Utah County

Utah

2011 Tentative Budget

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Budget Officer Message

To the Honorable Board of Utah County Commissioners and Citizens of Utah County:

Pursuant to Utah Code Annotated §17-36-10, the following tentative budget for 2011 has been prepared for Utah County using budgetary practices required by the Utah State Auditor.

The County's 2011 tentative budget is presented and accounted for in the same format as the 2010 budget.

Estimated Revenue Calculations

Revenue from property taxes is estimated based upon the calculation used by the Utah State Tax Commission. Anticipating a projected collection rate of 88 percent and a reduction for redemptions, the property tax revenue is budgeted at $30.3 million for 2011. Of the $30.3 million budgeted for property taxes, $25.3 million is for general property taxes that are unrestricted in their use and $5.0 million is for property taxes that are restricted to assessing and collecting activities.

The local sales tax, which represents sales tax collected in the unincorporated area, has been budgeted at $1.7 million for 2011, which includes a slight 1.5 percent increase over the 2010 budgeted amount.

The County option sales tax, which represents the 0.25-percent levy the County has opted to collect, is budgeted at $17.3 million for 2011, which includes a slight 1.5 percent increase over the 2010 budgeted amount.

Revenues for licenses, grants, fees, and fines were estimated by the respective departments. The amounts are included in the 2011 budget as submitted by the departments.

Requested Appropriations

The 2011 tentative budget is presented as a balanced budget for all funds. However, some departments have submitted requests that are not included in this budget. Furthermore, final amounts have not been submitted for employee benefits (such as health insurance, healthy lifestyle initiative payments, State retirement contributions, contributions to health savings accounts, etc.). The Board of County Commissioners has scheduled meetings with department heads to review their budgets and will make final adjustments to the tentative budget before the

budget is officially adopted. The public hearing on the final budget will be held Tuesday, November 16, 2010.

This tentative budget includes no extraordinary budget increases.

The tentative 2011 budget does include a one-step increase for employees on their annual review dates. One step approximately represents a 2.35-percent salary increase. Because employees' review dates are spread throughout the year, the overall salary increase is approximately 1 percent.

Tax Increase Projections

This tentative budget does not present an increase in the property tax rate. A budgetary procedure allowed to the Board of County Commissioners is the adoption of a property tax budget that would generate a tax increase in 2011. However, it is not expected that the Board of County Commissioners will increase property taxes.

Budget Integrity

The basic concept of Utah County's 2011 budget process for departments funded either in the general fund or with funds transferred from the general fund is to balance the expenses to the 2011 projected revenue without using fund balance to bridge the gap between revenue and expenses. Budgetary requests from department heads with budgets not funded by the general fund were limited to revenue generated by their departments. Department heads made an extra effort to maintain services within the limitation given. However, the tentative budget still had to be balanced using "one-time" funding:

Fund	"One-Time" Funding Amount
General	$2,603,200
Substance Abuse	$250,000
Health Department	$1,624,615

"One-time" funding is so named because the funding is available only once. Accordingly, budgets in future years will need to replace the one-time funding with additional revenue (such as a property tax increase, growth in sales tax collections, fee increases, etc.) or by cutting expenditures. Due to the County's fiscal conservatism, the County has been able to set aside fund balances to capitalize large equipment purchases and building construction projects. Bond rating agencies look favorably on these fund balances and diminishing them in any manner may negatively affect the County's bond rating. In addition, utilizing fund balances also affects the County's cash reserves. Over the past several years, the County has had sufficient cash to operate

without using tax anticipation notes, which is extremely helpful as tax anticipation notes are expensive due to issuance costs and interest expenses.

Staffing Plan Change Requests

The following departments have submitted staffing plan change requests:

Department	Request
Justice Court	Add one new Court Clerk I position.
Justice Court	Upgrade two half-time positions to three-quarters time.
Recorder	Add two new Cadastral Mapper I positions.
Recorder	Upgrade Mapping Technician to Cadastral Mapper I.
Assessor	Add one new Assessment Technician III position.
Surveyor	Add one new Chief Deputy Surveyor.
Parks	Add one new Parks Maintenance Specialist III position.
Parks	Add one new Parks Maintenance Specialist II position.
Fire Marshal	Add one new Fire Inspector I position.
Building Maintenance	Add one new Facility Maintenance Specialist.

The tentative budget does not include funding for these requests.

Sincerely,

Bryan E. Thompson
Utah County Clerk-Auditor

Debt Service

The County carries debt from two types of bonds: General Obligation and Revenue. General Obligation bonds are backed, in full, by the good faith and credit of the County and its residents. Revenue bonds are backed by an underlying revenue or tax that is applicable to the financing.

Administration Building

The Municipal Building Authority of the County issued $5.385 million in Lease Revenue bonds during 1986 for the purpose of constructing an office complex and parking area used jointly by the State of Utah and the County. The County issued $10.875 million in General Obligation

Refunding bonds on September 8, 1993 to defease the 1986 bonds. On November 1, 2002, the County issued $6.645 million in General Obligation Refunding bonds to defease the 1993 bonds.

Security Center

The County issued $22 million in General Obligation bonds on September 8, 1993 to finance the costs of acquisition, construction, and improvements related to the Security Center and related facilities. On February 1, 2001, the County issued $14.485 million in General Obligation Refunding bonds to defease the 1993 bonds.

Health & Justice Building / Animal Shelter

The Municipal Building Authority of the County issued $23.16 million in Lease Revenue bonds on December 27, 2001 to finance the costs of constructing the Health & Justice building in Provo and the Animal Shelter in Spanish Fork. On August 4, 2005, the County issued $20.975 million in Sales Tax Refunding bonds to defease the 2001 bonds. These Sales Tax Refunding bonds are backed by the County option sales tax.

Security Center Expansion

On August 4, 2005, the County issued $15.165 million in Sales Tax Revenue bonds to finance the costs of expansion and improvements related to the Security Center.

On August 1, 2006, the County issued $7.615 million in Sales Tax Revenue bonds to finance the costs of expansion and improvements related to the Security Center.

Transportation Projects

The County issued $102.73 million in Sales Tax Revenue bonds on August 27, 2009 and $27.715 million in Fee Revenue bonds on September 3, 2009 to finance the costs of transportation projects within the County.

Convention Center

On January 20, 2010, the County issued $40.15 million in Excise Tax Revenue bonds to finance the costs of constructing the Convention Center being built in downtown Provo.

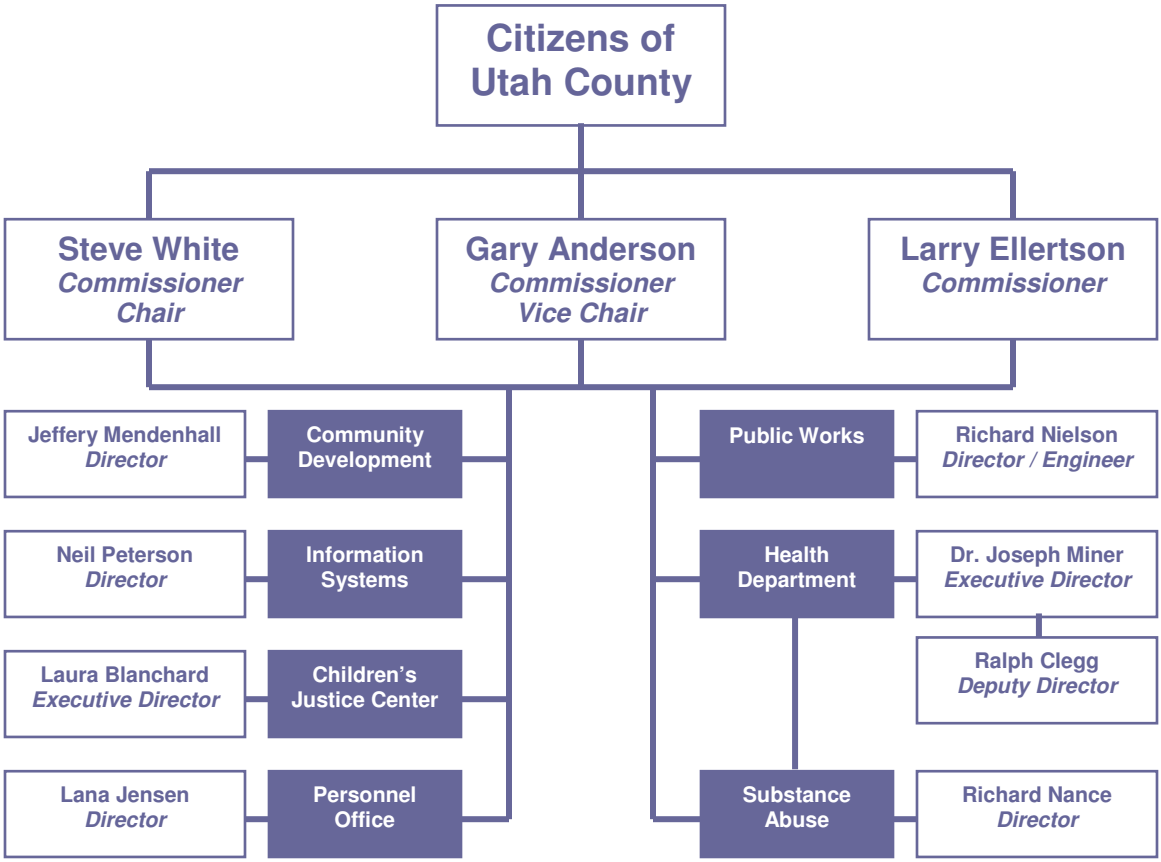
Energy Improvements

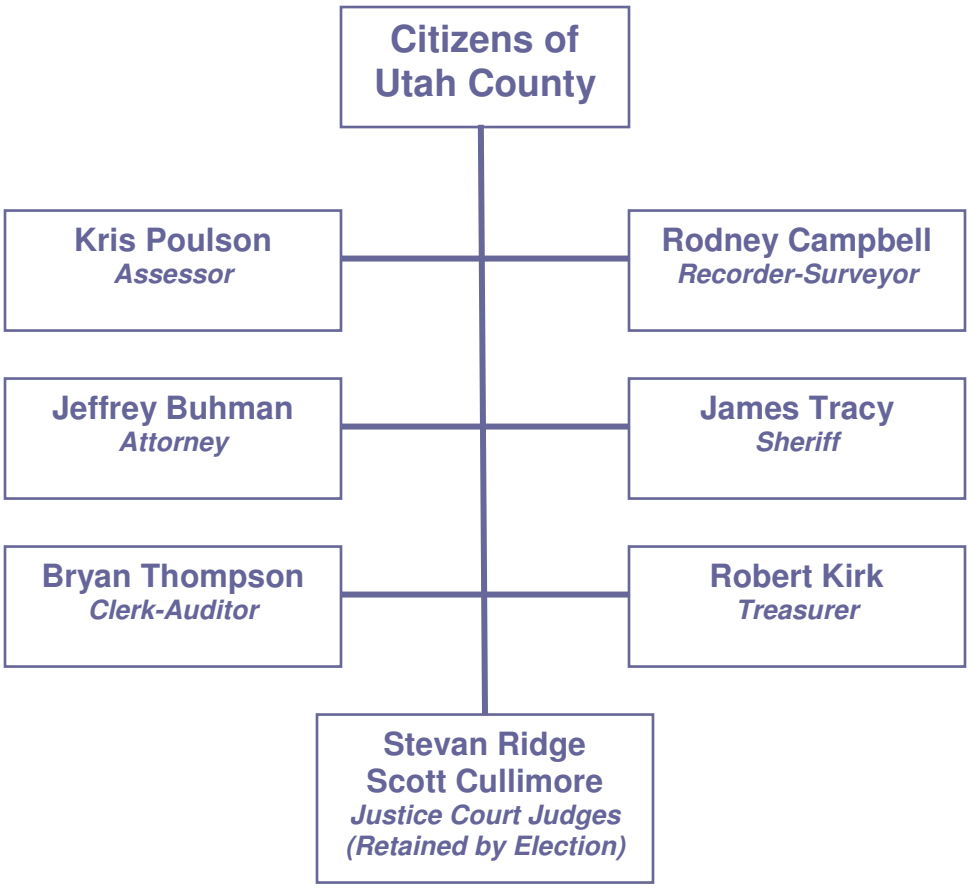
On October 22, 2010, the County issued $4.94 million in Sales Tax Revenue bonds to finance the costs of energy improvements to County facilities.

	Date of Issuance	Total Principal	Balance as of 12/31/2010	2011 Principal Payments Due	Payoff Date
General Obligation Bonds					
Administration Building	11/1/2002	$ 6,645,000	$ 1,750,000	$ 850,000	2/15/2012
Security Center	2/1/2001	$ 14,485,000	$ 4,945,000	$ 1,575,000	2/15/2013
Revenue Bonds					
Health & Justice Building / Animal Shelter	8/4/2005	$ 20,975,000	$ 13,475,000	$ 1,670,000	11/1/2017
Security Center Expansion	8/4/2005	$ 15,165,000	$ 11,175,000	$ 890,000	11/1/2020
Security Center Expansion	8/1/2006	$ 7,615,000	$ 6,075,000	$ 450,000	11/1/2021
Transportation Projects (Sales Tax)	8/27/2009	$ 102,730,000	$ 100,505,000	$ 2,300,000	12/1/2034
Transportation Projects (Fee)	9/3/2009	$ 27,715,000	$ 27,105,000	$ 620,000	12/1/2034
Convention Center	1/20/2010	$ 40,150,000	$ 39,240,000	$ 665,000	12/1/2039
Energy Improvements	10/22/2010	$ 4,940,000	$ 4,940,000	$ -	2/1/2027
TOTAL		$ 240,420,000	$ 209,210,000	$ 9,020,000	

Organizational Charts

(As of January 1, 2010)

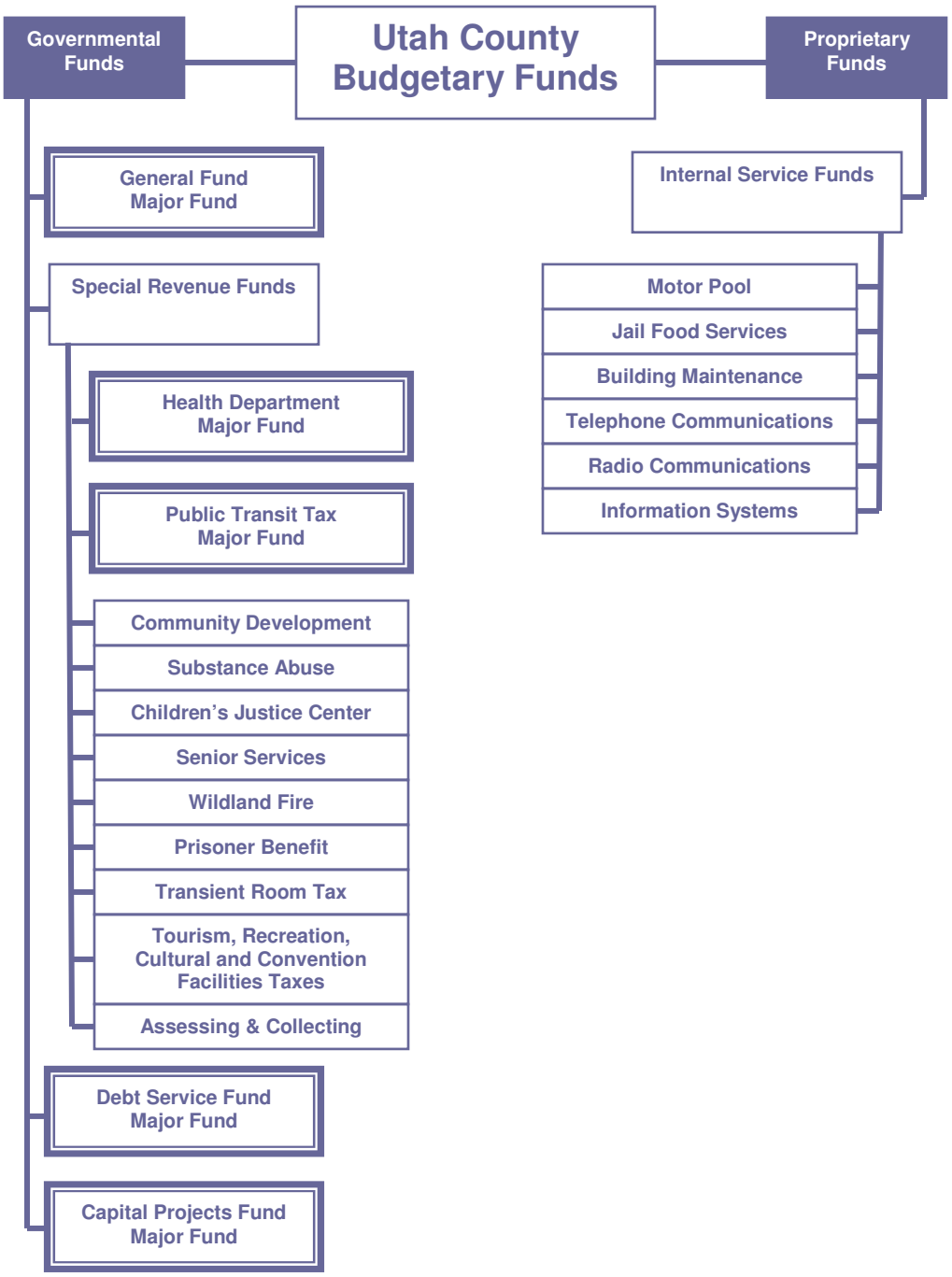




Summary of Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Major funds represent the significant activities of the County and basically include any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget. The County has five major funds: the general fund, the health department fund, the public transit tax fund, the debt service fund, and the capital projects fund.



General Fund

The general fund is the chief operating fund of the County and is used to account for all transactions that pertain to the general administration of the County and the services traditionally provided to its citizens. This includes law enforcement services, legal services, road maintenance and improvements, park maintenance and improvements, and other general governmental services.

Health Department Fund

The health department fund is a special revenue fund used to account for the activities of the Utah County Health Department. The Health Department operates five main divisions: Environmental Health, Community Health/Nursing, Health Promotion, Mosquito Abatement, and WIC (Women, Infants, and Children). A large portion of the Health Department's revenues come from federal grants passed through the Utah Department of Health.

Public Transit Tax Fund

The public transit tax fund is a special revenue fund used to account for transportation projects of the County. On April 1, 2007, the County enacted a 0.25-percent sales tax known as the Mass Transit Fixed Guideway sales tax. The results of an opinion question included on the ballot during the 2006 general election indicated that voters approved of this sales tax (69 percent for the tax and 31 percent against the tax). On January 1, 2008, the tax for this sales tax increased to 0.30 percent. Per terms of an interlocal agreement with the Utah Transit Authority ("UTA"), 92 percent of this tax is dedicated to UTA for construction of a commuter rail line within the County. However, because of the urgency of road projects within the County, the County is receiving 100 percent of the tax revenues up to the first $60.0 million collected. At that time, UTA will receive 100 percent of the revenues until the amount advanced to the County is paid in full.

On January 1, 2009, the County enacted a 0.25-percent sales tax known as the County Airport, Highway, and Public Transit sales tax.

In addition to these two sales taxes, the County signed an interlocal agreement with the Utah Department of Transportation to receive the motor vehicle registration fee collected by the Utah State Tax Commission until the County's debt service requirements are paid.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest, and related costs.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

In addition to these five major funds, the County maintains non-major special revenue funds and non-major proprietary funds.

Non-major Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The County utilizes nine non-major special revenue funds: Community Development fund; Substance Abuse fund; Children's Justice Center fund; Senior Services fund; Wildland Fire fund; Prisoner Benefit fund; Transient Room Tax fund; Tourism, Recreation, Cultural and Convention Facilities Taxes fund; and Assessing and Collecting fund.

Non-major Proprietary Funds

The County's non-major proprietary funds are all internal services funds. Internal services funds are used to report activities that provide goods or services to other funds, departments, and agencies of the County and its component units, or to other governments, on a cost-reimbursement basis. The County utilizes six non-major proprietary funds: Motor Pool fund; Jail Food Services fund; Building Maintenance fund; Telephone Communications fund; Radio Communications fund; and Information Systems fund.

Fiduciary Funds

The County has additional fiduciary funds that are audited, but not included in the budget.

General Fund Highlights

The 2011 general fund is tentatively budgeted at $81.68 million. This represents a decrease of $101,000 from the current 2010 budget.

Revenue Comparisons

The following chart shows summarizes the revenue in the general fund by category:

Category	2009 Actual		2010 Budget		2011 Tentative		Δ 09-11	Δ 10-11
Property Taxes	$ 32,201,193	40.8%	$ 32,039,985	39.2%	$ 30,320,000	37.1%	-5.8%	-5.4%
Sales Taxes	17,854,019	22.6%	18,700,000	22.9%	18,980,750	23.2%	6.3%	1.5%
Licenses and Permits	99,720	0.1%	99,000	0.1%	95,000	0.1%	-4.7%	-4.0%
Intergovernmental Revenue	7,727,277	9.8%	11,259,017	13.8%	9,531,998	11.7%	23.4%	-15.3%
Charges for Services	11,600,581	14.7%	11,382,765	13.9%	12,532,288	15.3%	8.0%	10.1%
Fines and Forfeitures	2,852,841	3.6%	2,909,000	3.6%	3,359,125	4.1%	17.7%	15.5%
Miscellaneous Revenue	629,499	0.8%	583,358	0.7%	370,000	0.5%	-41.2%	-36.6%
Outside Donations	2,709	0.0%	45,600	0.1%	2,500	0.0%	-7.7%	-94.5%
Transfers In	2,544,049	3.2%	4,765,029	5.8%	5,016,822	6.1%	97.2%	5.3%
Appropriated Fund Balance	3,456,477	4.4%	-	0.0%	1,474,146	1.8%	-57.4%	na
Totals	**$ 78,968,365**	**100.0%**	**$ 81,783,754**	**100.0%**	**$ 81,682,629**	**100.0%**	3.4%	-0.1%

Utilization of General Property and Sales Taxes

The following chart shows the amount of general property and/or sales taxes utilized by department:

Department	Budgeted Expense	General Use Property and/or Sales Tax	% Total Taxes	% Exp Budget
Commission	$ 875,982	$ 700,786	1.6%	80.0%
Justice Court	1,056,046	75,463	0.2%	7.1%
Personnel	921,535	829,382	1.9%	90.0%
GIS	335,829	330,829	0.7%	98.5%
Records Management	374,158	374,158	0.8%	100.0%
Auditor	668,790	529,432	1.2%	79.2%
Tax Admin	432,460	-	0.0%	0.0%
Clerk	216,274	53,274	0.1%	24.6%
Treasurer	989,304	19,427	0.0%	2.0%
Recorder	2,044,534	-	0.0%	0.0%
Attorney	6,013,781	3,987,733	9.0%	66.3%
Assessor	3,382,285	-	0.0%	0.0%
Elections	654,132	599,132	1.4%	91.6%
Sheriff - Enforcement	16,350,824	9,649,117	21.8%	59.0%
Sheriff - Corrections	21,444,159	15,572,004	35.1%	72.6%
Public Works	675,624	619,624	1.4%	91.7%
Roads	3,275,437	-	0.0%	0.0%
Surveyor	422,096	420,096	0.9%	99.5%
Parks	860,241	-	0.0%	0.0%
Extension	302,305	298,200	0.7%	98.6%
Agriculture	69,903	69,903	0.2%	100.0%
Non-Dept / Debt Serv	5,089,892	1,551,059	3.5%	30.5%
Utah County Fair	129,000	129,000	0.3%	100.0%
Substance Abuse	300,000	300,000	0.7%	100.0%
Health Dept	2,640,000	2,640,000	6.0%	100.0%
Children's Justice Center	56,938	56,938	0.1%	100.0%
Foster Grandparents	45,314	45,314	0.1%	100.0%
Senior Companions	49,109	49,109	0.1%	100.0%
Wildland Fire	700,000	700,000	1.6%	100.0%
Restricted	7,012,633	458,726	1.0%	6.5%
Provo/Orem Chamber	850	850	0.0%	100.0%
Public Defender	3,148,449	3,148,449	7.1%	100.0%
Wasatch Mental Health	950,000	950,000	2.1%	100.0%
Mountainland Assoc Govt	156,745	156,745	0.4%	100.0%
Utah Lake Commission	38,000	38,000	0.1%	100.0%
Totals	**$ 81,682,629**	**$ 44,352,750**	**100.0%**	**54.3%**

Capital Projects

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The following schedule shows the County's funding for capital facilities over the next three years:

Capital Project Funding:

Funding from Prior Years	$7,569,446
Funding Budgeted for 2010 Projects	$(1,626,400)
Funding from Other Sources for 2011 Projects	$44,851,293
Funding from Other Sources for 2012 Projects	$600,000
Funding from Other Sources for 2013 Projects	$530,000
Funding from Other Sources for 2014 Projects	$0
Total Capital Projects Funding Available	$51,924,339

Planned Capital Project Expenditures:

2011:	Courthouse Exterior Restoration	$600,000
	Utah Valley Convention Center	$39,251,293
	Energy Upgrades to County Facilities	$5,000,000
2012:	Courthouse Exterior Restoration	$600,000
2013:	Courthouse Roof Replacement	$30,000
	Courthouse West Step Replacement	$500,000
2014:	North County Satellite Building	$3,600,000
	Total Capital Projects Funding Needed	$49,611,293
	Funding Excess / (Shortfall)	$2,313,046

Other Statistical Information

The following chart summarizes the number of full-time equivalents (FTEs) in the County's budgeted staffing plan for 2011. Except for time-limited positions, no person is placed or retained on a department payroll unless the person occupies a position listed in the approved staffing plan. An FTE is the decimal equivalent of a part-time position converted to a full-time basis (e.g. one person working half time would equate to 0.5 FTE).

		Non-Public Safety			Public Safety				
Department	Elected Official*	FLSA Exempt	FLSA Non-Exempt	Grant-Funded	FLSA Exempt	Sgt.	Deputy	**Total FTEs**	**% Total**
Sheriff - Corrections		21.50	43.50	2.00	6.00	16.00	123.00	212.00	24.3%
Health Department		69.75	67.50	14.50				151.75	17.4%
Sheriff - Enforcement	1.00		27.50	3.50	8.00	23.00	84.00	147.00	16.9%
Public Works		8.00	56.00					64.00	7.3%
Attorney	1.00	28.00	25.50	1.50	1.00	4.00		61.00	7.0%
Substance Abuse		22.00	26.00	10.00				58.00	6.7%
Assessor	1.00	2.00	34.50					37.50	4.3%
Information Systems		16.00	13.00					29.00	3.3%
Recorder	1.00	1.00	25.50					27.50	3.2%
Clerk-Auditor	1.00	5.00	11.00					17.00	2.0%
Justice Court	2.00	1.00	11.00					14.00	1.6%
Community Development		6.00	5.00					11.00	1.3%
Children's Justice Center		3.50	3.00	3.50				10.00	1.2%
Personnel		6.00	3.00					9.00	1.0%
Treasurer	1.00	1.00	6.00					8.00	0.9%
Commission	3.00	1.00	3.00					7.00	0.8%
Surveyor	1.00		4.00					5.00	0.6%
Extension			3.00					3.00	0.3%
Totals	**12.00**	**191.75**	**368.00**	**35.00**	**15.00**	**43.00**	**207.00**	**871.75**	**100.0%**
	1.4%	22.0%	42.2%	4.0%	1.7%	4.9%	23.7%		

*Note: Elected officials include Justice Court judges who are appointed but retained by election.

The following chart summarizes the salaries of the elected officials of the County:

	Annual Salary[1]						
Elected Official	2005	2006	2007	2008	2009	2010	2011
Commissioner	$ 81,588	$ 81,588	$ 89,544	$ 94,692	$ 99,294 [2]	$ 103,896	$ 103,896 [11]
Attorney	$ 100,568	$ 100,568	$ 105,378	$ 111,410	$ 116,818 [3]	$ 122,226	$ 122,226 [11]
Sheriff	$ 87,516	$ 87,516	$ 96,018	$ 101,530	$ 105,196 [4]	$ 108,862	$ 108,862 [11]
Assessor	$ 76,128	$ 76,128	$ 85,488	$ 90,402	$ 93,652 [5]	$ 96,902	$ 96,902 [11]
Clerk-Auditor	$ 76,128	$ 76,128	$ 81,588	$ 86,294	$ 90,493 [6]	$ 94,692	$ 94,692 [11]
Recorder	$ 76,128	$ 76,128	$ 81,588	$ 86,294	$ 90,493 [6]	$ 94,692	$ 94,692 [11]
Treasurer	$ 76,128	$ 76,128	$ 81,588	$ 86,294	$ 90,493 [6]	$ 94,692	$ 94,692 [11]
Surveyor	$ 2,350	$ 2,350	$ - [7]	$ -	$ -	$ -	$ 74,230
Retained by Election							
Justice Court Judge	$ 73,450 [8]	$ 78,209 [9]	$ 81,146 [10]	$ 96,018	$ 96,018	$ 96,018	$ 96,018 [11]

[1] For comparison purposes, the annual salaries shown are calculated using 26 pay periods even though in a particular year more than 26 pay periods may be paid.

[2] The biweekly salary was increased from $3642 to $3996 effective June 14, 2008.

[3] The biweekly salary was increased from $4285 to $4701 effective June 14, 2008.

[4] The biweekly salary was increased from $3905 to $4187 effective June 14, 2008.

[5] The biweekly salary was increased from $3477 to $3727 effective June 14, 2008.

[6] The biweekly salary was increased from $3319 to $3642 effective June 14, 2008.

[7] Surveyor combined with Recorder beginning January 1, 2007 with no increase in salary.

[8] The biweekly salary was increased from $2661 to $2989 effective June 18, 2005.

[9] The biweekly salary was increased from $2989 to $3034 effective July 15, 2006.

[10] The biweekly salary was increased from $3034 to $3208 effective June 16, 2007.

[11] It is not anticipated that salaries for elected officials will increase during 2011.