



BUDGET POLICY POINTS



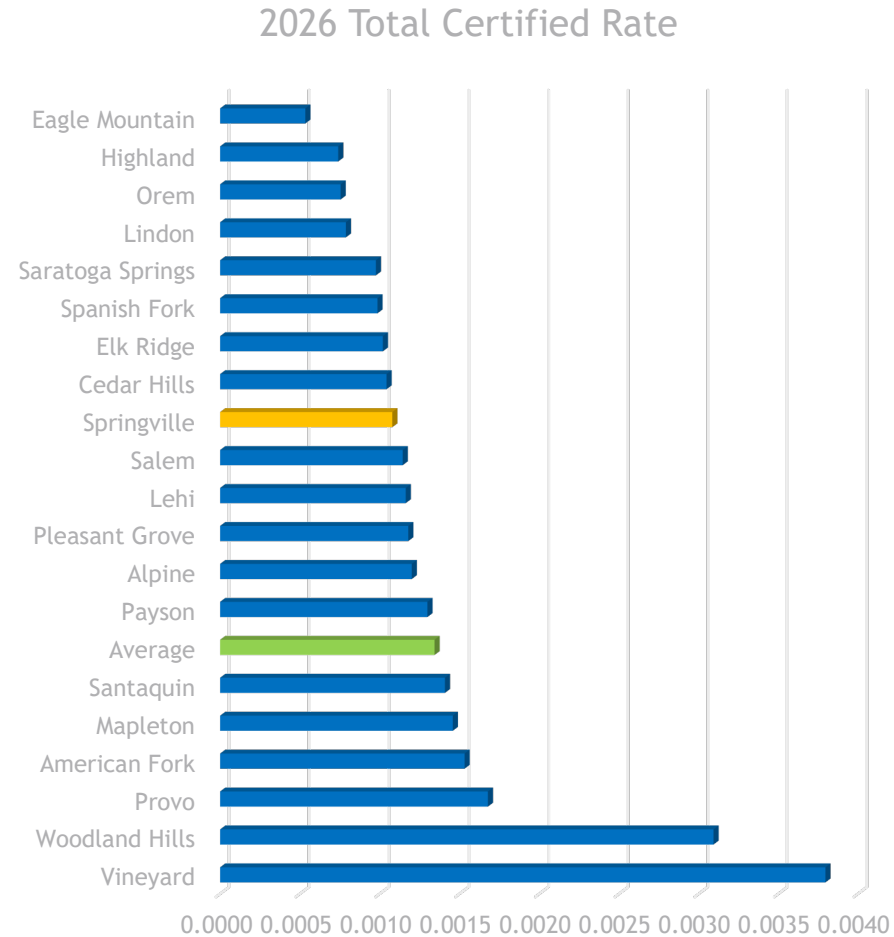
BUDGET POLICY POINTS

- Property Tax Increase
- Utility Rate Increases
- Reserve Targets
- Enterprise Fund Operating Transfer Rates
- Cost Recovery Levels
- 2% for the Arts Program
- Tier II Pension Payments



PROPERTY TAX INCREASE

- Current Practice: Annual (if warranted) inflationary increase to operations component of City's property tax rate
- Recent actions:
 - FY 2026 - 2.1%
 - FY 2025 - 5.0%
 - FY 2024 - 4.8%
 - Prior back to inception of Truth in Taxation - 0%





UTILITY RATE INCREASES

- Current Practice: Annual (if warranted) inflationary increase to utility rates

Utility	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10y Ave	3y Ave	
Power	0.0%	0.0%	0.0%	2.5%	0.0%	1.0%	4.0%	11.00%	0.00%	2.50%	2.1%	4.5%	
Residential Water	3.0%	9.0%	0.0%	2.5%	0.0%	3.0%	10.0%	9.75%	3.50%	3.00%	4.4%	5.4%	
Commercial Water	5.0%	9.0%	0.0%	2.5%	0.0%	3.0%	10.0%	9.75%	3.50%	3.00%	4.6%	5.4%	
Secondary Water	0.0%	0.0%	0.0%	2.5%	0.0%	3.0%	10.0%	9.75%	3.50%	3.00%	3.2%	5.4%	
Wastewater - Industrial	0.0%	1.5%	3.0%	2.5%	0.0%	5.0%	7.0%	14.50%	3.50%	3.00%	4.0%	7.0%	
Wastewater - Other	0.0%	1.5%	2.0%	2.5%	0.0%	3.0%	7.0%	9.75%	3.50%	3.00%	3.2%	5.4%	
Storm Water	10.0%	0.0%	2.0%	2.5%	0.0%	12.0%	7.0%	7.70%	3.50%	3.00%	4.8%	4.7%	
Solid Waste	4.20%	0.0%	3.0%	2.5%	0.0%	1.4%	7.0%	6.80%	1.25%	3.00%	2.9%	3.7%	
Recycling	8.7%	16.0%	0.0%	2.5%	10.0%	1.4%	7.0%	8.80%	0.00%	3.00%	5.7%	3.9%	
Average of Big 3 (Power, Water, Wastewater-Residential)	1.0%	3.5%	0.7%	2.5%	0.0%	2.3%	7.0%	10.2%	2.3%	2.8%	3.3%	6.5%	
Inflation - CPI-U (March)	2.4%	2.4%	1.9%	1.5%	2.6%	8.5%	5.0%	3.5%	2.4%		3.11%	3.6%	
CPI-U West Region	3.1%	3.2%	2.8%	2.5%	2.4%	8.7%	5.1%	3.6%	2.6%		3.55%	3.8%	
Social Security Increases	0.3%	2.0%	2.8%	1.6%	1.3%	5.9%	8.7%	3.2%	2.5%		2.83%	4.8%	
				Inflation on Calendar years (March over March)									



RESERVE TARGETS

- Current Practice
 - General Fund - maintain toward upper end of State-required range: 5% - 35%
 - Enterprise Funds - 30% of annual operating revenues
- Current Reserve Levels
 - General Fund - 22.8%* (30.9%)
 - Water Fund - 65%
 - Sewer Fund - 90%
 - Power Fund - 43%
 - Storm Water Fund - 68%
 - Solid Waste Fund - 51%
 - Golf Fund - 56%



ENTERPRISE FUND OPERATING TRANSFER RATE

- Current Practice
 - All enterprise funds transfer 6.5% of operating revenues to the General Fund
 - Exceptions: Golf and Streets
 - 1% increase = approx. \$500k
- Transfer Amounts (FY26)
 - Water Fund - \$511,179
 - Sewer Fund - \$495,250
 - Power Fund - \$2,883,087
 - Storm Water Fund - \$159,101
 - Solid Waste Fund - \$180,938

Total Transfers: \$4,229,556



TRANSFER RATE COMPARISON

City	Transfer Rate
Ogden	9.1% - 11.86%
Bountiful	7.9%
Lindon	3.7% - 12.5%
Logan	0% - 7%
Spanish Fork	<u>1.23% - 5.67%</u>
Provo	11%
Springville	6.5%