



Mayor Ben McAdams

2018 Proposed Budget Salt Lake County



Presented by Darrin Casper, CFO
October 24, 2017



2018 Budget Goals

- Stay fiscally conservative
 - Maintain structural balance
 - Budgeted General Fund balance above \$40M
- Make data-driven budget decisions
- Increased focus on employee total compensation and pay compression
- Continued focus on criminal justice reinvestment and homelessness
- Continued focus on capital maintenance



2018 Budget Direction

- Revenue committee reviewed all revenue increases of \$100K or greater
- Information Technology projects vetted by IS and Technology Advisory Board (TAB)
- Capital Projects vetted by Capital Projects Committee
- Stress tests at -3% of County Funding
- New requests considered



Economic Outlook

- Continued growth through 2018
- Salt Lake County unemployment at 3.2%; national average at 4.2%⁽¹⁾
- Near full employment and wage growth outlook is positive
- Residential construction remains strong but decelerating



2018 Adjusted Tentative Budget





2018 Adjusted Tentative Budget + Compensation—Key Problem Areas

in millions \$

Fund	Ending Fund Balance	Targeted Budget Balance	Deficiency
General Fund and Grant Fund	20.6	40.0	(19.4)
Tourism, Recreation, Cultural, Convention (TRCC)	(3.2)	3.0	(6.2)
Flood Control	(1.6)	0.56	(2.2)
Health	1.7	2.3	(0.6)

General Fund and Related budget problem to solve: \$28.4M



Budgetary Perspective 2018

General & Related Funds

• Tax Revenue Growth	\$12.8M
• Inflation Related Expenditures	
– Salaries & Benefits @ 2.5%	6.4M
– Health Insurance	2.3M
– Other Compensation	<u>2.7M</u>
	\$11.4M



2018 Budget Other Pressing Priorities

- Oxbow Jail \$7.5M
- Election Cost \$2.1M
- Operation Rio Grande \$1.4M
- Jail Mental Health \$0.9M

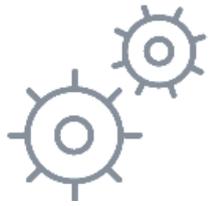
BELOW THE LINE





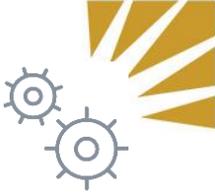
2018 Proposed Budget





Budget Solutions 2018 Multi-Faceted Approach

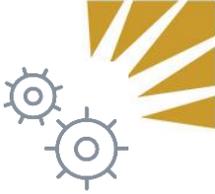
- Tax Rate Re-structure: from Planetarium to General Fund
- Increased Fund Balance Transfers to General Fund
- Two Bond Funds Closed



Budget Solutions 2018 [cont.]

- 2017 Budget Re-structure
- Landfill Dividend
- New Requests/Program Reductions \$24.5M
- State Grants – Contracted jail beds money converted to Oxbow and treatment

All measures taken to address critical priorities are to try to get to YES!



Tax Rates and Fund Balance Solutions

Planetarium Rate	General Fund	\$714K
Visitor Promotion	General Fund	\$2.0M
Governmental Immunity (Phase II Jail Medical)	General Fund	\$859K
Bond Fund Close Out	General Fund & Capital Improvement Fund for Health	\$1.71M
STR 2014 Use of Fund Balance	TRCC, Gen Fund & Health	\$1.6M



Parks and Recreation

Appropriations vs. General Fund County Funding

in millions \$

	2018 Budget	2017 Budget	2016 Actual
County Funding	27.2	25.6	23.54
TRCC Transfer to the General Fund ⁽¹⁾	16.42	15.52	14.75
TRCC Transfer to the General Fund for Open Space Maintenance	.38	.36	.35
Visitor Promotion	2.0	2.6	
Parks & Rec Restricted General Fund Sales Taxes	<u>7.27</u>	<u>6.92</u>	<u>6.58</u>
Reliance on General Fund	1.10	.21	1.86

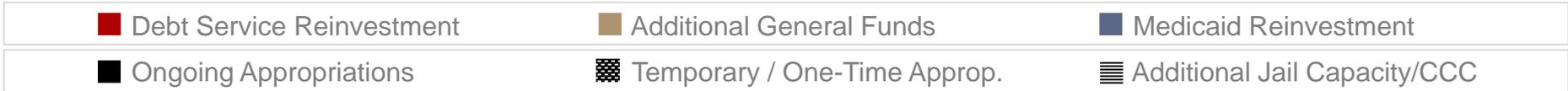
**Budgeted 2016 reliance on the
General Fund was \$3.71M**

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

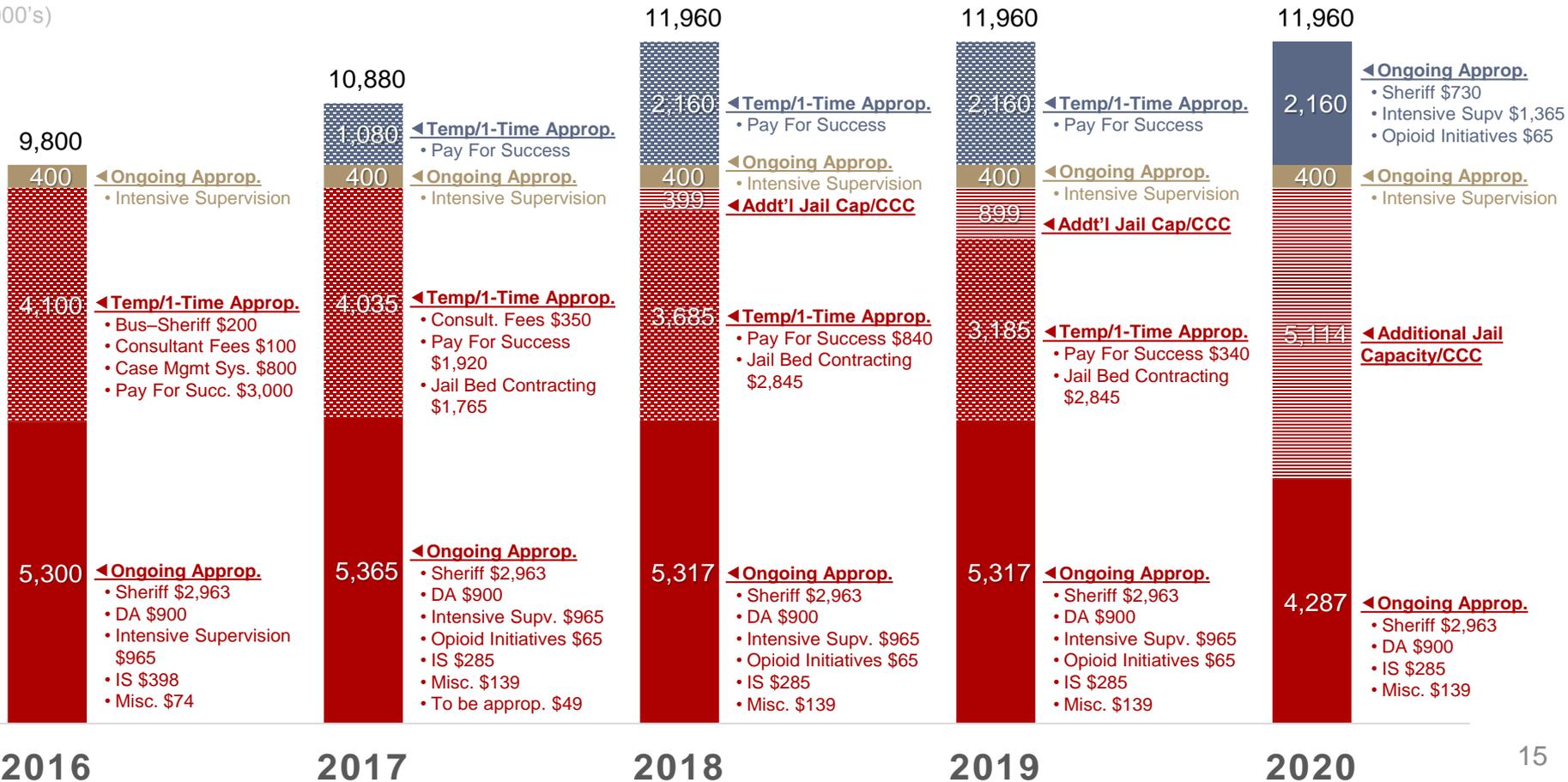


2017 Criminal Justice Reinvestment

(\$9.4M Debt Service Reinvestment; \$0.4M Additional Initial Investment)



(\$000's)





Restructuring of 2017 Budget

Expedite the Availability of Ongoing CJR Funds

\$2.6M transferred from Visitor Promotion fund for Parks and Recreation

\$2.9M reduction in debt service for an estimated bond payment that wasn't needed due to a later than anticipated issuance on the 2017 STR bonds



\$5.5M additional appropriation for the Pay for Success program. This will fulfill in full the County's obligation for the program that was originally planned to be funded in 2018 and 2019



\$3M a year in ongoing revenues is freed up to be used for Oxbow operations starting in 2018 (as opposed to 2020 from original funding structure)



2018 Criminal Justice Reinvestment

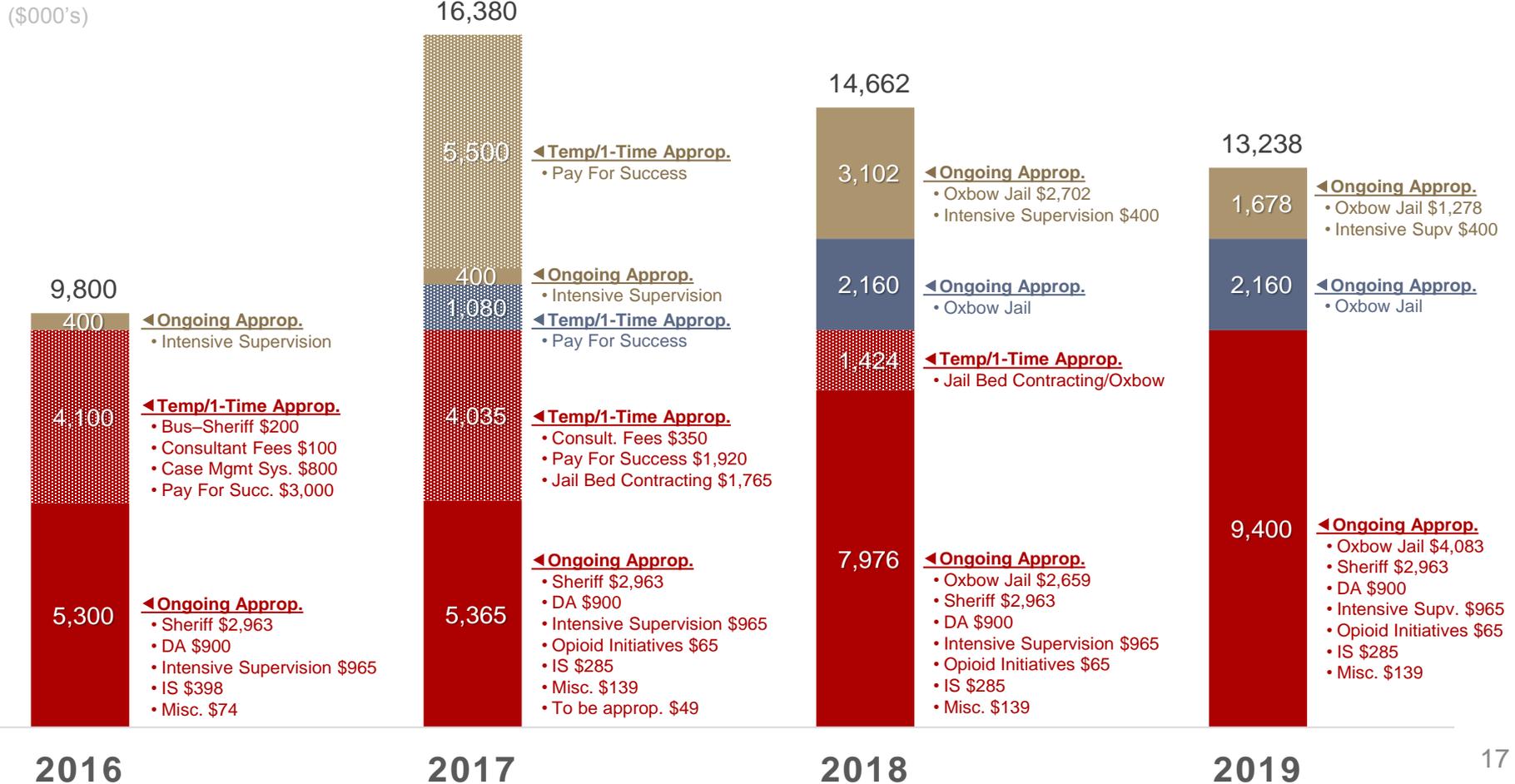
(\$9.4M Debt Service Reinvestment; \$0.4M Additional Initial Investment)

■ Debt Service Reinvestment

■ Medicaid Reinvestment

■ Additional General Funds

Solid = Ongoing; Textured = Temporary / One-Time Appropriations





Solid Waste Management Fund

- New Engineering Report
 - Extend Life of Landfill 46 years
- Closure/Post-Closure Account Overfunded
- Proposed Distributions of Accumulated Cash Balance
 - \$1.2M Salt Lake County
 - \$1.2M Salt Lake City
- Transfer Station
 - Proposed to close
 - Cut \$2.7M annual loss from budget
 - Will form a study group with Salt Lake City officials
 - Report to be complete in 2017 with final recommendations to respective councils



Selected Areas of Focus





Information Technology

Priorities and Projects

- 2018 Focus on Existing Projects
 - Harris tax admin system
 - Mainframe migration
 - PeopleSoft operations
- Human Resources Workflow proposed
 - Designed to streamline HR and Payroll processes
- Many IT projects not funded
 - Longer term solution is needed



Public Works and Other Services Enterprise Fund

- Reflects the impact of Millcreek leaving the MSD
- Reflects the 6.8% reduction from the Townships / MSD
- Reflects adjustments to contract amounts
- Proposed overhead forgiveness relating to the prior year Millcreek costs
- Utilizes SB277 funds for projects
- Increased Funding for Animal Services by \$296k from the General Fund



2018 Selected New Capital Maintenance or Construction Projects

Libraries – Ops Center; Libraries in Kearns, Daybreak, West Valley, Granite and Herriman	\$65.5M
TRCC - County Capital Projects	7.3
Capital Improvements Fund (Now includes Health)	6.9
Calvin L Rampton Salt Palace and South Towne Expo Center	2.8
Flood Control	2.6
Clark Planetarium	0.2



TRCC Proposal

- Mayor's Proposed Budget aligns exactly with Advisory Board Recommendations
- Highlights Include:
 - Ongoing commitment to equipment replacement at \$1.8M
 - Deferred maintenance \$5.8M
 - Days of '47 Rodeo/State of Utah: 2nd of 3 \$1M contributions
 - PRATT Trail to Jordan River Trail \$1.5M
 - Ongoing operations \$21.7M
 - Parks & Rec at 40% of Revenues
 - On-going Debt Service and long term commitments funded
 - Proposed ending fund balance \$3.6M



TRCC Proposed New Requests



County	Fund Balance Transfer to Open Space fund set aside for future purchase	500,000
	TRCC Bond Debt Service	3,494,245
City/Outside Organization Requests	Mountview Park Restroom Expansion & Shade Structure	105,000
	Canyon Rim Park Splash-pad	240,000
	Central Wasatch Trail Improvement Project	138,000
	Sorenson Campus Unification & Enhancements	1,086,500
	West Jordan Urban Fishery	250,000
	PTC: Youth Engagement-Boys & Girls Club Partnership	100,000
	Butler Park Pickleball Court Expansion	250,200
	Murray City Amphitheater	200,000
	Restaurant Association Food & Wine Festival	25,000



TRCC Proposed New Requests



Cultural Facilities Support Program	Butler Auditorium Lighting	\$33,060
	Jordan Valley Localscapes Garden Exhibit	100,000
	Kingsbury Hall Digital Package	50,000
	West Jordan Cultural Arts Facility	1,000,000



General Fund Stat and General Realignment (\$5.4M)

Funds were moved from Stat and General to relevant divisions/departments to enable experts in each program area to weigh the use of these funds against all related priorities.

Going To	Description	Amount
ESR Fund	Trip Reduction Program	\$ 460,041
Center for the Arts Fund	Cultural Core	250,000
Staying in the General Fund:		
Council	Council Discretionary Expense	8,500
Emergency Services	Salt Lake Fire District Contract	3,175,714
	USDA Forest Service (Avalanche Contract) Contribution	43,000
	Wildland Fire Program- Fire Warden	61,318
Facilities Management	Utah Clean Energy Contribution	25,000
Mayor Admin- (Diversity)	SL American Muslim	5,000
Mayor Admin- (Human Services)	United Way of Great Salt Lake Contribution	54,760
	YWCA- Rape Recovery Center Contribution	42,124

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General Fund Stat and General \$5.4M Realignment [cont.]

Going To	Description	Amount
Mayor Administration	National Association of Counties (NACO) Membership	20,545
	Utah Association of Counties (UAC) Membership	262,266
	Legislative Meals	4,000
	Lobbyist- State Legislative Consultant	260,000
	Federal Relation- Simon & Co	72,000
	Other Consultants	14,572
	Mayor Discretionary	100,000
	Other Contributions	20,000
Mayor Finance- Finance	New Market Tax Credits Consultant	76,500
	Bond Financial and Legal Expenditures	80,000
Mayor Finance- Budget	Public Notices for Budget	18,215
Parks and Recreation	Murray Lifeguard Contribution	40,000
	Jordan River Blue Print Contribution	41,200
Regional Development (THED Dept.)	Wasatch Front Regional Council (WFRC) Membership	133,800
	Council of Government	14,100
	Salt Lake County Bicycle Advisory Committee	21,011
	Wasatch Summit/Access Wasatch Project	60,000
	Downtown Alliance- Winter Market	15,000



Proposed Compensation and Benefits Package

- 2.5% salary increase
 - 1% Structure Adjustment to Pay
 - 1.5% Merit increase
- \$2.7M set aside for pay compression (2018)
- \$1.7M set aside for pay compression (2017)
- 7% health insurance increase
 - As of January 1st
 - No cost increase to employees on HDHP



2017 FTE's

Approved After June Budget

GENERAL FUND	Criminal Justice Services	5.5
	Auditor	-1
	District Attorney	9
	County Jail	6
	Sheriff Court Services & Security	<u>0.7</u>
	GENERAL FUND TOTAL	20.2
GRANT FUND	Aging Services	1
TAX ADMIN FUND	Auditor-Tax Admin	1
HEALTH FUND	Health Fund	1
ECCLES THEATER	Eccles Theater	4.75
COUNTY TOTAL		27.95



2018 FTE Changes

Sheriff	105.5*
Criminal Justice Services	6
Regional Development	4
Library	3
Parks & Recreation	2
FC, Real Estate, IS, HR, Facilities, Health, Telecom, PW Operations	4
Fine Arts Fund	2
Planetarium Fund	2.5
Total Additions	129*
Community Development & Engagement	(3)
Animal Services	(6)
Emergency Services (Transfers)	(2)
Total Reductions	(11)

* At time of presentation was 93 and 116.5, respectively. Revised on 10/25/2017 to reflect correct FTE counts.



Analytics





Fund Summary

General Fund & Related

in millions \$

	2018 Projected Beginning Balance	2018 Budgeted Ending Balance	2018 Projected Ending Balance
General Fund	54.0	40.1	50.3
Flood Control	5.6	0.6	0.8
Health	8.2	2.7	5.8
Planetarium	1.1	1.0	1.1
Grant	0.3	0.2	0.2
Tax Admin	5.7	1.8	2.7



General Fund Structural Analysis

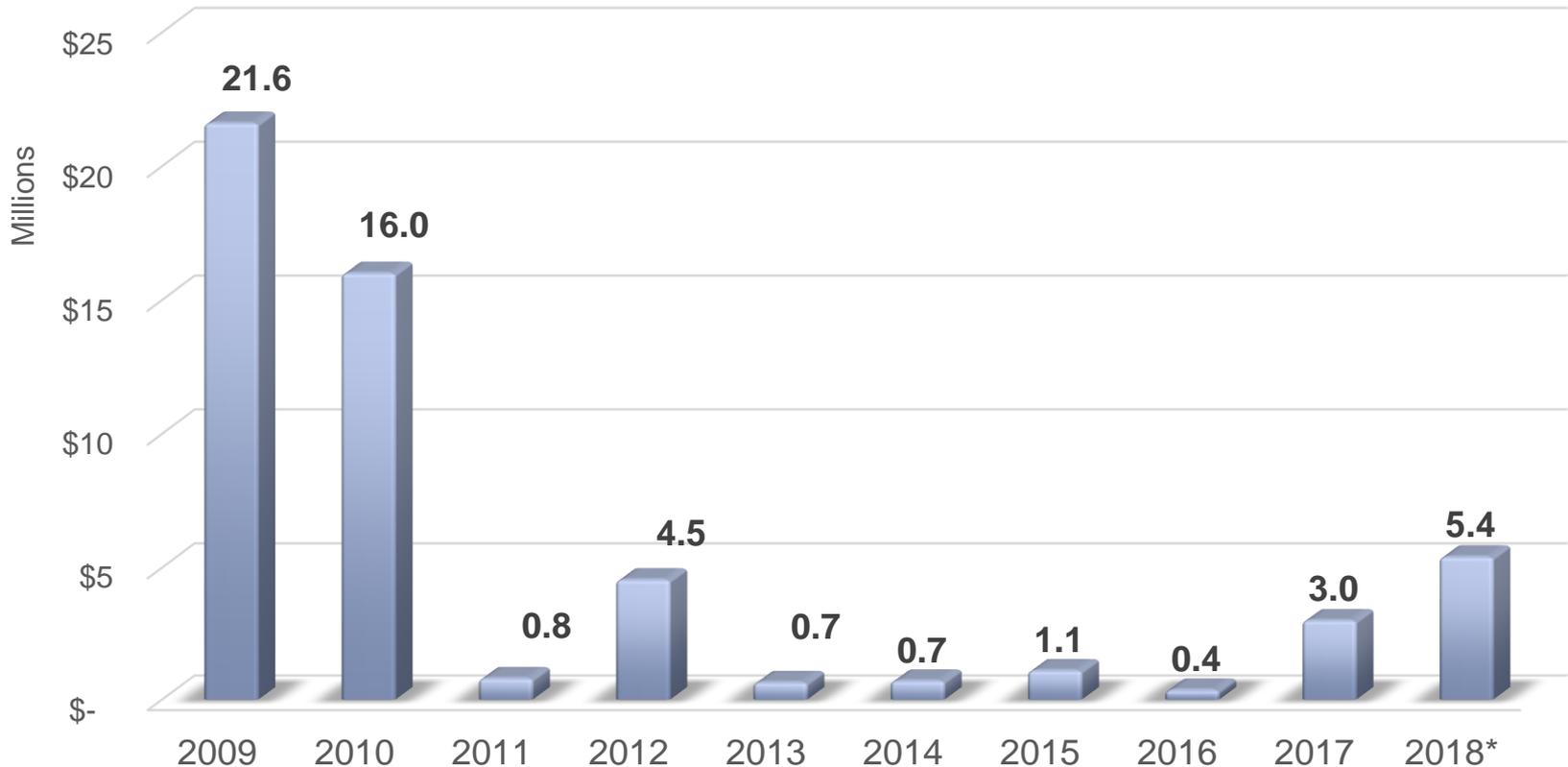
in millions \$

Budget Year	Budget Ending Balance		Actual Ending Balance	Variance to Adopted Budget
	Adopted	June		
2013	31.9	32.0	41.0	9.1
2014	30.3	33.1	43.5	13.2
2015	34.4	35.2	45.9	11.5
2016	32.4	36.4	53.3	20.9
2017	33.2	43.1	54.0*	20.8*
2018	40.1*	TBD*	50.3*	10.2*

* Projected.



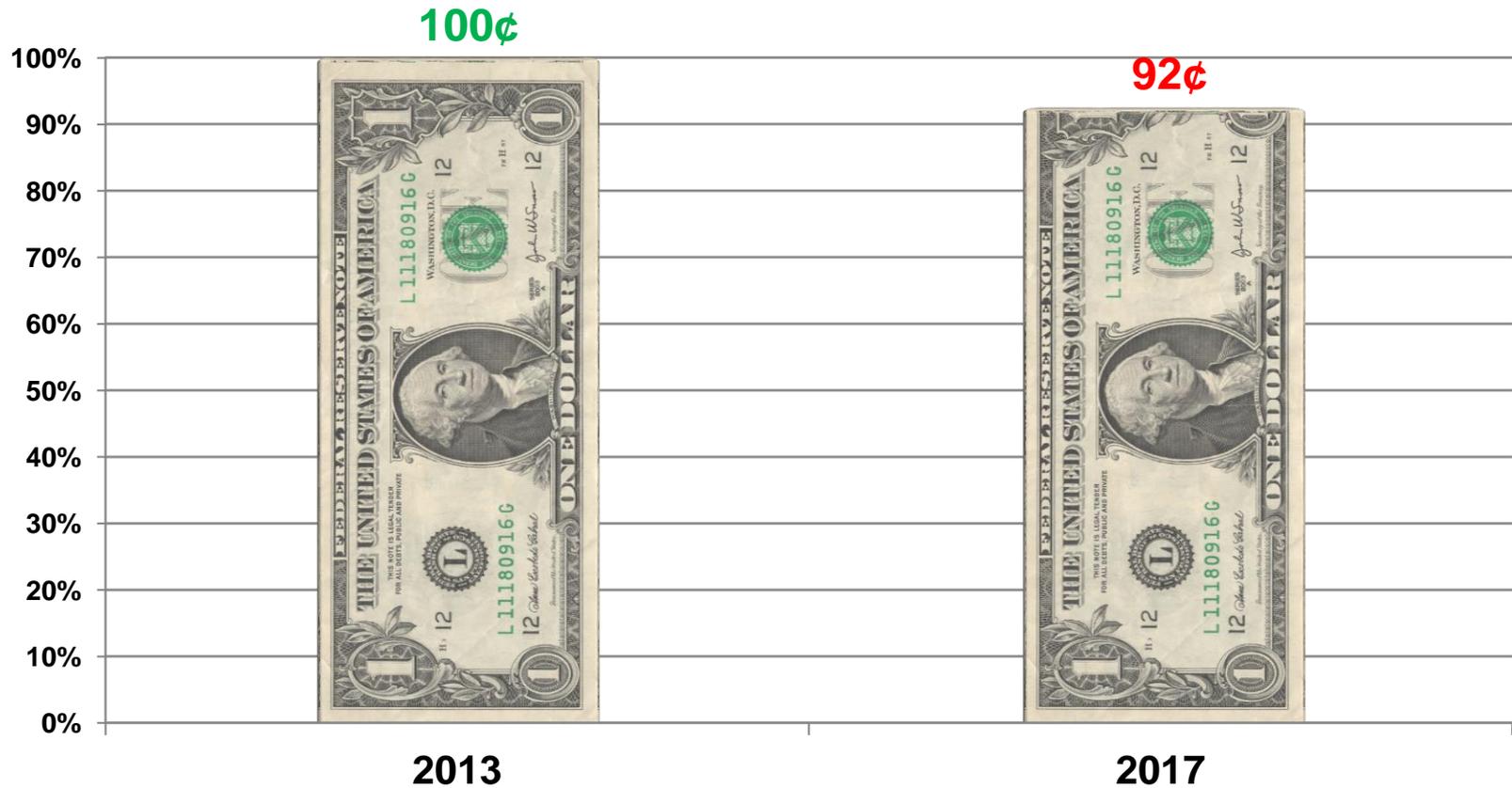
One-Time Uses of Fund Balance General Fund & Related Funds



* Based on one-time draw of Governmental Immunity of \$859k, \$1.71M bond fund close out, \$1.2M dividend increase from Solid Waste, and \$1.6M from delay in required debt service payment.

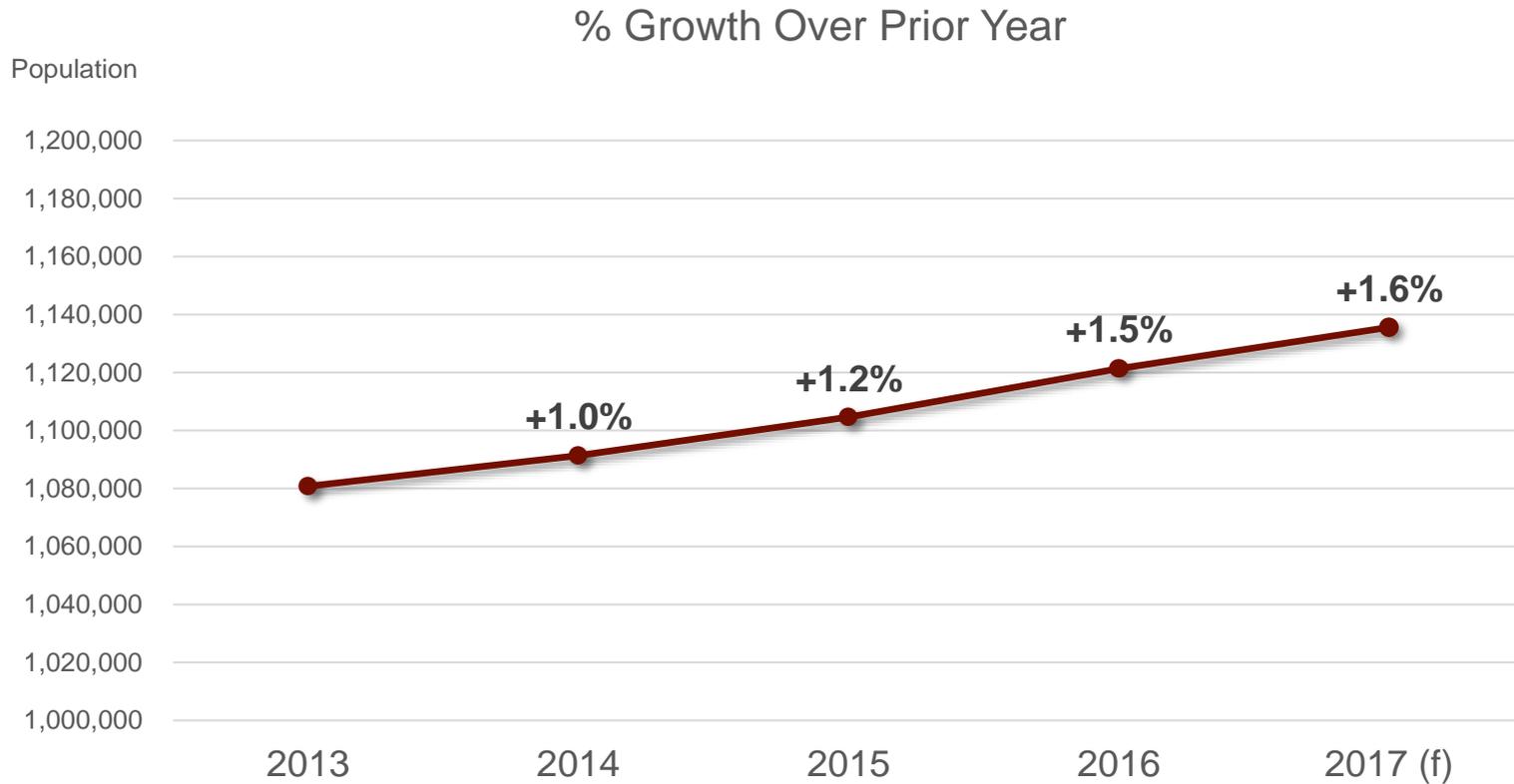


Purchasing Power Erosion Due to Inflation





County Population Growth Trend

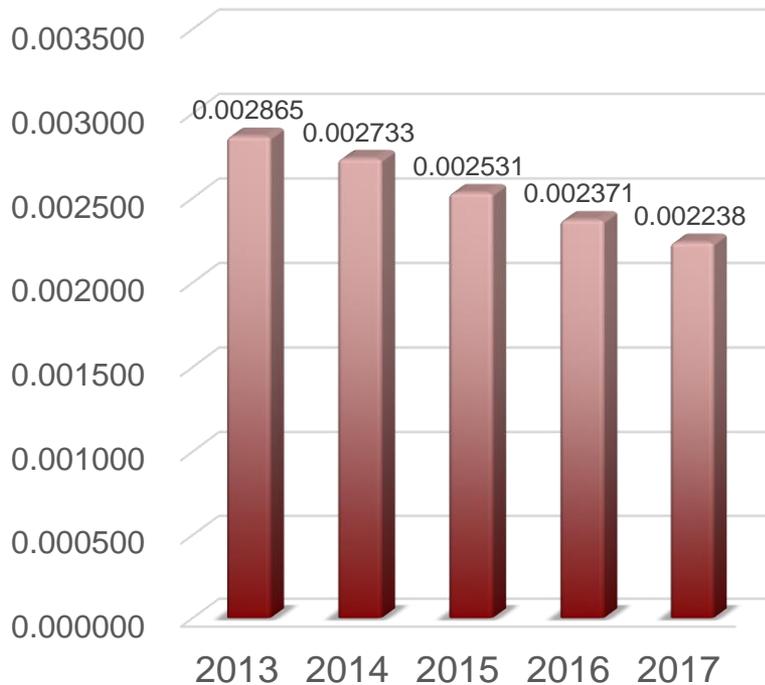


5.1% Cumulative Population Growth from 2013 to 2017

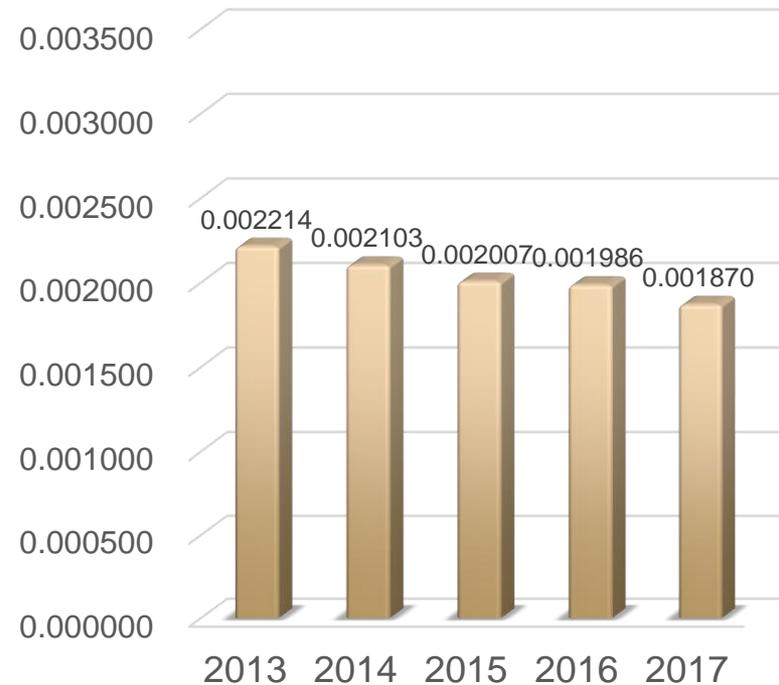


Declining Trend in Property Tax Rates

Countywide Property Tax Rates (All)



Countywide Property Tax Rates (Excludes Debt Service & Judgement Levy)





OPEB Developments

2017 Summary

- Established County reserve of \$250K
- Transferred additional \$900K to irrevocable trust
- Goal to transfer increased amount for 2018
 - Increased 2018 OPEB charge to organizations
- Accounting standards will change for 2017 CAFR
 - Total liability to be shown



2018 Financing Plans

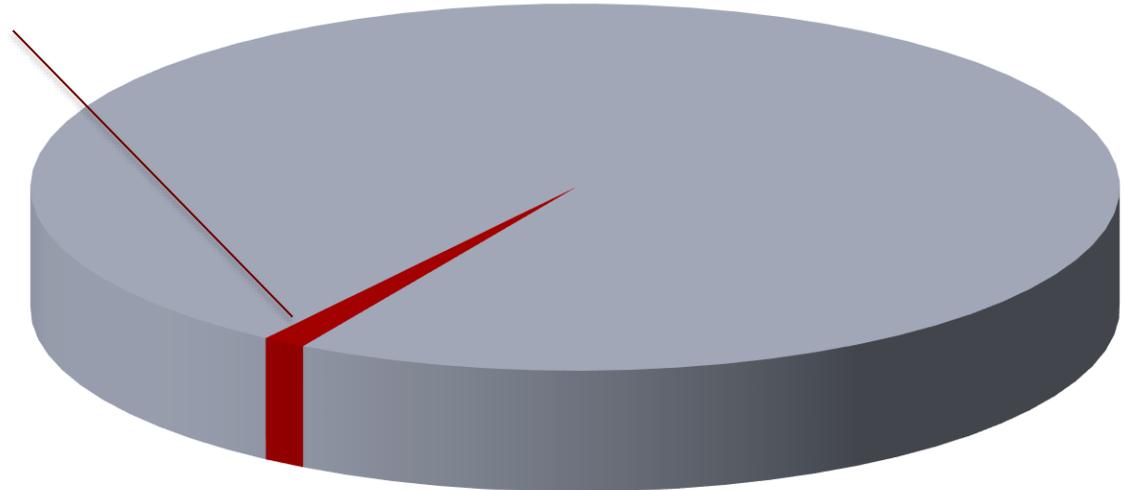
- \$65M MBA Lease Revenue Bonds for Libraries
- Possible Tranche 2 of Authorized Parks & Recreation GO Bonds
- TRANS – July/August timeframe



Salt Lake County – Triple-A Rated Staying Among Financially “Elite”!

- Counties Triple-A rated by all 3 rating agencies
- Other Counties

SL County included
in top 1.5%





Salt Lake County is Flying High!





2018 Budget Details





Significant Proposals

- Oxbow Jail \$7.5M
- Operation Rio Grande (2017 & 2018) \$1.4M
 - Criminal Justice Services \$868k
 - Sheriff other than Oxbow \$110k
 - District Attorney \$313k
 - Behavioral Health \$127k
- General Election \$2.1M
- Regional Development \$1.5M
 - Includes HR workflow system \$250k, and Customer Service modernization \$688k



Significant Proposals [cont.]

- Jail mental health phase 2 \$859k
- LDA contract increase \$751k
- Security for new DA building \$364k
- Increased Funding for Animal Services from the General Fund \$296k
- Mainframe succession planning \$269k
- PeopleSoft service contract \$263k
- Parks and Recreation—Facilities Management \$250k

Using the Online Budget Browser for Additional Detail (live demo)



Microsoft Power BI

https://app.powerbi.com/view?r=eyJrjoiZDA3MTgzOGQtNGNjY00NTM5LWZjZjYtOC...

Requests of Category "New" - Tentative To Proposed

Elected	Detailed_elected	Fund Name	Org_name
<input type="checkbox"/> County Clerk	<input type="checkbox"/> ALL ELECTED - CAPITAL OUTLAY	<input type="checkbox"/> 110 - GENERAL FUND	<input type="checkbox"/> Select All
<input type="checkbox"/> County Council	<input type="checkbox"/> CLERK	<input type="checkbox"/> 120 - GRANT PROGRAMS FUND	<input type="checkbox"/> ADDRESSING
<input checked="" type="checkbox"/> County Mayor	<input type="checkbox"/> COUNCIL	<input type="checkbox"/> 125 - ECON DEV AND COMMUNITY RESOU...	<input type="checkbox"/> ANIMAL SERVICES
<input type="checkbox"/> County Recorder	<input type="checkbox"/> DIST ATTORNEY	<input type="checkbox"/> 130 - TRANSPORTATION PRESERVATION FU...	<input type="checkbox"/> BEHAVIORAL HEALTH SERVICES PR...
<input type="checkbox"/> County Sheriff	<input type="checkbox"/> JUSTICE COURTS	<input type="checkbox"/> 180 - RAMPTON SALT PALACE CONV CTR F...	<input type="checkbox"/> CAP THEATRE CAPITAL PROJECTS
<input type="checkbox"/> County Treasurer	<input type="checkbox"/> MAYOR - ADMIN SERVICES	<input type="checkbox"/> 181 - TRCC TOURISM REC CULTRL CONVEN...	<input type="checkbox"/> CAPITAL IMPROVEMENTS
<input type="checkbox"/> District Attorney	<input type="checkbox"/> MAYOR - COMMUNITY SERVICES	<input type="checkbox"/> 182 - SOUTH TOWNE EXPOSITION CENTER...	<input type="checkbox"/> CENTER FOR THE ARTS (CFA)
	<input type="checkbox"/> MAYOR - EMP SERVICE RESERVE	<input type="checkbox"/> 185 - FINE ARTS FUND	<input type="checkbox"/> CENTER FOR THE ARTS CAPITAL PR...
	<input type="checkbox"/> MAYOR - EMP SERVICE RESERVE	<input type="checkbox"/> 186 - EQUESTRIAN PARK FUND	<input type="checkbox"/> CLARK PLAZA METABOLA

New Request Summary Listing Revenue - Expense

Request Code And Name	TENTATIVE BUDGET	MAYOR PROPOSED BUDGET
WRKORDRSYS - VIEW WORKS WORK ORDER SYSTEM	190,000.00	
970000_02 - Incentive Plans	20,000.00	20,000.00
970000_01 - Security System	35,000.00	35,000.00
913000_04 - Revenue_Expense True UP	0.00	0.00
913000_02 - SAR Team Expansion_Equipment	11,000.00	
913000_01 - UPD Contract Increase for CW LE	228,753.00	
912500_07 - REVENUE DECREASE AOC COURT SECURITY	353,844.00	0.00
912500_06 - POOLED FLEET VEHICLE	32,000.00	
912500_05 - FACILITY PROTECTION DIVISION_2 SERGEANT FTE'S	304,872.00	
912500_04 - BUILDING SECURITY FOR ECCLES	281,528.00	
912500_03 - INCREASED SECURITY AT YOUTH SERVICES	348,124.00	
912500_02 - BUILDING SECURITY FOR DA BUILDING DOWNTOWN	487,424.00	364,155.00
912500_01 - PROTECTIVE SVCS SWORN COMPENSATION	567,500.00	
912000_19 - ADC Complex Needs Assessment/Programming	200,000.00	
912000_14 - GQ098 INMATE SVCS DESIGNATED FUNDS	208,153.00	208,153.00
912000_13 - FACILITY MANAGER FTE	107,576.00	
912000_12 - VEHICLES FOR IA AND DETECTIVE POSITIONS	28,000.00	
912000_11 - TRAINING INSTRUCTOR OVERTIME	54,495.00	
Total	277,851,471.42	253,664,051.20

New Request Line Item Detail and Drill

ACCOUNT_GRP	TENTATIVE BUDGET	MAYOR PROPOSED BUDGET
REVENUE	9,976,444.00	12,401,300.00
499999 - PRIOR YEAR FUND BALANCE	1,830,000.00	1,830,000.00
443025 - SALE-FIXED ASSETS REAL PROPERTY		3,700,000.00
443010 - SALE ASSETS-CLEARING ACCOUNT	-10,000.00	-10,000.00
443005 - SALVAGE SALES	114,150.00	114,150.00
439005 - REFUNDS-OTHER	-150,000.00	-150,000.00
433100 - INTRAFUND REVENUE	365,500.00	115,500.00
433065 - INTRAFUND REVENUE-HOUSING PRGM	256,924.00	256,924.00
431160 - INTERFUND REVENUE	-1,603,088.00	-1,603,088.00
431100 - INTERFUND REVENUE-SHERIFF	-13,500.00	-13,500.00
431080 - INTERFUND REVENUE-STAT AND GEN	974,894.00	346,349.00
431060 - INTERFUND REVENUE-MUN SERV	-25,524.00	-25,524.00
429025 - INTEREST-RESTRICTED	-72,500.00	-72,500.00
429020 - DISTRIBUTIONS FROM SOLID WASTE	87,500.00	1,287,500.00
429015 - INTEREST-MISCELLANEOUS	29,000.00	29,000.00
429005 - INTEREST - TIME DEPOSITS	127,424.00	127,424.00
427060 - SP/ST/EP OPERATING REVENUE	1,960,355.00	1,960,355.00
427055 - SOIL REGENERATION ROYALTIES	-40,000.00	-40,000.00
427050 - COMMISSARY	-245.00	-245.00

Microsoft Power BI

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2018 Budget Recap

All Funds

- All funds are balanced
- All reserve requirements are met
- Overall appropriations: \$1.497B
- Overall net budget: \$1.349B





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

<http://slco.org/mayor-finance/budget/2018-budget-information/>

