
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: May 31, 2002

SUBJECT: Fiscal Years 2001-2002, 2002-2003
Budget Amendment #6

STAFF REPORT BY: Michael Sears, Budget and Policy Analyst

Document Type	Budget-Related Facts	Policy-Related Facts	Miscellaneous Facts
Ordinance	The proposed amendment reduces General Fund balance for fiscal year 2001-2002 by \$255,048 to complete the Olympic Budget reconciliation and fund impact fee exemptions. The remaining \$118,500 of General Fund Contingency will also be depleted.	The ordinance is presented to amend the 2001-2002, 2002-2003 biennial budget.	The requested amendment has issues related to CIP Funds, Grants, Public Safety, Public Utilities, and donations to the City.

OPTIONS AND MOTIONS:

The Council may wish to note that Initiative #16 (Odyssey House) has been pulled from consideration. The Council also discussed Initiative #22 (CDBG Reallocation of funds) and directed the Administration to respond to applicants regarding this issue. The directive from the Council was that the Council would not be taking action on this initiative and that the applicants who received funding from Community Development Block Grants were to use the allocated funds in the appropriated manner. The Council would not consider changes to the appropriation. If the allocated funds were unspent by the applicant then the funds would be recaptured and reallocated during future budget cycles.

The following motions deal with those initiatives that Council Members did not request additional information. The briefing summary section lists those initiatives that Council Members had questions about or requested a separate motion. Please use the motions in that section for those initiatives. Please note that Initiative #20 funding source for the Boiler Room Utility Tunnel has been changed to the GO Library bond proceeds per the discussion during the budget amendment briefing.

There are four attachments with this staff report. The first three are responses to questions that some Council members had concerning the VAWA and HIDTA grants and the landscaping project on 700 East. The third attachment is a response to a question about the compatibility of data collected with a State Historic Preservation Office grant. The Council did not ask for a separate motion on this item, but did request additional information.

1. ["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget as proposed for Initiatives 1, 2, 3, 4, 5, 6, 8, 9, 10, 12, 13, 14, 15, 17, 18, 19, 20, 21, 23, and 24.**

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If the Council would like to approve all of the initiatives as proposed by the Administration the following motion could be used.

2. ["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget as proposed.**

If the Council does not want to approve any of the initiatives that were proposed for adoption by the Administration the following motion could be used.

3. ["I move that the Council"] **Not adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget as proposed.**

SUMMARY OF BRIEFING

The City Council held a briefing on May 14, 2002 to discuss the proposed amendments to the fiscal year 2001-2002 and fiscal year 2002-2003 budget. Council Members had questions about the following initiatives and have received additional information from the Administration. The information that the Council office has received is attached and also noted in the following summaries. Council staff has prepared separate motions for Council consideration and placed them after the following summaries:

Issue #7: Prosecutor's Office VAWA Grant (\$21,854 – Misc. Grant Fund) ("Grant providing additional staff resources")

The City has received a grant from the State Office of Crime Victim's Reparations. The grant is used to pay the hourly salary of the Court Victim Advocate position.

The grant requires a local match of 25% that will be met with 75 hours of the Program Coordinator and Financial Monitor salaries and benefits, office equipment and space and other office supplies. **The Council had several questions relating to this program and whether or not this position duplicated efforts that are being provided by the Police Department. The responses from the Administration are attached. Questions include:**

- What services will the Prosecutor's Office, Victim Advocate provide that the Police Departments Victim Advocate program currently does not?
- How do the two differ?
- Is this a new position in the Prosecutors Office?
- This is a continuation grant, what were the funds that were received last year used for?

["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 budget and fiscal year 2002-2003 budget for Initiative #7 as proposed. / Not adopt an ordinance amending the fiscal year 2001-2002 budget and fiscal year 2002-2003 budget for Initiative #7 as proposed.**

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Issue #11: Rocky Mountain High Intensity Drug Trafficking Area (HIDTA) – Two Officers (\$84,824 – Misc. Grant Fund) (“Grant providing additional staff resources”)

The City has received a grant from the Executive Office of the President, Office of National Drug Control Policy. The grant is for the hiring of two additional police officers that will be assigned to metro Narcotics. The High Intensity Drug Trafficking Area (HIDTA) program will provide the officers with vehicles, special tactical equipment, communications equipment and any other supply needs while assigned to Metro Narcotics.

The grant requires a local match that will be met with a portion of the officers’ benefits. This amount is currently budgeted within the General Fund portion of the Police Department’s budget.

The Administration requests that the Council adopt a resolution authorizing the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Administration recommends that the Council adopt the budget to allow for the facilitation of this grant and the resolution relating to this grant.

Two additional FTE’s are associated with this grant. The Council may wish to clarify whether this \$84,824 grant does indeed cover the officer’s salaries, vehicles, special tactical equipment, communications equipment and other supply needs. The Council may also wish to clarify the length of time the grant is available, and the possibility of renewal. **The Council had several questions relating to this program and whether or not this position duplicated efforts that are currently being provided by the Police Department. The Council asked for a total dollar amount that the City is paying for each of these officers and whether or not the full cost was being reimbursed by this grant. During the briefing it was noted that the grant did not fully reimburse the City’s expense for these officers. A \$9,000 deficit of expenses was indicated during the briefing. The Administration provided additional information on the DEA Metro task force and the City’s participation in the program. The response from the Administration also details the current hiring and training practices of the department. The responses from the Administration are attached.**

[“I move that the Council”] **Adopt an ordinance amending the fiscal year 2001-2002 budget and fiscal year 2002-2003 budget for Initiative #11 as proposed. / Not adopt an ordinance amending the fiscal year 2001-2002 budget and fiscal year 2002-2003 budget for Initiative #11 as proposed.**

Note: The following information was provided to the Council for the 5/14/02 briefing. It is provided again for your reference.

In an effort to make the review of the budget openings more expedient, Council staff has attempted to categorized budget opening items as follows where possible:

- “Housekeeping” -- those items that are strictly accounting actions and do not have policy implications. These include transfers internal to the City.
- “Donation” -- those items that are donations that require Council appropriation to be used, are consistent with previous Council discussions, or do not have policy implications.

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- “Grant providing additional staff resources” – those grants that provide staff resources and require a City match. These generally have policy implications; because they may add a new service or create an expectation that the City will fund the position after the grant has expired.
- “Grant requiring existing staff focus” -- those grants that will require the City’s existing staff to complete a specific project. (Some of these could have policy implications, since staff involved on these projects have less time to focus on other projects within the scope of their work.)

MATTERS AT ISSUE

Issue #1: Rental PCs for Administrative Law (\$76,970 – IMS Internal Service Fund)

The Administration is requesting that the Council approve the appropriation of available cash in the Information and Management Service (IMS) Internal Service Fund to fund the acquisition of 50 desktop computers and flat screen monitors, and 10 Laser Printers. The Justice Court operation will then rent the computers and printers from IMS over a rental period extending into fiscal year 2004-2005. The Justice Court operation will have rental expenses of \$6,921 in fiscal year 2001-2002 and \$30,777 in fiscal year 2002-2003 and future years. The budget amendment request is for the IMS fund only. The Justice Court is not requesting additional funding for the computer rental payments.

The transmittal includes the cash effect, budgetary basis effect, and the GAAP effect relating to this transaction. The administration recommends approval of this request to fund the Justice Court computers and printers from available cash in the IMS Service Fund.

Issue #2: Postage Rate Increase (\$23,000 – IMS Internal Service Fund) (“Housekeeping”)

The Administration is requesting that the Council approve the appropriation of additional revenue and expenditures due to the increase postage rate increase that went into effect in June 2000. IMS oversees the mail service provided by the Copy Center. Departments are billed actual costs for postage. The increase postage combined with increased volume has resulted in additional revenue and offsetting expenditures that need to be budgeted. The budget amendment requests that \$23,000 be appropriated for fiscal year 2001-2002 and \$25,000 in fiscal year 2002-2003.

Issue #3: Donation for the Construction of Liberty Park Tennis Building (\$250,000 – CIP Fund) (“Donation”)

The Administration is requesting that the Council approve the appropriation of a private donation in the amount of \$250,000. The donation will be appropriated in the Capital Improvement Program Fund for the construction of a Tennis Building and court lighting at Liberty Park. This project is included in the Liberty Park Master Plan and is planned for construction. One stipulation of the private donation is that the construction of the building occurs in a timely manner. The Public Services Department is continually evaluating the construction schedule of projects in Liberty Park and is in agreement that the planning and construction of the building should move forward in the construction schedule to accommodate the private donation.

Issue #4: Increase in the Claims and Damages Budget (\$70,000 – Governmental Immunity Fund) (“Housekeeping”)

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The Administration is requesting that the Council approve the appropriation of available cash in the Governmental Immunity Fund to fund unbudgeted claims and damages to be paid from the fund.

The City maintains a self-insurance program for third party liability claims. If claims have merit, they are paid from the Governmental Immunity Fund. The budgeted amount is \$70,000 less than projected actual claims. The Administration recommends the \$70,000 of allocation of available cash in the fund to the claims expense account to cover the increased claims.

As part of the discussion of the 2002-2003 budget, the Council may wish to review the adequacy of the City's contributions to this fund.

Issue #5: Building Surveys for Historic Planning (\$18,164 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The City has received a grant from the State of Utah, Department of Community and Economic Development. The grant is for a historic survey of approximately 1,200 homes and structures in the East liberty Park area. The grant will pay for contractual consulting services.

The grant requires a local match of 50% that will be met with staff time of the Preservation Planners, and other staff time at conferences and training.

The Administration requests that the Council adopt a resolution authorizing the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Administration recommends that the Council adopt the budget to allow for the facilitation of this grant and the resolution relating to this grant.

No additional FTE's are associated with this grant.

Issue #6: Historic Property Public Relations Campaign (\$1,483 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The City has received a grant from the National Trust for Historic Preservation. The grant is for informational mailings for a public relations campaign relating to historic property and the expansion of the Historic Landmark Commission web page.

The grant requires a 100% local match that will be met with the General Fund portion the Planning Division's public relations campaign.

The Administration requests that the Council adopt a resolution authorizing the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Administration recommends that the Council adopt the budget to allow for the facilitation of this grant and the resolution relating to this grant.

No additional FTE's are associated with this grant.

Issue #7: Prosecutor's Office VAWA Grant (\$21,854 – Misc. Grant Fund) (“Grant providing additional staff resources”)

The City has received a grant from the State Office of Crime Victim's Reparations. The grant is used to pay the hourly salary of the Court Victim Advocate position.

The grant requires a local match of 25% that will be met with 75 hours of the Program Coordinator and Financial Monitor's salary and benefits, office equipment and space and other office supplies.

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The Administration requests that the Council adopt the necessary budget to facilitate this grant. The Council previously adopted the resolution for this grant.

One thousand forty hours (0.5 FTE) of the Court Victim Advocate salary and benefits are paid with this grant.

Issue #8: Donation to City to Receive and Install Greek Sculpture (\$10,000 – Special Revenue Fund) (“Donation”)

The Administration is requesting that the Council approve the appropriation of a private donation in the amount of \$10,000. The donation will reimburse the City for the construction of a sculpture base and the installation of a sculpture of the Greek God “Prometheus” that was donated to the City from the Country of Greece for the Olympics. The sculpture is located on the 500 West Park Block at South Temple, directly west of the Gateway Center. The donation allows for the construction of the base, the installation expenses, related fees and a balance of approximately \$3,204 to either relocate the statue at a later date or to enhance the landscaped median around the sculpture.

Issue #9: 1300 S., 1700 E. to Foothill Boulevard (\$34,905 – CIP/Public Utilities Enterprise Fund) (“Housekeeping”)

The Administration is requesting that the Council approve the appropriation of a transfer in local match allocation from the CIP fund to the Enterprise Funds managed by Public Utilities. The complete local match for the federally funded CIP project on 1300 South was appropriated in the CIP fund. The Administration has prepared an interdepartmental billing to Public Utilities to reimburse the CIP local match cost center for Public Utilities’ share of the local match.

Issue #10: Landfill Equipment Wash Area (\$15,000 – CIP Fund) (“Housekeeping”)

The Administration is requesting that the Council approve the appropriation of an additional \$15,000 to the Landfill Equipment Wash Area project in the CIP Fund. The City’s costs associated with the project are reimbursed by Salt Lake County. The City is managing the project. This issue has been before the Council several times; this request is for additional funds to complete the project. The scope of the project has not changed.

Issue #11: Rocky Mountain High Intensity Drug Trafficking Area (HIDTA) – Two Officers (\$84,824 – Misc. Grant Fund) (“Grant providing additional staff resources”)

The City has received a grant from the Executive Office of the President, Office of National Drug Control Policy. The grant is for the hiring of two additional Officers that will be assigned to metro Narcotics. The High Intensity Drug Trafficking Area (HIDTA) program will provide the Officers with vehicles, special tactical equipment, communications equipment and any other supply needs while assigned to Metro Narcotics.

The grant requires a local match that will be met with a portion of the Officer’s benefits. This amount is currently budgeted within the General Fund portion of the Police Department’s budget.

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The Administration requests that the Council adopt a resolution authorizing the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Administration recommends that the Council adopt the budget to allow for the facilitation of this grant and the resolution relating to this grant.

Two additional FTE's are associated with this grant. The Council may wish to clarify whether this \$84,824 grant does indeed cover the officer's salaries, vehicles, special tactical equipment, communications equipment and other supply needs. The Council may also wish to clarify the length of time the grant is available, and the possibility of renewal.

Issue #12: Local Law Enforcement Block Grant Program Income (\$30,000 – Misc. Grant Fund) (“Housekeeping”)

The City has received Local law Enforcement Block Grant for the past several fiscal years. The grant specifies that the grant money be placed in an interest earning account until spent. The grant has accumulated \$30,000 in interest that can be reallocated to the approved grant expenditure programs as per the requirements of the grant. The Administration is proposing that the interest income be spent on police equipment relating to the grant.

Issue #13: Reimbursed Overtime Expenses (\$174,554 – General Fund) (“Housekeeping”)

The City throughout the year provides police services on an overtime basis for special events and other purposes and is reimbursed for those expenses by outside organizations. This amendment request is to recognize the reimbursement revenue and repay the expenditures that have been made out of the General Fund Overtime Reimbursement account. This request is routine in nature and is an ongoing method for reimbursing overtime expenses.

Issue #14: Police Corp Reimbursement (\$20,000 – General Fund) (“Housekeeping”)

The City has received reimbursement revenue from Police Corp (a department associated with the State's Peace officer Standards and Training POST) for the training of recruit officers hired through their program. The reimbursement is routine in nature and is an item that the Council traditionally considers during the last budget opening of each fiscal year. The Police department proposes the purchase of \$16,900 in ballistic helmets for police officers and a \$3,100 upgrade to the target range in Parley's Canyon as the uses of the Police Corp reimbursement.

Issue #15: 5500 W. 2000 S. Realignment (\$170,000 – CIP Fund)

The City has received negotiated with the Utah Department of Transportation (UDOT) to fund half the cost of the realignment of approximately 1000 feet of industrial roadway between 2000 and 1730 South. The funding from UDOT is \$170,000. The acceptance of this revenue will require Council approval of a resolution authorizing the Mayor to execute an Interlocal Cooperation Agreement with UDOT. The \$170,000 in funding from UDOT is proposed for appropriation into the CIP Fund for the proposed expenditures per the Interlocal Cooperation Agreement.

Interlocal Cooperation Agreements between government agencies for projects such as this project are routine in nature. **The Council may wish to receive an update on the status of the new traffic signal at 1730 South 5500 West and the general traffic in the area.**

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Issue #16: Odyssey House (\$65,000 – Misc. Grant Fund)

This item has been pulled from consideration by the Administration.

Issue #17: Accounting for a Reimbursement from a lease (\$184,526 – General Fund) (“Housekeeping”)

The Department of Public Services purchased some electronic timekeeping equipment. A decision was made in March 2002 to enter into a lease of the equipment. The City has received reimbursement from for amounts previously paid to purchase the equipment. The requested amendment will recognize the purchase reimbursement. The transmittal contains additional details of the transaction. The total reimbursement to the City is \$184,526.

Issue #18: Olympic Reconciliation (\$216,803 – General Fund)

The Administration has completed the reconciliation of the Olympic budget and has noted that the difference between the budgeted and actual revenues and expenses was \$216,803. The Administration’s paperwork proposed that this deficit amount be appropriated from the contingency account in the General Fund. However, the General Fund contingency only has a balance of \$118,500. The Council may wish to appropriate the \$118,500 from contingency and \$98,303 from fund balance. Additional information concerning this item was presented at an Olympic Budget briefing on May 9, 2002.

Issue #19: Early Retirement (\$750,000 – Risk/Insurance Fund)

The Administration is requesting an appropriation of \$750,000 within the Insurance and Risk Management Fund for early retirement costs primarily from police officers and firefighters. Funding for the costs is from funds already appropriated within each General Fund department. This action has been requested during the last budget opening of each fiscal year for each of the past seven fiscal years. The Administration will transfer the actual amount only, but is requesting a \$750,000 appropriation within the Insurance and Risk Management Fund to cover the anticipated costs through the end of the fiscal year. The exact amount isn’t known until the end of the fiscal year.

Issue #20: Boiler Room Utility Tunnel (\$85,000 – CIP Fund)

The Administration is recommending the construction of a short vehicle tunnel between the Library parking garage and the new boiler room on the library block. The transmittal from the Administration proposes using CIP contingency funds and GO Bond (General Obligation) proceeds for the project. Subsequent to the transmittal the Administration has computed revised GO bond proceed and interest information that indicates that the GO bond proceeds will be sufficient to fully fund this project. **The Council may wish to consider funding this tunnel with GO bond proceeds only.**

Issue #21: Landscaping on 700 East (\$40,000 – CIP Fund)

Based upon citizen interest, the Administration is recommending the planting of trees and water-wise landscaping in the median strip along 700 East from 900 South to 1300 South. The State is contributing \$400,000 to this project that will be available in October of 2002. The State grant requires a match of \$80,000. One half of the required local match is proposed to come from donations and one half from CIP contingency. /The Administration will forward any additional requests for budget allocation on this project at a later date when the grant from the State is available, if the State grants the funds to the City for construction. If the State grant and

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donations do not come to the City, then this will be the extent of the City's involvement in the project minus ongoing maintenance costs for the median strip.

Issue #22: CDBG Reallocation of Fund (\$40,000 – CDBG Fund)

Please note: The transmittal for this item is attached to Budget Amendment transmittal.

Occasionally an organization that receives CDBG, HOME, ESG, or HOPWA funding for a specific purpose desires to convert the funding to a different use. The Administration is seeking approval from the Council to authorize the Mayor to amend contracts for organizations that wish to convert that funding allocation to a different use. The current request before the Council is for Donated Dental Services to use their \$21,000 equipment funding allocation for salary and operating expenses. This is for a use other than the applied for purpose. **The Council may wish to consider each of these funding reallocation requests on future budget amendments as the requests occur, rather than allowing the Administration to approve funding reallocation requests.**

The attached information for this request was submitted to the Administration and forwarded to the Council as a written briefing document. Council staff has added this item to the budget opening because of the funding implications that this information contains.

Issue #23: Employee Medical Premium (\$1,000,000 – Internal Service Fund) (“Housekeeping”)

The Finance Division has noted that the budget for the employee medical premium expenditures is not sufficient to cover the actual costs. The amount of revenue collected is sufficient to cover costs, but to avoid an adverse audit in the future it is necessary to increase the budget related to employee premiums. This is a housekeeping item that does not affect the general fund.

Issue #24: Accounting for Impact Fee Exemptions (\$156,745 – General Fund) (“Housekeeping”)

The Department of Community and Economic Development has totaled the amount of General Fund impact fee exemptions that have been granted in fiscal year 2001-2002. The total amount of exempted impact fee revenue that needs to be covered by General Fund reserves is \$156,745. The Impact Fee ordinance specifies that the General Fund is responsible for covering any impact fee exemptions. The Council may wish to cover the exemption with revenue from a source other than the General Fund.

cc: Cindy Gust-Jenson, Rocky Fluhart, David Nimkin, Steve Fawcett, David Dobbins, Luann Clark, Rick Dinse, Mac Connoles, Jerry Burton, Gordon Hoskins, Stephen Goldsmith, David Oka, Elwin Heilmann, Rick Graham, Greg Davis, Jim Lewis, Leroy Hooten, Joel Harrison, Randy Hillier, Sherrie Collins, Laurie Dillon, Susi Kontgis, and Kay Christensen