



Mayor Ben McAdams

2019 Proposed Budget Salt Lake County



Presented by Darrin Casper, CFO
October 23, 2018



2019 Budget Goals

- Stay fiscally conservative
 - Maintain structural balance
 - Budgeted General Fund balance at or above \$37.5M
- Make data-driven budget decisions
- Aligned with TCAC on employee compensation and pay compression
- Continued focus on capital maintenance, including information systems investments
- Accurately project revenues with new legislation impacts
- No tax increase



2019 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 (came in at \$35.5M)



Council, Committees and Boards

- Followed Council legislative intent
- Total Compensation Advisory Committee
- TRCC Advisory Board
- Technology Advisory Board
- Capital Projects Prioritization Committee
- Revenue Committee
- And Others



Economic Outlook

- Continued growth through 2019
- Salt Lake County unemployment at 3.2%; national average at 3.9%⁽¹⁾
- Strong job-growth and wage growth outlook is positive
- Construction remains strong but leveling off



2019 Adjusted Tentative Budget





Budgetary Perspective 2019

General & Related Funds

Natural Revenue Growth \$12.3M

Inflation Related Expenditures

– Salaries & Benefits	5.9M
– Health Insurance	2.0M
– Salary Market Increase	823k
– Sheriff Sworn Salary Increases	3.4M
– Compression (excl. sworn)	<u>2.7M</u>
	\$14.8M



2019 Adjusted Tentative Budget + Compensation—Key Problem Areas

in millions \$

Fund	Ending Fund Balance	Targeted Budget Balance	Deficiency
General Fund and Grant Fund	24.4	37.5	(13.1)
Tourism, Recreation, Cultural, Convention (TRCC)	(4.2)	1.5	(5.7)
Health	(3.1)	2.4	(5.5)
Tax Administration	1.2	1.5	(0.3)

General Fund and Related budget problem to solve: \$24.6M



2019 Budget Other Pressing Priorities

- Annualization of Oxbow Jail
- Employee Compression
- Sworn Compensation
- Law Enforcement



2019 Proposed Budget





Budget Solutions 2019

Multi-Faceted Approach

- Tax Rate Re-structure –
from Flood Control to General Fund \$500k
- Increased Fund Balance Transfers to
General Fund from TRCC per Advisory Board \$790k
- Increased Visitor Promotion Transfer to
Salt Palace for projects (all one-time for
capital projects) \$3.9M
- Transfer from General Fund
to the Health Fund \$2.1M



Budget Solutions 2019 [cont.]

Health Fund Budget Revisions

- Refined revenue projections
 - Increased 2018 ending balance projection \$340k
 - 2019 increased fee projection based on 2018 YTD actual and health fee schedule \$333k
- Salary & Benefits contra-account increased \$1.0M
 - The total contra-account is \$1.275M
 - 6 year average underspend is \$2.1M



Budget Solutions 2019 [cont.]

- Compression 1Q \$1.2M
- Tax Administration Fund Unrestricted \$1.1M

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

- New Requests/Program Reductions \$17.9M



Parks and Recreation

Appropriations vs. General Fund County Funding

in millions \$

	2019 Budget	2018 Budget	2017 Budget
Expenses Less Operating Revenue	29.3	27.8	25.6
TRCC Transfer to the General Fund ⁽¹⁾	(17.7)	(16.4)	(15.5)
TRCC Transfer to the General Fund for Open Space Maintenance	(0.39)	(0.38)	(0.36)
Visitor Promotion transfer to General Fund ⁽²⁾	(2.0)	(2.0)	(2.6)
Parks & Recreation Restricted General Fund Sales Taxes	(7.7)	(7.4)	(6.9)
Reliance on General Fund	1.50	1.61	.21

(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.



Selected Areas of Focus





Proposed Compensation and Benefits Package

- 3.0% salary increase
 - 2% General Structure Adjustment
- 6.5% health insurance increase
 - As of January 1st
 - No cost increase to employees on HDHP
- \$4.0M set aside for pay compression (4-2019)
- \$1.0M market adjustments
- \$3.4M Sheriff sworn compensation



Significant Proposals

- Salt Palace Capital Improvement Plan
(pay as you go, not debt) \$10.1M
- Annualization of Oxbow Jail \$1.3M
- District Attorney 5 prosecuting attorneys \$617k
- Law enforcement in general, subject to
Council deliberation \$500k
- Sheriff 2 Jail Deputy Sergeants, Facility
Deputy Sergeant, part time Psychiatrist
and other jail related costs \$551k



Information Technology

Priorities and Projects

- 2019 Focus on Projects
 - Replace BRASS budget system
 - Recording software system
 - PeopleSoft P-Card module
 - Clerk Electronic Poll Pads
 - Technology Improvement Project funding increased by 2/3
 - Funded maintenance contracts and mainframe work
- Many IT projects not funded
 - Longer term solution is needed



Public Works and Other Services Enterprise Fund

- Current proposal is for a status-quo budget
- The MSD and Metro Townships will deliberate on November 14th
- Will propose adjusting the budget to the customer's request and our revenues, whether increased or decreased
- The Animal Services \$0.9M request to the General Fund was not proposed



Transportation Funding

- Will make the appropriations proposal when the advisory board process is further along
- Conservatively projecting \$40M from the new ¼ percent tax and \$3M from the County of the First Class Highway Fund



2019 Selected New Capital Maintenance or Construction Projects

Calvin Rampton Salt Palace Convention Center	10.1
TRCC - County Capital Projects	11.5
Capital Improvements Fund (Now includes Health)	6.8
Mountain America Expo Center	0.5
Flood Control	2.6
Clark Planetarium	0.3



TRCC Proposal

- Mayor's Proposed Budget aligns exactly with Advisory Board recommendations
- Recommendation includes
 - 40% of TRCC revenues to Parks and Rec ops
 - Maintain \$5.8M of county funding to capital maintenance
 - Slightly increased the equipment replacement program
 - Proposed ending fund balance \$3.6M



TRCC Proposed New Requests



City/Outside Organization Requests	Cottonwood Heights ADA/Family Changing Rooms	\$312,684
	Lower Big Cottonwood Climbing Project	52,500
	Pioneer Theater – First Stage Youth Outreach Program	100,000
	Riverton City Dog Park	100,000
	Riverton City Fish Pond	100,000
	Salt Lake Area Restaurants Association Festival	25,000
	Salt Lake City Three Creeks Confluence Project	606,798
	Salt Lake Valley Trails Maintenance and Construction	50,000
	Taylorsville City Open Space at Taylorsville Plaza	725,000
	Trails Utah – Central Wasatch Improvement Project	31,730
	Trails Utah – Hardwick Downhill Trails	30,000
	West Valley Cultural Celebration Center Operations	500,000



TRCC Proposed New Requests



County	TRCC Bond Debt Service True-up	\$8,105
	Open Space (total \$500k)	250,000
	Regional Trail Development	1,000,000
Cultural Facilities Support Program	Discovery Gateway AV Technology Update	125,000
	Jordan Valley Paths Garden Exhibit	50,000
	Millcreek Cultural Facilities Master Plan	25,000
	Murray Theatre Renovation	1,818,250
	Utah Cultural Celebration Center AV Technology Update	250,000
Re-Budgets	West Jordan Cultural Arts Facility (CFSP)	1,000,000
	West Jordan Urban Fishery	250,000



TRCC Proposed New Requests



Capital Maintenance Projects (\$5.8M county funding)	Valley Regional Park – Softball Complex Ph 2	\$2.2M
	Big Cottonwood Park – Softball Complex Ph 2	\$7M
	Gene Fullmer Recreation Center – Pool Renovation	\$0.6M
	Holladay Lions Recreation Center	\$0.08M
	Wheeler Farm – Various Projects	\$0.2M
	Taylorville Pool - Resurface Slide & Stairs	\$0.06M
	Terra Cotta Façade Phase V Funding	\$0.2M
	Equestrian Park	\$0.3M
	Clark Planetarium	\$0.1M
	Capitol Theatre	\$1.5M
Indirect Costs	\$0.062M	



2018 FTE Changes

	New County Funding	Fully or Partially Funded by New Revenue	Time Limited to Full Time	Time Limited	Other
Sheriff	3.00	3.00			
CJAC			1.00	1.00	
District Attorney	5.20				
DRD	3.00				
Mayor Admin	1.00			(1.00)	(1.00)
Mayor Finance					1.00
Community Development & Engagement					(1.00)
Youth Services	(2.00)				
Health	2.00				
Behavioral Health			3.00		
Library	4.00				



2018 FTE Changes [cont.]

	New County Funding	Fully or Partially Funded by New Revenue	Time Limited to Full Time	Time Limited	Other
Eccles Theater					+1-1
Center For The Arts	2.00				3.00
Parks	1.00				
Recreation	0.25				
Solid Waste	(1.00)				
Information Services	1.00		2.00		
Facilities Services		0.25			0.75
Govt Center Operations					(0.75)
Records Mgmt. & Archives		1.00			
Clerk				(1.50)	
Totals	19.45	4.25	6.00	(1.50)	2.00



Analytics





Fund Summary

General Fund & Related

in millions \$

Budget Year 2019	Projected Beginning Balance	Budgeted Ending Balance	Projected Ending Balance
General Fund	58.8	38.0	55.8
Flood Control	6.7	1.7	4.6
Health	5.5	2.5	4.3
Planetarium	1.3	0.6	0.8
Grant	1.6	0	0.4
Tax Admin	4.4	1.7	2.6



General Fund Structural Analysis

in millions \$

Budget Year	Budget Ending Balance		Actual Ending Balance	Variance to Adopted Budget
	Adopted	June		
2014	30.3	33.1	43.5	13.3
2015	34.4	35.2	47.1	12.7
2016	32.4	36.4	53.3	20.8
2017	33.2	43.1	60.3	27.1
2018	39.7	46.8	58.8*	19.0*
2019	38.0*	n/a	55.8*	17.8*

* Projected.



2017 Other Fund Balances

Tax Rate And Governmental Funds

OTHER TAX RATE FUNDS	Assigned/ Restricted	Unassigned	Total
115 – Governmental Immunity Fund	\$12,981	\$3,550,220	\$3,563,201
450 – Capital Improvements Fund	572,683	8,067,412	8,640,095
Total	\$585,664	\$11,617,632	\$12,203,296

OTHER GOVERNMENTAL FUNDS	Assigned/ Restricted	Unassigned	Total
120 – Grant Programs Fund	\$1,018,543	\$1,662,843	\$2,681,386
180 – Rampton Salt Palace Conv Ctr Fund	6,241,246	8,282,331	14,523,577
181 – TRCC Tourism Rec Cultrl Conven Fund	4,134,845	7,863,492	11,998,338
182 – South Towne Exposition Center Fund	415,638	3,157,711	3,573,350
185 – Fine Arts Fund	2,134,649	1,836,682	3,971,331
186 – Equestrian Park Fund	8,500	605,107	613,607
280 – Open Space Fund	10,744	914,819	925,563
290 – Visitor Promotion Fund	8,132,593	2,330,139	10,462,733
340 – State Tax Administration Levy Fund	1,445,329	4,169,216	5,614,545
Total	\$23,542,088	\$30,822,341	\$54,364,428



2017 Other Fund Balances

Proprietary Funds

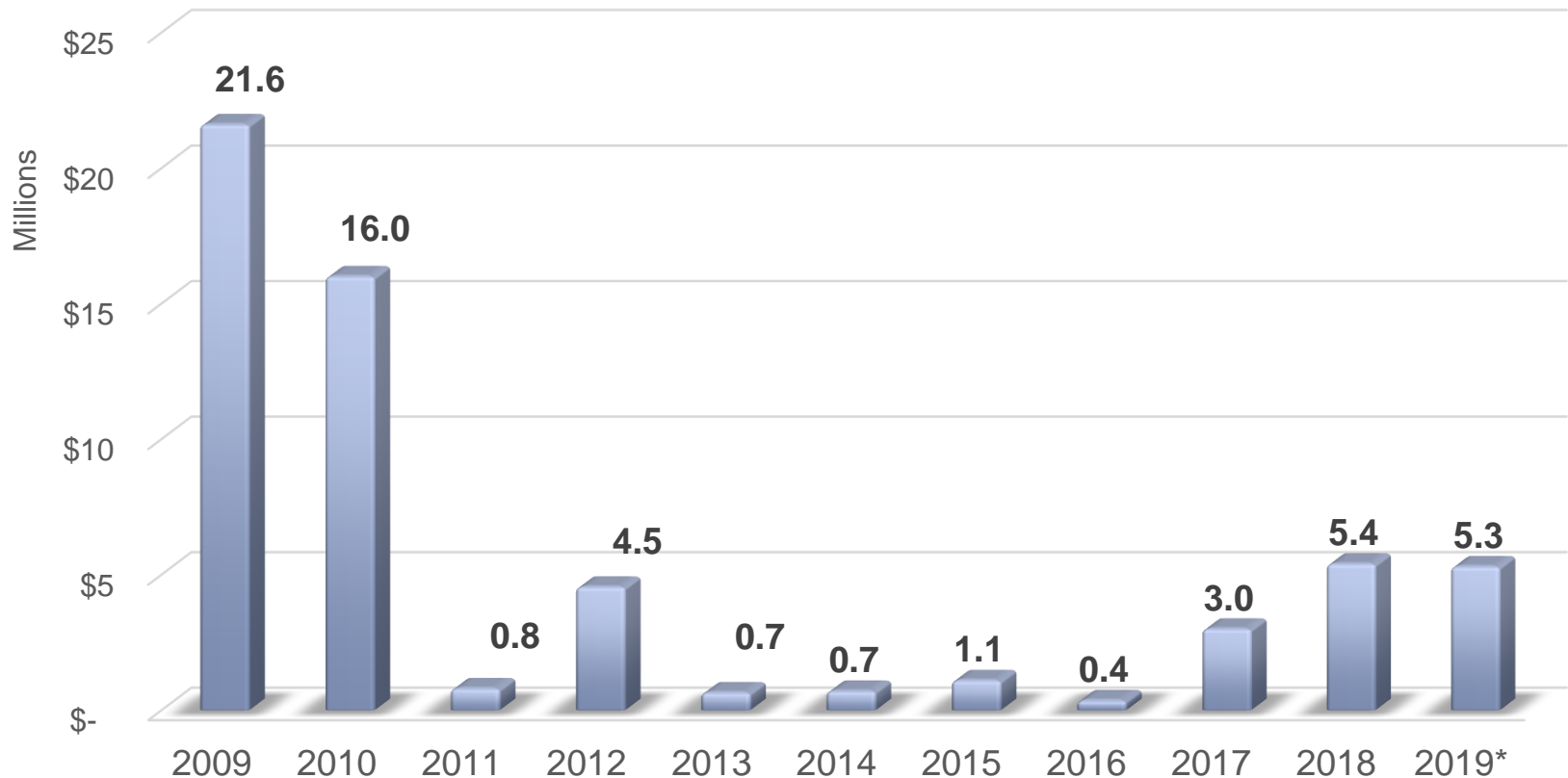
	Cash Balance
620 – Fleet Management Fund	\$8,113,645
650 – Facilities Services Fund	3,379,275
680 – Employee Service Reserve Fund	2,570,503
710 – Golf Courses Fund	1,550,967
730 – Solid Waste Management Facility Fund*	5,103,559
Total	\$20,717,949

* Half of the fund balance is shown for fund 730 in this context because the county is an equal partner with Salt Lake City in the Salt Lake Valley Solid Waste Management Facility, a joint venture.



One-Time Uses of Fund Balance

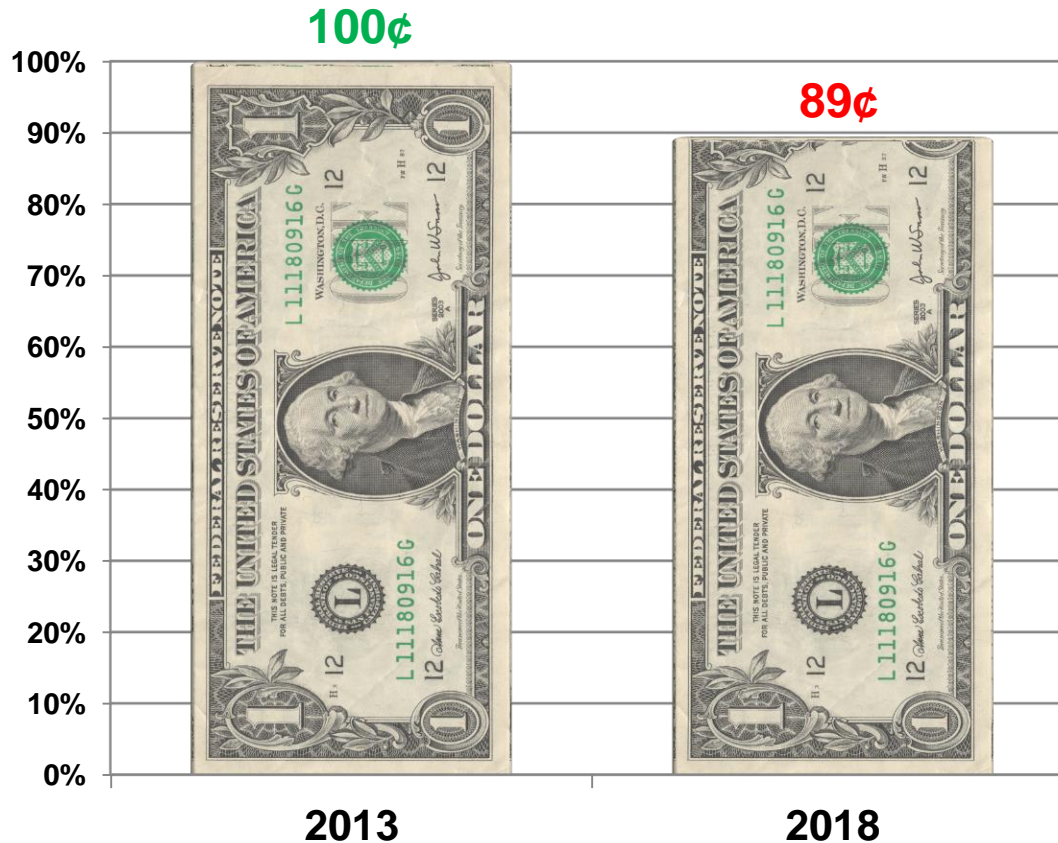
General Fund & Related Funds



* Based on \$1M one-time draw on Governmental Immunity Fund, \$1.1M un-restriction in the Tax Admin fund, \$2.0M transfer to the Health Fund, and \$1.2M from delay in compression increases to Q2.

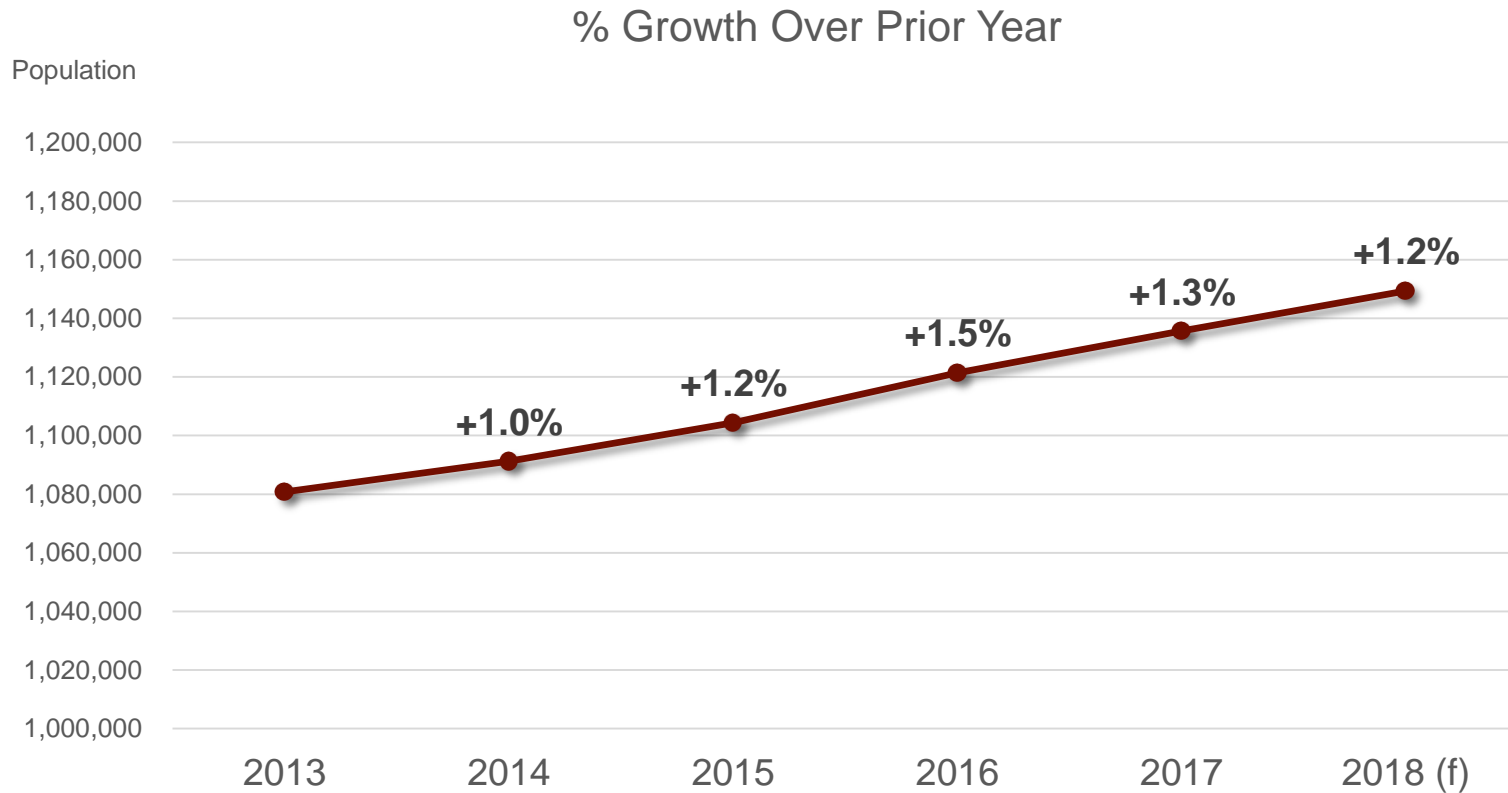


Purchasing Power Erosion Due to Inflation





County Population Growth Trend

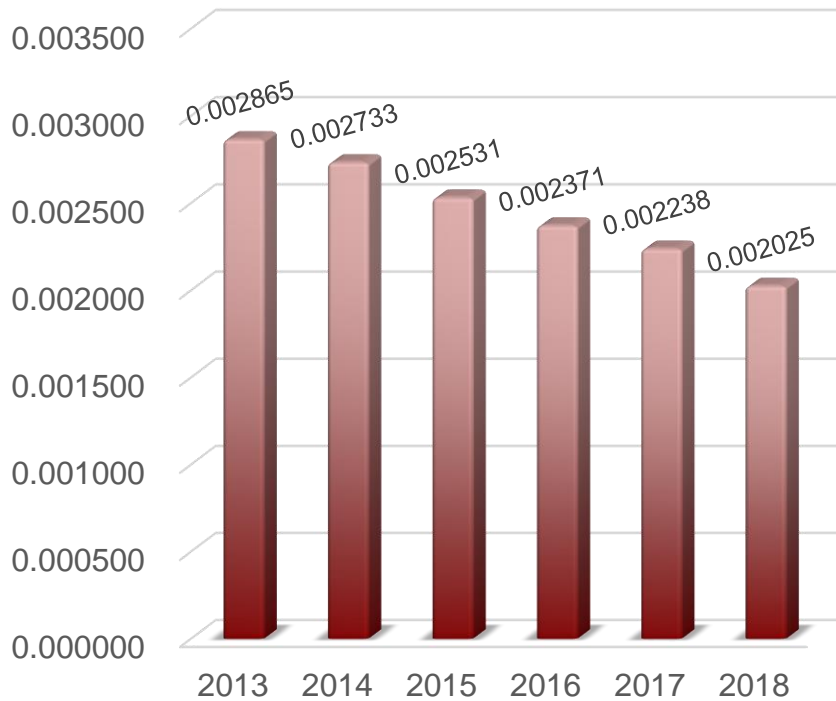


6.3% Cumulative Population Growth from 2013 to 2018

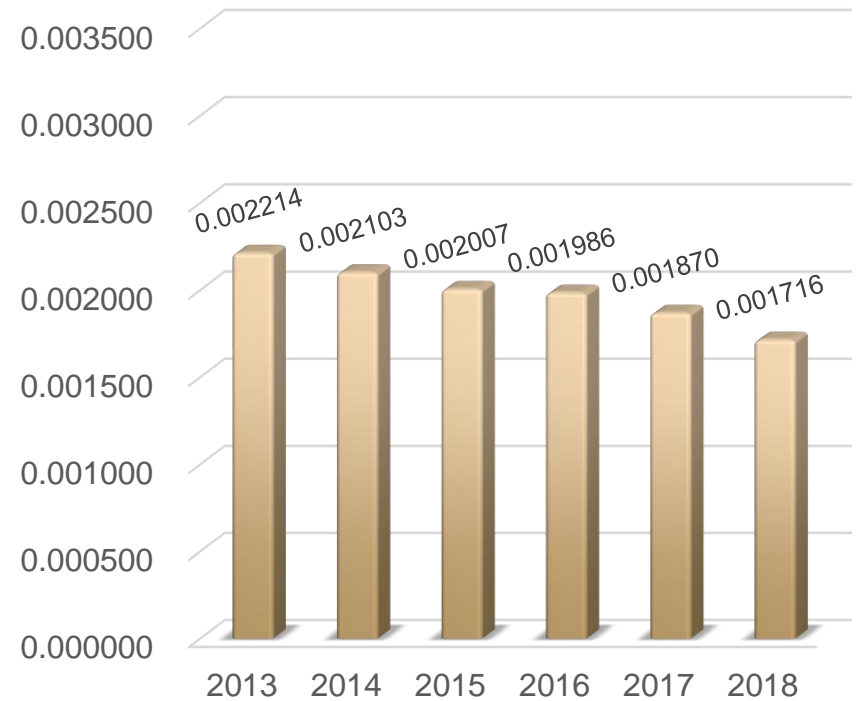


Declining Trend in Property Tax Rates

Countywide Property Tax Rates (All)



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





2019 Financing Plans

- Possible Issuance of MBA Lease Revenue Bonds
- Possible Tranche 2 of Authorized Parks & Recreation GO Bonds
- TRANS – July/August timeframe

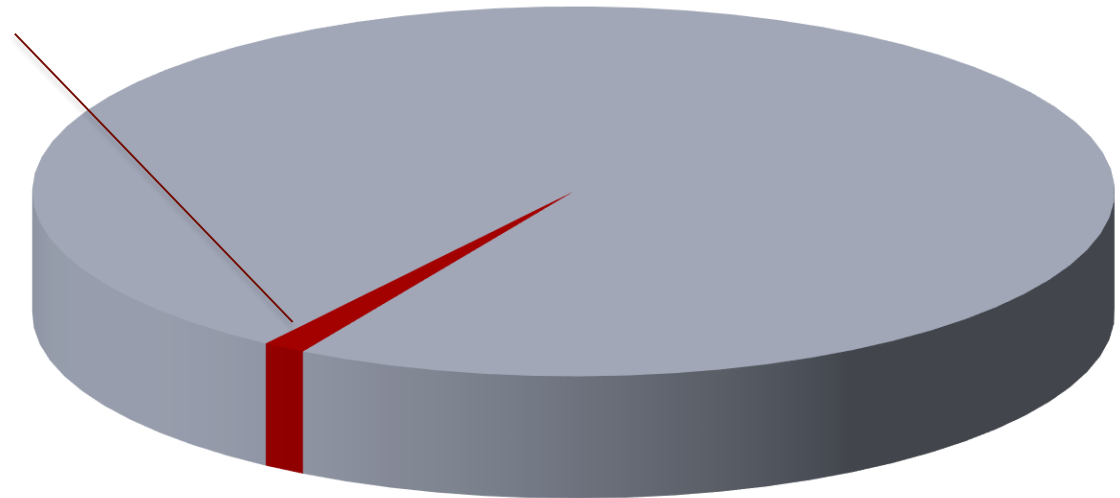


Salt Lake County – Triple-A Rated

Staying Among Financially “Elite”!

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

SL County included
in top 1.5%





2019 Budget Recap

All Funds

- The economy remains solid
- All funds are balanced
- All reserve requirements are met and remain healthy overall
- Health and Tax Admin funds may need future help from the General Fund
- No tax increase



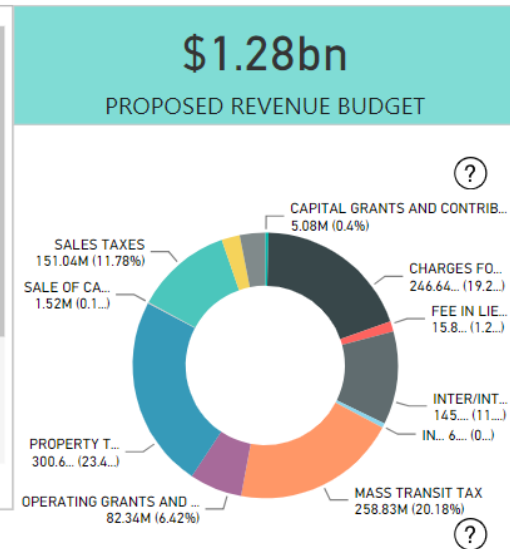
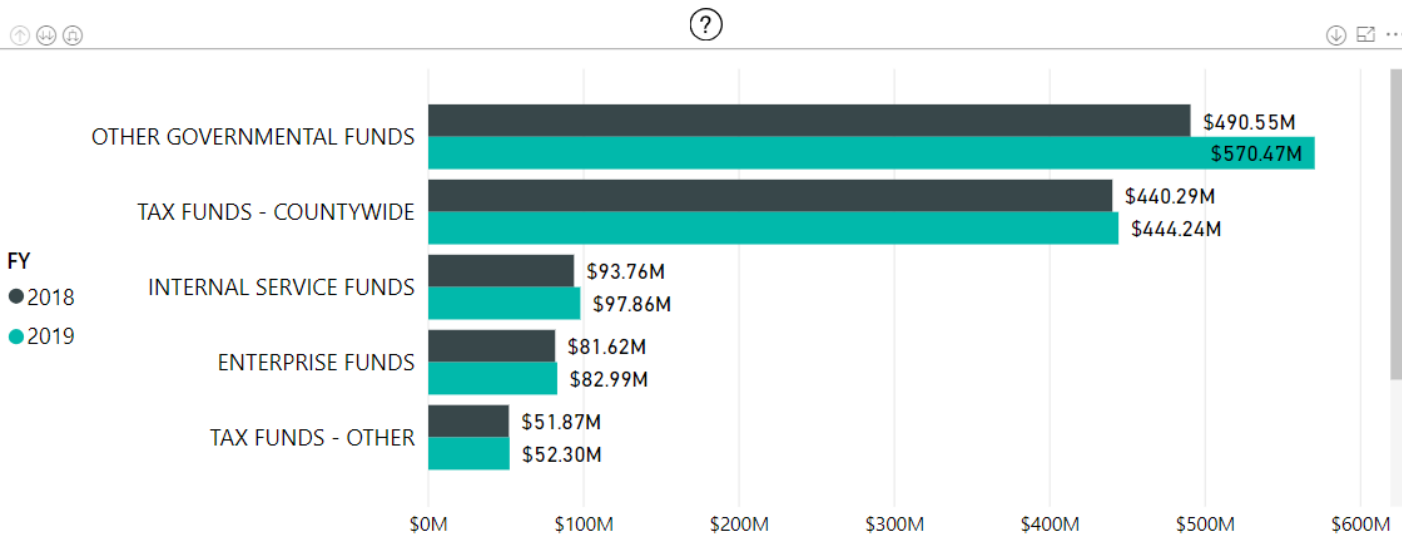
\$58.80M BEGINNING BAL	\$349.17M Total Revenue	\$21.89M TRANS-IN / OFS	\$429.86M Total Available	<p>TARGET FUND BALANCE</p> <p>\$39.17M</p> <p>\$37.66M</p> <p>35.61M</p> <p>\$75M</p>	<p>FUND</p> <p>110--GENERAL FUND</p>
\$356.13M Total Exp	\$36.07M TRANS-OUT/OFU	\$37.66M End Balance	\$35.61M Fund Min Balance		<p>AGENCY</p> <p>All</p>
<p>TARGET RESERVE %</p> <p>11.00%</p>		<p>\$39.17M Target Reserve</p>			<p>ORGANIZATION</p> <p>All</p>

FUND	REQUEST ID	REQ AMT	BUDGET STAGE	REQUEST DESCRIPTION	ORG PRIORI...	DEPT PRIORITY
110--GENERAL FUND	0 : BASE BUDGET	\$4,185,317.63	Proposed			
110--GENERAL FUND	102200_03 : Transfer Associate Deputy Mayor	\$606.00	Proposed	Transfer Associate Deputy Mayor Dina Blaes from Mayo...		
110--GENERAL FUND	102200YE01 : WDESK SOFTWARE	\$0.00	Proposed	Additional paycard revenue from a campaign and utilit...		
110--GENERAL FUND	109900_01 : Capital Projects - IJIS	\$140,328.00	Proposed	Mayor Management Capital Projects		
110--GENERAL FUND	362000_01 : Align Employer Tax Rate	\$0.00	Proposed	[Net-Neutral Shift within Personnel Appropriation] Par...		
110--GENERAL FUND	500300_04 : TAX RATE SHIFT FROM FLOOD CNTRL TO GF	(\$529,500.00)	Proposed			
110--GENERAL FUND	500300YE01 : PAY FOR SUCCESS HNJ REACH PRGM FUNDING	\$300,000.00	Proposed			
110--GENERAL FUND	605000_03 : F5 Appliance Refresh	\$48,000.00	Proposed	The F5 appliances secure access to the County's web ap...		
110--GENERAL FUND	605000_10 : Routers, Controllers and Switches	\$275,000.00	Proposed	In planning for continued optimal performance and reli...		
110--GENERAL FUND	605099_01 : Base appropriation unit shift	\$0.00	Proposed	Equipment replacement lifecycles make it necessary to ...		
110--GENERAL FUND	790000YE01 : FULL TIME MARRIAGE CLERK	\$2,888.00	Proposed			
110--GENERAL FUND	820000YE02 : SLC REVENUE CORRECTION	\$0.00	Proposed	The payment schedule that was used to prepare adjust		
Total		(\$51,994,587.37)			970	2221

SELECTION - NEW REQUESTS PROPOSED	SELECTION - STRESS TEST	SELECTION - REQUESTS NOT PROPOSED
<input type="checkbox"/> Select All <input type="checkbox"/> (Blank) <input checked="" type="checkbox"/> Stress Test Items <input checked="" type="checkbox"/> 0 : BASE BUDGET <input checked="" type="checkbox"/> 101500_01 : Transfer Funding to UFA <input checked="" type="checkbox"/> 101500_02 : Transfer Emergency Services to Ora 4350	<input type="checkbox"/> Select All <input checked="" type="checkbox"/> New Requests <input type="checkbox"/> 102000_02 : Senior BI Data Analyst FTE Request <input type="checkbox"/> 102000_03 : BI Data Analyst FTE Request <input type="checkbox"/> 102000_05 : ODI INTERNSHIP PROGRAM <input type="checkbox"/> 102000_07 : UAC Membership Dues Increase	<input type="checkbox"/> Select All <input checked="" type="checkbox"/> (Blank) <input type="checkbox"/> 102000_03 : BI Data Analyst FTE Request <input type="checkbox"/> 410000_04 : General Fund Revenue Request <input checked="" type="checkbox"/> 605000_06 : Exchange Online <input checked="" type="checkbox"/> 605000_09 : CommVault Equipment



2019 PROPOSED REVENUE BUDGET



FUND > ORGANIZATION > REVENUE ACCOUNT	2018 BUDGET	2019 PROPOSED	DIFF +/-
110--GENERAL FUND	\$344,351,997	\$349,165,113	\$4,813,116
115--GOVERNMENTAL IMMUNITY FUND	\$3,039,035	\$3,078,857	\$39,822
120--GRANT PROGRAMS FUND	\$124,895,555	\$122,209,543	(\$2,686,012)
125--ECON DEV AND COMMUNITY RESOURCES FUND	\$22,152,951	\$21,677,951	(\$475,000)
130--TRANSPORTATION PRESERVATION FUND	\$218,985,600	\$298,623,824	\$79,638,224
180--RAMPTON SALT PALACE CONV CTR FUND	\$10,002,191	\$9,827,997	(\$174,194)
181--TRCC TOURISM REC CULTRL CONVEN FUND	\$42,527,800	\$51,752,200	\$9,224,400
182--MT AMERICA EXPO CENTER FUND	\$4,216,047	\$4,630,116	\$414,069
185--FINE ARTS FUND	\$3,038,973	\$2,993,595	(\$45,378)
186--EQUESTRIAN PARK FUND	\$940,449	\$907,643	(\$32,806)
Total	\$1,192,121,184	\$1,282,613,744	\$90,492,560

FUND

All

AGENCY

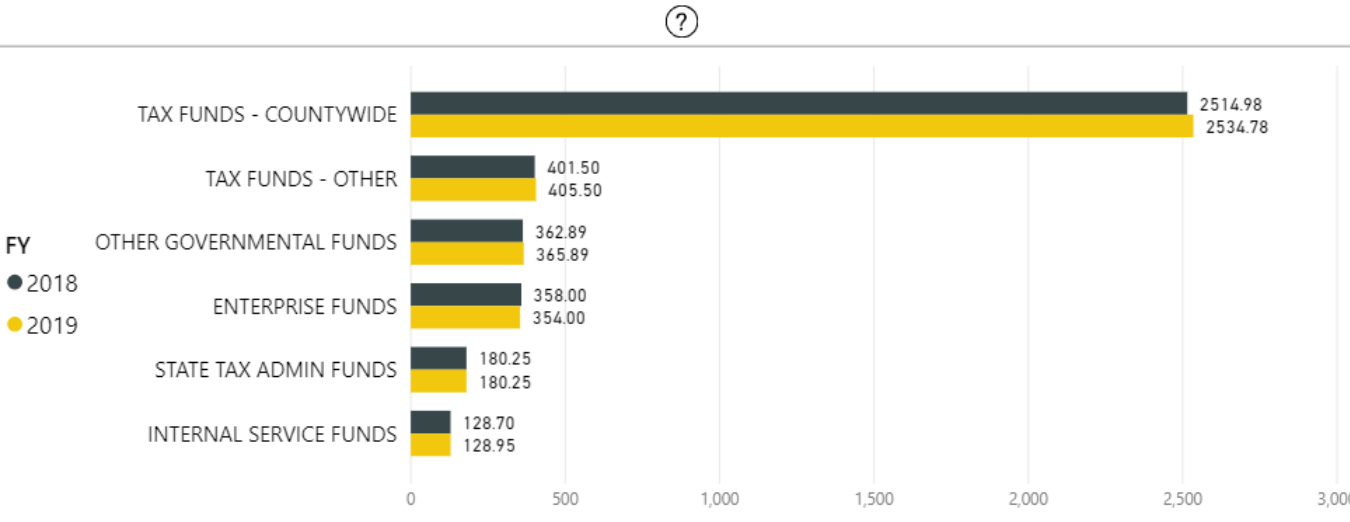
All

ORGANIZATION

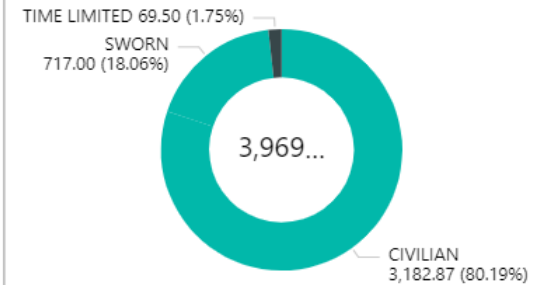
All



2019 PROPOSED FTEs SUMMARY



3,969.37
FTE_Data



FUND > ORGANIZATION > FTEs	2018 FTEs	2019 PROPOSED	DIFF +/-
110 - GENERAL FUND	2089.73	2,107.53	17.80
120 - GRANT PROGRAMS FUND	318.14	316.14	-2.00
185 - FINE ARTS FUND	42.50	47.50	5.00
250 - FLOOD CONTROL FUND	31.00	31.00	0.00
280 - OPEN SPACE FUND	0.25	0.25	0.00
310 - ZOOS ARTS AND PARKS FUND	2.00	2.00	0.00
340 - STATE TAX ADMINISTRATION LEVY FUND	180.25	180.25	0.00
360 - LIBRARY FUND	401.50	405.50	4.00
370 - HEALTH FUND	362.25	364.25	2.00
390 - PLANETARIUM FUND	32.00	32.00	0.00
620 - FLEET MANAGEMENT FUND	46.00	46.00	0.00
Total	3946.32	3,969.37	23.05

FUND:

AGENCY:

ORGANIZATION:







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

<http://slco.org/mayor-finance/budget/2019-budget-information/>

