

## SALT LAKE CITY COUNCIL STAFF REPORT

### BUDGET ANALYSIS – FISCAL YEAR 2008-09

**DATE:** May 20, 2008

**SUBJECT:** **UNRESOLVED ISSUES**  
**OVERVIEW OF MAJOR BUDGET ISSUES**  
**MAYOR’S RECOMMENDED BUDGET**

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### **Outstanding/Unresolved Issues/Follow-up Information**

1. Truth-in-taxation process – If the Council approves the Mayor’s recommended budget for property tax, because the City would technically be increasing the rate, the City will have to hold a truth-in-taxation hearing. The City will also have to have a truth-in-taxation hearing if the Council adopts a judgment levy on either the Library, GO Debt, or General Fund. *A judgment levy is a one-time, one-year rate applied to properties in order to offset the “judgments” in value that are approved by the County Board of Equalization (if the Board of Equalization reduces the assessed value of a property because the owner protests, the taxing entities are given an opportunity to recoup that reduction in value through a separate levy).*
  - The entire process for increasing property tax rates is governed by State Code (59.2.919), and is referred to as “Truth in Taxation.”
  - After the Council adopts the budget, if it includes a tax increase - The City will prepare a notice (wording in the notice is defined by state law), in conjunction with and approved by the State Tax Commission, which will state the current average value of a home in Salt Lake City (determined by the County Assessor’s office), what the proposed rate increase would mean in terms of yearly dollar amount on that average home, and what the property tax dollar amount would be on that average home without the rate increase. The notice is very detailed and the wording is set by state law.
  - The notice will then be published over the months between budget adoption in June, and the Truth in Taxation hearing, which is required by law to be in August. State law dictates that the notice cannot be in the classified or legal section, that it must be no less than ¼ page in size, and that the advertisement must appear at least one day per week.
  - The City Council has already given notice to the County that if the City elects to conduct a Truth in Taxation hearing, it will be on August 12, 2008 at 7pm (State Law requires notice be given to the County by March 1). Overlapping taxing entities may not have Truth in Taxation hearings at the same time (for example if the County was proposing a tax increase they could not have their hearing at 7pm on August 12<sup>th</sup>). If they needed to have it on that day, it would have to be scheduled at a different time, but state law dictates that these hearings may not take place before 6pm.

- The City Council may elect to use the time between budget adoption in June and the public hearing in August, to inform the public about the proposed changes through various ways (newsletters, e-mails, open houses, work session briefings, etc). *The Council may wish to discuss these ideas further as a group or in the various subcommittees.*
  - The Council will hold the public hearing on August 12, 2008. At the conclusion of the hearing, the Council can move to adopt the new tax rate, and ratify the previously adopted budget.
  - If the Council chooses to not adopt the new tax rate at that time, the budget will need to be re-balanced. Note: This is difficult timing to re-balance the budget, as Fiscal Year 2009 will already be well under way (new FTEs may be hired, money may have been spent, etc.). The City Attorney's office is in the process of examining the potential steps that could need to be taken in this scenario.
2. Sales Tax Revenue – Council Members asked staff to compare our projected Sales Tax revenue for FY 2009 with other municipalities in the state. Council Staff surveyed Finance personnel from other comparable municipalities. The general consensus seems to be that growth between FY 2008 and FY 2009 will be dramatically lower than growth between FY 2007 and 2008 (with the exception of West Valley City, who budgeted for a comparatively modest growth in Sales Tax in FY 2008).
- The City of Ogden is estimating a \$200,000 decrease in property taxes, from a base that they adjusted downward in mid-year FY 2008, because actual receipts were coming in far below budgeted. FY 2008 had budgeted a 22% growth over FY 2007, and it was adjusted mid-year down to 4%. The FY 2009 decrease is less than 1%, reflecting a flat budget.
  - The City of Layton is proposing to budget for a 2% growth in Sales Tax, after budgeting for a 6% growth in FY 2008. This is due to their actual revenue in FY 2008 coming in under what they budgeted for (actual revenue is closer to the 2% growth figure).
  - The City of Provo is proposing a decrease in sales tax revenue of 0.6% for FY 2009, using actual revenues as they come in, as well a computer modeling system which factors in other economic indicators (unemployment, growth, etc). The proposed decrease is in contrast to the 17% growth (compared to FY 2007) that was budgeted in FY 2008.
  - West Valley City is proposing a 5% increase in Sales Tax Revenue for FY 2009, which is up from 3.9% budgeted growth between FY 2007 and FY 2008.
3. Employee Health Insurance – additional information – The Administration has provided information to Council Staff from the Employee Benefits Committee. This information was used to inform the Benefits Committee recommendation that the City move to a 95/5 split for Summit Premiums:
- The City has investigated each year of switching to a different health care provider (IHC, Blue Cross, Etc). However, PEHP charges the lowest Administrative fees (PEHP is 4% compared to 20% for Blue Cross Blue Shield) and as such the City has elected to remain with PEHP.
  - Between FY 1995 and FY 2009, the average medical plan increase has been 7.73%. There have been many years with little or no increases. The largest

increase was in FY 2001, with a 32% increase. This was to address the City's negative cash reserve situation.

- Up to July 1995, the City contributed 74% toward the employee's medical premium, with the employee covering 26%.
- After 1995, the City elected to cover 100% of the employee's premium, with the employee paying any extra for spouse and/or children. This change resulted in mandatory enrollment (so employees would not self-select in or out of the plan).
- Two years ago, the Benefits Committee recommended the City cover 100% of premium costs for all employees, spouses and children (on Summit Care), because of PEHP's new contract with Altius, which provided a cost effective plan. The intent was to get as many employees to switch to this plan as possible. 94% of employees not on Summit Care switched.
- The inclusion of Adult Designees has not caused any disproportionate burden on the plan. The claims experience average shows that it is the same cost as insuring a spouse.
- Due to the City's low turnover rate and increasing age, claims experiences have caused the reserve fund to dip from \$1.3 million to \$815,000. PEHP encourages the City to keep a health reserve to allow for unexpected medical claims.
- The recommendation from the benefits committee of 14% will help increase this reserve, as well as fund a wellness program, to be coordinated by a PEHP employee (12% will be used to fund premium increases, 1% to fund reserves, and 1% to fund the wellness program). This employee will be dedicated to the City, and will, over the next year, set up a complete wellness program tailored to City employees. This could include nutrition, health coaching, fitness facility memberships and/or a central City employee fitness facility. *The Council may wish to ask for further information about this program.*
- It should be noted that increases and shares of total premiums paid by employees are as follows:

Proposed Health Insurance Premium Changes						
summary of current and proposed bi-weekly payments by plan (full time employees)						
	Current			Proposed		
	City Share	Employee Share	% of Premium Paid by Employee	City Share	Employee Share	% of Premium Paid by Employee
<b>Preferred Care</b>						
Single	\$ 129.18	\$ 47.84	27%	\$ 139.90	\$ 61.90	31%
Double	\$ 290.68	\$ 115.59	28%	\$ 314.81	\$ 148.34	32%
Family	\$ 387.56	\$ 143.57	27%	\$ 419.73	\$ 185.76	31%
<b>Advantage Care</b>	\$ 129.18	\$ 25.84	17%	\$ 139.90	\$ 36.82	21%
Single	\$ 290.68	\$ 93.59	24%	\$ 314.81	\$ 123.26	28%
Double	\$ 387.56	\$ 121.57	24%	\$ 419.73	\$ 160.68	28%
Family						
<b>Summit Care</b>						
Single	\$ 129.18	\$ -	0%	\$ 139.90	\$ 7.36	5%
Double	\$ 290.68	\$ -	0%	\$ 314.81	\$ 16.57	5%
Family	\$ 387.56	\$ -	0%	\$ 419.73	\$ 22.09	5%

The Council Chair and Vice Chair have recommended scheduling a comprehensive briefing to address the issues raised by the Council Members:

- *Health Savings Accounts (HSA)* – The Administration indicates that PEHP will be analyzing the City’s claims data over this year, in order to report to the Benefits Committee next year to see what positive or negative effects City employees could see if the City implements an HSA plan.
- *Premium Increases compared to other agencies* – The Administration indicates that the size, age, and low turnover rate of the City’s workforce all work against premiums decreasing. The Administration has provided a sample of information of other groups cost increases as of January 2008 (see table below). The Administration has indicated that the 14% increase and proposed restructuring this year is an effort to realize smaller increases in coming years.

<u>Group</u>	<u>Funding Increase</u>
LGRP - January	6.51%
LGRP - July	3%
Provo City	19%
Utah County	23%
Salt Lake County	10%
State of Utah	Pref. <u>24.7%</u>
	Advantage <u>0%</u>
	Summit Care <u>0%</u>
Salt Lake City	14%

\*LGRP represents Local Governments Risk Pool, which is a multi-employer risk pool. LGRP Plan Year is effective January 1 or July 1, for a 12 month period. In addition, each Plan has three separate options with varying deductibles which allows the groups of the LGRP to customize their plans.

\*\*Note: Benefit Design Varies by Group and is an integral part of the funding level.

*The Council Chair and Vice Chair have indicated that they would like to have a broader policy discussion of the future of City health insurance in coming years, after the budget is adopted.*

*The following information was provided previously for the Council Work Session on May 13, 2008. It is provided again for your reference.*

On May 6, 2008, Mayor Becker presented his recommended budget for fiscal year 2008-09. Council staff has prepared this overview and will provide a more detailed analysis of proposed department budgets prior to each briefing. A synopsis of the proposed city-wide budget is on the last page of this overview.

\*\*\*Staff has included in **Appendix K**, the Council’s policy goals identified at the 2008 retreat, as well as the individual budget priorities forwarded to the Administration in April.\*\*\*

1. General Fund revenue – The proposed budget contains \$204,110,514 of on-going general fund revenue and \$5,044,803 of one-time sources for a total of

\$209,155,317. (See **Appendix A** for a more detailed summary of general fund revenue.)

- a) This is \$7,244,265 more revenue than adopted in FY 2008 (3.6% increase). The majority of the revenue increase is due to the increases in Business license, Building and Plan Review fees and Parking Ticket fees (approximately \$3.9 million total) as well as a \$1.5 million increase from FY 2008 adopted budget for property taxes (see item c below). For more detail on proposed fee increases, see **Appendix I**. *The Council may wish to ask the Administration if Vest Pocket or other Business Organizations were consulted or briefed on the proposed fee increases.*
  - b) Of the projected on-going revenue increase, \$390,020 relates to growth/inflation (5% of revenue growth) and \$6,845,027 relates to **new or increased fees** (95% of revenue growth). See **Appendix B** for a comparison of revenue growth due to inflation vs. fee increases. Sales taxes are projected to grow 1.6% over last fiscal year's adopted figure (\$800,000). This is lower than the increase projected by the Chief Economist for Wells Fargo at the Governor's Economic Forum (5.5%), and is lower than the City has projected in recent years (growth was budgeted at almost 14% last fiscal year), in order to be sufficiently conservative given the current unsure state of the national economy. *The Council may wish to ask the Administration for their long-term revenue strategy, given that fee increases will not generate additional revenue growth in FY 2010, but City expenses for employees will likely grow.*
  - c) Property taxes - The Administration is proposing an alteration to the City's property tax rate to **budget** for FY 2009 the same amount that we **actually received** as a City in FY 2008. Because the City received \$1,500,000 more in property tax revenue than we budgeted for last year, increasing next year's property tax **budget** to generate this amount in FY 2009 will require a truth-in-taxation hearing. In theory, a homeowner should see no change in their City portion of the property tax bill between this past year and next year (unless there are increases due to typical neighborhood valuation changes and/or general obligation debt). *The Council may wish to Ask the Administration to clarify why actual revenues were greater than budgeted in FY 2008, or may wish to request a separate detailed briefing on this issue.* Note: Council Staff is continuing to research this issue, and will provide more information as it becomes available. Staff will also provide more detailed information on the truth-in-taxation process as the budget briefings continue.
  - d) The one-time revenue includes \$1,866,000 relating to the Downtown Reconstruction Project. These fees were also planned as one-time revenue in FY 2008, but due to delays in construction and permitting, they will not be collected by June 30, 2008. Therefore they are budgeted again in FY 2009.
2. General Fund expenditures - The proposed budget contains expenditures of \$209,155,317, which is a growth of \$7,244,265 or 3.6%. As a comparison, the adopted budget for FY 2008 was a 7.8% increase over FY 2007. (See **Appendix C** for a summary of proposed general fund expenditures.) Included in the proposed budget is \$1,894,748 of expenditures that the Administration considers one-time needs, that are paid for with one-time revenues. The remaining one-time revenues (approximately \$3.1 million) are dedicated to CIP. See **Appendix D** for a summary of one-time general fund expenditures.

3. Fund Balance - The expenditures budget proposes the use of \$1,258,803 of fund balance of the general fund.
- a) In the past, the Council has had a policy of maintaining a fund balance of at least equal to 10% of general fund revenue.
  - b) In conjunction with the FY 2008 budget, the Council adopted the following legislative intent relating to fund balance:  
*It is the intent of the City Council that the Administration identify a process to restore fund balance to 15% of general fund revenue as reserves for unforeseen events or emergencies, and establish 15% of fund balance as a target for the minimum amount allowable (rather than the previous 10%).*  
 The following chart shows fund balance before including uses in the Mayor's proposed budget.
  - c) **Appendix E** summarizes current and proposed fund balance levels. Approximately \$1 million is estimated to drop to fund balance at the end of FY 2008. After this drop, fund balance will be at 11.9% (\$3.7 million above 10%). The Mayor's proposed budget includes using \$1.26 million from fund balance to pay for one-time expenditures. If the Council adopts this amount, fund balance will be at 11.26% (\$2.5 million above 10%). *It should be noted that this direction is counter to the Council's legislative intent – although it is consistent with the currently adopted 10% policy.*
4. Proposed FTE Changes – The Mayor's Recommended Budget for the General Fund proposes 31.13 new FTEs (not including the 15 FTEs authorized during this fiscal year in budget amendments), transfers 3 FTEs to other funds, and eliminates 28.50 existing FTEs, for a net decrease of 0.37 FTEs in this proposed budget. Compared to the amended FY 2008 budget (which added 15 FTEs), it is a net increase of .63 FTEs. (See **Appendix F** for a summary of changes in overall FTEs by department). Many other FTE changes are proposed, including transferring functions between departments/divisions (**Appendix G** details all proposed FTE changes by position). The following are proposed major shifts between departments:
- a) Creation of Office of Chief Administrative Officer – This office will function as it's own department and will have 8.5 FTEs, 6.5 of which are transferred from other Departments (Assistant to CAO, Office of Sustainability, including Recycling and Environmental Manager, Emergency Management Staff, Civilian Review Board Administrator). *The Council may wish to discuss the policy background for the creation of this new department, and the long-term budget implications due to the elimination of the Deputy Director and Administrative Assistant in Management Services. A number of the typical functions of the City's Chief Administrative Officer position are currently being addressed by the Mayor's Office in this particular Administration (transmittals, etc). The Council may wish to clarify the distinction between the Mayor's Office functions and the Chief Administrative Officer functions.*
  - b) Shift of Sorenson and Unity Center operations from Public Services to CED – This will shift 27.26 positions that would have been located in the Youth and Family Division of Public Services to the Housing And Neighborhood Development Division of Community & Economic Development. The budget associated with this shift (including one-time

operating expenses from the Unity Center trust fund) is approximately \$2.2 million.

- c) Currently the City Recorder functions as the Chief Information Officer of IMS. The Administration is proposing to separate out this function. The City Recorder is proposed to be a separate position from the CIO of IMS. Years ago these positions were merged, and the proposal is to restore them to separate positions.

5. Proposed cost-of-living and step increases – The Mayor’s Recommended Budget includes a citywide cost-of-living increase. Merit or step increases are also proposed for laborers (100 series), office/clerical (200 series), fire fighters, and police officers (except for those employees already at the top step). The proposed cost-of-living and step increases are still the subject of ongoing negotiations. The Administration is available to discuss labor bargaining in executive sessions. Council staff will provide more detail in a staff report later in the Council’s budget review process.

6. Health insurance – The City is self-insured for employee health coverage. To maintain the current medical plan benefits, a premium increase of 14% is requested this year. The total increased cost that the general fund will bear is \$1,115,738. In order to keep costs to the general fund manageable, the Administration is proposing that City employees will now split the cost of premiums with the City, and will contribute 5% of their premium cost. Currently, health insurance premiums are included in the employee benefits package at no extra cost to the employee.

- a) Because the split is structured as a percentage of total premium costs, employees with double or family coverage will be paying a larger amount for health insurance than employees with single coverage. See chart:

Proposed Health Insurance Premium Changes summary of current and proposed bi-weekly payments by plan (full time employees)				
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- b) Before FY 2007, the premium structure did charge employees with family coverage more than employees with double coverage (employees with single coverage were not required to pay previously).
- c) As a side note, because of the City shifting to this plan, employees will now be able to “opt out” of health coverage if they so choose, and will not be required to pay.

- d) The City employee benefits committee (a committee made up of 8 employees representing current and retired City employees), reviewed this proposal and recommended the proposal that is included in the Mayor's budget. Data has been reviewed in great detail by the Administration.
  - e) The Council may wish to ask the Administration for further details regarding this shift.
7. Pension premium increase – Pension costs are increasing \$698,486 for the General Fund. The increase in the retirement contributions are as follows:
- a) Firefighters increased \$189,285 - 11%;
  - b) Public Safety Noncontributory – \$315,456 – 3.8%;
  - c) Public Employees increased \$193,745 – 4.3%
8. Capital Improvement Program funding from General Fund (\$23,182,686) – The 10-year CIP plan recommends average funding from the general fund to be 7.95% of general fund revenue. The Mayor's recommended budget contemplates funding at an amount equal to 7.95% of general fund revenue (Approximately \$3.1 million is one-time, and as such, is not "technically" the on-going goal of 7.95% of on-going revenue). Without this one-time money, the amount of on-going revenue dedicated to CIP would be closer to 6%. Of the \$23.2 million slated for CIP projects, \$7,730,907 million is scheduled for General Obligation bond debt (dedicated directly from property taxes). Another \$8,215,928 is scheduled for other bond debt payments (*this includes a payment of \$596,084 for the new sales tax bond for the Fleet Facility projects. The bond has not yet been authorized to be issued. The Council may wish to discuss details of the project further. The Council does have to take formal action to issue the bonds and could review the project at or before that point*). This leaves \$7,235,851 for other projects (up from \$6.6 million available for other projects in FY 2008). The Mayor and the CDCIP Board have reviewed all funding applications and made recommendations. The Mayor's recommendations are included in **Appendix H**. The Council will receive an in depth briefing regarding the CIP funding applications later in May.
9. Overall Fuel Increases – Overall the cost to the general fund for fuel is proposed to increase by \$670,269. The cost of fleet fuel for the City has increased 53% since the beginning of FY 2007-08. According to the information provided by the Administration, the average price of a gallon of gas through March 2008 was \$2.39 for unleaded and \$2.75 for diesel. The largest increase is in Public Services (\$265,721). However, Police and Fire also have increases proposed for Fuel. The Administration has proposed an increase in the fee for take-home vehicles to recoup some of these increases (see next item).
10. Take-Home Vehicle Policy - Reimbursement of Fuel Cost Increases – (*revenue - \$111,873*) The Mayor's recommended budget proposes that the bi-weekly reimbursement rates for City employees participating in the Take-Home Vehicle Policy be increased by 30%.



Take Home Vehicle Fees		
summary of current and proposed bi-weekly payments by distance		
Distance	Current	Proposed
Within City Limits	\$ -	\$ -
0-5 Miles	\$ 8.00	\$ 10.40
5-10 Miles	\$ 16.00	\$ 20.80
10-15 Miles	\$ 24.00	\$ 31.20
15-20 Miles	\$ 32.00	\$ 41.60
20-25 Miles	\$ 40.00	\$ 52.00
25-30 Miles	\$ 48.00	\$ 62.40
30-35 Miles	\$ 56.00	\$ 72.80

11. Elimination of fire call service from Fire Station #5 (*reduction of 6 FTEs, savings \$416,280*) and reestablishment of CERT function (2 new FTEs, one transfer, net increase of \$109,548). The Administration is proposing eliminating structure fire service from Fire Station #5 in order realize savings as well as to accommodate Community Emergency Response Team (CERT) headquarters. The Station will retain the ability to service medical calls.
- a) On average, 80% of the calls to Fire Station #5 are medical (In 2007, the station responded to 1,476 fire and 3,901 medical calls). Fire Station #5 is also situated in a part of the City that is well served (within the 5 minute response time standard) by other existing Fire Stations (staff will provide a map of existing fire station coverage for the briefing). \$54,000 is requested for a fleet vehicle for this paramedic unit.
  - b) The Administration has indicated that the CERT initiative will increase the Fire Department's presence and visibility in the community, as well as better equip the citizens of Salt Lake City for a major disaster. The Department will be equipped to train approximately 400 residents per year, as well as provide refresher courses for those already CERT trained. Further information on this program will be provided in the Fire Department budget briefing.
12. Justice Court Staffing and space reconfiguration (*4.0 FTEs \$215,928 ongoing, \$133,457 one-time*)– To assist with workload and case management, and in conjunction with the recommendations from the Justice Court workload study, the Administration is proposing to add 4.0 FTE and to remodel and reconfigure existing court space to create office space for the new FTE's. The ongoing budget impact for staff is \$215,928 and the one-time money associated is \$133,457.
13. High School Resource Officers Cost Recovery – (*revenue - \$92,000*) The Salt Lake City Police Department provides School Resource Officers to six Salt Lake City School District high schools. These services have been provided to the Salt Lake City School District at a discounted rate. As such, the cost of providing the service has been subsidized by Salt Lake City in the amount of \$184,000. For FY 2008-09, the contract will be bid to the School District at a rate that is in line with the officer pay grades, which is expected to reduce the subsidy by half, or \$92,000.
14. Parking Enforcement Increases – (*Parking Ticket Fees Increases Revenue - \$1,445,494, Parking Ticket Enforcement Revenue - \$186,000, and Parking Enforcement Officer Expenditure - \$54,648*) - Parking ticket fines have not been

increased since September of 1995 and, according to the Administration had become out of parity with comparable cities. In addition to raising the rates to serve as a deterrent for violating parking laws, the Administration hopes to encourage the use of mass transportation for traveling to and from downtown SLC. Projected revenues from the parking fee increase and addition enforcement efforts are projected to be \$1,631,494. The Administration proposes adding a Parking Enforcement Officer to enforce parking laws. The annual cost is \$54,648.

15. Decreasing free parking at the Main Library (\$220,000 increase) – The Administration is proposing to decrease the free parking allowed at the Main Library from 1 hour to ½ hour (note: this would be adopted by a policy/legislative intent, as this is not governed by ordinance). The Administration is proposing this change with the assumption that the City will soon assume responsibility for maintaining the parking structure (this agreement with the library is not yet finalized), and it is an attempt to partially recoup costs. The Administration estimates that charging for everything after the first half hour will result in an additional **\$220,000** in revenue from the \$1 “Public Facility Parking Tax” that is in place currently. The Administration has indicated to Council Staff that the intent of this initiative is to encourage the use of transit, and also to allow each public parking facility to generate revenue that was originally anticipated. The Administration indicates that the parking garage is not currently self-sustaining revenue-wise. The City is also not currently setting aside funds for the long-term maintenance of the garage. *It should be noted that this runs counter to the Council’s legislative intent from FY 2008, which indicated the Council’s intent that the Library offer 1 hour of free parking.*
16. Contract with Animal Control Services (\$30,636, plus \$150,000) – The City is currently in discussions with the County regarding the City’s contract for animal control services. There are concerns about increasing costs from both sides. The County had originally requested a much larger increase from the City than the contractually-defined 3% (\$30,636). In order to remain a partner in this service, the Administration is recommending paying \$150,000 to the County on a supplemental basis, as conversations about the City’s contract continue, including ideas for cost savings and revenue offsets. The Administration intends to keep the Council informed throughout the year as to the progress of these discussions. It is the City’s intent to issue an RFP for Animal Control Services by the time the contract with the County expires on June 20, 2009. The City is hopeful that the County and City will be able to arrive at a mutually agreeable conclusion.
17. Enhanced Eco-Pass Program (\$48,926) – The Mayor’s proposed budget includes a \$48,926 increase in non-departmental budget to expand the City’s eco-passes, which currently allow City employees to ride for free on TRAX and UTA buses, to also ride for free on the newly-opened Front-runner. *The Council may wish to ask the Administration to track the number of employees who use these passes, for future reference.*
18. Local Lobbyist (\$40,000 savings) – The Administration is proposing to eliminate the contract for a local lobbyist from the Annual budget. The Administration has pointed to the success of the in-house lobbying efforts as a justification for this elimination. The Administration has indicated that as special lobbying needs arise, funds may be sought for outside support on a case-by-case basis. *The Council may*

*wish to evaluate this further. If funds are needed with short notice, they may not coincide with a scheduled budget amendment.*

19. Sugarhouse Transit Study (\$67,000) – The Administration is recommending \$67,000 from the general fund, in addition to \$33,000 from the RDA to cover the costs of a more detailed study regarding streetcars connecting Sugarhouse to the existing TRAX system. The Planning Commission reviewed and approved the alternatives analysis conducted by Fehr and Peers (funded by the Council and South Salt Lake in FY 2007), and forwarded a positive recommendation that the Council adopt the study as well. This recommendation is yet to be transmitted to the Council. *The Council may wish to ask for more details regarding this proposed study, including other funding partners, and scope.*
20. Public Services Reduction in Services Provided to City Buildings – (*Reduction in Security - Plaza 349 and C&C Building \$67,000 and Reduction in Janitorial Services - \$119,819*) The Administration proposes eliminating the Plaza 349 security desk, two contracted security guard positions, and reducing the janitorial services from 5 days per week to 3 days per week for a savings of \$119,819. Other changes in the Public Services Department, including budget, organization alignment and function, and number of employees occurred in one of Salt Lake City’s largest departments. A detailed analysis of the many changes will occur during the Public Services budget briefing scheduled for May 13, 2008.
21. Public Services “Green” Initiatives – (*Temperature Control - \$110,000 Savings; Irrigation Manager – Training and Repair Materials to Support Conservation - \$85,312 Cost; and Tree Planting and Voucher Program - \$103,386 Cost*) City Administration proposes temperature standards, which vary 2 degrees from the existing standards, for all City-owned buildings. The proposed standards are as follows: 1) the cooling standard is 75 degrees; 2) the heating standard is 69 degrees, and 3) in order to not circumvent the standards, the policy prohibits the use of space heaters and coolers. The budget for watering the City’s parks is proposed to be increased by \$163,912. This increase is proposed to be offset by the savings generated by conservation efforts, which will be implemented by an Irrigation Manager proposed by the Administration. The cost of an Irrigation Manager, training, and repair materials is \$85,312. A proposed tree planting and voucher program budget of \$103,386 would provide an additional 400 trees and create a 50-tree pilot program. Current trends indicate that tree removals will exceed tree plantings. The 50 tree voucher program provides City residents with vouchers to local nurseries for pre-determined tree selections. *The Council may wish to discuss any of these initiatives further in the department briefing for Public Services.*
22. Refuse Fund – revenue increases, service increases, and new FTEs – The Refuse fund is not proposing any fee increases to fund operations, though the Administration is expecting increased revenue (\$487,100) from the popularity of the yard waste cans, as well as a full year of increased fee collections (last year’s fees were delayed to March 2008 to coincide with the yard waste can program). The Refuse fund is also adding two new FTEs (\$161,764 - one existing Recycling position from the Public Services Department, one new FTE for Recycling Programs). Both positions will be housed in the new Office of Sustainability, which is proposed to be located within the Office of the Chief Administrative Officer. The Administration is also proposing to expand the comprehensive recycling program

that was implemented in the CBD and Sugarhouse Area, to 9<sup>th</sup> & 9<sup>th</sup> and 15<sup>th</sup> & 15<sup>th</sup> business areas. The Council requested this expansion when it approved the CBD implementation in FY 2008.

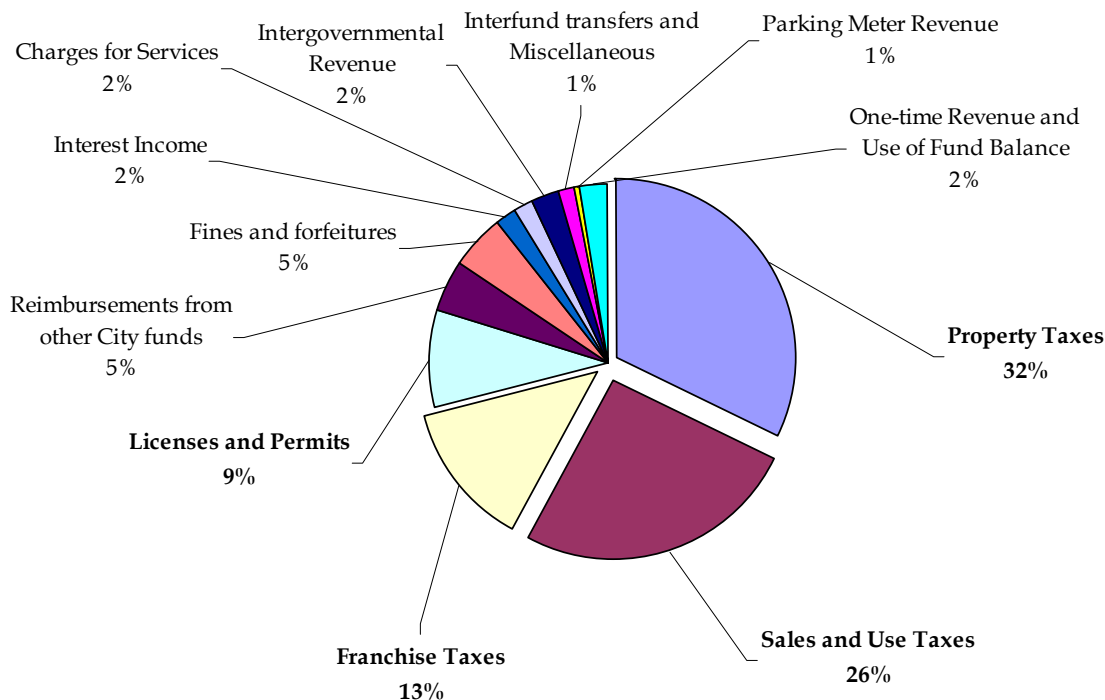
23. Golf Fund Bond Retirement and Outstanding Capital Improvement Needs - (Wingpointe Construction, Mountain Dell Expansion, and Glendale Irrigation System Bond Retirement in 2007-08 – Annual Savings \$700,000) During FY 2007-08 the bond for the above mentioned capital improvements was retired. This will reduce the Golf Funds annual bond obligation payments by \$700,000. However, \$17 Million to \$19 Million in Capital Improvement Projects have been identified as needs of the Golf Fund. Three critical projects, irrigation system improvements at Bonneville, Nibley Park, and Rose Park, have been identified and are estimated to cost \$4 Million. There are no fee increases proposed for the Golf fund. *The Council may wish to ask the Administration for further information about how the Golf Fun proposes to address these needs.*
24. Water rate increase – The proposed budget includes a water rate increase to continue planning for infrastructure replacement needs and to maintain a stable cash reserve balance. Over each of the past two years, the Council has approved a 4% increase. The department anticipates needing small rate increases in the coming years as well. The rate increase applies to each tier of the water rate structure, as well as to County accounts and the service fee. For residential accounts, the proposed increase would result in an annual increase of approximately \$13.57 (\$1.13/month)
25. Synopsis of Citywide budget – The schedule on **Appendix J** summarizes the proposed citywide expenditure budget compared to the fiscal year 2008 adopted budget. The Council already held briefings on the proposed budgets for the Department of Airports, the Department of Public Utilities, the Community Development Operating Fund (CDBG), and the Grants Operating Fund (ESG, HOME, HOPWA). The Council generally doesn't hold individual briefings on all of the special revenue fund budgets. Briefings are not currently scheduled for those funds marked with an asterisk. The Council may wish to ask staff or the Administration questions regarding those funds not scheduled for a briefing. The Council could ask staff to prepare a written briefing on certain funds or schedule some of the funds marked with an asterisk for a formal briefing.

**GENERAL FUND REVENUE**

The table below reflects the fiscal year 2007-08 adopted budget for revenue and the projected revenue for fiscal year 2007-08.

<b>PROPOSED GENERAL FUND REVENUE</b>				
<b>FISCAL YEAR 2008-09</b>				
	<b>Fiscal Year 2007-08</b>	<b>Fiscal Year 2008-09</b>	<b>Difference</b>	<b>Percent Change</b>
Property taxes – certified rate	\$ 49,536,528	\$ 51,036,528	\$1,500,000	3.0%
Property taxes – general obligation debt	7,756,489	7,732,006	(24,483)	-0.3%
Property tax judgment levy	0	0		
Property taxes - vehicle, delinquent, RDA	6,653,000	7,464,500	811,500	12.2%
Sales and use taxes	48,500,000	49,300,000	800,000	1.6%
Energy tax – natural gas	4,357,326	4,500,000	142,674	3.3%
Franchise taxes	25,206,972	27,331,972	2,125,000	8.4%
Payment in lieu of taxes	1,025,447	1,047,937	22,490	2.2%
Business/Regulatory licenses (including parking tax)	8,062,806	9,264,338	1,201,532	14.9%
Building permits	10,044,363	8,896,130	(1,148,233)	-11.4%
Fines and forfeitures	8,614,657	10,355,594	1,740,937	20.2%
Intergovernmental revenue	4,757,678	5,020,073	262,395	5.5%
Charges for services	3,084,858	3,631,000	546,142	17.7%
Parking meter revenue	1,464,000	1,439,000	(25,000)	-1.7%
Interest income	5,300,000	4,000,000	(1,300,000)	-24.5%
Reimbursements from other City funds	9,950,380	10,093,728	143,348	1.4%
Miscellaneous revenue	800,150	1,275,177	475,027	59.4%
Interfund transfers	1,929,986	1,722,530	(207,456)	-10.7%
Fund balance & one-time revenue/transfers in	4,866,412	5,044,803	178,391	3.7%
<b>Total General Fund Revenue</b>	<b>\$ 201,911,052</b>	<b>\$ 209,155,317</b>	<b>\$ 7,244,265</b>	<b>3.6%</b>

**Projected General Fund Revenue**  
Fiscal year 2008-09



**Appendix B**

**CHANGES IN GENERAL FUND REVENUE**

The proposed budget contains \$390,020 of forecasted revenue relating to growth or inflation (detailed in chart below). The proposed budget also contains \$6,845,027 of new fee revenue primarily from airport and public facility parking fees.

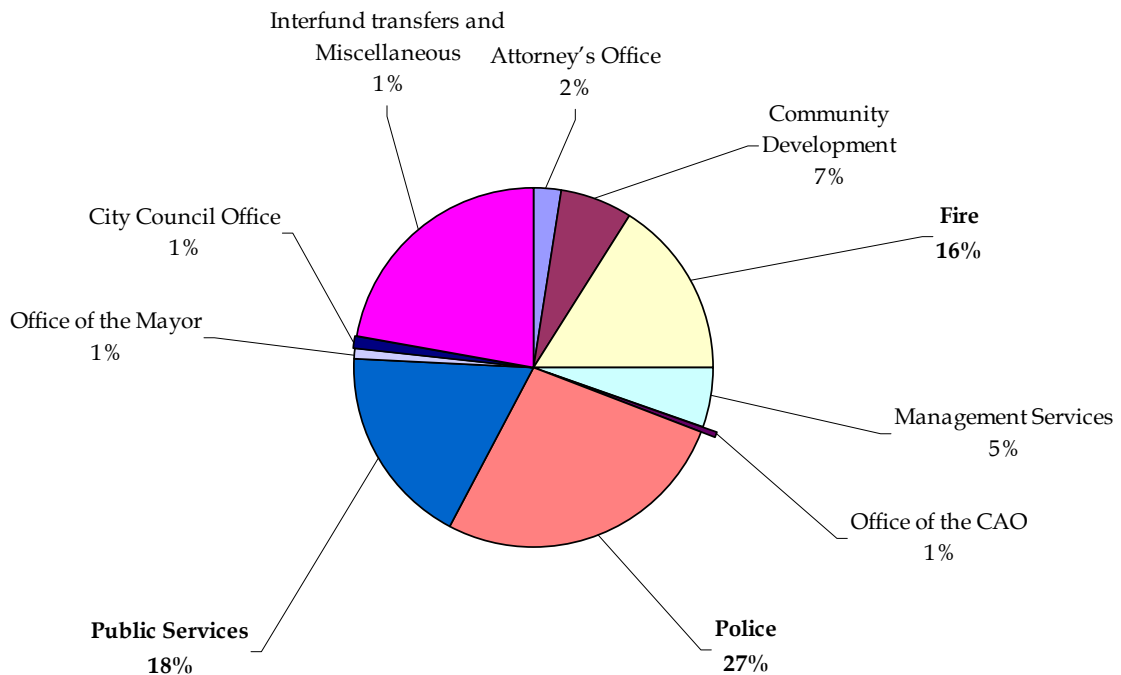
<b>Mayor's Proposed Revenue Budget CHANGES</b>		
<b>New Growth/Inflation compared to Increases in Taxes or Fees</b>		
<b>General Fund FY 2009</b>		
	<b>Relating to Growth/Inflation/Ec onomy</b>	<b>Relating to Increases in Taxes &amp; Fees</b>
<b>Taxes</b>		
Property taxes – revenue stabilizing		1,500,000
Property taxes – general obligation bond	(24,483)	
Property taxes – motor vehicle fees	-	
Registration Fee \$2.00 Distribution (SB 245)	1,550,000	
Property taxes – delinquent	(135,500)	
Property taxes – RDA rebate (program sunsets)	(603,000)	
Sales taxes	800,000	
Municipal energy taxes	142,674	
Franchise taxes	2,125,000	
Payment in lieu of taxation from enterprise funds	22,490	
<b>Licenses and Permits</b>		
Regulatory Licenses - general	367,694	
Business License Fee Increases		1,330,043
Business License Fee - eliminate credit for Innkeepers Tax		80,000
Airport & Public Facility parking tax	(762,500)	
Decrease free parking at Library (from 1 hr to 1/2 hr)		220,000
Ground transportation operator badge fee	(170,000)	
Ground transportation badging fee increase		136,295
Building Permits (ongoing - not including one-time revenue)	(2,191,987)	
Building Permit Fee Increase		703,011
Plan Review Fee Increase		340,743
<b>Intergovernmental</b>		
Cost Recovery from School District for School Resource Officers (1/2 cost recovery)		92,000
Other	170,395	
<b>Charges and Fees for Services</b>		
Cemetery fees	45,400	
Cemetery fees increases		51,600
Saturday Premium Charge		31,000
Public safety fees	126,300	
Special Event fees (towards cost recovery)		200,000
Impound Fee increase		70,000
Street and public improvement fees	(52,200)	
Youth and recreation fees (actual revenue may be greater)	12,200	
Rental and concession fees	61,902	
Parking meters	(25,000)	
<b>Fines and forfeitures</b>		
Parking Tickets - General	99,843	
Parking Ticket Fee Increase		1,445,494
Parking Enforcement (additional FTE)		186,000
Other	9,600	
Interest Income	(1,300,000)	
<b>Administrative fees – charges to other funds</b>		
Airport fire reimbursement	112,137	
Administrative fees (increase)		346,968
Reimbursement labor and utilities	(315,817)	
Miscellaneous Revenue	(84,812)	
Sundry and Other	363,154	
Fuel Reimbursement (Take Home Vehicle Fee Increase)		111,873
<b>Interfund Transfers</b>		
E911	46,530	
<b>Total</b>	<b>\$ 390,020</b>	<b>\$ 6,845,027</b>

**GENERAL FUND EXPENDITURES**

The following table summarizes proposed expenditure budgets by Department for the General Fund, proposed to total \$209,155,316 in FY 2009.

<b>PROPOSED GENERAL FUND EXPENDITURES</b>				
<b>FISCAL YEAR 2008-09</b>				
	<b>Fiscal Year</b>	<b>Fiscal Year</b>	<b>Difference</b>	<b>Percent</b>
	<b>2007-08</b>	<b>2008-09</b>		<b>Change</b>
Attorney's Office	\$4,320,326	<b>\$4,964,006</b>	\$643,680	14.9%
Community Development	12,474,014	<b>13,884,689</b>	\$1,410,675	11.3%
Fire	32,730,587	<b>33,520,877</b>	\$790,290	2.4%
Management Services	11,013,725	<b>11,115,153</b>	\$101,428	0.9%
Office of the CAO	n.a.	<b>1,254,215</b>	\$1,254,215	n.a.
Police	54,480,865	<b>56,356,438</b>	\$1,875,573	3.4%
Public Services	38,001,265	<b>37,478,825</b>	(\$522,440)	-1.4%
Office of the Mayor	1,751,654	<b>1,892,857</b>	\$141,203	8.1%
City Council Office	1,711,839	<b>2,012,413</b>	\$300,574	17.6%
Non-Departmental	45,426,777	<b>46,675,843</b>	\$1,249,066	2.7%
<b>Total General Fund Expenditures</b>	<b>\$201,911,052</b>	<b>\$209,155,316</b>	<b>\$7,244,264</b>	<b>3.59%</b>

**Proposed General Fund Expenditures, by Department**  
Fiscal year 2008-09



**PROPOSED ONE-TIME GENERAL FUND EXPENDITURES**

The proposed budget includes several items that the Administration considers as one-time expenditures, this will be paid for with one-time revenues, as detailed below.

<b>ONE TIME REVENUE AND EXPENSES</b>	
<b>One-Time Revenue</b>	
Building Permits (City Creek Development)	1,866,000
Transfer from risk mgmt. subrogation fund	120,000
PMA-Gold Cross Settlement	195,000
Fund Balance -- Energy Fund for the Future (unused portion from FY 08)	205,000
Unity Center Trust Fund Balance (to be used to offset operations in FY 09)	400,000
Transfer from Fund Balance	1,258,803
Transfer from Intermodal Fund	1,000,000
<b>Total One-Time Revenue</b>	<b>5,044,803</b>
<b>One-Time Expenses</b>	
<b><u>Community and Economic Development</u></b>	
Large Plans Copier for BSL	7,458
Arts Council Cubicle for new Position	5,750
Transportation Study for Parking Management (Parking Authority) Feasibility	50,000
Plan Review Outsourcing	50,000
<b><u>Fire</u></b>	
New AEDs and Defibrillator Monitoring Units (2nd year of two year plan)	92,000
Mobile CAD software	35,700
Install electric shore lines in each fire station	10,000
<b><u>Management Services</u></b>	
Justice Court -- remodeling costs of 2nd floor lobby	112,000
Justice Court -- remodeling of attorney client rooms	9,525
Justice Court -- setup costs for additional staff	11,932
<b><u>Office of the CAO</u></b>	
Project Developer Consultant	150,000
Open Space management plan development	50,000
<b><u>Public Services</u></b>	
Paver repairs, business districts	20,000
Paver repairs, streets division	40,000
<b><u>Non-Departmental</u></b>	
Vehicles for building maintenance worker in Public services	21,000
vehicle for parking enforcement officer in Public Services	25,000
Fleet transfer for new snow fighting equipment	50,000
Reduce contribution to Governmental Immunity Fund	(150,000)
Transfer to Fleet for additional equipment for State roads transfer	434,000
Envision Utah contribution to Jordan River blueprint	10,000
Transfer to CIP for transportation preservation	500,000
STUDY TRAX Street Cars to Sugarhouse	67,000
No More Homeless Pets feral cat initiative	10,000
IMS Software Development Citywide (CAMP System)	43,446
Local First Campaign	20,000
transfer to fleet for paramedic apparatus and equipment	54,000
Reduce CBD cleaning equipment (in Fleet)	(39,063)
EFF use of remainder of original \$500k in 09	205,000
<b>Total Proposed One-Time Expenses</b>	<b>1,894,748</b>



**ESTIMATED STATUS OF FUND BALANCE**

The City has a policy of maintaining at least 10% of on-going general fund revenues in fund balance. In conjunction with the FY 2008 budget, the Council adopted the following legislative intent relating to fund balance:

*It is the intent of the City Council that the Administration identify a process to restore fund balance to 15% of general fund revenue as reserves for unforeseen events or emergencies, and establish 15% of fund balance as a target for the minimum amount allowable (rather than the previous 10%).*

The following chart shows fund balance before including uses in the Mayor’s proposed budget. The chart shows fund balance, after uses in the proposed budget, but not including potential uses in Budget Amendment #4, at \$22.4 million (\$2.5 million in excess of the 10% policy).

<b>Fund Balance General Fund</b>	
<b>Fund balance</b> – as of July 1, 2007	\$29,679,970
<i>Less Budget Amendment #1</i>	
<i>Less Budget Amendment #1</i>	-5,607,816
<i>Less Budget Amendment #2</i>	-836,468
<i>Less Budget Amendment #3</i>	-564,401
<i>Plus general fund expenditures not used by June 30 (estimated)</i>	1,000,000
Estimated Fund Balance <u>before</u> use in FY 2009 budget (Equal to 11.9% of General Fund Revenue)	<b>\$ 23,671,285</b>
<i>Less use of fund balance <u>proposed</u> in Mayor's Recommended budget</i>	-1,258,803
<b>Estimated Fund balance</b> – July 1, 2008 (Equal to 11.26% of General Fund Revenue)	<b>\$22,412,482</b>
<i>Minimum amount per Council policy (10% of general fund revenue)</i>	19,903,064
<b>Amount in excess of Council’s 10% policy</b>	<b>\$2,509,418</b>

**CHANGES PROPOSED IN FULL-TIME EQUIVALENT POSITIONS (General Fund)**

The proposed budget includes a net increase of .63 full-time equivalent (FTE) employee positions. The proposed budget includes transferring of positions between departments, elimination of positions, as well as addition of positions. These are detailed by department in **Appendix G**.

<b>PROPOSED CHANGES IN FULL-TIME EQUIVALENT POSITIONS GENERAL FUND FISCAL YEAR 2008-09</b>				
	<i>Amended</i> Fiscal Year 2007-08	<i>Proposed</i> Fiscal Year 2008-09	Proposed Increase (decrease)	Percent Change
Attorney's Office	54.50	54.50	0.00	0.00%
Community Development	142.00	174.76	32.76	23.07%
Fire	369.00	364.00	(5.00)	(0.01)
Management Services	123.66	119.16	(4.50)	(0.04)
<i>Chief Administrative Officer</i>	<i>n.a.</i>	8.50	8.50	<i>n.a.</i>
Police	595.00	596.00	1.00	0.17%
Public Services	324.84	292.71	(32.13)	(0.10)
Office of the Mayor (including mayor)	18.00	18.00	0.00	0.00%
City Council Office (including council)	22.63	22.63	0.00	0.00%
<b>Total General Fund FTEs</b>	1649.63	1650.26	0.63	0.00

**GENERAL FUND POSITIONS**

The proposed budget contains 31.13 new FTE position requests, and an elimination of 28.50 FTEs in the general fund, and 3 FTEs transferred to other funds. This does not include the 15 FTEs approved during the year by budget amendment (see table on next page). 31.63 FTEs are being transferred between departments (independent of new FTE requests). Council staff will provide more information regarding the following proposed new employee positions in separate staff reports for each department.

<b>Proposed FTE Additions</b>	<b>Proposed FTE Reductions</b>
<p><b><i>Community and Economic Development</i></b>                      1.0 FTE – transfer (?)                      1.0 FTE – Public Art Program Mgr – as of Jan 1                      0.5 FTE – Senior Secretary – costs shared w/ RDA                      1.0 FTE – Small Business Development Manager                      1.0 FTE – Bike and Trailway Development Coordinator                      1.0 FTE – Fire Plans Examiner – BSL  <u>Sorenson/Unity Center Transfer from P. Services</u>                      19.13 FTE – Sorensen Center Staff – existing                      2.0 FTE – Unity Center Staff – existing                      2.13 FTE – Sorensen Center Staff – converting existing seasonal staff to Regular Part Time                      4.0 FTE – Unity Center Staff – new</p>	<p>1.0 FTE – Building Inspector III (vacant) - BSL</p>
<p><b><i>Fire</i></b>                      1.0 FTE - CERT – Captain                      1.0 FTE - CERT – Firefighter                      1.0 FTE - CERT – Clerical</p>	<p>1.0 FTE - Administrative Captain in Office of Fire Chief – transfer to CERT Captain                      1.0 FTE - Administrative Firefighter in Office of Fire Chief (vacant)                      6.0 FTE – Remove structural fire unit from Fire Station #5 – will retain medical and paramedic unit, as well as become HQ for CERT operations</p>
<p><b><i>Management Services</i></b>                      0.5 FTE – Convert EEO Manager from RPT to FTE                      1.0 FTE – Additional Lead Clerk in Just Court – recommended by Audit                      2.0 FTE – 2 criminal clerks                      1.0 FTE – 1 small claims clerk</p>	<p>6.5 FTE – Transfer to new CAO division (Sustainability Director, Environmental Mgr, CRB Administrator, Emergency Manager, Emergency Mgmt Assistant, CAO and Assistant to CAO)                      0.5 FTE – Convert full time Administrative Assistant in Treasurer’s Office to RPT                      1.0 FTE – Eliminate lead cashier in Justice Court                      1.0 FTE – Eliminate property control specialist</p>
<p><b><i>CAO</i></b>                      6.5 FTE – Transfer from Mgmt Services (Sustainability Director, Environmental Mgr, CRB Administrator, Emergency Manager, Emergency Mgmt Assistant, CAO and Assistant to CAO)                      2.0 FTE – Transfer from Public Services – Recycling Manager, Open Space Coordinator                      1.0 FTE – Emergency Program Director                      1.0 FTE – Transportation Consultant (share costs with UTA)</p>	<p>1.0 FTE – Eliminate Emergency Program Manager (to create Emergency Program Director Position)                      1.0 FTE – Transfer Recycling Program Manager to Refuse Fund</p>
<p><b><i>Police</i></b>                      1.0 FTE – Transfer from Public Services                      2.0 FTE – Investigative Bureau (previously grant funded)                      3.0 FTE – Crime Lab Supervisor and 3 techs</p>	<p>1.0 FTE – Eliminate Intelligence Specialist (vacant)                      1.0 FTE – Eliminate Police Captain (vacant)                      1.0 FTE – Eliminate Graphic Artist</p>

1.0 FTE – Public Information Officer position	1.0 FTE – Eliminate Public Safety Facilities project management (through attrition) 1.0 FTE – Eliminate Crime Analysis program manager 2.0 FTE – Eliminate Crime Analysis data info specialist
<p><b>Public Services</b></p> <p>1.0 FTE – Building Maintenance Worker</p> <p>1.0 FTE – Parking Enforcement Officer (revenue offset)</p> <p>1.0 FTE – Irrigation Manager</p>	<p>1.0 FTE – Transfer to Police</p> <p>2.0 FTE – Transfer to Office of the CAO – Recycling Manager, Open Space Coordinator</p> <p>19.13 FTE – Sorensen Center Staff - transfer to CED</p> <p>2.0 FTE – Unity Center Staff - transfer to CED</p> <p>2.0 FTE – eliminate materials lab (vacant) – will outsource</p> <p>2.0 FTE – small engine repair – transferred to Fleet</p> <p>1.0 FTE – eliminate 2 RPTs in Director’s Office</p> <p>1.0 FTE – eliminate GIS manager</p> <p>1.0 FTE – eliminate parks property maintenance position</p> <p>4.0 FTE – eliminate positions as a result of re-organization of Street Sweeping</p>

The following positions were added in **Budget Amendments** during FY 2008 (15 FTEs), and are referenced as FTE “additions” in the Mayor’s proposed FY 2009 budget, even though they were added in previous Council Meetings:

<p><b>Attorney’s Office</b></p> <p>1.0 FTE - Land Use Attorney (BA #1)</p> <p>6.0 FTE – Additional Prosecutor Staff (BA #2)</p>
<p><b>Community and Economic Development</b></p> <p>1.0 FTE – Transportation Engineer (BA #1)</p> <p>2.0 FTE – BUZZ Center Principal Planners (BA #3)</p> <p>1.0 FTE – BUZZ Center Plans Examiner (BA #3)</p>
<p><b>City Council</b></p> <p>2.0 FTE – Council Staff addition (liaison and communication) (BA #1)</p> <p>1.0 FTE – Policy Analyst (BA #3)</p>
<p><b>Mayor’s Office</b></p> <p>1.0 FTE – Administrative Assistant</p>

**PROPOSED CAPITAL IMPROVEMENT PROGRAM (CIP) FUNDING - FY 2007-08**

The following are Capital Improvement Projects that the Mayor has proposed to fund. There were 49 projects submitted by City departments and constituents for CIP funding in FY 2009, of which 36 are proposed to be funded by the Mayor. The Council may elect to follow the Mayor's recommendations, or it may elect to fund other projects not recommended for funding. A full list of these projects will be made available to the Council.

<b>Capital Improvement Program – General Fund / Class C / Impact fees</b>				
	<b>Council District</b>	<b>Ten-year plan?</b>	<b>Pay as you go</b>	<b>Class C Road Funds</b>
<b>Mayor's Recommended Projects</b>				
Debt payments – General obligation (separate tax)		Y	\$ 7,730,907	
Debt payments - Other bonded debt		Y	7,586,049	
Percent for Art		Y	70,000	
ADA ramps/corner repairs	Citywide	Y	400,000	
ADA improvements (Rosewood Park)	1	Y	120,000	
Jordan River Trail - Rose Park Golf Course to Redwood Rd	1	Y	200,000	
Sidewalk Rehabilitation/Concrete Sawing	Citywide	Y	200,000	
Tree Replacement - Parks	Citywide	Y	50,000	
Traffic Signal Upgrades	5 & 7	Y	640,000	
Bicycle Facilities Development (paths, bike racks, etc)	Citywide	Y	500,000	
Pedestrian Safety Devices	Citywide	Y	75,000	
Sidewalk replacement SAA (1500 E to 2100 E, 1300 S to 1700 S)	5 & 6	Y	700,000	
Jordan River Trail - Safety Lighting Wire Replacement (replacing stolen wire)	2	Y	259,600	
Plaza 349 Fire Sprinklers	4	Y	546,827	
Local Street Reconstruction (Douglas Street-400 So. to 500 So; Alpine Place from Gilmer Dr. to end of Cul-de-sac; Yale Ave.-700 E. to 800 E.; Princeton Ave.- 700 E. to 800 E.; Herbert Ave.-200 E. to 300 E.; Harvard Ave.-1300 E. to 80 feet west of Normandie Cr.)	4 & 5	Y	1,000,000	
Traffic Camera Installation (1300 S 300 W, 700 E South Temple, 1300 E 400 S, 200 S Main)	2, 3 & 4	Y	50,000	
Arterial Lighting (Redwood Rd, N Temple to 2100 S & 1000 to 2300 N)	1 & 2	Y	275,000	
Shipp Park ADA Playground	3	Y	75,000	
Arterial Lighting (California Ave, 900 W to Redwood Rd)	2	Y	65,000	
Replace Parks Administration Roof w/ Sustainable roofing system	2	N	450,000	
Economic Development Capital Preservation Fund (contribution for preservation associated with transportation)	4	N	500,000	
Liberty Park Improvements (Design & Construct concrete curbing around the lake and reconstruct boat dock)	5	Y	960,000	
Rosewood Park Tennis Courts Resurface	1	Y	80,000	
Traffic Signal Upgrades	Citywide	Y	375,000	
Parleys Historic Nature Park Fence (fence at entrance to PHNP between Tanner Park and Residence)	7	N	32,700	
Plaza 349 Employee Showers	4	N	54,500	
Analysis & Design of East Capitol Blvd., 300 to 500 N	3	Y	50,000	
Electronic Pay Booth Device Study (study to replace mechanical parking meters with electronic pay booth devices for on street parking)	Citywide	N	50,000	
Cost overrun fund		n.a.	87,103	
Asphalt Street Overlay	4, 5 & 6	Y		\$1,500,000
500 East Rehabilitation - 1300 to 2100 South	5	Y		750,000
700 South Rehabilitation Design - 2800 West to 5600 West	2	Y		400,000
Concrete Street Rehabilitation (500 So. Delong Street intersection, 400 So. Orange Street intersection, 1870 W. 500 S., 3800 W. California Ave. 1510 S. Pioneer Road)	Citywide	Y		200,000
900 South Rehabilitation - design - 1100 East to 1300 East	4 & 5	Y		100,000
<b>Total</b>			<b>\$ 23,182,686</b>	<b>\$2,950,000</b>

**Appendix I**

**SUMMARY OF PROPOSED FEE INCREASES**

Due to the number of proposed individual fee increases, staff has prepared a separate document detailing every proposed fee change, by type. The table below summarizes the categories of fee increases and the general/average amounts increased.

<b>Proposed Fee Increases</b>	
<b>Description</b>	<b>Proposed Change</b>
Business License Fees	Percent increases range from 6-180% (when the new "disproportionate fee" is factored in). Average increase is 29%, average amount is \$49.28. Amount increases range from \$1 per employee fee increase, to \$250 pawnbroker license increase.
Business License Fee – Hotels	Eliminates the exemption for a hotel business license fee. The current fee for hotels/motels is \$3/unit and is proposed to increase 33% to \$4/unit.
Ground Transportation Badging Fee	Increase badging fee to \$177 (from \$100).
Building Permit Fee Increases Planning/Zoning Fee Increases	Fees are generally increasing by 11% (slight variations due to rounding), at an average amount of \$13.32 per type of permit. The largest fee increase in terms of amount is \$322.20 increase in flat fee for Housing Mitigation (11%). The applicable fees do include a consideration for costs related to Electronic Plan Review software.
Cemetery Fee Increases	Fees are increasing by 10% across the board. Amount increase ranges from \$5 to \$185 depending on fee type(average \$64 increase). Fees now include a premium charge for Saturday Burial (there is currently a premium charge for Sunday burial).
Impound fee increase	Fees are increasing 10 %. The amount ranges from \$2-\$15 depending on description. Average amount increase is \$6.
Rental and concession fees	Fees are established for facility rentals at the Unity Center. Glendale and Poplar Grove residents will receive a discount, and Community Council Meetings or City events will be free.
Parking ticket fee increases	Proposed increases range from 5-26% (from \$8-\$27), depending on type. Average increase is 8.8%, average amt \$10.64.
Special Events fees	The Administration is proposing to exercise what is allowed per City ordinance, and establish fees for special events to further recover costs incurred by the City. The exact increase for events are not detailed, but the Administration is budgeting an additional \$200,000 in revenue from this effort. In FY 2008, it was estimated that the City subsidizes special events in the amount of approximately \$500,000. <i>The Council may wish to ask for further clarification on this initiative in order to better determine effects on event organizers.</i>
Take-home vehicle fee increases	Take home vehicle fees will increase 30% to help offset increases in fuel costs (still no charge within City limits).
Taxi Badge Fees	Fees are increasing from \$100 per badge to \$177 per badge.

## SYNOPSIS OF PROPOSED CITYWIDE BUDGET

MAYOR'S RECOMMENDED BUDGET				
SYNOPSIS OF PROPOSED EXPENDITURE BUDGETS				
	Adopted 2007-08	Proposed 2008-09	Difference	Percent Change
<b>General Fund</b>				
Police	\$54,480,865	<b>\$56,356,438</b>	\$1,875,573	3.44%
Public Services	38,001,265	<b>37,478,825</b>	<b>(\$522,440)</b>	-1.37%
Fire	32,730,587	<b>33,520,877</b>	\$790,290	2.41%
Community and Economic Development	12,474,014	<b>13,884,689</b>	\$1,410,675	11.31%
Management Services	11,013,725	<b>11,115,153</b>	\$101,428	0.92%
Office of the CAO	n.a.	<b>1,254,215</b>	\$1,254,215	n.a.
Attorney's Office	4,320,326	<b>4,964,006</b>	\$643,680	14.90%
Mayor's Office	1,751,654	<b>1,892,857</b>	\$141,203	8.06%
Council Office	1,711,839	<b>2,012,413</b>	\$300,574	17.56%
Nondepartmental	45,426,777	<b>46,675,843</b>	\$1,249,066	2.75%
<i>Total General Fund</i>	<i>201,911,052</i>	<i><b>209,155,316</b></i>	<i>\$7,244,264</i>	<i>3.59%</i>
<b>Enterprise Funds</b>				
Department of Airports	203,570,100	<b>306,368,300</b>	\$102,798,200	50.50%
Water	64,410,179	<b>72,611,388</b>	\$8,201,209	12.73%
Sewer	23,494,914	<b>24,558,852</b>	\$1,063,938	4.53%
Stormwater	10,137,466	<b>8,888,730</b>	<b>(\$1,248,736)</b>	-12.32%
Refuse Collection	11,558,422	<b>10,355,961</b>	<b>(\$1,202,461)</b>	-10.40%
Golf	8,722,899	<b>8,451,396</b>	<b>(\$271,503)</b>	-3.11%
Intermodal Hub	800,000	<b>1,582,634</b>	\$782,634	97.83%
<i>Total Enterprise Funds</i>	<i>322,693,980</i>	<i><b>432,817,261</b></i>	<i>\$110,123,281</i>	<i>34.13%</i>
<b>Internal Service Funds</b>				
Insurance & Risk Management	31,700,008	<b>35,463,707</b>	\$3,763,699	11.87%
Fleet Management	18,822,589	<b>19,547,866</b>	\$725,277	3.85%
Information Management Services	8,733,265	<b>8,922,120</b>	\$188,855	2.16%
Governmental Immunity	1,182,200	<b>1,182,200</b>	\$0	0.00%
<i>Total Internal Service Funds</i>	<i>60,438,062</i>	<i><b>65,115,893</b></i>	<i>\$4,677,831</i>	<i>7.74%</i>
<i>Capital Improvement Program</i>	<i>39,186,827</i>	<i><b>26,882,981</b></i>	<i>-12,303,846</i>	<i>-31.40%</i>
<b>Debt Service Funds</b>				
Debt Service – CIP*	17,997,031	<b>18,705,523</b>	708,492	3.94%
Debt Service – SID*	493,083	<b>504,689</b>	11,606	2.35%
<i>Total Debt Service Funds</i>	<i>18,490,114</i>	<i><b>19,210,212</b></i>	<i>720,098</i>	<i>3.89%</i>
<b>Special Revenue Funds</b>				
Community Development (CDBG)	2,739,504	<b>2,912,862</b>	173,358	6.33%
Grants Operating (ESG, HOME, HOPWA)	5,630,418	<b>1,833,951</b>	-3,796,467	-67.43%
Street Lighting*	1,932,704	<b>2,012,854</b>	80,150	4.15%
Emergency 911*	1,948,000	<b>2,042,000</b>	94,000	4.83%
Housing Loan Fund*	7,205,693	<b>11,013,637</b>	3,807,944	52.85%
Downtown Economic Development * (Downtown Alliance)	794,511	<b>796,812</b>	2,301	0.29%
Demolition & Weed Abatement*	26,500	<b>26,500</b>	0	0.00%
Donation Fund*	100,000	<b>100,000</b>	0	0.00%
<i>Total Special Revenue Funds</i>	<i>20,377,330</i>	<i><b>20,738,616</b></i>	<i>361,286</i>	<i>1.77%</i>
<b>TOTAL</b>	<b>\$663,097,365</b>	<b>\$773,920,279</b>	<b>\$110,822,914</b>	<b>16.71%</b>

\*Individual budget briefings are not generally scheduled for the proposed budgets marked with an asterisk. The Council may wish to indicate if a briefing is desired this year – Alternately, Council Members may ask staff for more information.

Goals/Priorities Identified at Retreat (January 2008)

<b>Planning</b>		
- Infill	- Neighborhood Protection	- Master Plan Updates
- Downtown Revitalization	- Downtown Cultural District	- Northwest Quadrant development
- Riparian Overlay Process	- Sugar House Planning Issues	- Airport Expansion
<b>Alternative Transportation</b>		
- Redevelopment of North Temple	- Planning for Infrastructure	- Jordan River trail development
- 900 South trail development	- Daylighting City Creek	
<b>Environmental Issues</b>		
- Air Quality	- Green/Sustainable City Building Codes	- Northwest Quadrant
- City-wide Sustainability Plan		
<b>Small Business Issues</b>		
- Historic preservation	- Neighborhood business incubation	- Fisher Mansion
<b>Infrastructure</b>		
- Walkability	- Bicycle trail development	- Bike-friendly roadways
- Invest in Westside infrastructure	- Use of wide ROW for alternative transportation access	- Improving Sidewalk, Curb, and Gutter City-wide
<b>Emergency Preparedness</b>		
- Mobile/Neighborhood Watch	- CERT	- Community Preparedness

Council Member Budget Priorities (forwarded to the Administration April 2008)

**Council Member Christensen**

- Planning for the Folsom Street/900 S corridors
- Completion of the Jordan River Parkway, north of Rose Park Golf Course
- Emergency management resources
- Electronic Waste Recycling (Ongoing drop off location - probably at the Landfill)
- Any additional resources needed to finish the NW Quadrant Master plan

**Council Member Garrott**

- Downtown - pedestrian improvements and bikeways
- Transportation - downtown circulator
- Environment -
  - Incentives for green building
  - Recycling program expansion, incentives
- Public Safety - additional staff in Police and Fire (maintaining four-handed crews)

**Council Member Jergensen**

- Creation of City General Plan (some refer to this as the Sustainability Plan) and updating of relevant Master Plans.
- Strengthening of City's Planning staff and Boards/Commissions (training, additional personnel, etc.) to more clearly follow procedural and intent expectations of the Council and community.



- Creation of a downtown circulator transportation system (possibly explore this idea in conjunction with RDA) to decrease downtown congestion.
- NW Quadrant including exploration of incentives/programs to allow families to purchase homes in SLC - keep families in SLC.
- Funding CERT training and exploring ways to promote CERT training and neighborhood/individual Emergency Preparedness

***Council Member Love***

- Additional police
- Additional planning staff
- Salary adjustments as needed for Planning Director (attraction/retention)
- Transportation projects - Downtown circulator and completion of Sugarhouse rail spur
- CIP - funding for the Tracy Aviary
- CIP - Design money for Sunnyside Blvd (median improvements, etc)

***Council Member Martin***

- Incentives (\$ or other) for expanded recycling services
- Street replacement/rebuilding in District 6 - specifically the Harvard/Yale area (North boundary - Sunnyside, South Boundary - 1300 South, West boundary - 1300 East, East boundary - Foothill)
- Address issues of the owners of property that abuts open space near Wasatch Hollow by fencing the boarder of publicly owned space and posting signs indicating that beyond that fence is private property (signage as suggested in Riparian Corridor intent language).
- Provide regular maintenance of City fence on 1700 East southbound, north of the church

***Council Member Simonsen***

- East Bench Master Plan needs updating. Possibly need consultant.
- Need to address urban design/design capabilities on our planning staff.
- Follow up on our last budget opening request to expand recycling bins in commercial districts beyond Downtown and Sugar House.
- Master plan and design (possibly need consultant) for the Folsom Street /City Creek trail corridor from Gateway to the Jordan River.
- Possible funding/staffing to address transportation security/air quality/peak oil issues.

***Council Member Turner***

- Additional budget for emergency preparedness (including additional staff for CERT training/community coordination, AND budget for community emergency materials)
- North Temple Light Rail improvements
- Planning the Northwest Quadrant
- Development of Downtown Cultural District