

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Public Hearing on Property Tax Ordinance No. 18-XXXX, setting the base Property Tax Dollar increase and percentage increase as calculated by King County for 2019 Property Taxes.	Agenda Date: November 8, 2018	
	Mayor Carol Benson	
	City Attorney David A. Linehan	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Andy Williamson	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
	Court Administrator – Stephanie Metcalf	
Cost Impact (see also Fiscal Note):		
Fund Source: Various		
Timeline:		
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator		
Attachments: Ordinance No 18-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
<p>SUMMARY STATEMENT: Public Hearing for 2019 Property Tax Ordinance setting the base Dollar amount increase and percentage increase as calculated by King County.</p> <p>Per RCW 84.52.020 the property tax certifications must be filed with King County no later than December 5, 2018 for Property Taxes to be collected in 2019 to be used for Public Safety including Fire, Police and Emergency Services. This public hearing is on an ordinance to set the Property Tax Dollar and percentage increase as calculated by King County for the 2018 Property Taxes to be collected in 2019. This ordinance includes the calculations prepared by King County. A Public Hearing is being held on November 8, 2018 with council action expected on November 15, 2018.</p> <p>King County has sent a preliminary Levy Limit worksheet showing a base increased allowed dollar amount of \$15,352 at 1% increase over last year’s base Property Tax dollars. However the Property Tax increase over actual amount is only \$14,854 or .95% as the base amount was decreased by King County due to a \$2018 refund of \$698.00. This was calculated by King County. The base levy rate also decreased from \$2.03 per thousand of Property Value to \$1.90, a 6% decrease, however this is a King county calculated levy that does not affect the allowed dollar amount cities can receive. This base rate does not include New Construction, State Assessed property, refunds and any adjustments.</p> <p>King County estimates our total city Assessed Valuation at \$867,760,447, an increase of \$110,193,988 over last year resulting in a 14.5 % gain in value. Each property tax bill is calculated by the county and they set the actual levy rate once they have finalized all their assessments and individual valuations.</p> <p>All of Black Diamonds Property Taxes funds are used for Public Safety and provide approximately 55% of the revenue needed to cover Public Safety costs.</p> <p>FISCAL NOTE (Finance Department): The additional \$14,854 increase is less than the allowed one percent increase at .95% over last year’s actual base property tax pending Council approval</p>		

on November 15, 2018. This reduction was due to a \$698 refund by Kind County in 2018.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

RECOMMENDED ACTION:

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 15, 2 018		

ORDINANCE NO. 18-XXXX

AN ORDINANCE OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO THE GENERAL PROPERTY TAX LEVY AND SPECIFYING THE INCREASE CALCULATED BY KING COUNTY BASED ON LAST YEARS ACTUAL LEVY COMMENCING ON JANUARY 1, 2018 WITH CERTAIN CHANGES REQUIRED BY KING COUNTY IN THE MANNER IN WHICH THE AMOUNTS ARE CALCULATED. SUCH PROPERTY TAX LEVY SHALL APPLY TO ALL PROPERTY BOTH REAL AND PERSONAL, SUBJECT TO TAXATION, FOR THE PURPOSE OF PROVIDING REVENUE FOR PUBLIC SAFETY FOR THE CITY OF BLACK DIAMOND, ALL AS REQUIRED BY LAW, AND ESTABLISHING THE EFFECTIVE DATE.

WHEREAS, the Council of the City of Black Diamond has met and considered its budget for the calendar year 2019 and

WHEREAS, the Council thereafter gave notice of public hearings and held public hearings on November 8, 2018, and

WHEREAS, the City adopted the estimated Preliminary assessed valuation of \$867,760,447, and

WHEREAS, the City's actual King County levy amount from the previous actual year base levy of \$1,535,942 is a base increase of **\$14,654 or .95%**; and

WHEREAS, the population of the City is less than 10,000; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. Levy and Percentage of Increase. An increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2019`tax year. The dollar amount of the increase over the actual levy amount authorized from King County for the previous year shall be \$14,654.00, which is a percentage increase of .95% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by State

or Federal law or regulations, such decisions or preemptions shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 3. **Effective Date.** This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, Washington, this 15th day of November 2018

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

David A Linehan, City Attorney

Published:

Posted:

Effective Date:

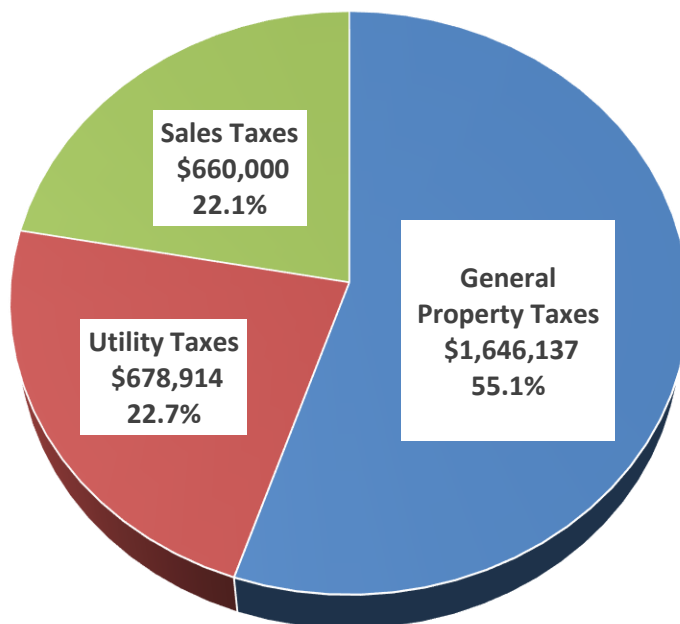
City of Black Diamond Property Taxes

2019

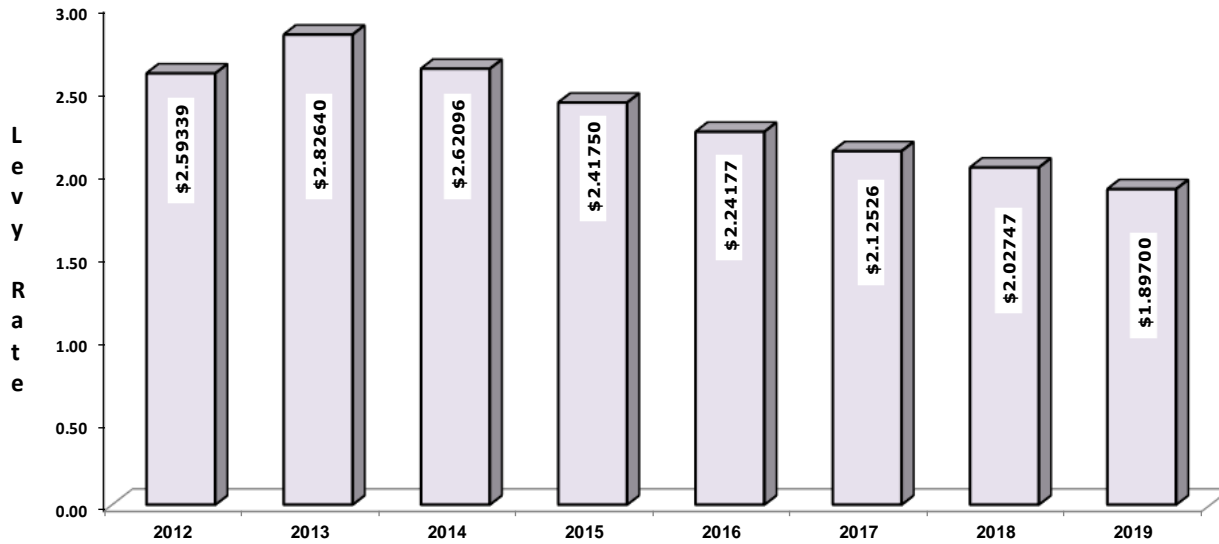
Property taxes make up 55.1% of the General Fund’s tax revenue and estimated to generate \$1,646,137 in revenue for the city in 2019. All revenues from property taxes go directly to the General Fund to support public safety for police, fire protection and emergency services. Black Diamond depends heavily on property tax collections, as the city has a small commercial base for generating sales tax revenue.

In Washington cities such as Black Diamond, property tax increases are limited to a 1% total dollar annual increase per year unless voters approve a lid-lift or larger percent increases plus any property tax from new construction. King County sets assessed valuation on property and calculates levy rates. Each taxing authority receives a portion of the tax amount, which King County collects and then passes on.

2019 General Fund Taxes

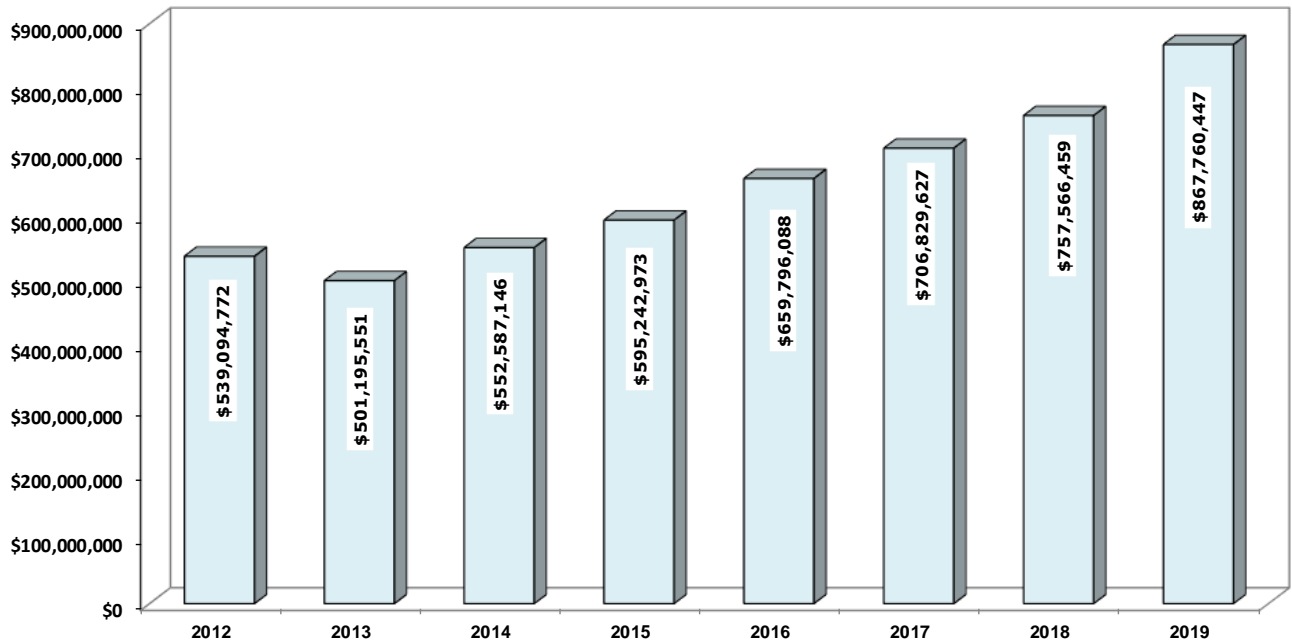


Property Tax Collection and Levy Rate History



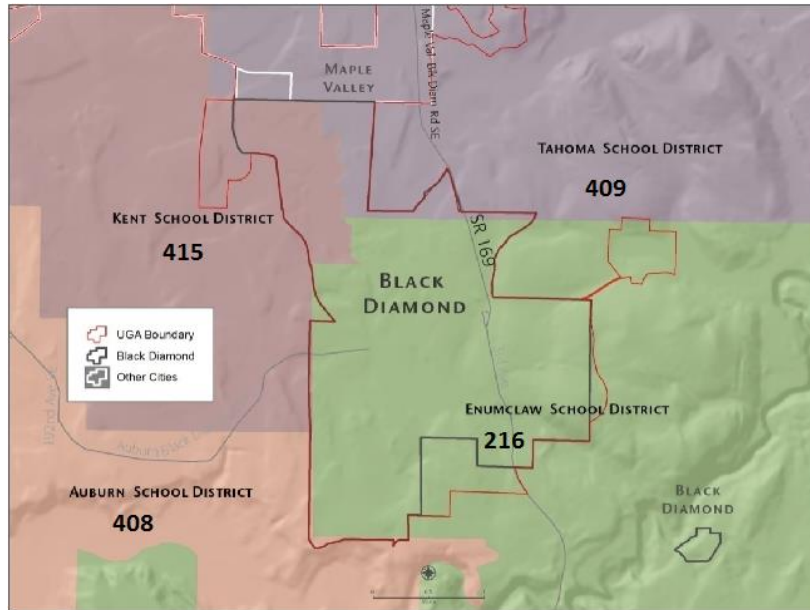
Regular Levy Base	1,360,492	1,373,558	1,400,391	1,438,114	1,462,890	1,481,033	1,508,687	1,535,244
1% Increase	13,605	13,736	14,004	14,381	14,629	14,810	15,087	15,352
New Construction	6,461	4,256	11,833	3,145	11,905	13,378	11,470	95,541
Annexations								
Adjustments	-6,999	8,841	11,886	5,137	-14,074	-534	698	
Total Property Taxes	\$1,373,558	\$1,400,391	\$1,438,114	\$1,460,777	\$1,475,350	\$1,508,687	\$1,535,942	\$1,646,137
Levy Rate per \$1000 AV	\$ 2.59339	\$ 2.82640	\$ 2.62096	\$ 2.41750	\$ 2.24177	\$ 2.12526	\$ 2.02747	\$ 1.89700
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$706,829,627	\$757,566,459	\$867,760,447

Assessed Valuation History



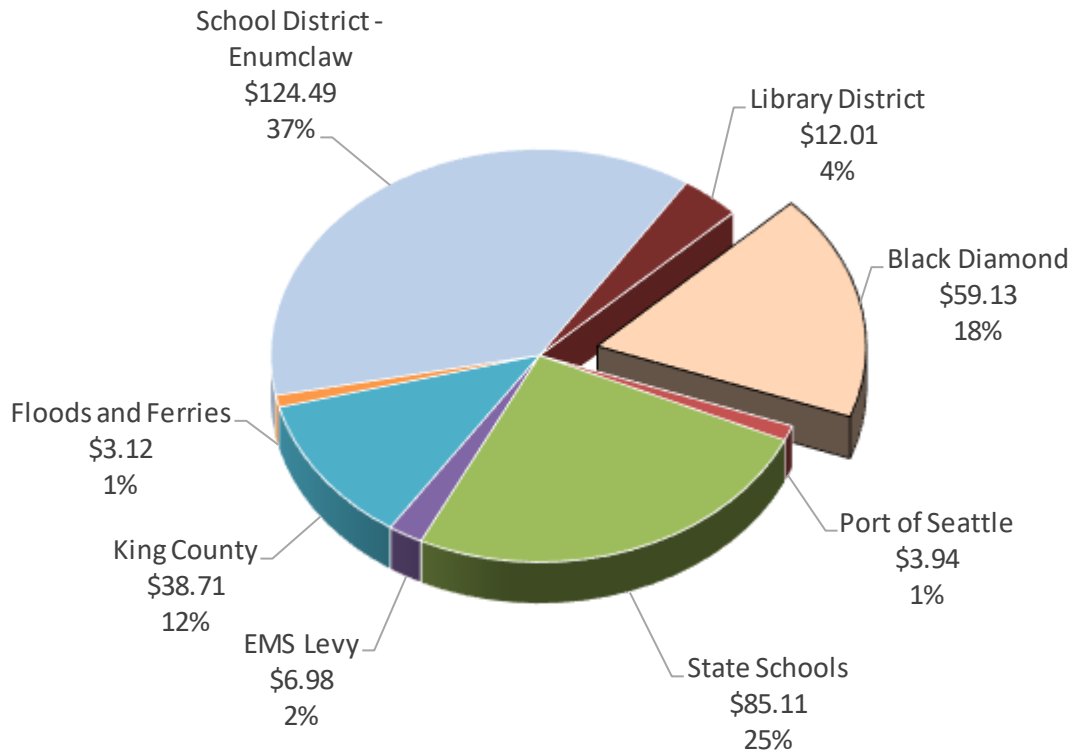
Base Assessed Valuation	536,580,666	499,553,614	548,399,243	593,190,272	654,878,592	700,633,535	757,554,989	867,664,906
New Construction	2,514,106	1,641,937	4,187,903	2,052,701	4,917,496	6,196,092	11,470	95,541
Final Assessed Valuation	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$659,796,088	\$706,829,627	\$757,566,459	\$867,760,447
% change from prior year	1.2%	-7.0%	10.3%	7.7%	10.8%	7.1%	7.2%	14.5%
Population	4,190	4,160	4,160	4,170	4,200	4,330	4,335	4,360
Property Tax Levy Rate	2.593	2.826	2.621	2.418	2.242	2.125	2.027	1.897

School Districts in Black Diamond



The total property tax rates in Black Diamond vary because of the four different school districts within our city limits.	Enumclaw	Tahoma	Kent	Auburn
2018 Rates				
Local School District	4.27	5.42	4.19	6.30
Washington State for Schools Part 1	1.91	1.91	1.91	1.91
McCleary Decision for Schools Part 2	1.01	1.01	1.01	1.01
King County	1.33	1.33	1.33	1.33
City of Black Diamond	2.03	2.03	2.03	2.03
Port of Seattle	.14	.14	.14	.14
Library District	.41	.41	.41	.41
Emergency Medical Services	.24	.24	.24	.24
King County Flood Levy	.11	.11	.11	.11
Total Levy Rate 2018	\$11.45	\$12.60	\$11.37	\$13.48
<i>2017 Total Levy Rates</i>	<i>11.05</i>	<i>12.36</i>	<i>11.35</i>	<i>13.27</i>

**2018 Property Tax Rates on a \$350,000 Appraised Home
Translates to
Total Monthly Taxes of \$333.52
Black Diamond's Portion = \$59.13**



King County Taxing District	Levy Rate per \$1000 in Value	Percent of Property Taxes Collected	2018 Annual Tax on a \$350,000 Home	Monthly Tax on a \$350,000 Home
Port of Seattle	0.13518	1%	\$47.31	\$3.94
State Schools	2.9182	26%	\$1,021.37	\$85.11
EMS Levy	0.2394	2%	\$83.79	\$6.98
King County	1.32735	12%	\$464.57	\$38.71
Floods and Ferries	0.10708	1%	\$37.48	\$3.12
School District - Enumclaw	4.26822	37%	\$1,493.88	\$124.49
Library District	0.4119	4%	\$144.17	\$12.01
Subtotal	9.40733	82%	\$3,292.57	\$274.38
Black Diamond	2.02747	18%	\$709.61	\$59.13
Total	11.4348	100%	\$4,002.18	\$333.52

General Fund Preliminary Budget 2019		2018			2019		
		Budget	Actuals Thru August	Estimated Year End	Prelim Budget	\$ Budget Change	% Budget Change
REVENUE							
1	Beginning Cash and Investments	1,161,717	1,217,656	1,217,656	1,366,173	204,456	17.6%
2	General Property Taxes	1,534,740	870,125	1,547,900	1,646,137	111,397	7.3%
3	Sales Taxes	655,000	383,799	600,000	660,000	5,000	0.8%
4	Utility Tax and Gambling Tax	641,650	419,127	626,850	678,914	37,264	5.8%
5	Cable Franchise Fees	76,500	54,602	78,500	80,000	3,500	4.6%
6	Business License	23,500	26,509	27,000	31,000	7,500	31.9%
7	Liquor Excise Tax	21,328	15,971	21,300	22,000	672	3.2%
8	Liquor Board Profits	35,937	17,961	35,000	36,000	63	0.2%
9	KC EMS Levy, Recycle Grants & Misc	74,500	77,372	72,500	74,000	(500)	-0.7%
10	State Sales Tax Assistance	95,000	7,538	15,000	-	(95,000)	-100.0%
11	Community Development Rev	794,750	835,750	951,000	902,550	107,800	13.6%
12	Police Department Revenue	269,339	267,595	341,494	379,900	110,561	41.0%
13	Municipal Court Revenue	195,275	93,452	135,000	151,350	(43,925)	-22.5%
14	Charges for Services & Misc Rev	32,650	24,264	28,895	35,930	3,280	10.0%
15	Parks Revenue	36,900	28,554	33,400	35,400	(1,500)	-4.1%
16	Cemetery Revenue	12,600	4,700	5,200	6,000	(6,600)	-52.4%
17	Funding Agreement - MDRT	878,088	725,279	878,088	829,505	(48,583)	-5.5%
	Total Operating Revenues	5,377,757	3,852,598	5,397,127	5,568,686	190,929	3.6%
18	Dev Reimburse-MDRT Consultants	975,000	403,970	975,000	1,520,000	545,000	55.9%
	TOTAL GENERAL FUND SOURCES	7,514,474	5,474,224	7,589,783	8,454,859	940,385	12.5%
		2018			2019		
		Budget	Actuals Thru August	Estimated Year End	Prelim Budget	\$ Budget Change	% Budget Change
EXPENDITURES							
1	Legislative - Council	15,881	7,053	13,300	16,174	293	1.8%
2	Executive - Mayor	14,967	9,957	14,760	15,663	696	4.7%
3	Administrative Services	496,372	380,895	482,200	525,746	29,374	5.9%
4	Legal Services	162,500	157,285	223,500	156,500	(6,000)	-3.7%
5	Prosecuting Atty and Public Defender	85,250	45,825	77,400	83,500	(1,750)	-2.1%
6	Municipal Court	280,055	168,495	258,000	276,268	(3,787)	-1.4%
7	Police Department	1,944,007	1,287,788	1,895,000	2,071,435	127,428	6.6%
8	Fire Department	540,300	275,873	571,750	558,650	18,350	3.4%
9	EMS/Recyl/Anim Cont/Mental Health	28,957	23,899	29,000	32,000	3,043	10.5%
10	Master Development Review Team	878,088	543,235	789,000	829,505	(48,583)	-5.5%
11	Community Development	807,199	385,539	670,200	854,323	47,124	5.8%
12	Facilities	124,931	82,982	126,500	127,370	2,439	2.0%
13	Parks Department	97,494	53,119	87,000	101,914	4,420	4.5%
14	Cemetery	19,247	9,598	11,000	13,750	(5,497)	-28.6%
	Total Operating Expenditures	5,495,248	3,431,540	5,248,610	5,662,798	167,550	3.0%
15	Developer MDRT Consultants	975,000	361,092	975,000	1,520,000	545,000	55.9%
	Total Expenditures	6,470,248	3,792,633	6,223,610	7,182,798	712,550	11.0%
16	Ending Cash and Investments	1,044,226	1,681,591	1,366,173	1,272,061	227,835	21.8%
	TOTAL GENERAL FUND USES	7,514,474	5,474,224	7,589,783	8,454,859	940,385	12.5%