

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 729, Setting the 2016 Regular and Excess Property Tax Levies
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, 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 2016 property tax levies by ordinance and certify the amount to the County Assessor by December 4, 2015. 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). The City is able to apply the annual increase percentage of 1.6% for 2016 to the City's highest levy of \$10,617,487 for 2015 and add the new construction levy of \$78,375. The City is also able to add a one-time relevel for prior year refunds totaling \$28,803. The result is a projected regular property tax levy for 2016 of \$10,894,545. The most recent assessed valuation is \$8,187,324,664. In 2016, the projected regular levy rate per \$1,000 AV is \$1.33066, down from the current rate of \$1.43329 per \$1,000 AV.

The City also has an excess levy to collect monies to repay the general obligation bonds 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 2016 is \$1,700,000. In 2016, the projected excess levy rate per \$1,000 AV is \$0.208, down from the current rate of \$0.232 per \$1,000 AV.

Ordinance No. 729 is the ordinance that adopts both the regular property tax levy and the excess tax levy.

FINANCIAL IMPACT:

The 2016 General Fund revenue budget for Shoreline is \$35.6 million with the City's regular property tax levy representing 30.6% of the General Fund operating revenues.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 729 establishing the City's 2016 regular and excess property tax levies.

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

ATTACHMENTS:

Attachment A: Proposed Ordinance No. 729

ORDINANCE NO. 729

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, 2016, 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 2016 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 9, 2015 to consider the revenue sources for the City's current expense budget for the 2016 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 2016 regular property tax levy rate at \$1.33066 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 2015 levy to be used for calculating the 2016 City levy, in addition to new construction, is based on the CPI-U index change from June 2014 to June 2015 which is 1.6%, applied to the City's highest previous levy of \$10,617,487.00. The 2016 property tax rate for 2016 is estimated to be \$1.33066 per \$1,000 of assessed valuation, resulting in a dollar increase of \$169,880.00, and a percentage increase of 1.60%, excluding new construction, improvements to property, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. Relevy for Prior Year Refunds. The City shall relevy for prior year refunds in the amount of \$28,803.00, 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 2016 in the amount of \$1,700,000.00 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 Administrative Services 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 23, 2015.

Shari Winstead, Mayor

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: , 2015

Effective Date: , 2016