

ITEM VIII

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET AMENDMENT ANALYSIS – FISCAL YEAR 2002-03

DATE: May 8, 2002
BUDGET FOR: **COMMUNITY AND ECONOMIC DEVELOPMENT**
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cc: Rocky Fluhart, David Nimkin, Margaret Hunt, David Dobbins, Steve Fawcett, Laurie Dillon and DJ Baxter

The budget that the Council adopted in June 2001 for the Department of Community and Economic Development for fiscal year 2002-2003 was \$9,758,197. The Mayor is recommending an amendment to decrease the budget by \$203,036 to \$9,555,161.

RECOMMENDED BUDGET AMENDMENTS

The following budget amendments are recommended by the Administration:

- Reduction in personal services – There is a \$64,036 decrease in the budgeted amount for personal services. This decrease is due to new retirement rates for the State Pension Fund. (BA03-01)
- Reduced electricity rates for streetlights – There is a \$50,000 decrease in the budgeted amount for street light electricity. This decrease is due to Utah Power’s request for an electricity rate increase not being approved. The total annual cost of electricity for streetlights is approximately \$950,000. (BA03-05)
- Elimination of 1 building inspector position – The Building Services & Licensing Division added 2 building inspector positions by budget amendment during fiscal year 2000-2001. The proposed budget amendment includes a decrease of \$47,000 and one building inspector position. The position is vacant. The slowing of the economy and the completion of the Olympics may have negated the need for this position. (BA03-06)
- Elimination of 1 zoning inspector position – The Housing Inspection section of the Housing and Neighborhood Development currently has 7 zoning inspectors. The proposed budget amendment includes a decrease of \$42,000 and one zoning inspector position. The elimination will result in a layoff. The demand for this position remains constant. The remaining workload will be allocated among the remaining zoning inspectors. (BA03-07)

ANALYSIS OF PROPOSED BUDGETS

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An analysis of the proposed budget amendment by division for the Department of Community and Economic Development is as follows.

PROPOSED BUDGET AMENDMENT COMMUNITY AND ECONOMIC DEVELOPMENT FISCAL YEAR 2002-2003			
	Original Adopted Budget	Recommended Budget Amendment	Proposed Budget 2002-2003
Office of the Director	\$ 498,773	\$0	\$ 498,773
Transportation	2,506,519	(50,000)	2,456,519
Building Services & Licensing	2,177,590	(47,000)	2,130,590
Planning	1,552,388	0	1,552,388
Housing and Neighborhood Development	2,561,142	(42,000)	2,519,142
Business Services	461,785	0	461,785
Personal Services reduction (all divisions)		(64,036)	(64,036)
Total Proposed Budgets	\$9,758,197	\$(203,036)	\$9,555,161

Office of the Director

The budget for the Office of the Director is proposed to remain the same as was adopted in June 2001. This division provides coordinated direction and support to carry out the Department's goals and policies. The department director and staff provide management support to the department's five divisions. Management support includes the following tasks: coordinating policy discussions with the City Council, setting and monitoring the department's budget, coordinating programs and initiatives that require interdepartmental cooperation, establishing and implementing departmental goals, reviewing requests for offsets and appeals regarding the City's impact fees and staffing the Land Use Appeals Board. The Office of the Director has 5 FTE positions.

Transportation

The budget for the Transportation Division is proposed to remain the same as was adopted in June 2001 for programs and personnel costs. There is a recommended reduction of \$50,000 in the street lighting budget for electricity costs. This division provides planning services and design review for the City's transportation system, manages the City's permit parking program, investigates and recommends changes to traffic controls, issues permits pertaining to the use of public right-of-way, and administers the City's traffic calming program. The program also ensures that streetlights on roadways and in residential, business, and entertainment areas are operational. Transportation has 19 FTE positions.

Building Services and Licensing

The budget for the Building Services and Licensing Division is proposed to decrease by \$47,000 in the recommended budget amendment for fiscal year 2002-2003. This division ensures that businesses and contractors comply with licensing requirements, and that state and local codes for new construction are enforced. This division has 35

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FTE positions. The Mayor is recommending the elimination of one building inspector position.

Planning

The budget for the Planning Division is proposed remain the same as was adopted in June 2001. This division provides planning for the City to guide its future development. Community planning provides a comprehensive linkage between the master plan, zoning, and development. The City's urban design goals are established and implemented within the Planning Division. The division also provides environmental reviews of proposed development projects. Planning staff provides support to the Historic Landmark Commission, the Planning Commission, the City Administration, and the City Council. This division has 23 FTE positions.

Housing & Neighborhood Development

The budget for the Housing & Neighborhood Development Division is proposed to decrease by \$42,000 in the recommended budget amendment for fiscal year 2002-2003. The Capital Planning and Programming Section of this division administers various grant programs: Department of Housing and Urban Development grants, Justice Department grants, Neighborhood Matching grants, Environmental Protection Agency grants, and State and County grants. They ensure that grant funds are spent on appropriate and eligible projects, and are responsible for all the financial, monitoring, and reporting requirements. Capital Planning has 6 FTE positions.

The Housing Development Services Section of this division conducts the residential rehabilitation and first-time homebuyer's assistance programs. The programs assist in the preservation and development of affordable housing stock in the City. Housing has 12 FTE positions.

The Housing Inspection Section of this division is responsible for housing and zoning enforcement. Division staff provides support to the Community Development Advisory Committee and the Housing Advisory and Appeals Board. There are 21 FTE positions in this section. The Mayor is recommending the elimination of one zoning inspector position.

Business Services

The budget for the Business Services Division is proposed to remain the same as adopted in June 2001. This division is comprised of the Special Events coordinating staff, the Salt Lake City Arts Council and Business Services. Primary goals include processing special event requests within the City, raising awareness of the role of the arts in the community through programs, grants and education, and increasing the viability of businesses. The division serves as an ombudsman, helping businesses through the various City processes and recruiting new businesses to the community. The small business revolving loan fund is marketed through this division, which also maintains close ties with the Economic Development Corporation of Utah, the State Division of Community and Economic Development, and the Downtown Alliance to ensure businesses are encouraged to locate and remain within the City. The division also staffs the Business Advisory Board, which acts as an advisory board to the Administration and the City Council. This division has 7 FTE positions. A question the Council could ask – what impact did the Olympics have on this division re: business licensing and special permits; is the workload anticipated to decrease; is there a potential to reduce the allocation of resources to this area? – temporary help was hired during the Olympics, so this may not be relevant.

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Analysis by Major Category Level

The expenditure budget for the Community and Economic Development Department (CED) for fiscal year 2002-2003 is proposed to decrease \$139,000 over the adopted budget for fiscal year 2002-2003. The recommended budget amendment budget for fiscal year 2002-03 by major category is as follows:

Personal Services: The recommended budget amendment includes compensation adjustments for eligible employees, as well as a net decrease to the staffing document of two full-time positions in fiscal year 2002-2003. The Mayor is recommending the elimination of one zoning inspector (layoff) and one building inspector (vacant). No additional positions are requested for fiscal year 2002-2003. The total budget reduction for this area is the sum of the salary and benefits for the two FTEs that are being proposed for elimination, \$89,000.

Materials & Supplies: The recommended budget amendment does not propose changes to the adopted budget for this category. This category has been decreased in previous budget years.

Charges for Services: The recommended budget amendment for materials and supplies decreases by \$50,000 over the fiscal year 2002-2003 adopted budget. The recommended budget reduction for this area a result of lower than anticipated electricity costs for street lighting, \$50,000. The recommended budget amendment does not proposed changes to the adopted budget for this category.

Capital Outlay: The recommended budget amendment does not proposed changes to the adopted budget for this category.

LEGISLATIVE INTENT STATEMENTS

The following legislative intent statements for the Community and Economic Development Department remain open. The Council may wish to indicate whether these open items should be closed (no longer monitored by Council staff or the Administration).

- Economic Development Corporation of Utah - It is the intent of the City Council that the Administration coordinates with the Economic Development Corporation of Utah to provide semiannual written information to the Council regarding the accomplishments of EDCU that benefits to Salt Lake City. (Note – a report has recently been provided – would the Council like to schedule a more detailed discussion?)

Potential Matters At Issue

- The Council may wish to discuss the service level desired by Council Members with regard to the traffic-calming program. Funding for traffic calming funding was adopted within the CIP budget in fiscal year 2002-2003 in the amount of \$250,000. In previous fiscal years, the budget for traffic calming was at the \$500,000 funding level. The 5 Year CIP Plan indicates a higher funding level in future years.

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- The travel and training budget is very limited in this department due to previous reductions. This could potentially affect the Department's ability to provide training to new board members, particularly Planning and Zoning Commission Members (currently only one Member is able to attend the annual American Planning Association conference, yet there are many new Members of the Commission).
- The Council has some Legislative Action items outstanding with this Department. A complete list of outstanding Legislative Action items will be provided for Council feedback later in the budget process.