



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY
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TO: City Council Members

FROM: Ben Luedtke, Sylvia Richards, Jennifer Bruno,
Kira Luke, and Sam Owen

DATE: May 7, 2024

RE: **Budget Amendment Number 5 of Fiscal Year (FY) 2024**

Project Timeline:

Set Date: April 16, 2024

1st Briefing: April 16, 2024

2nd Briefing: May 7, 2024

Public Hearing: May 7, 2024

3rd Briefing (if necessary): May 14, 2024

Potential Action: (tentative) May 21, 2024

NEW INFORMATION:

The Administration has forwarded a Second Revised Budget Amendment No. 5 transmittal which includes a Fund Balance update and several changes including:

- Revised funding requests for two items:
 - o A-3: 2100 South Utility Upgrades between 700 East and 1100 East and
 - o A-8: North Temple Jordan River Bridge Riverbank Deterrent Rock Replacement and Fencing
- Two new administrative items:
 - o D-9: Streets Impact Fee Excess Capacity Reimbursement and Funding Source Change, and
 - o E-1 Utah DNR, Division of Forestry, Fire & State Lands Grant
- Two new Council-added items, I-1 was requested by the Administration after the second revised transmittal was sent and I-2 is a proposal from Council Member Puy:
 - o I-1: Micro-shelter Community Site Preparation Costs and Electricity through June (\$293,791 – One Time from Holding Account)
 - o I-2: Funding to Catchup on Expungement Backlog (\$300,000 one-time from General Fund Balance to Non-departmental)

Sales Tax Revenue and Fund Balance Update:

At the April 16 briefing, the Council received a sales tax revenue update from the Finance Department. To date, overall revenues are trending slightly above budget. Finance staff are projecting revenues to remain consistent with current estimates for the remainder of FY 2024. Modifications have been made primarily to sales tax revenues, resulting in a decrease of approximately **(-\$2.6 million)** to regular sales tax while an increase of \$3.7 million is projected for the Funding Our Future additional ½% sales tax.

The updated fund balance is estimated to be 25.5% of the FY 2024 adopted budget or \$55,558,724 above the 13% minimum target. Three changes resulted in this updated estimate. First, \$10 million is no longer anticipated in revenues later this fiscal year largely driven by sales tax projected to be flat instead of growing. Second, the \$7 million expenditure in item A-3 for 2100 South utility upgrades is changed to no longer be a loan with time certain repayment to the General Fund. Third, the Council voted on April 16 for the last remaining item in Budget Amendment #3 (downtown parking pay station replacements) to fully fund the \$1.612 million cost to avoid \$291,895 of interest expense under an alternative seven year debt repayment schedule.

Responses to Council Member Questions about item A-2: Police Recruitment and Retention (Total of \$1,423,875 from General Fund Balance of which \$1,159,375 one-time and \$264,500 ongoing)

At the April 16 briefing, Council Members asked several questions about item A-2. The questions and responses from the Police Department are below.

- Improving Retention Question: Could the Administration please provide a comparison of police officer retention before and after the \$8,500 bonus program began?
 - o Response: The Police Department had a 27% reduction in separations over the last year and a 40% reduction versus the same period 2 years ago.

- Comparing Recruitment Bonuses Question: If available, how much do other law enforcement agencies provide for lateral hiring bonuses? It would be helpful to understand how the \$8,500 bonuses for lateral police officer hires compare to the City's major talent competitors. *Staff note: this is not a direct apples to apples comparison because of differences between programs such as repayment requirements if an officer leaves before the employment commitment period, whether income taxes and the pensionable portion is paid by the agency or the officer, and whether the bonus is based on performance or years of service. The responses below indicate that Salt Lake City offers the most generous bonus program in the Wasatch Front, which is \$3,500 more than the closest competitors based on 18 agencies with whom HR was able to confirm amounts.*
 - o Response: HR provided the following local law enforcement agencies comparisons. The following entities have no police officer bonus program: Bountiful City, Davis County, Draper City, Farmington City, Lehi City, Murray City, Orem City, State of Utah Department of Public Safety Highway Patrol, Summit County, Taylorsville City, Unified Police Department, and Utah County. The following entities do offer police officer bonus programs:
 - Layton City: \$2,000 if a minimum of one year of uninterrupted full-time experience as a police officer with a similarly sized agency. Increases to \$3,000 for two years of experience. Both bonus amounts come with a two-year employment commitment. Leaving employment before the two-years requires full repayment to the City. Salt Lake City's bonus program only requires repayment of a prorated share of the bonus when the employee leaves before the two-year employment commitment ends.
 - Ogden City: \$5,000 is offered only to lateral hires.
 - Provo City: \$5,000 is offered only to lateral hires and split into two payments; \$2,000 at time of hire and \$3,000 at completion of a one-year probationary period.
 - Sandy City: 1% of annual salary bonus depending on performance or 3% for officers at the top out (maximum) pay scale.
 - South Salt Lake City: 4% of annual salary bonus one-time.
 - Weber County: \$4,000 split into two payments; \$2,000 after first six months and another \$2,000 after competing one-year of employment.
 - o Response: The Police Department noted that agencies outside of the Wasatch Front sample listed above offer recruitment bonuses of \$5,000 - \$10,000 based on a review of 2023 media articles.

- Bonus Program Participation Question: It was mentioned during the briefing that approximately 92% of current police officers have participated in the bonus program. Could you please confirm if this percentage is correct?
 - o Response: As of 4/19 the retention participation was at 94.9%.

- Need for Ongoing Lateral Hiring after Full Staffing Question: Why is providing bonuses for lateral hires recommended to continue with ongoing funding after the Department reaches full functional staffing levels?
 - o Response: In order to maintain staffing levels, especially as the retention commitments begin to end in June of 2025, the Department needs to continue to be proactive in recruiting top candidates to fill vacancies. Hiring a lateral officer (an officer who already has police certification) is the fastest way to fill the Department's vacancies. These employees can complete the Department's in-house academy and be on the street providing services to community members much faster. Recently the Department took steps to expedite lateral officers into the field.

- ARPA Dollars Question: Are there any ARPA funds budgeted but not spent that need to be obligated by the end of calendar year 2024 and could be used for the bonuses?
 - o Response: We have \$195,325 in ARPA funding that must be spent by June 30, 2024.

- Vacancy Savings Question: Could you please share the results of the vacancy savings analysis for the Police

Department?

- Response: The below charts shows potential vacancy savings are estimated to be \$857,669 in the Police Department through the end of the current fiscal year.

Vacancy Savings Estimates for Police as of 4/26/2024	
Actual vacancies at 7/1	\$ 4,824,194
FY24 Payroll costs for new hires to date	\$ (3,055,544)
FY24 Payroll costs for April to June new hires	\$ (260,980)
Estimated Vacancy Savings	\$ 1,507,669
Less: Estimated retirement payouts	\$ (400,000)
Less: Vacancy Costs and other unfunded related expenses- Acting Pay, Back fill, Hiring costs, unfunded HAS, Overtime, etc.	\$ (250,000)
Potential Vacancy Savings	\$ 857,669
* These costs are estimated based on current and historical data	
Having the potential vacancy savings in the GF PD budget provides for unknown/unfunded staffing costs and additional lateral hires through the end of the fiscal year. Unused vacancy savings will drop to fund balance.	

Policy questions:

- [Use ARPA Dollars to Reduce Drawing Down Fund Balance](#) – The Council may wish to consider using \$195,325 of ARPA funding that was previously budgeted but not spent and needs to be obligated this year under the U.S. Treasury’s guidance. This option would reduce the amount of Fund Balance needed by an equivalent amount.
- [Use Vacancy Savings to Reduce Drawing Down Fund Balance](#) – The Council may wish to discuss with the Administration the option of using some vacancy savings in the Police Department. Historically, the Department has considered vacancy savings to be an important part of the budget to cover unexpected overtime in case of major public safety incidents occurring in June when the current fiscal year ends but before the new fiscal year and those budget authorizations begin. The City has not identified an amount of vacancy savings to be available for this potential risk. The Council could ask the Administration to evaluate alternative budget options to address this annual potential need instead of relying upon vacancy savings which fluctuate and are not guaranteed to be available each year.

REVISED A-3: 2100 South Utility Upgrades between 700 East and 1100 East Capital Improvement Program Project (\$7 Million one-time from General Fund Balance, Transferred to the CIP Fund, Repayments from Property Owners as a Connection Fee at TBD Times)

The Administration is requesting a **straw poll** for this item because of contractor supply ordering constraints. A \$7 million capital improvement project is proposed to upgrade utilities in tandem with the current street reconstruction of 2100 South from 700 East to 1100 East. Upgrading utilities while the street is already open for reconstruction is expected to reduce disruption to the neighborhood, potentially be lower cost, and better protect the public investment to avoiding new pavement needing to be cut into later.

The Administration originally proposed the \$7 million as a market-rate loan subject to reaching a loan agreement with The Thackeray Company representing several entities developing adjacent properties. The revised proposal removes the loan and rather treats the project as a General Fund capital improvement project where the property owners would repay the City at a TBD time when the developers are ready to connect to the upgraded utilities. The repayment would be a prorated connection fee with accrued market-rate interest. The obligation could be set in a connection agreement and recording a notice of the agreement against the property. The \$7 million and interest could be identified as a receivable owed to the General Fund, however, the timing of repayment is uncertain and not guaranteed. Release of the funds could be contingent on the City negotiating a connection fee agreement with the developers that would include the market rate interest accrual and prorated share for repayments.

Policy questions:

- [Timing of Repayments](#) – The Council may wish to ask the Administration about options to require repayments by a certain time, and what is the risk the General Fund would not be repaid if a property owner chose not to proceed with development?

- Coordinating Utility Upgrades with Street Reconstruction Projects – The Council may wish to ask the Administration to include coordinating street reconstruction project planning and utility upgrade project planning in the upcoming Capital Asset Plan (a 5-year CIP plan). Recently, the City successfully used this approach consolidating 10 projects across five departments along the 900 South corridor.

REVISED A-8: North Temple Jordan River Bridges - Riverbank Deterrent Rock Replacement and Temporary Fencing (\$320,000 from General Fund Balance)

The Administration has updated this request to an increased amount of \$320,000, and requests a **straw poll** to enable timely contract execution.

This increase adds \$34,500 to extend the rocks 50 feet on either side of the bridge, \$60,000 to reflect an updated project scope from the contractor after assessing the site, and another \$60,000 for fencing. The fencing is anticipated to be a combination of permanent and temporary, depending on the location. None of the fencing is intended to inhibit access to the Jordan River Trail itself.

Permanent:

- Area abutting Archuleta Bridge (1206 W 200 S) - replacing existing fencing and adding new
- Northeast corner of the North Temple Bridge (approximately 1200 W North Temple) - repair/replacing damaged fencing

Temporary (up to 120 days):

- West side of the Jordan River Trail between the Archuleta Bridge and North Temple
- Gadsby Trailhead (1223 W North Temple). This includes closing the boat ramp during bridge rock installation and another 90 days after for riverbank remediation. Authorized Rocky Mountain Power or City staff will still have access. The Administration reports that Rocky Mountain Power, who owns the parking lot land, is supportive of the closure. The Administration also reports that since the trailhead is not a City park, the City isn't required to undergo the legal process a temporary park closure needs. The City has an easement at the site
- Northwest corner of the North Temple Bridge (approximately 1200 W North Temple). This closes access from the sidewalk to the bank adjacent to the bridge, the west bank of the Jordan River from the bridge to the footbridge, and the west bank of the footbridge
- West side of the second footbridge (between 180 and 200 N)
- South end of Constitution Park (1300 West 300 North)
- North side of Folsom Trail (between South Temple and 100 South) between 900 and 1000 West, and the West side of 1000 West. Note: this is not a river-abutting site, but the fencing is intended to limit persistent camping and drug traffic in that area

New Policy Questions

- Area Safety Plan – The Administration's writeup references this proposal as a critical element of the safety plan for this neighborhood. The Council may wish to ask for more details on the safety plan, in closed session if necessary.
- Permanent vs. Temporary Fencing – Most of the fencing planned is temporary. The Council may wish to hold a policy discussion considering what factors could determine areas that might be candidates for longer-term fencing.
- Duration of Administrative Closure – The Council may also wish to ask, if parts of the Folsom Trail are being closed with fencing, at what point would that closure require legislative authorization?

D-9: Streets Impact Fee Excess Capacity Reimbursement and Funding Source Change (\$6,943,500 from Streets Impact Fees to General Fund), and (\$7,018,500 from Streets Impact Fees to CIP Fund.)

This is a request for excess capacity reimbursement to be paid out of Streets Impact Fees to the General Fund in the amount of \$6,943,500. It would also transfer these funds to streets impact fees to change the funding source of existing CIP project appropriations from streets impact funded to General Fund funded CIP Projects. These changes will allow the City to comply with the Impact Fee Act, the Impact Fee Facilities Plan, and to more efficiently utilize restrictive funding sources. The result of the eligibility of these funds has been the need to refund \$58,826 plus interest of ~ \$16,174 from streets impact fee funds.

NEW E-1: Utah DNR, Division of Forestry, Fire & State Lands Grant (\$30,000 from Misc. Grants)

The Utah Department of Natural Resources; Division of Forestry, Fire & State Lands has rewarded the City with a grant for the Jordan River Water Trail Tree & Debris Removal project, which consists of the removal of certain trees and other organic matter and debris waste from the Jordan River Water Trail corridor to enhance safe and accessible nonmotorized watercraft navigation while minimizing bank erosion and strengthening bank stability. This grant was not acquired through an application but an offer of \$30,000 communicated via email as it supported a previously funded project that requires ongoing maintenance.

NEW I-1: Micro-shelter Community Site Preparation Costs and Electricity through June (\$293,791 – One Time from Holding Account)

The Council may consider a **straw poll** on this item since the micro-shelter community's operations were extended beyond the expected April 30 end date

This item would provide \$263,791 for site preparation and private security costs incurred last calendar year by the City for the RDA owned property temporarily hosting the micro-shelter community (note it has also been called a temporary sanctioned campground). It would also provide \$30,000 to cover the electricity bills for operating the site through June. On April 16, the Council approved a temporary land use regulation extending operations of the micro-shelter community through July 31. The Administration stated sufficient funding exists to cover July operational expenses so those would not need to be added to the FY2025 annual budget (for July as the first month of the next fiscal year). The monthly electric bills are between \$3,200 - \$3,800 and may increase during hotter summer months.

A breakout of the site preparation costs is listed below:

- \$188,356 for new electrical service lines to the site
- \$44,506 for ground preparation
- \$21,127 for private security during site preparation work
- \$6,907 for temporary fencing
- \$1,595 for plumbing
- \$1,300 for electrical line to a portable restroom trailer

The Council put a total of \$1.5 million into a holding account for expenses related to the micro-shelter community. On February 6, the Council found that the conditional appropriation was satisfied and approved releasing from a Non-departmental holding account \$500,000 one-time in Budget Amendment #3 for a reimbursement to the State for general operating expenses at the temporary sanctioned campground (not reimbursement for specific incurred expenses). At the time, the total estimated cost to operate the campground was \$860,000 from December through April. The \$860,000 operating cost didn't include the City's expenses to prepare the site (itemized above) such as utility upgrades, SLCPD and SLCFD public safety expenses, and the State's cost to purchase the Foldum micro shelter units.

Policy questions:

- Additional Funding Needs – The Council may wish to ask the Administration whether additional funding requests related to the micro-shelter community are anticipated. The Council could provide additional funding from the holding account (such as \$100,000) as part of this budget opening for unexpected costs related to the micro-shelter community and/or homelessness more broadly. The additional funding would provide the Administration flexibility to more quickly respond since Budget Amendment #5 is the last budget opening of FY2024 otherwise responses might need to wait for budget availability in the new fiscal year (July 1).
- Coordinating Closure of Temporary Site and Opening of Permanent Campground – The Council may wish to ask the Administration what preparations are underway to coordinate tenants moving from the temporary site to the State's permanent campground.

New I-2: Funding to Catchup on Expungement Backlog (\$300,000 one-time from General Fund Balance to Non-departmental)

This item is proposed by Council Member Puy to provide one-time funding for catching up on an expungement backlog. Recent changes to state law and the courts system processing of expungement requests has significantly increased the number of pending expungements. The funds would be placed in Non-departmental to give the Administration flexibility to determine how best to implement processing the documents. The funds could be used for an outside contract, in-house resources such as overtime, technology improvements, and/or a combination of approaches. Appropriating the funds in Non-departmental recognizes that multiple departments could be involved including the Police Department, IMS, and/or Finance. Some Council Members have mentioned that faster processing of expungements helps people access housing and jobs by removing a criminal record which can be identified during a background / security check. Criminal records can be a barrier to a landlord approving a rental application or a potential employer hiring the job candidate. The funding would need to be used or encumbered under a contract before the end of fiscal year (June 30) otherwise the appropriation would lapse and return to General Fund Balance unless the Council adds it to the FY 25 annual budget in Non-Departmental.

Policy questions:

- Additional Resources Needs – The Council may wish to ask the Administration is the volume of expungement requests anticipated to continue increases and might additional resources be needed in future fiscal years?

Information below was provided to the Council at earlier briefings –

Item A-3 is a request for \$7 million of one-time General Fund monies which would be used to negotiate a loan with the Thackeray Company, representing several businesses, who are or will be developing property adjacent to 2100 South in the Sugar House Business District. A fact sheet and additional info was pending at the time of publishing this report.

Tracking New Ongoing General Fund Costs for the Next Annual Budget

(See Attachment 1 at the end of this staff report)

The chart of potential new ongoing General Fund costs for the FY2025 annual budget is available as Attachment 1 and included at the end of this document. If all the items are adopted as proposed by the Administration, then the FY2025 annual budget could have \$380,882 of new ongoing costs. The total new ongoing costs from Budget Amendments 1 through 5 would be \$7,568,554. It's important to note that \$3.1 million of that could be covered by the Homeless Shelter Cities Mitigation State Grant assuming the Legislature continues to appropriate sufficient funds under the current formula and law.

Fund Balance

If all the items are adopted as proposed, then General Fund Balance would be projected at 28.12% which is \$67,210,724 above the 13% minimum target of ongoing General Fund revenues. It's important to note that while Fund Balance at this level is healthy the FY2025 annual budget (like the FY2024 annual budget) is anticipated to have a relatively large structural deficit necessitating use of one-time Fund Balance.

The Administration has requested straw polls for the following items:

A-3: 2100 South Infrastructure Loan for Utility Upgrades between 700 East and 1100 East (\$7 Million one-time from General Fund Balance and Transferred to the Loan Fund)

D-5: Housing Authority PILOT (Payment in Lieu of Taxes) Check (\$40,000 to General Fund)

Revenues Update

The Finance Department plans to provide a sales tax revenues update to the Council at the April 16 briefing. Overall revenues have improved since Budget Amendment #4 when total General Fund revenues were forecast to be \$1.4 million below budget which was mostly driven by sales tax underperforming. The updated table shows total General Fund revenues are trending slightly above budget partly because of the Funding Our Future 0.5% sales tax coming in higher. The Department provided some additional details on revenue line items with significant changes:

- Sales Taxes: The regular sales and use tax is \$2.7 million below budget while the local option Funding Our Future (FOF) 0.5% sales tax is \$3.7 million above budget. The two sales taxes have different exemptions and percentage splits between which government entities receive the resulting revenue. This is why the two sales tax revenues do not always trend in the same direction at the same time. The City took a conservative approach to budget projections for the FOF sales tax since it was enacted in 2018. The historical is being used to refine FOF sales tax projections for the FY2025 annual budget.
- Charges from Services: The \$1.2 million (25%) increase from charges for services is caused by police off-duty security (offset by an increase in actual police overtime). Also contributing is an increase in building civil enforcement revenue as those accounts have been turned over to the collections unit.
- Franchise Taxes: The \$925,203 (7.5%) increase from franchise taxes continues a recent trend after several years of multi-million dollar decreases in this revenue source. The increase is due to water rate increases of about 22% over prior year that are now impacting city revenue. This trend should continue as Public Utilities is requesting another rate increase in FY2025.
- Rental and Other Income: The \$419,599 (62%) increase is from facility rental revenue due to increased demand for city facilities and increases in city costs for water, gas, and power utilities which are passed through. There is an offsetting increase in these utility expenditures.

Revenue	FY23-FY24 Annual Budget	FY23-24 Amended Budget	New Projection	Amended Variance Favorable/(Unfavorable)
Property Taxes	131,752,713	131,752,713	131,752,713	0
Sales, Use & Excise Taxes	117,129,000	117,129,000	114,465,900	(2,663,100)
Franchise Taxes	12,348,127	12,348,127	13,273,330	925,203
Total Taxes	261,229,840	261,229,840	259,491,943	(1,737,897)
Charges For Services	4,745,443	4,745,443	5,938,036	1,192,593
Fines & Forfeitures	2,561,547	2,571,547	2,607,446	35,899
Interest Income	8,000,000	8,000,000	8,000,000	0
Interfund Service Charges	26,131,213	26,131,213	26,041,511	(89,702)
Intergovernmental Revenue	5,134,621	5,134,621	5,159,621	25,000
Licenses	18,434,301	18,434,301	18,438,665	4,364
Miscellaneous Revenue	2,958,012	2,948,012	2,966,118	18,106
Parking Meter Revenue	2,801,089	2,801,089	2,801,089	0
Parking Tickets	1,500,000	1,500,000	1,499,955	(45)
Permits	22,445,026	22,445,026	22,487,608	42,582
Property Sale Proceeds	-	-	-	0
Rental & Other Income	681,604	681,604	1,101,203	419,599
Gain on Property Dispositions	-	-	-	0
Operating Transfers In	9,938,944	10,130,410	10,130,410	0
Total W/O Special Tax	105,331,800	105,523,266	107,171,662	1,648,396
Sales Tax Addition 1/2%	49,084,479	49,084,479	52,800,000	3,715,521
Total General Fund	415,646,119	415,837,585	419,463,605	3,626,020

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 Budget Amendment #5. Based on those projections the adjusted fund balance is projected to be at 25.86%.

	FY2023 Budget Projected			FY2024 Budget		
	FOF	GF Only	TOTAL	FOF	GF Only	TOTAL
Beginning Fund Balance	18,395,660	141,728,022	160,123,682	24,825,461	178,695,454	202,575,741
Budgeted Change in Fund Balance	(2,100,608)	(20,736,262)	(22,836,870)	(3,657,641)	(29,211,158)	(32,868,799)
Prior Year Encumbrances	(3,162,300)	(17,260,909)	(20,423,209)	(2,592,884)	(18,663,765)	(21,157,931)
Estimated Beginning Fund Balance	13,132,752	103,730,851	116,863,603	18,574,936	130,820,531	148,549,011
<i>Beginning Fund Balance Percent</i>	22.79%	25.00%	24.85%	35.49%	33.36%	33.42%
Year End CAFR Adjustments						
Revenue Changes	-	-	-	-	-	-
Expense Changes (Prepays, Receivable, Etc.)	-	(2,257,746)	(2,257,746)	-	(2,484,423)	(2,484,423)
Fund Balance w/ CAFR Changes	13,132,752	101,473,105	114,605,857	18,574,936	128,336,108	146,064,588
<i>Final Fund Balance Percent</i>	22.79%	24.46%	24.37%	35.49%	32.72%	32.86%
Budget Amendment Use of Fund Balance						
BA#1 Revenue Adjustment	-	(475,000)	(475,000)	-	-	-
BA#1 Expense Adjustment	-	-	-	-	(204,200)	(204,200)
BA#2 Revenue Adjustment	-	-	-	-	-	-
BA#2 Expense Adjustment	-	-	-	-	763,950	763,950
BA#3 Revenue Adjustment	-	6,000,000	6,000,000	-	-	-
BA#3 Expense Adjustment	-	(6,538,000)	(6,538,000)	-	(1,434,220)	(1,434,220)
BA#4 Revenue Adjustment	-	194,600	194,600	-	-	-
BA#4 Expense Adjustment	-	(7,584,328)	(7,584,328)	-	(2,890,480)	(2,890,480)
BA#5 Revenue Adjustment	-	-	-	-	-	12,456,949
BA#5 Expense Adjustment	-	(5,940,349)	(5,940,349)	-	-	(39,800,223)
BA#6 Revenue Adjustment	-	19,120,198	19,120,198	-	-	-
BA#6 Expense Adjustment	-	(11,719,731)	(12,219,731)	-	-	-
Change in Revenue	-	-	-	-	-	-
Change in Expense	-	-	-	-	-	-
Fund Balance Budgeted Increase	-	-	-	-	-	-
Adjusted Fund Balance	21,928,113	157,840,137	178,933,386	18,574,936	124,571,157	114,956,364
<i>Adjusted Fund Balance Percent</i>	38.05%	38.05%	38.05%	35.49%	31.76%	25.86%
Projected Revenue	57,634,742	414,859,025	470,299,454	52,338,120	392,166,803	444,504,923

A summary spreadsheet outlining proposed budget changes is attached to the transmittal. The Administration requests that 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

Impact Fees Updates are pending further implementation of the City's new financial system (Workday) and integration with Accela that handles building permit records.

The Administration's transmittal provides an updated summary of impact fee tracking. The information is current as of 7/20/23. The table below has taken into account impact fees appropriated by the Council on August 15 as part of the FY2024 Capital Improvement Program (CIP) . As a result, the City is on-track with impact fee budgeting to have no refunds during all of FY2024 and FY2025. The transportation section of the City's Impact Fees Plan was updated in October 2020. The Administration is working on updates to the fire, parks, and police sections of the plan.

Type	Unallocated Cash "Available to Spend"	Next Refund Trigger Date	Amount of Expiring Impact Fees
Fire	\$273,684	More than two years away	-
Parks	\$14,064,637	More than two years away	-
Police	\$1,402,656	More than two years away	-
Transportation	\$6,064,485	More than two years away	-

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: Fire Department Public Utilities Cost Increases for Fire Hydrant Rentals (\$133,250 one-time from General Fund Balance)

The Administration is requesting \$133,250 to cover fee increases on maintenance costs on fire hydrants in the City. While Public Utilities refers to this as "rental" fee, it is not renting hydrants in the traditional sense of rent. The fee covers maintenance costs and use of the hydrants. Public Utilities increased this fee in FY 24, but it was overlooked while putting together the Fire Department budget that year. For FY 25, Finance is recommending that this cost be shifted to non-departmental as it is a City-wide expense for a City-wide benefit.

A-2: Police Recruitment and Retention (Total of \$1,423,875 from General Fund Balance of which \$1,159,375 one-time and \$264,500 ongoing)

In Budget Amendment #5 of FY2023, the Council approved \$5.5 million to offer \$8,500 one-time bonuses to all police officers, except executive level (e.g., deputy chief and above), with a two-year employment commitment. The bonuses also included the City paying the pensionable cost of approximately \$3,000 on average to the Utah Retirement System for the employee's pension. If an officer left employment with the City before completing the two-year commitment, then they would need to repay a prorated share of the cost to the City. The date of the bonuses are staggered based on an employee's hiring anniversary date. This item is requesting funding to continue providing bonuses to new hires using this same framework.

The Administration is requesting \$264,500 to provide 23 lateral hire bonuses. A lateral hire is when a police officer working at another law enforcement agency is hired to work at the Salt Lake City Police Department. A lateral hire is already POST certified and needs significantly less training than a new entry level hire. The estimated cost is \$125,000 - \$150,000 for a new entry level police officer from date of hire to completion of all trainings so they can fully operate as an officer out on patrol. The funding would be ongoing so bonuses could continue to be provided to lateral hires in future fiscal years.

The Administration is also requesting \$1,159,375 one-time to provide bonuses to new entry level and lateral hires expected in May and retention bonuses to existing officers that haven't yet participated in the bonus program.

The Department has relied on mandatory overtime to maintain minimum patrol staffing levels at times during recent years. The Police Chief stated this approach helps in the short-term but is unsustainable in the long term. The bonus program was designed to incentivize longer retention of officers and faster hiring of new officers. The program goal was to stabilize staffing levels and help the Police Department reach full staffing within two years. The Department reports a high participation rate by officers in the program and improved staffing levels.

In March, 34 funded sworn officer positions were vacant and two additional vacancies were anticipated. Depending upon the completion rate of planned upcoming hiring classes, the Department could reach full functional staffing in 2024. Note that there are many unknowns outside the City's control when projecting when the Police Department could reach full staffing such as the number of qualified candidates applying, the state of the Wasatch Front metropolitan and national economies, officers on leave, crime rates, etc.

Policy questions:

1. Availability of Vacancy Savings is Pending – The Council may wish to ask the Administration for an update on available vacancy savings in the Police Department that could be used instead of General Fund Balance to cover some of the costs for bonuses. An analysis of vacancy savings was pending at the time of publishing this staff report.
2. Limit of One Bonus – The Council may wish to ask the Administration to confirm that only a single bonus is offered. For example, if a sworn employee left, then would they be eligible for a second bonus upon returning in the future?
3. Need to Continue Lateral Hire Bonus Program after Reaching Full Staffing – The Council may wish to ask the Administration why providing bonuses for lateral hires is recommended to continue with ongoing funding after the Department reaches full functional staffing levels?
4. Unused ARPA Funds – The Council may wish to ask the Administration to check if there are any unused ARPA funds that were budgeted but not spent that should be recaptured and obligated for use by the federal deadline at the end of this calendar year.

A-3: 2100 South Infrastructure Loan for Utility Upgrades between 700 East and 1100 East (\$7 Million one-time from General Fund Balance and Transferred to the Loan Fund)

The Administration may be requesting a straw poll for this item (pending the fact sheet and updated info).

In order to facilitate a faster, less disruptive, and less costly reconstruction of 2100 S from 700 E to 1100 E, the Administration proposes negotiating a market-rate loan of up to \$7 million to The Thackeray Co. as the representative of several entities in the area that are or will be developing property adjacent to 2100 S. This funding would be put toward needed water and sewer upgrades in Sugarhouse and allow the City's contractor to replace the infrastructure in conjunction with the road upgrades instead of in subsequent phases that would necessitate re-opening the road over the next several years. Release of the funds will be contingent on the City negotiating a loan agreement with the developer that would include a market-rate interest rate and adequate collateral should the development not take place for some reason. Additional information and a fact sheet will be shared with the council in the coming days.

At the time of publishing this staff report the fact sheet and additional information was pending. The funding is proposed to be transferred to the Loan Fund for better tracking and so the funds don't lapse to Fund Balance at the end of the fiscal year recognizing that more time might be needed to negotiate loan agreements. One option the Council could consider is approving the funds contingent upon later approval of the proposed loan terms.

A-4: State Funding for Avenues Cemetery Road Reconstruction and Irrigation System Upgrades (\$3 Million one-time State Appropriation to the CIP Fund)

This budget amendment is requesting approval to receive additional \$3,000,000 in State appropriated funds to be spent on the Cemetery Roadways and Irrigation CIP bond project. This request will permit the Summer 2024 bidding and contracting to proceed without delays for the construction of the Cemetery Roadways and Irrigation project. Funding any later than June 30 may delay bidding and contracting or add cost to the project PRJ-230007 8323213 - BD Cemetery.

The project is funded by three sources: City's 2022 Sales Tax Revenue Bond (approx. \$11,200,000); a state legislative appropriation (\$3,000,000, this request); and by a private donor (\$1,000,000, received through a donation agreement and budget amendment). Bond and donation amounts are combined in Row 20 of "Grant Information". The legislative appropriation can be given to the City in no fewer than two separate issuances once money is spent down (i.e., a reimbursement). However, the City needs the funds upfront to bid and award the construction contract. This funding

will be reimbursed by the State once the City spends it (even partially) and reports on performance outcome measurements (likely FY 26/27). The funding allocation for the \$3,000,000 from the state will not be recognized until the contract is complete, which is anticipated to happen by April 16th. The final “Historic Salt Lake City Cemetery Preservation” request for appropriation (RFA) from the legislature is also attached.

The request for appropriation states that unused funding should be returned to the State at the end of FY2025 (June 30, 2025). The actual deadline will be determined in the funding agreement between the City and State which could be later. The total available funding for the Avenues City Cemetery road reconstructions and irrigation system upgrades is \$15.2 million (from the bond, private donation, and state appropriation). This would significantly improve those aging assets but not fully fund the estimated need of \$14.1 million for irrigation system upgrades and \$20 million for road reconstructions.

A-5: Traffic Signal for 2200 West and 2100 North Intersection (\$450,000 one-time from General Fund Balance to the CIP Fund)

The Administration is requesting \$450,000 to add traffic signals at the 2200 W /2100 N intersection. This is currently a 2-way stop sign controlled intersection in a high growth area of the City. There is a worsening safety concern at this intersection that a traffic signal would address. Traffic at this intersection has increased faster than anticipated in recent years, and drivers turning off 2200 West onto 2100 North are finding it challenging to identify safe gaps in traffic. This has resulted in an increase in traffic accidents at this location including severe injuries. This issue is exacerbated by the relatively high speeds (45 mph) on 2100 North that makes it harder for drivers to accurately judge gaps in traffic. In past CIP discussions, the Council has expressed a willingness to fund capital projects to address legitimate and serious safety issues instead of waiting for the annual CIP process. Some Council Members have also commented that serious and urgent safety issues should not be forced to seek funding through the competitive CIP process.

A-6: Police Impact Fee Refunds (\$47,592 one-time from Unappropriated Police Impact Fee Balance in CIP)

The City Council set aside funding for the purchase of property using Police Impact Fees. The intended property did not work for the police precinct. Disencumbering of these funds has resulted in the required refund of impact fees plus actual interest earned on the funds (as required by state law) due to their expiration. This refund will be funded with proceeds from unappropriated Police Impact Fees. \$38,464 (principal)+ Approximate Interest \$9,128 = Total \$47,592. At the time of publishing this staff report, the option of using excess capacity to reimburse the General Fund for past eligible expenses was being explored.

A-7: Update of the Transportation Section in the Impact Fees Facilities Plan (\$29,817 rescope from last IFFP update and \$30,184 from Unappropriated Transportation Impact Fees)

The City is in the process of updating the Impact Fee Facilities Plan (IFFP) for Police, Fire and Parks. Updating the Streets IFFP at the same time will not only be cost efficient but is needed for the efficient CIP planning of Streets and Transportation. The Transportation bond is nearly complete and updating the Streets IFFP will aid Capital Asset Planning (CAP) in the preparation of the CAP 10-year Plan. One hundred percent of the cost is impact fee eligible and the scope includes Streets/Transportation Study and Preparation of the IFFP. The full request of \$60,000 is to be funded by a rescope of the remaining \$29,816.67 from the 2020 IFFP appropriation, with the remainder to come from unallocated Streets Impact Fees.

A-8: North Temple Jordan River Bridge - Riverbank Deterrent Rock Replacement (\$165,500 one-time from General Fund Balance)

The Administration is requesting \$165,500 to replace the rocks on the riverbank underneath the North Temple Jordan River Bridge. The project entails removing the existing rocks and replacing them with larger boulders considered uninviting for human activities. The request is framed as a reimbursement, but to date, the project is still in the permitting process and has yet to begin.

In addition to discouraging unsanctioned access under the bridge, the rock replacement is anticipated to have a positive environmental impact. The Administration has worked with the State's stream alteration division to ensure that the project follows requirements to improve riverbank erosion control and will reduce scour (soil erosion around bridge supports, which threatens bridge stability).

The North Temple Jordan River Bridge is currently the only location prioritized for this type of project. The rock replacement project is one of several complementary approaches to reduce illegal activities in the area. Other efforts include: a nearby trailhead parking lot closure, temporary fencing to limit access off the paved trail, targeted law enforcement and overall increased police presence - including a Mobile Control Center on the Fairgrounds parking lot and addressing limited lighting in the area (some of which is privately-owned).

Policy questions:

- Need at other Bridges over the Jordan River – The Council may wish to ask the Administration how much this

approach would cost at other bridges over the Jordan River that are also impacted by illegal activities. For example, public complaints and comments have noted campfires under bridges that caused wooden parts of the bridges to be damaged.

- Coordinating with the Folsom Trail – The Council may wish to ask the Administration for an update on any impacts this project may have on the planned completion of the western portion of the Folsom Trail from 1000 West to the Jordan River.

A-9: Additional Funding for 7 Days a Week Service from Advantage Services’ Mobile Clean Team Contract (\$130,649 one-time from General Fund Balance)

In the FY2024 annual budget, the Council approved a \$598,000 increase to the \$802,000 ongoing base budget for Advantage Services’ Mobile Clean Team contract. The new ongoing budget is \$1.4 million. The Administration is requesting a one-time increase of \$130,649 as a result of two changes that were made this fiscal year. First the Clean Team’s services were made immediately available to requests from the Police Department, and second, those services were expanded from five to seven days a week. These changes were made to reduce duplication of clean up requests, increase response times, and align the services hours with the seven days a week operating hours of the Police Department’s Camp Mitigation Squads. Without the additional funding the Mobile Clean Team would reduce services to five days a week to stay within budget.

Services include cleanup of abandoned camp materials, voluntary trash removal from active encampments, and biowaste removal. The mobile clean team works with the City’s Rapid Intervention Team. Services are provided on public property except for biowaste removal which is available on private property. In limited circumstances trash removal is also provided on private property.

Policy questions:

1. Clean Team Funding in the FY2025 Budget – The Council may wish to ask the Administration to evaluate whether another ongoing funding increase is needed to meet demand for the Clean Team’s Services. The Administration stated some services are seeing less demand such as the Rio Grande Clean Team and bathroom attendants. The Council may also wish to ask what is reducing demand for those services and if the need actually reduced, moved elsewhere, or perhaps there are opportunities for a more proactive cleaning approach.
2. Metrics – Would the Council like additional information about metrics for the Mobile Clean Team?

A-10: Fund Balance Allocation to CIP Holding Account (\$15 Million one-time from General Fund Balance to CIP Fund)

The Finance Department is requesting a one-time transfer of \$15 million from General Fund Balance to a CIP holding account for capital maintenance. This item is to ensure adequate fund balance levels, while also focusing on the financial need for capital maintenance across the city. The Administration is considering reconvening the CIP resident advisory board to help determine how best to use these funds in development of the FY2025 CIP budget. The funding recommendations would come to the Council for approval and release of the funds from the CIP holding account.

The Council’s recent deliberations at the annual retreat, financial risks and reserves analysis briefing, and budget letter to the Mayor identified deferred maintenance as a top priority for the one-time Fund Balance tens of millions of dollars over the City’s 13% minimum target. Some specific examples include life and safety projects, energy efficiency, fleet vehicle replacements and maintenance, traffic safety infrastructure and signage, pavement maintenance, and the large 400 South bridge project. This proposal would seem to be in line with the Council’s recent retreat discussions about ways to prioritize one-time money.

Policy questions:

- Council role - The Council may wish to confirm with the Administration that the Council will be involved in decisions about how funds are spent from this account.
- Prioritizing capital maintenance – The Council may wish to ask the Administration whether other ongoing, underfunded City needs were considered for this transfer, and how the administration arrived at capital maintenance as a priority. The Council may wish to understand further the Administration’s definition of “capital maintenance” to better understand the types of projects this could fund.

Section B: Grants for Existing Staff Resources (None)

Section C: Grants for New Staff Resources

(None)

Section D: Housekeeping

D-1: Adding Budget for Finance Grant Position – Correction (Transfer of \$14,548 from Misc. Grants Fund and \$46,643 from CDBG Fund to General Fund, and \$3,000 to IMS Fund)

In Budget Amendment #3 of this fiscal year, budget was added to CDBG and Miscellaneous Grants funds for a Grants-related position within the Finance department. However, there was a miscommunication, and the budget should not have been added to CDBG and Misc. Grants. Both of those fund classes already have the maximum amount of budget added for personnel at the beginning of each fiscal year. What should have happened is the budget and FTE should have been added within the Finance department as a general fund funded FTE. The expenditures for this position would be periodically reimbursed by the CDBG and Misc Grant funds after a time-tracking report is submitted justifying a reimbursement.

D-2: Recognizing Overtime Revenue in Budget (\$1,736,505 from General Fund)

The Police Department is requesting a budget appropriation for overtime that has associated revenues from special events, overtime staffing, contracts and task force reimbursements. The amount being requested is based on what has been received through February conservatively projected through the remainder of the fiscal year.

D-3: Relocate CAN CRAG Funds (\$100,000 from General Fund)

On March 19, 2024, during their review of the annual HUD grant awards for FY 2025, Council asked the administration to evaluate other existing City rental assistance funding sources and return to the Council with options in relation to a funding gap for Housing Connect's HUD HOPWA program.

This item provides recommendations and potential adjustments to reallocate the unused CAN CRAG funds to address Housing Connect's funding gap, and to fund another HUD applicant that was ineligible for FY 2025 HUD funds.

- Housing Connect/The Housing Authority of Salt Lake County, HOPWA Program: \$27,800

- Neighborhood House, Early Childhood Education Program: \$72,200

Both recommendations are eligible activities per City Code 2.20, Community Recovery Committee: Eviction Assistance & Rent Relief and Expanded Educational Opportunities.

Note: Per City Code 2.20, Community Recovery Committee, all CAN CRAG funds need to be spent by December 31, 2024.

D-4: HOME Dormant Income Transfer (Transfers \$3,463,696 from Housing Fund to Misc. Grants Fund)

This housekeeping item moves the remaining HUD HOME dormant program income in the amount of \$3,463,696.23 to the correct fund. Budget is currently posted to the Housing fund. Due to federal grant tracking purposes, as well as Finance wanting like to consolidate all grants in the grant fund, the department is requesting to move the HOME dormant program funds to the grant fund. This budget amendment would move existing budget/funds and will have a zero-sum budgetary impact.

D-5: Housing Authority Payment In Lieu Of Taxes or PILOT Check (\$40,000 one-time to and from the General Fund; revenue in and equivalent expenditure out)

*The Administration requested a **straw poll** for this item to facilitate affordable housing rental assistance*

The expenditure budget in the Non-Departmental Housing cost center currently sits at \$85,000 while a total of \$125,000 in expenditures is expected. This amendment will increase the budget to the appropriate level.

D-6: Airport Interest Budget Adjustment (\$21,933,876 from Airport Fund)

The Airport initially budgeted \$121,528,000 in interest expense based on the gross amount rather than the net value. The actual forecast amount of interest expense is \$142,900,000. This will adjust the Airport's interest expense budget to match interest in our debt service schedules rather than net debt service (interest less capitalized interest). This amendment will budget the \$21,933,876 difference from the Airport fund.

D-7: Open Streets 2024 at TBD Location and Times (\$250,288 rescope of unused funds from prior year Downtown Open Main Street events)

The Economic Development Department has identified a total of \$250,288 available to be rescoped for Open Streets events this year. The location, dates, and times are TBD. The Department stated that a different business district would be selected outside of downtown and the events would likely be held in the fall. The events would be smaller than the downtown Open Main Street events of the past three years and have a lower total cost. The Department anticipates no additional funding will be needed. There are three sources for the funding from the past two fiscal years of Open Main Street events:

- \$57,000 remaining from \$500,000 approved in Budget Amendment #5 of FY 2023 for the 2023 Open Streets program
- \$69,128 remaining following the completion of the Open Streets 2023 event
- \$124,159.60 remaining from the \$250,000 approved in Budget Amendment #1 of FY 2024

Policy Questions:

- Plans and Total Budget Need for Summer or Fall 2024 Open Streets – The Council may wish to ask the Administration for an update on plans and total estimated budget needed to operate Open Streets at a new TBD location. In prior years, the summer events would be run for 15 weeks from Memorial Day to Labor Day, on Main Street from South Temple to 400 South, and from Noon to 2am on Fridays and Saturdays. Prior year events had significantly higher costs than \$250,000 (double that amount).
- Summer vs Fall Timing for Open Streets – The Council may wish to discuss with the Administration the pros and cons of holding open streets events in the summer vs the fall. Public feedback from prior years suggested some businesses and attendees preferred summer events over fall events because of the warmer weather such as more comfortable outdoor dining arrangements, and the coordination with the greater number of special events happening at the same time which bring more people (attendees and performers) to the area.
- Final Report of Pedestrianizing Main Street Downtown – The Council may wish to ask the Administration for an update on when the final report will be available about options and recommendations to permanently pedestrianize parts of Main Street from South Temple to 400 South. The study website is www.mainslc.com
- Rotating Locations – The Council may wish to discuss with the Administration whether Open Streets events could be rotated around the city at different business districts.

D-8: Community Reinvestment Agency Act True Up (\$3,675, 752 from General Fund – One-time)

In late March, staff received an updated memo from the Salt Lake County Auditor. After receiving this memo (Pursuant to Utah Code Ann. § 17C-1-606 of the “Community Reinvestment Agency Act”) staff are increasing the revenues and expenses by \$3,675,752 accordingly to account for the final annual distribution. The corresponding memo is attached for additional detail.

**Section E: Grants Requiring No Staff Resources
(None)**

**Section F: Donations
(None)**

Section G: Grant Consent Agenda No. 4

G-1: Department of Environmental Quality – State of Utah – Service Line Inventory (\$100,000 from Misc. Grants Fund)

Department of Public Utilities (DPU) received \$100,000 to conduct a service line inventory and produce a lead service line replacement (LSLR) plan for an estimated 13,894 water line connections in qualifying disadvantage census blocks meeting the Hardship Funding Criteria of Utah Department of Environmental Quality. On December 16, 2020, the U.S. Environmental Protection Agency adopted the Lead and Copper Rule Revisions (LCRR) Act that went into effect on January 16, 2021, and has a compliance date of October 16, 2024. DPU must complete a service line inventory that includes publicly owned and customer-owned portions of the service line and develop a lead service line replacement plan between 2023 and the LCRR compliance date. A public hearing was held May 16, 2023.

Section G: Grant Consent Agenda No. 5

G-1: Safe Streets For All (\$953,600 from Misc. Grants Fund)

The Office of the Mayor requested \$953,600 for the TravelWell Schools demonstration project on behalf of the nonprofit Children’s Media Workshop. The project tests and refines a multi-media and digital mapping tool augmented with an educational campaign to deliver multi-disciplinary messaging aligned with the Safe System Approach targeting underserved populations, citizen behavioral activities, and community engagement and empowerment.

The anticipated outcome is transformational change through real-time identification of travel behaviors, problems, and solutions resulting in zero deaths on Salt Lake City roadways. Children’s Media Workshop and Mapps Lab LLC developed the TravelWell Schools digital mapping tool that the project will test on a small-scale to gauge effectiveness and assess for inclusion in the Safe Streets for All Action Plan under development by Wasatch Front Regional Council. Children’s Media Workshop has committed to providing the full \$238,400 worth in non-federal match, which is often required for grants. This amount is strictly for the City’s grant match; however, it will not pass through or need to be budgeted for by the City. A public hearing was held November 7, 2023.

G-2: Marathon Petroleum – Drone Funding (\$4,532 from Misc. Grants Fund)

Funding will provide for the purchase of a drone to train first responders and prepare for an emergency response. The public hearing was held January 16, 2024.

G-3: Rocky Mountain High Intensity Drug Trafficking Grant (\$600,068 from Misc. Grants Fund)

This funding is for the Salt Lake Metro Narcotics Task Force. This contract is for salaries and fringe for existing Salt Lake City PD K9 officer and Task Force Finance Manager/Grant Administrator. Funding will also support overtime for outside agencies that participate in the task force. Other expenses: travel, K9 contracts, supplies, equipment and other administrative costs. The public hearing was held March 5, 2024.

G-4: Paul Coverdell Forensic Science Improvement Grant (\$9,280 from Misc. Grants Fund)

The Salt Lake City Police Department is proposed as a sub-awardee in the Utah Department of Public Safety, Bureau of Forensic Services (UBFS) application for the FY 2022 Paul Coverdell Forensic Science Improvement Grant Program. The state's application includes \$9,280 for the Salt Lake City Police Department Crime Lab 2023 Annual Accreditation Fee through ANAB (ANSI National Accreditation Board) under ISO/IEC 17020. The public hearing was held June 6, 2023.

**Section I: Council-Added Items
(None)**

ATTACHMENTS

1. Potential New Ongoing General Fund Costs Approved in Midyear Budget Amendments (Chart)

ACRONYMS

ADU – Accessory Dwelling Unit
ANAB – ANSI National Accreditation Board
CAN – Department of Community and Neighborhoods
CDBG – Community Development Block Grant
CIP – Capital Improvement Program Fund
CRAG – Community Recover Assistance Grants
DNR – Division of Forestry, Fire & State Lands
DPU – Department of Public Utilities
FTE – Full Time Employee
FY – Fiscal Year
FOF – Funding Our Future
GF – General Fund
HOPWA – Housing Opportunities for Persons with Aids
HUD – Department of Housing & Urban Development
IFFP – Impact Fee Facilities Plan
IMS – Information Management Services
Misc. – Miscellaneous
RDA – Redevelopment Agency
RFA – Request For Appropriation
RFP – Request For Proposal
SAA – Special Assessment Area
UBFS – Utah Bureau of Forensic Services

ATTACHMENT 1

Council Request:

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 FY2025 Annual Budget	Full Time Employee (FTEs)	Notes
#2	Item A-1: Homeless General Fund Reallocation Cost Share for State Homeless Mitigation Grant	\$53,544	0.5 FTE Community Development Grant Specialist for Homelessness Engagement and Response Team (HEART)	This position is proposed to be half funded from the State Homeless Shelter Cities Mitigation Grant and half by the General Fund for FY2024. The \$107,088 reflects the fully loaded annual cost for the FTE.
#2	Item A-5: Create a Public Lands Planning & Design Division	\$12,113	Reclassify an existing FTE to a higher pay grade and director of new division. Request position be appointed in a future budget opening.	Transfer all four (4) full-time landscape architect positions and associated operating budget (\$543,144) from the Engineering Division (Public Services Department) to this new division in the Public Lands Department. Returned as item D-1 in Budget Amendment #4
#2	A-6 Sorenson Janitorial and County Contract - Senior Community Programs Manager	Budget Neutral <i>(see note to the right)</i>	1 Senior Community Programs Manager	This item requires amending an existing interlocal agreement with the County. At the time of publishing this report, staff is checking whether the amendment could result in additional funding needs to maintain current levels of service. The item might not be budget neutral depending on the agreement changes.
#2	A-7: Economic Development Project Manager Position	\$122,000	1 Economic Development Project Manager	Would be focused on the creation of Special Assessment Areas or SAAs for business districts and renewal every three to five years.
#2	A-9: Know Your Neighbor Program Expenses	\$6,500		Program expenses were inadvertently left out of the last annual budget
#2	A-10: Love Your Block Program Expenses	\$55,750		Program expenses were inadvertently left out of the last annual budget

Budget Amendment	Item	Potential Cost to FY2025 Annual Budget	Full Time Employee (FTEs)	Notes
#2	Item E-3: Homeless Shelter Cities Mitigation Grant Award	\$3,107,201	<u>13 Existing FTEs:</u> - 2 Police sergeants - 10 police officers - 1 Business & community liaison <u>4.5 New FTEs:</u> - 1 Sequential Intercept Case Manager in the Justice Court - 0.5 Grant Specialist in CAN (half grant funded and half by the General Fund in item above) - 1 Police sergeant - 2 police officers	Admin expects to apply for grant funding annually to cover these costs. General Fund would not need to cover costs if the State grant is awarded to the City to fully cover the costs. <i>Note: Justice Court FTE is part of the City's contribution towards implementation of the "Miami Model" of diversion out of the homelessness system.</i>
#2	G-1: Greater Salt Lake Area Clean Energy and Air Roadmap Coordinator Position	\$482,915 <i>(funding is to cover four years of new FTE)</i>	1 Coordinator	Four years of salary and benefits. The position would be responsible for facilitating the sustained involvement of jurisdiction partners, managing consultants, assisting with community engagement, coordinating stakeholder and public engagement activities and presentations, and tracking task completion and achievement.
#3	A-1: Fire Department (4 New FTEs)	\$292,638	4 New Medical Response Paramedic FTEs	Annual cost; this assumes the Fire Department requests two new entry level firefighters to replace the two that were converted into civilian paramedics
#3	A-4 City Attorney's Office Legislative Division (4 New FTEs)	\$594,441	Legislative Affairs Director (E34) • Senior City Attorney (E39) • Special Projects Analyst (E26) • Administrative Assistant (N21) Focus on legislative affairs, with special emphasis on the legislative session	Annual cost
#3	A-9: Adding Multimodal Specialized Road Markings Maintenance Funding into the Streets Division's Base Budget	\$200,000		
#3	A-10: Downtown Parking Pay Station Replacements	\$271,985		Would be paid annually over six fiscal years from FY2025 – FY2030. The Council left Budget Amendment #3 open to consider this item later
#4	A-2: Short-term Rental	\$49,000		

Budget Amendment	Item	Potential Cost to FY2025 Annual Budget	Full Time Employee (FTEs)	Notes
	Identification Software			
#4	A-4: Liberty Park Greenhouses	\$62,500		
#4	A-7: Increase Fleet Maintenance Capacity	\$312,585	3 New Mechanics	3 new FTE mechanics, education/training, software/hardware, maintenance from outside vendor. Request to finish this fiscal year is \$399,909.
#4	A-8: Police Officer Overtime	\$1,829,000		This item would double the annual line item for police officer overtime
#5	A-2: Police Recruitment and Retention	Ongoing amount of \$264,500		
#3 & #5	D-1: Adding Budget for Finance Grant Position - Correction	\$116,382	1 FTE	Budget was mistakenly added to CDBG and Misc Grants. The General Fund will front the cost for the FTE and later the grants will reimburse the General Fund for eligible expenses
TOTALS		\$7,568,554	33 FTEs of which 20 are New	