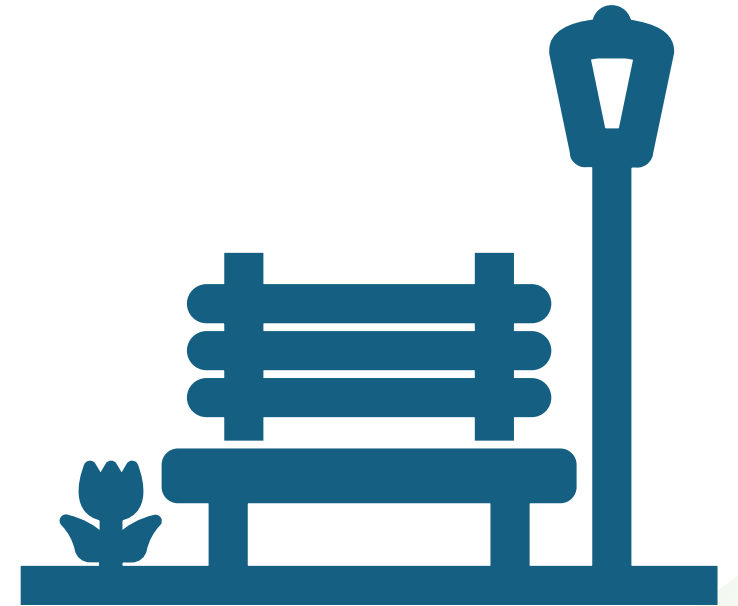


Clearfield City | April 30, 2024
Draft Fiscal Year 2025 Budget
General Discussion & Review

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

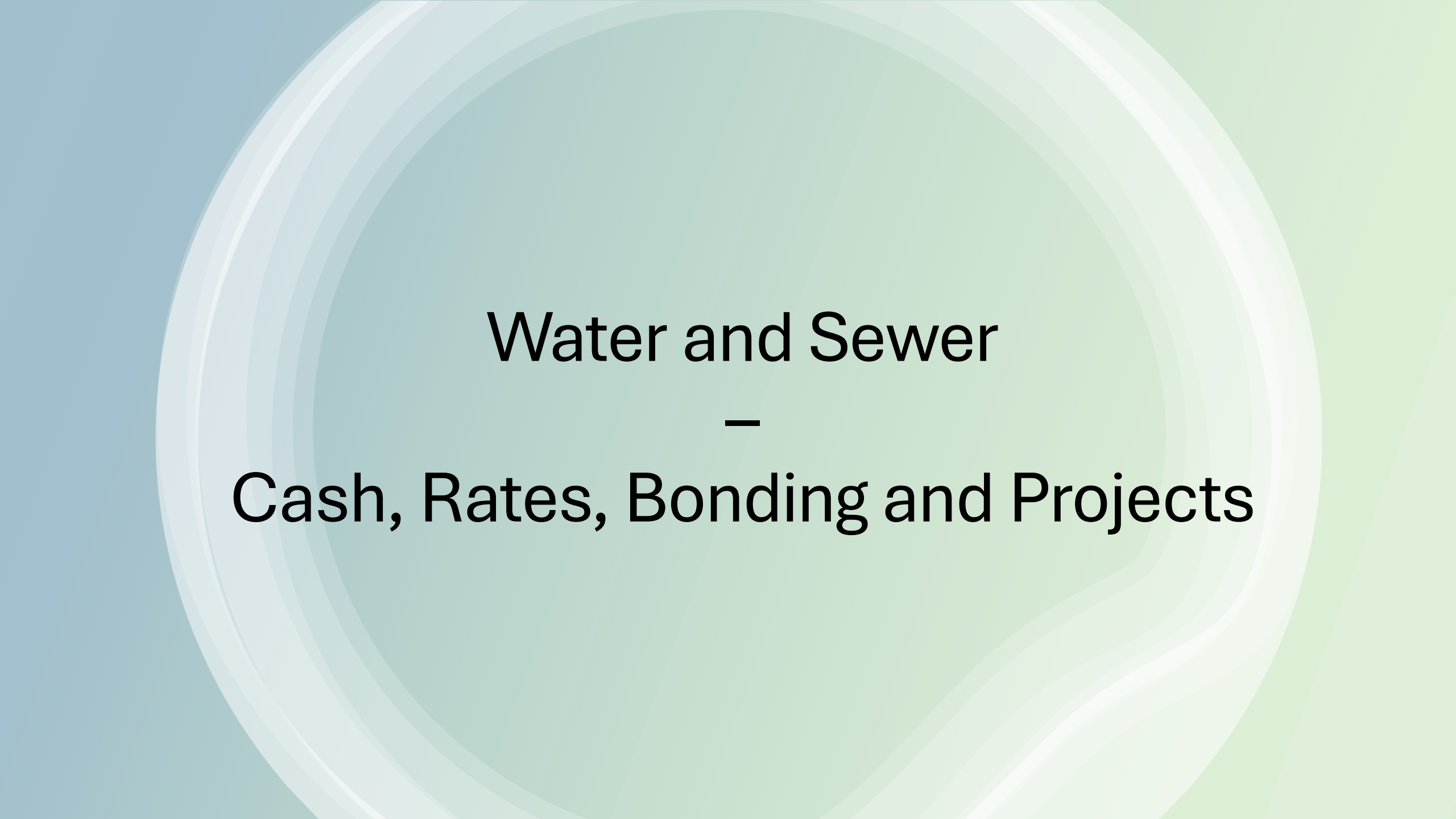
Latest Intel / Updates

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 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

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

- In flux
- 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

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

Sources

Revenues	\$23,098,187
Transfer In	\$1,402,666
Non-Operating Revenues	(\$1,699,683)
Total Operating Revenue	\$22,801,170

Ongoing Expenditures

Personnel	\$15,897,623
Materials & Services	\$6,132,603
Debt	\$1,460,161
3% Unspent Operations	(660,907)
Total Ongoing & Debt	\$22,829,480
Net Ongoing	<u>(\$28,310)</u>

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


General Fund-Budget Summary	
Sources	
Revenues & Transfers In	\$24,500,853
Use of Restricted	440,000
Total Sources	\$24,940,853
Expenditures	
Personnel	\$15,897,623
Materials & Services	6,132,603
Debt	1,460,161
Total Operating & Debt	\$23,490,387
One-time Operations Expense	\$375,000
Capital	5,984,094
Total One-Time Expenses	\$6,359,094
Total Expenditures	\$29,849,481
Use of Available Reserves	<u>\$(4,908,628)</u>
Est Beg Unrestricted Balance	\$9,842,015
End Unrestricted Fund Balance	\$3,986,954
<u>Unrestrctd % of Revenues</u>	<u>17.3%</u>

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End