

Elected Officials Essentials

Understanding Municipal Revenues

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March 26, 2025

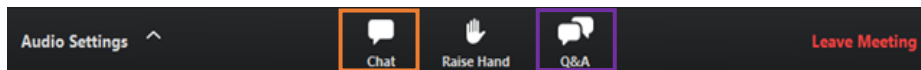


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Zoom WEBINAR TECHNICAL TIPS

- Chat and Q&A features

Select **Chat**, type your technical concerns into the chat pane, and hit **Enter**.
A staff member will respond to assist you.



Select **Q&A**, type your question in the Q&A pane and hit **Enter**.
The moderator will get your question to the presenter.



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Viewing closed captioning

- In the meeting controls toolbar, click the **Show Captions** icon.



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Technical difficulties and disclaimer

Technical difficulties?

Please use the chat feature in Zoom for technical issues.

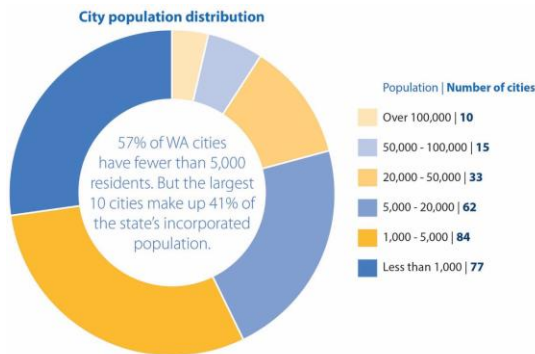
Disclaimer: The information contained in this presentation is for general educational purposes only and is not intended to be legal advice. Please consult legal counsel for advice about specific questions.



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Cities have different populations, structures, and economies

More than half of cities have less than 5,000 population



City forms of government impact authority

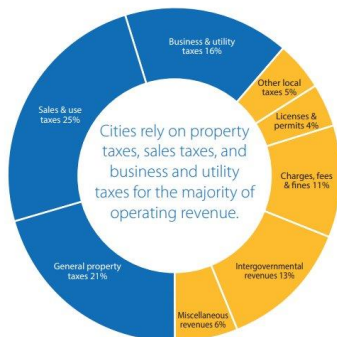
Class	Mayor-Council	Council-Manager	CURRENT TOTAL
First	6	4	10
Second	5	0	5
Town	68	0	68
Code	147	50	197
Unclassified	1	0	1
CURRENT TOTAL	227	54	281

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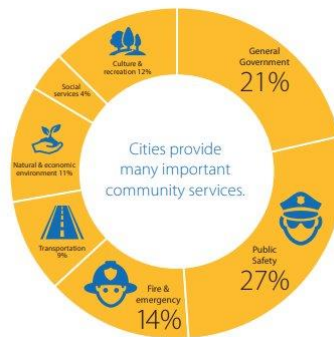
Cities rely on 3 revenue sources: property, sales, and business/utility taxes

Property tax, sales tax & business/utility tax are 2/3 of revenues



Source: State Auditor's Office: general fund, special revenues.

Public safety & fire is the largest expense for most cities



Source: State Auditor's Office: general fund, special revenues.

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Revenue authority changes over time

- New local option legislation
- Court interpretation of city authority
- Federal regulations/pre-emption
- Ballot measures



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Resources: Tax & User Fee Survey (TUFS)

- Provide city officials with information on municipal taxes and fees from across the state.
- 4-part survey every two years. Data published in the fall.
- **Access data**
 - AWC Data & Resources
 - Training videos & documents
- **Purpose:**
 - Inform budget discussions
 - Rate setting
 - Policy decisions

Utility Rates report results

Organization	Population	Services owned or operated	Services: Drinking water	Services: Wastewater	Services: Storm
1 City of Gold Bar	2,290	City owns and operates utility	City owns and operates utility		
2 City of Centralia	15,760	City owns and operates utility	City owns and operates utility	City owns and operates utility	
3 Town of La Conner	180	City owns and operates utility	City owns and operates utility	City owns and operates utility	
		City owns and operates utility	City owns and operates utility	City owns and operates utility	
		City contracts with 3rd party who operates utility	City contracts with 3rd party	City contracts with 3rd party	
		City owns and operates utility	City owns and operates utility	City owns and operates utility	
		City owns and operates utility	City owns and operates utility	City owns and operates utility	
		City owns and operates utility	City owns and operates utility	City contracts with 3rd party	
		City owns and operates utility	City owns and operates utility	City owns and operates utility	



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Using TUFS Data – Utility Tax Rates

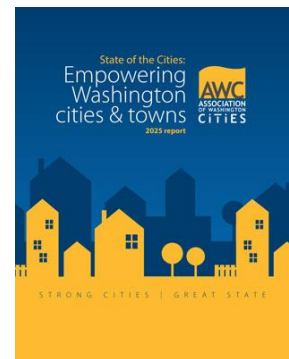
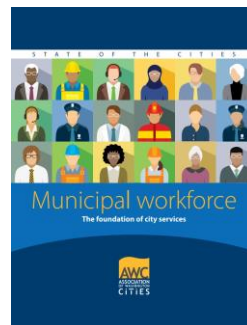
City/Town	Natural Gas	Electricity	Telephone
Airway Heights	19%	19 %	—
Cheney	14.75%	14.75%	6%
Deer Park	6%	6%	6%
Millwood	2%	6%	2%
Rockford	—	6%	—
Spangle	6%	6%	6%



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State of the Cities & City Conditions Survey Data

- *State of the Cities* reports
 - Every four years: comprehensive report on cities and current issues
 - Annual reports: specific topics
- *City Conditions Survey*
 - Understand the conditions of cities in areas including finance, public works, planning, and workforce
 - Annual survey in summer/fall
- **Purpose:**
 - Inform policy discussions
 - Trends on city conditions



Explore the results of AWC's 2024 City Conditions Survey

Contact: Candice Book

In the fall of 2024, we surveyed Washington's cities and towns to learn about current city conditions. This year's city priorities match closely with AWC's City Conditions Priorities and indicate significant concerns around fiscal security for cities, as well as in public safety, housing, infrastructure and behavioral health.

Here is a snapshot of what we learned:

Who took the survey?

159 city respondents

57% of Washington cities

Encompassing nearly 2 million residents



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State Auditor Financial Intelligence Tool (FIT)

- Based on local government annual revenue and expense reports to state auditor
- Searchable by government type and fund



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Other Resources

- Municipal Research Services Center
 - MRSC.org
 - Revenue Guide for Cities & Towns
 - Local sales tax rate components
 - Budget Suggestions
- AWC
 - WAcities.org
 - Housing & Homelessness Toolkit
 - Exploring Washington's Cities & Towns
 - You Have It Use It: Home Rule in Washington



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Thank you!

For more information:

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