

2018 Proposed Budget

- Public Hearing
 - Emphasis on Revenue Sources

2018 Budget & CIP Review Schedule

October 9 ✓ Transmittal of 2018 Proposed Budget and 2018-2023 CIP

October 16 ✓ Review of Department Budgets

October 23 ✓ Continued Review of Department Budgets, Utility Budgets and Review of 2018 - 2023 CIP

November 6 ← Public Hearing on 2018 Property Tax Levy & Revenue Sources

November 13 Public Hearing on 2018 Proposed Budget and 2018 - 2023 CIP
Final Discussion of the 2018 Proposed Budget and 2018 - 2023 CIP

November 20 Adoption of 2018 Budget, Fee Schedule, 2018 - 2023 CIP, and Adoption of 2018 Property Tax Levy

2018 Budget Information

- The 2018 Proposed Budget is available on-line at the City of Shoreline Website at:

<http://www.shorelinewa.gov>

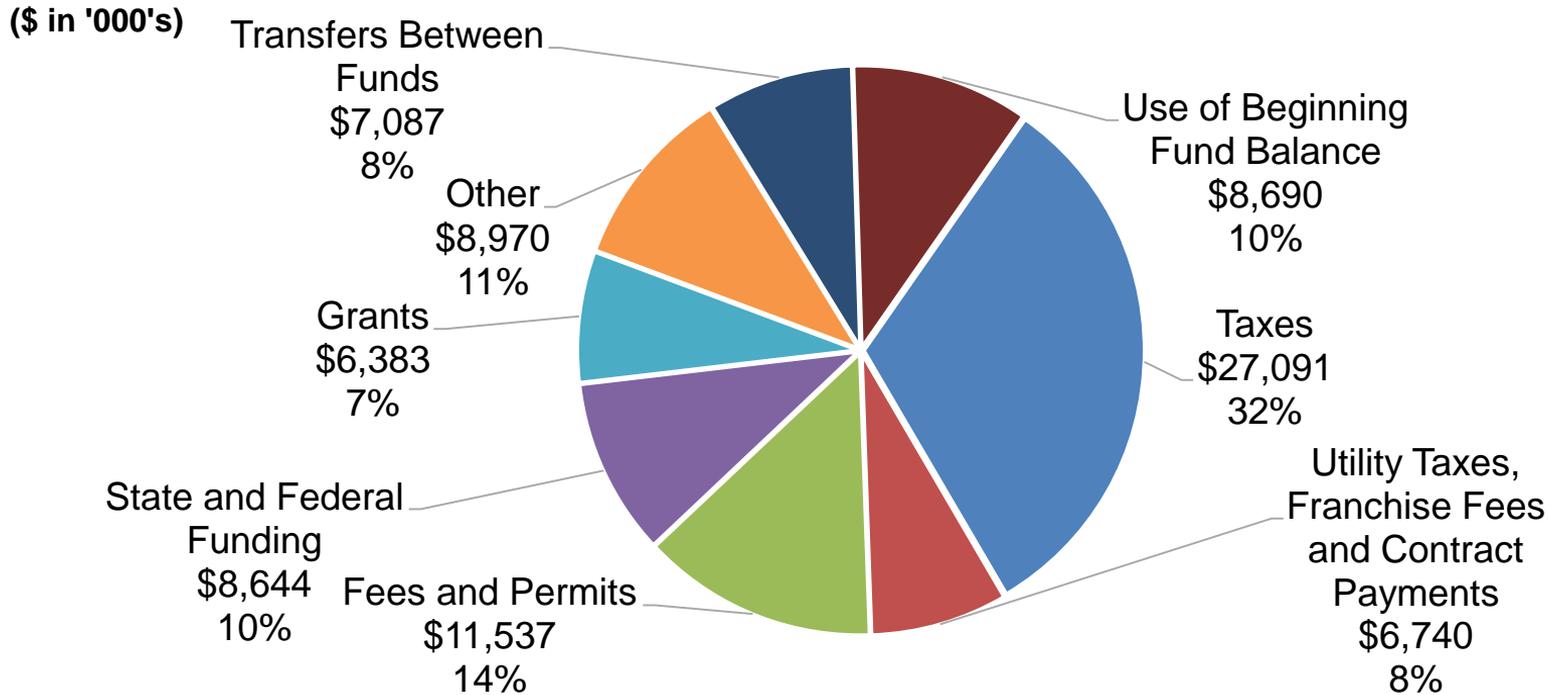
Click on Budget & CIP Policies under the Government tab

- 2018 Budget Books Available for Review at:
 - Shoreline Library, Richmond Beach Library, City Hall
- 2018 Budget Books on CD Available for purchase at City Hall

2018 Revenues

Where Will the Money Come From?

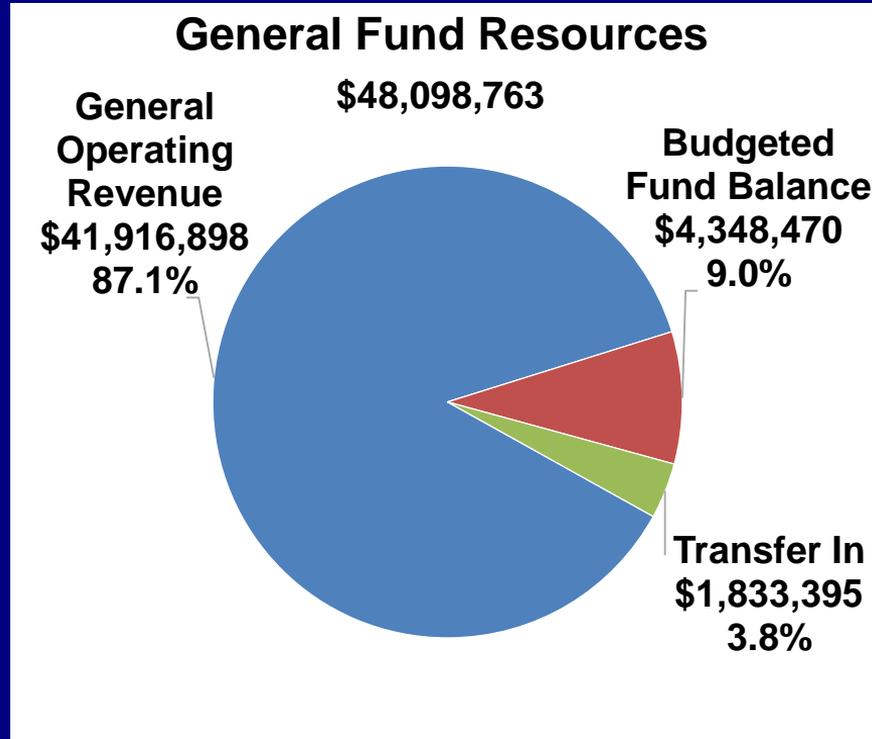
Total Budget: \$85.142 Million



General Fund

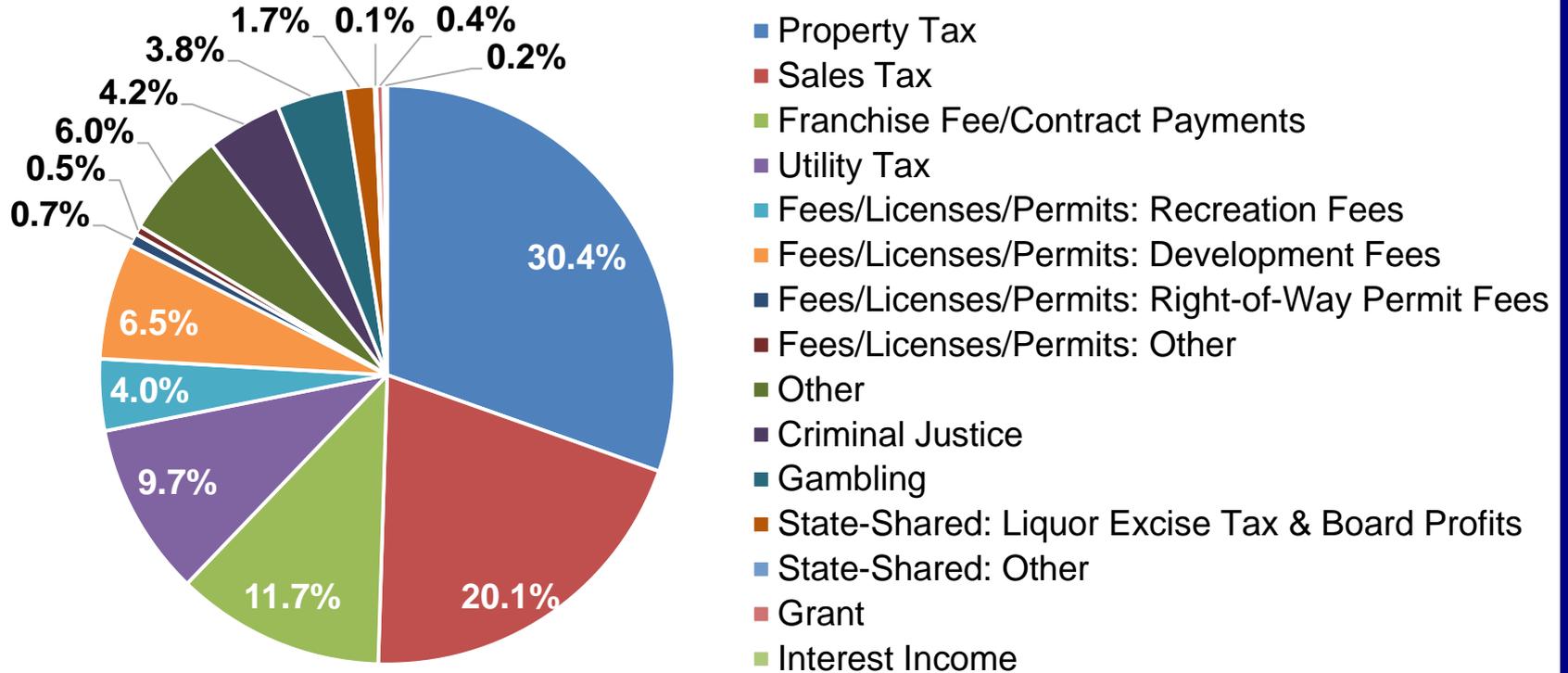
General Fund Operating Resources

\$48.099 Million



General Fund Operating Revenue

\$41.917 Million

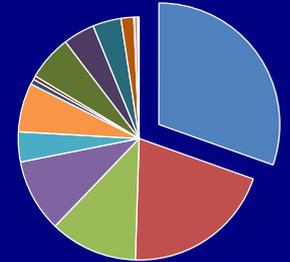


Property Tax – Regular Levy

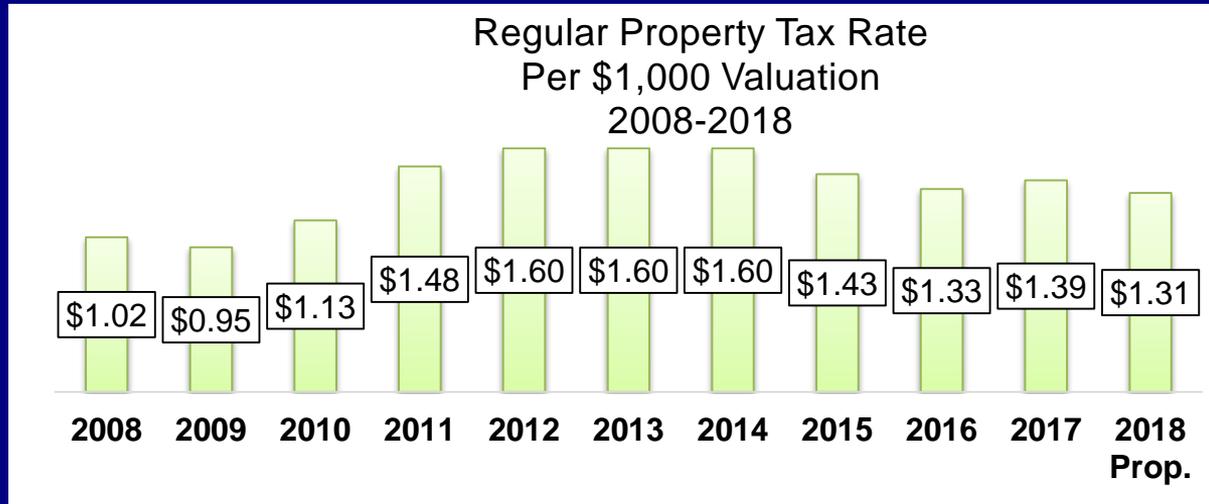
Resource Category:
Property Tax

30.4% of Operating Revenues

- Proposed Ordinance No. 807
 - 2018 Levy: \$12.760 M
 - Estimated levy rate @ \$1.31 / \$1,000 AV



2018 Budget Book
pp. 73-74



Property Tax – Regular Levy

Simple
Example
for 3 Houses

	Home 1	Home 2	Home 3
2017 Assessed Value (AV)	\$386,000	\$386,000	\$386,000
Times the Levy Rate (LR)	\$1.39000	\$1.39000	\$1.39000
2017 Tax Levy (AV*LR/1000)	\$537	\$537	\$537
2018 AV Increase	10.3%	5.0%	15.0%
For 2018 - City can increase the total levy by 3.7% from \$1,611 to \$1,668			
2018 Assessed Value(AV)	\$425,758	\$405,300	\$443,900
Times the Levy Rate (LR)	\$1.30689	\$1.30689	\$1.30689
2018 Tax Levy (AV*LR/1000)	\$557	\$530	\$581
Change in tax paid:	\$20, +3.7%	(\$7), -1.3%	\$43, +8.1%

Education Funding Decision

Impact of McCleary Decision on Shoreline Property Owner

- Staff spoke with King County Assessor's Office staff
 - Expect no reduction to local school district rate until 2019
 - Estimated impact on median \$386,000 home per KCAO is \$650 - \$700 in add'l tax paid in 2018
 - Change in amount paid in 2019+ depends on how much the local school district rate is decreased

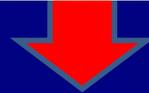
Sales Tax

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

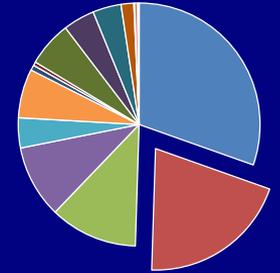


3. Shoreline's Share



Resource Category:
Sales Tax

20.1% of Operating
Revenues



2018 Budget Book
p. 85

Franchise & Utility Contract Fees:

Resource Category:
Franchise Fee /
Contract Payments

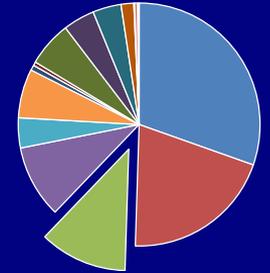
11.7% of Operating
Revenues

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



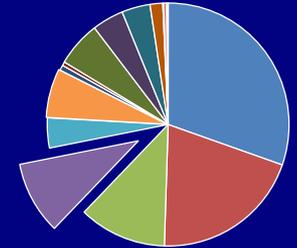
2018 Budget Book
p. 85

Utility Taxes

Resource Category:
Utility Tax

9.7% of Operating
Revenues

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



2018 Budget Book
p. 84

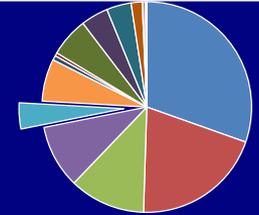
Service providers pay tax of 6%

Fees/Licenses/Permits

- Generally increased by June to June change in CPI
- Incorporates Cost Recovery Objectives
 - Recreation Fees
 - Development Fees

Resource Category:
Fees/Licenses/Permits
Recreation Fees

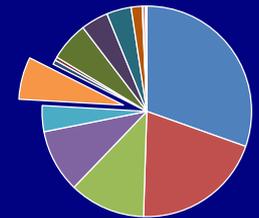
**4.0% of Operating
Revenues**



2018 Budget Book
p. 86

Development Fees

**6.5% of Operating
Revenues**

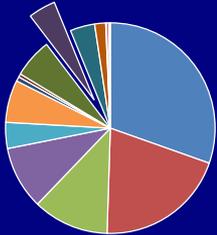


2017 Budget Book
pp. 89-90

State Shared Funding

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

4.2% of Operating Revenues

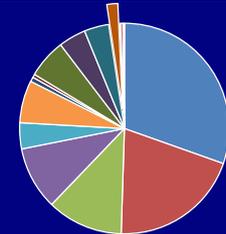


2018 Budget Book
p. 87



- Liquor Excise Tax
 - City “share” returned in 2015

1.7% of Operating Revenues



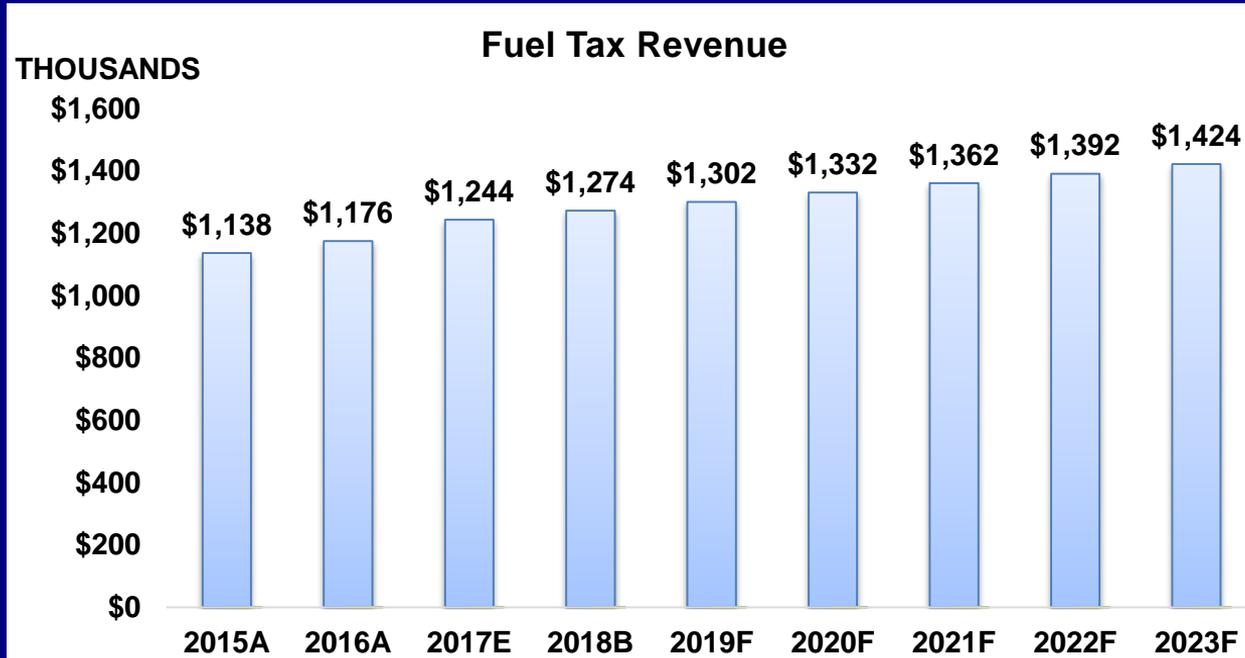
2018 Budget Book
p. 88

Street Fund

Fuel Tax

(Page 91)

- 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. 807
 - 2018 Levy: \$1.698 M
 - Estimated levy rate @ \$0.17 / \$1,000 AV

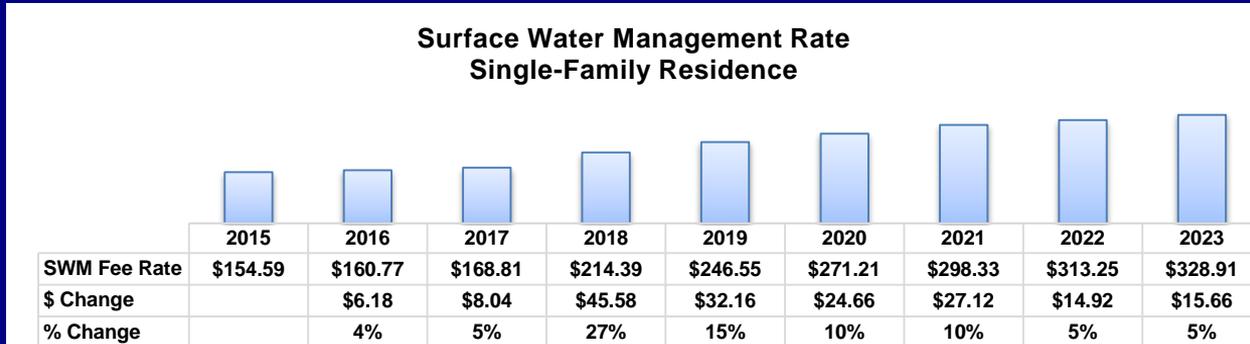
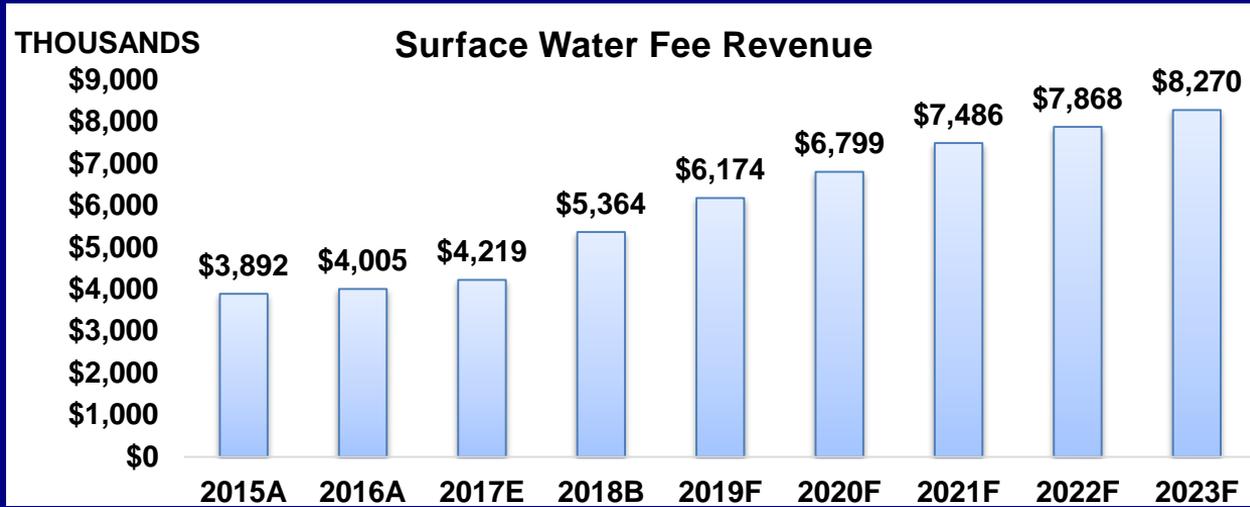


RESTRICTED

Surface Water Utility Fund

Surface Water Management Fee

(Page 68, 92)



Wastewater Utility Fund

Wastewater Fee

- The City will:
 - Operate and maintain the sewer utility
- Ronald Wastewater District Board of Commissioners will:
 - Set rates
 - Retain all revenues

Capital Funds

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

Vehicle License Fee

- Currently @ \$20 per year
- \$20 generates \$780K annually
- Council has authority to impose up to an additional \$20
 - \$6 to replace GF Contribution to Roads Cap
 - \$14 Available for other transportation projects



Real Estate Excise Tax

(Page 93)

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



Public Comments

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

- 2018 Property Tax Levy
- Proposed 2018 Revenues

Council Questions / Comments