

SOUTH JORDAN CITY  
CITY COUNCIL SPECIAL BUDGET MEETING #1

January 29, 2020

**Present:** Mayor Dawn Ramsey, Council Member Patrick Harris, Council Member Brad Marlor, Council Member Jason McGuire, Council Member Don Shelton, Council Member Tamara Zander, CM Gary Whatcott, CFO Sunil Naidu, Strategic Services Director Don Tingey, ACM Dustin Lewis, City Attorney Ryan Loose, HR Director Teresa Cook, City Council Secretary MaryAnn Dean

Mayor Ramsey welcomed everyone present. She excused Council Member McGuire who will be here shortly.

A. Meal

The City Council had a brief dinner break.

B. Invocation: *By IT Director, Jon Day*

IT Director Day offered the invocation.

C. 2020-21 City Council Budget Session #1

CM Whatcott introduced Kyrene Gibb from Y2 Analytics. He said staff has spent a lot of time looking at alternatives for the budget. He said they have a plan to balance the budget, without raising taxes and they can hire the 11 needed personnel for public safety.

Kyrene Gibb, Y2 Analytics, reviewed the recent resident survey that was conducted. She said the residents prefer to cut services and expenditures rather than see a tax increase. She said only 26 percent support a tax increase.

Council Member Marlor asked what services are they willing to cut? Ms. Gibb said public safety and street maintenance are the residents' highest priority. The lower priority is communications, community events and programs, and recreation. There was also indication that the services most favored to be cut is new resident orientation, the South Jordan parade and float, tennis, holiday lights, and street fence maintenance.

Council Member Harris asked if there were any patterns between the Council Districts? Ms. Gibb said there is a lot of consistency in terms of priority.

They talked about the timing of the survey relative to opinions regarding increase in property taxes. Ms. Gibb said she feels if the survey was done at a different time, the 3 to 1 ratio supporting a reduction in services vs increase in taxes would hold.

Ms. Gibb said if anything in the survey could have been done different, it is that the open ended feedback could have been guided better.

Council Member Shelton said the residents are educated and well informed. It was noted that some residents wanted further education on certain issues. Ms. Gibb said in the survey process, the purpose is to gather information, not disseminate information. CM Whatcott said he feels many residents were misinformed, based on their comments regarding South Jordan having high property taxes. He said they should maybe provide a graph where South Jordan sits in the spectrum of taxes to other communities in Salt Lake County. Many residents said South Jordan has the highest taxes in the state and it is untrue. Ms. Gibb said she does not feel a graph would have changed the sentiment regarding taxes.

It was noted that Holladay city is in the process of trying to distribute information about the low property tax burden. They are in a dire capital needs situation, and it is requiring a lengthy messaging campaign.

The City Council discussed the upcoming budget.

CFO Naidu said he appreciated meeting with Mayor Ramsey and the City Council individually. He said if they do not change any service levels, they will be able to manage until the growth revenue meets with the current level of service. It will require the use of some savings.

Mr. Naidu said they need to staff Fire Station 64 and they need some police personnel. He said in 2019, the revenues were lower than they thought because of the loss of Kennecott revenues. He said they have to adjust for the loss of those revenues. He said the gap between the revenues and expenditures this year is covered by savings. He said it is currently hard to fill some positions because of the low unemployment rate. He said vacant positions might be one area to create some savings. Another way to create savings is for people to hold off attending training.

CM Whatcott said they did have some savings in operation changes. The last time the city asked for new money was in 2007. He said operations run flat. Most of the growth is wage inflation.

They discussed the difficulty in all businesses right now finding and keeping employees. CM Whatcott said it is difficult in public works because they can make more in the private sector in construction.

They discussed the problem in public safety. Not only are they down employees, but training for those positions is several months to a year. CM Whatcott said that is problematic in all government agencies.

Council Member McGuire arrived at this time.

CFO Naidu said the savings will cover the shortfall in 2020. In 2021, they will still be a little short, but the revenues will increase over time.

CFO Naidu reviewed what the general fund covers: operating expenses, debt service, and CIP projects. He reviewed funding mechanisms for capital projects; savings, \$1.8 million for infrastructure improvements, impact fees, grants, class c funds, and the  $\frac{1}{4}$  of a  $\frac{1}{4}$  gas tax.

CM Whatcott said they cash fund their capital projects and that is not typical.

CFO Naidu said the proposal to close the gap between the revenues and expenditures in 2021 is to eliminate the \$1.8 million. He said the  $\frac{1}{4}$  of the  $\frac{1}{4}$  (gas tax) takes its place. It was noted that the inclusion of the \$1.8 million was a policy that the City Council asked for, it was not done by Ordinance. Part of the \$1.8 million is used for capital maintenance.

Council Member Marlor said he is concerned about using the  $\frac{1}{4}$  of the  $\frac{1}{4}$  gas tax. He is not sure they can count on that money. City Attorney Loose said the state is bonding against it. It is very stable. There is a limitation on how the gas tax can be spent.

They discussed the possibility of a future downturn in the economy. CFO Naidu said they are not going to see a large sales tax revenue bump. They will always keep their expenditures in line with their revenues. They are proposing to use some savings for capital projects, but they are not relying on that money. The solution in a downturn is to not add additional projects.

CM Whatcott said this proposal allows them to maintain what they are currently doing, including capital projects. They will be able to hire staff on the front end of Fire Station 64 without adding new revenue to the pot. He said the problem is that if they want to maintain the level of service with the continued growth, at some point, they will need to hire additional employees and as of right now, there is no additional money to do that. He said the demand of services, and the associated cost, will outpace their ability to fund it. The main component is the employee salary and salary inflation.

In the current plan, they are not adding additional money to the rainy day funding, but they are not taking any money away from it.

CFO Naidu said this plan will not affect the city's bond rating.

Council Member Marlor asked if any of the bonds are coming due? CFO Naidu said there are a couple of bonds that will be paid off in a few years.

CM Whatcott noted that property taxes collected from the city pays for the police department and half of the fire department.

Council Member Harris asked if they annex property into the city in the future, will they have to raise taxes? CM Whatcott said it depends on the arrangement; he feels it would have to be a self-funding situation. Council Member Marlor said they need to review impact fees more regularly. It was noted that other community's police departments are funded with a special service district assessed separately on the property tax. It is not a fair comparison to compare city to city. Herriman pays 3 times in property tax if you add the city tax with the public safety taxes.

Mayor Ramsey noted that staff is excellent in getting grants to help with funding.

It was noted that South Jordan pays less taxes for higher value homes than Riverton and Herriman. They reviewed the city taxes on home values (Attachment A).

It was further noted that other cities have some serious infrastructure costs.

CM Whatcott said they have published the city tax graph in the FOCUS. Council Member Marlor said they should include that in the survey to educate residents. City Attorney Loose said Sandy and Draper have received millions in funds; that is why their taxes are low.

They discussed how the changes would affect the Fire Department.

Fire Chief Dawson said they are looking at 11 new FTE for public safety. The plan is to stagger hiring employees overtime.

CM Whatcott said they anticipate the fire station will be ready in October or November, but staff will start in January. It can take up to 3-4 years to get a fire fighter fully functioning independently.

Fire Chief Dawson said there are times where there are no ambulances available in the city. He said one more medic unit will get them where they need for a number of years. They are budgeting \$300,000 for a new ambulance. They are hoping that it will come in closer to \$250,000.

CM Whatcott said the plan isn't optimal, but it's in a comfortable range from a risk perspective.

Council Member Harris said the budget plan makes sense for this year. He said they should evaluate certain things that they can tighten up on without cutting employees.

Council Member Zander said she appreciates the creativity of staff for this solution, and she is comfortable with the current direction.

Council Member McGuire said he is comfortable with the plan for a year. He said he is concerned about the future of the city and how lean they run. He is worried about burning out employees and making sure they have funds to provide services to the residents.

Council Member Marlor said he is also comfortable with the plan. He said he would like to see a list of the CIP projects, and he would like to know what the unfunded projects are. He asked that city meetings not be scheduled when they have other meetings and activities planned that day.

Council Member Shelton expressed concern about taking \$1.8 million out because the CIP list had significant maintenance items on it. CM Whatcott said the Class C funds and some savings can be used for that. They will show all CIP projects and make that determination. He said the majority of the residents don't want a tax increase, but the reality of decreasing services would be difficult. He said they will have to figure out how to increase their revenues at some point.

Council Member Shelton said he would like to make sure their legislative representatives understand how the loss of the Kennecott revenue has effected them. It was noted that the bill said there would be no local government fiscal impact.

City Attorney Loose said he feels Rio Tinto is the one who knew clearly. The players at the Legislature were not fully aware of the impact of point of sale.

Council Member Marlor asked why would they reduce corporate tax? City Attorney Loose said the argument is if they go after the corporations, it will take jobs and businesses away.

The City Council determined to have the next budget meeting on February 25<sup>th</sup> at 5:30 p.m.

#### ADJOURNMENT

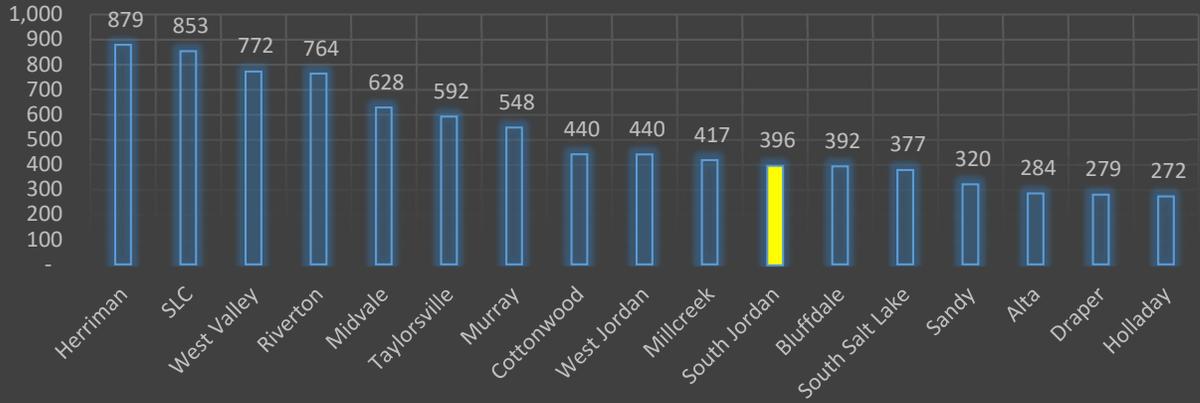
**Council Member Marlor made a motion to adjourn. Council Member Shelton seconded the motion. The vote was unanimous in favor.**

The January 29, 2020 City Council budget meeting adjourned at 7:22 p.m.

**This is a true and correct copy of the January 29, 2020 City Council Budget Meeting Minutes, which were approved on February 18, 2020.**

*Anna M. West*  
**South Jordan City Recorder**

### City Tax on \$400,00 Home Value





Office of the Salt Lake County Auditor  
 2019 Notice of Property Valuation & Tax Changes  
 Scott Tingley, CIA, CGAP  
 Salt Lake County Auditor  
[www.slco.org/property-tax/](http://www.slco.org/property-tax/)

THIS IS NOT A BILL.  
 DO NOT PAY.

RIVERTON UT 84065

Property Location:  
 Acres: .26  
 Above Ground Sq Ft: 1,535  
 Tax Area: 42  
 Type: 111 SINGLE FAMILY RESIDENCE  
 Last Review: 2017  
 Parcel Number:

<b>2019 Market Value</b> \$396,600	<b>2019 Proposed Property Tax</b> \$3,036.15	<b>Appeal to County Board of Equalization by</b> September 16, 2019
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**NOTICE OF PROPERTY VALUATION**

Assessment Type	2019 Market Value	COMPARE	BE HEARD
		2018 Market Value	If you believe the assessed value of your property is incorrect, you may begin the appeal process by filing an Appeal Form with the County Auditor by September 16, 2019  Visit <a href="http://www.slco.org/property-tax/">www.slco.org/property-tax/</a>
FULL MARKET VALUE	\$396,600	\$370,800	
RESIDENT EXEMPTION REDUCTION	<178,470>	<166,860>	
TOTAL TAXABLE VALUE	\$218,130	\$203,940	

For detailed property valuation information visit [www.slco.org/assessor/](http://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
JORDAN SCHOOL DISTRICT	.004870	1,062.29	.004498	981.15	\$81.14	8%	.004684	955.25	AUG 06 6:00 PM 12476 S SILVERWOLF WAY
STATE BASIC SCHOOL LEVY	.001661	362.31	.001661	362.31			.001666	339.76	
UT CHARTER SCHOOL-JORDAN	.000145	31.63	.000145	31.63			.000151	30.79	
SALT LAKE COUNTY	.001933	421.64	.001933	421.64			.002025	412.98	AUG 06 6:00 PM 12476 S SILVERWOLF WAY
SL COUNTY LIBRARY	.000536	116.92	.000536	116.92			.000559	114.00	
SO SL VALLEY MOSQUITO	.000014	3.05	.000014	3.05			.000015	3.06	
JORDAN VALLEY WATER CONS	.000383	83.54	.000383	83.54			.000400	81.58	AUG 12 6:00 PM 1426 E 750 N #400 OREM
SOUTH VALLEY SEWER	.000280	61.08	.000280	61.08			.000296	60.37	
CENTRAL UT WATER CONSERV	.000400	87.25	.000378	82.45	\$4.80	6%	.000400	81.58	
MULTI COUNTY ASSESS/COLL	.000009	1.96	.000009	1.96			.000009	1.84	HEARING HELD IN DEC 2018
COUNTY ASSESS/COLL LEVY	.000216	47.13	.000216	47.13			.000225	45.88	
UNIFIED FIRE SVCE AREA	.001745	380.64	.001745	380.64			.001836	374.43	
UNIFIED FIRE SVCE JDG	.000001	.22		.00	\$2.22	100%	.000022	4.49	HEARING HELD IN DEC 2018
RIVERTON LAW ENFORCEMENT	.001726	376.49	.001726	376.49			.001849	377.09	
<b>TOTAL</b>	<b>.013919</b>	<b>3,036.15</b>	<b>.013524</b>	<b>2,949.99</b>			<b>.014137</b>	<b>2,883.10</b>	

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



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 2019 Notice of Property Valuation & Tax Changes  
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THIS IS NOT A BILL.  
 DO NOT PAY.

SOUTH JORDAN UT  
 84095

Property Location:  
 Acres: .33  
 Above Ground Sq Ft: 1,696  
 Tax Area: 38  
 Type: 111 SINGLE FAMILY RESIDENCE  
 Last Review: 2018  
 Parcel Number:

<b>2019 Market Value</b> \$415,700	<b>2019 Proposed Property Tax</b> \$2,800.55	<b>Appeal to County Board of Equalization by</b> September 16, 2019
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**NOTICE OF PROPERTY VALUATION**

Assessment Type	2019 Market Value	COMPARE	BE HEARD
		2018 Market Value	If you believe the assessed value of your property is incorrect, you may begin the appeal process by filing an Appeal Form with the County Auditor by September 16, 2019  Visit <a href="http://www.slco.org/property-tax/">www.slco.org/property-tax/</a>
FULL MARKET VALUE	\$415,700	\$394,600	
RESIDENT EXEMPTION REDUCTION	<187,065>	<177,570>	
TOTAL TAXABLE VALUE	\$228,635	\$217,030	

For detailed property valuation information visit [www.slco.org/assessor/](http://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
JORDAN SCHOOL DISTRICT	.004870	1,113.45	.004498	1,028.40	\$85.05	8%	.004684	1,016.57	AUG 06 6:00 PM 12476 S SILVERWOLF WAY AUG 06 6:00 PM 12476 S SILVERWOLF WAY AUG 06 6:00 PM 12476 S SILVERWOLF WAY AUG 12 6:00 PM 1426 E 750 N #400 OREM
STATE BASIC SCHOOL LEVY	.001661	379.76	.001661	379.76			.001666	361.57	
UT CHARTER SCHOOL-JORDAN	.000145	33.15	.000145	33.15			.000151	32.77	
SALT LAKE COUNTY	.001933	441.95	.001933	441.95			.002025	439.48	
SOUTH JORDAN CITY	.001802	412.00	.001802	412.00			.001880	408.02	
SL COUNTY LIBRARY	.000536	122.55	.000536	122.55			.000559	121.32	
SO SL VALLEY MOSQUITO	.000014	3.20	.000014	3.20			.000015	3.26	
JORDAN VALLEY WATER CONS	.000383	87.57	.000383	87.57			.000400	86.81	
SOUTH VALLEY SEWER	.000280	64.02	.000280	64.02			.000296	64.24	
CENTRAL UT WATER CONSERV	.000400	91.45	.000378	86.42	\$5.03	6%	.000400	86.81	
MULTI COUNTY ASSESS/COLL	.000009	2.06	.000009	2.06			.000009	1.95	
COUNTY ASSESS/COLL LEVY	.000216	49.39	.000216	49.39			.000225	48.84	
<b>TOTAL</b>	<b>.012249</b>	<b>2,800.55</b>	<b>.011855</b>	<b>2,710.47</b>			<b>.012310</b>	<b>2,671.64</b>	

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