
SALT LAKE CITY COUNCIL MAYOR'S RECOMMENDED BUDGET FISCAL YEAR 2004-2005

DATE: June 15, 2004

SUBJECT: **Unresolved issues - Mayor's Recommended Budget FY 04-05**

STAFF REPORT BY: Michael Sears, Sylvia Jones, Gary Mumford

cc: Mayor Anderson, Cindy Gust-Jenson, Sam Guevara, Rocky Fluhart, Ed Rutan, Rick Graham, LeRoy Hooton, Chief Rick Dinse, Lee Martinez, Chief Chuck Querry, Tim Campbell, Steve Fawcett, Laurie Donnell, Kay Christensen, Susi Kontgis, DJ Baxter

Unresolved budget issues and follow up questions:

1. **Property tax revenue** – Salt Lake County provided the City with a property tax revenue number of \$51,133,272, which is \$3,178,700 greater than the property tax revenue anticipated in the Mayor's Recommended Budget. The Administration is uncertain about this number and is not confident that the City will realize the full \$51,133,272. It will be January before the City can be certain of the property tax number. The Council may wish to hold all, or at least \$1.5 million, of the additional property tax revenue in fund balance until January 2005.
2. **Judgment levy** – The County informed the City that its judgment levy will be \$688,498 for the General Fund, \$110,651 for the Library, and \$98,357 for debt service on general obligation bonds for the Library block/zoo/aviary. A Judgment Levy is an additional property tax rate imposed to offset a shortfall stemming from a Tax Commission or court decision that significantly reduces a tax entities tax base (total assessed value). The certified tax rate guarantees a taxing entity a certain amount of revenue each year. The Council staff is still finding out if judgment levies are not adopted, whether the guaranteed revenue is reduced, not only in that year, but also for each year in the future. A truth in taxation hearing is required in order to adopt a judgment levy.
3. **Budget option worksheet** - Attached is the budget option worksheet with revisions from the June 10th Work Session. Individual Council members have expressed interest in re-visiting some items.
4. **Street lighting** – The Council previously approved CDBG funding to reconstruct three streets: 1300 South, Utahna, and Emery. There has been some interest expressed by Council Members to allocate funds for placing electrical conduit in the right-of-way for future street lighting in

order to avoid the lost opportunity while the construction is in progress. Costs are \$49,000 for 1300 South, \$21,000 for Utahna, and an estimated cost of \$23,000 for Emery (project not yet out to bid). The Transportation Division indicates that it will be necessary to provide the funding by July 1, 2004 for 1300 South and for Utahna if the conduit work is to be done with the road work. The funding for Emery will need to be made available by September 1, 2004 so the conduit can be bid out as part of the road rebuild bid. The Council may wish to appropriate CIP contingency funds of \$93,000 for all three projects, with the understanding that the funds would be repaid if a Special Improvement District is established in the future.

5. **Traffic calming** – The Transportation Division provided the attached information on traffic calming. Available funds are \$586,843 after subtracting a project for \$29,000 already under construction. The Division considers an additional \$117,000 as committed, but Council staff is unclear whether this amount is under contract. The Transportation Division recommends using \$212,000 of available funds to continue the program for one year including salary, 40 planters, 500 calming banners, 5400 garbage can stickers, 1000 lawn signs, etc. The Administration has provided a budget information sheet and a listing of potential program changes.
6. **Audit of telecommunication** – The Council expressed an interest in funding a consultant to determine the amount of telecommunication lines and conduit in the City's rights-of-way and to train the City's revenue auditors in conducting ongoing audits. The Council may wish to appropriate up to \$40,000 of lapsed appropriations from the current year to fund the study.
7. **Contingency Accounts** – The Council Office has been informed by the State Auditor's Office that contingency accounts should all be transferred to fund balance and should be subject to appropriation by the legislative body according to Utah State Law.
8. **Budget motion sheet** – Attached is a listing of motions that the Council may wish to consider.
9. **Budget adjustment schedule** – Attached is a draft schedule of adjustments to the Mayor's Recommended Budget in Excel format. Council staff can modify this schedule for any additions, deletions, or changes so that the motion to adopt the budget can refer to the schedule.
10. **Union contracts** – On June 14th, the Administration transmitted to the Council Office proposed memorandums of understanding with the unions.

- A. The agreement with Local 1645 of the International Association of Firefighters is for three years beginning July 2004 and ending June 2007. The contract can be opened each year to reconsider wages. The agreement includes the following basic changes:
- Funds an average step increase of 4.09% on anniversary date for those fire fighters that are not topped out
 - Provides a \$500 one-time payment for 92 fire fighters not receiving a step increase
 - Establishes a greater incentive to help control overtime by paying into the employee's post employment health plan 100% of the value of personal leave over 80 hours at the end of the plan (five shifts for combat personnel). In the past contract, firefighters (as well as other City employees) could receive 50% of the value of excess personal leave in cash.
 - Establishes a committee to study fitness and wellness and to make recommendations on means of improving fitness and wellness. The fire chief will designate the committee's chairperson. The committee will consist of nine members that the chairperson and Union mutually agree on.
 - Adds "heavy rescue technician firefighter" to the list of certifications eligible for 7% greater pay than the regular firefighter pay. Other certifications eligible for the increased pay are aircraft rescue firefighter, firefighter/engineer, firefighter/hazardous material specialist, firefighter/battalion aide, firefighter/inspector, firefighter/investigator.
 - Changes the holiday from Columbus Day to the day after Thanksgiving.
- B. The contract with the Salt lake Police Association, International Union of Police Associations, Local 75, AFL-CIO is for two years beginning July 2004 and ending June 2006. The contract can be opened regarding wages for fiscal year 2005-06. The proposed agreement includes the following:
- Funds an average step increase of 5.4% on anniversary date for police officers that are not topped out
 - Provides a \$500 one-time pay for 146 police officers at the top step
 - Fully funds additional pay for education or skills. The last contract funded \$233,000 per year. An additional \$40,000 is estimated to fully fund the program.
 - Add 2% to the City's contribution for post employment health plan (increased from \$600 to \$612 per year)
 - Limits funeral leave to four shifts
 - Provides for a joint study of the feasibility of developing a personal leave program for 500 series police officers. If the study results in an agreeable program, the contract can be amended to include it.

- Provides for a study of fitness to be made by the Union President and Police Chief
 - Changes the holiday from Columbus Day to the day after Thanksgiving
 - Clarifies grievance procedures
 - Updates the disciplinary section
- C. An amendment to the memorandum of understanding with the American Federation of States, County, and Municipal Employees, Local 1004, AFL-CIO (AFSCME) accomplishes two things:
- Changes the holiday for 100 & 200 series employees from Columbus Day to the day after Thanksgiving to be consistent with all other City employees
 - Revises incorrect language regarding the payment of shift differential to make the payment consistent with the Fair Labor Standards Act and with past City practice