



CITY COUNCIL TRANSMITTAL


Lisa Shaffer, Chief Administrative Officer

Date Received: 12/15/2021
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TO: Salt Lake City Council
Amy Fowler, Chair

DATE: December 13, 2021

FROM: Mary Beth Thompson, Chief Financial Officer *Mary Beth Thompson*

SUBJECT: Chart of Accounts Update

STAFF CONTACT: Mary Beth Thompson
Chief Finance Officer
Marybeth.thompson@slcgov.com

DOCUMENT TYPE: Informational Item

RECOMMENDATION: None

BUDGET IMPACT: None

BACKGROUND/DISCUSSION: The Workday ERP project is not just about implementing new Finance and HR software but also improving how Salt Lake City does business. That is why the City was deliberate in examining its current finance, human resources and payroll business processes to consider needed improvements to meet best practices. It is also why the City has contracted with the Government Finance Officers Association (GFOA) to revise the current Chart of Accounts.

The Chart of Accounts is the collection of cost centers and object codes staff uses to track expenses. This is a critical component for the Workday ERP project because the Chart of Accounts serves as the foundation for the financial system and all financial transactions. A revised Chart of Accounts can not only better track city expenses, it also helps budgeting and increased public transparency, all goals of the Workday ERP project.

The Chart of Accounts revisions are not only critical to the Workday ERP project but are also vital as the City moves into program and priority based budgeting. A revised Chart of Accounts will allow staff to easily report out on leadership priorities with a cleaner, simpler structure.

Chart of Accounts

The City is updating its business processes, policies, and procedures in accordance with industry standards, along with the Workday ERP software implementation. GFOA has been contracted to support the modernization and development of improved and consistent financial and human capital management policies and procedures.

A core team of City finance staff and program managers have been meeting with GFOA since August to review different aspects of the current Chart of Accounts. So far the team has met with every department and is now reviewing different fund classes with department finance managers. During these meetings the GFOA representative, Rob Roque, learns the City's current structure and can share best practices for the future structure. It is important that the new Chart of Accounts works for every department and finance activity. It is also important that the new Chart of Accounts follows best practices to ease time and confusion. The City team and GFOA are developing Chart of Account concepts and a base structure that will be refined during the Workday design process that begins later this month.

Workday – ERP Software

Salt Lake City has chosen Workday as its Enterprise Resource Planning (ERP) software vendor. Workday will replace most of the City's financial and human capital management systems, including OneSolution, iCIMS, Kronos, CAMP, and more. Workday is being implemented in two phases. The first phase focuses on HR and officially started in August 2021; "go live" for HR is planned for July 1, 2022. The second phase will focus on Finance and Payroll which will begin in February 2022 with a "go live" tentatively scheduled for January 1, 2023. For the Workday implementation to be successful, all employees need to be comfortable using the new system in whatever role they fill. Workday training has been fully funded and will be provided to all staff as the system is rolled out.

Part of the Workday ERP project is to create a common definition guide of financial terms commonly used within the City. Two terms that will become a key part of the City's lexicon moving forward will be Program and Project. As existing efforts are assessed or possible new efforts are reviewed, it will need to be determined if they are one of the two options: Program or Project. The current draft definitions are:

- *Program* - Activities, operations, or organizational units directed to the attainment of specific purposes or objectives. Example: Homelessness Services, YouthCity After School Program, Water Conservation Program. Each program should have a service outcome (result produced). Typically, programs are ongoing and not limited to a specific organizational unit. Programs help to create transparency by showing what you do and what it costs, start discussions on trade-offs when budgeting, provide comparisons, plan for changes in the workforce, and clarify the context of performance and metrics. Programs are action-oriented, they are not a department, division, line item, cost center or task.
- *Project* - A temporary endeavor undertaken to create a unique product, service or result. A project is temporary in that it has a defined beginning and end in time. Projects are often used to track activities with defined start and end dates or other events that would require additional detail beyond the chart of accounts. Project costs would be summarized in this segment but broken out in more detail in the project ledger. This allows for detailed tracking department by department.

Program and Priority Based Budgeting

Program based budgeting is a form of budgeting where budgetary information is organized around the City's programs and services. It shows the cost of a program, the revenue the program may generate, and performance metrics to evaluate the program's effectiveness. Organizing the information in this way, rather than at the department and division level, provides a clearer picture of how much money is being spent on each program, the services that program delivers to Salt Lake City constituents, and how well the program is performing. Program Based Budgeting also allows staff to better track how the City is meeting Mayor and City Council priorities and goals.

The new Chart of Accounts helps in the effort of modernizing the City's budget process. Having common cost centers, reduction of fund classes will allow staff to better report spending. The new structure will also include program and project tags. If a program includes multiple departments or projects, program costs can easily be reported.

The City is currently exploring priority based budgeting in relation to program based budgeting. Priority based budgeting focuses resources into programs based upon community impact assessments and engagements. Currently the City is working with a consultant, Resource X, to help it establish the framework for priority based budgeting. An additional briefing specific to this effort may be requested.

To support this priority based budgeting framework, Salt Lake City commissioned Y2 Analytics to conduct a survey of Salt Lake City residents to identify their budget priorities. The survey was in follow up to the 2021 spring resident survey and based questions on the Mayor's 2021 Plan. Some key takeaways from the survey are:

- Quality of life remains stable with slight improvement in perceived value of tax dollar spending.
- Of the three broad goal areas in the City's budget plan, environment and sustainability is seen as the most important among respondents.
- Regarding growth and development projects, respondents say providing services and recreation is most important and needs the most focus.
- Water and air quality are top of mind for residents in thinking about environment and sustainability projects.
- General access to housing and helping the unhoused are top concerns for people regarding community/neighborhood goals.

Many municipalities that use priority based budgeting include a public engagement element to their budgeting process. Using Y2 Analytics allowed the City to know it identified budget priorities from a true representation of Salt Lake City residents.

Notes:

- Mary Beth Thompson and Rob Roque with GFOA plan on being at the table at the work session.
- Attachments – Fall 2021 Budget Survey Report, Workday ERP Implementation Timeline

WORKDAY

ERP IMPLEMENTATION

WORKDAY IS A CLOUD-BASED ERP SOFTWARE THAT WILL BECOME SALT LAKE CITY'S PRIMARY TOOL FOR MANAGING FINANCE, HUMAN RESOURCES AND PAYROLL DATA.



WORKDAY SOFTWARE

HR Functions = Jobs & Positions, Recruiting, Compensation, Worker Data, and Learning

Finance Functions = Core Financials, Expenses, Procurement, Inventory, Grant Management, Project Management



SALT LAKE CITY BUDGET SURVEY

OFFICIAL FALL 2021 SALT LAKE CITY RESIDENT BUDGETARY PRIORITIES SURVEY



SURVEY OBJECTIVES

RESEARCH GOALS

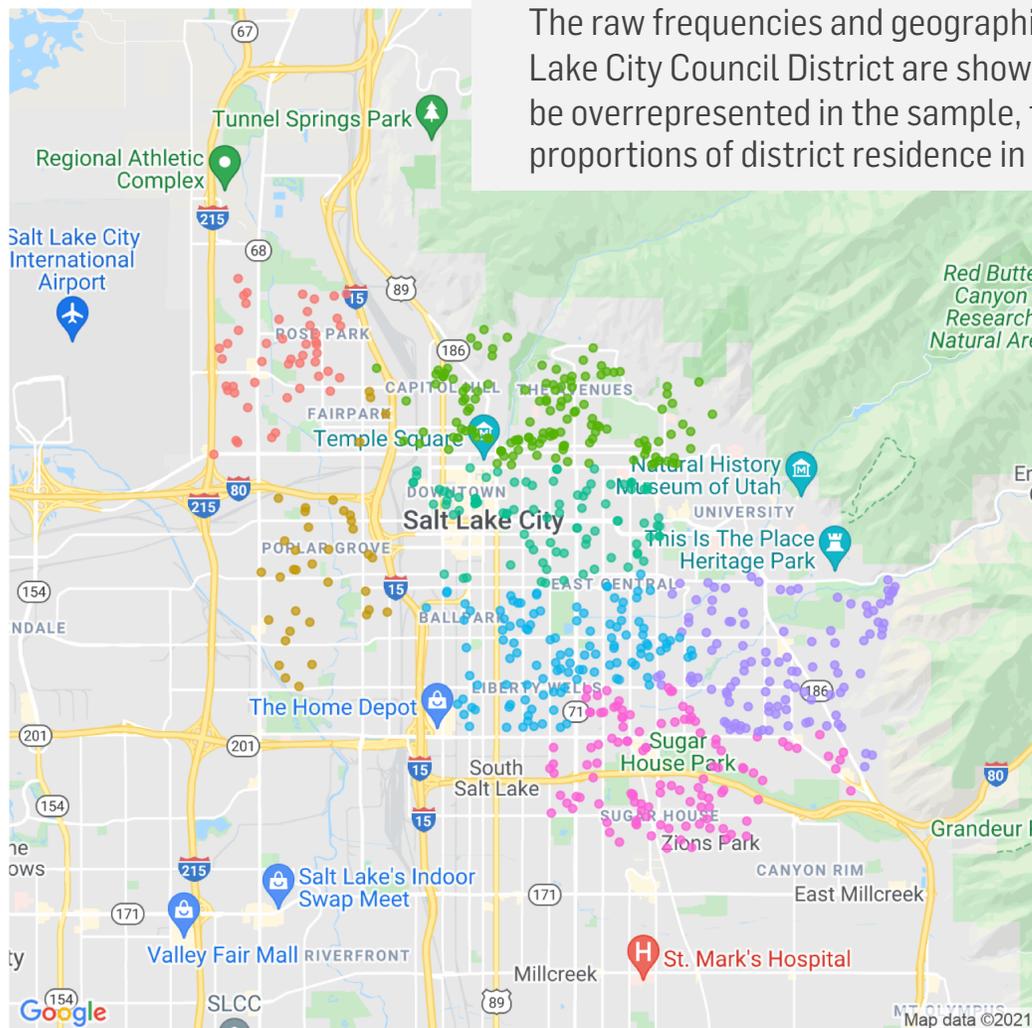
- Track health of the City and quality of life metrics
- Evaluate resident perceptions with regards to the following budget areas:
 - Growth and Development
 - Environment and Sustainability
 - Neighborhoods and Communities
- Identify specific initiatives and projects with resident support
- Analyze specific trends and attitudes with respect to various demographic factors such as
 - Men vs. Women
 - Whites vs. BIPOC (Black/Indigenous/People of Color)
 - Income levels
 - Time lived in Salt Lake City

SURVEY METHODOLOGY

SAMPLING, MODE, & MARGIN OF ERROR

- 652 residents within the boundaries of Salt Lake City participated in this survey
- Data have been weighted to reflect population statistics from the U.S. Census' American Community Survey to ensure that the sample is representative of the City as a whole, specifically regarding age, city council district, race, gender, and home ownership.
- Margin of error +/-3.8 percentage points

The raw frequencies and geographical distribution of our sample with regards to Salt Lake City Council District are shown below. While certain City Council Districts appear to be overrepresented in the sample, the responses were weighted to reflect observed proportions of district residence in the publicly-available Utah Voter File.



	N size	Weighted Sample %	Census Estimate %
● District 1	47	10%	10%
● District 2	37	7	9
● District 3	135	17	17
● District 4	90	16	17
● District 5	117	17	15
● District 6	110	17	16
● District 7	114	15	16



1. **Quality of life remains stable with slight improvement in perceived value of tax dollar spending.**

When comparing quality of life benchmarks over time, key metrics have **remained relatively stable**, with an average quality of life score of 75 out of 100. However, residents' perceived value for tax dollar spending **increased slightly since April**, indicating a positive trajectory for budget planning.

2. **Of the three broad goal areas in the City's budget plan, environment and sustainability is seen as the most important among respondents.**

Compared to other broad goal areas such as Growth and Community, **Environment stands out as both the most important to quality of life and in most need of the most improvement from the City.**

3. **Regarding growth and development projects, respondents say providing services and recreation is most important and needs the most focus.**

An overwhelming majority of residents (75%) consider supporting small businesses to be a high priority project initiative. Residents also support projects that involve services and recreation such as **creating arts programs for youth and developing trails and trailheads.**

4. **Water and air quality are top of mind for residents in thinking about environment and sustainability projects.**

The vast majority of residents, around 75%, consider projects involving **air quality and water conservation to be high priorities.** While air and water rise to the top of the list in terms of priority, residents express majority support for most sustainability-related initiatives proposed by the City.

5. **General access to housing and helping the unhoused are top concerns for people regarding community/neighborhood goals.**

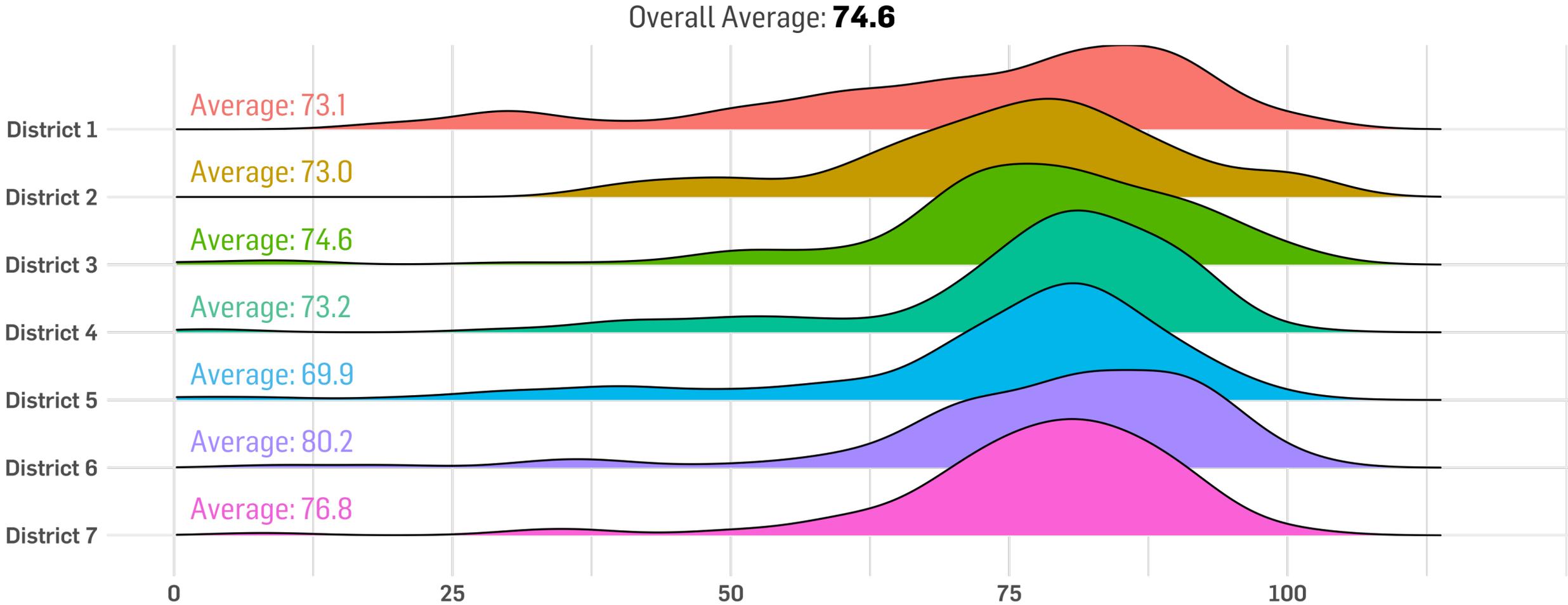
While **housing affordability is rated as the most important to quality of life, homelessness is considered most in need of improvement.** When considering specific project initiatives, preventing homelessness and connecting the unhoused to shelters and resources are consistently ranked as high priorities.

5 KEY FINDINGS TO REMEMBER

CITY HEALTH & PRIORITIES

OVERALL QUALITY OF LIFE AROUND 75/100

Respondents in Districts 6 and 7 rated their quality of life the highest (80.2 and 76.8, respectively), while individuals in District 5 reported their quality of life as the lowest, right around 70. The average quality of life for the City overall was just under 75.

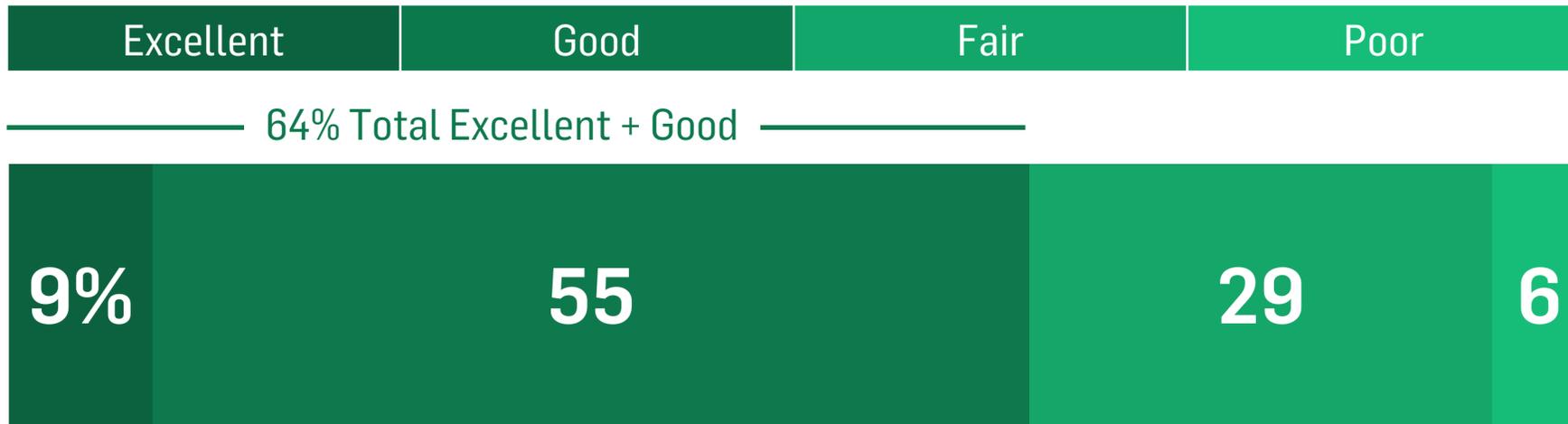


Q: All things considered, on a scale from 0 to 100, with 0 being very low and 100 being very high, how would you rate your overall quality of life in Salt Lake City? (n = 651)

MOST RESIDENTS GETTING GOOD VALUE FOR TAX DOLLAR

The majority of residents (64%) feel like they are getting at least a good value of service for their tax dollar. Only a small percentage (6%) feel as though they are getting poor service. The percentage of residents who say they are getting a “good” or “excellent” value for their tax dollar is up 7 points since April of this year.

Value for City tax dollar



Year	Excellent + Good
2015:	66%
2017:	70%
2019:	60%
2021 (Spr.):	57%
2021 (Fall):	64%

+ 7 points since Spring 2021

Q: In general, how do you rate the service you receive from Salt Lake City for your tax dollar? (n = 651)

WASTE CLEANUP & GREEN SPACE IMPORTANT SERVICES

When asked to describe the city services that have the greatest impact on their quality of life, residents have positive things to say about the City's efforts to conduct waste cleanup, develop green space, and maintain good road conditions (among other services). Areas in which residents express the greatest frustration crime, road safety and the City's approach to dealing with homelessness.



*Word cloud only contains words repeated 5 or more times

"I am grateful for the high quality of schools, libraries, parks, fire departments, public health, and law enforcement services!"

"Basic services... have the greatest impact, [such as] *composting (sic)*, recycling and garbage. Quality of water and service is excellent. Road maintenance is also great. Appreciate the new curbs and sidewalks in our neighborhood. We also use the foothills almost daily."

"Green space designation/maintenance/development, city planning and urban development, governance over social spaces, sanitation and public health, road maintenance."

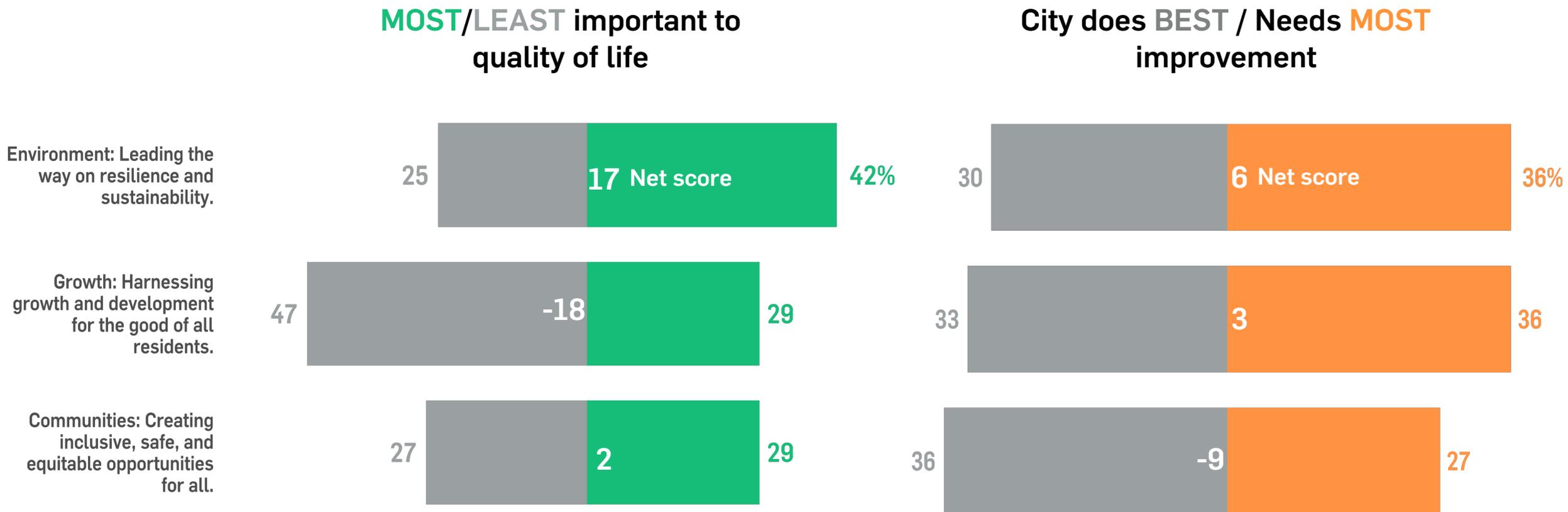
"Crime prevention is of course the utmost importance, from policing on the streets and through out the community to the prosecution of those crimes which have been committed."

"Control of the homeless population, crime prevention, traffic, air quality, noise and light pollution, parking."

Q: Thinking generally about the responsibilities of city government, what things does the City do that impact you, personally, the most? Please briefly describe your thoughts about the services or amenities that have the greatest impact on your overall quality of life in Salt Lake City. (n = 612)

ENVIRONMENT MOST IMPORTANT TO QUALITY OF LIFE

When comparing broad city priority areas, a plurality of respondents (42%) said that environment was the “most important” to their quality of life. Growth was broadly seen as the least important priority area. Community was considered roughly equally important and unimportant by respondents.

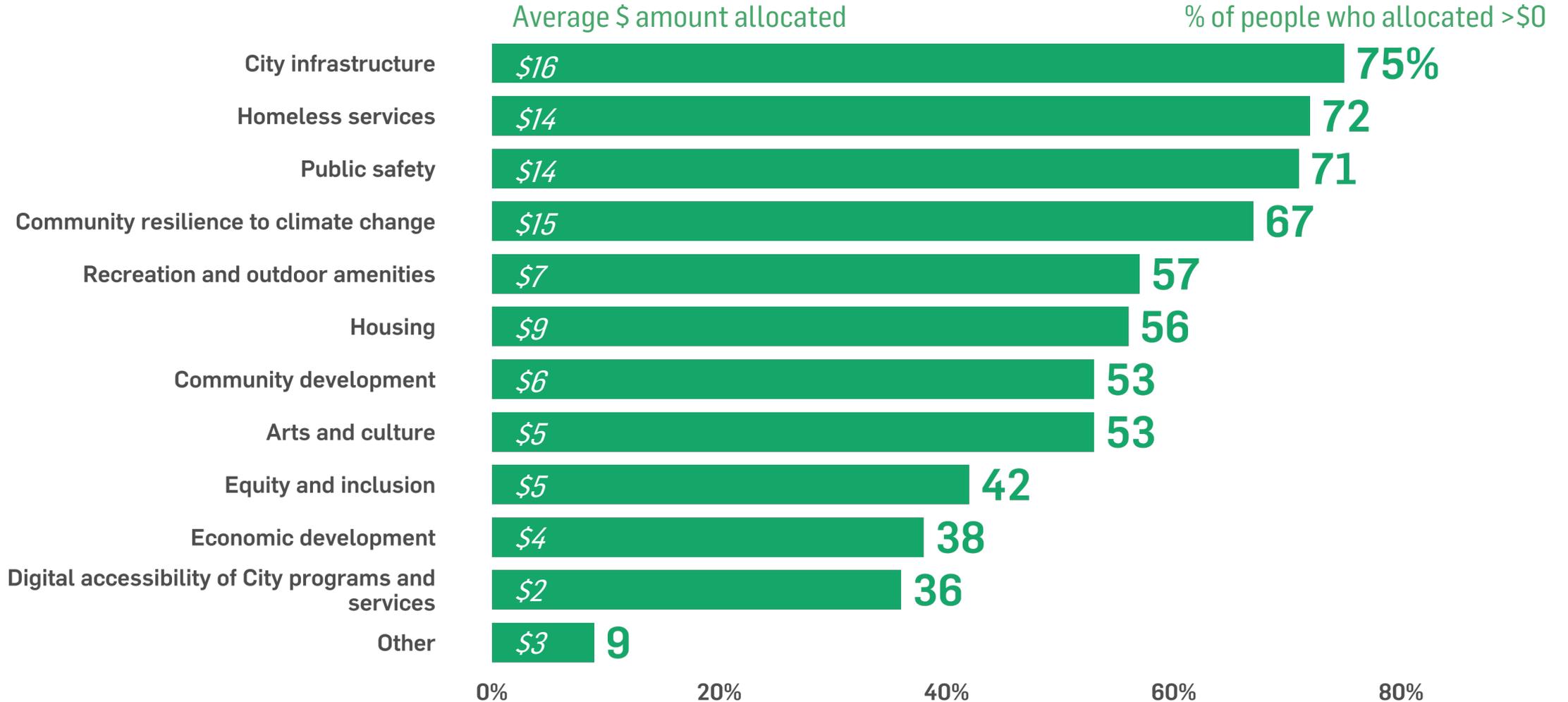


Q: Of the following city priorities, which is the most important to your quality of life? Which is the least? (n = 651)

Q: Of the following broad city priorities, which do you think the city needs to improve most? Which do you think the city does best? (n = 651)

CITY INFRASTRUCTURE MOST PRIORITIZED

City infrastructure, homeless services, and public safety were the top goals/priorities for respondents, with these areas receiving the most allocated" funds. Digital accessibility, economic development, and equity and inclusion were the least prioritized areas.

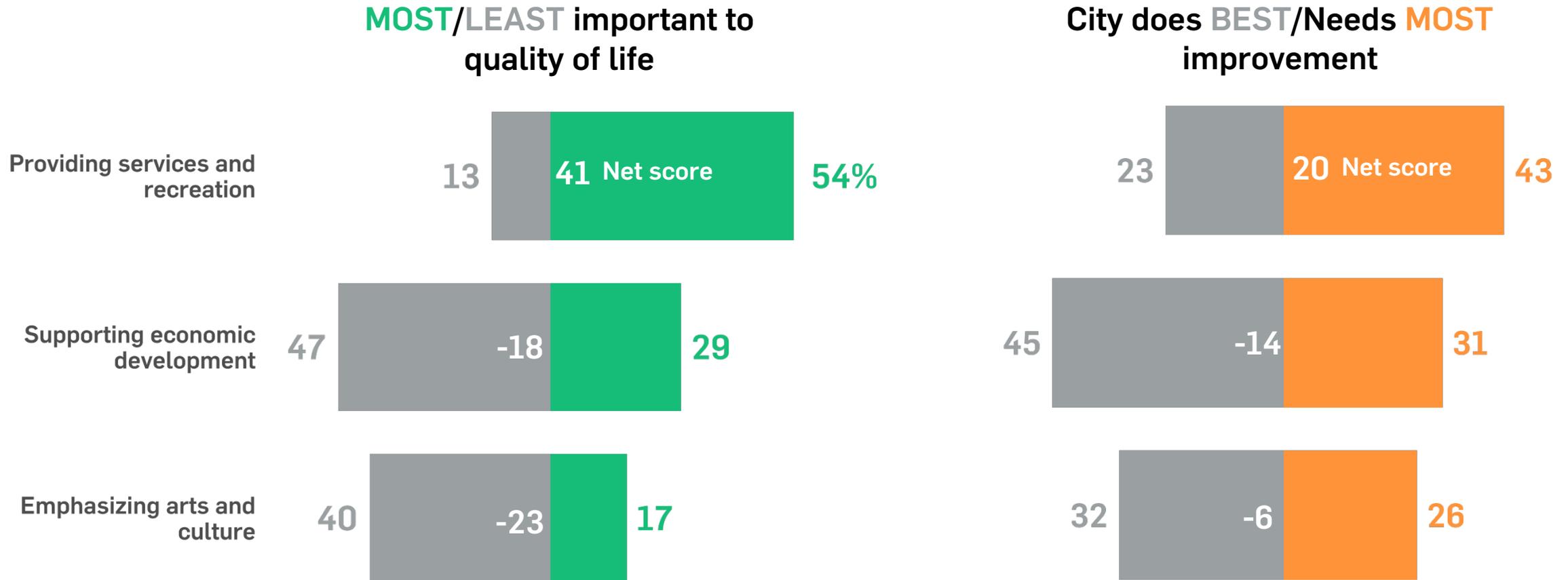


Q: Imagine you were managing \$100 from the Salt Lake City budget. If you could distribute that \$100 toward any of the following potential goal areas or priorities, how would you divide your \$100? (n = 651)

GROWTH & DEVELOPMENT

SERVICES & RECREATION MOST IMPORTANT TO GROWTH

When asked about various growth initiatives, residents said that providing services and recreation was both most important to their quality of life and needed the most improvement from the city. The initiatives supporting economic development and emphasizing arts and culture were seen as both less important to them and less in need of attention from the city.



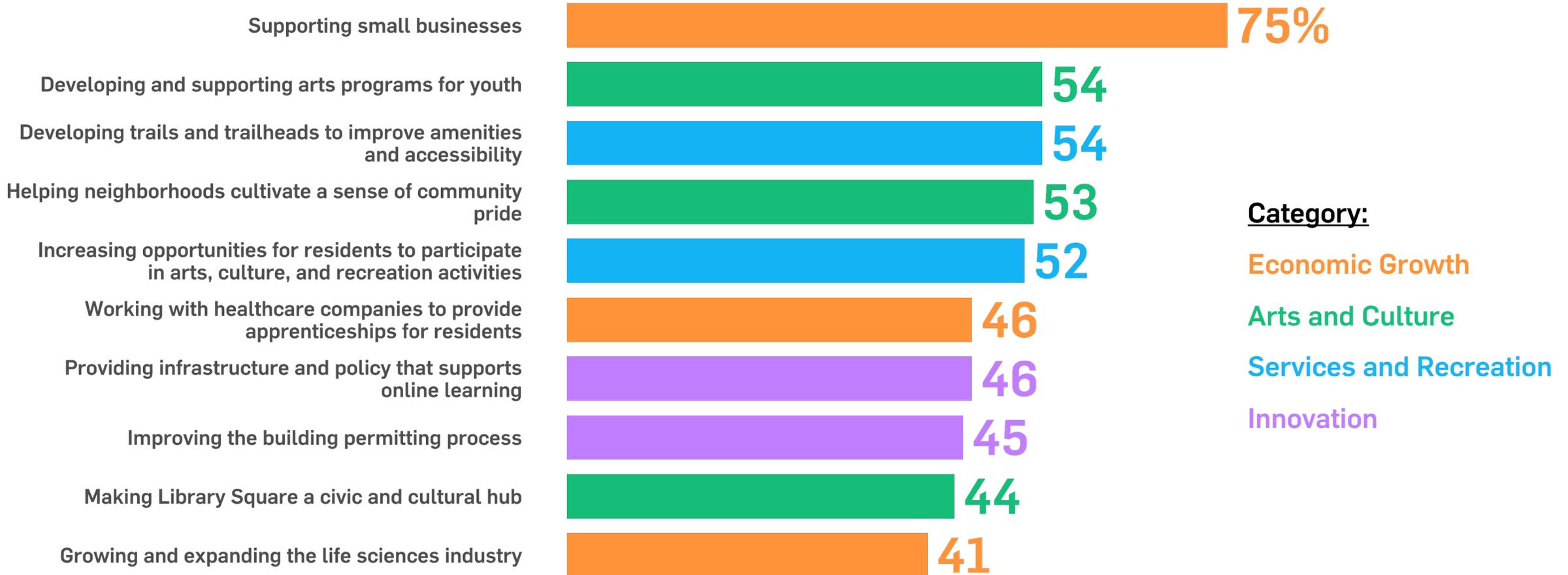
Q: Of the following aspects of growth and development, which is the most important to your quality of life? Which is the least important? (n = 568)

Q: Of the following aspects of growth and development, which do you think the city needs to improve most? Which do you think the city does best? (n = 564)

SUPPORTING SMALL BUSINESS HIGH PRIORITY FOR RESIDENTS

When asked about relative priorities regarding growth and development in Salt Lake City, 3 in 4 respondents said helping small businesses is a high priority. Other popular projects had only narrow majority enthusiasm, such as developing and supporting arts programs; developing trails; helping cultivate community pride; and increasing opportunities for participation in arts, culture, and recreation.

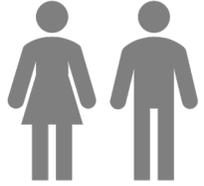
% Who say project is a high priority (top 10 initiatives)



Q: Below is a list of potential projects related to growth and development in Salt Lake City. For each project below, please indicate whether you think this should be a high priority, or a lower priority as the City works to expand culture and commercial opportunities for all residents. (n = 563)

GROWTH PRIORITIES DIFFER BY DEMOGRAPHIC GROUP

There are some noticeable differences in development project priorities across different demographic groups.



- Women are **more likely than men** on average to **rate all projects asked about as high priorities across the board**
- **73% of women** think art programs for youth is a high priority, compared to only **53% of men**
- **71% of women** think community pride is a high priority, compared to only **53% of men**



- **65% of white respondents** think developing trails and trailheads is a high priority, compared to **56% of BIPOC**
- **64% of BIPOC** say developing infrastructure for online learning is a high priority, compared to only **49% of white residents**



- **71% of respondents making less than \$75,000/year** say art programs for youth is a high priority, compared with **59% of those making between \$75,000 and \$150,000**, and **only 47% of those making \$150,000 or more**



- Only **49% of long-time residents (20 years or more)** say developing trails is a **high priority**, compared with around **70% of the rest of the respondents**
- Similarly, only **38% of long-time residents** say making Library Square a civic and cultural hub is a **high priority**, whereas about **60% of all other residents** say the same

Q: Below is a list of potential projects related to growth and development in Salt Lake City. For each project below, please indicate whether you think this should be a high priority, or a lower priority as the City works to expand culture and commercial opportunities for all residents. (n = 563)

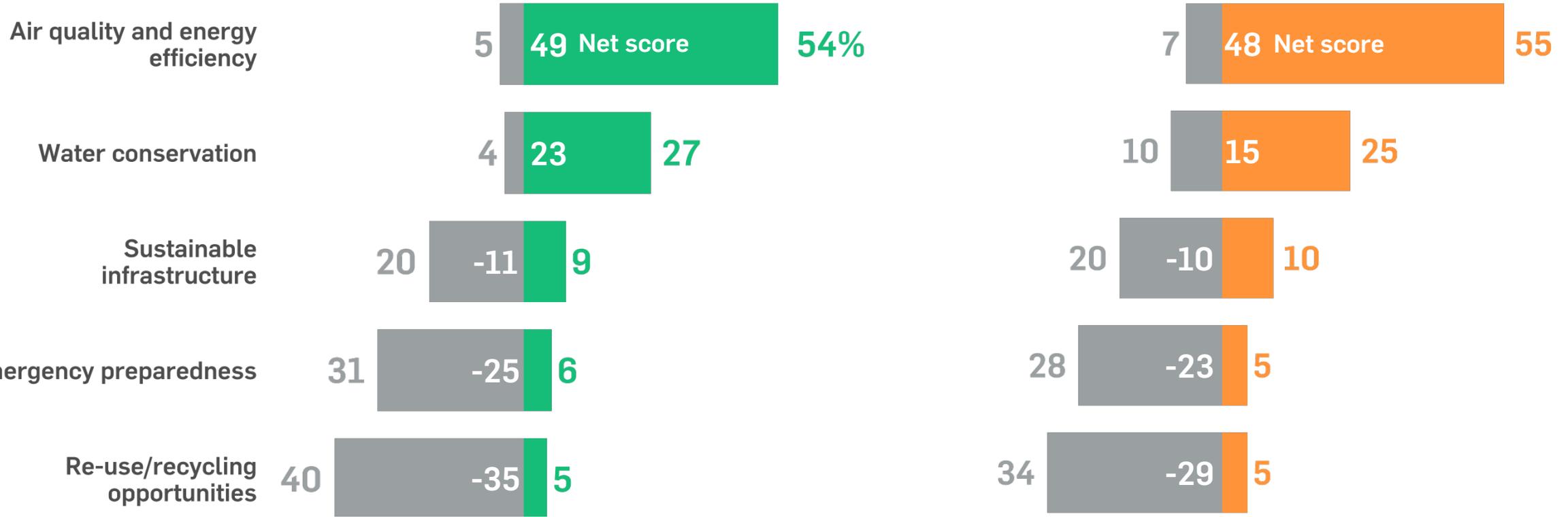
ENVIRONMENT & SUSTAINABILITY

AIR, WATER QUALITY AFFECT MAJORITY OF RESPONDENTS

When asked about various environment and sustainability measures, a majority of residents said the most important aspect is air quality and efficiency, which is also considered to be the most improvement by the city. Water conservation was also seen as important and in need of improvement. Sustainable infrastructure, emergency preparedness, and re-using and recycling opportunities were seen as far less important.

MOST/LEAST important to quality of life

City does BEST/Needs MOST improvement



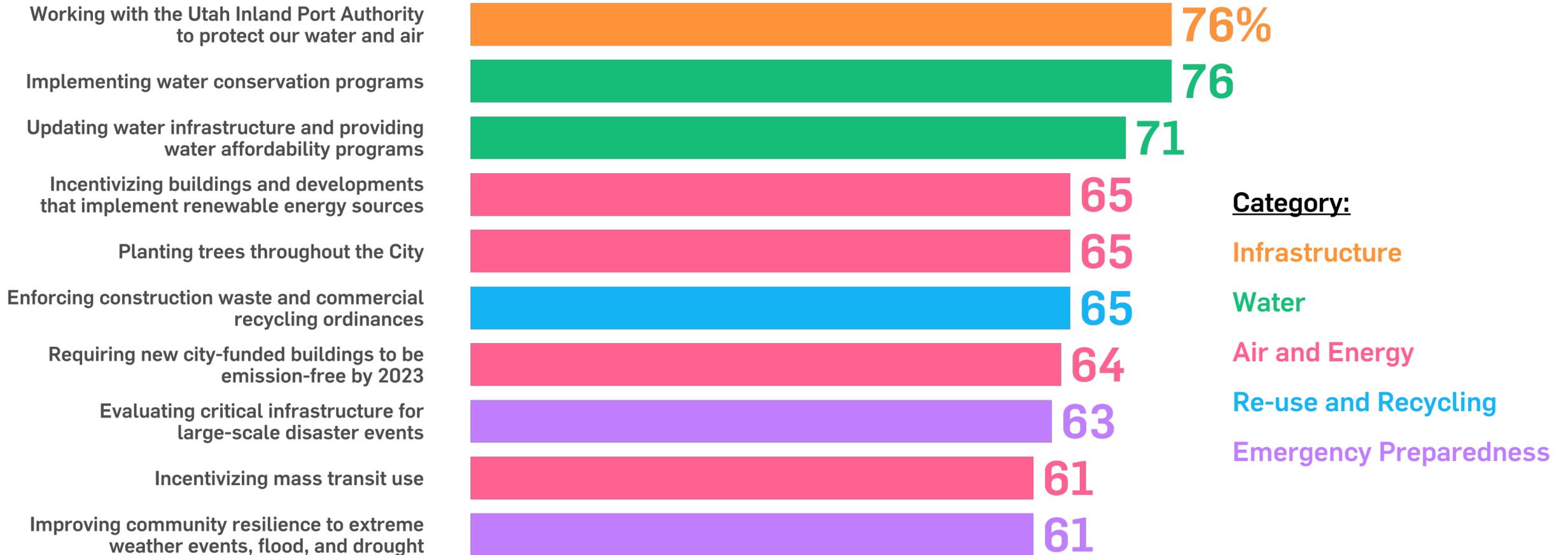
Q: Of the following aspects of the environment and sustainability, which is the most important to your quality of life? Which is the least important? (n = 578)

Q: Of the following aspects of the environment and sustainability, which do you think the city needs to improve most? Which do you think the city does best? (n = 575)

RESIDENTS FAVOR WATER AND AIR INITIATIVES

When asked about environment and sustainability priorities, 3 in 4 respondents said that protecting water and air and implementing water conservation programs was a high priority. In fact, of the top 5 priorities selected by respondents, 4 of them had to do with water and air. Relatively speaking, most infrastructure and emergency preparedness initiatives were seen as low priorities by a majority of respondents more generally.

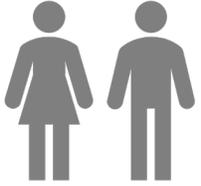
% Who say project is a high priority (top 10 initiatives)



Q: Below is a list of potential projects related to the environment and sustainability in Salt Lake City. For each project below, please indicate whether you think this should be a high priority, or a lower priority as the City works to protect our natural resources, advance development, and address climate change. (n = 574)

ENVIRONMENT PRIORITIES DIFFER BY DEMOGRAPHIC GROUP

There are some noticeable differences in environment project priorities across different demographic groups.



- Women and men are about **equally likely to see the various environment projects as high priorities.**
- **80% of women** think enforcing commercial waste ordinances is a high priority, compared to **69% of men**
- **74% of women** think resilience to extreme weather events is a high priority, compared to **65% of men**



- White respondents are **more likely** to see water conservation and enforcing commercial waste ordinances as priorities (**91% and 77%**) than **BIPOC** (**79% and 66%**)
- **77% of BIPOC respondents** say improving resilience to extreme weather events is a high priority, compared to only **66% of white residents**



- Both **lower- and higher-income respondents** were more likely to say renewable energy incentives for new buildings is a high priority (**76% and 84%**) than **middle-income respondents** (**66%**)
- **83% of those making less than \$75,000** call enforcing commercial waste ordinances a high priority, compared with **65-70% of those who make more**



- Only **73% of recent move-ins (5 years or less)** say water conservation is a high priority, compared to about **90% of all other residents**
- Only **55% of recent move-ins** say improving resilience to extreme weather events is a high priority, compared to **around 70 to 75% of all other residents**

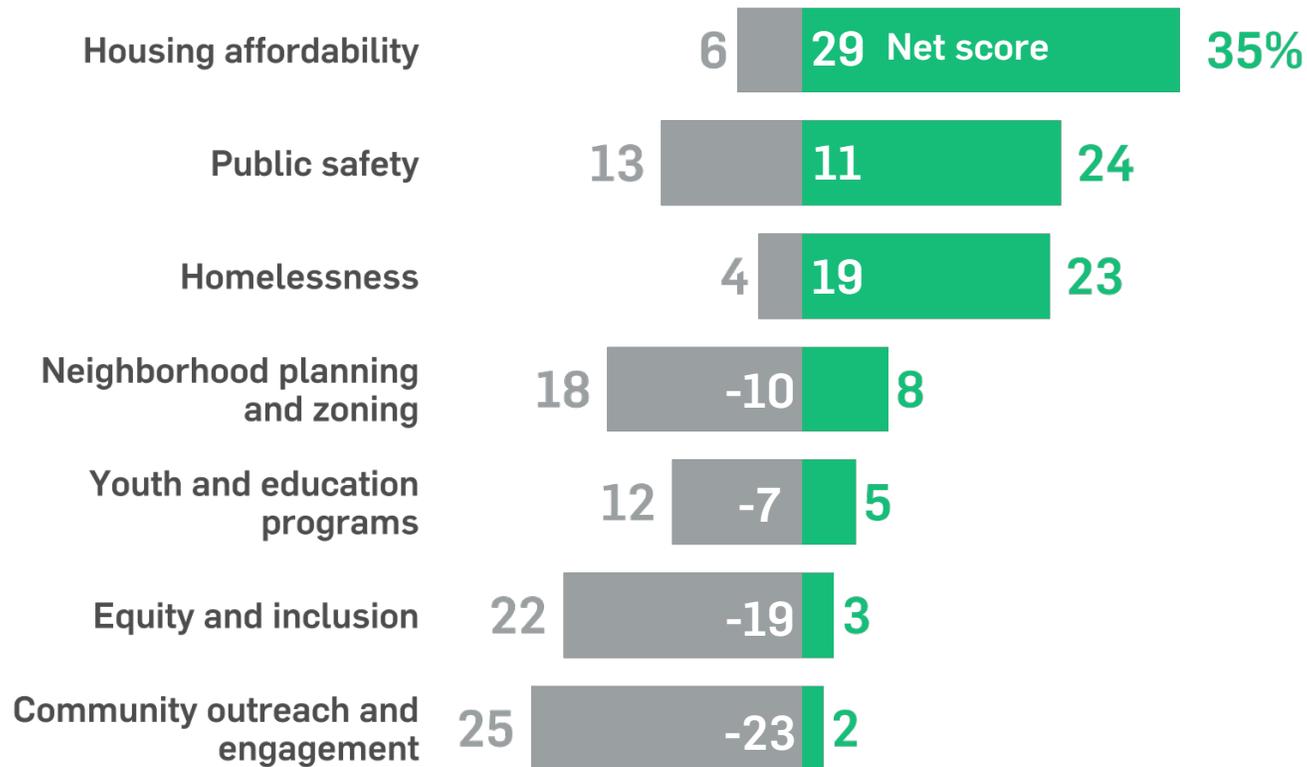
Q: Below is a list of potential projects related to the environment and sustainability in Salt Lake City. For each project below, please indicate whether you think this should be a high priority, or a lower priority as the City works to protect our natural resources, advance development, and address climate change. (n = 574)

NEIGHBORHOODS & COMMUNITIES

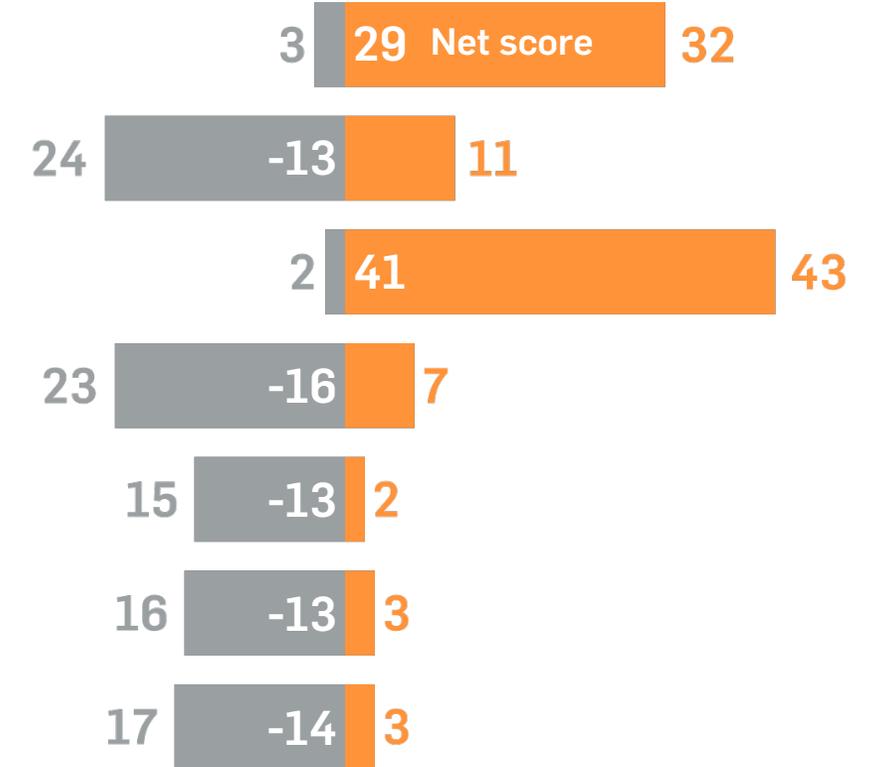
HOUSING & HOMELESSNESS NEED IMPROVEMENT

When asked about the relative importances of community and neighborhood development areas, housing affordability, public safety, and homelessness were selected as most important to peoples' quality of life. While housing affordability was likewise identified as an area where the city needs to improve, homelessness has the highest net score, indicating that residents widely agree that the city needs to improve in this area.

MOST/LEAST important to quality of life



City does BEST/Needs MOST improvement



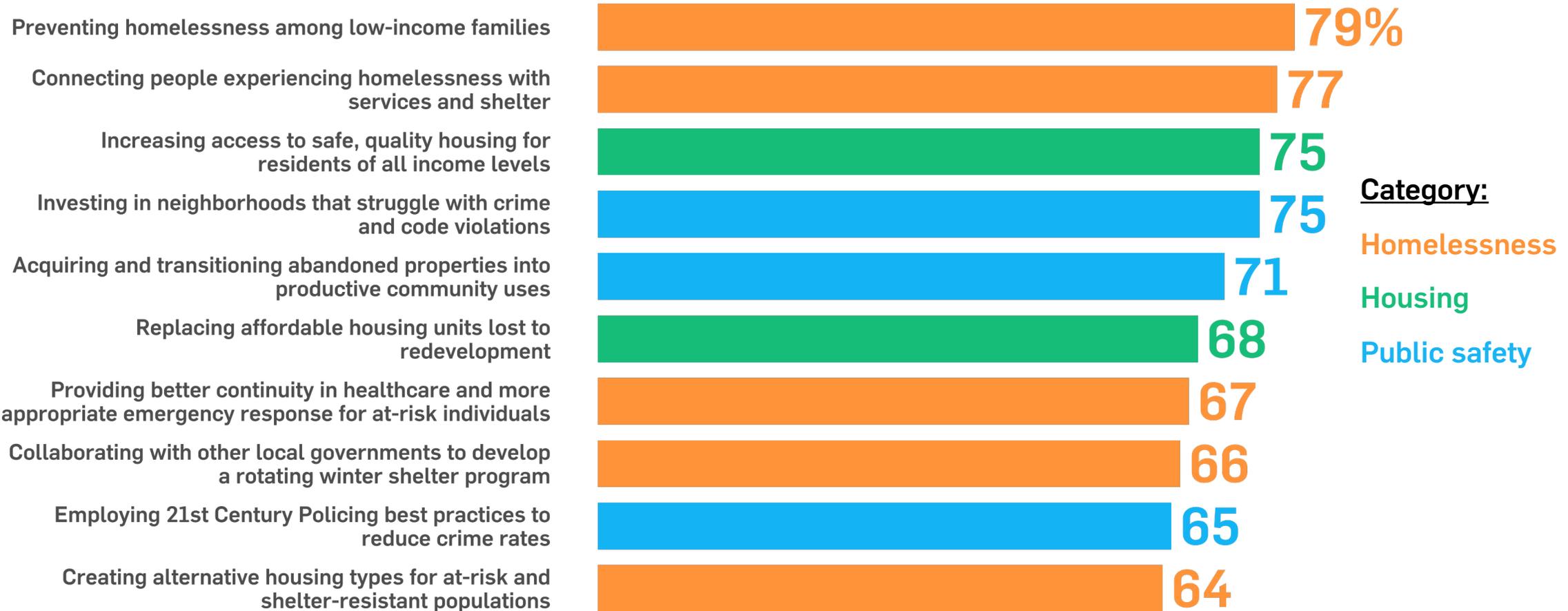
Q: Of the following aspects of neighborhood and community development, which is the most important to your quality of life? Which is the least important? (n = 583)

Q: Of the following aspects of neighborhood and community development, which do you think the city needs to improve most? Which do you think the city does best? (n = 583)

RESIDENTS FAVOR INITIATIVES THAT TACKLE HOMELESSNESS

Of all neighborhood and community initiatives posed to our survey sample, preventing homelessness among low-income families was most-often selected as a high priority. Projects that deal with homelessness are the top two priority projects selected. Thereafter, respondents also expressed concern about increasing affordable housing, investing in neighborhoods with high incidence of crime, and effective use of abandoned properties.

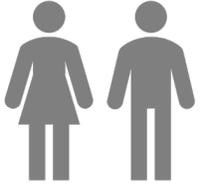
**% Who say project is a high priority
(top 10 initiatives)**



Q: Below is a list of potential projects related to communities and neighborhoods in Salt Lake City. For each project below, please indicate whether you think this should be a high priority, or a lower priority as the City works toward safe, affordable, and equitable neighborhoods. (n = 571)

DIFFERENT COMMUNITY PRIORITIES FOR DIFFERENT GROUPS

There are some noticeable differences in community project priorities across different demographic groups.



- Women are **more likely than men** on average to **rate all projects asked about as high priorities across the board**
- **81% of women** think providing better continuity in healthcare for at risk individuals is a high priority, compared to **71% of men**



- White respondents are **more likely** to see connecting the unhoused with services and shelter as a priority (**92%**) than **BIPOC (81%)**
- **BIPOC** are **slightly more likely** to see transitioning abandoned properties for community use and providing better healthcare continuity for at risk individuals as high priorities (**84% and 80%**) than **whites (80% and 76%)**



- **Lower-income respondents (less than \$75,000)** are more likely to see increasing access to safe, quality housing, replacing affordable housing units, and developing a rotating winter shelter program as **high priorities (92%, 83%, and 81%)** than **higher-income earners (about 82%, 72%, and 70%)**



- About **93% of recent move-ins (less than 5 years)** say transitioning abandoned properties for community use is a high priority, compared to about **78% of all other residents**

Q: Below is a list of potential projects related to communities and neighborhoods in Salt Lake City. For each project below, please indicate whether you think this should be a high priority, or a lower priority as the City works toward safe, affordable, and equitable neighborhoods.. (n = 571)

HOUSING, HOMELESSNESS, & POLICING AMONG TOP CONCERNS

Only about 71% of respondents had suggestions beyond the projects already mentioned. Among those respondents, the broad issues of mental health/social resources, developing neighborhood-level civil society institutions, and zoning ordinances were top of mind for many respondents.



“Encourage civil interactions through neighborhood councils to prioritize needs in neighborhoods.”

“More LGBT outreach programs for youth.”

“Affordability is key. ...luxury apartments being built at the detriment to neighborhoods. Low income families are being forced out.”

“Reduce homeless camping and increase police presence at public places and parks.”

“Mental health services.”

“Work on homelessness by addressing root causes.”



Kyrene Gibb, Scott Riding, & Kelly Patterson, Ph.D.
y2analytics.com | (801) 406-7877

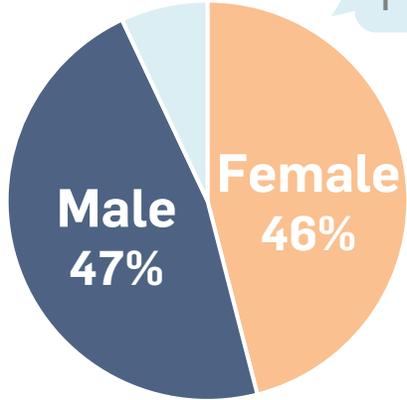
SAMPLE COMPOSITION

DEMOGRAPHIC DISTRIBUTIONS

Gender

N = 549

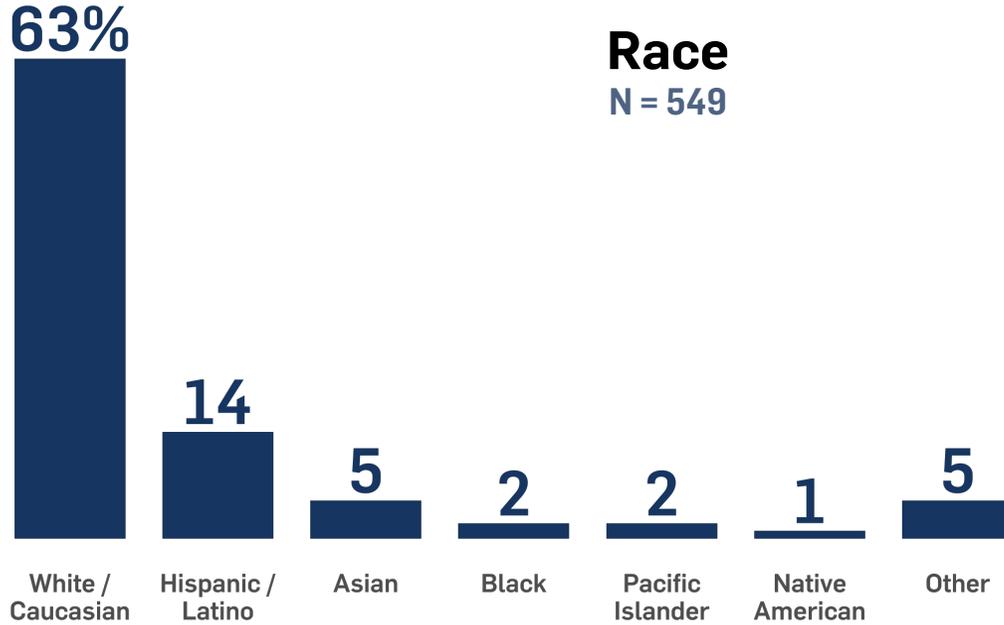
Non-binary 2%
Prefer not to say 5



	Census Estimate
Men	51%
Women	49

Race

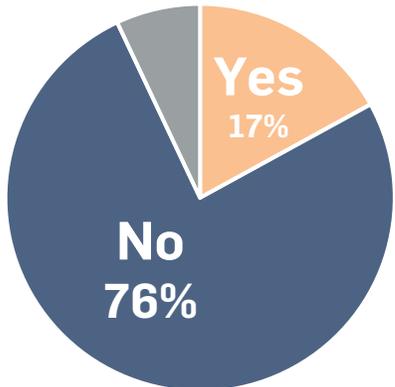
N = 549



	Census Estimate
White	65%
Hispanic	22
Asian	5
Black	3
Pacific Islander	1.6
Native American	1.5
Other	13

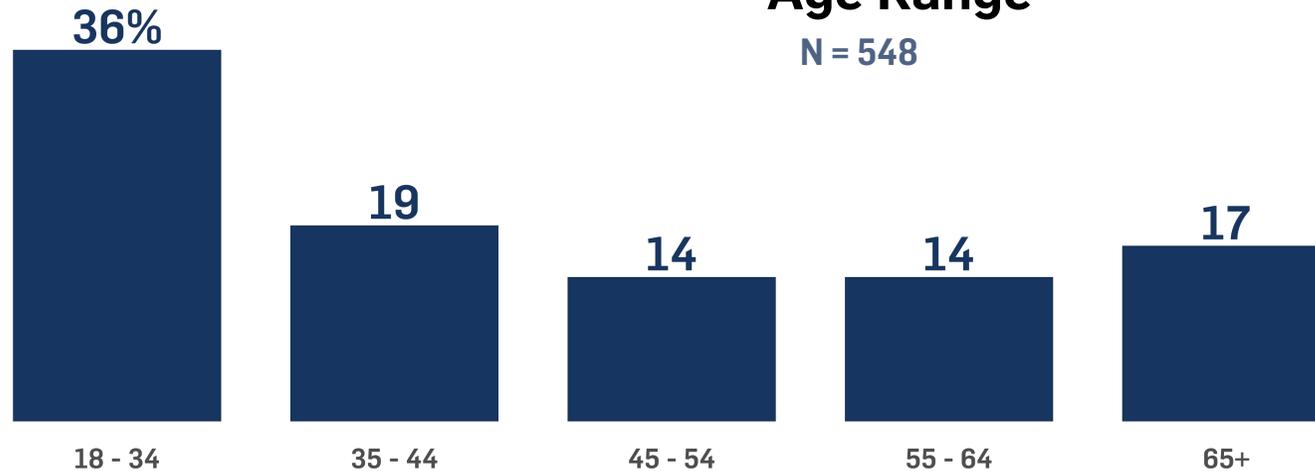
LGBTQIA+

N = 548



Age Range

N = 548

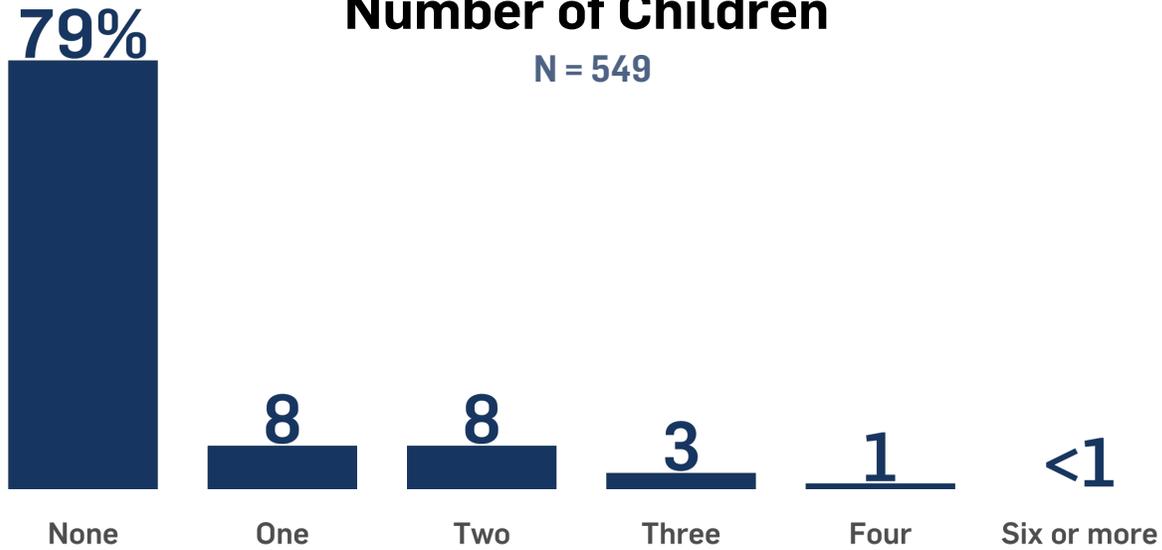


	Census Estimate
18-34	43%
35-44	18%
45-54	13%
55-64	13%
65+	14%

DEMOGRAPHIC DISTRIBUTIONS CONT.

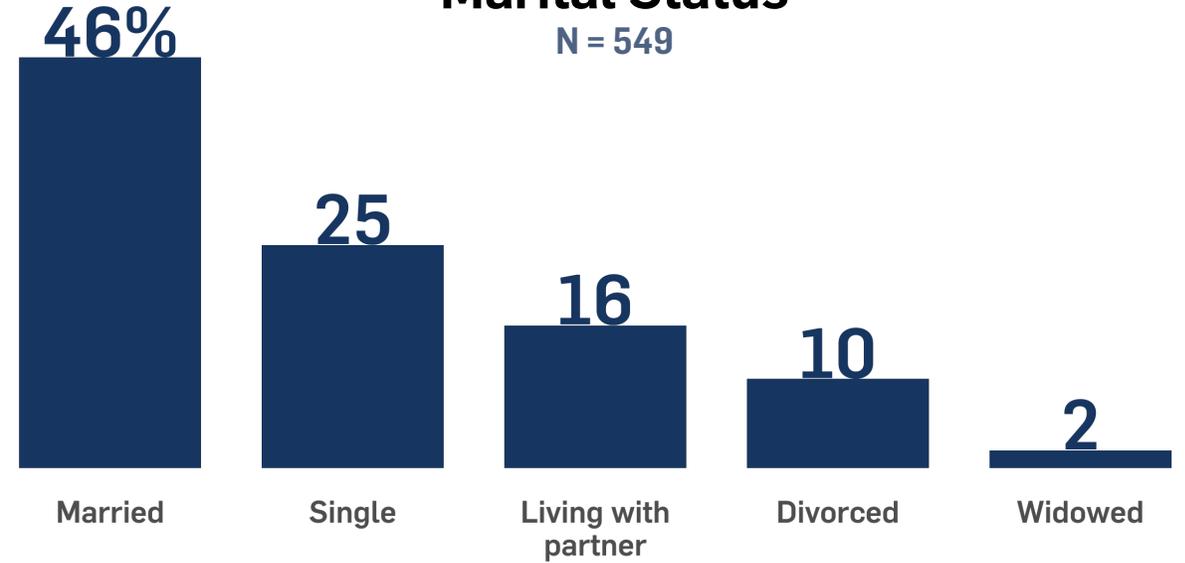
Number of Children

N = 549



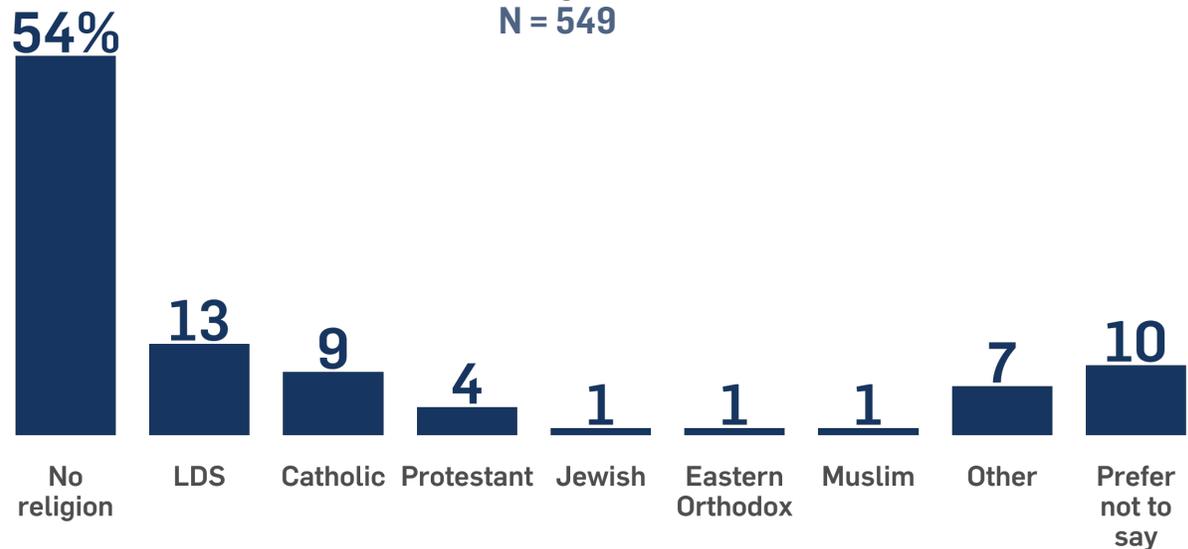
Marital Status

N = 549



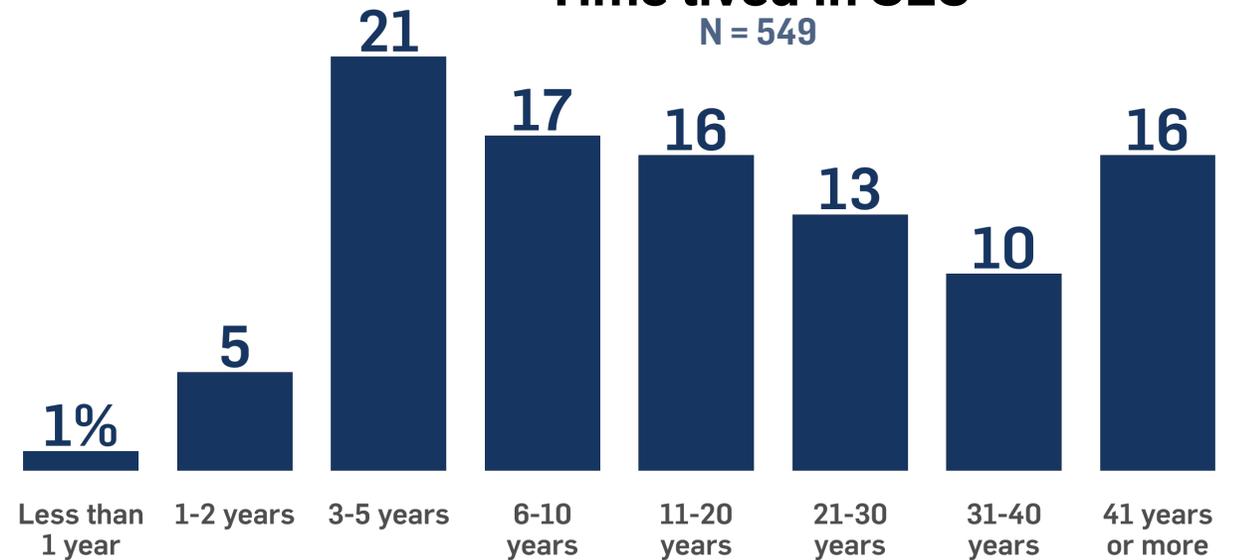
Religion

N = 549



Time lived in SLC

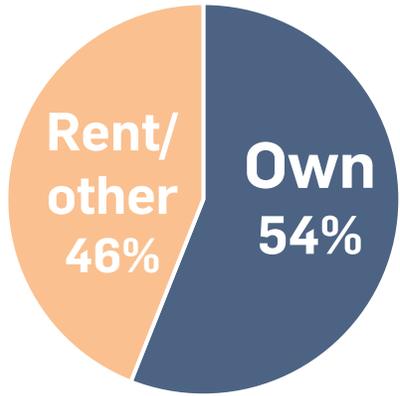
N = 549



DEMOGRAPHIC DISTRIBUTIONS CONT.

Household Type

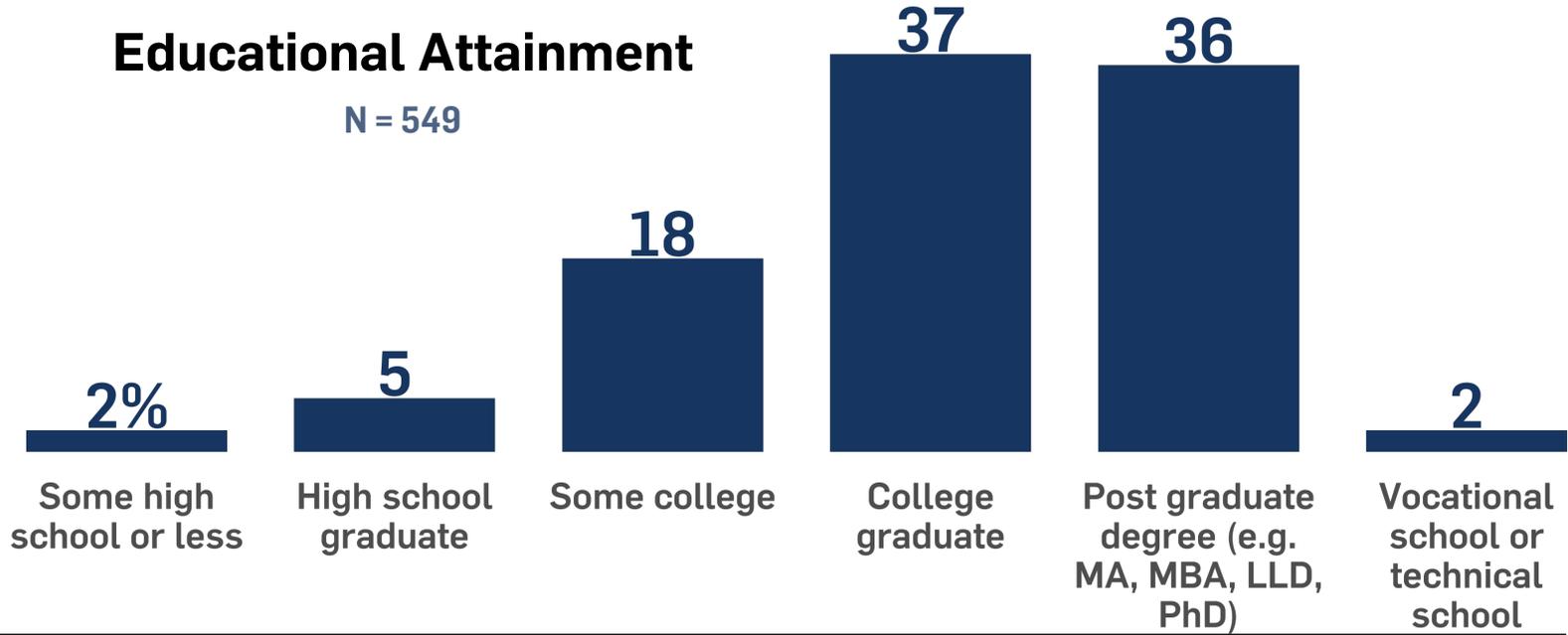
N = 549



	Census Estimate
Own	48%
Rent/other	52

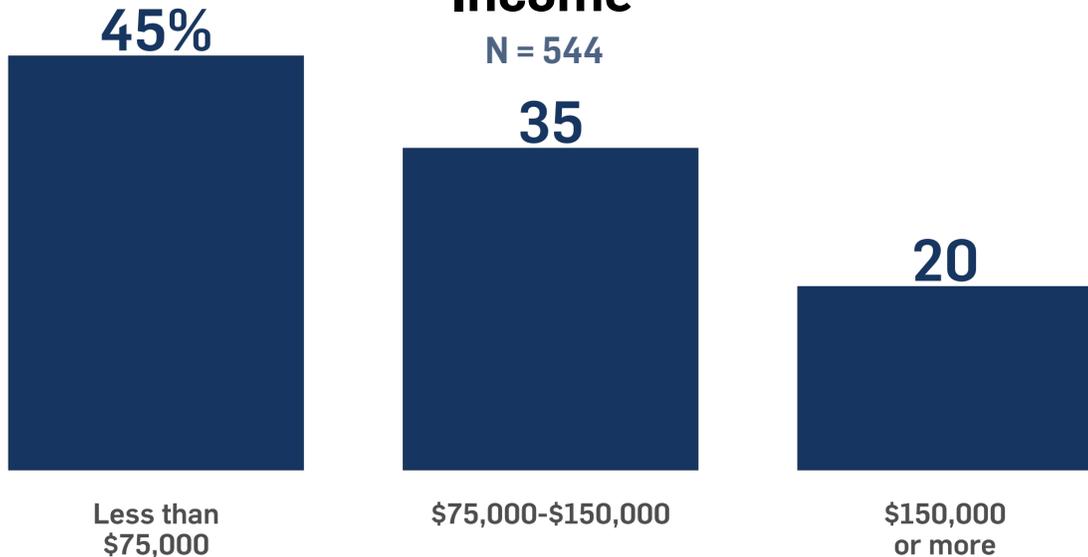
Educational Attainment

N = 549



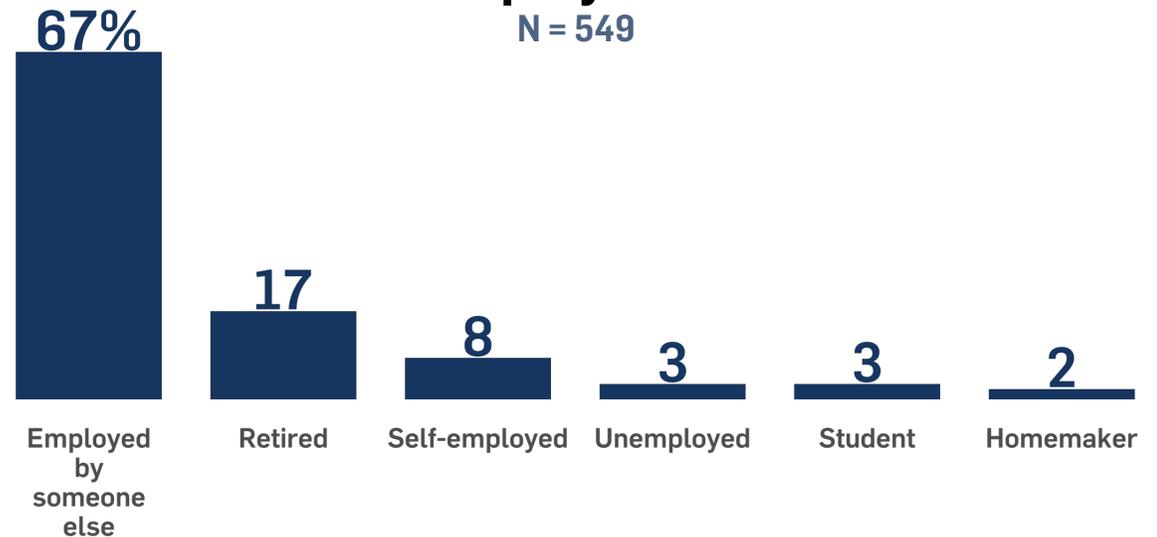
Income

N = 544



Employment

N = 549



Signature: *Garrett A. Danielson*

Email: Garrett.Danielson@slcgov.com