

ORDINANCE NO. 652

AN ORDINANCE of the City Council of the City of Lakewood, Washington, making a declaration of substantial need for purposes of setting the limit factor for the property tax levy for 2017.

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest lawful levy plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property;

WHEREAS, under RCW 84.55.005(2)(C), the limit factor for a taxing jurisdiction with a population of 10,000 or over is the lesser of 101 percent or 100 percent plus inflation;

WHEREAS, RCW 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in September of the year before the taxes are payable;

WHEREAS, "inflation" for July 2016 is 0.953% and the limit factor is 1%, meaning that the taxes levied in the City of Lakewood in 2016 for collection in 2017 will decrease except for the amount resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property;

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a finding of substantial need by a majority plus one councilmembers;

WHEREAS, the City Council adopted financial policies that include strong policies on reserve levels for the City's operating funds; the proposed budget ensures that by the end of 2018, General Fund reserves shall be at least 12% of General and Street operating revenues, a significant improvement from previous years' ending fund balances. The 2017-2018 proposed budget continues the City's sound financial footing by maintaining General Fund reserves at the 12% policy objective at the end of 2018. Using reserves and one-time monies to finance ongoing programs as was the case in previous years only masks and pushes out the financial challenges facing the City. The 2017-2018 proposed budget ensures operating expenditures are within the constraints of available operating revenues and does not use reserves to balance the budget. As a result, the proposed budget is compliant with the City's financial policies. Additionally, the City has one labor contract that expires at the end of 2016. The City has started the process; however the financial impact will not be known until the agreement is in place. Labor costs have and are expected to continue to increase above 1%. Annual step increases range from 3.5% to 6% on top of cost of living adjustments (COLA) depending on the labor group.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON DO ORDAIN as follows:

SECTION 1. A finding is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of 101 percent for the property tax levy for 2017.

SECTION 2. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

SECTION 3. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance number, section/subsection numbers and any references thereto.

SECTION 4. Effective Date. That this Ordinance shall be in full force and effect five (5) days after publication of the Ordinance as required by law.

ADOPTED by the City Council this 21st day of November, 2016.

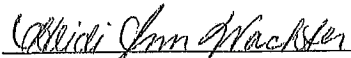
CITY OF LAKEWOOD


Don Anderson, Mayor

Attest:


Alice M. Bush, MMC, City Clerk

Approved as to Form:


Heidi Ann Wachter, City Attorney

ORDINANCE NO. 653

AN ORDINANCE of the City Council of the City of Lakewood, Washington, relating to ad valorem property taxes; establishing the amount to be raised in 2017 by taxation on the assessed valuation of the property of the City; and setting the property tax levy rate for 2017.

WHEREAS, the City Council of the City of Lakewood has met and considered its budget for the budget years 2017 - 2018; and

WHEREAS, the City Council conducted the public hearing on the 2017 property tax levy on November 7, 2016;

WHEREAS, the City Council, after hearing and duly considering all relevant evidence and testimony, determined that it is necessary to meet the expenses and obligations of the City, to increase the regular property tax levy by the 1.0% limit factor as prescribed in RCW 84.55.0101;

WHEREAS, the district's actual levy amount from the previous year was \$6,644,634; and

WHEREAS, the population of this district is more than 10,000; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON DO ORDAIN as follows:

SECTION 1. Increase in the Highest Lawful Levy. The highest lawful levy for collection in 2016 is \$6,582,983, plus additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and administrative refunds. The preliminary levy limit calculation includes: additional revenue from new construction in the amount of \$48,067; administrative refunds in the amount of \$14,854; and an increase from state-assessed property in the amount of \$13,754 for a total preliminary 2017 property tax levy of \$6,725,488.

SECTION 2. Dollar and Percentage Increase from the 2016 Actual Property Tax Levy. The dollar amount of the increase over the actual 2016 levy of \$6,644,634 (which is the regular levy of \$6,582,983 plus administrative refunds of \$61,651) is \$4,178.83 and 0.0629 percent. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state-assessed property, any annexations that have occurred and administrative refunds.

SECTION 3. Estimated Tax Levy. The estimated 2017 regular property tax levy is established at the maximum 101 percent limit. The annual amount of property taxes and rates necessary to raise the estimated budget revenue in 2017 is hereby levied upon real and personal property subject to taxation in the City as follows:

Estimated 2017 Tax Levy

True and Fair Value of Tax Base: \$5,419,721,591
Estimated Levy Rate: \$1.2409

SECTION 4. Maximum Allowable Levy and Certification. The estimated property tax revenues and rates will be subsequently adjusted by the Pierce County Assessor-Treasurer to the maximum allowable amount as specified by state law, including administrative refund, when the property values are finally certified. The levy certifications will then be completed using the final certified figures and forwarded to the Assessor-Treasurer.

SECTION 5. Effective Date. That this Ordinance shall be in full force and effect five (5) days after publication of the Ordinance as required by law.

ADOPTED by the City Council this 21st day of November, 2016.

CITY OF LAKEWOOD




Don Anderson, Mayor

Attest:



Alice M. Bush, MMC, City Clerk

Approved as to Form:



Heidi Ann Wachter, City Attorney