



Town of Alta

May 2023 Budget Committee

Agenda

- FY23 Budget vs FY23 Estimated YE Budget Comparison
- Proposed FY24 vs FY22 and FY23 Comparisons
- Significant Revenue Assumptions
- Significant Expense Assumptions
- Discussion and Questions



FY23 Budget vs Estimated FY23 Year-End Totals

- Revenue estimate is top down based upon YTD actuals and ASL/Maughan comments
- Expense budget is a bottoms up line-by-line estimate
- Important assumptions and year-on-year changes are highlighted in subsequent slides
- Both the revenue and expenses were conservative budgets

Revenue Comparison		FY 2023 Budget	FY 2023 YE Estimated	Difference	
Property Taxes		\$ 285,568	\$ 285,568	\$ -	0%
General Sales and Use Taxes		\$ 1,433,460	\$ 1,842,000	\$ 408,540	22%
Other Use Taxes		\$ 81,489	\$ 96,489	\$ 15,000	16%
Other Revenues		\$ 796,675	\$ 889,351	\$ 92,676	10%
Total Revenues		\$ 2,597,192	\$ 3,113,408	\$ 516,216	17%
Expense Comparison		FY 2023 Budget	FY 2023 YE Estimated	Difference	
Personnel		\$ 1,078,072	\$ 1,065,382	\$ (12,690)	-1%
Outsourced Contracts		\$ 1,057,270	\$ 1,057,270	\$ -	0%
Projects		\$ 125,332	\$ 128,827	\$ 3,495	3%
Other Expenses		\$ 1,061,470	\$ 538,081	\$ (523,389)	-97%
Total Expenses		\$ 3,322,144	\$ 2,789,560	\$ (532,584)	-19%

FY24 Proposed Budget vs FY22 and FY23

- Revenue estimate is top down based upon YTD actuals and ASL/ Maughan comments
- Expense budget is a bottoms up line-by-line estimate
- Important assumptions and year-on-year changes are highlighted in subsequent slides

Revenue Comparison					
	FY 2022 Actuals	FY 2023 YE Estimated	FY 2024 Proposed	As % of FY23	As % of 2 year avg
Property Taxes	\$ 248,348	\$ 285,568	\$ 405,000	142%	152%
General Sales and Use Taxes	\$ 1,940,210	\$ 1,842,000	\$ 1,984,200	108%	105%
Other Use Taxes	\$ 88,353	\$ 96,489	\$ 91,150	94%	99%
Other Revenues	\$ 78,100	\$ 889,351	\$ 982,248	110%	203%
Total Revenues	\$ 2,355,011	\$ 3,113,408	\$ 3,462,598	111%	127%
Expense Comparison					
	FY 2022 Actuals	FY 2023 YE Estimated	FY 2024 Proposed	As % of FY23	As % of 2 year avg
Personnel	\$ 857,592	\$ 1,065,382	\$ 1,254,922	118%	131%
Outsourced Contracts	\$ 848,591	\$ 1,057,270	\$ 986,859	93%	104%
Projects	\$ 46,402	\$ 128,827	\$ 772,967	600%	882%
Outsourced Contracts	\$ 314,977	\$ 538,081	\$ 833,894	155%	196%
Total Expenses	\$ 2,067,562	\$ 2,789,560	\$ 3,848,642	138%	158%

Revenue Assumptions



Main Revenue Assumptions for FY 24 Budget

Property Tax

- Proposed increase from \$280k in FY23 to \$400k in FY24
- Truth in Taxation (TNT) Public Hearing to be held August 9, 2023
- See TNT steps in subsequent slides
- Sales and use tax
 - Projection based on FY22 Actual and proposed adoption of 1% Municipal Transient Room Tax
 - From estimated FY23 of \$1.8MM to FY24 of \$1.9MM
- Other Taxes
 - From FY23 YE estimation of \$96k to FY24 proposed budget of \$91k
 - Projections based on expected increases over time

Expected Increases

- Property Tax Increase
 - \$120k increase (\$400k total)
 - Will not be confirmed until Truth in Taxation process is completed in August.
- Municipal Transient Room Tax increase
 - Tax of 1%
 - Estimated increase in income of \$ 145,000 (effective 3/4 of a year)

Optional Increases

- Resort Tax increase
 - Increase in tax from 1.5% to 1.6%
 - Estimated increase in income of \$68,000
 - Not included in FY24 Tentative Budget

The Truth in Taxation process allows us to realize higher revenues and is assumed in the FY 24 Budget.

The property tax rate in Utah is set based upon property valuations and cumulative budgetary requirements

- The first step in setting tax rates is assessing the value of properties within the state. The County Assessor's Office is responsible for determining the fair market value of each property based on factors such as location, size, improvements, and market conditions.
- Local government entities, such as counties, cities, school districts, and special districts, determine their annual budgetary needs. They calculate the total amount of revenue required to provide services such as education, public safety, infrastructure, and other local government functions.
- To calculate the certified tax rates, the total revenue required is divided by the total taxable value of all properties within the jurisdiction. The tax rate is usually expressed as a percentage or mills (per thousand dollars of assessed value).
- In Utah, a Truth-in-Taxation (TNT) process is followed to ensure transparency and public input. The process involves a public hearing and notices to property owners regarding proposed tax rates. The purpose is to give property owners an opportunity to express their opinions and provide feedback on the proposed rates.
- After the Truth-in-Taxation process, local government entities hold meetings to finalize the tax rates based on public input and budgetary needs.
- The Town of Alta Council must facilitate the collection and management of public input and feedback regarding the proposed tax rates. This involves receiving written or verbal comments from the public and ensuring that they are properly recorded and considered in the decision-making process.
- The public meeting date for the Truth-in-Taxation public hearing has been set as August 9, 2023 at 6pm

Major Expense Assumptions

Main Expense Assumptions for FY 24 Budget

Personnel

- Mike Swallow’s wage study focused on “base wages”.
- When creating a budget we must plan for overtime, so the budgeted wages for each dept will be higher than the base wages reviewed in the context of the wage study.
- Total increase for budgeted payroll expenses \$178k
- Top 4 jobs: increase of \$142,896 – reviewed at April meeting

Outsourced contracts

- Health insurance 3.9% increase
- Sewer disposal increases most significant ~ 20%
- John Guldner’s contract is expected to be finalized this week, this expense if split between professional services in the admin dept and water dept based on anticipated work
- Snow removal dependent on weather, highly variable

Projects

- Revised approach: Planning across all four funds: general fund, sewer, water, and capital projects fund
- FY23 - \$128k
- FY24 - \$772k
 - FY24 Water Fund \$502k

TOA Fund Account Balances	FY23 Beginning Balances
General Fund	\$ 2,281,918
Capital Projects Fund	\$ 586,850
Water Fund	\$ 598,591
Sewer Fund	\$ 576,928
Total Cash Balance	\$ 4,044,287