

Council Budget Overview



Council Budget Role

The Council Considers...

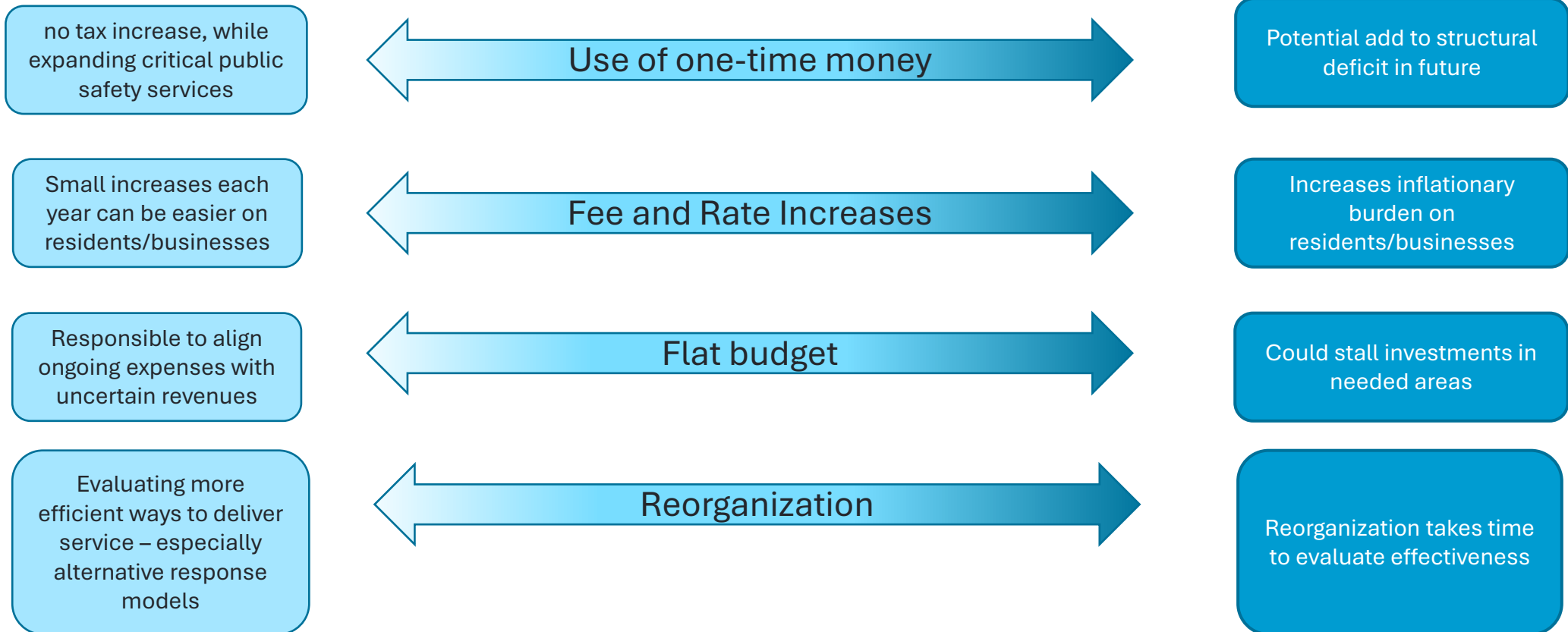
- **previously discussed policy goals** or priorities identified by elected officials and the public,
- the extent to which the proposed budget **addresses community needs and service levels**,
- How decisions made this year may create a **budget impact in future years**,
- **potential unintended consequences** that may result from budget and policy decisions,
- how these decisions align with the role of City government and whether there are duplications with the role of other governmental entities, to ensure an **efficient and transparent use of taxpayer dollars**

Legislative Branch Perspective

The proposed budget...

- Focuses on maintaining current service levels, in every area except for **public safety and the Clean City Team and Westside investment**.
- This proposed budget **uses slightly more one time money** than was used to balance the budget last year (just over \$46 million, when adding up all one-time sources, compared to \$44 million. It does use less general fund balance. It **maintains a 13% fund balance in** the City's healthy savings account. This avoids a property tax increase this year, but may ensure one is needed next year, unless other cuts or adjustments are made.
- Recognizes the impact of **rapid inflation on salary & benefits, contracts, supplies and materials expense, and on the revenue side by increasing fees based on the Consumer Price Index (CPI).**

Policy Balancing



FUNDING TYPES

One-Time

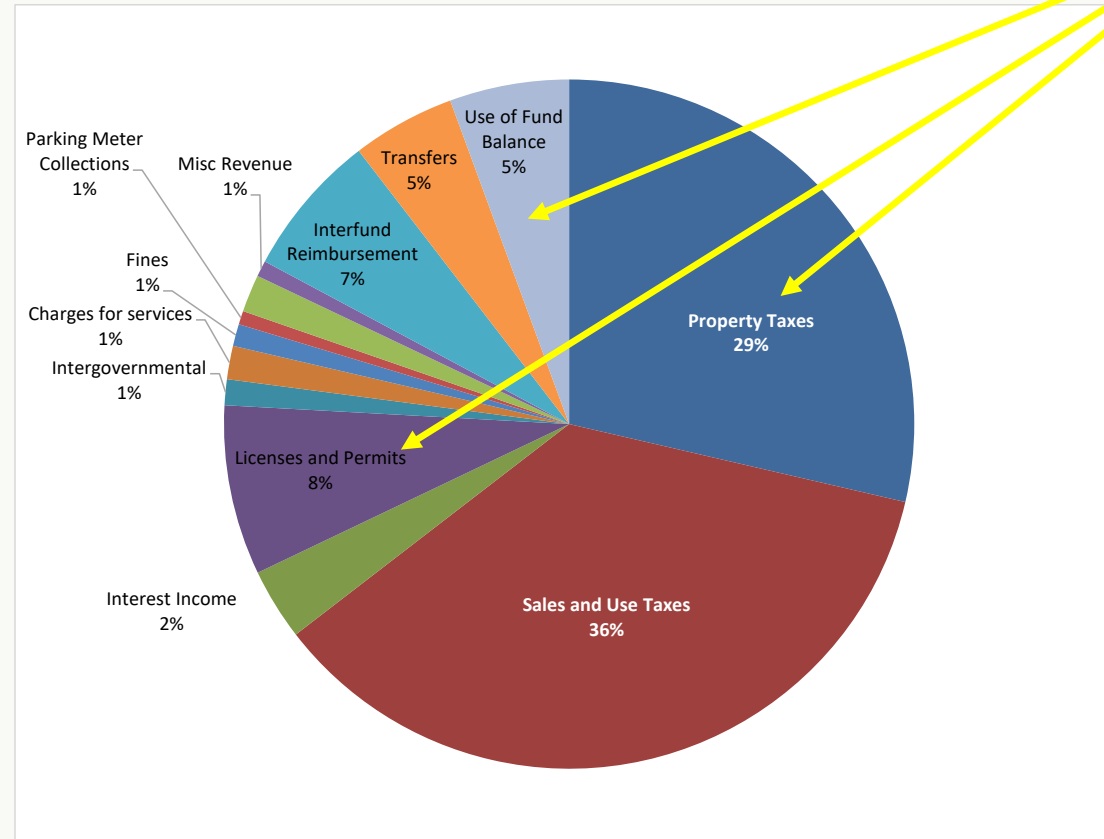
- Generated from grants, property sales, fund transfers, or city savings (fund balance).
- Ideally used for expenses like equipment, construction, art installations, or studies.

Ongoing

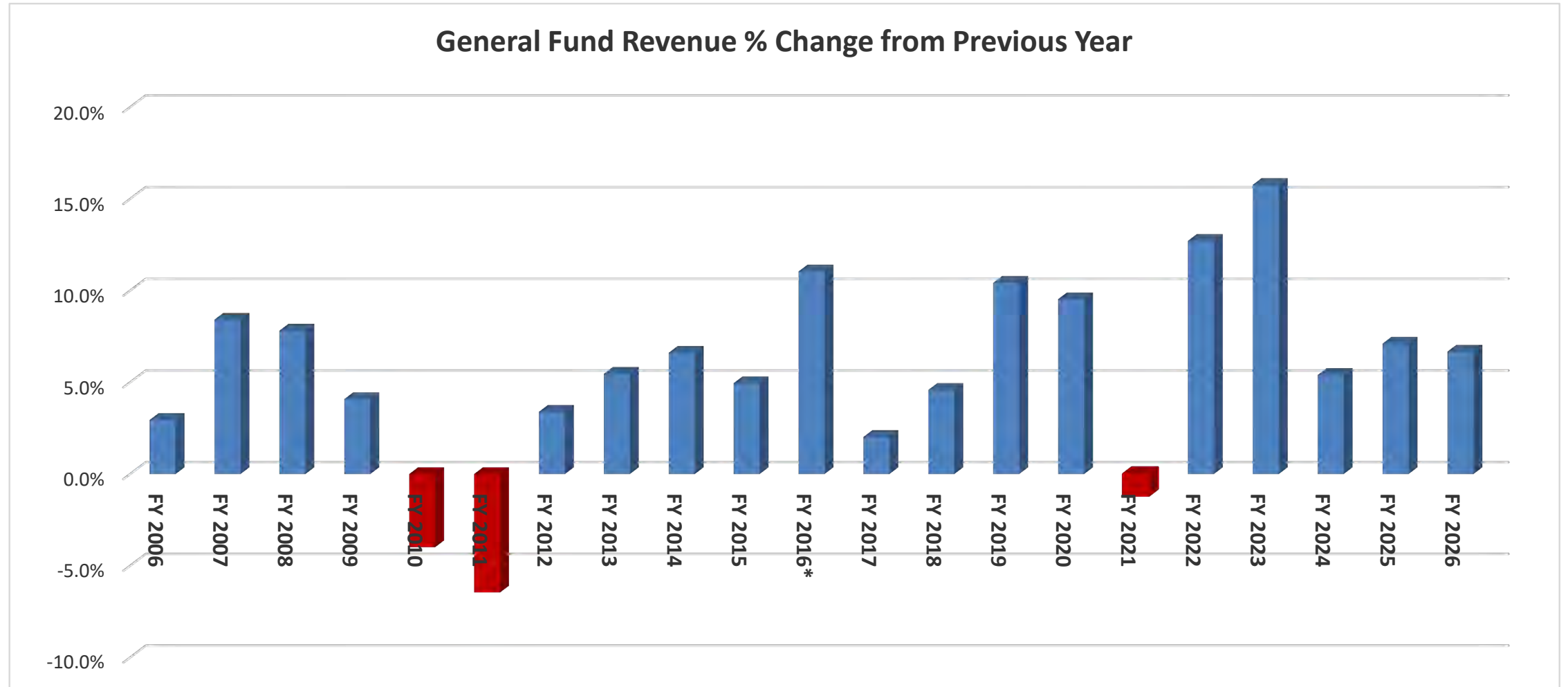
- Generated from sales tax, property tax, or license/permit fees.
- Funds ongoing needs like staff and maintenance of City roads, parks, and buildings.

Using one-time funds for ongoing expenses is NOT sound policy. Federal funding post-covid, the City has used significant one-time funds that are not available in the future.

Revenue sources
the City can control



Revenue Trends

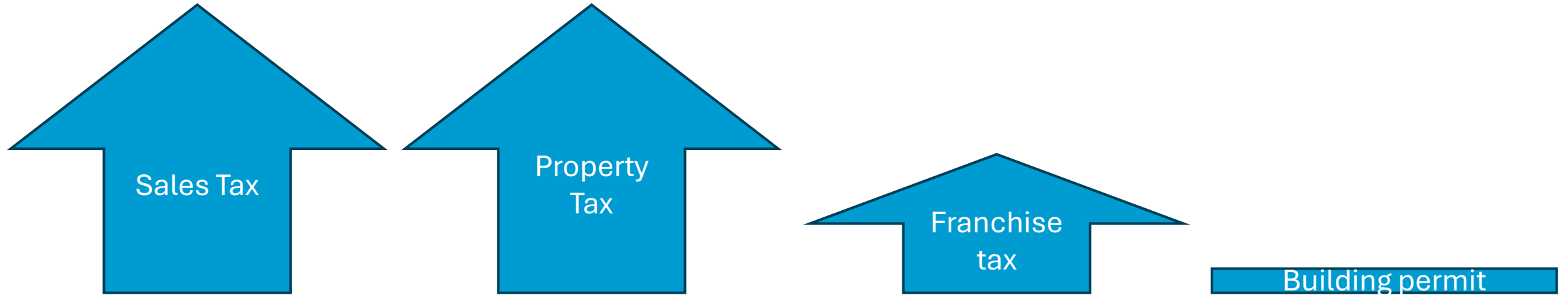


SALES TAX RATE

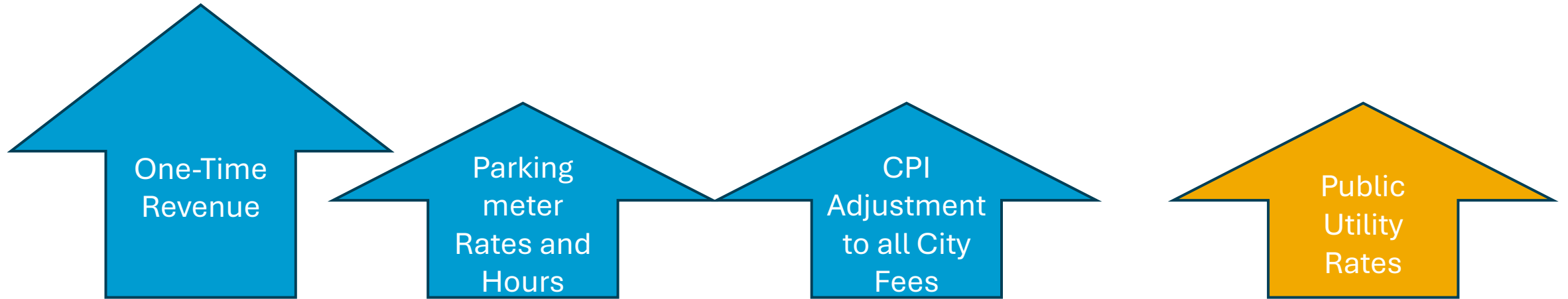
| Entity | Rate |
|---|--------------|
| State | 4.85% |
| City | 2.00% |
| Base | 1.00% |
| Funding our Future enacted 2018 | 0.50% |
| Capital City Revitalization Tax enacted 2024 | 0.50% |
| County | 1.05% |
| Base | 0.25% |
| Transportation option | 0.25% |
| Additional transportation option enacted 2018 | 0.25% |
| Additional transportation option (uses include SECC) enacted Feb 2025 - Effective July 1 - not yet effective | 0.20% |
| Zoo, Arts, and Parks reauthorized by voters in 2024 | 0.10% |
| Utah Transit Authority | 0.80% |
| Base | 0.30% |
| Additional Mass transit | 0.25% |
| Transportation Infrastructure | 0.25% |
| Total | 8.70% |

** Rates as of July 2025*

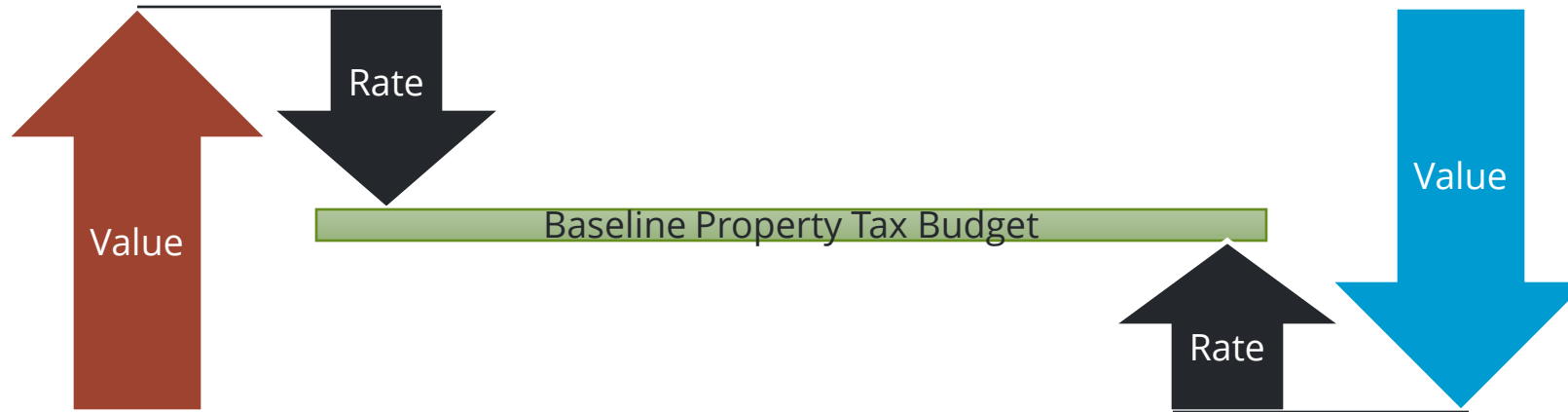
Revenue – Economic Conditions



Revenue – Policy Choices

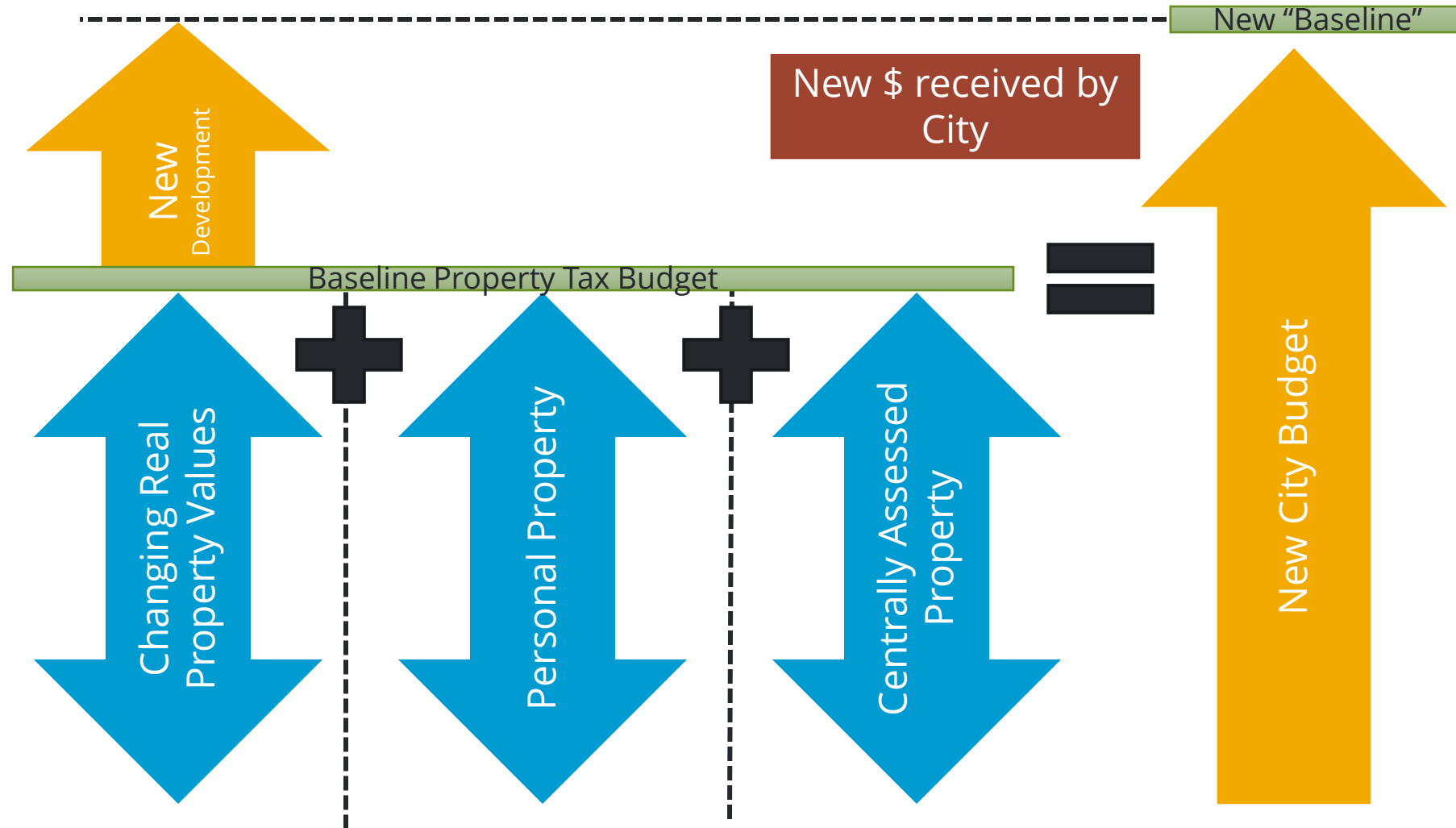


TRUTH IN TAXATION



- Holds the amount of property taxes that an entity receives constant, **regardless of changes in property value.**
- Unless the Council chooses to increase taxes to receive more revenue. This requires a “Truth in Taxation” public hearing & notice.
- One exception – “New Growth” authorized by the County & State

NEW GROWTH FORMULA



One-time Revenue

| | |
|---|----------------------|
| Use of Fund Balance | |
| Recapture REP Funding | \$ 1,290,439 |
| Fund Balance | \$ 27,392,780 |
| Transfer from Other one-time sources | |
| Capital Improvement Fund | |
| CIP - Dormant capital projects recapture | \$ 2,286,000 |
| CIP - Refund from Earthquake repair (insurance coverage) | \$ 4,700,000 |
| Debt Service Fund (North Temple Viaduct CRA) | \$ 5,000,000 |
| E911 Dispatch Fund Balance | \$ 5,000,000 |
| Transportation Fund (allocated to pothole repair) | \$ 300,000 |
| Housing & Loan Fund (allocated to Youth and Family Summer Programming) | \$ 200,000 |
| Total | \$ 46,169,219 |

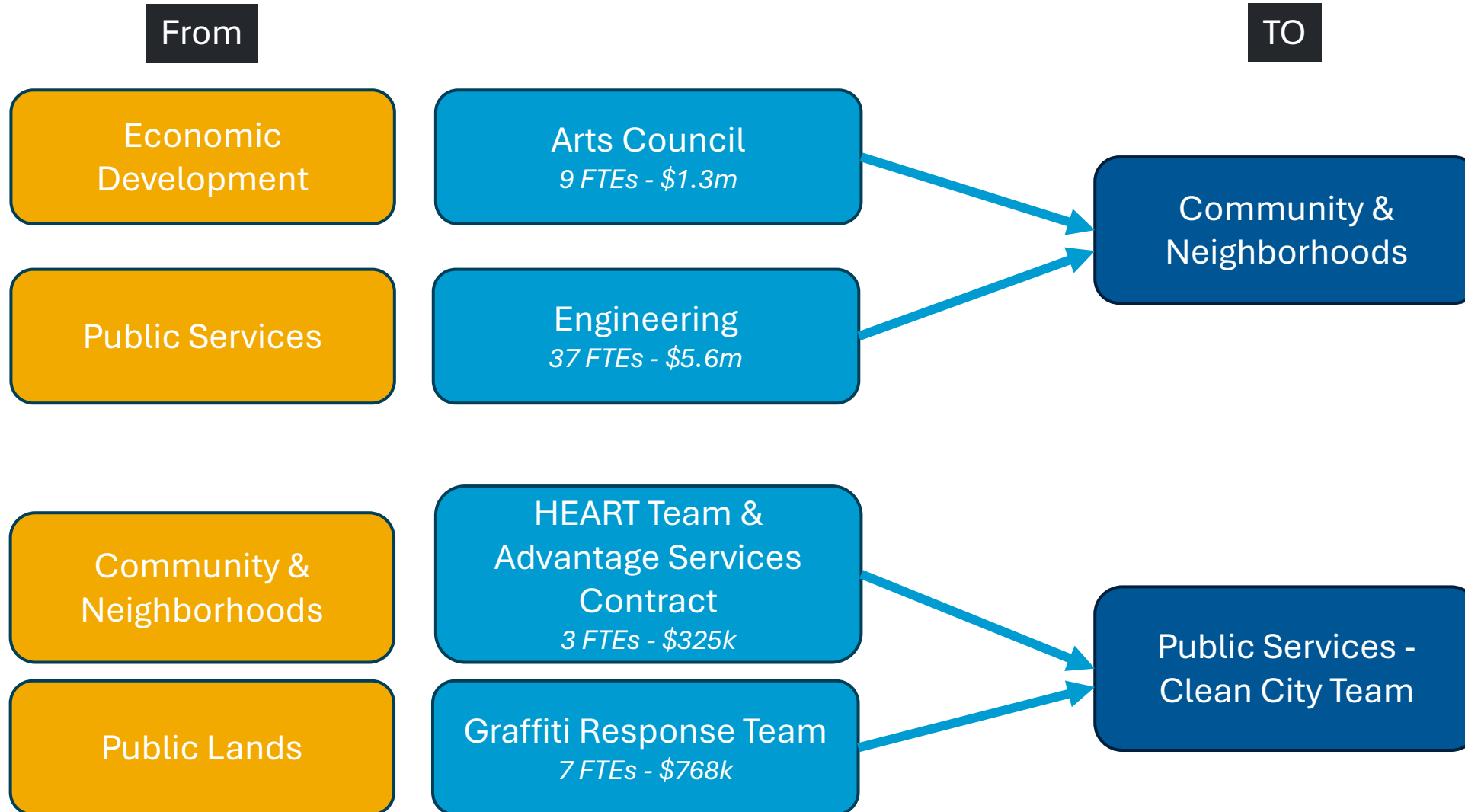
Rate/Fee Proposals

| | <i>% increase</i> | \$ increase for average |
|--|-------------------|----------------------------|
| Public Utilities | | |
| Water | 15% | \$ 72.25 |
| Sewer | 7% | \$ 29.76 |
| Stormwater | 5% | \$ 5.04 |
| Streetlighting | 15% | \$ 12.36 |
| | | |
| Refuse <i>(90 gallon multifamily)</i> | 10% | \$ 3.42 |
| | | |
| Total Annual | | \$ 122.83 |
| | | |
| GO Bond - \$35m Parks Bond 2nd Issuance | | \$ increase |
| <i>\$572,000 Residential</i> | | \$ 19.70 |
| <i>\$1m Commercial</i> | | \$ 63.00 |

Inflation-related Expenses

| FY 26 Inflation Line Items | |
|---|---------------------|
| Police | |
| Inflation - operating supplies | \$ 277,160 |
| Public Lands | |
| Seasonal staff pay increases | \$ 304,547 |
| Public Utilities increases | \$ 950,091 |
| Operational inflationary | \$ 94,184 |
| Contractual Increases | \$ 177,429 |
| Public Services | |
| hourly increases | \$ 57,060 |
| Advantages services increase | \$ 750,000 |
| Contractual Increases | \$ 632,664 |
| Non-Departmental | |
| Sorenson Center Contract | \$ 121,200 |
| Animal Services Contract and Urban V | \$ 560,073 |
| Sugar House Park Authority | \$ 51,173 |
| IMS: Contractual Increases | \$ 460,829 |
| IMS: Software Contractual Increases | \$ 841,567 |
| IMS: Inflationary Increases | \$ 148,828 |
| Body camera software | \$ 143,280 |
| Westside on-demand Ride service | \$ 124,193 |
| Legal Defenders | \$ 68,993 |
| Total Inflation-related budget increases | \$ 5,763,271 |

Organizational Adjustments



Maintenance of Existing Assets

| Department | |
|------------------|--|
| Public Lands | Sycamore Tree Study - \$150,000 Property maintenance - \$478,579 (for additional land added to inventory) Overnight park security - \$515,000 (for east and west side parks) |
| Public Services | Fire Station yard maintenance - \$11,850 Additional Street maintenance (potholes) - \$300,000 Clean City Team – 5 additional FTEs, operating costs – Graffiti Team and HEART |
| Non-Departmental | CIP – Facilities Capital Replacement - \$350,000 CIP -Parks Capital Replacement - \$250,000 CIP – Public Lands transfer to CIP for maintenance - \$683,152 CIP – Street Lighting on Jordan River Golf – Rose Park Infrastructure renewal |

Maintenance of Existing Assets - CIP

| Project | Funding Amount |
|---|----------------|
| Street Reconstruction 2026 | \$4,390,676 |
| Public Way Concrete | \$ 750,000 |
| Liberty Lake Dredging and Aeration System Replacement | \$1,000,000 |
| Irrigation system replacement (Sustainability and Maintenance) | \$1,017,515 |
| Bridge Preservation Program | \$1,000,000 |
| Sugar House Park – Critical Infrastructure cost share (\$102k impact fees) | \$ 1,107,117 |
| Facilities – replacement/renewal | \$ 1,980,868 |
| Traffic signal replacements/upgrades (\$400k impact fees) | \$4,000,000 |
| Street Overlays 2026 | \$3,500,000 |
| 1200 East Re-pavement | \$ 303,000 |
| Sport Court Repair/Replacement | \$ 630,000 |
| Playground Replacement | \$385,000 |
| Riverside Basketball Court Repair/renovation (\$450,500 impact fees) | \$ 530,000 |
| Rose Park Lane Trail Improvements | \$ 680,000 |
| | |
| Total | \$ 21,274,176 |

Westside Investment

| Westside-Focused Investment | | |
|--|---------------------|---|
| | Amount | Department |
| Rebuilding Rose Park Lane Trail | \$ 680,000 | CIP #48 |
| Preserve and repair Fisher Mansion | \$ 400,000 | CIP #62 |
| Concord Street to Alzheimer's Jordan River Improvements | \$ 480,000 | CIP #50 |
| Rose Park Golf Course Infrastructure | \$ 500,000 | Non-Departmental (\$2m total since FY 23) |
| On Demand Ride Services - inflationary | \$ 124,193 | Non-Departmental |
| <i><u>Public Safety Plan Related:</u></i> | | |
| Crime Monitoring & Response Technology | \$ 554,675 | PD |
| North Temple Right of Way Services Team (2 FTEs, vehicles, operation) | \$ 400,000 | Public Services |
| Enhanced Street Lighting | \$ 300,000 | Non-Departmental (transfer to CIP) |
| Overnight Park Security | \$ 257,500 | Public Lands |
| Total | \$ 3,696,368 | |

Other Priority Areas

Housing

\$8 million

Employee Support

4% Cola (non-rep)
5-7.5% Fire
8.75% PD
Liability Coverage

Transit/Transportation

CIP – first/last mile

Continued:

- UTA on demand
- Frequent routes

Public Safety Plan

-\$3.9 million total

Street Safety

- Vision Zero - \$2.3m
- Sidewalk/Bike Gaps - \$1.5m
- Livable Streets - \$2m
- HAWK Signals - \$500k
- 600 East Byway - \$800k

Ballpark Area Investment

\$2.5 million (\$1.7m CRA)