

**SALT LAKE CITY COUNCIL STAFF REPORT**  
**BUDGET ANALYSIS – FISCAL YEAR 2005-06**

**DATE:** May 24, 2005  
**BUDGET FOR:** **CAPITAL IMPROVEMENT PROGRAM FUND**  
**STAFF REPORT BY:** Jennifer Bruno, Policy Analyst  
**cc:** Rocky Fluhart, Sam Guevara, Louis Zunguze, Luann Clark, Sherrie Collins, Steve Fawcett

---

**CAPITAL IMPROVEMENT PROGRAM BUDGET FOLLOW-UP DISCUSSION**

The Council had a preliminary discussion regarding funding allocation for the fiscal year 2005-2006 Capital Improvement Budget. The following items were decided upon in that discussion:

1. Debt projects 1-6 were funded in the amounts recommended by the Mayor, for a total of \$13,995,165. The Council decided not to bond to pay the City's portion for the Salt Palace expansion project. The Council decided to delay a decision regarding bonding for the Fleet Facility renovation project until more information was gathered on a potential alternate Fleet Facility site.
2. The Council made a preliminary decision to allocate \$733,000 from CIP contingency fund balance (the approximate amount to bring total CIP funding to 7%). During the discussion the administration indicated that there is approximately \$1,400,000 million in CIP fund balance currently, and that there is a planned budget opening in June to request \$205,000 from CIP fund balance to pay for a boiler for the Steiner Aquatic Center. If both of these draws are approved, approximately \$462,000 would remain in CIP fund balance.

The Council decided that other funding decisions could be discussed further into the budget process, with the request that the Administration identify projects that are of a time-sensitive nature so that the Council may prioritize their discussion accordingly. The Administration has responded that the following projects are time-sensitive:

**Item #12, Parks 1 - Liberty Park Concessions Project \$600,000** – Engineering has designed the concession building with prior year funds and has available a portion of funds for the construction of the building. As per City policy, the project cannot be bid until all funding is available for the construction contract. The appropriation of the \$600,000 will allow the project to be bid, awarded and construction started the end of August 2005, with a completion date of May of 2006. The August start date will allow the existing building to be used through the 2005 summer season and this schedule will be less disruptive to the concession services provided at Liberty Park.

**Item #19, Parks 2 - Wasatch Hollow Pavilion \$40,000** - A pavilion, designated for Wasatch Hollow Park was donated to the City by Poligon, the manufacturer and is currently being stored at the parks facility. Site improvements that need to be completed before the pavilion can be installed are sidewalks, grading, footings and concrete slab under the pavilion, lights, irrigation system revisions and picnic tables. Parks anticipates that if funding is awarded now, the project can be completed by early fall of 2005.

### New/Updated Information

Council staff has received new information regarding a funding request to replace approximately 500 feet of deteriorated fence on City owned property along 1700 East (project #64). The funding request is for \$107,000. However, a new design has been presented that the residents are supportive of, which is considerably less than the requested funding amount. The new design bid has come in at \$40,000. Further details are attached to this staff report.

---

The following information was provided previously for the Council Work Session on May 5, 2005. It is provided again for your reference.

---

### **CAPITAL IMPROVEMENT PROGRAM BUDGET RECOMMENDATION**

The Mayor presented his budget for Fiscal Year 2005-2006 on Tuesday, May 3. The following staff report details the proposed Capital Improvement Budget.

The Administration recommends funding CIP from the general fund in the amount of \$18,562,481 (approximately 6.5% of the general fund revenue), a reduction of \$812,000 over the 7% funding in FY 2004-2005. Of this amount, \$14,409,881 is pledged to debt service, leaving \$4,152,600 left for other projects. (Note: To restore CIP funding to 7% of this year's general fund revenue, the CIP fund would need approximately \$733,000. To restore CIP funding to the Council's general policy of 9% funding, the CIP fund would need approximately \$4.02 million.)

\$6.4 Million in MBA bond refunding from the freed reserve funds have been proposed to be placed in the CIP fund, but the Mayor's proposed budget does not include specific recommendations for allocating the \$6.4 million. The Council may wish to discuss how to use these funds specifically.

The following are specific projects the administration has identified as "major projects" to fund in FY 2005-2006:

- o The Mayor is recommending \$600,000 towards Liberty Park renovations, and \$800,000 for Phase I of Pioneer Park renovations (including a heritage garden, history walk, playground, promenade for the farmer's market, a great lawn, a café

and restroom building, a dog park, and bocce, volleyball, and basketball courts). Further details regarding these park improvements will be provided in the Council's briefing session.

- \$600,000 is proposed for citywide projects in sidewalk rehabilitation and ADA improvements, and \$1,500,000 is recommended for reconstruction and rehabilitation of deteriorated streets and sidewalks citywide. (\$604,558 was appropriated in the CDBG process for these categories in CDBG eligible areas).

Fifteen (15) non debt-related projects have been approved for funding from general fund CIP by the Administration, for a total of \$4,152,600. Eight (8) debt-related items have been approved for a total of \$14,409,881. Other specific projects the Council may wish to consider for further discussion include the following:

- A first year bond payment in the amount of \$205,024 has been assumed for payment on a bond to cover the \$8 million City contribution towards the Salt Palace expansion. The Council may wish to discuss this as part of a larger discussion regarding the financing options that the City has to pay the contribution to the Salt Palace Expansion.
- A bond payment in the amount of \$209,692 has been budgeted for a bond to pay for improvements to the Fleet Facility. This would be a new bond issuance. According to the administration, the amount in the budget this year is for the first year's interest payment. The City would not bond until the late summer or early fall. The total cost of the bond (including cost of issuance) would be roughly \$6,650,000. Yearly bond payments would be approximately \$500,000 (depending on interest rate).

The Administration will provide the Council a complete log of all CIP project applications for the Council's discussion on Thursday May 5<sup>th</sup>.

## **CAPITAL IMPROVEMENT PROGRAM BUDGET PROCESS**

The Capital Improvement Program is a multiyear planning program that uses three main planning documents: a 20 Year Inventory of Capital Needs, a 5 Year Capital Improvement Plan, and each fiscal year's capital budget. Following the Mayor's presentation of his recommended budget on Tuesday May 3<sup>rd</sup>, you will receive a schedule of the proposed capital budgets for fiscal year 2005-06 with ranking information from the CIP Board, Administrative Staff and the Mayor. The schedule identifies all of the projects that were submitted for funding with the Mayor's recommendations and the priority rankings of the Citizens Advisory Board and Administrative staff. The City Council makes the final determination of projects to be funded. Council staff will project the schedule on the screen during your work session discussion.

The Administration accepts applications for capital projects from citizens and City departments each year for consideration for recommendation by the Mayor to the Council for funding. All applications are reviewed by the CIP Citizens Board and a team

of City staffers from each department who specialize in capital projects. The Administration will provide the Council Office with a three-ring binder of the applications. Copies of each project application can be made if Council Members desire.

During the past two years, the Council has appropriated funds for debt service and time sensitive projects during the annual budget process and waited until later in the summer to make other appropriations. The Council may wish to determine whether it wants to pursue this same course of action or whether the Council wishes to appropriate the entire amount of CIP funding during the annual budget process.

### **COUNCIL POLICIES REGARDING CAPITAL IMPROVEMENT PROGRAM**

On April 6, 1999 the City Council adopted a resolution entitled "Council Policies Regarding Salt Lake City's General Fund Capital Improvement Program." This resolution specifically stated the Council's intentions that the Administration regard the resolution as the Council's policy objectives for the City's General Fund CIP Program. In December 1999 the Council adopted a resolution entitled "Salt Lake City Council Capital and Debt Management Policies" which set forth the capital and debt-management policies that were intended to guide the City in addressing the deferred and long-term infrastructure needs of the City. In December 1999, the Council also adopted an ordinance (which was amended in May 2000) establishing impact fees on new development within the City. Revenue from these fees are dedicated to fund those capital projects which are directly attributable to growth.

Some of the Council's capital improvement program policies are highlighted as follows:

- Establish a formal multi-year capital program
- Link the 20-year needs list and the annual capital budget
- Identify the extent and cost of deferred maintenance
- Utilize condition information to select and prioritize capital projects
- Focus attention on the long-term implications of capital decisions
- Identify full life cycle project costs
- Prepare multi-year revenue and expenditure forecasts
- Give priority to capital improvement projects that reduce current City maintenance requirements.
- Continue taking advantage of one-time opportunities to supplement base budget CIP (i.e. one-time revenues, particularly from the sale of real property).
- Maintain a capital improvement prioritization process that allows citizen and community input.
- Provide ongoing funding to address capital improvement needs of the City. (Council's policy is that at least 9% of on-going General Fund revenue be allocated to the CIP Fund. Class C, federal funds, impact fees, and one-time monies are all in addition to the 9%. For fiscal year 2004-05, the Mayor proposed a one-time reduction to approximately 7%.)

## **“SPECIAL” ITEMS WITHIN THE CIP BUDGET**

### **Impact Fees**

Impact fees are a financing tool that enables the City to address some of the infrastructure necessitated by new growth without further deferring current infrastructure needs. Impact fees cannot be assessed to address issues of deferred capital infrastructure. Revenue collected from impact fees must be expended or encumbered within six years after receipt, unless the Council identifies, in writing, an extraordinary and compelling reason to hold the impact fees longer. Under such circumstances, the Council must establish an absolute date by which the impact fees will be expended. The Council may wish to ask the Administration whether some of the CIP applications qualify for partial funding from impact fees.

An independent consultant has conducted an analysis of impact fees in Salt Lake City and is prepared to make recommendations regarding impact fees in the future. Changes to the current impact fee structure are not included in the Mayor’s proposed budget. The Council may wish to defer allocating this area of CIP project funding until after the consultant’s findings are heard, as they may affect the amounts to be allocated. The administration is expected to provide these findings sometime in May and the Council Chair has indicated that the presentation of the consultant and discussion of this topic can be determined once the budget process is underway.

### **Traffic Calming**

The City’s Traffic Calming subcommittee is scheduled to meet next week and has not yet finalized recommendations. In the past, the Council has discussed a certain amount of CIP funds be allocated each year, for the non-construction traffic calming solutions such as radar-activated speed limit signs, slow signs, etc., and allow the Transportation Division to use these as they see fit on streets that qualify using their previous point system. Traffic calming is to be considered in all street reconstruction (nothing more severe than speed tables, but primarily bulb-outs, narrowing streets, etc.) for streets that are warranted based on their criteria. In the past, Council Member Buhler has also suggested that the Council adopt a policy that traffic calming CIP projects can be considered only on eligible streets as determined by the Transportation Division; before going to CIP Board applicants must obtain the approval of the Transportation Advisory Board; funding will include testing before construction can begin; and any CIP traffic calming projects that are approved must, prior to testing, include a presentation to the applicable community council (or possibly after testing but prior to construction).

The administration recently estimated that if the City pledged \$250,000 per year, it would take the City roughly 25 years to complete the 100 requests for traffic calming projects there are currently.

**Sweeten, Maria**

**From:** Cook, Dell  
**Sent:** Thursday, May 19, 2005 8:41 AM  
**To:** Sweeten, Maria  
**Subject:** 1700 East Fence Reconstruction  
**Categories:** Program/Policy

Maria

The low bid that I have received for the 1700 East Fence/Railing is from Miller Paving (see copy that I gave you on Wed. 5/18/05). The break down is as follows:

Materials	\$12,000.00
Labor & Painting	\$20,400.00
Mobilization & Traffic Control	\$ 970.00
Construction Contingency = 10%	\$3,315.00
Design and Project Admin. 10%	<u>\$3,315.00</u>
Total Funding Request	\$40,000.00

Please let me know if you have any questions. Dell Cook

# Miller Paving Inc.



Member A.G.C.

P.O. Box 571039, Murray Utah 84157-1039

Telephone #: 801-262-5922

Fax #: 801-262-3254

## Transmittal

To: SALT LAKE CITY ENGINEERING

Date: 05/13/05

Fax #: 535-6093

Attn: DALE

Pages: 2

From: FRANK

1.) 1700 East Rail system bid

**VAULT COPY**

# Miller Paving, Inc.



MEMBER A.G.C.

P.O. BOX 571039 / MURRAY, UTAH 84157-1039 / (801) 262-5922 / (801) 262-5974 (FAX)

May 13, 2005

Mr. Dell Cook  
Salt Lake City Engineering Division  
349 South 200 East Street, Suite 100  
Salt Lake City, Utah 84111

Re: New Railing System for 1700 East 2200-2300 South

Dear Dell,

Miller Paving Inc is pleased to provide you a price for the above-mentioned project. The breakdown is as follows:

- 1.) Mobilization: Placement of traffic control devices for a thirty-day period. Devices include 4 each signs and 30 each Type 1 barricades.  
A.) Traffic Control Devices = \$ 970.00
  - 2.) Railing System: Removal of existing railing and haul-off to a landfill (wood members), Straightening of existing Rail Road rails (as best as possible), Placement of top 8" channel and 3 sets of 3/4" Stainless Steel cable (cable holes will be burned), Anchoring of said cable to two each footings, Painting of existing posts and new top rail.  
A.) Rail System: = \$32,400.00
- Total Bid:** = \$33,370.00

If you have any questions feel free to contact us at 801-262-5922.

Sincerely,

Frank L. Burns ASPE  
Project Manager-Estimator/Miller Paving Inc.



# Legacy Landscape Construction, Inc.

12494 So. 1510 W.

Riverton, Utah 84065

PH: 801-446-8055 Fax: 801-446-1085

## FAX COVER SHEET

Date: 5/17/05

2 pages including cover sheet

To: S.L.C. ENGINEERING

Fax: 535-6093

Attn: DELL COOK

From: SHAUN BEAL

RE: 1700 E. FENCE PROPOSAL

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Confidentiality Statement

The information contained in this facsimile transmission is intended ONLY for the recipients named above. If the reader of this message is not the intended recipient's agent, you are hereby notified that any dissemination, distribution or copying of the information contained in this facsimile transmission (other than to the intended recipient) is prohibited.

If this transmission has reached you by error, you are asked to notify us as soon as possible at the telephone number shown above and destroy the facsimile documents.

# VAULT COPY

# LEGACY LANDSCAPE CONSTRUCTION, INC.

12494 South 1510 West, Riverton, Utah 84065

(801) 446-8055 Fax (801) 446-1085

## PROPOSAL

Date: 5/17/05	Job Name: 1700 EAST FENCE
Name: S.L.C. ENGINEERING	Job Address:
Address: ATTN: DELL COOK	
	Job Phone:
Phone:	

We hereby submit specifications and estimates, subject to the terms and conditions set forth as follows:

STRAIGHTEN OLD POSTS AS FEASIBLY POSSIBLE, REMOVE OLD  
WOOD CAP/RAILS, INSTALL NEW CHANNEL CAP & STEEL  
CABLES, PAINT NEW FENCE

TOTAL \$36,197.00

-NOTE: ALL ASPHALT PATCHING BY OTHERS, IF REQUIRED.

We hereby propose to furnish material and labor— complete in accordance with above specifications, for the sum of: \_\_\_\_\_ dollars (\$ \_\_\_\_\_)

Payment to be made as follows:

Note: This proposal may be withdrawn by us if not accepted within 10 days.

Authorized Signature: SHAWN BEN

Accepted: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



