

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 701, Setting the 2015 Regular and Excess Property Tax Levies
DEPARTMENT:	Administrative Services
PRESENTED BY:	Robert Hartwig, Administrative Services Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City of Shoreline is required to adopt its 2015 property tax levies by ordinance and certify the amount to the County Assessor by December 5, 2014. The projected property tax levy for 2015 is \$10,641,305. State law limits the annual growth of the City's highest property tax levy to 1% and the levy rate to \$1.60 per \$1,000 of assessed valuation (AV). The City's Proposition 1 in 2010 included a provision to raise the annual 1% limitation to an annual escalator based upon the Consumer Price Index for all Urban Consumers (CPI-U index), which for 2015 purposes was 1.99%. The City is allowed to apply the annual increase percentage to its highest levy, which was the 2014 levy of \$10,323,824. The projected levy rate per \$1,000 of assessed valuation is \$1.43 in 2015, down from the current rate of \$1.60.

The City also has an excess levy to collect monies to repay the general obligation bonds that were issued in December 2006 as approved by the voters in May 2006 for open space acquisition and park improvements. The total general obligation bond levy for 2015 is \$1,700,000, resulting in an estimated 2015 levy rate of \$0.229 per \$1,000 of assessed valuation based on the most recent assessed valuation of \$7,423,886,252. This compares with the current levy of \$0.264.

Ordinance No. 701 is the ordinance that adopts both the regular property tax levy and the tax levy to repay the 2006 General Obligation Bonds.

FINANCIAL IMPACT:

The 2015 General Fund revenue budget for Shoreline is nearly \$37.2 million with the City's regular property tax levy amounting to approximately 31% of the operating revenues for the fund.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 701 establishing the City's 2015 regular and bond property tax levies.

Approved By: City Manager **DT** City Attorney **MK**

ATTACHMENTS:

Attachment A: Proposed Ordinance No. 701

ORDINANCE NO. 701

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON LEVYING THE GENERAL TAXES FOR THE CITY OF SHORELINE IN KING COUNTY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2015, ON ALL PROPERTY BOTH REAL AND PERSONAL, IN SAID CITY, WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF PAYING SUFFICIENT REVENUE TO CONDUCT CITY BUSINESS FOR THE SAID FISCAL YEAR AS REQUIRED BY LAW, AND LEVYING AN EXCESS LEVY FOR THE REPAYMENT OF UNLIMITED GENERAL OBLIGATION BONDS

WHEREAS, the City Council of the City of Shoreline has considered the City's anticipated financial requirements for 2015 and the amounts necessary and available to be raised by ad valorem taxes on real, personal, and utility property; and

WHEREAS, the City Council has properly given notice of the public hearing held November 10, 2014 to consider the revenue sources for the City's current expense budget for the 2015 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the citizens of the City of Shoreline approved Shoreline Proposition 1 on November 2, 2010 which set the 2015 regular property tax levy rate at \$1.42978 per \$1,000 of assessed valuation after applying the rate escalator of Proposition 1; and

WHEREAS, the voters of the City of Shoreline approved the issuance of \$18,795,000 in unlimited general obligation bonds on May 16, 2006; and

WHEREAS, the City issued the bonds on December 13, 2006, and began making debt service payments on the bonds in June of 2007;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Regular Property Tax Levy. The citizens of the City of Shoreline approved Shoreline Proposition 1 on November 2, 2010, limiting annual levy increases for years 2012 through 2016 to the annual June to June change in the Seattle/Tacoma/Bremerton CPI-U. The maximum change from the 2014 levy to be used for calculating the 2015 City levy, in addition to new construction, is based on the CPI-U index change from June 2013 to June 2014 which is 2%, applied to the City's highest previous levy of \$10,323,824. The 2015 property tax rate for 2015 is estimated to be \$1.42978 per \$1,000 of assessed valuation, resulting in a dollar increase of \$206,476, and percentage increase of 2.00% excluding new construction.

Section 2. Relevy for Prior Year Refunds. The City shall relevy for prior year refunds in the amount of \$26,776 as allowed under RCW 84.69.020.

Section 3. Voter-Approved Excess Tax Levy for Unlimited General Obligation Bonds. In addition, a further tax is hereby levied to raise revenue to provide for the interest and

redemption of voter-approved general obligation bonds for the fiscal year of 2015 in the amount of \$1,700,000. This tax is applicable to all taxable property within the City of Shoreline.

Section 4. Notice to King County. This ordinance shall be certified to the proper County officials, as provided by law, and taxes herein levied shall be collected to pay to the Finance Department of the City of Shoreline at the time and in the manner provided by the laws of the State of Washington for the collection of taxes for non-charter code cities.

Section 5. Effective Date. This ordinance shall be in full force five days after publication of this ordinance, or a summary consisting of its title, in the official newspaper of the City, as provided by law.

ADOPTED BY THE CITY COUNCIL ON NOVEMBER 24, 2014.

Shari Winstead, Mayor

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2014
Effective Date: , 2015