



COUNCIL STAFF Note

CITY COUNCIL of SALT LAKE CITY
tinyurl.com/SLCFY22Budget

TO: City Council Members

FROM: Ben Luedtke and Sylvia Richards,
Budget and Policy Analysts

DATE: January 4, 2022

RE: **Budget Amendment Number Five FY2022**

Project Timeline:

Set Date: December 14, 2021
1st Briefing: January 4, 2022
2nd Briefing: TBD (if needed)
Public Hearing: January 4, 2022
Potential Action: TBD

Budget Amendment Number Five includes five proposed amendments and requested changes to two funds. There are no expenditures coming from Fund Balance. There are no updates to Revenues and Fund Balance. The Council may wish to note the two Council-added items found in Section I.

Section A: New Items

(note: to expedite the processing of this staff report, staff has included the Administration's descriptions from the transmittal for these items)

A-1: Salt Lake County Police Services at Homeless Resource Centers Contract (\$400,000 from Contract with the County)

The Administration received notification of funding for increased public safety costs for the areas surrounding the homeless resource centers. Salt Lake County and the City have entered into a contract for an additional \$400,000 of County funding to support the City in additional public safety costs associated with the homeless resource centers. The contract runs through April 30, 2022. Funding will be placed in the Police Department to cover additional overtime costs.

Policy Questions:

- Public Safety Definition – The Council may wish to ask the Administration if the contract with the County provides flexibility of use for public safety such as social workers, fire fighters and 911 dispatcher overtime or if the funding is limited to police officers.

- Location of Overtime – The Council may wish to ask the Administration if the contract designates specific homeless resource centers that the funding must be spent at or if the City has flexibility to select the locations and surrounding neighborhoods.

Section B: Grants for Existing Staff Resources Section

(None)

Section C: Grants for New Staff Resources Section

(None)

Section D: Housekeeping

(None)



Section E:**E-1 COVID-19 Local Assistance Matching Grant for the Switchpoint Hotel Project (\$3 million from Misc. Grants)**

The Mayor's Office submitted a grant for \$3,000,000 from the COVID-19 Local Assistance Matching Grant Program. The grant application was for the Point Hotel project. The Administration has received notification that the grant will be awarded. The Amendment requests recognition of the grant funding. The project proposes to change the ownership and repurposes the use of the existing Airport Inn from a traditional hotel to approximately 100 units of extended stay housing for adults over 55 years of age and veterans experiencing or at risk of homelessness. The 501c(3) non-profit, Friends of Switchpoint, will own and operate the Point Hotel. Salt Lake City committed a \$2,250,000 match for the project to increase the competitiveness of the application. The sources of the match funds are: – \$2,000,000 from Salt Lake City General Fund approved in Budget Amendment No 8. FY2020-2021 – \$250,000 from the Friends of Switchpoint for renovation and remodeling to the facility

Policy Question:

- **Funding Gap** – The Council may wish to ask the Administration if the purchase and renovation of the Airport Inn are fully funded after the \$3 million State grant. During Budget Amendment #8 of FY21 the Council approved \$2 million from General Fund Balance and Funding Our Future dollars for the development. At that time, the total cost was estimated at \$8.5 million (\$6.5 million to purchase and \$2 million for renovations).

Section F: Donations

(None)

Section G: Council Consent Agenda

(None)

Section I: Council Added Items**I-1: Council Office Reclassifications and Amending FY22 Appointed Pay Plan**

The Council Office is seeking to reclassify one FTE, Senior Advisor, at pay grade 37x to a Public Policy Analyst I at pay grade 31x. The reclassification does not create a new cost because the new position is at a lower pay grade than the current position.

I-2: CARES Act Unused Funds – Firefighter Personnel Expenses – \$47,000

As the Council may recall, during the Budget Amendment Number Four discussion on December 14th, the Council took a straw poll and expressed the intent to use \$47,000 of unused CARES Act funding for Fire Department personnel expenses, which is an allowable expense because it relates to the Pandemic. This item formalizes the straw poll action and intent.

I-3: Rescope FY22 CIP Funds for Tennis Improvements at a New Location (\$400,000 in CIP Fund)

As part of the FY22 CIP budget, the Council approved \$400,000 for reconstructing obsolete asphalt tennis courts with new concrete courts at Wasatch Hills Tennis Center (1216 Wasatch Drive). The new concrete courts must be installed before a new bubble is also installed. Private fundraising was anticipated to fully fund the bubble and any costs over \$400,000 for the new tennis courts. Fundraising levels are reported to be large enough to fully fund the bubble and new tennis courts.

This item would rescope the \$400,000 for improvements to tennis at Liberty Park which is also operated by the same organization (Liberty Hills Tennis) as the Wasatch Hills Tennis Center. The bubble at Liberty Park tennis courts recently collapsed.

Assuming the fundraising pledges are realized, and the Council approves this item, then the Wasatch Hills Tennis Center improvements would be entirely privately funded. The resulting capital improvements would become City-owned assets. The City owns the land underneath.

Policy Questions:

- Capital Improvement Needs at Liberty Park Tennis – The Council may wish to ask the Administration what caused the Liberty Park tennis bubble to collapse and what are the capital improvement needs at that location?
- Project Details – The Council may also wish to ask the Administration for project details such as will the \$400,000 be used for a new bubble, tennis court reconstruction (asphalt or concrete), if the project would be fully funded, has Engineering reviewed the cost estimates, general timeline, etc.
- Privately Funded Capital Improvements Process – The Council may wish to ask the Administration how the City’s processes are different for a privately funded capital improvement project than publicly funded projects, and are there opportunities for the City to streamline those processes?

ATTACHMENTS

(none)

ACRONYMS

CARES Act – Coronavirus Aid, Relief and Economic Security Act

CIP – Capital Improvement Program

FTE – Full Time Equivalent Position

FY – Fiscal Year

Misc. – Miscellaneous

TBD – To Be Determined