
**SALT LAKE CITY COUNCIL
MAYOR'S RECOMMENDED BUDGET
FISCAL YEAR 2005-06**

DATE: June 14, 2005
SUBJECT: **Potential One-Time Sources and Uses - Budget FY 05-06**
STAFF REPORT BY: Gary Mumford
cc: Sam Guevara, Rocky Fluhart, Chief Rick Dinse, Steve Fawcett,
Laurie Donnell, Kay Christensen, Susi Kontgis, DJ Baxter

Potential one-time uses:

1. Police officer vehicles and equipment (\$32,500 per additional officer)

The Council may wish to consider funding one-time police equipment costs for new officers from one-time sources. The one-time equipment costs for a police officer are about \$32,500 (vehicle \$25,000; radio \$2,500; field laptop computer \$2,100; helmet, badge, vest, etc. \$2,835).

2. Fund one-time costs with one-time sources (\$21,400)

The budget proposes the purchase of software for SLCTV from on-going sources. The Council may wish to fund this one-time expenditure from one-time sources freeing up ongoing fund for other Council priorities.

3. IMS deficit (\$383,000)

The Information Management Services Fund provides a computer lease program to general fund departments. The lease program was not adequately funded, which has resulting in a deficit of approximately \$383,000. IMS has created a plan to recover approximately \$183,000 in fiscal year 2005-06 and \$150,000 in fiscal year 2006-07 to eliminate the deficit. The Council may wish to consider funding all or part of the deficit with one-time sources in order to free up ongoing funds.

4. Economic development assistance during mall reconstruction (\$60,000)

The Mayor proposed using one-time funds relating to the downtown mall area construction to: (1) contract with a construction ombudsperson, (2) fund a downtown access marketing campaign, and (3) fund promotional materials and business relocation assistance. The Council may wish to discuss whether to appropriation one-time funds for this purpose.

Potential one-time sources:

5. Accumulated subrogation reimbursements in the Insurance & Risk Management Fund (\$245,000)

Where possible, the City's risk manager collects money from third party insurance companies (subrogation reimbursements) when employees are injured or City property is damaged due to third party negligence. While collection is in progress, City departments pay for repairs and medical expenses. When subrogation reimbursements are received, the departments are reimbursed if the reimbursements occur in the same fiscal year as the costs. However, subrogation reimbursements relating to a prior-year general fund claims are retained in a separate account. Subrogation relating to enterprise funds is reimbursed to the enterprise funds irrespective of the fiscal year. The accumulated amount of subrogation reimbursements relating to the general fund is about \$245,000. The Council may wish to appropriate these funds for one-time purposes.

6. Surplus in special improvement debt service guarantee fund (\$50,000)

Special improvement district bonding requires the City to maintain a guarantee account with an amount of at least 10% of the outstanding bond amount. The City's current outstanding bond balance is \$114,000 in excess of the required reserve amount taking into account five districts that are under construction or construction will begin soon. Excess amounts in the guarantee fund can be transferred to the general fund. However, since additional special improvement districts will be proposed, it may be prudent to allow some excess funds to remain in the guarantee fund. The Council may wish to consider transferring about \$50,000 to the general fund for one-time uses.

7. Interest on county payment toward ice sheet debt service (\$152,000)

By interlocal agreement in 1999, Salt Lake County agreement to pay the City \$300,000 per year for 10 years to help fund the Steiner Ice Sheet. Debt service on the bonds is currently paid by the RDA. The accumulated county funding will be used for debt service beginning in 2015. Up until May 2005, the City's general fund has been allocating interest revenue to this account. The Council may wish to transfer the accumulated interest earning of \$152,000 to the general fund for Council priorities.

June 13, 2005

TO: City Council Members
City Council Staff

cc: Rocky Fluhart, Deputy Mayor
Sam Guevara, Chief of Staff

FROM: Alison McFarlane
Senior Advisor for Economic Development

RE: Budget and proposed economic development position

In Mayor Rocky Anderson's proposed budget for 2005-2006 you will find a \$55,000 allocation for an additional economic development position. The position would report directly to the Senior Advisor for Economic Development and would be a full time position, dedicated to Salt Lake City's economic development effort, with two primary areas of focus:

1. Retention and expansion. Develop and coordinate a proactive retention program for existing Salt Lake City businesses. Identify target industries (over time all SIC codes will be targeted) for business outreach. Coordinate a "visit business" program to conduct one-on-one meetings with medium to large employers, property owners, real estate executives and developers. Also coordinate a "lease due" program in which businesses in Salt Lake City's commercial core would be contacted by Salt Lake City prior to lease due to provide helpful City information and recognition of the importance of the business to Salt Lake City. Profile businesses in Economic Development newsletter.

Develop business resource sheet with list of contacts and related permit requirements and services.

This area of focus differs from the Small Business Economic Development Manager's main duties as a proactive approach aimed at a broad base of Salt Lake City businesses. The Small Business position serves as a troubleshooter to assist with city process and requires much more labor-intensive work between numerous City departments for one business at a time. The position also oversees the department website, communications, revolving loan fund and business advisory board.

2. Foreign Trade Zone. The Union Pacific transloading facility located at 5600 West and 900 South is generating a surprising number of inquiries for the reinstatement of Salt Lake City's foreign trade zone. The potential of attracting companies that rely on air cargo shipments has increased to the Salt Lake International Airport facilities. It is anticipated that over the next 10 years, much of Salt Lake City's business growth will be in distribution facilities and businesses that rely on strong air, highway and rail access for movement of goods. To reactivate FTZ #30 and identify appropriate subzones will take a coordinated effort, research, potential partnerships and time. These duties would also be assigned to the dedicated economic development position.

If the Economic Development Corporation of Utah is successful in securing the Request for Proposal for the State of Utah recruitment contact, Salt Lake City's Economic Development department will continue to work with EDCUtah on all new recruitment leads and initiate new relationships with businesses outside of the State of Utah for potential recruitment. Most of the recruitment duties will be performed by the Senior Advisor for Economic Development.

SALT LAKE CITY COUNCIL M E M O R A N D U M

DATE: June 10, 2005
SUBJECT: **Legislative Intent Statements**
STAFF REPORT BY: Gary Mumford, Lehua Weaver, Sylvia Jones, Jennifer Bruno

Throughout the budget process, the Council Members will generally identify potential Legislative Intent Statements for adoption with the budget in June.

Based on the discussion during the May 31 briefing, Council staff has reorganized the Legislative Intent Statements. This reorganization includes the following categories:

- A. Potential statements for adoption this year
- B. Open statements from previous years
- C. Ongoing statements from previous years
- D. Statements from previous years that could be closed

The attached list has been compiled in legislative format so that the Council may see where some language changes have been suggested.

Some of the items have been mentioned by individual Council Members during budget discussions and may not have the support of the full Council. Other items have been identified and suggested by staff.

Categories:

- A: Potential Legislative Intent Statements for adoption this year: These statements are items mentioned by Council Members, or items that staff has identified as potential statements the Council might wish to consider for fiscal year 2005-06.
- B: Open Legislative Intent Statements from Previous Years: These would be statements previously adopted by the Council for which the Administration is still working on and will provide further response or status.
- C: Ongoing Legislative Intent Statements from Previous Years: The intents identified in these statements have been implemented by the Administration, and it is the Council's intent that the practice continue to be reviewed and implemented where appropriate.
- D: Statements from Previous Years Suggested to be closed: These intent statements have been explored by the Administration and are either satisfied with no future impact, or are not feasible. The Council may consider closing these items.

A: Potential Legislative Intent Statements for adoption this year

- A1. Junior Golf Passes – It is the intent of the City Council that the Administration explore the option of providing junior golf passes during off-peak hours for City golf courses.
- A2. Parking Fees – It is the intent of the City Council that the Administration research the options for reducing the parking meter fees in the downtown Central Business District, and propose to the Council a plan for adjusting meter rates.
- A3. Fleet Replacement Cycle – It is the intent of the City Council that the Administration analyze the age of city-owned vehicles and maintenance costs associated with vehicles to determine the optimal replacement cycle. Options for adequately funding optimal replacement should be forwarded to the City Council for a joint discussion.
- A4. Fire Engineer at One-Stop Permit Counter – It is the intent of the City Council that the Administration explore opportunities to fund a fire engineer at the One-Stop Permit Counter (e.g. identifying on-going revenue, transferring one FTE from the Fire Department, or setting fees to recover the cost).
- A5. Employee Health Insurance – It is the intent of the City Council that the Administration study the rising costs of health insurance and identify options to help control costs. The study could be combined with a study that the City Library System is proposing.
- A6. Grants for Youth Programs – It is the intent of the City Council that the Administration examine the expiration dates of grants for youth programs and prepare a plan for when these grants expire.
- A7. Mounted Patrols in Parks – It is the intent of the City Council that the Administration explore the option of establishing mounted patrols since a few officers have personal horses and may be willing to use their horses and trailers at little cost to the City.

A8. Funding of Capital Improvement Projects – It is the intent of the City Council that the Administration analyze the updated 20-year CIP plan (once available) and determine the appropriate funding level for the general fund. The City Council intends that no less than 7% of ongoing general fund revenues be invested annually in the capital improvement fund with priority to deferred maintenance. (Current Council policy is 9%.)

A9. Nuisance Cases – It is the intent of the City Council that the Administration provide the Council with periodic reports on the development of nuisance cases.

A10. Irrigation Systems – It is the intent of the City Council that the Administration inventory city-owned irrigation systems with the purpose of identifying priorities for funding upgrades to conserve water and reduce ongoing costs, and present funding options to the City Council for consideration.

A11. Cemetery – It is the intent of the City Council that the Administration develop a financial plan for the City Cemetery since perpetual care fees have been spent rather than being placed in a sinking fund for perpetual care.

A12. Appropriateness of Late Penalties – It is the intent of the City Council that the Administration explore the appropriateness of late penalties, which are sometimes double the normal fee. The Administration could proposed ordinance amendments that phase in late fees depending on the number of days late rather than significant penalties for minor delinquent payments.

A13. Advance Notice of Employee Retirement – It is the intent of the City Council that the Administration explorer the possibility of requiring that employees give advance notice of retirement or providing an incentive for employees to give advance notice of retirement.

A14. Deployment of Speed Boards – It is the intent of the City Council that the Administration explore options for deployment of speed boards without taking police officers away from police patrol or regular business. It is the Council's preference that deployment not involves overtime.

A15. Building Permit Hours of Service – It is the intent of the City Council that the Administration analysis the possibility of expanding hours of service for individual applying for building permits. Hour of service may need to be coordinated with treasurer's office since permit fees are collected by the treasurer's office.

A17. Legal Defense – It is the intent of the City Council that the Administration analyze the appropriateness of the City's costs for providing defense of persons charged with a public offense who are determined by the court to be indigent.

Legislative Intent Statements from Previous Years

B: Open Legislative Intent Statements from Previous Years

B1. Boards and Commissions - It is the intent of the City Council that the Administration continue to review all City boards and commissions that are not mandated by State Statute to determine whether Administrative staff efficiencies can be obtained by combining boards that perform similar tasks, by identifying more effective means for public input where that potential exists, or by eliminating boards that may no longer serve their original purpose. 6/2005 Note: The Administration reports that they are actively considering the possibility of combining the Capital Improvement Program (CIP) Board and the Community Development Advisory Committee (CDAC).

B2. Budget Projection – It is the intent of the City Council that the Administration work with Council staff to update the develop a three-year baseline projection of revenues and expenditures for fiscal years 20052006-20072008, including a listing of basic assumptions for the projection, and develop a plan for how to close any deficit reflected in the projections.

B3. Building License Per Employee Fee – It is the intent of the City Council that the Administration provide an updated cost study for business license fees. Options relating to the per-employee fees should be explored. 6/2005 Note: the Administration expects to have a response to this statement in June.

B4. City Policy Coordination – It is the intent of the City Council that the policies adopted by the City Council be noted by Redevelopment Agency of Salt Lake City employees and incorporated into staff reports to the Redevelopment Agency Board of Directors as relevant so that funding decisions remain consistent between the two organizations.

B5. Impact Fees – It is the intent of the City Council that the Administration review current impact fees to determine whether there are ways to provide incentives to develop within the City, and compare industrial/warehouse space rates to market rates. 6/2005 Note: The Administration plans to bring the contractor's report to the Council in July or August.

B6. Plan Review – It is the intent of the City Council that the Administration bring to the Council a recommendation regarding the possibility of evaluate the potential benefits and cost savings of implementing a program where an authorized private agency or person reviews plans, building sites, etc. in place of the City's zoning, building, and compliance personnel.

B7. Retirement Payouts – It is the intent of the City Council that the Administration compile a list of city workers who are eligible for retirement within the next five years, and address the amount of liability associated with payouts (vacation, leave and other), and propose a plan to the City Council for how to budget for the accrued compensation liability.

B7 would replace the following three previous statements:

Retirement Payouts - It is the intent of the City Council that the Administration develop options and a recommended plan to budget for payments of vacation leave and other retirement payouts.

Funding of Compensation Liability - It is the intent of the City Council that the Administration work with the Council to begin to accumulate a reserve in a separate fund or account to fund the City's accrued compensation liability for vacation and other payments that employees may receive upon retirement. Further, it is the Council's intent that the Administration provide estimates on the potential annual financial impact for the next ten or more years.

Retirement Payouts - It is the intent of the City Council that the Administration consistently budget for payments of vacation leave and other retirement payouts. The Administration should consider budgeting for these payments in a separate fund or account rather than requiring departments to leave positions vacant or otherwise make cuts in operations to finance these payments.

B8. Revolving Loan Fund for Concrete Replacement – It is the intent of the City Council that the Administration explore establishing a revolving loan fund to assist residents in paying their portion of the cost of concrete replacement.

B9. Special Events - It is the intent of the City Council that the Administration prepare a list of the special events held within Salt Lake City boundaries that require the use of City resources in support of the event (Police/Security, refuse collection, park maintenance, etc.) and that the Administration prepare a cost analysis of providing the City services compared to the economic benefit of the event being held in Salt Lake. The data compiled should also identify develop a special event statement that considers the potential positive economic impact of events on the community. The statement may include circumstances where charging reimbursement fees is would be appropriate. 06/2005 Note: The Administration has been working on an amendment to the Special Events ordinance that may address some of these issues.

B10. Take home Vehicles Fees – It is the intent of the City Council that the Administration review take-home vehicles for compliance with the distance limits and other City policies and evaluate the fees charged for taking a City-owned vehicle home since it has been several years since the current fees were established.

C: Ongoing Legislative Intent Statements from Previous Years

C1. Cross-train Inspectors in Community Development - It is the intent of the City Council that the Administration continue to explore opportunities to cross train inspectors in the Division of Community Development for the purpose of enhancing customer service, increasing the efficient use of budget and human resources, expediting the review process to encourage economic development, and reducing the number of visits to each site.

C2. Fiscal Note on Proposed CIP Projects - It is the intent of the City Council that the Administration provides the Council with a fiscal note on proposed capital improvement

projects that require additional ongoing operations and maintenance (new parks, additional buildings, etc.).

C3. Overtime within the Police Department - It is the intent of the City Council that the Police Department make every effort to keep within its overtime budget and submit a written report to the Council on actual overtime incurred and steps taken to reduce reliance on overtime. Specifically, the Council requests that the Administration complete a detailed analysis on approaches to reduce overtime.

C4. Overtime within the Fire Department - It is the intent of the City Council that Fire Department continue to take measures to reduce the reliance on overtime and submit a written report to the Council outlining total amount spent for constant staffing at a straight-time rate and amount spent at an overtime rate. [6/2005 Note: Schedule briefing on the Audit of the Fire Department.](#)

C5. Public Utilities Meter Readers – It is the intent of the City Council that the Administration explore adding to the capacity of handheld meter recording devices the ability for the meter reader to note safety or other concerns.

C6. Risk Management administrative costs of enterprise funds – It is the intent of the City Council that enterprise funds pay for administrative costs relating to investigating and processing liability claims (Governmental Immunity Fund). It is the intent of the City Council that the Administration determine whether it would be appropriate to bill the enterprise funds for the past fees.

C7. Stormwater Reimbursement of General Fund Costs – It is the intent of the City Council that the Administration refine the accounting for the reimbursement from the Stormwater Fund for the leaf bag and street sweeping programs to ensure that the accounting is in the appropriate fund (i.e. General Fund rather than Refuse Fund). Any offsetting operating costs of the Refuse Fund should also be properly reflected. (Public Services) [6/2005 Note: the current budget reflects the implementation of this intent, however Public Services may undergo further changes in compliance with generally accepted principles during the coming year.](#)

C8. Semiannual Reports on the Status of Legislative Intent Statements and Action Items - It is the intent of the City Council that the Administration provides reports regarding the status of all active legislative intent statements (including unresolved statements from previous years and statements adopted outside of the official budget process) and all active legislative action items. The semiannual reports are to be submitted to the Council Office by January 31 and the first Tuesday in May each year.

C9. Volunteers - It is the intent of the City Council that the Administration identify City services that could be augmented by volunteers and provide the Council with a report of the use of volunteers excluding board members.

D: Statements from Previous Years suggested to be closed

D1. Contract with U.D.O.T. for Traffic Control Center - It is the intent of the City Council that the Administration investigate the feasibility and costs of contracting with

U.D.O.T. for traffic control center services. It is the intent of the City Council to increase efficiencies and avoid duplication.

D2. Review City Fees – It is the intent of the City Council that the Administration review fees charged by divisions such as petition fees, subdivisions fees, etc. to determine the level of cost recovery. It is the intent of the City Council that the focus be on those fees that have not recently been reviewed.

Council Staff will check with the Library staff on the following Intent Statements:

Library System Exchange Agreements – It is the intent of the City Council that the Salt Lake City Library System Board of Directors and administrators review all exchange agreements that the Library System has with other libraries, including the interlibrary loan program, to determine the costs to the Library System, revenue the Library System receives from the agreements, and whether the revenue wholly offsets the Library System's costs to participate in the exchange agreements. It is the City Council's intent that the Board and administrators report their findings to the City Council when the review is complete.

Library System Revenue Sources – It is the intent of the City Council that the Library Board explore how the Library System can identify and cultivate other revenue sources besides property taxes to defray operating and capital costs.

Library Fiscal Controls – It is the intent of the Council that controls be put in place to require that any transfer of funds between the basic Library budget and the Library contingency and capital funds be approved by the City Council.