

County Commission Update: Financial Situation

By Tooele County Commission

A lot has been said recently about the financial situation in Tooele County. Through collaboration and agreement between all three county commissioners, we'd like to present some facts about it.

Most importantly, we know these have been very difficult times for everyone involved, and especially for those people personally affected by the cuts made in personnel. We hope the employees who lost their jobs can get back on their feet as quickly as possible. Those were decisions we hated to make. We know our employees are the county's most important asset. It's hard to eliminate positions held by very valuable, experienced, and loyal people.

Many factors contributed to the decline of the county's financial stability. Of course the global recession is impacting all of us individually, every business organization, and all levels of government. Everyone is forced to tighten their fiscal belts and do more with less money.

For many years Tooele County has been extremely fortunate to receive mitigation fees from our local businesses and the military involved in storing or eliminating hazardous materials and other wastes. As a result, residents have not seen the county's portion of property taxes raised in more than 25 years. That's practically unheard of anywhere else. As commissioners we don't want to end that trend. Raising taxes is the last thing we want to do.

Unfortunately in recent years, and we believe due to the economy, we have experienced a drastic reduction in those mitigation fees. For example Energy Solutions' payments dropped from \$4.9 million in 2011, to \$3.7 million in 2012. Other sources of mitigation fees followed that trend. This year alone we received nearly \$3 million less than last year in mitigation fees, equaling nearly \$2 million less than projected for the year.

People ask why we haven't just saved the mitigation fees over the years rather than placing them in the general fund. First, that decision was made long before any of us took office. Second, without the mitigation fees, you would have seen taxes raised a long time ago. During the times of plenty we know citizens would have objected to raising taxes in any amount when the county was pulling in millions of dollars a year in mitigation fees. Third, the county is restricted from keeping excess money in the general fund, exceeding 50% of the current year's revenues.

As it stands, Tooele County is the second lowest taxed county in the state. If the proposed tax increase is approved it would only move Tooele County up to the 15th lowest county out of 29. Also, if county revenues such as mitigation fees and sales taxes are up this year the proposed

tax increase amount could be less. By law we have to approve a balanced budget each year. There's no way to do that in 2013 other than passing the property tax increase.

The percent of your total property tax that comes to the county is very small. For example if you live in Tooele City or Lake Point the county levy is only 10% of your total property tax, in Stansbury only 9%. It's important to point out that the 82% proposed tax increase is only on that small percentage, and not on your entire property tax. On a property appraised at a value of \$150,000 the proposed tax increase would only equal \$88 a year.

We know any tax increase may be a burden to some residents and that's why abatements are available for those who qualify. Without this proposed tax increase county services will suffer. It may take longer to remove snow from roads in Stansbury or fill potholes in Rush Valley. You may have to wait longer in lines at the county building. Those are things we're trying to avoid. We know we can't cut any deeper in personnel and equipment.

We have seen a steep decline in other revenues. With fewer homes being built, building permits and associated fees are down. Recording fees are down. All other fees are down.

We have been criticized for the recent capital building projects. Many factors were involved in those decisions. The new detention center was badly needed due to the threat of lawsuits from civil rights groups. For the past several years, we have had inmates double bunked, sleeping on cots, or sleeping on the floor, all amounting to civil rights violations. The overcrowding forced the Sheriff to release some convicted inmates before completing their sentences. Prior to completion of the new courthouse, which was mandated by the state, inmates intermingled with the general public in the halls of the county building while being transported to court. These safety risks were just too great to ignore.

Tooele County is fortunate to be considered one of the best emergency prepared counties in the state, and possibly the nation. The Chemical Stockpile Emergency Preparedness Program (CSEPP) and associated staff are what made that possible. CSEPP brought \$76 million to Tooele County over 23 years, including all of the funding for the Tooele County Emergency Management Building. The \$2.5 million the county put toward the construction allowed us to purchase the property and relocate the critical 911 Dispatch Center into the seismically engineered building. We believe that in times of emergency and disaster people will expect someone to answer when they call 911. The EOC is insurance for the future.

We have been preparing for the elimination of CSEPP for many years now. We have gradually downsized the emergency management staff through attrition and lateral moves to other departments. With CSEPP funds we have stockpiled parts to maintain the critical public warning systems for years to come.

As commissioners we haven't been sitting idly by during this financial slump. We have urgently tried to bridge the budget gap by reducing expenses and increasing revenues to avoid raising taxes. Unfortunately that's inevitable now.

In an effort to cut costs, starting four years ago we instituted a soft hiring freeze, allowing only critical positions to be filled. Then more recently we put a hard hiring freeze into place. Through all turnover categories this year we have shrunk the county staff from 430 to 370 employees, the lowest level since 2001. We have not approved any wage increases, and only one cost of living allowance for county employees in the past four years. For the past two years we have asked department heads to voluntarily reduce their expenditures and return unused budgetary monies to the county. We've also asked them to reduce their 2013 budget request by 15%, shrinking travel, equipment, supply, and other budget line items.

In an effort to build revenues we have been forced to increase user fees. We asked every department to make needed adjustments to their fee schedules if they are not meeting costs of services. We are selling county owned real estate received through delinquent taxes. However we're forced to sell at a time when prices are lower rather than higher. We'd much rather sell real estate when prices are higher. We have been working hard at economic development, which increases the tax base. In recent years we have brought in several new businesses or additions including ATI Rowley, Reckitt Benckiser, Comfort Inn, the new Soelberg's, and Miller Motorsports Park. There are many more.

As elected officials, we expect criticism. We know we can't please everyone all of the time. But we are doing our best to reduce the effects of this situation as much as possible.