



COUNCIL BUDGET STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

www.slccouncil.com/city-budget

TO: City Council Members

FROM: Jennifer Bruno, Ben Luedtke, Lehua Weaver
Allison Rowland, Sam Owen and Sylvia Richards

DATE: May 22, 2018

RE: UNRESOLVED BUDGET ISSUES – Follow-up of Council Questions

Project Timeline:

Briefing: May 22, 2018

Budget Hearing: June 5, 2018

Potential Action: June 12, 2018

ISSUE AT-A-GLANCE

Staff has kept a list of items that one or more Council Members have raised as potential changes to the Administration's budget. It should be noted that this is a staff-generated draft, reflecting Council questions and discussions as of the date of its printing, and it may be updated prior to Tuesday's discussion.

If a budget impact is apparent, that amount has been listed, or noted as "to be determined." Depending on Council feedback, adjustments can be made to the overall key changes document, so that the Council can track the net effect of these decisions on the overall budget.

Changes to the budget may cause it to be out of balance (increase or decrease expenses and revenues). As these changes occur, the Council would need to identify offsetting revenue enhancements or expense reductions. Staff can research and provide other revenue generation or expense cutting options if the Council asks staff to do so.

(note: this list is not complete and comprehensive – please let staff know if there are other items to add)

POTENTIAL FOLLOW-UP ITEMS TO CONSIDER ADDING/AMENDING

1. Revenue

- a. Adjusting Judgement Levy Revenue – The Administration indicated that the actual Judgement Levy revenue is less than what was transmitted in the Mayor's Recommended Budget. Because Judgement Levies cannot be increased beyond what is allowed by law, and in order to balance the budget, the Administration has recommended that this be made up in the following ways:



Revenue Source	FY18 Adopted	FY19 MRB	Adjustment to FY19 MRB
Judgment Levy	\$ 711,819	\$ 2,630,067	\$ (1,313,922)
Sales Tax	\$ 58,016,887	\$ 62,405,961	\$ 545,000
Reduce IMS Transfer for one-time document management	\$49,000	\$49,000	\$49,000
Interest Income	\$ 1,290,000	\$ 1,600,000	\$ 645,000
Decrease in Transfer to Risk	\$ 2,229,779	\$ 2,457,077	\$ 74,922

b. Parking Ticket Revenue Adjustment – During the Council’s discussion on General Fund revenues, the Council noted the trend of actual parking ticket revenue received lagging behind budgeted revenues. The Administration is hopeful that the actual revenue will meet budgeted revenue this year, as staff is hired, but the Council indicated an interest in reducing the budgeted revenue by \$1 million to keep it closer in line with past actual revenue received. Note: This will required an offsetting reduction in \$1 million worth of expenses or a transfer from fund balance (one time).

2. Expenses

a. Golf – This will be handled in a separate follow-up briefing but may also be an unresolved issue in future meetings. The Council may wish to review and prioritize policies to guide future general fund investment/subsidy. By way of reminder, the Council adopted the following in conjunction with the FY 18 budget adoption:

i. Contingent appropriation - \$404,000 of general fund dollars being released into stages as follows:

1. 50% released on July 1 based on the commitment the Administration has already expressed to work jointly on a solution for Golf Fund financial viability and discuss options under review by the Administration.
2. 50% percent released upon issuance of a Request for Proposals that has been vetted by both branches.

ii. Legislative intents – The Council expresses the following intents regarding the Golf Enterprise Fund:

1. Formally recognize in concept the value of expanding revenue-generating opportunities at all City Golf Courses.
2. Track any subsidy given to the Golf Fund from the General Fund this fiscal year for possible future reimbursement.
3. Reaffirm the policy commitment to the Golf program remaining an enterprise fund, in keeping with previously adopted Council golf policy.
4. Reaffirm the policy commitment to consider the resolution of the golf funding issues over a 10-year timeline.
5. Schedule a policy conversation early in the new fiscal year to confirm or adjust as necessary the Council's policy statements that were established to guide the resolution of the City golf issues.
6. Renew the Council's request that the Administration formally seek proposals from private providers, other governmental entities, community organizations and others through issuance of a formal Request for Proposals (RFP) for operations of the full system of City golf courses.
7. Request the opportunity for input on the Request for Proposals in advance of its release to help assure that any responders will be asked to address issues of interest and concern to both branches.

b. Funding our Future/Sales Tax option discussion

- i. **Increased Public Safety funding for Fire Programs** – Council Member Fowler raised the possibility of providing additional funds from the sales tax option to fund increases to the Fire Departments Community health outreach program and/or Medical response team. Staff can work with the Fire Department to obtain estimates for what additions might cost.
 - ii. **Increase Fund Balance contribution** – If the Council wanted to contribute 11% to fund balance instead of 10%, it would need to shift \$250,000 from other identified priorities towards fund balance.
 - iii. **Consider contributing more funds to CIP (goal of 9%)** – If the Council wanted to bring the CIP percentage to 8% it would need to shift approximately \$460,000 of funds away from other identified priorities and towards CIP (\$1.8 million to get CIP to 8.5%). If the Council wanted to bring the CIP percentage to 9% it would need to shift approximately \$3.2 million of funds away from other identified priorities and towards CIP.
 - iv. **\$400,000 for “Fee Waivers” for affordable Housing** – Council Members expressed an interest in discussing this further. Including whether these funds could go farther in other areas.
 - v. **Alternative funding for the Community Land Trust** (in addition to sales tax) - The Council may wish to discuss considering an ordinance governing the proceeds from the sale of land, and deciding that a percentage be dedicated into the community land trust to increase homeownership. If there is Council interest in this proposal, staff can work with the Attorney’s office to identify the appropriate mechanism for achieving this.
 - vi. **More robust Complete Streets policy for roads funded by the sales tax option.** Some Council Members have expressed an interest in a contingent appropriation that would require any street project funded by the sales tax option to more closely follow the requirements of the Complete Streets policy. In addition, some Council Members have expressed an interest in “tightening” the complete streets policy to reduce the options for exemptions to be granted in new road projects.
- c. Non-Departmental**
- i. **Census Coordinator (\$TBD)** - The Administration indicates a census coordinator FTE is being considered in the runup to the 2020 Census. The Mayor’s Recommended Budget does not include a specific funding request for the position, and the Administration has indicated that this could potentially be absorbed in the Mayor’s office budget. The Council may wish to discuss this further with the Administration, and if it is a priority may wish to consider adding funding to ensure hiring is done in time. See Attachments **A** and **B** for maps indicating low actual and predicted Census response rates in Salt Lake City.
 - ii. **Local lobbying** – The Mayor is recommending a \$50,000 increase to the City’s local lobbying line item, bringing the total to \$110,000. The Council has indicated an interest in funding a lobbyist who reports to the legislative branch. The Council may wish to clarify if funding would be in addition to this item or instead of this increase.
 - iii. **Additional request from Salt Lake Legal Defender Association – additional \$50,000** - Salt Lake Legal Defenders has requested an additional \$50,000 to the \$180,972 increase proposed by the Administration. The Recommended Budget proposals a total budget of \$1.21 million. Legal Defenders cites increased caseload by Salt Lake City Justice Court in March and April. This is not tied directly to the potential addition of 50 officers. It reflects current caseload.
 - iv. **Ground Transportation** – The Attorney’s Office has confirmed that Department of Airports cannot use its funds to enforce ground transportation regulations outside airport borders. Council options include: 1. Restoring \$50,000 cut. 2.) Making a smaller allocation with reduced presence. 3.) Survey ground transportation users outside airport boundaries to gauge if enforcement is necessary.
 - v. **Downtown Alliance Safety Ambassador program – additional \$50,000** – The Council received a communication from the Downtown Alliance requesting \$200,000 to fund the safety ambassador program rather than the \$150,000 included in the Mayor’s Recommended budget. In FY 18 \$150,000 was appropriated by the Council with the following legislative intent:
 - 1. It is the intent of the Council that staff request a long-term funding plan for the program from the Downtown Alliance and work to schedule a review of that plan. The Council is interested in how the plan could be replicable to other areas of the
-

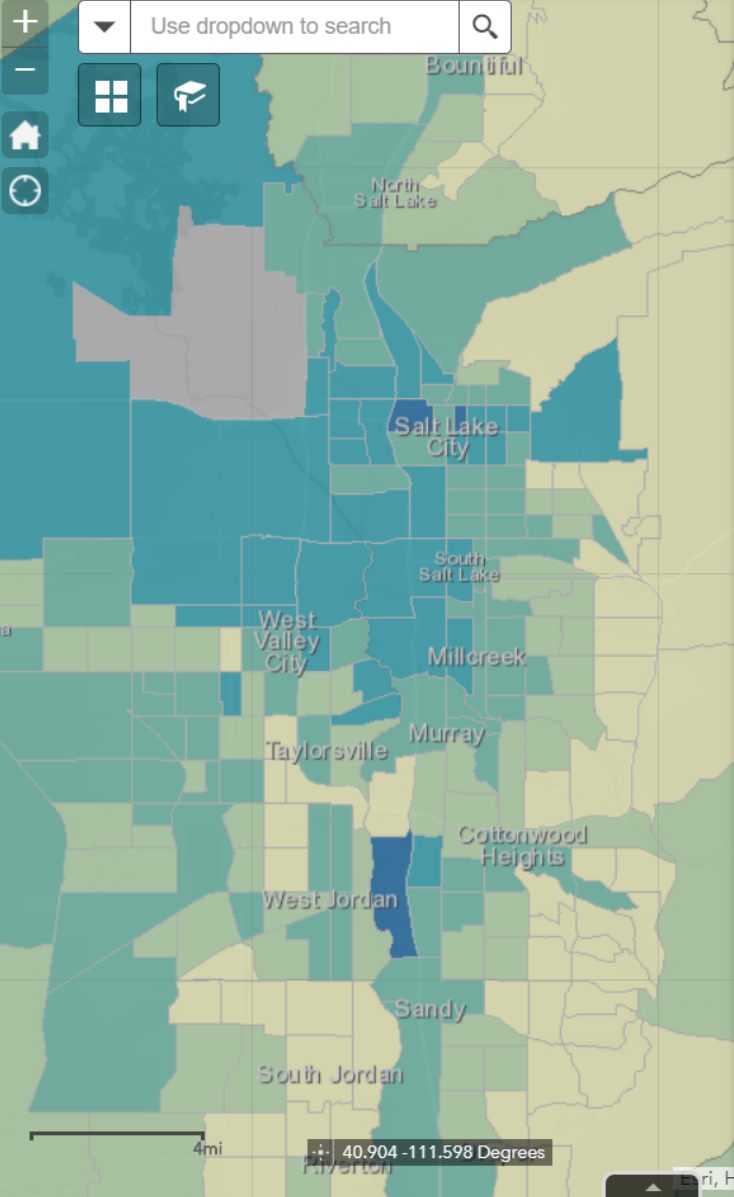
City, including potentially in neighborhoods immediately adjacent to the new Homeless Resource Center opening in the coming years.

2. The Administration recommends that this program could be funded through the next authorization of the Downtown SAA district, although it recognizes that the next SAA authorization is not until next fiscal year. The Downtown Alliance has indicated to the Administration in the past that these programs are most successful in high foot-traffic areas, and might not be as beneficial for areas around some HRC locations.

d. Community and Neighborhood Development

- i. HIVE pass marketing reduction** – the Council discussed whether it made sense to reduce marketing for this program at the same time as there will be a likely increase to bus routes. The proposed reduction is \$25,000.
 - ii. Additional Planners** – The Council discussed whether the two additional planners (\$202,231) needed to address base workload or are needed as a result of the workload that will come from the programs/priorities funded by the sales tax increase. The positions are proposed by the Administration to be funded by the sales tax increase.
 - iii. RDA Funding for Homelessness** - Council Members have indicated a desire to reconsider funding for homelessness programs through the RDA increment (\$1.2 million for FY 19), considering many of these programs may continue into FY 2020 and beyond.
 - iv. Open Gov (formerly Peak Democracy with Open City Hall) contract** - The Administration is moving in the direction of funding Qualtrix as a community outreach program rather than Open Gov (Open City Hall). The Administration provided an analysis of the key differences and this was provided as an attachment to the CAN staff report. The Council may wish to discuss this further in terms of the opportunity Open City Hall has afforded for detailed and meaningful public input. The current Open Gov contract expires in June.
- e. **Prostitution Outreach Program (POPs)**- \$ TBD – In years past the City had a prostitution outreach program (POPs). The aim of the program was to reduce the number of women and juveniles involved in street prostitution and hidden prostitution in Salt Lake City, and which emphasized the coordination of community resources available to women wanting to leave prostitution. Grant funds were sought and received from the Department of Justice Office of Justice Programs. Council Chair Mendenhall has an interest in re-starting this program. Council Members may wish to note that there may be opportunities for potential collaboration with the Salt Lake County based on previous conversations. Council staff can follow up if there is Council interest.
- f. **Council Member Communication budget** – There has been confusion in the community that the communication budget for each Council Member is a city-wide grant program. The City Attorney’s office is assisting Council Staff with recommendations on transparency, accountability and equity, and ensuring compliance with relevant state law. Additionally, if such a program were to be made available on an equal basis to all community councils there are likely not enough funds available. In addition to the attorney’s office assisting the Council office on communication budgets, is there interest in establishing a grant program to make these funds available on an equal basis to all community councils? If there is interest, staff can return with options.
- g. **Council Member Compensation** – Over recent years, Council Members have struggled with balancing an interest in discussing different ways to address Council Member compensation with budget constraints and public sensitivity. The interest based on (1) the higher level of expectations and demand for time placed on elected officials now than when the salary levels of Council Members were first initiated (1/5 of the Mayor’s salary) and (2) a desire to consistently maintain a pay rate for the City Council Members that makes it possible for people from all income levels to serve. Expenses are naturally created when serving as a part time elected official (time away from regular job or business, babysitting costs, etc.) If the pay for the position doesn’t at least cover the expenses associated with the job, only individuals who are able to ‘subsidize’ their City Council service through other personal resources or the support of a partner are able to fill the positions, and the field of candidates is narrowed to the point that it could exclude low income people or single parents.
- i. Shifting to a Policy Approach** – The Council may wish to discuss shifting to a policy approach to determine appropriated compensation for elected officials. The City conducted salary surveys of elected officials in other municipalities most recently in 2015. The results showed significant variation in annual salary between cities. There was no consensus from the data about what salary is reasonable / appropriate for Salt Lake City elected officials.
-

- ii. In addition to the inconclusive survey data, some challenges arise when comparing salaries for elected officials such as differences across forms of government, separation of duties/powers, demographic and economic variations, actual hours worked, and other factors.
 - iii. The Council is always torn about whether and how to adequately address the question of compensation. One option some communities have used is to make any changes effective after the next election cycle.
-



Legend

Default Layers

State (or state equivalent) Layer

State (or state equivalent) Boundary

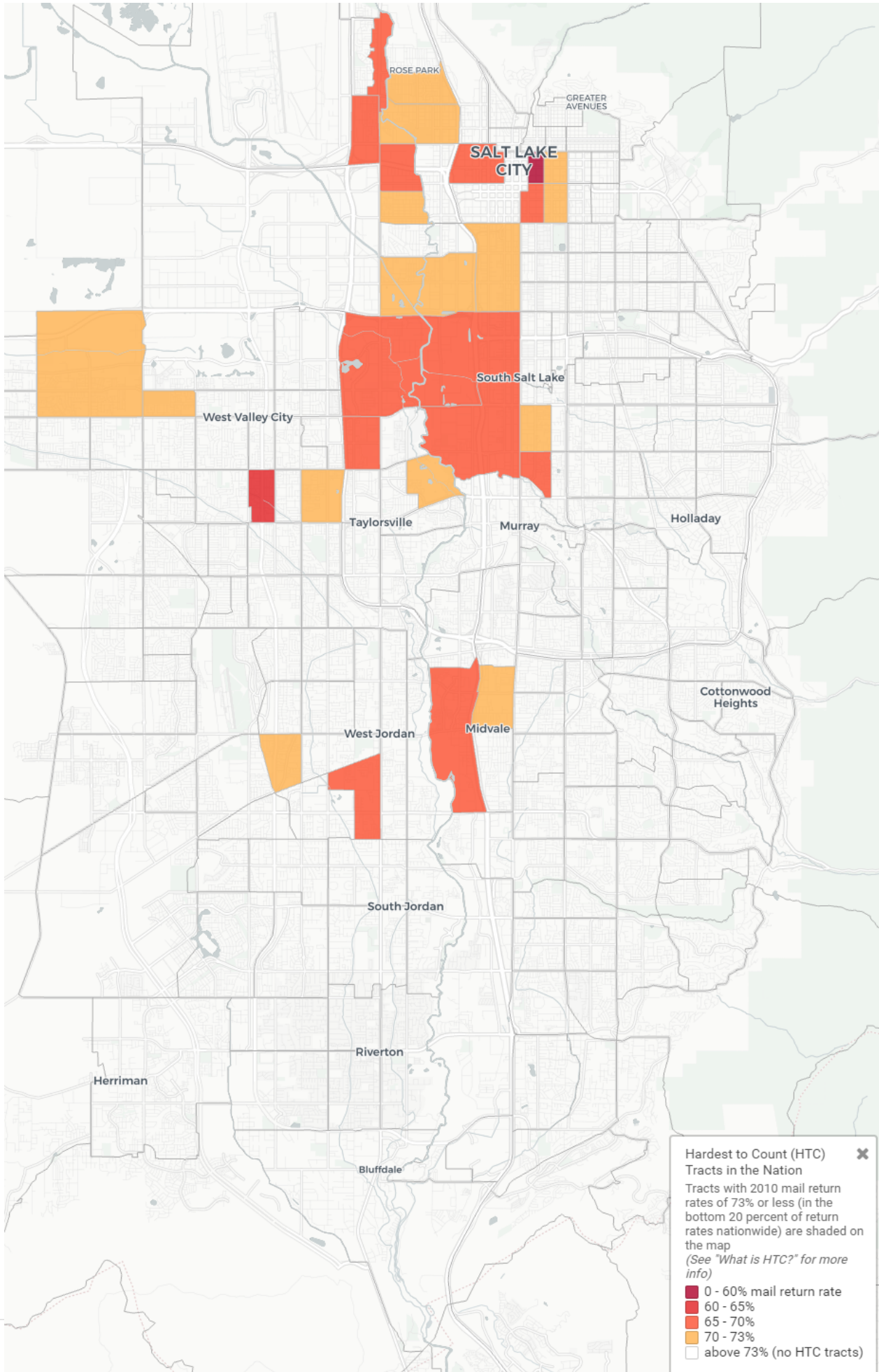
County (or county equivalent) Layer

County (or county equivalent) Boundary

Low Response Score by 2014 Census Tracts

Predicted Mail Non-Response Rate (%)

- 30.0 to 57.8
- 25.0 to 29.9
- 20.0 to 24.9
- 16.0 to 19.9
- 0.0 to 15.9
- Not calculated



Hardest to Count (HTC) Tracts in the Nation ✕

Tracts with 2010 mail return rates of 73% or less (in the bottom 20 percent of return rates nationwide) are shaded on the map
 (See "What is HTC?" for more info)

- 0 - 60% mail return rate
- 60 - 65%
- 65 - 70%
- 70 - 73%
- above 73% (no HTC tracts)