



2023-2024 Proposed Biennial Budget

Public Hearing

November 7, 2022

This Evening's Session:

- ✓ Presentation
- ✓ Public Hearing
 - ✓ Receive public testimony
- ✓ 2023-2024 Proposed Biennial Budget

Subsequent Meetings:

November 14

Public Hearing on 2023-2024 Biennial Budget

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

Highlights since the last biennium

- **Walkways & Waterways Final Completion**
 - **Ribbon Cuttings**
 - ʼ a xʷ a d i s Park
 - Log Boom Park
 - Juanita Drive
 - 68th Avenue
 - Assumed the new maintenance of the completed projects
- **Climate Action Plan funding and implementation**
- **ARPA Programs Implementation**
- **DEIA Implementation Plan**
- **Affordable and Attainable Housing**
 - More policy development
 - Holt & Shell properties development
- **New Public Works Facility: design & Implementation**
- **NPDES - Increased water quality requirements**
- **Automated Traffic Photo Enforcement goes live**
- **RADAR expansion & Regional 24/7 Crisis Center development**
- **25th Anniversary Celebration**
- **New positions to match workload with staffing**

2023-2024 Biennial Budget

Two Components to City Operations

■ Operating Revenues and Expenditures

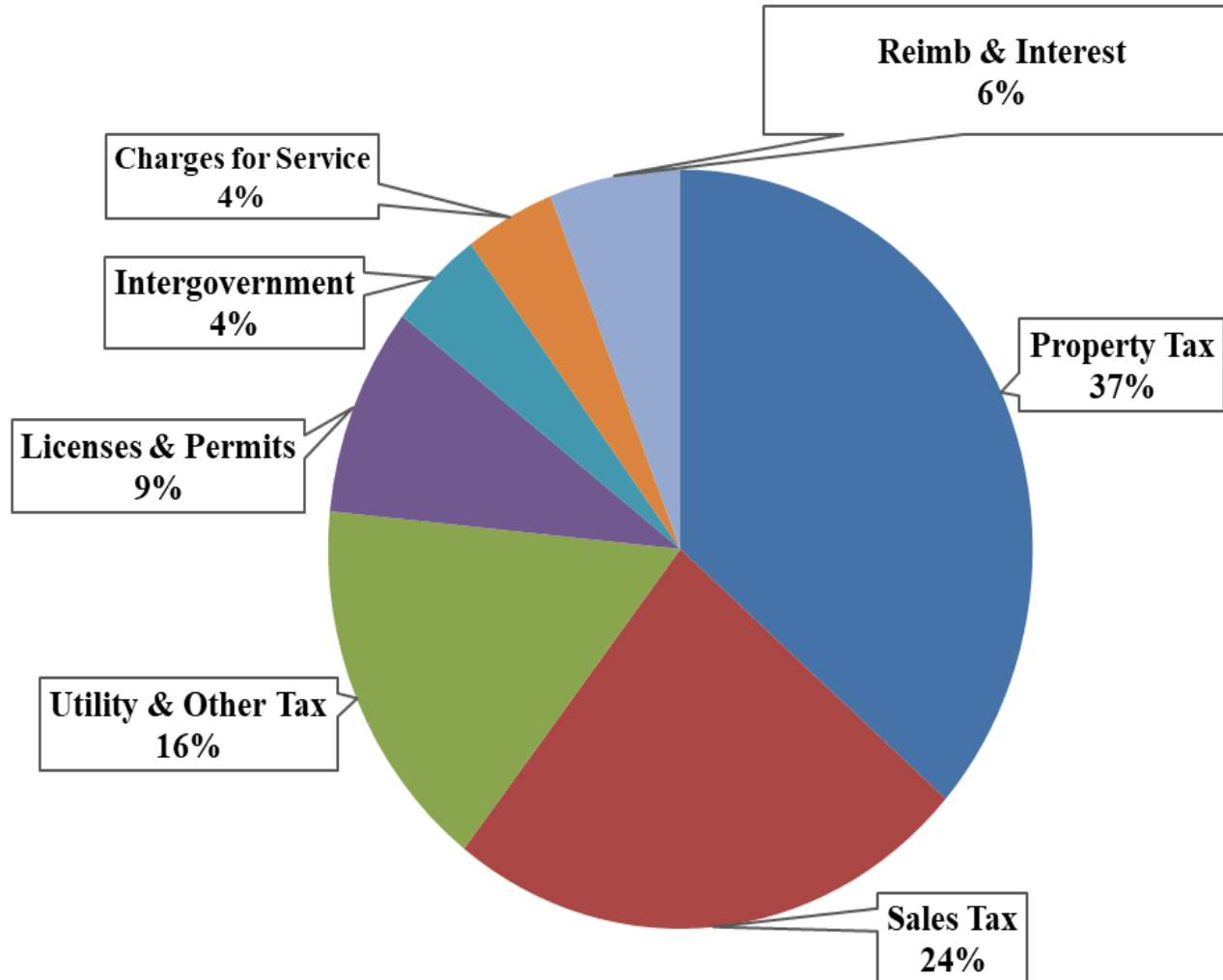
- ▶ General Fund
- ▶ Street Fund
- ▶ Enterprise (Surface Water Management Fund)
- ▶ Other Special Revenue Funds (Public Art, TBD, REET, ARPA, Impact)
- ▶ Debt Service Funds (for Bonds)
- ▶ Internal Service Funds (Equipment Replacement)

■ 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

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 - revenues**
 - 2023 - \$138,045
 - 1.9% (using banked capacity)
 - + new construction
 - Tax Rate = \$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

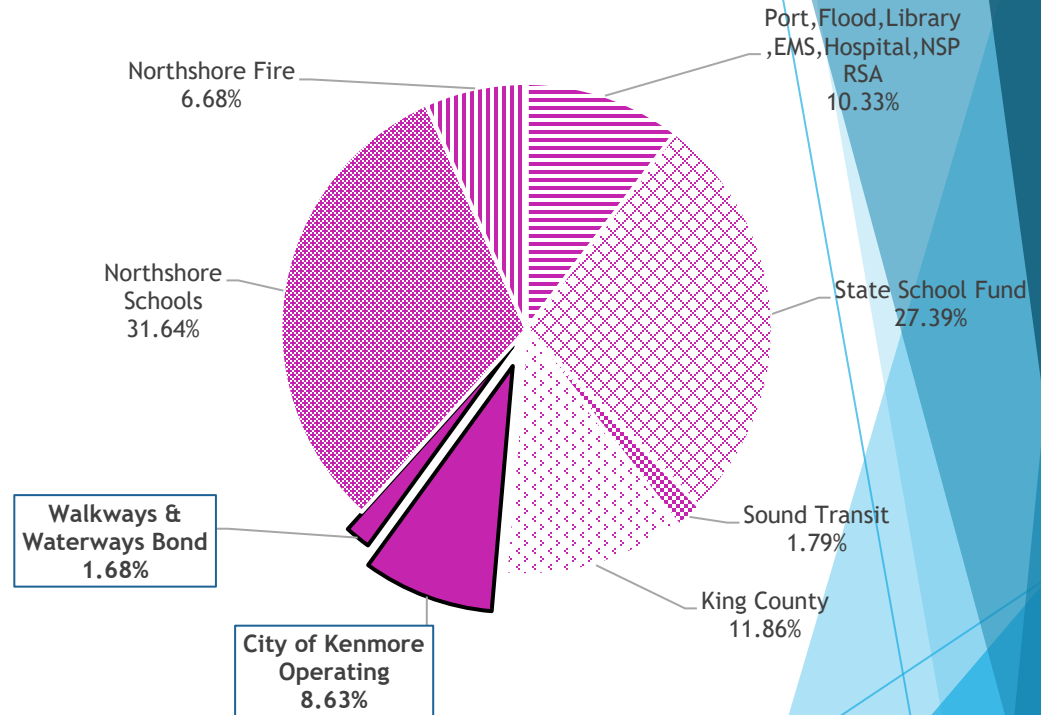
There are 12 taxing districts that impact Kenmore taxpayers.

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

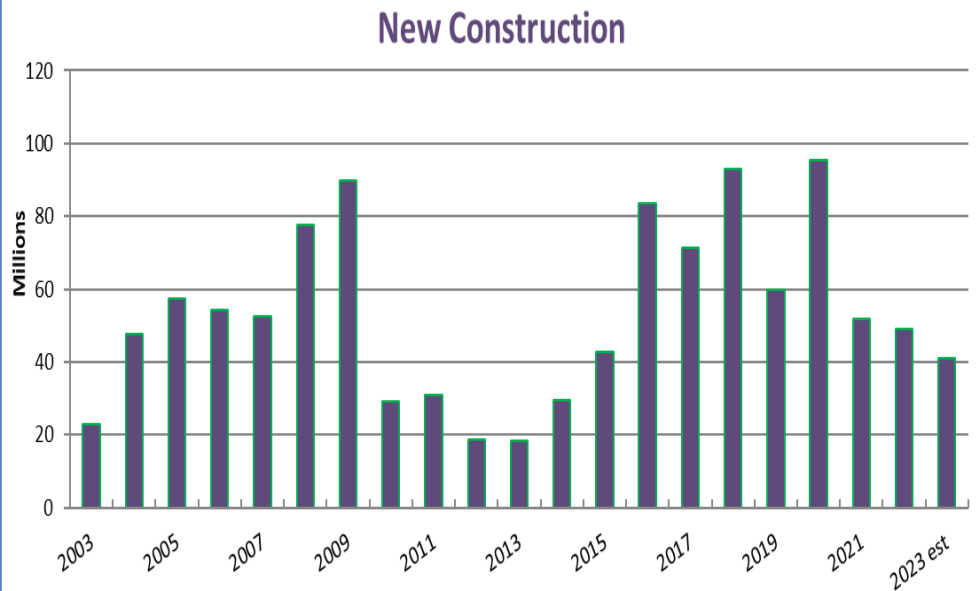
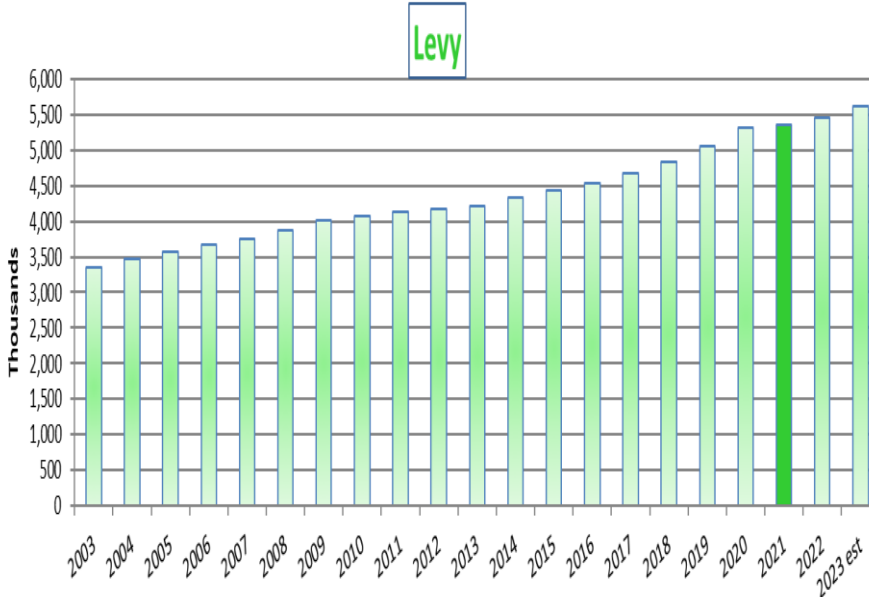
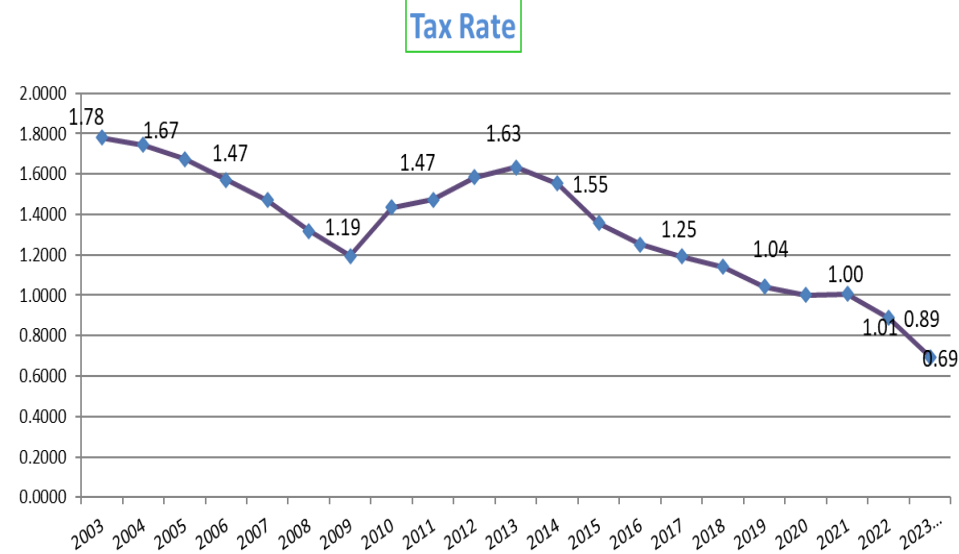
The tax bill on a \$950K property would have been about **\$9770**.

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

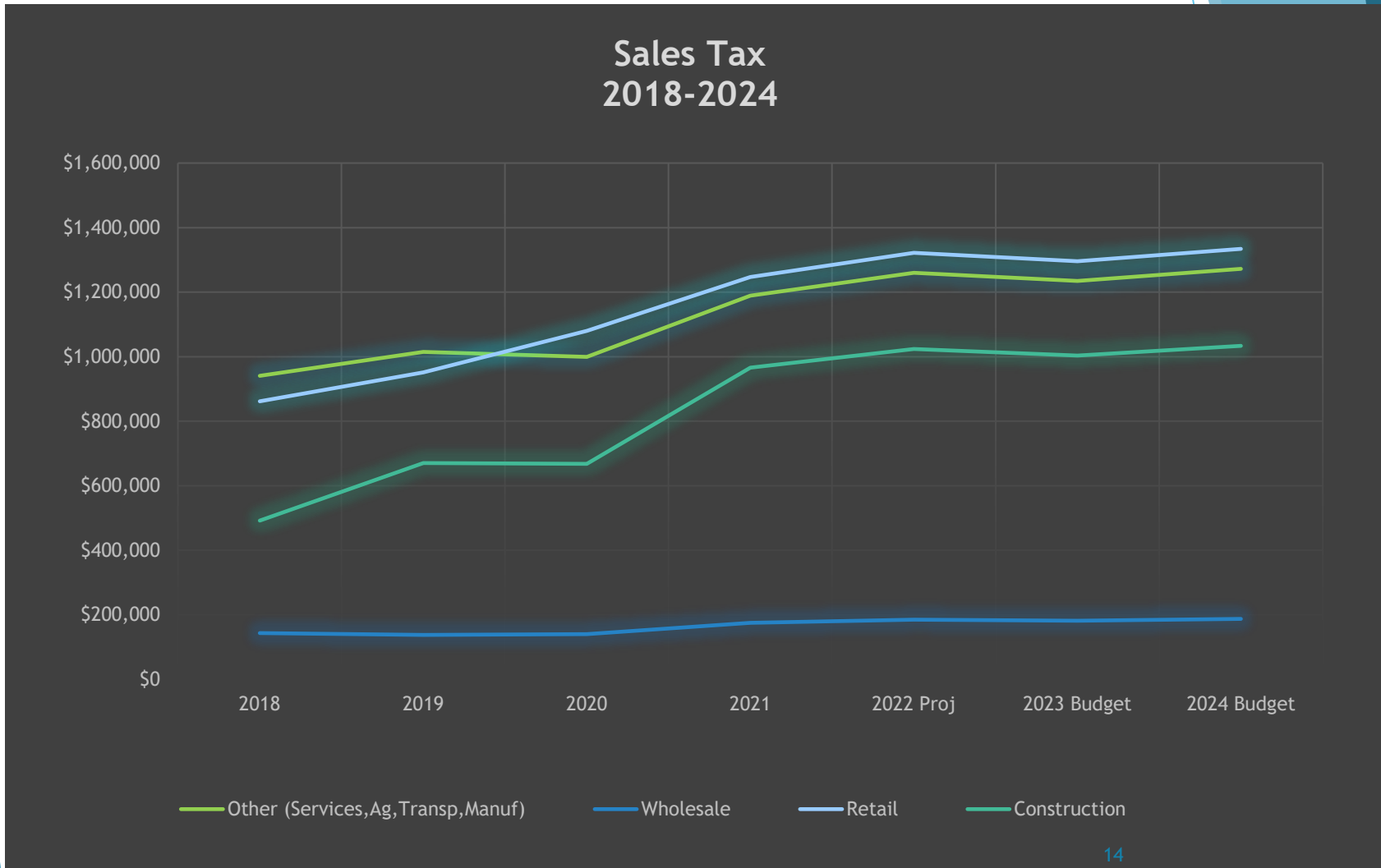
Only **10.31%** of that tax bill belongs to the City of Kenmore.



Property Tax Rates, AV, & New Construction 2002-2023 (w/2%)



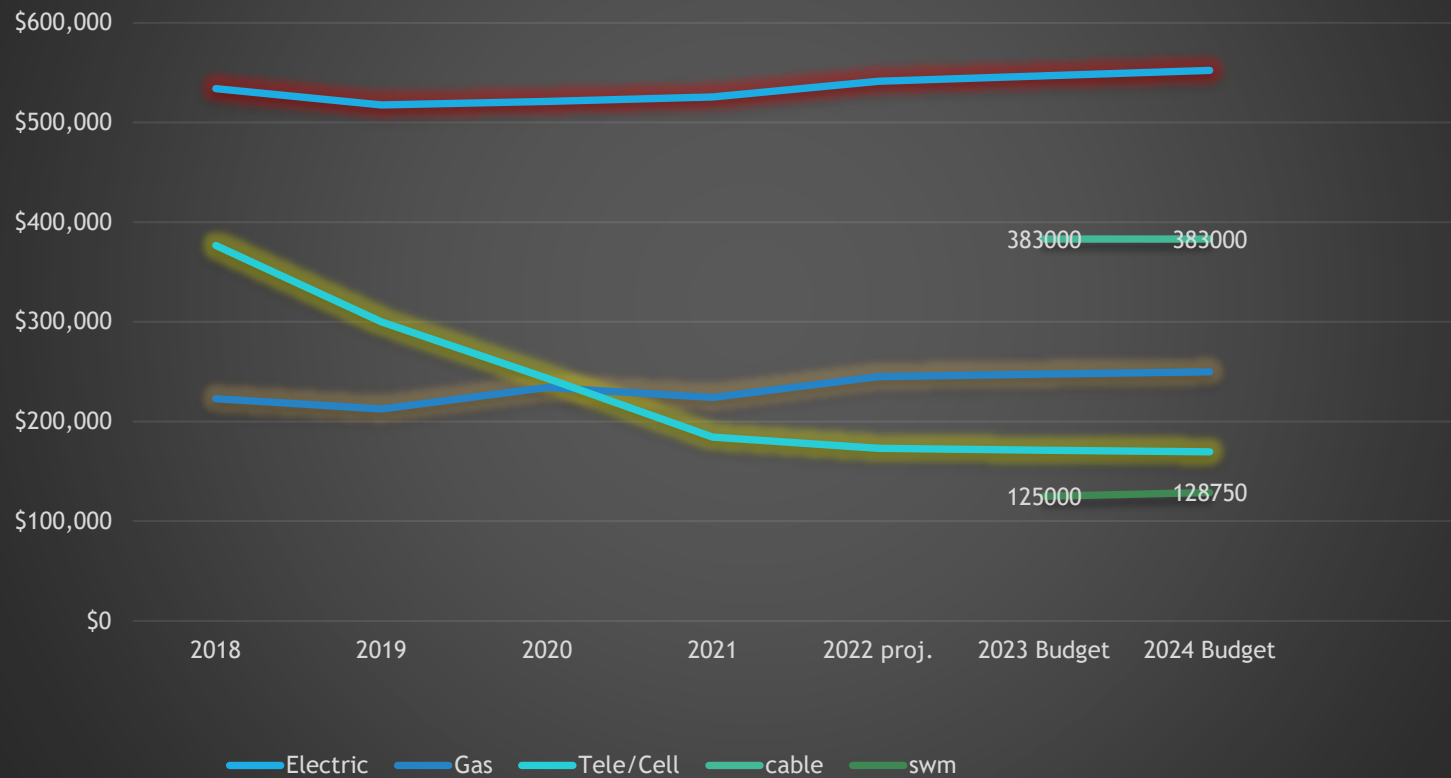
SALES TAX - 24% of total GF revenue
\$7,543,271 (biennium)



Utility Tax - General fund 10% of total \$2,956,579 (biennium)

15

Utility Tax 2018-2024



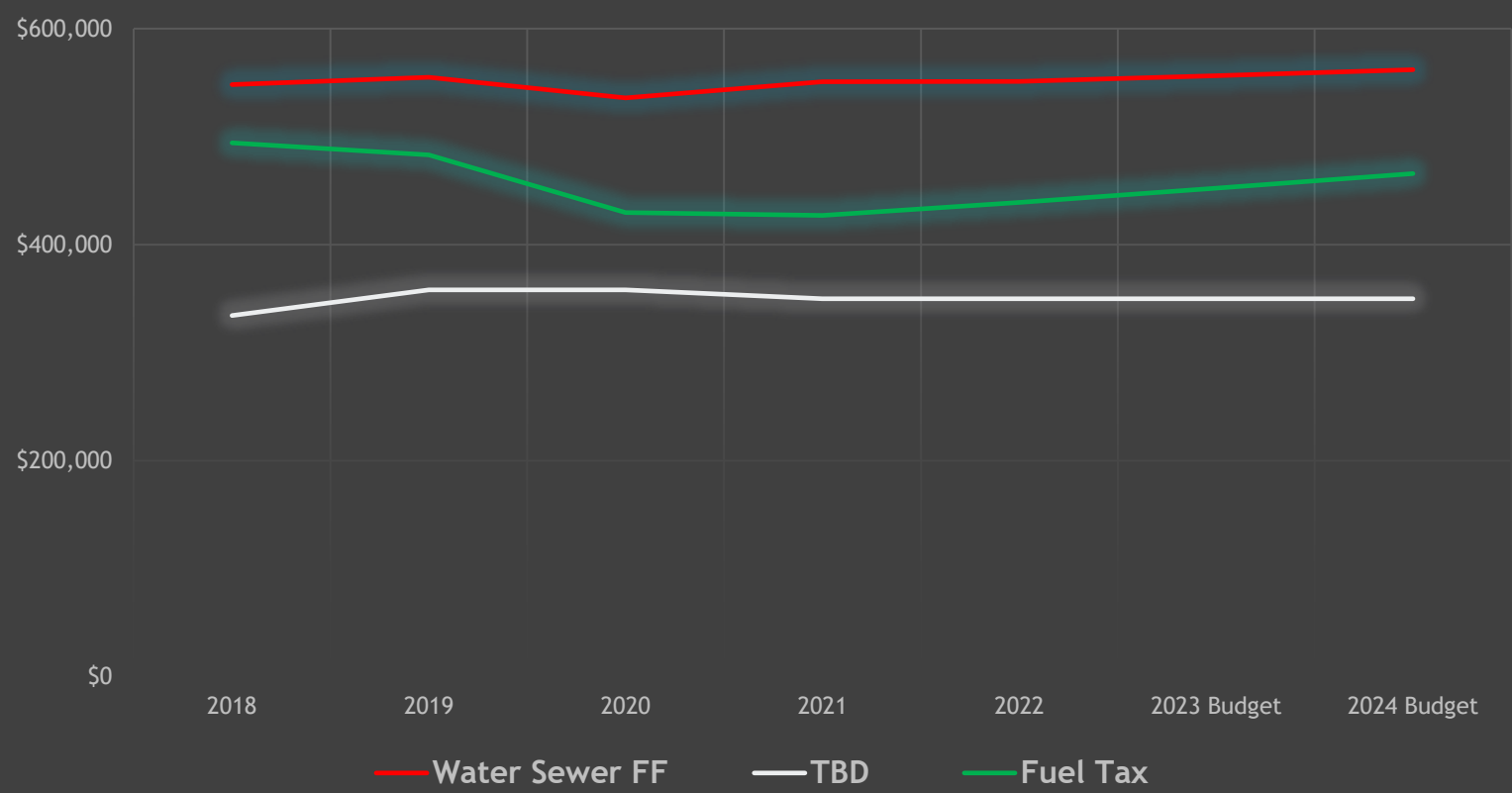
Other Operating Revenues

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 & SWM

Street Maintenance Resources: Fuel Tax, Water Sewer Franchise Fees, TBD Fees 2018-2024



Other Operating Revenues

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

Significant Cost Drivers: 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)

\$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

Funded by Street Fund:

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

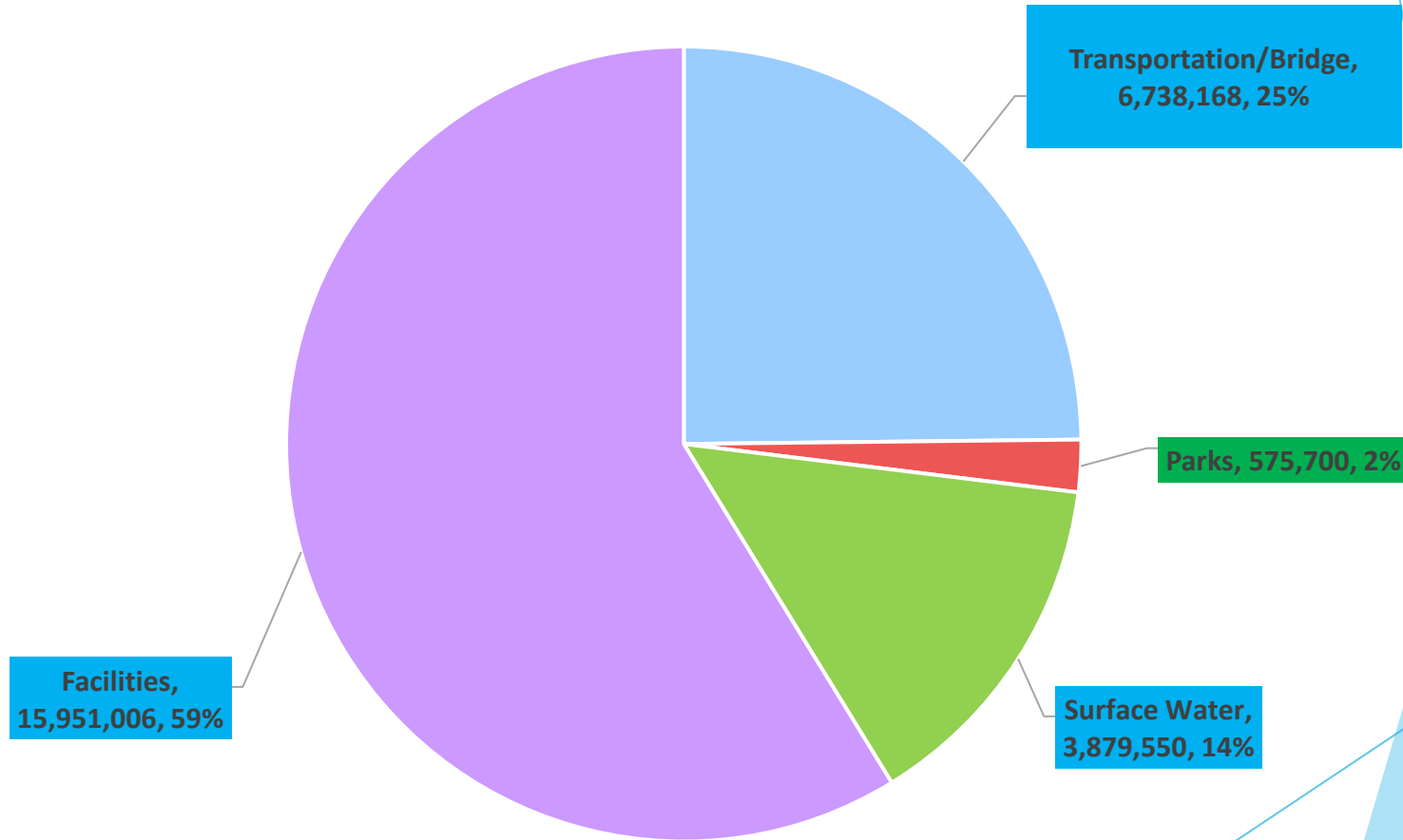
Funded by Surface Water Management Fund

- ▶ .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%

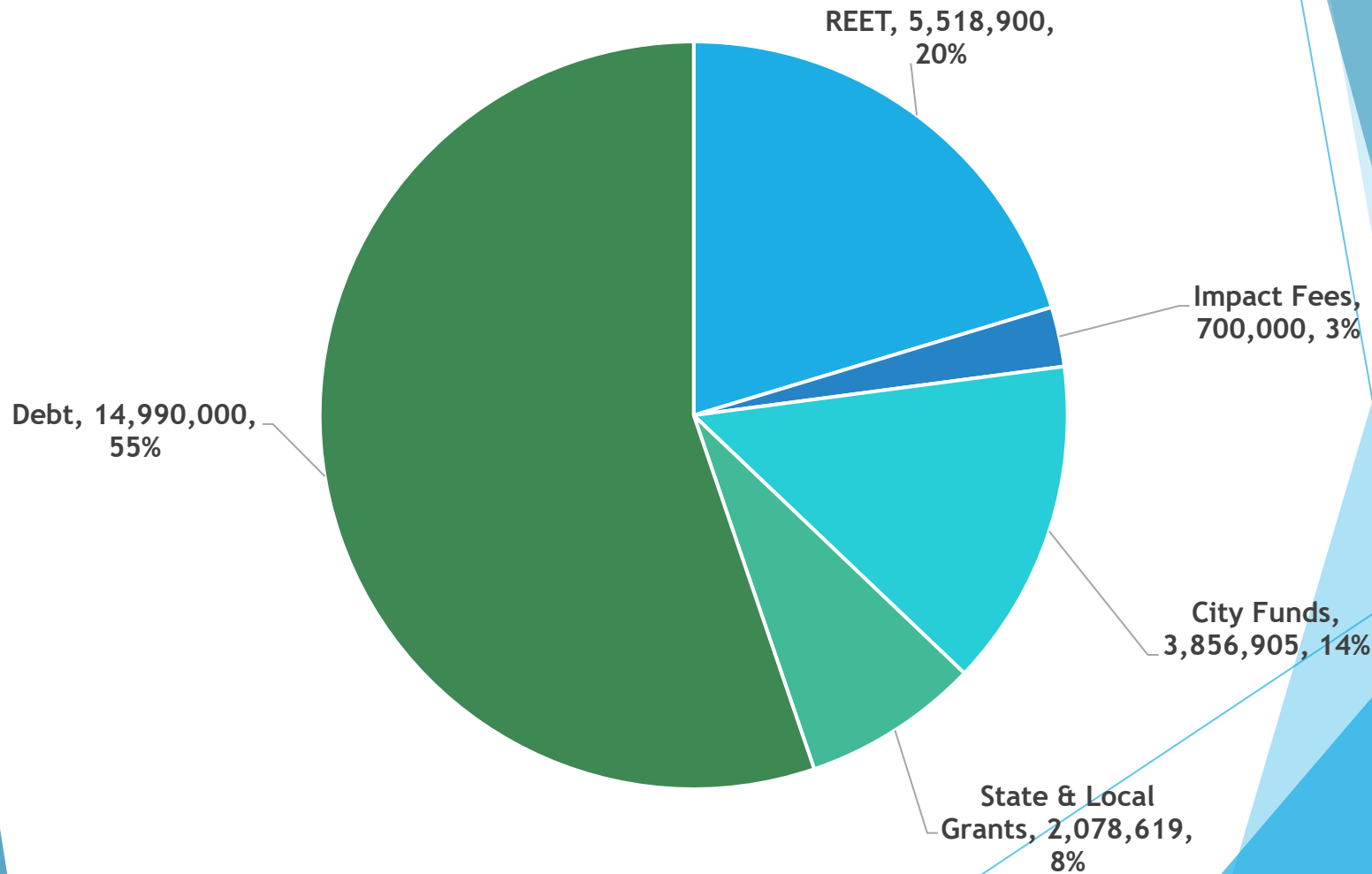
2023-2024 Capital Project Costs

\$27,144,424



2023-2024 Capital Project Resources

\$24,144,424



Park Capital Projects - \$575,700

- ❖ P1 Twin Springs Phase I
111,300
- ❖ P18 Rhododendron Park Sign Replacement
28,000
- ❖ P27 Alexander Park
290,000
- ❖ P28 Log Boom Park Waterfront
120,000
- ❖ P30 Rhododendron Park Boathouse
26,400

Transportation Capital Projects

\$6,738,168

✓ T8 SR522 West B 57 th to 61 st	500,000
✓ T27 Pedestrian Facilities/ADA	630,000
✓ T35 Pavement Preservation	1,960,000
✓ T38 Lower Swamp Bridge Replacement	50,000
✓ T41 Juanita Drive Ped & Bicycle Safety	687,925
✓ T42 68 th Ave Ped & Bicycle Safety	205,745
✓ T44 61 st Ave Sidewalk Replacement Project	525,000
✓ T207 SR 522 Mid-block crossing	42,500
✓ T244 Burk-Gilman Trail/NE 175 th St. wayfinding & conn.	255,213
✓ T252 ADA transition Program	500,000
✓ T37 W Sammamish Bridge	1,381,785

Surface Water Capital Projects

\$3,949,550

✓ SW8 61st Fish Passable Culvert	2,886,250
✓ SW8 Trust Fund Loan Repayments	163,300
✓ SW20 Small Works Projects	150,000
✓ SW34 Blueberry Creek Culverts	250,000
✓ SW35 Much Creek Restoration Project	500,000

City Facility Capital Projects \$15,951,006

- F1 Public Works Shop Land Development
\$14,100,000
 - Debt Service (principal/interest)
\$1,851,006

Total Proposed City Budget - All Funds

<u>FUND</u>	2023 Proposed	2024 Proposed	2023-2024 Proposed Expenditure Budget
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
TOTAL	\$ 46,417,513	\$ 40,867,356	\$ 87,284,869

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