



Sandy City Council

Memorandum

June 9, 2020

To: Council Members
 From: Council Member Brooke Christensen
 Subject: FY2020-21 Budget Proposal

Description/Background:

In light of COVID-19 and the currently unknown economic situation in Sandy City, the attached Budget Proposal has been put together to help mitigate possible economic impacts.

Please consider the following while reviewing the proposed budget.

1. The Administration has reduced the Sales Tax revenue coming into the General Fund from the original proposed budget (January timeframe) by 4% or \$2.3M to account for the possible COVID-19 economic impacts.
2. The employee compensation plan has been reduced from \$2.5M (January) to \$1.1M, which is a 1% increase over the base compensation for FY2020.
3. Hiring Freeze of 23 open positions is in place which will save approximately \$1.8M in general revenue funds if continued throughout FY2021.
4. March Sales Tax Revenue
 - a. 2020 Budgeted March Sales Tax Revenue \$1.9M
 - b. Revised March Sales Tax Revenue (COVID-19) \$1.6M
 - c. Actual March Sales Tax \$2.05M - \$90K Over Original Budget
5. County COVID-19 CARES Act money \$29 per resident
6. Possible 4th Federal Stimulus Package that includes Direct Funding to cities.
7. State Code requires Sandy City to have a balanced budget, meaning we cannot spend (expenses) more than we have (revenue). To make sure this is happening, monthly review of revenue and appropriate cost cuts are in place for each department for FY2021. Areas specifically being looked at for cost cutting include, but are not limited to: Capital Projects, Professional Services, Capital Equipment, Fleet, Hiring Freeze, Non-Departmental/Special Programs and Travel.

	Reduction	% Reduction of TTL Sales Tax Revenue	Adjusted Sales Tax Revenue (Beg. \$55,353,771)
Post COVID-19 Sales Tax Reductions	\$2.3M	4%	\$53,053,771
Proposed Reductions	\$1.4M	2.6%	\$51,644,297
Hiring Freeze Estimated Saving for FY2020-21	\$1.8M	3.4%	\$49,844,297
Totals		10%	\$3,209,474

Fiscal Impact:

With this proposal General Taxes & Special Assessments Revenue will be decreased by \$1,409,474 which is a 2.6% Reduction.



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Recommended Action and/or Suggested Motion:

1 – Discussion of the budget proposal to work through Councilmember opinions and possible compromise.

2 – Motion to approve budget proposal or approve high-level direction so future council discussions can continue around smaller department adjustments.

3 – In addition to monthly revenue reports, reviews should happen as needed to determine if revenue has been lower, met or exceeded projections so expenses can be approved (fleet, hiring, etc.) or not.