

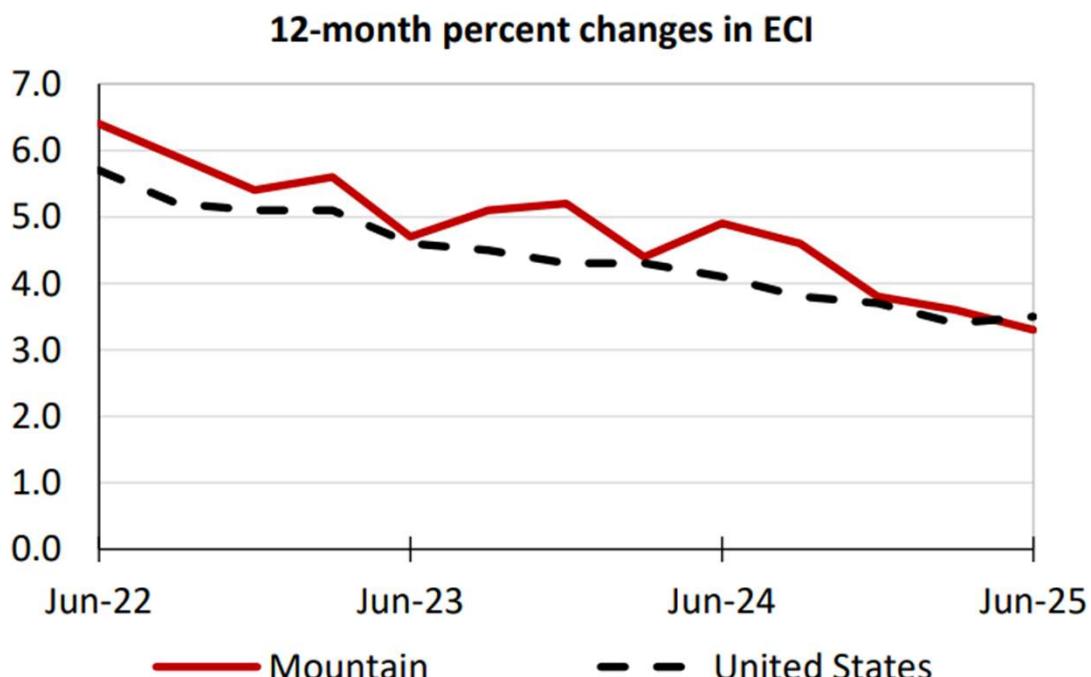
# State of Finances



2026 OPERATING AND CAPITAL BUDGETS



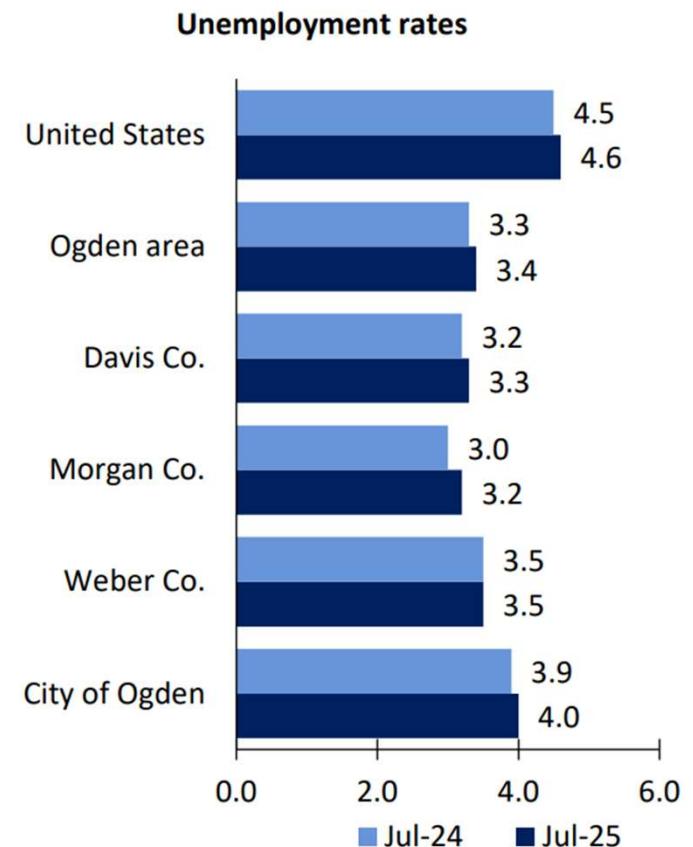
## General Economy



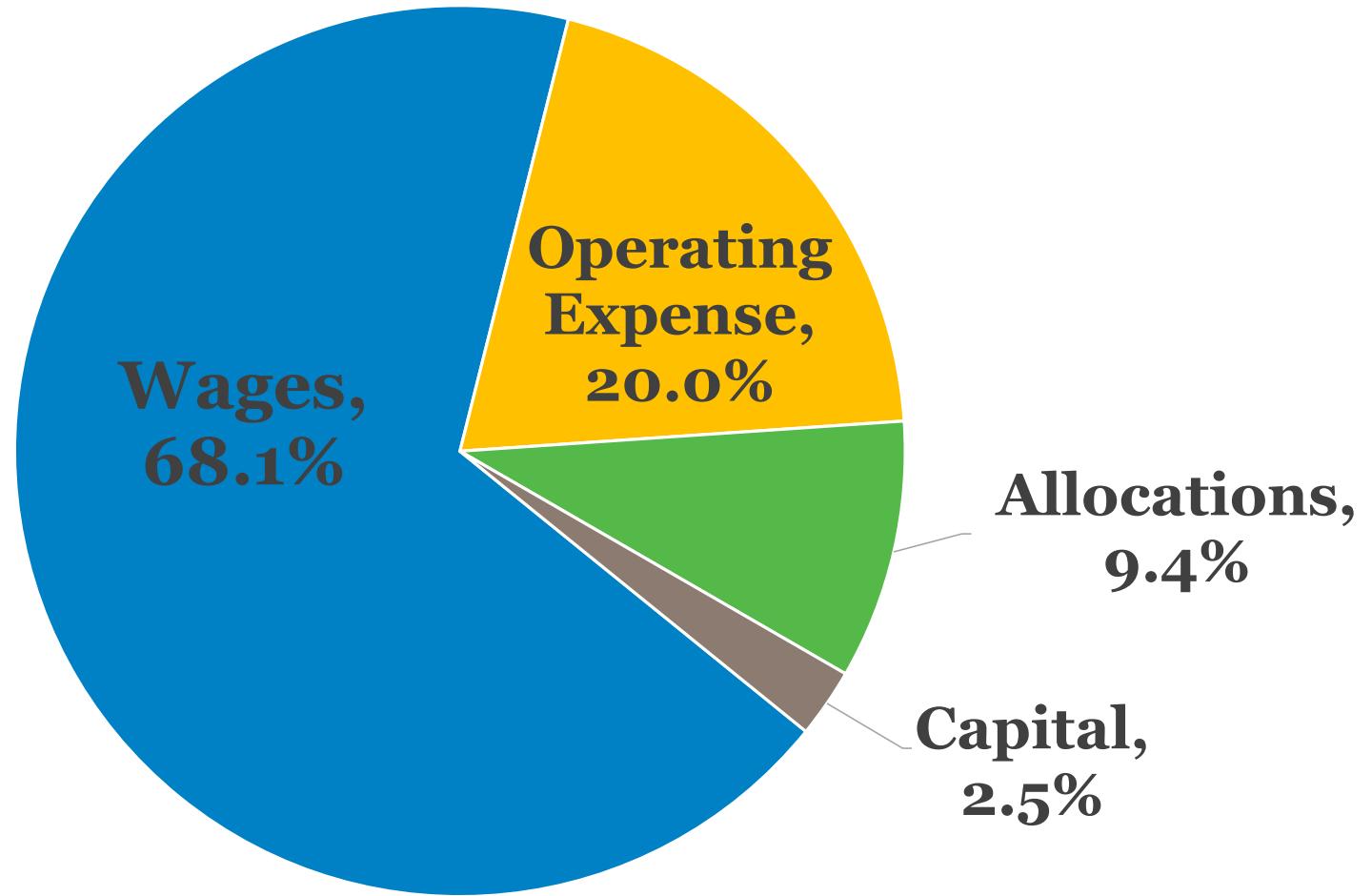
Source: U.S. BLS, Employment Cost Index.



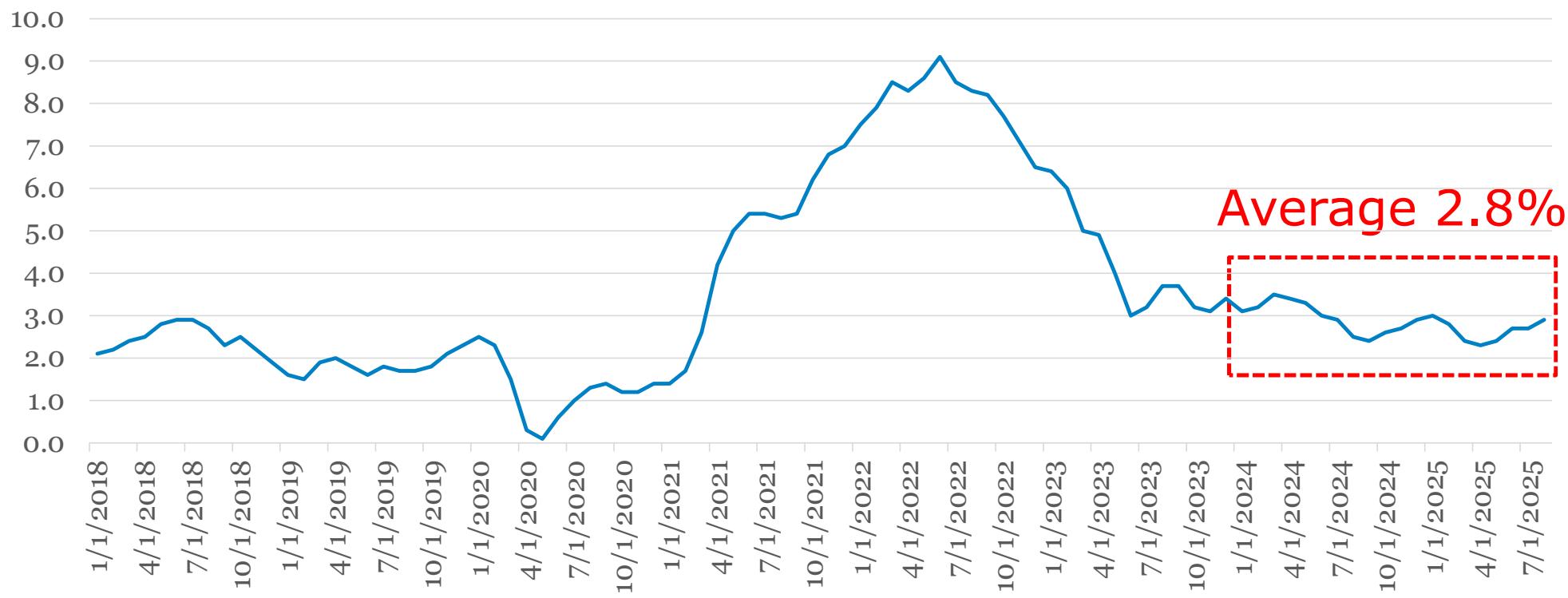
Unemployment rates for the nation and selected areas



## General Fund Expenditures



## Inflation Rates



## Revenue Per \$1,000 of Citizen Income

### BEST 5

County	Amount
Davis	\$4.93
Utah	\$5.20
Cache	\$5.39
Washington	\$6.66
Tooele	\$6.80

### WORST 5

County	Amount
Daggett	\$47.72
Garfield	\$47.06
Grand	\$37.47
Kane	\$35.99
Beaver	\$31.02

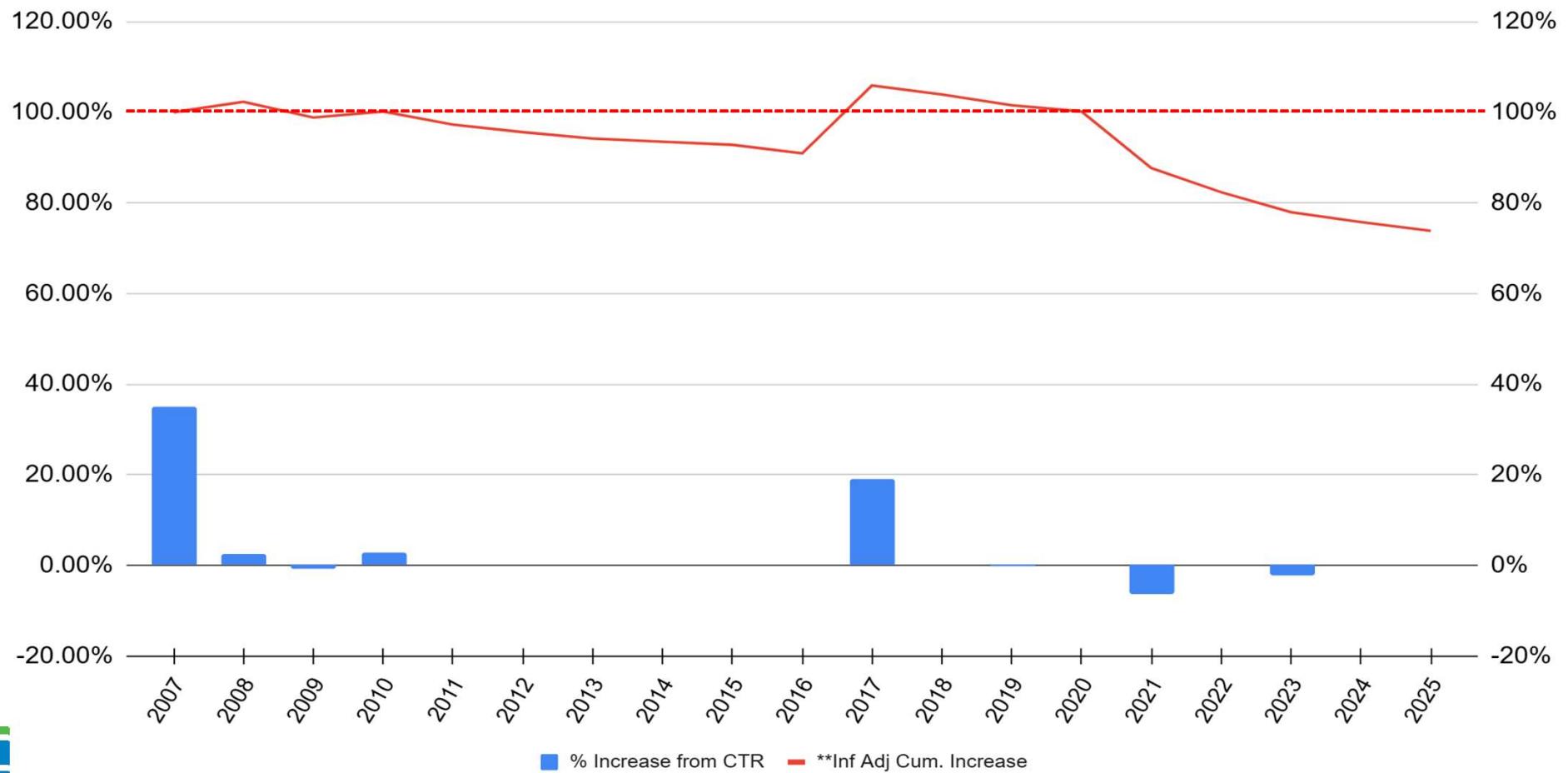
## Cost of Government per Capita in 2024

County	Population	Per Capita
Salt Lake	1,185,813	\$915.10
Weber	271,926	\$763.46
Davis	373,207	\$550.90
Washington	202,452	\$526.03
Utah*	719,174	\$524.85

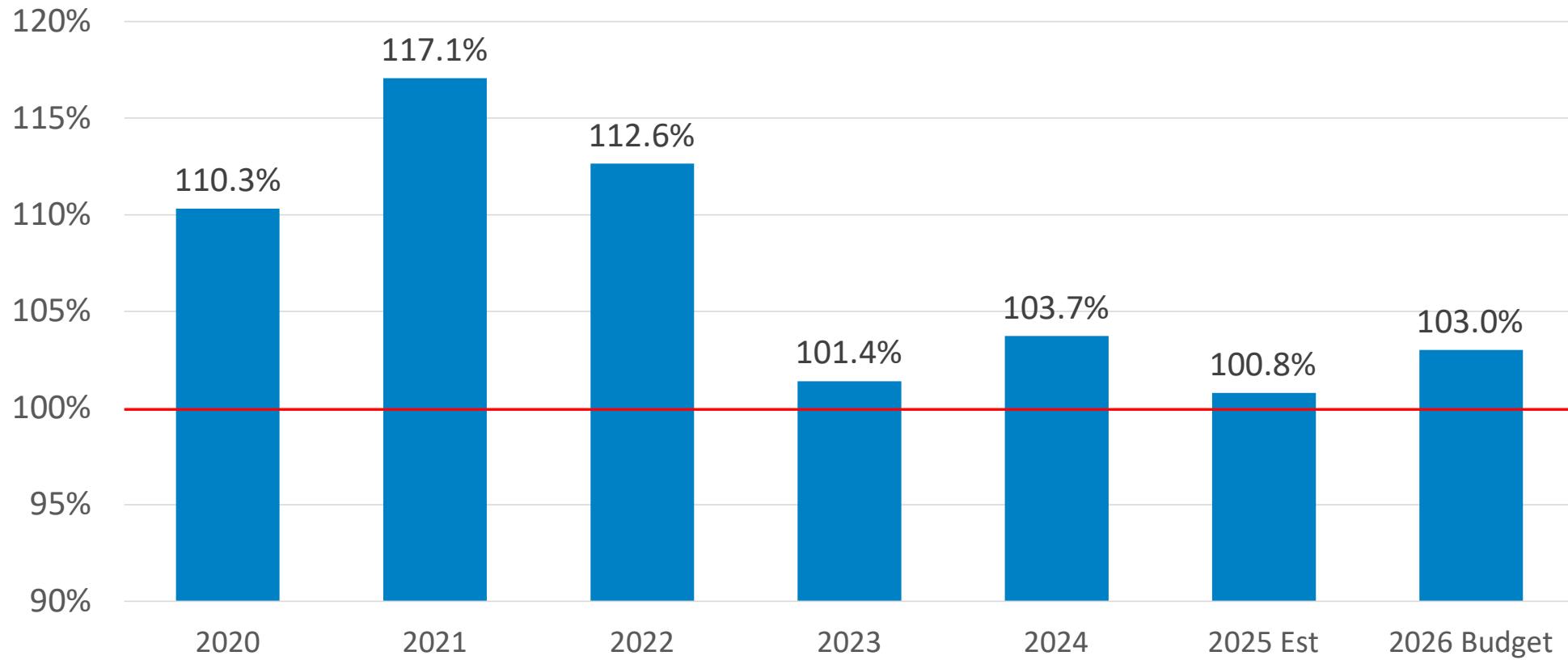
\* Utah County just raised its taxes 48% in 2025



# Inflation Adjusted Tax Rates Since 2007

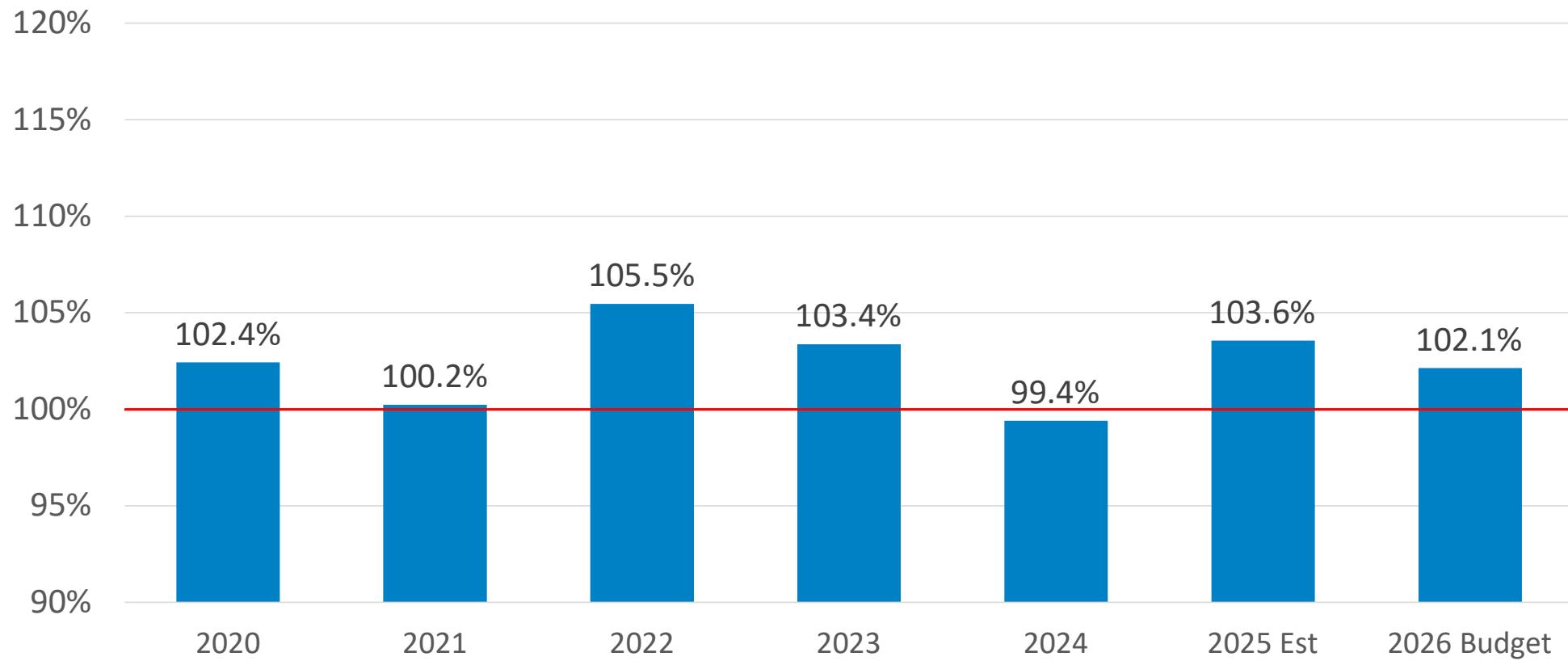


## Sales Tax Growth History



New Revenue in 2026 - \$1,477,000

## Property Tax Growth History



New Revenue in 2026 - \$687,000

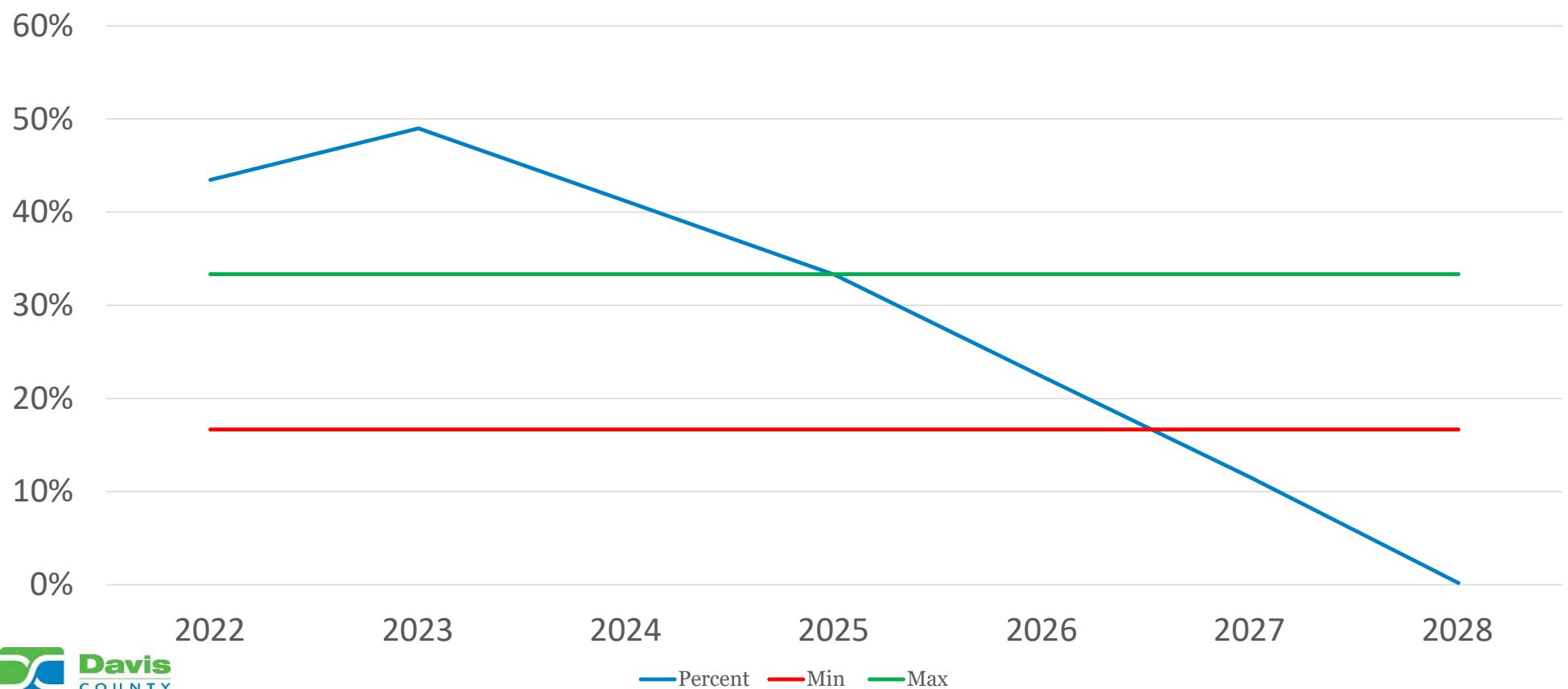
## General Fund Available Funding

Item	Amount
<b>2025 Budgeted Operating Deficit</b>	(\$11,740,000)
2026 COLA / Merit (4%)	(\$2,444,000)
Health Insurance Increase (11%)	(\$990,000)
SLFRF Funding to ongoing expenses	(\$1,700,000)
Other Contracted Increases	(\$200,000)
New Tax Revenue (Sales and Property)	\$2,164,000
Payroll Budgetary Savings – Methodology	\$512,000
Payroll Budgetary Savings – Overtime at 25%	\$1,125,000
<b>2026 Budgeted Operating Deficit</b>	<b>(\$13,273,000)</b>



## General Fund Balance Projection

### Current Level of Service



## General Fund New Requests

- \$2.4M in new positions
  - 9 Corrections officers
  - 3 Law Enforcement Officers
  - Confidential Secretary – Recorders
  - Attorney part time
- \$1.5M in other
  - Corrections - \$378K
  - Sheriff - \$134K
  - Info Systems - \$350K
  - Legal Defender - \$578K



## Financial Impact of Compensation

Item	General Fund	Other Funds	Total
3% Merit	\$1,833,000	\$1,017,000	\$2,850,000
1% COLA	\$611,000	\$339,000	\$950,000
Health Insurance	\$990,000	\$510,000	\$1,500,000
401K Match - 2%	\$1,239,000	\$666,000	\$1,959,000
Retiree Health Insurance	\$357,000	\$184,000	\$541,000
Sick Payout	\$163,000	\$84,000	\$247,000
Change Budget Methodology for vacancies	(\$512,000)	(\$263,000)	(\$775,000)
Fund 75% of Pub Safety OT with attrition	(\$1,125,000)	\$0	(\$1,125,000)



## **Recommendation #1**

### **Establish a Termination Pool**

#### **Proposal**

- Use one-time interest earnings of \$1 million to establish fund
- Remove budget from individual departments for planned retirements and OPEB benefit
- Charge departments 1.5% of payroll as a baseline to fund going forward

#### **Cost / Benefit**

- Budget neutral in the long run
- Makes budgeting easier at the department level and allows for tighter payroll budgets
- Pools the risk of retirements and terminations

## Recommendation #2

### Phase out OPEB and Sick Leave Payout

#### Proposal

- Grandfather sick leave as of 12/31/2025
- New sick leave accrues at existing rates, but will not be paid out on termination
- Phase out OPEB, no benefits offered to those retiring after January 1, 2036 (10 years)

#### Cost / Benefit

- Cash Savings
  - Insignificant in first year
  - Grows to over \$500K per year
- Will reduce long term liability

## Recommendation #3

### Offer Personal Leave

#### Proposal

- Offer personal time off of 2 – 3 days per year to compensate for benefit changes
  - Does not carry over from year to year
  - Does not get paid out on separation

#### Cost / Benefit

- No significant cash costs
- Reduction in productivity

## Recommendation #4

### Change Compensation Plan

#### Proposal

- Reduce merit increase from 3.5% to 2.5% (budget at 2.0%)
- Reduce 401K match from 4% to 2%
- COLA at 3% to offset for losses above

#### Cost / Benefit

- Costs the same as a 3% Merit + 1% COLA (\$2.4M to general fund)
- 2% is more valuable to employees on the front end because of retirement
- Moves the pay ranges to be more competitive and reduces number of positions below market

## Truth in Taxation

- Public Hearing will be on Dec 2 at 6pm
  - Cannot have any other public hearing that day
  - Must be the last item on the agenda
  - Must allow for online participation
- Do we want to schedule public meetings during November?
  - When / Where?

