

City of Renton
Budget Advisory Group - Meeting 3
Thursday, August 2, 2012, 5:00-7:00 pm
7th Floor Conferencing Center, Renton City Hall

AGENDA

1. Introductions

2. Follow up & Continuation from Meeting 2

- Meeting 2 follow up items

3. Renton's Budget Challenges

- 2013-14 Baseline Budget and Projected Gap

4. Brainstorming Part 1: Revenue Generation

- Review Typical Washington Cities Revenue Options & Other Revenues
- Revenue options (small groups)
- Other food for thought

5. Next Meeting: Brainstorming Part 2: Cost Control

Homework: Please review "Description of City Services" in advance.

- Review Cost by Service Area
- Cost control options (small groups)
- Other food for thought

Next meeting: Thursday, August 9, 5 pm

Meeting 2 Follow up Items

1. How much did the decorative elements cost on Rainier Ave improvement project?

The total cost of the construction contract for the current phase is \$16,032,772, and \$404,000 or 2.5% is for decorative elements as listed below. This cost is almost entirely funded by grants from the Federal Highway Administration (FHWA), the State Transportation Improvement Board (TIB), the State Public Works Board, WSDOT Safety and Urban Mobility grants, cost contribution by Sound Transit, the City of Renton and Franchise utilities to cover relocation and construction of utilities. There is no General Fund contribution to this project, and the only minimal City funding is from Transportation Capital Project Fund in the amount of \$23,000.

Project Decorative Elements and costs include:

Gateway Signs	\$85,000
Intersection Trellises	\$88,000
Identity Poles	\$48,000
Decorative Stamped Concrete	\$138,000
<u>Decorative Concrete Finish</u>	<u>\$45,000</u>
TOTAL:	\$404,000

2. The Residential Survey result could be very different in different zip-code areas within the City. Do we have breakdowns by zip code?

We have breakdown by a number of demographic characters but not by zip code.

3. Breakdown of benefits.

See the detailed breakdown attached.

4. 1998 expenditures appear to be \$6 million more than revenue; what happened?

The 1998 General Fund expenditures included \$4.8 million in transfers of funds, use of excess fund balance for various capital purposes (including Oaksdale and Boeing Longacres roadway improvement projects) as well as the acquisition of open space properties and a fire pumper.

5. What is the starting budget number for 2013?

The Baseline General Fund expenditure for 2013 and 2014 are \$103.4 million and \$106.1 million while the projected revenues are \$98.4 million and 100.8 million, respectively.

The expenditure estimate is to maintain current service levels and assumes no cost of living adjustments to wages. It does include PERS pension cost increase (from 7.1% to 9.9%) based on preliminary information published by the State in 2011.

6. Cost of regulations, lawsuits, accidents, etc.

The cost of government regulations is a difficult question to answer. There are studies published by various think-tanks placing cost of federal regulation at \$1.75 trillion¹ a year. However, there was a 2003 cost/benefit analysis conducted by OMB showing that the benefits of some regulations far outweigh their costs. We have not evaluated either studies and have no opinion on their completeness or accuracy. One area the City is directly impacted by is the Federal Davis-Bacon Act and the State’s prevailing wage act. We estimate the prevailing wage requirement adds 25-30% to our construction costs.

Below is a summary of the City’s cost from lawsuits and accidents, etc. The City self-insures for unemployment and workers compensation programs, and participates in Washington Cities Insurance Authority (WCIA), an insurance pool for primarily local governments in the state, for property, liability, auto, and miscellaneous coverage. These insurance costs are accounted for in the Insurance Internal Service Fund. The combined annual cost is around \$3M a year. The table below shows the breakdown of 2011 costs by line of coverage. In comparison, the State Workers Comp premium for the same worker hours would have cost the City \$1.45 million in 2011.

Item	Total	Program Admin	Services	Insurance Premium	Claims/ Expenses
Program Admin	\$ 252,187	\$ 252,187			
Unemployment	141,988				141,988
Worker's Comp	1,199,995		86,439	282,340	831,215
Auto	94,416			14,534	79,882
Liability	936,998		45,307	343,648	548,043
Property	466,991			299,303	167,688
Airport	33,866			33,866	
Grand Total	\$ 3,126,440	\$ 252,187	\$ 131,746	\$ 973,691	\$ 1,768,815

¹ Heritage Foundation

Summary of Employee Benefits

1. Deferred Compensation:

The city makes a deferred compensation (457 plan) contribution for each regular employee based on their bargaining unit agreements. AFSCME 2170 members and non represented personnel receive 2% of base salary. Commissioned police receive 3% for additional work-hours and maintaining operating standards and achieving accreditation; plus an additional 3% if they pass an annual physical fitness test. Non-commissioned police receive 3%. Fire unions receive 3.5%, income-protection plan in-lieu of social security, and an additional 2.5% if they pass an annual physical fitness test.

Benefits:	2011 Cost
Deferred Comp	\$ 1,549,989
Longevity	1,599,143
Retirement (PERS)	1,834,071
Retirement (LEOFF)	1,334,543
FICA and Medicare	3,403,067
Medical and Dental	10,481,136
L&I	1,083,375
Life and LTD Ins.	158,096
Unemployment	254,427
Total Benefits	\$ 21,697,846
Total budgeted FTEs	684
Average Benefit Cost/FTE	\$ 31,718
% Benefit of Salary	39.6%

2. Longevity:

AFSCME 2170 members and non-represented employees (except for administrators) receive a percentage of the base salary for Grade A13 Step E (\$5,051 in 2012). Fire receives a percentage of the base salary for Grade F70 Step D (\$6,259 in 2012). Police receive a percentage of the employee's current base wage.

Years of Service	AFSCME	Fire	Police
	2170 & Non-Rep		
5	2%	2%	2%
10	3%	4%	4%
15	4%	6%	6%
20	5%	10%	10%
25	6%	12%	12%

3. Retirement Plan:

All city regular and seasonal employees, including elected officials, are eligible under one of 4 State retirement systems.

a. Public Employee Retirement System (PERS):

All employees in positions that require more than five month with at least 70 hours per month of compensated work are eligible for PERS retirement. Contributions are made by both employers and employees. The rates are set by the legislature with recommendation from the Select Committee on Pension Policy. The employer contribution rate is currently at 7.08% on all wages paid to eligible positions. Beginning 7/1/2013 these rates will increase to 9.19%.

b. Law Enforcement Officer and Fire Fighters (LEOFF):

Commissioned police officer and fire fighter are covered by the LEOFF retirement system. Contribution rates are set by the LEOFF II Board, are 5.24% currently and will

decrease slightly to 5.19% on 7/1/2013. Employer contributions are paid based on all compensations including overtime.

- c. Two other systems are: Judge Benefit Multiplier (JBM) is a variation of PERS, which allows member to make higher contribution for increased benefits; and Public Safety Employees' Retirement System (PSERS) for non-commissioned public safety employees such as jailers. Very few employees are covered under these 2 systems. The current employer contribution rates are 7.08% and 8.87%, respectively.

4. Social Security:

Like most private sector employers, the City contributes 1.45% to Medicare and 6.2% to FICA for all employees except for commissioned Fire Fighters who opted out of social security system but contributes to Medicare.

5. Medical & Dental:

Premiums for the City's self-funded medical/dental/vision plans. In 2012, the City's contribution reflects 95% of the projected cost and employees contribute the remaining 5%. Employees who work more than 35 hours a week (87.5% FTE) receive full benefit.

6. Workers Comp:

The City has self-funded worker's comp program. Employees are grouped into four premium categories following the State L&I's risk classification for cities and counties. The table shows the breakdown of the 4 classifications and their hourly premiums.

Risk Class	Hourly Rate
Clerical	.2186
Police Officer	1.000184
All Other	1.002155
Fire Fighter	1.002304

7. Life and Long Term Disability:

The City provides long-term disability and life insurance coverage for all regular employees. The premium is \$.36/\$1,000 of an employee's base salary.

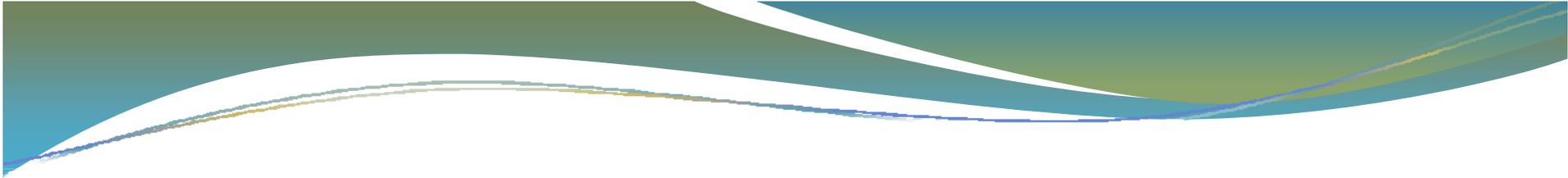
8. Unemployment:

The City self-insures unemployment coverage. The self-insurance premium paid by department into the self-insurance fund is based on \$.05/\$100 of base-wage only.

9. Paid Time-Off:

In addition to the above benefits, the also City provides various paid time-offs that are comparable to other municipalities in the State. The vacation accrual increase based on years of service. The table shows the type and accrual rates for the commonly used paid-time-offs.

Leave	Accrual Rate
Sick	96 hours/year
Vacation	96 - 216 hours/year
Holiday	96 hours/year
Management Leave	48-56 hours/year



2013-2014 Baseline Budget Gap

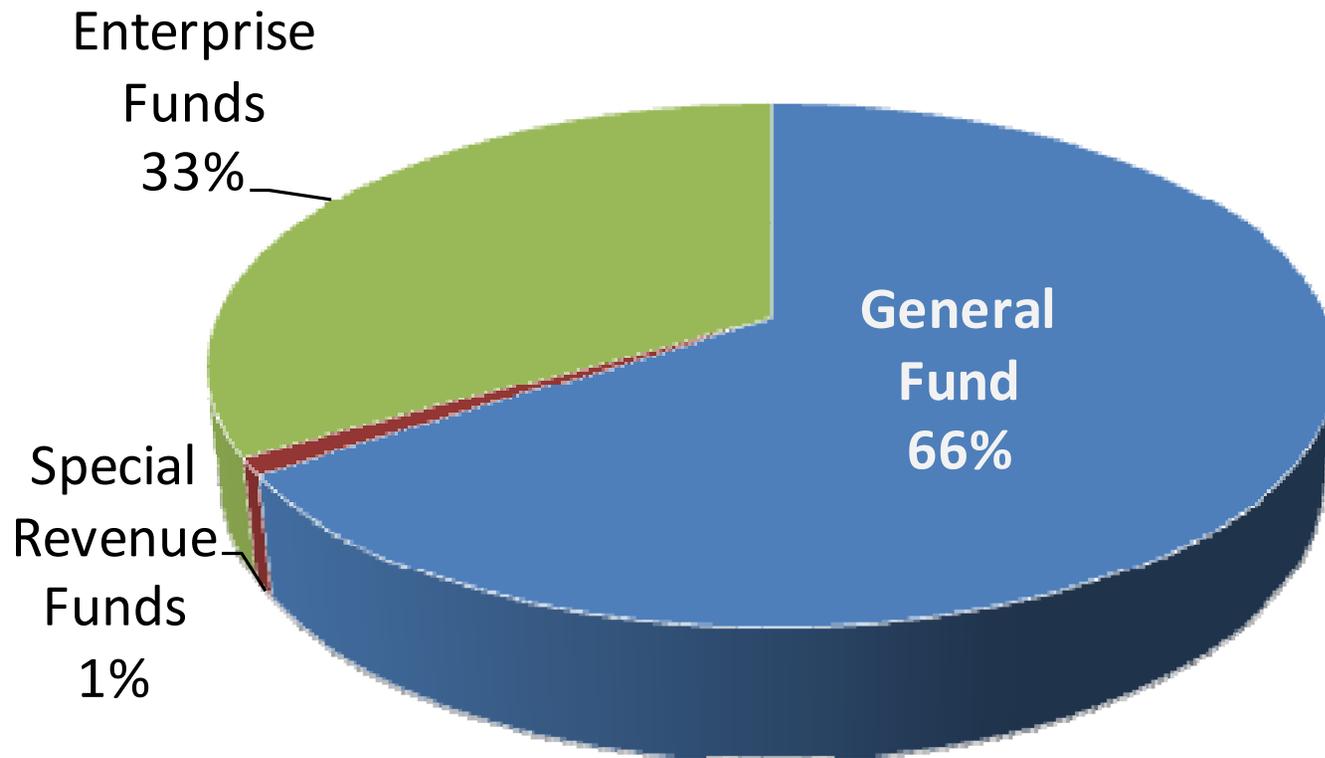
Budget Advisory Committee
August 2012

2013 Baseline Cost by Service Area

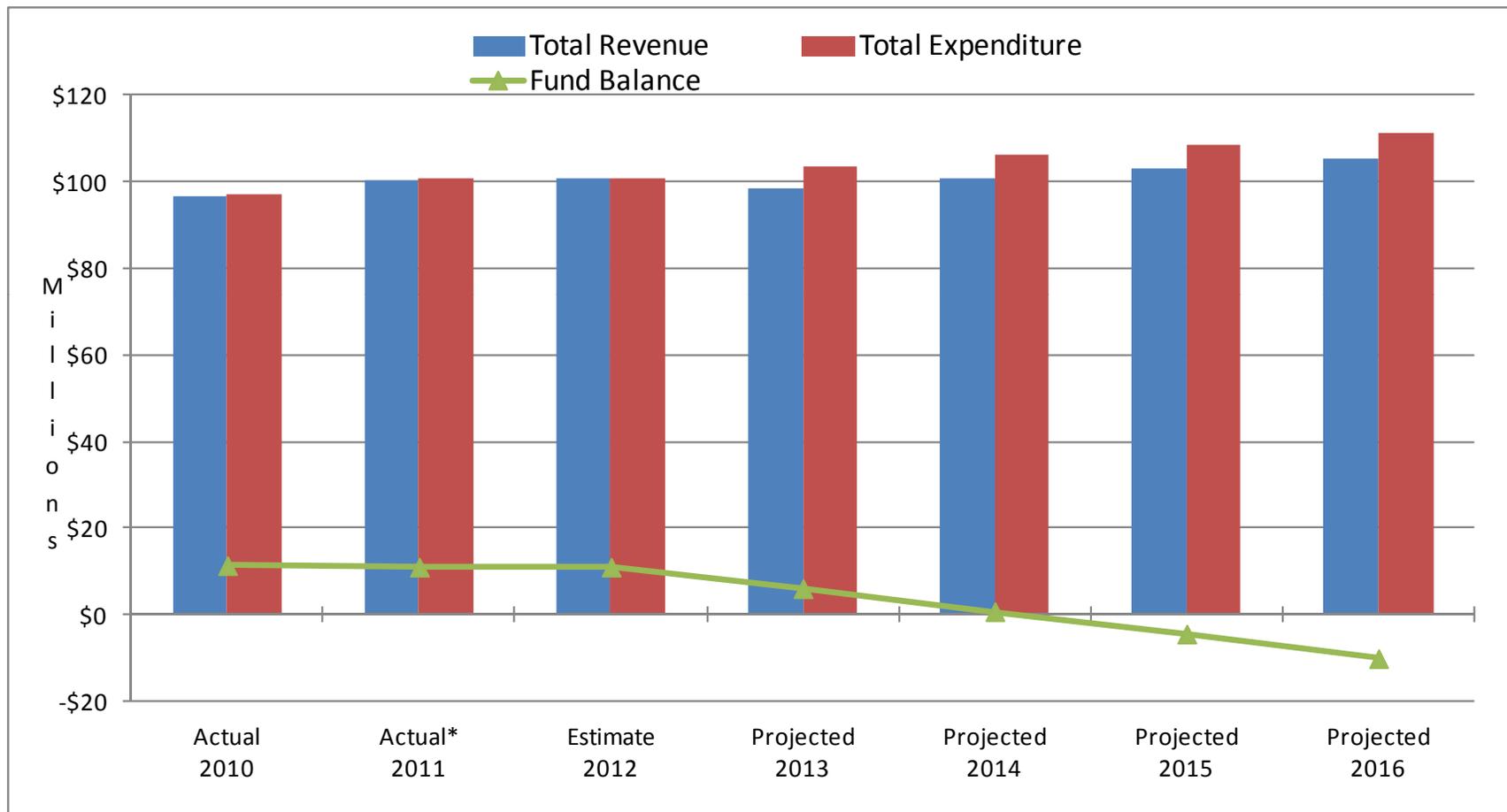
<u>Service Area</u>	<u>FTE</u>	<u>Budget</u>
Safety and Health	342.5	59,855,084
Representative Government	38.7	5,915,984
Livable Community	64.9	14,519,167
Mobility	58.7	10,396,524
Utilities and Environment	99.8	53,334,399
<u>Internal Support</u>	<u>85.7</u>	<u>13,469,798</u>
<u>Total</u>	<u>690.2</u>	<u>157,490,956</u>



2013 Baseline Cost by Fund



General Fund Projection



Assumptions

Summary	2010 Actual	2011 Actual*	2012 Estimate	2013 Projected	2014 Projected	2015 Projected	2016 Projected
Total Revenue	96,754,434	100,476,431	100,670,859	98,471,417	100,805,003	103,131,659	105,364,579
Total Expenditure	97,302,601	100,825,999	100,668,787	103,438,575	106,121,612	108,309,288	111,020,560
Net Change in Fund Bal	(548,166)	(349,568)	2,072	(4,967,158)	(5,316,609)	(5,177,629)	(5,655,981)
Fund Balance	11,407,119	11,057,551	11,059,623	6,092,465	775,856	(4,401,773)	(10,057,755)

* 2011 Actual excludes refunding bond proceeds and payment to escrow agent.

<u>Key Revenue Assumptions:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Sales Tax Growth Assumption	-4%	3.5%	1.2%	3.5%	3.5%	3.5%	3.5%
Property Tax Assumption	3%	2.7%	1.7%	-4.5%	3.5%	1.5%	1.0%
Overall Revenue Growth	-0.6%	3.8%	0.2%	-2.2%	2.4%	2.3%	2.2%

<u>Key Expenditure Assumptions:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assumed Wage Adjustment	0.0%	1.0%	2.5%	0.0%	0.0%	0.0%	0.0%
Assumed Medical Cost Growth	11%	-4.5%	6.0%	8.8%	8.8%	8.8%	10.0%
Assumed PERS Contribution R	5.3%	7.3%	7.7%	9.9%	9.9%	9.9%	11.4%
Overall Expenditure Growth	0.1%	3.6%	-0.2%	2.8%	2.6%	2.1%	2.5%



Revenue Enhancement

- Audit revenue sources: make sure the City receives what it is due
 - Utility tax audit
 - Ongoing sales tax monitoring (e.g. Rainier and Strander Blvd constructions)
- Improve billing and collection
- Explore fee for services and review fee levels

Sponsorships/Donations

- The city partners with a variety of businesses and organizations for a number of programs such as:
 - Housing repairs program
 - 4th of July
 - Clam Light
 - Farmers market
 - Community marketing campaign
 - Youth and scholarship programs

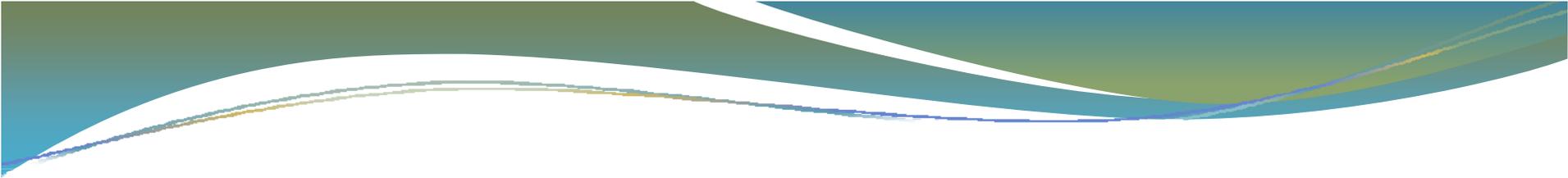
In 2011, these sources combined generated nearly \$500k.
A detailed list is provided for your information.

**CITY OF RENTON
2011 DONATIONS**

DATE OF DONATION	DONATION RECEIVED FROM:	PROGRAM/EVENT	STAFF	DOLLAR AMOUNT	PRODUCT RECEIVED	PRODUCT KIND/VALUE
12/31/2010	Richard Segur	Specialized Recreation/scholarship	Sean C	\$1,000.00		
03/01/2011	Renton School District - Annually	Community Marketing Campaign	Suzanne	\$15,000.00		
03/01/2011	Valley Medical Center - Annually	Community Marketing Campaign	Suzanne	\$15,000.00		
03/01/2011	Renton Technical College - Annually	Community Marketing Campaign	Suzanne	\$15,000.00		
03/01/2011	Renton Chamber of Commerce - Annually	Community Marketing Campaign	Suzanne	\$15,000.00		
05/01/2011	Deano's Bistro AR 4659	Farmers Market - Chef Demonstration	Suzanne	\$2,000.00		
05/01/2011	Renton Technical College AR1345	Farmers Market - Community Booth	Suzanne	\$2,000.00		
05/01/2011	Seattle Cancer Treatment & Wellness Center AR3362	Farmers Market - Entertainment	Suzanne	\$4,000.00		
05/01/2011	Wizards of the Coast/Hasbro	Farmers Market - Kid's Fun Patch	Suzanne	\$3,000.00		
05/01/2011	Merrill Gardens AR3940	Farmers Market - Master Gardener Clinic	Suzanne	\$2,000.00		
05/01/2011	Valley Medical Center AR1250	Farmers Market - VMC	Suzanne	\$15,000.00		
07/01/2011	The Landing-Tenants (donated 11 \$25 gift cards)	Renton Community Marketing Campaign- Seahawks "12th Fan" Twitter/Social Media Contest	Suzanne	\$275.00		
08/01/2011	Jamal Crawford Foundation	Improvements to Liberty Park Court and Rollout Event + Ongoing Replacement/Maintenance	Suzanne/ Leslie/CS	\$100,000.00		
01/01/2011	First Savings Bank NW	Housing Repair Program	Karen B	\$30,000.00		
01/13/2011	Wal-Mart Foundation/ Sams Club VAP	Scholarship		\$250.00		
01/27/2011	Renton Community Foundation	Scholarship		\$1,500.00		
02/04/2011	Ivar's	Clam Lights Contribution		\$11,800.00		
02/14/2011	Land O' Frost, Inc.	Youth Athletics Sponsorship	Bonnie /Donna	\$12,075.00		
02/17/2011	Microsoft Matching Gifts Program	Basketball Programs		\$306.00		
02/17/2011	Renton Rotary Caper, Inc.	Scholarship		\$5,000.00		

DATE OF DONATION	DONATION RECEIVED FROM:	PROGRAM/EVENT	STAFF	DOLLAR AMOUNT	PRODUCT RECEIVED	PRODUCT KIND/VALUE
02/21/2011	Anonymous	scholarship	Lisa	\$17.00		
03/03/2011	Linda Ashley	North Highlands Neighborhood Ctr	Kris		Pool Table	500.00
03/04/2011	Sanctuary Apts	Polar Dip (\$500) Flashlight Egg (\$800)	Bonnie R.	\$1,300.00		
03/00/11	Armondos	Neighbor to Neighbor Annual Workshop	Norma		2 \$50 gift certificates	100.00
03/00/11	Torero's	Neighbor to Neighbor Annual Workshop	Norma		1- \$50 gift certificate	50.00
03/00/11	Harrington Sq. Apts.	Neighbor to Neighbor Annual Workshop	Norma		centerpieces	280.00
03/00/11	Service Linens	Neighbor to Neighbor Annual Workshop	Norma		Linens	200.00
03/15/2011	Pirious Inc	Dodgeball	Andy/Donna	\$1,200.00		
03/24/2011	Wizards of the Coast	Jr Leader, D &D, etc	Tom	\$7,500.00		
03/24/2011	Wizards of the Coast	Fantasy Game Club, D & D	Tom		Games, cards	2,500.00
03/29/2011	Renton Police Youth Fund	Scholarships		\$3,000.00		
03/29/2011	Renton Police	HoopShoot	Donna/BR	\$1,000.00		
04/05/2011	Darrell Zimmerman Trust	Specialized Recreation/scholarship	Sean C	\$200.00		
04/05/2011	Roadrunner Sports	Youth Athletics	Donna	\$150.00		
04/18/2011	Integrity Networks	Arbor Day	Bonnie	\$500.00		
04/27/2011	BDA	Youth Athletics	Donna		bears, bags, bottles, etc	800
05/02/2011	Renton Management Assoc.	Scholarship	Bonnie R.	\$2,000.00		
05/20/2011	Kiwanis Club of Renton	Scholarship	Bonnie R.	\$1,500.00		
06/02/2011	Wizards of the Coast	Donation	Tom		Games, cards	1,500.00
06/30/2011	Soroptimist Int'l of Renton	Scholarship	Bonnie R.	\$450.00		
07/01/2011	Sanctuary Reserve	4th of July	Sonja	\$5,000.00		
07/01/2011	The Landing	4th of July	Sonja	\$30,000.00		
07/07/2011	Piazza Renton	Movies in the Park	Andy/VJ	\$500.00		
07/12/2011	King & Bunny	Neighborhood Trailer	Norma	\$375.00		
07/22/2011	Jared Lothyan DDS	Moonlight Movies Sponsorship	Kris	\$500.00		
08/02/2011	Wal-Mart Foundation/ Sams Club VAP	Scholarship	Bonnie R.	\$1,000.00		
08/02/2011	Wal-Mart Foundation/Sams Club VAP	Scholarship	Bonnie R.	\$250.00		
Various	Return to Renton Car Show	Police Explorer	Kevin M	\$13,000.00		
Various	Boeing	Police Explorer	Kevin M	\$1,000.00		
Various	Private donation	Police Explorer	Kevin M	\$200.00		
Various	Various	Fire Health & Safety	Mark P	\$702.00		
08/30/2011	City Employee	Jury Duty Donations	Payroll	\$15.86		
09/26/2011	King & Bunny	Neighborhood Trailer	Norma	\$375.00		
09/28/2011	Interlaken Trailblazers	Scholarship	Bonnie R.	\$300.00		

DATE OF DONATION	DONATION RECEIVED FROM:	PROGRAM/EVENT	STAFF	DOLLAR AMOUNT	PRODUCT RECEIVED	PRODUCT KIND/VALUE
09/30/2011	Renton Police Department	Summer Lunch	Teresa	\$4,000.00		
09/30/2011	Seattle Seahawks	Scholarship	Bonnie R.	\$2,500.00		
09/30/2011	City Employees	Jury Duty Donation	Payroll	\$15.32		
10/25/2011	Communities in School	Renton Youth Council	Tom	\$150.00		
10/25/2011	Renton Rotary	Renton Youth Council	Tom	\$200.00		
10/27/2011	Renton Rotary Caper, Inc.	Scholarship/2011-12 Comm Svcs Mini Grant	Bonnie R.	\$3,000.00		
10/27/2011	PSE	Clam Lights	Tim/Bonnie	\$2,000.00		
11/06/2011	Richard Segur	scholarship - Specialized Recreation	Sean C	\$1,000.00		
11/08/2011	Anonymous	Renton Youth Council - Cit of Year Banq	Tom	\$438.00		
11/08/2011	Anonymous	Renton Youth Council	Tom	\$114.00		
11/17/2011	King Parker	Scholarship	Bonnie R.	\$70.00		
12/08/2011	Joseph & Lora Shannon	Gift of Play	Lisa	\$50.00		
12/09/2011	Robin Miller	Gift of Play	Lisa	\$20.00		
12/12/2011	Valley Medical Ctr	Celebration Trailer	Bonnie R.	\$2,000.00		
12/13/2011	City Employee	Jury Duty Donation	Payroll	\$21.86		
12/13/2011	Stoneway	Boo Carnival	Shirley	\$800.00		
12/14/2011	Aviator Apts	Canine Run	Bonnie/Shirley	\$1,000.00		
12/29/2011	Suzy McMahon	Gift of Play	Lisa	\$20.00		
12/29/2011	Carly Thaler	Gift of Play	Lisa	\$50.00		
12/29/2011	Barbara Gitau	Gift of Play	Lisa	\$20.00		
12/29/2011	Vetsch- Print Mart	360 Art	Sean C		Paper/binding	45.00
12/29/2011	Wizards	Fantasy Game Club	Tom		Hosting event/product	1,500.00
12/31/2011	BeetleSmith Tires	Soccer Challenge	Donna		75 soccer ball certificate	750.00
12/31/2011	Renton Kiwanis	Spring Sports Banquet	Shawn		Burgers & Volunteers	75.00
12/31/2011	Employee Recycling Program	Special Olympics Uniforms	Shawn	\$1,200.00		
12/31/2011	Lowes Hardware	Senior Center Flowers	Shawn		Plants, dirt & pots	100.00
12/31/2011	Starbuck's	Pastries for Senior Center	Shawn		Pastries	2,500.00
12/31/2011	Merrill Gardens Retirement	Senior Center Bunko	Shawn		gift cards for Bunko	240.00
12/31/2011	Renton Technical College	Senior Center	Shawn		Panera Bread	2,500.00
12/31/2011	Chateau Retirement Center	Concert Band	Bonnie		Program Printing costs	450.00
12/31/2011	Anonymous donations (CH)	Gift of Play	Teresa	\$115.00		
Total				\$341,025.04		14,090.00
Total Dollar amount & Product In-kind/Value					\$355,115.04	
Ikea Renton River Days Sponsorship/Donation				\$104,010.00		10,500.00
Total Dollar amount & Product-In-kind/Value					\$469,625.04	



Typical Municipal Revenue Tools

Revenue Choice Considerations

- Fairness: who pays?
- Competitiveness
- Consistency with policy
- Predictability
- Ability to implement (state authorizes? voter approval?)
- Ease of administration

Raise Utility Tax above 6%

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ 1% rate increase <u>Approximate impact:</u> Electric: \$830k Gas: \$300k Phone: \$160k Cell: \$350k Cable: \$230k <u>City Utilities*</u>: \$600k Aprox. total: \$2.4M (or <u>16.7%</u> increase in tax revenue) <i>*including Metro</i> 	<ul style="list-style-type: none"> ▪ Council can raise tax on City operated utilities above 6%. ▪ Simple majority voter approval is required to raise electric, phone, and gas above 6%. ▪ Cable tax needs to be compatible with tax on other telecommunication services. 	<ul style="list-style-type: none"> ✓ Balance tax burden from property tax <i>and</i> between residential and commercial users. ✓ Flexible use (capital & maintenance) ✓ Generally keeps pace with inflation ✗ Tax on basic utilities are regressive ✗ Will likely impact residential customers more due to cable TV use.



Raise Utility Tax above 6% (cont.)

Utility Taxes as compared to other cities

	No. of cities imposing tax	Average	High	Low	Renton
Natural gas	121	5.9%	14.8%	2.0%	6.0%
Electricity	170	5.9%	14.8%	2.0%	6.0%
Telephone*	173	5.9%	8.5%	3.0%	6.0%
Water	145	8.4%	36.0%	1.5%	6.0%
Sewer	135	8.3%	36.9%	1.5%	6.0%
Storm drainage	60	7.2%	20.0%	1.0%	6.0%
Cable TV	111	5.6%	10.0%	1.0%	6.0%
Garbage	130	7.4%	40.0%	2.0%	6.0%

* Some cities impose a different rate for cellular phones.



Raise Utility Tax above 6% (cont.)

Franchise Fees as compared to other cities

	Number of cities imposing tax	Average	Renton
Cable	137	4.7%	5.0%
Garbage*	26	6.3%	.096%*
Water	6	5.8%	0.0%
Sewer	3	6.3%	0.0%

* \$6,000 /mo for garbage franchise administration, not in General Fund, adjusted by inflation



Property Tax Lid Lift (currently not available)

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ Up to \$3.10/\$1000 AV <p><i>Not available now...</i></p> <p>The City's tax rate is already at \$3.10; if it were available, based on 2012 AV...</p> <p><i>1¢/1000 tax increase= <u>\$107k</u></i> <i>and</i> <i>1% of levy amount increase</i> <i>(3.1¢/1000) = <u>\$330k</u></i></p> <p><u>Unless the ballot specifies period, it raises the base permanently.</u></p>	<ul style="list-style-type: none"> ▪ Simple majority voter approval. ▪ Can be held at special elections. 	<ul style="list-style-type: none"> ✓ More flexible in election schedule ✗ Once in place, the future growth rate is still subject to the 1% limit ✗ Levy subject to \$3.1/1,000 limit



Property Tax, excess levy

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ 1¢ ~ \$107k ▪ 1% ~ \$330k ▪ <i>Not subject to \$3.10 regular local tax rate limit.</i> ▪ If for capital purpose, the duration is only <i>as needed</i> to retire the bonds. ▪ If for M&O it will be for <i>one year only</i>. 	<ul style="list-style-type: none"> ▪ 60% voter approval with 40% turnout required. 	<ul style="list-style-type: none"> ✓ The last voter approved levy (for senior housing) ended in 2008 was at 5¢/1000 ✓ A common method of financing capital improvements ✓ Outside the \$3.10 local levy limit ✗ 60% approval requirement is difficult to achieve ✗ Does not provide for on-going maintenance (will require a separate voter action)

Transportation Benefit District

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ Not to exceed \$20/vehicle per year w/o a vote (voters can approve higher fees).* ▪ Estimated revenue for Renton is approximately \$1 million/yr. ▪ 20 cities in Washington State have implemented TBD fee; North Bend voters also approved a special 0.1% TBD sales tax. <p>* County or multi-agency TBD may levy a combined amount not to exceed \$100/vehicle and must credit those local levies in place.</p>	<ul style="list-style-type: none"> ▪ Council action. ▪ Estimated at \$1 million +/- a year 	<ul style="list-style-type: none"> ✓ Easy to administer (via state licensing renewal process.) ✓ Direct linkage between fee and services ✗ Target of various prior voter initiatives.



Special Taxing Districts

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ Parks District: up to 75¢/\$1000 AV. <i>Subject to \$5.90 countywide regular levy cap, of which 47¢ is available in 2012.</i> ▪ Fire Authority up to \$1.50/\$1000 AV. <i>Subject to \$3.60 local services cap and \$5.90 countywide services cap.</i> 	<ul style="list-style-type: none"> ▪ Simple majority voter approval. 	<ul style="list-style-type: none"> ✓ Designated funding sources for parks and recreation programs and/or facilities; ✓ No time limit; ✗ Growth is still subject to 1% limit after levy is in place; ✗ Park levies have not received overwhelming support in the past.



Special Assessments

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ Special assessment levied against a property based on relative value/benefit generated from the improvement. 	<ul style="list-style-type: none"> ▪ Council may initiate by resolution (can be overturned if over 60% of property owners object to the assessment); ▪ Property owner can petition Council to form LID's/BID's with 10% signature petition and 60% owner approval. 	<ul style="list-style-type: none"> ✓ Used primarily for infrastructure improvements that would increase property value; ✓ Does not impact general tax or debt capacity; ✓ Assessment based on benefits received; ✓ Cost of administration can be included in the assessment; ✗ Restrictive laws govern process, billing, terms, etc.

Impact Fees

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ Currently assessing impact/mitigation fee based on SEPA and in the process of changing to GMA impact fees. ▪ The proposed fees are higher but the timing of collection is deferred from the beginning of the development process to the end; ▪ Since the revenue depends on development activity the net effect of the change is not yet determined. 	<ul style="list-style-type: none"> ▪ Council action. 	<ul style="list-style-type: none"> ✓ Growth pays for their impact; ✓ Easier to administer than current structure; ✓ More predictability for development; ✓ Could be more flexible in definition of allowable projects; ✗ If used to replace current SEPA mitigation fee the net gain is uncertain; ✗ Amount depends on development activity (hard to predict and unreliable) under either fee.

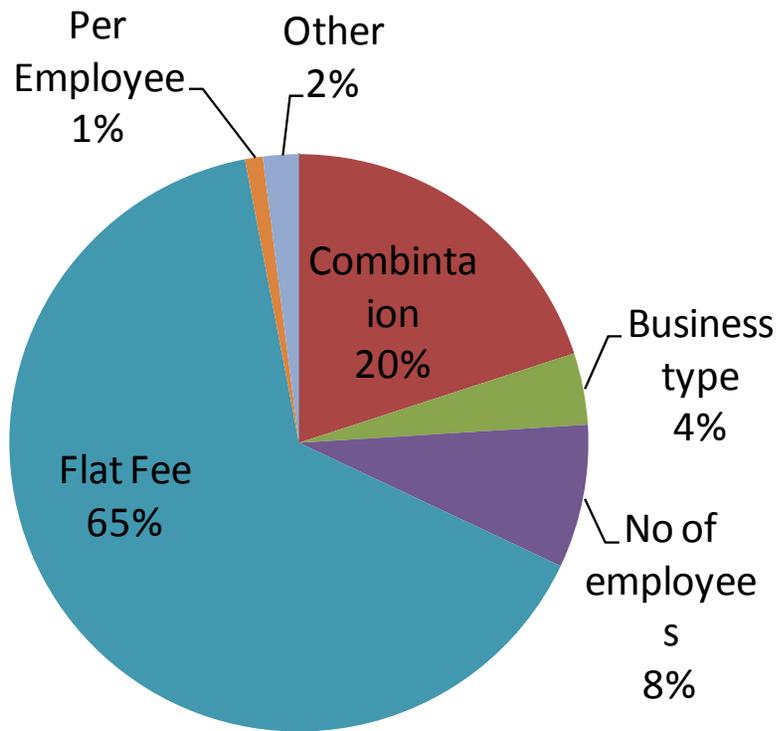
Business License

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ A \$10 per FTE increase will generate around \$360k. 	<ul style="list-style-type: none"> ▪ Council action. 	<ul style="list-style-type: none"> ✓ Current fee established in 1987 (effective 1988) and has never been adjusted; ✓ Balance the tax burden between residential and business properties; ✗ Few cities use BL fees within the state; ✗ The higher the fee the more likely business will try to evade the fee and thus increase enforcement costs.

Business License (cont.)

Business Licensing Methods

- 161 cities require businesses to obtain a standard license for a fee
- 34 cities require businesses to register with no fee



Business & Occupation Tax

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ Up to 0.2% of gross business receipts: <p><i>Using sales tax as a gauge:</i></p> <ul style="list-style-type: none"> ▪ 0.1% is anticipated to generate around \$2.4 million. 	<ul style="list-style-type: none"> ▪ Council action. 	<ul style="list-style-type: none"> ✓ Balance the tax burden between residential and businesses. ✗ Counter to economic development goal; ✗ Few local jurisdictions utilize; ✗ High audit and collection cost.

Business & Occupation Tax (cont.)

B&O Taxes by Industry

	No. of cities imposing tax	Average	Renton
Manufacturing	37	0.1%	N/A
Retail	36	0.2%	N/A
Services	36	0.2%	N/A
Wholesale	37	0.2%	N/A



User Fee

Estimated Amount	Approval Process	✓ Pros & ✗ Cons
<ul style="list-style-type: none"> ▪ BLS transport fee when patients are transported by Renton F&ES. ▪ Estimated BLS revenue is around \$350 a year, if implemented. <p><i>Biennial fee schedule update will be reviewed and fees updated for 2013-14 implementation.</i></p>	<ul style="list-style-type: none"> ▪ Council action. 	<ul style="list-style-type: none"> ✓ User based fee that is currently charged by surrounding jurisdictions to Renton residents when City unit is not available ✓ Transport fee is covered by insurance ✗ Patient without insurance will be impacted (although the no-pressure collection practice will eliminate the impact.) ✗ High collection cost (\$26 per bill)