

CITY OF SARATOGA
SPRINGS

PROPERTY TAX
PUBLIC HEARING

August 5, 2008

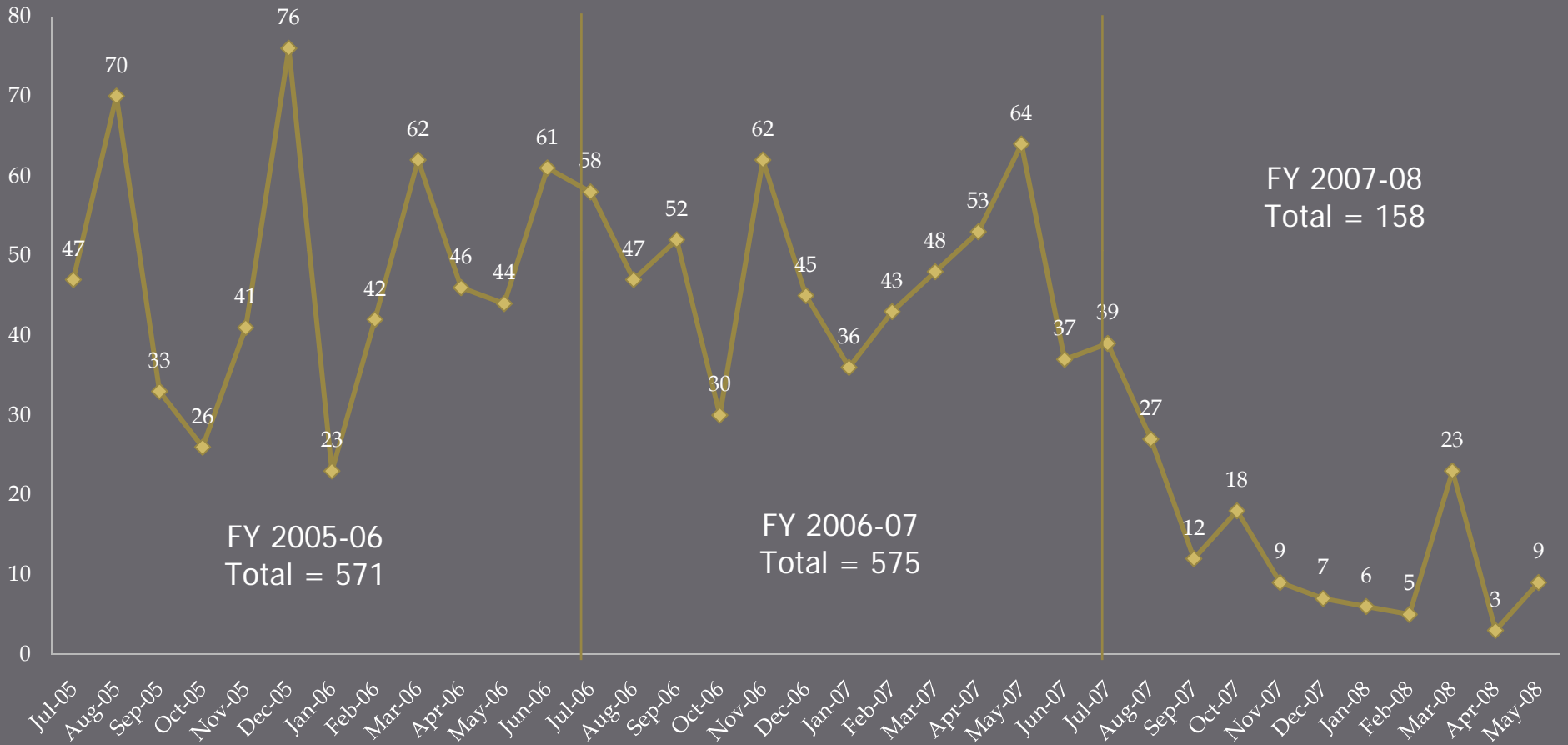
Purpose of meeting

- ▣ The City is meeting to receive public comment and answer questions regarding its proposal to increase property taxes.
- ▣ This hearing is required by Utah Code prior to the City adopting a property tax increase.
- ▣ Brief presentation prior to public comment.

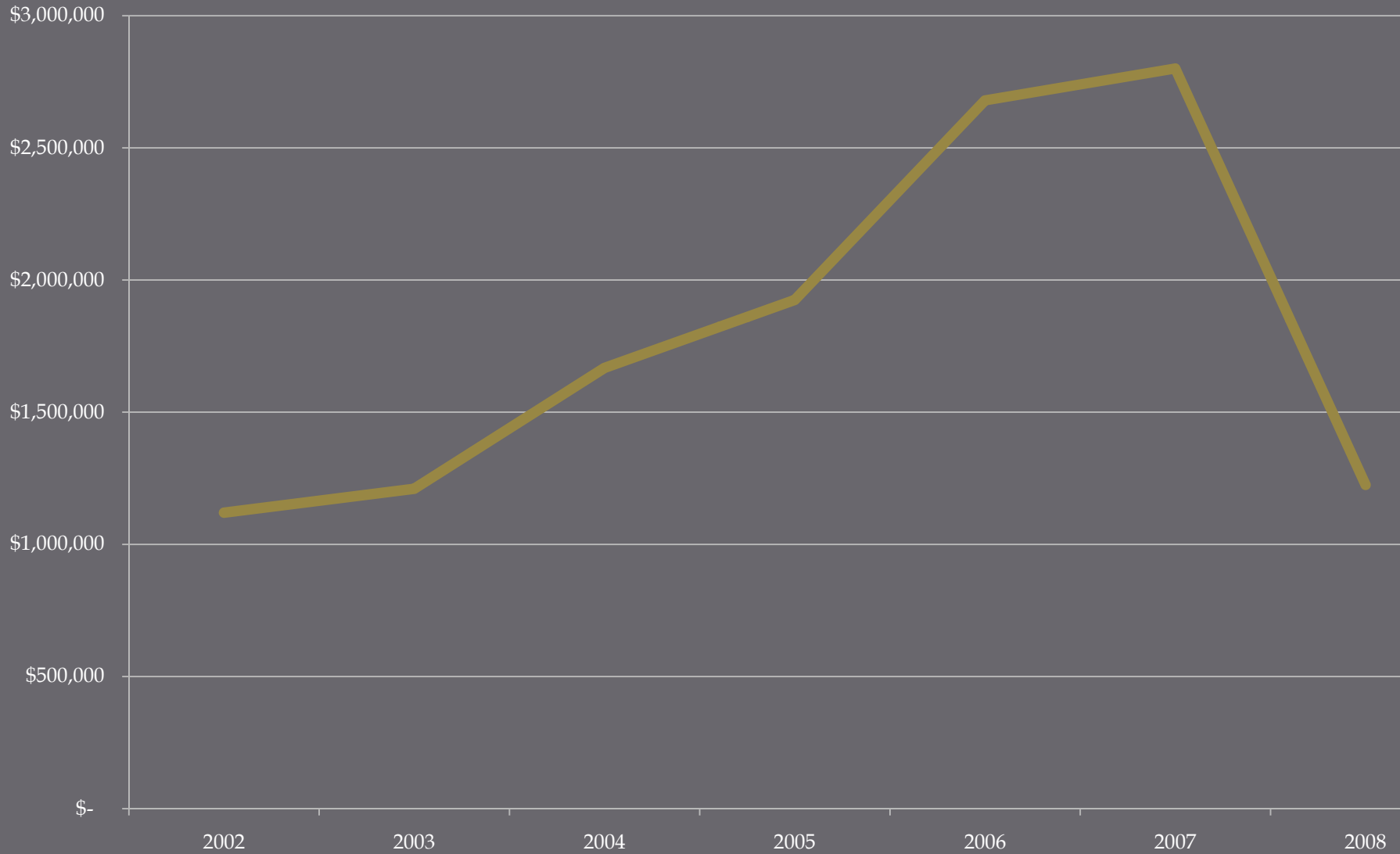
Why do we have a shortfall?

- ▣ The shortfall has been created mostly by declining development-related revenues & some increasing costs.
- ▣ Some history on the City's development-related revenue is helpful in understanding the shortfall.

Single Family Building Permits



Total Development Revenue



- ▣ When the City's budget process began, the shortfall was potentially \$3,500,000
- ▣ Individual departments cut all new budget requests in their areas – Reducing the shortfall to \$2,866,000
- ▣ Further cuts have been made during the course of the budget deliberation to reduce the shortfall to \$1,463,590

What has the City done to cut its expenses?

Cost cutting in proposed 08-09 Budget

- Reductions in all City departments (not public safety)
- Reduction of city costs for celebrations
- Cuts or delays in road maintenance projects
- No wage changes for employees
- Employees pay more for their health insurance
- Hiring freeze which began last year
- Elimination of 14 full-time and 4 part-time positions

General Fund changes by Department

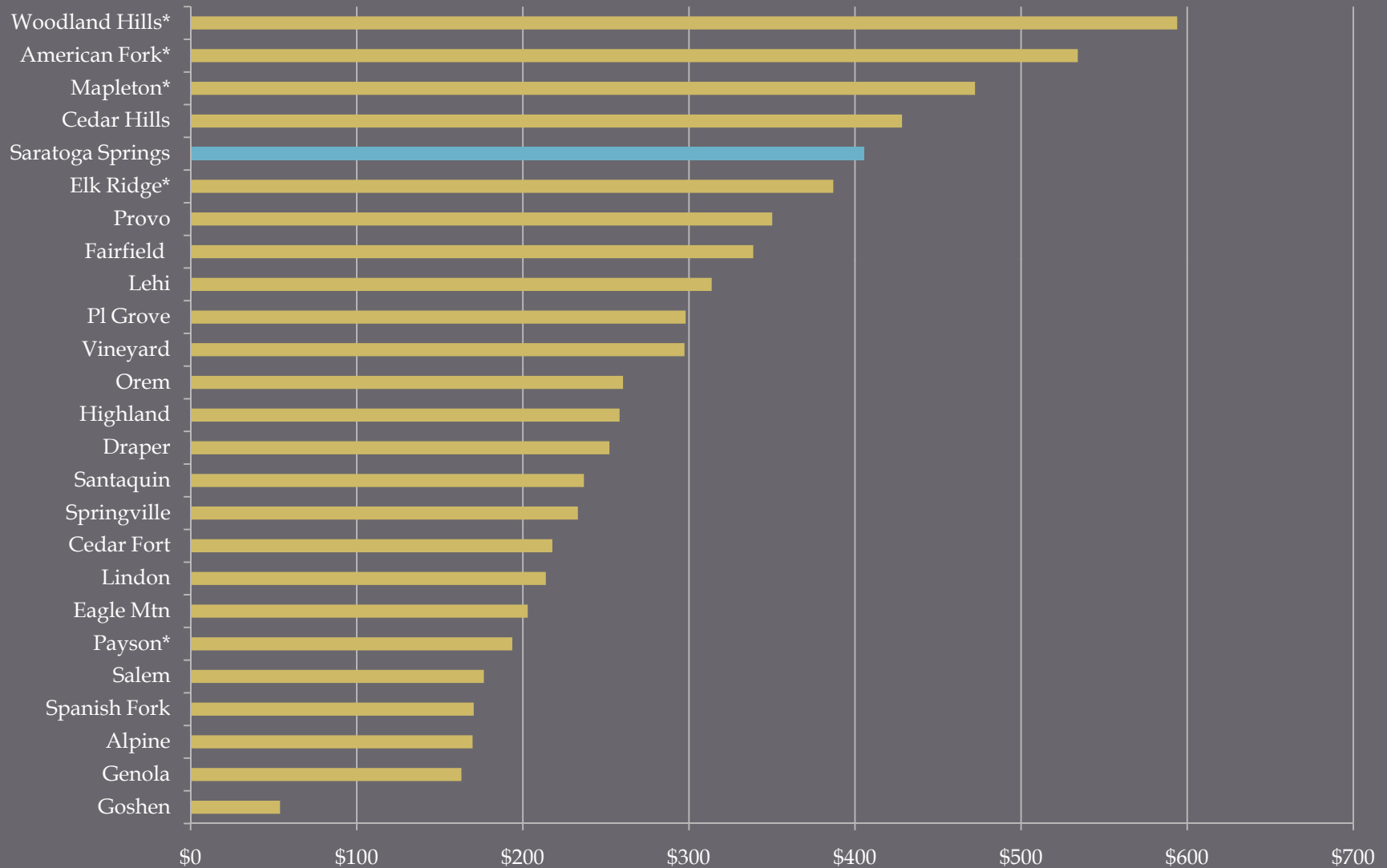
Legislative	-33%
Administrative	-40%
Legal	-39%
Planning	-19%
Building	-39%
Streets/Highways	-67%
Engineering	-51%
Parks Division	-19%
Police	12%
Fire	10%
Non-departmental	-10%

Proposed tax increase - 163%

Assessed Value	Taxable Value (55% of assessed value)	Existing Annual Tax	Proposed Annual Tax	Projected Annual Increase	Projected Monthly Increase
\$150,000	\$82,500	\$76.97	\$202.79	\$125.81	\$10.48
\$200,000	\$110,000	\$102.63	\$270.38	\$167.75	\$13.98
\$250,000	\$137,500	\$128.29	\$337.98	\$209.69	\$17.47
\$300,000	\$165,000	\$153.95	\$405.57	\$251.63	\$20.97
\$350,000	\$192,500	\$179.60	\$473.17	\$293.56	\$24.46
\$400,000	\$220,000	\$205.26	\$540.76	\$335.50	\$27.96
\$450,000	\$247,500	\$230.92	\$608.36	\$377.44	\$31.45
\$500,000	\$275,000	\$256.58	\$675.95	\$419.38	\$34.95

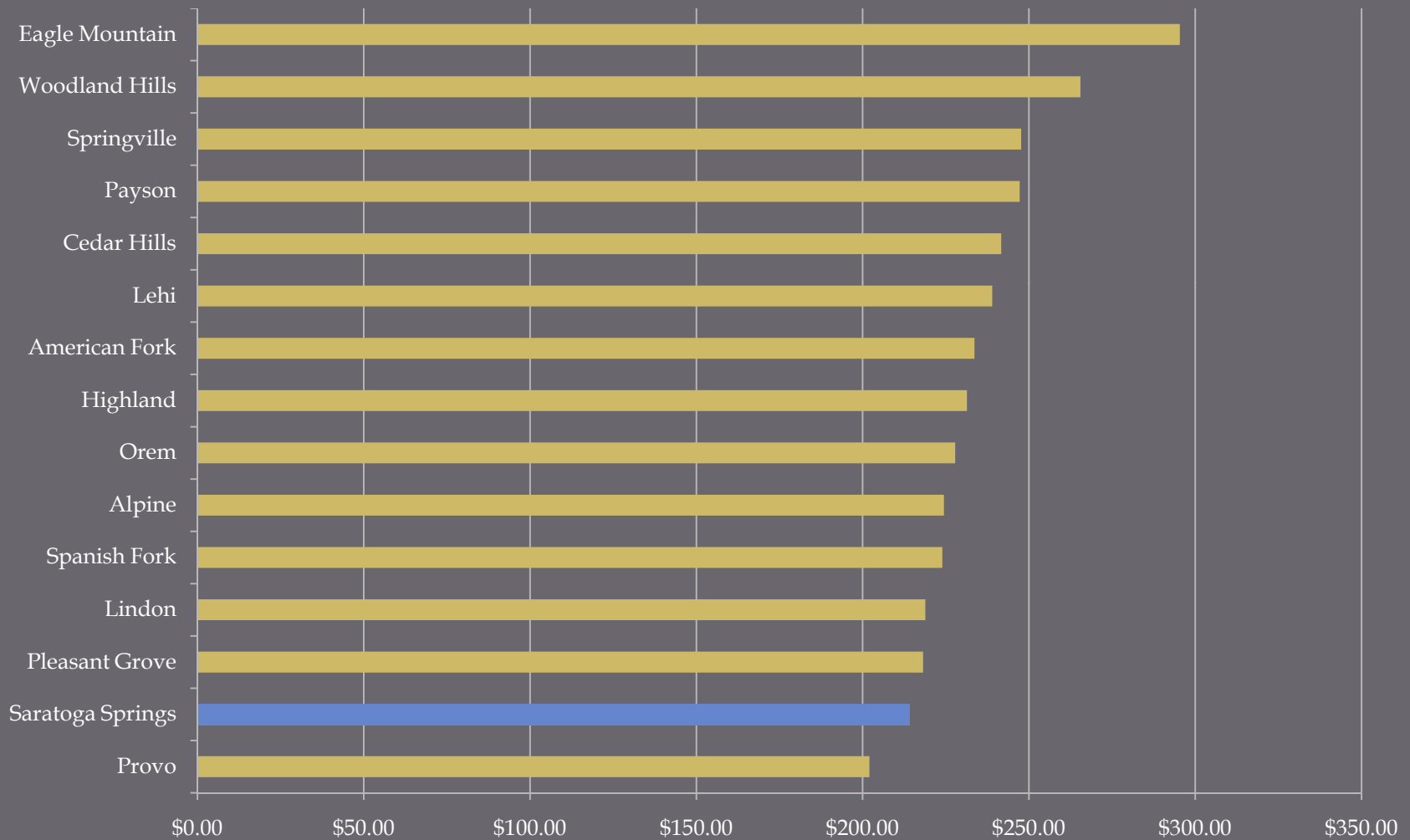
Property Tax Comparison

\$300,000 Home



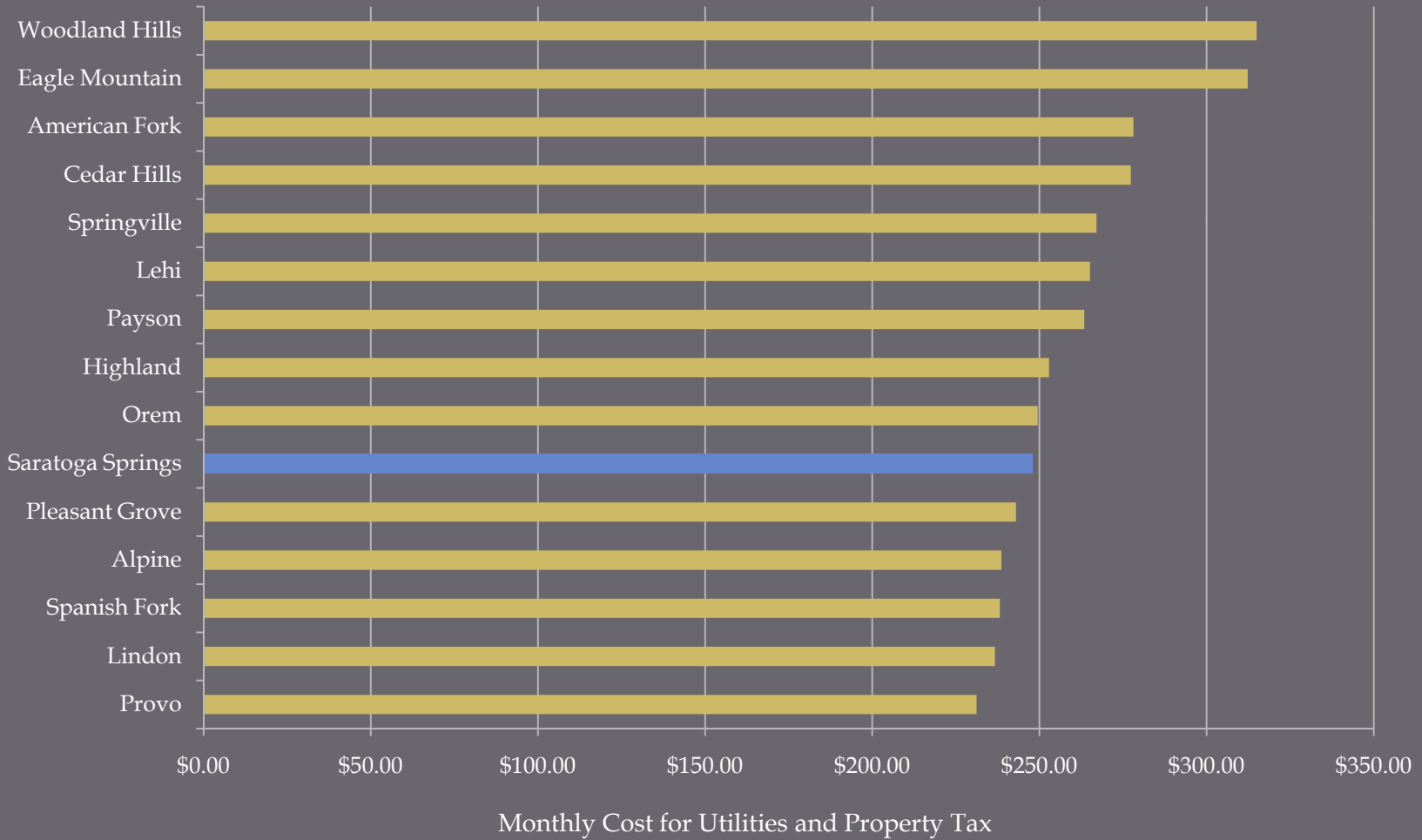
*Proposed

Utility Comparison



Monthly Utility Costs Including all Utilities

Utility & Property Tax Comparison



Other Options

- ▣ Increase property taxes incrementally by using a portion of the water enterprise fund balance up to \$600,000
- ▣ Reduce consulting attorney fees by \$70,000
- ▣ Possible new shortfall:

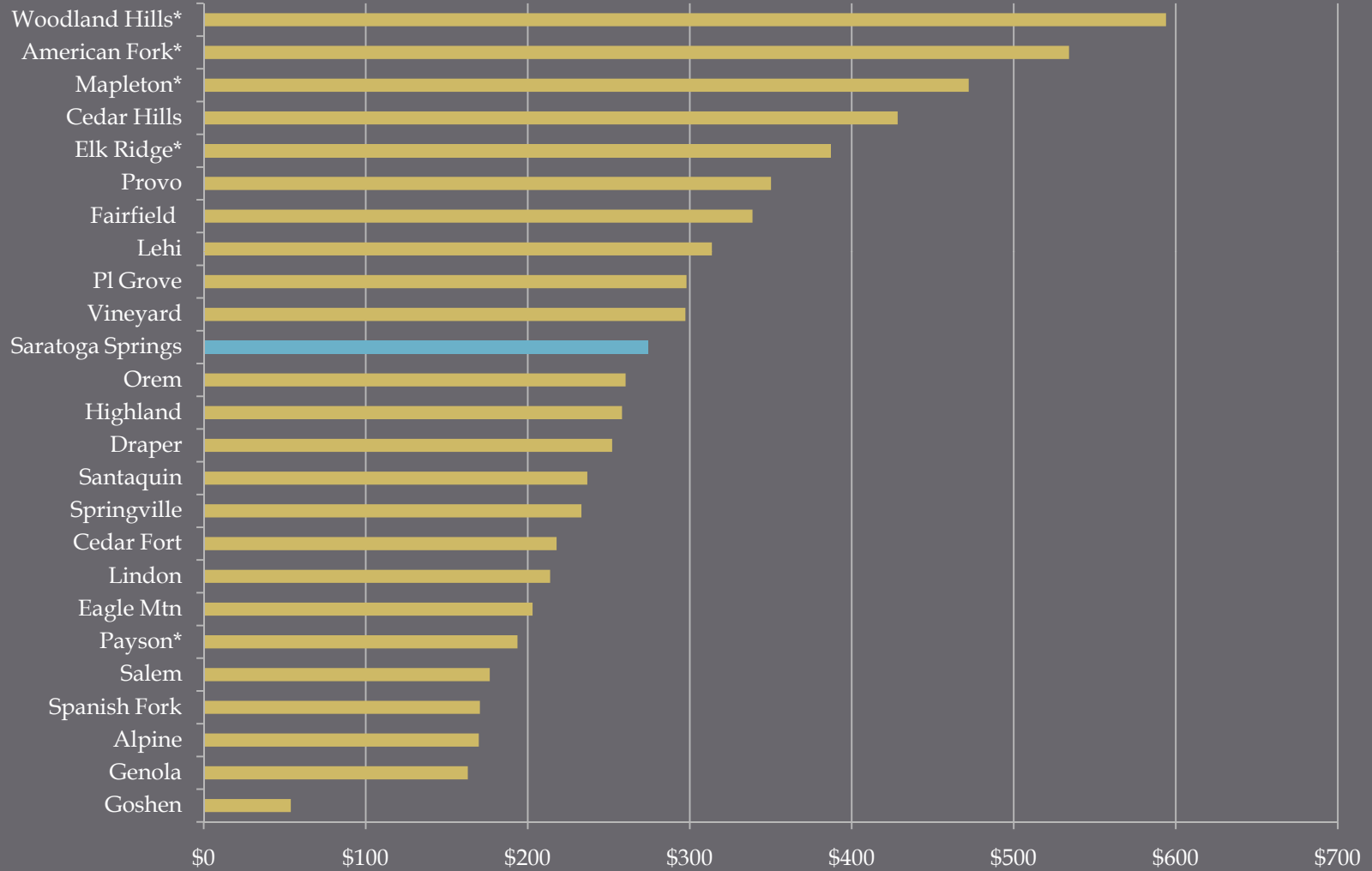
\$1,463,590	current shortfall
<u>-\$ 670,000</u>	potential savings
\$ 793,590	new potential shortfall

Reduced shortfall 78% tax increase

Assessed Value	Taxable Value (55% of assessed value)	Existing Annual Tax	Proposed Annual Tax	Projected Annual Increase	Projected Monthly Increase
\$150,000	\$82,500	\$76.97	\$137.12	\$60.14	\$5.01
\$200,000	\$110,000	\$102.63	\$182.82	\$80.19	\$6.68
\$250,000	\$137,500	\$128.29	\$228.53	\$100.24	\$8.35
\$300,000	\$165,000	\$153.95	\$274.23	\$120.29	\$10.02
\$350,000	\$192,500	\$179.60	\$319.94	\$140.33	\$11.69
\$400,000	\$220,000	\$205.26	\$365.64	\$160.38	\$13.37
\$450,000	\$247,500	\$230.92	\$411.35	\$180.43	\$15.04
\$500,000	\$275,000	\$256.58	\$457.05	\$200.48	\$16.71

Property Tax Comparison

\$300,000 Home



Utility & Property Tax Comparison

