Sandy City Council Office

ZACH ROBINSON | AT-LARGE
ZROBINSON@SANDY.UTAH.GOV
O | 801.568.7141

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Mayor Kurt Bradburn
1000 Centennial Parkway
Sandy, UT 84070

Dear Mayor Bradburn:

Thank you for the providing the City Council your fiscal year 2019-20 recommended budget two weeks in advance of the statutory deadline. This is a significant service to the City Council in our review process, and a testament to your Administration's commitment to efficiency.

I also commend Administration for the March 12 *General Fund Financial Plan* presentation from Lewis Young Robertson & Burningham, Inc. This third-party report validated and updated scenarios from previous long-term financial analyses, captured the spirit and lessons from the budget workshops we have undertaken this fiscal year, and provided an excellent framework for the fiscal challenges our City faces. More importantly, the presentation concretely demonstrated that the gap between existing revenue and ongoing expenses can no longer be avoided.

I firmly believe that the best strategy to create balance and sustainability combines a, "pay-as-you-go" operational philosophy with judicious debt financing for large capital investments. In short, this combination spreads the financial burden of operational and infrastructure needs across current and future taxpayers. As you know, the "Scenario Analysis" from the *General Fund Financial Plan* presentation recommends a 38% property tax increase as a starting point for this strategy. While this percentage may sound shocking to some, we know that the estimated impact for the average Sandy homeowner would be an increase of approximately $6.90 per month. I am somewhat fearful that it may not be enough.

In addition to these estimates, and to facilitate the Council's consideration of a tax increase for fiscal year 2019-20, I recommend that the Administration provide the following:

1. A 55% property tax increase scenario. Like the calculations provided in the *General Fund Financial Plan* presentation, the scenario should also demonstrate 1) the estimated total revenue, and 2) the annual and monthly impact on an average residential property.
2. A 46% property tax increase scenario. Like the calculations provided in the *General Fund Financial Plan* presentation, the scenario should also demonstrate 1) the estimated total revenue, and 2) the annual and monthly impact on an average residential property.

3. Under the 38%, 46% and 55% scenarios, a recommendation as to where the additional revenue would be invested in current operations (i.e. new positions, compensation adjustments, technology, etc.).

If possible, it would be advantageous to have this information by May 1, 2019 as that would allow two full months of public consideration before a final decision whether to proceed with a Truth in Taxation hearing.

I praise past Sandy City leaders for their sincere desire to avoid increases in the property tax. However, it is now abundantly clear that City's reliance on sales tax revenue to fund basic services is not sustainable. It should be shocking that the amount of general property taxes the City collects does not even cover the cost to operate the Fire Department, let alone all the other services in the General Fund such as Police, Parks & Recreation, and Public Works.

I believe that failing to at least discuss possibilities to correct this funding imbalance puts our City at great risk of having to reduce the quantity and/or quality of services residents deserve and have come to expect from their government. Discussion of the property tax will undoubtedly stir much emotion, but we shouldn't let that cloud information gathering and rational public deliberation. My sincere hope is that the Council, Administration, and residents view this as the start of a conversation about how best to balance both the benefits and burdens we share as a community.

Sincerely,

Zach Robinson
Sandy City Council
At-large

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