

ORDINANCE NO. 625

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 2016.

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 2015 is 0.251% percent and the limit factor is 1% percent, meaning that the taxes levied in the City of Lakewood in 2015 for collection in 2016 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 budget ensures that by the end of 2016, General Fund reserves shall be at least 12% of General and Street O&M operating revenues, a significant improvement from previous years' ending fund balances. The 2015-2016 adopted biennial budget gradually returns the City to sound financial footing by replenishing General Fund reserves to meet the City's 12% policy objective over a three year period beginning in 2014 and culminating in 2016. Using reserves and one-time monies to finance ongoing programs as was the case in recent years only masks and pushes out the financial challenges facing the City. The City currently is at a tipping point where failing to address this issue only further weakens the City's financial position. Thus, the 2015-2016 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 adopted budget is compliant with the City's financial policies. Additionally, the City has three labor contracts that expire at the end of 2015 and one that will expire at the end of 2016. The City has started the process; however the financial impact will not be known until the agreements are in place. Labor costs have and are expected to continue to increase above 1%. Annual step increases range from 4% 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 2016.

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 16th day of November, 2015.

CITY OF LAKEWOOD



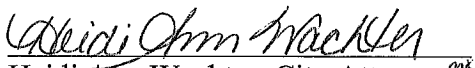
Don Anderson, Mayor

Attest:



Alice M. Bush, MMC, City Clerk

Approved as to Form:


Heidi Ann Wachter, City Attorney^{mk}