



# REDMOND'S FINANCES

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# AGENDA

- Budgeting by Priorities
- Price of Government
  
- Fiscal Overview
  - General Fund
  - Utilities
  - Capital Improvement Program
  
- 2013-2014 Budgeting Process

# BUDGETING BY PRIORITIES

- Began in 2008
- Community identified six priorities
- All budget offers are submitted in the context of the priorities
- Performance measures are an integral part of the process
- Currently preparing for the 2013-2014 biennium

# CITY OF REDMOND PRIORITIES

## ○ *Business Community*

- I want a diverse and vibrant range of businesses and services in Redmond

## ○ *Clean & Green Environment*

- I want to live, learn, work and play in a clean and green environment

## ○ *Community Building*

- I want a sense of community and connection with others

## ○ *Infrastructure & Growth*

- I want a well-maintained city whose transportation and other infrastructure keeps pace with growth

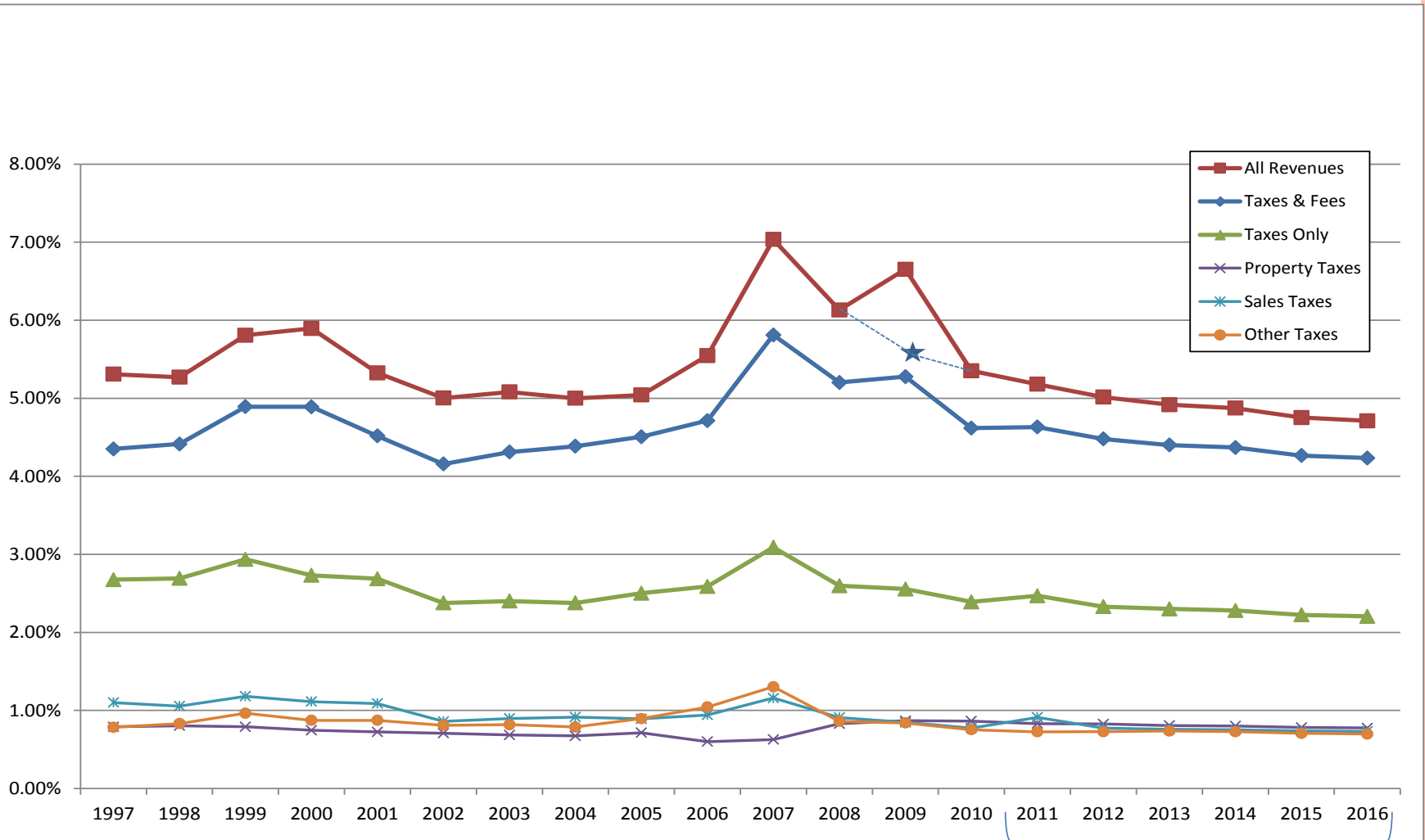
## ○ *Safety*

- I want to be safe where I live, work and play

## ○ *Responsible Government*

- I want a City government that is responsible and responsive to its residents and businesses

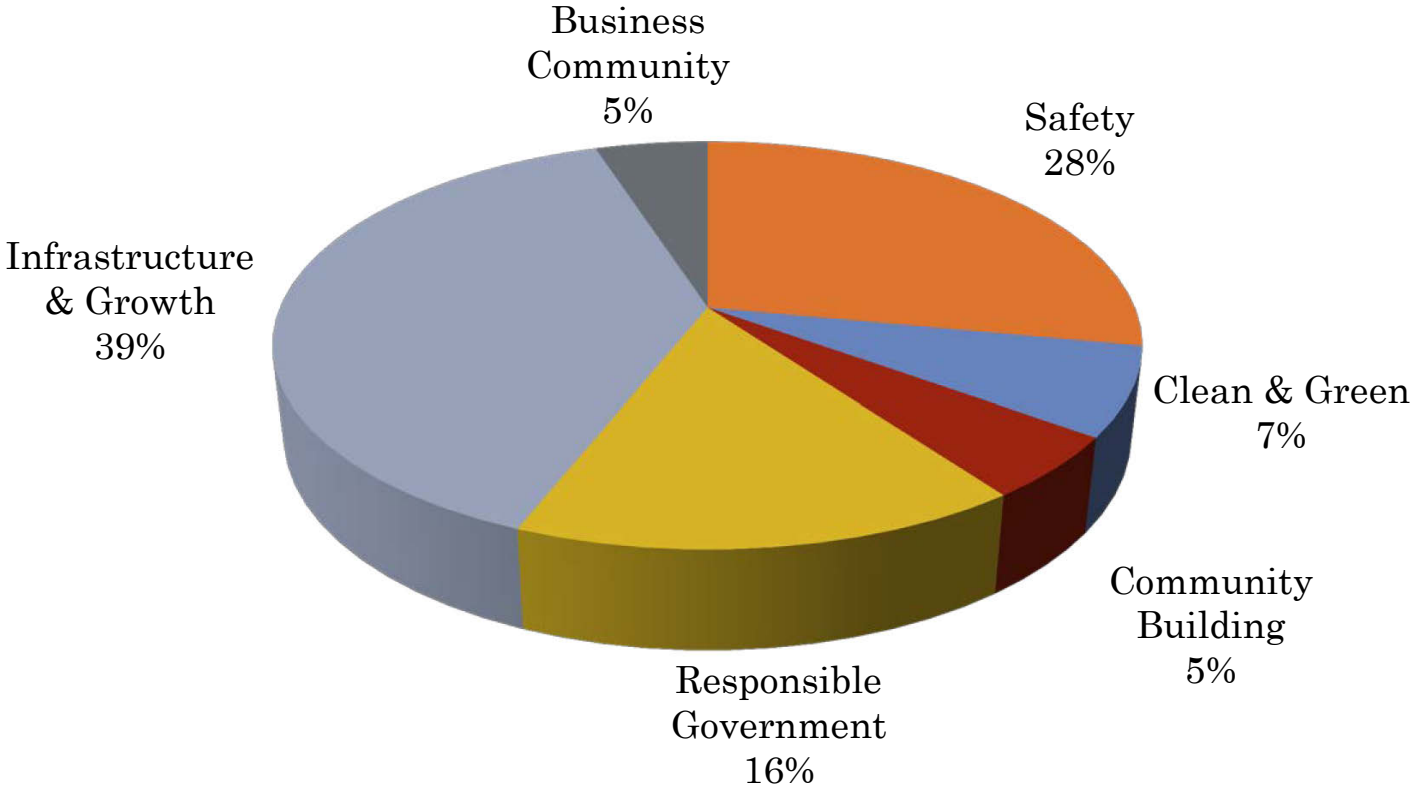
# PRICE OF GOVERNMENT



Notes: Compares ratio of total city revenues to total personal income  
 Data for "taxes only", "taxes & fees", and "all revenues" are cumulative -  
 individual tax types data is not cumulative

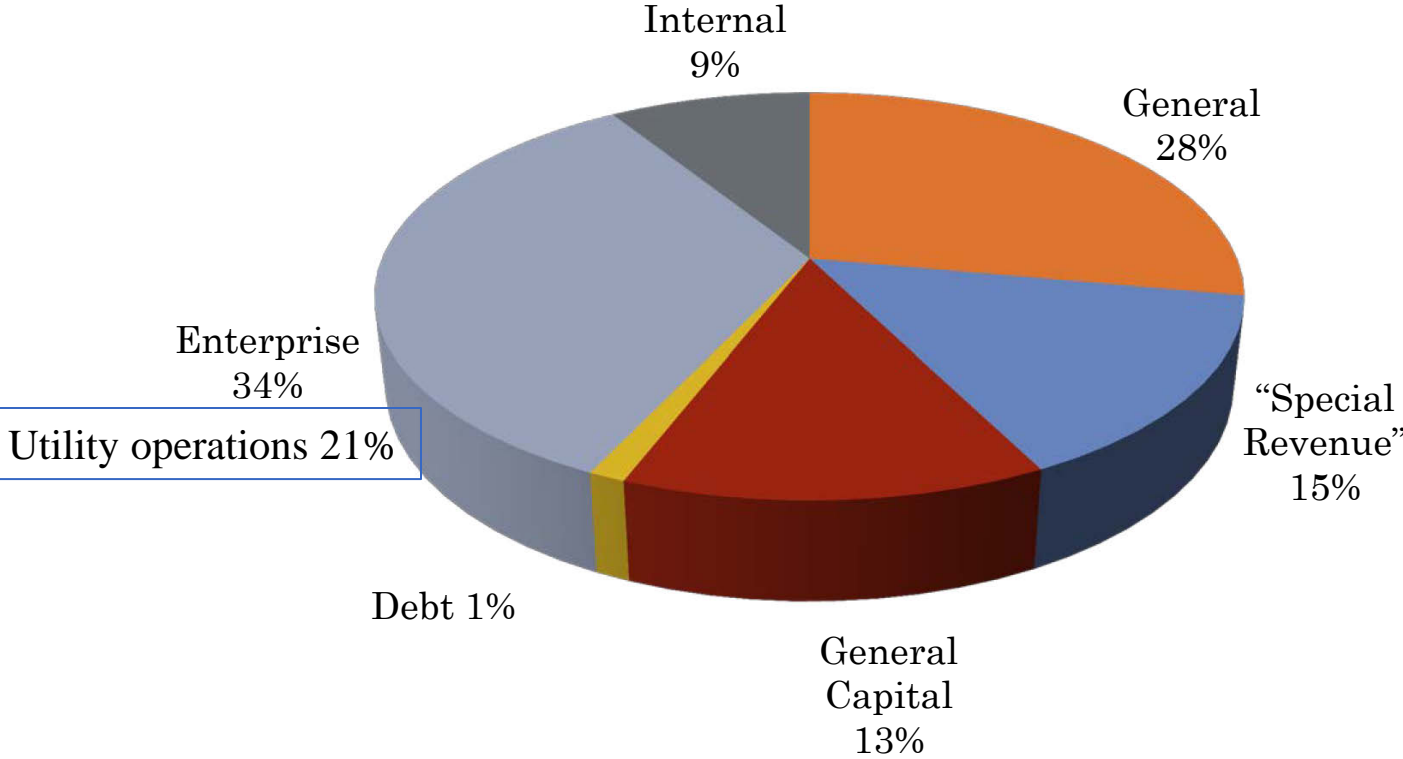
Estimates

# Funding for Operations by Priority 2011-2012



# Funding for Operations by Fund Type

## 2011-2012 budget \$523 million



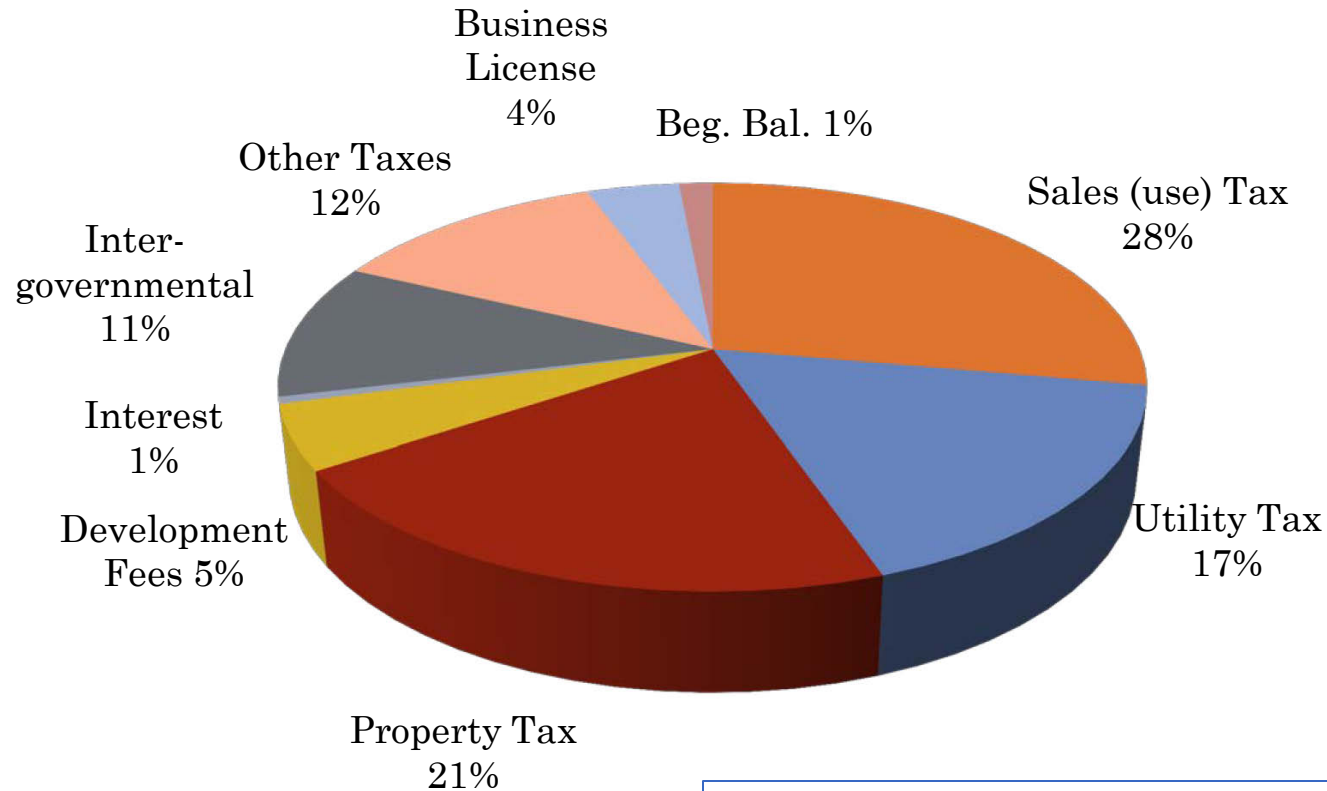
# GENERAL FUND

- Primarily funded by taxes
- Highly sensitive to changes in the economy
- Funds basic city services which are most visible to the community including Police, Fire, Parks, Public Works and Planning
- Transfers money to other funds (e.g. capital investment program, information technology, fleet, human services, park activities)



# General Fund Revenue Sources

\$145.9 million

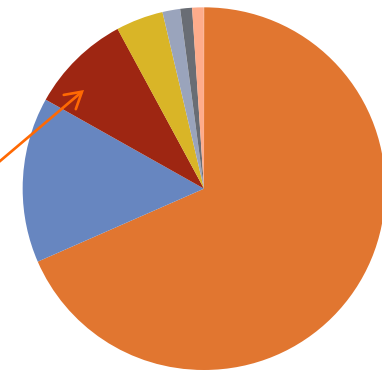


71% derived from five sources  
sensitive to economy

# SALES and USE TAXES

- Largest revenue source in the General Fund
- Very sensitive to changes in the economy
- Tax rate equals 9.5% of purchase price

<b>Sales Tax</b>	
State	6.50%
Transit (Metro/King County)	1.40%
<b>City of Redmond</b>	<b>0.85%</b>
Regional Transit Authority	0.40%
County	0.15%
Criminal Justice	0.10%
Veteran's Levy	0.10%
<b>Total Sales Tax Rate</b>	<b>9.50%</b>



Note: Sales tax for restaurants/bars is 10.0% due to the King County Food and Beverage Tax.

# UTILITY TAXES

- State law enables Cities to levy taxes on natural gas, telephone, and electricity utilities in an amount up to 6%
- In Redmond:
  - Electric, Gas, Telephone and Garbage taxed at 6%
  - Cable TV (Franchise Fee) taxed at 5%
  - City water taxed at 9.2% (offset by lower utility fees)
  - The City does not tax it's own stormwater and wastewater utilities

# PROPERTY TAX

- Third largest and most stable revenue source
- 2011 projected collections of \$21.1 million
  - \$15.1 million for General Fund,
  - \$4.6 million for Public Safety
  - \$1.4 million for Parks
- Redmond's 2011 total levy rate is \$1.72 per \$1,000 assessed valuation
- The total levy rate for a typical property owner equals \$10.03 per \$1,000 assessed valuation which includes all other taxing jurisdictions
- For example, a homeowner with a \$300,000 home in Redmond will pay \$3,009/year in property taxes, of which \$516 or 17% goes to the City of Redmond

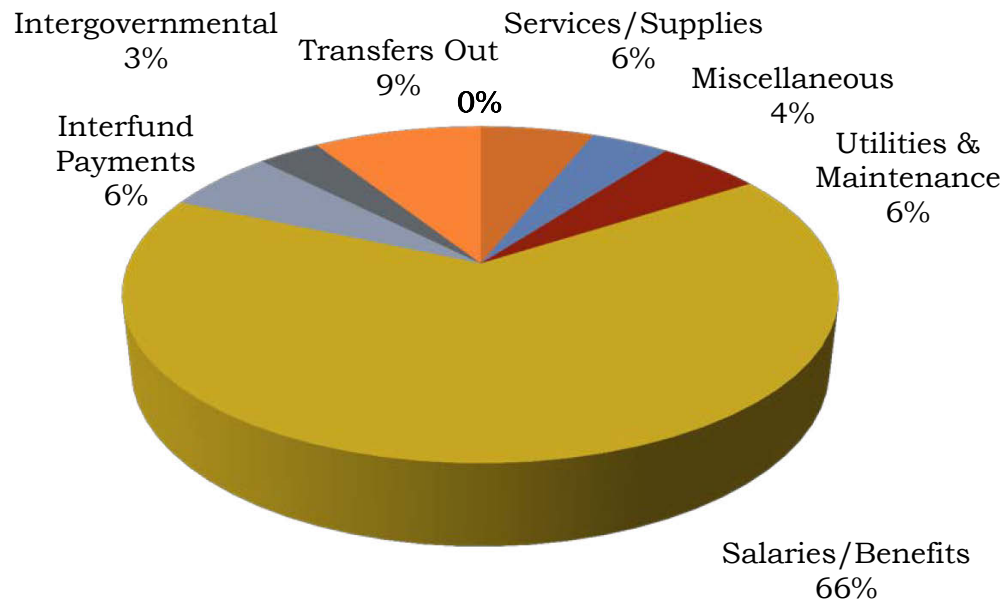
# CITY RECEIVES A PORTION OF THE TOTAL PROPERTY TAX ALLOCATION

## **Total Property Tax Rate (For a typical Redmond citizen)**

School District #414 (Lake Washington)	\$2.98
State of Washington	2.28
<b>City of Redmond</b>	<b>1.72</b>
King County	1.34
Hospital District #2 (Evergreen)	0.48
Library District	0.55
Emergency Medical Services	0.30
Port of Seattle	0.22
King County Flood Zone	0.11
Ferry District	0.00
Library Capital Facilities	0.05
<b>Total Property Tax Rate</b>	<b>\$10.03</b>

# GENERAL FUND

## Types of expenses 2011-2012



# UTILITIES CURRENTLY OPERATED BY THE CITY

## ○ Water/Wastewater

- Provides water and sewer services to in-city customers and to a handful of outside-the-city customers

## ○ Urban Planned Development (UPD) Water & Wastewater

- Provides water and sewer services to Redmond Ridge/Trilogy areas.

## ○ Stormwater Management

- Manages surface water run-off and protects/enhances City natural resources (e.g. streams, creeks, wetlands, Sammamish River) within Redmond city limits

# CAPITAL INVESTMENT PROGRAM (CIP)

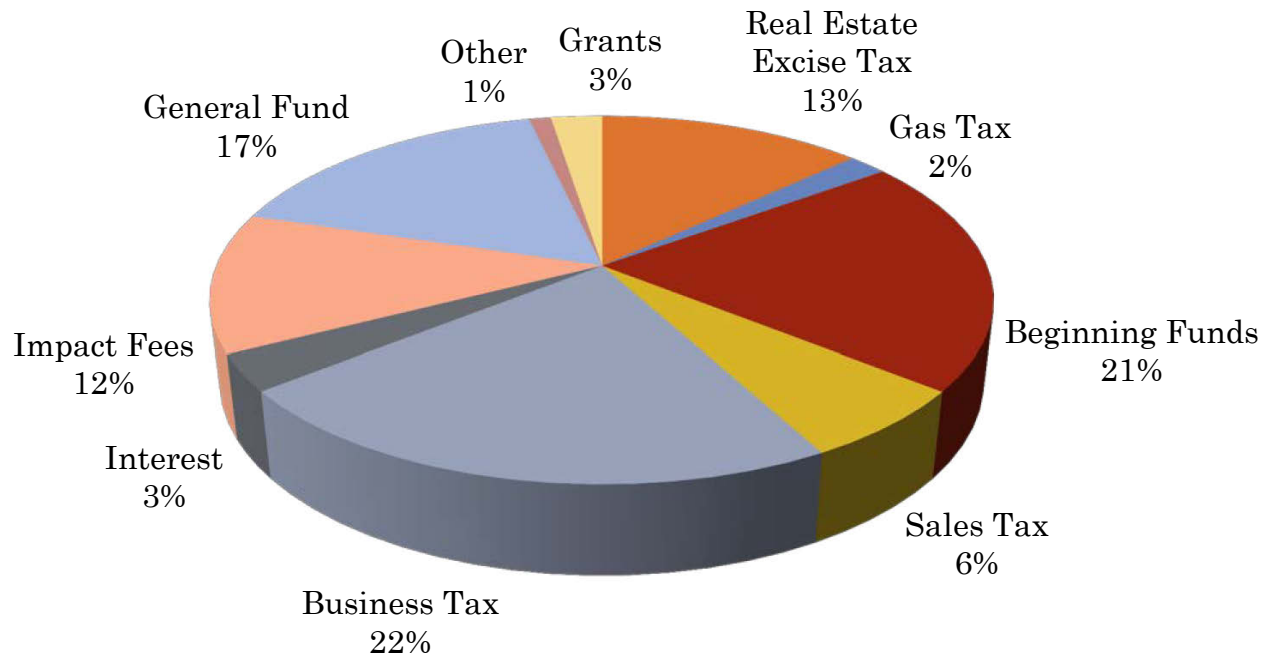
- A six-year plan for addressing capital needs
- Contributes to the City's Vision of:
  - Downtown
  - Overlake
  - Established Neighborhoods
- Coordinates with the Capital Investment Strategy (a 20 year plan of capital needs)



# CAPITAL INVESTMENT REVENUES

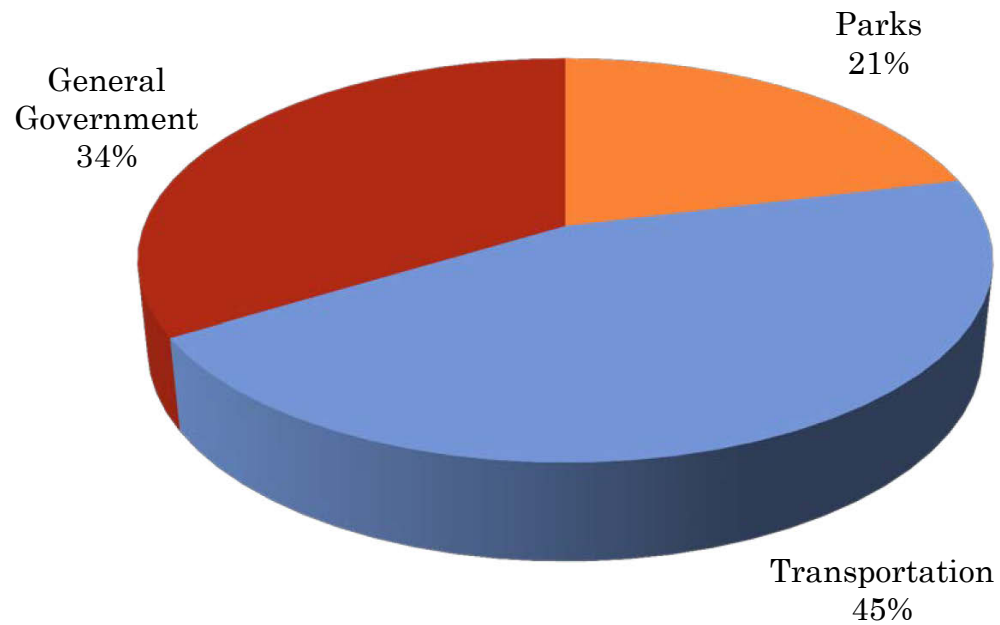
- The City's capital projects are funded through a variety of sources including business tax, real estate excise tax, grants and general operating revenue.

**2011-2016 Projected CIP Revenues  
(\$120 million)**



# CAPITAL INVESTMENT EXPENDITURES

**2011-2016 Projected CIP Expenditures  
(\$117 million) excludes ending fund balance**



# OTHER CITY FUNDS

## ○ Examples of Special Revenue Funds

- Advanced Life Support Fund
- Capital Equipment Reserves
- Debt Service Funds

## ○ Examples of Internal Service Funds

- Fleet Maintenance
- Health Insurance/Workers' Compensation
- Information Technology

# BUDGET TIMELINE

- Process begins in February 2012
- Public encouraged to participate
  - Citizen member of a Results Team
  - Neighborhood Meetings in February/March
  - Public Hearings in June, October & November
- Preliminary budget to Council in October
- Adoption of new budget in early December

Questions / Suggestions?