

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2010-11

DATE: May 11, 2010

SUBJECT: **OVERVIEW OF MAJOR BUDGET ISSUES
MAYOR'S RECOMMENDED BUDGET**

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On April 27, 2010, Mayor Becker presented his recommended budget for fiscal year 2010-11. Council staff has prepared this overview and will provide a more detailed analysis of proposed department budgets prior to each briefing. A synopsis of the proposed city-wide budget is on the last page of this overview.

Relevant Policy Attachments:

- Council Legislative Priorities - Staff has included in **Appendix F**, the Council's policy goals identified at the 2008, 2009 and 2010 retreats, for Council consideration as the budget process moves forward.
- Council Policy Statements on Budget - Staff has also included in **Appendix G**, adopted Council policy statements on budget.
- The Administration's responses to the Council's interim study items are attached to this report. *Note: The Administration's responses to Council Legislative intents from FY 2010 will be provided at a future date.*

Key Elements of the Mayor's FY 2011 Budget Recommendation

1. General Fund revenue – The proposed budget contains \$186,785,704 of on-going general fund revenue and \$3,126,441 of one-time sources for a total revenue budget of \$186,785,704. (See **Appendix A** for a more detailed summary of general fund revenue, including a pie chart by source of revenue.)
 - a) This represents a \$15 million decrease (7.4%) from the FY 2010 revenue budget. Over the past two years (since FY 2009), the general fund revenue budget has decreased by \$23.4 million (12.5%). FY 2010 was the first year that the budget for general fund revenue has declined in seven years.
 - b) The majority of the revenue decrease from FY 2010 is due to projected decreases in Sales Tax (\$4.8 million, or 10% decrease), Building Permits (\$844,932 decrease, 13%), and Interest Income (\$1.7 million decrease, 78%).
 - The Council may wish to note that the projected \$4 million decrease in Sales Tax is a decrease from the FY 2010 adopted budget.
 - The Council did adjust the Sales Tax Revenue budget in a mid-year budget reduction. The FY 2011 budget projects a relatively flat sales tax revenue forecast from the adjusted budget (less than 1% increase). *The Council may wish to consider other revenue sources should Sales Tax continue to decline.*
 - *Sales Tax History/Context* – Since the FY 2009 adopted budget, Sales Tax revenue has declined by almost \$10 million overall (almost 20%). In the years leading up to FY 2008 (the peak of Sales Tax revenue on an actual basis), Sales Tax increased annually, by an average of \$2.8 million per year.

The amount of Sales Tax proposed for the FY 2011 budget, is closest to the amount budgeted in the FY 2005 budget.

- c) Of the projected general fund revenue, \$3 million results from new or increased fees (compared to \$13.4 million decrease as a result of accounting changes or natural declines). See **Appendix B** for a detailed comparison of revenue growth due to inflation vs. fee increases. *The Council may wish to discuss the City's long-term revenue strategy with the Administration, given that fee increases alone will not generate enough revenue to cover the natural yearly increases in City expenses (for employees, operations, and services).*
- d) Property taxes - The Administration is proposing to increase City property taxes by \$1,011,185 in an exchange for an equivalent decrease in County Property taxes, resulting in no net increase for City property taxpayers. The Administration has identified the opportunity for this shift within the Emergency Medical Services Reimbursement category. The Council should note that Administrative Staff is still in discussions with the County regarding this issue. No formal commitment to reduce the County portion of taxes has been obtained. The Council may have to make a final decision regarding the City's property tax rate before the County formally commits. Note: Staff will provide more detailed information on the truth-in-taxation process as the budget briefings continue.

Staff has estimated (for discussion purposes only), what the property tax impact would be for a variety of general property tax increase scenarios:

Estimation of Property Tax Increase Impact by Property Type		
City Property Tax Increase	Annual Increase	
	\$250,000 House	\$1 Million Commercial Property
\$1,000,000	\$8.53	\$62.00
\$5,000,000	\$42.64	\$310.10
\$10,000,000	\$85.26	\$620.10

- e) Fee Increases - The Administration is proposing four new fee increases, although none relating to general/standard business license fees. The following chart details these increases and the associated revenue:

Proposed General Fund Fee Increases - FY 2011				
Description	Current Fee	Proposed Fee	% increase	Revenue Generated
Base fee for Freight Stickers	\$ -	\$ 100		\$ 52,000
Freight Sticker Increase	\$ 25	\$ 35	40%	\$ 130,000
Ground Transportation Badging Fee	\$ 115	\$ 124	8%	\$ 3,338
Library Square Parking (per hour)	\$ 1.25	\$ 1.50	20%	\$ 31,200

- *Parking Tax at the Salt Palace* - The Council may wish to take note of the \$400,000 budgeted for revenue from the institution of the \$1-per-car facility fee at the Salt Palace Convention Center. Because this facility is run by the County, the County would need to agree to institute this fee. The Administration is still in discussions with the County in order to secure an agreement for this. *If the County does not agree to institute the fee, other revenue will need to be identified in that amount in order to balance the budget. Council Members may wish to coordinate with the Administration to work with the County on this issue.*

- *Business License Fees* - Although the Administration is not proposing business license fee increases, there is a legal potential to increase these fees based on the cost to the City to provide the service. *The Council may wish to ask the Administration for information relating to the “headroom” left in the business license fees charged based on the City time and cost analysis completed by the Administration.*

f) One-time Revenue - The Administration’s proposed budget includes some use of one-time revenue, including transfers from enterprise funds. *The Council may wish to consider the policy implications of balancing the FY 2011 budget with one-time revenue from special purpose funds as opposed to general fund balance.*

Source of one-time general fund revenue	Amount	Notes
Public Safety Building Permit/Plan Review Fee Revenue	\$ 800,000	If there are delays in the design of the project beyond FY 2011, this revenue will not materialize.
Police Long-Term-Disability (LTD) Transfer	\$ 800,000	
Appropriation of Fund Balance	\$ 654,000	This is the amount that will lapse to Fund Balance in FY 2010 due to the decision to forgo the Employee \$300 reimbursement. The Administration is instead proposing to reinstate the 1.5% pay cut.
Transfer from IFAS Account	\$ 400,000	Funds set aside for upgrade/update of IFAS (City Financial System). The Council may wish to ask the Administration if investing these funds in the system (rather than recapturing the money) would save more City staff time in the long run.
Governmental Immunity	\$ 325,000	\$500,000 transferred in FY 2010
Municipal Building Authority	\$ 147,441	One-time transfer of accumulated interest on bond payments – will not be eligible for additional funds in FY 2012.
Total	\$ 3,126,441	

2. **General Fund expenditures** – Corresponding to the decrease in revenues, the proposed budget contains expenditures of \$186,785,703, which is an \$14.9 million decrease (7.2%) from FY 2010. As a comparison, the adopted budget for FY 2010 was a 5.6% decrease from FY 2009. Expenditures in FY 2009 were 3.2% *higher than* FY 2008. (See **Appendix C** for a summary of proposed general fund expenditures, and **Appendix E** for a summary of proposed expenditures City-wide.)
- Included in the proposed budget is \$1.54 million of expenditures that the Administration considers one-time needs, that are paid for with one-time revenues. The remaining one-time revenues (approximately \$1.6 million) are used in order to balance the general fund budget.
 - Because CIP projects are more “one-time” in nature, these funds are used to increase the “transfer to CIP” line item to the 7% level. See **Appendix D** for a summary of one-time general fund revenues and expenditures.

3. **Fund Balance** - The expenditures budget proposes to use \$654,000 of general fund balance. This corresponds to the amount originally requested by the administration in Budget Amendment #3 for the \$300 Employee Health Insurance Reimbursement. After the Budget Amendment was transmitted to the Council, the Administration suggested (and the Council concurred) that the Council hold action on this item until the revenue picture for FY 2010 became clearer. As a result, \$654,000 will lapse to fund balance at the end of FY 2010. The Administration is proposing to use this to help offset the cost of reinstating the 1.5% pay cut for City Employees in FY 2011.
- a) The Administration forecasts that as of July 1, 2010, and assuming the use of Fund Balance that the Mayor proposes for FY 2011, the City will be have approximately \$23 million in general fund balance, or **12.4%**.
 - b) In the past, the Council has had a policy of maintaining a fund balance of at least equal to 10% of general fund revenue (in FY 2011, 10% of proposed general fund revenue would be \$18.4 million). Therefore the City has approximately **\$4.6 million in excess of the 10% threshold**.
 - c) In conjunction with the FY 2008 budget, the Council adopted the following legislative intent relating to fund balance:
It is the intent of the City Council that the Administration identify a process to restore fund balance to 15% of general fund revenue as reserves for unforeseen events or emergencies, and establish 15% of fund balance as a target for the minimum amount allowable (rather than the previous 10%).
4. **Salary Suspension Reinstatement** – The Administration is proposing to lift the 1.5% Salary Suspension instituted as a part of the FY 2010 budget (a total approximate cost of \$1.5 million in the general fund).
5. **Health Insurance Increases** - The Administration is proposing to adjust employee's contribution to health care premiums. In FY 2009, employee contributions were increased from 0% to 5%, and in FY 2010 were increased again from 5% to 10%, in order to help the City pay for increases in premiums. The total premium increase for FY 2011 is \$2.3 million (9%). The Administration (with the Employee benefits committee's recommendation) is proposing to increase employee-paid portion again, to 15%. With this shift the employees will be offsetting 71% of the total premium increase (\$1.6 million). Therefore the overall budget impact to the City is \$661,325 (expenditures are distributed across departments). Co-pays and maximum out-of-pocket expenses are also proposed to increase. The following chart details the premium costs currently (split 90/10) as compared to the proposed FY 2011 scenario of an 85/15 split:

Proposed Health Insurance Premium Changes							
Yearly Increases							
		Current - FY 2010		Proposed - FY 2011			
	% of Employees Enrolled	Yearly City Share	Yearly Employee Share	Yearly City Share	Yearly Employee Share	Yearly City Increase	Yearly Employee Increase
Preferred Care							
Single	1.9%	\$ 3,605	\$ 1,883	\$ 3,711	\$ 2,271	\$ 106	\$ 388
Double	2.0%	\$ 8,111	\$ 4,485	\$ 8,350	\$ 5,380	\$ 239	\$ 895
Family	1.9%	\$ 10,814	\$ 5,653	\$ 11,132	\$ 6,816	\$ 318	\$ 1,164
Advantage Care							
Single	1.7%	\$ 3,605	\$ 1,201	\$ 3,711	\$ 1,528	\$ 106	\$ 327
Double	0.8%	\$ 8,111	\$ 3,803	\$ 8,350	\$ 4,636	\$ 239	\$ 834
Family	1.5%	\$ 10,814	\$ 4,971	\$ 11,132	\$ 6,073	\$ 318	\$ 1,102
Summit Care							
Single	17.7%	\$ 3,605	\$ 400	\$ 3,711	\$ 655	\$ 106	\$ 255
Double	21.1%	\$ 8,111	\$ 901	\$ 8,350	\$ 1,473	\$ 239	\$ 572
Family	51.3%	\$ 10,814	\$ 1,201	\$ 11,132	\$ 1,965	\$ 318	\$ 763

- *The cumulative effect of restoring the 1.5% salary suspension and the Administration's proposed increases in health insurance premiums may still result in a yearly decrease in employee take-home pay for some employees, depending on which insurance plan the Employee is on. Most employees (90.2%) are enrolled in Summit Care, with a majority electing Double or Family coverage.*
 - The Benefits Committee voted 4-2 to recommend this option to the Mayor. The two who voted against it stated that they would vote for it if the City was able to restore the 1.5% pay suspension (which the Mayor is recommending).
 - In FY 2010, State of Utah employees paid 5% of premiums, County employees paid 20% of premiums, Davis County employees paid 10% of premiums (*no deductible*), and Murray City employees paid 15% of premiums.
 - Council staff has previously received information from the Administration on health insurance premium splits in other governmental entities. The Kaiser Family Foundation Employer Health Benefits 2008 Annual Survey for this region indicated that the average percentage of premium paid by State and Local Government employees was 12% for single coverage and 18-22% for family coverage.
6. **Reorganization, Position changes and Eliminations** – At the Council's May 4th Work Session, the Administration presented its recommendation for a major reorganization of City Departments. This table presents (in summary) where major City functions are proposed to be housed:

Elimination of Administrative Services Department:		
Office of the Director	➡	Eliminated
Human Resources	➡	New Human Resources Dept
IMS	➡	New IMS Dept
Finance	➡	New Finance Dept
Justice Court	➡	New Justice Court Division
Capital Asset Management	➡	CED
Recorder's Office	➡	Attorney's Office
Civilian Review Board	➡	Human Resources Dept
Budget and Policy	➡	Mayor's Office
Emergency Management	➡	Police Dept
Sustainability	➡	Public Services
Other Changes:		
Housing & Zoning Enforcement (CED)	➡	Civil Enforcement Unit (CED)
Business Licensing	➡	New Finance Dept
Business License Inspectors	➡	Civil Enforcement Unit (CED)
Engineering	➡	CED

The following chart details FTE changes by department, including proposed reorganizations. In total the general fund has been reduced by 64.94 FTEs (25 of which are currently filled):

FY 2011 FTE Changes by General Fund Department								
Department	Adopted FY 2010 FTEs	FY 2010 Mid- Year Reductions	FY 2011 Proposed				Total	Change
			Transfers between Departments	Transfers to Other Funds	Reductions	New Positions		
Attorney	52.50		5.50		-4.00		54.00	1.50
CED	166.01	-1.00	59.00		-37.01	1.00	188.00	21.99
Council	22.13						22.13	0.00
Finance	n/a		39.50	-0.30	-1.00	0.50	38.70	38.70
Fire	356.00					1.00	357.00	1.00
Administrative Services	127.66	-1.00	-122.66		-4.00		0.00	(127.66)
Human Resources	n/a		16.16				16.16	16.16
Justice Court	n/a		49.00				49.00	49.00
Mayor	19.00		3.00		-1.00		21.00	2.00
Police	587.00		2.50		-4.00		585.50	(1.50)
Public Services	288.21		-52.00		-14.13		222.08	(66.13)
Non-Departmental	0.00						0.00	
Total	1,618.51	-2.00	0.00	-0.30	-65.14	2.50	1,553.57	(64.94)

The Administration indicates that there is a net savings by eliminating the Office of the Director of Administrative Services (2 FTEs and an operating budget), despite increasing salaries to account for Division Directors becoming Department Directors. *The Council may wish to consider that the three (3) newly-created departments will also eventually likely request Deputy Directors and/or secretarial support in the future, which could have a future budget impact and negate any savings realized by eliminating Administrative Services.*

The Administration is also proposing to eliminate a number of positions. The following chart details the affected positions and departments:

Department	Positions	FTEs
<u>Vacant Positions Proposed to be Eliminated</u>		
Admin Services	Director	-1
Admin Services	Purchasing Consultant	-1
Admin Services	Hearing Officer	-1
Admin Services	Deputy HR Director	-1
Admin Services	Justice Court Clerk (mid year reduction)	-1
Attorney's Office	Legal Secretary	-1
Attorney's Office	Office Tech	-1
Attorney's Office	Civil Attorney (Airport)	-1
CED	Executive Assistant	-1
CED	RPT Senior Secretary	-0.5
CED	Fire Protection Engineer	-1
CED	Downtown Transportation Coordinator (mid year reduction)	-1
CED	Planning - Senior Secretary	-1
CED	Transportation - GIS Analyst	-1
CED	Engineering - Engineering Tech IV	-1
CED	Engineering - GIS Programmer/Analyst	-1
CED	Engineering - Professional Surveyor	-1
Police	SWAT/Gangs Office Tech	-1
Police	Office Tech in Crime Lab	-1
Police	Information Specialist	-1
Police	Police Dispatch	-1
Public Services	Office Facilitator I/Technical Planner	-1
Public Services	Downtown Facilities Maintenance	-1
Public Services	RPT Youth City Program Coordinator	-0.5
Public Services	Senior Groundskeeper	-1
Public Services	Discontinue Artways Program	-1
<u>Positions Proposed to be Eliminated (not vacant)</u>		
Attorney's Office	Civil Attorney	-1
CED	HAND - Rehabilitation Loan Officer	-1
CED	Planning - GIS Specialist	-1
CED	Office Facilitator II	-1
CED	Building Services - Building Inspector	-1
CED	Building Services -Office Facilitator II	-1
CED	Building Services -Senior Building Inspector	-1
CED	Transportation - Traffic Control Center Operator	-1
CED	Capital Asset Management - Property Agent	-1
CED	Engineering - Senior Engineering Project Manager	-1
CED	Engineering - Engineer IV	-1
CED	Engineering - Engineering Records Tech	-1
Finance	Records Clerk	-1
Mayor	Constituent Liaison	-1
Public Services	Customer Service Specialist	-0.63
Public Services	Jordan & Liberty Park Greenhouse Staff	-2
Public Services	Parks Maintenance	-1
Public Services	Senior Groundskeeper	-1
Public Services	Streets Response Team	-3
Public Services	Discontinue Artways Program	-2
<u>Positions Transferred to Other Funds/Entities</u>		
CED	Transfer Sorenson Center Function to County	-18.51
Finance	Transfer 30% Revenue Analyst to Risk Fund	-0.3
Total FTE Reductions		-67.44

7. **Transfer to CIP** - The Administration is proposing to continue the reduction in the on-going contribution to the City's capital improvement budget (*the Administration's proposed budget reflects a 6.9% contribution, instead of the recommended 7.95%*). The total amount proposed to be transferred to CIP is \$12,713,185 (6.9%). In FY 2010, 7% was transferred to CIP (although the amount was higher due to higher overall general fund revenue). Of the amount recommended to be transferred for FY 2011, it should be noted that \$6,011,858 is pledged for Sales-Tax debt-service related expenses (GO Bonds are proposed to be handled separately, see below). This leaves \$6.6 million available for the Council to allocate to "pay as you go" projects (*compared to \$6.7 million available for projects in FY 2010, and \$7.2 million in 2009*), which given the Mayor's funding priorities, would pay for 25 out of 80 CIP applications. In addition, there are \$2.8 million in Class C funds available, and \$3.2 million in Impact Fee funds available (the Administration has identified specific projects eligible for these funds).
- a) **Change in GO Debt Service Accounting** – The Administration is proposing to handle GO Bond Revenue and Debt Service in a different way than in previous years. This is due to the large budgets that will be shown for the Public Safety Building project, potentially in FY 2011, as well as the upcoming Leonardo and Regional Sports Complex bonds. Instead of using the General Fund as a "pass through" as in recent years (where GO Debt is shown as both General Fund Revenue and expense), it will instead be allocated directly to the Debt Service Fund (a legally-separate fund from the General Fund), which will handle the payment of each debt. *The Council may wish to continue the practice of reviewing these GO Bond projects (and amounts) in conjunction with the overall CIP budget.*
 - b) The Mayor and the CDCIP Board have reviewed all funding applications and made recommendations. The full list of CIP applications and Mayor's recommendations are **attached to this staff report** (legal sized paper). The Council will receive an in depth briefing regarding the CIP funding applications at the beginning of June. In the past the Council has agreed to fund time-sensitive project at this point. However, recently some Council Members have voiced concern that this ties the hands of the Council later on in the funding allocation process, as some funds have already been spent. *The Council may wish to discuss allocating funds for all CIP projects in June, or waiting to discuss all CIP projects later in the year. The Council may also wish to inquire about previously-identified time-sensitive projects, and if they were completed prior to when other CIP allocations were finalized.*
 - c) Not including Debt Service, Class C, or Impact Fees, the City received 80 applications for CIP projects totaling almost \$28 million. Of this, 25 projects totaling \$6.6 million were able to be funded (the first 25 projects in the attached CIP log).
 - d) Class C Funds – The Mayor and CDCIP Board used a more traditional approach for allocation of Class C funds than was used last year, by keeping them in a separate category from the rest of the CIP Projects. *The Council may wish to consider allocating these funds to some of the Class C eligible projects in the overall CIP list, or discussing both lists concurrently.*
 - e) Items not yet included in the CIP that will likely be included next year or in FY 2013, are Sales Tax Bonds for the North Temple Viaduct (\$16.3 million - for which there may be offsetting revenue from the newly-created CDA) as well as Sales Tax Bonds for the North Temple Boulevard reconstruction (\$10.1 million). The maximum total debt service for these two bond

issuances is estimated to be \$1.1 million for the Viaduct (25 year term – could be less depending on offsetting revenue, and may be reimbursed totally), and \$776,449 for the Boulevard (20 year term), for a total of \$1.9 million per year.

- f) The CIP 10 Year Plan had anticipated the allocation of \$14.2 million for “pay as you go” projects in FY 2011.
- g) If the Council wished to achieve 7.95% of general fund revenue, an additional \$1.9 million would need to be added. If the Council wished to achieve the previous goal of 9% of general fund revenue, an additional \$3.8 million would need to be added.

8. Other Budget Proposal Key Elements/Items of Interest –

- a) Public Safety – The Administration is not proposing any staffing reductions in Fire, or in sworn officers in the Police Department.
- b) Reduction in Parks Maintenance – The Administration is proposing a number of changes that would reduce the overall maintenance and appearance of City Parks (including eliminating Flower planting in City Parks and Streets). The total savings realized by these cuts for FY 2011 would be \$648,299.

Parks Maintenance Reductions	Potential Savings
Close Jordan & Liberty Park Greenhouses	\$ (129,943)
Reduce Seasonals and Maintenance budget	\$ (141,584)
Reduce Watering for City Parks	\$ (187,122)
Eliminate 3 Positions Relating to Maintenance/Groundskeeping	\$ (168,437)
Reduce Sports Field Maintenance & Bowery Cleaning	\$ (21,213)
Total Parks Maintenance Reduction Savings	\$ (648,299)

- c) Youth City Artways – The Administration is proposing to eliminate the Youth City Artways Program (3 FTEs and program costs, for a savings of \$392,290). There is also a \$29,774 revenue decrease to the general fund associated with this program elimination. However, the Administration is proposing to establish a \$75,000 on-going “Arts Education Grant” fund, to help other organizations fill this need in the community. No details have been established for this grant program as of yet. *The Council may wish to weigh in on criteria for applying for arts education grants.* Note: The Administration is not proposing to eliminate the Youth City afterschool or summer programs.
- d) Streets Response Team – The Administration is proposing to eliminate the streets response team for a savings of \$233,840. This team is called when a fallen tree is blocking a person’s driveway or there is some other urgent matter relating to the public way. These issues would still be handled, but only in a timeframe as budget and staffing is allowed.
- e) Retirement Increases – The Utah State Pension fund lost a significant amount of money in the recent economic contraction. Currently the City is paying 35.71% of base salary for sworn police officers. The percentage is increasing to 36.31%. For fire fighters, the City currently pays 9.68%, which will increase to 16.18%. For all city employees under the contributory plan, the rate is increasing from 13.65% to 15.36%. The Non-contributory plan is increasing from 11.66% to 13.37%. The majority of Salt Lake City employees are in the non-contributory plan.

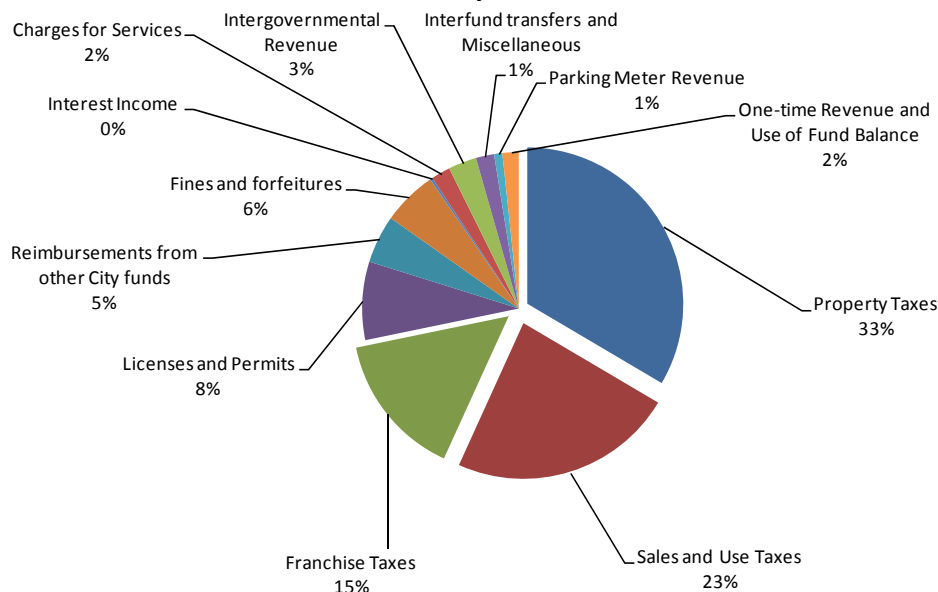
9. **Expenses on the Horizon not addressed in the proposed budget** – Staff has identified potential expenses on the horizon not addressed in the proposed budget. Staff acknowledges that it may not be possible to budget for these expenses in the current fiscal year due to economic conditions, however the Council may wish to keep these items in mind in the coming years.
- a) **Retirement Liability** – Each year the City budgets a small amount of the actual liability that exists if all employees eligible to retire were to do so. In the past this amount was estimated at \$13 million. In FY 2009 the Council budgeted \$1 million in the Non-Departmental budget for this purpose. If funds are not sufficient in this non-departmental account, historically general fund departments have paid for this liability out of their own budgets. In FY 2011, the Administration is proposing to decrease this amount to \$500,000 (from \$693,899 in FY 2010). The lower budget amount increases the likelihood that individual Departments will need to leave positions vacant in order to cover costs of retirements in the coming fiscal year.
 - b) **CIP projects on the horizon, not funded** –
 - i. *North Temple Viaduct & Boulevard* - As mentioned above, the Mayor’s budget does not yet contemplate debt service for which the Council has already adopted parameters resolutions – the North Temple Viaduct Rebuild (\$16.3 million), and the North Temple Viaduct (\$10.1 million). It is not likely either of these will be issued in FY 2011.
 - ii. *Liberty Precinct & Evidence Storage* - The Mayor’s proposed budget also does not include funding for the necessary Police Evidence Storage and Crime Lab (which is not included in the scope of the Public Safety Building Bond), or the East-Side Liberty Precinct Station. However, it does include them as items 79 & 80 on the CIP Log. In the notes of the CIP Log, the Administration mentions that these projects could be funded with a possible bond (it does not state whether this would be Sales Tax or General Obligation). The Evidence Storage (possibly built in conjunction with the Valley Police Alliance) would be approximately \$7million, and the Liberty Police Precinct would be approximately \$16 million. Sales Tax Debt Service on a \$23 million bond (4.5% interest, 20 years) would be approximately \$1.8 million per year.
 - iii. *City & County Building Exterior Stone Replacement* – In FY 2008, City Staff submitted an application for \$1.45 million to prevent further deterioration of the stone exterior of the City and County Building. Neither the Mayor nor the Council ranked the project high enough at the time to secure funding. At some point the City will have to address this need in order to protect the City’s investment. This item was not a CIP request for FY 2011, nor is it funded elsewhere in the Mayor’s recommended budget.

GENERAL FUND REVENUE

The table below compares the Fiscal Year 2009-10 adopted revenue budget and FY 2010-11 proposed revenue budget.

PROPOSED GENERAL FUND REVENUE				
FISCAL YEAR 2010-11				
	Fiscal Year 2009-10	Proposed 2010-11	Difference	Percent Change
Property taxes – certified rate	\$ 51,651,137	\$ 54,003,556	\$ 2,352,419	4.6%
Property Tax Stabilization - FY 2009	\$ 1,400,000	\$ -		
New Growth	\$ 952,419	\$ -		
Emergency Services Reimbursement		\$ 1,011,185	\$ 1,011,185	
Property taxes – general obligation debt	\$ 8,543,888	\$ -		0.0%
Property tax judgment levy	\$ 240,854	\$ 718,308	\$ 477,454	
Property taxes - vehicle, delinquent, RDA (note: decrease is due to shift in SB 245 accounting)	\$ 5,914,500	\$ 5,914,500	\$ -	0.0%
Sales and use taxes	\$ 44,393,122	\$ 39,593,122	\$ (4,800,000)	-10.8%
Energy tax	\$ 3,900,000	\$ 3,900,000	\$ -	0.0%
Franchise taxes	\$ 27,535,772	\$ 27,953,800	\$ 418,028	1.5%
Payment in lieu of taxes	\$ 839,132	\$ 927,879	\$ 88,747	10.6%
Business/Regulatory licenses (including parking tax & ground transportation fees)	\$ 8,673,678	\$ 9,506,180	\$ 832,502	9.6%
Building permits	\$ 6,179,350	\$ 5,604,418	\$ (574,932)	-9.3%
Fines and forfeitures	\$ 10,851,175	\$ 10,541,316	\$ (309,859)	-2.9%
Intergovernmental revenue	\$ 6,869,959	\$ 5,441,103	\$ (1,428,856)	-20.8%
Charges for services	\$ 4,030,686	\$ 3,706,784	\$ (323,902)	-8.0%
Parking meter revenue	\$ 1,529,363	\$ 1,599,000	\$ 69,637	4.6%
Interest income	\$ 2,211,545	\$ 480,000	\$ (1,731,545)	-78.3%
Reimbursements from other City funds	\$ 9,886,846	\$ 9,249,646	\$ (637,200)	-6.4%
Miscellaneous revenue	\$ 1,170,857	\$ 1,019,136	\$ (151,721)	-13.0%
Interfund transfers	\$ 2,222,775	\$ 2,489,331	\$ 266,556	12.0%
Fund balance & one-time revenue/transfers in	\$ 2,780,000	\$ 3,126,441	\$ 346,441	12.5%
Total General Fund Revenue	\$ 201,777,058	\$ 186,785,704	\$ (14,991,354)	-7.4%

Projected General Fund Revenue by Source
Fiscal year 2010-11



CHANGES IN GENERAL FUND REVENUE

The following chart separates proposed changes in FY 2011 revenue by natural growth (or decline) vs. proposed increase in taxes/fees.

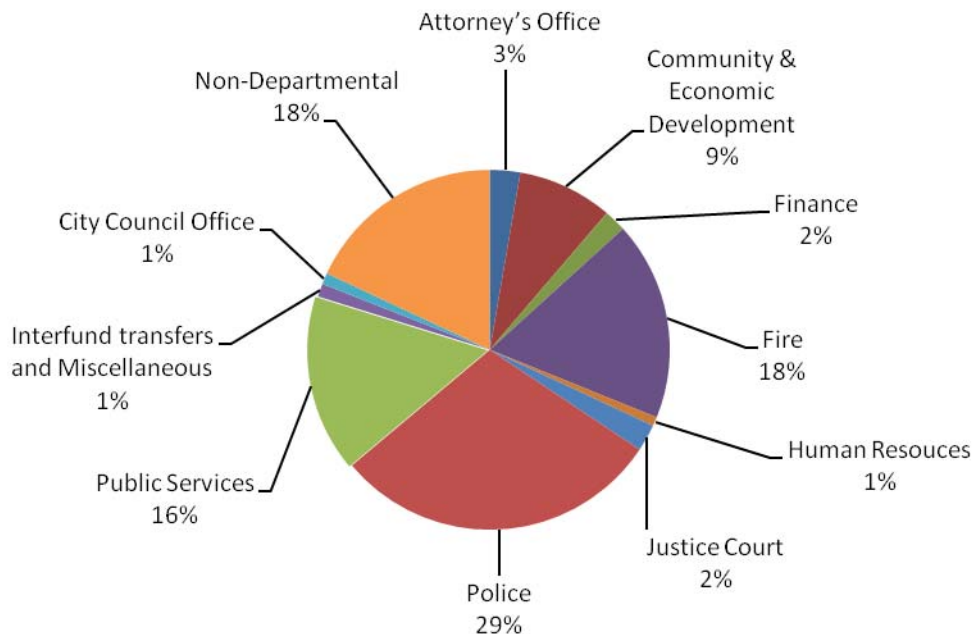
Mayor's Proposed Revenue Budget CHANGES		
New Growth/Inflation compared to Increases in Taxes or Fees		
General Fund FY 2011		
	Relating to Growth/Inflation/ Economy	Relating to Increases in City Taxes and/or Fees
Taxes		
Property taxes – Emergency Services Reimbursement		1,011,185
Property taxes – Judgement Levy	-	477,454
Property taxes – RDA rebate (program sunsets)		
Property taxes - Change in GO Bond Accounting	(8,543,888)	
Sales taxes	(4,800,000)	
Franchise taxes	(31,972)	
Franchise Fee on Stormwater (new)		450,000
Payment in lieu of taxation from enterprise funds	88,747	
Licenses and Permits		
Regulatory Licenses - general	1,140,779	
Base Fee for Freight Stickers (new)		52,000
Freight Sticker Increase		130,000
Airport & Public Facility parking tax (no free parking)		306,381
Salt Palace \$1 Per Car Parking Fee		400,000
Ground transportation operator badge fee	(717)	3,338
Other Ground Transportation Revenue	(58,500)	
Building Permits	(574,932)	
One-time Building Permit Revenue - Public Safety Building	800,000	
Intergovernmental		
Halfway House Legislation Revenue (SB 217)	241,410	
Other	233,634	
Charges and Fees for Services		
Cemetery fees	(120,790)	
Public safety fees	66,000	
Special Events		150,000
Street and public improvement fees	(34,800)	
Youth and recreation fees (actual revenue may be greater)	(83,312)	
Rental and concession fees	117,600	
Library Parking Revenue	163,000	
Change in fees		31,200
Library Square Parking Rental		30,000
Parking meters	69,637	
Fines and forfeitures	347,250	
Parking Tickets - General	(334,184)	
Interest Income	(1,731,545)	
Administrative fees – charges to other funds		
Airport fire reimbursement	(308,000)	
Remove revenue associated w/ Engineering Billings (CIP)	(329,200)	
Miscellaneous Revenue		
Sundry and Other	8,279	
Interfund Transfers		
Revenue from Stormwater for Street Sweeping	209,034	
Revenue from Refuse - glass recycling	110,000	
E911	(62,478)	
Total	\$ (13,418,948)	\$ 3,041,558

GENERAL FUND EXPENDITURES

The following table summarizes proposed expenditure budgets by Department for the General Fund, proposed to total \$186,785,703 in FY 2011.

PROPOSED GENERAL FUND EXPENDITURES				
FISCAL YEAR 2010-11				
	Adopted 2009-10	Fiscal Year 2010-11	Difference	Percent Change
Attorney's Office	\$4,513,925	\$5,077,678	\$563,753	12.5%
Community & Economic Development	13,045,010	15,957,403	\$2,912,393	22.3%
Finance	n/a	3,727,297	n/a	n/a
Fire	32,561,776	33,362,538	\$800,762	2.5%
Administrative Services	11,534,468	n/a	n/a	n/a
Human Resouces	n/a	1,514,281	n/a	n/a
Justice Court	n/a	4,530,227	n/a	n/a
Police	54,626,761	55,169,063	\$542,302	1.0%
Public Services	35,957,856	29,701,048	(\$6,256,808)	-17.4%
Office of the Mayor	1,880,469	2,209,700	\$329,231	17.5%
City Council Office	1,767,190	1,883,769	\$116,579	6.6%
Non-Departmental	45,889,602	33,652,699	(\$12,236,903)	-26.7%
Total General Fund Expenditures	\$201,777,057	\$186,785,703	(\$14,991,354)	-7.18%

Proposed General Fund Expenditures, by Department
Fiscal year 2010-11



The Police Department Budget is the largest in the General Fund (at 29%) followed by the Fire Department (18%) and Public Services (16%). Community and Economic Development represents 9% of the total expenditure budget.

PROPOSED ONE-TIME GENERAL FUND EXPENDITURES

The proposed FY 2011 budget includes several items that the Administration considers as one-time expenditures, these will be paid for with one-time revenues, as detailed below. As is shown below, there are more one-time revenues than there are one-time expenses. Because CIP projects are considered “one-time” in nature from a policy basis, the balance of the “excess” one-time revenues could be considered accounted for in that line item (*this would not be additional revenue to the line item – rather, one-time revenue counted within the existing appropriation*).

Comparison of One-Time Revenue vs. One-Time Expenses	
One-Time Revenue	
Public Safety Building Plan Review/Permit Fee Revenue	\$ 800,000
Police Long-Term Disability (LTD) Transfer	800,000
Appropriation of lapsed Fund Balance	654,000
Transfer from IFAS Account	400,000
Transfer from Government Immunity	325,000
One time: MBA Repayment Funding	147,441
Total One-Time Revenue	3,126,441
One-Time Expenses	
Non-Departmental	
Unemployment Costs	166,860
Replace reduction in Fleet Reduction fund for Fire Apparatus Decrease	865,000
Replace reduction in Transfer to Governmental Immunity	250,000
Sales Tax Rebate for Kamatsu	30,000
Local First Campaign	15,000
Support of Twilight Concert Series	15,000
Support of Jordan River	15,000
Northwest Quadrant Study	100,000
Support of Weigand Center	60,000
No More Homeless Pets	20,000
Total Propsoed One-Time Expenses	1,536,860
Balance accounted for within CIP (not added \$ to CIP)	1,589,581

Appendix E
SYNOPSIS OF PROPOSED CITYWIDE BUDGET – All Funds

MAYOR'S RECOMMENDED BUDGET				
SYNOPSIS OF PROPOSED EXPENDITURE BUDGETS				
	Adopted 2009-10	Proposed 2010-11	Difference	Percent Change
General Fund				
Attorney's Office	\$4,513,925	\$5,077,678	\$563,753	12.5%
Community & Economic Development	13,045,010	15,957,403	\$2,912,393	22.3%
Finance	n/a	3,727,297	n/a	n/a
Fire	32,561,776	33,362,538	\$800,762	2.5%
Administrative Services	11,534,468	n/a	n/a	n/a
Human Resources	n/a	1,514,281	n/a	n/a
Justice Court	n/a	4,530,227	n/a	n/a
Police	54,626,761	55,169,063	\$542,302	1.0%
Public Services	35,957,856	29,701,048	(\$6,256,808)	-17.4%
Office of the Mayor	1,880,469	2,209,700	\$329,231	17.5%
City Council Office	1,767,190	1,883,769	\$116,579	6.6%
Non-Departmental	45,889,602	33,652,699	(\$12,236,903)	-26.7%
<i>Total General Fund</i>	201,777,057	186,785,703	(\$14,991,354)	-7.43%
Enterprise Funds				
Department of Airports	274,398,500	266,326,600	(\$8,071,900)	-2.94%
Water	70,591,639	66,517,826	(\$4,073,813)	-5.77%
Sewer	28,949,940	41,505,189	\$12,555,249	43.37%
Stormwater	8,817,169	10,438,117	\$1,620,948	18.38%
Refuse Collection	11,462,141	18,612,980	\$7,150,839	62.39%
Golf	8,337,067	8,429,345	\$92,278	1.11%
Intermodal Hub	49,840	0	(\$49,840)	-100.00%
<i>Total Enterprise Funds</i>	402,606,296	411,830,057	\$9,223,761	2.29%
Internal Service Funds				
Insurance & Risk Management	37,831,448	39,706,554	\$1,875,106	4.96%
Fleet Management	17,966,452	18,012,378	\$45,926	0.26%
Information Management Services	8,760,045	8,626,334	(\$133,711)	-1.53%
Governmental Immunity	1,520,000	1,245,000	(\$275,000)	-18.09%
<i>Total Internal Service Funds</i>	66,077,945	67,590,266	\$1,512,321	2.29%
<i>Capital Improvement Program</i>	29,557,685	22,673,394	(\$6,884,291)	-23.29%
Debt Service Funds				
Debt Service – CIP*	20,723,551	29,135,531	8,411,980	40.59%
Debt Service – SID*	590,153	741,363	151,210	25.62%
<i>Total Debt Service Funds</i>	21,313,704	29,876,894	8,563,190	40.18%
Special Revenue Funds				
Community Development (CDBG)	3,464,688	4,391,247	926,559	26.74%
Grants Operating (ESG, HOME, HOPWA)	9,158,975	6,661,931	-2,497,044	-27.26%
Street Lighting*	1,981,103	1,806,785	-174,318	-8.80%
Emergency 911*	2,450,380	2,379,021	-71,359	-2.91%
Housing Loan Fund*	13,478,480	12,411,656	-1,066,824	-7.92%
Downtown Economic Development * (Downtown Alliance)	792,817	897,386	104,569	13.19%
Demolition & Weed Abatement*	26,500	26,500	0	0.00%
Donation Fund*	100,000	100,000	0	0.00%
<i>Total Special Revenue Funds</i>	31,452,943	28,674,526	-2,778,417	-8.83%
TOTAL	\$752,785,630	\$747,430,840	(\$5,354,790)	-0.71%

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

Goals/Priorities Identified at Council Retreat

(Established January 2008, confirmed in 2009)

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

Additional Priorities identified at 2009 Retreat

- Alternative Transportation funding
- Neighborhood Development
- Economic Development
- Use of volunteer resources

Working Group Projects (Top Project Priorities) identified at 2010 retreat

- Taxicab/Ground Transportation Issue
- Historic Preservation Plan
- Northwest Quadrant Master Plan
- Ethics Ordinance
- Neighborhood Commercial Uses/Specifically Alcohol Establishments in Neighborhood Commercial Zones
- Neighborhood-Based Organizations

Statements on Budget from Council Policy Manual

A.25 GENERAL BUDGET POLICY

a. When possible, Capital Improvement Projects are not delayed nor eliminated in order to balance the budget. The Council also avoids using one time revenues to balance the budget.

A.26 CAPITAL AND DEBT MANAGEMENT

On December 14, 1999, the Council adopted a resolution relating to capital and debt management policies. The resolution states:

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

That the City Council has determined that the following capital and debt management policies shall guide the Council as they continue to address the deferred and long-term infrastructure needs within Salt Lake City:

Capital Policies

1. The Council intends to define a capital project as follows:

“Capital improvements involve the construction, purchase or renovation of buildings, parks, streets or other physical structures. A capital improvement must have a useful life of five or more years. A capital project must also have a cost of \$50,000 or more unless its significant functionality can be demonstrated to warrant its inclusion as a capital project. A capital improvement is not a recurring capital outlay item (such as a motor vehicle or a fire engine) or a maintenance expense (such as fixing a leaking roof or painting park benches). Acquisition of equipment is not a capital project unless it is an integral part of the cost of a capital project.”

2. The Council requests that the Mayor’s Recommended Annual Capital Budget be developed based upon the Five-Year Capital Plan and be submitted to the City Council for tentative approval no later than March 1 of each fiscal year.

3. The Council requests that the Administration prepare multi-year revenue and expenditure forecasts which correspond to the capital program period as well as an analysis of the City’s financial condition and capacity to finance future capital projects, and present this information to the Council with the presentation of each biennial budget.

4. The Council intends that no less than nine percent of ongoing General Fund revenues be invested annually in the Capital Improvement Fund.

5. The Council requests that the Administration submit an updated proposed five-year capital improvement plan to the Council along with the Mayor’s Recommended Budget.

6. The Council intends that the City will maintain its physical assets at a level adequate to protect the City’s capital investment and to minimize future maintenance and replacement costs.

7. The Council intends to give priority consideration to projects which preserve and protect the health and safety of the community

- are mandated by the state and/or federal government
- provide for the renovation of existing facilities, resulting in a preservation of the community’s prior investment,
- result in decreased operating costs or other significant cost savings, or
- improve the environmental quality of the City and its neighborhoods.

8. The Council intends to give fair consideration to projects where there is an opportunity to coordinate with other agencies, establish a public/private partnership, or secure grant funding, all other considerations being equal.

9. The Council intends to follow a guideline of approving construction funding for a capital project in the fiscal year immediately following the project’s design wherever possible.

10. The Council intends that all capital projects be evaluated and prioritized by the CIP Citizen Advisory Board.

11. The Council does not intend to fund any project that has not been included in the Five-Year Capital Plan for at least one year prior to proposed funding, unless extenuating circumstances are adequately identified.
12. The Council requests that any change order to any capital improvement project which equals or exceeds twenty percent of the approved project budget be brought to the Council for review in a formal budget amendment.
13. The Council requests that the Administration submit a budget amendment request to the Council no later than September 1 each year identifying those Capital Improvement Program Fund accounts where the project has been completed and a project balance remains. It is the Council's intent that all account balances from closed projects be recaptured and placed in the CIP Contingency Account for the remainder of the fiscal year, at which point any remaining amounts will be transferred to augment the following fiscal year's General Fund ongoing allocation.

Debt Management Policies

1. The Council intends to utilize long-term borrowing only for capital improvement projects that are included in the City's 5-Year Capital Program and 20-Year Capital Inventory of Needs, or in order to take advantage of opportunities to restructure or refund current debt.
2. The Council requests that the Administration provide an analysis of the City's debt capacity, and how each proposal meets the Council's debt policies, prior to proposing any projects for debt financing. This analysis should include the effect of the bond issue on the City's debt ratios.
3. The Council requests that, when borrowing is recommended by the Administration, the source of funds to cover the debt service requirements be identified.
4. The Council requests that the Administration provide an analysis of the effect of any proposed bond issue on the City's ability to finance future projects of equal or higher priority.
5. The Council requests that the Administration analyze the impact of debt-financed capital projects on the City's operating budget and coordinate this analysis with the budget development process.
6. The Council requests that the Administration provide a statement from the City's financial advisor that each proposed bond issue appears feasible for bond financing as proposed, including an indication of requirements or circumstances that the Council should be aware of when considering the proposed bond issue.
7. The Council does not intend to issue debt that would cause the City's debt ratio benchmarks to exceed moderate ranges as indicated by the municipal bond rating industry.
8. The Council does not intend to issue debt if such debt will damage the City's current AAA general obligation bond rating or cause the City's lease revenue bond ratings to fall below current ratings.
9. The Council requests that the Administration fully disclose and the Council intends to consider the impact of all debt that has a net negative fiscal impact on the City's operating budget.
10. The Council requests that the Administration structure debt service payments in level amounts over the useful life of the issue unless anticipated revenues dictate otherwise or if the useful life of the financed project(s) suggests a different maturity schedule.

Fiscal Year 10-11 CIP Projects

\$ 6,114,437 \$ 2,800,000

Fiscal Year 2010-2011 Identifier & Plan Information <i>Debt Service</i>	Project Description	Funding History	Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
Debt 1	City & County Building Debt Service - GO Bond Series 2001 Debt service payment on bonds issued to rehabilitate & refurbish the City & County Building. The City does not levy taxes against this Bond. Bonds mature 6/15/2011.				\$2,373,495	\$2,373,495	\$2,355,073	\$0	None	
Debt 2	Sales Tax - Series 2005A Debt Service payment for sales tax bonds issued to refund the remaining MBA series 1999A, 1999B, & 2001 Bonds. Bonds mature 10/1/2020.				\$1,387,490	\$1,387,490	\$1,387,490	\$0	None	
Debt 3	Sales Tax - Series 2007 Debt Service payment for bonds issued for TRAX Extension & Grant Tower improvements. Bonds mature 10/1/2026.				\$405,345	\$405,345	\$105,345	\$0	None	
Debt 4	Sales Tax - Series 2009A Debt Service payment for bonds issued to finance all or a portion of the acquisition, construction, improvement & remodel of a new Public Services maintenance facility, a building for use as City offices & other capital improvements within the City. Bonds mature 10/1/2028.				\$2,164,181	\$2,164,181	\$2,163,950	\$0	None	
Debt Service Total					\$6,330,511	\$6,330,511	\$6,011,858	\$0		

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History		Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
General Fund - Pay As You Go												
1	Streets 1 ADA Ramp Transition Plan 10 Year CIP Plan FY06-16 All Districts	ADA Ramps/Corner Repairs 2010/2011- Citywide To construct various ADA pedestrian ramps & related repairs to corners & walkways including sidewalk, curb, gutter & corner drainage improvements. Design \$27,400. Construction inspection & admin \$29,600. Locations to be determined based by City's ADA Ramp Transition Plan in conjunction with the Salt Lake Accessibility Committee, the City's Accessibility Services Advisory Council & requests from persons with disabilities. * Funding history includes allocations over a 11 year period. Supports City's sustainability efforts.	00-04 \$1,485,241 04-05 \$ 600,000 05-06 \$ 400,000 06-07 \$ 433,418 07-08 \$ 400,000 08-09 \$ 225,000 09-10 \$ 300,000 Total \$3,843,659*		1	1	\$400,000	\$400,000	\$400,000		None No additional increase	
2	Parks 4 Parks Inventory of ADA Needs Assessment 10 Year CIP Plan FY08-09 Districts 3, 5 & 6	ADA Playground Improvements - Kletting Park, 170 No. "B" Street; Cotton Park, 300 E. Downington; Davis Park, 1980 E. 950 So.; Wasatch Hollow Park, 1700 So. 1700 E. To design & provide improvements to include ADA accessible playground surfacing, concrete wheel chair ramps, limited playground equipment modifications/upgrades & make associated landscape repairs as necessary. Design \$9,000. Engineering fees \$2,100. Construction inspection & admin \$6,100. Supports City's sustainability efforts.			2	2	\$116,200	\$116,200	\$116,200		None No additional increase	
3	Streets 2 10 Year CIP Plan FY06-16 All Districts	Sidewalk Rehabilitation/Concrete Sawing 2010/2011 - Citywide To provide sidewalk rehabilitation & reduction of tripping hazards through concrete sawing or grinding. Process eliminates displacement of up to one & one-half inch & provides a significant cost savings over removal & replacement. Design \$14,500. Construction inspection & admin \$15,100. * Funding history includes allocations over 8 year period. Supports City's sustainability efforts.	03-05 \$ 350,000 05-06 \$ 400,000 06-07 \$ 150,000 07-08 \$ 200,000 08-09 \$ 175,000 09-10 \$ 200,000 Total \$1,475,000*		3	3	\$200,000	\$200,000	\$200,000		None No additional increase	
4	Trails 3 Bicycle & Pedestrian Master Plan 10 Year CIP Plan Districts 2 & 5	900 South Rail Corridor & Surplus Canal Trails Design/Master Plan To design for future construction a shared use trail along the surplus canal from 2100 So. to 800 So. & along the abandoned 900 So. rail line. Design \$100,000. Supports City's sustainability efforts.			32	4	\$100,000	\$0	\$100,000		None Design	
5	Parks Fairmont Park Master Plan 10 Year CIP Plan District 7	Fairmont Park Irrigation System - 900 East Simpson Ave. To design & reconstruct existing irrigation system to include pipes, valves, heads, controllers & central control connection & associated landscape repairs as necessary. Design \$50,000. Engineering fees \$9,200. Construction inspection & admin \$40,000. Supports City's sustainability efforts.			33	5	\$649,200	\$0	\$599,200		None No additional increase	

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History		Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
6	Transportation 1 Transportation Plan 10 Year CIP Plan FY06-16 Districts 4, 5 & 7	Traffic Signal Upgrades - Main Street/1700 So.; 300 West/1700 So.; 2000 East/2700 So.; 1100 East/100 So.; 1100 East/1300 So.; West Temple/1700 So. To remove & replace six (6) existing traffic signals with equipment that includes steel poles, span wire, signal heads & traffic signal loops, mast arm poles, new signal heads, pedestrian signal heads with countdown timers, improved loop detection, & left turn phasing as needed. Design \$96,000. Engineering fees \$96,000. Construction inspection & admin \$24,000. * Funding history includes allocations over 9 year period. Class "C" funds awarded in FY 09/10 Supports City's sustainability efforts.	00-04 \$1,970,000 04-05 \$ 500,000 06-07 \$ 450,000 07-08 \$ 500,000 08-09 \$ 640,000 09-10 \$ 560,000 Total 4,620,000*	5	6	\$960,000	\$480,000	\$480,000		Minimal \$360 annual increase		
7	Transportation 3 All Districts	Pedestrian Safety Devices & HAWK Signal - 1300 South 600 East To install a High Intensity Activated Crosswalk (HAWK) pedestrian signal at 1300 South 600 East. Remaining funds will be used for the installation of other pedestrian safety devices to include flashing warning lights, pedestrian refuge islands, signalized pedestrian crossings & new or improved pavement markings in various locations city wide. Design \$11,000. Engineering fees \$11,000. Construction inspection & admin \$2,750. * Funding history includes allocations over 7 year period. Support City's sustainability efforts.	02-03 \$ 50,000 03-04 \$ 60,000 05-06 \$ 50,000 06-07 \$ 120,000 07-08 \$ 50,000 08-09 \$ 75,000 09-10 \$ 75,000 Total \$ 480,000*	6	7	\$110,000	\$110,000	\$110,000		None No additional increase		
8	Streets 5 Pavement Management Plan 10 Year CIP Plan FY06-16 Districts 1, 2, 5, 6, & 7	Local Street Reconstruction FY 10/11 To reconstruct or rehabilitate deteriorated local streets to include replacement of street pavement, sidewalk, curb, gutter & drainage improvements as funds permit. Proposed Streets include Wright Brothers Drive, I-80 ramp to 424 ft. North of Amelia Earhart Drive; Challenger Road, Harold Gatty Drive to North Cul-De Sac end; Brentwood Circle, Parley's Way to Parley's Way; Windsor Circle, 2700 So. to North Cul-De-Sac end; 800 West, Arapahoe Ave to East Cul-De Sac end; Pioneer Circle, 1000 Wet to Cul-De-Sac end; Emerson Ave, 1500 to 1700 East; Military Drive, Yale Ave to Yalecrest Ave; Stringham Ave, Highland Drive to Highland Drive. Design \$158,000. Construction inspection & admin \$184,000. * Funding history includes allocations over 10 year period. Supports City's sustainability efforts.	01-04 \$ 4,872,123 04-05 \$ 1,000,000 05-06 \$ 1,000,000 06-07 \$ 1,500,000 07-08 \$ 1,000,000 08-09 \$ 1,000,000 09-10 \$ 765,356 Total \$11,137,479*	7	8	\$2,000,000	\$1,000,000	\$1,000,000		None No additional increase		
9	Trails/Open Space 1 All Districts	Salt Lake Open Space Signage To provide funding for graphic design, development & installation of Wayfinding, Interpretive, Use & Boundary, Restoration & Trail Marker signage for the Jordan River Parkway, the Wasatch Hollow Open Space Area & the Bonneville Shoreline Trail. Design \$65,000. Supports City's sustainability efforts.		8	9	\$203,875	\$203,875	\$203,875		None No additional increase		

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History		Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
10	Parks 11 All Districts	Tree Replacement - Parks City Wide To replace existing deteriorated, damaged or removed trees throughout City parks. Design \$4,300. Construction inspection & admin \$3,000.	05-06 \$ 50,000 06-07 \$ 50,000 07-08 \$ 50,000 Total \$150,000*	9	10	\$50,000	\$50,000	\$50,000		None No additional increase		
11	Streets 4 District 3	City Creek Canyon Washout Repair To repair the washout area & stabilize the hillside in City Creek Canyon. Design \$14,500. Construction inspection & admin \$15,200. Supports City's sustainability efforts.		10	11	\$200,000	\$200,000	\$200,000		None No additional increase		
12	Public Facilities 1 District 4	C&C Building Roof & Gutter Repair - 451 So. State Street To replace all cracked, broken & missing slate shingles, replace all asphalt shingles, inspect masonry joints & repair as necessary, inspect & repair flashing, & clean & repair gutters. Design \$22,578. Engineering fees \$5,210. Construction inspection & admin \$12,158. Supports City's sustainability efforts.		11	12	\$230,994	\$230,994	\$230,994		None No additional increase		
13	Public Facilities 3 District 4	Plaza 349 Fire Sprinkler System - 349 South 200 East To upgrade fire sprinkler system on 1st floor to consist of fire piping risers, branch piping over all floors sprinkler heads for proper water flow distribution, pumps to upper floors & fire hose connections in stairwells on each floor. Design \$47,683. Engineering fees \$11,659. Construction inspection & admin \$24,796. Supports City's sustainability efforts.		12	13	\$467,000	\$467,000	\$467,000		None No additional increase		
14	Public Facilities 2 District 3	Fire Station #2 HVAC System & Water Line Replacements - 270 West 300 North To replace HVAC system including replacement of all culinary water lines, all drain/waste lines, all fan coil air distribution systems, & 2 gas fires modine heaters in apparatus bay with high efficiency co-ray-vac system. Design \$46,962. Engineering fees \$6,502. Construction inspection & admin \$28,900. Supports City's sustainability efforts.		13	14	\$479,864	\$479,864	\$479,864		None No additional increase		
15	Trails 2 Bicycle & Pedestrian Master Plan 10 Year CIP Plan FY06-16 District 2	Jordan River Trail Design - 200 South to North Temple To develop a Master Plan & design for future construction Jordan River Trail development from 200 South to North Temple. Engineering will work closely with Union Pacific Railroad (UPR) to design this section of the trail because it crosses the east/west mainline UPR tracks. Design \$100,000. * Funding history includes allocations over 7 year period. Supports City's sustainability efforts.	00-02 \$ 415,550 04-05 \$ 320,000 05-06 \$ 170,000 07-08 \$ 375,000 08-09 \$ 200,000 Total \$1,106,550*	14	15	\$100,000	\$100,000	\$100,000		None Design		

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History		Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
16	Transportation 5 Street Lighting Master Plan All Districts	Traffic Safety Street Lighting Additions - Mid Block Light Requests To design, purchase & install lights at mid-block intervals where warranted & as requested by the majority of the nearby residents, in keeping with the Street Lighting Master Plan & Policy. Funding amount will provide approximately 12 street lights. Supports City's sustainability efforts.	05-06 \$ 50,000 Total \$ 50,000		15	16	\$25,000	\$25,000	\$25,000		Minimal \$936.00 annual increase in power usage	
17	Public Facilities 9 District 2	Fire Training Center Roof Replacement - 1600 So. Industrial Blvd. To remove & replace the existing roof with a sustainable, lightweight concrete product, providing sound substrate & insulation. Design \$49,817. Engineering fees \$11,496. Construction inspection & admin \$6,825. Supports City's sustainability efforts.			16	17	\$509,675	\$509,675	\$509,675		None No additional increase	
18	Streets 8 District 1	Rose Park Golf Course Salt Storage Design - 1700 North Redwood Road To evaluate the Rose Park Golf Course maintenance yard to determine a salt storage site, create a salt storage facility design & prepare a cost estimate for construction of a 1000 Ton open salt storage paved area. Design \$35,000. Supports City's sustainability efforts.			17	18	\$35,000	\$35,000	\$35,000		None Design	
19	Public Facilities 8 District 3	Memorial House Renovations - 848 No. Canyon Road To provide exterior renovations to include replacement of water damaged fascia, molding & metal flashing, power wash & repaint stucco & exterior wood, replace patio doors & glass panes, replace North retaining wall, install rear drainage system so runoff water runs away from building, replace plates on water damaged floor joists & repair floor joists as needed. Design \$14,057. Engineering fees \$3,244. Construction inspection & admin \$7,569. Supports City's sustainability efforts. Note: Building would possibly need to be closed during renovations.			18	19	\$143,812	\$143,812	\$143,812		None No additional increase	
20	Parks 3 District 5	Liberty Park Rotary Playground Improvements - 900-1300 South ., 500 to 700 East. To provide improvements to include replacing or repairing several swings & other miscellaneous playground facilities, replace drinking fountain, all broken concrete & railings, repaint decks, hand rails & signage, & make associated landscape repairs as necessary. Included in this request is an upgrade to the existing splash pad from a high use water source to a newly developed recycle & water treatment system for \$183,534. Design \$28,633. Engineering fees \$6,586. Construction inspection & admin \$19,471. * Funding history includes allocations over an 9 year period. Supports City's sustainability efforts.	00-02 \$3,952,753 02-03 \$2,170,000 03-04 \$2,000,000 04-05 \$1,000,000 05-06 \$1,000,000 06-07 \$ 653,000 07-08 \$ 600,000 Total \$11,375,753*		19	20	\$369,657	\$369,657	\$369,657		None No additional increase	

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
21	Public Facilities 33 District 4 Submitted by Transportation Department	Plaza 349 Employee Showers - 349 South 200 East To construct three employee showers on the 2nd floor in the Plaza 349 building. Construction costs includes remodel of existing facilities to reduce break room size & relocation of one office for shower facilities, installation of new water heater, gas line & electrical components. Design \$4,800. Construction, inspection & admin \$4,000. Supports City's sustainability efforts.		58	21	\$80,500	\$0	\$80,500		None No additional increase	
22	Parks 15 District 7 Submitted by Constituent, Sugar House Park Authority	Sugar House Park Signage Project - 1330 East 2100 South To design, construct & install new signage to include park rules, park traffic & pavilion interpretive signs. Sugar House Park Authority has paid \$35,000 for the purchase & installation of park & pavilion entry signage. They are also requesting \$30,000 from the County. Design fees \$3,000. Supports City's sustainability efforts.		23	22	\$30,000	\$30,000	\$30,000		None No additional increase	Board recommended full funding when allocation was assumed to be \$6.7
23	Parks 9 Parks Recovery Action Plan 10 Year CIP Plan FY07-08 District 5	Herman Franks Park Baseball Improvements - 700 East 1300 South To design & construct improvements to three ball fields to include sod removal, laser grading of fields to improve surface drainage, replacement of infield soil, make sprinkler irrigation system upgrades, replace sod & provide shade structures to six dug-outs. Design \$40,000. Engineering fees \$9,200. Construction inspection & admin \$27,200.		21	23	\$516,400	\$40,000	\$511,890		None No additional increase	\$40,000 for Design
24	Percent for Art	Percent for Art To provide enhancements such as decorative pavement, railings, sculptures & other works of art. *Funding history indicates all funds received over 7 year period.	\$570,000*	20	24	\$60,000	\$60,000	\$80,000		None	
25	Cost Over-run	Cost Over- run Funds set aside to address project cost over-runs.		22	25		\$88,360	\$63,660		None No additional Increase	

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26	Streets 3 10 Year CIP Plan FY06-16 Districts 7	Sidewalk Replacement SAA 2010/2011 - 2700 South to South City Limits, & 1300 East/Highland Drive to East City Limits To design, construct & create a Special Assessment Area (SAA) for sidewalk improvements in the proposed area as funding permits. Improvements include sidewalk, ADA pedestrian ramps as needed, limited replacement of trees, & some corner drainage improvements. \$50,000 of this request is for area determination & design of 2011/2012 SAA. Design \$100,000. This amount includes \$50,000 of property owners portion of the SAA. Construction inspection \$100,000. Design for 2010/2011 SAA \$50,000. Construction inspection & admin \$100,000. (\$50,000 CIP, \$50,000 SAA). SAA processing \$40,000. * Funding history includes allocations over 5 year period. Supports City's sustainability efforts. Note: Property Owners portion of SAA is \$875,000. If approved, an \$875,000 budget needs to be established for Property Owners portion of SAA.	05-06 \$ 599,823 06-07 \$ 400,000 07-08 \$ 550,000 08-09 \$ 700,000 09-10 \$ 765,356 Total \$3,015,179	4	26	\$855,000	\$855,000	\$0		None No additional increase	
27	Public Facilities 5 District 2	Pioneer Precinct Energy Conservation Project - 1040 West 700 South To replace the obsolete, inefficient boilers with new 95% efficient condensing boilers, program each office, classroom & meeting area for occupancy & use overrides, install high efficiency motors on ventilation system & a variable frequency drive on motor to control static pressure & air exchange rates & upgrade parking lot lights with efficient induction lighting. Design \$12,665. Engineering fees \$1,802. Construction inspection & admin \$7,794. Supports City's sustainability efforts.		24	27	\$124,558	\$0	\$0		None No additional increase	Board recommended full funding when allocation was assumed to be \$6.7
28	Parks 2 District 7	600 East Islands Irrigation System Rebuild - 600 East, So. Temple to 600 South To design & reconstruct existing island irrigation systems to include pipes, valves, heads, controllers & connection to central irrigation control system & make associated landscape repairs as necessary. Design \$17,100. Engineering fees \$3,600. Construction inspection & admin \$13,700. Supports City's sustainability efforts.		25	28	\$204,900	\$0	\$0		None No additional increase	Board recommended full funding when allocation was assumed to be \$6.7
29	Trails 5 District 7 & 5	Jordan & Salt Lake City Canal Corridor Trail Master Plan To develop a Master Plan to aid the City & SLC Public Utilities in the future development of the Jordan canal corridor right-of-ways. PU holds the right-of-way for the canal corridors. Plan \$100,000. Supports City's sustainability efforts.		26	29	\$100,000	\$0	\$0		None Design	

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30	Streets 6 10 Year CIP Plan FY06-16 District 6	Residential Concrete Street Rehabilitation - Princeton Ave., 1700 to 1800 East To rehabilitate the existing deteriorated concrete street to include concrete pavement replacement or rehabilitation, drive approaches, curb & gutter, sidewalk as needed & ADA accessibility ramps. Design \$33,400. Construction inspection & admin \$35,900. Supports City's sustainability efforts.		27	30	\$486,800	\$0	\$0		None No additional increase	
31	Trails 4 Districts 3, 4, 6 & 7	SLC Wayfinding Sign Restoration To repair, repaint & update the SLC wayfinding signs installed in 2001 within the Central Business District, the Sugar House Business District & the University of Utah. Supports City's sustainability efforts.		28	31	\$150,000	\$0	\$0		None No additional increase	
32	Transportation 4 District 2	Traffic Signal Installations - California Ave., 3400 & 3800 West To design & construct two new traffic signals where none currently exist on California Ave., at 3400 West & 3800 West. Design \$52,000. Engineering fees \$52,000. Construction, inspection & admin \$12,000. Total Project cost is \$400,000. Transportation's intent is to request Impact Fees for remainder of costs. * Funding history includes allocations over 6 year period. Supports City's sustainability efforts.		29	32	\$270,000	\$0	\$0		Minimal \$90 annual increase	
33	Transportation 2 District 5	300 West 1300 South Right Turn Lane - Northbound to Eastbound To design & construct a northbound to eastbound right turn lane at the intersection of 300 West & 1300 South. Project requires relocation of Rocky Mountain Power transmission & distribution poles, & relocation of a traffic signal mast arm pole & controller cabinet. City CIP funds will be used to complete environmental work & provide local match of \$20,000 to a \$250,000 Congestion Management/Air Quality (CMAQ) Federal grant which Transportation has obtained. Supports City's sustainability efforts.		30	33	\$50,000	\$0	\$0		None No additional increase	
34	Transportation 6 Transportation Master Plan District 4, 5, 6,7	1300 East Traffic Safety Measures Implementation - 1300 East, 2100 South to 3300 South To implement traffic safety measures on 1300 East as identified in the 1300 East Study. Phase I improvements include signing upgrades, striping changes & installation of HAWK Beacon at Stratford Ave. Design \$10,000. Engineering fees \$15,000. Construction Inspection & admin \$5,000. Supports City's sustainability efforts.		31	34	\$150,000	\$0	\$0		None No additional increase	

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35	Streets 7 10 Year CIP Plan FY06-16 District 6	Residential Concrete Street Rehabilitation - Yalecrest Ave, 1600 East to Military Drive, & Yalecrest/Military Intersection Landscaped Island To rehabilitate the existing deteriorated concrete street to include concrete pavement replacement or rehabilitation, drive approaches, curb & gutter repair or replacement as needed, sidewalk repairs, ADA accessibility ramps & storm drain improvements. Design \$28,000. Construction inspection & admin \$30,000. Supports City's sustainability efforts.		34	35	\$406,000	\$0	\$0		None No additional increase	
36	Transportation 7 Transportation Master Plan 10 Year CIP Plan FY06-16 District 4	Traffic Signal Installation - 600 South 600 East To design & construct a traffic signal where none currently exists on 600 South 600 East. Traffic studies which findings include increased traffic, accident history, & changing traffic conditions indicate that a new light is warranted at this intersection. Design \$21,000. Engineering fees \$21,000. Construction, inspection & admin \$5,000. Supports City's sustainability efforts.		35	36	\$160,000	\$0	\$0		None \$90 annual increase	
37	Public Facilities 6 District 4	Justice Court HVAC Energy Conservation Upgrades - 333 South 200 East To provide upgrades to existing HVAC system to include installation of control dampers on return air ducts, relief air transfer openings & chilled water bypass piping & control valves. Design \$37,180. Engineering fees \$5,291. Construction, inspection & admin \$22,881. Supports City's sustainability efforts.		36	37	\$379,959	\$0	\$0		None No additional increase	
38	Public Facilities 14 City's Master Plan District 4	C&C Building Carpet, Flooring/Electrical Replacement, 3rd & 5th Floors - 451 So. State Street To replace & install a low access sub floor, replace existing electrical flatwire & purchase & install new carpet on the 3rd & 5th floor of the C&C Building. Design \$97,358. Engineering fees \$14,978. Construction inspection & admin \$59,912. Supports City's sustainability efforts.		37	38	\$748,907	\$0	\$0		None No additional increase	
39	Public Facilities 15 City's Master Plan District 4	C&C Building Carpet, Flooring/Electrical Replacement, 2nd Floor - 451 So. State Street To replace & install a low access sub floor, replace existing electrical flatwire & purchase & install new carpet on the 2nd floor of the C&C Building. Design \$44,934. Engineering fees \$11,234. Construction inspection & admin \$56,168. Supports City's sustainability efforts.		38	39	\$617,849	\$0	\$0		None No additional increase	
40	Public Facilities 24 City's Master Plan District 4	C&C Building Carpet, Flooring/Electrical Replacement, 1st Floor - 451 So. State Street To replace & install a low access sub floor, replace existing electrical flatwire & purchase & install new carpet on the 1st floor of the C&C Building. Design \$97,358. Engineering fees \$14,978. Construction inspection & admin \$59,912. Supports City's sustainability efforts.		39	40	\$748,907	\$0	\$0		None No additional increase	

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41	Public Facilities 19 City's Master Plan District 4	C&C Building Carpet, Flooring/Electrical Replacement, 4th Floor - 451 So. State Street To replace & install a low access sub floor, replace existing electrical flatwire & purchase & install new carpet on the 4th floor of the C&C Building. Design \$97,358. Engineering fees \$14,978. Construction inspection & admin \$59,912. Supports City's sustainability efforts.		40	41	\$748,907	\$0	\$0		None No additional increase	
42	Public Facilities 11 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 1st floor, south end of the C&C Building, with new efficient Fan Coil Units. Design \$16,664. Engineering fees \$2,371. Construction, inspection & admin \$10,225. Supports City's sustainability efforts.		41	42	\$170,292	\$0	\$0		None No additional increase	
43	Public Facilities 12 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 3rd floor, south end of the C&C Building, with new efficient Fan Coil Units. Design \$19,044. Engineering fees \$2,710. Construction, inspection & admin \$11,720. Supports City's sustainability efforts.		42	43	\$194,620	\$0	\$0		None No additional increase	
44	Public Facilities 13 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 3rd floor, north end of the C&C Building, with new efficient Fan Coil Units. Design \$17,854. Engineering fees \$2,541. Construction, inspection & admin \$10,987. Supports City's sustainability efforts.		43	44	\$182,456	\$0	\$0		None No additional increase	
45	Public Facilities 23 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 4th floor, south end of the C&C Building, with new efficient Fan Coil Units. Design \$16,664. Engineering fees \$2,371. Construction, inspection & admin \$10,255. Supports City's sustainability efforts.		44	45	\$170,292	\$0	\$0		None No additional increase	
46	Public Facilities 25 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 2nd floor, south end of the C&C Building, with new efficient Fan Coil Units. Design \$13,185. Engineering fees \$2,033. Construction, inspection & admin \$6,592. Supports City's sustainability efforts.		45	46	\$137,176	\$0	\$0		None No additional increase	

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47	Public Facilities 26 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 5th floor of the C&C Building, with new efficient Fan Coil Units. Design \$20,235. Engineering fees \$2,880. Construction, inspection & admin \$12,452. Supports City's sustainability efforts.		46	47	\$206,784	\$0	\$0		None No additional increase	
48	Public Facilities 7 City's Master Plan District 4	Irrigation Water Conservation & Asset Renewal Design - 100 So. Main St. & part of West Temple, 100 So. Regent to Main St., 300 So. Main St. to Exchange Place, 4th So. Main to Cactus St. North Side To provide design of 4 locations for future replacement of deteriorating galvanized pipe located beneath concrete & pavers with new PVC main irrigation service line, electronic valves, backflow devices, irrigation lines to trees, bubblers in tree planters, irrigation management system, failure & low flow alarms, low voltage controls, landscape lighting, auto-drain valves & replace deteriorated concrete with stamped concrete or pavers. Design \$141,284. Engineering fees \$32,604. Supports City's sustainability efforts.		47	48	\$173,888	\$0	\$0		None Design	
49	Public Facilities 22 District 4	Plaza 349 Parking Structure Improvements & Security System - 349 South 200 East To construct improvements to include scarifying & lowering parking structure pavement surface & ramps, apply adhesion base & two-inch concrete overlay, install new retractable security gate with electronic code reader system, & install electronic security devices on all entry doors to parking structure. Design \$24,651. Engineering fees \$5,688. Construction inspection & admin \$13,274. Supports City's sustainability efforts.		48	49	\$261,682	\$0	\$0		None No additional increase	
50	Public Facilities 18 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 4th floor, north end of the C&C Building, with new efficient Fan Coil Units. Design \$16,664. Engineering fees \$2,371. Construction, inspection & admin \$10,255. Supports City's sustainability efforts.		49	50	\$170,292	\$0	\$0		None No additional increase	
51	Public Facilities 21 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 2nd floor, north end of the C&C Building, with new efficient Fan Coil Units. Design \$15,474. Engineering fees \$2,202. Construction, inspection & admin \$9,522. Supports City's sustainability efforts.		50	51	\$158,129	\$0	\$0		None No additional increase	

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52	Public Facilities 16 District 4	C&C Building Heating/Cooling Wall Unit Replacement - 451 So. State Street To replace heating/cooling wall units on the 1st floor, north end of the C&C Building, with new efficient Fan Coil Units. Design \$13,185. Engineering fees \$2,033. Construction, inspection & admin \$6,592. Supports City's sustainability efforts.		51	52	\$137,176	\$0	\$0		None No additional increase	
53	Public Facilities 20 Districts 3 & 4	Parking Lot Repairs & Replacements - Fire Stations #4, #5 & West Side Senior Center To remove & replace the concrete driveway of Fire Station #4 located at 830 E. 1100 Ave., replace top layer of asphalt on drive & lot of Fire Station #5 located at 1023 E. 900 So. & replace top layer of asphalt on drive & lot & make slope changes for proper drainage at the West Side Senior Center located at 868 W. 900 So. Design \$33,056. Engineering fees \$7,628. Construction inspection & admin \$17,800 Supports City's sustainability efforts.		52	53	\$338,192	\$0	\$0		None No additional increase	
54	Parks 10 Rotary Glen Master Plan 10 Year CIP Plan FY08-09 District 6	Rotary Glen Park Improvements - 2770 East 840 South To design & construct improvements to include replacement of existing restroom, utilities to support restroom & drinking fountain, make associated repairs to parking lot due to replacement of collapsed sewer line under parking lot & possibly bury the overhead Rocky Mountain Power electrical lines, & make necessary repairs to landscaping & sprinkler irrigation system at area construction. Design \$25,000. Engineering fees \$5,000. Construction inspection & admin \$20,000. Supports City's sustainability efforts.	Prior yrs \$285,000 05-06 \$ 95,000 Total \$380,000	53	54	\$325,000	\$0	\$0		None No additional increase	
55	Public Facilities 17 Capital Asset Renewal Plan District 7	Sugarhouse Business District Irrigation Water Conservation & Asset Renewal Project Design - 2100 So., 1000 E. to 1300 E.; Highland Dr., Westminster to Ashton To design for future replacement of deteriorating galvanized pipe located beneath concrete & pavers with new PVC main irrigation service line, electronic valves, backflow devices, irrigation lines to trees, bubblers in tree planters, irrigation management system, failure & low flow alarms, low voltage controls, landscape lighting, auto-drain valves, replace deteriorated concrete with stamped concrete or pavers, install new sidewalk, curb, gutter as necessary remove & replace parking strip trees that are less than 3 feet from curb. Design \$218,470. Engineering fees \$50,416. Supports City's sustainability efforts.		54	55	\$268,886	\$0	\$0		None Design	

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56	Streets 10 District 3 Submitted by Constituent Neighbor Works Salt Lake	500 West Street Improvement Redesign - 500 West, North Temple to 500 North To evaluate & re-design street improvements to include drainage, curb, gutter, sidewalk & business access on 500 West including areas near the Union Pacific switch boxes. Business owners have agreed to invest & install curb, sidewalk & landscape improvements once the design is complete. Note: Constituent requested \$60,000 for design. Engineering indicated the design would cost approximately \$150,000. Supports City's sustainability efforts.		55	56	\$150,000	\$0	\$0		None Design	
57	Parks 12 10 Year CIP Plan FY08-09 Fairmont Park Master Plan District 7	Fairmont Park Tennis Court Reconstruction - 900 East Simpson Ave. To replace five (5) existing tennis courts with four (4) full size & two (2) youth with new post tension courts, new fencing, net posts, landscaping & irrigation system, sidewalk along north side of courts, benches & drinking fountain. Design complete. Engineering fees \$18,400. Construction inspection & admin \$70,400. Supports City's sustainability efforts.	08-09 \$50,000	56	57	\$969,200	\$0	\$0		Minimal \$800 per year	
58	Public Facilities 28 City's Master Plan District 5	Spring Mobile Field Building Steel & Roof Deck Painting - 1365 So. West Temple To provide improvements to include sand blasting, scraping & wire brushing rusted building steel beams, girders & steel railings, power wash surfaces, apply rust inhibitor primer coat & apply premium enamel finish paint with UV protection. Design \$105,841. Engineering fees \$24,425. Construction inspection & admin. \$54,800. Supports City's sustainability efforts.		57	58	\$1,122,954	\$0	\$0		None No additional increase	Project could be funded /constructed in 3rds
59	Transportation 8 Transportation Master Plan District 6	Wakara Way & Arapeen Drive Roundabout To design & construct a roundabout on Wakara Way & Arapeen Drive in Research Park. Traffic conditions warrant the installation of traffic control measures at this intersection. Design \$35,000. Engineering fees \$35,000. Construction inspection & admin \$10,000. Supports City's sustainability efforts.		59	59	\$350,000	\$0	\$0		None No additional increase	
60	Parks 8 10 Year CIP Plan FY08-09 Districts 3 & 4	Tennis Court Resurfacing - Pioneer Park, 300 W. 350 So.; Reservoir Park, 1300 E. So Temple; Sunnyside Park 840 So. 1600 E. To design & construct upgrades to existing tennis courts at Pioneer, Reservoir & Sunnyside Parks. Upgrades include repairing cracks, resurfacing courts, new net posts & line striping. Courts include one at Pioneer Park, two at Reservoir Park, & two at Sunnyside Park. Existing fencing will remain in service for these facilities. Design \$10,000. Construction inspection & admin \$3,400.		60	60	\$73,400	\$0	\$0		None No additional increase	

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61	Streets 11 District 2 Submitted by Constituent Diversified Metal Services, Inc.	900 South Street Reconstruction - 900 So., 2700 to 3200 West To construct street improvements to include street pavement, curb, gutter, sidewalk & other necessary site improvements as needed. Note: Constituent did not provide construction cost amount. Engineering indicated that a design would be necessary to determine the actual cost estimate for construction & that the design would cost \$200,000. Supports City's sustainability efforts.		61	61	\$1,200,000	\$0	\$0		None No additional increase	
62	Parks 5 District 3	City Cemetery Master Plan, Phase 2 - 200 North & "N" Street To complete the City Cemetery Master Plan. Phase I of plan has been completed & provided an analysis of roads, curbs, utilities & inventory of unused areas of cemetery. Phase II of Plan will include a comprehensive study of buildings, office/residence, emergency management plan, cemetery operations, financial based projection based on current prices & budgets for proposed/required improvements & proposal of possible new facility layout scenarios including new inventory items to improve cemetery performance. Plan \$318,100. Engineering fees \$31,800. Not applicable to City's sustainability efforts.	07-08 \$75,000	62	62	\$349,900	\$0	\$0		None Plan	
63	Public Facilities 27 City's Master Plan District 5	Spring Mobile Field Concourse "B" Waterproofing - 1365 So. West Temple To construct improvements to include cutting new expansion joints, remove cracked caulking, grind & clean saw/expansion joints & clean surface deck for installation of Conipur Advantage 2 -part concrete deck sealer. Design \$36,142 Engineering fees \$8,340. Construction inspection & admin. \$19,462. Supports City's sustainability efforts.		63	63	\$383,672	\$0	\$0		None No additional increase	
64	Public Facilities 34 District 4 Submitted by Downtown Alliance	Downtown Business District Public Restroom Installation To design & construct 1 to 3 permanent public restrooms at strategic locations throughout the downtown area. Sites to be determined. Cost of units include \$215,928 for 1 unit; \$431,856 for 2 units; \$633,924 for 3 units. Design \$21,651. Engineering fees \$3,081. Construction, inspection & admin \$13,324. Supports City's sustainability efforts.		64	64	\$215,928	\$0	\$0		Minimal Cleaning & Servicing \$3,000 per unit on annual basis	
65	Parks 14 District 3	East Capitol Blvd. Curb, Sidewalk & Memory Grove Overlook Improvements - To design & construct median islands, new curb, gutter & bulb out areas, sidewalks, crosswalks, & associated landscaping as necessary, & construct Memory Grove Park Overlook & Historical Interpretation Area. This will be a joint project with UDOT, State Capitol Preservation Board & the City for a total project cost of \$922,400. City's portion of construction would include sidewalk & landscaping on east side & possibly construction of the Historic Overlook & Interpretation Area. Design \$68,400. Engineering fees \$12,700. Construction inspection & admin \$54,700. Supports City's sustainability efforts.	08-09 \$50,000	65	65	\$383,000	\$0	\$0		None No additional increase	

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66	Public Facilities 30 District 7	Fire Station #3 To replace Fire Station #3 in Sugarhouse. Current building is aged & does not meet current size or seismic requirements. Design \$156,910. Engineering fees \$75,840. Supports City's sustainability efforts.		66	66	\$3,413,630	\$0	\$0		None No additional increase	
67	Public Facilities 10 District 4	C&C Building Base Isolator Testing & Analysis - 451 So. State Street To hire a consultant to perform a detailed testing & provide an analysis of the C&C Building Base Isolator's pertaining to the seismic Richter magnitude of 7.0 or higher. The C&C Building Base Isolators were designed to handle a seismic Richter of 6.0 magnitude. Consultant \$243,148. Supports City's sustainability efforts.		67	67	\$243,148	\$0	\$0		None Analysis	
68	Parks 6 District 5	Tracy Aviary Sidewalks & Tree Pruning -900-1300 South ., 500 to 700 East. To provide improvements to Tracy Aviary site to include replacement of deteriorated sidewalks, prune existing trees & make associated landscape repairs as necessary. Design \$23,220. Construction inspection & admin. \$14,595.	05-06 \$116,200 07-08 \$200,000	68	68	\$71,400	\$0	\$0		None No additional increase	
69	Public Facilities 4 District 4	UTA TRAX Island Landscape To replace existing TRAX island landscaping, from 150 W., So Temple, down Main Street to 450 South, 400 South from State to 900 East, with improvements to include removal of present shrubs & ground cover redesign landscaping & irrigation to water only shrubs & trees using a bubbler head delivery system, connect to existing water control system & replace with water appropriate shrubs, plants & rock. Design \$12,545. Engineering fees \$1,785. Construction inspection & admin \$7,720. Supports City's sustainability efforts.		69	69	\$123,375	\$0	\$0		None No additional increase	
70	Streets 9 District 5 Submitted by Constituent East Liberty Park Community Organization (ELPOC)	East Liberty Park Alley Improvement Study/Design - 900 to 1300 South., 700 to 1100 East To determine the rehabilitation needs & prepare a preliminary design & construction cost estimate for upgrade of the public way alleys with improvements to include new pavement or surface rehabilitation as needed. There are approximately 10 alleys within this area totaling approximately 4.6 miles of surface. Design \$40,000. Supports City's sustainability efforts.		70	70	\$40,000	\$0	\$0		None Design	

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
71	Parks 17 Districts 7 Submitted by Constituent, Parley's Way Park Improvement Committee	Parley's Way/Wilshire Park ADA Playground & Improvements - 2810 East 2400 South To design & provide construction improvements to include removal & replacement of existing play structure with ADA accessibility playground equipment with accessible surfacing, enlarge existing playground footprint to include accessible ramps, sidewalks & paths & repair associated irrigation, trees & landscaping as necessary. Design \$40,000. Engineering fees 5,000. Construction inspection & administration \$17,600. Supports City's sustainability efforts.		71	71	\$271,200	\$0	\$0		None No additional increase	
72	Parks 19 District 1 Submitted by Constituent	Rose Park Lane Walking Path Improvements - To purchase & plant approximately 42 trees & install irrigation feeder lines & bubblers to previously installed valves for tree irrigation. Design complete. Construction inspection & admin \$3,000. Supports City's sustainability efforts.	05-06 \$30,000	72	72	\$30,200	\$0	\$0		None No additional increase	
73	Parks 7 District 6	Oak Hills Tennis Court Lighting - 2425 East 1216 South To provide court lighting to the four south bottom tennis courts providing extended play during the spring & fall. Improvements include new light poles & fixtures which will be connected to existing power source. \$50,000 was donated by the Concessionaire for this project. Design \$7,000. Construction inspection & admin \$4,400. Supports City's sustainability efforts.		73	73	\$56,240	\$0	\$0		None No additional increase	
74	Parks 13 10 Year CIP Plan FY08-09 District 3	Lindsey Garden Park, 7th Ave. "N" Street or 5th Ave "C" Street Tennis Court Reconstruction To remove two existing tennis courts, retaining walls & trees, & reconstruct two new post tension courts, new fencing, new retaining walls & associated landscaping as necessary, at either Lindsey Garden Park or 5th Ave. "C" Street. Design \$58,500. Engineering fees \$8,300. Construction inspection & admin \$36,000. Supports City's sustainability efforts.		74	74	\$597,800	\$0	\$0		Minimal No additional increase	
75	Parks 16 District 3 Submitted by Constituent, Avenues Community Tennis Association (ACTA)	Avenues Community Tennis Center Design - 11th Avenue Park To design a community tennis center at 11th Avenue Park that includes architectural design of landscaping, facilities & amenities, development phases & community activities/programming that will lead to the eventual construction of a club house & self sustaining community tennis facilities. Design \$80,000. Supports City's sustainability efforts.		75	75	\$80,000	\$0	\$0		None No additional increase	

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
76	Parks 18 District 7 Submitted by Constituent, The Imperial Neighborhood Park Association	Imperial Neighborhood Park Project -1560 E. Atkin Avenue To purchase .86 acres of property located at 1560 E. Atkin Avenue for construction of future neighborhood park. The anticipated cost of property will be \$850,000. The Imperial Neighborhood Park Association has currently raised \$3,500 for this project. Supports City's sustainability efforts.		76	76	\$270,000	\$0	\$0		None No additional increase	
77	Transportation 9 District 5 Submitted by Constituent Ballpark Community Council	Ballpark Neighborhood Enhancements To evaluate, design & implement enhancements to include installation of driver feed back signs, upgraded safety lighting, neighborhood entrance markers & bullbouts. Improvements are in priority order. Design Supports City's sustainability efforts.		77	77	\$400,000	\$0	\$0		None No additional increase	
78	Public Facilities 29 District 1	Fire Training Center Property Purchase Partial funding needed to purchase property directly north of Fire Station #14 located on Industrial Road at approximately 1540 South for future site of the Fire Training Center. Impact Fee Request of \$650,000. Supports City's sustainability efforts.		78	78	\$0	\$0	\$0		None No additional increase	\$650,000 Impact Fee Request
79	Public Facilities 31 All Districts - site to be determined	Valley Police Alliance Evidence/Crime Lab To develop, purchase and/or construct a centrally located facility to house combined services shared by all police agencies belonging to the Valley Police Alliance. Cost estimate is approximately \$7,000,000. West Valley may be interested in a collaborated effort. Possible Bond item. Supports City's sustainability efforts.		79	79	\$0	\$0	\$0		None No additional increase	\$7,000,000 Possible Bond
80	Public Facilities 32 All Districts - site to be determined	Liberty Precinct Police Station To design & construct an eastside police facility housing Liberty Patrol. Cost estimate includes a 2 acre land purchase & construction of a 24,500 sq ft facility. Cost estimate is approximately \$16,000,000. Possible Bond item. Supports City's sustainability efforts.		80	80	\$0	\$0	\$0		None No additional increase	\$16,000,000 Possible Bond
General Fund Project Total						\$27,928,876	\$6,194,437	\$6,586,327	\$0		
Total GF CIP Including Debt Service						\$34,259,387	\$12,524,948	\$12,598,185	\$0		

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History		Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
<i>Fiscal Year 09-10 Class "C" Projects</i>												
1	Class "C" 1 10 Year CIP Plan FY07-08 District 2	700 South Reconstruction, Phase I - 500/700 South, 2800 West to 5600 West To construct improvements to include pavement restoration, curb, gutter, drainage improvements, upgrade to traffic flow characteristics & railroad crossing improvements. Total cost is \$4,900,000. Engineering is requesting an additional \$2,500,000 of Impact Fees. \$200,000 of Impact Fees were awarded in FY05-06 & \$594,484 in 09/10. Phase I design complete. Construction inspection & admin \$60,000. *Funding history includes allocations over 4 year period. Supports City's sustainability efforts.	05-06 \$ 255,000 05-06 \$ 200,000 08-09 \$ 400,000 09-10 \$ 550,000 \$ 09-10 594,484 Total \$1,999,484*		1	1	\$400,000	\$400,000		\$400,000	None No additional increase	
2	Class "C" 2 10 Year CIP Plan FY07-08 Districts 2	1300 South Viaduct Rehabilitation - 1300 South, 500 to 700 West To provide partial match for UDOT & FHWA grant funding for rehabilitation of viaduct including structural & seismic needs. Public Utilities will coordinate necessary utility relocations & rehabilitations. Grant requires 7% or \$840,000 match which will be requested over next 3 FY's. Total project cost estimate is approximately \$12,000,000. Additional funds will be requested in future years CIP processes. Supports City's sustainability efforts.	0-07 \$300,000 Total \$300,000		2	2	\$200,000	\$200,000		\$200,000	None No additional increase	
3	Class "C" 3 10 Year CIP Plan FY06-16 All Districts	Street Pavement Overlay FY10/11 - Citywide To provide pavement overlay including concrete, asphalt or other preservation surface treatments determined by Pavement Management System & based on condition & need of fifteen (15) streets as funding permits. Other improvements include ADA pedestrian ramps, sidewalk, curb, gutter repair & design funding for 11/12 overlay project. Design \$64,000. Construction inspection & admin 82,600. *Funding history includes all Class "C" allocations over 9 year period. Supports City's sustainability efforts.	01-04 \$ 4,500,000 04-05 \$ 1,500,000 05-06 \$ 1,500,000 06-07 \$ 1,500,000 07-08 \$ 1,500,000 08-09 \$ 1,500,000 09-10 \$ 1,400,000 Total \$13,400,000*		3	3	\$1,310,000	\$1,310,000		\$1,310,000	None No additional increase	
4	Class "C" 4 10 Year CIP Plan FY07-08 District 2	Concrete Streets Rehabilitation FY10/11 To provide construction rehabilitation to deteriorated concrete streets Citywide. Improvements to include slab replacement, grinding, resurfacing & joint repair of twelve (12) streets as funding permits. Design \$16,500. Construction inspection & admin \$18,800. * Funding history includes Class "C" allocations over 6 year period. Supports City's sustainability efforts.	00-01 \$ 290,000 01-02 \$ 100,000 06-07 \$ 200,000 07-08 \$ 200,000 08-09 \$ 200,000 09-10 \$ 190,000 Total \$1,180,000*		4	4	\$200,000	\$200,000		\$200,000	None No additional increase	

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
5	Class "C" 5 10 Year CIP Plan FY07-08 Districts 5, 7	500 East Rehabilitation, Phase I - 500 East 1300 to 1700 South To bank funding for Phase I of major rehabilitation to 500 East, from 1300 to 1700 South. Improvements to include street pavement restoration, removal & replacement of defective sidewalk, curb & gutter, ADA pedestrian ramps & upgrades to traffic signals. Project will coordinate installation of major storm drain lines with Public Utilities. Additional funding for Phase I will be requested in FY11/12 CIP Process. Phase II funding, 500 East, 1700 to 2100 South will be requested in future years. Supports City's sustainability efforts.	08-09 \$750,000 Total \$750,000	5	5	\$500,000	\$500,000		\$500,000	None No additional increase	
6	Class "C" 6 All Districts	Street Pavement Management Survey To perform a citywide street pavement condition survey to collect data for use in determining appropriate pavement management strategies for all streets citywide. Survey is updated approximately every 5 years with state of the art electronic equipment. Data collected is used to determine overall street network condition & prioritize street maintenance by defined street segments.		6	6	\$140,000	\$140,000		\$140,000	None Survey	
7	Class "C" 7 Districts 1, 2 & 7	Bridge Evaluation & Maintenance There are 27 bridges within the SLC boundaries with most crossing either the Jordan Rover or the Surplus Canal. UDOT inspects these bridges every two years & provides the City with a basic condition report. SLC is responsible for performing appropriate maintenance activities based on statements in the UDOT report. Engineering is preparing an ongoing bridge maintenance program with the objective of extending the functional life of these structures & extending the time line between major repairs. This request will address condition evaluation, routine maintenance & timely repairs. Study \$50,000. Supports City's sustainability efforts.		7	7	\$50,000	\$50,000		\$50,000	None Survey	
		Class "C" Fund Total				\$2,800,000	\$2,800,000	\$0	\$2,800,000		

Fiscal Year 2010-2011 Identifier & Plan Information		Project Description	Funding History	Board	Mayor	FY 2010-2011 Funding Request	CDCIP Board Proposed Amount	Mayor's Proposed GF Amount	Mayors Proposed Class "C"	Operating Budget Impact	Notes
<i>Fiscal Year 09-10 Impact Fee Projects</i>											
1	Public Facilities 29 District 1	Fire Training Center Property Purchase Partial funding needed to purchase property directly north of Fire Station #14 located on Industrial Road at approximately 1540 South for future site of the Fire Training Center. Impact Fee Request of \$650,000. Supports City's sustainability efforts.		1	1	\$650,000	\$650,000	\$650,000		None No additional increase	Impact Fee Request - See PF 29 Above
2	Class "C" 1 10 Year CIP Plan FY07-08 District 2	700 South Reconstruction, Phase I - 500/700 South, 2800 West to 5600 West To construct improvements to include pavement restoration, curb, gutter, drainage improvements, upgrade to traffic flow characteristics & railroad crossing improvements. Total cost is \$4,900,000. Engineering is requesting an additional \$2,500,000 of Impact Fees. \$200,000 of Impact Fees were awarded in FY05-06 & \$594,484 in 09/10. Phase I design complete. Construction inspection & admin \$60,000. *Funding history includes allocations over 4 year period. Supports City's sustainability efforts.	05-06 \$ 255,000 05-06 \$ 200,000 08-09 \$ 400,000 09-10 \$ 550,000 \$ 09-10 594,484 Total \$1,999,484*	2	2	\$2,500,000	\$2,500,000	\$2,500,000		None No additional increase	Impact Fee Request - See Class "C" 1 Above
		Impact Fees Fund Total				\$3,150,000	\$3,150,000	\$3,150,000	\$0		
<i>Fiscal Year 09-10 Special Assessment (SAA) Projects</i>											
1	Class "C" 1 10 Year CIP Plan FY07-08 District 2	700 South Reconstruction, Phase I - 500/700 South, 2800 West to 5600 West SAA To construct improvements to include pavement restoration, curb, gutter, drainage improvements, upgrade to traffic flow characteristics & railroad crossing improvements. Total cost is \$4,900,000. Engineering is requesting an additional \$2,500,000 of Impact Fees and \$2,000,000 of SAA budget to collect the property owners assessment of the project. \$200,000 of Impact Fees awarded in FY05-06 & \$594,484 in 09/10. Phase I design complete. Construction inspection & admin \$60,000. *Funding history includes allocations over 4 year period. Supports City's sustainability efforts.	05-06 \$ 255,000 05-06 \$ 200,000 08-09 \$ 400,000 09-10 \$ 550,000 \$ 09-10 594,484 Total \$1,999,484*	1	1	\$2,000,000	\$2,000,000	\$2,000,000		None No additional increase	SAA Request - See Class "C" 1 Above
		SAA Fund Total				\$2,000,000	\$2,000,000	\$2,000,000	\$0		
		Total FY 10-11 CIP				\$42,209,387	\$20,474,948	\$17,748,185	\$2,800,000		
		Mayor's Proposed CIP - All fund class total						\$20,548,185			

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET ANALYSIS - FISCAL YEAR 2010-11

DATE: April 13, 2010
SUBJECT: PUBLIC UTILITIES DEPARTMENT
Water, Sewer, Stormwater Funds
STAFF REPORT BY: Lehua Weaver
CC: David Everitt, Jeff Niermeyer, Tom Ward, Jim Lewis, Rusty Vetter, Gordon Hoskins, Gina Chamness, Randy Hillier

The Department of Public Utilities has prepared a budget for the Council's review, which includes a combined Operating Expenses and Capital Outlay budget of \$118,252,132 for the water, sewer and stormwater funds.

Public Utilities Department 2010-11				
Water, Sewer, Stormwater Budgets				
	Amended	Proposed		
	2009-10	2010-11	Difference	% Change
Revenue & other sources				
Services Revenue	\$ 71,802,000	\$ 77,402,350	\$ 5,600,350	7.8%
Interest Income	770,000	650,000	\$ (120,000)	-15.6%
Impact Fees	1,050,000	1,050,000	\$ -	0.0%
Bond Proceeds	-	13,000,000	\$ 13,000,000	
Use of cash reserves	44,049,264	21,361,782	\$ (22,687,482)	-51.5%
Other Various Revenue Sources	4,600,450	4,788,000	\$ 187,550	4.1%
Total revenue & other sources	\$ 122,271,714	\$ 118,252,132	\$ (4,019,582)	-3.3%
Expenses				
Salaries, wages & benefits	\$ 24,855,469	\$ 25,077,863	\$ 222,394	0.9%
Materials & supplies	4,036,505	4,078,555	\$ 42,050	1.0%
Charges for services	29,931,214	31,429,464	\$ 1,498,250	5.0%
Total operating expenses	\$ 58,823,188	\$ 60,585,882	\$ 1,762,694	3.0%
Capital improvement	53,055,126	46,406,250	\$ (6,648,876)	-12.5%
Vehicles & equipment	5,108,400	4,975,000	\$ (133,400)	-2.6%
Debt Services	5,285,000	6,285,000	\$ 1,000,000	18.9%
Total Operating Expenses & Capital Outlay	\$ 122,271,714	\$ 118,252,132	\$ (4,019,582)	-3.3%

This report includes some overall key points to the Department budget, and then provides some information specific to each fund.

The Department of Public Utilities has also provided information and background on their Watershed Land and Water Rights purchase program. A brief memo is attached for that item (Attachment A).

OVERALL KEY POINTS

- Rate increases – For 2010-11, the proposed budget includes a rate increase in each of the three funds, as follows:

	Amount of Increase PER YEAR			
	Water	Sewer	Stormwater	Total
<i>Small Residential</i>	6.00	2.88	2.88	\$ 11.76
<i>Average Residential</i>	12.77	5.76	2.88	\$ 21.41
<i>Apartment</i>	955.31	252.00	207.36	\$ 1,414.67
<i>Manufacturing / Industrial</i>	5,680.39	2,434.00	438.00	\$ 8,552.39
<i>Commercial</i>	1,827.45	28.51	60.00	\$ 1,915.96

As the Council may remember, the Department did not originally propose any rate increases last year, but did end up working with the Council to implement a rate increase for the stormwater fund. (That rate increase was effective January 1, 2010.)

- Water Rate Structure – The proposed budget includes adding a fourth tier to the Summer water rates, as suggested by the Community Group and Public Utilities Advisory Committee. More information is provided below in the section specific to the Water Utility (page 4).
- Impact of Rate Increases to the General Fund – The rate increases in each of the utility funds will have a negative impact on the General Fund. The 5% water rate increase will cost the General Fund \$121,955; the 4.5% sewer increase will cost \$4,495 more; and the 6% stormwater increase will cost \$4,567. This totals a \$131,017 increase. However the rate increases will also increase franchise fee revenue to the General fund in the amount of \$147,150 for an overall positive effect of \$16,133.
- Capital Improvement Budget – The three budgets all include capital improvement projects totaling \$46,406,250. The Department has estimated that the favorable bidding climate has contributed to a savings of approximately \$18.8 million capital project costs. What is estimated to cost \$50.8 million to build in 2011 could cost as much as \$69.6 million to build in 2015.
- Future Fiscal Impacts – Each of the funds rely heavily on the use of reserve funds to maintain the capital programs. This practice, even with modest rate increases, contributes to a shortfall in future years where needed capital improvements outpace revenues and cash-on-hand.
- Personal Services Budgets – Since the Department presents their budget to the Mayor and Council before the General Fund, the personal services budget is generally tentative. They follow what the General Fund and other budgets provide for employees, in terms of salary adjustments and insurance splits. Most of the Department's employees (77%) are 100 and 200 series employees with pay increases negotiated between the City and the American Federation of State County & Municipal Employees Local 1004 (AFSCME). In keeping with this, there are no proposed salary increases for employees. However, insurance costs did increase 11% across all three funds. This will be split with employees. 26% is paid by employees and 74% by the City. This may change as the Mayor's recommended budget is finalized, and any necessary changes can be made prior to budget adoption. Retirement payments have also increased by 17%.

QUESTIONS FOR CONSIDERATION

As Council Members read this budget, you may want to keep two questions in mind:

1. As the General Fund has struggled with the economic crunch, the Department of Public Utilities has tried to help mitigate any impact. For example, last year one major consideration for delaying rate increases was because of the impact to the General Fund departments that would pay the increased rates as well. In addition, on page 57 of the Department's transmittal, there is a list of charges from other City funds to the Department of Public Utilities. The Council may wish to ask what the full impact has been to the Department of Public Utilities.
2. Although the rate increases help to defray the reliance on each fund's cash reserves, the Council may wish to inquire about increasing the use of reserve funds or reducing capital improvement projects in the proposed budget to further delay a rate increase. The Council may also wish to inquire whether there would be an estimate for how a delay would affect future rate increases.

For a more detailed view of each fund's budget, please see the following pages.

WATER UTILITY BUDGET, 2010-11

The operating budget for the Water Enterprise Fund for fiscal year 2010-11 is proposed to be \$44,882,576, which is an increase of \$1,410,397, or 3.2%.

WATER FUND				
PROPOSED BUDGET				
	Amended	Proposed	Difference	Percent Change
	2009-10	2010-11		
Revenue & other sources				
Charges for services	\$ 50,057,000	\$ 52,559,850	2,502,850	5.0%
Interest income	370,000	300,000	(70,000)	-18.9%
Inter-fund charges	2,389,450	2,591,000	201,550	8.4%
Sale of used equipment	50,000	50,000	-	0.0%
Impact fees	500,000	500,000	-	0.0%
Grants and Other related revenues	905,000	905,000	-	0.0%
Bond proceeds	-	-	-	#DIV/0!
Use of cash reserves	15,078,189	9,611,976	(5,466,213)	-36.3%
Total revenue & other sources	\$ 69,349,639	\$ 66,517,826	(2,831,813)	-4.1%
Expenses				
Salaries, wages & benefits	\$ 16,313,790	\$ 16,301,187	(12,603)	-0.1%
Materials & supplies	2,702,495	2,760,545	58,050	2.1%
Charges for services	24,455,894	25,820,844	1,364,950	5.6%
Total operating expenses	\$ 43,472,179	\$ 44,882,576	1,410,397	3.2%
Capital improvement	20,620,160	16,740,250	(3,879,910)	-18.8%
Vehicles & equipment	2,507,300	2,145,000	(362,300)	-14.4%
Debt Services	2,750,000	2,750,000	-	0.0%
Total Operating Expenses & Capital Outlay	\$ 69,349,639	\$ 66,517,826	(2,831,813)	-4.1%

The key points reflected in the proposed budgets for the Water Fund include:

Revenue Items:

- Water Rates – there are two components affecting water rates for 2010-11:
 - Rate Increase: The proposed budget includes a five percent rate increase, which would generate an additional \$2,502,850 in rate revenue.
 - Rate Structure: The Council may recall that over the past few budget years, the Department has discussed the need to review the rate structure and consider changes. A community group was convened to work with the consultant and generated some recommendations, which were reviewed by the Public Utilities Advisory Committee (PUAC).

From that process came the recommendation to add a fourth tier to the water summer rates to capture some of the highest water users, and ideally encourage more conservation. The fourth tier would affect customers who use over 70 ccf in the month. Generally, these are the customers with larger landscaped areas. That would primarily affect eastside and county

customers. Water wise landscaping and other conservation measures can help water customers avoid paying the fourth tier prices.

In comparing the effect of the proposed rate increase to the current rate structure, versus a four-tier structure, only the highest users are impacted. (Refer to page 50 in the Administration's transmittal.) The Council may elect to not implement the fourth tier. Although most of the community group members and PUAC members were supportive, there were a few comments in opposition.

- Use of Reserve Funds - \$9,611,976 of reserve funds will be used toward capital projects this year. The cash balance after use of these reserve funds will be \$13,387,594. The Department has a cash reserve (or fund balance) target of 10% of operating expenses. The \$13,387,594 would be 30% of the 2010-11 operating expenses. The healthy reserve balance has been critical to the Department's ability to sustain the capital improvement program during these tough economic times. At the end of Fiscal Year 2008-09, the cash reserves totaled \$37,877,759. Based on future year projections, by the end of 2012-13, it would be at \$8,458,795 (or 18% of operating expenses).
- Other Revenue Items -
 - Interfund Charges: The Department is increasing their charge to the Sewer, Stormwater, and Refuse Funds for the billing service provided. This will increase the water fund's revenue by \$201,550.
 - Interest Income: Decrease by \$70,000 as the Fund's cash reserves decrease.

Operating Expense Items:

- Metropolitan Water District - Between the budget to purchase water from Metro and the annual assessment for the Metro capital projects, the City pays \$18,190,892 to Metro each year. This is roughly 40% of the Water Fund's operating budget.
- Purchase of Water from Metropolitan Water District: The largest increase to Water operating expenses is due to the purchase price for water from the Metropolitan Water District. For the proposed fiscal year, the average rate per acre foot will increase to \$219, which is a \$6 increase per acre foot over last year. Metro implemented a seasonal rate last year, and the \$219 per acre foot averages the amount of water purchased at the winter rate, \$113, and the summer rate, \$330.

In addition to the per unit cost increase, the Department is also planning to purchase 51,000 acre feet this year, up from 48,000 in the past few years.

Both of these factors result in an increase to the budget of \$945,000.

To take advantage of the seasonal rate structure, the Department intends to purchase additional water in the winter to reduce usage of City wells.

The MWD has raised the rates for the past several years and anticipates rate increases in the coming years as well.

Year	Historical Rate (per acre foot)	Future Planned Rates
2004-05	\$150	
2005-06	\$163	
2006-07	\$175	
2007-08	\$188	
2008-09	\$200	
2009-10	\$213	
2010-11		\$219 (3%)
2011-12		\$226 (3%)
2012-13		\$233 (3%)
2013-14		\$240 (3%)
2014-15		\$247 (3%)
2015-16		\$254 (3%)

- Annual assessments for the Metropolitan Water District Capital Improvements: In addition to the purchase of water, the department pays a \$7 million assessment for Metropolitan Water District capital improvements. These payments continue in 2010-11, and will continue for the next 23 years. Sandy City is also making assessment payments to the Metropolitan Water District for their share of project costs.

The Metropolitan Water District budget is set by the Metro Water District Board. The Council has the opportunity to review the budget and give feedback, but does not approve the budget. One significant change to the Council's role in the Metro budget was made in this year's Legislative Session. For tax increases after January 1, 2015, the City Councils of Salt Lake and Sandy cities will be the taxing authority and a vote by the Councils will be necessary in order to approve a property tax increase. More information on the legislative changes will be addressed in a report prepared on the Metro budget later in May.

- Personal Services - (Overall decrease of \$12,603)

<u>Increase /</u> <u>(Decrease)</u>	<u>Description</u>
\$229,461	Increase to retirement payments (17%)
234,504	Increase to insurance costs (11%)
(399,022)	Decrease for the 1.5% salary reduction in the current fiscal year (their budget was not amended at the time of adoption last year)
(63,521)	Decrease due to classification changes
(14,025)	Transfer of .5 FTE to the Stormwater Fund

- Materials and Supplies (increase of \$58,050 or 2.2%) - The increase is due to the cost for recycled paper forms, and the postage rate.
- Charges for Services (increase of \$1,364,950 or 5.6%) - Charges for services is budgeted to increase by 5.6% largely due to the increase in cost of water from the Metropolitan Water District already discussed. The other larger changes include:

<u>Increase / (Decrease)</u>	<u>Description</u>
\$223,000	Risk Management Premiums - their insurance agency raised premiums based on dam risk.
45,600	Utility Costs
34,000	Bus Pass (to include FrontRunner)
30,000	Utah Lake costs
87,350	Other items (admin fees, evasive weed grant , data processing, communication, various.

Capital Budget

The following is included in the budget for capital improvements and purchases for fiscal year 2010-11.

- Capital Outlay - Vehicles & Equipment (decrease of \$362,300 or 14%) - The \$2,145,000 budgeted for capital purchases allows the department to replace the necessary vehicles and make treatment plant purchases as needed. For vehicles, some necessary heavy equipment replacements will be made, and other vehicles will be replaced with an emphasis on fuel efficiency.
- Continuation of the existing capital improvement program - This budget of \$16.7 million is in addition to the assessments for the Metropolitan Water District capital improvements.

Proposed Water Capital Improvement Program	
	2010-11
Replacement of water lines and hydrants	\$ 7,939,250
Land Purchases (watershed purchases)	\$ 1,000,000
Reservoirs	\$ 555,000
Service Line Replacement & new connection	\$ 2,200,000
Treatment Plants	\$ 704,000
Pumping Plant Upgrades	\$ 1,150,000
Maintenance Buildings	\$ 745,000
Water meter replacement	\$ 100,000
Meter change out program	\$ 800,000
Culverts, flumes & bridges	\$ 510,000
Landscaping	\$ 432,000
Wells	\$ 575,000
Water stock purchases	\$ 30,000
Total Capital Improvement Program	\$16,740,250

The Department has decreased the budget for Capital Improvement projects by \$3.9 million.

- Waterline replacement program - The Department plans to replace 34,000 feet of pipe (or 6.44 miles!).
- Water valve replacement - increase funding by \$1 million for replacements and increasing the number of valves - - this will reduce the time households go without water during shut downs and main breaks, because the area affected by water shut-offs will be more limited.
- Water meter replacement program - As water meters age, they begin to inaccurately measure water use (under read). The Department has determined that it is cost effective to replace meters that are 15 years old. During the past five years, the Department has replaced 59,000 meters with about 22,000 of these being radio reading devices. The radio-read meters are primarily in hilly areas and where meters are more spaced out or remote. Overall, the technology for radio-read meters is changing - while the cost of reading the radio meters is cheaper, the cost for the meter itself is still more than regular meters. As technology continues to develop and prices go down, the radio-read meters will become more cost-effective. One example of this is that when the radio-read meters were first installed, the batteries would only last about five years, but technology has continued to evolve and batteries are lasting closer to 10 years.

For more information about the Watershed Land fund, please see attachment A for a brief memo. A transmittal from the Administration is also included in your packets.

QUESTIONS FOR CONSIDERATION

1. The Council may wish to ask about future projects that might require bonding.
2. The Council may wish to ask what percentage of users will see the most drastic increase to their monthly bill due to the rate increases and rate restructuring.

SEWER UTILITY BUDGET, 2010-11

The operating budget for the Sewer Fund for fiscal year 2010-11 is proposed to be \$11,835,189 which is an increase of \$309,349 or 2.7% over fiscal year 2009-10. The capital budget, including debt service, is proposed to be \$29,670,000.

SEWER FUND				
PROPOSED BUDGET				
	Amended	Proposed		Percent
	2009-10	2010-11	Difference	Change
Revenue & other sources				
Sewer service fees	\$ 16,500,000	\$17,242,500	\$742,500	4.5%
Interest income	250,000	250,000	\$0	0.0%
Permits	85,000	70,000	(\$15,000)	-17.6%
Impact fees	350,000	350,000	\$0	0.0%
Other	645,000	655,000	\$10,000	1.6%
Bond Proceeds	-	13,000,000	\$13,000,000	
Use of cash reserves	20,075,040	9,937,689	(\$10,137,351)	-50.5%
Total revenue & other sources	\$ 37,905,040	\$ 41,505,189	\$3,600,149	9.5%
Expenses				
Salaries, wages & benefits	\$ 6,764,583	6953632	\$189,049	2.8%
Materials & supplies	1,221,310	\$1,205,310	(\$16,000)	-1.3%
Charges for services	3,539,947	3,676,247	\$136,300	3.9%
Total Operating Expenses	\$ 11,525,840	\$ 11,835,189	\$309,349	2.7%
Capital improvement	21,945,100	\$ 24,490,500	\$2,545,400	11.6%
Vehicles & equipment	2,499,100	2,244,500	(\$254,600)	-10.2%
Debt Services	1,935,000	2,935,000	\$1,000,000	51.7%
Total Operating Expenses & Capital Outlay	\$ 37,905,040	\$ 41,505,189	\$3,600,149	9.5%

The key points reflected in the proposed budgets for the Sewer Fund include:

Revenue Items:

- Rate Increase - A rate increase of 4.5% is proposed for 2010-11. This would generate approximately \$742,500 in additional revenue. Rate revenue is based on the water usage during winter months, since that is generally the usage attributable to indoor water use, including showers, dishwashers, etc. (which constitutes waste water). Therefore, these revenues are generally tied to the rate of users' conservation.

4% rate increases are planned for each of the next four years.

- Use of Reserve Funds - \$9,937,689 in reserve funds will be used toward capital projects.
- Bond Proceeds - In order to accelerate the rehabilitation of the Orange Street Trunk Line to the treatment plant, the Department proposes issuing \$10 million in bonds. In addition, earlier this year, the Council processed a bond issuance for \$6.3 million for a digester cover replacement project - this was the zero interest bond offered by the State using Stimulus Grant funds. The funding for this project will be spread over three years. For 2010-11, \$3 million will be budgeted.

Operating Expense Items:

- Personal Services - (Overall increase of \$189,049)

<u>Increase / (Decrease)</u>	<u>Description</u>
\$93,486	Increase to retirement payments (17%)
98,596	Increase to insurance costs (11%)
98,436	Increase for employees hired at a trainee pay level, and are moving up to higher pay levels
(101,469)	Decrease for the 1.5% salary reduction in the current fiscal year (their budget was not amended at the time of adoption last year)

- Materials and Supplies (overall decrease of \$16,000) - There is an anticipated decrease in instrumentation repair and supplies.
- Charges for Services (overall increase of \$136,300) - This increase is due to:

<u>Increase / (Decrease)</u>	<u>Description</u>
\$52,500	Increase to the Administrative Fees paid to the General Fund
40,000	Data Processing charges
32,500	Professional & Technical Services
15,000	Bus Pass (to include FrontRunner)
(3,700)	Various other increases / decreases

Capital Budget

The proposed budget reflects a total capital budget of \$29,670,000 for capital improvement projects, vehicle & equipment purchases, and debt service.

- Capital Improvement Projects (increase of \$2.5 million)

Proposed Capital Improvement Program	
Sewer Fund	
	2010-11
Collection Lines	\$15,155,500
Treatment Plant	\$ 8,200,000
Maintenance & repair shops	\$ 975,000
Lift Stations	\$ 160,000
Total Capital Improvement Program	\$24,490,500

- There are two major projects for the Sewer Fund:
 - Upgrade to the Orange Street Trunk Line, which is a collector line directly to the Treatment Plant. A portion of the line collapsed last year, and caused a new urgency to

upgrade the line. This will be a \$10 million project and the Department intends to issue bonds to pay for the project.

- Toward the end of 2009, the Council processed a bond issuance for a zero-interest bond with the State for a \$6.3 million digester cover replacement project. A \$3 million portion of that project will begin in 2010-11. This project is now expanded to include the replacement of the digester walls due to determination which will increase the total cost of the project to \$8 million.
- Over the last two years, the Department has conducted a "Sewer Master Plan Study". The results of the study provided a condition assessment of the sewer lines throughout the City, and a management plan for the repair or replacement to improve system capacity.
- In addition to these major projects, the Fund will replace 30,100 linear feet of pipe.
- Vehicle & Equipment Purchases (\$254,600 decrease) - The budget is \$2,244,500 for vehicles and equipment, including trucks, dump trucks, and other maintenance & plant equipment.

QUESTIONS FOR CONSIDERATION

1. The Council may wish to ask whether the phase of the Sewer Master Plan Study has been completed addressing growth and planning citywide, specifically for the Northwest Quadrant.
2. A few Council Members may have had a chance to tour the upgrade to the 1800 North sewer line. The technique used to repair the line is a new technology. The Council may wish to ask for more information about the project.

STORM WATER UTILITY BUDGET, 2010-11

The operating budget for the Stormwater Fund for fiscal year 2010-11 is proposed to be \$3,868,117, which is an increase of \$42,948 or 1.1% over fiscal year 2009-10. The capital budget, including debt service, is proposed to be \$6,361,000.

STORMWATER FUND PROPOSED BUDGET				
	Amended	Proposed	Difference	Percent Change
	2009-10	2010-11		
Revenue & other sources				
Stormwater service fee	\$5,245,000	\$7,600,000	\$2,355,000	44.90%
County Flood Control				
Interest	150,000	100,000	(\$50,000)	-33.33%
Impact fees	200,000	200,000	\$0	0.00%
Systems constructed by developers	516,000	516,000	\$0	0.00%
Other revenue	10,000	1,000	(\$9,000)	-90.00%
Use of reserves	8,896,035	1,812,117	(\$7,083,918)	-79.63%
Total revenue & other sources	\$15,017,035	\$10,229,117	(\$4,787,918)	-31.88%
Expenses				
Salaries, wages & benefits	\$1,777,096	\$1,823,044	\$45,948	2.59%
Materials & supplies	112,700	112,700	\$0	0.00%
Charges for services	1,935,373	1,932,373	(\$3,000)	-0.16%
Total operating expenses	\$ 3,825,169	\$ 3,868,117	\$42,948	1.12%
Capital improvement	10,489,866	5,175,500	(\$5,314,366)	-50.66%
Vehicles & equipment	102,000	585,500	\$483,500	474.02%
Debt Service	600,000	600,000	\$0	0.00%
Total Expenses & Capital Outlay	\$15,017,035	\$10,229,117	(\$4,787,918)	-31.88%

The key points reflected in the proposed budget for the Storm Water Fund include:

Revenue Items:

- Rate Increase - Last year, even before the decision to adopt a mid-year rate increase for the Stormwater fund, the Department had already planned for future year increases. This year, the budget includes a proposed 6% increase. The intention of the Department is that the larger increase this year would eliminate the need for an increase for the next few years.

The Administration had raised the likelihood of this rate increase, to pay for the Stormwater pieces of the North Temple project - namely, the design of completing the Folsom Avenue conduit from 250 West to the Jordan River. This will serve to divert City Creek flows and alleviate the likelihood of flooding along North Temple.

The 6% increase generates \$460,000 in additional revenue. The remaining \$1,895,000 in revenue increase is due to recognizing a full year of revenue from the \$1.00 increase effective January 1, 2010.

- Use of reserves – Using the \$1,812,117 from reserves would leave the balance at \$3,998,221. Current forecasts do not show use of reserves during 2011-12 or 2012-13. *The Council may wish to ask if there are more capital projects that could be completed using the cash on hand.* This \$3.99 million in cash reserves also takes into account that the projected actual use of reserves for this year will be closer to \$4.5 million rather than the \$8.9 million in the amended budget.

Operating Expense Items:

- Personal Services – (Overall increase of \$45,948)

<u>Increase / (Decrease)</u>	<u>Description</u>
\$25,208	Increase to retirement payments (17%)
25,672	Increase to insurance costs (11%)
14,025	Increase for employee transferred from the Water Fund
5,962	Classification changes
(24,919)	Decrease for the 1.5% salary reduction in the current fiscal year (their budget was not amended at the time of adoption last year)

- Charges for Services (decrease of \$3,000) – The change to this category is small. However, one item of note, is \$100,000 in continuing budget for the Riparian Corridor Study. \$600,000 was originally budgeted for the project, and this final amount should bring the study phase to completion. The current study area is for City Creek and Parley’s. Red Butte and Emigration Creeks are complete and projects are being identified based on the study results. There is \$450,000 included in the Stormwater capital budget for Riparian Corridor related projects.

Capital Budget

The proposed budget reflects a total capital budget of \$6,361,000 for capital improvement projects, vehicle & equipment purchases, and debt service.

- Capital Improvement Projects (increase of \$382,000)

The proposed budget reflects a capital improvement budget of \$4,290,000 for fiscal year 2009-10, which is a 9.7% increase from last year.

Proposed Capital Improvement Program	
Storm Water Fund	
	2010-11
Collection Lines (28,100 feet of pipe)	\$ 4,435,500
Lift Stations	\$ 290,000
Riparian Corridor Improvements	\$ 450,000
Total Capital Improvement Program	\$5,175,500

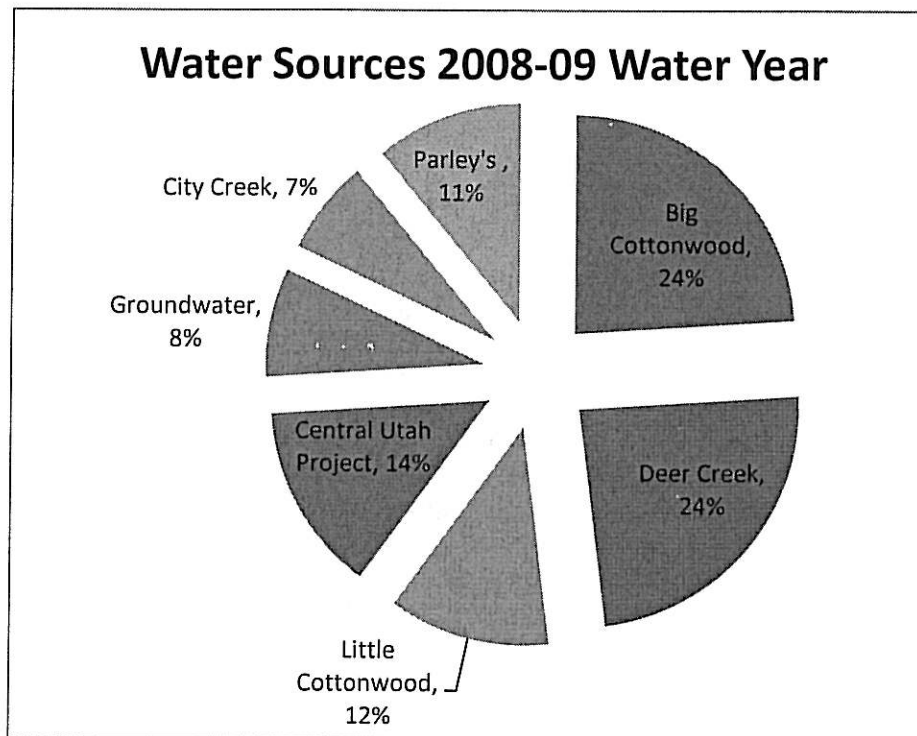
QUESTIONS FOR CONSIDERATION

1. The Council may wish to ask about the Riparian Corridor Improvements. The residents involved with the study have raised several questions, and as expected, several projects have been identified. The Council may inquire how the administration of those projects will be handled, including whether staffing may be needed, funding will be budgeted each year in the future, and if so, for how long.
2. During the regional athletic complex discussion, some of the Council Members expressed interest in considering establishing a fund for riparian preservation and restoration, similar to the watershed fund. The Council may wish to discuss whether there is interest in considering this mechanism now or at some future date.
3. The Council continues to receive complaints from citizens about significant drainage issues in Districts 1, 2 and 6. The Council may wish to ask how the Department is handling major street drainage issues and whether there is a long-term capital plan to address such issues.

WATER BACKGROUND

Salt Lake City's water delivery system to City and County residents depends on a complex network of dams, aqueducts, water treatment plants, distribution reservoirs, and water mains. Upkeep and maintenance of older systems and construction of new systems is very costly. The Department of Public Utilities has over 91,000 water service connections. The Department maintains treatment plants, wells, reservoirs, 1,222 miles of water mains, and 178 miles of conduit and supply lines.

Water Sources - For the 2008-09 water year (July to June; last full year available), below is a chart of sources for City water. The total used was 97,175 acre feet. (Note: the water from Little Cottonwood, Deer Creek, and CUP was delivered by Metro Water.)



SEWER FUND BACKGROUND

The Department of Public Utilities has over 49,340 sewer connections. The Sewer Fund maintains 641 miles of sanitary sewer pipe and connection lines. The reclamation plant treats an average of 35,000,000 gallons of sanitary sewer per day. Maintaining the sewer lines and operating the lift stations and reclamation plant is accomplished with 99.85 employees. Effective January 1, 2001, sewer fees were based on discharge strength as well as volume. Approximately 2,500 of the 49,340 accounts are charged an additional fee because they discharge sewage with strengths greater than domestic or residential sewer flows. This change sets rates so that residential customers or commercial customers with domestic discharges do not subsidize customers with greater than domestic strength discharges. This rate structure encourages businesses to reduce discharge strengths.

STORM WATER BACKGROUND

The Department of Public Utilities maintains over 470 miles of stormwater pipe and collection lines using 27.45 employees. It was 1991 when the General Fund transferred the entire storm drain system under Public Utilities management. July 1991 began the implementation of a new stormwater fee based on surface area. This last January was the first time rates have increased since 1991. No public tax dollars have been used to help the system. Stormwater employees also monitor the snow pack water content and manage the stormwater permit process.

SALT LAKE CITY COUNCIL STAFF REPORT

Date: April 21, 2009

Subject: Proposed Budget – Salt Lake City Department of Airports 2010-2011

Affected Council Districts: All

Staff Report By: Russell Weeks

Administrative Dept. and Contact Person: Department of Airports, Finance Director Jay C. Bingham, Manager for Financial Analysis Joseph Moratalla

This memorandum pertains to the Department of Airports budget request for Fiscal Year 2010-2011. The request has been reviewed by representatives of the airlines that use the department's facilities, the Airport Board Finance Subcommittee, and the Airport Board. The Board at its March 17 meeting forwarded the budget with a positive recommendation.

It should be noted that the Department of Airports transmittal includes two items: the department's *Budget Request for Fiscal Year 2010-2011*, and a document titled *Budget Briefing Fiscal Year 2010-2011 Budget*.

KEY ELEMENTS:

- The proposed budget is about a 3 percent decrease from the current fiscal year's amended budget.
- According to the department, a major budgetary goal "was to keep airline rate and charges flat" with the current fiscal year in part "to address the economic recovery environment."¹ The goal is the same the department had last year when the budget reflected a 7 percent decrease in revenues and expenditures.
- The proposed budget again addresses maintaining existing terminals and runways at Salt Lake City International Airport while making improvements to airplane taxiways and aprons and planning for the eventual construction of new terminals and parking facilities.
- The proposed budget reflects terms of use agreements with commercial airlines that use Salt Lake City International Airport. (It should be noted that the department also operates the South Valley Regional Airport in West Jordan and the Tooele Valley Airport.)
- It also should be noted that the department paid off long-term debt incurred chiefly at the International Airport in Fiscal Year 2007-2008. Since then, it has incurred no new long-term debt. In addition, the department a few years ago purchased passenger boarding bridges and turned them into a revenue source.

OPTIONS:

- Adopt the budget as recommended by the Airport Board as part of consideration of the City budget.
- Amend the proposed budget as part of the consideration of the City budget.

MATTERS AT ISSUE/POTENTIAL QUESTIONS TO THE ADMINISTRATION:

- The proposed budget includes an “assumed giving back the 1.5 percent salary reductions (in the current fiscal year), plus a .5 percent increases in salaries for all employees.” However, department administrators note that the department in the past usually has followed salary and benefit adjustments contained in the final budget adopted by the City Council.

POLICY CONSIDERATIONS:

The Department of Airports is an enterprise fund, and, as that, is not funded by the general fund.

REVIEW OF PROPOSED BUDGET FOR FISCAL YEAR 2009-2010

Revenue Sources

Major Category	Amended Budget FY 2009-2010	Requested Budget FY 2010-2011	Difference	Percent Change
Operating Revenues Passenger Facility Charges	\$ 112,266,100	\$ 121,322,500	\$ 9,056,400	8%
Grants/Reimbursements	19,586,600	46,244,900	26,658,300	136%
Interest Income	96,953,200	47,705,000	(49,248,200)	-51%
Airport Improvement Fund	5,500,000	4,500,000	(1,000,000)	-18%
TOTAL	\$ 274,398,500	\$ 266,326,600	\$ (8,071,900)	-3%

It should be noted that the figures above and on Page 3 of this report are taken from the budget request summary on Page iv of the *Budget Request for Fiscal Year 2010-2011*.

Despite a projected flat budget, operating revenues are expected to increase by about 8 percent in Fiscal Year 2010-2011. Perhaps the most notable item in the figures is the fluctuation of projected income from passenger facility charges and grants and reimbursements. The fluctuations reflect an increase in capital programs planned to be funded with passenger facility charges and fewer capital projects funded with grants and reimbursements from airport tenants, according to the department. The projected increase in the amount for the Airport Improvement Fund reflects the use of the department’s surplus available for short- or long-term capital improvements, and the establishment of reserves.

One of the two largest revenue sources in the operating revenues category is revenue from airlines. Net revenue from airline companies is projected to decline by \$638,400 to \$40,109,800.² However, negotiated agreements between the airlines and Salt Lake City include a “passenger incentive rebate” totaling \$10,272,000 that will be paid to airlines. The agreements will go into effect July 1, 2010, and will last for three years. The proposed budget includes the rebate as a line item that is added to the net revenue for a total of \$50,381,800.³ The rebate is a \$1 per passenger payment to the airlines. The airlines will receive the payments monthly. The rebate is the main reason for the projected increase in operating revenue, according to the department.⁴

The rebate is designed in large part to keep costs per enplaned passengers low for airlines that use the International Airport. The cost per enplaned passenger is projected to decline from \$3.76 per passenger to \$3.56 per passenger in Fiscal Year 2010-2011.⁵ Airport Director Maureen Riley told the Airport Board at its March meeting that costs per enplaned passenger at the Denver International Airport and the SeaTac Airport in Washington are roughly about \$11 and \$9 respectively.

Concessions make up the second-largest source of operating revenue. Concession revenue is projected to decline by \$810,900 to \$52,998,700.⁶ Revenue from parking is expected to decline by about \$1.4 million to \$25,046,400 – a 5 percent decrease. The proposed budget includes the elimination of the free half-hour in the covered parking garage to prevent further erosion in that category. The projected loss is partially offset by projected increases in revenue from car rental companies, up \$541,000, and food and beverage concessions, up \$322,400. Other projected concession revenues indicate a mixed bag of declines and increases. As the budget message indicates, “With the economy in recession, passengers’ spending patterns in airports have also changed. The forecast reflects these changes in Airport concession revenues for food, beverage and retail items. Car rental activities and parking reflect significant declines as business and leisure travelers have also changed their spending habits.”⁷

Expenditures

Major Category	Amended Budget FY 2009-2010	Requested Budget FY 2010-2011	Difference	Percent Change
Operating Expenses	\$ 87,055,800	\$ 86,730,300	\$ (325,500)	0%
Passenger Incentive Rebate	0	10,272,000	10,272,000	
Capital Equipment	7,302,700	4,440,200	(2,862,500)	-39%
Capital Improvements Renewal/Replacement Fund	180,040,000	145,429,000	(34,611,000)	-19%
Increase O&M Reserves	0	5,000,000	5,000,000	
	0	14,455,100	14,455,100	
TOTAL	\$ 274,398,500	\$ 266,326,600	\$ (8,071,900)	-3%

The table indicates three new expenses that were not in the requested budget for the current fiscal year. All three are part of the agreements between the City and airlines using the International Airport. Besides the passenger incentive rebate, the agreements call for a “renewal and replacement fund” and a “two-month operating and maintenance reserve.”⁸

The requested budget includes \$44,731,300 in salaries and benefits for the Department of Airports 597.8 full-time equivalent employees. The figure is \$573,500 less than the amended budget. Salaries and benefits make up about 52 percent of operating expenses in the requested budget. As indicated earlier in this report, the requested budget assumes a 2 percent salary adjustment for employees. The budget also assumes an 11 percent increase in medical insurance rates, and a small increase in retirement rates.⁹ The department is not funding 11.5 full-time equivalent positions in the requested budget. The positions currently are vacant and represent a savings of about \$1 million.¹⁰

The department has scheduled a variety on capital improvement projects. They include the following projects that may be of interest to the City Council.

- **Analysis and design of new terminals, concourses, parking structure.** The project provides funding for consultants necessary to provide detailed analysis and design to refine the development of a new terminal complex proposed in the 1997 Airport Master Plan. Funding is included for finishing an environmental assessment to comply with National Environmental Policy Act requirements. The project is ongoing and has a total budget of \$31.7 million.¹¹ As with many projects in department's requested budget, the department has to show the full source of funding for a project because the department's budget is an enterprise fund.
- **Renovating and maintaining existing terminals.** The budget includes installing an additional elevator for Lower B Concourse; remodeling a restroom in Concourse E; replacing 49-year-old ventilation and fan systems in Terminal No. 1; renovating concourses and terminals starting with Concourse A and pedestrian bridges; and installing connections to doors in terminals and concourses that face the airfield so the doors will open immediately if a fire alarm sounds. Total cost for the projects is about \$9.8 million.¹²
- **Installing closed circuit television cameras.** The cameras will be installed at various locations throughout the airport complex as a security measure. The \$4 million project will be paid for with federal economic stimulus funds.¹³
- **Purchasing wetlands credits.** The project would purchase 42.88 playa and saline wet meadow credits to round out about 400 acres of wetlands the department created as part of a U.S. Army Corps of Engineers requirement for building a runway in the early 1990s. In reviewing the department's permit, the Corps of Engineers the wetlands were "deficient in certain types and quantities of wetlands that have been created." The credit purchase is designed to satisfy the permit requirements.¹⁴

Cc: Cindy Gust-Jenson, David Everitt, Maureen Riley, Jay C. Bingham, Joseph Moratalla, Dan Mulé, Gordon Hoskins Jennifer Bruno, Gina Chamness

¹ *Budget Request for Fiscal Year 2010-2011*, Page i.

² *Budget Briefing Fiscal Year 2010-2011 Budget*, Page 5.

³ *Ibid.* Page 5.

⁴ *Budget Request for Fiscal Year 2010-2011*, Page iii.

⁵ *Ibid.* Page 16.

⁶ *Ibid.* Page 6.

⁷ *Ibid.* Page i.

⁸ *Ibid.* Page iii.

⁹ *Budget Briefing Fiscal Year 2010-2011 Budget*, Page 8.

¹⁰ *Budget Request for Fiscal Year 2010-2011*, Page iii.

¹¹ *Ibid.* Page 53.

¹² *Budget Briefing Fiscal Year 2010-2011 Budget*, Page 13.

¹³ *Budget Request for Fiscal Year 2010-2011*, Page 48.

¹⁴ *Ibid.* Page 30.

M E M O R A N D U M

DATE: April 27, 2010

SUBJECT: **BUDGET FOR THE METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY, Fiscal Year 2010-11**

STAFF REPORT BY: Lehua Weaver

CC: David Everitt, Mike Wilson, Josh DeBry, Jeff Niermeyer, Tom Ward, Jim Lewis, Gina Chamness, Randy Hillier

The Metropolitan Water District of Salt Lake & Sandy (the "District") is proposing an operating budget of \$12,413,398 for fiscal year 2010-11. The proposed operating budget represents a one percent decrease from last year (\$ 132,270). In addition, the District is proposing a budget for capital improvements of \$4,012,479.

Although the Council is not required to take any official action on the District's annual budget, the Council has traditionally received a briefing. (An item below discusses amendments to the State Code from this year's legislative session that changes the Member Cities' role as the taxing authority for the District.)

The tentative budget for 2010-11 is relatively flat from the current year. A few key items included in the District's proposed budget are listed below.

Metropolitan Water District of Salt Lake & Sandy					
Proposed Budget for FY 2010-11					
	2008-09	2009-10	2010-11		
	Budget	Budget	Proposed	Difference	Percent Change
Sources of Funds					
Water sales & other operating revenue	\$13,333,562	\$14,813,300	\$13,986,158	(827,142)	-5.6%
Tax revenue	9,186,332	9,364,352	9,364,352	-	0.0%
Interest revenue	881,090	1,092,549	217,367	(875,182)	-80.1%
Lab fees, power and miscellaneous	22,300	19,400	547,202	527,802	2720.6%
Vehicle sales	-	18,000	-	(18,000)	-100.0%
Assessments	11,263,580	11,287,245	12,067,105	779,860	6.9%
Total sources of funds	\$34,755,522	\$36,646,589	\$36,182,184	(464,405)	-1.3%
Uses of Funds					
Operations					
Salaries, wages & benefits	\$5,387,074	\$5,449,338	\$5,407,907	(41,431)	-0.8%
Professional & contractual services	2,108,205	2,178,502	2,452,860	274,358	12.6%
Utilities	1,554,579	1,561,282	1,348,569	(212,713)	-13.6%
Repairs & maintenance	528,655	500,314	265,127	(235,187)	-47.0%
Chemicals & supplies	1,631,619	1,833,426	1,861,080	27,654	1.5%
Property & liability insurance	499,090	502,246	514,754	12,508	2.5%
Other expenses	552,205	520,560	563,101	42,541	8.2%
Operating Expenses	\$ 12,261,427	\$ 12,545,668	\$ 12,413,398	(132,270)	-1.1%
Water Assessments	4,475,200	4,668,317	6,925,411	2,257,094	48.3%
Debt service (principal only)	3,765,000	3,505,299	4,500,000	994,701	28.4%
Interest expense	11,848,763	13,386,504	12,195,728	(1,190,776)	-8.9%
Capital improvements & Equipment	7,264,124	6,025,111	4,012,479	(2,012,632)	-33.4%
Total uses of funds	\$39,614,514	\$40,130,899	\$40,047,016	(83,883)	-0.2%

KEY ELEMENTS

- *No property tax increase* – the Council may recall that for the past several years, the District has gone through the Truth in Taxation process to keep their certified tax rate steady at 0.00035. This allowed the District to collect more revenues as the assessed value of homes within their taxing boundaries rose. Holding the certified tax rate steady helped them address the same inflationary challenges that the City faces. However, in the recent year and a half or so, the assessed value of properties has declined at a significant enough rate that this current year, their certified tax rate was automatically adjusted to approximately 0.0004. (Per state statute, the District is guaranteed at least the same amount of revenue as the previous year. Therefore if values decline, the rate is automatically adjusted upward to generate the same amount of revenue.) The District cannot predict what the status of assessed values will be this year, so in order to guarantee at least the same amount of revenue as last year, it has elected not to voluntarily adjust the tax rate, but rather allow the county to impose whatever rate will generate the same amount of revenue as FY 2010. The maximum rate that the District can impose is 0.0005.
- *Operating Costs* –
 - No salary increases - the District has not proposed any salary increases for this fiscal year. However, to keep salaries comparable within the market, the District has re-evaluated their salary ranges and are suggesting shifting them up slightly – by approximately 1.8%. There is only a very slight cost to this change in 2010-11, because there is only one employee who is at the bottom of the range. The new range will cause slight budget impacts in future years as new employees are hired at higher rates, and employees at the top-end of the ranges may now be eligible for merit increases. *The Council may wish to discuss the reasons for implementing the range adjustments this year.*
 - Benefits costs – similar to what the City is experiencing, the District is budgeting for an increase in medical and dental premiums, and retirement costs. As a reminder, the District uses a Health Savings Account program for employee contributions.
 - The District is eliminating a vacant lab technician position.
- *Legislative Changes* – During the 2010 Legislative Session, a bill was adopted that changed certain provisions for Local Districts, including metropolitan water districts. The most significant change was to shift the authority for tax increase approval to the member cities’ governing bodies. This means that beginning in 2014, if the District proposes a property tax increase, both Sandy City and Salt Lake City Councils must vote to approve the increase. The intention is that elected officials be responsible for imposing tax increases. An option was included in the bill for the District board members to transition into elected positions.

Currently, nearly 26% of the District’s annual revenues are generated from property taxes. (39% comes from water sales, 33% from member city assessments)

To plan for the taxing changes and/or changes to revenues from water sales, the District will be engaging in discussions with member city representatives to discuss a 5- or 10-year plan for revenue strategies.

- *Capital Projects*
 - Although the contribution is calculated as part of the District’s O & M costs, \$2.4 million will fund costs related to the Provo Reservoir Canal Enclosure project. This has been in coordination stages for several years, and funding from other involved parties has come together. The total enclosure project is approximately \$150 million, of which the District’s portion is about \$25 million.

- In future years, the District has a few capital projects, and anticipates issuing bonds in 2013-14.
- *Salt Lake City's Contributions – a snapshot:*
As a member city, Salt Lake City directly contributes approximately \$23 million annually toward the Metropolitan Water District Budget. This budgetary relationship is similar for Sandy City (as the other member city of the District); however, their assessments and purchases are proportionately less, due to their smaller population size and cost allocations based on cost of service. These budget items include:
 - a. \$7,021,892 An annual assessment to pay for master planned capital projects through an Interlocal Cooperation Agreement – included in the Public Utilities Department Budget each year (through 2035). (Sandy City pays \$4,210,322.)
 - b. \$9,945,350 Anticipated annual purchase of water from the District for sale and use through the Public Utilities water service – included in the Public Utilities Department Budget for 48,000 acre feet of water. This represents a 3% rate increase. (Sandy City purchases approximately 18,500 a.f.; \$3.7 million.)
 - c. \$6,417,861 Property taxes assessed to Salt Lake City residents. (Sandy City tax revenue is estimated at \$2,216,032.) (Not including fees in lieu of taxes, or prior year tax revenues.)

BACKGROUND

In 1935, the voters of Salt Lake City created the Metropolitan Water District in order to enter into long-term agreements to build the Provo River Project including Deer Creek Reservoir. The Bureau of Reclamation built the project, and it was necessary to enter into repayment contracts to reimburse the federal government for the construction costs plus interest. The Metropolitan Water District is a 61.7% owner of the Provo River Project. The water rights for the Provo River Project consist of water from the Provo River and water diverted from the Duchesne and Weber Rivers conveyed through a tunnel and canal system from the two basins to the Provo River for use by the Metropolitan Water District and others. In order to reimburse the Federal Government for the cost of the Provo River Project and Deer Creek Reservoir, the residents of Salt Lake City have paid property taxes since 1935. The District is a participant in the Central Utah Project having petitions for combined water supplies of 25,600 acre feet from Jordanelle and Strawberry reservoirs. The Metropolitan Water District was a local sponsor for the construction of Little Dell Reservoir. (A map of the District system and facilities is attached.)

In 1990, Sandy City became the second member of the District. Sandy City sought membership in the District to treat its approximately 34 percent water right in Little Cottonwood Creek. Sandy City's annexation in the District increased efficiencies by consolidating water supplies and delivery systems to most of eastern Salt Lake County. As part of the agreement, the District receives water purchase revenue and ad valorem tax revenue from Sandy City. Furthermore, as a part of the annexation Salt Lake City acquired additional water rights in Little Dell Reservoir and \$4 million in water transmission mains installed on the City's west side. Also, the 1990 agreement admitting Sandy City established conjunctive water management practices among Salt Lake City, Sandy City, Jordan Valley Water Conservancy District and the Metropolitan Water District.

In 1998, the Metropolitan Water District updated its capital improvement master plan and identified more than \$250 million in improvements and expansion of water system capacity. In 2001, the District entered into an Interlocal Agreement with Sandy and Salt Lake City for implementation of the master plan. The major project constructed under the master plan was a new water treatment plant near the Point of the Mountain in the Draper area. The master plan improves redundancy in the event of a water treatment plant or aqueduct failure. Improvements include pipeline connections between the Little

Cottonwood Water Treatment Plant, the Jordan Valley Water Treatment Plant, and the Point of the Mountain Water Treatment Plant. This will allow flexibilities in shifting water between major north-south pipelines.

The extensive water treatment and delivery functions allow the District to provide water to both member cities through purchase agreements, and sales to other entities, as water is available.

The District's Board is made up of two members appointed by the Sandy City Council and five members appointed by the Salt Lake City Council. The Council has traditionally received a briefing on the proposed budget for the Metropolitan Water District of Salt Lake & Sandy, but is not required to take any official action. Verbal feedback can be provided to representatives of the District at the briefing. The Council has on occasion also provided written comments to the Salt Lake City-appointed board members. Utah Code Annotated, §17A-1-502, provides that constituent entities of a local district can request a meeting with representatives of a district to discuss the budget. The law does not prevent the board of a local district from approving and implementing a budget over protests or objections of constituent entities.

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2010-11

DATE: May 4, 2010
SUBJECT: REFUSE COLLECTION FUND CLASS -
Operations & Recycling Fund, Environmental & Energy Fund
STAFF REPORT BY: Lehua Weaver
CC: David Everitt, , Rick Graham, Kevin Bergstrom, Parviz Rokhva, Greg Davis, Nancy Sanders,
Gina Chamness, Randy Hillier, Vicki Bennett, Debbie Lyons, Emy Storheim

Salt Lake City provides a refuse program of weekly curbside trash collection, recycling (including curbside residential recycling and centralized glass recycling), curbside yard waste collection, and annual neighborhood cleanup. These services are funded through the Operations & Recycling Fund (O&R Fund).

In addition to trash collection services, the City's concentrated environmental and sustainability efforts are staffed and funded through the Environmental & Energy Fund (E&E Fund). This includes open space, outreach, management, Blue Sky participation, and tree purchasing funds.

The proposed budget for fiscal year 2010-11, includes expanding the yard waste service as a piece of the Administration's multi-year proposal for "accelerated diversion". The goal is to divert garbage from the landfill by enabling residents to more thoroughly sort out recyclable, compostable, or mulch-able items from their waste.

The majority of changes to the Refuse Fund Class budget are related to the plan for accelerated diversion. Following is a brief introduction to the components of the plan. Since pursuing accelerated diversion targets affects both the O&R Fund and the E&E Fund, the more detailed discussion of these components are included in the "Overall Key Issues" section beginning on Page 2.

1. A goal for diverting 50% waste from the Landfill
2. Program Expansions included in Fiscal Year 2010-11
3. Single Combined Rate Structure
4. Conducting a Waste Stream Audit
5. Staffing Changes to support program changes and expansion
6. Future Plans for 2011 and beyond, including in-house recycling service and data collections
7. An overall budget impact

The various other changes that may be specific to the individual funds and are not affected by accelerated diversion will be addressed beginning on Page 6.

REFUSE FUND CLASS				
Operations & Environmental				
PROPOSED BUDGET				
	Adopted	Proposed		
	2009-10	2010-11	Difference	% Chg
Revenue & other sources				
Service Fee Revenues	\$7,606,256	\$8,724,019	\$1,117,763	14.7%
Landfill annual revenue dividends	700,000	850,000	150,000	21.4%
Interest Income	172,500	15,500	(157,000)	-91.0%
Bond Proceeds & Other Sources	1,877,658	5,396,453	3,518,795	187.4%
Landfill One-Time Dividend*	7,000,000	7,000,000	-	0.0%
Total revenue & other sources	\$17,356,414	\$21,985,972	\$4,629,558	26.7%
Operating Expenses				
Collection Services	7,078,437	8,080,387	1,001,950	14.2%
Environmental	698,304	822,696	124,392	17.8%
Total Operating Expenses	\$7,776,741	\$8,903,083	\$1,126,342	14.5%
Capital Outlay	3,685,400	9,709,896	6,024,496	163.5%
Total expenses & capital outlay	\$11,462,141	\$18,612,979	\$7,150,838	62.4%
Appropriation of reserves	\$5,894,273	\$3,372,993	(\$2,521,280)	-42.8%

*Note: the one-time landfill payment was originally expected in this current fiscal year. The budget was not amended to reflect the new timeframe of next fiscal year, so the \$7 million shows up in both years. However, it will only be received once.

OVERALL KEY ISSUES:

- **Accelerated Diversion Components** - The accelerated diversion strategy is something the Council has expressed interest in over the years. In fact, the Council may recall that during last year's budget discussions, the Administration stated that they would be working on a more comprehensive plan and would come back to the Council with those details. There are seven major items:
 1. **Goal:** Divert 50% of the residential waste stream from the landfill by fiscal year 2015-16. The Administration estimates that expanded yard waste participation, mandatory 100% recycling, expanded glass recycling, the waste stream audit, and additional education efforts would set the City on the course to meet 42% diversion. Each of these components are included in the proposed budget. Without a plan for increasing diversion, the Administration estimates that within the same time, the diversion rate may be only 21%.
 2. **Program Expansions:** There are several program expansions proposed this year to support accelerated diversion, including:
 - a. **Expanded Yard Waste** - last year the Council and Administration discussed expanding the yard waste program for 100% residential enrollment. This year's budget from the Administration includes that 100% roll out. Currently, there is approximately 19% participation rate in the yard waste program. The Administration has scheduled an October 2010 start date for citywide yard waste collections - cans would be purchased and then distributed in September.
 - **Changes:** This service expansion would discontinue separate collection of the leaf-bags and Christmas trees, and combine them into the yard waste program. The Neighborhood

Clean-up Program will continue with one minor change in 2011 - yard waste that is small enough to fit into a yard waste container will not be allowed in the Clean-up pile.

- **Costs:** \$2,372,904 Total Increase - made up of:

1,631,297	Purchase 31,000 yard waste cans. (The existing replacement budget will cover 59 of the cans, and this \$1.6 million will cover the remaining 30,832.)
88,707	Ongoing O&M costs
272,600	Additional capital needs and equipment
(119,700)	Elimination of Leaf Bag & Tree Pick-up

- b. Expanded Glass Recycling locations - proposed increase of the centralized glass recycling collection locations from three to 25.

- **Costs:** \$221,540 Total Increase, which includes an interfund transfer of \$110,000 for clean-up of the collection sites, additional receptacles, and hauling costs.

- c. Expansion of recycling program - since the single-family residential recycling program has been considered voluntary, not every household has a recycling bin (just over 11% of accounts do not have one). The proposed budget includes the cost to purchase and distribute a recycling can to each household.

- **Costs:** \$ 82,655 Purchase 2,733 cans. (The existing budget for replacement will cover 1,035 cans, and this \$83k will cover the remaining 1,698.)

- d. Education efforts - significant resources budgeted for education efforts with sorting and contamination.

- **Costs:** \$ 269,498 Total Increase - made up of:

154,658	Staffing
44,840	3-Wheel Vehicles for patrolling around the City
70,000	Materials, Website updates, pamphlets, mailers

3. Single Combined Rate: As was suggested by the Council last year, the Administration is proposing a single combined rate for the four components of the refuse program: trash, recycling, yard waste, neighborhood clean-up. The basis for a combined rate is that regardless of which service a resident uses, the ability to divert waste from the landfill benefits all users by delaying costs associated with closing the existing landfill and relocating to a new site.

4. Waste Stream audit, \$150,000: The Administration has planned to conduct an audit of the City's waste stream. The information will provide helpful data for targeting diversion opportunities and education strategies.

5. Staff Levels: The Administration proposes hiring nine full-time and 9.13 seasonal employees to support program changes. Based on the Council's approval of the proposed budget, the employee changes would be:

- **Yard Waste Expansion:** 3 full-time and 6.13 seasonal employees. Hired in September for training, and to be ready to begin citywide collections in October.
- **Recycling In-House:** 6 full-time and 3 seasonal employees. Hired June of 2011 so that they are trained and ready to provide the collection services on July 1, 2011.

- **Cost:** The cost in 2010-11 for the partial year of the additional staff would be \$341,000 and the full year cost in 2011-12 for the staff would be \$824,000.

6. Future Plans:

a. In-house recycling service – the Administration is proposing that when the recycling contract expires in June 2011, that the City take on the service of curbside recycling collections. Some of the start-up costs associated with that shift are included in this budget.

- **Costs:** A cost comparison is provided in the chart below. In general, the current costs associated with the recycling collection include the contract cost, container purchases, sorting, plus some City staff time for support, outreach, and customer service. If the City were to bring the collection service in-house, the costs for collection would include the operating and capital costs. (City support would likely increase as educational efforts are ramped up as part of the whole accelerated diversion package.) The benefit, as proposed by the Administration, to bringing the service in-house is that there are significant efficiencies gained by sharing a common staff for the four trash services, equipment and fleet redundancy. Over time, these benefits would result in significant financial savings.

Recycling Comparison	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	
Contract	1,143,720	1,458,803	1,597,498	1,715,603	1,811,258	1,939,233	
In-House Service (Capital & Operating)	614,043	1,778,446	1,806,630	1,831,088	1,389,166	1,137,309	
In-House Efficiencies		(228,251)	(277,502)	(302,812)	(304,255)	(334,693)	
Cost / (Savings) to Refuse Fund:	614,043	91,392	(68,370)	(187,327)	(726,347)	(1,136,617)	(1,413,226)

- **Staffing & Equipment Efficiencies:** By staffing and delivering all four trash services in-house, there are efficiencies that will be realized between staff assignments and vehicle use.
 - Staffing – allows for sharing between weekly pick-ups and the annual Neighborhood Clean-up. (The drivers’ schedules will change from four-ten hour days per week to five-eight hour days.)
 - Equipment redundancy – historically, the Refuse Fund has maintained 50% redundancy on packers – so that for every 10 packers in a schedule, there were 15 in rotation. This reduces the wear and tear on vehicles, and allows for the maintenance routines. With expanding the services to include recycling collection too, the Administration will reduce the redundancy level to 25%.
 - **Sorting of Recyclables:** The Administration proposes contracting with the same facility to sort and sell the recyclables. It is anticipated that the City will receive some revenue from the sale of the recyclables. The Administration anticipates that there will be less contamination because of the concerted education efforts.
- b. Waste Stream Monitoring – The Administration plans to look into implementing a tagging system to further monitor waste stream and service usage. The system includes placing a Low Frequency-Radio Frequency Identification tag on every waste can, packer arm, and using software to read and analyze the data. Primarily, the benefit would be to track usage levels by household and type of can and use the data to evolve rate structures and education efforts.

7. **Overall Budget Impact:** The plan for accelerated diversion will draw on the O&R Fund cash balances, namely for the purchase of yard waste cans and start-up capital costs for bringing recycling collection in-house. However, according to the Administration, the efficiencies to be gained from the different changes will reduce the overall cost for providing the services. The efficiency savings in 2010-11 is estimated to be \$887,488 to the cost for weekly pick-ups and Neighborhood Clean-Up programs.

OTHER OVERALL ISSUES:

Landfill One-Time Payment - As the Council may recall, last year it was anticipated that the City would receive \$7 million from the Salt Lake Valley Solid Waste Management Facility ("Landfill") as a one-time distribution payment from the "Post-Closure Fund" (designated cash account). However, it is now scheduled for the first half of FY2010-11. The Administration proposes holding \$1.5 million in the O&R Fund cash balances to replenish several years of reserves use. With the other \$5.5 million, it would be held in the E&E Fund cash balance pending decision on a project.

The Council may recall discussing this possibility during the Landfill's annual budget discussions in November last year. As part owner with the County of the Landfill, any withdrawal from this account is split between the two entities.

QUESTIONS FOR CONSIDERATION

With regard to the plans for accelerated diversion, here are some policy questions the Council may wish to consider:

- A. *What are the possibilities that the Administration is considering for including businesses in the accelerated diversion plans?* Over the past year, some improvements have been made, including the downtown business glass recycling initiative. Other ideas that Council Members have raised are business licensing requirements for recycling participation, providing larger recycling can options for businesses.
- B. *Is the Administration considering use of the \$7 million one-time landfill payment (or part of it) toward any of the accelerated diversion pieces?* Some of the current costs and 'next steps' have a steep financial cost, including costs for rolling out the yard waste, the start-up costs for bringing the recycling in-house, and, potentially, the micro chips & software for the waste cans & trucks. Each Fund's reserve balance is not sufficient enough to cover all of these costs.
- C. *If the Administration is not considering using money from the one-time landfill payment, what are the other potential uses for that money?*
- D. *The Council may wish to ask about the educational efforts that the Administration plans for combating contamination of recycling and yard waste.* The Administration has reported that the City experiences their highest contamination rates in the curbside recycling program - between 30 and 40% - in November / December and May, mostly with yard waste.
- E. *What concerns have residents raised about an expanded yard waste program, and what are some options that the Administration might suggest to accommodate those concerns?* The Council Office has been contacted by some residents who are concerned about the space requirements for a third can (both on their property and on the street on pick-up days); the additional cost; and lack of interest because of minimal need or other composting / yard waste practices. The Administration has indicated that residents may opt out of the yard waste program, with a plan to otherwise dispose of their yard waste items. The current City Ordinance specifies that recyclable material is not allowed in the general waste cans. The Administration will be forwarding an ordinance amendment to also prohibit yard waste from being placed in general waste cans. The Administration intends to begin "enforcement" activities through detailed and involved education efforts.

OPERATIONS & RECYCLING FUND

REFUSE FUND CLASS				
OPERATIONS & RECYCLING FUND				
PROPOSED BUDGET				
	Adopted	Proposed	Difference	% Chg
	2009-10	2010-11		
Revenue & other sources				
Refuse fees	\$7,272,776	\$8,614,973	\$1,342,197	18.5%
Yard Waste fees	333,480	109,046	(224,434)	-67.3%
Landfill annual revenue dividends	-	-		
Interfund Reimbursements	269,258	273,653	4,395	1.6%
Sale of vehicles & Misc.	46,000	56,000	10,000	21.7%
Interest income	70,000	10,000	(60,000)	-85.7%
Landfill One-Time Dividend (operations)	1,500,000	1,500,000	-	0.0%
Bond Proceeds	1,562,400	5,066,800	3,504,400	224.3%
Total revenue & other sources	\$11,053,914	\$15,630,472	\$4,576,558	41.4%
Operating Expenses				
Weekly trash collection & Administration	\$3,842,372	4,039,242	\$196,870	5.1%
Curbside recycling	1,231,922	1,441,772	209,850	17.0%
Glass and Cardboard Recycling	88,239	365,751	277,512	314.5%
Annual neighborhood cleanup	1,511,643	1,314,958	(196,685)	-13.0%
Yard Waste Collection	404,261	918,665	514,404	127.2%
Total Operating Expenses	\$7,078,437	8,080,387	\$1,001,950	14.2%
Capital Outlay				
Debt service	1,829,110	2,300,269	471,159	25.8%
Equipment purchases	1,856,290	7,409,627	5,553,337	299.2%
Total expenses & capital outlay	\$10,763,837	\$17,790,283	\$7,026,446	65.3%
Change in Net Assets	\$290,077	(\$2,159,811)	(\$2,449,888)	-844.6%

In addition to those items listed in the Overall Key Issues, the other noteworthy changes in the proposed budget for the Recycling & Operations Fund include:

Revenues

- **Rate Increase** - as was discussed last year, the Administration is proposing a rate increase for trash collection services. Under the proposal, all residents will see a fee increase of \$1.25 for the coming year. For those who were not previously enrolled in the yard waste program, they will see an additional monthly increase of \$3.50. It should be noted that this still does not cover the full cost of the program.
 - **Market Comparison** - The Administration conducted a rate comparison study to gauge where Salt Lake City's rates sit compared to other western communities in and out of state. (Please see Attachment A for a summary of all the findings.)
 - Outside Utah:
 - Salt Lake City's \$12.75 fee for garbage & recycling (not yard waste) is the second lowest of the 27 western cities surveyed.

- Only 9 of the cities provide yard waste service. Salt Lake City's \$17.25 combined rate for garbage, recycling, and yard waste is lower than all cities that provide curbside yard waste service.
- Within Utah:
 - Salt Lake City's \$12.75 fee for garbage & recycling (not yard waste) is lower than two-thirds of the Utah communities surveyed. (The lowest is Murray at \$6.50 and the highest is Ogden at \$17.14.) The average rate is \$13.05.
 - Salt Lake City, Provo, and West Jordan are the only three that provide curbside yard waste service. For the combined services, West Jordan charges \$13.00 and Provo charges \$21.00; Salt Lake City's proposed combined rate is \$17.25.
- **Interest Revenue Decrease** - (Decrease of \$60,000) As with all other funds and departments, the revenue expected from interest has dropped dramatically.

Operating Expenses & Capital

- **CNG vehicles** - especially with the opportunity to purchase new packer trucks for the proposed in-house recycling collection, the Administration plans to significantly increase the number of their packers that are CNG vehicles. In addition to the recycling fleet, the Refuse Fund has budgeted to replace 3-5 vehicles with CNG vehicles each year, until the entire 35-vehicle packer fleet is made up of CNG vehicles.
To support this, part of this year's budget includes \$456,000 for a CNG slow fill station that will be constructed at the new Fleet facility. This will allow the packers to be plugged in overnight and last a whole day without refueling.
Vehicles are purchased on a 4-year lease cycle.
- **Personal Services** - In addition to hiring new employees to support the expanded yard waste program and potentially converting to in-house recycling collections (discussed in the next item), the personal services budget is also increasing due to the Mayor's recommendation to restore the 1.5% pay suspension and merit pay, and the increase to health insurance costs. The Refuse Fund, although a separate Enterprise Fund, follows the salary & benefits decisions of the Administration.
- **Other C&S Costs** - (not related to expansion of programs)

\$ 143,000	Increase to Fleet Fuel & Maintenance to more closely reflect actual levels
132,000	Increase to tipping fee costs (includes a new \$85,000 contingency)
14,000	Increase to street sweeping costs
- **Use of Reserve Funds** - If the Council adopts the budget as proposed, the balance remaining in reserved funds will be \$7.3 million. If the \$7 million one-time payment from the Landfill is deducted, however, the balance would only be \$315,000. This is one reason that the Administration proposes using \$1.5 million of the payment toward replenishing cash reserves in the O&R Fund.

ENVIRONMENTAL & ENERGY FUND

REFUSE FUND CLASS				
ENVIRONMENTAL & ENERGY FUND				
PROPOSED BUDGET				
	Adopted	Proposed	Difference	% Chg
	2009-10	2010-11		
Revenue & other sources				
Landfill annual revenue dividends	\$700,000	\$850,000	\$150,000	21.4%
Interest income	102,500	5,500	(97,000)	-94.6%
Landfill One-Time Dividend (environmental)	5,500,000	5,500,000	-	0.0%
Total revenue & other sources	\$6,302,500	\$6,355,500	\$53,000	0.8%
Operating Expenses				
Environmental - management	286,787	390,450	103,663	36.1%
Environmental - outreach	200,057	274,875	74,818	37.4%
Environmental - open space	97,760	100,671	2,911	3.0%
Environmental - Blue Sky & Tree Planting	113,700	56,700	(57,000)	-50.1%
Total Operating Expenses	\$698,304	\$822,696	\$124,392	17.8%
Change in Net Assets	\$5,604,196	\$5,532,804	(\$71,392)	-1.3%

In addition to those items listed in the Overall Key Issues, the other noteworthy changes in the proposed budget for the Environmental & Energy Fund include:

Revenues

- **Annual Landfill Dividend Increase** - Increase of \$150,000. The E&E Fund's primary source of revenue is the annual dividend that the City receives from the Landfill as part-owner. This is expected to increase from \$700,000 to \$850,000.
- **Interest Revenue Decrease** - Decrease by \$97,000.

Expenses

- **Personal Services & Staffing** -
 - Open Space Seasonal employee - Increase of \$10,000; based on workload to assist the Open Space Lands Manager.
 - Salaries & Benefits - restoration of the 1.5% salary suspension and increased health insurance costs.
- **Administrative Fees** - \$90,000 of the \$111,892 increase in the E&E Fund Operating Expenses are due to higher Administrative Fees - this will cover purchasing and legal assistance provided by the General Fund.
- **Tree Purchasing** - Decrease by \$57,000. The Council may recall that the budget for purchasing trees and shrubs was moved into the E&E Fund last year. Last year's budget for the purchases and tipping fees was \$101,000.

ADDITIONAL QUESTIONS FOR CONSIDERATION

1. *The Council may wish to consider requesting that the Administration conduct a rate study.* Especially as the program continues to evolve, the Council may consider requesting a study of the full cost to provide collection services to residents. If accelerated diversion steps are implemented, and the City adopts a combined rate, the City could ensure that the full cost is covered by the rates and not being subsidized by the Fund's cash reserves. Furthermore, as changes are considered, a study could indicate options for rate restructuring as well. This could provide support for the rates for all customers, even those who opt out of certain services, and could evolve with program changes. If the tagging system leads to a 'pay per tip' system, the City may want to consider a structure that includes a base service fee.
2. *Further, the Council may wish to discuss some financial policy items, and perhaps identify some policy decisions.* For example:
 - a. As briefly mentioned in question #1, the Council may wish to discuss the policy basis for subsidizing refuse services.
 - b. The Council may also wish to discuss a policy on the minimum level of reserves in each Fund. Although there is no statutory requirement, the Council may wish to have a policy on a minimum acceptable amount.
3. *The Council may wish to consider whether projects & expenses in other Funds could be paid for out of E&E funds, or possibly the one-time landfill payment.* There are more projects paid for by other funds that are related to environment / sustainability goals, and there might be a consistent policy basis for charging some or all of the costs to the E&E Fund. For example, bike lane striping (CIP Fund), trail development (General Fund & CIP), environmentally friendly vehicle purchases (Fleet Fund), Bus Pass Program (General Fund, other funds), etc. Another recent issue arose for providing water service for urban gardens on property currently owned by the City.
4. In supporting this budget, the Council is confirming its previous decision to dedicate the one-time \$7 million landfill payment to environmental projects. It should be noted, however, that the Council could identify other uses for that money.
5. *The Council may wish to ask about a study by university students regarding emissions and yard waste collections.* The Landfill Council reportedly received a study from students at Utah State University relating to emissions generated in the course of yard waste pick-up. The findings are not necessarily supportive of expanding the program, but some of the assumptions included in the study parameters could be argued.

BACKGROUND INFORMATION

The operations of the Landfill are not part of the Refuse Fund budget, but the two functions are closely related. The Solid Waste Facility administers the Landfill, coordinates the transfer station and the long range planning for future landfill sites. The Salt Lake City Council reviews and adopts the budget for the Solid Waste Facility on a calendar year basis, which affects the revenue and expenditures of the Refuse Fund. For instance, an increase in material collection through the curbside recycling program will result in less garbage collection and lower tipping fee expenditures in the Refuse Fund. It also reduces the over-all revenue to the landfill, impacting the dividend that the City receives as a result of landfill revenue.

The Refuse Fund Class operates as an enterprise fund, so the General Fund does not subsidize these services.

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2010-11

DATE: May 4, 2010

SUBJECT: **GOLF ENTERPRISE FUND**

STAFF REPORT BY: Karen Halladay, Budget and Public Policy Analyst

CC: David Terry, Bryce Lindeman, Rick Graham, Kevin Bergstrom, Greg Davis, Nancy Sanders, David Everitt, Gordon Hoskins, Gina Chamness, Randy Hillier, Cindy Gust-Jenson, Jennifer Bruno, Sylvia Richards, Lehua Weaver

The City has provided golf facilities for over 80 years. The City owns and operates eight golf facilities (nine golf courses -Mountain Dell has two 18-hole golf courses) as an Enterprise Fund. The main policies that guide the division are to offer an accessible, reasonably priced recreational opportunity to all sections of the golfing public; to preserve open spaces in an urban setting; and to promote tourism and economic development. Golf participants pay fees that underwrite the cost of providing these services. The Council traditionally balances golf fees at a level necessary to ensure the long-term financial stability of the Golf Enterprise Fund while maintaining the golf program's competitiveness within the market. The Administration is not proposing a fee increase in Fiscal Year 2011. Fees were increased during last year's budget process and became effective January 1, 2010. This was the first across-the-board golf fee increase since 2004.

The fiscal year 2010-11 revenue budget of \$8,614,547 is estimated to decrease by \$17,831, or 0.2 % below the revenue budget for fiscal year 2009-10. The proposed FY 2010-11 expenditure budget of \$8,429,345 is projected to be \$92,278 more than the prior year, an increase of 1.1%. The projected change to net assets for fiscal year 2011 (revenues exceeding expenditures) is estimated to be a \$185,202 net increase to the Golf Fund Balance. This is approximately \$110,000 less than FY 2010. Total Capital Improvement Projects (CIP) of \$877,547 are included in the expenditures of the Golf Fund – 1) Cash Capital Outlay of \$110,000 for equipment, facilities, and infrastructure, 2) Debt Service for maintenance equipment and carts of \$509,372, and 3) Debt Service (ends FY2014) for golf carts (Pro shop) of \$258,174.

BUDGET SUMMARY – GOLF FUND

- No golf fee increases have been proposed for FY2011.
- Estimated golf revenues are expected to decrease by \$17,831 as compared to the FY 2009-10 budget.
- Estimated golf expenditures, excluding debt service and capital outlay are expected to have an overall increase of \$26,296.
- Cash Capital outlay is budgeted at \$190,000 less than the prior year. This allows a net operating income or operating contingency of \$185,202 should revenue projections not be met due to inclement weather or continued effects of the recent economy.
- The Golf Division plans to finance additional golf maintenance equipment which is in need of replacement.
- Requests for proposals for the Rose Park golf property sale are due to the City on April 30. If approved, the sale of the property cannot be finalized until six months after the March 2, 2010 public hearing.
- The Administration will present its recommendation to fund and address deferred maintenance and improvement projects for the City's golf courses. The identified projects are estimated to cost \$22 million.

The following is the FY 2010-11 proposed budget for the Golf Enterprise Fund:

GOLF ENTERPRISE FUND					
PROPOSED BUDGET					
	Adopted 2009-10	Proposed 2010-11	Revenue & Expense Percentage of Total	Difference	Percent Change
Revenue & other sources					
Green fees	\$ 4,839,000	\$ 4,939,804	57.3%	\$ 100,804	2.1%
Cart rental	2,040,200	2,019,200	23.4%	(21,000)	-1.0%
Driving range fees	342,200	345,013	4.0%	2,813	0.8%
Concessions	191,600	121,200	1.4%	(70,400)	-36.7%
Retail Sales	809,200	809,000	9.4%	(200)	0.0%
Other Golf Fees	120,750	83,002	1.0%	(37,748)	-31.3%
Advertising fees	14,000	23,000	0.3%	9,000	64.3%
Interest income	30,000	20,000	0.2%	(10,000)	-33.3%
Miscellaneous Leases/Rental Revenue	30,428	30,428	0.4%	-	0.0%
Season passes	215,000	223,900	2.6%	8,900	4.1%
Other/Admission Sales	0	0	0.0%	-	
Total revenue & other sources	\$ 8,632,378	\$ 8,614,547	100.0%	\$ (17,831)	-0.2%
Expenses & other uses					
Operating & Maintenance					
Personal Services	\$ 3,718,062	\$ 3,778,167	44.8%	\$ 60,105	1.6%
Materials and Supplies	1,267,285	1,159,857	13.8%	(107,428)	-8.5%
Other (Charges/Services/Fees, Admin Service Fee, PILOT, Intradepartmental Chgs, Water, Fuel, Utilities)	2,518,846	2,592,465	30.8%	73,619	2.9%
Capital outlay	300,000	110,000	1.3%	(190,000)	-63.3%
Transfers Out	16,176	21,310	0.3%	5,134	31.7%
Debt Related					
Debt for Facilities and Irrigation	-	-	0.0%	-	
Debt for Maintenance Equipment and Golf Carts	516,698	767,546	9.1%	250,848	48.5%
Total expenses & other uses	\$ 8,337,067	\$ 8,429,345	100.0%	\$ 92,278	1.1%
Change in net assets	\$ 295,311	\$ 185,202		\$ (110,109)	-1.3%

BUDGET ITEMS AND POTENTIAL MATTERS AT ISSUE Some of the proposed revenue and expenditure changes to the budget are highlighted below. The “►” symbol indicates questions that Council may wish to address or request additional follow-up information.

REVENUES

1. Total Revenue and Other Sources – Overall decrease – (\$17,831)

- a. Increase - Green Fees and Cart Rental Fees – \$79,804** Fee increases approved for fiscal year 2010 became effective January 1, 2010. As a result, the green fee revenues of \$4,939,804 are budgeted \$100,804 higher for fiscal year 2011. The revenue budget of \$2,019,200 for cart rental has been decreased by \$21,000 from the prior year. Rounds of golf are expected to remain at roughly 477,000 rounds, which is similar to the FY 2010 projection. Additionally, driving range fees, advertising, and season pass

revenue budgets are expected to increase by \$20,713 over the prior year. Economic conditions and unfavorable weather are factors that impact revenues and rounds of golf played during the year.

According to the Administration, the City's prices, quality product, and pass programs are better or comparable to other golf courses in the community.

- b. Decrease – Concessions, Merchandise Sales, Other Fees, and Interest Income – (\$118,148)** Budget revenue for concessions is down by \$70,400, largely due to outsourcing the café operations at Nibley Park. Other golf fees show a decrease of \$37,748 because merchandise certificates of \$40,000 are now being reflected in the budget. This budget change more accurately reflects how the merchandise certificates were being accounted for on the financial statements. In addition, the budget for interest income has been reduced by \$10,000 for fiscal year 2011.

The following chart is the golf customer fee-related actual revenues - green fees, cart rentals, driving range, and concessions - for the past eight years. The current and proposed fiscal year budgets are also provided for your information.

Year	Green Fees	Cart Rental	Driving Range	Retail Sales	Total	% Increase Over Prior Year
2002	\$ 4,610,868	\$ 1,751,798	\$ 357,797	\$ 682,942	\$ 7,403,405	
2003	\$ 4,816,308	\$ 1,761,090	\$ 328,325	\$ 741,442	\$ 7,647,165	3.3%
2004	\$ 4,592,025	\$ 1,711,052	\$ 309,484	\$ 707,037	\$ 7,319,598	-4.3%
2005	\$ 4,543,923	\$ 1,624,874	\$ 309,807	\$ 710,631	\$ 7,189,235	-1.8%
2006	\$ 4,710,943	\$ 1,763,267	\$ 321,525	\$ 781,093	\$ 7,576,828	5.4%
2007	\$ 4,763,272	\$ 1,951,157	\$ 334,510	\$ 827,788	\$ 7,876,727	4.0%
2008	\$ 4,483,569	\$ 1,912,527	\$ 328,519	\$ 807,905	\$ 7,532,520	-4.4%
2009	\$ 4,519,334	\$ 1,882,413	\$ 330,452	\$ 772,120	\$ 7,504,319	-0.4%
Budgeted 2010	\$ 4,839,000	\$ 2,040,200	\$ 342,200	\$ 809,200	\$ 8,030,600	7.0%
Proposed 2011	\$ 4,939,804	\$ 2,019,200	\$ 345,013	\$ 809,000	\$ 8,113,017	1.0%

Note: Green Fees in all years prior to 2009 included the sales of Frequent Player Discount cards. The amount budgeted for 2009 for the FPD card is \$120,000.

Marketing, Advertising, and Promotion Efforts

The Salt Lake City Golf Division plans to host over 30 state-level annual tournaments, Corporate and group outings, which are held daily throughout the summer, are also held at the City's golf courses. In addition, the Golf Department plans to market and target their services, courses, and promotions to various groups including, youth, parent/junior, men's and women's clubs, and frequent players.

- 2. Fiscal Years 2010 and 2011 – Projected Revenue and Expenditure Budgets and FY 2008 and 2009 Actuals by Golf Course** The following table presents the actual and projected revenue and expense activity for each of the City's golf courses. The expense line includes debt service and administrative overhead costs. Administrative overhead costs include golf fund management and office expenses, including supplies, accounting, information technology, insurance, and other costs of operating the Golf Division.

► A detailed explanation of how the Golf Division plans to fund and address the operational and capital needs of each course will be further addressed in the Capital Improvements Projects briefing.

	FY 2008	FY 2009	FY 2010 Budget	FY 2011 Proposed Budget	Total
Information Only - Administration - Costs Allocated to Golf Courses					
Revenue	\$ 279,005	\$ 227,634	\$ 299,000	\$ 275,400	\$ 1,081,039
Expense (ODA - Operations, Debt & Admin Costs)	\$ 797,440	\$ 862,138	\$ 1,181,687	\$ 1,296,733	\$ 4,137,998
Net Income after ODA	\$ (518,435)	\$ (634,504)	\$ (882,687)	\$ (1,021,333)	\$ (3,056,959)
Bonneville					
Revenue	\$ 1,381,978	\$ 1,310,394	\$ 1,435,200	\$ 1,463,198	\$ 5,590,770
Expense (ODA - Operations, Debt & Admin Costs)	\$ 1,113,862	\$ 1,125,593	\$ 1,223,352	\$ 1,248,650	\$ 4,711,457
Net Income after ODA	\$ 268,116	\$ 184,801	\$ 211,848	\$ 214,548	\$ 879,313
Glendale					
Revenue	\$ 1,120,146	\$ 1,130,708	\$ 1,181,700	\$ 1,213,450	\$ 4,646,004
Expense (ODA - Operations, Debt & Admin Costs)	\$ 1,268,304	\$ 1,091,763	\$ 1,172,519	\$ 1,195,813	\$ 4,728,399
Net Income after ODA	\$ (148,158)	\$ 38,945	\$ 9,181	\$ 17,637	\$ (82,395)
Forest Dale					
Revenue	\$ 677,073	\$ 637,635	\$ 697,216	\$ 658,145	\$ 2,670,069
Expense (ODA - Operations, Debt & Admin Costs)	\$ 524,777	\$ 579,622	\$ 600,523	\$ 631,212	\$ 2,336,134
Net Income after ODA	\$ 152,296	\$ 58,013	\$ 96,693	\$ 26,933	\$ 333,935
Mountain Dell					
Revenue	\$ 1,954,402	\$ 1,895,441	\$ 2,114,200	\$ 2,062,100	\$ 8,026,143
Expense (ODA - Operations, Debt & Admin Costs)	\$ 1,706,598	\$ 1,579,782	\$ 1,702,770	\$ 1,780,541	\$ 6,769,691
Net Income after ODA	\$ 247,804	\$ 315,659	\$ 411,430	\$ 281,559	\$ 1,256,452
Nibley Park					
Revenue	\$ 585,252	\$ 560,271	\$ 601,812	\$ 572,984	\$ 2,320,319
Expense (ODA - Operations, Debt & Admin Costs)	\$ 693,052	\$ 628,697	\$ 723,698	\$ 663,403	\$ 2,708,850
Net Income after ODA	\$ (107,800)	\$ (68,426)	\$ (121,886)	\$ (90,419)	\$ (388,531)
Rose Park					
Revenue	\$ 869,941	\$ 923,373	\$ 946,550	\$ 962,400	\$ 3,702,264
Expense (ODA - Operations, Debt & Admin Costs)	\$ 967,810	\$ 1,051,369	\$ 1,093,187	\$ 1,156,776	\$ 4,269,142
Net Income after ODA	\$ (97,869)	\$ (127,996)	\$ (146,637)	\$ (194,376)	\$ (566,878)
Wingpointe					
Revenue	\$ 1,153,898	\$ 1,211,091	\$ 1,279,700	\$ 1,316,370	\$ 4,961,059
Expense (ODA - Operations, Debt & Admin Costs)	\$ 1,352,294	\$ 1,158,491	\$ 1,320,147	\$ 1,254,299	\$ 5,085,231
Net Income after ODA	\$ (198,396)	\$ 52,600	\$ (40,447)	\$ 62,071	\$ (124,172)
Jordan River					
Revenue	\$ 65,694	\$ 86,324	\$ 77,000	\$ 90,500	\$ 319,518
Expense (ODA - Operations, Debt & Admin Costs)	\$ 187,642	\$ 204,714	\$ 201,873	\$ 223,252	\$ 817,481
Net Income after ODA	\$ (121,948)	\$ (118,390)	\$ (124,873)	\$ (132,752)	\$ (497,963)
Total Golf Fund					
Revenue	\$ 7,808,384	\$ 7,755,237	\$ 8,333,378	\$ 8,339,147	\$ 32,236,146
Expense (ODA - Operations, Debt & Admin Costs)	\$ 8,032,386	\$ 7,420,031	\$ 8,038,069	\$ 8,153,946	\$ 31,426,385
Net Income after ODA	\$ (224,002)	\$ 335,206	\$ 295,309	\$ 185,201	\$ 809,761

EXPENDITURES

- 1. Staffing Changes** – Full Time FTEs will remain at 40.4. Part-time positions are 48.61 FTEs.
- 2. Increase - Personal Services – \$60,105** The FY 2011 personnel costs are proposed to be \$3,778,167. Most of the increase in this budget item is due to the elimination of the FY 2010 City-wide salary suspension program of 1.5% of salaries.
- 3. Decrease – Retail Merchandise Purchases – (\$24,800)** The Administration estimates that the rounds of golf will not increase in FY 2011 because of the current economy and the recent fee increase. Retail sales are expected to remain flat in FY 2011. As a result the budget amount for merchandise purchased for resale will decrease.

4. Decrease – Materials and Supplies, excluding retail merchandise (\$107,428) The Administration proposes to decrease many of the materials and supplies expenditure budget. Some of the larger budget decreases include

- Concession expenses related to operation of the café at Nibley Park - \$38,000
- Parts and accessories - \$14,000
- Repairs - \$8,750
- Junior golf supplies - \$8,000
- Chemicals - \$5,000
- Retail merchandise sales - \$24,800 - mentioned above
- Miscellaneous accounts - \$8,878

5. Increase – Water, Fuel, Maintenance, and Miscellaneous Operating Costs -\$33,619 The overall net change to the Charges/Services/Fees budget category is relatively small. However, increases of approximately \$103,000 were absorbed by other budgeted line item decreases in this category. Some of the larger budgeted increases include:

- Water - \$23,000
- Fleet fuel and maintenance - \$25,500
- Unemployment comp premium - \$5,300
- P.I.L.O.T. (Payment in Lieu of Taxes) - \$33,689
- IMS (Information Management Systems) interdepartmental charge for accounting software - \$10,000

Expenditure budgets were decreased to offset the increases. Larger decreases occurred in the following accounts:

- City engineering and architect fees - \$15,000
- Other professional and technical fees - \$6,500
- Electrical and natural gas - \$10,154
- Educational training and travel - \$10,350
- Risk management property premium - \$22,048
- Employee bus pass allocation - \$5,286

6. Increase – Debt Service Expense - \$250,848 The Golf Division plans to finance the purchase of golf course maintenance equipment. The increase to the budget is for the first of the three annual payments.

7. Decrease – Cash Capital Outlay – (\$190,000) The Golf Division has budgeted \$110,000 in Equipment and Facilities. Last year, the capital outlay budget was \$300,000. This budget is the amount available to spend on larger needs of the golf division after debt service payments and a net income on operations of just under \$200,000. According to the Administration, the budget will be used primarily for emergency golf course maintenance equipment purchases and facility repairs.

CAPITAL IMPROVEMENT PROJECTS - \$22,000,000 - (Note: A separate staff report has been prepared for the Administration’s proposal. The Council briefing is scheduled for May 4, 2010.)

In the past, the Golf Fund Manager and Administration have met with Council Members to review various funding options and strategies to fund approximately \$22 million in Capital Improvement Projects. A transmittal proposing how the improvements will be funded has been submitted by the Administration. This proposal, which includes options, such as, transferring surplus golf course property to the General Fund or rezoning and selling surplus golf course property, is scheduled to be briefed to the Council on May 4th.

LEGISLATIVE INTENT STATEMENTS

Fiscal Year 2009-10

2008-13: Golf Update

It is the intent of the City Council that the Golf Fund Manager provide a mid-year update on the status of deferred capital project needs.

Administrative Response

The Golf Division has met with Administration, the City Council Budget & Finance Subcommittee, and individual City Council Members with golf courses in their districts to discuss a funding proposal to complete golf course irrigation improvements and other long deferred capital projects totaling \$20M. In April 2009, the Administration directed the Golf Manager to complete the due diligence process necessary to develop recommendations relative to each of the potential funding sources, and then report back to the Administration and City Council in September 2009. Golf staff has finalized its report but still needs to present it to the Administration and City Council. That briefing will take place during the first quarter of calendar year 2010. Potential funding sources that will be investigated include the transfer of surplus real estate to the General Fund, the disposition of surplus real estate, a partnership with the University of Utah, a partnership with the Utah Golf Association and the Utah PGA, partnerships with our existing clubhouse food and beverage concessionaires, a private and corporate donor program, the Energy Performance Contract program for irrigation projects, and bonding.

SALT LAKE CITY COUNCIL STAFF REPORT
BUDGET ANALYSIS – FISCAL YEAR 2010-11

DATE: May 11, 2010

BUDGET FOR: **DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

STAFF REPORT BY: Sylvia Richards

cc: David Everitt, Frank Gray, Mary De La Mare-Schaefer, Bob Farrington, Wilf Sommerkorn, Pat Comarell, Gina Chamness, LuAnn Clark, Orion Goff, Tim Harpst, Nancy Boskoff, Sam Guevara, Teresa Beckstrand, Mike Akerlow and Brent Beck

The proposed budget for the Department of Community Development (CED) for fiscal year 2010-11 is \$15,957,403 representing an overall increase in expenditures of \$2,912,393 or 22.3% as compared to fiscal year 2009-10. **The increase is attributed to the proposed transfer of two divisions (and their budgets) to CED, including the Engineering Division and Capital Asset Management.**

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT (CED)				
PROPOSED BUDGETS				
	Adopted 2009-10	Proposed 2010-11	Difference	Percent Change
Office of the Director (Land Use Appeals Board)	\$818,702	\$702,221	(\$116,481)	(14.2%)
Arts Council (Public Programs/Events, Public Art, Public Information/Technical Assistance, City Arts Grants, Facility Management, Salt Lake City Arts Board, Salt Lake Art Design Board)	339,499	305,163	(34,336)	(10.1%)
Building Services (One Stop Shop/Accela, BUZZ Center, Permits, Administration, Construction Inspections, Development Review, Housing Advisory & Appeals Board) AND Civil Enforcement (Ground Transportation and Zoning Enforcement)	5,177,651	4,888,349	(289,302)	(5.6%)
Capital Asset Management (Capital Planning and Procurement, Capital Asset Maintenance; Property Management, CIP Support)		462,426	-	
Economic Development (Small Business Development, Economic Development)	271,168	328,912	57,744	21.3%
Engineering (Project Planning & Development, Construction, Special Improvement Districts, Public Way Regulation, Survey, GIS & Mapping)		4,163,840	-	
Housing & Neighborhood Development (Federal Grant Administration, CIP Administration, Housing Rehabilitation, Housing Trust Fund, Homeownership Program, Sister Cities Program, and Sorenson Unity Center)	2,107,486	998,489	(1,108,997)	(52.6%)
Planning (Strategic Planning, Urban Design, Master Planning, Community Planning, Subdivisions, Planning Commission, Historic Landmark Commission, and Board of Adjustment)	2,466,833	2,431,913	(34,920)	(1.4%)
Transportation (Planning & Design, Traffic Investigations and Operations, Permit Parking, Street Lighting, Bicycle/Pedestrian Safety, Trails Coordination, Transportation Master Planning, Transportation Advisory Board)	1,863,671	1,676,090	(187,581)	(10.1%)
Total	\$13,045,010	\$15,957,403	\$2,912,393	22.3%

POTENTIAL MATTERS AT ISSUE AND MAJOR BUDGET CHANGES

Major Organizational Changes

The Mayor’s budget proposes to transfer the Engineering Division (from Public Services) and the Capital Asset Management function (from Administrative Services) to the Community and Economic Development Department, as well as create a new Civil Enforcement group under the Building Services division. These changes are addressed later in this report.

Please note that merit increases, the 1.5% salary restoration, as well as pension and insurance increases are included in each division’s proposed budget.

Office of the Director

The budget for the Office of the Director shows a decrease of 14.2% or \$116,481 as compared to last year. The decrease can be attributed to the proposed elimination of two positions as noted below.

# of FTE	Projected Savings	Detail
.50 RPT	\$ 23,512	Eliminate vacant Sr. Secretary RPT position in CED Administration; may have to hire intern or part time person to assist with office coverage, although coverage is currently being provided by the RDA.
1.0 FTE	105,000	Eliminate Downtown Transportation Development Coordinator position (vacant); jointly funded by the City, Chamber and UTA. City’s portion is \$35,000.
1.5 FTEs	\$128,512	Total

Arts Council

The Arts Council budget indicates a decrease of \$34,336, which is a reflection of the Public Art Program Manager’s salary (\$43,144) being allocated against public art projects, such as existing CIP projects, North Temple, and future projects. **The Council may wish to note that this is a shift in funding rather than the elimination of an expenditure.**

Building Services Division

The budget for the Building Services Division is projected to decrease by 5.6% or \$289,302. The decrease is attributed to the elimination of positions as noted below.

# of FTE	Projected Savings	Detail
1.0 FTE	\$84,596	Eliminate Bldg. Inspector Investigation Administrator (layoff); the Administration indicates there are enough certified employees in this division who can absorb this work.
1.0 FTE	56,882	Eliminate Office Facilitator II position (layoff); the responsibilities for this position will be absorbed by other employees.
1.0 FTE	83,076	Eliminate Sr. Bldg. Inspector position (layoff); this position handles field inspections. As the inspection demand has decreased, this work can be absorbed by other inspectors until inspections increase.

1.0 FTE	84,168	Eliminate Fire Protection Engineer position (vacant - never filled). This item is discussed in the 'Issues' portion of the staff report.
4.0 FTEs	\$308,722	Total

Building Services Issues

Elimination of Vacant Fire Protection Engineer Position

CED Administration indicated that the funding appropriated to fill this position in previous years was inadequate. Several qualified candidates were interviewed but the salary was too low; the position was never filled. The Administration also indicates that the workload does not quite fill the time of 2 FTEs. As a result, the Division outsources the fire plan review. **The Council may wish to ask whether the level of work previously outsourced will impact the Fire Department's Fire Prevention Bureau and whether that department can absorb the workload. The Council may also wish to clarify whether the Administration will be relying upon the Fire Department or whether they will be relying on consulting services. If the Department relies upon consulting services, the Council should note the next item which is a \$50,000 reduction in resources for outsourcing.**

\$50,000 Reduction in Outsourcing Funding

According to the proposed budget, \$50,000 will be eliminated from Building Service's outsourcing funds for permits and plan review. CED Administration indicates that permit and plan review is outsourced in two instances: First, when specialized service is required, such as review for bridges, structural steel or LEED certification; second, when there is a backlog of plans and permits for staff to review. The Department indicates that although the Buzz Center is currently active with many customers, there has been a decrease in plans being submitted for review, and there is enough funding remaining in the budget to handle the anticipated outsourcing needs. **The Council should note that as the economy improves or as specialty projects come in, the Administration may need to return to the Council to request additional funding in a budget opening.**

Building Permits Audit

Council Members have expressed concerns with regards to the processing and timeframe of the issuance of building permits. The Council may wish to consider allocating funding for an extension of the Planning division review that was conducted two years ago. That study touched on processes relating to Building Services but a full review of Building Services and best practices around the country was not within the scope of that study.

The following information was provided with regards to the different levels of permits issued by Building Services:

- Over the counter permits (generally issued the same day)
- Same day permit process
- Permits requiring the standard review process (including design review, departmental review (Fire, Police, Transportation, Public Utilities, etc.)

Capital Asset Management

Capital Asset Management has an operating budget of \$29,157 and personnel costs (including salary and benefits) of \$433,269. A total budget of \$462,426 will be transferred to CED. Capital Asset Management staff includes 5.0 FTEs (a reduction from 6). In addition, the Mayor’s budget proposes to reimburse 20% of the Capital Asset Management Director’s salary from Capital Asset projects.

The positions include 5.0 FTEs (a reduction from 6.0 FTEs)

- Division Director
- Sr. Administrative Analyst
- Real Property Manager (from Property Management)
- Real Property Agent (from Property Management)
- Office Tech II (from Property Management)

# of FTE	Projected Savings	Detail
1.0 FTE	74,572	Eliminate one Real Property Agent position (layoff); responsibilities will be absorbed by other staff.
1.0 FTE	\$74,572	Total

Creation of Civil Enforcement Unit

As mentioned previously, the Administration proposes to house all enforcement functions (except parking enforcement) with the Housing and Zoning Enforcement group. The name will be changed from Housing & Zoning Enforcement to Civil Enforcement Unit (CEU). The CEU will include the functions and enforcement of snow removal, street artists and entertainers’ ordinance, Housing & Zoning and Ground Transportation. The Council may wish to note that the additional functions will be absorbed by current personnel. No additional FTE positions are proposed. As indicated during the Airport budget discussion, the Administration is currently investigating the possibility of the Airport assuming the functions of Ground Transportation administration, licensing and enforcement.

The Administration also proposes to transfer Ground Transportation facility maintenance costs to the Facilities Management Division in Public Services. This change reflects what other departments have done.

Proposed Ordinance Fee Increases

Current Ordinance	Proposed Increase	Anticipated Revenue
Sidewalk Artists & Entertainers (14.38.110)	Increases civil penalty from \$30.00 to \$100.00 per violation	
Freight License sticker fee (12.56.330) and base business license fee (5.04.070)	Increases freight sticker fee from \$25.00 to \$35.00 and requires base business license fee of \$100. (Note: the freight sticker fee has not been increase in 20 years.)	\$130,000 annually for sticker increase; \$52,000 annually for base business license fee.
Ground Transportation vehicle operator certificate application fee (5.71.290)	Increases driver badging fee from \$112 to \$121 as follows: \$2.00 I.D. badge increase \$5.00 increase in background check \$2.00 increase fingerprinting cost	\$3,338 annually based on \$2.00 badge increase (The rest of the fee increase revenue goes towards fingerprint & background check expenditures.)

Educating the public regarding fee increases

The Council may wish to ask whether the Administration has prepared notification and educational materials indicating the new fee structures and the effective dates, and if this will be distributed to all current mailing lists including contractors, business license holders, etc., posted on public spaces and identified on the City’s websites, as well as sent to community and business organizations. The Council may also wish to ask whether the Administration has met with the Business Advisory Board, Chamber of Commerce and other interest groups to review the proposed fee changes.

Economic Development Division

The budget for Economic Development is projecting an increase of \$57,744 or 21.3%, which reflects the request for a new position, a Small Business Liaison. The Administration indicates that the Small Business Liaison will serve as the main point of contact to assist small businesses in navigating through City operations, processes and services. In addition, this individual will act as an ombudsman to maintain communication between the City and the small business community and advocate for, and make recommendations on relevant issues, processes, policies and procedures that may affect small businesses. Currently, this position is being filled by an intern.

# of FTE	Projected Cost	Detail
1.0 FTE	\$74,100	New: Add Small Business Liaison position; currently this position is filled by an intern.
1.0 FTE	\$74,100	Total

Also, the Administration requests to allocate 20% of the Economic Development Director’s salary against the Central Business Improvement Area 2010 in the amount of \$26,905. This represents a significant policy shift. **The Council may wish to ask**

whether the special assessment area property owners are aware of this request. The City incurs significant maintenance costs for that improvement area but currently none of those costs are allocated to the districts. The Council may wish to determine whether all costs can or should be allocated for that district.

Engineering Division

According to the Mayor’s proposed budget, the Administration indicates this transfer will assist with the coordination of planning review and response, and increase efficiencies by consolidating all engineering planning functions under one department. At this time, the Administration indicates engineering personnel will still be housed in the engineering office.

Engineering has an operating budget of \$287,446 and personnel costs (including salary and benefits) of \$3,876,394. A total budget of \$4,163,840 will be transferred to CED. The Engineering division includes 46 FTEs (full time equivalent positions), a reduction from 52 FTEs, assuming the Council adopts the proposed layoffs and elimination of vacant positions.

# of FTE	Salary & benefits	Detail
1.0 FTE	\$122,061	Eliminate Sr. Engineering Project Mgr. position (layoff). Loss of revenue from engineering fees billed to CIP associated w/this reduction is (\$84,000). Net savings is \$38,061. This position is the project manager for design, inspection construction contracts for ADA sidewalk ramps and other sidewalk replace & repairs. Other personnel will have to assume additional responsibilities.
1.0 FTE	96,084	Eliminate Engineer IV position in Engineering (layoff). Loss of revenue associated w/this position is (\$76,000). Net savings is \$20,084. This position designs and manages sidewalk projects. Elimination of position will impact the City’s ability to complete unplanned high-priority projects. Other personnel will have to assume additional responsibilities.
1.0 FTE	61,208	Eliminate Engineering Tech IV in Engineering (vacant). Responsibilities include permit inspector on permitted work in the public way. Eliminating this position will require 3 inspectors to absorb the workload.
1.0 FTE	55,412	Eliminate Engineering Records Tech position in Engineering (layoff). Responsibilities include responding to records requests for engineering documents and information.
1.0 FTE	72,132	Eliminate GIS programmer/analyst position in Engineering (vacant). Responsibilities include participating in the development of paperless work flow, working with internal and external engineering customers.
1.0 FTE	74,488	Eliminate Professional Surveyor position in Engineering (vacant). Loss of engineering fees associated with this position is (\$18,000) for a net savings of \$56,488. This change will limit the number of survey activities that can be conducted by the entire survey group; Engineering will not be able to maintain 2 survey crews when one surveyor is using vacation or sick leave.
6.0 FTEs		Total projected net savings of \$303,385

Housing and Neighborhood Development Division

The budget for the Housing and Neighborhood Development Division reflects a

decrease of \$1,108,997 or 52.6%. As the Council will recall, the management of the Sorenson Center was transferred to Salt Lake County, resulting in a decrease of 18.51 FTEs. The salary savings associated with this change is \$912,296 and operating costs savings of \$179,584. These savings will offset the County’s annual contract costs to run the Center for \$880,878.

# of FTE	Projected Savings	Detail
1.0 FTE	\$62,308	Eliminate Rehab Loan Officer position (layoff); responsibilities will be shared with other rehab specialists and staff.
	26,802	Capital Planning Community Development Planner position (layoff); 606 position is being eliminated and a new 604 position is being created. (Both positions are partially federally funded, but federal funding has not increased to match increasing employee costs borne by General Fund.)
1.0 FTE	\$89,110	Total

Planning Division

The Planning Division projects a budget decrease of 1.4% or \$34,920. The personnel services budget will increase due to the 1.5% salary restoration, health insurance, merit and pension increases. This is partially offset by the projected savings from the eliminated positions.

# of FTE	Projected Savings	Detail
1.0 FTE	\$71,908	Eliminate GIS Specialist position in Planning (layoff)
1.0 FTE	53,152	Eliminate Sr. Secretary position in Planning (vacant)
2.0 FTEs	\$125,060	Total

Planning Issues

GIS Functions

As proposed in the Mayor’s Recommended budget, Planning’s GIS Specialist position will be eliminated (as well as the Sr. Secretary position). In addition, the vacant Transportation GIS Analyst position and the vacant GIS Programmer/analyst position in Engineering are being eliminated. CED Administration indicates that the Planners can print their own maps and that the City purchased a citywide license for all to access GIS. **The Council may wish to ask whether these three cuts will be detrimental to the City’s overall GIS needs. The Council may also wish to ask the Administration for a recommendation to address GIS needs citywide.**

In making these cuts, the Administration has indicated the intention to centralize the GIS function within IMS. **The Council may wish to ask the Administration whether IMS currently has adequate resources to continue progress with the GIS system or whether they will be returning to the Council in the future to request the necessary resources to move GIS ahead in a centralized way. It is Council staff’s assumption that once GIS is consolidated under IMS, the**

Administration will need to return to the Council for funding, so this should not be considered a long-term savings.

Zoning Ordinance Update

Council Members expressed interest in understanding the costs and resources needed to update the City's zoning ordinance. In response, CED Administration has indicated three potential options:

1. Comprehensive rewrite of Zoning Ordinance: If the Council elects to change the current format (Euclidian) to a form-based approach, an approximate cost is \$1.5 to 2 million, with an estimated timeframe of two to three years for completion.
2. Recodify/reformat Zoning Ordinance: If the Council chooses this option, the zoning ordinance would be more user-friendly and readable. The cost would be approximately \$500,000 with an anticipated timeframe of 9-12 months.
3. Create a design standards manual: This option would cost between \$500,000 and \$800,000 with an estimated timeframe of 12-18 months. An annual review process would be required.

The Council may wish to ask the Administration for a detailed recommendation, including necessary staffing resources, outside consulting services and necessary technology for each of these options.

Master Plans

The Council has also expressed interest in understanding the process for updating master plans. The Administration indicates the Mayor would like to take a '6X6' approach, which is to complete six master plans per year for the next six years. **The Council may wish to ask how this approach may be accomplished and what resources would be necessary.**

The Planning Division has provided the following information with regards to the status of their priorities:

Master and Small Area Plans currently in process:

1. Euclid
2. North Temple Corridor
3. Northwest Quadrant

Master and Small Area Plans which are in the queue but put on hold to deal with higher priorities:

1. Downtown Master Plan
2. West Salt Lake Community Plan
3. U Edge Plan

Broader plans currently in process:

1. Historic Preservation (almost completed, very close)
2. Comprehensive Sustainability Ordinance

3. Neighborhood Business Project

Northwest Quadrant Funding (Non-Departmental Budget)

The Mayor's recommended budget includes a request for \$100,000 of one-time funding for any follow up and public process relating to the Northwest Quadrant area. This request is included in the Non-Departmental budget.

Good Landlord Program

The Mayor's proposed budget does not include funding for implementation of the Good Landlord program. The Administration anticipates that employee salaries associated with this function will be funded through program fees. A proposal will be advanced to the Council later in the year during a budget opening, possibly late summer.

Transportation Division

The Transportation Division's budget reflects a projected decrease of 10.1% or \$187,581. The decrease is attributed to the proposed reductions itemized in the chart below.

# of FTE	Projected Savings	Detail
1.0 FTE	\$63,840	Eliminate Traffic Control Ctr. Operator I position in Transportation (layoff); this position synchronizes signals to adjust for excessive traffic. With the elimination, the City may receive additional complaints re: signal timing.
1.0 FTE	59,084	Eliminate Office Facilitator II position in Transportation (layoff); this position assists with the Neighborhood Parking permit process. Treasurer's Office may be able to assist with this process after some training. Other duties will be reassigned.
1.0 FTE	69,160	Eliminate GIS Analyst position in Transportation (vacant)
3.0 FTEs	\$192,084	Total

Transportation Issues

Parking Meter Replacement with Electronic Pay Stations

The Transportation Administration indicates that a consultant recently completed a study of the options for converting parking meters to electronic pay stations. A committee of City and Downtown Alliance staff oversaw the analysis and will submit a recommendation to the Mayor for consideration, which will then be forwarded to the Council. With respect to converting meters to pay stations, the consultant estimates it will take about a year to implement, and could cost as much as \$6.9 million.

The Council may wish to ask the Administration for a response to the following questions:

1. Has the Mayor received the recommendation?
2. Does the recommendation include the total replacement of meters or the use of a portion of existing meter parts?

3. Could the RFP process be completed in 6 months if the funding were available?

Downtown Parking Management Program

The Council has inquired regarding the status of the Downtown Parking Management Program. Transportation Administration indicates an RFP has been prepared and is being reviewed by Purchasing. The consultant would be tasked with determining what type of parking management organizational structure would be best suited for the City. A set of goals is being prepared to send to Council for comment to insure that the consultant knows what is desired to be achieved. The Parking Management entity could be a City department or a parking authority, or a non-profit created by or hired by the City to do the work. Until the study is complete, it is not known what form would work best, how much it would cost (or if it would/could have taxing ability) to run or how long to implement. The study should be completed within six months once the consultant is selected and given the notice to proceed. **The Council may wish to ask whether it is the Administration's intent to delay a decision on meter replacement until the parking management program is addressed.**

\$35,000 Reduction of Street Light Maintenance Funding

The Mayor's budget proposes a reduction in street light maintenance. In order to reduce the maintenance budget, some damaged street lights may be capped instead of replaced, reducing the number of functioning lights.

\$400,000 Proposed Savings from Elimination of Mid-block Street Lighting

The Administration indicates that maintenance and operating savings can be achieved if mid-block street lights are turned off. Note: According to CED Administration, this proposal does not include mid-block street lighting in the Downtown.

All lights would work initially, but as the less significant lights have bulb burnouts or other maintenance issues, they would be left dark until funding would be made available. Savings would be \$4.00 per month per light on maintenance, in addition to electricity costs saved on the non-working lights. According to CED Administration, the Transportation Division is creating a plan to address costs and options. This item is included in the **Non-Departmental** budget.

\$8,500 Transfer of Maintenance budget to Facilities in Public Services

The Administration proposes to transfer traffic control center maintenance costs to the Department of Public Services Facilities Management budget. This change reflects what other departments have done.

Additional Information

LEGISLATIVE INTENT STATEMENTS

1. **Bike Lanes** – It is the intent of the Council that when the Administration evaluates streets for rehabilitation projects, preference would be given to streets with bike lanes.

Response from the Administration: The City addresses street rehabilitation using the ‘zone concept’, rotating attention annually between seven zones, and treating the streets with the most need within the particular zone. Of those streets most in need, streets with bike lanes are given priority.

INTERIM STUDY ITEM

1. **Ground Transportation:** The Administration has forwarded a Quarterly Report on Council Interim Study Items. This response provides additional information with regards to Ground Transportation, including the status of additional enforcement, evaluation of fees, as well as an update on the RFP process:

Response from the Administration:

A time and motion study of the Ground Transportation function was requested by the City Council. The study included the time period between June 29, 2009 and September 30, 2009. 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.

Between October 1, 2009 and the end of the year, 16 more citations were issued and one warning. Citations and warnings continue to be issued as required. There are planned and ongoing stings involving both the ground transportation industry and hotel doormen. The age of taxicab vehicles has been the latest enforcement effort which requires such vehicles to be no older than 6 model years or 8 model years if an approved alternative fueled engine (note: there is a grandfather clause also). These actions have generated a significant response from the taxi industry resulting in a current ongoing review of City Council’s intent for this age limitation.

There is ongoing enforcement involving both the ground transportation industry and hotel doormen. On a recent weekend evening 12 citations were issued and forwarded to the City Attorney for screening. A grace period on the age limit of taxi was granted until Council takes further action on the ordinance changes.

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. Finance has completed a time study and calculated a fully loaded hourly rate which has been applied to the processes of the background history check/ID Badge and vehicle inspections. The fully loaded hourly rate equals \$67.70.

Background History Check/ID Badge: When the hourly rate is applied to the background history check/ID Badge process the fee for that service could be increased to \$121 from the current \$112 which includes the \$47.25 for the BCI background check and a separate \$3 for TSA fee.

Vehicle Inspections: When the hourly rate is applied to the vehicle inspection process the current fee of \$90 per inspection is justified. This fee includes time allocated for missed inspections, rejected vehicle re-inspections, meter recalibrations and special vehicle types.

During the briefing on the proposed budget, the Council may wish to identify legislative intents relating to the Community and Economic Development Department.

During the briefing, the Council may wish to identify potential programs or functions to be added to the Council's list for future audits.

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2010-11

DATE: May 11, 2010

BUDGET FOR: **POLICE DEPARTMENT**

STAFF REPORT BY: Karen Halladay, Budget and Public Policy Analyst

cc: Chief Chris Burbank, Dobrowolski Walter, Jerry Burton, David Everitt, Gina Chamness, Kay Christensen, Cindy Gust-Jenson, Sylvia Richards, Lehua Weaver

Recently the Police Department reorganized several administrative level positions within the Police Department. Advantages of the reorganization include involving more officers in the day-to-day decision making operations of the department; removing one level of the traditional command structure; and providing more advancement opportunities for officers. Four (4) Captains, three (3) Assistants to the Chief, and one (1) Lieutenant were reclassified to Deputy Chief, an appointed position. The former three (3) bureaus – Administrative, Investigative, and Operations – have been replaced with eight new bureaus. These bureaus include the following: Facilities Development, Administration, Communications and Records, Fusion, Investigations, Management Services, Patrol, and Special Operations. Where possible, these changes will be compared to prior year's budgets and staffing levels.

The Police Department is funded by the General Fund, but also benefits from various federal and state grants. In Fiscal Year 2010, federal and state grants awarded and budgeted amounted to \$5,497,919.

The Mayor's Recommended Budget proposes \$55,169,063 of ongoing funding for the Police Department. This is a 1% increase over the prior year. For FY 2011, the Police Department's expenditure budget represents 29.54% of the General Fund budget. In FY 2010 the Police Department budget was 27.5% of the total General Fund budget. The Administration indicates this increase of 2.04% is representative of the Administration's overall commitment to Public Safety. Personal services costs, salaries, wages, and benefits, represent 90.2% of the Police Department's operating budget.

According to statistics provided by the SLCPD, the police department had 228,947 calls for service in 2009. This is a decrease of 9.6% or 21,931 fewer calls for service than calendar year 2008. The SLCPD Part 1 Crime report provides details about the types of crimes committed in Salt Lake City. Part 1 crimes require FBI tracking and include the following: 1) Violent crimes - homicide/murder, forcible rape, robbery, and aggravated assaults and 2) Property crimes - burglary, larceny/theft, motor vehicle theft, and arson. Violent crimes saw a 9.7% decrease or 126 cases and property crimes saw an 11.4 % decrease or 1,671 cases fewer from calendar year 2008 to 2009. In addition to Part 1 crimes, the police department provides services related to: drugs and alcohol, internet safety, traffic enforcement, public order, and vice issues.

KEY ISSUES

- In addition to the reorganization outlined above, the Division of Emergency Management Services was transferred from the Administrative Services Department when the department was dismantled. Details of the staffing changes are included in this staff report.
- As indicated in the Mayor's Recommended Budget, the net staffing changes resulted in a reduction of 1.5 FTEs.
- While police officers have not been cut from the budget, it is likely the Department will have to absorb costs associated with a number of retirements since the Administration has reduced the retirement fund from \$1 million to \$500,000.
- The Department applied for and received a Community Oriented Policing Services (COPS) federal grant. This grant provides funding for eleven (11) officers.
- Economic conditions, including at the local level, have resulted in reduced revenues and therefore, the need to cut costs throughout the City. The changes proposed by the Administration, including the

reinstatement of the 1.5% salary reduction and merit step has increased the Department's personal services budget by \$1,118,209 or 2.3%.

- The Salt Lake City Police Department has several initiatives to help prevent, detect, investigate, and resolve criminal activity. Details of some programs can be found later in this report.
- \$50,000 in on-going money is not included in the budget for the implementation of sworn officer fitness standards (Prior Year Legislative Intent Statement).

Proposed Budget 2010-11 - The following is a summary of the proposed budget for fiscal year 2010-11. Although the Police Department was recently reorganized from three (3) to eight (8) bureaus, this report compares this year's budget with the FY 2010 budget by major function. For example, the newly created Investigations and Special Operations Bureaus are part of the Investigative function for the department. Both the Liberty and Pioneer Patrol are now combined into the Patrol Bureau or Operations function. Administrative functions include the following bureaus: Administrative, Management Services, Communications and Records, and Fusion. The informational column is actually the proposed FY 2011 budget for each of the eight new bureaus. The highlighted subtotals allow the reader to make a dollar and percentage comparison between the General Fund expenditure budgets of FY 2011 and FY 2010.

Salt Lake City Police Department							
Proposed Budgets							
	Division Functions	Informational Purposes Only Division Budgets	FY 2009-10 Adopted Budget	FY 2010-11 Proposed Budget	Difference	Percent Change	Additional Information
Office of the Police Chief		\$ 458,724	\$ 1,848,478	\$ 458,724	\$ (1,389,754)	-75.18%	
Facilities Development Bureau	New position created to oversee the Public Safety Building	\$ 291,949	\$ -	\$ 291,949	\$ 291,949		Existing Staff
Adminstrative			\$17,754,849	\$19,761,044	\$ 2,006,195	11.30%	
Administration Bureau	Public Relations, Admin Services, General Services, and Emergency Management Services	\$ 4,583,602			-		
Management Services Bureau	Internal Affairs, Recruiting, and In-Service Training.	\$ 2,848,255			-		
Communication and Records Bureau	Dispatch, E-911, Technical Services, and Records.	\$ 6,281,552			-		Vacancy positions were eliminated in Records (1) and Dispatch (1)
Fusion Bureau	Narc and Vice, Homeland Security, Crime Analysis, Community Intelligence, Bikes, Park & COP, and Volunteer Coordination.	\$ 6,047,635			-		
Investigative			\$14,990,423	\$14,900,659	\$ (89,764)	-0.60%	
Investigations Bureau	Domestic Violence, Financial Crimes, Homicide, Robbery/Assault, Sex Crimes/Special Victims, Victim Advocates, Task Force Participation, and School Resources.	\$ 7,147,762			-		Vacancy position was eliminated for Office Tech (1) in Crime Lab.
Special Operations Bureau	Motors, Accident Investigation, K-9, Gang/SWAT.	\$ 7,752,897			-		Vacancy position was eliminated for Office Tech (1) SWAT/Gangs
Patrol/Operations			\$20,033,011	\$19,756,687	\$ (276,324)	-1.38%	
Liberty Patrol	24-hour Patrol for East Side, Property Crimes Investigative Followup.	\$ 8,718,151			-		
Pioneer Patrol	24-hour Patrol for West Side, Downtown Bike Patrol, and Property Crimes Investigative Follow-up.	\$ 11,038,536			-		
Total Police Department (General Fund)		\$ 55,169,063	\$ 54,626,761	\$ 55,169,063	\$ 542,302	0.99%	

Proposed Staffing 2010-11 - The following is the current allocation of authorized full-time equivalent positions and the proposed allocation including the additional positions.

Salt Lake City Police Department					
Full-Time Equivalent Positions					
	Division Functions	FY 2009-10 Adopted		FY 2010-11 Proposed	
		Sworn	Civilian	Sworn	Civilian
Office of the Police Chief		11	4	1	2
Facilities Development Bureau	Deputy Chief and staff assigned to oversee the Public Safety Building	0	0	2	0
Adminstrative		80	116	89	118.5
Administration Bureau	Public Relations, Admin Services, General Services, and Emergency Management Services	0	0	10	9.5
Management Services Bureau	Internal Affairs, Recruiting, and In-Service Training.	0	0	25	2
Communication and Records Bureau	Dispatch, E-911, Technical Services, and Records.	0	0	1	100
Fusion Bureau	Narcotics and Vice enforcement, Homeland Security, Salt Lake Information Center (SLIC), Community Intelligence, Bikes, Park & COP, and Volunteer Coordination.	0	0	53	7
Investigative		121	35	120	33
Investigations Bureau	Domestic Violence, Financial Crimes, Homicide, Robbery/Assault, Sex Crimes/Special Victims, Victim Advocates, Task Force Participation, Crime Lab, Evidence, and School Resource.	0	0	47	32
Special Operations Bureau	Motors, Accident Investigation, K-9, Gang/SWAT.	0	0	73	1
Patrol/Operations		215	5	215	5
Patrol Bureau	24-hour Patrol for East Side, Property Crimes Investigative Followup. 24-hour Patrol for West Side, Downtown Bike Patrol, and Property Crimes Investigative Follow-up.	0	0	215	5
Total Police Department Staffing		427	160	427	158.5

BUDGET ITEMS AND POTENTIAL MATTERS AT ISSUE

The following are general explanations of budget changes in fiscal year 2010-11. Some of the proposed expenditure changes, increases and decreases, to the budget are highlighted below. The “►” symbol indicates questions that Council may wish to address or request additional follow-up information.

EXPENDITURES

Staffing Changes – The chart presented below is a summary of the staffing changes affecting the SLCPD. Additional information regarding Staffing and other Personnel Costs follows the Staffing Summary Table.

Personal Services Topic	FTE	Amount	Additional Information
Emergency Management Services – Transfer from Administrative Services	2.5	\$232,729	In order to gain both operational efficiencies and cost savings, the Administrative Services Department was dismantled. Divisions within the department were realigned to reflect the needs of the current Administration. Emergency Management Services was one of the divisions that was transferred. ► <i>In order to keep informed with Emergency Management Services initiatives and preparations, the Council may wish to schedule regular briefings.</i>
Eliminate FY 2010 Citywide Salary Suspension		\$1,035,812	In FY 2010, the Administration proposed a 1.5% salary suspension program to address the FY 2010 budget shortfall. Employees were given one personal holiday per quarter in exchange for the salary suspension. According to the Administration, this suspension was eliminated based on comments received. In addition, merit was restored for eligible employees. ► <i>Does the Council wish to consider comments regarding the desire to keep the salary suspension in order to save employee positions?</i>
Pension Changes		\$438,982	Currently the City is paying 35.71% of base salary for pensions of sworn police officers. The percentage is increasing to 36.31%.
Insurance Rate Changes		\$154,200	Co-payments and maximum out-of-pocket adjustments were made to the City's health insurance plan for employees. After these adjustments, the insurance rate increase was 9%. The Administration is proposing that employees pay 15% of the premium, 5% more than in FY 2010. The City's share of the insurance rate increase is \$661,325, which will be spread across City departments. Vacant positions insurance costs are budgeted at family rates.
Long Term Disability Cost		\$(156,000)	The Administration was able to negotiate a cost reduction for the Police Department's Long Term Disability account. There was no reduction of benefits.
Adjustment to 90% - Evidence Tech II		\$10,100	The Citizens Compensation Advisory Board (CCAB) identified several positions with the City whose salaries were markedly below market rates. They recommended that these positions be adjusted.
FY 2010 to FY 2011 – Base Adjustment		\$(38,525)	This is the net change of personnel costs. In this case there was a net decrease which reflects the new hires and separations within the Police Department.
Total Personal Services Adjustments		\$1,677,298	
Reduction – SWAT/Gangs Office Tech (Vacant)	(1)	(\$42,996)	Vacant position – eliminated by the department. ► <i>The Council may wish to ask the department how duties and responsibilities of this reduction will be handled.</i>
Reduction – Office Tech – Crime Lab (Vacant)	(1)	(\$42,000)	Vacant position – eliminated by the department. ► <i>The Council may wish to ask the department how duties and responsibilities of this reduction will be handled.</i>
Reduction – Information Specialist Position (Vacant)	(1)	(\$43,000)	Vacant position – eliminated by the department. ► <i>The Council may wish to ask the department how duties and responsibilities of this reduction will be handled.</i>
Reduction – Police Dispatch Position (Vacant)	(1)	(\$56,032)	Vacant position – eliminated by the department. ► <i>The Council may wish to ask the department how duties and responsibilities of this reduction will be handled, and whether there is a potential that this will create additional overtime.</i>
Reduction – All hourly positions (19 PT Employees or 8 FTEs)	(8)	\$(229,000)	Eliminate all hourly positions – The Police Department hires retired and civilian employees to handle various tasks and responsibilities of the department. Some of the tasks include answering phones, gathering victim and/or incident information, and provide victim advocacy services. This arrangement allowed sworn officers to remain focused on direct police investigative follow-up and field response. ► <i>The Council may wish to ask the department how duties and responsibilities of these reductions will be handled. They may also wish to get a full understanding of the impact of this change to the public. Examples include, will response times be longer? Will certain incidents be considered lower priority? What is the impact of this to the public? Will enforcement of recent ordinances, for example, loud party ordinance, be reduced, eliminated, or considered a lower priority?</i> ► <i>Does the Council wish to discuss these enforcement issues in more detail?</i>
Total Reductions	(12)	(\$413,028)	
One Time Savings – Delay hiring of Recruit Class until September 2010		\$(212,968)	Currently, there are 17 vacant positions within the Police Department. Given the current budget situation, the Administration is proposing that the next recruit class not be hired until September of 2010. The department is currently reviewing and managing a list of interested applicants and plans to begin the formal hiring process in July of 2010 for a September hire.
Total One Time Savings		\$(212,968)	
Net Increase to Personal Services		\$1,051,302	

Staffing Related Items

1. **Increase - \$1,051,302 - Staffing Changes and Personal Services Costs (See above chart for detailed information.)** – The Administration and Police Department have proposed changes that they feel will have minimal effect on the delivery of direct police services.

There are two staffing changes in particular that Council Staff believes may have a larger than expected impact to the Police Department:

1) Delaying the hire of recruit classes – The hiring and training period, which is approximately 36 weeks of classroom and field training, should be considered because of the length of time before an officer is fully trained and ready to be in the field.

2) Elimination of all hourly positions within the Department - Response times for non-emergency calls may be delayed, incidents may not get the attention expected of the public, and tasks completed by hourly employees will have to be absorbed by sworn officers. Police Department personnel indicated that light duty officers would handle telephonic investigations so that uniformed officers are not called in from the field. In addition, there may be issues that may not be prioritized as the Council and/or community members expect.

The overall net increase to Personal Services is due to eliminating the FY 2010 the 1.5% salary suspension program and restore merits, adjusting for pension and insurance increases. In addition to the hourly positions, four vacant positions are being proposed for elimination. Lastly, the Long Term Disability benefit was recently re-negotiated, resulting in a savings of \$156,000. Additional staffing change details and questions the Council may wish to consider are included in the above chart.

2. **Staffing Levels** – Although there are many staffing and reorganizational changes as per the above charts, the budget proposed by the Administration decreases the SLCPD's FTEs by 1.5 civilian positions. Four vacant positions were eliminated and 2.5 positions were transferred for the Emergency Management Services Division, which had been in the Administrative Services Department. The 19 hourly positions, which represent 8 FTEs, are not included in the staffing document. The Police Department currently has 427 sworn officer positions and 158.5 civilian employees in their General Fund budget. In addition, there are 12 non-seasonal and 4 seasonal grant funded positions within the Police Department. Twelve (12) of the non-seasonal positions are funded by the COPS Universal Hiring grant- School Resource Officer (1 FTE), Hiring Recovery Program (10) grants, and one (1) for the Rocky Mountain High Intensity Drug Trafficking Agency.
3. **Elimination of Positions – 4 FTEs** – The Administration proposes four reductions within the SLCPD. The FY 2011 proposed budget does not require the layoff of any current full-time employees. However, all part-time positions were eliminated. Details of the reductions are provided in the above Staffing Changes chart.
4. **Overtime Costs** – According to the Police Department, overtime is not intended to meet staffing in basic patrol on a regular basis. The annual General Fund overtime budget (including Court Time) for fiscal year 2010-11 is approximately \$1,502,500, a decrease of \$68,000, which is related to the transfer of City Narcotics to Metro Narcotics Task Force. This includes \$400,000 in special event overtime. The actual overtime expense for the first nine months of Fiscal Year 2010 is \$1,130,569. The projected annual overtime expenses for FY 2010 are expected to be within the base budgeted amount (\$1,570,500) for overtime. When overtime occurs for the department, attrition and vacancy savings fund the overtime costs. Police Department Leadership have implemented a monthly reporting

meeting which includes reviewing and proactively managing the operating budget and overtime usage.

5. **Hiring and Training** – During the past year, the SLCPD has had Council approval, but not funding to “over hire” ten police officers. According to the department, this has been a successful approach to managing department personnel needs, which occur due to retirement and officers on military leave. However, the actual hiring of recruits is based on current or imminent vacancies. According to the Administration, there are 17 vacancies in the Police Department. The funding for the over hire is provided from attrition and vacancy savings within the department. The current planned hiring for the Fall of 2010 is expected to be 17 to 20 officers. The last hiring period was July of 2009. It is likely that by the time the class is trained there will be more vacancies than can be filled by the class.
 - The SLCPD Academy provides training for the department’s recruits. The training consists of classroom work for 20 to 22 weeks and field work with a fully-trained partner for 14 weeks. Once accepted into the Academy, officers in training are issued all necessary equipment and uniform items at an estimated cost of \$4,600 per recruit. Vehicles are issued at the end of the training period. According to the department, the SLCPD has been successful in retaining its officers. In the event of a separation of employment with the SLCPD, all items, except for boots, are returned to the department.
6. **Sworn Officer Fitness Standard Implementation** In the past, the SLCPD used the \$50,000 of funding to determine the SLCPD fitness standards and purchase equipment for the Fitness Standard. This amount was reduced as part of the overall FY 2011 reduction plan.

► *If the Council wishes to see this program implemented, the Council would need to provide funding and adopt an ordinance. The Council has requested implementation by legislative intent for several years.*

Non Staffing Related Items

Revenues

No changes have been proposed to Police Department revenue budgets.

Expenditures

1. **Decrease - \$33,000 – Charges/Services/Fees** – The Police and Fire Departments share a city-wide radio system. The decrease of \$33,000 in the Police Department budget is a reallocation of the shared maintenance costs to the Fire Department.
2. **Decrease - \$330,000 – Fleet Fuel and Maintenance Efficiencies** - The fleet fuel budget for FY 2011 is proposed to be \$940,000, a decrease of \$230,000 from FY 2010. The department also expects to save \$100,000 in Fleet maintenance and repair costs. Although various fuel conservation efforts are being implemented as resources and technologies permit, according to the Administration most of the fleet fuel reduction is not a result of these conservation efforts. The following list includes, but is not limited to their joint initiatives:
 - Recent vehicles purchased employ Active Fuel Management technology.
 - The SLCPD is beginning to incorporate Hybrid vehicles where use and cost savings/benefits allow.

- Smaller and more fuel efficient vehicles are replacing larger vehicles.
 - A study of issues related to fuel use and engine idling is being conducted. According to the Chief of Police, an idling policy has been implemented.
 - Monitoring of fuel usage and mileage comparatives are used to formulate enhanced policies of conservation.
 - Off-duty use of department cars has been limited.
 - The SLCPD uses an Automatic Vehicle Locator system to identify and send the department car closest to the call.
3. **Decrease - \$24,000 – Eliminate Desk Phones for Department Personnel with City Cell Phone** – The Administration is proposing to reduce the budget for desk phones, provided the personnel has a City authorized cell phone. The Administration plans to monitor this initiative to see if it has a broader application and may reduce the current telephone costs of the City.
- ▶ *Given the nature of the rapid technological changes in communication methods does the Council wish to discuss or study this issue along with other communication technology issues – i.e. Aircards, Analog vs Digital Radio System, etc?*
4. **Decrease - \$122,000 – Operational Costs of Narcotics Unit to Drug Enforcement Administration (DEA)** – In order to have a more comprehensive drug enforcement effort, the Administration recommends that City’s Narcotics Unit, which consists of one Sergeant and eight officers, be assigned to the DEA. The DEA has agreed to fund the \$122,000 of operating costs for the Narcotics Unit.

ADDITIONAL ISSUES THE COUNCIL MAY WISH TO CONSIDER

▶ The Police Department identified a need for an evidence storage facility and Liberty Precinct at the time the Public Safety Building bond initiative was initially proposed. The Public Safety Building bond initiative that passed did not include these facilities. These items are included in the Capital Improvements Project (CIP) list, but are not recommended for funding. The Council will receive a briefing on CIP items during the FY 2011 budget season.

▶ Council Staff has requested information from the Police Department regarding delaying the planned hire and training of a recruit class and technology best practices for Public Safety needs. The information can be provided to the Council as it becomes available.

ADDITIONAL INFORMATION

The following table provides some of the SLCPD programs and community activities:

Initiative	Description	Additional Information
Social Media	The SLCPD continues to expand its use of social media, including Twitter, MySpace, Facebook, and YouTube.	According to information provided by the Police Department, they have surpassed 100 arrests of those posted as most wanted on the Department's website.
Volunteer Programs - Neighborhood Watch, Mobile Neighborhood Watch, and Operation Safe Passage www.slcmobilewatch.com	Programs that channel citizen volunteer efforts with the SLCPD.	<ul style="list-style-type: none">▪ <u>Neighborhood Watch</u> - In 2009, 144 active groups, each with 5 to 40+ members, or approximately 2,400 citizen volunteers. In 2009, members contributed 4,457 hours of service, including patrols, officer assists, DUI saturations and training; patrol checks, and issuing handicapped parking tickets.▪ <u>Operation Safe Passage</u> - Citizen volunteers watch neighborhood routes to provide "security" for children traveling to and from schools.
Utah Pharmaceutical Drug Crime Project (UPDCP)	The goal of this program is to reduce exploitation of prescription drugs by: 1) reducing availability for abuse, 2) increasing awareness of risk, including harmful effects and legal sanctions, and 3) decreasing tolerance of non-medical related use.	The SLCPD is working with many federal, state, county and city entities. Professionals, including those in the health, treatment, medical, prevention, and legal communities are also in collaboration with the SLCPD.
Crime Prevention/Detection for Business	Outreach program for police officers to meet with business owners to discuss crime issues as they relate to businesses.	Downtown Security Directors Association - created by SLCPD volunteer coordinator to discuss security problems in Downtown SLC. The group meets monthly.
Salt Lake Valley Violent Gang Crime Task Force	Salt Lake City, along with the FBI and other local jurisdictions, will work to enhance gang enforcement in the City and throughout the Valley will be the host agency. This program eliminates SLCPD's participation in the Metro Gang Task Force and focuses resources on violent offenders within jurisdiction.	

LEGISLATIVE INTENT STATEMENTS

This section contains last year's information. The Administration will be providing an update on the Legislative Intent Statements during the next couple of weeks. The update is likely to change some of this information.

Fiscal Year 2008-09

2009-4: Fuel Usage Reduction

It is the intent of the City Council that the Administration develop a plan for reducing fuel usage in city-owned vehicles and explore the use of alternative fuel vehicles, so that if fuel prices continue to rise, increases to the fuel budgets can be minimized or even reduced. This may include establishing an incentive program with the \$15,000 in one-time funds approved by the Council.

Administration Response

An audit by an outside, independent consultant is currently being conducted that will address this issue. In the meantime, the Public Services Department/Fleet will continue to encourage and consult with all City programs on known fuel-reduction strategies. Furthermore, the Police Department has purchased some hybrid vehicles for detectives and the Chief.

Ongoing Legislative Intent Statements

00-6. Fitness for Duty

It is the intent of the City Council that the Administration provide the Council with a progress report on implementation of the physical fitness requirement for City Fire and Police positions.

Administration Response

The Fire Department's Task Performance Test (TPT) is now a multi-year program that is accepted and established.

The Police Department obtained a validated test which was administered to recruit candidates in October 2008. Every candidate regardless of their physical condition passed the test. As a result, the validity and practicality of the test was called into question. We are currently working with the contracted vendor to redesign the test. Due to difficulty with the vendor, completion and implementation date is unknown at this time.

00-9. Take-home vehicles

It is the intent of the City Council that the Administration provide analysis of fleet costs related to take-home vehicles in conjunction with each year's annual budget presentation. This should include information about potential savings from reduced or more reasonable personal use limits so that the Council can include this information in consideration of the fees and program structure.

Administrative Response

Updated costs related to take-home vehicles will be provided in conjunction with the pending fleet audit. In the Police Department, take home vehicle charges and changes continue to be monitored and managed on a weekly basis.

00-15: Deployment of Speed Boards

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

Administration Response

Past practice was to have officers deploy the speed boards before their shifts and then have an on-duty officer bring them back in. This program has been suspended due to budget cutbacks for the remainder of FY09. The Police Department would be supportive of moving this function out of the Department and civilianizing the entire process.

Discontinued Legislative Intent Statements (Presented if Administration wishes to address.)
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2008-8: Police FTE's*

It is the intent of the City Council that the 10 FTE police officer positions that the Council added to the staffing document for early-hiring remain unfunded from year to year unless the Council later funds one or more of these positions.

Administration Response (Chief Burbank wished to respond to this item even though it is discontinued)

The Fiscal Year 2008-09 base budget included FTEs for the 10 positions, but no funding. The Department hired to full strength in July 2008 with a class of 20. The Department is currently down 23 positions. The Department planned to hire to full strength in January 2009 with a class of 13 recruits. However, the class was delayed due to budget constraints. It is the Department's intent to hire to full strength in July 2009.



RALPH BECKER
MAYOR

SALT LAKE CITY CORPORATION
OFFICE OF THE MAYOR

SCANNED TO: Kelly, David
SCANNED BY: Mayer, Gabriela
DATE: 5-4-2010

RECEIVED

MAY 04 2010

CITY COUNCIL TRANSMITTAL

Salt Lake City Mayor

David Everitt, Chief of Staff

Date Received: 05/04/2010

Date sent to Council: 05/06/2010

TO: Salt Lake City Council
JT Martin, Chair

DATE: May 4, 2010

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 third 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.

This report represents 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. Utah Code Section 10-1-203(5)(a)(i)(B) permits a municipality to levy a license fee or tax to raise revenue "on a public assembly or other related facility in an amount that is no less than or equal to \$5 per ticket purchased from the public assembly or other related facility". A "public assembly or other related facility" is defined in Section 10-1-203(5)(b)(iii) as one that is:



(1) wholly or partially funded by public moneys; (2) operated by a business; and (3) requires a person to buy a ticket to attend an event.

If the City were to adopt a tax under this section, the tax would have to apply to all facilities falling under the definition. The City could not single out one such facility to be taxed and not tax any of the other facilities covered by the definition.

Whether a particular facility is covered by the definition depends on the precise facts. Each of the three elements of the definition would have to be met. For example, the facility must be operated by a “business.” If the facility is operated by a not for profit entity, it is not covered by the definition. Facilities such as Spring Mobile Ballpark and the Energy Solutions Arena would potentially be covered depending on the facts.

Adoption of such a tax by the City could have an impact on contracts that the City might have with such an entity if covered by the tax. Further analysis of any such contracts would be necessary.

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. The Administration is examining all outstanding receivables to determine the best course of action for rapid collections. Collection procedures are being reviewed and process revisions are being implemented.

Identify and quantify outstanding receivables: The Administration continues to identify areas within the City that bill customers for City services and is maintaining a master list of these receivables. The identified outstanding amount owed as of 3/31/10 is approximately \$6.3 million. This includes \$1,017,500 in parking tickets, \$1,967,158 in Justice Court fines and \$3,249,266 in other amounts owed.

The Administration has implemented several process revisions that are slowly beginning to improve collections. To date, these changes have resulted in additional revenue of \$46,074. Revenue Auditing also just recently closed a long outstanding debt of \$600,000 with a telecommunication company and, as a result, the City will also have ongoing revenue of about \$200,000.

Implement IFAS Accounts Receivable Module: The Administration continues to migrate divisions to the IFAS AR system. Innkeepers Tax and Parking Tax customers are on the system. Property Management and Public Services are in the process of entering all necessary data to the AR system. The Fire Department will be the next department to be moved to the system.

Collection Agency for NSF Checks: The pilot program with ePayments was not as successful as hoped, collecting only 30% of non-sufficient funds (NSF) checks submitted. The pilot program will be discontinued. The outstanding returned (NSF)

checks will instead be sent to a collection agency using the same schedule as parking tickets. In addition, the Treasurer's Office is implementing a city-wide digitized check system where all checks written to the City are converted to ACH (turned into a debit transaction instead of a paper check). This process has been tested in the Treasurer's office for the last 10 months and has resulted in far fewer returns (only 4 ACH's were returned during the test period).

Office of State Debt Collection (OSDC): The Administration is working with the Utah Office of State Debt Collection to utilize their collections services. This process relies on Judges to review and release cases to be sent to collections (the OSDC will take only outstanding debt that has been adjudicated, meaning we have a warrant or judgment against the person for the debt, and they will not take civil cases). 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 a 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. Since February 7, 2010, the City has sent 426 criminal and traffic cases, totaling \$174,000 to OSDC. In the short time OSDC has been working these cases; they have collected \$13,628. Since OSDC can garnish income tax refunds, we should see a sharp increase in the amount collected next spring as well as a gradual increase as the number of cases sent increases. We can only send the cases once they are delinquent, and the clerk must be able to find these cases while doing case management, which is only done when time permits, and with our reduced staffing this is not done as often as it once was.

Business Licensing: Business Licensing had been aggressively working to collect on or clean up their outstanding receivables totaling \$926,575. A strongly worded collection letter was sent to all past due businesses and has received excellent response. Respondents either made a payment or communicated that the business had been terminated, allowing uncollectable amounts to be written off. Business owners that do not respond will be taken to small claims court. Once a small claims judgment has been received, a garnishment or other collections effort will be pursued.

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

The Sustainability Division briefed the Council's Environmental Subcommittee on the Plan and possible ideas for the Division. There were no written comments from the Council on the Plan, except the request that the word "Business" be dropped; the Division is not a business, and should not be perceived as one.

The Sustainability Division moved ahead creating the financial portion of the Plan, and it is being presented to the Council as this year's Refuse Fund budget. The budget request summarizes policy changes and recommends enhancements to the City's Refuse collection program.

4. Fleet Usage/Replacement. The final audit should be delivered to the City by the end of May. The Mayor will then be briefed and decide the timing of submittal to the City Council for their consideration.

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

Cost Recovery Offset - \$150,000

As originally proposed, the City has begun to subsidize 75%, up to \$2,500, of a special events’ cost recovery fees. Event organizers receive this subsidy automatically and are informed of it through the Special Event permit. They are encouraged to meet with City staff and work to reduce the impact on City services. 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.

Events started receiving this subsidy back in August and continue to receive them now, especially as we are just entering the “event season.” The amount subsidized at this point has been minimal as most events from last August until now either fell under the “grace period’ of cost recovery (if they submitted their event application before May 1, 2009) or have been smaller events (the largest portion of our larger events are late spring to early fall).

Signature Events Fund - \$75,000

As proposed earlier, a letter was sent to local event organizers inviting them to send in sponsorship proposals to the City requesting sponsorship amounts of between \$10,000 and \$25,000. They were informed that considerations for sponsorship would be 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.

A March 1st deadline was given for submissions and we received 22 sponsorship proposals (plus one more that came over a week late). A small group consisting of David Everitt, Bianca Shreeve, Bob Farrington and Tyler Curtis read and considered each proposal and created recommendations for Mayor Becker’s consideration. After Mayor Becker’s review of the proposals, and a brief review of the designated amounts by Council members, we asked the event organizers to resubmit proposals based on the new dollar amounts allocated to them. Instead of the proposed amounts, it was decided to offer a few \$15,000 sponsorships and then a number of smaller, \$1,500 to \$2,500 sponsorships. All events have sent their new proposals and the Administration is currently working with each event to coordinate the agreed upon sponsorship elements and get checks cut. The allocation of the \$75,000 is as follows:

\$15,000 sponsorships:

- Salt Lake International Jazz Festival
- Downtown Alliance’s Farmers Market
- Utah Pride Festival

Utah Arts Festival

\$2,500 sponsorships:

Unified Bouldering Championships
People's Market
Days of '47 Youth Festival
Native American Celebration

\$2,000 sponsorships:

Brazilian Festival

\$1,500 sponsorships:

Living Traditions (SLC Arts Council)
Earth Fest (Gallivan Center)

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 included the time period between June 29, 2009 and September 30, 2009. 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. Between October 1, 2009 and the end of the year, 16 more citations were issued and one warning. Citations and warnings continue to be issued as required. There are planned and ongoing stings involving both the ground transportation industry and hotel doormen. The age of taxicab vehicles has been the latest enforcement effort which requires such vehicles to be no older than 6 model years or 8 model years if an approved alternative fueled engine (note: there is a grandfather clause also). These actions have generated a significant response from the taxi industry resulting in a current ongoing review of City Council's intent for this age limitation. There is ongoing enforcement involving both the ground transportation industry and hotel doormen. On a recent weekend evening 12 citations were issued and forwarded to the City Attorney for screening. A grace period on the age limit of taxi's was granted until Council takes further action on the ordinance changes.

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. Finance has completed a time study and calculated a fully loaded hourly rate which has been applied to the processes of the background history check/ID Badge and vehicle inspections. The fully loaded hourly rate equals \$67.70.

Background History Check/ID Badge: When the hourly rate is applied to the background history check/ID Badge process the fee for that service could be

increased to \$121 from the current \$112 which includes the \$47.25 for the BCI background check and a separate \$3 for TSA fee.

Vehicle Inspections: When the hourly rate is applied to the vehicle inspection process the current fee of \$90 per inspection is justified. This fee includes time allocated for missed inspections, rejected vehicle re-inspections, meter recalibrations and special vehicle types.

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 has also been sent out to the industry/stakeholders for comment.

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. The City Council recently received a briefing by the Airport on their plans to address the ground transportation issue at the airport proper and in the City. A straw poll indicated that a majority of Council members would like the Airport to continue their efforts to prepare a specific proposal for ground transportation under the direction of the Airport, including a draft RFP (not the same RFP already drafted and in the Council members hands).

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.

We have been doing some work and identified several areas where electronic invoicing could be effective. We are working with the departments to determine the feasibility for creating electronic invoices for the Public Utilities Billing system, the Police Office Secondary Employment System, and the new Special Assessment Areas system.

The new version of the Public Utilities Billing System has the capability to send customer’s bills via email or fax. This is being tested now and will be implemented in the near future.

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, but at this point, the Administration is still working on the data necessary to develop the methodology.