



Sandy City, Utah

10000 Centennial Parkway
Sandy, UT 84070
Phone: 801-568-7141

Meeting Agenda

City Council

Brooke Christensen, District 1
Maren Barker, District 2
Kristin Coleman-Nicholl, District 3
Chris McCandless, District 4
Steve Fairbanks, At-large
Linda Martinez Saville, At-large
Zach Robinson, At-large

Tuesday, August 13, 2019

5:15 PM

Council Chambers

Truth in Taxation Hearing

Web address to view complete packet: <http://sandyutah.legistar.com>

The Sandy City Council has adopted Rules of Procedure which are available at the rear of the Council Chambers and online at: <https://sandy.utah.gov/government/city-council/procedure-guidelines>. Public comment will be taken on all voting items. Each speaker is allowed three minutes per voting item. The Citizen Comment sections of the meeting are for issues not listed on the agenda. Each speaker is allowed three minutes to address the Council during Citizen Comments. If a citizen is unable to attend a meeting in person, he or she may provide written comments to the City Council Executive Director by 3:00 PM the day of the Council Meeting to have those comments distributed to the City Council and have them read into the record at the appropriate time.

In compliance with the Americans with Disabilities Act, reasonable accommodations for individuals with disabilities will be provided upon request. For assistance, please call (801) 568-7141.

4:30 Dinner

5:15 Council Meeting

Roll Call

Prayer / Pledge of Allegiance

Non-voting Items

Agenda Planning Calendar Review & Council Office Director's Report

Council Member Business

Mayor's Report

CAO Report

Citizen Comments

6:00 Time Certain Items and Public Hearing(s)

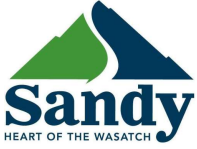
1. [19-253](#) Truth in Taxation Hearing.
Sandy City is proposing to increase its property tax revenue. All concerned citizens are invited to a public hearing on the proposed tax increase.

If the proposed budget is approved, Sandy City would increase its property tax budgeted revenue by 32.91% above last year's property tax budgeted revenue excluding eligible new growth. The Sandy City tax on a \$403,000 residence would increase from \$242.93 to \$322.72, which is \$79.79 per year. The Sandy City tax on a \$403,000 business would increase from \$441.69 to \$568.77, which is \$145.08 per year.

Attachments:

[Public Notice.pdf](#)
[19-32 C Final Budget Adoption](#)
[Truth in Taxation Hearing 2020](#)
[Constituent Letter from Bruce Blanchard.pdf](#)
[Constituent Letter from Pat Casaday](#)
[Constituent Letter from Paul Godot](#)
[Letter from PUAB](#)

Adjournment



Staff Report

File #: 19-253, **Version:** 1

Date: 8/13/2019

Agenda Item Title:

Truth in Taxation Hearing.

Sandy City is proposing to increase its property tax revenue. All concerned citizens are invited to a public hearing on the proposed tax increase.

If the proposed budget is approved, Sandy City would increase its property tax budgeted revenue by 32.91% above last year's property tax budgeted revenue excluding eligible new growth. The Sandy City tax on a \$403,000 residence would increase from \$242.93 to \$322.72, which is \$79.79 per year. The Sandy City tax on a \$403,000 business would increase from \$441.69 to \$568.77, which is \$145.08 per year.

Presenter:

Brian Kelley

Description/Background:

A presentation on the proposed tax rate increase is included with this agenda item.

Fiscal Impact:

Adoption of Resolution 19-32C would result in approximately \$3.2 million increase to the General Fund in order to fund the items included in the attachment to the resolution.

NOTICE OF PROPOSED TAX INCREASE SANDY CITY

Sandy City is proposing to increase its property tax revenue.

- The Sandy City tax on a \$403,000 residence would increase from \$242.93 to \$322.72, which is \$79.79 per year.
- The Sandy City tax on a \$403,000 business would increase from \$441.69 to \$586.77, which is \$145.08 per year.
- If the proposed budget is approved, Sandy City would increase its property tax budgeted revenue by 32.91% above last year's property tax budgeted revenue excluding eligible new growth.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: August 13, 2019 6:00 PM
Location: Sandy City Hall Council Chambers Room 211 10000 Centennial
Parkway
Sandy, Utah

To obtain more information regarding the tax increase, citizens may contact
Sandy City at 801-568-7120.

Posted July 30, 2019 Sandy City Hall
Sandy Parks & Recreation
Salt Lake County Library - Sandy
Sandy City Website (<http://www.sandy.utah.gov>)
Utah Public Notice Website (<http://pmn.utah.gov>)

Published August 6, 2019 Salt Lake Tribune

RESOLUTION #19-32 C

A RESOLUTION OF SANDY CITY ADOPTING ITS ANNUAL BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2019 AND ENDING JUNE 30, 2020; ALSO ESTABLISHING CERTAIN FEES AND CHARGES IN SANDY CITY FOR SAID FISCAL YEAR AND ADOPTING A TAX RATE ON ALL REAL AND PERSONAL PROPERTY IN SANDY CITY.

WHEREAS, on April 16, 2019, the City Council of Sandy City received the Mayor's tentative budget for each fund of the City, as provided in Utah Code Section 10-6-111; and

WHEREAS, on April 16, 2019, the City Council adopted, by Resolution #19-15 C, the tentative budget for the coming fiscal year, for purposes of further review, and set a public hearing for May 14, 2019 to consider final adoption of the budget; and

WHEREAS, at least seven days notice of said public hearing was published in a newspaper of general circulation within Sandy City in compliance with Utah Code Section 10-6-113; and

WHEREAS, on June 18, 2019 the City Council adopted, by Resolution #19-27 C, a proposed property tax rate, and set a public hearing for August 13, 2019 in compliance with Utah Code Section 59-2-919 through 59-2-923; and

WHEREAS, notice of said public hearing to consider a property tax increase was published in a newspaper of general circulation within Sandy City in compliance with Utah Code Section 59-2-919; and

WHEREAS, each tentative budget and all supporting schedules and data have been held as a public record in the office of the City Recorder and City Finance Director, available for public inspection for a period of at least 10 days prior to the date of this resolution; and

WHEREAS, from May 14, 2019 through June 18, 2019, and on August 13, 2019, public hearings were held on adoption of said budget and to consider a property tax increase, at which times all interested persons in attendance were given the opportunity to be heard, for or against, the estimates of revenue and expenditures of any item in the tentative budget of any fund; and

WHEREAS, Sections 10-6-118 and 10-6-133(1), Utah Code Annotated 1953, require that, at a regularly scheduled meeting, the City Council adopt and set a proposed property tax rate before the 22nd day of June of each year; or, in the case of a property tax increase before September 1st of that year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sandy City, Utah, as follows:

RESOLUTION #19-32 C

BUDGET ADOPTED

1. Budgets for all funds, as presented, are hereby adopted for use by Sandy City for the fiscal year 2019-2020 including those items outlined in Exhibit A.

2. The particular budgets, amounts thereof, and supporting schedules are attached to this resolution and specifically incorporated herein and made a part hereof.

FEE SCHEDULE ADOPTED

3. The fee schedule set forth in the budget is hereby adopted and shall be in effect during the fiscal year 2019-2020, with the exception of eliminating the Street Lighting fee of \$2.98 per equivalent residential unit effective September 1, 2019. These fees shall not be waived or deferred except as provided by law or by resolution of the City Council.

PROPERTY TAX RATE ADOPTED

4. For purposes of defraying the necessary and proper expenses of Sandy City, for maintaining the government thereof, it is hereby determined that the rate of the general Sandy City property tax upon all real and personal property within Sandy City is made taxable by law in the year 2019 for the fiscal year ending June 30, 2020, is hereby set at 0.001400. In addition, this budget and proposed property tax rate includes redemptions as outlined in section 59-2-924, Utah Code Annotated.

5. Sandy City, by and through the City Council, hereby expressly reserves the power and right to amend the foregoing tax rate as it may deem just, proper, and appropriate under law.

CERTIFYING AND FILING

6. The Budget Officer of the City is directed to certify a copy of the final budget for each fund and file the same:

- a. In the office of the City Recorder or City Finance Director to be available to the public during regular business hours; and
- b. With the State Auditor within 30 days after adoption.

7. The tax rate and levy hereinabove determined and levied shall be certified by the Finance Director to the Auditor of Salt Lake County, State of Utah.

RESOLUTION #19-32 C

PASSED by the City Council of Sandy City, Utah, this 13th day of August, 2019.

Chris McCandless, Chair
Sandy City Council

ATTEST:

Wendy Downs
City Recorder

RECORDED this _____ day of _____, 2019.

EXHIBIT A

Property Tax Increase - \$ 3,200,684

Ongoing Expenses - \$ 2,691,967

- **Administration**
 - (26,680) - Pay and benefit reductions for Mayor, Deputy Mayor, and CAO
- **City Council**
 - (13,147) - Pay and benefit reductions for City Council Members
- **Administrative Services**
 - 6,672 - Utility Billing Team Lead (Reclassification)
 - 66,720 - Facilities Technician I/II (New)
 - 20,000 - Custodial Tier I \$1.50 per hour pay increase
- **Non-Departmental**
 - 5,000 - Tuition Reimbursement
 - 66,606 - Adjustment to cover revenue shortages from sunseting City Center RDA
- **Police**
 - 196,190 - Tier II 401k retirement contributions
 - 373,771 - Five new Police Officers
 - 8,600 - Part time Victim Advocate to Full Time
 - 10,000 - Animal Services CHIP
- **Fire**
 - 98,105 - Tier II 401k retirement contributions
 - 475,605 - Seven new Firefighter/Paramedics
 - 16,000 - Paramedic training for two individuals
- **Public Works**
 - 59,172 - Street Maintenance Worker I/II
- **Parks and Recreation**
 - 59,770 - Trails Crew Leader
 - 5,160 - Uniforms and Safety Supplies
 - 44,036 - Seasonal Workers \$1.50 per hour pay increase
- **Community Development**
 - 20,000 - Professional Peer Review
 - 44,590 - Full time Zoning Technician
- **Transfers Out**
 - 80,259 - Transfer to General Fund Balance to keep reserves at 11.5%
 - 1,059,238 - Transfer to Street Lighting Fund to cover the elimination of the street light fee (\$2.98 per month)
 - 16,300 - Transfer to Sandy Arts Guild for Plays/Musicals

One-Time Expenses - \$ 508,717

- **City Council**
 - (11,009) - Council Intern (removed)
- **Police**
 - 75,000 - Equipment and onboarding for new Officers
- **Fire**
 - 38,500 - Uniforms and equipment for new Firefighters
 - 10,500 - Training for new Firefighters
 - 43,000 - Fire Department Van
- **Public Works**
 - 105,000 - John Deere 310 Backhoe (shared with Parks)
 - 237,500 - 10 Wheel Dump with plow (based on new FTE)
- **Parks and Recreation**
 - 48,500 - Ford F-250 Ex Cab Utility (based on new FTE)
- **Community Development**
 - (28,274) - Part time Zoning Technician (moved to ongoing)
- **Information Technology**
 - (10,000) - Fiber optic project to Station 32/Alta Canyon (reduced)

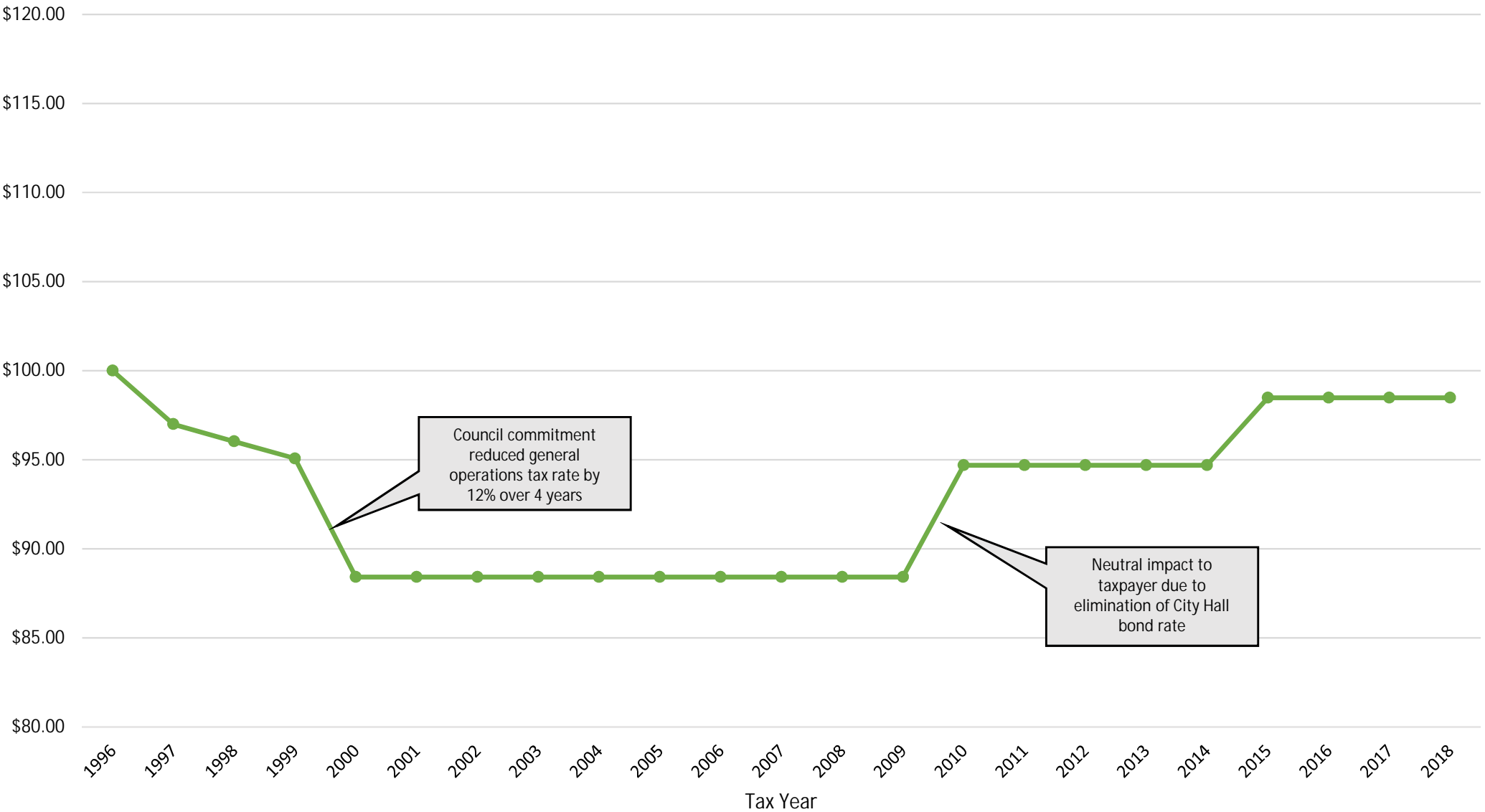
Truth in Taxation Hearing

August 13th, 2019



Sandy General Operations Property Tax Rate Change

(Impact on \$100)



Historical Context

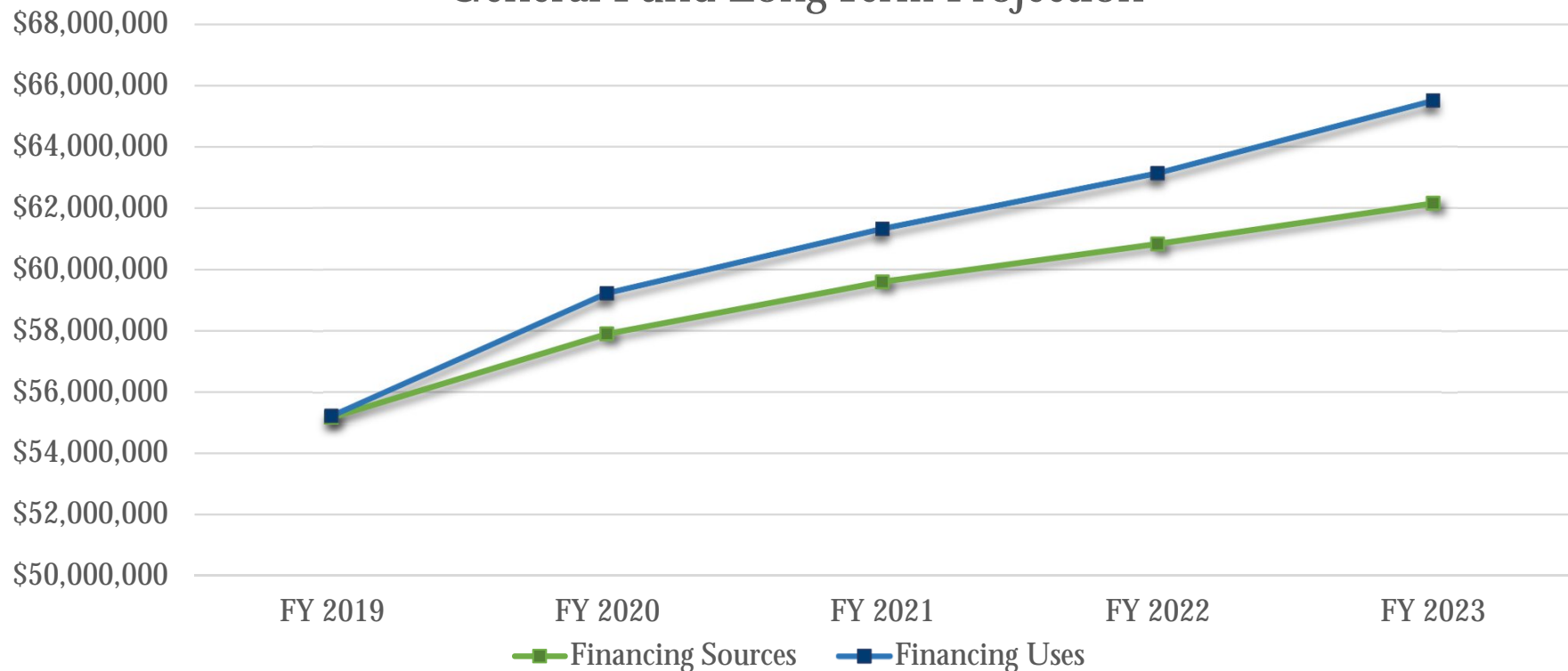
- Budget Cuts
 - \$1.5 Million in Budget Cuts in FY 2019
- Needs
 - \$10.6 million of identified operational needs
 - \$73.6 million of identified capital needs (Parks Building, Public Works, Fire Station 31, etc.)
- Advisors/Studies
 - City's Long-Term Financial Analysis

Adding Up The Costs

Operating Requests / Year

\$ 3,466,000

General Fund Long-Term Projection



Historical Context

- Budget Cuts
 - \$1.5 Million in Budget Cuts in FY 2019
- Needs
 - \$10.6 million of identified operational needs
 - \$73.6 million of identified capital needs (Parks Building, Public Works, Fire Station 31, etc.)
- Advisors/Studies
 - City's Long-Term Financial Analysis
 - Property Tax presentation by Kerri Nakamura & Associates



KNOW YOUR BUDGET

Controlling the numbers rather than letting the numbers control you

Kerri Nakamura

KerriNakamuraAssociates@gmail.com



Historical Context

- Budget Cuts
 - \$1.5 Million in Budget Cuts in FY 2019
- Needs
 - \$10.6 million of identified operational needs
 - \$73.6 million of identified capital needs (Parks Building, Public Works, Fire Station 31, etc.)
- Advisors/Studies
 - City's Long-Term Financial Analysis
 - Property Tax presentation by Kerri Nakamura & Associates
 - LYRB's Comprehensive Financial Sustainability Plan

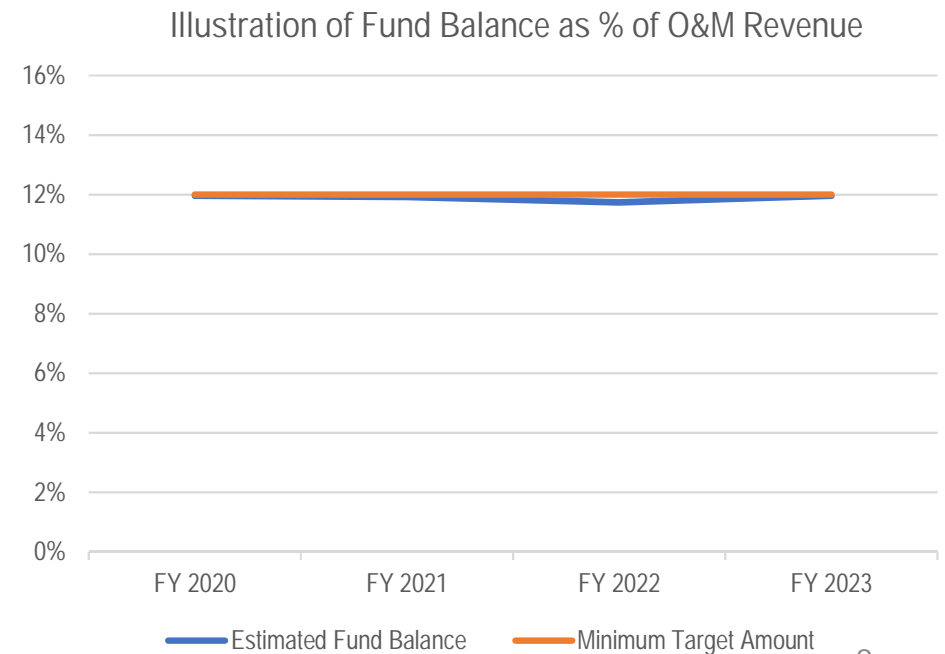
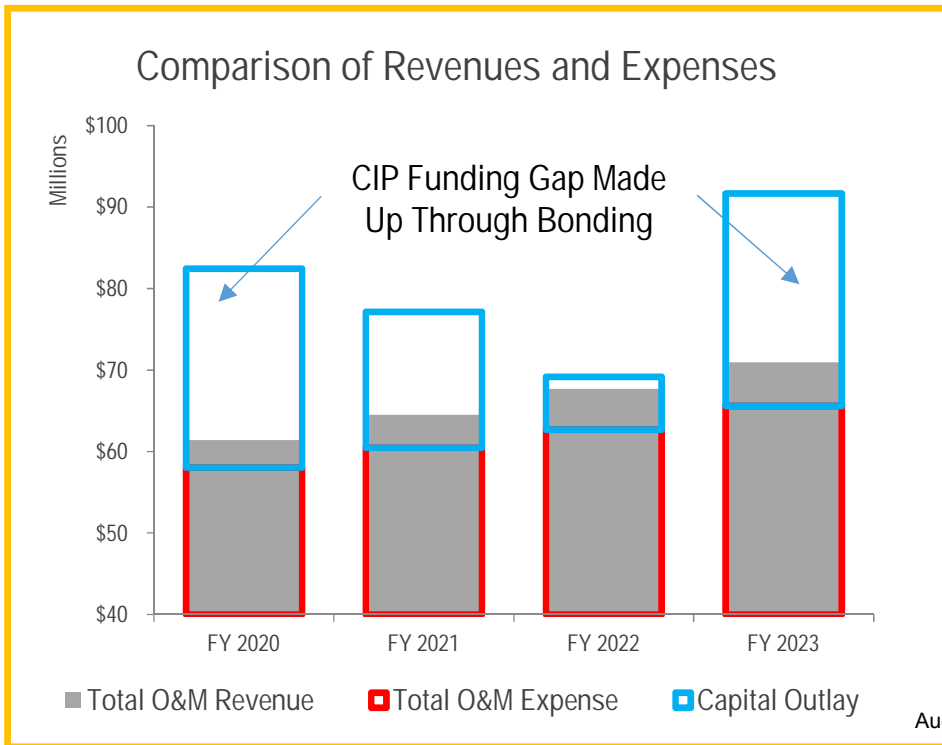
SCENARIO ANALYSIS

Scenario 3: Pay-as-You-Go & Debt Financing

Property Tax Increases Needed to Mitigate Funding Gap, Assuming New Debt

	2020	2021	2022	2023
Property Tax Increase Needed	38%	12%	15%	12%

- Inclusion of New O&M and CIP
- Including New Debt in 2020 and 2023

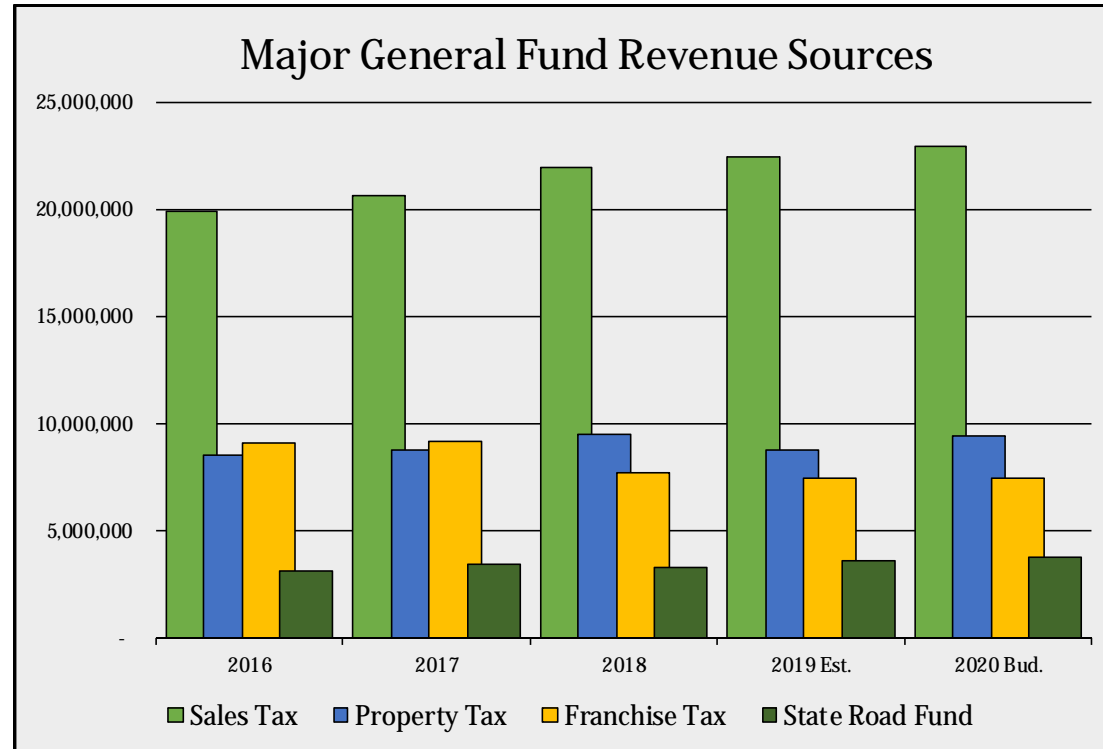


Historical Context

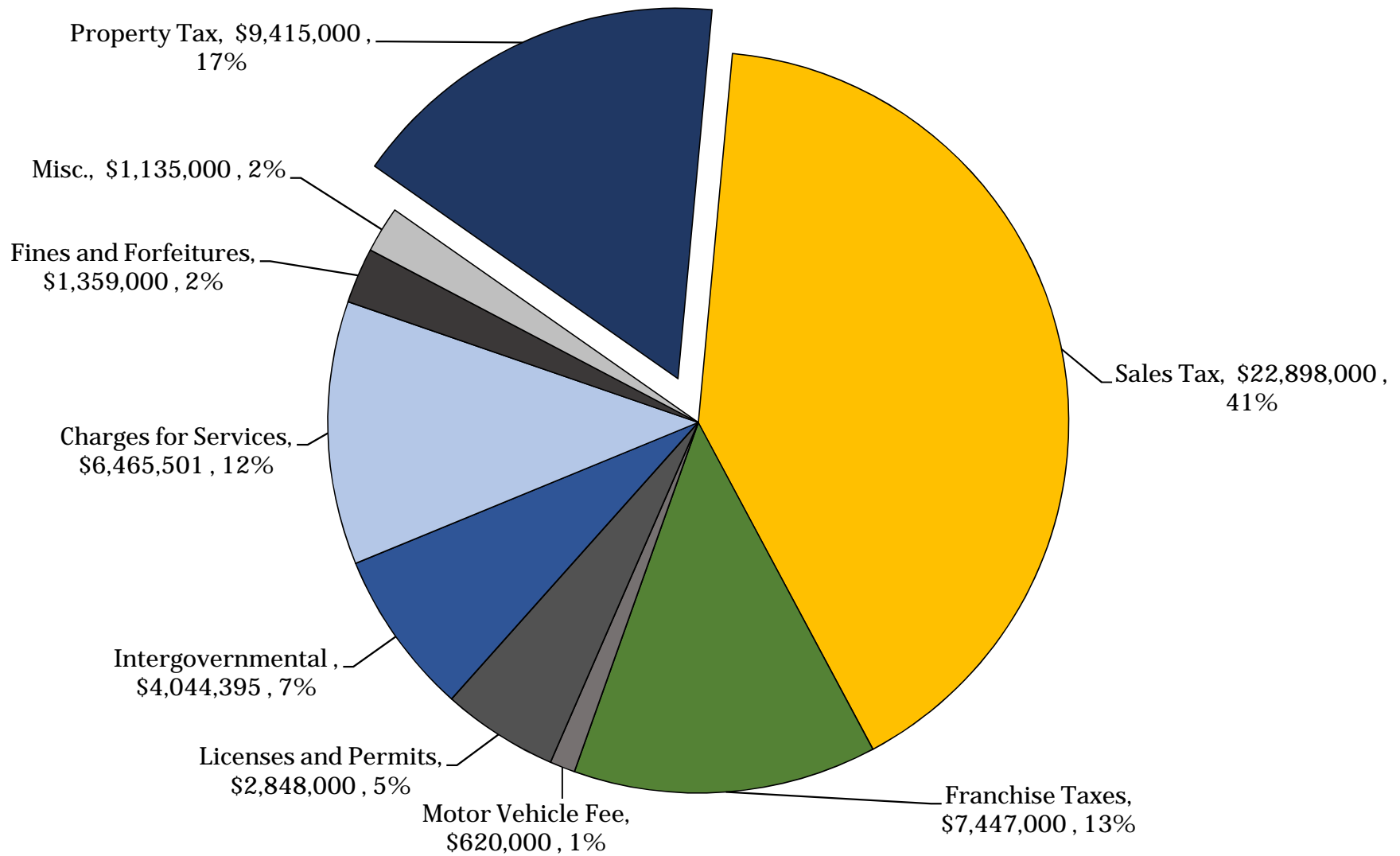
- Budget Cuts
 - \$1.5 Million in Budget Cuts in FY 2019
- Needs
 - \$10.6 million of identified operational needs
 - \$73.6 million of identified capital needs (Parks Building, Public Works, Fire Station 31, etc.)
- Advisors/Studies
 - City's Long-Term Financial Analysis
 - LYRB's Comprehensive Financial Sustainability Plan
 - Property Tax presentation by Kerri Nakamura & Associates
- Prioritization
 - In this year's budget, the City prioritized essential requests but still had \$7.6 Million in unfunded operational needs

Revenue Challenges

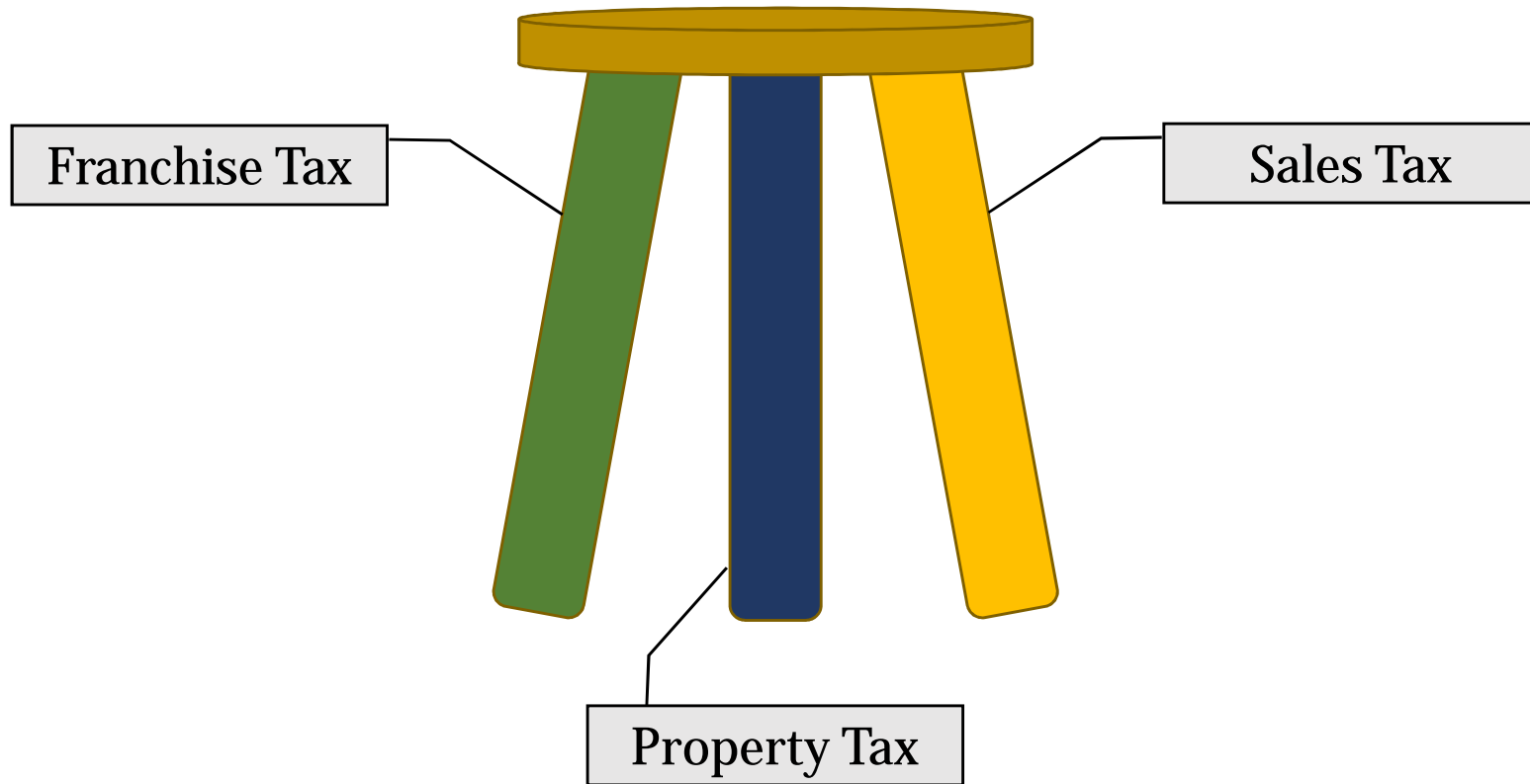
- Sales Tax
 - Local retailers leaving City (\$1 million plus in losses from auto dealers leaving)
 - Struggles of “Big Box” retail (Dillards)
 - Sales Tax leakage to surrounding communities
- Franchise Taxes
 - Steady decline over past four years
- State Road Funds
 - Based on population and road miles
- Property Tax
 - Limited to marginal growth; or
 - Truth in Taxation



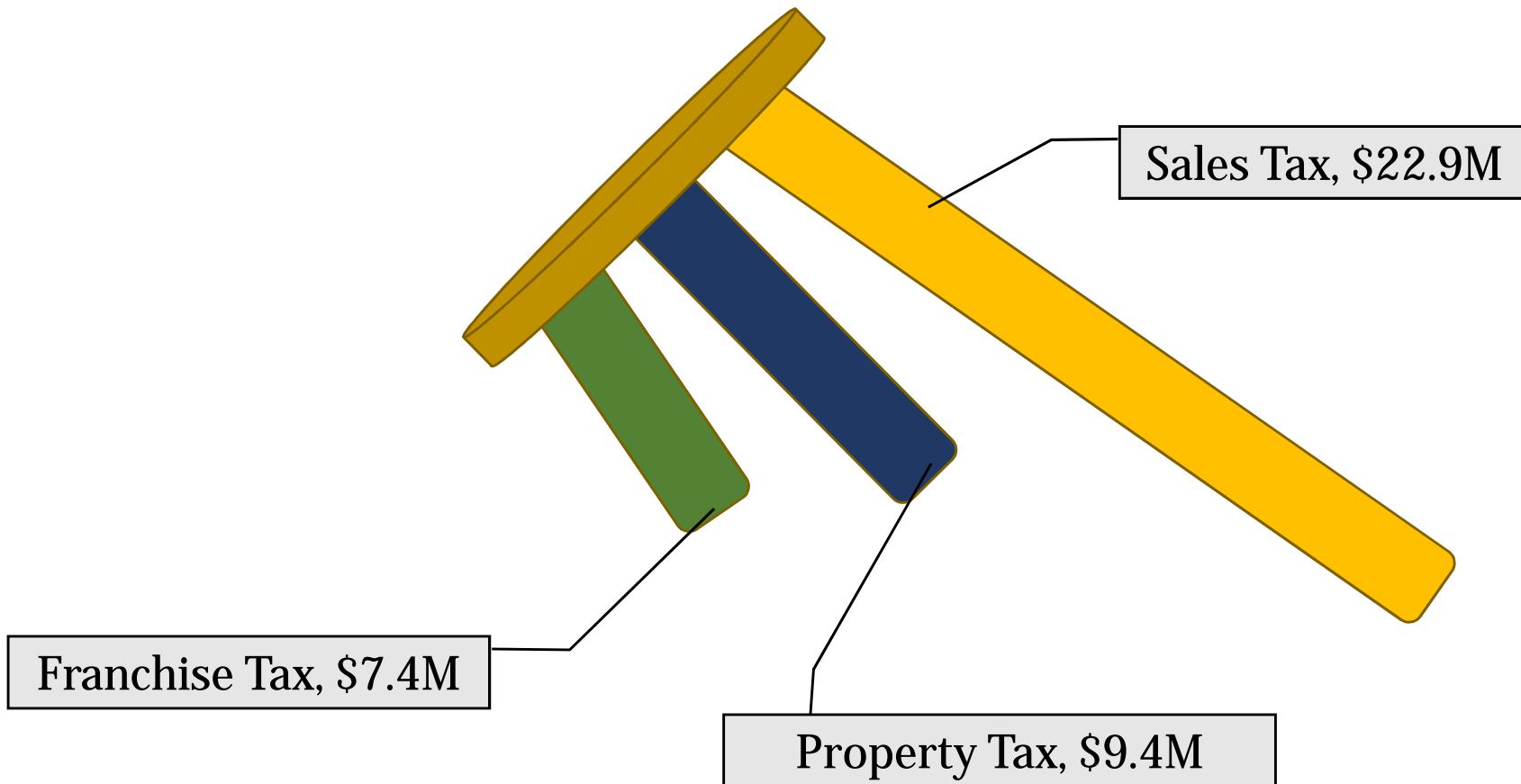
General Fund Financing Sources (\$56 Million)



General Fund Taxes: The “Three-Legged Stool”



General Fund Taxes: The “Three-Legged Stool”



Certified Tax Rate



$$\begin{array}{cccc}
 \$100,000 & \$100,000 & \$100,000 & \$100,000 \\
 \times 0.0025 & \times 0.0025 & \times 0.0025 & \times 0.0025 \\
 \hline
 \$ 250 & \$ 250 & \$ 250 & \$ 250
 \end{array}
 = \$1,000$$








An amount of revenue to collect is established, which is divided by the total taxable property value of the city to set the **certified tax rate**.



Then the **certified tax rate** is applied to each property to calculate property taxes owed.

$$\frac{\text{(Revenue amount)} \\ \$1,000}{\$100,000 + \$100,000 + \$100,000 + \$100,000} = 0.0025 \\
 \text{(Total taxable property values)} \\
 \text{(Certified Tax Rate)}$$

Certified Tax Rate

				
\$200,000	\$100,000	\$100,000	\$ 70,000	
x 0.0021	x 0.0021	x 0.0021	x 0.0021	
<hr/>	<hr/>	<hr/>	<hr/>	=
\$ 425	\$ 213	\$ 213	\$ 149	\$1,000



Home values will **increase** or **decrease** over time, and that changes the certified tax rate.



Even though the certified tax rate changes, however, the revenue collected does not change unless approved through the Truth in Taxation process.

	(Revenue amount)	
	\$1,000	
<hr/>		
\$200,000 + \$100,000 + \$100,000 + \$ 70,000		= 0.0021 ↓
(Total taxable property values)		(Certified Tax Rate)

Certified Tax Rate



$$\begin{array}{r}
 \$300,000 \\
 \times 0.0021 \\
 \hline
 \$ 630
 \end{array}$$



When new properties are first taxed, they are applied to that year's certified tax rate.



$$\begin{array}{r}
 \$470,000 \\
 \times 0.0021 \\
 \hline
 \$ 1,000
 \end{array}$$

=



\$1,630



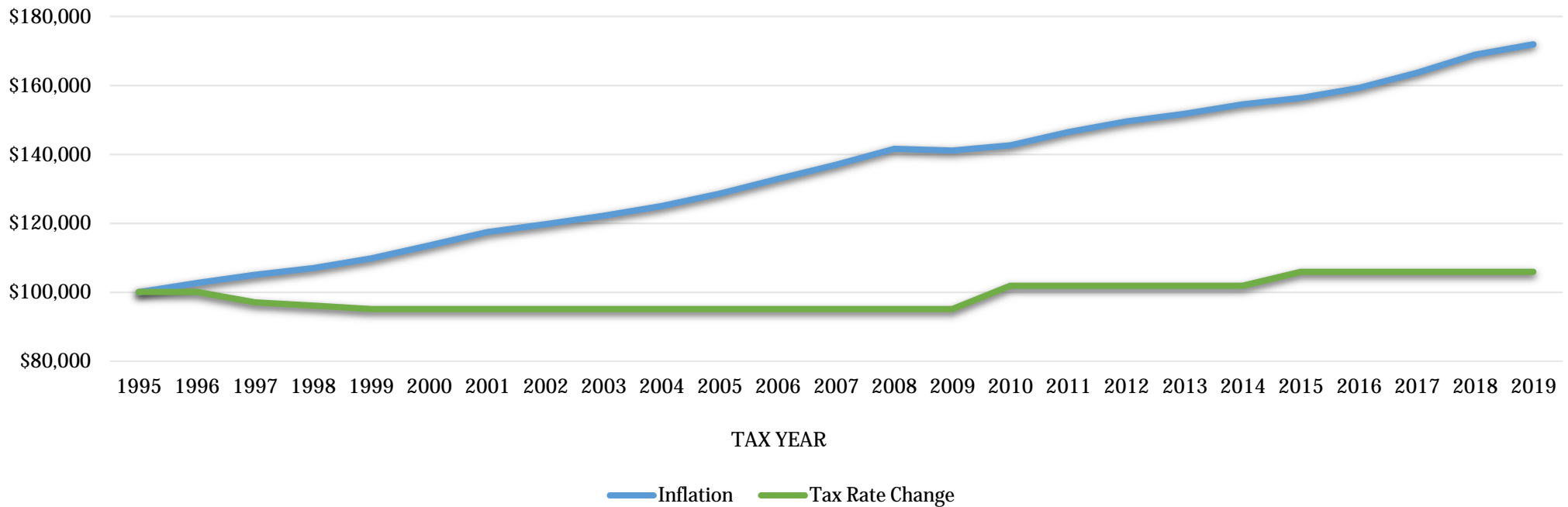
Taxes from the new properties are collected by the City as new growth.

$$\begin{array}{r}
 \$630 \\
 \text{(New Growth)}
 \end{array}
 +
 \begin{array}{r}
 \$1,000 \\
 \text{(Certified Revenue)}
 \end{array}
 =
 \begin{array}{r}
 \$1,630 \\
 \text{(Total Revenue)}
 \end{array}$$

Property Tax Constraints: Key Concepts

- There is no built-in inflationary adjustment for property tax revenues collected
- As home values increase, the tax rate automatically goes down
- Only ways to increase property tax revenue:
 - New Developments
 - Truth in Taxation Process

Inflation vs. Sandy Property Tax Rate Change



For Sandy to offset the impact of this inflation it would require a 63% property tax rate increase

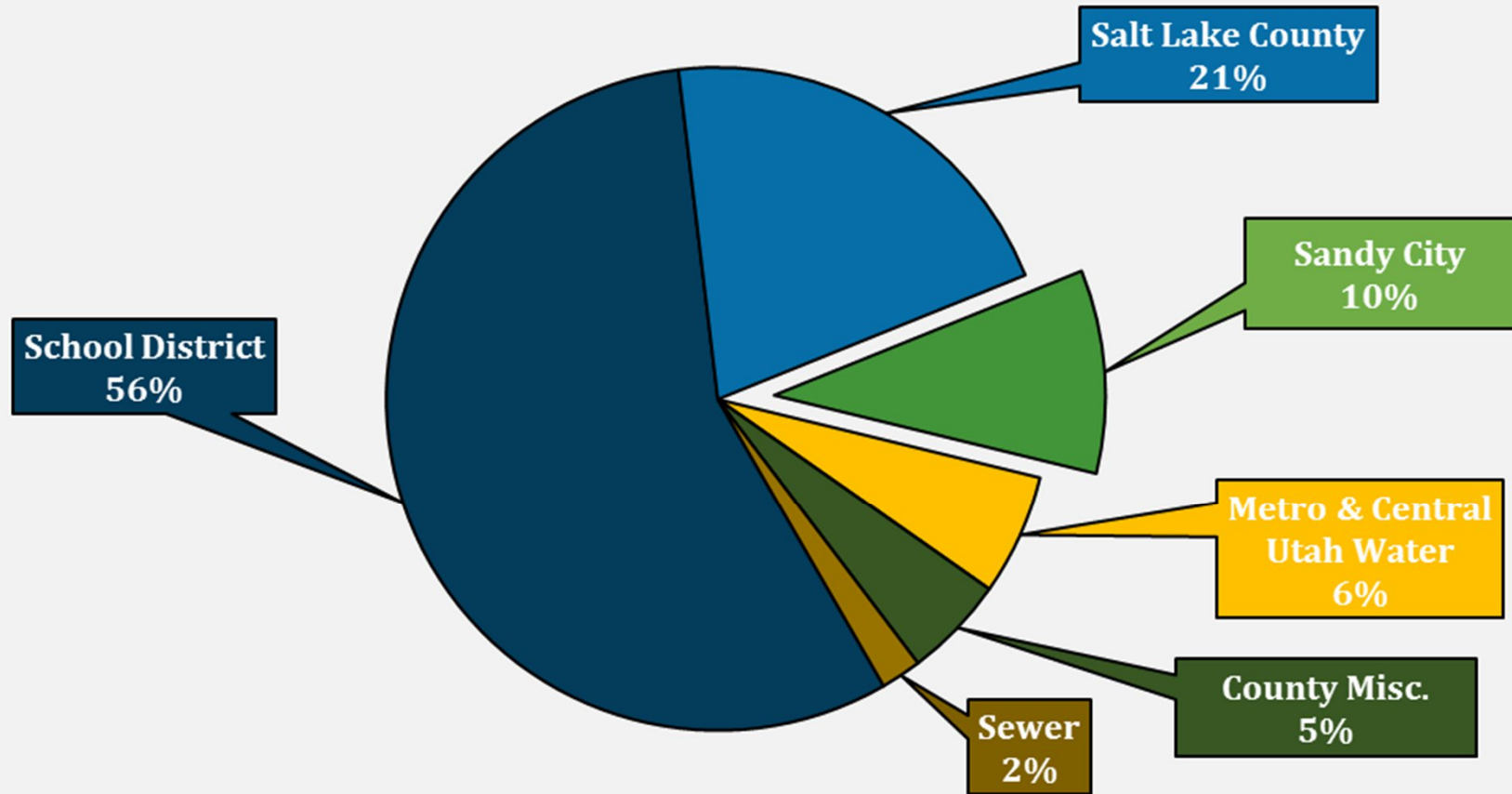
For detailed property valuation information visit www.slco.org/assessor/

NOTICE OF TAX CHANGES

TAXING ENTITY	2019 IF TAX INCREASE APPROVED		2019 IF NO BUDGET CHANGE		2019 CHANGE IF INCREASE APPROVED		2018		BE HEARD
	Rate	Tax	Rate	Tax	Tax	%	Rate	Tax	A public meeting will be held
									Date/Time/Place
CANYONS SCHOOL DISTRICT	.005271	1,169.77	.004665	1,035.28	\$134.49	13%	.004696	1,038.54	AUG 06 6:00 PM 9361 SOUTH 300 EAST
STATE BASIC SCHOOL LEVY	.001661	368.62	.001661	368.62			.001666	368.44	AUG 06 6:00 PM 9361 SOUTH 300 EAST
UT CHARTER SCHOOL-CANYONS	.000087	19.31	.000087	19.31			.000073	16.14	AUG 06 6:00 PM 9361 SOUTH 300 EAST
JORDAN SCH OLD DEBT SVCE	.000488	108.30	.000488	108.30			.000560	123.85	
SALT LAKE COUNTY	.001933	428.98	.001933	428.98			.002025	447.84	
SANDY CITY	.001456	323.12	.001096	243.23	\$79.89	33%	.001144	253.00	AUG 13 6:00 PM 10000 S CENTENNIAL PKWY
SL COUNTY LIBRARY	.000536	118.95	.000536	118.95			.000559	123.63	
SO SL VALLEY MOSQUITO	.000014	3.11	.000014	3.11			.000015	3.32	
METRO WATER SANDY	.000311	69.02	.000311	69.02			.000325	71.88	
COTTONWOOD IMPROVEMENT	.000169	37.51	.000169	37.51			.000176	38.92	
ALTA CANYON REC SPCL SVCE	.000170	37.73	.000170	37.73			.000178	39.37	
CENTRAL UT WATER CONSERV	.000400	88.77	.000378	83.89	\$4.88	6%	.000400	88.46	AUG 12 6:00 PM 1426 E 750 N #400 OREM
MULTI COUNTY ASSESS/COLL	.000009	2.00	.000009	2.00			.000009	1.99	
COUNTY ASSESS/COLL LEVY	.000216	47.92	.000216	47.92			.000225	49.76	
TOTAL	.012721	2,823.11	.011733	2,603.85			.012051	2,665.14	

VALUES DO NOT INCLUDE TAX RELIEF, DELINQUENT TAXES, PERSONAL PROPERTY TAXES, OR SPECIAL ASSESSMENTS

Property Tax Allocation



Sandy City: Proposed Tax Increase



\$403,000*
Sandy Home

	Tax Increase		Street Lighting Fee	=	Net Impact
Annual	\$79.79	-	\$35.76	=	\$44.03
Monthly	\$6.65	-	\$2.98	=	\$3.67

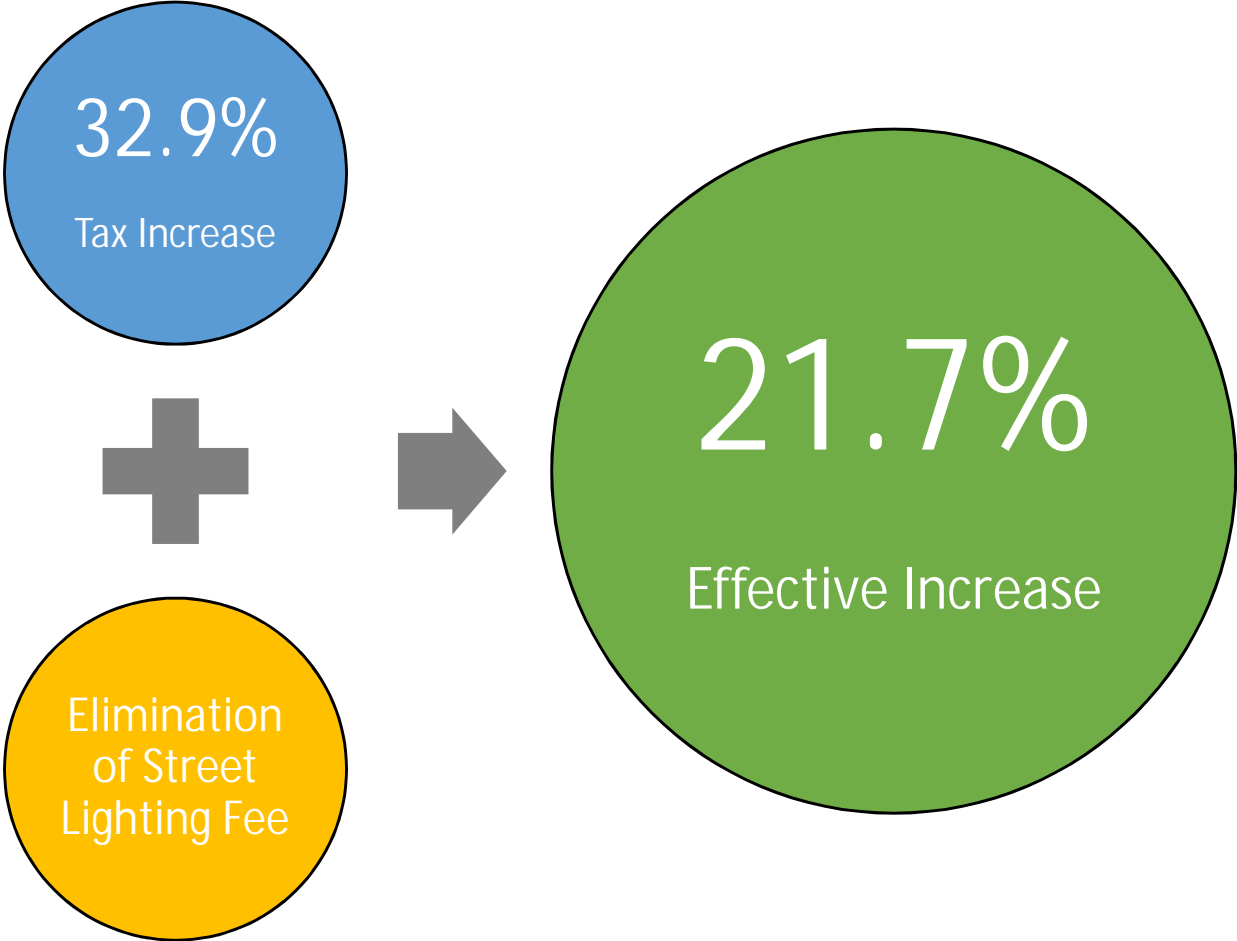


\$403,000
Sandy Business

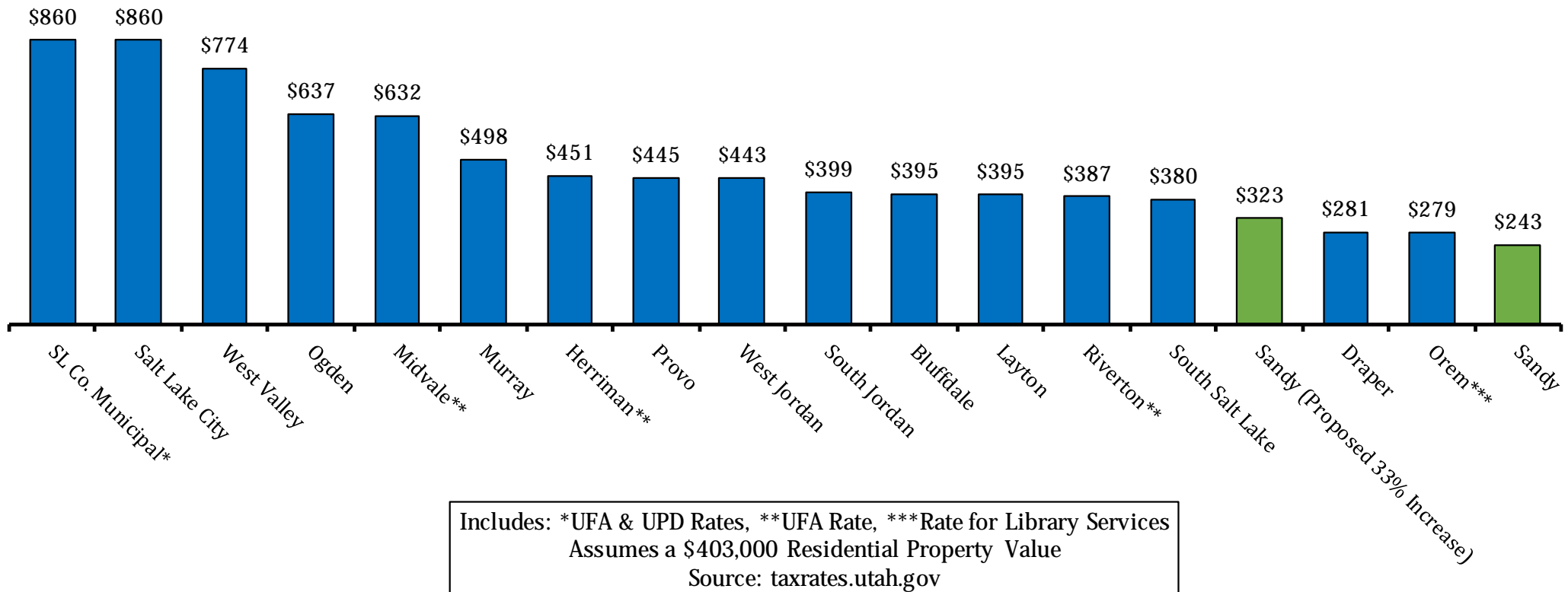
	Tax Increase		Street Lighting Fee	=	Net Impact
Annual	\$145.08	-	\$35.76	=	\$109.32
Monthly	\$12.09	-	\$2.98	=	\$9.11

*Average Home Value was calculated by the Salt Lake County Assessor's Office

Sandy City: Proposed Tax Increase



2019 Residential Property Tax Neighboring Cities Comparison



\$3.2 M
New Property
Tax Revenue



Seven New
Firefighters



Five New
Police
Officers

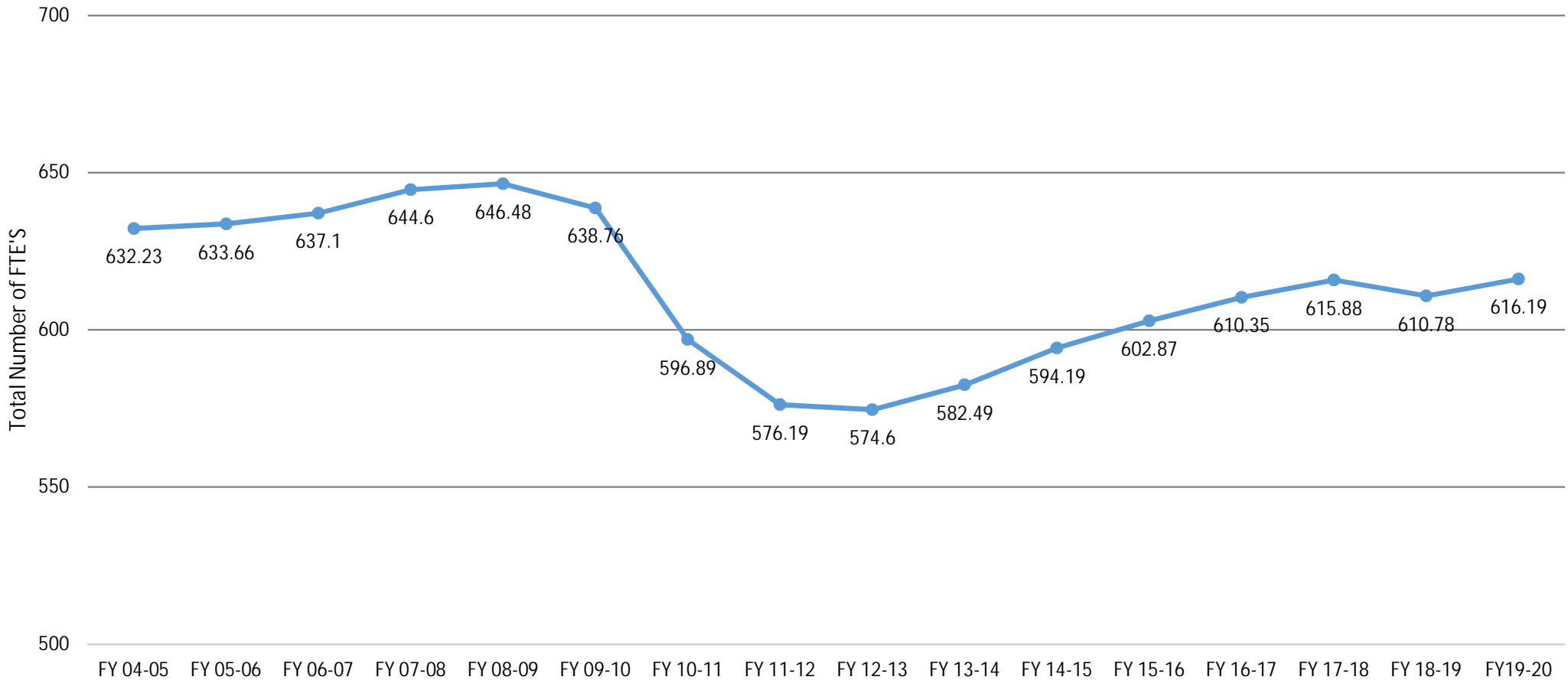


New Streets &
Parks Maintenance
Improvements



Street Lighting Fee
Replacement

Count of Full Time Equivalent Positions Per Fiscal Year



The proposed increase would fund another 15.4 positions bringing the City total to 631.59 for FY 2020

Resident Concerns/FAQ

- Does the 33% apply to my total property tax bill?
 - No, it only applies to the Sandy City portion which represents about 10% of the total bill.
- Doesn't the City receive more property tax revenue when home values rise?
 - No, State law only allows the City to collect the same revenue year to year plus any new growth.
- Why is the property tax increase necessary?
 - To address public safety and other service level needs that have been neglected due to revenue challenges and inflation.
- How much will the property tax increase affect my property?
 - The net effect of the current proposal on a \$403,000 home (which includes the elimination of the street lighting fee) would be \$44.03 a year, or \$3.67 a month.

Resolution 19-32 C

- Adopts Budget for the Fiscal Year Commencing July 1, 2019 and Ending June 30, 2020
- Establishes Certain Fees and Charges in Sandy City for said Fiscal Year
 - Eliminates Street Lighting Fee
- Adopts a Tax Rate on all Real and Personal Property in Sandy City
 - Sets General Operations Rate at 0.001400, generating \$3.2M in new revenue to fund expenses outlined in Exhibit A

Mike Applegarth

To: Brooke Christensen
Subject: RE: Why Sandy Needs a Property Tax Increase

From: Bruce Blanchard <brcblnch1@gmail.com>

Date: July 29, 2019 at 12:10:37 PM PDT

To: Kurt Bradburn <kbradburn@sandy.utah.gov>, Matthew Huish <MHuish@sandy.utah.gov>, Kim Bell <kbell@sandy.utah.gov>, Scott Earl <searl@sandy.utah.gov>, "Bill O'Neal" <woneal@sandy.utah.gov>, Bruce Cline <bcline@sandy.utah.gov>, Tom Ward <tward@sandy.utah.gov>, Mike Gladbach <mgladbach@sandy.utah.gov>, Brooke Christensen <bchristensen@sandy.utah.gov>, Chris McCandless <cmccandless@sandy.utah.gov>, Kris Nicholl <knicholl@sandy.utah.gov>, Linda Saville <lsaville@sandy.utah.gov>, Steve Fairbanks <sfairbanks@sandy.utah.gov>, Zach Robinson <zrobinson@sandy.utah.gov>

Subject: Why Sandy Needs a Property Tax Increase

This is my fifth year of reviewing the annual budgets of Sandy City. Over those five years I have spent at least 200 hours in reviewing their financial data. I am a slow learner, but I retired after 34 years as an accountant who worked for Intermountain Health Care. Never in my life did I imagine that I would ever advocate for a property tax increase, but I am doing so this year. And I hope I never have to again. I live on a fixed income that will never have a cost of living increase. Here are some of my reasons why for this year:

FYI - The 2018 average salary and benefit compensation for each Sandy City Council Member was \$33,300 - about in the middle of compensation for council members of large cities in Utah. They do not get paid for all of the time they spend on our behalf.

FYI - 49,000+ Sandy residents are registered voters - meaning at least half are adults.

The Utah Taxpayer Assoc. just released its Cost of City Governments - Fiscal Year 2018 data for the 50 largest cities in Utah (Salt Lake City - Santaquin). *Each City provides a different mix of services so comparisons are not always apples to apples.* **Sandy has the sixth largest population - 96,901; ranks 6th in City per Capita Income - \$35,929. It ranks 4th highest in City Gov. Rev. from Taxes and Fees - \$74,535,265; but is 47th in 2018 Property tax rate.** (If it is so high in revenue from taxes and fees, but so low in property taxes (there are other taxes) it should rank almost at the top in a "just fees" ranking - which the Assoc. is now attempting to calculate.) Because the median family income in Sandy is in the top 20% of cities in the nation, residents rank 29th in Utah for Rev. from Taxes, Fees Per \$1,000 of Citizen Income (\$21.41).

If this year's proposed 34% increase would have been in effect in 2018, Sandy would have ranked 35th highest in property tax rate rather than 47th. Our property taxes are not high compared to other cities - Our fees are. This year's proposal would eliminate the street light fee - a start. **Sometimes usage based fees are appropriate. But unless the usage can be accurately measured - like water - they tend to hurt those least able to pay.**

Most cities and counties are seeing slower growth in tax revenue than the inflation rate of their expenses. There is a real pinch occurring. SL County Mayor Jennie Wilson is seriously considering a property tax hike for next year. **Sandy's buffer from the past is gone.**

I do most of my excel spreadsheets using the June 30, 2011 year end actual data as my starting point to see longer term trends. When I started with the 2016 budget it was only a five year span, now it is nine years. Now: 1) **Sales taxes** - \$23 million - 57% of taxpayer revenue. When Sandy was rapidly growing, the increases were large. Now the growth is about 2.5%. 2) **Property taxes** - \$9.4 million or 23% of tax revenue - have had one 4% increase in the last 17 years. 3) **Franchise taxes** (on your utility bills) - \$7.4 million or 18% of tax revenue - are actually declining as people switch to solar power and drop telephone land lines. 4) **Motor vehicle Fee** - \$620,000 or 1.5% is flat at best. **We are getting a 2.5% increase on 57% (sales tax) of our taxpayer revenue and flat to negative on the rest.**

Personnel costs are 70% of the operating budget. For 2011 - 2018, 1) **total employee compensation** - from raises and new employees - **increased 26.6%** (an average of 3.8% per year). 2) **Pay for time worked only increased 19.1%** (some retirement turnover). 3) **Paid leave time increased 31.1%**. 4) **Paid benefits increased 39.6%** - **double** the % of pay for time worked (health insurance is part of this).

Recap: 2.5% increase on 57% of tax revenue and 3.8% annual increase on 70% (employee compensation) of operating expenses. Expenses have been increasing faster than revenue and the City is now in an annual deficit problem.

Sandy was bailed out for part of this year's budget, before the proposed tax increase, by \$2 million of new SL County (1/4 of 1%) sales tax for Transportation. We voted it down several years ago. Residents of SL County are now paying \$58 million more per year for this tax. The County keeps 40%, the cities get 40% and UTA gets 20%. Since \$5 million was collected in Sandy, we get \$2 (40%) million back. The rules do not state that this money has to go to increased funding for transportation, it just has to go to transportation expenditures; so Sandy took \$2 million of our other taxes that had been going to transportation and used them to cover ongoing costs of operation leaving transportation expenditures at their previous level.

I placed all the departments into four categories: 1) Public Safety - Police & Fire; 2) Infrastructure - streets, transportation, public works, electric utilities; 3) Sandy Support Services - administration, finances, human resources, etc.; and 4) Fun - the Amenities of Life.

Before this proposed property tax increase and budget adjustment, for the last nine budgets **Taxpayer revenue is up 29.5%**. Also, court fines used to exceed court costs by \$1.2 million, now costs exceed fines by \$124,000. (I hope we are truly better citizens.)

Taxpayer spending on **Public Safety is up 33.7%**; spending on **Infrastructure is up 14.2%**; spending on **Sandy Support Services is up 35.8%**; and spending on **Fun - The Amenities of Life are up 59.8%**. The Parks and Cemetery department budget is up 75%. They are working on the reasons for this for me - they were not self imposed.

The initial possible property tax increase was a lot more than 34%. - **The effective rate increase after adjusting for elimination of street light fee is 23%**. There are many more financial challenges in the coming years. Several buildings need to be built/rebuilt. The water fund (different funding pool but still our pockets) has a \$20 million need for pipe replacement.

FYI - Sandy has 313 acres of parks, 46 acres of buildings and grounds, 70 acres of streetscapes and medians, 45 acres of parking lots snow removal related to the before mentioned acreage, 92 miles of trails, 29 playgrounds, 39 pavilions and picnic shelters, 26 restrooms, 29 tennis courts, 8

basketball courts, 4 pickle ball courts (more on the way), 5 volley ball courts, 1 skate park, 1 three acre urban fishery, 2 splash pads, 1 outdoor workout station (2 more coming at \$40,000), 1 dog park, **plus 884 acres of undeveloped open space**. I don't believe there is a city in the valley that can match this.

Sandy made the decision to be responsible for all of the backyard fencing in the city. It does give a more pleasingly uniform appearance. And since the city is responsible for the fencing, it is also responsible for the sidewalk snow removal by the fencing within 24 hours of each snow storm, just like us. The total miles of this fencing and sidewalks would stretch along I-15 from Murray to Payson - 53 miles. There is a budget of \$150,000 per year to maintain and replace these fences. Probably not enough to keep up with maintenance. I don't know what it costs for the snow removal on the sidewalks.

We have enough sidewalks to go from Layton to St George on both sides of I-15. They now expect to need \$800,000 per year, every year forward for hazardous concrete repair. Same problem with 300 miles of aging water lines, which is now estimated at \$20 million to replace. All that wonderful development is now beginning to need serious money for upkeep.

A plug in support of more firefighters:

The Sandy City Fire Department opened its fifth station **in 2002 with 15 new FTEs added bringing staffing to 87**. In 2005 staffing dropped to 81, then to 79 in 2010. By 2014 it was down to 77. Three positions were added back over the next five years bringing the current total to 80. *If the proposed tax increase passes and the seven requested firefighters are hired, **the total will be back to 87 - the same as in 2002***. The department would like to add 14 additional personnel in the future. Call volume has increased by 200 calls per year.

Each station has a fire truck and a Paramedic Unit. The fire truck is normally manned by 3 to 4 people. Most cities locally have 4 people, Sandy has 3. The Paramedic vehicle is manned by 2 people. **76% of the calls received are NOT fire related**. None fire emergency calls require 4 people to move the patient, take care of family members, etc. Normally a paramedic unit and a fire truck answer these calls. The current number of people in the fire department often results in only one or two paramedic unit being staffed and able to respond. Hiring these new seven people will result in all paramedic units being staffed.

The police department has a compelling story for additional officers also.

Thanks for listening,
Bruce Blanchard

TO: The Sandy City Council
FROM: Pat Casaday, Sandy City Resident, bishopcasaday@gmail.com
DATE: 5 August 2019
RE: Proposed 34% Property Tax Increase

Thank you for your service in support of our City and for your sacrifices in our behalf. I am a long-time Sandy City resident. I will be unable to attend your Truth in Taxation hearing scheduled for August 13, 2019, and I wanted to express my feelings in this letter.

1. Under the previous administration we had little or no property tax increases (actually, we may have had some decreases), so I can perhaps understand a “small” increase as being warranted. However, I am opposed to the “magnitude” of the proposed 34% property tax increase.
2. I understand that when the proposed budget was approved in June, (a) you were essentially given two choices, a 34% property tax increase, or no increase, and (b) the increase was accepted by a bare majority. Did you consider lesser amounts, other options, etc?
3. I understand the streetlight fee (as part of the proposed budget) is scheduled to be eliminated. I think the streetlight fee should stay. It could offset and reduce any property tax increase.
4. I believe user fees (like the streetlight fee) are more equitable than property taxes. Many entities are exempted from property taxes (schools, churches, government buildings (federal, state, county, etc.), quasi-government buildings (UTA, etc.), certain non-profits, etc.), whereas user fees are applied more evenly to those who receive the service.
5. I understand a Government Obligation bond for capital facilities projects (new Parks Building, upgrades to the new Public Works Building, etc.) has been contemplated for many years. I believe a 34% property tax increase could make it less likely that voters would approve such a bond.
6. In light of proposed Canyons School tax increases, I believe 34% is untenable with Sandy City residents, and this would reflect poorly on you and the City.
7. I understand a substantial portion of the proposed tax increase would fund new positions within the Police Department. However, I understand there currently exists a \$1,000,000 carry-over from their previous budget. This money (in my opinion) should be used before additional funds are appropriated.
8. Under the previous administration, City officials were able to take advantage of various outside funding sources that (in my opinion) avoided such property tax increases. I know “first-hand” that Mayor Dolan brought in tens of millions (perhaps hundreds of millions) of dollars by developing relationships, attending meetings, and (essentially) getting very involved in the Community. I learned that (under his management style) the CAO runs the City while the Mayor actively goes out and gets the money.
9. I would encourage the current administration to look for creative ways to fund the City and consider a property tax increase only as the last resort.
10. I believe that for Sandy City to even “hint” that a property tax increase is necessary “so it can be in line with neighboring cities of comparable size”, is misguided and does a great disservice to our residents.
11. Without “running the numbers”, I estimate an increase of 15% to 20% would be more reasonable, rational, and acceptable.

Again, thanks for all you do. I don’t mean to be critical - and certainly not disrespectful - just to express some honest, heartfelt opinions.

Paul Godot
10359 Eagle Cliff Way, Sandy, UT 84092
paulgodot@gmail.com
206.295.1579

August 7, 2019

To: Sandy City Council

Subject: Capital Projects Funding in lieu of Lump Sum Tax Increase

Dear Council Member,

Please find attached an example of the effect of an incremental annual tax increase invested at a “riskless” interest rate to generate a return that meets the funding goal. This strategy reduces the overall property tax burden and smoothes out the annual property tax liability.

A portion of annual property tax revenue should be appropriated to fund all capital projects funds. If it is currently not the case, the replacement, maintenance, improvements or future acquisition of all depreciable assets with a useful life greater than two years should be fiscally provided for in a capital projects fund. Monies in these funds should be invested as allowed by law to generate a rate of return, thus reducing the overall property tax burden.

The State of Utah Uniform Accounting Manual for Cities at reference E.02, Investment of Public Funds (copy attached) mandates investments fundamental to fiscal policy. It states:

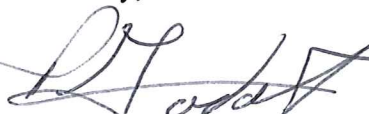
With the cost of providing public services increasing, it is imperative that local governmental officials invest available resources to the benefit of their governmental units. *Utah Code* Section 51-7, known as the Money Management Act, defines the criteria for investment of public funds (51-7-17) and the types of investments that may be made (51-7-11). A booklet containing these laws is available from the State Treasurer or the laws may be found in the *Utah Code*. (Highlighted by author for effect.)

To fund long range, 5-10 years, a safe option would be investments in U.S. Treasury notes using a multi-maturity investment strategy to hedge against interest rate and market risk. Returns on U.S. Treasuries are essentially the “riskless” rate of return and if held to maturity, there is no market risk.

To assist Sandy City in the budgeting and investment process, it may be advantageous for the city to enter into an intergovernmental agreement with the University of Utah’s Departments of Economics and Finance. Their expertise would certainly compliment the city’s finance department.

Please consider implementing these solutions.

Sincerely,



Paul Godot

Capital Projects Fund Funding Proposal
(in lieu of a lump sum tax increase)

Year or Payment Number	Property Tax	Annual Property Tax Percent Increase	Increase in Property Tax	New Property Tax	Amount of Property Tax Invested	Semi-Annual Interest Rate	Semi-Annual Balance	Earned Annual Interest Rate	Annual Balance
1	\$1,000.00	0.0582070%	\$0.58	\$1,000.58	\$0.58	1.0000%	\$0.59	1.0000%	\$0.59
2	\$1,000.58	0.0582070%	\$0.58	\$1,001.16	\$1.76	1.0000%	\$1.78	1.0000%	\$1.79
3	\$1,001.16	0.0582070%	\$0.58	\$1,001.75	\$3.54	1.0000%	\$3.58	1.0000%	\$3.61
4	\$1,001.75	0.0582070%	\$0.58	\$1,002.33	\$5.94	1.0000%	\$6.00	1.0000%	\$6.06
5	\$1,002.33	0.0582070%	\$0.58	\$1,002.91	\$8.98	1.0000%	\$9.07	1.0000%	\$9.16
6	\$1,002.91	0.0582070%	\$0.58	\$1,003.50	\$12.65	1.0000%	\$12.78	1.0000%	\$12.91
7	\$1,003.50	0.0582070%	\$0.58	\$1,004.08	\$16.99	1.0000%	\$17.16	1.0000%	\$17.33
8	\$1,004.08	0.0582070%	\$0.58	\$1,004.67	\$22.00	1.0000%	\$22.22	1.0000%	\$22.44
9	\$1,004.67	0.0582070%	\$0.58	\$1,005.25	\$27.69	1.0000%	\$27.97	1.0000%	\$28.25
10	\$1,005.25	0.0582070%	\$0.59	\$1,005.84	\$34.08	1.0000%	\$34.42	1.0000%	\$34.77
11	\$1,005.84	0.0582070%	\$0.59	\$1,006.42	\$41.19	1.0000%	\$41.60	1.0000%	\$42.02
12	\$1,006.42	0.0582070%	\$0.59	\$1,007.01	\$49.02	1.0000%	\$49.51	1.0000%	\$50.01
13	\$1,007.01	0.0582070%	\$0.59	\$1,007.59	\$57.60	1.0000%	\$58.18	1.0000%	\$58.76
14	\$1,007.59	0.0582070%	\$0.59	\$1,008.18	\$66.94	1.0000%	\$67.61	1.0000%	\$68.29
15	\$1,008.18	0.0582070%	\$0.59	\$1,008.77	\$77.05	1.0000%	\$77.82	1.0000%	\$78.60
16	\$1,008.77	0.0582070%	\$0.59	\$1,009.35	\$87.96	1.0000%	\$88.83	1.0000%	\$89.72
17	\$1,009.35	0.0582070%	\$0.59	\$1,009.94	\$99.66	1.0000%	\$100.66	1.0000%	\$101.67
18	\$1,009.94	0.0582070%	\$0.59	\$1,010.53	\$112.20	1.0000%	\$113.32	1.0000%	\$114.45
19	\$1,010.53	0.0582070%	\$0.59	\$1,011.12	\$125.57	1.0000%	\$126.83	1.0000%	\$128.09
20	\$1,011.12	0.0582070%	\$0.59	\$1,011.71	\$139.80	1.0000%	\$141.20	1.0000%	\$142.61
21	\$1,011.71	0.0582070%	\$0.59	\$1,012.29	\$154.90	1.0000%	\$156.45	1.0000%	\$158.02
22	\$1,012.29	0.0582070%	\$0.59	\$1,012.88	\$170.90	1.0000%	\$172.61	1.0000%	\$174.34
23	\$1,012.88	0.0582070%	\$0.59	\$1,013.47	\$187.81	1.0000%	\$189.69	1.0000%	\$191.59
24	\$1,013.47	0.0582070%	\$0.59	\$1,014.06	\$205.65	1.0000%	\$207.71	1.0000%	\$209.78
25	\$1,014.06	0.0582070%	\$0.59	\$1,014.65	\$224.44	1.0000%	\$226.68	1.0000%	\$228.95
26	\$1,014.65	0.0582070%	\$0.59	\$1,015.24	\$244.19	1.0000%	\$246.63	1.0000%	\$249.10
27	\$1,015.24	0.0582070%	\$0.59	\$1,015.84	\$264.94	1.0000%	\$267.59	1.0000%	\$270.26
28	\$1,015.84	0.0582070%	\$0.59	\$1,016.43	\$286.69	1.0000%	\$289.56	1.0000%	\$292.45
29	\$1,016.43	0.0582070%	\$0.59	\$1,017.02	\$309.47	1.0000%	\$312.56	1.0000%	\$315.69
30	\$1,017.02	0.0582070%	\$0.59	\$1,017.61	\$333.30	1.0000%	\$336.63	1.0000%	\$340.00
31	\$1,017.61	0.0582070%	\$0.59	\$1,018.20					
Totals				\$31,290.39					\$340.00

August 13, 2019

**Capital Projects Fund Funding Proposal
(in lieu of a lump sum tax increase)**

Funding Methodology									
Option 1:	No tax increase over 30 years, \$1,000 per year. Increase taxes by 34% in year 31 or an additional \$340. Total tax in year 31 is \$1,340.								
Option 2	Increase property tax each year over 30 years at a certain rate to meet the funding goal, in this case \$340. Invest the difference between any given year's tax liability and the "no tax increase" base liability referenced above at a certain rate to meet the funding goal, in this case \$340. (Assume funds are invested in U.S. Treasury debt instruments that pay annual interest of 2%, payable twice per year.)								
Analysis and Effect on Taxpayer									
Option 1:	No tax increase over 30 years, \$1,000 per year. Taxpayer pays \$30,000 over 30 years and \$1,340 in year 31 for a total of \$31,340.								
Option 2	Taxpayer pays \$30, 272.19 over 30 years and \$1,018.20 in year 31 for a total of \$31,290.39. Taxpayer saves \$49.61 over 30 years (\$31,340 - \$31,290.39) and reduces the year 31 tax liability by \$321.80 or 94.65% when compared to Option 1 (\$1,340-\$1,018.20 = \$321.80; \$321.80/\$340.00 = 94.65%). Option 2 smoothes out the yearly tax liability and provides for a sinking fund to replace assets or meet projected expenditures.								

STATE OF UTAH

UNIFORM ACCOUNTING MANUAL FOR CITIES

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Effective Date: 1 April 1986
Revision Date: 1 January 2012

With the cost of providing public services increasing, it is imperative that local governmental officials invest available resources to the benefit of their governmental units. *Utah Code* Section 51-7, known as the Money Management Act, defines the criteria for investment of public funds (51-7-17) and the types of investments that may be made (51-7-11). A booklet containing these laws is available from the State Treasurer or the laws may be found in the *Utah Code*.

The State Auditor's Office encourages the investment of local funds through the Public Treasurer's Investment Fund (the pool) managed by the State Treasurer. The investment expertise available in the State Treasurer's Office and the high yields that can be obtained through their pooling concept are difficult for most local government units to match. Contact Stephanie Baldes in the State Treasurer's Office at 538-1470, or toll free at 800-395-7665 for information.

The State Treasurer has prepared the following information for public treasurers of local governmental units:

INTRODUCTION

Most Utah public treasurers face a fiscal profile characterized by cyclical revenue and ratable expenses. Revenue is collected on a quarterly or annual basis in relatively substantial "spurts". Expenses are primarily personnel-related costs, and are generally stable. Receipt of bond proceeds and payment of related debt service costs are controlled and predictable with a high degree of accuracy. In this environment, the most critical concerns for the public treasurer should be: 1) appropriate cash management and, 2) matching of collections with expenditures. An appropriate investment strategy will include objectives which address these two areas.

CASH MANAGEMENT

The most basic statement of the principle of cash management is "speed-up all collections; slow down all expenditures and keep all available funds fully invested". The treasurer should review all sources of revenue to identify the point of collection, the method of collection, and the timing and volume of receipts. Each class of revenue should be examined to determine if there are alternatives which might result in faster collection. Any bottlenecks should be identified and eliminated. This may require cooperation between several municipal departments, particularly if revenue is collected in multiple locations. Some generalized suggestions follow:

1. Review mail room procedures and ascertain that all mail is distributed daily and early enough to facilitate deposit of incoming checks.
2. Instruct your bank to credit your account with interest due upon maturity of time deposits. (Many banks issue a check which is mailed to the depositor. This practice should be discouraged.)
3. Consider having any revenue payable through the state deposited directly into the Public Treasurer's Investment Fund as opposed to being mailed-out.

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4. Use wire transfers or ACH (electronic fund transfers) directly to your account for investment maturities and any revenue which can be controlled by the local government.
5. Accelerate the processing of receipts within government departments:
 - a. Discourage departments from holding receipts; cite the importance of depositing and investing funds as quickly as possible.
 - b. Establish control over receipts as early in the process as possible; then separate checks and cash from related paperwork and deposit.
6. Always deposit large checks immediately; do not wait for supporting paperwork, even if the receipt is “unidentified”.
7. Consider sorting checks by the bank on which they are drawn and depositing into accounts at that bank. These represent “on us items” at the bank, and are “good funds” in your account on the day deposited. Use wire transfers to concentrate these funds for investment.
8. Carefully monitor the balance in your bank account(s) to avoid building up excess balances which should be invested.
9. Consider use of a lock box at your bank or internet payment processing for recurring voluminous receipts, such as utility collections.

On the expenditure side, the treasurer should usually ascertain that payments are made on the due date (not prior to the due date) and are made as efficiently as possible. Funds should be provided in demand accounts at the time checks are expected to clear, not at the time checks are issued. For bond payments and other transactions processed through a bank acting as trustee or paying agent, the treasurer should provide collected funds on the due date. Frequently, the bank will request payment prior to the due date to assure that funds are available on the due date. This practice should be discouraged.

The treasurer should prepare a cash forecast as a basic tool in the development of an investment program. The cash forecast may be as simple as a large calendar on which scheduled expenditures and anticipated revenues are entered—worksheet fashion. An important use of the cash forecast, often omitted, is a continual comparison of the forecast to the actual flow of cash. This may point out significant variances which could indicate procedural problems requiring corrections.

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INVESTMENT STRATEGY

Generally speaking, treasurers are working with funds that will be expended over a relatively short period of time. The basic precept of a “balanced budget” is that revenues equal expenditures during the budget period; usually one year. The Money Management Act requires a public treasurer to match the maturity of investments with the anticipated expenditure of these funds. As a consequence, it is very improbable that any treasurer would have funds that could be invested in an instrument having a term beyond one year. Remembering that the objective is to match cash collections with expenditures, most treasurers will reject longer-term investment alternatives, regardless of “yield” or “liquidity.”

Given these parameters, most public treasurers will be using short-term, very liquid investment securities such as:

1. Money Market Demand Accounts: daily demand accounts earning “market rates” of interest, usually based on current Treasury Bill yields. Beware of withdrawal restrictions on most such accounts.
2. “Sweep” Accounts: non-interest bearing checking account, some portion of which is automatically “swept” into a repurchase agreement each night upon determination of the collected balance in the account. The repurchase agreement is usually a pooled “repo” earning interest at a rate somewhat below that of a negotiate repo, but comparable to rates paid on money market demand accounts.
3. Money Market Mutual Funds: a pool of short-term money market instruments typically comprised of commercial paper, bankers’ acceptances, certificates of deposit, and treasury bills.

These mutual funds are generally operated and administered by major brokerage houses, and must be registered with the SEC. These investments have no maturity date, thus, one can put and take monies on demand, earning interest at the daily rate generated by the investments in the fund during the investment period.

4. Repurchase agreements: a simultaneous purchase and resale of the same securities at an agreed price and time. Collateral for “repos” includes governmental and agency obligations. Repos of up to three months are not uncommon. The important point is that a repo can be written for any term, and can coincide exactly with a specific cash need. The securities purchased (the “collateral”) should have an aggregate market value greater than the dollar amount on repo to provide some protection. The treasurer must take physical possession of the collateral or have it delivered to a third party holder to perfect his interest in the securities. Where broker repos are involved, securities must be delivered to the treasurer’s safekeeping bank.

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5. Time Certificates of Deposit: term deposits earnings interest at a negotiated rate for a negotiated period of time. TCDs may be negotiable or non-negotiable. Most Utah banks issue only “non-negotiable” TCDs, meaning that they cannot be sold and must be held to maturity. Generally TCDs of less than \$100,000 par value will not earn the same rate as larger time deposits. Utah law requires interest on TCDs of \$100,000 or more to be calculated on the basis of actual number of days divided by 360 days.

6. Public Treasurers Investment Fund: the “pool” is a convenient deposit-type investment administered by the State Treasurer’s Office and offering daily liquidity. There are no minimum balance requirements, no limitations on transactions, and no “commissions”. Pool deposits are invested mainly in short term investment securities, including time certificates of deposit, government agency obligations, corporate notes, and commercial paper.

7. Banker’s Acceptances: short-term (usually 180 days or less) debt issued through the banking system secured by title to salable merchandise. The “BA” is an irrevocable primary obligation of the accepting bank, and contingent obligation of the drawer and of any endorsers. BAs of top banks are sold at a discount, maturing at face value, and are routinely marketed by brokers. BAs must be eligible as collateral for borrowing from a Federal Reserve Bank in order to meet requirements of the Money Management Act.

8. Commercial Paper: short-term unsecured promissory notes issued by corporations and government entities. Commercial paper is usually sold at a discount in multiples of \$100,000, although coupon issues in denominations as small as \$25,000 are available. The term of commercial paper is typically one day to nine months (270 days). Rates are comparable to, or slightly above, bankers acceptances and certificates of deposit issued by top name banks. Commercial paper is marketed by brokers, or directly by the issuer, and is usually delivered in New York City. To comply with the Money Management Act, commercial paper must be rated in the top rating category by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services, or Standard and Poors, Inc.

9. U.S. Treasury Bills: direct obligations of the United States issued for terms of 91 days, 182 days, or 364 days. Treasury Bills maturities are scheduled every Thursday of the year, except Thanksgiving Day. Bills are sold at a discount, and mature at par. Yields are usually slightly below time certificates of deposit, but may exceed local certificate yields at any point in time. Bills may be sold at any time to meet unexpected cash needs. Sale prior to maturity can result in a substantially reduced yield due to interest rate fluctuations. Treasury Bills may be purchased from a broker, or from your local bank, and are considered to be the most liquid of all investments.

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CUSTODY OF SECURITIES

The Money Management Act requires public treasurers to take physical delivery of all securities purchased. In the case of out-of-state time deposits, commercial paper, bankers acceptances and government and agency bonds, physical delivery will be to a safekeeping account established by the treasurer at a bank, usually in New York. Safekeeping by the selling broker is not permitted under the Act. Any security not physically held by the treasurer must be supported by a safekeeping receipt issued by a qualified depository or by the treasurers' safekeeping money center bank.

CONCLUSION

The small public treasurer should normally concentrate his investment program in short-term, liquid securities. Some mix of demand accounts (interest bearing or non-interest bearing), repurchase agreements, time deposits, and deposits in the Public Treasurer's Investment Fund will result in the most prudent, efficient program. Larger treasurers may wish to diversify by adding treasury bills, bankers acceptances, commercial paper, and out-of-state negotiable certificates of deposit. Use of these instruments will require establishment of a safekeeping arrangement with a money center bank to be efficient and to comply with statute. Only in unusual circumstances would a treasurer consider Treasury bonds, or government agency issues (GNMAs FNMA's etc.) as an investment due to their long terms. Generally speaking, a public treasurer will obtain the best results by carefully managing cash flow and investing all available funds in short-term, familiar investment securities such as time deposits, repurchase agreements, and the Public Treasurer's Investment Fund.



To: Sandy City Council

From: Don Milne, Chair
Public Utilities Advisory Board

Date: June 26, 2019

Re: Recommendation to preserve dedicated Street Light Utility fee

The Public Utilities Advisory Board (PUAB or Board) has reviewed the City Council fiscal year budget 2019/20 proposal to remove the dedicated Street Light utility fee and replace that funding with a portion of the proposed property tax increase.

The Board recommends that the Street Light Utility remain a separate utility fee with dedicated funding. The Board recognizes its advisory role to the Council and Mayor, and that the decision is a matter of public policy and legislative funding. Below are several of the issues discussed and observations by the PUAB in support of the recommendation to maintain a Street Light fee.

- The Street Light fee provides transparency where public funds are being spent.
- The creation of the Street Light utility fee was done largely to address a City funding need that was historically difficult to support under the general fund.
- The Board is concerned that the City will underfund the street light utility to a point where a fee needs to be reinstated.
- The PUAB is concerned that street light capital program funding needs will be less likely to be addressed under the general fund. Current capital funding of \$104,000 is inadequate.
- The consultants for the city's utility master plan and PUAB have recommended increasing funding by an additional \$1M per year to complete recommended capital improvements within the coming 20 years. This funding increase would require a fee or tax increase of roughly double our current monthly rate of \$2.98 per equivalent residence.
- Unfunded Street Light capital needs exceed \$20M.
- \$10M capital funding is needed for about 1400 light poles on arterial streets and neighborhoods that have no lights or inadequate street lighting.
- \$10M capital funding is needed to retrofit the remaining 7600 old high watt lights with high efficient LED lights that would result in a \$180,000 per year reduction in the power bill. This is also a significant reduction the City's greenhouse gas emissions as a clean and efficient city.

If you have any questions, please feel free to contact me directly at 801-652-6308.

Thank you.

Don Milne, Chair
Public Utilities Advisory Board