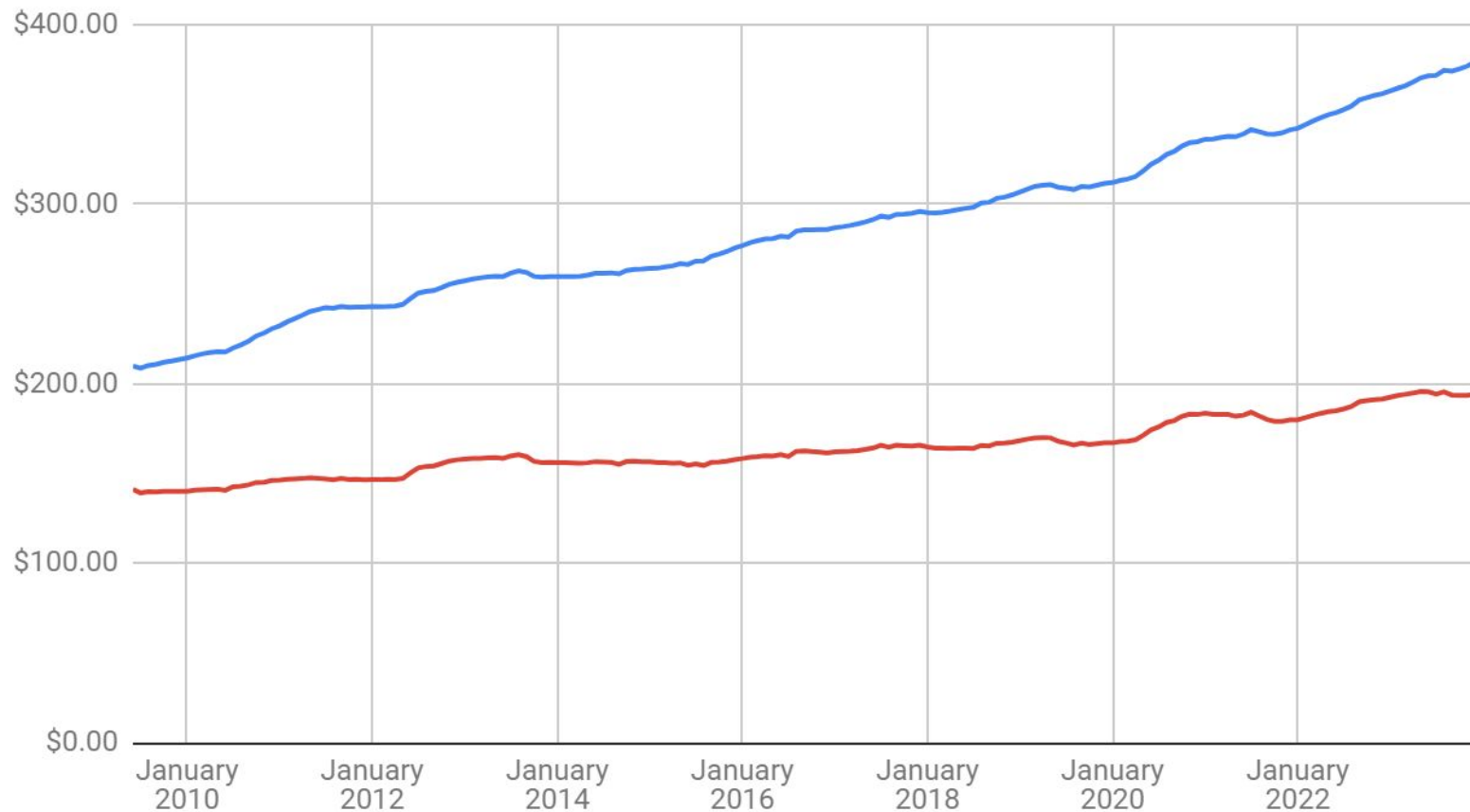


Rolling 12 Months Average Bills Per Residential Customer



What stories does this chart tell?

Rolling 12 Months Avg. Total Utility Bill Rolling 12 Months Avg. Total Utility Bill w/o SFCN Services



— Total — Electric — Sewer — Garbage — Recycle
— Drinking Water — Pressurized Irrigation — Storm Drain
— TV Service — Phone — Internet

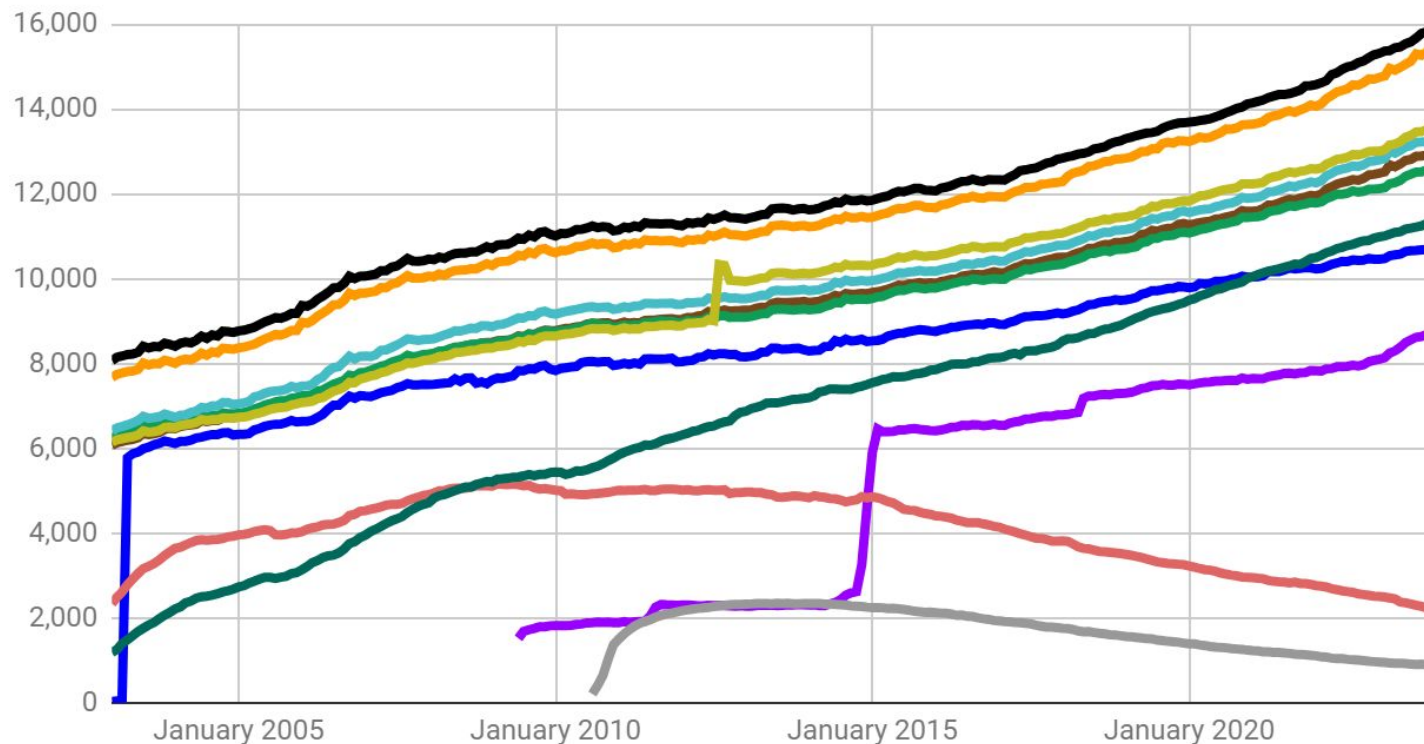
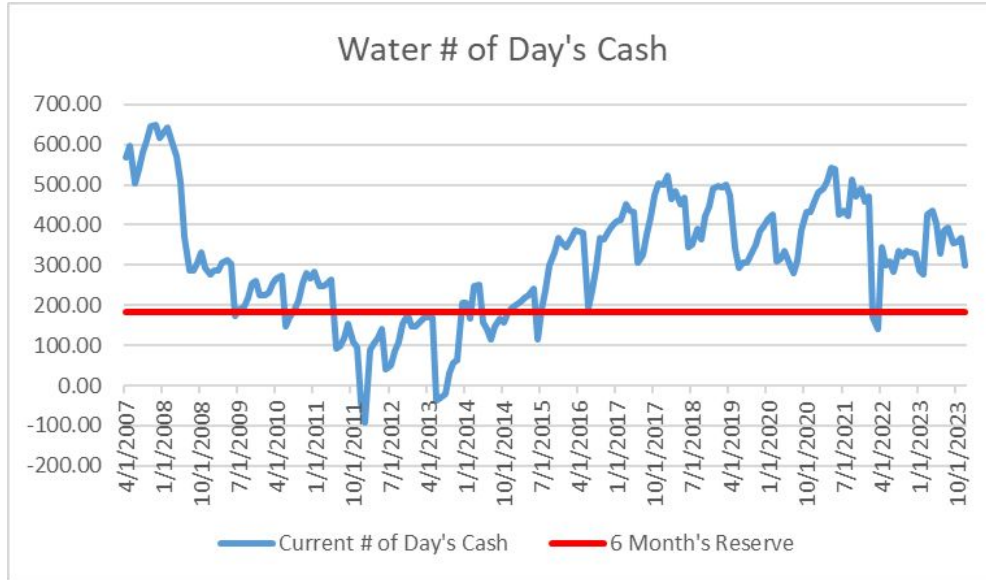


Chart shows
number of
customers.

What stories
does this
chart tell?

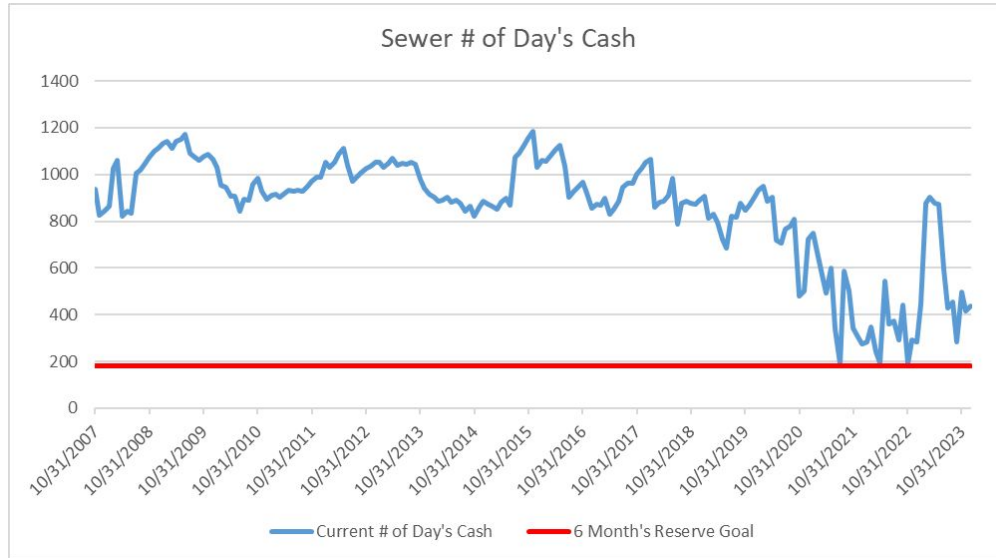
Enterprise Funds



Water Fund

- Beginning cash was \$6.1M.
- Ending cash projected to be \$6.2M or 292 days of cash.
- Both drinking water and pressurized irrigation services are in this fund.
- Cash is volatile due to capital expenses, but we haven't raised water or PI rates in 20 years.
- This is due in large part to our willingness to issue debt.
- Debt allows you to smooth out rate increases and sometimes avoid them altogether.
- Debt also makes the generation that benefits from the project pay for it.

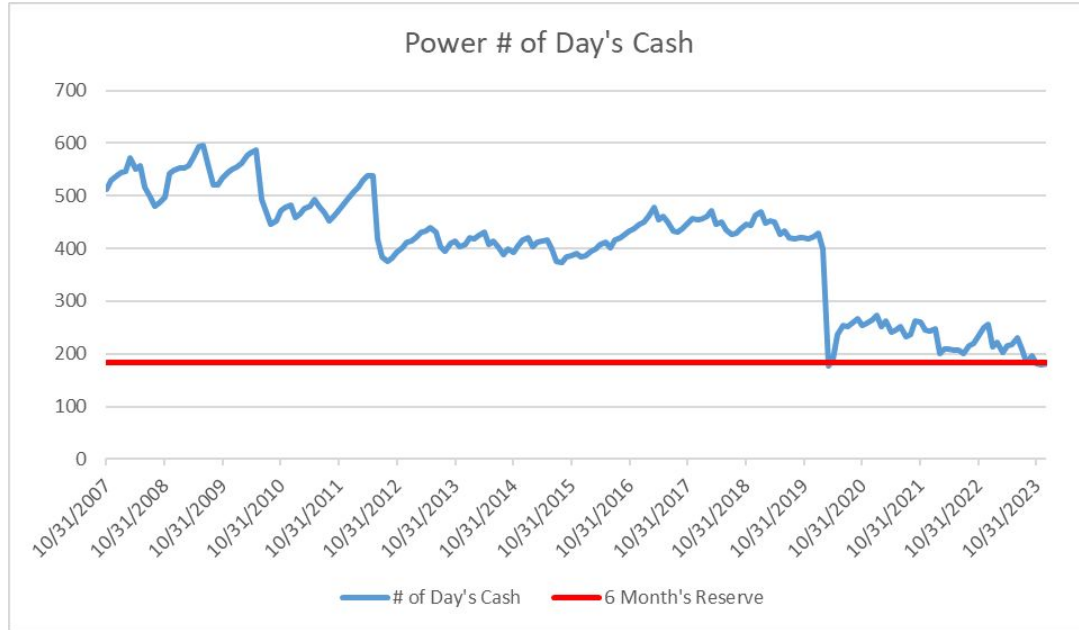
Enterprise Funds



Sewer Collection and Plant Funds

- Beginning operating cash was \$12.6M.
- Ending operating cash projected to be \$12M or 437 days of cash.
- One fund, but two divisions (collections and plant).
- \$3M left from 1st bond issuance.
- Received \$5M ARPA grant from the County.
- Received \$7M ARPA grant from the Division of Water Quality.
- Mapleton is a part of owner of the plant, debt, and grants. They contribute to both operating and capital expenses.
- Plan to issue 2nd round of debt in next few months.

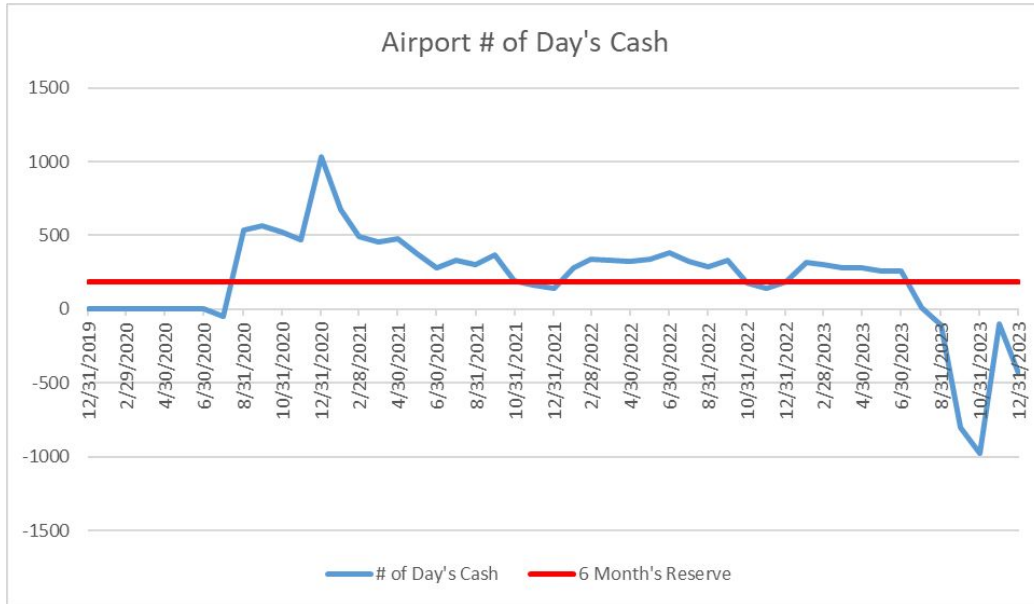
Enterprise Funds



Power Fund

- Beginning cash was \$19M.
- Ending cash projected to be \$14.9M or 167 days of cash.
- Has been the city's cash cow:
- Has made the debt payments on the justice center debt for 16 years with 4 years remaining.
- Gifted \$9MM to the Storm Drain Fund in FY 2020.
- Has IOU's from the General Fund for \$2.15M spent on the Adventure Heights Park & the SFCN Fund for \$1M.
- The capacity for giving cash to other funds has decreased.

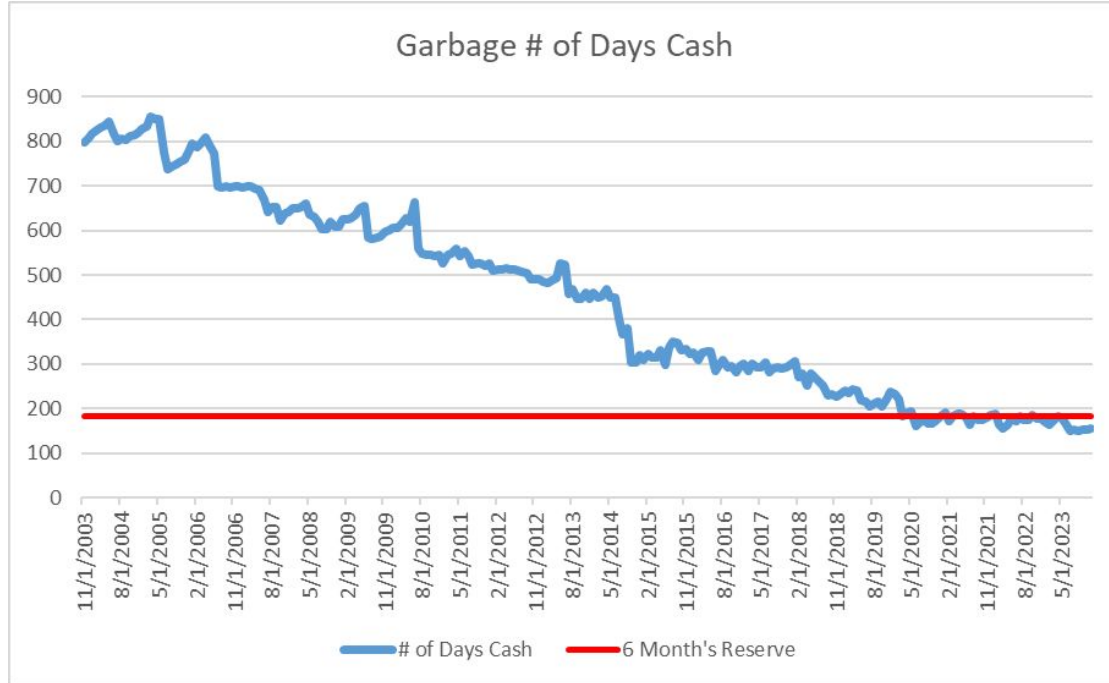
Enterprise Funds



Airport Fund

- Beginning cash was \$326k.
- Ending cash projected to be \$377k or 325 days of cash.
- Moved the airport from the general fund to an Enterprise Fund in FY 2021.
- Operating expenses are minimal.
- Capital expenses are funded primarily through grants.
- Transferring \$95k a year from the general fund. Was \$105k last year.
- Doesn't pay a dividend.
- Cash balance can fluctuate wildly due to grant reimbursement timing.

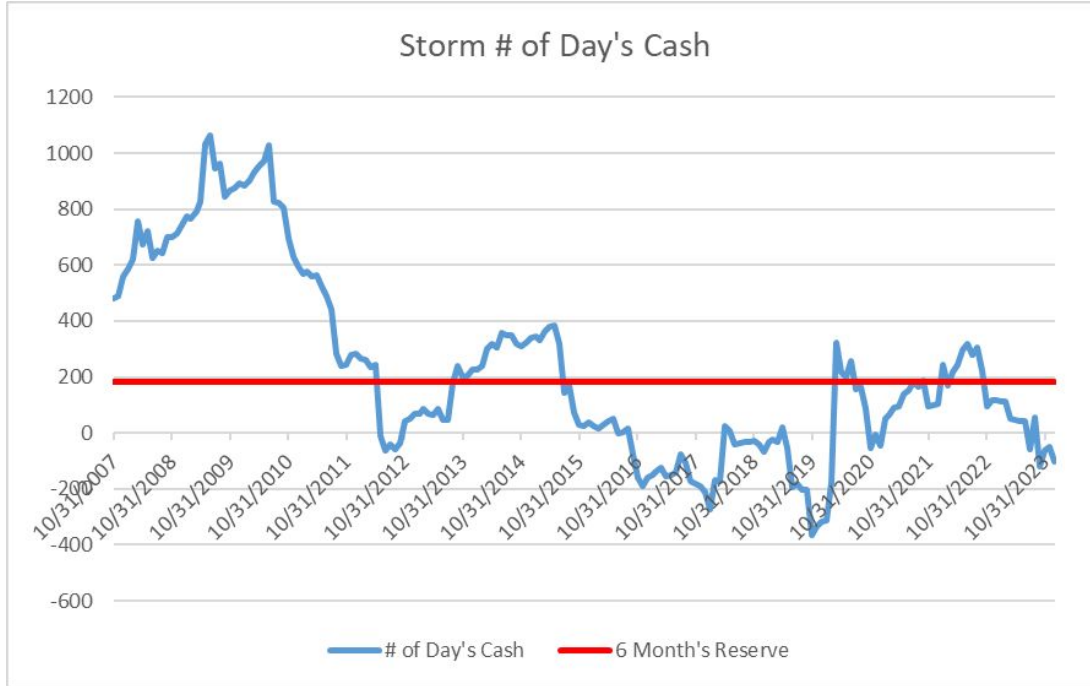
Enterprise Funds



Garbage Fund

- Beginning cash was \$1.4M.
- Ending cash projected to be \$1.4M or 154 days of cash.
- We don't need 800 days cash, but we do need to stay around 180 days.
- \$2.6M of the \$3.5M budgeted expenses are outsourced. Collection fees (Republic Services) and transfer station fees (South Utah Valley Solid Waste District).
- Very predictable expenses (no capital) and revenues.

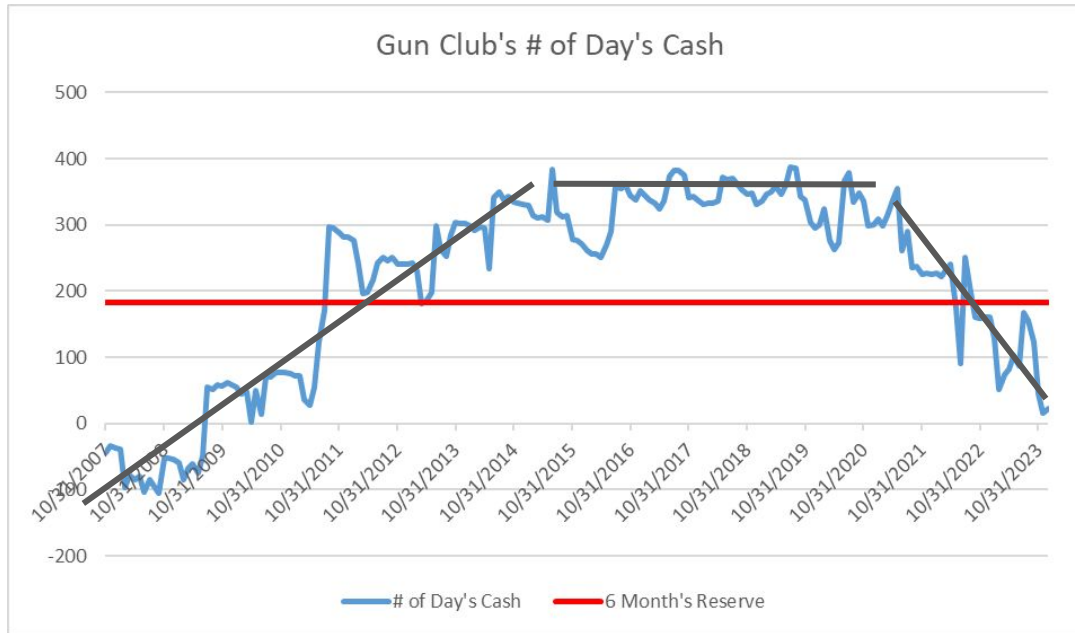
Enterprise Funds



Streets & Storm Drain Fund

- Beginning cash was \$1.2M.
- Ending cash projected to be \$2.5M or 137 days of cash.
- Operating expenses budget is \$6.7M.
- Capital expenses budget is \$15.7M. Expensive, but traffic is number 1 resident complaint.
- Grant revenue budget is \$10M.
 - We often have to front millions of dollars and wait to be reimbursed.
- Transferring in \$500k from the General Fund each year.

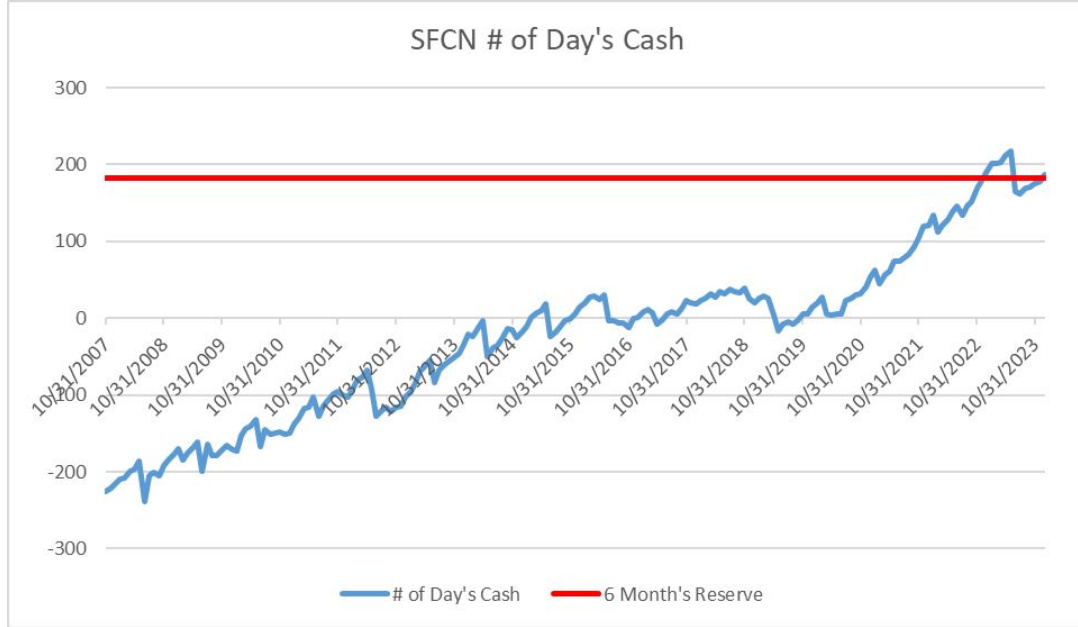
Enterprise Funds



Gun Club Fund

- Beginning cash was \$74k.
- Ending cash projected to be \$20k or 45 days of cash.
- The tiniest fund.
- Needs to change course.
- Budgeted to make \$27k in operations this year, but so far has lost \$53k.

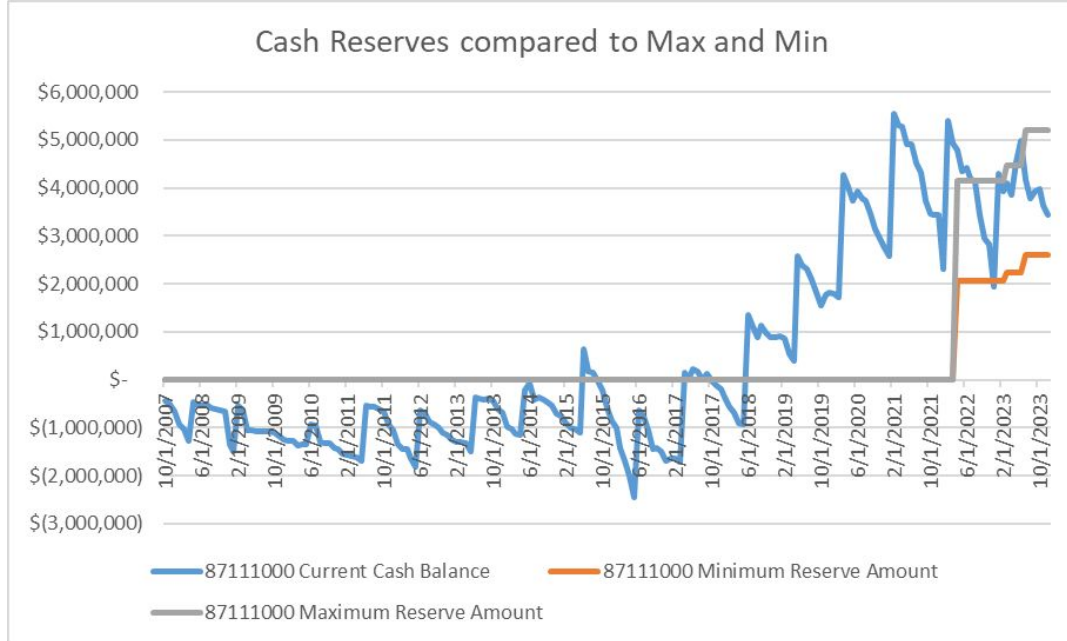
Enterprise Funds



SFCN Fund

- Beginning cash was \$4.2M.
- Ending cash projected to be \$3.5M or 123 days of cash.
- Increased cash while doing the FTTH project and a fiber ring.
- Paid \$1M to the power fund last year and another \$1M this year.
- Will make the debt payment on building.
- Continues to add internet customers and lose cable and phone customers.
- All signs point to a bright future due to internet service.

Internal Service Fund



Motor Pool Fund

- Beginning cash was \$4.9M.
- Ending cash projected to be \$3.6M.
- Goldilocks range for cash is the five year average of vehicle purchases as a minimum and double that number for the maximum.
- This fund can't make or lose money over the long run.
- If cash is too high or low we will slightly increase or decrease leases from divisions.

City Debt

Principal Portion	Financing Fund	Financing Source	Project	Interest Rate	Annual Payment	# of Years	Status	Principal
Sales Tax 2007 (Net of State)	Electric & Gen. Fund	≈700k from Electric, ≈200k from GF Taxes	Justice Center	Was 4.6%, Now 2.56%	≈900k	20	Ends in FY2027	\$11,234,600
Water Series 2011	Water	Water Revenue	Water Projects	1.87%	≈120k	20	Ends in FY2032	\$2,040,000
Sewer Series 2020 (Net of Map.)	Sewer	Sewer Revenue	New Sewer Plant	1.68%	≈4M	20	Ends in FY2041	\$57,390,000
Water Series 2020	Water	Water Revenue	Water Projects	1.71%	≈890k	17	Ends in FY2037	\$10,685,000
LBA 2021 - Library Hall	Gen. Fund & E Funds	≈840k from GF Taxes, ≈360k from E Funds	Library Hall	1.75%	≈1.2M	20	Ends in FY2041	\$20,120,000
LBA 2022 - SFCN Building	SFCN	SFCN Revenue	SFCN Building	3.73%	≈800k	20	Ends in FY2042	\$12,000,000
Water to Golf Loan	Gen. Fund	Golf Profits	Golf Irrigation System	1.75%	≈230k	10	Ends in FY2032	\$2,100,000
Power to Parks Loan	Gen. Fund	Rec Impact Fees	All-Abilities Park	1.75%	≈345k	10	Ends in FY2030	\$2,244,923



Should the city save up and pay cash for large projects or issue debt?

Intergenerational Equity:
Taxpayers should get what
they pay for, and pay for
what they get.

By the time the city saved
up enough money to pay
cash for a rec center, those
that saved for it wouldn't
be able to benefit from it.



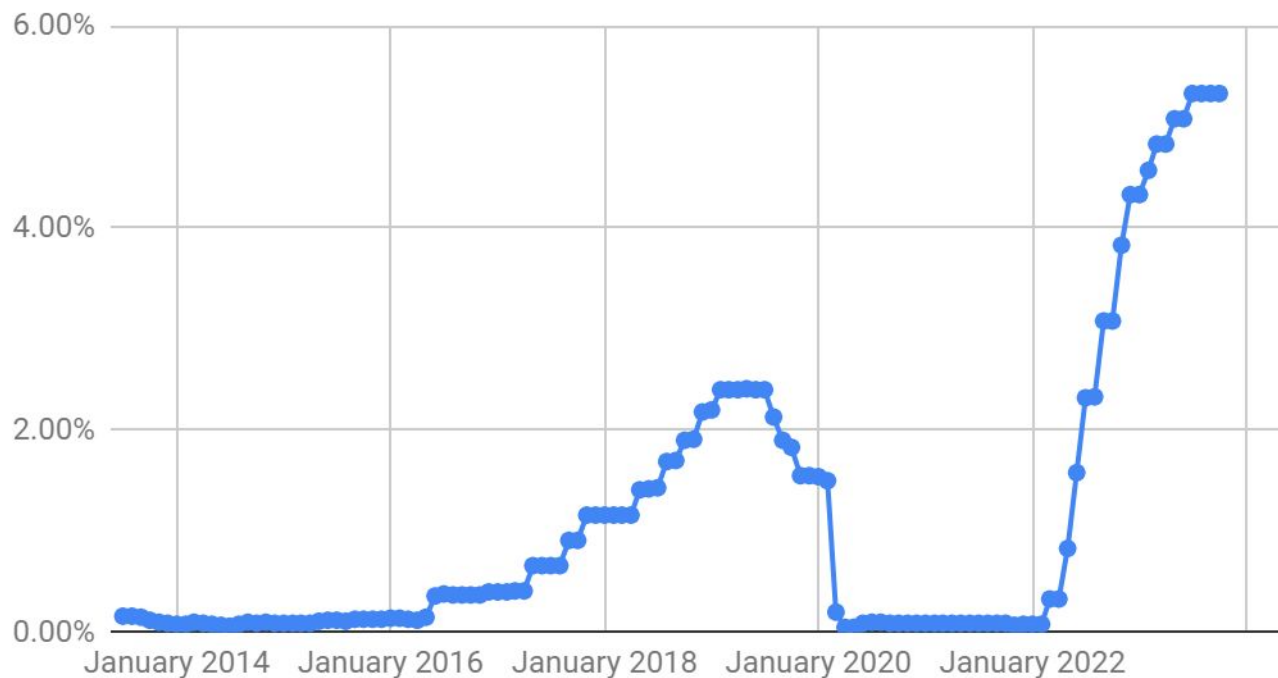
When you invest you can avoid having to time the market by spreading out your investment over time. Not the case with debt. You generally get one shot at it. Similar to locking in your mortgage interest rate.



When to issue debt?

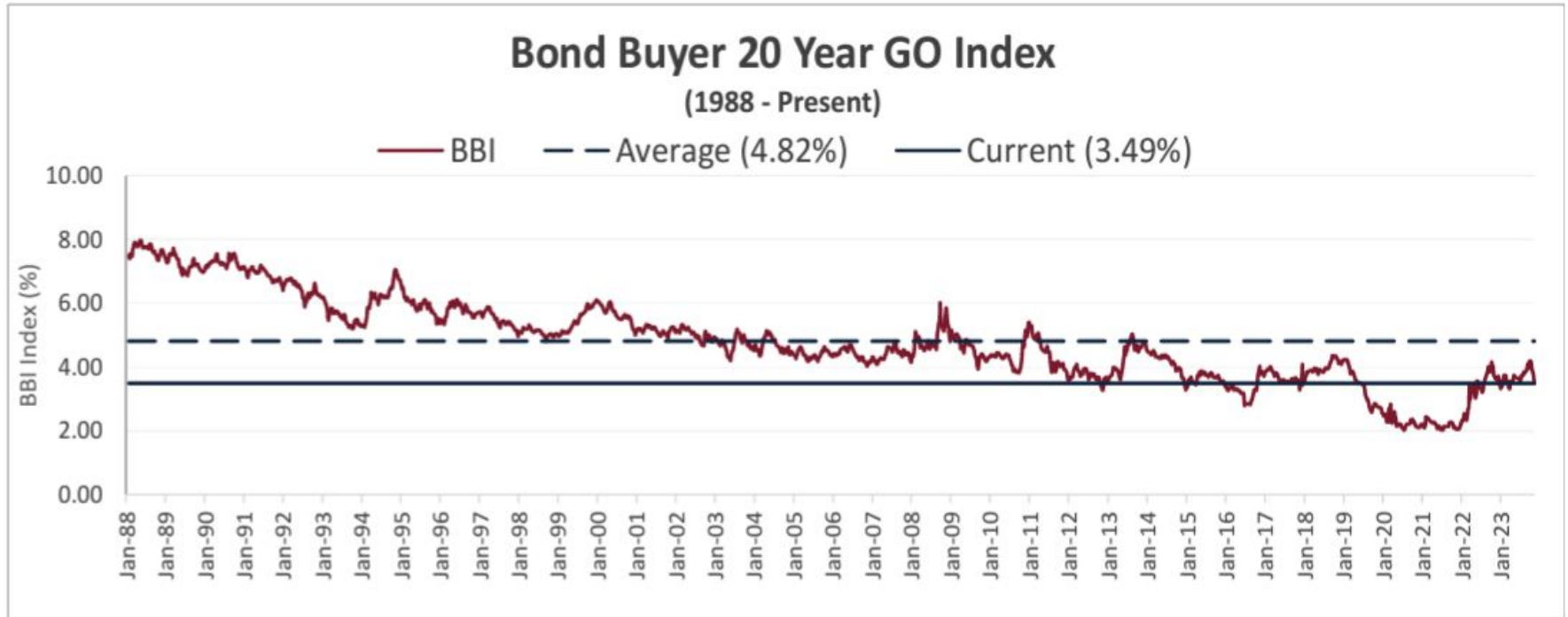
- Bond rates tend to be heavily influenced by the Federal Reserve rate.
- Inflation is getting under control.

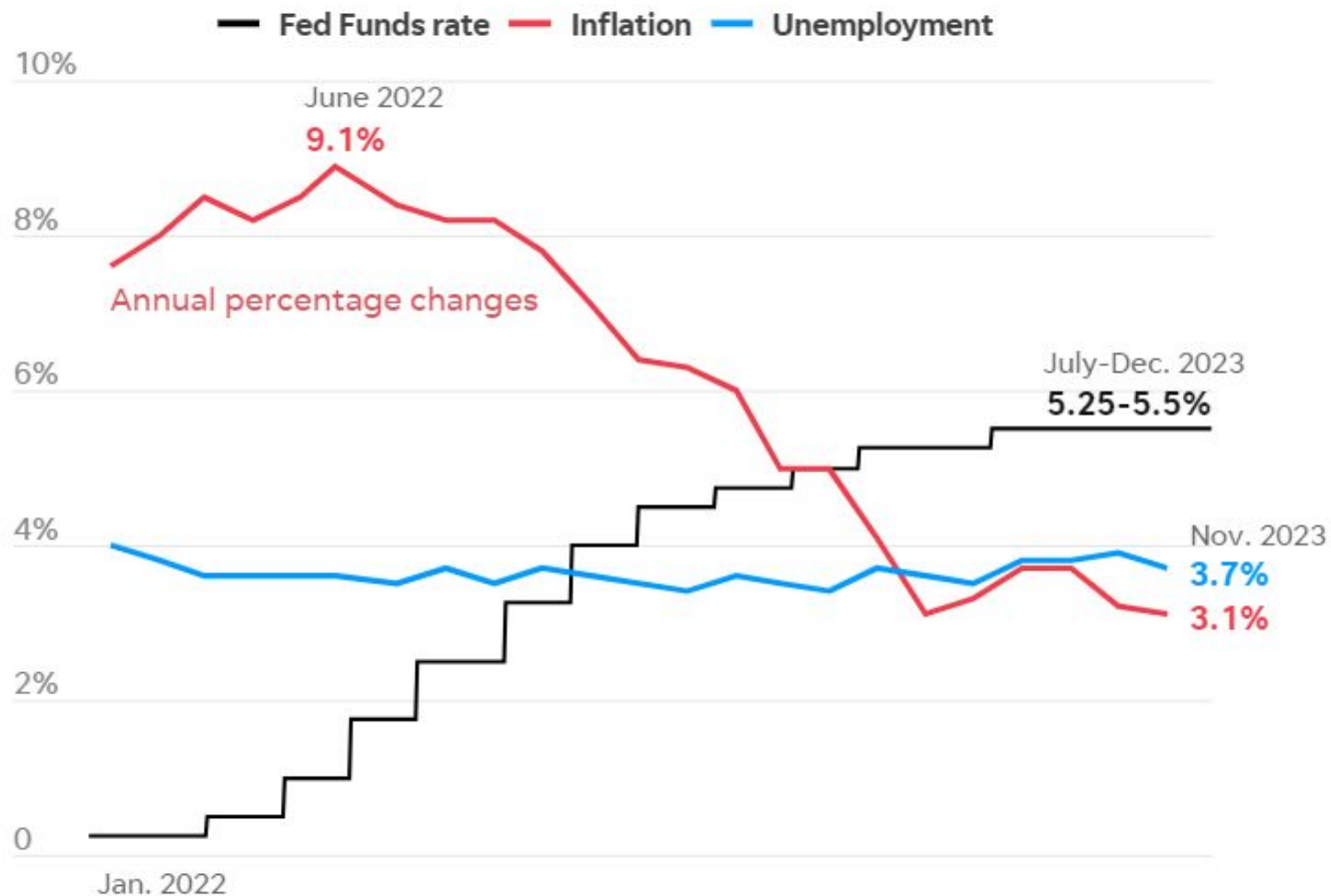
The Fed Rate



When to issue debt?

- There is a risk to waiting, rates could go up.
- There is a risk to not waiting, rates could go down.
- Similar to locking in your mortgage rate.





SOURCE Bureau of Labor Statistics, Federal Reserve

The Fed's December Dot Plot



Source: Bloomberg

Bloomberg