

**Mayor Ben McAdams**

**2016 Proposed June Budget**

**June 7, 2016**

## Mayor McAdams June Budget Presentation

- Doug MacDonald – Economic Overview
- Rod Kitchens – Revenue Update
- Darrin Casper – Proposed Budget Adjustments

Doug MacDonald

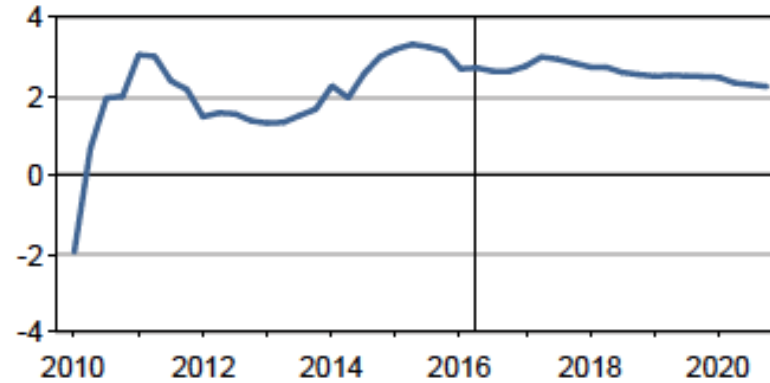
# **ECONOMIC OVERVIEW**



# June 2016 Economic Forecast Update

## Consumer spending growth hovers around 3%

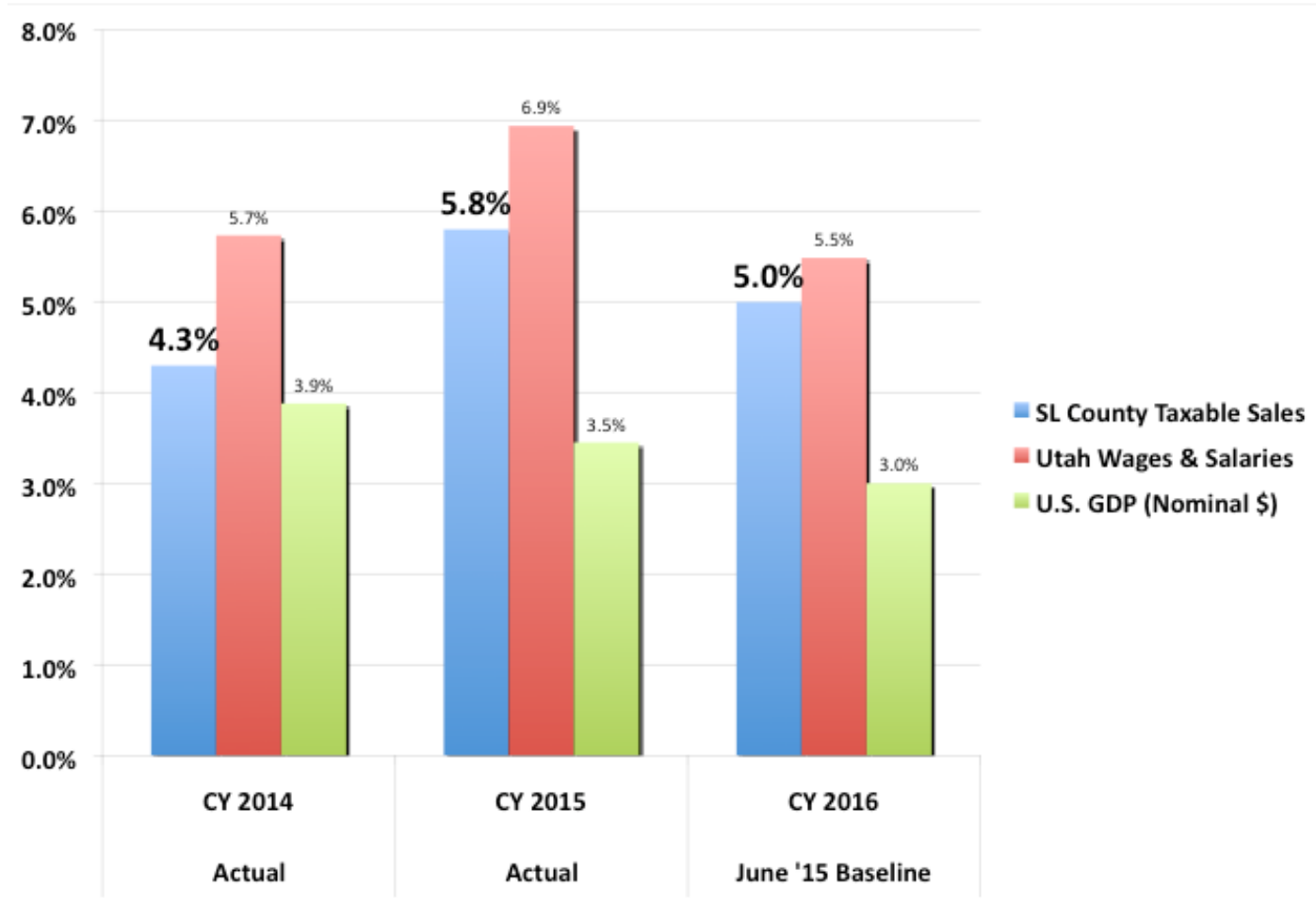
(Real spending, percent change from a year earlier)







# Taxable Sales Softened As We Moved Into 2016



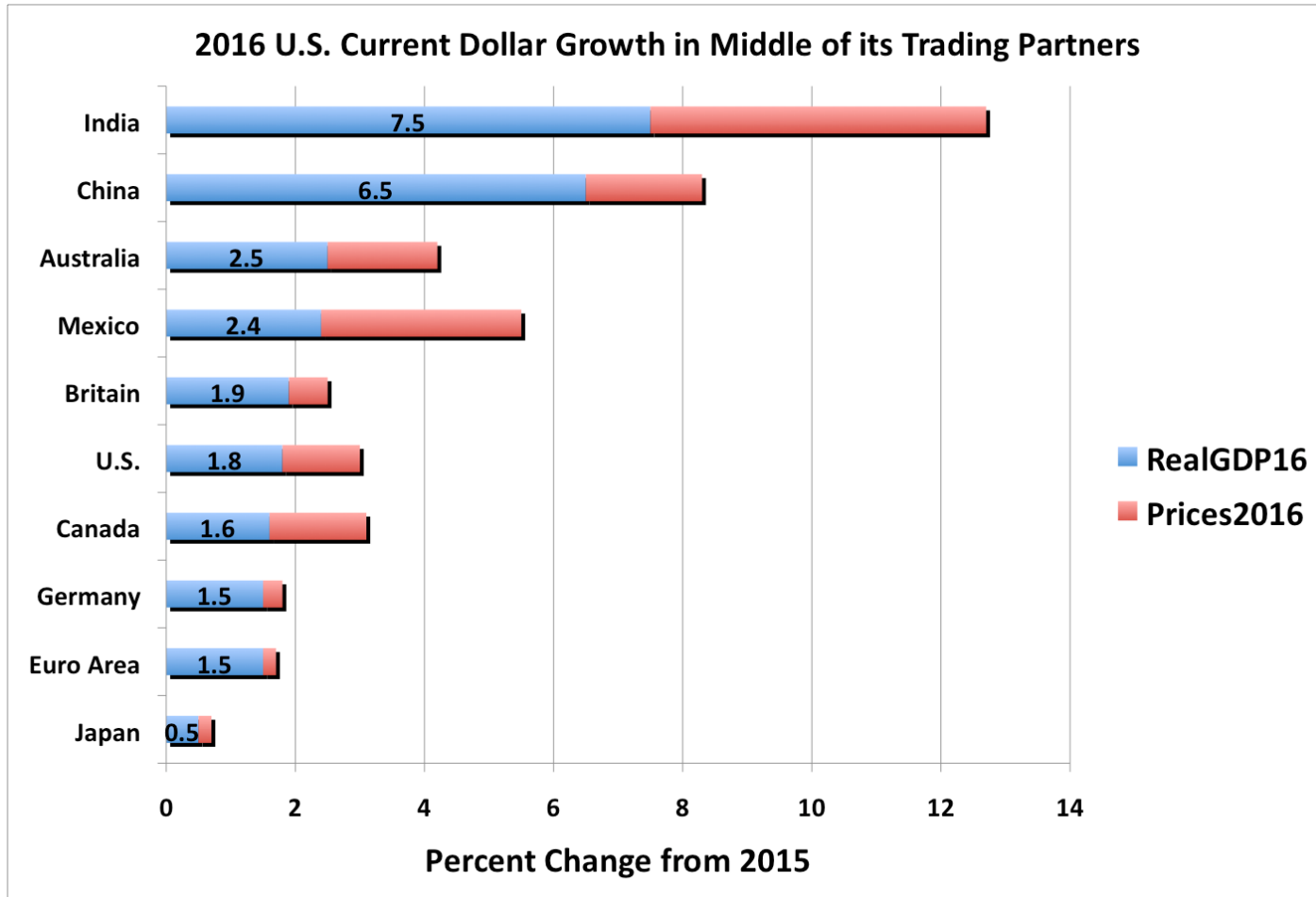


# The World





# U.S. Growth in the Center of its Trading Partners





# The Nation



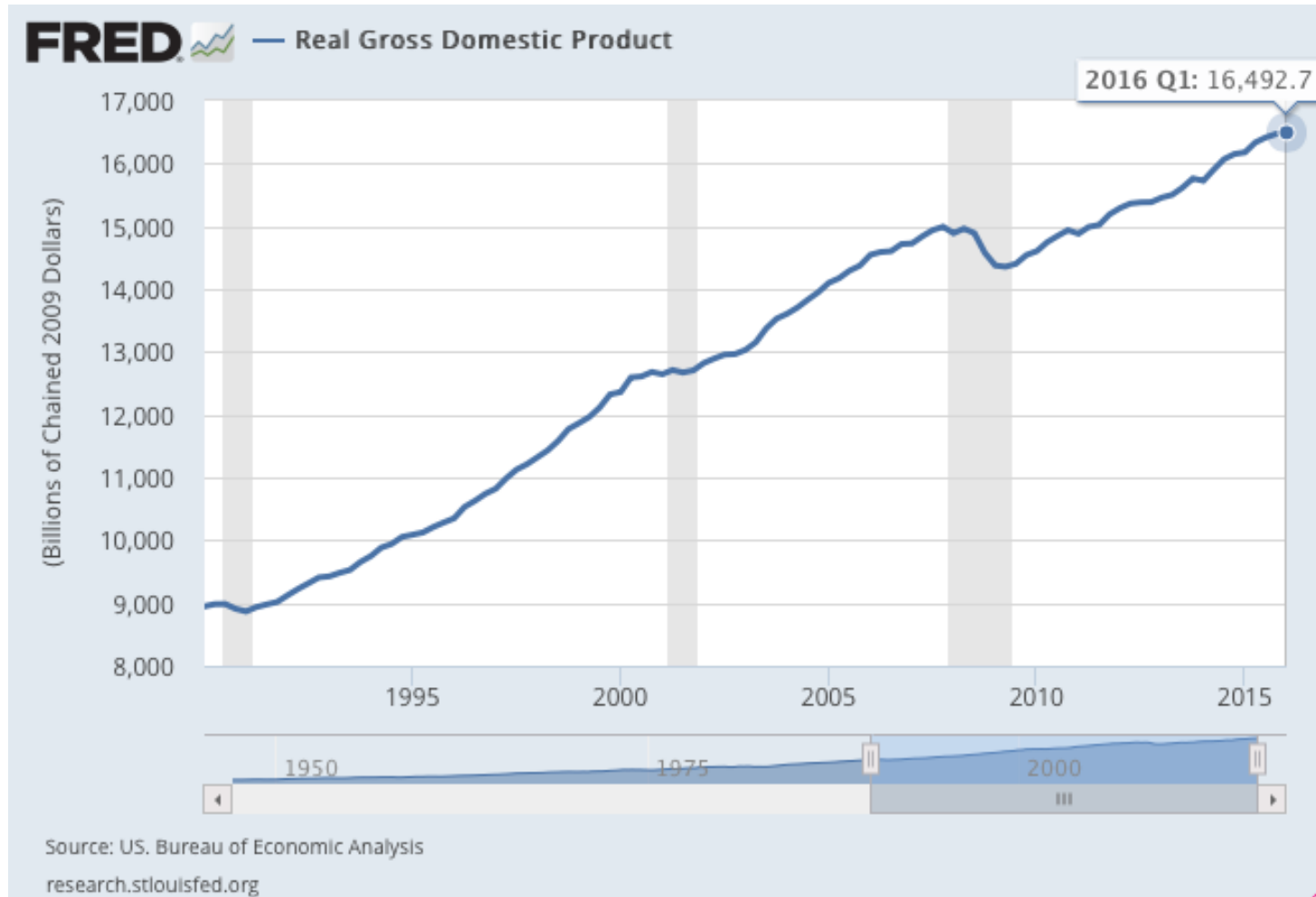


## 2016 U.S. growth slows to 1.7% from 2.7%

- The U.S. is **still** doing better than most -- **principle driver of growth is domestic demand**
- Prospects for consumer spending (domestic demand, roughly 70% of GDP) **still look bright**, thanks to **solid jobs and income growth, lower energy prices, low interest rates, and wage gains outpacing inflation**
- **Capital spending will be flat in 2016** – increases in information processing & industrial equipment **offset by lower spending on commercial structures, transportation and mining equipment**



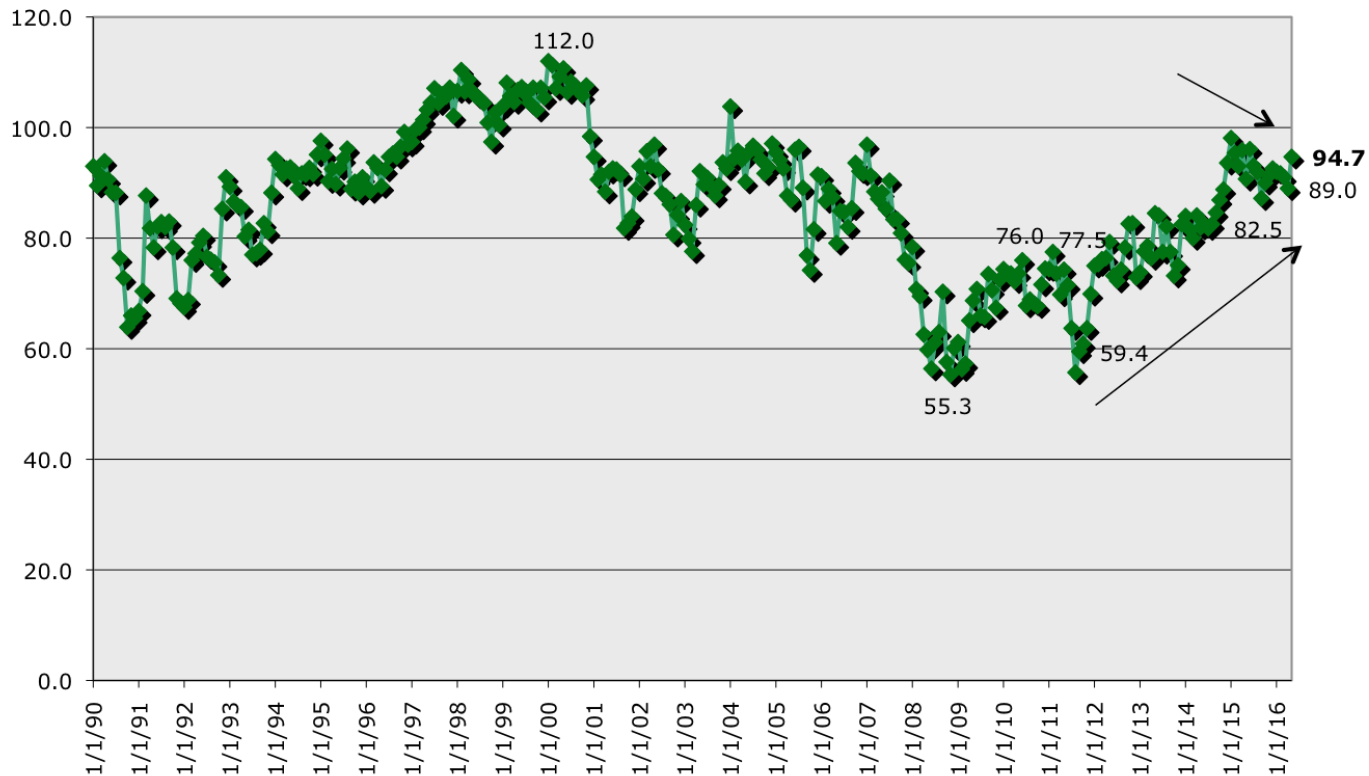
# 2016 U.S. growth slows to 1.7% from 2.7%





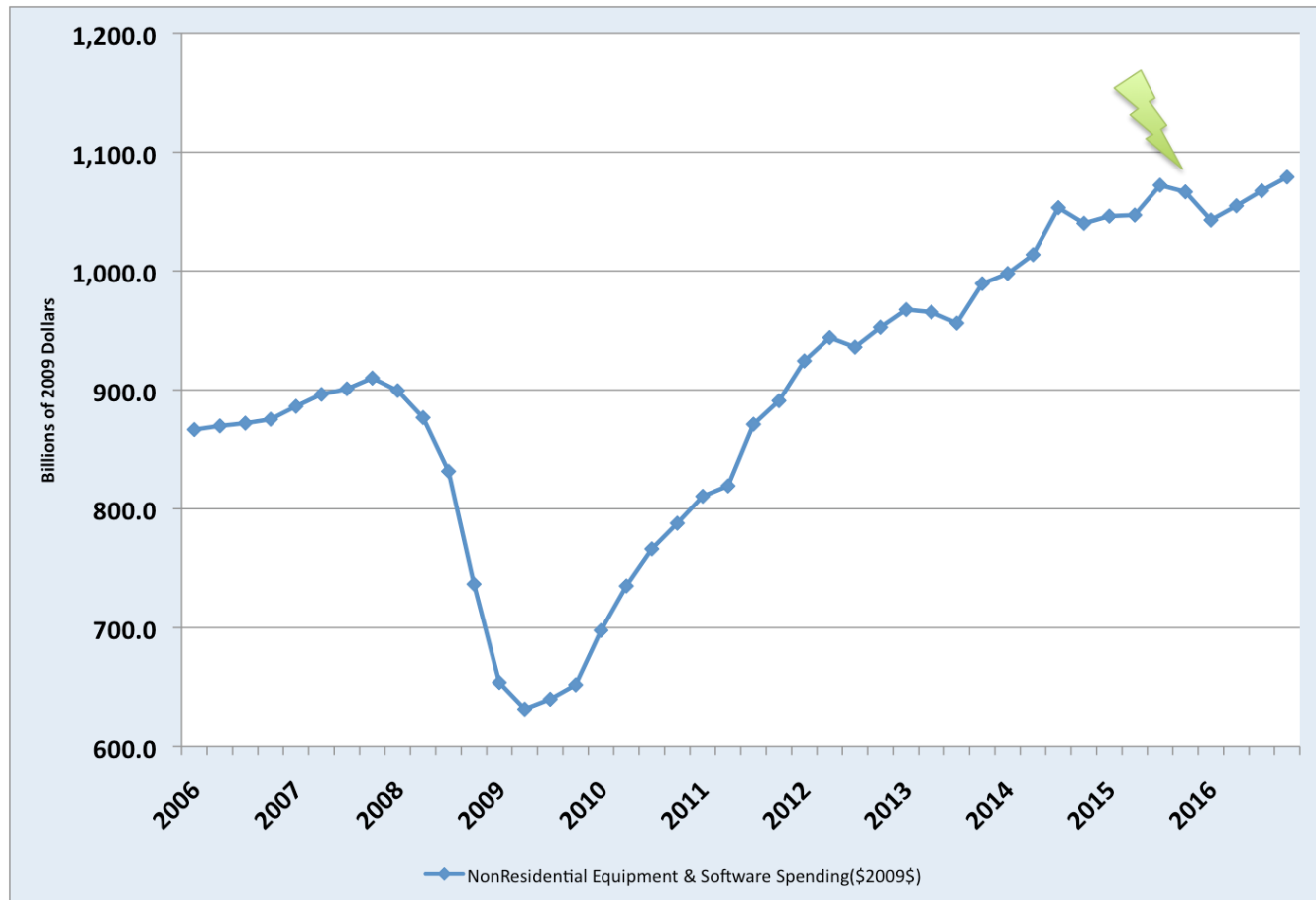
# Consumer Sentiment Improved in May

**U.S. Consumer Sentiment Index**





# U.S. Business Equipment & Software Goes Negative in Last Two Quarters







# The County Economy





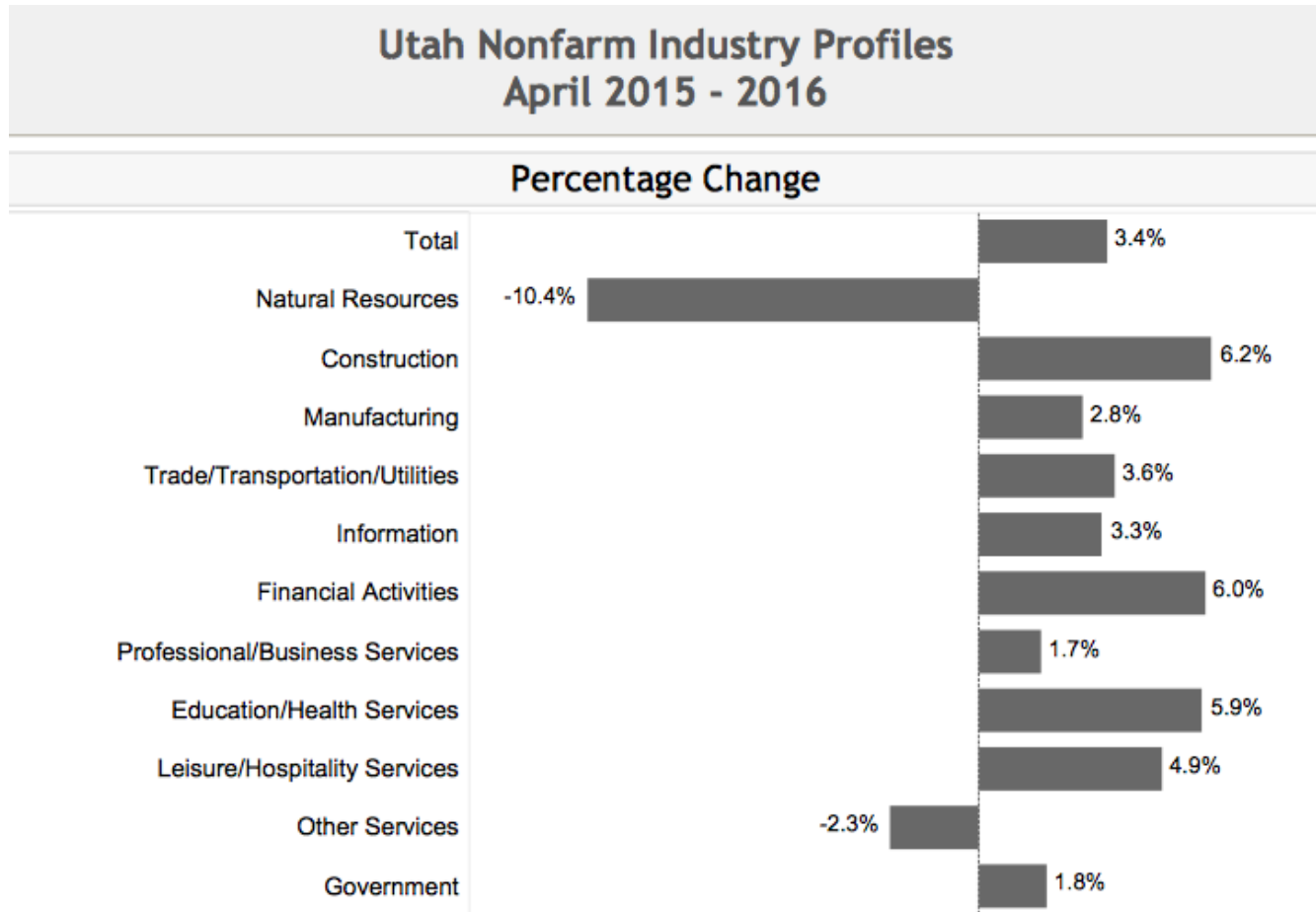
# State of Utah and Salt Lake County Economies

1. Utah job growth moderates from 3.8% in 2015 to from 2.9%-3.6%
2. After rising from \$518M in 2011 to \$1.1B 2015, Salt Lake County home building values take a breather
3. Due to low gas prices and strong job growth, Utah new car & truck sales still expected to grow between 2% and 6%



”Eight out of ten private sector industry groups posted net job increases in April as compared to last year.”

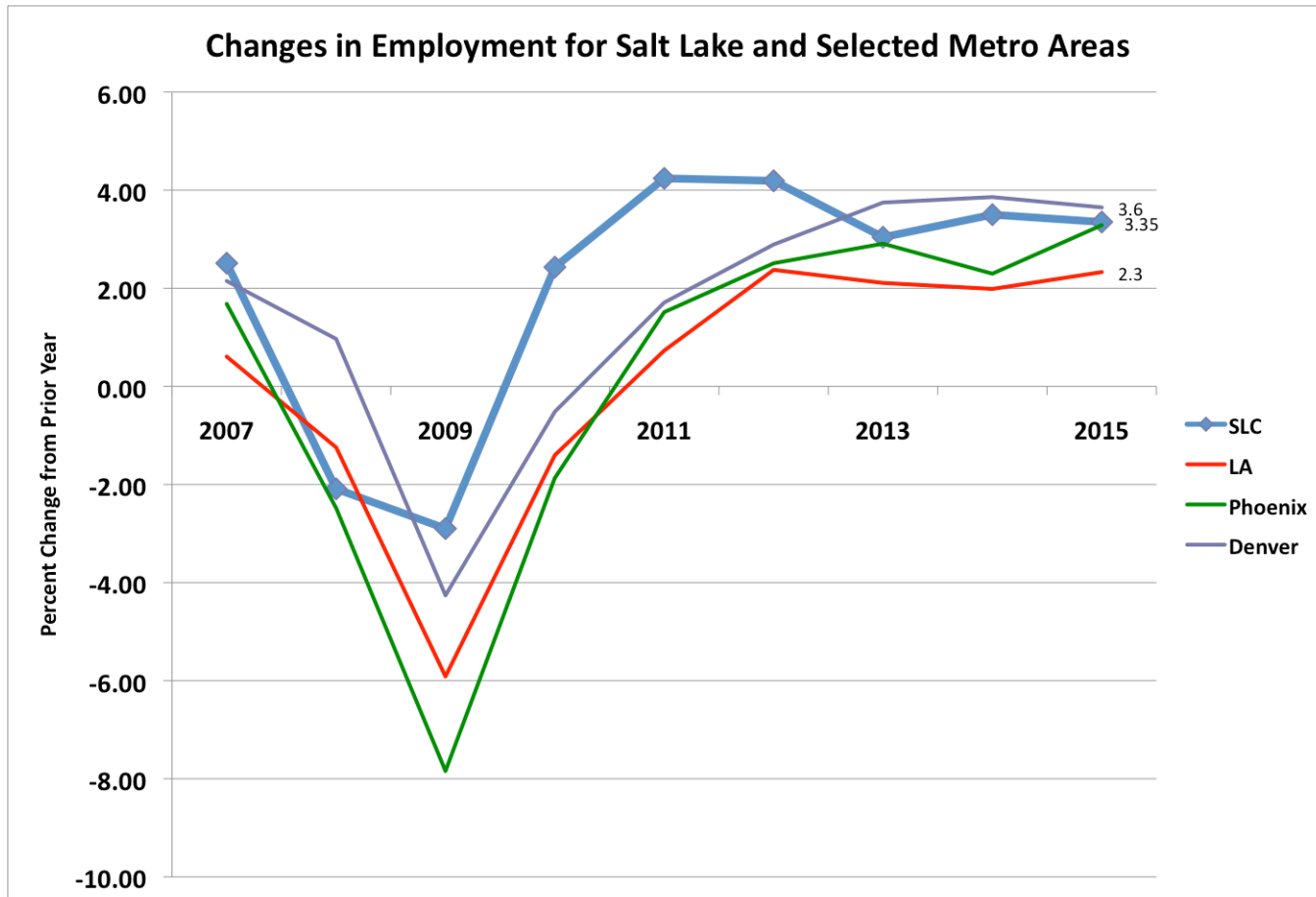
Carrie Mayne, Chief Economist, Dept. of Workforce Services





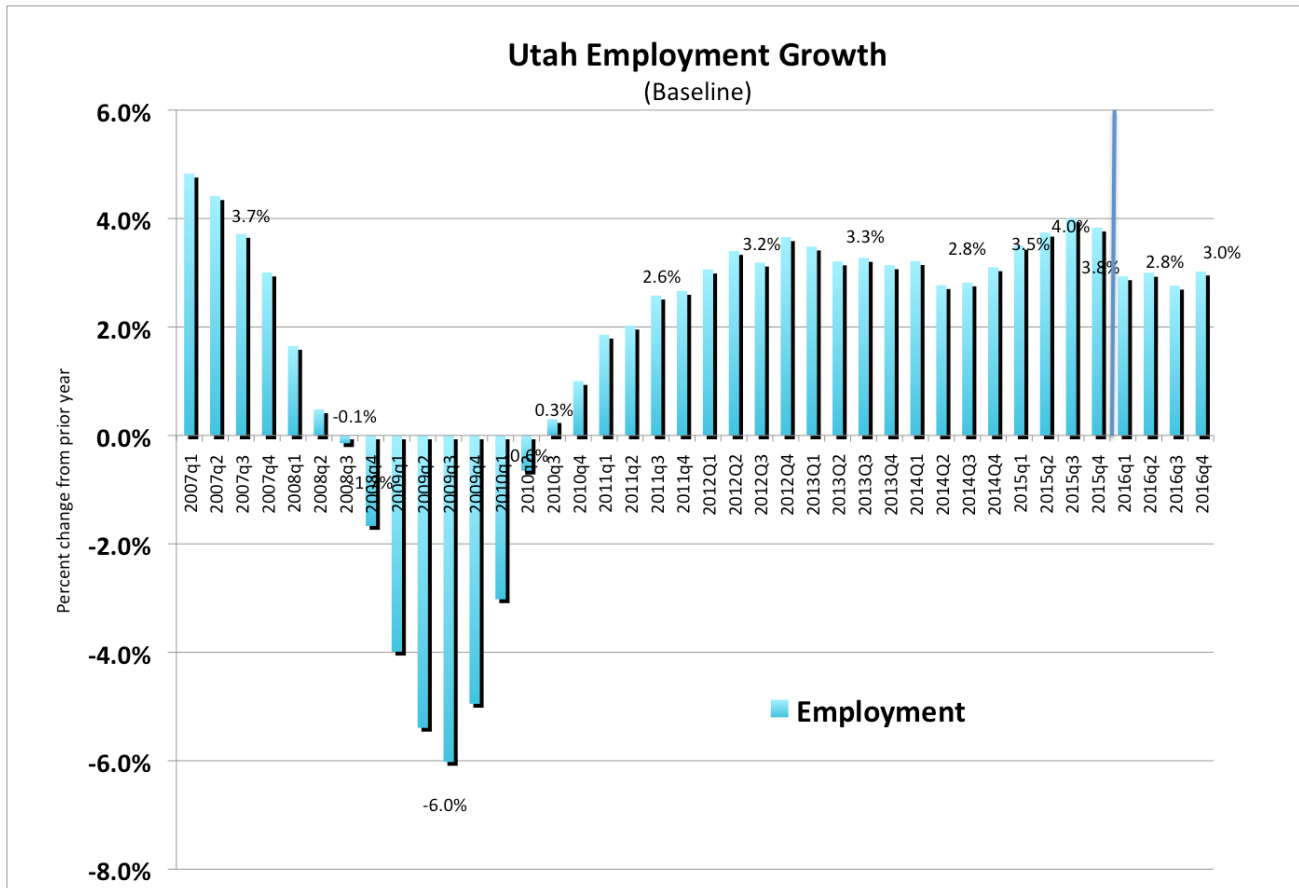
# Salt Lake Metro Employment Decelerates

## LA Metro growing at 2.3%



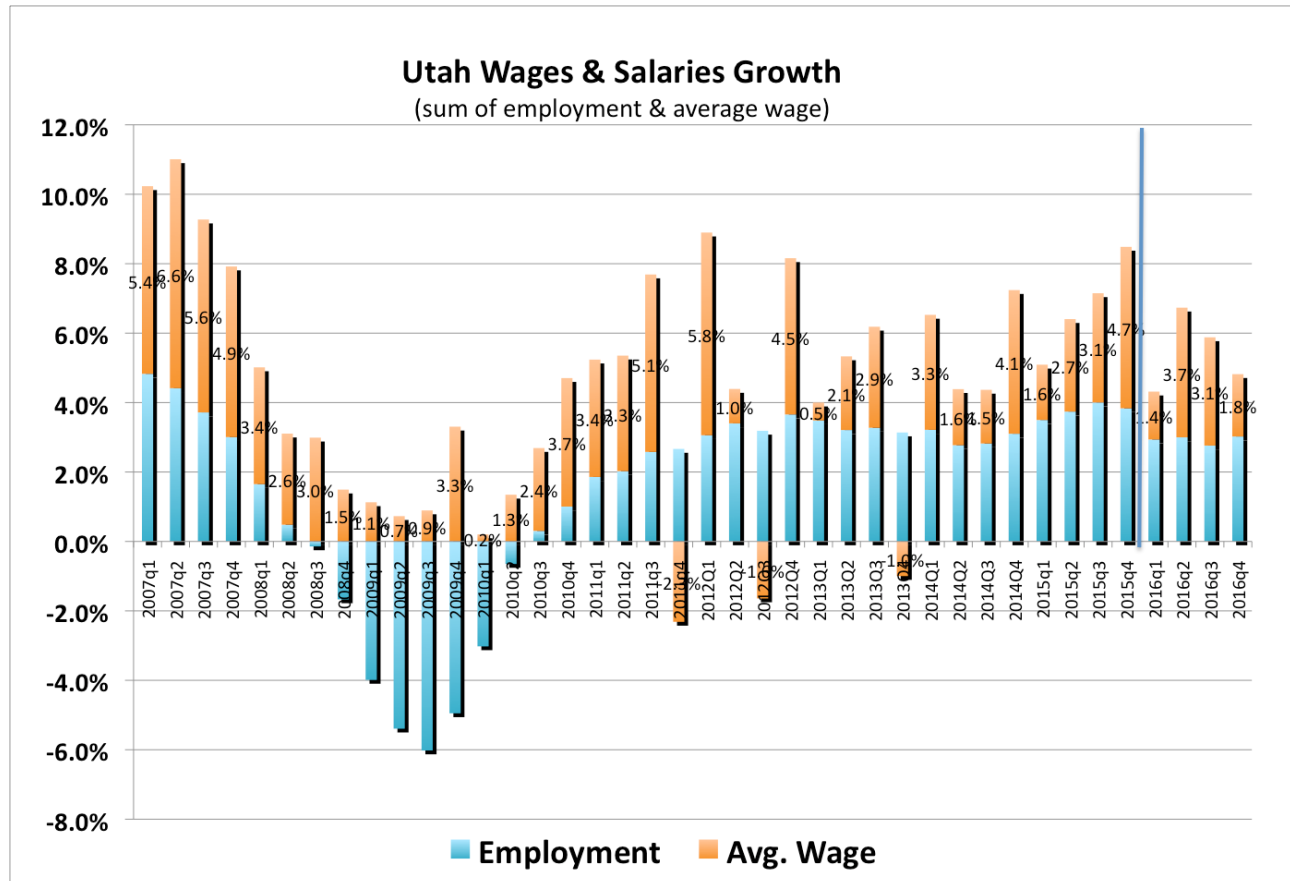


# Utah employment growth will rise at least 2.9% in 2016





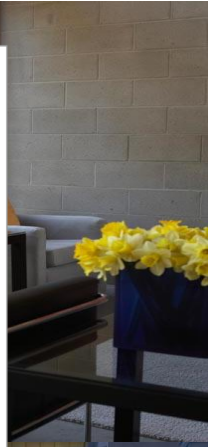
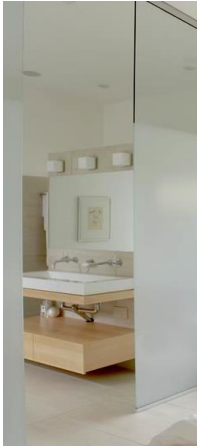
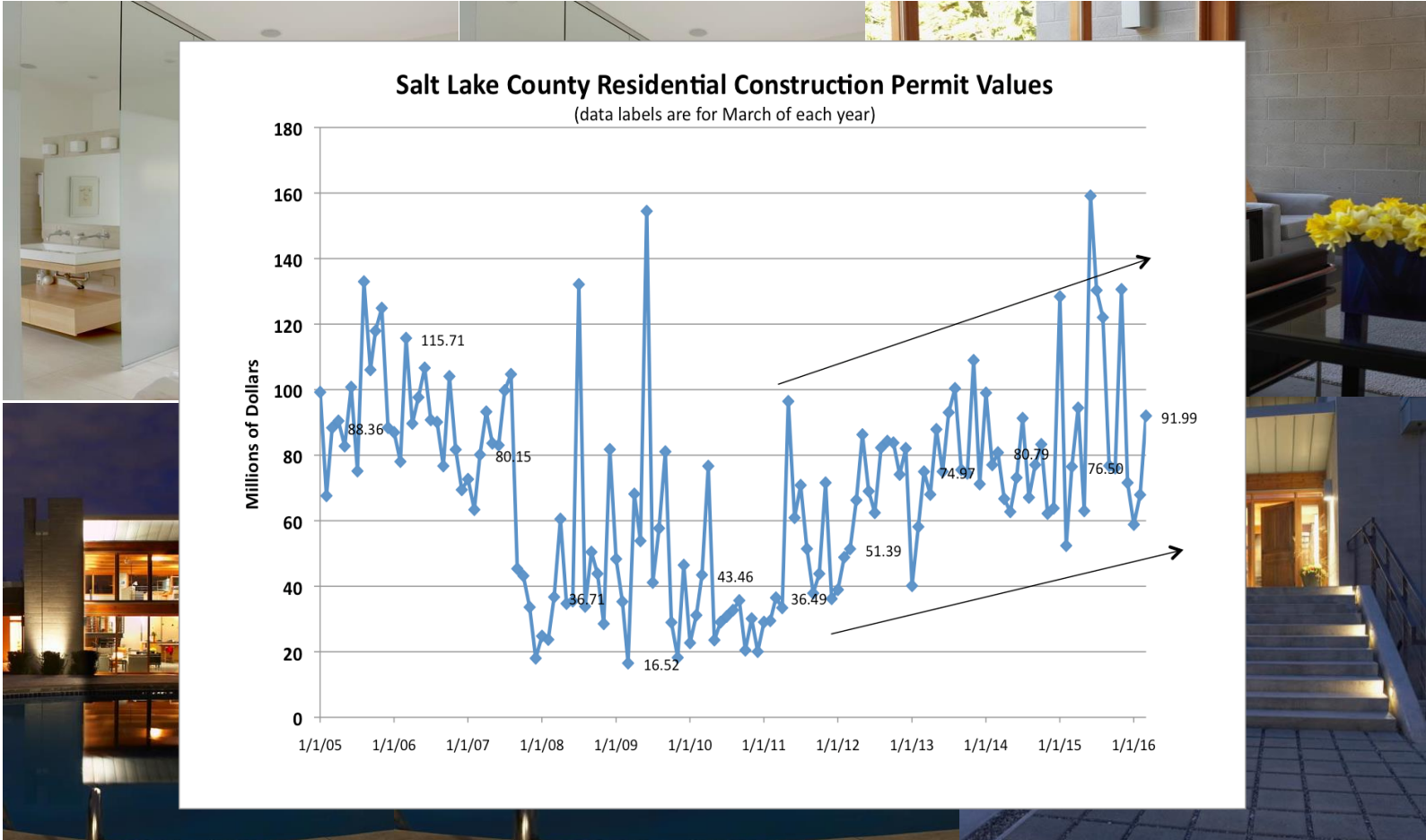
# Utah Payrolls will Improve 5.5% to 7.2% in 2016





# Salt Lake County

## New Residential Construction Up to \$1 B





# Car & Truck Sales – Still Growing in 2016



| Salt Lake County |                | % Chg.      |
|------------------|----------------|-------------|
| 2013             | \$ 2.48 B      | 14.8%       |
| 2014             | \$ 2.63        | 5.6%        |
| 2015             | \$ 2.83        | 7.1%        |
| 2016             | \$ 2.9 - 3.0 B | 2.4% - 6.0% |





# Salt Lake County Taxable Sales: CY 2015

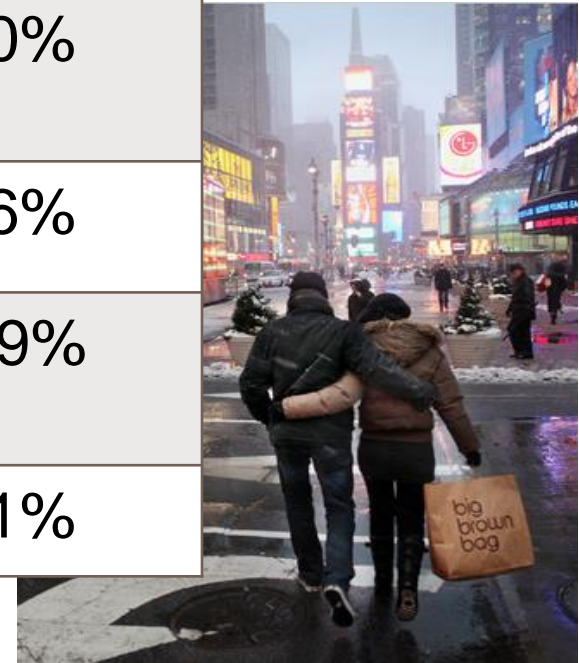
|                                | Sales in<br>Million \$ | % Change From<br>Prior Year |
|--------------------------------|------------------------|-----------------------------|
| Retail – Motor Vehicle         | \$ 2,828               | 7.1 %                       |
| Retail – General Merchandise   | 2,390                  | 4.3                         |
| Retail – Groceries             | 1,867                  | 6.9                         |
| Retail – Building              | 1,137                  | 9.1                         |
| Services – Restaurants         | 2,079                  | 9.3                         |
| Services – Information         | 1,039                  | - 4.3                       |
| Bus. Inv. - Manufacturing      | 1,007                  | 6.5                         |
| Bus. Inv. - Wholesale Durables | 2,182                  | 6.1                         |
| <b>Total</b>                   | <b>\$ 24,256</b>       | <b>5.7 %</b>                |

Source: Utah State Tax Commission



# Monthly Large Taxpayer Sales 1<sup>st</sup> Quarter 2016 up 5.1%

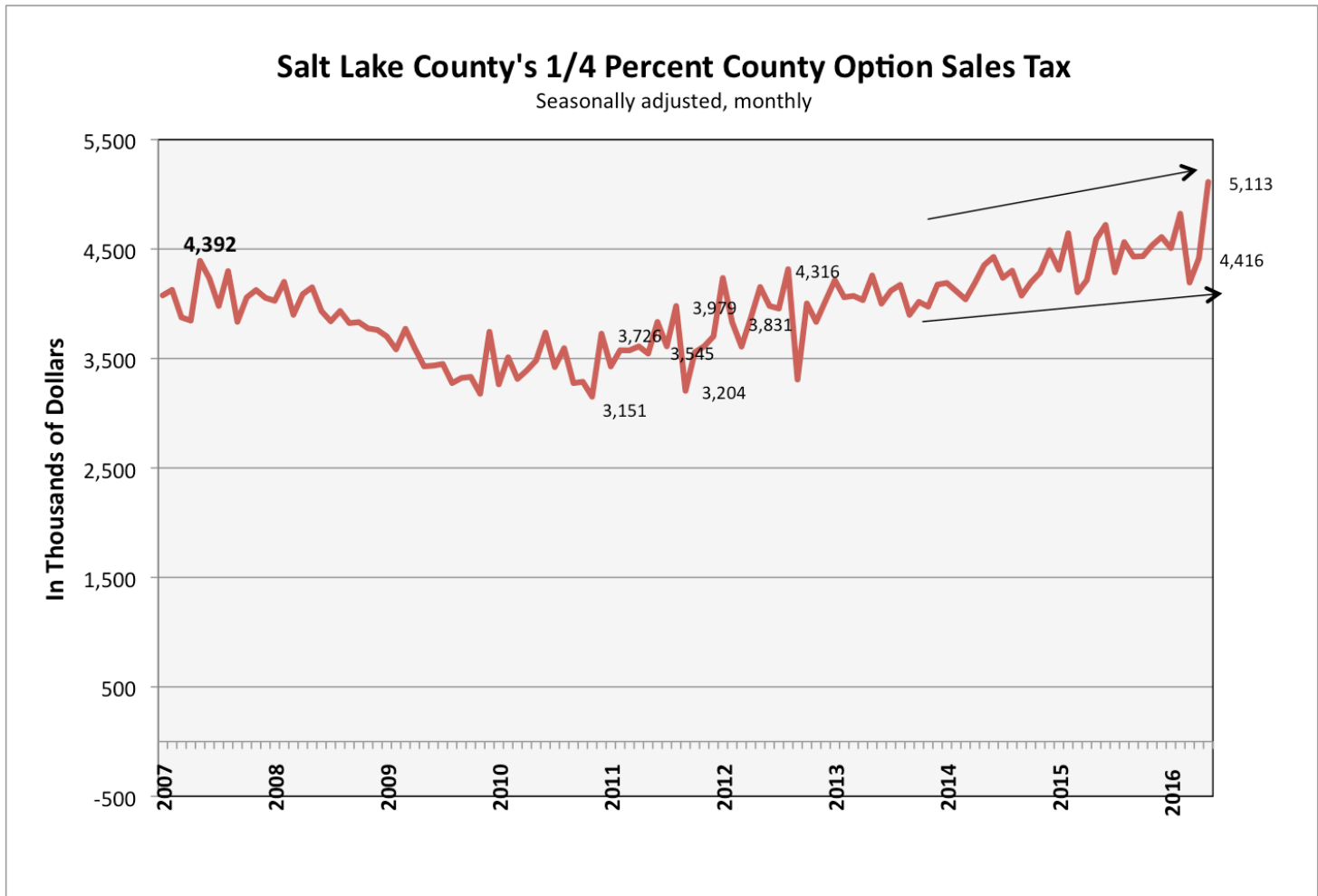
| Salt Lake County    |                  | % Change from prior year |
|---------------------|------------------|--------------------------|
| Retail Trade        | \$ 2.75 B        | 6.0%                     |
| Services            | 1.63             | 5.6%                     |
| Business Investment | .90              | -0.9%                    |
| <b>Total</b>        | <b>\$ 5.45 B</b> | <b>5.1%</b>              |

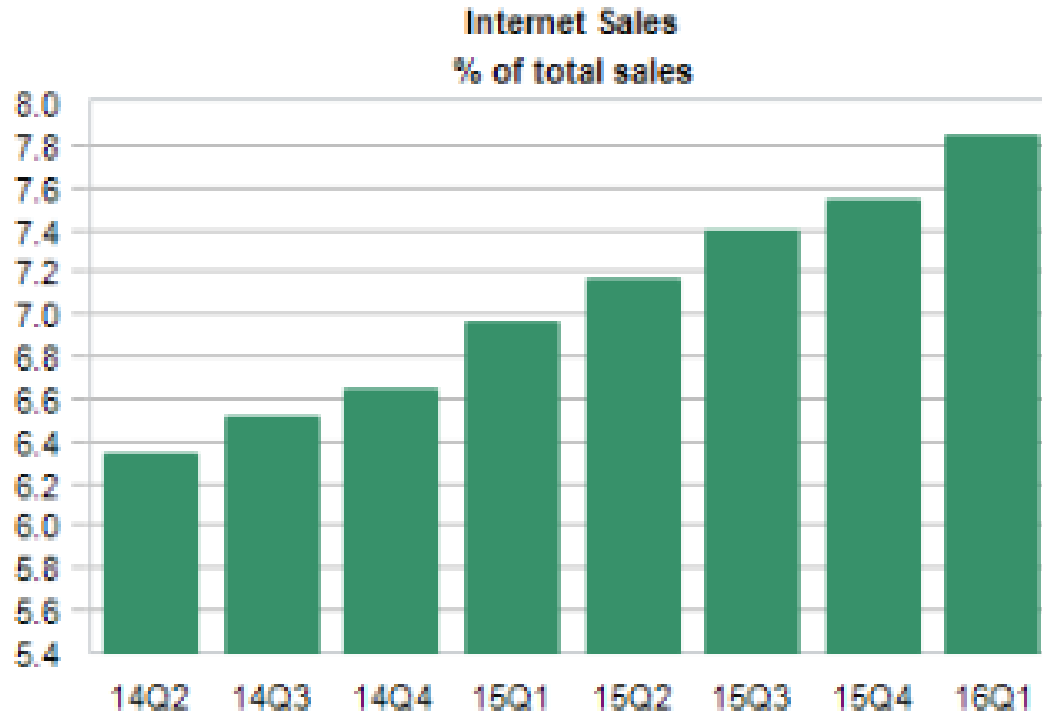


Source: Utah State Tax Commission



## Seasonally Adjusted Series Pops Up in May





United States: Internet Sales (E-Commerce Sales)

Latest: \$92.8 bil for 2016Q1

Internet Sales are “Eating Brick & Mortar Stores’ Lunch”

IHS Economics

# June 2016 Update

## Salt Lake County Taxable Sales Key Forecast Drivers

| Key Economic Drivers                      |                       |                       | June 2016             | June 2016             |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2014<br>Actual        | 2015<br>Actual        | 2016<br>Pessimistic   | 2016<br>Baseline      |
| Real GDP (Gross Domestic Product \$B)     | 15,962<br>2.4%        | 16,349<br>2.4%        | 16,529<br>1.1%        | 16,622<br>1.7%        |
| Consumer Price Index                      | 1.6%                  | 0.3%                  | 1.4%                  | 0.7%                  |
| <b>Nominal GDP (\$B)</b>                  | 17,419<br><b>3.9%</b> | 18,010<br><b>3.4%</b> | 17,477<br><b>2.5%</b> | 18,010<br><b>4.4%</b> |
| Utah Employment                           | 3.0%                  | 3.8%                  | 1.6%                  | 2.9%                  |
| Utah Average Wages                        | 2.7%                  | 3.0%                  | -0.6%                 | 2.5%                  |
| <b>Utah Wages (Payroll)</b>               | <b>5.7%</b>           | <b>6.9%</b>           | <b>1.0%</b>           | <b>5.5%</b>           |
| SL County Residential Construction Values | -2.6%                 | 30.6%                 | -15.0%                | -8.6%                 |
| U.S. Equipment & Software Purchases       | 5.8%                  | 3.1%                  | -2.0%                 | 0.3%                  |
| U.S. Savings Rate                         | 4.8%                  | 5.1%                  | 6.5%                  | 5.0%                  |
| U.S. Consumer Sentiment Index             | 84.1                  | 92.9                  | 91.3                  | 92.8                  |
| <b>Refunds,Landslide,Fed Cuts,NSA</b>     | 0.500                 | 0.250                 | 1.000                 | <b>1.000</b>          |
| <b>Salt Lake County Taxable Sales</b>     | <b>4.3%</b>           | <b>5.1%</b>           | <b>1.0%</b>           | <b>5.0%</b>           |



# Revenue Update

## 2016 Proposed June Budget

- Sales Tax Revenue Projections
- Property Tax Revenues
- Motor Vehicle Fee-in-Lieu of Taxes
- Recorder Fee Revenues
- General Fund Revenue Summary

# General Fund Revenue Summary

- Total 2016 Budgeted Revenues are \$311 million
- Property tax revenues are the largest single revenue source with a budget of \$134.6 million
- Sales tax revenues are the second largest revenue source with a budget of \$63.0 million
- Property and sales tax revenues, in total, represent 63.5% of total General Fund revenues

# Sales Tax Revenue

## YTD March

(\$000's)

| Tax                      | 2016<br>Actual | H/(L) vs.<br>Adopted Budget* |             | H/(L) vs.<br>2015 |             |
|--------------------------|----------------|------------------------------|-------------|-------------------|-------------|
| <b>Local Option</b>      | 5,803          | 277                          | 5.0%        | 590               | 11.3%       |
| <b>County Option</b>     | 13,400         | (74)                         | -0.5%       | 831               | 6.6%        |
| <b>Transient Room</b>    | 4,596          | (139)                        | -2.9%       | 43                | 0.9%        |
| <b>Trans. Room Supp.</b> | 636            | (19)                         | -2.9%       | 6                 | 0.9%        |
| <b>Car Rental</b>        | 3,831          | 31                           | 0.8%        | 141               | 3.8%        |
| <b>Restaurant</b>        | 5,704          | 134                          | 2.4%        | 399               | 7.5%        |
| <b>ZAP</b>               | 5,249          | 71                           | 1.4%        | 317               | 6.4%        |
| <b>TOTAL</b>             | <b>39,219</b>  | <b>280</b>                   | <b>0.7%</b> | <b>2,327</b>      | <b>6.3%</b> |

\* Projection for 2016 Adopted Budget completed in October 2015 with actuals data only available through June 2015.



# Sales Tax Revenue

## Summary of June Projection

Full Year

(\$000's)

| Tax                      | 2016<br>June<br>Projection | H/(L) vs.<br>2016 Adopted* |             | H/(L) vs.<br>2015 |             |
|--------------------------|----------------------------|----------------------------|-------------|-------------------|-------------|
| <b>Local Option</b>      | 23,000                     | -                          | 0.0%        | 404               | 1.8%        |
| <b>County Option</b>     | 56,400                     | (200)                      | -0.4%       | 2,147             | 4.0%        |
| <b>Transient Room</b>    | 16,700                     | -                          | 0.0%        | 93                | 0.6%        |
| <b>Trans. Room Supp.</b> | 2,300                      | -                          | 0.0%        | 1                 | 0.1%        |
| <b>Car Rental</b>        | 13,200                     | 200                        | 1.5%        | 332               | 2.6%        |
| <b>Restaurant</b>        | 22,700                     | 500                        | 2.3%        | 1,036             | 4.8%        |
| <b>ZAP</b>               | 22,200                     | 200                        | 0.9%        | 841               | 3.9%        |
| <b>TOTAL</b>             | <b>156,500</b>             | <b>700</b>                 | <b>0.4%</b> | <b>4,856</b>      | <b>3.2%</b> |

\* Projection for 2016 Adopted Budget completed in October 2015 with actuals data only available through June 2015.

# Local Option Sales Tax

(1% tax to Unincorp Municipal Services Fund)

(\$000's)

|                             | <u>Revenues</u> | <u>Change Y/Y</u> |        |
|-----------------------------|-----------------|-------------------|--------|
| <b>Actual</b>               |                 |                   |        |
| <b>2013</b>                 | \$21,837        | (\$531)           | (2.4%) |
| <b>2014</b>                 | \$22,743        | \$906             | 4.1%   |
| <b>2015</b>                 | \$22,596        | (\$146)           | (0.6%) |
| <b>1Q 2016</b>              | \$5,803         | \$590             | 11.3%  |
| <b>Projected</b>            |                 |                   |        |
| <b>2016 (as of Oct '15)</b> | \$23,000        | \$404             | 1.8%   |
| <b>2016 (as of Jun '16)</b> | \$23,000        | \$404             | 1.8%   |

# County Option Sales Tax

(0.25% tax to General Fund)

(\$000's)

## Revenues

## Change Y/Y

### Actual

|                |          |         |      |
|----------------|----------|---------|------|
| <b>2013</b>    | \$49,311 | \$1,645 | 3.5% |
| <b>2014</b>    | \$51,863 | \$2,552 | 5.2% |
| <b>2015</b>    | \$54,253 | \$2,390 | 4.6% |
| <b>1Q 2016</b> | \$13,400 | \$831   | 6.6% |

### Projected

|                             |          |         |      |
|-----------------------------|----------|---------|------|
| <b>2016</b> (as of Oct '15) | \$56,600 | \$2,347 | 4.3% |
| <b>2016</b> (as of Jun '16) | \$56,400 | \$2,147 | 4.0% |

# Transient Room Tax

(4.25% tax to Visitor Promotion Fund)

(\$000's)

## Revenues

## Change Y/Y

### Actual

|                |          |         |       |
|----------------|----------|---------|-------|
| <b>2013</b>    | \$13,436 | \$797   | 6.3%  |
| <b>2014</b>    | \$14,701 | \$1,265 | 9.4%  |
| <b>2015</b>    | \$16,607 | \$1,906 | 13.0% |
| <b>1Q 2016</b> | \$4,596  | \$43    | 0.9%  |

### Projected

|                             |          |      |      |
|-----------------------------|----------|------|------|
| <b>2016</b> (as of Oct '15) | \$16,700 | \$93 | 0.6% |
| <b>2016</b> (as of Jun '16) | \$16,700 | \$93 | 0.6% |

# Transient Room Tax - Supplemental

(0.5% tax to TRCC Fund)

(\$000's)

|                             | <u>Revenues</u> | <u>Change Y/Y</u> |       |
|-----------------------------|-----------------|-------------------|-------|
| <b>Actual</b>               |                 |                   |       |
| <b>2013</b>                 | \$1,860         | \$110             | 6.3%  |
| <b>2014</b>                 | \$2,035         | \$175             | 9.4%  |
| <b>2015</b>                 | \$2,299         | \$264             | 13.0% |
| <b>1Q 2016</b>              | \$636           | \$6               | 0.9%  |
| <b>Projected</b>            |                 |                   |       |
| <b>2016 (as of Oct '15)</b> | \$2,300         | \$1               | 0.1%  |
| <b>2016 (as of Jun '16)</b> | \$2,300         | \$1               | 0.1%  |

# Car Rental Tax

(3% & 4% tax to TRCC Fund)

(\$000's)

|                             | <u>Revenues</u> | <u>Change Y/Y</u> |       |
|-----------------------------|-----------------|-------------------|-------|
| <b>Actual</b>               |                 |                   |       |
| <b>2013</b>                 | \$10,610        | \$89              | 0.8%  |
| <b>2014</b>                 | \$12,143        | \$1,533           | 14.4% |
| <b>2015</b>                 | \$12,868        | \$725             | 6.0%  |
| <b>1Q 2016</b>              | \$3,831         | \$141             | 3.8%  |
| <b>Projected</b>            |                 |                   |       |
| <b>2016 (as of Oct '15)</b> | \$13,000        | \$132             | 1.0%  |
| <b>2016 (as of Jun '16)</b> | \$13,200        | \$332             | 2.6%  |

# Restaurant Tax

(1% tax to TRCC Fund)

(\$000's)

|                             | <u>Revenues</u> | <u>Change Y/Y</u> |      |
|-----------------------------|-----------------|-------------------|------|
| <b>Actual</b>               |                 |                   |      |
| <b>2013</b>                 | \$18,575        | \$1,082           | 6.2% |
| <b>2014</b>                 | \$19,940        | \$1,365           | 7.3% |
| <b>2015</b>                 | \$21,664        | \$1,723           | 8.6% |
| <b>1Q 2016</b>              | \$5,704         | \$399             | 7.5% |
| <b>Projected</b>            |                 |                   |      |
| <b>2016 (as of Oct '15)</b> | \$22,200        | \$536             | 2.5% |
| <b>2016 (as of Jun '16)</b> | \$22,700        | \$1,036           | 4.8% |

# Zoo, Arts, & Parks Tax

(0.1% tax to ZAP Fund and General Fund\*)

(\$000's)

|                             | <u>Revenues</u> | <u>Change Y/Y</u> |      |
|-----------------------------|-----------------|-------------------|------|
| <b>Actual</b>               |                 |                   |      |
| <b>2013</b>                 | \$19,303        | \$505             | 2.7% |
| <b>2014</b>                 | \$20,236        | \$933             | 4.8% |
| <b>2015</b>                 | \$21,359        | \$1,123           | 5.6% |
| <b>1Q 2016</b>              | \$5,249         | \$317             | 6.4% |
| <b>Projected</b>            |                 |                   |      |
| <b>2016 (as of Oct '15)</b> | \$22,000        | \$641             | 3.0% |
| <b>2016 (as of Jun '16)</b> | \$22,200        | \$841             | 3.9% |

\* Approximately 70.5% to ZAP fund and 29.5% to General Fund for Recreation



# PROPERTY TAX REVENUES

# Taxable Values

| <b>(\$B)</b> | <b>2016*</b> | <b>2015</b> | <b>Change</b> |      |
|--------------|--------------|-------------|---------------|------|
| Countywide   | \$81.3       | \$74.6      | \$6.8         | 9.1% |
| Library      | \$57.5       | \$52.9      | \$4.7         | 8.8% |

# Taxable Values

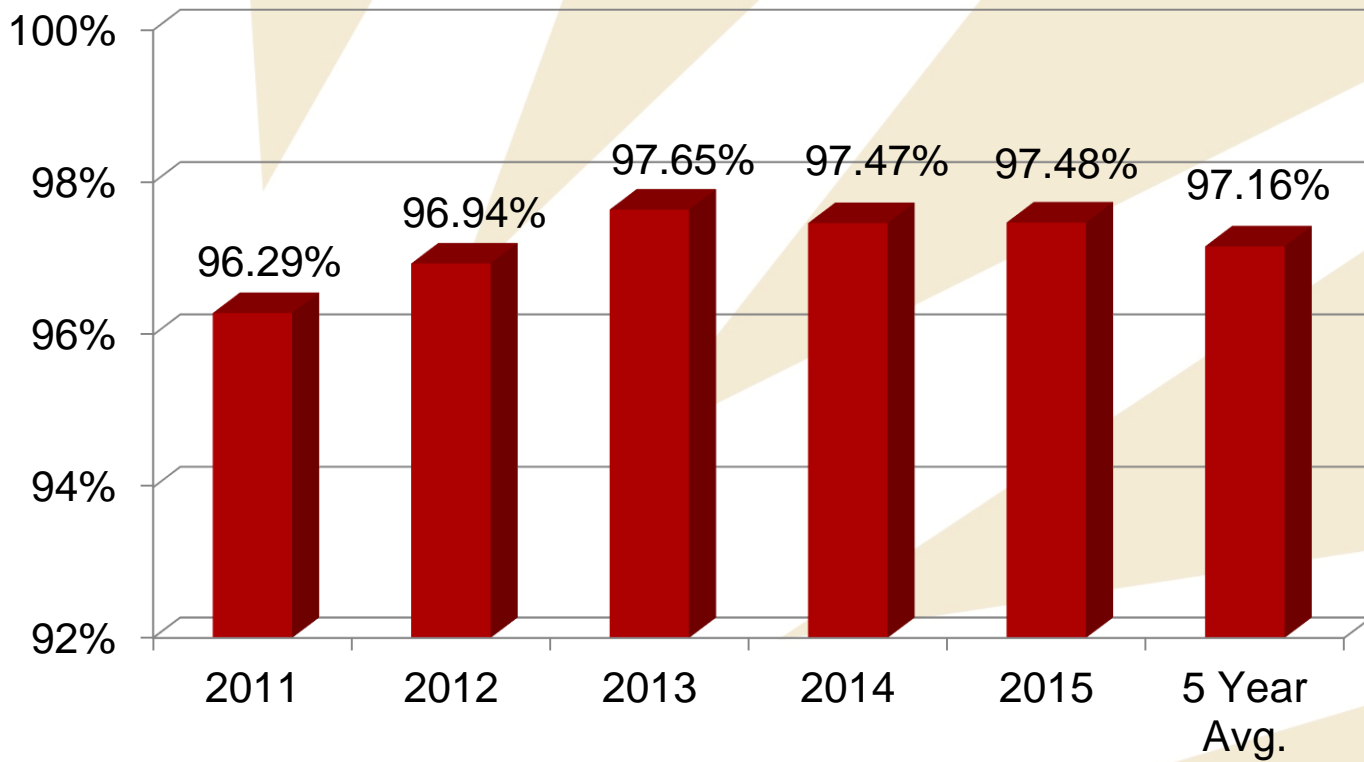
## New Growth

### New Growth (\$B)

|            | 2010  | 2011 | 2012 | 2013 | 2014  | 2015  | 2016* |
|------------|-------|------|------|------|-------|-------|-------|
| Countywide | \$3.0 | -0-  | -0-  | -0-  | \$1.8 | \$1.5 | \$1.5 |
| Library    | \$2.7 | -0-  | -0-  | -0-  | \$1.6 | \$1.1 | \$0.9 |

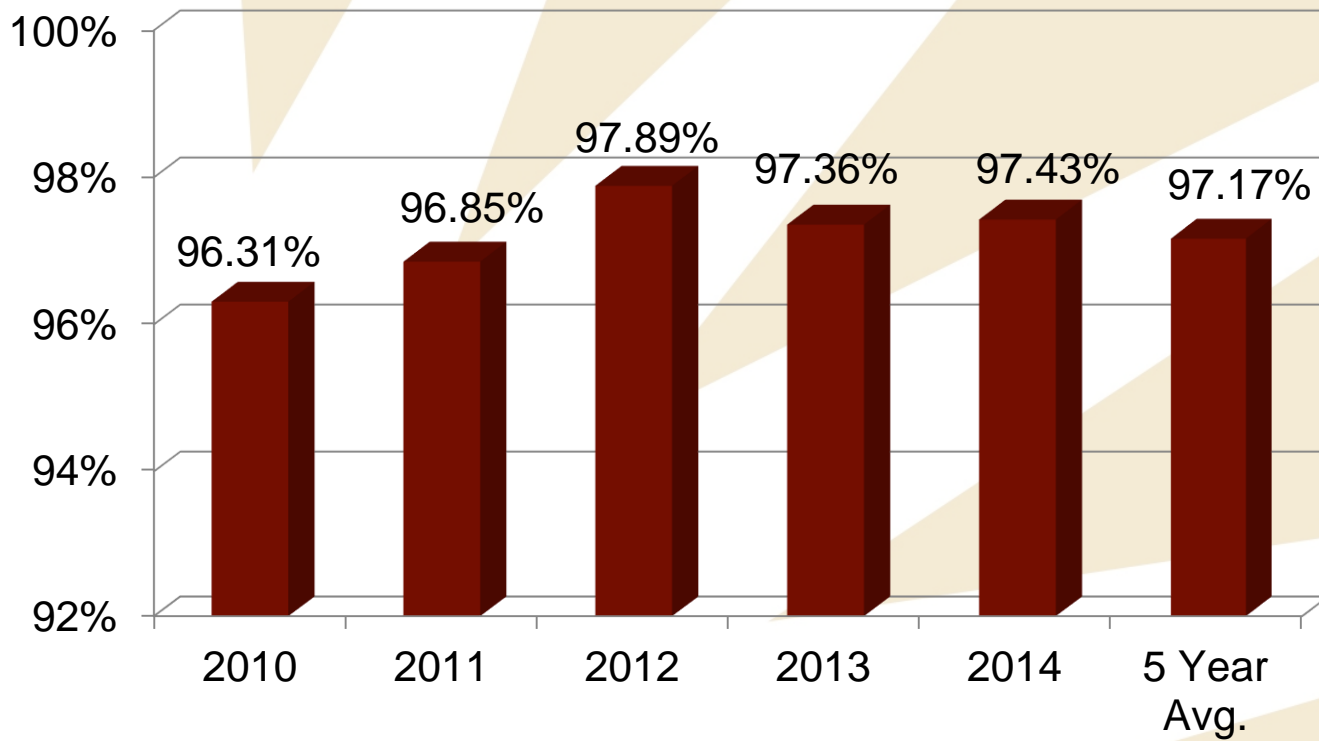
# Collection Rates

## Countywide



# Collection Rates

Library



# 2016 Countywide Tax Rates\*

| Fund               | 2015 Adopted Tax Rate | 2015 Actual Revenue (\$Millions) | 2016 Prelim Certified Tax Rate* | 2016 Proposed Tax Rate* | 2016 Budgeted Revenue (\$Millions) |
|--------------------|-----------------------|----------------------------------|---------------------------------|-------------------------|------------------------------------|
| 110-General Fund   | 0.1662%               | \$125.0                          | 0.1554%                         | 0.1661%                 | \$135.1                            |
| 115-Gov't Immunity | 0.0021%               | \$1.6                            | 0.0020%                         | 0.0020%                 | \$1.6                              |
| 250-Flood Control  | 0.0085%               | \$6.4                            | 0.0079%                         | 0.0079%                 | \$6.4                              |
| 370-Health         | 0.0147%               | \$11.1                           | 0.0138%                         | 0.0138%                 | \$11.2                             |
| 410-Bond Debt Svc  | 0.0503%               | \$38.0                           | 0.0365%                         | 0.0365%                 | \$29.7                             |
| 450-Cap. Improv    | 0.0073%               | \$5.5                            | 0.0068%                         | 0.0068%                 | \$5.5                              |
| 590-Planetarium    | 0.0040%               | \$3.0                            | 0.0037%                         | 0.0040%                 | \$3.3                              |

\* Preliminary. Certified tax rates not yet available.

# 2016 Other Property Tax Rates\*

| Fund                                  | 2015 Adopted Tax Rate | 2015 Actual Revenue (\$Millions) | 2016 Certified Tax Rate | 2016 Budgeted Revenue (\$Millions) |
|---------------------------------------|-----------------------|----------------------------------|-------------------------|------------------------------------|
| 340-Tax Admin                         | 0.0276%               | \$22.1                           | 0.0257%                 | \$22.0                             |
| 232-Municipal Services Tort Liability | 0.0073%               | \$0.8                            | 0.0068%                 | \$0.7                              |
| 360-Library                           | 0.0639%               | \$36.8                           | 0.0639%                 | \$36.8                             |

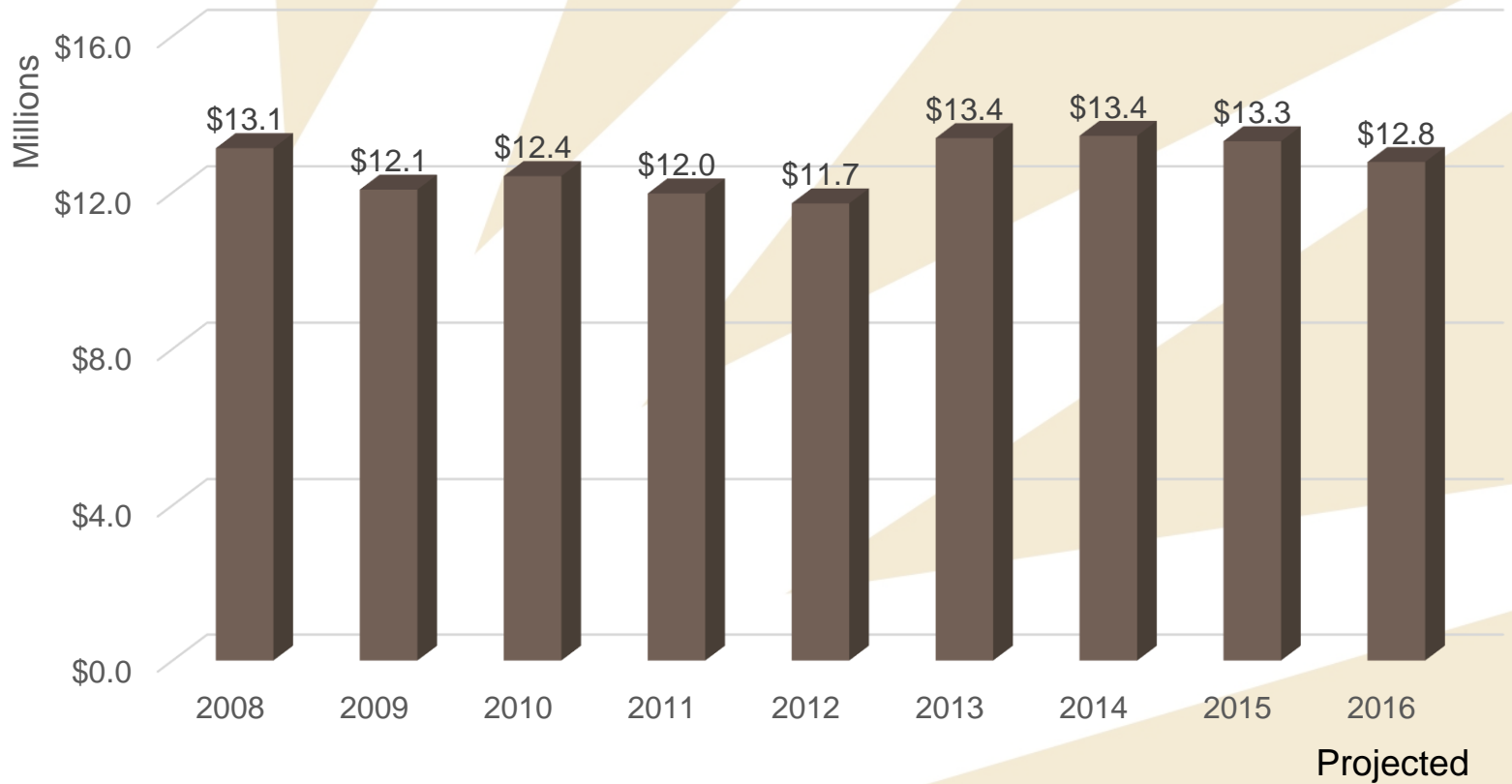
\* Preliminary. Certified tax rates not yet available.

# MOTOR VEHICLE FEE-IN-LIEU



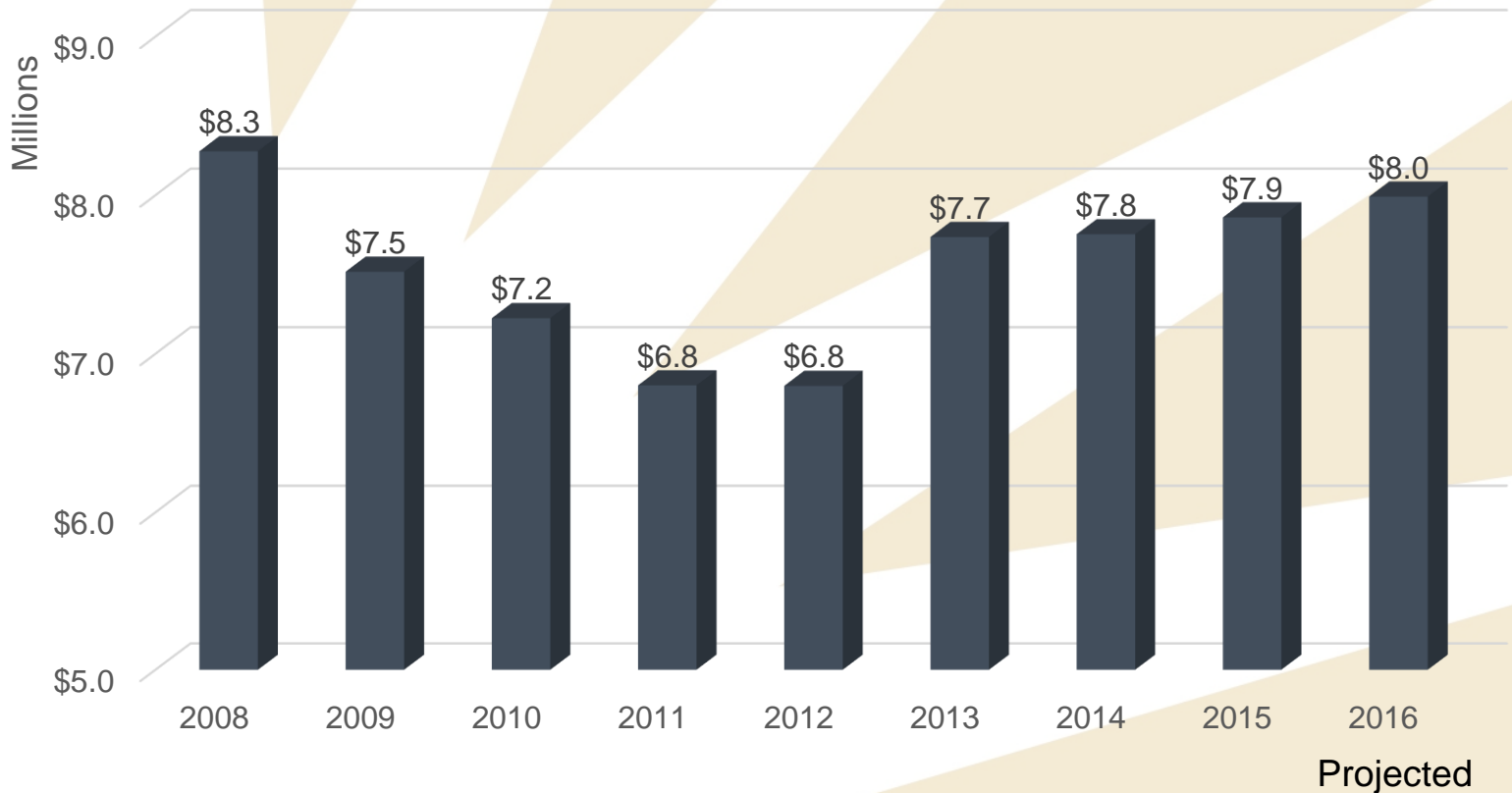
# Motor Vehicle Fee-In-Lieu

## Countywide Funds



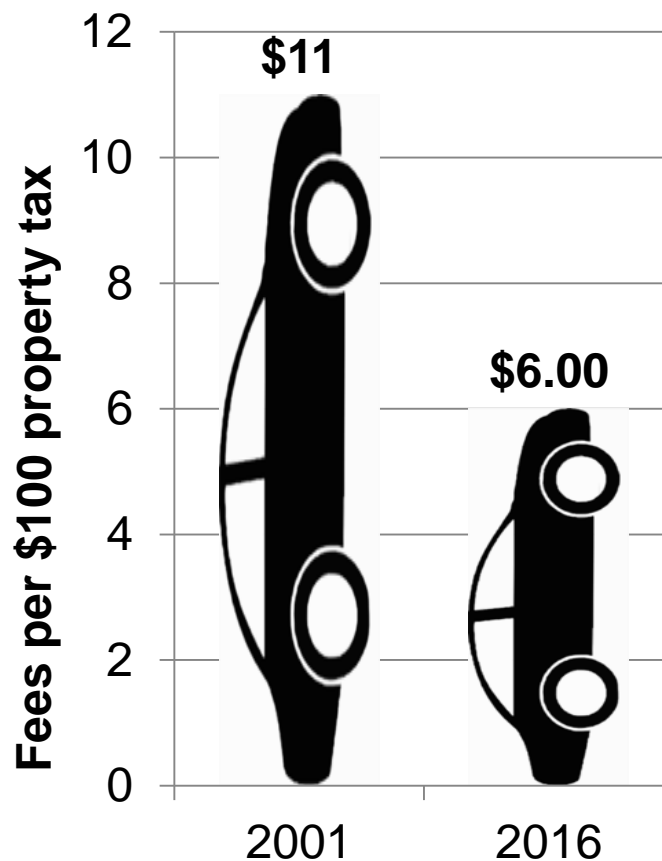
# Motor Vehicle Fee-In-Lieu

## General Fund



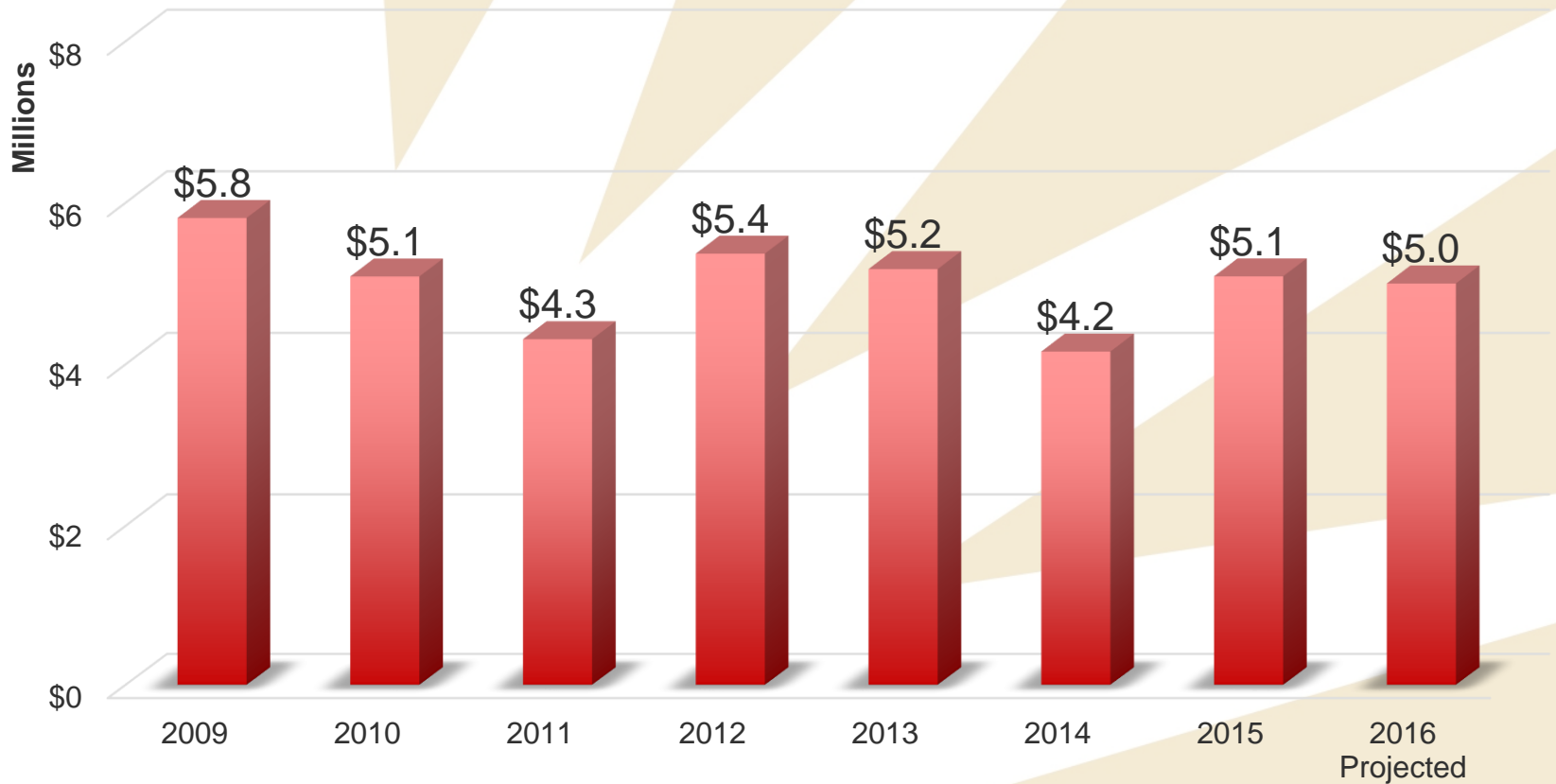
# Structural and Economic Decline in Motor Vehicle Fees

- Age-based fee not increased for inflation
- Has decreased from \$11 per \$100 of property tax in 2001 to a projected \$6.00 per \$100 of property tax in the General Fund in 2016
- Will be consumed by inflation unless the legislature increases the fee schedule



# RECORDER FEE REVENUES

# Recorder Revenue Trend



# Revenue Summary

- 2015 a high baseline to grow over
- 2016 projected to remain strong, but with lower growth rates than 2015
- June adjustments generally positive for tax revenues
- Property tax revenue and rates not final until next week

# June Budget 2016

# The Future We Choose

Mayor Ben McAdams

Presented by Darrin Casper

# Mayor's 2016 June Budget Direction

- June budget re-opening
  - Technical adjustments
  - Grant/capital project true-ups
  - Setting property tax rates
- New requests would only be considered if they were exigent in nature
- June Goal – Maintain ending fund balances at adopted levels
- Presentation to cover
  - Program shifts
  - FTE issues
  - New requests
  - Analysis/structural balance/big picture





# Note Regarding Property Taxes

- Tax rates are not final at this stage, but are expected to be final by council deliberations next week
- May slightly alter proposed adjusted budget based on material variances in property taxes

# 2016 June Budget

## Mayor's Office

| Department           | Description                                  | County Funding |
|----------------------|--|----------------|
| Mayor Administration | Community Services Health & Dental Insurance | \$14,028       |
| Mayor Administration | Combine Organizations                        | \$2,635,659    |
| Mayor Operations     | Combine Organizations                        | (\$2,635,659)  |

# 2016 June Budget

## Admin Services

| Department           | Description   | FTE      | County Funding   |
|----------------------|---|----------|------------------|
| Information Svcs     | County data security project                        | -        | \$430,000        |
| Information Svcs     | 2 FTE to support Case Management System             | 2        | \$136,394        |
| Capital Improvements | Increase Fund Transfer for IT Projects <sup>1</sup> | -        | (\$375,000)      |
|                      | <b>Total</b>  | <b>2</b> | <b>\$191,394</b> |

<sup>1</sup> Made possible by closing out the Tracy Aviary Capital Project Fund to the Capital Improvements Fund.

# 2016 June Budget

## Human Services

| <b>Department</b>                           | <b>Description</b>          | <b>County Funding</b> |
|---|-----------------------------|-----------------------|
| Human Services<br>(Indigent Legal Services) | Court Order State vs Folsom | \$42,200              |

# 2016 June Budget

## Community Services

| Department                           | Description   | County Funding |
|--------------------------------------|---|----------------|
| Parks & Rec Capital Improvement      | Cancelled purchase of Zamboni   | (\$100,000)    |
| Parks & Rec Capital Improvement      | Dimple Dell Pool Lights   | \$40,000       |
| Clark Planetarium                    | Lobby & Vestibule Improvement Project, funds from TRCC                                    | \$60,000       |
| TRCC-Increase to Bond Funded Project | Parks Operations Center—Cost Adjustment/Allocation True-up with Public Works <sup>1</sup> | \$3,725,999    |
| Visit Salt Lake Contract             | Additional ASAE funding needed  | \$500,000      |
| Clark Planetarium                    | Adjusting for revenue shortfall   | \$350,000      |

<sup>1</sup> Annual debt service associated with the capital project true-up is estimated at \$275k.

# 2016 June Budget

## Public Works

| Department              | Description   | FTE | County Funding |
|-------------------------|---|-----|----------------|
| Public Works Operations | Lost UTA Contract—Reduction of 3 FTE's in Public Works <sup>1</sup> | -3  | \$522,246      |

<sup>1</sup> Reduced revenue by \$850k and expense by \$328k. Use of one-time funding transfer from Fleet to allow time to right-size operations.

# 2016 June Budget Library

| Department | Description                              | FTE      | County Funding  |
|------------|--|----------|-----------------|
| Library    | New FTE Custodian West Valley Library    | 1        | \$15,477        |
| Library    | New FTE Custodian Veridian               | 1        | \$15,477        |
| Library    | New FTE Asst Manager West Valley Library | 1        | \$24,928        |
| Library    | New FTE Asst Manager Kearns Library      | 1        | \$24,928        |
|            | <b>Total</b>                             | <b>4</b> | <b>\$80,810</b> |

# 2016 June Budget

## Solid Waste

| Department                     | Description  | County Funding |
|--------------------------------|--|----------------|
| Solid Waste Managemnt Facility | Work Order Software Contribution,<br>from restricted funds | \$180,000      |



# 2016 June Budget District Attorney

| Department        | Description                | FTE | County Funding |
|-------------------|----------------------------|-----|----------------|
| District Attorney | New FTE Legal Investigator | 1   | \$14,694       |

# 2016 June Budget Sheriff

| Department                         | Description                        | County Funding |
|------------------------------------|------------------------------------|----------------|
| Sheriff CW Invest/<br>Support Svcs | UPD Countywide contract adjustment | \$18,343       |

# 2016 June Budget

## Technical Adjustments for STR 2010D

| <b>Fund</b>             | <b>Department</b>                | <b>Description</b>                       | <b>County Funding</b> |
|-------------------------|----------------------------------|--|-----------------------|
| 110 General Fund        | District Attorney                | Technical / Changes per External Auditor | \$86,645              |
| 110 General Fund        | General Fund- Statutory And Genl | Technical / Changes per External Auditor | (\$50,425)            |
| 120 Grant Programs Fund | Aging And Adult Services         | Technical / Changes per External Auditor | (\$2,141)             |
| 370 Health Fund         | Health                           | Technical / Changes per External Auditor | (\$11,470)            |
| 620 Fleet Management    | Fleet                            | Technical / Changes per External Auditor | (\$22,609)            |
|                         |                                  | <b>Total</b>                             | <b>\$0</b>            |

# 2016 June Budget

## Technical Adjustments

### General Fund

| Adjustment                    | Amount      |
|-------------------------------|-------------|
| Compensated Absences          | \$110,663   |
| ESR                           | \$67,792    |
| OPEB                          | \$60,432    |
| Overhead <sup>1</sup>         | \$769,683   |
| General Fund Overhead Revenue | (\$417,414) |

<sup>1</sup> Negative impact to the General Fund is largely offset by a reduced transfer to the Grant Fund.

# Fund Balance Transfer Changes

| Description                                       | Amount    |
|---|-----------|
| Capital Projects to General Fund                  | \$375,000 |
| General Fund to Grant Fund <sup>1</sup>           | (550,000) |
| Fleet to MSD Fund                                 | 522,246   |
| TRCC Fund to Planetarium Fund                     | 60,000    |
| General Fund to Planetarium Fund                  | 350,000   |
| Tracy Aviary Closeout to Capital Improvement Fund | 374,280   |

<sup>1</sup> Increasing the transfer to Behavioral Health Services by \$790k, decreasing the overhead transfer by \$1.34M.

# 2016 June Budget June Proposed FTE

| Fund                        | Elected Official/Organization                 | FTE   |
|-----------------------------|---|-------|
| Countywide                  | Information Services                          | 2.0   |
|                             | District Attorney                             | 1.0   |
|                             | District Attorney (Grant Funded Time Limited) | (3.0) |
|                             | Eccles Theater/Center for the Arts            | 2.0   |
|                             | Health (Grant Funded Time Limited)            | (2.0) |
|                             |   |       |
| Municipal Services District | Public Works Operations                       | (3.0) |
|                             |   |       |
| Library                     | Library                                       | 4.0   |

# Criminal Justice Reinvestment

## Adopted Budget

|  |                |
|--|----------------|
| Original Proposed Budget – Criminal Justice Reinvestment | \$ 9.4M        |
| Council Adjustments – Collective Impact Study            | (100k)         |
| Council Adjustments – Additional General Fund \$         | 500k           |
| <b>Total</b>   | <b>\$ 9.8M</b> |

## Current Appropriations - Stat & General

|   |                  |
|---|------------------|
| Pay for Success Programming                         | \$ 3.0M          |
| Sheriff's Bus                                       | 200k             |
| Case Management System                              | 800k             |
| Subject to Board Review (Data Warehouse + Residual) | <u>472k</u>      |
| <b>Total Stat &amp; General</b>                     | <b>\$ 4.472M</b> |

## Organizational Operating Appropriations

|                         |                                 |                 |
|-------------------------|---------------------------------|-----------------|
| Sheriff                 | - Proposed Budget               | \$ 1.9M         |
|                         | - Interim Adj. (9 FTEs)         | 863k            |
|                         | - Community Corrections/Rec Ctr | 200k            |
| District Attorney       | - Proposed Budget               | 900k            |
|                         | - Interim Adj.                  | 790k            |
| Behavioral Health Svcs  | - Interim Adj.                  | 790k            |
|                         | - Interim Adj. (6 FTEs)         | 575k            |
| Criminal Justice Svcs   | - Interim Adj.                  | 575k            |
|                         | - Interim Adj.                  | <u>100k</u>     |
| Indigent Legal          | - Interim Adj.                  | <u>100k</u>     |
| <b>Total Operations</b> |                                 | <b>\$5.328M</b> |

|              |               |
|--------------|---------------|
| <b>Total</b> | <b>\$9.8M</b> |
|--------------|---------------|

# Fund Balance

## General Fund

- 2015 Projected Ending Fund Balance \$42.6M**

Major Variances from Projection

  - Personnel Unit Underspend 2.8M
  - DA Case Management System 0.7M
  - Operations Underspend 1.3M
  - Sales Taxes 0.6M
  - All Other Items (0.8M)
  
- 2015 Trial Balance/Ending Fund Balance \$47.2M**

Add Previously Assigned Funds to Unassigned

  - Prisoner Fund 220K
  - Monument Fund 20K
  - 911 Dispatch 1.337M
  
- 2016 Beginning Balance \$48.7M**



# One-time vs. Ongoing Expenses June and Interim General Fund

- One Time
  - \$3.3M
- Ongoing
  - \$0.6M

# Structural Balance

## General Fund

- Projected revenues are proposed to be slightly higher than ongoing expenditures
- Budgeted ending balance June Adjusted 2015 – \$34.6M
- Budgeted ending balance June Adjusted 2016 – \$35.3M

## 2016 Ending Fund Balances

| <b>\$M</b>    | <b>Original Adopted Budget</b> |                   | <b>June Adjusted Budget*</b> |                   | <b>Change</b> |                   |
|---------------|--------------------------------|-------------------|------------------------------|-------------------|---------------|-------------------|
|               | <b>Budget</b>                  | <b>Projection</b> | <b>Budget</b>                | <b>Projection</b> | <b>Budget</b> | <b>Projection</b> |
| General       | 32.4                           | 41.5              | 35.3                         | 44.6              | 2.8           | 3.1               |
| Flood Control | 0.6                            | 0.8               | 2.6                          | 3.0               | 2.1           | 2.2               |
| Health        | 2.1                            | 5.0               | 3.6                          | 5.7               | 1.5           | 0.7               |
| Planetarium   | 0.4                            | 0.7               | 0.4                          | 0.7               | 0.0           | 0.0               |
| Tax Admin     | 1.4                            | 2.2               | 2.2                          | 3.1               | 0.8           | 0.9               |
| Library       | 6.2                            | 7.7               | 7.1                          | 8.4               | 0.9           | 0.7               |
| TRCC          | 2.4                            | 2.1               | 3.0                          | 3.0               | 0.6           | 0.9               |

\* Certified tax rates are not yet available, so property tax revenues have not been updated in the budget

# Other Matters

- OPEB
  - First annual report to be submitted after the June Budget
  - First year of operations of the new trust resulted in a positive accumulation of assets
  
- Finance
  - AAA renewed by all 3 rating agencies
  - TRANS - \$53 million in August
  - Multi project sales tax tranche 3 – estimated at \$53 million in December
  - Currently preparing for general obligation vote for ZAP round 3

# Summary

- All funds are budgeted at or above minimum reserves as required by policy
- Most major tax funds above original Adopted fund balance levels
- Economy continues to grow, but at a slower pace
- Finances of Salt Lake County remain in excellent condition



# 2016 June Budget Information

- The back up documentation has been sent to the Council office.
- My staff is available to answer any questions.
- We look forward to providing more information regarding the proposals next week
- This presentation is available online: [www.SLCo.org](http://www.SLCo.org)