




2023 Property Tax Levy

November 15, 2022

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Framing the Question

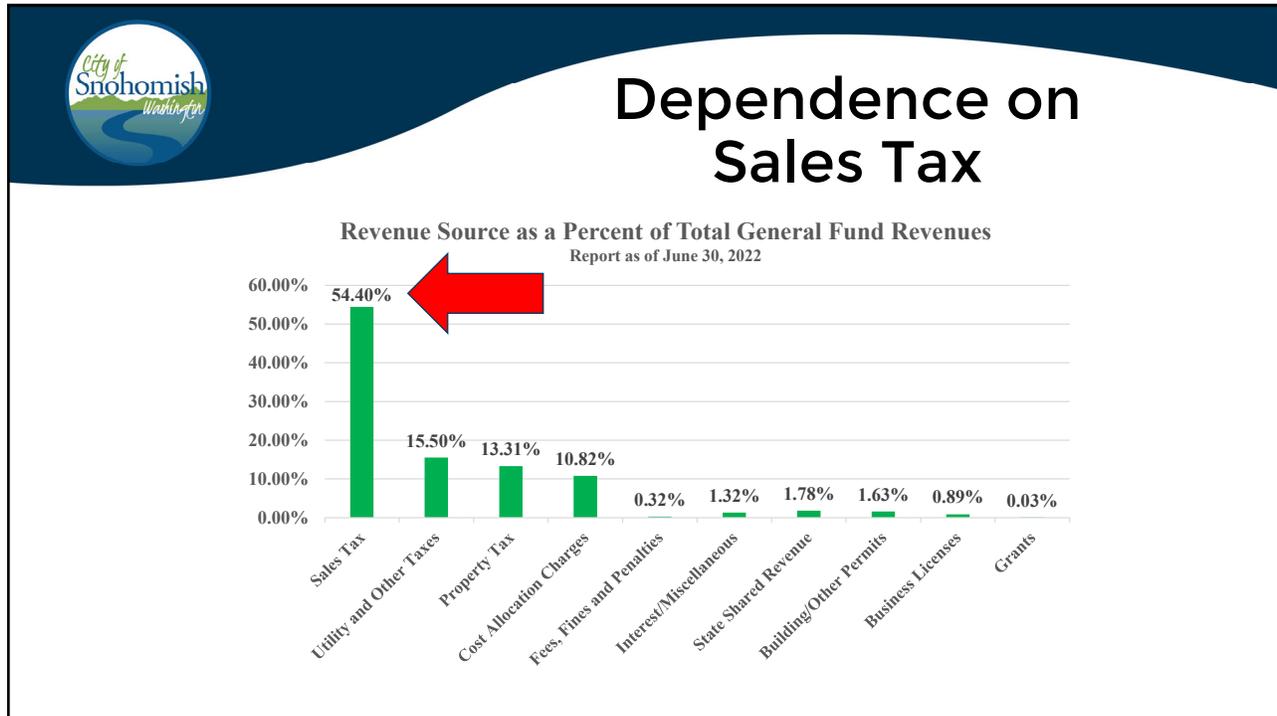
 **Focus:**

Providing the residents of Snohomish with the **best possible service** for their tax dollars while being **careful stewards of resources.**

 **Theme:**

Preserving
and
Strengthening
Our
Community

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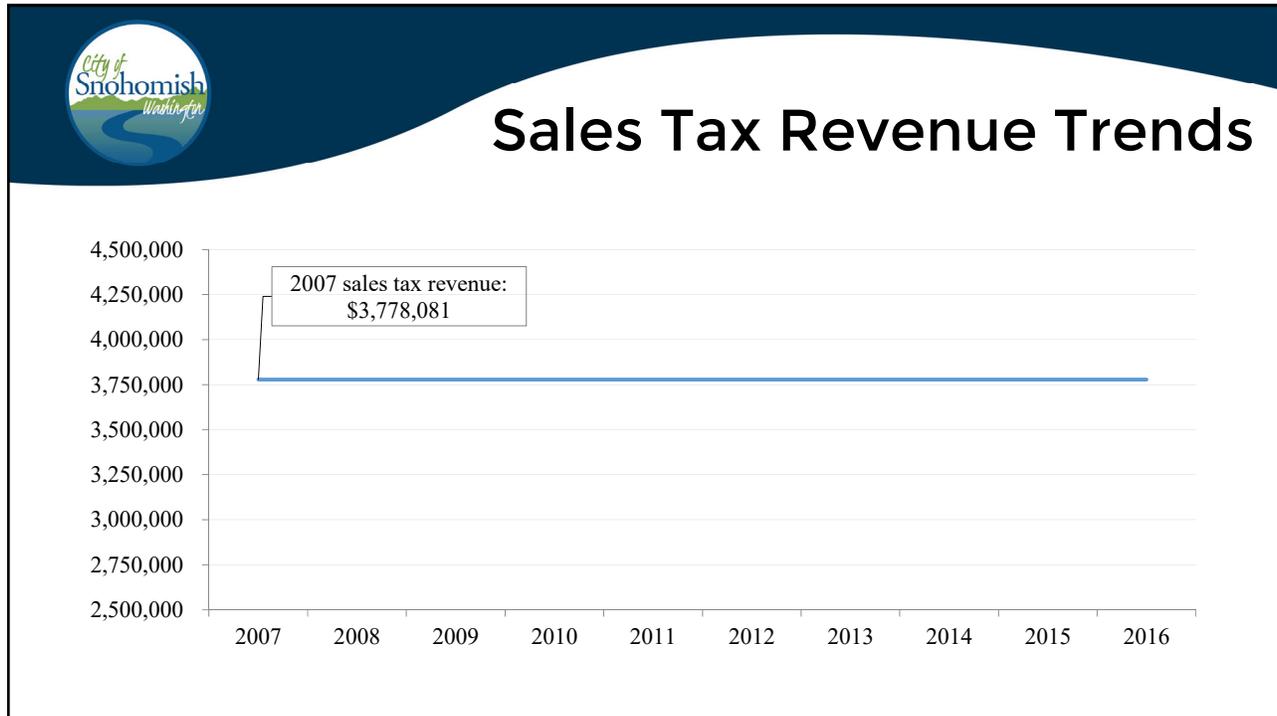


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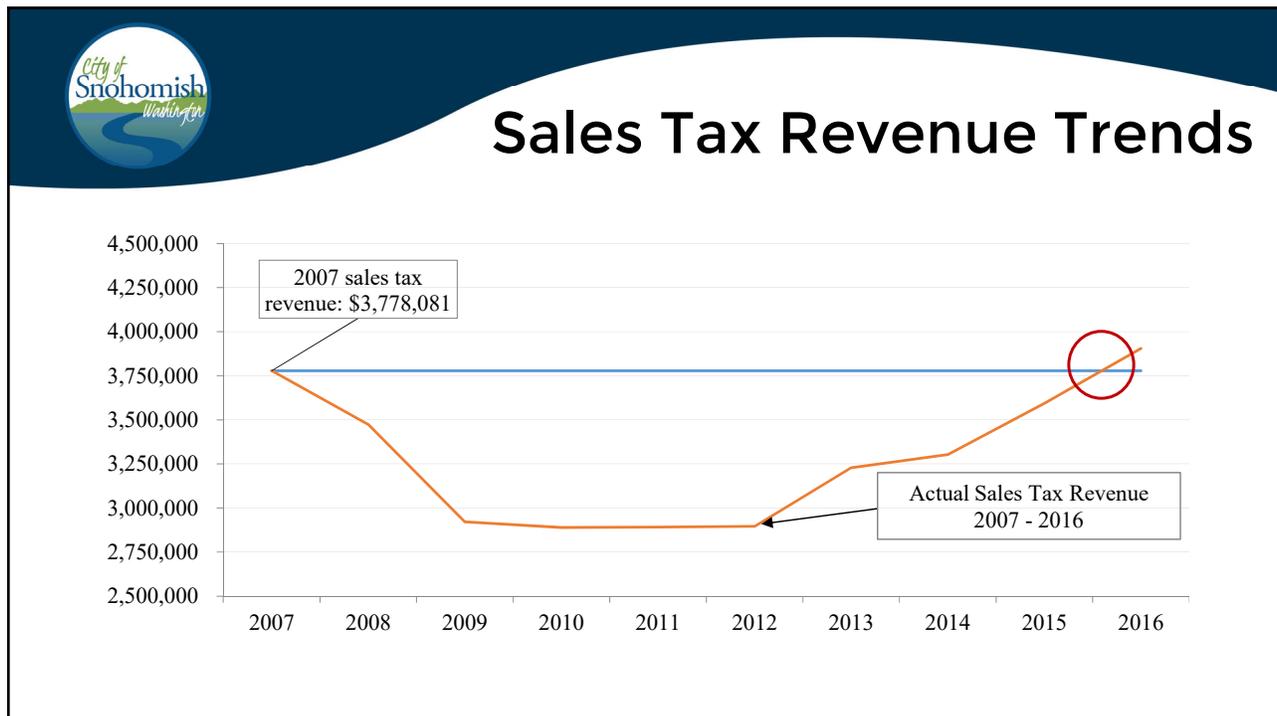
Sales Tax Compared to Property Tax

City	County	2021 Population	Sales Tax Revenue as a Percentage of Regular Property Tax Comparison									
			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Burlington	Skagit	9,540	273%	296%	299%	310%	312%	325%	334%	329%	301%	345%
Cheney	Spokane	12,010	115%	103%	97%	94%	82%	84%	82%	94%	82%	79%
College Place	Walla Walla	9,675	75%	78%	97%	94%	92%	89%	96%	95%	109%	122%
DuPont	Pierce	9,605	52%	88%	78%	51%	54%	53%	63%	99%	73%	119%
Edgewood	Pierce	13,000	32%	34%	36%	49%	58%	66%	72%	79%	81%	95%
Emmuelaw	King	13,030	134%	148%	150%	129%	138%	153%	165%	166%	165%	171%
Ferndale	Whatcom	15,270	68%	67%	71%	71%	173%	183%	170%	199%	156%	185%
Fife	Pierce	10,360	169%	196%	213%	251%	267%	259%	261%	258%	279%	344%
Grandview	Yakima	11,360	53%	56%	62%	64%	61%	57%	73%	79%	68%	73%
Hoquiam	Grays Harbo	8,600	40%	45%	47%	43%	45%	52%	52%	56%	51%	65%
Kelso	Cowlitz	12,410	139%	135%	150%	153%	174%	167%	169%	180%	188%	213%
Lake Forest Park	King	13,370	24%	25%	25%	31%	32%	32%	37%	37%	39%	47%
Lynden	Whatcom	15,110	68%	70%	72%	84%	73%	88%	85%	83%	83%	95%
Newcastle	King	13,410	19%	21%	22%	25%	35%	33%	25%	30%	29%	28%
Port Orchard	Kitsap	15,260	134%	158%	172%	178%	185%	175%	187%	188%	195%	224%
Port Townsend	Jefferson	9,815	43%	46%	46%	50%	59%	58%	62%	59%	83%	95%
Poulsbo	Kitsap	11,660	122%	136%	147%	147%	151%	155%	166%	163%	157%	182%
Sedro-Woolley	Skagit	11,900	67%	70%	67%	73%	77%	81%	90%	85%	80%	75%
Shelton	Mason	10,470	106%	101%	99%	102%	107%	117%	117%	144%	131%	135%
Snohomish	Snohomish	10,340	273%	302%	302%	313%	331%	345%	349%	360%	376%	407%
Snoqualmie	King	14,370	41%	38%	37%	27%	28%	32%	38%	34%	34%	34%
Sumner	Pierce	10,500	337%	373%	380%	396%	193%	206%	158%	176%	182%	197%
Toppenish	Yakima	9,200	86%	84%	92%	101%	90%	91%	98%	89%	100%	126%
Woodinville	King	12,800	147%	152%	162%	173%	192%	197%	212%	221%	190%	218%

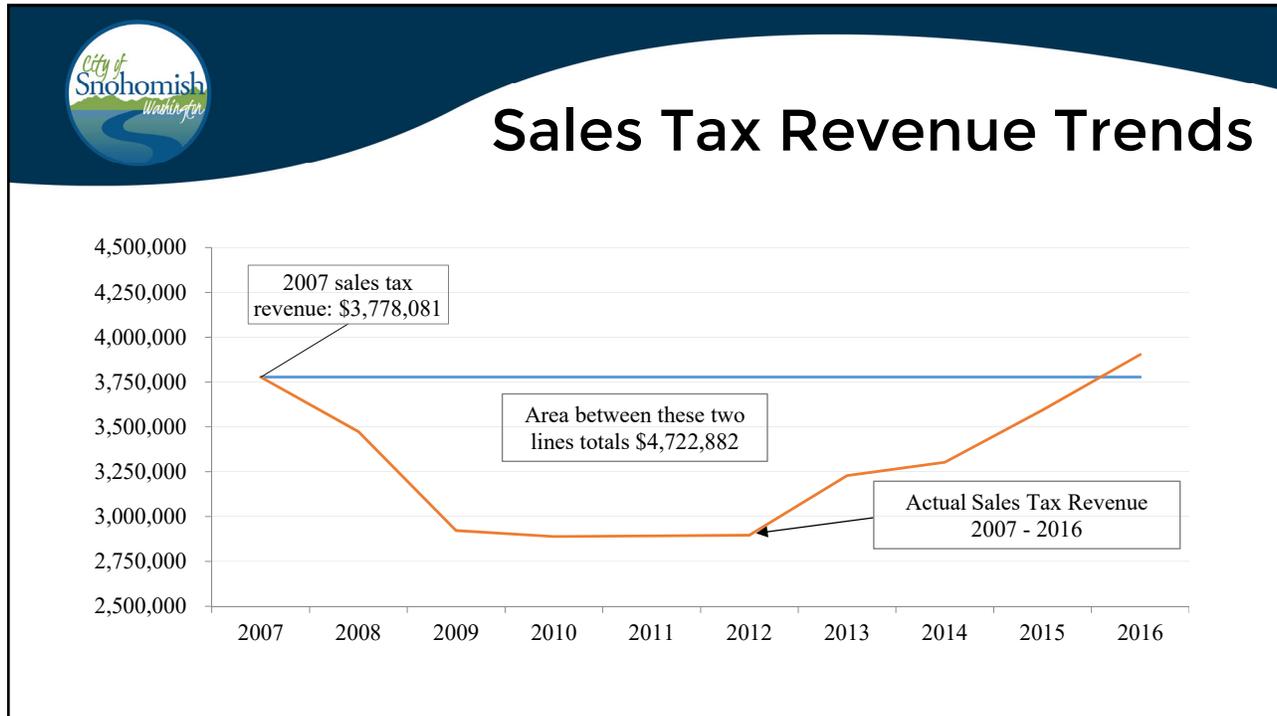
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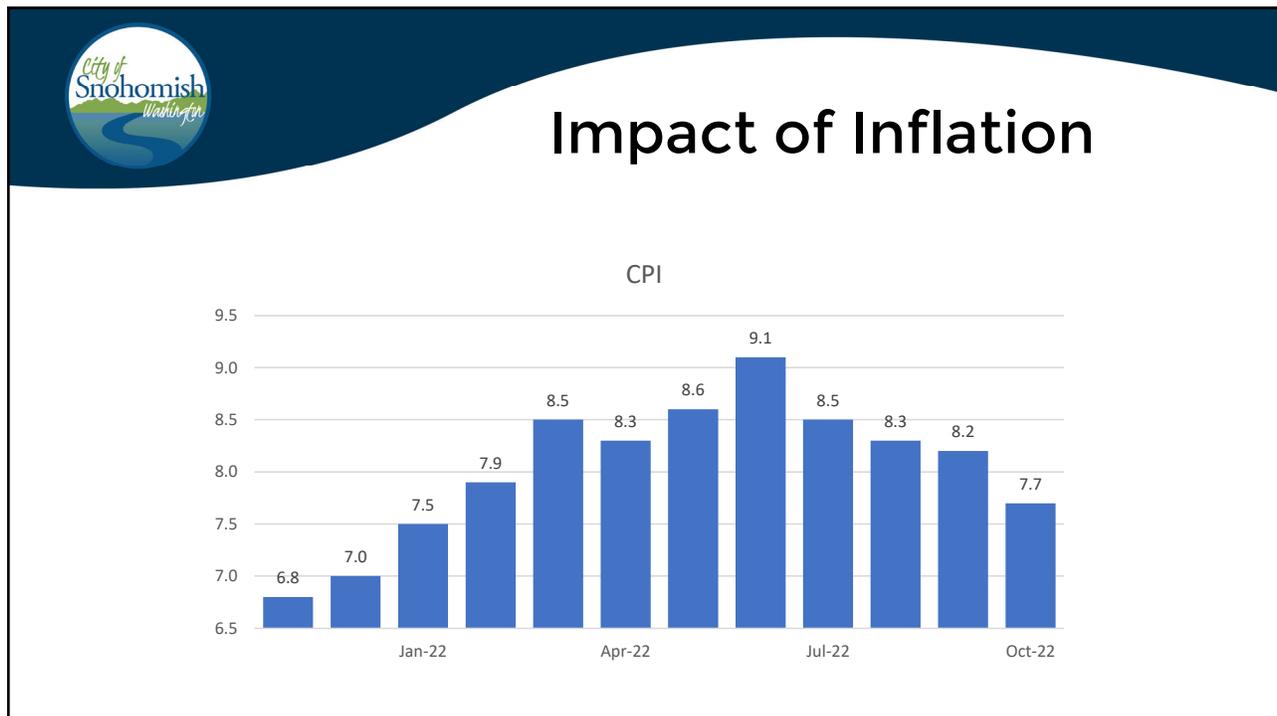
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Inflation is Driving Up Other Costs



“Contract delivers 19.5% pay hikes for Snohomish County deputy sheriffs”

Source: Everett Herald, November 13, 2022

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Maintaining What We Have



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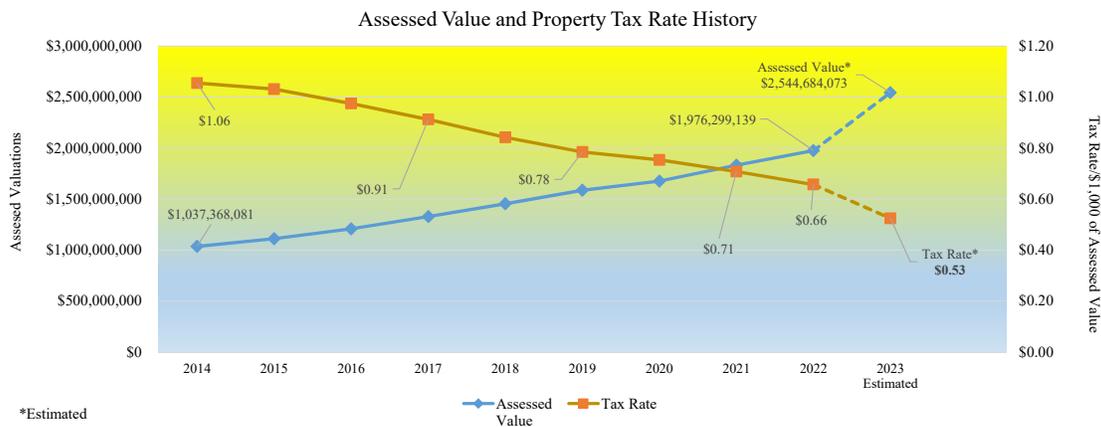
Snohomish's Recent Property Tax Levy History

- ◆◆ 2005 - City reduced by 48.5% with annexation into Fire District No. 4, creating banked capacity that is now over \$1M
- ◆◆ From 2006-2022, the City opted to take the annual 1% increase except in:
 - 2010
 - 2011
 - 2012
 - 2013
 - 2022

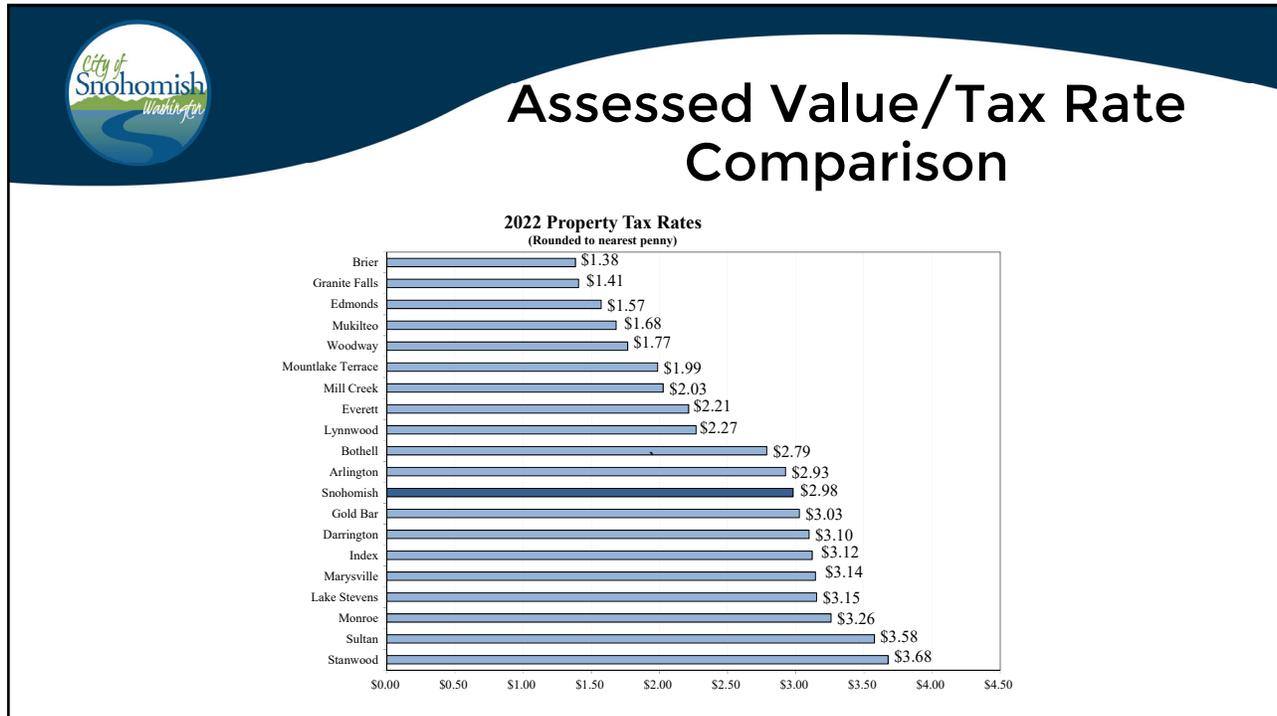
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Assessed Value/Tax Rate Comparison



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Impacts on Tax Rate With or Without 1% Increase

2022 Rate	With 1% Increase	Without 1% Increase
\$0.657289 per \$1,000 AV	\$0.53 per \$1,000 AV	\$0.52 per \$1,000 AV

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Estimated Impact of 1% Increase



2022 Typical Home Value = \$468,700.00
 2022 City Property Tax = \$308.07
 1% Tax Increase = \$3.08

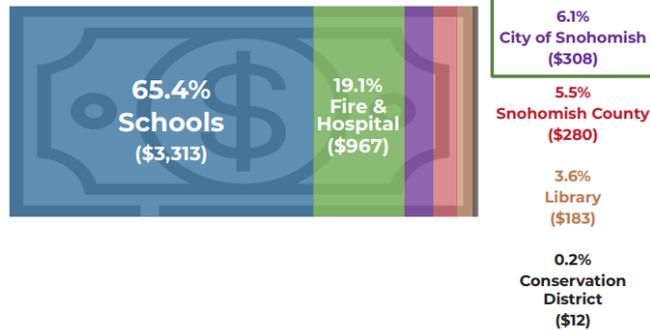
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Where Property Taxes Go

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Value for Taxpayers

Parks and Recreation

- 233 acres of parks, trails and protected open spaces
- 11 parks/playgrounds
- 7 pocket parks
- 6 miles of trails
- 6 pickleball & tennis courts
- 3 half or full basketball courts
- 3 boat launches
- 3 fishing piers/docks
- 2 baseball fields
- 2 soccer fields
- 1 disc golf course

Streets

- 47 miles of roads
- 43 miles of sidewalks
- 3 miles of alleys

Sewer/Wastewater

- 1.67M average gallons per day coming to the wastewater treatment plant
- 850 manholes
- 37 miles of sewer main
- 14 lift stations

Water

- 3,478 water meters
- 1,696 water quality samples taken annually
- 36 miles of water main

Stormwater

- 1,790 stormwater basins
- 36 miles of stormwater pipe
- 21 public flow control structures

Fleet & Facilities

- 100 pieces of equipment
- 10 City-owned facilities

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Options Before the City Council

- ◆◆◆ Approve with the additional 1% for 2023 (\$12,990 increase)
- ◆◆◆ Approve without the additional 1% increase
- ◆◆◆ Approve with additional “banked capacity”

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Questions & Discussion

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Motion:

Move to adopt Ordinance No. 2457 Levying a 1% Property Tax Increase for 2023

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2023-2024 Proposed Budget

November 15, 2022



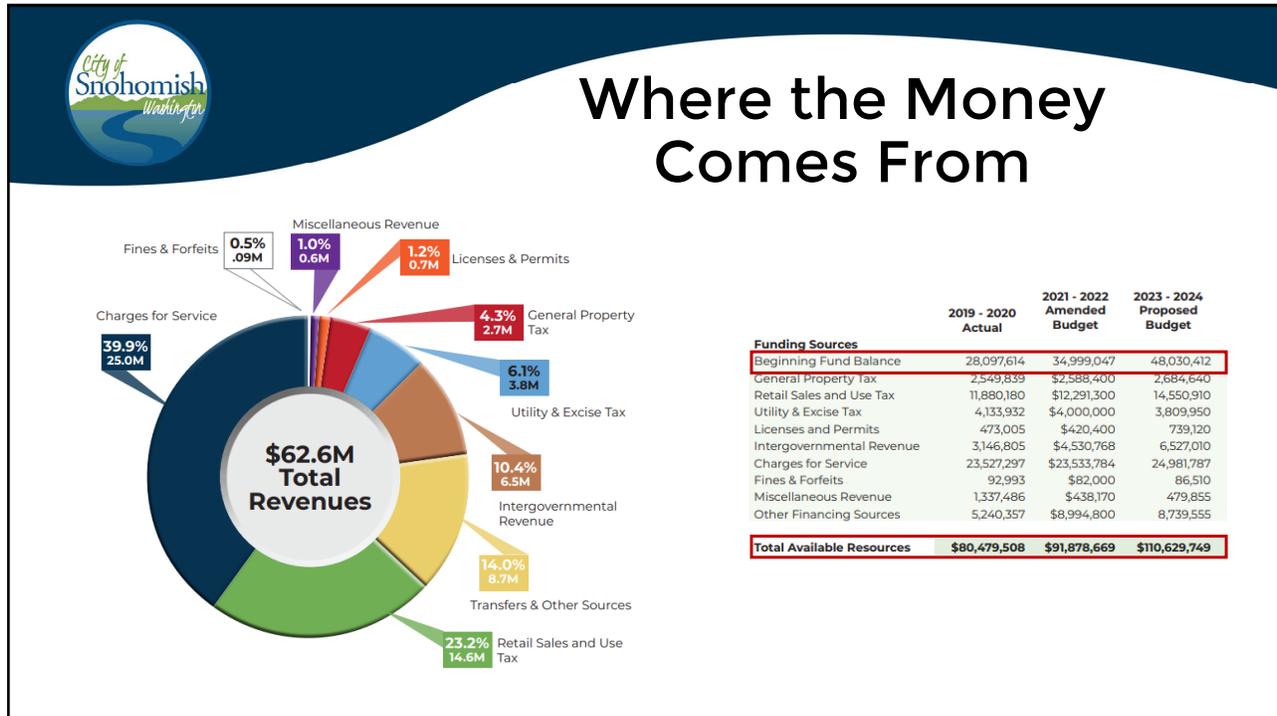
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Funds the Council's 2023-2024 Priorities

 Public Safety	 City Infrastructure	 Economic Vitality
 Housing	 Environment	 City Services
 Equity & Inclusion	 Community Involvement	 Comprehensive Planning

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2021-2022 Fund Balance Variances

Fund	Fund Name	Projected Beginning Fund Balance	Actual Beginning Fund Balance	Difference Actual Less Budget
001	General	3,488,597	4,393,916	905,319
102	Streets	301,113	605,804	304,691
104	Park Impact Fee	827,379	728,279	(99,100)
107	Visitor Promotion	30,078	37,896	7,818
108	PBIA	45,167	47,165	1,998
113	Police Seizure(closed)	127	-	(127)
125	Traffic Impact Fee	535,536	399,999	(135,537)
130	Transportation Benefit District	4,397,522	4,969,280	571,758
140	Snohomish Rescue Plan	-	-	-
150	Behavioral Health and Housing	-	-	-
205	Debt Service	15,204	15,911	707
305	Real Estate Excise Tax	1,027,204	569,713	(457,491)
310	Municipal Capital Projects	177,045	95,932	(81,113)
311	Street Capital Projects	1,406,151	1,434,853	28,702
401	Water Utility	5,817,326	5,686,408	(130,918)
402	Wastewater Utility	9,813,785	10,162,719	348,934
403	Solid Waste	175,109	176,450	1,341
404	Stormwater Utility	3,635,240	4,069,223	433,983
501	Facilities	502,662	715,431	212,769
502	Information Services	579,357	717,756	138,399
503	Self-Insurance	4,793	4,798	5
505	Equipment Replacement	164,706	163,639	(1,067)
604	Carnegie Restoration(closed)	6,911	163,639	156,728
Fund Totals		32,951,012	34,995,173	2,051,072

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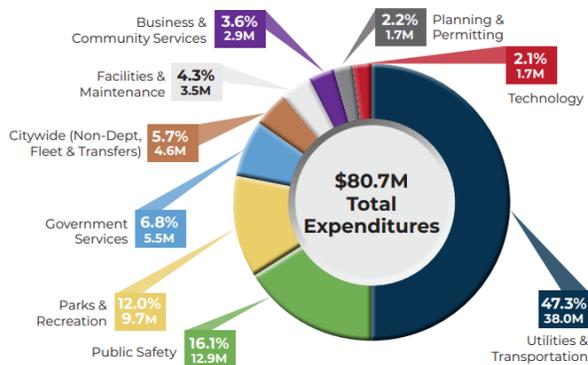
2021-2022 Expense Variances

Fund	Fund Name	Projected Beginning Fund Balance	Actual Beginning Fund Balance	Difference Actual Less Budget
001	General	19,947,900	19,040,660	907,240
102	Streets	2,404,300	2,063,528	340,772
104	Park Impact Fee	1,055,000	261,651	793,349
107	Visitor Promotion	20,000	-	20,000
108	PBIA	64,560	64,560	-
125	Traffic Impact Fee	-	-	-
130	Transportation Benefit District	2,305,600	1,057,740	1,247,860
140	Snohomish Rescue Fund	2,834,468	422,633	2,411,835
205	Debt Service	123,200	123,200	-
305	Real Estate Excise Tax	1,356,000	914,239	441,761
310	Municipal Capital Projects	2,996,000	1,345,167	1,650,833
311	Street Capital Projects	3,421,225	3,421,225	-
401	Water Utility	7,540,300	5,230,934	2,309,366
402	Wastewater Utility	15,146,300	6,874,590	8,271,710
403	Solid Waste	-	-	-
404	Stormwater Utility	5,929,600	2,752,780	3,176,820
501	Fleet & Facilities	1,999,800	1,843,093	156,707
502	Information Services	1,142,400	1,142,400	-
503	Self-insurance	10,000	-	10,000
505	Equipment Replacement	180,000	180,000	-
Fund Totals		68,476,653	46,558,400	21,738,253

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Where the Money Goes



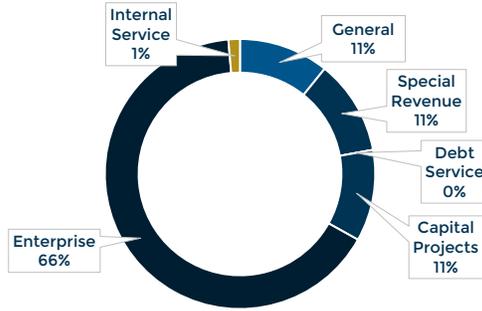
Expenditures	2019 - 2020 Actual	2021 - 2022 Amended Budget	2023 - 2024 Proposed Budget
General Government	7,462,503	8,713,450	9,896,424
Security of Person & Property	7,295,394	8,410,700	8,513,210
Utilities & Environment	9,598,296	11,956,399	14,675,466
Transportation	1,929,761	2,581,033	3,267,532
Natural and Economic Environment	1,509,639	2,544,920	3,616,950
Social Services	148,567	870,400	1,008,890
Culture and Recreation	1,610,946	2,492,420	2,737,780
Debt Service	1,662,872	1,617,000	1,613,820
Capital Expenditures	7,616,322	18,410,883	22,087,110
Road Construction	1,588,910	3,251,858	4,226,555
Other Financing Uses	5,057,250	9,391,800	9,054,565
Total Expenditures	\$45,480,461	\$70,240,863	\$80,698,302

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Use of Fund Balance

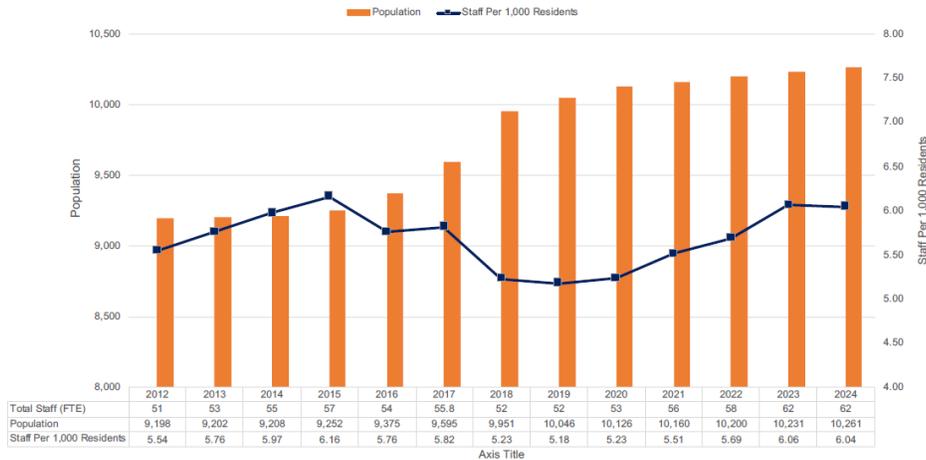
Budget Summary By Fund					
Fund	Fund Name	Projected Beginning Fund Balance	2023 - 2024 Revenue Proposed Budget	2023 - 2024 Expenditure Proposed Budget	Projected Ending Fund Balance
001	General	6,951,830	22,293,300	24,255,266	4,989,864
102	Streets	620,723	2,673,200	3,250,707	43,216
104	Park Impact Fee	852,636	251,500	932,600	171,536
107	Visitor Promotion	66,700	20,200	76,900	10,000
108	PBIA	22,880	40,350	38,000	25,230
125	Traffic Impact Fee	526,833	226,000	548,700	204,133
130	Transportation Benefit District	6,464,850	2,510,000	1,444,850	7,530,000
140	Snohomish Rescue Plan	2,411,835	250,000	2,661,835	-
150	Behavioral Health and Housing	433,795	915,000	-	1,348,795
205	Debt Service	15,987	123,275	123,200	16,062
305	Real Estate Excise Tax	1,322,974	1,195,980	2,084,055	434,899
310	Municipal Capital Projects	947,783	2,310,550	3,174,570	83,763
311	Street Capital Projects	1,507,230	3,791,885	4,036,155	1,262,960
401	Water Utility	7,713,890	5,954,500	9,395,940	4,272,450
402	Wastewater Utility	12,047,512	11,958,000	18,492,124	5,513,388
404	Stormwater Utility	4,551,098	3,572,630	5,519,272	2,604,456
501	Facilities	365,973	1,441,100	1,441,300	365,773
502	Information Services	616,132	1,317,170	1,376,978	556,324
503	Self-Insurance	891	-	-	891
505	Equipment Replacement	588,860	1,754,697	1,845,850	497,707
	Fund Totals	48,030,412	62,599,337	80,698,302	29,931,447



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Population and Staffing



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2023-2024 Staffing Priorities

Request Type	Position	Department	Fund Source
Advance Hire	Building Official	Planning – Building	General Fund
TLT→Permanent	Maintenance Worker	PW – Parks	ARPA/Parks
Increase Total	Seasonal Workers	Public Works – All	Varies
Add	Facilities Technician	PW Facilities & Carnegie	Cost Allocation Plan
Add	Maintenance Worker	PW - Stormwater	Stormwater Fund
Add	GIS Coordinator	Admin – IT Services	Cost Allocation Plan
Add	Project Coordinator	Public Works Admin.	Cost Allocation Plan

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Funding Mix for Propose Staffing

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R f-t-wUw ut-xji Ut-xpnt sx	Facilities Technician	●	●			●	●	●	●				
	Maintenance Worker (Stormwater)						●						
	Project Coordinator						●	●	●	●	●		
	GIS Coordinator	●	●			●	●	●	●				
Ht zshq Uw ut-xji	Code Enforcement Official	●	●			●	●	●	●	●	●	●	●

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Funding Mix for 2022 Added Staffing

	IS Fund	Storm	Muni. Capital	Streets Capital	Fleet	Facilities
Public Works Director	●	●	●	●	●	●
Community Navigator		●				
Economic Development Coordinator	●					
Community Programs Specialist	●					
NPDES Coordinator		●				
Maintenance Worker (0.5 FTE) - Parks	●					
Maintenance Worker (0.5 FTE) - Streets		●				
Maintenance Worker (0.5 FTE) - Water			●			
Administrative Assistant (TLT)	●	●	●	●	●	●

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Items Not Included in Proposed Budget Yet

- ◆◆◆ Mayor’s salary increase to \$2,500/mo (as decided Nov. 10)
- ◆◆◆ Councilmember Burke’s proposal for a Code Enforcement Official
- ◆◆◆ Councilmember Flynn’s proposal for \$26,400 for Arts & Culture

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General Fund Forecast

Without Council Decision Packages										
ITEM	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Fund Balance	2,471,273	2,520,644	3,183,348	4,384,756	4,393,916	6,168,680	7,201,115	6,658,091	5,840,799	5,305,810
Total Revenues	9,153,961	9,353,759	9,794,541	10,256,532	10,844,013	10,754,561	11,152,040	11,194,950	11,188,580	11,236,400
Total Expenditures	9,104,590	8,691,055	8,813,144	10,247,373	9,069,249	9,971,411	11,994,938	12,320,248	12,024,173	12,276,508
Expense Growth / (Decline)		-4.5%	1.4%	16.3%	-11.5%	9.9%	20.3%	2.7%	-2.4%	2.1%
Anticipated Under - Expenditure						(\$249,285)	(\$299,873)	(\$308,006)	(\$300,604)	(\$306,913)
Ending Fund Balance	2,520,644	3,183,348	4,164,745	4,393,916	6,168,680	7,201,115	6,658,091	5,840,799	5,305,810	4,572,615

With Council Decision Packages										
ITEM	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beginning Fund Balance	2,471,273	2,520,644	3,183,348	4,384,756	4,393,916	6,168,680	7,201,115	6,545,586	5,610,530	4,949,847
Total Revenues	9,153,961	9,353,759	9,794,541	10,256,532	10,844,013	10,754,561	11,152,040	11,194,950	11,188,580	11,236,400
Total Expenditures	9,104,590	8,691,055	8,813,144	10,247,373	9,069,249	9,971,411	12,110,328	12,441,031	12,153,091	12,409,147
Expense Growth / (Decline)		-4.5%	1.4%	16.3%	-11.5%	9.9%	21.5%	2.7%	-2.3%	2.1%
Anticipated Under - Expenditure						(\$249,285)	(\$302,758)	(\$311,026)	(\$303,827)	(\$310,229)
Ending Fund Balance	2,520,644	3,183,348	4,164,745	4,393,916	6,168,680	7,201,115	6,545,586	5,610,530	4,949,847	4,087,328

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Questions & Discussion

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