2019-2020 Proposed Biennial Budget

• Public Hearings
  – Property Tax & Revenue Sources
  – Biennium Budget and 2019-20 CIP
Budget & CIP Review Schedule

- **September 17** Preliminary View of the 2019-2020 Biennial Budget and the 2019-2024 Capital Improvement Plan
- **October 22** Review of Department Budgets
- **October 29** Continued Review of Department Budgets, Utility Budgets and 2019-2024 CIP
- **November 5** Public Hearings on Property Tax Levy & Revenue Sources and Proposed 2019-2020 Biennial Budget and 2019-2024 CIP
Budget Information

• The Biennium Budget is available on-line at the City of Shoreline Website at:
  
  http://www.shorelinewa.gov

  Click on Budget & CIP Policies under the Government tab

• Budget Books Available for Review at:
  – Shoreline Library, Richmond Beach Library, City Hall

• Budget Books on CD Available for purchase at City Hall
2019-2020 Proposed Biennial Budget

• Public Hearing
  – Property Tax & Revenue Sources
Where Will the Money Come From?

- Taxes: 40%
- Licenses & Permits: 5%
- Intergovernmental Revenues: 17%
- Miscellaneous Revenue: 9%
- Charges for Goods and Services: 13%
- Use of Available Fund Balance: 8.4%
- Other Funding Sources: 7%

($ in '000's)
$174.7 M
General Fund
General Fund Operating Resources

General Operating Revenue
$88,710,842
90%

$98.1 M

Budgeted Fund Balance
$6,517,860
7%

Transfer In
$2,821,424
3%
General Fund Operating Revenue
$88.7 Million

- Property Tax: 30.4%
- Sales Tax: 20.7%
- Franchise Fee / Contract Payment: 11.9%
- Utility Tax: 8.7%
- Other: 7.7%
- Criminal Justice: 4.2%
- Park and Recreation Revenue: 4.1%
- Development Revenue: 3.6%
- Gambling: 2.4%
- Business and Occupation Tax: 2.0%
- State-Shared: 0.3%
- Grant: 0.2%
- Interest Income: 0.2%
Property Tax – Regular Levy

• Proposed Ordinance No. 842
  – 2019 Levy: $13.3 M

REGULAR PROPERTY TAX RATE
PER $1,000 VALUATION

$1.13 $1.48 $1.60 $1.60 $1.60 $1.43 $1.33 $1.39 $1.27 $1.25

Resource Category: Property Tax

30.4% of Operating Revenues

2019-2020 Budget Book pp. 67, 80-81
2018 Property Tax Levy Allocation

City share = 12¢
## Property Tax – Regular Levy

**Simple Example for 3 Houses**

<table>
<thead>
<tr>
<th></th>
<th>Home 1</th>
<th>Home 2</th>
<th>Home 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Assessed Value (AV)</td>
<td>$444,000</td>
<td>$444,000</td>
<td>$444,000</td>
</tr>
<tr>
<td>Times the Levy Rate (LR)</td>
<td>$1.26752</td>
<td>$1.26752</td>
<td>$1.26752</td>
</tr>
<tr>
<td>2018 Tax Levy (AV*LR/1000)</td>
<td>$563</td>
<td>$563</td>
<td>$563</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Home 1</th>
<th>Home 2</th>
<th>Home 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 AV Increase</td>
<td>5.3%</td>
<td>5.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>For 2019 - City can increase the total levy by 3.6% from $1,689 to $1,668</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019 Assessed Value (AV)</td>
<td>$467,532</td>
<td>$466,200</td>
<td>$510,600</td>
</tr>
<tr>
<td>Times the Levy Rate (LR)</td>
<td>$1.24694</td>
<td>$1.24694</td>
<td>$1.24694</td>
</tr>
<tr>
<td>2019 Tax Levy (AV*LR/1000)</td>
<td>$583</td>
<td>$581</td>
<td>$637</td>
</tr>
<tr>
<td>Change in tax paid:</td>
<td>$20, +3.6%</td>
<td>$18, +3.2%</td>
<td>$74, +13.1%</td>
</tr>
</tbody>
</table>
Sales Tax

1. For each $10 Spent
2. $1 of Sales Tax generated
3. Shoreline gets 8.5¢ of that Sales Tax

1. $10 Spent
2. Sales Tax Collected
3. Shoreline’s Share

Resource Category:
Sales Tax

20.7% of Operating Revenues

2019-2020 Budget Book p. 82
Franchise Fee/Contract Payments:

Franchise Fees:
• Water & Sewer Providers pay 6.0% fee
• Cable TV providers pay 5.0% fee

Utility Contract Fees:
• Seattle City Light pays 6% Contract Fee on electrical revenues
Utility Taxes

- Natural Gas
- Telephone
- Garbage
- Cable TV
- Storm Drainage

Service providers pay tax of 6%
State Shared Funding

- Criminal Justice Funding
  - Optional County sales tax of 0.1% and State criminal justice funding

- Liquor Excise Tax, Liquor Profits, Marijuana Excise Tax

4.2% of Operating Revenues

2.0% of Operating Revenues

2019-2020 Budget Book p. 88

2019-2020 Budget Book p. 89
Fees/Licenses/Permits

- Generally increased by June to June change in CPI
- Incorporates Cost Recovery Objectives
  - Recreation Fees
  - Development Fees
Street Fund
State collected gasoline and diesel fuel tax is shared with cities and towns on a per capita basis.
General Obligation Bond Fund
Property Tax – Excess Levy

• Proposed Ordinance No. 842
  – 2019 Levy: $1.7 M

EXCESS PROPERTY TAX RATE
PER $1,000 VALUATION

$0.26 $0.26 $0.27 $0.25 $0.27 $0.23 $0.21 $0.19 $0.17 $0.16 Prop.
Surface Water Utility Fund
Surface Water Management Fee
(Pages 69, 93)

Surface Water Fee Revenue

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$3,981</td>
<td>$4,162</td>
<td>$5,704</td>
<td>$5,704</td>
<td>$6,689</td>
<td>$7,355</td>
<td>$8,085</td>
<td>$8,497</td>
<td>$9,371</td>
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</table>

Surface Water Management Rate
Single-Family Residence

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>SWM Fee Rate</td>
<td>$160.77</td>
<td>$168.81</td>
<td>$214.39</td>
<td>$246.55</td>
<td>$271.21</td>
<td>$298.33</td>
<td>$313.25</td>
<td>$328.91</td>
<td>$345.36</td>
</tr>
<tr>
<td>$ Change</td>
<td>$8.04</td>
<td>$45.58</td>
<td>$32.16</td>
<td>$24.66</td>
<td>$27.12</td>
<td>$14.92</td>
<td>$15.66</td>
<td>$16.45</td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>5%</td>
<td>27%</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>
Wastewater Utility Fund
Wastewater Contract Fee

• Biennial Budget $4.9 million for:
  • Operation and Maintenance of the sewer utility

• Ronald Wastewater District Board of Commissioners maintains responsibility for:
  – Setting rates
  – Retain all revenues
Capital Funds

- Vehicle License Fee
- Real Estate Excise Tax (REET)
- Grants
Vehicle License Fee

• Currently @ $20 per year
• Increases to $40 per year March 1, 2019
• Each $20 generates $830K annually
Real Estate Excise Tax

(Page 94)

- Used for projects in the Comprehensive Plan, specific public works projects, and debt service

### Real Estate Excise Tax Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>$2,545</td>
</tr>
<tr>
<td>2017A</td>
<td>$3,733</td>
</tr>
<tr>
<td>2018B</td>
<td>$2,738</td>
</tr>
<tr>
<td>2018E</td>
<td>$2,996</td>
</tr>
<tr>
<td>2019B</td>
<td>$2,330</td>
</tr>
<tr>
<td>2020B</td>
<td>$2,336</td>
</tr>
<tr>
<td>2021F</td>
<td>$2,445</td>
</tr>
<tr>
<td>2022F</td>
<td>$2,552</td>
</tr>
<tr>
<td>2023F</td>
<td>$2,702</td>
</tr>
<tr>
<td>2024F</td>
<td>$2,866</td>
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Thousands
Public Comments

Staff recommends that the City Council conduct the public hearing to take public comment on:

• 2019 Property Tax Levy
• Proposed 2019-2020 Revenues
2019-2020 Proposed Biennial Budget

- Public Hearing
  - Biennium Budget and 2019-20 CIP
Where Will the Money Go?

City Services: 58%
Facilities, Parks, and Transp Capital (CIP): 22%
Surface Water Utility: 11%
Wastewater: 3%
Other*: 6%

($ in '000's)

$171.2M
<table>
<thead>
<tr>
<th>Fund</th>
<th>Appropriations</th>
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<tbody>
<tr>
<td>General Fund</td>
<td>$95,731,855</td>
</tr>
<tr>
<td>Street Fund</td>
<td>3,974,166</td>
</tr>
<tr>
<td>Code Abatement Fund</td>
<td>200,000</td>
</tr>
<tr>
<td>Public Art Fund</td>
<td>134,413</td>
</tr>
<tr>
<td>Asset Forfeiture Funds</td>
<td>62,486</td>
</tr>
<tr>
<td><strong>Sub-Total Operating Funds</strong></td>
<td><strong>$100,102,920</strong></td>
</tr>
<tr>
<td>Sub-Total Debt Service Funds</td>
<td>8,690,180</td>
</tr>
<tr>
<td>Sub-Total Capital Funds</td>
<td>36,844,445</td>
</tr>
<tr>
<td>Sub-Total Enterprise Funds</td>
<td>24,010,912</td>
</tr>
<tr>
<td>Sub-Total Internal Service Funds</td>
<td>1,506,536</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$171,154,993</strong></td>
</tr>
</tbody>
</table>
Operating Budget Expenditures by Function

($ in '000's)

- Public Safety: 34%
- Parks & Recreation: 15%
- Planning & Community Development: 7%
- Public Works: 10%
- Community Services: 3%
- Support Services: 20%
- City-wide, Transfers, and Contingencies: 11%
- 3% for City-wide, Transfers, and Contingencies

Total: $100.1 M
2019-2020 Proposed Capital Improvement Plan
(Pages 279 - 415)

($ in '000's)

$36.5 M

Facilities & Parks
$7,465
20%
10 Projects

Facilities Major Maintenance
$289
1%
6 Projects

Transportation
$28,754
79%
17 Projects
Surface Water Utility

($) in '000's

- **Surface Water Capital**: $7,073 37%
- **Surface Water Operations**: $9,949 52%
- **Debt Service & City Maintenance Facility Rent**: $2,064 11%

Total: $19.1 M
Public Comments

Staff recommends that the City Council conduct the public hearing to take public comment on:

- 2019-2020 Proposed Biennial Budget
- 2019-2024 Capital Improvement Plan