



**FISCAL YEAR**

**2020**

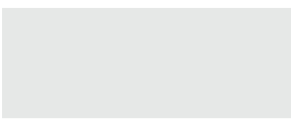
**ADOPTED**

**BUDGET**

**HIGHLIGHTS**

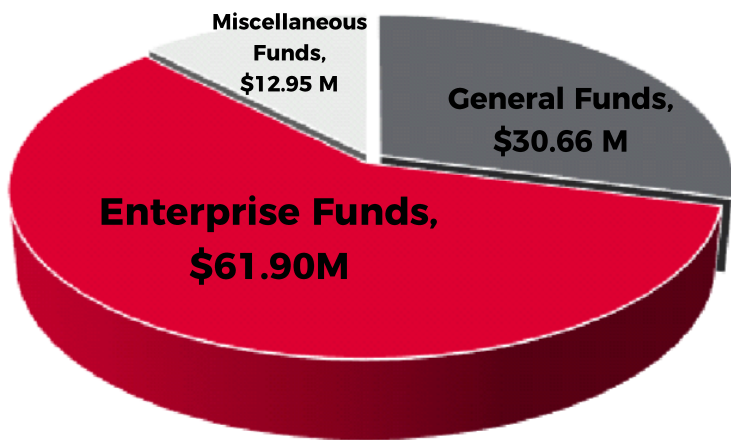


**SPANISH FORK**  
PRIDE & PROGRESS



# OVERVIEW

The FY 2020 Adopted Budget is balanced and focuses on providing Spanish Fork residents and businesses first-class services to improve the quality of life in the community. The City is quickly growing, and in order to plan for Spanish Fork's high growth rate, the budget addresses personnel and pay changes, capital projects such as the fire station and a new library, and street maintenance and infrastructure improvements. To accomplish these important feats, we anticipate needing to raise property taxes and increasing utility rates in accordance with plans to minimize the impact on residents. Overall, our purpose is to ensure that the taxes, fees, and rates help Spanish Fork be self-sustaining, bring our facilities in compliance with state regulations, and meet the growing demand of services in the community.

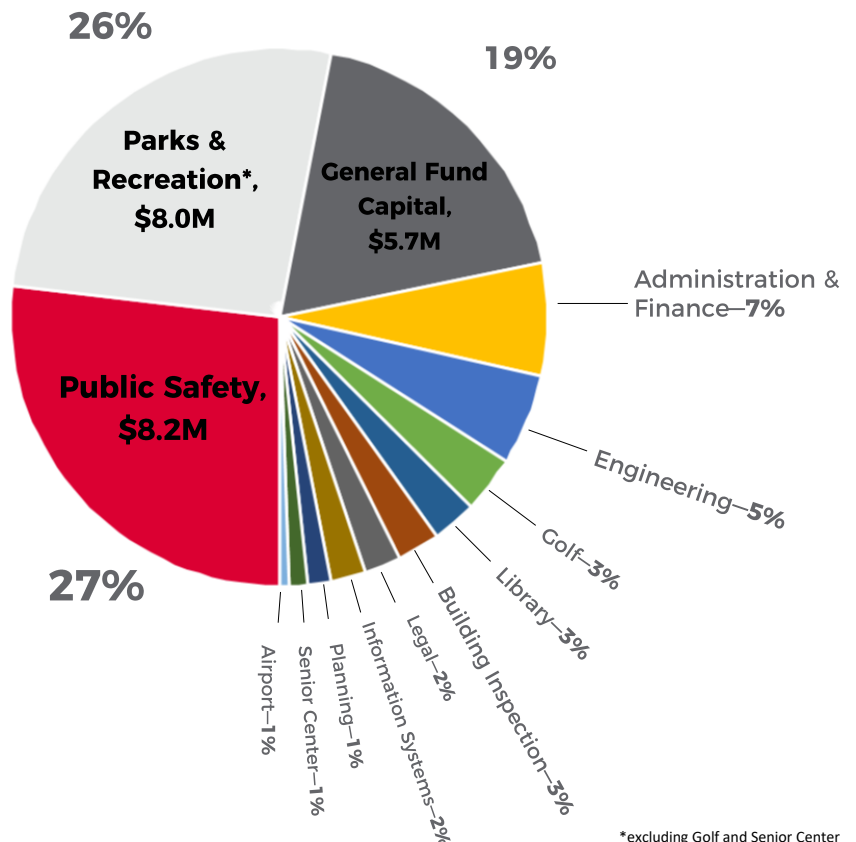


## TOTAL CITY BUDGET – \$105.5 MILLION

The FY 2020 Adopted Budget is comprised of the General Fund, the Enterprise Fund, and Miscellaneous Funds (e.g., Capital Projects, Debt Service, Fire Retirement, RAP, and RDA Funds).

## GENERAL FUND – \$30.66 MILLION

Spanish Fork City's primary fund is the General Fund. The majority of the services are included in this fund, including Public Safety, Parks and Recreation, Community Development, Library, and administrative services. General Fund Capital includes funds for buildings and land, equipment, and projects, that are slated for completion within a year. Current departments with budgeted capital funds are Police, Buildings and Grounds, Parks, Cemetery, Golf, Fairgrounds, and Engineering.



\*excluding Golf and Senior Center

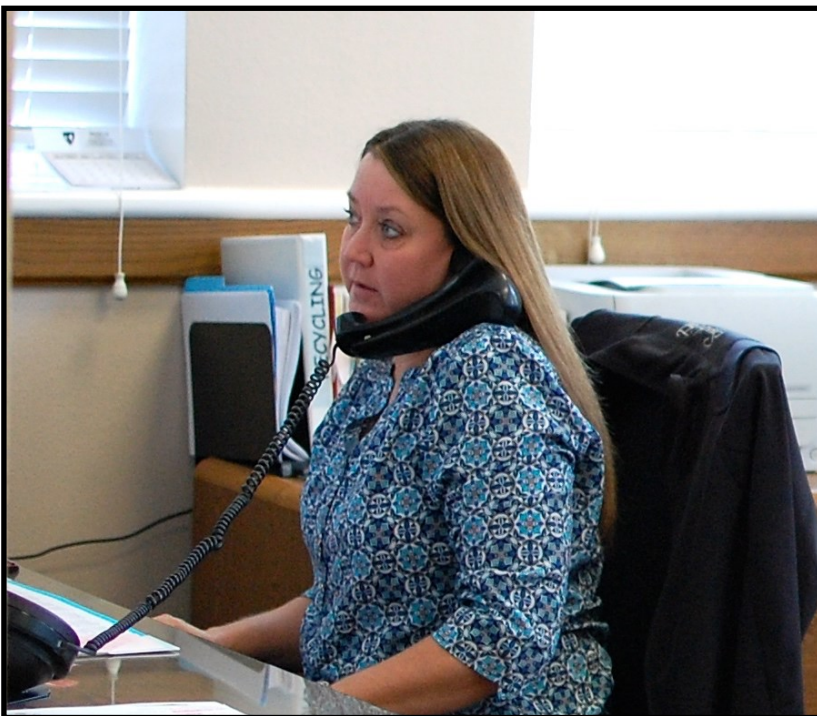


## PUBLIC SAFETY CHANGES – \$545K

The Public Safety Department is taking steps to help ensure that Spanish Fork continues to be one of the safest cities in Utah. The Spanish Fork Police Department will add three patrol officers. The Ambulance staffing hours at the station will be extended from 7 am to 7 pm, to 7 am to midnight, which should provide faster response times to more than 85% of all ambulance calls. Also included in the budget is a new position for an Emergency Preparedness Coordinator.



## PERSONNEL & BENEFIT CHANGES – \$1.025M



The City has many projects related to development growth; therefore, the budget includes hiring a new public works inspector and staff engineer. This will reduce the amount the City spends on outside consulting firms which will save taxpayer dollars. The Finance Department will be adding a part-time benefited utility clerk. Finance and Community Development will be adding benefits to two existing part-time positions. The budget also includes an amount for performance-based salary increases in accordance with the established compensation policy.



## PARKS AND TRAILS – \$3.35M



The Spanish Fork Parks and Recreation mission is to “provide all youth and adults of Spanish Fork City with meaningful leisure opportunities which foster fun and social interaction, fitness and skill development, self-esteem and character building, which lead to responsible citizens.” To accomplish this, several parks and trails projects are occurring around the city such as the River Trail Project and constructing Legacy Farms Park and Triangle Park.

## RECREATION, ARTS, & PARKS (RAP) – \$500K

The voters in Spanish Fork approved the RAP Tax in the 2018 Election, dedicating a new 0.1% sales tax in Spanish Fork to Recreation, Arts and Parks programming for the next 10 years. We estimate this tax will generate over \$500,000 this year. Funds will be made available to the City’s arts programming, parks projects, and eligible non-profit community organizations.





# CAPITAL PROJECT HIGHLIGHTS – \$4.68M



**Fire Station #2.** Construction of Fire Station #2 will begin in the fall of 2019 and is estimated to be completed one year from groundbreaking. The FY 2020 budget contains about \$4.5M for construction costs this year and we anticipate a remaining \$1.4M in construction costs for FY 2021. We also anticipate ordering additional fire and ambulance vehicles in FY 2021. Money for these expenses has been budgeted in the General Funds and Capital projects funds.

The funding plan for the fire station is part of a strategic initiative that the City Council identified several years ago to hold the property tax rate at its current level of 0.000955 for three years. In accordance with this strategy, Spanish Fork will use the new funds generated from holding the rate to provide funding for the Fire Station Capital Project Fund. Holding the rate again this year will increase property taxes on the average home in Spanish Fork by an estimated 80 cents per month or \$9.60 per year.

**New Library.** The FY 2020 budget creates a new Library Capital Project Fund started with \$180K from the General Fund. A new library could be under construction by Spring 2021 and completed by Summer 2022, and may cost up to \$12M to construct. We expect that \$7.5M in property tax revenue will be needed to cover the cost of the library, while the remaining funds will come from other sources.

If the City were to bond to construct the library, we would need to raise property taxes a total of \$3 a month on the average home to generate sufficient revenue to pay the debt service of that bond. Staff proposes that the Council apply a three-year approach to fund a large portion of the library construction, similar to the fire station project. We propose a \$1 per month increase in property taxes to the average home (valued at \$295,200), which would generate \$180K that is budgeted in the Library Capital Projects Fund. The impact of this increase is \$1 per month, or \$12 per year to the average home. The net impact after three years on the average home for the library construction and debt service will be \$3 per month, or \$36 per year.



*The Truth in Taxation Public Hearing for the proposed property tax increases noted above was held on August 6, 2019, at 6 pm at the City Offices, 40 South Main Street, Spanish Fork.*

*All residents can watch the public hearing on [SF17's YouTube channel](#).*

# PROPERTY TAX COMPARISON (UTAH COUNTY)

<b>FY 2020</b>			
<b>(assuming a home with \$293,000 market value)</b>			
<b>CITY</b>	<b>TAX RATE</b>	<b>TAX DOLLARS</b>	<b>% MORE THAN SFC</b>
Woodland Hills	0.004827	\$777.87	387%
Eagle Mountain*	0.002570	\$414.16	159%
Provo	0.002560	\$412.54	158%
Mapleton	0.002317	\$373.38	134%
American Fork	0.002027	\$326.65	105%
Springville	0.001763	\$284.11	78%
Cedar Hills	0.001737	\$279.92	75%
Elk Ridge	0.001737	\$279.92	75%
Pleasant Grove	0.001734	\$279.43	75%
Saratoga Springs	0.001570	\$253.01	58%
Lehi	0.001538	\$247.85	55%
Santaquin	0.001499	\$241.56	51%
Salem	0.001411	\$227.38	42%
Payson	0.001272	\$204.98	28%
Orem	0.001260	\$203.05	27%
Highland	0.001254	\$202.08	27%
Lindon	0.001241	\$199.99	25%
<b>SPANISH FORK (approved)</b>	<b>0.000991</b>	<b>\$159.70</b>	<b>0%</b>
<b>SPANISH FORK (default)</b>	<b>0.000860</b>	<b>\$138.59</b>	<b>-13%</b>
Source: Utah County Auditor			
*Eagle Mountain tax rate includes Unified Fire Authority			
<b>Sum Valuation of Property - Spanish Fork</b>			
<b>Total Value</b>	<b>\$2,529,899,806</b>		
Spanish Fork vs. Payson	\$45.28	Payson resident pays more	
Spanish Fork vs.	\$124.41	Springville resident pays more	



# UTILITY SERVICE RATE CHANGES

**Garbage Services.** The City recently renewed a three-year contract with Republic Services to provide residential curb-side garbage and recycling pick-up. The contract has a price escalator for the next three years. This budget proposes a one-time rate increase to cover the three-year contract.

	<b>BLUE RECYCLE CAN</b>		<b>BLACK GARBAGE CAN</b>
	<b>\$5.06</b>		<b>\$12.39</b>
	Monthly		Monthly
	(Increase of 49 cents)		(Increase of 73 cents)

**Sewer.** The Sewer Treatment Plant was rebuilt in 1983 and is at the end of its functional life. Additionally, the requirements from the State are increasing and a new plant will need to meet all future regulations. Our rates will need to increase to accommodate the high cost rebuild. We are currently in the fourth year of a 10-year rate adjustment plan.

## UNIT BASE RATE

**\$18.39**

Monthly Base Rate  
(Increase of \$1.44)

## RATE PER 1,000 GAL\*

**\$2.01**

Monthly  
(Increase of 35 cents)

\*From Drinking Water Meters



**Power & Light.** Staff proposes two different rate adjustments to the electric rate, which are **revenue neutral**. The first adjustment would be effective in the first July billing cycle, increasing the City's retail usage rate and decreasing the Power Cost Adjuster (PCA) rate.

In February, the City will increase the customer charge on all residential power users and decrease the retail usage rate. This plan was created in 2017 in cooperation with our solar net-metering customers and is a phased plan until February 2023.

# AVERAGE CUSTOMER UTILITY BILL

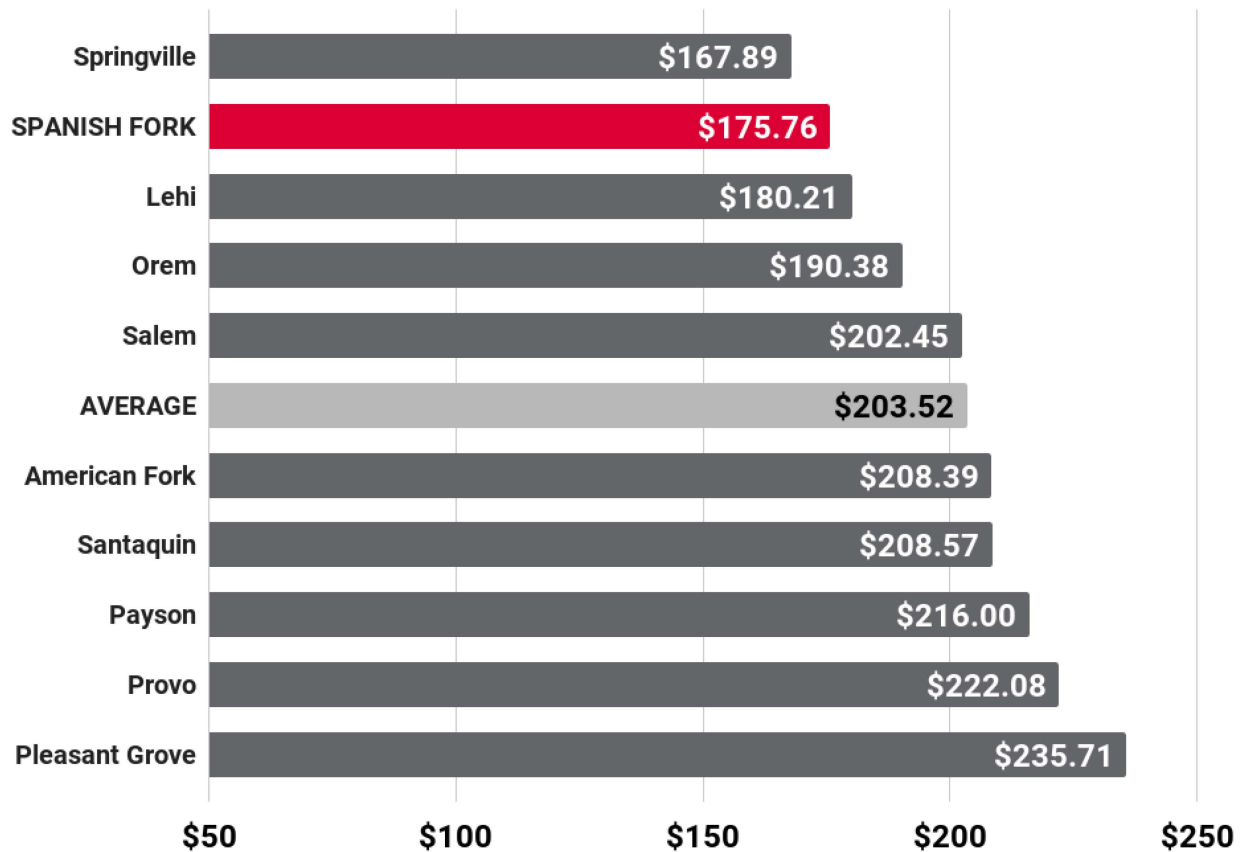
\*For Fiscal Year 2019 (July 1, 2018–June 30, 2019)

UTILITY	AVERAGE UTILITY BILL
Power & Light	\$77.51
Water	\$47.51
Wastewater	\$24.68
Garbage & Recycling	\$16.23
Streets & Storm Water	\$9.82
*Internet	\$44.78
*Cable TV	\$81.63
*Phone	\$14.90

\*Internet, Cable TV, and Phone services are additional available services to residents through Spanish Fork Community Network (SFCN)

## AVERAGE UTILITY BILL

### Garbage & Recycling, Power & Light, Sewer, Storm Water, Water



Updated: July 2019





## 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 of Spanish Fork has budgeted for the transfer of 3.5% of each utility's revenues from the utility's retail rate to the general fund as a dividend to Spanish Fork taxpayers. This dividend is the result of the taxpayers' 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 taxpayers 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 reasonable allocation of costs between funds. These amounts will not be repaid.

The amount of the transfers is as follows	Dollar Amount	% of Expenditures
From the Water Fund to the General Fund	\$ 207,694	2.74 %
From the Sewer Fund to the General Fund	\$ 151,566	2.39 %
From the Electric Fund to the General Fund	\$ 911,937	3.08 %
From the Storm Drainage Fund to the General Fund	\$ 80,481	1.05 %
From the Solid Waste Fund to the General Fund	\$ 86,250	3.78 %
From the Broadband Fund to the General Fund	\$ 212,380	2.58 %

Spanish Fork City also has a debt obligation that is paid by the Electric Fund. The Funds are to pay for the Police / Court Building. This transfer is for funds which cannot be defined as reasonable allocation of costs between funds. This amount will not be repaid.

The amount of the transfer is as follows	Dollar Amount	% of Expenditures
From the Electric Fund to the Debt Service Fund	\$ 671,997	2.36 %

A public hearing was held on Tuesday, June 4, 2019 at 6:00 p.m. at the City Council Chambers located at Spanish Fork City Hall, 40 South Main Street, Spanish Fork, Utah. The public hearing was to discuss the proposed dividend transfers in the Fiscal Year 2020 Budget. The fiscal year began July 1, 2019 and ends June 30, 2020.

Thank you for your support and involvement as a customer of Spanish Fork's utilities.

# FY 2020 ADOPTED BUDGET FACTS

# FY 2020 PERSONNEL SUMMARY

## **FY 2020 Budget**

FY 2020 General Funds.....	\$30,657,055
FY 2020 Enterprise Funds.....	\$61,900,237
FY 2020 Miscellaneous Funds.....	\$12,946,752

## **Enterprise Funds**

Power and Light Utility.....	\$29,612,877
Broadband Utility.....	\$8,242,102
Streets and Storm Drain Utility.....	\$7,658,292
Water Utility.....	\$7,580,190
Sewer Utility.....	\$4,011,897
Waster Water Treatment Plant Utility.....	\$2,330,213
Solid Waste Collection Utility.....	\$2,278,786
Gun Club.....	\$185,879

## **Miscellaneous Funds**

Capital Project Fund.....	\$9,224,592
Debt Service Fund.....	\$1,697,750
Fire Retirement Fund.....	\$40,600

## **Special Revenue Funds**

Redevelopment (RDA) Fund.....	\$1,483,810
Recreation, Arts, and Parks (RAP) Fund.....	\$500,000

## **Internal Service Fund**

Motor Pool*.....	\$4,290,062
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\*distributed to General and Enterprise Funds

## **Authorized City Positions**

<b>Total Benefitted Employees.....</b>	<b>219</b>
Public Works.....	65
Public Safety.....	45
Parks and Recreation.....	41
Information Systems (SFCN).....	27
Administration.....	21
Community Development.....	9
Library.....	6
Legal.....	5

<b>Total Full-Time Equivalents (FTEs)*.....</b>	<b>111.6</b>
Parks and Recreation.....	49.1
Public Safety.....	31.5
Public Works.....	17.8
Information Systems (SFCN).....	6.5
Library.....	4.7
Community Development.....	1.6
Administration.....	0.5

\*1 FTE = 2,080 hours (or about the equivalent of hours worked by 1 Full-Time (FT) employee). The FTEs shown here were calculated by the sum total of Part-Time (PT) employee hours divided by 2080. The FTEs represented here do not include any Benefitted FT or PT employees. Numbers are rounded.

## **Employee Benefits**

Medical, Dental, and Vision insurance, Health Savings Account (HSA), Flexible Spending Account (FSA), Life & Disability insurance, Supplemental Life Insurance (Voluntary), Utah Retirement System (URS) Tier I/Tier II Retirement Plan [401(k)/457(b)], Employee Assistance Program









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