

Budget 101



“Don’t tell me where your priorities are. Show me where you spend your money and I’ll tell you what they are.”

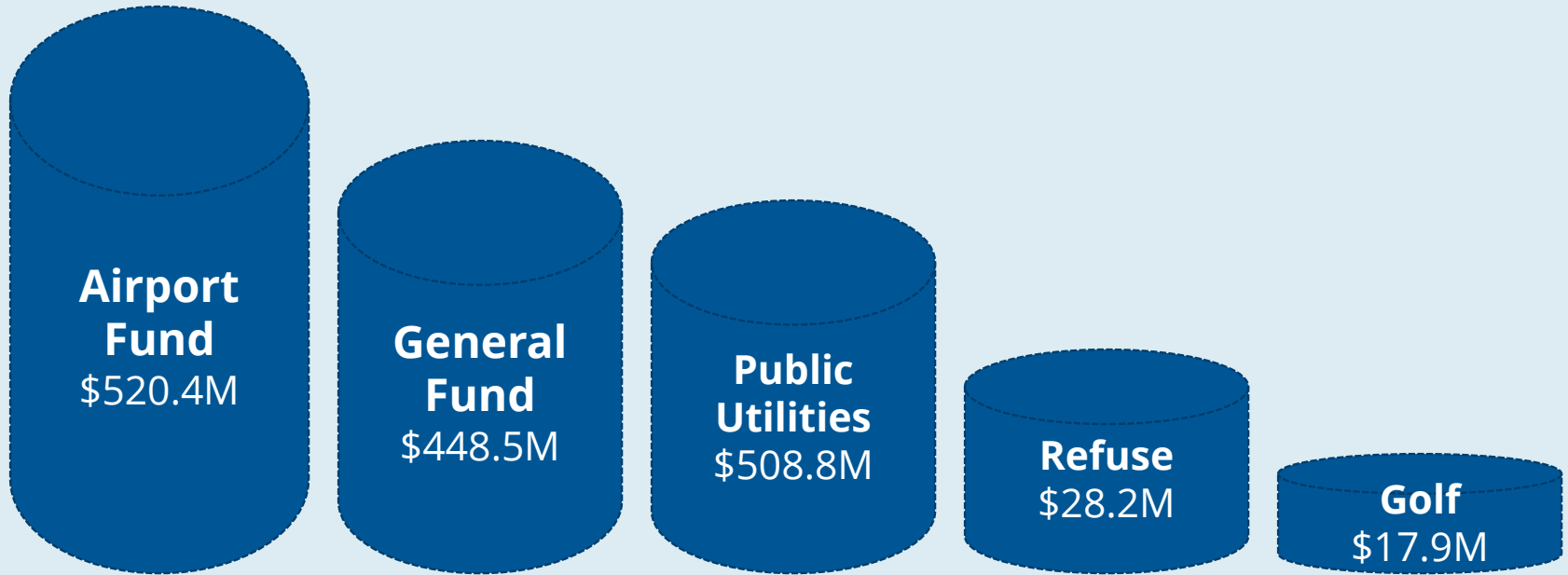
— *James W. Frick*

Why does the budget matter?



- Communicates the **POLICY PRIORITIES** of the elected officials
 - Funds basic **CORE CITY SERVICES**
 - Where citizens are most likely to see things **CHANGE**
 - Sets a financial **PLAN** for the next year
- Is a tool for mapping out **FUTURE NEEDS** and potential priorities
 - Discussions are **PUBLIC** and **TRANSPARENT**

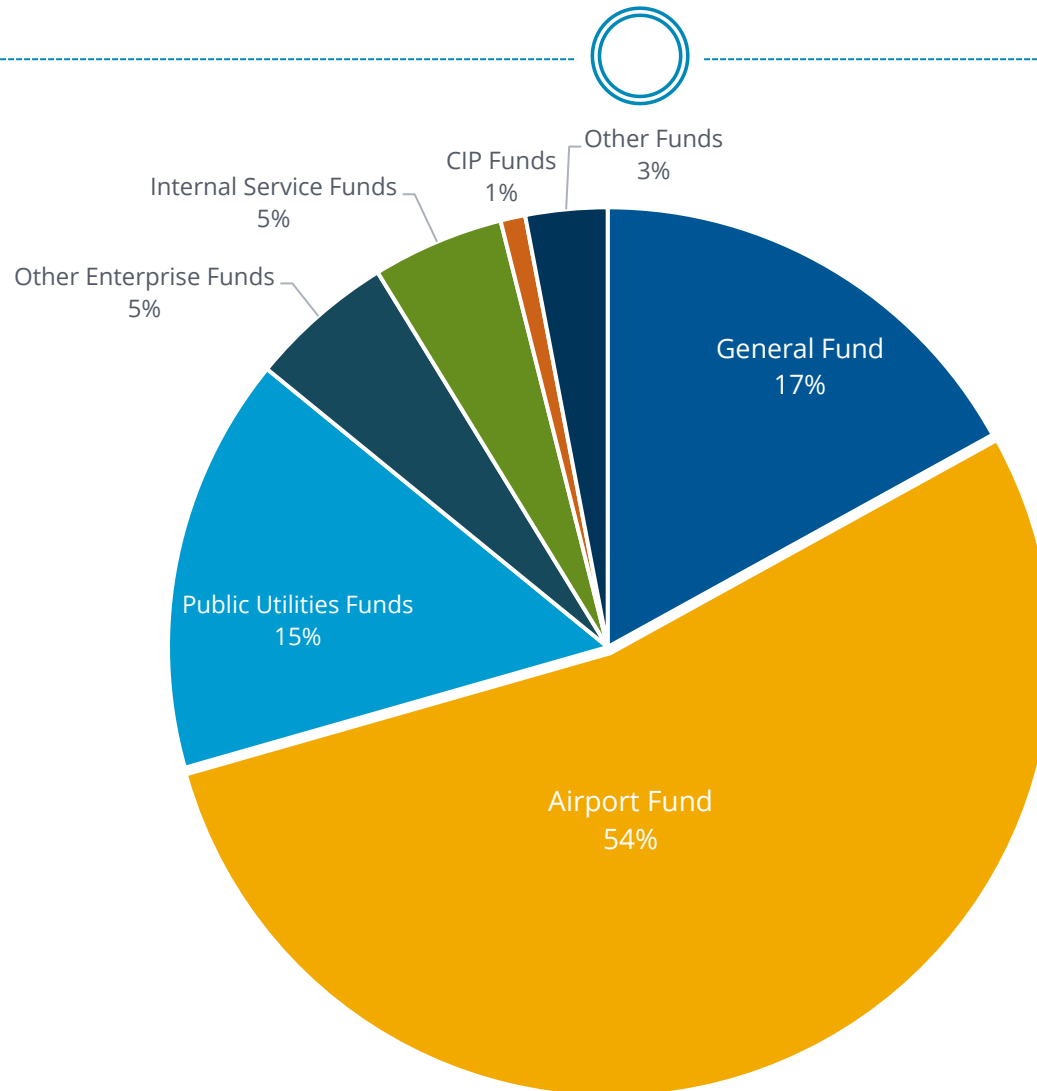
\$1.8 Billion Budget Under Council Purview



- Budget approved by Council after deliberations in May and June (*statute requires approval by June 30*)
- Different funds have different sources of revenue – this revenue cannot be shared
- Funding cannot be “shared” between funds unless a service is provided from one fund to another (*Golf is an exception starting in FY20*)

For illustration only - there are more “silos” than the ones listed above. Based on FY24 budget.

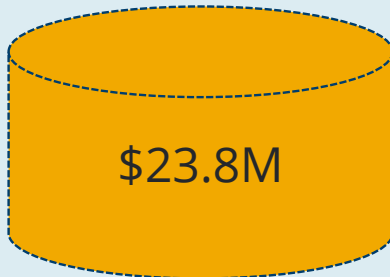
Another Way to Look at the City Budget



Unique Salt Lake City Funds

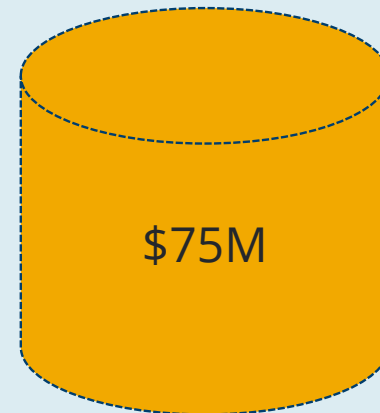


Library



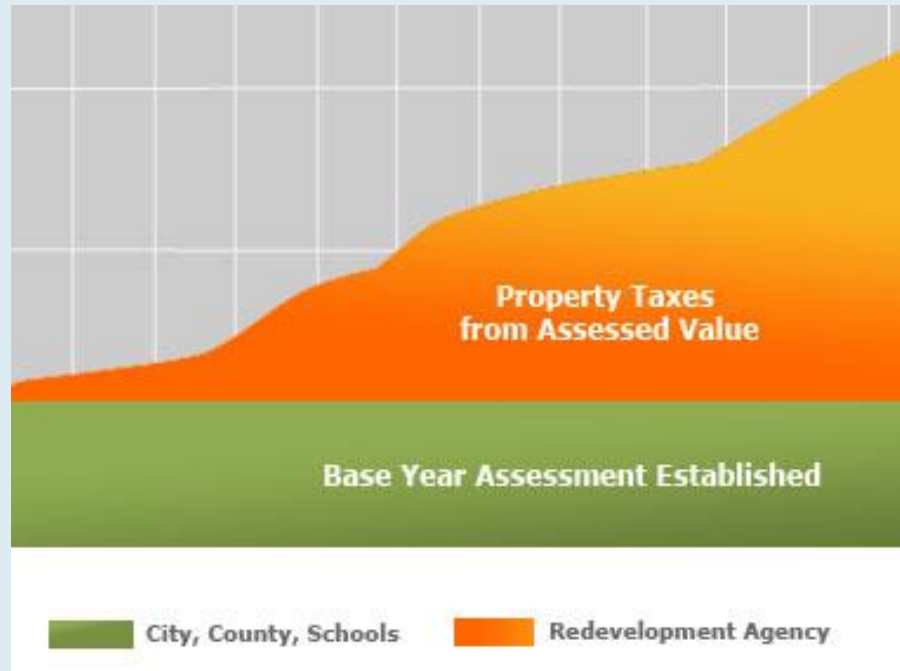
- The Library is a separate taxing entity
- The Council authorizes the Library budget and property tax levy, and the Library Board oversees policy and budget oversight.

Redevelopment Agency (RDA)



- The RDA is another separate entity, overseen by the RDA Board (Council) and run by the Mayor and RDA staff.
- Its own General Fund receives money from tax increments and funds things like Capital Improvements in RDA areas and Affordable Housing.

RDA Tax Increment

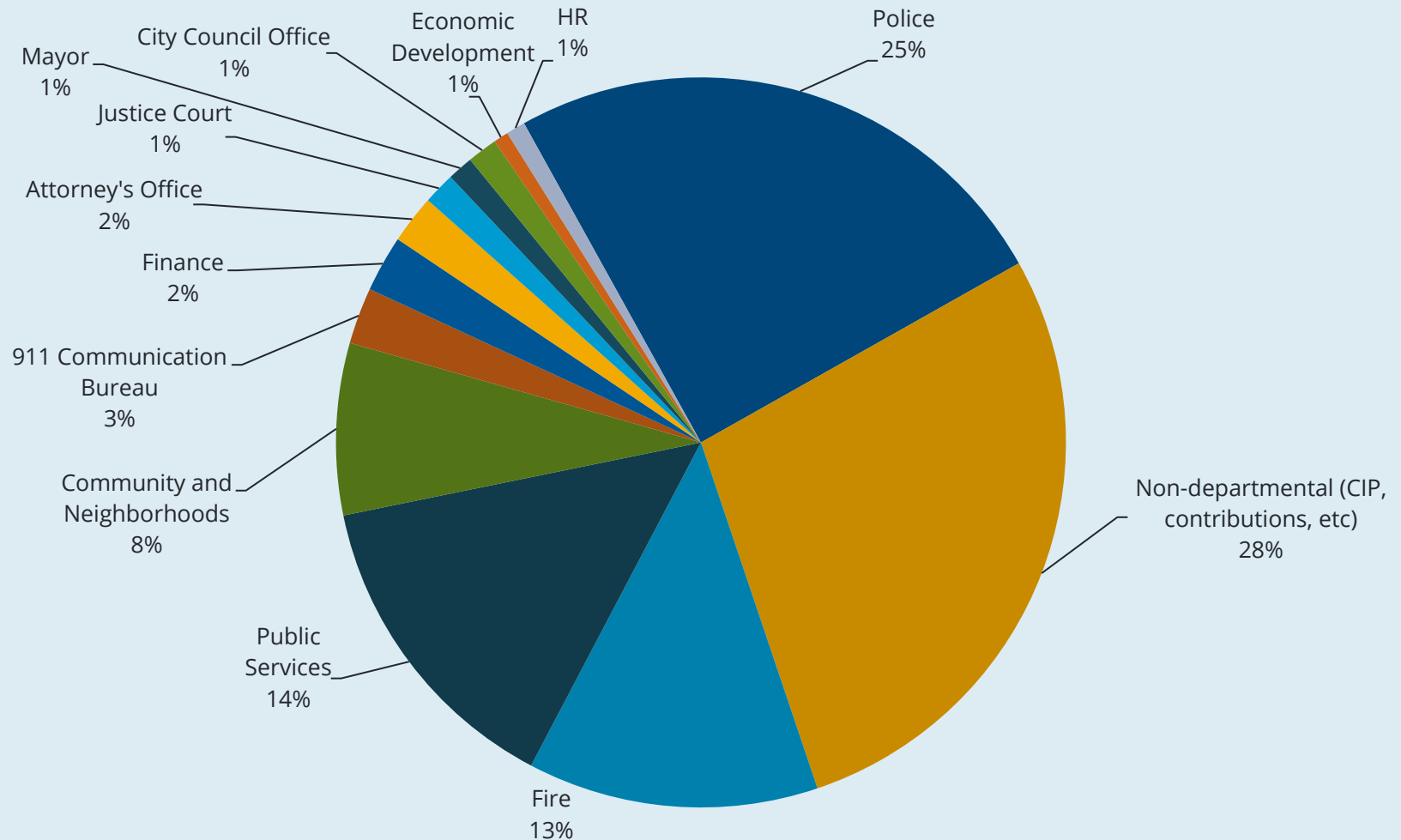


- The RDA reinvests funding from increased property taxes to encourage additional growth and investment.
- The City, school district, and/or county invests initially and receives returns after 20-25 years.

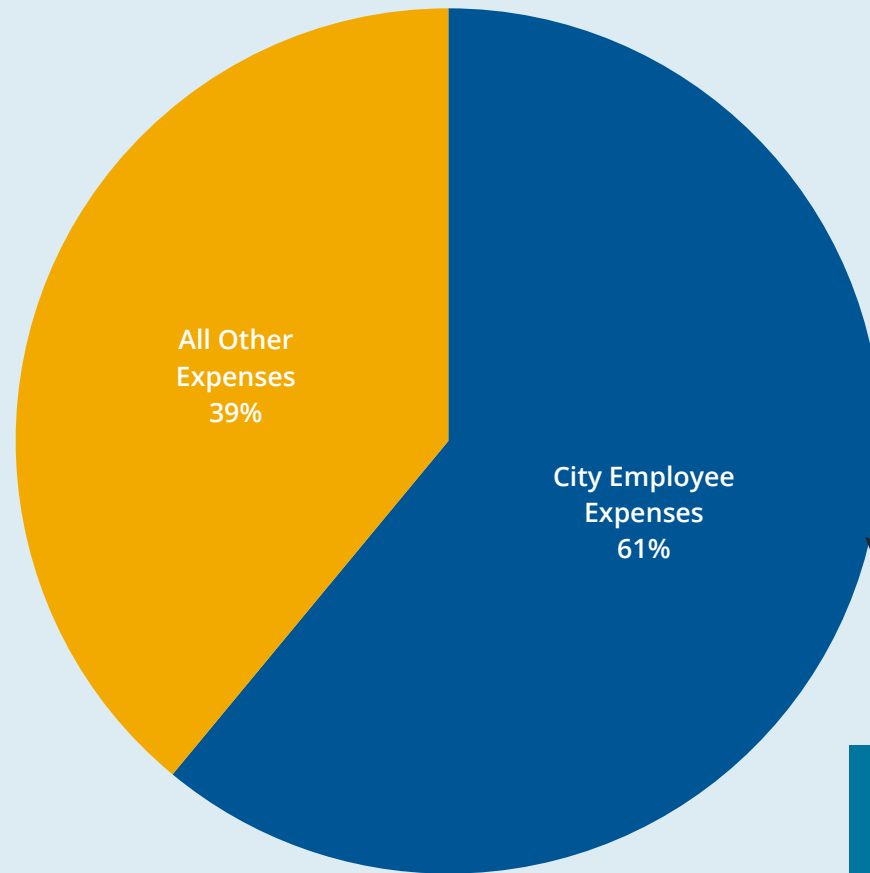
Expenses



Salt Lake City General Fund Expenses



General Fund Expenses

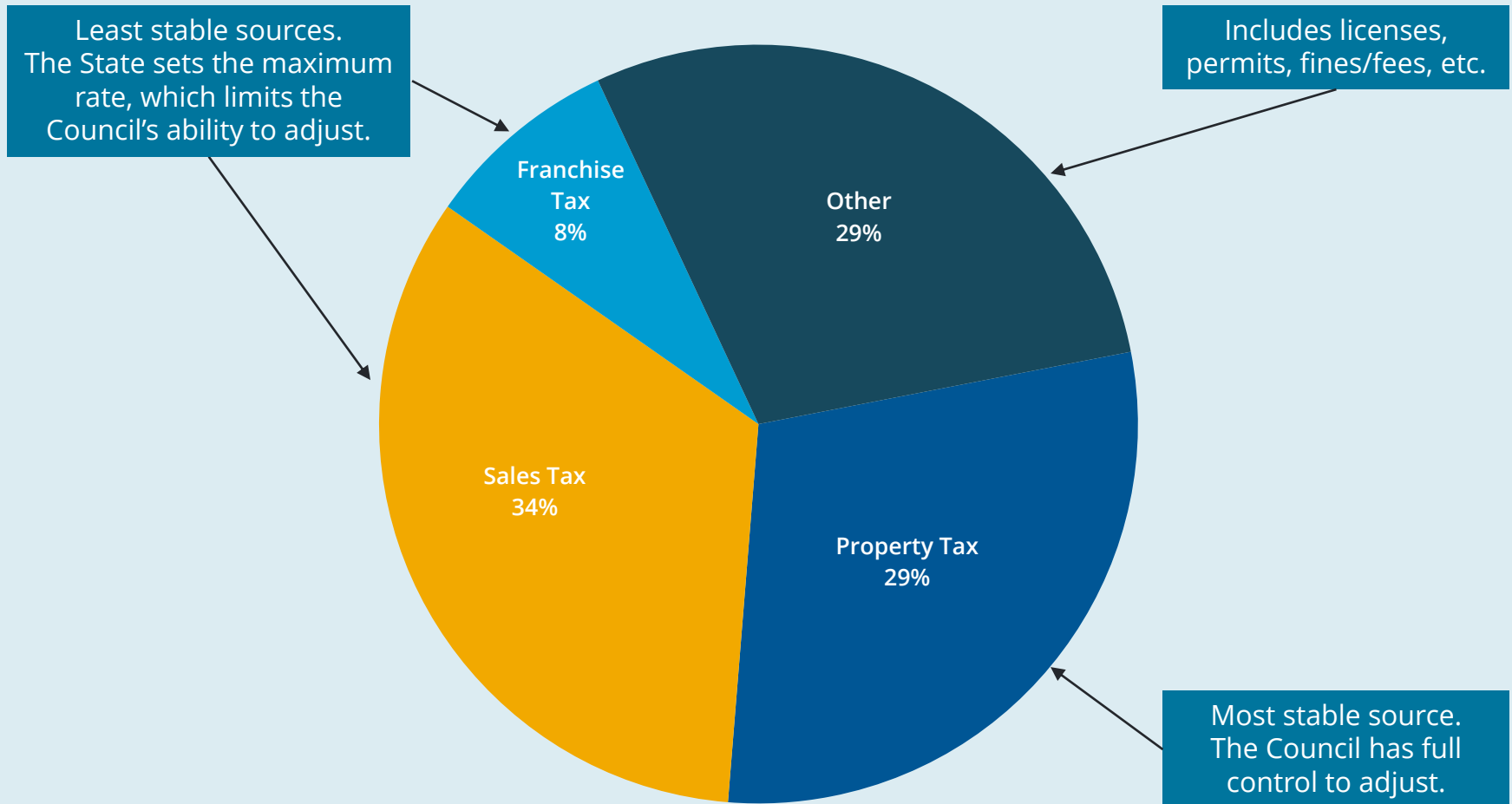


Includes salaries, benefits like health insurance and retirement/pension, workers' compensation, etc.

Revenues



General Fund Revenue Sources



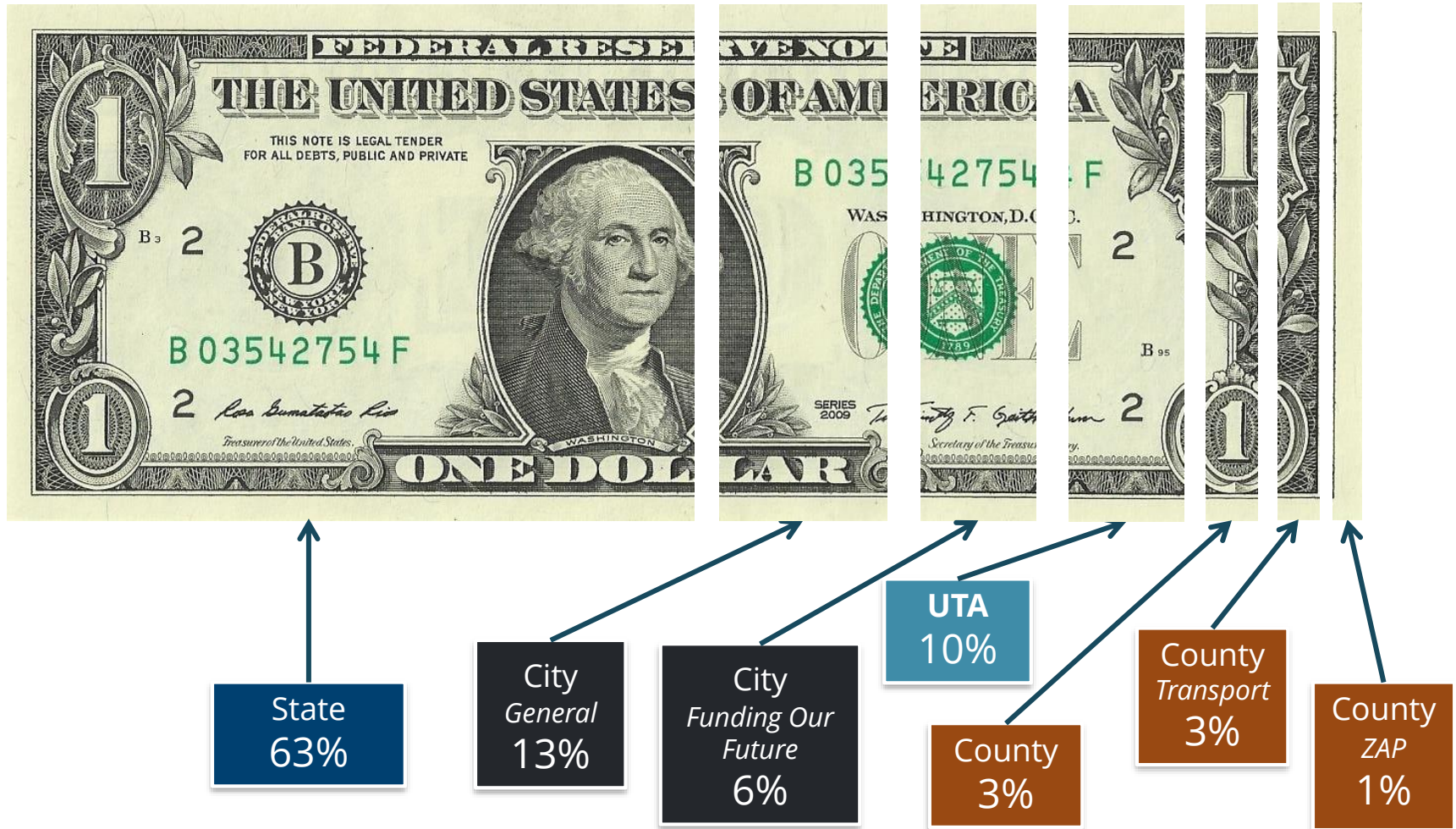
SL County Sales Tax Rate



Entity	Rate
State	4.85%
City	1.0%
City - <i>Funding our Future</i>	0.5%
UTA	0.8%
County	0.25%
County - ZAP	0.1%
County - <i>Transportation</i>	0.25%
Total Rate	7.75%

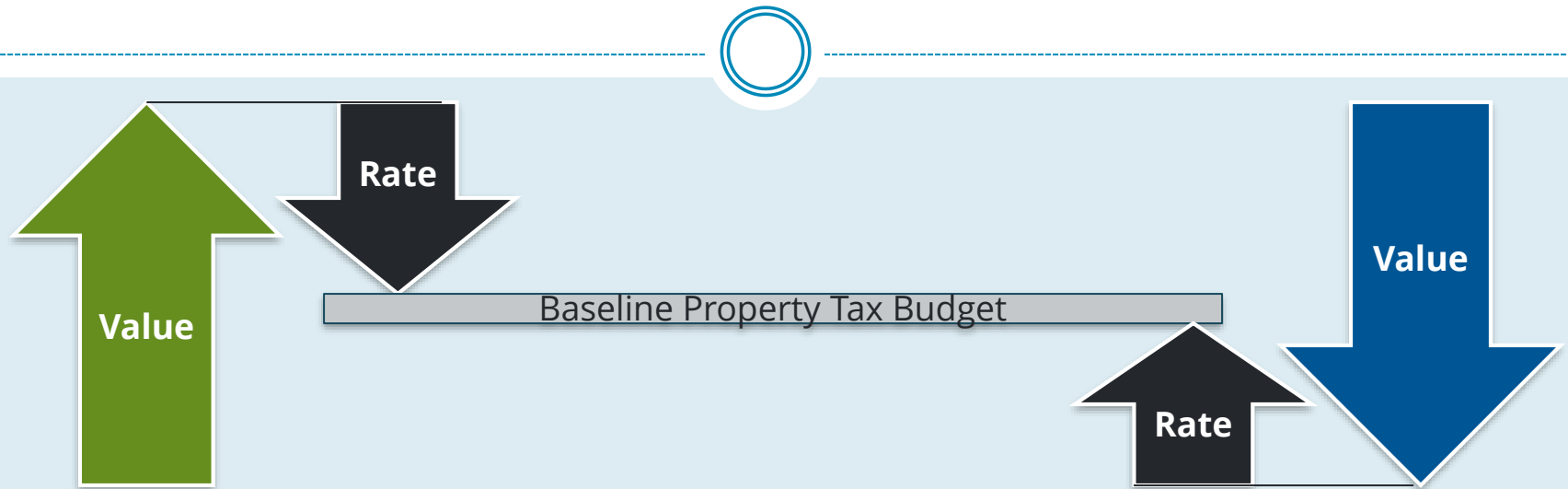
** Rates as of January 2020*

Sales Tax Revenue Distribution by Entity



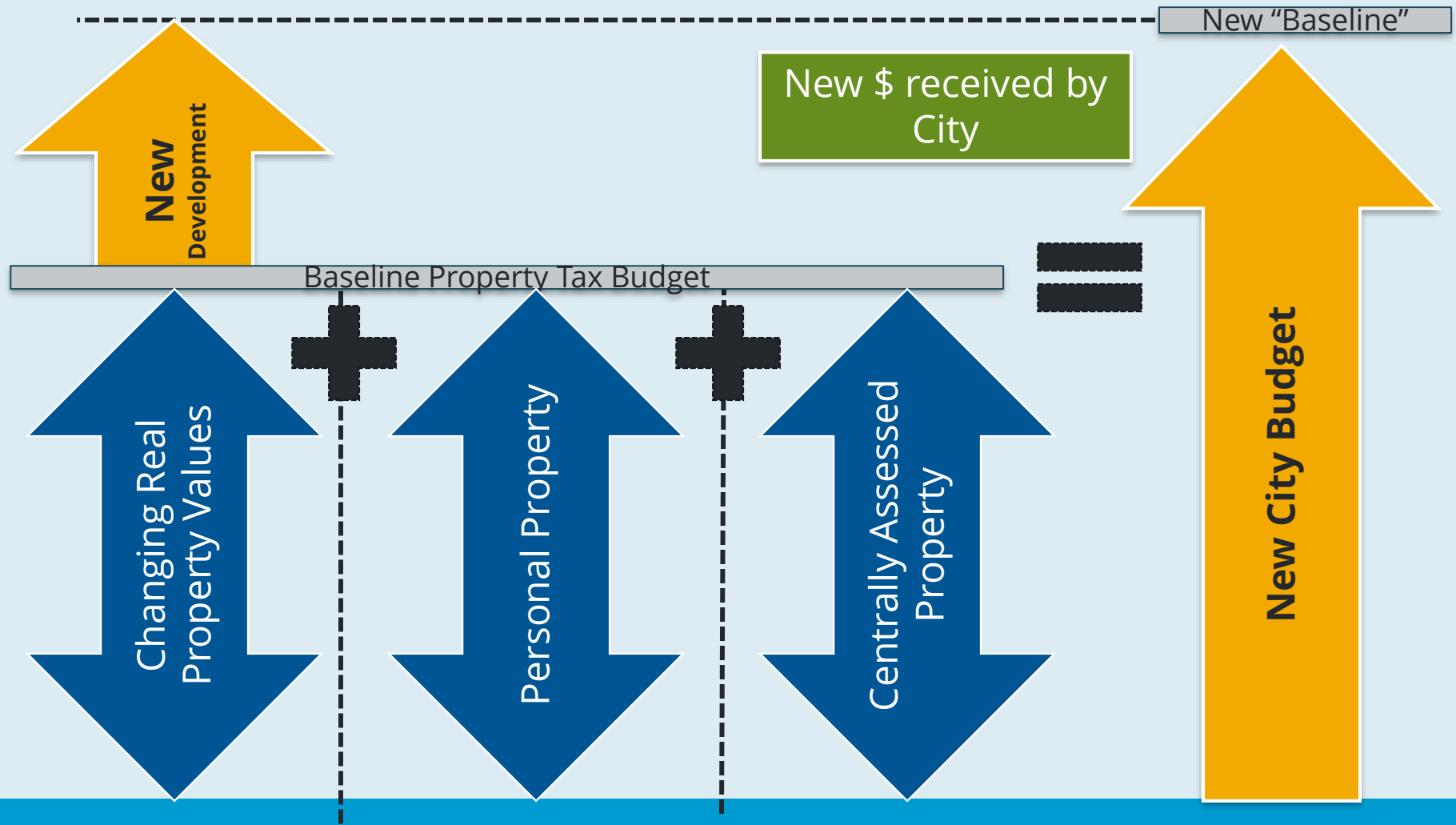
*total is 99% due to rounding

Truth In Taxation



- Holds the amount of property taxes that an entity receives constant, *regardless of changes in property value*.
- Unless the Council chooses to increase taxes to receive more \$ - requires public hearing & notice
- One exception – “New Growth” authorized by the County & State

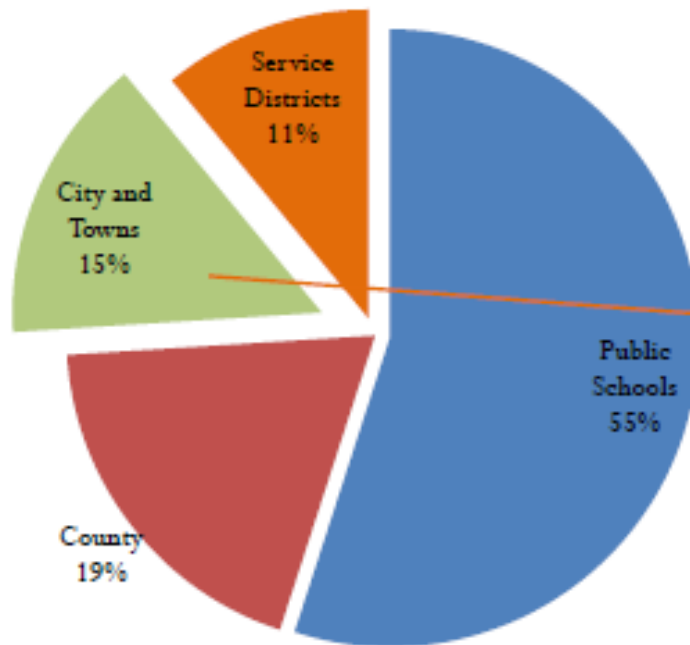
Current New Growth Formula



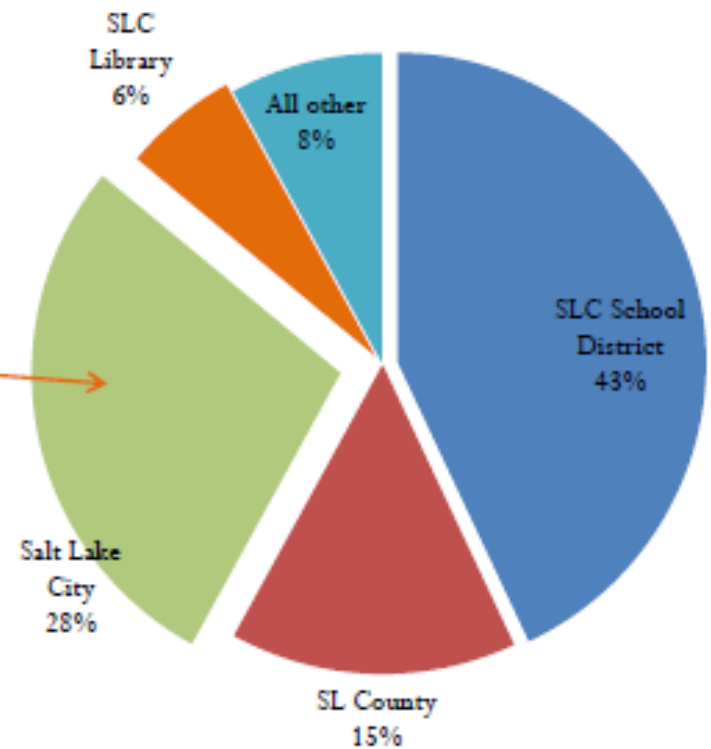
SLC's Portion of Property Tax Bills



Statewide average



Salt Lake City



One-time Funding vs. Ongoing Funding



One-time

- Generated from property sales, fund transfers, or city savings.
- Used for expenses like studies, construction, or art installations.

Ongoing

- Comes from sources like sales tax, property tax, or fee increases.
- Funds ongoing needs such as maintenance, staffing, and employee benefits.

Using one-time funds for ongoing costs may lead to budget deficits.

Council Priorities & the Annual Budget



The Council's FY25 Priorities



Addressing the City's backlog of maintenance projects



Assessing the City's response teams & homeless services



Managing the City's rainy-day fund



City employee pay



Community outreach & engagement

- During the drafting stage of the budget, the Council shares its priorities with the Mayor for consideration.
- Staff will always highlight budget proposals and/or opportunities that are in line with or could further Council priorities.

Budget Process Timeline



Prepare



The Mayor prepares the budget by working with the department heads to identify funding priorities

Draft



The Mayor considers each department's feedback, then prepares the Mayor's Recommended Budget

Submit



The Mayor submits the Recommended Budget to the Council

Review



The Council receives the Mayor's Recommended Budget and schedules department briefings to review major budget changes

The Council Chair may collect Council Member feedback via a straw poll

Adjust



The Council holds at least two public hearings, starting on the third Tuesday in May

The Council considers the public's feedback and adjusts the budget to reflect any final changes

Adopt



The Council adopts a balanced budget (no later than June 30)