

Interlaken Town Budget Fiscal Year Ending 6/30/17 Notes and Explanation

June 15, 2016

To Interlaken Town:

From Interlaken Town Clerk Bart Smith

The FY2017 Interlaken Town Budget is available for your review. There will be a public hearing with the Town Council to hear your comments and any concerns regarding the budget. The time and place of the public hearing will be announced no less than 7 days prior to the hearing.

Overview

The Town currently uses six Zion bank accounts to receive revenue, pay bills, and save money (reserves) for future expenses. Since the main components of our Town's expenses are the water system and the roads, our accounts are organized around those two services.

This year we began accepting and processing building permits and contracted Epic Engineering to handle our plan review and inspections. The builder deals directly with Epic and pays them directly for their services. However, the town still collects fees and deposits from the builder for expenses related to road damage, administrative expenses, water connection, and to guarantee completion. Accordingly, we added another bank account that handles these transactions (Building Fund).

Each bank account has its own budget: revenue, expenses, transfers, and a resulting increase or decrease in the fund balance. As you read the budget, you'll notice that there are many transfers between these funds. This is how we move our revenue around to fill up reserve funds and to pay our bills. The sum total of all our transfers, at any given time, will be zero, summed over all the accounts. You'll see this on the last page of the budget (Net Transfers between funds).

Here's a brief description of all our bank accounts or funds:

Zion Bank Account	Type	Description
General Fund	Checking	Main operating account
Transportation Reserve	Savings	Reserves for road repair & improvements
Water Revenue Fund	Checking	Operating acct for water system
Water Bond Sinking Fund	Money Market	Reserve acct for water bond pmts
Water Reserve	Savings	Reserves for water system repair & improvements
Building Fund	Checking	For building project transactions

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The Fiscal Year budget for each of these funds appears on a new page in the budget document. At the end of the document, there is a summary across all the funds to demonstrate overall growth, surpluses, and deficits.

Details

The budget document compares three budgets:

- FY2015 **Actual** Budget (7/1/14 – 6/30/15)
- FY2016 **Approved** Budget (7/1/15 – 6/30/16)
- FY2017 **Proposed** Budget (7/1/16 – 6/30/17)

The FY2016 **Actual** Budget will be available prior to the meeting for your review.

Here are some highlights (literally, they are highlighted) in next Fiscal year's budget, FY2017:

Line 5: Annual Assessment Revenue: \$220,880. The proposal is to raise next year's assessment to \$1200 per lot, up from \$1112 (+\$88). Historically, this is what the town has assessed. This increase will allow us to hire a part time Enforcement officer to enforce our ordinances: traffic infractions, public nuisances & disturbances, and other violations of code that the council defers to the officer. It will also allow us to raise the salary of our Water Master and Assistant Water Master to compensate them for the work they do to keep our water system safe and operative. And finally it adds funds to our reserves for future capital improvements. For example, we are due for crack sealing and top coating of our roads in the summer of 2017.

Line 14: Enforcement Fines: (\$1,200). We are estimating \$100/month collected in fines.

Line 39: Enforcement Administrative Expenses: (\$300). Costs of processing fines: collection and bookkeeping.

Line 45: Enforcement Officer: (\$7,500). Part time salary for this position.

Line 46: Enforcement Supplies: (\$1,000). Signage, ticket books, other items.

Line 57: Contract Service: (\$32,000). Typical annual cost increase of \$1,100 for snow removal.

Line 80: Transfer from Building Fund of Road Impact Fee: \$7,500. We opened an additional bank account (Building Fund) to receive fees and deposits for permitted building projects in the Town. This amount is a fee for construction impact on our roads (\$2,500 per project). This line shows that it was transferred from the Building Fund into a reserve account for road repair.

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Line 116: Payroll – Water Master & Asst Water Master: **(\$8,800)**. This is well-deserved pay increase for these 2 important salaried positions.

Line 125: Tank Cleaning (Midco): **(\$3,465)**. Our water tank needs an inspection and cleaning. This expense item includes those services plus 2 hours of additional tank repair if needed.

Lines 166 through 191: Building Fund. This is a new fund. You can see the fees and deposits collected, transfers into other funds, and expenses. This budget is based on having 3 new construction projects that begin in FY2017. The building fund expenses (lines 185 – 189) show the refund of 2 completion and 2 damage deposits for projects that began in this year (FY2016).

That's it for line by line descriptions of the budget.

Page 8 shows the big picture of our budget this year and 2 previous years:

Line 205 & 215: Fiscal Year Incr/Decr & Ending Surplus/Deficit. Note that our FY2017 ending surplus is **\$82,210**. This is close to the costs we expect to pay in July or August of 2017 for our roads – crack sealing and top coating. It will carry over to FY2018 for those costs. The huge surplus from last year of **\$425,072** was a result of transfers from the IMWC accounts. This money was used to fund all our accounts, including the fund serving our Water Bond – Line 202: **\$157,513**.

Line 214 Expenses: Note that our expenses in FY2017 **(\$200,385)** exceeded FY2016 **(\$121,312)** by **(\$79,073)**. This additional expense comes primarily from our Water Bond payment – Line 114: **(\$78,678)** due on Jan. 10, 2017. It's worth noting that the additional costs of doing Enforcement and increasing the salary for our Water Keepers was offset by other savings over FY2016.

Your Feedback

Please attend the FY2017 Budget Hearing later this month. The date and time will be announced via email as well as posted on both the town website and the Utah Public Notices website. If you cannot attend this meeting, you may forward your comments regarding the budget to Mayor Lisa Simpkins at ksimpkins7669@mail.com or the Town Clerk at interlakenclerk@gmail.com

Thanks,
Bart Smith, Interlaken Town Clerk