



G R E A T E R S A L T L A K E

Municipal Services District

Staff Report

Date: January 9, 2026

From: Stewart Okobia

RE: Salt Lake County Justice Court fund balance discussion and approval of the refund request and a follow-up letter to the Salt Lake County Council

Summary

Historically, the Salt Lake County Justice Court (SLCoJC) served all Municipal Services District (MSD) jurisdictions as well as Millcreek. In July 2022, Millcreek withdrew from SLCoJC, leaving only the MSD jurisdictions under its service. While both MSD and Millcreek were served by SLCoJC, there was an informal cost-sharing arrangement: MSD covered 60% of court expenses and Millcreek covered 40%, based loosely on case volume.

After Millcreek's withdrawal, MSD assumed responsibility for 100% of SLCoJC expenses. However, no agreement was established to address Millcreek's share of costs for cases still pending in SLCoJC.

From 2019 to 2022, MSD paid SLCoJC approximately \$1.1 million annually based on the court's approved budget rather than actual expenses, as outlined in the Interlocal Agreement (ILA). During this period, MSD discovered that SLCoJC had accumulated a significant fund balance exceeding \$2 million. SLCoJC indicated that these funds would be used for court upgrades. This raised questions about ownership of the fund balance, as it appears to have resulted from overpayments by MSD and Millcreek.

With SLCoJC scheduled to close on June 30, 2027, there is no longer a need to allocate the fund balance for court improvements.

Recommendations

- **Option 1:** Request a refund from SLCoJC for amounts paid by MSD that exceeded 60% of actual costs from 2019 - 022.
- **Option 2:** Apply SLCoJC's existing fund balance to cover any future budgets approved by MSD.

The estimated refund due to MSD is **\$1,191,642.26** including interest.