

## STAFF REPORT

TO: Summit County Council  
FROM: Matt Leavitt – Summit County Financial Officer  
DATE: October 3, 2019  
SUBJECT: Presentation of the Manager’s 2020 operating budget recommendations

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### **BACKGROUND:**

In July departments began preparing and submitting budget requests for the 2020 budget. Departments are instructed to request resources to sufficiently perform the programs and services provided by their respective departments as well as identify areas where improvements in processes and efficiencies may be achieved. Submitting **departments requested \$68.4 million for operations** including over 50,800 (approximately 24.4 full-time equivalent) additional personnel hours through full-, part-time, temporary, seasonal employees.

Through the month of August and up to September 13<sup>th</sup> the budget committee met with certain departments and deliberated requests compared to estimated resources. After deliberations and careful consideration, the **budget committee recommended a 2020 operating budget of \$60.6 million** – a reduction of \$7.8 million from department requests, which was then presented to the County Manager.

The County Manager is required to submit a recommended budget to the County Council by October 15<sup>th</sup> of each year. The Manager takes into consideration the recommendations presented by the budget committee as well as any appeals from departments that do not agree with those recommendations. The Manager also weighs requests and recommendations against the strategic objectives of the Council. The following report presents the Manager’s recommendations of the 2020 operating budget.

### **COUNCIL REQUIRED ACTION:**

**No action is required.** Additional documentation will be presented to the Council on October 9<sup>th</sup> and throughout the remainder of the budgeting process.

### **SUMMARY INFORMATION:**

**The Manager is currently recommending an operating budget of \$60.8 million.** The following highlights the significant changes.

- The recommended budget is a 9.2% increase over the 2019 adopted budget.
  - Of the \$5.1 million increase 57.8% (\$2.9 million) is a result of increased grants in Public Health for the Mental Wellness and Substance Abuse divisions.
  - Another \$1.2 million increase is anticipated through “natural” increases in taxes.

- Due to the State Legislature it is anticipated that Recorder fees will increase. The full amount of the increase has yet to be determined.
- Departmental changes:
  - The 2020 budget reflects a recommended budget for Financial Services; Communication & Public Engagement; and no longer funding the Major Crimes division in Law Enforcement at the recommendation of the Sheriff.
- Staffing changes: The following positions are being recommended in the 2020 operating budget:
  - The Manager's recommendation includes placeholders for 2% COLA, average of 3% merit increases per department, and offsets to health insurance;
  - Positions supported by new or additional resources:
    - **Mental health budget manager** – to help manage the increases in grant and Medicare contracts and supported by those resources;
    - **Stormwater inspector** – supported by anticipated engineering permit and MS4 fee increases;
    - **GIS technician** – supported by additional revenues in Recorder fees;
  - Positions without new funding:
    - **Inmate working crew deputy** – The Sheriff's Office projects that an additional crew can be provided and that this would provide savings to labor in both the Facilities, Fair and Public Works departments;
    - **Weeds code enforcement/equipment operator** – during summer months to help with the education and promotion of the weed program while being used as a snowplow operator during the winter season;
    - **Senior director** – increasing hours to full-time status.
- Program changes: The Manager is also proposing to implement a new benefit program of a 401(k) match in order to strengthen the County's benefit offerings in a time that has become more challenging to recruit and retain employees. This is also in response to feedback received from employees at town hall meetings and surveys. The benefit includes the following parameters:
  - Funding up to \$100 thousand;
  - Up to a 1% dollar-for-dollar County match for participating employees;
    - Qualified employees can no longer be in their orientation period;
    - Employees only become fully vested in the County match after five years of continuous employment.
- Fund balances: The Manager's goal is to increase general fund balances by an additional \$900 thousand. The currently proposed budget falls short of that objective. **However**, additional changes are being made to the budget document in order to achieve the desired outcome.

**The Council is required to adopt a budget on or before December 31. Currently, public hearings are anticipated for the December 4<sup>th</sup> and 11<sup>th</sup> Council meetings with the expectation that the budget is adopted by the Council on the 11<sup>th</sup>.**