springville
ART CITY

SERVICE LEVEL DISCUSSION - COUNCIL

SEPTEMBER 8, 2026

WELCOME TO PACKARDVILLE - HOME OF THE 100!



Growing by 2% and Inflation is 3%

INFLATION AND GROWTH



		Yr1	Yr2	Yr3
Budget	$ 1,000,000	$ 1,050,000	$ 1,102,500	$ 1,157,625
Rev w/o inflation	$ 1,000,000	$ 1,020,000	$ 1,040,400	$ 1,061,208
Missing Revenue		$ 30,000	$ 62,100	$ 96,417

Springville General Fund = $4,000,000!

V&E FUND - FIRE TRUCK

Purchased for	$1,200,000
Replace in 20 years	$2,100,000
Annual Payment to V&E	$ 90,000

Difference? ($90,000 x 20 = $1,800,000)

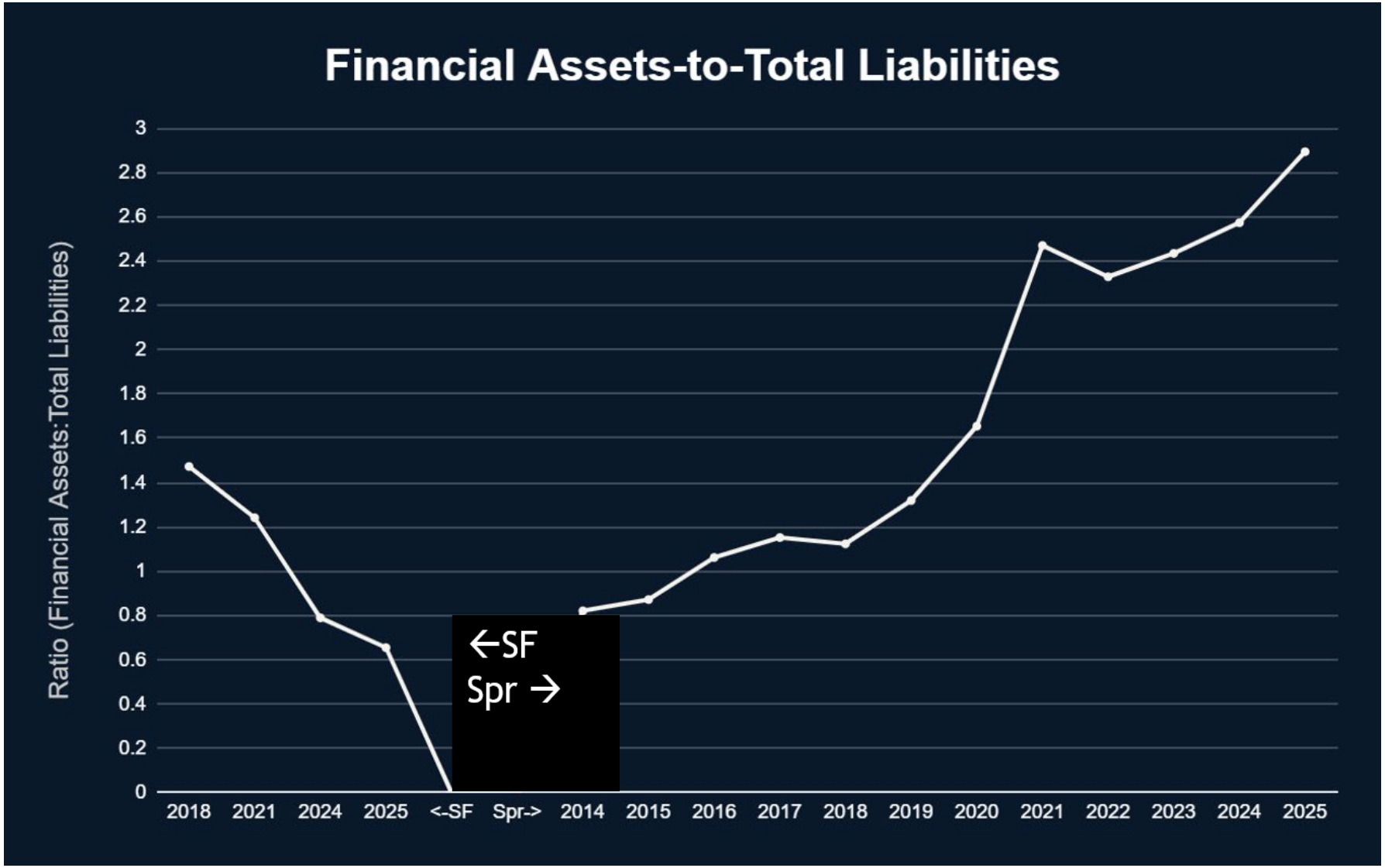
Interest Earnings and Salvage Value



This approach requires extraordinary discipline - consistency & balance over time.

REAL WORLD EXAMPLE

FY2026 Estimate	
Spanish Fork	0
Springville	3.3



QUESTION

Are we all on the same page that we need to be consistent with this?

WANT TO INCREASE A SERVICE?

Three ways to keep our community resources balanced.



1 INCREASE REVENUE

Generate additional income to fund the service increase.



More revenue supports more services.

2 ADJUST ANOTHER SERVICE

Decrease a different service to create room in the budget.



Reprioritize to fund what matters most.

3 FIND EFFICIENCY

Improve how we work to do more with the same resources.



Work smarter to deliver better services.

Different choices. One goal: **Balanced community resources.**

ARE WE ON THE SAME PAGE WITH THIS CONCEPT?



CORE SERVICES PROJECT

Departments were tasked to complete the following assignments:

- Identify the **core services** that they offer.
- Define their current **service level** as established by their **base allocation**.
- Calculate the amount of **base allocation** assigned to each **core service**.

EASY, YET HARD

- Let's try it!
- What are some of the core services you provide (Legislative budget?)
- We defined "service level" as a clear, measurable and adaptable statement.
- Here is a simple guide:
  - Who is served?
  - What is delivered? (Core Service)
  - What frequency? (How often/How quickly)
  - What quality? (Outcome, standard or benchmark)

- How would you define Boards and Committees service level?

WHY?

- We are trying to understand what it costs to maintain our services in perpetuity.
- We asked directors to back into their service levels.
- Once solved, the Council would then have full ability to monitor and adjust service levels by increasing or decreasing revenues and or adjusting service levels in very specific ways.
- For management, it helps us identify places where we can find efficiencies, spot fee imbalances, determine appropriate metrics, and hold departments accountable for performance.

INITIAL TAKEAWAYS

- This is HARD.
- This is SCARY for directors
  - Funding
  - Accountability
- It is going to be HARD and SCARY for the Council.

- We have done a pretty good job at funding OPERATIONS.
- When times are tough CAPITAL PROJECTS are the first to be cut.
- This has been a PROCESS and we are all learning a lot.

- It IS SOLVEABLE, but it will take careful thought and difficult decisions.

EXAMPLE 1

Core Service	Description	Definition	Cost
Recycling Collection and disposal	Collection of residential municipal recycle waste	Weekly collection of residential recycle material within the community	$392,463
Recycle new can purchases	Residential recycle cans	Annual purchase of recycle cans for growth and to replace broken cans	$18,590

FY 2026 Recycling Revenue $408,576

EXAMPLE 2

Burials and interment services	The Cemetery Division serves residents and visitors by providing burial services seven days a week, ensuring graves are prepared in advance of scheduled services and respectfully closed immediately afterward. Staff deliver these services with timeliness, dignity, and care, achieving 100% compliance with interment schedules and family expectations	Internments within 48 hours of request Both cemeteries are open for burials for 7 days a week. There is an additional fee for weekend burials. Need more FTE hours to better support the 7 days a week schedule. Additional employee noted above	$ 251,192

FY2026 Sexton Fees $206,200

SUBMISSION TOTALS

		Total	%
Total Operational Deficiency	$	5,335,382	4%
Total GF Ops Deficiency	$	3,285,379	8%
Total Capital Deficiency	$	21,731,340	18%
Total GF Capital Deficiency	$	2,752,327	7%

The Funding GAP for Facilities in Higher Education in Utah is 92%

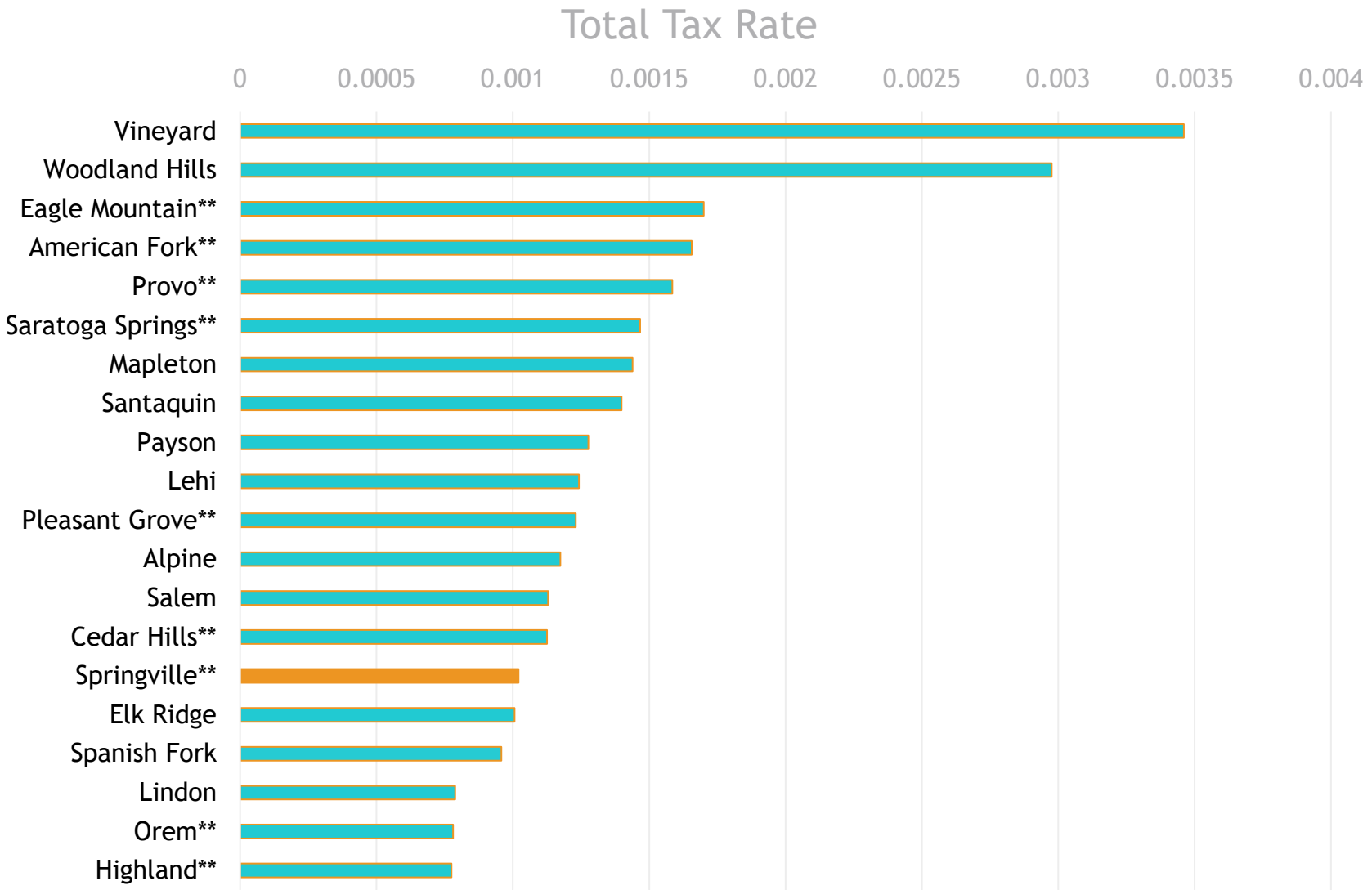
The Funding Gap for UDOT is 46%

Utah is the best managed state for the 4th consecutive year (U.S. News & World Report)

DIFFICULT, BUT SOLVABLE - GENERAL FUND (SIMPLIFIED)

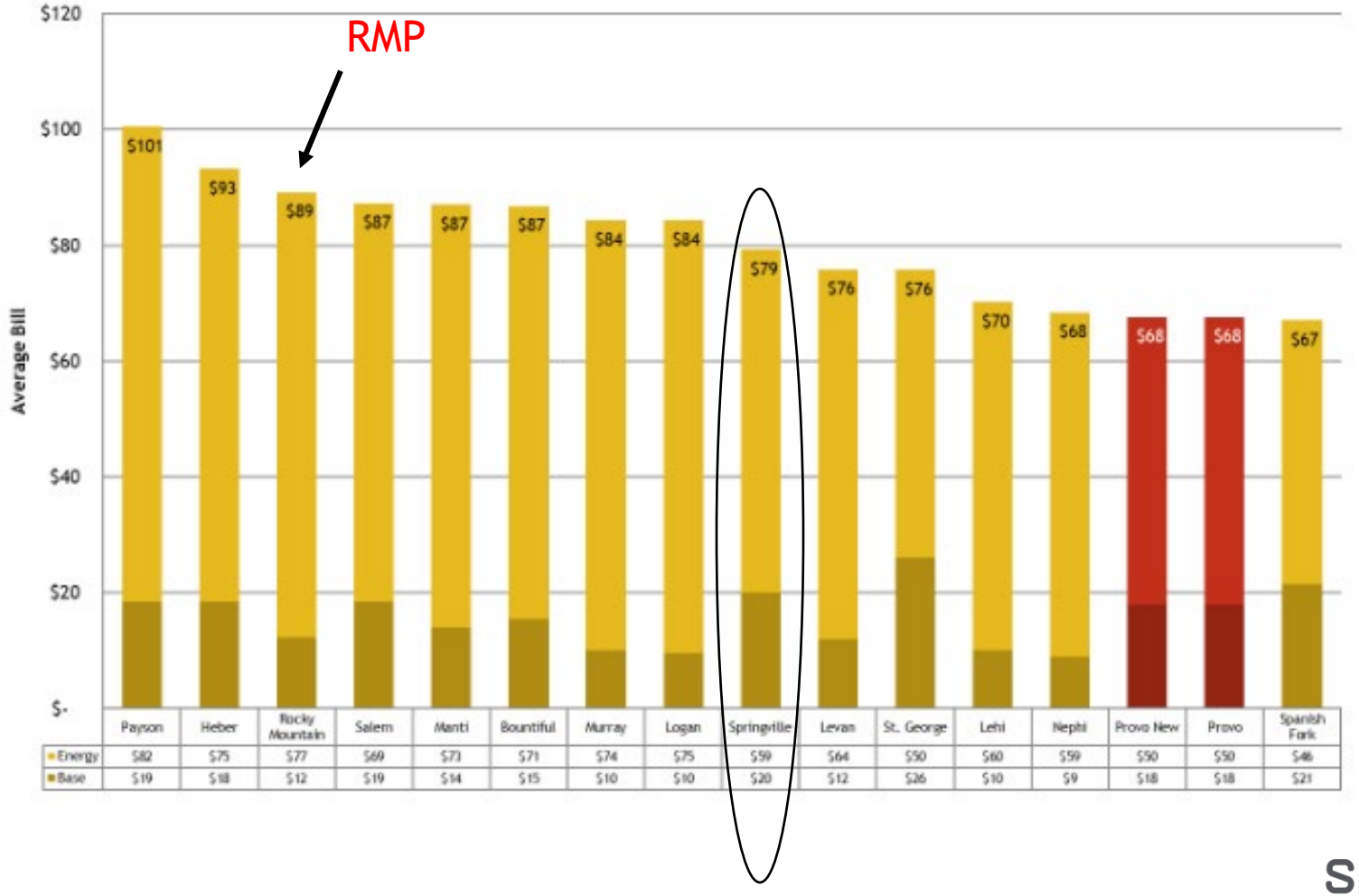
Description	Expense
Tier I	$ 412,000
Tier II	$ 1,330,846
Tier III	$ 2,121,534
Fee Based	$ 803,943
Long-Term Capital	$ 1,329,383

TAX RATE COMPARISON



UTILITY FEE COMPARISON

Residential Energy Rates:



	Payson	Heber	Rocky Mountain	Salem	Manti	Bountiful	Murray	Logan	Springville	Levan	St. George	Lehi	Nephi	Provo New	Provo	Spanish Fork
Energy	$82	$75	$77	$69	$73	$71	$74	$75	$59	$64	$50	$60	$59	$50	$50	$46
Base	$19	$18	$12	$19	$14	$15	$10	$10	$20	$12	$26	$10	$9	$18	$18	$21

springville ART CITY

CITY	AVERAGE WATER*	AVERAGE SEWER*	AVERAGE STORM WATER	AVERAGE GARBAGE & RECYCLING	TOTAL UTILITIES	ESTIMATED TOTAL UTILITIES (Assuming Historical 4.9% Avg Utility Impact Increase)
Vineyard	$95.50	$63.15	$23.05	$21.43	**$203.13**	$213.08
Pleasant Grove[1]	$118.21	$48.55	$6.78	$22.21	**$195.75**	$205.34
West Jordan	$92.52	$64.91	$10.50	$19.85	**$187.78**	$196.98
Ogden[1]	$81.45	$72.03	$6.50	$23.75	**$183.73**	$192.73
West Valley	$65.42	$73.49	$10.75	$26.85	**$176.51**	$185.16
American Fork[1]	$76.92	$66.98	$7.15	$23.21	**$174.26**	$182.80
Provo	$85.90	$58.05	$11.45	$17.68	**$173.08**	$181.55
Payson[1]	$113.07	$33.00	$9.02	$16.89	**$171.98**	$180.41
South Jordan[1]	$95.82	$40.17	$10.01	$25.53	**$171.53**	$179.94
Lindon[1]	$93.81	$47.38	$6.00	$17.50	**$164.69**	$172.76
Saratoga Springs[1]	$70.87	$71.10	$6.00	$16.05	**$164.02**	$172.05
Eagle Mountain[1]	$64.14	$75.31	$8.25	$14.50	**$162.20**	$170.15
Spanish Fork[1]	$52.11	$59.55	$12.62	$21.50	**$145.78**	$152.92
Sandy	$96.52	$20.64	$6.00	$18.26	**$141.42**	$148.35
Lehi[1]	$59.12	$49.60	$5.75	$14.94	**$129.41**	$135.75
Layton[1]	$47.41	$41.39	$7.76	$26.20	**$122.76**	$128.77
OREM (FY27 Proposed)[2]	$54.80	$46.39	$9.00	$18.40	**$128.59**	$128.59
Springville[1]	$58.85	$31.86	$7.60	$21.15	**$119.46**	$125.32

WHAT ARE YOUR THOUGHTS ON ADDING REVENUES?



Property Taxes are **Below Average** ~$75 (Will be **Very Low** in 6 years)



Other Taxes are **Average**



Utility Fees are **Very Low** ($350/yr)



Other City Fees are **Average**

$10 per household per month = $1,400,000

Don’t forget businesses!

GF BALANCING STRATEGIES

#	Name	Description	Amount
	General Fund		
1	Property Tax Inc	Incr Property Taxes by 1%	$ 33,000
2	Civic Center Bond	Use GF dollars going to pay for Civic Center	$ 420,000
3	Transfer Rate Increase	1% Utility Fee Increase	$ 650,000
4	Transfer Amount Inc	Transfer increase from 1% increase in utility fees	$ 35,000
5	Add Golf Operating Transfer	Add a Golf Operating Transfer (3%)	$ 60,000
6	User fees	Cover more of the gap with our user fees - 1% on all fees	$ 45,000
7	Library Property Tax	Maintain Tax rate from Library GO Bond	$ 590,000
8	CRC Property Tax	Maintain Tax Rate from CRC GO Bond	$ 740,000
9	Efficiency Found	1% efficiency gained	$ 400,000

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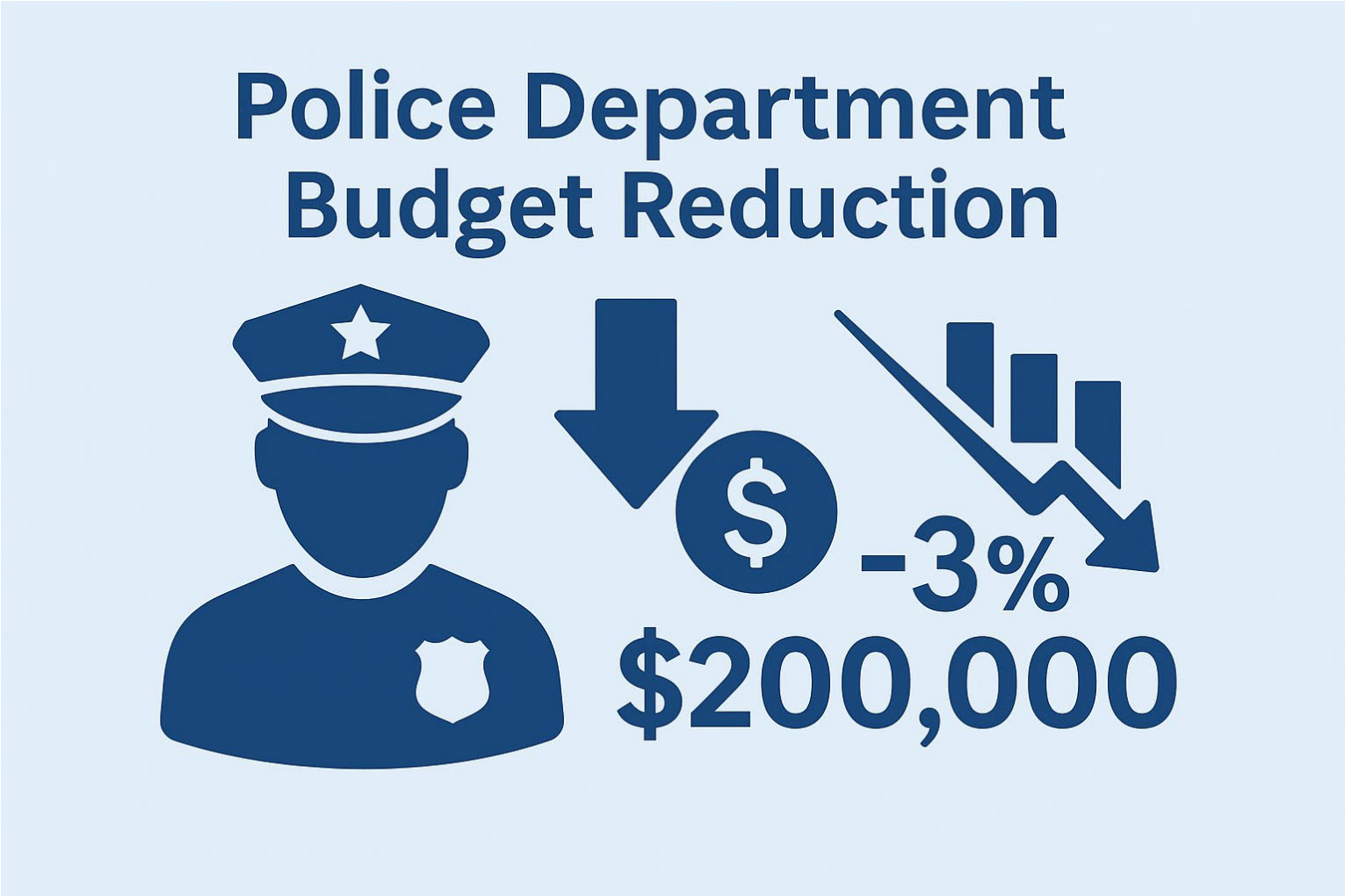
RESERVE POLICIES

- Enterprise funds to maintain a 30% unrestricted, reserve
- General fund to ‘drift’ towards 35%
- Pay into Vehicle and Equipment fund, as calculated
- Property Reserve Fund building with 100% of sales $
- Facility maintenance policy unstated, but started
- Facility replacement policy unstated
- Parks maintenance policy unstated, but started

- Are you open to moving dollars & “truing-up” reserves?

AI Generated with citations	
AAA/Aaa (Prime)	>35%
AA/Aa (High Grade)	25-35%
A (Upper Medium)	15-25%
BBB and below	<10-15%

FINDING EFFICIENCIES EXERCISE



EFFICIENCY CONT.

- Finding efficiencies in our operations budgets will be VERY hard.

- Finding efficiencies in our long-range capital budgeting will be VERY easy.

- Pause for Enterprise Funds
- Operations closer than General Fund
- Capital requests are high ($19,000,000 – ANNUALLY!)
- Average Utility Bills would generate less than $5,000,000)
- We are working through Enterprise Funds with tonight's direction as a guide

QUESTIONS DISCUSSED

1. Inflationary Increases to Fees and Taxes?
2. Services must be balanced by raising fees/taxes or lowering service levels.
3. Are we adding revenues?
4. Can we true-up reserves?
5. There are literally dozens of questions/policies/work session agenda items already. Can I have you help me prioritize them?

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