

## **IMPORTANT MESSAGE FROM THE MAYOR**

You may have heard that Pleasant Grove City intends to increase some utility rates. The city has held a number of public meetings to discuss this issue, and we have received a great amount of helpful public comment. The first purpose of this letter is to invite you to attend the final public hearing on this issue to be held **Tuesday, November 16 at 6 p.m.** The public hearing will be at the Pleasant Grove Fire Department in the fire bays. The address is 92 East 100 South.

The rest of this letter covers how you can best inform yourself about all aspects of the proposed rate increases and be better prepared to participate in the public hearing.

One of the criticisms that the elected body receives when important issues come before it is that we have done an inadequate job of informing the public about the issue. Pushing information out to every single resident has always been difficult, but recent technology now puts it within our grasp. **Every resident with a cell phone can now choose to receive important text messages from the city.**

Here's how it works: Go to the city web site at [www.plgrove.org](http://www.plgrove.org). Right there on the home page is a square that says: **Follow us on Twitter**. Click it, follow the instructions, and choose to receive city Twitter updates as text messages on your cell phone. By taking five minutes to do this, you guarantee that you'll be alerted to all major announcements, initiatives, and alerts. It's the best way to stay current on what goes on in our city.

Regarding the current issue of utility rate increases, we have placed a number of helpful documents on our web site. There are direct links from the home page that provide utility rate history, an overview of the current utility rate situation, and the original rate study presentation delivered by the city's financial planning group. Perhaps most helpful is a lengthy Frequently Asked Questions document. This document offers responses to the most commonly asked questions about the proposed increases that have surfaced during our public meetings. As you educate yourself about this issue, please read through this FAQ file.

This letter is not meant to take the place of the detailed information to be found on the city web site. I do, however, want to give you a top-level view of our situation:

**Enterprise Funds.** Pleasant Grove City provides a number of services to our residents. Some of those services are of a general nature in which only some of the residents participate but the entire city benefits; beautiful parks, a nice library, and professional police and fire services, for instance. These general services are funded primarily through taxes; property and sales taxes, mostly. The proceeds of these taxes are placed in the city's General Fund, and then that fund pays for the cost of those services.

Other services are of a more specific nature, in which individual residences use more or less of a service. Culinary water, curbside garbage pickup, and the transport and treatment of sewage are examples of these services. These services form individual "enterprises" and are paid for by user fees. Each enterprise has its own fund, and the fees collected for each service should be enough to fund that service. In other words, fees collected for the Culinary Water Enterprise Fund should be used only for culinary water, and should be enough to ensure the delivery of safe drinking water to our residents. Such an assurance would require the city consider all elements of delivering water: acquisition of water, pipes

and other infrastructure, maintenance of that infrastructure, general operations, and projections of future water needs.

It is important that our residents understand difference between the General Fund and the various Enterprise Funds, and recognize that established best practices dictate that enterprises fund themselves, rather than borrowing from the General Fund.

**Utility Increases.** In August of this year, the city council reviewed a utility rate study performed by the top municipal financial consultant in the region. The study revealed that the city has not kept pace with funding some of our enterprises, and that those enterprises were in danger of becoming insolvent. The consultant recommended immediate rate hikes of about 60%. Our city administrator and financial director, however, recommended that the elected body soften those rate hikes by spreading them out over four years.

The enterprises that must be better funded in order to stay solvent are Culinary Water, Secondary Water, Sewer, and Storm Drain. The current plan is to take four years to build up to proper funding.


We recognize that some of our residents are on fixed incomes and that any increase at all becomes difficult. With that in mind, the city will consider adopting the county's property tax abatement standard for helping those residents. Should we take this step, anyone (homeowner or renter) who applies and qualifies for Utah County's property tax abatement program would receive a discount on utility fees equal to the increase for the next four years.

**Public Hearing.** The last in a series of public meetings on this issue will take place on Tuesday, November 16, at 6 p.m. This hearing will be held at the Pleasant Grove Fire Department in the fire bays located at 92 East 100 South. At this meeting, the city council will take public comment; any resident is welcome to speak. If you plan on attending, please take the time to educate yourself on all aspects of the proposed increase by reading the online documents and FAQs.

We have a wonderful community full of energetic and public-spirited citizens. Our residents are quick to get involved, and I sincerely appreciate that. And what I appreciate even more is the sound thinking and deliberate approach of both our citizens and our elected officials. I have found that when our citizens are armed with the same information that our city council is, there is generally agreement on the action that must be taken.

Thank you for being a part of this remarkable community.

Sincerely,



Bruce W. Call  
Mayor, Pleasant Grove City