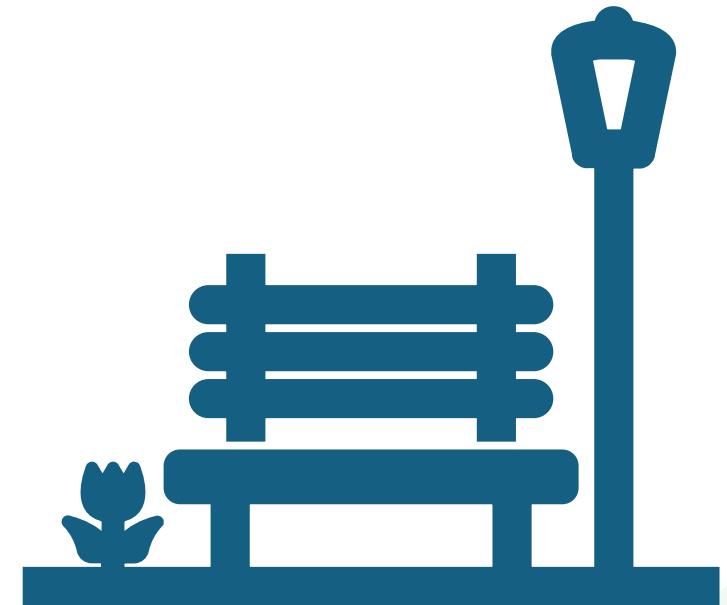


Clearfield City | April 30, 2024  
Draft Fiscal Year 2025 Budget  
General Discussion & Review

# Tonight

- Latest Intel / Updates
- Water and Sewer
- Questions to Answer
- Review
- CDRA



# Future Meetings

- May 7 – General discussion & review (cancel?)
- May 14—Review & Adopt Tentative Budget (mandatory)
  - *Additional modifications can be made after adoption of Tentative Budget*
- 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

# Latest Intel / Updates

# New Info / Updates Since Last Discussion

- Dispatch fees (to Layton) are \$71k higher than draft budget
  - 25% of increase is due to call volume calculation (i.e. we're busier than we used to be)
  - 75% is due to increasing operational costs
- New chiller won't arrive until late July ☹
  - Renting a portable chiller would cost about \$53k (May – August)

# MOC Phase 3

- \$7.5M project budget (was \$5.3M in FY22)
  - \$1.5M each from Streets, Water, Sewer, Stormwater, and Garbage
- Bids opened last week
  - Even with value engineering, we are still about \$3M short
  - This scope does include the vehicle storage building, which was originally intended as part of Phase 4
    - Removing this building from the scope would save some (and cost more in other ways), but would not make up the shortfall
  - Staff continues to evaluate the situation and options; more in-depth work session discussion planned for future date
  - If we proceed with the project now, we will need an extra \$560k from each funding source (\$2.06M each; \$10.3M total)

# Water and Sewer

—

# Cash, Rates, Bonding and Projects

# Questions to Answer

# Questions to Answer

- Truth in Taxation/Rate
- Personnel
  - Compensation
  - New staff requests currently not funded
  - Medical insurance cost sharing modification
- Begin process now for meter replacement project
- Water & Sewer
  - Rates
  - Delay
  - Borrow
- Recycling & Second Can subsidy
- Christmas décor at City Hall
- Renovation of dispatch space \$200k
- Anything in the budget you would like modified, postponed, cut, and/or added?

# General Fund Revenues Property Tax Rates

Rate	Added Revenue	Average Household Monthly Increase	Average Household 1 year Increase
.001202	\$178k	.61	\$7.34
.00125	\$303k	1.45	\$17.40
.0013	\$433k	2.32	\$27.88
.0014	\$700k	4.07	\$48.84

Consensus  
comfort  
level?

# Compensation

- Pay plan increase FT average 8.5%
  - FT increase \$1.1M - \$150k to enterprise funds
  - PT increase \$300k
  - Allocated more to streets and less from enterprise funds
- Medical insurance increase - \$115k
  - 4.7% at 85/15
  - 6% at 90/10 with higher deductible plan offering (third menu option)
- URS
  - Rates went down for Tier 1 & 2
  - Increase Tier 2 Public Safety pickup from 2.59% to 4.73%
  - Mandatory employee contribution of .7% for Tier 2 (Public Employee Hybrid only)

New law (SB 91) requires a public hearing before final budget approval of compensation increases for “executive municipal officers.”

# New Staff Requests

2 FT Police Officers — \$108k each

- $2 \times \$108k = \$216k$  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

# New Staff Requests

## Options

- Higher property tax rate
- Increase % unspent number (\$220k per 1%)
- Reduce operational expenses
- Partially fund staff requests
  - Wait for future growth revenue to catch up to actual growth

# 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

In flux

Previous indication from City Council  
was to move this to \$16.75

# Review

# Measures of Security and Sustainability

## Security

Available General Fund cash by the end of FY25 is 17.3% of revenues

Available General Fund cash by the end of FY25 is 62 days of operating expenses; above the target of 2 months

## Sustainability

General Fund Ongoing Revenue minus Operating Expense has a net deficit of \$30k

Rich will need to update these calculations with the latest information and decisions

# Measure of Sustainability

Rich will need to update this calculation with the latest information and decisions:

- Dispatch fees
- Chiller
- MOC
- Projects delayed
- Staffing requests
- Tax rate
- Etc.

General Fund-Budget Net Ongoing Rev & Exp	
<b>Sources</b>	
Revenues	\$23,098,187
Transfer In	\$1,402,666
Non-Operating Revenues	(\$1,699,683)
<b>Total Operating Revenue</b>	<b>\$22,801,170</b>
<b>Ongoing Expenditures</b>	
Personnel	\$15,897,623
Materials & Services	\$6,132,603
Debt	\$1,460,161
3% Unspent Operations	(660,907)
<b>Total Ongoing &amp; Debt</b>	<b>\$22,829,480</b>
<b>Net Ongoing</b>	<b><u><u>(\$28,310)</u></u></b>

## General Fund-Budget Summary

# Measure of Security

GFOA Recommendation –  
Maintain unrestricted fund balance  
of no less than two months of  
regular general fund operating  
expenditures.

**2 months of operating expense =  
\$3.98M**

**Amount above 2-month Operating  
Expense = \$72k  
Or 62 days cash**

### Sources

Revenues & Transfers In	\$24,500,853
Use of Restricted	440,000
<b>Total Sources</b>	<b>\$24,940,853</b>

### Expenditures

Personnel	\$15,897,623
Materials & Services	6,132,603
Debt	1,460,161
<b>Total Operating &amp; Debt</b>	<b>\$23,490,387</b>

One-time Operations Expense	\$375,000
Capital	5,984,094
<b>Total One-Time Expenses</b>	<b>\$6,359,094</b>

### Total Expenditures

<b>Total Expenditures</b>	<b>\$29,849,481</b>
<b>Use of Available Reserves</b>	<b><u>(\$4,908,628)</u></b>

Est Beg Unrestricted Balance	\$9,842,015
End Unrestricted Fund Balance	\$3,986,954
Unrestrctd % of Revenues	17.3%

Rich will  
need to  
update this  
calculation  
with the  
latest  
information  
and  
decisions:

- Dispatch fees
- Chiller
- MOC
- Projects delayed
- Staffing requests
- Tax rate
- Etc.

# Questions to Answer

- Truth in Taxation/Rate
- Personnel
  - Compensation
  - New staff requests currently not funded
  - Medical insurance cost sharing modification
- Begin process now for meter replacement project
- Water & Sewer
  - Rates
  - Delay
  - Borrow
- Recycling & Second Can subsidy
- Christmas décor at City Hall
- Renovation of dispatch space \$200k
- Anything in the budget you would like modified, postponed, cut, and/or added?

End