MINUTES
BUDGET COMMITTEE MEETING
May 7, 2025, 9:00 AM
Alta Community Center, 10351 E. Highway 210, Alta, Utah

COMMITTEE MEMBERS PRESENT:	Roger Bourke (attended virtually) Chris Cawley Jen Clancy Craig Heimark (attended virtually) Dan Schilling (attended virtually)
ALSO PRESENT:	Mike Morey, Town Marshal Molly Austin, Assistant Town Administrator Brooke Boone, Deputy Town Clerk

1. **CALL THE MEETING TO ORDER**

Jen Clancy called the May 7, 2025 Budget Committee Meeting to order.

2. **DISCUSSION AND POSSIBLE ACTION TO ADOPT THE MINUTES OF THE APRIL 24, 2025 BUDGET COMMITTEE MEETING**

MOTION: Chris Cawley motioned to adopt the budget committee meeting minutes of April 24, 2025, and Dan Schilling seconded.

VOTE: All in favor. The meeting minutes of April 24, 2025 were approved.

3. **REVIEW OF THE DRAFT FY 2026 BUDGETS**

Clancy explained that the plan for the committee was to review a high-level overview of the budget, highlight changes, and then go through the detailed budget, which would be presented to the council the following week for adoption of a tentative budget.

Cawley reported that there were no major changes to revenue assumptions (namely property and sales tax) previously presented, though some expense adjustments had been made. As a result, the proposed use of unreserved fund balance increased from $225,000 to $296,000. Cawley also noted an error in the slides regarding shuttle program costs, clarifying that the program was projected to increase by 8% based on vendor information.

Bourke suggested that property tax presentations should reflect the impact to taxpayers, such as cost per million dollars of valuation. Clancy responded that those calculations would be available later in the process and included in future presentations. Heimark added that showing the average increase for a typical home would also be helpful, emphasizing that only a small portion of property tax bills went to the Town of Alta.

Cawley explained that the $100,000 increase in property tax revenue was linked to the town's deliberate decision to expand services, including the addition of a fifth full-time deputy marshal, and was not just a response to general cost increases and inflation. Clancy confirmed that FY2025 revenues were expected to be very close to budgeted amounts, with potential for slightly higher sales tax collections. Bourke clarified that the property tax increase would bring revenues from $405,000 to $505,000. Heimark observed that while this appeared to be a 25% increase, it was more accurately a response to rising property values and necessary to maintain funding for future projects. Heimark stressed the importance of planning for larger expenses, such as new facilities, in future budgets.

Cawley highlighted that the draft budget included preliminary expenses for operation of Our Lady of the Snows, such as snow removal and maintenance, pending the outcome of lease negotiations with ACE. Heimark asked about the scope of capital projects, and Clancy confirmed that all major projects, including the purchase of Our Lady of the Snows, were included in the capital fund.

Schilling raised a question about the $1.1 million in FY2026 capital expenses. Clancy acknowledged a discrepancy in the budget totals and confirmed the need to correct the figures, including adding $150,000 in FY2025 expenses for due diligence and earnest money.

The committee reviewed slides related to wages, expenses, and capital projects. Clancy noted the addition of $17,500 in FY2026 for community center staffing costs, and Heimark suggested clarifying that the increase reflected new positions rather than wage adjustments.

Cawley highlighted updates to water and sewer capital plans, including higher engineering costs to prepare for projects in FY2027. Discussion then shifted to the town's security cameras. Morey explained that three cameras existed, two of which were not functioning properly due to vendor issues. The committee acknowledged that funding may be needed to repair or replace these systems.

Cawley reported that facility planning work by FFKR estimated replacement costs for town buildings ranging from $6.2 million to $12.5 million. Schilling and Heimark recommended holding a strategic retreat to explore facility and infrastructure options. Heimark proposed a timeline including bond consultant engagement, a budget committee meeting in late summer, and a joint retreat with current and incoming council members in December. Schilling supported continued progress without overburdening staff and stressed the need to clarify requirements before making commitments.

The committee discussed bonding requirements. Cawley explained that a general obligation bond would require voter approval, likely during a general election, while a revenue bond would be simpler but more limited. Members agreed that engaging a bond consultant would be an essential early step. Heimark emphasized narrowing FFKR's cost estimates before a townwide discussion, while Schilling expressed concern about staff capacity.

The capital plan showed $9 million programmed in FY2028 for a new municipal building, along with additional costs for design and potential trailhead restrooms. Clancy asked whether to spread the $9 million expense over multiple years, and Heimark recommended planning for two to three years of costs. Cawley noted that design expenses were not included in the $9 million estimate.

The committee then reviewed updated water fund capital projections, with recurring engineering costs programmed every other year. Cawley explained that new engineering line items had been added to the water fund, noting that while these costs were historically small, they would likely be needed every other year in preparation for capital projects. Cawley reported that revised cost estimates for the Hellgate Loop distribution line and asbestos pipe replacement were lower than previous estimates, while a placeholder remained for replacing all remaining infrastructure.

Heimark asked about the Alta storage tank and whether it was linked to the Shrontz Estate development. Cawley stated that while the Estate would be required to build its own water system if developed, uncertainty remained, so the town programmed a future tank as a placeholder. Cawley added that inflation had not been factored into cost estimates. Clancy said she had built in annual increases of 10% for operating expenses beyond FY2026.

The committee then reviewed sewer fund projects. Cawley outlined a design project to address the sagging pipe between Goldminer's and Peruvian, the top engineer recommendation. He noted other replacements were advised, including one in east Hellgate area where odors had been reported, as well as lines in the Grizzly area and between Alta and Rustler. Updated estimates also included a $4.5 million West Grizzly sewer extension. He added that a concurrent ski area project (cold storage facility) might allow for a shorter line and reduced costs. Heimark said the cost estimates were significant but necessary to present to residents for transparency. Bourke emphasized that maintaining sewer and water systems required investment.

Clancy then introduced the detailed budget review. She highlighted a $500,000 property tax line, reflecting the previously discussed $100,000 increase, and $1.89 million in sales tax revenue, unchanged from FY2025. She also noted $20,000 in projected revenue for Our Lady of the Snows (OLS) use fees, subject to a lease agreement with ACE. The use of cash on hand was budgeted at $296,000, or 10% of the general fund, leaving 90% as reserves.

Clancy pointed out a proposed modest increase in stipends for council members, the first in more than a decade, which Cawley said would better reflect the responsibilities of council service. Bourke described the increase as an acknowledgment rather than a major expense.

Clancy reported a proposed reallocation of $15,000 in legal services from administration to planning and zoning, without net change to the budget. She said a civil code enforcement program had been delayed to FY2026 due to limited staff capacity. Heimark asked about a metering project, and Clancy clarified that road metering had been removed from the budget since it had not been used in recent years. Morey confirmed there was no plan to manage the program in the upcoming season.

Clancy reviewed the police department budget, noting a 15% increase in wages that reflected the addition of a fifth officer and included schedule and unscheduled overtime costs. She also previewed an increase in building inspection costs for professional and technical services. Cawley reported that the town had been working with West Coast Code Consultants (WC3) for building plan checks and inspections. He said the firm had been responsive and thorough, though more expensive due to travel costs. He explained that inspection expenses were increasing, but revenues from recent large projects had offset some of those costs. Cawley added that WC3 was assisting with an update to the building permit fee schedule.

Clancy reviewed several budget adjustments. She noted an 8% increase in the Alta Resort Shuttle contract, in line with the vendor agreement. She said the impact fee study had been delayed to FY2026. She introduced placeholders in the budget for Our Lady of the Snows (OLS), explaining that costs would be refined through a lease agreement with ACE. Heimark asked about capital needs for OLS, and Clancy identified the patio project as the main item, budgeted at $100,000 in FY2026 or FY2027.

Clancy proposed a $150,000 transfer from the general fund to the capital projects fund. Clancy also stated that the capital projects fund budget page needed revisions to reflect earlier discussions, especially for the municipal building section. She explained that some data had not been properly imported but would be corrected.

Clancy highlighted a 10% increase in water fund rates and said a general fund loan placeholder had been included, though the exact amount would be refined through a future amendment. She also reported that water treatment media was now being replaced annually rather than every other year due to operational changes. In the sewer fund, a new engineering line item was added to the operations budget.

Bourke asked about the audit request for proposals (RFP). Clancy said she had drafted the RFP and would circulate it to the three-person selection committee, which included Bourke, Heimark, and Byrne. She said the budget for the annual audit had been increased from $10,000 to $12,500 based on feedback from Steve Rowley. Heimark suggested asking Rowley whether audit costs were typically higher in the first year of a contract.

The committee concluded its review of the FY2026 budget and capital projects plan, addressing updates to revenues, expenses, and long-term infrastructure needs. They reviewed proposed rate adjustments, loan placeholders, and audit planning, while emphasizing the importance of cost projections. The committee also suggested reviewing workforce flexibility and staff retention strategies during the employee manual update.

4. **<u>MOTION TO ADJOURN</u>**

MOTION: Chris Cawley motioned to adjourn, and Dan Schilling seconded.

VOTE: All in favor. The meeting was adjourned unanimously.

RESULT: APPROVED

Passed this 12th day of March, 2026

Jen Clancy, Town Clerk