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

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**DATE:** May 26, 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

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The Council received the Mayor's Recommended Budget on May 4, 2004 and has held budget briefings with each of the City's departments at subsequent meetings. The Council may wish to discuss some of the unresolved issues from the budget briefings. Council staff has listed some of these issues below. Attached are responses from the Administration on questions posed during department briefings.

### **Unresolved budget issues:**

1. **Business license per employee fee increase** – Some Council Members requested additional options to the per employee fee increase. Council staff asked the Administration to contact municipalities outside of Utah to see what options or suggestions might be obtained from other cities. This information will be provided to Council Members prior to the Work Session. Council staff is in the process of working with the Administration to investigate business license fee options.
2. **Concrete program** – The Council has requested a breakdown of the time spent by the members of the concrete crew and to which funding sources their time is being allocated. The Administration proposed that reductions in the CIP budget be used to fund the program, and Council Members have indicated an interest in seeing options for funding this within the general fund.
3. **Telecommunications Right-of-Way Ordinance fee increase** – The Council continued the Public Hearing on the proposed Telecommunications Right-of-Way Permit fee increase to the first meeting in June. On May 25, Council staff, the Administration and telecommunications providers met to discuss the proposed ordinance. The Administration is confident that the proposed ordinance is feasible and is in compliance with applicable state and federal regulations. Additional

information from telecommunications providers will be forwarded to Council Members as soon as it becomes available. Council Members may be asked to meet individually with the providers.

4. **Vehicle replacement long-range plan** - Additional \$150,000 transfer to vehicle replacement per long range plan (from general fund lapsed appropriations from current year, if available).
5. **CIP Project Listing** - The Administration will provide a list of time sensitive projects in the Capital Improvement Program. The remaining allocation to the CIP Fund could be transferred to a holding account in the CIP Fund until the Council decides on which specific projects to fund during a briefing later in 2004.

## **Miscellaneous Questions from Council Members**

- A. **Eliminate building inspector position** - Some Council Members asked whether the elimination of this position would increase the response time to inspection requests.

Response: The explanation in the Mayor's Recommended Budget states that that the elimination of this position will result in longer response times, especially during periods of peak demand.

- B. **Bond Counsel fees** - Some Council Members asked if bond attorney fees are negotiable and whether the City can request a flat rate.

Response: The Administration sends out Requests for Proposals (RFP's) to select bond counsel. Depending on the amount of lead time, an RFP may be for one specific bond issue only, or it may be for any bonds issued within the contract time period for a particular type of bond (i.e.. general obligation, lease revenue, excise tax, tax anticipation notes, SID's, etc.). For instance, The City had a 5 year contract with Chapman and Cutler to perform bond counsel services for any bonds issued through the Municipal Building Authority during the period of that particular contract. Conversely, we had a contract with Chapman and Cutler to perform bond counsel services for the general obligation bonds that were issued recently for the Hogle Zoo and Tracy Aviary projects only. The contract did not include the remaining 3 projects that received voter authorization in November 2003. A separate RFP will go out sometime in the near future and will include the remaining 3 projects reflected on last November's ballot.

With regard to fees, bond counsel firms typically charge a per-bond fee. However, they often put in their proposals that if services are required in

addition to that which is normally required of bond counsel in completing a transaction, they would negotiate additional fees that would be paid for such work. Proposals for routine issues such as Tax Anticipation Notes and SID bonds usually include per-bond fees or hourly fees with minimum and maximum amounts.

If the Council is interested in additional information regarding the degree to which bond fees can be negotiated, Council staff can request further clarification.

- C. **Debt Management Analyst position in Management Services** – Council Members asked for an explanation of the source of the funding for this position. Council Members also inquired as to whether a portion of the salary for this position will be allocated to the G.O. Bond administrative fees.

Response: In Budget and Policy, .50 FTE was eliminated, and other operating funds from various sources were cut to make up the difference. In the staffing document, the .50 FTE is listed as an RPT Office Tech II. The amount allocated in the budget for G.O. Bonds includes a portion of this position as well as a portion of the City Treasurer's position.

- D. **Employee benefit cost increases** – Council Members asked whether the Administration is recommending an increase in office visit co-pays and prescription co-pays for FY 04-05.

Response: Human Resource staff indicated that the Benefits Committee did not recommend any increase for office visit co-pays or prescription co-pays; however, some of the programs do include benefit reductions.