



TO: T.C. Broadnax, City Manager
FROM: TW Tadd Wille, Budget Officer
AK Andy Cherullo, Finance Director
COPY: City Council and City Clerk
SUBJECT: Request for Ordinance to State the Dollar and Percent Increase of the EMS Tax Levy on November 18, 2014
DATE: October 24, 2014

SUMMARY:

The City of Tacoma is required by state law to annually approve the Emergency Medical Services (EMS) levy on property taxes. Staff recommends that the City Council authorize a 23.16378% and \$1,921,841.72 increase to the City's EMS actual levy amount from 2014.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position

BACKGROUND:

In order to increase the City's highest lawful EMS levy, the City is required to pass an ordinance that authorizes the percent and dollar increase over the district's actual levy from the previous year.

ISSUE:

The City of Tacoma must take two actions to set the EMS property tax levy for 2015:

- Approve the total EMS levy amount to be collected – State law requires that the City adopt an ordinance that states how much in property taxes the City is requesting to collect in 2015.
- Approve the percentage and dollar increase over the prior year's actual EMS levy – State law requires that the City Council approve a separate ordinance or resolution that states the percentage and dollar increase of this year's levy request over the prior year's actual levy. This action establishes the City's highest allowable levy amount.

This ordinance will allow the EMS levy to be set at the highest allowable amount, \$10,218,594.93. The highest allowable levy is a 1% increase over the highest levy since 1985, \$10,117,420.72 in 2010. The highest allowable levy is a 23.16378% and \$1,921,841.72 increase over the previous year's actual levy of \$8,296,753.21.

The assessed values in the EMS property tax boundary declined from 2009 to 2012 and the current valuation is \$17,889,453,248. The EMS property tax levy's rate is at the maximum rate of \$0.50 per \$1,000 of assessed value. Due to the rate limit, the actual 2015 levy amount will be \$8,944,726.62, an 8% and \$647,973 increase from the previous year's actual levy.

While the City is requesting an increase in the EMS levy amount to the highest allowable amount, there will be no change in the rate to property owners. This revenue amount is consistent with revenues budgeted in 2015.

ALTERNATIVES:

Pursuant to RCW 84.52.020 and RCW 84.52.070 the City of Tacoma is required to pass an ordinance to authorize the percent and dollar increase; therefore, staff has not identified an alternative.



RECOMMENDATION:

Staff recommends that the City Council authorize a 23.16378% and \$1,921,841.72 increase to the City's EMS actual levy amount from 2014. Due to the statutory rate limit of \$0.50 per \$1,000 of assessed value, the actual 2015 levy amount will be \$8,944,726.62, an 8% and \$647,973 increase from the previous year's actual levy.

FISCAL IMPACT:

There is no fiscal impact.