



**FIVE YEAR FUND  
BALANCE FORECAST  
2016 - 2020**

**Prepared by the  
Weber County Clerk/  
Auditor's Office**

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## Five Year Fund Balance Forecast

The Five Year Fund Balance Forecast (Forecast) is designed to provide the county with a financial outlook beyond the regular annual budget and to serve as a tool to bring a longer term perspective to the county’s budgeting needs.

Specifically, the Five Year Forecast is designed to:

- Assess the sustainability of the current level of services being provided by the county at the current tax levels.
- Identify the likelihood of a tax increase within 5 years at the current level of service.
- Identify financial trends and potential risks to the county.
- Ensure compliance with minimum fund balance requirements to maintain the highest possible bond rating.

This forecast relies on estimates and is not intended to be used as a budget. While the forecast is designed to model the future, unforeseen events such as higher than expected inflation, macro-economic factors, geo-political events, and technological changes will affect its accuracy.

## Executive Summary

Fund	Likelihood of tax increase within 5 years
<p><b>General Fund</b> – Health care expenses and Other Post-Employment Benefits (sick leave and retirement benefits) continue to strain the General Fund finances. Without changes to the benefit plans, the county will be required to cut the level of services offered and / or defer various capital and maintenance projects.</p>	Moderate
<p><b>Municipal Services Fund</b> – The passage of the transportation sales tax will significantly enhance the ability of the county to complete various transportation construction and maintenance projects while still maintaining an appropriate fund balance.</p>	Low
<p><b>Library Fund</b> – The addition of a new library facility in Roy and the renovation of the Ogden facility are projected to use a substantial portion of the available fund balance. Once those libraries are operational, the current tax revenue should be sufficient to cover the current level of services being provided.</p>	Low
<p><b>Paramedic Fund</b> – The fund balance is over the maximum percentage allowed by policy. The county has implemented a plan to reduce the fund balance to an acceptable level within 5 years.</p>	Low
<p><b>Health Fund</b> – Federal and State grants drive a significant portion of revenues and expenditures. Any significant reductions in discretionary funds will limit the ability to comply with unfunded state and federal mandates.</p>	Low

# General Fund Balance Forecast

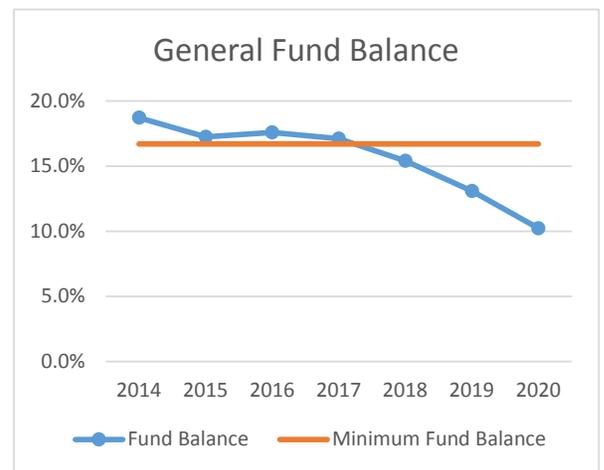
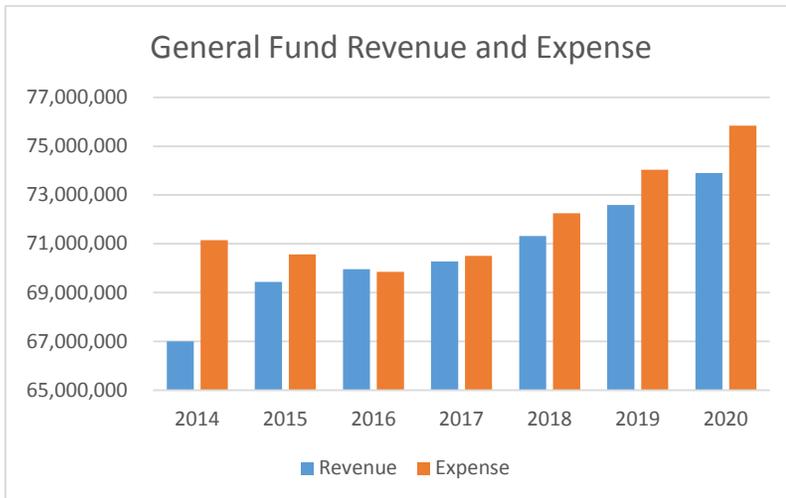
Likelihood of tax increase needed within 5 years:
Moderate

## Summary

Health care expenses and Other Post-Employment Benefits (sick leave and retirement benefits) continue to strain the General Fund finances. Without changes to the benefit plans, the county will be required to cut the level of services offered and / or defer various capital and maintenance projects.

## Significant drivers

- Salaries and Benefits made up approximately 69% of total general fund expenditures in 2015. That percentage is expected to increase to 72% by 2020 because of increased health care costs.
- Generous sick leave accrual and retirement policies for those hired before 2008 continues to put a significant strain on the county's finances. The county estimates it will pay \$745,000 in 2016 for these benefits, increasing to \$1,246,000 in 2020.



## Recommendations

- Reform healthcare benefits to be more in-line with other county governments.
- Cap sick leave accruals and reform post-employment benefit package to be in line with best practices.
- Continue to look for cost savings and efficiencies.

## Assumptions

Tax Growth (4% Sales, 2% Property)	2.50%
Charges for Services	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Budget Savings	1.00%
Anticipated Payroll Savings	1.50%

## Notes

- Assumes \$500,000 of capital expenditures per year.
- Assumes no additional debt service.

# Municipal Services Fund Balance Forecast

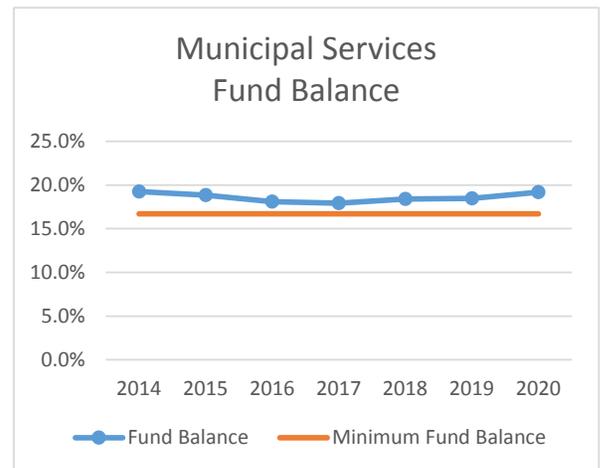
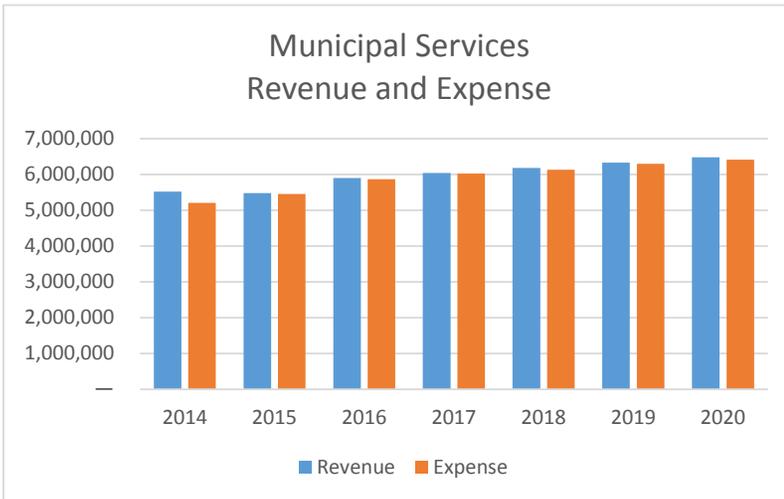
Likelihood of tax increase needed within 5 years:
Low

## Summary

The passage of the transportation sales tax will significantly enhance the ability of the county to complete various transportation construction and maintenance projects while still maintaining an appropriate fund balance.

## Significant drivers

- 1) Salaries and Benefits made up approximately 46% of Municipal Services fund expenditures in 2015.
- 2) Street and Public Improvement expenditures and payments to the Sheriff's Office for Public Safety make up approximately 50% of total expenditures.



## Recommendations

- 1) Monitor sales tax revenue and make annual adjustments each year to ensure the long term sustainability of the fund.
- 2) Continue to look for cost savings and efficiencies.

## Assumptions

Tax Growth (4% Sales, 2% Property)	2.50%
Charges for Services	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Payroll Savings	0.50%

## Notes

- 1) Includes between \$600,000 and \$700,000 of new transportation tax funded projects per year. If transportation tax revenue is higher than our conservative estimates, we will be able to fund additional projects.
- 2) Assumes no additional debt service.

# Library Services Fund Balance Forecast

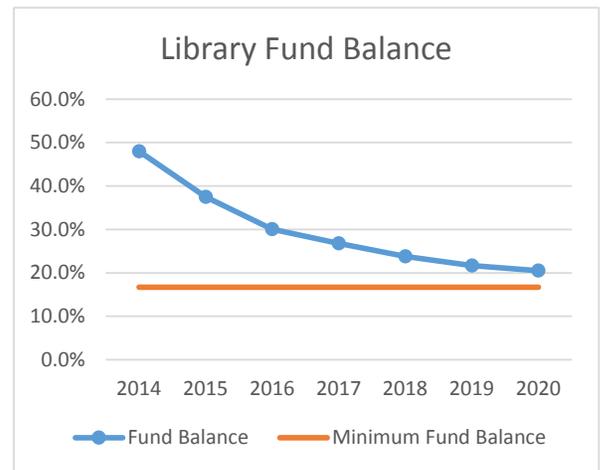
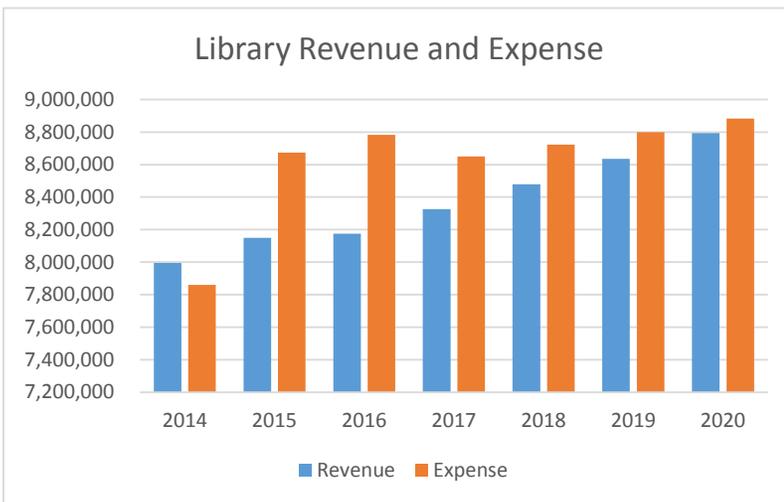
Likelihood of tax increase needed within 5 years:
Low

## Commentary

The addition of a new library facility in Roy and the renovation of the Ogden facility are projected to use a substantial portion of the available fund balance. Once those libraries are operational, the current tax revenue should be sufficient to cover the current level of services being provided.

## Significant drivers

- Salaries and Benefits made up approximately 56% of total expenditures in 2015.
- Other operating expenditures, including equipment and book purchases, account for approximately 38% of expenditures.



## Recommendations

- Reform healthcare benefits to be more in-line with other county governments.
- Cap sick leave accruals and reform post-employment benefit package to be in line with best practices.
- Continue to look for cost savings and efficiencies.

## Assumptions

Property Tax Growth	2.00%
Charges for Services	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Payroll Savings	1.50%

## Notes

1) Assumes no additional debt service.

# Paramedic Fund Balance Forecast

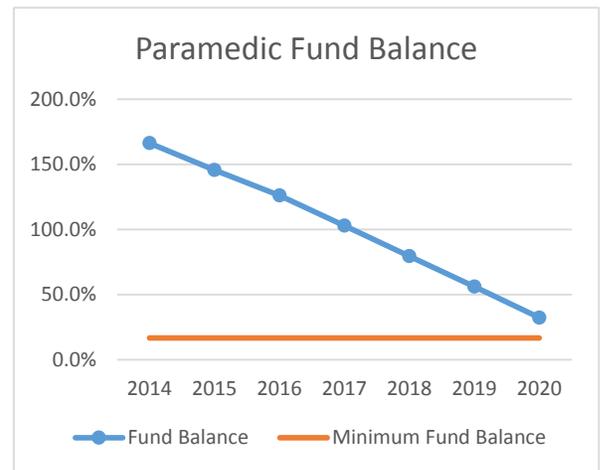
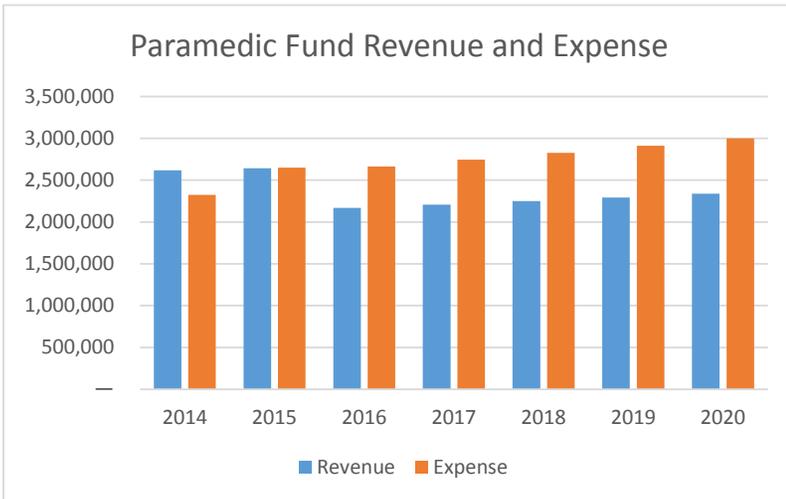
Likelihood of tax increase needed within 5 years:
Low

## Summary

The fund balance is over the maximum percentage allowed by policy. The county has implemented a plan to reduce the fund balance to an acceptable level within 5 years.

## Significant cost drivers

- 1) Contracts to provide cities with ambulance service make up approximate 90% of total expenditures.
- 2) Equipment purchases account for approximately 5% of total expenditures.



## Recommendations

- 1) Reduce the Paramedic fund rate by \$500,000 for the next 5 years.
- 2) Increase the General fund rate by the same amount to fund capital projects.

## Assumptions

Tax Growth (4% Sales, 2% Property)	2.00%
Other Revenue Growth	1.00%
Expenditure Growth	3.00%

## Notes

1) Assumes no additional debt service
2) Assumes \$500,000 shift in tax revenue for 5 years

# Health Fund Balance Forecast

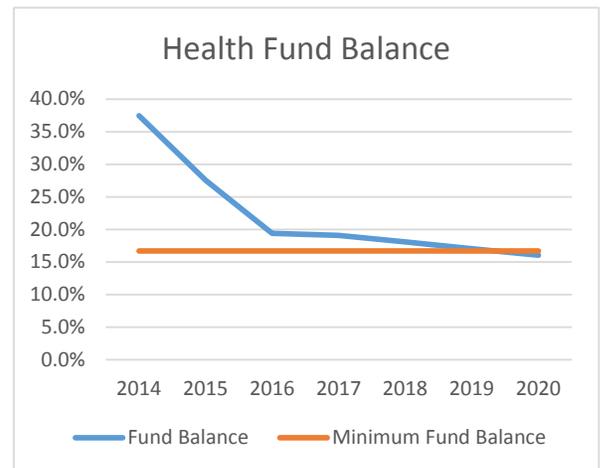
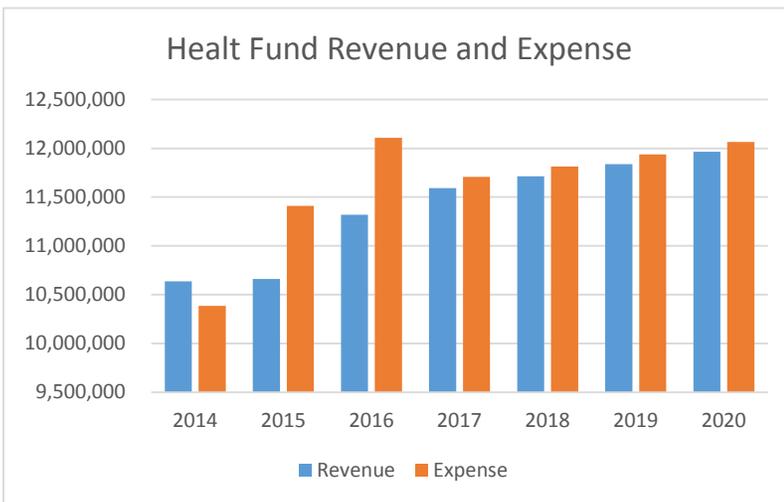
Likelihood of tax increase needed within 5 years:
Low

## Summary

Federal and State grants drive a significant portion of revenues and expenditures. Any significant reductions in discretionary funds will limit the ability to comply with unfunded state and federal mandates.

## Significant cost drivers

1) Salaries and Benefits made up approximately 89% of non WIC related expenditures in 2015. Most of these expenditures are grant funded.



## Recommendations

- 1) Evaluate the cost of new programs to ensure they are sustainable.
- 2) Continue to look for cost savings and efficiencies.

## Assumptions

Property Tax Growth	2.00%
Charges for Services / Grants	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Payroll Savings	1.50%

## Notes

- 1) Assumes \$600,000 of capital expenditures to finish the 2nd floor of the Annex building.
- 2) Assumes \$150,000 of rental revenue from vacant space in the Annex.

# **Appendix A**

## Detailed Forecast by Fund

# General Fund Balance Forecast

	Actual 2014	Expected 2015	Budget 2016	Projection 2017	Projection 2018	Projection 2019	Projection 2020
<b>REVENUES</b>							
Taxes.....	36,687,607	37,702,000	38,881,000	39,853,025	40,849,351	41,870,584	42,917,349
Charges For Services.....	21,823,026	22,917,712	23,306,169	23,539,231	23,774,623	24,012,370	24,252,493
Intergovernmental.....	2,673,610	2,542,912	1,015,007	917,295	719,088	720,885	722,688
Licenses, Permits, & Fees.....	2,199,333	2,213,948	2,212,000	2,217,530	2,223,074	2,228,632	2,234,203
Other Financing Sources.....	1,942,508	2,745,159	2,390,269	2,396,244	2,402,235	2,408,240	2,414,261
Miscellaneous.....	1,348,775	1,033,602	1,830,280	1,024,856	1,027,418	1,029,986	1,032,561
Fines And Forfeitures.....	324,716	280,000	325,000	325,813	326,627	327,444	328,262
	<u>66,999,575</u>	<u>69,435,332</u>	<u>69,959,725</u>	<u>70,273,993</u>	<u>71,322,415</u>	<u>72,598,141</u>	<u>73,901,818</u>
<b>EXPENDITURES</b>							
Salaries and Wages.....	28,863,069	30,883,075	30,336,118	30,639,479	30,945,874	31,255,332	31,567,886
Benefits.....	15,893,909	17,557,489	18,790,880	19,730,424	20,716,945	21,752,793	22,840,432
Travel and Training.....	243,201	295,280	354,093	359,405	364,796	370,268	375,822
Other Operating Expenditures.....	16,803,268	17,985,050	16,225,621	16,469,005	16,716,040	16,966,781	17,221,282
Capital Equipment.....	399,933	679,193	420,917	427,231	433,639	440,144	446,746
Capital Lease.....	16,828	16,869	13,659	13,864	14,072	14,283	14,497
Capital Projects.....	110,221	44,066	16,000	16,240	16,484	16,731	16,982
Interdept Charges.....	2,031,667	2,134,560	2,153,635	2,185,939	2,218,728	2,252,009	2,285,789
Special Projects.....	66,150	63,500	48,500	49,228	49,966	50,715	51,476
Transfers.....	6,723,048	913,552	792,690	804,580	816,649	828,899	841,332
Additional Capital Projects.....	—	—	700,000	500,000	507,500	515,113	522,839
Additional Term Pool Cash Basis Costs.....	—	—	—	231,981	394,122	536,110	646,343
Anticipated Budget Savings.....	—	—	—	(168,284)	(170,808)	(173,370)	(175,971)
Anticipated Payroll Savings.....	—	—	—	(755,549)	(774,942)	(795,122)	(816,125)
	<u>71,151,294</u>	<u>70,572,633</u>	<u>69,852,112</u>	<u>70,503,542</u>	<u>72,249,064</u>	<u>74,030,684</u>	<u>75,839,331</u>
Net Change	(4,151,719)	(1,137,300)	107,613	(229,549)	(926,649)	(1,432,543)	(1,937,513)
Fund Balance, January 1.....	17,465,276	13,313,557	12,176,257	12,283,870	12,054,320	11,127,672	9,695,129
Fund Balance, December 31.....	<u>13,313,557</u>	<u>12,176,257</u>	<u>12,283,870</u>	<u>12,054,320</u>	<u>11,127,672</u>	<u>9,695,129</u>	<u>7,757,616</u>
Fund Balance Percentage	18.7%	17.3%	17.6%	17.1%	15.4%	13.1%	10.2%

Tax Growth (4% Sales, 2% Property)	2.50%
Charges for Services	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Budget Savings	1.00%
Anticipated Payroll Savings	1.50%

# Municipal Services Fund Balance Forecast

	Actual 2014	Expected 2015	Budget 2016	Projection 2017	Projection 2018	Projection 2019	Projection 2020
<b>REVENUES</b>							
Taxes.....	2,325,238	2,430,588	3,683,500	3,812,423	3,945,857	4,083,962	4,226,901
Charges For Services.....	315,624	268,816	235,100	237,450	239,825	242,223	244,645
Intergovernmental.....	2,131,463	2,127,500	1,511,500	1,515,279	1,519,067	1,522,865	1,526,672
Licenses, Permits, & Fees.....	474,778	393,000	427,000	428,068	429,138	430,211	431,286
Other Financing Sources.....	215,281	208,454	—	—	—	—	—
Miscellaneous.....	13,923	—	—	—	—	—	—
Fines And Forfeitures.....	48,362	48,000	48,000	48,120	48,240	48,361	48,482
	<u>5,524,670</u>	<u>5,476,358</u>	<u>5,905,100</u>	<u>6,041,339</u>	<u>6,182,127</u>	<u>6,327,622</u>	<u>6,477,986</u>
<b>EXPENDITURES</b>							
Salaries and Wages.....	1,575,530	1,751,636	1,559,930	1,575,529	1,591,285	1,607,197	1,623,269
Benefits.....	842,263	975,664	972,651	1,021,284	1,072,348	1,125,966	1,182,264
Travel and Training.....	25,392	28,885	33,300	33,800	34,306	34,821	35,343
Other Operating Expenditures.....	2,414,936	2,357,176	2,400,148	2,436,150	2,472,692	2,509,783	2,547,430
Capital Projects and Equipment.....	171,326	34,819	34,819	35,341	35,871	36,409	36,956
Capital Lease.....	—	50,000	50,000	50,750	51,511	52,284	53,068
Interdept Charges.....	152,035	160,274	163,456	165,908	168,397	170,923	173,486
Special Projects.....	22,862	92,738	57,900	58,769	59,650	60,545	61,453
Transfers.....	—	—	9,824	9,971	10,121	10,273	10,427
Transportation Projects.....	—	—	600,000	650,000	650,000	700,000	700,000
Anticipated Payroll Savings.....	—	—	(12,663)	(12,984)	(13,318)	(13,666)	(14,028)
	<u>5,204,344</u>	<u>5,451,192</u>	<u>5,869,366</u>	<u>6,024,518</u>	<u>6,132,864</u>	<u>6,294,535</u>	<u>6,409,669</u>
Net Change	320,326	25,166	35,734	16,821	49,263	33,087	68,317
Fund Balance, January 1.....	681,329	1,001,655	1,026,821	1,062,554	1,079,376	1,128,639	1,161,726
Fund Balance, December 31.....	<u>1,001,655</u>	<u>1,026,821</u>	<u>1,062,554</u>	<u>1,079,376</u>	<u>1,128,639</u>	<u>1,161,726</u>	<u>1,230,043</u>
Fund Balance Percentage	19.2%	18.8%	18.1%	17.9%	18.4%	18.5%	19.2%

Tax Growth (4% Sales, 2% Property)	3.50%
Charges for Services	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Payroll Savings	0.50%

# Library Services Fund Balance Forecast

REVENUES	Actual 2014	Expected 2015	Budget 2016	Projection 2017	Projection 2018	Projection 2019	Projection 2020
Taxes.....	7,171,271	7,266,000	7,336,999	7,483,739	7,633,414	7,786,082	7,941,804
Charges For Services.....	159,597	155,514	164,000	165,640	167,296	168,969	170,659
Intergovernmental.....	34,685	89,316	34,655	34,742	34,828	34,916	35,003
Licenses, Permits, & Fees.....	594,602	600,000	600,000	601,500	603,004	604,511	606,023
Miscellaneous.....	35,143	39,783	40,000	40,100	40,200	40,301	40,402
	<b>7,995,298</b>	<b>8,150,613</b>	<b>8,175,654</b>	<b>8,325,721</b>	<b>8,478,743</b>	<b>8,634,779</b>	<b>8,793,890</b>
<b>EXPENDITURES</b>							
Salaries and Wages.....	3,056,539	3,415,000	3,461,328	3,495,941	3,530,901	3,566,210	3,601,872
Benefits.....	1,281,066	1,472,175	1,520,287	1,596,301	1,676,116	1,759,922	1,847,918
Travel and Training.....	33,916	29,800	52,201	52,984	53,779	54,585	55,404
Other Operating Expenditures.....	2,825,873	3,025,549	3,093,693	3,140,098	3,187,200	3,235,008	3,283,533
Capital Equipment.....	—	23,483	139,847	141,945	144,074	146,235	148,429
Capital Projects.....	149,520	—	—	—	—	—	—
Interdept Charges.....	88,440	91,682	105,000	106,575	108,174	109,796	111,443
Transfers.....	425,700	616,750	485,575	492,859	500,252	507,755	515,372
Other.....	—	—	—	—	—	—	—
Anticipated Budget Savings.....	—	—	—	(300,000)	(400,000)	(500,000)	(600,000)
Anticipated Payroll Savings.....	—	—	(74,724)	(76,384)	(78,105)	(79,892)	(81,747)
	<b>7,861,055</b>	<b>8,674,439</b>	<b>8,783,207</b>	<b>8,650,319</b>	<b>8,722,389</b>	<b>8,799,619</b>	<b>8,882,224</b>
Net Change	134,244	(523,826)	(607,553)	(324,599)	(243,647)	(164,841)	(88,334)
Fund Balance, January 1.....	3,639,460	3,773,704	3,249,878	2,642,325	2,317,726	2,074,080	1,909,239
Fund Balance, December 31.....	<b>3,773,704</b>	<b>3,249,878</b>	<b>2,642,325</b>	<b>2,317,726</b>	<b>2,074,080</b>	<b>1,909,239</b>	<b>1,820,905</b>
Fund Balance Percentage	48.0%	37.5%	30.1%	26.8%	23.8%	21.7%	20.5%

Tax Growth (4% Sales, 2% Property)	2.00%
Charges for Services	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Payroll Savings	1.50%

# Paramedic Fund Balance Forecast

	Actual 2014	Expected 2015	Budget 2016	Projection 2017	Projection 2018	Projection 2019	Projection 2020
<b>REVENUES</b>							
Taxes.....	2,405,308	2,443,000	1,967,000	2,006,340	2,046,467	2,087,396	2,129,144
Licenses, Permits, & Fees.....	199,398	200,000	200,000	202,000	204,020	206,060	208,121
Miscellaneous.....	13,071	—	—	—	—	—	—
Total Revenues.....	2,617,777	2,643,000	2,167,000	2,208,340	2,250,487	2,293,456	2,337,265
<b>EXPENDITURES</b>							
Paramedic Physician Advisor.....	30,000	30,000	45,000	46,350	47,741	49,173	50,648
Contract Services.....	2,103,130	2,272,098	2,272,098	2,340,261	2,410,469	2,482,783	2,557,266
Admin Fees.....	60,000	70,000	70,000	72,100	74,263	76,491	78,786
Equipment.....	131,371	277,087	277,087	285,400	293,962	302,780	311,864
Total Expenditures.....	2,324,501	2,649,185	2,664,185	2,744,111	2,826,434	2,911,227	2,998,564
Net Change	293,276	(6,185)	(497,185)	(535,771)	(575,947)	(617,771)	(661,299)
Fund Balance, January 1.....	3,571,037	3,864,314	3,858,129	3,360,944	2,825,173	2,249,226	1,631,456
Fund Balance, December 31.....	3,864,314	3,858,129	3,360,944	2,825,173	2,249,226	1,631,456	970,157
Fund Balance Percentage	166.2%	145.6%	126.2%	103.0%	79.6%	56.0%	32.4%

Tax Growth	2%
Other Revenue Growth	1%
Expenditure Growth	3%

## Health Fund Balance Projections

	Actual 2014	Expected 2015	Budget 2016	Projection 2017	Projection 2018	Projection 2019	Projection 2020
<b>REVENUES</b>							
Taxes.....	1,353,333	991,800	1,001,000	1,021,020	1,041,440	1,062,269	1,083,515
Charges For Services.....	2,109,090	2,003,750	2,012,050	2,032,171	2,052,492	2,073,017	2,093,747
Intergovernmental.....	6,980,303	7,475,142	8,079,359	8,160,153	8,241,754	8,324,172	8,407,413
Licenses, Permits, & Fees.....	112,274	112,000	112,000	112,280	112,561	112,842	113,124
Other Financing Sources.....	30,800	21,500	70,900	71,077	71,255	71,433	71,612
Miscellaneous.....	52,021	55,970	44,750	44,862	44,974	45,086	45,199
Other - Annex Building.....	—	—	—	150,000	150,000	150,000	150,000
	<u>10,637,822</u>	<u>10,660,162</u>	<u>11,320,059</u>	<u>11,591,562</u>	<u>11,714,476</u>	<u>11,838,820</u>	<u>11,964,610</u>
<b>EXPENDITURES</b>							
Salaries and Wages.....	3,194,091	3,626,105	3,832,746	3,871,073	3,909,784	3,948,882	3,988,371
Benefits.....	1,617,916	1,915,702	2,147,763	2,255,151	2,367,908	2,486,304	2,610,619
Travel and Training.....	62,759	121,126	130,480	132,437	134,424	136,440	138,487
Other Operating Expenditures.....	5,418,859	5,344,830	5,288,499	5,367,826	5,448,344	5,530,069	5,613,020
Capital Equipment.....	31,543	52,235	65,000	65,975	66,965	67,969	68,989
Interdept Charges.....	61,075	63,985	66,285	67,279	68,288	69,313	70,352
Transfers.....	—	286,081	68,000	40,000	67,500	60,000	60,000
Other.....	—	—	—	—	—	—	—
Other - Expenditure Reductions.....	—	—	—	—	(154,572)	(263,629)	(386,243)
Other - Annex Building.....	—	—	600,000	—	—	—	—
Anticipated Payroll Savings.....	—	—	(89,708)	(91,893)	(94,165)	(96,528)	(98,985)
	<u>10,386,243</u>	<u>11,410,064</u>	<u>12,109,065</u>	<u>11,707,849</u>	<u>11,814,476</u>	<u>11,938,820</u>	<u>12,064,610</u>
Net Change	251,579	(749,902)	(789,006)	(116,287)	(100,000)	(100,000)	(100,000)
Fund Balance, January 1.....	3,639,460	3,891,039	3,141,137	2,352,131	2,235,844	2,135,845	2,035,844
Fund Balance, December 31.....	<u>3,891,039</u>	<u>3,141,137</u>	<u>2,352,131</u>	<u>2,235,844</u>	<u>2,135,845</u>	<u>2,035,844</u>	<u>1,935,845</u>
Fund Balance Percentage	37.5%	27.5%	19.4%	19.1%	18.1%	17.1%	16.0%

Tax Growth (4% Sales, 2% Property)	2.00%
Charges for Services / Intergovernmental	1.00%
Other Revenue	0.25%
Salaries	1.00%
Benefits	5.00%
Other Expenditure Growth	1.50%
Anticipated Payroll Savings	1.50%