



Mayor Jenny Wilson

2025 Proposed Budget Salt Lake County



Presented by Darrin Casper, CFO
October 22, 2024



2025 Budget Goals

- Stay fiscally conservative
 - Scrutinize structural balance
 - One time v. ongoing expenses
 - Budgeted General Fund above min reserve
- Prioritize employee health insurance and pay
- Focus on capital maintenance/
improvements and employee benefits/comp



2025 Budget Direction

- Stress tests at 5% of County Funding
- Requested organizations absorb cost increases where possible
- One-time capital requests considered



Committees and Boards

- Board of Health
- Total Rewards Advisory Committee
- TRCC Advisory Board
- Technology Advisory Board
- Capital Projects Prioritization Committee
- Revenue Committee
- And Others



Economic Outlook

- Slow growth projected County-wide
- Salt Lake County unemployment at 3.6%, national average at 4.1%⁽¹⁾
- Inflation moderating at 2.1% for West Urban CPI
- Interest rates declining
- Probability of a recession in the next 12 months now below 30%

Structural Analysis





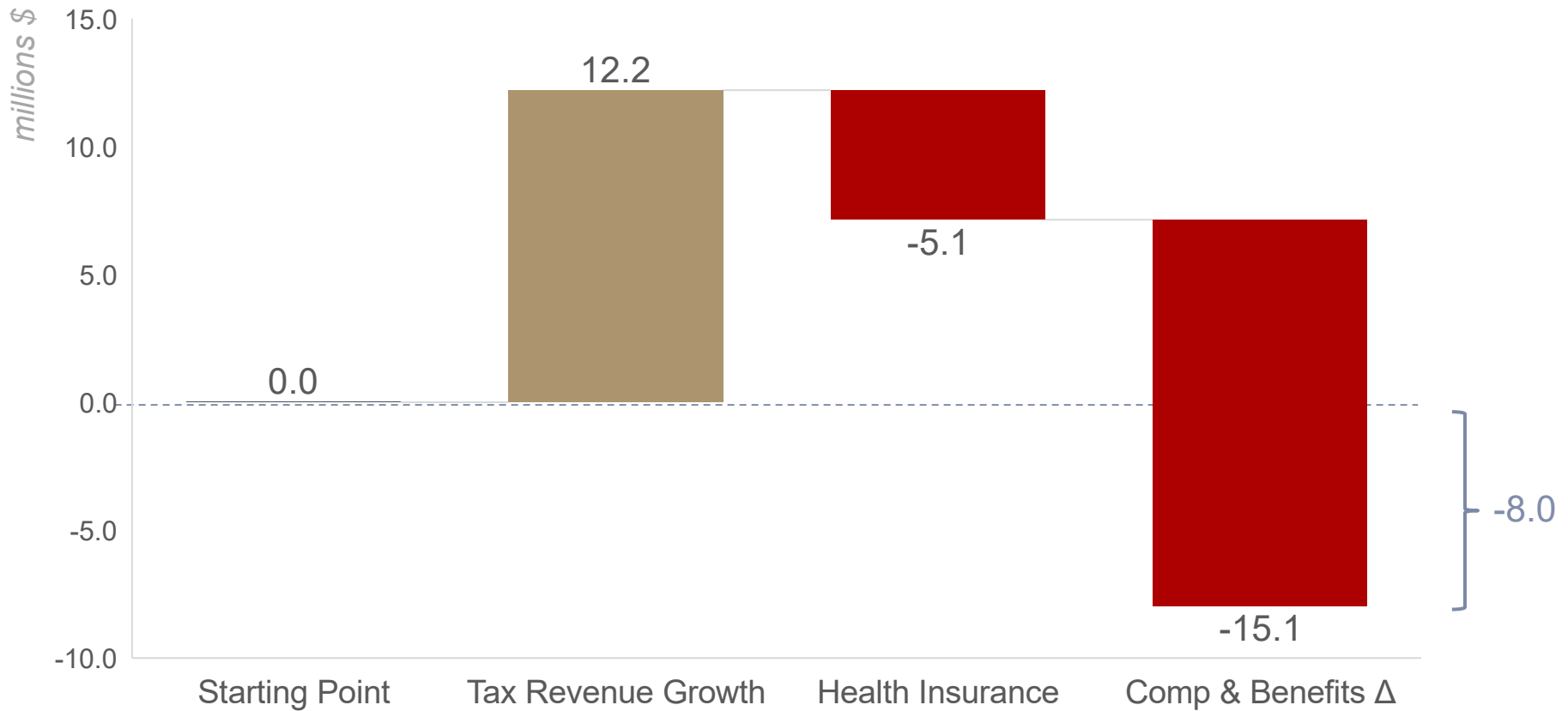
2025 New Growth Summary

Key Funds—Compared to 2024 Adjusted Budget

Fund (\$M)	Property Tax	Sales Tax	Motor Veh Fee In Lieu	Total New Growth
General	3.2	3.0	(0.16)	6.1
Flood Control	0.1		(0.01)	0.1
Health	0.3		(0.02)	0.3
Planetarium	0.1		(0.00)	0.1
Capital Improvements	0.2		(0.01)	0.1
Tax Administration	0.5		(0.06)	0.5
Subtotal	4.4	3.0	(0.25)	7.2
TRCC		2.7		2.7
Visitor Promotion		1.5		1.5
ZAP		0.8		0.8
Municipal Services		(1.2)		(1.2)
Transportation		0.6		0.6
Library	0.7		(0.12)	0.6
Total	5.2	7.4	(0.37)	12.2



Tax Revenue Growth in Context





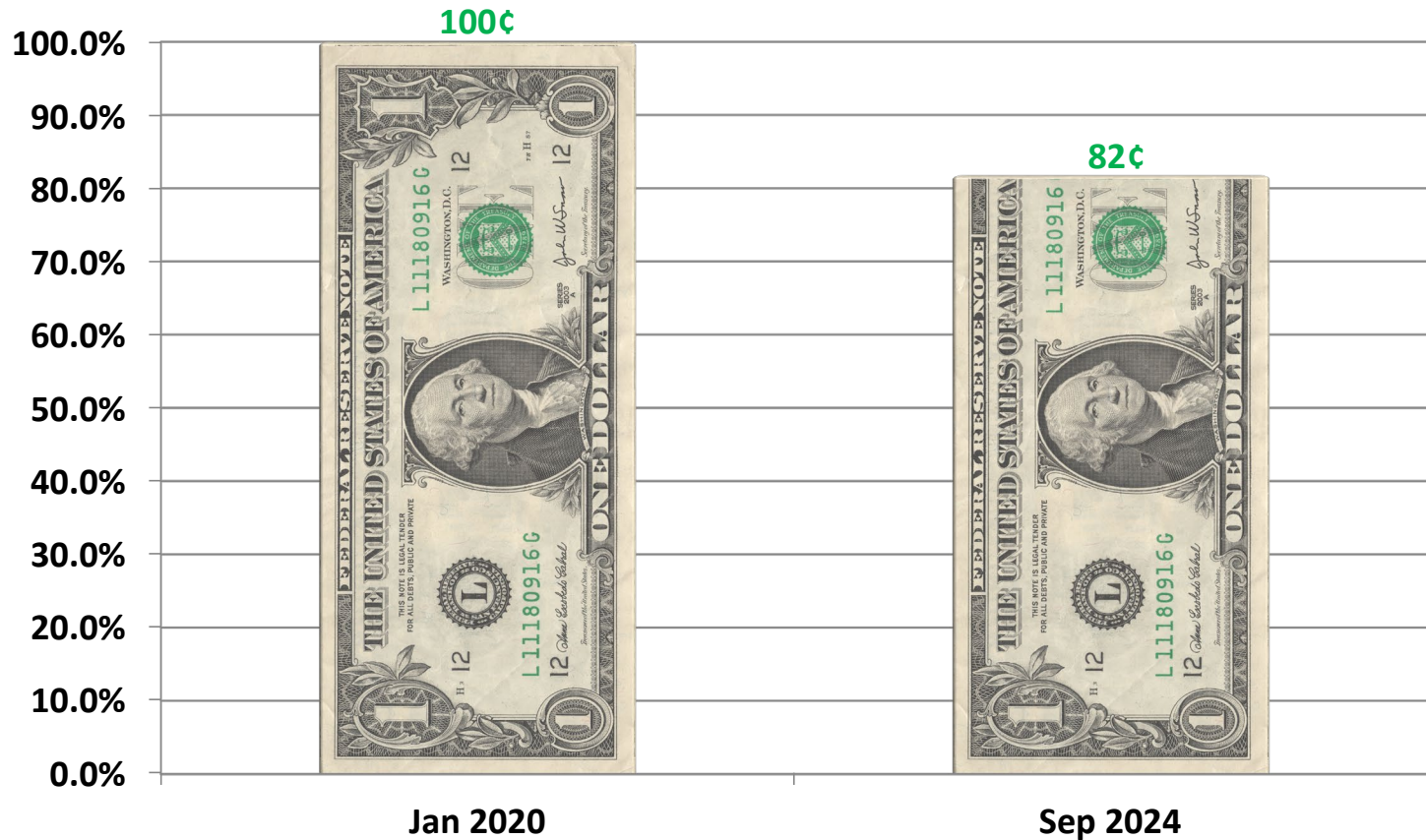
Transfers to Tax Admin Fund

Transfers from the General Fund
(in Adopted Budgets)

- 2022 \$0.25 M
- 2023 \$0.92 M
- 2024 \$3.22 M
- 2025 \$6.15 M



Purchasing Power Erosion Due to Inflation



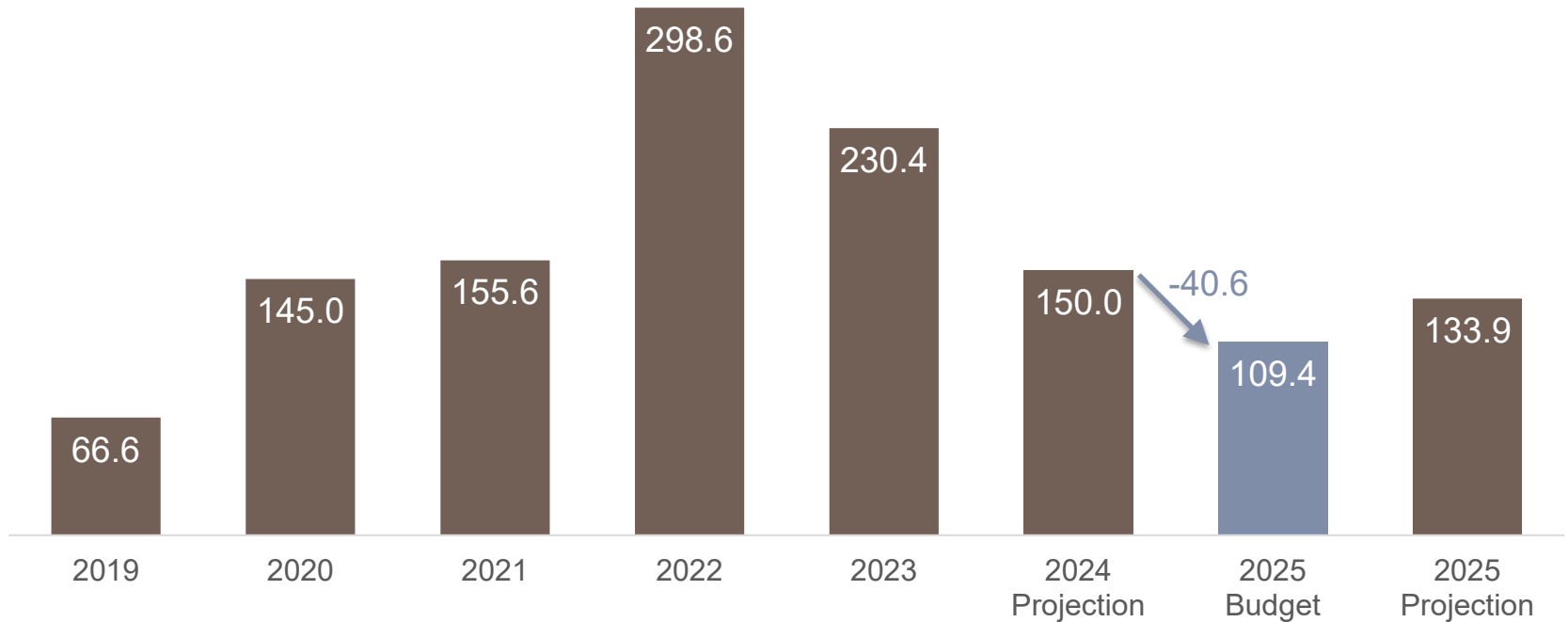
INFLATION INDEX: WEST URBAN CONSUMER PRICE INDEX - ALL URBAN CONSUMERS



Ending Unassigned Fund Balance

General Fund

in millions \$





General Fund Structure Analysis

Reconciling the Draw Down

Budgeted draw on fund balance (millions)	(\$40.6)
• One-time transfer from Visitor Promo. Fund	(2.0)
• One-time exp. reduction—Fleet true-up	(1.6)
• One-time exp. reduction—OPEB charges	(1.6)
• Other one-time savings or revenues	(0.9)
• Capital projects (net)	18.3
• One-time transformational initiatives	3.3
• Extend certain time-limited positions 1 year	<u>2.0</u>
• Budgeted structural deficit	(23.1)
• Projected underspend	<u>24.4</u>
• Estimated structural surplus	\$1.3

2025 Proposed Budget Highlights





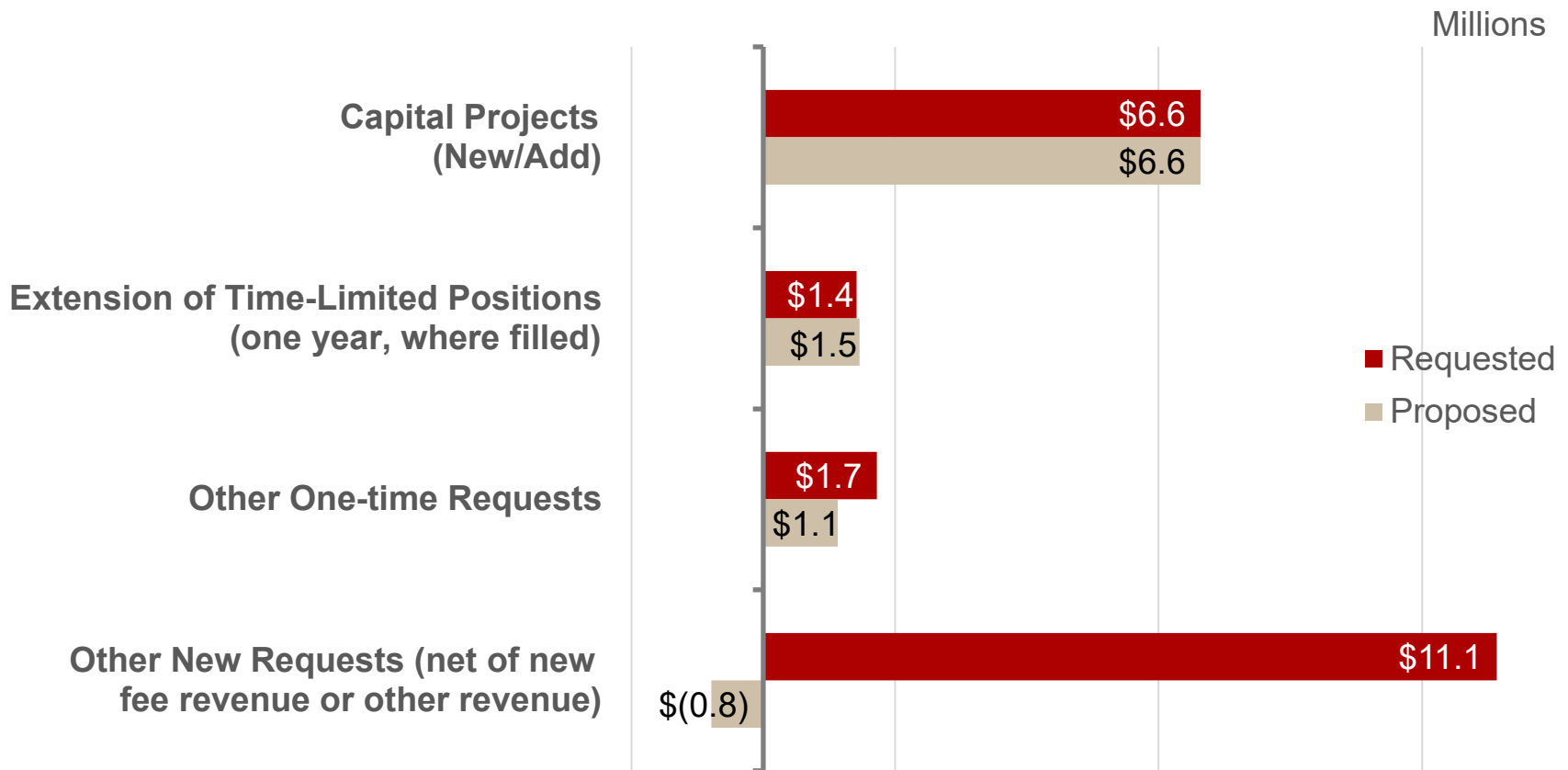
Tale of Two Budgets

- Tax funds are bordering on structural imbalance, however the beginning balances are still healthy
- Extremely limited funding for new ongoing requests beyond comp and benefits
- Library Fund and other funds not reliant on property taxes are in good shape



Requests vs. Proposed

New County Funding* – Countywide Tax Funds



* Net of new fee and other non-tax revenue. This chart excludes pay increases for county employees and Indigent Legal Services, grants, technical adjustments, use of restricted funds, tax revenues, project re-budgets, and charges for fleet and OPEB.



Proposed 2025 Budget

Restored Contra-Accounts

- Restored the negative budget amounts imposed in contra-accounts in 2024
 - Added back as part of the 2025 Adjusted Base Budget
 - Restored in both Personnel and Operations



Proposed 2025 Budget Compensation & Benefits Package

Salary/structure increases effective 1/1/2025

- Non-Sworn Employees
 - 1.5% structure and pay increase
 - 2.0% pay increase, or 1.0% longevity for those at the top of the range
- Sworn Employees (Sheriff & District Attorney)
 - 2.0% structure and pay increase
 - 2.75% merit increase for those eligible, or 1.0% longevity payout for those at the top of the range



Proposed 2025 Budget Compensation & Benefits Costs

in millions \$

Compensation and Benefits	Amount
Non-Sworn Structure and Pay Increase	\$10.4
Sworn Structure and Pay Increase	3.0
Market Based Grade Changes	0.3
Indigent Legal Services 3.5% Increase	1.4
Health Insurance Increase 8%	5.1
Total	\$20.2



Health Insurance

- **8% Health insurance increase**
 - Increase impacts employees' monthly costs in the PPO plans
 - All departmental organizations with health insurance line items
 - May draw down excess fund balance of the health account in ESR
- **Increase in deductibles and out of pocket max**
 - \$500 increase per year for individuals
 - \$1,000 increase per year for families
 - Applies to both the PPO plans and high deductible plans
 - Budgetary savings used to bolster employee pay increase
- **High Deductible Plans are Financially Superior for Employees**
 - If an employee contributes to an established Health Spending Account the amount they would have paid for the comparable PPO account plus the associated deferred taxes, and considering the County contribution to the account, the overall amount in the account will be greater than the high deductible.
 - Health Spending Accounts can also carry forward in time for either 1) future health costs or 2) to bolster retirement savings; and 3) contributions are pre-tax
 - Currently approximately only 80% of employees are enrolled in the high deductible plans



Employee Service Reserve (ESR)

Health Insurance

- Health insurance has a minimum reserve per policy of 15% of annual medical and dental expenditures.
- Projected beginning balance is \$2M above minimum reserve policy.
- 8% proposed increase in health insurance charges to employees and county organizations may draw that fund balance down if: medical expenses go up more than 8%, or if "shock" claims above \$25K do not return to normal levels.



Other Post-Employment Benefits (OPEB)

- Current OPEB revenue from county orgs exceeds related expenditures
- Charge was reduced by \$2.5M, in an attempt to match expenditures while at the same time benefitting county organizations by the same amount



Fleet Levy – Capitalization Rate

- One-time reduction in vehicle replacement charges
- To reduce fleet capitalization from 87% to the 70% recommended by the board

<i>in thousands \$</i>	Budget Reduction
Governmental Funds	(\$1,862)
110 - General Fund	(1,122)
120 - Grant Programs Fund	(266)
180 - Rampton Salt Palace Conv Ctr	(10)
185 - SLCO Arts & Culture Fund	(2)
250 - Flood Control Fund	(180)
340 - State Tax Administration Levy	(70)
360 - Library Fund	(112)
370 - Health Fund	(86)
390 - Planetarium Fund	(14)
Proprietary Funds	(2,536)
650 - Facilities Services Fund	(244)
710 - Golf Courses Fund	(28)
726 - UPACA/Eccles Theater Fund	(6)
730 - Solid Waste Managemnt Facility	(81)
735 - Public Works and Other Servcs	(2,177)
Grand Total	(\$4,398)



Shift of Property Tax Rates

Health Fund to General Fund

- Rate moved: 0.000022
- Property tax and Motor Vehicle Fee-In-Lieu of Taxes moved: \$4,155,058



Fund Transfers

Significant Changes

Ongoing Transfers

- TRCC to General Fund – Recreation Ops (40%→ 42% of revenue; annualization of My County Rec Pass) \$4.1M
- General Fund to Grant Fund – Operations \$0.5M
- General Fund to Tax Admin Fund – Minimum Fund Balance \$0.8M

One-Time or Temporary Transfers

- Visitor Promotion Fund to General Fund – Recreation Ops \$2.0M
- TRCC to Bond Projects Fund – SW Valley Arts Center \$15.0M



Transformational Initiatives

Multi-Year Plan

- Several initiatives are ending in 2024
- Unspent funds on multi-year projects are carrying over
 - 2025 projection is \$62.1M
 - 2026 projection is \$1.8M



New Capital Project Request Highlights

in millions \$

Salt Palace - Escalator Upgrade	\$3.3
Salt Palace - Facility Capital Maintenance	1.0
Flood Control - Sewage Canal Syst Improvement	1.5
Library - Draper HVAC Replacement	1.0
Library - South Jordan HVAC Replacement	1.0
Capital Improv. - County Wide Facilities Condition Assessment	1.5
Capital Improv. - Youth Services Christmas Box House Day Room Remodel	1.3
Capital Improv. – Youth Services Exterior Siding & Window Replacement	3.6
Capital Improv. - ECC Server Room A/C Replacement	1.2
Energy Management Projects	1.2
Transportation - Midas Creek Bridge	2.9
Transportation - Annual Trail Maintenance	1.2



TRCC Proposal

- Mayor proposal includes
 - 42% of TRCC revenues to Parks and Recreation ops and continuation of the My County Rec Pass
 - Funding for Southwest Valley Arts Center
 - Increased funding for capital projects and outside contributions
 - Funding for Utah Avalanche Center
- TRCC Advisory Board concurred with community projects totaling \$6M



TRCC New Requests

Support Program Contributions

City of Holladay	City Hall Auditorium Renovation Design	\$22,500
City of Riverton	4200 West Pond - Concept	\$36,000
	Riverton City Hall Playground	\$710,000
City of West Jordan	Ron Wood Skate & Bike Park Phase II	\$250,000
Cottonwood Heights	Bywater Park Improvements	\$412,217
Millcreek City	Millcreek Common Phase II Open Space	\$1,503,069
RAD Canyon BMX	BMX Facility Renovation - Bingham Creek Regional Park	\$303,144
Sandy City	Bicentennial Park Pickleball Courts & Playground	\$700,000
Taylorville City	Summit Park	\$1,503,070
Tracy Aviary	Eco-Learning Lab at Tracy Aviary's Nature Center at Pia Okwai	\$500,000
Trails Utah	Grandeure Trail Re-route	\$30,000
	Herriman BST Re-route	\$30,000
Total		\$6,000,000



Community Services Department

Proposed 2025 Budget

Operations Requests Highlights:

- Library
 - Library Server Software Maintenance \$90K
 - Integrated Notification Software \$50K
 - Library Collection \$140K
- ZAP Impact Program extension 1TL FTE \$170K
- Planetarium – \$92K new requests, \$223K new revenue
- Arts & Culture
 - Booking Coordinator, 1 FTE, \$81K offset by revenue
 - Secure Ticketing software, \$13K offset by revenue



Larry H. and Gail Miller Family Art Center Funding

- Larry H. and Gail Miller Family Foundation
 - Land
 - \$25M cash over four years
- Cash infusions from TRCC
 - \$6.6M (2024)
 - \$15M (2025)
 - \$5-10M (2026)
- TRCC bond
 - \$33.6M-\$38.6M (2026)
- \$90.2M project total



Convention & Visitor Services

Proposed 2025 Budget

- Visit Salt Lake budget increase \$1.3M
- Sundance contribution \$150K
- Sports Commission contribution \$100K
- Utah Restaurant Association contribution \$25K
- Salt Lake Area Restaurant Association \$25K
- Convention & Tourism Assessment Area (CTAA) increase, \$490K revenue & exp \$0K



Human Services Department

Proposed 2025 Budget

- Aging and Adult Services
 - Senior center operations cost increases \$235K
- Health
 - Food Protection Program, 1 FTE, offset by fee revenue
 - Billing Specialist and IT Roadmap, grant funded 1 TL FTE
- Indigent Legal Services
 - Extend LDA TI funded social services contract; funded by committed fund balance \$184K
 - Extend Caseload Reduction Transformational Initiative – Social Services Professionals and Data Analyst \$352K



Jail Resource & Reentry Program

Proposed 2025 Budget

- 2024 Funding
 - \$1.1M from General Fund
 - \$0.4M Transformational Initiative
- 2025 Funding
 - All General Fund
 - Base budget of \$1.1M removed due to move from ARPA dept. IDs
 - Proposed budget is \$1.6M
 - Y/Y incremental is \$0.5M

Criminal Justice Services	\$761K
Behavioral Health Services	\$211K
Indigent Legal Services	\$162K
County Jail	\$449K
Total	\$1,587K



Opioid Settlement Fund

Proposed 2025 Budget

in thousands \$

University of Utah	Substance Use and Pregnancy - Recovery, Addiction, Dependence (SUPeRAD) clinic	\$90
	Intensive Outpatient Clinic	\$400
Children's Center Utah	Capital and program operations	\$190
Health Dept.	Naloxone kits	\$100
Sheriff	Medicated Assisted Treatment (MAT) expansion	\$46
Total		\$826



Regional Development

Proposed 2025 Budget

- Budget Neutral Requests
 - Sustainability Initiatives – TL FTE funded by assigned funds (emissions settlement) for 3 years
 - Solar for All – state grant
- Regional Projects Fund
 - Kem C. Gardner Policy Institute membership \$50K
 - Kem C. Gardner Policy Institute collaboration \$50K
 - Transportation & Land Use Connection (TLC) grant program \$300K
 - Housing Trust Fund \$711K



Flood Control

Proposed 2025 Budget

- 2 new FTE \$219K
 - Stormwater Program Supervisor
 - Fiscal Coordinator
- Revenue reduction from
Public Works Engineering \$344K
- Midvale yard pavement \$16K
- Watershed grant \$70K



Admin Organizations

Proposed 2025 Budget

Administrative Services Highlights (excl. IT)

- Government Center utilities increase \$128K
- Records Management & Archives - extend TL position
1 yr with offset in Mayor's Finance \$89K

Mayor's Financial Administration

- CPA In-Grade Advancements \$84K
- Payment card conversion campaign – rebate revenue (\$84K)
- Reduced Ops budget to offset Records & Archives FTE (\$75K)
- External audit services (Stat & General) \$23K



Approved TAB Projects

Proposed 2025 Budget

Information Technology

- TORUS system project, 2 TL FTE extension \$248K
- Mainframe migration, 1 TL Project Mgr. extension \$159K
- Hardware and software maintenance (1/2) \$155K

Contracts & Procurement

- P-Card compliance software \$25K

Fleet Management

- Fleet Management Information System \$300K

Library

- Integrated Notification Software \$50K

Arts & Culture

- Secure Ticket Solution \$26K



Proprietary Funds

Proposed 2025 Budget

Enterprise and Internal Services Funds were largely approved as requested

- Fleet
- Golf
- Eccles Theater
- Solid Waste Management
- Public Works Enterprise Fund
- Most of Facilities Services



Other Elected Offices

Proposed 2025 Budget

in thousands \$

Assessor	PUMA project	\$847
	Personal Property project	127
Clerk	Benefits costs increase	46
Council	Base personnel annualization	112
District Attorney	Extension of TI: Court Backlog, 4 Time-Limited FTE	439
	Sworn compensation (Legal Investigators)	91
Sheriff	Sworn compensation	2,916
	Ballistic/Stab Vests	225
	3 rd District Court contract expansion, 4 FTE (\$472K)	0
Surveyor	Extension of TI: Public Land Survey System, 3 TL FTE	394
Treasurer	Postage and tax notices printing	25



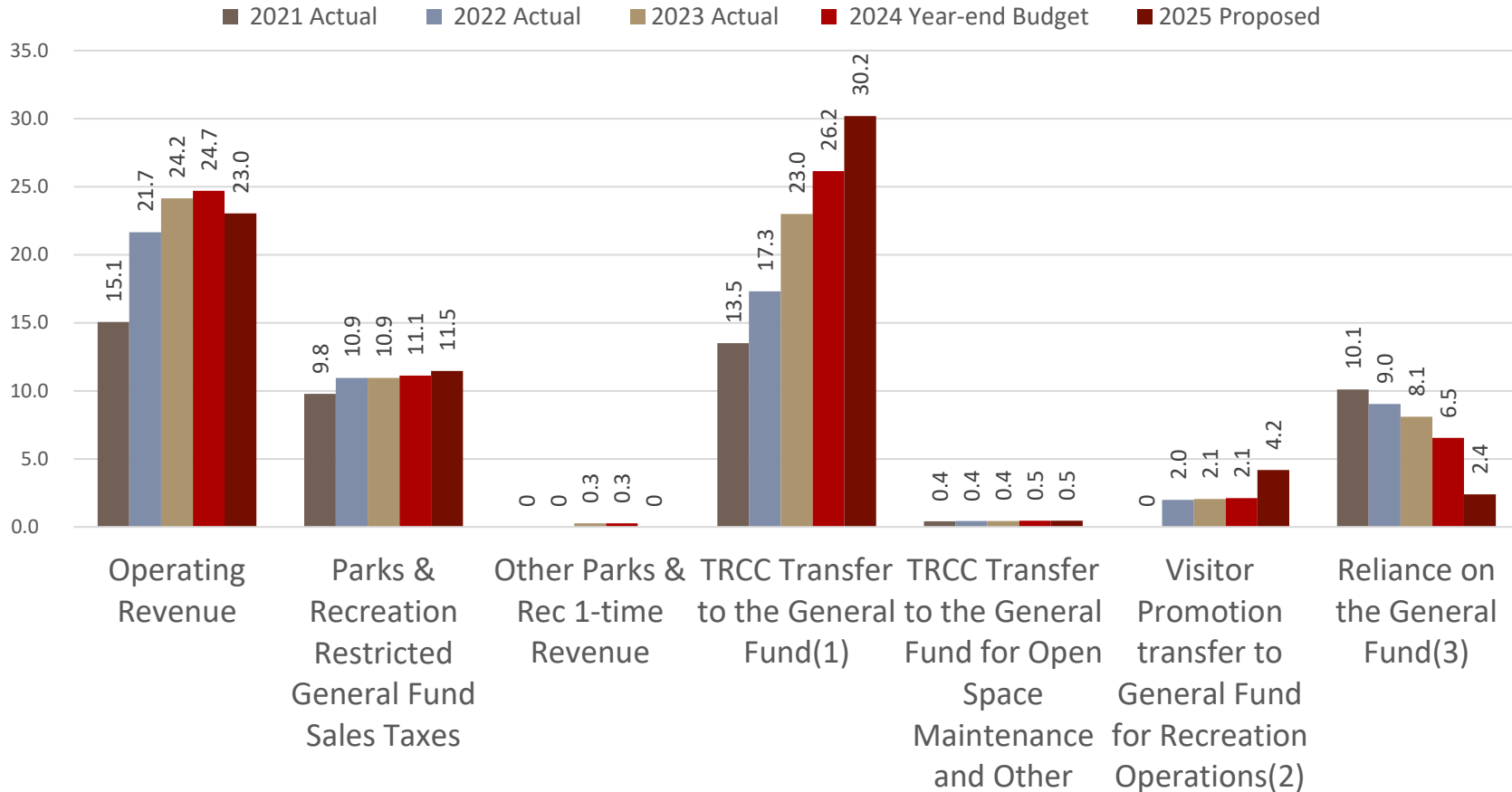
Analytics





Parks and Recreation

Funding Sources (\$M)



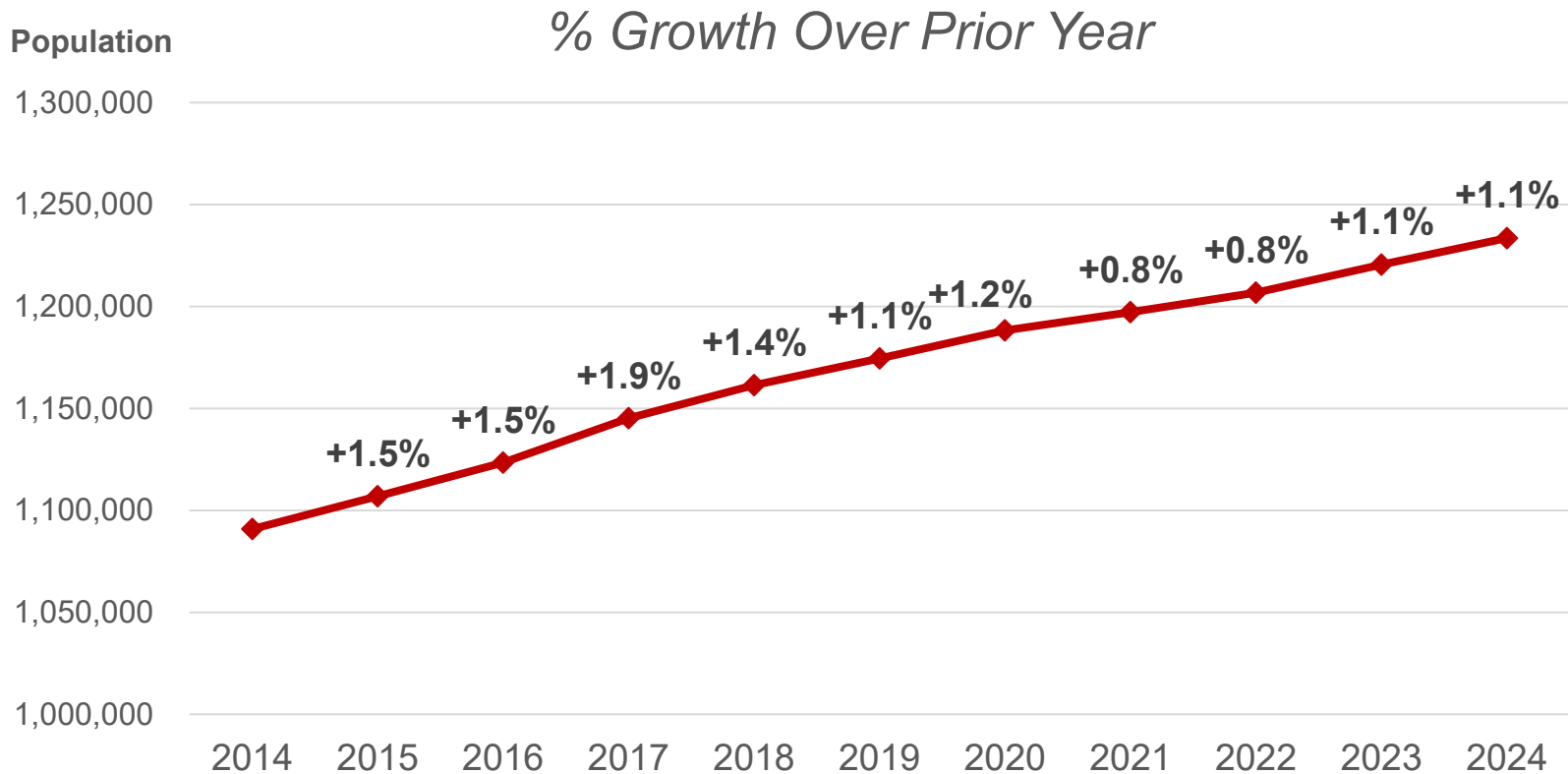
(1) TRCC fund transfers to Parks & Recreation operations, currently at the maximum recommended by the TRCC Advisory Board.

(2) Visitor Promotion fund transfer to the General Fund for Recreation operations subsidy.

(3) Of the amounts shown, ARPA funded \$10.0M in 2021 and \$8.8M in 2022.



County Population Growth Trend



Source: Utah Population Committee, Kem C. Gardner Policy Institute, University of Utah

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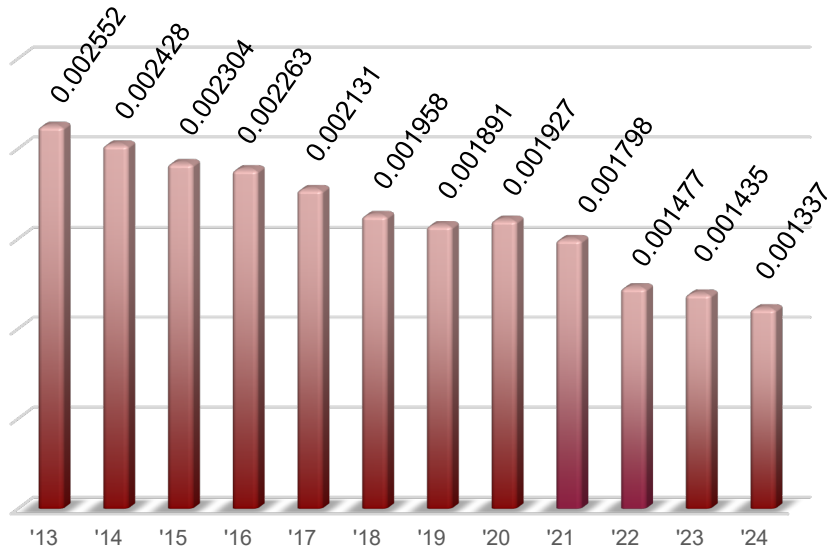
13.1% Cumulative Population Growth from 2014 to 2024



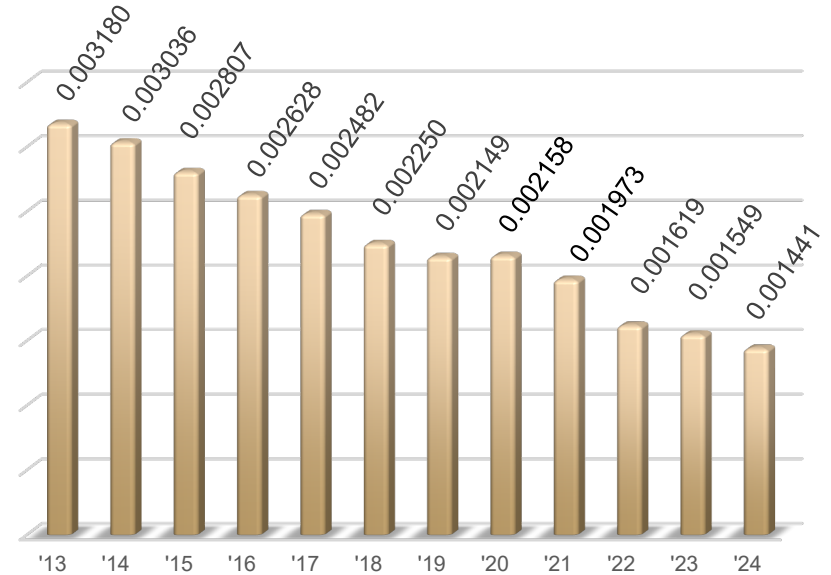
Declining Trend in Property Tax Rates

Countywide and Assessing & Collecting

Excluding Bond Debt Service and Judgment Levies



Including Bond Debt Service and Judgment Levies





2024 Year-End Adj. Budget FTE Changes

Organization	County Funding	Time Limited	Note
Criminal Justice Advisory Council		2	HUD Coordinated Entry 1, Youth Homelessness Grant 1
Election Clerk		.25	.75 FTE to 1
District Attorney		1	OVW Grant Award 1
Youth Services		2	YSV-SAPT Grant 2
Health		2	HLT_SAPT Grant 1, HLT_PAT INFRA WIC 1
Totals	0	7.25	



2025 Proposed Budget FTE Changes

	Grant Or Other Funding	County Funding	Enterprise Funds	Time Limited	Transfer	Notes
Mayor Administration				-1		ARPA Program Analyst in Data and Innovation TL Expiration -1
Criminal Justice Advisory Council	2			-1		Unspecified job code Continuum of care grant TL 2, Criminal Justice Initiative Policy Coordinator TL Expiration -1
Office of Regional Development	-5.75			1		Vacant HCD Grant True-up (-2 NSW, -3.75 TL), Sustainability Coordinator 1 TL,
ORD ARPA	-0.25			-1		Vacant HCD Grant True-Up -.25, Housing Trust Fund Program Mgr TL Expiration -1,
Criminal Justice Services		7		1		Jail Resource and re-entry: Case Manager Supervisors 2, Case Managers 5, Case Manager TL 1
Criminal Justice ARPA				-7		Case Manager Supervisor and Mangers TL Expirations -7 (4 Vacant, 3 Filled)
Parks				-2	-4	Park Development Project Mgr TL Expirations -2, Transfer Admin positions from Parks to Recreation -4
Recreation					4	Admin positions from Parks to Recreation 4
Animal Services GF				2		Veterinarian and Veterinarian Tech for Mobile Unit Transformational Initiative, TL 2
Information Technology				-1		Project Manager, Mainframe Programmer, Other TL Expirations -4, Torus Budget: Systems Analyst, Business Analyst, Project Manager TL Extensions 3
Human Resources				-1		Vacant TL Expiration -1
Records Management & Archives				-		Extended Archivist TL



2025 Proposed Budget FTE Changes [cont.]

	Grant Or Other Funding	County Funding	Enterprise Funds	Time Limited	Transfer	Notes
District Attorney				4		Case Manager TL (2), Paralegal II TL, Legal Secretary TL
DA ARPA				-14		Various: Legal Secretary, Paralegal, Data Specialist, Case Manager, Legal Investigator TL Expirations -14
Sheriff and Jail	4	-1				3rd District Court Deputy I 4, Reductions -3, Jail Resource and Re-entry Deputy II 2
Jail ARPA				-4		Vacant Deputy II TL Expirations -4
Surveyor				-		Chief of Part, Surveyor, Surveyor Tech TL Expirations -3, Same 1 Yr TL Extensions 3
Youth Services				-2		Vacant Grant True-up TLs -2
Aging and Adult Services				-1		Filled Grant True-up TL -1
SLCO Arts and Culture		-5				Booking Coordinator 1, 3 FTE Allocation Errors Corrections -1.5
Eccles Theater			1.5			3 FTE Allocation Errors Corrections 1.5
Flood Control		2				Stormwater Program Supervisor, Fiscal Coordinator
ZAP Fund Administration				-		Extended Expiring Impact Program TL
Assessor				-4		Filled Office Specialist TL -1, Filled Data Collector TL -3



2025 Proposed Budget FTE Changes [cont.]

	Grant or Other Funding	County Funding	Enterprise Funds	Time Limited	Transfer	Notes
Library		-0.5				FTE Error correction
Health	-9.75	2		-9.75		Billing Specialist, Food Protection Program, Grants true-up -9.75
Totals	-9.75	9.0	1.5	-31.0	-	



Total FTE changes in 2025 Budget: -30.25
 Total FTE changes since 2024 June Adj. Budget: 7.25
 Total FTE in 2024 June Adjusted Budget: 4,283.12
 Total FTE in 2025 Proposed Budget: 4,260.12



Fund Summary

General Fund & Related

in millions \$

Budget Year 2025	Projected Beginning Balance	Budgeted Ending Balance	Projected Ending Balance
General Fund	150.0	109.4	133.9
Flood Control	20.3	1.4	2.8
Health	20.7	10.0	17.3
Planetarium	1.9	1.7	2.0
Grant	8.8	.02	2.0
Tax Admin	3.8	2.0	3.3



Bond Issuances

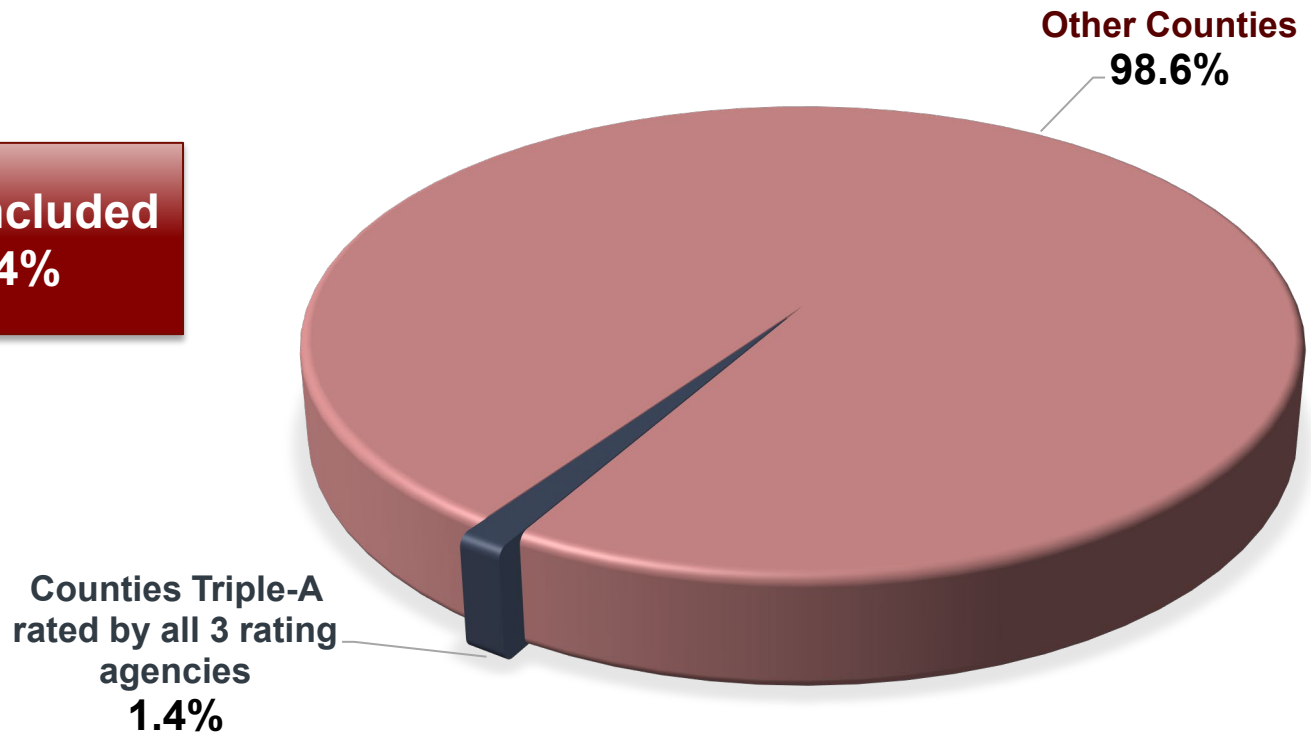
- MBA refinance imminent
- Possible \$507M of GO authorization
 - Taken out in two or three tranches – 2026, 2027, 2028
 - Use existing cash to flex timing, maximize interest earnings
- 2026 TRCC bond for Larry H. and Gail Miller Family Art Center - \$38.6M
- Forward purchase agreement \$13.9M (refinance)
- Possible county office capital maintenance or new building bond in 2026



Salt Lake County – Triple-A Rated

Staying Among Financially “Elite”!

**SL County included
in top 1.4%**





2025 Budget Recap

- All funds are balanced
- General fund positioned to swiftly react to economic deterioration
- Assigned fund balance for future anticipated capital needs – total \$100M
- Net appropriations at \$2.0B





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

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

