



# 2018 BUDGET IN BRIEF

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*Mayor’s Proposed Budget Presentation*

## MAYOR'S MESSAGE TO THE CITIZENS OF SALT LAKE COUNTY

On behalf of Salt Lake County, I am pleased to present this Budget in Brief for 2018. This summary provides important financial information that is intended to present a clear picture of our county's financial health, as well as highlight some of our top priorities and a look ahead to future challenges.

Salt Lake County is enjoying a strong economy. Over the past five and a half years, we've seen jobs in the county increase by more than 97,000; up 16 percent from January 2013. Salt Lake Metro job growth leads Los Angeles, Phoenix and Denver. Many businesses see in Utah a high quality of life with a well-educated workforce, where residents find opportunity to move up the economic ladder.

Salt Lake County's financial position remains strong. We hold a triple A bond rating from all ratings agencies on general obligation bonds and we gained a rarely-received upgrade on others. We balance our budget in bipartisan fashion and we look for continual improvement in efficient and effective service delivery.

We're getting the word out that Salt Lake is a vibrant metro area with great dining, lodging, nightlife and entertainment options. Tourism, convention and recreation tax dollars are an important county revenue source. Direct visitor spending from convention and meeting delegates brings millions of dollars into our economy and supports thousands of jobs.

We're catching up on capital maintenance and improvements. Our ongoing investment has delivered significant progress on maintenance and improvements for existing facilities. We're planning for five new libraries: Kearns, South Salt Lake, West Valley City, Daybreak and Herriman. We are partnering with local and state government leaders to modernize our infrastructure. That means less traffic and improved air quality.

Our core responsibility is public health and safety. We also manage important social programs that offer a critical "safety net" for our most vulnerable residents. Collaboration with state and city leaders is helping us tackle homelessness, drug abuse and the opioid epidemic head on.

To "bend the cost curve," and because it is also the right thing to do, I'm proud that Salt Lake County is emphasizing treatment and diversion from jail, utilizing new Medicaid dollars targeted to the homeless, repeat nonviolent drug offenders and the very poor.

We believe that the linchpin of success is a new specialty Drug Court. Eligible, nonviolent offenders picked up for drug use and drug purchases may volunteer for the program and receive structured case management and oversight by a judge to be placed in treatment, stay out of jail and return to self-reliance.



We are celebrating the diversity of our population—seeing how that diversity strengthens our economy and our communities and enriches our lives.

We do it in bipartisan fashion, by working together—Republicans and Democrats—to find common ground and accomplish our goals.

Sincerely,

**Ben McAdams**

Salt Lake County Mayor

## ELECTED OFFICIALS

County Mayor.....	<b>Ben McAdams</b> (Current Term: 2017-2020) <a href="mailto:Ben@slco.org">Ben@slco.org</a>
County Council:	
At-Large A.....	<b>Jenny Wilson</b> (Current Term: 2015-2020) <a href="mailto:JWilson@slco.org">JWilson@slco.org</a>
At-Large B.....	<b>Richard Snelgrove</b> (Current Term: 2017-2022) <a href="mailto:RSnelgrove@slco.org">RSnelgrove@slco.org</a>
At-Large C.....	<b>Jim Bradley</b> (Current Term: 2013-2018) <a href="mailto:JBradley@slco.org">JBradley@slco.org</a>
District 1.....	<b>Arlyn Bradshaw</b> (Current Term: 2015-2018) <a href="mailto:ARBradshaw@slco.org">ARBradshaw@slco.org</a>
District 2.....	<b>Michael Jensen</b> (Current Term: 2017-2020) <a href="mailto:MHJensen@slco.org">MHJensen@slco.org</a>
District 3.....	<b>Aimee Winder Newton (Chair)</b> (Current Term: 2015-2018) <a href="mailto:ANewton@slco.org">ANewton@slco.org</a>
District 4.....	<b>Sam Granato</b> (Current Term: 2017-2020) <a href="mailto:SGranato@slco.org">SGranato@slco.org</a>
District 5.....	<b>Steve DeBry</b> (Current Term: 2015-2018) <a href="mailto:SLDeBry@slco.org">SLDeBry@slco.org</a>
District 6.....	<b>Max Burdick</b> (Current Term: 2017-2020) <a href="mailto:MBurdick@slco.org">MBurdick@slco.org</a>
County Assessor.....	<b>Kevin Jacobs</b> (Current Term: 2015-2020*) <a href="mailto:KJacobs@slco.org">KJacobs@slco.org</a>
County Auditor.....	<b>Scott Tingley</b> (Current Term: 2015-2018) <a href="mailto:STingley@slco.org">STingley@slco.org</a>
County Clerk.....	<b>Sherrie Swensen</b> (Current Term: 2015-2018) <a href="mailto:SSwensen@slco.org">SSwensen@slco.org</a>
District Attorney.....	<b>Sim Gill</b> (Current Term: 2015-2018) <a href="mailto:SGill@slco.org">SGill@slco.org</a>
County Recorder.....	<b>Adam Gardiner</b> (Current Term: 2015-2020*) <a href="mailto:AGardiner@slco.org">AGardiner@slco.org</a>
County Sheriff.....	<b>Rosie Rivera</b> (Current Term: 2015-2018) <a href="mailto:RRivera@slco.org">RRivera@slco.org</a>
County Surveyor.....	<b>Reid J. Demman</b> (Current Term: 2015-2020*) <a href="mailto:RDemman@slco.org">RDemman@slco.org</a>
County Treasurer.....	<b>K. Wayne Cushing</b> (Current Term: 2015-2020*) <a href="mailto:KWCushing@slco.org">KWCushing@slco.org</a>

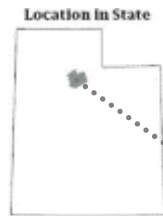
\* In 2014, the County Assessor, Recorder, Surveyor, and Treasurer were each elected to a one-time, six-year term that expires in 2020, so that half of the County's elected officials will be elected in each of the subsequent even numbered County election years.

## PROFILE OF SALT LAKE COUNTY

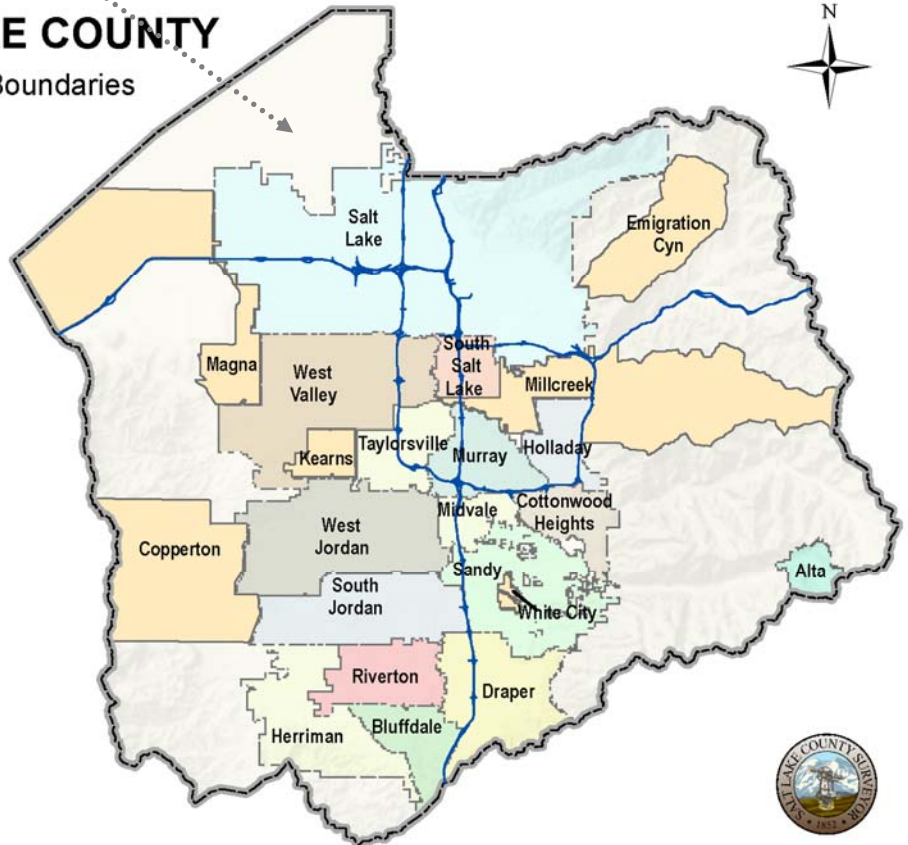
Salt Lake County comprises an area of 742 square miles. It is bordered on the west by the Great Salt Lake (one of the largest inland bodies of water in the United States) and the Oquirrh Mountains, and on the east by the Wasatch Mountains.

Salt Lake County is the most populous county in the state of Utah, with a population of 1.136 million, which represents approximately 37% of the total State population. The City and County area, often referred to as "the Crossroads of the West", is one of the largest metropolitan areas between Phoenix and the Canadian border, north to south, and between Denver and California, east to west. Over the past several years the growth and change in population, business, and industry have brought a national and international reputation to the Salt Lake Valley. The Salt Lake area received further worldwide attention in February 2002 as host of the Olympic Winter Games.

Salt Lake County is home to 16 incorporated cities, 5 metro townships, and one town, ranging in size from approximately 194,000 citizens to about 400 citizens. The first city was incorporated more than 160 years ago, while the most recent voted in November 2015 to incorporate. City governments provide municipal services such as garbage collection and disposal, snow plowing, street and sidewalk improvements, animal control services, and planning and zoning services to their residents, and Salt Lake County provides those same services to the Greater Salt Lake Municipal Services District and components of those services to cities on a contract basis.



### SALT LAKE COUNTY Municipal Boundaries



Salt Lake County - Municipal Boundaries & Unincorporated County.

## PROFILE OF SALT LAKE COUNTY (CONT.)

The County's government is structured as a Council—Executive form, where the executive is elected and is referred to as Mayor. There are nine part-time council members, three voted at-large to staggered six-year terms, and six are elected by district with staggered four-year terms. The County Mayor's term is four years. There are eight other elected officials who have independent authority defined by statute: the Assessor, Auditor, Clerk, District Attorney, Recorder, Sheriff, Surveyor and Treasurer.

The County provides a diversified range of regional countywide services, as well as certain municipal-type services. County services include:

- ❖ Human Services — public health services, behavioral health, aging & adult services (senior centers, meals on wheels, etc.), and youth services.
- ❖ Community Services — parks and recreation, centers for the arts (Abravanel Hall, Capitol Theater, Rose Wagner Performing Arts Center, Eccles Theater), golf courses, Clark Planetarium, and the library system (except for Murray City and Salt Lake City, which each maintain their own library systems)
- ❖ Public Safety — felony and misdemeanor prosecution by the District Attorney's Office; incarceration (jail), protective services, and law enforcement services provided by the Sheriff's Office; pretrial and probation services provided by Criminal Justice Services; and Justice Courts.
- ❖ Municipal Services — business licenses, street lighting, traffic engineering, highways, animal services, planning and zoning, and development services.
- ❖ Other — Property tax assessing and collecting, surveying, flood control, solid waste management, recording, elections, marriage licenses, passports, visitor promotion and convention services (Calvin L. Rampton Salt Palace Convention Center, Mountain America Exposition Center), and ordinance enactment and enforcement.



*Wardle Fields Regional Park Splash Pad*

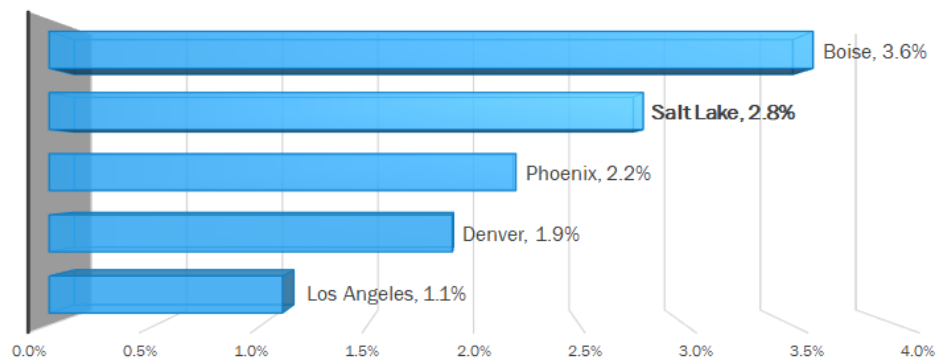
## ECONOMIC OUTLOOK



Salt Lake County's economy continued to expand into its seventh consecutive year in 2017, boosted by an expanding U.S. economy, which grew 2.3%. Currently, most of the economic indicators in the County are positive, including lower unemployment claims, increasing construction employment and high consumer confidence. Residential construction, which fell 10% in 2017, took a breather after years of expansion since the Great Recession.

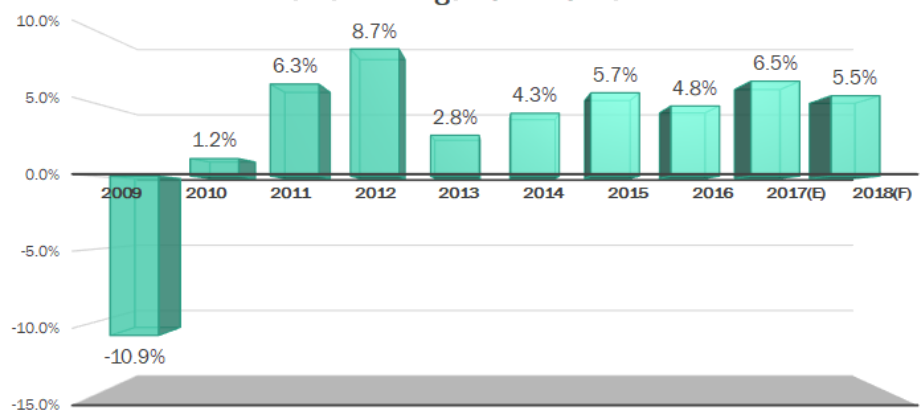
Salt Lake County employment grew more than 3% in four out of five years between 2012 and 2016. Commensurately, the County's unemployment rate fell from 5% to 3% in the same time period. Utah's job growth increased 2.6% in 2017, not enough to pull the unemployment rate from its 3% rate. Still the 3% unemployment rate is 1% below the national rate, implying a strong local economy. Job growth of 2.8% in the Salt Lake Metropolitan Area (which includes Salt Lake, Summit and Tooele counties) was higher than selected, nearby metropolitan areas of Los Angeles, Denver and Phoenix.

**2017 Employment Growth  
in Selected Western Metropolitan Areas**  
Percent Change from Prior Year



Salt Lake County taxable sales will end up growing about 6.5% in 2017. Increased sales taxes collected from internet sellers accounted for approximately 1-2% of that growth. In 2018, wage gains of more than 6% will push up taxable sales by around 5.5%. The taxable sales bump from internet sellers is expected to be less in 2018.

**Salt Lake County Taxable Sales**  
Percent Change from Prior Year



## COUNTY FINANCIAL CONDITION: PRESENT & FUTURE

### Current Financial Condition

The fiscal health of Salt Lake County remains as strong as ever. The County's bond rating remains one of the strongest in the world, with all three major rating agencies giving Salt Lake County the highest possible rating of AAA on its underlying General Obligation debt. Salt Lake County is currently one of only 41 out of 3,142 counties and county-equivalent government entities to have Aaa/AAA/AAA ratings from all three major credit rating agencies, effectively placing it in the top 1.3% of all counties in terms of creditworthiness.

Salt Lake County expects to maintain Fund Balance reserves that are at or above policy required minimums. The projected ending fund balances for selected funds are summarized in the table below:

FUND	PROJECTED 2018 ENDING FUND BALANCE (MILLIONS)	MINIMUM RESERVE (MILLIONS)
General Fund	\$53.8	\$34.2
Flood Control Fund	2.3	0.6
Health Fund	6.3	2.3
Library Fund	11.2	5.7
State Tax Admin Levy Fund	2.7	1.5
TRCC Fund	3.6	0.9

The 2018 Adopted Salt Lake County budget is fiscally responsible, ensuring that adopted expenditures match available sources of funds, and preserving essential services for citizens.

### Major Initiatives & Other Significant Budget Matters

The 2018 Adopted Budget includes the following major initiatives and other significant budget items:

- ❖ **Oxbow Jail Reopening** - The 2018 Budget includes \$7.5M to reopen the remaining two pods of the Oxbow Jail in July. This component of the ongoing Criminal Justice Reinvestment initiative will bring 368 beds online, though 300 of the beds will be committed to the State of Utah through a contract to house State inmates who are currently being housed in the Tooele, Davis, and Weber County jails, resulting in a net capacity increase of 68 beds. The Corrections Addiction Treatment Services (CATS) Program will also move back to the Oxbow Jail, from its temporary placement in Davis County.
- ❖ **2018 Elections** - 2018 is a County-wide general election year, with the possibility of a two-card ballot, depending upon the ballot questions. The 2018 election is being conducted mainly by mail. The County has budgeted \$2.1M in 2018 for elections, which includes approximately \$22,000 for two additional high speed scanners. The additional scanners are critical to having all of the ballots scanned and tabulated in a timely manner.

## COUNTY FINANCIAL CONDITION: PRESENT & FUTURE (CONT.)

### *Major Initiatives & Other Significant Budget Matters (cont.)*

- ❖ **Operation Rio Grande** - This three-phase plan by local, county and state leaders is to deal with crime and lawlessness in the area near the downtown emergency shelter, to improve public safety, and to help service delivery to homeless individuals. The 2018 Budget includes \$1.4M for ongoing law enforcement activities & Health Department cleanups in the Rio Grande area, treatment alternatives to jail incarceration utilizing extended Medicaid funding, Sober Living transitional housing, an expungement process to help participants qualify for housing and jobs, and a public/private partnership for job coaching, skills training and employment opportunities.
- ❖ **Library Construction Projects** - Beginning in 2018, five new or relocated libraries are being built in Kearns, Herriman, West Valley City, South Jordan, and South Salt Lake to better serve the growing communities in the west and southwest regions of Salt Lake Valley. The 2018 Budget anticipates bond proceeds of \$65.5M to fund these projects; only a relatively small fraction of these funds are likely to be spent in 2018, while the remainder will be re-budgeted in ensuing years until these projects are completed.
- ❖ **Employee Compensation** - The 2018 Budget includes a pay increase for eligible employees of 2.5%. The County has also set aside an additional \$2.7M in 2018 to address pay compression and other pay inequity issues.

### **Budget Challenges**

Salt Lake County faces several ongoing budget challenges that make it more difficult to achieve structural balance over the long term. Much of the County's expected annual budget challenges revolve around inflation and what is often referred to as the downward bias of property taxes. Currently, Utah's system of setting property tax rates does not allow the rates to offset the increased costs resulting from inflation. As a result, our property tax revenues grow more slowly than both population-driven increases in service demand and inflationary cost increases. Over time, the overall reduction in purchasing power of funds available may reduce the County's services to its citizens.

Other budget challenges the County faces include:

- ❖ **CDRAs** - Community Development and Renewal Agencies (CDRAs) divert increased County property tax revenue from project areas to provide incentives for development within the project area.
- ❖ **Sales Tax Volatility** - Sales tax revenues tend to grow during times of local economic expansion and decline during economic downturns, making it difficult to rely on sales tax revenues as a primary or new source of funding to cover inflationary cost increases for County programs or new requests.
- ❖ **Asset Maintenance & Renewal** - The County has an ongoing need to maintain, restore, and/or replace its physical assets to protect the County's initial investment in those assets and to ensure that safe and adequate County facilities are available for the benefit of the County's citizens.

## NET BUDGET CALCULATION

Salt Lake County's adopted budget for all funds is \$1.50 billion. Included in this amount are the budgets for the County's three internal service funds and various interfund charges. Since internal service funds are used to account for services provided by one County agency to other County agencies (rather than to the general public), the costs are essentially double-budgeted and should be adjusted to clarify the overall budget picture. Internal service and enterprise funds also only budget for operating expenses; consequently, capital purchases should be added back to the budget.

After adjusting the adopted budget for these internal service and interfund charges, and for the excluded capital purchases, the 2018 adopted net budget is \$1.37 billion.

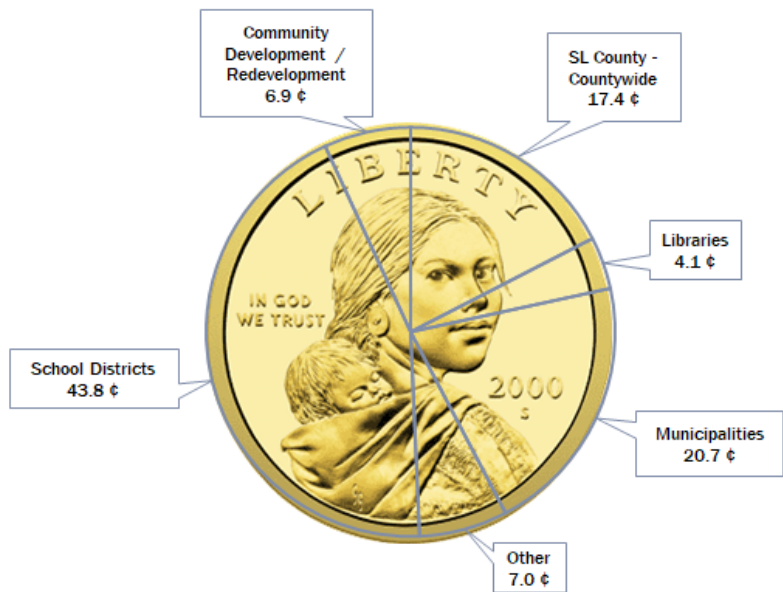
### 2018 NET BUDGET CALCULATION FOR SALT LAKE COUNTY (MILLIONS)

FUND NAME	2018 ADOPTED BUDGET	ADD: BAL. SHEET PURCHASES	LESS: INTERNAL CHARGES	2018 ADOPTED NET BUDGET
General Fund	\$342.1		(\$49.6)	\$292.5
State Tax Administration Levy Fund	30.4		(0.1)	30.2
Employee Service Reserve Fund	52.7	3.1	(50.2)	5.7
Grant Programs Fund	150.8		(2.7)	148.1
Library Fund	114.2		(0.3)	113.9
Health Fund	45.2		(0.1)	45.1
Economic Development Fund	23.1		(2.3)	20.8
TRCC: Tourism, Rec, Cultural & Convention	17.3			17.3
Rampton Salt Palace Convention Center	22.0			22.0
Visitor Promotion Fund	15.4			15.4
Zoos, Arts, & Parks Fund	20.9			20.9
Public Works & Other Services Fund	46.5	1.5	(9.5)	38.4
Fleet Management Fund	20.0	11.5	(11.8)	19.7
Facilities Services Fund	19.6	3.1	(19.1)	3.7
Flood Control Fund	11.3		(1.1)	10.2
Solid Waste Management Fund	10.7	11.9	(1.8)	20.7
Bond Debt Service Fund	31.0			31.0
Capital Improvements Fund	12.8			12.8
Transportation Preservation Fund	284.9		(0.3)	284.7
TRCC Bond Projects Fund	47.8			47.8
Parks & Recreation GO Bond Fund	84.0			84.0
All Other Funds	97.9	3.9	(13.5)	88.4
<b>Totals:</b>	<b>\$1,500.6</b>	<b>\$35.0</b>	<b>(\$162.4)</b>	<b>\$1,373.2</b>



*Draper Senior Center*

## PROPERTY TAXES



### ALLOCATION OF PROPERTY TAXES COLLECTED BY SALT LAKE COUNTY

Salt Lake County’s tax levy is only part of your total property tax bill. On average, the County keeps a little over 17 cents of each property tax dollar it collects, for countywide services, and about 4 cents for library services outside of Salt Lake City and Murray City. Municipalities (cities and towns) receive about 21 cents to pay for police, fire, road maintenance and other services. Community development and renewal agencies (also known as redevelopment agencies), which are controlled by municipalities, receive about 7 cents. School districts receive the largest share of the property tax at about 44 cents, and all of the other taxing entities such as special improvement, water and sewer, and mosquito abatement districts receive about 7 cents of each property tax dollar.

### PROPERTY TAX CALCULATION - EXAMPLE

Current Utah law gives homeowners a break on property tax by way of the residential exemption. Most other kinds of property are taxed at their full fair market value. This example is based on 2017 tax rates.

#### PRIMARY RESIDENTIAL PROPERTY

Appraised Market Value	–	45% Residential Exemption	=	Taxable Value	X	Countywide Tax Rate	=	Taxes Due
\$ 300,000	–	\$ 135,000	=	\$ 165,000	X	0.002492	=	\$ 411.18

#### BUSINESS PROPERTY

Appraised Market Value	=	Taxable Value	X	Countywide Tax Rate	=	Taxes Due
\$ 300,000	=	\$ 300,000	X	0.002492	=	\$ 747.60

## PROPERTY TAXES (CONT.)

### HOW SALT LAKE COUNTY USES ITS SHARE OF YOUR PROPERTY TAXES



**SL County -  
Countywide**  
**17.4¢**

**General Public Services - 3.8 cents** - Elections, assessment and taxation, flood control, education, economic development, support functions, and those functions required by law.

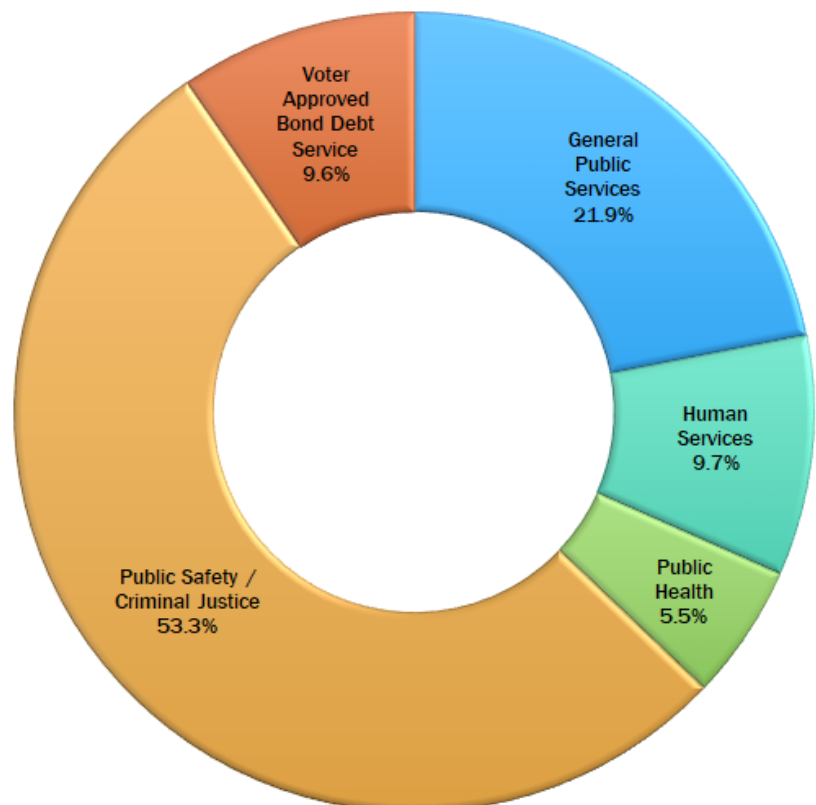
**Human Services - 1.7 cents** - Support services for abused and neglected children, treatment for substance abuse and mental illness, and services to help seniors live independently.

**Public Health - 0.9 cents** - Disease prevention, environmental protection, and family health support.

**Public Safety - 9.3 cents** - Jails, criminal prosecution, alternatives to incarceration, court security, and indigent legal expense.

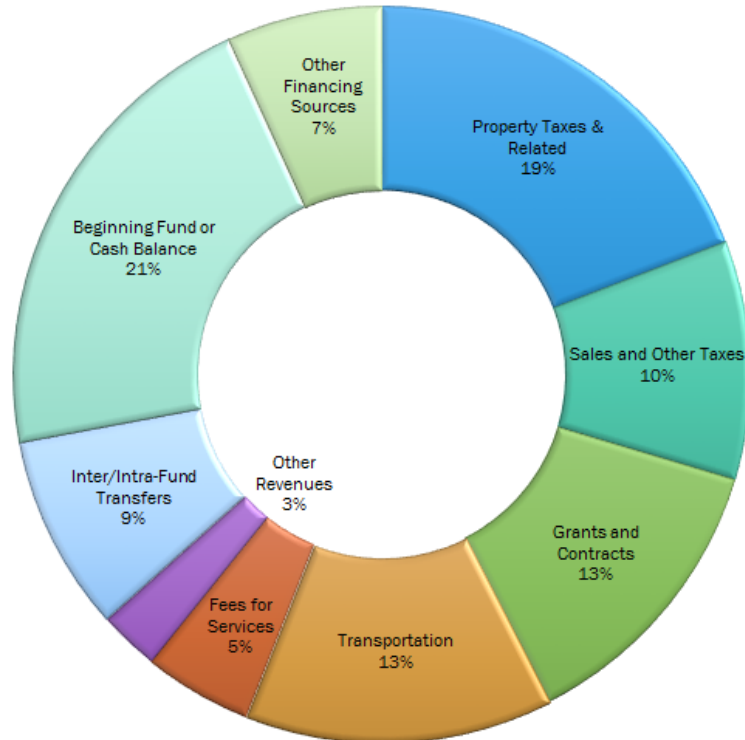
**Voter Approved Bond Debt Service - 1.7 cents** - Debt service for several bond projects that include major facilities like the county jail and nonprofit community projects like the Children's Museum of Utah, Hogle Zoo, Tracy Aviary, and Utah Museum of Natural History.

### SALT LAKE COUNTY PROPERTY TAX ALLOCATION



## BUDGET OVERVIEW: GOVERNMENT-WIDE SOURCES OF FUNDS

2018 ADOPTED BUDGET:  
GOVERNMENT-WIDE SOURCES OF FUNDS  
*\$1,614.7 MILLION*



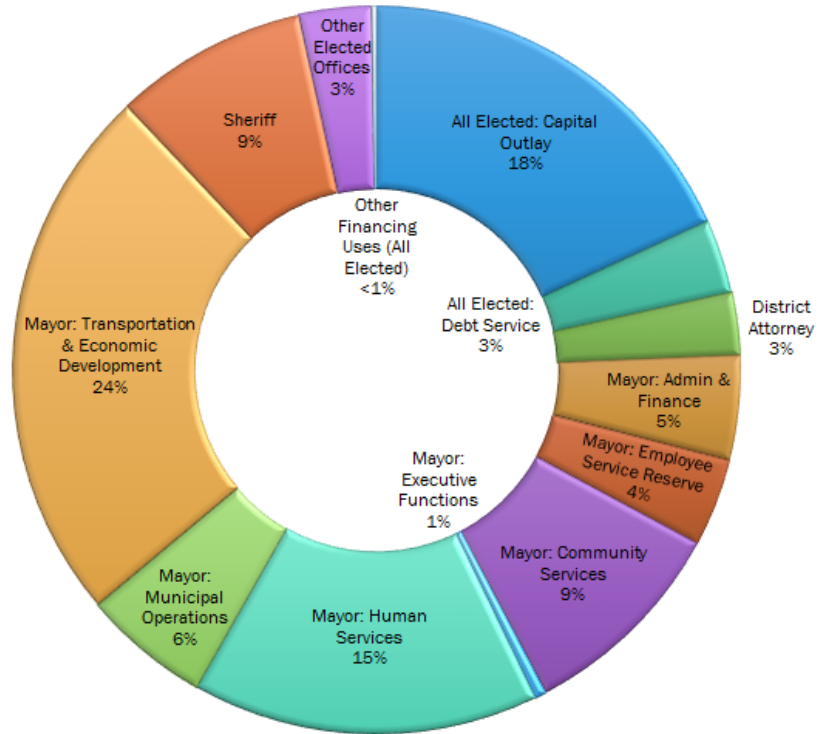
REVENUES AND OTHER SOURCES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
Property Taxes & Related	\$301.6	\$305.6	\$309.3
Sales and Other Taxes	170.2	161.8	169.1
Grants and Contracts	178.8	209.4	207.3
Transportation	187.5	251.7	218.5
Fees for Services	75.8	78.0	76.9
Other Revenues	42.8	44.6	42.6
Inter/Intra-Fund Transfers	123.6	139.1	139.5
Beginning Fund or Cash Balance	-	220.4	341.3
<b>Revenues &amp; Fund Balance:</b>	<b>\$1,080.3</b>	<b>\$1,410.6</b>	<b>\$1,504.5</b>
Other Financing Sources	36.2	256.3	110.2
<b>Total Revenues &amp; Other Sources:</b>	<b>\$1,116.5</b>	<b>\$1,666.9</b>	<b>\$1,614.7</b>

These charts and tables exclude sources and uses of funds for the Greater Salt Lake Municipal Services District, which contracts for services on behalf of the metro townships and unincorporated residents, and is no longer a component unit of Salt Lake County.

## BUDGET

## OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY ELECTED OFFICE

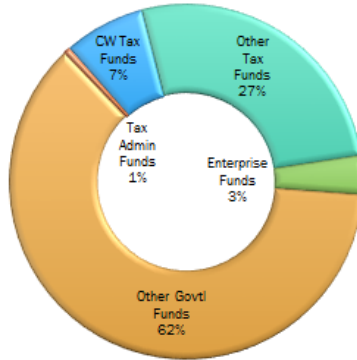
2018 ADOPTED BUDGET: GOVERNMENT-WIDE  
USES OF FUNDS - BY ELECTED OFFICE  
\$1,504.3 MILLION



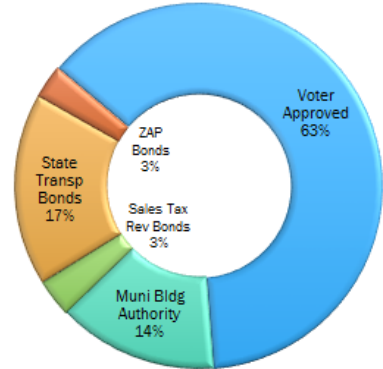
EXPENDITURES AND OTHER USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
All Elected: Capital Outlay	\$79.3	\$263.4	\$274.6
All Elected: Debt Service	49.3	51.7	49.5
Assessor	12.9	14.1	14.2
Auditor	4.6	5.3	5.5
Clerk	7.0	6.7	7.0
County Council	3.6	4.1	4.3
District Attorney	34.1	40.9	42.2
Justice Courts	1.5	1.6	1.6
Mayor: Admin & Finance	59.2	80.6	69.5
Mayor: Community Services	133.3	143.4	141.4
Mayor: Employee Service Reserve	49.7	57.2	58.8
Mayor: Executive Functions	5.8	7.6	8.1
Mayor: Human Services	206.2	227.0	231.5
Mayor: Municipal Operations	95.5	99.5	85.4
Mayor: Transport & Econ Devel	265.9	350.8	362.1
Recorder	6.0	6.7	7.0
Sheriff	104.2	118.7	129.7
Surveyor	2.8	3.2	3.3
Treasurer	4.0	4.7	4.8
<b>Expenditures:</b>	<b>\$1,124.9</b>	<b>\$1,487.2</b>	<b>\$1,500.6</b>
Other Financing Uses (All Elected)	1.2	64.2	3.6
<b>Total Expend. &amp; Other Uses:</b>	<b>\$1,126.1</b>	<b>\$1,551.4</b>	<b>\$1,504.3</b>

## BUDGET OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY ELECTED OFFICE (CONT.)

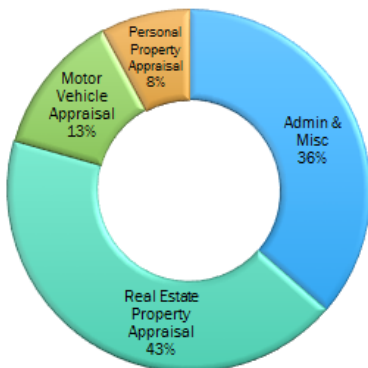
**ALL ELECTED: CAPITAL OUTLAY**  
**\$274.6 MILLION**



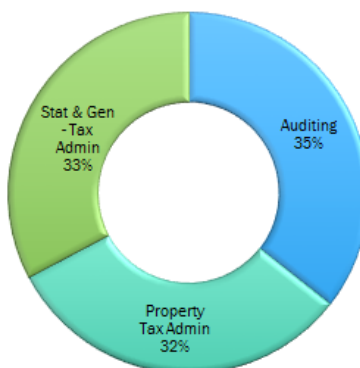
**ALL ELECTED: DEBT SERVICE**  
**\$49.5 MILLION**



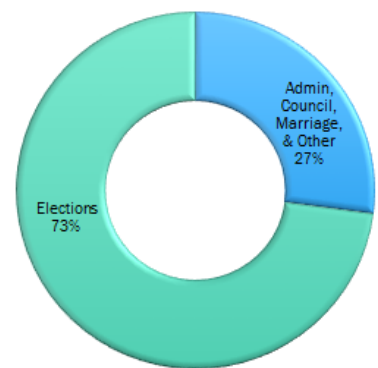
**ASSESSOR**  
**\$14.2 MILLION**



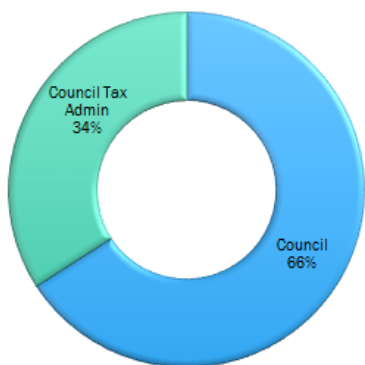
**AUDITOR**  
**\$5.5 MILLION**



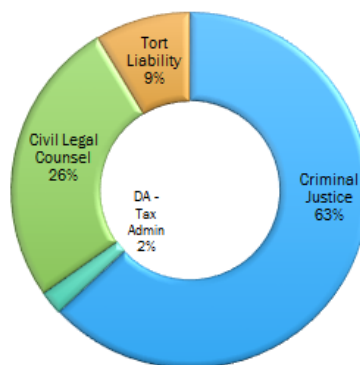
**CLERK**  
**\$7.0 MILLION**



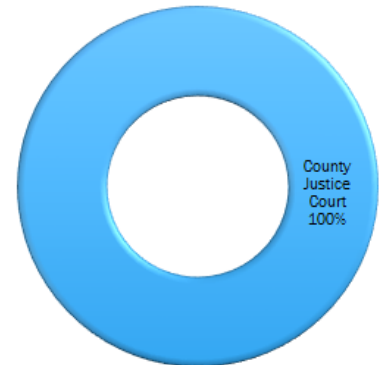
**COUNCIL**  
**\$4.3 MILLION**



**DISTRICT ATTORNEY**  
**\$42.2 MILLION**

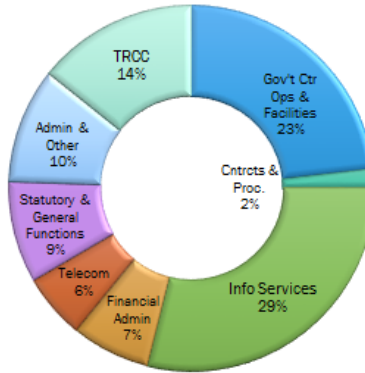


**JUSTICE COURT**  
**\$1.6 MILLION**

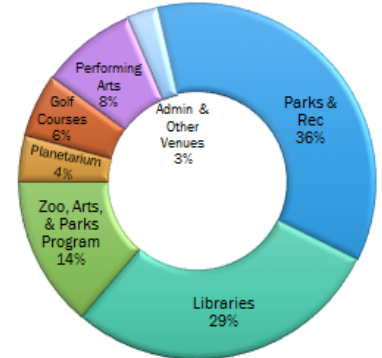


## BUDGET OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY ELECTED OFFICE (CONT.)

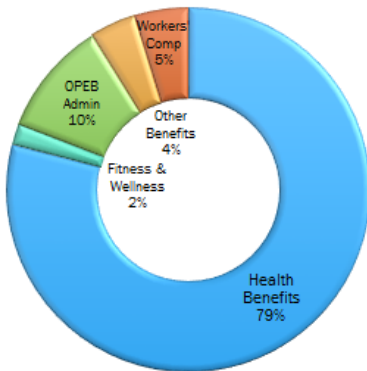
**MAYOR: ADMIN & FINANCE**  
**\$69.5 MILLION**



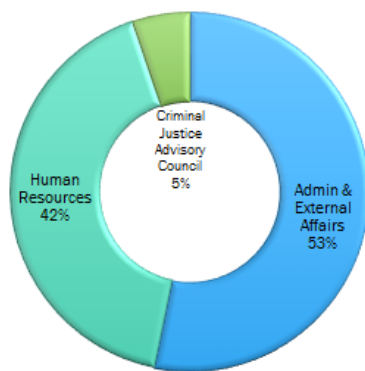
**MAYOR: COMMUNITY SERVICES**  
**\$141.4 MILLION**



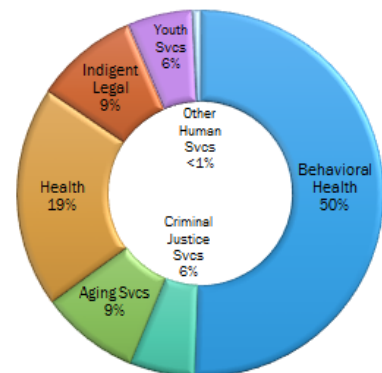
**MAYOR: EMPLOYEE SERVICE RESERVE**  
**\$58.8 MILLION**



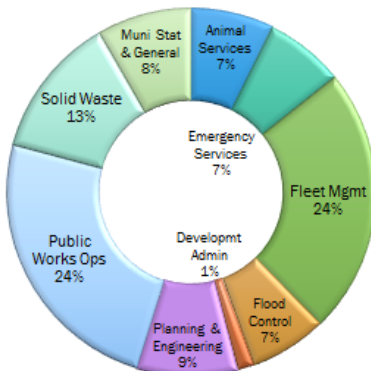
**MAYOR: EXECUTIVE FUNCTIONS**  
**\$8.1 MILLION**



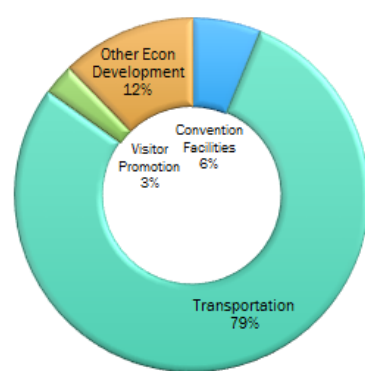
**MAYOR: HUMAN SERVICES**  
**\$231.5 MILLION**



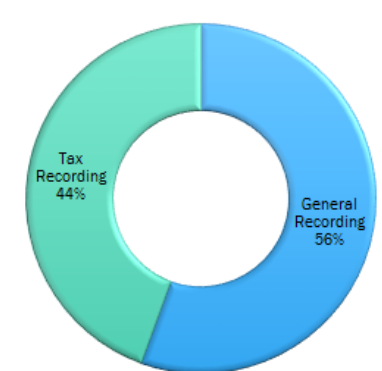
**MAYOR: MUNICIPAL OPERATIONS**  
**\$85.4 MILLION**



**MAYOR: TRANSPORTATION & ECONOMIC DEVELOPMENT**  
**\$362.1 MILLION**

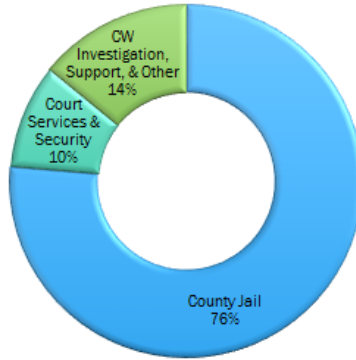


**RECORDER**  
**\$7.0 MILLION**

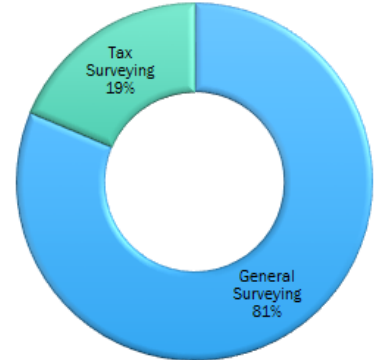


## BUDGET OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY ELECTED OFFICE (CONT.)

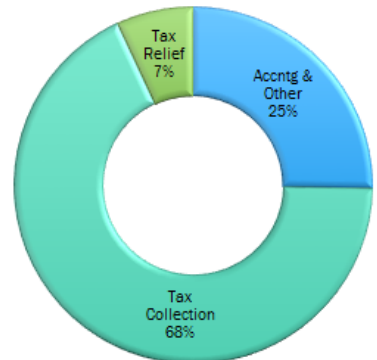
**SHERIFF**  
**\$129.7 MILLION**



**SURVEYOR**  
**\$3.3 MILLION**



**TREASURER**  
**\$4.8 MILLION**

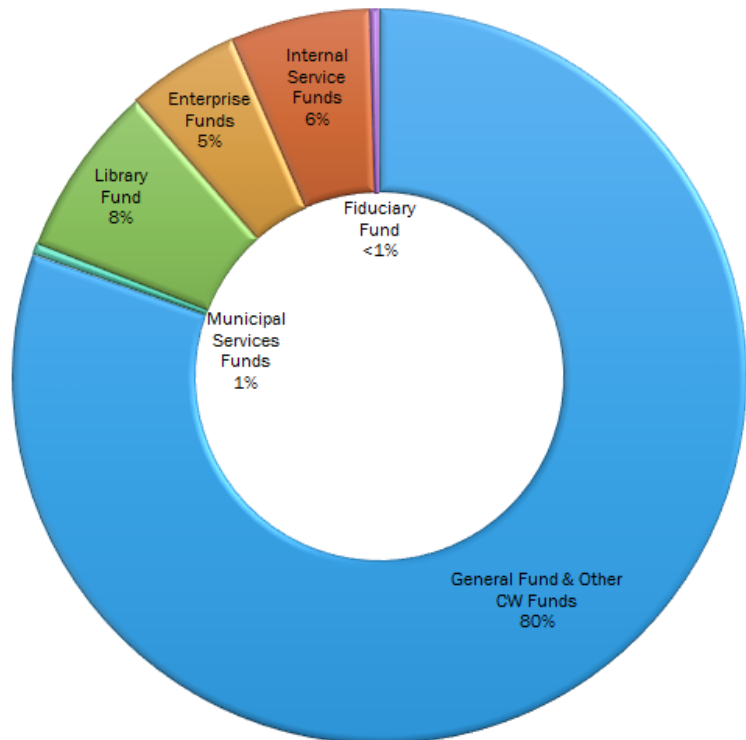


*Salt Lake County Sheriff's Office Building*

## BUDGET OVERVIEW: GOVERNMENT-WIDE USES OF FUNDS — BY LEGALLY SEGREGATED BASIS

Salt Lake County government has one of the more complicated budgets to understand, largely stemming from the 56 separate funds managed by the County. Different funds are established in many cases as required by law, and in some cases to further management objectives. The funds established by law are required by state statute. This is usually due to revenues authorized by the state for a specific use, or alternatively because there are different taxpayers contributing to a particular service, necessitating a segregation of funds. Policymakers must understand when balancing budgets that the General Fund can't be used to solve budget problems in the Library or Municipal Services funds because they are not funded by the same taxpayers. Likewise, Library funds can't be transferred to the General Fund. Consequently, another way to view the government-wide budget is by segregated uses of revenues. The chart below illustrates the same total appropriations from page 13, but divided up according to use instead of by elected official. The graphs on pages 18-22 further illustrate the spending by type of service provided to citizens.

2018 ADOPTED BUDGET: GOVERNMENT-WIDE  
USES OF FUNDS - LEGALLY SEGREGATED BASIS  
*\$1,504.3 MILLION*

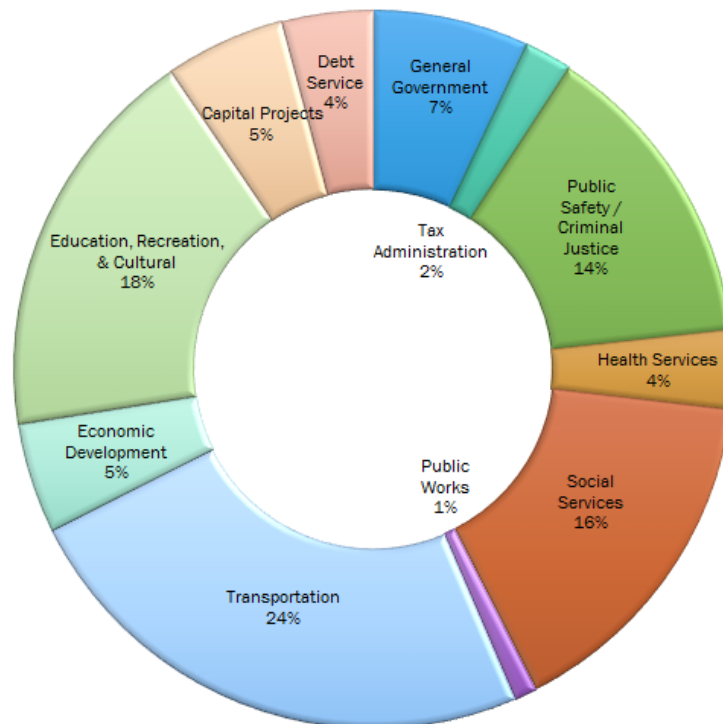


USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
General Fund & Other CW Funds	\$910.10	\$1,300.63	\$1,209.00
Municipal Services Funds	72.4	17.4	8.0
Library Fund	45.2	48.7	114.2
Enterprise Funds	15.5	86.3	74.6
Internal Service Funds	79.5	92.4	92.4
Fiduciary Fund	3.5	6.0	6.0
<b>Totals:</b>	<b>\$1,126.1</b>	<b>\$1,551.4</b>	<b>\$1,504.3</b>

## BUDGET OVERVIEW: GENERAL FUND & OTHER COUNTY- WIDE FUNDS USES OF FUNDS

The General Fund and other County-wide funds account for functions and services provided on a County-wide basis. Subdivisions within this category can often be linked with a fund other than the General Fund, but they share the common purpose of providing services on a County-wide basis.

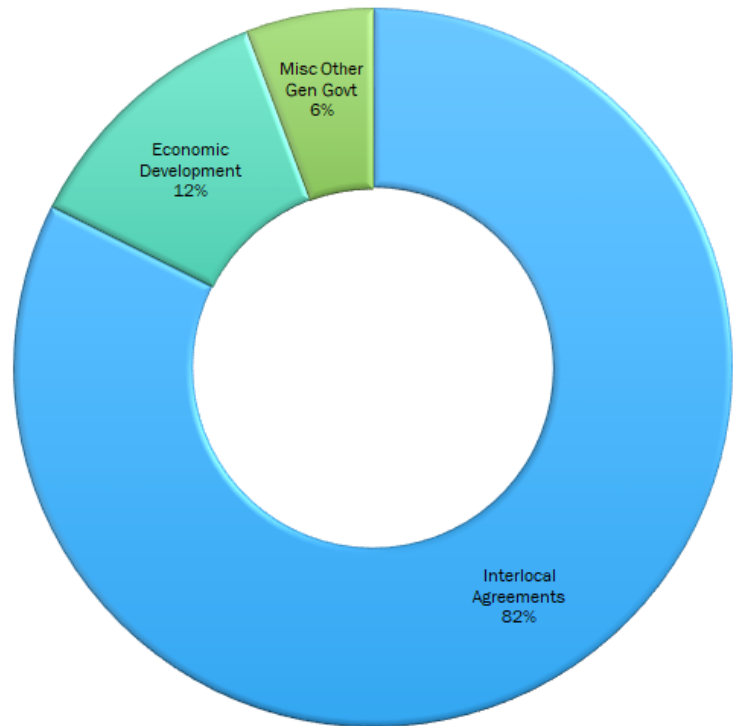
2018 ADOPTED BUDGET: GENERAL FUND & OTHER  
CW FUNDS - USES OF FUNDS  
*\$1,209.0 MILLION*



USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
General Government	\$74.4	\$90.8	\$84.6
Tax Administration	23.6	25.7	26.2
Public Safety / Criminal Justice	140.9	157.4	170.5
Health Services	36.7	41.2	43.5
Social Services	164.5	187.1	189.4
Public Works	6.9	9.2	12.3
Transportation	221.1	281.9	290.8
Economic Development	59.0	58.7	59.4
Education, Recreation, & Cultural	87.4	222.7	217.5
Capital Projects	46.2	115.6	65.4
Debt Service	49.3	51.7	49.5
<b>Totals:</b>	<b>\$910.1</b>	<b>\$1,241.9</b>	<b>\$1,209.0</b>

## BUDGET OVERVIEW: MUNICIPAL SERVICES FUNDS USES OF FUNDS

2018 ADOPTED BUDGET: MUNICIPAL SERVICES  
FUNDS - USES OF FUNDS  
*\$8.0 MILLION*

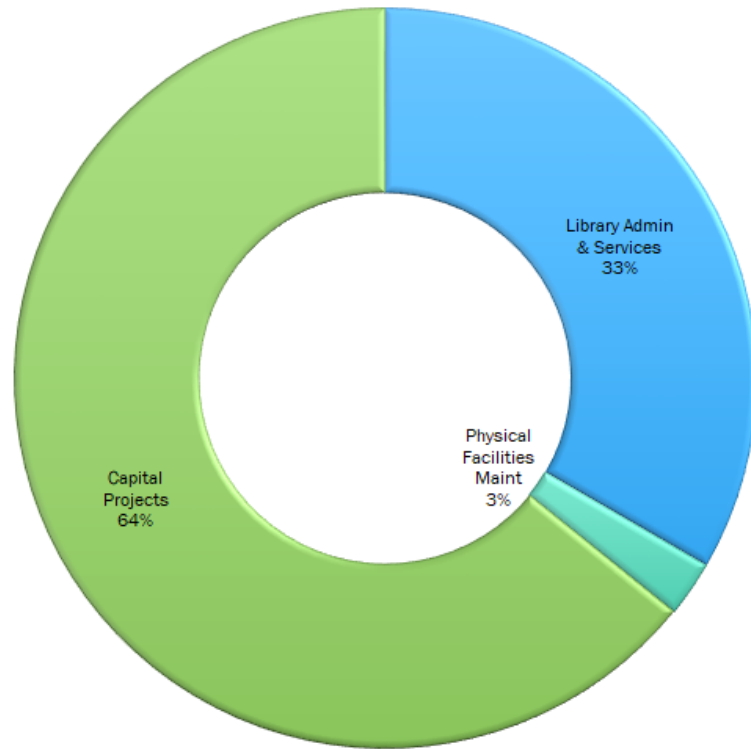


USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
General Government	\$29.4	\$12.0	\$8.0
Public Safety / Criminal Justice	1.5	0.0	0.0
Animal Services	5.8	0.0	0.0
Public Works	30.9	0.0	0.0
Capital Projects	4.9	5.4	0.0
<b>Totals:</b>	<b>\$72.4</b>	<b>\$17.4</b>	<b>\$8.0</b>

Prior to 2017, city-type municipal services for residents of the unincorporated areas of Salt Lake County, as well as cities and townships that contract with the County to provide certain municipal services, were accounted for in either the County's Municipal Services Fund or the Municipal Service District Fund. Beginning in 2017, administrative, planning, animal control, public works, and justice court costs are being accounted for in the County's Public Works & Other Services Enterprise Fund (see page 22).

## BUDGET OVERVIEW: LIBRARY FUND USES OF FUNDS

2018 ADOPTED BUDGET:  
LIBRARY FUND - USES OF FUNDS  
*\$114.2 MILLION*



USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
Library Administration	\$10.2	\$5.1	\$38.1
Library & Public Services	27.7	29.2	0.0
Information Technology Services	2.8	2.8	0.0
Physical Facilities	2.9	3.0	2.8
Capital Projects	1.5	8.7	73.3
<b>Totals:</b>	<b>\$45.2</b>	<b>\$48.7</b>	<b>\$114.2</b>

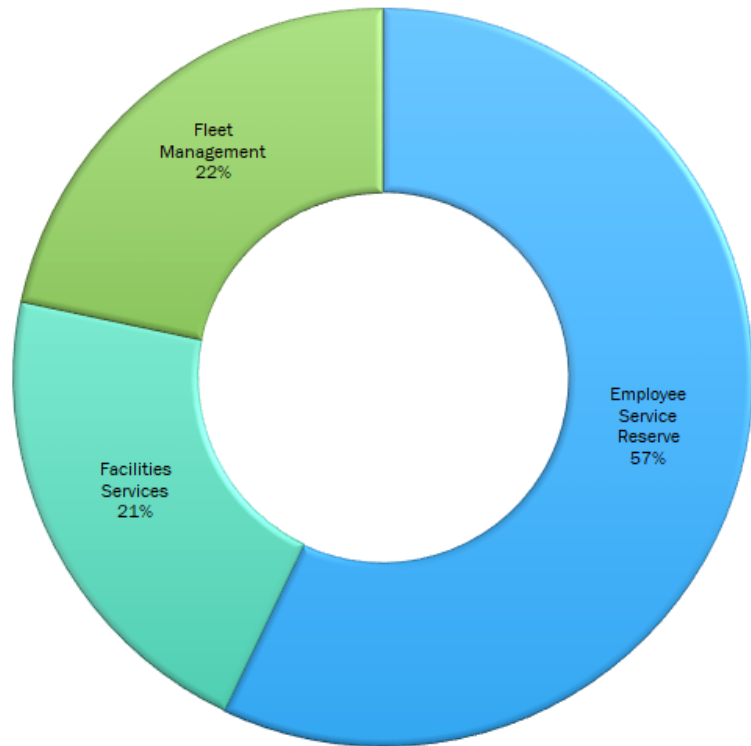
The County's Library Fund provides community library facilities and services for the unincorporated County, the County's metro townships, and all of the municipalities within the County, with the exceptions of Salt Lake City and Murray City, which each have their own library systems. Over 4.5 million people visit the various County libraries annually, checking out over 15 million items, and tens of millions more access the Salt Lake County library system by using its web services.

The large increase in the Library Capital Projects budget in 2018 is due to an initiative to construct five new or relocated County libraries and a library facilities shop structure, beginning in 2018. Subsequent to adoption of the Library Fund 2018 budget, the County Council has approved a budget adjustment to move these projects from the Library Fund into a dedicated bond-funded capital projects fund. After this budget adjustment, there are \$4.0 million of ongoing capital projects remaining in the Library Fund, and the total 2018 Library Fund budget is \$44.9 million.

## BUDGET OVERVIEW: INTERNAL SERVICE FUNDS USES OF FUNDS

Internal service funds are established to provide certain support services to County departments and divisions. Salt Lake County's employee service reserve (statutory and non-statutory employee benefits management), facilities services and fleet management are operated from internal service funds.

2018 ADOPTED BUDGET:  
INTERNAL SERVICE FUNDS - USES OF FUNDS  
*\$92.4 MILLION*

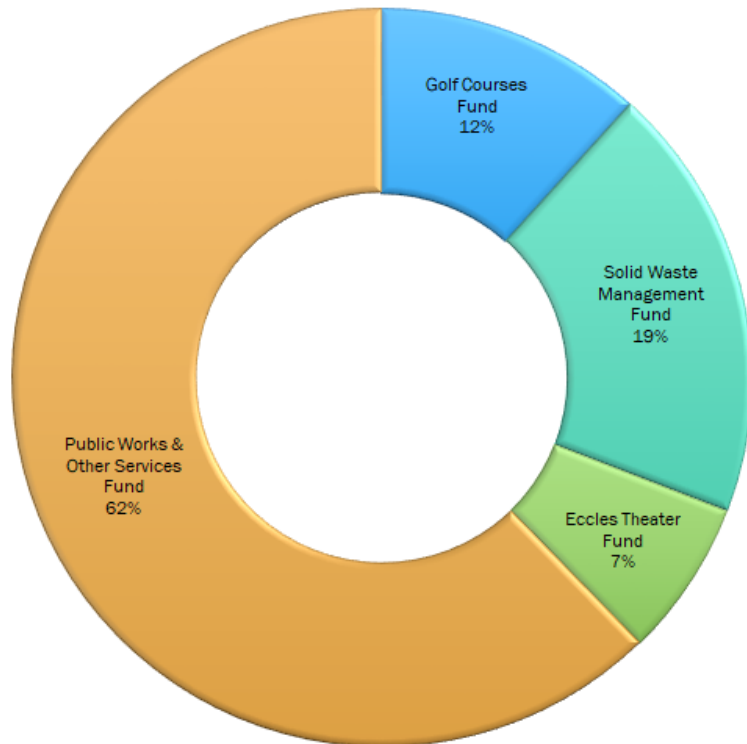


USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
Employee Service Reserve	\$46.2	\$51.2	\$52.7
Facilities Services	16.5	21.4	19.6
Fleet Management	16.8	19.7	20.0
<b>Totals:</b>	<b>\$79.5</b>	<b>\$92.4</b>	<b>\$92.4</b>

## BUDGET OVERVIEW: ENTERPRISE FUNDS USES OF FUNDS

The County uses Enterprise funds to account for operations that are financed and operated in a manner similar to private business enterprises.

2018 ADOPTED BUDGET:  
ENTERPRISE FUNDS - USES OF FUNDS  
*\$74.6 MILLION*

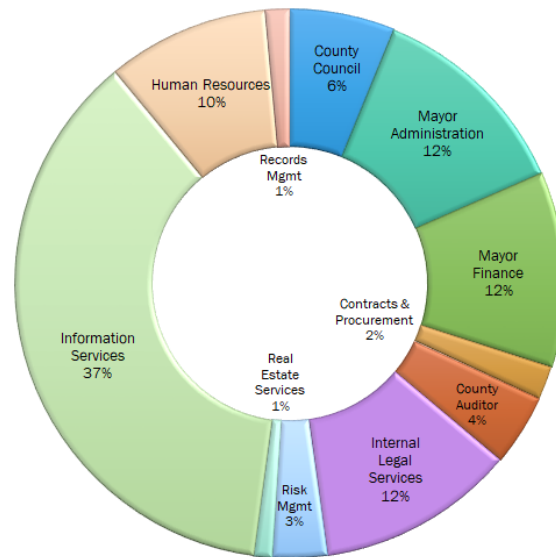


USES OF FUNDS	2016 ACTUALS (MILLIONS)	2017 FINAL BUDGET (MILLIONS)	2018 ADOPTED BUDGET (MILLIONS)
Golf Courses Fund	\$7.5	\$8.4	\$8.7
Solid Waste Management Fund	7.2	16.8	14.3
Eccles Theater Fund	0.8	8.6	5.1
Public Works & Other Svcs Fund	0.0	52.5	46.5
<b>Totals:</b>	<b>\$15.5</b>	<b>\$86.3</b>	<b>\$74.6</b>

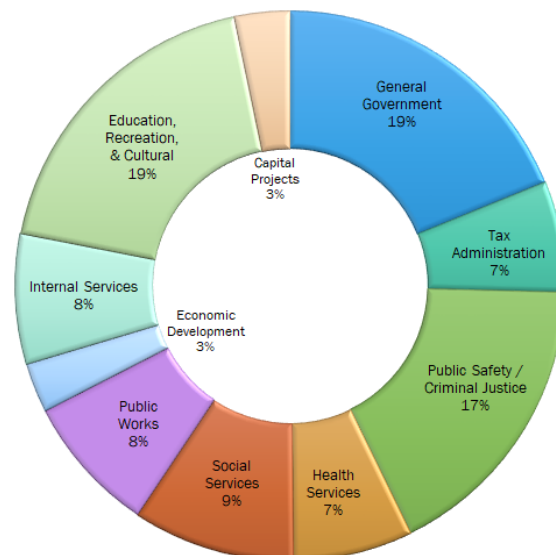
## BUDGET OVERVIEW: ADMINISTRATIVE OVERHEAD & OTHER INDIRECT COSTS

Certain County administrative departments provide essential services to other County departments. The costs associated with these services are internally allocated to the other County departments as administrative overhead. Allocating administrative overhead costs to departments that primarily serve the unincorporated County and the County library system avoids double-taxation of taxpayers who receive these same services from their city governments. Allocating overhead costs also provides more accurate cost information for grants and contracts, as well as for the services the County provides its citizens.

2018 ADOPTED BUDGET:  
SOURCES OF OVERHEAD COSTS  
\$39.8 MILLION

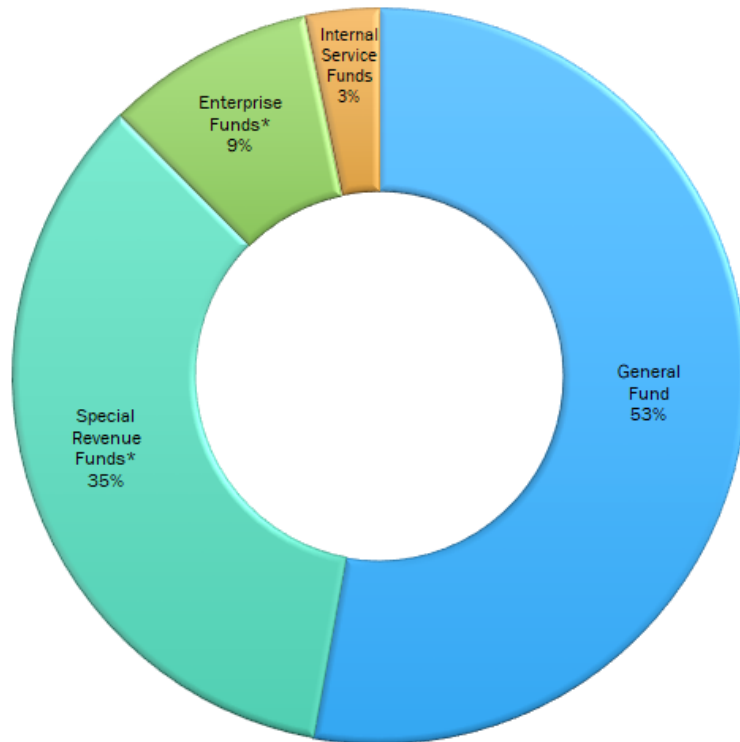


2018 ADOPTED BUDGET:  
SHARE OF OVERHEAD COSTS  
BY FUNCTIONAL CATEGORY  
\$39.8 MILLION

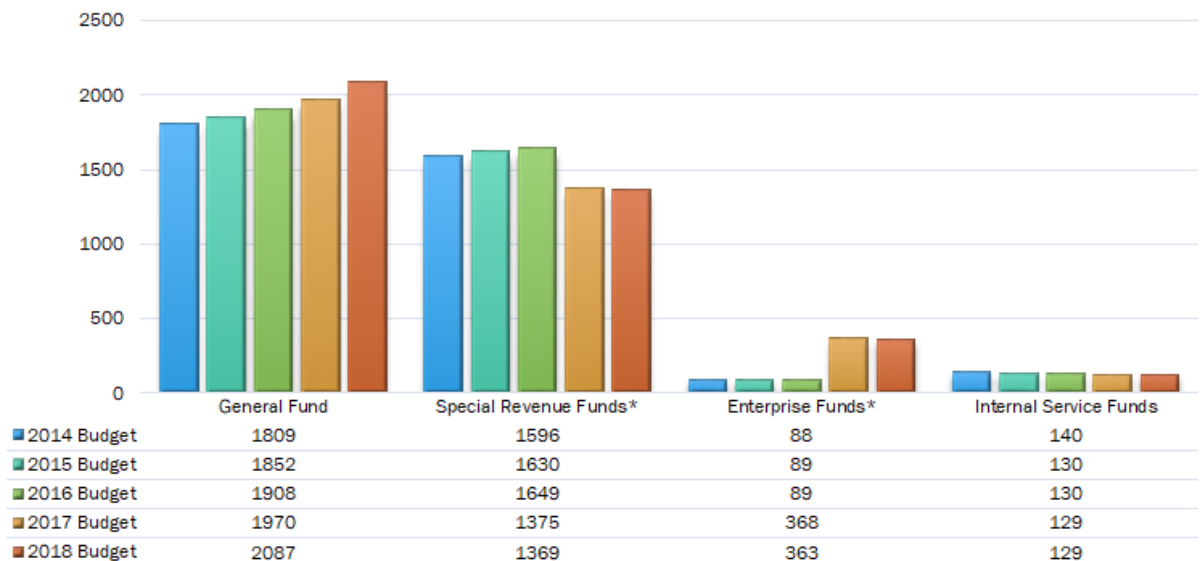


## BUDGET OVERVIEW: FULL-TIME EQUIVALENT EMPLOYEES

2018 ADOPTED BUDGET:  
FULL-TIME EMPLOYEES BY FUND TYPE  
*3,947 FTEs*



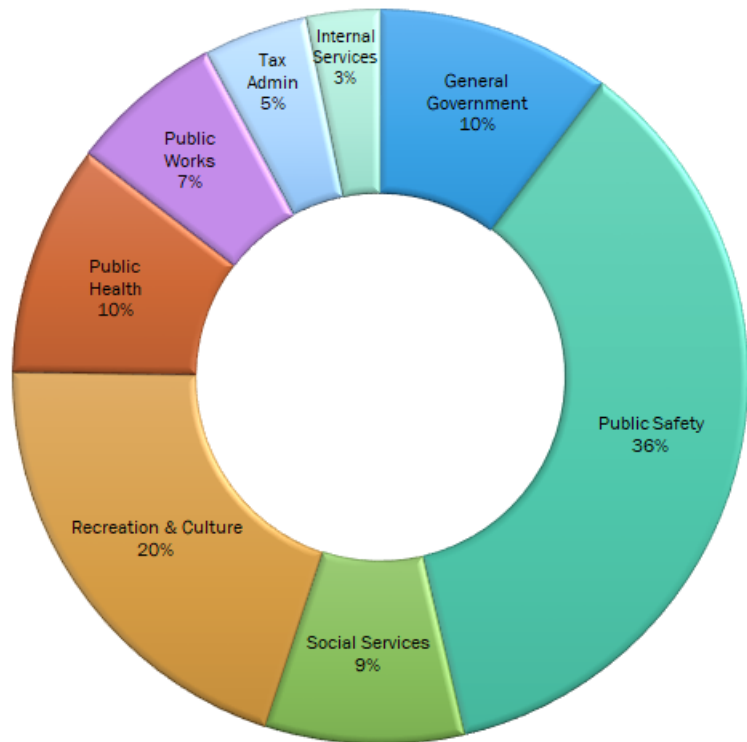
FULL-TIME EMPLOYEES BY FUND TYPE



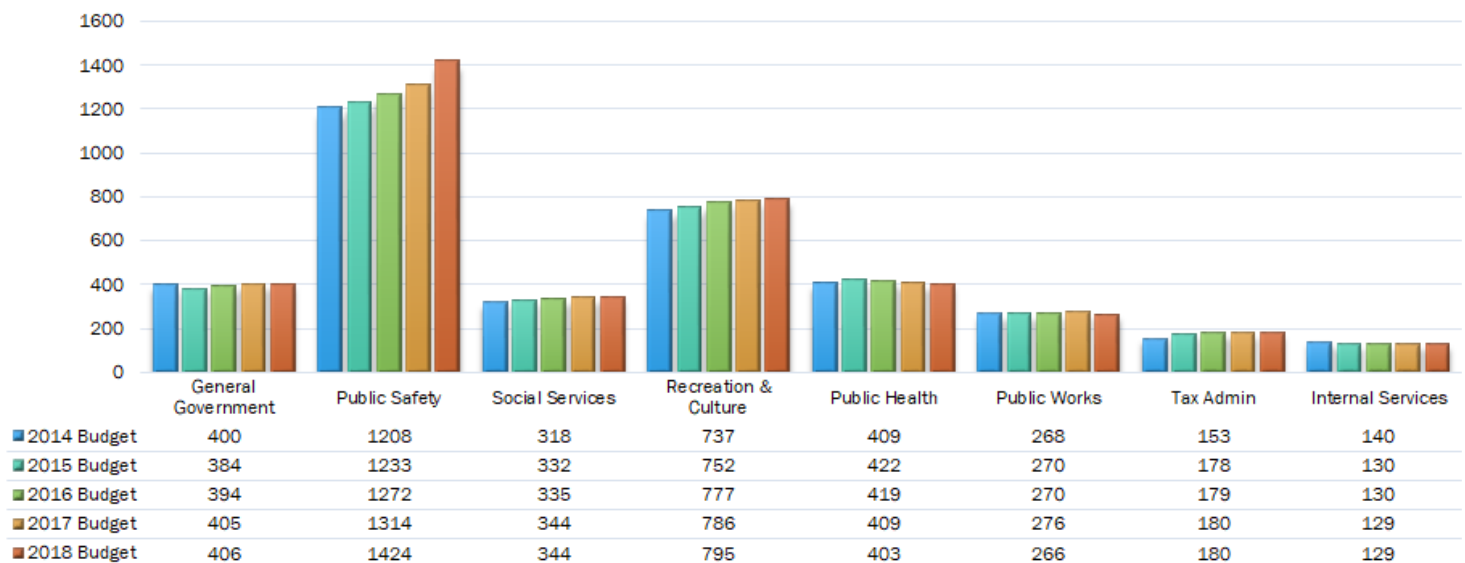
\*All of the Public Works Department divisions that were previously accounted for in the Municipal Services District Fund (a Special Revenue Fund) were moved to the Public Works Enterprise Fund, which was created in 2017.

## BUDGET OVERVIEW: FULL-TIME EQUIVALENT EMPLOYEES (CONT.)

2018 ADOPTED BUDGET:  
FULL-TIME EMPLOYEES BY FUNCTION  
*3,947 FTEs*



FULL-TIME EMPLOYEES BY FUNCTION



## BUDGET OVERVIEW: CAPITAL PROJECTS

Salt Lake County continually strives to provide its citizens with cost effective state-of-the-art facilities that enhance the communities where they live. The County also promotes energy conservation and green environmental standards for all capital projects. Capital projects in Salt Lake County include buildings, parks, open space improvements, a broad network of County roads, as well as an extensive bridge, viaduct, and flood control infrastructure located throughout the County.

The County strives to follow the highest Leadership in Energy and Environmental Design (LEED) standards, making County facilities as energy efficient and environmentally friendly as possible.

The following are examples of Salt Lake County facilities and other improvements that have been built, renovated, and maintained with County capital projects funding:



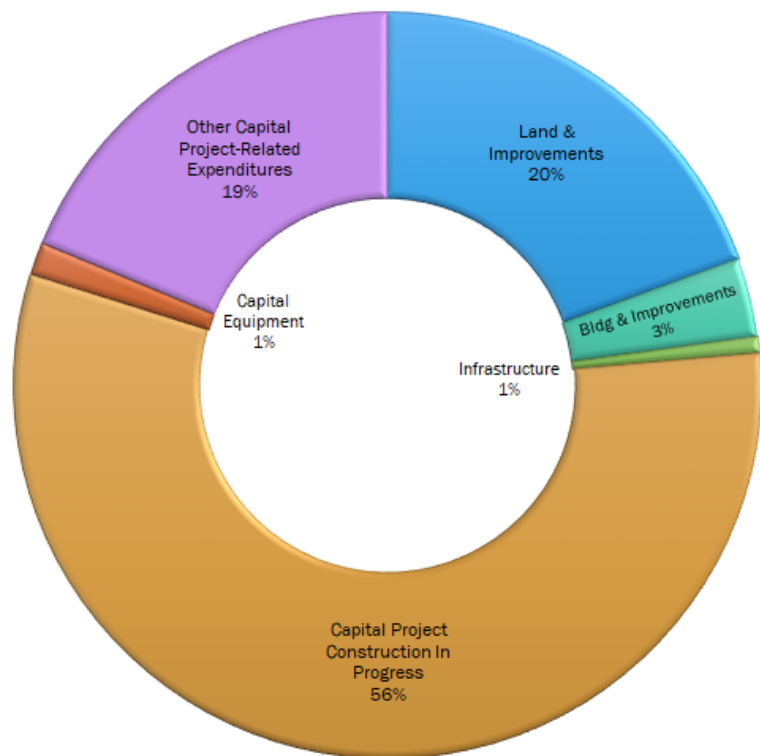
The 2018 Budget includes the following major new and ongoing capital projects:

- ❖ **Mid-Valley Regional Cultural Center** – This is a partnership with the city of Taylorsville to construct a 60,000-70,000 square-foot regional performing arts center. This new performing arts center will expand arts and cultural opportunities in the County’s west side and southwest communities.
- ❖ **New Library & Relocation/Rebuild Projects** – New or relocated libraries are being built in Kearns, Herriman, West Valley City, Daybreak, and Granite to better serve the growing communities in the west and southwest regions of Salt Lake Valley.
- ❖ **Draper Recreation Center** – Draper Recreation Center will be a new 38,400 square-foot recreation center located in Draper City, adjacent to the South Mountain outdoor pool.

## BUDGET OVERVIEW: CAPITAL PROJECTS (CONT.)

- ❖ **Welby & Magna Regional Parks** – These new regional parks will provide a variety of sports fields and courts, as well as picnic pavilions, playgrounds, walking paths, and other outdoor recreation amenities.
- ❖ **Parks & Public Works Operations Center** – This new building will address environmental and safety issues with the previous building, and will improve parks operations efficiency due to the new building's more central location.
- ❖ **District Attorney Buildings Project** – These new facilities will provide needed office space for prosecutors and other staff in close proximity to the Matheson Court building downtown and the courthouse in West Jordan.

2018 ADOPTED BUDGET:  
CAPITAL & RELATED EXPENDITURES BY ASSET TYPE  
\$274.6 MILLION



## BUDGET OVERVIEW: COUNTY DEBT & DEBT SERVICE

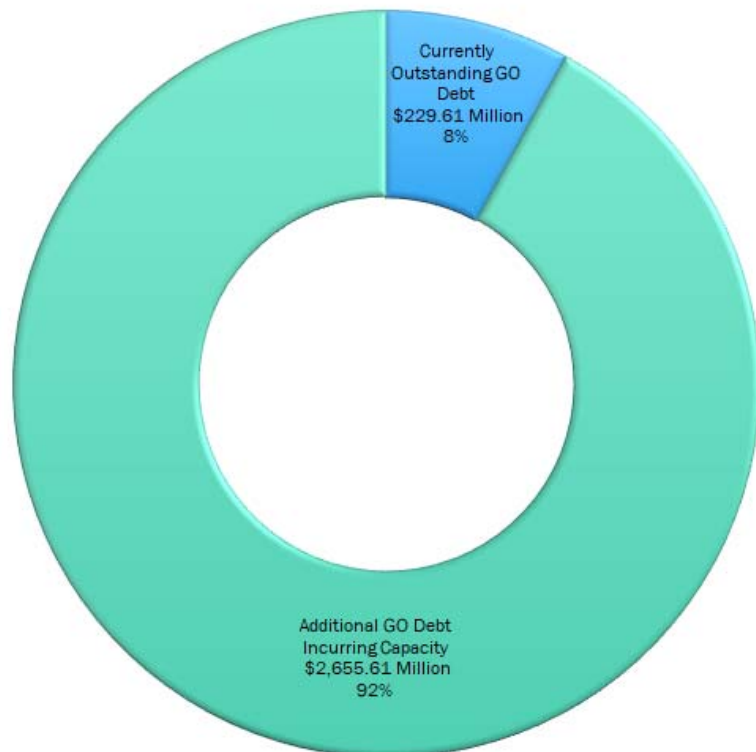
Bonds are a way of borrowing money for the County. The bond promises payment of the original investment plus interest by a specific date/dates in the future. Salt Lake County utilizes five primary categories of bond debt:

- ❖ General Obligation (GO) Bonds
- ❖ Lease Revenue Bonds held in the Municipal Building Authority (MBA)
- ❖ Sales Tax Revenue/TRCC Bonds
- ❖ Transportation Tax Revenue Bonds
- ❖ Excise Tax Road Revenue Bonds

Legally, Salt Lake County could issue general obligation debt up to about \$2.89 billion, which is 2% of the \$144.26 billion adjusted fair market value of taxable property in the County. Given all sources of current debt in the County, the County is well below reaching its statutory limit. Currently, the County has total outstanding GO debt of approximately \$229.6 million.

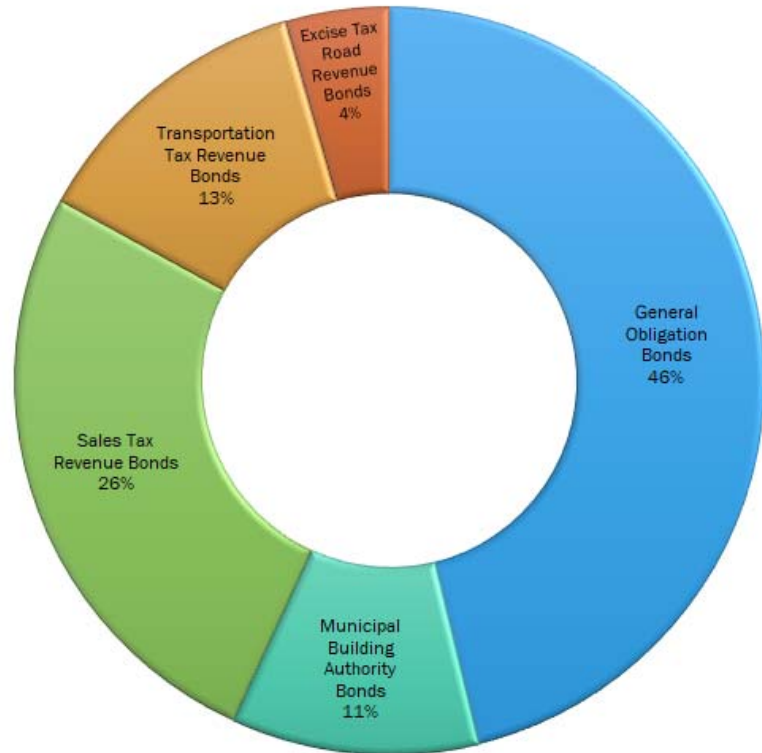
Salt Lake County currently utilizes about 8.0% of its legally permitted GO debt capacity.

### CURRENT GENERAL OBLIGATION DEBT UTILIZATION



## BUDGET OVERVIEW: COUNTY DEBT & DEBT SERVICE (CONT.)

2018 ADOPTED BUDGET:  
BOND DEBT SERVICE BY BOND TYPE  
\$67.2 MILLION

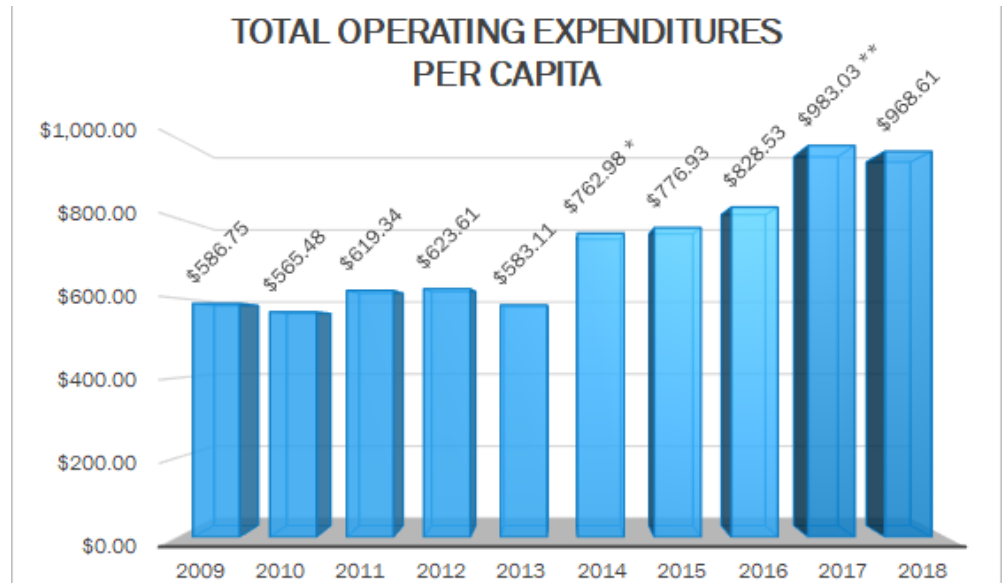


BOND TYPE	INTEREST	PRINCIPAL	TOTAL
General Obligation Bonds	\$8.1	\$22.9	\$31.0
Municipal Bldg Authority Bonds	3.1	4.1	7.2
Sales Tax Revenue Bonds	7.8	9.7	17.5
Transportation Tax Rev Bonds	2.6	5.8	8.4
Excise Tax Road Revenue Bonds	1.6	1.4	3.0
<b>Totals:</b>	<b>\$23.2</b>	<b>\$43.9</b>	<b>\$67.2</b>



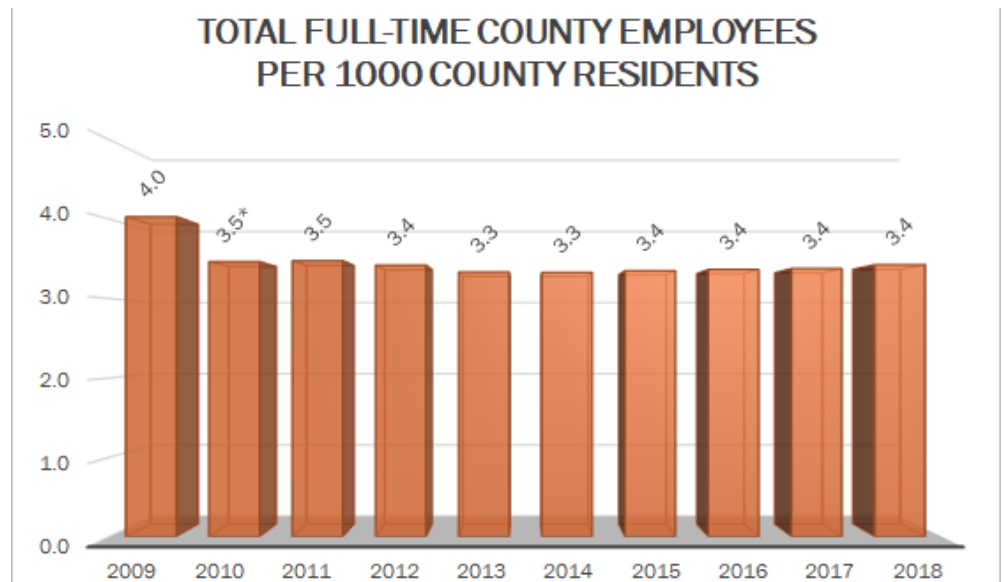
Road Repair—Public Works Operations

## STATISTICAL INDICATORS: OPERATING EXPENDITURES PER CAPITA & FULL-TIME EMPLOYEES PER 1000 COUNTY RESIDENTS



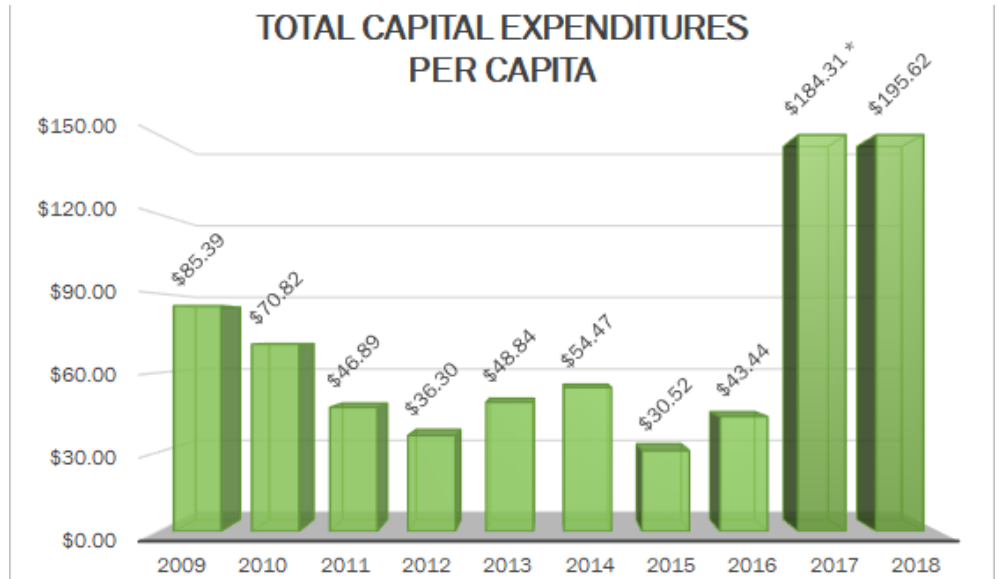
\*In 2014, Operating Expenditures per Capita increased \$179.87, or 31% over the prior year. Of that \$179.87 per Capita increase, \$148.31 was due to pass-through transportation project costs that Salt Lake County remits to other government entities within the county.

\*\*Total operating expenditures per capita for the years 2009 - 2016 reflect actual expenditures, whereas 2017 and 2018 operating expenditures per capita are based on budgeted expenditures.

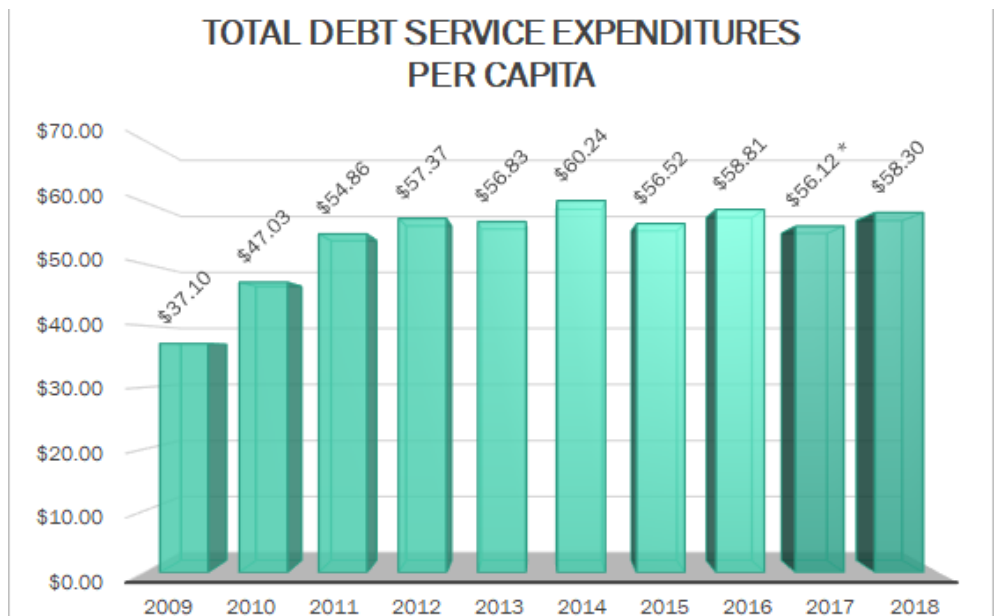


\*The number of County full-time equivalent employees decreased in 2010 as a result of the law enforcement patrol function of the County moving to the Unified Police Department.

## STATISTICAL INDICATORS: CAPITAL EXPENDITURES PER CAPITA & DEBT SERVICE EXPENDITURES PER CAPITA



\*Capital expenditures can vary significantly from year to year as capital projects are completed and new capital projects are undertaken. The budgeted capital expenditures in 2017 and 2018 are significantly higher than the actual capital expenditures in the prior years because capital projects that often span more than one year are budgeted in their entirety up front, and the remaining portions of capital projects in process are re-budgeted in the ensuing years until they are completed.



\*Total debt service expenditures per capita for the years 2009 - 2016 reflect actual expenditures, whereas 2017 and 2018 debt service expenditures per capita are based on budgeted expenditures.

## GLOSSARY

**Appropriation:** An authorization by the County Council to spend up to a specified dollar amount for an approved project or program during any given fiscal period.

**Bond:** An interest-bearing certificate of indebtedness sold by the County as a means of borrowing funds. The bond promises payment of the original investment plus interest by a specified date or dates in the future. Bonds typically involve long-term indebtedness to pay for capital projects.

**Bond Rating:** An evaluation of the creditworthiness of a government entity, and of its ability to repay its debt on schedule. Bond ratings are issued by private rating agencies such as Standard & Poors, Moody's Investor Services, and Fitch Ratings, and are based on factors such as the amount of debt incurred and the economic and demographic characteristics of the borrowing government, and financial management practices. The higher the rating, the lower the interest costs for bonds issued. "AAA" or "Aaa" are the highest ratings issued by bond rating agencies.

**Budget:** A plan for financial operations for a fiscal period, embodying estimates for proposed expenditures and the means of financing the expenditures.

**Capital Asset:** Assets of a durable nature, which are intended to be held or used long-term, and which may be depreciated over time. Examples of capital assets include land, land improvements, buildings, infrastructure, machinery, furniture, and other equipment.

**Capital Project:** Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Projects are also called capital improvements.

**County Option Sales and Use Tax:** The rate is one quarter of one percent, and has been enacted by all counties in Utah except Emery, Kane, and Millard. Where enacted, the tax applies to the same transactions as the state sales & use tax.

**Consumer Price Index (CPI):** Any one of a set of nationwide and regional price level indicators that are published by the U.S. Department of Labor's Bureau of Labor Statistics. The CPI is constructed using the prices of a representative "market-basket" of goods and services. Changes in the CPI over time are used to determine the average inflation rate for that period of time.

**Employee Service Reserve Fund:** The fund utilized to manage County employee benefits such as health insurance and retirement plans.

**Enterprise Fund:** Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

**Full-Time Equivalent (FTE):** Represents the number of employees needed to equal a full time 40-hour-per-week shift

**Fund Balance:** The governmental account that serves the functional equivalent to the owner's equity account in profit-seeking entities. An available balance in this account is the cumulative result of funding sources exceeding uses over time. Bond rating agencies use Fund Balance levels as a means of evaluating a government's ability to cover unanticipated shortfalls in revenue projections or emergency expenditures that arise during the year.

**General Fund:** The primary operating fund of the County, used to account for all County revenues not designated for a special purpose.

## GLOSSARY

(CONT.)

**General Obligation Bond:** A General Obligation (GO) bond is a type of bond that is backed by the full faith, credit and taxing power of the government.

**Internal Service Fund:** Internal Service funds are used to account for the financing of goods or services provided by one organization to another County organization on a cost reimbursement basis.

**LEED (Leadership in Energy and Environmental Design):** Nationally recognized, non-regulatory approach that has been shown to result in quantifiable low impact development. Low Impact development is assumed to benefit both the environment and the local economy.

**Local Option Sales and Use Tax:** The local option sales and use rate is one percent. This local tax applies to the same transactions as the state sales and use tax laws. All counties and municipalities have enacted this tax. For counties, this tax applies to taxable sales occurring in the unincorporated county only.

**Municipal Building Authority (MBA):** An organizational entity that is closely related to the County and that is created for the purpose of financing the construction of certain County facilities through the issuance of Municipal Building Authority Lease Revenue Bonds.

**Organization (Org):** A budget level unit for appropriation controls that represents a basic functional division of County government.

**Per Capita:** Per person (literally, “per head”). The ratio of a data measure (e.g. total operating expenditures) divided by the total population, yielding the amount of that data measure per person (e.g. total operating expenditures per person, or per capita).

**Special Improvement District (SID):** An area legally defined through ordinance by the County Council for the installation of public infrastructure improvements. SIDs collect special assessments and issue Special Assessment Bonds to finance infrastructure improvements.

**Special Revenue Fund:** A fund established to account for special taxes or other revenues required by law or contractual agreement to be used only for specified purposes and which therefore must be kept separate from other County monies.

**Structural Balance:** When a government entity's budgeted ongoing sources of funds are equal to its budgeted ongoing uses of funds, that entity's budget is said to be in structural balance. When budgeted ongoing sources of funds are less than budgeted ongoing uses of funds, a **structural deficit** occurs, and when budgeted ongoing sources of funds exceed budgeted ongoing uses of funds, a **structural surplus** occurs.

**TRCC:** Tourism, Recreation, Cultural, and Convention Fund. The TRCC Fund is a special revenue fund that receives and accounts for specific sales tax revenues which are legally designated for those purposes.

**Zoo, Arts, and Parks (ZAP):** Used to refer to a sales and use tax dedicated for funding zoological, arts and parks projects, and to the County special revenue fund that manages and accounts for these dedicated sales and use tax revenues.

## WANT TO KNOW MORE?

- ❖ *Do you have other questions about the County's budget?*
- ❖ *Is this report useful to you?*
- ❖ *Do you believe it should include different or additional information?*

We would like to hear from you! To ask questions about Salt Lake County's budget, or to leave feedback about this report, please contact:

Rod Kitchens  
Director of Planning & Budget  
Salt Lake County Mayor's Financial Administration  
2001 South State Street, Suite N4-200  
PO Box 144575  
Salt Lake City, UT 84114-4575  
(385) 468-7084  
[RKitchens@slco.org](mailto:RKitchens@slco.org)

This **2018 Budget In Brief** is also available as a PDF document at:

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*Interpretive Sign—Jordan River Parkway Trail*