

TRCC Advisory Board
October 30, 2008
Salt Lake County Government Center, N2003
10:00 am

Minutes

Citizen input: Utah Restaurant Association presented their request for a contribution for a marketing campaign to encourage patronage at restaurants. Last year the project spent ~\$600,000. While sales tax revenue is down, restaurant sales tax is still up. Currently 4-5 counties are participating in the program.

There was a discussion of whether or not the use of Restaurant Association tax met legal terms, and it was explained that the advisory board needs county approval to make anything legal. Using TRCC money this year for Restaurant Association tax not advised to be used for advertising. A request was made for more guidelines before decision is made on this matter.

Approval of minutes from last meeting

Reports for board members: none

Updated information on TRCC fund balance: Lance, budget director. Financial report. Currently, what is happening is outside of the models. However, there is still a need for projection. Forecast from Global Insight: first decline since 1991, unemployment expected to increase to 7.5% by the end of 2009. The economy is forecasted to continue declining through end of 2008, and until the end of 2009, projected to begin to grow in 2010, and become a robust economy again by 2011. Salt Lake County currently has a projected unemployment 4.5% in 2009 (3.9 in 08, 2.6 in 07); taxable sales are projected to decline ~5%; significantly more in durable sales. Restaurant tax is projecting a very slight decline.

August sales tax numbers were reported from Tax Commission: overall, through corresponding times in back to back years (2007/2008): sales slightly up, car rental tax: 6% decline, transient room tax: staying flat and expected to decline slightly. The originally adopted budget in 2008 was amended in June. The sharp run up in grocery prices are making it difficult to project revenues, and it is suspected that families are trying to make up for it by cutting other costs. The visitor promotion budget was set at \$12.4 million, which was down significantly. Figures are based on conversations with managers of hotels, etc, who expect ~5% decline. Car rentals are expecting about ~6% decline.

Core revenues were discussed and include: restaurant, car rental, transient room tax. Total revenues between TRT fund and TRCC funds are down. Property tax remains stable.

Mayor Carroon's 2009 Budget Recommendations: The mayor is proposing to use Center of the Arts balance and Salt Palace as a cushion. Center of the Arts budget will be down to \$200,000 for the next year, as a one-time action. Overall goal is to leave \$3 million in Salt Palace reserve fund and \$3 million in capital replacement reserve fund. Revenues tend to be very conservatively projected and contracts are to be renegotiated. Budget includes 5% decline in workforce, not accounted for yet.

Overall, for Recreation and Parks, about \$1 million of general fund transferred to TRCC fund. The transfer can only be used for TRCC related purposes. Originally, there was a question of whether or not to close down rec centers, and there was a decision to try to get by another year and increase transfer to keep them open. There was also a decision to shift funds to increase public safety. Parks and Recreation, in real dollars, are down about 3.5%. Even though they are increasing TRCC funding to Rec and Park, overall budgets will still be significantly decreased. Other possible actions the Mayor vetoed included: delaying Northwest Rec Center (ZAP project) and possibly closing Redwood and/or Central City. The hope is that natural reduction of employees in the county will help, and that time will help as well.

Convention and Visitors Marketing Bureau took significant hit.

The Blue Iguana building was bought and there is a projection to sell the restaurant portion, but it may be difficult to do. If the county is not able to sell the property, the fund balance would be sufficient for a year, but if it were to go beyond 2010, it would become a problem.

Capital Projects recommended: Only new projects currently approved fit into two categories: those required by law/ordinance code/contract or to fix a health code or public safety problem. Mayor Corroon amended capital projects by adding two more: expanding parking lot for Big Bear Park and a storm drain project in Western Park.

With regard to the bond/debt service related to the TRCC fund, there are fluctuations that occur year to year, with a substantial drop in 2011.

In terms of the TRCC fund's discretionary components, West Valley Cultural Center Sandy Amphitheater, and inter-local agreements are contractual. The Center for Arts, equestrian park, \$2 million capital maintenance projects, and Salt Palace operations are discretionary. None of bond-debt service is discretionary.

Meeting adjourned.