



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY
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TO: City Council Members

FROM: Ben Luedtke, Sylvia Richards,
Allison Rowland, Jennifer Bruno,
Kira Luke

DATE: March 5, 2024

RE: Budget Amendment Number 4 of Fiscal Year (FY) 2024

Project Timeline:

Set Date: February 6, 2024

1st Briefing: February 13, 2024

2nd Briefing & Public Hearing: February 20, 2024

3rd Briefing: March 5, 2024

Potential Action: March 5, and/or March 26, 2024

NEW INFORMATION

At the February 20 work session, the Council reviewed additional items and passed a straw poll in support of item I-2 to move CDBG dormant program income from the Housing Fund to the Grants Fund to improve federal tracking and compliance reporting. Some Council Members requested that the Administration include new traffic signals, roundabouts, and new roads as part of the ongoing evaluation to update the transportation section of the Impact Fee Facilities Plan which will come to the Council for adoption. The discussion touched on potential policy guidance for these transportation system improvements and ideal annual funding. The Council may revisit this topic as part of the Capital Improvement Program in FY2025. The Council also discussed considering new FTEs in the Police Department vs increasing overtime funding as a topic for the next annual budget.

At the formal meeting, the Council closed the public hearing and adopted four time sensitive items that were previously straw polled with unanimous support as summarized in the prior staff report (below). The budget amendment is still open. The Council is scheduled to review the remaining items and potentially vote on March 5.

New Attachment 2: Transmittal Amending City Code Chapter 2.08.130 Administrative Organization for the Public Lands Department and Creating a Planning & Design Division

The Administration transmitted the ordinance amendment on February 13. It adds to the list of Public Lands Department functions “the division of planning and design” and “management and execution of the planning, design, and construction of public lands capital projects.” This would formally change the structure of the Department.

This relates to item D-1 to create a Planning and Design Division in the Public Lands Department and reclassify an existing Planning Manager FTE to be the appointed Division Director at a higher pay grade. If the Council supports item D-1, the ordinance amendment would be listed separately on the March 5 formal meeting agenda the same night as the next Budget Amendment #4 adoption vote.

Update for Item I-1 Potential Funding to Buyback Single-family Homes with Right of First Refusal

Item I-1 is a placeholder to buyback single family homes where the City has an existing contractual option. The Housing Stability Division shared an update that some of the owners who expressed interest in selling have changed their minds at this time. The existing budget may be enough to cover the one remaining potential buyback. This item could be revisited in Budget Amendment #5 if needed. The Administration is preparing a draft Community Land Trust and first-time homebuyer program policies for the Council’s consideration which could include how to handle buyback options and funding.

– Information below was provided to the Council at earlier briefings –

At the February 13 briefing, the Council discussed and unanimously passed nonbinding straw polls for four items as listed below. The Council is scheduled to continue reviewing proposed items at the February 20 work session briefing. There is a new Council-added item I-2 which the Administration requested after the budget amendment was transmitted. The write-up for A-4 is updated based on new information from the Public Lands Department after the first briefing staff report was published.

Four Straw Polls

A-1: Air Quality Incentives Program Expansion for Electric Bikes and Indoor Air Purification (\$230,000 from Nondepartmental Holding Account and Satisfying Condition on the Funds)

- The Council's straw poll was to approve these funds for FY2024 only as a one-time transfer to the Sustainability Department. The Council also signaled to the Administration that new contracts for the program should not assume ongoing funding for the existing incentive categories. Council Members expressed an interest to review the income-qualified amounts and percentages and continue the department role clarity discussion including how the air quality incentives program can follow that legislative policy guidance.
- Council Member Wharton highlighted potential confusion for some residents if the City on one hand is issuing vouchers for non-pedal assisted electronic bikes while on the other hand prohibiting those bikes on certain trails and natural lands. He suggested this information and other rules be provided to program participants at the time of voucher issuance.

A-7: Increase in Fleet Maintenance Capacity (\$399,909 from General Fund Balance)

- The Council's straw poll was to support early advertising of the three new mechanic FTEs. The hiring of the positions would be after a vote formally approving the funding and updating the staffing document to authorize the positions.
- Council Members expressed support for increasing maintenance capacity to avoid greater costs in the future. They also requested that the FY2025 budget reflect how to address the multiple challenges to keep the City's vehicle fleet well maintained such as continuing supply chain uncertainty, staffing levels, and leasing vs purchasing vehicles.

A-9: Mobile Phone Data Extraction Software (\$194,540 from the IMS Fund Balance)

- The Council's straw poll is to support this item to avoid likely cost increases.

A-10: Versaterm Case Service Software Upgrade (\$203,148 from the IMS Fund)

- The Council's straw poll is to support moving ahead with this item to avoid a yearlong delay if funding were unavailable until next fiscal year.
- Council Members expressed support for increasing the public's access and options to file public safety reports. This includes up to 30 languages for verbal communications and up to 60 for texting and form based communications. This is part of a larger streamlining process including an upcoming launch of mySLC later this year. The current mobile app contract is scheduled to end in November and be replaced with the new consolidated system.

Updated Write-up Based on New Information from the Public Lands Department

A-4: Liberty Park Greenhouse Stabilization and Entrance Gates (\$31,250 from General Fund Balance for Ongoing Greenhouse Operations, \$248,015 Reappropriation of Vacancy Savings One-time to CIP for Greenhouse Repairs, and \$37,110 Reappropriation of Vacancy Savings One-time to CIP for Entrance Gates)

There are three separate appropriations proposed in this item. Two are related to the greenhouses in the center of Liberty Park. A recently completed facility condition assessment concluded the greenhouses are significantly deteriorated and damaged. As a result, they are closed and not being used for operations. The original building was constructed in 1902 and multiple additions were added in later decades around the historic house in the center. The facilities are estimated to cover 11,000 square feet. \$2 million is a high-level cost estimate to address the multiple issues identified in the assessment.

The \$37,110 one-time reappropriation of vacancy savings in the Public Lands Department would purchase several gates to control afterhours access to Liberty Park. The gates would be posted at the north and south entrances as well as east and west along the interior vehicle loop. The Historic Landmarks Commission would need to review and approve the gates.

The \$31,250 from General Fund Balance is partial year funding for ongoing greenhouse operations. These funds could be used for temporary operations such as to rent a mobile temporary office, rent underutilized greenhouse spaces at the University of Utah to continue the native plant program, and pay related utilities. The total annual cost that would need to be included in the FY2025 annual budget is estimated to be \$62,500.

The \$248,015 one-time reappropriation of vacancy savings in the Public Lands Department would be used for urgent repairs to an east bay. The Department and Engineering Division completed a preliminary structural assessment with external architects. The cost estimate for urgent repairs to the east bay is \$283,720. The \$35,705 gap would be covered by the existing budget in the Public Lands Department. Further structural assessments will determine the extent of necessary repairs and refine cost estimates. A CIP request may be submitted to fund some or all the structural repairs and renovations.

I-2: Placeholder for Housekeeping Move of CDBG Dormant Program Income (\$6,133,511 from the Housing Loan Fund to the Grants Fund)

This includes three separate budgets the Council previously approved and were later approved by HUD as a substantial amendment to the City's 2020-2024 Consolidated Plan. They are \$5.6 million for property acquisition, \$250,000 for the small business façade improvement program within the targeted geographic area, and \$250,000 for Westside sidewalks. The Administration stated that moving the funds would improve the City auditor's ability to meet federal single audit compliance requirements. Currently the federal CDBG dollars are comingled with non-federal housing loans. This transfer is a housekeeping item that's not legally required but is a best practice for government accounting. This also furthers the Council's goal of enhancing oversight of federal grant programs with the new grants administrator FTE in the Finance Department that was approved in Budget Amendment #3

– Information below was provided to the Council at earlier briefings –

Budget Amendment Number Four includes 20 proposed amendments, \$4,464,748 in revenues and \$9,248,709 in expenditures of which \$3,860,205 is from General Fund Balance and requesting changes to nine funds. Additionally, the transmittal indicates there is an increase of three FTE's for the Fleet Fund in A-7 Increase Fleet Maintenance Capacity.

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 \$2,253,085 of new ongoing costs. The total new ongoing costs from Budget Amendments 1 through 4 would be \$7,452,172. 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 31.73% which is \$83,247,761 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 latest revenues update from Finance also shows that sales tax revenues are coming in about \$3 million below budget.

The Administration has requested straw polls for the following items:

- A-1: Air Quality Incentives Program Expansion for Electric Bikes and Indoor Air Purification (\$230,000 from Nondepartmental Holding Account and Satisfying Condition on the Funds),
- A-7: Increase in Fleet Maintenance Capacity (\$399,909 from General Fund Balance)
- A-9: Mobile Phone Data Extraction Software (\$194,540 from the IMS Fund Balance) and
- A-10: Versaterm Case Service Software Upgrade (\$203,148 from the IMS Fund)



The Administration indicates that revenues are trending below the initial budget projections.

Revenue for FY 2024 Budget Adjustments

The chart below presents General Fund Projected Revenues for FY 2024.

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	114,129,000	(3,000,000)
Franchise Taxes	12,348,127	12,348,127	12,341,052	(7,075)
Total Taxes	261,229,840	261,229,840	258,222,765	(3,007,075)
Charges For Services	4,745,443	4,745,443	5,770,419	1,024,976
Fines & Forfeitures	2,561,547	2,561,547	2,567,590	6,043
Interest Income	8,000,000	8,000,000	8,000,000	0
Interfund Service Charges	26,131,213	26,131,213	26,144,079	12,866
Intergovernmental Revenue	5,134,621	5,134,621	5,234,598	99,977
Licenses	18,434,301	18,434,301	18,436,598	2,297
Miscellaneous Revenue	2,958,012	2,958,012	2,978,339	20,327
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	22,497,613	52,587
Property Sale Proceeds	-	-	-	0
Rental & Other Income	681,604	681,604	682,104	500
Operating Transfers In	9,938,944	9,938,944	9,938,944	0
Total W/O Special Tax	105,331,800	105,331,800	106,551,328	1,219,528
Sales Tax Addition 1/2%	49,084,479	49,084,479	49,484,479	400,000
Total General Fund	415,646,119	415,646,119	414,258,572	(1,387,547)

At this time, Finance staff are projecting revenues to remaining consistent with current estimates for the remainder of FY 2024. Consistent with the update provided to Council on January 16, 2024, modifications have been made primarily to Sales Tax, resulting in a decrease of approximately \$3 million.

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 #4. Based on those projections the adjusted fund balance is projected to be at 31.73%.

Salt Lake City General Fund TOTAL Fund Balance Projections

	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)	-	(1,730,732)	(1,730,732)
BA#4 Revenue Adjustment	-	194,600	194,600	-	-	-
BA#4 Expense Adjustment	-	(7,584,328)	(7,584,328)	-	(3,860,205)	(3,860,205)
BA#5 Revenue Adjustment	-	-	-	-	-	-
BA#5 Expense Adjustment	-	(5,940,349)	(5,940,349)	-	-	-
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	123,304,921	141,033,401
<i>Adjusted Fund Balance Percent</i>	38.05%	38.05%	38.05%	35.49%	31.44%	31.73%
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 Update

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: Air Quality Incentives Program Expansion for Electric Bikes and Indoor Air Purification (\$230,000 from Nondepartmental Holding Account and Satisfying Condition on the Funds)

See pages 23 – 29 of the Administration's transmittal for an overview of the proposed expansion.

Note: The Administration has requested a straw poll for part of this item.

The new funding is proposed to be split into two parts: \$200,000 for e-bike vouchers to approximately 350 residents and \$30,000 for indoor air purification to approximately 60 households. The program would partner with five local bike shops to supply the bikes, safety accessories, education, and basic maintenance support. The program would also partner with the City's Handyman and Home Repair Programs in the Housing Stability Division to provide indoor air purifiers, HVAC filters, air quality monitors, and single burner induction cooktops. The Council approved an Air Quality Incentives Program Coordinator FTE in the annual budget to administer the existing gas-power lawnmower exchange program and the proposed expansion.

The table below shows proposed bike voucher amounts based on the applicant's income and type of bike. If the Council approves program funding, then issuing a request for proposal or RFP would be the next step. The Administration has requested a straw poll on the e-bike portion of the program expansion.

Bike Type	Standard Voucher	Income-Qualified Voucher
City and Commuter	\$400	\$1,000
Adaptive	\$600	\$1,200
Cargo & Utility	\$800	\$1,400

In the FY2024 annual budget, the Council put \$230,000 into a Nondepartmental holding account for a potential expansion of the City's air quality incentives program and approved the below condition on the appropriation as part of the budget adoption ordinance. The Council also adopted the below legislative intent identifying the Sustainability Department as priority for a policy discussion on role clarity and updating City Code. The Council could first address the

role clarity question, so the outcome informs whether and how to expand the air quality incentives program. In prior discussions, some Council Members expressed interest in more clearly defining the City's role, avoiding duplication of services between levels of government and local service providers / organizations, and recognizing the competing funding needs of core city services. For example, on one end of the spectrum could be the City directly providing services to residents, on the other end the City convenes and funds existing service providers to administer programs and services, or a hybrid approach between the two.

Conditional Appropriation -- Air Quality Incentives Program

\$230,000 of new ongoing funding for an expanded Air Quality Incentives Program is hereby adopted contingent upon the Administration providing a written proposal of the program policy (such as but not limited to: income-qualification guidelines, prioritization criteria, maximum awards by incentive type, equity considerations, and other details) and Council approval of the program policy and goals.

Legislative Intent from the FY2024 Annual Budget Adoption Motion Sheet

Department Role Clarity in Ordinance - It is the intent of the Council to ask the Attorney's Office to propose updates to the City's code that define and discuss the respective roles of City departments. This review should include, but not be limited to, the Sustainability, Economic Development, and Public Lands Departments. Per Council discussion, Sustainability is the priority.

\$250,000 Existing Ongoing for Gas-powered Lawnmower Exchange Air Quality Incentives Program

The Council previously funded \$250,000 annually over three years for a gas-powered lawnmower exchange program in partnership with the State. Residents can choose to participate in the Call 2 Haul program for old gas-powered lawnmowers to be picked up and recycled. The State has ended the residential component of the program to solely focus on commercial landscaping businesses. The City has more flexibility to tailor goals and eligibility by taking on the residential portion of the program. The Sustainability Department plans to broaden eligible incentives beyond lawnmowers to other gas-powered lawn maintenance equipment such as weed whackers, edgers, trimmers, leaf blowers, snowblowers, etc.

Policy Questions:

- Department Role Clarity – The Council may wish to continue the discussion of providing role clarity and how the Air Quality Incentives Program could follow that direction (e.g., City directly provides services to residents, convenes and funds local organizations to administer the program, or hybrid approach).
- E-bike Programs Provided by Other Entities – The Council may wish to ask the Administration if they have reviewed other e-bike incentive programs offered in the Salt Lake Market to evaluate whether there is greater efficiency partnering with those programs. Staff is aware of a program offered to all Salt Lake County residents by the Utah Clean Air Partnership (UCAIR), as well as Utah Clean Energy (UCE).
- Types of Air Quality Incentives – Does the Council support the proposed mix of air quality incentives (e.g., e-bikes, indoor air purifiers, and electric yard maintenance equipment) to advance the City's goals or are different targeted incentives preferred? The Council may also wish to discuss how the expanded Air Quality Incentives Program would balance indoor air quality improvements which benefit the members of the immediate household (and where people spend most of their time) with reducing outdoor air pollution which benefits all residents and visitors in the local airshed.
- Air Quality Incentives Equity Considerations – The Council may wish to provide policy guidance to the Department for how to prioritize an expanded air quality incentives programs such as outreach to support geographic equity, the proposed income-qualified approach and amounts, limiting a maximum of two vouchers per household, identifying at least half of the funding for low to moderate income households, focusing indoor air quality incentives on neighborhoods with greater levels of pollution and asthma rates, etc.

A-2: Short-Term Rental Identification Software (\$49,000 Ongoing from General Fund Balance)

This budget item would purchase software and training to help the Civil Enforcement Division monitor and enforce violations by short-term rentals that do not comply with City codes. These would include ADUs (Accessory Dwelling Units), as well as apartments, single-family homes, and other structures. The Division worked with IMS and the Innovations Team to identify options for software, but the software costs will be charged to Civil Enforcement as the only entity using it. The software will allow inspectors to identify these properties more quickly and easily, saving time to be used on other priorities. This funding includes \$39,000 for the software and \$10,000 for training. Two Civil Enforcement positions were added in the last annual budget.

A-3: WITHDRAWN

A-4: Liberty Park Greenhouse Stabilization and Entrance Gates (\$31,250 from General Fund Balance for Ongoing Temporary Greenhouse Operations, \$248,015 Reappropriation of Vacancy Savings One-time to CIP for Greenhouse Repairs OR Stay in Operational Budget for Temporary Greenhouses, and \$37,110 Reappropriation of Vacancy Savings One-time to CIP for Entrance Gates)

There are three separate appropriations proposed in this item. Two are related to the greenhouses in the center of Liberty Park. A recently completed facility condition assessment concluded the greenhouses are significantly deteriorated and damaged. As a result, they are closed and not being used for operations. Parts of the facilities are historic dating back to the late 1930s and possibly earlier. \$2 million is a high-level cost estimate to address the multiple issues identified in the assessment.

The \$37,110 one-time reappropriation of vacancy savings in the Public Lands Department would purchase several gates to control afterhours access to Liberty Park. The gates would be posted at the north and south entrances as well as east and west along the interior vehicle loop. The Historic Landmarks Commission would need to review and approve the gates.

The \$31,250 from General Fund Balance is partial year funding to rent a mobile temporary office, rent underutilized greenhouse spaces at the University of Utah to continue the native plant program, and pay related utilities. The total annual cost that would need to be included in the FY2025 annual budget is estimated to be \$62,500.

The \$248,015 one-time reappropriation of vacancy savings in the Public Lands Department would be used for temporary greenhouses ("hoop houses"), fencing, access to water, and a new transformer. The Department and Engineering Division are currently working on a structural review of the greenhouses. The review results could change the Department's recommendation to use these funds for repairs to the east and west greenhouses if possible. At the time of publishing this staff report an update was pending on which option the Administration is recommending (e.g., repairs to the greenhouses vs temporary greenhouses) and clarification of what expenses qualify as capital expenditures in the CIP Fund.

A-5: Public Lands One-Time Budget Reallocation (\$558,000 one-time of Vacancy and Attrition Savings; \$333,000 to the Fleet Fund and \$225,000 to Contract Temporary Labor)

The Department of Public Lands wishes to reallocate \$558,000 from attrition and vacancy savings to other expense categories. Under this proposal, the Department would:

- transfer a one-time amount of \$333,000 to the Fleet Fund for new equipment, and
- reallocate a one-time amount of \$225,000 to the operations and maintenance budget to cover contracted services through June 30, 2024.

The equipment that Public Lands wishes to purchase includes two wide-area mowers (\$133,000 each) and one mini-excavator for irrigation system repairs (\$67,000). These would ensure that the regular repairs needed on their current models do not result in unnecessary work delays. At last check, the lag between ordering and delivery of this equipment is around 18 months.

The Department would use the remaining \$225,000 to contract temporary labor to perform essential maintenance in parks, on medians, and on right of way properties from early spring to June 30, 2024. This additional labor would relieve the excess workloads for existing staff and ensure that new FTEs hired with additional FY24 budget are able to keep pace with Council and public expectations.

Most of the FTEs funded in FY24 have been hired or are anticipated to be hired soon, though the Department acknowledges ongoing challenges with recruitment and retention. It is working with the City Human Resources Department to promote hiring through several different initiatives. Public Lands does not anticipate requesting a pay increase for seasonal staff for FY25, which now stands at \$17.85 per hour, but notes that the labor market remains highly competitive.

A-6: Fire Station 1 Perimeter Fencing (\$130,275 one-time from Fire Impact Fees as Excess Capacity Reimbursement to the General Fund and Transfer to CIP Fund)

Fire Station 1, at 211 South 500 East, is located on the corner of 500 East and 200 South. It has one driveway that enters the parking lot from 500 E. and another that enters from 200 S. The parking lot is not well lit and is secluded. The location, pedestrian traffic, and access from two directions has led to many issues over the years.

- People often cut through the parking lot to get to the businesses on 500 E.
- Persons experiencing homelessness have set up camping spots in the parking lot.
- When returning to the station at night, crews have seen people running out of the parking lot on multiple occasions.
- Since 2019, SLC PD has opened 14 cases related to issues in the parking lot. Including vehicle theft, prowling, and

- property theft.
- Since 2018, SLC PD has responded to 45 calls at the station that were not made into active cases.

It is the Salt Lake City Fire Department's priority to provide a safe area to conduct emergency response and for our employees to park and secure their private property while on shift. The department believes that a gated fence to the parking lot would assist in creating a safer area to conduct emergency responses and in preventing crime. The Facilities Division has received estimates for installation of security fencing at the perimeter of Fire Station 1. This will include chain link at the rear perimeter and ornamental fencing and gates at the front of the station and two access points. Fire impact fees excess capacity is proposed to be utilized for this request. This project would be combined with the Fire Station #1 Apparatus Bay Extension project that was fully funded in FY2024 CIP. Combining the projects might result in less disruption to the neighborhood and potential cost savings.

A-7: Increase in Fleet Maintenance Capacity (\$399,909 from General Fund Balance)

The Administration is requesting three (3) new FTE mechanics and additional funding to address immediate Fleet maintenance needs. As identified in the transmittal, due to significant changes in the automotive industry during the Pandemic, costs and delivery times for parts and vehicles have increased and some orders have been cancelled, resulting in an older fleet requiring more maintenance. Fleet mechanics have been offered overtime to work longer shifts. More vehicles have been sent to outside vendors for maintenance, and Fleet has used 73% of its maintenance budget in the first six months of the fiscal year. As a result of these factors, the Administration indicates Fleet is unable to keep up with the recent growth of departments and the corresponding increase of Fleet vehicles for new employees.

The full cost of a new mechanic position is \$104,195 each or \$312,585 annually for three new FTEs. To add the 3 new mechanics at this time, Fleet would need the following:

3 FTE Fleet Mechanics (last 3 months FY23-24)	\$91,809
Education & Training – one-time	\$42,100
IMS Expense (software, hardware) one-time	\$9,000
Outside Repair – Mechanical (sublet) one-time	\$257,000
Total Costs to General Fund for FY2024	\$399,909

Fleet indicated that they previously requested one-time budget adjustments to supplement sublet costs and has limited the number of vehicles sent out to external vendors. This has caused increased wait times for vehicle repairs which will continue to increase if Fleet is unable to add capacity, either with internal or external resources. Additionally, preventative maintenance may be delayed as repairs are prioritized, potentially causing a ripple effect on fleet vehicles by deteriorating faster and needing more intensive repairs soon.

Council staff asked if costs for outside vendor vehicle repairs are typically greater than hiring more mechanic FTEs. Fleet indicated that to increase Fleet capacity to the same levels as the 3 FTEs would produce, Fleet would need \$650,000 to pay for outside repairs. Fleet further indicated their total annual budget (FY24) for outside vendor vehicle repairs is \$1,197,688 which was increased by 10% from FY23 to keep up with inflation.

A-8: Police Overtime Ongoing Budget Increase (\$1,829,000 from General Fund Balance in FY2024 and Ongoing in future fiscal years)

This item would double the annual ongoing overtime budget for the Police Department from \$1,814,784 to \$3,643,784. This fiscal year, most of the funds would be used for "mitigation officers" which the Administration states would focus on reducing illegal camping, park safety, and the Downtown Safety Initiative. The Department stated the increasing volume of calls for service related to mitigation services has required increasing use of overtime this fiscal year. In particular, overtime needs increased from calls related to the temporary sanctioned campground and from the County Health Department requests for enhanced mitigation impact clean ups.

As of late January, the actual overtime expenses for the Police Department were nearly \$2.8 million which exceeds the \$1,814,784 overtime budget line item. Vacancy savings are often used to cover overtime shifts. The Police Department has over \$7 million of unused budget lapse to General Fund Balance at the end of FY2023. The Department does not anticipate a similarly large amount of unused budget at the end of FY2024 because of increasing overtime and progress to reach full staffing of both sworn and civilian positions. In Budget Amendment #3, the Council recently approved \$500,000 for police officer overtime related to the temporary sanctioned campground using ARPA funds that were budgeted but not spent in prior fiscal years.

Progress to Reach Full Staffing

The Department reports a high officer participation rate in the retention and hiring bonuses program where an \$8,500 bonus is provided in exchange for a two-year employment commitment. As of February 6, there were 21 vacant sworn officer positions and 11 vacant civilian positions. Three lateral police officer hires and seven civilian hires are in process. A new hire academy is planned in May.

Upcoming Requests for New Police Officer FTEs

The Department states requests for new police officer FTEs are being planned. An application to the Homeless Shelter Cities Mitigation State Grant is planned for a new squad dedicated to calls for service related to the permanent micro shelter community at approximately 750 West and 550 South. The squad would include one sergeant and five regular police officers. This would be like the two squads dedicated to the Miller and King Homeless Resource Centers. The same state grant currently pays for 17.5 FTEs including the two squads. It's important to note that the annual grant award is subject to appropriations by the Legislature.

Policy Questions:

- Alternative Response Programs and Mitigation Officers – The Council may wish to discuss with the Administration how mitigation officer overtime fits into the City's diversified public safety response approach (police civilian response team, community health access team or CHAT, park rangers, street ambassadors, partnership with mobile crisis outreach teams or MCOT, rapid intervention team). Over the past few years, the Council has significantly expanded these alternative response programs so police officers can focus on more serious crimes.
- Available Vacancy Savings to Cover Overtime – The Council may wish to ask the Administration when Workday entries will be completed so budget to actual reporting and available vacancy savings can be shared. Vacancy savings could be used to fund some overtime this fiscal year instead of General Fund Balance.
- Overtime Budget Increases vs New FTEs – The Council may wish to ask the Administration to evaluate when increasing FTEs (civilian and sworn officers) makes sense vs increasing the ongoing overtime budget. Overtime hourly wages cost the City more than regular hourly rates.
- Metrics on Mitigation Calls for Service – The Council may wish to ask the Administration to provide metrics on mitigation calls for services including how these needs have changed, where they are occurring, and diverting calls to alternative response programs.

A-9: Mobile Phone Data Extraction Software (\$194,540 from the IMS Fund Balance)

Note: The Administration has requested a straw poll for this item.

This budget request addresses the outdated and inefficient process of mobile phone data extraction used by various departments. Currently, investigations incur staff time costs of \$3,000-\$6,000 per case, with additional expenses for training and forensics-grade computers. Currently, the Police Department, Fire Department, and Human Resources all require the ability to extract data during investigations. The existing practice has been put together to meet short-term needs and relies on the availability of individual staff and more powerful computers than would typically be needed by the positions who conduct investigations. The recommended solutions standardize the data extraction process and make the software available to all positions who do investigative work. IMS reports that the recommended solution also provides better security for the personal data extracted. The software is intended to be more compatible with what's used by other law enforcement and judicial partners, like the District Attorney's Office, which enables the City to work more securely and collaboratively when sharing information.

A-10 -Versaterm Case Service Software Upgrade (\$203,148 from the IMS Fund Balance)

Note: The Administration has requested a straw poll for this item

This request is for an improved case service solution for the Police Department, replacing the current Coplogic online reporting system. The FY2024 budget included \$48,954 for a new case service program, but implementation couldn't begin until after case management was moved to the cloud. Since the original quote, the vendor has added more features and improvements to the software, resulting in the \$203,148 cost. Since the new features include enhancements that will be beneficial to multiple departments, like Dispatch and Fire, the general fund will see a reduction of \$48,954 while the full cost will be allocated from IMS Fund Balance. Enhancements include public availability in multiple languages, and a phone tree to better direct calls to the non-emergency line. This software provides the public with options to report an issue via phone, app, or web browser, as opposed to the existing solution that was only available online.

The Department has requested a straw poll for this item. The vendor currently has a yearlong waitlist but based on Salt Lake City's prior relationship and commitment to the software, is willing to begin implementation this fiscal year if funds are committed.

A-11: Replacing Two Traffic Signals Damaged in Accidents (\$250,000 one-time from General Fund Balance)

Traffic signals at two separate intersections in the City have been damaged by non-city vehicles. (Gladiola and California signals were damaged by a semi-truck roll over; 200 West 100 South signals were damaged by a grade-all forklift hitting the mast arm and spinning the pole foundation.) The damage is severe enough that they cannot be repaired by our inhouse technicians. Street's staff has obtained quotes for the repairs needed from our contracted vendor. This work will ultimately be paid for by the insurance companies of the outside entities who caused the damage. However, Risk has

informed us that best practice is for the repairs to be managed by the City, and then to be reimbursed by the insurance companies. This will ensure the City receives full compensation for the damages as the total cost will only be known after the work is complete. Public Services does not have sufficient funding in our budget to cover the cost of repairs. No long-term impact to the general fund is expected as, once the work is completed, Risk will seek reimbursement from the insurance companies, and the money will go back to the general fund. The timing of this reimbursement is unknown and may not be in the same fiscal year as the expenditures are incurred. This request is for \$250,000 which includes a 10% contingency on the quotes that we have received. This is a replacement only - no design necessary; no upgrade and no addition to be made and is not a CIP project.

A-12: Medical 911 Dispatch Software Change to Improve Response Times (\$165,793 one-time from the Emergency 911 Dispatch Fund or E-911 Fund)

The 911 Department is requesting one-time funds to change the medical dispatch protocol equipment and processes which is expected to improve response times. It's important to note that on an annual basis the Department already exceeds the industry best practice for 90% of 911 calls to be answered within 10 seconds. This software change is expected to improve the time a call is in queue waiting for sufficient information before it can be dispatched.

The Association of Public-safety Communications Officials or APCO IntelliComm EMD Protocol is used by the Valley Emergency Communications Center or VECC. The City's 911 Department and VECC already use the same computer aided dispatch or CAD systems but do not use the same medical protocol. This item would further integrate a more seamless handoff between the agencies when a call for service needs to be transferred. The CAD system can only use one medical protocol. This means that a dispatch must take additional time to change a call to fit the parameters in each dispatch center's medical protocol before help can be dispatched. The 911 Department and VECC are responsible for providing emergency dispatch services in the Salt Lake Valley.

The Utah Legislature directed the Utah Communications Authority to help create a "unified statewide 911 emergency services network" and "coordinate the development of an interoperable computer aided dispatch platform." This item would advance this state goal. This item is also a follow up to findings from a 2019 performance audit of the 911 Department that recommended continued use of standardized script-based software but noted the current medical dispatch ProQA software scored poorly on public safety service provider feedback assessments.

The E-911 Fund revenues come from a 911 excise tax paid on phone bills. The E-911 Fund has its own Fund Balance (savings account) that ended FY2023 with approximately \$5.2 million. This fund has provided several software and hardware upgrades for the Department in recent years.

A-13: Outside Legal Counsel for the City Attorney's Office (\$250,000 one-time from General Fund Balance)

This is a request from the City Attorney's Office for a one-time appropriation of \$250,000 from General Fund Balance to hire outside counsel to handle items where the Attorney's Office needs additional or specialized expertise or where the Attorney's Office is recused.

**Section B: Grants for Existing Staff Resources
(None)**

**Section C: Grants for New Staff Resources
(None)**

Section D: Housekeeping

D-1: Creating a Planning & Design Division in the Public Lands Department and Reclassifying an FTE to be the Appointed Division Director (Budget Neutral in FY2024 Using Vacancy Savings)

This is a follow up from Budget Amendment #2 when the request was originally proposed. In that budget opening, the Council transferred four existing landscape architects from the Engineering Division in the Public Services Department to the Public Lands Department and increased the pay grade to 34 for the existing Planning Manager merit position. The Department is requesting approval for the remaining part of the proposal to create a new division called the Planning and Design Division and convert the Planning Manager position to be an appointed division director position at pay grade 35. Vacancy savings would be used to cover the increased compensation for the new division director for the remainder of FY2024. The next annual budget would need to include \$12,113 ongoing for the position. This item would also amend the Appointed Pay Plan to add the new division director.

The new division would include the new appointed director, four landscape architects transferred in Budget Amendment #2 (one Senior Landscape Architect (Grade 34), two Landscape Architect IIIs (Grade 30), and one Landscape Architect II (Grade 27)), and two project managers currently in the Public Lands Department.

The Attorney's Office is working on an amendment to City Code Chapter 2.08 Administrative Organization that is

expected later this year. It would update the sections for Public Lands and Public Services to reflect the responsibilities being transferred along with the FTEs. It's part of a larger update that the Attorney's Office is already working on for the Chapter. A legal best practice is for divisions and associated responsibilities is to be listed by department in this section of City Code.

D-2: Ongoing Landfill Projects Pass-through Revolving Fund for Module 8 (\$1 Million One-time in the CIP Fund)

The landfill unallocated CIP account has been receiving revolving funds for various ongoing landfill projects. The funds placed in the account are applied to individual projects and then reimbursed to the General Fund. Module 8 is the next step in the series of landfill modules where refuse will be placed. It is needed to continue the expansion of the landfill to accommodate ongoing growth. Module 8 is approximately 40 acres and has a clay liner and HDPE welded liner underneath to protect the groundwater from the landfill leachate. There have been change orders to Module 8 that require the fund to be replenished. This reimbursable fund also needs to be in place for current and future projects on a revolving basis.

Public Services' Engineering Finance bills the County after services are provided. This is a pass-through cost that used to reside under Waste and Recycling but has since been moved to Engineering. Since Engineering oversees the improvements, it was determined that Public Services should process the pass-through costs as well.

D-3: Parking Garage Loan Pass-through Funds for Debt Service Payment on State Infrastructure Bond (\$1.1 Million One-time from the General Fund to the Debt Service Fund)

This is a housekeeping item related to the State Infrastructure Bond repayment. This item is to transfer the \$1.1M received from the State to the Debt Service Fund, to support the approximate \$7 million State Infrastructure Bond for the construction of a parking garage.

Section E: Grants Requiring No Staff Resources

E-1: WITHDRAWN

Section F: Donations (None)

Section G: Grant Consent Agenda

G-1: Bloomberg Philanthropies Wake the Great Salt Lake (\$1,000,000 from Misc. Grants Fund)

Salt Lake City applied for a grant with Bloomberg Philanthropies. The grant aims to educate and inspire residents and visitors to identify possible solutions and take action locally and nationally. Public art projects will be structured around major themes such as water conservation, air quality, agriculture, industry, environmental and social justice, including indigenous rights and lake ecology. Salt Lake City's proposed project consists of 1) a series of 3-5 significant artworks created by world-renowned artists across the city. These artists will be selected to leverage their notoriety and practice while bringing awareness to our civic issues. 2) a series of temporary public art projects by local and regional artists and organizations in various disciplines, including but not limited to performers, sculptors, painters, muralists, printmakers, filmmakers, poets, new media, etc. By commissioning our local community of artists to create context and site-specific artworks about the Great Salt Lake, our local community will be able to reflect on this crisis in new and compelling ways. Bloomberg Philanthropies is awarding the City \$1,000,000 to fund the two-year public art project, Wake the Great Salt Lake. Salt Lake City will be providing a match of \$1,060,000 with in-kind staff time and other grant funding. A public hearing was held on April 18, 2023.

G-2: State of Utah Increase Homeless Mitigation Grant (\$216,439.66 from Misc. Grants Fund)

The State has given the City an increase for the Homeless Mitigation grant. As a reminder, the City was awarded \$3,107,201 for FY 2024. This award was for 1) Public Safety staff, program supplies, equipment, and vehicle maintenance, 2) Two sub-awards for Volunteers of America and Downtown Alliance, and 3) two HEART Coordinators, a Case Manager, half the salary of a grant's person along with training, travel, and program supplies. Due to the City hosting overflow beds, the City will receive additional funds for FY 24. In total, the City will receive \$650,000. Two-thirds of that funding will go directly to shelter providers. The City will retain \$216,439.66, which is required to be put toward public safety. This money will be used for PD overtime in the Rio Grande area around the new Temporary Shelter Community. The original grant was approved as part of Budget Amendment No. 2 on 10/17/23.

Section I: Council-Added Items

I-1: Placeholder for Potential Funding to Buyback Single-family Homes with Right of First Refusal (\$TBD)

This is a placeholder item pending upcoming information about the potential to buyback properties in the City's first-time homebuyer program and possibly adding them to the Community Land Trust.

ATTACHMENTS

1. Potential New Ongoing General Fund Costs Approved in Midyear Budget Amendments (Chart)
2. Transmittal Amending City Code Chapter 2.08 Administrative Organization for the Public Lands Department and Creating a Planning & Design Division

ACRONYMS

ADU – Accessory Dwelling Unit
APCO International – Provides Emergency Medical Dispatch
BA – Budget Amendment
CAD – Computer Aided Design
CAN – Department of Community and Neighborhoods
CIP – Capital Improvement Program Fund
E-Bike – Electric Bike
EMD – Emergency Medical Dispatch
FTE – Full Time Employee
FY – Fiscal Year
FOF – Funding Our Future
GF – General Fund
HDPE – High Density Polyethylene
HVAC – Heating, Ventilation & Air Conditioning
IMS – Information Management Services
Misc. – Miscellaneous
RMS – Records Management System
RDA – Redevelopment Agency
RFP – Request For Proposal
SAA – Special Assessment Area
TBD – To Be Determined
VECC – Valley Emergency Communications Center

ATTACHMENT 1**Council Request: Tracking New Ongoing General Fund Costs Approved in Midyear Budget Amendments**

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 (see note to the right)	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
TOTALS		\$7,452,172	32 FTEs of which 19 are New	