



BUSINESS OF THE CITY COUNCIL CITY OF SNOQUALMIE

AB24-008
January 4, 2024
Ordinance

AGENDA BILL INFORMATION

TITLE:	AB24-008 Ordinance Providing a Submission to the Qualified Electors of the City at an Election to be Held on August 6, 2024 for a Proposition Authorizing the City to Lift the Levy Limit Established in RCW 84.55.010 In Order to Provide Funds to Pay Costs Associated with Maintaining the Service Levels of Public Safety, Streets, and Parks	☐ Discussion Only ☐ Action Needed:
PROPOSED ACTION:	Adopt Ordinance XXXX to Provide a Submission to the Qualified Electors of the City at an Election to be Held on August 6, 2024 for a Proposition Authorizing the City to Lift the Levy Limit Established in RCW 84.55.010.	☐ Motion ☒ Ordinance ☐ Resolution

REVIEW:	Department Director	Drew Bouta	12/27/2023
	Finance	Janna Walker	12/27/2023
	Legal	David Linehan	12/29/2023
	City Administrator	Mike Chambless	1/2/2024

DEPARTMENT:	Finance		
STAFF:	Janna Walker, Budget Manager		
COMMITTEE:	Finance & Administration	COMMITTEE DATE: January 2, 2024	
EXHIBITS:	1. Ordinance XXXX		

AMOUNT OF EXPENDITURE	\$ 46,000
AMOUNT BUDGETED	\$ 4,258,154
APPROPRIATION REQUESTED	\$ 0

SUMMARY

INTRODUCTION

Property taxes within the state of Washington are capped at 1% growth year over year per Chapter 84.55.010 of the Revised Code of Washington. Property tax increases of 1% do not keep up with average inflation and are particularly inadequate during times of high inflation. For the City of Snoqualmie, which relies heavily on property taxes as a key source of revenue, this results in a need for additional revenues to balance the budget without decreasing levels of service.

LEGISLATIVE HISTORY

The City adopted Ordinance No. 1097 on July 23, 2012 which submitted to the Snoqualmie voters a property tax levy lid lift for the purposes of maintaining public safety, street, and park service levels. The proposition was approved by a simple majority of voters, 52.3%, on November 6, 2012.

Furthermore, Snoqualmie adopted Ordinance No. 1181 on September 9, 2016 which submitted to the Snoqualmie voters a property levy lid lift for purposes of hiring two additional police officers and one additional firefighter. The proposition was approved by a simple majority of voters, 57.5% on November 8, 2016.

Since 2014, the City has opted for the maximum 1% increase every year except in 2020. In that year, Council elected not to increase the property tax levy in Ordinance No. 1222, adopted November 25, 2019. However, in the subsequent year, Council chose to exercise the banked capacity that resulted the previous year's decision and approved an allowable percentage increase in excess of 1%.

ANALYSIS

If the electors of the City were to approve a \$500,000 single-year, permanent levy lid lift, increased revenue would begin in 2025, with the expected amounts shown below:

Increased Revenue from the Property Tax Levy Lid Lift:

2024	2025	2026	2027	2028
-	500,000	500,000	500,000	500,000

If such a property tax were approved by the voters, the property tax levy rate would increase by approximately \$0.106. The actual property taxes paid would increase according to the value of each home, with estimated increases as follows:

Home Value	Levy Lid Lift Increase
\$ 500,000	\$ 52.75
\$ 600,000	\$ 63.30
\$ 700,000	\$ 73.85
\$ 800,000	\$ 84.40
\$ 900,000	\$ 94.95
\$ 1,000,000	\$ 105.49
\$ 1,100,000	\$ 116.04
\$ 1,200,000	\$ 126.59
\$ 1,300,000	\$ 137.14
\$ 1,400,000	\$ 147.69
\$ 1,500,000	\$ 158.24

Of the approximately 294 cities in Washington, Snoqualmie's property tax levy rate currently ranks about 122nd, with 121 cities having a higher property tax rate than Snoqualmie, and 172 having a lower property tax rate than Snoqualmie. However, this data does not account for cities who may contract out fire, police, or other services for which property tax is levied under a separate district.

For cities within the county, both nearby and/or of a similar size, Snoqualmie's property tax levy rate compares as follows:

Cities	Total Levy			
	Property Tax Levy Rate	per \$1,000 in AV	Taxes for \$1 million home	Over (Under) Average
Snoqualmie	\$ 1.57	\$ 8.72	8,722	495
Lake Forest Park	\$ 0.70	\$ 8.60	8,604	377
North Bend	\$ 0.82	\$ 8.58	8,582	355
Carnation	\$ 0.67	\$ 8.16	8,164	(62)
Woodinville	\$ 1.08	\$ 8.05	8,048	(179)
Sammamish	\$ 0.98	\$ 7.89	7,887	(339)
Issaquah	\$ 0.67	\$ 7.58	7,581	(646)

BUDGET IMPACTS

The City budgeted \$4,258,154 in the 2023-2024 Biennial Budget for services within the General Fund Administration classification (#001). Currently \$2,153,599 has been spent in the current biennium and \$207,219 is encumbered for contracts within the within the General Fund Administration classification, leaving \$1,897,336 for new expenditures.

This agenda bill will increase election-related expenditures, as Snoqualmie is not expecting to have any propositions or legislative positions on the ballot. However, the cost of elections varies depending on the level of activity from other jurisdictions. Based on the last election in 2023, the cost of placing the Public Safety Sales Tax Voter proposition on the ballot would be \$46,000, leaving \$1,851,336 in budgetary appropriation. Therefore, sufficient appropriation exists within the 2023-24 Biennial Budget (General Fund Administration - #001) to fund a ballot initiative.

General Fund Administrative Services

2023-2024 Amended Biennial Budget	
Beginning Budget	\$ 4,258,154
Expenditures	\$ (2,153,599)
Outstanding Contract Value	\$ (207,219)
Current Available Budget	\$ 1,897,336
Estimated Cost of 2024 Election	\$ (46,000)
Available Budget after Election Costs	\$ 1,851,336

NEXT STEPS

This is the first reading of this ordinance. Council may choose to waive the second reading of Ordinance No. XXXX and adopt it immediately, or consider the second reading on January 8, 2024 at which time Council may choose to adopt the ordinance at that time.

PROPOSED ACTION

Motion to waive Council Rule of Procedure 9.6.2.2 and adopt Ordinance No. XXXX on first and final reading.

OR

Motion to authorize the first reading pertaining to adoption of Ordinance No. XXXX Providing a Submission to the Qualified Electors of the City at an Election to be Held on August 6, 2024 for a Proposition Authorizing the City to Lift the Levy Limit Established in RCW 84.55.010.