



# Mayor Ben McAdams

## 2016 Proposed Budget Salt Lake County



Presented by Darrin Casper, CFO  
October 20, 2015



# 2016 Budget Goals

- Stay fiscally conservative
  - Maintain structural balance
  - Projected General Fund balance above \$40M
- Make data driven budget decisions
- Continue proper alignment between the General Fund and the Townships (unincorporated county)
- Focus on criminal justice reinvestment: “bend the curve on recidivism”



# 2016 Budget Direction

- Revenue committee reviewed all revenue increases of \$100k or greater
- Information Technology projects vetted by IS
- Departments looked for strategic reductions to fund new initiatives
- Budget narratives aligned with the Future We Choose



# Economic Outlook

- Continued economic growth through 2016
- Salt Lake County unemployment at 3.4%; national average at 5.1%<sup>(1)</sup>
- Job and wage growth outlook is positive
- Taxable sales projections positive: 2.7 to 7.1%
- Residential construction growing

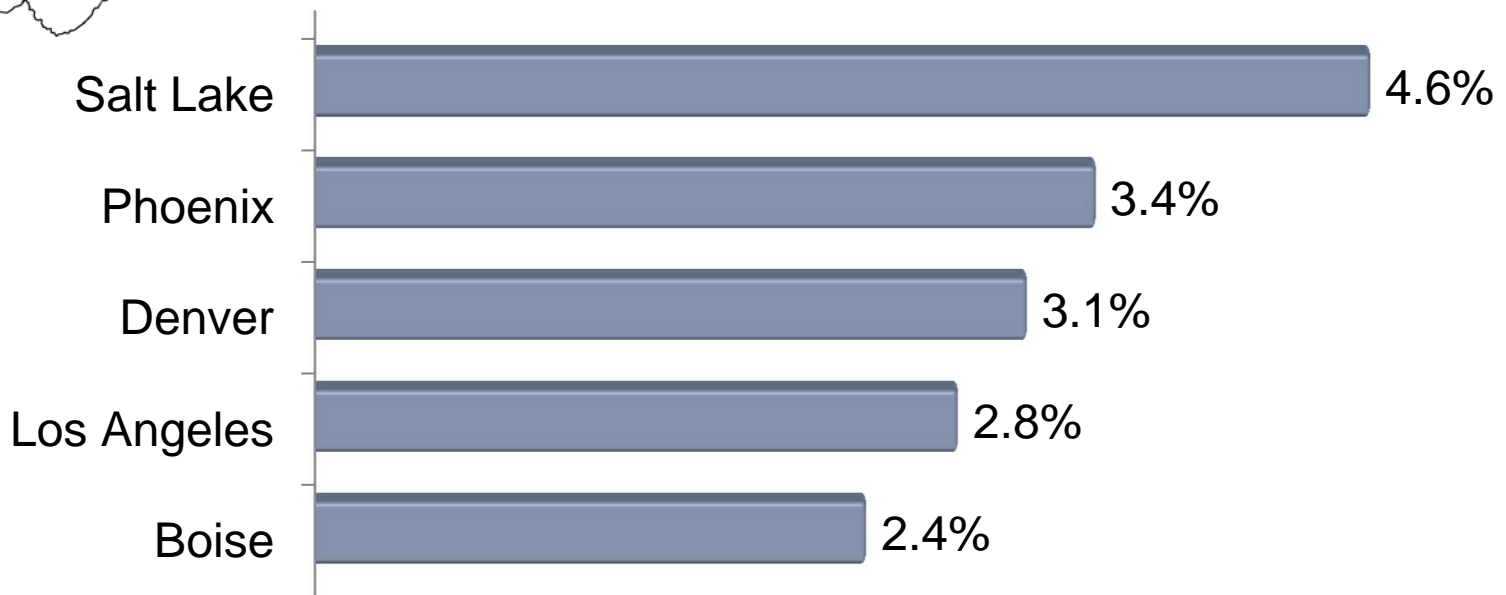
(1) Source: Utah Department of Workforce Services, August 2015



# Metro Employment Comparison



2015 Employment Growth  
in Selected Western Metropolitan Areas  
Percent Change from Prior Year<sup>(1)</sup>



(1) Source: Bureau of Labor Statistics, July 2015



# 2016 Tentative Budget





# Tentative Budget Defined

- Reflects requests prior to balancing / proposing budget
- Included:
  - New requests
  - New revenues
  - Beginning fund balance projections
- Not Included:
  - Compensation adjustments
  - Proposed reductions
  - Redirected public safety tax revenues



# 2016 Tentative Budget

Requests reflect new pressing realities

- 20% increase in case load in criminal justice system
- Aging IT infrastructure
- Opening three new regional parks
- General inflation in employee pay and benefits
- Presidential election





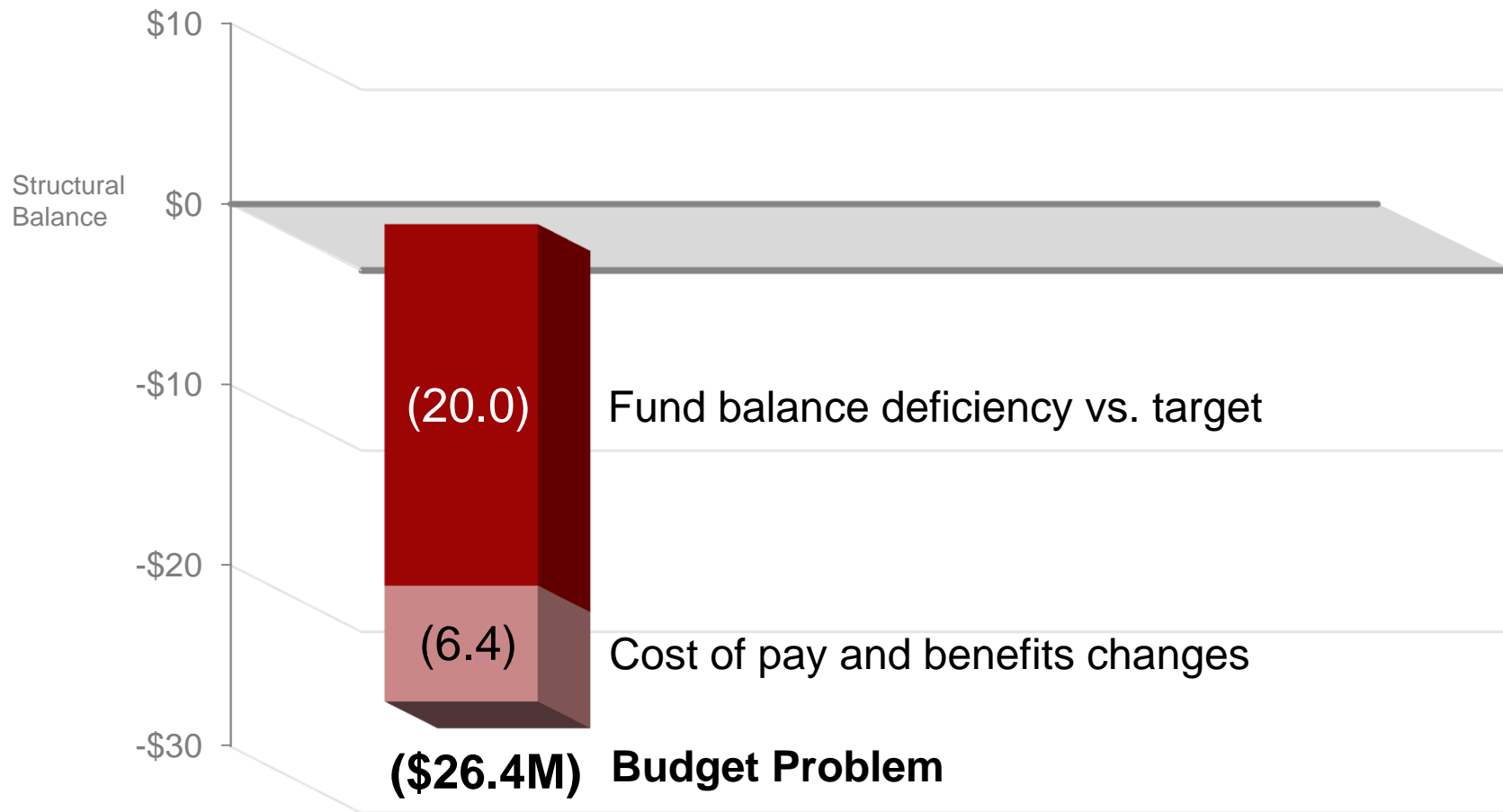
# 2016 Tentative Budget Key Problem Areas

*in millions \$*

Fund	Ending Fund Balance	Targeted Budget Balance	Deficiency
General	14.0	34.0	(20.0)
Municipal Services	(8.2)	4.6	(12.7)
TRCC Tourism Recreation Cultural Convention	(13.2)	2.0	(15.2)



# 2016 Tentative Budget + Compensation General Fund and Related Tax Funds





# 2016 Proposed Budget





# Budgetary Perspective

## General & Related Funds

- Tax Revenue Growth \$8.0M
- Inflation Related Expenditures
  - Salaries & Benefits @ 2.5% 5.0M
  - Health Insurance 1.4M
- Statutory Related Expenses
  - Elections (Presidential) 3.0M



# 2016 Budget Overview

- Countywide deficit \$26.4M
- Public Safety revenue redirection  
\$9.4M (3.8M directed toward deficit) (3.8M)
- Targeted 22.6M in additional solutions
  - Reductions (19.89M)
  - Program eliminations<sup>(1)</sup> (743k)
  - TRCC fund balance transfer (914k)
  - Flood Control Fund (500k)
  - Health Fund (50k)

(1) Includes CAT, volunteer services, and management restructure in Parks & Recreation.



# Budget Overview

## Criminal Justice System | Pressing Realities

- 76% of General Fund Budget (county funding)
- 2015 Budgets
  - District Attorney \$30.6M
  - Indigent Legal 17.5M
  - Criminal Justice Services 11.2M
  - Sheriff 105.0M
  - Total<sup>(1)</sup> \$164.3M
- Experiencing 20% caseload increase since 2014

(1) Excludes costs of Behavioral Health Services.



# Budget Overview

## Criminal Justice System | Pressing Realities

- 20% increase in costs would be \$33M
- Highlights the necessity of change
- Proposed 2016 Budget
  - Funds operations and new FTEs
  - Mitigates a portion of strain on system
  - Sets aside significant \$ as a reinvestment in criminal justice



# Criminal Justice Reinvestment Plan

- In 1995, voters approved \$107M bond for new Adult Detention Center
- Debt Service slated to come off-line in 2015
- Mayor McAdams is proposing to redirect revenues back to public safety
- Revenues are \$9.4 million/year





# Criminal Justice Reinvestment Plan

- Utilize \$2.8M for ongoing operations
  - DA \$900k
  - Sheriff \$1.9M
- Set aside \$6.6M for non-operating investments
  - Study on collective impact \$100k
  - One-time purchase of bus for jail \$200k
  - Case management system \$800k
  - Pay For Success \$5.5M



# Criminal Justice Reinvestment Plan

- Future capital development (pending data review)
  - Community Corrections Receiving Center
  - Criminal Justice Services administration and operations
- Funding source
  - Lease revenue bonds issued early 2017
  - Project money of \$42M
  - Debt service paid in part from the \$6.6M set aside
- Future operating funds anticipated at \$3M annually for Sheriff programs (Oxbow jail) beginning in 2019



# Pay for Success

- Goal – drive taxpayer resources toward what works
- An innovative tool to measurably improve outcomes for communities in need
- In a Pay for Success contract, payment is made only with results



# Pay For Success Initiatives

## Get At Root Of Critical Budget Areas

76% of total General Fund county funding is consumed by criminal and social justice services

### Pay for Success – 3 key service areas:

1. Reduce recidivism by providing intensive, evidence-based interventions with high risk, high need offenders: First Step House
2. Improve child and maternal health, give children a strong start and increase family self-sufficiency: Parents As Teachers
3. Prevent chronic homelessness by stabilizing families and individuals who use the shelter 3 – 12 months a year:  
The Road Home



# Pay for Success Budget Implications

- \$5.5M / \$6.5M / \$6.5M set aside for 3 years
  - Funded by the Public Safety redirected revenues
  - These funds will be set aside in escrow, and drawn on to pay for results
  - If the results are not achieved, the funds can be reallocated to other programs and services



# Information Technology Risk Mitigation | Pressing Realities

## Data Center Relocation \$950k

- Currently at risk from overhead plumbing and ground water
- In lieu of new IS building

## 3rd Party Hosting for PeopleSoft \$285k (½ yr)

- Needed to adequately support Finance and HR systems
- Patches and upgrades best done by specialized experts

## Security Assessment \$75k

- Assessing risk of a security breach



# Increased Demand for IT

## Pressing Realities

- Recent implementations
  - PeopleSoft
  - Tax Administration System
  - Case mgt. system for DA/CJS and Youth Services
  - Integrated Justice Information System (IJIS)
  - Countywide Work Order System
  - Dashboard
  - 311
- Major projects
  - Mainframe conversion planning
  - Updating existing technology



# Parks and Recreation

## Pressing Realities

- SLCo Parks & Rec manages 7,606 acres
  - Regional Parks (876 acres)
  - Special Use Parks
  - Open Space
  - Trails
  - Golf Courses
  - Neighborhood Parks
- Added 106 acres (13%) to Regional Parks in 2016
  - Southwest Regional Park in Bluffdale
  - Lodestone Regional Park in West Valley/Kearns
  - Wheadon Farm Regional Park in Draper





# Parks and Recreation

- Restructured management layer to provide more direct service functions
- Proposed increased transfer from TRCC by \$914k
- Recreation budget increase 0.4%
- Parks budget increase 4.9%



# Parks and Recreation

## Appropriations vs. General Fund County Funding

*in millions \$*

	2016	2015	Change
Appropriations	48.4	47.5	1.8% ↑
Use of General Fund County Funding <sup>(1)</sup>	10.4	11.1	(6.2%) ↓
Parks & Rec proportion of <i>all</i> General Fund County Funding	5.1%	5.9%	(0.8%) ↓

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



# Proposed Compensation and Benefits Package

- 2.5% salary increase
  - Excludes employees:
    - On long-term disability
    - Below 3.0 performance rating
    - Provisional and temporary
- \$1M set aside for new pay structure and compression
- 401(k) contribution for Tier 1 employees eliminated
- Health insurance = 5% increase as of April 1<sup>st</sup>



# 2016 New FTEs

## General Fund

	FTEs	Revenue Neutral
District Attorney	16	No
Sheriff	10	No
Criminal Justice Services	3	No
Indigent Legal Services	1	No
<b>Subtotal</b>	<b>30</b>	
Clerk	1	Yes
Surveyor	1	No
Regional Development (convert time-limited)	2	Yes
Parks & Recreation	11	Partial
Information Services	0.25	No
Human Resources	0.25	No
<b>Total</b>	<b>45.5</b>	



# 2016 New FTEs Other Funds

	FTEs	Revenue Neutral
Youth Services	1.4	Partial
Behavioral Health	1	Yes
Center for the Arts	12.5	Partial
Township Services	1	No
Animal Services	1	No
PW Operations	2	No
Flood Control	1	Yes
Open Space (convert time-limited)	0.75	No
Recorder	1	No
Library	1	No
Health	1	Yes
<b>Total</b>	<b>23.65</b>	



# 2016 Reductions from Base FTEs All Funds

	FTEs
Mayor Operations	1
Recreation	3
Aging Services	2.75
Health	2
<b>Total</b>	<b>8.75</b>



# Fund Summary

## General Fund & Related

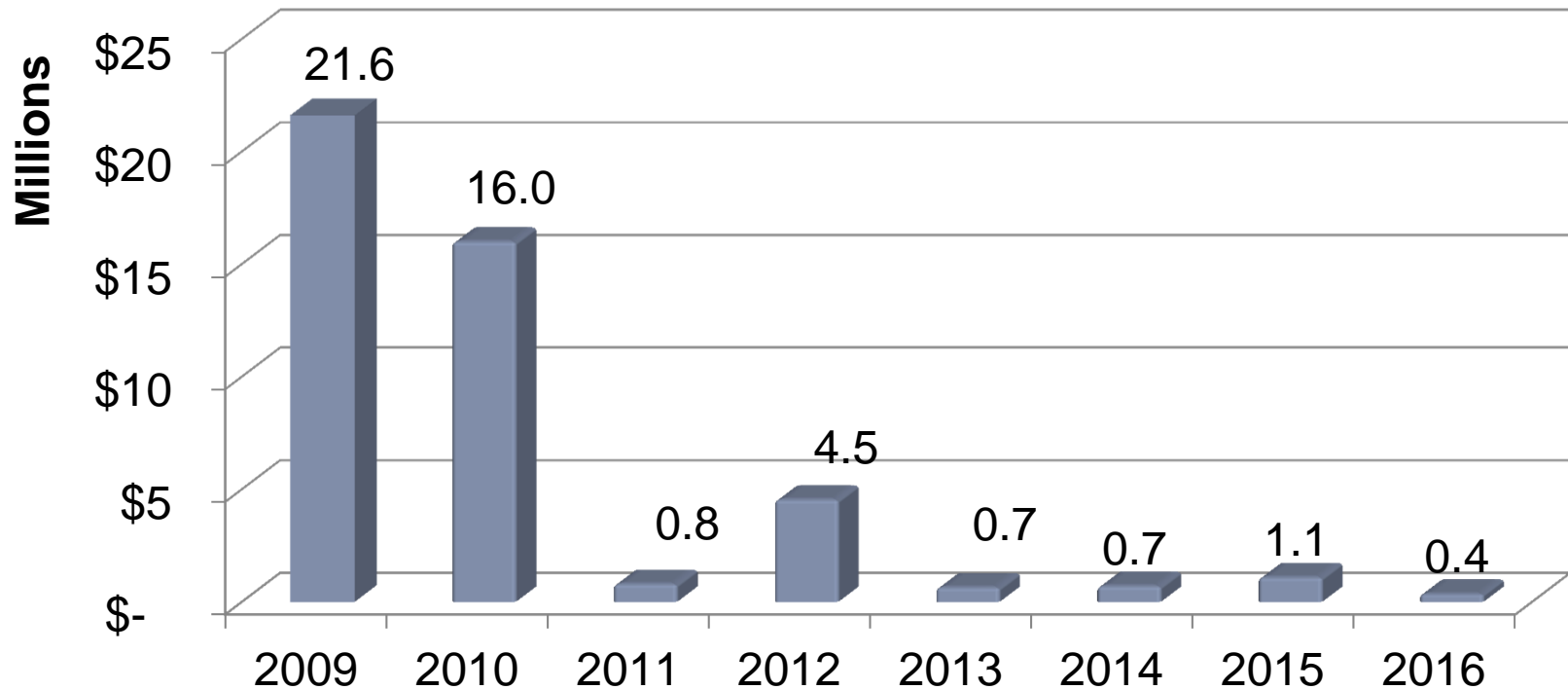
*in millions \$*

	2016 Beginning Balance	2016 Ending Balance	2016 Projected Balance
<b>General Fund</b>	42.6	33.5	43.4
<b>Flood Control</b>	5.1	0.6	0.9
<b>Health</b>	5.1	2.1	5.0
<b>Planetarium</b>	2.6	0.5	0.7
<b>Grant</b>	0.1	0.1	0.3
<b>Tax Admin</b>	6.0	1.6	2.4



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

**Fund Balance Used: 2009 - 2016**







# General Fund Structural Analysis

*in millions \$*

Budget Year	Budget Ending Balance (Adopted / June)	Actual Ending Balance	Variance
2013	31.9 / 32.0	43.3	11.4
2014	30.3 / 33.1	43.3	13.0
2015	34.4 / 35.2	44.2*	9.8*
2016	33.6	43.4*	9.8*

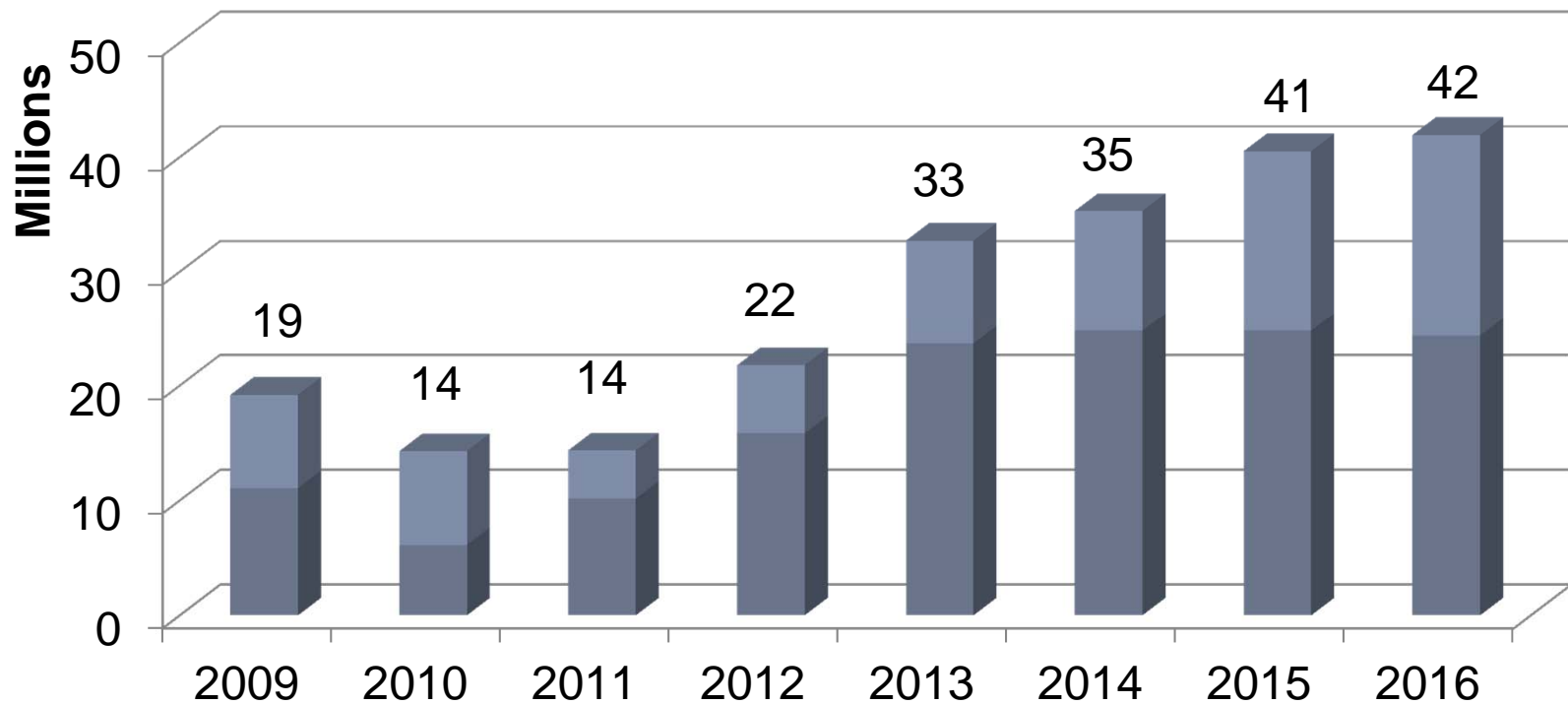
Projected using lowest of last three years' variances

\* Projected



# Commitment to Capital Maintenance

■ New Requests   ■ Rebudget





# 2016 Funded Capital Maintenance by Fund

TRCC Capital Projects	\$6.50M
Capital Improvements Fund	6.40
Libraries	2.75
Solid Waste	2.70
Municipal Services	2.58
Flood Control	2.13
Class B Roads	1.24
TRT Capital Projects	1.00
Other Projects	1.02



# TRCC Proposal

- Mayor's Proposed Budget aligns exactly with Advisory Board Recommendations
- Highlights Include:
  - Ongoing commitment to equipment replacement at \$2.06M
  - Deferred maintenance \$6.5M<sup>(1)</sup>
  - Ongoing operations \$19.6M
  - Parks & Rec at 39.88% of Revenues
  - On-going Debt Service and long term commitments funded
  - Proposed ending fund balance \$2.025M

<sup>(1)</sup> Traditional Amount decreases by \$800k/year in 2017



# TRCC New Requests

<b>County</b>	Open Space	\$250,000
	AMS Consultant CFA	\$164,800
	Art Collection Website	\$72,000
	Art Acquisition	\$15,000
<b>City/Outside Organization Requests</b>	Cottonwood Heights Rec Center Roof	\$200,000
	Utah Trails	\$100,000
	National Veterans Wheelchair Games	\$80,000
	Holladay City Park	\$250,000
	Midvale City Park	\$665,479



# TRCC New Requests

<b>Cultural Facilities Support Program</b>	Midvale City Outdoor Stage in the Park	\$60,000
	South Salt Lake Hub Feasibility Study	\$20,000
	West Jordan Cultural Arts Facility Study	\$125,000
	Cottonwood Heights Butler Middle Sound Sys	\$30,000
	Utah Museum of Arts Dumke Auditorium	\$42,500
	Kingsbury Hall ADA System	\$12,750
	Natural History Museum of Utah Enhancements	\$133,000
	Discovery Gateway Water-play Exhibits	\$86,500
	Salt Lake Acting Company Remodel	\$24,178
	Murray Amphitheater Renovation	\$636,927



# Municipal Services District (MSD)

- New fund established
  - Municipal Services District Fund
  - Unincorporated Municipal Services Fund
- Budgeting breakdown
  - MSD Fund
    - Township/Public Works Services
  - Unincorporated MS Fund
    - Sales Tax Revenue
    - Justice Courts
    - Misc. Lease Revenue & Expenditures
    - Interlocal Agreement Pay MSD
- Fully anticipate refining concept – election, future direction



# Aligning General Fund and Municipal Service Costs

- Increased interfund from Municipal Service District for Township Parks Operations
  - \$700,000
- Increased interfund from Unincorporated Municipal Services Fund for DA Services to Justice Court
  - \$200,000





# OPEB Developments

- OPEB Trust has been created and Board in place and functioning
- Investment firm hired
- Initial investment at \$3.8M
- Trust will work in conjunction with new county OPEB Fund
- Intention:
  - Establish County reserve of \$250k
  - Pay expenditures/collect revenues in the county fund
  - Periodic reconciliations showing excess/deficiencies
  - Ending balances (1) transferred to Trust, or (2) brought to attention of policy makers



# 2016 Financing Plans

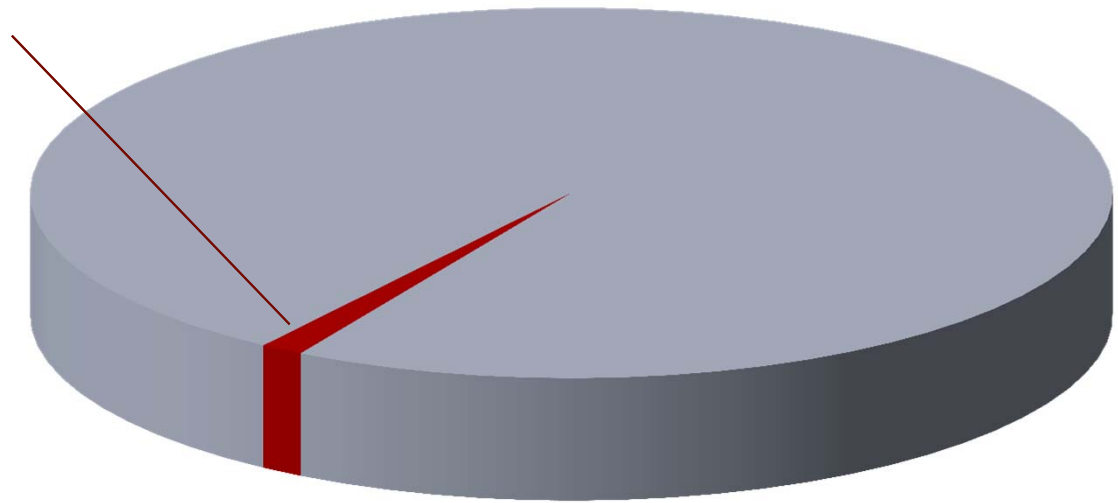
- Tranche 2 Parks GO Bond
  - Anticipated 12/23/2015 closing
  - Par amount \$22M
- Sales Tax Bond, District Attorney and Health Buildings
  - April to July Time Frame – awaiting final contract amounts
- TRCC Indenture of Trust
  - Parks Operations Center \$8.9M
  - Kearns Recreation Center / Olympic Oval Community Connections \$4M



# 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 41 of 3,140  
(top 1.5%)





# What's New?

## Transportation Funding

- New long range plan created for Transportation Fund
- Includes multiple sources and types of Revenues
  - UTA
  - UDOT
  - Highway Funds
  - Corridor Preservation Fees – Council of Governments \$2.4M/Year
  - HB 420 Transportation and Interlocal Agreements \$40M
  - New Sales Tax? County Portion \$7.65M
- Expenditures
  - Interlocal Agreements \$30M
  - Corridor Preservation Projects \$2.4M
  - Regional Development Projects \$1.35M (Including Active Transportation)



# What's New?

## Eccles Theater

- Expected opening – Oct 2016
- ¼ “Stub Year”
  - Budgeted to break even
  - New fund established for joint venture
- Facility
  - 1<sup>st</sup> Class
  - Managed by CFA
  - Expecting > 200 event nights 1<sup>st</sup> year



# 2016 Budget Details

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General Fund & Related





# Assessor

## 2016 New Requests

	Requested	Proposed
Funding	\$215,065	\$215,065
FTEs	0.00	0.00

Proposed Highlights –

Operational increases from base budget reductions  
(no new county funding)



# Auditor

## 2016 New Requests

	Requested	Proposed
Funding	\$42,025	\$42,025
FTEs	0.00	0.00

Proposed Highlights –  
Operational increases from salary savings  
(no new county funding)





# Clerk

## 2016 New Requests

	Requested	Proposed
Funding	\$3,066,026	\$2,966,026
FTEs	1.00	1.00

Proposed Highlights –  
Presidential election, marriage specialist FTE



# Council

## 2016 New Requests

	Requested	Proposed
Funding	\$145,000	\$5,000
FTEs	0.00	0.00

Proposed Highlights –  
Girls on the Run contribution



# Council Tax Admin.

## 2016 New Requests

	Requested	Proposed
Funding	\$81,440	\$81,440
FTEs	0.00	0.00

Proposed Highlights –  
Temp salary increase



# District Attorney 2016 New Requests

	Requested	Proposed
Funding	\$1,483,368	\$1,200,000
FTEs	19.00	16.00

Proposed Highlights –  
Paralegal, attorney, legal secretary, and victim  
counselor FTEs



# Recorder

## 2016 New Requests

	Requested	Proposed
Funding	\$145,950	\$59,274
FTEs	2.00	1.00

Proposed Highlights –  
GIS/Cadastral Technician FTE



# Sheriff

## 2016 New Requests

	Requested	Proposed
Funding	\$7,609,486	\$2,762,104
FTEs	44.00	10.00

### Proposed Highlights –

Sworn salary adjustment, mental health FTEs, jail utilities, facilities sergeant FTE



# Surveyor

## 2016 New Requests

	Requested	Proposed
Funding	\$76,290	\$76,290
FTEs	1.00	1.00

Proposed Highlights –  
Mapping/GIS Specialist



# Treasurer

## 2016 New Requests

	Requested	Proposed
Funding	\$51,192	\$51,192
FTEs	0.00	0.00

Proposed Highlights –  
Operational increases to continue work on  
improving collection rate





# Mayor

## 2016 New Requests

	Requested	Proposed
Funding	\$320,871	(\$62,437)
FTEs	3.00	(1.00)

Proposed Highlights –  
WTC membership, Volunteer Services reduction

Includes Mayor's Administration, Operations, Finance and Regional Development



# Administrative Services

## 2016 New Requests

	Requested	Proposed
Funding	\$7,835,576	\$1,608,618
FTEs	11.50	0.50

### Proposed Highlights –

Data center relocation, PeopleSoft hosting, mainframe programming, misc. HR adjustments



# Community Services

## 2016 New Requests

	Requested	Proposed
Funding	\$1,558,513	(\$12,547)
FTEs	12.00	8.00

Proposed Highlights –

New parks maintenance, adaptive recreation,  
increased municipal parks revenue



# Community Services | Planetarium

## 2016 New Requests

	Requested	Proposed
Funding	\$386,438	\$386,438
FTEs	0.00	0.00

Proposed Highlights –  
Continued focus on capital improvements



# Human Services

## 2016 New Requests

	Requested	Proposed
Funding	\$3,280,713	\$1,481,764
FTEs	5.00	4.00

### Proposed Highlights –

Reduce LDA case load, Criminal Justice case managers/treatment specialists



# Emergency Services

## 2016 New Requests

	Requested	Proposed
Funding	\$259,500	\$100,000
FTEs	0.00	0.00

Proposed Highlights –

Salary adjustments, overtime, operational expenses



# GF Stat & General

## 2016 New Requests

	Requested	Proposed
Funding	\$11,299,428	\$7,700,538
FTEs	0.00	0.00

### Proposed Highlights –

Pay for success, new pay structure and compression set aside, case management system (Youth Services/Criminal Justice Services), jail bus



# Human Services | Grant Fund

## 2016 New Requests

	Requested	Proposed
Funding	\$248,840	(\$310,884)
FTEs	0.65	(0.35)

### Proposed Highlights –

Senior center operational costs, youth worker FTE, reduction of CAT program





# Human Services | Health Fund

## 2016 New Requests

	Requested	Proposed
Funding	(\$195,990)	(\$195,990)
FTEs	(2.00)	(2.00)

Proposed Highlights –  
New West Jordan furniture



# Flood Control

## 2016 New Requests

	Requested	Proposed
Funding	\$3,016,003	\$2,516,003
FTEs	2.00	2.00

### Proposed Highlights –

New capital projects, accountant FTE, project costing/work order software, FTE transfer



# TRCC

## 2016 New Requests

	Requested	Proposed
Funding	\$26,988,174	\$11,393,445
FTEs	0.00	0.00

Proposed Highlights –  
Continued focus on deferred maintenance



# Municipal Services

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# Municipal Service District

## 2016 New Requests

	Requested	Proposed
Funding	\$14,117,336	\$3,527,064
FTEs	5.00	3.00

Proposed Highlights –  
Creation of MSD, street lighting, township fiscal officer, municipal parks



# Justice Court 2016 New Requests

	Requested	Proposed
Funding	\$34,720	\$15,392
FTEs	0.00	0.00

Proposed Highlights –  
Fingerprint machine, copier



# Other Funds

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# Library

## 2016 New Requests

	Requested	Proposed
Funding	\$4,701,735	\$4,701,735
FTEs	1.00	1.00

### Proposed Highlights –

Land purchase (Kearns), E-Book service, event coordinator FTE





# Governmental Immunity 2016 New Requests

	Requested	Proposed
Funding	\$141,688	\$141,688
FTEs	0.00	0.00

Proposed Highlights –  
Operational increases, cyber insurance



# Center for the Arts

## 2016 New Requests

	Requested	Proposed
Funding	\$2,894,903	\$2,736,434
FTEs	13.50	12.50

### Proposed Highlights –

Eccles Theater opening, continued focus on capital maintenance



# Community Services (Other)

## 2016 New Requests

	Requested	Proposed
Calvin L. Rampton Salt Palace	\$1,769,269	\$1,769,269
South Towne	\$310,130	\$310,130
Equestrian Park	\$187,007	\$187,007
Visit Salt Lake	\$2,719,681	\$2,719,681
Visitor Promotion - County	\$60,000	\$60,000
Open Space	\$395,463	\$277,816
ZAP (new revenue)	\$5,243,872	\$5,243,872
Golf	\$320,000	\$320,000



# Admin Services (Other)

## 2016 New Requests

	Requested	Proposed
Fleet Management	(\$2,144,739)	(\$2,144,739)
Facilities	\$160,000	\$160,000



# Public Works (Other)

## 2016 New Requests

	Requested	Proposed
Class B Roads	\$2,828,502	\$2,794,569
Solid Waste Management	\$6,199,724	\$6,080,000



# Employee Service Reserve

## 2016 New Requests

	Requested	Proposed
ESR	(\$2,036,757)	(\$2,036,757)

### Proposed Highlights –

Online training software, daycare/pre-K education program and daycare remodel, insurance true-ups, moved vacation and sick leave payouts to home funds.



# 2016 Budget Recap

## All Funds

- All funds are balanced
- All reserve requirements are met
- Overall appropriations: \$1,289,670,575
- Overall net budget: \$1,140,811,899



# 2016 Budget Conclusion

- Economy is strong and projected to grow
- Capital maintenance remains a strong focus
- Proposed re-dedicating jail debt service funds to public safety
- Present value of investment in public safety (non operations) proposed at nearly \$62M





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

*<http://slco.org/mayor-finance/budget/2016-budget-information/>*

