



Financial Sustainability Citizen Advisory Committee Meeting Agenda

April 14, 2016

6:30 p.m. to 8:30 p.m.

City Hall Conference Room 301

Volunteer Soiree – Council Chambers beginning at 5:30 p.m.

Meeting 5

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| I. | Review Agenda | Jim Reid |
| II. | Recap and Approve Summary of March 24, 2016 Meeting | Sara |
| III. | Define Purpose of Tonight’s Meeting and Next Phase of Process | Jim |
| IV. | Recap and Discuss Revenue Options – 10 YFSP | Sara / Rick |
| V. | Findings and Tentative Recommendations | Everyone |

A. Based on the information provided and the discussions during our first four meetings:

- 1. Are the needs and interests of the citizens being met by current service levels?***
- 2. Have you heard anything that leads you to conclude that the City of Shoreline isn’t using taxpayer funds efficiently?***

B. The 10YFSM reflects that without the Levy Lid Lift the City would be required to reduce levels of service or eliminate some services as soon as 2019. Council has indicated its desire to place a renewal of the Levy Lid Lift on the November ballot in order to maintain current services levels.

The renewal would restore the levy rate to \$1.48 and continue to allow the annual levy to be increased by the annual percentage change of the Consumer Price Index (CPI) rather than the 1% limit.

Restoring the levy rate to \$1.48 for 2017 would cost the average homeowner \$78 (representing a 1.5% increase in the overall tax bill assuming all levy rates for other taxing jurisdictions remain unchanged from the 2016 tax year.) and generate \$1.435 million in additional revenues in 2017. Over the course of the six-year levy, the cost to the average homeowner will be \$104 per year on average and generate \$11.763 million in additional revenues, allowing the City to maintain current service levels.

- ***Does this appear to you to be a reasonable and appropriate action?***

C. In our exercise on 3/24, almost half of the Committee members in attendance voted to allocate additional funding for human services under a “status quo” budget and a majority if the General Fund was increased. A couple members would reprioritize the General Fund if it were reduced to ensure more funding for human services. There also appeared to be a majority in favor of funding public transportation, street maintenance, maintenance of parks, trails and playgrounds, preservation of open space, and enforcement of property crime laws.

Setting the levy rate at \$1.60 for 2017 (the State imposed limit) would cost the average homeowner \$131 (representing a 2.5% increase in the overall tax bill assuming all levy rates for other taxing jurisdictions remain unchanged from the 2016 tax year) and generate \$2.449 million in additional revenues in 2017. Over the course of the six-year levy, the cost to the average homeowner will be \$174 per year on average and generate \$18.297 million in additional revenues.

- ***Would you favor increasing the levy rate up to the limit of \$1.60 to provide funding for some or all of the priority areas the Committee identified in the exercise on 3/24?***

D. We learned about the composition of the tax burden for residential and commercial properties. A Business & Occupation Tax set at a rate of 0.1% of gross receipts is projected to generate \$738,000 in 2018.

- ***Are you supportive of imposing a B&O Tax to help maintain or enhance services as part of the City’s desire to create a balanced tax base?***

E. The City has the authority to collect up to an additional \$20 for vehicle license fees for revenue dedicated to supporting transportation.

- ***Are you supportive of using a portion of this authority (\$6) to offset the current general fund contribution to the Roads Capital Fund to make the general revenues available to supporting operations (about \$255K)?***

VI. Review Key Discussions and Preview Next Meeting

Jim

VII. Adjourn