
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: December 6, 2002

SUBJECT: Fiscal Years 2001-2002, 2002-2003 Biennial Budget Amendment #11

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Document Type	Budget-Related Facts	Policy-Related Facts	Miscellaneous Facts
Ordinance	The proposed amendment includes \$29,370 from General Fund balance and \$1,625,000 from one-time General Fund money. All other proposed amendments relate to the CIP, Enterprise and Miscellaneous Grants Funds.	The requested amendment has issues related to Grants, Public Safety, CIP and donations to the City.	The ordinance is presented to amend the second year of the biennial budget.

OPTIONS AND MOTIONS:

The following motions deal with those initiatives on which Council Members did not request additional information. The briefing summary section highlights questions that the Council asked regarding Initiatives #16 (One-time Money) and #29 (CIP – Military Drive Curb Realignment) and provides additional motions for those initiatives.

1. **["I move that the Council"] Adopt an ordinance amending the fiscal year 2002-2003 budget as proposed with the exception of initiatives 16 and 29.**
2. **["I move that the Council"] Not adopt an ordinance amending the fiscal year 2001-2002 and fiscal year 2002-2003 budget.**

SUMMARY OF BRIEFING

The City Council held briefings on November 19, 2002 to discuss the proposed amendments to the fiscal year 2002-2003 budget. Council Members discussed all proposed amendments, reviewed new information that was different from the transmittal and requested additional information or motions about the following items:

Issue #16: One-Time Money (\$1,625,000 – General Fund)

The City has \$1,626,290 remaining in available one-time money. The money is currently budgeted within of the General Fund Balance. At the Council’s work session on Oct. 17, 2002, the Council tentatively indicated that it may be willing to appropriate \$1,625,000 as follows: \$800,000 to the Housing Trust Fund, \$700,000 to the Neighborhood Legacy Project (\$100,000 to each of the seven Council districts to construct a project of the neighborhood’s choosing), \$75,000 to construct a Police memorial and \$50,000 to be paid to The Leonardo trust fund to assist with the hosting of cultural events celebrating the successful hosting of the 2002 Winter Olympics.

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During the briefing on November 19, 2002 Council Members tentatively agreed that the allocation to The Leonardo should be in a 2-to-1-match form. The City allocation is not to exceed \$50,000 and is to be disbursed to The Leonardo when the required \$100,000 has been raised. The Council also requested that The Leonardo submit a letter detailing the intended uses of the match funds. That letter was not provided as of noon on Friday, but will be added to the packets if it is received before they are distributed. The following motion allows for the budget appropriation to The Leonardo.

- **["I move that the Council"] Adopt an ordinance amending the fiscal year 2002-2003 budget for Initiative #16 as proposed in the amount of \$1,625,000 with the understanding that the \$50,000 being appropriated to The Leonardo be in a 2-to-1-match form.**

During the briefing there was discussion concerning the \$700,000 appropriation to the Neighborhood Legacy Project. The following motion has been included to address the concern raised during the briefing.

- **["I move that the Council"] Adopt an ordinance amending the fiscal year 2002-2003 budget for Initiative #16 as proposed with the exception of the \$700,000 Neighborhood Legacy Project and that \$700,000 be transferred in the Open Space Acquisition cost center in the Capital Improvement Program Fund.**
- **["I move that the Council"] Adopt an ordinance amending the fiscal year 2002-2003 budget for Initiative #16 as proposed. (This would include the \$700,000 Neighborhood Legacy Project).**

Issue #29: CIP – Military Way Curb Realignment (\$85,000 – CIP Fund)

During the briefing on November 19, 2002 Council Members tentatively agreed that a capital project to realignment curb on Military Way should be moved forward in the CIP process. Moving this project forward will allow the City to bid the curb alignment with other projects and realize some design, engineering and bid savings. The Council indicated that the project was not to exceed \$85,000. The following motion allows for the budget appropriation from CIP contingency to the Military Way curb realignment cost center.

- **["I move that the Council"] Adopt an ordinance amending the fiscal year 2002-2003 budget for Initiative #29 as proposed in the amount of \$85,000 and that the project is to be combined with other capital projects to realize potential cost savings.**
- **["I move that the Council"] Not include Initiative #29 in the ordinance amending the fiscal year 2002.**

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Note: The following information was provided to the Council for the 10/03/02 briefing. It is provided again for your reference.

The briefing and discussion of the eleventh budget amendment of fiscal years 2001-2002 and 2002-2003 is scheduled for November 19, 2002. At a future Council Meeting the Council may wish to set a date for a public hearing. The Council may wish to note that initiative #5 has been pulled from consideration.

In an effort to make the review of the budget openings more expedient, Council staff has attempted to categorize 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.
- “Grant providing additional staff resources” – those grants that provide additional staff positions 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 employees involved with these projects have less time to focus on other projects within the scope of their work.)

As of the October 15, 2002 memo from the Administration, it is projected that this fiscal year's revenues could be down by \$2,318,000. A portion of that is subject to the ups and downs of the economy. There are two aspects of the projected shortfall that are not subject to the economy, but are definite reductions to the City's revenue this fiscal year and in future fiscal years. The break down of those revenue sources follows (a total of \$586,500):

- **Liquor Law Funds (\$221,500)**
- **Motor Vehicle fees (\$365,000)**

The \$2,318,000 also includes the Sales Tax going to UTA (\$600,000). The Administration anticipates that this will be returned to the City this fiscal year, but there is no guarantee.

The portion that is related to the economy is the retail sales tax. The projected shortfall is \$1,131,500.

Given this information, the City Council could elect to:

1. **Wait until later in the year to determine whether the economy picks up enough to increase revenue to cover not only the projected shortfall related to the Retail Sales Tax receipts which is directly related to the economy, but also the shortfall related to the Liquor Law funds, Motor Vehicle fees which are not related to the economy and possibly the Sales Tax going to UTA. In taking this approach the Council would need to recognize that the later in the fiscal year cuts are made, the more significant the cuts would need to be. The**

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- Administration is confident that the Sales Tax that is going to UTA will be received this fiscal year.**
- 2. Wait until later in the year to determine whether there is still a projected shortfall in the area that relates to the economy, but identify cuts now or in January to address the shortfall areas that are not related to the economy.**
 - 3. Ask the Administration whether they would be willing to provide a list of recommended cuts in relation to the revenue sources listed in either option 1 or 2 above, and brief the Council in January after the Administration has the benefit of an additional quarter of revenue data.**
 - 4. Direct staff to begin to identify options now for revenue expense reduction and / or revenue enhancement with the intention of considering the options in January.**
 - 5. Other.**

It should be noted that there are proposals within this budget opening that are projected to increase the general fund. If the Council elects to support these approaches and they do indeed increase revenue, the shortfall projected would be reduced. (For example a one-time infusion of cash from the risk fund, and revenue from ticket processing.)

MATTERS AT ISSUE

Issue #1: Impact Fee Exemptions (\$29,370 – General Fund) (“Housekeeping”)

The City has exempted three entities from paying impact fees on their development projects. Under the City’s Impact Fee ordinance the City’s General Fund is responsible for the payment of impact fees for exempted projects. Traditionally, funding has come from fund balance. The total so far this year is \$29,370. **The City Council may wish to delay action on this request until the last budget opening of the year to allow the Administration the opportunity to include all impact fee exempt projects into one budget request. The Council may wish to request that the City Attorney review the State Statute relating to impact fees to determine whether an exemption was recently made for low income housing, as has been reported by housing advocates.**

The City Council received a briefing, formed a subcommittee and held a public hearing on proposed revisions to the Impact Fee ordinance. The hearing was continued indefinitely. The proposed revisions would not affect these three impact fee exemptions. Future exemptions would not be granted if the revised Impact Fee ordinance were adopted. **The Council may wish to schedule another hearing on the Impact Fee ordinance revisions and decide whether or not automatic impact fee exemptions will be granted.**

Issue #2: RDA Funds for 500 West (\$900,000 – CIP Fund) (“Housekeeping”)

The Administration is requesting that the Council approve the appropriation of \$900,000 in Redevelopment Agency of Salt Lake (RDA) funds for use on the ongoing 500 West street reconstruction project between 200 and 400 South. The RDA will reimburse cost centers associated with the project for past expenditures and future expenditures that will be incurred. The \$900,000 appropriation will be split into two cost centers, \$439,502 into the Class C cost center and \$460,498 into the Gateway Savings cost center. Funds in the Class C cost center can be transferred into the Class

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C Contingency fund for later use on a Class C eligible project. The Gateway Savings cost center will also have excess and the excess amount of \$460,498 will be transferred into the Capital Improvement Program Contingency cost center for later use on a capital project.

Issue #3: Risk Subrogation Funds Transfer to the General Fund (\$423,000 – General Fund)

The Administration is requesting that the Council appropriate excess subrogation funds to General Fund Balance. The subrogation account in the Insurance and Risk Management Fund has \$423,000 in excess revenue that can be used as a revenue source for the General Fund. Revenue for the subrogation consists of reimbursements to the City for workers compensation expenditures.

The subrogation fund revenue was used to provide occupational hazard training. Training needs have lessened and excess funds are available for appropriation.

The Administration recommends that the excess subrogation funds be transferred into the General Fund to help fund the projected General Fund revenue shortfall. **If it were not for the revenue shortfall, these funds could be accumulated within the Insurance and Risk Management Fund for other purposes such as to begin to fund the liability for retirement payouts. This \$423,000 would be considered a one-time infusion in to the general fund, as the funding will not be available in future years.**

Issue #4: Department of Justice (COPS) Grant, Communications Upgrade (\$640,000 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Police Department applied for and received a grant from the Department of Justice, Office of Community Oriented Policing Services (COPS). The grant funds are to be used to purchase four additional Quantar Repeaters, operating equipment, a one-year maintenance agreement and installation costs for the purpose of upgrading the Police Department’s communication equipment. A complete listing of the intended uses of this grant is contained in the transmittal from the Administration.

The City currently operates its communications system through Salt Lake County’s Zone Controller. The County is negotiating merging their communication system with the Utah Communication Agency Network (UCAN). If this occurs, the City will be forced to purchase a Zone Controller or merge with another agency. By upgrading the City’s system now, the City can more easily negotiate collaborative use with other agencies as well as with UCAN in the future.

This grant does have a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Council action necessary for the facilitation of the grant is the adoption of the resolution and budget appropriation.

No additional FTE’s are associated with this grant and the grant funding is paying for communication upgrade. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this grant.

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Issue #5: American Architectural Foundation Grant – Sugar House Handbook (\$3,000 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Administration has requested that this item be pulled from consideration. The grant funds were not awarded to the City.

Issue #6: National Endowment for the Arts Grant (\$86,250 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Planning Division applied for and received a grant from the National Endowment for the Arts, the Utah Department of Transportation, and the Salt Lake City Redevelopment Agency. The grant funds are to be used in conjunction with a private donation to create and solicit a design competition for a pedestrian crossing on 1300 East which links Sugar House Park and Hidden Hollow. A complete listing of the intended uses of this grant is contained in the transmittal from the Administration.

This grant does have a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Council action necessary for the facilitation of the grant is the adoption of the resolution and budget appropriation.

No additional FTE’s are associated with this grant and the grant funding is paying for design competition costs. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this grant.

Issue #7: Local Law Enforcement Block Grant (LLEBG) (\$273,181 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Police Department applied for and received a continuation of a Local Law Enforcement Block Grant (LLEBG) for fiscal year 2002-2003. Grant funds are proposed to be used in the following areas: Officer overtime, police equipment, drug court, peer court, civilian and police training, the McGruff program, Restorative Justice Programs, and Officer Peer Support training. The receipt of this grant allows the Police Department to continue the same budget level of service as last fiscal year. The required match amount of \$30,353 was budgeted for within the Police Department’s budget.

This grant does have a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Council action necessary for the facilitation of the grant is the adoption of the resolution and budget appropriation.

No additional FTE’s are associated with this grant and the grant funding is paying for operating and maintenance supply, contractual services and overtime only.

Additional information is provided in a separate staff report on the Local Law Enforcement Block Grant for a separate briefing.

Issue #8 Department of Justice Grant – Early Intervention Systems (\$125,000 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Police Department applied for and received a grant from the Department of Justice, Office Community Oriented Policing Services (COPS). The grant funds are to be used for travel and purchase of a comprehensive Early Intervention

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Computerized System. The computer system will identify and track precursors to police office problem behaviors. Identification of these precursors will allow intervention to occur before the behaviors become police misconduct.

This grant does have a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Council action necessary for the facilitation of the grant is the adoption of the resolution and budget appropriation.

No additional FTE's are associated with this grant. Grant funding is paying for travel and computer operating equipment. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this grant.

Issue #9: Department of Justice (COPS) Grant – Methamphetamine Program (\$295,103 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Police Department applied for and received a grant from the Department of Justice, Office Community Oriented Policing Services (COPS). The grant funds are to be used to purchase equipment necessary to detect narcotics or explosives, police equipment, to host the Drug Endangered Conference, travel and other contractual components. A complete listing of the intended uses of this grant is contained in the transmittal from the Administration.

This grant is a supplemental grant that was awarded because of the City's status as and original “Pilot Site” for the Methamphetamine Initiative Program and allows the Police Department to expand the current Methamphetamine Initiative Program.

This grant does have a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Council action necessary for the facilitation of the grant is the adoption of the resolution and budget appropriation.

No additional FTE's are associated with this grant and the grant funding is paying for equipment, hosting costs, travel, contractual expenses and overtime. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this grant.

Issue #10: You Film – IRC – Department of Health & Human Services Grant (\$2,000 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Mayor's Office applied for and received a grant from the International Rescue Committee. This is a pass through grant from the US Department of Health and Human Services. The grant funds are to be used to contract with Spy Hop productions to assist with producing a short video about ten refugee students who attend Highland High. The video will be used as an educational tool in the Salt Lake City School District and neighboring districts.

This grant does not have a new resolution for the Council to sign. A resolution for grant funds from the US Department of Health and Human Services was previously adopted that, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The only Council action necessary for the facilitation of the grant is the adoption of the budget appropriation. **The Council may**

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wish to ask for clarification on whether this grant is directly related to the grant for which the original resolution was adopted.

No additional FTE's are associated with this grant and the grant funding is paying for the production of an educational video. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this grant.

Issue #11: Hansen Family Trust/Estate – Fire Training and Safety Equipment (\$100,000 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Fire Department as a beneficiary of the Hansen Family Trust/Estate of Harry and Myrtle Hansen has received a disbursement to be used for fire fighting safety and training purposes. Possible equipment purchases include T-pass 3 system (automatic locating system), heat sensing cameras, hoses, protective clothing, etc. The Fire Department plans to use \$30,000 of the funds to act as the local match for the Federal Emergency Management Agency (FEMA) Fire Grant. The FEMA grant also supplies fire safety equipment and training.

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 #12: FEMA – Operations & Fire Safety Grant (\$72,709 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Fire Department applied for and received a grant from the Federal Emergency Management Agency (FEMA). The grant funds are to be used for the purchase of Fire Department safety equipment. The department will purchase 120 Evacuate PASS Devices and 2 LCD Receiver Units. Purchase of these devices will allow for the location of a lost or downed fire fighter. The grant requires a local match of \$30,000. The local match will be met with funds received from the Hansen Family Trust.

This grant does have a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to accept this grant and sign any additional contracts or awards related to the grant. The Council action necessary for the facilitation of the grant is the adoption of the resolution and budget appropriation.

No additional FTE's are associated with this grant and the grant funding is paying for safety equipment. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this grant.

Issue #13: Emergency Medical Services Grant (\$98,250 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The City has received a continuation of a grant from the Utah State, Bureau of Emergency Management Services. Funds from this grant are used for equipment, medical supplies and training. This grant requires a local match that is met with expenditures within the Fire Department's General Fund budget.

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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.

The number of FTE's will not increase as a result of this grant. The Administration recommends that the Council accept this grant and approve the appropriation request.

Issue #14: Hansen Family Trust/Estate – West Point Leadership Program (\$67,180 – Misc. Grant Fund) (“Grant requiring existing staff focus”)

The Salt Lake City Police Department as a beneficiary of the Hansen Family Trust/Estate of Harry and Myrtle Hansen has received a disbursement to be used for “insuring individual safety of its officers by purchasing safety equipment and training”. The Police Department is proposing that the department participate in the West Point Leadership Program. The transmittal from the Administration contains a detailed explanation of the West Point program.

The Police Department received \$100,000 but is asking for a revenue and expenditure budget of \$67,180. The remaining \$32,820 budget appropriation will be requested at a later date when a suitable use is identified.

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 #15: FEMA – Hazard Mitigation Grant (\$20,000 – Misc. Grant Fund) (“Grant providing additional staff resources”)

The City has received a grant from the State of Utah, Division of Comprehensive Emergency Management (CEM). The grant is awarded to the City to defray the costs associated with the Emergency Manager's position, as has been the case in prior years.

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.

The Administration recommends that the Council adopt the budget to allow for the facilitation of this grant.

Issue #16: One-Time Money (\$1,625,000 – General Fund) (“New Item”)

The City has \$1,626,290 remaining in available one-time money. The money is currently budgeted within of the General Fund Balance. At the Council's work session on Oct. 17, 2002, the Council tentatively indicated that it may be willing to appropriate \$1,625,000 as follows: \$800,000 to the Housing Trust Fund, \$700,000 to

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the Neighborhood Legacy Project (\$100,000 to each of the seven Council districts to construct a project of the neighborhood's choosing), \$75,000 to construct a Police memorial and \$50,000 to be paid to The Leonardo trust fund to assist with the hosting of cultural events celebrating the successful hosting of the 2002 Winter Olympics.

The Council may wish to clarify any intended restrictions, matches or desired outcomes associated with the trust fund that The Leonardo would create.

Issue #17: Jordan River Parkway Rail Crossing (\$30,000 – CIP Fund) (“New Item”)

Salt Lake City, through a contract with the Utah Department of Transportation, is constructing a segment of the Jordan River Parkway Trail. The trail crosses a railroad spur at approximately 1800 South 1100 West. UDOT requires fencing, warning signs, pedestrian and bicycle gates and other improvements for the at-grade crossing.

The appropriated funds for the Jordan River Parkway Trail improvements in that area have been used. It is necessary to use CIP Contingency funds to cover the costs for these additional improvements. \$30,000 is being requested, and any unexpended portion will be returned to CIP contingency once the project is finished. A complete listing of the intended uses of these funds is contained in the transmittal from the Administration.

This appropriation will require a new resolution for the Council to sign. The resolution, when adopted by the Council, authorizes the Mayor to sign an interlocal agreement with the Utah Department of Transportation and/or Union Pacific Railroad and sign any additional contracts or awards related to this project. The Council action necessary for the facilitation of the project is the adoption of the resolution and budget appropriation.

No additional FTE's are associated with this project and the CIP funding is paying for the parkway improvements. The Administration recommends that the Council adopt this amendment and allow for the receipt and disbursement of this money.

Issue #18: State Infractions and Misdemeanor Services (\$134,940 – General Fund) (“New Item”)

Salt Lake City has the option to assume the responsibility of prosecuting infractions and Class B and C misdemeanors for the County District Attorney (DA). These cases, including Utah Highway Patrol (UHP) traffic cases, are currently filed in the City's Justice Court, but are prosecuted by the DA. As a result of this joint process, the County and Salt Lake City split the fines and forfeitures. If the City decides to prosecute these cases, it would retain all of the fines and forfeitures, rather than splitting the revenue with the County.

Assuming the City prosecutes these cases, the anticipated annual net revenue is \$255,000. The Council may wish to note that the estimated annual net revenue is based on year 2000 data from the state. The City only has data history for a two-month period. City data indicates a lower case load. **The Council may wish to delay this change until the end of the fiscal year.**

If implemented by January 1, 2003, net revenue of approximately \$134,940 could be expected for the current fiscal year. **If the Council elects to support this proposal,**

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they may wish to ask whether an implementation date of January 1, 2003 is realistic. To support this change, the Administration is recommending the addition of three new positions in the Prosecutor's Office (two prosecutors and one clerk), a hearing officer for the Justice Court, and Legal Defense support totaling \$270,000 in expenses annually.

The Administration asserts that regardless of the Council's decision, an additional Justice Court hearing officer is needed for the increased amount of UHP cases requiring a hearing. Refer to the Administration's transmittal for additional details.

The Administration recommends that the City should assume the responsibility of prosecuting state infractions and Class B and C misdemeanors that are currently prosecuted by the County. **The Council may wish to receive assurance from the Administration that the additional revenue projections are reliable and obtain an understanding of why the County is willing to give up this excess revenue. The Council may wish to confirm with the Administration that an agreement is not necessary to terminate the County's interest in prosecuting these cases.**

Issue #19: Water: Carryover / Replacement Water Lines (\$3,421,877 – Water Enterprise Fund) (“New Item”)

The Public Utilities Department is recommending that \$3,421,877 be appropriated for expenses and capital improvements in the Water Enterprise Fund. Uses will include \$2,956,761 for water carryover projects, and a \$465,116 budget adjustment for the construction of replacement water lines on South Temple – State Street to Virginia Street and 6400 South from Highland to 1500 East.

The water carryover projects are the unexpended portions of projects that were appropriated during the last budget cycle and are currently under construction.

The Administration recommends that the Council approve the appropriation request.

Issue #20: Sewer; Carryover / New Projects (\$3,418,457 – Sewer Enterprise Fund) (“New Item”)

The Public Utilities Department is recommending that \$3,418,457 be appropriated for expenses and capital improvements in the Sewer Enterprise Fund. Uses will include \$2,828,784 for water carryover projects, and a \$589,673 budget adjustment for the construction of replacement sewer lines on 2100 South from 1480 to 1700 East, 2100 South from 2300 to 2600 East, and additional projects associated with South Temple Construction project on M Street, L Street and Virginia.

The sewer carryover projects are the unexpended portions of projects that were appropriated during the last budget cycle and are currently under construction.

The Administration recommends that the Council approve the appropriation request.

Issue #21: Stormwater: Carryover / Replacement Stormwater Lines (\$1,300,111 – Stormwater Enterprise Fund) (“New Item”)

The Public Utilities Department is recommending that \$1,300,111 be appropriated for expenses and capital improvements in the Stormwater Enterprise Fund. Uses will

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include \$1,238,219 for stormwater carryover projects, and a \$61,892 budget adjustment for the construction of replacement stormwater lines on East Liberty Park Phase II and line replacement on 1700 South and 500 West to the Jordan River.

The stormwater carryover projects are the unexpended portions of projects that were appropriated during the last budget cycle and are currently under construction.

The Administration recommends that the Council approve the appropriation request.

Issue #22: Airport Operating and Capital Budget Amendment (\$9,671,000 – Airport Enterprise Fund) (“New Item”)

The Transportation Security Administration has requested that the Airport provide law enforcement personnel on a reimbursement basis at terminal screening areas. Under new regulations, the Transportation Security Administration is responsible for having a law enforcement officer at each screening area. Airport police have been providing the services using overtime reimbursed by the Transportation Security Administration. The Airport is requesting authorization for 11 FTEs at a cost of \$311,400 to be reimbursed by the Transportation Security Administration. **The Council may wish to ask representatives of the Department of Airports for more information regarding the contract such as the length of the contract and the likelihood of being requested to provide this service for many years.**

The Airport is requesting appropriation of \$307,500 of Airport reserves for the following terminal and airfield maintenance items that were not previously anticipated.

Airfield painting modifications	\$68,000
Hanger demolition / pavement	\$55,000
Parking Lot 3 modifications	\$48,000
Runway friction	\$76,500
Radio Transmit Relay site paving	\$30,000
Recycle bins in the concourses	\$30,000

The Council may wish to ask representatives of the Department of Airports for explanations or more descriptions regarding some of the above maintenance projects. The Council may also wish to inquire about the amount of reserves currently available in the Airport Fund.

A snow blower budgeted in fiscal year 2001-02 was not received before the end of the fiscal year due to the time it takes after ordering for the equipment to be manufactured and delivered. The Department of Airports is requesting a carryover appropriation of \$309,000 to pay for the snow blower.

Each year the Airport also requests timing adjustments to the budgets of on-going capital projects. Capital projects are fully budgeted when first approved to give the Airport authorization to enter into contracts. However, only the amount of actual completed work is recorded as capital outlay. The budget doesn't automatically carryover past the end of a fiscal year. The Department of Airports calculates and estimates the actual amount of expenditures and requests decreases to budgets for the estimated unexpended amount. The budget for some projects needs to be increased because the adjustment made during previous budget amendments was not reduced enough or was reduced too much based on actual construction completed. There are also some adjustments requested because of projected project overruns or because projects were completed under budget. The total adjustment requested for ongoing

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projects is a decrease of \$7,163,300. (See the attached schedule from the Department of Airports.)

The Department of Airports has historically requested a budget amendment at this time of year for some new capital projects in order to benefit from more favorable bidding during winter months and to take advantage of the full construction season beginning in the early spring. The Department is requesting an appropriation of \$2,999,400 for the following proposed projects:

- Car rental counter space expansion from 6 to 10 agencies
(This expansion will increase convenience for passengers who are currently bussed off site to rent cars from these agencies. Cost will be reimbursed by the agencies through rents.) \$ 417,000
- Security cameras, motion sensors, security stations
(Walls in the control center will also be reconfigured to expand the area for digital recording equipment. Funding is proposed from passenger facility charge [PFC] revenue) \$ 725,400
- Security gate modifications, inspection area, guardhouse
(Project includes asphalt paving, fence relocation, hardware, software, and modifications to electrical/communications systems. Funding is proposed to be from PFC revenue) \$ 250,900
- Queuing modifications in Terminal 2
(Project includes relocating flight information displays and replacing oversized doors with smaller doors to create additional space. Funding is proposed to come from PFC revenue.) \$ 134,300
- Tooele – Apron/taxi lane expansion for future hangars
(Hangars will be relocated as part of an instrument landing system installation in 2003. Funding is from Airport Improvement Program [AIP] federal funds with PFC for the match portion.) \$ 213,100
- Airport II – Runway overlay (The runway surface is in poor condition. Resurfacing will extend the pavement's life. Funding will be provided by AIP federal funds with PFC as match.) \$1,258,700

The Council may wish to ask Department representatives for additional explanations regarding some of the above proposed projects.

The budget for the development program (new terminal and concourses) is proposed to increase by \$12,907,000 for the following:

- Mid-concourse pedestrian/utility tunnel
(To increase the budget for this project to \$17,597,000. After the new terminal is constructed, the proposed tunnel will be one of two tunnels connecting the north and south concourses. This tunnel will not have a people-mover train. The immediate need for this tunnel is to provide a regional jet concourse for SkyWest. Council staff understands that Delta approval is required before construction will commence.) \$7,607,000
- Terminal access road
(First phase of a \$60 million project to reconfigure the access road to serve the future terminal location. The first phase is for an engineered fill, drainage, and three bridges. Council staff's understanding is that Delta will need to endorse the project before construction commences). \$5,300,000

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The Council may wish to receive the briefing on the development program prior to approving the above two projects. The Council may wish to make appropriations for these projects contingent upon endorsement and commitment by the airlines.

On September 25, 2002, this amendment request was reviewed by the members of the Airport Affairs Committee, which is a committee of representatives of the airlines. On October 16, 2002, the Airport Board approved this budget request to be forwarded to the City Council.

Issue #23: E911 Carpet and Furniture (\$13,000 – E911 Fund) (“New Item”)

The Salt Lake City Police Department is proposing that the Council appropriate \$13,000 of E911 funds for the purchase of new chairs and carpet replacement in the E911 service area. There is approximately \$3 million of fund balance available in the E911 Fund. This fund balance is restricted for the replacement of equipment or other expenses relating to answering emergency telephone calls.

The Administration recommends that the Council approve the appropriation request.

Issue #24: E911 Hiring Process (\$10,000 – E911 Fund) (“New Item”)

The Salt Lake City Police Department is proposing that the Council appropriate \$10,000 of E911 funds for the purchase of a hiring program to streamline the call taker hiring process. The purchase of the hiring program will eliminate the need for overtime to test potential call makers. There is sufficient E911 Fund Balance available for this request.

The Administration recommends that the Council approve the appropriation request.

Issue #25: E911 Logging Recorder (\$130,000 – E911 Fund) (“New item”)

The Salt Lake City Police Department is proposing that the Council appropriate \$130,000 of E911 funds for the purchase of a new telephone call-logging recorder. The new recorder would replace the current, outdated recorder. The new recorder will have additional necessary capacity. There is sufficient E911 Fund Balance available for this request.

The Administration recommends that the Council approve the appropriation request.

Issue #26: E911 Center Backup Power System (\$400,000 – E911/General Fund) (“New item”)

The Salt Lake City Police Department is proposing that the Council appropriate \$400,000 of E911 funds for the purchase of a new backup power system for the 911 Communications Center. The total cost of the backup power system for the Public Services building will be less than \$500,000. The remaining \$100,000 will come from deferred maintenance funds in the Public Services Budget.

There are sufficient E911 Fund Balance and Public Services maintenance funds available for this request.

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The Administration recommends that the Council approve the appropriation request.

Issue #27: Impound Lot – Retain Management (\$413,170 – General Fund) (“New item”)

The Administration is requesting that the Council appropriate \$413,170 in General Fund revenue (from Impound Lot fees and vehicle sales) and \$455,696 in General Fund expenditures (for Impound Lot staffing and operation) for the continued management and operation of the City’s Impound Lot. The difference between the revenue and expense budget (\$42,526) will be absorbed within the Public Services’ existing budget.

The City issued a Request for Proposals (FRP) to outsource the Impound Lot operations. The RFP resulted in no saving opportunities and as such the Administration is recommending that the City continue to operate the Impound Lot with the current employees and management that is in place currently. The transmittal from the Administration contains additional information and explanation.

Some of the projected revenue is contingent upon the increase of impound fees. The Administration recommends **increasing the administrative fee at the Impound Lot from \$75 to \$150 and to increase the daily storage fee from \$10 to \$15**. Associated ordinances necessary for the fee increase will be provided to the Council. If the Council desires, the public hearing necessary for the fee increase can be scheduled on the same date as the public hearing for Budget Amendment #11. The Administration forecasts that another **fee increase will be necessary in 2005 before the Impound Lot will be able to self-supporting**.

The current staffing document will increase by 5 full-time FTEs and 1.83 seasonal FTEs to restore positions that were in place as of fiscal year 2001-2002. The amendment requests additional seasonal positions equal to 0.46 full-time equivalent positions.

The Administration is planning to cover the \$42,526 difference in this year’s costs for this program through reducing or delaying capital projects within the Public Services Department budget. The Council may wish to request information on this.

The Administration recommends the fee increases and the adoption of the necessary ordinances relating to the fee increase in addition to the appropriation of the recommended budget necessary to continue the Impound Lot operations.

Issue #28: Recycling – Multi and Single Family (\$209,079 – Refuse Fund) (“New item”)

The Administration is requesting that the Council appropriate \$23,400 in multi-family fees and \$185,679 in Refuse Fund balance for the implementation of an automated curbside multi-family recycling program. The City does not currently provide curbside recycling for multi-family units and will need to purchase cans in order to commence with the multi-family recycling program.

Participation in the single-family recycling program is higher than anticipated for fiscal year 2002-2003. The current projections for participation in the single family recycling are 33,000 households by the end of fiscal year 2002-2003.

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The Administration recommends that the Council approve funding for an automated curbside multi-family recycling program and approve the funding to support the increased participation of single-family households.

The Council should note that this program would be funded from Refuse Fund balance.

cc: Cindy Gust-Jenson, Rocky Fluhart, David Nimkin, Steve Fawcett, Alison Weyher, David Dobbins, Luann Clark, Chief Dinse, Mac Connole, Jerry Burton, Chris Dunn, Gordon Hoskins, Mary Beth Thompson, Randy Hillier, Krista Dunn, Dan Mulé, Rick Graham, Max Peterson, Melissa Anderson, Shannon Ashby, DJ Baxter, Chief Querry, John Vuyk, Sherrie Collins, Mary Johnston, Laurie Dillon, Susi Kontgis, and Kay Christensen