



# COUNCIL BUDGET STAFF REPORT

CITY COUNCIL of SALT LAKE CITY  
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**TO:** City Council Members

**FROM:** Jennifer Bruno, Ben Luedtke, Lehua Weaver  
Allison Rowland, Sam Owen, and Sylvia Richards

**DATE:** 5/28/2024

**RE:** UNRESOLVED BUDGET ISSUES – Follow-up on Council Questions

**Project Timeline:**

Briefing: May 30, 2024  
Budget Hearing: June 4, 2024  
Potential Action: June 11 or 13

## ISSUE AT-A-GLANCE

Staff has kept a list of items that one or more Council Members have raised as potential changes to the Mayor's Recommended Budget, or items that might need further Council discussion. *It should be noted that this is a staff-generated draft, reflecting Council questions and discussions as of the date of its printing. It may be updated prior to the work session discussion, and Council Members may have changes or corrections to individual items, and Council Members may add items.*

If a budget impact is apparent (revenue, FTE and/or expense changes), that amount has been listed, or noted as "to be determined." Depending on Council feedback, adjustments can be made to the overall key changes document, so that the Council can track the net effect of these decisions on the overall budget.

Changes to the budget may cause it to be out of balance (increase or decrease expenses and revenues). As these changes occur, the Council would need to identify offsetting revenue enhancements or expense reductions to bring the budget back in balance. Staff can research and provide other revenue generation or expense cutting options if the Council is interested. Once initial Council interest in various items can be determined, staff will have a live tracking of additions to or subtractions from the Mayor's recommended budget, to ensure the final budget adopted by the Council on June 11 or 13 is balanced.

**(Note: this list is not comprehensive – please let staff know if there are other items to add)**

## Follow-up Items

1. **Items to consider adding to the budget.** Some Council Members have expressed interest in adding/adjusting the following items to the budget (staff is working with the Administration on cost estimates):
  - a. Police – A placeholder for the general fund matching portion for an anticipated public safety team along the Jordan River. The City is in the process of applying for this grant and some Council Members have expressed an interest in adding a placeholder for the City's match so that once a grant is (hopefully) received it can be implemented expeditiously.
  - b. Public Lands



- i. Increase funding for general park maintenance like mowing, etc (see related legislative intent, page 4 item 1). Issues raised have been medians and general parks maintenance.
    - ii. Review new proposed FTEs (see item #2)
  - c. Non-Departmental:
    - i. Water Contamination – short term – funding for temporary dumping facilities or restrooms to alleviate waste from entering the water stream.
    - ii. Water Contamination – Long term – Funding for a study on what is needed to improve water quality in the Jordan River, including whether RV dumping stations or restrooms are needed. Coordination with public Utilities, Public Lands, Public Services.
    - iii. TBD – Add funding to the CIP budget to fund the Livable Streets Initiative (no funding was recommended by the CDCIP board or Mayor for FY 25). As a point of reference each installation is approximately \$500,000, and the funding request for FY 25 was \$3 million. The Council may wish to discuss with the Administration what amount might be ideal to fund on an annual basis, considering the need and interest is so great across the City.
  - d. Compensation
    - i. Union negotiations are ongoing and may result in additional discussions with regard to overall budget.
    - ii. Some Council Members requested the dollar figure if employee compensation were increased beyond the Mayor's recommendation of 5%. For each additional percent, the amount for the general fund would be \$2,792,206.
  - e. Fleet Fund (transfer from other Funds)
    - i. The Fleet Fund budget proposes maintain minimal fleet purchases, and using existing Fleet Fund – fund balance. Would the Council consider identifying other funding to maintain a healthy rate of vehicle replacement and prioritizing eco-friendly vehicles?
- 2. **Evaluate All New Positions** – some Council Members expressed an interest in considering all proposed new FTEs in more detail, potentially straw polling each. The spreadsheet below lists each new proposed position by Department, along with the FY 25 budget and annual cost.
  - a. *Note: Some positions are funded for less than a full year to reflect the time it takes to actually hire an employee. One Council Member asked for additional clarification on the difference between the amount included in the budget for all new positions this year and the amount that will be needed to fully fund the position next year. Accounting for the revenue offset from the Airport for new police officers working there, the total amount budgeted for FY 25 is \$2.1 million, and the total annualized cost is \$2.5 million (**a difference of \$307,746, which would be the structural deficit for FY 26 relating to FTEs**). \$116,364 of this could be covered in Funding our Future).*
  - b. *The Council may wish to conduct straw polls for any of these positions and the budget could be adjusted accordingly. Note that the Council already straw polled unanimous approval of the Downtown Special projects coordinator in the Mayor's office.*

FY 2025 Proposed NEW FTEs						
Department	FTEs	FY 2025 proposed budget	months	Annual Cost	Difference	Funding our future
<b>Attorney</b>						
Boards and Commissions Analyst (Grade 26)	1	\$ 89,640	10	\$ 107,568	\$ 17,928	
City Prosecutor's Office - Assistant Prosecutor	1	\$ 60,623	10	\$ 72,748	\$ 12,125	
<b>Community and Neighborhoods</b>						
Communications and Engagement Manager (Grade E34)	1	\$ 139,715	10	\$ 167,658	\$ 27,943	
Building Inspector (Grade E27)	1	\$ 104,580	10	\$ 125,496	\$ 20,916	
<b>Economic Development</b>						
Sister Cities Part Time position	0.5	\$ 47,000	10	\$ 56,400	\$ 9,400	
<b>Finance</b>						
Business Systems Analyst	2	\$ 126,437	10	\$ 151,724	\$ 25,287	
Grant Analyst (PT to FT)	0.5	\$ 55,285	10	\$ 66,342	\$ 11,057	
<b>Fire</b>						
Medical Response Paramedics for (CHAT) Community Health Access Team Enhancement	2	\$ 163,727	10	\$ 196,472	\$ 32,745	\$ 32,745
<b>Justice Court</b>						
Community Outreach Case Manager (Grade 19)	1	\$ 88,363	10	\$ 106,036	\$ 17,673	\$ 17,673
<b>Mayor</b>						
Senior Advisor for Downtown Projects	1	\$ 216,420	10	\$ 259,704	\$ 43,284	
<b>Police</b>						
Airport Staffing and Equipment (Revenue Offset)	6	\$ 2,328,683	10	\$ 2,794,420	\$ 465,737	
<b>Public Lands</b>						
Glendale Park Maintenance Tech III (Grade 119 Union)	1	\$ 76,700	10	\$ 92,040	\$ 15,340	\$ 15,340
Public Lands Project Coordinator (Grade 26)	1	Seasonal FOF	10			Seasonal FOF
Senior Public Lands Planner (Grade 31)	1	\$ 125,979	10	\$ 151,175		
Senior Landscape Architect (Grade 34)	1	\$ 142,636	10	\$ 171,163		
<b>Public Services</b>						
Project Delivery Support for Parks Projects	2	\$ 249,694	10	\$ 299,633		
Rapid Intervention Team	3	\$ 253,028	10	\$ 303,634	\$ 50,606	\$ 50,606
Seasonal to FTE Sign and Markings technicians	2	Seasonal	10			
Engineer IV (Grade 31)	1	\$ 117,210	10	\$ 140,652	\$ 23,442	
<b>Subtotal</b>	<b>29.00</b>	<b>\$ 4,385,720</b>		<b>\$ 5,262,864</b>	<b>\$ 773,482</b>	<b>\$ 116,364</b>
Revenue Offset		\$ 2,328,683		\$ 2,794,420	\$ 465,737	
<b>Total General Fund Staffing \$</b>		<b>\$ 2,057,037</b>		<b>\$ 2,468,444</b>	<b>\$ 307,746</b>	<b>\$ 116,364</b>

- **Vacant FTEs** - Some Council Members have asked about reconsidering or repurposing existing vacant FTEs, especially those that have been added in recent years. Staff has included a report of vacant positions in the attachment (as of 5/7/24).
- It should be noted that some positions may have since been filled, or there may be additional context not readily apparent based on job title. As such, staff has drafted a legislative intent asking for the Administration to focus on vacancies as it conducts the zero based budget exercise. See page 4 item 1 for draft language.

3. **Existing Programs** – the Council may wish to discuss whether to reduce or eliminate any existing programs offered by the City.
4. **Follow-up questions** – Staff has been providing Council Members with follow up information relating to questions raised at department briefings. Some of those are included in the above items and others are more informational in nature. Please let staff know about any questions that arise.
5. **Funding options** - Staff has identified the following potential funding sources for Council discussion/consideration, potentially to address some of the above ideas:
  - a. Potential additional revenue (*pending information from Tax Commission and follow up from the Administration – due by June 8 per state law*)
    - i. Actual New Growth
    - ii. Actual Judgement Levy
  - b. Fund balances available – Previously the City had a policy of maintaining a minimum of 10% fund balance. In FY 19 the Council established a policy goal of 13%, although that goal is not legally binding. Staff has provided both figures. Also note this is one-time in nature and to the extent it funds ongoing ideas, this would increase the structural deficit for FY 26:

	<b>Amount above 13%</b>	<b>Amount above 10%</b>
General Fund Only	\$ 1,881,111	\$ 26,580,876
Funding our Future Only	\$9,923,710	\$ 11,660,452
<b>Total (15.6% of Total General Fund revenue)</b>	<b>\$ 12,323,524</b>	<b>\$ 26,580,876</b>

- c. Update line item label for retirement payouts to also be eligible for parental leave or other initiatives. (currently that line item is not fully spent each year and Departments have largely absorbed retirement costs. This is risk if the City experiences faster-than-expected retirements).
  - d. Consider re-appropriating funds that would otherwise drop to fund balance within a department (funds that are not likely to be spent for FY 24)
  - e. Increase property tax for the general fund (*Note: the proposed FY 25 budget does not include a general fund tax increase. Because it includes a judgement levy, a truth in taxation hearing is required. A truth in taxation hearing is also required for the requested FY 25 library property tax increase*).
  - f. Adopt a more aggressive forecast for Sales Tax revenue (not necessarily recommended due to the volatility of this line item).
  - g. Adopt additional fee increases.
  - h. Evaluate compensation levels for non-represented employees (reduce mayor's recommendation). Each 1% is approximately \$2.9 million in the general fund.
  - i. The finance department has a current vacant position, \$84,798 for partial year funding of an FTE that is contingent upon receiving grant funds from the Miller foundation for development in the ballpark. It was created two years ago but that project has not proceeded. The Council could consider removing the position, or could ask the Administration if recent developments, and a recent donation from LHM, will cause them to need to hire for this position.
6. **Budget “clean up” items** – these are items that either the Staff or Administration have flagged as potential corrections to the budget to ensure expectations are met:
- a. Non-Departmental –
    - i. The proposed budget mistakenly showed \$200,000 in additional funding for the arts council from Funding Our Future. The Administration is recommending this be funded via the general fund (fund balance) instead.
    - ii. The FY 25 proposed budget inadvertently left out a \$113,798 shift from Non-Departmental to CAN via the Sorenson Center County contract. Staff will make this budget correction prior to adoption.
    - iii. \$99,840 is listed for ongoing culturally responsive therapy for negative police interactions, however \$20,000 was recommended by the Racial Equity in Policing Commission. This would make \$79,840 available for other needs/uses in this policy area.
  - b. Staff is continuing to work with the Administration to address several clean up items in both the Key Changes and staffing document.

### **Potential Legislative Intents –**

*Note: this is DRAFT language that staff has put together based on questions and input from Council Members. The Council can make any changes to exact wording and can add/eliminate ideas from consideration by discussing and taking straw polls in work sessions.*

- 1. **Policy Goals for Zero Based Budgeting exercise** – several Council Members have inquired about the potential to use the City's forthcoming zero-based budgeting exercise as an opportunity to evaluate efficiencies and staffing resources in particular policy areas such as:
  - Requesting that the Administration evaluate all vacancies (full time, part time, and seasonal) in the zero-based budgeting exercises planned for FY2025, including a more detailed vacancies analysis of the number, duration, and unused budgets from vacancies by position and by department, over multiple fiscal years. Positions that have higher vacancy durations and/or frequencies should be considered for reclassification, adjustment, or elimination.



- Requesting the Administration evaluate how the Public Lands Department balances resources spent on new projects with resources allocated to regular maintenance (like mowing and weeding), and deferred maintenance projects (like restroom repair or roof replacement), to evaluate whether additional resources are needed in all areas or if they can be shifted within the department.
  - Request the administration specifically evaluate expenditures for alternative response models located in various departments/divisions from a zero based budgeting approach. Alternatively, the council could consider a stand-alone legislative intent on this topic (see #3, which has been repeated since the FY 23 budget cycle).
2. **Request compensation plan evaluation** – Previously some Council Members had requested that the Compensation plan include Deputy Directors along with Department Directors as appointed employees. The Council may wish to consider exempting some positions like the City Comptroller, who has a fiduciary duty to the City first. Some Council Members also expressed interest in adjusting the Appointed Pay Plan pay range to recognize that employees in this position have less job position than merit employees.
3. **OTHER?**
4. **(repeat from FY 23) Evaluating efficiencies of all diversified response teams** – Council Members have expressed support for the various alternative response models in each department. The Council would like to periodically re-evaluate across City departments to determine whether there are redundancies and/or efficiencies to be gained. Some metrics have been provided in the Police Department budget staff report as a starting point for brainstorming tracking and success monitoring. Staff is including the following programs in our understanding of “diversified response models”:
- i. Fire Department – Community Health Access Team (CHAT), Medical Response Team (MRT)
  - ii. Police Department – Social Worker Co-Responders, Civilian Response Team
  - iii. CAN (in partnership with other entities in some cases) – Downtown Ambassadors (including expanded areas), Homeless Engagement and Response Team (HEART), Code Enforcement
  - iv. Public Lands – Park Rangers Program
  - v. Public Services – Community Cleaning Program (CCP) Rapid Intervention Team (*clarify whether this is sometimes referred to as the “Clean Team”*)
  - vi. 911 Department – partnership with Mobile Crisis Outreach Team (MCOT)
- The following are specific areas of interest that were raised in the context of the FY 23 budget and may be relevant in evaluating these programs:
    - i. Clarify roles of each team and how a call for service is routed from one team to another, and how calls from the public are routed.
    - ii. Track as much data as possible to determine what metrics are most important for future reviews such as number of calls for service, diversions away from a police-only response, response times, impact on police response times, volume of calls by time of day and day of the week, referrals, and other outputs and outcomes.
    - iii. Find ways to share this data with the Council and the public in a coordinated way
    - iv. Inform the public and other levels of government as these programs are rolled out

## Potential Conditional Appropriations

1. Trails contingency – In FY 24, the Council adopted the following contingency related to funding for trails (see below). The Council may wish to consider an additional or similar contingency for FY 24, until a briefing on the Administration’s transmittal is held. The update reflects that the contingency may be met and the Council can review and discuss whether the new plan satisfies the intent of the contingency

so that funds can be released. *(Staff is coordinating with Chair and Vice Chair on the schedule to review the Administration transmittal to address the questions raised in this contingency.):*

**Foothill Trails contingency** – Existing and new funds for the construction, modification and decommissioning of trails built under the Foothills Trail System Master Plan, Phase 1, will be placed in a holding account with release contingent on the Administration’s review, in collaboration with a broad spectrum of community stakeholders, of:

- i. the implementation to-date of the Master Plan;
- ii. identification of adjustments or additional engagement as warranted; and
- iii. the Council’s authorization to move forward after the Council evaluates the results of the process.

The City Council is willing to provide funding to the Administration for one or more outside experts who can objectively evaluate the technical and public policy aspects of the trail changes and additions completed to date and anticipated in the Master Plan. That written evaluation should focus on, but not be limited to:

- iv. the extent to which trail planning and development have been consistent with the vision, goals and principles in the Master Plan, including: best practices; strategies for the preservation and stewardship of the land; and
- v. respect for Tribal concerns.
- vi. In addition, the written evaluation should include an analysis of how the process could be adapted to better meet the needs and desires of all users.

Existing and new funds for environmental studies will not be on hold, so long as such funds are not used for construction or decommissioning of trails. Existing and new funds for maintenance or repair of existing trails are released to conduct ongoing maintenance ensuring that tread is within standard design practices for linear grade, width, cross slope and surface drainage. This does not include realignment.

Passive closure of trails is allowed if a trail becomes a danger to environment (excessive water damage and erosion) or public safety (for example when a trail has washed out or excessive water damage has occurred). Passive means fence and signage. No trenching is permitted.

2. **Continued Contingency for All Funding Our Future -- Sales Tax Funds (this has been adopted each year since the City implemented the sales tax).** The Council approves Funding Our Future sales tax revenue appropriations with the following conditions:

- a. Expenditure of Funding Our Future Sales Tax Funds. Funding our Future funds may not be expended unless the department or division expending the funds complies with:

- i. *Utah Fiscal Procedures Act*
- ii. *The City's Procurement Code and Rules*
- iii. *Written verification from the City Attorney and City Finance Director that proper legal and financial procedures have been followed.*
- b. **Other Funding Our Future Budget Contingencies:**
  - i. *The Administration providing a written semiannual spending, implementation and outcomes report on each of the critical need areas.*
  - ii. *Tracking funding for Fleet provided through the Funding our Future tax separately to ensure it is spent only on public safety (police, fire, dispatch).*
  - iii. *The Administration spending funds in the critical need areas as adopted in the attached key changes spreadsheet.*
  - iv. *The Administration bringing back to the Council any proposed adjustments to the adopted budget in a budget amendment for re-appropriation before changes are made.*
  - v. *The Administration maintaining and regularly updating a publicly available dashboard reflecting revenues received and actual uses.*
  - vi. *In FY21 and all future funding requests, providing a label denoting which line items are funded with this Funding Our Future sales tax funds.*
  - vii. *For all positions added, the Administration shall submit an annual written review along with the Mayor's Recommended Budget to ensure that each position continues to serve the critical need areas and, if a Council work session briefing is scheduled, provide a presentation of the report.*

**Budget Glossary (not all terms are necessarily in this report)**

American Federation of State, County and Municipal Employees - AFSCME  
 Budget Amendment - BA  
 Capital Improvement Program - CIP  
 Community and Neighborhoods - CAN  
 Community Land Trust - CLT  
 Economic Development Corporation of Utah - EDCU  
 Funding Our Future - FoF  
 Frequent Transit Network - FTN  
 Request for Proposal - RFP  
 TBD - To Be Determined  
 Transit Master Plan - TMP  
 United Nations - UN  
 Utah League of Cities and Towns

Fiscal Year - FY  
 Full-Time Employee - FTE  
 Housing and Neighborhood Development - HAND  
 Human Rights Commission - HRC  
 Homeless Resource Centers - HRCs  
 Housing Trust Fund - HTF  
 Interlocal Agreement - ILA  
 International Association of Chiefs of Police - IACP  
 Mayor's Recommended Budget - MRB  
 Redevelopment Agency - RDA  
 Salt Lake City School District - SLCS  
 Salt Lake City Fire Department - SLCFD  
 Utah Transit Authority - UTA  
 Volunteers of America - VOA  
 Wasatch Community Gardens - WCG