

Sales Tax: The 0.1% sales tax increase approved on the November 2016 ballot has generated approximately \$3,964 a month since June (April – two-month lag in fund transfer from state). This is equivalent to approximately \$48,000 a year in revenue. This number is variable. As a sales tax, it is based off of the total taxable sales within the jurisdiction. These taxable sales fluctuate with the economy. The total amount of the project this sales tax revenue can finance is conservatively estimated at \$500,000 for a 20-year term.

Property Tax Levy: 2017 Proposition #1 is asking the voters to approve a Property Tax increase up to \$2.2million. Total project bonding is \$2.7million - \$500,000 for the sales tax portion from November 2016 = \$2.2million. If the project costs are less or the sales tax portion is greater, then the city can collect less property tax. However, the state laws require the City Council to ask for and publish in the voter's pamphlet the maximum amount possibly collected from the property owners. The bond will mature in 30 years or less at which time the levy expires. **Cost:** approximately \$.50 per \$1000 of value for a cost of 10.40 per month or \$124.80 annually on a \$250,000 home, after final property tax assessment. **Failed in the November Election.**

Utility Taxes – Water/Sewer/Garbage: Per RCW 35A.80.020 the City can levy a B&O utility tax. The City is limited to 6% on electric, natural gas and telephone unless approved by the voters. There is no limit on the amount the City can levy on their own utilities – water, sewer, and garbage. Current rate on water/sewer/garbage is 6%. If the City raised the rates 3.5% it would generate approximately \$105,035 based on 2018 estimated revenues. 5% would generate approximately \$150,050

Street Funding: Currently the City provides \$100,000 to the Street Fund from General Fund tax revenues, which is just barely enough to cover the necessary expenditures for Streets. In order to reduce that transfer the City needs to find other funding for streets. The City can allocate all of the current State Fuel Tax revenues to Street operations instead of splitting it with Street improvements. (\$18,800).

Transportation Benefit District: The City has the ability to raise the current \$20 vehicle tab fee to \$40, which would allow the City to continue to meet street improvement needs. (\$45-50,000)

City Business and Occupation Tax: The City can adopt a B&O tax on all business activities (retail, wholesale and service businesses) for up to .2 percent. The tax can be structured to allow for a gross receipts limit before it becomes applicable such as \$1000 per month in receipts and there are exemptions for non-profits, health organizations, day cares, and others. Revenue estimate is not clear as the City doesn't have information on wholesale and service gross receipts to make an estimate. .001 of \$10,000,000 would be \$10,000.

Sales & Use Tax – Public Facilities District: The City has the ability to form a Public Facilities District and then put before the voters an assessment for a sales tax of .02 percent to fund public facilities throughout the community which could include not only the Police Department, but the City Hall, Community Building and the Library. The implementation timeline for the District and funding do not meet the necessary timeline to use for the Police Department as the need is urgent.