

Question #5

Impact on Average Taxpayer

Residential Impact

Proposed Revenue	2017	2018
Use of \$2m banked property tax capacity based on Kent median value home ^(A)	35	36
Transportation Benefit District \$20 car tab per vehicle		20
Impact on average residential taxpayer	\$ 35	\$ 56

Business Impact

Proposed Revenue	2017 Impact
Use of \$2m banked property tax capacity ^(A)	
Estimated 2017 Base Rate	\$1.458 per \$1,000 AV
Estimated rate w/use of banked capacity	\$1.585
Estimated Rate Increase	\$0.127
Percentage Increase	9%
Annual Fire permits to 100% cost recovery	
<i>Fire Code operational permits ^(B)</i>	
Current Rate	\$114 - \$228 each permit
Estimated Proposed Rate	\$137 - \$273
Estimated Increase	\$23 - \$45
Percentage Increase	20%
<i>Fire protection system permits</i>	
Current Rate	\$134 per building
Estimated Proposed Rate	\$161
Estimated Increase	\$27
Percentage Increase	20%

^(A) Per chart on page 13 of the Mayor's Proposed Budget

^(B) A business may require multiple permits, as determined by International Fire Code regulations.

Question #12

Fiscal Cliff Discussion

<u>Fiscal Cliff Items</u>		<u>Notes</u>
Annex Sales Tax Credit	5,000,000	Expires June 30, 2020
State Shared Revenues	6,465,000	
Fire Insurance Premium Tax	<u>225,000</u>	
	11,690,000	Equates to 12.4% of the proposed 2017 GF expenditures budget of \$94.4m

Potential Solutions

PropTax-Banked Capacity	≈ 6,000,000	Includes \$2m proposed use for Parks capital
Sales Tax-CRF portion to 25%	1,700,000	To offset reduced debt service beginning 2020
	1,200,000	Reduced by \$500k proposed use beginning 2017
Trans Benefit District	1,660,000	Proposed use beginning 2018
2% Int Utility Tax-continue	<u>1,300,000</u>	Anticipated sunset in 2020, continue revenues
	8,500,000	
Funding Gap	3,190,000	

Question #16

Increase sales tax and dedicate new revenue to parks

Replace Transportation Benefit District (TBD) \$20 car tabs with .1% sales tax, free up additional General Fund revenues and dedicate to parks capital.

Mayor's Proposed Budget	2018 Rev	2018 Exp	Notes
TBD - \$20 car tabs ^(A)	1,660,000		
Reduce GF Subsidy to Streets		1,036,190	balances 2018 GF budget
Sidewalks		623,810	
	<u>1,660,000</u>	<u>1,660,000</u>	

Sales Tax Option	2018 Rev	2018 Exp	
TBD - .1% sales tax ^(B)	2,460,000		
Reduce GF Subsidy to Streets		1,036,190	balances 2018 GF budget
Reduce GF Subsidy to Streets		800,000	transfer to Parks capital
Sidewalks		623,810	
	<u>2,460,000</u>	<u>2,460,000</u>	

(A) councilmanic approval

(B) voter approval required, 10 year limit

General Fund Support to Streets

2017: \$2.7 million

2018: \$1.9 million (after \$1m reduction noted above)