

# June Budget 2025

Mayor Jenny Wilson

June 3, 2025

Presented by Darrin Casper



# 2025 Budget Goals

- Stay fiscally conservative
  - Maintain structural balance
  - Budget General Fund and other funds above minimum reserve



# 2025 June Budget Direction

- Primarily technical adjustments
- New requests must be exigent
- Exceptions were made for restricted revenue sources



# Highlights for June 2025

- Salt Lake County employment is strong, but beginning to cool
- Tax and operating revenues plateauing or slightly declining
- Certified Property Tax Rates not available until approx. June 10<sup>th</sup>



# General Fund Structure Analysis

## Reconciling the Draw Down

|   |               |
|---|---------------|
| Budgeted draw on fund balance           | (\$28.7M)     |
| • One-time transformational initiatives | 2.3M          |
| • Capital projects (net)                | 7.8M          |
| • Time-limited position extensions      | 2.0M          |
| • Reserve unappropriated new PS tax     | (\$4.6M)      |
| • One-time savings and other items      | <u>(0.1M)</u> |
| • Budgeted structural deficit           | (21.2M)       |
| • Projected underspend & variances      | <u>24.9M</u>  |
| • Estimated structural surplus          | \$3.8M        |



# Salt Palace Project

- Enact business points to accomplish the Salt Palace remodel plan
  - Transfer \$50M set-aside to the Salt Palace Renovation Fund from “4<sup>th</sup> Quarter” fund
  - Appropriate \$2M to enable the project to begin
  - Appropriate \$5M for Salt Palace conv mitigation measures in Visitor and Promotion Fund
- Next Steps
  - Assign 68% of the “4<sup>th</sup> Quarter” Transportation Fund ongoing revenue to the Public Infrastructure District (PID)
  - Work with SLC to assign its portion to the PID
  - Begin modeling TRT for \$155M in debt as committed during the legislative process



# Mayor's Portfolio

## Opioid Settlement Fund Changes

*in thousands \$*

|   |  |         |
|---|--|---------|
| <b>Criminal<br/>Justice<br/>Services</b>  | 5 Case Managers – to serve the increasing pretrial caseloads. Half year in 2025, \$533K in 2026. Anticipating OSF funding for three years. | \$267   |
| <b>Behavioral<br/>Health<br/>Services</b> | Medicaid match increase  | \$2,000 |

Prior approved budget: \$1.7M



# Mayor's Portfolio

*in thousands \$*

|                                   |   |         |
|-----------------------------------|---|---------|
| <b>Indigent Legal Services</b>    | Increase to litigation and conflict costs   | \$299   |
|                                   | Contested private adoption revenue reduction. \$130K in 2026.   | \$30    |
| <b>Aging &amp; Adult Services</b> | Consolidate Sunday Anderson Senior Center with River's Bend and shift \$269K to meals and transportation for seniors. 2.75 FTE reduction  | \$0     |
| <b>Criminal Justice Services</b>  | Reduction of 1.00 FTE in shift to contract with Behavioral Health Services network providers  | \$0     |
| <b>Parks and Recreation</b>       | Remove expired time-limited FTE   | (\$139) |
|                                   | Gene Fullmer Recreation Center flooring project on hold   | (\$30)  |
|                                   | Big Cottonwood Regional Park playground project transferred from TRCC to P&R GO Bond Fund (\$400K budget transferred, \$225K incremental) | \$625   |
| <b>Mayor's Administration</b>     | Consultant Services (Federal Lobbying)  | \$15    |
| <b>ZAP</b>                        | Grant Management Software   | \$36    |



# Mayor's Portfolio [cont.]

*in thousands \$*

|   |   |           |
|---|---|-----------|
| <b>Public Works Engineering</b>                   | PWE transfer to Greater Salt Lake Municipal Services District (18 FTEs)   | (\$86)    |
| <b>Emergency Services</b>                         | UFA Emergency Management Increase   | \$33      |
| <b>Solid Waste Management</b>                     | Revenue and Expense True-up   | (\$462)   |
| <b>Redevelopment Agency</b>                       | Magna RDA Transfer  | (\$2,466) |
| <b>Library Tech Svcs Building (Fund Transfer)</b> | \$12M fund transfer from the Library Fund to the MBA Bond Project Fund until bonds are issued. Appropriation approved in March. | \$0       |



# Auditor

*in thousands \$*

|                         |   | 2025<br>Exp |
|-------------------------|---|-------------|
| <b>Postage Increase</b> | Increase related to the annual Notice of Valuation and the required tax sale process notices. | \$23        |



# Clerk

*in thousands \$*

|  |  | 2025<br>Net Exp |
|--|--|-----------------|
| <b>HB267 Referendum<br/>Signature Verification</b> | Labor costs related to the signature verification process  | \$54            |
| <b>2025 Municipal<br/>Elections</b>                | Budget neutral request for the 2025 municipal and service district elections (\$2,823K in revenue and expense) | \$0             |



# Sheriff

*in thousands \$*

|                                   |  | 2025<br>Net Exp |
|-----------------------------------|--|-----------------|
| Jail Prisoner Meals               | Requested \$2.6M in one-time funding to support the feeding of prisoners during the Jail Kitchen Remodel project | \$1,289         |
| Search and Rescue Building Survey | Reduced funding for the search and rescue building survey project (completed in late 2024)                       | (\$50)          |



# New Sales Tax for Public Safety & Transportation

- New 0.2% tax
  - County portion is 0.05%, cities 0.05%, UTA/state 0.1%
  - Tax effective July 1, 2025
  - 2025 revenue forecast is \$9.69M
  - 2026 revenue forecast is \$19.4M
  - County portion allocated to public safety
- Open Oxbow Jail 3<sup>rd</sup> Pod (approved April 1)
  - 2025 net budget impact \$5.09M
  - 2026 net budget impact \$8.06M



# Technical Adjustments

- Overhead
- OPEB, ESR, retirement rates
- True-up existing grants
- Enterprise funds contract revenue & expense
- True-up beginning fund balances to PY actual
- True-up capital projects for PY actual spend (most done prior to June)



# Technical Adjustments [cont.]

- **New Market Tax Credit Unwind**
  - \$7.263M loan made in 2017 to leverage a private equity investment, forgiven by County in 2024
  - Need to now recognize this prior cash outlay as an expense and remove the County receivable
  - Building transferred to County ownership in conjunction
  - Overall transaction resulted in \$2.4M NPV savings
- **Transfers and other technical adjustments**



# FTE Changes

## June Budget Adjustments

|                       | Grant or Other Funding | County Funding | Notes   |
|-----------------------|------------------------|----------------|---|
| <b>Aging</b>          |                        | -2.75          | Sr Center Mgr (-1), Office Coordinator (-1), Office Specialist (-.75) |
| <b>CJS</b>            | 4                      |                | Case Managers (5), Treatment Specialist (-1)                          |
| <b>Parks</b>          |                        | -1             | TL Senior Planner (-1)  |
| <b>PW Engineering</b> | -18                    |                | Close PW Engineering budget after 1/1/2025 transfer to GSLMSD.        |
| <b>Sheriff</b>        | -2                     |                | TL Gang Prevention Case Manager (-1), TL Medical Assistant (-1)       |
| <b>Totals</b>         | <b>-16</b>             | <b>-3.75</b>   |   |



June Budget Adjustments: -19.75  
 Pre-June Interim Budget Adjustments: 39.00  
 Total FTE in 2025 Adopted Budget: 4,256.12  
 Total FTE in 2025 June Adjusted Budget: 4,275.37



# 2025 Ending Fund Balances

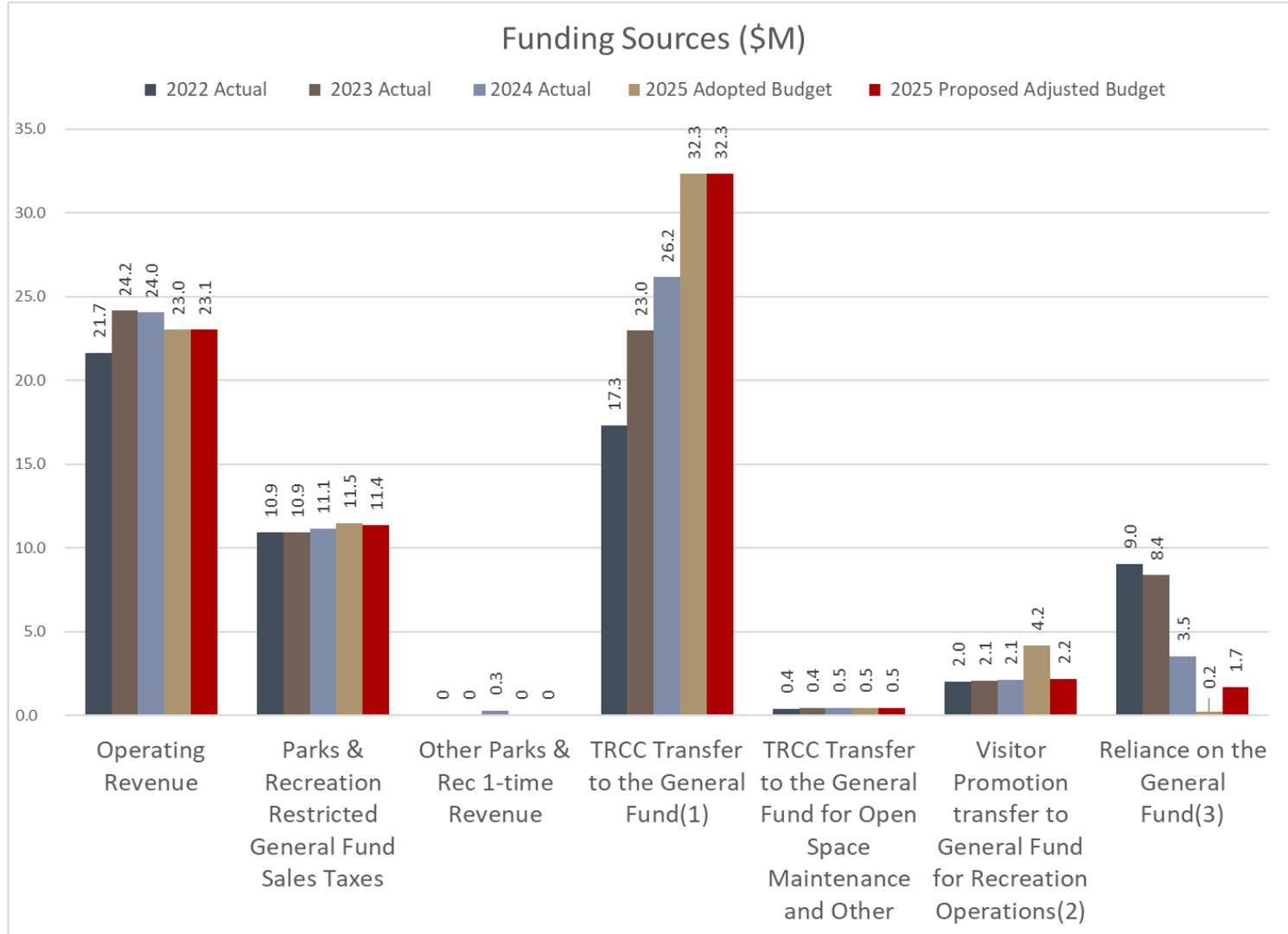
## Key Funds

| \$M           | Original Adopted Budget |            | June Adjusted Budget * |            | Change * |            |
|---------------|-------------------------|------------|------------------------|------------|----------|------------|
|               | Budget                  | Projection | Budget                 | Projection | Budget   | Projection |
| General       | 112.2                   | 136.7      | 116.1                  | 141.0      | 3.9      | 4.3        |
| Flood Control | 1.4                     | 15.7       | 2.3                    | 16.6       | 0.9      | 0.9        |
| Health        | 10.0                    | 16.5       | 11.8                   | 18.3       | 1.8      | 1.8        |
| Planetarium   | 1.7                     | 2.1        | 2.2                    | 2.6        | 0.5      | 0.5        |
| Tax Admin     | 2.0                     | 3.8        | 1.9                    | 3.7        | (0.1)    | (0.1)      |
| Library       | 30.3                    | 33.6       | 18.8                   | 22.2       | (11.5)   | (11.4)     |

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



# Parks and Recreation



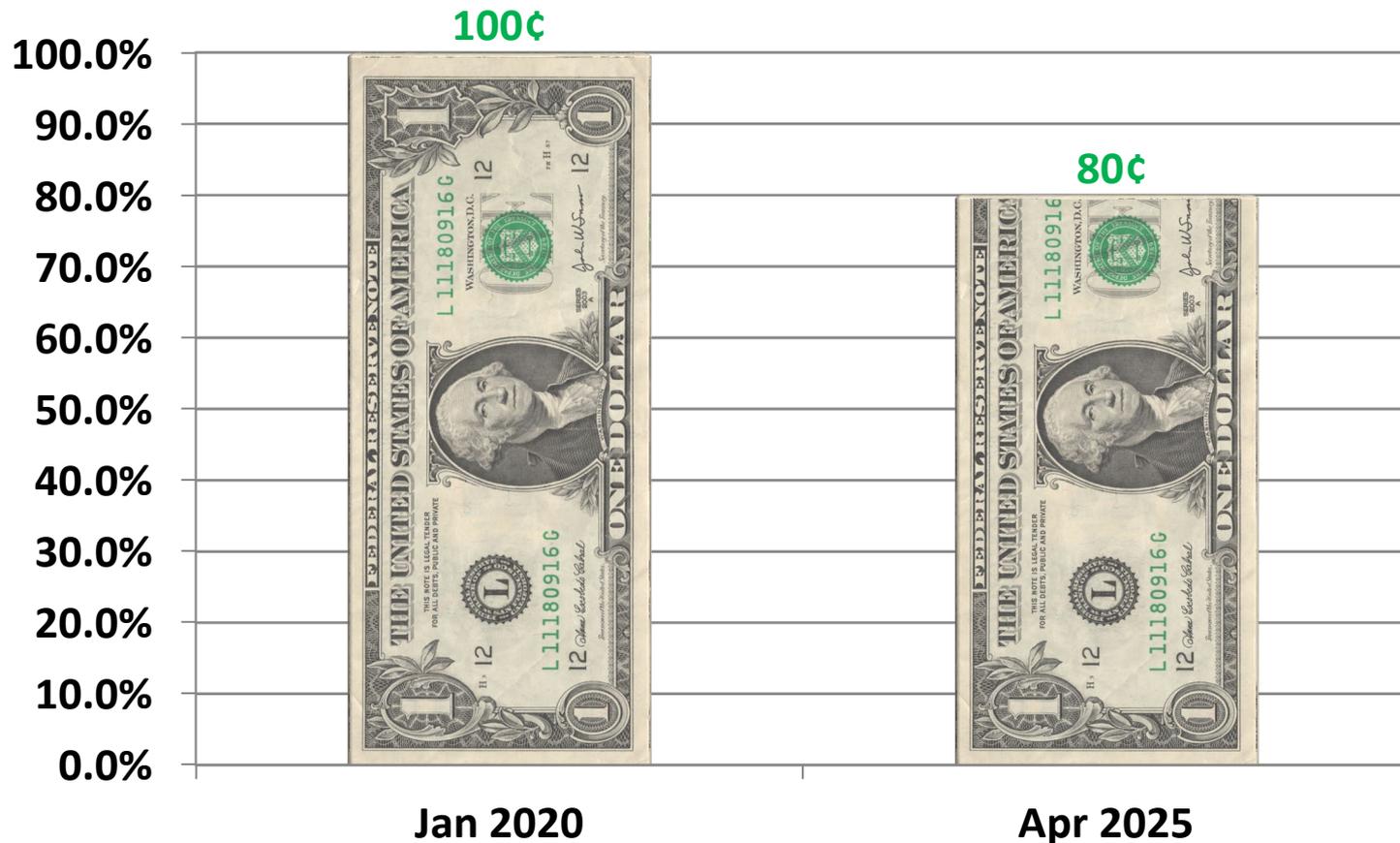
(1) TRCC fund transfers to Parks & Recreation operations, currently at the maximum recommended by the TRCC Advisory Board.

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

(3) Of the amounts shown, ARPA funded \$8.8M in 2022.



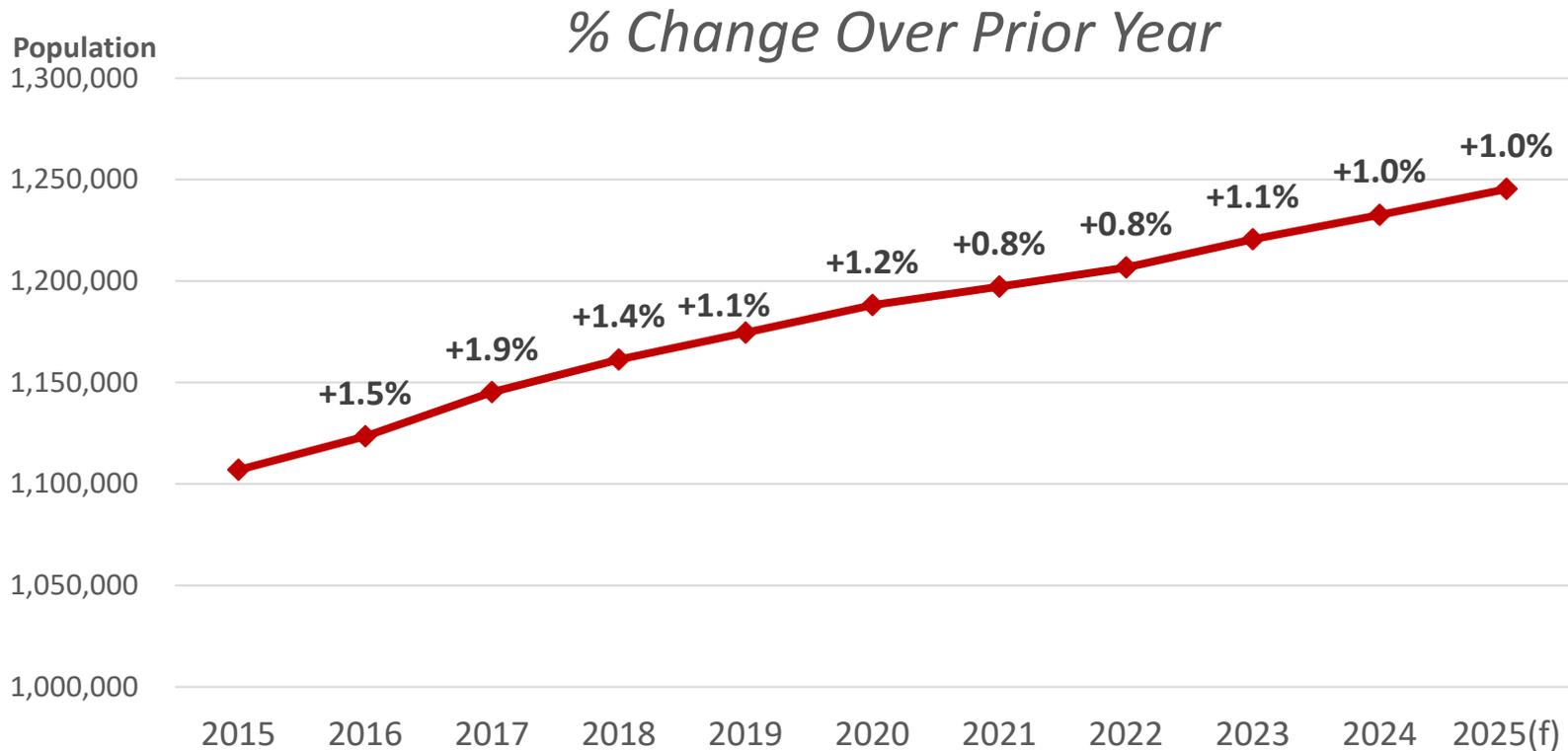
# Purchasing Power Erosion Due to Inflation



INFLATION INDEX: WEST URBAN CONSUMER PRICE INDEX - ALL URBAN CONSUMERS



# County Population Growth Trend



Source: Utah Population Committee, Kem C. Gardner Policy Institute, University of Utah

**12.5% Cumulative Population Growth from 2015 to 2025**



# County Overhead Allocation

- Central service departments provide essential administrative-type services to other County departments
- Reimbursement to the General Fund & Governmental Immunity Fund for central service usage
  - About \$50M to General Fund
- Cost awareness & accountability for full costs (direct & indirect costs) of County services
- Full costing for contracts and grants
- Avoids double-taxation by distributing central service costs to departments that provide municipal-type services
- Widely considered best practice



# Bond Issuances

- Forward refunding closing is June 17 (\$13.9M, \$650K NPV)
- Sales Tax Bond for new campus - \$120M estimate
- Municipal Building Authority Library Bonds in progress
- 2026 TRCC bond for Larry H. and Gail Miller Family Art Center - \$38.6M



# 2025 Budget Recap

## All Funds

- All funds are balanced
- Net appropriations at approximately \$1.5B, excluding non-discretionary pass-through expenses of approximately \$0.5B
- We recommend ratifying all previously approved interim budget adjustments for formal adoption
- Certified tax rates not available until approximately June 10<sup>th</sup>
- Next Steps
  - Monthly sales tax revenue reporting to continue
  - Track structural balances



# Employee Day Tomorrow





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

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*<https://slco.org/finance/budget/budget-documents/>*