UTAH LEAGUE OF CITIES AND TOWNS

TO: ULCT Board of Directors

FROM: Cameron Diehl, Executive Director
Nick Jarvis, Chief Operating Officer

DATE: May 16, 2024

SUBJECT: FY 2025 Tentative Budget

We are proposing a FY 2025 budget of $5,343,895 of which $3,695,000 is ongoing general revenue, $1,580,000 is an ongoing state appropriation (the Local Administrative Advisor program), and $68,895 is from grants and special projects. **This is a decrease of 3.66% from the FY 2024 adopted budget**. This memo outlines the highlights, adjustments, and priorities of the FY 2025 budget.

Part 1: Revenue

A) General Revenue: increase of $55,000 (1.51% more than FY 24 Budget)

Ongoing ULCT revenues come primarily from three sources: membership dues, conference registration (members and exhibitors), and private sector sponsorships.

The Board voted on January 17, 2024 to reduce the rates applied to the population and property value components of membership dues and maintain the rate of the sales tax component at the FY 2024 level. For FY 2025, we have budgeted $2,600,000 in dues revenue (100% membership would yield $2,616,233) and this adjustment translates to a 4% or $100,000 total increase in membership dues revenue.

Though we had record attendance at our 2024 Midyear Conference, we are budgeting an 11.5 % reduction in total conference revenue because of changes we are making to the 2024 Annual Convention. Based on Board and member feedback, the Annual Convention will now span two full days on Wednesday and Thursday, rather than two and half days Wednesday through Friday, and we will reduce the cost of attendee registration accordingly. We have taken the half-day from Annual and replaced the training time with regional meetings across the state. Team ULCT is partnering with the associations of governments (AOGs) to host half-day regional trainings in each AOG in May and June. Those meetings are scheduled for May 20, 21, 22, and June 5 and 26. As of May 16, we are anticipating several hundred city and town officials to attend the five regional meetings. We are also budgeting $10,000 more in sponsorship revenue based on current-year receipts.

B) Grant & Special Project Revenue: decrease of $258,105 (78.93% less than FY 24 budget)

Most of our grants and special project revenues from the previous few years are either winding down or ending for FY 2025. The Land Use Academy of Utah (LUAU) website is in the process of being handed over to the Office of the Property Rights Ombudsman and the limited remaining funds from the ARPA Assistance Assessment and the "Your Land, Your Plan" Public Asset Grant will be recognized in FY 2025.

A) Ongoing State Appropriation: no change

In the 2023 legislative session, the State Legislature approved an ongoing appropriation to ULCT through the Governor's Office of Planning and Budget (GOPB) of $1,580,000 to fund the Local Administrative Advisor (LAA) program beginning in FY 2024. Approximately $1.2 million of this appropriation is subgranted by ULCT to the state's associations of governments (AOGs) to hire in-house or contract advisors to provide support on a regional basis to the over 140 cities and towns in Utah without sufficient administrative and management staff. As such, the ULCT operates as a pass-through organization. The remainder of the funds stay with ULCT to run the program and provide centralized resources to these applicable municipalities. Please note that ULCT had hired Gary Whatcott to be our Senior Advisor to oversee the Local Administrative Advisor program. Gary passed away suddenly in January and we are still in the process of replacing him within the LAA program.

Part 2: Expenses

A) Personnel Expenses: increase of $150,500 (8.14% more than FY 24 budget)

The proposed budget contemplates an overall increase in personnel expenses of just over 8%. This includes merit-based and market-based increases to compensation for existing staff, and flexibility to be competitive in hiring potential vacancies. We continue to focus on our Board-adopted organizational goals to guide how to maximize our staff bandwidth in a financially sustainable and prudent manner. Our success at the Capitol and ability to provide resources and training throughout the state is dependent on retaining and recruiting talented and capable staff, as well as the partnership with our elected officials and extended family in our cities and towns.

B) Operations & Engagement Expenses: decrease of $13,000 (1.93% less than FY 24 budget)

This budget anticipates a 1.93% reduction in operations & engagement expenses. Management continues to maximize the use of our limited funding through keeping our operational costs as low as possible, while still investing in staff professional development and ensuring our workspace and equipment remain adequate to accomplish our mission.

C) Event Expenses: decrease of $90,000 (19.32% less than FY 24 budget)

The change in the Annual Convention from two and a half days to two days comes with significant savings in facility & special equipment rental and food and beverage costs. However, we are proposing an increase in the convention programming portion of this category to ensure that the Annual Convention remains a valuable and worthwhile experience for attendees through the procurement of top-notch speakers and the overall feeling of professionalism for which our events have become known.

D) Grants and Special Projects: decrease of $233,105 (59.24% less than FY 24 budget)

As described in the revenue section, the LUAU, ARPA assistance, and "Your Land, Your Plan" programs are coming to an end in FY 2025, resulting in the significant decrease in this category. However, this section of the budget also includes programs like our 4th and 7th grade essay contest and the Healthy Utah Communities partnership with Get Healthy Utah, as well as funds for continued organization modernization.

At Board direction we are adding the currently named "Dignity Index/Disagree Better ULCT Project" in FY 2025 centered on civility, conflict resolution, and turning down the temperature in public discourse. ULCT will be working with other partners including the University of Utah S.J. Quinney School of Law's Dr. Danya Rumore to develop and brand the program which will help ULCT members navigate and improve the current environment.

Part 3: Conclusion & Requested Action

We believe the budget we are proposing to you fulfills the ULCT mission in a financially responsible way and will give us the resources we need to increase staff bandwidth and performance. Management is proposing a long-term strategy to ensure fiscal sustainability with the modest dues increase adopted this year. Staff asks the Board to adopt the proposed FY 2025 tentative budget, and requests that the Board provide feedback to be incorporated into the final FY 2025 budget. The Board must also schedule the time and place that a public hearing will be held on the adopted tentative budget before the official adoption of the final budget. Given that the Board only meets once in May and once in June, staff recommends scheduling the public hearing on the same day that the Board will consider and adopt the FY 2025 budget (June 10, 2024.)

UTAH LEAGUE OF CITIES AND TOWNS FY 2025 TENTATIVE BUDGET

REVENUES	FY 2023 Prior Year Actual	FY 2024 YE Estimates	FY 2024 Adopted Budget	FY 2025 Tentative Budget	$ Change FY 24-FY 25 Budgets	% Change FY 24-FY 25 Budgets
General Revenue						
Membership Dues	$ 2,287,951	$ 2,508,778	$ 2,500,000	$ 2,600,000	$ 100,000	4.00%
Sponsors/Donations	$ 386,370	$ 404,610	$ 390,000	$ 400,000	$ 10,000	2.56%
Advertising	$ -	$ -	$ -	$ -	$ -	
Registration Fees	$ 537,619	$ 544,279	$ 545,000	$ 460,000	$ (85,000)	-15.60%
Exhibit Space	$ 111,405	$ 131,870	$ 105,000	$ 115,000	$ 10,000	9.52%
Interest	$ 97,133	$ 161,848	$ 80,000	$ 100,000	$ 20,000	25.00%
Publications	$ 4,791	$ 7,514	$ 15,000	$ 15,000	$ -	0.00%
Miscellaneous Income	$ 840	$ 84	$ 5,000	$ 5,000	$ -	0.00%
General Revenue	**$ 3,426,109**	**$ 3,758,983**	**$ 3,640,000**	**$ 3,695,000**	**$ 55,000**	**1.51%**
Grants & Special Projects						
Land Use Academy of Utah	$ -	$ -	$ 15,000	$ -	$ (15,000)	-100.00%
ARPA Assessment	$ 93,008	$ 19,770	$ 29,500	$ 8,895	$ (20,605)	-69.85%
"Your Land, Your Plan" Public Asset Grant	$ 253,538	$ 186,426	$ 282,500	$ 60,000	$ (222,500)	-78.76%
Grants & Special Projects	**$ 346,546**	**$ 206,195**	**$ 327,000**	**$ 68,895**	**$ (258,105)**	**-78.93%**
Reserves						
Reserves	$ -	$ -	$ -	$ -	$ -	
Ongoing State Appropriation						
Local Administrative Advisor	$ -	$ 1,281,192	$ 1,580,000	$ 1,580,000	$ -	0.00%
TOTAL REVENUE	$ 3,772,655	$ 5,246,371	$ 5,547,000	$ 5,343,895	$ (203,105)	-3.66%

EXPENSES	FY 2023 Prior Year Actual	FY 2024 YE Estimates	FY 2024 Adopted Budget	FY 2025 Tentative Budget	$ Change FY 24-FY 25 Budgets	% Change FY 24-FY 25 Budgets
Personnel Services						
Staff Salaries	$ 973,710	$ 1,160,000	$ 1,160,000	$ 1,280,000	$ 120,000	10.34%
Employee Benefits	$ 1,378,631	$ 515,000	$ 515,000	$ 550,000	$ 35,000	6.80%
Payroll Fees	$ 3,852	$ 4,500	$ 4,500	$ 5,000	$ 500	11.11%
Car Expense	$ 9,000	$ 9,000	$ 9,000	$ 9,000	$ -	0.00%
Contract Labor	$ 212,786	$ 119,700	$ 160,000	$ 155,000	$ (5,000)	-3.13%
Personnel Services Subtotal	**$ 2,577,979**	**$ 1,808,200**	**$ 1,848,500**	**$ 1,999,000**	**$ 150,500**	**8.14%**
Operations & Engagement						
Office Supplies	$ 6,645	$ 10,000	$ 10,000	$ 10,000	$ -	0.00%
Postage and Freight	$ 1,871	$ 8,742	$ 5,000	$ 5,000	$ -	0.00%
Printing Expense	$ 30,149	$ 38,000	$ 35,000	$ 35,000	$ -	0.00%
Equipment purchases	$ -	$ 25,000	$ 8,000	$ 8,000	$ -	0.00%
Equipment Repairs and Maint.	$ -	$ 200	$ 3,000	$ 3,000	$ -	0.00%
Building Repairs & Condo Dues	$ 53,181	$ 27,870	$ 20,000	$ 30,000	$ 10,000	50.00%
Building Utilities	$ 5,829	$ 3,815	$ 6,500	$ 6,500	$ -	0.00%
Telephone-Internet Expense	$ 8,793	$ 9,236	$ 9,500	$ 9,500	$ -	0.00%
Computer & Website Services	$ 39,862	$ 14,575	$ 45,000	$ 42,500	$ (2,500)	-5.56%
Travel and Lodging	$ 83,172	$ 70,000	$ 100,000	$ 100,000	$ -	0.00%
Operations Subtotal	**$ 229,502**	**$ 207,439**	**$ 242,000**	**$ 249,500**	**$ 7,500**	**3.10%**
Dues & Subscriptions	$ 62,049	$ 67,000	$ 67,000	$ 67,000	$ -	0.00%
Accounting Expenses	$ 37,000	$ 38,700	$ 39,000	$ 40,000	$ 1,000	2.56%
Legal Expenses	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ -	0.00%
Insurance	$ 9,749	$ 12,000	$ 12,000	$ 12,000	$ -	0.00%
Credit Card Processing/Bank Fees	$ 36,478	$ 43,000	$ 40,000	$ 38,000	$ (2,000)	-5.00%
Board Expenses	$ 4,726	$ 10,000	$ 5,000	$ 5,000	$ -	0.00%
Professional Development & Tuition Aid	$ 14,465	$ 25,000	$ 25,000	$ 25,000	$ -	0.00%
League Relations/Engagement	$ 2,100	$ 5,000	$ 5,000	$ 5,000	$ -	0.00%
Professional Costs & Fees Subtotal	**$ 191,566**	**$ 225,700**	**$ 218,000**	**$ 217,000**	**$ (1,000)**	**-0.46%**
Policy Research & Outreach	$ 73,146	$ 105,000	$ 95,000	$ 95,000	$ -	0.00%
Legal Services	$ 94,800	$ 101,400	$ 104,000	$ 105,000	$ 1,000	0.96%
Muniversity (New Training)	$ 30,000	$ -	$ 15,000	$ -	$ (15,000)	-100.00%
Programs Subtotal	**$ 197,946**	**$ 206,400**	**$ 214,000**	**$ 200,000**	**$ (14,000)**	**-6.54%**
Operations & Engagement Subtotal	$ 619,014	$ 639,539	$ 674,000	$ 666,500	$ (7,500)	-1.11%
Events						
Convention Programming	$ 126,300	$ 160,000	$ 150,000	$ 175,000	$ 25,000	16.67%
Facility & Special Equip. Rental	$ 327,553	$ 305,000	$ 365,000	$ 310,000	$ (55,000)	-15.07%
Food & Beverage	$ 434,322	$ 470,000	$ 535,000	$ 475,000	$ (60,000)	-11.21%
Events Subtotal	**$ 888,175**	**$ 935,000**	**$ 1,050,000**	**$ 960,000**	**$ (90,000)**	**-8.57%**

EXPENSES (Continued)	FY 2023 Prior Year Actual	FY 2024 YE Estimates	FY 2024 Adopted Budget	FY 2025 Tentative Budget	$ Change FY 24-FY 25 Budgets	% Change FY 24-FY 25 Budgets
Grants & Special Projects						
Land Use Academy of Utah	$ -	$ -	$ 15,000	$ -	$ (15,000)	-100.00%
Essay Contest Expenses	$ 6,351	$ 6,500	$ 6,500	$ 6,500	$ -	0.00%
Website Redesign	$ -				$ -	
Organization Modernization	$ 40,580	$ 26,985	$ 50,000	$ 25,000	$ (25,000)	-50.00%
Healthy Utah Communities Award	$ 9,240	$ 34,612	$ 10,000	$ 25,000	$ 15,000	150.00%
ARPA Assistance	$ 93,008	$ 19,770	$ 29,500	$ 8,895	$ (20,605)	-69.85%
"Your Land, Your Plan" Public Asset Program	$ 241,038	$ 173,926	$ 282,500	$ 60,000	$ (222,500)	-78.76%
Dignity Index/Disagree Better ULCT Project	*$ -*	*$ -*	*$ -*	*$ 50,000*	*$ 50,000*	
Grants & Special Projects Subtotal	$ 390,217	$ 261,792	$ 393,500	$ 175,395	$ (218,105)	-55.43%
Miscellaneous						
Miscellaneous	$ 288	$ 1,000	$ 1,000	$ 1,000	$ -	0.00%
Depreciation	$ 65,905	$ -	$ -	$ -	$ -	
Miscellaneous Subtotal	$ 66,193	$ 1,000	$ 1,000	$ 1,000	$ -	0.00%
Capital						
Capital Outlay	$ -	$ -	$ -	$ -	$ -	
Capital Improvements - Office remodel	$ -	$ -	$ -	$ -	$ -	
Capital Subtotal	$ -	$ -	$ -	$ -	$ -	
Ongoing State Appropriation						
Local Administrative Advisor	$ -	$ 1,263,993	$ 1,580,000	$ 1,542,000	$ (38,000)	-2.41%
TOTAL EXPENSES	$ 4,541,577	$ 4,909,524	$ 5,547,000	$ 5,343,895	$ (203,105)	-3.66%
TOTAL ALL REVENUES	$ 3,772,655	$ 5,246,371	$ 5,547,000	$ 5,343,895	$ (203,105)	-3.66%
REVENUES (Under) Over EXPENSES	$ (768,922)	$ 336,847	$ -	$ -		