

Good evening.

First, I want to acknowledge that this land, which is named for the Ute Tribe, is the traditional and ancestral homeland of the Shoshone, Paiute, Goshute, and Ute Tribes.

Salt Lake City respects and recognizes the enduring relationship between many Indigenous peoples and their ancestral homelands, and we respect the sovereign relationship between tribes, cities, states, and the federal government.

We cherish our partnership with Native Nations and Urban Indian communities and affirm our commitment to strengthening that connection in the years to come.

I'm grateful to be here with you tonight to present my Fiscal Year 2023 budget recommendation.

While this is my third budget speech, it's the first time I'm joining you in person for this process as Mayor and I'm really happy to be here with you all.

And while yes, this is my third budget speech, this recommendation will be markedly different than the two before it.

In fact, it is different from any budget I saw while serving on the City Council.

It's a multi-dimensional proposal that enables our city team to handle the service demands of people in our city, positively impacts quality of life for our residents, while also supporting our growing economy and our City infrastructure.

I've been part of budget decisions where our revenue was stagnant or in decline, and we were limited in the choices we could make.

Today we find ourselves in a unique economic position, with a growing economy, rising population and inflation. But, we also find ourselves at a position of never before seen demand for city services.

We've known for years Salt Lake City is experiencing unprecedented growth.

While our population has steadily risen to above 200,000 people, we know our daytime population balloons to more than 360,000, an 80% increase during business hours.

Recent data from the Kem C. Gardner Policy Institute shows that 83 percent of people who have a job in Salt Lake City, do not live in our city.

That takes a toll on our roads, increased calls for service to our 911, police and fire departments, and additional challenges to our environment.

In my first State of the City address as Mayor, we talked about the realities of being a city with tremendous economic inertia, how we can best capture that potential, and the challenges we would face as a result of our City's growth.

But with growth comes options and opportunity.

And as we thought about how to utilize this growth for the good of our residents, we didn't just look inward for those answers.

We looked out to our communities. We reached out to our residents. And we've heard them loud and clear.

In our annual resident survey, 4 out of 5 residents expressed their feelings that there is a high quality of life in Salt Lake City and more than 70% believe we are headed in the right direction.

Additionally, almost 80% of residents expressed interest in a future investment in our infrastructure.

Despite the crises of the past couple years, the highest priorities for our residents have remained quite constant.

They want us to invest in affordable housing programs, expand opportunities to improve air and water quality and increase investment in parks and public lands.

While the growth is exciting in many ways, Salt Lake *City* is facing the same challenges many of our community's *business* owners have experienced in recent months...the rising cost of labor, the shortage of available workforce, and inflation across the board, which is affecting everyone.

Over the past several years, even before the pandemic, we've experienced growth in work and service demand in every department and division in our city government.

Our employees have been stretching, reimagining and adapting their work to accommodate the growing needs and potential that our residents have been bringing to us.

Salt Lake City employees are amazing.

They are committed and they are passionate about meeting needs and making the potential possible.

That's why the focus of my administration has been **our growth, our environment, our community** and **our City family**.

And residents are asking our city family to grow to accommodate their needs.

We've all heard the expression 'Small Lake City.'

For so long, when you'd meet someone new here, you could spend under 10 minutes figuring out your mutual connections or which of their family members went to high school with you.

As we've seen our city, and our state, population grow more than ever, as locals we know it's less and less often we make those "1 degree removed" connections. We see and feel and know the growth all around us.

Salt Lake City is growing up.

And it's my job to bring you, the City Council, and all the people we represent, a financial path forward that reflects the realities we are working with.

A path that's responsible, prudent and proactive in its approach; most of all, one that supports the opportunities our amazing residents and local businesses are *asking us* to help them reach.

Tonight, I offer that path forward.

I'm recommending a general fund budget for the next fiscal year of 424-million dollars.

It marks a 1.85% increase in our fund balance from fiscal year 2021, which was the last pre-pandemic budget, and the benefits to our residents and businesses will be significant and wide reaching.

In this budget, you'll see four main themes that reflect our City priorities:

1. Decreasing Salt Lake City's cost of living and reducing the risk of homelessness through the creation of more affordable and deeply affordable housing and better transit options.

1. Making Salt Lake City safer by supporting our 911, police and fire departments at the level residents need and expect;

1. Making Salt Lake City more sustainable and improving our quality of life through investments in parks, trails and open space, and opportunities to clear our air –

1. and investing in our city family to support them and the amazing work they do everyday.

One of the primary goals laid out in this budget is affordable and deeply affordable housing.

Our residents who are homeless are always at the forefront of our minds and our work, as the impacts of the nation's fastest growing state population and the pandemic have exacerbated the homelessness crisis across Utah.

The strain on homeless resource centers and overflow shelter locations has grown.

Last year, I called for the cooperation of other cities and all levels of government to solve for this statewide humanitarian crisis.

I fought for Salt Lake City to receive guaranteed dollars from the state to address impacts on neighborhoods from the homeless resource centers they host.

And I advocated for the state to put real money into affordable housing development.

I'm grateful for the increased cooperation of other cities in our County, and for the funding our City will receive this year to mitigate some of the impacts we carry.

But the homeless resource system needs to serve more people. I hear the calls for action and I stand with all our residents. We must do better. We must do more. But the City cannot act alone.

Salt Lake City will continue to be a leader in addressing homelessness and investing in affordable housing.

We will continue to invest in access to resources, public health and safety solutions.

I'm excited to propose ongoing funding for the Downtown Ambassadors program and the new Rapid Intervention Team that will be able to quickly respond to residents and businesses that are experiencing issues related to unsheltered camping in their neighborhoods.

We are also renewing our contract for on-street outreach with Volunteers of America.

As of last year, millennials outnumber baby boomers as the largest population demographic in this country and the struggle for younger residents to purchase a home or find access to affordable housing is very real.

Six years ago, we made a massive investment in affordable housing, putting nearly 20-million dollars together to dramatically expand affordable housing opportunities.

It's time we do that again.

In this budget, between two city departments, we've put together 21-million dollars for affordable and deeply affordable housing, which can create 1,000 affordable units for our residents.

I'm proposing that the majority be prioritized for extremely low-income households with a focus on people and families experiencing or at risk of homelessness and essential services workers like our firefighters, police officers, teachers, and librarians.

This is not only an investment in housing stock, it's an investment for our residents who are facing housing instability and those who may be unhoused today.

Everyone deserves a safe, warm place to sleep that they can afford.

I feel passionately about this, and I know you do too. In this budget, we can bring a massive lift to the housing crisis.

If adopted, this budget will make significant investments in public safety, which is a priority I know we all share.

Crime is down 15% in Salt Lake City year to date, but this work is never done.

Thanks to the ongoing work of the Racial Equity in Policing Commission, Salt Lake City continues to explore how we think about public safety and in this budget you'll see the commission's recommendations reflected yet again.

We'll hire an additional 22 employees in our police department, the majority of whom will be *civilian* positions. These additions will add critical capacity to our Victim Advocates and Civilian Response Teams. We are also adding a position specifically to enhance our department's outreach and recruitment efforts in our historically diverse communities.

I know these positions will improve public safety, they'll reduce strain on our officers who are responding to more calls than ever before, and they'll also positively grow our community's relationship with our police department.

I want to sincerely thank our police department for their continued commitment to keeping our residents and visitors safe.

Salt Lake City will continue to be competitive in our compensation structure for our first responders because we want the best.

Our residents deserve the best.

Last year, with the support of the City Council and in response to the high demand and increasing difficulty of these jobs, the City gave a historic wage increase to our law enforcement officers.

This year, in order to maintain Salt Lake City's position as a wage leader in public safety, we're proposing a 3.5% increase for all police officers, with an additional 6.0% increase for our most experienced, top-step officers.

This budget will also allow our fire department to hire an additional 10 firefighters to help support the demand they are seeing.

It also calls for the activation of additional medical response teams, which serve all our residents and, oftentimes, those who are most vulnerable.

Demands on every department and division have increased in recent years, while we have operationally remained lean and have budgeted conservatively.

My budget approach this year remains prudent and conservative, given the tremendous growth we are bearing.

I am asking for investments in projects that will make Salt Lake City a more sustainable city and, importantly, improve our air quality.

In fact, this year's budget committee placed emphasis on air quality in every decision we made.

This is seen across a spectrum of proposals in this year's budget - from our 200 South reconstruction project that allows for more bike travel, increased pedestrian walkways and new

landscaping trees on Utah's busiest transit street - to investments in our new Park Ranger Program.

I believe it's important to think of our environment whether we're budgeting for transportation needs or capital improvement requests.

We will always stretch every dollar and keep the city budget as lean as possible, but we cannot ignore the fact that additional revenue is needed to meet growing demands.

In this budget, I'm proposing creative new ways to harness revenue the city is *already* receiving, as well as *new* sources that, if adopted, will produce benefits to every resident's quality of life.

The multi-dimensional part of this year's budget comes in the form of new, additional revenue generation that is necessary for our services to meet our public's demand.

In addition, I propose to create a fifth "bucket" of Funding Our Future, which will support the ongoing maintenance needs of our existing parks and open space.

These are critical needs the City must address.

Salt Lake City residents are known for our deep connection and commitment to our public lands and our precious green spaces. In polling from just three weeks ago, 70-percent of our residents supported investing new tax dollars in our open spaces.

Tonight, I'm excited to propose an initiative to "Reimagine Nature" – a general obligation bond to be placed on the ballot this fall for our voters to decide.

I am seeking an 80-million dollar investment that will be transformative for our public lands, parks, and urban trails.

In this proposal, you'll see major investments for the Glendale Regional Park, the Jordan River Corridor, Liberty Park, Allen Park, Folsom Trail, Fleet Block, and seven other neighborhood parks.

These projects will work to improve our air quality and water quality by increasing biodiversity and planting more trees and vegetation.

With this voter-approved investment, we'll be able to answer our residents' call for more access, connectivity, and ongoing care to our treasured green spaces.

The projects we've selected were guided by the Reimagine Nature Master Plan, which was built with our community, and that you will soon consider. The projects were chosen based on equity, access, and positive impacts on air and water quality.

We can use this bond money to make city-wide improvements to our parks and open spaces but we need an on-going and sustainable way to care for and maintain these assets.

City residents have made it clear that taking care of their investments, now and into the future, is important to them.

To this end, this budget proposes an ongoing commitment to parks and public lands maintenance through the new-growth portion of Funding Our Future.

This is a 2-million dollar ongoing investment that will be funded from existing additional growth in our sales tax revenue, at no new cost to residents.

Also included in this year's budget are my plans to invest 63-million dollars in already existing bond capacity since the City recently paid off a 25-year bond for the Steiner Ice Sheet.

Putting this current capacity to use will not create any new tax burden on our residents, but it will create real, visible progress on projects that are important to all of us.

With the sales-tax bond, residents will soon see quiet zones near railroad crossings, improvements to Pioneer Park and Fisher Mansion among many other investments.

And you all know that construction began several years ago on a new 830-million dollar water reclamation facility to replace our existing treatment center, which is reaching the end of its lifespan.

At nearly 55 years old, this project was not only needed, but it was *required* by the federal government and will come online in January of 2025.

Back in 2015 Public Utilities initiated a gradual rate increase that the city council has consistently approved, and that rate increase proposal continues this year to maintain this necessary work.

During significant public engagement, residents made clear that they prefer gradual increases over several years, as we have been doing, instead of significant one-time jumps in rates.

Residents will soon see a postcard in the mail detailing this year's planned increase for public utilities.

In my budget, I'm proposing we quadruple the public utilities assistance fund to help more families than ever before.

As we discuss growth and how best to harness it as a city government, I've taken a hard look at where we've been.

And I find myself looking back at 2014.

When I began serving on the City Council in 2014, the median price of a home in Salt Lake City was 288-thousand dollars.

Today, it's nearly 520-thousand dollars.

Salt Lake City has not raised property taxes in eight years.

We've been really fortunate.

The Council, my predecessors and I have been careful stewards of our city's budget, and we have been able to deliver extraordinary service to our taxpayers without an increase.

Inflation, increased labor costs, and most notably — the stunning increase in demand for city services — has led me through careful consideration to request your support for a property tax increase, equivalent to about 10 dollars per month on the median-priced home in Salt Lake City.

As leaders, it is our responsibility to make difficult decisions like this.

Inflation has taken its toll not just on our city's business owners and residents, but also our city government.

It's an important part of this discussion because, as inflation rises nationwide and impacts all of our residents, it also equates to increased costs for our government to operate.

The Consumer Price Index for all urban consumers was up 8.5% over the past 12 months.

Here in our City corporation, we feel those costs, but the costs have also been compounded by increased demands for city services.

I look at our Building Services Division, which is currently experiencing one of the most sharply rising areas of demand within the City.

In the past year alone, valuation of permits processed have doubled from 1.4 billion dollars to 2.8 billion dollars.

At the new Salt Lake City International Airport, we project that by the end of fiscal year 2023, we will set a new record for passengers flying out of, or through Salt Lake City, at more than *27-million people*.

In 2014, that number was *21-million*.

We are also not immune to the growing impacts and dangers of climate change and the enduring drought suffocating the western United States.

Last August, the human-caused Parley's Canyon wildfire threatened one of our important municipal watersheds. We're in the midst of the worst megadrought in 1,200 years, while also supporting the largest population that has ever called our city home.

And while overall crime is *down 15%* year to date, our 911, police and fire departments are fielding more calls for service than ever before.

In 2014, the Salt Lake City Police Department received 90,000 calls for service.

Last year, they received 127,000.

43 percent of our residents are using our parks more frequently since the pandemic began, and our trails are being used 41-percent more frequently.

These are just a few examples of long-building growth we have been working to serve and meet the needs of.

For the past many years, we've been fortunate to adapt our budgets, analyze and squeeze every nickel we could to serve our residents.

And we've done great things, even with the crises of the past two years.

I've debated this decision for months, but as we forecast future years, it's clear that a 4.9% property tax increase now is necessary to avoid a much larger increase down the road when demands are even higher.

Raising taxes is always a tough choice, but the longer we choose to save money by not doing the critical work that needs to get done – by not hiring enough people or paying good enough wages to work on our streets crews and maintain our parks – the further we fall behind on doing the business residents expect and need us to do, and the more it will cost us to catch up.

I know the question will be – why do we need to do a tax increase when we are seeing increased sales tax revenues and have received recent federal money for pandemic relief? This is a serious question and it deserves a clear answer.

We were so fortunate to have had federal CARES dollars and President Biden's Rescue Plan dollars come in as one-time support to help fill the gaps in revenue we suffered during the last two years and help our residents and businesses get the support they desperately needed.

And though our revenues have increased, they have not risen at the same pace as the demands have for our city.

One-time federal funding and recently increased sales tax receipts have been critical, but they don't provide the stable source of funding we will need as we project into the future.

This moderate tax increase now will prevent us from being faced with needing to do a larger increase down the road.

And let me be clear for our residents—this 4.9% increase is only to the *city's* portion of your total property tax. Salt Lake City receives and sets the rate for less than one third of the total tax, with schools, the county, and other taxing entities making up the majority.

If this budget is adopted, we will have the ability to provide increased access to affordable housing, a safer community, and the ability to do the jobs residents are asking of us.

Our city family is truly the heartbeat of Salt Lake City. They keep our roads paved, our water running and our community safe.

These adjustments are imperative to provide the same services we provide today and to improve them for the future.

The benefits of this proposal will be widespread and have significant impacts on our community as we meet the needs of our diverse and expanding capital city.

This will bring us to the next level.

To serve our residents better.

We will add employees to departments that are struggling to keep up with the needs of our residents.

We will exchange more gas-powered city lawn mowers for electric ones.

We will continue investment in Tech Lake City, creating job opportunities and increasing economic mobility.

We will invest in cybersecurity needs that keep our city and our residents safer.

And perhaps my favorite part of this budget, the expansion of the city's Hive Pass to utilize the funding for all children in our K-12 schools to have access to public transit. This helps our air quality and lessens the transportation burden on families.

This proposal is about structuring our government and public spaces to embrace the potential we are facing.

This is a catalyst to making our city safer, greener and ultimately better.

Our city is in high demand. And with these investments we will be better able to shape the growth for the good of our residents.

And what do they want? Safety, stability, and opportunity. To connect with joy, to connect with nature and to connect with each other.

We're good at serving those needs in Salt Lake City, and we're going to be better.

History is filled with governments acting as a passenger in times of growth and economic success, and the driver in times of economic stagnation.

Let's transform the discussion to move from the growth that's happening to us, to making choices that will allow us to get the most good out of it.

Let's take the wheel and shape the future our residents want.

Thank you for your support and your careful consideration of my 2023 budget proposal. I look forward to working with you over the next two months to enact a budget that levels-up our city in a way that's resilient and responsible.