



**Board Meeting Date: June 16, 2016**  
**Agenda Item # SLVLESA 3**  
**SLVLESA Portion of the UPD 2016 – 2017 Budget**

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**Request**

Approve the 2016 – 2017 SLVLESA Portion of the UPD Budget, with a total cost of \$33,409,808. This is a 3.61% (\$1.16 million) increase from the 2015 - 2016 UPD Budget. The 2016 SLVLESA Budget included a 4% increase for the UPD contract for market and inflation. The 2016-2017 SLVLESA portion of the annual increase is considered favorable of 3.61% for a budget decrease \$58,149.

**UPD 2016 – 2017 Budget Changes**

	<b>\$ Change</b>	<b>% Change</b>
<b>UPD Market/Inflation</b>		
Personnel		
<i>Market Adjustment</i>	\$ 874,745	2.71%
<i>Merit</i>	182,084	0.56%
<i>Insurance</i>	217,472	0.67%
<i>Teledoc</i>	13,009	0.04%
<i>Annualized Changes</i>	(268,099)	(0.83)%
Subtotal Personnel	\$ 1,019,211	3.16%
UPD Pooled Services	\$ (250,693)	(0.78)%
<b>Total UPD Market/Inflation</b>	<b>\$ 768,518</b>	<b>2.38%</b>
<b>New Resources</b>		
Herriman Precinct - 3 Officers	\$ 331,616	1.03%
Riverton Precinct – Overtime	50,000	0.16%
SLCo Townships - Misc. Operations	15,450	0.05%
<b>Total New Resources</b>	<b>\$ 397,066</b>	<b>1.23%</b>
<b>UPD 2016 – 2017 Budget Changes</b>	<b>\$ 1,165,584</b>	<b>3.61%</b>



**Board Meeting Date: June 16, 2016**

**Agenda Item # SLVLESA 4 & 5  
2016 Budget Amendment and 2016 Final Tax Rate Adoption**

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Request

Adopt a resolution amending the FY 2016 Budget for SLVLESA and Final 2016 Property Tax Rate for SLVLESA.

Background

The final certified tax rate has been produced by the State Tax Commission for SLVLESA for 2016. The calculated rate is 0.001925 and is scheduled to produce \$29,845,063 in property tax revenue and \$37,969 in judgement levy for the time period of September 15, 2015 – February 28, 2016.

The following changes are represented below for the 2016 Budget Amendment.

Revenue

<b>SLVLESA Revenue</b>	<b>2016 Budget</b>	<b>2016 Amended</b>	<b>Change</b>
Property Tax			
Base	\$29,636,634	\$29,558,018	\$(78,616)
New Growth	600,000	287,045	(312,955)
Prior Year Tax Collections	500,000	500,000	-
Judgment Levy	37,969	37,969	-
Fee In Lieu	1,450,000	1,450,000	-
Interest	45,000	45,000	-
TRAN's	21,000,000	21,000,000	-
<b>TOTAL</b>	<b>\$30,111,800</b>	<b>\$31,226,417</b>	<b>\$(391,571)</b>
Budgeted Contribution from Fund Balance	\$1,202,085	\$1,380,085	\$333,422

*Property Tax*

The base property tax revenue reduced due to redemptions from the prior year. In the future, redemptions will no longer be part of the property tax calculation and the base will carryover year to

year. The base property tax revaluation increased by an estimated 5.93% which drove down the rate from .002038 in 2015 to .001923 in 2016. Overall, property tax value increased by 950 million which is an increase of 6.34%.

Below are highlighted changes by each property tax category:

- Real Property: Increased by 970 million and 8.63% in value which is a combination of both new growth and revaluation of existing property
- Personal Property: Decreased by 32 million and (8.66%) in value
- Centrally Assessed: Increased by 12 million and 1.36% in value

New growth for 2016 is 152.8 million in additional taxable value which equates to \$287,000 in new growth revenue for SLVLESA. The 2016 Adopted Budget estimated new growth at \$600,000, therefore, had a negative impact of \$312,955.

All other revenue sources for 2016 are not expected to change at this time.

Expense

<b>SLVLESA Expense</b>	<b>2016 Budget</b>	<b>2016 Amended</b>	<b>Change</b>
UPD Contract	\$32,886,463	\$32,828,314	\$(58,149)
Professional Fees	250,000	250,000	-
Riverton Bond Payment	85,225	85,225	-
TRAN's	21,000,000	21,000,000	-
TRAN's Interest	250,000	250,000	-
<b>TOTAL</b>	<b>\$54,471,688</b>	<b>\$54,413,539</b>	<b>\$(58,149)</b>

*UPD Contract*

The 2016 Adopted Budget included a 4% increase in the UPD contract for market and inflationary increases related to compensation and operational expenses. The overall change for the 2016 – 2017 UPD contract is 3.61%, for a savings of \$58K. The UPD 2016 -2017 contract includes a market and inflation increase of 2.38% in new resources of 1.23% for 3 new officers, overtime, and miscellaneous operating expense.

All other expenditures for 2016 are not expected to change at this time.

Fund Balance

The 2016 Adopted Budget projected a \$1,202,085 drawdown in the fund balance. The 2016 Amended Budget projects to increase the drawdown by \$333,422 for a total of \$1,535,507.

**Outline of SLVLESA Adjusted Budget  
June 16, 2016**

\$ 265,300 \$ 540.68  
\$ 265,300 \$ 297.37  
0.002038 0.002038

No Tax Increase

**Budget Outline**

**Revenues**

**Contribution by Salt Lake County MSF (Includes \$500k for Fee Reduction)**

Fund Balance Contributions (County MSF, Riverton, Herriman)

	<b>Final Actual 2013</b>	<b>Final Actual 2014</b>	<b>Final Actual 2015</b>	<b>Adopted 2016 Budget</b>	<b>June Adjusted 2016 Budget</b>	<b>Projected Actual 2016</b>
Property Taxes (base)	28,558,832	30,315,781	29,839,032	29,636,634	29,558,018	29,558,018
Property Tax Increase					-	-
Property Tax New Growth		-	-	600,000	287,045	287,045
Property Tax Reduction per Annexations						
Judgement Levy		-	-	37,969	37,969	37,969
Fee in Lieu of	1,422,937	1,577,857	1,527,819	1,450,000	1,450,000	1,450,000
Prior Year Tax Collections	330,950	471,467	654,536	500,000	500,000	500,000
TRANS Revenue	18,000,000	15,250,000	16,000,000	21,000,000	21,000,000	17,500,000
<b>Interest</b>	67,963	45,496	78,867	45,000	45,000	45,000
Contribution From Fund Balance				1,202,085	1,535,507	1,380,085
<b>Total Revenues</b>	<b>48,416,703</b>	<b>47,669,760</b>	<b>48,115,392</b>	<b>54,471,688</b>	<b>54,413,539</b>	<b>50,758,117</b>

**Expenses**

**Contract with UPD**

Base Contract Adjustments  
Base Contract Cost

**Total Professional Fees**

Riverton Bond Payment  
Other Bond Payments

**Other Expenses**

Base Contract Adjustments					(58,149)	(58,149)
Base Contract Cost	29,074,625	30,571,802	31,683,721	32,886,463	32,886,463	32,886,463
<b>Total Professional Fees</b>	151,656	186,678	203,637	250,000	250,000	250,000
Riverton Bond Payment		110,556	85,225	85,225	85,225	85,225
Other Bond Payments						
<b>Other Expenses</b>	14,152					
TRANS	18,000,000	15,250,000	16,000,000	21,000,000	21,000,000	17,500,000
TRANS Interest	145,636	55,713	68,933	250,000	250,000	94,578
Contribution to Fund Balance	1,030,634	1,495,012	73,875			
<b>Total Expenses</b>	<b>48,416,703</b>	<b>47,669,760</b>	<b>48,115,392</b>	<b>54,471,688</b>	<b>54,413,539</b>	<b>50,758,117</b>

**Fund Balance Projection**

Projected Beginning Fund Balance	4,224,831	5,255,465	6,750,477	6,824,352	6,824,352	6,824,352
Contribution to Fund Balance (Revenues greater than Expenses)	1,030,634	1,495,012	73,875	(1,202,085)	(1,535,507)	(1,380,085)
Projected Ending Fund Balance	5,255,465	6,750,477	6,824,352	5,622,267 17.4%	5,288,845 16.6%	5,444,267 17.1%

**SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA**

**2016 BUDGET AMENDMENT AND TAX RATE ADOPTION**

RESOLUTION NO. \_\_\_\_\_ ADOPTED \_\_\_\_\_

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA AMENDING THE 2016 BUDGET AND APPROVING AND ADOPTING AN AD VALOREM TAX RATE ON THE TAXABLE PROPERTY IN THE SERVICE AREA FOR FISCAL YEAR 2016

BE IT KNOWN AND REMEMBERED THAT:

- A. UCA Sections 17B-1-627 and 59-2-912 require the Board of Trustees (the ABoard@) of the Salt Lake Valley Law Enforcement Service Area ("SLVLESA") to adopt an ad valorem tax rate on all taxable property in the Service Area before June 22nd of each year unless otherwise authorized by the State Tax Commission. The Board is adopting tax rates on June 16, 2016, to provide funds for its fiscal year 2016 budget.
- B. UCA Sections 17B-1-621 and 17B-1-622 grant the Board continuing authority to amend the adopted budget of the Service Area as it deems necessary through the end of the Service Area's fiscal year. The Board has considered the expenditures and revenues budgeted for the various funds of the Service Area and has determined that it is in the best interest of the Service Area to amend the previously adopted fiscal year 2016 budget.
- C. The adoption of this resolution has been duly noticed in accordance with the Utah Open and Public Meetings Act and the Uniform Fiscal Procedures for Local Districts Act.

NOW, THEREFORE, the Board of Trustees of the SLVLESA resolves as follows:

- 1. The ad valorem tax rate subject to the rate setting authority of the Board for fiscal year 2016 on all taxable property within the District is hereby set at the certified tax rate as determined by the Salt Lake County Auditor and the Utah State Tax Commission and a tax rate for allowable judgments that were issued prior to September 15, 2015 is hereby adopted. The

allowable judgments were duly noticed and a public hearing in conjunction with the establishment of the 2015 SLVLESA budget was held in accordance Title 59, Chapter 2, Part 9, Utah Code Annotated.

2. SLVLESA has previously obtained from each of the participating governmental entities Resolutions supporting the imposition of ad valorem taxes at or below the certified tax rate established for SLVLESA by the Salt Lake County Auditor and the Utah State Tax Commission and no additional approvals are required by SLVLESA in connection with setting the 2015 property tax rate.

3. The fiscal year 2016 budget is hereby amended as reflected on Exhibit "A" which is attached hereto and incorporated herein.

4. This Resolution shall take effect immediately upon its approval and adoption by the Board and will be filed and recorded in the official minutes and records of the Board for this meeting. The Clerk of SLVLESA is hereby directed to certify a copy of this Resolution and accompanying Exhibit to the Salt Lake County Auditor in accordance with UCA Sec. 17B-1-628 and UCA Sec. 59-2-913 and the Utah State Auditor in accordance with UCA Sec. 17B-1-614.

APPROVED and ADOPTED this 16<sup>th</sup> day of June, 2016.

**BOARD OF TRUSTEES**

**SALT LAKE VALLEY LAW ENFORCEMENT  
SERVICE AREA**

By: \_\_\_\_\_  
Jim Bradley, Chair

ATTEST:

\_\_\_\_\_  
Salt Lake Valley Law Enforcement Service Area Clerk

APPROVED AS TO FORM:

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Attorney

Trustee Bradley voting \_\_\_\_\_  
Trustee Freeman voting \_\_\_\_\_  
Trustee Jensen voting \_\_\_\_\_  
Trustee McAdams voting \_\_\_\_\_  
Trustee Staggs voting \_\_\_\_\_



**Board Meeting Date: June 16, 2016**

**Agenda Item # SLVLESA 6  
2017 Property Tax Increase and Subsequent Budget Years**

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Request

Adopt a resolution that intends to notice an 11% tax increase for 2017 and proposes to adopt property tax increase for budget year 2018, and beyond. This increase is sufficient to offset necessary market/inflation increases in the UPD contract.

Background

Chair Bradley directed staff to bring forth to the Board the attached resolution for adoption. This resolution addresses the current fund balance issue and provides for future increases to match UPD inflation/market adjustments and to begin using new growth revenue for new resources.

At the board meeting held on May 19, 2016, the SLVLESA Board directed staff to explore a 2017 tax increase that ranges from 6% to 11% and maintains a 15% fund balance level. Now that the 2016 taxable property values and 2016-2017 UPD contract are known, SLVLESA staff has derived three tax increase options for 2017 and future increases for new resources.

Year 2017:

11% Property Tax Increase

- Stabilizes fund balance at 15% desired level
- Provides \$1.2M for New Resources
  - o 10 New Officers
  - o \$160K Buildings

9% Property Tax Increase

- Stabilizes fund balance at 15% desired level
- Provides \$686K for New Resources
  - o 5 New Officers
  - o \$160K Buildings

6.5% Property Tax Increase

- Stabilizes fund balance at 15% desired level

- No New Resources provided

Year 2018 – Future:

- 4% tax increase to match UPD contract market/inflation
- Begin to use new growth revenue for new resources
- Stabilize fund balance at 15% desired level

RESOLUTION No: \_\_\_\_\_

DATE: \_\_\_\_\_

SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SALT LAKE LAW ENFORCEMENT SERVICE AREA PROPOSING A PROPERTY TAX INCREASE OF 11% FOR THE 2017 BUDGET AND PROPOSING ANNUAL INCREASES OF 4% IN THE BUDGETED PROPERTY TAX REVENUE FOR SUBSEQUENT BUDGET YEARS TO MATCH THE ANNUAL INCREASES IN THE UNIFIED POLICE DEPARTMENT BUDGET

WHEREAS, the the Board of Trustees (the “Board”) of the Salt Lake Valley Law Enforcement Service Area (“SLVLESA”) has budgeted the use of its existing fund balance to finance the ongoing operations of the SLVLESA and the costs of its portion of the Unified Police Department budget;

WHEREAS, the cost of ongoing operations will continue to deplete SLVLESA funds unless existing service levels are reduced or revenues are increased;

WHEREAS, calls for service and population growth throughout portions of the SLVLESA service area require additional law enforcement resources;

WHEREAS, the Board has received and considered a five year financial projection and its recommendations regarding stabilizing the SLVLESA fund balance;

WHEREAS, projected annual increases in the budget of the Unified Police Department will erode SLVLESA funds unless they are offset by additional revenues; and

WHEREAS, the Board desires to address the current fund balance issues and provide for matching future increases in Unified Police Department budgets.

NOW THEREFORE, be it resolved that the Board hereby proposes an increase of 11% in its budgeted property tax revenues for the 2017 SLVLESA budget and, subject to further legislative approvals, proposes to adopt property tax increases of 4% for budget years 2018, and beyond, sufficient to offset budget increases in the Unified Police Department budget’

BE IT FURTHER RESOLVED, that staff be directed to prepare such reports and take such actions as are required by law to to obtain the approval of the legislative bodies of the entities comprising SLVLESA and for the Board to implement the 2017 property tax increase. The staff is further directed to present to the Board on an annual basis the actions necessary for the Board to implement such further property tax increases as are necessary to offset budget increases in the Unified Police Department budget.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Board of Trustees  
Salt Lake Valley Law Enforcement Service Area

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CHAIR

ATTEST:

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Clerk

Trustee Bradley voting \_\_\_\_\_  
Trustee Freeman voting \_\_\_\_\_  
Trustee Jensen voting \_\_\_\_\_  
Trustee McAdams voting \_\_\_\_\_  
Trustee Staggs voting \_\_\_\_\_