Table of Contents

1. Table of Contents
2. A Message to the Citizens of Salt Lake County
3. Profile of Salt Lake County
4. Elected Officials
5. Economic Outlook
6. County Financial Status: Present & Future
7. Property Taxes
8. Budget Overview
   - Government-wide Sources of Funds
   - Government-wide Uses of Funds
   - Full-Time Equivalent Employees (FTEs)
   - Operating Budgets by Fund
   - Capital Projects
   - Debt Service
9. Net Budget Calculation
10. Statistical Indicators
11. Glossary

Salt Lake County • 2001 South State Street, Salt Lake City, UT 84114-4575 • 1

Salt Lake County Mayor Peter Corroon
On behalf of Salt Lake County government, I am pleased to present this Budget in Brief for 2012. This summary provides pertinent financial information designed to present a clear picture of the County’s financial health, as well as highlight some of the top priority programs and a glimpse of future challenges.

The good news is that Salt Lake County has not raised property taxes again this year, and our revenues are projected to grow slightly because of growth in sales taxes collected. However, sales tax levels are not expected to return to 2007 levels until 2015. Still, any growth is a positive signal that our fragile economy is finally recovering from the great recession. This is welcome news since Salt Lake County has made deep cuts to our budget over the past three years.

The County’s financial position remains incredibly strong. The diverse local economy coupled with extremely low debt levels and conservative financial management enable the County to maintain its AAA bond rating from all three major rating agencies, in spite of the recent downgrade to the United States. This rating coupled with strong demand for highly rated bonds means Salt Lake County can take advantage of historically low interest rates on its debt. Salt Lake County will embark on three major building projects, replacing two decaying facilities and one expensive leased facility. These projects include a new office building for the District Attorney (one of the first net-zero energy use buildings in the United States), new fleet shops which will enable conversion of the fleet to natural gas vehicles, and a new public health building. Salt Lake County’s Capitol Theatre also received funding for a major renovation. The average interest rate for these projects is expected to be less than 3%.

Salt Lake County also received positive news on the health insurance front. The premiums for the first time in years did not increase.

Challenges remain, however, particularly in regard to employee pay and benefits. Unfortunately, Salt Lake County was unable to give employees a pay increase again in 2012 because of our continued budget challenges. A top priority moving forward will be to provide a compensation adjustment in the near future. The employees’ hard work should be recognized as economic conditions improve.

Overall, Salt Lake County enjoys very strong financial health, and will emerge from the recession ready to tackle the issues of the future.

Sincerely,

Peter M. Corroon
Salt Lake County Mayor
Salt Lake County comprises an area of 742 square miles. It is bordered on the west by the Great Salt Lake (one of the largest inland bodies of water in the United States) and the Oquirrh Mountains, and on the east by the Wasatch Mountains.

Salt Lake County is the most populous county in Utah. The 2010 County population of one million represents approximately 37% of the total State population. The City and County area, often referred to as “the Crossroads of the West”, is one of the largest metropolitan areas between Phoenix and the Canadian border, north to south, and between Denver and California, east to west. Over the past several years the growth and change in population, business, and industry have brought a national and international reputation to the Salt Lake valley. The Salt Lake area received further worldwide attention in February 2002 as host of the Olympic Winter Games.

Salt Lake County is home to 16 incorporated cities and one incorporated town ranging in size from nearly 182,000 citizens to less than 400 citizens. The first city was incorporated more than 150 years ago while the most recent was established in 2005. The County also includes several unincorporated communities (e.g., Magna, Kearns, and Millcreek). City governments provide municipal services such as garbage collection and disposal, snow plowing, street and sidewalk improvements, animal services, and planning and zoning services to their residents, and Salt Lake County provides those same services to residents in the unincorporated areas as well as several of the smaller cities on a contract basis.

Salt Lake County - Municipal Boundaries & Unincorporated County.
The County’s government is structured as a Council—Executive form, where the executive is elected and is referred to as Mayor. There are nine part-time council members, three voted at-large to staggered six-year terms, and six are elected by district with staggered four-year terms. The County Mayor’s term is four years. There are eight other elected officials who have independent authority defined by statute: the Assessor, District Attorney, Auditor, Clerk, Recorder, Sheriff, Surveyor and Treasurer.

The County provides a diversified range of countywide services, as well as certain municipal services. Countywide services include:

- Human Services—public health services, behavioral health services, aging services (senior centers, meals on wheels, etc.), youth services, and library services (except for Murray City, and Salt Lake City which each maintain their own library systems).
- Community Services—parks and recreation, visitor promotion and convention services (Calvin L. Rampton Salt Palace Convention Center, South Towne Exposition Center), fine arts (Abravanel Hall, Capitol Theater, Rose Wagner Performing Arts Center), golf courses, and the Clark Planetarium.
- Public Safety—felony and misdemeanor prosecution by the District Attorney’s Office; incarceration (jail), protective services, and law enforcement services provided by the Sheriff’s Office; pretrial and probation services provided by Criminal Justice Services; and Justice Courts.
- Municipal Services—flood control, solid waste management, business licenses, street lighting, traffic engineering, highways, animal services, planning and zoning, development services.
- Other—Property tax assessing and collecting, surveying, recording, marriage licenses, passports, and ordinance enactment and enforcement.
Elected Officials

County Mayor........................................... Peter M. Corroon
PeterMCorroon@slco.org

County Council:
At-Large A............................................ Randy Horiuchi
RHoriuchi@slco.org
At-Large B........................................... Richard Snelgrove
RSnelgrove@slco.org
At-Large C............................................. Jim Bradley
JBradley@slco.org
District 1............................................. Arlyn Bradshaw
ARBradshaw@slco.org
District 2............................................. Michael Jensen
MHJensen@slco.org
District 3............................................. David Wilde (Chair)
DWilde@slco.org
District 4............................................. Jani Iwamoto
JIwamotso@slco.org
District 5............................................. Steve DeBry
SLDeBry@slco.org
District 6............................................. Max Burdick
MBurdick@slco.org

County Assessor ........................................ Lee Gardner
LGardner@slco.org
County Auditor ..................................... Gregory P. Hawkins
GHawkins@slco.org
County Clerk ........................................... Sherrie Swensen
SSwensen@slco.org
District Attorney ...................................... Sim Gill
SGill@slco.org
County Recorder ...................................... Gary Ott
GOtt@slco.org
County Sheriff ...................................... James M. Winder
JWinder@slco.org
County Surveyor .................................... Reid J. Demman
RDemman@slco.org
County Treasurer.................................. K. Wayne Cushing
KWCushing@slco.org
Following two years of decline, Salt Lake County’s tax base has been on the mend since 2010. Taxable sales, one of the county’s measures of business and consumer economic health, improved 2.6% in 2010, and 7.0% in 2011.

For 2011, sales tax revenues are up 7% over the prior year. Although the outlook for 2012 is not quite as optimistic, the Salt Lake County economy, as measured by taxable sales, will most likely grow at least 3% in 2012 for three reasons:

- Salt Lake County households are beginning to open their wallets due to job gains in 2011. A 2.2% increase in payroll employment during 2011 improved household confidence for future spending.

- Salt Lake County and Utah businesses were expanding in 2011, purchasing new equipment to enhance their productivity and hiring more employees to meet growing product demands. Businesses increased their purchases of equipment and software by 9% in 2011, while job growth in Salt Lake County increased 1.6% compared to a year earlier. This growth exceeded several neighboring metropolitan areas in the West (see Chart on next page).

City Creek Center Grand Opening
(Courtesy of Tauban)

Two headwinds may slow the Salt Lake County economy in 2012 and beyond. A prolonged European financial crisis may bring about a major recession there and consequently reduce their demand for Utah and Salt Lake County exports. Although recent moves by the European Central Bank mean banks there will have sufficient ability to borrow and buy their countries’ bonds, bondholder demands for cuts in government spending may dampen payrolls, consumer spending, and tax receipts. A second headwind over the next few years confronting the County may be federal government cutbacks on defense, national park, land management and other spending. While necessary to combat large deficits, the cuts may impact our local economy negatively in the short run.
The recent period of financial uncertainty has resulted in a greater emphasis on fiscal sustainability and structural balance in the County’s budget process. As the Mayor and Council have incorporated a longer view in their budget policy decisions, the County’s fiscal health going forward has improved.

**Key Benchmarks**

- Salt Lake County is one of only 30 counties (out of 3,140 counties and county-equivalent administrative units in the United States) that have a simultaneous triple ‘A’ bond rating with Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings. The County’s exemplary bond rating translates into significantly reduced interest costs for taxpayers.

- Standard & Poor’s has assigned its highest score of “strong” in its most recent assessment of the County’s financial management. Only 22 of the 30 counties referred to above have received this financial management assessment score.

- The ratio of the County’s general obligation debt outstanding per capita is very low in comparison with other AAA rated counties. In 2011, this ratio was $265 in Salt Lake County compared to a median of $563 in other AAA rated counties.

- Salt Lake County expects to maintain solid Fund Balance reserves. A significant measure of a government’s financial condition is the level of fund balances, especially for the General Fund. The County Council has adopted a minimum reserve policy for several funds. One of the major factors that bond rating agencies look at in determining Salt Lake County’s worthiness to receive a triple ‘A’ bond rating is whether or not the County’s projected ending fund balances are well above established minimum reserves. The projected ending fund balances for selected funds are summarized in the table below:

### 2012 PROJECTED YEAR-END FUND BALANCE SUMMARY

<table>
<thead>
<tr>
<th>Fund</th>
<th>Projected Ending Fund Balance</th>
<th>Minimum Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$32,524,000</td>
<td>$23,338,000</td>
</tr>
<tr>
<td>Municipal Services Fund</td>
<td>8,157,000</td>
<td>2,213,000</td>
</tr>
<tr>
<td>Library Fund</td>
<td>4,400,000</td>
<td>1,726,000</td>
</tr>
<tr>
<td>Health Fund</td>
<td>3,897,000</td>
<td>1,614,000</td>
</tr>
</tbody>
</table>

The projected ending fund balance anticipates expected underexpend. Minimum reserves are calculated as a percentage of budgeted expenditures.
Current Financial State

Salt Lake County’s financial state remains strong. Advanced planning and a series of financial initiatives enabled the County to deal with the “Great Recession” relatively unscathed. County Mayor Peter Corroon and the County Council jointly initiated three separate hiring freezes, two early retirement programs, and a series of budget cuts to cope with declining revenues. At the same time, the county positioned itself for the future by initiating several capital construction projects designed to either meet customer demand or to generally update the County’s infrastructure, taking advantage of the County’s strong financial rating and the bond markets’ historically low cost of borrowing.

In its most recent rating report, Fitch Rating Services states, “while the county is currently experiencing economic pressure, it has demonstrated its willingness to reduce expenditures to keep its general fund balances and reserves healthy”. The County remains committed to being fiscally conservative. Although the County has met the recession head on, budget challenges remain.

Budget Challenges

- Salt Lake County sales taxes, while slowly recovering, are still below the high water mark of 2007. The meager sales tax growth coupled with inflation left County policy makers with an estimated $17 million budget gap to grapple with to balance the 2012 budget.
- Largely due to a commitment to avoid a property tax increase, Salt Lake County relied on budget cuts and the use of fund balances that were above their required minimum reserves. The following table illustrates the 2012 budget actions adopted by the County Council.

<table>
<thead>
<tr>
<th>ACTIONS ADOPTED TO BALANCE THE 2012 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DESCRIPTION</strong></td>
</tr>
<tr>
<td>Budget cuts</td>
</tr>
<tr>
<td>No increase in employee health care benefit costs as a result of a service contract(s).</td>
</tr>
<tr>
<td>Increased use of TRCC (Tourism, Recreation, Culture, and Convention) funds to support recreation centers in the General Fund</td>
</tr>
<tr>
<td>Transfer of unused capital project bond proceeds to the General Fund</td>
</tr>
<tr>
<td>One time fund transfers from other Countywide funds along with a shift of tax rates from one fund to the General Fund</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
Budget Challenges (cont.)

- Much of the County’s expected annual budget challenges revolve around inflation and what is often referred to as the downward bias of property taxes. The annual inflation (otherwise known as growth) in the Salt Lake County government budget is largely driven by rising health care costs and retirement system adjustments passed down by the State of Utah. These additional costs have reduced our ability to fund services with existing property tax revenues by approximately 23%. Currently, Utah’s system of setting property tax rates does not allow the rates to offset the increased costs resulting from inflation. As a result, our property tax revenues grow more slowly than both population-driven increases in service demand and inflationary cost increases. The overall reduction in funds available after the increased health care and retirement costs may over time reduce County’s services to citizens. At some point, it may become necessary to eliminate selected programs and reduce service levels, or to increase revenues.
Budget Challenges (cont.)

- Our strategy to shift property tax rates from healthy funds (e.g., the County Health Fund) to meet the County’s needs has led to drawing down fund balances to the required minimum reserve levels in those funds. This strategy may result in a structural deficit (recurring sources of funds will be less than recurring uses) depending on the amount of budgetary underexpend. The structural soundness of all County funds will be reviewed during the 2013 budget deliberations.

- Employee pay and benefit levels must also be addressed in 2013. The chart below illustrates the challenge.

<table>
<thead>
<tr>
<th>Year</th>
<th>Pay Adjustment</th>
<th>401(k) Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-2.75%</td>
<td>-3.00%</td>
</tr>
<tr>
<td>2010</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>2011</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
<tr>
<td>2012</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

- Recognizing that County employees today remain below January 2009 compensation levels in terms of both pay and benefits, County Mayor Peter Corroon has made it a top priority for the 2013 budget session to address this issue.

- Other future challenges include continuing to address deferred maintenance items for the County’s capital assets and funding the upgrade or replacement of certain aging information technology systems. In addition, while the TRCC (Tourism, Recreation, Culture, & Convention) advisory board has been willing to support the County’s recreation centers during the budget downturn, they have set a target of reducing the General Fund’s reliance on these TRCC funds to pay for the operating costs of the County’s recreation centers long term.
Salt Lake County’s tax levy is only part of your total property tax bill. On average, the County keeps about 17 cents of each property tax dollar it collects for county-wide services, and about 3 cents for library services outside of Salt Lake City and Murray City. Municipalities (cities and towns) receive about 19 cents to pay for police, fire, road maintenance and other services. Community development and renewal agencies (also known as redevelopment agencies), which are controlled by municipalities, receive about 6 cents. School districts receive the largest share of the property tax at about 45 cents, and all of the other taxing entities such as special improvement, water and sewer, and mosquito abatement districts take about 8 cents.

**Property Tax Calculation - Example**

Current Utah law gives homeowners a break on property tax by way of the residential exemption. Most other kinds of property are taxed at their full fair market value. This example is based on 2011 tax rates.
**PROPERTY TAXES (CONT.)**

**HOW SALT LAKE COUNTY USES ITS SHARE OF YOUR PROPERTY TAXES**

**Public Safety** - 8.9 cents - Jails, criminal prosecution, alternatives to incarceration, court security, and indigent legal expense.

**General Public Services** - 3.2 cents - Elections, assessment and taxation, flood control, education, economic development, support functions, and those functions required by law.

**Human Services** - 2 cents - Support services for abused and neglected children, treatment for substance abuse and mental illness, and services to help seniors live independently.

**Public Health** - 0.8 cents - Disease prevention, environmental protection, and family health support.

**Voter Approved Bond Debt Service** - 2.5 cents - Debt service for several bond projects that include major facilities like the county jail and nonprofit community projects like the Hogle Zoo, Tracy Aviary, and the Utah Museum of Natural History.

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**SALT LAKE COUNTY PROPERTY TAX ALLOCATION**
BUDGET OVERVIEW: GOVERNMENT-WIDE SOURCES OF FUNDS

1. The decrease in General Property Tax in the 2012 Adopted budget is largely due to a shift of the Municipal Services property tax rate directly to Salt Lake Valley Law Enforcement Service Area (SLVLESA).

2. The “Other” category of Sources of Funds is comprised of bond proceeds, fines, interest, concessions, contributions, refunds, Fleet external revenues, sale of materials & capital assets, and miscellaneous revenues not otherwise classified. In any given year, bond proceeds will account for over 50% of total “Other” sources of funds. These “Other” sources of funds tend to experience major fluctuations from year to year.

3. The beginning fund balance is largely made up of “carryover” bond proceeds. Generally, these funds must be used to complete the capital project the bonds were issued for.
In this Budget in Brief document, the Salt Lake County budget is illustrated in two very different but significant ways. First, the budget is shown from a government-wide perspective by elected official; and second, from a segregated spending perspective.

The graph and table below illustrate Salt Lake County’s overall budget as appropriated to its various elected officials. The graphs on pages 16-18 further illustrate the breakdown by major function or service of the elected officials.
BUDGET OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY ELECTED OFFICE (CONT.)

ASSESSOR: $12.6 million
- Mass Appraisal: 47%
- Motor Vehicle Appraisal: 11%
- Personal Property Appraisal: 14%
- Admin. & Misc.: 28%

AUDITOR: $5.1 million
- Property Tax Admin: 30%
- Accounting: 43%
- Auditing: 27%

CLERK: $6.5 million
- Elections Division: 82%
- Admin & Misc.: 16%
- Council Clerk: 1%

COUNCIL: $4.9 million
- Council: 45%
- Council-Tax Admin: 43%
- Community Council Support: 12%

DISTRICT ATTORNEY: $28.8 million
- Criminal Justice: 61%
- Civil Legal Counsel: 23%
- Tort Liability: 14%
- DA-Tax Admin: 2%

JUSTICE COURT: $1.6 million
- County Justice Court: 100%

Clark Planetarium Kinetic Sculpture
Budget Overview: Government-Wide Uses of Funds — By Elected Office (cont.)
BUDGET OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY ELECTED OFFICE (CONT.)
Salt Lake County government has one of the more complicated budgets to understand, largely stemming from the 46 separate funds managed by the County. Different funds are established in most cases as required by law, and in some cases to further management objectives. The funds established by law are required by state statute. This is usually due to revenues authorized by the state for a specific use, or alternatively because there are different taxpayers contributing to a particular service, thus necessitating a segregation of funds. Policy makers must understand when balancing budgets that the General Fund, for example, can’t be used to solve budget problems in the Library or Municipal Services funds because they are not funded by the same taxpayers.

The second way to view the government-wide budget is by segregated uses of revenues. The chart below illustrates the same total appropriations from page 15, but divided up according to use instead of by elected official. The graphs on pages 20-22 further illustrate the spending by type of service provided to citizens.
The General Fund and its related funds account for functions and services provided on a County-wide basis. Subdivisions within this category can often be linked with a different fund, but they share the common theme of providing services on a County-wide basis.
The Municipal Services funds account for city-type services for residents of the unincorporated areas of Salt Lake County, which include Magna, Kearns, Millcreek, White City, Copperton, Big Cottonwood, Granite and other small islands of unincorporated areas.

### 2012 ADOPTED BUDGET: MUNICIPAL SERVICES FUND - USES OF FUNDS

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>2010 Actuals</th>
<th>2011 Adjusted Budget</th>
<th>2012 Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL GOVERNMENT</td>
<td>$1,897,362</td>
<td>$2,700,747</td>
<td>$2,662,488</td>
</tr>
<tr>
<td>PUBLIC SAFETY/CRIMINAL JUSTICE</td>
<td>18,558,235</td>
<td>14,029,722</td>
<td>5,279,220</td>
</tr>
<tr>
<td>PLANNING &amp; DEVELOPMENT</td>
<td>4,745,882</td>
<td>5,150,360</td>
<td>5,401,320</td>
</tr>
<tr>
<td>ANIMAL SERVICES</td>
<td>4,106,205</td>
<td>4,478,453</td>
<td>4,495,851</td>
</tr>
<tr>
<td>PUBLIC WORKS</td>
<td>16,705,803</td>
<td>19,670,918</td>
<td>21,618,370</td>
</tr>
<tr>
<td>CAPITAL OUTLAY</td>
<td>2,662,313</td>
<td>3,794,751</td>
<td>7,689,985</td>
</tr>
<tr>
<td>Totals:</td>
<td>$46,758,443</td>
<td>$47,124,204</td>
<td>$45,147,234</td>
</tr>
</tbody>
</table>
Enterprise funds are established to function in most respects like privately-operated businesses, and to run as efficiently as possible. Salt Lake County’s golf courses, sanitation (garbage collection), and solid waste management (transfer station and landfill) are all operated from enterprise funds.

### 2012 ADOPTED BUDGET: ENTERPRISE FUNDS - USES OF FUNDS

- **$37.3 MILLION**

#### Uses of Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>2010 Actuals</th>
<th>2011 Adjusted Budget</th>
<th>2012 Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOLF COURSES FUND</td>
<td>$6,882,076</td>
<td>$7,885,345</td>
<td>$7,541,746</td>
</tr>
<tr>
<td>SANITATION FUND</td>
<td>$13,243,898</td>
<td>$15,136,255</td>
<td>$15,544,695</td>
</tr>
<tr>
<td>SOLID WASTE MANAGEMENT FUND</td>
<td>$12,314,631</td>
<td>$12,809,684</td>
<td>$13,191,827</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$32,440,605</strong></td>
<td><strong>$35,831,284</strong></td>
<td><strong>$37,278,268</strong></td>
</tr>
</tbody>
</table>

*Solid Waste Director explains transfer station shredder*
BUDGET OVERVIEW:
FULL-TIME EQUIVALENT EMPLOYEES

2012 FULL-TIME EMPLOYEES BY FUND TYPE

- GENERAL FUND* 48%
- SPECIAL REVENUE FUNDS* 44%
- ENTERPRISE FUNDS 4%
- INTERNAL SERVICE FUNDS 4%

FULL-TIME EMPLOYEES BY FUND TYPE

<table>
<thead>
<tr>
<th>Year</th>
<th>GENERAL FUND*</th>
<th>SPECIAL REVENUE FUNDS*</th>
<th>ENTERPRISE FUNDS</th>
<th>INTERNAL SERVICE FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 Budget</td>
<td>1,862</td>
<td>1,993</td>
<td>157</td>
<td>139</td>
</tr>
<tr>
<td>2009 Budget</td>
<td>1,874</td>
<td>1,940</td>
<td>155</td>
<td>132</td>
</tr>
<tr>
<td>2010 Budget</td>
<td>1,707</td>
<td>1,588</td>
<td>153</td>
<td>133</td>
</tr>
<tr>
<td>2011 Adjusted Budget</td>
<td>1,731</td>
<td>1,614</td>
<td>153</td>
<td>134</td>
</tr>
<tr>
<td>2012 Adopted Budget</td>
<td>1,723</td>
<td>1,601</td>
<td>161</td>
<td>133</td>
</tr>
</tbody>
</table>

* The Unified Police Department became a separate entity from Salt Lake County in 2010, affecting the number of employees in the General Fund and in Special Revenue Funds.
BUDGET

OVERVIEW:
FULL-TIME EQUIVALENT EMPLOYEES
(cont.)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL GOVERNMENT</td>
<td>319</td>
<td>314</td>
<td>295</td>
<td>295</td>
<td>298</td>
</tr>
<tr>
<td>PUBLIC SAFETY / CRIMINAL JUSTICE*</td>
<td>1,683</td>
<td>1,698</td>
<td>1,215</td>
<td>1,225</td>
<td>1,212</td>
</tr>
<tr>
<td>HUMAN SERVICES</td>
<td>360</td>
<td>353</td>
<td>349</td>
<td>353</td>
<td>334</td>
</tr>
<tr>
<td>RECREATION &amp; CULTURAL</td>
<td>652</td>
<td>638</td>
<td>656</td>
<td>683</td>
<td>693</td>
</tr>
<tr>
<td>PUBLIC HEALTH</td>
<td>464</td>
<td>445</td>
<td>432</td>
<td>439</td>
<td>440</td>
</tr>
<tr>
<td>PUBLIC WORKS</td>
<td>177</td>
<td>186</td>
<td>183</td>
<td>183</td>
<td>179</td>
</tr>
<tr>
<td>TAX ADMIN</td>
<td>200</td>
<td>186</td>
<td>183</td>
<td>183</td>
<td>179</td>
</tr>
<tr>
<td>ENTERPRISE FUNDS</td>
<td>157</td>
<td>155</td>
<td>153</td>
<td>153</td>
<td>161</td>
</tr>
<tr>
<td>INTERNAL SERVICE FUNDS</td>
<td>139</td>
<td>132</td>
<td>133</td>
<td>134</td>
<td>133</td>
</tr>
</tbody>
</table>

* The Unified Police Department became a separate entity in 2010. This accounts for most of the change in Public Safety employees.
BUDGET OVERVIEW: OPERATING BUDGETS BY FUND

![Magna Library Patrons](image)

### Operating Budgets by Fund - Tax Funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>2010 Budget</th>
<th>2011 Adjusted Budget</th>
<th>2012 Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL FUND</td>
<td>$276,767,563</td>
<td>$233,079,842</td>
<td>$232,251,904</td>
</tr>
<tr>
<td>MUNICIPAL SERVICES FUND</td>
<td>53,517,886</td>
<td>49,586,497</td>
<td>44,758,499</td>
</tr>
<tr>
<td>FLOOD CONTROL FUND</td>
<td>10,511,359</td>
<td>14,417,270</td>
<td>8,867,975</td>
</tr>
<tr>
<td>TAX ADMIN. FUND</td>
<td>22,587,914</td>
<td>22,200,987</td>
<td>23,290,278</td>
</tr>
<tr>
<td>LIBRARY FUND</td>
<td>31,177,151</td>
<td>34,419,189</td>
<td>34,513,035</td>
</tr>
<tr>
<td>HEALTH FUND</td>
<td>33,424,884</td>
<td>32,959,977</td>
<td>32,279,259</td>
</tr>
<tr>
<td>GOVERNMENTAL IMMUNITY FUND</td>
<td>3,307,700</td>
<td>4,050,000</td>
<td>4,050,000</td>
</tr>
<tr>
<td>PLANETARIUM FUND</td>
<td>16,844,591</td>
<td>7,034,787</td>
<td>6,691,152</td>
</tr>
</tbody>
</table>
BUDGET

OVERVIEW:

OPERATING BUDGETS BY FUND (cont.)

Calvin L Rampton Salt Palace Convention Center
BUDGET

OVERVIEW:
OPERATING BUDGETS BY FUND (CONT.)

Mick Riley Golf Course
BUDGET

OVERVIEW:
OPERATING BUDGETS BY FUND (CONT.)
Salt Lake County continually strives to provide its citizens with cost-effective and state-of-the-art facilities that enhance the communities where they live. The County also promotes energy conservation and green environmental standards for all capital projects. Capital projects in Salt Lake County include buildings, parks, open space improvements, a broad network of County roads, as well as an extensive bridge, viaduct, and flood control infrastructure located throughout the County.

The County strives to follow the highest Leadership in Energy and Environmental Design (LEED) standards, making County facilities as energy efficient and environmentally friendly as possible.

Salt Lake County capital project funds have been used to build, renovate, and maintain the following:

- **18 Libraries**
- **18 Senior Centers**
- **21 Recreation Centers**
- **70 Parks**
- **6 Golf Courses**
- **3 Fine Arts Buildings**
- **Roads, Bridges, Viaducts, Sidewalks**
- **Flood Control**
- **Employee Office Space**
- **7 Health Centers**
- **Environmental Improvements**
- **Open Space Improvements**
- **3 Ice Centers**
- **19 Swimming Pools (Indoor & Outdoor)**

The following major new capital projects were included in the 2012 Budget:

- **Public Health Building** – This new facility will streamline multiple offices, solve environmental and compliance issues with current buildings, and ultimately save tax dollars over the long term.

- **Fleet Complex** – The current shops are not structurally sound and do not meet seismic and building codes. This new building will meet building codes, be more energy efficient, and increase service capacity.

- **Capitol Theatre Expansion and Renovation** – This is a public/private partnership with Ballet West. This renovation will give long-term stabilization to Ballet West, improve public spaces such as restrooms and seating, improve the HVAC system, and expand the Capitol Theatre lobby.

- **District Attorney Building**—This new facility will provide needed office space for prosecutors and other staff in close proximity to the Matheson Court building downtown. This building will consolidate all District Attorney staff, including the Civil Division, in one location.
BUDGET

OVERVIEW:
CAPITAL PROJECTS (cont.)
Bonds are a way of borrowing money for the County. The bond promises payment of the original investment plus interest by a specific date/dates in the future. Salt Lake County utilizes four primary categories of bond debt:

- General Obligation (GO) Bonds
- Lease Revenue Bonds held in the Municipal Building Authority (MBA)
- Sales Tax Revenue Bonds
- Special Assessment Bonds

Legally, Salt Lake County could issue general obligation debt up to about $2.18 billion, which is 2% of the adjusted fair market value of taxable property in the County. Given all sources of current debt in the County, the County is well below reaching its statutory limit. Currently, the County has outstanding GO debt of approximately $269.7 million.

Salt Lake County currently utilizes 12.4% of its legally permitted GO debt capacity.

<table>
<thead>
<tr>
<th>Total adjusted fair market value of taxable property</th>
<th>$ 109,118,844,277</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted fair market value x .02 = &quot;legal debt limit&quot;</td>
<td>$ 2,182,376,886</td>
</tr>
<tr>
<td>Less: outstanding general obligation debt</td>
<td>(269,653,441)</td>
</tr>
<tr>
<td>Additional legal debt incurring capacity not less than</td>
<td>$ 1,912,623,445</td>
</tr>
</tbody>
</table>

**GENERAL OBLIGATION DEBT UTILIZATION**

- Current GO Debt
  - $269,653,441
  - 12%

- Unused Legal Debt Capacity
  - $1,912,623,445
  - 88%
## BUDGET

### OVERVIEW:

#### DEBT SERVICE

("cont.")

![Diagram showing 2012 Bond Debt Service by Bond Type: $60.4 Million]

<table>
<thead>
<tr>
<th>BOND TYPE</th>
<th>INTEREST</th>
<th>PRINCIPAL</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation</td>
<td>$10,664,105</td>
<td>$29,705,000</td>
<td>$40,369,105</td>
</tr>
<tr>
<td>Municipal Building Authority</td>
<td>$4,044,882</td>
<td>$3,145,000</td>
<td>$7,189,882</td>
</tr>
<tr>
<td>Sales Tax Revenue Bond</td>
<td>$6,244,898</td>
<td>$6,096,479</td>
<td>$12,341,377</td>
</tr>
<tr>
<td>Special Assessment</td>
<td>$84,090</td>
<td>$445,000</td>
<td>$529,090</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$21,037,975</strong></td>
<td><strong>$39,391,479</strong></td>
<td><strong>$60,429,454</strong></td>
</tr>
</tbody>
</table>

---

*Public Works Administration Building*
Salt Lake County’s adopted budget for all funds is approximately $957.7 million. Included in this amount are the budgets for the County’s three internal service funds and various interfund charges. Internal service funds are used to account for the financing of services provided by one County agency to another County agency (rather than to the general public). These services are provided on a cost reimbursement basis. Internal service and enterprise funds only budget for operating expenses; consequently, these funds plan for and track capital purchases separately, and do not include their capital purchases in the adopted budget.

After adjusting the adopted budget for these internal service and interfund charges, and for the excluded capital purchases, the 2012 adopted net budget is approximately $810.9 million.

<table>
<thead>
<tr>
<th>FUND NAME</th>
<th>2012 ADOPTED BUDGET</th>
<th>ADD: BALANCE SHEET PURCHASES - PROPRIETARY FUNDS</th>
<th>GROSS BUDGET TOTAL</th>
<th>LESS: INTERFUND &amp; INTERNAL SERVICE CHARGES</th>
<th>2012 ADOPTED NET BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL FUND</td>
<td>232,251,984</td>
<td>-</td>
<td>232,251,984</td>
<td>(32,293,874)</td>
<td>199,958,110</td>
</tr>
<tr>
<td>GRANT PROGRAMS FUND</td>
<td>125,673,327</td>
<td>-</td>
<td>125,673,327</td>
<td>(835,854)</td>
<td>124,837,473</td>
</tr>
<tr>
<td>MUNICIPAL SERVICE FUND</td>
<td>44,258,439</td>
<td>-</td>
<td>44,258,439</td>
<td>(6,005,204)</td>
<td>38,253,235</td>
</tr>
<tr>
<td>MUNICIPAL SVC TORT LIABILITY LEVY</td>
<td>500,000</td>
<td>-</td>
<td>500,000</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>FLOOD CONTROL FUND</td>
<td>8,867,975</td>
<td>-</td>
<td>8,867,975</td>
<td>(598,264)</td>
<td>8,269,709</td>
</tr>
<tr>
<td>CLASS B &amp; COLLECTOR ROAD FUND</td>
<td>10,103,433</td>
<td>-</td>
<td>10,103,433</td>
<td>(584,720)</td>
<td>9,518,713</td>
</tr>
<tr>
<td>OPEN SPACE FUND</td>
<td>1,612,222</td>
<td>-</td>
<td>1,612,222</td>
<td>-</td>
<td>1,612,222</td>
</tr>
<tr>
<td>VISITOR PROMOTION FUND</td>
<td>6,860,960</td>
<td>-</td>
<td>6,860,960</td>
<td>-</td>
<td>6,860,960</td>
</tr>
<tr>
<td>ZOOS, ARTS &amp; PARKS FUND</td>
<td>14,079,164</td>
<td>-</td>
<td>14,079,164</td>
<td>-</td>
<td>14,079,164</td>
</tr>
<tr>
<td>HOUGH PROGRAMS</td>
<td>1,882,790</td>
<td>-</td>
<td>1,882,790</td>
<td>-</td>
<td>1,882,790</td>
</tr>
<tr>
<td>ECON DEV &amp; COMMUNITY RESOURCES</td>
<td>334,158</td>
<td>-</td>
<td>334,158</td>
<td>-</td>
<td>334,158</td>
</tr>
<tr>
<td>STATE TAX ADMINISTRATION LEVY</td>
<td>23,230,278</td>
<td>-</td>
<td>23,230,278</td>
<td>-</td>
<td>23,230,278</td>
</tr>
<tr>
<td>REDEVELOPMENT AGENCY OF SL CO</td>
<td>388,795</td>
<td>-</td>
<td>388,795</td>
<td>-</td>
<td>388,795</td>
</tr>
<tr>
<td>LIBRARY FUND</td>
<td>34,513,035</td>
<td>-</td>
<td>34,513,035</td>
<td>-</td>
<td>34,513,035</td>
</tr>
<tr>
<td>HEALTH FUND</td>
<td>32,279,259</td>
<td>-</td>
<td>32,279,259</td>
<td>(13,300)</td>
<td>32,265,959</td>
</tr>
<tr>
<td>GOVERNMENTAL IMMUNITY FUND</td>
<td>4,050,000</td>
<td>-</td>
<td>4,050,000</td>
<td>(997,626)</td>
<td>3,052,374</td>
</tr>
<tr>
<td>BOND DEBT SERVICE</td>
<td>40,779,241</td>
<td>-</td>
<td>40,779,241</td>
<td>-</td>
<td>40,779,241</td>
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<tr>
<td>BOND DEBT SVC MILLCREEK SID</td>
<td>590,011</td>
<td>-</td>
<td>590,011</td>
<td>-</td>
<td>590,011</td>
</tr>
<tr>
<td>BOND DEBT SVC MUNIC BLOG AUTH</td>
<td>7,383,495</td>
<td>-</td>
<td>7,383,495</td>
<td>-</td>
<td>7,383,495</td>
</tr>
<tr>
<td>BOND DEBT SVC - STATE TRANSPORTATION</td>
<td>3,292,094</td>
<td>-</td>
<td>3,292,094</td>
<td>-</td>
<td>3,292,094</td>
</tr>
<tr>
<td>UMNH MUSEUM FUND</td>
<td>228,000</td>
<td>-</td>
<td>228,000</td>
<td>-</td>
<td>228,000</td>
</tr>
<tr>
<td>SALT PALACE EXP 3 PHASE 2 PROJ</td>
<td>390,300</td>
<td>-</td>
<td>390,300</td>
<td>-</td>
<td>390,300</td>
</tr>
<tr>
<td>STATE TRANSPORTATION BOND PROJECTS</td>
<td>61,229,000</td>
<td>-</td>
<td>61,229,000</td>
<td>-</td>
<td>61,229,000</td>
</tr>
<tr>
<td>RECREATION BOND PROJECTS</td>
<td>1,907,263</td>
<td>-</td>
<td>1,907,263</td>
<td>-</td>
<td>1,907,263</td>
</tr>
<tr>
<td>TRACY AVARY</td>
<td>3,859,863</td>
<td>-</td>
<td>3,859,863</td>
<td>-</td>
<td>3,859,863</td>
</tr>
<tr>
<td>Hogle Zoo Facility Construction</td>
<td>11,850,195</td>
<td>-</td>
<td>11,850,195</td>
<td>-</td>
<td>11,850,195</td>
</tr>
<tr>
<td>DIST. ATTORNEY FAC CONSTRUCTION</td>
<td>24,362,103</td>
<td>-</td>
<td>24,362,103</td>
<td>-</td>
<td>24,362,103</td>
</tr>
<tr>
<td>CAPITAL IMPROVEMENTS FUND</td>
<td>7,213,878</td>
<td>-</td>
<td>7,213,878</td>
<td>-</td>
<td>7,213,878</td>
</tr>
<tr>
<td>MBA: SENIOR CENTER BOND PRCTS</td>
<td>1,490,000</td>
<td>-</td>
<td>1,490,000</td>
<td>-</td>
<td>1,490,000</td>
</tr>
<tr>
<td>MBA: LIBRARY BOND PROJECTS</td>
<td>3,150,000</td>
<td>-</td>
<td>3,150,000</td>
<td>-</td>
<td>3,150,000</td>
</tr>
<tr>
<td>MBA: MIDVALE COMPLEX BOND PROJ</td>
<td>198,000</td>
<td>-</td>
<td>198,000</td>
<td>-</td>
<td>198,000</td>
</tr>
<tr>
<td>MBA: FLEET BUILDING</td>
<td>10,000,000</td>
<td>-</td>
<td>10,000,000</td>
<td>-</td>
<td>10,000,000</td>
</tr>
<tr>
<td>MBA: PUBLIC HEALTH CENTER</td>
<td>15,100,000</td>
<td>-</td>
<td>15,100,000</td>
<td>-</td>
<td>15,100,000</td>
</tr>
<tr>
<td>GOLF COURSES FUND</td>
<td>7,541,746</td>
<td>795,460</td>
<td>8,337,206</td>
<td>-</td>
<td>8,337,206</td>
</tr>
<tr>
<td>SOLID WASTE MANAGEMENT FUND</td>
<td>13,191,827</td>
<td>4,805,000</td>
<td>17,996,827</td>
<td>-</td>
<td>17,996,827</td>
</tr>
<tr>
<td>SANITATION FUND</td>
<td>16,544,695</td>
<td>5,440,000</td>
<td>21,984,695</td>
<td>(227,084)</td>
<td>21,757,611</td>
</tr>
<tr>
<td>SALT PALACE CONVENTION CENTER</td>
<td>14,009,959</td>
<td>-</td>
<td>14,009,959</td>
<td>-</td>
<td>14,009,959</td>
</tr>
<tr>
<td>TRICICTOURISM, RECREATION, CULTURAL &amp; CONVENTION</td>
<td>1,661,665</td>
<td>-</td>
<td>1,661,665</td>
<td>-</td>
<td>1,661,665</td>
</tr>
<tr>
<td>FINE ARTS FUND</td>
<td>5,831,129</td>
<td>-</td>
<td>5,831,129</td>
<td>-</td>
<td>5,831,129</td>
</tr>
<tr>
<td>PLANETARIUM FUND</td>
<td>6,691,152</td>
<td>-</td>
<td>6,691,152</td>
<td>-</td>
<td>6,691,152</td>
</tr>
<tr>
<td>FLEET MANAGEMENT</td>
<td>21,517,756</td>
<td>7,060,000</td>
<td>28,577,756</td>
<td>(16,893,315)</td>
<td>11,684,441</td>
</tr>
<tr>
<td>FACILITIES SERVICES</td>
<td>17,095,474</td>
<td>-</td>
<td>17,095,474</td>
<td>(533,832)</td>
<td>16,561,642</td>
</tr>
<tr>
<td>CAPITAL PROJECTS REVOLVING FUND</td>
<td>18,939,618</td>
<td>-</td>
<td>18,939,618</td>
<td>-</td>
<td>18,939,618</td>
</tr>
<tr>
<td>EMPLOYEE SERVICE RESERVE</td>
<td>97,239,041</td>
<td>7,000</td>
<td>97,246,041</td>
<td>(91,116,361)</td>
<td>6,129,680</td>
</tr>
<tr>
<td><strong>GRAND TOTAL:</strong></td>
<td><strong>957,665,495</strong></td>
<td><strong>18,107,460</strong></td>
<td><strong>975,772,955</strong></td>
<td><strong>(164,899,436)</strong></td>
<td><strong>810,873,519</strong></td>
</tr>
</tbody>
</table>
STATISTICAL INDICATORS: OPERATING EXPENDITURES PER CAPITA

Operating Expenditures per Capita is essentially the “price” of County government.

1. Actual expenditures per capita are reported for 2003 through 2010. Budgeted expenditures per capita are reported for 2011 and 2012.

Municipal Services expenditures decreased in 2005 due to the firefighting function of the County moving to a separate government entity with the formation of the Unified Fire Authority (UFA). In 2010, Municipal Services expenditures again decreased as a result of the law enforcement patrol function of the County moving to a separate government entity with the formation of the United Police Department (UPD).
1. Actual expenditures per capita are reported for 2003 through 2010. Budgeted expenditures per capita are reported for 2011 and 2012.

The significant increase in Debt Service Expenditures per Capita in 2008 is due to a mandated accounting change relating to how Salt Lake County reports Municipal Building Authority (MBA) debt service.
STATISTICAL INDICATORS:
FULL-TIME EMPLOYEES PER 1000 COUNTY RESIDENTS

Municipal Services full-time employees decreased in 2005 due to the firefighting function of the County moving to a separate government entity with the formation of the Unified Fire Authority (UFA). In 2010, Municipal Services full-time employees again decreased as a result of the law enforcement patrol function of the County moving to a separate government entity with the formation of the United Police Department (UPD).
**Glossary**

**Appropriation:** An authorization by the County Council to spend up to a specified dollar amount for an approved project or program during any given fiscal period.

**Bond:** An interest-bearing certificate of indebtedness sold by the County as a means of borrowing funds. The bond promises payment of the original investment plus interest by a specified date or dates in the future. Bonds typically involve long-term indebtedness to pay for capital projects.

**Bond Rating:** A valuation of the ability of a government agency to repay its debt on schedule. Bond ratings are issued by private rating agencies such as Standard & Poors, Moody’s Investor Services, and Fitch Ratings, and are based on factors such as the amount of debt incurred and the economic and demographic characteristics of the borrowing government, and financial management practices. The higher the rating, the lower the cost of selling bonds. “AAA” or “Aaa” are the highest ratings issued by bond rating agencies.

**Budget:** A plan for managing revenues and expenditures during a given fiscal year.

**Capital Asset:** Assets of a durable nature, which are intended to be held or used long-term, and which may be depreciated over time. Examples of Capital Assets include land, land improvements, buildings, infrastructure, machinery, furniture, and other equipment.

**Capital Project:** Major construction, acquisition, or renovation activities which add value to a government’s physical assets or significantly increase their useful life. Projects are also called capital improvements.

**County Option Sales and Use Tax:** The rate is one quarter of 1 percent, and has been enacted by all counties in Utah except Emery, Kane, and Millard. Where enacted, the tax applies to the same transactions as the state sales & use tax.

**Consumer Price Index (CPI):** Any one of a set of nationwide and regional price level indicators that are published by the U.S. Department of Labor’s Bureau of Labor Statistics. The CPI is constructed using the prices of a representative “market-basket” of goods and services. Changes in the CPI over time are used to determine the average inflation rate for that period of time.

**Employee Service Reserve:** The fund utilized to manage County employee benefits such as health insurance and retirement plans.

**Enterprise Fund:** Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

**Full-Time Equivalent (FTE):** Represents the number of employees needed to equal a full time 40-hour-per-week shift

**Fund Balance:** The governmental account that serves the functional equivalent to the owner’s equity account in profit-seeking entities. An available balance in this account is the cumulative result of actual revenues exceeding expenditures over time. Bond rating agencies use Fund Balance levels as a means of evaluating a government’s ability to cover unanticipated shortfalls in revenue projections or emergency expenditures that arise during the year.

**General Fund:** The primary operating fund of the County, used to account for all County revenues not designated for a special purpose.

**General Obligation Bond:** A General Obligation (GO) bond is a type of bond that is backed by the full faith, credit and taxing power of the government.
GLOSSARY

(Cont.)

Internal Service Fund: Internal Service funds are used to account for the financing of goods or services provided by one organization to another County organization on a cost reimbursement basis.

LEED (Leadership in Energy and Environmental Design): Nationally recognized, non-regulatory approach that has been shown to result in quantifiable low impact development. Low Impact development is assumed to benefit both the environment and the local economy.

Local Option Sales and Use Tax: The local option sales and use rate is one percent. This local tax applies to the same transactions as the state sales and use tax laws. All counties and municipalities have enacted this tax. For counties, this tax applies to taxable sales occurring in the unincorporated county only.

Municipal Building Authority (MBA): An organizational entity that is closely related to the County and that is created for the purpose of financing the construction of certain County facilities through the issuance of Municipal Building Authority Lease Revenue Bonds.

Organization (Org): A budget level unit for appropriation controls that represents a basic functional division of County government.

Per Capita: Per person (literally, “per head”). The ratio of a data measure (e.g. total operating expenditures) divided by the total population, yielding the amount of that data measure per person (e.g. total operating expenditures per person, or per capita).

Projected Budget Under-Expenditure: Salt Lake County projects the amount of budget under-expenditure that results from County staffing levels being less than 100% for the budget year as a whole, due to such things as employee turnover and lag time in filling open positions. The high probability that other non-personnel expenditures will be less than the budget for the year also contributes to projected under-expenditure.

Special Improvement District (SID): An area legally defined through ordinance by the County Council for the installation of public infrastructure improvements. SIDs collect special assessments and issue Special Assessment Bonds to finance infrastructure improvements.

Special Revenue Fund: A fund established to account for special taxes or other revenues required by law or contractual agreement to be used only for specified purposes and which therefore must be kept separate from other County monies.

TRCC: Tourism, Recreation, Cultural, and Convention Fund. The TRCC Fund is a special revenue fund.

Zoo, Arts, and Parks (ZAP): Used to refer to a sales and use tax dedicated for funding zoological, arts and parks projects, and to the County special revenue fund that manages and accounts for these dedicated sales and use tax revenues.
WANT TO KNOW MORE?

- Do you have other questions about the County’s budget?
- Is this report useful to you?
- Do you believe it should include different or additional information?

We would like to hear from you! To ask questions about Salt Lake County’s budget, or to leave feedback about this report, please contact:

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Director of Planning & Budget
Salt Lake County Mayor’s Operations
2001 South State Street, Suite N4100
PO Box 144575
Salt Lake City, UT  84114-4575
(385) 468-7084
lbrown@slco.org

Salt Lake County Open Space Trust Fund - Millcreek Canyon South/BST