

**MIDVALE CITY CORPORATION  
RESOLUTION NO. 2022-R-36**

**A RESOLUTION ADOPTING THE FINAL OPERATING AND CAPITAL BUDGETS  
FOR MIDVALE CITY, STATE OF UTAH, FOR FISCAL YEAR 2023**

**WHEREAS**, State law requires the establishment of various budgets for each municipal corporation located within the State of Utah; and

**WHEREAS**, Midvale City has complied in all respects with State law, including holding public hearings, in establishing said budgets for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MIDVALE CITY, STATE OF UTAH**, as follows:

**SECTION ONE:** That Midvale City, a municipal corporation, hereby adopts the following final budgets for the fiscal year beginning July 1, 2022 and ending June 30, 2023:

- A. General Fund, Section 10-6-109, Utah Code Annotated
- B. Debt Service Fund, Section 10-6-109, Utah Code Annotated
- C. Capital Projects Fund, Section 10-6-109, Utah Code Annotated
- D. Water Fund, Section 10-6-135, Utah Code Annotated
- E. Sewer Fund, Section 10-6-135, Utah Code Annotated
- F. Storm Water Utility Fund, Section 10-6-135, Utah Code Annotated
- G. Street Lighting Fund, Section 10-6-135, Utah Code Annotated
- H. Sanitation Fund, Section 10-6-135, Utah Code Annotated
- I. Telecommunications Fund, Section 10-6-135, Utah Code Annotated
- J. Fleet Management Fund, Section 10-6-135, Utah Code Annotated
- K. Information Technology Fund, Section 10-6-135, Utah Code Annotated

**SECTION TWO:** That the Budget Officer is hereby directed to certify and file a copy of the final budget for each fund with the Auditor of the State of Utah within thirty (30) days after adoption.

**SECTION THREE:** That upon the final adoption, the budgets shall be in effect for the budget year and subject to later amendment as provided by law.

**SECTION FOUR:**

1. That a certified copy of the adopted final budget shall be filed in the office of the City Recorder, 7505 S. Holden Street, Midvale, Utah and shall be available to the public during regular business hours.
2. That a copy of the adopted final budget shall be posted and made available to the public on the City's website, [www.midvalecity.org](http://www.midvalecity.org)

**SECTION FIVE:** That this Resolution shall become effective immediately upon the passage thereof.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF MIDVALE CITY, STATE  
OF UTAH, this 16<sup>th</sup> day of August, 2022.**


  
Marcus Stevenson, Mayor



**BUDGET OFFICER CERTIFICATION:**

  
Matt Dahl, Budget Officer

**ATTEST:**

  
Rori L. Andreason, MMC, City Recorder

**Voting by the City Council:**

**Aye    Nay**

**Councilmember Quinn Sperry**  
**Councilmember Dustin Gettel**  
**Councilmember Paul Glover**  
**Councilmember Heidi Robinson**  
**Councilmember Bryant Brown**

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# **Fiscal Year 2022-2023**

## **Midvale City, Utah**

### **Final Budget**



**July 1, 2022 to June 30, 2023**

# Midvale City, Utah

## Final Budget

### Fiscal Year 2022-2023

Prepared by:  
Midvale City Administration  
7505 S Holden St  
Midvale, UT 84047-7180



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# Introduction



# Elected Officials and Leadership Team

## Elected Officials



Mayor  
Marcus Stevenson  
At-Large



Councilmember  
Quinn Sperry  
District 1



Councilmember  
Paul Glover  
District 2



Councilmember  
Heidi Robinson  
District 3



Councilmember  
Bryant Brown  
District 4



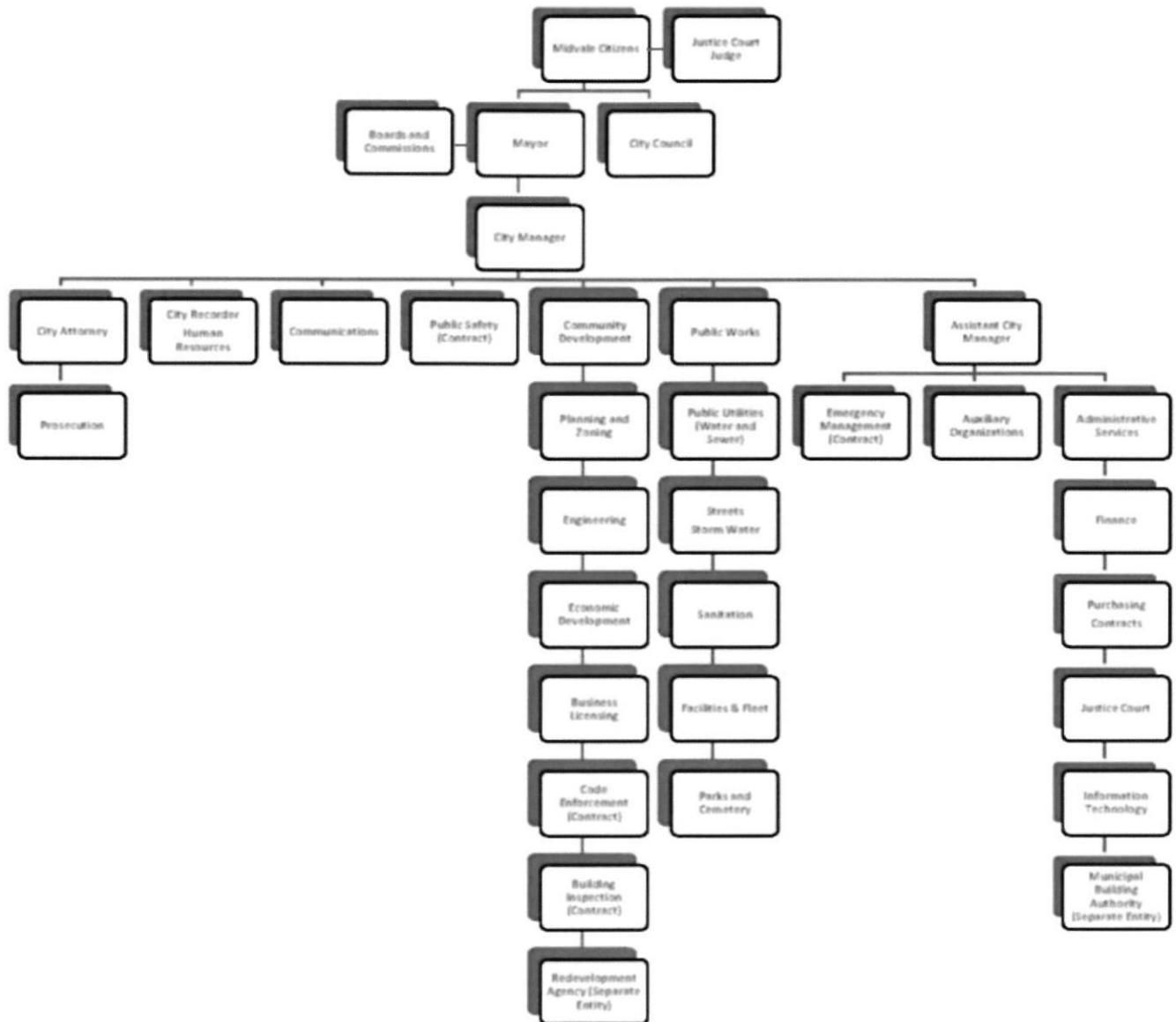
Councilmember  
Dustin Gettel  
District 5

## Leadership Team

City Manager .....	Matt Dahl
Assistant City Manager .....	Kyle Maurer
City Attorney .....	Lisa Garner
City Recorder/HR Director .....	Rori Andreason
Public Works Director .....	Glen Kennedy
Community Development Director .....	Nate Rockwood
Administrative Services Director .....	Mariah Hill



# Organizational Chart





# City Manager's Budget Message



## OVERVIEW

The annual budget is a tool that looks to the past, present, and future in order to communicate the values of our city, guide its operations, and allocate resources. The work of preparing the budget is not done in a vacuum, rather it incorporates a year's worth of data, public input, policy maker priorities, regulatory changes, strategic plans, and other factors in an effort to create policies that balance the aspirations of the community with resource and regulatory limitations. It is with this balance in mind that the Midvale City staff approached the preparation of next year's budget.

Over the past two years, Midvale City prepared the annual budget with caution by limiting funding requests and using conservative estimates for revenue growth. This approach, coupled with Midvale's resilient economy, allowed the City to maintain a level of financial stability that not every community was able to achieve. Now as we look to Fiscal Year 2023, there are positive developments, even as Midvale's unique issues and the broader economy pose significant challenges. On the positive side, Midvale has seen consistent revenue growth since the easing of COVID restrictions in 2021. For example, in Fiscal Year 2022, sales tax revenue increased by 19% over the previous year and in Fiscal Year 2023 we anticipate that it will increase by a healthy 12%. While revenue is on the rise, increasing expenses associated with aging infrastructure, employee retention, and increased demand for services have been exacerbated by inflationary price increases. In March 2022, the Consumer Price Index for the Western Region was at a forty year high of 8.7%. As a result of these inflationary pressures everything from basic services to long-term capital projects have become more expensive to provide.

This escalation in prices has also been reflected in increased fees from our partners that provide sanitation, water, sewer, law enforcement, and other basic services. The most impactful of these increases comes from the Unified Police Department, which has estimated that Midvale's service fee will increase by \$1,612,400 (19%). As a backdrop to these issues, Midvale City is also continuing to recover from the "Great Resignation." Midvale, like the rest of the nation, had to adapt to a market with historically low unemployment rates, escalating wages, and general changes in how people work. Nearly 1/3 of Midvale's staff turned over in 2021. As a result, Midvale City is working to train and integrate a large portion of its staff, while trying to manage labor market pressures. It is in this environment of increasing revenue, and faster rising expenses that Midvale City staff has developed the Fiscal Year 2023 Budget.

In an effort to balance the aspirations of the community with the unique challenges of Fiscal Year 2023, we have prepared the budget with the goals of maintaining current service levels, supporting employee retention, planning for long-term capital projects, and adapting to inflationary pressures. Even with these modest goals for the next fiscal year, Midvale City staff has struggled to find the resources to cover the anticipated cost increases in Fiscal Year 2023. Midvale has a tradition of running a lean organization and being fiscally responsible. It is with fiscal responsibility in mind that we have decided to recommend a property tax increase for Fiscal Year 2023. A property tax increase would allow the city to fund the anticipated expenses through on-going revenue and limit the use of one-time funds (e.g., fund balance) for operations, which would exacerbate this year's fiscal challenges, and push them to the future. Additionally, the property tax increase would allow the City to

# City Manager's Budget Message

absorb the increases from our partner organizations, especially the Unified Police Department, while limiting the impact on the General Fund's ability to pay for basic services. I believe that as you review the Fiscal Year 2023 Budget, you will find that great effort has gone into ensuring that Midvale City will continue its legacy as a good steward of the public funds, while also meeting the needs of our residents and businesses.

## FISCAL YEAR 2023 BUDGET

I am presenting for your consideration the Midvale City Corporation budgets for Fiscal Year 2023. These budgets will be filed as required by Utah Code Annotated (UCA) Title 10-6-111. This letter, along with the accompanying budget book, will explain and give detail to the City's budgets along with the financial policies used to develop our revenue and expenditure projections for the coming fiscal year. These budgets were put together by Midvale City management and staff using the best information available for on-going and one-time revenues, as well as Fiscal Year 2022 year-end expenditure projections.

## GENERAL FUND HIGHLIGHTS

As required by law, the General Fund is balanced and as such, meets the basic service level needs of the community. As we go through each department's budget, the staff will provide details on any proposed changes in funding or service levels. In light of the uncertainties going into Fiscal Year 2023 and the goals for the budget, Midvale's Senior staff was asked to exercise restraint in their funding requests, especially if the requests expand programs or service level. There were three exceptions to this approach, including an increase in employee wages, the addition of a full-time prosecutor, and the addition of a full-time park maintenance employee.

Midvale City's greatest resource are our highly trained and dedicated employees. They provide the services that our residents and businesses need. In Fiscal Year 2022, Midvale was hit hard by the "Great Resignation," with a turnover of nearly 1/3 of our staff. Midvale City has taken several steps to work to improve employee retention, and with inflation at 8.7%, the budget includes a proposal for an 8% cost of living increase (COLA) and a 1% merit increase for all employees. The cost of the COLA and merit increase is \$650,386. The Budget also includes wage adjustments for fourteen employees to ensure that Midvale City remains competitive in the market. These market adjustments will cost \$45,328.

The budget includes a \$133,464 proposal for a full-time prosecutor. Midvale's legal department is currently comprised of two attorneys and a paralegal. The two attorneys, the City Attorney and Deputy City Attorney, split their time between civil work (transactions, policy review, legal review, etc.) and prosecution in the Justice Court. The new position would focus on prosecution and allow the current staff to spend more time on civil work. As the City has implemented new procurement rules and expanded our contractual relationships with private and public service providers, the amount of civil work has dramatically increased. This has made the need for an additional attorney critical to the operation of the city.

In Fiscal Year 2023, Midvale City will take over maintenance at two new parks, the Fire Station #125 Park and Jordan Bluffs Park. In order to maintain these new parks without reducing service levels at current parks, Midvale is proposing to expand the parks staff by one new full-time park maintenance employee, as well purchasing a vehicle and the supplies needed to support the position. The cost of the employee, vehicle, and supplies is \$70,984. The new

# City Manager's Budget Message

new parks are not anticipated to be completed until later in the year, so the budget only reflects funding the position for half of Fiscal Year 2023.

In addition to the funding requests from Midvale City staff, the largest increase was made by the Unified Police Department (UPD), of which Midvale City is a member entity. The annual fee Midvale City pays as a member of UPD covers the cost of operating the Midvale police precinct, as well as a portion of UPD's shared services (e.g., SWAT, VCU, Mental Health Unit, Etc.). The cost of the shared services is spread among the UPD member communities through a contractual formula. For Fiscal Year 2023, UPD's Final Budget request is for a \$1,612,400 (19%) increase; this would make the annual member assessment \$11,775,005. This budget includes a \$1,179,033 increase, as we are recommending using \$433,367 of UPD precinct fund balance for one-time costs. This makes our budgeted annual member assessment \$11,341,638. This increase follows a significant mid-year assessment increase for officer wages. Law enforcement is the largest expense in the General Fund; the size of the assessment increases that Midvale has absorbed in Fiscal Year 2022 and that are proposed for Fiscal Year 2023 has impacted Midvale's ability to expand service levels in other parts of the organization.

In addition to the funding requests, the other significant general fund adjustment that we are proposing will impact revenue. We are proposing an 8% property tax increase. This increase would result in approximately a \$15 annual increase in property taxes for an average home in Midvale. A property tax increase would allow the city to fund the anticipated expenses through on-going revenue and limit the use of one-time funds (e.g., fund balance) for operations, which would exacerbate this year's fiscal challenges and push them to the future. Additionally, the property tax increase would allow the City to absorb the in-

creases from our service-providing partners, especially the Unified Police Department, while limiting the impact on the General Fund's ability to pay for basic services.

## **WATER FUND**

Midvale City is committed to the highest level of service for the distribution of clean and safe water to our 36,000 residents. In addition to the basic services provided by the Water Department, Midvale City is in the early stages of implementing the 2021 Water Master Plan. The 2021 Water Master Plan proposed a multi-year program of water system upgrades and expansion, as well as an increase in annual maintenance. The implementation of these projects will be the focus of the Water Department in Fiscal Year 2023. In addition to the cost of implementing the master plan, the Water Fund will also cover an additional \$120,000 in water usage fees from Jordan Valley Water Conservation District and the \$50,000 purchase of a flat-bed truck by the Water Department that will support the expansion in maintenance of the water system.

## **SEWER FUND**

In Fiscal Year 2022, Midvale City conducted a fee study to determine how to fund the operations and projects required to maintain the service level provided by the Sewer Fund. Following the completion of the study, Midvale City approved a new fee structure to support progress in completing the requisite projects. With the new resources provided by the rate increase, staff has requested new equipment to support the increase in maintenance activities undertaken by the Sewer Department. This includes the purchase of new manholes, a trash pump, a TV transporter (for video of the inside of sewer pipes), and a software upgrade. In addition to these purchases, funds are also being requested for general sewer line



# City Manager's Budget Message

replacement and maintenance. The largest request this year in the Sewer Fund comes from South Valley Water Reclamation (SVWR), of which Midvale is a member. A portion of the wastewater generated by Midvale residents and businesses are processed and discharged by SVWRF. As a member, Midvale City has responsibility for a portion of the capital expenses for maintaining and expanding SVWR facilities. This year Midvale City received a schedule of capital projects, which included the timing for when funding for the projects will need to be provided. In anticipation of the expenses, Midvale is proposing to allocate \$246,518 to meet our funding requirements.

## **STORM WATER UTILITY FUND**

Midvale's storm water system is antiquated and in need of significant repairs. Maintaining the system in its current condition is inefficient and labor intensive. During Fiscal Year 2023, the Storm Water Fund will undergo a master plan and fee rate analysis with the goal of creating a strategy for upgrading the system and ensuring compliance with all state and federal regulations. No new major expenditures are proposed for Fiscal Year 2023, with the focus of staff being to provide a basic service level and completing the master plan.

## **STREET LIGHT UTILITY FUND**

The Street Light Utility Fund collects street light user fees, which are used to pay debt service on the Series 2013 Bond and street lighting expenses, such as electricity and maintenance. The bonds will be paid off in Fiscal Year 2024. The proposed budget's only expansion is \$10,000 for street light repairs. The proposed repairs will address accidental damage and vandalism to the street light infrastructure, as well as issues that arise as the system ages.

## **SANITATION FUND**

The Sanitation Fund is anticipated to face significant cost increases related to fee increases from Midvale City's sanitation services providers. ACE Disposal's fee to Midvale City is tied to the December 2021 Western Consumer Price Index (CPI), which had a 7.1% increase. This will result in an increase of \$63,840 for waste disposal services. Additionally, the TransJordan Landfill is anticipated to increase their per ton tipping fee by \$2.00 per ton, which is a 10% increase. These contractual fee increases, coupled with other smaller operational increases, would result in a \$96,000 shortfall in the Sanitation fund without a commiserate increase in revenue. During the budget retreat, the City Council recommended that staff use a funding plan that incorporates a combination of fund balance and a per-can fee increase of 3.5%. To fully fund the shortfall would require a 7% per-can fee increase. By using one-time funds to cover a portion of this year's increase in expenses rather than an on-going fee, like the can fees, will require future rate increases to cover the difference.

## **TELECOMMUNICATION FUND**

This fund was established to cover the UTOPIA/UIA costs and is basically a "pass-through" where funding is transferred from the General Fund to cover debt pledge payments. UIA will fulfill its repayment of the City's advance for operations in Fiscal Year 2022. This repayment has allowed the City to maintain a steady level of General Fund subsidies as the UTOPIA debt service pledge increases 2% per year. UIA has proposed to not only continue distributing these funds, but also to increase Midvale's distribution in Fiscal Year 2023 by \$138,100, which will cover the interest increase and a portion of debt pledge principal, which will free up additional funding for other projects and programs in the General Fund.

# City Manager's Budget Message

## INTERNAL SERVICE FUNDS

The City operates a Fleet Fund, where operations and replacement costs are assessed to all City departments that use vehicles. Through this framework, operating funds are available in the Fleet Fund that eliminate the need to lease vehicles or borrow to purchase vehicles, which smooth annual operating budgets. In Fiscal Year 2021, as a result of the COVID-19 pandemic, staff moved the fleet contribution from on-going funding to one-time funding. In an effort to minimize our needed property tax increase, the City has kept these charges as one-time this fiscal year. Additionally, the City proposes to replace 11 of its vehicles and two pieces of equipment.

The City also has an Information Technology Internal Service Fund. Departments contribute annually for maintenance of computers and for the replacement of hardware at the end of its useful life. The Information Technology Internal Service Fund also covers the cost of cyber security and the maintenance of the core technology infrastructure of the city. In addressing its basic service of supporting the replacement of hardware and software, the Information Technology Internal Service fund is requesting \$64,900 and \$54,022 respectively.

## CAPITAL IMPROVEMENT PROJECT FUND (CIP)

The following projects are recommended for this year's Capital Improvement Program:

Salt Dome Skin	\$46,000
Salter Hangers	\$12,000
Facility Maintenance Funds	\$94,600
Public Works Building Feasibility Study	\$75,000

City Hall Holiday Lighting	\$25,000
Recreation Center Study and Seed Money	\$200,000
Wi-Fi Improvements at Arts Building	\$15,000
Four Post Vehicle Lift	\$15,000
Cemetery Improvement Funds	\$90,000
Community Garden	\$50,000
Park Enhancements	\$250,000
City-Wide Mural Program	\$20,000
Fort Union Corridor Study	\$115,000
Main Street Infrastructure	\$100,000
City-Wide Software Initiative	\$200,000
1 Ton Truck Salter	\$9,000
Server/Switch Replacement	\$42,000
Pavement Management	\$800,000
Sidewalk, Curb, Gutter Replacement	\$200,000
HB244 Regionally Significant Transportation Project	\$500,000
<b>TOTAL</b>	<b>\$2,838,600</b>

# City Manager's Budget Message

## MUNICIPAL BUILDING AUTHORITY (MBA)

The City's Municipal Building Authority (MBA) issued bonds in 2012 to build the new City Hall and Justice Court, and fund the city-wide street lighting project, along with park improvements. The main function of the MBA is to collect rent payments from the General Fund and Street Lighting Fund to service the debt.

In addition, the MBA owns the Midvale Boys and Girls Club and the Head Start buildings, and collects rent revenue of \$94,300 per year, which helps to offset the cost of debt service. The total budget for the MBA this year is \$681,269, an increase of \$2,263.

## DEBT SERVICE FUND

The Debt Service Fund was created in Fiscal Year 2022. This fund is used to account for the debt service payments of all City debt, excluding Enterprise Fund debt. These debt service payments were previously accounted for in the General Fund. During Fiscal Year 2021, the City issued a State Infrastructure Bank (SIB) loan for the CHG parking structure project. Loan payments received from the developer will be used to make debt service payments to the State of Utah. In fiscal year 2022, the City Issued a SIB loan for a parking structure at the new Zions Bank building in the Jordan Bluffs Project Area. Loan payments will be paid by tax increments generated by the Zions Bank development.

## RECOMMENDED FISCAL YEAR 2023 FINAL BUDGETS

General Fund	\$25,461,134
Debt Service Fund	\$1,852,424
Capital Projects Fund	\$2,592,600
Water Fund	\$11,714,083
Sewer Fund	\$3,578,977

Storm Water Fund	\$2,203,911
Street Lighting Fund	\$420,563
Sanitation Fund	\$1,401,164
Telecommunications Fund	\$964,664
<b>TOTAL</b>	<b>\$50,189,520</b>

## PUBLIC HEARING

An initial public hearing was held on May 3, 2022 at 7:00pm. An additional public hearing will be held on June 7, 2022 at 7:00pm. I appreciate the thoughtful considerations you have shown throughout the process that have contributed to the development of the budget. Through your leadership and the hard work of our staff, I know this next year will be great for our community. Myself and Administrative Service Director are available to discuss any concerns or input you may have.

Thank you for your support.

Sincerely,



Matt Dahl  
City Manager

# Budget and Financial Overview



# Changes Since Tentative Budget

Midvale City				
Changes Since Tentative Budget Included in Approved Budget (Excluding RDA)				
General Ledger Account Description	FY23		FY23	Description
	Tentative Budget	Proposed Change	Approved Budget	
General Fund				
Revenues				
Property Tax	\$ 2,936,964	\$ (30,625)	\$ 2,906,339	Decrease in needed property tax increase
Use of Fund Balance	\$ -	\$ 1,570,427	\$ 1,570,427	funds for one-time expenditures
TOTAL RECOMMENDED REVENUE BUDGET				
ADJUSTMENTS - GENERAL FUND	\$ 2,936,964	\$ 1,539,802	\$ 4,476,766	
Expenditures				
Unified Policy Department Contract	\$ 11,180,547	\$ 161,091	\$ 11,341,638	Adopted tentative UPD budget
Court	\$ 1,058,834	\$ 15,805	\$ 1,074,639	Market adjustments for Judicial Assistants
Building Inspections	\$ 289,432	\$ 55,115	\$ 344,547	Addition of in-house Building Official
Bank Charges - Non-Departmental	\$ 20,075	\$ (4,395)	\$ 15,680	Moving to better reflect actuals
Bank Charges - Court	\$ 10,605	\$ 4,395	\$ 15,000	Moving to better reflect actuals
Transfers				
Transfer to Capital Projects	\$ 1,037,600	\$ (50,000)	\$ 987,600	Decrease in park funding due to one-time funding being used to cover fleet replacement costs
Transfer to Telecomm Fund	\$ 843,466	\$ (140,982)	\$ 702,484	Decrease in UTOPIA pledge needed from the General Fund
Fleet Operating Cost Increase (Gasoline)	\$ 62,400	\$ 22,600	\$ 85,000	Increase across departments due to the current price of gasoline
TOTAL RECOMMENDED EXPENDITURE BUDGET ADJUSTMENTS - GENERAL FUND	\$ 14,502,959	\$ 63,629	\$ 14,566,588	
Debt Service Fund				
Expenditures				
Debt Service Principal	\$ 777,000	\$ 303,382	\$ 1,080,382	Addition of Zions SIB Loan Payments
Debt Service Interest	\$ 245,331	\$ 145,750	\$ 391,081	Addition of Zions SIB Loan Payments
TOTAL RECOMMENDED EXPENDITURES BUDGET ADJUSTMENTS - DEBT SERVICE FUND	\$ 1,022,331	\$ 449,132	\$ 1,471,463	
Capital Projects Fund				
Revenues				
Transfer from GF	\$ 1,037,600	\$ (50,000)	\$ 987,600	Decrease in park funding due to one-time funding being used to cover fleet replacement costs
TOTAL RECOMMENDED REVENUE BUDGET ADJUSTMENTS - CAPITAL PROJECTS FUND	\$ 1,037,600	\$ (50,000)	\$ 987,600	
Midvale City Park Improvements	\$ 300,000	\$ (50,000)	\$ 250,000	Decrease in park funding due to one-time funding being used to cover fleet replacement costs
BUDGET ADJUSTMENTS - CAPITAL PROJECTS FUND	\$ 300,000	\$ (50,000)	\$ 250,000	
Water Fund				
Expenses				
Postage	\$ 15,450	\$ 14,550	\$ 30,000	Increase to match FY22 actual cost of postage
TOTAL RECOMMENDED EXPENSE BUDGET ADJUSTMENTS - WATER FUND	\$ 15,450	\$ 14,550	\$ 30,000	
Sewer Fund				
Expenses				
Postage	\$ 7,210	\$ 6,790	\$ 14,000	Increase to match FY22 actual cost of postage
TOTAL RECOMMENDED EXPENSES BUDGET ADJUSTMENTS - SEWER FUND	\$ 7,210	\$ 6,790	\$ 14,000	
Fleet Fund				
Expenditures				
Gasoline	\$ 62,400	\$ 22,600	\$ 85,000	Increase due to the current price of gasoline
TOTAL RECOMMENDED EXPENDITURE BUDGET ADJUSTMENTS - FLEET FUND	\$ 62,400	\$ 22,600	\$ 85,000	



# Budget Process

## OVERVIEW

Midvale City's budget process complies with the Utah Fiscal Procedures Act. The City seeks to maintain budgetary control by monitoring monthly revenues and expenditures, and by holding each department responsible for costs incurred within budgeted limits. Financial information and reports are provided to the City Manager, department heads, department directors, department managers, and other City staff to assist them in monitoring expenditures and keeping expenditures within approved limits. In addition, the City Council is provided a monthly budget versus actual report. Transactions are uploaded to the state of Utah's transparency website quarterly as prescribed by state law. The fiscal year 2022-2023 budget was developed in compliance with state law and will be approved by the City Council after a public hearing is held. The adopted fiscal year 2022-2023 budget for each division, department, and fund includes actual expenditures for the past two years, the current year's anticipated revenues and expenditures, and the adopted budget for the upcoming fiscal year. The Fiscal Year 2022-2023 Final Budget was created after thoroughly reviewing policy issues related to the budget and proposals to assist the City in achieving program objectives for the upcoming year. The budget process is intended to provide an opportunity for public participation and full disclosure to the residents of Midvale City as to the intent of the City Council in funding the City's various programs and services.

## BASIS OF BUDGETING

The City's proprietary funds (enterprise and internal service) are budgeted on a modified accrual basis, but reported in the City's Comprehensive Annual Financial Report (or basic financial statements) on a full accrual basis. On a modified accrual basis, revenues are recognized when susceptible to accrual

(measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay the liabilities for the current period. In a full accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The City's internal monthly reporting for these funds is done on a modified accrual basis, with year-end adjustments to present statements on a full accrual basis for the CAFR (or basic financial statements). The major year-end adjustments include: Capitalizing fixed assets purchased during the year, reversing principal debt payments, recording depreciation, and recording developer contributions (donated infrastructure).

Fund Type	Accounting Basis	Budgeting Basis
General Fund	Modified Accrual	Modified Accrual
Special Revenue Funds	Modified Accrual	Modified Accrual
Capital Project Fund	Modified Accrual	Modified Accrual
Proprietary Funds	Full Accrual	Modified Accrual

## BUDGET AMENDMENTS

Budget amendments are made only with the approval of the City Council upon recommendation by the Budget Officer (City Manager). Financial controls are intended to be a resource for effective financial management, rather than a barrier to achieving results that are consistent with the City's overall mission. At the same time, the City must comply with the Utah Fiscal Procedures Act and may not expend monies