



# COUNCIL BUDGET STAFF REPORT

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

**FROM:** Kira Luke, Budget & Policy Analyst

**DATE:** May 13, 2025

**RE:** Proposed FY 2026 Finance Department Budget

**BUDGET BOOK PAGES:** Key Changes 50-51, Department Overview 187-192, Staffing Document 291-294

**Project Timeline:**

Briefing: May 13, 2025

Budget Hearings: May 20 and June 3, 2025

Potential Action: June 10 or 13, 2025

## ISSUE AT-A-GLANCE

The Department of Finance includes Policy and Budget Development, Accounting & Financial Reporting, Purchasing and Contracts, Grants Acquisition Management, the Treasurer's Office, Revenue and Collections, Business Licensing, Fraud Waste and Abuse, and the Civil Action Unit (handles parking notices, ground transportation, alarm violations, snow removal, loud party, and animal control). The \$13,730,930 proposed FY2026 budget is \$721,888 or 5.5% more than last year. The increase is primarily salary and other personnel funding adjustments. The increase also includes \$100,000 for a temporary position for impact fee tracking, and \$50,000 for an administrative fee allocation study.

The Department leadership shared the following top priorities that informed the FY2026 budget proposal:

- Continue work on program-based budgeting
- Increase service to City Departments through Workday
- Update and expand Administrative Fee allocations

## \$ 571,888 Increase for Personnel Services

This funding reflects several personnel services category increases itemized on page 190 of the budget book and in the table below. The smaller items occur in most annual budgets including base to base changes such as from mid-year reclassifications and benefit changes, insurance rate increases, merit changes for represented employees, pension changes, and annualizing the cost of positions that were partially funded for the soon-to-end fiscal year. The total personnel services budget would be \$ 12,033,405, which is 87% of the total department budget.

Personnel Services Line Item	Change
Salary Proposal	\$ 321,201
Base-to-base changes	\$ 69,284
Insurance Rate Changes	\$ 45,885
Health Savings Account	\$ 1,000
Pension Changes	\$ 38,251
CCAC salary adjustments	\$ 96,267
<b>Total</b>	<b>\$ 571,888</b>



\$321,201 for the 4% general pay increase / cost of living adjustment (COLA) proposed in the Mayor’s Recommended Budget for all City employees. Finance has 87 employees.

\$100,000 onetime funding for temporary personnel to carry out the Impact Fee reporting project.

\$50,000 ongoing to study how administrative fees are assessed to enterprise funds. This is recommended for a five-year duration, to be conducted by a third-party contract.

## POLICY QUESTIONS

1. **Program-based budgeting** – Finance is one of two departments that have fully implemented program-based budgeting, allowing budgets to be presented and analyzed by program, so expenses and efficacy can be seen for specific programs, in addition to the typical analysis at the department and the division level. Workday implementation has taken priority over full adoption, but Finance reports a goal of all general fund budgets being buildable by program in FY27.
  - a. The Council may wish to have a discussion on which Departments have programs where this type of visibility would be particularly helpful, and whether resources are necessary to prioritize program-based implementation in those areas.
2. **Use & Effectiveness of the Good Landlord Program** – The Council may wish to ask about the status of the Good Landlord Program, given increased use. Over the past ten years, the number of licensed housing rental units has more than tripled, and the City’s Affordable Housing incentives and increased enforcement on short-term rentals may all affect use and availability of program’s resources. Finance reports coordination with Housing Stability and Thriving in place to enhance to Good Landlord program and develop more resources for tenants, with a goal of formulating and presenting recommendations to the Council before FY27.
  - a. The Council may wish to hold a policy discussion of goals or desired outcomes from any program enhancements.

For example, the Council may request information about any opportunities for improvement, if additional resources or policy/legal changes are needed, how the housing construction boom has affected the usage rate, whether it is accomplishing its intended purposes, etc.? Some Council Members have expressed interest in exploring new resources to increase enforcement, new/proactive education, and balancing landlord and tenant resource assistance.

The Council could coordinate with the Administration about the preferred timing for this discussion, whether there is value in a more comprehensive discussion, and/or whether it is possible to identify potential budget needs sooner rather than later.

Operating Budget for Department of Finance						
	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2025-26 Proposed	Difference	
					Dollars	%
Personnel Services	\$ 9,046,505	\$ 9,930,101	\$ 11,361,517	\$ 12,033,405	\$ 671,888	6%
Operations & Maintenance	\$ 78,135	\$ 168,403	\$ 291,841	\$ 287,546	\$ (4,295)	1%
Charges & Services	\$ 5,763,584	\$ 1,021,269	\$ 1,355,684	\$ 1,409,979	\$ 54,295	4%
Debt Interest and Fiscal Charges	\$ -	\$ 107,939	\$ -	\$ -	\$ -	0%
Equipment Expense	\$ -	\$ 101,353	\$ -	\$ -	\$ -	0%
Operating Transfers Out	\$ -	\$ 2,263,052	\$ -	\$ -	\$ -	0%
<b>Totals</b>	<b>\$14,888,224</b>	<b>\$ 13,592,117</b>	<b>\$ 13,009,042</b>	<b>\$ 13,730,930</b>	<b>\$ 721,888</b>	<b>6%</b>