

June Budget 2024

Mayor Jenny Wilson

June 4, 2024

Presented by Darrin Casper



2024 Budget Goals

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



2024 June Budget Direction

- Primarily technical adjustments
- Focus on restoring a portion of the budget cuts made in the original adopted budget
- New requests must be exigent
- Transformational Initiatives treated like capital projects true ups
 - Ops and capital rolled over
 - Personnel under spend reverts to fund balance



Highlights for June 2024

- Salt Lake County employment is strong
- Tax and operating revenues plateauing or slightly declining
- Interest revenue elevated
- Certified Property Tax Rates not available until approx. June 10th



General Fund Structure Analysis

Reconciling the Draw Down

Budgeted draw on fund balance	(\$120.1M)
• One-time transformational initiatives	42.9M
• Funds assigned for jail construction	50.0M
• Capital projects (net)	7.8M
• 2024 Presidential Election	4.3M
• One-time savings and other items	<u>(1.4M)</u>
• Budgeted structural deficit	(16.5M)
• Projected underspend	<u>20.8M</u>
• Estimated structural surplus	\$4.4M



Restored 1/2 of Prior Budget Cuts

- Personnel budget cuts for vacant positions changed from 3% to 1.5%
- Operating Expense budget cuts changed from 2% to 1%

<i>in thousands \$</i>	PERSONNEL		OPERATIONS	
	Original Cut	Restore 1/2	Original Cut	Restore 1/2
110 - General Fund	(\$7,713)	\$3,857	(\$1,708)	\$854
120 - Grant Programs Fund	(383)	192	(354)	177
250 - Flood Control Fund	(129)	64	(97)	48
340 - State Tax Admin Levy Fund	(635)	317	(79)	40
370 - Health Fund	(84)	42	(213)	107
390 - Planetarium Fund	(136)	68	(36)	18
TOTAL	(\$9,080)	\$4,540	(\$2,486)	\$1,244

Note: Original cuts reduced expense but not FTE, were only in select funds, excluded grant and contracted services, and entered as negative budgets in contra-accounts.



FTE Changes

June Budget Adjustments

	Grant or Other Funding	County Funding	Transfer	Notes
Mayor Administration		1		Community Support and Opportunity Liaison
Health	3		1	Grant: 1 Treatment Expansion Nurse, 2 WIC Counselors. Transfer 1 Health Informaticist
Opioid Treatment & Prevention			-1	-1 Health Informaticist position moved to Health Fund (still funded by opioid settlement funds)
Sheriff CW Investig/ Support Services	2			+2 DEA Unit, funded by opioid settlement funds
Library		-0.75		-0.75 Custodian moving to contract services
Totals	5	0.25	0	

June Budget Adjustments: **5.25**
 Pre-June Interim Budget Adjustments: 126.50
 Total FTE in 2024 Adopted Budget: 4,153.37
 Total FTE in 2024 June Adjusted Budget: 4,285.12

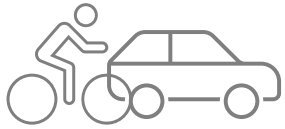


Opioid Settlement Fund Changes

in thousands \$

Sheriff	Drug Enforcement Agency Services (2 officers) preventing overprescribing, opioid misuse, or opioid overdose	\$390
University of Utah	Substance Use and Pregnancy - Recovery, Addiction, Dependence (SUPeRAD) clinic for Opioid prevention and treatment services. One-time contribution.	\$247
Health Dept.	Health Informaticist 1.0 FTE moved to Health Dept – still funded from opioid settlement funds	n/a

Prior approved budget: \$1,940k.



Transportation Fund

in thousands \$

Regional Transportation Choice funds	True-up existing multi-year projects. Preparing to budget using individual capital projects rather than operational budgets.	\$4,287
Corridor Preservation	Reducing budget to current expectations	(\$2,325)
Intermodal Transportation	Reducing budget to current expectations	(\$84)



SOAR Project

in thousands \$

		Net Exp
SOAR project budget shift	Move budget from Capital Improvement Fund to the General Fund for additional due diligence work. To be managed by Administrative Services department. \$57k.	\$0



Human Services

in thousands \$

		Net Exp
Immunization Program	Demand increase for general and travel vaccines. Costs offset by revenues generated by the services (\$3.9M).	\$0
Aging & Adult Services - State Contract Reduction	\$380k reduction in state revenue. Mitigate by \$225k other revenue increases and a net \$40k reduction in exp. ½ of contra portion moved to the Mayor's entry.	\$57k
E-Waste Program Growth	Increase in demand for disposing electronic waste. Use \$249k assigned fund balance in 2024 and analyze fees for 2025.	\$0
Sheriff's Office Protective Services	Reduced cost from Criminal Justice Svcs moving to the Government Center.	(\$172)
Youth Services Grant	Utah State Division of Children & Families \$93k grant for shelter services program	\$0



Parks and Recreation

in thousands \$

		Net Exp
Increase Early Head Start Salaries	Increase EHS teacher salaries Aug 1. Annual impact is \$98k.	\$41
Transportation Funded Projects	True-up interfund revenues on current multi-year projects funded by the Transportation Fund.	(\$780)
Donation	Larry H. & Gail Miller Family Foundation for Gene Fullmer Rec. Center Improvements.	(\$41)
Parks & Rec Trail Projects	Utah Outdoor Recreation \$200k Grant: for Jordan River Trail and Millcreek Trailhead	\$0
Recreation Grant	Childcare Stabilization Grant extension. Stipend for the County's licensed childcare locations. \$668k.	\$0



Golf

in thousands \$

		Net Exp
Golf Carts and Maintenance Equip.	Ongoing purchases of golf carts and capital maintenance equipment, like mowers. Balance sheet purchases budget does not carry over and needs new request each year.	\$1,050



Library

in thousands \$

		Net Exp
Building Projects - Initiation Phase	Initiate building projects in long-range plan (remodels and construction). Needs assessments, designs, appraisals, etc.	\$200
Kearns Library FF&E	Purchase required by the 2019 New Market Tax Credit transaction, where the LLC must sell part of the FF&E to the County in 2024.	\$81
Custodial Services Switch to Contract	Replace vacant position (0.75 FTE) with contract services.	\$0
Capital Project Right-Sizing	Various capital projects resized with budget transfers netting to zero.	\$0



Arts & Culture

in thousands \$

		Net Exp
Rose Wagner Theatre HVAC Upgrades	Transfer \$770k from other projects to reduce net funding request.	\$181
Increase ZAP Tier II Grant Awards	From Tier II restricted fund balance.	\$125
ArtTix Chargeback Management	Credit card chargeback software to reduce credit card fraud. \$90k, shared w/Eccles.	\$0



Convention & Visitor Services

in thousands \$

		Net Exp
Rampton Salt Palace	Event revenue and operating expense increase, \$990k each.	\$0
Mountain America	Event revenue and operating expense increase, \$667k each.	\$0



Mayor Administration

in thousands \$

		2024 Exp
Restore Community Support & Opportunity Liaison FTE	Redefined the role to align with strategic goals and community engagement objectives. 1 FTE, annual cost \$110k.	\$55



Human Resources

in thousands \$

		2024 Exp
EPIC Project TL-FTE Extended	Extend four of the five time-limited positions working on the new performance management process and system from 12/31/2024 to 12/31/2025. \$452k in 2025	\$0



Assessor

in thousands \$

		Net Exp
Restore COVID Cuts	Postage and other operations cost increases can no longer be borne with the reduced budget.	\$333



Auditor

in thousands \$

		2024 Exp
2 TL Auditors Extended 6 months	<p>Request was to convert 2 time-limited positions expiring 12/31/2024 to merit.</p> <p>Proposing to extend 6 months to 6/30/2025 and evaluate during 2025 budget process. 2025 6 month impact = \$105k.</p>	<p>\$0</p>



Clerk

in thousands \$

		2024 Net Exp
State Reimbursement - Presidential Primary	One-time reimbursement from the state for the presidential primary and software costs. \$382k revenue and expense.	\$0
MSD Revenue Reduction	With townships becoming municipalities the Clerk's Office can no longer provide certain services. \$64k for remainder of 2024, plus \$26k in 2025.	\$64



District Attorney

in thousands \$

		Net Exp
Legal Investigator Vehicle Purchase	Purchase two vehicles for \$100k utilizing underspend from open positions in the DA's Transformational Initiative.	\$0
Replace EV Charger	Utilize part of a "resiliency credit" received from the County's insurer in 2023.	\$7



Recorder

in thousands \$

		Revenue
Recorder's Fees	Revenue reduction	(\$429)



Sheriff

in thousands \$

		Net Exp
DEA Unit	2 FTE funded from Opioid Settlement Fund (\$390k) and DEA (\$37k). To work in partnership with the DEA Metro Narcotics Task Force. \$427k revenue.	\$0
Medication Assisted Treatment Expansion at the jail	1 FTE time-limited nurse working with Behavioral Health. State Opioid Settlement Funds. \$200k.	\$0
Early Intervention System Grant	Purchase system to track behavior of law enforcement based on certain performance factors. \$32k.	\$0
Protective Services	Lost revenue from Criminal Justice Services' move to the Government Center.	\$172
Search & Rescue Building Survey	Start process of obtaining a new S&R building.	\$50



Current Transformational Initiatives

2024 June Adjusted Budget and Multi-Year Plan

<i>in millions \$</i>	2024 Budget	2025 Projection	2026 Projection	TOTAL
2024 Adopted Budget / Projection	107.4	3.3	1.9	112.6
Changes	(13.2)	0	(0.4)	(13.6)
2024 June Budget / Projection	94.2	3.3	1.5	99.0



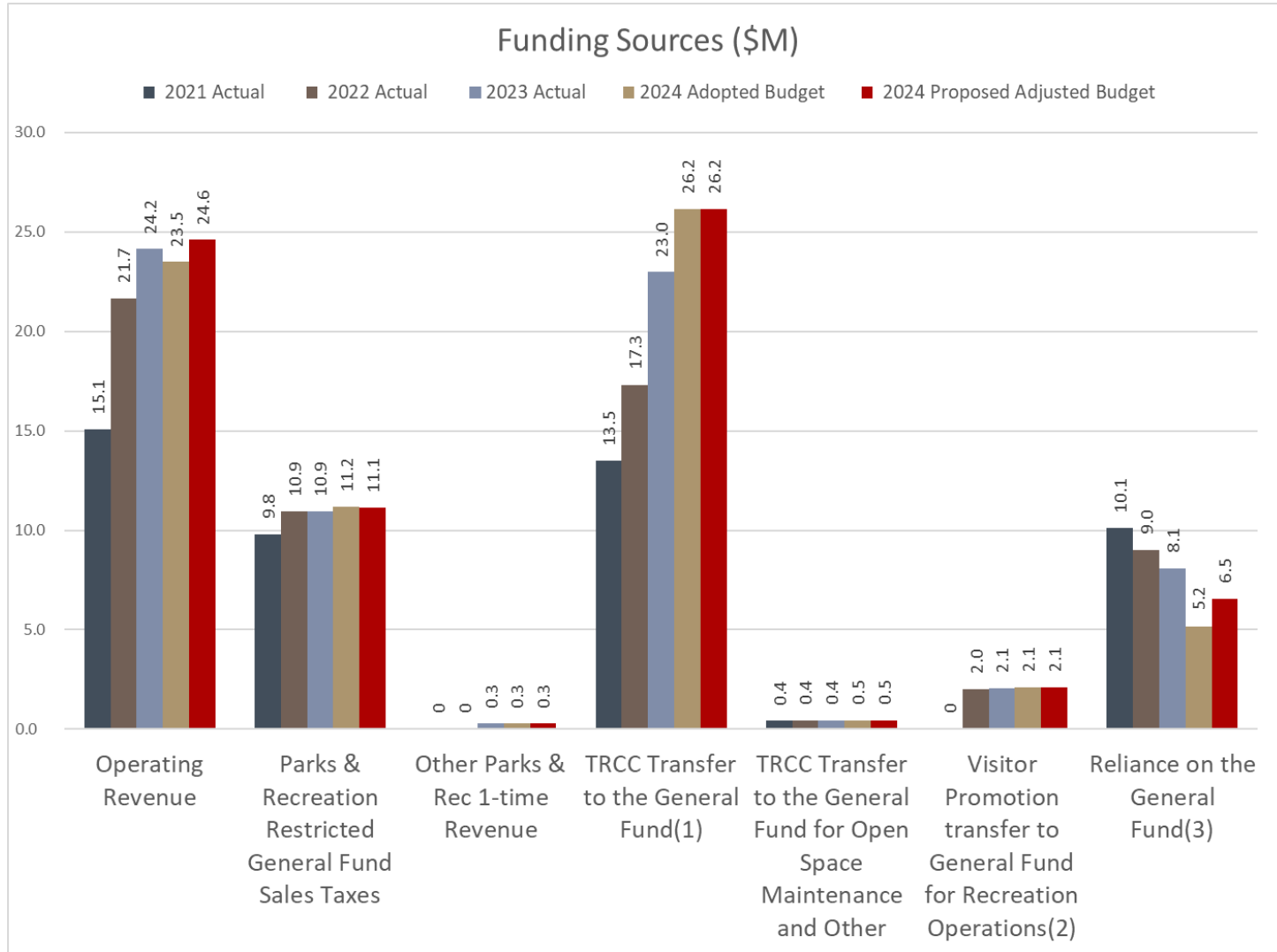
Transformational Initiatives Changes

in thousands \$

Changes to Initiatives	Description	2024 Pre-June Adjustments	2024 June Adjustments
Managed Detection and Response	Transfer project funding to Mainframe Upgrade project		(150)
Mainframe Upgrade (new)	Transfer project funding to Mainframe Upgrade project		150
TI Operational True-Up	True-up of TI operational funding		(3,391)
TI Capital Project True-ups	True-up of all capital projects	(9,848)	
ADC Jail Kitchen Remodel	Transfer in from Oxbow Jail Kitchen Remodel	989	
Oxbow Jail Kitchen Remodel	Transfer out to ADC Kitchen Remodel	(989)	
Park Irrigation Systems	Transfer in from Granite & Creekside Irrigation	700	
Granite & Creekside Irrigation	Transfer out to Park Irrigation Systems	(700)	
CO-OP	Restore .5 FTE	51	
CO-OP	Transfer .5 FTE to Pre-Apprenticeship Program	(58)	
Cox & Granato Pre-Apprenticeship Program	Transfer .5 FTE to Pre-Apprenticeship Program	58	



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 \$10.0M in 2021 and \$8.8M in 2022.



Technical Adjustments

- Overhead
- OPEB, ESR
- 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)
- True-up TRCC contributions
- Transfers and other technical adjustments



2024 Ending Fund Balances

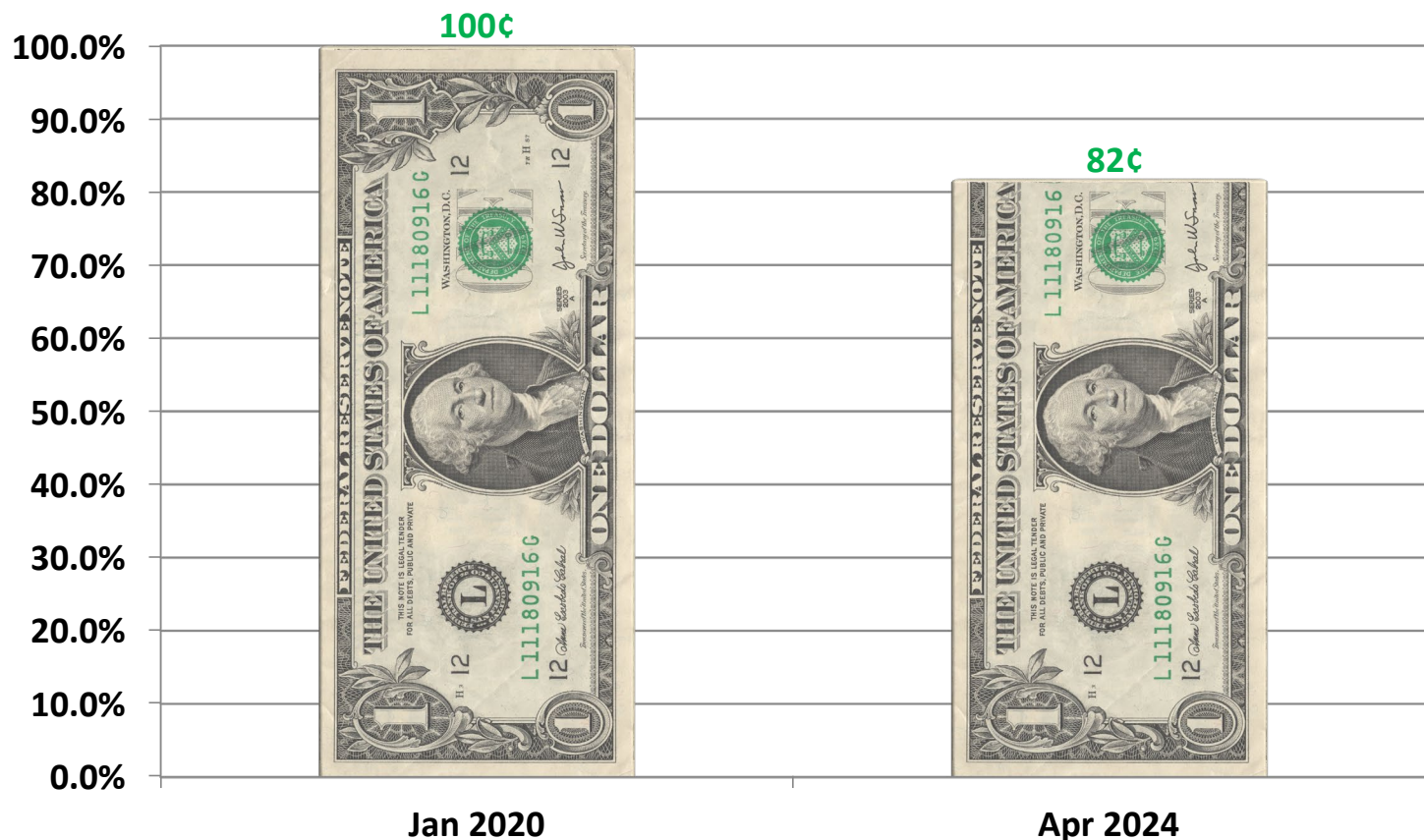
\$M	Original Adopted Budget		June Adjusted Budget*		Change	
	Budget	Projection	Budget	Projection	Budget	Projection
General	114.7	136.2	110.3**	131.1	(4.4)*	(5.1)*
Flood Control	0.5	11.7	1.8	13.0	1.3	1.3
Health	16.3	21.2	17.5	24.9	1.2	3.7
Planetarium	0.7	1.2	1.3	1.7	0.6	0.5
Tax Admin	1.7	3.1	1.8	3.0	0.1	(0.1)
Library	13.7	16.9	27.8	30.8	14.1	13.9

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

** The 2024 June Adjusted Budget includes \$50M of General Fund balance assigned to offset future debt (\$25M increase).



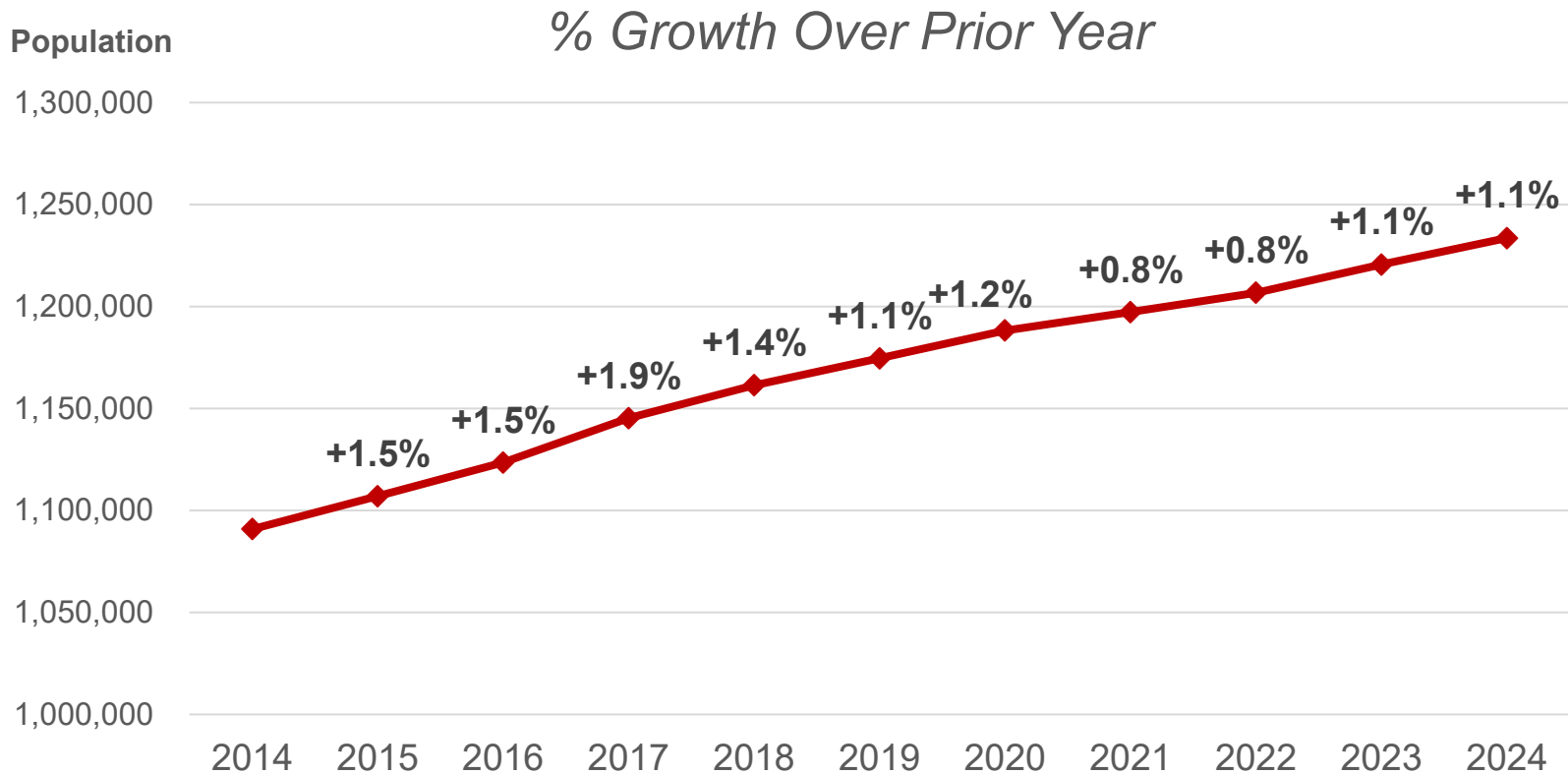
Purchasing Power Erosion Due to Inflation



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

(f)

13.1% Cumulative Population Growth from 2014 to 2024



2024 Budget Recap

All Funds

- All funds are balanced
- Net appropriations at approximately \$1.90 B
- We recommend ratifying all previously approved interim budget adjustments for formal adoption
- Certified tax rates not available until approximately June 10th
- Next Steps
 - Monthly sales tax revenue reporting to continue
 - Track structural balances
 - Continue to monitor impacts on expenditures, particularly wages



Employee Day Tomorrow





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

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