



Sandy City Council Office

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MEMORANDUM

May 22, 2026

To: City Council Members

CC: Shane Pace, CAO
Brian Kelley, Administrative Services Director
Dustin Fratto, Council Executive Director

From: Council Member Alison Stroud, District 2

Subject: Legislative Intent and Policy Analysis: Proposed Ordinance Enacting Chapter 4-9
(Executive Branch Disclosures and Transparency Standards)

Summary

The proposed amendment to Title 4 of the Sandy City Municipal Code establishes Chapter 4-9, titled "Executive Branch Disclosures and Transparency Standards." This ordinance formally requires the City Budget Officer to include a comprehensive General Fund Purchasing Power Analysis within the annual tentative budget document, to be presented to the City Council by the first meeting in May each year.

The primary objective of this legislation is to institutionalize data-driven fiscal transparency. By tracking the erosion of municipal purchasing power due to inflation and calculating a hypothetical CPI-adjusted property tax rate, this analysis will identify the "inflationary gap" required simply to maintain the City's existing service levels.

What Will Be Accomplished

If adopted, this ordinance creates a recurring reporting standard from the executive branch to the legislative body, resulting in three concrete deliverables each budget cycle:

- **Quantifying Inflationary Erosion:** The Budget Officer will utilize the Consumer Price Index for All Urban Consumers (CPI-U) to calculate exactly how much local purchasing power the General Fund lost over the preceding 12-month period.
- **Predictive Revenue Modeling:** The executive branch will present a "Purchasing Power Maintenance Projection." This calculation will model the exact amount of property tax revenue, and the corresponding tax rate adjustment, that would be theoretically required to close the inflationary gap.
- **Public and Legislative Publication:** This data will be embedded directly into the tentative budget document, ensuring that both the City Council and Sandy City residents have access to the information at the earliest stages of the fiscal planning cycle.

Why this Amendment Is Important

1. Addresses the Misconception of "Flat" Budgets:

Under Utah's Truth in Taxation framework, a municipality's property tax revenue remains flat year-over-year unless a tax increase is explicitly noticed and voted upon. While a flat budget is frequently perceived as fiscally conservative, inflation turns a flat budget into a functional budget cut. Without adjusting for CPI, the City's true purchasing power quietly diminishes. Sandy City pays market rates for police vehicles, asphalt, and employee healthcare. When those costs rise and revenues stall, the City is forced to stretch existing dollars further, eventually impacting service delivery. This annual analysis forces that hidden erosion into the light.

2. Enhances Council Decision-Making:

As the legislative and budgetary authority for Sandy City, the Council is regularly tasked with balancing requests for infrastructure, public safety investments, and city operations.

This disclosure provides the Council with a baseline metric to consider: *What does it cost just to stand still?* Armed with this information, the Council can make more informed decisions. It allows the body to better distinguish between an expansion of city services (new programs) and the mere preservation of existing services.

3. Fostering Public Transparency and Trust:

For the public, discussions surrounding property taxes are frequently fraught with confusion. Residents often see a proposed rate adjustment as an expansion of government spending.

By publishing the Purchasing Power Analysis directly in the tentative budget, the City provides clear, objective evidence to taxpayers. It demonstrates exactly how economic pressures impact local tax dollars, showing residents precisely what revenue is required to maintain expected street repairs, parks, and emergency response times.

Conclusion

This amendment does not mandate a property tax increase, nor does it alter the statutory boundaries of the Uniform Fiscal Procedures Act. Rather, it enhances our local governance model by establishing a baseline of financial clarity. It helps to ensure that the City Council and the public are equipped with the economic data necessary to make informed budgetary decisions.