

Memo

To: Salt Lake City Council
From: Michael Sears, Budget & Policy Analyst
Date: September 3, 2002
Re: Salt Lake City One-Time Revenue Appropriation request / Salt Lake City Fiscal Year 2002-2003 Budget

The Salt Lake City Council considered appropriation of one-time revenue during the May and June fiscal year 2002-2003 budget adoption process. During the May 7, 2002 presentation of the Mayor's Recommended Budget, the Mayor recommended that \$4 million be appropriated for the development of open space on the east side of Library Square. That request has been reduced to \$3.6 million. The Mayor also requested \$3 million for a Youth Endowment account and \$150,000 for Youth Operating expenditures. The Council considered and appropriated \$200,000 to act as matching funds for the purchase of Houser Sculptures. The original request was for \$400,000. The Mayor also included in his recommended budget \$700,00 for Neighborhood Legacy projects.

The Council on September 3, 2002 considered the \$3.6 million request for the development of open space on the east side of Library Square. A public hearing will be held concerning the requested appropriation at a later date.

Of the original recommended budget items, the Council has not made a decision regarding the youth program endowment, and youth program operating expenditures and the Neighborhood Legacy project. The total of these three projects is \$3.85 million. The Council Office has also received additional requests for funding from the available one-time revenue. The following items are the additional requests that the Council Office has received. The Council has received emails and letters that explain in further detail the requested appropriations.

- Revenue for fundraising deficits for the National League of Cities Conference (approx. \$460,000)
- Revenue for the Housing Trust Fund (\$2,000,000 or more)
- Revenue to pay for the additional Capital Improvement Projects (all one-time revenue remaining)
- Revenue to purchase the Milestone Apartments (at least \$2,000,000)
- Revenue to fund the future purchase of Section 8 housing projects (all one-time revenue remaining)
- Improvements to Pioneer Park, now that the Olympic Legacy Park will be located elsewhere.

During the discussion on one-time monies the Council may wish to consider the effect that rising construction costs are having on capital expenditures. The current interest rate that the City earns is around 2.6%. The construction costs are inflating at around 3 to 5% each year. The City has enjoyed a very favorable bidding environment this year. If the current economy holds, the favorable bidding environment may allow the City to construct projects for less money than originally projected.

The Council has approximately \$7,103,047 available for appropriation to one-time expenditures. During the budget process the Council considered \$8,686,853 in one-time revenue. \$200,000 for matching funds for the purchase of the Houser Sculptures and \$1,383,806 for capital projects was appropriated. The request for development funds for the east side of the Library Square is \$3,675,886. If the Council appropriates the requested funds the remaining amount will be \$3,427,161.