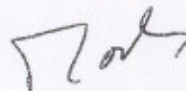


COUNCIL TRANSMITTAL

TO: Dale Lambert, Chair
Salt Lake City Council



FROM: Rocky J. Fluhart, Chief Administrative Officer

DATE: May 4, 2005

SUBJECT: Municipal Building Authority Budget Amendment No. 2

Recommendation: We recommend that on May 17, 2005, the City Council set a date to hold a public hearing on June 7, 2005, to discuss Municipal Building Authority Budget Amendment No. 2.

Discussion and Background: The attached amendment packet is transmitted to the City Council Office for the briefing on May 24, 2005.

Legislative Action: The attached ordinance to amend this budget has been approved by the City Attorney.

cc: Dan Mulé, City Treasurer
Shannon Ashby

Municipal Building Authority
FY 2005 Initiatives in Budget Amendment #2 – June

Initiative Name	Initiative Amount	FY 2005		FY 2005
		Gen. Fund Impact	FTE	Gen. Fund Fund Balance Impact
Section A	New Items			
Section B	Grants For Existing Staff Resources			
Section C	Grants For New Staff Resources			
Section D	Housekeeping			
1. Debt Retirement	\$47,125,000.00			
2. Budget Carryover	\$540,069.36			
3. Interest on Sales Tax	\$80,000.00			
Bonds				
Section E	Grants Requiring No New Staff Resources			
Section F	Donations			

Initiative Name:

Municipal Building Authority Carryover

Initiative Number:

BA#2 FY2005 Initiative #1

Initiative Type:

Housekeeping

Initiative Discussion:

Salt Lake City has, as a matter of policy, adopted annual budgets for internal service funds and re-appropriated any end of year remaining budgets for any unfinished construction or improvement activity in those funds.

In fiscal 2004, the City Council acting as the Municipal Building Authority Board of Directors budgeted for the construction or improvement of the Gateway Area improvement, Justice Court, Police Precinct and improvements on 400 West. These projects were not 100% complete at the end of the fiscal year ended June 30, 2004. Appropriations for internal service funds lapse at year end.

The appropriations of funds for these unfinished projects lapsed at June 30, 2004 and no action has yet been taken to reappropriate funds.

It is recommended that the Board of Directors of the Municipal Building Authority (City Council) reappropriate the remaining balances plus interest income earned during fiscal 2005.

Municipal Building Authority Carryover

Initiative Name

BA#2 FY2005 Initiative #1

Initiative Number

Management Services Finance Div

Department

Elwin Heilmann

Prepared By

2004-05

Fiscal Year

Housekeeping

Type of Initiative

535-6424

Telephone Contact

General Fund (Fund Balance) Impact

Revenue Impact By Fund:

**1st Year
FY 2004-05**

**2nd Year
FY 2005-06**

General Fund

Total

\$0

\$0

Internal Service Fund

66 Fund MBA

\$

540,069.36

0

Total

\$

540,069.36

\$0

Enterprise Fund

Total

\$0

\$0

Other Fund

Total

0

\$0

Staffing Impact:

New Number of FTE's

0

0

Existing Number of FTE's

0

0

Total

0

0

Description

Accounting Detail		Grant # and CFDA # If Applicable:	
Revenue:			
Cost Center Number	Object Code Number	Amount	
66-02020	1840	\$	500,000.00
66-01035	Fund Balance	\$	40,069.36
		\$	540,069.36
Expenditure:			
Cost Center Number	Object Code Number	Amount	
66-02020	2700	\$	500,000.00
66-01035	2700	\$	40,069.36
		\$	540,069.36
Additional Description:			
66-02020 is 500 W. 2nd-5th S. Land sales			
66-01035 is the Police Precinct			
Grant Information:			
Grant funds employee positions?		N/A	
Is there a potential for grant to continue?		N/A	
If grant is funding a position is it expected the position will be eliminated at the end of the grant?		N/A	
Will grant program be complete in grant funding time frame?		N/A	
Will grant impact the community once the grant funds are eliminated?		N/A	
Does grant duplicate services provided by private or Non-profit sector?		N/A	

Initiative Name:

Municipal Building Authority Debt Retirement

Initiative Number:

BA#2 FY2005 Initiative #2

Initiative Type:

Housekeeping

Initiative Discussion:

Salt Lake City has decided to refund all remaining Municipal Building Authority Bonds before the end of fiscal 2005. The source of funds will be the issuance of sales tax revenue bonds.

In order to properly reflect these transactions, it is necessary to budget the principal retirement amount in the Municipal Building Authority internal service fund. The revenue source is a transfer from the City's Debt Service Fund.

It is recommended that the City Council acting as the Municipal Building Authority Board of Directors budget for the transfer from the Debt Service and appropriate the funds necessary to advance refund the outstanding Municipal Building Authority debt.

Municipal Building Authority Debt

Retirement

Initiative Name

BA#2 FY2005 Initiative #2

Initiative Number

Management Services Finance Div

Department

Elwin Heilmann

Prepared By

2004-05

Fiscal Year

Housekeeping

Type of Initiative

535-6424

Telephone Contact

General Fund (Fund Balance) Impact

Revenue Impact By Fund:

**1st Year
FY 2004-05**

**2nd Year
FY 2005-06**

General Fund

Total

\$0

\$0

Internal Service Fund

Municipal Building Authority

\$

47,125,000.00

0

Total

\$

47,125,000.00

\$0

Enterprise Fund

Total

\$0

\$0

Other Fund

Total

0

\$0

Staffing Impact:

New Number of FTE's

0

0

Existing Number of FTE's

0

0

Total

0

0

Description

Accounting Detail		Grant # and CFDA # If Applicable:	
Revenue:			
Cost Center Number	Object Code Number	Amount	
66-00660	1974-05	\$	47,125,000.00
Expenditure:			
Cost Center Number	Object Code Number	Amount	
66-00660	2811	\$	47,125,000.00
Additional Description:			
\$10,795,000 is MBA 99A, \$24,935,000 is MBA 99B, and \$11,395,000 is MBA 2001			
Grant Information:			
Grant funds employee positions?		N/A	
Is there a potential for grant to continue?		N/A	
If grant is funding a position is it expected the position will be eliminated at the end of the grant?		N/A	
Will grant program be complete in grant funding time frame?		N/A	
Will grant impact the community once the grant funds are eliminated?		N/A	
Does grant duplicate services provided by private or Non-profit sector?		N/A	

Initiative Name:	Interest on Sales Tax Bonds
Initiative Number:	BA#2 FY2005 Initiative #3
Initiative Type:	Housekeeping
Initiative Discussion:	<p>Sales Tax Revenue Bonds, Series 2004, are variable rate bonds with weekly reset rates and interest paid monthly. The amount budgeted as interest expense for the current fiscal year was based on anticipated interest rates at the time the bonds were issued, September 2004. However, interest rates have risen much faster than expected, and interest expense will exceed the amount appropriated by year end. Furthermore, there are quarterly remarketing fees and letter of credit provider fees that are paid quarterly in arrears. It was thought that the fourth quarter fees would be charged to July, 2005, the month they are paid. However, these costs need to be accrued and the expense charged to FY 2005. A total of approximately \$80,000 is needed to cover interest and fees.</p> <p>The MBA Bond Fund has cash available to cover the anticipated shortfall in the Sales Tax 2004 Bond Fund. The source of these funds is the result of interest earnings in the MBA Reserve Fund that flowed to the MBA Bond Fund and was used for semiannual debt service during the current fiscal year, thus freeing up funds that were budgeted to pay the debt service.</p>

Interest on Sales Tax Bonds			
Initiative Name			
BA#2 FY2005 Initiative #3		2004-05	
Initiative Number		Fiscal Year	
Management Services / Treasurer		House Keeping	
Department		Type of Initiative	
Dan Mulé / Randy Hillier		535-6411 / 535-6641	
Prepared By		Telephone Contact	
General Fund (Fund Balance) Impact		\$0	
Revenue Impact By Fund:			
		1st Year	2nd Year
		FY 2004-05	FY 2005-06
General Fund			
	Total	\$0	\$0
Internal Service Fund			
	Total	\$0	\$0
Enterprise Fund			
	Total	\$0	\$0
Other Fund			
	Total	0	\$0
Staffing Impact:			
New	Number of FTE's	0	0
Existing	Number of FTE's	0	0
Total		0	0
Description			

MAY 05 2005

SALT LAKE CITY RESOLUTION

No. _____ of 2005

(Amending Salt Lake City Resolution No. 36 of 2005
which adopted the Budget of the Municipal Building Authority
of Salt Lake City for Fiscal Year 2004-2005)

A RESOLUTION AMENDING SALT LAKE CITY RESOLUTION NO. 36 OF
2004 WHICH ADOPTED THE BUDGET OF THE MUNICIPAL BUILDING
AUTHORITY OF SALT LAKE CITY, UTAH, FOR THE FISCAL YEAR BEGINNING
JULY 1, 2004 AND ENDING JUNE 30, 2005.

PREAMBLE

On June 17, 2004, the Salt Lake City Council acting as the Board of Trustees,
adopted the budget of the Municipal Building Authority of Salt Lake City, Utah,
including the employment staffing document, for the fiscal year beginning July 1, 2004
and ending June 30, 2005, in accordance with the requirements of Section 118, Chapter 6,
Title 10 of the Utah Code Annotated.

The City's Policy and Budget Director, acting as the City's Budget Officer, has
prepared and filed with the City Recorder proposed amendments to said duly adopted
budget, copies of which are attached hereto, for consideration by the City Council and
inspection by the public.

The City Council fixed a time and place for a public hearing to be held to consider
the attached proposed amendments to the budget and ordered notice thereof be published
as required by law.

Notice of said public hearing to consider the amendments to said budget was duly
published and a public hearing to consider the attached amendments to said budget was

held in accordance with said notice at which hearing all interested parties for and against the budget amendment proposals were heard and all comments were duly considered by the City Council.

All conditions precedent to amend said budget have been accomplished.

Be it resolved by the City Council of Salt Lake City, Utah, acting in its capacity as the Board of Trustees of the Municipal Building Authority of Salt Lake City:

SECTION 1. Purpose. The purpose of this Resolution is to amend the budget of the Municipal Building Authority of Salt Lake City as adopted by Salt Lake City Resolution No. 36 of 2004.

SECTION 2. Adoption of Amendments. The budget amendments attached hereto and made a part of this Resolution shall be, and the same hereby are adopted and incorporated into the budget of the Municipal Building Authority of Salt Lake City, Utah for the fiscal year beginning July 1, 2004 and ending June 30, 2005, in accordance with the requirements of Section 128, Chapter 6, Title 10, of the Utah Code Annotated.

SECTION 3. Certification to Utah State Auditor. The City's Policy and Budget Director, acting as the City's Budget Officer, is authorized and directed to certify and file a copy of said budget amendments with the Utah State Auditor.

SECTION 4. Filing of copies of the Budget Amendments. The said Budget Officer is authorized and directed to certify and file a copy of said budget amendments in the office of said Budget Officer and in the office of the City Recorder which amendments shall be available for public inspection.

SECTION 5. Effective Date. This Resolution shall take effect on its first publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of
_____, 2005.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

(SEAL)

Resolution No. _____ of 2005.
Published: _____.

APPROVED AS TO FORM
Salt Lake City Auditor's Office
Date 5-5-05
By [Signature]

Revenue	FY 04/05 Annual Budget	FY 04/05 Revised Forecast	FY04/05 Variance Favorable (Unfavorable)
Total General Fund	167,549,995	168,917,858	1,367,863
Total Property Taxes <i>Discussion:</i> Property taxes have increased due to two different elements. First, property values for a certain property were incorrectly placed in Salt Lake City's taxing district, resulting in less revenue to RDA and more revenue to the City. It is anticipated that there will be a correction in next fiscal year. Second, the county's allocation process changed for judgement levies, which resulted in the City receiving this revenue. It is one time revenue, that does not add to the base, but will be collected in any year that a judgment levy is adopted.	62,457,887	63,167,059	709,172
Total Sales and Use Tax <i>Discussion:</i> Sales tax is approximately 5% higher than the last three years resulting in a slight increase in revenue with the major industry being business equipment. Questar has had an increase in revenue which will result in increased revenue in the MET tax.	40,188,200	40,964,081	775,881
Total Franchise Tax <i>Discussion:</i> Franchise revenue is a negative due to a slow implementation of the \$1 per linear foot charge.	22,483,972	22,327,708	(156,264)
License and Permits: <i>Discussion:</i> Plan Check fees and building permits have increased in revenue due to the fact that building has increasing.	9,762,000	10,609,447	847,447
Interest income <i>Discussion:</i> Anticipated interest income is down due to rates remaining down.	2,241,250	2,107,660	(133,590)
Total Fines & Forfeiture <i>Discussion:</i> Fines and Forfeitures have a deficit due to an increase in the distribution going to the state for traffic tickets. As well as a decrease in the number of tickets issues in the last 2 months.	9,424,104	8,836,992	(587,112)
Parking Meters <i>Discussion:</i>	1,200,360	1,191,287	(9,073)
Charges and Services <i>Discussion:</i> Charges and Services have a deficit due to timing issues on bills sent out verse payments received.	3,320,840	3,212,897	(107,943)
Total Interfund <i>Discussion:</i> An error was found in the computation of Administrative Fees. This error was corrected resulting in a deficit.	8,634,528	8,533,826	(100,702)