

# 2021-2022 Budget Overview

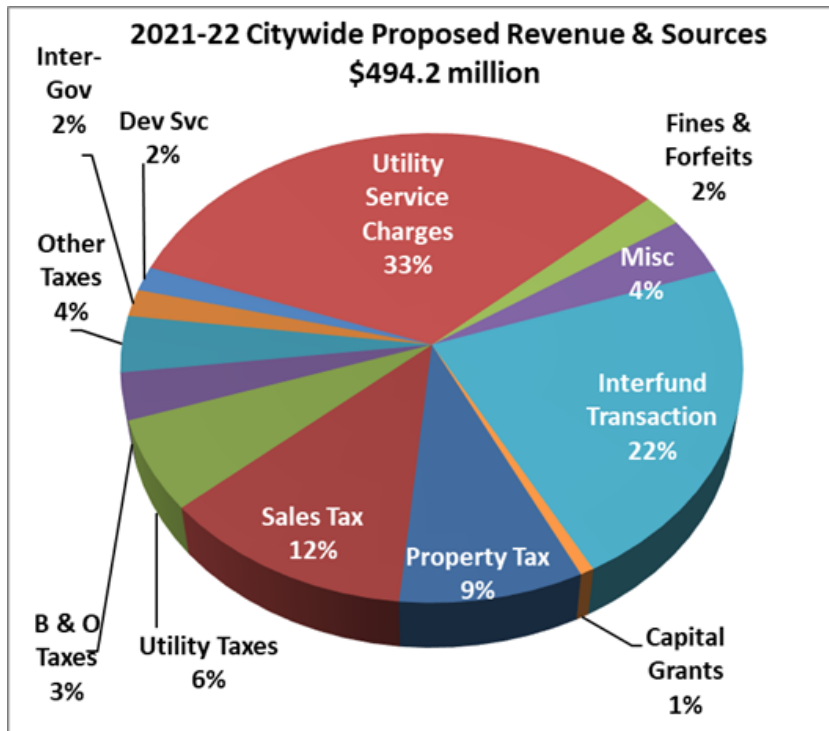
Renton Committee of the Whole

October 5, 2020

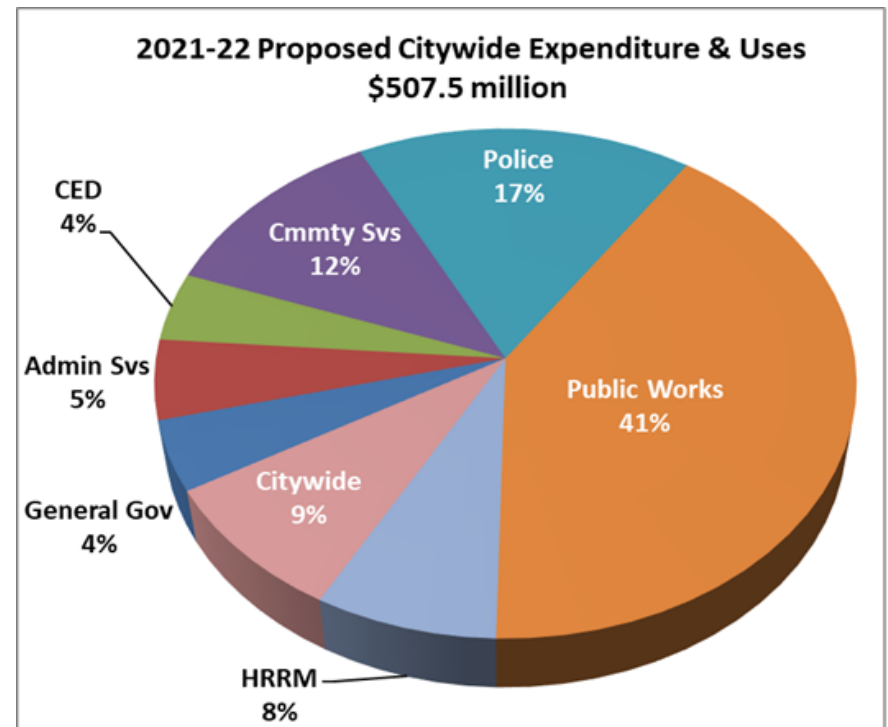
# Budget Deliberation Schedule

<b>October 5, 2020</b>	
<b>Committee of the Whole</b>	o Mayor's Budget Message and Proposed Budget
	o Budget Overview
<b>Regular Council Meeting</b>	o Public Hearing #2
<b>October 12, 2020</b>	
<b>Committee of the Whole</b>	o Department Presentations
	o Council deliberation
<b>October 19, 2020</b>	
<b>Committee of the Whole</b>	o Department Presentations
	o Council deliberation
<b>October 26, 2020</b>	
<b>Committee of the Whole</b>	o Department Presentations
	o Council deliberation
	o Consider draft committee report
<b>November 2, 2020</b>	
<b>Regular Council Meeting</b>	o Public Hearing #3
	o Adopt committee report
	o 1st reading of budget-related legislation
<b>November 9, 2020</b>	
<b>Regular Council Meeting</b>	o 2nd reading and enactment of all budget-related legislation

# Total Proposed Budget



- 34% various taxes
- 35% charges for services
- 24% interfund/intergovernmental
- 6% fines and miscellaneous revenue
- 1% capital grants

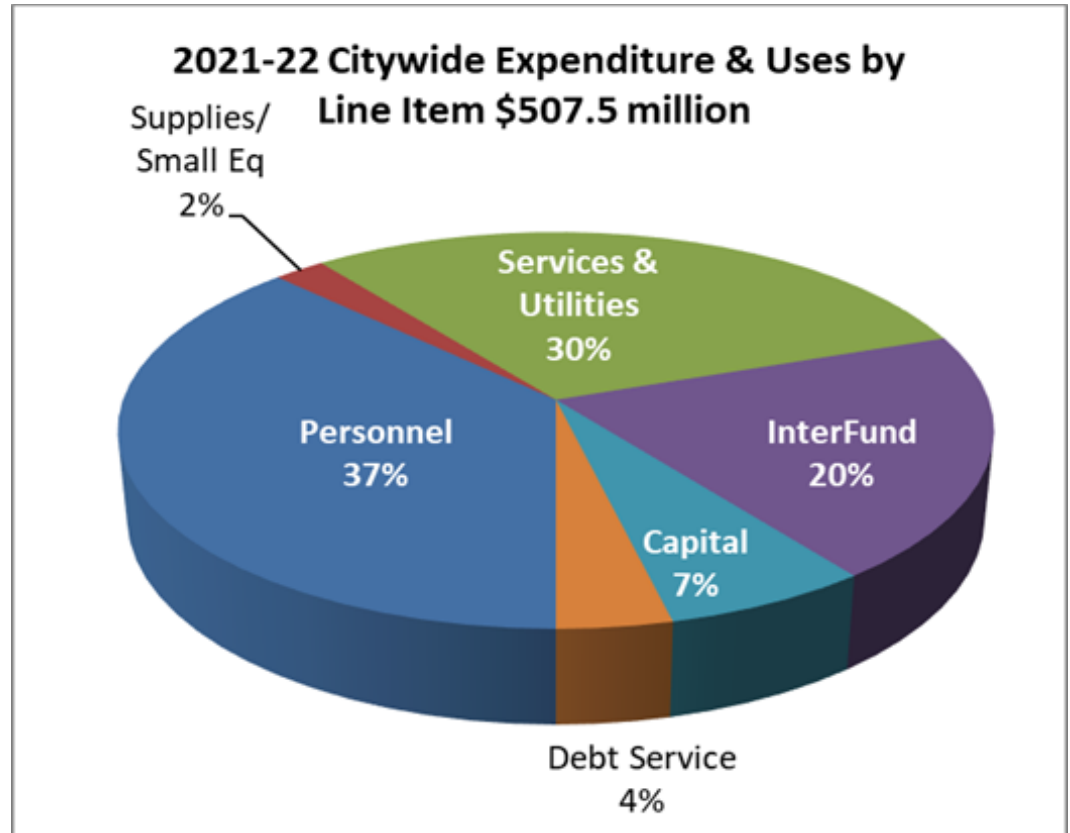


- 41% for public works: roads, utilities infrastructure improvement and operations
- 33% for Police, Community Services and Community & Economic Development
- 26% for general governmental and support

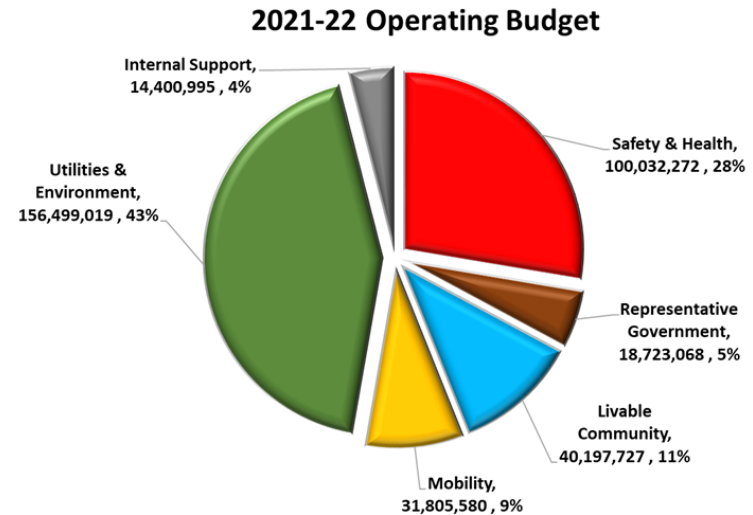
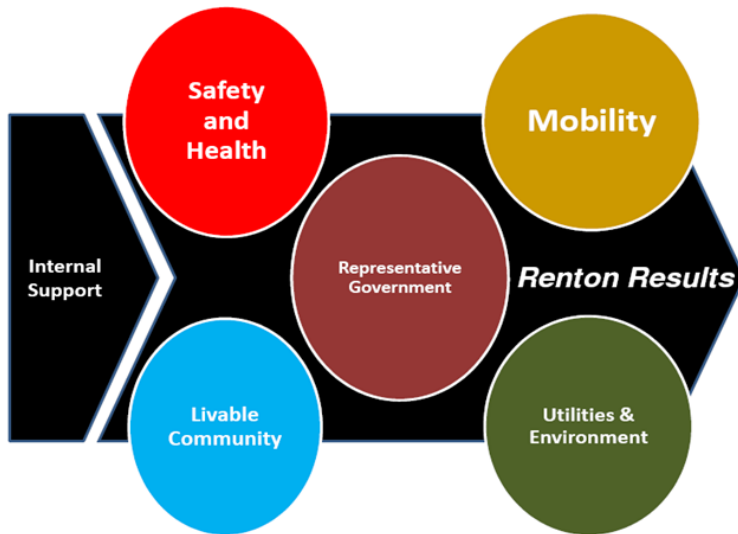
# Total Expenditures by Line Item

Citywide budget includes capital and other one-time transfers & costs. Overall:

- 37% is personnel related costs
- 30% are services, including utility payments
- 7% in capital projects
- 20% internal services and interfund transfers.
- 4% for debt service
- 2% in supplies and small equipment

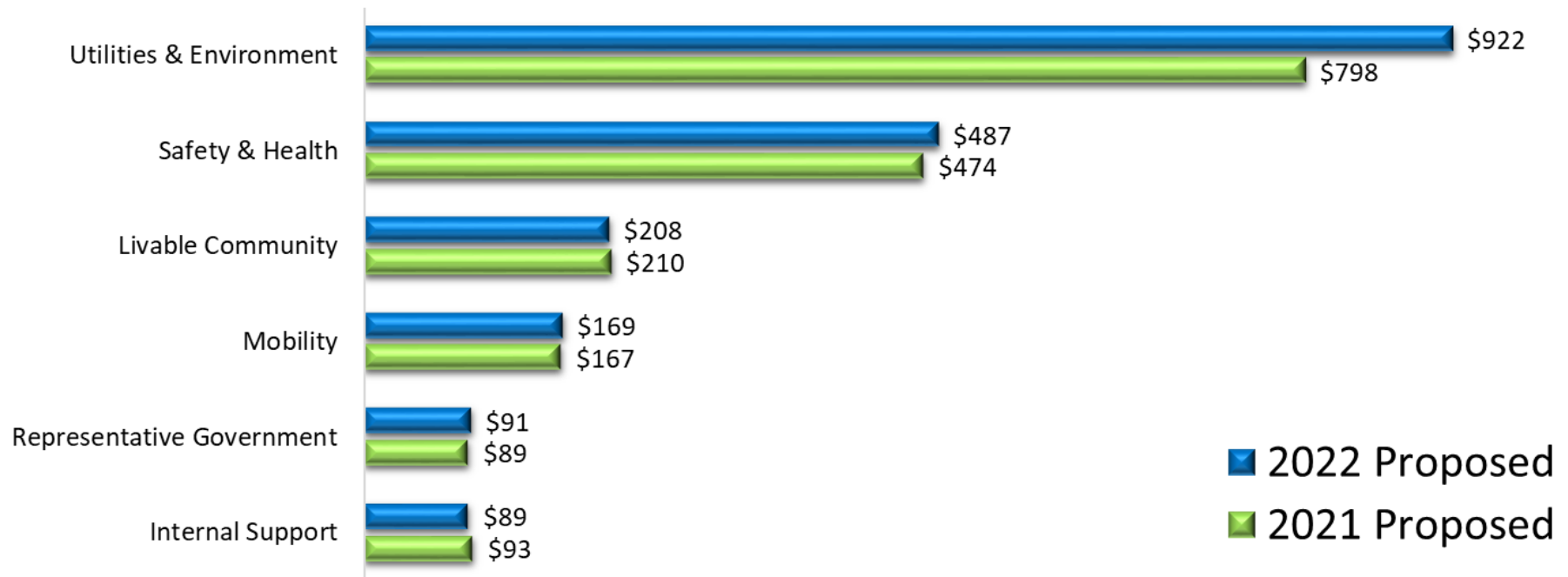


# Proposed Budget by City Service Areas



City Service Area	2021 Proposed			2022 Proposed		
	2021 FTE	2021 Operating Exp	2021 Capital Exp	2022 FTE	2022 Operating Exp	2022 Capital Exp
Safety & Health	202.90	\$ 49,347,522	\$ -	202.90	\$ 50,684,751	\$ -
Representative Government	43.00	9,227,611	2,032,048	43.00	9,495,456	1,299,646
Livable Community	76.94	19,840,142	-	76.94	20,357,585	-
Mobility	67.71	15,702,514	1,702,250	67.71	16,103,066	1,460,000
Utilities & Environment	122.62	77,407,136	5,608,149	122.62	79,091,883	16,861,370
Internal Support	100.86	7,119,965	2,524,386	100.86	7,281,030	1,933,316
<b>Total City Service Areas</b>	<b>614.03</b>	<b>\$ 178,644,890</b>	<b>\$ 11,866,832</b>	<b>614.03</b>	<b>\$ 183,013,771</b>	<b>\$ 21,554,332</b>
<b>Operating + Capital Costs</b>		<b>\$ 190,511,722</b>			<b>\$ 204,568,103</b>	
<b>Other Budgeted Items</b>						
Transfers and Interfund Transactions		56,271,679		-	51,682,480	
City-Wide Revenue Estimate		2,211,723		-	2,211,723	
<b>Total Other</b>	<b>-</b>	<b>58,483,402</b>		<b>0.00</b>	<b>53,894,203</b>	<b>-</b>
<b>Total Costs Proposed 2021</b>		<b>\$ 248,995,124.19</b>			<b>Total Costs Proposed 2022</b>	<b>\$ 258,462,306.34</b>

# Operating & Capital Cost per Capita



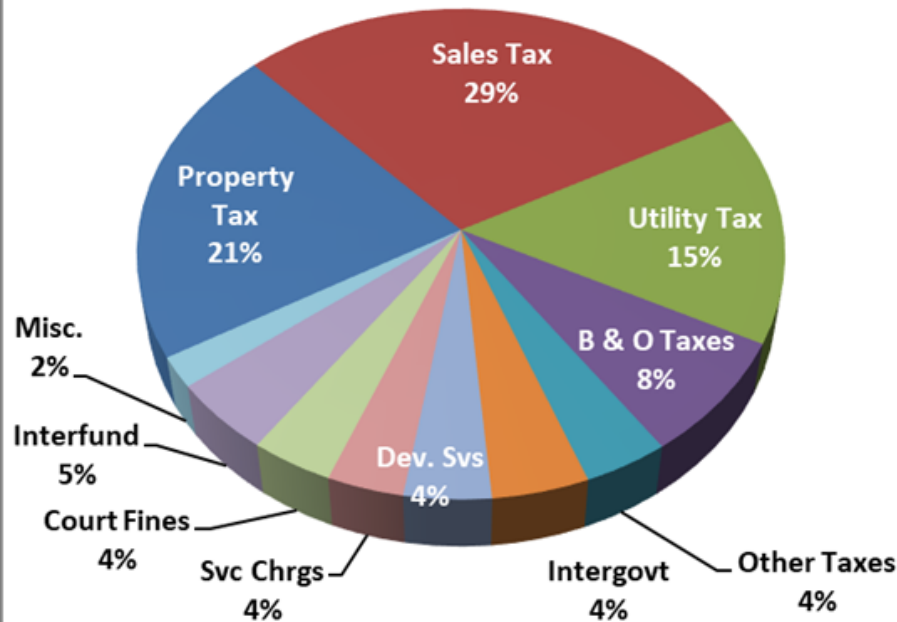
Taking into account the fact that the City serves 104,076 residents and approximately 58,105 employees who work in Renton, the operating budget is:

- \$1,831-1,966 per resident per year, just about \$5.02-\$5.39 per day
- When employment base is included – \$1,175-\$1,261 per person per year, \$3.22-\$3.46 per day



# General Fund Budget

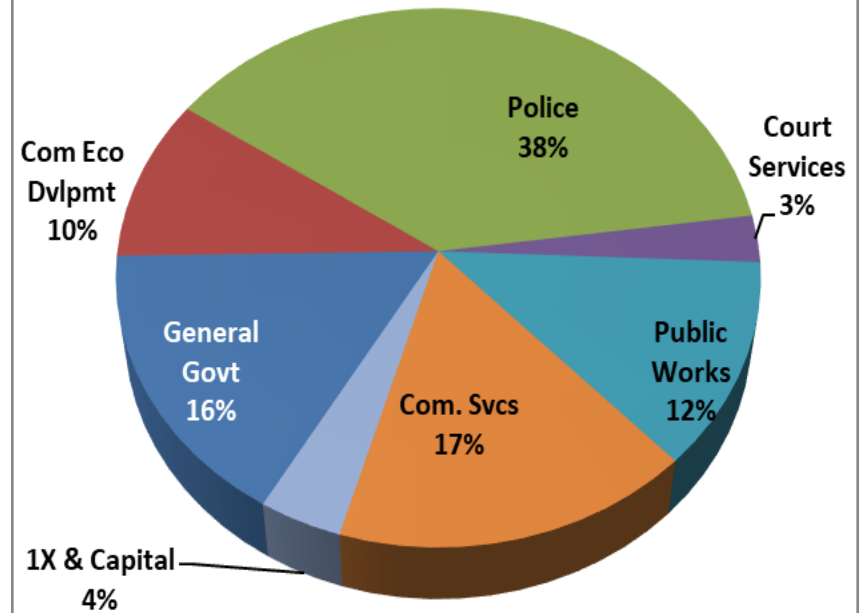
2021-22 Proposed General Fund Revenue & Sources \$203.1 million



## Revenues:

- 77% Taxes
- Combined property and sales tax represents 50% of GF revenues

2021-22 Proposed General Fund Expenditure & Uses \$226.4 million

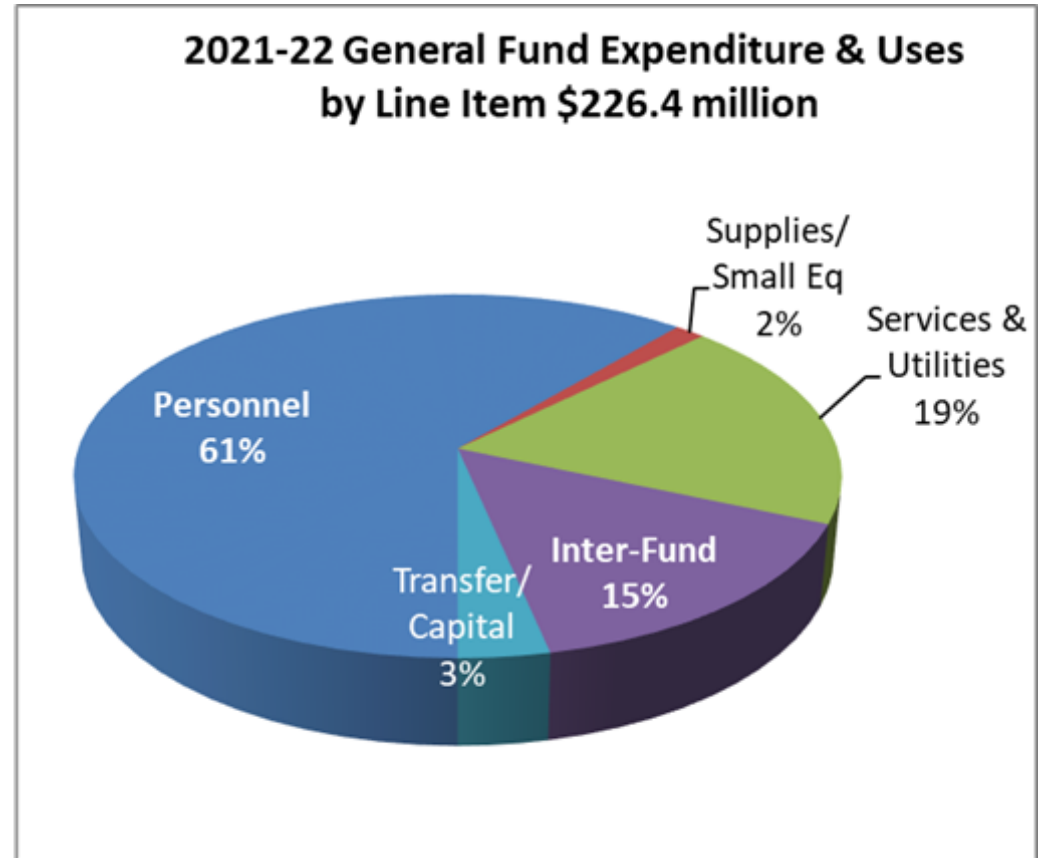


## Expenditures:

- 38% for public safety
- 39% for community services, community & economic development, & public works
- 23% for general governmental and support

# General Fund by Line Items

- 61% of General Fund budget is in personnel related costs
- 15% internal services include fleet, risk management, information technology, facilities, and communications. 19% in services and utilities expenses
- 2% in operating supplies and small equipment
- 3% transfers to capital





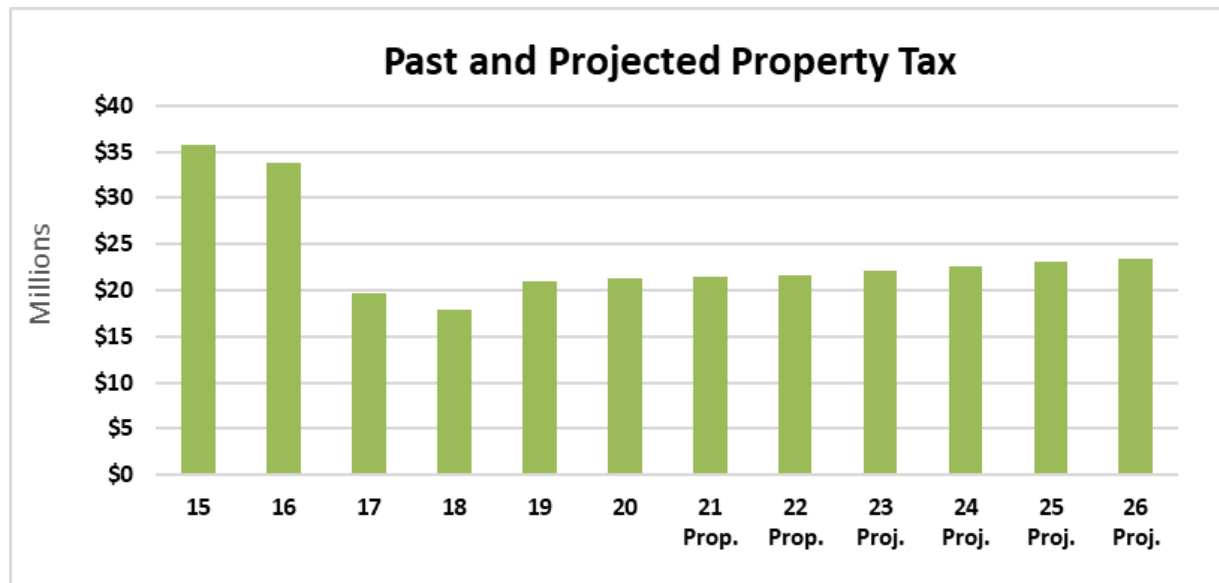
# Where does your tax dollar go?

## 2020 Property Tax Distribution



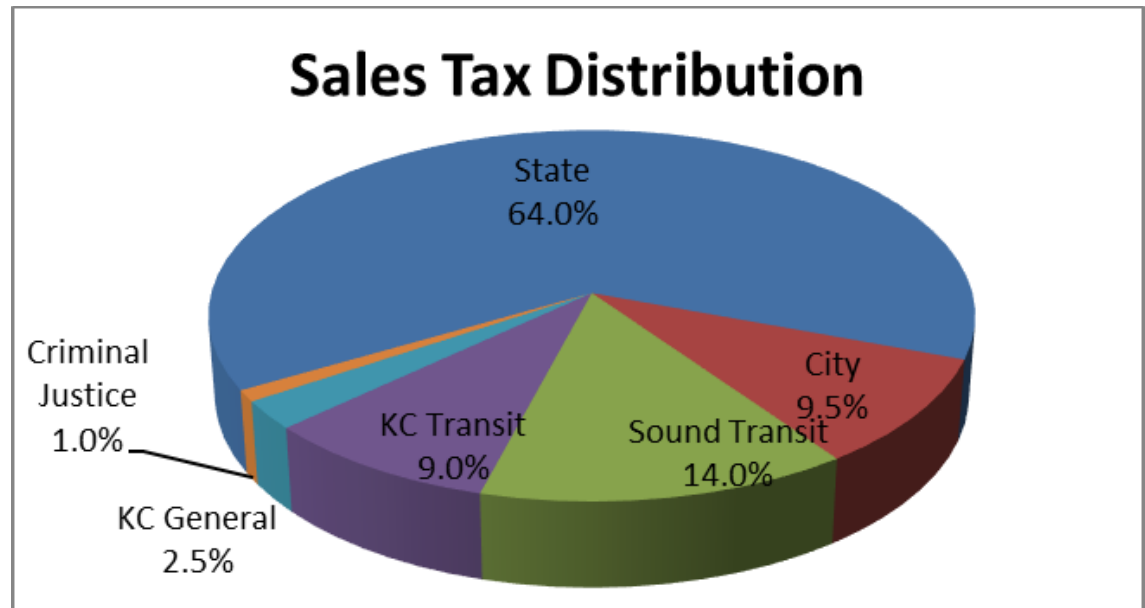
# Preliminary 2021 Property Tax

- Proposed Property Tax Levy for 2021 is \$21,494,697
- No proposed increase
- Only adjustments are for:
  - Inflation
  - New construction



# Sales Tax Distribution

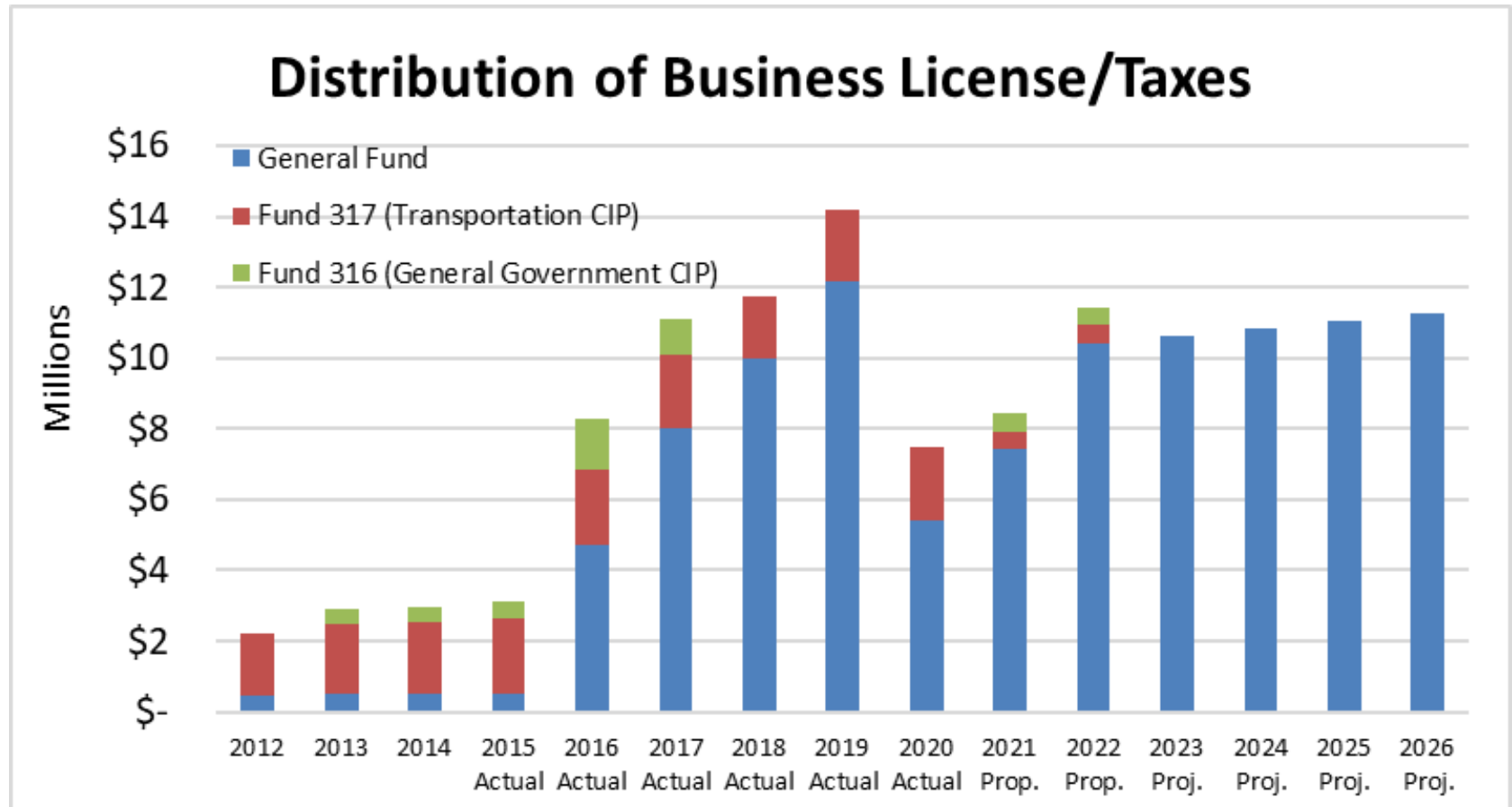
- Renton's economy generates around \$314 million per year
- City's share is 10%



# B&O Structure/Business Licenses

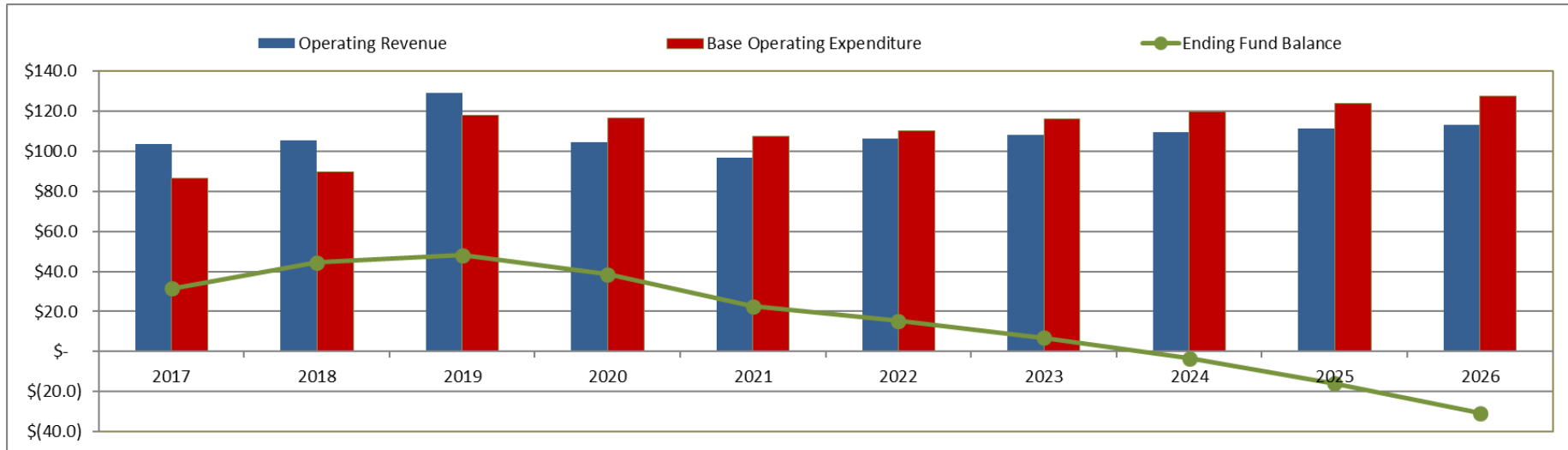
- \$500,000 reporting threshold
- Low tax rates of 0.05% for retail and 0.085% for all other
- Maximum amount paid is capped at \$4.723 million in 2020 (adjusted annually by inflation)
- Registration fee of \$150

# B&O/Business License Distribution



# Long Range Financial Projection

## Preliminary 2017-2026



<b>Key Revenue Assumptions:</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Sales Tax Growth <sup>4</sup>	0.3%	2.7%	-3.7%	-15.6%	5.6%	8.8%	2.5%	2.5%	2.5%	2.5%
Property Tax <sup>1</sup>	-41.6%	-9.5%	17.6%	1.4%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%
B&O/Business License	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Overall Operating Revenue Growth</b>	<b>-11.7%</b>	<b>1.5%</b>	<b>22.5%</b>	<b>-19.0%</b>	<b>-7.5%</b>	<b>9.9%</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.5%</b>	<b>1.5%</b>
<b>Key Expenditure Assumptions:</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Wage Increase	2.5%	2.5%	3.0%	3.0%	0.0%	2.0%	3.0%	3.0%	3.0%	3.0%
Medical Cost Growth Rate	0.0%	5.0%	8.0%	8.0%	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%
PERS (Pension) Contribution Rate	12.9%	12.9%	13.9%	13.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%
<b>Overall Operating Expense Growth</b>	<b>-17.6%</b>	<b>3.8%</b>	<b>31.6%</b>	<b>-1.1%</b>	<b>-7.9%</b>	<b>2.5%</b>	<b>5.6%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.2%</b>

# Budget Related Legislation

1. Property Tax Levy Ordinances
  - Setting the budget
  - Setting the levy
  - Substantial need (if needed)
  - Banked capacity (if needed)
2. Utility Rate Adjustment Ordinances
3. Various User Fee Adjustments (Fee Schedule and Resolution)
4. 2021-2022 Budget Ordinance