



Herriman City Safety Enforcement 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 after as possible)
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 Safety Enforcement 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 2025-2026 budget for the Herriman City Safety Enforcement 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.

5355 W. Herriman Main St. • Herriman, Utah 84096
(801) 446-5323 office • herriman.org

I, Wendy Thorpe, 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



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 Safety Enforcement Area budget

RECOMMENDATION:

Staff recommends approval of the proposed amendments.

ISSUE BEFORE BOARD:

Should the Board of Trustees approve the proposed budget amendments as presented?

BACKGROUND/SUMMARY:

Good budgetary and accounting practices require periodic amendments to the Safety Enforcement Area's fiscal year budget. A number of budget amendments are proposed to ensure budgetary compliance and correct accounting in the financial system.

DISCUSSION:

A number of budget amendments are requested to align the budget with estimated expenditures. The major amendments are as follows:

- Increase in current property tax – \$959,180. \$889,200 of this increase is due to the property tax increase approved by the Board in August 2023. In addition, tax receipts have been \$69,980 greater than anticipated by the Certified Tax Rate. This may be due to collections being greater than anticipated by the County Assessor or property tax prepayments.
- Increase in delinquent property tax – \$30,000 (\$110,000 total). Delinquent property tax collections have been greater than staff's original estimates.
- Interest income – \$137,000 (\$140,000 total). Interest income is greater than expectations due to the property tax increase approved by the Board.

The following expenditure increases are requested:

- Transfer to Capital Equipment Fund – \$697,720 – This is the amount approved by the Board in the Truth in Taxation Hearing for the Police Department’s fleet reserve fund.

Staff are anticipating fund balance to increase \$427,860 during the year. This is due to 1) Restricted fund balance as outlined in the Truth in Taxation hearing (\$280,700), interest earnings (\$137,000) and property tax collections being greater than anticipated.

ALTERNATIVES:

The board may choose not to approve any or all of the proposed amendments.

FISCAL IMPACT:

Increase in revenue – \$1,126,180; increase in expenditures – \$1,126,180

ATTACHMENTS:

Budget amendments; Resolution

**Herriman City Safety Enforcement Area (HCSEA)
Proposed Fiscal Year 2024 Budget Amendments**

GL Account	Department	GL Account Description	FY2024 Budget (Current)	Proposed Amendment	2024 Adjusted Budget (Proposed)	Explanation
26-31100		Property Tax - Current	8,109,000	959,180	9,068,180	\$889,200/tax increase; \$69,980-Greater than anticipated tax collections
26-31102		Property Tax - Delinquent	80,000	30,000	110,000	Greater than anticipated collections
26-36100		Interest Income	3,000	137,000	140,000	Increase in revenue due to increase in fund balance
TOTAL REVENUE ADJUSTMENTS - HCSEA			\$ 8,192,000	\$ 1,126,180	\$ 9,318,180	

GL Account	Department	GL Account Description	FY2023 Budget (Current)	Proposed Amendment	Budget (Proposed)	Explanation
26-48215		Public Notices	-	600	600	Noticing and publication fees (Truth in Taxation hearing; budget)
26-49043		Transfer to Capital Equipment	-	697,720	697,720	Transfer of restricted vehicle replacement funds to Capital Equipment Fund
26-4900		Budgeted Increase in Fund Balance	-	427,860	427,860	Increase in anticipated fund balance due to tax increase and greater than anticipated collections
TOTAL EXPENDITURE ADJUSTMENTS - HCSEA			\$ -	\$ 1,126,180	\$ 1,126,180	

Fund Balance Available (Unrestricted)		
	FY2023 (Actual)	FY2024 (Budget)
Beginning Balance	1,355,992	\$ 193,397
Addition (Use of)	(1,162,595)	427,860
Restricted Fund Balance*		(280,700)
Ending Balance	\$ 193,397	\$ 340,557
*Restricted Fund Balance:		
-Mental Health Specialist (1.1%)		\$ 88,220
-Officers Required to Meet Demand (2.4%)		192,480
		\$ 280,700

City of Herriman
FY2024 Amended Budget 3 Report
26 Herriman City Safety Enforcement Area - 07/01/2023 to 06/30/2024
100.00% of the fiscal year has expired

	2024 YTD Actuals	2024 Current Amended Budget	2024 Proposed Budget Amendment	Difference Current Amended Less Proposed Amended	% Difference
Change In Net Position					
Revenue:					
Taxes					
31100 PROPERTY TAX-CURRENT	9,068,177	8,109,000	9,068,180	959,180	11.83%
31102 PROPERTY TAX - DELINQUENT	113,598	80,000	110,000	30,000	37.50%
31150 MOTOR VEHICLE IN LIEU	419,553	519,400	519,400	-	-
Total Taxes	9,601,328	8,708,400	9,697,580	989,180	11.36%
Interest					
36100 INTEREST INCOME	107,984	3,000	140,000	137,000	4,566.67%
Total Interest	107,984	3,000	140,000	137,000	4,566.67%
Total Revenue:	9,709,311	8,711,400	9,837,580	1,126,180	12.93%
Expenditures:					
Public Safety					
Police					
48215 PUBLIC NOTICES	583	-	600	600	-
Total Police	583	-	600	600	-
Total Public Safety	583	-	600	600	-
Other Financing Uses					
4900 BUDGETED INCREASE IN FUND BALANCE	-	-	427,860	427,860	-
49000 TRANSFER TO PUBLIC SAFETY FUND	6,826,185	8,711,400	8,711,400	-	-
49043 TRANSFER TO CAPITAL EQUIPMENT FUND	-	-	697,720	697,720	-
Total Other Financing Uses	6,826,185	8,711,400	9,836,980	1,125,580	12.92%
Total Expenditures:	6,826,768	8,711,400	9,837,580	1,126,180	12.93%
Total Change In Net Position	2,882,543	-	-	-	-

HERRIMAN CITY SAFETY ENFORCEMENT AREA

RESOLUTION NO. _____

**A RESOLUTION OF THE HERRIMAN CITY SAFETY ENFORCEMENT AREA
APPROVING AN AMENDMENT TO THE 2023-2024
FISCAL YEAR BUDGET**

WHEREAS, the Herriman City Safety Enforcement Area (“HCSEA”) 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 HCSEA has determined it necessary to amend the budget to reflect various changes; and

WHEREAS, the Board of Trustees of the HCSEA 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 HCSEA this 12th day of June, 2024.

HERRIMAN CITY SAFETY ENFORCEMENT AREA

By: _____
Chairman

District Clerk



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 2025-2026 budget for the Herriman City Safety Enforcement Area

RECOMMENDATION:

Staff recommends approval of the Resolution.

ISSUE BEFORE THE BOARD:

Should the Board adopt the fiscal years 2025 and 2026 budget and establish a property tax rate not to exceed the Certified Tax Rate?

BACKGROUND/SUMMARY:

The Board received a copy of the tentative budget on May 8, 2024. A few changes are included in the final recommended budget (discussed below). Staff are recommending adopting the Certified Tax Rate as calculated by the Salt Lake County Auditor's Office.

DISCUSSION:

Based on discussions with the Herriman City Council regarding police services funding, a few changes are recommended for the final budget:

- FY2025 - Reducing the transfer to the public safety fund by \$83,440 (this balances the public safety fund to zero)
- FY2025 and FY2026 – Transferring \$697,720 each year to the Herriman City Capital Equipment Fund, which will be used to fund a fleet vehicle reserve program.
- FY2026 – Increasing the transfer to the public safety fund by \$159,240. These funds will be used for capital and operating needs of the Herriman City Police Department.

Per direction of the Herriman City Council, new growth funds will be restricted and tracked separately from other funds. Below is a summary of projected fund balance and restricted funds over the next two budget years:

Fund Balance Available (Unrestricted)				
	FY2023 (Actual)	FY2024 (Budget)*	FY2025 (Budget)*	FY2026 (Budget)*
Beginning Balance	\$ 1,355,992	\$ 193,397	\$ 340,557	\$ 390,557
Addition (Use of)	(1,162,595)	427,860	364,140	121,460
Restricted Fund Balance:	-	(280,700)	(314,140)	(233,860)
Ending Balance	\$ 193,397	\$ 340,557	\$ 390,557	\$ 278,157
Over/(Under) Recommended Fund Balance (2 Months)	\$ (1,240,789)	\$ (1,262,442)	\$ (1,212,413)	\$ (1,415,316)
*Restricted Fund Balance				
-Mental Health Specialist (1.1%)		\$ 88,220	\$ 88,220	\$ 88,220
-Officers Required to Meet Demand (2.4%)		192,480	192,480	192,480
-New Growth		-	269,950	278,050
-Less: New Personnel Funds Used to Cover Inflation		-	(236,510)	(324,890)
*Total Restricted Fund Balance		\$ 280,700	\$ 314,140	\$ 233,860

Staff will need to revisit fund balance and property tax projections in FY2026, as those calculations will not be available until next year.

After discussions with the Herriman City Council, an armored vehicle included in the FY2026 budget is not included for funding in the final recommended budget. Staff will revisit the issue with the Herriman City Council in the fall once final fiscal year 2024 actuals are available.

Staff are recommending adopting the Certified Tax Rate as calculated by the Salt Lake County Auditor’s Office.

ALTERNATIVES:

The Board may choose not to adopt the budget and tax rate or may change either.

FISCAL IMPACT:

FY2025 – Revenues \$10,010,770; expenditures \$9,646,630

FY2026 – Revenues \$10,355,980; expenditures \$10,234,520

ATTACHMENTS:

Final Budget
Resolution

Herriman City Safety Enforcement Area

FUND DESCRIPTION

The Herriman City Safety Enforcement Area (HCSEA) was created on January 1, 2018. The HCSEA is a taxing district that was established by the City to collect property taxes to provide law enforcement services to Herriman City—In other words, the HCSEA contracts with the City of Herriman for policing services. The HCSEA is accounted for as a blended component unit—Although a legally separate entity, because of its close relationship to the City it is accounted for with the City’s finances. The HCSEA Board is comprised of City of Herriman Councilmembers.

Budget - Herriman City Safety Enforcement Area (HCSEA)								
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	8,082,337	9,697,580	9,963,890	9,963,890	3%	10,269,970	10,269,970	3%
Miscellaneous	58,069	140,000	46,880	46,880	-67%	86,010	86,010	83%
Total Revenues	8,140,406	9,837,580	10,010,770	10,010,770	2%	10,355,980	10,355,980	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
Public Notices	-	600	1,000	1,000	67%	1,000	1,000	0%
Transfer to Public Safety Fund	9,303,000	8,711,400	9,031,350	8,947,910	3%	9,376,560	9,535,800	7%
Total Expenditures	9,303,000	8,712,000	9,032,350	8,948,910	3%	9,377,560	9,536,800	7%
Revenue Over (Under) Expenditures	(1,162,594)	1,125,580	978,420	1,061,860		978,420	819,180	

Fund Balance Available (Unrestricted)				
	FY2023 (Actual)	FY2024 (Budget)*	FY2025 (Budget)*	FY2026 (Budget)*
Beginning Balance	\$ 1,355,992	\$ 193,397	\$ 340,557	\$ 390,557
Addition (Use of)	(1,162,595)	427,860	364,140	121,460
Restricted Fund Balance:	-	(280,700)	(314,140)	(233,860)
Ending Balance	\$ 193,397	\$ 340,557	\$ 390,557	\$ 278,157
Over/(Under) Recommended Fund Balance (2 Months)	\$ (1,240,789)	\$ (1,262,442)	\$ (1,212,413)	\$ (1,415,316)
*Restricted Fund Balance				
-Mental Health Specialist (1.1%)		\$ 88,220	\$ 88,220	\$ 88,220
-Officers Required to Meet Demand (2.4%)		192,480	192,480	192,480
-New Growth		-	269,950	278,050
-Less: New Personnel Funds Used to Cover Inflation		-	(236,510)	(324,890)
*Total Restricted Fund Balance		\$ 280,700	\$ 314,140	\$ 233,860

Significant Budgetary Changes

- Property tax revenue is budgeted to increase 3%. The actual amount will not be known until June 2024 and 2025 when tax rates are finalized by Salt Lake County.

HERRIMAN CITY SAFETY ENFORCEMENT AREA
RESOLUTION NO. R24-

A RESOLUTION OF THE HERRIMAN CITY SAFETY ENFORCEMENT AREA ADOPTING A FINAL BUDGET MAKING APPROPRIATIONS FOR THE SUPPORT OF THE HERRIMAN CITY SAFETY ENFORCEMENT 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 SAFETY ENFORCEMENT AREA

WHEREAS, on June 12, 2024, the Board of Trustees (“Board”) of the Herriman City Safety Enforcement Area (“HCSEA”) met in a special meeting to consider adoption of a resolution of the HCSEA adopting a final budget making appropriations for the support of the HCSEA 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 HCSEA; and

WHEREAS, on May 8, 2024, the Budget Officer of the HCSEA submitted to the Board, a tentative budget including all supporting schedules and data (the “*Tentative Budget*”) for the period beginning July 1, 2024, and ending June 30, 2026, that contemplated an ad valorem property tax that did not exceed the certified tax rate; and

WHEREAS, on May 8, 2024, the Tentative Budget was acknowledged as received and was officially placed in the District Clerk’s office for inspection by the public during normal office hours; and

WHEREAS, on May 30, 2024, notices of a public hearing to consider the FY 2024-26 Final Budget were posted in three locations; and on the Utah Public Notice Website created by Utah Code Ann. § 63F-1-701; and

WHEREAS, on June 12, 2024, a public hearing to receive public comment and consider adoption of a final budget was held at approximately 7:00 p.m. 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 HCSEA 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 HCSEA 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 HCSEA to adopt a final budget for the HCSEA.

NOW, THEREFORE, BE IT RESOLVED the Board hereby adopts this Resolution, thereby budgeting to support the operations of the HCSEA 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 HCSEA for the time period beginning July 1, 2024, and ending June 30, 2026, and is hereby adopted as the “Budget of HCSEA 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 HCSEA 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 HCSEA 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 HCSEA made taxable by law for the fiscal year of the HCSEA ending June 30, 2025, the tax rate set forth above, on the taxable value of said property, to provide revenue for the HCSEA and for general HCSEA 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 SAFETY ENFORCEMENT AREA

By: _____
Lorin Palmer, Vice Chair

ATTEST:

Jackie Nostrom, District Clerk