



**Truth in Taxation Hearing**  
**FY 2024**  
**August 22, 2023**

## Process Overview

Date	Event
<b>Year-round</b>	Receive citizen input through focus groups, surveys, community meetings, public comment, social media and other electronic correspondence, and personal conversations.
<b>January</b>	Begin developing short and long-term forecasts
<b>January - March</b>	Budget work sessions
	Develop preliminary revenue estimates
	Finalize internal service and administrative cost studies
<b>February - March</b>	Review department budget requests
	Review and update fee schedule
<b>March</b>	Finalize revenue forecasts
	Finalize compensation plan
	Review and balance Mayor's Proposed Budget
<b>March - April</b>	Prepare and publish Mayor's Proposed Budget
<b>May 2<sup>nd</sup></b>	<b>Present Mayor's Proposed Budget, Tentatively Adopt Budget</b>
<b>May - June</b>	Review the Tentative Budget
<b>May - June</b>	Public budget hearing
<b>By June 20<sup>th</sup></b>	<b>Set Property Tax Rate, Set Truth in Taxation Hearing</b>
<b>By June 27<sup>th</sup></b>	<b>Adopt Final Budget (if no property tax rate increase)</b>
<b>August 22<sup>nd</sup></b>	<b>Truth in Taxation Hearing &amp; Budget Adoption</b>

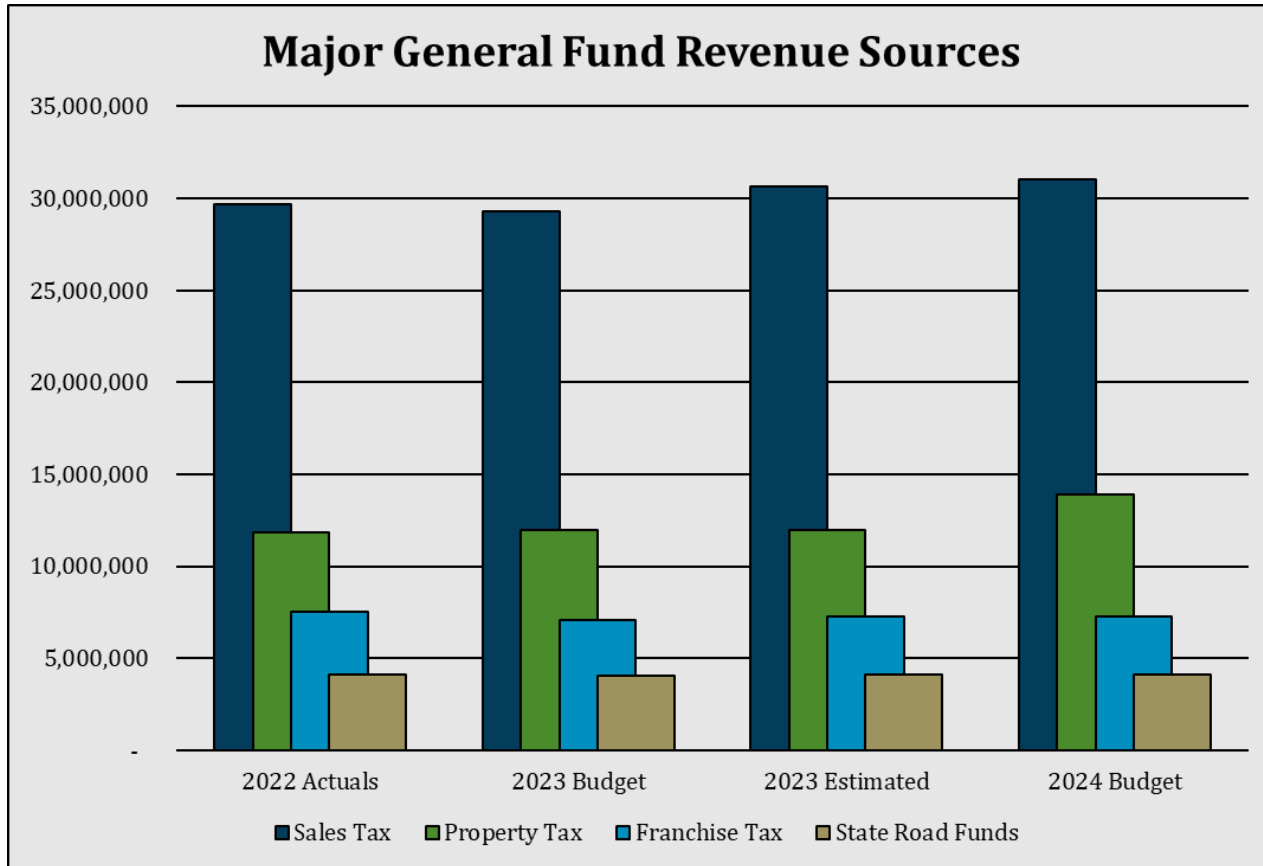
## Key Challenges

1. Meeting citizen service expectations
2. Public safety service needs  
Fire department 3:2 staffing level
3. Historic inflation
4. Employee retention and recruiting
5. Fleet replacement
6. Reinvesting for the future
7. Community connectedness
8. Maintaining fund balances
9. Sandy's lifecycle stage
10. Revenue reductions (SB75 Sand & Gravel Sales Tax reduction)

# Cost Reductions

- \$1.3M General Fund cuts in FY 2019
- Absorbing price increases
- Central Wasatch Commission reduced contribution
- Restructuring South Valley Chamber agreement to reduce TRT contribution
- Streamlining GRAMA requests process
- Efficiencies to enable more passport processing for added revenue
- RDA professional service reduction
- Energy savings in streetlighting and buildings
- Flip-the-strip water savings
- Improved city-wide communications
- Improving efficiencies and service level response times
- Grant applications

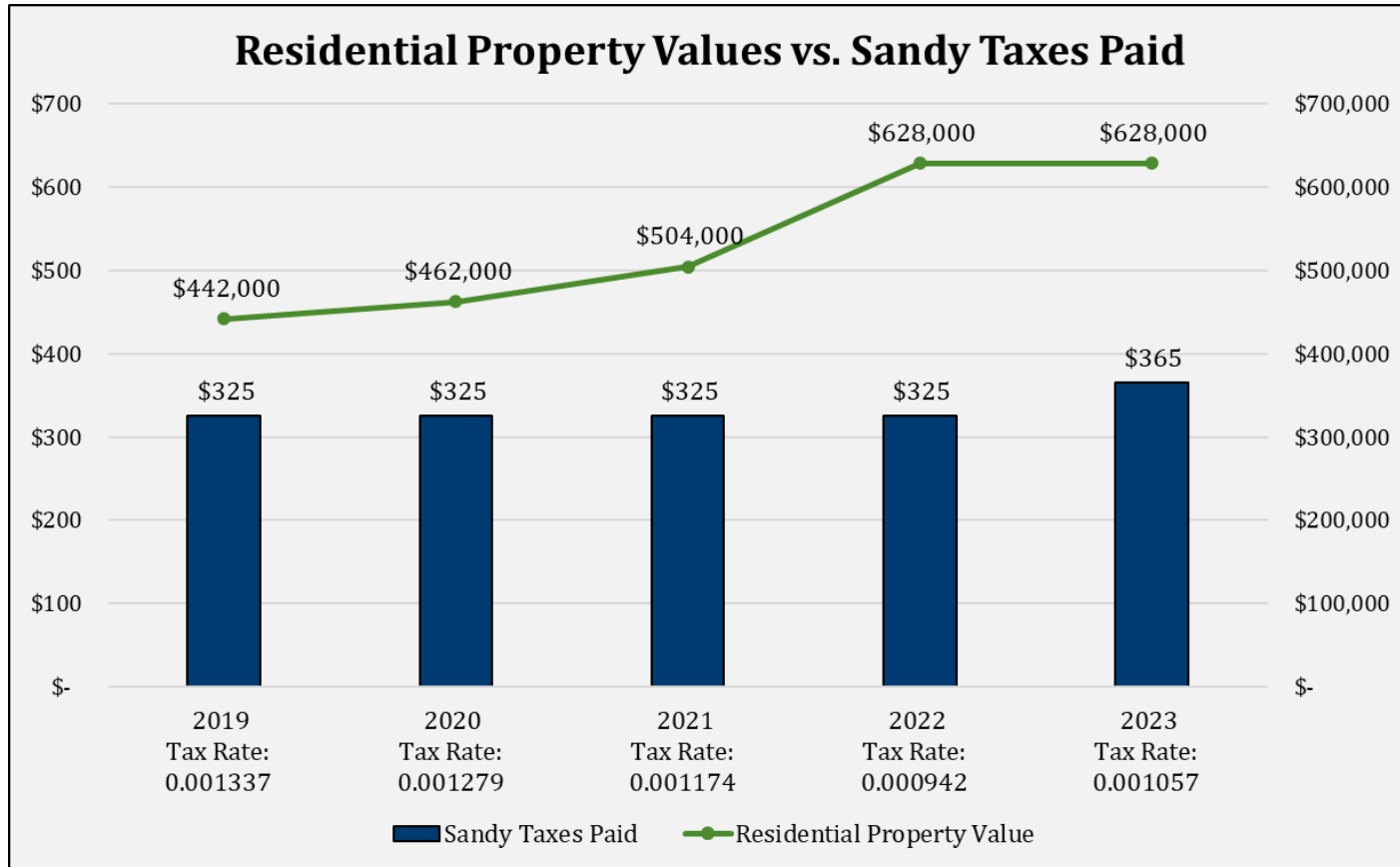
# Property Tax Background



## Property Tax Constraints: Key Concepts

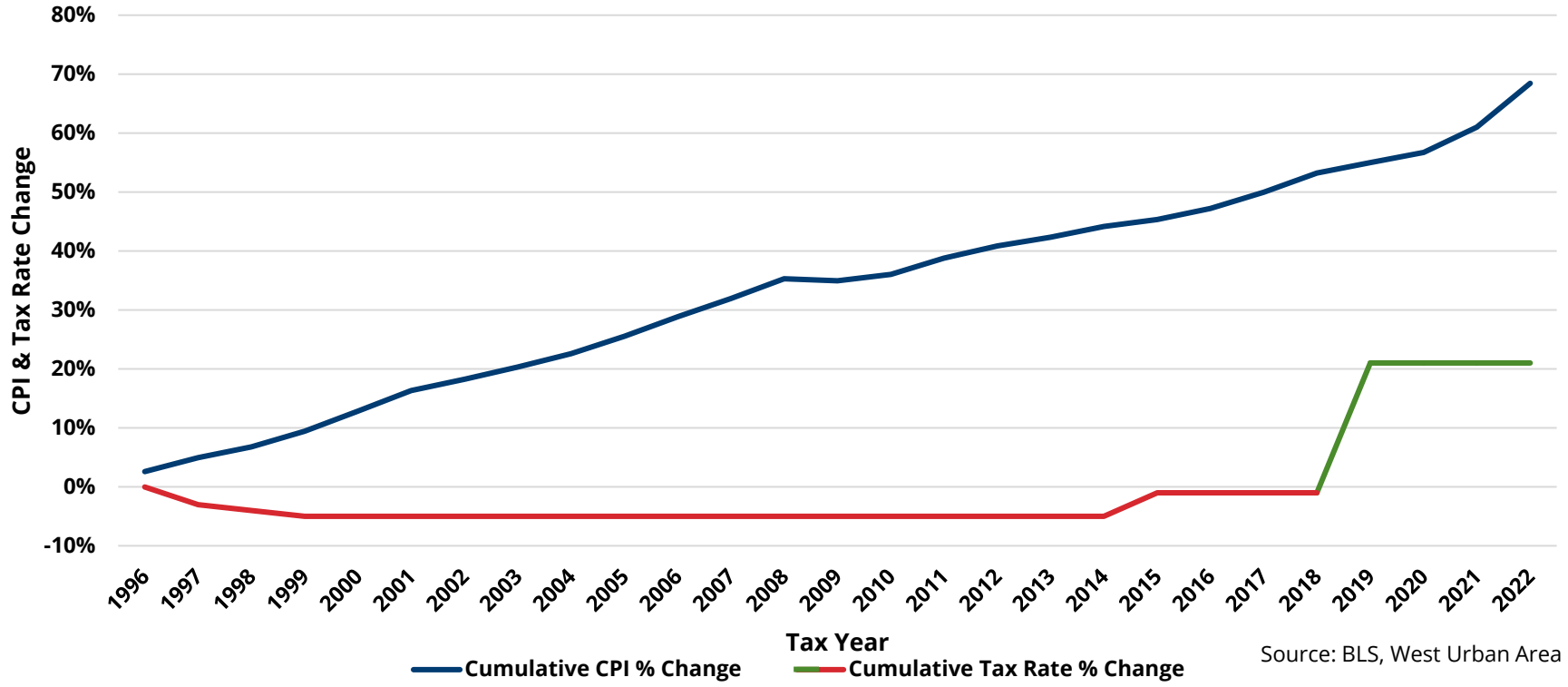
- ❑ There is no built-in inflationary adjustment for property tax revenues collected
- ❑ As home values increase, the tax rate automatically goes down
- ❑ Only ways to increase property tax revenue:
  - ❑ New Developments
  - ❑ Truth in Taxation Process

# Property Tax Background



# Property Tax Background

## Cumulative Inflation vs. Sandy Property Tax Rate Change



Source: BLS, West Urban Area



## Summary

- City departments requested \$11.1M in operational needs
- The Mayor pared down those requests and submitted a tentative budget that included \$9.3M in new expenses
- The City Council pared down the Mayor's tentative budget even further to \$7.1M in new expenses

## Summary Continued

- **\$5.3 million** in general revenue growth expected
- **\$7.1 million** in new operating needs (\$11.1 million requested)
  - Implement more market competitive salaries for public safety and regular employees
  - Fund eight new firefighter/paramedics to maintain critical staffing levels
  - Address some of the many operating costs that have increased due to inflation
  - Cover new operating expenses that will generate new revenue
- **\$1.8 million** needed to cover funding gap
  - 14.9% property tax increase

# Proposed Tax Increase Impact



**\$628,000**  
**Sandy Home**

**\$3.94 per Month**

or

**\$47.32 per Year**



**\$628,000**  
**Sandy Business**

**\$7.17 per Month**

or

**\$86.04 per Year**

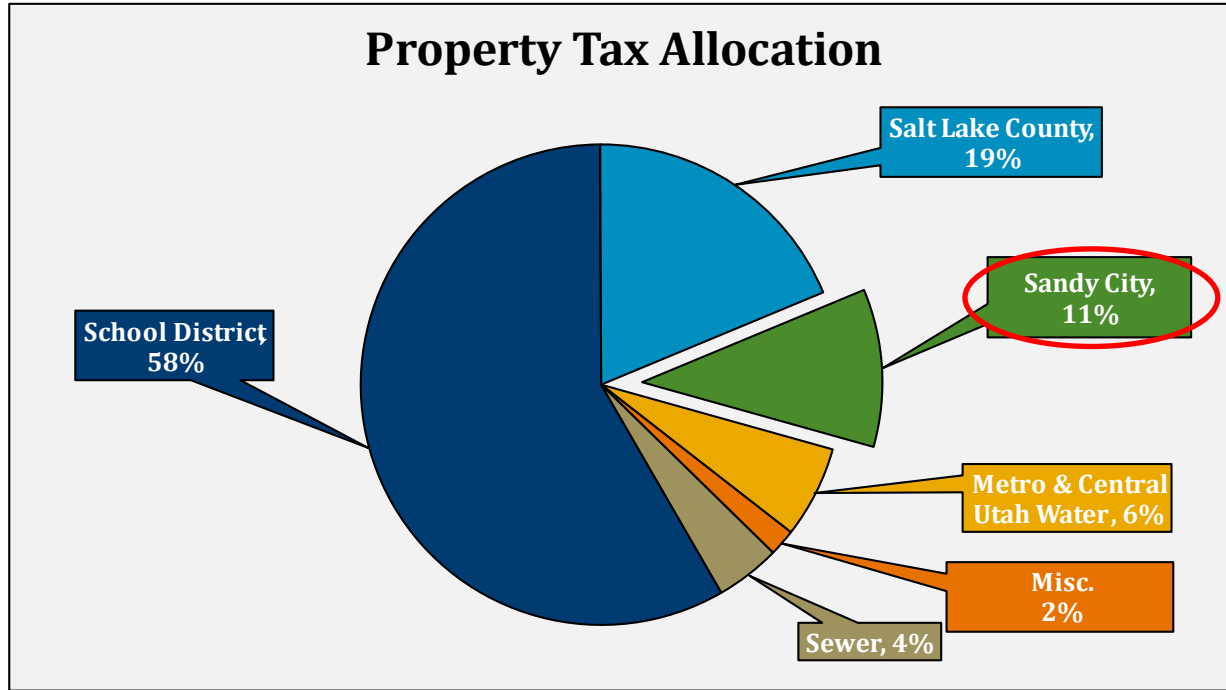
# Property Tax Background

## NOTICE OF TAX CHANGES

TAXING ENTITY	2023 IF TAX INCREASE APPROVED		2023 IF NO BUDGET CHANGE		2023 CHANGE IF INCREASE APPROVED		2022		RIGHT TO BE HEARD	
	Rate	Tax	Rate	Tax	Tax	%	Rate	Tax	A public meeting will be held	
									Date/Time/Place	
<a href="#">CANYONS SCHOOL DISTRICT</a>	.004231	1,461.15	.004231	1,461.15			.004336	1,515.78		
<a href="#">STATE BASIC SCHOOL LEVY</a>	.001406	485.56	.001406	485.56			.001652	577.51		
<a href="#">UT CHARTER SCHOOL-CANYONS</a>	.000068	23.48	.000068	23.48			.000065	22.72		
<a href="#">SALT LAKE COUNTY</a>	.001394	481.41	.001394	481.41			.001459	510.04		
<a href="#">SANDY CITY</a>	.001057	365.03	.000920	317.72	\$47.31	15%	.000942	329.30	🕒 08/22/23 06:00PM	📍 10000 S Centennial Pkwy
<a href="#">SL COUNTY LIBRARY</a>	.000477	164.73	.000381	131.58	\$33.15	25%	.000386	134.94	HEARING HELD DEC '22	
<a href="#">SO SL VALLEY MOSQUITO</a>	.000009	3.11	.000009	3.11			.000009	3.15		
<a href="#">METRO WATER SANDY</a>	.000216	74.59	.000216	74.59			.000221	77.26		
<a href="#">SANDY SUBURBAN IMPROVEMNT</a>	.000432	149.19	.000432	149.19			.000448	156.61		
<a href="#">CENTRAL UT WATER CONSERV</a>	.000400	138.14	.000387	133.65	\$4.49	3%	.000400	139.83	🕒 08/21/23 06:00PM	📍 1426 E 750 N Bldg 2 Orem
<a href="#">MULTI COUNTY ASSESS/COLL</a>	.000015	5.18	.000015	5.18			.000015	5.24		
<a href="#">COUNTY ASSESS/COLL LEVY</a>	.000155	53.53	.000155	53.53			.000160	55.93		
TOTAL	.009860	3,405.10	.009614	3,320.15			.010093	3,528.31		



# Property Tax Background



# FY 2024 Proposed Budget



## FY 2023-2024 Budget In Brief

### Market Competitive Compensation

Sandy City's most recent annual compensation survey results show that the vast majority of the City's regular employee pay ranges are well below comparison cities. Historic inflation and wage growth in recent years, coupled with high demand for public safety employees, have placed tremendous pressure on city budgets to remain market competitive. In alignment with the City's goals to maintain a highly qualified workforce and to maintain and improve core services, this budget reflects an **8.2% increase** to overall employee compensation. While this is higher than typical and improves our competitiveness, it still leaves Sandy City lagging behind comparison cities in average total compensation for many positions across the City.

**⚠️ We are falling behind!**

### Public Safety Staffing



The safety of Sandy residents is a top priority. This budget commits ongoing funds for **eight new Firefighter Paramedics** and a more competitive firefighter pay structure. These new positions will facilitate 3:2 staffing levels at all five fire stations to more effectively respond on emergency calls for service.

The pay adjustments will help contribute to improved retention and recruitment to maintain adequate staffing with highly qualified firefighters/paramedics.

### Bonding for Monroe Street

An ongoing appropriation of **\$900K** for annual sales tax bond payments is budgeted in order to complete the next phase of the **Monroe Street Extension** between 9000 South and 9400 South. This annual debt service payment will be covered by an ongoing state grant that continues through FY 2036.

### Equipment

**\$533K** of one-time general revenues is budgeted for department equipment needs. This includes funding for future radio upgrades necessary across all City departments. It also funds equipment critical for public safety such as bulletproof vests for police, and new heart monitors, fire hose, air bag rescue systems, and personal protective equipment (PPE) for firefighters.



### Property Tax

To help address mounting impacts

of inflation and facilitate ongoing services, this budget proposes a property tax rate increase of about **\$4 per month** for an average home (a 15% Sandy rate increase or about a 1.5% increase on total property tax bill). This provides a more stable tax base but still maintains one of the lowest rates of similar cities in Utah.

### Fleet Replacement



The **\$1.3M** ongoing appropriation for fleet replacement is insufficient to keep pace with rising costs and a growing fleet. For this reason, **\$1.1M** in one-time funds have been used to supplement general fund fleet replacement with an emphasis on replacing public safety vehicles.

General Fund		Other Funds	
Police	\$1.2M	Utilities	\$237K
Fire	\$592K	Waste	\$215K
Parks & Rec.	\$422K	Fleet	\$175K
<b>Total</b>	<b>\$2.2M</b>	<b>Total</b>	<b>\$627K</b>

### Inflation Indicators

Due to the effects of the pandemic and recent international conflict, the cost of goods and services has increased substantially. Below are just a few examples of inflation over the last two years based on historical City department expenditures:

- Diesel Fuel up 97%
- Sprinkler Parts for Parks up 44%
- City Insurance Premiums up 37%
- Snow Plow Tires up 25%
- Police Interceptors up 23%
- Ambulance Supplies up 12%

The following measures highlight inflation at a broader level over the last two years:

- Consumer Price Index up 14.8%\*
- Social Security COLA up 14.6%\*\*

Sources:  
\*BLS.gov—Mountain area 2020 annual vs. 2022 annual  
\*\*New government of rising increases of 5.0% and 9.7% effective January 2022 and January 2023, respectively

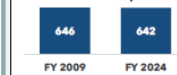
### Management Studies

This budget includes an ongoing **\$50K** appropriation for management studies to identify opportunities to enhance operational efficiencies and improve service delivery.

### Staffing Levels

In addition to bolstering public safety position, a **Marketing Specialist** communication of Parks & Recreation program information through social media and other electronic channels.

### FTE Count Comparison



FTE=Full-time equivalent employee

Despite adding a total of nine FTEs\* to the FY 2024 staffing plan, the City's total FTE count is actually **lower** than it was 15 years ago.

### Capital Projects

- Parks \$2.1M**  
Playground Replacements  
Bicentennial Pickleball Courts  
Park Strip Conversions
- Utilities \$2.3M**  
Mainline Replacements  
Floodplain Projects  
CMP Replacement  
Street Lighting Improvements

This budget allocates **\$12.1M\***

- Roads \$5.1M**  
Traffic Signal Upgrades  
Intersection Reprofitting  
Street Reconstruction  
Concrete Repair

- City Facilities \$2.4M**  
Amphitheater Improvements  
City Hall Remodels  
Building Improvements

for capital improvements with notable projects shown to the left.

\*This does not include the Monroe Street project that will be funded with bond proceeds.  
**Misc. \$230K**  
CDBG Projects





# FY 2024 Proposed Budget


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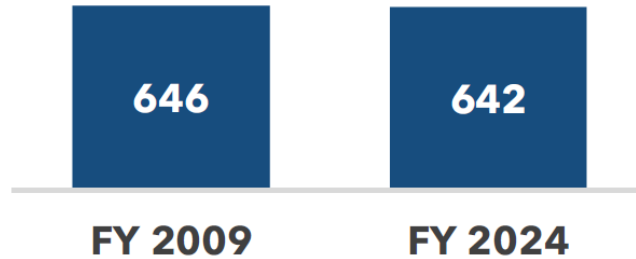


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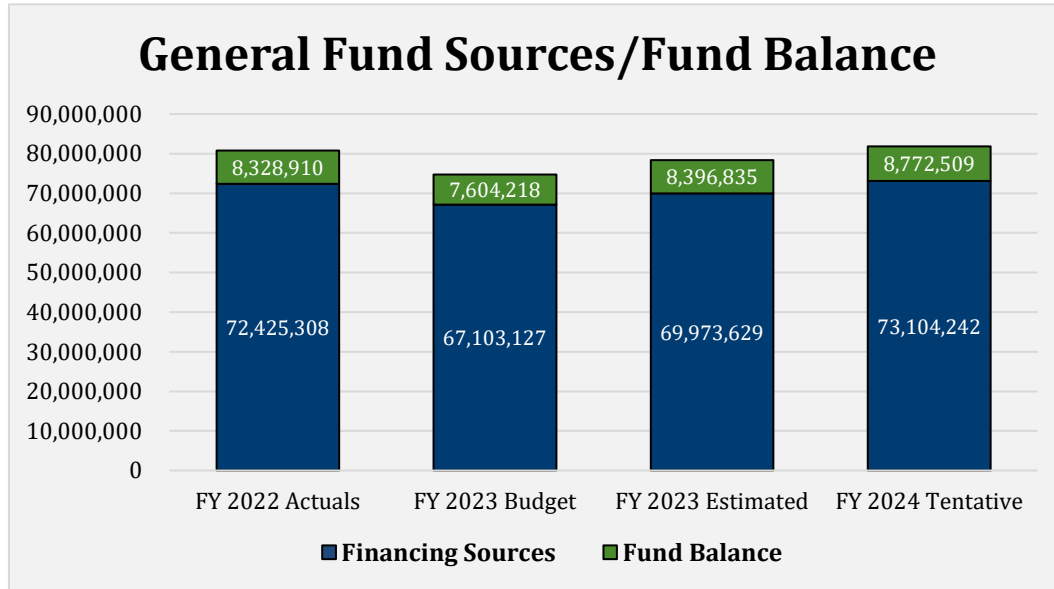


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# Fund Balance

- General Fund balance maintained at 12%



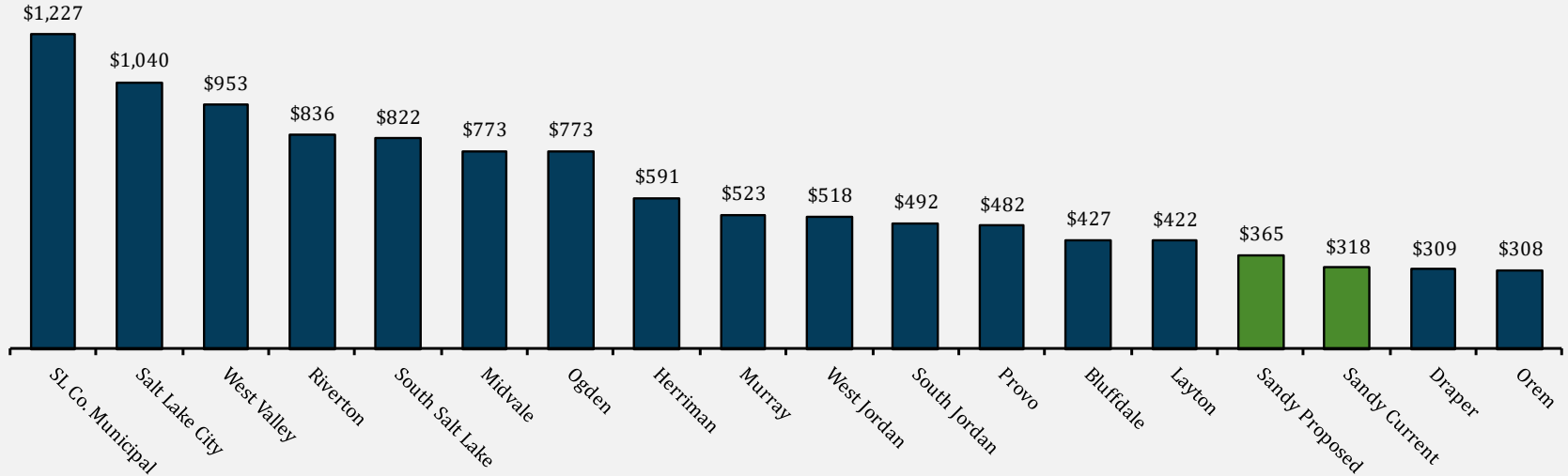
# Significant Needs Not Included in Budget

- No water rate increase
  - Deferred capital projects
- No storm water fee increase
- No waste collection fee increase
  - Cash balance is dwindling to an unhealthy level
- Substantial ongoing fleet replacement increase not funded
- City Council chamber full upgrade not funded
- Fire apparatus and police vehicle replacements unfunded
- \$4M in General Fund ongoing requests unfunded
- Street reconstruction needs not fully funded
- Priority capital facilities unfunded

# Property Tax Comparisons

## Property Tax Comparisons

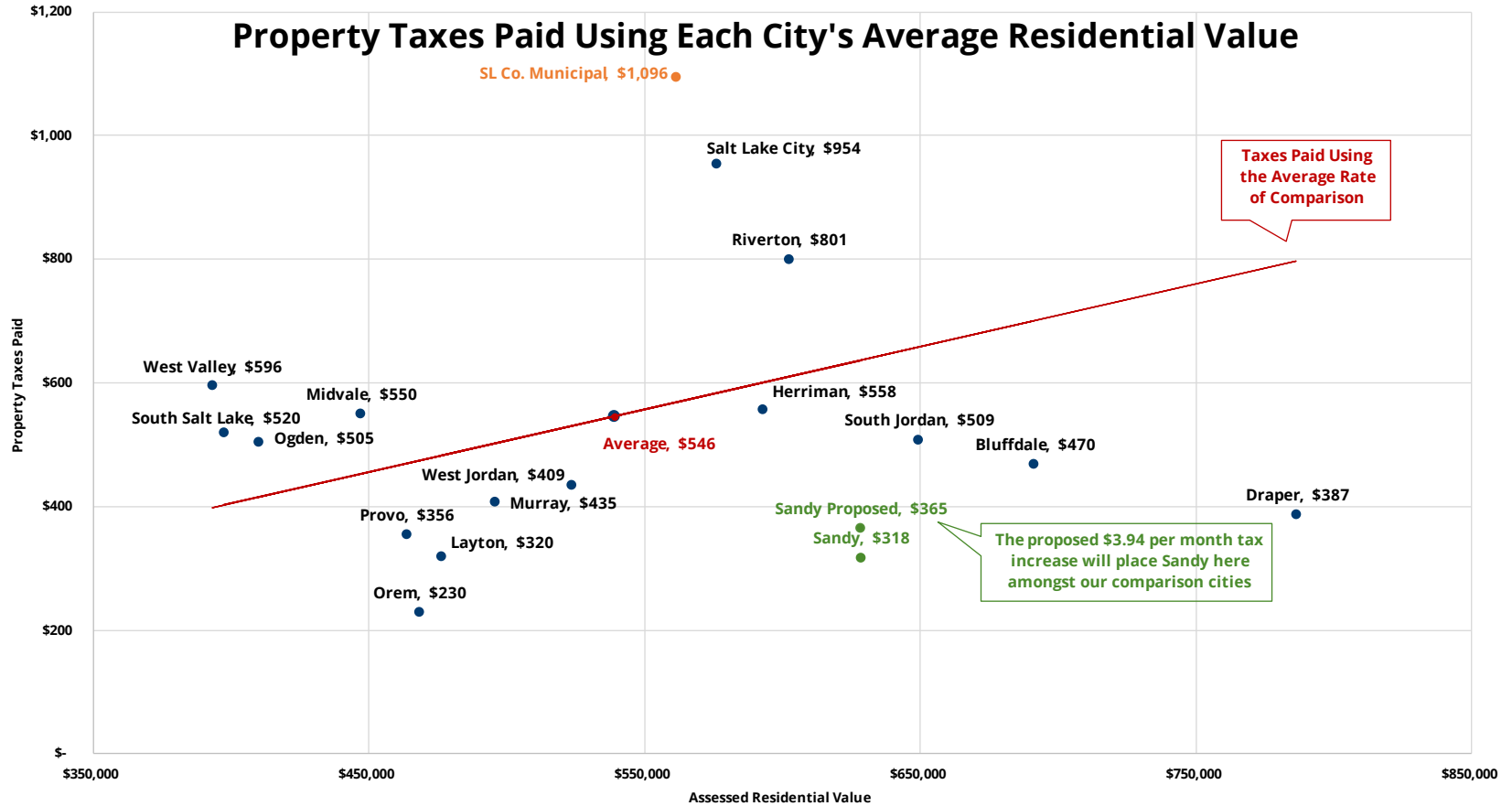
### 2023 Residential Property Tax of Neighboring and Comparison Cities



**Property Taxes Paid Using Sandy  
Average Residential Value of \$628,000  
(Includes proposed increases)**



# Property Tax Comparisons



## 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 development growth.
  
- Why is the property tax increase necessary?
  - Primarily to maintain competitive wages for public safety and regular employees, hire eight new firefighter/paramedics, and address some of the many operating cost increases driven by inflation

## Resident Concerns/FAQ Continued

- How much will the property tax increase affect my property?
  - The net effect of the current proposal on a \$628,000 home would be \$47.32 per year, or \$3.94 per month
  
- Is this tax increase related to Fire Station 31 rebuild project?
  - No, the new fire station 31 funding will be based on voter approval at the general election on November 21<sup>st</sup>.

# QUESTIONS

# Easily Connect with Sandy City



Download the app to report city issues (like graffiti), to receive emergency notifications, and to access city/event info on Google or Apple devices. Search “Sandy City: CityServe” in the app store.



The perfect site if you only have a few minutes for quick city updates. This dashboard features latest events, monthly newsletter, latest news, videos, fact briefs, and more.



Get email notifications on all the things you are interested in at the city.

*Sign up here: [sandy.utah.gov/services/enotification](https://sandy.utah.gov/services/enotification)*



Tune into City Council and Planning Commission meetings.

*Go to: [sandyutah.legistar.com/Calendar.aspx](https://sandyutah.legistar.com/Calendar.aspx), then click on the video media link.*



Please sign up and provide feedback on Sandy City’s online survey tool.

*Search “Citizen Connect” at [sandy.utah.gov](https://sandy.utah.gov)*



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# Property Tax Background