

June Budget 2023

Mayor Jenny Wilson

June 6, 2023

Presented by Darrin Casper



2023 Budget Goals

- Maintain structural balance in 2023 and ongoing
 - Match one-time projects with one-time federal revenues
- Prepare County for 2024 and inflationary cost pressures
- Continue to review ARPA lost revenue analysis to draw down ARPA



2023 June Budget Direction

- Focus on technical adjustments
- New requests must be exigent
- ARPA/TI projects treated like capital projects true ups
 - Ops and capital rolled over
 - Personnel under spend reverts to fund balance



Highlights for June 2023

- Salt Lake County employment is strong
- Tax and operating revenues plateauing or slightly declining
- Additional inflationary pressures expected for 2024 budget
- Certified Property Tax Rates not available until approx. June 13th



American Rescue Plan Act

- Total Grant \$225.4M
 - \$112.7M received 6/6/2021
 - \$112.7M expected 6/2022

- 2021 Expenditures \$62.3M
- 2022 Expenditures \$70.0M
- 2023 Appropriations \$93.1M
- Current Plan Total \$225.4M

ARPA projects that were originally planned to extend into 2024 will be converted to transformational initiatives for the 2024 budget year.



American Rescue Plan Act

in thousands \$

Changes to Initiatives	Description	2023 Change
Water Conservation Multi-Purpose Fields to Synthetic	Capital Project True-up	(167)
Flip the Strip	2022 operations carry over	100
CO-OP	2022 operations carry over	400
Green & Health Homes	2022 operations carry over	282
DA Court Backlog	2022 operations carry over	100
ILS Caseload Backlog	2022 operations carry over	23
Housing Trust Fund	2022 operations carry over	5
Housing Trust Fund	Additional project funding	5,582
Housing Trust Fund	Advance funding from 2024	2,000
WISE	Advance funding from 2024	1,000



Transformational Initiatives Summary

• 2021-22 Expenditures	\$15.3M
• 2023 Appropriations	\$89.1M
• 2024 Projection*	<u>\$12.2M</u>
• Current Plan Total	\$116.6M

*includes \$9.4M in ARPA projects converting to Transformational Initiatives



Transformational Initiatives

in thousands \$

Changes to Initiatives	Description	2023	2024 Δ
Parks & Recreation Irrigation System	Scope change – reallocate funding between irrigation projects	0	
Reentry & Reintegration	2022 operations carry forward	3	3
TI Capital Project True-ups	True-up of all capital projects	Misc	
JRRP	Convert to TI in 2024		298
DA Court Backlog	Convert to TI in 2024		2,575
Cox & Granato Pre-Apprenticeship	Convert to TI in 2024		1,400
Flip the Strip	Convert to TI in 2024		772
Green & Health Homes	Convert to TI in 2024		466
Housing Trust Fund	Convert to TI in 2024		186
ILS Caseload Backlog	Convert to TI in 2024		1,218
WCLU	Convert to TI in 2024		16
CO-OP	Convert to TI in 2024		1,593
WISE	Convert to TI in 2024		868



Compensation

June Budget Adjustments

FROM \$3M SET-ASIDE		2023 Budget	2024/Ongoing
Criminal Justice Services	43 Case Managers (out of 89.75 FTE)	\$ 2	\$ 83,283
Youth Services Division	7 Case Managers (out of 14.5 FTE)	1	25,745
Behavioral Health Services	2 Case Managers (out of 2.0 FTE)	3,091	4,018
Aging and Adult Services	5 Case Mgrs, 3 Public Health Nurses	23,434	27,522
Public Works/Mayor Admin	1 FTE	4,359	8,243
Assessor	3 Front-line and next level jobs	1	7,894
Election Clerk	1 FTE	1	7,402
Recorder	25 Front-line and next level jobs	2	110,574
Sheriff	52 Judicial, 3 Civil Process Specialists	272,283	551,893
Surveyor	1 IS Mgr	1	11,264
Treasurer	11 Front-line and next level jobs	1	44,259
TOTAL		\$ 303,176	\$ 882,097

Remaining from \$3M Set-Aside

\$ 2,117,903

OTHER		2023 Budget	2024/Ongoing
District Attorney	Attorney salaries	\$ 5,780	\$ 2,164,134
Indigent Legal Services	Adult criminal defense, juvenile def.	2,733,115	3,972,152
TOTAL		\$ 2,738,895	\$ 6,136,286



Visit Salt Lake

- Increased statutory marketing budget by \$685K due to TRT revenue increases
- Continuing the plan for the CTAA
- New FTE in Treasurer's office paid for out of the revenues of the CTAA to manage the collection



Human Resources

- Requesting 3 FTE – necessary to meet customer demand
 - In part at the request of elected officials
 - Matches the need expressed in the customer survey

Average Open Requisitions per Recruiter	Benchmarks*	County
High Volume (Parks & Recreation, e.g.)	50:1	175:1
Professional (Merit, e.g.)	20:1	60:1

* SHRM.org – “How Many Open Requisitions Should In-House Recruiters Have?”, Roy Maurer, August 6, 2018. Talent Growth Advisors, LLC. “Recruiter Req Load Calculator (Benchmarks)”.



Mayor's Finance

- MFA expects four accounting retirements within the next 8 months
- The entire ESR staff will be turned over
- Justice Courts may need accounting assistance during its transitional period
- Requesting to double-fill two accounting positions in preparation for these events



Justice Courts

- Reduced 5 FTE for migration of Millcreek to the Holladay/Cottonwood Heights Justice Court
- Net increase of \$561K
- Finance team stands ready to assist the court and analyze the budget as we move forward



FTE Changes

June Budget Adjustments

Organization	FTE	Notes
Criminal Justice Services	.25	Reclass .75 Treatment Specialist to 1.0 Case Manager
Real Estate	1.0	Office Coordinator
Human Resources	3.0	2 Talent Acquisition Partners, 1 Business Partner Manager
Treasurer	1.0	CTAA program
Justice Courts	-5.0	Elimination of vacant positions
Total	.25	



June Budget Adjustments: .25
 Pre-June Interim Budget Adjustments: 4.50
 Total in 2023 Adopted Budget: 4,253.12
 Total in June Adjusted Budget: 4,257.87



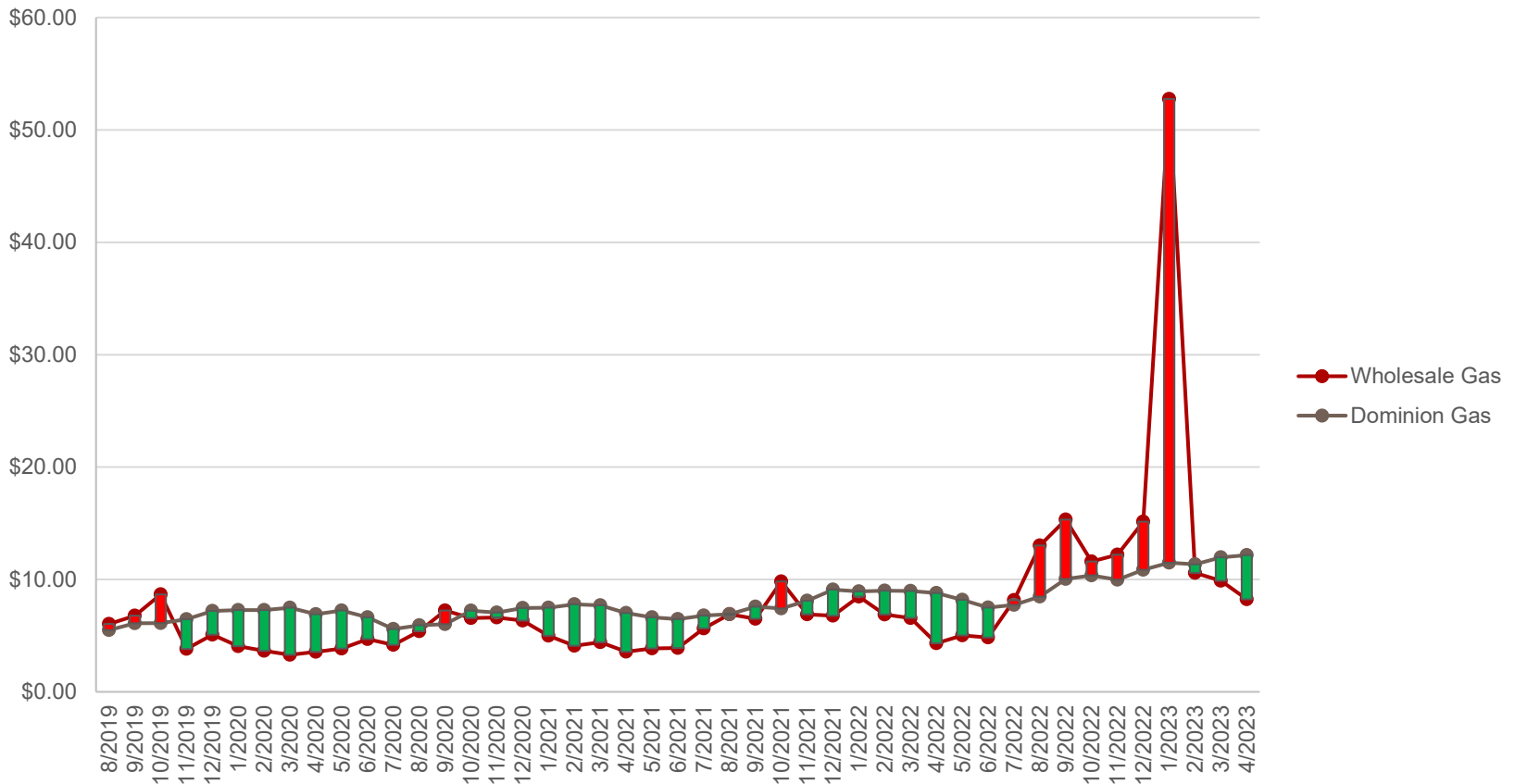
Natural Gas Adjustments

Fund > Org	Amount
110 - General Fund	\$ 2,445,951
County Jail	597,190
Criminal Justice Services	779
District Attorney	80,791
Parks	44,825
Recreation	1,722,366
120 - Grant Programs Fund	100,394
Aging and Adult Services	71,093
Youth Services Division	29,301
180 - Rampton Salt Palace Conv Ctr	509,800
182 - Mountain America Expo Center	123,959
185 - SLCO Arts and Culture Fund	201,074
250 - Flood Control Fund	723
360 - Library Fund	161,205
370 - Health Fund	74,873
390 - Planetarium Fund	104,020
620 - Fleet Management Fund	101,269
650 - Facilities Services Fund	174,140
710 - Golf Courses Fund	53,356
726 - UPACA/Eccles Theater Fund	82,415
730 - Solid Waste Managemnt Facility	6,114
735 - Public Works and Other Servcs	46,666
Animal Services	27,122
Public Works Operations	19,544
Grand Total	\$ 4,185,959



Natural Gas Adjustments [cont.]

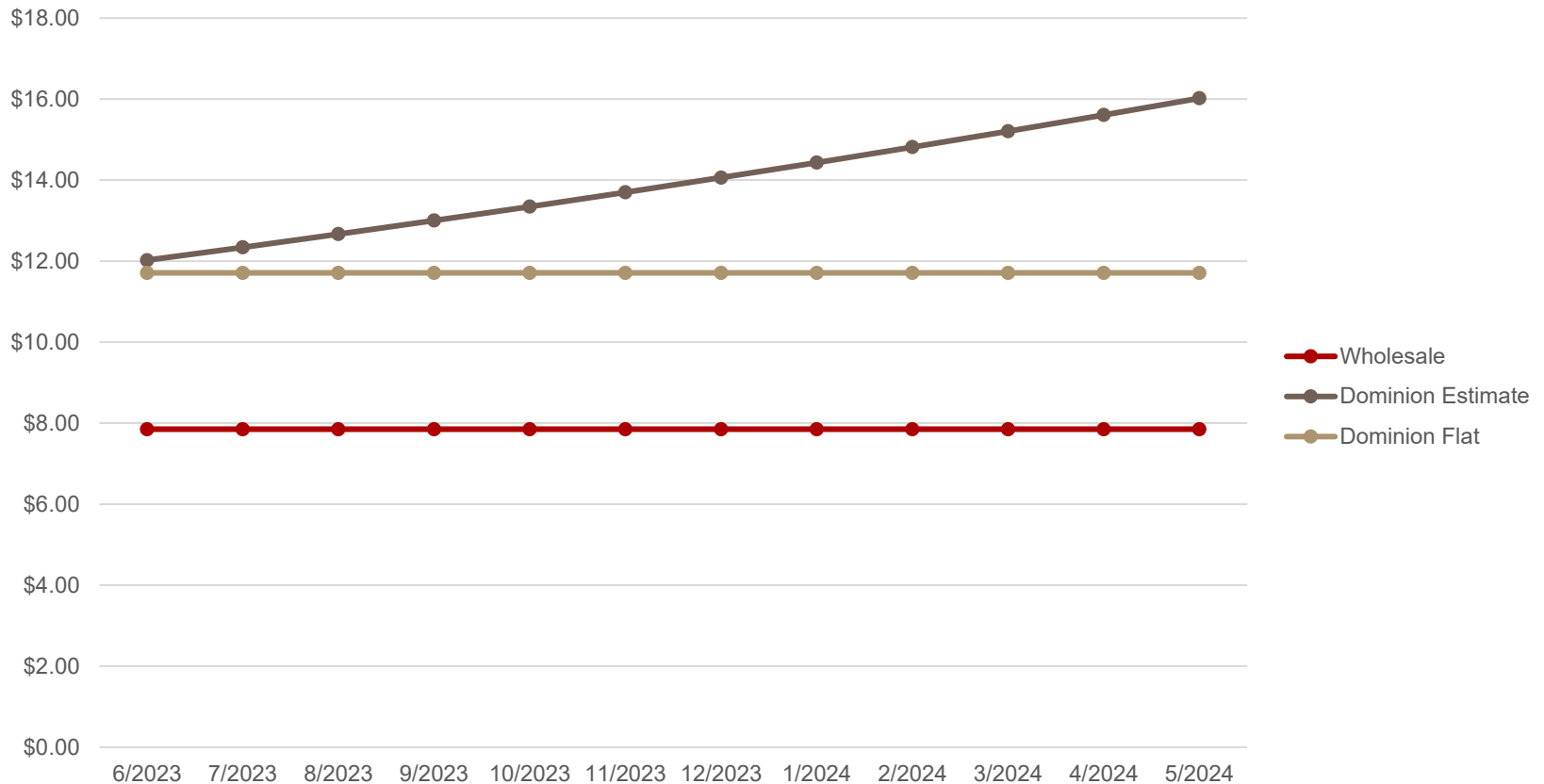
Natural Gas Unit Price (\$/dth)





Natural Gas Adjustments [cont.]

Natural Gas Unit Price Forecast (\$/dth)





Other Significant New Requests

General Fund



Org	Description	2023 Net Amount	2024/Ongoing Net Amount
Emergency Services	Restore reduction to UFA for canyons	647,231	647,231
Indigent Legal Services	Parental Defense contract. Pay increases offset by one-time Title IVE committed account balance. \$330K for 18 months. \$110K revenue & expense for 2023.	-	-
Statutory & General	Animal Services security services increase	5,713	11,426
Election Clerk	2023 municipal elections \$2.2M one-time rev. & exp.	-	-
	HB448 add'l required equipment, one-time	67,500	-
Auditor	Salary adjustments—can absorb in '23 due to vacancies	100	43,651
Sheriff CW Invest/Support Svcs	UPD contract increase Jul '23 - Jun '24. Includes one-time \$758K use of UPD fund balance.	499,842	988,190
	Reduction in revenue—UPD no longer sharing S&B for the Undersheriff as of July	38,000	38,000
	VECC dispatch contract increase for Jul '23 - Jun '24	4,900	9,800
	Search & Rescue trailer	150,000	-
	Reclass position to appointed. Salary increase offset by open position to be eliminated in 2024. \$50K.	-	-
TOTAL		1,413,286	1,738,298

Other Significant New Requests

Other Funds



Org	Description	2023 Net Amount	2024/Ongoing Net Amount
Governmental Immunity Fund	One-time expense increase for claims/settlements	1,500,000	-
Clark Planetarium Fund	Renovate Planetarium annex and complete adjacent leased space. Offset by Northrop Grumman naming rights extension. \$75K revenue & expense.	-	-
Health Fund	COVID vaccine for insured or self-pay clients. \$696K expense and fee revenue.	-	-
	General vaccines for insured or self-pay clients. \$280K expense and fee revenue.	-	-
TOTAL		1,500,000	-



New Grants, Contributions, Other Various Funds



Org	Description	Revenue	Expense
Parks & Rec Capital Projects	Utah Salt Lake Canal Trail Seg. 6 interlocal agreements	2,920,00	2,920,00
	Decker Lake Park - Utah Outdoor Recreation Grant and a contractual contribution from DAI Utah	616,000	616,000
	Parley's Trail (900 W to Jordan River) state grant	100,000	100,000
	Wheeler Farm Friends chicken coop maint. donation	20,000	20,000
Clark Planetarium	Northrop Grumman Foundation grant to expand the growing and successful Community Programs	50,000	50,000
Aging & Adult Svcs	Senior Transportation state grant	162,908	162,908
Health	Opioid Overdose Prevention Grant - National Association of County & City Health Officials (NACCHO)	38,000	38,000
	Community Violence Prevention Grant – state DHHS	160,540	160,540
	Hospital Preparedness Grant	141,868	141,868
Indigent Legal Svcs	Utah State Indigent Defense Commission grant	55,000	55,000
Regional Develop.	FCC Affordable Connectivity Program Grant	84,859	84,859
Public Works	Invasive Species Removal Grant – state	11,700	11,700



TRCC Proposal

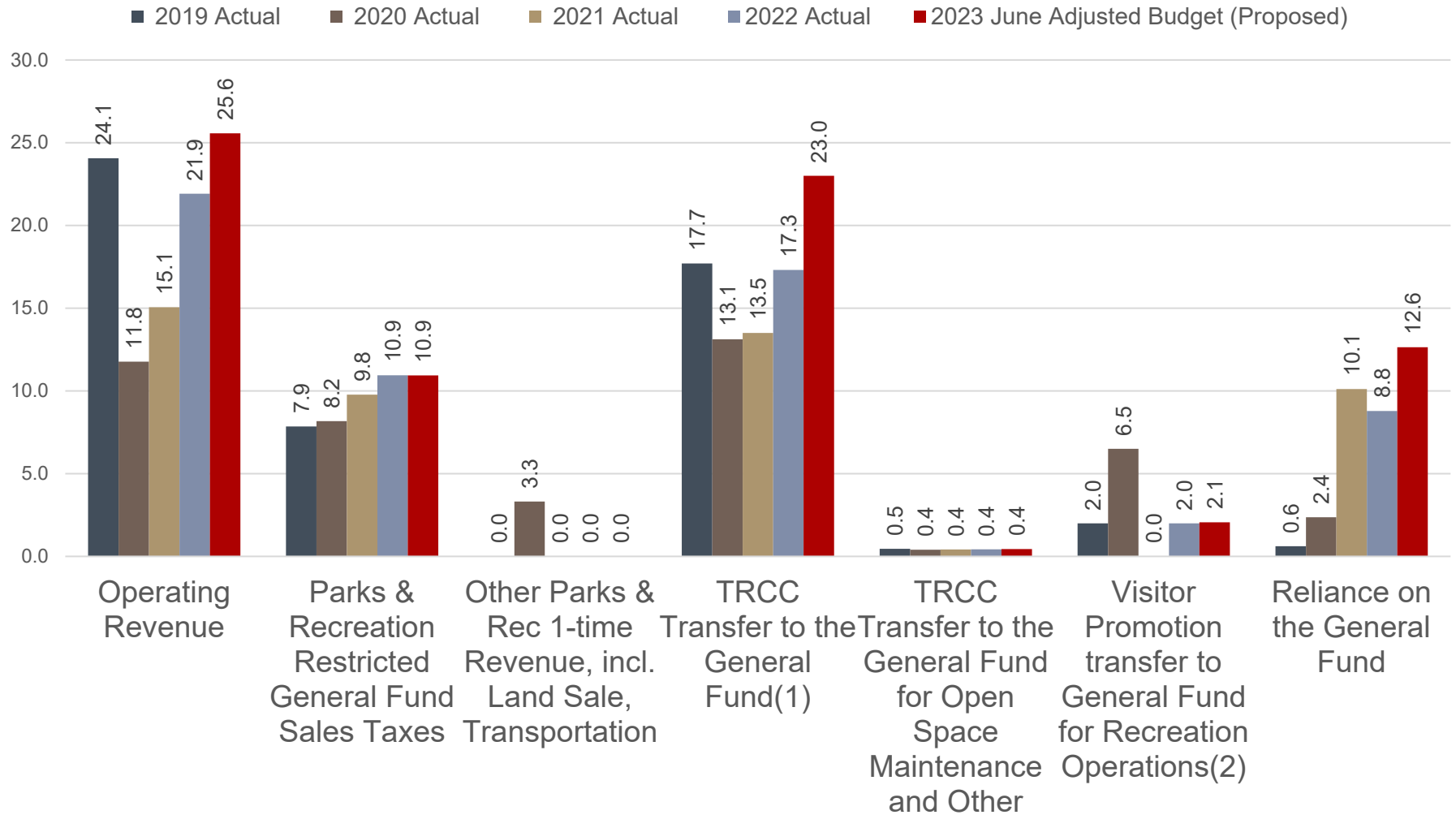
- Revenue increases for 2023 projected at \$1.5M
- This will provide sufficient balance for the Council’s South Jordan Rec Center contribution
- TRCC Advisory Board meeting scheduled for Friday 6/9
- 39% of TRCC revenues to Parks and Recreation Ops
- Proposed ending fund balance \$13.1M

	2020	2021	2022	2023
(\$M)	Actual	Actual	Actual	Jun Adj Budget
Sales Tax Revenue	33.5	48.5	57.4	60.1
Ending Fund Balance	13.63	26.6	32.3	13.1



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
- 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



2023 Ending Fund Balances

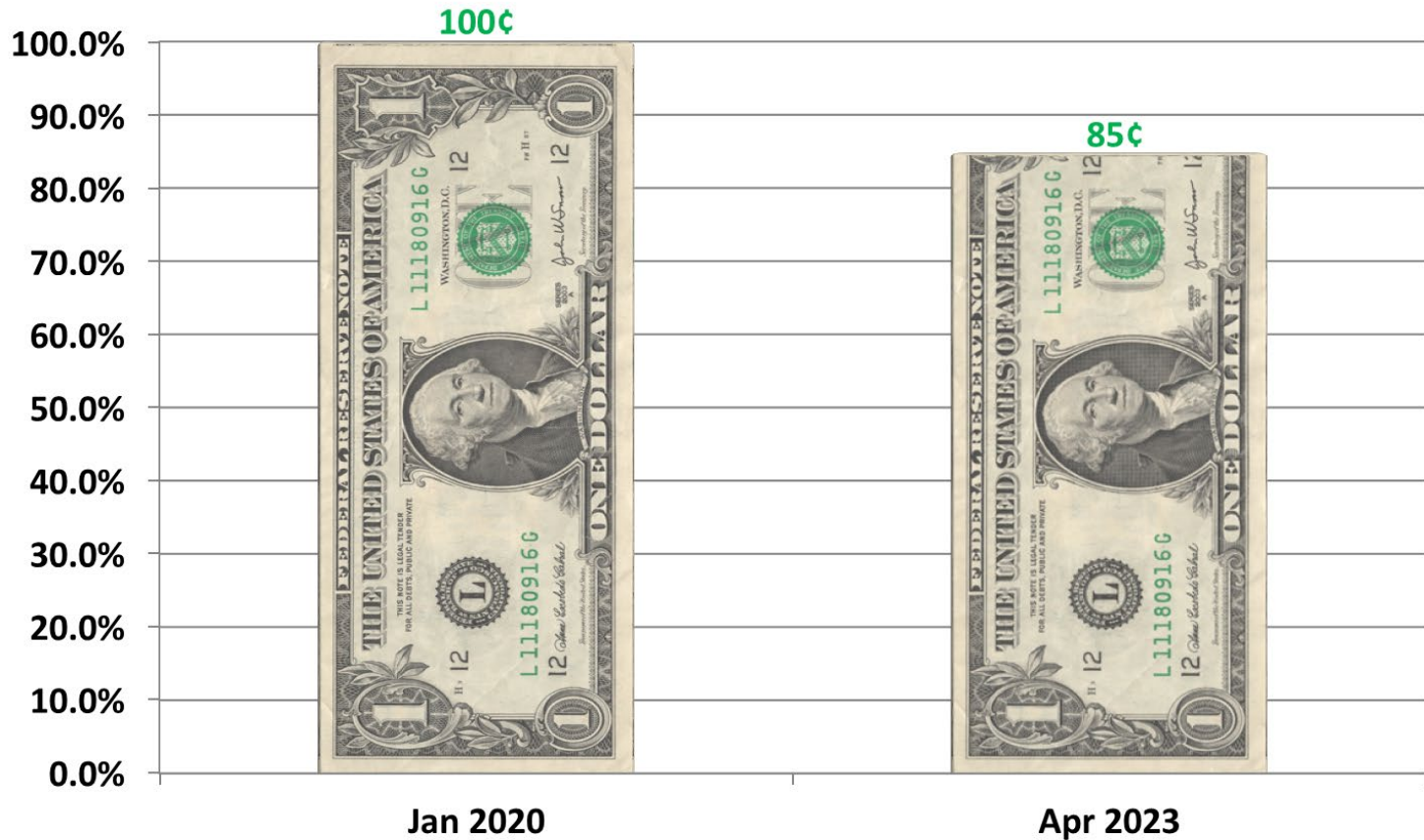
\$M	Original Adopted Budget		June Adjusted Budget*		Change	
	Budget	Projection	Budget	Projection	Budget	Projection
General	185.2	212.0	152.7**	179.0	(32.5)*	(33.0)*
Flood Control	0.5	8.9	1.6	9.9	1.1	1.0
Health	17.3	19.9	18.5	21.1	1.2	1.2
Planetarium	0.6	1.1	0.5	1.0	(0.1)	(0.1)
Tax Admin	1.4	1.6	1.5	1.7	0.1	0.1
Library	19.7	22.7	22.0	25.0	2.3	2.3

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

** In the June Adjusted Budget \$50M of General Fund balance was moved from unassigned to assigned to offset future debt.



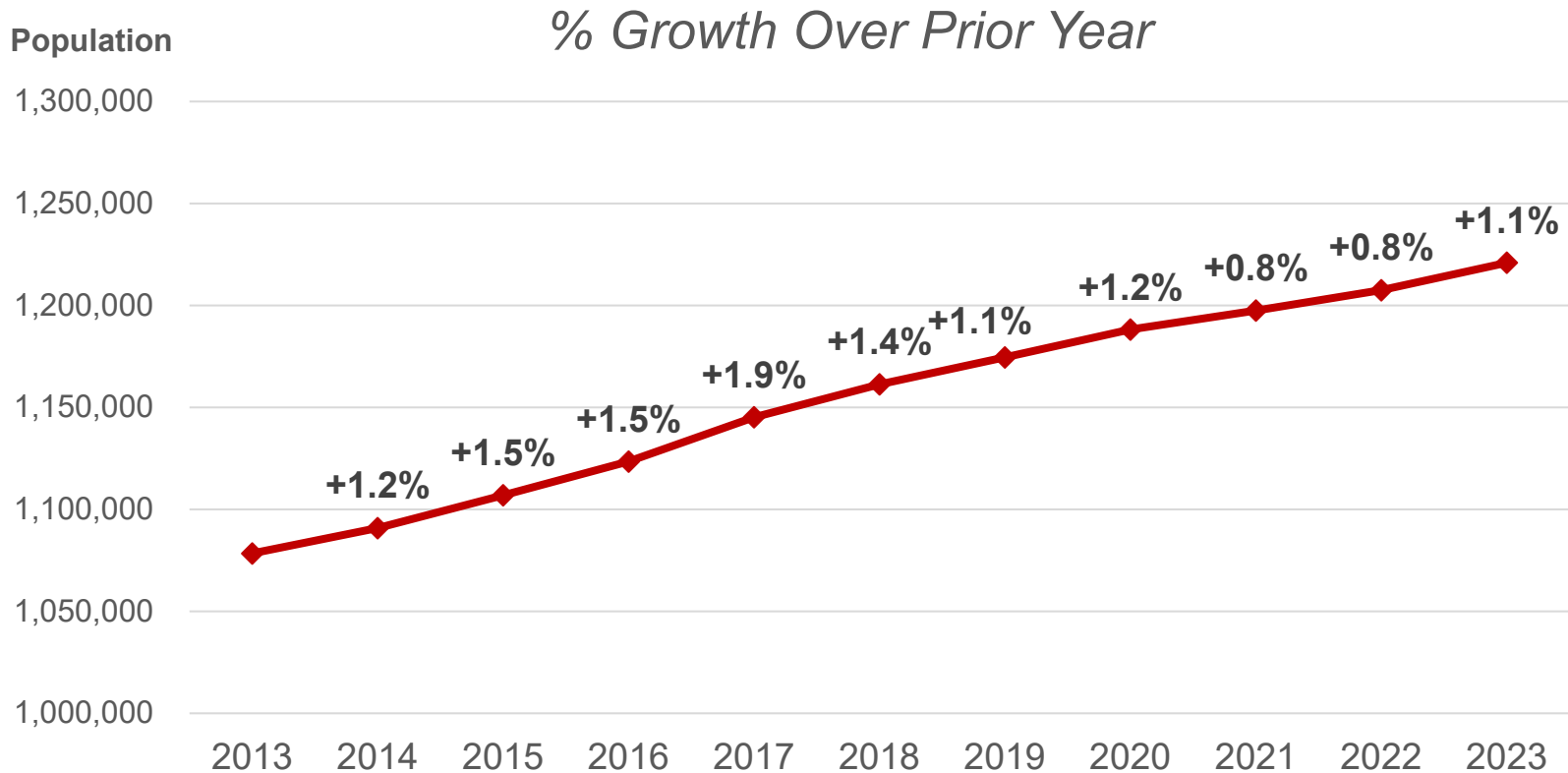
Purchasing Power Erosion Due to Inflation



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)

11.9% Cumulative Population Growth from 2013 to 2023



2023 Budget Recap

All Funds

- All funds are balanced
- Net appropriations at approximately \$1.91 B
- We recommend ratifying all previously approved interim budget adjustments for formal adoption
- Certified tax rates not available until approximately June 14th
- Next Steps
 - Monthly sales tax revenue reporting to continue
 - Track structural balances
 - Continue to monitor inflation and impacts on expenditures, particularly wages



Flavia the Flying Flamingo visits Phil





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

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