



Mayor Ben McAdams

2017 Proposed SL County Budget Speech

October 25, 2016, 10:00 a.m.

(As Prepared for Delivery)

Mr. Chairman, Council members, fellow elected officials, colleagues and friends:

Today I present a proposed 2017 budget that is structurally balanced with no tax increase. It supports my belief in government accountability, transparency and getting things done. It prioritizes public safety, strengthening the economy and building a healthy community.

I want to thank the dedicated employees in Mayor's Finance and other members of the county's fiscal team. Their hard work ensures that I can present these budget numbers to you with confidence and the knowledge it meets our high standards for fiscal management.

This is a budget that responds to what the 1.1 million residents of Salt Lake County expect and deserve: a county government that is open, accountable and effective and one that delivers on public safety and responsible spending of taxpayer dollars.

My proposed \$1.2 billion net budget helps finance the decisions that we must act on today, in order to produce a safe, healthy and bright future – the Future We Choose – tomorrow.

Working hard

Metro areas have become the vanguard of problem solving and this past year, Salt Lake County has met some major goals.

As a global city, we're big enough that we're internationally recognized but small enough to get things done.

Our commitment to local control and grassroots democracy gave our unincorporated residents an historic Community Preservation effort. Today, we have five metro townships and a new city that have secure boundaries and a role in budget decisions for municipal services.

They are poised to elect their first-ever slate of council members and, for Millcreek City, a mayor. Together, we will work with them to support governance of their communities. At the same time, we will continue to serve those residents in the “island” areas of unincorporated county, who chose us as their municipal government.

I’m proud that we were able to pass legislation and organize an election that gave our residents the chance to grow and develop based on their vision for their communities. Salt Lake County is truly a thriving metropolitan region with unique communities who will now chart their course. The county will support them with efficient, effective service delivery. That’s a great package.

Public safety is job one for local government, including emergency response. When residents dial 9-1-1, seconds count and lives are on the line. This year we overcome decades of turf battles to agree on a solution for 9-1-1 emergency dispatch. Thanks to the support of Sheriff Winder and our \$1.4 million seed money, we are now implementing a shared software platform for the two major 9-1-1 dispatch centers. One million 9-1-1 calls are made each year in this valley. Our solution brought everyone together to tear down the technology barriers and demonstrate we’re serious about our mission: Wherever existing county government functions don’t reflect the world we currently live in, we will change.

In the same way we put aside differences to improve 9-1-1, we came together to address the humanitarian crisis of homelessness. Our united purpose helped convince the Utah legislature to offer statewide support-- \$27 million in state funding. Months of hard work and collaboration have produced an action plan that includes four smaller shelters. These facilities are more than just a bed and a meal. Our plan is designed to

drastically reduce and ultimately prevent homelessness, and put people on a path to stable and secure lives.

For homelessness and other complicated issues, we are using data and evidence in new ways, to measure our efforts and hold ourselves accountable for outcomes.

In April, we released a data-driven Export Market Plan. We worked for a year with local business, civic and government leaders to identify our strengths and opportunities for regional economic development. We learned that when we support small and medium-sized businesses as they increase exports and reach global customers-- job growth follows. Those private sector jobs pay good salaries, and in turn expand our tax base, fund our schools and provide a bright future for our children. Salt Lake County is now part of a select group of metro areas –along with Houston, St. Louis and Tampa Bay— to be chosen for phase two of the Global Cities initiative focused on attracting foreign direct investment.

This summer, along with the Salt Lake Chamber, we launched our Welcoming Salt Lake initiative. With our 129 spoken languages and multicultural neighborhoods, festivals and events, we've opened our arms to the world. Salt Lake County is humming with immigrant entrepreneurs and risk-takers, expanding our diversity and growing our economy.

Reaping the benefits of accountability

Salt Lake County government is bipartisan and fiscally responsible. We balance our budget, serve our customers efficiently and offer an exceptional quality of life. We're seeing confidence in that approach and satisfaction with how county government operates.

Residents overwhelmingly supported proposals for parks, open space and trails. Now we're poised to put revenue from a \$90 million bond –if it passes next month—to use for new recreation facilities and trails and to update existing parks and amenities.

We have built a new health building in West Jordan, and are constructing new District Attorney's offices there and in Salt Lake.

Our Center for the Arts team has added the exciting new Eccles Theater to its management portfolio of premier arts and cultural facilities in Salt Lake County. Blockbuster shows like "The Lion King" and "Hamilton" will perform for Utah audiences.

My proposed budget requests \$39 million for a new Mid Valley Theater in Taylorsville, to continue our commitment to help bring the arts to all communities. Mayor Larry Johnson, Economic Development Director Wayne Harper and Chief Administrative Officer John Taylor are joining us today. We very excited to begin this new initiative with them.

Visitors to Clark Planetarium will experience the results of a great public/private partnership – a \$3 million installation of state-of-the-art science and space exhibits. Children will renew their joy of discovery and amazement as they gaze at the stars, while expanding their knowledge of science and technology.

Challenges

We've made important gains, but we also face challenges.

Revenue projections for 2017 are up slightly. We project new growth from property and sales taxes for our county-wide fund of approximately \$6.8 million, an increase of roughly 2 percent. Inflationary increases to expenses such as health care and wages outpace the new revenue. Once again we must find efficiencies and streamline our budget in order to live within our means.

We reduced total requests by \$11 million. We asked every department head to fund priorities and back up their choices with data.

We are keeping our commitment to maintain and modernize what we already own—the facilities that function safely and efficiently. But capital replacement and renewal isn't just about bricks and mortar. No enterprise our size can serve its customers well without the technology that supports every 21st century operation. The digital “roads, bridges and pipelines” of our Information Technology division are showing potholes and cracks. That's why my budget proposes a \$2.1 million investment in I-T. To be responsive and accountable to residents, we must have the technology hardware, software, and systems to store and manage the data we need to meet our goals.

We are making good progress on our plan to control health care costs in Salt Lake County, by offering and informing employees about the choice of a high deductible health care savings plan. This year, if employees choose that option, they will once again have a zero premium cost as well as receive a lump sum contribution by the county to their Health Savings Account. Our new goal for enrollment in the high deductible plan is to increase it from 63 percent to 67 percent. If we can harness the cost-saving power of consumerism, it will mean great health care for employees and savings to our budget.

I would like to thank Salt Lake County's independent elected officials, who helped meet our budget challenges. All of them joined me and the members of the Total Compensation Advisory Committee in unanimous support for the 2017 compensation proposal in this budget. We all want to attract, motivate and retain a high quality workforce.

In general, we know that county wages are low and our retirement benefits are high compared to the market. A generous retirement benefit is great, unless you can't make ends meet today. So again this year we will allow employees to choose for themselves the right balance between compensation and saving for retirement.

The money that previously funded the 401(k) contribution for Tier 1 employees will help fund the modernization of our compensation system. Employees who are not in Tier 1 do not receive a 401(k) contribution from the county.

My budget proposes a 3 percent salary increase for employees. It is the fourth consecutive pay raise I've been able to put forward. Low unemployment in the county means strong competition for employees and we want to be an attractive workplace, with competitive salaries.

Salt Lake County employees are the best at what they do, whether it's in Animal Services, Public Works, the Salt Lake County libraries or county elections. They are the backbone of county government and provide value every day to our taxpayers and customers.

Looking to the future

Building a healthy community requires staying the course on big issues such as criminal justice, minimizing homelessness and economic development and jobs.

Last year, thanks to strong leadership from the Council, the District Attorney, and the Sheriff, we made a substantial commitment to criminal justice reform, by re-dedicating funds previously used to build our jail to address, among other things, the unfunded mandate from the legislature, when it did not expand Medicaid.

We've now learned the results of one year since the Justice Reinvestment Initiative took effect. We have seen a 209 percent increase in misdemeanor A crimes, which results in offenders not going to state prison, but to county jails, or county-based diversion and supervision programs. How are we affected?

Our jail officers work in an overcrowded jail, and the wait list for Behavioral Health treatment extends not weeks, but months.

Despite that challenge, the county, together with Salt Lake City, stepped up to address the public safety and health crisis in the downtown area this month.

Operation Diversion was carefully planned to arrest and jail the criminals who need to be prosecuted and to divert those with drug and alcohol or mental health issues-- to treatment. The Salt Lake Tribune called Operation Diversion “a mix of muscle, brains, and heart.” We were able to take this unprecedented step because of our committed police and prosecutors and because our Behavioral Health team dedicated \$1.2 million in one-time funds to offer treatment beds as an alternative to jail.

Of the 132 individuals arrested, 68 were connected to treatment. Due to excellent work by law enforcement, we saw first-hand the serious heroin problem we face in our metro area. After each phase of Operation Diversion, I received emails like this one from a mother whose son-- a heroin addict-- was caught. She wrote:

I want to thank you for caring enough to do something about this epidemic. Our 22-year-old adopted son was one of those you arrested. He has been living on the streets, which you can imagine, there are not words to express the heart ache this causes me. I am asking that you please do not release him back onto the streets. I believe he will accept and follow through with any treatment program that is offered. Thank you for reading this and for any help you can give.

Her son and others arrested are some of the most vulnerable residents that we serve. Tim Whalen and his team at Behavioral Health are doing life-saving work on their behalf. Today, I'd like to recognize Adam Cohen, Executive Director of Odyssey House. (Pause for him to stand up). Odyssey House is one of our great partners that helped with Operation Diversion. He is here today with his residential program director, Sheryl Chivers and with an Odyssey House client, Barbara Pierce.

Barbara led a life just like most of us, married, with a good job, a home, children and grandchildren. Then she had back surgery and became addicted to opioid pain

medications. Her downward spiral ended with Barbara and her husband homeless, addicted to heroin and living on the streets. Today, thanks to receiving treatment, she's working to get her life back on track, to reconnect with her grandchildren and resume her life. Barbara, thank you for letting me share your story.

It takes more than just committed medical professionals and hard-working public officials to give us these outcomes. It takes funding. That is why I will ask the Utah legislature for money already appropriated as state Medicaid match for federal Medicaid dollars. We're waiting for Washington D.C. to approve the state's request for a waiver so that 10,000 individuals who are homeless or involved with the criminal justice system can be enrolled in Medicaid. When our one-time Operation Division funding runs out, I will push for the county to receive some of the \$30 million Medicaid match, so that treatment remains an option for these individuals and to those on our waiting lists. It is both the right course and the fiscally responsible course. We know that we can save lives and jail costs if we do this.

Thanks to your support, we will use \$11 million over four years from criminal justice reform funds to launch our two Pay for Success projects. They will focus on halting the revolving door of the criminal justice system and addressing the need for programs serve our persistently homeless population.

Our partners – First Step House and The Road Home—will carry out programs designed for the high-risk, high-need individuals most likely to be re-arrested and jailed, and for persistently homeless clients who cycle through the shelter, the jail, homeless camps or the streets.

True to the Pay for Success model, upfront funding will come from the private and nonprofit sector and the county will only repay the money if the programs are proven to work and people's lives are measurably improved. We will rigorously evaluate both projects and use what we learn to improve other social needs programs. Most importantly, we will help drive funding toward high-quality, effective programs that

actually improve the lives of people in need. Today, I'm pleased to announce that we have received almost the entire commitment needed for Pay from Success--from private and nonprofit donors. We expect to finalize the remaining sum in the coming weeks. Remember, if lower rates of recidivism and fewer numbers of homeless individuals are not achieved, taxpayer money is not at risk. That money stays in the bank ready for other high-priority criminal justice needs.

We're moving forward on next steps with Salt Lake City and with the state to minimize and prevent homelessness. Soon, the city will choose sites for up to four, smaller shelters. These are carefully designed-- not as one-size-fits-all-- but tailored to offer help based on the causes that threw people into crisis in the first place.

Recent headlines have asked "How did Salt Lake get to this point?" There is no one obvious answer and no single solution.

By harnessing the good will and effort of our entire community; by holding ourselves to outcomes; and relying on data and evidence, we stand a better chance of success. And homelessness numbers will fall.

We know that the budget decisions we make -- both large and small-- make a real difference in the lives of the people we serve.

One example is our Parks and Recreation decision to expand the Otters Swim program for autistic children. Salt Lake County has a great adaptive sports program designed to offer activities to everyone--regardless of ability. Currently, the swim sessions offered at J. L. Sorenson and Holladay Lions Rec Center are full. Instructors have to turn children away. My budget asks for an additional \$11,000 so that we can offer the program to 20 more swimmers a month, and ultimately serve up to 300 participants. For me, that's a good return on investment—when we offer better health and quality of life for autistic children and their families.

My proposed Regional Development budget targets a great opportunity we have on the west side of Salt Lake County – along the Mountain View Corridor. I propose that we contribute \$200,000 to an economic development plan in partnership with leaders along the Mountain View Corridor and in partnership with the Western Growth Coalition. This is a once-in-a-generation moment to make economic history from the Silicon Slopes to the northwest quadrant of Salt Lake City where Governor Herbert has announced a drive to develop an inland port. Utah businesses and Utah residents gain major economic opportunity when we compete strongly in the global marketplace.

Conclusion

This is a conservative budget, but one I believe will make a difference in the lives of the people we are elected to serve.

We're accountable for every dollar and determined to achieve maximum results. We know that resources are always scarce and needs are great.

We are remaking economic development in a way that keeps us competitive in the global marketplace and offers opportunity for all working families.

We're taking to heart that we can play a role in helping homeless kids; those with mental illness and drug and alcohol problems; refugees and veterans.

Utah has a reputation for coming together to find answers to contentious issues. We start from where we agree and then work through our differences. That approach has served us well.

This budget, and, more broadly, my public service is grounded in our shared values of opportunity, responsibility and security.

I look forward to working with the Council to adopt a final budget that will make us successful in 2017.