

From: [Debbie Tarry](#)
To: [Chris Roberts](#)
Cc: [Carolyn Wurdeman](#); [Sara Lane](#); [Rick Kirkwood](#)
Subject: RE: Budget Question
Date: Thursday, July 07, 2016 10:26:46 AM

Chris -

Below are some calculations that I had asked staff to put together a few days ago. The answer is yes - if AV goes up higher than projected then the City could collect more money than projected at the \$1.48 rate. This is always the challenge as the statute requires us to put a rate in the ballot measure and the ballot measure has to be adopted prior to us getting AV info from the assessor's office, so we are having to make assumptions on the AV growth. Since we started talking about the levy options in late 2015 we made assumptions on AV growth at that time. Even though this is the case, I believe that Council always has the ability to adopt something lower than approved by the voters at the time that you adopt the annual property tax levy as part of the budget process. So for example if voters approved a restoration to \$1.48, but the same total levy could be collected at \$1.45 (just for example purposes) because AV went up more than expected, this could be the levy adopted as part of the budget process and the difference between what was approved by voters and what Council adopts can be "banked capacity" and could be assessed in the future at Council direction. Same in the intervening years if voters approved CPI increases and Council wanted to do something less than that. The Council cannot adopt something more than approved by voters - other than utilizing banked capacity.

Here is information that I had asked staff to put together:

The City's 2016 AV is \$8,195,760,031. AV growth is projected to be 3.1% to a 2017 total of \$8,451,559,877. A 2017 Levy rate of \$1.48000 would generate \$12,508,309 ($\$8,451,559.877 * \$1.48000 = \$12,508,309$).

If the AV grew by 6.0% (instead of the projected 3.1%), the City's 2017 AV would total \$8,687,505,633. A levy rate of \$1.43980 would generate \$12,508,357 ($\$8,687,505.633 * \$1.43981 = \$12,508,357$). A levy rate of \$1.48000 would generate \$12,857,508, which is \$349,151 more ($\$8,687,505.633 * \$1.48000 = \$12,857,508$).

If the AV grew by 10.0% (instead of the projected 3.1%), the City's 2017 AV would total \$9,015,336,034. A levy rate of \$1.38745 would generate \$12,508,328 ($\$9,015,336.034 * \$1.38745 = \$12,508,328$). A levy rate of \$1.48000 would generate \$13,342,697, which is \$834,369 more ($\$9,015,336.034 * \$1.48000 = \$13,342,697$).

Would you like this to be part of the green folder for Monday's levy discussion?

Debbie Tarry
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City of Shoreline
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-----Original Message-----

From: Chris Roberts

Sent: Wednesday, July 06, 2016 11:22 PM

To: Debbie Tarry

Cc: Carolyn Wurdeman

Subject: Budget Question

Debbie,

The assessor on Tuesday and in the Seattle Times today suggested that assessed values are going up. If the voters pass a levy rate at \$1.48 and assessed valuation climb before the rate comes into effect, would the projections for how much the city would collect go up?

Chris

Chris Roberts

Mayor, City of Shoreline

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