

June Budget 2022

Mayor Jenny Wilson

June 7, 2022

Presented by Darrin Casper



2022 Budget Goals

- Ensure structural balance in 2022 and ongoing
 - Match one-time projects with one-time federal revenues
- Prepare County for 2023 and inflationary cost pressures
- Continue to review and propose ARPA initiatives and transformational initiatives utilizing fund balance
- Review projects based on elected executives and Council recommended priority areas



2022 Budget Direction

- Review ARPA requests
- Review Transformational Initiative requests
- Exigent requests okay, especially if funding is one-time
- Other new requests discouraged



Highlights for June 2022

- Salt Lake County economy is strong
- Tax revenues recovered and operating revenues are recovering
- All funds structurally balanced
- Inflationary pressures expected for 2023 budget
- County is well positioned for 2023 and beyond
- American Rescue Plan Act (ARPA) grants are contained in this budget
- Significant investment in one-time transformational initiatives
- Certified Property Tax Rates not available until approx. June 14th



American Rescue Plan Act

- Total Grant \$225M
 - \$112.7M received 6/6/2021
 - \$112.7M expected 6/2022

- 2021 Expenditures \$62.3M
- 2022 Appropriations \$50.9M
- 2023-2024 Earmarks \$32.0M
- Current Plan Total \$145.2M



American Rescue Plan Act

in thousands \$

Changes to Initiatives	Description	2022 Change	'22-'24 Plan Δ
Water Conservation Multi-Purpose Fields to Synthetic	New Request – Water Conservation <ul style="list-style-type: none"> • 2.2M gallons per year saved • Three field complex in Murray 	6,223	6,223
Flip the Strip for Salt Lake County Facilities	New Request – Water Conservation <ul style="list-style-type: none"> • 142 strips at 40 locations • 5.3M gallons per year saved 	193	2,197
COVID-19 Vaccination – Pivot Plan	Pivot activities <ul style="list-style-type: none"> • Reduce 45 FTE • Prioritize high risk communities 	(4,230)	(18,882)
Court Backlog Support	\$630K Appropriation unit shift to utilize current budget	0	0
Riverbend Golf: Develop New Water Source	Move \$3M project from TRCC fund to General Fund since it is fully ARPA funded	0	0
Green & Healthy Homes	Project approved in March, budgeted in June	331	1,500
High Needs/Medical Services Housing	Project approved in March, budgeted in June	6,000	6,000
Housing Trust Fund	Project approved in April, budgeted in June	12,100	20,000
Integrated Water Conservation & Land Use Municipal Partnerships	Project approved in April, budgeted in June	669	2,100



Transformational Initiatives Summary

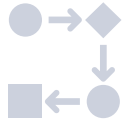
• 2022 Appropriations	\$49.9M
• 2023-2024 Earmarks	<u>\$3.7M</u>
• Current Plan Total	\$53.6M



Transformational Initiatives

in thousands \$

Changes to Initiatives	Description	Amount
Shelter The Homeless Contribution	New Request – Support the ongoing mission of the Homeless Resource Centers <ul style="list-style-type: none"> • Contribution necessary to match state grant • Defease county debt on Aug 1 • Unanimously recommended by Debt Review Comte 	7,000
County-Wide Video Conferencing Equipment	New Request – Video conference room systems to better enable hybrid work & collaboration (\$1,965 in '22) <ul style="list-style-type: none"> • Available to all county organizations via application • Request based on survey conducted by IT 	2,187
Flood Control: Surplus Canal Rehab	Project approved in March, budgeted in June	12,300
Oxbow Jail Control Room, Security Electronics and Fire Sprinklers (2 of 2)	Project approved in March, budgeted in June	6,011
Sherriff ADC Jail Elevator Replacement/Additions	Project approved in March, budgeted in June	3,753
Kearns Senior Center Remodel	Project approved in March, budgeted in June	1,915
Sunday Anderson Senior Center Remodel	Project approved in March, budgeted in June	5,904
Parks & Rec Phase 1 Irrigation System	Project approved in March, budgeted in June	3,476
Youth Services Efficient Water Landscaping	Project approved in March, budgeted in June	2,064



Fund Balance Transfer Changes

in thousands \$

From Fund	To Fund	For	Change
General Fund	Flood Control Fund	Transformational Initiatives	12,300
	Capital Improve. Fund	“	10,414
	Grant Fund	“	9,882
	Facilities Svcs Fund	“	1,965
	State Tax Admin Fund	“	250
	Bond Debt Svcs Fund	“	110
Gov’t Immunity Fund	General Fund	Property tax refunds reimbursement	(1,200)
TRCC Fund	Parks & Rec Bond Fnd	Pioneer Crossing project txfr reduced	(600)
TRCC Bond Projects	TRCC Fund	Northwest Recreation Pool repair	400
Parks & Rec Bond F	TRCC Fund	(Pre-June adj.) Parley’s Trail connector	918
STR 2020 Bond Projects Fund	Bond Debt Svc 2014 STR Fund	Defeasance of Shelter the Homeless portion of ‘20 Sales Tax Rev Bonds	16,441
Lib. MBA Bond Proj	Library Fund	Kearns Library project (NMTC) closing	894
DA Fac. Construction	General Fund	Close out fund	1,526



Fund Balance Transfer Changes – ARPA

in thousands \$

From Fund	To Fund	For	Change
American Rescue Plan (ARPA) Fund	General Fund	2021 Vaccine Incentive True-up	(2)
		2021 Provision of Government Services	59,344
		2022 New Initiatives (Interim + June)	27,416
		Move Budget (Riverbend Golf Water)	3,000
	TRCC Fund	Move Budget (Riverbend Golf Water)	(3,000)
	Health Fund	2021 Vaccine Incentive True-up	(0.4)
		2022 Vaccination project pivot plan	(4,230)
		Estimated FEMA reimbursement	(4,000)
	Library Fund	2021 Vaccine Incentive True-up	(0.5)



Compensation

June Budget Adjustments

in thousands \$

Description	2022 Budget	Annualized
Assessor's Office (pre-June adj.)	283	283
DA's Office Attorney Adjustments	456	684
Jail Health Services Premium Pay	473	710
Recreation—Aquatics Competitive Temporary Wage	231	1,196
Total	1,443	2,645

Increases partially offset by elimination of the \$1M set-aside in the Adopted Budget for market adjustments.



FTE Changes

June Budget Adjustments

Organization	Non-TL	Time Limited	Notes
ORD		1.75	Healthy Home: Health Educator (.75), Project Manager (1)
ORD-ARPA		1.25	Healthy Home: Health Educator (.25) Housing Trust Fund Program Manager (1)
Auditor	2.00		Internal Auditors (2 proposed of 8 requested)
County Jail	7.00	-8.00	Jail Clerk (-1), Jail Medically Assisted Treatment 7 TL to Merit: Nurse (3), SUD Cnslr (3), Prgm Mgr
Youth Services		.75	House Manager grant funded
Arts & Culture	.25		Senior Accountant to full time
Health	.25	2.00	Office Specialist (.25), Public Health Nurse (2) grant funded
Health-ARPA		-45.00	COVID vaccination support – program pivot
UPACA	3.00		Contract service to FTE: audio, lighting, electrical, carpentry
Animal Services	.25		Staff Accountant to full time
Totals	12.75	-47.25	



June Budget Adjustments: **-34.50**
 Pre-June Interim Budget Adjustments: 9.00
 Total in 2022 Adopted Budget: 4,311.62
 Total in June Adjusted Budget: 4,286.12



Significant New Requests

in thousands \$

Org	Description	Net Amount	FTE
Parks	Regional Transportation Trail Projects approved in Feb. (\$9.25M in Transportation Fund adopted budget, now interfund to Parks project)	\$0	
Recreation	Northwest Recreation Pool Repair (bond funds and reduction of Pioneer Crossing transfer)	\$1,000	
Health	Nurse Family Partnership – Public Health Nurse (grant funded)	\$0	2.00
	STD/HIV Prevention Program 0.75 to 1.0 FTE (grant funded)	\$0	0.25
Youth Services	Milestone Transitional Living Program House Manager (grant funded)	\$0	0.75
Arts & Culture	Sr. Accountant from 0.75 to 1.0 FTE (\$21K offset by commercial revenue increase)	\$0	0.25
Planetarium	Gateway Expansion - 4,370 ft ² additional (\$150K revenue & exp)	\$0	
	Exhibit Expansion (in conjunction with Northrop Grumman naming rights contribution in 2021)	\$75	
Animal Services (Gen. Fund portion)	Accountant from 0.75 to 1.0 FTE (Gen. Fund \$2K, MSD \$8K)	\$2	0.25
	Sheriff's Office Security Increase (interfund to General Fund)	\$13	



Significant New Requests [cont.]



in thousands \$

Org	Description	Net Amount	FTE
Auditor	New Audit FTEs (8 requested, 2 proposed)	\$139	2.00
	Appropriation Unit Shift (\$110K Personnel to Operations requested, \$49K proposed)	\$0	
Sheriff	Dispatch Contract Increase	\$11	
	Temporary Horticulturist Salary & Hours (\$35K from inmate services restricted funds)	\$0	
Visitor Promotion	Visit Salt Lake Transient Room Tax Distribution Catch-up	\$457	
Flood Control	Transfer \$700K from Surplus Canal project to Copper Creek project (Herriman City Interlocal)	\$0	
UPACA / Eccles Theater	General Fund Payback (grant enabled return of 2020 contribution/transfer from General Fund to UPACA)	\$422	
Bond Debt Service	Defeasance of Shelter the Homeless Portion of 2020 Sales Tax Revenue Bonds	\$16,551	
TRCC Bond Projects	Mid-Valley Performing Arts Center Completion	\$1,100	

Significant New Requests [cont.]

Proprietary Funds



in thousands \$

Org	Description	Net Amount	FTE
UPACA / Eccles Theater	Re-Org - 3 Stage Manager FTEs (previously contracted services)	\$51	3.00
	Increased revenue for shows & concessions; inflationary costs (384K revenue, 332K expense)	(\$51)	
Justice Courts	Sheriff's Office Security Increase	\$25	
Public Works	New Security Cameras (Midvale Public Works Admin. Complex)	\$60	
	Sheriff's Office Security Increase	\$13	
	Security Cameras for Westside Operations Building & Yard	\$29	
Fleet	Sheriff's Office Security Increase	\$42	
	Increase in Price of Fuel (\$1.5M revenue and expense)	\$0	
Solid Waste	Landfill Compactor	\$85	
	Landfill Loader	\$80	
	Maintenance & Gasoline Cost Increase	\$395	
	Transfer Station Loader	\$92	
Golf	South Mountain Golf Course Improvements to Garbage Area	\$40	



TRCC Proposal

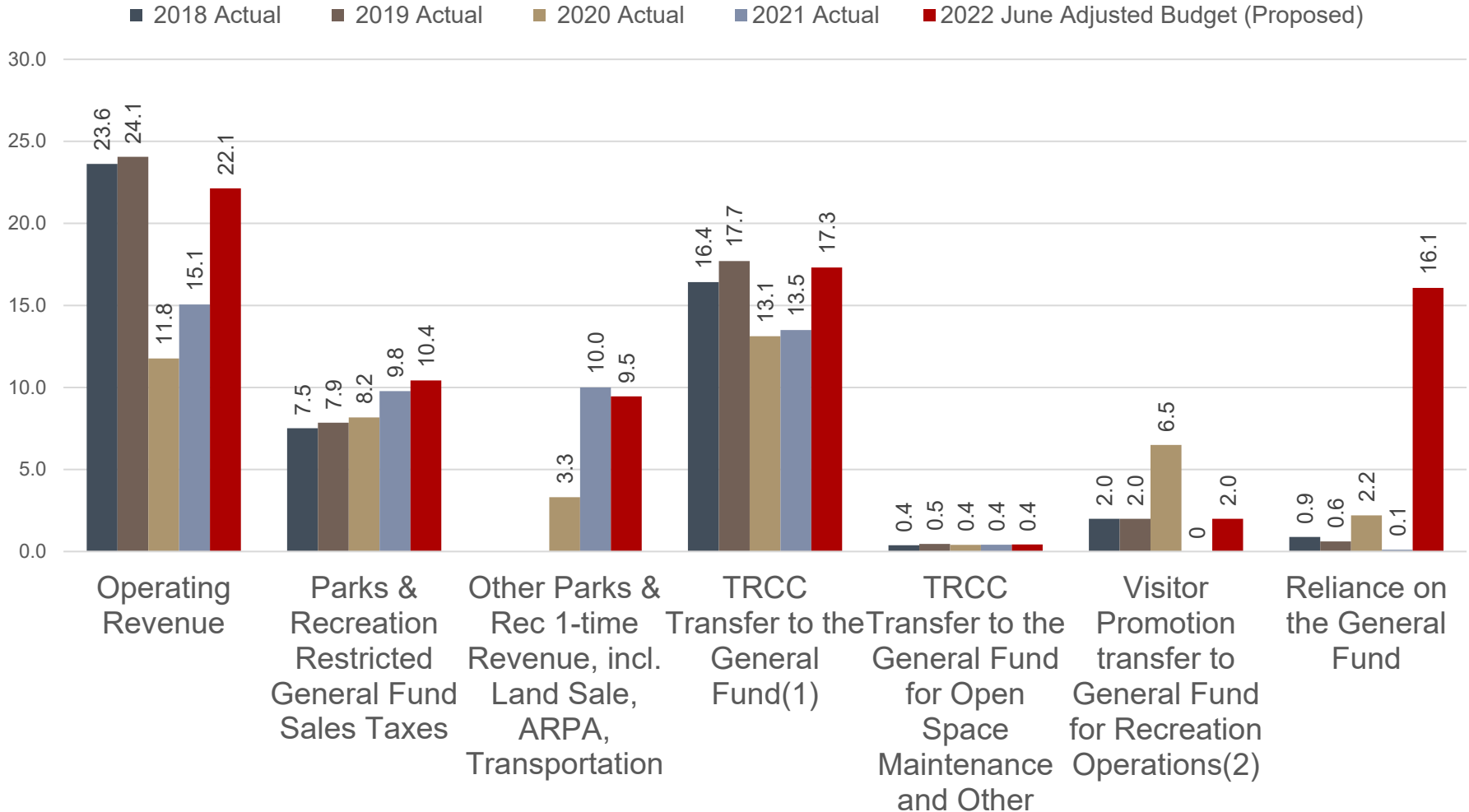
- Mayor’s Proposed Budget aligns with Advisory Board recommendations
- 32.2% of TRCC revenues to Parks and Recreation Ops
- Proposed ending fund balance \$18.8M
- Northwest pool repair \$1M covered by bond proceeds
 - TRCC advisory board did not have a concern

	2019	2020	2021	2022
(\$M)	Actual	Actual	Actual	Jun Adj Budget
Sales Tax Revenue	45.4	33.5	48.5	55.1
Ending Fund Balance	9.6	13.6	26.6	18.8



Parks and Recreation

Funding Sources (\$M)



(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.



Technical Adjustments

- Overhead
- OPEB, ESR
- 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)
- Close out Fund 445-DA Facility Construction Fund
- True-up TRCC contribution revenue \$2M carry-over
- Transfers and other technical adjustments



Technical Adjustments [cont.]

- Trued up the new-FTE 20% contra-accounts implemented in the Adopted Budget
 - Reduced the contras for organizations that were able to fill positions early in the year
 - Moved contra-accounts for ARPA projects out of operating departments to ARPA project departments



Outstanding Issues

- Convention Hotel Tax Payments
 - Contract requires payment to the developer (tax increment)
 - Approximately \$1.2M
 - $\$100\text{M (2022 value)} * .011638 \text{ (2021 rate)} = \1.2M
- Jail Food Contract \$2M



Tax Increment Financing

- Expected 2022 payment \$23M (up from \$18.6M in 2018)
- Current pending TIF proposals up to \$126M in county increment over the next 20 years (does not include potential HTRZs or West Jordan's 1700 acre project)



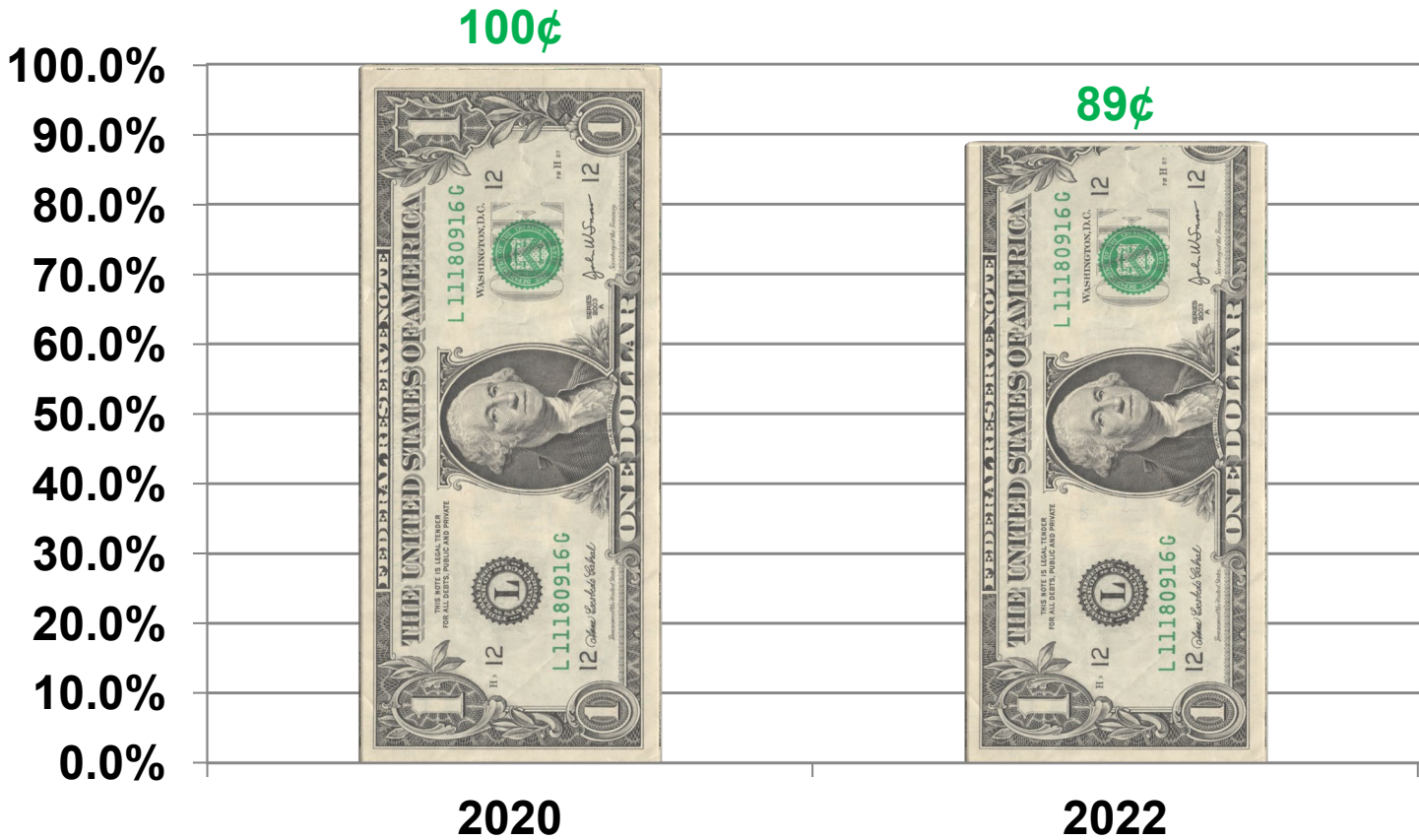
2022 Ending Fund Balances

\$M	Original Adopted Budget		June Adjusted Budget*		Change	
	Budget	Projection	Budget	Projection	Budget	Projection
General	110.3	130.3	181.4	211.4	71.1	81.1
Flood Control	.6	.76	.8	1.0	0.2	0.2
Health	9.3	11.0	14.8	16.5	5.5	5.5
Planetarium	1.4	2.1	0.3	0.4	(1.1)	(1.7)
Tax Admin	3.2	3.9	2.8	3.5	(0.4)	(0.4)
Library	6.2	6.5	5.9	6.2	(0.3)	(0.3)
TRCC	4.9	16.4	18.8	27.7	13.9	11.3

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



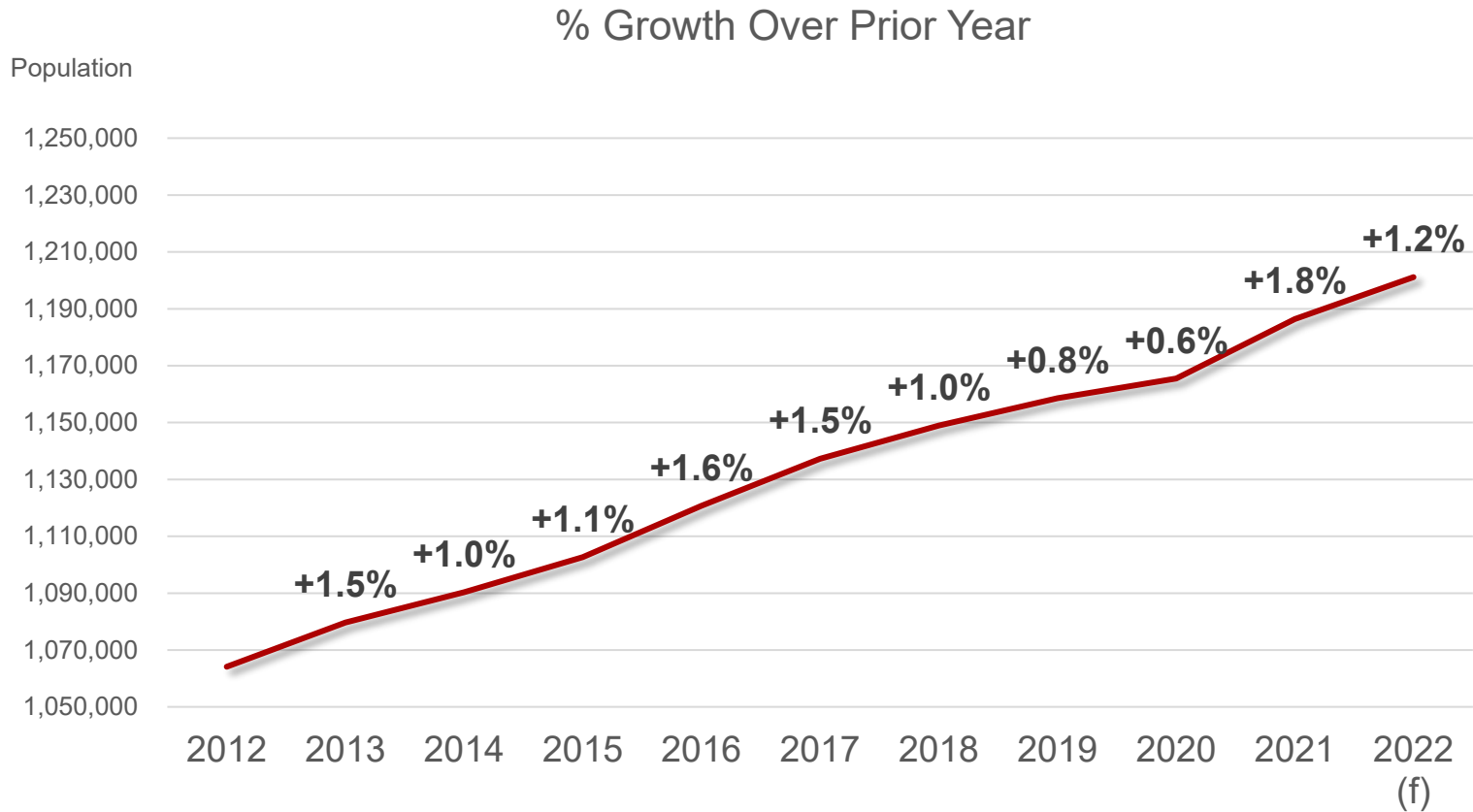
Purchasing Power Erosion Due to Inflation



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



County Population Growth Trend



12.9% Cumulative Population Growth from 2012 to 2022



2022 Financing Plans

- Defeasance of \$17,675,000 in Sales Tax Revenue and Refunding Bonds (Shelter the Homeless portion) August 2022
- No TRANs for 2022 due to federal cash



2022 Budget Recap

All Funds

- All funds are balanced
- Net appropriations at approximately \$1.78 B
- We recommend ratifying all previously approved interim budget adjustments for formal adoption
- Certified tax rates not available until approximately June 14th
- Next Steps
 - Quarterly revenue reporting to continue
 - Track structural balances
 - Continue to monitor inflation and impacts on expenditures, particularly wages



Flip the Strip



Photos courtesy of Jordan Valley Water Conservancy District



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

*[http://slco.org/mayor-
finance/budget/2022-budget-
information/](http://slco.org/mayor-finance/budget/2022-budget-information/)*