

STAFF REPORT

TO: Summit County Council
FROM: Matt Leavitt – Summit County Financial Officer
DATE: June 9, 2021
SUBJECT: 2021 budget amendments



BACKGROUND:

Previous Council meetings have included work sessions discussing the employee compensation and County staffing levels. The County has valued workforce recruitment and retention, but those values have been compromised due to concern and revised estimates of County resources. The COVID-19 pandemic resulted in preemptive Council action and subsequent budget adjustments in April/May 2020. Those budget adjustments included a hiring freeze on vacant positions as well as no longer funding a merit and cost of living adjustment (COLA) for County staff.

Most County functions – public works, public safety, elected offices, and especially public health services continued as well as the additional necessity to address the concerns of the pandemic. As a result, there has been additional strain and stress on County staff.

It is the understanding and objective of staff to address the recruitment, retention, and adequate compensation of County employees in order to continue to provide levels of service that have come to be expected by Summit County citizens and visitors.

REQUESTED COUNCIL ACTION:

Staff is recommending the County Council approve the attached resolution to increase operating budgets by \$1.6 million. Staff further recommends amendments to the Disaster Fund, RAP Tax Fund, and Landfill Enterprise Fund. This staff report serves the purposes of ‘Exhibit A’ referenced in the attached resolution.

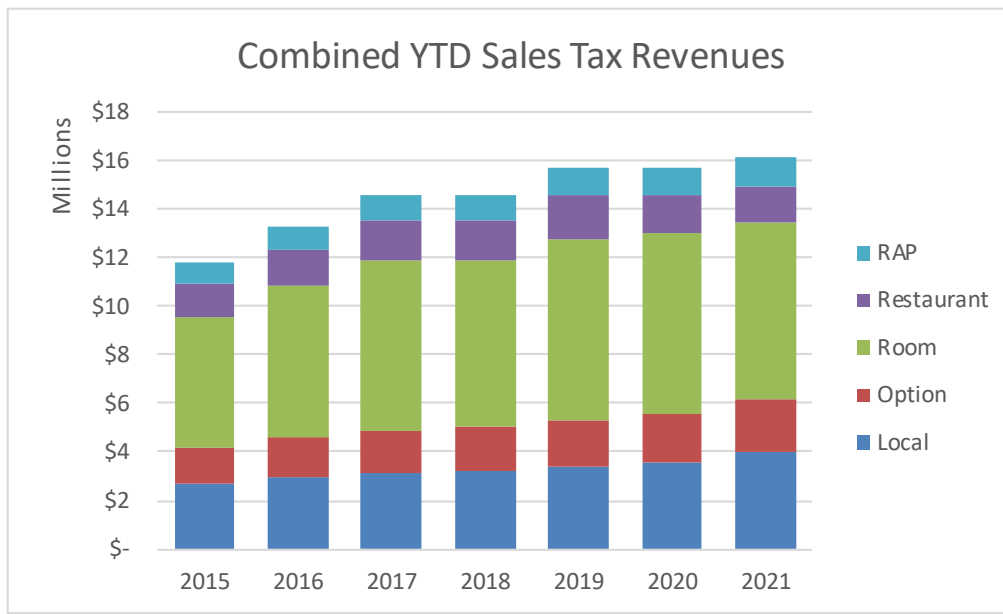
SUMMARY INFORMATION:

Operating Funds:

Previous discussions with Council have been centered around (a) restoring the merit program for employees affected as a result of the 2020 budget reductions; (b) implementing a COLA adjustment for all County staff; and (c) addressing appropriate staffing levels. The proposed merit program was for qualifying employees at a rate of 3.0% with an effective date of June 1, 2021. The COLA adjustment for employees has been proposed at a rate of 4.0% also with an effective date of June 1, 2021. Staffing levels and the corresponding changes in the Official Chart of Positions (OCP) have partially taken effect and will continue as funding allows.

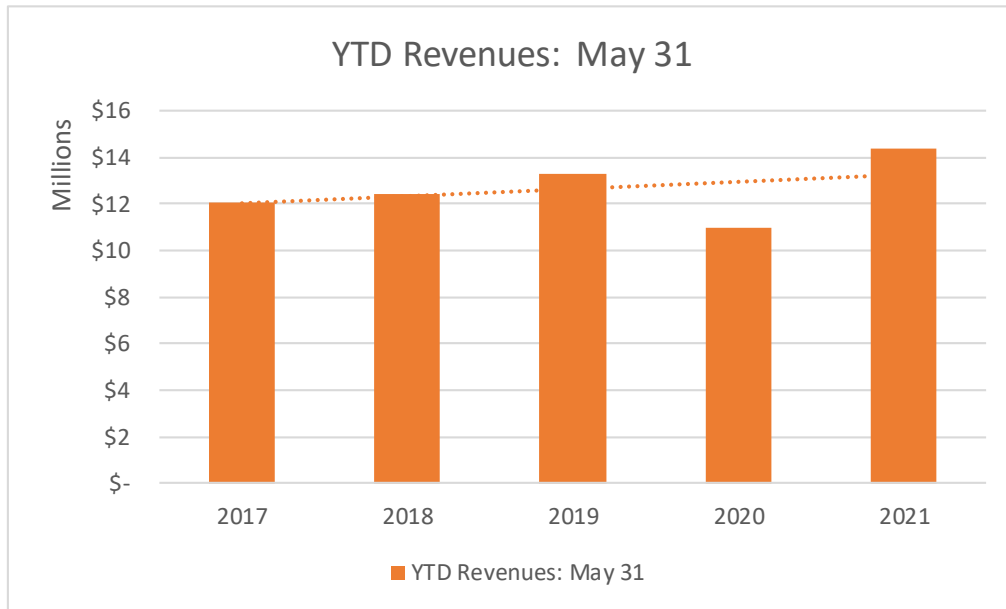
A) Merit Program: Budget reductions that took effect in April and May 2020 affected approximately 86% of County staff. The estimated budgetary savings at the time of implementation was approximately \$356 thousand. That estimate was based on current (March 2020) levels and rates of pay. A conservative estimate to reinstate the merit program for affected and eligible employees at the maximum rate of 3.0% will be approximately \$529 thousand. Initially, it is being proposed by staff that the restoration of this program be funded by American Rescue Plan Act of 2021 (ARPA), which qualifies under the U.S. Treasury objective of restoring State and Local fiscal recovery funds. However, current year-to-date revenues are estimated to exceed current year expenses. For example, operating sales tax revenues (Option and Local) related to operating funds (see Graph 1), year-to-date, are 2.9% (\$458 thousand) higher in 2021 than 2019ⁱ. It is anticipated that continued growth in sales tax revenues, and not ARPA, will adequately fund this recommendation in future years.

Graph 1:



B) COLA Program: Historically the County has demonstrated a commitment to County staff, who provide programs and services requested of citizens and visitors, by awarding an annual COLA adjustment. A Cost of Living Adjustment (COLA) addresses the natural annual increases to costs of providing an adequate living for employees of the County. From April 2020 to April 2021, the annual Consumer Price Index (CPI) (National) increased 4.17% percent. Staff is recommending that the Council approve a 4.0% COLA that is awarded to all qualifyingⁱⁱ County employees at a conservative estimated annual cost of \$930 thousand. Initially, it is being proposed by staff that the restoration of this program be funded by ARPA, which qualifies under the U.S. Treasury objective of restoring State and Local fiscal recovery funds. However, as with the merit program staff is estimating that County resources, other than ARPA, will be sufficient in upcoming years to cover the estimated costs of the program (see Graph 2).

Graph 2: Year-to-date operating revenues at May 31



C) Changes to OCP: Changes in the Official Chart of Positions (OCP) are actions taken by the County Council upon recommendation of the County Manager to allocate human resource hours (HRH) to the programs and services that are deemed a priority to successfully achieve County objectives. Changes to the OCP were discussed with the Council during the June 9, 2021 County Council work session. Staff has proposed that the following positions be added to the Full Time OCP as part of the currently proposed budget amendments:

- i) Emergency Manager – Originally listed as a part-time, time-limited position, the Emergency Manager position is being recommended as a full-time position. The Emergency Manager is primarily funded by grants from State Homeland Security and the Utah Department of Emergency Management. These grants fund approximately 50%-60% (varies depending on grant awards) of the position. Total compensation value of the Emergency Manager position is \$115 thousand with the County’s portion approximately \$45 thousand and grants supporting the difference.
- ii) Public Lands Manager – The County has recognized the need for a full-time position to manage projects and partnerships that influence the management of public lands, County land management, mapping watershed protection, natural resource management, and coalition building regarding wildfire mitigation efforts in the County. The position will focus on the Council’s strategic vision for public lands and natural resource management in the County. Total compensation value for the Public Lands Manager position is \$121 thousand and it is anticipated to be funded entirely by grants. The County has already received \$50 thousand from the State’s Shared Stewardship program and is applying for two additional grants, one from the State of

Utah and the other from the National Forest Foundation, totaling amount of \$645 thousand.

- iii) Grants Manager – The County has been awarded more than \$8.1 million in the American Rescue Plan Act of 2021 (ARPA). The funds will be awarded in two separate tranches – one in May 2021 and another in May 2022. Additionally, ARPA has designated additional funds for investments in additional projects. In order to best leverage the County’s allocation of funds as well as secure additional ARPA grant funds, the County has hired a Grants Manager as a full-time, time limited position. The total compensation value of the Grants Manager position is \$115 thousand which will be funded entirely by ARPA funds.
- iv) Multi-Media Coordinator – Adapting to the new work environment has placed additional burdens on the Information Technology (IT) department. Working remotely and hosting meetings online requires the management and maintenance of technology to facilitate County services. Staff is recommending a full-time Multi-Media Coordinator to assist with the setup, monitoring, and maintenance associated with hybrid public meetings. When not assisting with hybrid meetings it is expected that this position will assist with other technology needs, desktop support, and cyber security within the County organization. Total compensation value for the Multi-Media Coordinator is \$90 thousand. Funding for this position will be cost allocated between operating funds.

The budget amendments also address changes to the elected officials’ salaries and resulting changes to elected office chief deputy salaries that have been recommended by the Council.

Other Funds:

- Landfill Enterprise Fund – as a result of amending the budgets in April and May 2020, the Landfill Operator position was frozen. When the pandemic shut down leisure and hospitality industries it was anticipated that there would be less waste transported to County landfills. Contrary to this expectation, the County’s Landfill Superintendent, Timothy Loveday, reports that the County collection sites at Samak and Weber Canyon have had a 360% increase in rural waste collection. Due to the lack of staff cardboard baling operations have been reduced by approximately 50% while cardboard volume coming to the landfill has not decreased. It is expected that this position assist with addressing these issues. Total compensation value for the Landfill Operator is \$76 thousand and will be funded through the Landfill Enterprise Fund.
- Disaster Fund – carryover of unspent CARES Act funds estimated at \$770 thousand for the purposes of holding the County’s mass vaccination clinics.
- RAP Tax Fund – Recreation, Arts & Parks (RAP) tax bonds were issued in excess of original estimates of \$4.2 million. Actual amounts of bonds issued were \$8.8 million and it is anticipated that during 2021 the County will distribute by recommendation of the RAP Tax Recreation Committee the same amount (\$8.8 million) to publicly owned recreational facilities.

CONCLUSION:

Table 1 summarizes the proposed budget amendments and impacts by fund. The total increases to operating budgets is \$1.6 million (2.8%), primarily supported by revised sales tax revenues increase of \$1.2 million (11.6%). The balance of the increase, \$370.5 thousand, is tentatively programmed to come from ARPA funds. Originally staff estimated that COLA, merit, and staffing adjustments would require the use of nearly \$837 thousand (with the effective date of June 1, 2021). The difference between original and current estimates is due to continued growth in local economic conditions. It should be noted in Table 1 that the recommended budget amendments have no impact on already existing operating fund balances.

Table 1:

FUND	General	Municipal	Assess & Collect	Total Operating Funds	Disaster Fund	RAP Tax Fund	Landfill Enterprise
Revenues							
Taxes	450,000	780,000		1,230,000			
Grants	-			-	4,093,086		
From Other Funds	192,900		177,600	370,500			
From Surplus				-	770,000		
Bond Proceeds	-			-		4,500,000	
Total Revenues	642,900	780,000	177,600	1,600,500	4,863,086	4,500,000	-
Expenses							
Salaries & Benefits	642,900	780,000	177,600	1,600,500			76,000
Professional & Tech				-	1,970,000		
Capital Improvements							(76,000)
Grants awarded To Surplus					2,893,086	4,500,000	
Total Expenses	642,900	780,000	177,600	1,600,500	4,863,086	4,500,000	-
Revenues LESS Expenses	-	-	-	-	-	-	-
Original Budget	33,106,864	20,088,635	4,362,025	57,557,524	-	1,905,600	1,900,000
Amended Budget	33,749,764	20,868,635	4,539,625	59,158,024	4,863,086	6,405,600	1,900,000
<i>percent change</i>	<i>1.9%</i>	<i>3.9%</i>	<i>4.1%</i>	<i>2.8%</i>		<i>236.1%</i>	<i>0.0%</i>

Current revenue adjustments are based primarily on sales tax revenue adjustments. It is important to note that sales tax revenues are 18.3% of operating resources. Property tax, permits, and fee revenues for 2021, while not part of the proposed budget amendment, are also demonstrating growth over original estimates. Staff is comfortable recommending the budget adjustments with the understanding that the proposed costs to operating budgets are ongoing and affect future budget impacts.

This staff report reflects actual adopted changes to the OCP presented to the Council in an earlier agenda discussion. **The budget amendment resolution is attached for the Council’s consideration and approval.**

Fiscal and budgetary questions may be addressed to mleavitt@summitcounty.org while staffing and personnel questions may be addressed to dwarnock@summitcounty.org.

ⁱ Intentionally omitting COVID-19 impacted 2020 year. Additional revenue and expenditure year-to-date estimates will be provided to the Council during the June 30, 2020 second quarter presentation.

ⁱⁱ COLA typically has excluded seasonal, temp, and internships. The staff recommendation does not include a COLA adjustment for this group of employees. All other County employees will receive the recommended COLA adjustment.

**A BUDGET RESOLUTION OF THE SUMMIT COUNTY COUNCIL
2021 BUDGET AMENDMENTS**

WHEREAS, pursuant to UCA §17-36-22 and §17-36-23, on December 2, 2020 and December 9, 2020, the Summit County Council, acting as the governing body of the County, held a series of public hearings to amend the internal department accounts within the following 2021 budgetary funds: County General Fund, Municipal Fund, Assessing and Collecting, Disaster Fund, RAP Tax Fund, and Landfill Enterprise Fund; and,

WHEREAS, the amendments to these budgetary funds result in an increase to the budgets of these funds; and,

WHEREAS, the Summit County Council, acting as the governing body of the County, finds that it is in the best interests of the County to amend the 2021 budgetary funds of the following: County General Fund, Municipal Fund, Assessing and Collecting Fund, Disaster Fund, RAP Tax Fund, and Landfill Enterprise Fund;

NOW THEREFORE, BE IT RESOLVED, pursuant to UCA §17-36-22 and §17-36-23, the Summit County Council, acting as the governing body of the County, hereby amends the 2021 budgetary funds, as shown in Exhibit A herein, of the following:

County General Fund
Municipal Fund
Assessing and Collecting
Disaster Fund
RAP Tax Fund
Landfill Enterprise Fund.

APPROVED, ADOPTED, AND PASSED and ordered published by the Summit County Council, this 16th day of June, 2021.

COUNTY COUNCIL
SUMMIT COUNTY, STATE OF UTAH

ATTEST:

By: Glenn Wright, Chair

Evelyn Furse
County Clerk

APPROVED AS TO FORM:

David L. Thomas

David L. Thomas
Chief Civil Deputy

EXHIBIT A

Departments with budget amendments:

- ▶ Financial Administration
- ▶ Public Defender
- ▶ Search & Rescue
- ▶ Public Works Admin/Shop
- ▶ County Roads
- ▶ County Fair