



Clearfield Financial Sustainability

16 June 2020

ZIONS PUBLIC FINANCE, INC.

SALES TAX REVENUES

- Sales tax declines throughout Utah, due to COVID-19, have been lower than originally projected
- Econowest (through ULCT) projections for Clearfield as of June = -3.8%
- Prior Econowest projections for Clearfield (May) = -7.9%
- Statewide projections have improved from -11.6% in May to -6.6% in June

BUILDING PERMIT GROWTH

Year	Dwelling Units	Nonresidential Valuation
2014	40	\$4,259,300
2015	60	\$2,188,600
2016	172	\$3,610,100
2017	250	\$25,763,200
2018	196	\$4,121,100
2019	9	\$1,149,500
Average (2014-2019)	121	\$6,848,633

Clearfield Historic Property Tax Rates	
Year	Tax Rate
2014	0.001800
2015	0.001800
2016	0.001800
2017	0.001745
2018	0.001607
2019	0.001437
2020	0.001437

Property Tax Rates	2019 Tax Rate	Tax Rate Difference	Revenue Difference on \$250,000 Primary Residence
West Point	0.000917	-0.00052	(\$71.50)
Clearfield	0.001437	0	\$0.00
Syracuse	0.001512	0.00008	\$10.31
Sunset	0.001587	0.00015	\$20.63
Clinton	0.00166	0.00022	\$30.66
Layton	0.001666	0.00023	\$31.49

INPUTS

- New growth and development by type, valuation
- Inflation rates – fee revenues and cost of services
- Expenses – variable v. fixed costs
- Capital costs and timing – public safety, roads, parks, etc.

STRATEGIES

- Bonding v. property tax increases
- Capital costs - timing

Capital Projects Summary**Inflated Costs***

2021	(\$2,860,619)
2022	(\$4,715,701)
2023	(\$1,507,963)
2024	(\$200,341)
2025	(\$888,004)
2026	(\$173,735)
2027	(\$221,377)
2028	(\$19,002)
2029	(\$2,400,783)
2030	(\$848,011)
TOTAL	(\$13,835,535)

*Year 2020 costs have had 3% per year added for construction inflation

SCENARIO 1 – NO GROWTH, NO BONDS

General Fund Impacts	Total 1-10 Yrs	1	2	3	4	5
Operating Revenues	\$204,473,774	\$20,385,972	\$18,472,123	\$19,554,850	\$19,925,870	\$20,315,571
Operating Expenses	(\$187,611,210)	(\$17,916,603)	(\$17,373,430)	(\$17,726,164)	(\$18,086,216)	(\$18,453,746)
Debt Service	(\$22,829,338)	(\$1,898,179)	(\$1,901,732)	(\$2,632,599)	(\$2,638,048)	(\$2,642,470)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0
Capital Projects	(\$13,835,535)	(\$2,860,619)	(\$4,715,701)	(\$1,507,963)	(\$200,341)	(\$888,004)
Impact Fee Revenues	\$600,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Net Revenues	(\$19,202,308)	(\$2,229,429)	(\$5,458,740)	(\$2,251,876)	(\$938,735)	(\$1,608,650)
Year-End Cash on Hand		(\$2,229,429)	(\$7,688,168)	(\$9,940,044)	(\$10,878,780)	(\$12,487,429)

SCENARIO 1 – NO GROWTH, \$15M BOND

General Fund Impacts	Total 1-10 Yrs	1	2	3	4	5
Operating Revenues	\$204,473,774	\$20,385,972	\$18,472,123	\$19,554,850	\$19,925,870	\$20,315,571
Operating Expenses	(\$187,611,210)	(\$17,916,603)	(\$17,373,430)	(\$17,726,164)	(\$18,086,216)	(\$18,453,746)
Debt Service	(\$32,016,885)	(\$1,898,179)	(\$2,922,571)	(\$3,653,438)	(\$3,658,887)	(\$3,663,309)
Bond Proceeds	\$15,000,000	\$15,000,000	\$0	\$0	\$0	\$0
Capital Projects	(\$13,835,535)	(\$2,860,619)	(\$4,715,701)	(\$1,507,963)	(\$200,341)	(\$888,004)
Impact Fee Revenues	\$600,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Net Revenues	(\$13,389,855)	\$12,770,571	(\$6,479,578)	(\$3,272,715)	(\$1,959,574)	(\$2,629,489)
Year-End Cash on Hand		\$12,770,571	\$6,290,993	\$3,018,279	\$1,058,705	(\$1,570,784)

SCENARIO 2 – HISTORIC GROWTH, NO BONDS

General Fund Impacts	Total 1-10 Yrs	1	2	3	4	5
Operating Revenues	\$217,593,686	\$20,401,673	\$19,095,414	\$20,366,668	\$20,933,305	\$21,526,451
Operating Expenses	(\$196,379,606)	(\$17,916,603)	(\$17,548,290)	(\$18,082,806)	(\$18,631,855)	(\$19,195,910)
Debt Service	(\$22,829,338)	(\$1,898,179)	(\$1,901,732)	(\$2,632,599)	(\$2,638,048)	(\$2,642,470)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0
Capital Projects	(\$13,835,535)	(\$2,860,619)	(\$4,715,701)	(\$1,507,963)	(\$200,341)	(\$888,004)
Impact Fee Revenues	\$600,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Net Revenues	(\$14,850,792)	(\$2,213,728)	(\$5,010,309)	(\$1,796,701)	(\$476,939)	(\$1,139,933)
Ending Cash Balance		(\$2,213,728)	(\$7,224,036)	(\$9,020,737)	(\$9,497,676)	(\$10,637,609)

SCENARIO 2 – HISTORIC GROWTH, \$15M BOND

General Fund Impacts	Total 1-10 Yrs	1	2	3	4	5
Operating Revenues	\$217,593,686	\$20,401,673	\$19,095,414	\$20,366,668	\$20,933,305	\$21,526,451
Operating Expenses	(\$196,379,606)	(\$17,916,603)	(\$17,548,290)	(\$18,082,806)	(\$18,631,855)	(\$19,195,910)
Debt Service	(\$32,016,885)	(\$1,898,179)	(\$2,922,571)	(\$3,653,438)	(\$3,658,887)	(\$3,663,309)
Bond Proceeds	\$15,000,000	\$15,000,000	\$0	\$0	\$0	\$0
Capital Projects	(\$13,835,535)	(\$2,860,619)	(\$4,715,701)	(\$1,507,963)	(\$200,341)	(\$888,004)
Impact Fee Revenues	\$600,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Net Revenues	(\$9,038,339)	\$12,786,272	(\$6,031,147)	(\$2,817,540)	(\$1,497,777)	(\$2,160,771)
Ending Cash Balance		\$12,786,272	\$6,755,125	\$3,937,586	\$2,439,808	\$279,037

SCENARIO 3 – HISTORIC GROWTH, NO BOND, HOLD TAX RATES CONSTANT

General Fund Impacts	Total 1-10 Yrs	1	2	3	4	5
Operating Revenues	\$230,887,443	\$20,401,673	\$19,332,105	\$20,841,008	\$21,672,248	\$22,559,389
Operating Expenses	(\$196,379,606)	(\$17,916,603)	(\$17,548,290)	(\$18,082,806)	(\$18,631,855)	(\$19,195,910)
Debt Service	(\$22,829,338)	(\$1,898,179)	(\$1,901,732)	(\$2,632,599)	(\$2,638,048)	(\$2,642,470)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0
Capital Projects	(\$13,835,535)	(\$2,860,619)	(\$4,715,701)	(\$1,507,963)	(\$200,341)	(\$888,004)
Impact Fee Revenues	\$600,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Net Revenues	(\$1,557,035)	(\$2,213,728)	(\$4,773,617)	(\$1,322,361)	\$262,004	(\$106,995)
Ending Cash Balance		(\$2,213,728)	(\$6,987,345)	(\$8,309,706)	(\$8,047,702)	(\$8,154,696)

Year	Total 10 Yrs	2021	2022	2023	2024	2025
Operating Revenues	\$6,576,801	\$611,168	\$607,723	\$616,850	\$627,491	\$639,835
Operating Expenditures	(\$2,265,852)	(\$208,016)	(\$209,607)	(\$213,611)	(\$217,864)	(\$222,396)
Net Operating Revenues	\$4,310,949	\$403,151	\$398,116	\$403,239	\$409,627	\$417,439

121 residential units per year

1 acre retail per year

1 acre office per year

2 acres business park/industrial per year

NEW GROWTH IMPACTS – PEAK COMMERCIAL GROWTH, NO RESIDENTIAL

Year	Total 10 Yrs	2021	2022	2023	2024	2025
Operating Revenues	\$14,138,062	\$1,255,074	\$1,248,787	\$1,271,589	\$1,301,558	\$1,339,746
Operating Expenditures	(\$4,523,451)	(\$408,257)	(\$411,164)	(\$419,278)	(\$428,452)	(\$438,851)
Net Operating Revenues	\$9,614,611	\$846,817	\$837,623	\$852,311	\$873,106	\$900,895