

Dear Salt Lake City Residents,

The priorities and vision of a city are reflected in the way a City appropriates its resources. Our decisions define who we are. At a time of tough budget constraints, our City's true core is illustrated even more as we set our priorities. As your Mayor and City Council, we are committed to striking the right balance between being fiscally responsible and making choices that support our vision, infrastructure and services for Salt Lake City.

Utah's capital city faces unique budget challenges. As our state's economic, cultural and political center, Salt Lake City welcomes a daytime population that is nearly double that of our residents, and we provide many important City services, including police and fire protection, to support that large daytime population.

The City's FY 2008-09 budget reflects a slowing economy and staggering increases in the cost of health care and fuel. High-quality City services delivered to our residents and businesses in a cost-effective, timely manner are a top priority. Both the Mayor and a majority of the Council have looked hard to find ways to operate City government even more efficiently, without raising property taxes to fill the budget gap. This budget reflects many hard choices that we hope will support a City continuing to provide important City services while maintaining current tax rates.

The general fund budget provides for traditional government services such as police, fire, streets, parks, and planning. The adopted budget for the general fund is \$210,157,356, up \$8,246,304 from the previous year's budget. The bulk of this increase comes from a slight increase in fees for some City services to cover the cost of providing those services, and to bring the fees into alignment with fees charged by other cities in Utah.

This budget reflects a strong commitment toward ensuring public safety, with 43 percent of the overall budget dedicated to providing police and fire protection throughout the City. This budget also reflects the shared belief that Salt Lake City can be a national leader in environmental stewardship and sustainability through wise energy use, climate-change avoidance measures, regional air pollution reduction, watershed protection, wise water use, support of our local businesses and local food production, and first-class pedestrian, bicycle, and transit facilities.

In addition to the General Fund budget, we also proposed and adopted budgets for the enterprise funds, including the Airport, and water, sewer, and stormwater programs, the capital projects fund, special revenue funds, debt service funds, and internal service funds.

Our joint commitment is to enhance the high quality of municipal services while maintaining competitive employment conditions for City employees and meeting our obligations of good stewardship to taxpayers.

We appreciate the input we received from City residents during the budget process and encourage all residents to be involved in City government. Working together, we can make decisions which will benefit our community for years to come.

A handwritten signature in blue ink, appearing to read "Ralph Becker".

Ralph Becker,
Mayor of Salt Lake City

A handwritten signature in black ink, appearing to read "Jill Remington Love".

Jill Remington Love,
Chair, Salt Lake City Council

BUDGET HIGHLIGHTS

The Capital and Operating Budget for Salt Lake City for FY 2008-2009 is the first to reflect the policy goals and management principles of a new Administration and the policy direction of the City Council.

The FY 2008-2009 budget is the culmination of a City-wide effort to identify savings opportunities, support important initiatives and protect service levels in the face of a very challenging economy. We have developed a budget that reflects a commitment to sound financial management and a continuation of the high level of service our constituents expect and deserve. The budget supports steps to help implement strategies to conserve our resources, improve our air quality and protect our open spaces.

We have worked closely with department heads to identify efficiencies as we confront an economy with staggering increases in fuel and health care costs and other challenges to City resources. As state legislative actions will imminently impact property owners, there is no increase in property tax rates to generate new revenue, although some changes in cost-justified fees is necessary. The budget aims to meet the needs and aspirations of our residents, and support the nearly 3,000 dedicated employees who provide the services for the people who visit, live, and work in our Capital City.

Department budgets reflect our long-term planning goals, tempered by economic realities. In some cases programs have been discontinued or revised and in some cases new programs have been added, always with the intent to guarantee that Salt Lake City will continue to be a safe, healthy, vibrant, prosperous, livable city in which all people are welcomed participants in our community life.

Following are some of the highlights of the FY 2008-2009 budget:

Revenue Sources

The majority of our revenue comes from three sources: property taxes \$67,904,943 (32%), sales taxes \$53,200,000(25%) and utility franchise taxes \$27,331,972 (13%). Those three revenue sources amount to \$148,436,915 (71%) of the City's total revenue of \$208,398,552. Last budget year that total was \$142,601,983 (72%) of total revenue. Property tax revenue has increased by \$3,958,926(4.4%). Franchise taxes are projected to increase \$2,125,000(7.78%). Sales tax revenues have increased by \$342,674(.06%). The increase in sales tax is primarily due to a small percentage growth in retail sales.

We expect a slight increase in municipal energy taxes of approximately \$142,674 as a result of an increase in Questar usage. The remaining revenue sources are 29% of the total. We expect building permit fees to total \$10,762,130 including \$3,818,400 identified as associated with the downtown reconstruction project. Regulatory license revenue is expected to total \$9,512,498, which includes \$1,449,692 of new revenue from a recommended increase in Business Licensing Fees. Fines and forfeitures total \$10,355,595, which includes \$1,631,495 of new revenue from a recommended increase in Parking Ticket Fees.

Proposed Changes in Revenue Sources

Taxes and Fees/Licenses and Permits

Property Tax Stabilization: This document budgets property taxes at the amount received in the current year (FY 2007-2008). This required the City to conduct a "truth in taxation" hearing in August to maintain a stable revenue source that collectively has no impact on property taxpayers.

Motor Vehicle Registration Fee: Senate Bill 245, passed during the 2008 legislative session, reallocates a portion of the revenue received from the \$10 motor vehicle registration fee received by Salt Lake County which previously went in total to the Highway Projects Fund. The legislation requires a transfer of \$2.00 of that fee on each vehicle registered in the County to Salt Lake City. Revenue from this fee must be used by the City for highway construction, reconstruction or maintenance projects. This change will result in an anticipated increase in revenue of \$1,550,000.

Business License Fees: This budget includes an increase in business license fees which will generate \$1,330,043 in additional annual revenue. Utah Code 10-1-203 5(a) requires that revenue received from municipal business license fees must be based on the costs of the services provided. The law requires a cost analysis every five years. In 2005, Salt Lake City conducted an analysis to determine the actual costs associated with issuing business licenses. It was determined that costs for providing these services are severely under-recovered based on the current fee schedule.

City costs were determined by analyzing direct, indirect and disproportionate activities.

Base License Fees

The base license fee is charged to all businesses in the City and consists of the actual direct costs associated with issuing a business license. Costs include total Business License Division costs, fire inspection and fire administrative costs.

Special Regulatory Costs

Certain business license applications require additional processing activities such as police service application processing, criminal background checks, interviews, identification photographs, and fingerprints. In addition, these businesses require ongoing dedicated regulatory services performed to insure legal compliance and public safety. The time requirement for these activities was calculated and additional fees are assessed to affected businesses.

Disproportionate Impact Costs

The analysis determined that a disproportionate level of municipal services are provided to certain businesses within the City in comparison with that level of services provided to other businesses and to residences within the City. Costs for such services that could be specifically identified were grouped into common business classifications. These disproportionate costs were allocated to each business class and additional fees were assessed to these classes.

A portion of the cost of disproportionate services could not be allocated methodically to any specific business classification. This cost is, therefore, allocated to all businesses in the form of an employee fee that is based on the total number of employees working in the City.

This budget includes the following changes: (1) An increase in the base license fee of \$25 per business to \$100; (2) A 25% increase in regulatory costs; (3) Disproportionate impact costs will be charged to businesses that have no associated regulatory costs; (4) A \$4 increase in the employee fee to \$15 per employee will be applied to all businesses.

Inn Keeper's Tax: This budget removes the exemption from the inn keeper's tax for the amount each hotel pays in business license fees as provided for in Title 5.04.160 of the City code. This change is intended to equalize the inn keeper's tax with other business taxes, since this exemption is not offered to other types of business. Research has also shown that no other city offers such an exemption. It is estimated this will generate an additional \$80,000 in revenue.

Taxi Cab Driver Badge Fee: The budget includes an increase in the taxi cab driver badge fee from \$100 to \$177. This will result in approximately \$136,295 in additional revenue and will insure that the City recovers the full cost of issuing the badges based on the number of drivers anticipated and the actual costs of operating the program.

Various City Fees: The budget includes a 10% inflationary increase in several of the City's fees which will generate \$1,440,405 in additional annual revenue. These fees include building, electrical, plumbing, and mechanical inspection fees; demolition fees; planning and zoning fees; cemetery fees (an increased fee for Saturday or holiday service); impound fees and General Fund administrative fees. Many of these fees have not increased for two or more years and will be justified by the current cost for these services.

Library Square Parking Structure: The budget includes a reduction in the free parking time at the Library Square parking structure from the current one hour to 30 minutes. When the free parking time was increased to one hour, the annual number of paid vehicles parking in the structure decreased from 270,000 to only 50,000 vehicles, creating a major negative impact on the City's parking tax revenues. This change will result in approximately \$220,000 in additional revenue from the \$1 per vehicle parking facility fee currently in place, while still providing a courtesy to the public. The change will also reduce the subsidy the City pays to operate, through contract, the parking structure.

Charges for Fees and Services

School Resource Officers: The Salt Lake City Police Department contracts with the Salt Lake School District to provide School Resource Officers on six local high school campuses. The Police Department bills the School District for these services and has, historically, provided this service at a discounted and subsidized rate. For FY 2008-2009, the contract will be bid at an increased rate. This will reduce the subsidy and bring the revenue in line with the assigned officers pay grades. These changes will result in an anticipated increase in revenue of \$92,000.

Fines and Forfeitures

Parking Ticket Fines: An increase in parking ticket fines will generate \$1,445,495 of additional revenue. Base parking fines have not been increased since September 1996 and have become out of parity with cities of similar population size to Salt Lake City. The current fine schedule is too low to be a deterrent to the violation of parking laws. It is also hoped that an increase in fines will encourage the use of mass transportation to the downtown area.

Miscellaneous Revenue

Take-Home Vehicle Policy: An increase in the employee reimbursement amount for City-owned take-home vehicles will offset some of the dramatic increase in fuel costs. Fleet fuel prices have increased 53% since the beginning of fiscal year 2008, from \$1.59/gallon to \$2.44/gallon, with further increases expected. The budget includes a 30% increase in the current rate. This will generate \$111,873 of the over \$500,000 increase in fuel prices since the reimbursement was adopted last year.

Bi-Weekly Reimbursement Amount		
Distance	Current Rate	Proposed Rate
Within city limits	\$ -	\$ -
Within 5 miles	\$ 8.00	\$ 10.40
Within 10 miles	\$ 16.00	\$ 20.80
Within 15 miles	\$ 24.00	\$ 31.20
Within 20 miles	\$ 32.00	\$ 41.60
Within 25 miles	\$ 40.00	\$ 52.00
Within 30 miles	\$ 48.00	\$ 62.40
Within 35 miles	\$ 56.00	\$ 72.80

NOTABLE DEPARTMENTAL AND PROGRAM CHANGES

Capital Improvement Program

This year the Administration recommends funding CIP at an amount equal to 7.98% of ongoing General Fund revenue, which will result in \$23,182,686 going to CIP.

Department of Airports

The FY 2008-2009 budget focuses on the efficient operation and improvement of Airport facilities, and the safety and security of its customers. The budget contains funding for 29 full-time-equivalent positions to meet the requirement of new regulations, improve customer service, and enhance security in front of the terminals. Because of the Airport's aging facilities, concrete paving around the terminal concourses will be replaced, the air handler replacement program will be continued, and some elevators and escalators will be replaced. The capital budget also includes funding for the lead architects and specialty consultants who will be working on the programming and schematic design of the Airport Expansion Program. As part of this program, a first phase runway deicing project is being started this year with an \$89 million budget. Operating revenue for the FY 2008-2009 budget is \$120,508,300 which is a \$10,355,500 increase over the FY 2007-2008 budget. Operating expense will increase by \$5,411,000 to \$86,776,300 because of increases in materials used in snow removal, energy related costs, maintenance contracts, and funding for new personnel. The capital budget is \$219,242,000 compared to \$143,625,800 for FY 2007-2008.

Office of the Chief Administrative Officer

This budget creates the Office of the Chief Administrative Officer (CAO) and includes the transfer of several programs and positions to that Office. The CAO and the Assistant to the CAO are transferred from the Department of Management Services.

Programs transferred from the Department of Management Services include the Sustainability Division and the positions of Sustainability Director and Environmental Manager. Two positions in the Public Services Department, the Recycling Manager and the Open Space Coordinator, are also transferred to the Sustainability Division. In addition, one new position is included, a Recycling Education Coordinator. Both recycling positions will be supported by the Refuse Fund.

Also transferred to the Office from the Department of Management Services is the Emergency Management Program. The position of Emergency Manager is eliminated and a new Emergency Management Director position is established. The Assistant position is also transferred. In addition, the Civilian Review Board Administrator is transferred from the Department of Management Services to the Office of the CAO.

The budget also includes the transfer of operating expenses for the above programs to the Office of the CAO. In addition, the budget includes funds (\$50,000) to implement the Sustainability Program, including a climate registry and web development, and additional funds to cover expenses for the Sustainability Director (\$20,777).

One-time expenditures include \$50,000 to develop an open space management plan and \$150,000 to contract with a project development consultant to guide the public safety building project and to assist the City to establish a project development program.

City Attorney

Two attorneys, one paralegal and three support staff positions for the Prosecutors Office were approved by the City Council in Budget Amendment #2. This budget continues those mid-year changes.

The budget includes \$100,000 to purchase software that will allow the City to comply with new federal requirements for electronic discovery be financed through the Governmental Immunity Fund.

\$60,000 in operating expenses of the Attorneys Office will be cut and efficiencies instituted to maintain the same level of support.

Department of Community and Economic Development

Office of the Director

The Department Director, Deputy Director, and professional staff need to maintain professional development in areas pertaining to Departmental operations, including planning issues, preservation, sustainability, transportation, housing, budget, land use law, human resource issues, and other pertinent training. During FY 2006-2007 and FY 2007-2008, management has been unable to attend needed conferences due to budgetary constraints. This budget includes an additional \$12,822 for professional development, raising the total budget to \$16,172.

The budget includes an additional .50 FTE for an equivalent 1.00 FTE senior secretary position. CED will be integrating the economic development function into the Department and additional assistance is necessary to complete general office functions and to ensure timely processing of paperwork, transmittals and constituent requests. This position will provide the Director's Office with vital administrative support. Currently, the Office of the Director uses seasonal administrative support as back up for the Executive Assistant. No additional funds are needed to fund the position or the physical space requirements.

Salt Lake City, in conjunction with the Salt Lake Chamber entered into a contract in 2006 to proactively manage the impacts of construction in the Downtown area. The contractor works closely with business and property owners to help mitigate the impact of construction on existing businesses and the community. This budget extends that contract and includes an increase in the scope of work performed to accelerate our progress on various projects including: Downtown in Motion, Downtown Rising (green loop around Downtown), the parking management entity, expansion of the free fare zone, creation of the 200 South bus depot, branded bus corridors, Eco Pass Program, and the creation of the grand boulevards (500 and 600 S). The contractor will also continue with construction mitigation on projects such as the City Creek Center, the 222 South Main office tower, the federal courthouse expansion, and various smaller scale developments Downtown.

The new contract will be split three ways between the City, the Salt Lake Chamber of Commerce, and the Utah Transit Authority. A board representing the three parties will meet

with the contractor on a quarterly basis to determine what has been accomplished and the direction to be taken.

Arts Council

The City's public art program has experienced tremendous growth over the last ten years. Established in the 1980s, the program initially commissioned one or two projects annually. Now the program manages as many as six projects concurrently. At the request of the City Council, the Public Art Maintenance Program was established to address the restoration, repair and maintenance needs of the City's public art collection. For this first year, a nominal amount is budgeted (\$5,000) to conduct inspections and prepare condition reports for all of the artwork in the collection. The inspections and condition reports will provide the baseline on which to project budget needs for future years. As the City's public art collection begins to age, restoration, repair and maintenance are issues that must be addressed. This project will be managed by the City Arts Council staff, with oversight from the Salt Lake Art Design Board, as an ongoing component of the public art program.

The City's public art program is currently being managed by the Arts Council Division Director. Funding for a .75 RPT position of Public Art Program Manager funding began July 1, 2008. The public art program, established by ordinance, requires on-going management, including staff support to the Advisory Board. The position will be advertised to attract applicants who have education and professional experience in the field of public art, thereby contributing to the quality level of the workforce at the Arts Council.

The new position will require the addition of workspace for the employee at a one-time cost of \$5,750.

The budget also includes an increase of \$2,100 in operating expenses for office supplies, computer equipment leasing and supplies, and mileage reimbursement.

Building Services and Licensing Division

A Deputy Director for Building Services and Licensing (BSL) was funded beginning July 1, 2008. This position had been eliminated in 2003. Since that time, Division FTEs have increased 39%, from 33 to 46. Administrative responsibilities have also increased in response to the addition of ground transportation, technical development engineers for fire plan review and structural plan review, and the implementation of the One-Stop-Shop. The budget also supports the implementation of new computer software for multiple division plan review tracking, citizen access and implementation of new software for electronic plan review.

BSL is currently processing reviews and permits for several large projects during the unprecedented Downtown development activities which have an estimated value of over one billion dollars. The Administration recommends \$50,000 in one time funds for outsourcing of plan reviews and inspections in the likely case that City staff will not be able to keep up with demand for services during the massive Downtown development.

Rising fuel costs combined with additional FTEs utilizing vehicles to complete inspections necessitates a \$37,596 increase to maintain current levels of operation.

Because BSL currently has multiple building inspector vacancies and has consistently experienced vacancies over numerous months, it has been necessary to purchase continual advertising. The Administration is requesting an additional \$4,825 to fund recruitment advertising.

This budget includes \$81,708 to meet critical professional development needs of BSL. It will fund necessary or important continuing education training, professional memberships, and help retain highly qualified staff. These funds will be used to incentivize multiple technical certifications enabling BSL to do more combination inspections, which reduces the number of individual inspectors visiting each site. These incentives will also give the added benefit of attracting high quality recruits in the future.

The City Council has, through a legislative intent, urged BSL to move towards combination inspections to save multiple inspection trips to sites. The State of Utah mandates licensure for all inspection disciplines; building, plumbing, mechanical, and electrical. In many cases this requires an Inspector to be certified and licensed in all four categories. These four certifications constitute a "Combination Inspector" as designated by the State of Utah Board of Professional Licensing. In 2007, CED Administration met with Human Resources and requested a pay increase for the staff that required professional certification and licensure under their current job description. Subsequently, the pay class was upgraded for Building Inspectors I, II and III. The professional development fund will be used to provide incentives for combination certification for 200/300-series building inspection staff and to provide retention incentive for 'mission critical skills' of current staff.

Both Building Inspectors and Plan Examiners must maintain State licensure in order to fulfill their job responsibilities. In order to obtain licensure, they are required to obtain an average of 18 continuing education hours every 3 years. These credits can be obtained at the bi-annual ICC seminar. Average cost for attendance at the ICC seminar is \$1,000 per employee. The budgeted increase will enable the 18 employees requiring certification/licensure to obtain their continuing education credits on a rotating 3-year basis.

Heightened complexity of development projects being reviewed by staff makes knowledge of best practices imperative and necessitates annual participation in the American Planning Association Conference. The average cost of attendance at this conference is \$3,117. Compliance with the Mayor's sustainability initiatives requires participation in annual LEED conferences at an average cost of \$3,000. The training required for LEED education can also be used for certification/continuing education. The budgeted increase will permit staff to attend the relevant conferences.

In February 2007, the City was advised that commercial vehicle inspections required by City Code 5.71.180 would have to relocate out of their current Airport location by the late spring or early summer of 2008. The City Council approved the relocation to the facility at 218 North 2200 West and asked for a budget request for this initiative including the change in location. This budget includes \$95,197 for the building lease.

One-Stop Business Registration (OSBR) through the State of Utah, Department of Commerce is an electronic portal accessed by Business Licensing that directly generates over \$30,000 to the

General Fund on a yearly basis. The budget includes \$5,000 to continue to maintain access through the OSBR portal. The Department of Commerce contributes \$50,000 annually, while most local jurisdictions contribute between \$3,000 and \$5,000 annually.

Planning Division

All of the City's professional planners have membership in the American Planning Association (APA) or American Society of Landscape Architects. As planners' salaries increase, membership fees increase. The average annual membership fee per planner is \$300; with 21 planners this equates to approximately \$6,300 per year. The budget includes an additional \$2,300 for professional memberships and an additional \$10,000 for professional development needs so that staff can adequately maintain planning certifications.

The recent reorganization of the Planning Division focuses on four key objectives:

- Improving customer service,
- Commitment to long range planning,
- Enhancement of the public process through support for boards and commissions, and
- Ordinance review and process resolution.

Budget Opening #3 provided substantial support for all of these objectives by funding a one-stop customer service center: the Buzz Center. Funding included two Principal Planners and a Plans Examiner. The Buzz Center operation, initiated with Building Services as part of the Planning reorganization in early March, has proven that customers are better served in a consolidated operation. The Planner of the Day (POD) system previously used by Planning to meet customer service needs used an estimated 15-25% of the planners' time. The Buzz Center allows the Planning Division to focus on the other three objectives with less interruption, increasing operational efficiency. We anticipate that Building Services staff will experience similar heightened efficiency as the Buzz Center minimizes interruptions to Plan Review and Permit staff.

Transportation Division

Up until December of FY 2002-2003, the Transportation Division had an engineer position within the Planning and Design Section to assist with the assigned workload. When this position became vacant, it was eliminated due to budget cuts. The workload of the Planning & Design Section continued to increase as development, particularly Downtown, and regional transportation planning activities increased. Since the loss of this position, the Planning and Design Section was understaffed and unable to devote the time needed to provide adequate and timely reviews. This difficulty further heightened with the implementation of the one-stop permit process. The Transportation Engineer position was restored with Budget Amendment #1 this fiscal year.

Downtown in Motion (the Downtown Transportation Master Plan) concluded that "parking conditions in Downtown Salt Lake City could be improved substantially with a strong parking management entity... Without a central parking management entity that has consistent policies within a Downtown parking system, little effective action can be taken for off-street parking in particular, including setting reasonable hourly rates, hours of operation, use of tokens for parking validation, etc."

From the analysis performed, it is clear that a parking entity is needed to organize and implement the various parking recommendations in the Master Plan. It is also clear that there are two basic ways to establish such an entity: a parking authority or a parking management group. There are many variations of the two options such as how much authority would be given, what sources of funding should be used for parking programs and what organization would be responsible to manage the effort. A board could manage an authority, but a parking management group that is not an authority could be structured as a separate City department or be located within one of several existing City departments or divisions or even within an outside organization such as the Downtown Alliance. State statutes are restrictive as to how a parking authority can be created and what abilities it would have.

\$50,000 in one-time funds has been included in this budget to conduct a formal organizational study to recommend the type of parking management group best suited for the parking challenges and needs of Downtown. The study will recommend the powers of the organization, where it would be located and what funding sources it would have. The Downtown Alliance has begun discussions to provide input to the types of powers, responsibilities and desired outcomes of such a group.

The position of Bikeways and Trailways Coordinator has been added this fiscal year. This position will lead the way to implement the Administration's vision of creating world-class bicycle and pedestrian facilities within the City. This is a senior level position that is responsible for coordinating the related efforts of all City departments and facilitating development of these facilities.

Housing and Neighborhood Development (HAND)

This budget transfers the Sorenson Multi-Cultural Center and the Sorenson Unity Center from the Public Services Department to the Department of Community and Economic Development (CED). This transfer is in line with the Mayor's Blueprint for Neighborhoods and Gathering Places as well as his Blueprint for Education.

The City wants to be an active partner in developing neighborhood and commercial centers. The Sorenson Multi-Cultural Center and the Sorenson Unity Center are neighborhood resources and gathering centers and need to be located within a department that provides the best fit for such services. The Department of Community and Economic Development, as the title suggests, best serves that requirement. A key emphasis of the Housing and Neighborhood Division (HAND) mission is to serve residents in Salt Lake City who are low to moderate income through federal funds and other programs. The partnership aspect of many of the programs offered at the Centers builds on interagency communication and coordination and fits well within HAND's mission.

The increases in the FY 2008-2009 budget for the two Sorenson Centers include funding for upgrading several seasonal employees to regular part time employees and to fund the Unity Center at full staffing for a full year rather than a partial year as was approved in the prior year budget.

The Sorenson Multi-Cultural Center has struggled in the past to remain adequately staffed due to the seasonal positions. Seasonal employees can only work for the City for eleven consecutive months. This forces fully trained staff to be unemployed for one month a year.

Many of the staff do not have the financial ability to wait the month out and instead find other employment elsewhere. This turnover results in extensive retraining of new employees on a regular basis. The addition of the regular part time staff will minimize the amount of training required and keep qualified staff employed.

The Sorenson Unity Center is now open and this budget includes funds to hire an office manager to assist the Director in running the office, including payroll, accounts receivable, supplies, coordination of part time receptionists, and to cover the front receptionist desk as needed.

The Unity Center also includes a drop-in day care center. Positions to run the daycare facility were approved in the prior year budget as seasonal but this budget changes them to regular part time employees.

The Unity Center has facilities in the building that are open from 6:00 a.m. to 9:00 p.m. and events that are held in the evening which has created a need for two part time receptionists to cover the front desk of the facility. The receptionist directs clients of all Unity Center partners to the appropriate areas within the facility, manages the traffic flow and coordinates the calendar for the facility. These two positions were approved in last year's budget and this budget takes them from seasonal employees to regular part time employees for the same reasons described above relating to the Sorenson Multi-Cultural Center.

Expenses related to the operation of the Sorenson Unity Center will be offset by funds from the Unity Center Trust Fund.

Fire Department

This budget includes \$92,720 in increased funding and an enhancement of the Community Emergency Response Training (CERT) program as part of a Citywide initiative on emergency preparedness that will be organized on the basis of the City's community councils. Other parts of the initiative focus on the integration of existing citizen based public safety programs, including Neighborhood Watch and Mobile Watch. CERT training is 21 hours in length and covers emergency preparedness, disaster medical response, light search and rescue, and small fire extinguishment. The objective is to have a sufficient number of teams in each area of the City to handle the hundreds of minor problems that occur in the wake of a natural or human caused disaster, leaving public sector response resources to address major emergencies. The CERT program will form the basis of a comprehensive community based public safety infrastructure in which groups of citizens will provide a first line of defense against disasters and criminal activity.

This budget includes increased funding for clerical support and two part time instructors. These enhancements will allow the Fire Department to deliver additional CERT classes to train approximately 250 residents per year. This will allow the Department to work toward the goal of having at least one team (approximately ten people) trained for each community council district each year. The Fire Department will also provide eight refresher classes to assure that trained team members retain their skills.

This budget includes the elimination of the Administrative Assistant to the Fire Chief, currently a firefighter. The duties of this position will be absorbed by clerical staff within the Fire Department. The Department is in the process of implementing a new electronic Patient Care Reporting (PCR) system that will free time from current staff to take on these duties.

The budget also includes the elimination of an Administrative Captain position. The duties performed by this position will be absorbed by clerical staff and firefighters within the Fire Department's administration.

In addition, three vacant firefighter positions are eliminated. These positions were added in fiscal year 2008 to assist with maintaining four-handed staffing on each fire unit. The elimination of these positions will require Fire Administration to coordinate staffing within the Operations Division to continue to maintain four-handed staffing with the available funding.

The budget includes an increase of \$56,000 in ongoing funds to cover cost increases in personal protective equipment and \$49,640 in ongoing funds to cover cost increases in medical supplies. Fuel cost increases are budgeted at \$72,591.

There is also an increase in one-time funding of \$35,700 to purchase software for mobile CAD to install an active mobile data terminal (MDT) in each front line fire apparatus and \$92,000 to complete the purchase of new Electronic Cardiac monitors and Automatic Electronic Defibrillators (AEDs). The Department replaced half of its units from the prior year's budget and will complete the change this year. The current units are aging and no longer meet the standard of care and practice set forth by the American Heart Association. These units are used daily and on more than 10,000 calls annually.

Department of Management Services

This budget includes several changes in the Department of Management Services (DMS).

Office of the Director

The Director/Chief Administrative Officer position was changed to the Chief Administrative Officer (CAO) and was moved to a new location under the Mayor, the Office of the Chief Administrative Officer. The Deputy Director of Management Services position was eliminated and a Director of Management Services position was created. With the creation of the new Office of the Chief Administrative Officer, the following programs previously part of Management Services will report directly to the CAO: The Sustainability Division, including the positions of Sustainability Director and Environmental Manager, the Office of Emergency Management, and the Police Civilian Review Board Administration Office. The budget of Management Services has been adjusted to reflect the staffing changes and operating expenses going to the CAO. There is no budgetary impact involved in making this organizational change. The Debt Management Analyst position in the City Treasurer's Office was changed to a Policy Analyst and moved to the Office of the Director, Policy and Budget Office. The Deputy City Treasurer will assume the duties and responsibilities of debt management. This change will allow for a much needed enhancement in the City's policy and budget analysis endeavors without a change in the overall budget.

City Recorder

The City Recorder's Office **was** split from the Information Management Services Division (IMS). The Chief Information Officer (CIO), who is the IMS Division Director will no longer function as the City Recorder. The Deputy City Recorder position **was** eliminated and the City Recorder position, separate from the CIO **was** created. There is no budgetary impact involved in making this change.

Justice Court

The Justice Court Lead Payment Processor position **was** eliminated for a total budget savings of \$55,000. This change will require the Justice Court Civil Section Manager to cover the payment processing location more often and directly supervise the payment processors. Additionally, in response to the weighted caseload study that found a need to increase resources to provide efficient service to the cliental of the Court, the **City added** one Lead Criminal Section Clerk, two Criminal Section Clerks, and one additional Small Claims Section Clerk. The ongoing impact to the budget of these changes, including operating expenses is \$215,928. Additionally, some minor remodeling of the Justice Court Building interior office space **was** necessary and will cost, on a one time basis, \$133,457.

City Treasurer

As previously stated, the Debt Management Analyst position in the City Treasurer's Office **was** changed to a Policy Analyst and moved to the Office of the Director, Policy and Budget Office. Additionally, the Treasurer's Office Administrative Associate position **was** changed to a .50 FTE regular part-time (RPT) Treasurer's Office Administrative Assistant. This position will provide the office operations support necessary to maintain current service levels and provide a \$27,000 reduction in the budget.

Human Resource Management

The Human Resources Division changed a .50 RPT Human Resources Consultant who supports Equal Employment Opportunities (EEO) functions to a full time Human Resources Consultant/EEO. This change will allow the City to enhance the capability to investigate reports of EEO violations and educate City employees about EEO. There is a \$35,000 budget impact associated with this change.

Purchasing, Contracts and Property

The Property Management Office **eliminated** a Property Control Specialist position for a budgetary savings of \$53,984. The rules of accounting for tracking and reconciling fixed assets have changed, resulting in less need to conduct manual asset counts. One remaining Property Control Agent **will be** able to comply with all fixed assets laws and rules. This change will require that the fixed assets inventory will change over time.

Finance

The Finance Office **converted** a Revenue Analyst/Auditor to a Revenue Analyst/Administrative Internal Auditor. This position will provide initial support to conduct internal audit investigations as directed by the Mayor's Administrative Audit Oversight Committee. This Committee **will be** formed to provide oversight and project identification. There is no current budgetary impact involved in making this change.

Information Management Services (IMS)

Information Management Services functions as an Internal Services Fund for the City and receives its operating revenue from internal users. The General Fund provides approximately sixty percent of the total resources to IMS.

The City eliminated the Deputy IMS Director position. This reduction will impact IMS service levels by redistributing the functions performed by this position among other IMS Managers, specifically in administrative support. The resources spent on tactical and strategic operations will diminish. Additionally, one Software Engineer position was eliminated and one will be used exclusively by the Public Utilities Department. This reduction will impact IMS service levels by reducing the number of projects that can be completed at a time when the demand is actually increasing. Prioritizing of City programming maintenance and enhancement needs will have to be fine tuned. Lower priority tasks will be delayed. Although these delays occur currently, the time necessary to complete software engineering services will increase. As City departments receive funds for software purchases and development, IMS will contract with private vendors to enhance the in-house support that is still available. The elimination of the positions described above, and the transfer of one to Public Utilities funding will result in a savings to the General Fund of \$293,000.

Police Department

This budget includes significant changes in Department staffing. The net effect is an increase in authorized sworn staffing of 1 F.T.E. from the FY 2007-2008 adopted budget. Changes include the elimination of a vacant position for 1 Police Captain and the transfer of 1 Police Captain F.T.E. assigned to the Compliance Division of Public Services that is now included in Police Department staffing. The public safety building project management function is being transferred to the City Chief Administrative Officer, resulting in the reduction of one sworn FTE.

Additional civilian positions eliminated include 1 Crime Analysis Program Manager, 2 Data Information Specialists, 1 Graphic Artist., 1 Intelligence Specialist and 1 Vacant Victim Advocate. In an effort to increase field capability response for officers, this budget adds 3 additional Crime Lab field technicians and 1 additional Crime Lab supervisor to maintain appropriate field supervision.

This budget increases the potential for increased field officer strength by creating a new civilian public information position in the Mayor's office (assigned to the Police Department), allowing the Department to eventually redeploy 1 of the 2 officers assigned the public information function back to the field.

The budget also provides funding within the General Fund for 2 narcotics enforcement officers currently partially reimbursed by federal funds. The Rocky Mountain High Intensity Drug Trafficking Areas has been reducing federal assistance over a period of time. The grant still maintains partial funding for 1 narcotics officer with enforcement duties associated with the Airport.

The budget reduces FY 2007-2008 base operating costs for one time funding for special officer protection equipment and public information pertaining to a proposed bond initiative to replace needed public safety facilities.

This budget reflects increases for a variety of division supply accounts. These include pricing adjustments for ammunition, Public Order Unit munitions, Service Dog and Bike Units. Police officer hiring has continued to be a major focus and funding for outfitting new officers has increased to reflect not only pricing adjustments but the number of officers hired.

The Department's budget reflects the increased cost of fuel (\$510,000) as well as an adjustment for an increased internal service fee charged by the Fleet Fund to more closely reflect comparable costs (\$107,220).

The Department's budget includes funding for the implementation of the sworn officer fitness standards program (\$50,000) to provide initial physicals. The Department's critical training travel needs have received an increase in funding as well as additional funding for an ongoing maintenance program at the Pioneer Precinct gun range.

Department of Public Services

The Public Services Department employs numerous seasonal employees to efficiently provide a wide range of Departmental services. In order to keep pace with market pay, this budget includes an increase of \$246,462 for seasonal employees in sixteen different programs. This increase was not included in the cost-of-living adjustment for full-time and regular part-time employees. In addition, seasonal parking enforcement officer pay was increased \$52,856 to accommodate the pay-per-intersection standard used by many local governments. In addition, \$29,515 was included to cover market-scale reclassifications that were effective in February 2008 for full-time heavy equipment operators and several other positions determined to be under-market.

Several major outsourced contracts (tree maintenance, towing, building lease and security) expire during FY 2008-2009 and new contracts are projected to require an increase totaling \$102,182.

The Department experienced a shortfall in the water budget in FY 2007-2008 due to a combination of rate increases and current weather trends. This budget includes a water related increase of \$163,912. This increase would have been larger if the contributions of the proposed and subsequently approved Irrigation Manager position had not been factored into the Department's plan for effective water conservation. The additional attention to water conservation also included associated automated irrigation system supplies, and training for a total of \$85,312. The manager position will oversee park plumbers as well as the planning, development, expansion, and monitoring of automated irrigation systems at City parks and other City property.

Administration

To achieve better coordination of the Citywide sustainability effort, this budget reflects the transfer of the Open Space Manager and the Health/Safety Program Manager to the Sustainability Division in the Office of the Chief Administrative Officer (\$160,906). The latter position has responsibilities for Citywide recycling initiatives that will be transferred while the safety program will remain with the Department and will be handled by existing staff. To further reduce costs, the Communications Manager Position (\$64,910) was eliminated along with reductions in various other items totaling \$215,508 (supplies for \$11,000, contingency for \$82,500, and the Department's pooled capital outlay budget for \$122,000).

Compliance Division

The budget includes an increase in the school crossing guard budget of \$52,856. The Department has had a difficult time hiring and retaining crossing guards and this increase will permit a pay structure that should alleviate this problem.

The budget also includes an additional full-time Parking Enforcement Officer (\$54,648). The cost of the position will be more than offset by an increase in parking ticket revenue (\$186,000). Attention to parking enforcement in the Downtown area has been reduced over the last several years as Parking Enforcement Officers have spent more time patrolling residential parking permit areas and are involved with other community support such as snow removal enforcement and participation with the Community Action Teams.

Engineering Division

This budget reflects continuation of the Airport Light Rail project, as approved with a budget amendment during FY 2007-2008. The amendment included \$100,000 for a Contract Engineering Manager offset by a revenue source of \$50,000 from UTA. The contractual engineer coordinates the efforts of all City departments in the design and construction of this project. City staff is not available to commit the time needed to coordinate this project.

The Department has had an in-house materials testing program for quality control of construction projects. This program was staffed with three employees. Two of these employees retired and the Department analyzed the program and decided to outsource this work rather than build a lab at the proposed new Fleet/Streets Facility. The outsourcing of this program will enable the Department to eliminate two FTE's (a net reduction of \$62,000) and save the City over \$100,000 in construction costs as well as additional ongoing maintenance and utilities. The remaining position in this program will be retained to coordinate engineering construction inspection activities and provide continuity for warranty work.

An office support position (\$54,344) was eliminated after a retirement and the functions were allocated between remaining staff. The budget for Charges and Services was also reduced by \$32,656.

Facility Management Division

The budget includes an additional Building Maintenance Worker (\$61,520) and one-time funding for a utility vehicle (\$21,000) to handle an increase in facility square footage. This position was requested based on Department maintenance schedules, verified by national square foot maintenance standards. Without additional maintenance staff to match increased

square footage, sustained energy reductions will not be achieved and reduced equipment life cycles will result in higher demands for equipment replacement.

The budget includes a reduction of \$110,000 in energy costs primarily as a result of the sustainability initiatives funded from the CIP at Plaza 349, the City & County Building, and the Westside Senior Citizens Center.

Another energy related cost reduction measure involves instituting, monitoring and enforcing temperature standards for all City owned offices. These new standards will limit cooling to 75 degrees and heating to 69 degrees. This is approximately two degrees higher and lower than the current standards. The reduction in budget is \$95,000. The ramifications of this initiative could be a loss of employee productivity when temperatures become uncomfortable.

As a cost reduction measure, the security at Plaza 349 was eliminated along with the reduction of one security staff at the City and County Building for a savings of approximately \$67,000. At Plaza 349, the public will now have access to the entire building. Employees will need to arrange staff to greet visitors in each office as needed. Additionally, the parking structure will be patrolled on a complaint basis by parking enforcement. Camera monitoring will also be needed at some divisions in the building. At the City and County Building this reduction will eliminate daytime patrols of the Washington Square grounds as well as routine rounds throughout the building offices. The installation of a direct phone button for security at each desk in the building will assist security to provide quick response.

As a further cost reduction, trash removal services have been reduced from five days a week to three days a week at all facilities. This will result in a savings of \$64,939. The impact of this reduction will be trash that remains in receptacles for an extra day unless an employee disposes of it by themselves.

To continue maintaining specific deferred maintenance projects, the budget includes an increase of \$25,000 for Franklin Covey Field and \$60,000 for street and sidewalk pavers. Franklin Covey Field has an existing budget of \$100,000 for materials, supplies and capital needs identified in the City's contract with the Larry H. Miller Group. The additional funding recognizes the increased needs of a 15 year old facility with high-maintenance use and visibility.

The budget for pavers is to continue to replace and maintain the pavers in the Central Business District to ensure a safe and aesthetically appealing downtown.

Forestry Division

The budget includes an increase in the tree planting budget of \$103,386. This will provide an additional 400 trees and create a 50- tree pilot voucher program. Under this program residents can obtain a voucher from the City and go to selected nurseries, pick out an authorized tree, and plant it themselves. The benefit to the City under the voucher program would be to eliminate staff time in planting trees. The City needs to increase tree planting because current trends show that, in the not to distant future, tree removals will exceed planting. The budget also includes an increase of \$15,000 to rent cranes for large tree removal and emergency situations.

Park Maintenance Division

The budget includes a premium charge for burials on Saturdays at the City Cemetery. Market data shows that most cemeteries along the Wasatch Front charge additional fees for this service. The new fee would be a \$200 charge and would bring \$31,000 of additional revenue to the City based on an estimated 155 Saturday burials.

As a cost reduction, the Administration eliminated a property maintenance employee (\$48,142). This employee had responsibility for major repairs and maintenance of park facilities, structures and playgrounds in City Parks. The elimination of this position will delay response time for the maintenance of parks and facilities.

Streets

During FY 2007-2008 the State of Utah transferred ownership of two streets to the City – North Temple and 1300 East. The State (UDOT) made a one-time, up-front payment to the City in the amount of \$1,504,149. These two roads are considered major arterials and are classified as a high maintenance priority. The jurisdictional transfer increased the City's responsibility for these roads as follows:

- maintaining 22 new signals (10% increase)
- repainting and striping of 54 additional miles of roadway
- maintaining 211 roadway messages
- maintaining 95 pedestrian crosswalks
- maintaining approximately 1,175 traffic signs and 410 sign posts

A budget amendment was approved in FY 2007-2008 for some of the immediate road maintenance (\$113,033), but additional funding is needed. This budget includes a continuation of the \$113,033 for ongoing maintenance supplies and an additional funding request for one-time equipment purchases totaling \$434,000. The equipment items are a walk-behind striper to paint crosswalks and legends (\$8,000), a utility truck and materials to maintain/install signage and marking (\$26,000), and two ten-wheelers including snow blades and sanders (\$400,000).

The salt budget, based on the past three year average, was increased by \$30,000.

The budget eliminates \$13,563 in seasonal staffing for parking meter repair and maintenance due to upgrading to digital parking meters which require less maintenance.

As a cost reduction, the Street Sweeping Supervisor position was eliminated. Supervision of street sweeping will now be performed by current supervisors elsewhere in the Division. Further, the program has been reorganized to provide closer coordination with the asphalt programs and to adjust the seasonal workloads of the sweeper crews. A negative impact to the City will be the loss of one snow plow driver.

Youth & Family Programs Division

The budget reflects the transfer of two of the youth programs from Public Services to Community and Economic Development (CED). The programs are the Sorenson Multi-cultural Center (\$1,249,440) and the Sorenson Unity Center (\$229,902). These figures represent budgets for the administration and programming for each center. Public Services will continue

to budget for the facilities' maintenance costs, including utilities. The Division Director's position (\$130,000) was also eliminated.

Fleet Management Division

As an Internal Service Fund, Fleet receives its revenue from billing other City departments for fuel and maintenance on vehicles and equipment. For FY 2008-2009 Fleet's revenue budget is based on a labor billing rate of \$77 per hour.

This budget includes a base transfer from the General Fund for fleet replacement in the amount of \$5,235,381. The transfer will be increased for various one-time vehicle purchases. Furthermore, an additional \$1 million will be drawn from fund balance /cash reserves for vehicle purchases. There will be \$490,937 of additional one-time purchases.

The budgeted use of fund balance/cash reserves for operations is \$90,325. This combined with the \$1 million for replacements will result in an estimated cash reserve balance of \$1.2 million on June 30, 2009. This would be \$1.4 million less than the desired rule-of-thumb, three-month operating expense amount of \$2.6 million.

The personal services budget reflects a large increase, due primarily to the reorganization that centralizes small equipment repair in the Fleet Management Division. This accounts for \$323,000 of the \$566,000 increase in personal services. The other major component of the \$566,000 is an estimate of COLA, pension, and insurance increases, totaling approximately \$242,000.

For FY 2008-2009, Fleet budgeted for the purchase of 994,000 gallons of fuel at the per gallon purchase price of \$3.35 for unleaded and \$4.20 for diesel. The budget for fuel took into account market prices for June of 2008. Rather than budgeting for the amount of gallons suggested by most recent usage (1,115,000 gallons), Fleet has budgeted for a decrease of 11 percent in usage. For FY 2007-2008 Fleet budgeted fuel at the per gallon purchase price of \$2.00 for unleaded and \$2.35 for diesel. The month-end average price for July 2008 was \$3.60 for unleaded and \$4.08 for diesel. In comparison, average price for September 2008 was \$3.13 for unleaded and \$3.32 for diesel. Fleet's overhead charge passed on to City departments will continue to be \$.25 per gallon.

The Fleet Division continues to work toward the objective of providing alternative fuel vehicles for City use. The Division will continue its efforts to purchase vehicles and equipment that meet the City's environmental and economic expectations. The Division will continue eliminating unnecessary SUVs and fuel-inefficient vehicles from the fleet.

The charges and services category shows a small increase of \$22,000 which includes the increase for the small equipment repair shop budget of \$18,000.

The debt service and interest budget ties to lease-purchase schedules. The Fleet Division will continue to finance vehicle purchases through a balanced plan of lease and cash purchases. Fleet maintains a replacement schedule that identifies each vehicle and piece of equipment that needs to be replaced in the next five years. The Division utilizes life cycle cost analysis in

replacement decisions and can minimize the overall cost of fleet operation by adhering to the replacement list. Over the last several years, the lack of replacement funds has necessitated the use of reserves to supplement equipment purchases. With the increased cost of vehicles and equipment, Fleet's purchasing power is steadily decreasing each year. Current estimates indicate a shortage of approximately \$11 million in replacement dollars that would be necessary to bring the fleet in line with life cycle cost analysis.

This budget includes the impacts of consolidating the small equipment repair function under Fleet Management. The small equipment shop provides maintenance services for Parks and Golf as well as for other City programs utilizing small equipment such as lawn mowers, generators, pumps, snow blowers, and weed eaters. Two FTEs have been transferred from Parks and three from Golf and staffed in the Fleet Division. Parks and Golf will be billed by Fleet for their services as with other Fleet services. Although extra funds are not needed, Fleet Management will work to achieve efficiencies for the small equipment shop in order to minimize equipment downtime and improve effectiveness of equipment.

Golf Enterprise Fund

This Fund accounts for the operation of the City's nine public golf courses. Revenue in this Fund is generated by user fees. Revenue is projected based on historical patterns and forecasts of trends in the local market area. The FY 2008-2009 Budget assumes a continuation of current trends, without any rate increases. This results in total revenue of \$8,649,878, an increase of \$202,727 or 2.4% over the FY 2007-2008 Budget. With this projection, total revenues will have increased by \$1.1 million since FY 2005.

This budget reflects an expense reduction of \$125,718 or 3.2% from FY 2007-2008 and includes a decrease of 4.33 FTEs, largely due to shifting 3.00 FTEs from the Golf Repair Shop to the Fleet Division. Fleet Management will bill the Golf Fund for their equipment repair services, which results in an increase to the Charges and Services Budget. The \$3,786,165 total in Personal Services includes an estimated 4% total increase in the cost of all full-time positions (for cost-of-living, pension, insurance increases, etc.)

A recommended increase of \$27,000 will allow for the addition of sand to the bunkers on all courses. The quality of the sand bunkers on each golf course plays a major part in customer satisfaction levels.

This budget includes an increase for purchase of chemicals (\$44,200), including fertilizers, herbicides, fungicides, pesticides, etc. This category has been underfunded over the past few years. Also, chemical prices have increased significantly over the past few years. The proper use of chemicals plays an important role in the condition of City golf courses.

The budget for water is estimated to increase by \$185,950, based on a projection of current-year expense plus a 5% rate increase. The budget for IMS network charges which includes monthly communication lines charges has been increased by \$13,279.

The budget for golf cart maintenance (contracted services) is scheduled to increase by \$18,180 as required by contract with an outside vendor.

The budget for the services of Fleet Management has increased by \$200,538. This significant increase is a result of moving the Golf Equipment Repair Shop into the Fleet Division. An offsetting decrease will be found in personal services.

The Capital Outlay budget of \$275,000 reflects a continuation of a small base amount necessary to address emergency needs that may arise during the fiscal year. Pursuant to a Legislative Intent, the Department is working with the Administration and City Council to develop a funding strategy for \$17 million to \$19 million dollars in major Golf CIP priorities that must be completed in order to ensure Salt Lake City Golf's long-term financial success in a very competitive public golf market.

The bond for Wingpointe construction, Mountain Dell expansion, and the Glendale irrigation system was retired during FY 2007-2008. This eliminated almost \$700,000 annually from Golf's budget. Depending on the outcome of Golf CIP funding discussions, it may be necessary to shift a significant portion of the \$275,000 budgeted under Capital Outlay (non-financed) into debt service to begin work on the top three projects included on the \$17 million to \$19 million dollar Golf CIP list. Three of the most critical projects are estimated to cost up to \$4 million dollars – the irrigation system improvements at Bonneville, Nibley Park, and Rose Park.

The FY 2007-2008 budget included \$259,246 for the final payment on the current golf cart fleet. Golf now owns the golf carts and will keep them for one more year before trading them in for a new fleet. The FY 2008-2009 debt service budget of \$250,000 represents the first of three annual payments associated with the financed purchase of over \$700,000 in new maintenance equipment to be divided among all golf courses.

The FY 2008-2009 budget projects net income of \$191,582 for the Golf Enterprise Fund and an estimated cash reserve balance of \$500,000 as of June 30, 2009. This represents approximately \$1.5 million less than the desired rule of thumb, three-month operating expense amount of approximately \$2 million.

Refuse Enterprise Fund

In the Refuse Fund, revenue is comprised of the refuse collection fee, the landfill dividend, interfund reimbursements and miscellaneous revenue. City residents are charged a refuse collection fee. This fee is calculated to recover the costs of operating the Refuse Fund when combined with the other sources of revenue described above.

Beginning in March 2008, residents were able to subscribe to a voluntary yard waste program. Upon subscription, residents were provided a 90 gallon yard waste container with pick up nine months of the year. The monthly fee for this service is \$3.50 per can per month or an annual cost of \$42.00. Three different sizes of general garbage containers were made available (90, 60 and 40 gallon). The monthly fees are \$11.25 for the 90 gallon container, \$9.25 for the 60 gallon container, and \$8.25 for the 40 gallon container. The change in fee structure allows those who produce less waste to pay lower fees.

The revenue increase from billings to customers for the various cans is projected to increase by 7.5%. This is a result of the fee increase in March 2008, and a high demand for yard waste cans. This budget includes a \$195,000 increase in the landfill dividend budget over last year because an anticipated commercial tonnage diversion did not materialize as projected.

Refuse equipment is lasting longer than anticipated and therefore budgeted replacement cycles have been extended. This along with a soft resale market for refuse equipment has reduced sale of vehicle revenue by \$232,000.

This budget includes an expanded recycling program. This includes placing blue cans at selected park boweries, establishing glass recycling locations in Council Districts 1, 3, 4 and 5, recycling receptacles in the Central Business District and Sugarhouse Business District, and also the 9th & 9th and 15th and 15th business districts, plus education and outreach. The increases are estimated to cost \$160,000.

Various proposed changes in expenses include approximately 13% in personal services including additional seasonal employees for the yard-waste program and recycling staff. One FTE transferred from Public Services to the Office of Sustainability and one new FTE for that Office will both be supported by the Refuse Fund since both are dedicated to City recycling efforts. In addition, the budget includes approximately 29% of an increase in operating and maintenance expenses for recycling education/outreach, and approximately 13% in charges and services to cover existing and expanded recycling, yard waste, additional leaf debagging, Public Utilities billing expense and Fleet expense. The initial debt service payment for the new Public Services Maintenance Facility has been included.

Department of Public Utilities

The Department of Public Utilities operates three separate Enterprise Funds with a total of 389 employees. The number of employees will remain the same for the FY 2008-2009 budget because of past Department work consolidations. The Water Utility, the largest of the three Enterprise Funds, with over \$54 million in annual revenues proposes a 4% increase to continue to improve the aging infrastructure and to maintain cash reserves. In 2008, \$9.6 million in bond money was acquired to purchase water rights and upgrade the Tanner Ditch water system to meet fire protection standards and to refinance and retire some older bonds issues. The Sewer Utility, at \$18 million in annual revenue, is the second largest Public Utility Enterprise Fund. It relies on the volume of water consumed during the winter months to charge for services. The Sewer Utility will again not be raising rates for 2009. The main focus for 2009 for the Sewer Fund will be an \$800,000 study to evaluate the sewer system, including sewer trunk lines and growth capacity. Upgrade of the sewer treatment plant continues. The sewer treatment facility continues to receive multiple awards annually for excellence and compliance to permit standards. The Stormwater Utility, at \$6 million in revenues, has had no rate increase since it was created as an Enterprise Fund in 1990. The Fund was debt free until 2005 when a revenue bond was needed to provide financing for a new larger capacity storm drain on 900 South to handle higher volume storm runoff. The Stormwater Utility has been directed by the City Council to review above ground streams and habitats to establish protocols between residential areas and natural wildlife and plant habitats. This study called the Riparian Corridor Study, will cost \$600,000.

The Department remains focused on preserving the watershed, conservation and continually looking at ways to increase and develop the existing and future available water supply. Each year a portion of revenue is strictly used for watershed land and water right purchases. The

Department has also set aside \$1.9 million for the possible purchase of adjacent business property needed for expansion and workspace for current employees. The current facilities are old and in need of refurbishing. The Department also currently pays for long term financing through the Metropolitan Water District that has built a new 70 million gallon per day water treatment facility in the south end of the valley with connecting water transmission lines. The cost of water purchased and the capital assessment fee paid to the Metropolitan Water District continues to be 39% of the water operating budget for FY 2008-2009.

Non-Departmental

The City Council approved a pay adjustment for City employees, resulting in a \$3,487,460 budget increase. In addition, as a result of the rising cost of health insurance and on the recommendation of the City Employee Benefits Committee, the Budget includes a 95% City/5% employee split of the cost of health insurance premiums for those covered under the Summit Care Plan and other increases in premiums for those covered under other Plans. This adjustment will result in \$1,108,292 of increases in the cost of health insurance to the General Fund and \$1,746,731 Citywide.

The City funded an additional \$17,500 for the Salt Lake Arts Council in support of the local arts grants program and to participate in a new marketing initiative in partnership with the Salt Lake Convention and Visitors Bureau, Salt Lake County and the State of Utah called "Artsopolis".

The City funded an additional \$24,992 for the Economic Development Corporation of Utah for the City's contribution. This funding will restore the City's contribution to the level of funding requested by the EDCU in previous years. The City desires to build a strong relationship with the EDCU to encourage economic development and business retention in Salt Lake City.

The General Fund share of the retiree health program will increase as the City's health insurance costs increase. The majority of the \$241,064 increase in this line item is because of that continued support.

The City funded the contractual increase of \$30,636 in the amount paid to Salt Lake County, our contractual provider of Animal Control services and a supplemental one-time increase of \$150,000. This funding will pay for costs associated with the County providing services outside of the contract for a six month period. It is the intention of the City to issue a Request for Proposal for Animal Control services because the contract with the County is due to expire on June 30, 2009. When new contract negotiations are completed, the City may have to amend the budget to accommodate the new contract.

The City is required by statute to provide, as the Court directs, defense of the indigent who go before the Justice Court. The City contracts with the Salt Lake Legal Defenders Association to do this work. For the Legal Defenders to continue meeting the demands placed on them by the Court it is necessary to support one additional defense attorney in their office. Funding for this change will begin in April of 2009.

With Frontrunner operational, the City will contribute an enhanced contribution to support our employees' use of this transit system, along with the current support of TRAX and busses. The additional cost is \$48,926 to continue our participation in the UTA Eco-Pass program.

There are several changes associated with the support of Information Management Services costs that are borne by the Non-Departmental Budget. These increases relate to the General Fund share of cost of living wages and benefits and health insurance increases. This will correct an error in a prior year appropriation for operating system maintenance, increasing the operating system maintenance inflationary costs, reducing the General Fund support for software engineering related to software development and reducing the staff level support to the General Fund by 3.0 FTE (see Management Services/IMS highlights section). In addition, it includes adding the Citywide program development costs for software engineering for next year, such as Accela software support and maintenance, and the City's contract tracking and management system (CAMP).

The City funded a \$3,380 increase in support for the Community Emergency Winter Overflow Housing.

The Administration created a position in the Mayor's Office with the responsibility of working on legislative issues in coordination with a City team. Because of the effectiveness of the effort, the City eliminated one-half of the budget for ongoing outside lobbying for a savings of \$20,000.

The City funded several one-time expenditures including purchasing vehicles needed for new staff added in this budget, a \$50,000 Fleet transfer of snow fighting equipment, and a transfer to Fleet of \$434,000 for additional equipment for the cost to maintain roadways transferred from the State. In addition, the City funded \$67,000 for further study of street cars from Sugarhouse to the TRAX line and \$15,000 for a fuel efficiency incentive program. The total City share is \$100,000 and RDA will pay one-third of the City's total share.

The City funded a one time contribution to No More Homeless Pets to continue the feral cat trap, spay, and neuter program, a contribution to the Local First Campaign, and a re-appropriation of the remaining funds in the Energy Fund for the Future account.

The City reduced by \$1,000,000 funds remaining in the Intermodal Hub Fund by transferring it to the General Fund and then to CIP. \$500,000 will then be used to create an Economic Development Capital Preservation Fund with conditions that it be spent for capital preservation associated with transit or transportation.

The Budget includes the creation of a special fund to track the fees collected from motor vehicle registrations received as a result of Senate Bill 245 which redistributed \$2.00 of the \$10.00 fee which had been going to Salt Lake County to the City for use in streets and roads-related maintenance and construction. It is estimated the City will receive \$1,550,000 next year from these fees. The City will identify other funds of an equal amount and use these funds to cover the commitment made to UTA for light rail construction to the Airport.

The budget includes \$37,000 of one time funds as required by HB40 to pay the City's share of the cost of a survey of residents and property owners in adjacent townships to determine their attitudes regarding the future of townships.

Based on claims history, the City reduced by \$150,000 the General Fund contribution to support the Governmental Immunity Fund.

The City funded one time, \$50,000 for software to clean up the GIS address data base, \$5,000 to prepare signage for private Riparian Corridor properties, and \$10,000 for Envision Utah's Jordan River blueprint project.

The City funded \$52,000 for the continuation of the contractual arrangement for the Salt Lake Solutions project.

Conclusion

The FY 2008-2009 Capital and Operating Budget represents, to the extent possible in a very challenging financial climate, the goals and priorities of the Administration and the City Council. This budget incorporates the requirements of each department, following the policy direction received from the Council. The choices have been difficult, but, by directing our resources toward the core functions of our City government we have been able to lessen those adjustments that would diminish the quality of life we should enjoy in our community and enhance those that improve our quality of life. We thank all the dedicated City employees who have worked together to prepare this document.