



# Notice of Adoption of Fiscal Year 2024-2025 Budget Transfers from Enterprise Funds

**Purpose:** Notification of adoption of the proposed fiscal year 2024-2025 budget and transfers from Enterprise (Business-type) Funds to Other Funds. The City of St. George, Utah held its public hearings on June 20, 2024, to review and take public comment regarding the proposed fiscal year 2024-2025 budget and non-reciprocal transfers from unbilled utility services and from enterprise (Business-type) funds to Other funds. On June 20, 2024, the Council approved the adoption of the fiscal year 2024-2025 budget, including the transfer from the Enterprise Funds to Other Funds and the Unbilled Utility Services.

**Background:** The City of St. George has funds that operate as business-type funds, providing water, energy, and sewer collection and treatment services to customers and charging fees based upon consumption (usage) at rates established by the St. George City Council. Most city-owned facilities are charged for these services, but some services are provided at no cost to the City. For example, the Water Fund provides water and irrigation water to some city parks, landscaping, city facilities, golf courses, and rights-of-way. Similarly, the Electric Fund provides power to city wells and pump stations used by the Water Fund to distribute water to customers. For next fiscal year 2024-2025, the amount of unbilled utility services is budgeted as follows:

Fund Receiving Service	Unbilled Electricity	Unbilled Water & Irrigation	Unbilled Sewer
General Fund	\$ 36,500	\$ 1,250,100	\$ 57,300
Water Fund	\$1,356,700	\$ 23,800	\$ 2,300
Energy Fund	\$ 51,400	\$ 5,100	\$ 5,300
Regional Wastewater Treatment	\$ 0	\$ 40,400	\$ 0
Public Transit Fund	\$ 0	\$ 600	\$ 900
Total Unbilled Amount	\$ 1,444,600	\$ 1,320,000	\$ 65,800

The 2024-2025 budget does include approved utility rate increases due to increased costs from suppliers and other infrastructure needs. The approved water increase incorporates a passthrough of a \$0.13 per 1,000 gallons increase in wholesale rates from the Washington County Water Conservancy District and the approved electric rate increase for residential service is increasing from \$0.076554 to \$0.080382 on tier 1 and from \$0.093150 to \$0.107120 on tier 2. For commercial and other approved rate increases, visit the City’s website at:

[https://sgcityutah.gov/departments/utility\\_rates.php](https://sgcityutah.gov/departments/utility_rates.php)

**Background:** The City of St. George General Fund provides administrative and overhead services to the enterprise (business-type) funds. These services include utility billing, payment collection and customer service functions, as well as indirect costs for human resources, legal, technology, fleet maintenance and other administrative services. The City calculates the costs to provide these services to the enterprise funds; and each enterprise fund transfers their proportionate share of the costs to the General Fund. For Fiscal Year 2024-2025, the transfers are budgeted as follows:

Fund	Transfers for Administrative and Overhead	Transfers for Costs Not Associated to the Fund	Percent of Fund’s Expenditure Budget
Electric Fund	\$2,650,000	\$ 0	3.3%
Water Fund	\$2,250,000	\$ 0	3.9%
Wastewater Collection	\$ 262,000	\$ 0	4.8%
Regional Wastewater Treatment	\$ 945,000	\$ 0	4.0%
Refuse Collection	\$ 450,000	\$ 0	5.0%
Drainage Fund	\$ 80,000	\$ 0	8.9%
Total to the General Fund	\$6,637,000	\$ 0	

If these functions were not provided by the General Fund, the enterprise funds would need to hire additional employees and pay the direct personnel, materials and supplies, and equipment costs and/or hire consultants and pay their fees. City Management considers the amount transferred to the General Fund is substantially less than the value of the services received or the amount which would be billed by a third party.

For more information, visit the city website at <https://sgcityutah.gov/publicnotice>