



# Sandy City Council Office

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To: Sandy City Council

From: Zach Robinson – District 3

Date: June 1<sup>st</sup>, 2023

Subject: FY2024 Budget Proposal

Fellow Councilmembers, after receiving the Tentative Budget from the Mayor on May 9<sup>th</sup> I began working on proposals to amend the Tentative Budget. In the past couple of weeks, I have worked closely with Council and Administrative Staff to outline these proposals and to provide initial estimates of their fiscal impacts. These proposals are centered around my vision for the FY2024 budget and our priorities that became clear at the budget retreat. I encourage you to consider these proposals with an open mind and bring your thoughts to the table so we can put together a budget that moves Sandy City forward in the best way for our residents and employees. My proposals would address our most pressing needs, our significant capital projects, Fire Department staffing and employee compensation. The cost of addressing these needs would push the property tax increase to 41%. In terms of real dollars, that would ask the average homeowner to pay \$11 more in property taxes per month than they are currently paying. While this is never ideal, the value in this tax increase is evident by the scope of what it accomplishes for our residents and employees.

1. I am proposing to keep the compensation plan fully funded as proposed in the tentative budget.
2. I am proposing to keep the Fire Department FTE's and pay plan fully funded as proposed in the tentative budget.
3. I propose eliminating the FTE requests for the Animal Services Officer, Emergency Management Coordinator, and the PT Administrative Staff. These changes would result in a reduction of approximately \$200,000 in ongoing expenses and decrease the overall tax increase amount needed.
4. I propose reducing the fund balance target from 12% to 11.8% because of the increased revenues from the tax increase. This would not lower the total dollar amount in fund balance just the percentage relative to revenues.
5. I propose issuing bonds for the totality of Fire Station 31 and Alta Canyon. Under this scenario I suggest pooling our capital resources to try and accomplish each of our most significant capital needs. The total debt service would be paid through a combination of revenue from expiring bonds, and new revenue generated via a portion of the 41% property tax increase. My proposal, as written, assumes that we'll receive \$0 dollars for the sale of naming rights for Alta Canyon. It also assumes that we'll receive \$0 dollars for the sale of the existing Parks and Recreation Facility, so every dollar that we receive will reduce the total bond amount and as a



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result the potential property tax increase. For each \$125,000 reduction to the bond payment (~\$2.1 million reduction to the net bond amount needed), the total needed property tax increase will drop by ~1%.

<b>Bonding Scenario</b>		
<b>Project Sources</b>		
Description	Amount	
Station 31 Property and Impact Fees	(6,500,000)	
Capital Contingency	(5,670,556)	
All Abilities Playground Budget	(1,309,000)	
Naming Rights	-	
Sale of Parks Building	-	
Fund Balance	-	
<b>Total Uses</b>	<b>(13,479,556)</b>	
<b>Project Uses</b>		
Description	Amount	
Alta Canyon	38,000,000	
Fire Station 31	16,000,000	
<b>Total Uses</b>	<b>54,000,000</b>	
<b>Net Bond Amount Needed</b>	<b>40,520,444</b>	
Estimated 30-Year Bond Payment	2,345,000	
<b>Funding Scenario for Bond Payment</b>		
Ongoing Revenue from Tax Increase	1,895,000	
Ongoing Revenue from Sunsetting Bond	450,000	

- I propose transferring \$350,000 from Municipal Buildings – 1201 into Council Chambers Upgrades – 120104. This will prioritize funding for both the most public and most neglected portion of City Hall.