

that year was \$569,155.75, and the expenditures \$572,485.96; there was a balance in the treasury January 1st, 1890, of \$54,875.28, which resulted from the credit balance of \$58,205.49 on the 1st of January, 1889. The increase of both income and expenditure for 1890 seems large, but a careful examination of the reports herewith submitted, in connection with the valuable information afforded by the reports for 1889, will show the increase is not disproportionate to the increase of the city in wealth and population, or to its needs for a larger revenue to make necessary improvements, and meet the demands of its increased volume of business. We assumed the government of the city February 19th, 1890, and we have no official report for the fraction of the year ending on that day, but a comparison of the reports for the two whole years shows approximately the comparative rate of expenditure of extra income from January 1st, 1889, to February 19th, 1890, and from the last date to the end of the year 1890, which makes respective periods of 13% and 10% months. The ordinary income of the city from taxation, licenses and other regular sources, should meet and be adjusted to meet the ordinary yearly expenses of the city government and interest on its public debt. As the city grows and its volume of business increases there will be an increase in this kind of revenue and also in the annual expenses. This has been the case in 1890. The growth of the city has made it necessary to increase the number of departments, the clerical force, the police force, to enlarge the fire department, practically to establish an engineer's department; to establish a board of public works and a board of health; to expend large sums on the streets and in developing and increasing the water supply in City Creek and Emigration Canyon, and in many ways to increase the expenses of the city government. From some of the departments no income is received or expected. From some the income is not expected to be sufficient for its maintenance, while from others a considerable revenue is received. On the other hand, the ordinary revenues of the city have increased, and will hereafter increase in proportion to the expenses, as will appear from the reports submitted. When bonds and property are sold to make improvements the money received cannot be called ordinary revenue, but the proceeds should be used for permanent improvements, unless the ordinary revenue of the city is deficient for ordinary expenses.

A comparison of the reports for the years 1889 and 1890 shows the Council in 1889 found the necessity for extra revenue to make improvements and carry on the business of the city, and had wisely provided for it. Without that extra revenue there would have been no money for public improvements, and a deficit in revenue to meet ordinary expenses. The expenditure of this extra revenue from January 1, 1889, to February 19, 1890, was at about the same rate as from the last date to January 1, 1891. Counting the whole of the first period of thirteen and two-third months, as requiring equal expenditures, though in fact a large increase in expenditures did not really begin until late in 1889.

January 1, 1889, there was a balance in the treasury.....	\$ 58,205 49
In 1889 there was received from the sale of bonds.....	100,471 80
In 1889 there was received from the sale of lands.....	76,660 25
In 1890, prior to February 19th, there was received from the sale of land.....	225,068 75
Total.....	\$490,406 29
Deduct amount in treasury February 19, 1890.....	256,186 72
Extra revenue expended thirteen and two-third months.....	234,219 57
The present government received February 19, 1890.....	256,186 72
Sold bonds in 1890.....	50,600 00
Total.....	\$306,186 72
Deduct balance in treasury January 1, 1891.....	37,865 75

Extra revenue expended for ten and one-third months.....\$268,320 97

This statement is only an approximation, but certainly not too favorable for the ten and a third months of 1890, for an equal rate of expenditure is allowed for the whole of the preceding thirteen and two-third months, when it is known that at least during the first half of the year 1889 no considerable increase in the rate of expenditure was made.

In changing governments not at the end of a fiscal year, the amount in the treasury does not represent the true charge to the new administration. Claims and accounts were outstanding which would have reduced the amount in the treasury at the last date, February 19th.

If we assume we have expended the entire sum of \$268,320.97 of extra revenue, the reports in a very few items show permanent improvements to have been much more than that sum, as can be seen by the following expenditures:

	Received.	Expended.	Balance.
Sewers.....	\$24,667 39	\$ 17,400 00	\$149,332 61
Waterworks.....	77,477 51	106,116 57	28,339 06
Fire Department, perm. imp'vs.....		34,479 63	
Land purchases.....		27,034 12	
City and County Building.....		10,810 41	
Sidewalks and crossings on Brigham St.....		11,739 50	
Emigration Canyon pipe line.....	\$27,664 74	7,523 25	
Capitol Hill Reservoir....			35,187 99
			11,178 12
Total.....			\$308,101 54

I have no statement of the work done on sewers from January 1st, 1890, to February 19th, 1890, and the figures given are a low estimate. From January 1st, 1890, to March 15th, 1890, the expenditure on sewer work was \$55,574 40—from March 15th to January 1st, 1891, \$156,593.79.

The items above mentioned account for all the extra revenue we have received and the reports of the various departments will show there are many other expenditures which would be properly called permanent improvements.

These statements are not made with a view to criticize our predecessors or any parties, but to show plainly the statements which have been made to the effect that the large sum of \$256,186.72 had been saved by the economy of the former Council and recklessly expended by us are not true. The contrary is clearly shown by the facts and reports. We have only had about our proportion of the extra revenue and have made permanent improvements to account for it.

The ordinary revenue has met ordinary expenses and helped to make some improvements which should be classed as permanent. While there has been a large increase of ordinary revenue,

there has been nearly a correspondingly increase in ordinary expenses to meet the changed condition of the city, and we may justly claim there has been a diligent and economical administration of the affairs of the city.

WATER.

City Creek is the sole source for supplying water through our pipe system for use in this city. Special pains have been taken during the past season to straighten and to pave it in places to prevent seepage. Tunnels have been run to develop the springs which are the feeders to the main stream, and a considerable increase in the flow has been made.

It is desirable that the city should own all the land on the water shed of City Creek and Emigration canyons, and a step in that direction was made by your honorable body last fall by the purchase of the Union Pacific Railroad lands, 9541 acres. As an additional supply it was decided to pipe in the water from Emigration canyon, purchase was made of 130 acres of land near the mouth of the canyon, where the springs are located, and of all the land having water right on the creek above. The water shed of Emigration canyon is much larger than that of City Creek, but the conditions for holding the supply of water until late in the season are less favorable. Sufficient developments have been made to determine the fact that a considerable flow of water is passing off under ground through the strata of sand, gravel and shale and on the bed rock. Our efforts are now directed to intercept this supply and to determine the lowest point of the bed rock, and when that is done to run a drain tunnel so as to carry the water by gravity into the pipes laid to receive it. The pipe line is complete to a point near the reservoir, corner First South and Thirteenth East streets, and has a capacity of 3,500,000 gallons per day. The water is of excellent quality and will be a valuable addition to our present supply. Though next season should prove a dry one and there should be a shrinkage of water in City Creek, it will largely be made up by the supply from Emigration canyon.

The recommendation of the superintendent of waterworks that the reservoir on First South and Thirteenth East streets be cemented and put in condition to store water, also that a storage reservoir of 1,500,000 gallons be constructed in City Creek, will if carried out better utilize the water from those sources. To further protect our city from a scarcity of water next season and for a permanent supply in the future, there are two sources to which we can look, viz: Parley's Canyon and the wells and springs near Liberty Park. The city's right to the former was obtained by a contract with the farmers owning the water rights, by which the city is to furnish irrigating water from the Jordan and Salt Lake Canal in place of 82 per cent of the water from Parley's Canyon. The other 18 per cent is principally owned by parties living in Salt Lake and it is expected can be obtained on fair terms. Though there was a difficulty in the dry season of 1889 of getting the water through the canal to repay the farmers for the water in Parley's Canyon, the conditions have since changed and