

# June Budget 2021

Mayor Jenny Wilson

June 8, 2021

Presented by Darrin Casper



# 2021 Budget Goals

- Begin implementing a budget recovery in line with revenue recovery
- Ensure structural balance in 2021 and ongoing
- Prepare County for 2022
- Look to restore ancillary fund balances
- Revisit commitments made by policy makers during the fall budget process



# 2021 Budget Direction

- Review COVID budget cuts
  - Mayor’s goal to review up to 25% of operating cuts in 2021 (50% annualized)
  - Capital project restorations considered for live/safety issues or exigent
- Review exigent requests
- New requests discouraged



# Highlights for June 2021

- Salt Lake County economy is strong and with the hardest-hit sectors improving (COVID health restrictions on travel and large gatherings lifted)
- Tax and operating revenues are recovering
- Elected/Department restoration of 10.4% of COVID operating cuts in 2021 and 19.3% annualized
- All funds structurally balanced
- County is well positioned for 2021 and beyond
- American Rescue Plan Act (ARPA) grants are not contained in this budget
- Certified Property Tax Rates not available until approx. June 15<sup>th</sup>



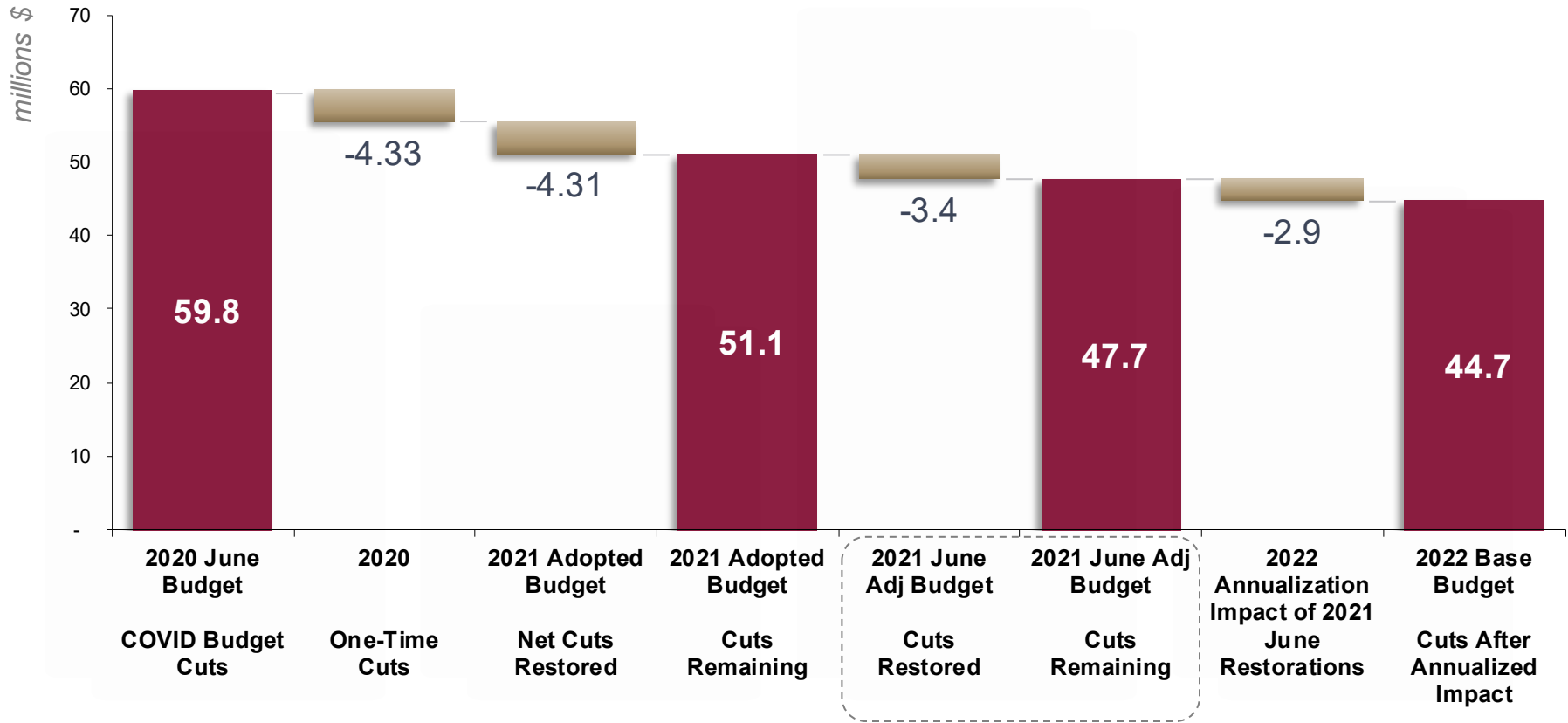
# Status of Macro Decisions from 2020

- Hiring Freeze
  - Discontinued in 2021 – vacancies still exceed 500 FTEs
- Organizational Reductions
  - Restored \$8.6M in 2021 Adopted Budget
  - Propose to restore \$3.4M additional COVID contra cuts today
- Capital project reductions/delays - most still delayed
  - Salt Palace Convention Center and Mountain America Expo Center
  - TRCC
  - Arts & Culture
  - Flood Control and other
- Major fund balance transfer changes remain in place from the Adopted Budget (excluding one-time true-ups)



# COVID Budget Cut Summary

## Proposed Restorations

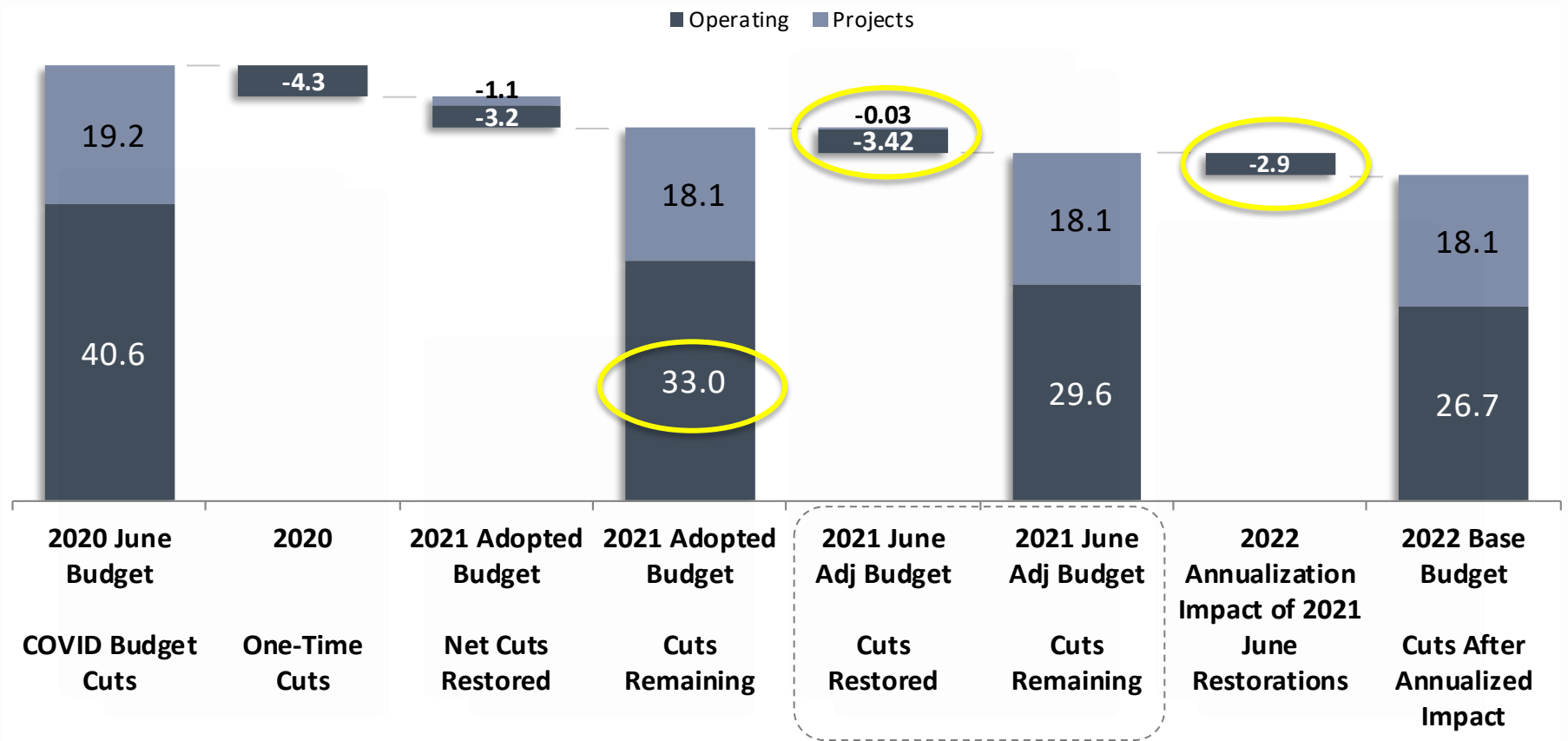




# COVID Budget Cut Summary

## Operations & Projects Breakdown

millions \$



Note: excludes some prior COVID budgetary actions, including some that had an offsetting operating revenue reduction or one-time revenues..



# COVID Budget Cut Restorations

	'21 Adopted Budget: COVID Operating Budget Cuts	June 2021 Budget Restorations		% of Operating Cut Restored	
		2021	2022 (Annualization)	2021	2022
Community Services Dept - Countywide Funding Orgs	(4,466,246)	754,670	688,730	16.9%	15.4%
Community Services Dept - TRCC	(6,703,353)			-	-
Community Services Dept - Library	(200,788)			-	-
Human Services Dept	(4,152,432)	480,403	457,348	11.6%	11.0%
Office of Convention & Visitor Services	(3,926,000)			-	-
Criminal Justice Advisory Council	(25,070)			-	-
Mayor Administration	(373,184)	53,082	67,322	14.2%	18.0%
Regional Development	(471,711)	117,928		25.0%	-
Public Works & Muni Svcs - Emergency Services	(560,521)	46,775	515,326	8.3%	91.9%
Public Works & Muni Svcs - Flood Control	(222,396)	111,198	111,198	50.0%	50.0%
Public Works & Muni Svcs - Fleet Management	(216,823)	8,500		3.9%	-
Administrative Services Dept	(1,935,735)	504,273	393,495	26.1%	20.3%
Human Resources	(190,846)	111,364	50,648	58.4%	26.5%
Mayor's Financial Administration	(191,751)	47,938	47,938	25.0%	25.0%
ESR Fund - Wellness, Fitness Center, Other	(67,444)	12,484	12,484	18.5%	18.5%
<b>Subtotal - Mayor</b>	<b>(23,704,300)</b>	<b>2,248,615</b>	<b>2,344,489</b>	<b>9.5%</b>	<b>9.9%</b>
Assessor	(744,195)	186,049	186,049	25.0%	25.0%
Auditor	(286,046)			-	-
Clerk	(1,000,000)	250,000	250,000	25.0%	25.0%
Council	(257,749)			-	-
District Attorney	(517,992)	465,000		89.8%	-
Justice Courts	(20,000)			-	-
Recorder	(13,382)			-	-
Sheriff	(6,362,468)	171,072	152,472	2.7%	2.4%
Surveyor	(42,868)	5,682		13.3%	-
Treasurer	(95,001)	95,001		100.0%	-
<b>Grand Total</b>	<b>(33,044,001)</b>	<b>3,421,419</b>	<b>2,933,010</b>	<b>10.4%</b>	<b>8.9%</b>

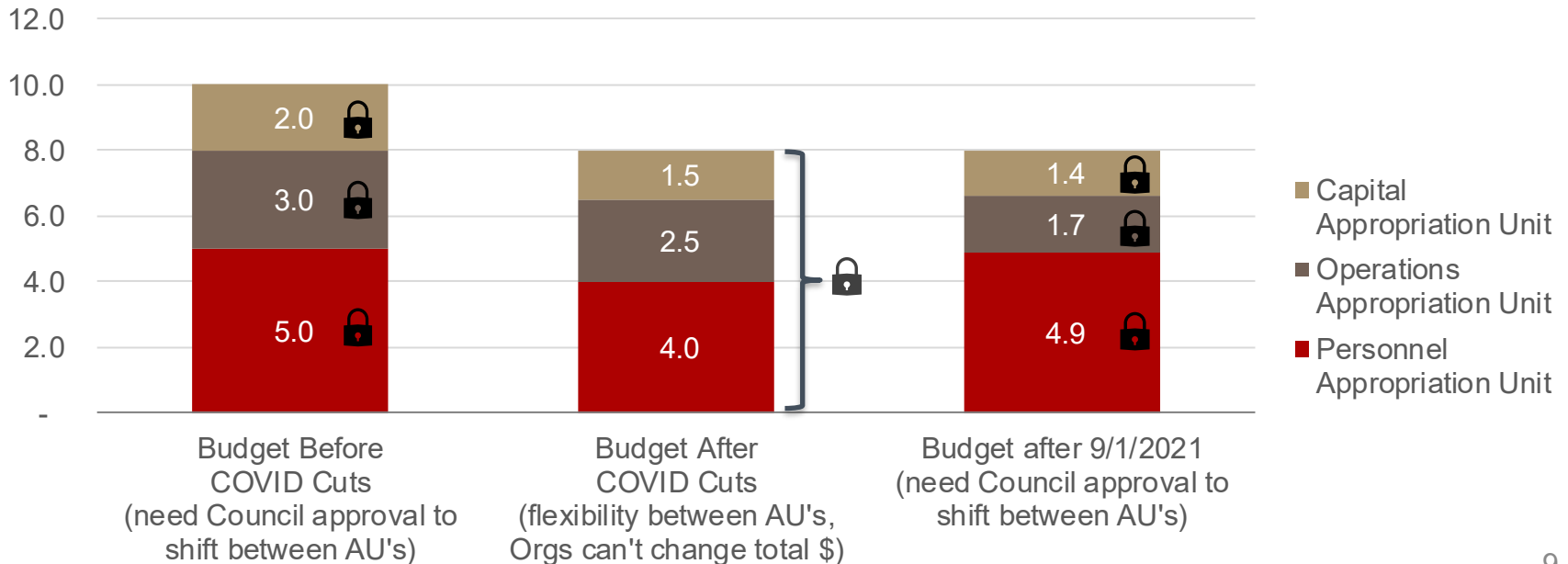




# Management Flexibility/Strategies

## Propose reinstating Appropriation Unit (AU) controls September 1, 2021

Example Organization Budgets with Changes to Appropriation Unit Controls





# Proposed 2021 June Budget Compensation & Benefits Package

Fall 2020 Commitment to revisit in June 2021

- 1.0% salary increase for General
- 1.0% salary increase for Trades
- Effective 1/1/2021
- Total Salary & Benefits Cost \$2.5M
- Additional Compensation
  - Sheriff Civilian Pay Equity Adjustment \$364K
  - District Attorney prosecutors \$309K



# Significant New Requests



*in thousands \$*

Org	Description	Net Amount	FTE
<b>Parks</b>	Operate Crestwood Pool summer 2021	\$12	
<b>Health</b>	Landfill tipping fee for the homeless encampment cleanups	\$25	
	VW emissions settlement EV charger project	\$89	
<b>Assessor</b>	PUMA system project indirect costs/IT development	\$439	
<b>Clerk</b>	Municipal Elections (\$1.7M Revenue, \$1.7M Expense)	-	
<b>District Attorney</b>	Market adjustment for prosecutors - retention & recruitment	\$309	
<b>Sheriff</b>	Civilian pay equity adjustment	\$364	
	Jail video arraignment expansion	\$519	12
	UPD contract adjustment	(\$501)	
<b>Public Works</b>	Solid Waste – D9 Bulldozer – balance sheet purchase	\$1,125	
	Fleet management software transition to vendor hosting	\$62	
	Solid Waste – 3 requests: cameras, POS software, true-up	\$45	
<b>Golf</b>	Golf cart replacement and facility improvements – from assigned fund balance / balance sheet	\$600	



# TRCC Proposed New Requests

*in thousands \$*

<b>Exigent Requests</b>	Northwest Recreation Center Pool Repair	\$300
	Meadowbrook Golf Course Water Supply	\$1,000
	Spence Eccles Field House Turf Replacement	\$210
<b>New Request</b>	Rose/Yellow Fork/Butterfield Canyon Trails	\$1,197
<b>COVID Restoration (capital)</b>	Parks Equipment Replacement Fund	\$13
	Recreation Equipment Replacement Fund	\$15



# TRCC Proposal

- Mayor's Proposed Budget aligns with Advisory Board recommendations
- 34.4% of TRCC revenues to Parks and Recreation Ops
- Proposed ending fund balance \$10.3M

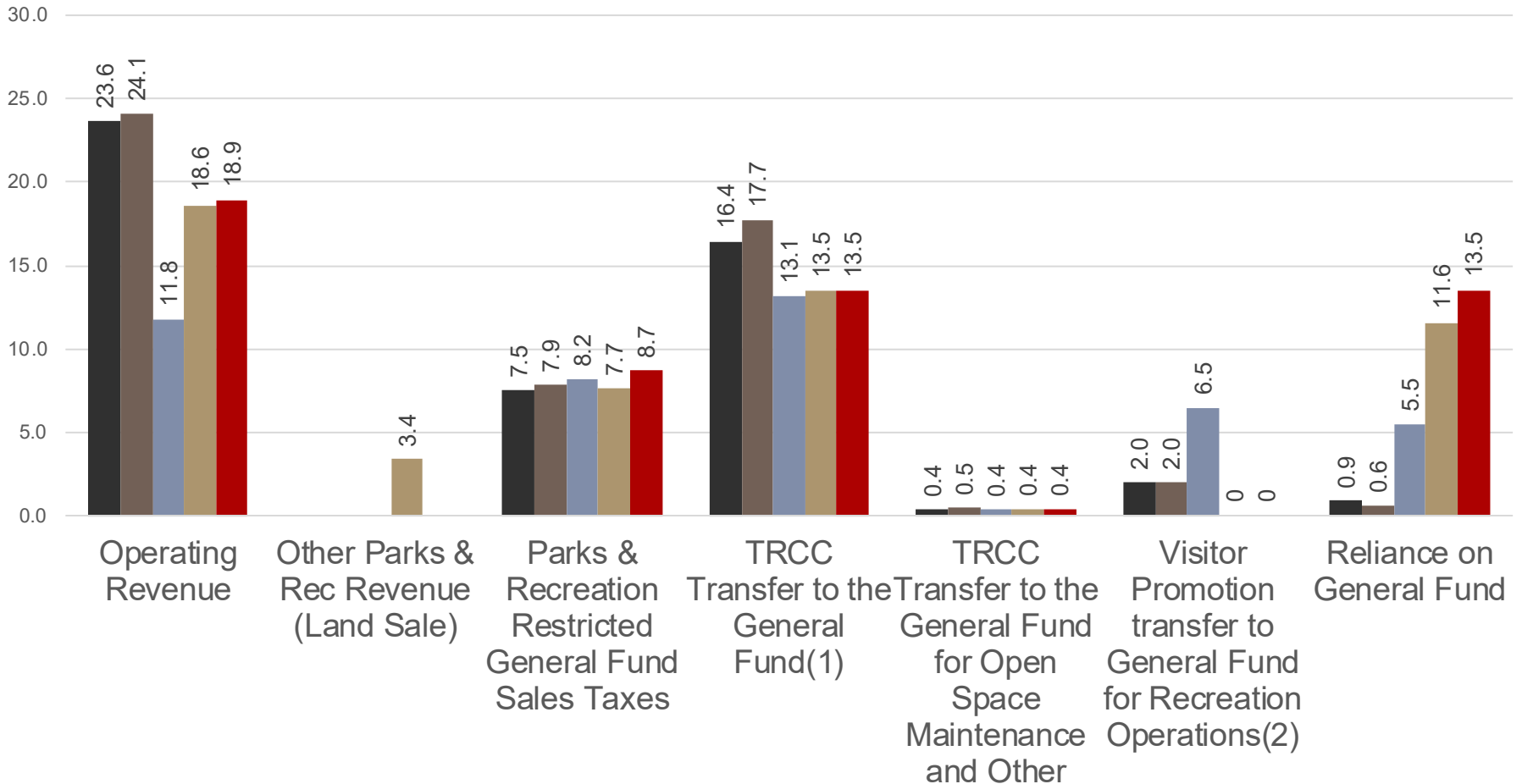
	2019 Actual	2020 Actual	2021 Adopted Budget	2021 Jun Adj Budget
(\$M)				
Sales Tax Revenue	45.4	33.5	37.9	40.5
Ending Fund Balance	9.6	13.6	3.1	10.3



# Parks and Recreation

## Funding Sources (\$M)

■ 2018 Actual   
 ■ 2019 Actual   
 ■ 2020 Actual   
 ■ 2021 Adopted Budget   
 ■ 2021 Adjusted Budget



(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.



# FTE Changes

## June Budget Adjustments

	New County Funding	COVID Cut Restoration	Time Limited-Grant Funded	Transfer	Note
<b>Sheriff – Jail</b>	12				Jail video arraignment expansion
<b>Human Services – Indigent Legal Services</b>		1			System Manager, partnership w/ UT Indigent Defense Commission
<b>Human Services – Health</b>		2	2		Environmental Health Technicians and two new grants
<b>Regional Development</b>			1		HCD grant and EPA grant
<b>Mayor Administration</b>			1		HUD Coordinated Entry grant
<b>Parks</b>				2	Outdoor park programming
<b>Recreation</b>				-2	Outdoor park programming
<b>Totals</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>0</b>	

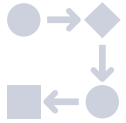
Total FTE from June Budget Adjustments:	19.00
Total FTE from Pre-June Interim Budget Adjustments:	3.00
Total Employee FTE in 2021 Adopted Budget:	<u>4,045.37</u>
Total Employee FTE in June Adjusted Budget:	4,067.37



# Technical Adjustments

- Overhead
- OPEB, ESR, Compensated Absences
- Grants
- Enterprise funds contract revenue & expense
- True-up beginning fund balances to PY actual
- Close out COVID Response Fund 140
- True-up capital projects for PY actual spend (done prior to June this year)
- Transfers and other technical adjustments





# Fund Balance Transfer Changes

From Fund	To Fund	For	Change (\$K)
<b>General Fund</b>	<b>COVID Response Fund</b>	Close out/Consolidate with the General Fund	<b>19,493</b>
	<b>Health Fund</b>	Operations subsidy	<b>(8,000)</b>
	<b>Grant Fund</b>	Grant programs	<b>150</b>
	<b>Grant Fund</b>	Housing funds from CJS to BHS (Pre-June Interim Adjustment)	<b>47</b>
<b>Health Fund</b>	<b>Public Health Center Fund</b>	HHW Building Project (Pre-June Interim Adjustment)	<b>89</b>
<b>Bond Debt Service-Millcreek SID Fund</b>	<b>Public Works &amp; Other Services Fund</b>	Public Works Ops Contract City Subsidy	<b>242</b>
<b>STR 2020 Bond Projects Fund</b>	<b>STR 2020 STH Debt Service Fund (F414)</b>	Reduce transfer to the amount needed for 2021 debt service and accumulate reserve for future debt payments	<b>(3,787)</b>



# COVID-19 Response

- New Fund 145: ARPA Fund
- \$225M (\$112.7M received 6/6/2021)
- Timeline of appropriations – after June, prior to November for first take

Eligible Uses	Description
<b>Support Public Health Response</b>	Funding of mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff.
<b>Address Negative Economic Impacts</b>	Respond to economic harms to workers, families, small business, impacted industries, and public sector.
<b>Revenue Replacement</b>	Use replacement of lost revenue to provide “Government Services”.
<b>Premium Pay for Essential Workers</b>	Those or who have and/or will bear the greatest health risk during critical in-person Covid work.
<b>Water &amp; Sewer infrastructure</b>	Necessary investment to improve access to clean drinking water and to invest in wastewater and stormwater infrastructure.
<b>Broadband Infrastructure</b>	Expenditures to provide unserved or underserved locations with new or improved broadband internet access.



# 2021 Ending Fund Balances

\$M	Original Adopted Budget		June Adjusted Budget*		Change	
	Budget	Projection	Budget	Projection	Budget	Projection
General	64.9	84.9	79.7	99.7	14.8	14.8
Flood Control	1.4	1.6	2.0	2.2	0.6	0.6
Health	13.2	14.2	9.3	12.6	(3.9)	(1.6)
Planetarium	0.4	0.5	1.3	1.4	0.9	0.9
Tax Admin	4.1	4.7	4.5	5.0	0.4	0.3
Library	6.3	6.5	7.2	7.4	0.9	0.9
TRCC	3.1	3.1	10.3	10.3	7.2	7.2

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



# 2021 Structural Increases to Countywide Tax Funds

(Ongoing Expenses and Revenues)

Fund	Revenue	Expense	Net Impact to Fund Balance
General	\$13.5	\$9.6	\$3.9
Flood Control	-	0.3	(0.3)
Health	-	1.1	(1.1)
Planetarium	-	0	0.00
Tax Admin	-	0.6	(0.6)
<b>Total</b>	<b>13.5</b>	<b>11.3</b>	<b>2.2</b>



# 2021 Financing Plans

- Library Lease/Revenue bond
  - Amount estimated at \$25 M
  - Timing to be determined, issuance is in process
- No TRANs for 2021 due to federal cash



# 2021 Budget Recap

## All Funds

- All funds are balanced
- Net appropriations at approximately \$1.5 B
- We recommend ratifying all previously approved interim budget adjustments for formal adoption
- Certified tax rates not available until approximately June 15th
- Next Steps
  - Monthly revenue reporting to continue
  - Track structural balances
  - Look for further restoration in October



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

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*[http://slco.org/mayor-  
finance/budget/2021-budget-  
information/](http://slco.org/mayor-finance/budget/2021-budget-information/)*

