



**September 14, 2017 Agenda Items:
FY 2018 Budget Public Hearing (8A),
Property Tax Rate Public Hearing (8B)
Consider Adoption of FY 2018-202 CIP (10B)**

Brian Maxwell, City Manager

Mike Loftin, Assistant City Manager

Budget Hearing – Item 8A

FY 2018 Budget Schedule

- Long Range Forecast presented June 23
- Capital Improvement Plan presented July 20
- Proposed Budget presented August 10
- August 10 Council meeting: Propose tax rate and schedule public hearings on tax rate and budget
- August 24 Council meeting: Budget and CIP workshop, hold public hearing on tax rate
- September 14: Hold second tax rate public hearing, hold budget public hearing, consider adopting CIP
- September 28 – Adopt budget, adopt CIP if necessary and adopt tax rate





Budget Hearing – Item 8A

- Increase in Property Tax Rate from \$0.526 to \$0.561 per \$100 of taxable value: 100 percent of increase goes to pay debt service on \$25 million in bonds sold in July as approved by the voters
- No change in water and sewer rates
- Operating Budget - \$154.7 million
- Capital Budget - \$75.5 million
- Minimum of ten new police officers
- Increases in police, fire and employees pay and health benefits
- Infrastructure set aside increases \$670,000 to \$3.28 million or six percent of General Fund
- All city funds are reserved and restricted as required by charter and policy
- Island Transit underutilized bus service reduced to offset the loss of federal and state grants

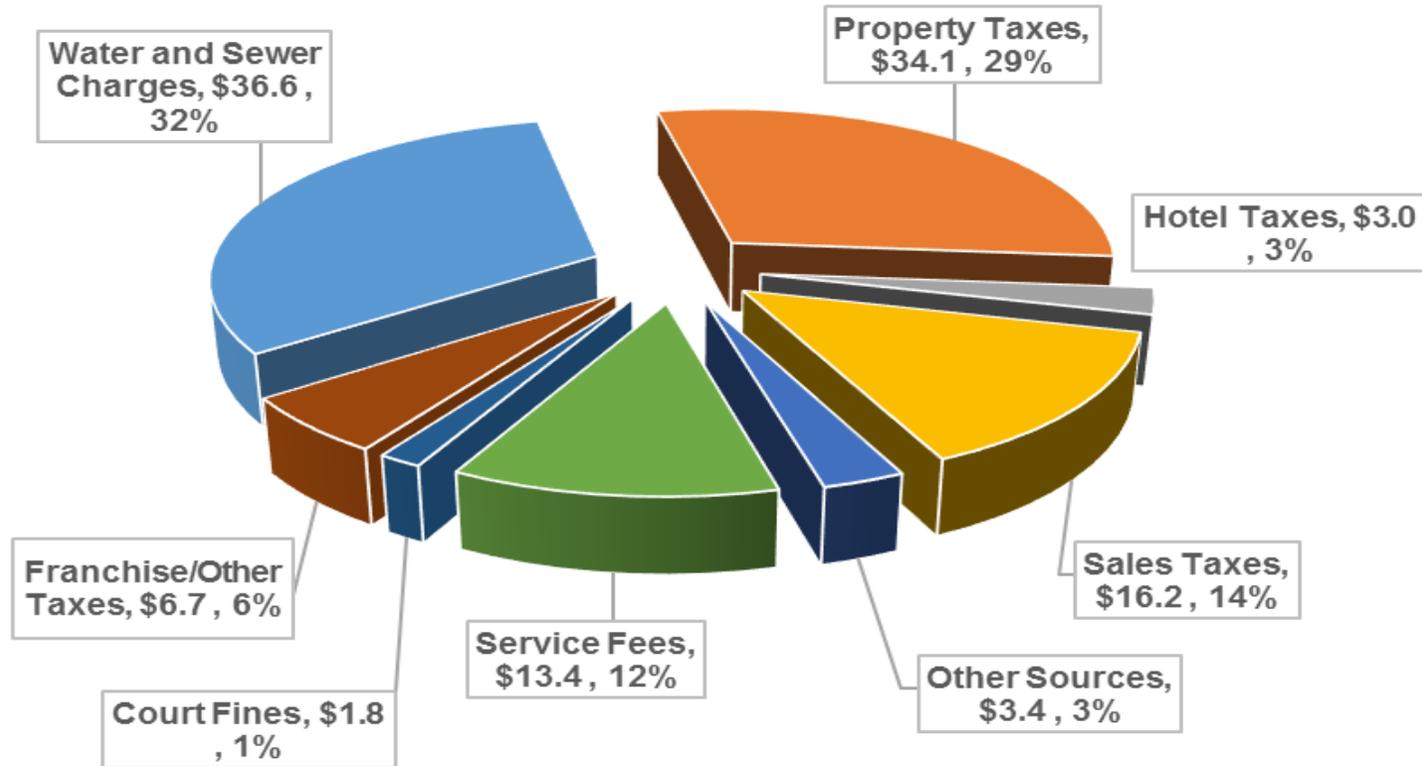
Budget Hearing – Item 8A



- Financial Fiscal Affairs Committee Recommendations:
 - Transfer funds reserved in General Fund Budget to Pension Reform Fund until agreement is reached with the Pension Board for contribution increases and plan/benefit changes.
 - Otherwise, committee recommends approval of the budget.
- Agenda on September 28th will include separate item to vote on pension funds set aside in FY 2018 General Fund Budget.



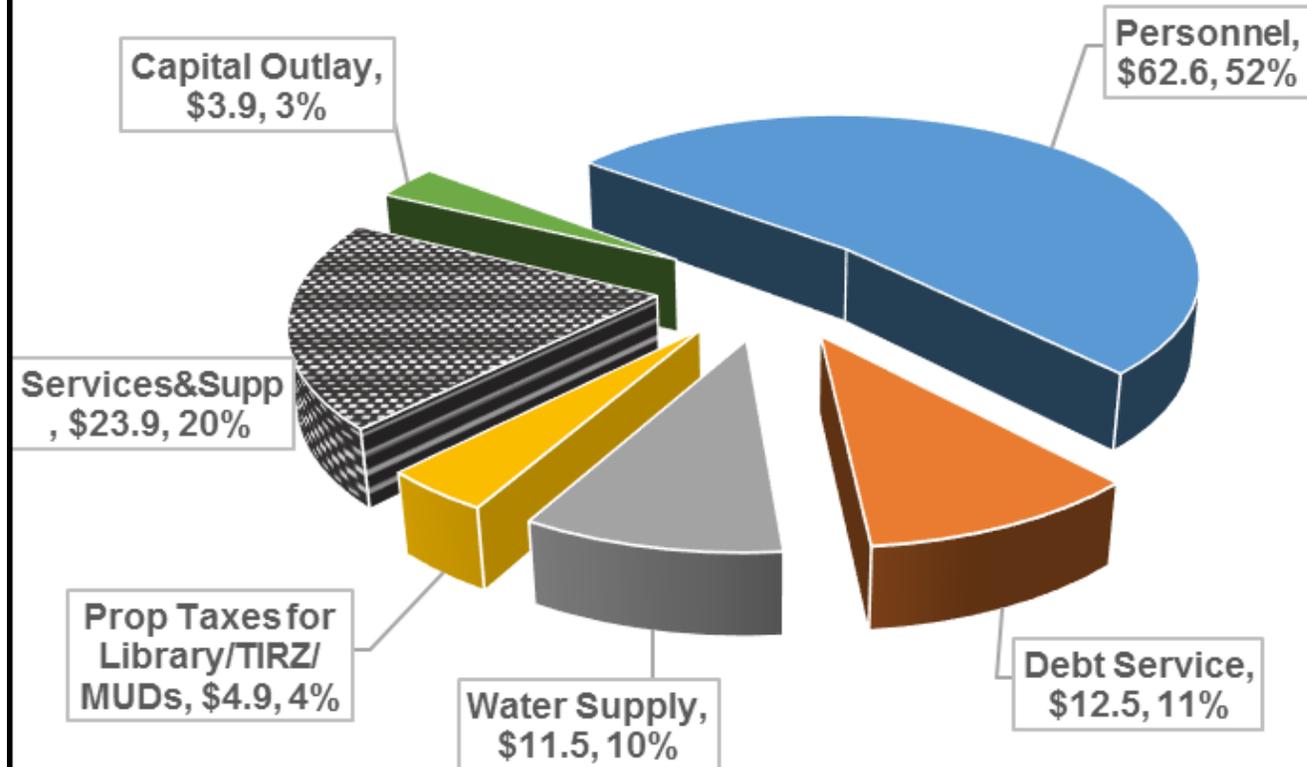
Where the City's Revenue Comes From (Total: \$118.2 Million)



Note: Totals do not include interfund transfers.



Where the Money Goes \$119.3 Million



Note: Totals shown do not include interfund transfers or budgeted reserves.



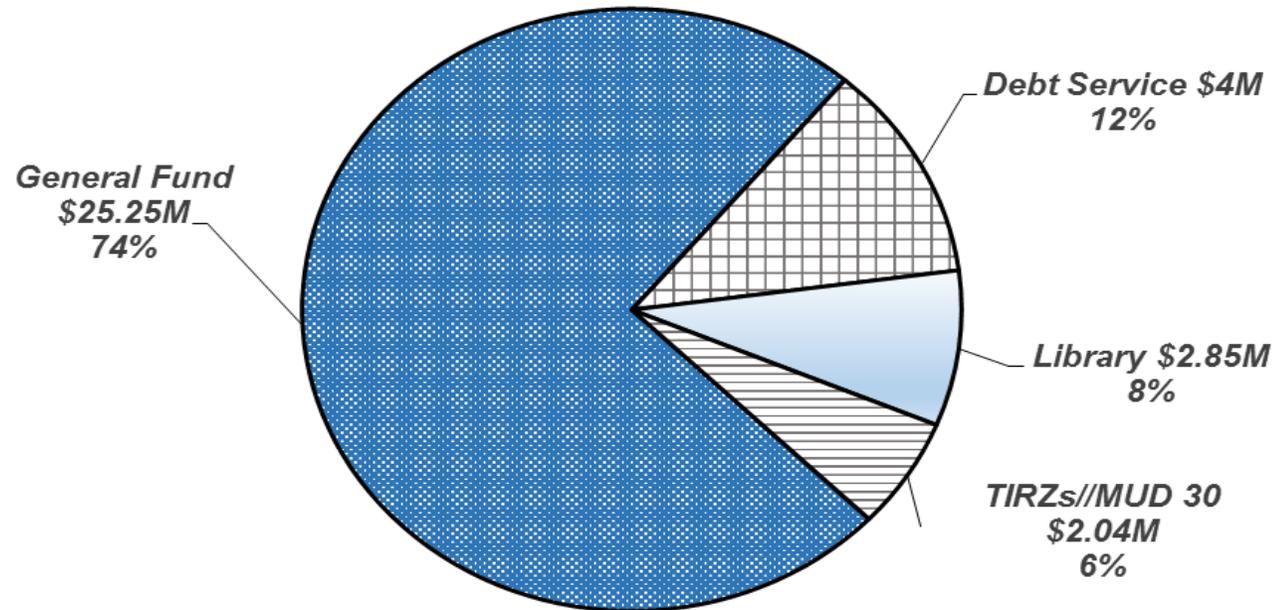
Property Tax Rate Hearing – Item 8B

- Proposed rate of \$0.561 per \$100 taxable value
 - Maintenance and operations rate \$0.491
 - Debt Service rate \$0.07 (3.5 cents higher than last year)
- Increased property tax revenue of \$3.43 million
 - \$407,200 from new construction
 - \$945,100 from increased values
 - \$2.08 million for debt service on July 2017 bond sale as approved by voters in May 2017 bond election
- Taxpayers over 65 last year will see no increase in taxes
- Total tax levy is \$34.4 million net of exemptions
- Tax exemptions granted by the city \$3.52 million in taxes including:
 - Homestead exemptions - \$1.99 million in taxes
 - Over 65/disabled/veteran homeowners' exemptions - \$465,000 in taxes
 - Over 65/disabled homeowners' freeze - \$1.06 million in taxes

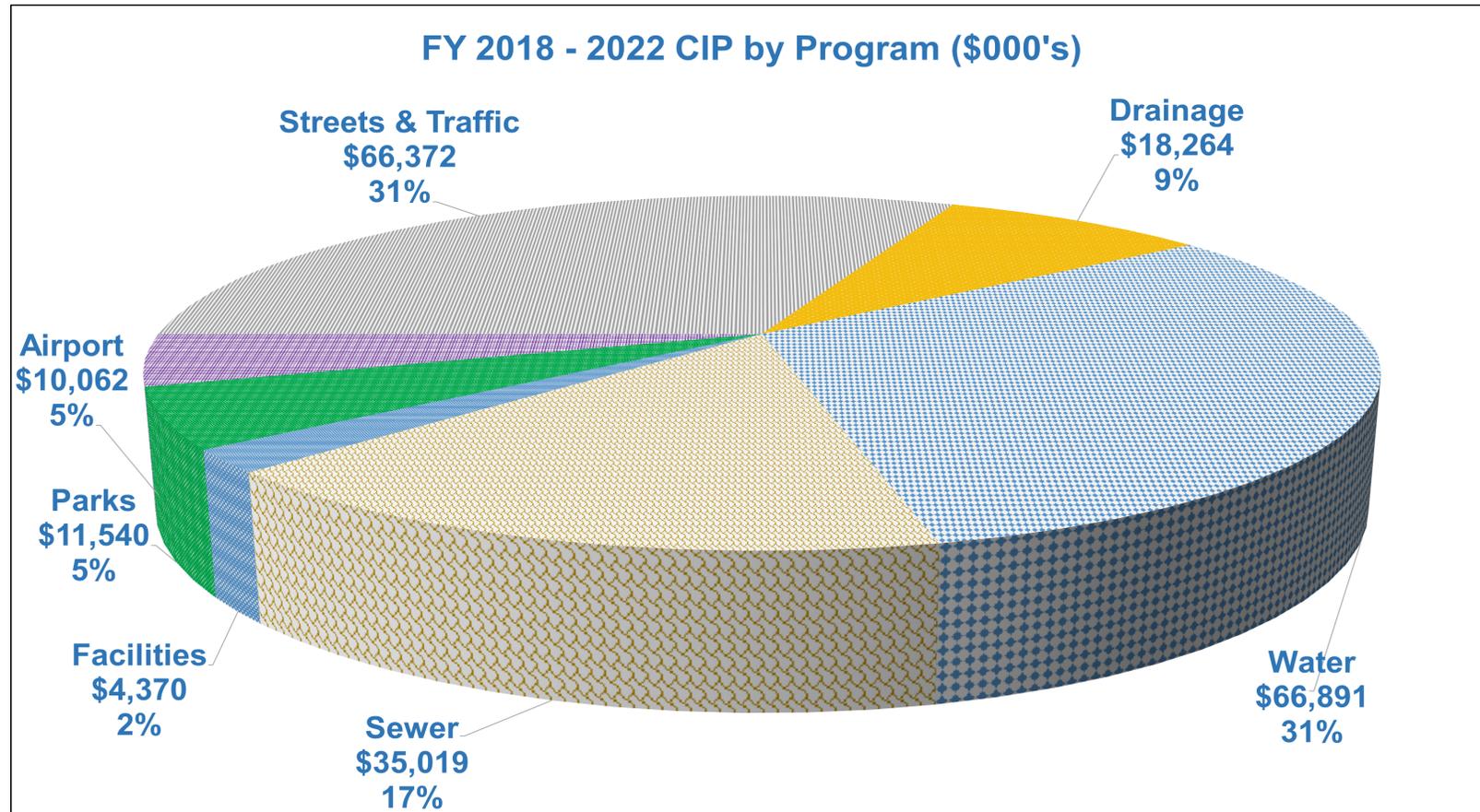
Property Tax Rate Hearing – Item 8B



**Property Taxes (\$34.1 Mil)
as Allocated by Law**



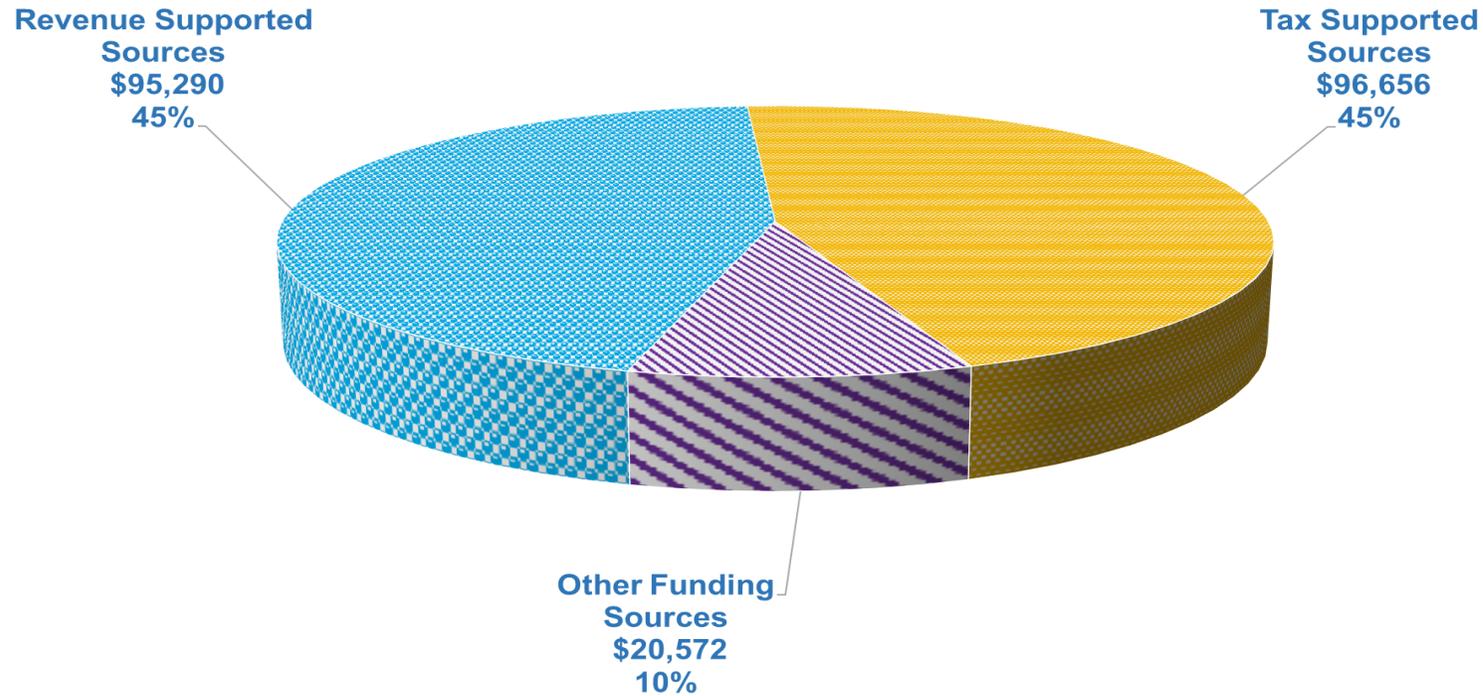
FY 2018-2022 Capital Improvement Plan – Item 10B



FY 2018-2022 Capital Improvement Plan – Item 10B



FY 2018 - 2022 CIP by Funding Source (\$000's)



FY 2018-2022 Capital Improvement Plan – Item 10B



- CIP Financing Plan – Combine bond financing with pay as you go, selling bonds on an as needed basis and appropriating oldest bond funds first
- Complete Streets and Drainage program project list presented to voters in May 2017 election – Under contract by end of FY 2021 and complete construction by end of FY 2022
- Major Projects:
 - 45th Street from Broadway to Seawall Boulevard (FY 2018)
 - 18th Street drainage improvements from Ship Channel to Avenue K: Design in FY 2018 and Construction in FY 2019
 - 24 inch Water Line from the 59th Street Pump Station to the Airport Pump Station (FY 2019)
 - Reconstruction of Pirates Beach and Airport Wastewater Treatment Plants (FY 2018)
 - Status of all projects and cash balance in all project funds reported quarterly through the Financial Transparency webpage