

MAYOR RALPH BECKER



Budget Recommendations for FY 2012

City Council Meeting

7 p.m.

May 3, 2011

Good evening, Chairman Love and City Council Members.

With difficult economic times, our City budget has seen great change. None of us has been immune to the financial challenges of the last three years. Like individuals, families and businesses throughout the City, the state and the nation, we have had to physically and philosophically adjust to new economic realities. With shortfalls measured in the tens of millions over the course of my administration, we've worked to identify savings and become more efficient; we've faced the painful action of layoffs while we've worked to meet our responsibility of providing and maintaining quality, basic services for our residents.

Difficulty, Oliver Wendell Holmes said, creates a capacity to handle it. The difficult but necessary actions of the last few years have moved us toward a budget that is sustainable; economic challenges have pressed us to make tough, thoughtful decisions about how we effectively and efficiently provide City services. Our department directors, their staff, and our nearly three thousand City employees have labored and sacrificed to meet the demands required and expected in our Capital City.

The budget I present to you this evening demonstrates the capacity of Salt Lake City to meet challenges. It is the product of the expertise, creativity, and the perseverance of our budget and finance staff, and of the professionalism and dedication of our department directors.

Tonight I will briefly summarize my overall budget recommendations for Fiscal Year 2012 and then provide you with just a few specifics.

Once again, we have managed to find the solutions to challenges posed by tough times without asking for increases to general fund revenues. Throughout this down cycle, and again this budget year, we have found new and more efficient approaches and – mindful of the impact of a tough economy on our residents and businesses – have kept property tax for the City's operating budget unchanged.

We continue to make the safety of this community a top priority. Despite the economic downturns that have so challenged us the last few years, we have been conscious – and have acted upon – our key responsibility to ensure the public safety of our residents and those who visit our City each day. Our public safety has not been compromised.

This year, we'll see a small increase in the overall size of our budget – it comes at a time when the City is finally seeing some glimmer of recovery in a revenue stream that's been languishing. While our new, and leaner, approach has garnered savings in almost every area, it is absolutely critical that we look to the future and stay engaged in the work of ensuring prosperity in the better days ahead.

A major goal for this City, and one that has been a focus since I came to office, is the creation of an ongoing budget solution that comes without the long-term consequences of structural imbalance. While one-time funding can make a great band-aid for near-term challenges, it is ultimately money that will not sustain us. This year, we have nearly met the plateau – a goal

this administration has worked so hard to attain: a truly sustainable budget. We're using less than \$500,000 of one-time money for ongoing needs – a figure most would have thought impossible to achieve just a few short years ago.

To help build a sustainable budget, we are proposing a handful of new, proven programs that more fairly distribute costs and lay a solid foundation for our financial future:

The Good Landlord Program looks to incentivize appropriate and fair landlord/tenant relationships while reducing the burden on taxpayers who fund the City administrative services that address neighborhood issues. The backbone of this program is one of training and education and has found great success both in our region and across the country.

The Administration is also proposing implementation of a new enterprise fund. The City's street lighting infrastructure is aging and in need of replacement and updating. The fund will accelerate our sustainability objectives and allow for a speedier transition to cost-saving practices while protecting the safety of our residents and spreading the burden of payment more equally among all property owners.

Our City is noted for the excellent services we provide. Because Salt Lake City is service driven, our largest budget item is personnel costs. Rising healthcare costs and diminishing revenue have significantly impacted our City employees over the last four years. The Administration is recommending pay increases this year, to address in part, an increase in participation in the cost of health insurance premiums. I acknowledge our employees who take pride in the work they do; they have continued to work with skill, dedication and vision through tough, economically challenging times.

Earlier today I was asked by a reporter if this budget contains any big initiatives for our City.

This budget, I responded, details our ongoing commitment to the delivery of basic services and

incorporates some proposals for new revenue, but is also reflective of a disciplined orientation that allows and promotes a continuing, thoughtful effort to plan for – and advance – *many* initiatives that ensure a sustainable quality of life here in our beautiful Capital City.

This Administration, with the support of the Council, is moving Salt Lake City initiatives forward despite challenging economic conditions. Our Public Safety Building is progressing and the North Temple Grand Boulevard with the Airport TRAX line is on budget and on schedule.

Construction on the Sugar House Streetcar is expected to begin early next year and could be completed and serving our community as soon as 2013. We have worked with the County to enhance and support a downtown Cultural Core and are moving forward with the implementation of plans for a performing arts center on Main Street. And, we continue to advance sustainable ordinances and practices that help us conserve our resources and ensure a healthy future for Salt Lake City.

While across the country many local economies have virtually frozen in place, Salt Lake City – though not totally immune to national financial fluctuations and economic doldrums – has continued to grow and to flourish. City budgets adopted over the past three years have shown evidence of the worst economic downturn since the Great Depression and the largest budgetary reductions in memory. In spite of these conditions, economists nationwide have touted Salt Lake City for its resilience.

From *Kiplinger's Personal Finance Magazine's* choice of Salt Lake City as one of the "10 Best Cities for the Next Decade" to *Forbes Magazine's* pick as one of the best job markets in the nation and *Newsweek's* declaration that Salt Lake City is "poised for recovery," the accolades and attention are impressive.

The accolades, however, do not come without great effort. Thanks to the hard work of our employees, and thanks to the investment of businesses and the ingenuity and strong will of our residents, Salt Lake City is staking its claim as a Great American City.

I look forward to working together with you as we further a shared vision for our City. Thank you for all you do.