CITIZENS’ BUDGET
(The budget at a glance)

A GUIDE TO THE FISCAL YEAR 2019
MUNICIPAL BUDGET
PURPOSE OF CITIZENS’ BUDGET

This guide is a citizen-friendly budget document. The intent of the document is to provide a clear and concise overview of Brian Head Town’s 2019 fiscal year budget in layman’s terms. It explains how the Town is funded and how the funds are spent. Brian Head Town runs on a fiscal year (FY) budget for the time period from July 1 to June 30 each year. FY 2019 budget was adopted on June 12, 2018. You can find a more comprehensive and detailed budget online at www.brianheadtown.utah.gov. Click on the “Administration” tab, look on the bottom left-hand corner of the page, and there you will find a complete (237 page) copy. Read ahead for the condensed version of the budget.

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BUDGET PROCESS

Brian Head Town prepares its budget by starting with a strategic planning process. It looks at the community vision and sets/adjusts Town goals based on this. Next, strategies are prepared for each category (i.e. economy, culture, and environment). Thereafter, action steps are prepared of how the goals are going to be met. Finally, the resource allocation (budgeting) takes place.

STRATEGIC PLANNING

COMMUNITY VISION

TOWN GOALS

STRATEGIES

ACTION STEPS

RESOURCE ALLOCATION
BUDGET SUMMARY

Budgets are made up of Revenues (incoming funds) and Expenditures (outgoing funds). Per State law, the Town is required to balance all budgets to zero (the revenues and expenditures need to match each other), with the exception of the enterprise funds. The enterprise funds do not need to balance to zero. Following are charts of the revenues and expenditures for all funds combined for FY 2019:

Please refer to the complete budget document online for more detail.

REVENUES

For FY 2019 the Town has budgeted, and is expecting to receive, revenues in the amount of $7,735,667 (all funds). Revenues for the budget(s) are received from the following sources: Taxes, Licenses and Permits, Intergovernmental Revenue, Charges for Services, Fines and Forfeitures, Interest, Marketing & Events, Contributions, Miscellaneous, and Transfers from other funds. The majority of the revenue is received from taxes.

Taxes

Property taxes are the biggest revenue source for the Town of Brian Head. However, there are several other taxes that contribute to the General Fund as follows:
Explanation of Property Taxes (How/where they are applied)

Here are examples of two Brian Head Town property tax notices. One for a primary land & residence (P) and one for a non-primary land & residence (NP). Total market value (for both) = $207,000. Taxable value for primary property = $113,850 (55% of appraised value). Taxable value for non-primary property = $207,000 (100% of the appraised value). Total taxes due for the primary residence = $1,390.57. Total taxes due for the non-primary residence = $2,528.30. The breakdown of which entity receives the tax payments is as follows:

<table>
<thead>
<tr>
<th>ENTITY/FUND</th>
<th>PROPERTY TAX MILL LEVY RATE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRIAN HEAD</td>
<td>0.004186 (34.27%)</td>
</tr>
<tr>
<td>COUNTY (GENERAL FUND, LIBRARY, PUBLIC HEALTH, ASSESSMENTS &amp; COLLECTIONS)</td>
<td>0.001713 (14.02%)</td>
</tr>
<tr>
<td>COUNTY SCHOOLS (CHARTER, STATE, &amp; LOCAL COUNTY)</td>
<td>0.006305 (51.62%)</td>
</tr>
<tr>
<td>STATEWIDE ASSESSMENTS &amp; COLLECTIONS</td>
<td>0.000010 (.09%)</td>
</tr>
</tbody>
</table>

Breakdown of mill levy rates for Brian Head Town the past five years:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PROPERTY TAX MILL LEVY RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.005727</td>
</tr>
<tr>
<td>2014</td>
<td>0.005858</td>
</tr>
<tr>
<td>2015</td>
<td>0.004984</td>
</tr>
<tr>
<td>2016</td>
<td>0.004533</td>
</tr>
<tr>
<td>2017</td>
<td>0.004186</td>
</tr>
</tbody>
</table>

You will notice the mill levy rate has decreased each year over the past 3 years.

Sales Taxes

<table>
<thead>
<tr>
<th></th>
<th>Breakdown of Brian Head Sales Tax</th>
<th>Other Sales Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State of Utah 4.70%</td>
<td>State Transient Room Tax 0.32%</td>
</tr>
<tr>
<td></td>
<td>Brian Head Town</td>
<td>County Transient Room Tax 4.25%</td>
</tr>
<tr>
<td>Local Option</td>
<td>1.00%</td>
<td>Municipal Transient Room Tax 1.00%</td>
</tr>
<tr>
<td>Resort Community Tax</td>
<td>1.60%</td>
<td>County Restaurant Tax 1.00%</td>
</tr>
<tr>
<td>Highway Tax</td>
<td>0.30%</td>
<td></td>
</tr>
<tr>
<td>Parks, Art &amp; Recreation (PAR)</td>
<td>0.10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Iron County</td>
<td>Sales Tax on Nightly Room Rental 14.52%</td>
</tr>
<tr>
<td>County Option Tax</td>
<td>0.25%</td>
<td>Sales Tax on Restaurant Meals 8.95%</td>
</tr>
<tr>
<td></td>
<td>Sales Tax on General Purchases 7.95%</td>
<td></td>
</tr>
</tbody>
</table>

-3-
Utility Fees

Utility service fees are the largest revenue source for the enterprise funds (water, sewer, and solid waste). Following is an anticipated utility rate schedule for the next several years. Each year, this model is re-evaluated and rates will be proposed to take into account the changing landscape. For FY 2019, sewer fees increased by $2 and solid waste fees increased by $2. There was no increase in water fees. As debts are paid off or added for important infrastructure projects, utility fees are adjusted.

Grant Funding

Another possible (and important) revenue source is grant funding. There are grants and/or low-interest or no-interest loans available to be awarded on Town projects. This helps out governmental entities – especially for expensive infrastructure projects. Brian Head Town has obtained funds from grants the past several years to help with Town project expenses. Example: For FY 2018, Brian Head Town received 2 grants (from CIB and CDBG) totaling $350,000 to help towards the purchase of a new fire pumper truck. Total cost of the truck is approximately $400,000. The Town’s contribution towards this will only be $50,000 (which has been budgeted).

EXPENDITURES

For FY 2019 the Town has budgeted, and is expecting to spend, expenditures in the amount of $4,594,894 (all funds). In the General Fund, expenditures are paid from the Personnel expenditures are the biggest expense to the Town’s budget. Brian Head Town has 14 full-time employees, some part-time Public Safety Officers, two part-time Guest Service Representatives, two part-time seasonal parks workers (who work for 1/3 of the year), and several volunteer fire fighters. The Town Council and Planning Commission members are paid a minimal fee for their services. The full-time employees have a benefit package with the Town that includes health, dental, and vision insurance and retirement benefits.

For fiscal year 2019, the Town has budgeted to pay $949,464 in salaries & wages and $594,059 in benefits and payroll taxes. Total planned personnel expenses total $1,543,523.
**Personnel Expenditures**

Personnel expenditures are the biggest expense to the Town’s budget. Brian Head Town has 14 full-time employees, some part-time Public Safety Officers, two part-time Guest Service Representatives, two part-time seasonal parks workers (who work for 1/3 of the year), and several volunteer fire fighters. The Town Council and Planning Commission members are paid a minimal fee for their services. The full-time employees have a benefit package with the Town that includes health, dental, and vision insurance and retirement benefits.

For fiscal year 2019, the Town has budgeted to pay $949,464 in salaries & wages and $594,059 in benefits and payroll taxes. Total planned personnel expenses total $1,543,523.

**Operating Expenses**

Operating expenses include materials, supplies and service. There are also maintenance fees for the water, sewer, and solid waste systems. Depreciation is factored into the budget for infrastructure maintenance. The water fund also has debt service payments.

**Capital Expenses**

As stated under “budget funds”, the Capital Projects fund budget is expended on projects such as street repairs, and water and sewer line repairs. A Streets Master Plan was adopted by the Town Council in 2015. The Town is planning to spend $3M on streets maintenance/paving projects, spread out over 15 years (through 2030). This is a cost from the Town of approximately $200,000 each year on average. For the past 2 years, the Town has set aside $200,000 for this project. This comes in the form of an annual transfer from the General Fund to the Capital Projects Fund and is included in the FY 2019 budget. Based on the strategic planning/budget process, the Town Manager has created a schedule to purchase and sell back vehicles every 3-5 years for the Public Safety and Public Works Departments. This is monitored through the Asset Replacement Fund, which sets aside $150,000 each year for all assets.

**TOWN DEPARTMENTS**

Brian Head Town has 3 different departments: Administrative, Public Works, and Public Safety. The Administration Department manages all fund budgets. Each department is involved in the General Fund Budget. The Public Safety Department also oversees the Wildlands Fire Fund Budget and the Public Works Department oversees the Water, Sewer, and Solid Waste Fund Budgets. The Administration Department manages the Wildland Fire Fund, enterprise funds, and all other budget funds.
**Long-Term Debt Schedule**

General Obligation (GO) Bonds are loans voted on by the Town’s citizens at a general election. GO Bonds are paid with property taxes. A Refunding Bond is debt accumulated by the Town (usually for buildings or improvements to buildings). A CIB loan is a low interest loan obtained through the Community Impact Board. Following is a summary of the Town’s long-term debt schedule for FY 2019:

<table>
<thead>
<tr>
<th>Loan Name</th>
<th>Principal</th>
<th>Interest</th>
<th>Pay-off date</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980 GO Water</td>
<td>$708</td>
<td>$3</td>
<td>7/30/2018</td>
<td>5.00%</td>
</tr>
<tr>
<td>2005A GO Snowmaking</td>
<td>$280,000</td>
<td>$22,115</td>
<td>9/1/2019</td>
<td>4.50%</td>
</tr>
<tr>
<td>2005B GO Refunding</td>
<td>$165,000</td>
<td>$43,055</td>
<td>3/15/2024</td>
<td>3.95%</td>
</tr>
<tr>
<td>2007 GO Interconnect Bridge</td>
<td>$70,000</td>
<td>$10,576</td>
<td>9/1/2020</td>
<td>6.29%</td>
</tr>
<tr>
<td>2009 USDA Water Revenue Bonds</td>
<td>$91,670</td>
<td>$170,290</td>
<td>10/10/2049</td>
<td>3.50%</td>
</tr>
<tr>
<td>2011 Public Safety Building CIB Loan</td>
<td>$67,000</td>
<td>$54,525</td>
<td>4/1/2042</td>
<td>2.50%</td>
</tr>
<tr>
<td>2013 GO Reservoir Bond</td>
<td>$90,000</td>
<td>$26,055</td>
<td>9/1/2034</td>
<td>1.50%</td>
</tr>
<tr>
<td>2016 GO Refunding</td>
<td>$176,000</td>
<td>$5,393</td>
<td>8/1/2019</td>
<td>1.87%</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$940,378</strong></td>
<td><strong>$332,012</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Principal and interest payments are rounded up to the nearest dollar*

Total Principal/Interest Debt Payments for FY 2019: **$1,272,390**

This is the condensed version of Brian Head Town’s long-term debt. To look at what General Ledger accounts the principal & interest payments are applied to and to see who the payments are paid to, please refer to the complete budget document found online.

**BUDGET FUNDS**

![Budget Funds Diagram](chart.png)
Explanation of Budget Funds

There are several “funds” associated with the Budget. They are as follows:

- General Fund – this is the main fund for the Town and addresses operating revenues and expenditures for governmental activities.
- Wildlands Fire Fund – this fund is used for helping to fight wild fires in communities in Utah, along with other Western States areas. It is part of the General Fund but is kept separate to help monitor the funds more easily.
- Special Service District Fund – This fund was created to monitor purchase and lease of water.
- Redevelopment Agency Fund – This fund was created through an agreement with Iron County. Incremental tax revenues from the project area (properties along Highway 143) are received from the County and used for reinvestment and economic development improvements.
- Municipal Building Authority Fund – This fund is used for making debts payments on Town-owned buildings (Town Hall, Public Safety Building, and Town Public Works Shop).
- Debt Service Fund – This budget is used for monitoring our debt of citizen-voted general obligation bonds. All revenue is received from property taxes. Expenditures are for debts approved by the citizens.
- Capital Projects Fund – This fund addresses capital projects such as infrastructure improvements (i.e. streets, water and sewer lines) and vehicle purchases.
- Asset Replacement Fund – This fund was created for the FY 2019 budget. It will make it easier to keep track of asset replacement and disposal. It is combined with the Capital Projects fund when reporting to the State Auditor.
- Water, Sewer, and Solid Waste Funds – These funds are used to provide services to our citizens.
- Snow Making – This fund was created in partnership with Brian Head Resort for debt acquired for snow-making. The snow-making loan will end in FY 2020.

FINAL SUMMARY

There is a lot more to the budget process, however, this pamphlet touches on the highlights of the budget. If you have questions regarding the Town’s budget and/or budget process, please contact Cecilia Johnson, Town Treasurer at (435) 677-2029 or cajohnson@bhtown.utah.gov. cajohnson@bhtown.utah.gov.

(Pamphlet compiled by Cecilia Johnson, Brian Head Town Treasurer)