

# Interlaken Town Budget Fiscal Year Ending 6/30/19 Notes and Explanation

June 11, 2018

To Interlaken Town:

From Interlaken Town Clerk, Bart Smith

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The FY2019 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 on June 18, 2018 at 7:15pm at the Town Pump House, 236 Luzern Rd.

## **Overview of Funds/Accounts**

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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.

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:

<b>Zion Bank Account</b>	<b>Type</b>	<b>Description</b>
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

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 withdrawals.

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### General Comments –FY2019 Budget

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- **FY2019 Assessments** – Interlaken collects revenue from lot owners from two sources: our annual water billing collected by the town, and the annual Wasatch County Tax for our roads. The road tax rate for the town will remain unchanged in FY2019, set at 0.001742. The annual water billing is sent out in January to each individual lot owner. Water rates are updated periodically to adjust for costs associated with the municipal water system. The current water rates were approved on December 11, 2017. The base rates remain the same, \$75 per month for lots with dwellings or building permits, and \$62 per month for vacant lots.
- **Road Capital Improvements** – Last year the town invested significantly in our road system. There are no major expenses planned for FY2019. Money will be invested into the road transportation fund this year to add to our reserves.
- **Building Applications** – As in FY2018, the town will collect all fees and deposits from the permit applicant in FY2019. The Interlaken Town Council may adjust the fees from time to time, and are set by resolution.
- **Water System Upgrade** - FY2019 is the second year of our 5-year plan for upgrading our water system. FY2018 included a telemetry system upgrade, and the replacement of older meters with newer Ipearl models. More meters will be replace this year as well. In the future, the town will purchase a handheld scanner, so that readings can be taken without uncovering the meter pit.
- **Burgi Hill Ranches** – settlement for past road maintenance charges for lower Interlaken Drive. The town is currently pursuing BHR for past due funds owed to Interlaken as parties to the “Freedom Agreement.” It’s expected that we will settle sometime in FY2019. Rather than estimate the settlement, the council chose to leave this line item blank.
- **Legal fees** – as a new town, we find it necessary to seek legal help to protect our interests and liability, interpret state law, and create and enforce our ordinances. We had some unexpected costs this year and as we move into FY2019, the council felt it wise to continue budgeting for unexpected legal expenses.
- **Town Engineering and other consultation fees** – as with our legal counsel, the town-engineering firm of Epic Engineering has played a larger role in the town’s management of land use code and permitted building applications. We will continue to budget for these expenses in FY2019.
- **Road Signage** – In FY2019, funds will be set aside to add measures to slow traffic through the town. The town is considering stop signs near the Burgi Hill Ranches turn off.
- **Reserve Contributions** – The FY2019 budget continues to set aside money for future capital improvements and emergency repairs for both our roads and the water system.

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### **Details**

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The budget document compares three budgets:

- FY2018 **Approved** Budget (7/1/17 – 6/30/18)
- FY2018 **Actual** Budget (7/1/15 – 5/31/18)
- FY2019 **Tentative** Budget (7/1/18 – 6/30/19)

The FY2018 **Actual** Budget cannot be finalized until mid-July when all accounts have been reconciled. The current numbers reflect accounts as of May 31, 2018.

On the next page, you'll find a description of some of the significant changes or highlights in the proposed FY2019 budget.

## FY2019 Proposed Budget - Notes

Line#	Item	FY2018 Budgeted Amount	FY2019 Proposed Amount	Notes
11	Revenue from BHR Settlement	\$10,000	\$0	No estimate available.
13	B&C Road Tax (estimate)	\$18,000	\$18,408	Could increase in 2019 due to changes in state law.
19	Transfer from Building Fund (Application Fees for admin costs)	\$2,200	\$700	Based on 2 new permit applications.
21	Transfer from Transportation Reserve Fund into General Fund for Capital expenses	\$101,000	\$0	FY2019 Road Capital improvement - none planned.
38	Town Clerk & Webmaster	(\$18,000)	(\$20,000)	Includes Town Clerk & Web authoring payroll. Increased hourly rate from \$25 to \$28, more hours on financial reporting.
40a	Town Council Equipment & Supplies	(\$950)	(\$400)	Misc Equipment - new laser printer.
42	Bookkeeping and Accounting	(\$7,700)	(\$8,000)	Increased hourly rate for bookkeeping, but fewer hours on financial reporting.
44	Town Attorney	(\$40,000)	(\$30,000)	Expecting less expenses than planned for FY2018.
51	Additional Consulting Fees (Codifiers, etc.)	(\$10,000)	(\$10,000)	Make available for codifiers or other support in FY2019.
56a	Road Signage	(\$1,100)	(\$1,000)	Stop signs - need an estimate.
60	Capital Repairs, Maintenance & Improvements	\$0	\$0	FY2019 Road Capital improvement - none planned.
92	Annual Water Utility Base Usage Fee	\$157,721	\$157,721	FY2019 Based on \$75/\$62 base fee structure, 42 empty lots at \$62.
116	Payroll - Water Master & Asst Water Master	(\$16,800)	(\$16,800)	FY2019 Water master salary unchanged, \$1400 per month shared.
117	Meter Repair/Replacement, System Equipment, Supplies	(\$4,700)	(\$8,000)	20 new Ipearl meters plus additional digouts, equipments.
118	Chemicals & Monitoring	(\$2,300)	(\$3,000)	FY2019 significant increase - additional testing required.
123	Payroll Taxes - Water Master & Asst Water Master	(\$3,200)	(\$1,400)	FY2019 Estimate, based on FY2018 actuals.

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### **Your Feedback**

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Please attend the FY2019 Budget Hearing on June 18<sup>th</sup>, 7:15pm. The location will be 236 Luzern Road, the Town Pump house. If you cannot attend this meeting, you may forward your comments regarding the budget to the Town Clerk at [interlakenclerk@gmail.com](mailto:interlakenclerk@gmail.com) and they will be presented at the meeting.

Thanks,  
Bart Smith, Interlaken Town Clerk