

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET AMENDMENT #3 – FISCAL YEAR 2003-04**

**DATE:** March 2, 2004  
**SUBJECT:** Fiscal Year 2003-2004 Budget Amendment #3 – Briefing  
**STAFF REPORT BY:** Michael Sears  
**CC:** Cindy Gust-Jenson, Rocky Fluhart, Sam Guevara, Steve Fawcett, DJ Baxter, Rick Graham, Ed Rutan, Steven Allred, Chief Dinse, Chief Querry, Lee Martinez, David Dobbins, Luann Clark, Greg Davis, Jerry Burton, John Vuyk, Gordon Hoskins, Elwin Heilmann, Shannon Ashby, Sherrie Collins, Laurie Donnell, Susi Kontgis, and Kay Christensen

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The briefing and discussion of the third budget amendment of the fiscal year 2003-04 budget is scheduled for March 2, 2004. The proposed amendment includes several state and federal grants relating to youth programs, public safety, emergency management and police and fire functions. There are requests to use General Fund balance for the National League Convention revenue shortfall, collection on accounts receivable and police support for the Salt Lake City Marathon. Other budget amendment initiatives relate to grant funding, housekeeping items and capital budgeting. At a future Council Meeting the Council may wish to set a date for a public hearing.

**MATTERS AT ISSUE**

The Council on November 6, 2003 decided to draft and adopt a resolution requiring current revenue collection data and forecasts to be submitted to the Council at least 4 times each year and in advance of each budget amendment briefing. The Administration has prepared a revenue forecast in conjunction with this budget amendment. The forecast is attached. They have also provided some basic information about the streamlined sales tax. If the Council wishes to discuss this further please let Council staff know and we will alert the Administration in advance of the Budget Amendment briefing.

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:

- “New” – those items that are new issues that the Council may have discussed but now need budget appropriation to be carried out.

- “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.)

***Issue #1: National League Convention (\$459,723 in transfers to fund \$260,153 previous appropriation that lapsed to fund balance) – General Fund (“Housekeeping”)***

The Administration is requesting that the Council appropriate funds to cover the revenue shortfall that occurred when the City hosted the National League of Cities and Towns Convention. The total shortfall was \$260,153. The Council appropriated funds during fiscal year 2002-03 to cover this shortfall but the expenditure was not made and the appropriation lapsed to fund balance. The Administration has identified some surplus revenue in the 73 Fund to use against the revenue shortfall for the convention. The total amount to be transferred from General Fund balance will be \$199, 570.

This will close the National League Convention Fund.

***Issue #2: Collection of Accts Rec. on Parking and Traffic Fines (\$100,000 – General Fund) (“New Item”)***

The Administration is requesting that the Council appropriate \$100,000 to cover the costs of collecting on accounts receivable for the Justice Court. The requested funding would cover two temporary staff positions and supplies to support the collection effort. The City has been successful in meeting its collection goals for parking and traffic fines but has transferred existing staff from their regular duties to do the collections. Allocating budget for the temporary position will allow existing staff members to return to their regular job responsibilities.

These positions will be housed in Management Services.

***Issue #3: CIP – North South Light Rail UTA Payment (\$254,645 – CIP Fund) (“New Item”)***

During the construction of the UTA North South Light Rail corridor the City and UTA agreed, by Memorandum of Understanding, on payment for the light rail system. There was a final payment request by UTA for \$401,640. The City has negotiated with UTA on differences in the record of payment. The City’s remaining portion to satisfy all of the expenditures for the light rail line is now

\$254,645. There is not a budget for the payment of these obligations. The Administration is recommending that the Council recapture Class “C” and CIP funds and make payment from the recaptured portion.

***Issue #4: CIP – Liberty Park Tennis Courts (\$630,000 – CIP Fund) (“New Item”)***

The Administration is recommending that the Council approve the reallocation of funds within the Liberty Park Improvements CIP cost center. There is interest in finishing the reconstruction of remaining tennis courts adjacent to the newly constructed tennis center. By accelerating the reconstruction of these projects up one year, other projects may be delayed, although there are a number of projects that are still being designed and constructed in the park. The reconstruction of the tennis courts is moving up in priority in the overall Liberty Park project due to increased interest and financial donations from the community and tennis support groups. **The Council may wish to ask for clarification on which projects would be delayed, and whether any of the projects proposed for delay are ready to proceed. Further, the Council may wish to consider whether the tennis improvements are a higher priority than other Liberty Park improvements, in the event funds are tight in the coming year and the City isn’t able to allocate the anticipated amount to Liberty Park.**

***Issue #5: CIP – Jordan River Trail (\$0 – CIP Fund) (“New Item”)***

The Administration is recommending that the Council close out existing completed CIP cost centers that were established for the construction of sections of the Jordan River Trail. The recaptured money will be used to fund an additional section of the trail. The total recapture amount is \$107,941. The recapture and use of these funds is consistent with past Council actions where existing funds are used to fund like projects or continuations of existing projects.

***Issue #6: SID – Railyard Gateway (\$15,585,474 – CIP Fund) (“New Item”)***

The Administration is seeking authorization to create a CIP cost center for the Special Improvement District Railyard Gateway Series 2003 bonds. The property owner has completed improvements at approximately 100 South and 400 West on behalf of the City with the understanding that the City would issue the bonds to permanently finance the improvements and the property owner would be reimbursed the costs of the improvements.

***Issue #7: CIP – Class “C” Asphalt Overlay 2004-05 Funding (\$1,500,000 – CIP Fund) (“New Item”)***

The Administration is requesting that the Council create a CIP cost center for fiscal year 2004-05 Class “C” road funds for the issuance of a contract to complete asphalt overlays on City streets during the calendar year 2004 construction season. The Council has approved this advance budget appropriation in the past and this request is consistent with the Council’s policy of taking making funds available so that the City can receive favorable construction bids.

**Issue #8: CIP – 2100 S 900 W Bridge (UTA) (\$175,850 – CIP Fund) (“New Item”)**

The Administration is requesting that the Council approve the creation of a cost center for the match on the 2100 S 900 W Bridge. The City has received Surface Transportation Program (STP) funds for this project and subsequently received Federal Bridge Replacement Funds for this same project. The City has agreed to transfer the STP funds to UTA. There is a difference in local match requirements for the different federal funding sources. So that the City does not suffer financially from a difference in the local match requirements, UTA has agreed to provide Salt Lake City with \$175,850 to cover the difference in the local match ratios.

**Issue #9: CIP – California Ave Concrete St. Rehab (\$30,000 – CIP Fund) (“New Item”)**

The Administration is requesting that an additional \$30,000 be appropriated for the California Ave. Concrete St. Rehabilitation project. The funds for this project increase will come from the Class “C” contingency account. The existing street pavement is more deteriorated than anticipated. The requested additional funds will be used to complete the project within the specified limits.

**Issue #10: CIP – 1300 South Viaduct (\$85,000 – CIP Fund) (“New Item”)**

The Administration is recommending that the Council approve the expenditure of Class “C” funds for a consultant to complete a study on the 1300 South Viaduct. The study is needed before the City can apply for federal funding for the restoration of the viaduct. The Administration is requesting that fiscal year 2004-05 Class “C” revenue be allocated in this fiscal year so that the contract can be issued and the work completed during this calendar year.

**Issue #11: Fund 73 Escort Vice Enforcement (\$10,000 – Misc. Operating Fund) (“New Item”)**

The Administration is recommending that the Council appropriate \$10,000 in miscellaneous operating fund balance for the training of seven vice detectives and monitoring of escort businesses. The requested funds would allow for an additional 10 escort prostitution sting operations this fiscal year.

**Issue #12: SID – Special Improvement District (\$174,547 – Misc. Operating Fund) (“New Item”)**

The Administration is recommending that the Council adopt the debt service budget for the bonding that was issued for Special Improvement Districts 103009 and 101016 (Curb & Gutter districts). Bonding occurred in July 2004 after the fiscal year 2003-04 budget was adopted.

**Issue #13: Fund 81 Motor Fuel Excise Tax Bonds (\$1,500 – Misc. Operating Fund) (“New Item”)**

The Administration is recommending that the Council adopt the budget necessary to cover the arbitrage fees for the Motor Fuel Excise Tax (MFET). The arbitrage calculation was funded in fiscal year 2002-03 but was not completed until fiscal year 2004. As such the appropriation has lapsed. This proposed appropriation will restore the appropriation and cover expenses incurred. When

the City issues bonds, it contracts with different firms to perform rebate calculations. Under federal tax law, where the interest earned on the invested bond proceeds exceeds a predetermined bond rate, excess earnings may have to be paid to the federal government.

***Issue #14: 60 Fund E911 Fund Transfer (\$294,707 - CIP Fund) (“New Item”)***

The Administration is requesting that the Council appropriate \$294,707 for the purchase of a dispatch voice recording system that was not purchased before the end of fiscal year 2002-03 and the fifth and final lease payment on E911 equipment. The expenditure was included in the 2002-03 budget but because the purchase was not made prior to the end of the fiscal year, the funds lapsed to fund balance.

***Issue #15: Salt Lake City Marathon Police Support (\$50,000 - General Fund) (“New Item”)***

The Administration is requesting an appropriation of \$50,000 from General Fund balance to cover anticipated Police Department officer overtime costs for the Salt Lake City Marathon. **The Council may want to discuss this appropriation request as it relates to the special events ordinance and how the City wishes to recover expenditures that are not reimbursed for special events. The Council may also wish to review the planned coordination with the County and other agencies for this event. The Council may wish to ask whether any organization is being charged for the Police support for special events as is allowed for (but not required) in the current ordinance. If other organizations are not being charged, the Council may wish to ask how the overtime expenses are being covered.**

***Issue #16: Violence Against Women (\$19,014 - Misc. Grant Fund) (“Grant requiring existing staff focus”)***

The Administration is requesting that the City Council appropriate \$19,014 in grant funds from the State of Utah for the Victim Advocate program. The requested grant funds will cover 50% of one PTE position. This is a continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

***Issue #17: Police Dept. Crisis Intervention Team Training (\$14,000 - Misc. Grant Fund) (“Grant requiring existing staff focus”)***

The Administration is requesting that the City Council appropriate \$14,000 in grant funds from Utah State University to continue the Police Officer Crisis Intervention Team (CIT) certification and training program. This grant will allow the payment of overtime. Overtime will be paid if the officer must attend training during his/her off-duty hours. This is a continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

***Issue #18: Police Dept. Metro Drug Enforcement (\$128,027 - Misc. Grant Fund) (“Grant Requiring Existing Staff Focus”)***

The Administration is requesting that the City Council appropriate \$128,027 in grant funds from the Executive Office of the President, Office of National Drug Control to fund three police officers assigned to the Metro Narcotics/Drug Enforcement Agency. This is a continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

**Issue #19: Traffic Control Center (\$90,000 - Misc. Grant Fund) (“Grant Requiring Existing Staff Focus”)**

The Administration is requesting that the City Council appropriate \$90,000 in grant funds from the Utah Department of Transportation to fund an existing traffic control center operator. This is the third and final year of this continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

**Issue #20: Sorenson Multicultural Computer Center (\$8,000 - Misc. Grant Fund) (“Grant Requiring Existing Staff Focus”)**

The Administration is requesting that the City Council appropriate \$8,000 in grant funds from the Boston Museum of Science to fund the “Hear Our Voices; Girls in Technology Program”. This is the second year of this continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

**Issue #21: Emergency Management Services (\$24,500 - Misc. Grant Fund) (“Grant Requiring Existing Staff Focus”)**

The Administration is requesting that the City Council appropriate \$24,000 in grant funds from the State of Utah, Division of Emergency Services and Homeland Security to help fund the Emergency Manager’s position salary and benefits. This is a continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

**Issue #22: Police Dept. Local Law Enforcement Block Grant (\$250,446 - Misc. Grant Fund) (“Grant Requiring Existing Staff Focus”)**

The Administration is requesting that the City Council appropriate \$250,446 in interest and Local Law Enforcement Block Grant Funds (LLEBG) for the operation of existing program operations. The grant funds will be used to continue the following programs:

- Officer Overtime \$36,446
- Crime Lab Equipment \$45,000
- Civilian Training \$20,000
- Contractual \$79,000

- Drug Court (\$37,000)
- Peer Court (\$15,000)
- Restorative Justice Programs (\$12,000)
- McGruff Program (\$15,000)
- Innovative Law Enforcement Projects \$70,000

The last category of expenditure includes the recently organized leadership training program (West Point Leadership Academy). **The Council may wish to clarify with the Police Department that the proposed or anticipated projects for the Innovative Law Enforcement Projects program are consistent with the approved uses for the LLEBG funds and that they have been a part of the public notification process.** This is a continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

***Issue #23: Emergency Management Services Training (\$3,000 - Misc. Grant Fund) (“Grant Requiring Existing Staff Focus”)***

The Administration is requesting that the City Council appropriate \$3,000 in grant funds from the State of Utah, Division of Emergency Services and Homeland Security to help fund the City’s Hazardous Material Emergency Preparedness Planning efforts. This is a continuation grant. The City has adopted a resolution that authorizes the Mayor to sign and accept this grant and additional grants or agreements that result from the original grant.

***Issue #24: Volunteers of America (VOA) Youth Resource Center (\$7,810 - Misc. Grant Fund) (“Housekeeping”)***

The Administration is requesting that the Council appropriate \$7,810 in CDBG contingency funds to the VOA Homeless Youth Resource Center budget so that they can finish the upgrade of the kitchen at their center. The VOA center originally planned on using existing funds, but due to other emergency issues the necessary funds are not available.

***Issue #25: CIP - Project Budget Recapture (\$728,470 - CIP Fund) (“Housekeeping”)***

The Administration is requesting that the Council recognize \$728,470 in recaptured CIP project funds. This revenue is from projects that are complete and that have funds remaining. Several proposed budget requests within this budget amendment make use of this recaptured money.

***Issue #26: HUD & Misc. Grants Budget Recapture (\$141,901 - Misc. Grant Fund) (“Housekeeping”)***

The Administration is requesting that the Council recognize \$141,901 in recaptured U.S. Department of Housing and Urban Development (HUD) programs and project funds. This revenue is from projects that are complete or have not been completed within the allotted time.

The recaptured remaining budgets will be allocated to the contingency funds for future HUD related projects.

***Issue #27: Special Revenue Pool Budget (\$623,800 - Special Revenue Fund Donations) (“Donation - Housekeeping”)***

The Administration is requesting that the Council appropriate \$623,800 in revenue only budget so that donations can be recognized as they are received or as interest in earned. This continues the Council’s past allocation history of providing for donations as they are received. The revenue budget is completely depleted. There is a backlog of \$223,800 in donations that need to have revenue budget appropriation authorized. The remaining \$400,000 would establish the original budget. The Council authorizes the expenditures of these projects on a project specific basis. The Administration can not make expenditures for donations received where the Council has not approved the project.

***Issue #28: CBID Renewal with Downtown Alliance (\$233,332 - Special Revenue Fund) (“Housekeeping”)***

The Administration is requesting that the Council appropriate \$233,332 for the renewal of the Central Business Improvement District. This appropriation implements the program and sets the budget for the first year of the program.

***Issue #29: CIP - Hogle Zoo and Tracy Aviary Bond Election (\$11,300,000 - CIP Fund) (“Housekeeping”)***

The Administration is requesting that the Council create cost centers in the CIP fund for the bond proceeds and expenditures associated with two of the voter authorized General Obligation Bond projects: the Hogle Zoo and Tracy Aviary projects.

During the meeting on March 2, 2004 the Council will receive a briefing on the parameters resolution relating to these two projects. The requested appropriation will allow the projects to proceed. It is anticipated that the City will issue the bonds before the end of fiscal year 2003-04.