



Memorandum

Date: 10/18/2022
Meeting of: City Council

File No. AM No. 22-158
Type: Public Hearing

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Finance	Chip Corder	425-556-2189
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:
2023-2024 Preliminary Budget Public Hearing #3

OVERVIEW STATEMENT:

Hold a public hearing on property taxes and other revenue sources for the 2023 fiscal year. Proposed tax and fee increases in the 2023-2024 preliminary budget include the following:

- Property tax levy increase of 1% in 2023 and 1% in 2024 as allowed under state law (this impacts existing property owners);
- Property tax levy increase from new construction, which is estimated to be 3.8% in 2023 and 3.6% in 2024;
- Development, parks and recreation, business license, and other fee increases in 2023 and 2024 based on inflation;
- Combined City water, wastewater and stormwater utility rate increase of 3.6% in 2023 and 3.6% in 2024 (note that there were no City utility rate increases in 2021 or 2022);
- King County Wastewater Treatment charge increase of 5.8% in 2023 and 6.5% in 2024 (this is a pass-through charge); and
- \$20 per vehicle license fee, which would take effect on January 1, 2024 and be dedicated to funding pavement management projects, following the creation of a Transportation Benefit District in the second half of 2023.

The Long-Range Financial Strategy establishes a target range for the Price of Government of 5.0-5.5% of aggregate personal income in Redmond, excluding certain one-time revenues. The Price of Government is estimated to be 4.0% in 2023 and 3.8% in 2024.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Revised Code of Washington (RCW) 84.55.120 (The legislative body must hold a public hearing on revenue sources for the coming year's budget, including consideration of possible increases in property tax revenues, prior to the property tax certification deadline, which is November 30.)
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

The Council held two public hearings on July 5, 2022 and August 16, 2022 on the proposed 2023-2028 Capital Investment Program. Both public hearings were optional. This third public hearing on property taxes and other revenue sources for the coming fiscal year is required under RCW 84.55.120. Public hearings provide a formal opportunity for Redmond residents and business owners to give public testimony regarding the 2023-2024 preliminary budget.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Two more public hearings on the 2023-2024 preliminary budget are scheduled for November 1, 2022 and November 15, 2022.
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
N/A

Other budget impacts or additional costs: Yes No N/A

If yes, explain:
N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
7/5/2022	Business Meeting	Receive Information
8/16/2022	Business Meeting	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
11/1/2022	Business Meeting	Receive Information
11/15/2022	Business Meeting	Receive Information

Time Constraints:

Th public hearing on property taxes and other revenue sources is required prior to the property tax certification deadline, which is November 30.

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

N/A