

City of Redmond



Agenda

Tuesday, September 13, 2022

4:30 PM

City Hall: 15670 NE 85th Street; Remote: Facebook (@CityofRedmond),
Redmond.gov/rctvlive, Comcast Ch. 321, Ziplly Ch. 34, or 510-335-7371

Committee of the Whole - Finance, Administration, and Communications

Committee Members

Steve Fields, Presiding Officer

Jeralee Anderson

David Carson

Jessica Forsythe

Varisha Khan

Vanessa Kritzer

Melissa Stuart

AGENDA

ROLL CALL

1. Ordinance Amending Redmond Municipal Code (RMC) [CM 22-588](#)
9.34.030 and repealing 9.34.060

[Attachment A: Ordinance](#)

Department: Executive, 10 minutes

Requested Action: Consent, September 20th

2. 2022-2028 Revenue Forecast: General Fund, Capital Investment Program (CIP), and Utility Funds [CM 22-569](#)

[Attachment A: 2023-2028 Revenue Forecast, General Fund, CIP, and Utility Funds](#)

Department: Finance, 50 minutes

Requested Action: Informational

ADJOURNMENT



Memorandum

Date: 9/13/2022

File No. CM 22-588

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Executive	Lisa Maher	425-556-2427
-----------	------------	--------------

DEPARTMENT STAFF:

Executive	Rebecca Mueller	Supervising Prosecuting Attorney
-----------	-----------------	----------------------------------

TITLE:

Ordinance Amending Redmond Municipal Code (RMC) 9.34.030 and repealing 9.34.060

OVERVIEW STATEMENT:

Section 170 of Engrossed Second Substitute House Bill (ESSHB) 1320 that repealed Revised Code of Washington (RCW) Chapter 26.50 in its entirety effective July 1, 2022, and enacted a new RCW chapter 7.105, including new RCW sections that continue to define a violation of civil protection orders as a crime. These new sections of RCW chapter 7.105 will define the order violations previously made illegal by RCW 26.50 as previously adopted as a crime against the City of Redmond in RMC 9.34.030.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information
- Provide Direction
- Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Community Strategic Plan
- **Required:**
The Council must approve an ordinance amending Redmond Municipal Code 94.34.030.
- **Council Request:**
N/A
- **Other Key Facts:**
In order to remain consistent with Washington law, RMC 94.34.030 should be amended to appropriate enforce domestic violence laws.

OUTCOMES:

Granting this proposal allows the City of Redmond to continue to appropriately enforce domestic violence laws and civil protection orders. It will maintain the City Council’s previous adoption by reference of certain sections of RCW chapter 26.50 relating to violations of Domestic Violence Protection Orders and other civil protection orders issued by courts as codified in RMC 9.34.030.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **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:
Safe and Resilient

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
------	---------	------------------

Date: 9/13/2022

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 22-588

Type: Committee Memo

N/A	Item has not been presented to Council	N/A
-----	--	-----

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/13/2022	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
9/20/2022	Business Meeting	Approve

Time Constraints:

RCW 7.105 was effective 7/1/22.

ANTICIPATED RESULT IF NOT APPROVED:

Potential risk of not effectively prosecuting Domestic Violence order violations due to no adoption of the RCWs in Chapter 7.105 replacing Chapter 26.50.

ATTACHMENTS:

Attachment A: Ordinance

CODE

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON AMENDING RMC 9.34.030 TO DELETE ADOPTION OF OUTDATED SECTIONS OF THE REVISED CODE OF WASHINGTON REGARDING DOMESTIC VIOLENCE PROTECTIVE ORDER ORDERS AND TO ADOPT CERTAIN PROVISIONS OF CHAPTER 7.105 RCW RELATED TO THE VIOLATION OF CIVIL PROTECTION ORDERS; REPEALING RMC 9.34.060 PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Article XI Section 11 of the Washington State Constitution authorizes cities to establish such crimes as necessary to protect the public safety, health, and welfare, so long as said crimes do not conflict with state law, and

WHEREAS, the Legislature has authorized code cities such as Redmond to adopt and enforce misdemeanors and gross misdemeanors as appropriate to good government of the City through RCW 35A.11.020, and

WHEREAS, code cities may adopt by reference Washington state statutes per RCW 35A.12.140, and

WHEREAS, Chapter 9.34 of the Redmond Municipal Code (RMC) identifies certain criminal acts involving harm to persons, including acts of domestic violence, and

WHEREAS, domestic violence offenses are among the most significant criminal violations of City code in terms of both seriousness and impact to the victims and community, and

WHEREAS, the City Council of the City of Redmond has previously adopted by reference certain sections of RCW chapter 26.50 relating to violations of Domestic Violence Protection Orders and other civil protection orders issued by courts and such adoption is codified in RMC 9.34.030 and 9.34.060, and

WHEREAS, the Legislature enacted Engrossed Second Substitute House Bill 1320 in 2021 (Chapter 215, Laws of 2021) in an attempt to streamline and harmonize the various civil protection order statutes in order to clarify and simplify the process for petitioners, respondents, law enforcement, and courts, and

WHEREAS, section 170 of ESSHB 1320 repealed chapter 26.50 in its entirety effective July 1, 2022, and

WHEREAS, ESSHB 1320 enacted a new RCW chapter 7.105, including new RCW sections that continue to define a violation of civil protection orders as a crime, and

WHEREAS, adopting these new sections of RCW chapter 7.105 will define the order violations previously made illegal by RCW 26.50.110 as a crime against the City of Redmond, and

WHEREAS, the City Council finds that the seriousness of order violations merits repealing the adoption of chapter 26.50 RCW and affirmatively adopting the criminal provisions of RCW chapter 7.105 to ensure violators may be promptly and effectively prosecuted by the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND,
WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment of RMC 9.34.030. RMC 9.34.030 is
hereby amended to read as follows:

**9.34.030 Domestic violence - State statutes adopted by
reference.**

The following statutes of the state of Washington, as
the same now exist or shall hereafter be amended, superseded, or recodified, are hereby adopted by
reference:

RCW 10.99.020 Definitions

RCW 10.99.030 Law enforcement officers - Training,
powers, duties

RCW 10.99.040 Restrictions upon and duties of court

RCW 10.99.045 Appearances by defendant - Orders
prohibiting contact

RCW 10.99.050 Restriction or prohibition of contact
with victim - Procedures

RCW 10.99.055 Enforcement of orders against
defendants

~~[RCW 26.50.010 DEFINITIONS~~

~~RCW 26.50.020 COMMENCEMENT OF ACTION - JURISDICTION -~~

~~VENUE~~

~~RCW 26.50.030 PETITION FOR AN ORDER FOR PROTECTION —
AVAILABILITY OF FORMS AND INSTRUCTIONAL
BROCHURES — FILING FEE — BOND NOT
REQUIRED~~

~~RCW 26.50.040 APPLICATION FOR LEAVE TO PROCEED IN
FORMA PAUPERIS~~

~~RCW 26.50.050 HEARING — SERVICE — TIME~~

~~RCW 26.50.060 RELIEF~~

~~RCW 26.50.070 EX PARTE TEMPORARY ORDER FOR PROTECTION~~

~~RCW 26.50.080 ISSUANCE OF ORDER — ASSISTANCE OF PEACE
OFFICER — DESIGNATION OF APPROPRIATE
LAW ENFORCEMENT AGENCY~~

~~RCW 26.50.090 ORDER — SERVICE~~

~~RCW 26.50.100 ORDER — TRANSMITTAL TO LAW ENFORCEMENT
AGENCY — RECORD IN LAW ENFORCEMENT
INFORMATION SYSTEM — ENFORCEABILITY~~

~~RCW 26.50.110 VIOLATION OF ORDER — PENALTIES~~

~~RCW 26.50.120 VIOLATION OF ORDER — PROSECUTING
ATTORNEY OR ATTORNEY FOR MUNICIPALITY
MAY BE REQUESTED TO ASSIST — COSTS AND
ATTORNEY'S FEES~~

~~RCW 26.50.130 ORDER — MODIFICATION — TRANSMITTAL~~

~~RCW 26.50.140 PEACE OFFICERS — IMMUNITY~~

~~RCW 26.50.200 TITLE TO REAL ESTATE — EFFECT~~

~~RCW 26.50.210 PROCEEDINGS ADDITIONAL]~~

RCW 7.105.010 Definitions.

RCW 7.105.175 Service - Development of best practices.

RCW 7.105.450 Enforcement and penalties - Other than
antiharassment and extreme risk
protection orders.

RCW 7.105.455 Enforcement and penalties -
Antiharassment protection orders.

RCW 7.105.460 Enforcement and penalties - Extreme risk
protection orders - False Petitions.

RCW 7.105.465 Enforcement and penalties - Knowledge of
order.

RCW 7.105.470 Enforcement - Prosecutor assistance.

RCW 7.105.550 Orders under this chapter and others -
Enforcement and consolidation - Validity
and enforcement of orders under prior
chapters.

RCW 7.105.565 Proceedings additional - Filing of
criminal charges not required.

RCW 7.105.570 Other authority retained.

RCW 7.105.575 Liability.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such

invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Repeal of Subsection. 9.34.060 Violation of Civil anti-harassment orders, is hereby repealed in its entirety:

~~9.34.060 Violation of civil anti-harassment orders.~~

~~It is a gross misdemeanor to wilfully disobey a temporary or permanent anti-harassment order issued pursuant to RCW Ch. 10.14.~~

Section 4. Effective Date. This ordinance shall take effect five days after its publication, or publication of a summary thereof, in the City's official newspaper, or as otherwise provided by law.

ADOPTED by the Redmond City Council this ____ day of _____, 2022.

CITY OF REDMOND

ANGELA BIRNEY, MAYOR

ATTEST:

CHERYL XANTHOS, CMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

JAMES E. HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:

YES:
NO:



Memorandum

Date: 9/13/2022

File No. CM 22-569

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Chip Corder	425-556-2189
---------	-------------	--------------

DEPARTMENT STAFF:

Finance	Kelley Cochran	Deputy Finance Director
---------	----------------	-------------------------

TITLE:

2022-2028 Revenue Forecast: General Fund, Capital Investment Program (CIP), and Utility Funds

OVERVIEW STATEMENT:

Provide an economic update on the U.S. Real GDP forecast, Seattle/Tacoma/Bellevue CPI-W forecast, and King County forecasts for taxable retail sales growth, assessed valuation growth, and employment growth, and review the revenue forecasts upon which the 2023-2024 preliminary budget is based, focusing on the General Fund, CIP, and Utility Funds.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Long-Range Financial Strategy and Fiscal Policies
- **Required:**
N/A
- **Council Request:**
N/A
- **Other Key Facts:**
The General Fund revenue forecast is primarily based on actual revenues through the first six months of 2022, current and projected development activity, and the June and August 2022 forecasts by the King County Office of Economic and Financial Analysis.

OUTCOMES:

N/A

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **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:

Examples: software with a yearly cost, revenue generating, match requirements, etc. - if none, enter 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
5/24/2022	Study Session	Receive Information
6/14/2022	Study Session	Receive Information

Proposed Upcoming Contact(s)

Date: 9/13/2022

File No. CM 22-569

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

Date	Meeting	Requested Action
10/18/2022	Business Meeting	Receive Information

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

2023-2028 Revenue Forecast: General Fund, CIP, and Utility Funds

2022-2028 Revenue Forecast: General Fund, CIP, and Utility Funds

Finance, Administration & Communications Committee of the Whole Meeting

September 13, 2022

Chip Corder, Finance Director



Redmond
WASHINGTON

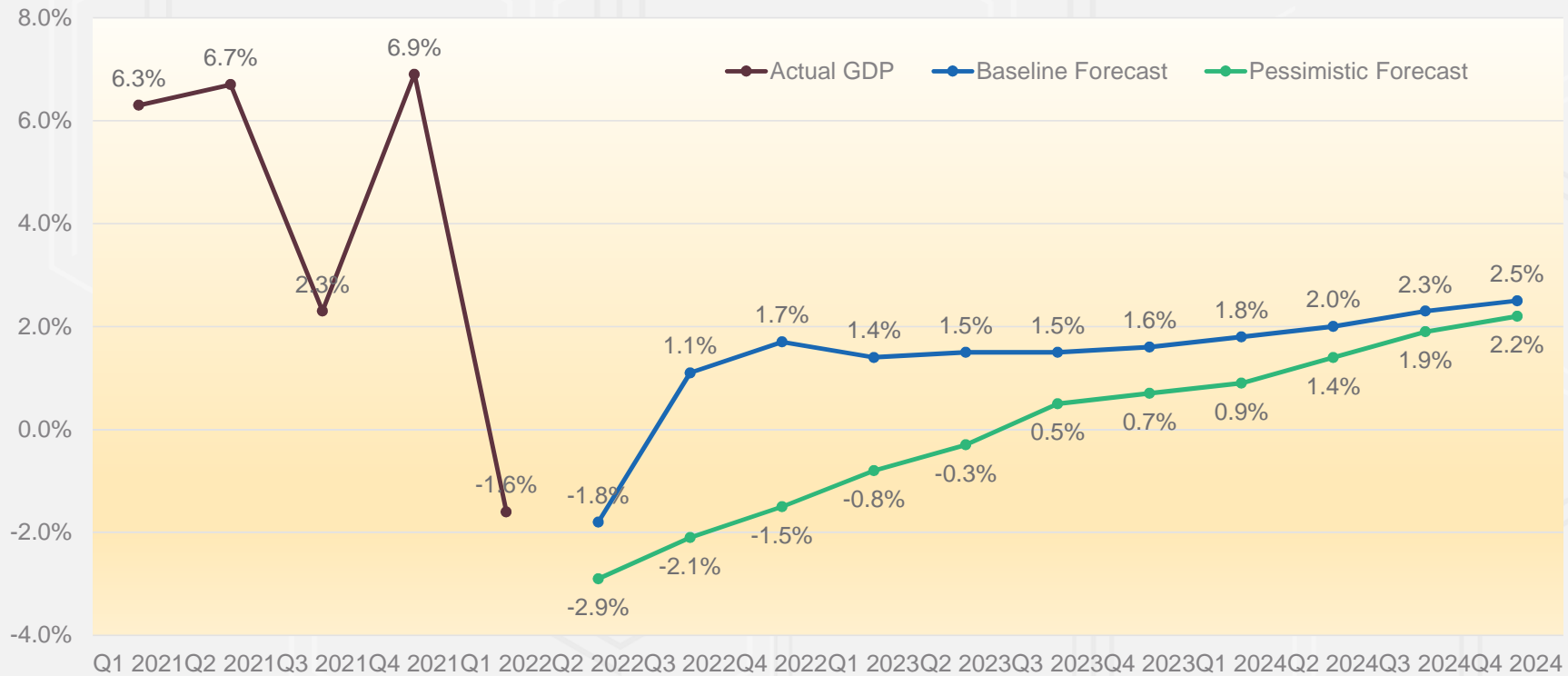
Agenda

- Economic Update
- 2023-2028 General Fund Revenue Forecast
- 2023-2028 Capital Investment Program (CIP) Revenue Forecast
- Utility Funds Fiscal Policy
- 2023-2028 Utility Rate Forecast
- 2023-2024 Utility Bill Impacts
- 2023-2024 Budget Calendar (Oct-Dec 2022 Council Meetings)



Economic Update

U.S. Real GDP Forecast



Source: King County Office of Economic and Financial Analysis (July 2022 Forecast); IHS Global Insight



Economic Update

CPI-W (Seattle/Tacoma/Bellevue)

Feb 2021	Apr 2021	Jun 2021	Aug 2021	Oct 2021	Dec 2021	Feb 2022	Apr 2022	Jun 2022
1.7%	3.7%	6.3%	5.1%	6.3%	7.8%	8.1%	8.5%	9.5%

Projections by King County Office of Economic and Financial Analysis (July 2022 Forecast)

Jun 2023	Jun 2024	Jun 2025	Jun 2026	Jun 2027	Jun 2028
5.0%	2.9%	2.6%	2.6%	2.6%	2.6%



Economic Update

King County Forecasts

Countywide Taxable Retail Sales Growth (August 2022 Forecast)

2022	2023	2024	2025	2026	2027	2028
7.7%	3.7%	4.6%	4.5%	4.8%	4.2%	5.0%

Countywide Assessed Valuation Growth (August 2022 Forecast)

2022	2023	2024	2025	2026	2027	2028
17.5%	2.7%	4.8%	5.2%	5.2%	5.4%	5.3%

Countywide Employment Growth (June 2022 Forecast)

2022	2023	2024	2025	2026	2027	2028
4.9%	2.4%	0.9%	0.8%	0.8%	0.8%	0.8%

Source: King County Office of Economic and Financial Analysis



2023-2028 General Fund Revenue Forecast

Key Assumptions

- Development activity
 - Very strong in 2022-2024
 - 10% decline in 2025 (still strong)
 - 10% decline in 2027 (still above average)
- Ongoing sales tax
 - 10% growth in 2022
 - 4% annual growth in 2023-2028
- Construction sales tax
 - Budget \$6.5M (35% of total) as ongoing beginning in 2023 + 4% growth per year in 2024-2028
 - Reduced one-time construction sales tax by \$2.0M in 2024 and \$1.5M in 2025 (Microsoft Refresh & Sound Transit project completion)



2023-2028 General Fund Revenue Forecast

Key Assumptions (cont'd)

- Property tax
 - 2023: 1% optional growth + 3.8% new construction
 - 2024: 1% optional growth + 3.6% new construction
 - 2025: 1% optional growth + 2.7% new construction
 - 2026: 1% optional growth + 2.5% new construction
 - 2027: 1% optional growth + 2.2% new construction
 - 2028: 1% optional growth + 2.1% new construction
- Utility tax (electric, gas, cable, garbage, cellular, and telephone)
 - 0.4% growth in 2022
 - 0.1-0.7% annual growth in 2023-2028
- Fees adjusted annually for inflation



2023-2028 General Fund Revenue Forecast

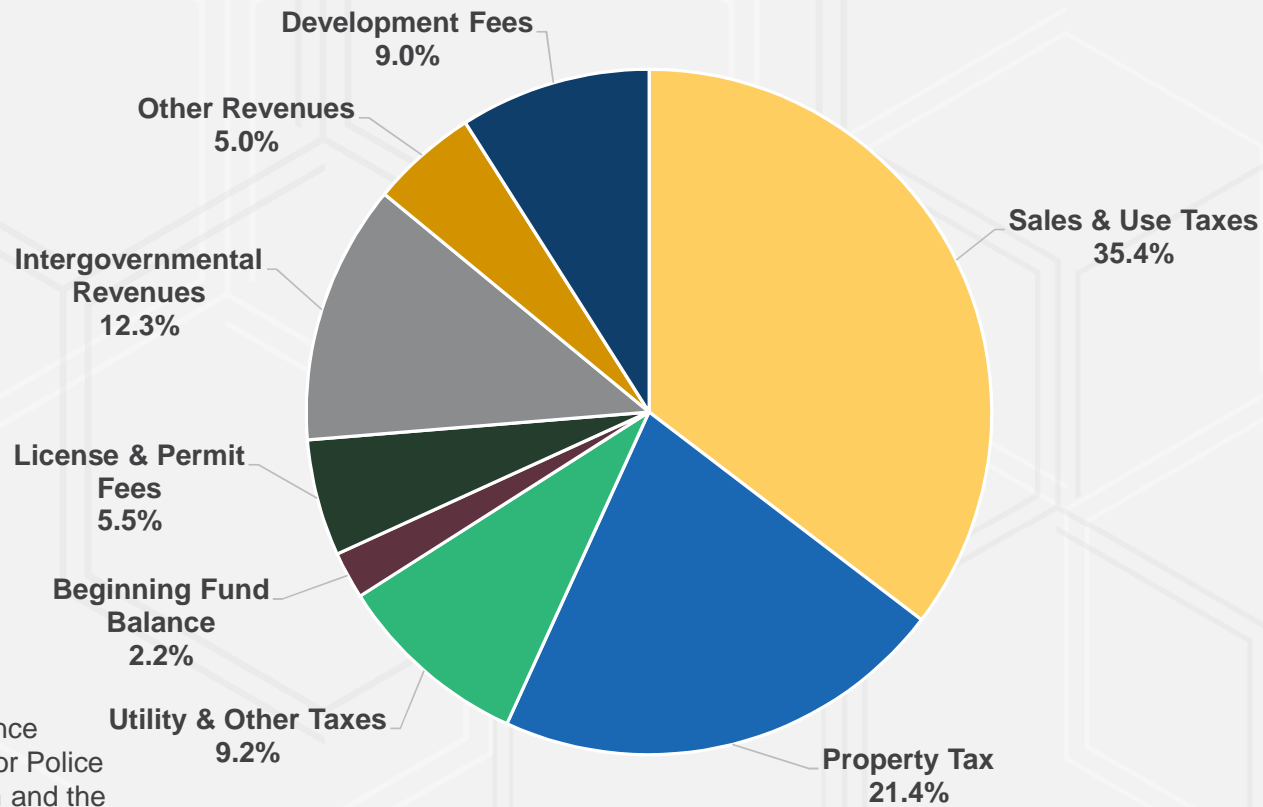
Key Assumptions (cont'd)

- 2022 public safety levy lid lift
 - Not assumed in revenue forecast
 - Body-worn camera program costs are funded by one-time monies reserved by Council for 2023-2025
 - 2007 public safety levy funding shortfall in 2023-2024 is bridged with 2021-2022 General Fund surplus (\$3.9M)
 - Transfer to Public Safety Levy subfund



2023-2024 General Fund Resources (Baseline)

\$235.2 Million

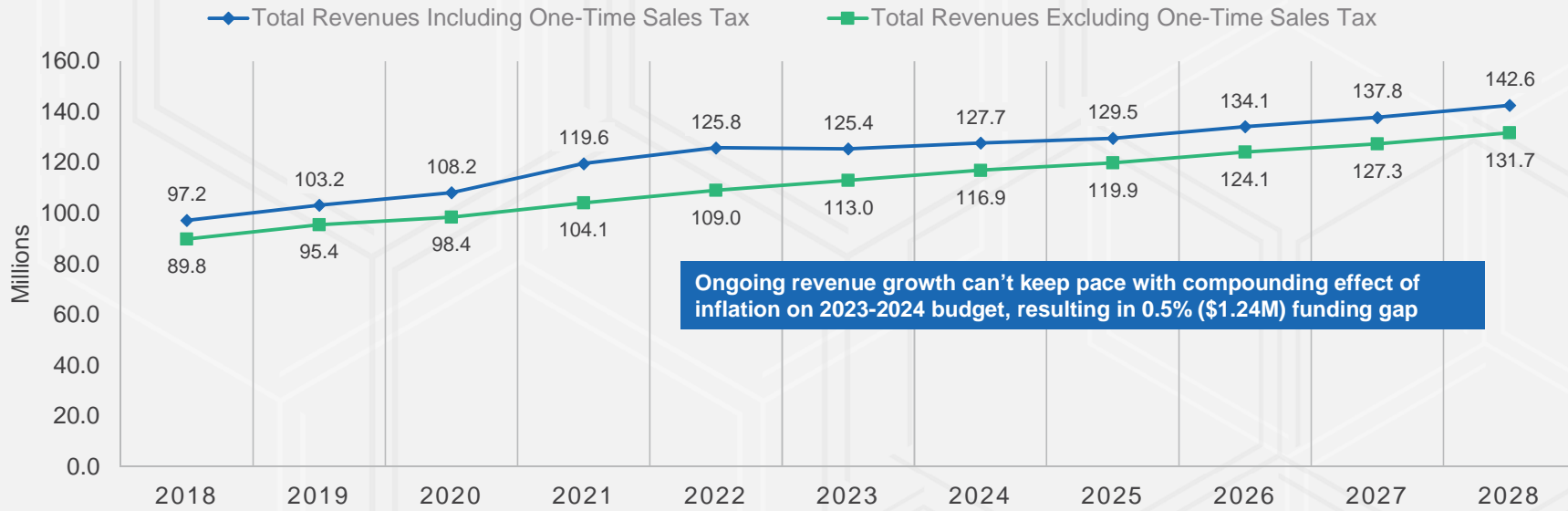


Note: Beginning Fund Balance includes one-time funding for Police body-worn camera program and the Economic Contingency.



2023-2028 General Fund Revenue Forecast

Total Revenues



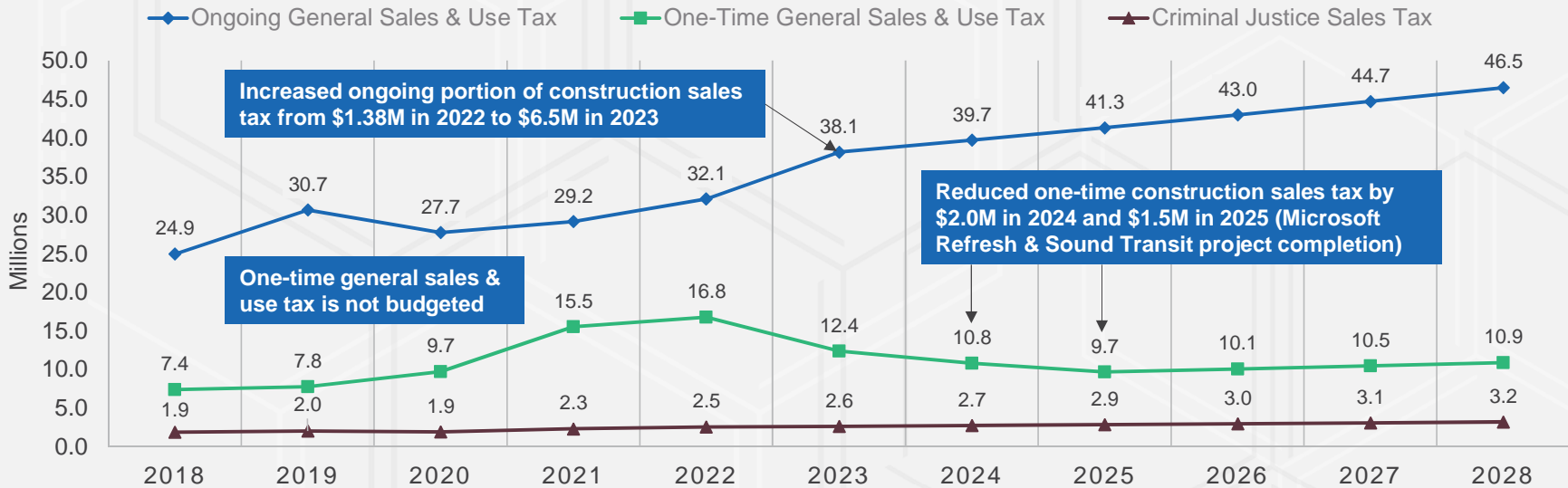
% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
Total Revenues	-5.0%	5.2%	7.2%	4.6%	3.6%	3.5%	2.5%	3.5%	2.6%	3.5%

Note: One-time general sales & use tax is not budgeted.



2023-2028 General Fund Revenue Forecast

Sales & Use Taxes *(35% of 2023-2024 Budget)*



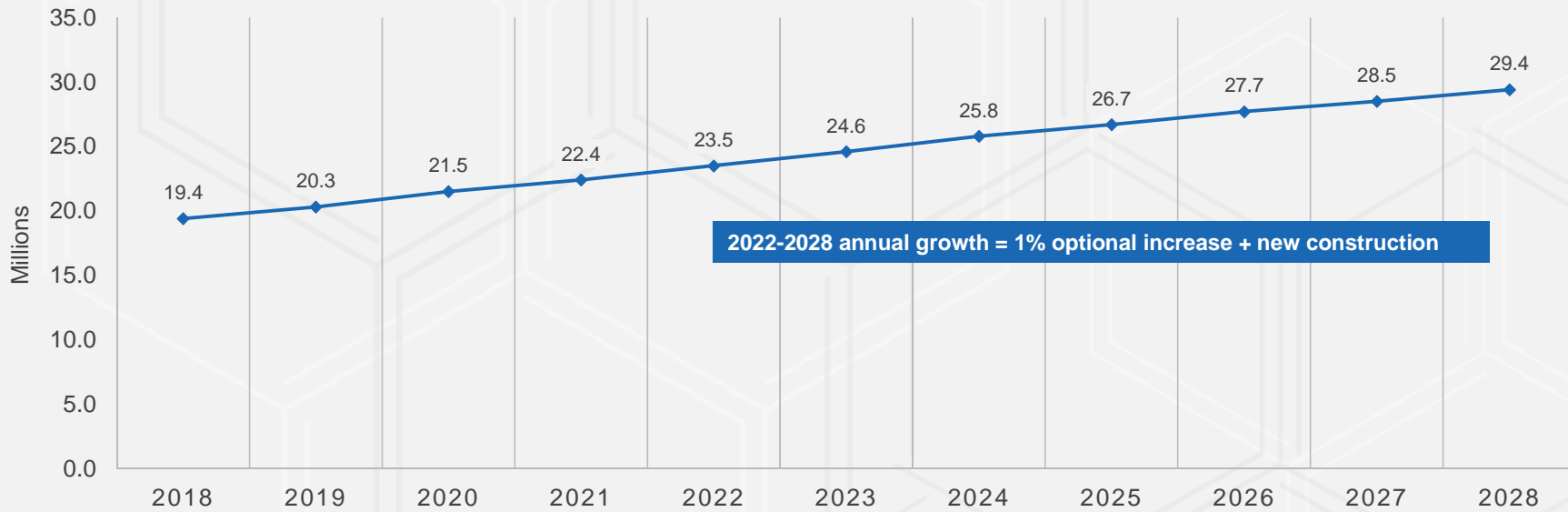
% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
Ongoing General Sales & Use Tax	23.0%	-9.6%	5.2%	10.0%	18.9%	4.1%	4.0%	4.0%	4.0%	4.0%
One-Time General Sales & Use Tax	5.2%	25.0%	59.9%	8.1%	-26.2%	-12.8%	-10.5%	4.0%	4.0%	4.0%
Criminal Justice Sales Tax	7.2%	-5.6%	21.3%	10.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

Note: Ongoing general sales & use tax is net of the portion of construction sales tax that is redirected to the Debt Service Fund.



2023-2028 General Fund Revenue Forecast

Property Tax *(21% of 2023-2024 Budget)*

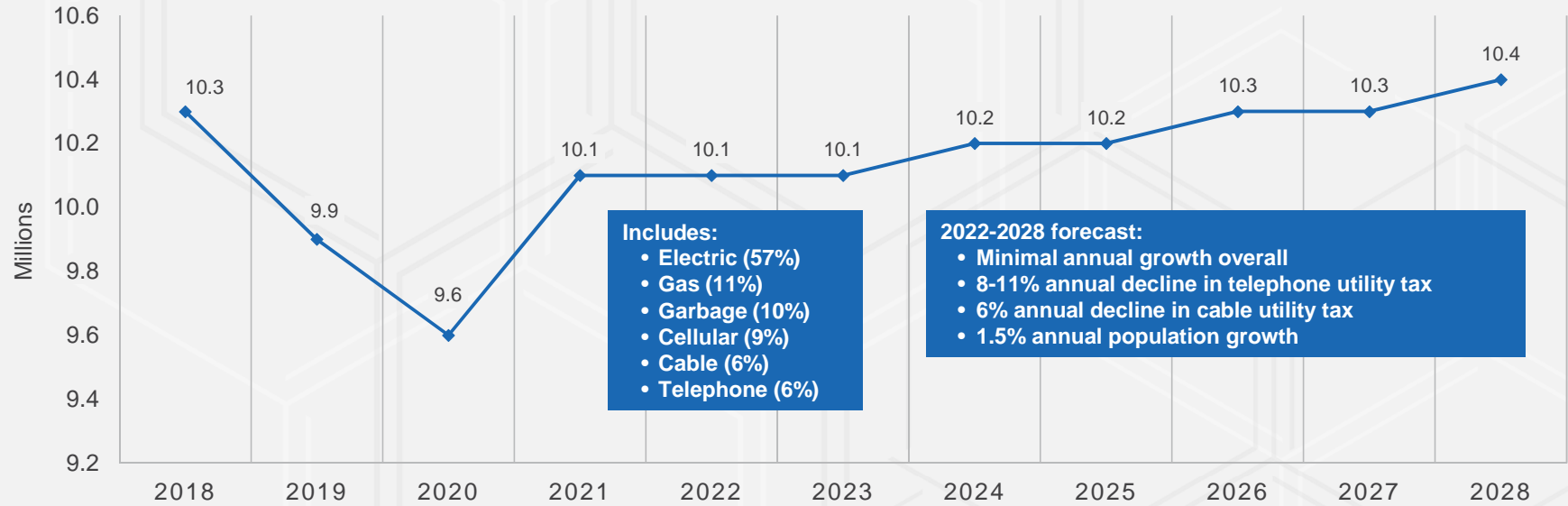


% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
Property Tax	4.7%	5.7%	4.2%	4.9%	4.8%	4.6%	3.7%	3.5%	3.2%	3.1%



2023-2028 General Fund Revenue Forecast

Utility Taxes *(9% of 2023-2024 Budget)*

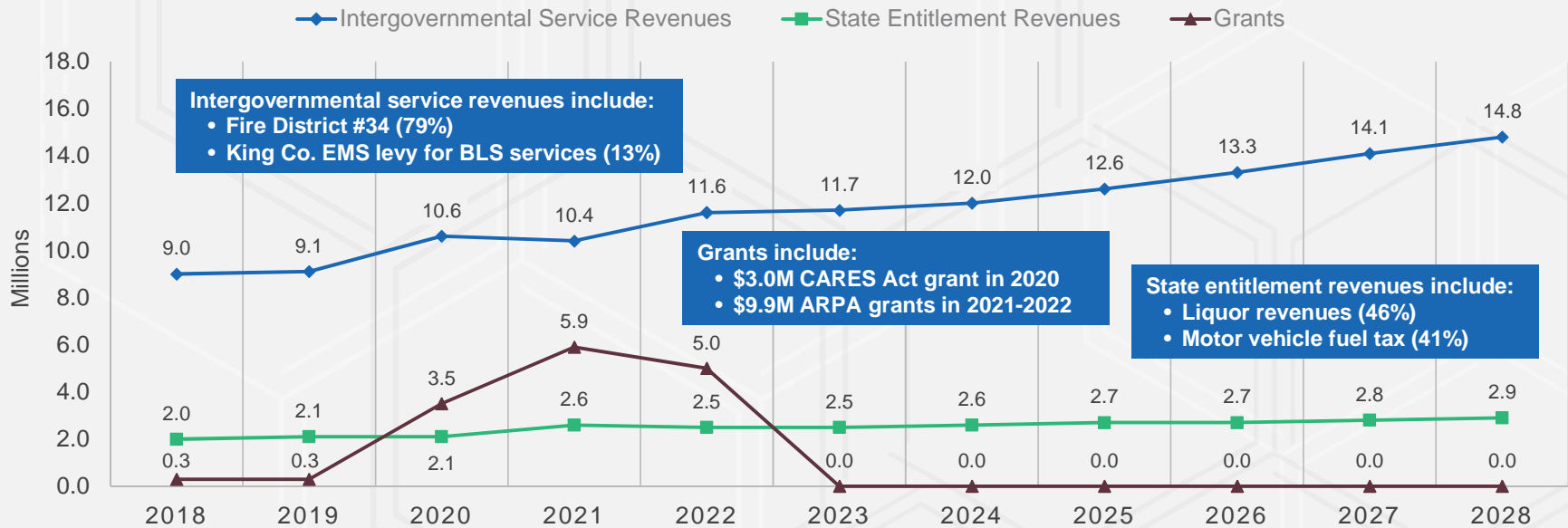


% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
Utility Taxes	-4.2%	-2.7%	4.5%	0.4%	0.1%	0.3%	0.4%	0.5%	0.6%	0.7%



2023-2028 General Fund Revenue Forecast

Intergovernmental Revenues (12% of 2023-2024 Budget)

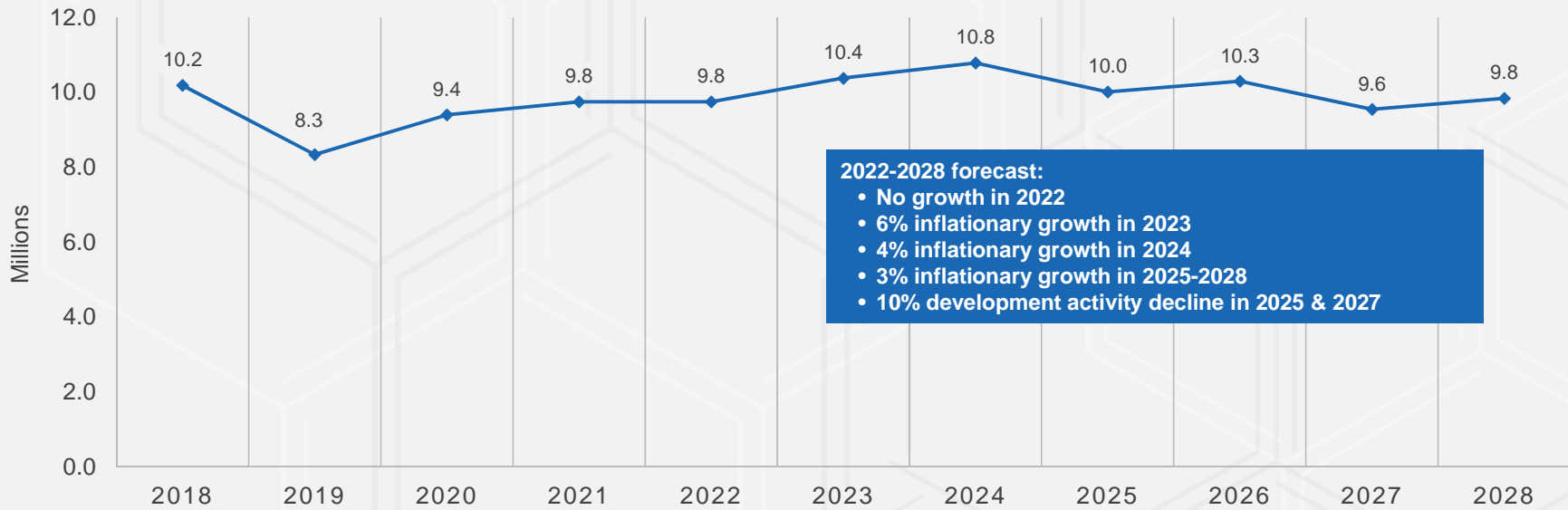


% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
Intergovernmental Service Revenues	1.5%	16.4%	-1.8%	10.9%	1.2%	3.0%	5.1%	5.5%	5.5%	5.3%
State Entitlement Revenues	2.4%	-0.4%	23.9%	-4.5%	2.9%	2.9%	2.6%	2.7%	2.7%	2.7%
Grants	24.5%	961.3%	66.2%	-15.6%	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



2023-2028 General Fund Revenue Forecast

Development Fees *(9% of 2023-2024 Budget)*

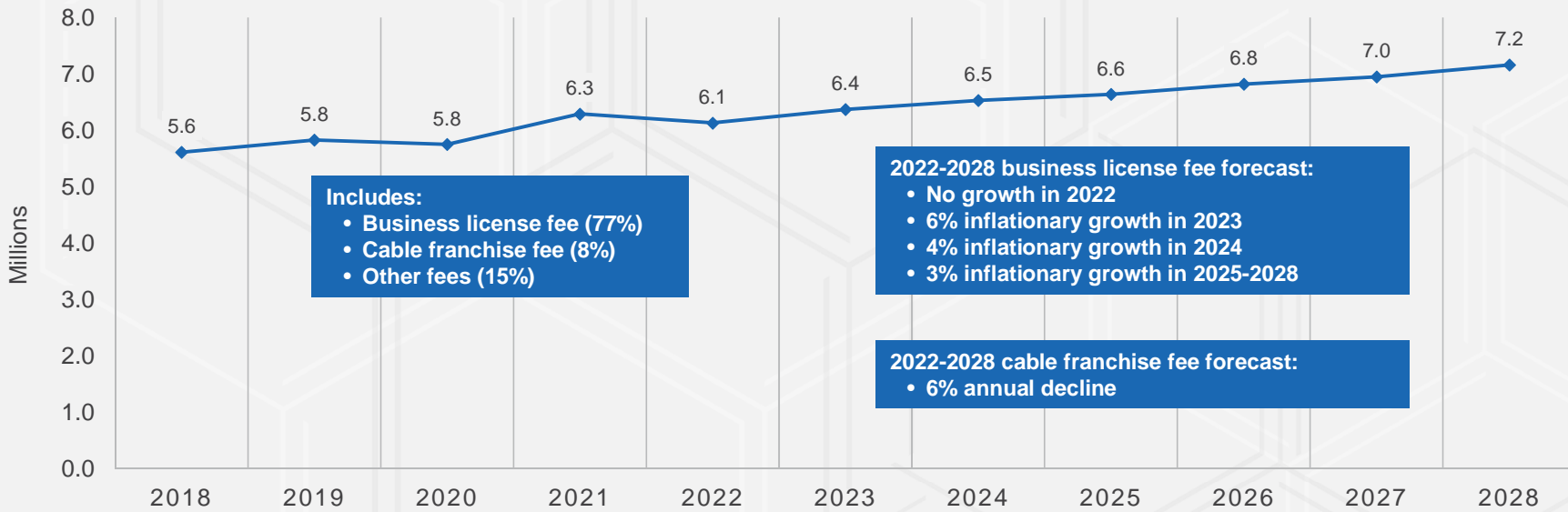


% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
Development Fees	-18.2%	12.8%	3.7%	0.0%	6.4%	4.0%	-7.3%	3.0%	-7.3%	3.0%



2023-2028 General Fund Revenue Forecast

License & Permit Fees (6% of 2023-2024 Budget)



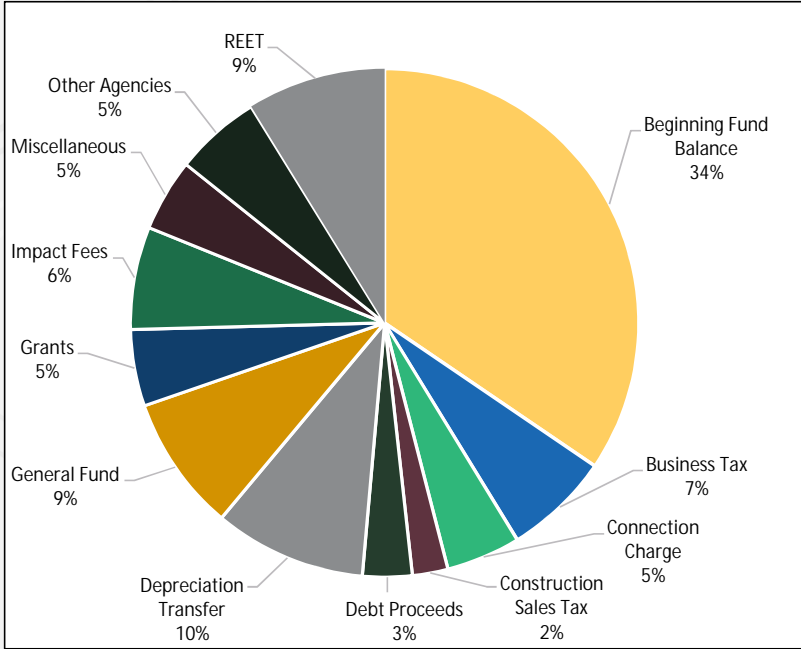
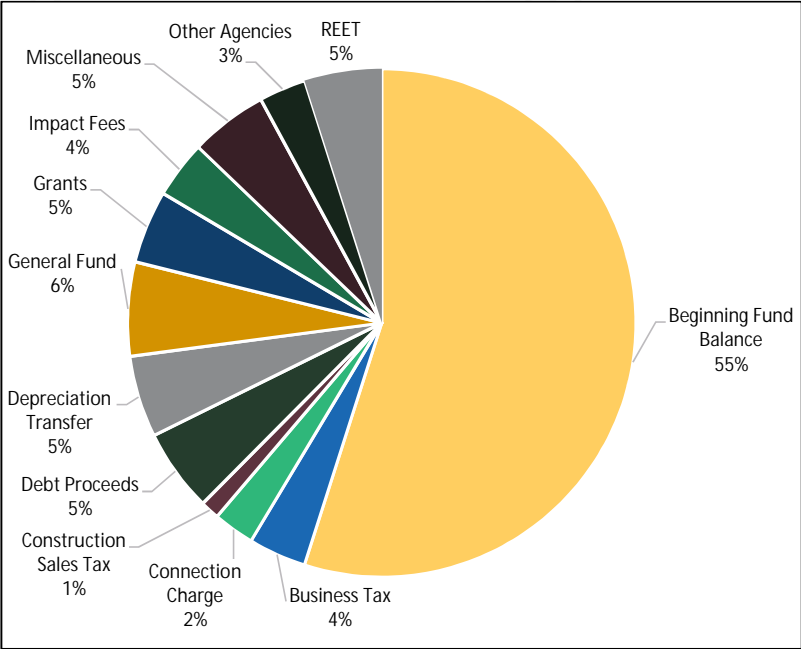
% Change vs. Prior Year	2019 Act	2020 Act	2021 Act	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst
License & Permit Fees	3.8%	-1.3%	9.3%	-2.5%	3.9%	2.6%	1.6%	2.8%	1.9%	2.9%



2023-2028 CIP Revenue Forecast

2023-2024 = \$285.05M

2023-2028 = \$477.34M



2023-2028 CIP Revenue Forecast

Key Assumptions

- Beginning Fund Balances
- General Fund Contributions
 - 5% transfer to CIP
 - Pavement management
 - Construction sales tax
- Business Tax decrease
- Development Revenues
 - Real Estate Excise Tax (REET)
 - Impact Fees
 - Connection Charges
- Grant and American Rescue Plan Act Funding
- Regional Partners:
 - Sound Transit
 - Community Facility District
- Debt Proceeds
 - Redmond Senior and Community Center
- Transportation Benefit District
 - Beginning 2024 (\$20 per vehicle)

Utility Funds Fiscal Policy

- **Financial Policy:**

“The City will set fees and user charges for each enterprise fund at a level that fully supports the total direct and indirect cost of the activity including the cost of annual depreciation of capital assets.”

- **Financial Tests:**

- Positive Net Income: Ensures operating revenues are sufficient to cover operating expenses
- Positive Cash Flow: Ensures the utility is able to generate sufficient revenues to meet cash obligations
- Compliance with Bond Coverage Requirement: Ensures revenue will equal cash operating expenses plus 1.2 times the revenue bond debt service



2023-2028 Utility Rate Forecast

Utility	Historical						Forecast					
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Stormwater	0%	0%	0%	0%	0%	0%	1%	1%	2%	2%	2%	2%
City Water	2%	2%	2%	2%	0%	0%	5%	5%	3%	3%	3%	3%
City Wastewater	0%	0%	4%	4%	0%	0%	3%	3%	3%	3%	3%	3%
Novelty Hill Water	8%	8%	3%	3%	0%	0%	8%	8%	5%	5%	5%	5%
Novelty Hill Wastewater	0%	0%	5%	5%	0%	0%	6%	6%	4%	4%	4%	4%
King County Wastewater Treatment	5%	0%	3%	0%	4.5%	4%	5.75%	6.5%	5%	5%	5%	5%

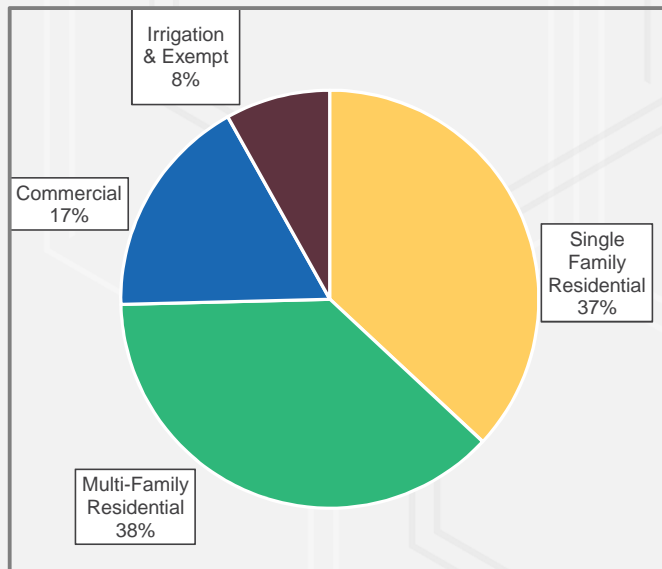


2023-2024 Utility Revenue Assumptions

- King County Wastewater Treatment increases in 2023 and 2024
- Development decline 2025
- Commercial water consumption recovery continuing thru 2023
- Microsoft Campus Refresh reconnections
- Continued grant funding for wellhead protection and stormwater efforts
- Fund Balance
 - Cascade Water Alliance
 - Development



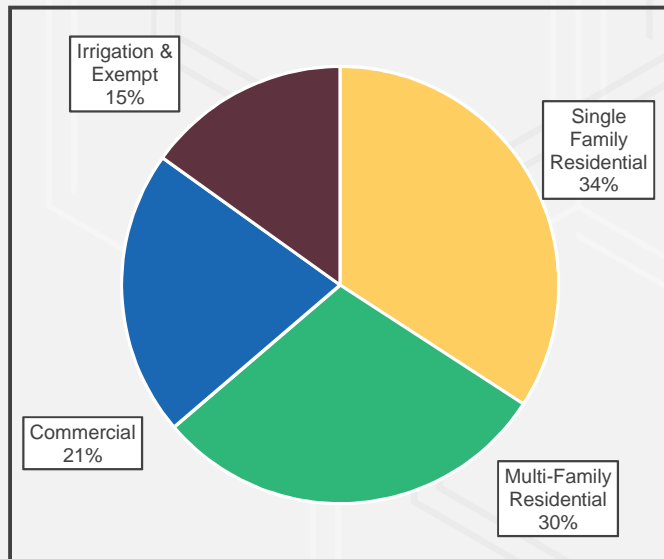
Water/Wastewater Customer Base Growth



City Meter Equivalents	2017	2018	2019	2020	2021	2022
Single Family Residential	11,998	12,126	12,233	12,284	12,361	12,423
Multi-Family Residential	9,886	10,877	11,874	12,296	12,603	12,918
Commercial	6,038	6,025	5,891	5,895	5,788	5,904
Irrigation & Exempt	2,827	2,864	2,768	2,764	2,715	2,715
Total	30,749	31,892	32,766	33,239	33,467	33,960
% Inc/Dec from Previous Year	0.35%	3.72%	2.74%	1.44%	0.68%	1.45%



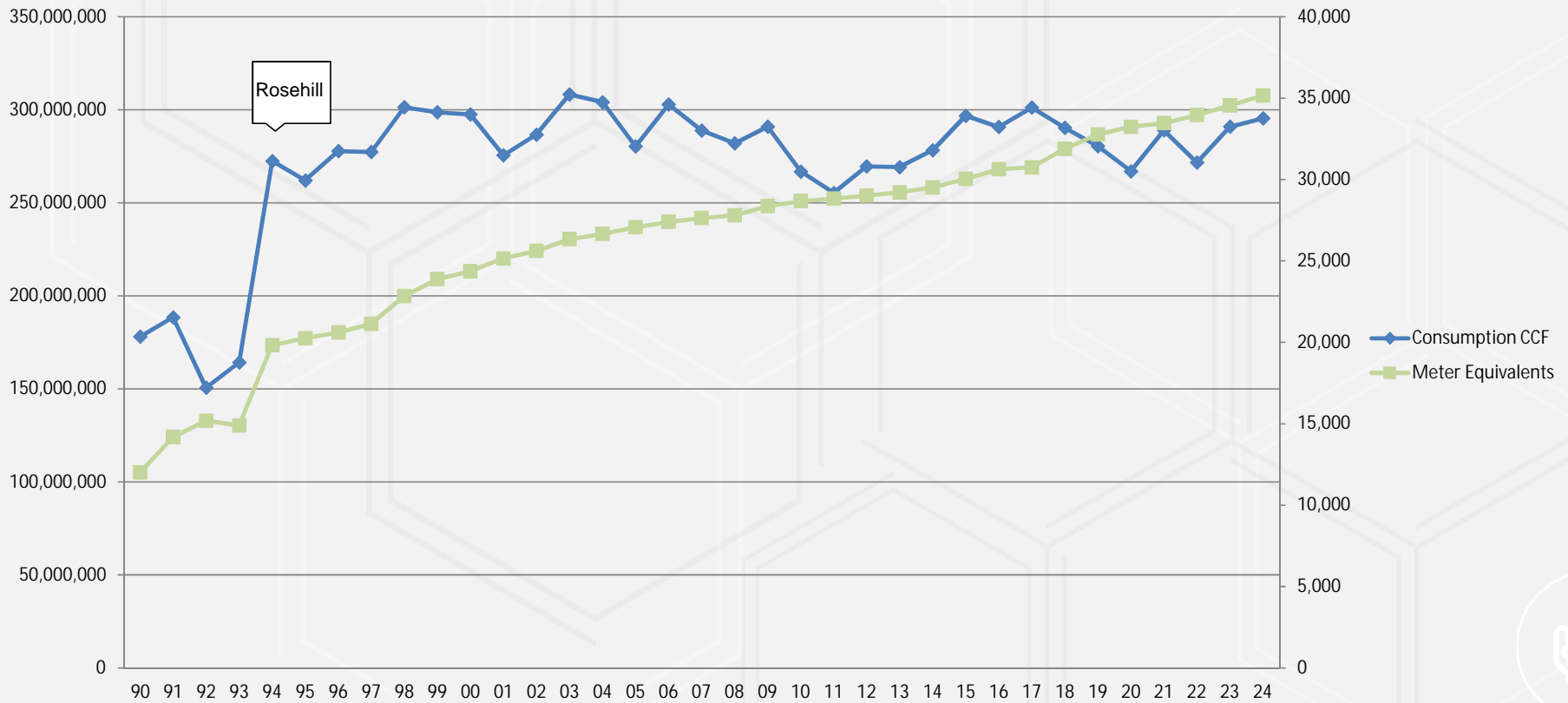
Water Demand



Consumption by Class	2017	2018	2019	2020	2021	2022
Single Family Residential	99,315,979	94,689,812	91,979,000	97,288,810	102,542,000	95,177,085
Multi-Family Residential	80,395,000	78,279,000	79,602,700	85,790,700	89,819,900	89,032,100
Commercial	74,839,200	71,755,000	68,379,100	45,371,000	47,222,300	52,351,320
Irrigation & Exempt	47,677,000	45,601,000	40,497,400	38,513,100	49,395,400	35,062,613
Total	302,227,179	290,324,812	280,458,200	266,963,610	288,979,600	271,623,118
% Inc/Dec from Previous Year	3.96%	-3.94%	-3.40%	-4.81%	8.25%	-6.01%



Forecasted Growth and Demand



Consolidated Utility Expenditures

	2021-2022 Budget	2023-2024 Proposed	Variance	% Inc/Dec
Salaries and Benefits	\$20,502,447	\$26,389,315	\$5,886,868	29%
Operating Expenses	\$10,290,620	\$12,573,267	\$2,282,647	22%
Interfund Overhead	\$8,127,770	\$8,737,005	\$609,235	7%
Depreciation Expense	\$18,466,756	\$17,884,926	(\$581,830)	-3%
Debt Service	\$3,947,665	\$3,917,467	(\$30,198)	-1%
Taxes	\$2,361,983	\$2,836,078	\$474,095	20%
Capital Expenses	\$763,000	\$980,354	\$217,354	28%
King County Metro	\$35,395,176	\$44,151,320	\$8,756,145	25%
Cascade Water Alliance	\$19,697,568	\$19,192,033	(\$505,535)	-3%
Total	\$119,552,985	\$136,661,765	\$17,108,780	14%



2023-2024 Utility Bill Impacts

Average User	2022 Current Rates	2023 Proposed Rates	Change from 2022 Bill	2024 Proposed Rates	Change from 2023 Bill	%age Increase 2022 to 2023	%age Increase 2023 to 2024
Water (flat rate & consumption)	\$35.57	\$37.35	\$1.78	\$39.22	\$1.87	5%	5%
Wastewater (flat rate)	\$14.15	\$14.57	\$0.42	\$15.01	\$0.44	3%	3%
Stormwater (flat rate)	\$16.56	\$16.73	\$0.17	\$16.89	\$0.17	1%	1%
Total CITY Portion of Monthly Bill	\$66.28	\$68.65	\$2.37	\$71.12	\$2.47	4%	4%
Total CITY Bi-Monthly Bill	\$132.56	\$137.30	\$4.74	\$142.24	\$4.94	4%	4%
King County Wastewater Treatment	\$45.33	\$47.94	\$2.61	\$51.05	\$3.12	5.8%	6.5%
Total	\$111.61	\$116.59	\$4.98	\$122.17	\$5.59	4%	5%
<i>Total Bi-Monthly Bill</i>	\$223.22	\$233.17	\$9.95	\$244.35	\$11.18	4%	5%



2023-2024 Budget Calendar

Oct-Dec 2022 Council Meetings

Task/Meeting	Date
Mayor presents 2023-2024 Preliminary Budget to Council	Oct 4
Public Hearing #2 (2023 property tax levy & other revenue sources)	Oct 18
Operating budget review—baseline offers (Study Session)	Oct 20 (Th) Oct 25
Public Hearing #3 (2023-2024 Preliminary Budget)	Nov 1
Operating budget review—service reduction & service enhancement offers (Study Session)	Nov 3 (Th) Nov 7 (M)
2023-2028 CIP final review & 2023-2026 BTIP final review (Study Session)	Nov 10 (Th)
Public Hearing #4 (2023-2024 Preliminary Budget)	Nov 15
Finalize changes to 2023-2024 Preliminary Budget (Study Session)	Nov 17 (Th)
Additional budget meeting, if needed (Study Session)	Nov 22
Council adoption of 2023-2024 Final Budget	Dec 6



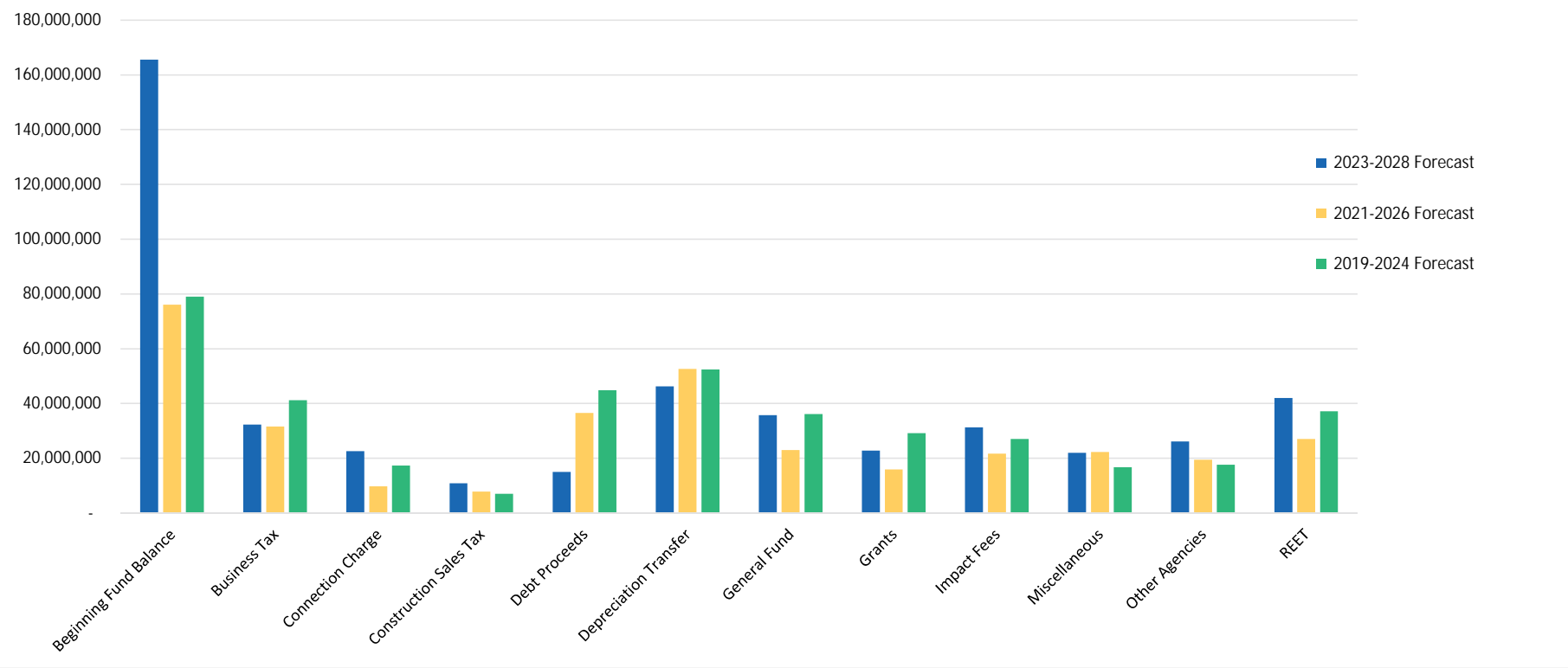
Thank you

Any Questions?



Redmond
WASHINGTON

Preliminary Forecast Comparison



2021-2022 Utility Rate Forecast

Utility	Historical						Forecast					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Stormwater	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	3%	6%
City Water	3%	3%	2%	2%	2%	2%	0%	0%	7%	6%	3%	3%
City Wastewater	2%	2%	0%	0%	4%	4%	0%	0%	6%	4%	4%	4%
Novelty Hill Water	3%	3%	8%	8%	3%	3%	0%	0%	8%	8%	6%	6%
Novelty Hill Wastewater	3%	3%	0%	0%	5%	5%	0%	0%	8%	8%	5%	5%
King County Wastewater Treatment	6%	0%	5%	0%	3%	0%	4.5%	0%	5%	0%	5%	0%