

# INTERIM BUDGET

FISCAL YEAR 2027



**HERRIMAN CITY FIRE SERVICE AREA**



# Herriman City Fire Service Area

## Interim Budget

### FUND DESCRIPTION

The Herriman City Fire Service Area (HCFSA) was created on January 1, 2022, with its first tax rate levied for calendar year 2022. Similar to the Herriman City Safety Enforcement Area, the HCFSA is a taxing district created as a funding mechanism to provide fire protection services to the City. The Fire Service Area contracts with Unified Fire Authority (UFA) to provide fire services to the City. The HCFSA Board is comprised of City of Herriman Councilmembers.

	FY2025 (Actual)	FY2026 Estimated	FY2027 CM Recommended	% Difference- FY2027 to FY2026
<b>Revenue</b>				
<b>HCFSA</b>				
Property Tax	8,030,689	9,073,990	9,183,480	3%
Property Tax-Proposed Tax Increase (Restricted)	-	-	205,560	100%
Miscellaneous	430,829	354,480	187,900	-47%
Use of Fund Balance	-	4,296,380	-	-100%
<b>Revenue Total</b>	<b>8,461,518</b>	<b>13,724,850</b>	<b>9,576,940</b>	<b>-30%</b>
<b>Expenditures</b>				
<b>HCFSA</b>				
Operating	5,995,539	6,363,010	5,980,706	-6%
Contribution to Fund Balance	-	-	3,505,074	0%
Transfers Out	-	7,361,840	91,160	-99%
<b>Expenditures Total</b>	<b>5,995,539</b>	<b>13,724,850</b>	<b>9,576,940</b>	<b>-30%</b>

#### Significant Budgetary Changes

- The fiscal year 2027 proposed tax revenue assumes a tax rate increase is adopted. The amount of the increase is \$205,560, which is the amount the City's Unified Fire Authority (UFA) assessment is expected to increase for fiscal year 2027.
- The "Operating" line item includes a \$50,000 ongoing request for contracted services related to fire mitigation.
- The 2027 and 2028 Transfers Out are for the Commander position in the Police department (25%).

#### Fund Balance Available (Unrestricted)

	FY2024 (ACFR)	FY2025 (Audited)	FY2026 (Budget)	FY2027 (Budget)	FY2028 (Budget)
Beginning Balance	\$ 3,320,407	\$ 6,586,519	\$ 9,052,498	\$ 3,756,118	\$ 7,261,192
Addition (Use of)	3,266,112	2,465,979	(5,296,380)	3,505,074	3,515,910
<b>Ending Balance</b>	<b>\$ 6,586,519</b>	<b>\$ 9,052,498</b>	<b>\$ 3,756,118</b>	<b>\$ 7,261,192</b>	<b>\$ 10,777,102</b>

# Property Tax Impact Schedule

**Proposed Property Tax Impact Schedule  
Herriman City Fire Service Area**

The Herriman City Fire Service Area (HCFSAs) will consider an increase in its property tax rate from 0.001334 to 0.001364 to generate an additional \$205,560. The following information is intended to provide decision makers and the public with an explanation of how the Service Area's operations would be affected if the proposed property tax increase is adopted.

Herriman City Fire Service Area's Current Property Tax Rate	0.001334
Herriman City Fire Service Area's Current Property Tax Revenue (2025 Tax Year)	\$9,001,186
Proposed Revenue With Tax Change	\$9,206,746
<b>New Property Tax Revenue to the Herriman City Fire Service Area</b>	<b>\$ 205,560</b>

Estimated Increase to the Herriman City Fire Service Area's Property Tax Revenue	2.3%
Estimated yearly increase to a primary residence of \$640,000	\$10.56
Estimated yearly increase to a business valued at \$640,000	\$19.20

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# Property Tax Impact Schedule

## Proposed Property Tax Impact Schedule (Continued) Herriman City Fire Service Area

**Affected Department:** Herriman City Fire Service Area Fund

**Proposed Budget:** \$9,206,746

**Budget Without Tax Change:** \$9,001,186

**Budget Change:** \$205,560

**Impact of Tax Increase:** The Herriman City Fire Service Area contracts with the Unified Fire Authority for fire protection service. The contract fee for fiscal year 2027 will be \$5,890,706, an increase of \$205,556. The proposed increase will be used to cover the contract increase from Unified Fire Authority. The difference between the contract fee and property taxes collected will be used for needed future fire stations.

If the proposed tax increase is not approved, the Herriman City Fire Service Area will need to bond for future fire stations, which will require larger tax increases in the future. In addition, future tax increases will be needed for staff and operating expenditures for the future stations.