



2021-2022 Fiscal Year Budget Building Narrative for May 3, 2021 CWC Board:

Budget Materials have been reviewed and are reflected in minutes of the following meetings:

April 13, 2021 CWC Budget Finance Audit Committee Meeting

April 19, 2021 CWC Executive Committee Meeting

Upcoming: May 3, 2021 CWC Board of Commissioners Meeting

Action to be taken: Approval of tentative budget and public hearing timeframe.

For your information: Before we move to 2021-2022 Fiscal Year Budget recommendation; please note we discussed with the BFAC Committee and the Executive Committee the movement of unused budgeted dollars in the current year to Short Term Projects: \$10,000 unused from Outreach and Communications, \$20,000 from Grant Disbursement (Contingency). Those moves bring the total Short Term Projects funds available to be used by June 30, 2021 to \$60,000.

The following narrative references the Excel sheet attachment forwarded with this narrative:

Sheet 1: Member Contribution history and 2021-2022 recommendation:

The CWC Budget Finance Audit Committee recommends returning to 100%-member contribution level.

Sheet 2 Current FYE Projected: 2021-2022 and 2021-2022 Recommended Budget

This sheet contains the projected current fiscal year end totals as of June 30, 2021 – these projections were developed in collaboration with our accountant, Dave Sanderson.

In the notes you will see there is an assumption that all monies designated for projects will be spent; however, we know the environmental dashboard and visitor use study will not spend the total amounts budgeted for this fiscal year as there is proposed work to be completed in the next fiscal year: specifically, from July to December 2021.

The projected reserve in the Public Trust Investment Fund as of July 1, 2021 is \$900,000 – Please recall our investment policy states we will hold in reserve a one-year operational amount which is approximately \$700,000 – this does not include projects – operational dollars only.

Sheet 2 also shows the proposed budget for fiscal year 2021-2022.

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Following for your information is a line item, by line-item review of the budget.

INCOME:

Member Contributions: return to previous 100% contribution for 2021-2022.

Interest: we are currently experiencing a low rate of return and anticipate that to continue.

State Appropriation: this is designated funding for three projects: Visitor Use Study (\$95,000) Graffiti (\$5,000) and Bus Bypass Service (\$50,000) we will receive 75% of this appropriation in July.

Admin Fee: projected 5% of the appropriation deducted from total appropriation amount.

Other Govt: UTA's continued participation as Ex Officio member with \$50,000 contribution.

EXPENSES:

Budget Expenses:

Salaries – see Sheet 3 for total breakdown. Sheet 4 contains market-based compensation research for your information.

Benefits: PEHP amount reflects annual increase; same coverage

Intern: reflects move of this item from Outreach/Communications to Salaries

Budget Expenses: Professional Services

GRAMA: no increase:

we do not want to jinx ourselves however our transparency adherence serves us well.

Attorney: no increase remains – budgeted amount the same as current fiscal year; much of the detail work Shane previously did for us (agenda building) we have assumed, Shane graciously watches his expenditures with us.

Accounting: \$750 per month cost is in line with state auditor research on accountants and work performed for a govt entity – this is low end – increase is due to accountant now doing financial work for auditor which new regulation precludes contracted auditor from completing.

Transcriber: increased number of meetings (96 in 2020-2021 to date) \$225 average cost of minutes.

Auditor: this is a new line item; expense amount was previously in Accounting – we have contracted with our current auditor for five years – 2020-2021 will be 4th year of the contract.

Budget Expenses: Operational

Public Notice: cost of posting for public hearings: Budget primarily.

Travel: new item based upon potential legislation travel after pandemic.

Office Supplies: our historic average

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Budget Expenses: Operational (continued)

Outreach & Communication: historic low – promotional cost moved to be included in specific projects.

Professional Development: increase - added, not budgeted for two previous fiscal years.

Rent: increase: we are currently in the 3rd year of a 5-year lease guarantee with incremental increases each year; late 2020 and early 2021 Chair Robinson, Ralph, and our attorney Shane Topham discussed how we might remove ourselves from the space to eliminate this cost. Staff has adapted to remote work –however, removing ourselves from the lease would carry with it a cost factor - in a most recent conversation with Shane, it appears (as we are aware) we are not alone as an organization looking at leaving leased space, the impact is such we project it would cost us a significant settlement amount to cancel our lease. Like others in the area where we are located, we are looking into the possibility of subleasing or shared leasing – the attorneys across the hall have recently added two sublease folks to their space – we will continue this research, any sublease would have to be agreed to by our leaser.

Insurance: Utah Local Government Trust annual expense for officer, workers comp and property.

Bank Charges: average \$67 per month for Zions accounts, plus ACH/direct deposit set up and per transaction. Checking account is interest bearing account; interest amount is small.

Software: increase: we consistently monitor our software and continually review our need for everything from public comment, website maintenance, office software, internet, etc.

Budget Expenses: Projects

Government Relations: increase – retains Casey Hill of Red Hill Strategies for full year.

Environmental Dashboard: we have 3 payments (July, October, December 2021 in next fiscal year) a total of \$81,598 with the workplan completion date of 12.31.2021.

Grant Disbursement: contingency – funds are undesignated.

Bus Bypass Service: designated funding (\$50,000 less admin fee) from State/Governor's Office of Economic Development.

Visitor Use Study: designated funding (\$95,000 less admin fee) from State. It should be noted that CWC Board of Commissioners, through a 2020-2021 Budget Amendment allowed a \$50,000 draw from reserves for this study. With the receipt of the state appropriation, this budget reflects a return of that \$50,000 to the reserve. Phase I of the Visitor Use Study has been contracted with Utah State University for \$37, 324.58 – USU during the first three months of the study (April, May June) are also thinking in terms of a Phase II workplan as well as cost as we work to expedite this information be available to the commission.

Short Term Projects: budgeted same as current fiscal year. As you will hear from the Short-Term Projects Committee there are worthy projects going unfunded this year – this is a very success program, and it might be the desire of commissioners to increase this budgeted amount.

Mountain Transportation System: ongoing work estimate.

Conclusion:

The Budget Finance Audit Committee recommends approval of this tentative 2021-2022 CWC Fiscal Year Budget and request we move it forward to scheduled public comment and a public hearing prior to the June 7, 2021 CWC Board Meeting. The budget is due to the State of Utah by June 22, 2021.