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Fiscal Year 2027 Mayor's Recommended Budget Speech

Presented by Salt Lake City Mayor Erin Mendenhall on May 5, 2026

Good evening, Council Members, Council staff, our City team, and my fellow Salt Lakers. Thank you all for being here tonight as I present my recommended budget for the upcoming 2027 Fiscal Year. To those joining us on the live stream, thanks for tuning in.

This is my seventh budget proposal. Some may assume that it's a process that gets easier each time you go through it. The truth is, it does not.

Each year, this responsibility asks us to take an honest look at the moment we're in, listen closely to our residents, and make disciplined decisions about how we serve this city. This year, that work has been especially difficult. It has required months of complicated calculations and a gross cut from every administrative department, even as the demand for our services continues to grow.

This budget reflects current reality—a time when federal funding to municipalities is shrinking, when fuel and materials are becoming more expensive, and when inflation continues to impact households and businesses alike.

Since 2020, the cost of groceries has increased by 31%. Medical care is up 16%. Car insurance has risen by 55%. Salt Lakers know this. You've felt it. We all have.

Unfortunately, these rising costs don't stop at the household level. They are also driving up the cost of delivering the basic services our city depends upon. Let me give you a few examples:

In 2020, a full set of firefighter gear—that includes the coat, pants, full hood, boots, gloves, and helmet—cost \$3,784. Today, the same equipment costs \$4,656.

Six years ago, we paid \$44 per ton of asphalt to fill potholes. Today, that cost is \$64 per ton.

In 2020, replacing traffic signals at an intersection of two City streets cost about \$250,000. Today, that same work costs more than \$500,000.

Let me be clear: these are not optional expenses. We will not stop fighting fires, filling potholes, or maintaining safe intersections. But we must be honest about what it takes to do those things well.

This budget has had to hold two truths at the same time. The first is that Salt Lakers are already feeling stretched. Every added cost matters. And every decision we make as a City has to respect that. The second is that the services residents rely on are also becoming more expensive to provide.

Holding both truths at once is not easy. But it is necessary. And it is why, even in a constrained year, this budget continues to invest in the things that make Salt Lake City livable.

This proposal invests nearly \$10 million in our continued affordable housing efforts—because we know stability begins with a place to live. It's that kind of sustained commitment that brought us to an exciting milestone: as of last week, Salt Lake City has helped fund more than 1,000 family-sized affordable apartments.

This proposal includes \$11 million for street maintenance, along with an additional \$1.5 million to ensure our sidewalks and crossings meet ADA standards—because safe, accessible streets are not optional.

And it invests \$11.3 million in our parks system and its continued maintenance. That includes improvements to Glendale, Washington, and Sugar House Parks, and new restrooms in areas with the highest need—because public spaces are essential to quality of life in every neighborhood.

These are meaningful investments. But they are also disciplined ones—focused on the services, infrastructure, and public spaces residents rely on every day.

This budget is fiscally responsible, strategically allocated, and disciplined in how it uses every available dollar. It reflects months of incredibly hard work to find efficiencies, reduce costs, and prioritize the services our residents rely on the most.

But even after that work, the cost of maintaining core services has outpaced the revenue available to fund them.

This year, I am proposing a general fund budget of \$498,863,053—a 1.57% increase from last year. That includes a proposed property tax increase of 12.5%, which will raise a total of \$13.5 million.

To be clear, this does not mean a 12.5% increase to a resident's entire property tax bill. Salt Lake City is just one of several taxing entities, and this increase applies only to the City's portion.

We did not arrive at this proposal quickly or casually. We exhausted every other option before proposing increases to property taxes and fees. What remains after this are choices none of us want to make: laying off dozens of City employees, cutting services Salt Lakers depend upon, or delaying infrastructure we'll need for the next 20 years.

Before we considered a tax increase, we cut \$13.2 million through department-wide cooperation and efficiency. We kept vacant positions unfilled for longer, or elected not to rehire at all, which led to more than \$6 million in savings. Over the coming year, we project an additional \$3 million in vacancy savings.

The Public Services Department reduced \$2 million through operational efficiencies and contract savings, in part because last year's investment in the Clean City Team reduced our reliance on outside contracts. We saved \$1.3 million of funding for City golf courses thanks to increased play and resulting revenue.

By the end of this fiscal year, Salt Lake City Police will have saved more than \$1 million in overtime pay thanks to Chief Redd bringing the department up to full staffing—savings that will continue into FY2027 to the tune of \$667,000. Plus, we anticipate police efficiencies to continue as we add a new squad dedicated to the west side, being paid for entirely by public safety investments from Utah Inland Port Authority.

Every administrative department in the General Fund found some way to save more, spend less, or pause hiring. That came with tradeoffs, many of them painful.

One of the hardest was the decision not to implement an across-the-board cost-of-living salary increase for City employees. Instead, we are prioritizing targeted raises for frontline workers and those whose wages are below market rate. Again, among the options we explored, the choice was between this and mass layoffs. It was not a choice we made lightly.

We have also explored other revenue options that would shift more of the costs the City bears to the visitors who use our infrastructure and services. To be transparent, I had hoped to include some of those options in this proposal. But they are complex and will require more time to thoroughly develop, and I will not build a budget on revenue I am not confident we can responsibly implement. That work of exploring new revenue options will continue over the next year.

After all of those decisions were made, we still needed \$13.5 million, which is where the proposed City property tax increase of 12.5% comes from. For a typical household in a home valued at \$624,000, that amounts to \$9.87 per month. Let me break down exactly where that \$9.87 goes:

\$0.17 for targeted lighting maintenance in parks and public spaces.

\$0.37 for Sustainability's Environment & Energy Division, which protects our natural resources, reduces pollution, and improves air quality in our communities.

\$0.58 to ensure that Youth & Family Services' YouthCity Program continues to provide support for kids and young families.

\$0.78 for maintaining the fleet that keeps this city running—from snowplows to emergency response vehicles.

\$0.82 toward the ongoing maintenance of our new parks, trails, and public lands.

\$1.11 toward the City's criminal justice efforts, including coordinated investments in legal defenders, prosecutors, and our Justice Court—because those systems only work when they are resourced together.

\$1.32 for fire response and prevention, including staffing for Fire Truck 3, a civilian fire inspector, and vegetation management to reduce wildfire risk.

Finally, \$4.73 to capital improvements essential to maintaining the infrastructure our city depends upon every day.

The City property tax proposal addresses General Fund services. But some of the City's most essential systems are funded separately through utility and service rates.

Outside of the general fund, this budget proposal also includes adjustments to public utility and waste and recycling rates. For a typical single-family household with low water use, that would amount to monthly increases of about \$14 for water, \$11 for sewer, \$3 for waste and recycling, \$2.60 for street lighting, and \$1.75 for stormwater.

I know this is a lot to hear. And I know these increases will be difficult for many Salt Lakers to absorb. I know your electric bill is going up, because so is the City's. I know you're paying more for gas, because so are we. But I also know that waiting would only make these costs higher.

The infrastructure most people never see, especially our water and sewer treatment systems, is aging. Its maintenance is expensive, yes, but not nearly as expensive as its failure would be.

Across the country, we've seen what can happen when aging water infrastructure fails. The hard reality is that many communities are facing critical water needs with too few resources to address them. Salt Lake City will not wait for failure to force our hand. We are taking steps now to rehabilitate the water infrastructure that nearly 400,000 people rely upon.

And the fact is, most of what you pay for isn't the water itself. It's the system that makes the sinks run and the toilets flush every single day, no matter what. The system that makes sure every fire hydrant is ready to be used in an emergency. The system that protects our community from extreme flooding. The system that makes sure the water that flows to the Great Salt Lake is clean and treated for pollutants.

That system is our responsibility: One we take seriously. One we cannot ignore.

Whether you use 5 or 500 gallons of water...the pipes, treatment plants, tests, and crews still have to be there every day. And while the system itself must be maintained every day, individual water use still matters. Households do have some control over that part of the bill.

Beginning now and continuing throughout the summer, the City is offering free water checks to households or commercial properties who need help making their lawn irrigation systems more efficient. Through our partnership with Utah State University, we want to help you learn ways to cut down on your outdoor watering and save money.

If you need extra support, we also have a number of financial assistance and tax abatement programs available. Check our website, or call our Public Utilities customer service line, for more information on eligibility and application.

Water. Sewer. Storm drains. Fire hydrants. Trash. Recycling.

Those are the fundamentals. These are the services people depend on every single day. This budget ensures we can continue delivering them reliably, responsibly, and without compromise. It is also shaped by the people who use those services every day.

I want to close by thanking Salt Lakers for the input, ideas, and feedback that helped create this budget proposal. Your voices are reflected in the projects we are proposing to fund—including three pedestrian safety projects that started with residents seeing a need in their own neighborhoods and speaking up.

Because of you, this year's CIP budget includes funding for street-crossing safety improvements near Rose Park Elementary School. It includes funding for 1700 South Neighborhood Byway Crossings by Whittier Elementary School. It includes funding for sidewalks near Highland Park Elementary School, especially where they are missing on Atkin Avenue and Kenwood Street.

And there are many other resident-submitted projects that this budget includes funding for. Thank you for your participation.

This is a year of constraints, but it is not a retreat from our responsibilities. This is a year of rising costs, but it is not one of lowering standards. And this is a year when hard decisions now can help us avoid harder choices later.

Because at the end of the day, this budget isn't about numbers on a page. It's about whether a parent can trust that their child will get to school safely. It's about whether a neighborhood feels cared for. It's about whether the basics are there when we need them—clean water, regular trash pickup, first responders, and filled potholes.

Because we know what's at stake if we don't act. We believe that taking care of this city—its people, its infrastructure, and its future—is worth doing right.

Thank you again, Council members and Council staff, for the work you will do over the next several weeks to carefully consider and finalize this budget.

I look forward to hearing from Salt Lakers at the upcoming public comment opportunities on May 19th and June 2nd, as well as the Truth in Taxation public hearing on August 11th.

Thank you.