



UTAH COUNTY
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MEMORANDUM

TO: The Honorable Board of County Commissioners and Citizens of Utah County

DATE: November 1, 2005

SUBJECT: Tentative Budget Message for Fiscal Year 2006

Pursuant to Utah Code Annotated §17-36-10, the tentative budget must be accompanied by a budget message in explanation of the budget.

Statutory References Governing the Tentative Budget

§17-36-10 Preparation of tentative budget.
§17-36-11 Tentative Budget – Public record prior to adoption.

Date Available: November 1, 2005

Budget Officer: Kim T. Jackson, Utah County Clerk/Auditor

Commissioners: Jerry D. Grover, Commission Chair
Larry A. Ellertson, Commission Vice Chair
Steve White, Commissioner

Statutory Funds of Utah County

Utah County uses the following budgetary funds:

- General Fund
- Special Revenue Funds
 - Community Development
 - Substance Abuse
 - Health Department
 - Children's Justice Center
 - Senior Services (including Foster Grandparents and Senior Companions)
 - Wildland Fire Services
 - Prisoner Restricted Funds
 - Transient Room Tax / Convention & Visitors Bureau
 - Restaurant Tax / Recreation & Culture
 - Assessing & Collecting
 - E-911 Surcharge Fund

- Special Revenue Funds (continued)
 - Special Service Area (6) Law Enforcement
 - Special Service Area (7) Structure Fire Support Services
 - Special Service Area (8) Planning
 - Special Service Area (9) Rural Fire Support Services
 - Special Road Funds
 - Soldier Summit
- Debt Service Fund
 - General Obligation Bond Funding
 - Revenue Bond Funding
- Capital Project Fund
- Internal Service Funds
 - Motor Pool Operations
 - Jail Food Services
 - Building Maintenance
 - Telephone Communications
 - Radio Communications
 - Information Systems Support
- Enterprise Funds
 - Dispatch
 - South County Animal Shelter

Budget Message

Utah County's financial structure is presented and accounted for in the same format and using the same budgetary principles as were applied in fiscal year 2005.

Estimated Revenue Calculations

Property taxes revenue was estimated based upon the calculation used by the Utah State Tax Commission. Based upon this calculation, the property tax revenue is budgeted at \$13.3 million for fiscal year 2006.

Both the local option sales tax and local sales tax have been budgeted with minimal increases. Due to increased prices of gasoline and natural gas, it is anticipated that consumer spending will not increase at the unprecedented rates seen over the last few years.

Requested Appropriations

As shown in the tentative budget, the County departments requested appropriations exceeding the estimated revenues in the general fund. The Board of County

Commissioners and County Auditor will bring the budget into balance prior to the final budget hearing to be held December 6, 2005.

Statutory budgetary procedures require each governmental fund to have a balanced budget. This tentative budget presents an excess of budget expenditure requests in the general fund of \$4,700,414. The tentative budget also shows the special revenue fund for the Children's Justice Center with an excess of budget expenditure requests in the amount of \$2,284. All other governmental funds are presented as a balanced budget.

The zero-based budgetary procedures used by Utah County require all department heads to document (in selected line item budgets) specific expenditures that have no relationship to amounts spent in prior year. Administrative review is by individual items listed and not by the total amount budgeted in the line item accounts.

This budget document does not include a transfer to the County's Capital Projects fund. This budget does include salary changes resulting from the market study implemented on July 1, 2005. The salary budget over all governmental funds increased \$2.6 million over the 2005 budget. The majority of this increase is attributed to the market study. An additional \$1.1 million was budgeted for a corresponding increase in benefits.

Tax Increase Projections

This tentative budget does not present an increase in the property tax rate. However, the general fund budget is not balanced and a budgetary procedure allowed to County Commissioners is the adoption of a property tax budget that would generate a tax increase in fiscal year 2006. Utah County's budget has not included a property tax increase for many years and it is not expected that one will be needed to balance the budget for fiscal year 2006.

Budget Integrity

The basic concept of Utah County's fiscal year 2006 budget process is to maintain a status quo of the budgets established in fiscal year 2005. This tentative budget includes no new staffing positions and no extraordinary budget increases. The department heads have made an extra effort to maintain services with available funding. All individual department budgets have been reviewed with the department heads.

Three-Year Capital Projects Plan

Capital Project Funding:

Funding from Prior Years	\$ 16,203,616
Additional Funding during Fiscal Year 2004	\$ 1,840,000
Funding Budgeted for Fiscal Year 2004 Projects	\$ (5,372,644)
Estimated Interest Allocation	\$ <u>375,000</u>
Total Long Term Capital Funding	\$ <u>13,045,972</u>

Planned Capital Project Expenditures:

2006 Building Improvements	\$ 5,146,789
2007 Building Improvements	\$ 4,600,000
2008 Building Improvements	\$ 1,000,000
2009 Building Improvements	\$ <u>2,500,000</u>
Total Capital Projects Funding Needed	\$ <u>13,246,789</u>

Funding Excess / (Shortfall)	\$ (200,817)
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