



Shelton City Council
Study Session Agenda
September 12, 2023 – 6:00 p.m.
Civic Center & Virtual Platform

A. Call to Order

B. Roll Call

C. Study Agenda

1. Evergreen Treatment Services-Mobile Medical Unit – Presented by City Manager Mark Ziegler
2. Street Fund Discussion – Presented by Public Works Superintendent Brent Armstrong
3. 2024 Budget Discussion – Presented by Finance Director Mike Githens

D. New Items for Discussion

E. Adjourn



2023 Looking Ahead

(Items and dates are subject to change)

Tues. 9/19 5:45 p.m. CANCELLED	SMPD Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Meeting Minutes Business Agenda <ul style="list-style-type: none"> • Action Agenda <ul style="list-style-type: none"> • Administration Report <ul style="list-style-type: none"> • 	Packet Items Due: 9/8 @ 5:00 p.m.
Tues. 9/19 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentation <ul style="list-style-type: none"> • July Financial Status Report • Bluegrass from the Forest LTAC Report Business Agenda <ul style="list-style-type: none"> • Resolution No. 1288-0823 Electronic Funds Transfer Policy Action Agenda <ul style="list-style-type: none"> • Ordinance No. 2003-0523 Adoption of 2021 International Fire Code • Ordinance No. 2004-0523 Adoption of 2021 International Building Code • Ordinance No. 2010-0723 Amending SMC Related to Sewer Rates • Ordinance No. 2011-0723 Amending SMC Related to Water Rates • Resolution No. 1287-0823 Amending Petty Cash Monies • ILA with Mason County for Joint Comprehensive Planning Administration Report <ul style="list-style-type: none"> • 	Packet Items Due: 9/8 @ 5:00 p.m.
Tues. 9/26 6:00 p.m.	Study Session	Study Agenda Comp. Plan Scoping	Packet Items Due: 9/22 @ noon
Tues. 10/3 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> • Vouchers/Payroll Warrants/Meeting Minutes Presentation <ul style="list-style-type: none"> • Proclamation – White Cane Awareness Day Business Agenda <ul style="list-style-type: none"> • Ordinance No. 2012-0823 Amending Traffic Impact Fee Definitions 	Packet Items Due: 9/22 @ 5:00 p.m.

		<ul style="list-style-type: none"> Resolution No. 1291-0823 Authorizing Sale of Surplus Real Estate Northcliff Purchase and Sales Agreement Action Agenda <ul style="list-style-type: none"> Ordinance No. 2012-0823 Amending Traffic Impact Fee Definitions Resolution No. 1288-0823 Electronic Funds Transfer Policy LTAC Tourism Grant Recommendations Administration Report <ul style="list-style-type: none"> 	
Tues. 10/10 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 10/6 @ noon
Tues. 10/17 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> Vouchers/Payroll Warrants/Meeting Minutes Presentation <ul style="list-style-type: none"> Shelton Downtown Merchants LTAC Report Business Agenda <ul style="list-style-type: none"> Action Agenda <ul style="list-style-type: none"> Ordinance No. 2012-0823 Amending Traffic Impact Fee Definitions Resolution No. 1291-0823 Authorizing Sale of Surplus Real Estate Northcliff Purchase and Sales Agreement Administration Report <ul style="list-style-type: none"> 	Packet Items Due: 10/6 @ 5:00 p.m.
Tues. 10/17 After regular meeting	Special Meeting	Executive Session <ul style="list-style-type: none"> Real Estate Sale, Purchase, or Lease 	N/A
Tues. 10/24 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 10/20 @ noon
Tues. 11/7 6:00 p.m.	Regular Meeting	Consent Agenda <ul style="list-style-type: none"> Vouchers/Payroll Warrants/Meeting Minutes Presentation <ul style="list-style-type: none"> Business Agenda <ul style="list-style-type: none"> Action Agenda <ul style="list-style-type: none"> Administration Report <ul style="list-style-type: none"> 	Packet Items Due: 10/27 @ 5:00 p.m.
Tues. 11/14 6:00 p.m.	Study Session	Study Agenda	Packet Items Due: 11/9 @ noon

Other – TBD

- Public Hearing Ordinance No. 1990-0522 Amending SMC 17.12
- Project and Funding Authorization for Wallace/Shelton Springs Intersection Improvements
- Property Maintenance Code

Updated 9/8/2023

City of Shelton Street Fund Discussion

September 12, 2023



Brockdale Road before 2023 overlay



Brockdale Road after 2023 overlay paving



Street Fund Operations

The street maintenance division is located at the City Shop located at 1000 West Pine Street. The job duties of the street division are numerous that include:

- CLEAN EQUIPMENT & TRUCKS
- TREE/BRUSH TRIMMING & CHIPPING
- MOWING, WEED EATING, SPRAY/HAND WEEDING
- GRAFFITI REMOVAL
- GUARDRAIL REPAIR
- HAULING GARBAGE & CONSTRUCTION MATERIALS
- PAVEMENT AND GRAVEL ROAD & ALLEY MAINTENANCE
 - Mainline Striping, Crosswalks, & Parking Stalls
 - Pothole Filling & Permanent Patches (summer)
 - Pavement Crack Sealing
 - Shoulder Rock & Gravel Road Grading/Repair
 - Street Sweeping
 - Dead Animal Removal
- REVIEW BUILDING AND DEVELOPMENT PLANS
- TRAFFIC SIGNAL MAINTENANCE
- UTILITY LOCATING
- RADAR SPEED FEEDBACK SIGNS & TRAFFIC READER BOARDS
- CROSSWALK AND SCHOOL ZONE RAPID FLASHER MAINTENANCE
- CHRISTMAS DECORATIONS & TREE LIGHTS DOWNTOWN
- HANGING FLOWER BASKETS COORDINATION
- DOWNTOWN SIDEWALK AND STREET TREE MAINTENANCE
- MULTIPLE COMMUNITY EVENTS, ROAD CLOSURES, DETOURS, TRASH COLLECTION, SIDEWALK CLEANING, STREET SWEEPING.
- WINTER OPERATIONS:
 - Deicer, Sanding, Plowing Primary/Secondary Routes.
 - Roadway Sweeping (sand/debris)
 - Roadway Flooding Closures & Cleanup
 - Sandbag Program
 - Windstorm, Cleanup Down Trees and Branches
- HOMELESS CAMP CHECKS & GARBAGE CLEAN-UP
- CUSTOMER RELATIONS, PHONE CALLS, EMAILS, MY CIVIC

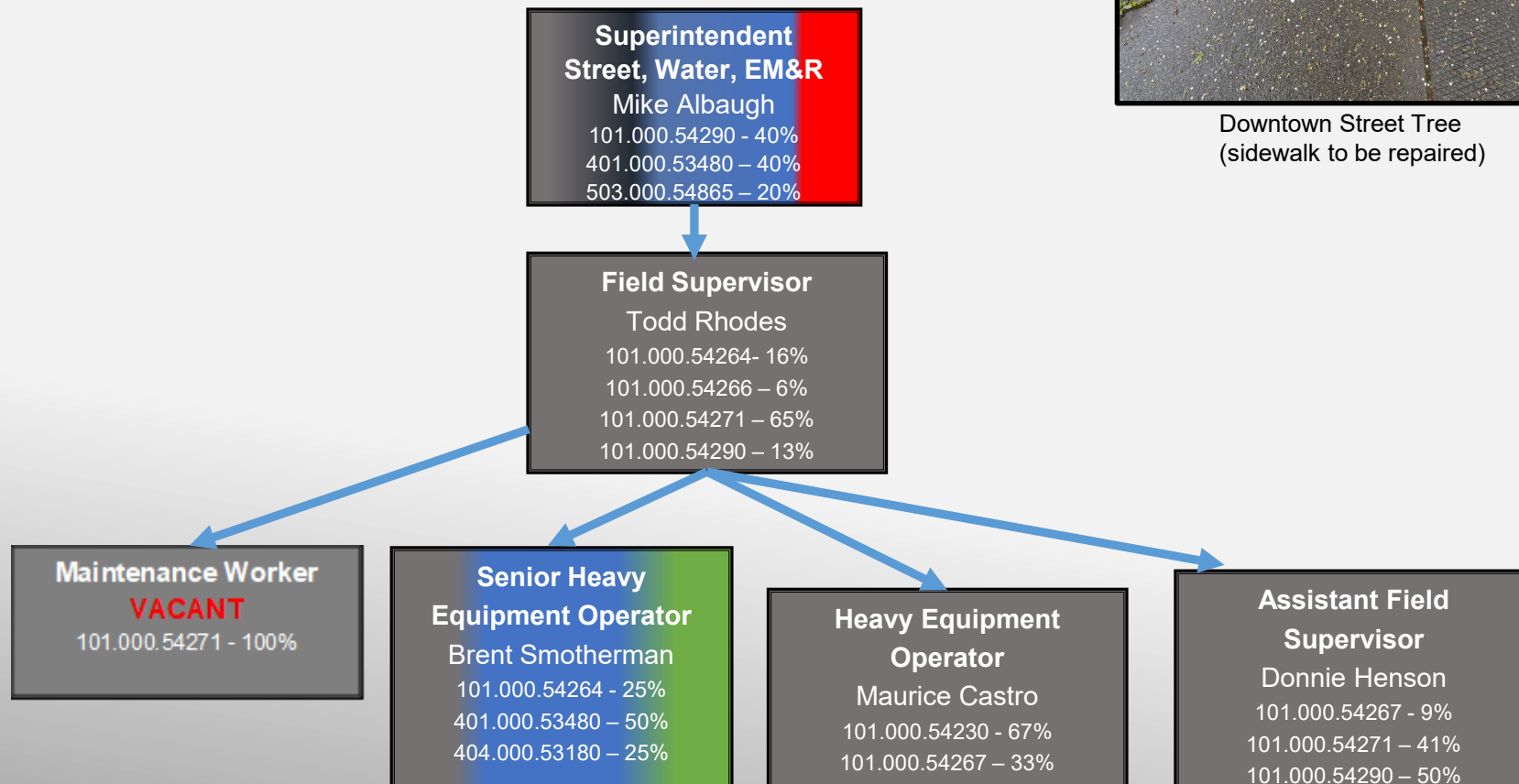
Street Fund Staffing

STAFFING

	2020 Actual	2021 Actual	2022 Budget	2023 Adopted
Superintendent - Streets/Water/EM&R	0.40	0.40	0.40	0.40
Field Supervisor - Streets	1.00	1.00	1.00	1.00
Assistant Field Supervisor - Streets	-	-	-	1.00
Heavy Equipment Operator	-	-	-	1.00
Sr. Heavy Equipment Operator	-	-	-	0.25
Operator	1.25	1.25	1.25	-
Truck Driver	1.00	1.00	1.00	-
Maintenance Worker	1.00	1.00	1.00	1.00
Senior Inspector	-	0.25	-	-
Total Street Fund	4.65	4.90	4.65	4.65



Downtown Street Tree
(sidewalk to be repaired)



Street Fund Revenue

STREET FUND SUMMARY

	2021 Actual	2022 Budget	2022 YE Estimate	2023 Adopted Budget	\$ Change 23 - 22	% Change 23 - 22
Beginning Fund Balance	1,005,320	423,415	423,415	319,085		

FUNDING SOURCES

Taxes	687,474	675,000	669,830	675,000	-	
Licenses & Permits	16,129	5,500	16,611	10,000	4,500	
Intergovernmental Revenue	211,320	214,000	202,038	199,000	(15,000)	-7.0%
Charges for Goods/Service	55,149	56,120	55,120	56,120	-	0.0%
Miscellaneous Revenue	1,304	1,500	13,186	1,500	-	0.0%
Transfer In	1,354,026	934,510	934,510	1,126,696	192,186	
Total Revenues	2,325,402	1,886,630	1,891,295	2,068,316	181,686	9.6%

Revenue Breakdown:

Sales Tax TBD	675,000.00 ¹
Right of Way Permits	10,000.00
Multimodal Transportation City	14,000.00
MotorVehicleFuelTax-Street M&O	185,000.00 ²
Roads/Street Services-Misc Charge	1,000.00
Intrfd-StClean/Sweep4Storm	55,120.00
Investment Interest	1,500.00
Transfer In - TBD	60,000.00 ³
TransIn-Capital Resources General	500,000.00 ⁴
Transfer In-General Fund	566,696.00 ⁴
Revenue Total:	2,068,316.00

Notes:

1. Transportation Benefit District sales & use tax (TBD, rate=0.2%) can be used for transportation improvements that improve, preserve, maintain, and operate existing transportation infrastructure. FY 2023 budget uses TBD funds to leverage State & Federal Grant Funds. The TBD sales tax will need to be renewed by the voters prior to expiration in 2026.
2. City share of State Gas Tax.
3. REET 1 & 2 Transfers in for downtown repairs.
4. Funding, ARPA (one-time) \$500,000 and General Fund in the amount of \$566,696.

Street Fund Expenditures

EXPENDITURES BY CATEGORY

	2021 Actual	2022 Budget	2022 YE Estimate	2023 Adopted Budget	\$ Change 23 - 22	% Change 23 - 22
Wages	328,340	336,610	362,632	378,475	41,865	12.4%
Benefits	153,286	159,370	165,022	177,470	18,100	11.4%
Supplies/Equip	49,934	83,280	64,338	87,470	4,190	5.0%
Service/Charges	511,664	637,310	623,993	592,870	(44,440)	-7.0%
Capital	-	-	-	-	-	
Indirect Charges	279,950	279,640	279,640	305,541	25,901	9.3%
Transfer-Out	1,584,133	500,000	500,000	525,000	25,000	5.0%
Total Expenditures	2,907,307	1,996,210	1,995,625	2,066,825	70,615	3.5%

EXPENDITURES BY DIVISION

Maint Adm & Overhead	583,094	660,960	628,606	707,873	46,913	7.1%
Parking Facilities	784	1,130	2,029	1,190	60	5.3%
Roadside	112,747	221,670	79,629	161,874	(59,796)	-27.0%
Roadway	325,519	299,450	507,300	333,193	33,743	11.3%
Sidewalks	1,146	11,000	3,703	11,550	550	5.0%
Snow and Ice Control	29,092	15,050	41,950	16,411	1,361	9.0%
Special Purpose Paths	1,265	10,710	2,000	11,250	540	5.0%
Street Cleaning	19,391	40,250	7,731	45,621	5,371	13.3%
Street Lighting	155,142	130,000	130,000	136,500	6,500	5.0%
Traffic Control Devices	94,995	105,990	92,677	116,364	10,374	9.8%
Transfer-Out	1,584,133	500,000	500,000	525,000	25,000	5.0%
Total Expenditures	2,907,307	1,996,210	1,995,625	2,066,825	70,615	3.5%
 Ending Fund Balance	 423,415	 313,835	 319,085	 320,576		
 Change in Fund Balance	 (581,905)	 (109,580)	 (104,330)	 1,491		

Classification of Pavement Condition



VERY GOOD (PCI=95)



GOOD (PCI=70)



FAIR (PCI=60)



POOR (PCI=45)



VERY POOR (PCI=20)

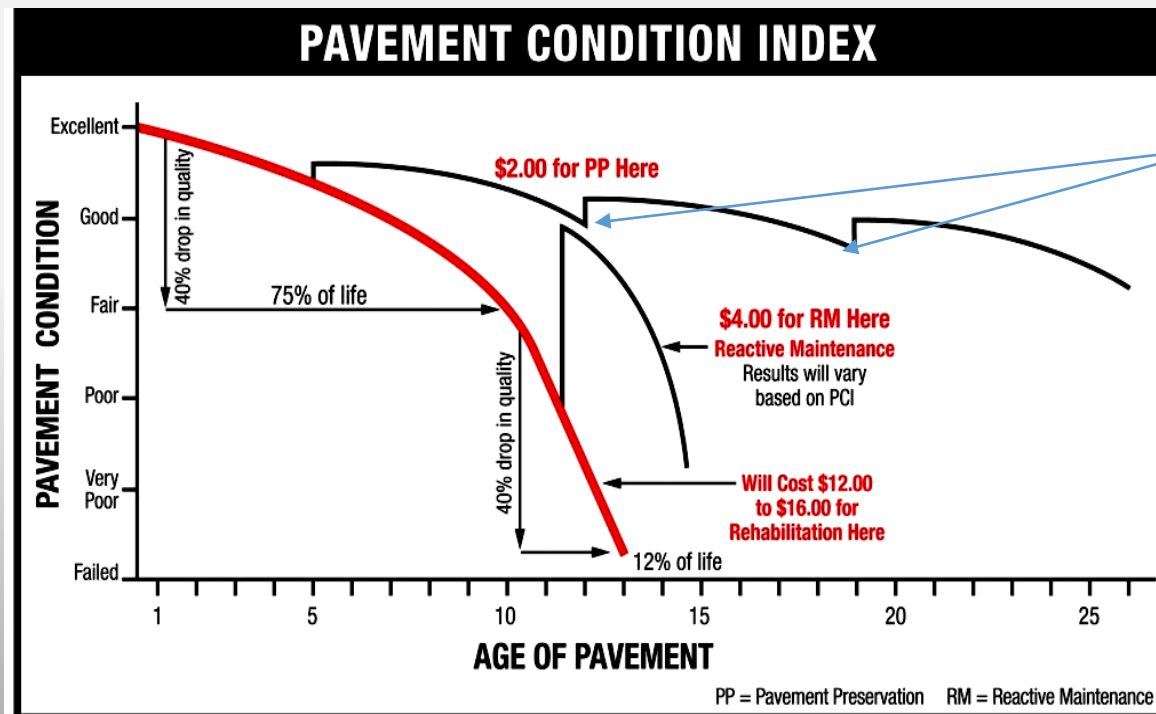


GRAVEL (PCI=0)

The City of Shelton has approximately 54.0 centerline miles of paved streets and about 5.0 miles of gravel roadways. The replacement value is approximately \$140 million dollars.

Pavement Condition Index (PCI):

- A city-wide pavement study was completed in 2020 and the average PCI rating was 69 with a project backlog estimated at \$14.3 million.
- The proposed pavement projects in 2024 is to pave a portion of gravel roads in the Capital Hill neighborhood (\$100k), chip sealing of local streets (\$100k), and grind-inlay Olympic Hwy North (\$490k TBD match to \$3.5 million of State funds).
- In five-years the city-wide average PCI is expected to fall from 69 to 64 at current funding levels.
- Staff is completing a study in FY 2024 to update the 2020 PCI report and yearly costs to maintain the pavement system.



If major pavement maintenance/preservation work is completed about every 10 years, long term costs are greatly reduced.

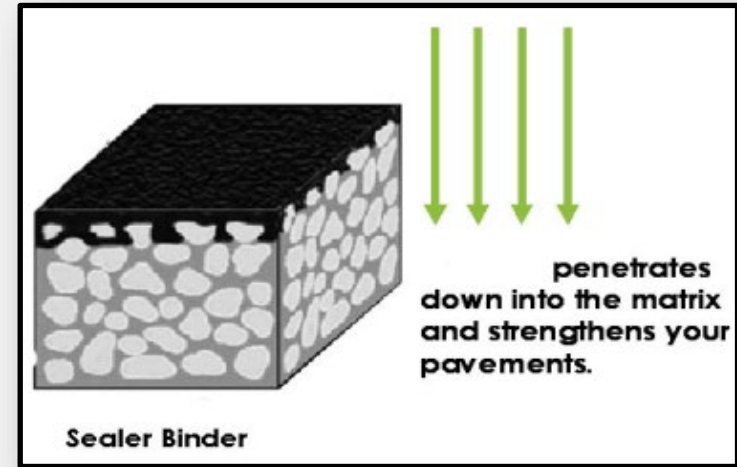
Types of Pavement Maintenance



Crack Sealing: The least expensive treatment. Crack sealing prevents most of the moisture from entering the underlying aggregate base rock.



Slurry seal: Crack seal, then apply a mixture of asphalt emulsion with fine sand aggregate and water. Mixture is spread over entire surface @3/8" thick. Protects pavement from water damage and provides a minimal wearing surface.



Fog Seal: Rejuvenates the oils in the top layer of asphalt. Fills small gaps between the aggregate in pavement. Reduces deterioration of the surface.

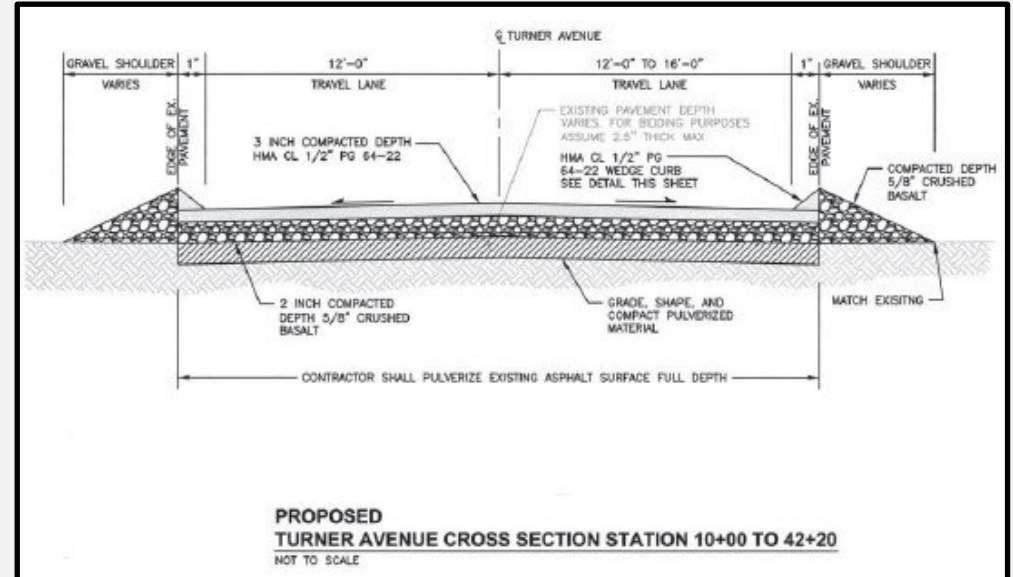


Chip seal: Crack seal, then apply a asphalt tack coat, apply 3/8" rock layer, then finish with a fog seal. Final thickness is approximately 3/4". Protects pavement from water damage and provides a wearing surface. 13th Street 2021

Types of Pavement Rehabilitation & Reconstruction



Pavement overlay: Thin lift overlays, thickness of 1-inch. Standard overlays are about 2-3 inches of asphalt. Park Street 2021.



Pavement grinding and inlay: Used on severely distressed pavement that has an adequate baserock section, or when existing surface elevations need to be maintained.



Full Depth Replacement: The existing pavement section is pulverized and reused or replaced. Very expensive when compared to street overlays. Turner Avenue 2018.

General Pavement Maintenance Guidelines:

- Crack seal roads every 3 to 5 years.
- Fog and slurry seal coats every 7 to 10 years For local roads.
- Chip seals every 10-15 years for local roads, minor collectors, and major collectors.
- After multiple slurry or chip seals an overlay is usually required to address surface issues.
- All pavement surfaces will eventually need an overlay or complete reconstruction.
- Full removal of pavement and base-rock is needed when:
 - The surface is highly fractured, and the underlying base-rock section is inadequate, contaminated with silt, or at the end of its service life.
 - Full removal and replacement of the pavement and base rock sections provide the longest service life but is the most expensive.
- The interval schedules between maintenance treatments and full pavement rehabilitation depends upon the road classification, traffic volumes, soil subgrade support, and the design of the original pavement structure.
- Roads with higher traffic volume, speeds, and loads require a higher level of service and maintenance intervals.

Summary Statements:

1. The street fund provides for the maintenance and operation of the largest asset of the City.
2. To properly operate and maintain the street system, additional City staff (operator & maintenance worker), and other materials, contract services, training, and equipment purchase budget line-item increases should be considered.
3. To maintain the existing pavement condition index, additional revenue will be needed to complete additional maintenance and restoration projects each year. Current funding sources are TBD, grants, and transfer from general fund.
4. Locally acquired street funds is largest source of revenue for the majority of Cities in Washington, not State or Federal funds. Recently, the City has been very successful in acquiring State and Local funds by leveraging our local funds.
5. The State motor fuel tax revenue is decreasing, as the number of miles driven each year is decreasing, and the use of more fuel efficient and electric vehicles increase.
6. The City of Shelton's situation is not unique, most Washington Cities have similar funding issues.
7. The local Transportation Benefit District (TBD) sales tax revenue will sunset in FY 2026.
8. 40% of the pavement in the City is classified as fair to poor condition. Maintenance to these surfaces sooner can defer higher costs later, such as dig-out and replacement repairs.
9. Proper preventative maintenance of all surfaces will reduce the number of higher cost overlays and full reconstruction.
10. Planned proactive pavement maintenance projects reduces the reactive labor and material costs for the street maintenance division.
11. Improved and well-maintained streets increase livability, decrease automobile maintenance costs, improves property values and business activity for the entire community.

QUESTIONS ?



For more information, please contact:

James (Jay) Harris
Public Works Director
City of Shelton
360-432-5125
jay.harris@sheltonwa.gov

Railroad Avenue, 1912

City Business and Occupation Taxes

Overview

Any city or town in Washington may levy a business and occupation (B&O) tax on local businesses, in addition to any state B&O taxes.

B&O taxes support general governmental services. Every person, firm, association, or corporation doing business in the City is subject to the B&O tax based on gross receipts. All businesses report based on their gross receipts.

All businesses are subject to B&O tax unless exempted by Shelton Municipal Code. Businesses with gross receipts of less than \$20,000 annually or \$5,000 quarterly are not subject to B&O tax.

The City of Shelton's B&O tax is a different tax than the Washington State Department of Revenue's B&O tax. If one engages in business in the City of Shelton, then you would be required to report to both the City and State. Business and occupation tax reports must be filed even if there is no business activity or no tax is due.

Currently, B&O tax is calculated on gross receipts at a rate of .001%

To create a certain degree of uniformity for businesses operating within Washington, all cities and towns levying a B&O tax on the value of products, gross income, or gross sale proceeds must adopt the provisions of the statewide model B&O tax ordinance, as described below.

B&O Tax Rates and Use of Revenues

For B&O tax purposes, businesses are divided into six classifications. Businesses conducting multiple activities will report in more than one tax classification.

- **Extracting:** Taking of natural products, such as logging, mining, quarrying, etc. The B&O tax is calculated on the value of products extracted, determined by selling price.
- **Manufacturing/Construction:** The business of producing articles from raw or prepared materials, giving these materials new forms or qualities, such as fabricating, processing, refining, mixing, packing, canning, etc., or building, repairing, improving any street, road, highway, etc. which is used for foot or vehicular traffic. The B&O tax is calculated on the value of products manufactured, as determined by selling price or gross receipts.
- **Wholesaling:** Sellers of products to persons other than consumers are considered to be wholesalers. The B&O tax is calculated on the wholesale selling price.

- **Retail Sales:** Businesses that sell products to consumers. The B&O tax is calculated on gross receipts.
- **Printing/Publishing:** Newspapers, magazines, and periodicals are taxable under this classification, as well as persons who both print and publish books, music, circulars, etc. The B&O tax is calculated on gross receipts. Photocopying documents is considered Retail.
- **Retail Service:** Businesses that sell specific services to consumers. Taxable retail services include those generally performed on property, such as repair, and also on personal or professional services, such as doctors, attorneys, or accountants. The B&O tax is calculated on gross receipts.
- **Other Business:** Any business activity that does not fit in one of the first six classifications. Any business that is not subject to another B&O tax classification must report under this category also. The B&O tax is calculated on the gross receipts of the business.

Exemptions and Deductions Allowed for Certain Business Activities

The following are the most common exemptions and deductions from the B&O tax.

Exemptions

- Sale, lease, or rental of real estate. However, no exemption is allowed for a license to use real estate or for amounts received as commissions
- Farm products or edibles raised, produced or manufactured within Washington and sold by the farmer or gardener
- Casual and isolated sales, such as an accountant selling their office furniture
- Sales related to motor vehicle fuel
- Liquor sales

These are the most common exemptions; Shelton Municipal Code 3.52.090 lists all exemptions. The City of Shelton deviates from the Model Ordinance Provisions in the following (in other words, exemptions provided for the following as well):

- Non-profit organizations
- Healthcare organizations
- International banking facilities
- Insurance business
- Farmers
- Athletic exhibitions
- Racing
- Ride Sharing

Deductions

Note: Costs of doing business like insurance, rent, or salaries are not valid deductions.

- Cash discounts taken by customers
- Manufacturing, selling or distributing motor vehicle fuel
- Credit losses or bad debts sustained by sellers
- Gross receipts reported to and taxed by another local jurisdiction in Washington

Local business & occupation (B&O) tax rates^
Effective January 1, 2023

City	Phone #	Manufacturing rate	Retail rate	Services rate	Wholesale rate	Tax Threshold^^	
						Quarterly	Annual
Aberdeen	(360) 533-4100	0.002	0.003 e	0.0037 e	0.003 e	\$5,000	\$20,000
Algona	(253) 833-2897	0.00045	0.00045	0.00045	0.00045	\$10,000	\$40,000
Auburn****	(253) 392-6496	0.001	0.0005	0.001	0.0018		\$500,000
Bainbridge Island	(206) 780-8668	0.001	0.001	0.001	0.001		\$150,000
Bellevue	(425) 452-6851	0.001596	0.001596	0.001596	0.001596		\$195,000
Bellingham	(360) 778-8010	0.0017	0.0017	0.0044 e	0.0017	\$5,000	\$20,000
Blaine	(360) 332-8311	0.002			0.002		\$250,000
Bremerton	(360) 473-5311	0.0016	0.00125	0.002	0.0016		\$1,000,000
Burien	(206) 241-4647	0.001	0.001	0.001	0.001		\$200,000
Burlington	(360) 755-0531		0.001				\$1,000,000
Cosmopolis	(360) 532-9230	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Darrington	(360) 436-1131	0.00075	0.00075	0.00075	0.00075		\$20,000
Des Moines	(206) 878-4595	0.002	0.002	0.002	0.002		\$50,000
DuPont	(253) 964-8121	0.001	0.001	0.001	0.001	\$5,000	\$20,000
Everett***	(425) 257-8610	0.001	0.001	0.001	0.001	\$5,000	\$20,000
Everson	(360) 966-3411	0.002			0.002		\$1,000,000
Granite Falls**	(360) 691-6441					\$5,000	\$20,000
Hoquiam	(360) 532-5700	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Ilwaco	(360) 642-3145	0.002	0.002	0.002	0.002		\$20,000
Issaquah	(425) 837-3054	0.0012	0.0012	0.0015	0.0012	\$25,000	\$100,000
Kelso	(360) 423-0900	0.001	0.001	0.002	0.001		\$20,000
Kenmore	(425) 398-8900	0.002 *				\$5,000	
Kent	(253) 856-6266	0.001	0.001	0.002	0.002	\$62,500	\$250,000
Lacey	(360) 491-3214		0.001	0.002		\$5,000	\$20,000
Lake Forest Park	(206) 368-5440	0.002	0.002	0.002	0.002	\$5,000	
Long Beach	(360) 642-4421	0.002	0.002	0.002	0.002	\$5,000	
Longview	(360) 442-5040	0.001	0.001	0.002	0.001		\$20,000
Lyman	(360) 826-3033	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Mercer Island	(206) 275-7783	0.001	0.001	0.001	0.001		\$150,000
North Bend	(425) 888-1211	0.002	0.002	0.002	0.002	\$5,000	
Ocean Shores	(360) 289-2488	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Olympia	(360) 753-8327	0.001	0.001	0.002	0.001	\$5,000	\$20,000
Pacific	(253) 929-1100	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Port Townsend	(360) 385-2700	0.002	0.002	0.002	0.002	\$0	\$100,000
Rainier	(360) 446-2265	0.002	0.002	0.002	0.002	\$5,000	
Raymond	(360) 942-3451	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Renton	(425) 430-6400	0.00121	0.0007	0.00121	0.00121		\$500,000
Roy	(253) 843-1113	0.001	0.002	0.002	0.001	\$5,000	\$20,000
Ruston	(253) 759-3544	0.0011	0.00153	0.002	0.00102	\$5,000	\$20,000
Seattle	(206) 684-8484	0.00222 v	0.00222 v	0.00427 v	0.00222 v		\$100,000
Shelton	(360) 426-4491	0.001	0.001	0.001	0.001	\$5,000	\$20,000
Shoreline	(206) 801-2324	0.001	0.001	0.002	0.001	\$125,000	\$500,000
Snoqualmie	(425) 888-1555	0.0015	0.0015	0.0015	0.0015	\$5,000	
South Bend	(360) 875-5571	0.001	0.002	0.002	0.002	\$5,000	
Tacoma	(253) 591-5252	0.0011	0.00153	0.004 e	0.00102		\$250,000
Tenino	(360) 264-2368	0.002	0.002	0.002	0.002	\$5,000	\$20,000
Tumwater	(360) 754-5855	0.001	0.001	0.002	0.001	\$5,000	\$20,000
Westport	(360) 268-0131	0.0025 e	0.005 e	0.005 e	0.0025 e	\$5,000	
Yelm	(360) 458-3244	0.001	0.002	0.002	0.001	\$5,000	

(v) = voter approved increase above statutory limit

(e) = rate higher than statutory limit because rate was effective prior to January 1, 1982 (i.e., grandfathered).

*Kenmore's B&O tax applies to heavy manufacturing only.

**Granite Falls repealed its B&O tax for all businesses other than extracting.

***For manufacturing gross receipts over \$8 billion, the B&O rate drops to 0.00025.

****Auburn adopted a B&O tax effective January 1, 2022.

NOTE: Tax rates may apply to businesses categories other than those above. Thresholds are subject to change. Exemptions, deductions, or other exceptions may apply in certain circumstances. Contact the city finance department for more information.

^ Tax rates are provided for cities with general local B&O taxes as of the date listed. If a city is not listed, they have not reported to AWC that they have a local B&O tax. Contact the city directly for specific information or other business licenses or taxes that may apply.

^^Thresholds listed are related to when tax is due to a city. License and registration thresholds may be different and vary by city. Please contact the city finance department to learn about their requirements.

Budget Projections

Fund	2023 Revised Budget	2023 Estimated Actuals as of 7/23	Variance	% Variance
General				
Revenue	\$ 14,513,102	\$ 14,401,760	\$ (111,342)	-2.30%
Expenditures	\$ 15,891,620	\$ 15,008,394	\$ 883,226	0.72%
Net Revenue Less Expenditures	\$ (1,378,518)	\$ (606,634)		

2023 Beginning General Fund Balance	2023 Estimated Revenue	2023 Estimated Expense	2023 Estimated Fund Balance	Balance per policy-target 20%	2023 Estimated Ending Fund (shortfall)	Actual balance %	2024 Estimated Revenue	2024 Estimated Expenses	2024 Variance (exp exceed rev)
\$ 5,047,716	\$ 14,401,760	\$ 15,008,394	\$ 4,441,082	\$ 3,178,324	\$ 1,262,758	29.59%	\$ 14,415,133	\$ 14,625,316	\$ (210,183)
*No Street Transfer budgeted									

2024 Budget estimate:
uses 2023 cuts to personnel, including Parks/Fac Dir, HR Payroll position
includes 315,271 fire/ems service increase in 2023
includes 100,000 anticipated liability increase
includes \$46,861 anticipated fire/ems increase in 2024
\$ (1,262,758) assumes use of ending fund for one time expense(s)

Revenue increase assumes 1% increase to property tax levy and no other increases

2025 Estimated Revenue	2025 Estimated Expenses	2025 Variance (exp exceed rev)	
\$ 14,538,015	\$ 15,044,575	\$ (506,560)	*Preliminary/Estimated
*No Street Transfer budgeted			

Revenue increase assumes 1% increase to property tax levy and no other increases

2026 Estimated Revenue	2026 Estimated Expenses	2026 Variance (exp exceed rev)	
\$ 14,821,506	\$ 15,346,862	\$ (525,355)	*Preliminary/Estimated
*No Street Transfer budgeted			

General Fund Overview - Revenues

Revenue Categories	2023 Revised Budget	2024 Estimated Budget	2024 Estimated Budget With B&O Increase
Taxes:			
Property	2,846,399	2,903,042	2,903,042
Sales & Use	3,515,360	3,515,360	3,515,360
City Utility	1,276,600	1,458,264	1,458,264
Non-City Utility	1,301,400	1,276,000	1,276,000
Business & Occupation	1,007,475	807,475	1,308,110
Other	48,930	48,930	48,930
Licenses & Permits	301,900	288,670	288,670
Intergovernmental Revenue	632,086	558,440	558,440
Charges for Goods/Services	3,159,306	3,159,306	3,159,306
Fines and Penalties	92,550	92,550	92,550
Miscellaneous Revenue	153,096	153,096	153,096
Transfers In	178,000	154,000	154,000
Total Revenues	14,513,102	14,415,133	14,915,768

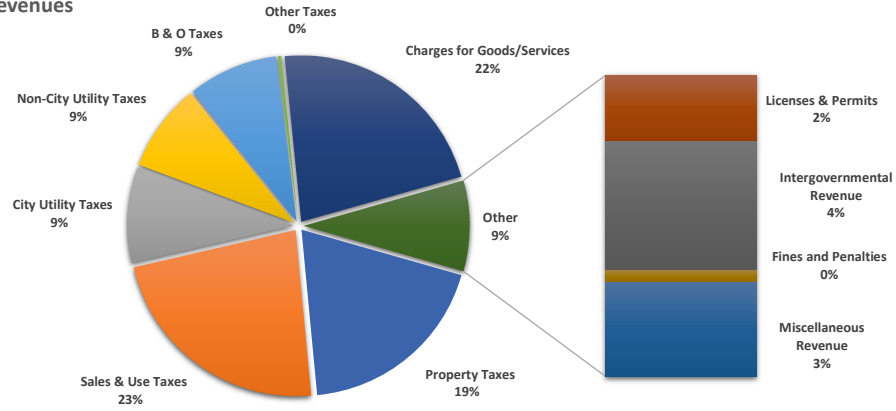
	2024 Estimated Revenue	2024 Estimated Expenses	2024 Variance (exp exceed rev)
Without Revenue Increase	\$ 14,415,133	\$ 14,625,316	\$ (210,183)
With Revenue Increase	\$ 14,915,768	\$ 14,625,316	\$ 290,452

Assumptions:
 1% increase to property tax levy
 B & O tax increase to 0.002
 Conservative B & O Tax estimate in year 1

Variance Notes

B&O Taxes: Estimated if the rate were at 0.002 to illustrate percent of revenue in General Fund

2024 Estimated General Fund Revenues



Revenues without an increase in B & O Tax:

2024 Estimated General Fund Revenues

