



# COUNCIL BUDGET STAFF REPORT

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

**FROM:** Jennifer Bruno  
Deputy Director

**DATE:** May 24, 2022

**RE: PROPOSED FISCAL YEAR 2022-23  
NON-DEPARTMENTAL BUDGET**

**BUDGET BOOK PAGES:** p. 45-51, p. 237-244

## PROJECT TIMELINE:

Briefing: May 24, 2022  
Budget Hearings: May 17, June 7  
2022  
Potential Action: June 14 target  
date.

The Non-Departmental Budget is the City's largest in the General Fund. It accounts for transfers to other funds, grants, and other special revenue funds that do not programmatically belong to particular City departments. The total proposed Non-Departmental budget pertaining to the General Fund is \$122,549,573, a \$7.3 million (6.4%) increase over FY2022. When including all other funding sources that are passed through the Non-Departmental account (Grant Funds, CDBG funds, E-911 Funds, Debt Service Funds, Housing Funds, etc.), the total pass through funding is \$257,693,993. ***Because of the volume of line items in this department, the format of this staff report is to orient the Council starting at the general level and moving towards more specifics at the end.***

Non-Departmental Expenditures are organized into the following **general categories** (see p. 237-244 of the budget book) – see background section for detail:

Category	Amount	Description
Governmental Transactions	\$9.3 million	Contracts with/funding for other governmental entities
Intergovernmental Transfers	\$66.6 million	General Fund support of other City funds (Golf, Sustainability)
Interfund Charges	\$27.7 million	Centralized general fund support of the IMS and Fleet funds, as well as Risk Management premium
Municipal Contributions and Civic Support	\$5.7 million	City funding for memberships or support for various community organizations, note that some are subject to legal requirements
Police Department and Racial Equity Policing Funding	\$4.6 million	Tracked in non-departmental to increase transparency while diversified response models are developed and implemented (some of this funding is proposed to be spent in FY 23; \$2.6 million would remain in holding accounts)
Sales Tax Option – Transit	\$8.6 million	UTA contract for key bus routes, service for additional routes, and On-Demand ride program
Total General Fund	\$122.5 million	<i>*Note: this does not include other funding sources for non-Departmental, tracked separately</i>



There are also non-general fund categories such as Special Revenue Accounting (for CDBG/E-911/Grants Funds), Debt Service Funds for repayment of General Obligation (GO) Bonds, and the Capital Projects Fund for consolidating CIP funding and impact fees.

The Administration has provided additional sub-line-item detail on the following **policy areas** on pages 46-50 of the budget book, for the sake of transparency and since they are sometimes items of more detailed interest. The following are highlights of the proposed FY 23 budget for each of those issues:

<b>Policy Area</b>	<b>FY 23 Proposed budget highlights</b>
Capital Improvement Fund	<ul style="list-style-type: none"> <li>- An overall increase in CIP to 9% of ongoing General Fund revenues, including a placeholder of \$4.3 million to cover debt service on a proposed sales tax revenue bond. The Council had previously commissioned a study recommending this level of on-going investments in the City's capital needs. In recent years investments was typically closer to 7% or 8%. More projects can be funded with this amount of CIP funding.</li> <li>- \$2 million proposed increase in funding for parks maintenance</li> <li>- The Council approves the overall capital improvement fund budget as part of the annual budget in June, then specific project funding is deliberated over the summer and approved by Sept. 1.</li> <li>- Each percent to CIP is roughly \$3.3 million</li> </ul>
Fleet Fund	Funding for various vehicles needed to implement diversified response models as well as an overall increase for fleet maintenance. Some of the funding is from Funding our Future revenues.
Golf Fund	Details the General Fund's subsidy of the Golf Enterprise Fund including living wage efforts, increase to cover Administrative fees, and transferring \$500,000 for Rose Park Infrastructure renewal
Governmental Immunity Fund	Removes the \$2.7m General fund contribution in a shift to a dedicated ongoing property tax.
IMS Fund	Shows contractual and inflationary changes totaling almost \$1.3 million and reflects positions and new systems added in budget amendments.
Insurance and Risk Management	Reflects a shift of long term disability from employee funded (opt-in) to be funded by the City for all employees (\$1.25 million across all funds; \$750,000 from the General Fund). This will bring the City into compliance with Utah Retirement Systems (URS) requirements.
Public Utilities and Street Lighting funds	Shows an additional \$100,000 to help assist lower income residents with Public Utilities rate increases, and funding street lighting utilities on City-owned properties.
Redevelopment Agency Fund	Shows the \$2.6 million passed through from FOF and the overall RDA increment pass through as required by State law.
Sustainability Fund	\$1.8 million total - Includes an environmental assessment fund (special revenue fund), support for the City's Office of Sustainability operations in the Energy & Environment Fund (\$450,000) and the Community Lawn Mower exchange (\$464,000).
Police Department and Racial Equity in Policing Funding	Shows the usage of some holding account dollars as transfers to the Police and Fire Department to support diversified response models \$1,159,608.
NBA All-Star Game	\$1 million total – details the different City costs anticipated to be covered by the City during this unique event in February 2023. Building the anticipated costs into the budget now helps avoid mid-year budget adjustments.

***For a listing of every item funded by the Non-Departmental budget, please refer to pages 237 to 240 of the budget book. Pages 241-244 include short descriptions of proposed changes in some of those line items. Council Members may wish to ask the Administration about any of the proposed changes on those pages and listed in this staff report such as what differences the public may see, why a new line item is proposed and how city priorities are advanced by continuing existing line items.***

Council Staff has highlighted proposed line items within the Non-Departmental budget relating to Council priorities identified this year:

**A. Equity and Diversified response models**

- a. Non-departmental was the location for holding accounts for the REP Commission and Public Safety Diversified Response Models. Some of these funds are proposed to be released to fund implementation of some of the recommendations to diversify response, including the Civilian Response team in the Police Department. If approved as proposed, the REP Holding account balance will be just under \$1.8 million, and the holding account for diversified response models will be \$842,000. Note some of the recommendations are proposed to be funded for a partial year so the FY2024 budget would need additional funding to continue the services over a full fiscal year.
- b. The agreement with Salt Lake County for the operation of the Sorenson Center - \$1,014,800. The figure is the same as the current fiscal year.
- c. Police Department body cameras -- \$1,293,000.
- d. Apprenticeship Program - \$1,025,000 – this was previously funded with ARPA dollars and is proposed to be funded with the general fund. Note the HR budget includes a new FTE to manage this program across all departments.
- e. The Arts Council -- \$800,000, a \$150,000 increase from the previous year.
- f. Suazo Membership - \$45,000
- g. Hispanic Entrepreneurs Program - \$30,000
- h. Diversity Outreach (City Program) -- \$3,000

**B. Homelessness and maintenance of public spaces**

- a. \$200,000 – fund for Emergency Demolition – this funding would be used to establish an account to provide for demolition of vacant buildings deemed too dangerous, in order to provide for fire fighter safety
- b. \$500,000 transfer to the Golf Fund to pay for Rose Park infrastructure renewal
- c. \$500,000 shooting range remediation

**C. Transit & Transportation**

- a. HIVE pass program - \$1,160,000 (a \$100,000 decrease from FY 22, transferred to provide HIVE passes for SLC school children)
  - i. Council Staff inquired with the Administration about usage of this program. The Administration indicated that usage was down significantly due to the pandemic. It is unclear what a “new normal” level of usage will be. They do not anticipate the \$100,000 transfer for school children to have a negative impact on usage.
  - ii. ***The Council may wish to discuss this program further with the Administration, including whether, given current efforts towards eliminating fares on poor air quality days, if there is a more efficient way to deploy these funds.***
- b. \$1 million available as matching funds for transportation projects that could potentially be funded by the federal infrastructure bill (details are to-be-determined). Note that the federal funds are anticipated to be disbursed over the next several years so this new line item might be needed over multiple fiscal years.
- c. Funding our Future Sales Tax dollars:
  - i. \$5.6 million – UTA Contract for Frequent Transit Network
  - ii. \$998,681 – enhanced service for key routes
  - iii. \$1.9 million – On-Demand Ride services
  - iv. \$100,000 – outreach for new routes

**D. Land Use, Development & Affordable Housing**

- a. Funding our future affordable housing transfer to RDA - \$2,590,000

**E. Business Support**

- a. Biohive branding and marketing \$50,000 ongoing and \$35,000 one-time

- b. \$200,000 for Arts, Cultural and Events or ACE fund to support community events

**F. Sustainability**

- a. The Non-Departmental budget includes a \$1.7 million general fund transfer for the Sustainability Department, which helps augment their operating costs, and funds additional projects for the coming year. For greater detail on this topic, please reference the Sustainability Staff report:
- i. BA#7 – Transfer to Sustainability - \$440,000
  - ii. Transfer to E&E Operations - \$450,000
  - iii. Transfer to CREA for Contribution - \$275,000
  - iv. Transfer for one-time projects including Community Lawn Mower Exchange and EV Charging Stations - \$464,000

**ADDITIONAL INFORMATION/BACKGROUND**

The **Governmental Transactions** section includes:

- The last of 10 reimbursement payments ordered by the Federal Aviation Administration -- \$103,887. The FAA requires the City to reimburse the Department of Airports for the value of 620 acres it had exchanged for a smaller parcel of land needed to protect aircraft flight paths.
- A centralized account of \$696,000 to cover retirement payouts that aren't covered with City department budgets (note: this is not sufficient to cover all retirement-eligible employees but is higher than previous years funding). The figure is a \$61,000 (9 percent) increase.
- The agreement with Salt Lake County for the operation of the Sorenson Center -- \$1,014,800. The figure is the same as the current fiscal year.
- Contract with the City's Washington DC lobbyist - \$75,000
- The tuition aid program for City employees - \$320,000 (a \$20,000 increase from FY 22). The Administration reports that usage has increased in recent years and appears to be utilized by employees across City departments.
- The Animal services contract with Salt Lake County -- \$1,968,385. A \$57,898 increase from FY 22. Note: The City negotiates with the County for this contract but to a certain extent the cost of this program is determined by the County.
- Police Department body cameras -- \$1,293,000.
- Apprenticeship Program - \$1,025,000 – this was previously funded with ARPA dollars and is proposed to be funded with the general fund.
- HIVE pass program - \$1,160,000 (a \$100,000 decrease from FY 22, transferred to provide HIVE passes for SLC school children)
- Federal Matching Dollars for the Infrastructure Bill - \$1 million to cover match
- Typically Municipal Elections are funded in this category. There is no standard election this year, so no funds have been included in the budget. However, if the Council wishes to proceed with the proposed GO Bond, **the Council may need to add funding to cover those expenses**. Staff will work with the Administration and County to determine likely cost.

In the **Inter-Governmental Transfers** section, one can find:

- Emergency Demolition Fund - \$200,000 to provide a seed fund to demolish buildings that present a public safety emergency
- The annual transfer from the General Fund to the Salt Lake City Redevelopment Agency - \$18.1 million, which is about \$3.3 million more than FY 22. The line item is based on projected revenue from property taxes on RDA managed property.
- A transfer to the Fleet Replacement Fund -- \$11.7 million, an increase of \$1.4 million over FY 22. This includes funding for vehicles related to the diversified response models.
- A variety of transfers totaling about \$2.1 million to the Golf Fund to support operations and some capital improvements.

- \$1.7 million transfer to the Sustainability Fund
- A transfer to the Public Utilities Department -- \$200,000. Payments to the Public Utilities Department is the outcome of a 2016 land swap that resulted in Salt Lake City obtaining full ownership of the City & County Building, the Raging Waters recreational park, and property in Lamb's Canyon. Salt Lake County assumed ownership of the Mick Riley Golf Course, three senior citizen centers, and the Health Department Building. The Public Utilities Department owned part of the Mick Riley Golf Course.

The **Municipal Contributions/Civic Support** section contains proposed allocations for City memberships in public groups, financial support for non-profit organizations, and funding that, again, falls outside the realm of City departments. Specific line items can be found on the *Recommended Budget* Pages 45-51 and 238-239.)

<b>City Programs or Program Support</b>	
Legal Defenders -- \$1,404,677	Diversity Outreach (City Program) -- \$3,000
Salt Lake City Arts Council - \$800,000 (\$150,000 increase from FY 22)	City and County Building Branding - \$75,000 (new) – Working with the HLC to and Conservancy Committee, the Administration is planning to remove references to the County from the building to make references to City Building consistent.
Sister Cities (City Program) -- \$10,000	ACE Fund (City Program) -- \$200,000.
Dignitary Gifts/Receptions/Employee Appreciation (City Program) -- \$20,00	Housing Authority Transitional Housing -- \$85,000
Local Business Marketing Program -- \$40,000.	Tracy Aviary – \$674,922
Rape Recovery Center -- \$30,000	YWCA Family Justice Center Wraparound Services -- \$45,000

<b>City Memberships in Organizations</b>	
Suazo Membership - \$45,000	Hispanic Entrepreneurs Program – \$30,000 (new)
Salt Lake Area Chamber of Commerce -- \$50,000	Utah League of Cities & Towns -- \$160,684
National League of Cities & Towns -- \$11,535	U.S Conference of Mayors -- \$12,242
Jordan River Coalition -- \$14,000	Regional Economic Development Funding -- \$108,000. (Economic Development Corporation of Utah)
World Trade Center -- \$50,000.	Sugar House Park Authority -- \$224,795. Salt Lake City appoints a City representative to the Sugar House Park Authority Board of Trustees. Salt Lake County also appoints a representative. The remaining seven Board Members are volunteers. The City and County jointly subsidize maintenance and operations of the park.

- The Administration is proposing to remove the City's membership of the Utah Foundation for a savings of \$10,000
- The Hispanic Entrepreneurs Program is a new program funded by the City. When staff inquired how this membership dovetailed with the Suazo Center membership, the Administration provided the following information:
  - *"The National League of Cities has a program called the City Inclusive Entrepreneurship Network (CIE) that is an opportunity for equitable economic development through supporting our diverse entrepreneurs. A subset of the overall CIE is the Hispanic/LatinX Entrepreneurship Commitment which focuses on lowering the barriers for entrepreneurs in this community as they start and grow their businesses. The CEI program recommends community partnerships and it is a separate from the support the City provides the Suazo Business Center on a more broad and general sense; however, this is synergistic to the efforts of Suazo. This funding may also be further leveraged by the community partner through available NLC funding streams."*
- The Diversity Outreach allocation is to support minority communities' chambers of commerce in the City.
- The Arts, Culture, and Events, or ACE Fund originally was called the Signature Events Fund. The fund is used to help organizations stage events often involving art and performance in Salt Lake City. Groups apply for money from the fund in an open and competitive process.