

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET ANALYSIS – FISCAL YEAR 2004-05

DATE: May 5, 2004

BUDGET FOR: DEPARTMENT OF COMMUNITY DEVELOPMENT

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The proposed budget for the Department of Community Development for fiscal year 2004-05 is \$7,440,523, representing a decrease in expenditures of \$1,120,903 or 13.09% as compared to fiscal year 2003-04.

DEPARTMENT OF COMMUNITY DEVELOPMENT PROPOSED BUDGETS				
	Adopted 2003-04	Proposed 2004-05	Difference	Percent Change
Office of the Director	\$903,142	\$745,373	\$(157,769)	(17.46)%
Transportation (planning & design, parking permit program, traffic controls, issues permits for use of right-of-way, traffic calming program, street lights)	2,443,605	1,522,182	(921,423)	(37.7)%
Building Services & Licensing (construction code enforcement, business licensing)	2,035,502	2,050,751	15,249	.74%
Planning (master plans, zoning, environmental reviews of proposed development projects, support to Historic Landmark Commission and Planning Commission)	2,808,388	2,816,234	7,846	.27%
Housing & Neighborhood Development (housing inspection, residential rehabilitation & first-time homebuyer's assistance programs, administers & monitors various grants, support to Community Development Advisory Committee and the Housing Advisory & Appeals Board)	325,493	305,983	(19,510)	(5.99)%
Total	\$8,516,130	\$7,440,523	\$(1,075,607)	(12.63)%

POTENTIAL MATTERS AT ISSUE

The major matters of issue reflected in the proposed budgets include:

- Elimination of positions –
A vacant traffic technician position is proposed to be eliminated in the Transportation Division's budget resulting in a savings of \$52,500.

A building inspector position (layoff) is proposed to be eliminated in the Building Services and Licensing Division's budget resulting in a savings of \$53,160.

According to Building Services and Licensing, the number of building inspection requests has decreased overall.

- Office of the Director - During the budget amendment process, the economic portion of this division was transferred to the Mayor's Office resulting in a decrease in the Community Development's budget of \$115,000 and a decrease of one FTE.
- Regulatory License - per employee fee - The Administration has recommended increasing the business license per employee fee for each business by \$2.00. In FY 1999-2000, the fee was set at \$10.00 per employee. The proposed increase brings the total per employee fee to \$12.00. The Administration states that while Salt Lake City's per employee fee is higher than other local municipalities, the city's base licensing fee is lower than most other cities in the area.
- Building permit fee increase - The Administration has proposed increasing building permit and specialty building permit (plumbing, electrical, and mechanical) fees by 20%. This will result in a \$312,000 increase in revenue. A \$35 basic permit fee will also be charged on all specialty building permits (mechanical, electrical, plumbing) which will generate an additional \$150,000.
- Transportation Division - The Administration proposes transferring the street light utilities budget from the Transportation Division to the City's non-departmental fund, resulting in a \$900,000 decrease in the Community Development Division's budget.

The Transportation Division's budget includes replacing expired grant funding for 1.6 FTE's in the traffic control center with funding from the General Fund.

- Traffic Calming Coordinator - The Administration recommends decreasing the Transportation Division's budget in the amount of \$62,700 by shifting the funding for the traffic calming coordinator salary and benefits to the CIP fund.
- CIP Coordinator - Community Development's budget will decrease by \$31,752 resulting from 50% of the CIP coordinator's salary and benefits being shifted to the CIP Fund.
- Deputy Director and Director of H.A.N.D. - In the past, the percentage of time spent on CIP issues by the Deputy Director and the Director of H.A.N.D. was not accounted for within the CIP budget. The Administration proposes allocating ten percent of salaries for the Deputy Director and Director of H.A.N.D. to the CIP Fund. This action will reduce the amount of CIP funding available for bricks and mortar projects by \$21,278.
- Salary and health insurance increases - Personal service costs assumes increases in base salaries plus merit increases for employees covered by union contracts. Health insurance is projected to increase by 8.3%. Pension costs will increase by 10.3%.

- Additional questions – Council staff has asked the Administration to be prepared to respond to the following questions during the budget briefing:

Increase in Business Regulatory License fee – (per employee fee)

Is it possible to move from a *per employee fee* to a *base fee*? If so, what would this process involve? (For instance, a Council Member suggested creating three or more categories of business size and increasing the base fee as opposed to the per employee fee.)

Plan review:

Which positions review plans?

What is the projected timeline of the one stop counter?

Traffic calming program:

How much funding is remaining in CIP for traffic calming projects?

What projects are currently in progress?

How far can these projects progress within the current budget?

Additional Information

PERFORMANCE MEASUREMENTS (Goals and measurable results)

The Community Development Division has identified goals and objectives to guide the budgeting process and provide a means for management to better evaluate overall Department performance. In order to assist the Council in evaluating progress, Council staff summarized the goals and noted the results or steps taken by the Department through December of 2003.

1. Goal/Objective: Increase attendance at arts and culture programs by 10% over 5 years.

The Department has increased attendance by 2%.

2. Goal/Objective: Train all department employees in customer service skills yearly.

The Department has trained 20% of its employees in customer service skills.

3. Goal/Objective: Provide diversity training to all department employees annually.

The Department has provided diversity training for all department employees.

LEGISLATIVE INTENT STATEMENTS

During the briefing on the proposed budget, the Council may wish to identify legislative intents relating to the Community Development Department.

During the briefing, the Council may wish to identify potential programs or functions to be added to the Council's list for future audits.