



MEMORANDUM

TO: Mayor Kim Rolfe; Members of the City Council; Bryce Haderlie
FROM: Jeremy Olsen
SUBJECT: Survey of Local Government Taxes & Fees
DATE: February 12, 2015

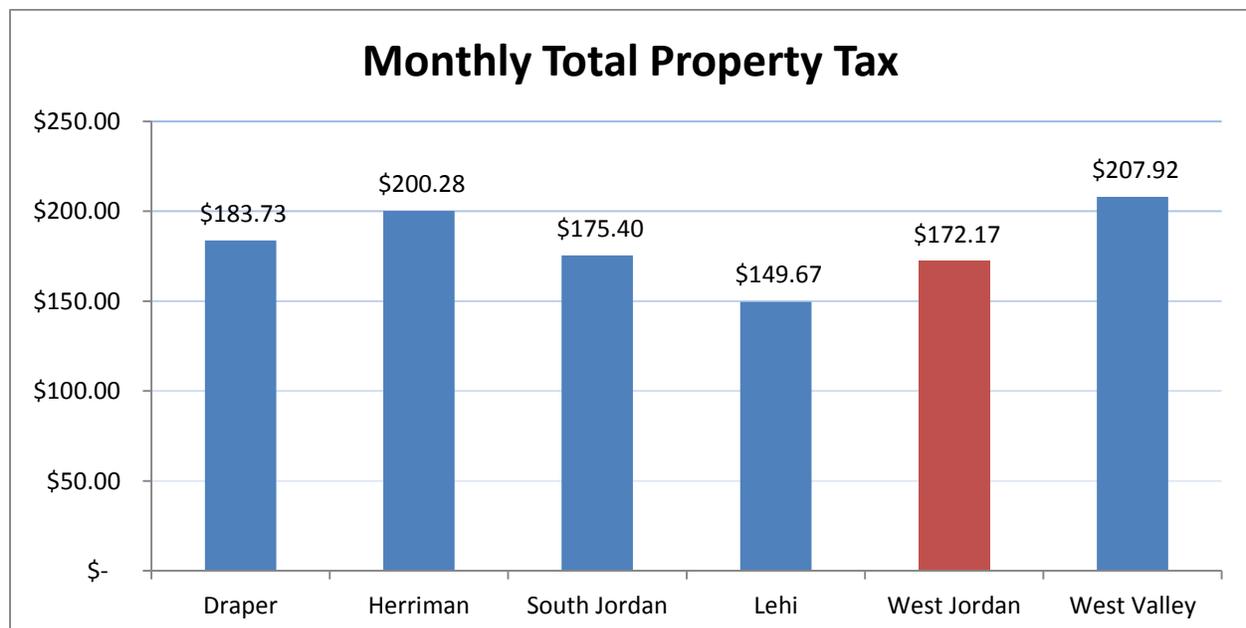
Methodology

In order to determine how the cost of living for West Jordan residents compares to people living in surrounding communities, a set of assumptions had to be established. First, it was assumed that the house was a primary residence, qualifying for the 55% market valuation rate for property tax purposes, and was valued at \$275,000 in each community. Second, an average water and sewer monthly usage was assumed to be 12,167 gallons of culinary water and 8,517 gallons of waste water.

In selecting comparison cities, neighboring cities were selected that fit the same development profile of West Jordan, suburban areas possessing some mix of established residential areas and business centers, while also possessing available land which will require investment in infrastructure upgrades in the future. The five comparison cities selected were Draper, Herriman, South Jordan, Lehi, and West Valley City.

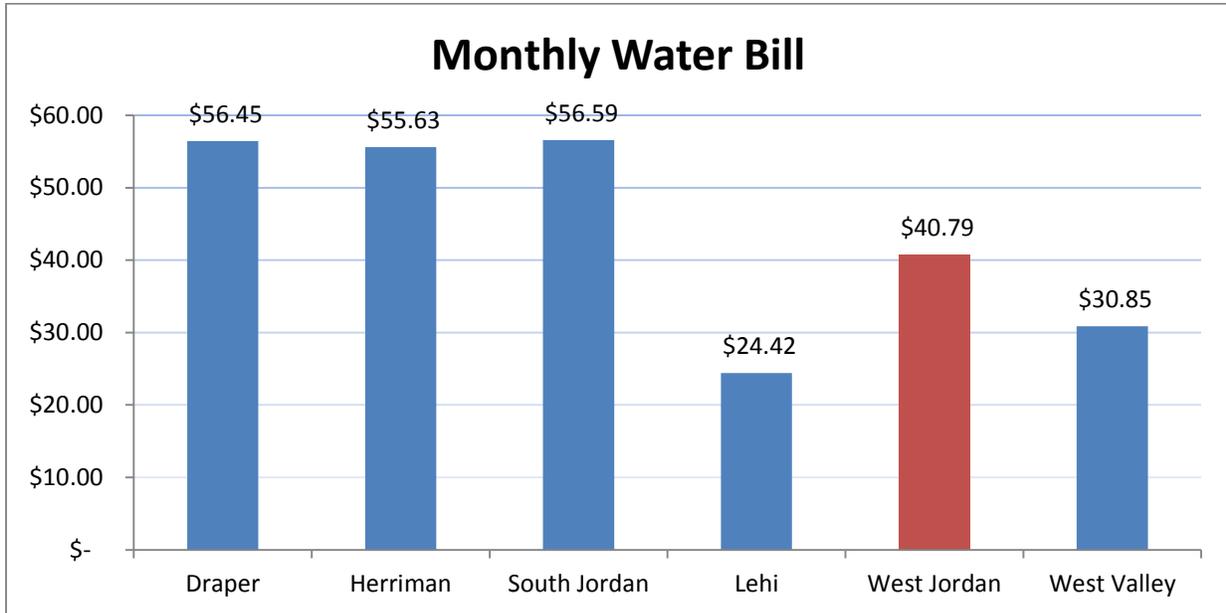
Property Tax

Of the six cities in the study, West Jordan had the second lowest total property tax bill, at \$172.17. The lowest property tax amount belonged to Lehi at \$149.67, and the highest was the largest city, West Valley, at \$207.92. The average of the six cities was \$181.53 per month. A graph comparing monthly property tax amounts for each of the subject cities is shown below.



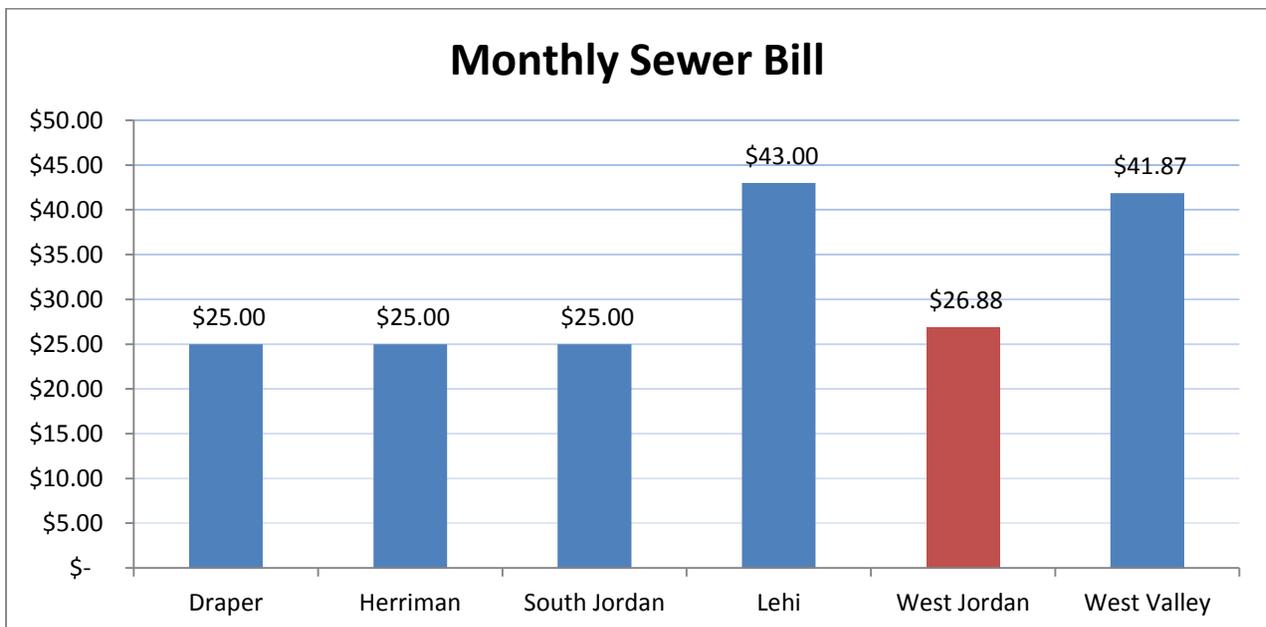
### Culinary Water

In comparing monthly water bills, West Jordan City had the third lowest amount of \$40.79, behind Lehi, where monthly charges were \$24.42, and West Valley, which totaled \$30.85. It should be noted that of the study cities, an inverse correlation exists between prices for water and sewer service: those cities with lower water bills had higher sewer bills, and vice versa. The following chart shows the monthly water bill for each of the six cities from the study.



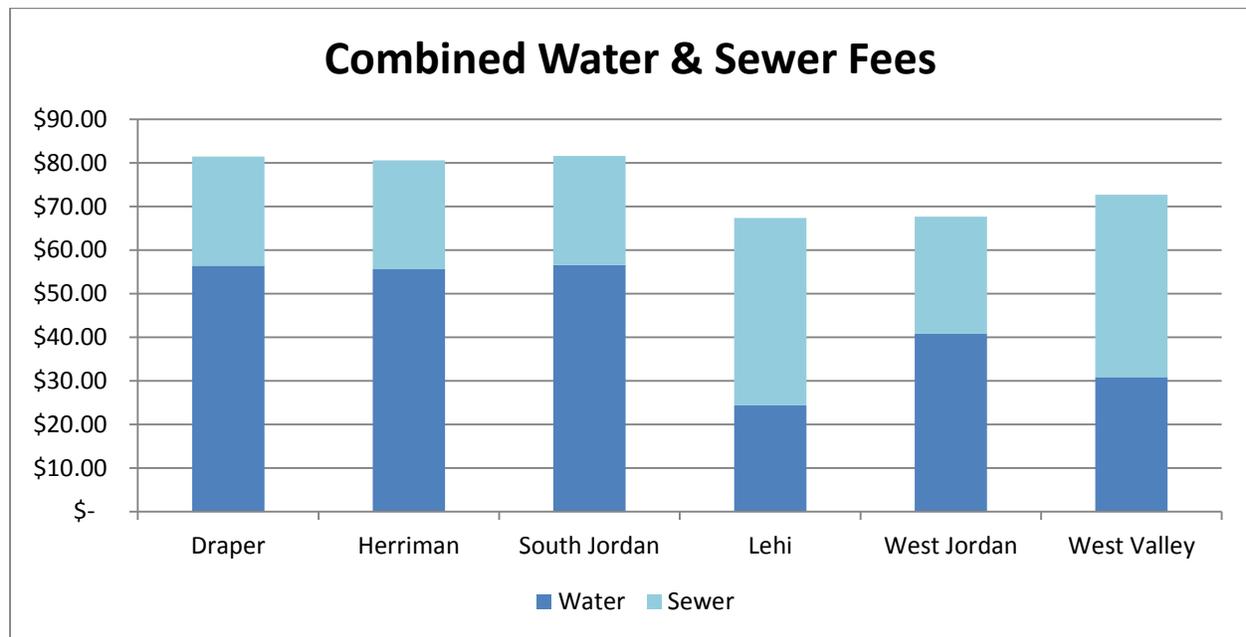
### Sanitary Sewer

As discussed above under culinary water, the lowest sewer bills belonged to the three cities with the highest water bills: Draper, Herriman, and South Jordan. Monthly charges are uniform across these three municipalities as they are each serviced by the South Valley Sewer District, which charges a flat rate of \$25 per month.



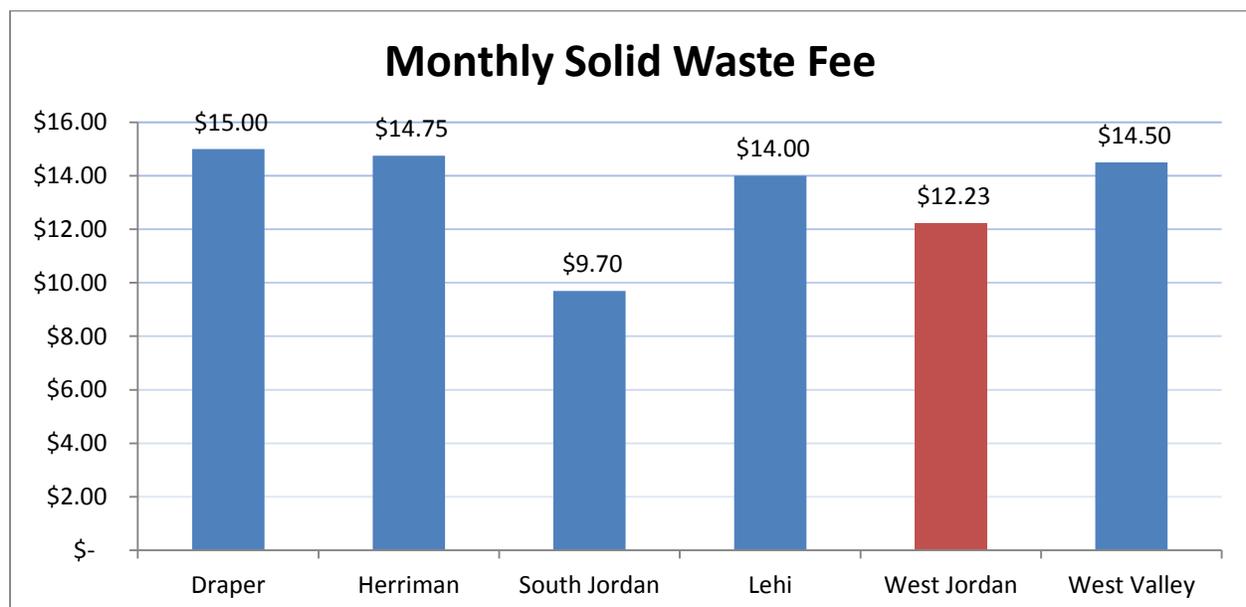
### Combined Charges

To better compare total monthly costs to residents, an examination of both monthly water and sewer charges together is helpful in determining where the highest and lowest cost utility charges exist. The results repeat the rankings from the water fee amounts, Lehi being the lowest with a combined charge of \$67.42, West Jordan a close second at \$67.67, and West Valley third at \$72.72. The average combined monthly bill amount was \$75.25, and the highest utility charge belonged to South Jordan, totaling \$81.59 per month. These amounts are shown below.



### Solid Waste Collection

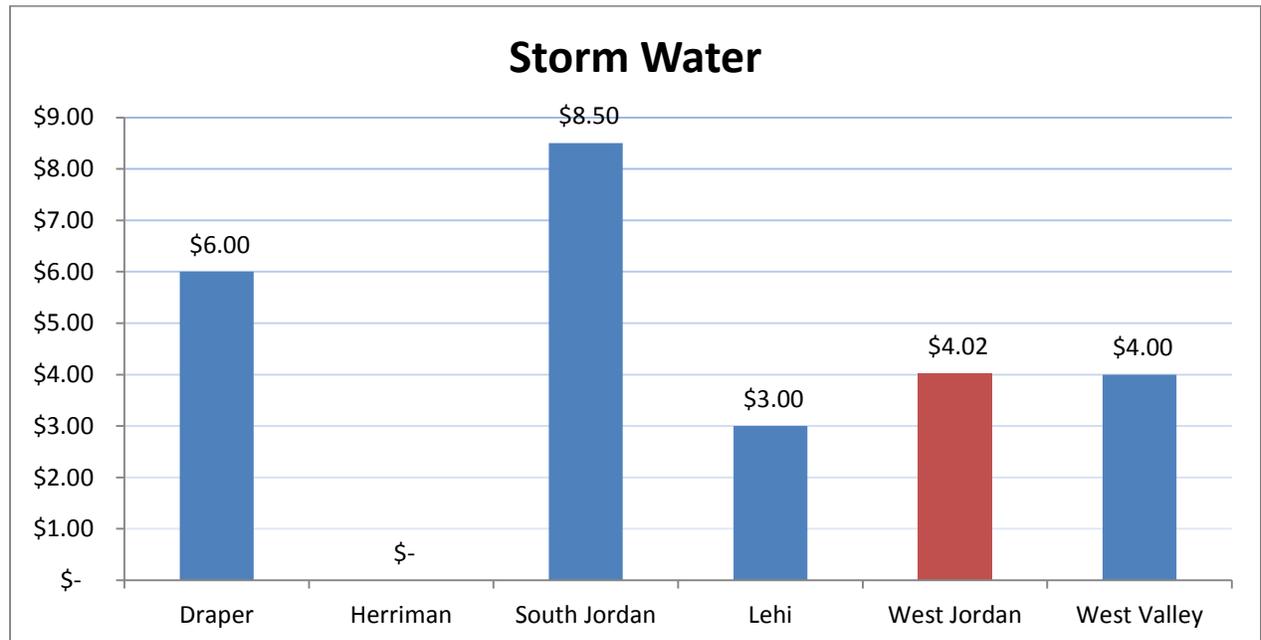
An additional assumption was required in order to compare solid waste fees, whether to compare similar service levels, or whether an examination of the minimum service offered was more appropriate. As each city offered a unique array of services, such as green waste removal, large dumpster delivery, etc., a strict across the board comparison was not possible; therefore, this comparison uses the minimum level of service required by the municipality as the basis for comparison.



The lowest monthly solid waste fee belonged to South Jordan at \$9.70, and the second lowest was West Jordan's \$12.23. The average for the survey was \$13.36 per month, and the highest bill was Draper's \$15.00.

### Storm Water

Of the six cities examined in the study, only one, Herriman, did not charge a storm water fee. Of the remaining five, the lowest charge belonged to Lehi, which assesses a \$3.00 monthly fee. West Valley's \$4.00 was second, and West Jordan's assessment of \$4.02 was third. The average fee of the six cities was \$4.25 month. These results are shown below.

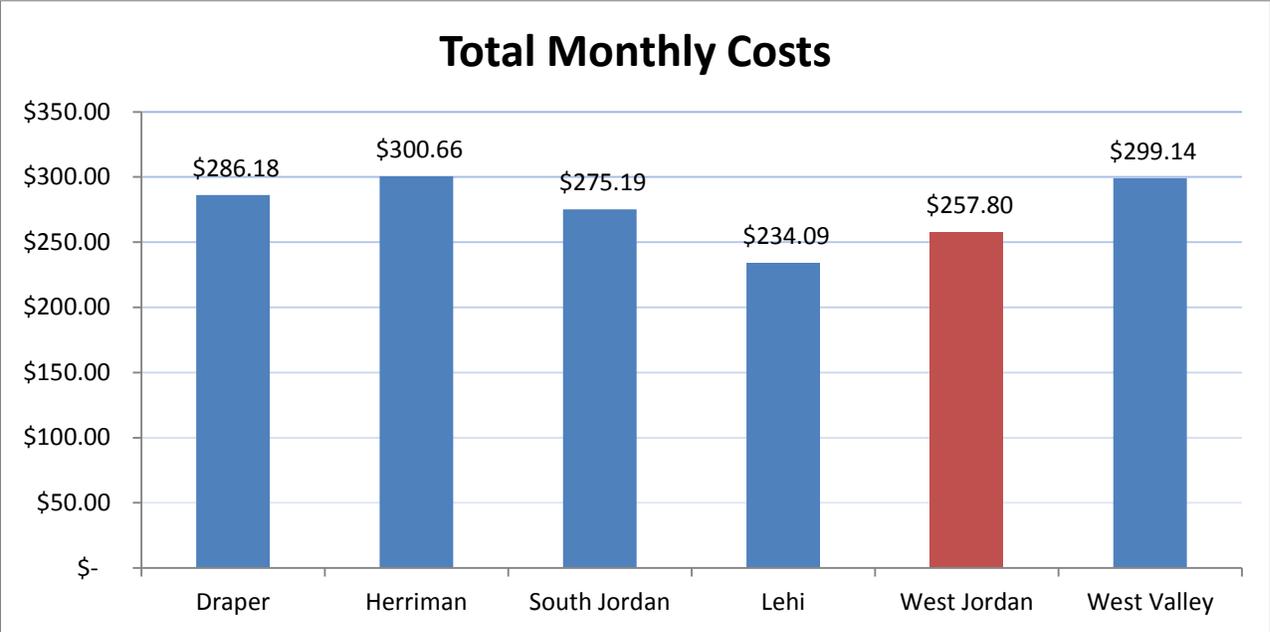


### Total Costs

In total, monthly costs between the six municipalities were relatively similar. The difference between the most expensive city, Herriman's \$300.66, and the least expensive city, Lehi's \$234.09, was \$66.57 per month, which equates to approximately \$800 per year. There are a variety of possible explanations for this variation, such as:

- Lehi's location in Utah County (the other five cities are all located in Salt Lake County)
- Lehi's operation of an electric utility
- Herriman is part of a large number of taxing districts including the South Valley Sewer District, Unified Fire Authority, and the Unified Police Department.

The second lowest monthly cost was West Jordan's \$257.80 bill, placing it at 94% of the average amount of \$275.51. The other city below the average was South Jordan at \$275.19 a month. Draper, West Valley, and Herriman, ranked fourth, fifth, and sixth, respectively. Results for total monthly amounts are shown below.



**Other Items of Note**

Included in the total shown above, but not described elsewhere, are fees for street lighting and parks maintenance. These fees were only assessed by one entity in the study; in the case of street lighting, West Jordan; and in the case of parks, Herriman. West Jordan’s street lighting fee added \$1.71 per month to its total, while Herriman’s \$5.00 monthly parks fee pushed its monthly assessment to the study’s high amount of \$300.66.