



NOTICE TO BOUNTIFUL CITY UTILITY CUSTOMERS

This notice has been updated and is being sent a second time to ensure compliance with the noticing requirements in Utah Code Section 10-6-135.5 relative to transfers of money between funds. This information was covered in the Fiscal Year 2020-2021 budget which was adopted by the Mayor and City Council following public hearings during the June 16, 2020, City Council Meeting. Repeat public hearings will be held on the date and times highlighted below.

Transfer from Light & Power Fund to the General Fund

State law requires that the City provide an annual disclosure on amounts transferred from utility Enterprise Funds to the General Fund. Historically, Bountiful has budgeted for the transfer of 10% of Electric Metered Sales (\$2,752,123) from the Light & Power Fund to the General Fund. This year, this transfer represents 7.0% of total budgeted expenditures in the Light & Power Fund.

	Dollar Amount	% of Expenditures
Transfer from the Power Fund to the General Fund.....	\$2,752,123.....	7.0%

These transferred funds are used each year to help cover the costs of important services like police, street maintenance and snow removal, fire and emergency medical services, parks, and similar City services. The utility transfer helps keep property taxes in Bountiful low. The transfers provide a means for reimbursement of the General Fund for services provided to non-property tax paying groups such as non-profit organizations, churches, and governmental entities. Viewed in another way, these transfers are a “dividend” to Bountiful taxpayers as the result of the taxpayers’ original investment in the City’s power infrastructure. If City utility services were provided by private utility customers, these dividends would instead be paid to investor-owners; because Bountiful taxpayers are the investor-owners, these dividends are used to offset what otherwise would be a significant increase in property tax rates.

A repeat public hearing will be held on Tuesday, August 25, 2020 during the regular meeting that begins at 7:00 p.m. at Fire Station 81 located at 255 South 100 West, Bountiful. The public hearing will be to discuss the proposed transfer from the Power Fund to the General Fund. All interested parties are invited to attend.

Transfer from Landfill Fund to the Recycling Fund

State law requires that the City provide an annual disclosure on amounts transferred between utility Enterprise Funds. Bountiful has budgeted for the transfer of funds from the Landfill Fund to the Recycling Fund in the amount of \$238,056 to subsidize operations and avoid user fee increases to customers during a period of difficult global recycling market conditions. This year, the transfer represents 12.3% of total budgeted expenditures in the Landfill Fund.

	Dollar Amount	% of Expenditures
Transfer from the Landfill Fund to the Recycling Fund..	\$238,056.....	12.3%

A repeat public hearing will be held on Tuesday, August 25, 2020 during the regular meeting that begins at 7:00 p.m. at Fire Station 81 located at 255 South 100 West, Bountiful. The public hearing will be to discuss the proposed transfer from the Landfill Fund to the Recycling Fund. All interested parties are invited to attend.

Transfer from Landfill Fund to the Water Fund (following inter-fund loan forgiveness)

State law requires that the City provide a disclosure on amounts transferred between utility Enterprise Funds. Bountiful has budgeted for forgiveness of an inter-fund loan between the Landfill Fund (as lender) and Water Fund (as borrower) originally made on June 12, 2018 under Resolution 2018-08. The remaining balance of the loan (\$2,468,371) was forgiven by the Mayor and City Council under Resolution 2020-06 on June 16, 2020. Resolution 2020-09 is scheduled for adoption on August 25th as a revision of Resolution 2020-06, as required by state regulatory authorities, during the regular City Council Meeting that evening following a public hearing. The inter-fund loan was forgiven based on an analysis of financial infrastructure needs of the Water Fund and available monies in the Landfill Fund to meet the Water Fund’s infrastructure plans while seeking to avoid the immediate need for user fee increases. This year, the transfer represents 128.0% of total budgeted expenditures in the Landfill Fund.

	Dollar Amount	% of Expenditures
Transfer from the Landfill Fund to the Recycling Fund..	\$2,468,371.....	128.0%

A repeat public hearing will be held on Tuesday, August 25, 2020 during the regular meeting that begins at 7:00 p.m. at Fire Station 81 located at 255 South 100 West, Bountiful. The public hearing will be to discuss the proposed transfer from the Landfill Fund to the Water Fund. All interested parties are invited to attend.

Thank you for your support and involvement as a customer of Bountiful City’s utilities.