

2019 Property Tax Strategy, Stewardship Update and Regional Administration and General Fund Proposed Budgets

Management Committee – July 25, 2018

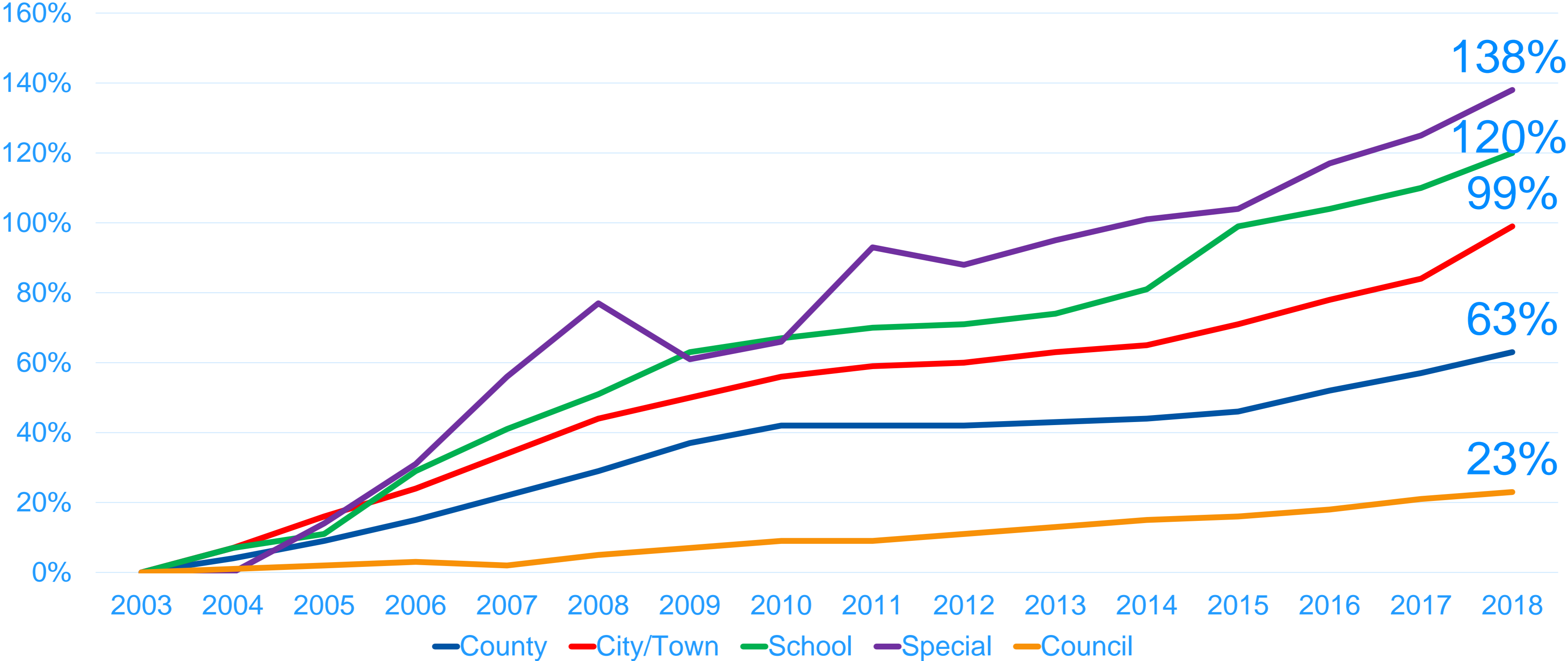


Confirm Our Levy Strategy

- Hold Total Levy Increase to 2% Annually
- Tax Base Revitalization Account Levy \$5M
- Maximize the Livable Communities Demonstration Account Levy
- Maximize General Purpose Levy
- No Levy for Highway Right of Way Program
- Meet Transit and Parks Debt Service Needs

Hold Total Levy Increase to 2% Annually

Levy Increases by Government Type



Annual Pressure on Levy Growth

- General Inflation (2%)
 - General Purposes Levy
 - Livable Communities Demonstration Account
- Annual Transit Bonding Authority Growth (4.5%)
 - Transit Debt Service
- No Current Pressure
 - Tax Base Revitalization Account
 - Highway Right of Way
 - Parks Debt Service

} 3% Annual Growth

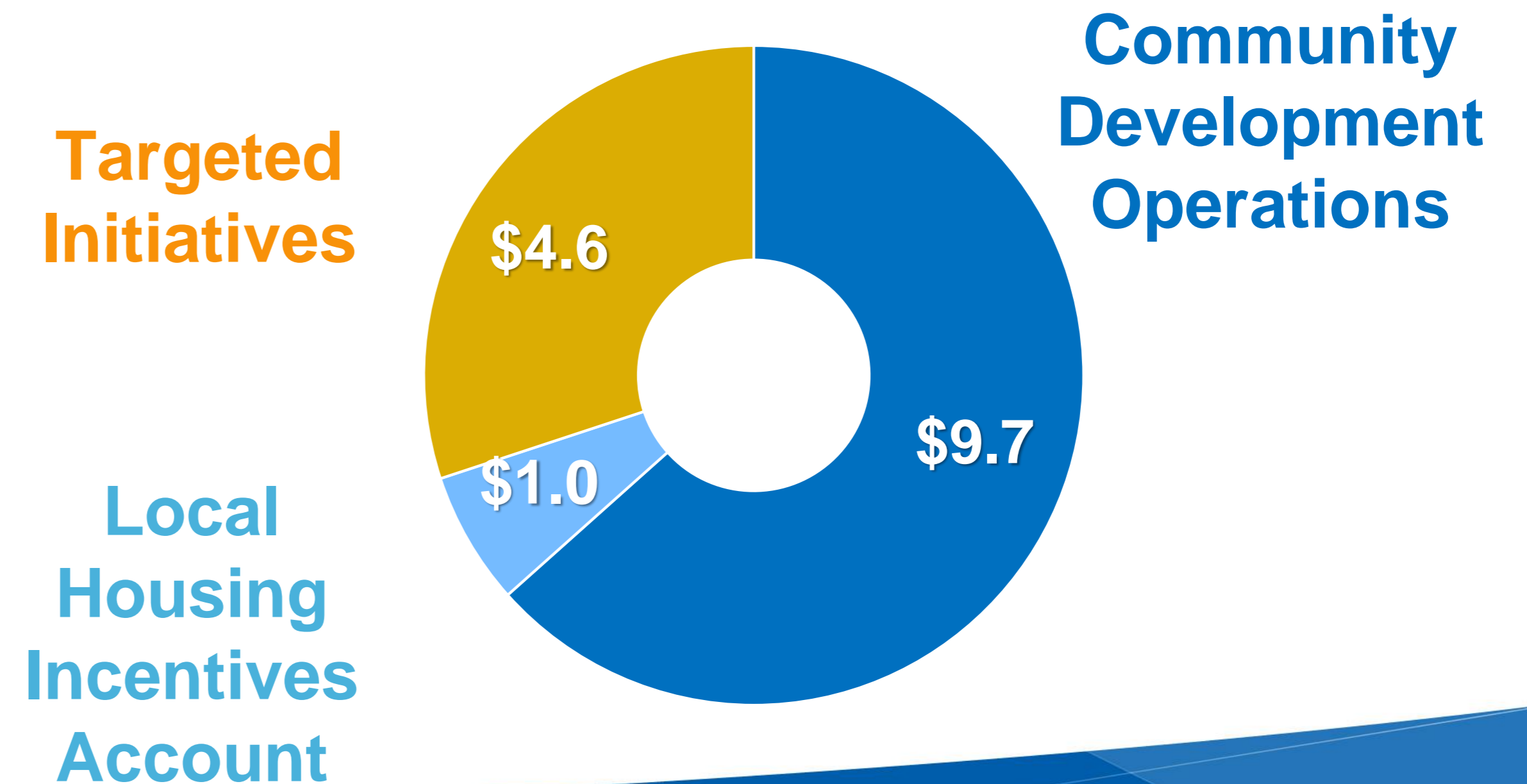
Livable Communities

- Tax Base Revitalization Account Levy \$5
 - Levy on the regional fiscal disparities pool
- Livable Communities Demonstration Account Levy
 - 2019 Proposed Levy is \$12 M
 - Maximize until total equals \$13.2 M



General Purposes Levy

- Proposed 2019 Levy at \$15.3 M
- Community Development Administration
- \$1 M to Local Housing Incentive Account
- Council Priorities
 - One-Time
 - Pilot
 - Bridge



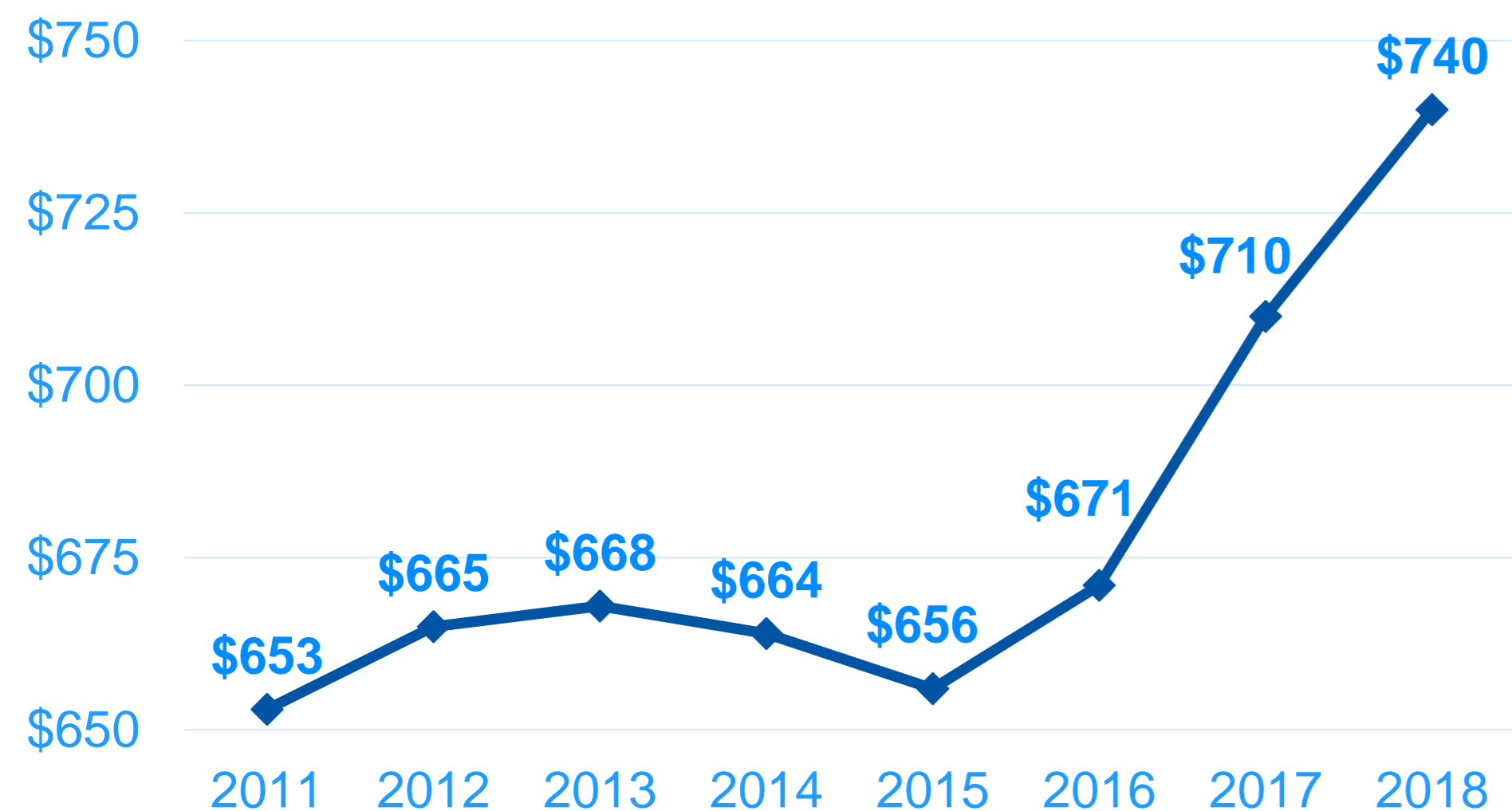
2019 General Purposes Levy Requests

DIV	Request	Recommended
CD	Preserve Housing Vouchers	\$2.0
ES	Stormwater Mgmt Grants	0.5
CW	ADA Compliance	1.3
CW	CRM System Pilot	0.2
RA	Plaza repairs	0.6
		\$4.6

Preserve Housing Vouchers

- Federal funding is based on previous year expenditures

Average Housing Assistance Payment



\$710 Federal reimbursement
(740) Current subsidy
(30) Structural deficit

Options

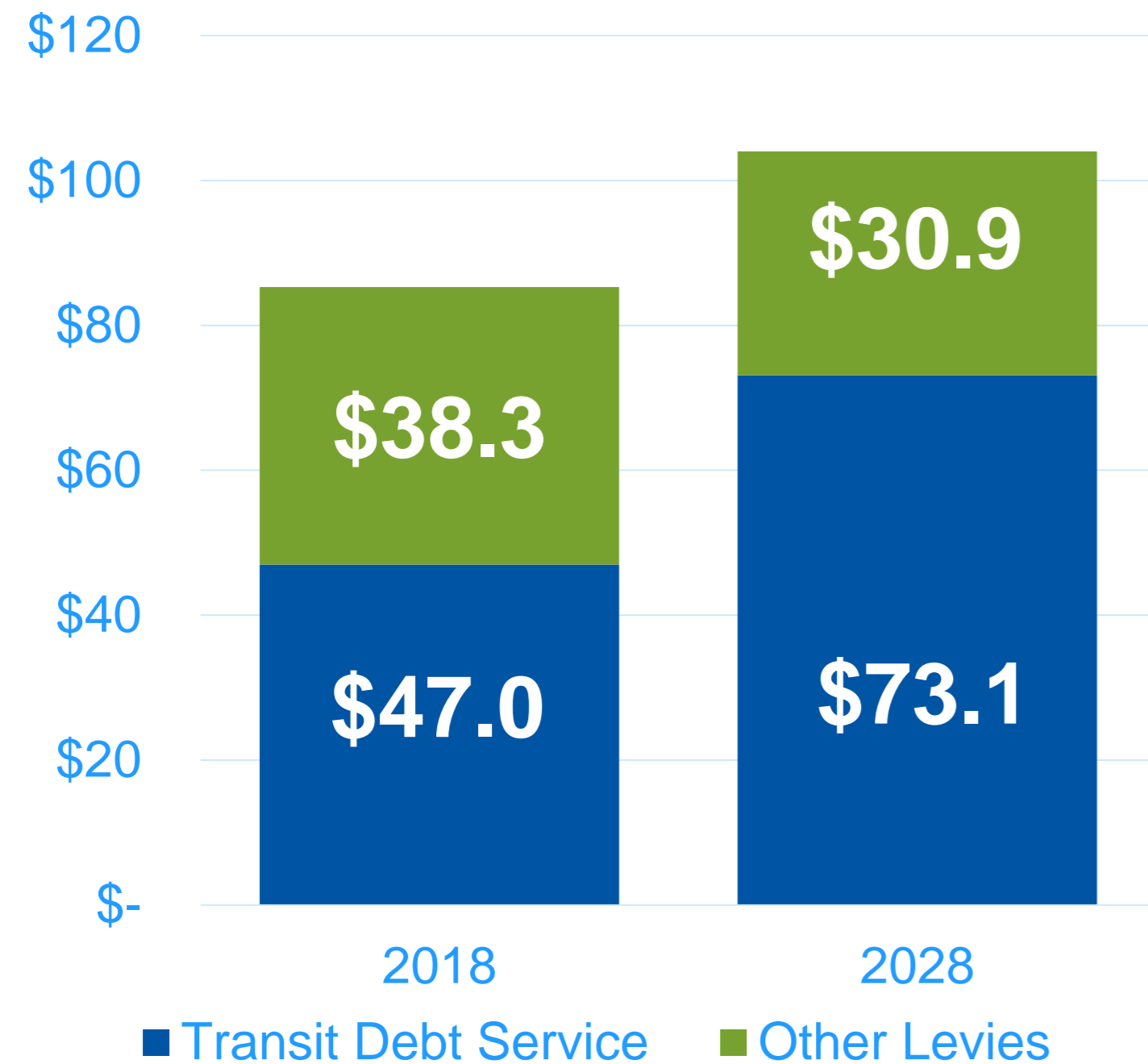
- Subsidize program with other Council funds
- Reduce vouchers through attrition
- Secure alternate funding source(s)

HRA Administration

- HUD reimburses a portion of expenditures
 - 2011 – 85% – \$800,000 shortfall
 - 2018 – 77% – \$1.4 M shortfall
- Subsidized by
 - Council owned housing
 - HRA Administration Reserves
 - General Purposes Levy support

Transit Debt Service Levy

- Bonding Authority growing by 4.5% annually
- 2.25% Overall Levy increase to stay current



With 2% Total Annual Levy Growth

Transit Debt Service as a % of Total Levies

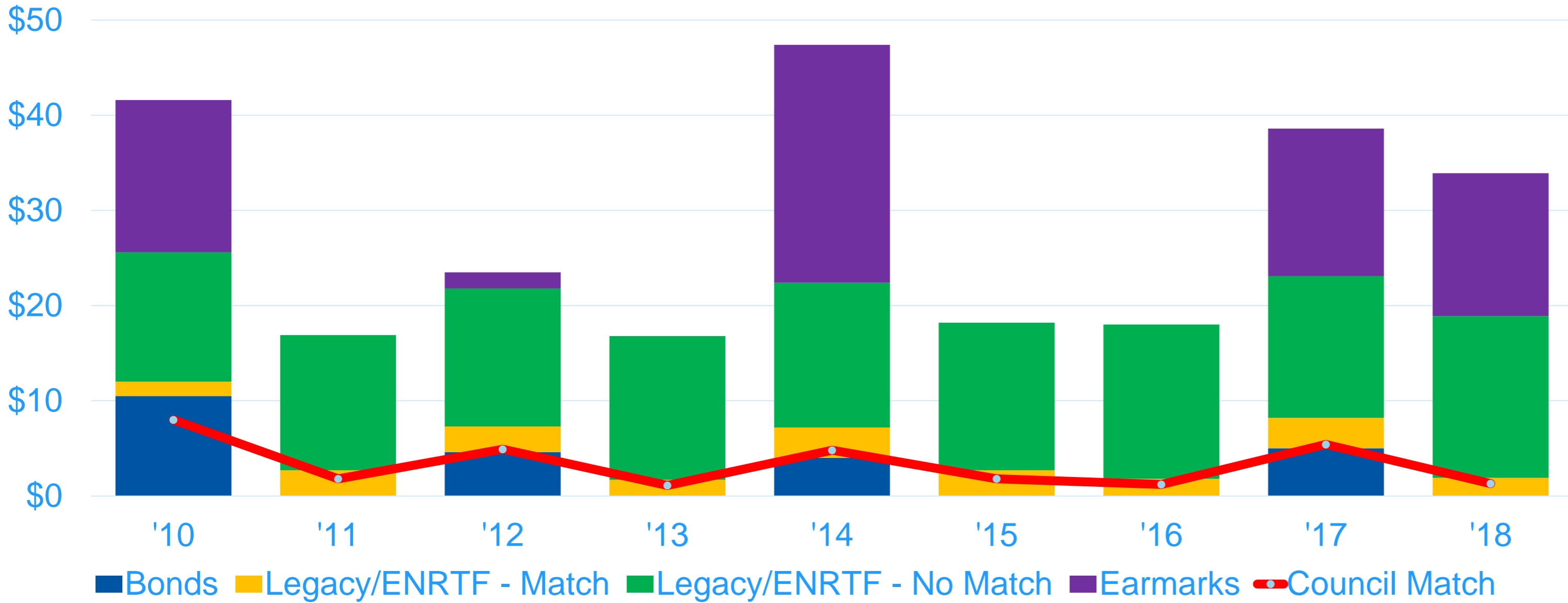
55% in 2018

70% in 2028

Parks Debt Service Levy

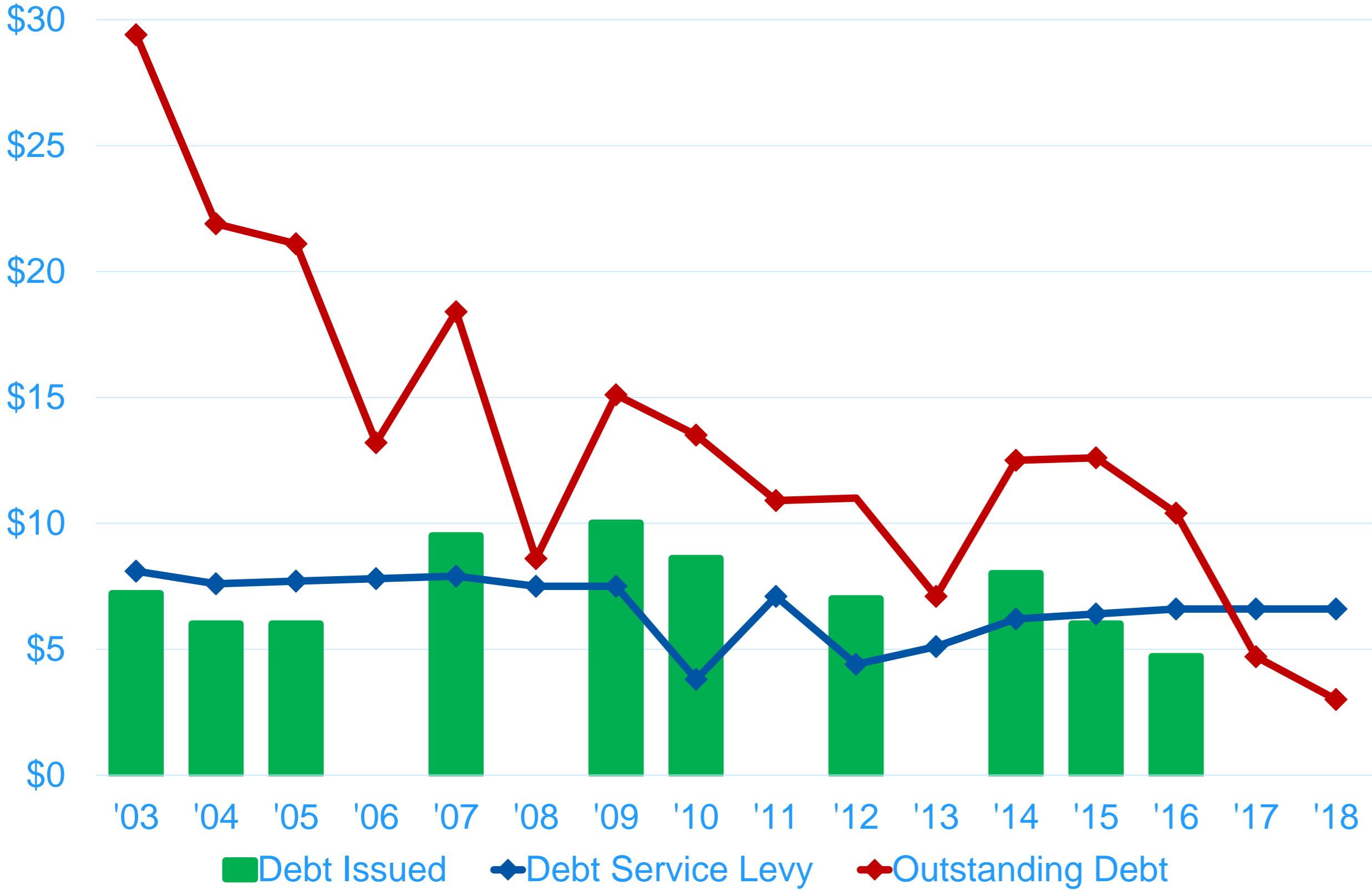
- \$40 M in Revolving Bonding Authority
- Historic Plan: Match State Bonds 3:2 (\$10.5:\$7 M a year)

State Funding of Parks Capital Program



Average Council
Bonds Committed
 \$3.35 M

Parks Debt Service Levy



	<u>Average</u>
Debt Service Levy	\$6.7
Debt Issued	\$4.6
Outstanding Debt	(\$26.5)

Proposed Levies – Current Strategy

	Certified 2018	Proposed 2019	Pct Chg
<u>Non-Debt Service Levies</u>			
General Purposes	\$ 14.9	\$ 15.3	2.8%
Highway Right of Way	-	-	
Livable Communities:			
- Demonstration Acct	11.7	12.0	2.8%
- Tax Base Revitalization	5.0	5.0	0.0%
Total Non-Debt Levies	\$ 31.6	\$ 32.3	2.2%
Levy as Pct of Limit		89.0%	
<u>Debt Service Levies</u>			
Parks	\$ 6.6	\$ 1.3	-80.1%
Transit	47.0	53.4	13.4%
Total Debt Levies	\$ 53.7	\$ 54.7	1.9%
Total All Levies	\$ 85.3	\$ 87.0	2.0%

Impact on the Taxpayer



\$250,000

Transit Tax Communities

Inside

Outside

\$55.54

\$17.90

+\$1.58

-2.90

+3.0%

-15.5%



STEWARDSHIP 2011-18

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

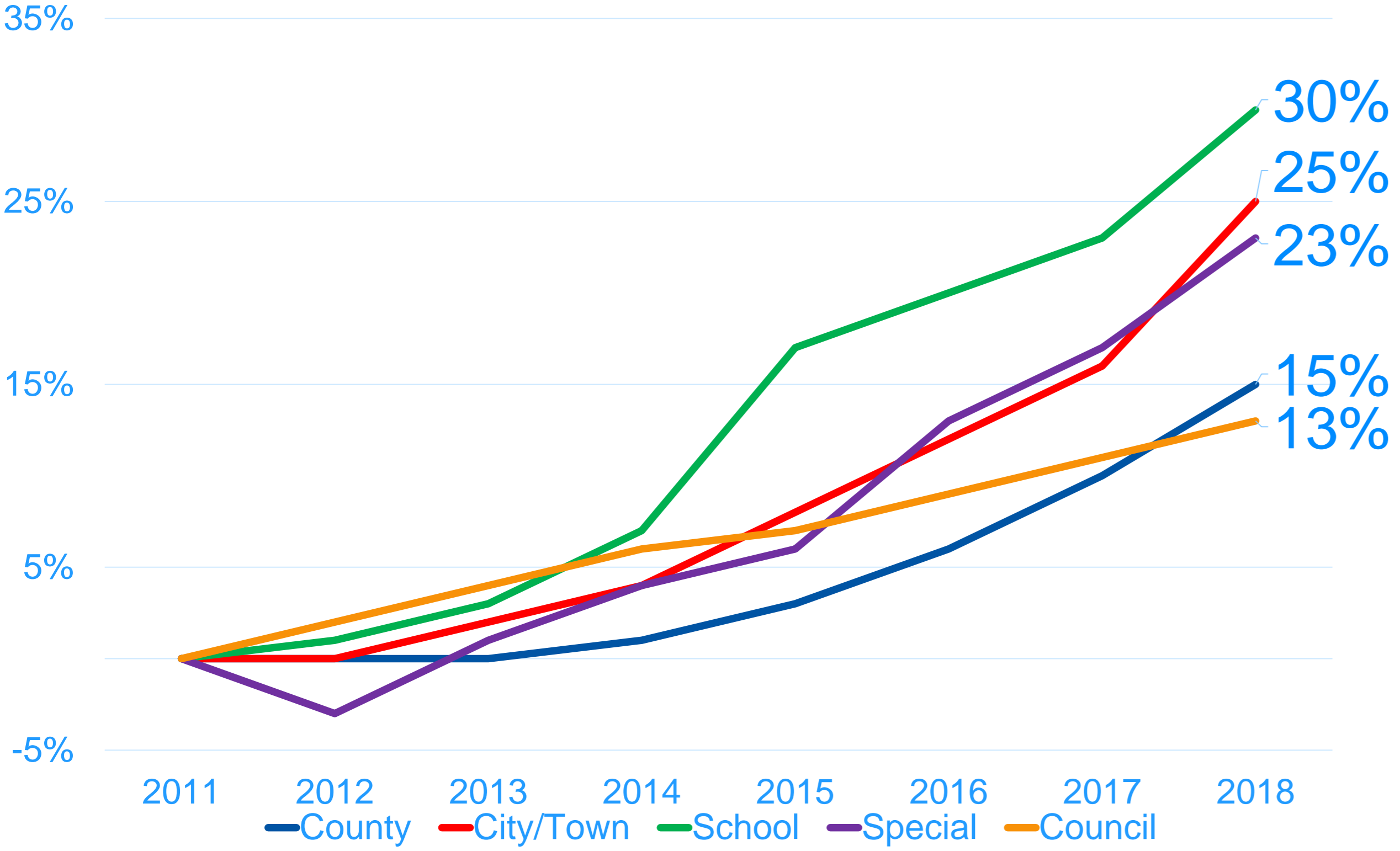
Collaboration

Accountability



Hold Total Annual Levy Increase to 2%

Increases by Government Type





\$25.5 M

- Promoting Equity & Engagement
- Parks Land Acquisition
- Preserving Affordable Housing
- Mobility Counseling & Fair Housing Activities
- Inflow & Infiltration Grants
- Stormwater Project Grants
- Climate Control
- Transit Oriented Development
- Electric Buses
- Asset Preservation

Stewardship

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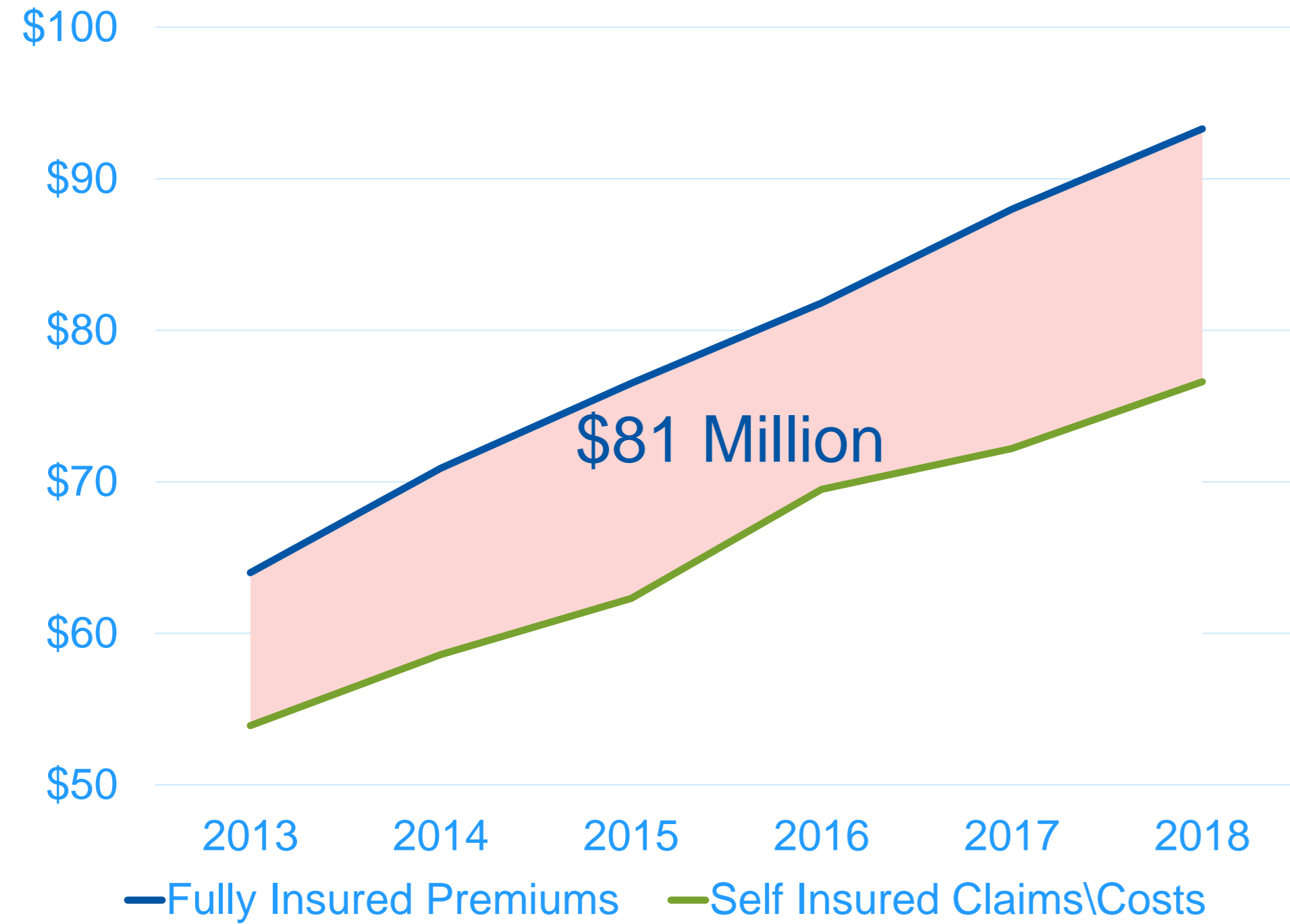
Labor Relations

Grade	Pay Cycle	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Performance Zone	Range Max
A	HR	\$ 20.17	\$ 20.68	\$ 21.21	\$ 21.76	\$ 22.31	\$ 22.88		\$ 27.46
	YR	\$ 41,954	\$ 43,014	\$ 44,117	\$ 45,261	\$ 46,405	\$ 47,590		\$ 57,117
B	HR	\$ 21.69	\$ 22.24	\$ 22.81	\$ 23.39	\$ 23.99	\$ 24.60		\$ 29.53
	YR	\$ 45,115	\$ 46,259	\$ 47,445	\$ 48,651	\$ 49,899	\$ 51,168		\$ 61,422
C	HR	\$ 23.31	\$ 23.91	\$ 24.52	\$ 25.15	\$ 25.80	\$ 26.46		\$ 31.75
	YR	\$ 48,485	\$ 49,733	\$ 51,002	\$ 52,312	\$ 53,664	\$ 55,037		\$ 66,040
D	HR	\$ 25.07	\$ 25.71	\$ 26.37	\$ 27.04	\$ 27.73	\$ 28.45		\$ 34.14
	YR	\$ 52,146	\$ 53,477	\$ 54,850	\$ 56,243	\$ 57,678	\$ 59,176		\$ 71,011
E	HR	\$ 26.95	\$ 27.64	\$ 28.36	\$ 29.08	\$ 29.82	\$ 30.59		\$ 36.71
	YR	\$ 56,056	\$ 57,491	\$ 58,989	\$ 60,486	\$ 62,026	\$ 63,627		\$ 76,357
F	HR	\$ 29.14	\$ 29.89	\$ 30.65	\$ 31.44	\$ 32.24	\$ 33.07		\$ 41.34
	YR	\$ 60,611	\$ 62,171	\$ 63,752	\$ 65,395	\$ 67,059	\$ 68,786		\$ 85,987
G	HR	\$ 31.50	\$ 32.31	\$ 33.14	\$ 33.99	\$ 34.86	\$ 35.75		\$ 44.69
	YR	\$ 65,520	\$ 67,205	\$ 68,931	\$ 70,699	\$ 72,509	\$ 74,360		\$ 92,955
H	HR	\$ 34.06	\$ 34.92	\$ 35.82	\$ 36.74	\$ 37.69	\$ 38.65		\$ 48.32
	YR	\$ 70,845	\$ 72,634	\$ 74,506	\$ 76,419	\$ 78,395	\$ 80,392		\$ 100,506
I	HR	\$ 36.82	\$ 37.76	\$ 38.73	\$ 39.72	\$ 40.74	\$ 41.79		\$ 52.23
	YR	\$ 76,586	\$ 78,541	\$ 80,558	\$ 82,618	\$ 84,739	\$ 86,923		\$ 108,638
J	HR	\$ 38.83	\$ 39.82	\$ 40.84	\$ 41.89	\$ 42.96	\$ 44.06		\$ 55.08
	YR	\$ 80,766	\$ 82,826	\$ 84,947	\$ 87,131	\$ 89,357	\$ 91,645		\$ 114,566
K	HR	\$ 42.67	\$ 43.76	\$ 44.88	\$ 46.03	\$ 47.22	\$ 48.42	\$ 60.53	
	YR	\$ 88,754	\$ 91,021	\$ 93,350	\$ 95,742	\$ 98,218	\$ 100,714	\$ 125,902	
L	HR	\$ 46.89	\$ 48.09	\$ 49.32	\$ 50.58	\$ 51.89	\$ 53.21	\$ 66.51	
	YR	\$ 97,531	\$ 100,027	\$ 102,586	\$ 105,206	\$ 107,931	\$ 110,677	\$ 138,341	
M	HR	\$ 51.52	\$ 52.85	\$ 54.20	\$ 55.59	\$ 57.02	\$ 58.48	\$ 73.09	
	YR	\$ 107,162	\$ 109,928	\$ 112,736	\$ 115,627	\$ 118,602	\$ 121,638	\$ 152,027	

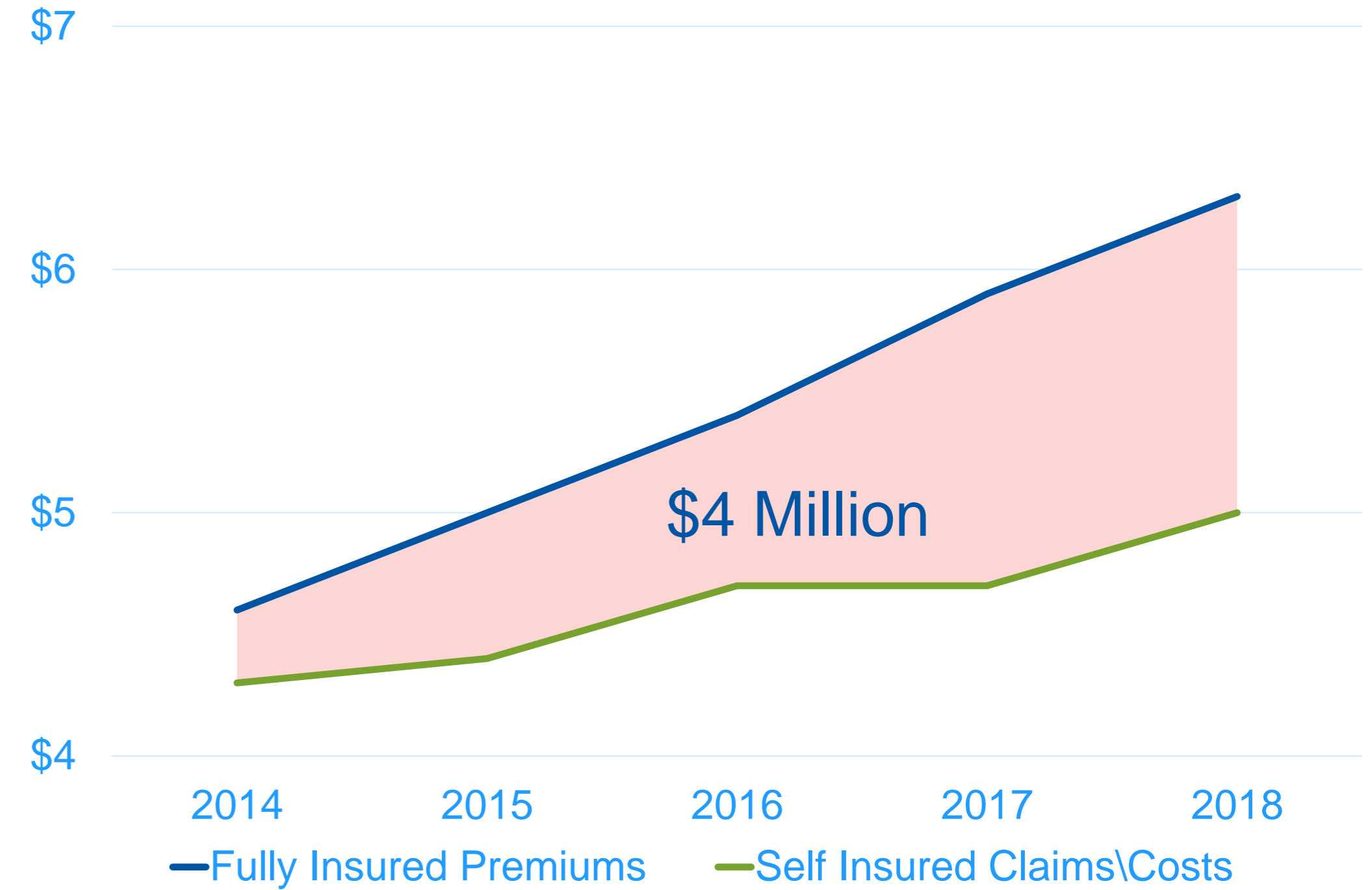
- Implemented Salary Steps w\Performance Zone
- Moving toward 80/20 premium sharing
- Union contracts
 - 3 Year Term
 - Consistency

Self Insurance

Medical Total Cost (ER & EE)



Dental Total Cost (ER & EE)



OPEB Funding

Last Year Funding Required	1/1/11 Forecast	Actual	Operating Budget Savings
Environmental Services	2018	2014	20 M
Metro Transit	2022	2016	75 M
Regional Administration	2012	2012	

6/30/18 Assets
88 M
179 M
6 M
273 M

Council Bonds

AAA Bond Rating	Amount
Wastewater	\$548
Transit	235
Parks	26
Grant Anticipation (GANs)	299
Total	\$1,108

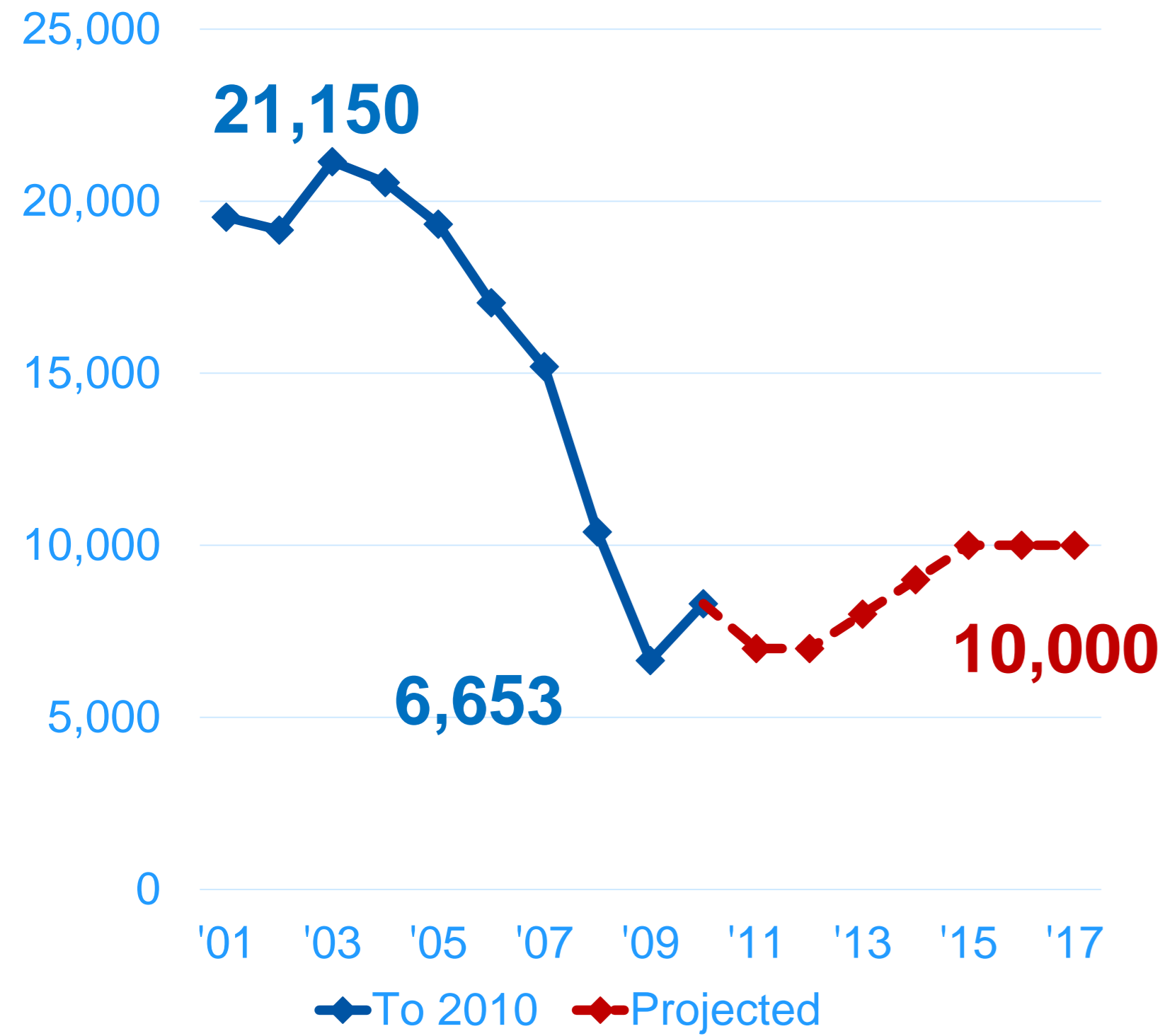
Refunding NPV	2012	2016
Wastewater	\$38.9	\$2.9
Transit	0.9	0.7
Total	\$39.8	\$3.6

\$43 M

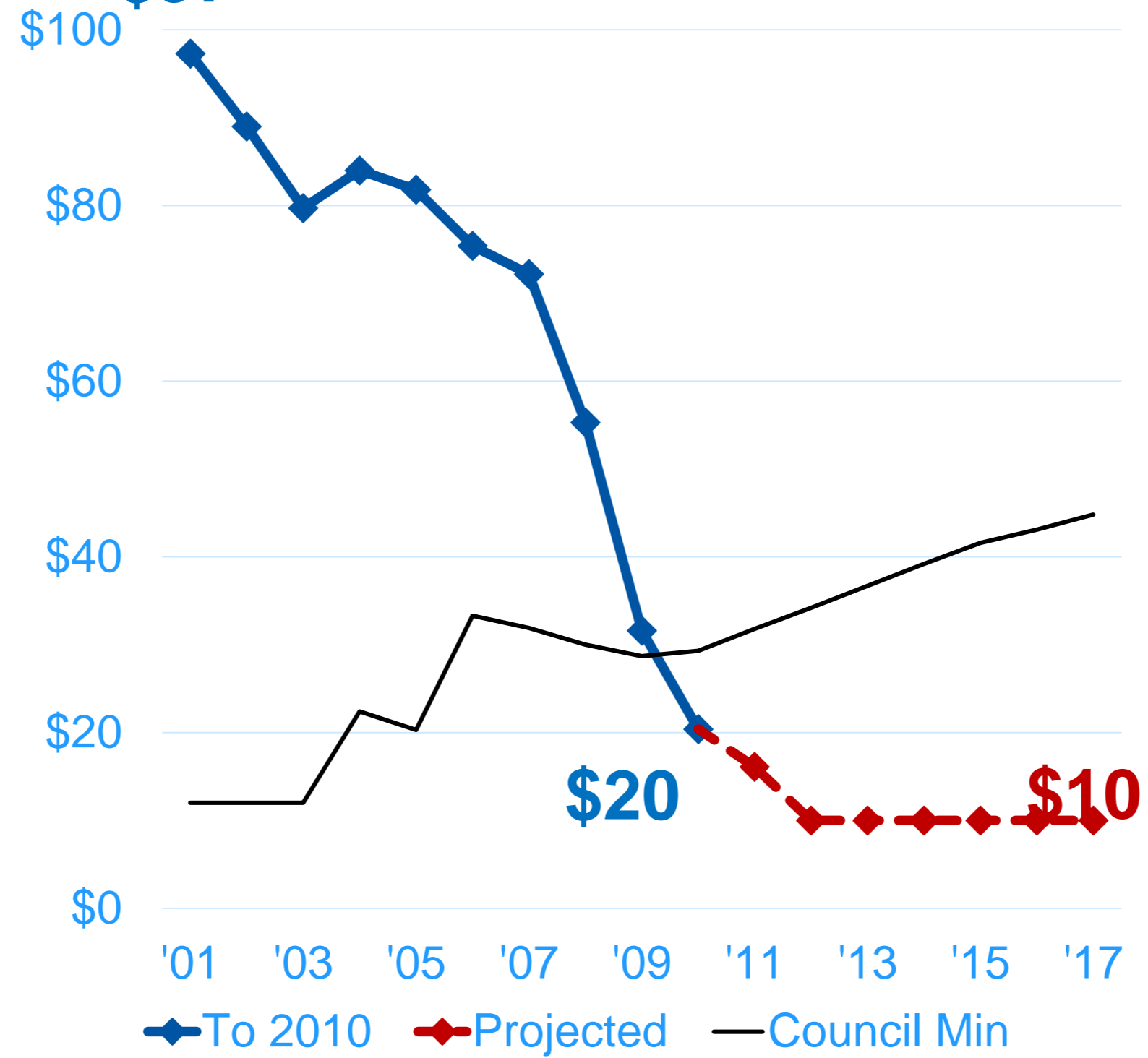
If AA rates were 25 basis points higher = \$35 M

SAC Uncertainty

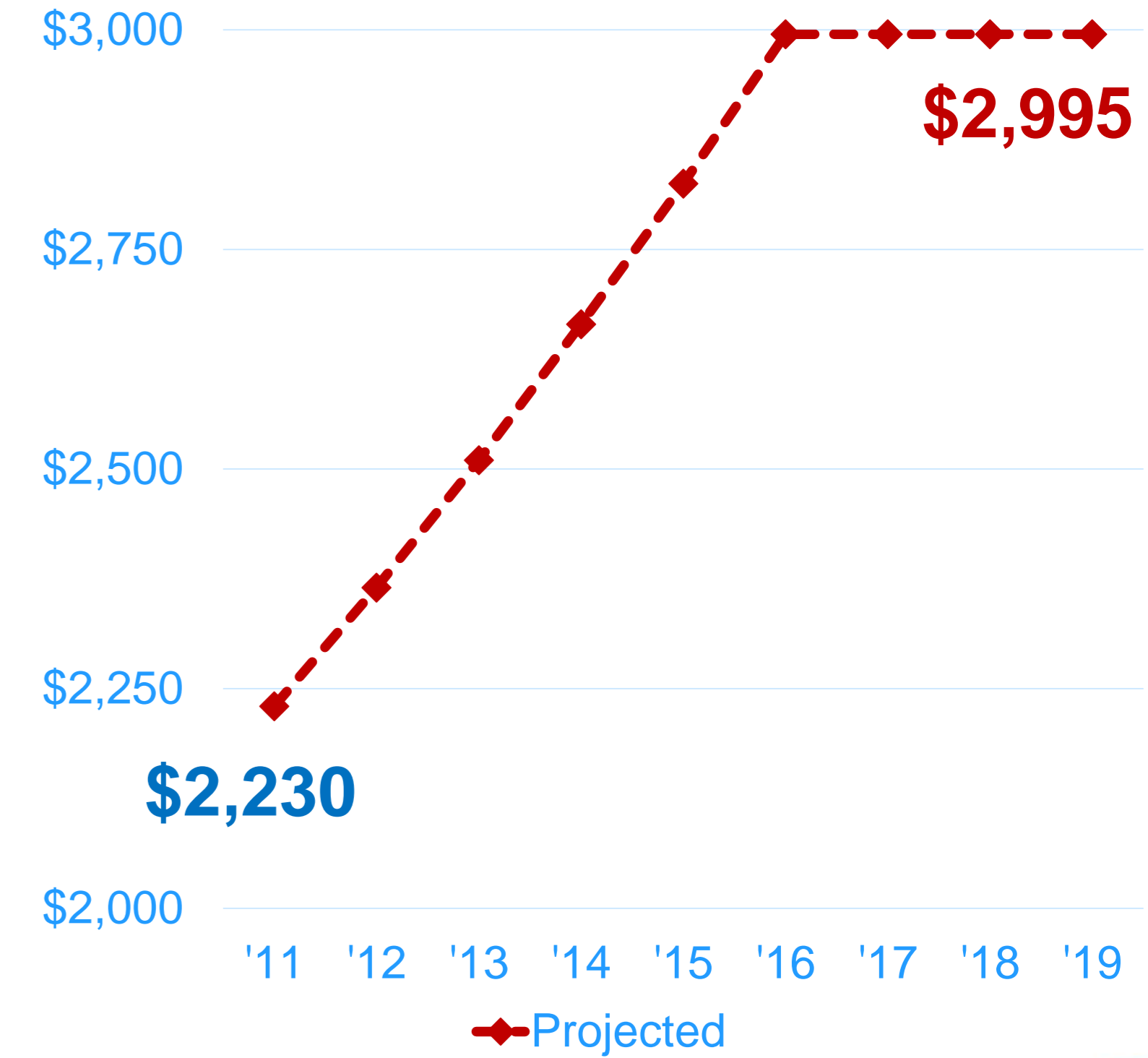
Units



Reserve (in \$M)

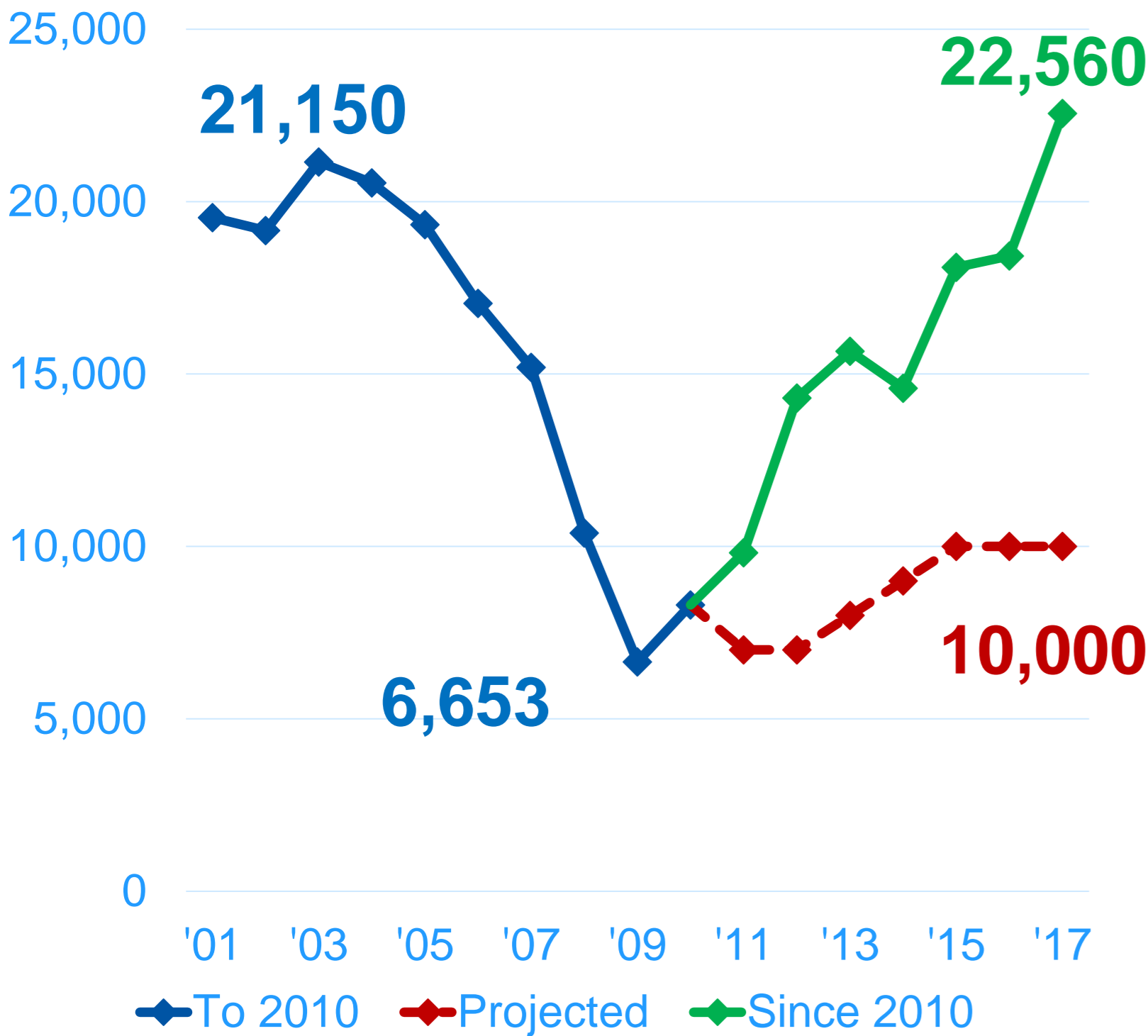


Rates

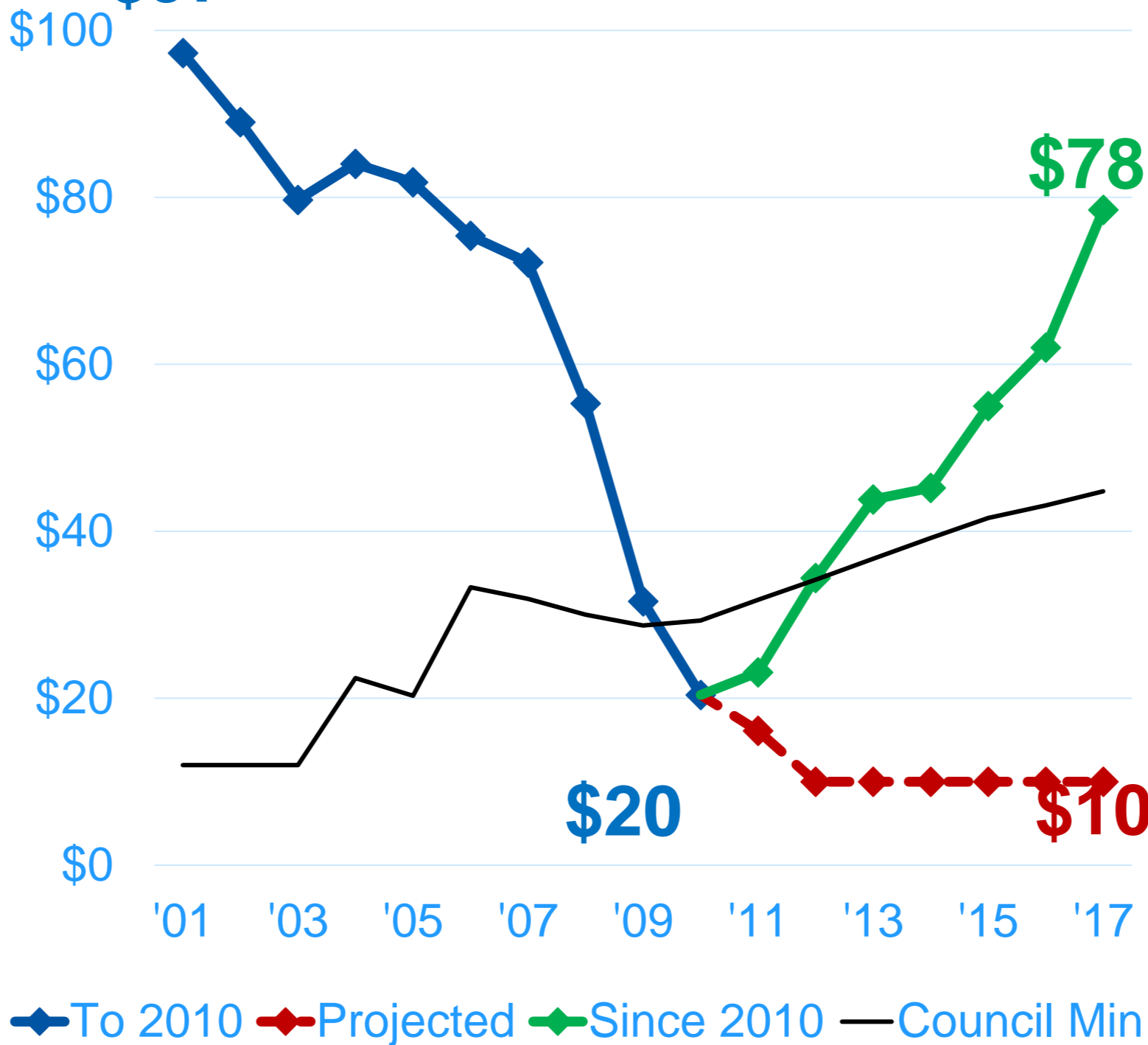


SAC Recovery

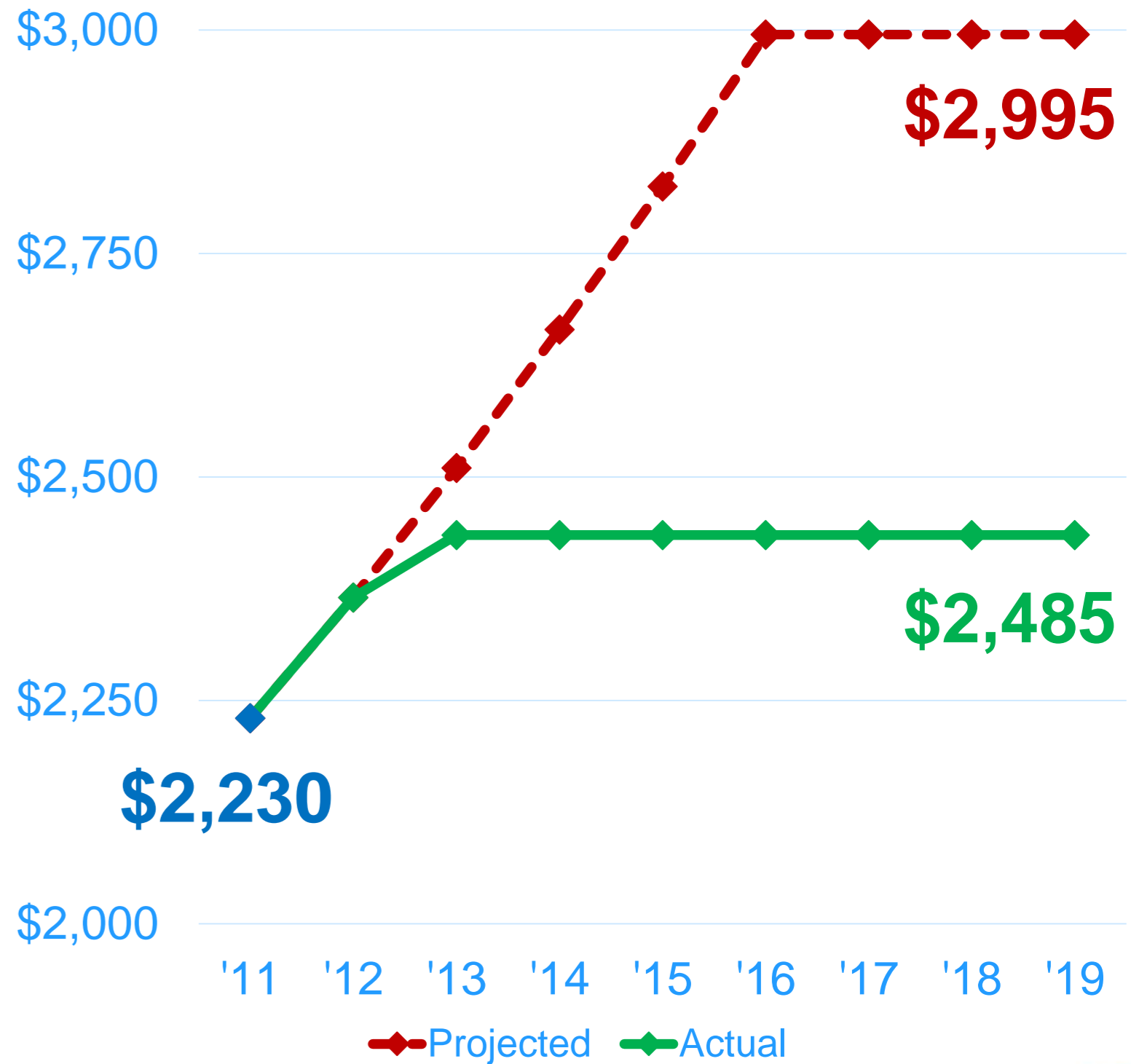
Units



Reserve (in \$M)



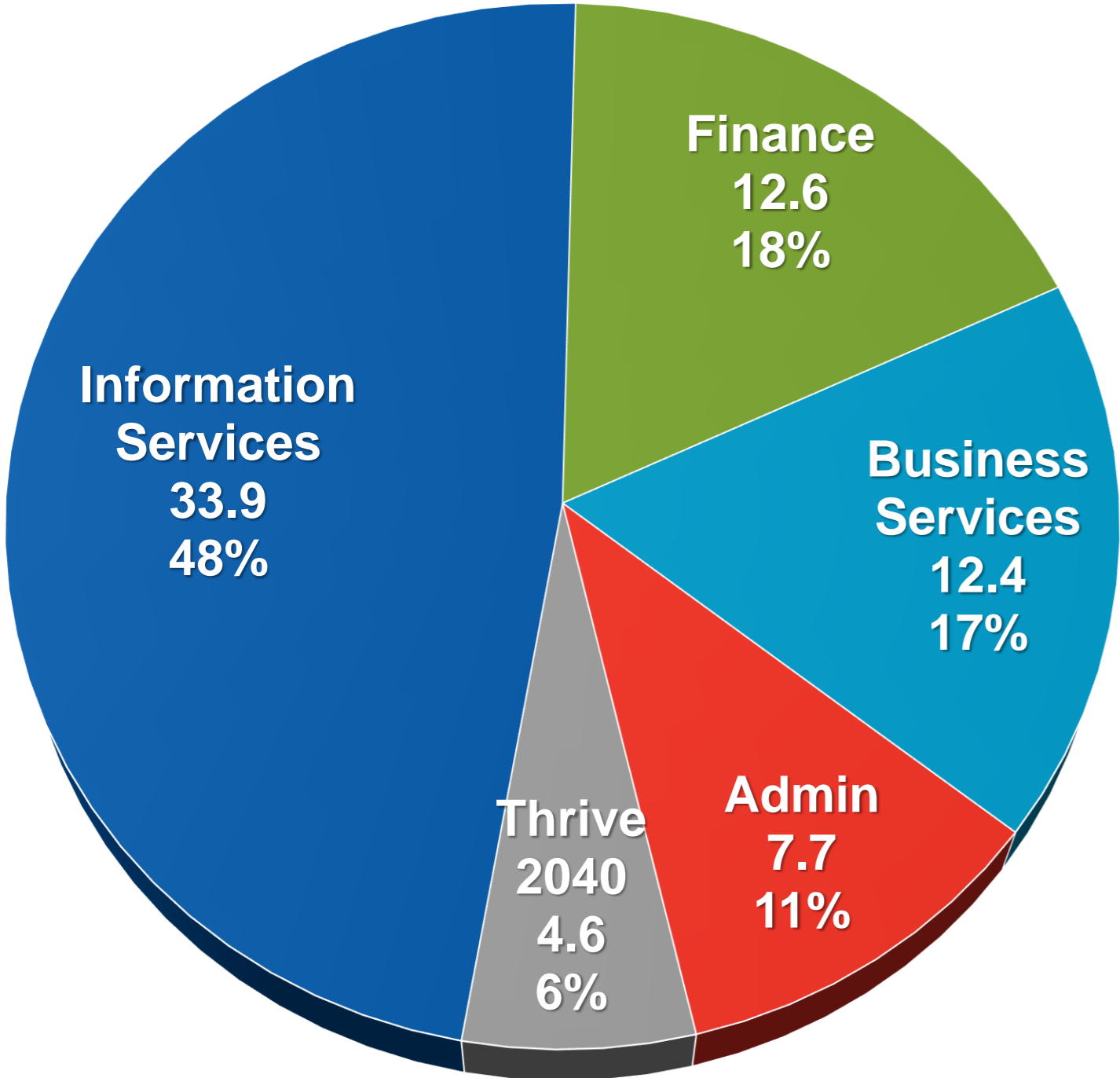
Rates



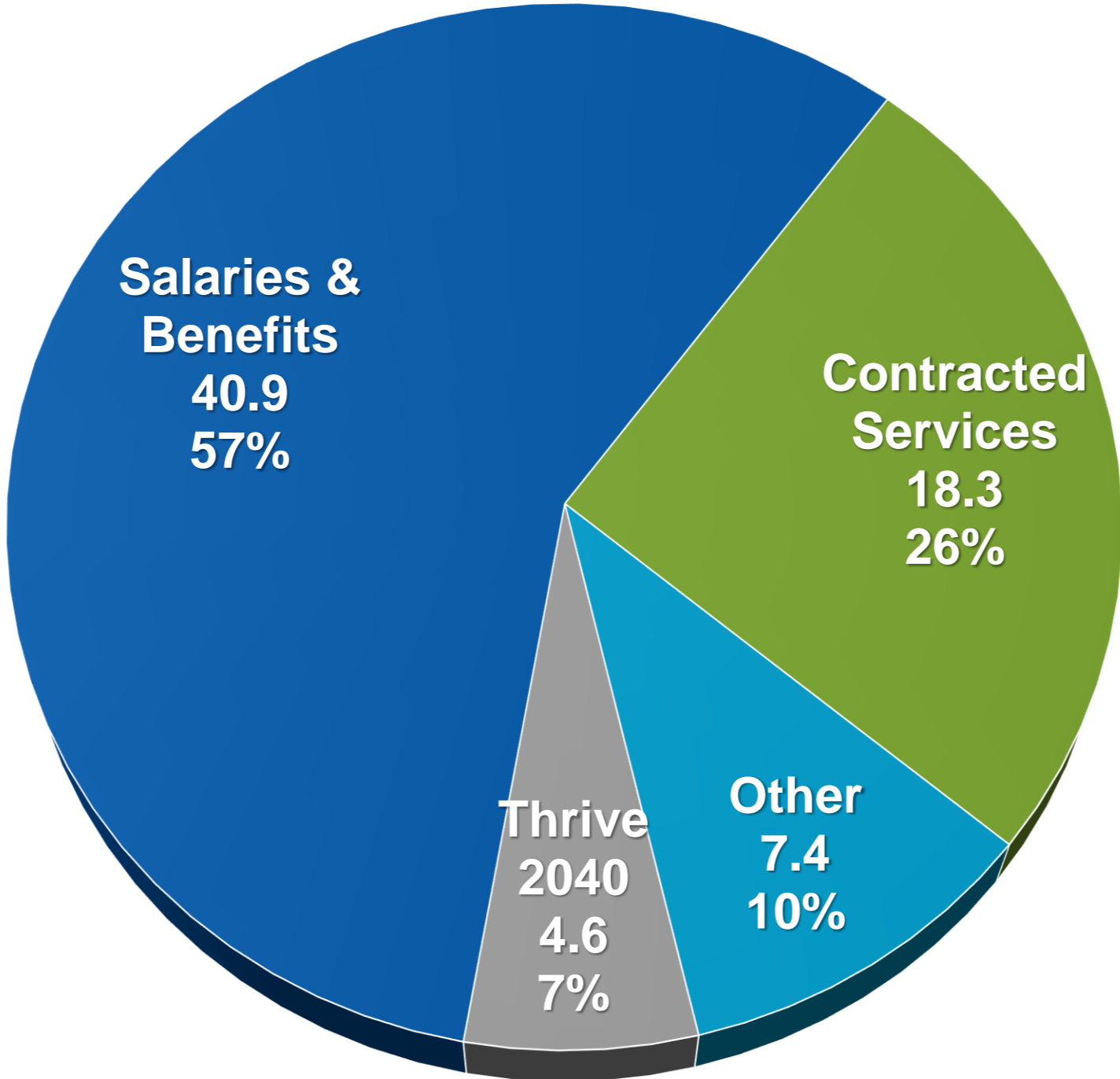
2019 Proposed Regional Administration Budget & General Fund Activity

Regional Administration - \$71M

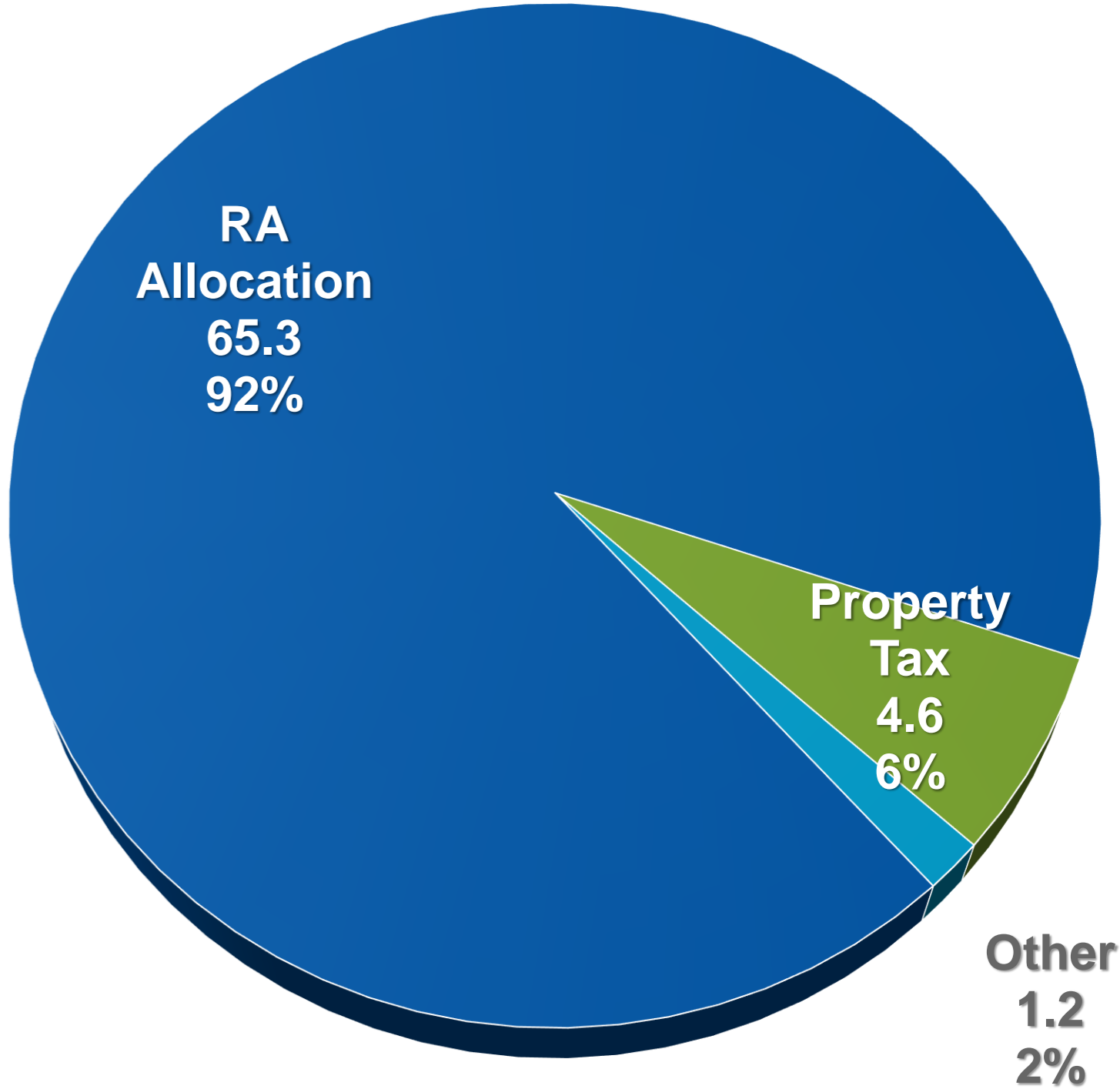
Uses by Department



Uses by Category



Sources

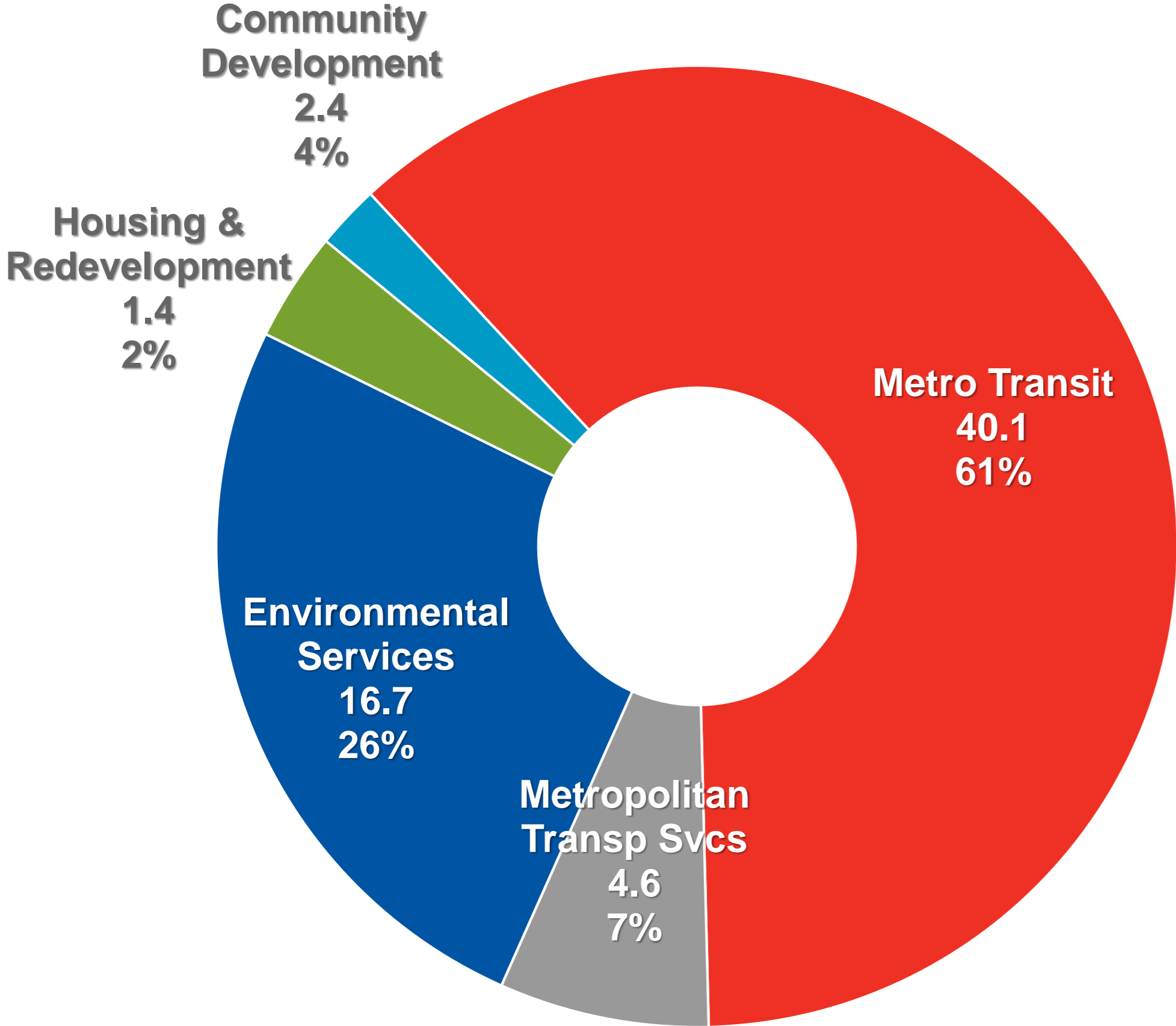


Department	Change	Percent
Information Services	2,515	8.01%
Human Resources	664	8.37%
All Other	721	3.10%
Total	3,900	6.22%

Dept	Contributing Factors	Change	% for Dept
IS	Position Transferred from Metro Transit	225	0.72%
IS	Additional Overtime	100	0.32%
IS	Leased Lines & Phone Charges	419	1.34%
IS	Hardware & Software Maintenance *	1,276	4.08%
HR	Workforce Development – 4 FTEs	448	5.64%



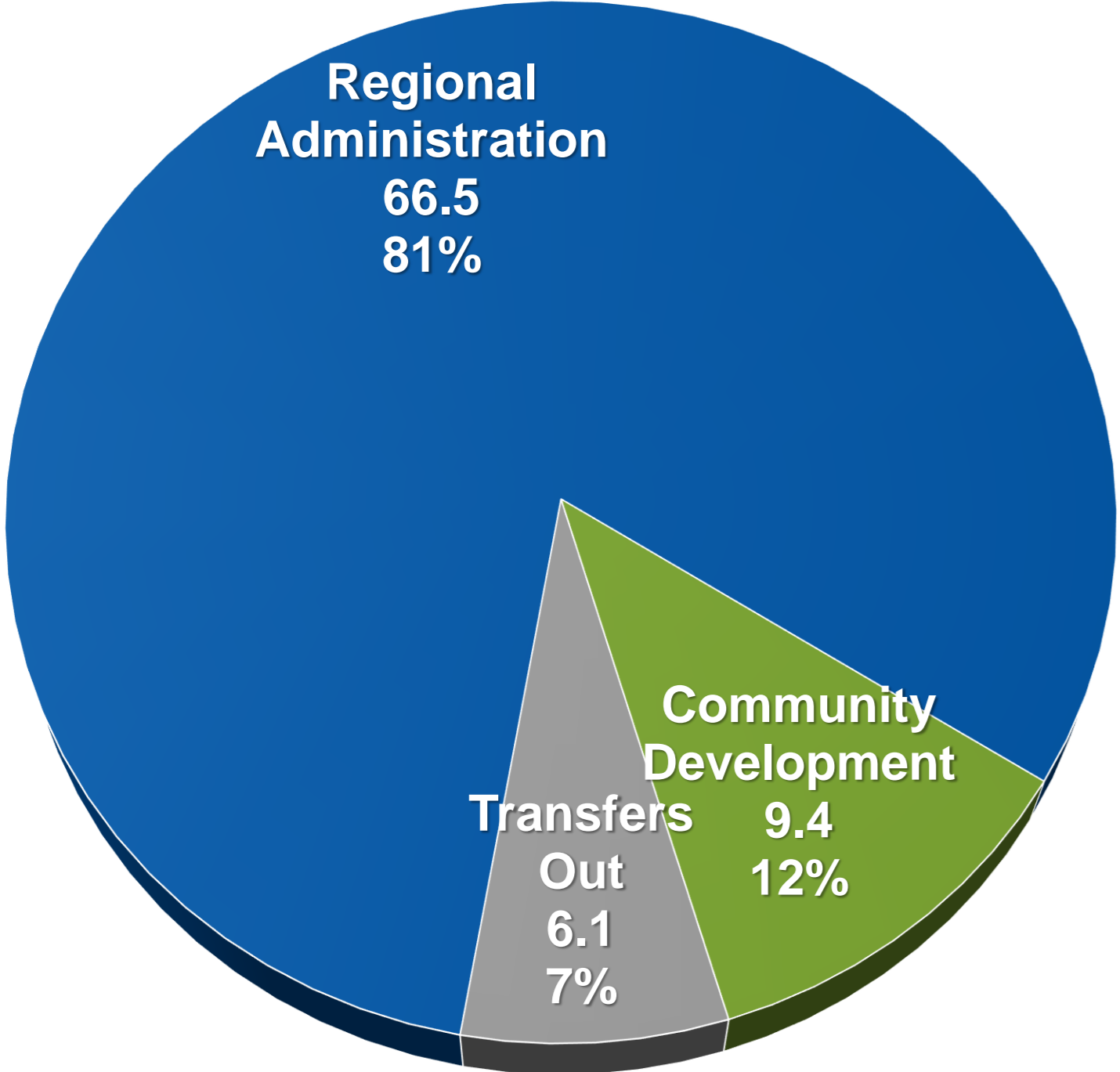
RA Interdivisional Allocation - \$65.3 M



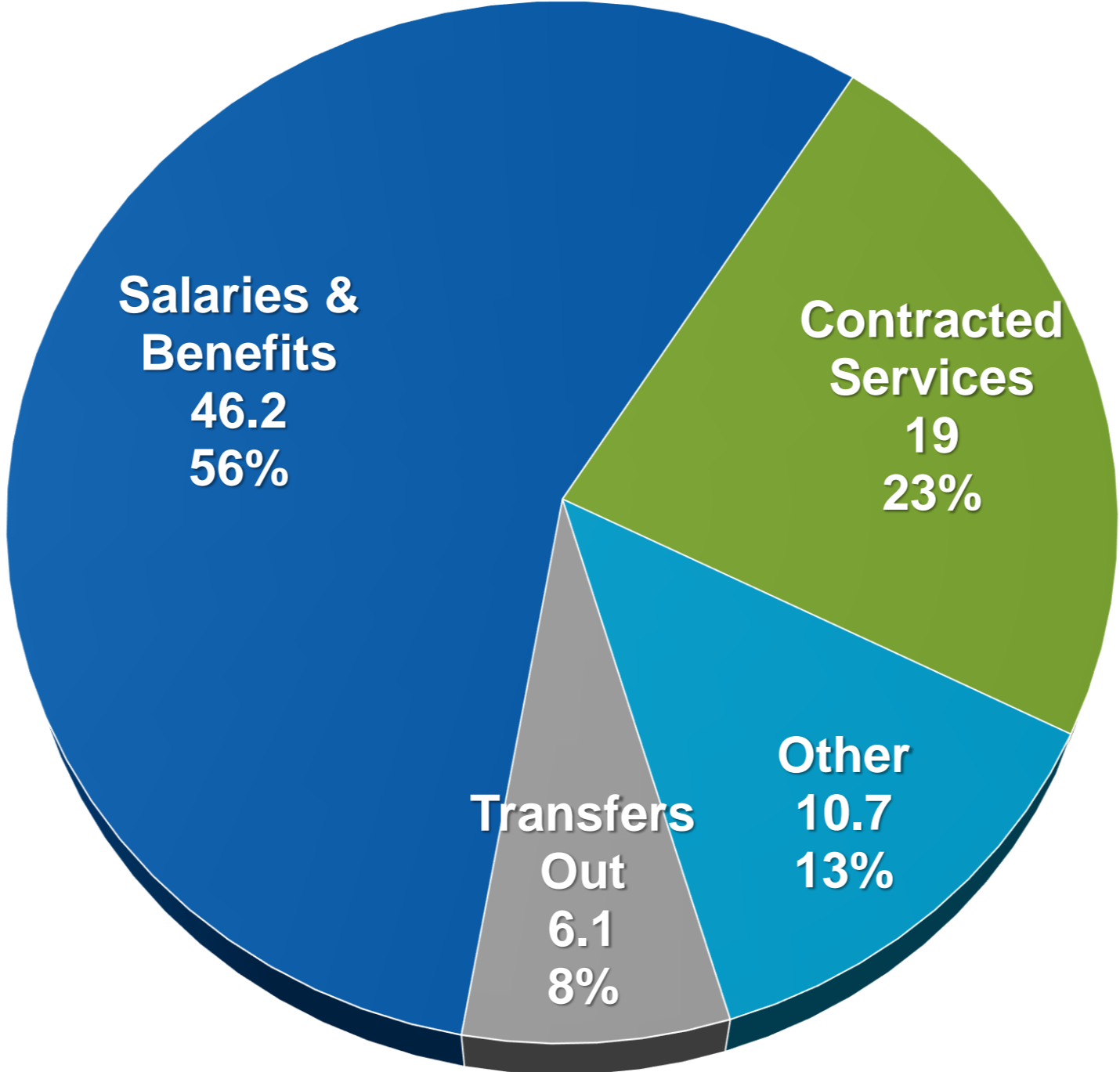
Div	2018	2019	Change	Percent	Depts
ES	16.2	16.7	0.5	2.9%	IS 611
MT	36.9	40.1	3.2	8.7%	IS 1,825 – HR 637 – OEO 585
MTS	5.0	4.6	(0.4)	(8.8%)	
CD	2.2	2.4	0.2	8.5%	IS 126 – Gen Counsel 97
HRA	1.3	1.4	0.1	6.7%	Communications 163

General Fund Operations - \$82 M

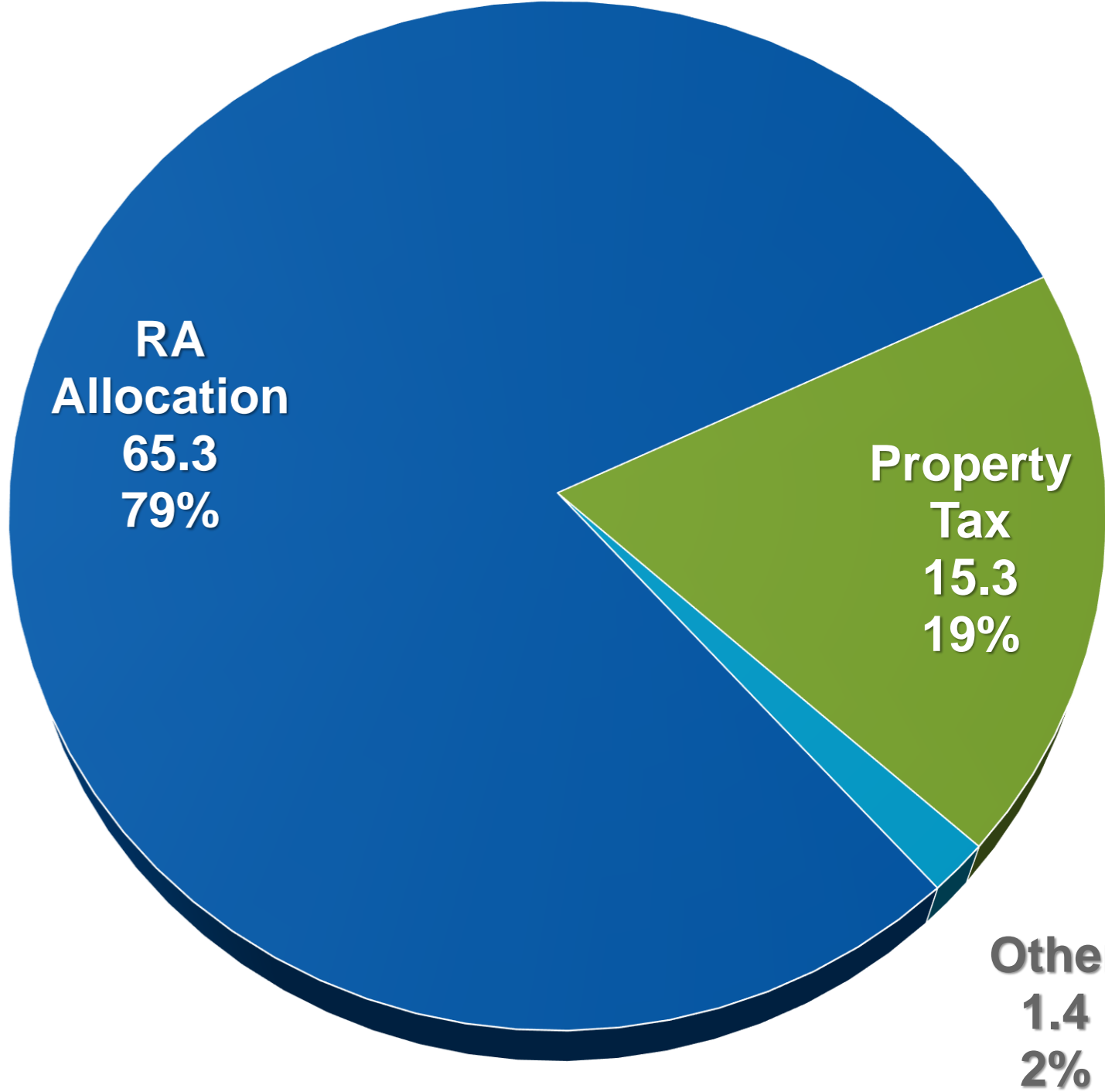
Uses by Department



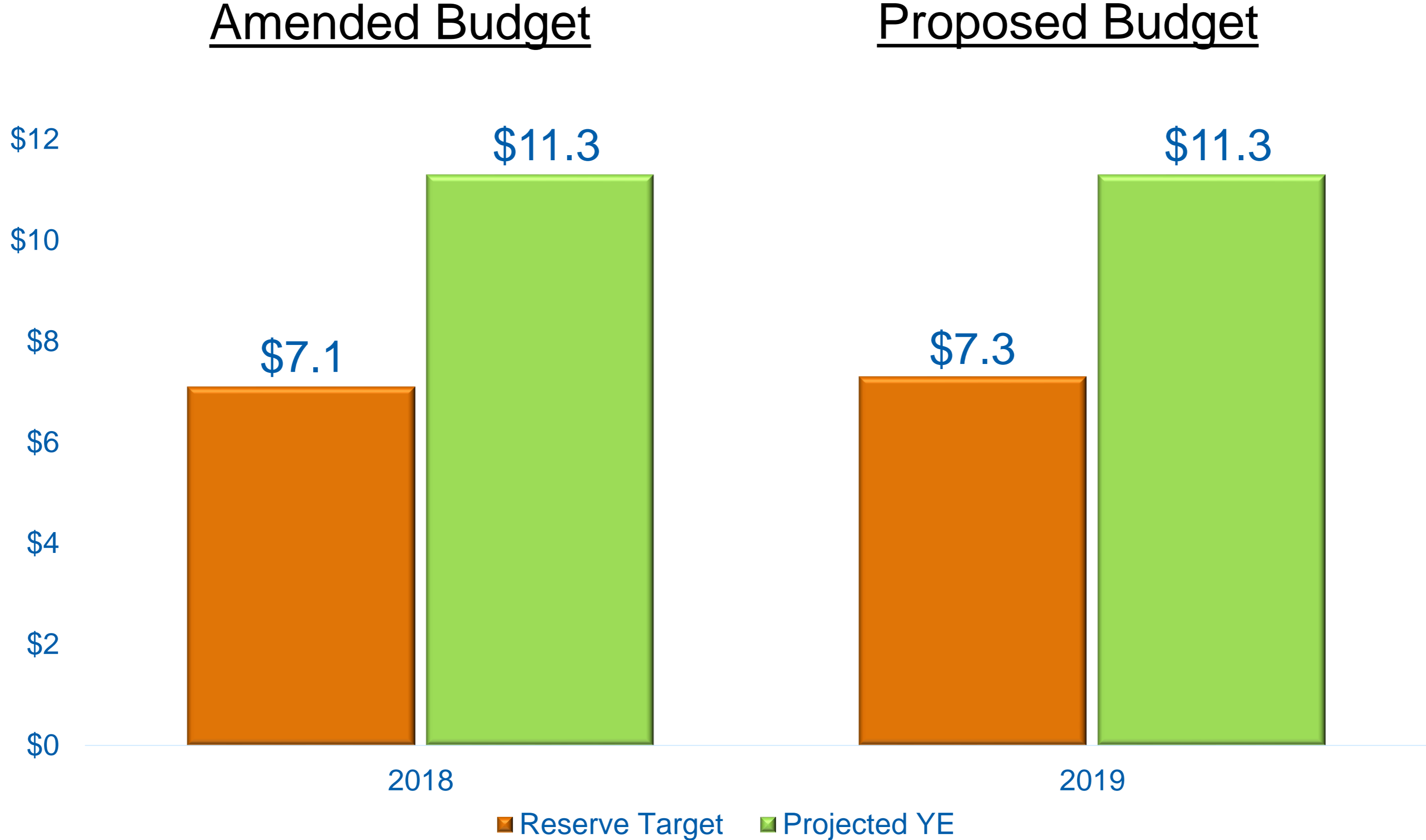
Uses by Category



Sources



GF Unassigned Operating Reserve



Budget Development Timeline

Jul-Aug	Committee - Division Level Budget Presentations
Jul 25	Council - Adopt Wastewater Rates
Aug 8	Council - Division Level Budget Presentation
Aug 22	Council - Adopt Preliminary Budget & Levies
Oct 10	Council - Division Level Capital Program Presentation
Oct 24	Council - Adopt Public Comment Drafts
Dec 12	Council - Adopt Final Budget & Levies