

# SALT LAKE CITY COUNCIL STAFF REPORT

## BUDGET ANALYSIS – FISCAL YEAR 2009-10

**DATE:** March 2, 2010

**SUBJECT:** **OVERVIEW OF RECOMMENDED MID-YEAR BUDGET ADJUSTMENTS**

**STAFF REPORT:** Jennifer Bruno, Karen Halladay, Lehua Weaver, Sylvia Richards

**cc:** David Everitt, Gordon Hoskins, Gina Chamness, Kay Christensen

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During last fiscal year, the City Administration and Council responded to challenging financial times by making two rounds of mid-year adjustments. The adjustments were designed to accommodate lower than budgeted revenues. It is necessary to make mid-year budget adjustments due to revenues that are again lower than expected.

Based on the most recent numbers available, the Administration is proposing mid-year adjustments to accommodate a revenue shortfall of \$5.6 million (a 2.8% overall decrease in revenues). For a detailed breakdown of areas of revenue shortfall see Section A of this staff report. The Administration has proposed the following changes to address this shortfall:

- 1) \$2.6 million in administratively-instituted budget reductions which were effective January 1 (*these do not require Council Action but will be explained in this staff report for the Council's information*) \*\*The Council may wish to confirm these Administrative reductions due to potential for policy shifts in the future.
- 2) \$3.6 million in revenue increases, primarily transferring money from the CIP fund (including the \$1.8 million repaid by the Redevelopment Agency and set aside in the CIP fund) - *these do require Council Action*
- 3) The Administration is also requesting the Council approve a one-time payment to City employees to help offset the increases in health insurance that were approved as a part of the FY 2010 budget (see item 1 in Section B of this staff report).

*Note: The Administration's proposed budget cuts amount to \$5,558,322, which is \$41,677 shy of the total projected revenue shortfall. The Administration indicates they will balance this by the end of the year by implementing to-be-determined Administrative savings.*

### **General Budget Context**

- A. **One-time vs. Ongoing Cuts** - It is important to note that many of these budget reductions and revenue enhancements are one-time solutions, intended to allow the City to finish out Fiscal Year 2010 in a balanced state. Any one-time reduction for the current year will be carried over into the next fiscal year as a structural deficit or "budget gap" that would need to be filled in order to bring the budget back to the base amount. The Administration estimates that if these budget adjustments are approved, the City will likely have a \$6.8 million structural gap entering the FY 2011 budget process, independent of any likely changes or reductions in any revenue sources. **The Administration will be briefing the Council on the prospects for the FY 2011 budget on March 2<sup>nd</sup>.**

B. **Fund Balance** – The Administration indicates that the City’s fund balance is approximately \$23.2 million (11.5% of currently budgeted general fund revenues). State law requires that the City maintain 5% of budgeted revenue in fund balance (\$10.1 million). Bond Counsel indicates that the City policy to maintain 10% of general fund revenue in fund balance (\$20.2 million) helps maintain the City’s favorable bond rating, enabling the City to borrow at a lower rate. These numbers will change slightly if the City adjusts its budgeted revenue downward. **The City currently has \$13.1 million over the State-mandated level of fund balance, and \$3 million over the City’s 10% recommended level of fund balance.**

This report is divided into three sections based on information in the Administration’s transmittal.

A) **Updated Revenue Forecast for the remainder of FY 2010.**

B) **Budget Initiatives:** six budget initiatives that need to be approved by the City Council for the budget impacts to be realized (similar to what is included in regularly occurring budget amendments).

C) **Overview of Administrative Budget Reductions by Department:** a summary of the administrative reductions implemented throughout the City Departments. These do not require Council action and are detailed for informational purposes only.

**A) FY 2010 Updated Revenue Forecast**

The Administration has provided an updated analysis on the City’s revenue picture for the remaining months of Fiscal Year 2010. This is based on information from the State, the City’s actual revenues through December 31, and the City’s actual Sales Tax receipts through November 30. The Administration is forecasting a revenue shortfall of \$5.6 million for the current budget year. The following chart details the revenue shortfall by general line item:

	FY 2010 Budgeted	Revised Forecast	<b>Change</b>	Notes
<b>Total General Fund</b>	<b>\$ 201,697,057</b>	<b>\$ 196,142,080</b>	<b>\$(5,554,977)</b>	2.7% overall revenue decrease
Property Taxes	\$ 69,541,930	\$ 69,541,930	\$ -	
Sales Tax	\$ 48,293,122	\$ 43,374,901	\$(4,918,221)	The City is showing a trend indicating an overall Sales Tax revenue decrease of 10%.
Franchise Tax	\$ 27,535,772	\$ 27,635,772	\$ 100,000	
License and Permits	\$ 14,853,028	\$ 14,970,742	\$ 117,714	
Intergovernmental	\$ 5,069,959	\$ 5,089,813	\$ 19,854	
Interest Income	\$ 2,211,545	\$ 1,420,209	\$(791,336)	Due to lower interest rates, the City's interest earnings are down.
Fines & Forfeitures	\$ 10,906,040	\$ 10,804,365	\$(101,675)	Issuance of Parking Tickets is lower than in previous years. <b>Staff note: The Council has previously discussed conducting an audit of Parking Ticket operations.</b>
Parking Meters	\$ 1,529,363	\$ 1,904,363	\$ 375,000	Bagging of meters will result in higher than projected revenues.
Charges and Services	\$ 4,129,686	\$ 3,973,873	\$(155,813)	
Misc Revenue	\$ 1,016,991	\$ 1,167,166	\$ 150,175	
Interfund Transfers	\$ 9,886,846	\$ 9,536,171	\$(350,675)	
Transfers	\$ 6,722,775	\$ 6,722,775	\$ -	

Note: This chart does not project revenue trends into FY 2011. The Administration will be briefing the Council on the FY 2011 budget at the March 2<sup>nd</sup> work session.

## ***B) Budget Initiatives (Items that Require Council Action)***

### ***1: \$300 Per Employee Insurance Reimbursement (Total Cost: \$723,630; General Fund Impact: \$654,321; Other Funds Impact: \$69,309)***

The Administration proposes to provide each full-time employee a one-time \$300.00 insurance reimbursement, and a one-time \$150.00 insurance reimbursement to regular part-time employees (after taxes). If approved, **the cost to the General Fund is \$654,321**, plus \$69,309 for enterprise and internal service funds. Public Utilities and Airport Administration indicate their current budgets can absorb these one-time costs. The budget impact to the Airport is \$238,067, and for Public Utilities (all funds), it is \$152,395. If approved, the Administration will implement this initiative shortly after Council finalizes the budget amendment.

*The Council may wish to note that since the Mayor announced his intention to ask the Council to approve a one-time \$300 insurance reimbursement for each employee in the State of the City address, and since the current budget amendment was forwarded, the Administration has further revised the City's projected sales tax revenue downward. This is based on actual sales tax revenues received. The Administration has communicated the following to Council Staff: "While the Mayor continues to advocate for a one-time reimbursement to recognize City employees' contributions to balancing the FY 2010 budget, he is cognizant of the City's limited resources. The Mayor looks forward to a discussion with the Council on how to best to implement a one-time reimbursement for employees in the context of the FY 2010 or FY 2011 budget."*

### ***2: Transfer from the Intermodal Hub Fund to the General Fund (\$49,839 – Source: Intermodal Hub Fund)***

The Administration recommends making a transfer from the Intermodal Hub Fund to the General Fund. This would leave approximately \$30,000 in the Intermodal Hub Fund for an art works contract.

### ***3: Administrative Fees from HOME Funds (\$10,000 – Source: HOME Funds received from HUD)***

The City received a \$10,000 increase in HOME funding last year from HUD. The Administration requests approval to charge an additional \$10,000 to the HOME account for administrative fees, and to increase the revenue budget for the next fiscal year from HOME by \$10,000.

### ***4: Transfer from CIP to the General Fund (\$3,430,065 – Source: CIP Funds)***

The Administration has recommended that the Council transfer a total of \$3.4 million from the CIP fund in closed and/or cancelled projects. The following chart shows the projects and various amounts.

<b>Project</b>	<b>Amount</b>	<b>Reason</b>
RDA loan repayment - Council Set aside for TBD Downtown Development Project	\$ 1,800,000	Funds not yet allocated for a specific purpose
Cancelled SAA in Districts 5 and 6	\$ 600,000	Cancelled per Council Action
Surplus funds from Justice Court Renovation Project	\$ 150,693	Project completed for less \$
Energy Incentive Revenues from RMP & Questar	\$ 144,000	Offsetting revenues from projects
<b>Closed Engineering Projects</b>		
Liberty Park Improvements	\$ 8,876	Project completed for less \$
Jordan River Trailhead	\$ 2,373	Project completed for less \$
Sports Complex Boiler	\$ 59,391	Project completed for less \$
1300 East Crossing/Sugarhouse	\$ 652	Project completed for less \$
Public Safety Building Garage	\$ 9,064	Project completed for less \$
C&C Building Elevator Upgrade	\$ 48,750	Project completed for less \$
Warehouse Renovation	\$ 2,527	Project completed for less \$
800 South/1100 East Barrier Improvements	\$ 280,000	Project bid lower than expected
800 South Street Improvements (West of 1300 E)	\$ 300,000	Project bid lower than expected
<b>Closed Transportation Projects</b>		
Traffic Signal Installation	\$ 21,241	Project completed for less \$
600 West Traffic Calming	\$ 0.35	Project completed for less \$
Speed Boards	\$ 2,500	Project completed for less \$
<b>Total</b>	<b>\$ 3,430,067</b>	

- *The Council may wish to discuss the \$1.8 million that was set aside for downtown development. The Council had set it aside as a part of the FY 2010 budget, and designated it for "downtown development" but had not yet determined a use for the money. This money was a loan repayment from the RDA to the general fund.*

**5: Increase Engineering Billings (\$100,000 – Source: CIP Funds)**

The Administration has in-house staff resources that are utilized for CIP, federal stimulus, and Airport TRAX projects. Engineering services provided to the projects are billed at a 1.83 percent overhead rate. This rate includes equipment, supplies, and the full employee costs (salaries and benefits). This approach allows engineering to: 1) bill for more projects; 2) reduce the use and cost of outside consultants, which tend to bill at higher rates; and 3) seek reimbursement for administration, construction, and inspection fees related to the Airport TRAX line.

This budget amendment will increase the General Fund revenue budget by recouping these in-house engineering costs from the Airport TRAX line/Boulevard project budget.

**6: Youth Services Fee Increase (\$29,000 – Source: New Revenue Item)**

The Administration is proposing changes to Youth City revenue budgets that reflect the impact of the fee increase and to adjust revenue budgets at the various Youth City cost centers to more accurately reflect the activity at each location.

The net change of all the revenue adjustments of this item will be a revenue increase of \$29,000.

## C) Overview of Administrative Reductions

Because the Council's role is to set the maximum budget for the Administration, many of the reductions detailed below can be implemented without prior Council approval. The Administration is requesting the Council adjust the adopted department budgets downward to reflect these reductions.

- The Council may wish to examine these Administrative reductions in detail to assure that the changes to not alter the Council's policy direction or intent. Further, the Council may wish to ask the Administration to bring administrative budget reduction ideas to the Council as early as possible so that the Council can be aware of any potential policy or service level issues. *One example may be the reductions in the Police Department Fitness for Duty Program elimination (\$50,000 savings). This is a program for which the Council has previously expressed strong policy support for, given the potential to enhance the safety of the City.*

The Administration implemented departmental reductions, effective January 1, 2010, in response to the expected revenue shortfall. The following chart presents General Fund FY 2010 adopted and amended department budget, the amount and percent of expense reductions.

Department	FY2010 Approved and Adjusted Budgets	Expense Reduction	% of Budget Reduction (Revenue items are not included in calculation)
Police	\$ 54,626,761	\$ 1,092,535	2.00%
Adm Services	\$ 11,505,529	\$ 83,779	0.73%
Fire	\$ 32,561,776	\$ 561,046	1.72%
CED	\$ 13,073,949	\$ 253,870	1.94%
Attorney	\$ 4,513,925	\$ 2,264	0.05%
Mayor	\$ 1,880,469	\$ 26,364	1.40%
Public Services	\$ 35,983,584	\$ 351,800	0.98%
Non Departmental	\$ 44,937,183	\$ 222,082	0.49%
<b>Total Administrative Reductions</b>	<b>\$ 199,083,176</b>	<b>\$ 2,593,740</b>	<b>1.30%</b>

Details of each department's expense reductions and revenue ideas follow below:

### **Attorney's Office**

→ **Reduction in the Attorney's Office total \$2,264.** The following table details the changes, which have already been implemented by the Administration for FY2010.

Item	Already Implemented (Yes/No)	FY2010 Budget Impact	FY2011 Budget Impact	Additional Information
"Vacancy" savings from turnover in the Prosecutor's Office	Yes	\$2,264	\$4,528	There were two higher level prosecutors who left, and the positions were filled with new staff at a lower salary.

## Community and Economic Development Department

→ The total reduction in the Department of Community & Economic Development budget, as proposed by the Administration, is \$263,870, or 2.0% of the “regular” Department of Community & Economic Development budget.

Item	Already Implemented (Yes/No)	FY2010 Budget Impact	FY2011 Budget Impact	Additional Information
Transportation - Vacancy savings from Downtown Transportation Coordinator position	Yes	\$ 105,000	\$ 105,000	The position will be held vacant through 2011. The Chamber and UTA would offset the cost of this position (when the position is filled).
H.A.N.D. - Savings from increasing funding to be charged to HOME account for administrative costs	Yes	10,000	10,000	Please refer to the explanation for Initiative A-3.
Bldg. Services - Vacancy savings from 2 Bldg. Inspector positions	Yes	64,264	39,986	The position will be held vacant through 2011.
Economic Development Savings from using four percent of CBIA funds for management contract and administration of the area (includes funding a portion of economic development salaries)	Yes	5,605	26,905	The revenue will pay a portion of Economic Development salaries related to this project. If the revenue isn't recognized, another reduction will need to be identified.
Bldg. Services - Savings from reducing outsourcing budget	Yes	7,832	7,832	<i>May adversely impact turnaround time for outsourced plan review.</i>
Planning - Vacancy savings from Historic Planner position	Yes	26,669		Position was filled by current planning employee.
Planning - Vacancy savings from Preservation Planner position	Yes	44,500		Position was filled; began working 2/18/10.
<b>Total</b>		<b>\$ 263,870</b>	<b>\$ 189,723</b>	

## Fire Department

→ The total cut in the Fire Department budget, as proposed by the Administration, is \$561,046, or 1.72% of the “regular” Fire Department budget.

Item	Already Implemented (Yes/No)	FY2010 Budget Impact	FY2011 Budget Impact	Additional Information
Hold Vacant 11 Firefighter positions - apply for grant funds to fill	Yes	\$ 431,210	\$ 431,210	The SLCFD had planned to hire a recruit class in early 2010 to fill these positions. The Administration intends to apply for a federal Staffing for Adequate Fire and Emergency Response Program (SAFER) grant. If successful, these positions could be filled by the summer. In order to maintain four-handed staffing in the meantime, the department has adjusted apparatus assigned to each station.

Reduce annual department capital improvements	Yes	\$ 50,000	\$ 50,000	This will delay the repair of heating & air conditioning at Station 2, and will delay repair of the roof at the training tower
Reduce the Personal Protection Equipment (PPE) budget to reflect vacancies	Yes	\$ 36,000	\$ 0	Because recruits will not be hired until FY 2011, purchase of this equipment can be delayed.
Reduce amount in each discretionary spending cost center by 3.25%	Yes	\$ 44,026	\$ 44,026	
<b>Total</b>		<b>\$ 541,046</b>	<b>\$ 525,236</b>	

## Administrative Services

→ The total reduction in the Administrative Services budget, as proposed by the Administration, is \$83,779, or 5.8% of the “regular” Administrative Services budget.

Item	Already Implemented (Yes/No)	FY2010 Budget Impact	FY2011 Budget Impact	Additional Information
<b>Justice Court</b> - Vacancy savings from Justice Court clerk position	No	\$ 31,989	\$ 63,978	The position will be held vacant through 2011.
<b>Justice Court</b> - Savings from eliminating non-mandated out of town training for court staff	Yes	9,790	9,790	
<b>Capital Assets</b> - Savings from Bond reimbursement for direct costs of Public Safety Bldg.	Will be	42,000		Staff time associated with Public Safety Bldg. project can be paid for from bond proceeds.
<b>Revenue Transfer</b> from Intermodal Hub to General Fund	No	49,839 (Revenue)		Please refer to the explanation for Initiative A-2.
<b>Total</b>		<b>\$ 83,779</b>	<b>\$ 73,768</b>	

## Police Department

→ Reductions in the Police Department budget total \$1,092,535. The following table details changes already implemented by the Administration for FY2010. The Police Department’s mid-year budget reductions are one-time savings.

Item	Already Implemented (Yes/No)	FY2010 Budget Impact	FY2011 Budget Impact	Additional Information
Delay Hiring of 16 Vacancies until July 2010 - Salaries/Benefits	Yes	\$ 300,000		Sworn Officer Staffing Information: <ul style="list-style-type: none"> <li>● General Fund - 427 (16 Vacancies)</li> <li>● COPS Grant - 10</li> <li>● RMHIDTA - 1 (Rocky Mountain High Intensity Drug Trafficking Areas)</li> <li>● COPS School Resource - 1</li> </ul>
Fitness Standards Testing	Yes	\$ 50,000		
Reduce Hiring Costs budgets (including equipment, medical, psychological, aptitude and physical testing)	Yes	\$ 141,000		Hiring Costs Savings: <ul style="list-style-type: none"> <li>● \$51,000 - Pre-employment Testing</li> <li>● \$90,000 - Officer Equipment</li> </ul>
Fuel Savings	Yes	\$ 300,000		Savings are due mainly to stable fuel prices.

Technology - Delay purchase of air cards	Yes	\$ 106,000		Currently, the main method of communication used by officers in the field is a modem-based radio data system. According to Administration, this is not a viable long term solution, since the repair and maintenance of this system is becoming more challenging with the equipment no longer on warranty and replacement parts being difficult to locate. Air cards have provided an interim solution that is simple, cost effective, and allows officers in the field to access all of the City's Intranet programs and features. This allows officers to complete reports without having to go to a station. Additionally, dispatchers are able to track and monitor police cars, allowing for faster response times. <i>Does the Council wish to discuss a long term communications solution and funding options with the Police Department?</i>
Technology - Delay purchase of laptops coming off the 3-year warranty period.	Yes	\$ 195,535		The Department planned to replace 126 laptops that were coming off the 3 year warranty period. The Police Department recommended delaying the replacement of all but 12 laptops for the remainder of FY2010.
<b>Total Net Savings</b>		<b>\$ 1,092,535</b>	<b>\$0</b>	

### Public Services Department

→ Expense reductions in the Public Services budget total \$351,800. The following table details changes, both revenue and expense items, already implemented by the Administration for FY2010. The Public Services Department's FY2010 mid-year revenue and expense budget adjustments are \$624,800. For FY 2011, the net change is \$583,100.

Item	Already Implemented (Yes/No)	FY2010 Budget Impact	FY2011 Budget Impact	Additional Information
Engineering - Increase Engineering Billings to CIP Projects (Revenue)	No	\$ 100,000 (Revenue)	\$ 100,000	In-house staff resources are being used for CIP, federal stimulus, and Airport Trax projects. Projects are billed at a 1.83 overhead rate. This rate includes equipment, supplies, and the full employee costs (salaries and benefits). This approach to temporarily assign certain in-house staff allows engineering to: 1) bill for more projects; 2) reduce the use and cost of outside consultants, which tend to bill at higher rates; and 3) seek reimbursement for administration, construction, and inspection fees related to the Airport TRAX line.
Engineering - Reduce budget for Street and Concrete Materials Testing	Yes	\$ 20,000	\$ 20,000	Quality control testing is required for the City's road projects. Per the Administration, based on current workloads the remaining \$60,000 of this "Professional Services" budget should

				be adequate - provided the workload does not increase. (CIP projects are billed directly for these quality control tests.)
<u>Streets</u> - Reduce budget for Traffic Signals	Yes	\$ 20,000	\$ 20,000	Decrease in electrical use because of energy efficient traffic signals.
<u>Streets</u> - Reduce budget for Speedboards	Yes	\$ 20,000	\$ 20,000	The original budget was \$40,000. Per the Administration, the cost of the program as currently operating is approximately \$20,000.
<u>Parks</u> - Reduce budget for Jordan River Parkway Trail (North Temple to 10 <sup>th</sup> North) and Cottonwood Park	Yes	\$ 45,800	\$ 45,800	Operational efficiencies have allowed the work to be absorbed by existing budgets.
<u>Youth and Family Programs</u> - Increase Revenues	No	\$ 29,000 (Revenue)	\$ 29,000	The revenue budgets for Youth City programs have been increased to reflect the prior year's fee increase.
<u>Youth and Family Programs</u> - Increase Expenses	Yes	(\$13,000)	(\$13,000)	According to the Administration, the increase in the expense budgets for the four (4) Youth City (Y/C) locations more accurately reflects the spending at each location. In the past, other department savings covered any shortfalls in these Y/C budgets.
<u>Forestry</u> - Reduce Aerial Trimming Contract	Yes	\$ 13,000	\$ 26,000	The number of aerial tree trimming trucks and crews will decrease from 5 to 4. The result of this cut is 1,600 fewer trees will be trimmed annually. This will affect pruning and maintenance schedules, which, according to the Administration, can affect a tree's overall health.
<u>Facilities</u> - Reduce Maintenance budget for Library Parking Structure	Yes	\$ 30,000	\$ 30,000	The frequency of power washing, sweeping, and maintenance to the Library Square Parking facility will be reduced.
<u>Facilities</u> - Energy incentives Revenue	Yes	\$ 144,000	\$ 0	The City's practice with energy incentives received from Rocky Mountain Power and Questar has been to deposit the incentives to a CIP account to be used for future projects. There is currently \$144,000 in the CIP account. This is a one-time revenue adjustment to the General Fund.
<u>Public Services Department</u> - Fuel Savings	Yes	\$ 46,000	\$ 0	Fuel budgets in the Department have been reduced by 10%. Per information provided by the Administration, these savings are a result of the following: conservation efforts, lighter snow year, reduction of vehicles used, purchase of equipment that uses less fuel, development of more efficient travel routes, and carpooling.
<u>Public Services Department</u> - Reduce Seasonal Staff - (See additional information for detailed reductions and service impacts.	Yes	\$ 137,500	\$ 272,800	Seasonal Staff Reductions: <ul style="list-style-type: none"> <li>● <b>Compliance Crossing Guards (7%)</b> - No service reduction - This reduction also includes some parking enforcement.</li> <li>● <b>Central Business (CBD) District and</b></li> </ul>

				<p><b>Sugarhouse Business District (SBD) (26%)</b> - Service reductions include: 1) eliminate summer watering of planters on Main Street (no plants); 2) decrease weeding and maintenance of TRAX islands on Main Street and 4<sup>th</sup> South; 3) cut back lawn care and mowing; 4) reduce pickup frequency of recycling and garbage containers; and 5) delay maintenance needs, including sprinkler systems, electrical, and landscaping, on 3<sup>rd</sup> South and 4<sup>th</sup> West.</p> <ul style="list-style-type: none"> <li>• <b>Parks Maintenance (4%)</b> - Service reduction - The moving and trimming schedule will move from every 7 days to every 9 days.</li> <li>• <b>Community Events (8%)</b> - No service reduction.</li> <li>• <b>Streets Maintenance (9%)</b> - Service reductions include decrease in road surface treatments - slurry, chip seal, and potholing.</li> </ul>
Special Events Administration - reduce budget - Operational efficiencies.	Yes	\$ 32,500	\$ 32,500	Special event administration and permit processes have been streamlined resulting in savings to the division.
<b>Total Net Savings</b>		<b>\$ 624,800</b>	<b>\$ 583,100</b>	

### **Non-Departmental**

→ **The total Administrative reductions in the Non-Departmental budget are \$3,652,149 for FY 2010.** This is realized by a combination of expense reductions and revenue increases (by transferring CIP funds back to the general fund). The expense reduction items and revenue increase items are detailed in items A-2-5, starting on Page 3 of this staff report. The following table details these changes. It should be noted that with the exception of the IMS Transfer change, which results in ongoing savings, the other proposed changes are one-time budget solutions and will not be carried forward into FY 2011.

<b>Item</b>	<b>Already Implemented (Yes/No)</b>	<b>FY2010 Budget Impact</b>	<b>FY2011 Budget Impact</b>	<b>Additional Information</b>
CIP Recapture (Revenue)	No	\$ 3,430,067	\$ 0	One-time Revenue Source
Reduce IMS Transfer. Extend mission critical file server life from three years to four years	No	120,000	120,000	May increase risk of file server failure; IMS has processes in place to assure repair or backup within 12-24 hours. Extended service contracts will ensure parts & service are available within the next business day or sooner.
Reimburse PSB Election costs from bond proceeds	In Process	102,082	0	Election costs eligible to be reimbursed from GO Bond Proceeds
<b>Total</b>		<b>\$ 3,652,149</b>	<b>\$ 120,000</b>	



RALPH BECKER  
MAYOR

# SALT LAKE CITY CORPORATION

OFFICE OF THE MAYOR

SCANNED TO: *mayor*  
SCANNED BY: *hoge*  
DATE: *2/8/2010*

## CITY COUNCIL TRANSMITTAL



David Everitt, Chief of Staff

Date Received: *02/08/2010*  
Date sent to Council: *02/10/2010*

TO: Salt Lake City Council  
JT Martin, Chair

DATE: February 5, 2010

FROM: David Everitt, Chief of Staff

SUBJECT: **Mid-Year FY 2009-10 Budget Reductions**

STAFF CONTACT: Gordon Hoskins, Finance Director 535-6396

Gina Chamness, Budget Director, 535-7766

**DOCUMENT TYPE:** Ordinance

**RECOMMENDATION:** The Administration recommends that the Council hold a public hearing and consider action on Budget Amendment #3 for Fiscal Year 2009-10.

**BUDGET IMPACT:** The Administration has previously informed the Council that the likely shortfall of General Fund revenues in the current year could range between \$3-7 million. Based on actual revenues received by Salt Lake City through December 31, and including sales tax receipts through November 30, the Administration is currently projecting a shortfall in revenue as compared to budget of \$5.6 million.

To address this shortfall, the Administration has already reduced many departmental budgets effective January 1. These administrative reductions total \$2,619,740. Details of those reductions are also provided in this transmittal.

The Administration also recommends that the Council take action to transfer funds from a number of other funds, including the CIP Fund to the General Fund in order to address the current year shortfall. In addition, the Administration proposes to increase the revenue budget for Youth City. This will bring the revenue budget in line with the rates approved in the current year budget. These changes will result in an increase in revenue of \$3,618,904 to the General Fund.



Finally, the Administration recommends that each full time City employee receive a \$300 net one-time check in order to help off-set the increased amount of health insurance cost employees assumed this fiscal year. The cost of this one-time reimbursement is included in this budget amendment, and amounts to \$654,321 in the General Fund and \$69,309 in enterprise and internal service funds, other than those funds managed by Public Utilities and the Airport. Both the Airport and Public Utilities have indicated that they can manage these one-time costs within their current budgets.

The following table summarizes both the reductions anticipated in sales tax and interest income, as well as the effect of the administrative reductions, the \$300 one-time insurance off-set for employees, and the transfers into the General Fund proposed in this budget amendment. As detailed below, the currently anticipated gap of \$5.6 million is nearly closed by the proposed transfers and revenue increases and administrative reductions. At this time, we do not anticipate that additional use of fund balance will be necessary to cover the small gap that currently exists between expected reductions in revenue and our reduction/revenue increase measures.

Administrative Reduction in General Fund Revenue		
Sales Tax	-4,900,000	
Interest Income	<u>-700,000</u>	
Total Reduction	-5,600,000	
Budget Opening Revenue Increase		3,618,904
Administrative Reductions		2,619,740
Budget Opening \$300 Per Employee		<u>-654,321</u>
Combined Impact of Revenue Increases/Adm. Reduction and Employee Offset		5,584,323
Net Adjustment to General Fund		-15,677

**BACKGROUND/DISCUSSION:**

In early November, the Administration tasked department directors to provide recommendations for a 2% annualized budget reduction. The Mayor is very appreciative of the seriousness with which departments have undertaken this difficult assignment and the reasonable and responsible proposals they have put forward.

The Mayor reviewed all the reduction strategies submitted by each department to determine the least disruptive path to reach a reduction target. The choices are not easy and not without impact.

Budget changes that require Council action are discussed first – changes that The Administration proposes the following changes that will generate an additional \$3,618,904 in General Fund revenue:

- Transfer of \$49,939 from the Intermodal Hub Fund. These funds had previously been encumbered and now can be released and transferred.

- Transfer of \$150,000 from CIP associated with the completion of a Justice Court re-modeling project.
- Transfer of \$3,430,065 from the CIP Fund to the General Fund. This transfer includes a number of items:
  - \$144,000 in energy incentive revenues received by the City from Rocky Mountain Power and Questar,
  - \$150,693 in surplus/close out funds associated with a Justice Court renovation project,
  - \$1,800,000 in funds set aside but not appropriated in the FY 2009-10 budget for future downtown development,
  - \$600,000 of funds set aside for a Special Assessment Area in Districts 5 and 6 for a project that the Council has decided not to pursue,
  - \$23,741 in closed Transportation CIP projects, and
  - \$711,631 in closed Engineering CIP projects.
- Increase of \$100,000 in the billing of the CIP Fund for engineering services. The federal stimulus projects and Engineering's involvement in the Airport TRAX line have resulted in the generation of additional revenue.
- Increase of \$29,000 in Youth and Family Programs Division as a result of a fee increase approved last year. This increase was not included in current year revenue projections.

As mentioned earlier, the Administration has already implemented a number of budget reductions. Details on each of those reductions are provided below.

#### Administrative Services Department

After the passage of the Public Safety bond in November, some direct costs such as staff time associated with that project can be transferred to be paid from bond proceeds for a savings of \$42,000.

A Criminal Section clerk position at the Justice Court will be held vacant for a FY 2009-10 savings of \$31,989 and a FY 2010-11 savings of \$63,978. The Justice Court will also limit non-mandated out of town training for court staff for a savings of \$9,790 in both budgets.

#### City Attorney

The City Attorney will realize \$2,264 in vacancy savings the remainder of this fiscal year and \$4,528 in FY 2010-11.

#### Community and Economic Development Department

The Department of Community and Economic Development will hold vacant the position of Downtown Transportation Coordinator for a savings of \$105,000 in FY 2009-10 and

in FY 2010-11. The Department would have received \$75,000 in revenue from the Chamber of Commerce to offset the full \$105,000 cost of the position.

The City received an increase in the amount of HOME funds allocated by HUD last year. The Housing and Neighborhood Development Division (HAND) will charge an additional \$10,000 to the HOME administrative account and will also adjust the budget next fiscal year to increase revenue from HOME by \$10,000.

The Building Services Division had two vacant Building Inspector III positions which saved \$34,274. The positions were recently filled at a lower salary level for a current year savings of \$29,990. The combination of vacancy savings and lower salaried hires resulted in a total savings in FY 2009-10 of \$64,264. The base to base budget will be reduced for FY 2010-11 by \$39,986, the annual salary difference.

The planned new Central Business Improvement Area (CBIA) (pending Council approval) has a 4% portion of funds set aside for administration of the area and a management contract. This revenue will be used to pay a portion of Economic Development salaries related to the project. If the City Council approves the CBIA, the project will begin on April 15, 2010 and only \$5,605 will be recovered this fiscal year, with an anticipated \$26,905 available in FY 2010-11.

The Building Services Division will reduce outsourcing funds in both fiscal years by \$7,832. Outsourcing provides the option to send plans out to private firms so that the turn-around time can be kept under 4 weeks. The reduction in funds will limit that option and may impact turn-around time.

The Department will realize \$26,669 in vacancy savings as a result of a Historic Planner position held vacant for several months and \$44,500 as a result of one-half year of vacancy savings for the new Preservation Planner position, which will likely be filled in January.

#### Fire

The Fire Department currently has eleven vacant firefighter positions, some of which have been vacant since the beginning of the fiscal year. The Department had planned to hire a recruit class early in 2010, but instead will apply for a federal Staffing for Adequate Fire and Emergency Response Program (SAFER) grant to hire 11 additional firefighters. The Department applied for the grant in December and, if successful, the new firefighters could be in the field by early summer. The Department must commit to maintain the staffing level at the time of application plus the SAFER funded positions for the period of the grant. The Department has adopted an alternative staffing model of a minimum of 75 firefighters on duty each day to maintain four-handed staffing. This will result in a savings in FY 2009-10 of \$431,210.

The Department will reduce the cost of Personal Protection Equipment (PPE) by \$36,000. National standards require this equipment for each new recruit (\$3,000 each), but since the Department will not be hiring, the equipment will not be necessary this fiscal year.

The Department will reduce its annual capital investment budget by \$50,000. This will delay repair of heating and air conditioning at Station 2, water supply issues at Station 3, and a leaking roof at the training tower.

The Department will reduce discretionary spending for a savings of \$44,026. This savings is the result of a 3.25% cut in each Fire Department cost center with discretionary spending.

### Police

The Police Department will delay hiring new Police Officers until July 2010 for a one-time savings of \$300,000. This figure assumes no officers return from military duty during the remainder of the fiscal year. The hiring delay also results in a one-time reduction in associated hiring costs of \$191,000. These costs include equipment, medical, psychological and aptitude testing, and physical ability testing.

The Department will recognize fuel savings of \$300,000, contingent on stable fuel pricing.

The Department will delay the expansion of the transition to air cards on officers' laptops for a one-time savings of \$106,000. Air cards allow officers access to the internet while the current system limits them to the information available on the internal Police Department server.

The Department will also delay the replacement of computer laptops that are coming out of the warranty period. The preferred target was replacement of 126 laptops, but the reduction will allow replacement of 12. This will result in a one-time savings of \$195,535. If there are other year end savings, the Department would use those funds to replace as many laptops as possible.

### Public Services

Public Services will save \$20,000 in electrical power this fiscal year and next as a result of the continued installation of energy efficient traffic signals.

The Parks Division was provided a budget of \$46,000 upon taking over responsibility from the State of Utah for the Jordan river Parkway. The Division has taken steps to eliminate the need for this budget for a savings of \$45,800 this fiscal year and next.

The Youth and Family Programs Division has experienced an increase in revenues (\$29,000) as a result of the last fee increase, but has also experienced additional expenses (\$13,000) this fiscal year and in FY 2010-11.

The Department has created operational efficiencies in special events administration and permitting for a savings of \$32,000 both this fiscal year and next.

Engineering has a budget of \$80,000 for professional services. This includes funds for a private testing laboratory to tests materials used in the City's street and concrete maintenance programs and the public way permit and development program. This fund became necessary as a result of the privatization of the previously in-house materials testing process. Public Services will reduce this budget by \$20,000 this fiscal year and next which will reduce the frequency of random testing and require more reliance on the producer's own quality control efforts.

The Streets Division has been able to absorb some of the cost of speed board transportation and that budget can be reduced by \$20,000 this fiscal year and next with no service reduction.

The forestry contractor will reduce the number of aerial tree trimming trucks from 5 to 4 and realign contractor crews, reducing them from five to four. As a result, 1,600 fewer trees will be trimmed, \$13,000 will be saved this fiscal year, and \$26,000 will be saved in FY 2010-11.

The Facilities Division assumed responsibility for the Library Square parking facility in July. The Division will save \$30,000 this fiscal year and next by decreasing the frequency of power washing, sweeping, and similar maintenance in the parking facility.

The Department will reduce fuel usage by 10% of the remaining budget for FY 2009-10, for a savings of \$46,000.

Public Services will rely less on seasonal staff in the following areas: Compliance crossing guards (7%), Facilities CBD and SBD maintenance (26%), Parks maintenance (4%), Community Events (8%), and Streets maintenance including snow removal (9%) for a savings of \$137,500 the remainder of this fiscal year and \$272,800 in FY 2010-11.

#### Non-Departmental

IMS will extend the life of the mission critical file server from 3 to 4 years and extend the warranty service for 4 years for a savings of \$120,000 the remainder of this fiscal year and again in FY 2010-11.

The Public Safety Building bond proposal election required the City to pay Salt Lake County for election services in three council districts in which the bond was the only item on the ballot. The City will seek reimbursement for that additional cost of \$102,082 from bond proceeds.

SALT LAKE CITY ORDINANCE  
No. \_\_\_\_\_ of 2010  
(Amending the Final Budget of Salt Lake City,  
including the employment staffing document,  
for Fiscal Year 2009-2010)

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An Ordinance Amending Salt Lake City Ordinance No. 17 of 2009 Which  
Adopted the Final Budget of Salt Lake City, Utah, for the Fiscal Year Beginning July 1,  
2009 and Ending June 30, 2010.

PREAMBLE

On June 16, 2009, the Salt Lake City Council adopted the final budget of Salt Lake City, Utah, including the employment staffing document, for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the requirements of Section 118, Chapter 6, Title 10 of the Utah Code Annotated, and said budget, including the employment staffing document, was approved by the Mayor of Salt Lake City, Utah.

The City's Policy and Budget Director, acting as the City's Budget Officer, prepared and filed with the City Recorder proposed amendments to said duly adopted budget, including the amendments to the employment staffing document necessary to effectuate the staffing changes specifically stated herein, copies of which are attached hereto, for consideration by the City Council and inspection by the public.

All conditions precedent to amend said budget, including the employment staffing document as provided above, have been accomplished.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. Purpose. The purpose of this Ordinance is to amend the final budget of Salt Lake City, including the employment staffing document, as approved, ratified and finalized by Salt Lake City Ordinance No.17 of 2009.

SECTION 2. Adoption of Amendments. The budget amendments, including amendments to the employment staffing document necessary to effectuate the staffing changes specifically stated herein, attached hereto and made a part of this Ordinance shall be, and the same hereby are adopted and incorporated into the budget of Salt Lake City, Utah, including the amendments to the employment staffing document described above, for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the requirements of Section 128, Chapter 6, Title 10, of the Utah Code Annotated.

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

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

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

Passed by the City Council of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

Transmitted to the Mayor on \_\_\_\_\_

Mayor's Action: \_\_\_\_ Approved \_\_\_\_ Vetoed

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM  
Salt Lake City Attorney's Office

Date 2-4-10

By [Signature]

(SEAL)

Bill No. \_\_\_\_\_ of 2010.

Published: \_\_\_\_\_

HB\_ATT#9683-V1-Budget\_Amendment\_FY09-10.DOC

FY 2010 Mid-Year Budget Reductions

FY 2009-10 MID YEAR BUDGET CUTS AND \$300 PER EMPLOYEE INSURANCE REIMBURSEMENT										
		FY2010			Revenue	Expense	Other Funds		Admin	Budget
		Savings	Cost Center	Object Code	Change	Change	Budget	No Budget	Adjustment	amendment
Sales Tax Revenue Reduction			01-00021	1130	-4,900,000				-4,900,000	
Interest Income Reduction			01-00021	1830	-700,000				-700,000	
<i>Police</i>										
Delay Police Officer Hiring to July 2010.		300,000	02-00015	2199		-120,000			-120,000	
			02-00035	2199		-120,000			-120,000	
			02-00045	2199		-60,000			-60,000	
Associated supply/processing hiring cost savings due to delay		191,000	02-00075	2326		-26,000			-26,000	
			02-00075	2314		-25,000			-25,000	
			02-00083	2314		-50,000			-50,000	
			02-00069	2254-05		-90,000			-90,000	
Fleet fuel reduction		300,000	02-00015	2390-01		-120,000			-120,000	
			02-00035	2390-01		-120,000			-120,000	
			02-00045	2390-01		-60,000			-60,000	
Delay expansion of air transition on lap tops		106,000	02-00083	2246-99		-106,000			-106,000	
Delay replacement of computer laptops		195,535	02-00083	2255-99		-195,535			-195,535	
		<b>Police Subtotal</b>								
		<b>1,092,535</b>								
<i>Adm. Services</i>										
Hold vacant Justice Court clerk position		31,989	01-00028	2199		-31,989			-31,989	
Eliminate non mandated out of town training for court staff		9,790	01-00028	2525		-9,790			-9,790	
Bond reimbursement for direct costs of PSB		42,000	01-00052	2199		-42,000			-42,000	
			83-10081	2590				-42,000		
Transfer in from Intermodal Hub Fund		49,839	01-00021	1974-50	49,839					49,839
			50-50000	2910-08				-49,839		-49,839
Transfer in from CIP -- close out of Justice Court project		150,693	01-00021	1974-05	150,693					150,693
			83-03006	2910-08				-150,693		
		<b>Administrative Services Subtotal</b>								
		<b>284,311</b>								
<i>Fire</i>										
Reduce PPE expense for new recruits, since no plan to hire		36,000	12-00010	2251		-36,000			-36,000	
Reduce annual department capital improvements		50,000	12-00005	2700		-50,000			-50,000	
Reduce discretionary spending in each cost center by 3.25%		44,026	12-00010	2299		-44,026			-44,026	
Vacancy Savings/Alternative staffing models		431,020	12-00120	2199		-431,020			-431,020	
		<b>Fire Subtotal</b>								
		<b>561,046</b>								
<i>CED</i>										
Do not fill -- Downtown Transportation Development Coordinator		105,000	06-00100	2199		-105,000			-105,000	
HOME funds allocation -- increase admin. Allocation		10,000	06-01300	2199		-10,000			-10,000	
			06-72003	1974-72	10,000					10,000
			06-72003	2199		10,000				10,000
			72-60809	1360			10,000			10,000

FY 2010 Mid-Year Budget Reductions

FY 2009-10 MID YEAR BUDGET CUTS AND \$300 PER EMPLOYEE INSURANCE REIMBURSEMENT										
		FY2010			Revenue	Expense	Other Funds		Admin	Budget
		Savings	Cost Center	Object Code	Change	Change	Budget	No Budget	Adjustment	amendment
			72-60809	2910-08			10,000			10,000
	Building Services (vacancy savings -- salary difference)	64,264	06-01400	2111-01		-33,176			-33,176	
			06-00200	2111-01		-31,088			-31,088	
	Economic Development - New CBIA allocation for admin expenses	5,605	06-01500	2111-01		-5,605			-5,605	
	Reduce Outsourcing funds for Building Services	7,832	06-00600	2111-01		-7,832			-7,832	
	1/2 Year Preservation Planner vacancy savings (hiring expected Jan 2010)	44,500	06-00900	2111-01		-44,500			-44,500	
	Historic planner position vacancy savings--( vacant since 9/9, hiring expected Jan 2010)	26,669	06-00900	2111-01		-26,669			-26,669	
	<b>CED Subtotal</b>	<b>263,870</b>								
<i>Attorney</i>										
	Vacancy Savings	2,264	15-01410	2199		-2,264			-2,264	
	<b>Attorney Subtotal</b>	<b>2,264</b>								
<i>Mayor</i>										
	Vacancy Savings and Salary Changes	26,364	08-00100	2199		-26,364			<b>-26,364</b>	
	<b>Mayor Subtotal</b>	<b>26,364</b>								
<i>Public Services</i>										
	Increase Engineering billings to CIP	100,000	03-12400	1955-12	100,000					100,000
	Streets Traffic Signal Electrical Power and Supplies	20,000	03-12100	2331		-20,000			-20,000	
	Parks Materials Budget for Jordan River Parkway	45,800	04-13200	2280		-45,800			-45,800	
	Youth City changes -- recognize impact of fee increase	29,000	04-14014	1696-01	40,304					40,304
			04-14015	1696-01	-1,235					-1,235
			04-14016	1696-01	-10,118					-10,118
			04-14017	1696-01	-4,200					-4,200
			04-14089	1696-01	4,249					4,249
	Youth City changes -- expense increase	(13,000)	04-14014	2590		3,277			3,277	
			04-14015	2590		3,241			3,241	
			04-14016	2590		3,241			3,241	
			04-14017	2590		3,241			3,241	
	Community Events and special events permitting efficiencies	32,500	04-14050	2200		-32,500			-32,500	
	Reduce private materials testing lab budget in engineering	20,000	03-12400	2329		-20,000			-20,000	
	Speed board transportation	20,000	03-10600	2100		-20,000			-20,000	
	Forestry contractor crew size	13,000	04-81102	2300		-13,000			-13,000	
	Library Square parking facility maintenance	30,000	07-00092	2350		-30,000			-30,000	
	Fuel Reduction	46,000	04-14050	2390-01		-25			-25	
			03-12200	2390-01		-1,818			-1,818	
			07-00095	2390-01		-546			-546	
			03-12400	2390-01		-1,634			-1,634	
			04-11510	2390-01		-2,569			-2,569	
			07-00091	2390-01		-1,870			-1,870	

FY 2010 Mid-Year Budget Reductions

FY 2009-10 MID YEAR BUDGET CUTS AND \$300 PER EMPLOYEE INSURANCE REIMBURSEMENT										
		FY2010			Revenue	Expense	Other Funds		Admin	Budget
		Savings	Cost Center	Object Code	Change	Change	Budget	No Budget	Adjustment	Budget amendment
			04-81102	2390-01		-1,449			-1,449	
			03-10300	2390-01		-65			-65	
			04-10630	2390-01		-1,395			-1,395	
			04-13100	2390-01		-4,960			-4,960	
			04-13200	2390-01		-4,960			-4,960	
			04-13600	2390-01		-789			-789	
			03-10610	2390-01		-13,426			-13,426	
			03-11410	2390-01		-1,298			-1,298	
			03-11450	2390-01		-1,947			-1,947	
			03-11500	2390-01		-3,504			-3,504	
			03-11900	2390-01		-2,137			-2,137	
			03-12100	2390-01		-1,608			-1,608	
Reduction of seasonal staff		137,500	03-12200	2161		-29,500			-29,500	
			03-12201	2161		-19,000			-19,000	
			04-13100	2161		-18,600			-18,600	
			04-13200	2161		-14,800			-14,800	
			03-10610	2161		-20,100			-20,100	
			03-11100	2161		-15,800			-15,800	
			03-11900	2161		-5,500			-5,500	
			03-12100	2161		-2,600			-2,600	
			04-14050	2161		-2,000			-2,000	
			04-11510	2161		-9,600			-9,600	
Energy incentives -- one-time revenue shift		144,000	07-00091	1974-05	144,000					144,000
			83-81400	2910-08			-144,000			-144,000
		<b>624,800</b>								
<b>Public Services Subtotal</b>										
<i>Non Departmental</i>										
Council action -- eliminate CIP SAA in Districts 5 and 6		600,000	83-10040	2910-08				600,000		600,000
			01-00021	1974-05	600,000					600,000
Reduce IMS Transfer -- Extend mission critical file server life to 4 years		120,000	09-00700	2321		-120,000			-120,000	
			65-03100	1954-09			-120,000		-120,000	
Reimburse additional 3 council district costs from bond proceeds		102,082	09-00714	2590		-102,082			-102,082	
			83-10081	2590				-102,082		
CIP Recapture -- closed Transportation Projects		23,741	83-07023	2910-08				-2,500		
			83-05014	2910-08				-9,196		
			83-07028	2910-08				-12,045		
			01-00021	1974-05	23,741					23,741
CIP Recapture -- closed Engineering Projects		711,631	83-04021	2910-08				-8,875		
			83-05017	2910-08				-2,373		
			83-05040	2910-08				-59,390		
			83-06077	2910-08				-652		
			83-07047	2910-08				-9,064		
			83-07050	2910-08				-48,750		

FY 2010 Mid-Year Budget Reductions

FY 2009-10 MID YEAR BUDGET CUTS AND \$300 PER EMPLOYEE INSURANCE REIMBURSEMENT									
	FY2010			Revenue	Expense	Other Funds		Admin	Budget
	Savings	Cost Center	Object Code	Change	Change	Budget	No Budget	Adjustment	amendment
		83-07070	2910-08				-2,527		
		83-09032	2910-08				-280,000		
		83-09033	2910-08				-300,000		
		01-00021	1974-05	711,631					711,631
	<b>Non Departmental Subtotal</b>	<b>1,557,454</b>							
<b>\$300 Per Employee Insurance Reimbursement</b>									
Administrative Services		01-00033	2199		53,443				53,443
Police		02-00010	2199		228,560				228,560
Fire		12-00005	2199		145,187				145,187
Community Economic Development		06-00100	2199		66,386				66,386
Public Services		03-10200	2199		121,081				121,081
Attorney		15-01405	2199		22,129				22,129
Mayor's Office		08-00100	2199		8,350				8,350
Council Office		19-00100	2199		9,185				9,185
Risk Management		87-87001	2199			835			835
Risk Management		87-00871	2199			835			835
Fleet		61-00001	2199			18,371			18,371
IMS		65-03100	2199			22,964			22,964
Golf		59-00590	2199			16,701			16,701
Refuse		57-00570	2199			7,515			7,515
Refuse		57-11700	2199			2,088			2,088
<b>CIP RDA Loan Repayment</b>		83-10013	2910-08			1,800,000			1,800,000
		01-00021	1974-05	1,800,000					1,800,000
<b>GRAND TOTALS</b>				-1,981,096	-1,939,419			-2,603,740	
Net Adjustment					-41,677				
Administrative Reduction in General Fund Revenue									
Sales Tax	-4,900,000								
Interest Income	<u>-700,000</u>								
Total Reduction	-5,600,000								
Budget Opening Revenue Increase		3,618,904							
Administrative Reductions		2,619,740							
Budget Opening \$300 Per Employee		<u>-654,321</u>							
Combined Impact of Revenue Increases/Adm. Reduction and Employee Offset		5,584,323							
Net Adjustment to General Fund		-15,677							

Revenue	FY09-10 Annual Budget	Revised Forecast	Variance Favorable (Unfavorable)
<b>Total General Fund</b>	201,697,057	196,142,080	(5,564,417)
<b>Selected Discussion Items</b>			
<b>Total Property Taxes</b> <i>Discussion:</i>	69,541,930	69,541,930	0
<b>Total Sales and Use Tax</b> <i>Discussion:</i> Reviewing the sales tax trends for the past fifteen months we have noticed a downward trend and we believed this trend will continue during the fiscal year.	48,293,122	43,374,901	(4,918,221)
<b>Total Franchise Tax</b> <i>Discussion:</i>	27,535,772	27,635,772	100,000
<b>License and Permits:</b> <i>Discussion:</i> The number of commercial and residential permits are up from last fiscal year.	14,853,028	14,970,742	108,274
<b>Total Intergovernmental</b> <i>Discussion:</i>	5,069,959	5,089,813	19,854
<b>Interest income</b> <i>Discussion:</i> Interest Income is lower due to a lag in the economy	2,211,545	1,420,209	(791,336)
<b>Total Fines &amp; Forfeiture</b> <i>Discussion:</i> The issuance of parking tickets in December is lower than in previous years.	10,906,040	10,804,365	(101,675)
<b>Parking Meters</b> <i>Discussion:</i> Year end projections for parking meter revenue indicates that this source will come in higher due to the bagging of meters in the down town area Including City Creek.	1,529,363	1,904,363	375,000
<b>Charges and Services</b> <i>Discussion:</i>	4,129,686	3,973,873	(155,813)
<b>Miscellaneous Revenue</b> <i>Discussion:</i>	1,016,991	1,167,166	150,175
<b>Total Interfund</b> <i>Discussion:</i> Administration fees are coming in lower to due more activities occurring in the general fund.	9,886,846	9,536,171	(350,675)
<b>Transfers</b> <i>Discussion:</i>	6,722,775	6,722,775	0

***Fiscal Year 2010 Budget Amendment #3 –February***

#	Initiative Name	Fiscal Year Impact Amount	Annual Impact Amount (If Different)	FTE	General Fund Impact	General Fund Fund Balance Impact Positive	Impact Fund Balance Impact Negative
<b>Section A</b>		<b>New Items</b>					
1.	\$300 Per Employee Insurance Reimbursement	\$723,630.00			\$654,321		
2.	Transfer from Intermodal Hub Fund to General Fund	\$49,839.00			\$49,839.00		
3.	Admin Fees from HOME Funds	\$10,000.00			\$10,000.00		
4.	Transfer from CIP to General Fund	\$3,430,065.00			\$3,430,065.00		
5.	Increase Engineering Billings	\$100,000.00			\$100,000.00		
6.	Youth Services Fee Increase	\$29,000.00			\$29,000.00		
<b>Section B</b>		<b>Grants For Existing Staff Resources</b>					
<b>Section C</b>		<b>Grants For New Staff Resources</b>					
<b>Section D</b>		<b>Housekeeping</b>					

**Initiative Name:**

**\$300 Per Employee Insurance Reimbursement**

**Initiative Number:**

**BA#3 FY2010 Initiative #A-1**

**New Item**

**Initiative Discussion:**

A request to establish a budget in the: General Fund for \$654,321, Risk Fund for \$1,670, Fleet Fund for \$18,371, IMS Fund for \$22,964, Golf Fund for \$16,701 and the Refuse Fund for \$9,603.

This will reimburse each full time employee \$300 one time for insurance costs. It will also reimburse RPT employees \$150 one time for insurance costs.

This \$300 check will be a net check allowing for FICA, Med-FICA, 10% federal withholding and 5% state withholdings.



<b>Accounting Detail</b>		<b>Grant # and CFDA # If Applicable:</b>		<b>NA</b>
<b>Revenue:</b>				
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>
<b>Expenditure:</b>				
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>
01-00033		2199		\$ 53,443.00
02-00010		2199		\$ 228,560.00
12-00005		2199		\$ 145,187.00
06-00100		2199		\$ 66,386.00
03-10200		2199		\$ 121,081.00
15-01405		2199		\$ 22,129.00
08-00100		2199		\$ 8,350.00
19-00100		2199		\$ 9,185.00
87-87001		2199		\$ 835.00
87-00871		2199		\$ 835.00
61-00001		2199		\$ 18,371.00
65-03100		2199		\$ 22,964.00
59-00590		2199		\$ 16,701.00
57-00570		2199		\$ 7,515.00
57-11700				\$ 2,088.00
				\$ 723,630.00
<b>Additional Accounting Details:</b>				
<b>Grant Information:</b>				
Grant funds employee positions?				NA
Is there a potential for grant to continue?				NA
If grant is funding a position is it expected the position will be eliminated at the end of the grant?				NA
Will grant program be complete in grant funding time frame?				NA
Will grant impact the community once the grant funds are eliminated?				NA
Does grant duplicate services provided by private or Non-profit sector?				NA

**Initiative Name:**

**Transfer from Intermodal Hub Fund to General Fund**

**Initiative Number:**

**BA#3 FY2010 Initiative #A-2**

**New Item**

**Initiative Discussion:**

A request to transfer \$49,839 from the Intermodal Hub Fund to the General Fund to help cover the mid-year expenditure reductions





**Initiative Name:**

**Increase Admin Allocation from HOME Funds**

**Initiative Number:**

**BA#3 FY2010 Initiative #A-3**

**New Item**

**Initiative Discussion:**

A request to increase the Administrative cost charged to the HOME Fund transferred to the General Fund.





**Initiative Name:**

**Transfer from the CIP Fund on Surplus or Closed Out Projects to the General Fund**

**Initiative Number:**

**BA#3 FY2010 Initiative #A-4**

**New Item**

**Initiative Discussion:**

A request to transfer surplus or closed out projects from the CIP Fund to the General Fund to help cover the Mid-year cost reductions in the General Fund.

These include: \$1.8 million from funds set aside but not appropriated in the FY 2009-10 budget for future downtown development, \$150,693 from close out funds associated with a Justice Court renovation project, \$144,000 in energy incentive revenues received by the City from Rocky Mountain Power and Questar, \$600,000 from an SAA in Districts 5 & 6 that the Council has decided not to pursue, \$23,741 in closed Transportation CIP projects, and \$711,631 in closed Engineering CIP projects.



<b>Accounting Detail</b>		<b>Grant # and CFDA # If Applicable:</b>		<b>NA</b>	
<b>Revenue:</b>					
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>	
01-00021		1974-05		\$ 3,286,065.00	
07-00091		1974-05		\$ 144,000.00	
<b>Expenditure:</b>					
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>	
83-03006		2910-08		\$ 150,693.00	
83-03006		2700		\$ (150,693.00)	
83-81400		2910-08		\$ 144,000.00	
83-10040		2910-08		\$ 600,000.00	
83-10040		2700		\$ (600,000.00)	
83-04021		2910-08		\$ 8,875.00	
83-04021		2700		\$ (8,875.00)	
83-05017		2910-08		\$ 2,373.00	
83-05017		2700		\$ (2,373.00)	
83-05040		2910-08		\$ 59,390.00	
83-05040		2700		\$ (59,390.00)	
83-06077		2910-08		\$ 652.00	
83-06077		2700		\$ (652.00)	
83-07047		2910-08		\$ 9,064.00	
83-07047		2700		\$ (9,064.00)	
83-07050		2910-08		\$ 48,750.00	
83-07050		2700		\$ (48,750.00)	
83-07070		2910-08		\$ 2,527.00	
83-07070		2700		\$ (2,527.00)	
83-09032		2910-08		\$ 280,000.00	
83-09032		2700		\$ (280,000.00)	
83-09033		2910-08		\$ 300,000.00	
83-09033		2700		\$ (300,000.00)	
83-07023		2910-08		\$ 2,500.00	
83-07023		2700		\$ (2,500.00)	
83-05014		2910-08		\$ 9,196.00	
83-05014		2700		\$ (9,196.00)	
83-07028		2910-08		\$ 12,045.00	
83-07028		2700		\$ (12,045.00)	
83-10013		2910-08		\$ 1,800,000.00	
<b>Additional Accounting Details:</b>					
<b>Grant Information:</b>					
<b>Grant funds employee positions?</b>				<b>NA</b>	
<b>Is there a potential for grant to continue?</b>				<b>NA</b>	
<b>If grant is funding a position is it expected the position will be eliminated at the end of the grant?</b>				<b>NA</b>	
<b>Will grant program be complete in grant funding time frame?</b>				<b>NA</b>	
<b>Will grant impact the community once the grant funds are eliminated?</b>				<b>NA</b>	
<b>Does grant duplicate services provided by private or Non-profit sector?</b>				<b>NA</b>	

**Initiative Name:**

**Increase Engineering Billings to the CIP Fund**

**Initiative Number:**

**BA#3 FY2010 Initiative #A-5**

**New Item**

**Initiative Discussion:**

A request to increase the Engineering Billings to the CIP Fund projects which will be transferred to the General Fund in the amount of \$100,000.





**Initiative Name:**

**Youth Services increase in Fees**

**Initiative Number:**

**BA#3 FY2010 Initiative #A-6**

**New Item**

**Initiative Discussion:**

A request to increase the fees for Youth Services on the After School Program.





**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-1**

**Administrative**

**Initiative Discussion:**

Police Administrative Mid-Year Reductions



<b>Accounting Detail</b>		<b>Grant # and CFDA # If Applicable:</b>		<b>NA</b>
<b>Revenue:</b>				
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>
<b>Expenditure:</b>				
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>
02-00015		2199		\$ (120,000.00)
02-00035		2199		\$ (120,000.00)
02-00045		2199		\$ (60,000.00)
02-00075		2326		\$ (26,000.00)
02-00075		2314		\$ (25,000.00)
02-00083		2314		\$ (50,000.00)
02-00069		2254-05		\$ (90,000.00)
02-00015		2390-01		\$ (120,000.00)
02-00035		2390-01		\$ (120,000.00)
02-00045		2390-01		\$ (60,000.00)
02-00083		2246-99		\$ (106,000.00)
02-00083		2255-99		\$ (195,535.00)
				\$ (1,092,535.00)
<b>Additional Accounting Details:</b>				
<b>Grant Information:</b>				
Grant funds employee positions?				NA
Is there a potential for grant to continue?				NA
If grant is funding a position is it expected the position will be eliminated at the end of the grant?				NA
Will grant program be complete in grant funding time frame?				NA
Will grant impact the community once the grant funds are eliminated?				NA
Does grant duplicate services provided by private or Non-profit sector?				NA

**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-2**

**Administrative**

**Initiative Discussion:**

Administrative Services Administrative Mid-Year Reductions





**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-3**

**Administrative**

**Initiative Discussion:**

Fire Administrative Mid-Year Reductions





**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-4**

**Administrative**

**Initiative Discussion:**

Community and Economic Development Administrative Mid-Year Reductions



<b>Accounting Detail</b>		<b>Grant # and CFDA # If Applicable:</b>		<b>NA</b>
<b>Revenue:</b>				
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>
<b>Expenditure:</b>				
<b>Cost Center Number</b>		<b>Object Code Number</b>		<b>Amount</b>
06-00100		2199		\$ (105,000.00)
06-01300		2199		\$ (10,000.00)
06-01400		2111-01		\$ (33,176.00)
06-00200		2111-01		\$ (31,088.00)
06-01500		2111-01		\$ (5,605.00)
06-00600		2111-01		\$ (7,832.00)
06-00900		2111-01		\$ (44,500.00)
06-00900		2111-01		\$ (26,669.00)
				\$ (263,870.00)
<b>Additional Accounting Details:</b>				
<b>Grant Information:</b>				
Grant funds employee positions?				NA
Is there a potential for grant to continue?				NA
If grant is funding a position is it expected the position will be eliminated at the end of the grant?				NA
Will grant program be complete in grant funding time frame?				NA
Will grant impact the community once the grant funds are eliminated?				NA
Does grant duplicate services provided by private or Non-profit sector?				NA

**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-5**

**Administrative**

**Initiative Discussion:**

Attorney's Office Administrative Mid-Year Reductions





**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-6**

**Administrative**

**Initiative Discussion:**

Mayor's Office Administrative Mid-Year Reductions





**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-7**

**Administrative**

**Initiative Discussion:**

Public Services Administrative Mid-Year Reductions



Accounting Detail		Grant # and CFDA # If Applicable:		NA
Revenue:				
Cost Center Number		Object Code Number		Amount
<b>Expenditure:</b>				
Cost Center Number		Object Code Number		Amount
03-12100		2331		\$ (20,000.00)
04-13200		2280		\$ (45,800.00)
04-14014		2590		\$ 3,277.00
04-14015		2590		\$ 3,241.00
04-14016		2590		\$ 3,241.00
04-14017		2590		\$ 3,241.00
04-14050		2200		\$ (32,500.00)
03-12400		2329		\$ (20,000.00)
03-10600		2100		\$ (20,000.00)
04-81102		2300		\$ (13,000.00)
07-00092		2350		\$ (30,000.00)
04-14050		2390-01		\$ (25.00)
03-12200		2390-01		\$ (1,818.00)
07-00095		2390-01		\$ (546.00)
03-12400		2390-01		\$ (1,634.00)
04-11510		2390-01		\$ (2,569.00)
07-00091		2390-01		\$ (1,870.00)
04-81102		2390-01		\$ (1,449.00)
03-10300		2390-01		\$ (65.00)
04-10630		2390-01		\$ (1,395.00)
04-13100		2390-01		\$ (4,960.00)
04-13200		2390-01		\$ (4,960.00)
04-13600		2390-01		\$ (789.00)
03-10610		2390-01		\$ (13,426.00)
03-11410		2390-01		\$ (1,298.00)
03-11450		2390-01		\$ (1,947.00)
03-11500		2390-01		\$ (3,504.00)
03-11900		2390-01		\$ (2,137.00)
03-12100		2390-01		\$ (1,608.00)
03-12200		2161		\$ (29,500.00)
03-12201		2161		\$ (19,000.00)
04-13100		2161		\$ (18,600.00)
04-13200		2161		\$ (14,800.00)
03-10610		2161		\$ (20,100.00)
03-11100		2161		\$ (15,800.00)
03-11900		2161		\$ (5,500.00)
03-12100		2161		\$ (2,600.00)
04-14050		2161		\$ (2,000.00)
04-11510		2161		\$ (9,600.00)
				\$ (351,800.00)
<b>Additional Accounting Details:</b>				



**Initiative Name:**

**Administrative Mid-Year Reductions**

**Initiative Number:**

**BA#3 FY2010 Initiative #H-8**

**Administrative**

**Initiative Discussion:**

Non-Departmental Administrative Mid-Year Reductions



