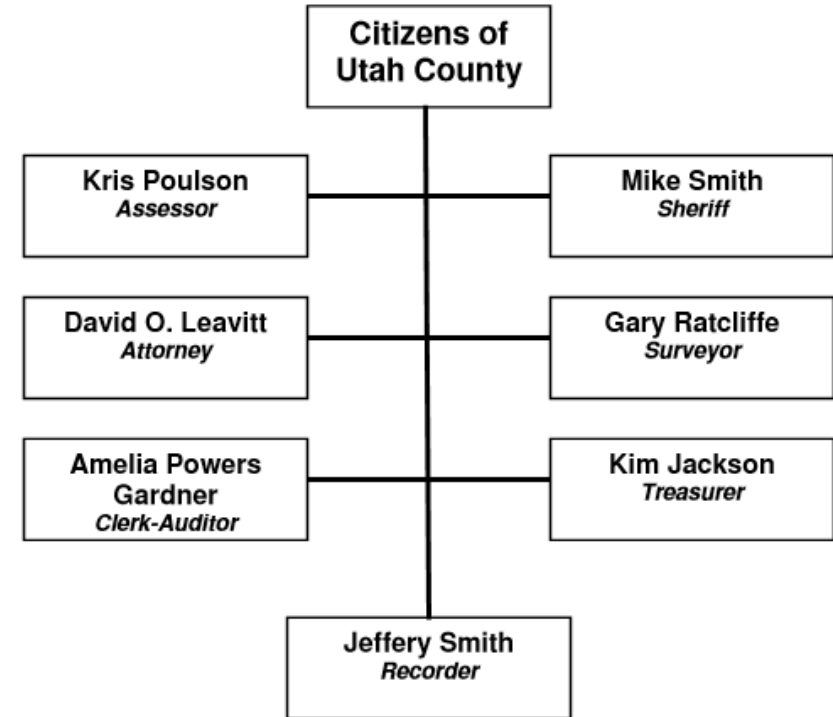
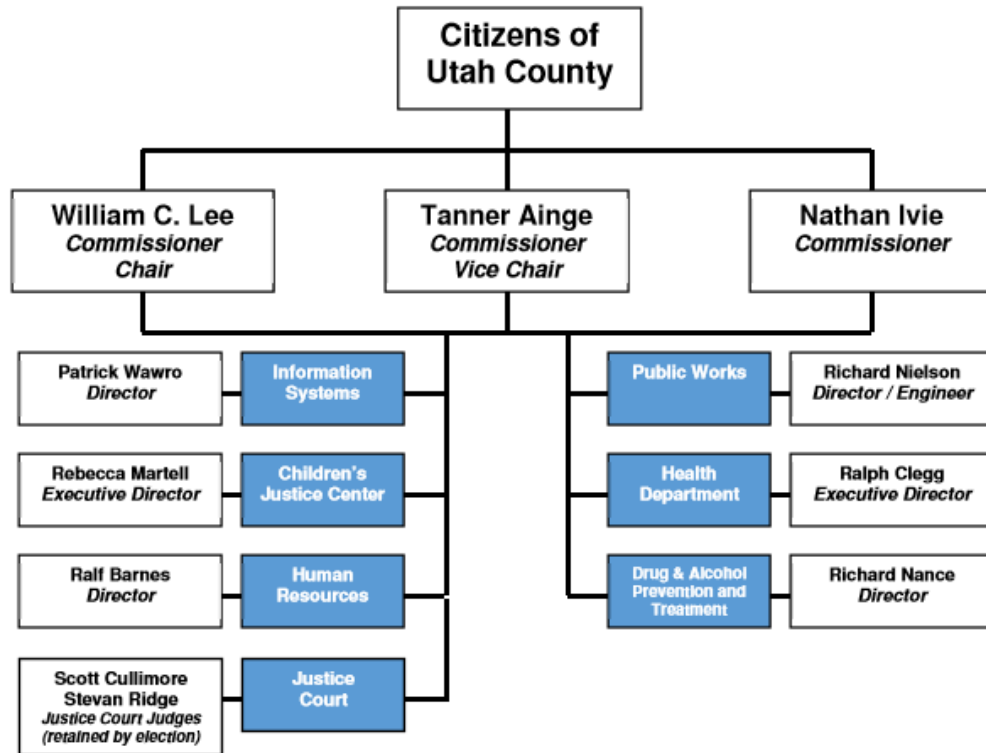


# 2020 Budget Proposal

Utah County Commissioner Bill Lee



# Organizational Chart



# Things to Know about Utah County's Revenues

- Utah County's revenue projection for next year, not including a tax increase, is **\$85,438,137**.
- The revenue projections we use are the *most conservative* projections. It's entirely possible—and often ends up being the case—that our actual revenues exceed our projections.

# All 2020 budget areas of focus that exceed the \$85.4 million of revenue

○ Risk Management	\$1.7M	
○ Deferred Information Technology	\$1M	
○ Administration Building	\$5M	
○ Other Capital Projects	\$4M	
○ Fund Balance Replacement	\$2M	
○ 2020 Baseline Budget Balance	\$10.5M	
○ 2020 Department Priorities, <i>General Fund Only</i>	<del>\$12.3M</del>	\$14.3M

Total

approximately ~~\$36.5M~~

**\$38.5M**

# Ways to Address the Budget

- Don't fund every additional request
- Cut spending in the baseline budget
- Fund requests through other means (e.g., Legislature, bonds)
- Fund one-time expenses with one-time revenue sources
- Use fund balance (i.e., "Rainy Day Fund")
- Raise taxes

# Department Requests Above the Baseline Budget

- There are approximately \$14.3 million total in additional asks from the departments.
- The Commission ranked each of those requests as High, Medium, or Low.
- \$3,317,523 of those requests ranked as “Medium High” or “High.”
- \$10,973,280 of those requests ranked as “Medium” or “Low.”

**My Proposal: Don't fund the Medium or Low rankings.**

Annual savings: **\$10,973,280**

# Capital Projects

- The Public Works department has identified approximately \$21.7 million worth of new buildings that may be needed in the near future.
- We have \$9.5 million sitting in a capital projects fund balance.
- Within the next few months, nearly all non-County tenants will be removed from our downtown Provo campus.
- Our current administration building, built in 1986, still has 17 years of useful life remaining.
- New buildings can be paid for using general obligation bonds, capital projects fund balance, or a combination of both.
- General obligation bonds, which give us the lowest interest rate, allow the public to weigh in on these major expenditures.

**My Proposal: Use general obligation bonds to pay for capital projects.**

Impact on budgetary analysis: **\$9,000,000**



# Fund Balance

- A lot of money appropriated in the annual budget ends up not getting spent at the end of the year. That money gets returned to the general fund.
- Based off past actual totals, we know that approximately \$2.9 million should be turned back to the general fund.
- If we dip into fund balance by no more than \$2.9 million, our actual spending should balance with our actual revenues.

**My Proposal: Use \$2.9 million of fund balance to balance the budget, understanding that amount will always be returned.**

Impact on budgetary analysis: **\$2,900,000**

# ICE Contract

- A couple of years ago, the Sheriff's Office asked to back out of an agreement that the County had with U.S. Immigration and Customs Enforcement (ICE), which was worth about \$4.5 million in annual revenue.
- In exchange for backing out of that agreement, the Sheriff's Office presented a reduction in expenses of \$2,459,850. That reduction never materialized.

**Option 1: Have the Sheriff's Office identify the promised reduction in expenses resulting from the ICE contract termination.**

Annual savings: **\$2,459,850**

*or*

**Option 2: Get back into the ICE Contract.**

Annual revenue: **\$4,500,000**

# Fund Balance Replenishment

- The County should have a minimum of 16.7% of its annual revenue sitting in an unassigned fund balance account. We currently are at approximately 20.0%.
- The Auditor's Office recommends we replenish the fund balance by putting \$2.0 million into it annually.

**My Proposal: Use the one-time sale of a \$10 million property, which will occur next year, to replenish the fund balance for four years.**

Impact on budgetary analysis: **\$2,000,000**

# Internal Service Fund

- The Internal Service Fund (ISF) is used to track goods and services shifted between departments. Example: Public Works providing building maintenance to other departments.
- In 2018, the ISF was \$10.5 million. In 2020, the ISF departments requested \$15.5 million. That's a 47% increase, which seemed like way too high of an increase.
- My office asked that those numbers be reevaluated, and it turns out that the projections by our Public Works department were too high. So far, \$2 million has been deducted from the original \$15.5 million request, and the deduction may end up being higher.

**My Proposal: Reduce the Internal Service Fund projection in 2020 to a more accurate number.**

Impact on budgetary analysis: **\$2,000,000**

# Capital Punishment

- The County funds both the prosecution and the defense of cases in which capital punishment is on the table.
- It is projected that the County will spend approximately \$1 million annually on these cases. That cost vanishes when capital punishment is not an option.

**My Proposal: No longer fund capital punishment cases.**

Impact on budgetary analysis: **\$1,000,000**

# Risk Management

- This is a request that is impossible to predict on an annual basis.
- With proper training, management, and oversight, we minimize our risk for losses due to errors or incidences that are not covered by insurance.
- I am comfortable using one-time revenue for this proposal because we do not have a clear picture of what this number will be year by year.

**My Proposal: Take the remaining \$2 million we will have from the \$10 million property sale, and put that into a risk management account.**

Impact on budgetary analysis: **\$700,000**

# Deferred Information Technology

- I have seen no analysis explaining the estimated cost of \$1 million annually for “Deferred Information Technology.”
- I recognize that the County does from time to time have large technological purchases that have to be made as we look to become more efficient and effective.

**My Proposal: Cut the Deferred Information Technology annual expenditure in half.**

Impact on budgetary analysis: **\$500,000**

# Utah County Justice Court

- The revenue for the Utah County Justice Court has fallen dramatically in recent years, to the point that it is lower than what it was before we added a second judge.
- While the process for decertifying a judge is difficult, we can staff the Justice Court right now at a more appropriate level.

**My Proposal: Reduce the Justice Court staff in half to better reflect the actual revenue being generated.**

Annual savings: **\$400,000**



# Attorney's Office Request for a Digital Forensic Specialist

- The Attorney's Office requested that a Digital Forensic Specialist be added to its investigations unit.
- This request received a "Medium High" ranking, so it is deemed to be "funded" under my proposal. However, granting this request would duplicate functions that already exist in the Sheriff's Office.

**My Proposal: Either keep this employee in the Sheriff's Office or move them to the Attorney's Office.**

Impact on budgetary analysis: **\$89,000**

# Environmental Health Scientist

- One of the 2020 requests that received a “Medium High” ranking is for an Environmental Health Scientist.
- We recently sold a Health Department property that will return approximately \$3.3 million to a fund balance that we have set up for the Health Department.

**My Proposal: Have the recent sell of a Health Department property cover the cost of the Environmental Health Scientist.**

Impact on budgetary analysis: **\$88,163**

Remember: According to the Auditor's Office, these are the requests that exceed the projected 2020 revenue:

○ Risk Management	\$1.7M	
○ Deferred Information Technology	\$1M	
○ Administration Building	\$5M	
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Total

approximately ~~\$36.5M~~

**\$38.5M**

Total Budgetary Impact of My Proposal So Far:

**\$34,150,443**

This leaves us about \$4.35 million short of the \$38.5 million target. However...

# Other Potential Cuts

- There may be additional cuts in the Internal Service Fund.
- I am waiting on an analysis of the County's vehicle fleet to ensure there is a legitimate business purpose for every vehicle. The Auditor's Office projects that there could be several hundred thousands saved annually by eliminating vehicles that do not have a legitimate business purpose.
- The Commission could request a small percentage cut from all departments.
- Anything my fellow commissioners or the public might have that is funded through the general fund.

# Other Potential Revenue

- Redo our agreements with “Contract Cities” (i.e., cities that contract with the County for police services) to capture the full costs of the services we provide.
- One-time revenue that would be gained from selling off part of our motor pool fleet.
- Apply for Victims of Crime Act (VOCA) grants to pay for new Victim Advocates.
- Increase taxes.

# Legislative Asks

- Allow tourism revenues to be used for search and rescue expenses, which the Legislature only allows smaller counties to do.
- More help with public defender funding – other states do not place such a heavy burden on counties for public defense costs.
- Elections technology funding.
- Demand that the federal government cover the medical expenses of illegal immigrant inmates housed in our jail.

# Organizational Chart

