



Memo

To: City Council

From: Ben Billingsley

Date: August 19, 2021

Re: Tentative to Final Budget Proposal Adjustments

Introduction

The following is a narrative guide to the budgetary changes from the tentative budget to the proposed Final Budget. As a number of Final Budget proposals have been presented to Council, material variations from prior Final Budget proposals will also be highlighted. This Final Budget proposes 4 budget scenarios at various proposed property tax levels.

General Fund

The reason for the scenario proposals is the consideration of a property tax.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
PROPERTY TAXES		-	1,000,000	1,500,000	2,000,000

Proceeds from RAP tax were included as revenue in the tentative budget, but the restriction on those funds was not. In order to balance the budget and account for the RAP proceeds, a modest growth factor of 3.3% was spread throughout the various sales tax revenue categories.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
SALES & USE TAXES	2,285,880	2,362,405	2,362,405	2,362,405	2,362,405
FRANCHISE TAXES	140,020	144,707	144,707	144,707	144,707
HIGHWAY TAXES	902,640	932,858	932,858	932,858	932,858
TRANSIENT ROOM TAXES	1,422,094	1,469,701	1,469,701	1,469,701	1,469,701
RESORT COMMUNITY TAXES	4,631,612	4,786,664	4,786,664	4,786,664	4,786,664
ENERGY TAXES	162,856	168,308	168,308	168,308	168,308

The first tranche of ARPA funds has been received. It is currently unknown if the second tranche will land in FY22 or FY23. Additionally, the local match funds are not budgeted

for, and if awarded, a budget amendment will be recommended in order to allocate those proceeds.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
COVID STIMULUS (CARES/ARPA)	-	315,760	315,760	315,760	315,760

It has been proposed to fund the Film Commission for the first six months of FY22 in order to pursue alternative arrangements for the management and funding of the Film Commission.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
GRAND COUNTY CONTRIBUTION	77,948	38,974	38,974	38,974	38,974
Total Film Commission	151,546	75,773	75,773	75,773	75,773

Resolution 17-2021 Approving the interlocal cooperation agreement for the renewable energy program committed the City to the anchor community contribution of \$6,500.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
Sustainability SUSTAINABILITY	-	6,500	6,500	6,500	6,500

Property tax proceeds are proposed to be transferred to the Capital Projects Fund and the General Fund Balance.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
TRANSFER TO CAPITAL PROJ. FUND	174,650	507,683	1,320,243	1,581,683	2,081,683
TRANSFER TO FUND BALANCE	24,474	-	187,440	284,000	426,000

RAP tax proceeds are budgeted to be transferred to a restricted account until those funds are distributed. A transfer to the Transit Fund is proposed to fund the City's portion of the transit program for the first half of the calendar year.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
TRANSFER TO GF ASSIGNED/RESTRI	-	319,541	319,541	319,541	319,541
TRANSFER TO TRANSIT AND PARKING	-	37,500	37,500	37,500	37,500
OVERHEAD PAID FROM TRANSIT FUND	-	45,000	45,000	45,000	45,000

Class C Road Funds

The anticipated overlay project costs related to Emma Boulevard have increased. The City's contribution to the roundabout project is also included with the updated at the value approved by Council. These increases are proposed to be drawn from the Class C Road fund balance.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
Class C TRANS. FROM EQUITY-B.O	308,305	486,634	486,634	486,634	486,634
Class C OVERLAY	300,000	400,000	400,000	400,000	400,000
Class C - SPECIAL PROJECTS	220,100	298,429	298,429	298,429	298,429

Housing Fund

The tentative budget included the proceeds from long term debt, instead this will draw from the long term debt issued in FY21 which is now in the housing fund balance.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
Proceeds from Long Term Debt	6,400,000	-	-	-	-
Transfer from Housing Fund Beg	-	6,989,909	6,989,909	6,989,909	6,989,909

The tentative budget also did not account for the debt service on the new 2021 Walnut Lane bond.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
Transfer to Debt Service Fund	128,967	538,210	538,210	538,210	538,210

Debt Service Fund

As with the Housing Fund, the debt service fund also requires the budgeting of the new 2021 debt service.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
Transfer from housing fund	128,967	538,210	538,210	538,210	538,210
2021 WALNUT LANE BOND PRINCIPA		262,000	262,000	262,000	262,000
2021 WALNUT LANE BOND INTEREST		147,243	147,243	147,243	147,243

Capital Projects Fund

Since the adoption of the tentative budget, the City has been awarded two grants. The first is from the Governor's Office of Planning and Budget in the amount of \$120,000 for the MARC facility repairs and renovations. The second is a \$50,000 match grant for the acquisition of two replacement police vehicles.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
GRANT PROCEEDS	-	170,000	170,000	170,000	170,000

The General Fund contribution to the Capital Projects Fund includes the ARPA proceeds, and contributions to the Capital Projects fund for future project completion.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
TRANSFER FROM GENERAL FUND	174,650	507,683	1,320,243	1,723,683	2,081,683

The contribution from the Capital Projects fund balance is for the match portion of the police vehicle grant.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
CAPITAL PROJECTS FUND BEG. BAL	-	50,000	50,000	50,000	50,000
POLICE VEHICLES	80,541	130,541	130,541	130,541	130,541

The City has 2 years remaining for dark sky compliance. Mila will be presenting a proposal from Rocky Mountain Power to address the first phase of compliance. Approximately \$70,000 of the GOPB grant dollars were already spent, primarily tied to the HVAC system repairs in FY21. The transfer to CP Fund Balance is for larger scale infrastructure bonding project.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
DARK SKY CAPITAL IMPROVEMENT	-	100,000	100,000	100,000	100,000
MARC BUILDING IMPROVEMENTS	-	50,000	50,000	50,000	50,000
TRANSFER TO CP FUND BALANCE	-	353,033	1,165,593	1,569,033	1,927,033

The Water System Capital Budget was omitted from the tentative budget. This represents the projects for which bonding was completed in early 2021.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
Water System Upgrades	16,000	1,571,000	1,571,000	1,571,000	1,571,000
Well 12 Construction	-	2,265,000	2,265,000	2,265,000	2,265,000
Mill Creek Drive Waterline Improvements	-	1,971,530	1,971,530	1,971,530	1,971,530
2 Million Gallon Water Storage Tank	-	1,163,470	1,163,470	1,163,470	1,163,470

Transit and Parking Fund

This fund will account for all revenue associated with the pilot transit program. This is a five year program that covers six fiscal years, which requires separating calendar year estimates across fiscal years.

	Tentative	\$0 PT	\$1MM PT	\$1.5MM PT	\$2MM PT
UDOT Hotspot	-	500,000	500,000	500,000	500,000
Grand County Contribution		250,000	250,000	250,000	250,000
General Fund Contribution		37,500	37,500	37,500	37,500
Operator Contract		250,000	250,000	250,000	250,000
Administrative Overhead		45,000	45,000	45,000	45,000
Marketing and Branding		17,500	17,500	17,500	17,500
Transfer to PT Fund Balance	-	475,000	475,000	475,000	475,000