



# COUNCIL BUDGET STAFF REPORT

CITY COUNCIL of SALT LAKE CITY  
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**TO:** City Council Members  
**FROM:** Council Budget Staff  
**DATE:** July 13, 2021  
**RE:** Budget Amendment #1 for Fiscal Year 2022

**Item Schedule:**

Set Date: July 13, 2021  
1<sup>st</sup> Briefing: July 13, 2021  
Public Hearing: July 20, 2021  
Potential Action: July 20, 2021

## ISSUE AT-A-GLANCE

The City Administration has received guidance that American Rescue Plan Act (ARPA) funds from the federal government can be used by cities to pay salaries of personnel such as police officers. Other city funds are being requested as part of the first budget amendment as well, including rental assistance dollars from grant sources and funds for other non-represented city employee pay increases.

- ***The Administration has requested that the Council “straw poll” (take an informal signal vote) to indicate its position on the ARPA-related compensation elements of this proposal.***
- ***A straw poll has also been requested for the proposed 4.5% pay increase for non-represented employees citywide to facilitate more streamlined processing in the City’s payroll system.***

## KEY ITEMS

Grant dollars totaling \$10,427,551 would be transferred to the City’s grant fund, and made available for the following uses:

Emergency Rental Assistance Program (ERAP)	\$1,920,233
Police Department salary changes for represented employees	\$6,684,665
Police Department salary changes for non-represented employees (e.g. Sergeants, Lieutenants and Captains)	\$1,642,653

As noted in the last row above, grant funds would be used to bring non-represented Police Department employees up to the same percentage increase as is being proposed for “top out” salary for represented officers.



Furthermore, non-represented employees Citywide would receive a 4.5% pay increase to help address compression issues related to compensation changes for represented employees. The proposed increase would total an estimated \$1,726,430. The budget amendment would leave the city’s general fund up an estimated \$5,138,235 relative to the adopted FY22 budget.

**OTHER BACKGROUND**

The City was involved in union negotiations for represented City employees such as police officers and fire fighters late into June 2021. As part of those negotiations, the City Council approved a budget increase for police officer salaries. Pay increases for fire union members and American Federation of State, County and Municipal Employees (AFSCME) were also advanced as part of this negotiation process.

With recent guidance from the United States Treasury that ARPA dollars can be made available for pay increases such as the ones adopted for police officers this year, the proposal before the Council involves identifying those federal grant funds as the source of the police department salary increases. The Administration has requested informal signal votes to streamline the inclusion of these changes in the City’s payroll system. If the changes are made after July 20<sup>th</sup>, the process is essentially manual for roughly 1,000 employees to receive that pay effective from the start of the fiscal year.

**Impact Fees Update**

The Administration provided a summary of impact fee tracking, details on refunding amounts and dates and lists of unfinished projects with impact fee funding. The information is current as of June 23, 2021. \$10,107 of police impact fees are scheduled to expire in July. The Administration reports work is nearing completion to update the fire and parks sections of the impact fee plan. Eligible projects for police impact fees are being identified.

Type	Unallocated Cash “Available to Spend”	Next Refund Trigger Date	Amount of Expiring Impact Fees
Fire	\$1,076,784	More than a year away	-
Parks	\$9,145,705	More than a year away	-
Police	\$450,551	July 2021	\$10,107
Transportation	\$5,573,359	More than a year away	-

*Note: Encumbrances are an administrative function when impact fees are held under a contract*

**POLICY QUESTIONS**

1. Council Members might wish to request a dedicated briefing or series of briefings on the topic of remaining anticipated ARPA disbursements, and the highest and best use of those funds in the context of city budget priorities.
2. Council Members might request more information from the Administration about planning and best practices related to the pay difference between represented and non-represented employees in the Police Department. The Administration has indicated open availability to discuss this with Council Members in smaller meetings.

**Attachments:**

1. Administration transmittal

**Appendix 1, projected impact of revenues and expenditures requests in Budget Amendment #1**

**BUDGET IMPACT:**

	<u>REVENUE</u>	<u>EXPENSE</u>
GENERAL FUND	\$ 0.00	(\$ 5,138,235.00)
MISC GRANT FUND	10,427,551.76	10,427,551.76
FLEET FUND	18,999.00	18,999.00
GOVERNMENTAL IMMUNITY FUND	24,843.00	24,843.00
IMS FUND	219,193.00	219,193.00
RISK FUND	19,705.00	19,705.00
AIRPORT FUND	0.00	1,350,949.00
STREET LIGHTING FUND	0.00	7,098.00
WATER FUND	0.00	460,716.00
SEWER FUND	0.00	221,826.00
STORM WATER FUND	0.00	19,705.00
REFUSE FUND	36,538.00	36,538.00
GOLF FUND	19,649.00	19,649.00
<b>TOTAL</b>	<b>\$ 10,766,478.76</b>	<b>\$ 7,688,537.76</b>