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Budget [ buhj-it ]
noun
a plan to show how much money a person or organization will earn and how much they will need or be able to spend:
Budget: An Introduction

Moab City is required to adopt a balanced budget every year. A balanced budget is one in which the expenses do not exceed the revenues.

**Budget Cycle**

The City budget year runs from July 1\(^{st}\) through June 30\(^{th}\) each year. City budgets establish the legal spending authority for City Administration for the coming year.

**Budget Preparation**

Beginning in January each year, city department heads submit requested budget amounts for the upcoming Fiscal Year. These requests are reviewed, compiled, adjusted, and submitted to Council as the recommended Administrative Budget.

**Tentative Budget**

The City Council adopts a tentative budget in the last Council meeting in April. A date is also set for the public hearing on the tentative budget. The purpose of the tentative budget is for residents and interested parties to review and provide feedback on the city budget at the public hearing.

**Public Input**

At the first Council meeting in May, a public hearing is held in which members of the public may be heard regarding the tentative budget.

**Final Budget**

After consideration of public input and any final considerations, the Council adopts the final budget before the last meeting in June, or in August if a change to property tax is considered.

**Budget Amendments**

The Council may adjust the annual budget throughout the year based on the changing needs within the City. To amend a budget, the City must give proper notice to the public and hold a public hearing. Typically, the Council will review and amend the budget mid-year (December) and at year end (June).
City Funds: What are they?

City Governments use “Fund” Accounting, where each Fund has its own set of financial statements, essentially running as independent businesses.

Total annual resources available to each fund are listed below:

The General Fund contributes to other funds, so the values above do not represent total cash anticipated to be received by the City this year.

The following pages will provide a high-level review of the most used funds.
General Fund

Much of the core functions of City operations flow through the General Fund.

Revenue

78% of General Fund Revenue is from Sales Taxes. Charges for services is a pass-through cost of the curbside waste program billed with utility services.

Expenses

The General Fund pays for a significant portion of city operations:
Special Revenue Funds

Special Revenue Funds are created to track proceeds of revenues that are restricted to be spent for specific purposes.

**Housing Fund**

Our Housing Fund is where we account for money allocated to special projects for affordable housing in Moab. The City has bonded for the next phase of the project and has allocated $6.7 million to that purpose.

**Class C Road Fund**

The state allocates funds to local government to maintain local roads. This budget includes $774,000 for special road projects, asphalt crack sealing, road base patching, and asphalt overlay.

**Recreation Fund**

All fees collected from the Moab Recreation and Aquatic Center, the Moab Arts and Recreation Center, and community sports programs go to the Recreation Fund. The total annual budget for these recreational facilities is $1.5 million. The General Fund subsidy for these programs is $715,000.

**RECREATION FUND EXPENSES**

- **Swimming Pool**
  - $881,844
- **Sports**
  - $58,936
- **MARC**
  - $317,188
- **Recreation Admin**
  - $266,890
Enterprise Funds

Enterprise Funds are used when fees are charged to the end user for services. These are business-like funds that service their own debt and typically operate without assistance from other funds. Moab City operates three Enterprise Funds: water, sewer, and storm drainage.

Water and Sewer funds are currently budgeted net loss this budget year, forgoing critical capital improvements. This is not sustainable and will need to be remedied.

**Water Fund**
The Water Fund has a budgeted $173,000 loss this year.

**Sewer Fund**
The Sewer Fund is currently budgeted at a $441,000 loss this year.
Moab City leverages future revenue to complete long-term capital projects. Utilizing debt is part of an overall capital strategy used by many municipalities to complete long-term infrastructure projects that would not otherwise be possible in a “pay as you go” system. Debt financing allocates costs to build infrastructure to the current users of the system.

Across all funds, the current outstanding debt is $35 million.
Moab is one of only three other Utah cities that do not collect a property tax. Moab City Council is considering assessing a property tax this Fiscal Year.

**Common Questions**

*Does property tax only impact residents?*

Properties whose owners or tenants are primary residents receive a 45% property tax discount. If a property tax were implemented, only 26% of the revenue received by the City would come from primary residents.

*Will property taxes balloon due to inflating home values?*

The amount of property tax does not increase as the assessed value of a home increases. Property tax only increases as taxing entities conduct truth in taxation, which requires public notice and public hearings.

*Why do we need to implement a property tax?*

While property tax revenue is unrestricted, there are a few key items a property tax could be used for in Moab:

- **Infrastructure**
  - $65 million
  - Moab City has $65 million in deferred capital projects affecting public infrastructure

- **Public Safety**
  - 2
  - Police Department is below desired staffing levels

- **Additional Law Enforcement Officers**
I already pay a property tax, why do you say Moab does not charge property tax?

There are currently 11 entities that levy a property tax within Moab City. If Moab implemented a property tax to raise $2 million annually, the median home would be charged an additional $15.60 per month, or 20.3% increase from the 2020 tax rate.