



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. The City has budgeted 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 a 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	\$ 353,000	3.1 %
From the Sewer Fund to the General Fund	\$ 155,025	0.2 %
From the Power Fund to the General Fund	\$ 1,335,000	3.2 %
From the Storm Drainage Fund to the General Fund	\$ 25,000	0.1 %
From the Solid Waste Fund to the General Fund	\$ 50,000	1.4 %
From the Broadband Fund to the General Fund	\$ 450,000	4.2 %

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 this transfer is as follows:	Dollar Amount	% of Expenditures
From the Power Fund to the Debt Service Fund	\$ 681,500	1.7 %

A public hearing will be held on Tuesday, June 4, 2024 at 6 p.m. at the City Council Chambers, located at 80 South Main Street, Spanish Fork, Utah. The public hearing will be to discuss the proposed dividend transfers in the Fiscal Year 2025 Budget. The fiscal year begins July 1, 2024 and ends June 30, 2025.

Thank you for your support and involvement as a utility customer of Spanish Fork.



