

Utah County

Utah



2014 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 2014 has been prepared for Utah County using budgetary practices required by the Utah State Auditor.

As noted on the tentative budget, the amounts shown on the budget have been restated in accordance with the following changes in fund assignments:

- The Parks budget, formerly part of the general fund, is now accounted for in the special revenue fund dedicated for Tourism, Recreational, Cultural, and Convention Facilities (TRCC) taxes.

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 approximately 90 percent and a reduction for redemptions, the property tax revenue is budgeted at \$37.8 million for 2014. Of the \$37.8 million budgeted for property taxes, \$30.6 million is for general property taxes that are unrestricted in their use and \$7.2 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 \$1.8 million for 2014, which is a negligible increase from the 2013 budgeted amount.

The County option sales tax, which represents the 0.25-percent levy the County has opted to collect, is budgeted at \$20.0 million for 2014, which is a 3.6-percent increase from the 2013 budgeted amount.

Revenues for licenses, grants, fees, and fines were estimated by the respective departments. The amounts are included in the 2014 budget as submitted by the departments.

Requested Appropriations

The 2014 tentative budget is presented as a balanced budget for all funds with the exceptions of the following funds:

- General Fund
 - Deficit of \$113,829

- Special Revenue Fund for the Children’s Justice Center (“CJC”)
 - Deficit of \$69,417
- Special Revenue Fund for Contract Law Enforcement
 - Deficit of \$57,489

The Board of County Commissioners 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, December 3, 2013.

This tentative budget includes no extraordinary budget increases.

The tentative 2014 budget includes a one-step increase for employees upon successful completion of their 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.

In addition to salary increases, the tentative budget includes full funding of the projected increases in the State retirement contribution rates. The department’s tentative budgets do not include funding for the following changed in benefits:

- Increase in County’s portion of health insurance premium of approximately 6 percent, or \$470,000. The County’s health insurance plans have been adjusted, mostly by raising deductibles, to lower the increase from the preliminary estimate of 15 percent.
- Increase in County contributions to employees’ Health Savings Accounts of approximately \$125,000.
- Addition of dependent life insurance for all employees at a cost of approximately \$20,000.

Currently full-time County employees with benefits pay nothing toward the cost of their health insurance. The County will also be continuing the changes made during 2013 to its wellness program whereby employees who do not participate will either forfeit contributions to their health savings accounts or will have to pay a portion of their health insurance premiums.

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 2014. However, it is not expected that the Board of County Commissioners will increase property taxes.

Budget Integrity

The basic concept of Utah County's 2014 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 2014 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:

<u>Fund</u>	<u>"One-Time" Funding Amount</u>
aDDAPT	\$243,620
Health Department	\$1,665,033
Inmate Benefit	\$127,025

"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

Several departments have submitted staffing plan change requests. The tentative budget does not include funding for new positions in the staffing plan, but does include funding for several career ladder promotions in various departments.

Sincerely,



Bryan E. Thompson
Utah County Clerk-Auditor

Debt Service

During 2013, the County made the final debt service payment on its General Obligation bonds. Accordingly, for 2014, the County only carries debt from Revenue bonds. Whereas 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.

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.

The County issued \$51.675 million in Sales Tax Revenue bonds on February 14, 2012 for the purpose of financing transportation projects within the County. Previous to the issuance of these bonds, the County had an interlocal agreement with Utah Transit Authority (“UTA”) whereby the County borrowed \$55.2 million from UTA’s portion of the fixed guideway (or “Section 2216”) sales tax to fund transportation projects such as Pioneer Crossing and North County Boulevard. The interlocal agreement stipulated that the County would repay interest to UTA at a rate of five percent. The issuance of these bonds not only reduces the interest payments due, but also provides immediate operational funding for FrontRunner South, which began service in Utah County in December 2012.

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.

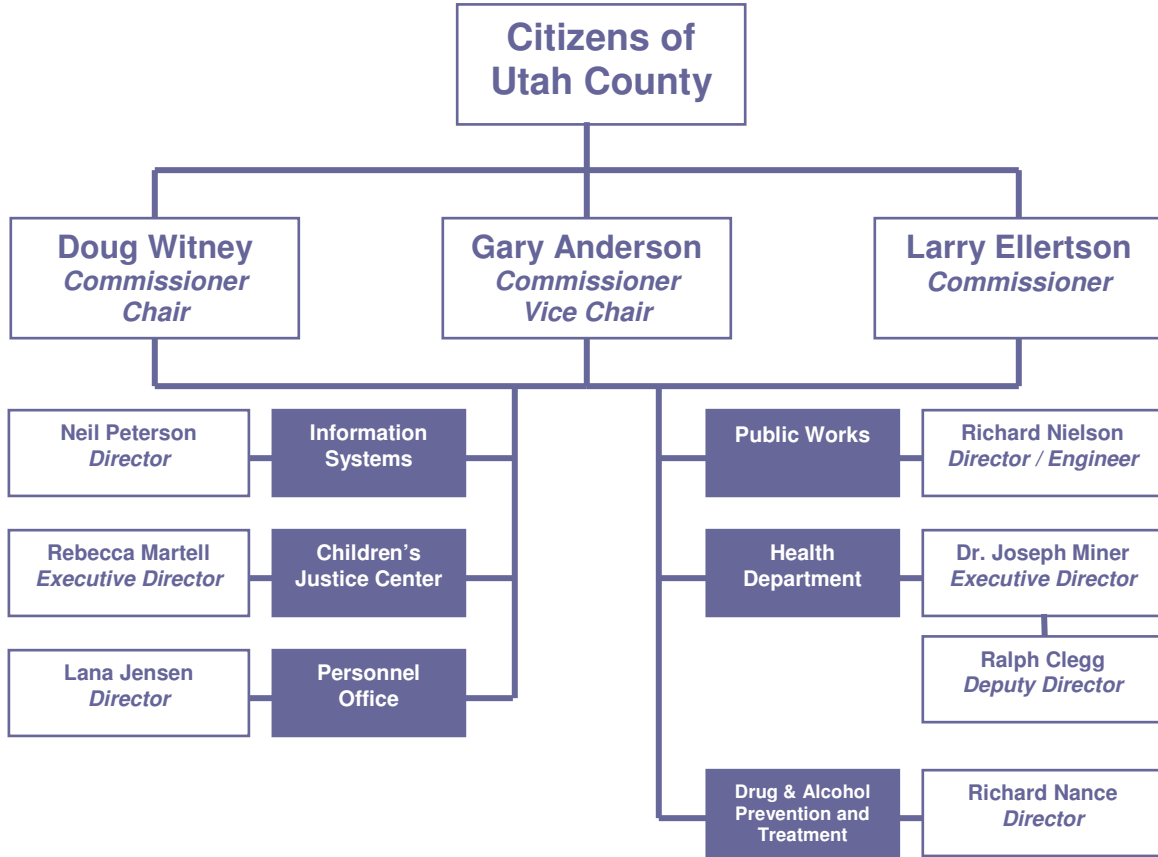
Museum of Natural Curiosity at Thanksgiving Point

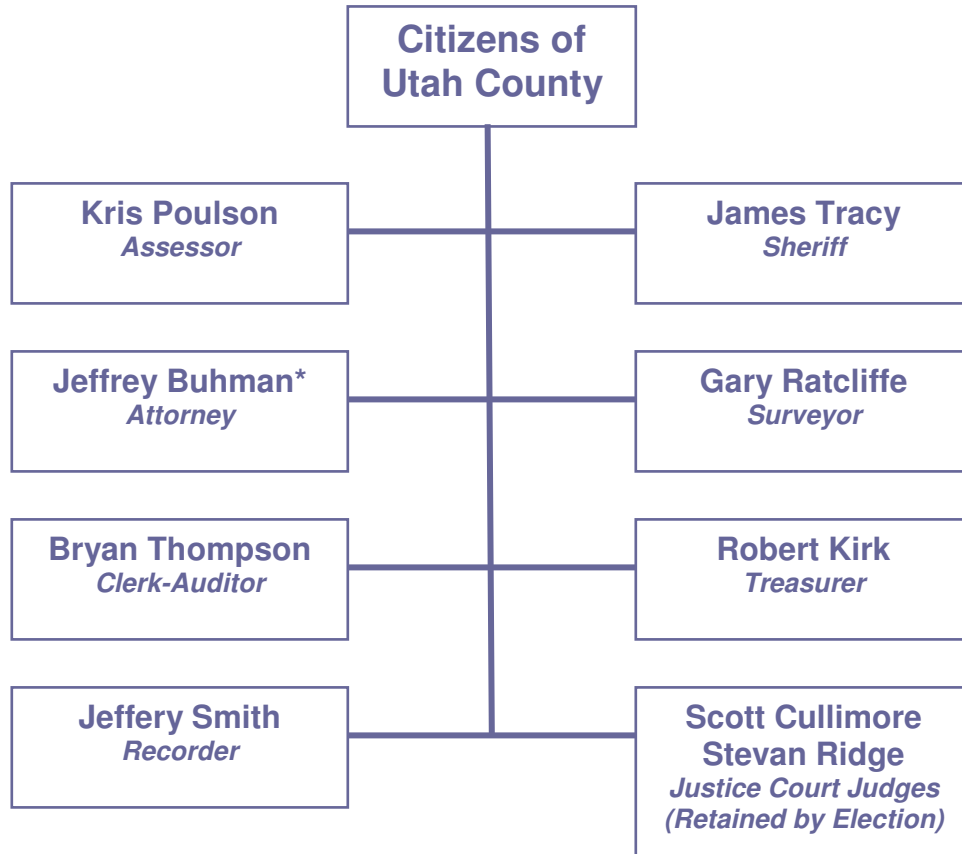
On September 4, 2013, the County issued \$3.8 million in Excise Tax Revenue bonds to finance a portion of the costs of acquiring, constructing, equipping, and furnishing a museum and related improvements and facilities to be located at Thanksgiving Point in Lehi.

	Date of Issuance	Total Principal	Balance as of 12/31/2013	2014 Principal Payments Due	Payoff Date
<u>General Obligation Bonds</u>					
None	na	na	na	na	na
<u>Revenue Bonds</u>					
Health & Justice Building / Animal Shelter	8/4/2005	\$ 20,975,000	\$ 8,225,000	\$ 1,915,000	11/1/2017
Security Center Expansion	8/4/2005	\$ 15,165,000	\$ 8,370,000	\$ 1,030,000	11/1/2020
Security Center Expansion	8/1/2006	\$ 7,615,000	\$ 4,700,000	\$ 500,000	11/1/2021
Transportation Projects (Sales Tax)	8/27/2009	\$ 102,730,000	\$ 93,350,000	\$ 2,535,000	12/1/2034
Transportation Projects (Fee)	9/3/2009	\$ 27,715,000	\$ 25,160,000	\$ 685,000	12/1/2034
Convention Center	1/20/2010	\$ 40,150,000	\$ 37,165,000	\$ 725,000	12/1/2039
Energy Improvements	10/22/2010	\$ 4,940,000	\$ 4,630,000	\$ 170,000	2/1/2027
Transportation Projects (UTA)	1/31/2012	\$ 51,675,000	\$ 49,565,000	\$ 900,000	12/1/2039
Museum at Thanksgiving Point		\$ 3,800,000	\$ 3,700,000	\$ 130,000	12/1/2033
TOTAL		\$ 274,765,000	\$ 234,865,000	\$ 8,590,000	

Organizational Charts

(As of October 28, 2013)



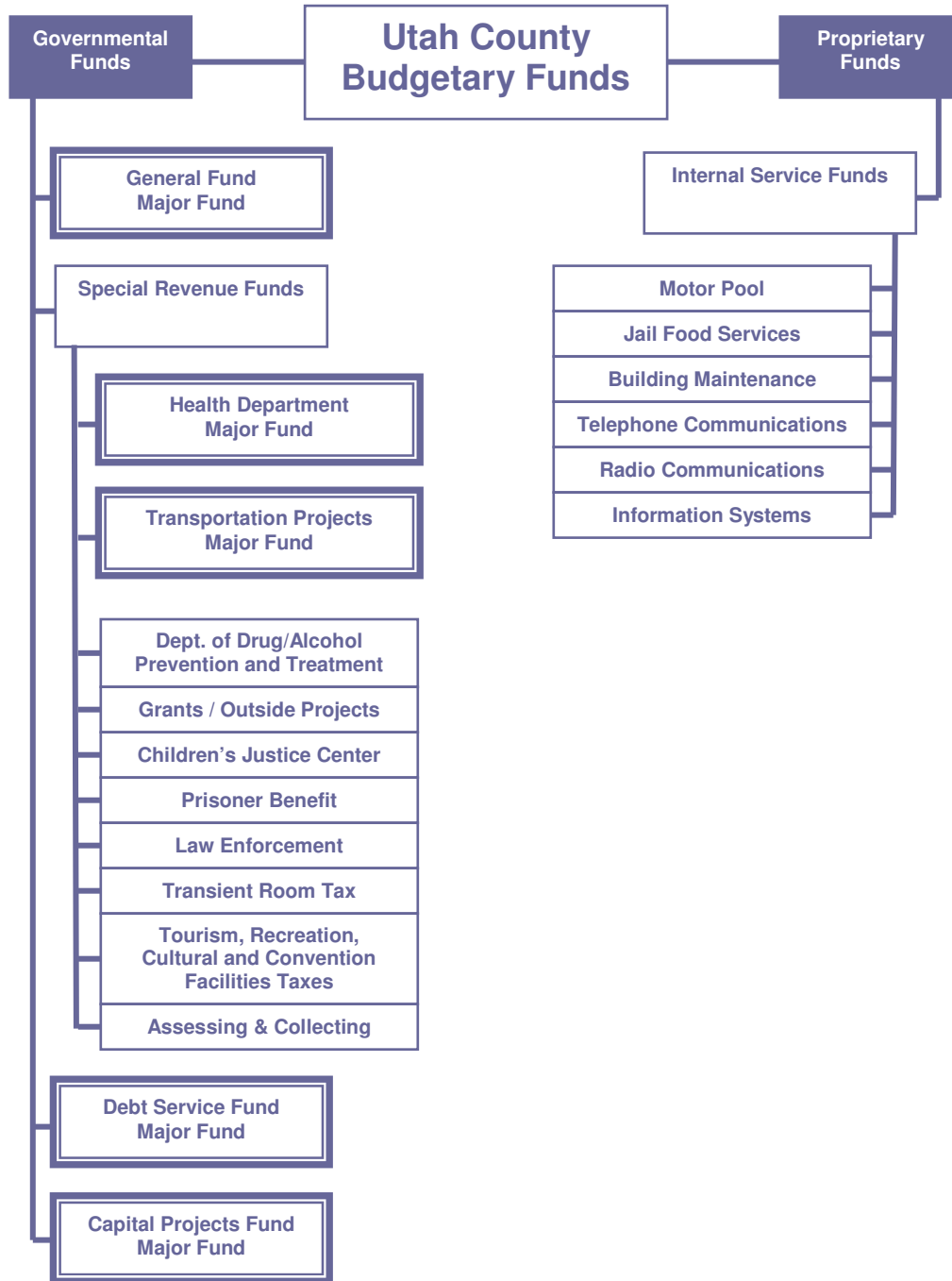


*Note: Position currently being filled by Timothy Taylor due to Mr. Buhman’s military leave.

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 road projects 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, 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 fund includes six main divisions: Administration, Environmental Health, Community Health/Nursing, Health Promotion, WIC (Women, Infants, and Children), and Senior Services. A large portion of the Health Department's revenues come from federal grants passed through the Utah Department of Health.

Transportation Projects Fund

The road projects 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.

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 ("UDOT") to receive the motor vehicle registration fee collected by the Utah State Tax Commission until the County's debt service requirements are paid.

This fund also includes projects funded with Class "B" Road Funds the County receives from UDOT.

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 eight non-major special revenue funds: aDDAPT (Department of Drug and Alcohol Prevention and Treatment) fund; Grants/Outside Projects fund; Children’s Justice Center fund; Prisoner Benefit fund; Law Enforcement fund; Transient Room Tax fund; Tourism, Recreation, Cultural and Convention Facilities Taxes fund (includes park maintenance and improvements); 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 2014 general fund is tentatively budgeted at \$72.2 million. This represents an increase of \$0.8 million from the current 2013 budget.

Revenue Comparisons

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

Category	2012 Actual		2013 Budget		2014 Tentative		Δ 12-13	Δ 13-14
Property Taxes	\$ 30,468,950	42.0%	\$ 29,962,610	41.9%	\$ 30,600,000	42.4%	0.4%	2.1%
Sales Taxes	20,889,252	28.8%	21,125,000	29.6%	21,840,000	30.3%	4.6%	3.4%
Other Taxes	2,268	0.0%	4,000	0.0%	4,000	0.0%	76.4%	0.0%
Licenses and Permits	267,499	0.4%	283,792	0.4%	263,000	0.4%	-1.7%	-7.3%
Intergovernmental Revenue	776,993	1.1%	721,069	1.0%	738,959	1.0%	-4.9%	2.5%
Charges for Services	13,239,657	18.2%	12,555,987	17.6%	12,200,909	16.9%	-7.8%	-2.8%
Fines and Forfeitures	3,002,528	4.1%	3,438,610	4.8%	2,925,000	4.1%	-2.6%	-14.9%
Miscellaneous Revenue	405,899	0.6%	250,610	0.4%	220,000	0.3%	-45.8%	-12.2%
Outside Donations	1,176	0.0%	2,500	0.0%	2,500	0.0%	112.7%	0.0%
Transfers In	3,537,392	4.9%	3,137,329	4.4%	3,161,290	4.4%	-10.6%	0.8%
Appropriated Fund Balance	-	0.0%	-	0.0%	173,546	0.2%	na	na
Totals	\$ 72,591,613	100.0%	\$ 71,481,507	100.0%	\$ 72,129,204	100.0%	-0.6%	0.9%

Utilization of General Property and Sales Taxes

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

<u>Department</u>	<u>Budgeted Expense</u>	<u>General Use Property and/or Sales Tax</u>	<u>% Total Taxes</u>	<u>% Exp Budget</u>
Sheriff - Corrections	\$ 24,125,641	\$ 15,658,240	29.7%	64.9%
Sheriff - Enforcement	15,596,946	11,430,704	21.7%	73.3%
Attorney	6,582,044	4,674,504	8.9%	71.0%
Public Defender	3,450,000	3,436,000	6.5%	99.6%
Health Dept	2,608,100	2,608,100	4.9%	100.0%
Debt Service	2,189,321	2,189,321	4.2%	100.0%
Non-Departmental	2,666,887	1,820,003	3.5%	68.2%
Restricted	1,148,703	1,123,703	2.1%	97.8%
Wasatch Mental Health	1,011,137	1,011,137	1.9%	100.0%
Personnel	1,135,213	960,676	1.8%	84.6%
Sheriff - Wildland Fire	2,232,637	925,913	1.8%	41.5%
Commission	1,010,053	903,128	1.7%	89.4%
Elections	885,803	877,153	1.7%	99.0%
Mosquito Abatement	769,365	769,365	1.5%	100.0%
Auditor	798,322	595,262	1.1%	74.6%
Public Works	598,345	591,045	1.1%	98.8%
GIS	686,870	584,970	1.1%	85.2%
Surveyor	561,316	560,116	1.1%	99.8%
aDDAPT	463,994	463,994	0.9%	100.0%
Records Management	405,193	389,693	0.7%	96.2%
Extension	330,030	326,214	0.6%	98.8%
Utah Valley Dispatch SSD	316,251	316,251	0.6%	100.0%
Utah County Fair	151,000	151,000	0.3%	100.0%
Children's Justice Center	82,000	82,000	0.2%	100.0%
Agriculture	66,188	66,188	0.1%	100.0%
Clerk	257,445	55,256	0.1%	21.5%
Mountainland Assoc Govt	43,010	43,010	0.1%	100.0%
Utah Lake Commission	36,000	36,000	0.1%	100.0%
Justice Court	1,216,579	31,579	0.1%	2.6%
South Valley Animal SSD	30,000	30,000	0.1%	100.0%
Indigent Burials	15,000	15,000	0.0%	100.0%
North Valley Animal SSD	5,000	5,000	0.0%	100.0%
Provo/Orem Chamber	850	850	0.0%	100.0%
Community Development	767,790	-	0.0%	0.0%
Totals	\$ 72,243,033	\$ 52,731,375	100.0%	73.0%

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	\$8,295,535
Funding from Other Sources for 2013 Projects	\$2,937,774
Funding from Other Sources for 2014 Projects	\$1,650,000
Funding from Other Sources for 2015 Projects	\$600,000
Funding from Other Sources for 2016 Projects	\$600,000
Funding from Other Sources for 2017 Projects	\$600,000
 Total Capital Projects Funding Available	 <u>\$15,522,947</u>

Planned Capital Project Expenditures:

2013:	Chamber of Commerce	\$17,974
	North County Foothill Treatment Center	\$155,024
	Courthouse Exterior Restoration	\$117,400
	Sewer Connection	\$40,928
	Mosquito Abatement Building	\$569,831
	Eagle Mountain Communications Tower	\$93,788
	Convention Center	\$2,577,412
	Energy Improvements	\$218,639
2014:	Courthouse Exterior Restoration	\$1,230,000
	Courthouse Front Steps & Breakroom	\$370,000
	Jail Stucco	\$366,000
	Foothill North Building	\$3,200,000
2015:	Courthouse Exterior Restoration	\$600,000
	Jail Dorm Building	\$7,800,000
	Satellite Health Buildings	\$3,000,000
2016:	Courthouse Exterior Restoration	\$600,000
	Satellite Health Buildings	\$3,000,000
	Public Works Facility	\$6,500,000
2017:	Courthouse Exterior Restoration	\$600,000
 Total Capital Projects Funding Needed	 	 <u>\$31,056,996</u>
 Funding Excess / (Shortfall)	 	 <u>\$(15,534,049)</u>

Other Statistical Information

The following chart summarizes the number of full-time equivalents (FTEs) in the County’s budgeted staffing plan as of October 28, 2013. Except for term-limited and 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).

Department	Elected Official*	Non-Public Safety			Public Safety			Total FTEs	% Total
		FLSA Exempt	FLSA Non-Exempt	Grant-Funded	FLSA Exempt	Sgt.	Deputy		
Sheriff - Corrections		24.00	42.00	3.00	6.00	18.00	122.00	215.00	24.1%
Health Department		64.75	73.25	16.00				154.00	17.3%
Sheriff - Enforcement	1.00		24.50	2.00	10.00	22.00	83.00	142.50	16.0%
Public Works		12.00	64.75					76.75	8.6%
Drug/Alcohol Prevention		25.00	26.00	12.00				63.00	7.1%
Attorney	1.00	28.00	25.50	1.00	1.00	4.00	1.00	61.50	6.9%
Assessor	1.00	3.00	44.50					48.50	5.4%
Information Systems		18.00	11.00					29.00	3.3%
Recorder	1.00	1.00	25.50					27.50	3.1%
Clerk-Auditor	1.00	6.00	11.00					18.00	2.0%
Justice Court	2.00	1.00	11.00					14.00	1.6%
Children's Justice Center		4.00	3.00	3.75				10.75	1.2%
Personnel		6.00	3.00					9.00	1.0%
Treasurer	1.00	1.00	5.00					7.00	0.8%
Commission	3.00	1.00	3.00					7.00	0.8%
Surveyor	1.00	1.00	3.00					5.00	0.6%
Extension			3.50					3.50	0.4%
Totals		12.00	195.75	37.75	17.00	44.00	206.00	892.00	100.0%
		1.4%	22.0%	42.5%	4.2%	1.9%	4.9%	23.1%	

*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:

<u>Elected Official</u>	<u>Annual Salary¹</u>						
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Commissioner	\$ 94,692	\$ 99,294 ²	\$ 103,896	\$ 103,896	\$ 103,896	\$ 103,896	\$ 103,896 ¹¹
Attorney	\$ 111,410	\$ 116,818 ³	\$ 122,226	\$ 122,226	\$ 122,226	\$ 122,226	\$ 122,226 ¹¹
Sheriff	\$ 101,530	\$ 105,196 ⁴	\$ 108,862	\$ 108,862	\$ 108,862	\$ 108,862	\$ 108,862 ¹¹
Assessor	\$ 90,402	\$ 93,652 ⁵	\$ 96,902	\$ 96,902	\$ 96,902	\$ 96,902	\$ 96,902 ¹¹
Clerk-Auditor	\$ 86,294	\$ 90,493 ⁶	\$ 94,692	\$ 94,692	\$ 94,692	\$ 94,692	\$ 94,692 ¹¹
Recorder	\$ 86,294	\$ 90,493 ⁶	\$ 94,692	\$ 94,692	\$ 94,692	\$ 94,692	\$ 94,692 ¹¹
Treasurer	\$ 86,294	\$ 90,493 ⁶	\$ 94,692	\$ 94,692	\$ 94,692	\$ 94,692	\$ 94,692 ¹¹
Surveyor	\$ -	\$ -	\$ -	\$ 74,230 ⁷	\$ 74,230	\$ 84,292 ⁹	\$ 84,292 ¹¹
<u>Retained by Election</u>							
Justice Court Judge	\$ 96,018	\$ 96,018	\$ 96,018	\$ 96,018	\$ 98,280 ⁸	\$ 100,568 ¹⁰	\$ 102,778 ¹²

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 The Surveyor was previously combined with the Recorder with no increase in salary. The Commission separated the position effective January 1, 2011. The salary for the Surveyor was set at \$2855 per pay period. There was no change to the Recorder's salary.

⁸ The biweekly salary was increased from \$3693 to \$3780 effective December 24, 2011.

⁹ The biweekly salary was increased from \$2855 to \$3242 effective December 22, 2012.

¹⁰ The biweekly salary was increased from \$3780 to \$3868 effective December 22, 2012.

¹¹ It is not anticipated that salaries for elected officials will increase during 2014.

¹² It is anticipated that the biweekly salary will increase from \$3868 to \$3953 effective the first pay period of 2014.