

Utah County

Utah



2012 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 2012 has been prepared for Utah County using budgetary practices required by the Utah State Auditor.

Due to the County's implementation of Governmental Accounting Standards Board Statement No. 54, the County's 2012 tentative budget is presented and accounted for in a different format than the 2011 budget. However, as noted on the tentative budget, the 2010 and 2011 amounts shown on the budget have been restated in accordance with the following changes in fund assignments:

1. The Community Development fund, formerly a separate special revenue fund, is now accounted for in the general fund of the County.
2. The Wildland Fire fund, formerly a separate special revenue fund, is now accounted for in the general fund of the County.
3. The Senior Services fund, formerly a separate special revenue fund, is now accounted for in the same special revenue fund as the Health Department (Senior Services is managed by the Health Department).
4. To help taxpayers better understand what their general property and sales taxes are funding, the general fund was standardized so that grants, dedicated property taxes, and revenue-funded projects are now budgeted in special revenue funds. Law enforcement services provided to cities or towns pursuant to interlocal agreements with the County were previously budgeted in the general fund and are now accounted for in Fund 274 – Law Enforcement. Grants and revenue-funded projects previously accounted for in the general fund were moved to Fund 248 – Grants/Outside Projects. Class “B” Road Funds previously accounted for in the general fund were moved to Fund 247 – Road Projects. Departments previously accounted for in the general fund that are fully or almost fully funded by assessing and collecting property taxes were moved to Fund 290 – Assessing & Collecting. The departments affected by this change are the Assessor, Recorder, Treasurer, and the Clerk/Auditor's Tax Administration division. The Mosquito Abatement division of the Health Department that is funded solely by general property and sales taxes was moved from Fund 230 – Health Department to the general fund.

5. The Healthy Lifestyles fund, previously presented as an internal service fund, is now treated as a trust fund and is, therefore, not part of the tentative 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 \$34.1 million for 2012. Of the \$34.1 million budgeted for property taxes, \$28.5 million is for general property taxes that are unrestricted in their use and \$5.6 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 \$1.5 million for 2012, which is a negligible decrease from the 2011 budgeted amount.

The County option sales tax, which represents the 0.25-percent levy the County has opted to collect, is budgeted at \$17.6 million for 2012, which is a negligible increase from the 2011 budgeted amount.

Revenues for licenses, grants, fees, and fines were estimated by the respective departments. The amounts are included in the 2012 budget as submitted by the departments.

Requested Appropriations

The 2012 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 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 6, 2011.

This tentative budget includes an extraordinary budget increase for the 2012 presidential election. The increase to run the presidential election is approximately \$600,000. In addition to these operational expenses, the budget also includes \$200,000 for renting additional voting machines and \$350,000 for mailing out voter information pamphlets if any citizen-driven initiatives qualify for the ballot. Finally, it has been several years since the County has updated its atlas. The 2012 budget includes \$25,000 to publish an updated atlas.

The tentative 2012 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 and no change in the contribution to employees’ health savings accounts. The costs to run the healthy lifestyles program are included in the tentative budget, but the incentive paid to employees and their spouses is not funded. The increase in health insurance has been estimated at 14.9 percent, or approximately \$900,000. For employees who select a high-deductible health plan, the tentative budget includes partial funding of the increase. The unfunded increase would represent a cost of approximately \$26 per pay period to employees. Currently full-time County employees with benefits pay nothing toward the cost of their health insurance.

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 2012. However, it is not expected that the Board of County Commissioners will increase property taxes.

Budget Integrity

The basic concept of Utah County’s 2012 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 2012 projected revenue without using fund balance to bridge the gap between revenue and expenses with the exception of the extraordinary increase in the operational costs for the 2012 presidential election. 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>
Substance Abuse	\$225,162
Health Department	\$1,847,134

“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 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. On January 19, 2011, the County issued \$3.320 million in General Obligation Refunding bonds to defease the 2001 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.

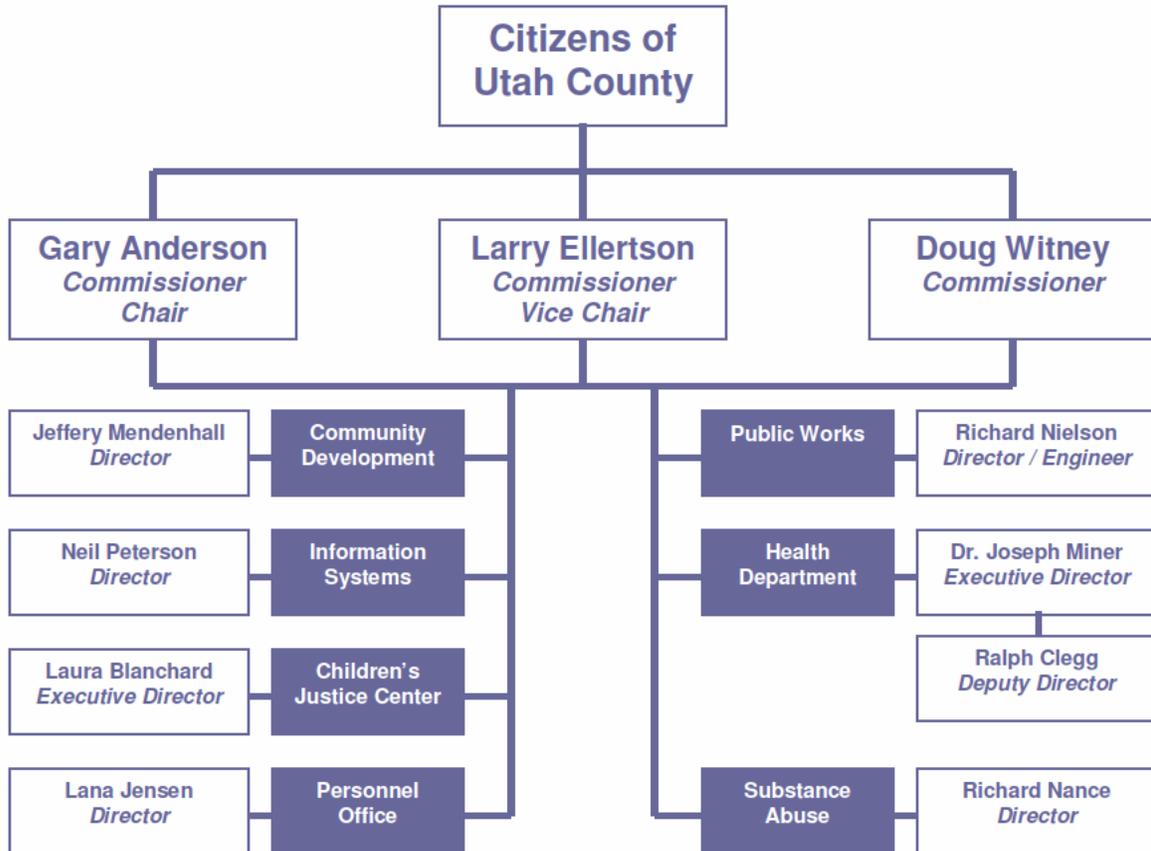
Energy Improvements

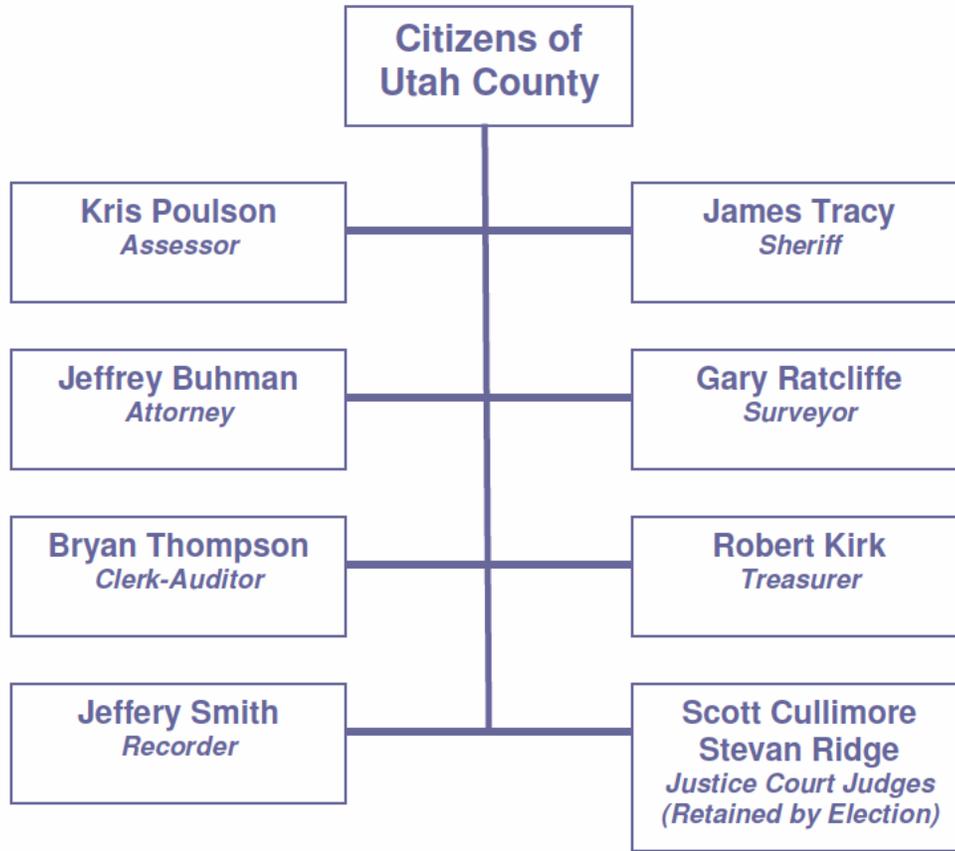
On October 22, 2010, the County issued \$4.94 million in Sales Tax Revenue bonds to finance the costs of energy improvements to County facilities.

	Date of Issuance	Total Principal	Balance as of 12/31/2011	2012 Principal Payments Due	Payoff Date
<u>General Obligation Bonds</u>					
Administration Building	11/1/2002	\$ 6,645,000	\$ 900,000	\$ 900,000	2/15/2012
Security Center	1/19/2011	\$ 3,320,000	\$ 3,320,000	\$ 1,640,000	2/15/2013
<u>Revenue Bonds</u>					
Health & Justice Building / Animal Shelter	8/4/2005	\$ 20,975,000	\$ 11,805,000	\$ 1,755,000	11/1/2017
Security Center Expansion	8/4/2005	\$ 15,165,000	\$ 10,285,000	\$ 935,000	11/1/2020
Security Center Expansion	8/1/2006	\$ 7,615,000	\$ 5,625,000	\$ 450,000	11/1/2021
Transportation Projects (Sales Tax)	8/27/2009	\$ 102,730,000	\$ 98,205,000	\$ 2,400,000	12/1/2034
Transportation Projects (Fee)	9/3/2009	\$ 27,715,000	\$ 26,485,000	\$ 650,000	12/1/2034
Convention Center	1/20/2010	\$ 40,150,000	\$ 38,575,000	\$ 700,000	12/1/2039
Energy Improvements	10/22/2010	\$ 4,940,000	\$ 4,940,000	\$ 150,000	2/1/2027
TOTAL		\$ 229,255,000	\$ 200,140,000	\$ 9,580,000	

Organizational Charts

(As of November 1, 2011)

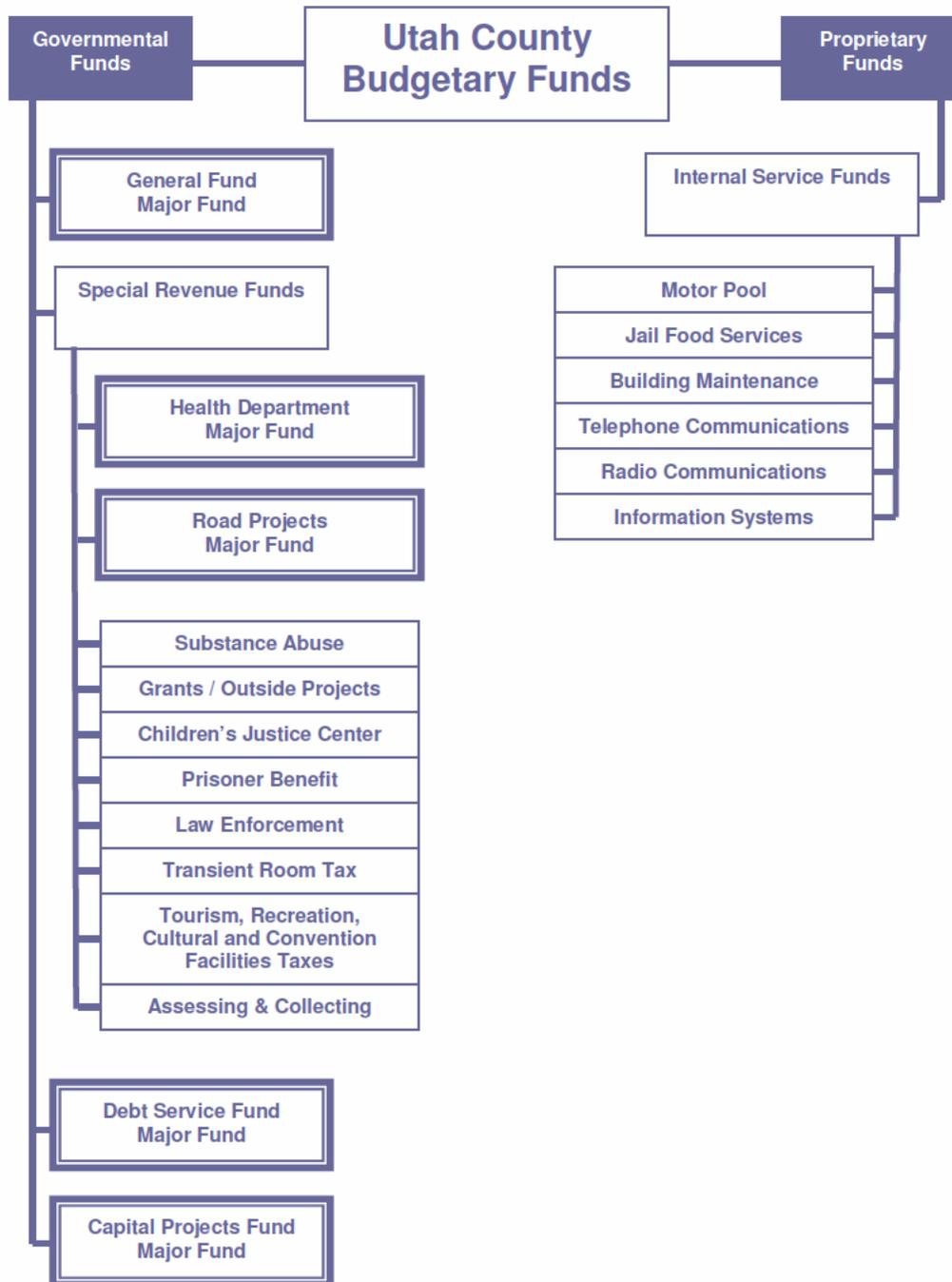




Summary of Funds

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, 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 fund includes five main divisions: 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.

Road 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: Substance Abuse 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; 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 2012 general fund is tentatively budgeted at \$70.0 million. This represents an increase of \$4.3 million from the current 2011 budget.

Revenue Comparisons

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

<u>Category</u>	2010		2011		2012		Δ 10-12	Δ 11-12
	Actual		Budget		Tentative			
Property Taxes	\$ 27,806,987	42.2%	\$ 28,151,000	42.8%	\$ 28,495,000	40.7%	2.5%	1.2%
Sales Taxes	18,792,644	28.5%	19,100,000	29.1%	19,100,000	27.3%	1.6%	0.0%
Licenses and Permits	312,501	0.5%	267,637	0.4%	240,000	0.3%	-23.2%	-10.3%
Intergovernmental Revenue	1,122,165	1.7%	638,744	1.0%	720,744	1.0%	-35.8%	12.8%
Charges for Services	8,818,824	13.4%	9,620,617	14.6%	11,787,279	16.8%	33.7%	22.5%
Fines and Forfeitures	3,076,679	4.7%	3,288,460	5.0%	3,553,245	5.1%	15.5%	8.1%
Miscellaneous Revenue	827,711	1.3%	252,052	0.4%	336,487	0.5%	-59.3%	33.5%
Outside Donations	14,000	0.0%	2,500	0.0%	1,000	0.0%	-92.9%	-60.0%
Transfers In	5,198,324	7.9%	4,421,540	6.7%	5,155,751	7.4%	-0.8%	16.6%
Appropriated Fund Balance	-	0.0%	-	0.0%	609,244	0.9%	na	na
Totals	\$ 65,969,835	100.0%	\$ 65,742,550	100.0%	\$ 69,998,750	100.0%	6.1%	6.5%

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	\$ 934,146	\$ 841,126	1.7%	90.0%
Justice Court	1,160,037	-	0.0%	0.0%
Personnel	956,228	843,321	1.7%	88.2%
GIS	562,539	553,339	1.1%	98.4%
Records Management	394,982	382,982	0.8%	97.0%
Auditor	687,910	513,120	1.1%	74.6%
Clerk	223,369	28,232	0.1%	12.6%
Attorney	6,154,795	4,123,058	8.6%	67.0%
Elections	1,273,988	1,248,988	2.6%	98.0%
Community Development	892,135	-	0.0%	0.0%
Sheriff - Enforcement	14,408,272	9,920,481	20.6%	68.9%
Sheriff - Wildland Fire	2,524,381	1,055,967	2.2%	41.8%
Sheriff - Corrections	23,037,467	13,716,417	28.5%	59.5%
Mosquito Abatement	696,675	696,675	1.4%	100.0%
Public Works	587,887	578,587	1.2%	98.4%
Surveyor	419,622	415,122	0.9%	98.9%
Parks	925,000	-	0.0%	0.0%
Extension	303,190	299,446	0.6%	98.8%
Agriculture	74,904	74,904	0.2%	100.0%
Non-Dept / Debt Serv	4,691,437	3,887,693	8.1%	82.9%
Utah County Fair	151,480	151,480	0.3%	100.0%
Substance Abuse	278,549	278,549	0.6%	100.0%
Health Dept	2,400,000	2,400,000	5.0%	100.0%
Children's Justice Center	116,630	116,630	0.2%	100.0%
Foster Grandparents	46,030	46,030	0.1%	100.0%
Senior Companions	48,018	48,018	0.1%	100.0%
Restricted	1,399,274	1,349,274	2.8%	96.4%
Provo/Orem Chamber	850	850	0.0%	100.0%
Public Defender	3,208,449	3,193,449	6.6%	99.5%
Wasatch Mental Health	950,000	950,000	2.0%	100.0%
Mountainland Assoc Govt	43,010	43,010	0.1%	100.0%
Utah Valley Dispatch SSD	379,000	379,000	0.8%	100.0%
North Valley Animal SSD	5,000	5,000	0.0%	100.0%
South Valley Animal SSD	30,000	30,000	0.1%	100.0%
Utah Lake Commission	33,496	33,496	0.1%	100.0%
Totals	\$ 69,998,750	\$ 48,204,244	100.0%	68.9%

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	\$44,801,154
Funding Budgeted for 2011 Projects	\$(11,344)
Funding from Other Sources for 2011 Projects	\$2,445,607
Funding from Other Sources for 2012 Projects	\$1,100,000
Funding from Other Sources for 2013 Projects	\$630,000
Funding from Other Sources for 2014 Projects	\$600,000
Funding from Other Sources for 2015 Projects	\$600,000
 Total Capital Projects Funding Available	 <u>\$50,165,417</u>

Planned Capital Project Expenditures:

2011:	Courthouse Exterior Restoration	\$600,000
	Utah Valley Convention Center	\$35,747,423
	Energy Upgrades to County Facilities	\$4,885,807
2012:	Courthouse Exterior Restoration	\$600,000
	Courthouse West Step Replacement	\$500,000
	Satellite Health Building	\$3,000,000
	North County Foothill Treatment Center	\$1,000,000
	Mosquito Abatement Building	\$630,000
2013:	Courthouse Exterior Restoration	\$600,000
	Courthouse Roof Replacement	\$30,000
	Satellite Health Building	\$3,000,000
2014:	Courthouse Exterior Restoration	\$600,000
	Satellite Health Building	\$3,000,000
2015:	Courthouse Exterior Restoration	\$600,000
 Total Capital Projects Funding Needed	 	 <u>\$54,793,230</u>
 Funding Excess / (Shortfall)	 	 <u>\$(4,627,813)</u>

Other Statistical Information

The following chart summarizes the number of full-time equivalents (FTEs) in the County's budgeted staffing plan as of November 1, 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).

Department	Elected Official ¹	Non-Public Safety			Public Safety			Total FTEs	% Total
		FLSA Exempt	FLSA Non-Exempt	Grant-Funded	FLSA Exempt	Sgt.	Deputy		
Sheriff - Corrections		21.50	43.00	2.00	5.00	17.00	123.00	211.50	24.1%
Health Department		69.50	67.00	15.50				152.00	17.3%
Sheriff - Enforcement	1.00		25.50	2.50	9.00	21.00	83.00	142.00	16.2%
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	12.00				60.00	6.8%
Assessor	1.00	3.00	45.50					49.50	5.6%
Information Systems		16.00	13.00					29.00	3.3%
Recorder	1.00	1.00	25.50					27.50	3.1%
Clerk-Auditor	1.00	5.00	11.00					17.00	1.9%
Justice Court	2.00	1.00	11.00					14.00	1.6%
Children's Justice Center		3.50	3.00	4.00				10.50	1.2%
Community Development		6.00	4.00					10.00	1.1%
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		3.00					4.00	0.5%
Extension			3.00					3.00	0.3%
Totals		12.00	192.50	37.50	15.00	42.00	206.00	878.00	100.0%
		1.4%	21.9%	42.5%	4.3%	1.7%	4.8%	23.5%	

¹Note: 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:

Elected Official	Annual Salary¹						
	2006	2007	2008	2009	2010	2011	2012
Commissioner	\$ 81,588	\$ 89,544	\$ 94,692	\$ 99,294 ²	\$ 103,896	\$ 103,896	\$ 103,896 ¹¹
Attorney	\$ 100,568	\$ 105,378	\$ 111,410	\$ 116,818 ³	\$ 122,226	\$ 122,226	\$ 122,226 ¹¹
Sheriff	\$ 87,516	\$ 96,018	\$ 101,530	\$ 105,196 ⁴	\$ 108,862	\$ 108,862	\$ 108,862 ¹¹
Assessor	\$ 76,128	\$ 85,488	\$ 90,402	\$ 93,652 ⁵	\$ 96,902	\$ 96,902	\$ 96,902 ¹¹
Clerk-Auditor	\$ 76,128	\$ 81,588	\$ 86,294	\$ 90,493 ⁶	\$ 94,692	\$ 94,692	\$ 94,692 ¹¹
Recorder	\$ 76,128	\$ 81,588	\$ 86,294	\$ 90,493 ⁶	\$ 94,692	\$ 94,692	\$ 94,692 ¹¹
Treasurer	\$ 76,128	\$ 81,588	\$ 86,294	\$ 90,493 ⁶	\$ 94,692	\$ 94,692	\$ 94,692 ¹¹
Surveyor	\$ 2,350	\$ - ⁷	\$ -	\$ -	\$ -	\$ 74,230	\$ 74,230 ¹¹
Retained by Election							
Justice Court Judge	\$ 78,209 ⁸	\$ 81,146 ⁹	\$ 96,018 ¹⁰	\$ 96,018	\$ 96,018	\$ 96,018	\$ 98,280 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 Surveyor combined with Recorder beginning January 1, 2007 with no increase in salary.

⁸ The biweekly salary was increased from \$2989 to \$3034 effective July 15, 2006.

⁹ The biweekly salary was increased from \$3034 to \$3208 effective June 16, 2007.

¹⁰ The biweekly salary was increased from \$3208 to \$3693 effective December 29, 2007.

¹¹ It is not anticipated that salaries for elected officials will increase during 2012.

¹² The biweekly salary was increased from \$3693 to \$3780 effective December 24, 2011.