
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: January 11, 2002

SUBJECT: Fiscal Years 2001-2002, 2002-2003
Budget Amendment #4

STAFF REPORT BY: Michael Sears, Budget and Policy Analyst

Document Type	Budget-Related Facts	Policy-Related Facts	Miscellaneous Facts
Ordinance	The proposed amendment reduces the fund balance of the General Fund for fiscal year 2001-2002 by \$42,700 to sponsor the Utah Arts Festival. The fiscal year 2002-2003 reduction would also be \$42,700. The fund balance in the General Fund will be approximately \$18,020,000 if the budget amendment is adopted as proposed for fiscal year 2001-2002. General Fund Contingency will be reduced by \$135,000 in fiscal year 2001-2002 to \$143,500.	The ordinance is presented to amend the 2001-2002, 2002-2003 biennial budget.	The requested amendment has issues related to CDBG Funds, Public Safety, Olympics, and donations to the City.

OPTIONS AND MOTIONS:

The Council may wish to specify that the Administration requested that Initiative #11 be pulled from consideration in this budget opening.

The first motion options deal with those initiatives that Council Members did not request additional information about. 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.

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, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 17.**
2. ["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget as proposed.**
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 January 10, 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 requested that they have separate motions for their consideration:

Issue #16: Utah Arts Festival Sponsorship (\$42,700 – General Fund)

The Utah Arts Festival is asking that Salt Lake City assist with the infrastructure costs relating to the new venue location of the Utah Arts Festival. The Utah Arts Festival moved from downtown to the State Fairpark to avoid construction concerns that were impacting attendance at the festival. The festival organizers will be responding to Council Member concerns before the meeting on January 15, 2002.

The Council Members may wish to use one of the following motions:

["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 budget and fiscal year 2002-2003 budget for Initiative #16 as proposed / Not Adopt Initiative #16.**

Issue #18: Physical Fitness of Cities - Donations (\$40,000 – Misc. Grant Fund)

The Administration clarified that City funds have not been used for the sponsorship and programming of the Physical Fitness of Cities. The Administration is requesting that the Council make a motion that will allow them to use the money that is donated or granted to the program. The following motion will allow the creation of a budget for the deposited funds.

["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 budget and fiscal year 2002-2003 budget for Initiative #18 only in the amount that has been donated and deposited.**

Issue #19: 600 N and 1500 W Island Landscaping and Curb Reconstruction (\$63,000 – CIP Fund)

The island in front of the Backman School at approximately 600 North and 1500 West is in need of new landscaping and curbing around the median. This island was installed in 1964. There is construction activity at the new school that is impacting the island. **This request has been pulled from consideration until June of 2002 to allow more information to be gathered about the site and possible remedies to the island.**

Initiative #20 – Hosted Olympic Receptions (\$70,000 – General Fund)

The Administration is requesting that an additional \$70,000 be allocated from the General Fund to pay for the additional expenses associated with the hosting of receptions related to the opening and closing ceremonies for the Olympic Games. The Administration is actively seeking sponsors to cover the cost of these receptions.

The City Council has also considered adding Olympic Contingency funds. The Olympic Planning Office used General Fund appropriations to install several infrastructure improvements to the City. If the Council wishes to appropriate Capital

Improvement Program contingency funds to Olympic Planning Office for the reimbursement of infrastructure expenses the following expenses can be used.

\$68,000 - Streets Division for Security Gates and Cameras

\$40,000 - Parks Division for Cameras

\$29,000 for Sewer Connection and other utilities

\$20,800 for 175 trees along Broadway that will be replanted throughout the City

\$75,000 for the Sport Court material at Washington Square

\$217,000 for the Kiosks throughout the City

\$10,000 Ski Chairs Installation

\$30,000 for the banner bracket system throughout the City (+ 3wks/6 employees labor costs to install)

There may be other costs incurred such as barricade and fencing material that can be used again, but definitive expenses have not been calculated. There may also be costs to repair damage to City assets, such as turf repair on Washington Square that have yet to be incurred.

Some Council Members indicated that they would be supportive of increasing the Olympic Contingency by \$100,000 to \$200,000. Other Council Members indicated that they would be supportive of combining the request for the additional Olympic reception funds and reimbursement CIP funds to be no more than \$200,000.

The Council Members may wish use one of the following motions:

["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget for Initiative #20 in the amount of \$ XXX,XXX / Not Adopt Initiative #20.**

Note: The following information was provided to the Council for the 1/10/02 briefing. It is provided again for your reference.

Issue #1: RDA: Railroad Ordinances and Bills (\$60,000 – General Fund)

The Administration is requesting that the Council approve the hiring of a paralegal for approximately one year to research and prepare the necessary documents to begin the franchise agreement negotiation process with the railroads. **The Council would need to approve the addition of 1.0 FTE to the Salt Lake City Attorney's office.** The funding source would be General Fund contingency.

The RDA staff has been researching the ordinances and bills, which describe Salt Lake City's relationship with the railroads. It has become clear that there is a substantial amount of additional research needed in order to gather all the documents relating to the railroad's use of public streets, and the federal/state regulations, which control the City and railroad relationship.

Issue #2: Airport Capital Projects (\$-7,567,900 – Airport Enterprise Fund)

The Airport Advisory Board and City Administration recommend that the Council approve the recommended reductions and increases to the Airport Fund budget. The

Airport Advisory Board approved this budget recommendation in its regularly scheduled November 14, 2001 meeting.

The proposed reductions and increase will result in a change to the FY 2001-002 and FY 2002-2003 Airport budgets which were adopted in March 2001 by the Airport Advisory Board and in June 2001 by the City Council. **The Airport is requesting a decrease of \$11,566,000 to the FY 2001-2002 CIP budget and at the same time the transfer of four projects totaling \$3,998,700 from the FY 2002-2003 CIP budget to the FY 2001-2002 CIP budget.** The schedules and estimates for the CIP budget have been updated to reflect changes in actual conditions. The new projects being requested for the FY 2001-2002 CIP budget is due to an available grant from the State of Utah and an additional security grant from the FAA's Airport Improvement Program. The acceleration of the four projects is a result of available grants.

The Administration recommends that the Council adopt this amendment and allow for the reduction and reprogramming of Airport Enterprise funds.

Issue #3: Legal Services: Union Pacific Railroad Legal Counsel (\$75,000 – General Fund)

The City has hired an attorney to file and prosecute a "Petition for Adverse Abandonment" before the federal Surface Transportation Board in Washington D.C. Practice before the Surface Transportation Board is a unique type of administrative law in which the Salt Lake City Attorney's office is inexperienced. The Administration feels that it is in the City's best interest to retain qualified counsel who regularly practices in this area. The Administration recommends that the Council increase the line item for Outside Counsel in the City Attorney's budget by \$75,000. The funding source requested is General Fund contingency. **The Council may wish to request an update on litigation strategy in an executive session.**

Issue #4: Police – VAWA Grant (\$21,854 – Misc. Grant Fund)

The City has received a continuation of the Victim Advocate Program grant from the State of Utah. **This grant pays 50% of one FTE position.** This position will continue to recruit, train and supervise volunteers to provide services to victims of domestic violence. The Victim Advocate program has 4 full-time and 1 part-time positions funded within the Police Department's General Fund budget. This grant requires a local match of \$5,074 that is satisfied by the General Fund portion of the Victim Advocate Program Director's salary.

This grant does not have a new resolution for the Council to sign. A resolution, which was previously adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The only needed Council action is the adoption of the budget to allow for the facilitation of this grant.

No additional FTE's are associated with this grant. Salaries and wages of current employees are partially paid with this grant.

Issue #5: Police – Olympic Planning Grant (\$50,000 – Misc. Grant Fund)

The City has received a continuation grant from the State, Utah Olympic Planning Safety Command (UOPSC). This is the fourth and final year of reimbursement for a Police Olympic Planning position. **This grant pays for one full-time FTE position.**

This grant does not have a new resolution for the Council to sign. The only needed Council action is the adoption of the budget to allow for the facilitation of this grant.

No additional FTE's are associated with this grant. This grant reimburses General Fund salary and wage expenditures within the Police Department budget. The Administration recommends that the Council accept this grant and approve the appropriation request.

Issue #6: Police – Internet Crimes Task Force Grant (\$58,000 – Misc. Grant Fund)

The City has received a continuation grant from the State Attorney General's Office. This is the second year that this grant was awarded. **This grant pays for one full-time FTE position.** The grant will pay for all salary and overtime for the services of a specialized investigator to assist the State Attorney General's Office in the investigation and prosecution of individuals using the Internet to commit crimes against children.

This grant does not have a new resolution for the Council to sign. The only needed Council action is the adoption of the budget to allow for the facilitation of this grant.

No additional FTE's are associated with this grant. This grant reimburses General Fund salary and wage expenditures within the Police Department budget. The Administration recommends that the Council accept this grant and approve the appropriation request.

Issue #7: Fire – TESORO Private Donation (CERT) (\$10,000 General Fund)

The Fire Department has solicited this private donation from TESORO to be used to purchase materials and equipment for the Community Emergency Response Team (CERT). These funds were donated to the Fire Department's Community Education Division, to purchase a computerized projector to display presentations and CERT manuals. If remaining funds are available, the Fire Department will purchase other equipment that includes helmets, vests, gloves and flashlights.

This donation does not have a resolution for the Council to sign. The only needed Council action is the adoption of the budget to allow for the facilitation of this donation.

No additional FTE's are associated with this grant. The Administration recommends that the Council accept this donation and approve the appropriation request.

Issue #8: County CDBG – Neighborhood House Association Building Improvements (\$50,000 Misc. Grant Fund)

The Neighborhood House Association provides day care services to low-income families and disabled adults. The Neighborhood House was awarded \$90,000 in FY 2001-2002 Community Development Block Grant (CDBG) funds from the City. The City will enter into an interlocal agreement with Salt Lake County who will provide an additional \$50,000 of County FY 2001-2002 CDBG funds. The City will be the lead agency and ultimately responsible for the construction and installation of the project. This project will result in a \$140,000 improvement to the Neighborhood House facility.

The Administration recommends that the Council adopt the budget to facilitate the interlocal agreement between Salt Lake City and Salt Lake County. The Council previously passed a resolution when the FY 2001-2002 CDBG budgeted was adopted that allows for the interlocal agreement.

No additional FTE's are associated with this grant. The Administration recommends that the Council accept this grant and approve the appropriation request.

Issue #9: Housing Program Income (\$471,300 Misc. Grant Fund)

The following Housing and Urban Development (HUD) housing programs have received program income from payment of loans or other reimbursement costs due to liens, etc: Renter Rehab, HAND - First Time Homebuyer Home Loan, and HAND Housing Rehabilitation. This amendment allows for the reallocation into the individual programs for continued programming.

The Administration recommends that the City Council adopt the necessary adjustments to the budgets.

Issue #10: Refuse – Fleet Maintenance (\$280,911 – Refuse Enterprise Fund)

Due to the bankruptcy of a vehicle maintenance vendor for Public Services and short-term warranties on service for garbage packers, the City will be required to make repairs that would have been covered by vendor warranties. The total cost to the Refuse Enterprise fund is estimated to be \$280,911 in FY 2001-2002, \$260,432 in FY 2002-2003 and \$244,405 in FY 2003-2004. The Administration is requesting that the City Council appropriate Refuse Enterprise Fund balance to the Fleet Maintenance line item to fund the necessary adjustment to the budgets.

Issue #11: Public Services Support Staff (1.5 FTE's) (\$0 – General Fund)

The Administration is recommending that the Public Services Department have two .75 RPT positions created. The positions would be in the Streets Division and the Finance and Administrative Services Division. The RPT positions will handle support staff duties that were previously handled by seasonal employees. Due to the increase in the City's recycling program the seasonal nature of the required duties has been replaced with a steady demand for administrative support. The Administration is recommending that the Council appropriate the budget that is currently in the seasonal and contracted services areas of the Recycling (Refuse Enterprise Fund), Streets (General Fund), and Finance and Administration (General Fund) to cover the payroll expenses of these two RPT positions.

Issue #12: Rotary Playground at Liberty Park (\$190,000 – CIP Fund)

The Administration is requesting that an additional \$190,000 be appropriated for the construction of the Rotary Playground at Liberty Park. The Council has previously received briefings on the Rotary Playground at Liberty Park. The playground was designed to accommodate addition phases. With the original base unit under construction, it has become feasible to complete the playground as a "whole unit" with this additional funding. Total project funding will be \$701,000. The Rotary Club of Salt Lake City will contribute an additional \$40,000 to the project for a total contribution from the Rotary Club of \$340,000. The City would appropriate an additional \$150,000 in CIP Contingency for a total City cost of \$361,000 to the project. Total project funding will be \$701,000.

The Administration is recommending that the Rotary Playground at Liberty Park CIP budget be increased by an additional \$190,000, \$40,000 of which is being contributed by the Rotary Club of Salt Lake City.

Issue #13: Existing LLEBG Funds (\$35,000 – Misc. Grant Fund)

The police Department applied for and received Local Law Enforcement Block Grant funds for FY 2001-2002. The Council has appropriated all of the received funds except for \$35,000. The Council instructed the Police Department to determine other programs for the remaining \$35,000. The Department is recommending that \$15,500 of the remaining amount be spent on communications equipment for interview rooms, \$5,500 on Training Division equipment, \$6,000 on the Salt Lake City Explorer program, \$1,000 on the Salt Lake City Police Chaplains program, \$5,000 on school emergency procedure cards, and \$2,000 on Traumatic Incident Corp (TIC) Team trainings and spousal support groups.

This grant does not have a new resolution for the Council to sign. The only needed Council action is the adoption of the budget to allow for the facilitation of this grant.

No additional FTE's are associated with this grant. The Administration recommends that the Council accept this grant and approve the appropriation request.

Issue #14: New Park Playground Priorities (\$0 – CIP Fund)

The Administration is recommending that Popperton Park playground equipment not be replaced in fiscal year 2002-2003 as planned, and that Jackson Park playground equipment be replaced instead. When the biennial budget was compiled, Jackson Park and Stratford Park were determined to be most in need of replacement equipment, but since a volunteer effort was being organized to replace Jackson and Stratford Park equipment the City recommended that Popperton Park equipment be replaced instead. The Council appropriated funds for the replacement of Popperton Park equipment. The City is now aware that the volunteer efforts for Jackson and Stratford Parks did not occur as scheduled. The Administration recommends replacing Popperton Park playground equipment with Jackson Park playground equipment funds and recommends funding Stratford and Popperton Park equipment during the next biennial budget.

There is no requested increase in appropriation, only a switching of recommended park replacement.

Issue #15: Jordan River Parkway Trail – State Grant (\$100,000 – CIP Fund)

The Administration is requesting that an additional \$100,000 in outside funding be budgeted for the construction of the Jordan River parkway trail between Modesto Avenue and California Avenue, and a trailhead at Fremont Avenue. The City has budgeted \$300,000 in General Fund money to this project; the additional \$100,000 is from the Utah Division of Parks & Recreation Enhancement Program.

This grant does have a resolution for the Council to consider. The resolution authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant.

No additional FTE's are associated with this grant. The Administration recommends that the Council accept this grant and approve the appropriation request.

Issue #16: Utah Arts Festival Sponsorship (\$42,700 – General Fund)

The Utah Arts Festival is asking that Salt Lake City assist with the infrastructure costs relating to the new venue location of the Utah Arts Festival. The Utah Arts Festival moved from downtown to the State Fairpark to avoid construction concerns that were impacting attendance at the festival. With construction in the downtown area slowing the festival organizers are ready to make the move back downtown. During 2002 the festival will be held at the Galivan Center. The Redevelopment Agency of Salt Lake City was approached about helping sponsor the festival but funding was not approved. The Administration is supportive of the Utah Arts Festival and recommends funding the requests for both years 2002 and 2003. The festival may later move to either Washington Square or the Library Block occurs.

The City must show that it will receive at least an equal cash return on the contribution in the same fiscal year and those terms must be spelled out in a contract. Fiscal analysis relating to this request is included in the Administration's transmittal.

The Administration is requesting that the Council appropriate \$42,700 from General Fund balance in FY 2001-2002 and FY 2002-2003 for the sponsorship of the Utah Arts Festival.

Issue #17: Fire – R. Harold Burton Foundation Grant (\$25,000 – Misc. Grant Fund)

The Salt Lake City Fire Department applied for and received funds from the R. Harold Burton Foundation to purchase equipment necessary to deal with a chemical or biological attack.

The funds will be used to purchase a multi-chemical and radiation detector for the detection of nerve agents, toxic industrial chemicals and radiation: and two portable, heated tent systems. The tent systems were used to shelter and protect citizens and responders while going through a decontamination process or medical treatment.

The Administration is requesting that a budget be established in the Miscellaneous Grant Fund for the disbursement of funds per the grant agreement. This grant was made to the City's Foundation and as such does not need a resolution from the City Council authorizing the Mayor to sign any award documents or agreements. The transfer from the City's Foundation to the Miscellaneous Grant Fund is treated the same as a donation to the City.

Issue #18: Physical Fitness of Cities - Donations (\$40,000 – Misc. Grant Fund)

The Administration is requesting that Council increase the budget appropriation for the Physical Fitness of Cities cultural program. The Administration has secured commitments for donations totaling \$40,000. As of January 8, 2002, \$0 has been deposited into the Physical Fitness of Cities cost center.

During a previous budget amendment the council made a motion specifying that a budget would be created in the sum of the received and verified donations. The Council indicated during the discussion that as future donations were received appropriations would be made during upcoming budget amendments. This budget amendment is the last scheduled budget opening before the start of the Physical

Fitness of Cities program. **The Council may wish to consider making the same motion as was made during a previous budget opening, and specify that the budget would be set in the amount of received funds. The motion that was made on the previous budget opening, reads as follows:**

- *["I move that the Council"] **Adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget for Initiative #1 only in the amount that has been donated and documented by the date of adoption.***

Issue #19: 600 N and 1500 W Island Landscaping and Curb Reconstruction (\$63,000 – CIP Fund)

The island in front of the Backman School at approximately 600 North and 1500 West is in need of new landscaping and curbing around the median. This island was installed in 1964. There is a reconstruction road project at this location that will be completed by the end of summer 2002. The island landscaping with all curbs, engineering and design fees will be \$48,000 if sod is installed and \$63,000 if drought resistant landscaping is installed. This project was not included in the Capital Improvement Program projects list for funding in either fiscal year 2001-2002 or fiscal year 2002-2003. This project has not been through the Capital Improvement process. It is within the Council's authority to consider funding as opportunities arise.

There is sufficient Local Streets Reconstruction funds or contingency funds within the CIP fund to complete this project if it were designed and constructed at the same time the surrounding local street is reconstructed.

cc: Cindy Gust-Jenson, Rocky Fluhart, Jay Magure, Steve Fawcett, David Dobbins, Luann Clark, Tim Campbell, Jay Bingham, Joseph Moratalla, Rick Dinse, Mac Connole, Jerry Burton, Gordon Hoskins, John Sittner, Stephen Goldsmith, Brent Wilde, Elwin Heilmann, Joel Harrison, Randy Hillier, Sherrie Collins, Laurie Dillon, Susi Kontgis, and Kay Christensen