



DEPARTMENT OF FINANCE

CITY COUNCIL TRANSMITTAL

Rachel Otto
rachotto (Jan 30, 2024 14:57 MST)
Rachel Otto, Chief of Staff

Date Received: 1-30-2024
Date sent to Council: 1-30-2024

TO: Salt Lake City Council
Victoria Petro, Chair

DATE: January 30, 2024

FROM: Mary Beth Thompson, Chief Financial Officer

SUBJECT: Salt Lake City Library Budget Amendment #2

SPONSOR: NA

STAFF CONTACT: Greg Cleary, City Budget Director (801) 535-6394 or
Mary Beth Thompson (801) 535-6403 *Mary Beth Thompson*

DOCUMENT TYPE: Budget Amendment Ordinance

RECOMMENDATION: The Administration recommends that, subsequent to a public hearing, the City Council adopt the following amendments to the FY 2023-24 Library Fund adopted budget.

BUDGET IMPACT:

	<u>REVENUE</u>	<u>EXPENSE</u>
LIBRARY FUND	\$ 0.00	\$ 1,321,215.00
TOTAL	\$ 0.00	\$ 1,321,215.00

April Patterson
April Patterson (Jan 30, 2024 14:40 MST)

BACKGROUND/DISCUSSION:

This request in the amount of \$1,321,215 is made in the form of a proposed budget amendment as opposed to waiting for approval in the next fiscal year's budget in an effort to avoid further cost increases and construction delays.

As construction has progressed on the Main Library roof, a number of items have risen as critical priorities due to existing conditions not known until demolition of the roof began and material cost inflation. Crews are scheduled to complete the work authorized in the approved budget near the new fiscal year which begins July 1, 2024. In order to allow the contractor to order materials necessary to continue the work and to avoid a work stoppage, staff recommends approval of additional funding for the project to come from the Library's General Fund balance and other capital projects or operational budgets.

On January 22, 2024, the Library's Board of Directors approved the budget amendment that is now proposed to the City Council for consideration. This memorandum supplements the one presented to the Library Board, and includes information based on dialogue with the Board; however, the figures and purpose remain unchanged.

Staff has identified projects and other operational budgets to fund the increase, along with use of fund balance. With the proposed increase, the Library's General Fund balance is projected to be at \$4.3 million at the end of the fiscal year, which amounts to 15% of annual revenues budgeted at \$28,986,230. Additional detail can be found in the attached memo.

PUBLIC PROCESS: Public Hearing

MEMO | January 29, 2023

To: Salt Lake City Council
From: Noah Baskett, Executive Director – Salt Lake City Public Library
Re: Budget Amendment 2 for FY2023-24

As construction has progressed on the Main Library roof, a number of items have risen as critical priorities due to existing conditions not known until demolition of the roof began and material cost inflation. Crews are scheduled to complete the work authorized in the approved budget near the new fiscal year which begins July 1, 2024. In order to allow the contractor to order materials necessary to continue the work and to avoid a work stoppage, staff recommends approval of additional funding for the project to come from the Library's General Fund balance and other capital projects or operational budgets. This request is made in the form of a proposed budget amendment as opposed to waiting for approval in the next fiscal year's budget in an effort to avoid further cost increases and construction delays.

On January 22, 2024, the Library's Board of Directors approved the budget amendment that is now proposed to the City Council for consideration. This memorandum supplements the one presented to the Library Board, and includes information based on dialogue with the Board; however, the figures and purpose remain unchanged.

The original FY24 budget included \$7,325,265 for the roof renovation project. The elements below were included in the original project plan and funding request, but unable to be completed due to the cost escalation:

Items	Cost Estimate
Landscape/Irrigation	280,500
Glazing/Glass Walls	305,000
Metal Railing & Paint	300,000
Site Furnishings	25,000
Paulsen General Conditions (7%)	70,385
Paulsen Bond & Insurance (2%)	20,110
Paulsen Overhead & Profit (4%)	40,220
Owner's Contingency	280,000
Sub-total	\$1,321,215
Additional Owners Contingency (reallocation approved in Dec.)	96,590
Total	\$1,417,805

During its December meeting, the Board approved reallocation of \$96,590 to the roof project from unused funds previously designated for the Sprague branch renovation that was completed two years ago. The proposed adjustment will result in a total of \$376,590 available in the owner's contingency to address unanticipated needs to see this phase of the project to completion. With the included contingency, these budget adjustments will be the final request for this portion of the roof project area over the triangle building.

Proposed increase of \$1,321,215

Staff has identified projects and other operational budgets to fund the increase, along with use of fund balance. With the proposed increase below, the Library’s General Fund balance is projected to be at \$4.3 million at the end of the fiscal year, which amounts to 15% of annual revenues budgeted at \$28,986,230. State law requires the fund balance to be maintained between 5% and 35% of annual revenues.

In addition to use of the Library’s General Fund balance, the table below summarizes a handful of projects previously approved in the FY24 budget that will be modified or postponed in order to reallocate funding to the roof project. The column in blue represents the amounts by which other projects will be reduced and reallocated to the roof project:

Funding Sources				
Account Name	Description	Current Budget	Requested Reallocation to Roof Project	Amended Budget
Capital Outlay - System (40-40750)	Postpone development of bilingual signage	65,000	50,000	15,000
Capital Outlay - Main (40-40721)	Work portion of 1st floor remodel into facilities plan	28,000	28,000	-
Furnishings - Main (40-40751)	Postpone service desk replacement	14,380	14,000	380
Capital Outlay - Main (40-40721)	Reduce door replacement	120,000	15,000	105,000
Capital Outlay - Main (40-40721)	Reduce fire system maintenance	100,000	35,000	65,000
Capital Outlay – Foothill (40-40732)	Savings from Foothill parking lighting	15,000	15,000	-
Sub-total Reallocations			\$157,000	
Fund Balance - Appropriated (10-38900)	Use General Fund balance, down to 15% of annual revenue	4,253,310	1,164,215	5,417,525
Total Funding Sources			\$1,321,215	

Expenditures – Capital Projects				
Account Name	Description	Current Budget Amount	Requested Reallocation to Roof Project	Amended Budget Amount
Capital Outlay - Main (40-40721)	Roof project	\$7,421,855	\$1,321,215	\$8,743,070

Recommended Motion:

Move to approve an increase of \$1,321,215 in the Library's FY24 budget for use of the Library's General Fund balance and reallocation from various accounts as noted, transfer of those funds to capital projects, and expenditure from the capital projects fund for the roof renovation project.

SALT LAKE CITY ORDINANCE
No. _____ of 2024

(Second Amendment to the Final Budget for the Library Fund of
Salt Lake City, Utah for Fiscal Year 2023-24)

An ordinance amending Salt Lake City Ordinance No. 28 of 2023, which adopted the final budget for the Library fund of Salt Lake City, Utah, for the fiscal year beginning July 1, 2023 and ending June 30, 2024.

PREAMBLE

On June 23, 2023, the Salt Lake City Council adopted the final budget for the Library fund of Salt Lake City, Utah for the fiscal year beginning July 1, 2023 and ending June 30, 2024, in accordance with the requirements of Section 10-6-118 of the Utah Code.

The City's Budget Director, acting as the City's Budget Officer, prepared and filed with the City Recorder proposed amendments to said duly adopted budget, copies of which are attached hereto, for consideration by the City Council and inspection by the public.

All conditions precedent to amend said budget have been accomplished.

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

SECTION 1. Purpose. The purpose of this Ordinance is to amend the final budget for the Library fund of Salt Lake City as approved, ratified and finalized by Salt Lake City Ordinance No. 28 of 2023.

SECTION 2. Adoption of Amendments. The budget amendments attached hereto and made a part of this Ordinance shall be, and the same hereby are adopted and incorporated into the budget for the Library fund of Salt Lake City, Utah for the fiscal year beginning July 1, 2023 and ending June 30, 2024, in accordance with the requirements of Section 10-6-128, of the Utah Code.

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

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

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

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2024.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to the Mayor on _____

Mayor's Action: ____ Approved ____ Vetoed

MAYOR

ATTEST:

CITY RECORDER

(SEAL)

Salt Lake City Attorney's Office Approved As To Form  _____ Jaysen Oldroyd

Bill No. _____ of 2024.
Published: _____.