PAYSON CITY
WORK SESSION MEETING
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, April 29, 2026

CONDUCTING Mayor William Wright

ELECTED OFFICIALS Mayor William Wright, Brian Hulet, Anne Moss, Bob Provstgaard, Ryan Rowley, Lacee Smith, William R. Wright

STAFF PRESENT David Tuckett, City Manager
Cathy Jensen, Finance Director
Amalie Ottley, City Recorder
Brandon Dalley, City Attorney
Brad Bishop, Police Chief
Robert Mills, Assistant City Manager
Travis Jockumsen, Public Works Director/City Engineer
Scott Spencer, Fire Chief
Michael Bryant, Planner II
Tracy Zobell, Parks & Golf Director
Karl Teemant, Community Services Director
Melanie Marsh, Human Resources
Jill Spencer, Development Services Director

OTHERS

A. CALL TO ORDER

Mayor William Wright called this meeting of the City Council of Payson City, Utah, to order at 5:05 p.m.. The meeting was properly noticed.

Mayor Wright and council members took a photo together before the meeting began.

Finance Director Cathy Jensen presented the Tentative Budget for period ending June 30, 2027.

Cathy presented slides that addressed the following: (see attached)

- Current Economic Events & Factors
  The 2026-2027 Fiscal Year budget will be a conservative budget as there are uncertainties in the national economy, raising costs in doing business including goods and services, and the high cost of fuel. The city's sales taxes remain stable.
- Transfers and Indirect Costs
  Indirect services include the cost of providing services to departments and the Enterprise Funds. Traditionally, the city has transferred 9% of enterprise revenues to the general fund for department operations. This year, the city has reduced or eliminated operating transfers to Water, Solid Waste, Power, Sewer, Ambulance, and Storm Drain departments. Transfers to the Electric Power and Water fund are to cover bonds.

- <u>Budget Highlights</u>
  For Fiscal Year 2027, the city proposes a $122,976,926 budget city-wide. Robert Mills pointed out that the proposed budget is a 5% decrease from the previous year. The budget will fund personnel positions mid-year so that the current economic status can be considered. The city added up to 4% adjustment to individual wages to keep wages competitive. The 4% consists of a 2.7% COLA(Cost of Living) adjustment and 1.3% merit increase. Parks and Golf Director Tracy Zobell expressed concern about the perception employees may have about COLA and merit increases. Council members discussed the percentages. The discussion included competition with other cities while remaining conservative. Councilmember Smith expressed concerns about employees getting raises in pay every year. The total cost of living is currently at 3.3%. Mayor Wright stated that having the COLA higher allows for flexibility for directors for the personnel merit increases. Councilmember Rowley agreed with the presented percentages and hopes that employees and departments can openly work with and discuss the merit program. Council members want to make sure employees are happy and awarded appropriately as employees are important assets to the city and council. Cathy went on to say that department heads have been given what they requested in their operational budgets, in most cases. The HVAC project may have to roll over into the following budget year if it does not get completed in the current year. Adoption of the tentative budget at the first council meeting in May is a statutory requirement. The council and staff may make changes to the tentative budget up until it is passed in June 2026.
- <u>Insurance Renewal</u>
  Employee Health insurance will have a 0% increase this year thanks to Human Resources Director Melanie Marsh for her hard work. General Liability and Workers Compensation will both have a 3% increase, and Dental Insurance will have a 10% increase.
- <u>Cautiously Optimistic</u>
  The City remains cautiously optimistic and will continue to monitor economic conditions. City Manager Dave Tucket discussed spending habits among departments in previous years versus now. He stated that city employees won't spend money that is not needed. Mayor Wright expressed appreciation to department directors and staff who spend their budget wisely and communicate with the council on what is needed.
- <u>Funded Personnel</u>
  Many new positions are being proposed. One new police officer and promotional opportunities for two officers, six EMTS for the ambulance department offsetting adjustments to part-time EMTs, a water employee and additional seasonal help, adjustments for a public information officer, and a GIS (Graphic Information System) position. Fire Chief Scott Spencer discussed the paramedic needs in the department. He stated that critical care calls need more paramedics available for more shifts. Mountain View Hospital is taking more critical care cases each year. Councilmember Rowley asked if the paramedics would have fire certifications. Chief Spencer confirmed that yes, EMTs will have fire certifications and training. Public Works Director Travis Jockumsen discussed seasonal helpers needed to replace water meters and laterals, and another full-time employee to support the City's many water systems. He added that the GIS personnel position is for a current employee who will graduate in December and has proven to be a great asset to the department. Police Chief Brad Bishop stated the new officer will be 29 full time officers. Councilmembers asked about grants that have been

awarded in the past to pay for police officers. Chief Bishop stated that he will apply for the grant, but it is very competitive grant that is hard for smaller departments to get.

- Proposed Utility Rate Increases
  The city is proposing no increases in utility rates for fiscal year 2027. In the coming year, utility rate increases will need to be looked at to cover debt service for new bonds. Councilmember Smith still wants to see a feasibility study for water in order to look at utility rates for neighboring cities who use Payson's system. She expressed concerns on behalf of residents who worry about raising utility rates. Councilmember Hulet stated the city has to keep up with inflation and the costs of operation. Lacee expressed concern that residents are frustrated with utility rates raising.
- Water Fund Highlights
  The Forebay bond amount is going to be transferred from the General Fund to allow for additional projects. The water department is charged with federal lead and copper lateral replacements that have been funded. The city is seeking funding options through WIFIA (Water Infrastructure Finance and Innovation Act) for capital water, sewer, and storm drain. Currently, no WIFIA projects are included in the tentative budget. When WIFIA funding becomes available, budget adjustments will be made. The design for the Main Street CUP project has been funded. Cathy presented the water fund projects that were requested and which ones were funded. Councilmember Hulet asked if the 800 W project could use WIFIA funds. Cathy confirmed when funds become available, that project would be considered. The proposed budget for the Water Department is $8,736,277. The proposed impact fees for water is $1,009,600.
- Solid Waste Highlights
  A great deal of budgeted expenses of the landfill pertain to maintenance and improvements of the landfill. The solid waste department also handles garbage collection and city snow removal. Cathy relayed an interesting face that operational costs at the landfill include $50,000 in seagull mitigation. The landfill will get additional construction & demolition revenue from other projects. Cathy presented the landfill projects that were requested and funded. Councilmember Rowley and other council members expressed gratitude that the city kept the landfill when there was pressure to shut it down. The proposed budget for the Solid Waste Department is $4,400,722.
- Electric Power Highlights
  Large capital projects for the upcoming fiscal year include a transmission line, substation, power plant construction, and other lighting projects. 2027 was scheduled as the third year of a four-year rate increase plan. However, that plan will be diverted for the coming year. Councilmember Hulet asked if costs for transmission lines and substations come from power funds and then covered by the impact fees. Cathy confirmed. Cathy presented the electric projects that were requested and which ones were funded. The proposed budget for the Electric Power Department is $23,691,501. The proposed impact fees for power are $4,613,000.
- Sewer Highlights
  Cathy reported that the sewer department continues with the construction of a new sewer plant. 64% of operational revenue for the sewer department goes to debt service. The city will be issuing $5,000,000 bonds to complete the sewer plant project. The city will have to review rates in the coming years if they can't meet the 1.25% bond coverage. The proposed budget for the Sewer Department is $26,477,680. The proposed impact fees for

sewer are $26,477,680. Cathy presented the electric projects that were requested and which ones were funded.

- Ambulance Highlights
  The ambulance department is close to capacity for what services they can provide to the city due to available personnel. The city is looking at future equipment, employees, and fire stations to best fit the needs of residents. Six full-time positions have been funded in the ambulance department. An ambulance was ordered and financed through a revolving loan fund. Chief Spencer stated it can take up to 4 years to get a new ladder truck. The Fire and Ambulance Impact Fee Study is being updated. Cathy presented the ambulance funds that were requested and which ones were funded. The proposed budget for the Ambulance Department is $2,150,830.
- Golf Highlights
  The golf course is currently constructing the par 3 golf course that will bring additional revenue and expand opportunities. Tracy indicated that reservations for the golf course and RV park remain busy. Cathy presented the golf projects that were requested and funded. The proposed budget for the Golf Department is $4,152,361.
- Storm Drain Highlights
  The primary purpose of the storm drain fund is to help enforce federal regulations regarding storm water IDDE (illicit discharge, detection, and elimination.)
  The city has allocated $250,000 per year for curb and gutter projects. Cathy presented the storm drain projects that were requested and which ones were funded. The proposed budget for the Storm Drain Department is $2,398,787.
- Internal Service Funds
  Cathy presented both the vehicle maintenance and IT department's fund requests and funded projects. Staff and council members discussed the process of buying and selling city vehicles. New vehicles are kept for 3 years and then sold. In the past, a profit has been made by purchasing and then selling vehicles in this way. Police and fire vehicles are generally leased. The profits from vehicle sales have decreased in the last year. Anthony Huff, the Vehicle Maintenance Superintendent, is keeping an eye on profits of buying and selling vehicles. Councilmember Smith expressed concerns about buying new vehicles. Councilmember Rowley and Dave Tucket both stated that it makes sense to buy a new truck and then sell it for a profit as it saves in costs of tires, maintenance, etc. Chief Bishop stated that the police department does monthly inspections of vehicles to make sure they are taken care of. Cathy pointed out that for ladder and brush trucks it may be more prudent to seek outside leasing options to fund large price vehicles. Large vehicles are not traded back in or sold but are kept for a long time. Councilmember Hulet asked if impact fees could be used for ladder trucks. Chief Spencer stated that, according to state law, only commercial impact fees may be used but not residential impact fees. The proposed budget for the Vehicle Maintenance department is $677,285. The proposed budget for the IT department is $978,026.
- Revolving Loan Fund
  The city has a revolving loan fund to finance new equipment and vehicles. The cost of the equipment is expensed in the revolving loan fund. Amortized loan amounts are assessed to the departments to reimburse the revolving loan fund and build up funds for future allocation. Most loans are amortized over three years. Cathy presented which loans

will be funded through the revolving loan fund. The proposed budget for the Revolving Loan Fund is $2,446,400.

- PARC Tax Fund
  Cathy presented the fund allocations recommended by the PARC (Parks, Arts, Recreation, and Culture) Committee. The recommendations will go before the council for approval at the May 6, 2026, City Council meeting. The total amount of funds requested is $410,300. The proposed budget for the PARC Tax fund is $420,300. $10,000 was added to the fund to pay for advertising and pamphlets for the upcoming PARC Tax renewal this year.
- General Fund
  Cathy indicated that the city's sales tax is holding steady. Building permit revenue is down. In previous years, the city has transferred excess fund balance from the utility fund to the capital fund. This year, if there are excess fund reserves, it will be transferred from the general fund. Cathy showed what individual funds make up the General Fund. Cathy presented the General Fund projects that were requested and which ones were funded. The proposed budget for the General Fund is $32,478,091. Councilmember Rowley asked about moving the seniors to the elementary school and why carpet would be replaced if they are moving. Recreation Director Karl Teemant stated that he would wait and see the progress of moving the seniors to the elementary school before paying for the carpet replacement. Council and staff agreed to keep the elementary school in mind for future budget years and needs.
- Redevelopment Agencies (RDA's)
  The proposed budget for the Town RDA is $36,000. The proposed budget for the Business Park RDA is $295,220. Councilmember Hulet stated that funds for landscaping at the business center should include signage. Staff and councilmembers discussed current legislation related to RDAs and PIDs (Public Improvement Districts) and the opinions of the state auditor which are being fought by Payson and many other cities.
- Coming Soon…
  Cathy went over projects that should be on the council and staff's radar for future budget years such as WIFIA bonding and projects, sewer bonds, a dog park, Wilson Elementary School, remodel or purchase for police station, Forebay land purchase option, and an adjusted PID agreement with Redbridge. Councilmember Hulet stated that inland port monies should be included in future budgets. Councilmember Rowley expressed concern about the location of the proposed dog park. Councilmember Provstgaard stated that the meat packing plant building needs to come down as soon as possible. Dave indicated that asbestos mitigation on the building is currently taking place and then the building will come down.

Mayor Wright and council members thanked Cathy for the many hours put into the Tentative Budget.

ADJOURNMENT

MOTION: Councilmember Moss – To adjourn. Motion seconded by Councilmember Rowley. Those voting yes: Brian Hulet, Anne Moss, Bob Provstgaard, Ryan Rowley, Lacee Smith. The motion carried.

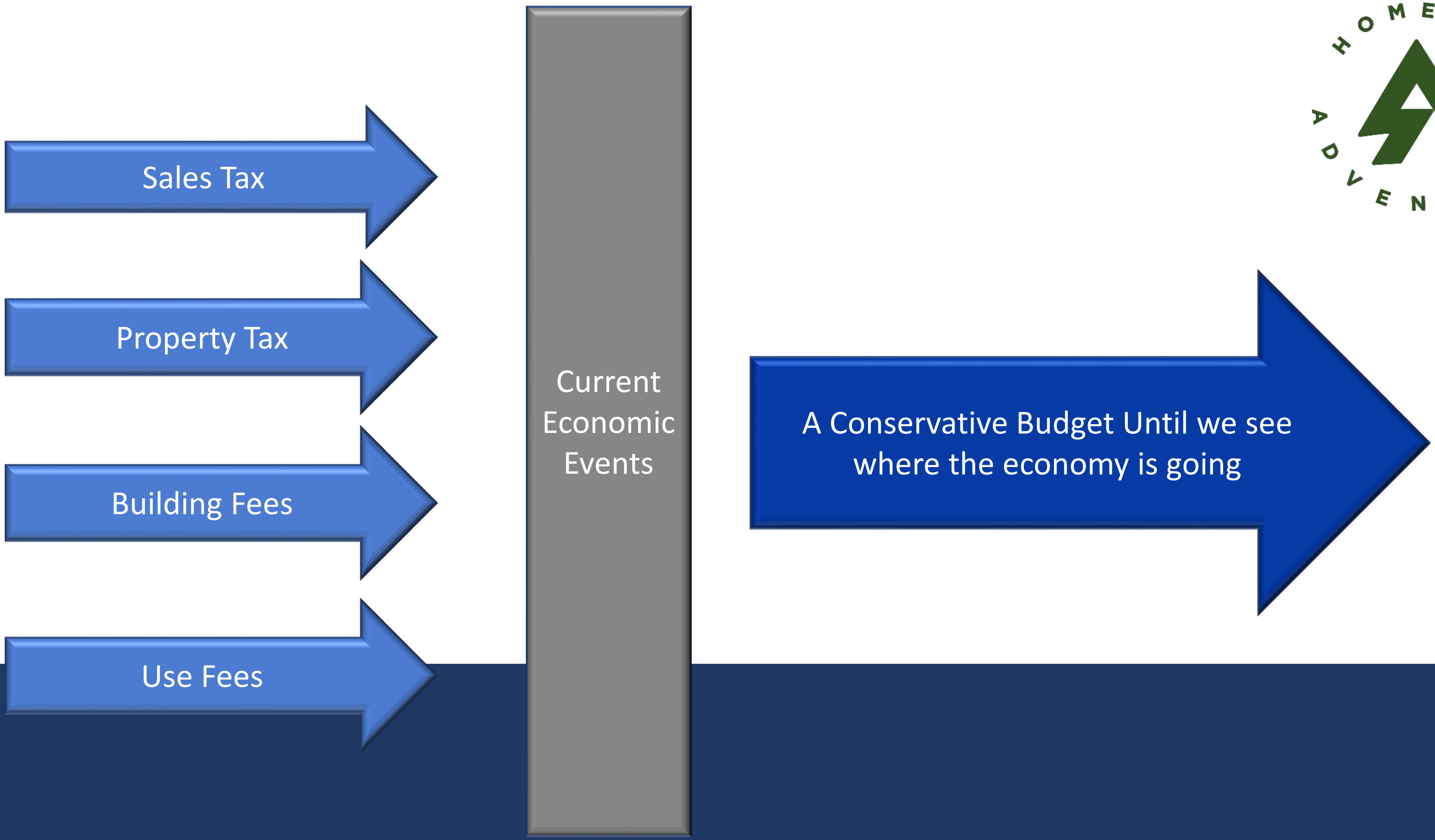
The meeting was adjourned at 6:30 p.m.

/s/ Amalie R. Ottley
Amalie R. Ottley, City Recorder

Payson City

Tentative Budget

For Period Ending June 30, 2027


Sales Tax
Property Tax
Building Fees
Use Fees
Current Economic Events
A Conservative Budget Until we see where the economy is going

Economic Factors

- Uncertainties related to the national economy (high interest rates, unemployment rates etc.)
- Costs of doing business including goods and services are on the rise.
- High cost of fuel.
- Sales Tax remaining stable for our City, some cities have indicated they are concerned.
- Current cpi 3.3%

Transfers and Indirect Costs

Indirect Services

From	Purpose	Amount		To
General Fund	Indirect Services	$	342,915	Vehicle Maintenance
			686,870	Information Technology
Electric Power	Indirect Services	$	850,652	General Fund
			92,032	Information Technology
			60,010	Vehicle Maintenance
Solid Waste	Indirect Services	$	497,402	General Fund
			257,186	Vehicle Maintenance
			14,964	Information Technology
Water	Indirect Services	$	855,517	General Fund
			85,729	Vehicle Maintenance
			97,020	Information Technology
Ambulance	Indirect Services	$	97,211	General Fund
			42,864	Vehicle Maintenance
			14,964	Information Technology
Golf Course	Indirect Services	$	99,381	General Fund
			17,146	Vehicle Maintenance
			44,794	Information Technology
Storm Drain	Indirect Services	$	287,713	General Fund
			8,573	Vehicle Maintenance
			7,433	Information Technology
Sewer Fund	Indirect Services	$	949,452	General Fund
			42,864	Vehicle Maintenance
			19,952	Information Technology

Transfers

From	Purpose	Amount	To
Solid Waste Fund	Operating Transfer	$ 206,880	General Fund
Electric Fund	Operating Transfer	991,705	General Fund
Ambulance Fund	Operating Transfer	97,211	General Fund
Storm Drain Fund	Operating Transfer	56,535	General Fund
General Fund	Operating Transfer	7,000	PCT
General Fund	Bond Coverage	260,000	Electric Power Fund
General Fund	Bond Coverage	582,825	Water Fund

Traditionally, the city has transferred 9% of enterprise revenues to the general fund.

This year, we have reduced or eliminated operating transfers to the general fund in the following areas:

Water to 0%
Solid Waste to 5%
Power to 5%
Sewer to 0%
Ambulance to 5%
Storm Drain to 5%

Budget Highlights

- For Fiscal Year 2027, we propose a $122,976,923 budget city-wide.
- For funded personnel positions, we are requesting departments wait mid-year to fill them, so we can evaluate the economic status of the City before adding new personnel.
- We have added an up to 4% adjustment to individual wages to keep wages competitive. 2.7% will be allotted through a COLA adjustment and 1.3% will be merit.
- Required Utah Retirement System (URS) Contributions:
  - Regular Employee (Tier 1) 14.97%
  - Regular Employee (Tier 2 Hybrid, hired after 2011) 14.49%
  - Public Safety (Tier 1) 32.54%
  - Public Safety (Tier 2 Hybrid) 30.31%
  - Firefighters (Tier 1) 16.66%
  - Firefighters (Tier 2 Hybrid) 20.06%

Budget Highlights

- We've given department heads what they requested in **operational** budgets, in most cases. These are the operational expenses needed to continue the programs (supplies, utilities etc.)

- May have to roll over HVAC project of $750,000 if it doesn't get complete this year.

- As a reminder, The tentative budget adoption is a statutory requirement. After the adoption of the tentative, the Council and Mayor can propose changes to the tentative budget.

Insurance Renewal

General Liability will be:

- $570,323; 3% increase.

Workers Comp will be:

- $495,561; 3% increase.

Employee Health insurance will have a 0% Increase.

Dental insurance will have a 10% increase.

Cautiously Optimistic

- Throughout the management of this budget, the City will monitor economic conditions.

- Even though the city has allotted budget for new employees and projects, many of the full-time positions and budgets will be evaluated during the mid-year time period, to see if economic conditions are such that they are still sustainable.

Funded Personnel

We are proposing the following new positions:

- A new police officer, promotional opportunities for two officers.
- Six EMTs for the ambulance department, with offsetting adjustments to part-time personnel.
- A water employee with some seasonal help.
- Some adjustments for a PIO (public information officer).
- A GIS (graphic information system) position.

Proposed Utility Rate Increases

- We are proposing **no** increases in utility rates for fiscal year 2027.
- In the coming years, the City will have to look at rate increases to cover debt service for the new bonds (sewer bond and WIFIA), to provide 1.25% required bond coverage.

Water Fund

Water Fund Highlights

- Forebay bond amount is going to be transferred from the General Fund to allow additional projects.

- The water department is charged with federal lead and copper lateral replacements that have been funded.

- The City is seeking options through WIFIA (Federal EPA Water infrastructure finance and innovation act) funding for capital water, sewer and storm drain. No WIFIA projects are included in the tentative budget.

  We will bring funding/expenditures forward for a budget adjustment when funding becomes available.

- Design for the Mainstreet CUP project has been funded.

HOME TO ADVENTURE

Water Fund Requested-Funded

Meters $320,000

Phase 3 Mainstreet project $500,061

Mainstreet CUP Design $75,000

Lead and Copper Replacements $115,000

Water Operator Position (April 2027)

Hiatt Creek Reimb $46,025 (impact)

Valves $50,000

Redbridge Reimb $523,241 (impact)

Revolving Loan L148 ½ Ton Water $19,316

Revolving Loan L156 ½ Ton Water $19,316

800 W culinary and PI replacement $2,500,000

Land Purchase for new Tank $1,000,000

Water Tank Design $400,000

Water Lead Position

Requested $5,762,978, Funded $1,862,978

Water Fund Revenue

	Adopted Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Culinary Water Sales	$ 4,120,000	$ 4,130,500	$ 10,500
Connection Fees	200,000	172,000	(28,000)
Press Irrig Connect Fees	150,000	133,000	(17,000)
Irrigation Water Sales	2,159,704	2,090,000	(69,704)
Water used by Other Departments	55,105	41,500	(13,605)
Other Revenues	-	21,000	21,000
Interest	35,000	30,000	(5,000)
Grant Funds	-	742,382	742,382
Transfer In	581,820	582,825	1,005
Sale of Surplus Property	70,000	27,000	(43,000)
Use of Fund Reserves	2,259,620	766,070	(1,493,550)
Total	$ 9,631,249	$ 8,736,277	$ (894,972)

Water Fund Expenditure

	Adopted Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Expenditures			
Payroll and Benefits	$ 1,229,494	$ 1,280,426	$ (50,932)
Other Professional Services	407,458	515,000	(107,542)
Indirect Services	1,070,624	1,020,266	50,358
Operational Expenses	575,600	826,300	(250,700)
Water Assessments	592,000	600,000	(8,000)
Equipment Maintenance	40,000	40,000	-
Meters	280,000	320,000	(40,000)
Improvements other than Building	1,948,800	1,140,085	808,715
Machinery and Vehicles	90,000	-	90,000
Capital Leases	99,600	112,300	(12,700)
Capital Lease Interest	11,800	16,100	(4,300)
Lease Purchase-Revolving Loan	78,600	114,800	(36,200)
Debt Service	1,331,000	1,071,000	260,000
Depreciation Expense	1,279,600	1,680,000	(400,400)
Transfers to Other Funds	596,673	-	596,673
Total	$ 9,631,249	$ 8,736,277	$ 894,972

Impact Fees-Water

	Water Impact Fees (47)	
	Adopted 2026	Proposed 2027
Revenues		
Water & PI Impact Fees	$ 415,000	$ 601,000
Interest	52,000	40,000
Contribution from Fund Balance	-	368,600
Total Revenues	$ 467,000	$ 1,009,600
Expenditures		
Professional Services	$ -	$ 174,000
Improvements	291,400	701,700
Debt Service	73,000	73,000
Depreciation	46,000	60,900
Total expenditures	$ 467,000	$ 1,009,600

Solid Waste

PAYSON UTAH

Solid Waste Highlights

- A great deal of the budgeted expenses of the Landfill pertains to maintenance and improvements of the landfill.
- In addition to the landfill the solid waste department handles garbage collection and city snow plowing.
- Landfill operational costs include $50,000 in seagull mitigation.
- The landfill is getting additional C&D revenue from school demolitions and other projects.

Landfill Fund Requested-Funded

Fencing
$75,000

10-Wheel Dump
$275,000

Solid Waste Revenue

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Solid Waste Services	$ 1,542,013	$ 1,585,000	$ 42,987
Landfill Fees	1,115,828	1,052,600	(63,228)
C&D Landfill	1,196,860	1,500,000	303,140
Recycling Services	24,000	58,000	34,000
Interest Earnings	35,000	45,000	10,000
Other Revenue	61,800	20,400	(41,400)
Solid Waste Start-up Fees	12,000	16,000	4,000
Utilities used by Other Dept.	37,080	37,000	(80)
Sale of Surplus Property	-	48,000	48,000
Use of Fund Reserves	517,152	38,722	(478,430)
Total	$4,541,733	$4,400,722	$ (141,011)

Solid Waste Expenses

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Expenditures			
Payroll and Benefits	$ 1,177,789	$ 1,217,644	$ (39,855)
Other Professional Services	150,000	200,000	(50,000)
Indirect Services	746,769	715,552	31,217
Operational Expenses	425,400	458,950	(33,550)
Fencing for Landfill	75,000	75,000	-
Vehicle/Machinery	410,000	275,000	135,000
Revolving Loan/Cap Lease	809,852	748,696	61,156
Depreciation Expense	400,000	503,000	(103,000)
Transfers to Other Funds	346,923	206,880	140,043
Total	$ 4,541,733	$ 4,400,722	$ 141,011

Electric Power

Electric Power Highlights

- Large capital projects scheduled:
  - Transmission Line (through impact fees.)
  - Substation (through impact fees.)
  - Power Plant construction.
  - Lighting projects.

- 2027 was scheduled as the third of a four-year rate increase plan. We are however, diverting from that plan for this year.

- Electric Plant payments made through UAMPs operational billing. UAMPs will recognize the asset until the plant is paid off.

- A transfer from the general fund will cover the cost of The UTOPIA payments.

Electric Fund Requested-Funded

Meters $125,000

Small Bucket Truck Squirt Boom $175,000

Lean to for new plant $50,000

Property Purchase for Substation $300,000

Transmission line Match $441,176

Substation Match $352,941

Mainstreet Project $122,875

Turbo Rebuild $85,000

Substation Lines (Impact Fees) $2,000,000

Transmission Line (Impact Fees) $2,500,000

800 West (100 S to 800 S) $675,000

L141 Service Body Revolving Loan $30,584 (annual)

L142 ½ ton Revolving Loan $19,316 (annual)

L143 ½ ton Revolving Loan $19,316 (annual)

L144 1 ton Revolving Loan $30,584 (annual)

L157 ½ ton Revolving Loan $19,216 (annual)

$6,271,108 Funded, $6,946,108 requested

Electric Power Fund Revenues

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Electric Sales-Residential-Taxable	$10,074,090	$ 10,606,500	$532,410
Electric Sales-Residential-Exempt	57,592	300,000	242,408
Electric Sales-Commercial-Taxable	4,763,325	5,009,500	246,175
Electric Sales-Commercial-Exempt	4,031,155	3,918,100	(113,055)
Connection Fees	85,000	85,000	-
Sale of Surplus	-	65,000	65,000
Interest Earnings	103,000	150,000	47,000
Utilities used by other Departments	610,660	610,700	40
Miscellaneous	229,608	582,875	353,267
Transfers	260,000	260,000	-
Use of Fund Reserves	2,309,245	2,103,826	(205,419)
Total	$22,523,675	$ 23,691,501	$1,167,826

Electric Power Fund Expenditures

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Expenditures			
Payroll and Benefits	$ 2,829,424	$ 2,941,440	$ (112,016)
Other Professional Services	220,000	185,000	35,000
Indirect Services	1,028,840	990,094	38,746
Operational Expenses	14,291,260	14,152,370	138,890
Meters	250,000	125,000	125,000
Equipment and Improvements	183,000	1,521,117	(1,338,117)
Lease Purchase-Revolving Loan	109,038	1,636,900	(1,527,862)
Debt Service	1,877,805	260,000	1,617,805
Depreciation	788,000	600,000	188,000
Improvements	-	207,875	(207,875)
Transfers to Other Funds	946,308	991,705	(45,397)
Total	$ 22,523,675	$ 23,691,501	$ (1,167,826)

Impact Fees-Power

	Power Impact Fees (43)	
	Adopted	Proposed
	2026	2027
Revenues		
Power Impact Fees	$ 583,000	$ 1,291,000
Interest	86,000	76,000
Contribution from Fund Balance	1,994,850	3,246,000
Total Revenues	$ 2,663,850	$ 4,613,000
Expenditures		
Improvements	$ 2,550,000	$ 4,500,000
Depreciation	113,850	113,000
Total expenditures	$ 2,663,850	$ 4,613,000

Sewer

Sewer Highlights

- The Sewer Department continues with the construction of the new Sewer Plant.

- Sewer Department is in a unique position. Approx. 64% of operational revenue goes to debt service.

- We will be issuing $5,000,000 bonds to complete the sewer project.

- The City must maintain 1.25% bond coverage. In coming years, Particularly with WIFIA funding, the city will be obligated to raise User rates if they can't meet the 1.25% bond coverage.

Sewer Revenue

	Proposed Budget 6/30/2026	Approved Budget 6/30/2025	Change
Revenues			
Sewer Services	$6,738,543	$7,011,300	$272,757
Sewer Connection Fees	20,000	50,000	30,000
Treated Effluent Water Sales	281,075	130,000	(151,075)
Interest Earnings	100,000	300,000	200,000
Utilities used by other Departments	12,257	18,000	5,743
Other	1,000	311,529	310,529
Use of Fund Reserves	1,832,266	1,656,851 -	(175,415)
State Grant/Loan	-	12,000,000	12,000,000
Proceeds from borrowing	18,500,000	5,000,000	(13,500,000)
Total	$27,485,141	$26,477,680	($1,007,461)

HOME TO ADVENTURE

Sewer

	Proposed Budget 6/30/2026	Approved Budget 6/30/2025	Change
Expenditures			
Payroll and Benefits	$ 869,756	$ 850,554	$ 19,202
Other Professional Services	443,119	443,200	(81)
Indirect Services	1,093,377	1,003,268	90,109
Operational Expenses	812,600	796,400	16,200
Improvements	19,040,000	17,771,058	1,268,942
Machinery and Equipment	80,000	80,000	-
Revolving Loan/Cap Lease	15,308	238,000	(222,692)
Debt Service	3,980,000	4,405,200	(425,200)
Depreciation	800,000	890,000	(90,000)
Transfers to Other Funds	350,981	-	350,981
Total	$ 27,485,141	$ 26,477,680	$ 1,007,461

Impact Fees-Sewer

	Sewer Impact Fees (48)	
	Adopted	Proposed
	2026	2027
Revenues		
Sewer Impact Fees	$ 400,000	$ 700,000
Interest	50,000	40,000
Contribution from Fund Balance	1,290,700	191,700
Total Revenues	$ 1,740,700	$ 931,700
Expenditures		
Professional Services	$ -	$ 75,000
Improvements	1,500,000	616,000
Debt Service	221,000	221,000
Depreciation	19,700	19,700
Total expenditures	$ 1,740,700	$ 931,700

HOME TO ADVENTURE

Sewer Requested-Funded

Mainstreet Phase 3 $310,529

Video Truck $500,000 (pre-pay revolving loan fund)

Dump Body $80,000

Lift Station (Impact) $47,850

Sewer Plant $17,000,000

Sewer Plant $17,000,000

Impact Fee Projects and Reimbursement $616,000

L140 Camera Truck (Annually) $161,000

800 W from 100 S to 800 S $2,300,000

Camera Van –moved to Revolving Loan $500,000

$21,278,058 requested $18,478,058 funded

Ambulance

Ambulance Highlights

- The ambulance is almost at capacity at what they can provide for the City due to available personnel. The city is looking at future equipment, employees and fire stations in order to more fully meet the needs of the City
- We have funded six full time positions in the Ambulance department.
- An ambulance was ordered last year, and should be received next year, financed through the revolving loan fund.
- A Fire and Ambulance Impact fee study is being updated.

Ambulance Fund Requested-Funded

Equipment $80,000

6 FT Positions

2nd New Ambulance $250,000

14 FF/EMT's Full Time

Requested $330,000 Funded $80,000 and 6 positions.

Ambulance

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Ambulance Fees	$1,300,000	$1,480,000	$180,000
Other	24,000	14,100	(9,900)
Use of Fund Reserves	263,689	656,730	393,041
Total	$1,587,689	$2,150,830	$563,141
Expenditures			
Payroll and Benefits	$ 967,041	$ 1,386,786	$ (419,745)
Other Professional Services	112,000	113,000	(1,000)
Indirect Services	152,776	146,039	6,737
Operational Expenses	179,100	185,400	(6,300)
Improvements and Equipment	32,000	80,000	(48,000)
Revolving Loan/Cap Lease	50,441	77,000	(26,559)
Depreciation	83,000	83,000	-
Transfers to Other Funds	-	74,705	(74,705)
Interest	6,331	4,900	1,431
Other	5,000	-	5,000
Total	$ 1,587,689	$ 2,150,830	$ (563,141)

Golf Fund

Golf Highlights

- The golf course is currently constructing the par 3 golf course. this is expected to bring in additional revenues and expand opportunities at Gladstan.
- The RV park is reserved out early in the year and has become quite an asset to the City.

Golf Fund Requested-Funded

Par 3 $2,000,000

Reel Grinder
$40,000

Requested $2,040,000, funded $2,040,000

Golf Fund

	Approved Budget 6/1/2026	Proposed Budget 6/30/2027	Change
Revenues			
Golf Course Fees	$1,200,000	$1,400,000	$200,000
Golf Passes	110,000	78,000	(32,000)
Golf Cat Revenue	600,000	900,000	300,000
Driving Range Revenue	55,000	70,000	15,000
RV Rental Revenue	100,000	70,000	(30,000)
Punch Tickets	110,000	106,000	(4,000)
Gladstan Grill Revenue	150,000	200,000	50,000
Use of Fund Reserves	3,320,360	1,328,361	(1,991,999)
Total	$5,645,360	$4,152,361	($1,492,999)

Golf Fund

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Storm Drain Utility Fee	$1,091,800	$1,130,700	$38,900
Land Distrubance	22,000	36,000	14,000
Interest Earnings	51,000	49,000	(2,000)
Grant Funding	990,000	329,292	(660,708)
Utilities used by other Departments	30,000	31,700	1,700
Use of Fund Reserves	967,680	822,095	(145,585)
Total	$3,152,480	$2,398,787	($753,693)

Storm Drain

Storm Drain Highlights

- The primary purpose of the storm drain fund is to help enforce EPA regulations regarding storm water IDDE (Illicit discharge, detection and elimination.)
- The City has allocated $250,000 per year for curb and gutter projects.

Storm Drain Fund Requested-Funded

CDBG Sidewalk
500 South
$250,000

Mainstreet Phase 3
$329,292

WIFIA funding
$2,200,000

Storm Drain

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Storm Drain Utility Fee	$1,091,800	$1,130,700	($38,900)
Land Distrubance	22,000	36,000	(14,000)
Interest Earnings	51,000	49,000	2,000
Grant Funding	990,000	329,292	660,708
Utilities used by other Departments	30,000	31,700	(1,700)
Use of Fund Reserves	967,680	822,095	145,585
Total	$3,152,480	$2,398,787	$753,693

HOME TO ADVENTURE

Storm Drain

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Expenditures			
Payroll and Benefits	$ 352,648	$ 356,121	$ (3,473)
Other Professional Services	33,000	33,000	-
Indirect Services	344,342	301,919	42,423
Operational Expenses	312,800	323,500	(10,700)
Improvements	1,373,800	579,292	794,508
Machinery and Vehicles	148,000	168,400	(20,400)
Interest	10,100	7,400	2,700
Depreciation	523,200	572,620	(49,420)
Transfers to Other Funds	54,590	56,535	(1,945)
Total	$ 3,152,480	$ 2,398,787	$ 753,693

HOME TO ADVENTURE

Internal Service Funds

Vehicle Maintenance Requested-Funded

HD Tire Changer Tool $35,000

Tire Balancer $14,000

Column Lifts $50,000

Service Truck $95,000

Fuel Tanks $200,000

Requested $794,000, Funded $99,000

IT Requested-Funded

Main Server Replacement
$36,500

Extended backup
$16,900

Laptops and misc. equip
$76,900

Switch Room re-wire
$19,400

Copier
$12,500

$162,200 requested and funded

Internal Service Funds

	Vehicle Maintenance		IT	
	Adopted 2026	Proposed 2027	Adopted 2026	Proposed 2027
Revenues				
Services Used by Other Departments	$ 667,734	$ 657,285	$ 771,774	$ 978,026
Contribution from Fund Balance	-	20,000	-	-
Total Revenues	$ 667,734	$ 677,285	$ 771,774	$ 978,026
Expenditures				
Payroll	$ 393,876	$ 403,985	$ 234,783	$ 416,026
Operations	140,400	119,000	437,652	466,700
Machinery, Equipment and Improvements	87,500	99,000	52,400	85,300
Lease Purchase	35,232	35,300	39,700	-
Depreciation	-	20,000	-	10,000
Contribution to Fund Balance	10,726	-	7,239	-
Total expenditures	$ 667,734	$ 677,285	$ 771,774	$ 978,026

Revolving Loan Fund

PAYSON UTAH

Revolving Loan Fund

The City has a revolving loan fund to finance new equipment and vehicles.

The cost of the equipment is expensed in the revolving loan fund. Amortized loan amounts are assessed to the departments to reimburse the revolving loan fund and build up funds for future allocation. Most loans are amortized over three years.

Vehicle replacement is based on the assessment of the vehicle maintenance Director.

Revolving Loan Fund Requested-Funded

Revolving Loan

L108 Ambulance Encumber (2026)	$	260,000	✓
L140 Camera truck Sewer Encumber (pre-pay)	$	500,000	✓
L141 Service body 1 ton Power	$	95,000	✓
L142 1/2 ton Power	$	60,000	✓
L143 1/2 ton Power	$	60,000	✓
L144 service body 1 ton Power	$	95,000	✓
L145 service body 1 ton Landfill	$	60,000	✓
L146 1/2 ton Facilities	$	60,000	✓
L147 1/2 ton Facilities	$	60,000	✓
L148 1/2 ton Water	$	60,000	✓
L149 1/2 ton Engineering	$	64,000	✓
L150 1/2 ton Engineering	$	64,000	✓
L151 1/2 ton Engineering	$	64,000	✓
L152 Service Body 1 Ton	$	68,000	✓
L153 Service Body 1 Ton	$	68,000	✓

L154 1/2 Ton Sewer	$	64,000	✓
L155 Service Body 1 Ton Landfill	$	60,000	✓
L156 1/2 Ton Water?	$	60,000	✓
L157 1/2 Ton Power	$	60,000	✓
L158 1/2 Ton Landfill	$	64,000	✓
Downtown re-payment to MAG	$	500,400	✓
Will Re-pay when the building sells			
L155 Service Body 1 Ton Landfill	$	64,000	Not funded
L156 1/2 Ton Water?	$	32,000	Not funded
L157 1/2 Ton Power	$	32,000	Not funded
Aerial Ladder	$	2,200,000	Not funded
Brush Truck	$	150,000	Not funded

Revolving Loan Fund

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
Loan Payment Revenue	$970,222	$1,691,081	$720,859
Interest	100,635	181,643	81,008
Sale of Surplus Property	232,700	-	(232,700)
Use of Fund Reserves	51,443	573,676	522,233
Total	$1,355,000	$2,446,400	$1,091,400
Expenditures			
Capital Expenses (Capital Payment)	$ 1,355,000	$ 2,446,400	$ (1,091,400)
Total	$ 1,355,000	$ 2,446,400	$ (1,091,400)

PARC Tax Fund

PARC Tax Funded

FY 2027		
Utah Live Concerts	$	5,600
Payson Downtown Alliance	$	15,000
Payson Scottish Festival	$	8,000
Payson City Band	$	2,500
Huish Performing Arts-96 West	$	8,500
White Peaks Centennial Pipe Band	$	8,000
Half Penny Theater	$	4,000
Payson Civic Chorale	$	7,500
Payson Community Theater	$	34,000

FY 2027		
City Projects		
Recreation Tiny Forebay signage	$	16,000
Memorial Park playground ($350K over 2 year	$	175,000
Payson City Recreation-Planter 8th South	$	6,000
Payson City Recreation-Irrigation Controllers	$	28,000
Payson Library	$	23,700
Forebay Committee	$	14,500
Festival Latino De Payson and Cinco de Mayor	$	6,000
Payson City Refurbish walls & Trike Building	$	48,000
	$	410,300

PARC Tax Fund

	Approved Budget 6/30/2026	Proposed Budget 6/30/2027	Change
Revenues			
PARC Tax	$ 385,150	$ 400,500	$ 15,350
Use of Fund Reserves	-	19,800	19,800
Total	$385,150	$420,300	$35,150
Expenditures			
Operational Expenses	$ -	$ 10,000	$ (10,000)
White Peaks	-	8,000	(8,000)
Civic Chorale	3,700	7,500	(3,800)
People Preserving Peetneet	10,000	-	10,000
Payson Community Theater	17,000	34,000	(17,000)
Huish Performing-96 West	24,000	8,500	15,500
Half Penny Youth Theater	-	4,000	(4,000)
Scottish Festival	6,000	8,000	(2,000)
Historic Downtown	-	15,000	(15,000)
Utah Live Concerts	4,500	5,600	(1,100)
Payson City Band	5,000	2,500	2,500
Payson Projects	302,950	317,200	(14,250)
Total	$385,150	$420,300	(35,150)

Photo by Gina Decker

General Fund

General Fund

- Sales Tax is steady.
- Building Permits revenue is down, showing only 15 permits granted this year through March.
- In previous years, we have transferred excess fund balance from the utility fund to capital fund.

This year, if we have excess fund reserves, we will be transferring from the general fund.

The net will be roughly equivalent, but it appears as though there is an increase in use of fund reserves.

	Approved Budget 6/30/2026	Adjusted Budget 6/30/2026	Proposed Budget 6/30/2027
Revenues			
Use of fund reserves			
General Fund	$ 3,164,344	$ 7,881,666	$ 6,512,388
Utility Fund (24)	$ 3,500,000	$ 600,000	$ -
	$ 6,664,344	$ 8,481,666	$ 6,512,388

HOME TO ADVENTURE

General Fund Highlights

The General fund is comprised of the following individual funds:

- General Fund
- B&C Revenue
- Utility Tax
- Scottish Festival
- Historic Preservation
- Peteetneet
- Payson Community Theater
- CDBG
- Salmon Supper

HOME TO ADVENTURE

General Fund Requested-Funded

B&C (28)

- Mastic Sealer Machine $300,000
- Misc. Repair 0-2 RSL Roads $330,554
- Slurry Seal $300,000
- CDBG 500 West $205,000
- 800 West $5,800,000

Building Maintenance (4110)

- Admin HVAC $250,000
- L146 ½ Ton Revolving Loan $19,316 annually
- L147 ½ Ton Revolving Loan $19,316 annually
- Windows $100,000
- Pool Roof $200,000

Engineering (4321)

- Arsi software $30,000
- L149 ½ Ton Revolving Loan $20,604 annually
- L150 ½ Ton Revolving Loan $20,604 annually
- L151 ½ Ton Revolving Loan $20,604 annually
- GIS Analysist (Mid Year)

May need to roll over HVAC project $700,000

General Fund Requested-Funded

Parks
(4511)

Cemetery/Parks Backhoe lease 5 years. $83,165

Dump Trailer years. $30,000

Parks Impact Fees Payson Canyon Trail Match $245,000

Parks Impact Fees Other projects $104,200

Library
(4581)

Awning, 4' bench $5,200

Blinds
$6,000

Fire
(4221)

Engine Loose Equipment $120,000

Active Shooter/Hostile Event $6,600

Natural Gas Detectors $8,000

Ladder Truck $2,200,000

Brush Truck $150,000

Police
(4211)

Patrol Position (Mid Year) With promotions

BWC and In Car system
$63,000

Police Dog from Donations $18,000

Radar & Radios
$50,000

Part Time Admin

HOME TO ADVENTURE

General Fund Requested-Funded

Recreation
(4561)

Smart Calsense Sprinkler Controller $24,000

Streets
(4311)

Parking Lot $300,000

Sidewalk Repair $180,000

Street Patching $160,000

Pool
(4521)

Floor Scrubber $4,000

Paint Play Features $20,000

Peteetneet
(86)

Auditorium Windows
$50,000

Cemetery
(4591)

Slurry Seal Roads $10,000

Cemetery/Parks
Backhoe lease 5 years. $83,165

Seniors
(4610)

Carpet Replacement $25,000

Requested $12,598,862 Funded $4,128,862

HOME TO ADVENTURE

General Fund Revenue

		Approved Budget 6/30/2026		Approved Budget 6/30/2027		Change
Revenues						
Property Tax	$	3,203,700	$	3,300,000	$	96,300
Motor Vehicle		150,000		150,000		-
Sales Tax		6,000,000		6,830,000		830,000
Franchise Tax		450,000		475,000		25,000
Telephone Tax		73,300		78,000		4,700
Other Taxes		1,223,200		1,326,300		103,100
Licenses and Permits		773,500		672,200		(101,300)
Intergovrnmtl Revenue (Grants)		566,791		520,495		(46,296)
Charges Events/Services		1,896,400		2,172,900		276,500
Fines and Forfeitures		246,000		220,000		(26,000)
Other Revenue		500		259,000		258,500
Misc. Revenue		6,143,831		5,739,428		(404,403)
Transfers		2,295,475		1,329,825		(965,650)
Use of Fund Reserves		7,881,666		6,512,388		(1,369,278)
B&C Road Funds		2,957,224		2,530,300		(426,924)
Utility Fund		600,000		-		(600,000)
Historic		10,000		10,000		-
CDBG		130,000		25,000		(105,000)
Scottish Festival		26,000		30,000		4,000
Peteetneet		362,140		130,223		(231,917)
Salmon Supper		96,500		98,000		1,500
Payson Community Theater		56,440		69,032		12,592
Total	$	35,142,667	$	32,478,091	$	(2,664,576)

General Fund Expenditures

	Approved Budget 6/30/2026	Approved Budget 6/30/2027	Change
Expenditures			
Mayor and Council	$ 1,408,058	$ 762,577	$ 645,481
Facilities/Building Maintenance	1,573,895	948,297	625,598
Administration	3,238,629	3,503,274	(264,645)
Planning-Development Services	1,529,786	1,254,712	275,074
Legal	601,156	545,721	55,435
Justice Court	417,343	439,898	(22,555)
Communities that Care	59,334	75,617	(16,283)
Police	5,997,744	6,411,636	(413,892)
Victim's Advocate	126,803	134,877	(8,074)
Fire	1,433,509	1,708,210	(274,701)
Animal Control	245,296	260,090	(14,794)
Streets	1,668,221	1,550,647	117,574
Engineering	1,004,798	977,064	27,734
Parks	1,234,206	1,184,972	49,234
Swimming Pool	1,230,954	1,173,609	57,345
City Grounds-mowing	229,574	232,253	(2,679)
Recreation	1,035,136	1,053,266	(18,130)

General Fund Expenditures (Continued)

	Approved Budget 6/30/2026	Approved Budget 6/30/2027	Change
Expenditures			
Youth Sports	691,718	694,117	(2,399)
Adult Sports	77,293	93,616	(16,323)
Snack Shack	148,594	150,646	(2,052)
Library	847,766	914,702	(66,936)
Cemetery	531,161	517,488	13,673
Events	351,335	409,151	(57,816)
COVID Related	150,000	-	150,000
Senior Citizens	241,434	239,271	2,163
Transfers to Other Funds	4,830,620	4,349,825	480,795
B&C Road Funds	2,957,224	2,530,300	426,924
Utility Fund	600,000	-	600,000
Historic	10,000	10,000	-
CDBG	130,000	25,000	105,000
Scottish Festival	26,000	30,000	(4,000)
Peteetneet	362,140	130,223	231,917
Salmon Supper	96,500	98,000	(1,500)
Payson Community Theater	56,440	69,032	(12,592)
Total	$ 35,142,667	$ 32,478,091	$ 2,664,576

Redevelopment Agencies (RDA’s)

RDAs

	Redevelopment Town		Redevelopment Bus Park	
	Adopted 2026	Proposed 2027	Adopted 2026	Proposed 2027
Revenues				
Charges for Services	$ -	$ -	$ 22,600	$ 22,600
Use of Fund Reserves	36,000	36,000	1,017,700	272,620
Total revenues	36,000	36,000	1,040,300	295,220
Operating Expenses				
Salaries, wages, and employee bene	$ -	$ -	$ 138,300	$ 136,720
Operational Expenses and supplies		-	2,000	50,500
Professional Expenses	36,000	36,000	-	-
Improvements	-	-	900,000	100,000
Capital Outlay	-	-		$ 8,000
Total expenditures	$ 36,000	$ 36,000	$ 1,040,300	$ 295,220

Walgreens Economic Development Agreement (Ends Oct 2028.)

Innovation Center

RDAs

RDA Town

- Walgreen Reimbursement

RDA Business Park

- Landscaping
- New Innovation Expenses

Coming Soon…

- WIFIA Bonding/Projects. We will bring forward a proposed budget adjustment when the WIFIA projects get funded.

- $5,000,000 Sewer Bonds parameters resolution set for May 6. The $5,000,000 still qualifies under the original parameters resolution, but too much time has expired, so this needs to be re-approved.

- Dog Park (Meat Packing Plant Demolition.)

- Wilson School, within 1 year. Remodel (library, seniors, recreation decisions.)

- Admin remodel for police, if allowed (seismic requirements) or possible land purchase for new police station.

- Forebay land purchase option.

Public Hearings for Final Budget

Reminder: Your motion to adopt the tentative budget must set the date, time and place for: transfers, salary increases, public hearings, budget adoption and certified tax rate.

- June 17th
- Time: 6:00 P.M.
- Place: Payson City Center Council Chambers
- We will bring forward the CTR (certified tax rate) as soon as it's released.

Thank You