

City of Woodland Hills

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Mayor Wendy Pray
Council Member Paul Macarthur
Council Member Robert Ottley

Council Member Dorel Kynaston
Council Member Kari Malkovich
Council Member David Pratt

July 13, 2020

Dear Woodland Hills Residents,

This week you will be receiving your property tax notices from the county. In order to better understand what you will be reading when you receive it, here is some information to consider. As you are evaluating any input you have for the City Council, please keep the following things in mind:

- 1) Your city property taxes are only a small portion of your complete tax bill.
- 2) You are well represented by your City Council. Their decisions are considered and debated with enthusiasm. Each council member holds strong opinions on how to best serve our community, and they do not always agree with each other, but they do their best to listen to you – all of you – and serve everyone well.
- 3) We will be holding a public hearing on August 11th to hear input regarding the final tax decision for Fiscal Year 2021.

As always, it is a pleasure to serve as your mayor. This is a vibrant community full of wonderful citizens.

Warmly,

Wendy Pray, Mayor

Information regarding your taxes

Woodland Hills City is asking that the tax rate remain the same as last year. However, since home values and property values have increased, the county would typically adjust our tax rate down. By maintaining the tax rate the city is technically asking for a tax increase.

How does this work?

The city doesn't set the tax rate...the county assessor does. The city makes a request for a specific number of dollars. In our case this is \$705,651. The county assessor then values each property including homes. Primary residences are assessed at approximately 55% of their value.

Then why does the tax rate go up or down?

The tax rate is set by two chief factors: Home/Property values and dollar requests from the city using the following formula:

$$\text{ProposedTaxRate} = \frac{\text{BudgetedAmount}}{\text{CombinedPropertyValue} *}$$

*This is the simplified formula. The actual formula to determine property value is more complex and based on its own formula.

If the city requests additional dollars and property values remain the same, the tax rate will go up. If the amount needed remains the same but the property values go up then the tax rate will go down.

So what does it mean to leave the tax rate the same?

In Woodland Hills the preliminary tax rate given to us this year by the county went down. However, the city may need additional funds to cover the fire mitigation project. We hope this will not be the case, but we have to plan for the worst. In order to balance the budget, the city is requesting that the tax rate stay the same as last year. This effectively gives the city an additional \$59,869 dollars.

Didn't taxes increase also last year?

Taxes were increased by \$62,242 last year. The original budget proposal was for a raise of \$132,460, but after hearing citizen input and evaluating the budget, the council balanced the budget by cutting two major projects and reducing the proposed tax increase.

So what has happened in the last year to control costs?

There have been many changes made this year to better understand the city finances. 1) Our largest cost increases are driven by failing infrastructure and inflation. 2) Our income is limited to only a few sources. We have established the following committees to help evaluate these two factors:

- Finance committee - Evaluates all expenditures and recommends financial moves the city can make to be more efficient.
- Roads committee - The roads committee has put in place a 5 year road replacement priority plan. As part of this the city bonded to accelerate road repairs while financing costs are low.

Here is a summary of other important changes to this years' budget:

- Cut Fire budget by 10%
- Cut EMS budget by 30%
- Increased administration budget by 5% to account for increased personnel hours
- Cut roads operations budget by 40% (The bond will pay for road replacement)
- Increased snowplowing budget by 20% (Leased two trucks to replace failed trucks)
- Cut parks budget by 11%

With all these budget changes why do taxes keep needing to be raised?

As stated before, the city receives a fixed dollar amount from property taxes each year. But costs, particularly construction (roads, water and sewer), continue to go up at rates much higher than current inflationary costs.

The city council is committed to using each dollar received in as efficient a manner possible. But as costs rise taxes will need to be increased periodically to keep up with actual costs.

References

Utah Property Tax Info - <https://propertytax.utah.gov/real/locally-assessed/residential/>

Utah County Property Tax Info - <http://www.utahcounty.gov/Dept/Assess/RealProperty.asp>