Herriman City Fire Service Area Agenda

Wednesday, June 12, 2024

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a meeting in the City Council Chambers, located at
5355 WEST HERRIMAN MAIN STREET, HERRIMAN, UTAH

1. **Call to Order – 7:00 PM** (or as soon as possible thereafter)
2. **Approval of Minutes**

    2.1. Motion for review and outline of the finalization process to approve the minutes of June 12, 2024

3. **Public Hearing**

    3.1. Public hearing and consideration of a Resolution approving amendments to the fiscal year 2024 Herriman City Fire Service Area Budget – Kyle Maurer, Director of Finance and Administrative Services

    3.2. Public Hearing and consideration of a Resolution to establish the property tax rate and approve the fiscal year 2025 and 2026 budget for the Herriman City Fire Service Area – Kyle Maurer, Director of Finance and Administrative Services

4. **Adjournment**

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 or info@herriman.org and provide at least 48 hours advance notice of the meeting.

ELECTRONIC PARTICIPATION: Members may participate electronically via telephone, Skype, or other electronic means during this meeting.

I, Jackie Nostrom, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website www.utah.gov/pmn/index.html and on Herriman City's website at www.herriman.org. Posted and Dated this 6th day of June, 2024 /s/ Jackie Nostrom, City Recorder

HERRIMAN CITY

STAFF REPORT

DATE: May 29, 2024

TO: The Board of Trustees

FROM: Kyle Maurer, Director of Finance and Administrative Services

SUBJECT: Public hearing and consideration of a Resolution approving amendments to the fiscal year 2024 Herriman City Fire Service Area Budget

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RECOMMENDATION:
Staff recommends approval of the proposed amendments.

ISSUE BEFORE COUNCIL:
Should the Board approve the amendments as presented?

BACKGROUND/SUMMARY:
Good budgetary and accounting practices require periodic amendments to the Fire Service Area's adopted fiscal year budget. A number of budget amendments are required to ensure the Area is staying within budgeted allotments and transactions are being accounted for correctly in the financial system.

DISCUSSION:
The Service Area's property tax and motor vehicle revenue is $145,300 in excess of Certified Tax Rate projections. This may arise due to collections being greater than anticipated by the County Auditor or tax prepayments. Contract services are requested to decrease $174,060 to align with Unified Fire Authority's actual contract amount. Fund balance is anticipated to increase $543,260 due to greater than anticipated interest earnings, property tax collections, and reduction in budgeted contract services.

ALTERNATIVES:
The Board may choose not to adopt the proposed amendments as presented.

FISCAL IMPACT:

Increase in revenues – $369,300; increase in expenditures – $369,300 (includes a projected increase in fund balance of $543,260).

ATTACHMENTS:

Proposed budget amendments, Resolution

Herriman City Fire Service Area (HCFSA)
Proposed Fiscal Year 2024 Budget Amendments

GL Account	Department	GL Account Description	FY2024 Budget (Current)	Proposed Amendment	2024 Adjusted Budget (Proposed)	Explanation
27-31100		Property Tax - Current	8,012,000	58,000	8,070,000	Collections greater than CTR (collection rate, prepayments)
27-31102		Property Tax - Delinquent	60,000	37,300	97,300	Increase in delinquent collections
27-31150		Motor Vehicle in Lieu	360,000	50,000	410,000	Increase in motor vehicle collections
27-36100		Interest Income	60,000	224,000	284,000	Interest income earned on fund balance
		TOTAL REVENUE ADJUSTMENTS - HCFSA FUND	**$ 8,492,000**	**$ 369,300**	**$ 8,861,300**	

GL Account	Department	GL Account Description	FY2023 Budget (Current)	Proposed Amendment	Budget (Proposed)	Explanation
27-47512		Professional Fees	-	100	100	Noticing and publication fees
27-47105		Contract Services	5,449,000	(174,060)	5,274,940	Reduction to match actual contract to UFA
27-4900		Budgeted Increase in Fund Balance	2,593,900	543,260	3,137,160	Increase in anticipated fund balance due to interest income and collections in excess of expectations
		TOTAL EXPENDITURE ADJUSTMENTS - HCFSA FUND	**$ 8,042,900**	**$ 369,300**	**$ 8,412,200**	

Fund Balance Available (Unrestricted)

	FY2023 (Actual)	FY2024 (Budget)
Beginning Balance	1,869,788	$ 3,320,407
Addition (Use of)	1,450,619	3,137,160
Ending Balance	**$ 3,320,407**	**$ 6,457,567**
Over (Under) Recommended Fund Balance (2 Months)	**$ 2,418,500**	**$ 5,571,800**

HERRIMAN CITY FIRE SERVICE AREA

RESOLUTION NO.__________

A RESOLUTION OF THE HERRIMAN CITY FIRE SERVICE AREA APPROVING AN AMENDMENT TO THE 2023-2024 FISCAL YEAR BUDGET

WHEREAS, the Herriman City Fire Service Area ("HCFSA") met in regular meeting on June 12, 2024, to consider, among other things, approving amendments to the 2023-2024 fiscal year budget; and

WHEREAS, the Board of Trustees of the HCFSA has determined it necessary to amend the budget to reflect various changes; and

WHEREAS, the Board of Trustees of the HCFSA determines that the amendment presented to the Board is necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that the budget for the period of July 1, 2023, through June 30, 2024, is hereby amended as set forth on the attached amended budget.

This Resolution, shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED by the Board of Trustees of the HCFSA this 12th day of June, 2024.

HERRIMAN CITY FIRE SERVICE AREA

By: ____________________________________
Chairman

____
District Clerk

HERRIMAN CITY

STAFF REPORT

DATE: May 30, 2024

TO: The Board of Trustees

FROM: Kyle Maurer, Director of Finance and Administrative Services

SUBJECT: Public hearing and consideration of a Resolution to establish the property tax rate and approve the fiscal year 2025 and 2026 budget for the Herriman City Fire Service Area

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RECOMMENDATION:
Staff recommends approval of the Resolution

ISSUE BEFORE BOARD OF TRUSTEES:
Should the Board adopt the final recommended tentative budget and set the property tax rate at the Certified Tax Rate as calculated by the Salt Lake County Auditor's Office?

BACKGROUND/SUMMARY:
The Board adopted a tentative budget on May 8, 2024. Staff are not proposing any changes for the final budget. Staff are also recommending the Board adopt the Certified Tax Rate as calculated by the Salt Lake County Auditor's Office.

DISCUSSION:
The Board adopted a tentative budget on May 8, 2024. No changes are recommended for the final budget. Full detail of the budget follows this staff report.

Staff is recommending adopting the Certified Tax Rate as calculated by the Salt Lake County Auditor's Office. The Certified Tax Rate will generate the same amount of property tax revenue as the prior year, plus new growth that occurs within the Service Area. As of the date of this staff report, the Certified Tax Rate is not available. The Resolution has been drafted to adopt the Certified Tax Rate as calculated by the County Auditor's Office.

Some notable highlights of the recommended final budget:

- A 5.15% increase in the member fee from Unified Fire Authority for fiscal year 2025 ($5,533,776 total assessment)

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- Reconstruction of Fire Station 103 is planned for fiscal year 2026 ($5,492,280; shared with the Fire Impact Fee Fund)
- Anticipated fiscal year 2025 decrease in property tax revenue due to participation in the Herriman City Community Development Renewal Agency

ALTERNATIVES:
The board may not choose to adopt the final recommended budget or may change individual portions of the budget.

FISCAL IMPACT:
FY2025 budgeted revenues – $8,030,980; budgeted expenditures – $6,030,980
FY2026 budgeted revenues – $8,281,910; budgeted expenditures – $11,855,290

ATTACHMENTS:
Recommended final budget
Resolution

Herriman City Fire Service Area

Fund Description

The Herriman City Fire Service Area (HCFSA) was created on January 1, 2022, with its first tax rate levied for calendar year 2022. Similar to the Herriman City Safety Enforcement Area, the HCFSA is a taxing district created as a funding mechanism to provide fire protection services to the City. The Fire Service Area contracts with Unified Fire Authority (UFA) to provide fire services to the City. The HCFSA Board is comprised of City of Herriman Councilmembers.

Budget - Herriman City Fire Service Area (HCFSA)

Revenues	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 CM Recommended Budget	FY2025 Council Recommended Budget	FY2025 % Change	FY2026 CM Recommended Budget	FY2026 Council Recommended Budget	FY2026 % Change
Taxes	8,542,916	8,577,300	7,756,500	**7,756,500**	-10%	7,927,430	**7,927,430**	2%
Miscellaneous	175,979	321,900	274,480	**274,480**	-15%	354,480	**354,480**	29%
Total Revenues	**8,718,895**	**8,899,200**	**8,030,980**	**8,030,980**	**-10%**	**8,281,910**	**8,281,910**	**3%**

Expenditures	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 CM Recommended Budget	FY2025 Council Recommended Budget	FY2025 % Change	FY2026 CM Recommended Budget	FY2026 Council Recommended Budget	FY2026 % Change
Contract Services	5,403,728	5,274,940	5,543,780	**5,543,780**	5%	5,875,810	**5,875,810**	6%
Operating	8,306	40,100	40,200	**40,200**	0%	40,200	**40,200**	0%
Capital Outlay	13,074	-	-	-	0%	5,492,280	**5,492,280**	0%
Debt Service	-	447,000	447,000	**447,000**	0%	447,000	**447,000**	0%
Transfers Out	1,843,168	-	-	-	0%	-	-	0%
Total Expenditures	**7,268,276**	**5,762,040**	**6,030,980**	**6,030,980**	**5%**	**11,855,290**	**11,855,290**	**97%**
Revenue Over (Under) Expenditures	**1,450,619**	**3,137,160**	**2,000,000**	**2,000,000**		**(3,573,380)**	**(3,573,380)**	

Fund Balance Available (Unrestricted)

	FY2023 (Actual)	FY2024 (Budget)	FY2025 (Budget)	FY2026 (Budget)
Beginning Balance	$ 1,869,788	$ 3,320,407	$ 6,457,567	$ 8,457,567
Addition (Use of)	1,450,619	3,137,160	2,000,000	(3,573,380)
Ending Balance	**$ 3,320,407**	**$ 6,457,567**	**$ 8,457,567**	**$ 4,884,187**
Over/(Under) Recommended Fund Balance (2 Months)	**$ 2,418,500**	**$ 5,571,800**	**$ 7,527,000**	**$ 2,982,900**

Significant Budgetary Changes

- The HCFSA will begin participating in three project areas beginning in fiscal year 2025, which will result in an overall decrease in tax revenue.
- HCFSA's contract with UFA is anticipated to increase 5.15% for fiscal year 2025. A 6% increase was budgeted for fiscal year 2026.
- Reconstruction of Station 103 is budgeted in FY2026 ($5.5 million) (split with Fire Impact Fee Fund).

HERRIMAN CITY FIRE SERVICE AREA
RESOLUTION NO. R07-22

A RESOLUTION OF THE HERRIMAN CITY FIRE SERVICE AREA ADOPTING A FINAL BUDGET MAKING APPROPRIATIONS FOR THE SUPPORT OF THE HERRIMAN CITY FIRE SERVICE AREA FOR THE PERIOD BEGINNING JULY 1, 2024 AND ENDING JUNE 30, 2026, AND DETERMINING THE RATE OF TAX AND LEVYING TAXES UPON ALL REAL AND PERSONAL PROPERTY WITHIN THE HERRIMAN CITY FIRE SERVICE AREA

WHEREAS, on June 12, 2024, the Board of Trustees (“Board”) of the Herriman City Fire Service Area (“HCFSA”) met in a special meeting to consider adoption of a resolution of the HCFSA adopting a final budget making appropriations for the support of the HCFSA for the period beginning July 1, 2024 and ending June 30, 2026, and determining the rate of tax and levying taxes upon all real and personal property within the HCFSA; and

WHEREAS, on June 12, 2024, a public hearing to receive public comment and consider adoption of a final budget was held in the Council chambers located at 5355 West Herriman Main Street, Herriman, Utah; and

WHEREAS, all interested persons in attendance at the public hearing were given an opportunity to be heard, for or against, the estimate of revenues and expenditures or any item thereof in the final budget; and

WHEREAS, the HCFSA has published the necessary notice and held the public hearing required prior to adopting the budget; and

WHEREAS, it is the intent and desire of the HCFSA to comply with all applicable State and local laws regarding the adoption of the budget; and

WHEREAS, the Board finds that it has satisfied all legal requirements required to adopt a budget, and that it is in the best interests of the citizens of the HCFSA to adopt a final budget for the HCFSA.

NOW, THEREFORE, BE IT RESOLVED the Board hereby adopts this Resolution, thereby budgeting to support the operations of the HCFSA as follows:

Section 1. Budget Adoption.

A. The Final Budget attached hereto, as amended, and by this reference incorporated herein, is hereby appropriated for the corporate purposes and objects of the HCFSA for the time period beginning July 1, 2024, and ending June 30, 2026, and is hereby adopted as the budget of the HCFSA for the time period beginning July 1, 2024 and ending June 30, 2026 (the "*Budget"*).

B. Pursuant to Utah law, a copy of the Budget for each fund within the Budget shall be certified by the Budget Officer and it is hereby directed that it be filed with the State Auditor within 30 days after adoption.

C. Pursuant to Utah law, a certified copy of the Budget shall be filed in the office of the District Clerk and will be available for public inspection during normal business hours.

Section 2. Tax Rate and Levy.

A. For the purpose of defraying the necessary and proper expenses of the HCFSA and for maintaining the government thereof, it is hereby determined that the Tax Rate of the general property tax to be levied against all real and personal property within the HCFSA made taxable by law for the fiscal year beginning July 1, 2024, and ending June 30, 2025, is hereby set at a rate not to exceed the Certified Tax Rate to be determined by the Salt Lake County Auditor's Office and the Utah State Tax Commission.

B. There is hereby levied upon all real and personal property within the HCFSA made taxable by law for the fiscal year of the HCFSA ending June 30, 2025, the tax rate set forth above, on the taxable value of said property, to provide revenue for the HCFSA and for general HCFSA purposes.

C. As required by law, the rate hereinabove determined and levied, along with all statements and information required by law, shall be reported to the Salt Lake County Auditor, State of Utah, and the Utah State Tax Commission.

Section 3. Further Action.

A. In addition to the foregoing, the Chair is hereby directed to implement any other necessary actions pertinent to the adoption of the Budget. Such actions may include, but are not necessarily limited to, notification, reporting, and publishing as required by and consistent with applicable law.

B. Amounts budgeted for contingency, fund balance, and capital projects will be deposited into the Public Treasurer's Investment Fund (PTIF) for this specific purpose, with continuous regular amounts deposited throughout the fiscal year. Statements of these accounts will be distributed to the Council on a quarterly basis along with other expenditure reports.

Section 4. Severability. If a court of competent jurisdiction declares any provision of this resolution invalid, the remainder shall not be affected.

Section 5. **Effective Date**. This resolution shall take effect upon passage and posting as required by law.

PASSED AND APPROVED by the Board this 12th day of June 2024.

HERRIMAN CITY FIRE SERVICE AREA

By: ___________________________________
Lorin Palmer, Vice Chair

ATTEST:

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Jackie Nostrom, District Clerk