

TRUTH IN TAXATION

North Ogden City

Fiscal Year 2021

OUTLINE

- **Truth In Taxation Introduction – Mayor Berube**
- **Understanding Property Taxes – Weber County Treasurer, John Bond**
- **Budget Proposal in Greater Detail – Councilman Swanson**
- **Public Hearing**
- **Action to Consider Approving the Final Budget and Setting the Property Tax Rate for Fiscal Year 2021.**

INTRODUCTION

- Truth in Taxation is the process defined in State law through which the City Council can approve an increase in property tax revenue.
- The proposed budget includes a \$223,000 increase in property tax revenue, above the amount the City would otherwise receive. This is an increase of \$32.21 per year on a \$329,000 residence.
- Notices:
 - Mailed to property owners
 - Published in the newspaper
 - Posted on the City website and Utah Public Notice website
- A public hearing will be held to allow residents to comment on the proposed tax increase.

INTRODUCTION

Nation & World

Standard-Examiner

THURSDAY, JULY 30, 2020

US expects record-breaking economic downturn

BY MARTIN CRUTCHFIELD
Associated Press

WASHINGTON — Having endured what was surely a record-shattering slump last quarter, the U.S. economy faces a dim outlook as a resurgent coronavirus intensifies doubts about any sustained recovery the rest of the year.

A huge plunge in consumer spending as people stayed home and avoided shopping, traveling or gathering in crowds as the virus raged is estimated to have sent the economy sinking at a roughly 32% annual rate in the April-June quarter. That would be more than triple the previous worst economic fall, a 10% drop in 1958. Depressed activity in areas as business investment, construction and government spending also likely contributed to the first quarterly contraction on record since 1947.

Thursday, the government will issue its first of three estimates of economic activity, as measured by gross domestic product, for the second quarter.

Worsening was the contraction earlier that most analysts expect the economy to manage a sharp rebound in the current July-September

in the months ahead.

The Trump administration is betting against that outcome in asserting that the economy will undergo a V-shaped recovery in which last quarter's plunge would be followed by an impressive rebound in the current quarter — a hoped-for dose of good news that would be reported in late October, not long before Election Day.

Yet many economists are talking about a different letter of the alphabet. Noting that the economy can't fully recover until the pandemic is defeated or a vaccine is widely available, they envision a W-shaped scenario, in which a rebound in the current quarter would be followed by a sustained period of tepid growth or even outright recession.

"The mark-downs are coming because of the clear economic damage the virus is doing," said Mark Zandi, chief economist at Moody's Analytics, who said he believes the economy is losing jobs this month after two months of gains.

"We are going in reverse here," Zandi said.

Analysts warn that the outlook could darken still further if Congress fails to enact enough financial aid to replace the expiring \$600-a-week



LYNNE SLADKY, ASSOCIATED PRESS

In the July 13 photo, a For Rent sign leans on a closed shop during the coronavirus pandemic in Miami Beach, Fla.

of Congress' earlier emergency relief programs run out.

Recent reports sketch a cautionary picture of the economy, with weekly applications for unemployment benefits still topping 1 million and consumer confidence falling sharply, with big declines in Michigan, Florida, Texas and California, all of which suffered a resurgence in confirmed

record 44% gain in May.

Economists regard increased government aid as essentially a stop-gap action to keep the recession from deepening further. The most critical need, they agree, is to control the virus, most likely through a vaccine that most likely won't be widely available until next year.

"If you tell me what will happen to

needed 6 1/2 years to regain the ground it had lost in the 2007-2009 Great Recession. This time, he said, the recovery will likely take even longer.

The government support package intended in large part to cushion households and businesses from struggling jobless workers, empty shop owners at risk of bankruptcy. Yet even though the government has spent the colossal sum of roughly \$1 trillion with more to come, and the Federal Reserve has cut interest rates to record lows, the economy has eased only some of the pain.

Consider Sara Parish, who is to close her inn on Capitol Hill in Seattle, between May and June. With the inn limited to reservations by local orders, revenues are off the Outlook Inn's 2019. Thirty-five weddings had been booked for this summer but canceled.

Parish worries about what will happen if the business doesn't open again if there is a resurgence of the virus in Washington. "It's not just a short-term problem," she says. "It needs to be a long-term solution." She says she has canceled the summer season and is looking at the situation.

INTRODUCTION

■ Longer-Term Challenges

- The purchasing power of property tax revenue diminishes over time, due to inflation.
- The cost of providing services increases over time.
- Over time, the City has become more reliant on revenue sources that are more volatile than property tax.

■ Shorter-Term Challenges

- Spread of Coronavirus
- Projected reduction in General Fund Revenues
- Significant uncertainty

INTRODUCTION

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**
 - **Reductions to Proposed Expenditures \$649,773 (FY20 vs. FY21)**
 - **Use of Rainy Day Funds \$360,000**
 - **Property Tax increase \$223,000**

INTRODUCTION

- **Budget Proposal:**
 - **\$223,000 increase in property tax revenue**
 - **\$32.21/year increase on \$329,000 residence**
 - **Elimination of \$36/year Transportation Utility Fee**

UNDERSTANDING PROPERTY TAXES

- Weber County Assessor, John Bond

UNDERSTANDING PROPERTY TAXES



Ricky Hatch, CPA
 Weber County Clerk/Auditor
 2380 Washington Blvd., Suite 320
 Ogden, Utah 84401

2020 Notice of Property Valuation and Tax Changes

See the back of this notice for explanations and important information

This is not a bill - Do not pay

Deadline For Filing 2020 Appeals: **September 15, 2020**

Parcel Number: Tax Area: 10 Last Property Review: 2018

Market and Taxable Values For This Property Located At

Property Type	Last Year's Market Value	Last Year's Taxable Value	This Year's Market Value	This Year's Taxable Value
RESIDENTIAL LAND W/BUILDING PRIMARY PROPERTY	312,000	171,600	319,000	175,450
ABOVE GROUND SQUARE FEET	1,408			
BASEMENT SQUARE FEET	1,408			
BASEMENT PERCENT COMPLETE	95			
Total Property Values	312,000	171,600	319,000	175,450

Primary Property
 Full time residential dwelling.
 Taxed at 55% of market value.

Non-Primary Property
 Taxed at 100% of market value.

Greenbelt Property
 Active agricultural use.

Tax Information For This Property

Tax Entities Each entity sets its own budget. For questions about taxes charged, please contact that specific entity.	2019		2020				Changes If Proposed Budget Is Approved		Public Hearings For Tax Increase
	Taxes Last Year		No Budget Increase		Proposed Budget Amount		Amount	Percent	
	Tax Rate	Tax Amount (\$)	Tax Rate	Tax Amount (\$)	Tax Rate	Tax Amount (\$)			
S Weber School District (801) 476-7841	.004377	751.09	.004178	733.03	.004178	733.03			
S Statewide School Basic Levy	.001661	285.03	.001628	285.63	.001628	285.63			
S State Charter School Levy Weber (801) 476-7841	.000072	12.36	.000062	10.88	.000062	10.88			
W Weber County (801) 399-8000	.001908	327.41	.001773	311.07	.001720	301.77	-9.30	-2.99%	
W Weber County G O Bond Fund (801) 399-8000	.000209	35.86	.000185	32.46	.000185	32.46			
W Library (801) 399-8000	.000493	84.60	.000458	80.36	.000458	80.36			
W Weber / Morgan Health (801) 399-8000	.000099	16.99	.000092	16.14	.000092	16.14			
W Paramedic Fund (801) 399-8000	.000145	24.88	.000135	23.69	.000135	23.69			
W Assess & Collect / County (801) 399-8000	.000258	44.27	.000240	42.11	.000240	42.11			
W Weber County Flood Control (801) 399-8000	.000000	0.00	.000000	0.00	.000026	4.56	4.56	100%	
C North Ogden City (801) 737-2201	.001082	185.67	.001002	175.80	.001180	207.03	31.23	17.76%	Aug 4th 485 E 2550 N 7:00 PM
O Weber Basin Water - General (801) 771-1677	.000153	26.25	.000146	25.62	.000146	25.62			
O Central Weber Sewer Distr (801) 731-3011	.000607	104.16	.000564	98.95	.000564	98.95			
O Ben Lomond Cemetery Distr (801) 782-5032	.000058	9.95	.000054	9.47	.000054	9.47			
O Mosquito Abatement Distr (801) 392-1630	.000101	17.33	.000094	16.49	.000094	16.49			
O Assess & Collect / State .000009	1.54	0.000012	2.11	2.11	.000012	2.11			
O Weber Area 911 And Em Serv (801) 395-8914	.000239	41.01	.000222	38.95	.000241	42.28	3.33	8.56%	Hearings Were Held In 2019
O North View Fire Dist (801) 782-8159	.001037	177.95	.000961	168.61	.001037	181.94	13.33	7.91%	Aug 18th 315 E 2550 N 6:00 PM
Direct Charges									
Weber-Box Elder Cons/Pineview (801) 621-6555		292.14		292.14		292.14			
Total Property Tax	.012508	\$2,438.51	.011806	\$2,363.50	.012052	\$2,406.66			



UNDERSTANDING PROPERTY TAXES

■ Sample Property Breakdown...

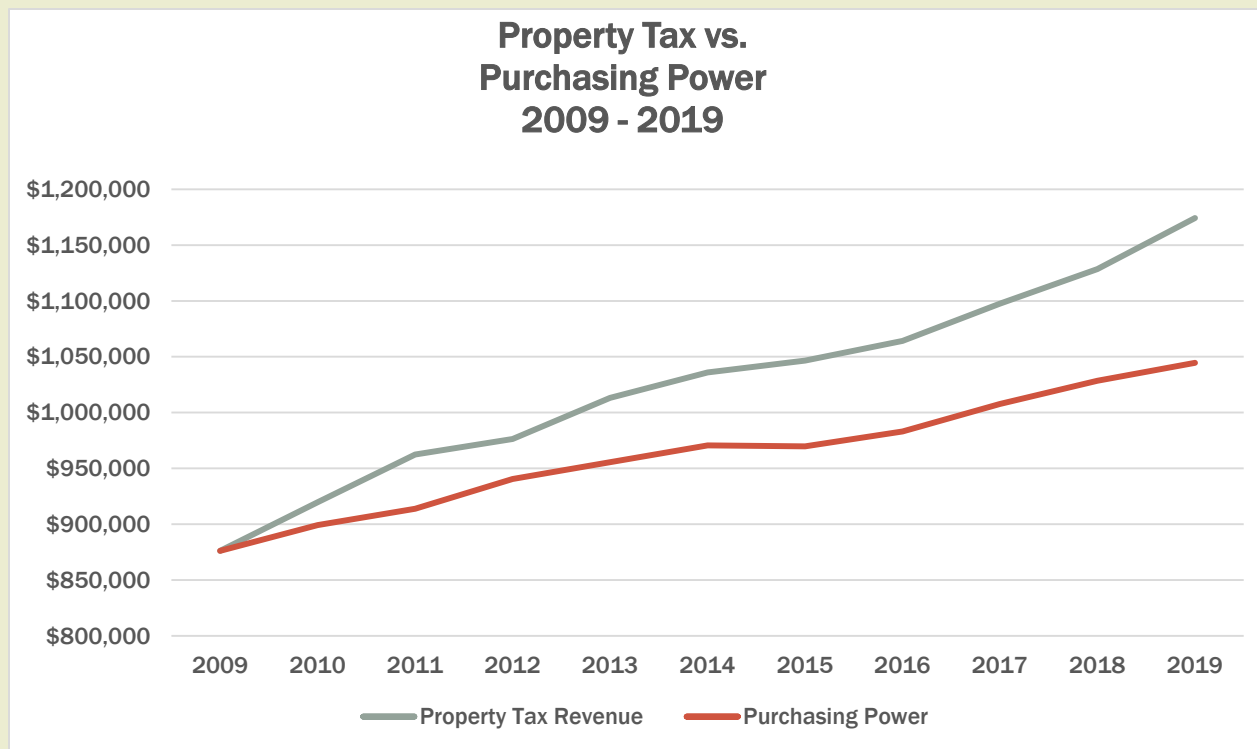
Where Do Your Tax Dollars Go?



IN GREATER DETAIL

■ Longer-Term Challenges

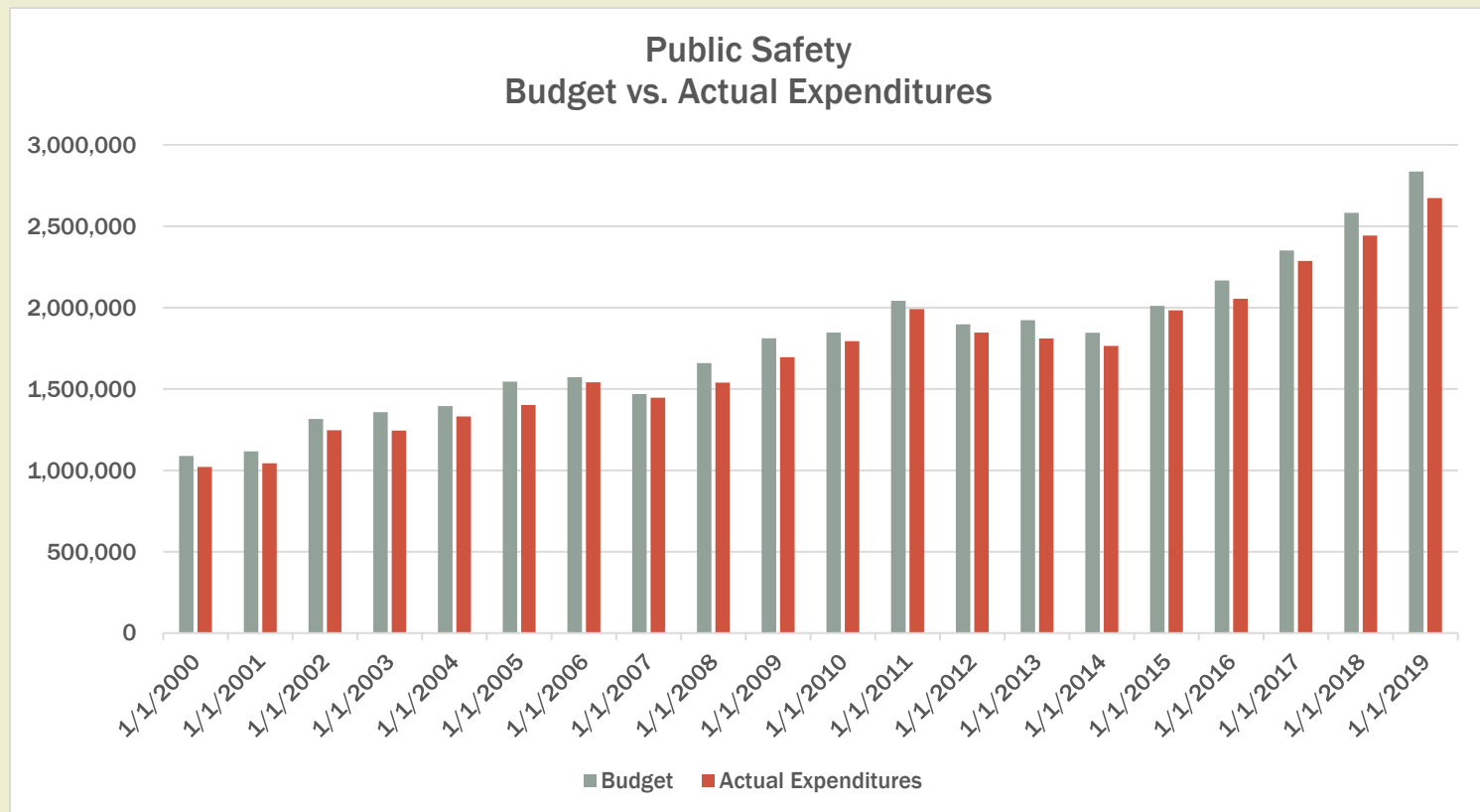
- The purchasing power of property tax revenue diminishes over time, due to inflation.



IN GREATER DETAIL

■ Longer-Term Challenges

- The cost of providing services increases over time.

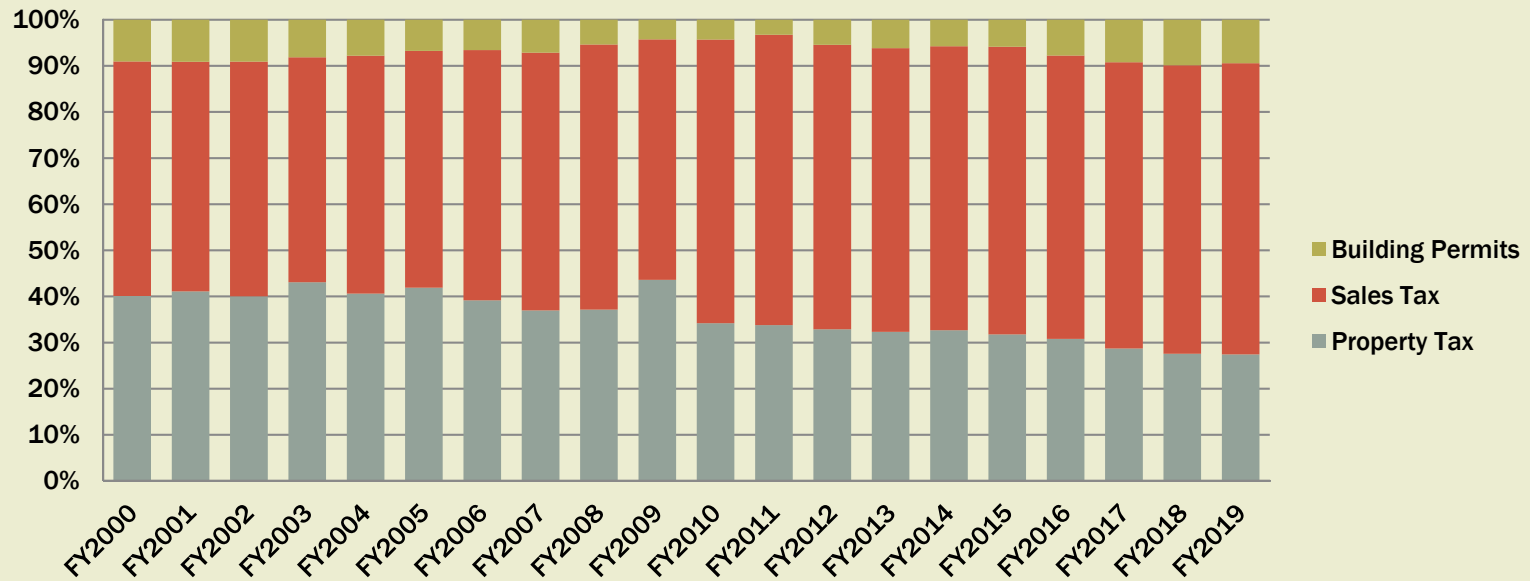


IN GREATER DETAIL

■ Longer-Term Challenges

- Over time, the City has become more reliant on revenue sources that are more volatile than property tax.
- The property tax share decreased by 12% from 2000 to 2019

Shift to More Volatile Revenue Sources



IN GREATER DETAIL

■ Shorter-Term Challenges

- The Coronavirus spread throughout the world during the Fiscal Year 2021 Budget Process.
- General Fund Revenues were projected to be \$629,908 less than the FY2020 Budget.
- Significant uncertainty was at the center of budget discussions. Sales tax revenues for Fiscal Year 2020 have been coming in stronger than expected. However the economic outlook is uncertain for the new fiscal year.

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**
 - Reductions to Proposed Expenditures \$649,773 (FY20 vs. FY21)
 - Use of Rainy Day Funds \$360,000
 - Property Tax increase \$223,000
- This strategy is expected to address shorter-term challenges during Fiscal Year 2021. As the economy recovers, the property tax increase will begin to help address longer-term challenges.

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**

- **REDUCTIONS TO PROPOSED EXPENDITURES:**

- **Administration**

- Merit Increases
- Council Pay
- Leave Payout
- Training
- One Proposed Part-time Position
- One Proposed Position from Part-time to Full-time
- Citizen Survey
- Economic Development
- Public Relations
- Building Maintenance

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**
 - **REDUCTIONS TO PROPOSED EXPENDITURES:**
Police/Animal Control/Justice Court
 - 2 New Officers
 - 2 New Police Vehicles
 - Merit Increases
 - Leave Payout
 - Equipment Maintenance
 - Proposal to move Code Enforcement Position to Full-time
 - Training

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**
 - **REDUCTIONS FROM ORIGINAL PROPOSALS:**
Planning/Building Inspection
 - Merit Increases
 - Leave Payout
 - Office Supplies
 - Small Equipment
 - Contracted Plan Reviews & Inspections
 - Training

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**

- **REDUCTIONS FROM ORIGINAL PROPOSALS:**

- **Public Works**

- Merit Increases
- Leave Payout
- Computer Services
- Street Maintenance
- Parking Lot Maintenance
- Street Painting Supplies
- Copy Machine
- Office Supplies
- Training

IN GREATER DETAIL

■ 3-fold Strategy to Address Shorter and Longer-Term Challenges:

■ REDUCTIONS FROM ORIGINAL PROPOSALS:

Parks & Recreation

- Merit Increases
- Leave Payout
- Training
- Equipment Maintenance/Replacement
- Department Supplies
- Cherry Days
- Publicity
- Community Programs
- Building Maintenance
- Fertilizer
- Trail Light Maintenance
- Playground Maintenance
- Christmas Decorations
- Volunteer Projects
- Amphitheater Programs
- Community Garden
- Pool Maintenance

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**
 - **Use of Rainy Day Funds = \$360,000**
 - **Fund Balance**
 - Generated year by year as revenues exceed expenditures
 - Generally used to fund capital projects and purchases
 - Should not be used for operational costs except in “rainy day” situations

IN GREATER DETAIL

■ 3-fold Strategy to Address Shorter and Longer-Term Challenges:

- Property Tax increase
\$223,000

NOTICE OF PROPOSED TAX INCREASE City of North Ogden

The City of North Ogden is proposing to increase its property tax revenue.

- The City of North Ogden tax on a \$329,000 residence would increase from \$181.31 to \$213.52, which is \$32.21 per year.

- The City of North Ogden tax on a \$329,000 business would increase from \$329.66 to \$388.22, which is \$58.56 per year.

- If the proposed budget is approved, City of North Ogden would increase its property tax budgeted revenue by 17.73% above last year's property tax budgeted revenue excluding eligible new growth.

All concerned citizens are invited to a public hearing on the tax increase.

IN GREATER DETAIL

- **3-fold Strategy to Address Shorter and Longer-Term Challenges:**
 - **Reductions to Proposed Expenditures \$649,773 (FY20 vs. FY21)**
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 - **Property Tax increase \$223,000**

PUBLIC HEARING

- Rules for the Public Hearing:
 - Please line up along the wall 6 feet apart
 - Please state your name and address
 - Please speak into the microphone
 - Each individual may speak for up to 5 minutes
 - Questions asked during the public hearing will be noted. Responses may be provided after the hearing.