



# PROPOSED REVENUE AND PROPERTY TAX LEVY

NOVEMBER 26, 2019

# COUNTY BUDGET PROCESS

State law governs the county budget process

- RCW 36.40.070 requires a public hearing on the budget on the first Monday in October
- RCW 36.40.080 requires the county legislative authority to determine each item in the budget and adopt it by resolution
- RCW 36.40.090 requires the board of county commissioners to then fix the amount of levies
- RCW 84.55.120 requires a public hearing on revenue sources that support the budget, including consideration of possible increases in property tax revenue
- RCW 84.52.070 requires the county legislative authority to certify the property taxes levied no later than November 30 of each year



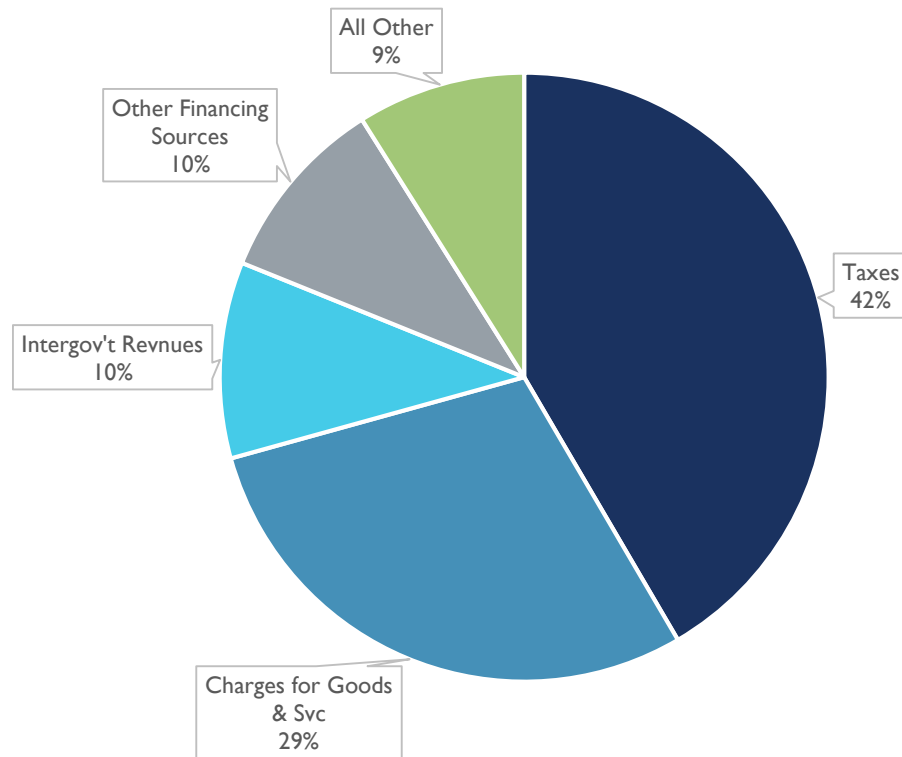
# REVENUE TO SUPPORT THE BUDGET

# 2019 – 2020 MID-TERM ADJUSTMENT BUDGET ALL FUNDS

## Combined Operating and Capital Budgets

Type of Fund	2019		2020	
	Revenue	Expenditures	Revenue	Expenditures
General Fund	98,985,588	101,873,899	104,465,728	108,826,540
Special Revenue Funds	94,515,330	108,361,069	96,188,582	106,597,436
Debt and Bond Funds	6,240,900	6,104,510	6,280,700	6,153,700
Capital Funds	18,413,204	20,933,205	52,709,529	36,322,314
Enterprise Funds	57,909,790	60,970,452	55,846,905	58,759,903
Internal Service Funds	35,986,244	42,642,078	43,983,139	42,167,952
<b>Total</b>	<b>312,051,056</b>	<b>340,885,213</b>	<b>359,474,583</b>	<b>358,827,845</b>

# PROPOSED OPERATING REVENUE: ALL FUNDS

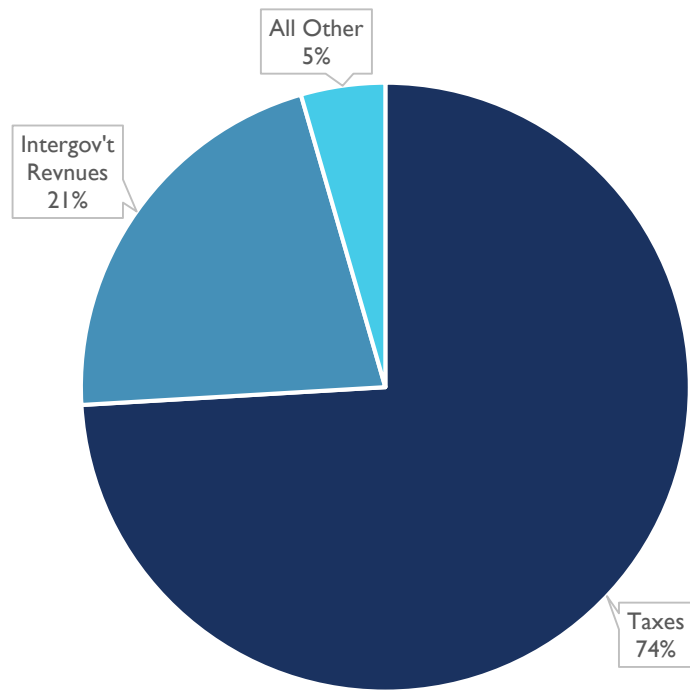


Revenue Source	2019	2020
Taxes	125,154,200	131,780,623
Charges for Goods & Svc	87,721,854	92,323,409
Intergov't Revenues	32,854,834	33,047,561
Other Financing Sources	30,709,129	31,483,436
All Other	21,958,204	28,348,750
<b>Total Operating Revenue</b>	<b>298,398,221</b>	<b>316,983,779</b>
<b>Total Operating Expenditures</b>	<b>313,834,723</b>	<b>319,087,141</b>

# EXAMPLES OF REVENUE

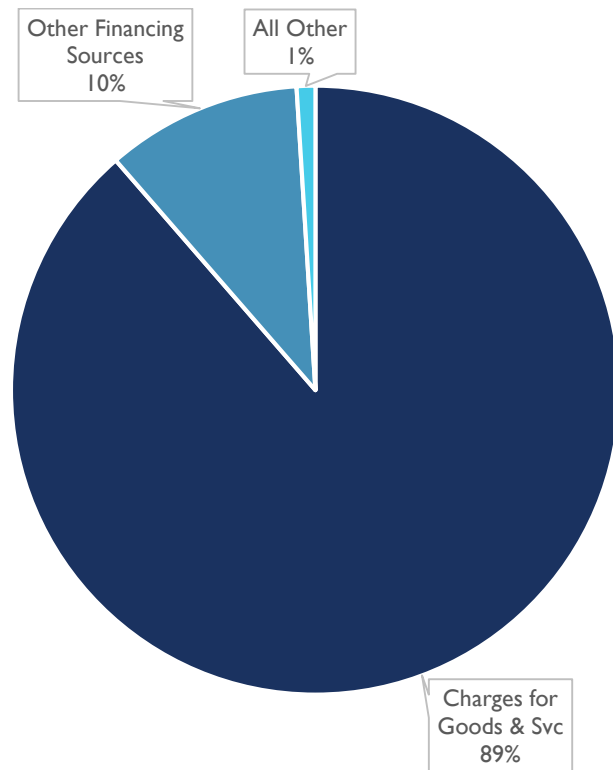
- **Taxes**
  - Property Tax
  - Sales & Use Tax
  - Special Revenue Taxes, such as Treatment Sales Tax
- **Charges for Services**
  - Garbage disposal fees at the WARC
  - Internal service charges, such as Financial Services
- **Intergovernmental Revenues**
  - Federal and State grants for services such as roads and housing
  - State revenue sharing, such as Liquor Profits
- **Licenses and Permits; Fines and Forfeits**
  - Marriage and vehicle licenses
  - Construction Permits
  - Court fines, such as speeding tickets
- **Miscellaneous Revenue**
  - Investment Interest
- **Transfers (Other Finance Sources)**
  - Transfer from Roads Account to Road Construction to account for projects

# ROADS AND TRANSPORTATION FUND (#1190)



Revenue Source	2019	2020
Taxes	19,384,000	21,484,000
Intergov't Revenues	6,223,736	6,223,736
All Other	1,876,065	1,298,213
<b>Total Operating Revenue</b>	<b>27,483,801</b>	<b>29,005,949</b>
<b>Total Operating Expenditures</b>	<b>30,100,897</b>	<b>30,351,376</b>

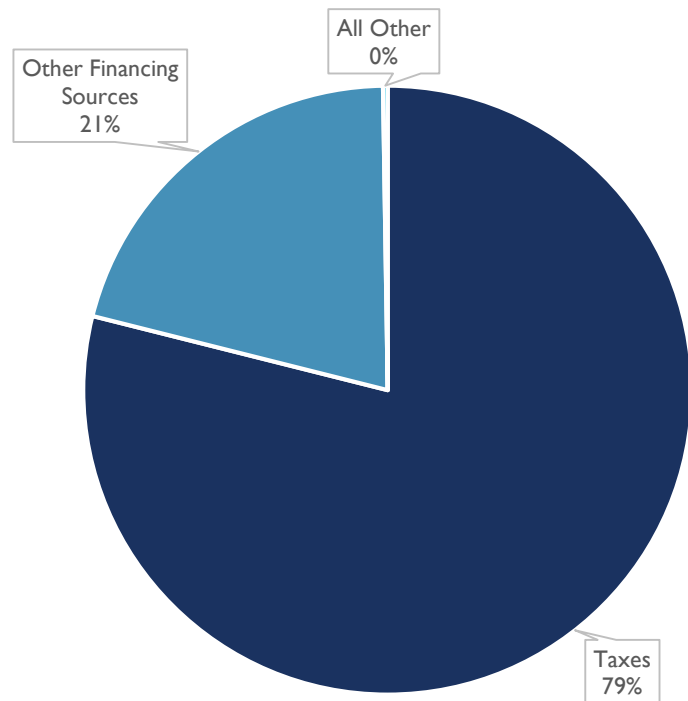
# SOLID WASTE FUND (#4030)



Revenue Source	2019	2020
Charges for Goods & Svc	25,480,900	25,923,000
Other Financing Sources	2,115,009	3,040,499
All Other	76,300	62,400
<b>Total Operating Revenue</b>	<b>27,672,209</b>	<b>29,025,899</b>
<b>Total Operating Expenditures</b>	<b>25,513,953</b>	<b>25,626,272</b>

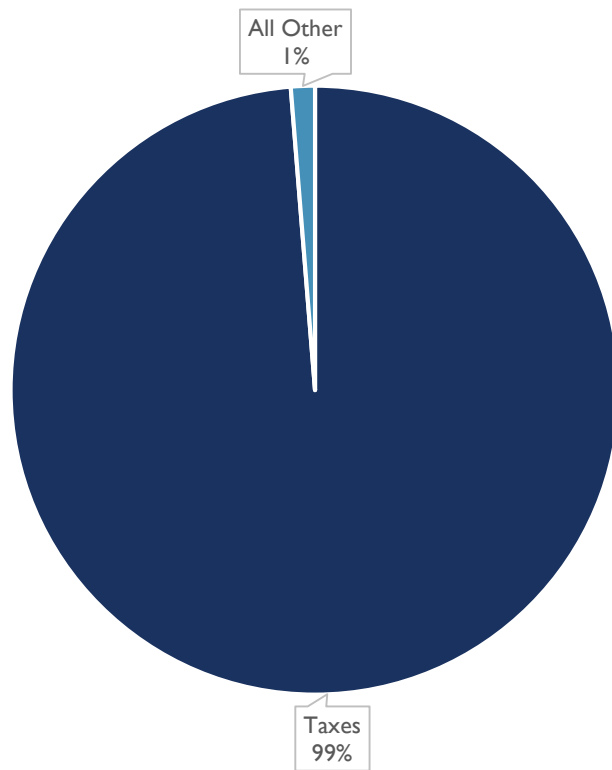


# MEDIC ONE FUND (#1290)



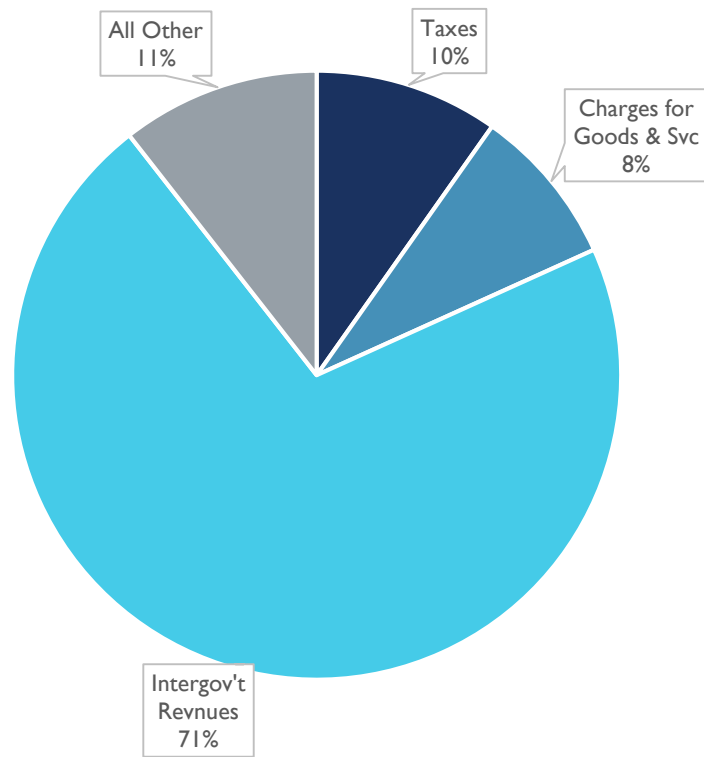
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Taxes	11,100,000	11,500,000
Other Financing Sources	4,384,136	3,036,000
All Other	36,135	36,135
<b>Total Operating Revenue</b>	<b>15,520,271</b>	<b>14,572,135</b>
<b>Total Operating Expenditures</b>	<b>15,263,536</b>	<b>13,917,581</b>

# CONSERVATION FUTURES FUND (#1380)



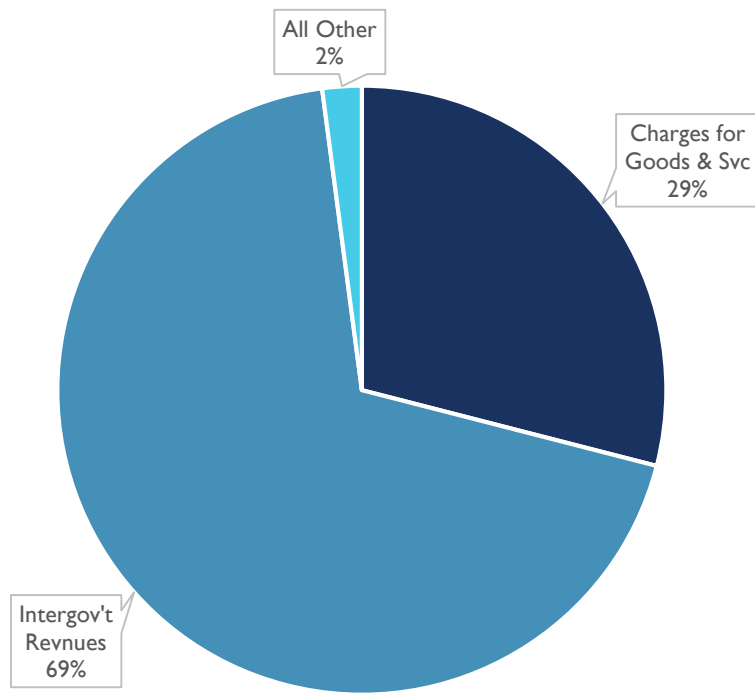
Revenue Source	2019	2020
Taxes	1,420,500	1,510,500
All Other	19,500	19,510
Total Operating Revenue	1,440,000	1,530,010
Total Operating Expenditures	2,956,255	4,010,054

# PUBLIC HEALTH FUND (#1500)



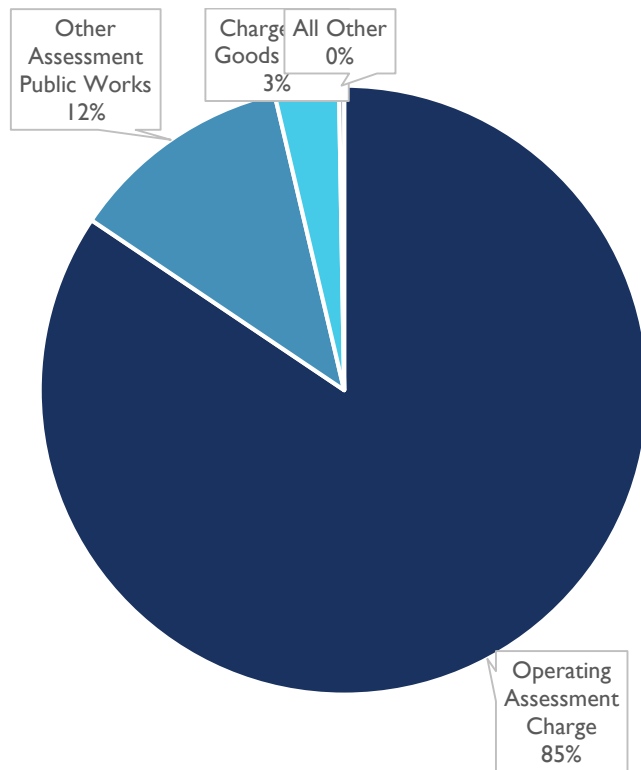
Revenue Source	2019	2020
Taxes	900,000	1,170,423
Charges for Goods & Svc	1,012,606	1,012,606
Intergov't Revenues	8,571,735	8,521,735
All Other	1,280,992	1,263,485
<b>Total Operating Revenue</b>	<b>11,765,333</b>	<b>11,968,249</b>
<b>Total Operating Expenditures</b>	<b>14,742,551</b>	<b>13,440,301</b>

# HOUSING & COMMUNITY RENEWAL FUND (#1400)



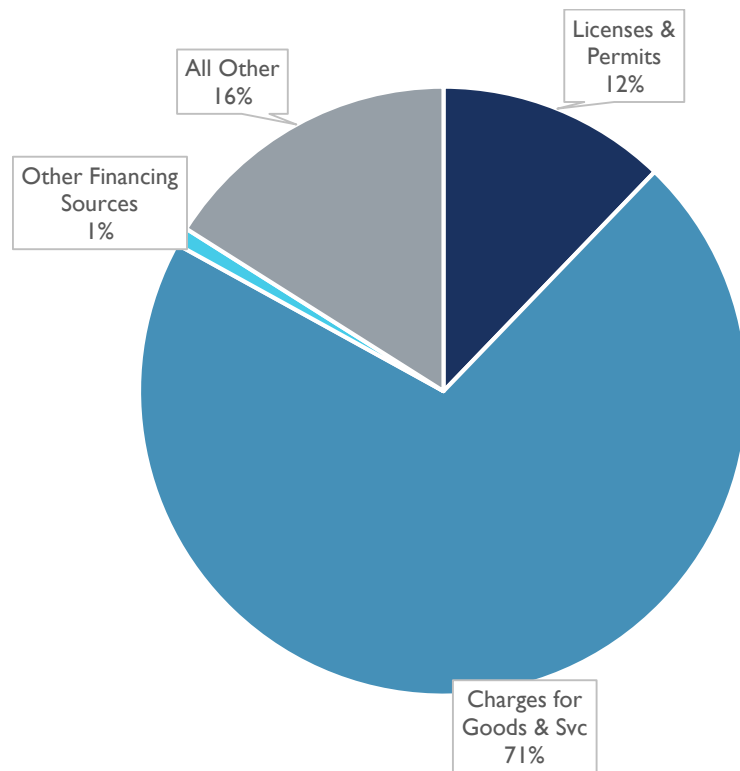
Revenue Source	2019	2020
Charges for Goods & Svc	2,413,000	2,413,000
Intergov't Revenues	5,732,915	5,732,915
All Other	174,782	173,782
<b>Total Operating Revenue</b>	<b>8,320,697</b>	<b>8,319,697</b>
<b>Total Operating Expenditures</b>	<b>8,342,608</b>	<b>8,403,760</b>

# STORM AND SURFACE WATER UTILITY FUND (#4060)



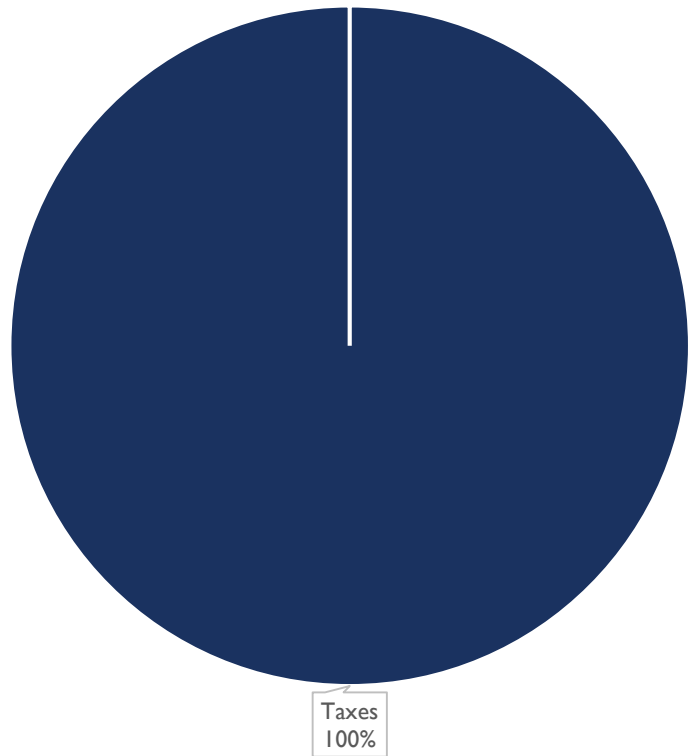
Revenue Source	2019	2020
Operating Assessment Charge	6,005,232	6,185,413
Other Assessment Public Works	846,292	871,692
Charges for Goods & Svc	309,863	249,481
All Other	74,835	20,000
<b>Total Operating Revenue</b>	<b>7,236,222</b>	<b>7,326,586</b>
<b>Total Operating Expenditures</b>	<b>7,698,919</b>	<b>7,674,654</b>

# ENVIRONMENTAL HEALTH FUND (#4520)



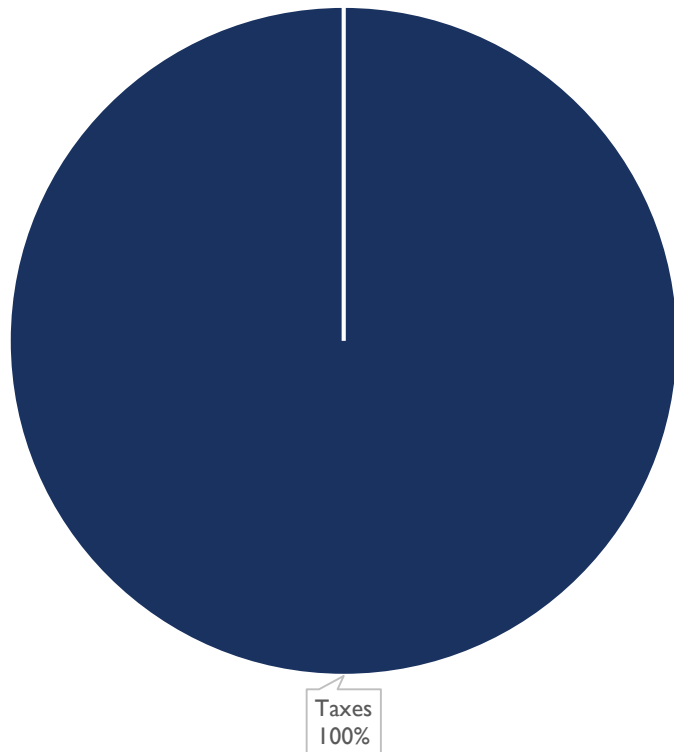
Revenue Source	2019	2020
Licenses & Permits	776,524	767,524
Charges for Goods & Svc	4,344,649	4,456,576
Other Financing Sources	1,337,488	59,795
All Other	905,471	1,009,142
<b>Total Operating Revenue</b>	<b>7,364,132</b>	<b>6,293,037</b>
<b>Total Operating Expenditures</b>	<b>4,924,511</b>	<b>5,412,815</b>

# TREATMENT SALES TAX FUND (#1180)



Revenue Source	2019	2020
Taxes	6,199,000	6,608,000
Total Operating Revenue	6,199,000	6,608,000
Total Operating Expenditures	6,846,016	7,140,306

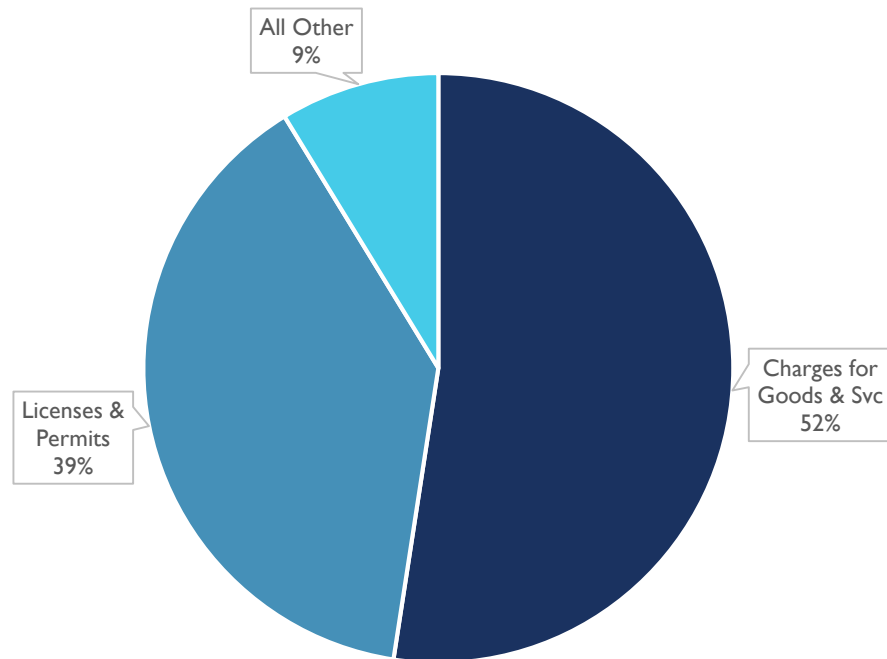
# DETENTION SALES TAX FUND (#1100)



Revenue Source	2019	2020
Taxes	6,131,000	6,498,000
Total Operating Revenue	6,131,000	6,498,000
Total Operating Expenditures	6,659,467	6,850,070

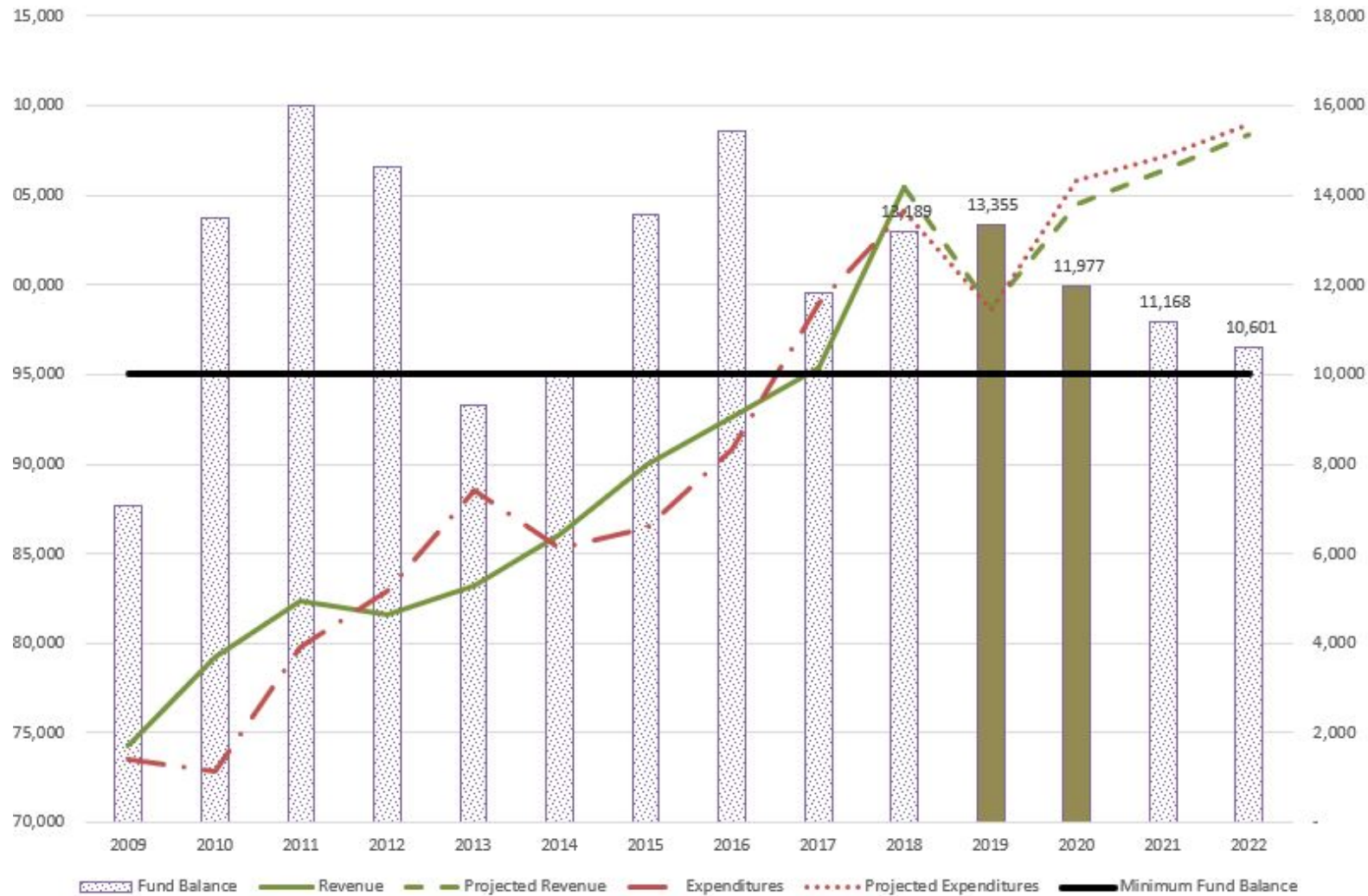


# LAND USE & PERMITTING FUND (#4124)



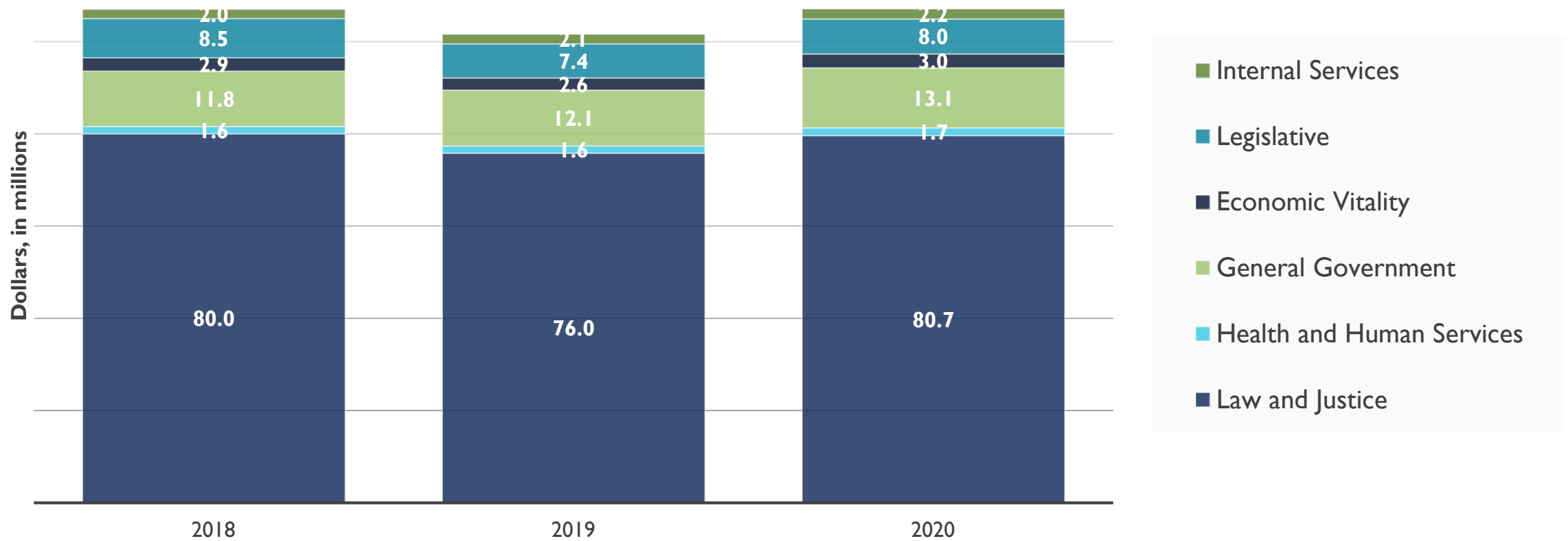
Revenue Source	2019	2020
Charges for Goods & Svc	2,261,700	3,051,700
Licenses & Permits	2,260,000	2,260,000
All Other	619,222	508,431
<b>Total Operating Revenue</b>	<b>5,140,922</b>	<b>5,820,131</b>
<b>Total Operating Expenditures</b>	<b>5,789,358</b>	<b>6,618,236</b>

**Projected Fund Balance - 2019-2020 Budget Mid-Term Adjustment**  
Thurston County General Fund



# GENERAL FUND FORECAST

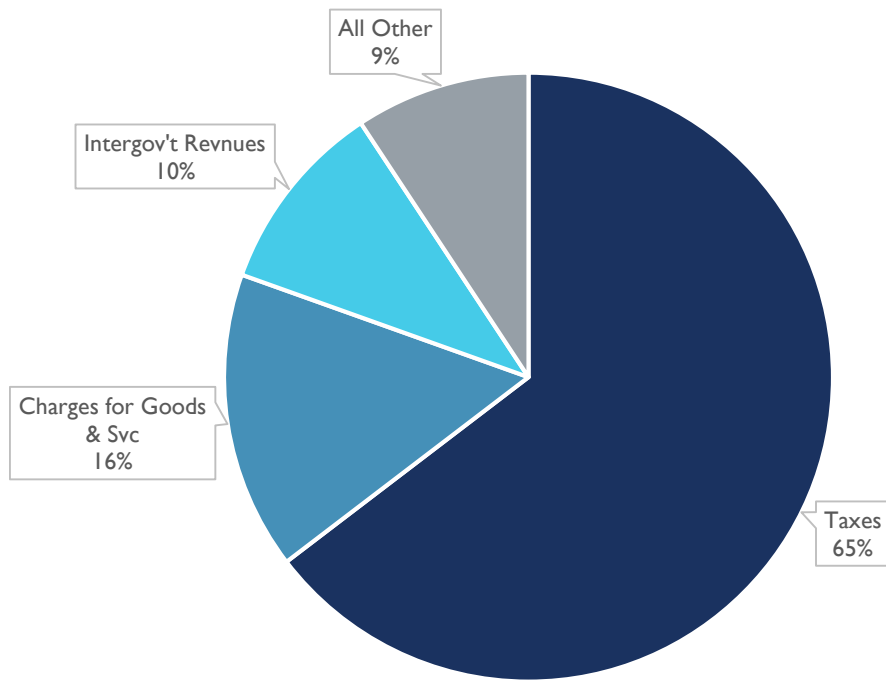
# GENERAL FUND EXPENDITURES



## GENERAL FUND EXPENDITURE INCREASES IN 2020

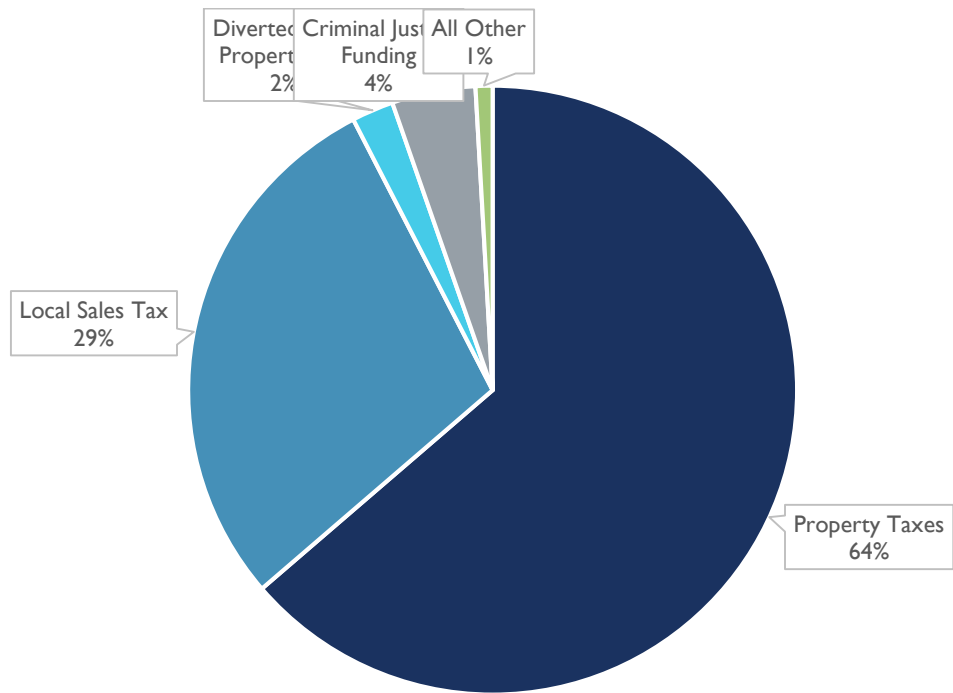
- Sheriff's Office Patrol Deputy - **\$197,270**
- Sheriff's Office Crime Analyst - **\$100,000**
- Superior Court Law Clerk - **\$102,250**
- Auditor's Election Costs - **\$225,000**
- Non-Departmental LEOFF Medical Payments - **\$100,000**
- Non-Departmental Funding of Parks - **\$500,000**
- CPED Planning Extend Positions - **\$205,000**
- Cost of Living Adjustment 2.4% increase - **\$1.3 million**

# GENERAL FUND REVENUE



Revenue Source	2019	2020
Taxes	64,661,600	67,512,600
Charges for Goods & Svc	15,030,602	16,541,432
Intergov't Revenues	10,475,712	10,711,827
All Other	8,817,674	9,699,869
<b>Total Operating Revenue</b>	<b>98,985,588</b>	<b>104,465,728</b>
<b>Total Operating Expenditures</b>	<b>101,873,899</b>	<b>108,826,540</b>

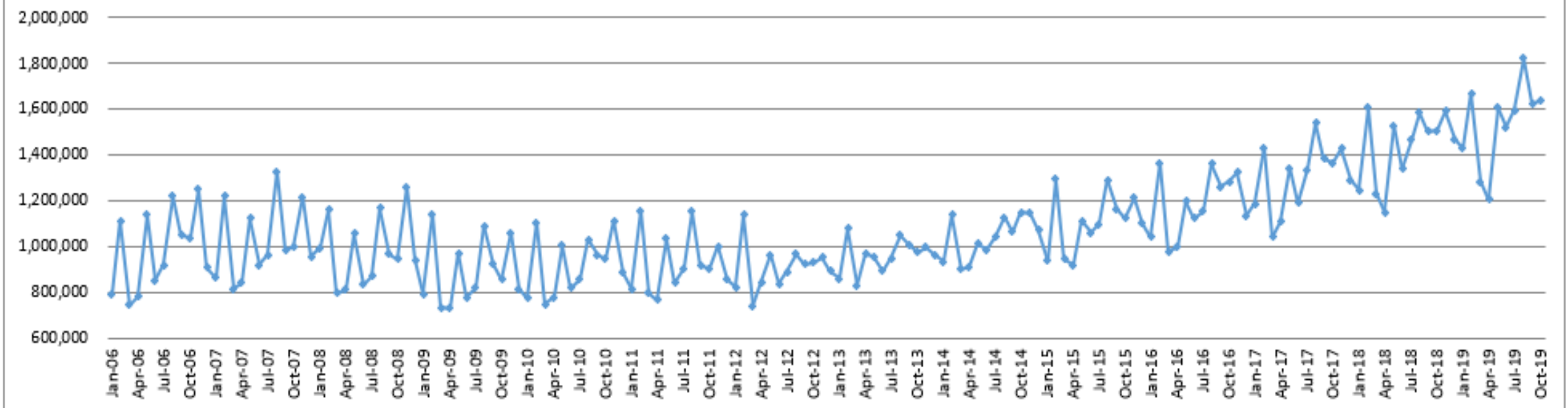
# GENERAL FUND REVENUE: TAXES



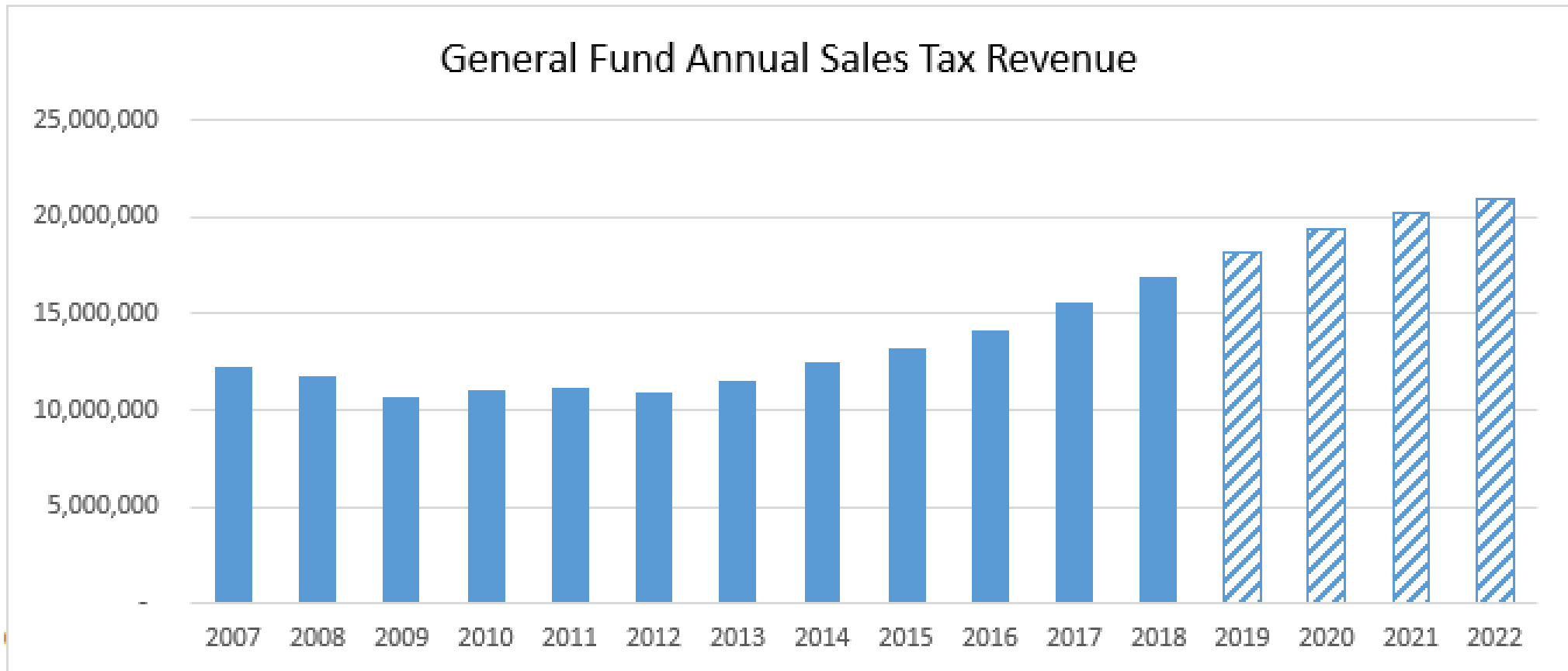
Taxes	2019	2020
Property Taxes	41,350,000	43,000,000
Local Sales Tax	18,203,000	19,404,000
Diverted Road Property Tax	1,500,000	1,500,000
Criminal Justice Funding	3,000,000	3,000,000
All Other	608,600	608,600
<b>Total General Fund Tax Revenue</b>	<b>64,661,600</b>	<b>67,512,600</b>

# TREND IN SALES TAX REVENUE

**Thurston County Sales Tax Revenue**  
Amount Collected, by Month

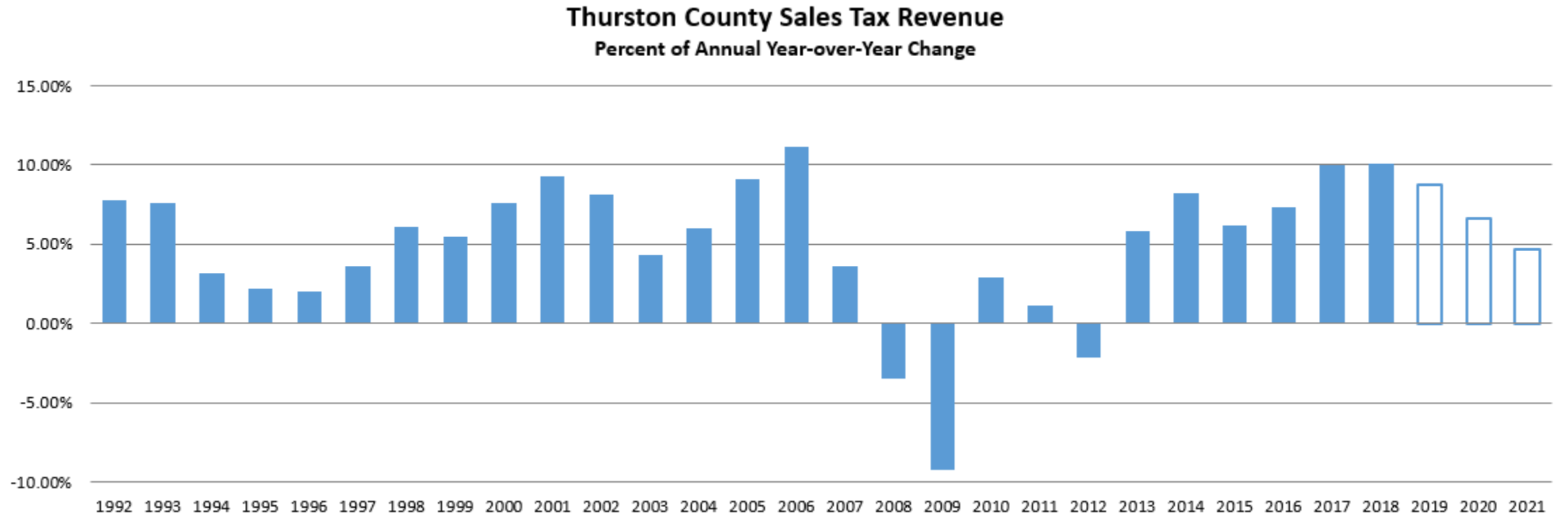


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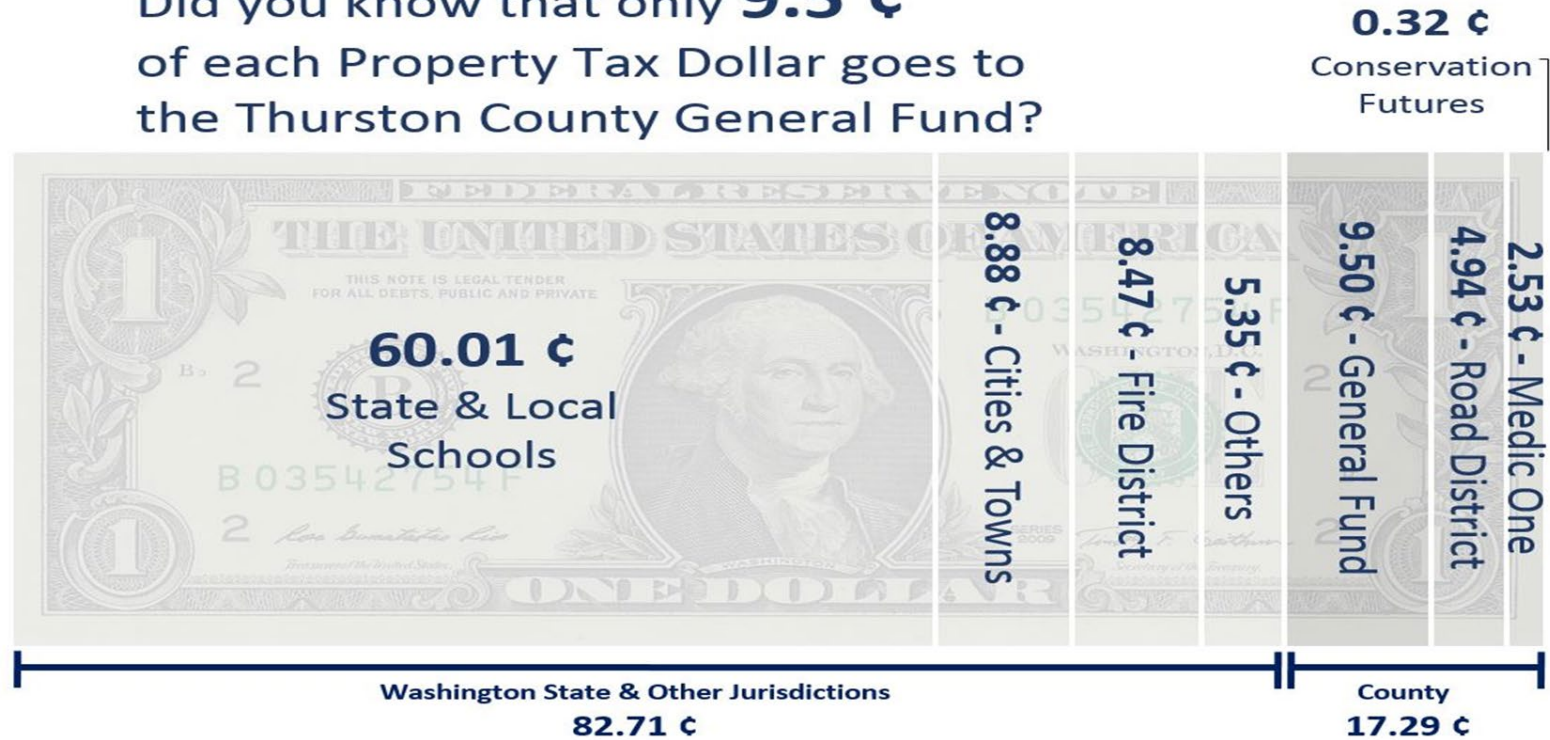




# PROPERTY TAX LEVY

# DISTRIBUTION OF PROPERTY TAX

Did you know that only **9.5 ¢** of each Property Tax Dollar goes to the Thurston County General Fund?



# CALCULATING THE GENERAL FUND PROPERTY TAX LEVY

■ <b>Levy Increase</b>			
■ Last Year's Highest Lawful Levy (excludes refunds)		\$	39,888,987
■ Multiply by one percent		\$	398,890
■ <b>New Construction</b>			
■ Value of new construction	\$	653,691,143	
■ Multiply by last year's levy rate		1.21646	\$ 795,189
■ <b>State Assessed Property</b>			
■ Growth in value of	\$	-23,307,224	
■ Multiply by last year's levy rate		1.21646	\$ <u>0</u>
■ <b>Highest Lawful Levy</b>		\$	41,083,066
■ <b>Refund Levy Amounts</b>		\$	<u>86,857</u>
■ <b>Property Tax Levy</b>		\$	41,169,923
■ <b>Add Road Levy Shift \$3,000,000</b>		\$	<b>44,169,923</b>

Calculate the levy rate:

divide Highest Lawful Levy by Assessed Value  $\$ 38,015,740,054 = \$ 1.16189$  per thousand

# LEVY RESOLUTION

“An increase in the estimated Current Expense property tax levy is hereby authorized for the levy to be collected in the 2020 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$173,012.16 which is a percentage of increase of 0.43129189% from the previous year.”

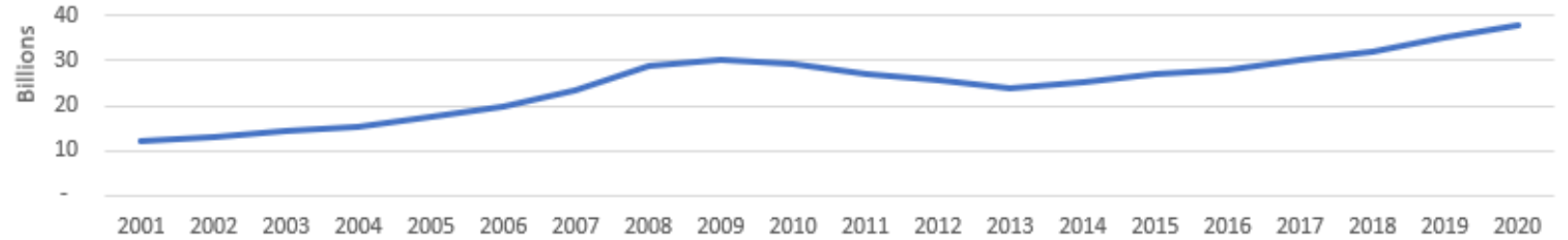
- RCW 84.55.120(3)(b) states the levy resolution must state the dollar and percentage increase excluding new construction or improvements to properties or increases in the value of state-assessed property.
- Last year’s highest lawful levy multiplied by 101%, minus last year’s actual levy = increase on the resolution

$$\$39,888,987.56 \times 101\% = \$40,287,877.44 - \$40,114,865.28 = \$173,012.16$$

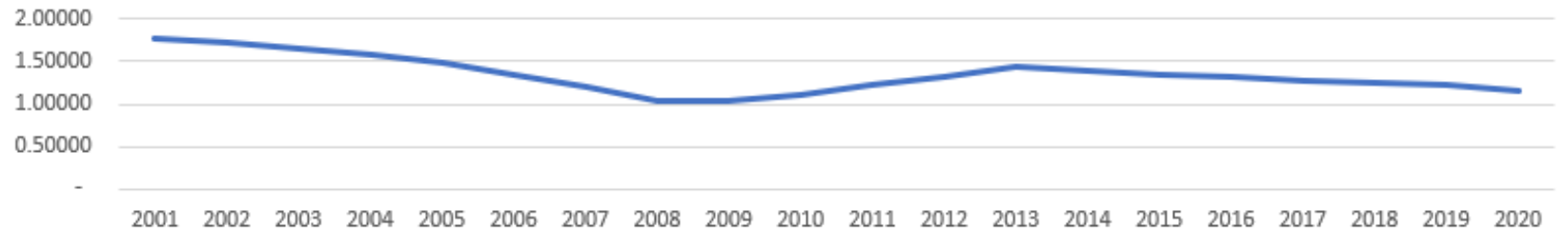
$$\$173,012.16 / \$40,114,865.28 = 0.0043129189$$

# GENERAL FUND PROPERTY VALUE, TAX RATE AND LEVY

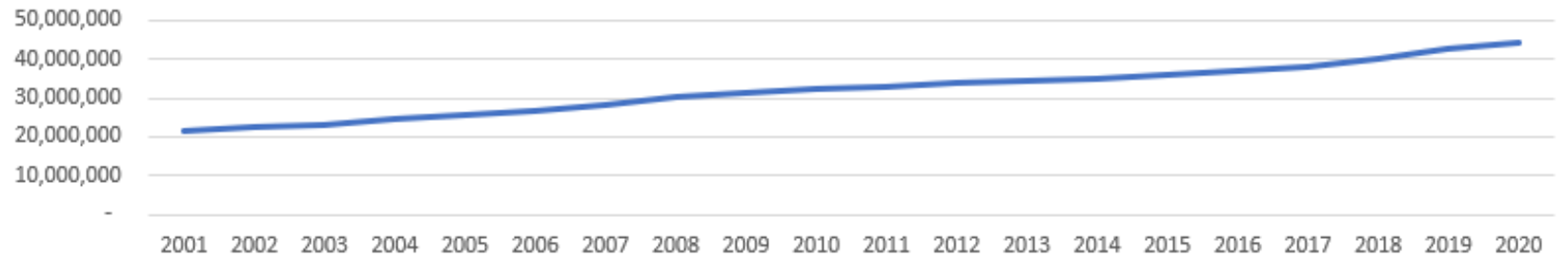
### Property Value in Thurston County - Dollars in Billions



### Current Expense Tax Rate per \$1,000 of Property Value



### Current Expense Property Tax Levy



<b>Year</b>	<b>Home Value</b>	<b>Rate</b>	<b>GF Tax</b>	<b>Increase</b>
2017	219,000	1.26391	276.80	
2018	243,000	1.25237	304.33	27.53
2019	268,000	1.21646	326.01	21.69
2020	304,000	1.16189	353.21	27.20

## INCREASE IN PROPERTY TAX PAYMENTS – GENERAL FUND

## 29<sup>TH</sup> “HIGHEST” RATE IN THE STATE IN 2018

- In 2018, the most recent year data is available from the Department of Revenue, general fund property tax rates in counties ranged from \$0.61183 per \$1,000 in home value to \$2.16574 per \$1,000.
- Thurston County had the 29<sup>th</sup> “highest” general fund property tax rate at \$1.25237 per \$1,000. That means that if you lived in any of 28 other counties your tax rate would have been more than you paid in Thurston County. Only nine counties had tax rates lower than Thurston’s.
- Thurston County also was 29<sup>th</sup> in property tax levy for the road fund at \$1.36371 per \$1,000.
- Of the 13 counties that levy property taxes to support conservation futures, Thurston County was 8<sup>th</sup> at \$0.04223 per \$1,000.



## BEHAVIORAL HEALTH AND VETERAN FUNDS

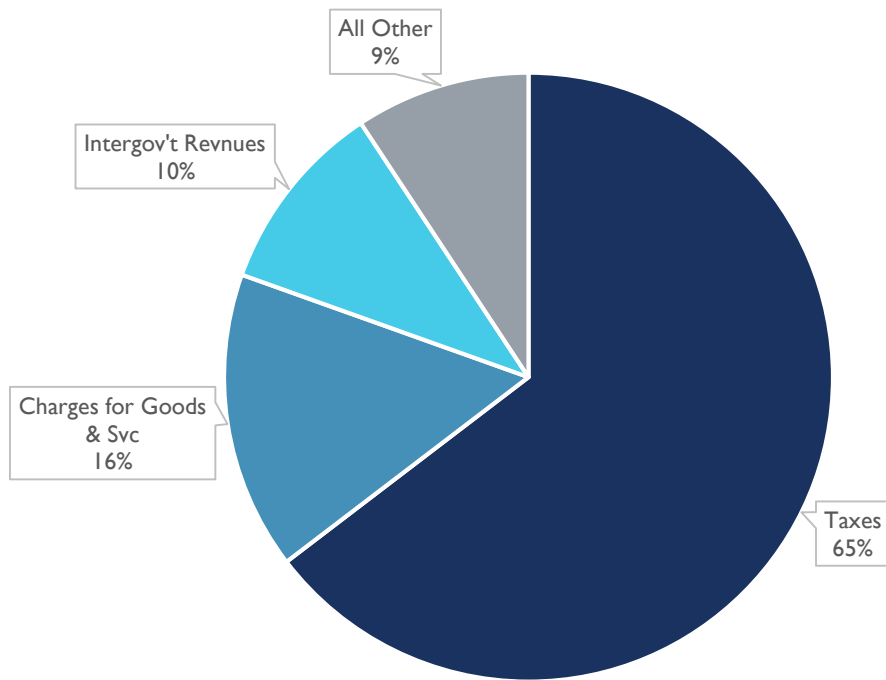
State laws allow for property taxes to be used to support mental health, developmental disability and veteran services. These amounts must be deducted from the levy for the general fund.

- The levy for Mental Health and Developmental Disability services is \$0.025 per \$1,000, \$950,393.50
- The levy for Veterans services is \$0.01125 per \$1,000, \$427,677.08

# GENERAL FUND BUDGET ASSUMPTIONS

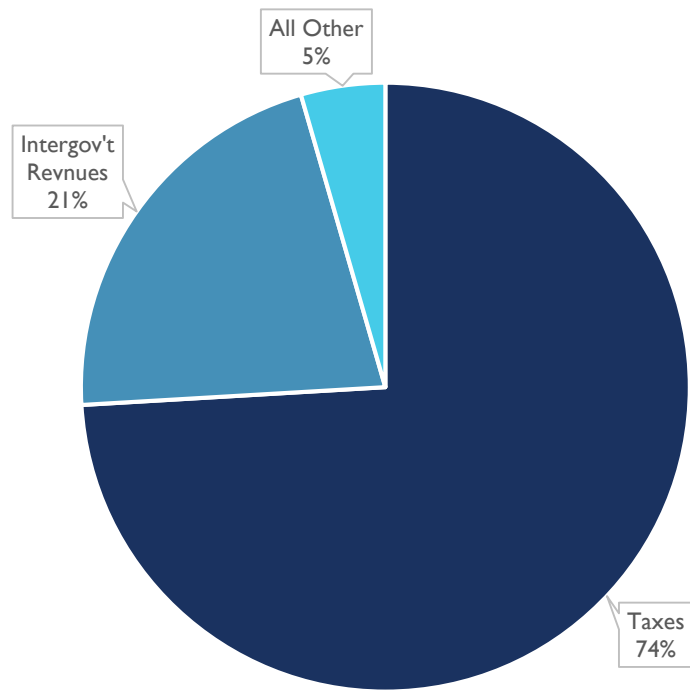
- In total, the general fund levy increased \$1,650,000 from 2019 to 2020.
- Since this is a biennial budget, we had already assumed the levy would increase. The increase in the budgeted revenue is \$323,000.
- Other revenue increases in the general fund 2020 budget totaled \$2,769,624. 50% relates to grants or contracts and the remainder is mainly from an increase in the recording fee. Sales tax is tracking closely to forecast.
- Expenditures in the general fund increased by \$4,173,451.

# GENERAL FUND REVENUE



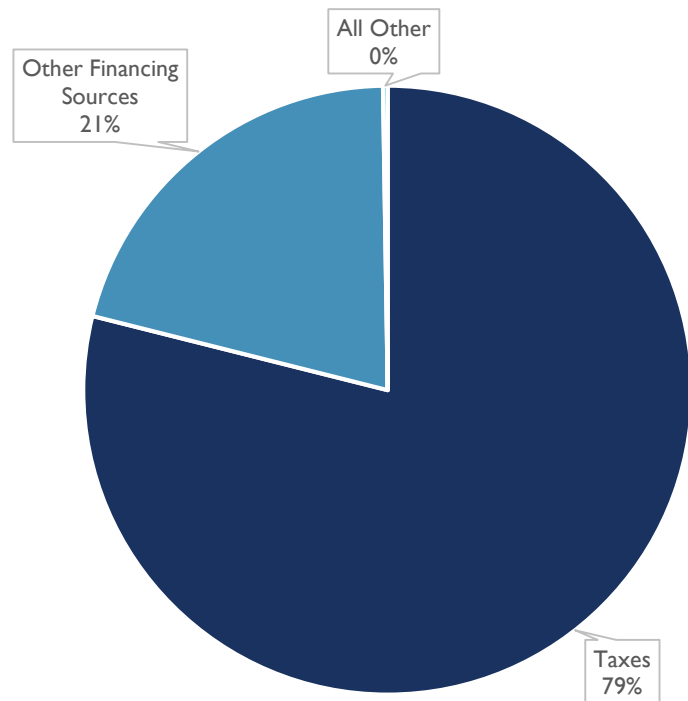
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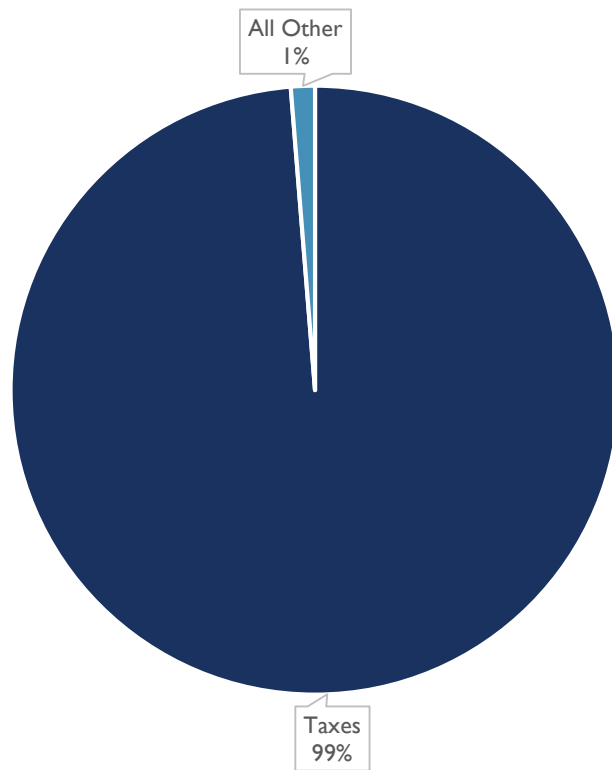
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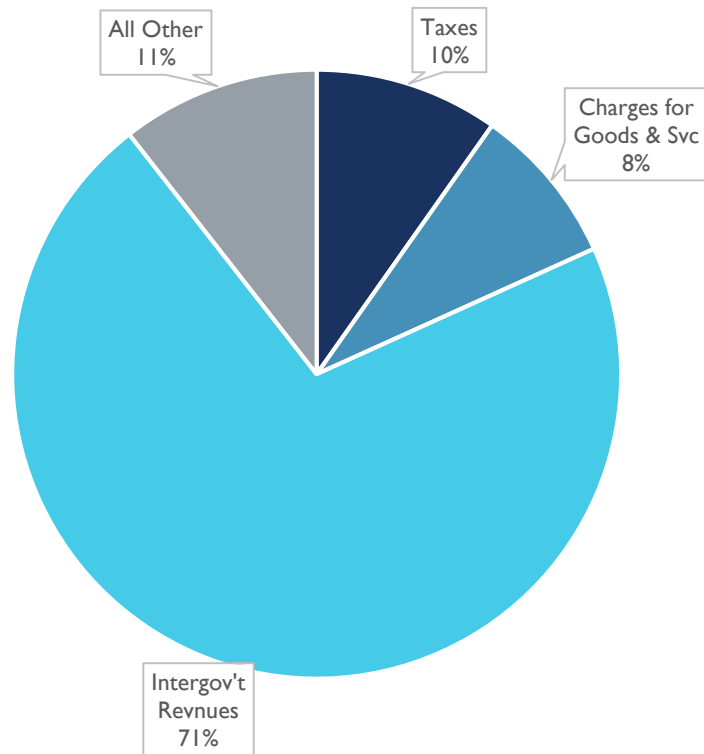
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## BOARD ACTIONS

- Consider increasing the property tax by up to one percent
- Adopt the property tax levies and certify them to the County Assessor



## FOR MORE INFORMATION:

- Ramiro Chavez, County Manager, 360-754-2960
  - Robin Campbell, Assistant County Manager, 360-709-3063
  - Denise Doty, Senior Management Analyst, 360-754-3355 ext. 6219
  - Michelle Underwood, Senior Management Analyst, 360-709-3062
- 
- The 2019 – 2020 Mid-Adjustment Budget is available on the Thurston County Budget Website at:  
<https://www.thurstoncountywa.gov/bocc/Pages/budget.aspx>