



Mayor Jenny Wilson

2020 Proposed Budget Salt Lake County



Presented by Darrin Casper, CFO
October 22, 2019



2020 Budget Goals

- Stay fiscally conservative
 - Achieve structural balance
 - Budgeted General Fund balance at or above \$41M
- Make data-driven budget decisions
- Continued focus on capital maintenance, including information technology projects
- Fund newly-mandated programs



2020 Budget Direction

- Stress tests at 5% of County Funding
- New requests considered
- Correct structural imbalances



Council, Committees and Boards

- Board of Health
- Total Rewards Advisory Committee
- TRCC Advisory Board
- Technology Advisory Board
- Capital Projects Prioritization Committee
- Revenue Committee
- And Others

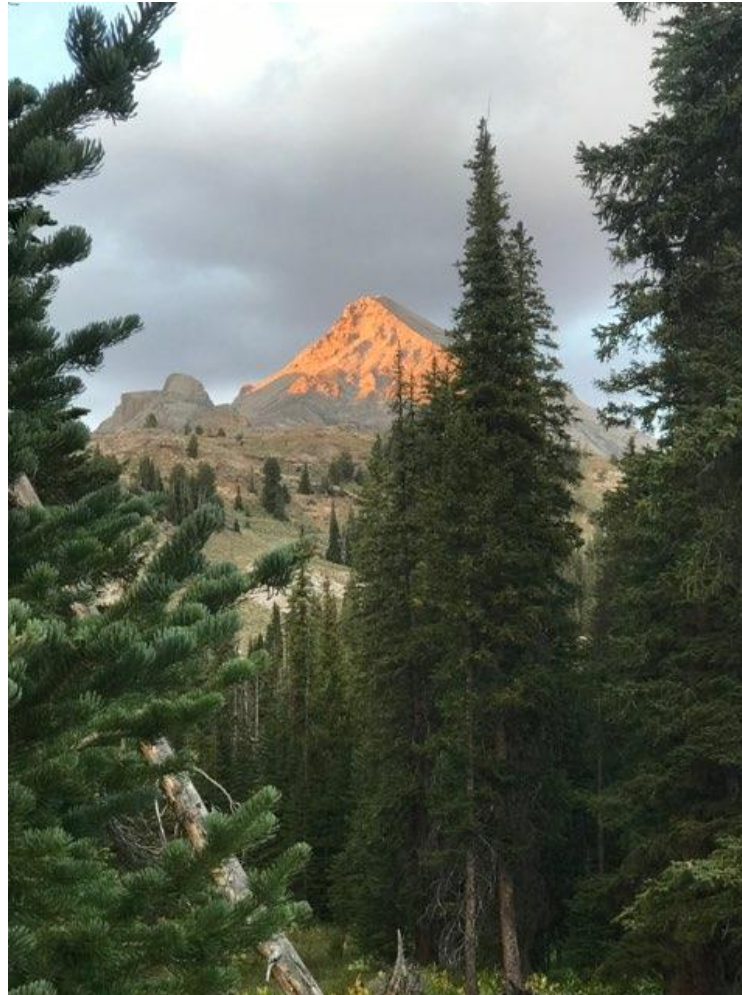


Economic Outlook

- Continued growth through 2020
- Salt Lake County unemployment at 2.3%; national average at 3.5%⁽¹⁾
- Strong job-growth and wage growth outlook is positive
- Construction remains strong but expected to level off



2020 Adjusted Tentative Budget





2020 Adjusted Tentative Budget w/ Compensation—Key Problem Areas

in millions \$

Fund	Ending Fund Balance	Targeted Budget Balance	Deficiency
General Fund and Grant Fund	21.8	41.0	(19.2)
Flood Control	(0.8)	0.5	(1.3)
Health	(0.3)	2.4	(2.7)
Tax Administration	(0.2)	1.6	(1.8)

**General Fund and Related
budget problem to solve: \$25M**



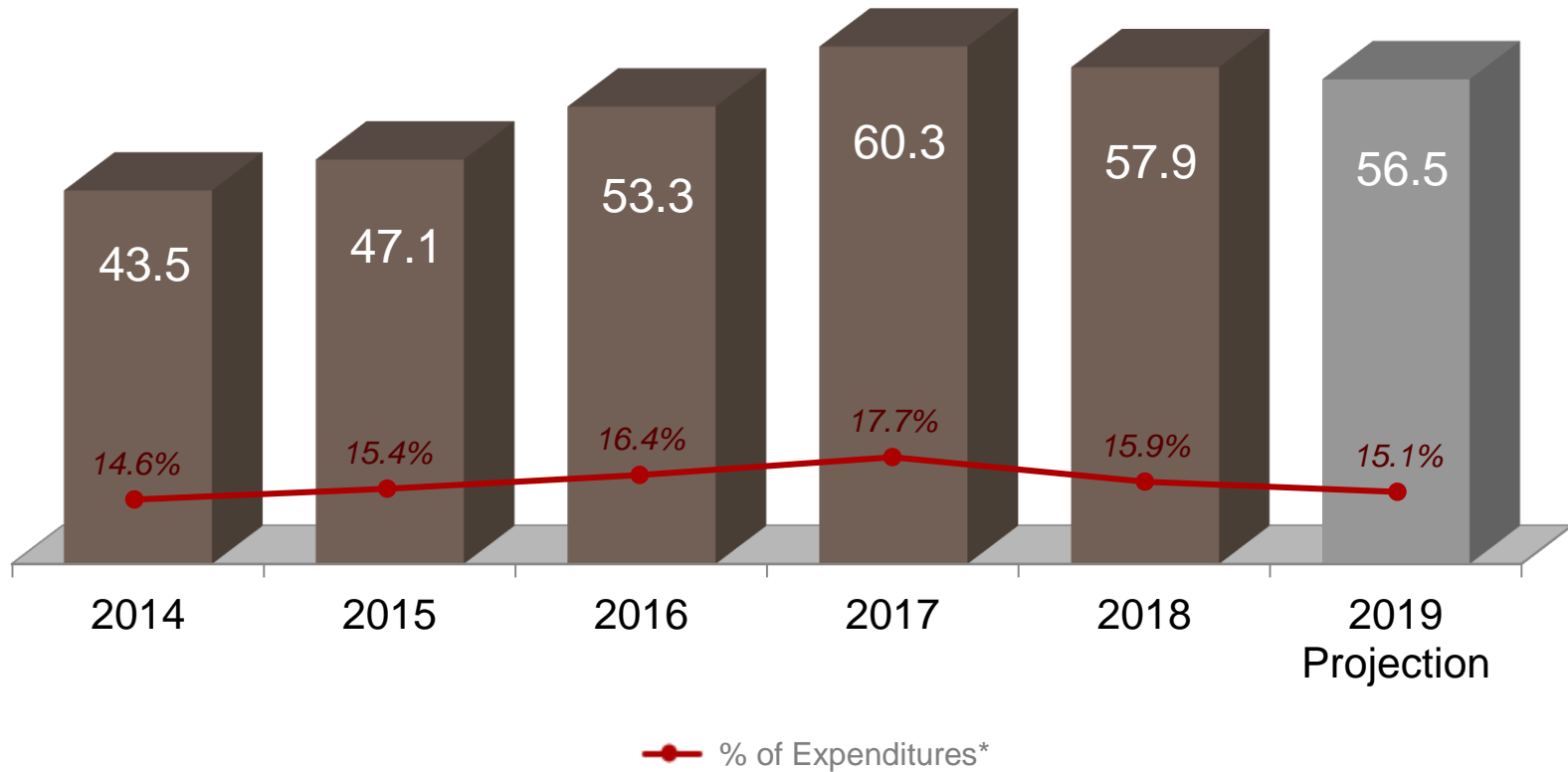
Structural Analysis





Unassigned Fund Balance General Fund

in millions \$

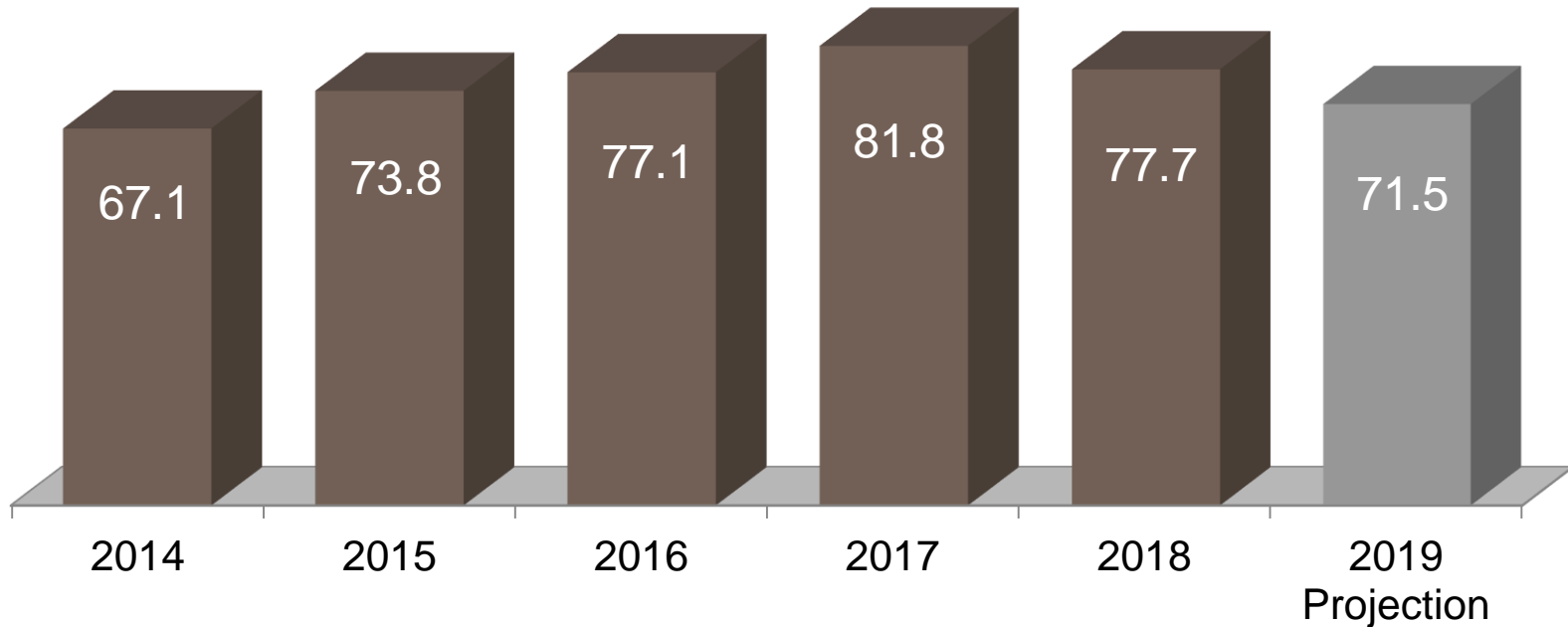


* Fund balance as a % of total expenditures, including fund transfers out to other funds. Includes only Fund 110.



Unassigned Fund Balance County-wide Tax Funds

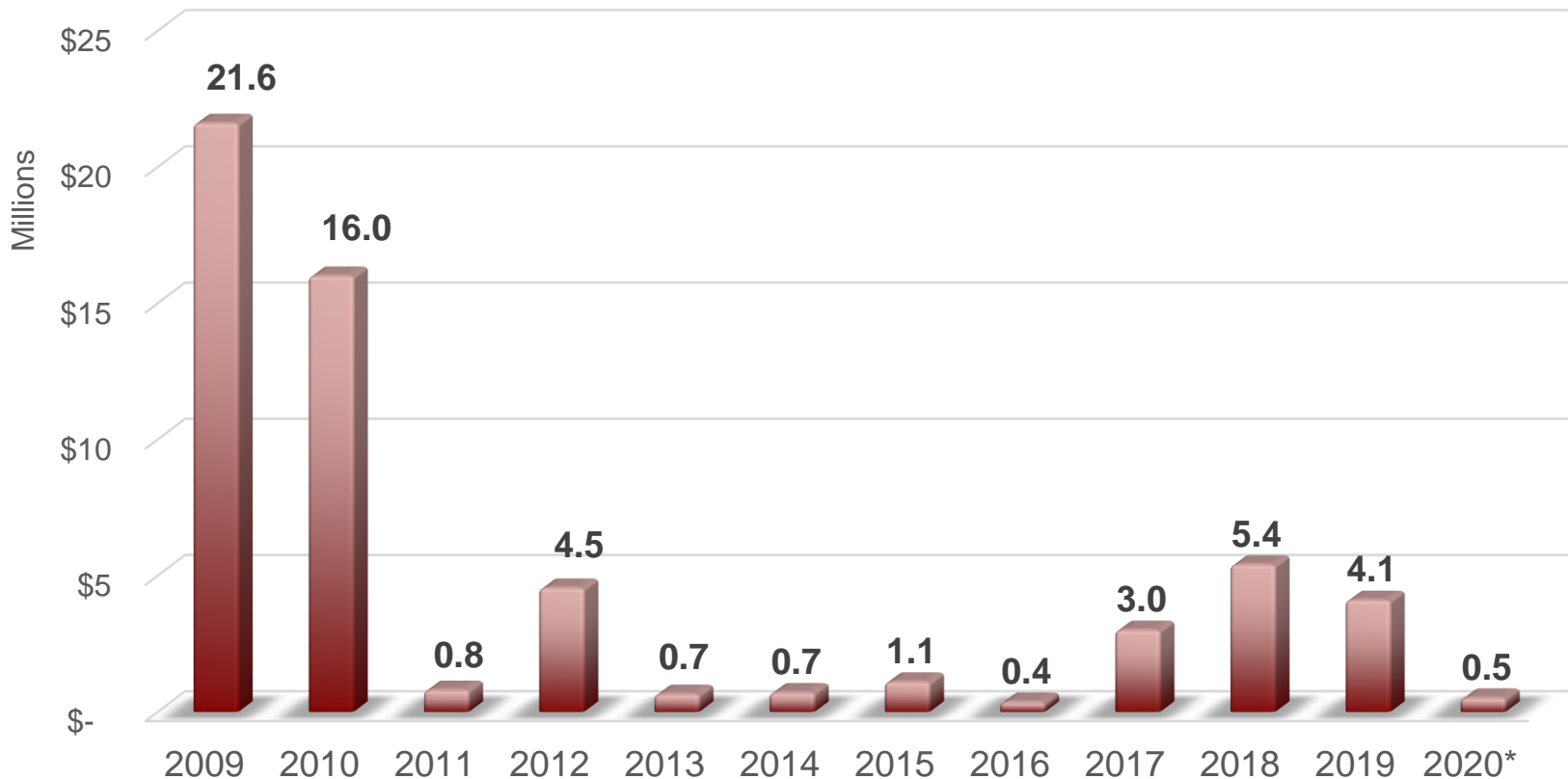
in millions \$





One-Time Uses of Fund Balance

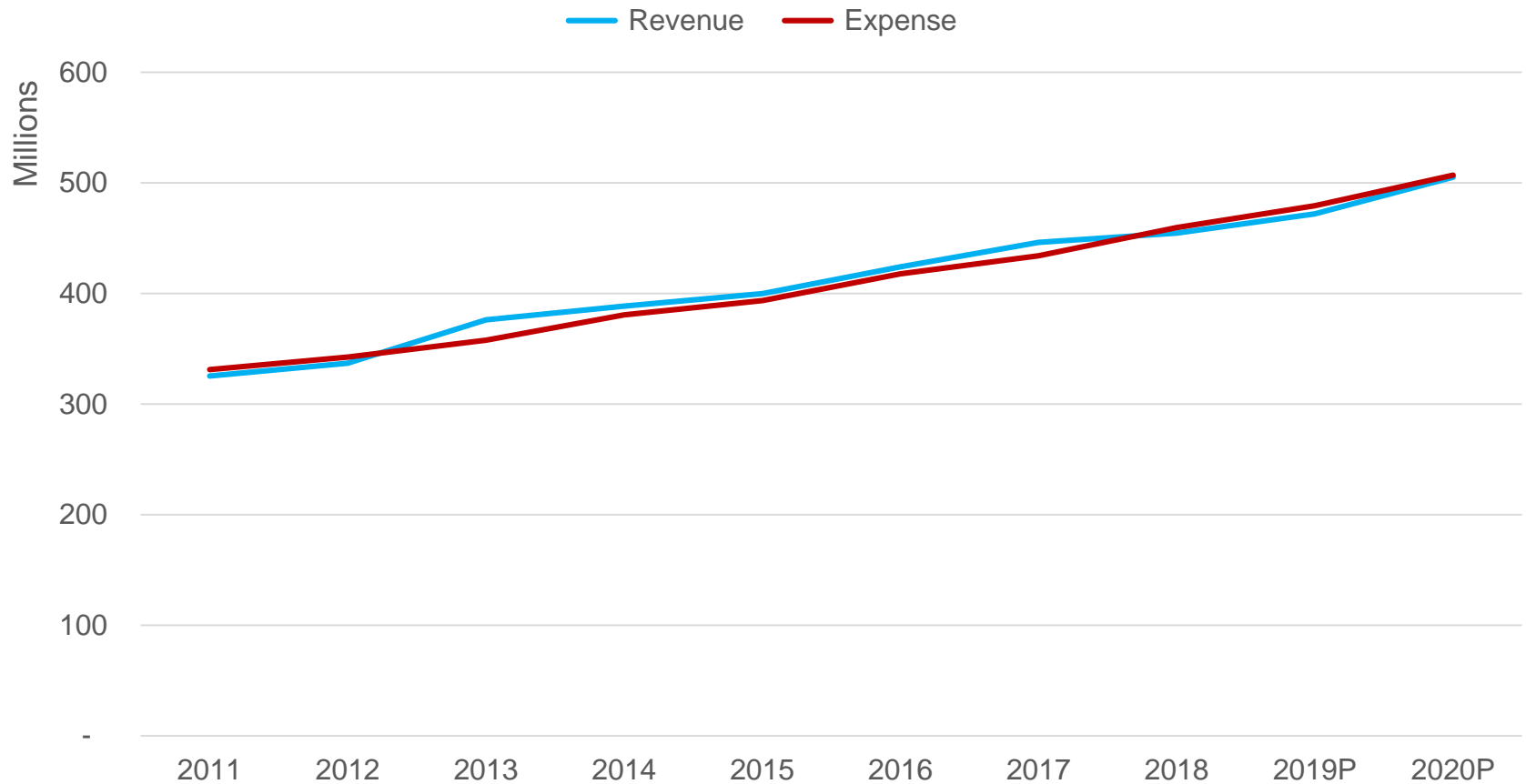
General Fund & Related Funds



* 2020 includes one-time coverage for the LDA lease costs of \$270K and an additional \$245K for the ongoing operations of the South Jordan Recreation Center.



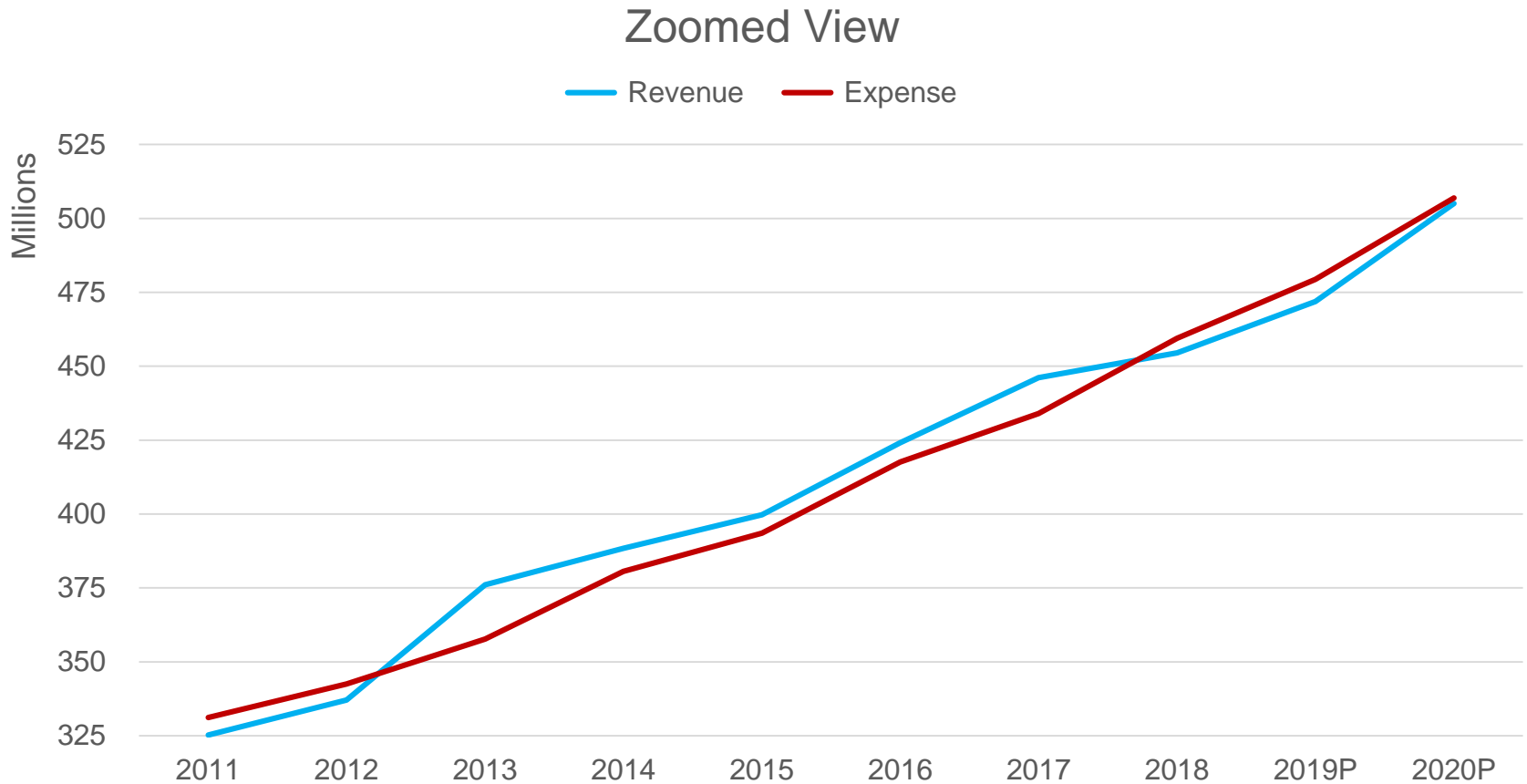
Revenue & Expense Trend



* 2019 and 2020 are projections based on historical variances to budget. Includes countywide tax rate funds other than the Bond Debt Service Fund.



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Budgetary Perspective 2020

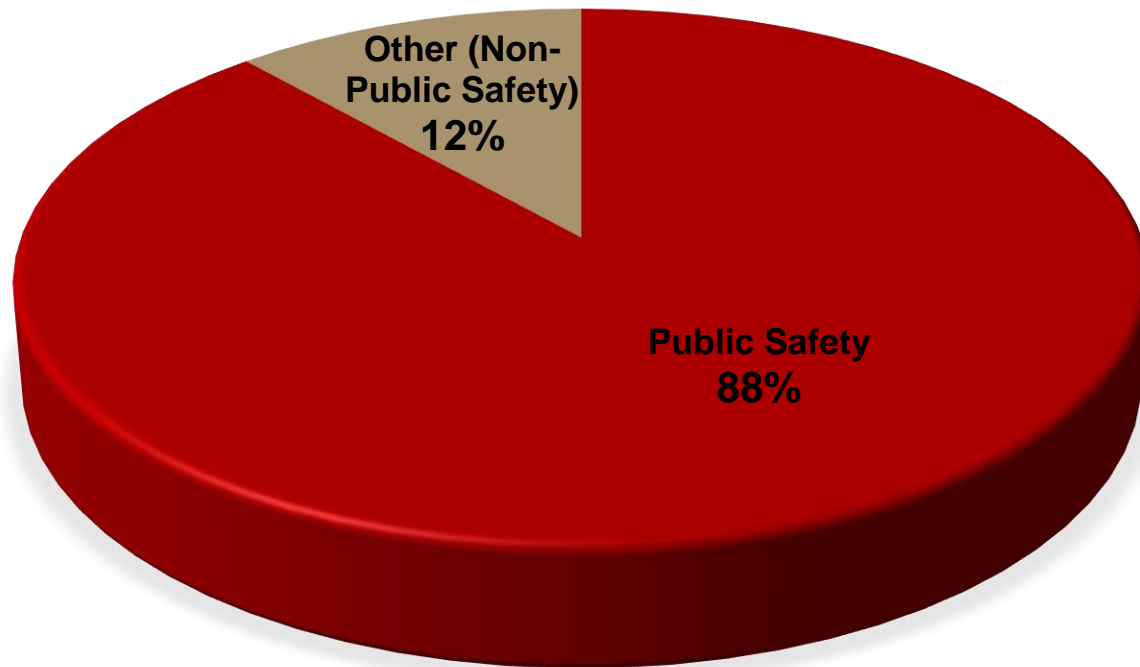
General & Related Funds

Natural Revenue Growth	\$11.7M
– Structural Deficit	(6.2M)
– One-time uses in 2019	<u>(4.1M)</u>
	\$1.4M
Mandated Expenditures	
– SB92 3rd District New Criminal Court	(\$1.8M)
– General Election—Clerk	(2.3M)
– Contract and Other	<u>(0.9M)</u>
	(\$5.0M)
Very High Priority Expenditures	
– 2.75% Pay Increase	(\$5.1M)
– Sheriff Compensation Increases	(3.6M)
– Voting machines	(3.0M)
– Other*	<u>(3.8M)</u>
	(\$15.5M)

* New rec center & parks opening \$673k, jail medical \$358k, DA SVU \$764k, P&R temp wages \$437k, tax sys \$1.2M, Recorder system 450k.

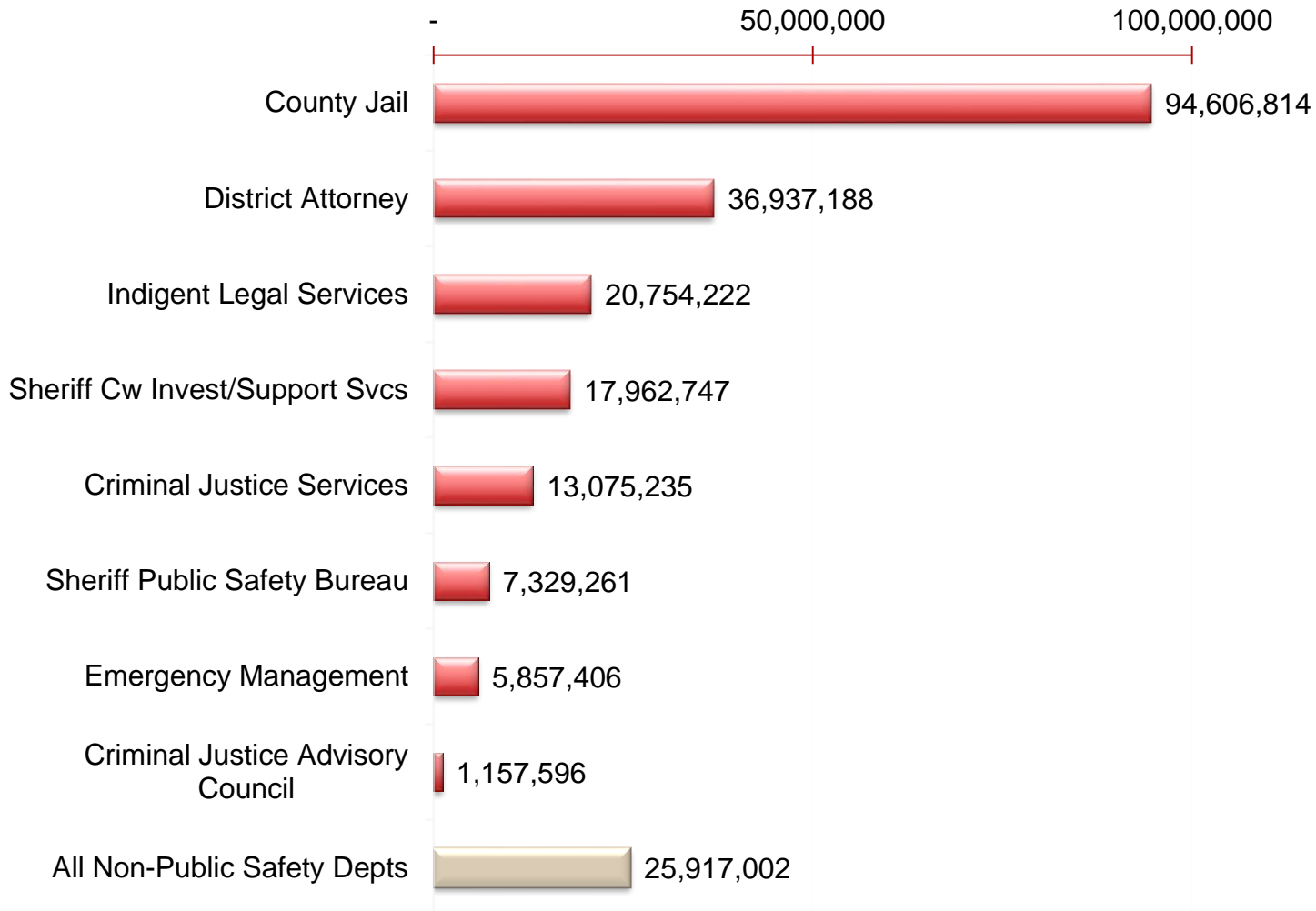


Public Safety Share of General Fund County Funding





Public Safety Share of General Fund County Funding*





2020 Proposed Budget





2020 Proposed Budget

Correcting Structural Imbalances

- Countywide Funds
 - General Fund \$10.9M
 - Health Fund \$2.8M
 - Flood Control \$1.2M
 - Tax Administration \$0.8M
- Facilities Services \$385K
- 2019 One-time Uses
 - Government Immunity-Jail Medical \$1.0M
 - Government Immunity-UPDES \$205K
- TRCC Related
 - Arts & Culture \$227K
 - Equestrian Park \$242K



2020 Proposed Budget Mandates

- SB92 – New Third District Court \$1.8M
 - Criminal Justice Services \$0.74M
 - District Attorney \$0.48M
 - Indigent Legal \$0.56M
- Election Costs Presidential Year \$2.3M
- SB13 – Assessor Mailing/Printing \$70K



2020 Proposed Budget Required Funding

Contractual Obligations/Rates

- IT software maintenance \$240K
- LDA lease costs (covered for 2020) \$270K
- Parks - water inflation \$290K
- Jail - water inflation \$130K
- Jail - medical contract \$87K
- Elections - Agilis contract \$30K
- USU Extension contract \$13K
- UFA emergency services \$65K



2020 Proposed Budget Annualizations

Personnel Sector Annualization Adjustments

- District Attorney \$238K
- Library \$184K
- Contracts & Procurement \$32K
- Records Mgt & Archives \$16K



High Priority Funding Compensation & Benefits Package

- 2.75% salary increase
 - Longevity for Red-Lined Employees – up to 1%
- No health insurance increase to employees
 - 0-4% covered by ESR excess fund balance
- Temp Wage Increase
 - Parks
 - Recreation
 - Surveyor
- Sheriff's Office Compensation
 - Jail Sworn
 - Public Safety Bureau
 - Jail – Civilian Environmental Differential Pay
- Living Wage Permanent Employees – \$12 / hr



High Priority Funding

Sheriff

- Jail Medical Unit
 - 2 Mental Health Professionals \$168K
 - 2 Registered Nurses \$190K
- Jail Maintenance \$39K
- Span of Control (Sergeant + Vehicle) \$166K
- K-9 Deputy and Vehicle \$159K
- Fiscal Coordinator \$76K



High Priority Funding

District Attorney

- Special Victims Unit, 6 FTEs \$760K
 - Current caseload @ 132 cases/attorney
 - More attorney time per case
 - More aggressive prosecution



High Priority Funding

New Operations

- Parks and Recreation
 - Draper Recreation Center \$67K
 - South Jordan Facility Operation \$771K
 - Wheeler Farm Outdoor Education Center \$65K
 - Oquirrh Park \$94K
- Arts & Culture
 - Mid-Valley Performing Arts Center \$933K
- Library
 - Kearns branch reopen \$615K
 - Daybreak branch \$482K



2020 Proposed Budget

High Priority Items

- Emergency Management
 - Watch Desk Technology \$216K
- Regional Development Projects \$902K
(Further Reduced in 2020 by \$300K)
- Parks
 - Caretaking service level increase \$199K
- Human Resources 2 FTEs \$229K



2020 Proposed Budget

Elected Offices' Priorities

- Assessor 2 FTEs \$154K
- Auditor \$30K
- Clerk 2.5 FTEs \$152K
- Surveyor Plotter & Standing Desks \$7K
- Treasurer Minor Office Remodel \$48K



High Priority Funding Information Technology

- Replace voting equipment \$3.0M
- Tax system replacement \$1.2M
- Recording system software \$0.45M
- PeopleSoft SMEs \$0.22M
- Technology Improvement Project
funding decreased 25% \$0.48M



Energy Management 2020 Savings

- Rate adjustments and/or efficiencies from 2017 baseline:
 - Electricity \$900K
 - Natural Gas \$312K
- 75% to be cut from budget
- Recommend lifting time-limited status of Energy Manager



Energy Management 2020 Projects

- Projects:

– Advanced Rooftop Controls	\$113K
– LED Retrofit	\$301K
– Motion Sensors	\$299K
– HVAC Improvements	\$144K
– Professional Fees – Grant Writing	\$50K
– Interval Meters	\$154K

High IRR,
Positive NPV,
and Rocky
Mtn. Power
Incentives

- Enables data collection and solar
- \$513K of total to be transferred from Visitor Promotion Fund for eligible facilities



Cost Reductions, Efficiencies and Innovation

- Appropriates \$500K in Council Discretionary
- Encourage organizations and employees to compete for innovation funds from Council
- Managed by Office of Data & Innovation, with assistance from TAB
- Award investment funds for ideas that have a positive IRR, positive NPV, payback, and/or demonstrable operational efficiencies
- Council to approve final process



TRCC Proposal

- Mayor's Proposed Budget aligns with Advisory Board recommendations
- Recommendation includes
 - 40% of TRCC revenues to Parks and Rec ops
 - \$5.995M of county funding to capital maintenance
 - Slightly increased the equipment replacement program
 - Proposed ending fund balance \$2.5M



TRCC Operations & New Requests

- Operations
 - Arts & Culture \$4.9M
 - Equestrian Park 1.2M
 - Parks & Rec 18.7M
 - Capital Improvement Transfers 3.1M
 - Equipment Replacement Transfers 0.9M
 - Debt Service Transfers 1.9M
- Government Contributions 4.2M
- Outside Organization Contributions 0.15M
- Cultural Facilities Support Program (CFSP) 1.6M
- Salt Lake County Capital Projects 5.995M
- Revenue Offsets
 - Miller Family 2.0M
 - Sale Of Land EP - Mink Farm 2.0M
 - Sale Of Land 45th South 1.5M



TRCC Proposed New Requests



City/Government Requests	City of Bluffdale Day Ranch Trail Connection to Jr Parkway	\$100,000
	City of South Jordan Midas Creek Trail	\$155,720
	City of South Salt Lake Columbus Park and Playground	\$325,000
	City of Taylorsville Park	\$566,667
	Cottonwood Heights BCC Trail Reconstruction	\$83,682
	Cottonwood Heights BCC Trail Way Finding	\$43,695
	City of Draper All Inclusive Playground	\$550,000
	City of Herriman Juniper Canyon Recreation Area Ph 1	\$550,000
	Kearns – David Gourley Park Pavilion and Restroom	\$517,608
	City of Millcreek Canyon Rim Park Playground	\$334,764
	City of Salt Lake Smith's Ballpark	\$900,000
	City of Riverton Nature Center	\$25,000



TRCC Proposed New Requests



Outside Organization Requests	Friends of Tracy Aviary – Jordan River Nature Center	\$100,000
	Salt Lake Climbers Alliance	\$50,000
Cultural Facilities Support Program Requests	CFSP – West Jordan Cultural Arts Facility	\$900,000
	CFSP – City of Holladay Village Plaza Public Art	\$150,000
	CFSP – Holladay Arts Council	\$12,800
	CFSP – West Valley Veterans Hall and Park	\$500,000



TRCC Proposed New Requests

**Capital
Maintenance
Projects
(\$5.995M
county
funding)**

Valley Regional Park – Softball Complex Ph 2	\$3.694M
Fairmont Pool – Resurface Lap Lane	\$0.240M
Gene Fullmer RC – Roof Repair	\$0.270M
JL Sorenson RC – Pool Repair	\$0.085M
JRT – Trail Stabilization & Repair	\$0.200M
Magna Pool – Renovate Locker Rooms	\$0.200M
Northwest Rec Center – Replace Boiler	\$0.305M
ADA Transition Plan – Phase 3 Tranche 1	\$0.133M
Sugar House Park – Slurry Seal	\$0.175M
Wheeler Farm – Pathway Surface	\$0.050M
Equestrian Park – Various Projects	\$0.289M
UMOCA – Ceiling Tile & Lighting Replacement	\$0.021M
Indirect Costs	\$0.138M
Additional 3% Funding Increase – Various Projects	\$0.195M



Budget Reductions

Operational Efficiencies & Request Reductions General Fund & Related Funds

- Energy line item reductions \$900K
 - Stress tests taken/operating cuts \$490K
 - Budget request eliminations \$8.1M
 - Budget request reductions \$3.2M
- \$12.7M



Proposed Tax Increase

Tax Rate Increase Over Certified Tax Rate

- Approximate 8.74% Countywide Revenue Increase \$17.7M
- Impact on average home \$33.60/year
- Impact on average business \$61.09/year
- Purpose of the proposed increase is to provide funding for services newly mandated by the State of Utah, to provide for the operations of new or expanded voter-approved facilities in Salt Lake County government and other essential government purposes.



Tax Increase Distribution by Fund

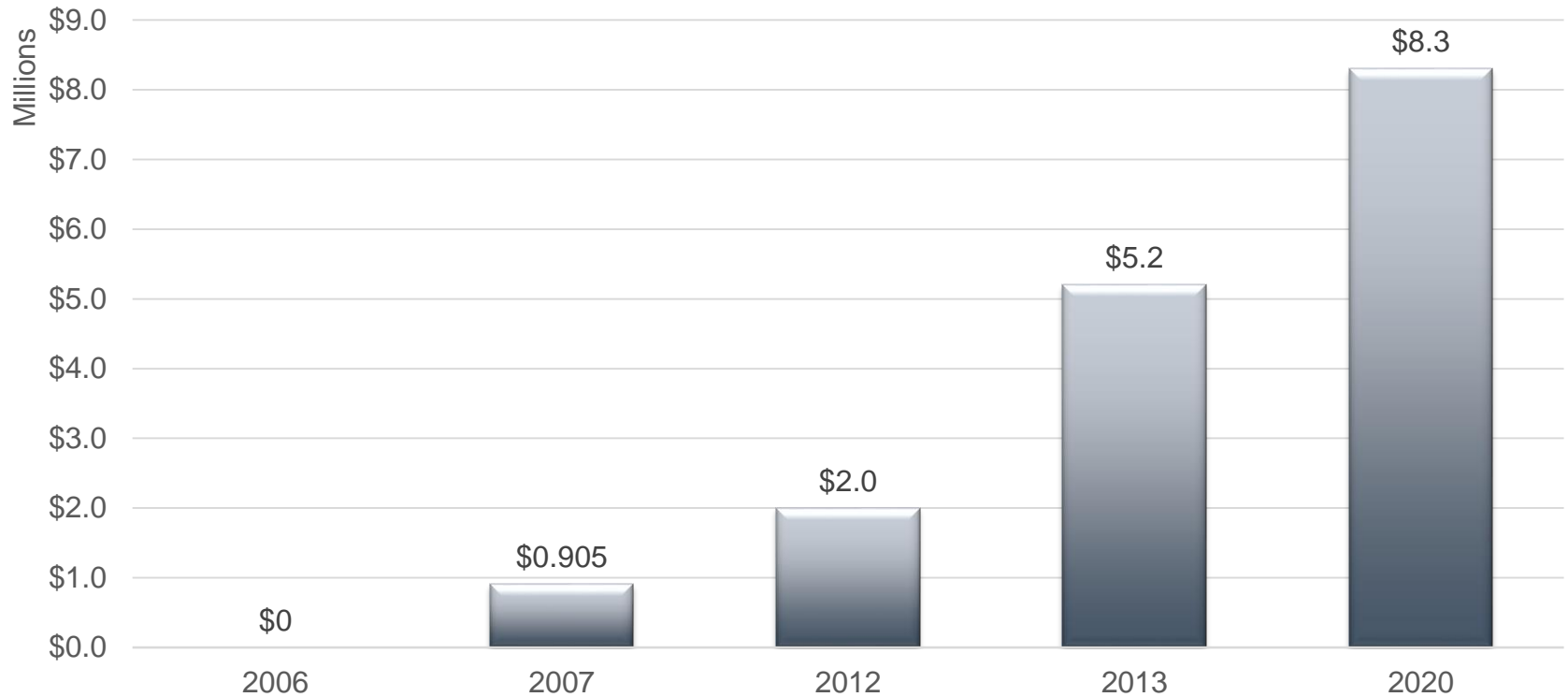
in millions \$

Fund	Additional Tax Revenue
General Fund	10.9
Health Fund	2.8
Capital Improvements Fund	2.0
Flood Control Fund	1.2
Tax Administration Fund	0.8
Total	17.7



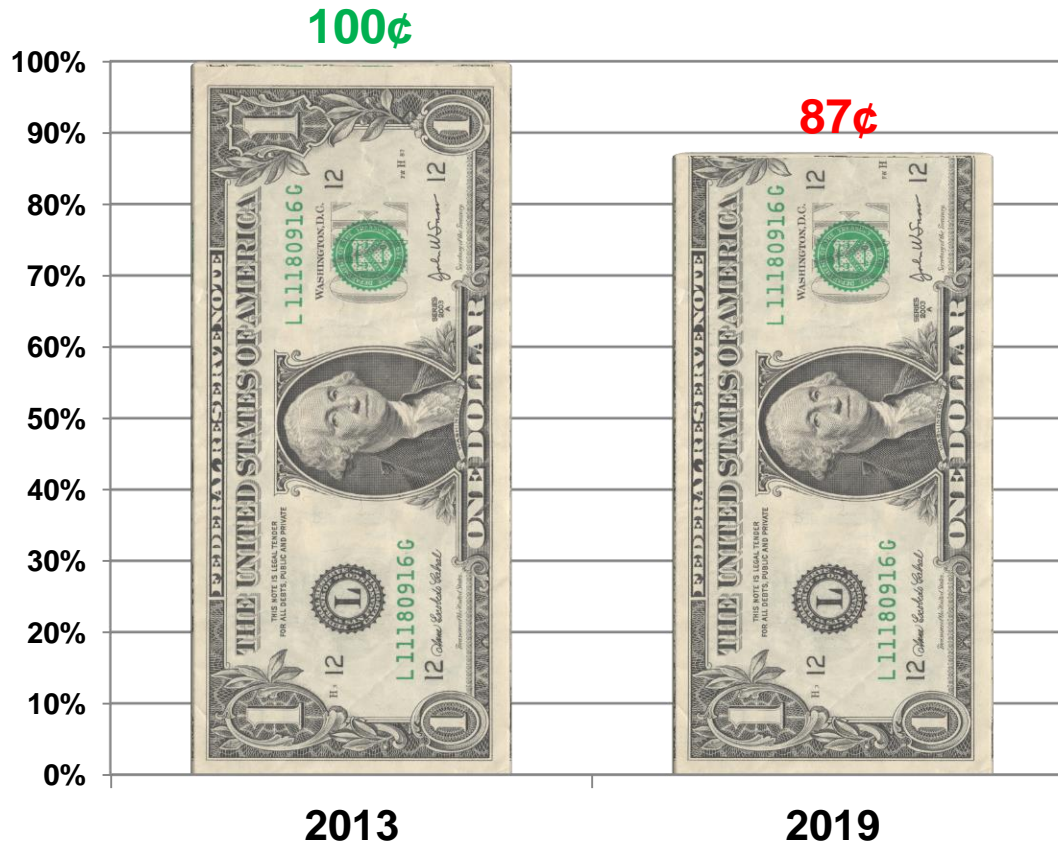
Capital Improvement Funding History

Tax Revenues



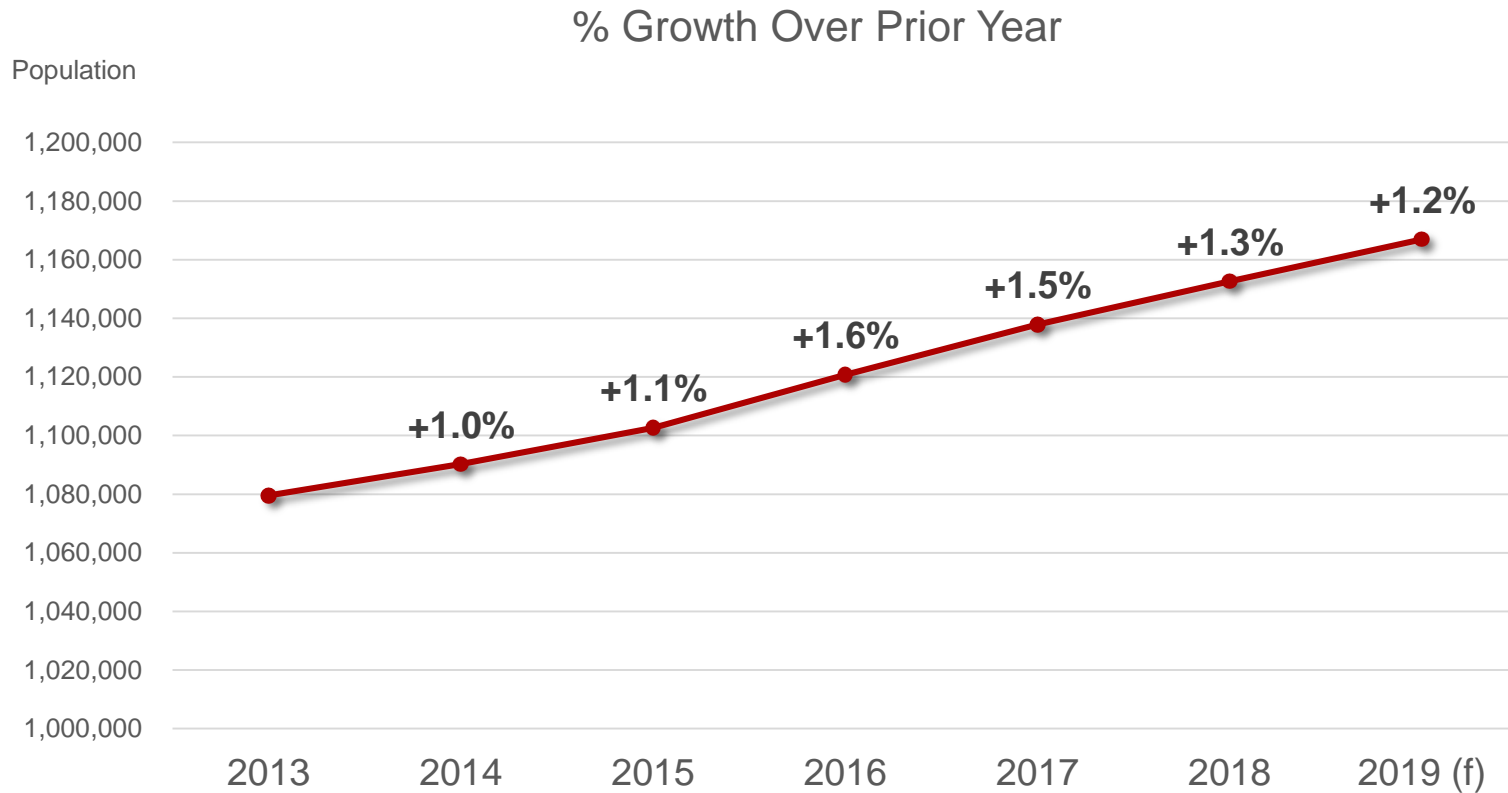


Purchasing Power Erosion Due to Inflation





County Population Growth Trend



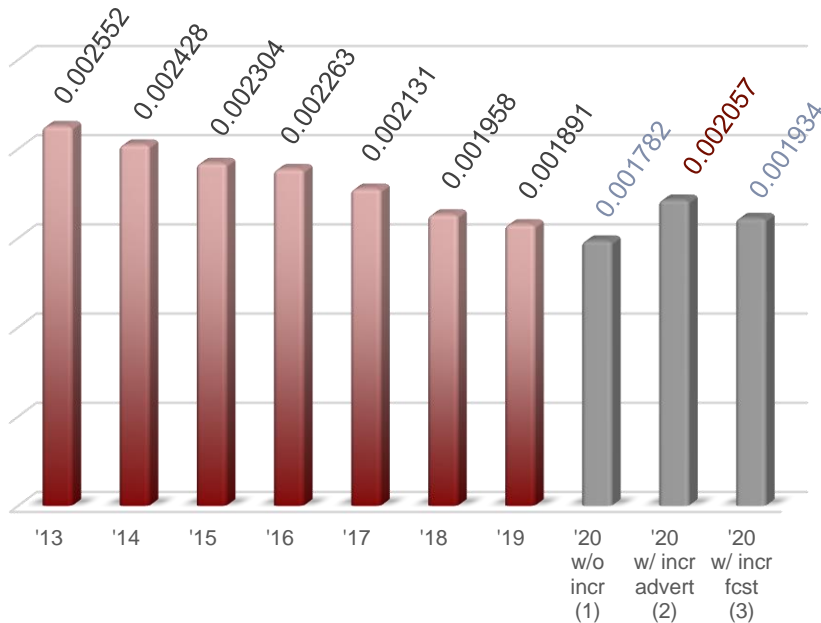
8.1% Cumulative Population Growth from 2013 to 2019



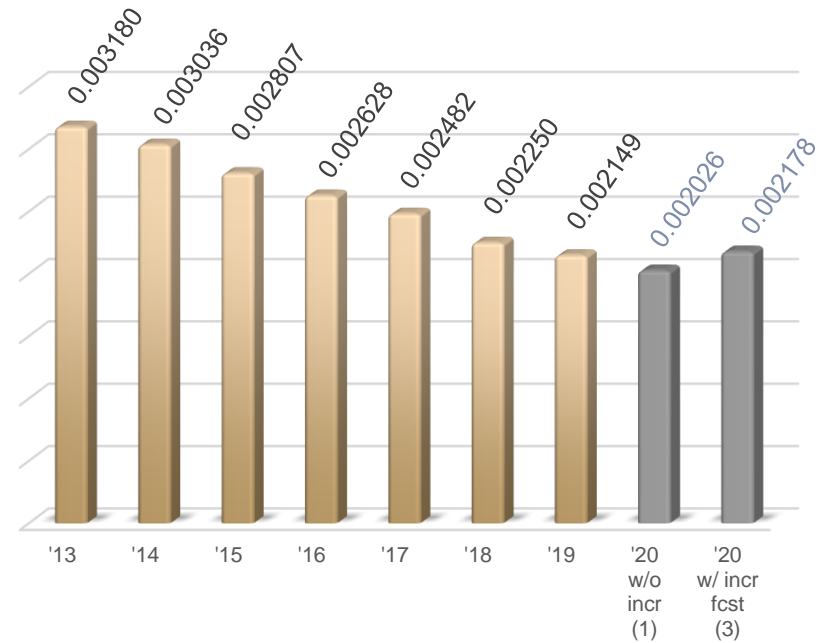
Declining Trend in Property Tax Rates

Countywide and Assessing & Collecting

Excluding Bond Debt Service and Judgment Levies



Including Bond Debt Service and Judgment Levies



The 2020 tax rates are estimates. The actual 2020 Certified Tax rates will likely differ from these rates once taxable values have been finalized.

(1) [20 w/o incr] is an estimate of what the tax rate would be without a tax increase. The assumption is that the 2019 certified rate would decline due to inflation in property values.

(2) [20 w/incr advert] The rate that was advertised in the property tax notice, and by statute was required to be calculated using the 2019 Certified Rate and value, plus the proposed tax rate increase of 8.78%.

(3) [20 w/incr fcst] is based on the rate that was advertised but reduced for an estimated growth in property values due to inflation.



Analytics





Parks and Recreation

Appropriations vs. General Fund County Funding

in millions \$

	2020 Budget	2019 Budget	2018 Budget	2017 Budget
Expenses Less Operating Revenue	31.7	29.5	27.8	25.6
TRCC Transfer to the General Fund ⁽¹⁾	(18.3)	(17.7)	(16.4)	(15.5)
TRCC Transfer to the General Fund for Open Space Maintenance	(0.4)	(0.39)	(0.38)	(0.36)
Visitor Promotion transfer to General Fund ⁽²⁾	(2.0)	(2.0)	(2.0)	(2.6)
Parks & Recreation Restricted General Fund Sales Taxes	(8.0)	(7.8)	(7.4)	(6.9)
Reliance on General Fund	3.00	1.65	1.61	.21

(1) TRCC fund transfers to Parks & Recreation operations, currently at the maximum recommended by the TRCC Advisory Board.

(2) Visitor Promotion fund transfer to the General Fund for Recreation operations subsidy.



2020 Selected New Capital Maintenance or Construction Projects

in millions \$

Calvin Rampton Salt Palace Convention Center	\$3.6
TRCC - Capital Projects	\$11.0
Capital Improvements Fund	\$9.0
Mountain America Expo Center	\$0.5
Flood Control	\$2.6
Clark Planetarium	\$0.2



2020 FTE Changes

	New County Funding	Fully or Partially Funded by New Revenue	Transfer	Time Limited	Other
Sheriff	3.00				(1.00)
County Jail	4.00				(3.00)
CJAC			1.00	1.00	(2.00)
District Attorney	10.00				
Criminal Justice	9.00				
DRD	1.00			0.75	
Mayor Admin			+1-2	(1.00)	
Mayor Finance			(1.00)		
Assessor	2.00				
Clerk	0.50				
Election Clerk	2.00				
Youth Services		1.00			
Health		2.00			
Behavioral Health		1.00			

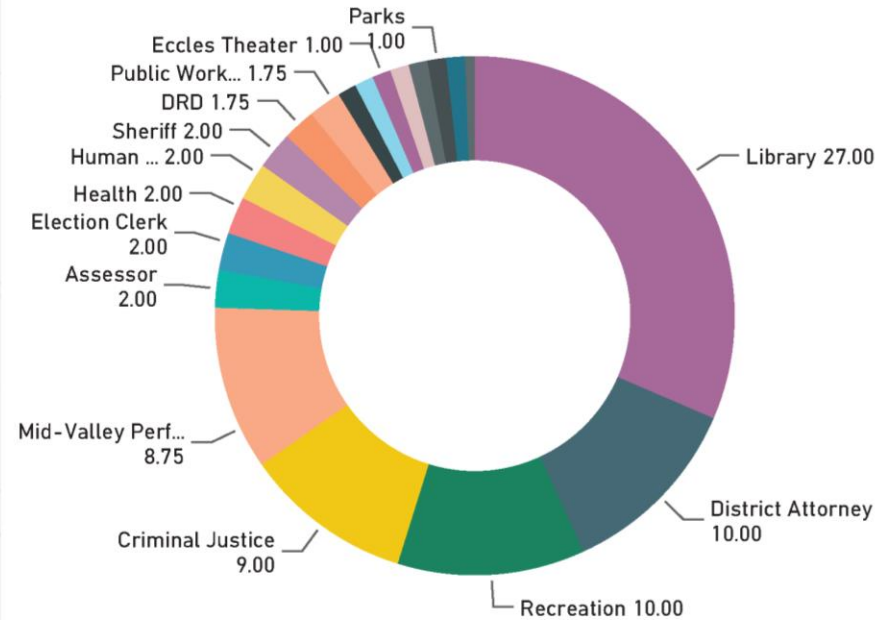
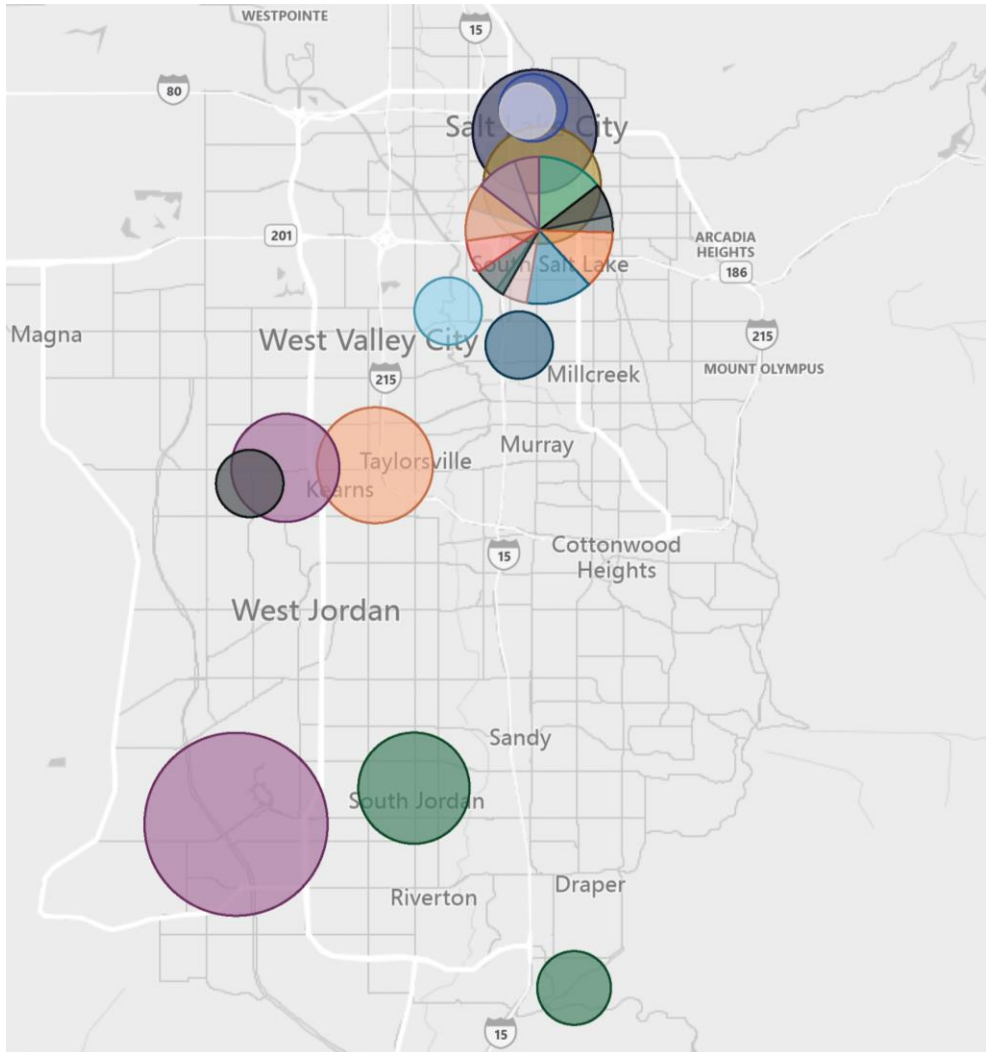


2020 FTE Changes [cont.]

	New County Funding	Fully or Partially Funded by New Revenue	Transfer	Time Limited	Other
Library	27.00				
Eccles Theater		1.00			
SLCo Arts and Culture	(1.00)	8.75			
Parks	1.00				
Recreation		10.00			
Human Resources	2.00				
Information Services	3.00				(3.00)
Planning & Development	(36.00)				
Facility Services		1.00			
Emergency Management			1.00		
Public Works Operations		1.75			
Employee Services Reserve	(0.25)				
Totals	27.25	26.50	0	0.75	(9.00)



FTE Changes by Location





Fund Summary

General Fund & Related

in millions \$

Budget Year 2020	Projected Beginning Balance	Budgeted Ending Balance	Projected Ending Balance
General Fund	57.1	41.2	59.2
Flood Control	2.3	0.6	2.7
Health	5.2	2.5	3.8
Planetarium	1.5	1.0	1.3
Grant	2.4	0	0.8
Tax Admin	3.2	1.6	3.3



General Fund Structural Analysis

in millions \$

Budget Year	Budget Ending Balance		Actual Ending Balance	Variance to Adopted Budget
	Adopted	June		
2015	34.4	35.2	47.1	12.7
2016	32.4	36.4	53.3	20.8
2017	33.2	43.1	60.3	27.1
2018	39.7	46.8	57.9	18.1
2019	37.8	39.1	56.5*	18.7*
2020	41.2*	n/a	59.2*	18.0*

* Projected. The 2019 Ending Unassigned Fund Balance does not equal the 2020 Beginning Unassigned Fund Balance because the 2020 beginning unassigned balance was increased for 2020 budgeted expenditures of \$647K that use restricted and assigned fund balances.



2020 Financing Plans

- Tranche 2 of authorized Parks & Recreation GO Bonds – *possible December 2019 issuance*
- Sales Tax Revenue Bonds (Shelter The Homeless projects) – *possible December 2019 issuance*
- TRANS – June/July timeframe



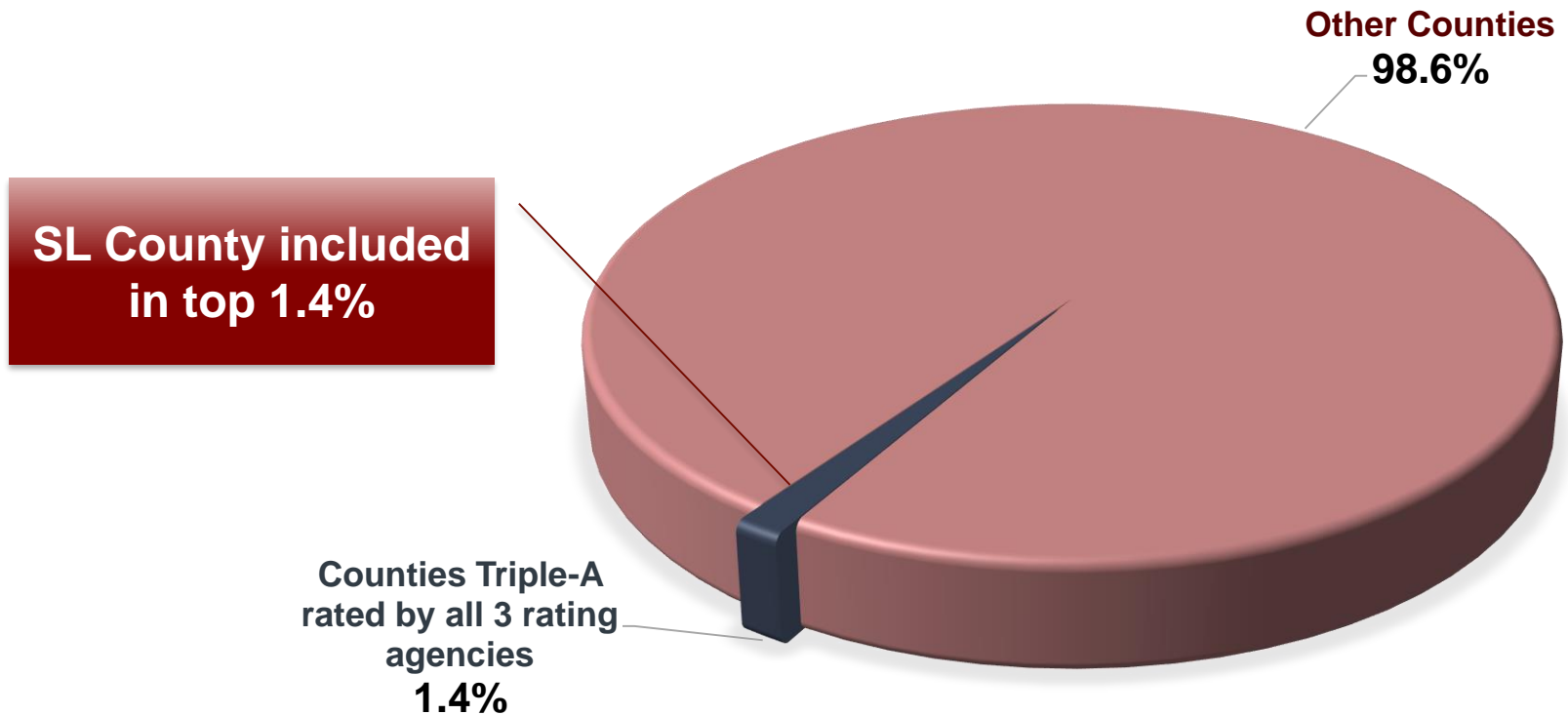
GASB 87 Impacts

- The County will implement GASB 87 in 2020, resulting in:
 - \$5.7M in Expense
 - \$5.7M in Revenue (other financing source)
- To record 4 leases countywide



Salt Lake County – Triple-A Rated

Staying Among Financially “Elite”!





2020 Budget Recap

All Funds

- All funds are balanced
- Countywide tax increase of 8.7%
- Opens new facilities for Library, Parks & Recreation, and Arts & Culture
- Places a strong emphasis on addressing domestic/sexual violence and public safety
- Net appropriations at \$1.4 B





Mayor's Proposed Budget Book, including this presentation, is available online:

<http://slco.org/mayor-finance/budget/2020-budget-information/>

