



From: Eric Duthie, Hildale City Manager
To: Hildale City Council; Hildale City Mayor
Date: July 6, 2022
Subject: Tentative FY23 Budget

This memo is for Council and public discussion of the tentative FY23 budget. The anticipated final budget adoption is July 20, 2022. The tentative balanced FY23 budget is \$12,513,119, a reduction of 10% from FY22 (\$13,890,808) primarily due to unstable international economic factors:

- **7% Cost of Living Adjustment** to all Hildale City employees except City Manager and City Treasurer, as we have been recently increased through Council action. Although this does not completely overcome recent accelerated inflation increases, it does reflect a commitment to the city employees for wage improvement.
- **Property Tax** is estimated and set by Washington County at \$103,515. However, FY22 budget estimated was \$99,113 with actual revenues of \$128,854 (\$29,741, or 30% more received). Coupled with recent property improvements we estimate receiving \$132,500.
- **Sales/Use Tax** actuals for FY22 finished at 74% of estimates (\$414,656 of \$562,000). The estimate for FY23 is a more conservative \$450,800.
- **RAP Tax** decreased significantly from FY22 budget. The estimate for FY23 is a more conservative \$45,000.
- **Energy & Use Tax** exceeded FY22 estimates by 11% (\$113,371 of \$102,500). Expectations are for increased commodity costs, increasing tax revenues to estimated \$113,868.
- **Transient Room Tax** exceeded FY22 estimates by 215% (\$17,353 of \$8,100). Based on the tax leakage review and hospitality facility increases, we conservatively increased this to \$22,500.
- **Building Permit Fees** exceeded FY22 estimates by 36% (\$40,814 of \$30,000). Expectations are for this trend to continue, increasing revenues to estimated \$45,000.
- **Coronavirus relief funds** were received at 50% of \$342,729 for FY22. The second 50% will be dispersed in FY23.
- **UDOT SRTS** grant is now available for reimbursement in FY23 for \$283,824.
- **UDOT Discretionary** grant of \$200,000 has been committed.
- **A new CDBG grant** application is being prepared for \$300,000 for FY23.
- **A new USEDA grant** is being prepared for \$750,000 for FY23.



- **Class C Road Fund** exceeded FY22 estimates by 195% (\$201,132 of \$106,000). Estimated FY23 amount is \$209,000.
- **Event fees** had no revenues, but are expected to be \$15,000 in FY23, as standardized fees are established.
- **Transfers to other funds** include pass through grants for Fire, and Police.
- **Professional and Technical** expenses increased in FY23 from 14,000 to \$80,000 addressing financial consulting and Zoning Code revision contracts.
- **Public Works Streets** Capital “Chip Seal” improvements for \$726,640
- **Parks** capital special projects \$25,000
- **Community Outreach** special projects \$25,000
- **Vehicle** replacements through leasing under state contract \$31,000

<u>FY23 FUND</u>	<u>REVENUE \$</u>	<u>EXPENDITURE \$</u>
General	3,743,619	3,743,619
Joint Resolution	48,000	48,000
Joint Administration	1,577,800 (No GF transfers)	1,577,800
Water	2,302,800	2,302,800
Wastewater	2,371,000	2,371,000
Natural Gas	2,098,900	2,098,900
TOCC Fiber	175,000	175,000
HC Fiber	196,000	196,000
TOTAL	\$12,513,119	\$12,513,119



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Council Members: Lawrence Barlow, JVar Dutson, Brigham Holm
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