

# 2021-22 Biennial Budget

CITY OF  
**Vancouver**  
WASHINGTON

Vancouver City Council Workshop  
November 2, 2020  
Natasha Ramras, CFO

# Presentation Overview

- Overview of changes to the City Manager's 2021-2022 Recommended Budget
- Overview of changes to the Financial Policies
- Overview of Supporting Ordinances:
  - Property Tax Packet
  - Affordable Housing Sales Tax
  - Real Estate Excise Tax
  - Parks Impact Fees
  - Fire Marshall Fees
  - Utility Rates

# Overview of Changes to the Recommended Budget

## Operating/Capital Budget



### Policy Changes:

- \$1.5 mil Annual set aside for funding recommendations from the Police Advisory Task Force
- \$2.0 mil New Multimodal Projects (funded by TBD – capital)
  - \$0.5 m NE 18<sup>th</sup> and N. Devine Rd ADA improvements
  - \$0.8 m NE Fourth Plain Blvd. – Enhanced pedestrian crossings
  - \$0.7 m contingency for Multimodal projects

# Overview of Changes to the Recommended Budget

## Operating/Capital Budget



### Administrative Changes:

\$0.2 mil Moved from MacArthur project capital to Complete Streets Fourth Plain completion (GF)

\$0.05 mil Moved from MacArthur project to Bicycle and Pedestrian Counter

\$1.9 mil Reduction in 2021 GF budget for Fire Station 11 staffing due to delay in the opening date to the end of 2022. Positions will be filled in the spring of 2022 per agreement with Fire District 5 (transfers tried up)

- Enterprise funds– funding for capital projects is shown under Capital Funding Transfers
- Affordable Housing Sales Tax moved into a separate new fund

# Overview of Changes to the Recommended Budget

## Capital: TBD Funding



## \$9 m Transportation Benefit District – vehicle license funded projects:

- \$0.6 m/yr. for Pavement Preservation
- \$1.0 m/yr. for Pvt Reconstruction
- \$1.0 m/yr. for Multimodal
- \$0.1 m/yr. for NTSA
- \$0.2 m/yr. for asset (lights/signals) replacement
- \$3.2 m additional for SE 1st

# 2021-2022 Biennial Budget: \$1.3 billion

Operating Budget:  
\$1.0 billion

Capital  
Budget:  
\$0.3 billion

General, Street, and  
Fire Funds:  
\$0.5 billion

All Other  
Operating Funds:  
\$0.5 billion

Projects:  
\$0.2  
billion

Funding  
Transfers:  
\$0.1  
billion

# 2021-22 Budget Recommended Changes



Questions?

# Financial Policies Changes 2020

## Additional Policy Goal:

- Make measurable progress towards equity, social justice and public safety
  - Measurable/reportable
  - Create an updated tool for reviewing capital investments consistent with Policy Goals
- In 2021 prepare an updated service pricing policy for recreation services consistent with Policy Goals.





# Property Tax Ordinances

## General Levy:

- 2021 Increase \$0.602/\$1,000
  - Estimated 2021 Levy Rate \$1.93-\$1.98/\$1,000
  - Additional GF Revenue \$0.3 m/year
  - New Construction 2020 ~\$0.3 m  
~\$0.6 m in new revenue
  - Incremental Impact on an owner of a  
\$0.4 m house: ~\$4.33

**Ad Valorem Ordinance** – required by RCW

**Substantial Need Ordinance** – banks ~\$0.4/\$1,000 capacity



# Property Tax Ordinances

## Affordable Housing Levy

- Estimated 2021 Levy Rate
- Impact on an owner of a \$0.4 m house
- Levy sunset

No levy Increase

\$0.22/\$1,000

\$0

2023



# Affordable Housing Sales Tax

- **Rate** 1/10<sup>th</sup> of 1% (\$1/\$1,000)
- **Annual Amount** \$4.2-\$4.5 m
- **Eligibility:**
  - Income threshold <60% of median county
  - **AND**
    - (i) Persons with behavioral health disabilities;
    - (ii) Veterans;
    - (iii) Senior citizens;
    - (iv) Homeless, or at-risk of being homeless, families with children;
    - (v) Unaccompanied homeless youth or young adults;
    - (vi) Persons with disabilities;
    - (vii) Domestic violence survivors.



# Affordable Housing Sales Tax – Non-Voted/Voted

- **Funding Restrictions:**
  - At least 60% of the total has to be used for:
    - Construction of new units for housing;
    - Mental health and behavioral health facilities;
    - Operations and maintenance of the new units of affordable facilities;
  - The remainder, if any, must be spent for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services

# Real Estate Excise Tax

- Rate Increase NONE
- Purpose: Re-dedicate 20% of REET 1 revenue to support public infrastructure projects in Strategic Investment Areas to facilitate new jobs in Vancouver



## Parks Impact Fees increase consistent with a Stronger Vancouver

- Adopt Residential PIF rate adjustment over the next 6 years and set an inflationary increase beginning in year 7 at 4%
- Effective: Jan. 1, 2021, no changes in vesting on January 1, further discussion

	2021	2022
Rate Increase	25%	25%
New Revenue Generated by the Increase	\$0.5 m	\$1.1 m
Total PIF Projected Revenue in 2021-2022	\$2.5 m	\$3.1 m

- NEW CAPITAL: Shaffer Park funded by increased PIF Revenue \$1.3 m

# Fire Marshal's Fees Increase

- **Proposed increase of 5% in each, 2021 and 2022 for:**
  - Fire and life safety inspections
  - Fire plans review
  - New construction inspection fees

(most inspection fees depend of square footage of the facility)

  - Anticipated new revenue: \$0.05 mil/yr.
- Reviewed and recommended by Fire Code Commission



# Utility Rates Increase: 2021-2022

- Rate increase recommendations are based on an extensive analysis of operating cost and revenue trends and capital needs.  
*(Assumptions utilized are consistent with City's revenue forecast)*
- Rate increase projections include debt to support the Utilities' portion of the Operating Center Replacement Costs
- **Proposed Changes:**
  - Water: 5% increase in 2021, additional 5% increase in 2022
  - Sewer: 3% increase in 2021, additional 3% in 2022
  - Storm: 5% increase in 2021, additional 5% increase in 2022
  - Solid Waste: 2.4% increase in 2021, same increase in 2022



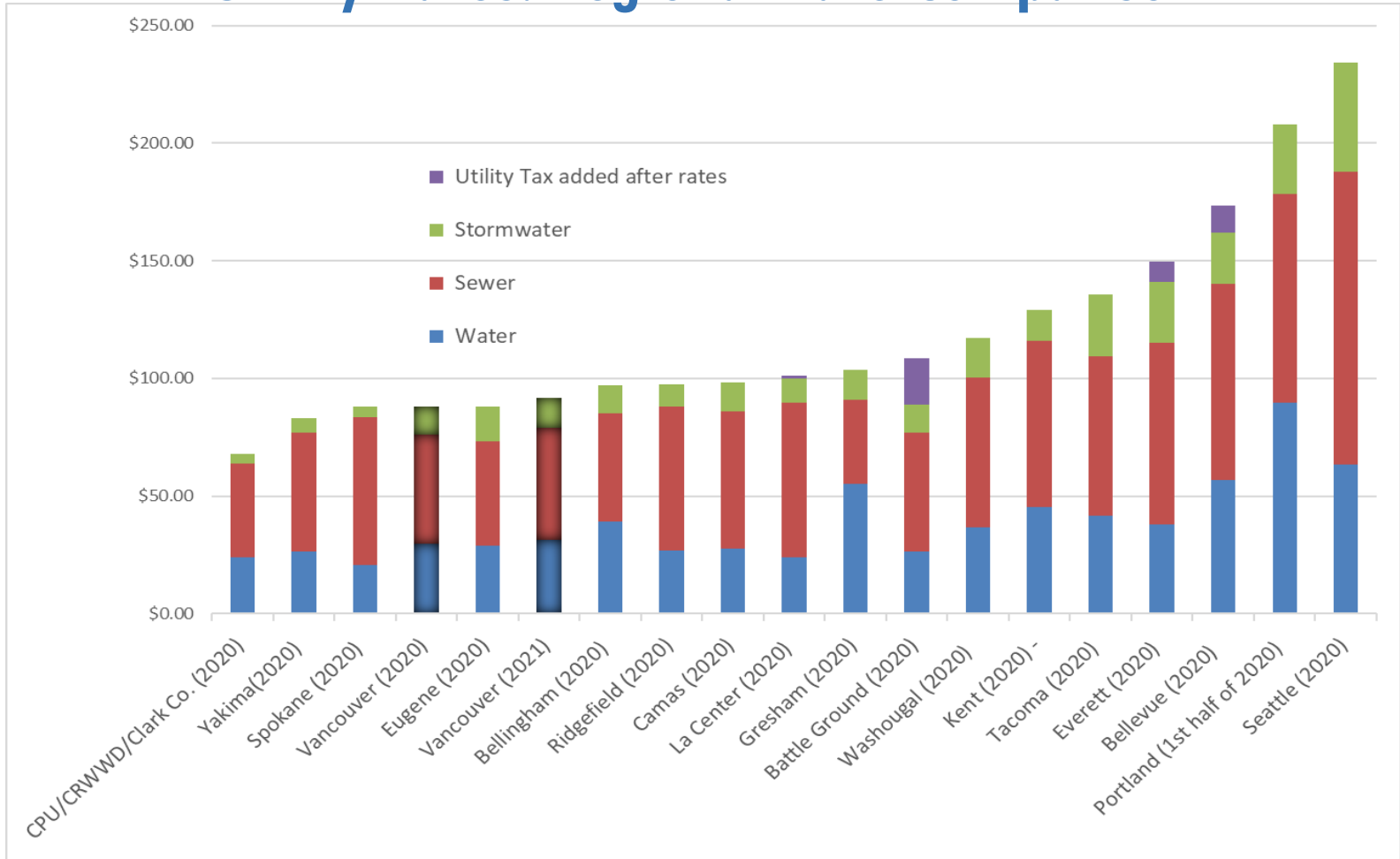
# Utility Rates Increase

Utility	2020 Rates*	2021 Rates*	Difference
Water – 5%	\$29.87	\$31.36	\$1.49
Sewer – 3%	\$46.40	\$47.79	\$1.39
Storm – 5%	\$11.80	\$12.39	\$0.59
Solid Waste – 2.4%	\$32.64	\$33.41	\$0.77
Total – 3.5%	\$120.71	\$124.95	\$4.24

*\*Monthly rates for a typical single-family residence within the City limits.*

- **Water rate increase includes debt support for the Utility portion of costs of the Operating Center Replacement**

# Utility Rates: Regional Rate Comparison



# Next Steps/Timeline

City Manager's Recommended Budget published	✓ October 1 <sup>st</sup>
On-line budget review tool available	✓ October 5 <sup>th</sup>
First Council Workshop on the City Manager's Recommended Budget	✓ October 5 <sup>th</sup>
Continued Recommended Budget Council Review	October - November
First Reading	November 9 <sup>th</sup>
Public Hearing	November 16 <sup>th</sup>

# Questions and Discussion

**Contact Information:**  
**Natasha Ramras, CFO**  
**(360) 487-8484**

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