COUNCIL STAFF REPORT

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Ben Luedtke and Sylvia Richards
Budget and Policy Analysts

DATE: April 20, 2021

RE: **Budget Amendment Number Eight FY2021**

Project Timeline:
Set Date: April 20, 2021
1st Briefing: April 20, 2021
2nd Briefing (if needed): May 4, 2021
Public Hearing: May 4, 2021
Potential Action: May 18, 2021

Budget Amendment Number Eight is a small amendment with no revenue impact and proposed expenses of $2 million. The amendment includes two proposals from the Police Department to access funds set aside in the Non Departmental budget during the FY21 annual budget process. The third item is a request to provide a grant using General Fund and Funding Our Future fund balances to assist in the purchase of the Airport Inn. This amendment also includes one potential Council-added item which would impact the General Fund in the amount of $50,000.

If this budget amendment is approved as requested by the Administration, with the inclusion of the Council-added item, then the amount available in Fund Balance above the 13% minimum target would be $7.2 million. There are a total of three items in Section A. The Administration has requested that this amendment be expedited.

Revenues Update

The Administration has provided the following information regarding City revenues: "The City is currently projecting a $1.9 million decrease in budgeted revenue (as compared to the $4.4 million decrease projected in revenue for Budget Amendment No. Seven). The largest portion of the decrease is attributed to a $1.7 million decrease in **Fines and Forfeitures**, a $1.7 million decrease in **Parking Meter** Revenues and a $978 thousand decrease in **Miscellaneous Revenues**. These decreases are offset by a projected net increase of $1.4 million in **Licenses and Permits** as well as a $1.1 million increase in **Sales Tax** and a $750 thousand increase in sales tax attributable to **Funding Our Future** revenues.

The increase in **Licenses and Permits** is in spite of airport parking/license tax showing a decrease due to decreased travel as a result of COVID. The decrease in airport parking and licenses is $2,045,000. Innkeepers tax has also been hit hard by COVID and is projecting a decrease of $1,717,500. According to recent news reports, hotels are experiencing 30% occupancy compared to this time of year in previous years. Business licenses are also expected to be below budget due to trends for apartment units, new business license requests and business license renewal .

Revenue	FY20-21 Annual Budget	Revised Forecast	Variance Favorable (Unfavorable)
Property Taxes	111,418,455	111,418,455	-
Sales and Use Tax	67,999,593	69,146,260	**1,146,667**
Franchise Tax	26,812,125	26,702,018	**(110,107)**
PILOT Taxes	1,508,894	1,508,894	-
TOTAL TAXES	**207,739,067**	**208,775,627**	**1,036,560**
License and Permits	28,601,482	30,071,777	**1,470,295**
Intergovernmental	4,444,400	4,146,157	**(298,243)**
Interest Income	1,900,682	1,700,000	**(200,682)**
Fines & Forfeiture	3,938,848	2,210,747	**(1,728,101)**
Parking Meter Collection	3,432,962	1,705,187	**(1,727,775)**
Charges and Services	4,428,069	4,219,771	**(208,298)**
Miscellaneous Revenue	4,014,037	3,036,282	**(977,755)**
Interfund Reimbursement	20,281,706	20,268,706	**(13,000)**
Transfers	9,507,812	9,507,812	-
TOTAL W/OUT SPECIAL TAX	**288,289,065**	**285,642,067**	**(2,646,998)**
Sales and Use Tax - 1/2 cent	32,797,506	33,547,506	**750,000**
Sales and Use Tax - County Option	-	-	-
TOTAL GENERAL FUND	**321,086,571**	**319,189,573**	**(1,896,998)**

These revenue losses are offset by gains in permits & zoning building permits (+$1.1M), plan check fees (+$1.5M), and street excavation (+$1.96M due to a temporary boost from Google contract). **Fines and Forfeitures** are projected below budget due to a decrease in parking ticket revenue of $750k. Justice Court fines are down $185k, while moving violations are projected wat a loss of $699k. The Justice Court is following the order of the Administrative Office of the Courts which is resulting in fewer court cases and no orders to pay fines, which are then subsequently not sent to collections and no warrants are being issued. Traffic school revenue is down $61k and vehicle booting is projected to be down $19k. **Parking Meter Collection** is slightly less than half of the previous fiscal year due to an overall decrease in traffic downtown. This is driving the significant decrease of $1.7 million. Additionally, **Miscellaneous Revenue** has also been affected by the pandemic with decreases in accounts receivable collections, special event revenue, fuel reimbursement due to the Mayor's emergency declaration and utility reimbursement.

Fund Balance Update

Fund Balance remains above fifteen percent, after projected use of fund balance in the current amendment and the reduction in projected revenues.

Fund Balance Projections							
		2020 Projection			2021 Projection		
	2019 Actual	FOF	GF Only	TOTAL	FOF	GF Only	TOTAL
Beginning Fund Balance	56,104,269	10,372,054	69,441,955	79,814,009	6,625,050	82,617,126	89,242,176
Budgeted Change in Fund Balance	(380,025)	-	(1,510,094)	(1,510,094)	2,924,682	(7,810,302)	(4,885,620)
Prior Year Encumbrances	*(8,731,774)*	*(3,105,004)*	*(6,566,830)*	*(9,671,834)*	(3,733,743)	(6,165,453)	(9,899,196)
Estimated Beginning Fund Balance	46,992,470	7,267,050	61,365,031	68,632,081	5,815,989	68,641,371	74,457,360
Beginning Fund Balance Percent	*14.57%*	*18.17%*	*20.64%*	*20.35%*	17.34%	23.69%	23.03%
Year End CAFR Adjustments							
Revenue Changes	-	-	-	-	-	-	-
Expense Changes (Prepaids, Receivable, Etc.)	(3,701,982)	-	(4,127,838)	(4,127,838)	-	(5,676,583)	(5,676,583)
Fund Balance w/ CAFR Changes	43,290,488	7,267,050	57,237,193	64,504,243	5,815,989	62,964,788	68,780,777
Final Fund Balance Percent	*13.42%*	*18.17%*	*19.26%*	*19.13%*	17.34%	21.74%	21.28%
Budget Amendment Use of Fund Balance	(1,858,647)	(2,300,000)	(13,070,734)	(15,370,734)			
BA#1 Revenue Adjustment					-	-	-
BA#1 Expense Adjustment					-	-	-
BA#2 Revenue Adjustment					-	-	-
BA#2 Expense Adjustment					-	(288,488)	(288,488)
BA#3 Revenue Adjustment					-	-	-
BA#3 Expense Adjustment					-	(6,239,940)	(6,239,940)
BA#4 Revenue Adjustment					-	-	-
BA#4 Expense Adjustment					-	-	-
BA#5 Revenue Adjustment					-	(242,788)	(242,788)
BA#5 Expense Adjustment					-	(2,783,685)	(2,783,685)
BA#6 Revenue Adjustment					-	-	-
BA#6 Expense Adjustment					-	(63,673)	(63,673)
BA#7 Revenue Adjustment					-	540,744	540,744
BA#7 Expense Adjustment					-	(6,582,824)	(6,582,824)
BA#8 Revenue Adjustment					-	-	-
BA#8 Expense Adjustment					(1,000,000)	(1,000,000)	(2,000,000)
Change in Revenue	3,149,980	758,000	6,069,370	6,827,370	750,000	(2,646,998)	(1,896,998)
Fund Balance Budgeted Increase	2,500,000	900,000	-	900,000	-	-	-
Adjusted Fund Balance	47,081,821	6,625,050	50,235,829	56,860,879	5,565,989	43,657,136	49,223,125
Adjusted Fund Balance Percent	*14.60%*	*16.56%*	*16.90%*	*16.86%*	16.59%	15.07%	15.23%
Projected Revenue	**322,562,293**	**40,000,000**	**297,251,407**	**337,251,407**	**33,547,506**	**289,692,711**	**323,240,217**

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

A-1: Hire Lateral Class of Police Officers – ($314,899 from $2.8 million Holding Account)
The Police Department is requesting budget appropriation from the holding account approved by the Council as part of the FY 21 annual budget, to hire 12 lateral officers. The Administration indicates this urgent need is to address a shortage in officers available for call response:

See Attachment 1 for charts visualizing the impact of increased:

- Employee separations, retirements, and resignations
    - 36 resignations is more than double the average in recent years
    - 8 separations is double the average in recent years
- Leave by type and month, and
    - Leave time spiked in September and October, and then again in February
- Calls for service
    - The first two months of 2021 are significantly higher than the average in recent years but slightly below call volume in January and February last year

Traditionally, hiring a lateral class has not been as "recruitment" oriented as a new officer class. Currently, due to COVID restrictions, the Police Department is relying on social media and referrals to attract a pool of candidates for the proposed lateral hiring class. The Administration has stated the following: "As the Police Department looks to utilize lateral hiring in the short term, we will refocus efforts on lateral recruitment and diversity recruitment. This will include analyzing social media announcements of lateral hiring classes and messages on diversity in the workforce. We will continue to work with Human Resources and the Racial Equity in Policing (REP) Commission to identify and implement changes and improvements in recruiting which will provide for a more diverse applicant pool of officers."

See Attachment 2 for a spreadsheet provided by the Police Department that projects officer staffing levels in FY22 under two scenarios. The first scenario assumes holding 30 officer FTE positions vacant through next fiscal year and not hiring a lateral class in FY21. The result is further reductions in staffing levels averaging slightly less than 400 officers. The second scenario assumes a lateral class in FY21 and not holding any police officer FTE positions vacant in FY22. The result is a slight increase in staffing levels averaging 412 officers.

The current available officers after factoring in accumulated use or lose leave time is 406 officers as of March 26, 2021. As of the same date, the Police Department has a total of 489 officers on staff of a total 569 authorized officer FTEs of which 66 are Airport Police. It's important to note that the Department's staffing is cyclical as employees retire or leave for other reasons. The total number of hired officers on staff and the number of available officers can change daily. The assumptions in the projections such as four officer retirements per month could be higher or lower next fiscal year.

Lateral Class Hiring:

- Lateral officers would go through a complete background and interview process.
- Lateral officers have the necessary law enforcement certification from Peace Officer Standards and Training (POST).
- SLCPD Training Academy for SLCPD and City specific training (recommendation from the REP Commission)
- Field Training program – One on one training in the field. Provide for second officer on scene to handle calls for service. During field training, officers will be scheduled to attend a community council meeting in each district.

The Police Department has been working closely with Human Resources to analyze the departments diversity and

improvements that can be made. In 2020, most of the outreach and recruiting was suspended due to the pandemic and budget limitations. The table below was prepared by the Administration for the REP Commission along with a statement that the City's demographic makeup "during the day fluctuates to include many other people that commute to work from other cities along the Wasatch Front and we hire most of our people from the same demographic. The Wasatch Front is the standard we usually compare ourselves to."

	Black or African American	American Indian or Alaska Native	Asian	Caucasian/ Not Hispanic	Hispanic	Native Hawaiian or Other Pacific Islander	Two or More Races
Wasatch Front	1.33%	0.58%	2.96%	76.11%	15.53%	1.11%	2.28%
Police Department	1.80%	0.75%	1.95%	83.91%	8.87%	2.41%	0.30%
Police Department Leadership	1.83%	0.00%	0.92%	90.83%	4.59%	1.83%	0.00%
City Leadership	2.26%	0.75%	3.76%	82.71%	10.53%	0.00%	0.00%
Mayor's Office	17.24%	0.00%	0.00%	62.07%	20.69%	0.00%	0.00%

The requested funding is split between $257,311 for personnel costs and $57,533 for supplies. If the Council approves this request, then the holding account will have a remaining balance of $2,485,101.

See Attachment 3 for a Racial Equity in Policing Core Commissioners letter of support for the proposed lateral class. The letter identifies implementation of REP Commission recommendations as an important factor for supporting hiring lateral officers from other law enforcement agencies. Examples of those recommendations include mandatory CIT training, Salt Lake City neighborhood specific cultural training and changes to questions asked of candidates in the Police Chief's interviews.

Policy Questions and Straw Poll Request:

- Straw Poll – The Administration requested a straw poll if the Council supports this approach. It would allow early steps in the hiring process to begin sooner such as
- Funding Source – The Council may wish to discuss with the Administration the proposed use of the $2.8 million holding account for this item. An alternate funding source is general fund balance.
- Training Changes – The Council may wish to ask the Administration how will training be different for these new officers compared to past practices? The Council may wish to consider making future police funding contingent on all officers receiving CIT training and maintaining certification.
- Response Times and Crime Types – The Council may wish to ask the Administration if data is available about response times overall and by crime type. Some public comments to the Council Office have claimed response times have gotten longer during FY21.

A-2: Crisis Intervention Team (CIT) Training for Police Department– ($117,400 from $322,800 Training Holding Account)

The Police Department is requesting budget appropriation from the training holding account to cover CIT training costs. The Police Department has implemented additional CIT training for all sworn officers. This additional training is in alignment with the recommendations of the Commission on Racial Equity in Policing. The Police Department has been proactive and scheduled Certification and Recertification Courses but will need overtime budget to facilitate the increase in training. The overtime will be utilized to facilitate officers attending training on overtime or paying overtime to backfill those positions for training as well as overtime for the social workers or other CIT instructors that teach the classes.

The table below summarizes the status of police officer CIT training as of April 6, 2021. The Police Department offered additional CIT trainings in February and March. Figures from February show the number of officers fully certified increased from 110 to 179 in the last two months. If this funding is approved, then the Police Department anticipates three 10-hour renewal courses would be offered in May for up to 90 officers. Also, a full 40-hour academy class would be offered in May and another in June for up to 50 officers. Additional courses would be

offered next fiscal year to allow every officer to be fully certified. Council Members have previously acknowledged that the SLCPD's form of CIT training is not identical to some other CIT models.

The Police Department is requiring CIT certification for all officers. The overtime is voluntary and available to officers that are unable to attend while on duty. Additional funding for voluntary overtime is expected to increase the pace of officers becoming fully certified, or to account for potential Council budget contingencies relating to CIT training.

Crisis Intervention Team (CIT) Training by Police Officer Status		
Status	**# of Officers**	**% of Total**
Fully Certified	179	35%
Need 4-hour Recertification	78	15%
Need 10-hour Renewal	120	24%
Not Certified / Need 40-hour CIT Academy	130	26%
TOTALS	507	100%

Note these figures are as of April 6, 2021

The Police Department has its own CIT instructors which includes three officers and one sergeant. All staff in the social worker program also participate in CIT trainings. Sometimes METRO CIT also provides a social worker and detectives from West Valley City to assist. It's important to note that the CIT instructors are also the officers that co-respond with social workers.

If the Council approves this request, then the training holding account will have a remaining balance of $205,400.

Policy Questions:

- All Officers Certified Timing – The Council may wish to ask the Administration when every officer will be able to attain full CIT certification. The Council may also wish to ask the Administration if new officers will receive CIT certification as part of initial academy training or Field Training Officer (FTO).
- # of CIT Instructors – The Council may wish to ask the Administration how the current staffing levels of CIT instructors impacts the Police Department's ability to offer CIT trainings and ability to offer the co-responder model where officers and social workers jointly deploy to a call for service.

A-3: Donation to Switchpoint to Create Shelter for Low-Income Seniors and Veterans – ($2,000,000 Total: One million each from General Fund's Fund Balance and Funding Our Future's Fund Balance)

See Attachment 4 for Switchpoint's original proposal to purchase the Airport Inn

The Administration is proposing issuing a donation of $2,000,000 to a coalition headed by Switchpoint to assist in their purchase of the winter overflow shelter (Airport Inn at 2333 West North Temple). Switchpoint, is proposing to purchase the property for extremely low-income seniors and veterans. The public benefit analysis usually required for the City to donate funds or assets to a non-profit is satisfied by the budget amendment public hearing scheduled for May 4.

Switchpoint indicates the project will provide 100 housing units, with at least 25% reserved for veterans. The monthly rent will be $415/unit. In addition to housing, Switchpoint will provide access to on site integrated treatment services for physical and behavioral health. The total cost of purchasing and refurbishing the housing units and common areas will be about $80,000 per unit, significantly below the new construction costs of about $200,000 per unit. Ongoing operating costs of the project, including professional support for needed services will be fully supported by the rent paid by our residents. Total cost is $8,500,000 including $6,500,000 to purchase, plus $2,000,000 to renovate. To date, Switchpoint has secured $1.75 million, and is working to secure additional funding from private donors and other entities. If the Council approves the request, the purchase/renovation funding gap would be $4.75 million.

The proposed shelter would not be permanent supportive housing but rather transitional, extended hotel stays. This is different than single-room occupancy (SRO) or shared group living housing. The property is located within

Airport Influence Zone A where residential uses are prohibited. Hotel uses are permitted in this zone if sound mitigation measures are taken (such as thicker windows). As a result, rental agreements are limited to 30 days, kitchen facilities may not be provided inside each room and on-site services may not be intensive.

Switchpoint is currently in discussions with additional donors and Salt Lake County for further funding. If the project can secure full funding, then renovations are estimated to take three months.

Policy Questions:

- Purchasing Other Properties to Create Housing – The Council may wish to ask the Administration if using these funds to purchase other properties in the City to create low-income housing was or could be evaluated. Some Council Members expressed interest in purchasing blighted and/or nuisance properties and redeveloping them into affordable housing.
- Coordination with Other Veterans Housing – The Council may wish to ask the Administration how the 25 units reserved for veterans will be coordinated with other veteran dedicated housing nearby such as Valor House, Freedom Landing and others.

Additional questions sent by staff:
The following questions were sent to the Administration and responses were forthcoming at the time of publishing this staff report:

- Is it correct that Switchpoint will own and operate the property? Are there other entities that would have an ownership stake or be involved in ongoing operations?

- Has the Administration (and/or Switchpoint) evaluated using these funds to purchase other properties in the City to create housing dedicated to low-income seniors and veterans? Will using these funds reduce the possibility of the City having adequate resources to purchase other properties that may serve this purpose?

- How will affordability to low-income seniors and veterans be ensured over the long-term? Are there legal steps Switchpoint plans to make, or that the City could require as a condition of the donation, to ensure affordability over coming decades?

- If Switchpoint is unable to secure full funding by the end of FY21, then would the $2 million drop to fund balance and no longer be available for the redevelopment?

Section B: Grants for Existing Staff Resources Section
(None)

Section C: Grants for New Staff Resources Section
(None)

Section D: Housekeeping
(None)

Section E: Grants Requiring No New Staff Resources
(None)

Section F: Donations
(None)

Section G: Council Consent Agenda No. 3 – Grant Awards
(None)

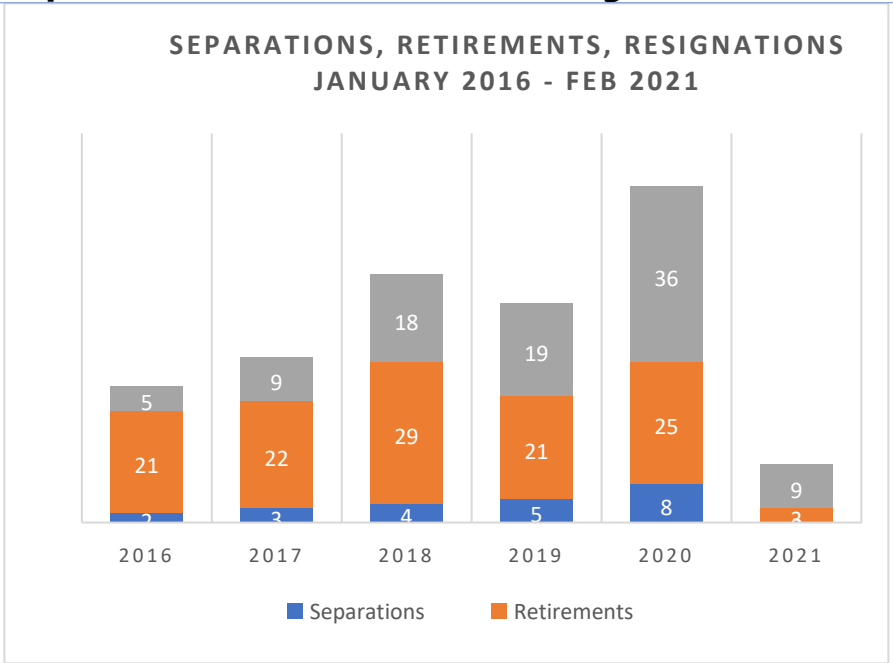
Section I: Council Added Items
I-1: (Tentative) Ranked Choice Voting (RCV) Public Awareness and Education Campaign ($100,000; $50,000 from Fund Balance)|
This item is a placeholder in case the Council decides to approve using a ranked choice voting method for the 2021 municipal election. $50,000 of funding would come from the General Fund's Fund Balance. A budget for another $50,000 would be created to accept funds from external sources such as the Lieutenant Governor's Office.

The Council is scheduled on April 20 at the formal meeting to consider a resolution approving the use of RCV for the 2021 municipal election.

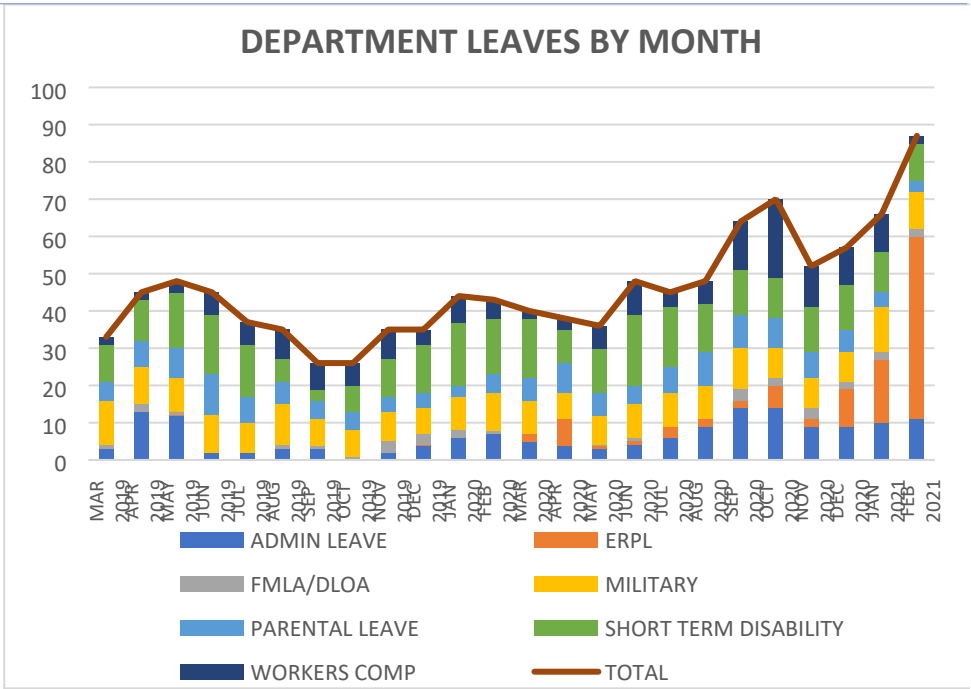
ATTACHMENTS
1. SLCPD Staffing and Calls for Service Charts
2. Projected Police Officer Staffing in FY2022 Two Scenarios
3. REP Core Commissioners Letter of Support for Lateral Class
4. Switchpoint's original proposal to purchase the Airport Inn

ACRONYMS
CIT – Crisis Intervention Team
FOF – Funding Our Future
FTE – Full-time Employee
FY – Fiscal Year
GF – General Fund
POST – Peace Officer Standards and Training
RCV – Ranked Choice Voting
REP – Racial Equity in Policing Commission
SLCPD – Salt Lake City Police Department

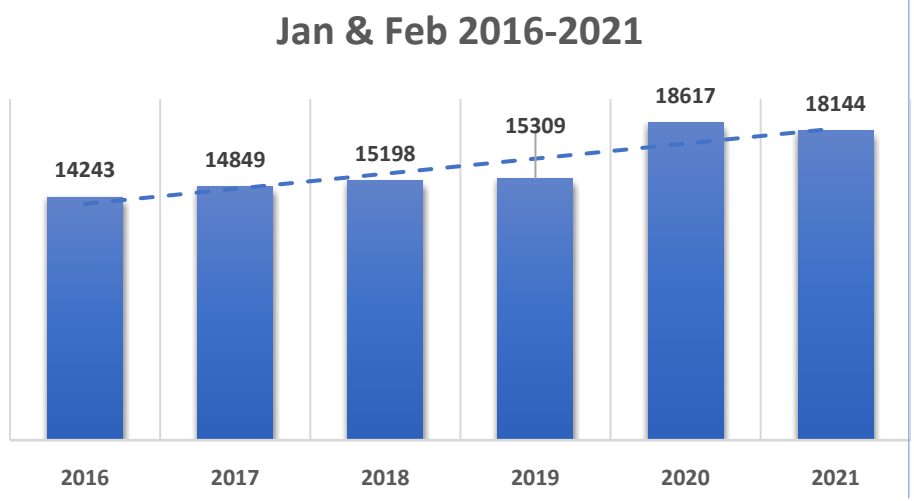
Separations, Retirements and Resignations



Leaves



Calls for Service



In January 2020 the Police Department had all sworn funded FTE's hired.

Holding 30 FTE in FY 22							
	Authorized	3/26/2021	7/1/2021	12/31/2021	3/31/2022	06/31/2022	
Staffing #	569	523	511	517	505	517	
Class 11/20 Unavailable	569	8	8				
Class 2/21 Unavailable	569	26	26	26			
Hold 30 FY 21 / FY 22	569	30	30	30	30	30	
Hire 12/31/2022	569	0	0	30	30	30	
Hire 4/1/2022	569	0	0	0	0	24	
Available	569	489	477	461	475	463	
Use/Lose	569	17	17	17	0	0	
Less Airport	66	66	66	66	66	66	Average
Staffing after use/lose		406	394	378	409	397	396.8
Total		553	541	547	535	547	

Hiring 30 FTE in FY 22 - With Lateral Hires							
	Authorized	3/26/2021	7/1/2021	12/31/2021	3/31/2022	06/31/2022	
Staffing #	569	535	563	569	557	569	
Class 11/20	569	8	8	0	0	0	
Class 2/21	569	26	26	26	0	0	
Class 7/21	569		30	30	30	30	
Hold 30 FY 21 / FY 22	569	30					
Hire 12/31/2022	569			30	30	30	
Hire 4/1/2022	569					24	
Lateral (4/21)	569	12					
Lateral (7/21)	569		10				
Available	569	489	489	483	497	485	
Use/Lose	569	17	17	17	0	0	
Less Airport	66	66	66	66	66	66	Average
Staffing after use/lose		406	406	400	431	419	412.4
Total	569	565	563	569	557	569	

FY21: Establish budget for hiring in the current fiscal year that will allow the department to provide adequate coverage for calls for service and major response.

FY22 budget for funding police fte's will be needed to ensure the department can continually hire replacements for staff that is leaving in order to re-establish and maintain the staffing levels necessary when considering that any officer in the academy is not eligible to take calls for service.

On average: A class of 30 every 6 months will only add 3 fte's after 10 months of training based on an average attrition of 4 per month and a loss of 3 during the training period

*Staffing considerations: special events, National League of Cities November 2021, protests, NBA All Star Game February 2023, calls for Service, need for overtime may not be filled

SALT LAKE CITY
RACIAL EQUITY IN
POLICING COMMISSION

April 9, 2021

Re: Support for Salt Lake City Police Department hiring

Dear Members of the City Council,

We write to you as the six "core commissioners" of the Salt Lake City Commission on Racial Equity in Policing. Thank you for entrusting us with this critical role of examining the policy, budget, and culture of the Salt Lake City Police Department.

We believe that it is part of our role to support Police Department initiatives that increase community safety and officer training. As such, we write in support of City administration's request in Budget Amendment No. 8 for two police-related items. Both of these items provide an opportunity to enact some of the Racial Equity in Policing Commission's recommendations to the City:

- Funding to hire a lateral class of 12 police officers to replace officers lost through retirements and resignations. As we discussed, this hiring will provide an opportunity to introduce our recommendation that officers receive neighborhood-specific cultural training. We also appreciate Chief Brown's suggestion that we provide specific questions we would like him to ask in the Chief's interviews of candidates. If the Council approves this request, we look forward to following up on these specific parameters of the hiring.
- Funding to complete Crisis Intervention Training for the department. It is essential that officers receive CIT not only during their initial academy training, but on an ongoing, annual basis. Dealing with people in crisis is an everyday occurrence for police officers, and they must have the support to best handle the situation and prevent further harm to all involved, including themselves.

Both of these initiatives will improve community safety and wellbeing. We support these requests and respectfully urge you to support them as well.

Thank you for your service,

Rev. France Davis
Nicole Salazar-Hall
Moises Prospero
Verona Sagato-Mauga
Kamaal Ahmad
Darlene McDonald

Airport Inn Purchase Proposal

2333 W North Temple

Salt Lake City, UT 84116

Summary: An unusual combination of real estate market dynamics and federal stimulus money has provided a unique opportunity to create a safe and welcoming environment for seniors and veterans in Salt Lake City. We propose to purchase and refurbish the Airport Inn as a Vertical Tiny Home neighborhood, creating a community within the larger Salt Lake City community. This project will still be operated as a hotel/motel for zoning requirements.

The community will provide 100 units of housing for seniors and veterans on extremely low incomes. At least 25% of the units will be reserved for veterans. Monthly rent will be $415 per unit. In addition to housing, we will provide on site access to integrated treatment services for physical and behavioral health. We will also provide veterans health services through a collaborative relationship already in place with Brighton Health Care a subsidiary of Avalon Health.

The total cost of purchasing and refurbishing the housing units and common areas will be about $80,000 per unit, significantly below the new construction costs of about $200,000 per unit. Ongoing operating costs of the project, including professional support for needed services will be fully supported by the rent paid by our residents.

Request: To purchase and refurbish the Airport Inn as 100 units of housing for senior citizens 55 years old or older, and veterans, on extremely low fixed incomes.

Cost: $8,500,000 - $6,500,000 to purchase, plus $2,000,000 to renovate. To date- Dell Loy Hansen Family Foundation has committed $1,500,000- Episcopal Church $250,000 and we are waiting for confirmation on another $500,000 from a donor. Salt Lake County has also been notified that this project needs funding and we are awaiting an answer from Mike Gallegos on the amount.

Advance Planning: We have already met with leaders from the City of Salt Lake and received approval to move forward. We have worked with attorneys regarding zoning and the airport overlay. It was determined that if there is no change to the services provided, no changes in zoning are needed at this time. The leases offered will be on a month-to-month basis as extended stay hotel.

We have already collaborated with the Division of Mental Health and Veteran Health Services to provide support services through the Airport facility.

Results: We will get the most vulnerable population (as observed in the temporary winter shelters) into affordable housing with wrap around services to provide a healthy, safe, community environment.

CITY COUNCIL TRANSMITTAL

Lisa Shaffer, Chief Administrative Officer

Date Received: 4/9/2021
Date sent to Council: 4/9/2021

TO: Salt Lake City Council
Amy Fowler, Chair

DATE: April 9, 2021

FROM: Mary Beth Thompson, Chief Financial Officer

SUBJECT: Budget Amendment #8

SPONSOR: NA

STAFF CONTACT: John Vuyk, Budget Director (801) 535-6394 or
Mary Beth Thompson (801) 535-6403

DOCUMENT TYPE: Budget Amendment Ordinance

RECOMMENDATION: The Administration recommends that, subsequent to a public hearing, the City Council adopt the following amendments to the FY 2020 – 21 adopted budget.

BUDGET IMPACT:

	REVENUE	EXPENSE
GENERAL FUND	$ 0.00	$ 2,000,000.00
TOTAL	**$ 0.00**	**$ 2,000,000.00**

BACKGROUND/DISCUSSION:

Revenue for FY 2020-21 Budget Adjustments

The Fiscal Year 2021 projections are coming in below budgeted revenues. The following chart shows a current projection of General Fund Revenue for fiscal year 2021.

Revenue	FY20-21 Annual Budget	Revised Forecast	Variance Favorable (Unfavorable)
Property Taxes	111,418,455	111,418,455	-
Sales and Use Tax	67,999,593	69,146,260	**1,146,667**
Franchise Tax	26,812,125	26,702,018	**(110,107)**
PILOT Taxes	1,508,894	1,508,894	-
TOTAL TAXES	**207,739,067**	**208,775,627**	**1,036,560**
License and Permits	28,601,482	30,071,777	**1,470,295**
Intergovernmental	4,444,400	4,146,157	**(298,243)**
Interest Income	1,900,682	1,700,000	**(200,682)**
Fines & Forfeiture	3,938,848	2,210,747	**(1,728,101)**
Parking Meter Collection	3,432,962	1,705,187	**(1,727,775)**
Charges and Services	4,428,069	4,219,771	**(208,298)**
Miscellaneous Revenue	4,014,037	3,036,282	**(977,755)**
Interfund Reimbursement	20,281,706	20,268,706	**(13,000)**
Transfers	9,507,812	9,507,812	-
TOTAL W/OUT SPECIAL TAX	**288,289,065**	**285,642,067**	**(2,646,998)**
Sales and Use Tax - 1/2 cent	32,797,506	33,547,506	**750,000**
Sales and Use Tax - County Option	-	-	-
TOTAL GENERAL FUND	**321,086,571**	**319,189,573**	**(1,896,998)**

The City is currently projecting a $1.9 million decrease in budgeted revenue. The largest portion of the decrease is attributed to a $1.7 million decrease in **Fines and Forfeitures**, a $1.7 million decrease in **Parking Meter** Revenues and a $978 thousand decrease in **Miscellaneous Revenues**. These decreases are offset by a projected net increase of $1.4 million in **Licenses and Permits** as well as a $1.1 million increase in **Sales Tax** and a $750 thousand increase in sales tax attributable to **Funding Our Future** revenues.

The increase in **Licenses and Permits** is in spite of airport parking/license tax showing a decrease due to decreased travel as a result of COVID. The decrease in airport parking and licenses is $2,045,000. Innkeepers tax has also been hit hard by COVID and is projecting a decrease of $1,717,500. According to the local news, hotels are experiencing 30% occupancy compared to this time of year in previous years. Business license are also expected to be below budget due to trends for apartment units, new business license and renew business licenses.

These losses are offset by gains in permits & zoning building permits (+$1.1M), plan check fees (+$1.5M), and street excavation (+$1.96M due to a temporary boost from Google contract).

Fines and Forfeitures are projected below budget due to a decrease in parking ticket revenue of $750k. Justice Court fines are down $185k, while moving violations are projected wat a loss of $699k. The Justice Court is following the order of the Administrative Office of the Courts which is resulting in fewer court cases and no orders to pay fines, which are then subsequently not sent to collections and no warrants are being issued. Traffic school revenue is down $61k and vehicle booting is projected to be down $19k.

Parking Meter Collection is slightly less than half of the previous fiscal year due to an overall decrease in traffic downtown. This is driving the significant decrease of $1.7 million. Additionally, **Miscellaneous Revenue** has also been affected by the pandemic with decreases in accounts receivable collections, special event revenue, fuel reimbursement due to the Mayor's emergency declaration and utility reimbursement.

Given the available information fund balance would be projected as follows:

Fund Balance Projections

		2020 Projection			2021 Projection		
	2019 Actual	**FOF**	**GF Only**	**TOTAL**	FOF	GF Only	TOTAL
Beginning Fund Balance	56,104,269	10,372,054	69,441,955	79,814,009	6,625,050	82,617,126	89,242,176
Budgeted Change in Fund Balance	(380,025)	-	(1,510,094)	(1,510,094)	2,924,682	(7,810,302)	(4,885,620)
Prior Year Encumbrances	*(8,731,774)*	*(3,105,004)*	*(6,566,830)*	*(9,671,834)*	(3,733,743)	(6,165,453)	(9,899,196)
Estimated Beginning Fund Balance	46,992,470	7,267,050	61,365,031	68,632,081	5,815,989	68,641,371	74,457,360
Beginning Fund Balance Percent	*14.57%*	*18.17%*	*20.64%*	*20.35%*	17.34%	23.69%	23.03%
Year End CAFR Adjustments							
Revenue Changes	-	-	-	-	-	-	-
Expense Changes (Prepaids, Receivable, Etc.)	(3,701,982)	-	(4,127,838)	(4,127,838)	-	(5,676,583)	(5,676,583)
Fund Balance w/ CAFR Changes	43,290,488	7,267,050	57,237,193	64,504,243	5,815,989	62,964,788	68,780,777
Final Fund Balance Percent	*13.42%*	*18.17%*	*19.26%*	*19.13%*	17.34%	21.74%	21.28%
Budget Amendment Use of Fund Balance	(1,858,647)	(2,300,000)	(13,070,734)	(15,370,734)			
BA#1 Revenue Adjustment					-	-	-
BA#1 Expense Adjustment					-	-	-
BA#2 Revenue Adjustment					-	-	-
BA#2 Expense Adjustment					-	(288,488)	(288,488)
BA#3 Revenue Adjustment					-	-	-
BA#3 Expense Adjustment					-	(6,239,940)	(6,239,940)
BA#4 Revenue Adjustment					-	-	-
BA#4 Expense Adjustment					-	-	-
BA#5 Revenue Adjustment					-	(242,788)	(242,788)
BA#5 Expense Adjustment					-	(2,783,685)	(2,783,685)
BA#6 Revenue Adjustment					-	-	-
BA#6 Expense Adjustment					-	(63,673)	(63,673)
BA#7 Revenue Adjustment					-	540,744	540,744
BA#7 Expense Adjustment					-	(6,582,824)	(6,582,824)
BA#8 Revenue Adjustment					-	-	-
BA#8 Expense Adjustment					(1,000,000)	(1,000,000)	(2,000,000)
Change in Revenue	3,149,980	758,000	6,069,370	6,827,370	750,000	(2,646,998)	(1,896,998)
Fund Balance Budgeted Increase	2,500,000	900,000	-	900,000	-	-	-
Adjusted Fund Balance	47,081,821	6,625,050	50,235,829	56,860,879	5,565,989	43,657,136	49,223,125
Adjusted Fund Balance Percent	*14.60%*	*16.56%*	*16.90%*	*16.86%*	16.59%	15.07%	15.23%
Projected Revenue	**322,562,293**	**40,000,000**	**297,251,407**	**337,251,407**	**33,547,506**	**289,692,711**	**323,240,217**

City Fund Balance remains above fifteen percent, after projected use of fund balance in the current amendment and the reduction in projected revenues.

The Administration is requesting a budget amendment with no revenue impact and expense of $2,000,000.00. The amendment proposes changes in the General Fund only with $2,000,000.00 from the General Fund balance, $1,000,000.00 is from Funding Our Future Housing. The proposal includes three total initiatives for Council review.

The amendment includes two proposals from the Police Department to access funds set aside in the Non Departmental budget during the budget process. The final proposal is a request to provide a grant using General Fund and Funding Our Future fund balance to provide a grant to assist in the purchase of the Airport Inn.

A summary spreadsheet document, outlining proposed budget changes is attached. The Administration requests this document be modified based on the decisions of the Council.

The budget opening is separated in eight different categories:

A. New Budget Items
B. Grants for Existing Staff Resources
C. Grants for New Staff Resources
D. Housekeeping Items
E. Grants Requiring No New Staff Resources
F. Donations
G. Council Consent Agenda Grant Awards
I. Council Added Items

PUBLIC PROCESS: Public Hearing

SALT LAKE CITY ORDINANCE
No. _____ of 2021

Eighth amendment to the Final Budget of Salt Lake City, including
the employment staffing document, for Fiscal Year 2020-2021)

An Ordinance Amending Salt Lake City Ordinance No. 27 of 2020 which adopted the Final Budget of Salt Lake City, Utah, for the Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021.

In June of 2020, the Salt Lake City Council adopted the final budget of Salt Lake City, Utah, including the employment staffing document, effective for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the requirements of Section 10-6-118 of the Utah Code.

The City's Budget Director, acting as the City's Budget Officer, prepared and filed with the City Recorder proposed amendments to said duly adopted budget, including the amendments to the employment staffing document necessary to effectuate the staffing changes specifically stated herein, copies of which are attached hereto, for consideration by the City Council and inspection by the public.

All conditions precedent to amend said budget, including the employment staffing document as provided above, have been accomplished.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. Purpose. The purpose of this Ordinance is to amend the final budget of Salt Lake City, including the employment staffing document, as approved, ratified and finalized by Salt Lake City Ordinance No. 27 of 2020.

SECTION 2. Adoption of Amendments. The budget amendments, including amendments to the employment staffing document necessary to effectuate the staffing changes

specifically stated herein, attached hereto and made a part of this Ordinance shall be, and the same hereby are adopted and incorporated into the budget of Salt Lake City, Utah, including the amendments to the employment staffing document described above, for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the requirements of Section 10-6-128 of the Utah Code.

SECTION 3. Filing of copies of the Budget Amendments. The said Budget Officer is authorized and directed to certify and file a copy of said budget amendments, including amendments to the employment staffing document, in the office of said Budget Officer and in the office of the City Recorder which amendments shall be available for public inspection.

SECTION 4. Effective Date. This Ordinance shall take effect upon adoption.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2021.

_____
CHAIRPERSON

ATTEST:

_____
CITY RECORDER

Transmitted to the Mayor on _____
Mayor's Action: ____ Approved ____ Vetoed

_____
MAYOR

ATTEST:

_____
CITY RECORDER

(SEAL)

Salt Lake City Attorney's Office
Approved As To Form
Jaysen Oldroyd
_____
Jaysen Oldroyd

Bill No. _____ of 2021.
Published: _____.

Fiscal Year 2020-21 Budget Amendment #8

			Administration Proposed		Council Approved			
Initiative Number/Name		Fund	Revenue Amount	Expenditure Amount	Revenue Amount	Expenditure Amount	Ongoing or One-time	FTEs
Section A: New Items								
1	Lateral Class	GF	-	314,899.00			Ongoing	-
1	Lateral Class	GF		(314,899.00)			Ongoing	-
2	CIT Training	GF		117,400.00			One-time	-
2	CIT Training	GF		(117,400.00)			One-time	-
3	Switchpoint Donation	GF		2,000,000.00			One-time	-
Section B: Grants for Existing Staff Resources								
Section C: Grants for New Staff Resources								

Fiscal Year 2020-21 Budget Amendment #8

		Administration Proposed		Council Approved			
Initiative Number/Name	Fund	Revenue Amount	Expenditure Amount	Revenue Amount	Expenditure Amount	Ongoing or One-time	FTEs
Section D: Housekeeping							
Section E: Grants Requiring No New Staff Resources							
Section F: Donations							
							-

Fiscal Year 2020-21 Budget Amendment #8

		Administration Proposed		Council Approved			
Initiative Number/Name	Fund	Revenue Amount	Expenditure Amount	Revenue Amount	Expenditure Amount	Ongoing or One-time	FTEs
Section G: Council Consent Agenda -- Grant Awards							
Section I: Council Added Items							
Total of Budget Amendment Items		-	2,000,000.00	-	-		-

Fiscal Year 2020-21 Budget Amendment #8

		Administration Proposed		Council Approved			
Initiative Number/Name	Fund	Revenue Amount	Expenditure Amount	Revenue Amount	Expenditure Amount	Ongoing or One-time	FTEs
Total by Fund Class, Budget Amendment #8:							
General Fund	GF	-	2,000,000.00	-	-		-
Total of Budget Amendment Items		-	2,000,000.00	-	-		-

Fiscal Year 2020-21 Budget Amendment #8

Initiative Number/Name	Fund	Administration Proposed Revenue Amount	Administration Proposed Expenditure Amount	Council Approved Revenue Amount	Council Approved Expenditure Amount	Ongoing or One-time	FTEs

Current Year Budget Summary, provided for information only

FY 2020-21 Budget, Including Budget Amendments

	FY 2020-21 Adopted Budget	BA #1 Total	BA #2 Total	BA #3 Total	BA #4 Total	BA #5 Total	BA #6 Total	BA #7 Total	BA #8 Total	Total To-Date
General Fund (FC 10)	326,130,003		288,487.58	6,184,940.00		2,783,685.00	63,673.00	6,582,824.00	2,000,000.00	344,033,613
Curb and Gutter (FC 20)	3,000									3,000
DEA Task Force Fund (FC 41)	1,763,746									1,763,746
Misc Special Service Districts (FC 46)	1,550,000									1,550,000
Street Lighting Enterprise (FC 48)	5,379,697		1,500.00					5,038.00		5,386,235
Water Fund (FC 51)	126,333,193		296,750.00					1,543,238.00		128,173,181
Sewer Fund (FC 52)	212,638,399		108,500.00					241,206.00		212,988,105
Storm Water Fund (FC 53)	17,961,860		32,650.00					67,282.00		18,061,792
Airport Fund (FC 54,55,56)	302,311,600	-	520,000.00	38,956,452.00				859,674.00		342,647,726
Refuse Fund (FC 57)	16,515,438		53,200.00			2,742,500.00		128,084.00		19,439,222
Golf Fund (FC 59)	8,484,897							23,667.00		8,508,564
E-911 Fund (FC 60)	3,789,270									3,789,270
Fleet Fund (FC 61)	19,209,271					93,000.00		97,612.00		19,399,883
IMS Fund (FC 65)	18,289,687		237,000.00				453,399.00	93,766.00		19,073,852
County Quarter Cent Sales Tax for Transportation (FC 69)	7,571,945							1,876.00		7,573,821
CDBG Operating Fund (FC 71)	3,509,164					3,063,849.00				6,573,013
Miscellaneous Grants (FC 72)	8,261,044	716,764.00	5,925,738.42		5,925,738.00	7,818,505.00	750,000.00	11,223,292.00		40,621,081
Other Special Revenue (FC 73)	-							520,150.00		520,150
Donation Fund (FC 77)	2,380,172									2,380,172
Housing Loans & Trust (FC 78)	23,248,016						-			23,248,016
Debt Service Fund (FC 81)	37,519,401					(3,858,955.00)				33,660,446
CIP Fund (FC 83, 84 & 86)	24,420,242					36,435,000.00	1,293,732.00	1,361,866.14		63,510,840
Governmental Immunity (FC 85)	2,855,203							5,296.00		2,860,499
Risk Fund (FC 87)	51,409,025					14,350.00		3,836.00		51,427,211
										-
Total of Budget Amendment Items	1,221,534,273	716,764.00	7,463,826.00	45,141,392.00	5,925,738.00	49,091,934.00	2,560,804.00	22,758,707.14	2,000,000.00	1,357,193,438

Budget Manager

Analyst, City Council

Contingent Appropriation

Salt Lake City FY 2020-21 Budget Amendment #8

Initiative Number/Name	Fund	Amount

Section A: New Items

A-1: Lateral Class	**GF**	**$314,899.00**
	GF	**-$314,899.00**

Department: Police Department / Non-Departmental — ***Prepared By: Shellie Dietrich***

The Police Department is requesting budget appropriation from the holding account to hire 12 lateral officers.

Lateral Class Hiring:
Lateral officers would go through a complete background and interview process.
Lateral officers have the necessary law enforcement certification from the Peace officer Standards and Training (POST).
SLCPD Training Academy for SLCPD and City specific training
Field Training program – One on one training in the field. Provide for second officer on scene to handle calls for service
During field training, officers will be scheduled to attend a community council meeting in each district.

The Police Department has been working closely with Human Resources to analyze the departments diversity and improvements that can be made. In 2020, most of the outreach and recruiting was suspended due to the pandemic and budget limitations.

Traditionally, hiring a lateral class has not been as recruitment oriented as a new officer class. Currently, due to COVID restrictions, the Police Department is relying on social media and referrals to attract a pool of candidates for the proposed lateral hiring class. As the Police Department looks to utilize lateral hiring in the short term, we will refocus efforts on lateral recruitment and diversity recruitment. This will include analyzing social media announcements of lateral hiring classes and messages on diversity in the workforce. We will continue to work with Human Resources and the Racial Equity in Policing (REP) Commission to identify and implement changes and improvements in recruiting which will provide for a more diverse applicant pool of officers.

A-2: CIT Training	**GF**	**$117,400.00**
	GF	**-$117,400.00**

Department: Police Department / Non-Departmental — ***Prepared By: Shellie Dietrich***

The Police Department is requesting budget appropriation from the holding account to cover CIT training costs. The Police Department has implemented additional CIT training for all sworn officers. This additional training is in alignment with the recommendations of the Commission on Racial Equity in Policing. The Police Department has been proactive and scheduled Certification and Recertification Courses but will need overtime budget to facilitate the increase in training. The overtime will be utilized to facilitate officers attending training on overtime or paying overtime to backfill those positions for training as well as overtime for the social workers or other CIT instructors that teach the classes.

A-3: Switchpoint Donation	**GF**	**1,000,000.00**
	GF – FOF Housing	**1,000,000.00**

Department: Non-Departmental — ***Prepared By: John Vuyk***

The administration is proposing issuing a donation of $2,000,000 to a coalition headed by Switchpoint to assist in their purchase of the winter overflow shelter. Switchpoint, is proposing to purchase the property for extremely low-income seniors and veterans. The community will provide 100 housing units, with at least 25% reserved for veterans. The monthly rent will be $415/unit. In addition to housing, Switchpoint will provide access to on site integrated treatment services for physical and behavioral health. The total cost of purchasing and refurbishing the housing units and common areas will be about $80,000 per unit, significantly below the new construction costs of about $200,000 per unit. Ongoing operating costs of the project, including professional support for needed services will be fully supported by the rent paid by our residents. Total cost is $8,500,000 including $6,500,000 to purchase, plus $2,000,000 to renovate. To date, Switchpoint has secured about $2 million, and is working to secure additional funding from private donors and other entities.

Salt Lake City FY 2020-21 Budget Amendment #8

Initiative Number/Name	Fund	Amount
Section B: Grants for Existing Staff Resources		
Section C: Grants for New Staff Resources		
Section D: Housekeeping		
Section E: Grants Requiring No New Staff Resources		
Section F: Donations		
Section G: Consent Agenda		
Section I: Council Added Items		

Signature: *Garrett A. Danielson*

Email: Garrett.Danielson@slcgov.com