



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 2024 Tentative Budget includes a set percentage transfer of 6.5 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. Additionally, the budget includes a transfer of two percent of the budget of Enterprise Fund capital projects to support the "Percentage for the Arts" program, which promotes public art in Springville. 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 2024 transfers and administrative fees (budgeted not to exceed):

Fund	FY 2024 Expenditure Budget	Transfer To	Transfer Amount	% of Expenditure Budget	Admin. Fees	% of Budget
Water	\$9,247,631	Gen, Fund	\$571,934	6.2%	\$779,658	8.4%
Sewer	\$7,044,210	Gen, Fund	\$527,535	7.5%	\$535,593	7.6%
Electric	\$43,389,509	Gen, Fund	\$3,019,636	7.0%	\$760,022	1.8%
Storm Water	\$2,196,798	Gen, Fund	\$161,083	7.3%	\$600,151	27.3%
Solid Waste	\$2,568,129	Gen, Fund	\$141,203	5.5%	\$319,414	12.4%
Golf	\$1,542,418	Gen, Fund	\$3,000	0.2%	\$81,831	5.3%

The Tentative Budget was adopted by the City Council in their regular meeting on May 2, 2023 with a public hearing set for Tuesday, June 20, 2023 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 2024 Budget.

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.