



To: Hildale City Mayor and Council
From: City Manager Eric Duthie
Date: July 6, 2021
Re: Tentative FY22 Budget submission

We are pleased to present the tentative budget for Fiscal Year 2021-22. The tentative budget is a step in the budget process, required by Utah state statutes. It is a starting point for Council and public discussion. Upon approval of the Tentative budget, a 10-day Notice of Public Hearing for final budget adoption will be issued. If approved on July 7, the first available meeting date will be July 19th. During the Special meeting, public comment will be accepted prior to any final decision being made.

As you know, the budget sets the highest limit of anticipated revenues and matching expenditures. The maintenance of the budget during the year demands that expenditures are dependent upon available revenues. Overspending is never appropriate, except in emergency situations. Therefore, conservative financial maintenance and principles create accountability and transparency. The development of this budget required in-depth review of historic processes and a variety of adjustments. During this fiscal year, it may become necessary to revisit these processes and make additional adjustments for improved financial accountability.

This tentative budget proposal is a balanced budget of \$13,890,808.

This budget is significantly higher than last years (FY21) budget, but there are some specific identifiable reasons in the following summary:

Cost of Living Adjustment – 3%

- Employees are the true assets of any municipality. Infrastructure and services are only satisfactorily maintained and operated by employees.
- Applies to all Hildale City employees.
 - Exception – City Manager declines the increase.
- Park Maintenance position promoted to Park Supervisor (10% increase, then 3% COLA).
- Salary for military deployed employees is included, although not expended for the position until the employee returns.

General Fund:

- Property Tax is estimated and set by Washington County at \$99,113. Actual receipts may, and have, exceeded estimates.
- Sales/Use Tax increased significantly from budgeted last year. Expectations are for this trend to continue.
- RAP Tax increased significantly from budgeted last year. Expectations are for this trend to continue.
- Energy & Use Tax decreased last year. However, expectations are for increased commodity costs, thereby increasing taxes.
- Transient Room Tax increased significantly from budgeted last year. Expectations are for this trend to continue.
- Building Permit and Land Use Fees are expected to increase.
- Coronavirus relief funds are expected at \$342,729 for FY22, received in the General Fund and transferred to the Coronavirus Response Fund.
- Proposed transfer of \$406,000 from General Fund to Joint Administration Fund to pay for increased administration costs and assist in restoring reserve account depletion.
- Rental from City Buildings decreased significantly. However, property improvements are planned, and additional rental occupancy is anticipated.
- Final unrestricted fund balance is estimated at \$945,000 for June 30, 2021. This is an increase from \$594,054 as of June 30, 2020. To balance the General Fund, \$411,229 of fund balance was budgeted, leaving a budgeted fund balance of \$533,771 for June 30, 2022.

Grants, Loans, And Allotments Fund

- A contingency of \$3 million was placed in the budget. Staff has received encouragement to apply for significant grant funding.
- No funds can be expended unless they revenue is awarded.

Utilities

- The joint administration costs are increasing by \$361,288.
- The Utility Board recommended a rate review for potential adjustments.

Capital Projects: (Unrestricted fund and Grants may be used)

- Water System Storage Tank
- City Office Building Rehabilitation & Remodel for commercial rental
- Mortgage assistance grants



	Prior Year Actual 2019-2020	Current Year Anticipated* 2020-2021	Current Year Budgeted 2020-2021	Proposed Budget 2021-2022
Revenue				
General Fund	\$ (1,186,548.29)	\$ (1,559,627.79)	\$ (2,120,900.00)	\$ (3,016,479.00)
Internal Service Fund: Debt Service	(108,074.60)	(107,559.28)	(109,000.00)	(110,000.00)
Internal Service Fund: Grants, Loans, And Allotments Fund	(15,547.09)	(11,170.50)	(176,600.00)	(3,000,000.00)
Internal Service Fund: Capital Improvement Reserve Fund	(28,794.88)	(14,982.91)	(434,800.00)	(130,000.00)
Coronavirus Response Fund	-	(254,546.00)	(268,000.00)	(342,729.00)
Internal Service Fund: 2017 Judgment Resolution Fund	(70,305.96)	(73,905.19)	(80,500.00)	(48,000.00)
Internal Service Fund: Risk Management	(1,758.04)	(2,570.00)	(71,600.00)	(53,900.00)
Internal Service Fund: Joint Utility Administration	(997,784.38)	(1,257,541.64)	(1,376,099.00)	(1,787,800.00)
Water Utility Fund	(1,128,415.01)	(867,962.28)	(1,070,930.00)	(2,089,300.00)
Wastewater Utility Fund	(951,702.98)	(1,134,305.69)	(1,319,765.00)	(1,870,400.00)
Gas Utility Fund	(828,110.28)	(749,656.93)	(1,091,674.00)	(1,371,200.00)
Tocc Fiber Utility Fund	-	-	(60,000.00)	(25,000.00)
Fiber Utility Fund	(24,056.35)	(4,583.71)	(76,000.00)	(46,000.00)
Total	\$ (5,341,097.86)	\$ (6,038,411.92)	\$ (8,255,868.00)	\$ (13,890,808.00)

Expenditures				
General Fund	\$ 1,088,091.89	\$ 1,207,832.83	\$ 2,127,900.00	\$ 3,016,479.00
Internal Service Fund: Debt Service Fund	108,074.60	107,559.28	109,000.00	110,000.00
Internal Service Fund: Grants, Loans, And Allotments Fund	18,003.85	11,170.50	176,600.00	3,000,000.00
Internal Service Fund: Capital Improvement Reserve Fund	26,777.77	14,982.91	434,800.00	130,000.00
Coronavirus Response Fund	-	254,546.00	268,000.00	342,729.00
Internal Service Fund: 2017 Judgment Resolution Fund	70,305.96	73,905.19	80,500.00	48,000.00
Internal Service Fund: Risk Management	1,758.04	2,570.00	71,600.00	53,900.00
Internal Service Fund: Joint Utility Administration	997,784.38	1,257,541.64	1,426,511.07	1,787,800.00
Water Utility Fund	924,540.92	1,382,887.56	1,182,557.00	2,089,300.00
Wastewater Utility Fund	795,631.17	672,505.60	1,543,056.70	1,870,400.00
Gas Utility Fund	915,115.56	1,114,232.49	1,237,069.00	1,371,200.00
Tocc Fiber Utility Fund	-	14,189.57	25,300.00	25,000.00
Fiber Utility Fund	20,078.16	8,273.16	25,300.00	46,000.00
Total	\$ 4,966,162.30	\$ 6,122,196.73	\$ 8,708,193.77	\$ 13,890,808.00

Attachments:
 FY2021-22 Line Items

Mayor: Donia Jessop
City Council: Maha Layton, Lawrence Barlow
Stacy Seay, JVar Dutson, Jared Nicol

320 East Newel Ave.
P.O. Box 840490
Hildale, UT 84784