



SANDY CITY LONG-RANGE FINANCIAL OUTLOOK

GENERAL FUND ANALYSIS

CITY COUNCIL BUDGET WORKSHOP

FEBRUARY 2022



REVENUE ASSUMPTIONS

- ▣ **Base Ongoing Increases:**
 - ▣ 9% in FY 2023, 2% in FY 2024 – FY 2026
 - ▣ Based on Historical Trends and Current Market Conditions
- ▣ **One-Time Increases:**
 - ▣ Road Cut Permits: \$650K in FY 2023, \$500K in FY 2024

EXPENSE ASSUMPTIONS

- **Base Ongoing O&M Increases:**
 - 6% in FY 2023, 3.5% in FY 2024 – FY 2026
 - Based on Historical Trends and Current Market Conditions
- **Ongoing O&M Increases from Department Priorities:**
 - 2.5% in FY 2023, 1% in FY 2024 – FY 2026
 - New Positions, Reclassifications, Software Maintenance, Professional Services, Fleet O&M, Maintenance Supplies, etc.
- **One-Time O&M:**
 - \$720K in FY 2023, \$330K Average in FY 2024 – FY 2026
 - Fleet Purchases and Equipment Associated with New Positions

CAPITAL IMPROVEMENT PLAN (CIP) ASSUMPTIONS

- ▣ **Estimated Excess General Revenues in FY 2022**
 - ▣ \$7M Available for CIP in FY 2023
- ▣ **Restricted Capital Revenues Based on Historical Trends**

	2022	2023	2024	2025	2026
CIP Expense	\$27,584,900	\$88,497,714	\$29,045,251	\$37,246,123	\$27,140,159
Other Funding Sources (Grants, Impact Fees, Road Funds, Etc.)	27,584,900*	27,871,686*^	15,915,500*	25,506,411*	6,381,624*
CIP Funding Gap	\$ -	\$60,626,029	\$13,129,751	11,739,713	20,758,536

*Funding Sources Include Non-Guaranteed Grants
^2023 Funding Sources Include Contingency Funds

- ▣ **Major CIP Impacts on General Fund Include:**
 - ▣ Alta Canyon Recreation Center – \$45M
 - ▣ Parks & Recreation Building – \$6M
 - ▣ Public Works Building – \$19M
 - ▣ Fire Station #31 – \$8.5M

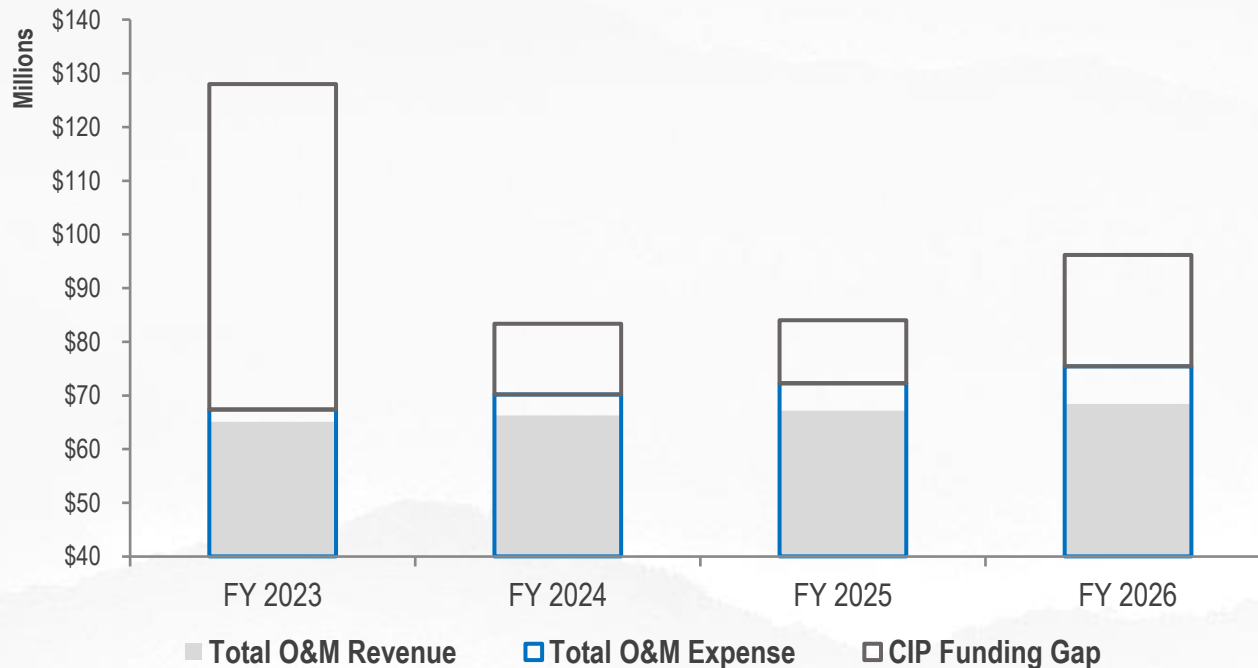


BASELINE ANALYSIS

■ Baseline Analysis Assumptions

- No Property Tax Increase
- Inclusion of Baseline Increases, New O&M, and CIP
- No New Debt

Comparison of Revenues and Expenses

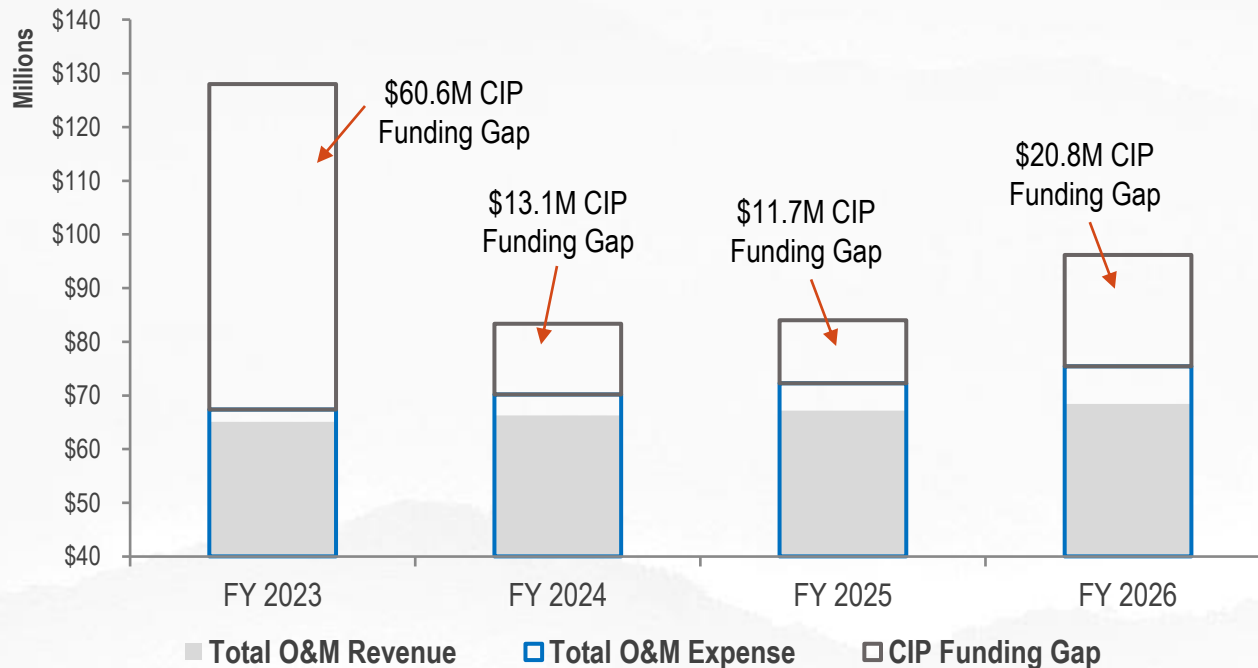


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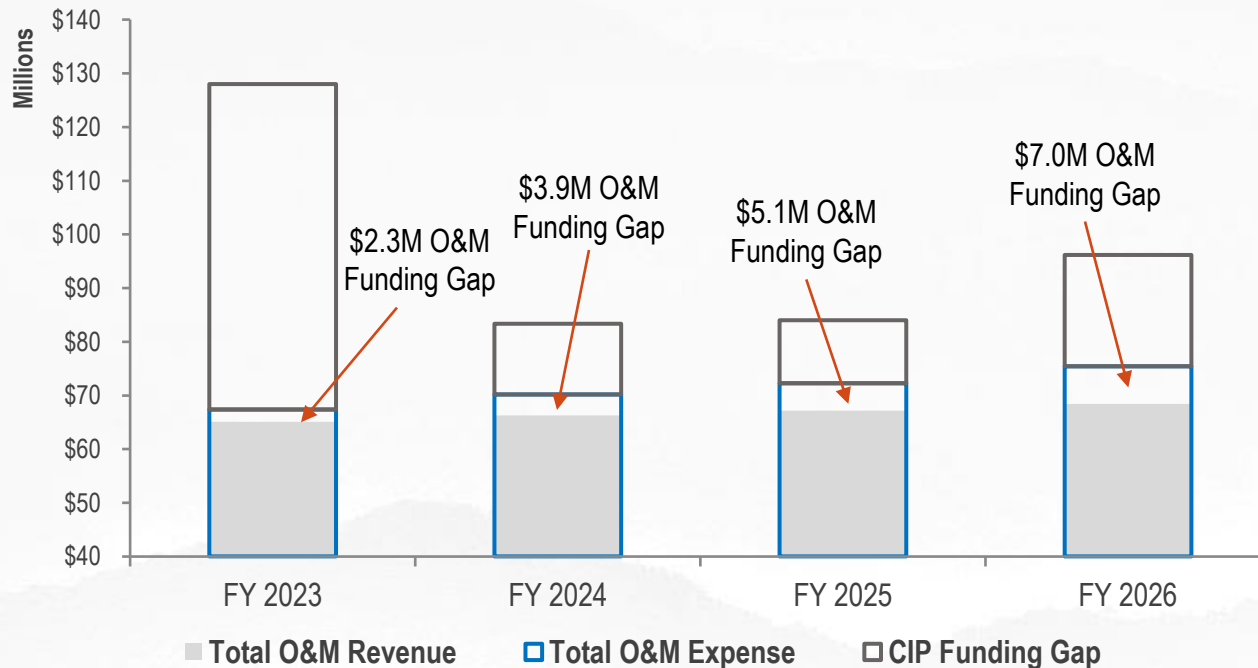


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STRATEGIES

□ STRATEGIES TO ADDRESS FISCAL IMBALANCE:

▣ Revenue Strategies

- ▣ Economic Development
 - ▣ Development Policies and Incentives
- ▣ Long-Term Financing/Bonding
 - ▣ Revenue Stream Required
- ▣ Legislation Affecting Tax Rates
- ▣ Building/Land Lease Revenue
- ▣ Evaluate Increases on Fees for Services
- ▣ Property Tax Increases

▣ Expenditure Strategies

- ▣ Limit Expansion of Staff and Associated Fleet/Equipment
- ▣ Limit/Reduce Capital Projects Funding
- ▣ Identify More Methods to Improve Efficiencies and Reduce Costs

CONCLUSION

▣ Next Steps:

- ▣ **Prioritization of Operational and Capital Needs**
- ▣ Identify Additional Funding Needs and Sources
- ▣ Evaluate Funding Options
- ▣ Refine Scenarios
- ▣ Establish Action Plan