



Notice to Springville Utility Customers

State law requires that the City provide an annual disclosure of money transferred from an enterprise fund (typically a utility service) to any other fund of the City. Springville's Fiscal Year 2021 Tentative Budget includes a set percentage transfer of five percent of operating revenues from each of the utility enterprise funds (Water, Sewer, Electric, Storm Drain, and Solid Waste) to the City's General Fund. The transfer amount also includes the value of utilities provided to the general fund at no charge. Transfers are amounts that cannot be defined as reasonable allocations of costs between funds and are not typically repaid.

As has been its practice for many years, the City of Springville has budgeted for the transfer of money from its utility enterprise funds to the general fund as a return on investment to its shareholders, the Springville City rate payers. These funds are used each year to help cover costs of important city services like police, fire, library, senior center, parks, recreation and other city functions. The utility transfer helps keep property taxes low in Springville.

Separate from these operating transfers, the enterprise funds pay an administrative charge to cover the costs of centralized services provided by the general fund to the enterprise funds. These services include but are not limited to utility billing, accounting, payroll, legal, human resources, engineering and facility maintenance. These administrative fees are calculated by the Finance Department and are considered to be reasonable allocations of costs between funds.

The following are Fiscal Year 2021 transfers and administrative fees (budgeted not to exceed):

Fund	FY 2021 Expenditure Budget	Transfer To	Transfer Amount	% of Expenditure Budget	Admin. Fees	% of Budget
Water	\$5,799,847	General Fund	\$309,313	5.3%	\$583,820	10.1%
Sewer	\$4,838,625	General Fund	\$287,930	6.0%	\$439,116	9.1%
Electric	\$39,918,427	General Fund	\$1,848,619	4.6%	\$752,587	1.9%
Storm Water	\$1,639,001	General Fund	\$80,993	4.9%	\$316,963	19.3%
Solid Waste	\$1,941,470	General Fund	\$81,875	4.2%	\$222,665	11.5%
Golf	\$987,785	General Fund	\$ -	0.0%	\$64,281	6.5%

The Tentative Budget will be considered by the City Council in their regular meeting on May 5, 2020 with a public hearing to be set for Tuesday, June 16, 2020 at 7:00 p.m. at the City Council Chambers located at the Springville City Center, 110 South Main Street, Springville, Utah. The public hearing will be to discuss the proposed dividend transfer in the Fiscal Year 2021 Budget and the adoption of the Tentative Budget as the Final Budget for the 2021 fiscal year.

More information about the City's Budget is available at:
<https://www.springville.org/finance/budgets/>

Thank you for your support and involvement as a customer of Springville Utilities.