



Fiscal Year 2018-19 Moab City Budget

Where's the Cheddar

The annual budget process: July 1 to June 30

Annual budget is where your priorities are manifested.

The best time to consider citywide needs, resources, and constraints in context with each other.

The annual budget process: July 1 to June 30

- Budgeting is an iterative and dynamic process that never ends.
 - As soon as the annual budget is finalized, it is out of date...
- Typically there are 2-3 budget openings (aka amendments) during the middle of the fiscal year
 - Chance to correct any errors, adjust for unforeseen needs, recalibrate revenue projections



FY19 Budget process

- Departments make requests and recommendations;
- Administrative staff review in meetings with each department individually;
- Consolidate into one giant spreadsheet for Council consideration;



FY19 Budget process

- Estimate revenues based on trends and specific expectations (e.g., knowing a large sewer connection is coming); and
- Reconcile the projected revenues with expense requests.



FY19 Budget process

- Budget items exist on a scale of “you can’t touch this” to “eh would be nice but not really critical”
 - Wages, benefits, debt service
 - Additional staff
 - Fixing equipment and buildings
 - New equipment and buildings



The Setup

- The City's finances are organized in various funds. (Why? Transparency, proper allocation of costs)
 - General fund (police, streets, planning, administration, etc.)
 - Capital fund (expensive equipment, buildings, vehicles)
 - Recreation Fund



The Setup

- Class C Road Fund
- Community Development Fund
- Storm Water Utility (Enterprise) Fund
- Sewer and Culinary Water Enterprise Fund
(transitioning to separate funds)



FY19 Budget timeline

Recommended budget to Council first of April

Council reviews and deliberates throughout April

- Workshops scheduled for April 10, April 17 (lunch!), April 24, May 8, May 22

Council adopts “Tentative Budget” April 24, sets formal public hearing date for May 8

Public hearing May 8

Council adopts final budget May 22



The Revenue Picture

Estimating revenue is an artsy science.

Based on current YTD revenue, we projected year-end revenue;

Then estimated next year's revenue on 3 and 6 year averages.

The Revenue Picture: Taxes FY18

	Budgeted	Projection	+/-
Sales & Use Tax	\$2,065,877	\$ 2,079,823	\$ 13,945.55
Franchise Tax	\$106,842	\$138,229	\$ 31,386.83
Highway Taxes	\$825,523	\$ 814,746	\$ (10,776.57)
Transient Room Taxes	\$1,356,600	\$ 1,271,834	\$ (84,765.71)
Resort Community Taxes	\$4,175,534	\$ 4,198,074	\$ 22,539.65
Energy Tax	\$173,759	\$ 172,475	\$ (1,284.01)
Total	\$8,704,135	\$ 8,675,181	\$ (28,954.27)

The Revenue Picture: Taxes FY 19

	FY18 Projection	6 year avg	3 year avg	FY18 projected %	FY 19 Scenario 1	FY19 Projected
Sales	\$2,079,823	6.44%	7.60%	7.23%	7.26%	\$ 2,230,848
Franchise	\$138,229	-2.35%	-3.37%	-10.33%	-5.25%	\$ 130,971
Highway	\$814,746	7.55%	9.37%	8.09%	8.57%	\$ 884,570
TRT	\$1,271,834	11.51%	12.96%	10.22%	11.98%	\$ 1,424,170
Resort	\$4,198,074	7.85%	9.86%	8.72%	9.03%	\$ 4,577,267
Energy	\$172,475	2.75%	-2.26%	-2.05%	-0.41%	\$ 171,766
Total	\$8,675,181			8.08%	8.58%	\$ 9,419,592



The Big Picture: Revenue

Tax projections = up 7.9%

Some fee-related increases

Pull some from fund balance but keeping the FB
around 15%

Questions of questionableness

Constantly balancing using one-time funds e.g. fund balances

Revenues are subject to (and benefit from) the vagaries of weather, economy, recreation trends, etc.

Ways to assess relevant users appropriately for services

- Property tax
- Service fees
- Use fee (e.g. transportation fee)

City and County partnerships/overlap/informalities/inconsistencies regarding providing services

The Recommendation: Principles



- Salaries and insurance premiums for current position are fixed – except for COLA
- Wanted to reduce the ratio between one-time and ongoing revenue
- Judiciously continue to reconfigure staff resources where needed and where there may be a revenue offset and/or savings from using contracted services
- Make structural changes to better allocate and track costs
- Begin planning for large capital expenses in sewer, culinary water, storm water, streets, and facilities



The numbers

General fund increases by 3.5%

Includes \$450,000 transfer to Capital Fund/Millcreek Fund

Reflects a significant decrease in use of one-time revenues (i.e., general fund balance) – down 43%

Ratio of one-time revenues to one-time expenses decreases from 1.43 to 0.93 – below 1.0 is good

Recreation supplement increases 5.26%



General Fund departments

Police

Public Works: Admin, Streets, Vehicle Maintenance,
Facilities, Parks

Planning and Development

Engineering

Treasurer

Recorder

Central Administration

Police

Overall increase of 4%

Add 3 new positions:

- Administrative assistant
- VOCA-funded victim advocate
- One sworn officer to focus on vehicle-related law enforcement

Various equipment upgrades and replacement, including some vehicles

Public Works (General Fund portion)

Overall decrease of 1%

Shifted eligible costs to the Class C Road Fund

Dispersed “Safety” budget and responsibilities among the departments, including Admin and HR

Created the “Public Works – Administration” budget to separate out Streets from general administration

Planning and Development

Overall increase of 14%

Adds a shared administrative assistant position (with Engineering) in addition to currently-budgeted Planner I

Adds a building inspector for ½ year – to be annualized in future budgets

Funds small area plan for Powerhouse Ln. area

Engineering

Overall increase of 0.38%

Small reduction in contracted services budgets

Supply/equipment replacement increased

Treasurer -> Finance

Overall increase of 37%

Adds a third position to the office

Recorder

Overall increase of 10%

Equipment updating

Taking over minutes and noticing for P&Z

Central Administration

Overall increase of 1%

Converted Process Improvement position to
Assistant City Manager

Most other adjustments revenue neutral (e.g.,
Housing funds move to Community Contributions



Recreation Fund

Overall increase of 1.85%

Includes MRAC, MARC, Sports and other recreational programming

Does not include capital improvements (those are in Capital Fund)

Overall tightening of budgeted expenditures



Class C Road Fund

Overall decrease of 9.1%

Reflects notion that FY18 we budgeted to spend funds that had been saved up (due to not being spent in previous budgets)

Ongoing revenues are up

Moved significant equipment supplies expenses to Class C from General Fund

Capital Projects Fund (non-enterprise)

This is fluid until we get closer to end of fiscal year to know how much fund balance is available to re-budget

Overall there's a decrease – for now – as we have got caught up on certain projects/plans + no USU setaside

Shows a reduction in use of Capital Projects Fund balance

Smaller amount for road improvements but probably want to bump that up.

Plan on large expense proposal related to City Center renovations and new Public Works building – midyear FY19

Culinary Water Enterprise Fund

Revenue increases reflect full year of new water rates

Overhead charges increased due to updated study by auditors

Adding one new FTE to full crew of four

Proposing to finance estimated \$400,000 to pay for major upgrades



Sewer Enterprise Fund

Revenue increases reflect full year of new sewer rates

Overhead charges increased due to updated study by auditors

Changes to utility expenses for new WRF

Proposing to finance estimated 2,500,000 to pay for major upgrades