

IVINS CITY 5-YEAR FISCAL PLAN 2025 - 2029

Ivins City

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FINANCIAL SUMMARY

For Ivins City a plan to address future programs and services in an affordable manner is critical to effective financial planning. The elements of the City's five-year fiscal forecast include: Operational Planning; Capital Project Planning; and Revenue Forecasting.

The City Manager and Department Heads develop departmental strategic plans, cost estimates, and staffing requirements to meet the needs of a growing population. Revenues based upon trend analyses, known upcoming commercial projects, and residential growth projections were estimated for the five-year period. The City's Capital Program for the five-year period was prepared based upon consultation with the Public Works Director / City Engineer on infrastructure expansion as well as the various Master Plans and Impact Fee Facility Plans.

PURPOSE

The 5-Year Fiscal Plan takes a forward look at the City's major operating funds. The General Fund is a governmental fund used for typical governmental tax-supported services such as public safety and Parks & Recreation. The Water and Wastewater Fund are proprietary enterprise funds that operate more similarly to private business.

The purpose of the plan is to identify financial trends, shortfalls, and issues so the City can proactively address them. It does so by projecting out into the future the fiscal results of continuing the City's current service levels. The plan is intended to be used to set the stage for each year's budget process, but it is subject to change based upon available resources, changes in the economy and environment and Council's direction. The Five-Year Fiscal Plan facilitates staff, the City Manager, and Council in establishing priorities and allocating resources appropriately.

FISCAL FORECAST

General Economic Outlook

Ivins popularity as a center for tourism is increasing and that popularity will continue with the completion of Black Desert Resort in the coming years. It has roughly 10,000 residents and is estimated to buildout to a population of approximately 20,000.

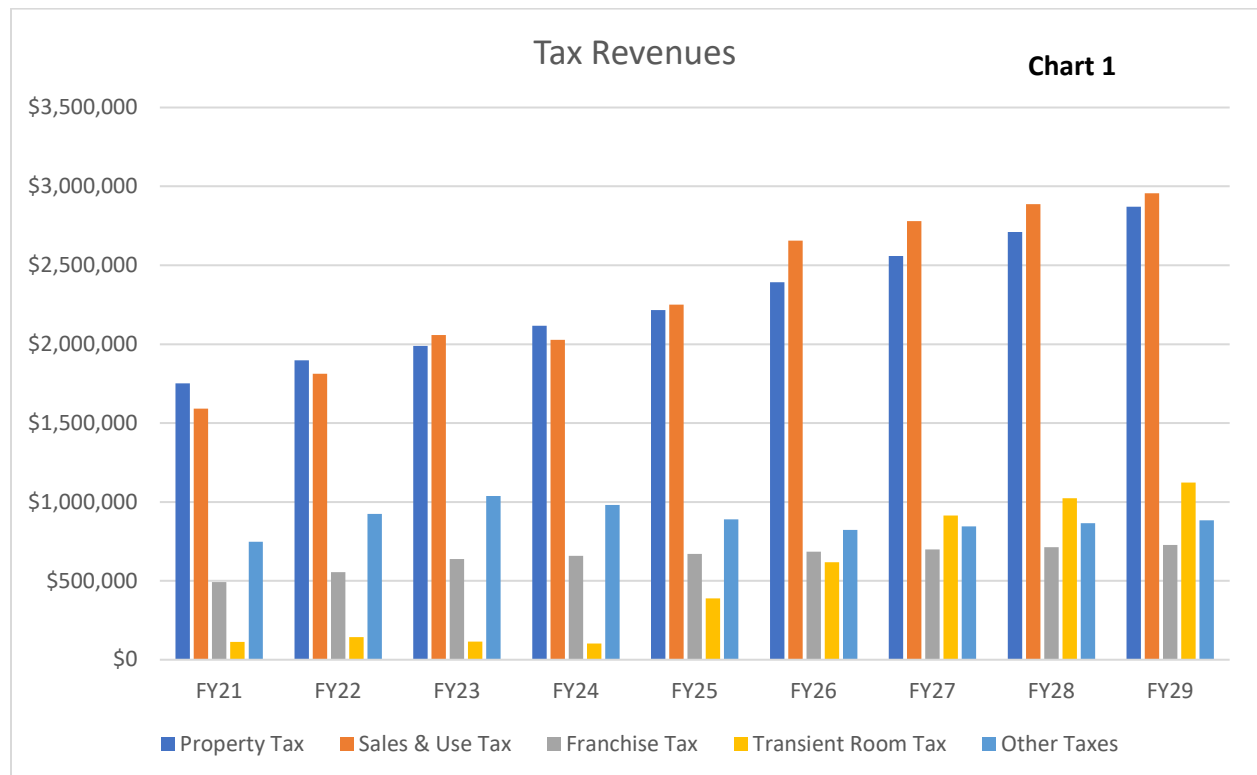
Washington County and Ivins City have experienced steady growth for more than 20 years and it is anticipated that residential growth will continue.

The assessed valuation has grown substantially from \$863 million in 2017 to over \$2.33 billion in 2023. Property tax growth has been steady over the past five years, with an average annual change of 6.92%. Based on economic factors, this rate will slow down and is projected to increase annually by 4% over the next five years due to residential growth with incremental increases upon the completion of Black Desert Resort and other commercial projects.

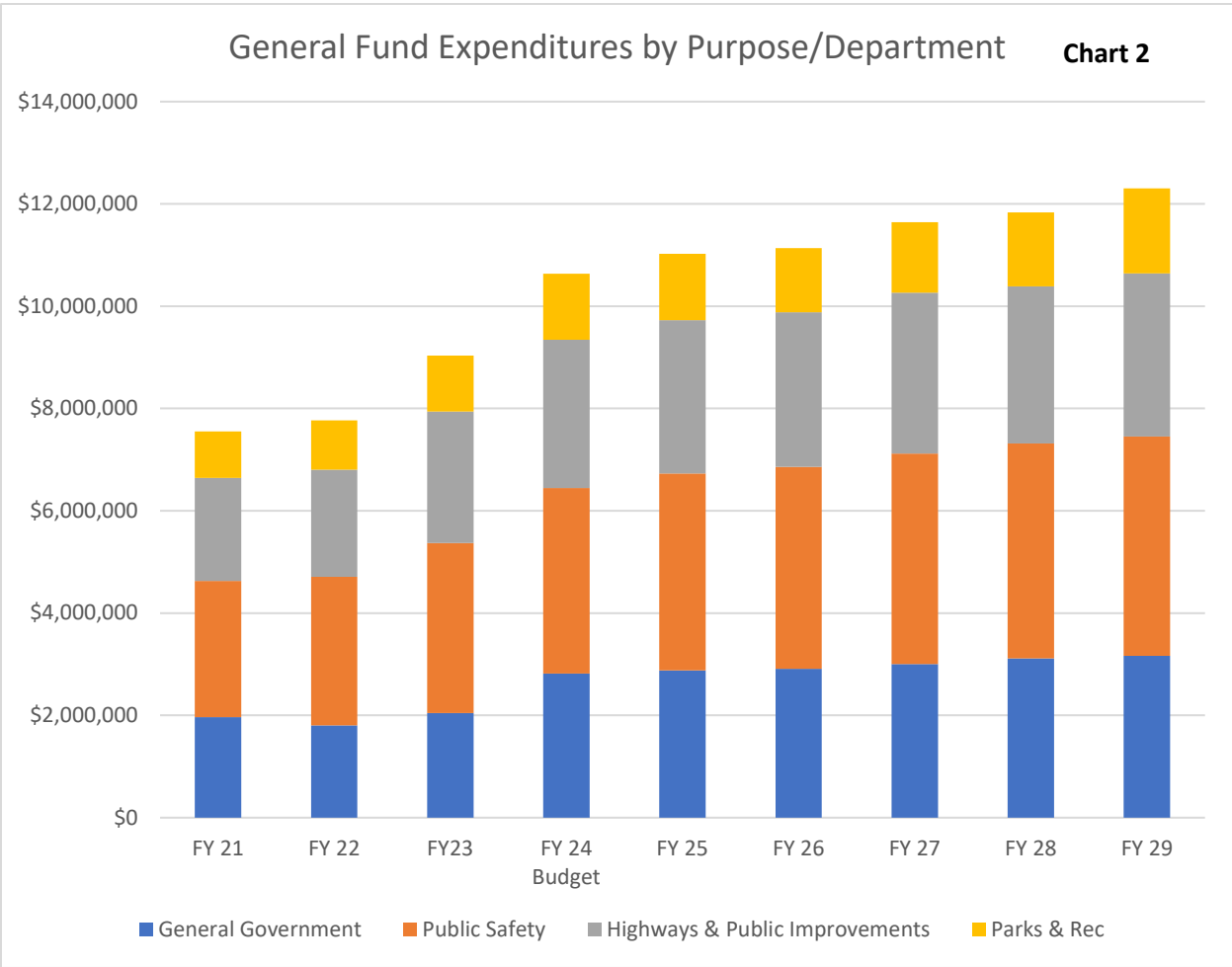
Sales tax has steadily grown over the past five years, most of which is attributed to growth and spending in the State and County, and inflation. Sales and use tax surpassed property tax as the main source of general fund revenue in FY23 and should continue to do so with the additional commercial coming to the community. Sales and Use tax revenue has increased by 73% since 2019. Sales and Use tax is inherently subject to fluctuations. FY24 has showed signs of slowing down and decreasing from prior year.

General Fund

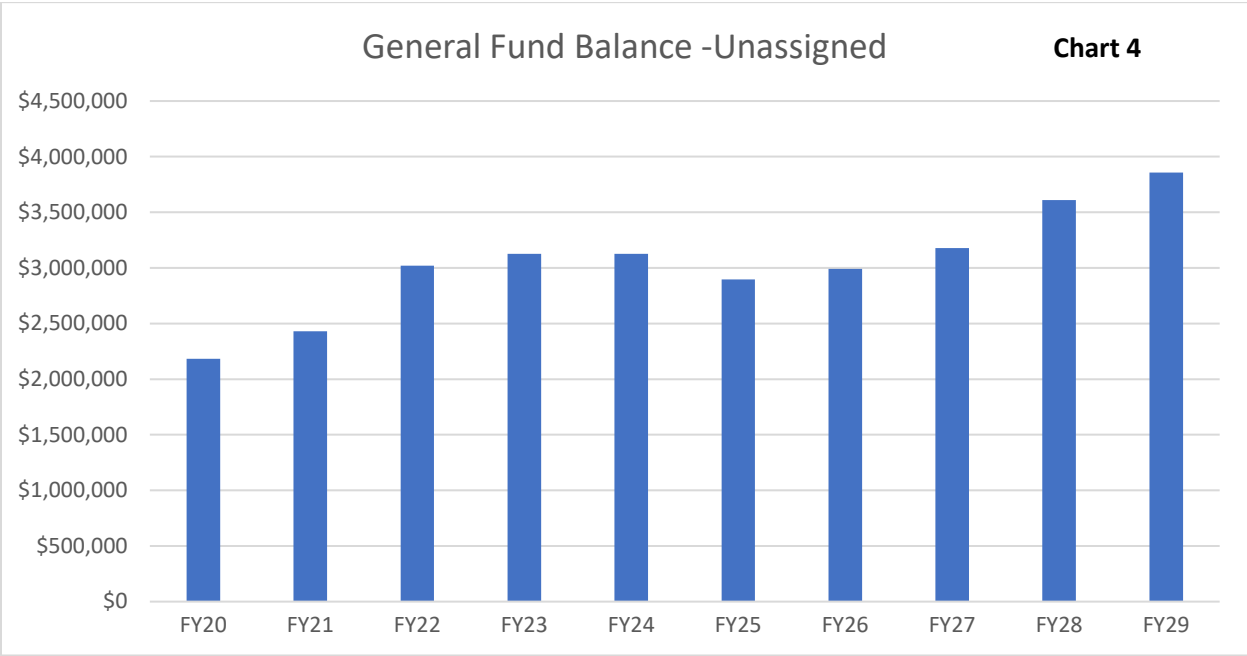
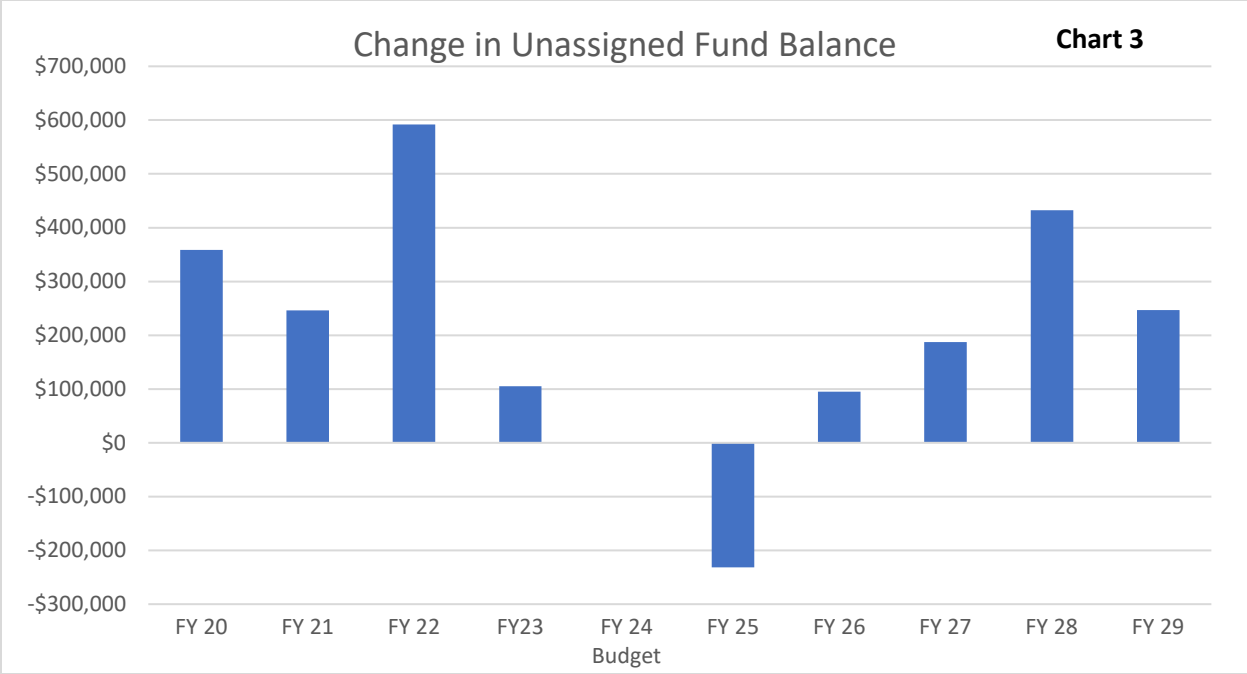
With continued growth in the property tax base, as well as expansion of the retail sales and transient room tax base, the General Fund revenues are expected to grow over 14% over the next five years. Property tax and Sales and Use tax are the primary revenue sources for the General Fund, representing 23% and 22% respectively of the total General Fund revenues at the end of the five-year horizon. Transient Room tax will become a larger revenue stream for the City. Currently, the Transient Room tax makes up roughly 1% of total General Fund revenues and could be 9% of total revenue in FY29. A potential economic recession could alter the amount of sales tax to be distributed to the City. See Chart 1.



The cost of providing services is expected to outpace revenue projections next fiscal year. The City saw unprecedented interest earnings in FY23 and FY24, which should slowly decline pending on interest rate cuts. Commercial development that brings various sales tax, and property tax will be added to alleviate the burden towards the end of the 5 years. The highest growing categories of expenditures are Public Safety and Fire/EMS where staffing levels are planned to increase to manage calls for service and growth of the City. Staffing levels would need to increase significantly in the Parks and Recreation departments, depending on the size, scope, and timing of the planned regional park. See Chart 2 on the next page. Note Fire/EMS expenditures are included in the General Government department.



The General Fund Balance is used primarily to maintain funds for emergencies. In other words, the fund balance is the City’s cumulative savings. Excess savings are used to build up the General Fund Balance or used as transfers to the Capital Projects Fund to finance capital projects. In FY25 costs are expected to outpace revenues and cause a decline of change in fund balance. See Chart 3. Increased costs, using all ARPA funds, and a reduction of interest earnings are the main drivers for the decline. The City had roughly \$3.1 million as an unassigned general fund reserve at the end of FY23 and an estimated \$3.1 million at the end of FY24. The State requires a minimum fund balance of 5% of General Fund revenues and a ceiling of 35% of General Fund revenues. FY23 the City had a ratio of 27%. See Chart 4 on the next page.

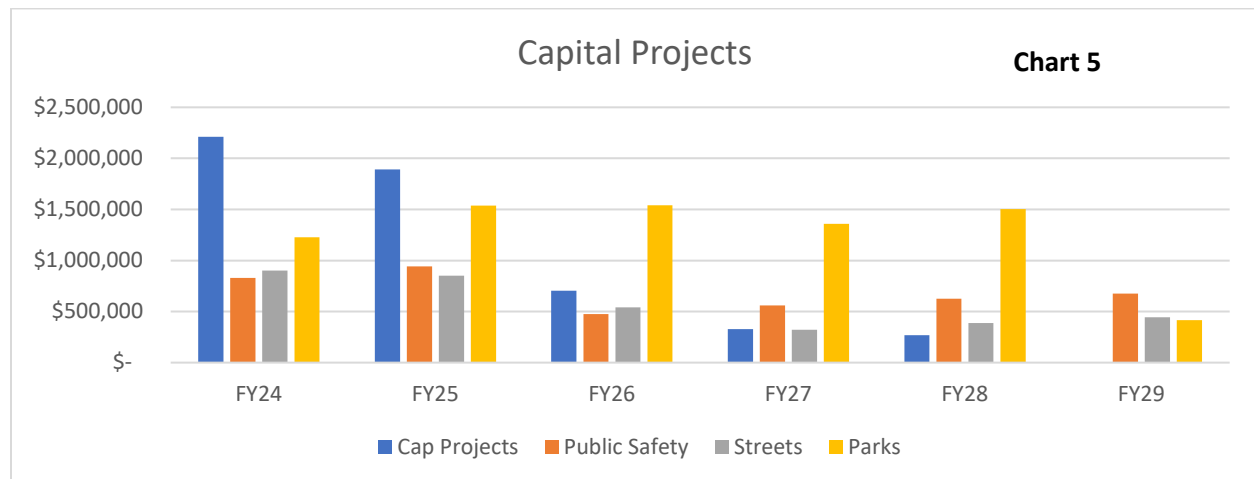


The City is required to adopt a balanced budget, with the option of using General Fund balance to address any shortfalls. The City has a few commercial projects under construction that will provide more sales-tax-related revenues in the future. These revenues are much needed to help provide more funding for operations and capital projects. With a forecasted deficit in the next year, a property tax increase, cost reduction, or use of General Fund Balance would be needed to sustain the City's operations.

Capital Projects and Impact Fees

Along with the General Fund, the City has a Capital Projects Fund. The source of revenue for this fund are transfers from other funds, such as the General Fund and Impact Fee Funds, as well as grants from outside sources such as the County contributing to the HWY91 costs. Unlike the General Fund, the Capital Projects Fund does not have a floor or ceiling on savings. Each Impact Fee has its own Fund. These fees are to be expended within 6 years. An extension can be permitted if a plan is in place to ensure the funds are spent. For Governmental Funds that includes Public Safety, Streets, and Parks. Chart 5 shows the fund balance or savings for each of these funds.

The projects included in Chart 5 are found in the 5-year capital project plan summary below on page 12. These include the purchasing of a ladder truck and a replacement ambulance, the construction of two parks, part of the Public Works Yard being paid with Street Impact Fees, and additional roundabouts throughout the City. Chart 5 shows that the fund balance for Capital Projects would be depleted in FY29. This is due to the estimated cost of the Regional Park being roughly \$12 million. This estimate is taken from our Parks Impact Fee Analysis done in FY23. Outside funding, such as County and State grants or a bond, would be necessary to complete this park. Bonding could be feasible if the project is pushed back as the City has a Sales Tax bond that matures in FY31.



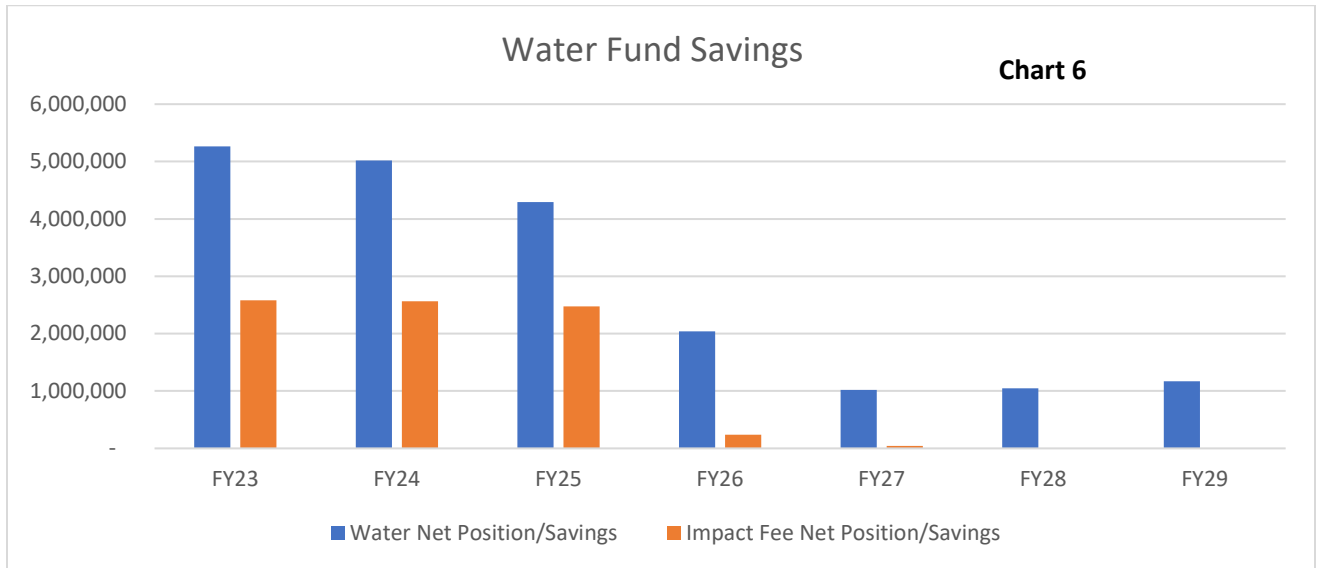
Enterprise Funds

Water

The estimated customer base is expected to continue to expand, providing increased revenue to support ongoing operations. Impact fees are expected to provide a revenue stream for the City to pay for infrastructure improvements. Slower growth may require the Council to review rates to meet the infrastructure needs of growth.

The biggest project for the City to decide on is the implementation of an irrigation system. The estimated cost to implement a secondary water system throughout the City is \$27 million. Outside funding and bonding would be required for this magnitude of a project. As illustrated in Chart 6, the Water Net Position/Savings would be severely depleted and all Water impact fees spent after finishing

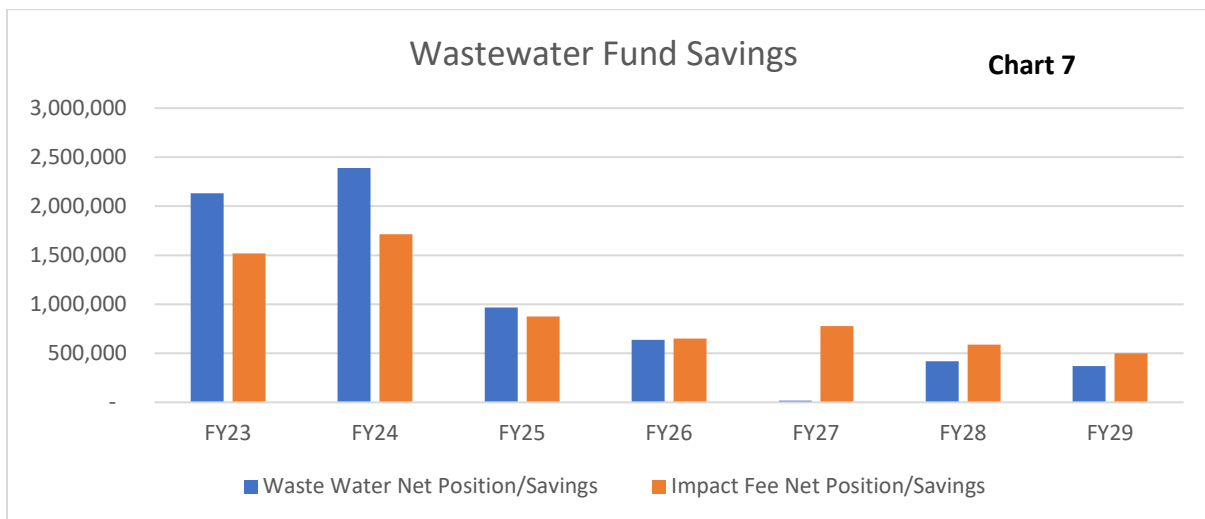
the first phase of the project. Other projects that are forecasted to be complete are a new Public Works Yard, implementing advanced metering infrastructure to help catch water leaks faster, and current water tank repairs.



Wastewater

Sewer and Storm Drain make up the Wastewater fund. The customer base is expected to expand at a similar pace to water. As with water, should there be a slowdown in growth, rates will be reviewed to ensure cost recovery. A Storm Drain Rate Study should be completed by the end of this fiscal year.

Significant replacement and upsize projects are forecasted to deplete the savings of this fund in FY27 with recovery in the following years. See Chart 7. The projects to be completed in the next 5 years include replacements of storm drain infrastructure at 250 E and 400 E, sewer infrastructure at the Tuacahn/Lava Flow wash, and an additional lift station near Anasazi Valley.



Next Steps

Staff and City Council will use this document as a foundation for the annual budget. Council input on staffing, capital projects, and other priorities are vital. Key decisions will be needed in the following areas:

1. Staffing – As the City continues to grow, more staff will be needed to maintain the current levels of service for the residents. The timing of new hires is critical to the operations of the City and the budget. Pages 10 and 11 show the proposed staffing levels and recommended levels of service by staff but cost constraints and Council priorities need to determine the level of staffing desired.
2. Projects – The Five-Year Plan includes proposed project schedules for the City. The timing of these projects can change based on many factors, including the growth rate, economy, available funds, major events, and other projects.



5 Year Staffing Plan

Title	Current (24)	2025	2026	2027	2028	2029
Administration						
City Manager	1	1	1	1	1	1
City Attorney	0	1	1	1	1	1
Finance Director	1	1	1	1	1	1
City Recorder	1	1	1	1	1	1
Treasurer	1	1	1	1	1	1
Human Resources	1	1	1	1	1	1
Customer Service/Utility Billing	1	1	1	1	1	1
Business License / Accounts Payable	1	1	1	1	1	1
TOTAL	7	8	8	8	8	8
Building & Zoning						
Building & Zoning Administrator	1	1	1	1	1	1
Deputy Building Official	1	1	1	1	1	1
Inspector	2	2	2	2	1	1
Administrative Assistant/Deputy City Recorder	1	1	1	1	1	1
TOTAL	5	5	5	5	4	4
Public Works						
Public Works Director / Engineer	1	1	1	1	1	1
Asst. PW Director / Admin.	1	1	1	1	1	1
Asst. PW Director / Ops.	1	1	1	1	1	1
Inspector	1	1	1	1	1	1
Admin. Assistant	1	1	1	1	1	1
Crew Supervisor	0	0	0	1	1	2
Fleet Mechanic	1	1	1	1	1	1
Public Works Crew	6.5	7.5	7.5	7.5	7.5	8.5
TOTAL	12.5	13.5	13.5	14.5	14.5	16.5
Parks & Recreation						
Parks & Recreation Director	1	1	1	1	1	1
Parks Superintendent	1	1	1	1	1	1
Recreation Coordinator	1	1	1	1	1	2
Admin. Assistant	0	0	0.5	0.5	1	1
Parks Crew	4	5	5	6	6	8.5
TOTAL	7	8	8.5	9.5	10	13.5
* Additional Staff needed for Regional Park						
Public Safety						
Law Enforcement						
Chief	1	1	1	1	1	1
Captain	1	1	1	1	1	1
Lieutenant	1	1	1	1	1	1
Sargeant	2	2	2	2	2	2
Detective	2	2	2	2	2	2
Officers	9	10	10	11	11	12
Evidence Technician/Crossing Guard Supervisor	1	1	1	1	1	1
Victim's Advocate	0.5	0.5	0.5	0.5	0.5	0.5
Administrative Assistant	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL LAW ENFORCEMENT	19	20	20	21	21	22
Animal Shelter						
Shelter Manager	1	1	1	1	1	1
Shelter Workers	1	1	1	1	1	1
TOTAL ANIMAL SHELTER	2	2	2	2	2	2
TOTAL PUBLIC SAFETY	21	22	22	23	23	24
City Wide Total	52.5	56.5	57	60	59.5	66

Public Safety																
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Officers	13	14	15	15	15	15	15	15	16	16	17	17	17	18	18	19
Population - Ivins & SC	13,668	14,547	14,973	15,791	16,331	17,063	17,475	17,949	17,936	18,135	18,900	19,700	20,291	20,697	21,111	21,744
Population/Officer	1,051	1,039	998	1,053	1,089	1,138	1,165	1,197	1,121	1,133	1,112	1,159	1,194	1,150	1,173	1,144
Officer Ratio	0.95	0.96	1.00	0.95	0.92	0.88	0.86	0.84	0.89	0.88	0.90	0.86	0.84	0.87	0.85	0.87
Recommended level of service of:											1.0 Officers per 1,000					

Parks & Cemetery																
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Staff	3	3	3	5	5	5	5	5	5	5	6	6	6	7	7	9.5
Acres Maintained	46.21	46.36	50.07	50.23	56.71	59.35	70.88	74	75.2	96.1	96.1	97.21	98.21	102.21	103.21	126.21
Acres Maintained/Staff	15.40	15.45	16.69	10.05	11.34	11.87	14.18	14.80	15.04	19.22	16.02	16.20	16.37	14.60	14.74	13.29
Recommended level of service of:											12.99 Acres maintained/Staff					

Public Works																
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Staff	8.5	8.5	8.5	8.5	9	10.5	10.5	10.5	11.5	11.5	11.5	12.5	12.5	13.5	13.5	15.5
Population	7,665	7,876	8,132	8,726	8,913	9,192	9,058	9,532	10,012	10,012	10,500	11,000	11,330	11,557	11,788	12,141
Population/Staff	902	927	957	1,027	990	875	863	908	871	871	913	880	906	856	873	783
Recommended level of service of:											750 population/Staff					



%IF - Project is Impact Fee eligible T - Timing of project/purchase can be moved O\$ - Potential outside funding available Dev- Cost effective to build during development

5-year capital projects plan

Fire	Current (24)	2025	2026	2027	2028	2029
Ladder Truck - %IF			\$ 1,000,000			
New Ambulance			\$ 500,000			
Total Fire	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -
Parks & Rec	Current (24)	2025	2026	2027	2028	2029
Fitness Way Park property purchase - %IF			\$ 500,000			
Fitness Way Park design and construction - %IF			\$ 75,000	\$ 750,000		
Complete Red Rock Park			\$ 75,000			
Old Highway 91 Trail - %IF	\$ 1,000,000					
Design for Regional Park - %IF					\$ 100,000	
Regional Park - %IF	\$ 116,000					\$ 11,000,000
Landscape Installation Projects		\$ 50,000				
Total Parks & Rec	\$ 1,116,000	\$ 50,000	\$ 650,000	\$ 750,000	\$ 100,000	\$ 11,000,000
Public Works	Current (24)	2025	2026	2027	2028	2029
General Equipment	Current (24)	2025	2026	2027	2028	2029
New Public Works Yard on BLM Land - %IF, T		\$ 300,000	\$ 2,500,000	\$ 1,500,000	\$ 250,000	
Sewer Camera Truck - T		\$ 75,000				
Valve Turning Trailer - T		\$ 100,000				
Crack Seal Trailer - T			\$ 100,000			
TOTAL	\$ -	\$ 475,000	\$ 2,600,000	\$ 1,500,000	\$ 250,000	\$ -
Water	Current (24)	2025	2026	2027	2028	2029
Tuacahn Tank Reconstruction (Agreement with Sentierre)	\$ 250,000					
Recoat 2 MG Water Tank (Interior/Exterior)				\$ 250,000		
Advanced Metering Infrastructure - O\$, T	\$ 625,000	\$ 625,000				
Irrigation Phase 1 Implementation - %IF, T	\$ 300,000	\$ 3,500,000				
Irrigation Phase 2 Implementation - %IF, T				\$ 2,000,000		
Irrigation Phase 3 Implementation - %IF, T					\$ 2,000,000	\$ 2,000,000
*If the City decides pursuing a secondary water system, the total Irrigation Project costs are estimated to be \$27M						
TOTAL	\$ -	\$ 1,175,000	\$ 4,125,000	\$ 2,250,000	\$ 2,000,000	\$ 2,000,000
Sewer	Current (24)	2025	2026	2027	2028	2029
Tuacahn Wash/Lava Flow Wash Sewer Replacement - %IF	\$ 2,000,000					
Anasazi Valley Lift Station - %IF, T	\$ 650,000	\$ 650,000				
800 S /400 E to Pioneer Parkway Upsize - %IF						\$ 900,000
800 S from 200 E to 400 E Upsize - %IF						\$ 250,000
TOTAL	\$ -	\$ 2,650,000	\$ 650,000	\$ -	\$ -	\$ 1,150,000
Storm Drain	Current (24)	2025	2026	2027	2028	2029
600 west 200 North Detention Basin - %IF		\$ 300,000				
400 East SD Upgrades	\$ 600,000					
400 E Replacement - T				\$ 1,200,000		
250 E 200 S Replacement - %IF			\$ 600,000			
250 E 400 S Replacement - %IF						
Park Avenue Upgrade			\$ 150,000			
TOTAL	\$ 600,000	\$ 300,000	\$ 750,000	\$ 1,200,000	\$ -	\$ -
Streets	Current (24)	2025	2026	2027	2028	2029
Old Highway 91 - 200 E to Shivwits - Phase 1	\$ 3,400,000					
Old Highway 91 - Kwavasa to Shivwits - Phase 2		\$ 2,400,000				
Puerto Drive Improvements	\$ 50,000					
Hamblin PKWY Roundabout - Dev, %IF		\$ 500,000				
Kayenta Parkway/Kwavasa Roundabout - Dev			\$ 100,000			
400 East Roundabout - Dev					\$ 150,000	
400 S Peurto Dr Roundabout - Dev		\$ 300,000				
Total Streets	\$ 3,450,000	\$ 3,200,000	\$ 100,000	\$ -	\$ 150,000	\$ -
Grand Total	\$ 5,166,000	\$ 7,850,000	\$ 10,375,000	\$ 5,700,000	\$ 2,500,000	\$ 14,150,000