

ITEM D-4

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**MBA BUDGET ANALYSIS – FISCAL YEAR 2001-02, 2002-03**

**DATE:** May 31, 2002  
**SUBJECT:** Municipal Building Authority Budget Amendment #3  
**STAFF REPORT BY:** Michael Sears, Budget and Policy Analyst

<b>Document Type</b>	<b>Budget-Related Facts</b>	<b>Policy-Related Facts</b>	<b>Miscellaneous Facts</b>
Ordinance	The proposed budget amendment for the Municipal Building Authority has an \$85,056 net impact on the MBA Fund in fiscal year 2001-2002 and -\$354,906 in fiscal year 2002-2003. This amendment provides for the appropriation of bond interest for the SW Police Precinct and other bond/debt/interest charges.	The ordinance is presented to amend the 2001-2002, 2002-2003 biennial budget of the Municipal Building Authority.	By law, before bond interest can be used on projects for which the bond was issued, it must be appropriated.

**OPTIONS AND MOTIONS:**

1. ["I move that the Council acting as the Board of Trustees of the Municipal Building Authority"] **Adopt a resolution amending the fiscal year 2001-2002 and fiscal year 2002-2003 Municipal Building Authority budget as proposed.**
2. ["I move that the Council acting as the Board of Trustees of the Municipal Building Authority"] **Not adopt a resolution amending the fiscal year 2001-2002 and fiscal year 2002-2003 Municipal Building Authority budget as proposed.**

**SUMMARY OF BRIEFING**

The City Council held a briefing on May 14, 2002 regarding the proposed amendments to the fiscal year 2001-2002 and fiscal year 2002-2003 budget. Council Members did not express any concerns with the proposed budget amendment.

---

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

---

**Issue #1: Pioneer Precinct Soil Stabilization (\$50,000 – MBA Fund)**

The Administration has requested that the Municipal Building Authority Board appropriate bond interest toward the soil remediation project at the Southwest Police Precinct. This project was approved by the City Council during Budget Amendment #5 and \$160,000 in Capital Improvement Funds were appropriated for this purpose. This request allows the remaining \$50,000 in necessary funds to be appropriated from Bond Interest earned on the MBA bond issued for the purchase and construction of the SW Police Precinct.

The appropriations of funds will allow the soil remediation project to proceed and the City to finish and occupy the SW Police Precinct.

Council Member Saxton urged the Administration to spend the funding only on the soil remediation project.

***Issue #2: Municipal Building Authority (\$35,056 – MBA Fund)***

The Administration is requesting that the Municipal Building Authority Board approve the necessary adjustments to the Municipal Building Authority's 2001 Bond budgets. These bonds were issued to financing the Justice Court and the Police Precinct. The budgets for these projects were prepared in fiscal year 2001 using preliminary numbers. On the date of issuance the actual bond amounts were slightly different than the preliminary numbers. This budget amendment will correct the adopted budgets to reflect the actual bond issuance numbers. The budgeted amount for fiscal year 2002-2003 will be reduced by \$354,906 to reflect the corrected bond issuance amounts.

The correction of the budget appropriation will allow the Administration to manage the Municipal Building Authority Fund with correct budgets. This request is a routine housekeeping measure that must occur each time bonds are issued.

cc: Cindy Gust-Jenson, Rocky Fluhart, Steve Fawcett, Dan Mulé, Elwin Heilmann, Jerry Burton, Randy Hillier, Laurie Dillon, Susi Kontgis, and Kay Christensen