



FY 2026–2027

Tentative Budget Message

The proposed Fiscal Year 2026–2027 budget for Toquerville City is balanced, with General Fund revenues and expenditures both totaling **\$2,541,800**. The budget reflects continued community growth, maintains core service levels, and prioritizes infrastructure investment while adhering to sound financial practices.

Explanation of the Budget.

The City's primary revenue sources are **taxes (\$1.09 million)** and **charges for services (\$861,000)**, supplemented by permits, intergovernmental revenue, and interest income. Expenditures are concentrated in General Government, Parks and Public Property, Streets, and Public Safety. The budget also includes separate funds for capital projects and utilities, with significant activity in the Capital Projects Fund driven by impact fees and planned infrastructure improvements.

Financial Policies.

The City will continue to follow key financial policies during the budget period, including maintaining a **balanced budget**, using **conservative revenue projections**, and ensuring that **growth pays for growth**. Capital investments will focus on infrastructure and public facilities, while no new debt issuance is proposed. Enterprise funds, including water and stormwater, will rely primarily on user fees to ensure long-term sustainability.

Important Features of the Budget Plan.

Notable features of this budget include a balanced General Fund with no change in net position, increased tax revenues due to growth, and strong capital investment supported by impact fees. The budget also expands Planning and Zoning capacity to manage development, increases funding for street maintenance, and continues investment in parks, utilities, and public infrastructure. The Capital Projects Fund reflects over **\$1.6 million** in planned revenues, primarily for parks and transportation improvements.

Reasons for Significant Changes.

Key revenue changes include increased property and transportation tax revenues, reduced building permit revenue to more realistic levels, elimination of one-time grant funding, and increased service-related revenues. On the expenditure side, Planning and Zoning costs have increased to support development activity, legal expenses have risen due to active litigation and general representation, and street maintenance funding has been significantly increased to address pavement preservation. Building inspection costs have also increased proportionally to building permits anticipated to be issued.

Major Changes in Financial Policy.

This budget reflects a shift toward **reduced reliance on interfund transfers** and greater use of **impact fees to fund capital projects**. The City is also implementing a more **conservative approach to revenue forecasting** and expanding the **stormwater utility funding structure** to support long-term infrastructure needs. These changes strengthen financial sustainability and better align funding sources with service demands.