



SALT LAKE COUNTY **Speech**

Mayor Peter M. Corroon Salt Lake County 2010 Budget Proposal

Council Chambers
October 27, 2009
2:30 p.m.

Good afternoon.

Today, I present to you my proposal for the 2010 County budget. I believe that a budget tells citizens where your core values are. My core values continue to guide me to strive to protect the family budget by keeping taxes low but also providing the vital County services that citizens expect. I believe that, despite our economic challenges, this budget reflects those **core values**, and addresses the **urgent needs** of our community.

My proposal today looks to solve our current financial challenges and does so in a way that is sustainable for coming years. By taking a measured, responsible and conservative approach, in the midst of the worst economic crisis since the Great Depression, we have produced a budget that **substantially reduces** spending yet still protects **public safety** and preserves **critical services** to **children** and **seniors**.

One year ago, when I stood here to present the 2009 budget proposal, we knew that we were facing a challenging time. The economy was in serious decline.

We now know that we were entering the worst recession in eighty years.

But, together, we made tough and necessary decisions with the knowledge that we were planning for stormy times that lay ahead. In essence, we saw a forecast for rain and prepared for a thunderstorm; but we got hit with a hurricane.

Salt Lake County is now in the eye of the storm. There are strong signs that the economy is in recovery. But, it will take time for the benefits of this recovery to have significant positive impacts on our revenues.

And even as the storm clouds still surround us, we must continue to do what responsible public leaders do: plan for brighter days while maintaining critical services and public safety.

In other words, we must continue doing what we've been doing.

The net 2009 budget, including operational and capital costs was **\$801 million**. As a result of all the fiscal steps we've taken this year, the net 2010 budget we present today is **\$638 million**.

We have **reduced** our County **budget** by **\$164 million** while **protecting** critical services. **Let me be clear:** We have **reduced** our **budget** by **\$164 million** while protecting **critical services**.

Shrinking the County budget by \$164 million in the course of one year is no easy task. But we have taken a **measured, responsible, and conservative** approach to balancing the budget. Our review has combed the budget **line by line; program by program**.

We have asked every employee and every manager to look for costs that did not need to be spent, to look for more efficient ways of doing business, and to look for services, processes, and expenditures that could be done without or did not provide value to our citizens.

County employees have also been asked to make a personal sacrifice with a reduction in both **salaries** and **benefits**. This was a particularly hard choice and I would like to express my deep appreciation for their concessions and their service.

At the same time we have reduced the employee workforce by over 200 positions almost exclusively through attrition to avoid mass layoffs.

Yet still, county employees have worked through these troubling times, and they have come through with amazing changes, advances, and improvements.

Allow me to tell you about a few examples of our Divisions' innovations:

Youth Services will cross-train case managers, supervisors, and therapists so that all Division staff can provide "universal coverage" minimizing use of temps, and part time staff, saving taxpayers approximately \$50,000.

We are reducing hours at recreation centers to adjust for low use periods and closing our smaller recreation centers on Sundays in order to save taxpayers nearly \$35,000 annually.

The Sanitation Division will be implementing a flex schedule of four 10-hour days for residential collection saving approximately \$69,000 per year.

The list of cuts, efficiencies, innovations, and savings is voluminous and is the outcome of a **measured** and **responsible approach** to keeping the fiscal foundation of our government strong. This approach is evident in what we are maintaining as well:

We are maintaining our after school programs in order to ensure that our children have a safe learning environment at the end of the day.

We are maintaining our Meals On Wheels programming -- in the face of State funding cuts -- so that 1,100 homebound seniors will continue to get at least one hot meal a day delivered to their door.

And, we are maintaining our funding of Oxbow Jail to ensure that our streets and neighborhoods remain safe and secure.

Right now, I **do not believe** we can cut any further **without** harming the **essential** services that our County government must provide. As public leaders, it is our obligation to ensure that critical services and public safety are funded. So, in **addition** to the **\$39 million budget gap** that we **closed** in June **plus** the **\$35 million in efficiencies** and **reductions** we propose for 2010, I am **also** proposing that we shift the debt service bond payments from sales tax to property taxes as **previously approved** by voters.

This shift costs the average homeowner about \$1.73/month and would be on the November 2010 property tax notices. I recognize the burden that this may place on some, and don't recommend it lightly. I believe it is a fair price to pay for protecting our citizens and caring for the County residents most in need.

Making this proposal is not easy. I vetoed a similar proposal for 2009 earlier this year.

I did so then because I believed that we needed to make more cuts and realize efficiencies before we looked at raising revenues. We have done that. I think you all know me well enough to know that I am an advocate for protecting the family budget by making sure that government works efficiently for the people. But, there are essential services that I am unwilling to cut and which must be protected in good times and bad.

Earlier in the year, I was asked where I would draw the line on budget cuts. To me, that answer is simple:

I draw the line at sacrificing public safety by reducing deputies on our streets or closing Oxbow Jail.

And, I am unwilling to reduce important services to seniors who are in the twilight of their lives and need a helping hand.

And, I am also unwilling to reduce critical services to those children who have experienced hardships at an early age. We have the opportunity to guide them in the right direction. If we turn our backs now, we will likely see some again in our Criminal Justice pipeline in the future. This is where I draw the line and say, "we all need to come together as a community to protect these services." These are the priorities I outlined in the State of the County ten months ago; these priorities **have not changed**.

During a church service, not long ago, I heard the following words: "We need to help the weak. Lift up the heads that hang down. And strengthen the feeble knees." I thought of them as a poignant reminder of what we do in Salt Lake County, and of what we should not sacrifice.

Consider for a moment where we could be without sound fiscal policies and responsible governance. For example:

- Cook County, Illinois, has just laid-off over **350** front-line **public health** employees.
- Jefferson County, Alabama is teetering on the edge of what would be the **largest municipal bankruptcy in our Nation's history**.
- And King County, Washington, gave **145** employees **pink slips** just two weeks ago and may be handing out more. They are closing **39** of their parks and cutting funding to agencies that provide **domestic violence** and **sexual-assault-help** by 80 percent.

In a collaborative spirit, working together, Salt Lake County has been prudent, fiscally responsible, and we have prevented a challenging period from growing into a disaster. We have made strategic cuts without significantly curtailing service levels, and we positioned the County to be ready to **move forward**, in the **right direction**.

We all know that closing Oxbow would be a significant step backwards and would place us back in an unacceptable situation where we would not have enough room to house our prisoners.

Frankly, one of my great frustrations as Mayor is that Salt Lake County subsidizes over **300** State prisoners every day in our jail; at a cost to Salt Lake County taxpayers of more than \$7.5 million because the state will not adequately pay for, or take on the burden itself for state prisoners that we are required to house. This adds to our burden and creates frustration within our cities when the jail is full. However, until the state pays its own way, we must do all we can to protect our residents. I will continue to work to see that the State fully reimburses the County for housing State prisoners.

In addition to our **county-wide services**, the residents of **unincorporated** Salt Lake County expect and deserve the most efficient and effective municipal services **possible** at the best value **possible**. So, I would like to focus for a moment on the Municipal Services Fund.

The Municipal Services Fund, that pays to plow snow off our streets and for deputies to patrol our streets, has been severely impacted over the last year. The State Tax Commission has recognized two mistakes it has been making for years that have severely damaged our municipal sales tax revenues. The first that came last year caused a \$3 million one-time hit and an ongoing \$1 million per year to a fund that receives only about \$8million in property tax revenues to supplement the sales tax. The second hit came about a month ago which will reduce our sales tax revenues about another \$850,000 per year. The combined loss is a current hit of \$3.8 million and \$1.8 million on-going.

With these State Tax Commission mistakes and sales tax revenues down about 30% from their highs in 2007, the municipal services fund is hurting. While many of the various taxing entities in the County raise property taxes regularly and sometimes by significant amounts, Salt Lake County has not increased taxes for 9 straight years except for voter-approved initiatives and judgment levies.

Though this process has been challenging, we need to keep our achievements in perspective.

We have and will continue to preserve our AAA bond rating. Salt Lake County is **one** of just **two dozen** out of the more than 3,100 counties nationwide to win the AAA rating from **all three rating agencies**. This isn't a trophy prize, but recognition that the county is on **solid financial ground** and is committed to a stable, transparent, and efficient financial practices and policies – the very practices and policies that have benefited us so well during these tough economic times.

We should all be proud of what's been accomplished responding to this crisis. I believe we can view this as a new beginning for Salt Lake County. We have created a more efficient, more focused, and more effective County government that is well-positioned for more prosperous times.

It is critical that we remember the kind of county we want Salt Lake to be. The mark of an individual, of an organization, of a community, and of a government, is not who you are and what you do when times are good. But, who you are and what you do in the face of adversity. Let it continue to be said, that in the greatest economic downturn since the great depression that Salt Lake County government and its citizens continued to stand for and protect its core values and continued to care for their most vulnerable citizens.

In keeping with our commitment to open, honest and ethical County government, the entire budget proposal is now available on line at www.budget.slco.org. I invite anyone with an interest in their County government to visit the site and review the books.

If something strikes you as a way to save more or spend less, let us know, send an email to budget@slco.org.

We will also hold four public meetings to present the budget to the community. Details about these meetings are also available on the website.

Despite these troubling economic times, I continue to envision a County that builds and sustains business opportunities for small business owners; a County of healthy, vibrant, and sustainable communities; a County that serves our fragile populations with integrity and caring; a County that is a steward of a natural environment, and a County with an unmatched quality of life and where families feel safe in their homes and on our streets.

I would like to thank my fellow elected officials for being a partner in taking on these cuts and working collaboratively in developing this budget.

I would like to thank our department heads for their tireless work in providing a budget that is clear, transparent, and delivered the necessary efficiencies to make this budget work.

And I especially want to thank our Chief Financial Officer, Darrin Casper and his staff for their dedication to detail and excellence in fiscal management.

Members of the County Council, I look forward to your deliberations over the next several weeks, and stand ready and willing to assist you in every way.

Thank you. And now, Darrin will present the details of this budget.