



G R E A T E R S A L T L A K E

Municipal Services
District

MSD History and Evolution

Preserving Identity and Expanding Resources for MSD Members

Before the creation of the MSD, current member communities were under-funded and vulnerable to annexation by neighboring cities.

- The MSD is governed by Utah Code Title 17B, Chapter 1 and Title 17B, Chapter 2a, Part 11, Municipal Services District Act.
- The voters in the Member communities chose to become townships rather than be annexed into surrounding cities. Under the “Community Preservation” initiative, Salt Lake County created the MSD in 2015 as a service provider to these communities.
- Passage of House Bill 35 in 2024 converted MSD members Kearns, Magna, White City and Emigration Canyon from metro townships into cities while Copperton became a town. Brighton became a town earlier in 2020.
- The Board of Trustees is comprised of either a mayor or an elected official from each Member council.



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How MSD Members Benefit

Advantages of a Shared Services Model

MSD supports member communities with resources and strategies to maintain infrastructure, drive economic growth and plan future development.

- Protection from loss of land and revenues via municipal annexation.
- Pooled assets to achieve economies of scale.
- As a Special District, funding obligations allow for balanced services. The service needs of each Member community change from year to year.
- Road maintenance, construction or improvement projects are the most expensive of the services provided. The MSD provides the funding mechanism for smaller communities.
- The capacity to support MSD cities and towns with additional human capital when needed.
- The capability to support MSD cities and towns with specialized skills.
- Elected local Mayors and Council members make decisions affecting their member communities.



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The Interlocal Agreement with Salt Lake County

How will the
MSD be affected
by the
termination of
the Interlocal
Agreement with
Salt Lake
County?

- The Interlocal Agreement between Salt Lake County and the MSD provides funding and services.
- Salt Lake County contributed approximately \$14.5 million to the MSD in FY 2026.
 - \$6 million in Sales Tax
 - \$8.5 million in Class B&C Road Funds and County Public Transit Tax
- Salt Lake County (Unincorporated) receives about \$7.4 million in services from the MSD* (FY 2026 Actual and FY 2027 Budget):

Administrative (2027 Budget)	\$ 1,886,209.00
Animal Services (2026 Actual)	127,987.00
DA Prosecution (2026 Actual)	144,770.40
SLLDA (2026 Actual)	74,782.80
Justice Court (2026 actual)	599,277.48
PW Operations (2026 actual)	2,276,610.69
Engineering/ Capital Projects (2026 Actual)	1,314,481.82
Other MSD Planning Services (Estimated)	<u>934,509.00</u>
	<u>\$ 7,358,628.19</u>

*Payments for PW Operations or Capital Projects vary from year to year depending upon the projects submitted and funded.



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Services Provided by Salt Lake County

Through the ILA, the MSD receives some of its services directly from Salt Lake County. How much was paid to Salt Lake County for services during FY 2026?

Services*	FY 2026
Animal Services	\$ 1,048,285.00
DA Prosecution	425,549.25
Justice Courts	1,614,314.85
Parks Maintenance	1,162,443.16
PW Operations	13,417,588.75
Fleet Services	117,080.52
Engineering 2025 overhead	315,437.01
Surveyors Office	10,220.00
Other (Election services, etc)	125,172.25
	<u>\$ 18,236,090.79</u>

*Services provided by Salt Lake County include approximately 10% Mayors' Office overhead surcharge. Salt Lake County Justice Court closes June 30, 2027.



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Cost Savings Strategy

Ways that MSD
can save on
services?

- Services provided by the County need to be put out to bid.
 - Services provided by the County include an overhead charge for the Mayors office. Approximately 10%.
 - Park Maintenance – currently preparing RFPs for similar services.
 - Timeframe to completion will be about 4 months
 - DA Prosecution – currently preparing RFQs for similar services.
 - Timeframe to completion will be about 6 months
 - Justice Court will be closed.
 - Evaluating alternatives
 - PW Operations (PWOps):
 - PWOps provides services to Holladay, Millcreek, Taylorsville
 - These Cities need to be part of the discussion
 - Time to consider if this service should be a separate service district without the overhead of the County
 - PWOps provides traffic light maintenance services to other cities within the County
 - MSD will look at the types of services it receives and determine what can be provided by other third-party contractors.
 - Snowplowing is a challenge
 - Timeframe for analysis will take more than a year
- Look at ways to reduce budgets at the MSD's and the Members' level.



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Income Generation Strategies

What are the ways that the MSD or Members can increase income?

- Provide services to nonmember communities on a “for fee” basis.
 - MSD has been contacted by several cities to provide current planning, long range planning, and business licensing services.
- Economic Development Strategies
 - Create Economic Development strategic plans focusing on:
 - Increase in sales tax
 - Through commercial development
 - Increase in higher density residential units
- Pursue more grants or appropriations for sidewalk, road improvements or construction and stormwater infrastructure.
- Members may elect to impose a property tax.
 - Truth in Taxation requirements due in June were missed due to timing of the notice to terminate the ILA
 - The earliest that property tax can be imposed will be for the 2028 tax season.



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Optional Slides



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MSD History and Evolution

Preserving Identity and Expanding Resources for MSD Members

- Created in 2015 to address annexation and service funding challenges.
- Part of “Community Preservation” initiative by then Salt Lake County Mayor Ben McAdams.
- **In 2015, registered voters in member communities chose to become part of the MSD when they voted to incorporate as metro-townships instead of a city.**
- Passage of House Bill 35 in 2024 converted MSD members Kearns, Magna, White City and Emigration Canyon from metro townships into cities while Copperton became a town. Brighton became a town earlier in 2020.
- As cities and towns, MSD communities now elect their Mayors directly and have the authority to impose municipal property taxes.
- Each member’s Council either appoints the Mayor or a member of the elected City, Town or County Council as its representative on the MSD’s Board of Trustees.
- The MSD is governed by Utah Code Title 17B, Chapter 1 and Title 17B, Chapter 2a, Part 11, Municipal Services District Act.



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Before the creation of the MSD, current member communities were under-funded and vulnerable to annexation by neighboring cities.

How MSD Members Benefit

Advantages of a Shared Services Model

- Protection from loss of land and revenues via municipal annexation.
- Pooled assets to achieve economies of scale.
- The capacity to support MSD cities and towns with additional human resources when needed.
- Elected local Mayors and Council members make decisions affecting MSD member communities.
- Expanded capabilities, capital and expertise.



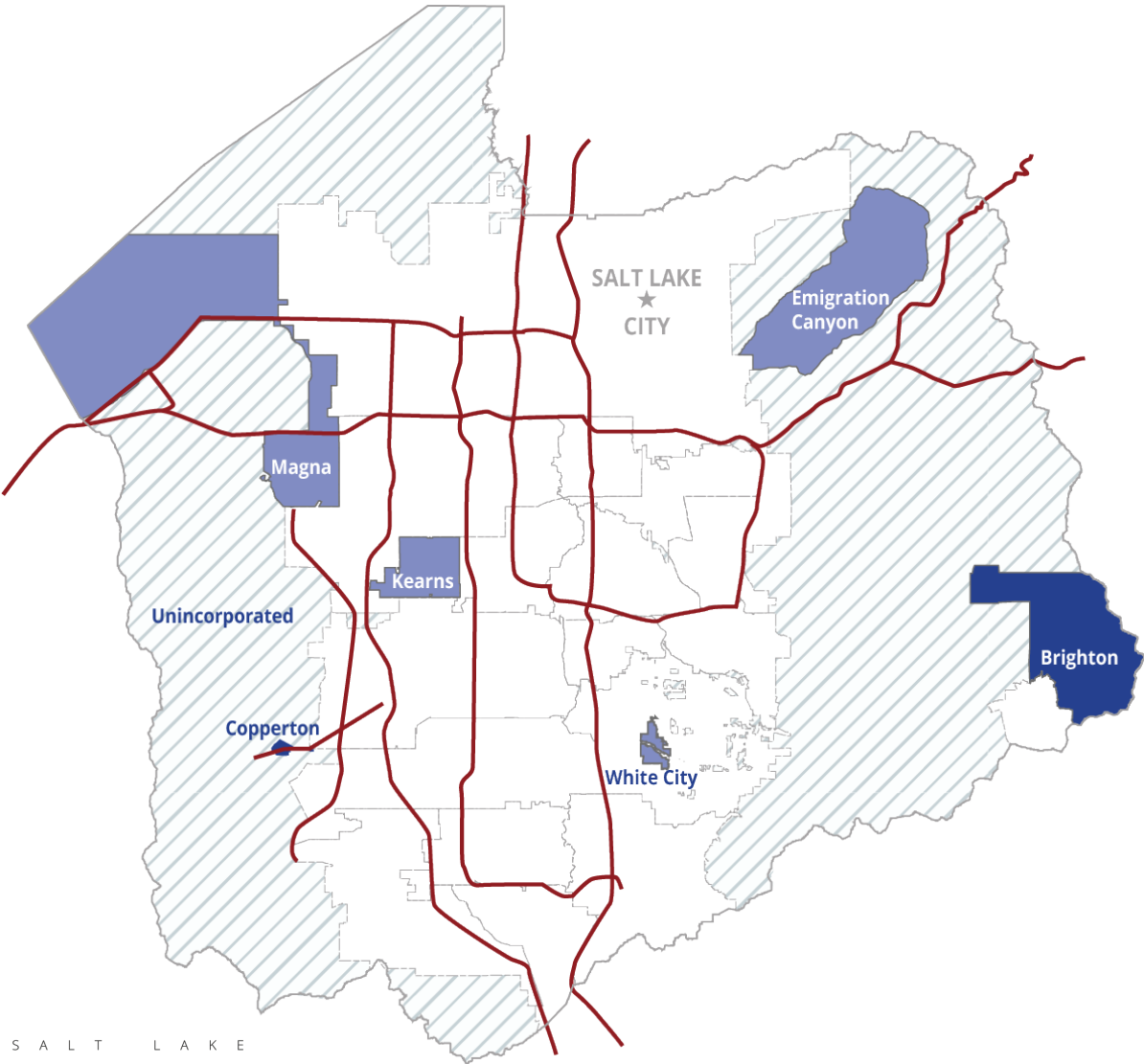
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MSD supports member communities with resources and strategies to drive economic growth and plan future development.

MSD Areas by Type of Municipality

- City
- Town
- Unincorporated



MSD Population July 1, 2025*

Town of Brighton	462
Copperton	789
Emigration Canyon	1,466
Kearns	36,243
Magna	36,823
White City	5,257
Salt Lake County Unincorporated Areas**	7,649
Total	88,669

* Source: tax.Utah.gov as of May 31, 2025. The Tax Commission is in arrears for counts.

** Population will reduce to approximately 1, 500 by June 30, 2027



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MSD Governance

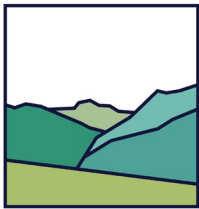
Board of Trustees



Keith Zuspan



Sean Clayton



EMIGRATION
CANYON

David Brems



Jesse Valdez



Michael Jensen



Laurie Stringham



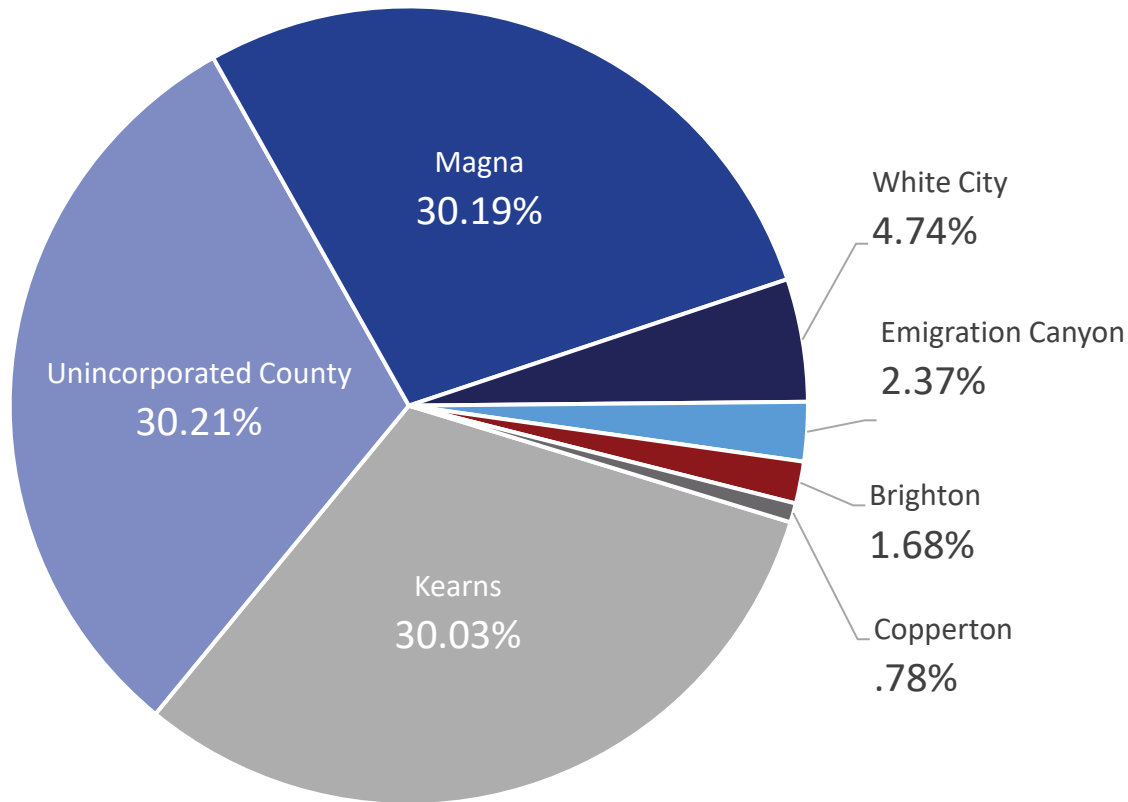
Allan Perry



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MSD Board-Weighted Voting*

Voting Weight Based on Population, Revenues and Road Miles

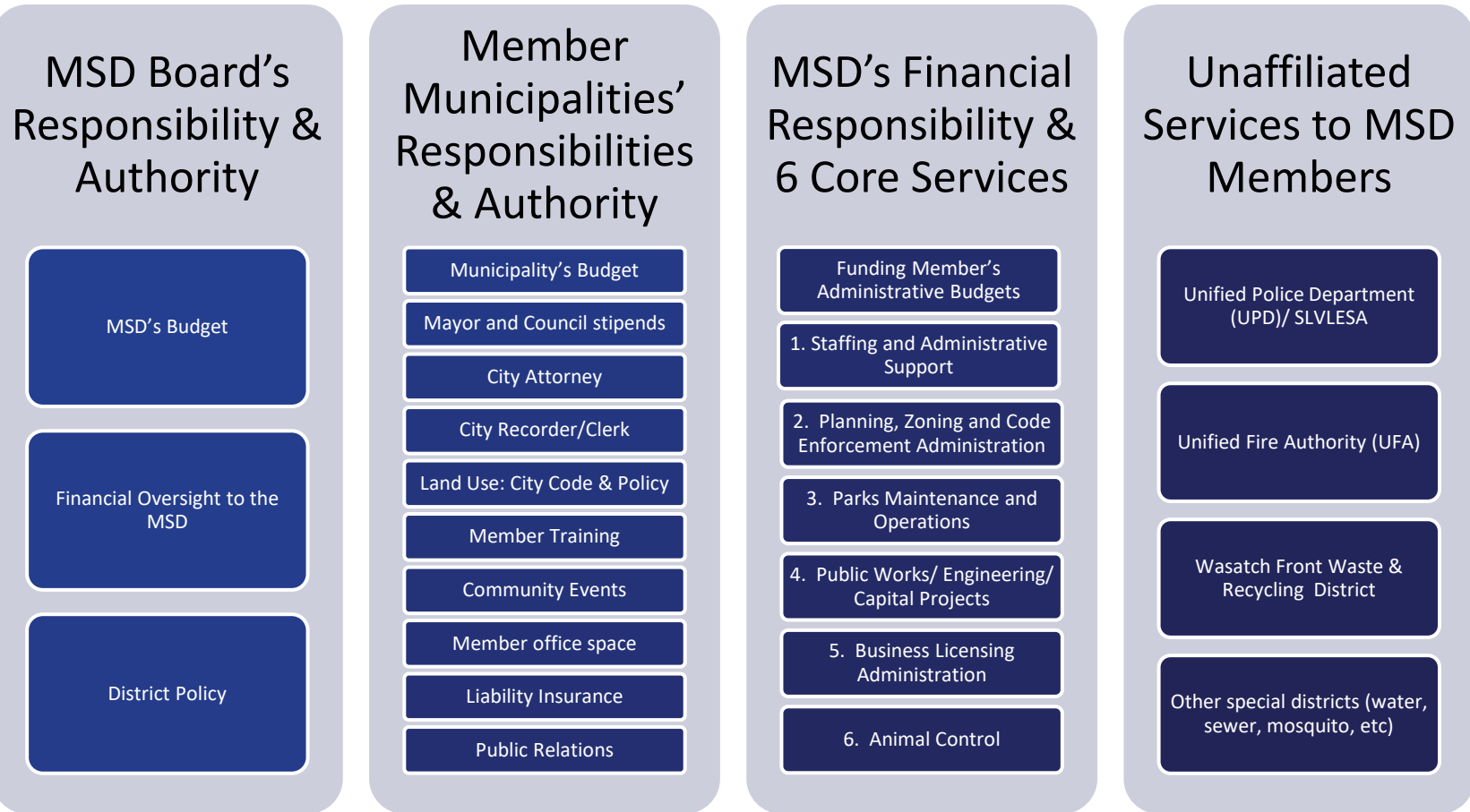


* Effective July 1, 2025. According to Statute 17B-2a-1106 (3)b, voting weight is updated annually and allocated as follows: 10% for population, 60% for sales tax and public transit revenues and 30% for road miles.



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Member Communities' Authority & Responsibilities



Services may be provided by MSD employees or under contract with Salt Lake County and/or a third party. In addition to the UFA, UPD and Wasatch Front Waste & Recycling District, many services are provided locally by special districts. These include water/sewer, mosquito abatement, recreation and others.



Services to Member Communities

Staffing & Administrative Support

- Human Resources
- Finance and Budgeting
- Information Technology
- Communications
- Legal
 - Indigent Legal Defense
 - Justice Courts
 - Municipal Prosecution
- Economic Development



Marla Howard
General Manager



Brian Hartsell
Associate General
Manager and Treasurer



Daniel Hoffman
Director of Finance



Trent Sorensen
Director of Planning
& Development



Lizel Allen
Director of Engineering



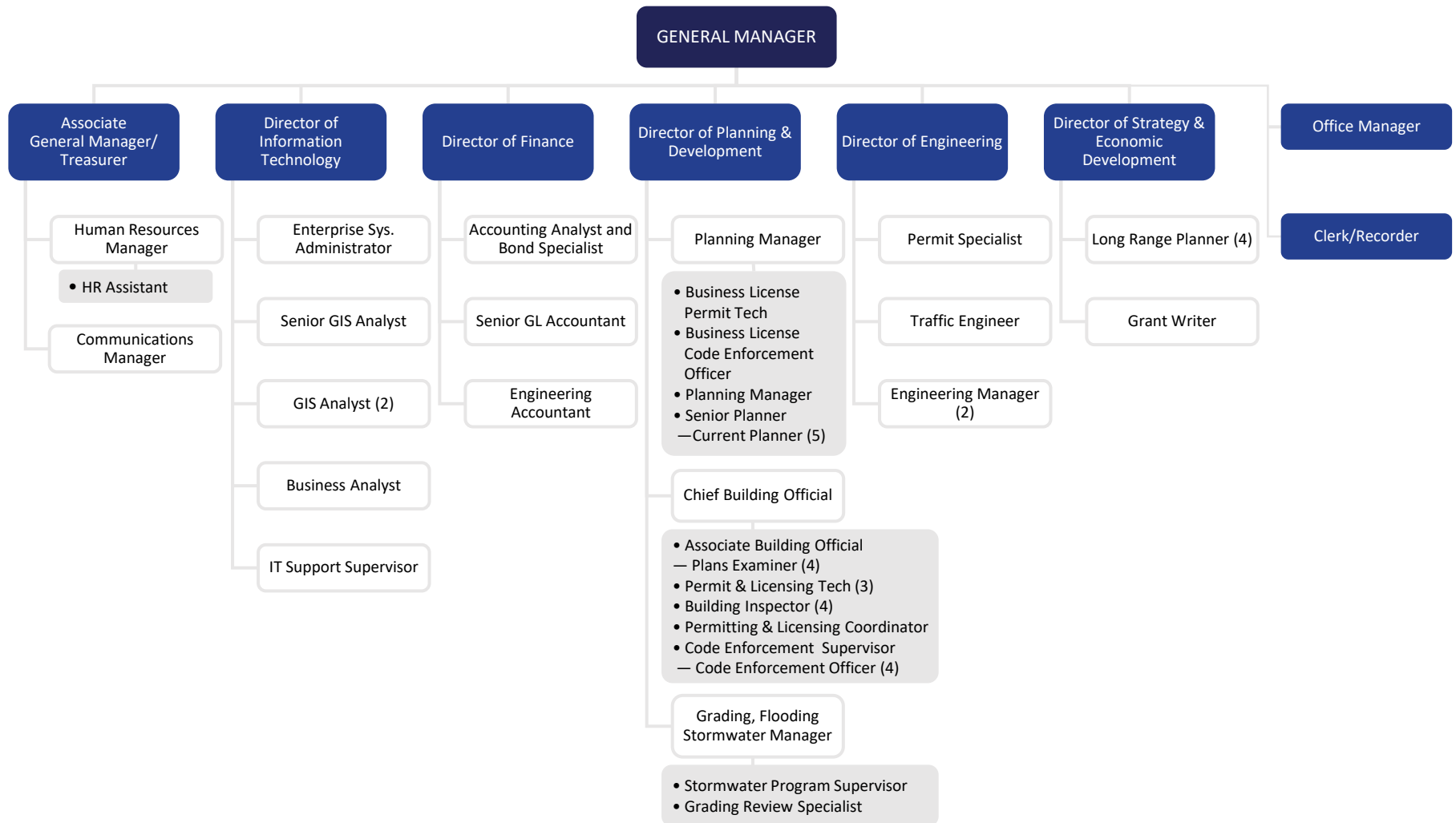
Mark Schneider
Director of
Information
Technology



Kasey Dunlavy Director
of Strategy and
Economic Development



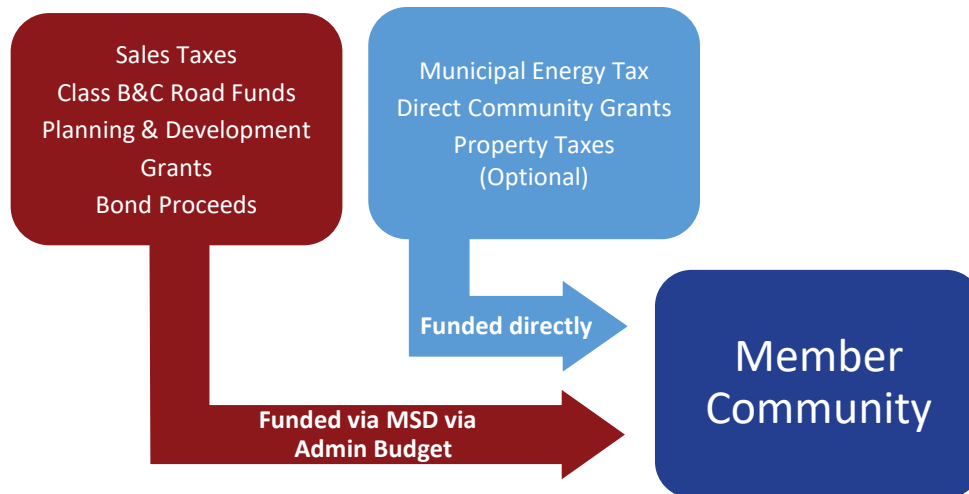
MSD Organizational Structure



Sources and Uses of Funds

MSD and Member Communities

SOURCES OF FUNDS



USES OF FUNDS

- Community Special-Purpose Funds*
- Member's Administrative Expenses
- Six Core MSD Services
- Emergency Planning & Response
- Capital Improvements
- MSD Staff & Administrative Support

* Special-purpose funds are dedicated to financing community-specific projects such as a cemetery, crime reduction fund or community reinvestment agency. Financial reports for member communities are available upon request.



Fiscal Year 2025 Financial Summary, (unaudited)

		FY Ending June 30 2025							
		Brighton	Copperton	Emigration Canyon	Kearns	Magna	White City	Unincorporated	TOTAL
Income									
Operating Income:									
	Sales Tax	780,609	170,669	355,815	7,518,818	7,049,344	1,036,913	5,680,873	22,593,041
	Class B&C Road Funds	22,778	42,274	116,567	2,029,770	2,049,971	279,033	3,756,864	8,297,257
	Grants				-	-			-
	Permitting Fees, etc	181,265	10,992	79,091	274,097	1,188,924	48,994	1,074,102	2,857,465
	Transfers in (Fund Balance)					293,000	167,300		460,300
	Other	62,365	10,504	12,310	73,711	64,335	37,452	36,802	297,479
	Total Operating Income	1,047,017	234,439	563,783	9,896,396	10,645,574	1,569,692	10,548,641	34,505,542
Other Capital Funding									
	Capital Project Grants								-
	Bond Project Funding	54,070	1,331,809	2,836,600	4,874,019	1,466,119	4,138,403	334,548	15,035,568
	Total Other Capital Funding	54,070	1,331,809	2,836,600	4,874,019	1,466,119	4,138,403	334,548	15,035,568
	TOTAL INCOME	1,101,087	1,566,248	3,400,383	14,770,415	12,111,693	5,708,095	10,883,189	49,541,110
Expenses									
Operating Expenses									
	Member Administrative Allowance	472,024	169,761	242,111	1,083,361	1,060,009	499,992	632,322	4,159,580
	MSD Administrative overhead	45,962	21,340	64,839	821,573	825,950	129,679	826,498	2,735,841
	Interlocal services								-
	Animal	5,018	9,633	17,035	426,750	339,923	64,172	133,103	995,634
	DA Prosecution	1,142	2,175	426,750	96,457	76,826	14,496	27,853	645,698
	Indigent Legal	1,000	1,918	3,892	85,966	68,679	13,776	23,008	198,239
	Justice Court	59,791	4,936	39,804	289,218	584,058	19,680	633,464	1,630,950
	Parks Maintenance		123,795		408,225	316,747	155,727	96,114	1,100,608
	Code Enforcement	34,771			86,742	66,688	13,740		215,681
		66,951	142,457	487,481	1,393,358	1,452,921	281,591	927,282	4,571,130
	Engineering and PWOps								
	Engineering	24,139	34,724	97,279	318,871	614,753	64,415	245,510	1,399,692
	PW Operations	6,345	98,399	1,286,782	4,990,748	3,397,855	716,234	1,203,576	11,699,939
		30,484	133,123	1,384,061	5,309,619	4,012,608	780,649	1,449,086	13,099,631
	Total Operating Expenses:	615,421	466,681	2,178,492	8,607,911	7,351,488	1,691,911	3,835,188	24,566,181
Overhead and Other Expenses									
	Other Expenses							225,000	225,000
	MSDPDS Direct Departmental Expenses	709,268	16,903	196,063	900,155	2,743,606	429,397	747,243	5,742,635
	Total Overhead and Other Expenses:	709,268	16,903	196,063	900,155	2,743,606	429,397	972,243	5,967,635
	TOTAL EXPENSES:	1,324,689	483,584	2,374,556	9,508,066	10,095,093	2,121,308	4,807,430	30,533,816
	OPERATING INCOME BEFORE CAPITAL PROJECTS:	(223,601)	1,082,664	1,025,827	5,262,349	2,016,600	3,586,787	6,075,759	19,007,294
Capital Projects									
	Interest Expense	1,345	4,708	14,802	61,661	14,950	15,684	27,423	140,574
	Capital Projects	97,359	1,580,819	2,995,765	5,185,837	1,925,073	4,216,198	586,910	16,587,961
	Total Capital Projects:	98,704	1,585,527	3,010,567	5,247,498	1,940,023	4,231,882	614,333	16,728,534
	NET (OUTFLOWS)/INFLOWS	(322,305)	(502,863)	(1,984,740)	14,851	76,576	(645,095)	5,461,425	2,278,760



How the Finances Work

Member's Responsibilities:

Each member is responsible to create an operating budget for its jurisdiction. They control the way these funds are spent.

- Pay for Mayors and councilmember stipends
 - The Council is the land use authority
- Pay for the independent City Attorney
 - Oversees the creation and maintenance of the Municipality's code.
- MSD provides a funding mechanism for major capital projects, mitigating the need for community bond issuance and/or property taxes.
- The budget for MSD is approved by the MSD Board of Trustees consisting of elected member entity Mayors and Council members representing MSD members.
- Separate funds are designated for community-specific purposes—for example, a community reinvestment fund, a cemetery or a crime reduction fund.
- Other funding sources include direct legislative appropriations to member communities.



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How the Finances Work

Shared Services Supported by Shared Finances

MSD's shared services model offers significant economies of scale, facilitating major capital projects and expediting member services as needed.

- MSD services are funded by sales taxes, fees and Class B&C road funds. No property taxes are assessed for MSD services.
- MSD funds are accounted as prescribed under Utah Code Title 17B, Chapter 1, Part 6.
- Grant monies supplement funding for MSD community members.
- Direct appropriations are controlled by the respective receiving agency.
 - Example is Copperton receiving Federal Funding for storm drain improvements.
- Council Directed Funds are a municipality unspent budget which is put into a separate fund for that municipality.
- MSD General Fund which is budgeted by the Board of Trustees. Members request support for special projects and capital projects.



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2025 Capital Improvements

How MSD Helps Members Finance Capital Projects

Capital projects are high-cost, large-scale physical assets purchased or constructed to provide, improve or replace public infrastructure.

- The Capital Improvements Budget supports engineering projects.*
- Financing sources include:
 - District funds
 - City/Town/County funds
 - Grants
 - Appropriations requested by City/Town/County officials
- Funds allocated by MSD Board of Trustees based on:
 - Project priorities
 - Financial capacity
 - Staffing

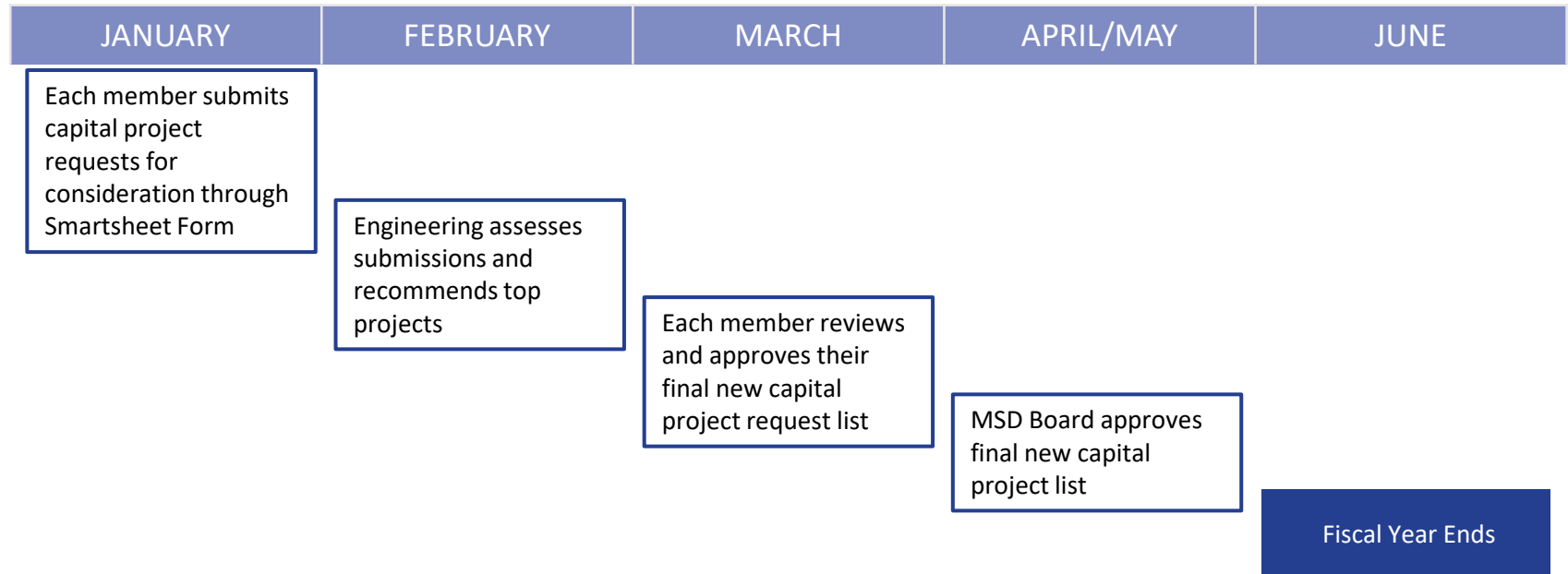
* Non-engineering projects such as Parks & Recreation may be requested via the same approval process but are financed through other non-B&C road fund sources.



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Capital Improvements

Approval Process and Timeline



Project Review Criteria

- Property damage reduction
- Masterplan system completion
- Reduction of hazard or improved safety
- Maintenance cost reduction
- Overall project cost
- Money available from other sources
- Consistency with General Plan
- Recreational improvement
- Water quality improvement
- Municipal collaboration opportunities
- Ability to meet engineering standards
- Public Works Operations overlay schedule

