

SUBJECT: Adoption of the FY 2026 City of Moab Tentative Operating Budget  
DATE OF MEETING: **May 13, 2025**  
INITIATED BY: **City Manager's Office (Admin)**  
Michael A. Black, AICP, City Manager

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**SUBJECT:**

Each year the City Council approves an operating budget for the upcoming fiscal year in accordance with Utah Code 10-6-111. Staff has prepared a balanced budget for the Council to review and approve as the tentative budget on May 13, 2025. The tentative budget is a lean budget with modest increases in both revenues and expenditures. Below is a very brief narrative of some of the high points in the budget.

At the May 13<sup>th</sup> meeting, the Council must also designate a date and time for the final budget approval and public hearing. The date for the final budget approval is June 10, 2025 at the City Council Chambers at 6:00 PM.

**RECOMMENDATION / ALTERNATIVES:**

The City Council must approve a tentative budget by the first scheduled City Council meeting in May. The budget being presented is draft and can be amended by the City Council by motion in the meeting, or may be approved tentatively and any changes may be made prior to the adoption of the final budget in June.

**BACKGROUND / ANALYSIS:**

This year's budget includes several minor adjustments to the City's organizational structure. These changes are primarily aimed at streamlining the reporting process and presenting revenues and expenditures in a way that aligns better with past reporting requests.

**Key Changes to Budget Organization:**

1. **RAP Tax Fund:** RAP tax revenues and expenditures are now shown in a separate fund to improve transparency and reporting of those specific uses.
2. **Vehicle Fund:** A new fund has been created to consolidate capital expenses for City vehicles. In the past, these purchases were split between departmental operational budgets and the Capital Improvement Plan.
3. **Parks Maintenance:** This function has been moved from the Recreation Fund to the General Fund. While this results in higher General Fund expenses, it does not reflect an overall increase in spending—it is simply a shift between funds.

## Revenue

The guiding principle for this year's budget is maintaining a flat revenue and spending profile. Revenues are projected to grow modestly estimated at 1.0% as seen in the chart below.

TAX REVENUE							
TAX SOURCES	FUND	2023 Year End Actual	2024 Year End Actual	2025 YTD Actual	2025 Budget	2025 Projected	ADMIN RECOMMENDED BUDGET 2026
SALES & USE TAXES	General Fund	\$ 3,085,764.06	\$ 3,156,912.18	\$ 2,047,227.00	\$ 3,039,000.00	\$ 3,210,595.86	\$ 3,230,050.42
FRANCHISE TAXES	General Fund	\$ 151,244.49	\$ 151,315.77	\$ 94,082.94	\$ 134,000.00	\$ 134,000.00	\$ 154,342.09
HIGHWAY TAXES	Roads Fund/CIP	\$ 1,260,734.39	\$ 1,258,938.15	\$ 795,745.71	\$ 1,236,000.00	\$ 1,236,000.00	\$ 1,284,116.91
TRANSIENT ROOM TAXES	General Fund	\$ 1,811,738.90	\$ 1,901,635.18	\$ 1,135,153.99	\$ 1,957,000.00	\$ 1,957,000.00	\$ 1,949,667.88
RESORT COMMUNITY TAXES	General Fund	\$ 6,373,247.86	\$ 6,601,590.64	\$ 4,150,086.87	\$ 6,386,000.00	\$ 6,386,000.00	\$ 6,733,622.45
ENERGY TAXES	General Fund	\$ 192,846.38	\$ 222,356.96	\$ 197,175.89	\$ 186,000.00	\$ 186,000.00	\$ 236,804.10
RAP TAXES	PRT/Grants	\$ 412,360.52	\$ 419,190.14	\$ 265,116.77	\$ 412,000.00	\$ 412,000.00	\$ -
PROPERTY TAXES	CIP	\$ -	\$ -	\$ 3,411,534.76	\$ 3,300,000.00	\$ 3,500,000.00	\$ 3,602,165.46
<b>Total Taxes</b>		<b>\$ 13,287,936.60</b>	<b>\$ 13,711,939.02</b>	<b>\$ 12,096,123.93</b>	<b>\$ 16,650,000.00</b>	<b>\$ 17,021,595.86</b>	<b>\$ 17,190,769.31</b>

## Expenditures

Staff will go over expenditures in more detail in the meeting. The increase to the General Fund year over year is nearly flat considering the increase for transferring Park Operations and maintenance to the General Fund.

You can see in the chart below that overall, the budget has decreased from 2025 to 2026 mainly because of fewer planned expenditures in CIP in 2026.<sup>1</sup>

	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2025 Ammended Budget	2026 Admin Recommend
Total GF Expenditures:	13,414,911	17,835,539	19,360,253	12,502,693	22,015,795	22,297,982
Total Roads Expenditures:	203,017	138,492	469,629	1,295,881	1,641,500	750,000
Total Parks & Recreation	1,303,484	1,715,049	1,708,069	2,740,219	3,493,010	2,229,869
Total Housing Expenditures:	6,844,993	608,174	550,916	161,257	450,000	341,000
Total Debt Service Expenditures:	7,120,782	483,098	522,023	805,270	809,097	827,727
Total CIP Expenditures:	1,235,748	4,644,925	6,242,498	10,489,074	16,808,807	9,540,000
Total Operating expense (water)	1,620,716	1,703,241	1,465,414	1,059,980	1,443,795	1,551,575
Total Operating expense (sewer)	1,781,726	2,257,090	1,955,587	1,549,757	2,103,517	2,121,686
Total Operating expense (storm water)	114,074	223,936	158,775	45,000	145,000	197,700
Total Expenditures (Transit)	17,331	416,825	749,707	629,047	760,930	724,500
Total Expenditures (Vehicles)	-	-	-	-	-	456,000
<b>Total Expenditures</b>	<b>33,656,781.68</b>	<b>30,026,368.04</b>	<b>33,182,870.92</b>	<b>31,278,177.79</b>	<b>49,671,451.00</b>	<b>41,038,038.91</b>

## Personnel

Detailed personnel figures are available in the attached Admin Recommended Budget and the "Salary and Benefits" document. A summary of key points is provided below:

1. Full-Time Equivalents (FTEs)
  - Total: 133.25 FTEs, broken down as follows:
    - General Fund
      - Administration: 7.25
      - Community Development: 15.0

<sup>1</sup> 2025 was an especially high year for CIP due to Kane Creek reconstruction and Downtown Dispersed Parking. Although 2026 is down from 2025 in CIP expenditures, 2026 will be a big year for projects in Moab.

- Public Safety: 28.75
- Public Works: 18.0
- Parks & Recreation: 51.25
- Water Fund: 5.0
- Sewer Fund: 6.0
- 2. Salaries and Benefits
  - Salaries increased by 5.42% (\$509,533 citywide)
  - Benefits increased by 5.38% (\$269,834 citywide)
- 3. New Position

One new FTE is being added in Streets/Storm Water. This position is fully funded for the next five years through the CWDG grant.

**CONCLUSION:.**

Staff will provide additional detail during the City Council meeting. The attached materials support a lean budget across all funds, with an emphasis on maintaining current service levels. Particular focus is being placed on the Capital Improvement Plan, which the City Council reviewed in a previous meeting. Staff will use this plan to advance the Council's strategic initiatives.

Staff respectfully requests that the Council review the proposed budget and approve the Tentative Budget at the May 13, 2025, City Council meeting.

**RECOMMENDED MOTION:**

*I move to approve Resolution 04-2025 – FY 2025-2026 Tentative Budget for the City of Moab as presented by staff and set the public hearing date for the final budget approval, which will be June 10, 2025 at the regularly scheduled City Council meeting.*

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**CONFORMANCE WITH THE GOALS AND OBJECTIVES OF THE CITY OF MOAB STRATEGIC PLAN:**

The proposed budget is consistent with the Goals and Objectives of the Strategic Plan by planning to “Achieve Practical, Accountable, and Responsive Governance.”

**CONFORMANCE WITH ADOPTED PLANS:**

N/A

**DEPARTMENT WITH PRIMARY RESPONSIBILITY:**

City Manager's Office / Administrative Department

**FISCAL IMPACT:**

The budget sets fiscal priorities for the fiscal year.