

ADMINISTRATIVE MEMORANDUM



TO: Mayor and City Council
FROM: Shawn Warnke, City Manager & Department Heads
DATE: June 17, 2026
SUBJECT: Executive Summary- Final Budget Memo FY 2027 Budget

- Discussion and consideration of adopting Resolution ##-2026 adopting the Tentative Budget, entitled “The West Haven City Annual Implementation Budget 2026-2027 (General Fund, Capital Fund, and Enterprise Fund)” for the period commencing July 1, 2026, and ending June 30, 2027

Budget Overview. Budgeting is a vital element of financial planning, control, and evaluation in municipal government and serves as the City's annual financial plan for operational activities, significantly influencing the level of services offered to residents. As a result, government budgets reflect public policy priorities. Because the budget is a matter of public policy, the City Council held a public hearing on May 6, 2026, before adopting the Tentative City Budget. A public hearing is scheduled for June 17, 2026, before the adoption of the Final Budget.

Budgeting is the best estimate of revenues and expenses. After careful consideration, West Haven City staff believe the Fiscal Year (FY) 2027 Budget reflects what is reasonably anticipated for revenues and expenditures; however, many variables may affect the Budget during the upcoming fiscal year. The Budget also sets spending limits for the funds and accounts for the FY 2027, which commences on July 1, 2026, and concludes on June 30, 2027.

West Haven City has four budgets/funds to carry out specific activities in accordance with special accounting standards, legal restrictions, or regulations. The four budgets include the General Fund, the Capital Projects Fund, the Cemetery Fund, and the Storm Drain Fund. The following is a summary of these four budgets. A graphical summary of these budgets/funds appears on the last page of this memo.

10- General Fund Budget. Activities of local government that benefit the City as a whole are to be included in the General Fund budget. This is the City's primary operating budget, which finances its day-to-day general governmental services. Services within this budget/fund include public safety (law enforcement, crossing guards), parks and recreation, public works, administration, and community development.

For the past half-decade, West Haven City has been among the fastest-growing cities in Utah by percentage change in population. From 2020 to 2022, it was estimated to have a population growth rate of 30.26%, making it Utah's fastest-growing city during that period. For more information, see [“The Fastest Growing City in Utah \(yahoo.com\)”](#) by Rabeeta Abbas, published on Sat, Jun 15, 2024. Though growth has slowed, West Haven City was the 4th-fastest-growing city by percentage from July 1, 2024, to July 1, 2025, with a population growth rate of 3.9%. For more information, see [“https://www.ksl.com/article/51493329/these-were-utahs-fastest-growing-cities-in-2025-according-to-the-university-of-utah”](https://www.ksl.com/article/51493329/these-were-utahs-fastest-growing-cities-in-2025-according-to-the-university-of-utah) by Carter Williams, published on May 5, 2026.

While population growth has been dynamic, the City's staffing has remained relatively static. However, over the past few years, it has become increasingly clear that the City needs to increase resources for certain general fund services and address the economic pressures of inflation.

Some of the salient resources or inflationary adjustments proposed to be added in the FY 2027 Budget in the General Fund include, but are not limited to (please see note below), the following:

- Public Safety
 - \$309,500 Law Enforcement (City's portion of New Pay Scale and New Deputies)
 - \$15,000 2 New Crossing Guards (4000 South 4700 West Intersection for Quest Academy)
 - \$35,000 Emergency Manager (new part-time position)
 - \$359,500
- Park Maintenance
 - \$45,000 Parks (Outsourcing the mowing for Green Farms Open Space)
 - \$30,000 Cemetery (Outsource the mowing for the Cemetery)
 - \$10,000 Nature Park Maintenance
 - \$29,500 New Part-Time Seasonal Employee Parks
 - \$114,500
- General Governmental Services¹
 - \$12,000 Contract Adjustment for City Attorney Services
 - \$3,000 Contract Increase in Public Defender Services
 - \$33,600 Contract increase Consultant Engineer
 - \$30,300 Health Insurance (Increase in the renewal for health insurance, same benefit as last year)
 - \$19,900 Allocation True-up of Wage between the City and WHSSD
 - \$164,000 Employee Wage Increases
 - \$262,800
- \$736,800 Grand Total

Note 1: Please note that this itemized list above is not an all-inclusive list and other increases have occurred in the City's cost of insurance of general liability, IT services and computer security, janitorial services, security measures at City parks and facilities, etc.

Additional revenue is needed to meet these added resources and inflationary adjustments. It should be noted that the City does not levy a property tax, which would have provided the City with incremental increases in General Fund revenues associated with the new growth. Still, in FY 2027, the City does not intend to implement a property tax.

It is proposed that the City implement a Municipal Energy Tax on electric and natural gas utilities to raise revenue for general governmental purposes. On May 20, 1998, the West Haven City Council adopted Ordinance 14-1998, enacting a tax on every sale or use of taxable energy within the City, equal to 6% of the value of the taxable energy delivered to the consumer. Although enacted by legislation, the tax has not been applied administratively for the past 28 years.

While Ordinance 14-1998 remains valid, the West Haven Mayor and City Council intend to hold a public hearing to receive public comments on implementing the Municipal Energy Tax and consider adopting a Resolution reaffirming the ordinance and authorizing taking the administrative steps necessary to implement the tax.

For added context, in 2023, the Utah Tax Commission informed West Haven City that only five cities (including West Haven City) out of the 255 cities in the State of Utah did not charge property tax. Additionally, West Haven City is currently the only municipality in Weber County that has not implemented the Municipal Energy Tax. It is anticipated that the Municipal Energy Tax will generate \$905,250 in FY 2027 and be effective October 1, 2026.

In total, the budgeted revenues and expenses for the General Fund budget in FY 2027 are \$11,348,750. For complete details for the General Fund, please see the Administrative Memo, with the subject line “Final Budget Message FY 2027.”

13- Capital Project Fund Budget. The Capital Projects Budget funds capital improvements and equipment for general governmental services. Capital Projects commonly include purchasing vehicles and equipment, acquiring land, and constructing buildings, facilities, streets, parks, or infrastructure. Some capital projects take multiple fiscal years to complete, with some of the salient capital projects in FY 2027 including the following:

- \$2,224,500- Windsor Park Phase 2 (Earthwork, Irrigation, Planting, Trail, and Disc Golf).
- \$275,000- Poulter Pond Phase 2 (Shoreline Improvements, Irrigation, Planting, etc.).
- \$2,498,000- 5100 West (between 3300 S and 4000 S) & 3300 South (between 4700 W and 5100 W).
- \$566,000- 1800 South 1900 West Intersection (between 2050 W and 1900 W).
- \$4,804,000 - 1800 South to 2100 South Connector (between 2475 W and 2200 W).
- \$935,000- 1800 South – 2350 W to 1950 W, Phase 1 (Hooper Canal Culvert Replacement).

In total, the budgeted revenues and expenses for the Capital Project Fund budget in FY 2027 are \$19,660,500. For a complete list and description of the Capital Project Fund, please see the Administrative Memo, with the subject line “Final Budget Message FY 2027.”

45- Cemetery Fund Budget. The City has established the Cemetery Fund 45 as a perpetual care fund to generate interest income to support the long-term maintenance and upkeep of cemetery grounds after the Cemetery reaches capacity. All Cemetery-related revenue is received into this Fund, with the current expenses to operate the Cemetery being borne by Fund 10 General Fund (within the Departmental Expense Account, 10-45 Parks). Essentially, this fund/budget serves as a savings account for future cemetery maintenance. In total, the Cemetery Fund/Budget is estimated to save \$66,400 in FY 2027.

51- Storm Water Fund Budget. West Haven City owns and operates a stormwater utility system that protects property and complies with the rules of the Utah Department of Environmental Quality. The system includes stormwater conveyance and outfall (ditches, sloughs, rivers), stormwater retention or detention basins, curb inlets, underground pipes, and manholes.

In or around March 2024, West Haven City was selected by the State of Utah Department of Environmental Quality (DEQ) for a Stormwater Audit. The purpose of the audit is to verify or identify material weaknesses in the City’s performance of its regulatory and operational obligations for stormwater. The audit identified areas of weakness and opportunities for improvement. This audit, along with organizational changes, has emphasized improving this utility service by expanding or improving operations and capital projects.

Some of the storm water capital projects proposed for funding include those required for regulatory reasons (by the State of Utah), storm water projects that accompany road projects (i.e., the timing of the road project requires the storm drain fund participate by installing a storm drain system concurrently with the road), and projects that have a statutory requirement (impact fee-related projects adopted by ordinance that require these funds to be spent within a specific timeline). For a complete list of capital projects, please see the Administrative Memo, with the subject line “Final Budget Message FY 2027.”

It is important to note that the Storm Water Fund is an enterprise fund established to account for the operations of this utility service. As such, this Fund is to be managed in a manner similar to privately owned utilities or other business organizations. The monthly charges for stormwater services paid by residents and businesses are the primary source of revenue for operations and capital expenditures, and

need to be set to cover current operating expenses, build reserves to replace current assets, acquire new assets such as equipment, and fund ongoing operations and future construction projects.

The Storm Water Budget shows that the current storm water utility fee is \$3.00 per connection and is expected to generate \$343,000 in revenue. This amount is less than the budgeted amount for replacing storm water infrastructure at the end of its life (i.e., the depreciation amount of \$415,238). The total Storm Water Budget is \$1,462,238, with \$142,000 in impact fees, \$500,000 Transfer from the General Fund, and \$766,238 from Fund Balance (reserves) used to balance the fund. Simply put, the Storm Water Fund needs to increase its operating revenues, which means storm water utility fees must rise.

In 2025, the City engaged a financial consultant to conduct a comprehensive Storm Water Utility Fee Study to determine the appropriate fee based on the fund's financial needs. At the time of writing this executive summary, the study has not yet concluded, but is expected to be completed in the 3rd or 4th quarter of Calendar Year (CY) 2026. Because the study to understand a proposed Storm Water Utility Fee has not been completed, the proposed FY 2027 budget is based on the current, inadequate fee amount of \$3.00 per connection. Although utility rates should be set based on a study that determines the financial resources needed to fund operations and capital, it may be helpful to note that in CY 2024 and CY 2026, City staff surveyed eight comparable cities within Weber and Davis Counties and found that, on average, these cities charged Storm Water Utility Fees of \$7.25 and \$7.94, respectively.

While the FY 2027 Budget does not include an increase in the Storm Water Utility Fee, it is important for the public to know that a proposed increase to the monthly storm water fee is likely in the near future and that a budget amendment may be necessary. The City Council will hold a public hearing and invite public comment on both proposals.

In total, the budgeted revenues and expenses for the Storm Water Fund budget in FY 2027 are \$1,462,238, with \$142,000 in impact fees, \$500,000 Transfer from the General Fund, and \$766,238 from Fund Balance (reserves) used to balance the fund. For a complete list and description of the Capital Project Fund, please see the Administrative Memo, with the subject line "Final Budget Message FY 2027."

WEST HAVEN CITY BUDGET/FUNDS

