

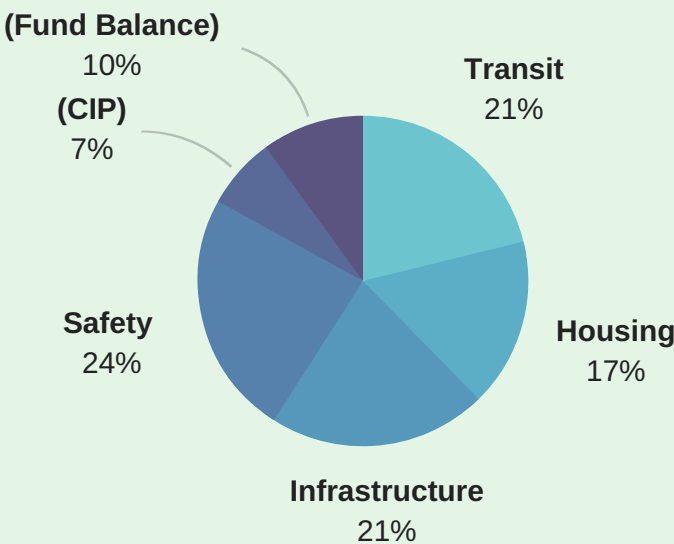
POTENTIAL SALES TAX ALLOCATIONS

Current FY19 allocations in the Mayor's recommended budget

ANTICIPATED REVENUE FY18-19

This is the anticipated revenue amount for the first year - this is only a partial year, since the City won't start collecting until about October.

\$25
MILLION



MAYOR'S PROPOSED FY18-19 ALLOCATIONS

This includes:

Safety - \$5,983,187 - 23.9%
Infrastructure - \$5,352,321 - 21.4%
Transit - \$5,289,492 - 21.2%
Housing - \$4,125,000 - 16.5%

(Required allocations):

Fund Balance - \$2,500,000 - 10%
CIP - \$1,750,000 - 7%

Attachment 4: “Known Unknowns” Factors Potentially Impacting Future Sales Tax Revenues and Distributions

Staff is providing the below list of potential future events and expected information that are out of the City’s control, but depending on the occurrence, may affect deliberations about how to distribute FY20 sales tax revenues between the four critical need areas. The list is not comprehensive, is a first attempt by staff to start with specific, near-term factors moving toward broader ones.

- When the next economic downturn will occur;
 - Note most economists think the current economic expansion is in its late stages;
 - Impact of this to affordable housing needs;
- Whether City voters approve the proposed street reconstructions GO Bond;
- Whether enough cities within Salt Lake County support proposition 1 redux (0.25% local option sales tax for roads and transit);
- How the changes to the Utah Transit Authority will impact the City’s transit goals;
- Degree to which new transportation technologies are used (autonomous vehicles, electric scooter and bike share, transportation network companies like Lyft and Uber, etc.);
- Results of the International Association of Chiefs of Police (IACP) operational and workload study;
- Residential construction industry activity; and
- Other.

Attachment 5: MOTIONS & CONTINGENT APPROPRIATIONS

Council Members have requested information on all possible contingent appropriations that would help tie the new sales tax revenue to the proposed projects. Council staff will continue to track all options for contingent appropriations and other motions related to the sales tax budget for projects and services.

There are **two formal action steps** involved in the Sales Tax revenue:

1. Implementing the increase – this action took place May 1. The Council's affirmative vote triggered the necessary steps through the State to change the tax rate.
2. Budget approval – budgeting for the new revenue and approving expense budgets – this action is folded into the Mayor's Recommended Budget and will be considered throughout May and June, with the Council's action scheduled for June 12 as part of the Annual Budget vote. This is the action where funds are appropriated to different priorities.

Motions - notes

Following is a list of motions and items that can be used as either contingent approval (more binding now) or intent statements (less binding now). Staff will continue to track interests for budget approval.

- 1) Contingencies
 - a) Dashboard - Any appropriations will be contingent upon the dashboard being updated and publicly available (*this may be included as a contingent appropriation during budget adoption*)
- 2) Other methods
 - a) Bonds (the most binding option)
 - i) This may work for some capital street projects
 - ii) Overall, bonding for projects is a limited option for many of the sales tax proposed uses because personnel, maintenance and most housing developments are ineligible for bond financing.
 - b) Contracts
 - i) Transit, for example: new funding can be tied to a contract to ensure funds are committed to certain uses for the life of the contract (plus renewals)
 - c) Hiring of staff – when funding is used to hire new staff, that commits the funding to a certain purpose, because to change usage, the Council / Administration would need to reduce positions.
 - i) Streets Maintenance Crew
 - ii) Police Officers
 - iii) Planners
 - d) Housing
 - i) Would the Council consider new Housing Trust Fund requirements?
 - ii) Spectrum of options – does the Council want to require that money is diversified?
 - iii) Surplus property discussion – how to maximize the City's surplus property inventory
 - iv) Connection of any money to the community land trust?
 - v) How to incentivize people / recipients to move off support/assistance

Attachment 6: GENERAL TIMELINE

Late April through Mid-June:

- Based on the need for new revenue, discussion & public engagement will shift to the specific projects.
- April 30 - The Mayor's Recommended Budget included specific proposals for spending new sales tax revenue within the four areas of streets, transit, housing, and public safety.
 - This will be a separate section of the budget to outline the new revenue in fiscal year 2018-19 and proposed expenses.
- May 1 through June 5 – the Council will deliberate on all aspects of the Mayor's Recommended Budget, including the proposed increase to sales tax revenue and related expenses.
 - Public Hearings May 15 and June 5
 - Additional public meetings – dates TBD
- Public input will be meaningful to weigh the potential uses for new sales tax revenue, and how among the four main areas, the funding should be divided.
- June 12 (Tentatively, if not then, June 19) – the Council is scheduled to vote on the final budget for fiscal year 2018-19, including revenue and expenses related to the proposed sales tax. (The Council is required to vote before June 23.)

Late June through Mid-August:

- Continued engagement on the potential General Obligation bond that would be added to General Election ballots.
 - Throughout the summer, the City elected officials and staff will be considering options for how \$87 million in GO Bond funds could be used.
 - Primarily, discussions have focused on using the funds for street reconstruction projects.
 - As options are presented to the Council, the public conversation will be ongoing and public meetings and hearings will be held.
- August 13 (Tentative) – the Council could take action on whether to add the bond to the November ballot.
 - This August date is required by the County to allow time for ballots to be prepared and included in the vote-by-mail materials.
 - The voting public will have the final say in whether this portion of funding is approved.

November 6: Final voting day for the 2018 General Election