



2017/18 Biennial Budget

Mayor Jim Ferrell

OVERVIEW

- ❖ List of needed items and costs associated with those items
- ❖ Evaluate the funding options
- ❖ Recommendations



BUDGET FACTORS

- ❖ **Council Policy/Responsible Govt**

- ❖ General Fund Required Fund Balance – \$9.0 Million or 17%

- ❖ **Personnel Costs**

- ❖ 5% Health Insurance Premium Increase
- ❖ Allowance for COLA



BUDGET FACTORS

❖ Economic Growth

- ❖ Performing Arts and Event Center
- ❖ No Lay-offs

❖ Infrastructure

- ❖ Expansion of 352nd & Pac Highway
- ❖ \$3.0 Million Overlay



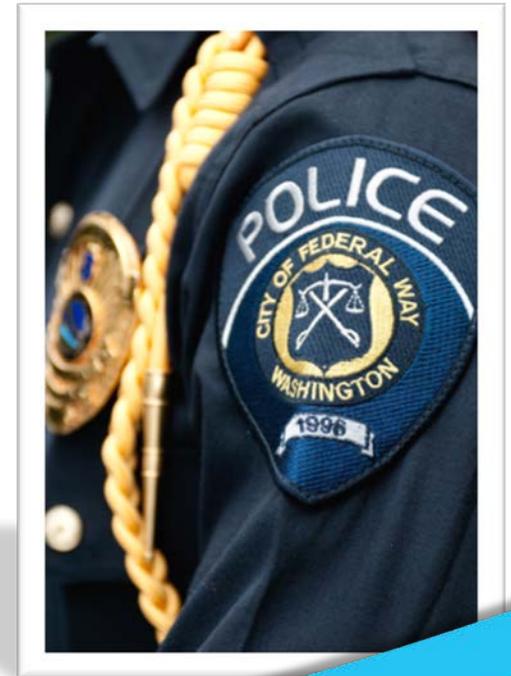
INVESTMENTS IN PUBLIC SAFETY

- ❖ **Valley Communications** – Increased \$217K in 2017, \$203K in 2018
- ❖ **SCORE** – Increased \$255K in 2017
- ❖ **Municipal Court**
- ❖ **Police Department**
- ❖ **Law Department – Criminal/DV Prosecution**



POLICE DEPARTMENT

- ❖ New Officers Added During Mayor's Term:
5 Since January 2014
- ❖ Homeless Services / Encampment Initiative



PUBLIC WORKS

- ❖ Overlay program plans
- ❖ Phase 5 progress
- ❖ South 352nd open after years of debate/funding issues



PARKS DEPARTMENT

- ❖ Community Center
- ❖ Dumas Bay/Centerstage agreement
- ❖ Quality parks and recreation
- ❖ Senior programming
- ❖ Brooklake status



COMMUNITY DEVELOPMENT

- ❖ Development requests
- ❖ Code compliance
- ❖ Successful completion of Comp Plan
June 2016



Investment in Human Services Funding



Investments by Lodging Tax Funding

NEEDED ITEMS

- ❖ 9 Police officers and equipment, during biennium
- ❖ Items needed for sustainability of current proposed budget
- ❖ Salary job market



ADDITIONAL FACTORS

Salary Job Market

- ❖ 2017 \$0.30m
- ❖ 2018 \$0.31m



Items Needed to Sustain Current Proposed Budget

- ❖ **Equipment Reserve**
 - ❖ 2017 – \$250K
 - ❖ 2018 – \$250K

- ❖ **Guild Contract (pending)**
 - ❖ 2016 – \$0.12m
 - ❖ 2017 – \$0.22m
 - ❖ 2018 – \$0.32m

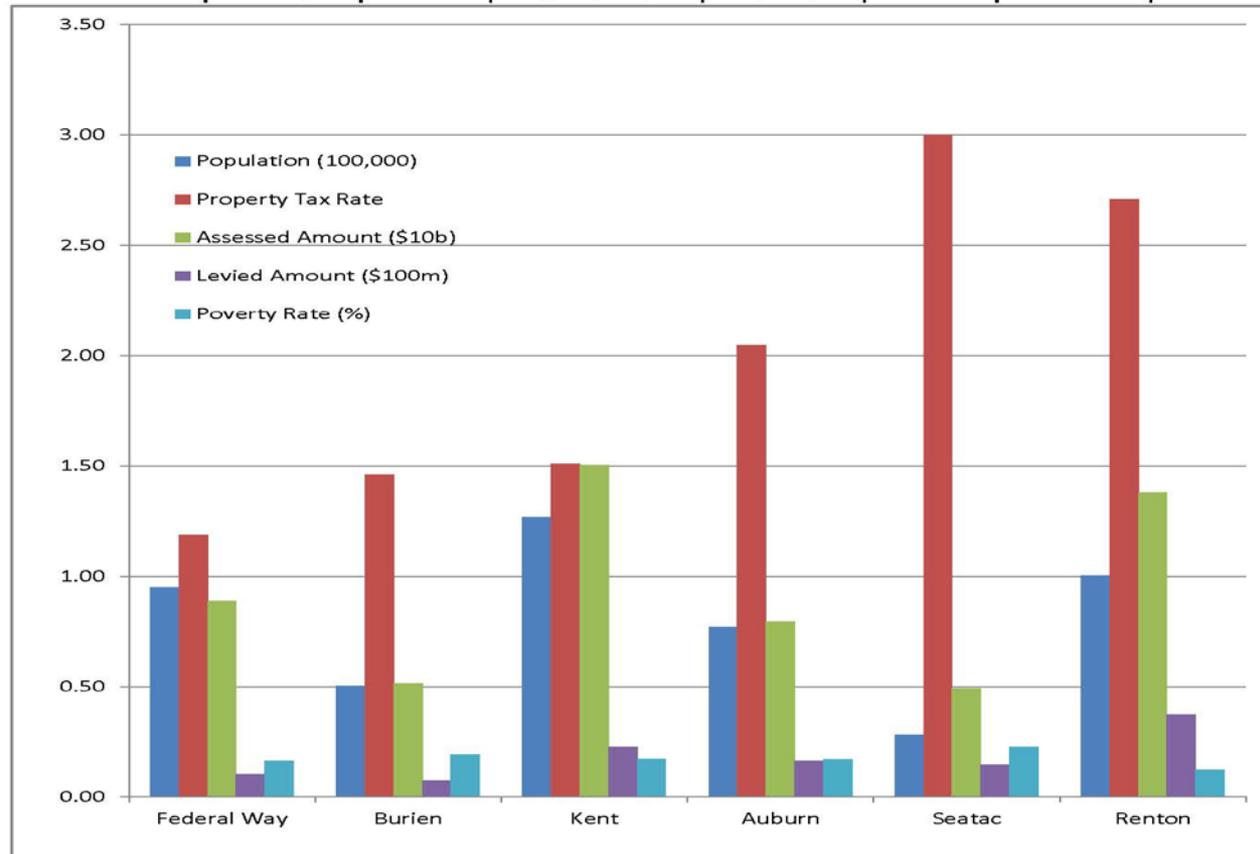


PROPERTY TAX RATE

Years	Federal Way	Kent	Auburn	Burien	Renton	Seattle	SeaTac
2004	1.30	2.85	2.88	1.45	3.33	3.60	2.82
2005	1.27	2.94	2.87	1.47	3.23	3.59	2.80
2006	1.22	2.80	2.73	1.60	3.12	3.38	2.77
2007	1.14	2.56	1.48	1.51	2.88	3.43	2.61
2008	1.04	2.36	1.49	1.39	2.62	3.07	2.45
2009	0.97	2.18	1.49	1.26	2.37	2.86	2.34
2010	1.13	2.36	1.82	1.52	2.71	3.23	2.58
2011	1.20	1.48	1.93	1.56	2.83	3.36	2.80
2012	1.30	1.57	2.08	1.60	3.10	3.58	2.88
2013	1.42	1.69	2.10	1.60	3.10	3.29	3.10
2014	1.40	1.65	2.17	1.60	3.15	3.05	3.10
2015	1.25	1.58	2.08	1.59	2.83	2.62	3.16
2016	1.19	1.51	2.05	1.46	2.71	2.77	3.00

Property Assessed & Levied Amounts

Property Assessed Amount and Levied Amount						
	Population*	Property Tax Rate**	Assessed Amount**	Levied Amount**	Poverty Rate (%)*	Ranking (P,R,A,L,P)
Federal Way	95,171	1.19	8,905,294,058	10,487,319	16.2%	3,6,3,5,5
Burien	50,467	1.46	5,159,990,547	7,443,096	19.4%	5,5,5,6,2
Kent	126,952	1.51	15,046,306,884	22,657,939	17.4%	1,4,1,2,3
Auburn	77,006	2.05	7,948,426,775	16,201,937	17.2%	4,3,4,3,3
Seatac	28,215	3.00	4,935,361,365	14,714,271	22.7%	6,1,6,4,1
Renton	100,242	2.71	13,812,773,159	37,269,743	12.5%	2,2,2,1,6
Seattle	684,451	2.77	163,924,328,611	452,827,119	14.0%	



* - Washington-demographics.com

** - King County Assessor's Office



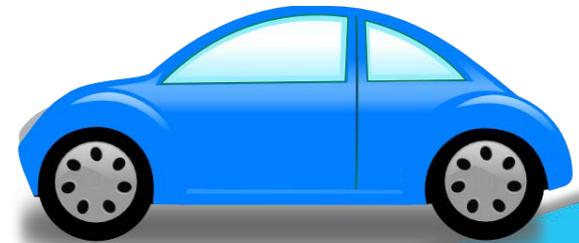
Evaluation of Funding Options

- A. Property Tax – *Not Recommended*
- B. Sales Tax – *Not Recommended*
- C. B & O Tax – *Not Recommended*
- D. Admissions Fee – *Not Recommended*
- E. Transportation Benefit District (TBD)
– *Not Recommended*
- F. Adjustment to Business Registration fees
- G. Equal Application of current Utility Tax
- H. Permit Fees

Transportation Benefit District (TBD)

- Not Recommended

- ❖ About 3 ordinances
- ❖ Takes 6 months
- ❖ \$20/car
- ❖ 62,885 vehicles
- ❖ About \$1.25m/year
- ❖ State- 1% Administrative Fees



Adjustment to Business Registration Fees

- A. Current fee is \$75 per year
- B. Proposal
- C. Additional \$20 for Outside Contractor (Non-Resident) business registration

\$0.36M

# of Employees	Registration Fee
0-10	\$80
11-25	\$125
26-50	\$250
51-100	\$1,500
101-501	\$4,500
501+	\$9,500

Equal Application of Utility Tax

- ❖ Current Rate is 7.75%
- ❖ Current rate paid by water & sewer is \$0, but Franchise Fee is 3.6%
- ❖ Analysis of current plan
- ❖ Franchise Fee
- ❖ Light Fees
- ❖ Hydrant Fees

\$1.0M



Admissions Fee

- Not Recommended

5% of the cost of admissions tickets for non-school sponsored activities.

For example:

- ❖ PAEC
- ❖ Wild Waves
- ❖ Movie theaters

\$.6M



Permit Fees

Reexamination of permit fees

- ❖ Lower than comparable fees of our neighboring cities
- ❖ Some are lower than our actual labor cost

These fees will fluctuate with economic conditions, but are also a source of revenue for the City.



IMPLEMENTATION

Fund 9 New Police Officers in 2017/18 Budget

- ❖ 4 Officers in 2017
- ❖ 5 Officers in 2018, via COPS Grant
- ❖ 2 Police cars in 2017
- ❖ 3 Police cars in 2018
- ❖ 1 Record Specialist in 2018
- ❖ 1.50 FTE in 2017 for IT



IMPLEMENTATION

Revenues & Expenditures

REVENUE:	2017	2018
COP Grant (60%)		\$.23M
Business License	\$.36M	\$.36M
Adjusted Utility Tax	\$1.0M	\$1.0M
SUB-TOTAL:		\$1.59M
		+\$.22M Carryover
TOTAL:	\$1.36M	\$1.81M
EXPENDITURES:		
Police Officers (New)	(4 Officers) = \$.55M	(5 officers) = \$1.24M
Equipment Reserve	\$.25M	\$.25M
Guild Contract	\$.34M	\$.32M
TOTAL:	\$1.14M	\$1.81M
FUND BALANCE:	\$.22M	

QUESTIONS

