

RESOLUTION NO. 468

**A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON
MAKING A DECLARATION AND FINDING OF SUBSTANTIAL
NEED TO SET THE LIMIT FACTOR AT ONE HUNDRED ONE
PERCENT FOR REGULAR PROPERTY TAXES FOR THE YEAR
2021.**

WHEREAS, Revised Code of Washington (RCW) 84.55.010 provides that a taxing jurisdiction may levy taxes in no more than the "limit factor" multiplied by the highest levy of the most recent three years, plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed property and other adjustments; and

WHEREAS, pursuant to RCW 84.55.005(2)(c), the "limit factor" for a taxing jurisdiction with a population of 10,000 or greater is the lesser of one hundred one percent (101%) or one hundred percent (100%) plus inflation; and

WHEREAS, RCW 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator for personal consumption expenditures for the United States, as published for the most recent twelve-month period by the Bureau of Economic Analysis of the federal Department of Commerce in September of the year before the taxes are payable; and

WHEREAS, "inflation" for the year 2020 is .60% which means that the "limit factor" is thus, 100.60% and that the regular property tax levy in the City of Shoreline in 2020 for collection in 2021 will increase by only .60% (less than one percent), except for amounts resulting from new construction and improvements to property, newly constructed wind turbines, any increase in the value of state-assessed utility property, and other adjustments; and,

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of up to one hundred one percent (101%) or less with a finding of "substantial need" by a majority plus one of the City Council members; and

WHEREAS, the City's "substantial need" is not due to economic problems or financial management but rather largely the result of the COVID-19 public health emergency and pandemic, during which the City has been engaged in essential work related to the public health emergency, and that work has resulted in the need for an outlay of significant City resources to address the emergency, while at the same time the economic and financial impacts of the public health situation have resulted in decreases in both short and long-term revenue, significantly sales taxes, to fund essential City services; and

WHEREAS, the City Council desires to maintain municipal service levels funded by the City's general fund and the cost of providing City services has risen faster than the implicit price deflator and, generally have risen by more than one percent; and

WHEREAS, the fixed expenses and obligations expected to be adopted in 2021-2022 budget exceeds the forecasted decrease in revenues from other tax sources, requiring the City of Shoreline to exceed one hundred percent (100%) plus inflation, requiring the City to utilize reserves to balance the budget; and

WHEREAS, the City Council, after duly considering relevant facts and hearing testimony at a public hearing on Ordinance 902, regarding revenue sources on November 2, 2020, has determined that in order to meet the financial obligations of the City as set forth in the proposed 2021-2022 biennial budget, and ensure adequate funding in future years, there is a substantial need to set the levy limit at one percent;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Declaration and Finding of Substantial Need. Pursuant to RCW 84.55.0101, the City Council hereby finds that substantial need exists to use a limit factor of one hundred one percent (101%) for purposes of levying regular property taxes in 2020 for collection in 2021, in order to pay for fixed general fund expenses and obligations in the 2021-2022 biennial budget and maintain existing levels of municipal services funded by the general fund due to short term revenue loss along with a longer term financial challenge presented by COVID-19. In making this finding the findings stated in the whereas clauses above are incorporated as a basis for this declaration and finding of substantial need.

Section 2. Corrections by City Clerk. Upon approval of the City Attorney, the City Clerk is authorized to make necessary corrections to this Resolution, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or resolution numbering and section/subsection numbering and references.

Section 3. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this Resolution or its application to any person or situation be found unconstitutional or invalid for any reason by any court of competent, such decision shall not affect the validity of the remaining portions of this Resolution or its application to any person or situation.

Section 4. Effective Date. This Resolution shall take effect and be in full force upon passage by the City Council.

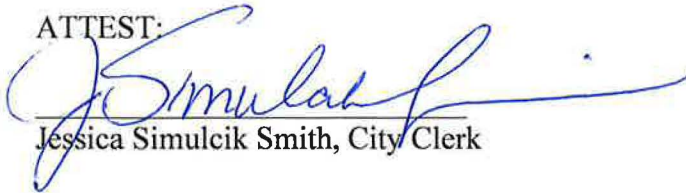
ORIGINAL

**PASSED BY MAJORITY VOTE OF THE CITY COUNCIL PLUS ONE
ON NOVEMBER 16, 2020.**



Will Hall, Mayor

ATTEST:



Jessica Simulcik Smith, City Clerk