



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY
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TO: City Council Members

FROM: Ben Luedtke, Sylvia Richards
Budget and Policy Analysts

DATE: October 1, 2024

RE: **Budget Amendment Number 1
of Fiscal Year (FY) 2025**

Project Timeline:

1st Briefing: August 27, 2024
2nd Briefing, Public Hearing & Partial Adoption Vote:
Sept. 3, 2024
3rd Briefing: Sept. 10, 2024
Partial Adoption Vote: Sept. 17, 2024
4th Briefing, Public Hearing & Potential Partial Adoption
Vote: October 1, 2024

NEW INFORMATION:

On September 17, the Council partially adopted most of the remaining items and set the date to hold a new public hearing on October 1. There are two new Council-added items (I-8 and I-9 which have write-ups below. Two earlier Council-added items (I-4 and I-5) have been withdrawn as alternative options are being explored.

I-8: Additional Funding for Governmental Immunity Claims (\$450,000 one-time from Governmental Immunity Fund)

This Council-added item would provide one-time additional funding for the Attorney's Office to address governmental immunity claims. The City is self-insured for liability claims. There is a dedicated property tax for governmental immunity as allowed by state law, approved by the Council in FY 2023. Occasionally additional funds may be required to cover the cost of potential claims against the City.

I-9: Economic Promotion Related to Sugar House Road Construction Mitigation (\$50,000 one-time from General Fund Balance)

This item would provide \$50,000 one-time to the Economic Development Department for marketing and economic promotion activities to support the Sugar House businesses adjacent to current construction projects. There are multiple road construction projects underway in the business district including on 2100 South and 1100 East / Highland Drive. There are also impacts from private development construction that impact the public right of way. A six-week road construction pause is planned to start on November 15 through the end of December. The upcoming holiday shopping season which represents a disproportionate amount of annual sales revenue for many businesses. The road construction pause is meant to help customers more easily reach businesses in the area during the holiday shopping season. The \$50,000 would supplement the Economic Development Department's other efforts to support the Business District such as the construction mitigation program that provides \$3,000 grants to small local businesses. The FY2025 annual budget included \$200,000 for the construction mitigation grant program.

Policy Questions:

- **Explore Longer-term Assistance Options for Small Local Businesses during Road Construction** – The Council may wish to ask the Administration to explore longer-term assistance for small local businesses impacted by road reconstructions. This would likely require new funding and either changes to existing program policies or creation of new programs.
- **Construction Mitigation Grant Program Evaluation** – The Council may wish to ask the Administration to provide a written report with performance metrics and options for potential program changes. The Council created the Construction Mitigation Grant Program in FY2022 with \$200,000 one-time in the annual budget. The \$200,000 funding level was continued in FY2023 and made ongoing. The funding level increased to \$500,000 in FY2024 and decreased to \$400,000 in FY2025.

At the September 3 briefing, the Council continued reviewing the Administration's proposed items as well as seven Council-added items. Information on options and costs is pending for placeholder items I-4 additional constituent surveys and I-5 police noise enforcement. If more time is needed to explore options, then the Council could consider leaving Budget Amendment #1 open beyond September 17 to address those items later. Note that items I-6 and I-7 were requested by the Administration after the prior staff report had been published. Both items were discussed at the last briefing and written descriptions are provided below. At the formal meeting that evening, the Council closed the public hearing and adopted seven urgent items. Note that item D-15 was partially adopted. The budget amendment remains open. The Council is scheduled to continue reviewing the remaining items at a follow up briefing on September 10. A potential adoption vote is scheduled for September 17 at a Westside meeting hosted at the Sorenson Unity Center.

D-2: Interest on General Obligation (GO) Streets Reconstruction Bonds Series 2020, 2021, and 2022, and Sales Tax Revenue Bonds Series 2022 B Tax Exempt and Series 2022 C Federal Taxable, and GO Parks, Trails, & Open Space Bonds Series 2023 (\$10,483,609 one-time interest earnings available to projects eligible under the bond's original authorization)

This item is being updated to clarify that the \$8,522,895 of earned interest is going into holding accounts for the five tax exempt bonds. As discussed during the briefing, the Finance Department is working to clarify IRS regulations related to arbitrage issues. The issue relates to the difference between the interest rate the City pays on the tax exempt bonds and the interest earnings from the bond proceeds sitting in interest bearing accounts. There might be federal income tax implications which require additional time to sort out. The interest earnings on the sixth bond are not subject to arbitrage issues because those \$1.96 million are from a federally taxable bond, and item D-15 appropriates those as additional funding to Pioneer Park capital improvements.

D-15: Accelerate 14 Parks Capital Projects (Rescope \$5.35 Million of Parks Bond Funds from Glendale Park to Nine Parks Projects, New \$15.35 Million of Parks Impact Fees to Four Parks Projects, and Rescope \$3 Million of Sales Tax Revenue Bond Funds from Smith's Ballpark Plus \$1.96 Million in Bond Interest Earnings to Pioneer Park)

The Council requested written information about all projects funded by the 2022 Sales Tax Revenue Bonds (Series C taxable and Series B non-taxable) including project status updates, next steps, budget to actuals, and any challenges to meet the spending deadlines. The Administration is developing responsive updates which will be provided to the Council as soon as they're available.

I-1: Replacing Trees and Landscaping on North Temple (\$505,000 one-time from Funding Our Future Fund Balance Parks Maintenance Category)

The Council asked whether any additional resources are expected to be needed to fully fund the public commitment of replacing two trees for every tree that died from the accidental herbicide spraying on North Temple. Some Council Members asked whether the \$505,000 would only fund 100 trees since 100 planters would be purchased. At the time of publishing this staff report a response from the Public Lands Department was pending.

I-6: Consultant Services to Assist with City Prosecutor's Office Transition (\$95,000 one-time from General Fund Balance)

Note: This request relates to item A-1

This request from the Attorney's Office arrived after the September 3 second briefing budget staff report was published. The Administration is requesting an additional \$95,000 for consultant services to facilitate the City Prosecutor's Office transition. If approved, the consultant's work will include the following scope and deliverables:

- An impact assessment of the transitioning attorneys and associated mitigation activities.
- A change strategy and implementation plan for the identified mitigation activities.
- A communications plan for all associated stakeholders, leaders included.
- Execution of the change strategy and communications plan by developing communications, managing leader approvals, and sending the communications.
- Project management of the logistical move for the attorneys, including weekly status reports.
- Change management advisory to new or incoming leaders on how to lead through change

I-7: Neutral Third-Party Administration for Labor Organization Election (\$25,000 one-time from General Fund Balance)

On September 3, the Council received a briefing from the City Attorney's Office about updating the City's 2011 joint resolution for collective bargaining and employee representation processes. The update includes creating a process to determine whether a group of eligible employees should be represented by a different labor union acting as their exclusive representative. This item would provide one-time funding for an independent neutral third-party to administer that election process. Election tasks could include verifying the petition for a labor organization challenge and tabulating and reporting the vote results among other tasks. The Council considered potential concerns with the City paying all the costs for such an election and the possibility of cost sharing. Staff is working with the Attorney's Office on language to advance the Council's request for a policy to guide how to handle funding a union election in the future.

Items Adopted on September 3 after the Public Hearing was Closed:

- A-1: Attorney's Office Three New FTEs, Leasing Office Space, and Organizational Structure Change (\$522,461 from General Fund Balance for ongoing FTE costs, \$102,000 from General Fund Balance to the IMS Fund for one-time costs, and Rescope and Transfer to the CIP Fund \$472,298 of the Existing Interlocal Agreement Budget to Lease Office Space, Utilities, Tenant Improvements, Furniture, Fixtures, and Equipment)
- D-4: Annual Budget Cleanup; Economic Development Loan Fund (EDLF) Operating Budget (\$6,994,737 one-time for New Loans in FY2025 from the Housing & Loan Fund Balance)
- D-8: Annual Budget Cleanup; Impact Fees Tracking & Compliance Financial Analyst IV FTE in the Capital Asset Planning Office of the Finance Department (\$143,258 from General Fund Balance, \$140,258 ongoing Reimbursement to the General Fund from Impact Fees, and \$3,000 one-time to the IMS Fund)
- D-14: Claims Damage Reimbursement for Tennis Bubble (\$23,634 one-time from the Risk Fund)
- D-15: Accelerate 4 Parks Capital Projects (New Parks Impact Fees: \$2 Million to Liberty Park All Abilities Play Park & Playground, \$1 Million of Folsom Trail Landscaping, Irrigation & Completing the Trail, and \$1 Million for Warm Springs & North Gateway Park; and Rescope \$3 Million of Sales Tax Revenue Bond Funds from Smith's Ballpark Plus \$1.96 Million in Bond Interest Earnings to Pioneer Park)
Note: the Council will consider the remaining projects proposed in this item at future meetings.
- I-3: Rescope Coronavirus Pandemic Recovery Federal Funds (CDBG-CV) Grant Awards that Applicant Declined to Use (Rescope \$60,000 one-time from Switchpoint's Awards to Restore \$30,000 to Utah Legal Services, \$12,827 to First Step House Peer Support Services, and \$17,173 to Odyssey House UTA Passes)
- I-6: Consultant Services to Assist with City Prosecutor's Office Transition (\$95,000 one-time from General Fund Balance)

Information below this line was provided at earlier briefings

At the August 27 briefing, the Council approved straw polls for four urgent items listed below. The Council may consider approving these items after the public hearing on September 3. The Council will review the remaining items at briefings in September.

August 27 Four Straw Polls Unanimously Supported by the Council

- A-1: Attorney's Office Three New FTEs, Leasing Office Space, and Organizational Structure Change (\$522,461 from General Fund Balance for ongoing FTE costs, \$102,000 from General Fund Balance to the IMS Fund for one-time costs, and Rescope and Transfer to the CIP Fund \$472,298 of the Existing Interlocal Agreement Budget to Lease Office Space, Utilities, Tenant Improvements, Furniture, Fixtures, and Equipment)
- D-4: Annual Budget Cleanup; Economic Development Loan Fund (EDLF) Operating Budget (\$6,994,737 one-time for New Loans in FY2025 from the Housing & Loan Fund Balance)
- D-8: Annual Budget Cleanup; Impact Fees Tracking & Compliance Financial Analyst IV FTE in the Capital Asset Planning Office of the Finance Department (\$143,258 from General Fund Balance, \$140,258 ongoing Reimbursement to the General Fund from Impact Fees, and \$3,000 one-time to the IMS Fund)
- D-14: Claims Damage Reimbursement for Tennis Bubble (\$23,634 one-time from the Risk Fund)

New Straw Poll Request for \$8.96 Million Going to Four Projects in Item D-15

The Public Lands Department has requested a straw poll to allow expediting contracts for four parks capital projects as listed below. This funding would accelerate the projects and is slightly more than half of the total \$17.3 million proposed in item D-15. The Council may wish to discuss the overall proposal before straw polling the four projects. The funding shifts are across three different funding sources with different eligibilities. The Council could consider shifting funds between the projects. See the full write-up and summary table of proposed funding shifts for item D-15

starting on page 15 below.

The three projects below would use \$4 million from parks impact fees:

- Liberty Park Rotary Play Park and Playground: \$2,000,000 for 2025 construction (new, accessible features requested by hundreds of children and parents involved in the project in 2023 and 2024)
- Folsom Trail Landscaping and Irrigation: \$1,000,000 for 2025 construction (more robust landscaping, irrigation, and amenities improvements in the Folsom Corridor between 1000 West and 500 West, beyond the original construction estimate that focused only on improvements near intersections)
- Warm Springs and North Gateway Park: \$1,000,000 for 2026 or 2027 construction (greater ability for the City to deliver the vision that is being developed by the stakeholders involved in this project, including Native American, Pacific Islander, and local communities)

Pioneer Park would receive \$4.96 Million of new funding from the 2022 Sales Tax Revenue Bond:

- Smith's Ballpark and Pioneer Park: Recapture and reallocate \$3,000,000 (of \$3,000,000 total) from the now tentative Smith's Ballpark project and allocate an additional \$1,960,713.54 (of \$1,960,713.54 total) from the Revenue Bond's interest income to the Pioneer Park sales tax revenue bond-funded project.

UPDATED Section I: Council-Added Items

Items I-1 through I-4 are updated to reflect new information and I-5 is a new placeholder raised at the August 27 briefing and pending more information.

I-1: Replacing Trees and Landscaping on North Temple (\$505,000 one-time from Funding Our Future Fund Balance Parks Maintenance Category)

Council Members asked what funding would be needed to replace the dying trees and landscaping along North Temple where herbicide was accidentally sprayed last October. Using FY2025 CIP funding and / or \$933,152 of parks capital maintenance funding in CIP could be used. During the August 13 CIP briefing, the Council decided that addressing this project better belonged in Budget Amendment #1 pulling from Funding Our Future Fund Balance because it's an emergent situation using one-time funding. The Public Lands Department stated 219 dead or dying trees are estimated to be removed in the next couple months. The irrigation system along North Temple is in good condition but would be modified to reach the new tree planters. The manufacturer recommends waiting until October 2026 (three years) before planting trees back into the grounds where the herbicide was applied. A new "double-safe procedure" has been implemented requiring a supervisor and a warehouse employee to both approve checking out herbicide to prevent a similar situation from happening. The Department provided the below table of potential costs, interim plan, and Attachment 1 as a community flyer about the situation.

Item	Subtotal
Tree removal, stump grinding, new trees planted in planters	\$85,000
Tree planters (Qty 100, Unit Cost ~\$2,000)	\$200,000
Landscaping, soil removal (top 4"), mulch, modify irrigation for planters	\$220,000
Total	\$505,000

"In the interim, the Division is working with a contractor to schedule the removal of dead trees. The top four inches of soil will be removed, and mulch will fill in the ROWs. The department will install large planters to hold soil and trees to prevent contaminated soil from reaching the trees. These new trees in planters can be transplanted back into the park strips once soil tests confirm that it is safe to do so. Public Lands leaders will meet with community groups prior to tree removal to begin repairing trust and provide detailed information. Details will be provided about the herbicide application occurrence, our current situation, and the City's proposed path forward. A more detailed action plan and timeline is being developed as the department works with contractors and identifies materials delivery dates."

Policy Question:

- **Additional Resources Needed** – The community flyer distributed by Public Lands states that "the department is committed to replanting two trees for every tree lost due to unintentional herbicide use." This would be approximately 438 trees. The Council may wish to ask the Administration are additional funding requests anticipated beyond the \$505,000 estimate to keep this public commitment? Or would existing budgets be sufficient to purchase additional trees?

I-2: Follow-up on Council's Project-specific CIP Allocations (Recapture one-time \$875,000 from a Cancelled Project and one-time \$1,012,153 from Projects Completed Under Budget)

This item is a follow up budgeting step to implement the Council's adopted CIP budget from August 27. The Council recaptured \$875,000 from the cancelled Sorenson Center connecting corridor project (originally funded in 2019). \$807,000 of those funds were awarded to California Avenue pedestrian and safety improvements construction at Concord Street and Glendale Drive (project #41 on the CIP funding log). This project will benefit the same community and many of the same students and families that use the Sorenson Centers a few blocks away. The intersections of California Avenue and Concord Street and Glendale Drive are frequently used by students and families going to and from the adjacent Glendale Middle School, Mountain View Elementary School, and Glendale Branch Library. The remaining \$68,0000 went to other projects. The Council also recaptured \$1,012,153 from capital projects that were completed under budget. These funds went to several new projects.

I-3: CDBG-CV (Coronavirus Pandemic Response Federal Funds) Grant Awards that Applicant Declined to Use (Rescope \$60,000 one-time from Switchpoint's Award)

At the August 27 meeting, the Council discussed an announcement for how to handle \$60,000 of CDBG-CV one-time federal grant awards that the applicant Switchpoint declined to use. The Council's direction was to (1) make sure the organizations receiving the funds can actually spend them, and (2) choose the most expedited option to get the funds out into the community.

This year, the City's total CDBG award was less than anticipated. As a result, the funding for Utah Legal Services was reduced to zero. Some Council Members have suggested restoring the \$30,000 award to Utah Legal Services. Staff checked in with the Housing Stability Division about this option and the next two highest scoring applicants (First Step House's Peer Support Services and Odyssey House's UTA Passes) based on the resident advisory board's recommendations. The Division confirmed that Utah Legal Services' and First Step Houses' programs have a strong multi-year track record of fully spending their HUD Grant awards and in a timely manner. Odyssey House's UTA Passes program was a new application to the City's CDBG program this year so it does not have a history to check performance. The Housing Stability Division is providing technical assistance to Odyssey House for the UTA Passes program which is common for new applicants.

The Council may wish to consider two factors related to the program: (1) this is one of only two applications advancing the City's HUD grants transportation goal which has seen fewer applicants over the years than other goals, and (2) the deadline to spend all CDBG-CV funding is December 3, 2026 (the one-time pandemic response funds have different deadlines and regulations than the regular annual CDBG funds).

Potential Rescopes to Three Eligible Applicants:

- Restore Utah Legal Services' tentative award of \$30,000 that was reduced to \$0 because the City received less CDBG funds than estimated, and
- Award the remaining \$30,000 based on the resident advisory board's scoring as follows:
 - o \$12,827 to fully fund First Step House Peer Support Services (total would be \$80k)
 - o \$17,173 to Odyssey House UTA Passes (total would be \$64,173; request was \$90k)

I-4: PLACEHOLDER Y2 Analytics Contract – Funding for Additional Surveys (\$TBD one-time from General Fund Balance)

This is a placeholder pending information about potential options for additional surveys of City residents and possibly other stakeholders. Topics could be tailored to district specific issues.

I-5: PLACEHOLDER Police Noise Enforcement (\$TBD one-time from General Fund Balance)

This is a placeholder pending additional information about potential options for noise enforcement by the Police Department. At the time of publishing this staff report, the Administration was gathering information and developing options. During annual budget deliberations, Council Members discussed community requests and needs for greater noise enforcement and placed \$50,000 in a non-departmental holding account to revisit how to address the issue. Ideas raised included overtime for the civilian Police Community Response Team, additional equipment, and/or more civilian FTEs. Council Members have heard constituent's concerns about potential noise violations related to loud parties, mass gathering events, and vehicle traffic such as modified mufflers that intentionally increase noise levels. The Council could ask the Administration to consider this one-time funding as a pilot and include ongoing funding for increased noise enforcement in the Mayor's Recommended Budget for FY2026.

The Council adopted the below legislative intent on this issue as part of the FY2025 annual budget adoption:

Noise Enforcement (Vehicular and Non-vehicular). It is the intent of the Council to request a briefing from the Administration about noise enforcement in the City and existing State law. This would include but not be limited to:

- a. noise enforcement for violations from both vehicle and non-vehicular sources;
- b. identification of additional resources needed to improve enforcement;
- c. policy regarding noise ordinance waivers;
- d. semi-annual reports regarding noise enforcement;
- e. consideration of increased fines as a deterrent;
- f. proactive work with any mass gathering or event spaces (including institutions that sponsor high-decibel events).

Information below this line was provided previously for the first briefing.

Budget Amendment Number One includes 22 proposed amendments, (\$421,029,704 in revenues and \$443,720,223 in expenditures) of which \$1,969,783 is from General Fund Balance, requesting changes to thirteen funds with four proposed general fund positions and four grant-funded positions. Most expenses in this budget amendment are housekeeping items found in section D. There are four proposed Council-added items; however, only one of these items would draw from the General Fund Balance. If all the items are approved as proposed, then the FY2026 annual budget would need \$1.5 million to cover new ongoing costs. This increases to \$4.5 million if the Homeless Shelter Cities Mitigation State Grant funding is not awarded for FY2026.

Fund Balance

If all the items are adopted as proposed, including the \$505,000 from Council-Added Item I-1 for tree replacements on North Temple, then the General Fund Balance would be projected at 14.72% which is \$8,262,954 above the 13% minimum target.

Four Straw Poll Requests

The Administration is requesting straw polls for four items. First is Item A-1 Attorney's Office Organizational Structure Change, requesting three new FTEs. The straw poll would allow early advertising of the job postings.

The Council may also wish to consider taking a straw poll for Item D-4, a request to add the \$6.9 million operating budget for the EDLF fund, which was inadvertently left out of the Mayor's Recommended FY2025 annual budget. Economic Development has submitted a request for \$75,000 from the EDLF to Policy Kings Brewery. The Council could consider a straw poll for the loan processing to begin before the Budget Amendment #1 adoption vote.

D-8 is another follow up from the annual budget which included a new financial analyst IV on the staffing document but the funding for the position was inadvertently left out of the Mayor's Recommended Budget. This position is needed to comply with new state requirements for impact fees tracking and reporting.

D-14 includes claims related to the damage at the Dee Glen Tennis Bubble. Repairs have been paid for by the third-party contractor. The City needs to reimburse the contractor. The Finance Department indicates this item is time-sensitive and now requests a straw poll to expedite payment.



BACKGROUND/DISCUSSION:

Because this budget amendment is being transmitted within the first month of the Fiscal Year, no adjustments to the revenue budget are anticipated at this time.

Revenue	FY24-FY25 Annual Budget	FY24-25 Amended Budget	New Projection through July 2024	Amended Variance Favorable/(Unfavorable)
Property Taxes	138,046,542	138,046,542	138,046,542	-
Sales, Use & Excise Taxes	120,916,200	120,916,200	120,916,200	-
Franchise Taxes	14,450,000	14,450,000	14,450,000	-
Total Taxes	273,412,742	273,412,742	273,412,742	-
Charges For Services	5,845,724	5,845,724	5,845,724	-
Fines & Forfeitures	2,935,035	2,935,035	2,935,035	-
Interest Income	8,000,000	8,000,000	8,000,000	-
Interfund Service Charges	32,128,467	32,128,467	32,128,467	-
Intergovernmental Revenue	5,954,017	5,954,017	5,954,017	-
Licenses	20,179,072	20,179,072	20,179,072	-
Miscellaneous Revenue	3,298,277	3,298,277	3,298,277	-
Parking Meter Revenue	2,701,331	2,701,331	2,701,331	-
Parking Tickets	1,500,000	1,500,000	1,500,000	-
Permits	18,810,172	18,810,172	18,810,172	-
Property Sale Proceeds	10,300	10,300	10,300	-
Rental & Other Income	1,040,389	1,040,389	1,040,389	-
Operating Transfers In	5,495,833	5,495,833	5,495,833	-
Total W/O Special Tax	107,898,617	107,898,617	107,898,617	-
Sales Tax Addition 1/2%	56,484,479	56,484,479	56,484,479	-
Total General Fund	437,795,838	437,795,838	437,795,838	-

Fund Balance Chart

The Administration's chart below shows the current General Fund Balance figures. Fund balance has been updated to include proposed changes for BA#1.

Salt Lake City General Fund TOTAL Fund Balance Projections

	FY2024 Budget			FY2025 Budget		
	FOF	GF Only	TOTAL	FOF	GF Only	TOTAL
Beginning Fund Balance	24,309,089	178,266,652	202,575,741	18,112,496	95,271,568	113,384,064
Budgeted Change in Fund Balance	(3,657,641)	(29,211,158)	(32,868,799)	(4,162,906)	(36,664,442)	(40,827,348)
Prior Year Encumbrances	(2,538,952)	(18,618,979)	(21,157,931)			
Estimated Beginning Fund Balance	18,112,496	130,436,515	148,549,011	\$ 13,949,590	\$ 58,607,126	\$ 72,556,716
Beginning Fund Balance Percent	34.61%	33.26%	33.42%	22.72%	13.99%	15.10%
Year End ACFR Adjustments						
Revenue Changes	-	-	-			
Expense Changes (Prepays, Receivable, Etc.)		(2,484,423)	(2,484,423)			
Fund Balance w/ ACFR Changes	18,112,496	127,952,092	146,064,588	13,949,590	58,607,126	72,556,716
Final Fund Balance Percent	34.61%	32.63%	32.86%			
Budget Amendment Use of Fund Balance						
BA#1 Revenue Adjustment	-	-	-			469,408
BA#1 Expense Adjustment	-	(204,200)	(204,200)			(1,793,933)
BA#2 Revenue Adjustment	-	-	-			
BA#2 Expense Adjustment	-	763,950	763,950			
BA#3 Revenue Adjustment	-	-	-			
BA#3 Expense Adjustment	-	(3,046,220)	(3,046,220)			
BA#4 Revenue Adjustment	-	-	-			
BA#4 Expense Adjustment	-	(2,890,480)	(2,890,480)			
BA#5 Revenue Adjustment	-	5,513,148	5,513,148			
BA#5 Expense Adjustment	-	(32,816,722)	(32,816,722)			
BA#6 Revenue Adjustment	-	-	-			
BA#6 Expense Adjustment	-	-	-			
Change in Revenue	-	-	-			
Change in Expense	-	-	-			
Fund Balance Budgeted Increase	-	-	-			
Adjusted Fund Balance	18,112,496	95,271,568	113,384,064	13,949,590	58,607,126	71,232,191
Adjusted Fund Balance Percent	34.61%	24.29%	25.51%	22.72%	13.99%	14.83%
Projected Revenue	52,338,120	392,166,803	444,504,923	61,397,384	419,006,975	480,404,359

Based on those projections adjusted fund balance is projected to be at 14.83%

The proposal includes nineteen initiatives for Council review.

A summary spreadsheet outlining proposed budget changes is attached. The Administration requests this document be modified based on the decisions of the Council.

The budget opening is separated in eight different categories:

- A. New Budget Items
- B. Grants for Existing Staff Resources
- C. Grants for New Staff Resources
- D. Housekeeping Items
- E. Grants Requiring No New Staff Resources
- F. Donations
- G. Council Consent Agenda Grant Awards
- I. Council Added Items

PUBLIC PROCESS: Public Hearing

Impact Fee Unallocated “Available to Spend” Balances and Refund Tracking

The Council approved several million dollars of impact fee projects in the past few years. The table below is current as of May 1, 2024 and includes a couple adjustments based on Budget Amendment #5 of FY2024 which was adopted after the Mayor’s Recommended Budget was proposed to the Council on May 7. Available to spend impact fee balances are bank account balances subtracting encumbrances and expired funds. The Mayor’s recommended CIP budget proposes using \$3,824,800 of parks impact fees. Impact fees must be encumbered or spent within six years of the City receiving them. Expired impact fees must be returned to the entity who paid them with interest over the intervening six years.

Type	Unallocated Cash “Available to Spend”	Next Refund Trigger Date	\$ Expiring in FY2027
Fire	\$578,695	More than two years away	-
Parks	\$20,931,089	August 2026	\$6,893,768
Police	\$1,553,249	More than two years away	-
Transportation	\$1,154,192	August 2026	\$2,691,888

Note: Encumbrances are an administrative function when impact fees are held under a contract

Section A: New Items

Note: to expedite the processing of this staff report, staff has included the Administration’s descriptions from the transmittal for some of these items.

A-1: Attorney’s Office Three New FTEs, Leasing Office Space, and Organizational Structure Change (\$522,461 from General Fund Balance for ongoing FTE costs, \$102,000 from General Fund Balance to the IMS Fund for one-time costs, and Rescope and Transfer to the CIP Fund \$280,000 of the Existing Interlocal Agreement Budget to Lease Office Space)

On June 28, 2024, the District Attorney’s Office notified the City Attorney’s Office of their intent to terminate the management services interlocal agreement between the City and County. The agreement allows either party to initiate the termination process. No specific termination criteria are required; the agreement may be ended with or without cause. A six-month transition period is required before the agreement terminates which will end on December 31, 2024. Under the agreement, the County District Attorney also serves as the City Prosecutor and manages 31 City FTEs in the City Prosecutor’s Office who are also located in the DA’s office building at 35 East 500 South. This budget amendment item has three proposed parts to terminate the agreement and shift operations back into the City Attorney’s Office.

\$522,461 for Three New FTEs and Leadership Structure Change:

Listed below are the three new positions, costs for the positions through the remainder of FY2025, and the fully loaded annual costs that would need to be included in the FY2026 General Fund annual budget. The total cost in FY2025 for the three new FTEs is estimated to be \$522,461.

- Senior City Attorney pay grade 39 proposed for 8 months at a cost of \$157,636. The fully loaded annual cost is estimated to be \$236,454.
- City Prosecutor pay grade 39 proposed for 9 months at a cost of \$178,278. The fully loaded annual cost is estimated to be \$237,704. A job description for this new position is included in the Administration’s

transmittal.

- Deputy Director of Administration pay grade 40 proposed for 9 months at a cost of \$186,547. The fully loaded annual cost is estimated to be \$248,730. A job description for this new position is included in the Administration's transmittal.

It's worth noting that when the interlocal agreement between the City and the DA was originally implemented in 2015, four senior level positions in the Attorney's Office were eliminated.

\$280,000 Rescope for Leasing Office Space and Utilities:

According to Schedule A of the interlocal agreement, the total cost to the City for FY2025 is \$944,596 (\$443,708 lease fee + \$237,002 management fee + \$263,886 operating fee). The fees are paid on a quarterly basis. Terminating the agreement halfway through FY2025 would leave a remaining balance of \$472,298. The Administration is proposing to rescope \$280,000 of this to lease office space for the 31 FTEs currently leasing office space in the District Attorney's Building and the new City Prosecutor. This would leave a remaining balance of \$192,298. The Administration may return to the Council in a budget amendment to rescope those remaining funds for other related costs such as tenant improvements, equipment, furnishings, and if the office rent is greater than anticipated.

\$102,000 for Hardware, Software, and IMS Costs:

The Administration is proposing a one-time transfer of \$102,000 from General Fund Balance to the IMS Fund for hardware, software, licensing, electronic devices, and other IMS costs for transitioning the 31 existing FTEs in the Prosecutor's Office and the three new FTEs referenced above. The existing case management system segregates City Prosecutor and DA cases. This allows a data dump of the City's cases to transfer onto another system.

Policy Questions:

- Long-term Office Space for the City Prosecutor's Office – The Council may wish to discuss with the Administration options for identifying long-term office space for the City Prosecutor's Office including room to grow, limiting new leasing contracts to shorter terms to allow time to evaluate more options, and how this could fit into the City's overall space needs. In FY2024 CIP, the Council approved \$200,000 for a development strategy and spacing needs study. The Council could also ask the Administration to share the final report from the study and/or provide a briefing.
- Primary Responsibility for Class A Misdemeanors – The Council may wish to ask the Administration how the decision will be made whether the City Prosecutor's Office would take back primary responsibility for Class A misdemeanors? Under the soon to be terminated interlocal agreement, the District Attorney has primary responsibility for felonies, Class A, B, and C misdemeanors as well as infractions. After the agreement is terminated, the new City Prosecutor would have primary responsibility for Class B and C misdemeanors and infractions but Class A misdemeanors are less certain.
- A Successful Transition and Performance Measures – The Council may wish to ask the Administration what will a successful transition look like for the City Prosecutor's Office functions to be brought back into the City Attorney's Office? The Council may also wish to ask the Administration to provide performance measures to monitor how the transition goes such as average and median number of days to dispose cases by type, average number of cases per prosecutor, number of cases referred to diversion courts (drug court, mental health court, etc.), number of cases filed by type, number of convictions by type, number of victim notifications, etc.

STRAW POLL REQUEST: The Administration has requested a straw poll for this item to allow early hire advertising of the three new positions before the budget amendment is formally adopted. The Council could also indicate whether the rescope of funding to lease office space is generally supported or more time is needed to consider and share information.

A-2: Reappropriation for Expanded Air Quality Incentives Pilot Program to Provide Indoor Devices (\$30,000 one-time from the Environment & Energy Fund Balance)

This is a re-appropriation of \$30,000 that the Council approved in Budget Amendment #4 of FY2024 because the funding wasn't encumbered under a contract, so it lapsed to the Environment & Energy Division Fund Balance at the end of FY2024. This one-time expansion of the Air Quality Program would be a pilot program. The Division has coordinated with the Housing Stability Division to potentially partner with the City's existing home repair and rehabilitation programs. Partnering with a community-based organization is also possible. An estimated 60 households are anticipated to participate. The pilot program would provide indoor air purifiers, HVAC filters, air quality monitors, and single burner induction cooktops.

D-1: Airport Interim Financing (\$400 Million one-time in the Airport Fund)

Salt Lake City Department of Airports (SLCDA) plans to issue interim financing up to \$400 million for a Line of Credit directly with a bank. We are currently in the procurement process and are negotiating the terms of the agreement

which we deem to be favorable, especially considering the low-interest rate environment. These funds will ultimately be refunded with long-term debt, but we will maintain the facility for upwards of three years to help with financial flexibility on the Airport Redevelopment Project. These funds can be used for operating and maintenance expenses or to fund construction costs as determined by the Airport Finance division. *Staff note: The Council held a public hearing on this item at the August 13 formal meeting. This is the follow up budgeting step to authorize accepting and spending the anticipated funds up to the \$400 million maximum.*

D-2: Interest on General Obligation (GO) Streets Reconstruction Bonds Series 2020, 2021, and 2022, and Sales Tax Revenue Bonds Series 2022 B Tax Exempt and Series 2022 C Federal Taxable, and GO Parks, Trails, & Open Space Bonds Series 2023 (\$10,483,609 one-time interest earnings available to projects eligible under the bond's original authorization)

This item would recognize nearly \$10.5 million of accumulated interest earnings from six bonds the City issued between 2020 and 2023. Interest earned are considered bond proceeds and are spent on capital projects eligible under the bond's original authorization. The interest earned may not be used to pay debt service on the bonds. The four general obligation bonds were authorized by voters. The two sales tax revenue bonds were authorized by the Council.

The \$4 million of interest from the three streets reconstruction GO bonds would be used to fund additional rebuilds of city streets as determined by the Engineering Division's Six Year Pavement Plan and deliberations of the Roadway Selection Committee. The City uses a data-driven approach to first reconstruct streets with pavement in the worst condition in collaboration with other public right of way projects such as public and private utilities.

At the time of publishing this staff report, the Administration was evaluating whether to recommend the \$1 million of interest from the 2023 Parks, Trails, & Open Space GO Bond should be contingency funding available to any of the 14 capital projects originally funded by the bond or to a specific project(s). This bond originally included \$16 million as contingency funding available to any project.

At the time of publishing this staff report, the Administration was evaluating whether the nearly \$3.5 million of interest from the sales tax revenue bond Series 2022 B should be contingency funding available to any of the five capital projects originally funded by the bond or to a specific project(s). Those original projects and bond funded amounts are: \$6,100,000 for the Westside Railroad Quiet Zone project, \$8,000,000 for the Warm Springs Plunge Structure Stabilization & Improvements project, \$11,200,000 for City Cemetery Road Repairs / Reconstruction project, \$9,753,000 for the 600 North Corridor Transformation project, and \$7,500,000 for the Radio Towers project. This bond originally had no contingency funding available to any project. As a tax-exempt bond, all of these funds should be spent within three years of the issuance date which would be by October 2025.

Policy Question:

- **Flexible Contingency Funding or Use for Specific Projects** – The Council may wish to discuss with the Administration whether to approve the interest earnings from the Parks Bond and the Sales Tax Revenue Bond for flexible contingency funding available to any projects originally funded by those bonds or identify specific projects that would receive additional funding.
- **October 2025 Spending Deadline for Sales Tax Revenue Non-taxable Bond Proceeds** – The Council may wish to ask the Administration for status updates on the five projects funded by this bond and next steps to meet the three-year spending deadline. As of May this year, only 5% of the \$42.5 million from the bonds had been spent. However, construction is anticipated to proceed soon on three of the five projects which will significantly increase spending of the bond funds.

The following five paragraphs are from the City Treasurer's Office and detail the interest earnings by bond issuance. A best practice is to spend interest earned from unspent bonds before issuing new bonds for the same purpose.

General Obligation Bond Series 2020 was issued in September 2020 to fund reconstruction of City streets. Par value of the issued bonds was \$17,745,000. At the time the bonds were issued the proceeds were deposited with the Trustee. Since then, unspent bond proceeds have earned interest. This amendment will adjust the budget to reflect actual proceeds available including interest earned from December 2022 through June 2024. The interest related to this issuance amounts to \$571,672.02.

General Obligation Bonds Series 2021 was issued in November 2021 to fund reconstruction of City streets. Par value of the issued bonds was \$20,600,000. At the time the bonds were issued the proceeds were deposited with the Trustee. Since then, unspent bond proceeds have earned interest. This amendment will adjust the budget to reflect actual proceeds available including accumulated interest from December 2022 through June 2024. The interest related to this issuance amounts to \$1,463,994.53.

General Obligation Bonds Series 2022 was issued in September 2022 to fund reconstruction of City streets. Par value of the issued bonds was \$21,785,000. At the time the bonds were issued the proceeds were deposited with the Trustee. Since then, unspent bond proceeds have earned interest. This amendment will adjust the budget to reflect actual proceeds available including accumulated interest from October 2022 through June 2024. The interest related to this issuance amounts to \$1,966,209.86.

Sales Tax Revenue Bonds, Series 2022 B&C were issued in October 2022 for the purpose of financing several capital projects throughout the City. The bonds were issued at a par amount of \$64,225,000. This amendment will adjust the budget to reflect actual proceeds available including accumulated interest from November 2022 through June 2024. The interest related to this issuance amounts to \$3,462,304.21 and \$1,960,713.54 respectively.

General Obligation Bonds Series 2023 was issued in August 2023 to fund improvements of City parks and trails. Par value of the issued bonds was \$24,765,000. At the time the bonds were issued the proceeds were deposited with the Trustee. Since then, unspent bond proceeds have earned interest. This amendment will adjust the budget to reflect actual proceeds available including accumulated interest from September 2023 through June 2024. The interest related to this issuance amounts to \$1,058,714.66.

D-3: WITHDRAWN

D-4: Economic Development Loan Fund (EDLF) Budget (\$6,994,737 one-time for New Loans in FY2025)

A budget for EDLF was inadvertently left out of the FY2025 annual budget. This item would provide an operating budget for the EDLF to issue new small local business loans during FY2025. New loans would still be subject to Council review and approval during public meetings. The Administration reports that a plan and mechanism are being put into place to avoid such an oversight in the future. Typically, the EDLF fund balance would be included in the Mayor's Recommended Budget as the operating budget for the new fiscal year. The Council may wish to request that in the future the Mayor's Recommended Budget Book include greater information about the EDLF to improve transparency and provide another mechanism to reduce the likelihood of this situation repeating.

D-5: Increased Housing Opportunities for Persons With AIDS (HOPWA) Federal Grant Award (\$12,359 one-time in the Misc. Grants Fund)

This item is to recognize the increased HUD HOPWA award in the amount of \$12,359 for FY 2025. The Council approved and allocated the City's anticipated HUD HOPWA award in the total amount of \$932,841 on April 16, 2024. On June 11, 2024, the City was notified of the City's final HOPWA award in the total amount of \$945,200. The additional funds, the difference between the two amounts, are being allocated as per the Council approved contingencies.

D-6: Rescope Vacant and Leased City-owned Property Maintenance Funding for Fleet Block Predevelopment Activities including Surveys, Environmental Remediation, Demolition, and Security (Rescope \$200,000 from FY2023 and \$500,000 from FY2024 both in the CIP Fund)

The Administration is requesting that \$700,000 of FY 23 and FY 24 CIP Vacant/Surplus Maintenance funding be rescope to prepare the Fleet Block property, located at 300 – 400 West and 800 – 900 South for redevelopment. At the time of publishing this staff report, the Council was also considering in the FY2025 CIP budget an additional \$500,000 for the same purpose. \$1.2 million would be provided between the FY2025 CIP funding and these proposed rescopes.

Funding will be utilized to prepare the property for redevelopment and to mitigate mounting security and safety issues. It has become increasingly costly to secure the block, with the Administration seeing an immediate need for security services of over \$250,000 per year to address daily break-ins and vandalism. Rather than hiring long-term security services, the Administration proposes substantially decreasing security concerns and increasing public safety at the property site as soon as possible. Specific activities will be terminating utility connections, surveying the property, abating asbestos and other environmental contaminants within the buildings, and demolition activities.

In October 2023, the Council approved \$600,000 from the first issuance of the Parks, Trails, & Open Space Bond for public engagement, concept development, and planning for creating a green public space on the southeast quadrant of the Fleet Block. An additional \$5.4 million for design and construction from that bond is anticipated in future issuances. Council discussion included potentially including a civil rights monument / memorial / public art.

In December 2023, the Council adopted an ordinance that established the Form Based Mixed Use 11 zoning district, and rezoned the Fleet Block to Form Based Mixed Use 11. The Council also adopted an ordinance that established the southeast portion of the block as a public square in Title 15, pursuant to the boundaries included in the ordinance. The Council also adopted a legislative action requiring a restrictive covenant be recorded against the property that identifies that area of the Fleet Block as a public square.

D-7: Economic Development Loan Fund (EDLF) Interest Forgiveness (\$5,264 one-time from General Fund Balance)

HUB Salt Lake, LLC, a borrower from the Economic Development Loan Fund, requested forgiveness from Salt Lake City on accumulated interest from the period of 9/2021 – 4/2024, due to the unforeseen hardship and impacts from the COVID pandemic and inability to access Salt Lake City's small business relief programs. This request was not recommended by the Department of Economic Development (DED) but was brought to City Council for consideration. At the authorization and approval of City Council, the Department of Economic Development has submitted a budget amendment request to allocate the requested funding to the Economic Development Loan Fund to be distributed to the business/borrower. The loan, including accumulated interest, to Hub Salt Lake LLC was paid off in May of 2024, and as such, the requested amount would be submitted to the borrower as a reimbursement.

D-8: Annual Budget Cleanup; Impact Fees Tracking & Compliance Financial Analyst IV FTE in the Capital Asset Planning Office of the Finance Department (\$143,258 from General Fund Balance, \$140,258 ongoing Reimbursement to the General Fund from Impact Fees, and \$3,000 one-time to the IMS Fund)

This is a follow up item from the annual budget. A financial analyst IV FTE was inadvertently not included in the Mayor's Recommended Budget. The position would be funded for 10 months to recognize the time to hire at a cost of \$143,258 at pay grade 32. The fully loaded annual cost is estimated at \$171,910. The position would be fully funded from impact fees and entirely dedicated to tracking, compliance, and planning for impact fees. The four types of impact fees (fire, parks, police, and transportation) could equally split the cost of the position depending on factors such as how much time the analyst spends working in each area, the outstanding available balance by type, and number of projects by type. The Finance Department provided the below summary of why the position is needed. *Staff note: state law requires impact fees to be encumbered or spent within six years of the City receiving them, and a refund of impact fees must be paid with interest to the original payor.*

"We are requesting the position based on the new requirements from the state auditor. The reporting and tracking for impact fees has become extremely complex. All impact fees that are budgeted must be tracked individually. This includes the dedicated revenues that are associated by the building permit as well as any match. Individual revenues and expenses have to be tied to the individual project. This tracking is going to take a lot of work for Salt Lake City to ensure that the revenues are being spent in a timely fashion by project and to update the departments that the timing of the funds needing to be spent. If we don't do this type of tracking on an ongoing basis, it could result in more refunds that have to be given."

STRAW POLL REQUESTED: The Administration has requested a straw poll for this item to allow early advertising of the job posting.

D-9: Maintenance on New Public Lands Assets and Expanded Complaint-based Weed Abatement (\$329,150 one-time Transfer from the Quarter Cent Sales Tax for Transportation and \$142,800 from General Fund Balance to Nondepartmental)

This budget amendment requests approval to fund unfunded maintenance for 9 new properties and the complaint based weed abatement. This funding will cover FY 2025 maintenance needs for these properties. The total one-time funding of \$471,950, will be funded by transferring \$329,150 from Fund Balance of the Transportation Fund to the General Fund, and an additional \$142,800 from the General Fund. This is a one-time funding request. In the future, these properties will be included the Capital Asset Planning Team led assessment of all unfunded maintenance of General Fund owned properties that will score, rank, and recommend a holistic approach to funding unfunded maintenance going forward.

New Properties	Delivery Date	Project Delivery Dept.	FY25 Pro Rated Unfunded
9 Line Trail	24-Mar	Transportation	\$41,500
Life on State	24-Jul	Transportation	\$75,500
Sunnyside Ave Ped Improv.	23-Jul	Transportation	\$11,400
300 West Path/Landscaping	23-Oct	Transportation	\$125,500
700 East Pathway	24-Oct	UDOT	\$54,000
1000 W. 700 S. Roundabout	24-Oct	Transportation	\$11,250
Foothill Minor Trailheads	24-Oct	Public Lands	\$10,000
Fund with 1/4 cent Transportation Fund			\$329,150
New Properties	Delivery Date	Project Delivery Dept.	FY25 Pro Rated Unfunded
Backman Community Open Space	24-Mar	Public Lands	\$32,800
Complaint Based Weed Abate	Existing	Mayor's Office	\$100,000
East Bench Property	24-Apr	Public Lands	\$10,000
Fund with General Fund			\$142,800

Breakout in cost:

- \$32,800 Seasonal Staff Hours
- \$439,150 Contracted Services
- \$471,950 Total BA Request

Funds are to be transferred into Non-Departmental within the Public Lands Cost Center.

D-10: Reappropriations for Public Utilities Enterprise Funds (\$1,047,200 one-time in the Storm Water Fund, \$659,624 one-time in the Water Fund, and \$575,000 one-time in the Sewer Fund)

This item includes three reappropriations for budgets that the Council previously approved in FY2024 because the funding wasn't encumbered under a contract so it lapsed to the fund balances for each of the three enterprise funds at the end of FY2024. The funds would cover a mix of equipment and project procurements that are still needed.

D-11: Attorney's Office Breakroom Construction (\$149,000 one-time from General Fund Balance)

The Department of the City Attorney's office has engaged with the Engineering/Public Services team to complete the work for the fifth-floor breakroom construction presented initially in FY 2024 and had been informed we will not be able to secure work orders/contracts prior to the end of the fiscal year.

Improvements are all directed towards the 5th floor breakroom. The 5th floor currently houses the majority of the Attorney's department (civil, litigation, risk, legislative affairs).

Related, as noted in Item A-1, the Prosecutor's Office is returning to the leadership of the City Attorney's office in December, which requires the hiring of a City Prosecutor and transitioning 31 employees from the District Attorney Offices to a City-managed space and using City devices.

D-12: Rescope Waste & Recycling Division Temporary Staffing Agency Funding to Provide Seasonal and/or Part-time Equipment Operators (\$75,000 rescope one-time in the Waste & Recycling Fund)

The Waste & Recycling Division of Sustainability is requesting to transfer \$75,000 from the Other Charges & Services spend category used to pay a temporary staffing agency to provide seasonal and part-time personnel. The Division typically hires 4-5 temporary employees at times throughout the year to support a variety of needs resulting from increases in seasonal workloads. Rather than pay a temporary staffing agency their typical 30-40% wage loading rate, the division can hire seasonal and/or part-time employees with more flexibility and more cost effectively. This, in turn, also allows the Division to be more wage competitive in what remains a very tight labor market.

D-13: Reappropriation for Security Access Control System Upgrades (\$400,000 one-time from General Fund Balance)

This is a reappropriation of \$400,000 that the Council approved in Budget Amendment #3 of FY2024 because the funding wasn't encumbered under a contract so it lapsed to the General Fund Balance at the end of FY2024. Additional one-time funding is needed to continue transitioning City buildings to an upgraded S2 control access system as the citywide standard. The back-end software was recently upgraded for the Public Safety Building and City Hall. This item would allow the same upgrade for Plaza 349 and the Justice Court buildings. The funding also includes card readers and proximity cards (sometimes called smart badges or access cards) for employees using the four buildings.

The Council may wish to request an update on other planned security improvements and consider whether funding for the security access system should be a new appropriation instead of using funds that were originally budgeted for physical security improvements at the City & County Building.

D-14: Claims Damage Reimbursement for Tennis Bubble (\$23,634 one-time from the Risk Fund)

In March of 2024, the Dee Glen Tennis Bubble located at 1216 Wasatch Drive was damaged. This exposure caused the Tennis Bubble to deflate causing significant damage to both the exterior and interior of the Tennis Bubble. Additionally, some of the equipment and electrical inside the Tennis Bubble was damaged. The Tennis Bubble is owned and insured by Salt Lake City, but managed, maintained, and operated by a third-party contractor. The repairs have been paid for by the third-party contractor and the City needs to process the awarded claim settlement and distribute it to the third-party contractor in the amount of \$23,633.48.

STRAW POLL REQUESTED: The Administration has requested a straw poll for this item to allow expediting the receipt and payment of the reimbursement.

D-15: Accelerate 14 Parks Capital Projects (Rescope \$5.35 Million of Parks Bond Funds from Glendale Park to Nine Parks Projects, New \$15.35 Million of Parks Impact Fees to Four Parks Projects, and Rescope \$3 Million of Sales Tax Revenue Bond Funds from Smith's Ballpark Plus \$1.96 Million in Bond Interest Earnings to Pioneer Park)

The Administration is proposing \$17.3 million of new capital improvements funding to accelerate 14 parks projects. Most of this comes from \$15.35 million of parks impact fees. It also would rescope \$5.35 million from the Parks Bond, rescope \$3 million and \$1.96 million of interest earnings from the 2022 Sales Tax Revenue Bond. The changes are meant to better align the spending deadlines of bond funds and impact fees with project construction timelines, and it should be noted that the projects as previously presented will still be completed, these changes mostly affect funding sources and timelines while a few have scope increases. Impact fees must be spent within six years. Nearly \$7 million of parks impact fees are scheduled to expire in FY2027 and capital projects typically take two years or more to be completed. The City's balance of parks impact fees is approximately \$21 million as of May 1, 2024. Non-taxable bond funds must be spent within three years. The 2022 Sales Tax Revenue Bond Series C were issued in October 2022 and have a spending deadline of October 2027. The table below shows the fund source changes proposed for the 14 projects and the net change in the project funding. The notes column has details such as additional project funding, construction timelines, and Council District for the smaller neighborhood parks.

Project	Parks Bond	Parks Impact Fees	2022 Sales Tax Revenue Bond	Change in Project Funding	Notes
Glendale Park	\$ (5,350,000)	\$ 11,350,000	\$ -	\$ 6,000,000	Phase 1 construction would remain fully funded. The \$6 million increase is for Phase 2 construction. Additional Parks Bond funding is anticipated in future issuances. The Council approved \$3.2 million of parks impact fees for the project previously
Jordan River Corridor	\$ 500,000	\$ -	\$ -	\$ 500,000	Would fund designs based on the Emerald Ribbon Action Plan (upcoming interim check in briefing for the Council)
Donner Trail Park	\$ 675,000	\$ -	\$ -	\$ 675,000	Construction would be in 2025. District Six neighborhood park
Taufer Park	\$ 675,000	\$ -	\$ -	\$ 675,000	Construction would be in 2025 or 2026. District Four neighborhood park
Richmond Park	\$ 675,000	\$ -	\$ -	\$ 675,000	Construction would be in 2025 or 2026. District Four neighborhood park
Steenblik Park	\$ 675,000	\$ -	\$ -	\$ 675,000	Construction would be in 2025. District One neighborhood park
Ida Cotton Park	\$ 675,000	\$ -	\$ -	\$ 675,000	Construction would be in 2025. District Five neighborhood park
Madsen Park	\$ 675,000	\$ -	\$ -	\$ 675,000	Construction would be in 2025. District Two neighborhood park

Project	Parks Bond	Parks Impact Fees	2022 Sales Tax Revenue Bond	Change in Project Funding	Notes
Contingency	\$ 500,000	\$ -	\$ -	\$ 500,000	Funding available to cover cost overruns for any Parks Bond project
Public Art at Parks Bond Funded Projects	\$ 300,000	\$ -	\$ -	\$ 300,000	Would go through the Arts Council with contracts signed in 2025 and art installed 2025 or 2026
Liberty Park Rotary All Abilities Play Park & Playground	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	Would double the total project funding to \$4 million; project is already receiving \$2 million from the Parks Bond
Folsom Trail Landscaping & Irrigation	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	Would increase the total project funding to \$6 million; project is already receiving \$5 million from the Parks Bond
Warm Springs & North Gateway Park	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	The two parks are on either side of the Warm Springs Historic Plunge Building. Council gave direction to combine them into Warm Springs Park, likely by ordinance amendment
Smith's Ballpark	\$ -	\$ -	\$ (3,000,000)	\$ (3,000,000)	As a taxable bond, these funds have an October 2027 spending deadline. The RDA Board approved \$715,000 for the Ballpark Next Strategy which is anticipated to be completed in 2025
Pioneer Park	\$ -	\$ -	\$ 4,960,714	\$ 4,960,714	Would increase the total project funding to over \$18 million (\$10 million from the sales tax bond and over \$3.4 million from parks impact fees). As a taxable bond, these funds have an October 2027 spending deadline
Funding Source Totals	\$ -	\$15,350,000	\$ 1,960,714	\$ 17,310,714	\$17.3 million of new spending would be authorized by the Council. The remaining balance of unallocated parks impact fees would be approx. \$3 million. The \$1.96 million is interest earnings from the non-taxable sales tax bond

This request accelerates project construction, builds more of the amenities the public has requested without creating new projects, and improves the City's ability to quickly spend funding from the 1st Tranche (Nov 2022; Oct 2023) of the Parks GO Bond, Parks Impact Fees, and the Sales Tax Revenue Bond (Aug 2022).

Parks GO Bond 1st Tranche: Reallocate \$5,350,000 (of \$9,000,000) from Glendale Park Phase 1 Construction/Phase 2 Design. Allocate \$5,350,000 to accelerate the construction of nine (9) existing Parks GO Bond projects that would otherwise have to wait for the issuance of the Parks GO Bond's 2nd Tranche (see bullet point list below). This saves the City and taxpayers money by delaying the issuance of the 2nd Tranche of the Parks GO Bond until FY 2026 and allows those nine projects, which need \$5,350,000 for bidding and contracting as soon as January 2025, to move forward without delay. The projects included are:

- Jordan River Corridor: \$500,000 for 2025 design (Phase 1 projects prioritized by the City and the public in the Emerald Ribbon Action Plan)
- Donner Trail Park: \$675,000 for 2025 construction
- Taufer Park: \$675,000 for 2025 or 2026 construction
- Richmond Park: \$675,000 for 2025 or 2026 construction
- Steenblik Park: \$675,000 for 2025 construction
- Ida Cotten Park: \$675,000 for 2025 construction
- Madsen Park: \$675,000 for 2025 construction
- Contingency: \$500,000
- Art: \$300,000 for anticipated 2025 artist and fabricator contracts

Parks Impact Fees: Allocate \$5,350,000 in Parks Impact Fees to Glendale Park Phase 1 Construction/Phase 2 Design (replacing the GO Bond's 1st Tranche allocation of the same amount, described above). Allocate an additional \$6,000,000 in Parks Impact Fees for Glendale Phase 2 Construction, potentially reducing the size of the 2nd Tranche of the Parks GO Bond, freeing up 2nd and 3rd Tranche funding for other Parks GO Bond projects, and/or increasing the Phase 2 Design team's ability to provide more of the amenities that the public requested in the Glendale Regional Park Vision Plan. (Note: Additional Parks Impact Fee requests for Glendale Park are very likely; they would occur after future design phases are more fleshed out and cost estimated.) Also allocate an additional \$4,000,000 in Parks Impact Fees to three, fully impact fee-eligible, in-progress Parks GO Bond projects that could easily incorporate additional funding without any delays to their established project schedules or to the public's project delivery expectations. These projects include:

- Liberty Park Rotary Play Park and Playground: \$2,000,000 for 2025 construction (new, accessible features requested by hundreds of children and parents involved in the project in 2023 and 2024)
- Folsom Trail Landscaping and Irrigation: \$1,000,000 for 2025 construction (more robust landscaping, irrigation, and amenities improvements in the Folsom Corridor between 1000 West and 500 West, beyond the original construction estimate that focused only on improvements near intersections)
- Warm Springs and North Gateway Park: \$1,000,000 for 2026 or 2027 construction (greater ability for the City to deliver the vision that is being developed by the stakeholders involved in this project, including Native American, Pacific Islander, and local communities)

Sales Tax Revenue Bond: Recapture and reallocate \$3,000,000 (of \$3,000,000 total) from the now tentative Smith's Ballpark project and allocate an additional \$1,960,713.54 (of \$1,960,713.54 total) from the Revenue Bond's interest income to the Pioneer Park sales tax revenue bond-funded project.

D-16: Rowland Hall Contribution for Traffic Calming on Sunnyside Ave (\$100,000 one-time to the CIP Fund)

As part of a Development Agreement with Rowland Hall to develop a certain property on Sunnyside Avenue, Rowland Hall has agreed to contribute \$100,000 to the City to be used for traffic calming and pedestrian safety measures on Sunnyside Avenue. The development is now in a phase where the funding has come due, and, as such, needs to be appropriated.

Section E: Grants Requiring No Staff Resources

E-1: Homeless Shelter Cities Mitigation Grant FY25 (\$2,945,958 from Grant Fund)

The grant funds 20.75 hourly positions. These positions are broken down as follows:

- 1.0 HEART Grant Specialist-50% of time is charged to the grant.
- 2.0 FTE HEART Coordinators-100% of time is charged to the grant.
- 1.0 Justice Court Intercept-100% of time is charged to the grant.
- 12.0 officers-100% of time is charged to the grant
- 3.0 Sergeants-100% of time is charged to the grant

- 3.0 officers - 6 months of time is charged to grant
- 1.0 Lieutenant - 9 months of time is charged to the grant

Note: All positions EXCEPT 3 officers and 1 Lieutenant are positions that have been previously paid for by the grant. The 3 officers and Lieutenant are new to this grant for this funding year.

Policy question:

- **The Council may wish to ask the Administration when they will be requesting the \$662,760 needed from the General Fund for the equipment and safety gear needed for all the grant-funded positions or whether existing budget could absorb some or all the costs?** The grant provides 4 new positions in SLCPD to assist with HRC's & YWCA. Sub-award will go to Volunteers of America. The award was less this year and does NOT fund police vehicles and computers or ongoing equipment costs for 15 officers. The Administration indicates it will request that general fund balance be used to fund these needs which the grant no longer covers.

Questions and Responses from the Administration:

- **Are there any one-time costs needed but not covered by this grant which would be paid for another way (e.g, vehicles, equipment, supplies)?**
HEART – All costs are included in the funding request.
SLCPD – Police officer one-time costs for vehicles and computers are not covered by this grant. Also, no ongoing costs for any of the police equipment on the current or new FTE's are included. See one-time costs in the chart below:

Housing Mitigation Cost Estimate for FY 25

Equipment Costs	FTE	Cost	Total
Officer Vehicles (Fleet) - NEW	4	\$ 69,000	\$ 276,000
Computers /software (IMS) - NEW	4	\$ 7,150	\$ 28,600
Officer Equipment/Safety/gear	15	\$ 44,184	\$ 662,760
Officer Equipment/Safety/gear - NEW	4	\$ 48,887	\$ 195,548
Overtime MOU related- 15 hours/Month per FTE	19	\$ 11,200	\$ 212,800
Total cost estimate for FY 25		\$ 169,221	\$ 1,375,708

- **Would this shift the \$662,760 of ongoing costs for the 15 existing officers out of the Police Department budget to this grant? It seems those ongoing costs would have been covered in the PD budget for the existing employees.**
Those costs have not yet been moved to general fund. They have been covered by the grant in previous fiscal years but the grant funding is not enough to cover personnel and equipment in fy25 - only personnel. Because of that, we need to make a request to have ongoing costs for all non-personnel costs covered in general fund.

Grant Funded Positions

EXISTING POSITIONS	# of hourly positions	Salary Amount
HEART Grant Specialist list -50% of time charged to grant	.50	\$42,296.80
2 FTE HEART Coordinators 100% of time charged to grant	2.0	\$157,414.40
1 Justice Court Intercept 100% of time charged to grant	1.0	\$87,360
12 officers- 100% of time charged to grant	12.0	\$778,752
3 Sergeants-100% of time charged to grant	3.0	\$330,720
NEW POSITIONS		
3 officers-6 months charged to grant	1.5	\$76,076
1 Lieutenant-9 months of time charged to grant	.75	\$98,280
	20.75	\$1,570,899.20

Other Employee Costs	
Differential salary rate estimate	\$9,919.01
Salary amount FTE	\$1,570,899.20
12.5% of total salaries of SLCPD PTO moved to fringe per state requirement	(160,479)
Total Salary costs	\$1,420,339.51
Total fringe for all employees	\$1,112,767.20
Grand total Personnel Costs	\$2,533,106.71

Volunteers of America – the VOA subaward supports the continuation of the Mitigation Outreach Team with five (5) FTE positions. The members of the Mitigation Outreach Team include one (1) Business and Community Liaison to coordinate support and advocate for neighbors of SLC qualifying shelter programs, as well as unhoused individuals to the City. 4 FTE Street Outreach workers provide direct services include street outreach care coordination to connect individuals with opportunities for short- and long-term support and resources, and housing focused case management to support unhoused individuals transition to housing. The VOA subaward is \$402,007.06.

The request includes funds for supplies and training for two (2) HEART Team members. This includes material for community engagement, (\$3,000) mobile phones (\$1,071), and attendance at the National Alliance to End Homelessness (\$6,770.)

- **Is there a status update on the request for a match waiver?**
We have not heard back yet. It will probably be early September before they announce awards and notify us if a match waiver was granted.
- **How much funding would the grant need to be next year to fully cover the ongoing costs including the new FTEs?**
If the program maintains the same level of SLC staffing and costs for supplies and travel, the budget will increase approximately \$1,179,246.60. This number reflects the new FTE's increase to 100% and a 5% increase in salaries and benefits. It is unknown if the VOA sub award will increase.
SLC will be notified of the FY 26 allocation in Summer 2025. The program is funded by the State Homeless Fund. If the amount reduces or the increase is ≤\$1,179,246.60, the program will reevaluate how services are delivered and seek improvements to maintain a level of service with fewer funds.
- **Could you please clarify the second HEART Community Engagement Coordinator? The Council approved a Sequential Intercept Program Coordinator (Miami Model) as part of the grant last year but the new grant memo shows that position as new? There is also a second HEART Community Engagement Coordinator listed as existing but this does not appear to be what the Council approved for the grant last year?**
The second HEART Community Engagement Coordinator has been included in the Homeless Shelter Cities Mitigation grant funded positions since FY22. The position has continued to be a part of budget.

Section F: Donations (None)

Section G: Grant Consent Agenda No. 4 G-1: (None)

Section I: Council-Added Items

I-1: Replacing Trees on North Temple (\$505,000 from Funding Our Future Fund Balance/Parks Maintenance)

Council Members asked what funding would be needed to replace the dying trees and landscaping along North Temple where herbicide was accidentally sprayed last October. Using FY2025 CIP funding and / or \$933,152 of parks capital maintenance funding in CIP could be used. During the August 13 CIP briefing, the Council decided that addressing this project better belonged in Budget Amendment #1 pulling from General Fund Balance because it's an emergent situation using one-time funding. The Public Lands Department stated 219 dead or dying trees are estimated to be removed in the next couple months. The irrigation system along North Temple is in good condition. The manufacturer recommends waiting until October 2026 before planting trees back into the grounds where the herbicide was applied. A new "double-safe procedure" has been implemented requiring a supervisor and a warehouse employee to both approve checking out herbicide to prevent a similar situation from happening. The Department provided the below interim plan, table of

potential costs, and Attachment 1 as a community flyer about the situation.

Item	Subtotal
Tree removal, stump grinding, new trees planted in planters	\$85,000
Tree planters (Qty 100, Unit Cost ~\$2,000)	\$200,000
Landscaping, soil removal (top 4”), mulch, modify irrigation for planters	\$220,000
Total	\$505,000

Policy Question:

- **Additional Resources Needed** – The community flyer distributed by Public Lands states that “the department is committed to replanting two trees for every tree lost due to unintentional herbicide use.” The Council may wish to ask the Administration are additional funding requests anticipated beyond the \$505,000 estimate to keep this public commitment? Or would existing budgets be sufficient to purchase additional trees?

I-2: PLACEHOLDER: Follow-up on CIP to Recapture Funds from a Cancelled Project and Projects Completed Under Budget

This item is a placeholder depending on the outcome of the Council’s CIP deliberations and adoption vote scheduled for August 27. At the time of publishing this staff report, the Council was considering a recapture of the \$1,012,153 from capital projects that were completed under budget and the \$875,000 from the cancelled Sorenson Center connecting corridor project (originally funded in 2019).

I-3: Follow-Up on CDBG - Two Funding Awards Applied for and Declined by Switchpoint (\$60,000)

The CDBG award was less than anticipated. As a result, the funding for Utah Legal Services was reduced to zero. Some Council Members have requested that \$30,000 be provided to Utah Legal Services and that the remaining \$30,000 be added to the next CDBG cycle.

I-4: PLACEHOLDER Y2 Analytics Contract – Funding for Additional Surveys

ATTACHMENTS

1. North Temple Trees Community Flyer

ACRONYMS

CAFR – Comprehensive Annual Financial Report
CDBG – Community Development Block Grant
CREP – Commission on Racial Equity in Policing
CIP – Capital Improvement Program
FOF – Funding Our Future
FTE – Full time Employee / Equivalent
FY – Fiscal Year
GF – General Fund
HOPWA – Housing Opportunities for Persons with AIDS
IMS – Information Management Services
RDA – Redevelopment Agency

ATTACHMENT 1

Council Request: Tracking New Ongoing Costs to the General Fund

Council staff has provided the following list of potential new ongoing costs to the General Fund. Many of these are new FTE's approved during this fiscal year's budget amendments, noting that each new FTE increases the City's annual budget costs if positions are added to the staffing document. Note that some items in the table below are partially or fully funded by grants. If a grant continues to be awarded to the City in future years, then there may not be a cost to the General Fund but grant funding is not guaranteed year-over-year.

Budget Amendment	Item	Potential Cost to FY2026 Annual Budget	Full Time Employee (FTEs)	Notes
#1	Item A-1 Attorney's Office Organizational Structure Change	\$722,888	<u>3 FTEs:</u> 1 City Prosecutor 1 Senior City Attorney 1 Deputy Director of Administration	City Prosecutor \$178,278 for 9 months/\$237,704 annually Senior City Attorney Class 39 - \$157,635.74 for 8 months/\$236,454 annually Deputy Director of Administration Class 40 - \$186,547 for 9 months or \$248,730 annually. At the time of publishing this staff report, the cost to lease office space is unknown. The cost could be more or less than the current budget under the soon to be terminated interlocal agreement with the District Attorney's Office.
#1	Item D-8	\$171,910	<u>1 FTE:</u> Capital Asset Planning Financial Analyst IV position	Inadvertently left out of the Mayor's Recommended FY2025 Budget. Position would be dedicated to impact fees compliance tracking and reporting for new state requirements. Impact fees fully reimburse the General Fund for the position's cost.
#1	Item E-1 Homeless Shelter Cities Mitigation Grant FY25	\$2,945,957 grant funding*	<u>4 FTEs:</u> 3 Officer positions 1 Sergeant position	*Amount of grant funding needed in order to fully cover the ongoing costs including the new FTEs.
	Costs currently paid for by the Homeless Shelter Cities Mitigation Grant in FY2024 that might be shifting to the General Fund in FY2025	\$662,760	For ongoing costs related to 15 existing FTEs	\$662,760 is needed for ongoing equipment for all 15 officers. The Administration is checking whether existing budgets could absorb some of these costs.
TOTAL		\$4,503,515	8 New FTES	