

**City of Shoreline
Financial Sustainability
Citizen Advisory Committee**

April 28, 2016



Financial Sustainability
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Agenda:

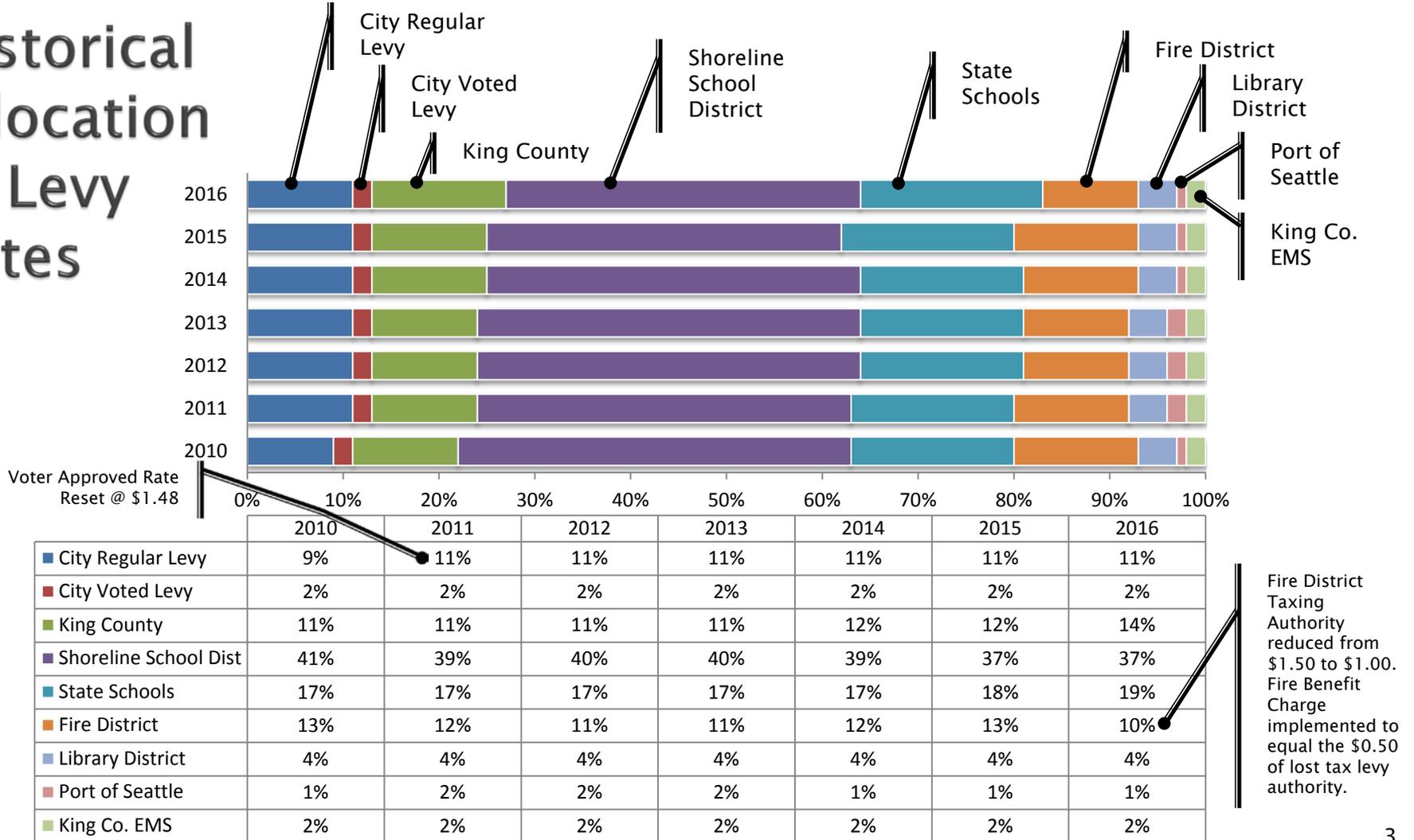
- I. Review Agenda
- II. Recap and Approve Summary of 4/14 Meeting
- III. Findings and Tentative Recommendations
- IV. Review Key Discussions and Preview Next Meeting

Presenter(s):

Jim Reid
Jim Reid
Everyone
Jim Reid

- Please remember to sign in for the meeting
- At least one 10 minute break will be provided at an appropriate stopping point.

Historical Allocation of Levy Rates



Annual Changes in Property Tax Levies



Projected Impact of Levy Lid Lift Options in 2017 on the Total Property Tax Bill

- ▶ The median homeowner can expect to pay between \$6 (0.1%) and \$105 (2.5%) more in total property tax in 2017 depending on the alternative selected by the City Council

Projected Impact of Levy Lid Lift Options in 2017 on the Total Property Tax Bill

Median Home Value of \$353,000

No Action	Total Tax Bill	% Change
\$4,120	\$4,120	0.0%
\$4,120 + \$6	\$4,126	0.1%
\$4,120 + \$62	\$4,182	1.5%
\$4,120 + \$105	\$4,225	2.5%

■ Base Property Tax Paid

■ Difference Paid

Projected Impact of Levy Lid Lift Options in 2017

Alternative	Total Bill	City Portion	\$ Difference	% Diff for Total Bill	% Diff for City Portion
No Action	\$4,120	\$460	\$0	0%	0%
Impact: Ongoing reductions totaling \$514,000 as early as 2019 and average of \$634,000 per year for 2020–2026					
Alt 1: Escalator Only	\$4,126	\$466	\$6	0.1%	1.4%
Impact: Ongoing reductions totaling \$28,000 as early as 2019 and average of \$553,000 per year for 2020–2026					
Alt 2: Renew @ \$1.48	\$4,182	\$522	\$63	1.5%	13.6%
Impact: Maintains current service levels through 2022; Allows for increase in funding to support human services (stair–stepping increase from 0.75% of General Fund recurring revenues in 2017 to 1.00% by 2022); Ongoing service reductions averaging \$576,000 per year each year for 2023–2026 if Levy not renewed in 2023.					
Alt 3: Reset to \$1.60	\$4,225	\$565	\$105	2.5%	22.8%
Impact: Maintains current service levels through 2024; Allows for increase in funding to support human services (noted above); Provides resources to increase service levels (e.g., public safety); Ongoing service reductions averaging \$531,000 per year for 2025–2026.					

Note: Reductions, if necessary, will be identified based on Council and Community Priorities.

Actual Changes in Assessed Valuation and Levy Rates Affect Property Tax Paid

2015 Tax Year

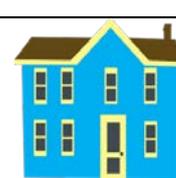
City Levy Rate:	\$1.43328
Other Levy Rates:	\$11.42903
Total Levy Rate:	<u>\$12.86231</u>



Property Type:	2 BR 1.5 Bath Townhouse	2 BR 1 Bath Single- Family	4 BR 1.75 Bath Single-Family	5 BR 2.5 Bath Single- Family	6 BR 5.75 Bath Single-Family
Neighborhood:	North City	Echo Lake	Meridian Park	Innis Arden	The Highlands
Assessed Value:	\$255,000	\$244,000	\$346,000	\$885,000	\$2,023,000
Total Property Tax Paid:	\$3,280	\$3,138	\$4,450	\$11,383	\$26,020

2016 Tax Year

City Levy Rate:	\$1.33098
Other Levy Rates:	\$10.36787
Total Levy Rate:	<u>\$11.69885</u>



Property Type:	2 BR 1.5 Bath Townhouse	2 BR 1 Bath Single- Family	4 BR 1.75 Bath Single-Family	5 BR 2.5 Bath Single- Family	6 BR 5.75 Bath Single-Family
Neighborhood:	North City	Echo Lake	Meridian Park	Innis Arden	The Highlands
Assessed Value:	\$275,000	\$281,000	\$347,000	\$939,000	\$1,911,000
AV % Change:	↑ 7.8%	↑ 15.2%	↑ 0.3%	↑ 6.1%	↓ -5.5%
Total Property Tax Paid:	\$3,217	\$3,287	\$4,060	\$10,985	\$22,357
2015 vs. 2016 \$ Change:	↓ (\$63)	↑ \$149	↓ (\$391)	↓ (\$398)	↓ (\$3,664)
2015 vs. 2016 % Change:	↓ -1.9%	↑ 4.7%	↓ -8.8%	↓ -3.5%	↓ -14.1%

- Hypothetical -

Change in 2016 City Levy Affects Property Tax Paid

2016 Tax Year Actual

City Levy Rate:	\$1.33098
Other Levy Rates:	<u>\$10.36787</u>
Total Levy Rate:	<u>\$11.69885</u>



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Total Property Tax Paid:	\$3,217	\$3,287	\$4,060	\$10,985	\$22,357

2016 Tax Year City Levy Rate Set @ \$1.48

City Levy Rate:	\$1.48000
Other Levy Rates:	<u>\$10.36787</u>
Total Levy Rate:	<u>\$11.84787</u>



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Neighborhood:	North City	Echo Lake	Meridian Park	Innis Arden	The Highlands
Assessed Value:	\$275,000	\$281,000	\$347,000	\$939,000	\$1,911,000
Total Property Tax Paid:	\$3,258	\$3,329	\$4,111	\$11,125	\$22,641
Property Tax Paid \$ Difference:	\$41	\$42	\$52	\$140	\$285
Property Tax Paid % Difference:	↑ 1.3%	↑ 1.3%	↑ 1.3%	↑ 1.3%	↑ 1.3%

No Action

- ▶ Growth returns to statutory 1% + new construction



**2 BR 1.5 Bath
Townhouse**



**2 BR 1 Bath
Single-Family**



**4 BR 1.75 Bath
Single-Family**



**5 BR 2.25 Bath
Single-Family**



**6 BR 5.75 Bath
Single-Family**

Neighborhood	North City	Echo Lake	Meridian Park	Innis Arden	The Highlands
Assessed Value (2016)	\$275,000	\$281,000	\$347,000	\$939,000	\$1,911,000
Total Property Tax Bill	\$3,214	\$3,284	\$4,056	\$10,976	\$22,337
City Portion of Property Tax Bill	\$363	\$371	\$458	\$1,240	\$2,524

Alternative 1: Escalator Only

- ▶ Growth based on percentage change of CPI-U



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Assessed Value (2016)	\$275,000	\$281,000	\$347,000	\$939,000	\$1,911,000
Total Property Tax Bill	\$3,214	\$3,284	\$4,056	\$10,976	\$22,337
City Portion of Property Tax Bill	\$363	\$371	\$458	\$1,240	\$2,524
Difference from No Action	\$5	\$5	\$6	\$17	\$35

Alternative 2: Renewal of Levy Lid Lift

- ▶ Growth based on percentage change of CPI-U
- ▶ Levy Rate Reset to \$1.48



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Townhouse**



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Single-Family**



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Single-Family**

Neighborhood	North City	Echo Lake	Meridian Park	Innis Arden	The Highlands
Assessed Value (2016)	\$275,000	\$281,000	\$347,000	\$939,000	\$1,911,000
Total Property Tax Bill	\$3,258	\$3,329	\$4,111	\$11,125	\$22,641
City Portion of Property Tax Bill	\$407	\$416	\$514	\$1,390	\$2,828
Difference from No Action	\$49	\$50	\$62	\$167	\$339

Alternative 3: Reset Levy Rate to \$1.60

- ▶ Growth based on percentage change of CPI-U
- ▶ Levy Rate Reset to \$1.60



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Townhouse**



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Single-Family**



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Single-Family**

Neighborhood	North City	Echo Lake	Meridian Park	Innis Arden	The Highlands
Assessed Value (2016)	\$275,000	\$281,000	\$347,000	\$939,000	\$1,911,000
Total Property Tax Bill	\$3,291	\$3,363	\$4,153	\$11,238	\$22,871
City Portion of Property Tax Bill	\$440	\$450	\$555	\$1,502	\$3,058
Difference from No Action	\$82	\$84	\$103	\$279	\$568

Findings and Tentative Recommendations

Discussion:

- ▶ Levy Lid Lift Options
 - \$1.60
 - \$1.48
 - CPI Only
 - No Change

Findings and Tentative Recommendations

Discussion:

- ▶ B&O Tax

Findings and Tentative Recommendations

Discussion:

- ▶ Replacement of General Fund Support of Roads Capital Fund with Dedicated Revenue Source

Financial Sustainability Citizen Advisory Committee

Next Meeting Topic:

- ▶ Finalize recommendations

