



# 2023-2024 Proposed Biennial Budget

**PUBLIC HEARING**

**November 14, 2022**

# **This Evening's Session:**

- ✓ Public Hearing
  - ✓ Receive public testimony prior to adoption on November 21
- ✓ 2023-2024 Proposed Biennial Budget

# Subsequent Meetings:

## November 21

Adopt 2021-2022 Budget Amendments

Adopt 2023 Property Tax Levy

Adopt 2023 Excess Tax Levy

Adopt 2023-2024 Biennial Budget

# BUDGET POLICY DIRECTION

- ❖ Supports and implements **City Council Goals**
  - considers the results of Service Level Budgeting
- ❖ A balanced operating budget that utilizes:
  - **conservative** approach to both revenues and expenditures
- ❖ Maintains a positive financial forecast that meets the City's reserve policies
- ❖ Includes Financial Sustainability Plan measures

# Total Proposed City Budget - All Funds

<b><u>FUND</u></b>	<b>2023 Proposed</b>	<b>2024 Proposed</b>	<b>2023-2024 Proposed Expenditure Budget</b>
General Fund	\$ 15,350,789	\$ 15,901,636	\$ 31,252,425
Strategic Reserve Fund	0	0	0
Strategic Opportunities Fund	313,000	263,000	576,000
Street Fund	1,855,182	1,949,798	3,804,980
KAPE (kenmore Automated Photo Enf. Fund	176,500	464,700	641,200
Public Art Fund	0	0	0
Transportation Benefit District	350,000	350,000	700,000
ARPA Fiscal Recovery Fund	4,242,200	690,211	4,932,411
2016 & 2021 UTGO Debt Service Fund	1,059,500	1,057,250	2,116,750
Transportation Capital Fund	3,766,383	1,870,000	5,636,383
Real Estate Excise Tax Fund	4,219,888	1,629,012	5,848,900
Walkways & Waterways Bonds	0	0	0
Park Capital Fund	552,500	223,200	775,700
Park Impact Fee Fund	0	0	0
Transportation Impact Fee Fund	600,000	100,000	700,000
Sammamish River Bridge Fund	1,345,285	36,500	1,381,785
Public Works Shop Fund	4,575,604	11,375,402	15,951,006
Surface Water Management Fund	4,487,782	3,979,997	8,467,779
Surface Water Capital Fund	3,172,900	776,650	3,949,550
Swamp Creek Basin Fund	40,000	40,000	80,000
Equipment Replacement Fund	310,000	160,000	470,000
<b>TOTAL</b>	<b>\$ 46,417,513</b>	<b>\$ 40,867,356</b>	<b>\$ 87,284,869</b>

# 2023-2024 Biennial Budget

## Two Components to City Operations

### ■ Operating Revenues and Expenditures

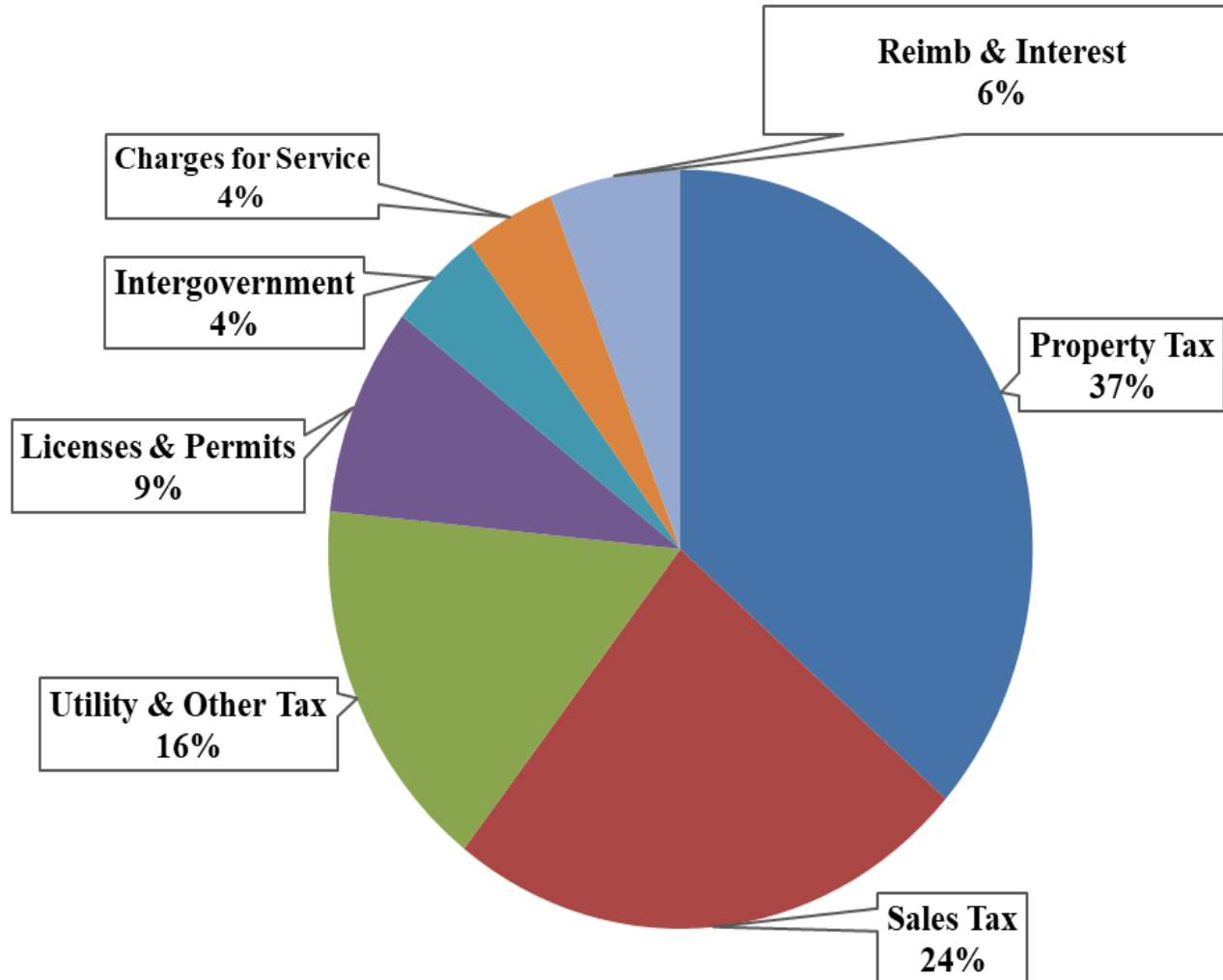
- ▶ General Fund
- ▶ Street Fund
- ▶ Enterprise (Surface Water Management Fund)
- ▶ Other Special Revenue Funds (Public Art, TBD, REET, ARPA, Impact)
- ▶ Debt Service Funds (for Bonds)
- ▶ Internal Service Funds (Equipment Replacement)

### ■ Major Capital Expenditures and Resources

- ▶ Capital Improvement Program (CIP) adopted in October
- ▶ Transportation, Parks, Surface Water, City Facility,
- ▶ Capital Resource Funds (Impact Fees, REET, Bonds, Grants, surface water utility, debt)

# GENERAL FUND & STREET FUND

## General Fund Revenues 2023-2024





# Significant Revenues

## General Fund - Property Tax

- **Property Taxes- Biennium - \$11,403,392**
  - Largest ongoing revenue source
    - 37% of total budgeted revenues
- **Tax Levy increase 2023 - revenues**
  - \$138,045
    - 1.9% (using banked capacity)
    - + new construction
  - Tax Rate decrease = \$0.69/\$1000 AV
- 2024 3.3%

# Property Taxes, Levy and Assessed Value

- **2023**
  - **\$5,609,624 - Proposed Regular Property Tax Levy**
    - \$138,045 - Increase over 2022 Levy
      - \$101,749 from 1% statutory limit + .9% banked Capacity
      - \$36,296 from new construction
- **\$0.69 - Tax rate projected per \$1,000AV**
  - $5,609,624 / 8,087,603,533 \times 1000$
- **\$8.1 Billion - Preliminary Assessed Valuation (AV) - 2023**
  - increase of 31.19%
  - Causes levy rate to decline

# Tax Effect on Homeowner

(City of Kenmore Taxes Only)

## ➤ 2022 -

- \$920,000 - Assumed home value
- 0.8875 - Tax rate 2022
- \$816

## ➤ 2023 -

- \$920,000 - Assume NO CHANGE in value of home
- 0.6936 - Tax rate 2023
- = \$638 (\$178 less than 2022)

## ➤ 2023 - Assume 30% increase in value of home at \$1.2M

- 0.6936 - Tax rate 2023
- = \$832 (\$16 More than 2022)

## 2022 Property Tax Distribution for \$950K Property

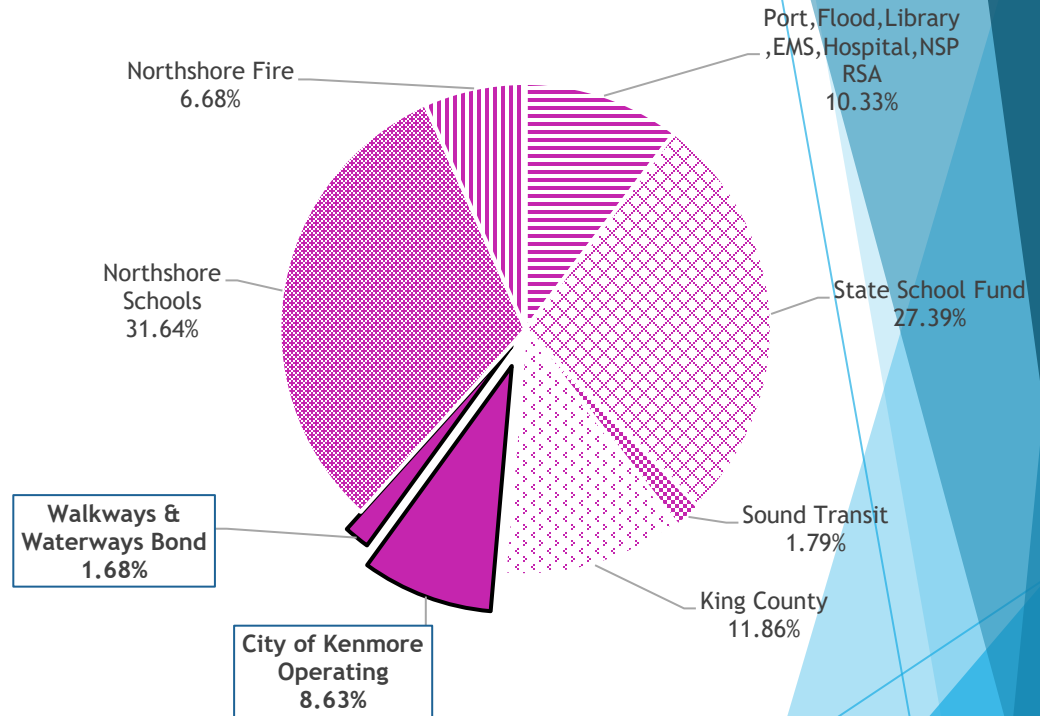
There are 12 taxing districts that impact Kenmore taxpayers.

The total tax rate for most taxpayers in the City last year was \$10.284 per \$1,000 AV.

The tax bill:  
on a \$950K property  
would have been about \$9770.

Only 10% of that tax bill belongs to the City of Kenmore.

Per County in 2022 \$753K is the median residential property value in Kenmore in 2022 (tax bill=\$7744)



# Other Operating Revenues

## General Fund:

• Capital/Overhead Reimbursement	\$1,540,000
• Franchise Fees	1,707,003
• Criminal Justice Sales Tax	1,631,308
• Plan Review & Land Use Permit Fees	1,254,576
• Other Permit Revenue	1,054,509
• Liquor Board Taxes	703,082

## Street Fund:

• Fuel Tax Revenue (Street Fund)	917,905
• TBD Fees (Transportation Benefit District)	723,600
• Water/Sewer Franchise Fees	1,118,585

## Surface Water Management Fund:

• Surface Water Charges	6,270,040
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# Major Operating Costs:

## On-Going/Non-Discretionary 2-Year Totals

✓	14,196,000	Salaries & Benefits (General, Street Funds)
✓	8,555,000	Police Contract
✓	1,030,000	Jail/Court Services/prosecuting attorney public defender
✓	700,000	Legal Services
✓	1,059,000	Insurance (WCIA)
✓	962,000	Utilities
✓	592,000	Human Services Contributions (\$371K) and ARCH (\$172K + Affordable Housing Sales Tax 49K)

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\$27,094,000

- ✓ These costs comprise 77% of the total operating (general fund and street fund) budget (\$35,057,407)

# New Positions/Salaries/Benefits

## Funded by General Fund:

- ▶ 1 FTE Construction Inspector
- ▶ .625 FTE Permit Specialist (25 hours/week)
- ▶ 1 FTE Facilities Fleet Manager
- ▶ 1 FTE Maintenance Worker
- ▶ .625 Adm. Spec.

## Funded by Street Fund:

- ▶ 1 FTE Maintenance Worker
- ▶ .33 FTE GIS Analyst

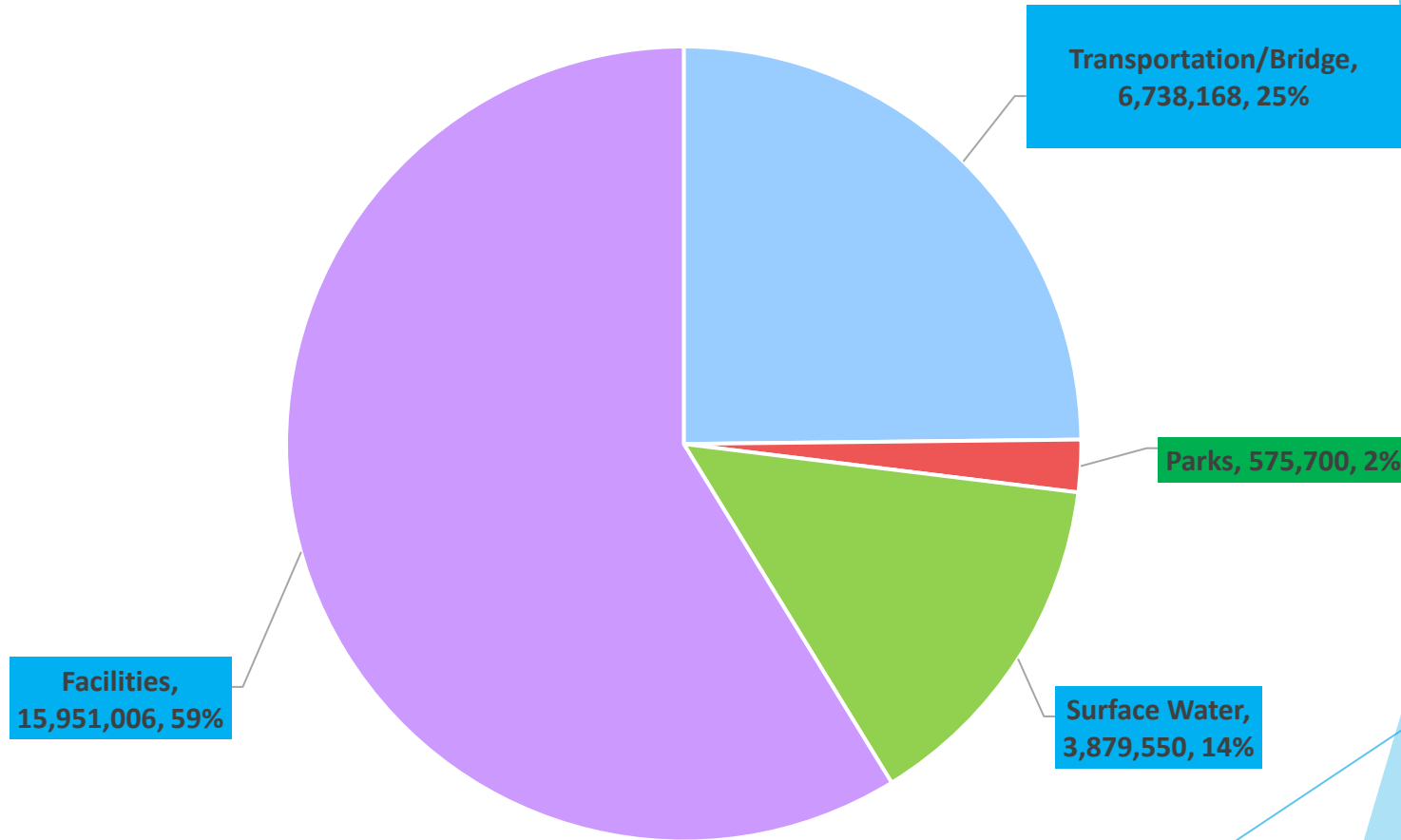
## Funded by Surface Water Management Fund

- ▶ .67 FTE GIS Analyst
- ▶ 1 FTE Senior Environmental Technician

Salary ranges budgeted to increase 6% in 2023 and 4% in 2024 / benefits average increase of 4%

# 2023-2024 Capital Project Costs

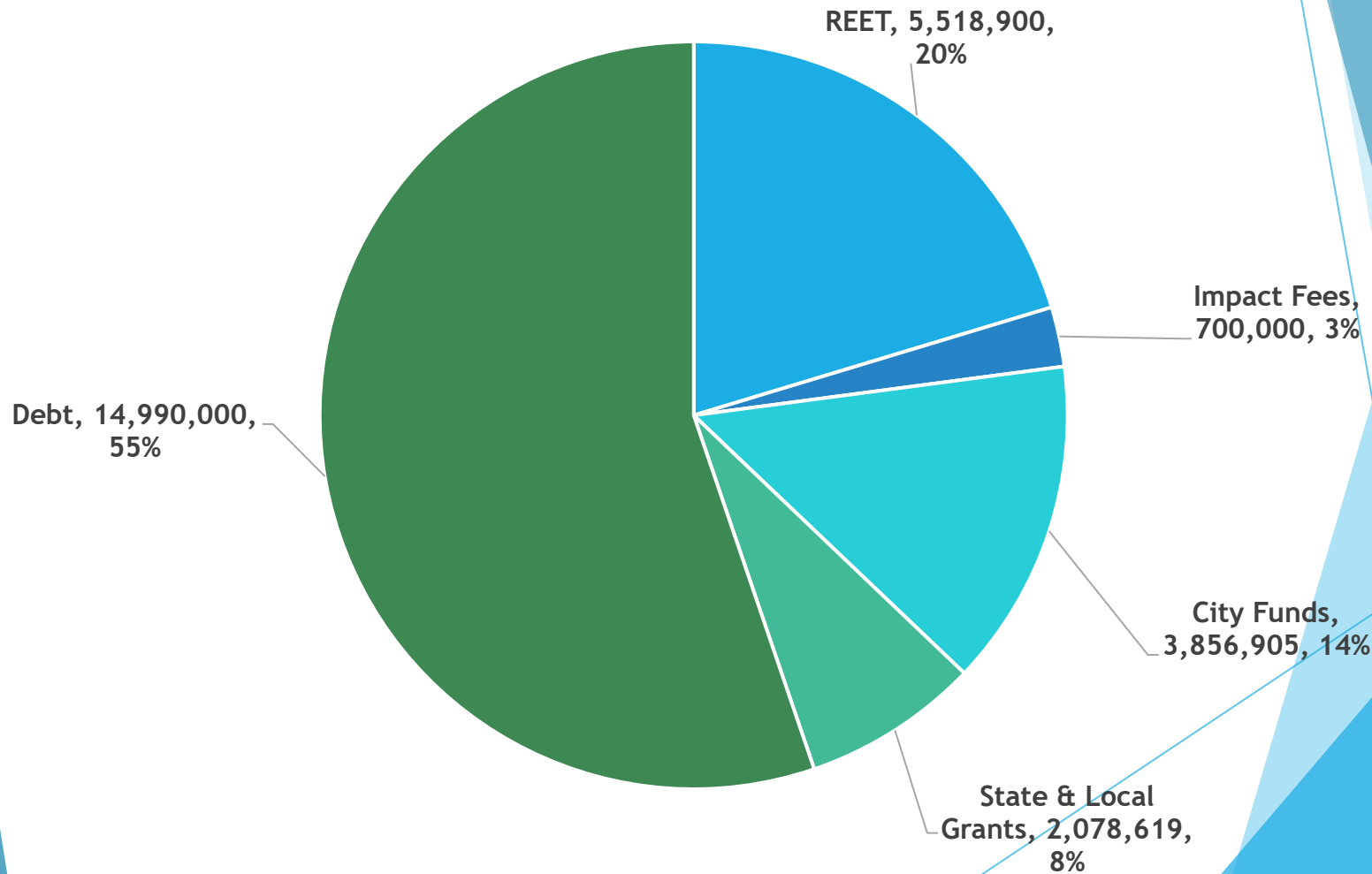
## \$27,144,424





# 2023-2024 Capital Project Resources

## \$24,144,424



# **This concludes the Public Hearing on the 2023-2024 Proposed Preliminary Biennial Budget**

**Questions? Comments?**

**Copies of the complete budget are available for review  
at City Hall**

**Budget message and other information is on the web at:**

**[www.kenmorewa.gov](http://www.kenmorewa.gov)**