

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET FOLLOW-UP – FISCAL YEAR 2009-10

DATE: January 19, 2010

SUBJECT: **Mid-year Report on Budget Interim Study Items**

STAFF REPORT BY: Lehua Weaver

cc: David Everitt, Gina Chamness, Kay Christensen, Jennifer Bruno, Sylvia Richards, Karen Halladay, Cindy Gust-Jenson

During the 2009-10 annual budget process, the Council adopted eight items that would be studied as “Interim Study Items” throughout the year. These items were:

1. Facilities charge on Spring Mobile Ticket sales
2. City-wide collections strategy
3. Refuse/Recycling/Green Waste & Environmental Initiatives Strategy
4. Fleet Usage/Replacement
5. Special Events – “grant” program criteria and administration
6. Ground Transportation – additional enforcement, fees evaluation, ordinance updates, RFP
7. Transaction Fees – Encourage environmentally-friendly payment options for City-related transactions.
8. Business License Fees – Research business license fees in order to develop a methodology that is equitable for both large and small businesses.

At the end of October the Administration transmitted a report to provide status and updates on the various items. Below is a summarized list of the progress on the various items. For more detailed information, please refer to the Administration’s transmittal.

1. Facilities charge on Spring Mobile Ticket sales

Update: There was miscommunication that the Council staff would be taking the lead on this project, but that was not our intent. The Administration has indicated that they would be willing to start the research into the issue.

Background / Additional Information: During the budget discussions regarding the revenue from the naming rights for Spring Mobile stadium, the Administration requested that the naming rights revenue, which will average \$140,000 annually, be dedicated to the capital projects at the stadium. (Note: the 2009-10 expected revenue is \$109,000, but future years will average approximately \$140,000.) In the course of the discussion, the Administration indicated that the City could reasonably expect an additional annual general fund subsidy to the capital

needs of the stadium in addition to the naming rights revenue. To identify a source of income to cover those expenses, the Council discussed implementing a ticket surcharge on tickets sold at the "Spring Mobile Ballpark".

Some of these capital projects included replacing the grass in the outfield, painting the exterior, preparations for some upcoming large events (2011 All-star games), etc.

Action Needed: Council staff and the Administration will work together to confirm next steps.

2. Citywide collections strategy

Update: The Administration developed a plan to significantly improve collection activities:

- Centralize the accounts receivable function for various City departments and divisions, IMS, Golf, and Fleet, by bringing them all onto the same existing accounts receivable system. However, the Justice Court has to be separate because of their unique computer system set up for fines and court tracking.
- Utilize a 3rd Party collector for checks returned for insufficient funds, which allows for processing the check three times for payment. It is noteworthy that the third party is able to charge a state approved fee from the check writer, which covers their costs, and the City receives the full check amount.
- For Justice Court fines, the Administration has been working with the State's Office of Debt Collection. Through this office, the State has a higher priority on seizing payables from state tax returns. Similar to the insufficient funds collections, the State also adds a fee to cover their costs and the City receives the full amount of the judgment. This process can only be used on debts that have been adjudicated (debts which have been legally decided).
- For non-adjudicated debts, the City has started using a company that assists in tracking down people who owe the money.
- On parking ticket revenue, the Administration has tightened up the process for issuing notices and increasing fines. In addition, once the ticket reaches the point where a judgment is entered, it is sent to the State's Office of Debt Collection as described above.

In addition to providing the mid-year report, the Administration also attended the Budget & Finance Subcommittee meeting in October of 2009. Through the process of improving collection activities, the Administration has also been forwarding some proposed ordinance amendments related to telecommunications right-of-way fees, innkeeper license taxes, and airport and other parking services taxes.

A report on the financial progress will be provided with the next quarterly report.

Background / Additional Information: In response to various Council inquiries about collection activities and the City's accounts receivable practices, the Administration indicated several ways to improve outstanding collectibles. The City's outstanding receivables (as of July 1, 2009) total \$6.2 million, which is made up of \$1.1 million of parking tickets, \$1.3 of Justice Court fines, and \$3.7 in other amounts owed to the City (telecommunications, business licenses, innkeepers, zoning, etc.).

Action Needed: No action by the Council or Council staff needed at this time.

3. Refuse / Recycling / Green Waste & Environmental Initiatives Strategy

Update: The Administration provided a draft copy of their Sustainability Division Business Plan to Council staff for review in September and are waiting for feedback. Council staff will proceed in setting up a meeting for the Administration to attend the Environmental Subcommittee for further discussions.

Background / Additional Information: In conjunction with the changes made to the City's Refuse Enterprise Fund this year, the Council and Administration discussed a roll-out plan for mandatory recycling and yard waste participation.

Action Needed: Council staff will review the draft business plan and provide feedback, and work with the Environmental Subcommittee on scheduling a briefing and discussion.

4. Fleet Usage / Replacement

Update: The Administration has received the final audit report from the auditor. The audit addressed the take-home vehicle program, fleet management practices, sustainability, and right-sizing of the fleet. The Administration is reviewing the audit findings and will schedule a briefing with the City Council.

Background / Additional Information: During the past two budget years, the Council has identified various intents relating to the handling of the City's fleet, specifically the size of the fleet, replacement cycles, and increasing alternative fuel vehicles. In response to these and various other questions, an audit has been conducted.

Action Needed: No action by the Council or Council staff needed at this time.

5. Special Events - "grant" program criteria and administration

Update: The Council appropriated \$150,000 of ongoing money for the special events grant program and \$75,000 in one-time money. In the next budget cycle for fiscal year 2010-11, the funding for this events grant program will be dependent on availability of funds.

For the remainder of this year, the Administration proposes that the program be set up as follows:

Use of \$150,000 Ongoing Funding:

- Use as a “subsidy” to offset an events’ costs incurred for City services
- Amount per event would be 75% of the costs, up to \$2,500
- This would be automatically applied to the cost recovery estimate prepared by the Administration and provided to event organizers
- Supports smaller events
- In order to be eligible, event organizers must meet with the City to develop a plan to reduce impact to City resources
- Applications would be processed through the Administration

The Council may wish to ask what types of events might qualify for these grants.

Use of \$75,000 One-time Funding:

- Use for “signature events” and larger sponsorships
- Amount per event would be \$10,000 - \$25,000
- Sponsorship would be considered based on the following factors:
 - Public & Community benefit
 - Economic impact
 - Cultural & civic contribution
 - Relationship to City’s mission and goals
 - Financial position and need
- Applications would be processed with the advice and consent of the Council

The Council may wish to ask what types of events might qualify for these larger sponsorships.

The Council may wish to identify other criteria on which to evaluate applications, for example, whether admission is charged to attendees or not (perhaps this is included in ‘financial position’), overall impact on City services, or others.

Background / Additional Information: As the Council may recall, the Administration proposed and the Council approved creating a grant program to be used to help events being held within Salt Lake City. The City had declined to contribute to a few events, in addition to increasing the cost recovery billing for City-provided support of events.

Action Needed: The Council may wish to indicate whether there is agreement for structuring the program in this manner so that the Administration is ready for applications to be submitted for 2010 events.

6. Ground Transportation – additional enforcement, fees evaluation, ordinance updates, RFP

Update: The Administration has performed several internal studies to help answer the questions about cost recovery for city services. The Finance Division has been doing a ‘time and motion’ study that would help identify the cost of providing services to the ground transportation companies and drivers, including vehicle inspections and badge issuance. The study has also looked at the number of citations or warnings issued during enforcement efforts.

The Administration will also be proposing various ordinance amendments relating to minimum fares, and continuing to evaluate the vehicle age restrictions.

An update and results on the study by the Finance Division should be available by the next interim study items update.

Background / Additional Information: Various fee increases were proposed during the annual budget for ground transportation. The Council requested information about how much the fees were able to recover the costs associated with the inspections and enforcement. In response to concerns and questions, the Council approved a portion of the proposed fee increases related to inspection services, but did not increase the proposed fees related to badge and i.d. costs to drivers.

Action Needed: The Council may wish to monitor the Administration’s action pertaining to the enforcement of vehicle age restrictions.

7. Transaction Fees – Encourage environmentally-friendly payment options for City-related transactions

Update: The Administration has identified other Divisions that accept payment for services, and has begun implementing online payment options for each of those areas.

In addition to increasing the online payment options, the Administration has also started to investigate an online document system that would allow them to send invoices and employee payroll documents (like W-2s and 1099s) via email.

Background / Additional Information: One of the fee increases proposed during the budget was for an online service charge to bill payers using the City’s online system to make payments. The Council did not approve the increase, and requested additional options.

8. Business License Fees – Research business license fees in order to develop a methodology that is equitable for both large and small businesses

Update: The Administration reports that in order to provide the most thorough and accurate analysis, the information transfer from the City's old system to Accela needs to be verified.

Background / Additional Information: The Council indicated concerns about the business license fee increases during the budget and requested a more thorough study of options to make increases more equitable between small and large businesses.

Action Needed: The Council may wish to ask about the timeline for verifying the information and conducting analysis. Further, the Council may wish to inquire whether any business license fee increases will be proposed with the 2010-11 budget.



RALPH BECKER
MAYOR

SALT LAKE CITY CORPORATION

OFFICE OF THE MAYOR

CITY COUNCIL TRANSMITTAL

David Everitt, Chief of Staff

Date Received: 10/27/2009
Date sent to Council: 10/29/2009

TO: Salt Lake City Council
Carlton Christensen, Chair

DATE: October 27, 2009

FROM: David Everitt, Chief of Staff
Office of the Mayor

SUBJECT: Quarterly Report on Interim Study Items

STAFF CONTACT: Kay Christensen
Office of Policy and Budget
801-535-7677

The Administration is forwarding to the City Council the first quarterly response to the City Council's Adopted Interim Study Items. Each year during the Council's budget deliberations, Legislative Intent Statements are identified and adopted. This year, in addition to Intent Statements, the Council identified eight interim study items, similar to the Legislature's practice.

The Interim Study Items will be addressed in collaboration with the City Council, particularly through the sub-committee process.

Since this is a report on the first quarter since passage of the budget and adoption of the study items, the responses represent work in progress. The Administration welcomes further discussion on any of the responses offered in this transmittal.

INTERIM STUDY ITEMS

1. Facilities charge on Spring Mobile Ticket sales.

The Administration has been told that this item will first be addressed by City Council staff.

SCANNED TO: *David May*
SCANNED BY: *Sally*
DATE: *10/27/09*
SOUTH STATE STREET, ROOM 306
P.O. BOX 145474, SALT LAKE CITY, UTAH 84114-5474
TELEPHONE: 801-535-7704 FAX: 801-535-6331
www.slcgov.com

RECEIVED
OCT 27 2009

2. City-wide collections strategy.

In response to the City Council's expressed interest in aggressive collection of City receivables, the Administration has been working on setting up a City-wide Accounts Receivable system to identify, invoice and monitor the wide variety of receivables currently scattered across City departments. This effort is focused primarily on General Fund receivables, although the Golf Enterprise Fund, and Fleet and IMS internal service funds will also be included. Public Utilities bills and collects for the funds it administers, as well as the Refuse Fund. The Administration is examining all outstanding receivables in this category to determine the best course of action for rapid collections. Collection procedures are being reviewed and process revisions are being implemented.

So far, the Administration has completed or placed in operation the following:

Identification and Quantification of outstanding receivables:

Currently, the accounts receivable function is decentralized, and is generally handled by individual departments and divisions. Tracking methods for receivables varies by division. In the Justice Court, for example, the collection process is automated and well-defined. Other divisions, however, may use a manual spreadsheet rather than an automated system. Collection follow up may depend on time available after the completion of other tasks.

The Finance Division has identified General, Golf, Fleet, and IMS Fund areas within the City that bill customers for City services and has developed a master list of these receivables (see attached). The identified outstanding amount owed is approximately \$3.7 million, not including parking tickets or Justice Court fines.

Implementation of IFAS Accounts Receivable Module:

Utilizing a component of the City's current financial software system, the Administration is implementing an Accounts Receivable (AR) module that it expects to be used by General Fund departments, as well as Golf, Fleet, and IMS (Justice Court will not be on the system). This system can invoice, maintain and age balances, monitor late payments and add applicable interest and penalties. The reporting capabilities of this system will allow the Administration to keep an up-to-date list of receivables due and it will automate the billing and collection process. Implementing this system is an ongoing and time-consuming process, but having all receivables on one system will be a great benefit to the City. The Administration is migrating divisions methodically to the IFAS AR system. Innkeepers Tax and Parking Tax customers were the test group. Property Management will be the next division to be moved to the system.

Collection Agency for NSF Checks:

The number of returned (NSF) checks written to the City is one area of concern that was identified by the Administration. We currently have \$127,000 in outstanding returned or

insufficient funds checks that we have been unable to collect on. To combat this, the Administration is working with ePayments Corp., a company that specializes in the collection of returned checks. As a third party collector, ePayments has the ability to present NSF checks to the bank three times (the City can only present these checks twice). This extra step, along with the company's managed system for presentment allows them to collect on nearly 80% of NSF checks presented to them. They collect a state authorized fee from the check writer and pay the City the entire face value of the check.

Office of State Debt Collection (OSDC):

The Administration is working with the Utah Office of State Debt Collection to utilize their collections services. Testing of the system has concluded and we will begin implementation with OSDC by the end of October. Currently, the OSDC will take only outstanding debt that has been adjudicated, meaning we have a warrant or judgment against the person for the debt (parking tickets and Justice Court fines). The State has contracted with 11 different collection agencies that they use along with their own in-house agents to collect on their accounts. The OSDC also has higher priority for intercepting state tax (and soon federal tax) returns, greatly increasing their chance of collecting. The OSDC adds a State allowed percentage to the bill and takes that amount as their fee, paying the City the entire face value of the judgment.

Lexis-Nexis Trial:

For those outstanding debts that we are unable to send to OSDC at this time, the Administration is involved in a trial with Lexis-Nexis. This company offers skip tracing information of all types to help collectors track down the people who owe them money. The company can provide current addresses, phone numbers, social security numbers, driver license data, and asset and bankruptcy information. Using this service can help the Administration track down those debtors who we have been unable to make contact with. The first trial run will be conducted on outstanding Business Licenses totaling \$926,575.

Parking Ticket Revenue:

As part of the City-wide collection enhancement strategy, the Administration implemented a number of changes to parking ticket collection procedures through the Justice Court. Previous collection practices were described in a fact sheet submitted to the City Council in mid-May:

| | |
|---------|---|
| Day 1 | Ticket issued |
| Day 11 | Late fee and first letter |
| Day 26 | Late fee and second letter |
| Day 41 | Late fee and third letter |
| Day 60 | Fourth letter- collection letter from City Attorney |
| Day 75 | File small claims case-case goes to process server who tries to serve an Affidavit (in effect a small claims court summons) |
| Day 165 | Judgment entered |

Day 175 Judgment without SSN# goes to the collection agency
Day 2,365 Judgment with SSN # goes to the collection agency

That timeline was revised to reflect enhanced collection procedures:

Revised collection procedure

Day 1 Ticket issued
Day 11 Late fee and first letter
Day 26 Late fee and second letter
Day 41 Late fee and strengthened third letter from City Attorney.
Previously the City sent out 4 letters, with the first three adding late fees. Now we combine the third and fourth letter and the letter is strengthened. This decreases the days from filing to judgment by nineteen days and decreases postage costs. In addition the letters are more strongly worded. **Implemented September 1, 2009.**

Day 56 File small claims case-goes to process server who tries to serve an Affidavit-previously we gave the process server (Salt Lake County Constable) 60 days to serve the defendant, and the paper must be served at least 30 days prior to the court date. We now give the constable 45 days serve papers instead of 60 days. **Implemented August 18, 2009.**

Day 116 -131 Judgment entered. Ten days after judgment entered case goes to collection agency. The ten day waiting period is required to give the defendant time to appeal. This would mean that the collection agency would have the case in approximately 126 days. **Implemented September 1, 2009.**

In addition, as mentioned above, we have started to work with the State Office of Debt Collections to have them collect on our small claims cases with Judgments and some criminal cases. This program should be in operation by the end of October. Also, as mentioned above, we are also going to look at doing a test run on out of state plates to see if Lexus/Accurint software can help us get better address information. If the test is successful we may use them for out of state name and address information.

City Council staff has raised the issue of the electronic ticket system, Velosum, currently in use by Provo City, making the case that the system reduces staff time, automates collections, allows on-line payment and appeal and has increased the payment rate to 88 percent from 67 percent. Velosum was the electronic pen system Salt Lake City spent two years and thousands of dollars attempting to implement, but found the system cumbersome and error ridden. The City has had a contract with Duncan Solutions for over a year now for an electronic device that has worked well for our parking enforcement officers and provides us with a process equivalent to that in use in Provo. Our electronic collection process (ALE) was created by IMS and has been in place for years. The IVR and WEB payment program works not just for parking tickets but criminal and traffic tickets as well. Our current payment rate on parking tickets is 92%

within 59 days, 96% within 119 days and 98% within a year. Last year 97% of tickets were paid before going to collection. Parking tickets can be paid on-line (37% of tickets are paid on-line or through IVR). Our process for sending collection letters and adding late fees is entirely automatic. Appeals can also be conducted on-line. Last year 1,931 hearings were conducted on line and 5,850 were completed over the telephone. We can even produce on-line the photo taken at the time the ticket is issued.

At this point, it is too soon to determine how much additional revenue will result from the institution of these procedures. The Administration will keep the Council informed as sufficient new data becomes available. The next quarterly interim report should begin to show an increase in collection percentages.

3. Refuse/Recycling/Green Waste & Environmental Initiatives Strategy.

A draft Sustainability Division Business Plan is attached. This working draft business plan was sent to City Council staff on September 28 with a request for staff comments on the draft, followed by a discussion with the Council Environmental Subcommittee and/or with the Council, as the Council prefers.

4. Fleet Usage/Replacement. The audit work has been completed. The fourth of four parts has just been received from Mercury and Associates. The four parts were:

(1) Take-home vehicle program

This phase of the audit evaluated the ability of the City to align our sustainability and cost containment goals with our law enforcement and public safety goals. This phase of the audit identified and evaluated the costs and benefits to the City of letting officers use City vehicle to commute to and from work. The audit also established proper methods for fairly charging officers for their part of this benefit.

(2) Fleet management practices

The goal of this part of the study was to focus on evaluating and remedying suboptimal conditions that already exist in the City's fleet and identify business processes that need to be improve (or developed and implemented) to prevent such conditions from occurring in the future. This study focused heavily on processes used to manage the acquisition, deployment, operation and use of assets. Also, this portion of the audit focused heavily on methods of funding future replacement needs and establishing clear lines of accountability.

(3) Sustainability

This part of the audit was designed to develop and implement strategies for managing and operating a sustainable, eco-friendly vehicle and equipment fleet. The ultimate goal is to improve the sustainability of the fleet in these challenging fiscal and economic times.

(4)Right-sizing of the fleet

This portion of the audit encompassed an in-depth review of approximately 1200 vehicles and pieces of equipment in an effort to reduce the size of the City's fleet and reduce overall costs. Also included in this phase was a charge to recommend ways of managing fleet size and fleet composition on an ongoing basis.

Over the next month, both the Mayor and the Council will be briefed on audit findings and recommendations.

5. Special Events –“grant” program criteria and administration.

After consultation with a number of event organizers and City staff, the Administration recommends the following for the use of \$225,000 appropriated in FY 2009-2010 to offset the fees associated with cost recovery of special events.

Cost Offset - \$150,000

The Administration recommends the City subsidize 75%, up to \$2,500, of a special events' cost recovery fees. To receive this subsidy, event organizers must meet with City staff and work to reduce the impact on City services. Based on the most recent estimates available, it is anticipated this program would cost \$121,760. It is believed this amount plus the remaining \$28,240 will be more than sufficient to cover the program. The Administration believes this program addresses many of the initial concerns raised by event and festival organizers. Specifically, the program 1) supports smaller events that may not have the resources to generate additional revenue; 2) is equitable, transparent, and content neutral; and 3) it allows for larger organizers to predict the City's contribution so they may plan and budget accordingly.

Signature Events - \$75,000

The Administration recommends the remaining \$75,000 be set aside and contributed as \$10,000 - \$25,000 sponsorships to major events in the City. Contributions would be made by the Administration with the advice and consent of the City Council.

Considerations for sponsorship should be negotiated and made based on the following criteria: 1) public and community benefit; 2) economic impact; 3) cultural and civic contribution; 4) relationship to Salt Lake City's mission and goals; 5) financial position and need. The Signature Events Fund ensures larger events that are significant contributions to Salt Lake City remain successful. In addition, there are some events due to their nature and scope that are unable to generate the needed revenue to cover their costs. The Days of 47 Parade and 4th of July Fireworks are prime examples.

Additionally, by requiring advice and consent of the City Council, the funds will be distributed in a more equitable and transparent process than in the past.

Future Years

In FY 2009-2010, the Salt Lake City Council appropriated \$150,000 of ongoing and \$75,000 of one time funds to assist with cost recovery. In FY 2010-2011, recommendations for continued program support will be dependent on the availability of funds.

6. Ground Transportation–additional enforcement, fees evaluation, ordinance updates, RFP

Enforcement: A time and motion study of the Ground Transportation function was requested by the City Council. The study, for the time period between June 29, 2009 and September 30, 2009, has been sent to Finance for their analysis. Finance has determined that additional information is necessary before recommendations can be made. Based on the available study information, 458.5 hours were spent on enforcement, with an additional 50 hours spent on investigations. During the same time period, 79 citations and 30 warnings were issued for a total of 109. Citations and warnings continue to be issued as required. There are planned and ongoing stings involving both the ground transportation industry and hotel doormen.

Fee Evaluation: The Council asked for an evaluation of the fees and potential fees to be considered for Ground Transportation. Fees are based on cost recovery and staff salaries and time are all part of that cost recovery. Once Finance has received adequate information and analyzed the findings of the study, there will be a recommendation for a revised fee schedule for Ground Transportation. This may include fees for missed vehicle inspection appointments, rejected vehicle re-inspections, after hours vehicle inspection appointments, second ID Badges, and replacement ID Badges. These fees would be considered apart from the current fees of \$112.00 for a background history check/ID Badge and \$90.00 for a vehicle inspection.

Ordinance Updates: The City Council requested a re-write of City Ordinance 5.71, Ground Transportation Requirements, with the intent to “level the playing field” in the industry. This will be done primarily by eliminating pre-arranged requirements, establishing minimum fares, and establishing an age and mileage restriction for all vehicles. This is similar to the recent taxicab ordinance change and will make the penalty sections more manageable. A draft amended ordinance has been sent to the City Council for their approval and it will then to be sent out to the industry for comment.

Taxicab RFP: Taxicab RFP: The City Council initiated a Taxicab RFP to provide contracted taxicab service in Salt Lake City. The RFP is ready to be made public after many months of study, preparation, and drafting. We continue to fine tune this document in response to minor issues raised by the City Council, interested stakeholders, Dr. Ray Mundy, and outside sources.

7. Transaction Fees – Encourage environmentally-friendly payment options for City-related transactions.

In response to the City Council’s expressed interest in assuring environmentally-friendly payment options for all City-related transactions, the Administration has been working to identify areas that currently do not offer online or paperless transactions. The Permits and Plan Review functions have recently begun offering online payments and document review. Fire Prevention, Engineering and Business Licensing functions are in the process

of bringing up online services. The Administration will continue to identify areas and assess the feasibility of making other systems capable of online processing.

The Administration has reviewed a demonstration of a product available through IFAS, called Documents Online. This system, available with the pending IFAS upgrade, will allow many options for paperless transactions including online W2's, 1099's, and invoices by email. The Administration is working with IMS to analyze the cost and system requirements of implementing this option.

8. Business License Fees – Research business license fees in order to develop a methodology that is equitable for both large and small businesses.

The Administration is aware of the City Council's interest in developing a methodology for calculating business license fees that is equitable for both large and small businesses. At this time, the Administration, along with Business License staff, is working to insure that data, following the conversion from the Legacy System to Accela, is up-to-date and correct. At this point, there is not enough accurate data to conduct an analysis. As soon as the Business License database in Accela is error free and fully functional, the Administration will begin an analysis of the methodology for calculating fees and consider potential changes to the fee structure. The Administration will keep the Council informed as this process continues.

Salt Lake City
Accounts Receivable Inventory Master List
As of: July 10, 2009

| Dept | Division | Functions or Programs | Revenue Description | Outstanding Revenue | Notes |
|--------------|-----------------------|-------------------------|--|------------------------|-----------------------------------|
| Pub Svs | Director | Administration | Contract Related | \$ 24,707.14 | |
| Pub Svs | Facilities | Administration | Event billing (see Police) | \$ - | |
| Pub Svs | Facilities | Administration | Utility payments | \$ 41,386.56 | |
| Pub Svs | Facilities | Administration | Building rentals | \$ - | Nothing outstanding at this time. |
| Pub Svs | Fleet | Fleet maintenance | Warranties | \$ 182.62 | |
| Pub Svs | Fleet | | Parts - Credits/Warranties | \$ - | Nothing outstanding at this time. |
| Pub Svs | Fleet | | Outside repairs/fuel | \$ 57.47 | |
| Pub Svs | Fleet | | Sale of Vehicles | \$ - | Nothing outstanding at this time. |
| Pub Svs | Fleet | | Insurance claims | \$ - | Nothing outstanding at this time. |
| Pub Svs | Golf | Golf Fund | Miscellaneous Leases- Neptune Divers | \$ - | Nothing outstanding at this time. |
| Pub Svs | Golf | | Facility Rental - TUNA | \$ - | Nothing outstanding at this time. |
| Pub Svs | Golf | | Miscellaneous Leases- Robinson Tree Farm | \$ - | Nothing outstanding at this time. |
| Pub Svs | Golf | | Café leases and utility billing | \$ 232.66 | |
| Pub Svs | Parks | Parks and Bowreys | Ball Field Reservations | \$ - | Nothing outstanding at this time. |
| Pub Svs | Parks | Cemetery | Graves on account, Over Time, Ft. Douglas/Jewish Cemetery, Monuments | \$ - | Nothing outstanding at this time. |
| Pub Svs | Streets - GF | Concrete Program | Citizen portion of concrete work - only sent in if they want the work done | \$ - | Nothing outstanding at this time. |
| Pub Svs | Gallivan & Events | Management of Plaza | RDA | \$ - | Nothing outstanding at this time. |
| Pub Svs | Gallivan & Events | Community Events | Misc. Prgms, Events, Rental space | \$ - | Nothing outstanding at this time. |
| Pub Svs | YouthCity | After-School and Summer | Program fees, Artways Program Fees, Billed Agreements | \$ - | Nothing outstanding at this time. |
| Pub Svs | Forestry | | Tree Removal Fines | \$ - | Nothing outstanding at this time. |
| Fire | Fire | Fire Prevention Fees | Inspections and permits | \$ 12,487.17 | |
| Fire | Fire | Administration | Cost Recovery | \$ - | Nothing outstanding at this time. |
| Property | Property Mangement | Franchise fees | Telecom Lease/Right of Way permit (per linear ft) | \$ 1,602,936.30 | Updated 10/22 |
| Property | Property Mangement | Leases | Lease Agreements | \$ 101,173.29 | Per CAMP |
| Property | Property Mangement | Revocable Permits | Application fee | \$ - | |
| Police | Police | Secondary Employment | Reimbursement for Secondary employment/overtime and fuel | \$ 70,296.94 | |
| Police | Police | Special Events | Special Events | \$ 168,337.60 | |
| MGMT | Business Licencing | | Outstanding Business licenses | \$ 926,575.75 | |
| MGMT | Business Licencing | | Innkeepers | \$ 460,002.32 | Current |
| MGMT | Treasurers | | Parking Tax | \$ - | Nothing outstanding at this time. |
| MGMT | Justice Courts | | Parking Tickets | \$ 1,130,207.92 | Collectable amount |
| MGMT | Justice Courts | | Traffic Tickets (ALE) | \$ 444,738.61 | Collectable amount |
| MGMT | Justice Courts | | Criminal and Traffic (JEMS) | \$ 919,370.74 | Collectable amount |
| MGMT | Justice Courts | | Returned Checks | \$ 127,257.65 | |
| MGMT | Justice Courts | | Snow Removal | \$ 10,131.44 | |
| MGMT | Justice Courts | | Animal Services Citations | \$ 28,230.45 | |
| MGMT | Justice Courts | | Alarm Violations | \$ 26,405.14 | |
| MGMT | IMS | | Labor billings | \$ - | Nothing outstanding at this time. |
| CED | Zoning | | Zoning | \$ 113,400.50 | |
| CED | Sorenson Center | | Youth Services | \$ - | Nothing outstanding at this time. |
| CED | Ground Transportation | | Taxi Companies/Violations | \$ 2,774.26 | |
| Total | | | | \$ 6,210,892.53 | Total |

Sustainability Division Business Plan Draft
27 September 2009

“Self sufficiency, local, healthy products, services, businesses, clean environment”

1.0 Executive Summary

Policy Objectives (from Mayor and City Council)

- *Increase the diversion rate of waste materials to 50% by 2015*
- *Conserve the natural environment by identifying and establishing and managing open space, parks and trails*
- *Promote community-based and local food production*
- *Reduce vehicle miles traveled by employees and citizens by educating them on the benefits of reduced personal vehicle use*
- *Reduce energy use in city buildings, and educate businesses and citizens on how they can conserve energy*
- *Promote and facilitate development of renewable energy sources both internally and in the community*
- *Reduce municipal GHG emissions by 20% below 2005 levels by 2020, and reduce community GHG emissions by 10% by 2020*
- *Implement programs in coordination with the County and State DEQ that will improve the air quality in the region*
- *Provide regulatory support to internal departments on environmental issues*
- *Create a community ethic for sustainability, including neighborhood projects with community councils*

Mission

The City's Division of Sustainability aims to preserve and improve our built and natural environments and provide citizens information on sustainability issues affecting Salt Lake City: City program that lead by example and external education and outreach across the Wasatch Front to ensure the future livability of our City.

Keys to Success

- Effective internal organizational relationship and reporting responsibilities
- Effective internal and external communications
- Use of best management practices, such a project management
- Outreach to citizens, both individuals and organizations/businesses
- Outreach and regulatory support to internal departments and divisions

- Accurate technical information provided
- Personnel to complete necessary programs
- Grant funding support

2.0 Organizational and Management Summary

Sustainability Division (Administrative Services): The Division was created in July 2008 to implement sustainability practices throughout City government and the community. The Division includes environmental compliance, recycling and green waste outreach, open space, and manages numerous sustainability projects.

Vicki Bennett, Director
 Emy Storheim, Open Space
 Debbie Lyons, Recycling Program Manager
 Renee Zollinger, Environmental Program Manager
 Bridget Stuchly, Outreach Coordinator
 Mitch Davis, Intern, Recycling Compliance
 Other Interns, Outreach, e2 Business Program

Sanitation Division (Public Services): Although it has a separate operating budget, actions of this division and the Sustainability Division are coordinated, as actions by one may affect the other. Long-term planning for waste disposal, recycling options, green waste and composting affect Sanitation's services and budget for various containers, clean-up services, and inspection personnel.

Parviz Rokhva, Director
 Art Valente, Traffic Operations Manager

Although the two divisions are located in different departments, division directors and managers collaborate closely to ensure that actions by one are understood and approved by the other. Careful accounting controls are in place so that each division is responsible for its individual budget.

Other City Sustainability Efforts

- Airport
- Public Utilities
- Transportation
- Forestry

3.0 Products and Services

Current Product and Service Description

- Environmental engineering and compliance support for City projects
- Analysis of local climate change impacts, emission reduction options, and adaptation methods
- Policy direction and management of City's green waste and recycling programs
- Outreach and education of citizens at events and through a variety of communication media

- Purchase and management of Open Space
- Technical and policy support to other local governmental agencies, NPO's and NGO's
- Promotion of City's livability on local and national fronts

Competitive Comparison

The Division supports other City departments/divisions and has broad knowledge of the City's programs, policies and historical actions. Many of the programs have common application or a common policy objective: thus need for centralized, coordinated oversight and community outreach.

Future Products and Services

Many other specialty services in the City fall under the topic of "sustainability", and Division services may be expanded. For example the Division has a sustainability goal related to local food production, yet has not been active yet in this area. The Division has initiated work with Utahns Against Hunger and other groups to address the needs of our community in the arena. The division will use best management practices, such as project management, to prioritize services and products:

- Glass Recycling: Limited now both by the market and by the ability for local recycling companies to get loans for additional equipment. Plans now are to incorporate glass as a mandatory commodity in our new contract that will begin in 2011.
- Mandatory recycling: Materials that have a reuse should not go into the landfill, so an option is for the City to require that they be recovered in some way. Landfilling of recyclable materials will not be allowed.
- Mandatory green-waste recovery: As with recyclables, green waste should not be landfilled. Citizens would have the choice to either compost on-site, use our green waste service, or have a lawn service take the materials to a green waste disposal facility.
- Business and high-rise recycling: Multi-tenanted buildings need to provide a service so that businesses and/or residents can recycle.
- Composting: Composting is now being done at the landfill, but space is limited and the composting process needs improvement. Alternatives may include additional composting area run by the City or County, or possibly advertising for a company to do this service.
- Air Quality: Outreach to citizens on energy efficiency and minimizing vehicle use, and creation of programs to reach all populations.

To determine the new services we might provide, the Division will regularly engage the Mayor, City Council, and public to obtain input and ideas. Public outreach may be through an Open House, Green Team meetings. The Division will then use project management to refine and prioritize any input.

4.0 Market Analysis Summary

Target Market

Internal – City Departments, individual employees

External – Citizens, individual and businesses/organizations

Market Needs

Coordinated, effective, and consistent management of sustainability initiatives
Increase diversion of waste to prolong landfill life
City-wide program to manage and reduce GHG emissions
Coordinated effort to identify and preserve critical open space
Technical assistance in environmental compliance and risk reduction

Market Trends

- Population that desires increased environmental, quality of life initiatives
- Upward trend in demand for sustainable solutions supported by regulations (new vehicle standards, cap-and-trade legislation), prices (energy costs expected to climb, waste disposal costs will increase when landfill closes), and resource scarcity in the face of expected growth (concerns about inadequate electrical supply and transmission, inadequate water supplies)

Market Growth

Private markets for sustainable products and services, from organic food to LEED construction, are growing at a much faster rate than conventional products and services. This boom in interest requires an increase in support to help the community identify and select genuinely sustainable products and services, and to make good behavioral decisions.

The volume of requests for support and information from the City has grown dramatically over the past several years.

Main Competitors

There are a variety of “competitors” in the arena. Rather than true competition, however, the City collaborates and coordinates with all of our “competitors” to supply our market with well-integrated resources and assistance.

- Utility companies and waste companies (Rocky Mountain Power and Questar, Allied, Waste Mgmt) supply assistance and information limited to conservation of their own resources.
- NGOs (such as Moms for Clean Air, Utah Clean Energy) supply assistance information limited to their own area of sustainability (non-integrated).
- Internet resources (including non-local NGOs, as well as for-profit companies) supply a variety of points of view, requiring extensive research to extract the most supported facts surrounding an issue. Additionally, much information is non Utah-specific.
- Other local agencies (Salt Lake County) have generally committed fewer resources to filling the need for integrated sustainability information, but often have good program-specific resources.
- Other cities outside of Utah (Seattle, San Francisco) have programs as robust, or more robust than Salt Lake City but can't provide the location-specific assistance needed. They are tough competitors for grants and recognition, however.

5.0 Strategy and Implementation Summary

Value Proposition

Having an internal sustainability staff allows the City bring an integrated approach to community sustainability, and balances its programs and policies to sustain all of the resources that make the city livable and sustainable. The diversity of experience of our staff, support of City leadership and a receptive and progressive community allow the division to have a competitive edge in the creation and implementation of programs. Additionally, national recognition of program is helping Salt Lake City as a whole be more competitive in economic development and attracting new businesses to the region.

Marketing Strategy

The Division's Marketing Strategy will be completed in conjunction with the Mayor's Communications staff. Division branding and media events will be included in this strategy. An updated web site is nearly complete, and will be launched in September. After some testing, the site will be promoted as part of the overall marketing strategy. Decisions will be made on such issues as program name (do we keep Salt Lake City Green?), logos, and more.

Strategic Alliances

DEQ, County Sustainability, DOE, Utah Energy Program, EPA, SLVHD, DOH, Wasatch Clean Air Coalition, Utah Clean Energy, U of U Sustainability, Westminster Sustainability, Rio Tinto, Kennecott Land, Chamber of Commerce, Utah Jazz

Milestones: How do we measure success?

- Completion of a Sustainability Plan
- City-Wide Carbon Reductions
- Improved Air Quality
- Municipal operations goals

6.0 Financial Plan

Funding sources

Ongoing funding of approximately \$700,000/year from the landfill dividend (amount will vary) will provide for routine operating expenses. The fund will also receive a one-time landfill distribution of 7 million dollars that will be divided between the two divisions. Initial estimates are that Public Services will need 1.5 million for ongoing expenses, but this amount will need to be finalized once the entire program is completed. Other sources of income include grants and donations. Some General Fund money may be allocated in the future for programmatic support.

Refuse fees – legal issues behind their use

Fund management

Description of the two parts, with separate fiscal control for each.

Long-term Plan

Attachment: possible scenarios for future service options, for each including:

- Expected customers, market analysis – does this compete with other businesses?
- Revenues from this service, effect on other City revenues or other programs
- Start-up expenses (capital costs)
- Ongoing expenses, other resources needed
- Timeline for implementation