

**CITY COUNCIL
STUDY SESSION AGENDA
JULY 1, 2024 – 5:00 P.M.**

1. Call To Order/Roll Call

2. Approve Agenda

3. Public Comment

The City Council welcomes public attendance at Council meetings. This meeting is for the conduct of regular City business. At this time, citizen comments and inquiries about agenda business or general City matters are encouraged. If you wish to address the City Council, please stand or raise a hand so you can be called upon. After you are recognized, please come forward to the lectern, state your name, and address for the public record. Your remarks must be limited to three minutes or less. Please use the microphone.

4. Receive Update from City Manager Contract Negotiation Team

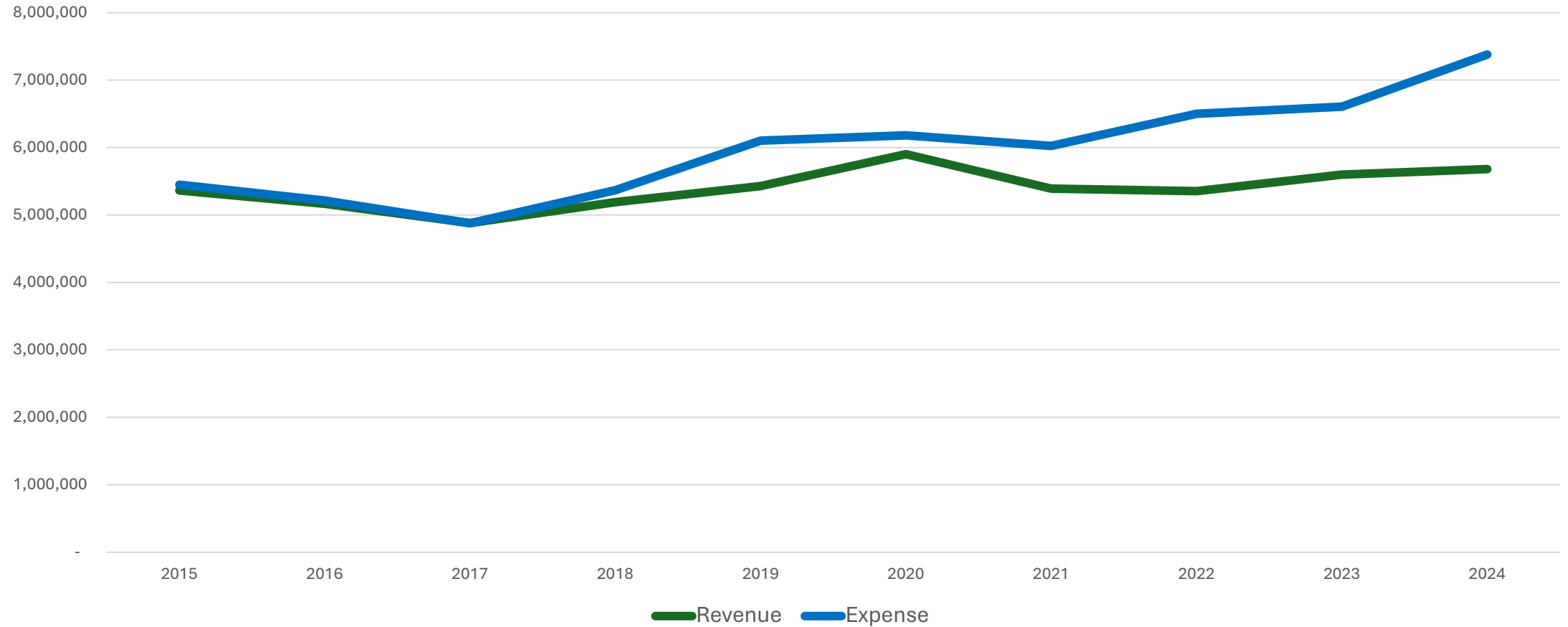
5. Presentation by Budget and Finance Director Adam Vaughn Regarding Financials

6. Adjournment

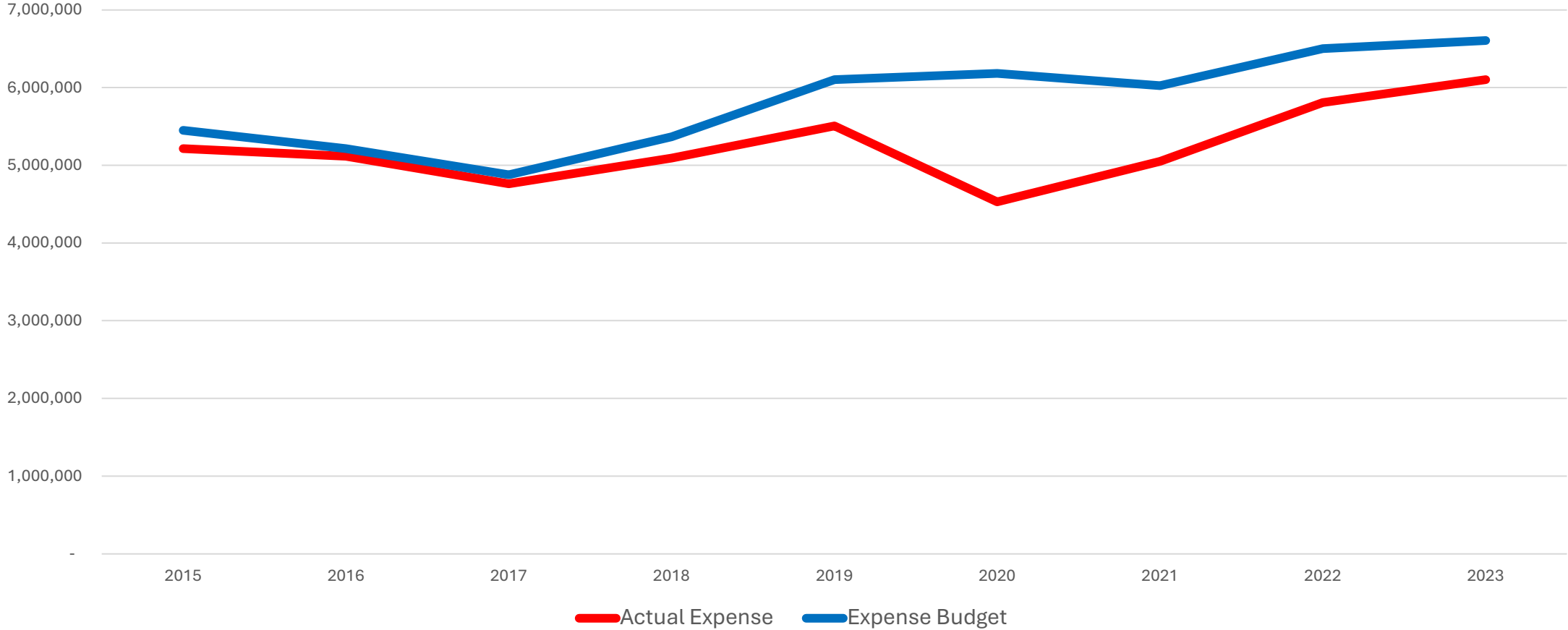
Next Regular Council Meeting will be on July 8, 2024

Financials

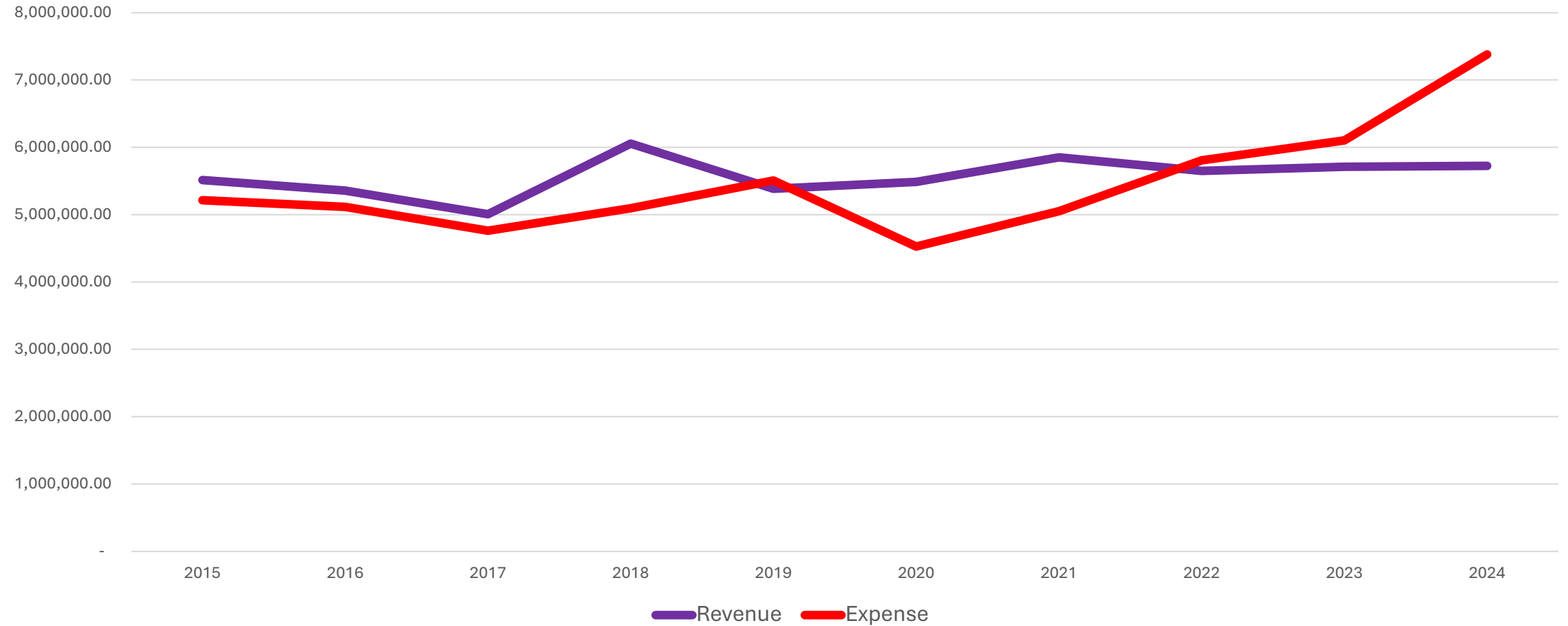
10-Year Budgeted Lookback



Actual Expense vs. Budgeted Expense



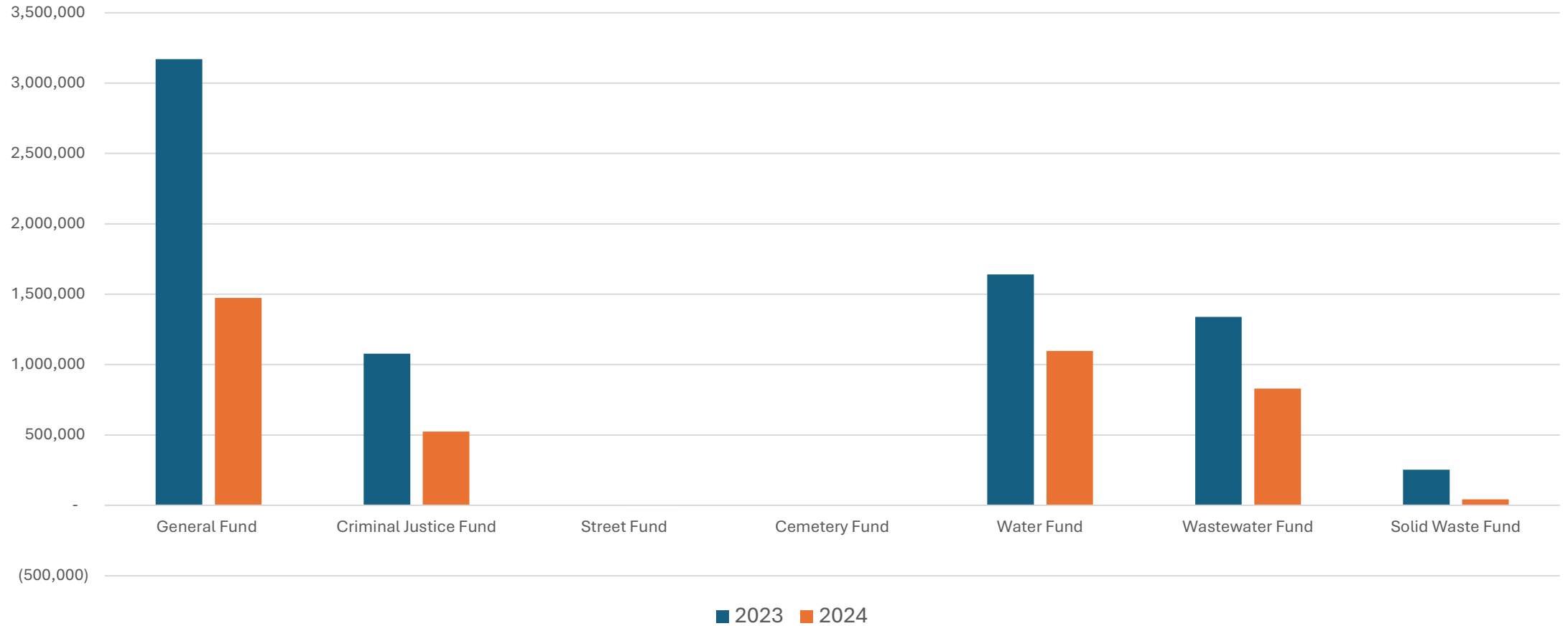
10-Year Actual lookback (With 2024 Budget) General Fund



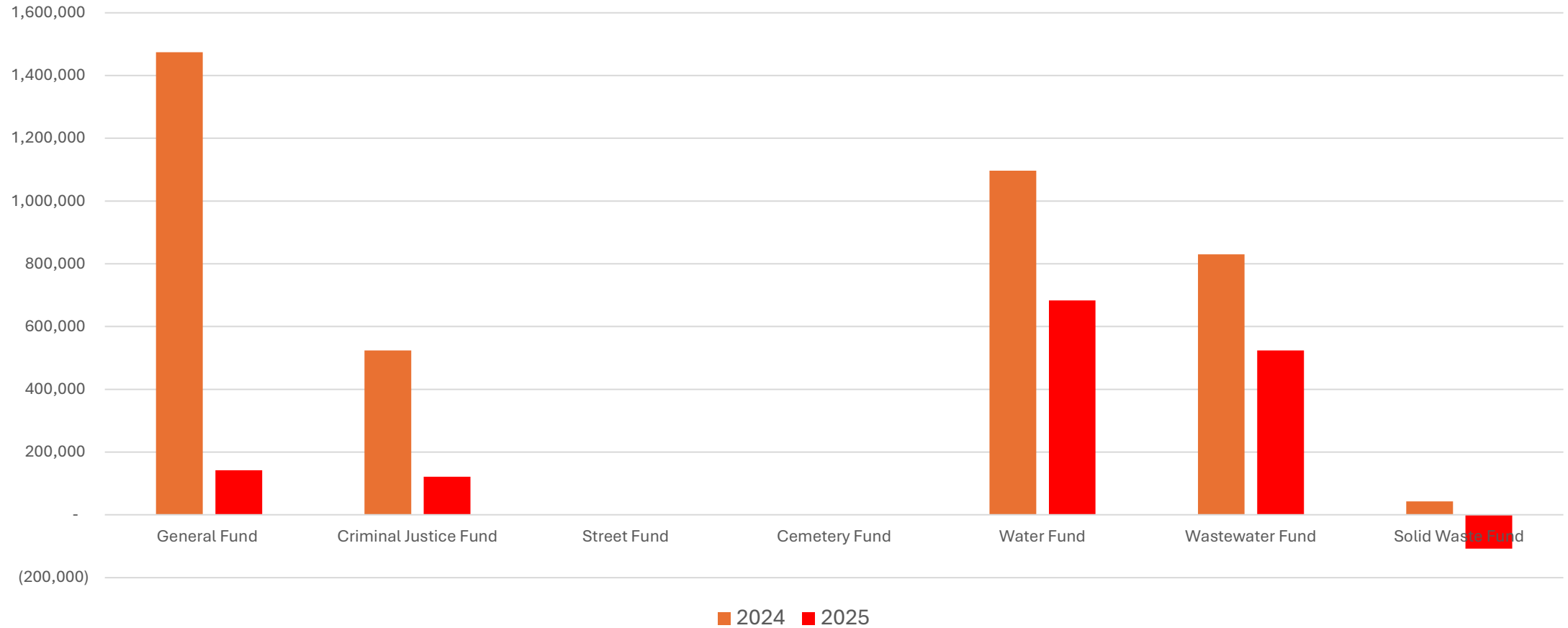
Difference between Budget vs. Actual over the last 9 years (General Fund)

- Budgeted surplus/(deficit):
 - \$(-5,744,963)
- Actual surplus/(deficit):
 - \$2,834,634

Current Fund Balance with 2024 Budget



Projected Fund Balance 12/31/2025 No Change to budget Minus Capital



Fund Balance Summary

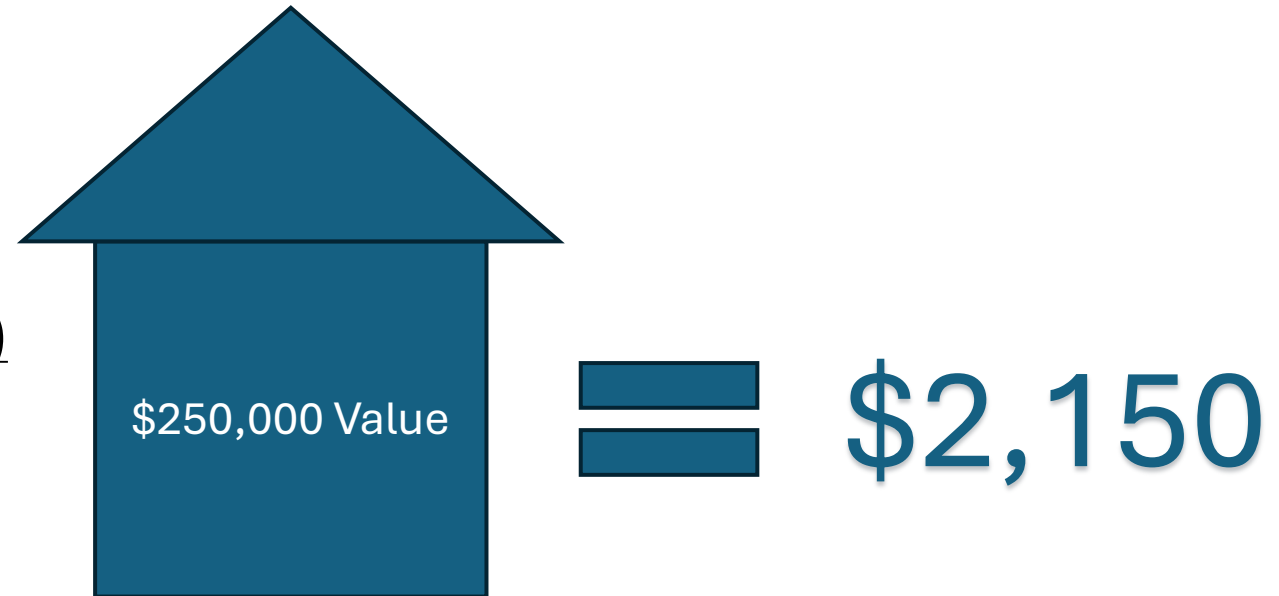
- At the current budget level, most major fund would be below recommended levels by the end of 2025
- The City has budgeted at a deficit since 2018
- The City's actual expenditures have been well below budget since 2018/2019, but that gap is closing (meaning the City has grown fund balance over time, but is trending to use up the balance at an unsustainable pace)

Toppenish Property Tax

Property Tax

• <u>City of Toppenish</u>	1.6
• County	.98
• County Flood Control	.06
• <u>County EMS</u>	.25 (~.22)
• Library	.29
• Toppenish School	3.2
• State School	2.2
• Total	8.6

A house valued at \$250,000 would pay \$2,150 in property tax (As a new construction)



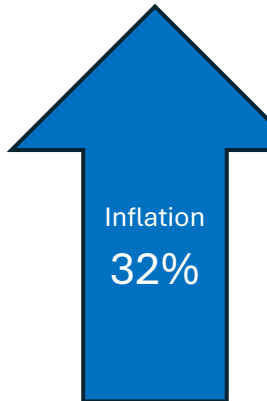
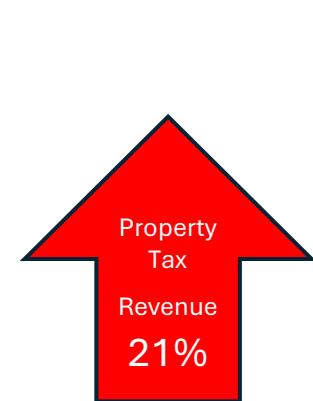
Rates are dollars per \$1,000 of assessed value
i.e. \$1000 of value = \$8.6 of property tax

Taxable Assessed Value

- 2015 – \$250,556,877
- 2016 – \$255,945,480
- 2017 – \$248,804,297
- 2018 – \$250,301,398
- 2019 – \$283,300,989
- 2020 – \$296,237,952
- 2021 – \$323,265,147
- 2022 – \$358,166,628
- 2023 – \$400,299,906
- 2024 – \$518,836,179

Property Tax Rate

- 2015 – 2.73
- 2016 – 2.72
- 2017 – 2.81
- 2018 – 2.81
- 2019 – 2.72
- 2020 – 2.71
- 2021 – 2.40
- 2022 – 2.23
- 2023 – 2.05
- 2024 – 1.59



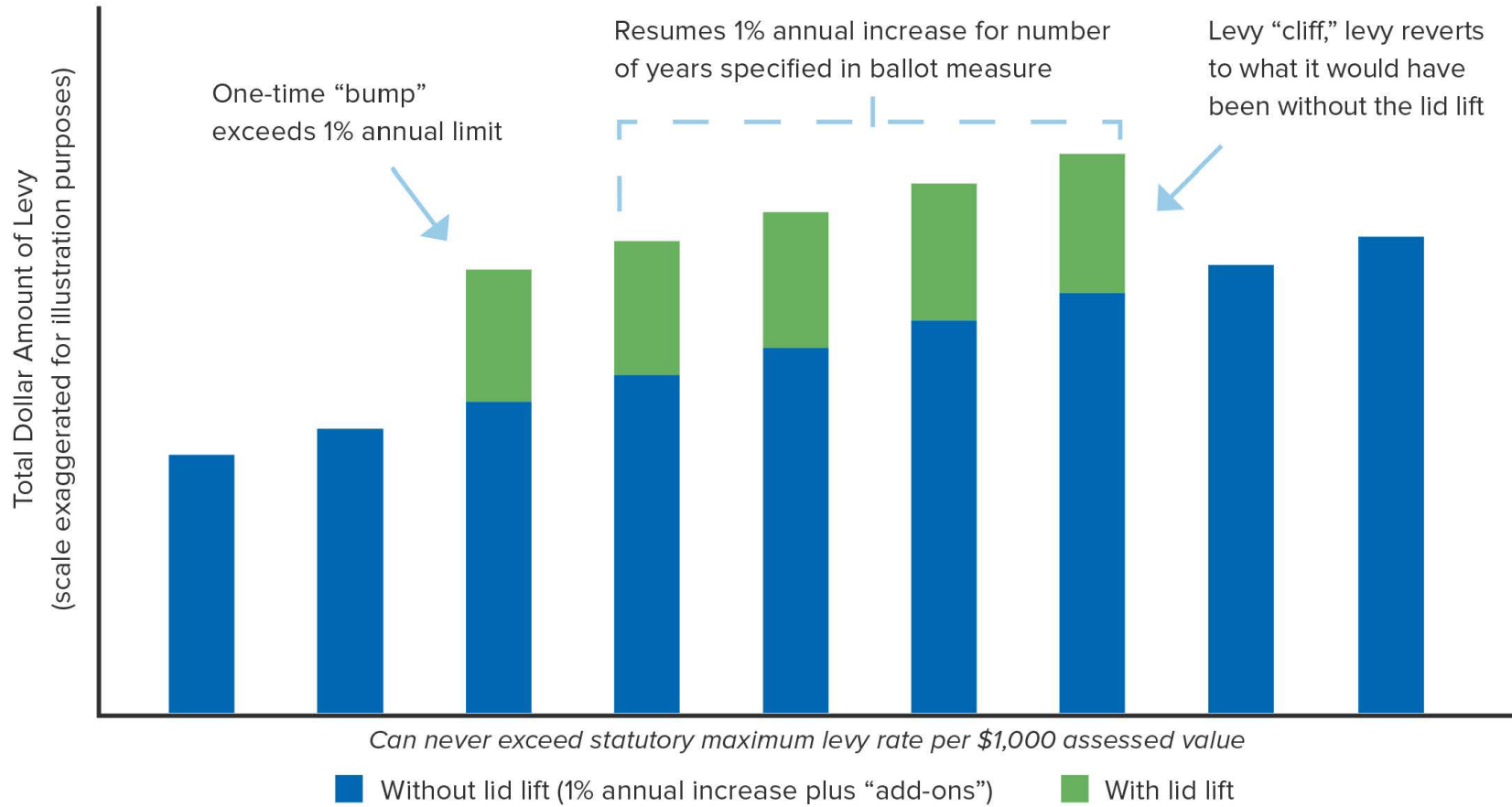
Initiative 747

- The passage of Initiative 747 in 2001 established a “101% levy limit” limiting the amount that any taxing jurisdiction can increase its regular property tax levy (the total amount of revenue collected) from current assessed valuation (excluding new construction) without voter approval.
- Assessed value only determines a home’s share of the levy. If all home values were to change by the same percentage, then each home’s share of the levy would stay the same and everyone’s taxes would increase by exactly 1%.

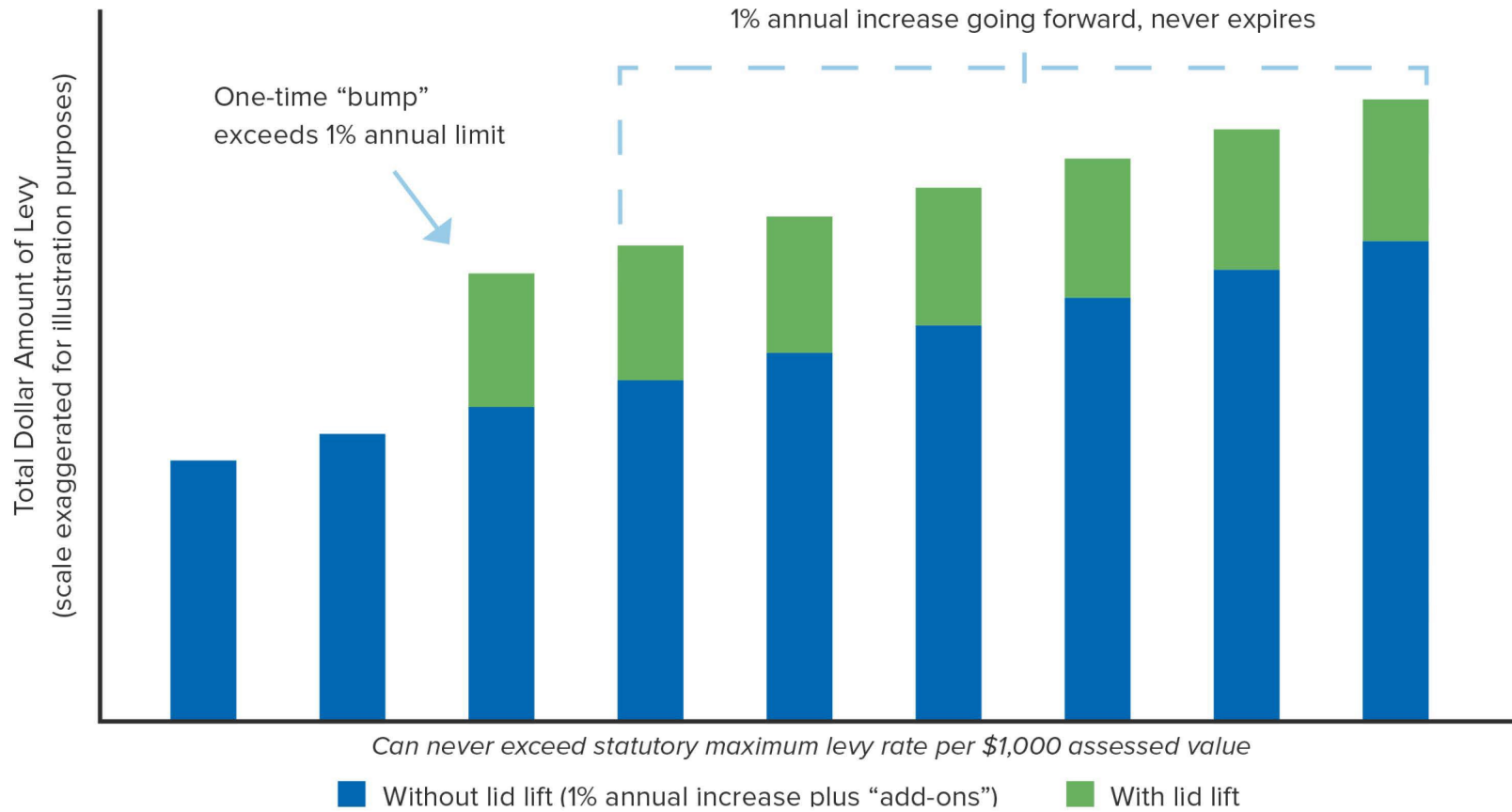
Levy Lid Lift Options

- Single-Year or Multi-year
- Permanent or Temporary
- Simple majority (50% +1) for passage

SINGLE-YEAR TEMPORARY LEVY LID LIFT



SINGLE-YEAR PERMANENT LEVY LID LIFT



Current Yakima County City Rates and Tax Per Person

City	Population	Regular Value	Rate	Property Tax	Property Tax per person
Granger	3,624	\$218,840,397	1.46	\$320,062	\$88.32
Mabton	1,959	\$110,262,917	1.76	\$194,084	\$99.07
Toppenish	8,650	\$578,156,242	1.59	\$917,340	\$106.05
Wapato	4,607	\$332,788,807	1.73	\$576,304	\$125.09
Moxee	4,326	\$729,365,119	0.861	\$628,054	\$145.18
Grandview	11,149	\$1,091,449,532	1.73	\$1,887,172	\$169.27
Zillah	3,179	\$435,959,777	1.3	\$590,339	\$185.70
Sunnyside	16,264	\$1,485,569,490	2.06	\$3,054,062	\$187.78
Tieton	1,389	\$189,322,440	1.47	\$277,411	\$199.72
Yakima	96,750	\$11,665,072,030	1.8	\$21,641,884	\$223.69
Selah	8,571	\$1,240,950,161	1.93	\$2,392,215	\$279.11
Union Gap	6,439	\$1,247,940,037	1.8	\$2,248,076	\$349.13

Changing Toppenish's Rate to 2.0



City	Population	Regular Value	Rate	Property Tax	Property Tax per person
Granger	3,624	\$218,840,397	1.46	\$320,062	\$88.32
Mabton	1,959	\$110,262,917	1.76	\$194,084	\$99.07
Wapato	4,607	\$332,788,807	1.73	\$576,304	\$125.09
Toppenish	8,650	\$578,156,242	2.00	\$1,156,312	\$133.68
Moxee	4,326	\$729,365,119	0.861	\$628,054	\$145.18
Grandview	11,149	\$1,091,449,532	1.73	\$1,887,172	\$169.27
Zillah	3,179	\$435,959,777	1.3	\$590,339	\$185.70
Sunnyside	16,264	\$1,485,569,490	2.06	\$3,054,062	\$187.78
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Union Gap	6,439	\$1,247,940,037	1.8	\$2,248,076	\$349.13

Changing Toppenish's Rate to 2.5



City	Population	Regular Value	Rate	Property Tax	Property Tax per person
Granger	3,624	\$218,840,397	1.46	\$320,062	\$88.32
Mabton	1,959	\$110,262,917	1.76	\$194,084	\$99.07
Wapato	4,607	\$332,788,807	1.73	\$576,304	\$125.09
Moxee	4,326	\$729,365,119	0.861	\$628,054	\$145.18
Toppenish	8,650	\$578,156,242	2.50	\$1,445,391	\$167.10
Grandview	11,149	\$1,091,449,532	1.73	\$1,887,172	\$169.27
Zillah	3,179	\$435,959,777	1.3	\$590,339	\$185.70
Sunnyside	16,264	\$1,485,569,490	2.06	\$3,054,062	\$187.78
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Understanding the Costs

- Every \$.10 of Property Tax = About \$60,000 of Revenue

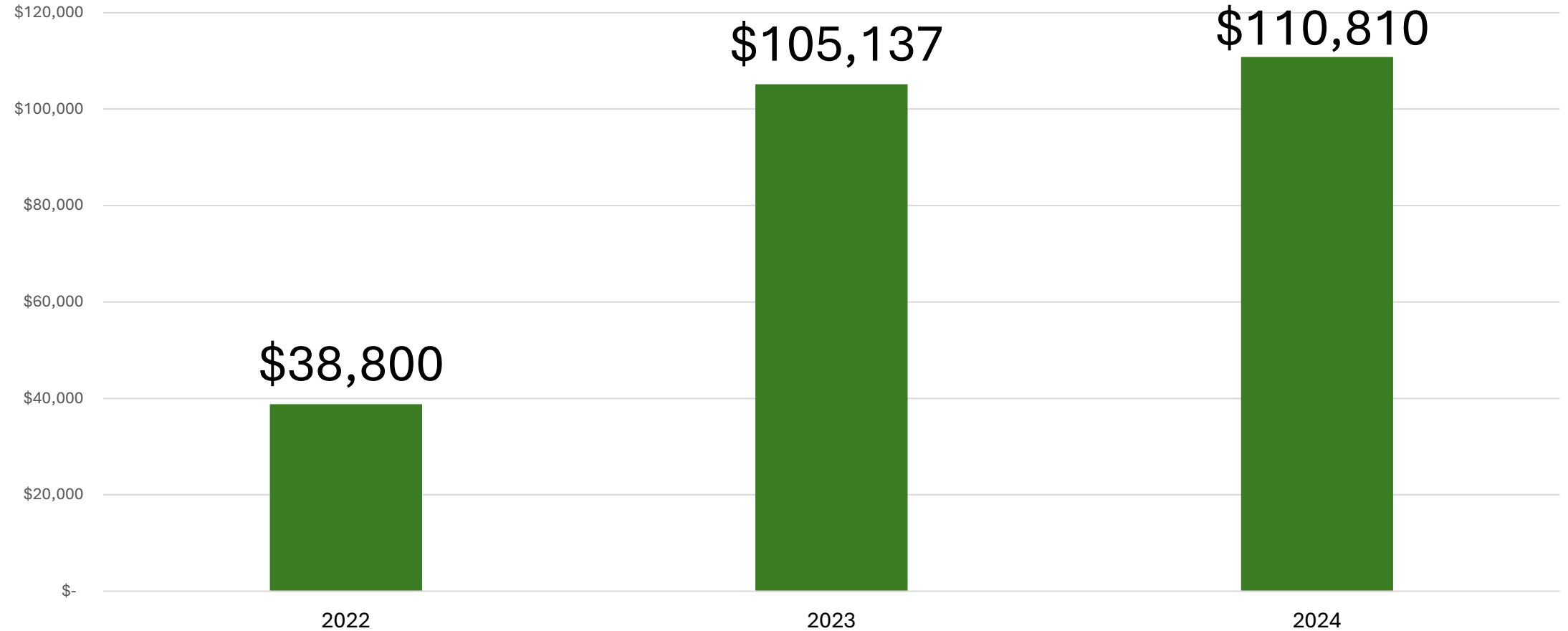
- For a house valued at \$250,000
 - Every \$.10 = \$25 of additional property tax each year
- For a house valued at \$350,000
 - Every \$.10 = \$35 of additional property tax each year

Transportation Benefit District Sales Tax

Funding

- Transportation benefit districts are primarily funded through sales taxes and/or vehicle license fees.
- Sales tax up to .3% (Approximately \$330,000 a year of new revenue) approved by voters
- The City Council can approve .1% of this sales tax by majority vote

General Fund Street Subsidy



Projected 2025 General Fund Subsidy

(5% growth assumption)

- Because of the \$40 newly approved Tab fee –
~\$19,267

What Services are currently funded?

- Crack Sealing (\$25,000)
- Snow & Ice Control
- Electricity for Streetlights
- Traffic Control Device maintenance and Signage
- Line Striping and crosswalk maintenance
- Asphalt repairs
- Sidewalk and ADA Maintenance and repair
- Limited Sweeping (Budget constraints and old/broken equipment)
- Vehicle Replacement (\$10,000 a year)

What services could be funded?

Every .1% of Sales tax ~ \$110,000

- Chip Seal and Painting (\$150,000 a year)
- Alley Preservation (\$150,000 a year)
- Street Sweeper Replacement (\$25,000 a year)
- Vactor Truck Replacement (\$25,000 a year)
- Heavy Equipment Replacement (\$10,000 a year)
- Additional funding for Striping and Crack Sealing

Yakima County Sales Tax Rates

Location County/City	Loc. Code	Local Rate	Sales/Use Tax	
			State Rate	Combined Sales Tax (1)
WHITMAN (cont.)				
Rosalia	3813	.014	.065	.079
St. John	3814	.014	.065	.079
Tekoa	3815	.014	.065	.079
Uniontown	3816	.014	.065	.079
YAKIMA				
Unincorp. Areas	3900	.015	.065	.080
Grandview	3901	.015	.065	.080
Granger	3902	.015	.065	.080
Harrah	3903	.015	.065	.080
Mabton	3904	.015	.065	.080
Moxee City	3905	.015	.065	.080
Naches	3906	.015	.065	.080
Selah	3907	.018	.065	.083
Sunnyside	3908	.017	.065	.082
Tieton	3909	.015	.065	.080
Toppenish	3910	.015	.065	.080
Union Gap	3911	.017	.065	.082
Wapato	3912	.015	.065	.080
Yakima (City)	3913	.018	.065	.083
Zillah	3914	.015	.065	.080



Of the highlighted red, only Yakima also charges a Tab fee

Understanding the Costs

- Every .1% of Sales Tax = About \$110,000 of Revenue

- For \$150 the amount of Sales Tax paid:
 - Current 8.0% rate \$12.00
 - Council Approved .1% (8.1%) \$12.15 (1.25% difference)
 - Voter Approved .3% (8.3%) \$12.45 (3.75% difference)