



STAFF REPORT

Meeting Type:	City Council
Meeting Date:	July 21, 2025
From:	Tyler Deems, City Manager
Subject:	Resolution 2025-25: Formalizing Utility Billing Practices for City Accounts

DECISION TO BE MADE:

Formalize the direction provided by the City Council to reduce utility costs associated with the Bornstedt Park splash pad, while also formalizing the City's utility billing practices for City utility accounts.

APPLICABLE COUNCIL GOAL:

- **Goal 5.4** – Identify strategies to reduce utility costs associated with the Bornstedt Park splash pad.

BACKGROUND / CONTEXT:

The City of Sandy has historically treated itself like any other utility customer, charging the same utility rates for all city buildings, facilities, parks, and open spaces. Recent utility rate increases have made it extremely expensive to operate the Bornstedt Park splash pad and irrigate lawns in our parks and open spaces, both of which have a direct benefit to the public. In an effort to stabilize costs within the Parks Maintenance budget, specifically the utility charges, the City Council adopted Council Goal 5.4 – Identify strategies to reduce utility costs associated with the Bornstedt Park splash pad.

Staff implemented this goal and developed a strategy within the Biennium 2025-27 budget which discontinues the practice of charging the splash pad and irrigation in our parks and open spaces to ensure that these public amenities remain in good working order, while not needing to reduce hours of operation or cutting other vital public services.

Utility charges for the Bornstedt Park splash pad in fiscal year 2025 totaled \$32,354. To continue to operate at the same level of service, a severe reduction in the hours of the operation or a new fee would have been needed to balance the budget.

While researching options, staff realized that there was no formal process outlining how City utility accounts are billed. Resolution 2025-25 formalizes our internal billing practices for City utility accounts, while also identifying exemptions, specifically for parks and open spaces that provide a direct public benefit and do not have a City building/facility where staff conduct business.

KEY CONSIDERATIONS / ANALYSIS:

Staff begin to realize in the Biennium 2025-27 budget planning process that the utility costs associated with operating these public spaces were increasing so rapidly that a change needed to be implemented in order to continue to offer the same level of service that the community has come to expect. The higher utility rates, coupled with warmer, drier weather, which has increased water and wastewater usage, has become a significant challenge for the Parks Maintenance Department to financially manage.

The Council adopted a goal in early 2025 directing staff to identify solutions. After reaching out to several other cities, we learned that there is no consistent practice. Several cities do not charge any utility rates for city accounts, some charge for specific types of accounts, while others charge all city accounts in a similar manner to what Sandy has done. With no consistent practice across cities, staff reviewed our accounts and is proposing the following change:

- No longer charge water, wastewater, stormwater, fiber internet, or public safety fee for any accounts designated as parks and open spaces.

To be clear, there is no change being proposed to how City buildings, offices, and other facilities are being billed. These locations (City Hall, Library, Community Center, pump stations, etc.) will continue to be treated as any other utility account. This resolution only makes changes to utility accounts designated as parks and open spaces, which offer a direct public benefit. The impact of this resolution reduces utility charges in the Parks Maintenance Department by approximately \$100,000, allowing for a larger repairs and maintenance budget to improve park assets throughout the City. The resulting decrease in revenue in the utility funds, specially water and wastewater, is negligible and will not have an impact on the financial standing of those funds.

BUDGET IMPACT:

None. The reduction in expenses for Parks Maintenance and reduction in revenue for the utility funds is already reflected in the biennium 2025-27 budget.

RECOMMENDATION:

Staff recommends approving Resolution 2025-25 to accomplish Council goal 5.4, which will reduce specific utility charges in City parks and open spaces and formalize the City's utility billing practices for other City utility accounts.

SUGGESTED MOTION LANGUAGE:

"I move to approve Resolution 2025-25."

LIST OF ATTACHMENTS / EXHIBITS:

- Resolution 2025-25