

City of Duvall

# Municipal Fiscal Sustainability Plan

December 2024

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# Introduction

Communities across Washington are challenged to establish a financially sustainable future in the face of structural fiscal challenges. This challenge has been particularly acute since 2021, as inflation has increased significantly across the state. For small, residential cities, an additional challenge is that their primary revenue source—property tax—typically grows slower than inflation.

While the City of Duvall has benefitted from steady revenue growth, General Fund expenditures have been higher than revenues in recent years and the City seeks to develop a fiscal sustainability plan to ensure it can maintain the higher-quality services valued by the community. This report summarizes BERK Consulting’s analysis of the City’s current fiscal condition, anticipated investments, and potential strategies for the City to consider for operational and capital needs.

## **Organization of Report**

**City Context** provides background information about the City and describes trends for the General Fund, which is the City’s primary operating fund. We also provide an overview of the utility funds for context about strategies that could be used to fund anticipated capital investments. Peer city characteristics are included for context in *Appendix A: Peer City Characteristics*. The peer cities used in our analysis are those used as comparable cities in the City’s workload analysis project: Bonney Lake, Gig Harbor, North Bend, Monroe, Sequim, Snohomish, and Stanwood. The cities of Brier and Black Diamond are also included because they have similar characteristics to Duvall.

**Anticipated Investments** describes the operating investments the City plans to make in the next biennium (2025-2026) and significant capital investments the City would like to make over the next 20 years. For operating investments, we include a forecast of the General Fund for the period 2024 to 2031. For capital investments, we describe anticipated priority infrastructure projects and the possible operational impacts of these projects.

**Financial Sustainability Strategies** describes general approaches to financial sustainability and criteria that can be used to evaluate how potential strategies align with the City’s goals. We discuss strategies the City can consider to address operational and capital needs, as well as long-term financial sustainability. Peer cities face similar financial challenges as Duvall and are taking steps to plan for long-term financial sustainability. Examples of policies that peer cities have explored are also included in this section.

**Recommended Strategies** describes recommended operating and capital strategies. This section includes additional forecast scenarios of the General Fund with these strategies and the estimated impact on residential taxpayers.

# City Context

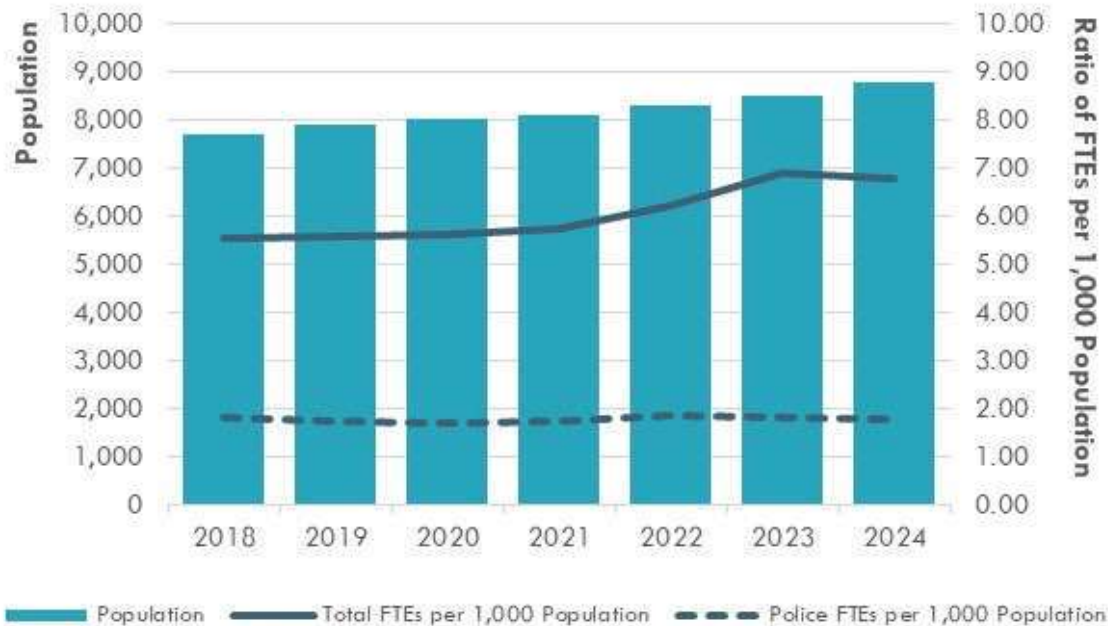
## Community Overview

The City of Duvall is often described as a “bedroom community,” or a primarily residential community. The estimated 2024 population in Duvall is 8,780 residents, and the population increased by more than 1,070 residents or 14% from 2018 to 2024. Duvall had 1,626 jobs in 2023, and covered employment has also grown since 2018, increasing by 259 jobs or 19%. Duvall has the lowest employment to population ratio among peer cities, which supports the City’s profile as a primarily residential community. The City does not have a large commercial base.

The City provides services to the community including police services, parks and recreational facilities maintenance, and water, sewer, and storm water services. Fire and emergency services are provided by Duvall-King County Fire District 45 (Duvall-KCFD 45). Beginning in 2025, Eastside Fire and Rescue will provide contracted operational services for KCFD-45.

In 2024, the City has a staff of 59.7 full-time equivalent (FTE) authorized positions. Four of these positions are funded by American Rescue Plan Act (ARPA) revenues. The ratio of total FTE per 1,000 residents has increased as the population has grown, increasing from 5.6 in 2018 to 6.8 in 2024 (*Exhibit 1*). The ratio for police FTEs has remained relatively constant at 1.8 FTE per 1,000 residents. Duvall has its own Police Department, like some of the peer cities, and would like to add police positions over the next six-year period.

**Exhibit 1: Population and Staffing, City of Duvall, 2018-2024**



Sources: City of Duvall, 2024; BERK, 2024; Washington State Office of Financial Management, 2024.

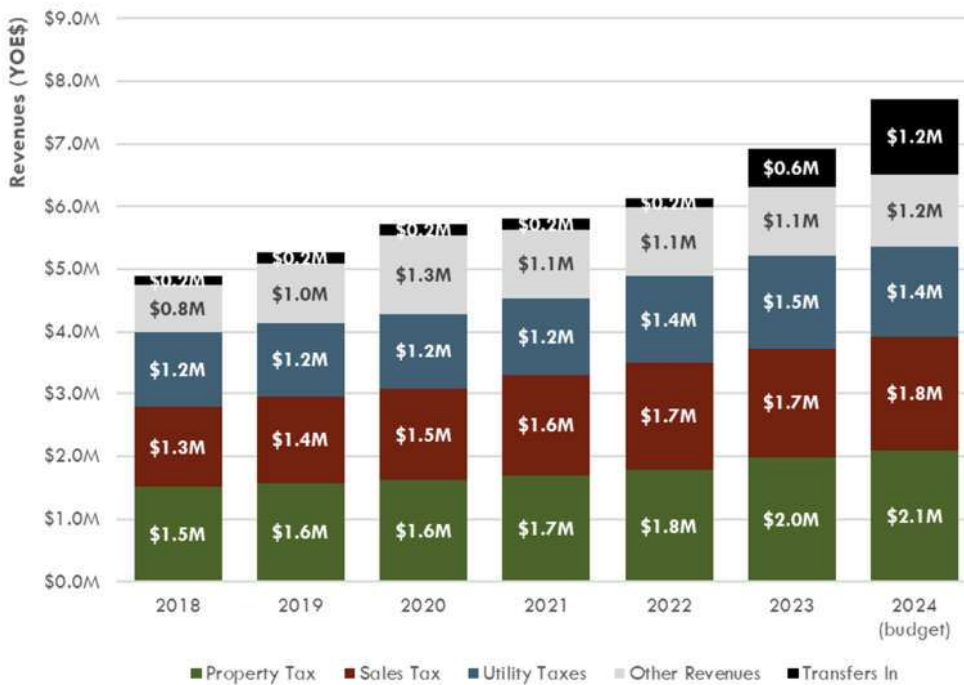
# General Fund Trends

The City maintains several operating funds with different revenue sources and expenditure purposes. These include the General Fund, special revenue funds, utility funds, and internal services funds. This report focuses on the General Fund, as it is the City’s primary operating fund. The General Fund will also support new investments desired by the City, such as additional staff and infrastructure projects.

## Revenue Mix

The City’s General Fund revenue is from three primary sources: property tax, sales tax, and utility taxes (*Exhibit 2*). Other revenues include licenses and permits; federal, state, and local grants; charges for service; and fines and penalties. In 2023 and 2024, transfers in from other funds included transfers from the ARPA Fund (which tracks funds received from the Coronavirus State and Local Fiscal Recovery Fund within the American Rescue Plan Act) and the Strategic Fund (which is funded by sales tax from construction over a fixed amount and pays for one-time expenditures approved by the City Council).

**Exhibit 2: General Fund Revenues by Source, 2018-2024**



Sources: City of Duvall, 2024; BERK, 2024.

Property tax has historically been the largest source of revenue for the General Fund. This includes revenue from the City’s regular property tax levy (of which 80% is reported in the General Fund and 20% in the Street Fund to support street operations), in addition to revenue from a levy lid lift for debt service on Big Rock Ballfield improvements, employment of a full-time school resource officer, and IT system improvements. The levy lid lift has comprised approximately 25% of property tax revenue and will expire at the end of 2025.

Property tax grew approximately 6% annually on average between 2018 and 2023. Growth in the regular property tax levy is limited by statute to 1% annually, which suggests that a high level of new construction in Duvall has contributed to higher growth in property tax.

Sales tax is the second largest revenue source for Duvall and grew approximately 7% annually on average between 2018 and 2023. Sales tax revenue grew steadily in Duvall even through the pandemic, when more purchases were made from home.

## Expenditure Mix

In 2023, about 60% of General Fund expenditures were spent on salaries and benefits for City staff, 31% on services, 7% to transfers out, and 2% to supplies. The service category includes interfund charges to support facility maintenance, equipment, and IT services. Professional services and insurance are other large costs in this category.

By function, public safety makes up the largest share of the City’s General Fund budget (*Exhibit 3*). From 2018 to 2023, the share of public safety expenditures decreased, while expenditures for other departments such as Public Works and Planning and Economic Development increased. In 2021, the City had large non-departmental expenditures, including a transfer to the IT Fund for investments such as the recent transition to the OpenGov budgeting software.

**Exhibit 3: General Fund Expenditures by Department, 2018-2024**



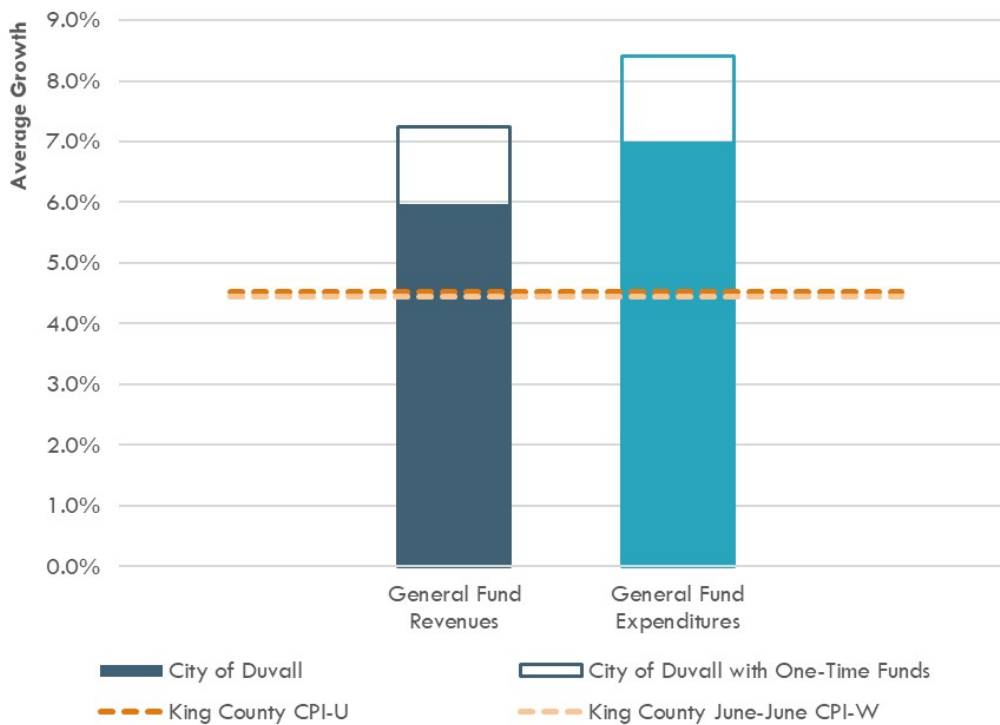
Note: Labels not shown for annual department expenditures under \$300,000 and department expenditure shares under 5%. Sources: City of Duvall, 2024; BERK, 2024.

The General Fund also pays for annual debt service of approximately \$225,000 on a general obligation bond for the Big Rock Ball Field improvements. The property tax levy lid lift supports this expense. This bond will be paid off in 2025, at the same time the levy lid lift expires. The City also has a general obligation bond for a Main Street Project, which will be paid off in 2031. This debt service is paid by Real Estate Excise Tax (REET) revenues and street impact fees. In 2023, the City used less than 6% of its general debt capacity, which is determined as a percentage of the City’s total assessed value.

## Comparison to Inflation

From 2018 to 2023, General Fund revenues and expenditures grew faster than inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) used by King County (*Exhibit 4*). Over this period, total expenditures grew faster annually on average than total revenues, at approximately 8% compared to 7%. Excluding ARPA revenues and contributions from the discretionary Strategic Fund, expenditures grew at 7% compared to 6% for revenues.

**Exhibit 4: Average Growth in Inflation and Duvall General Fund Revenues and Expenditures, 2018-2023**



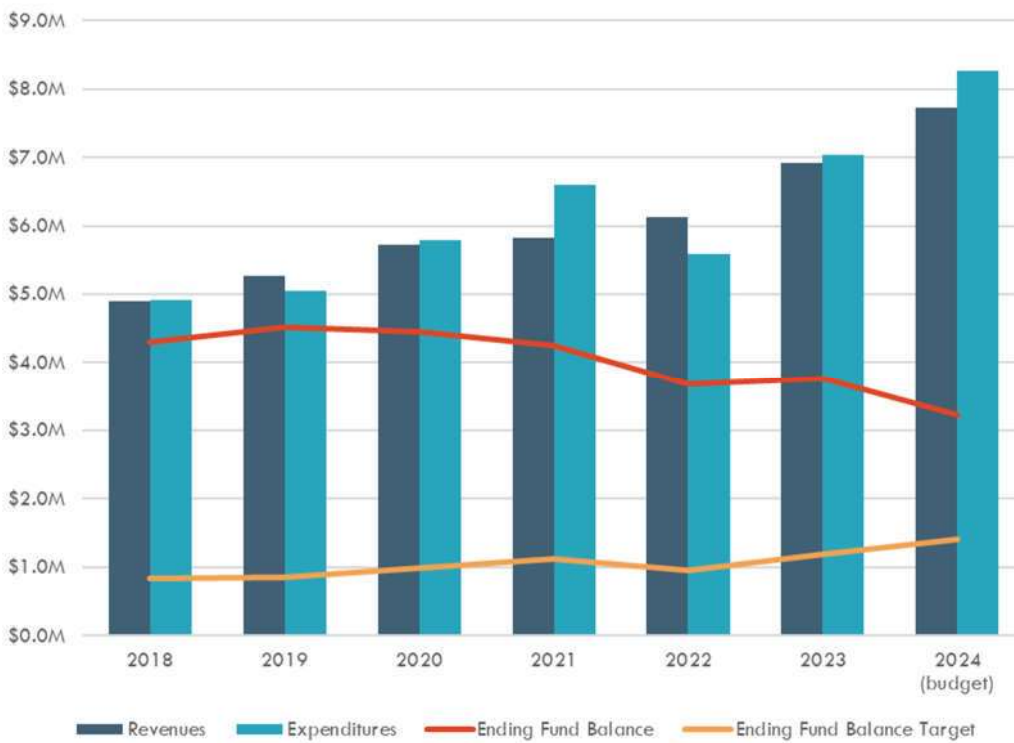
Sources: City of Duvall, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024.

## Ending Fund Balance

The City has a policy to maintain a General Fund reserve equal to two months of budgeted operating expenditures, or approximately 17%. The City also maintains the Contingency Fund for unforeseen expenditures. At the end of 2023, the General Fund ending fund balance was \$3.76 million, or 54% of expenditures in that year.

As shown in *Exhibit 5*, the ending fund balance has remained above the target level, but expenditures were greater (or projected to be greater for 2024) than revenues in five of the seven years between 2018 and 2024. This has resulted in a decreasing trend for the ending fund balance. For the 2025-2026 biennium, the City has budgeted expenditures higher than revenues, which would cause the ending fund balance to decrease.

**Exhibit 5: General Fund Revenues, Expenditures, and Ending Fund Balance, 2018-2024**



Sources: City of Duvall, 2024; BERK, 2024.

# Utility Funds Overview

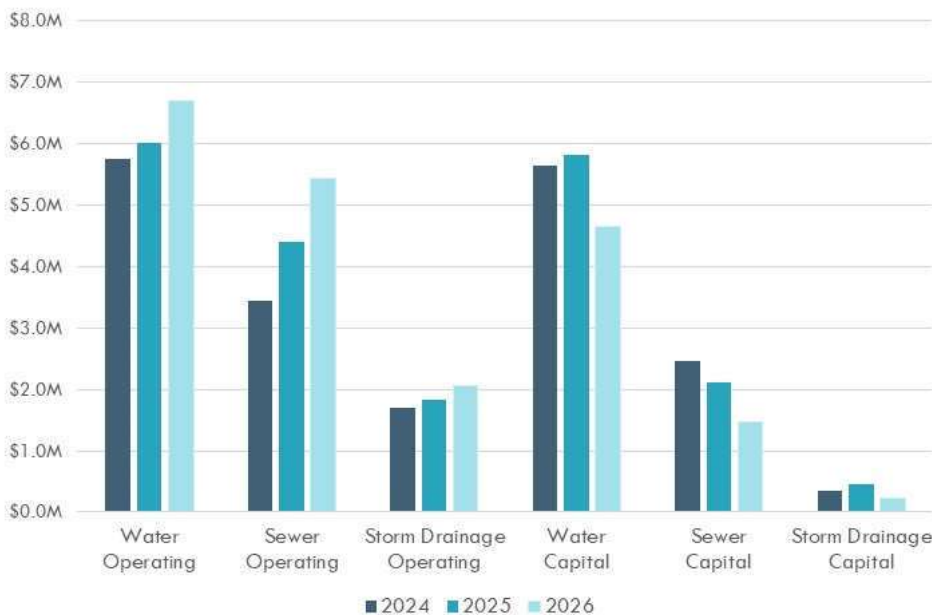
The City maintains three utility operating funds that account for water, sewer, and storm drainage operations. As enterprise funds, all costs for utility operations are funded by customer rates. These rates also support capital projects through the City’s separate water, sewer, and storm capital improvement funds. The operating funds also make transfers into the capital improvement funds.

FCS Group recently completed a rate study for City’s water, sewer, and storm drainage utility rates and general facility charges.<sup>1</sup> The study found that the water and sewer funds are in a healthy financial position due to several factors including:

- Strong customer growth contributed to higher revenues than estimated.
- Utility operating expenditures increased at a slower rate than inflation.
- Adjustment of rates each year kept pace with inflation.

*Exhibit 6* shows the City’s projected ending fund balances for the utility operating and capital funds for 2024 and the 2025-2026 biennium. The water, sewer, and storm drainage operating funds have reserve requirements of approximately \$850,000, \$1.1 million, and \$350,000 respectively, which are included in the amounts below. The water and sewer funds are projected to have high ending fund balances and are part of the funding needed to support anticipated public works capital investments.

**Exhibit 6: Water and Sewer Funds, Projected Ending Fund Balance**



Sources: City of Duvall, 2024; BERK, 2024.

<sup>1</sup> FCS Group, 2024, “Water, Sewer, Stormwater Rate Study: Revenue Requirements.” Available at: <https://www.duvallwa.gov/DocumentCenter/View/11426/Utility-Rate-Study---Written-Report>.

# Anticipated Investments

## Operating Investments

The City has identified a need for additional staff to meet workload demand and service needs. Adding new staff positions allows a city to maintain levels of service and reduce burnout and potential turnover among city staff. Moss Adams has separately conducted a workload analysis for the City that provides recommendations to address understaffing and reduce heavy workloads for some functions.<sup>2</sup>

Many peer cities recently added staff positions to address growth in their communities. The City of Black Diamond added two new public works positions in the 2024 budget to address continued growth. The City of Gig Harbor added four police officers, and one position each in human resources, finance, and public works. The City of Monroe added two positions and converted two others to full time to improve service delivery across several departments.

To consider the impacts of adding new staff on Duvall's budget, we developed a forecast of the General Fund for the period 2024 to 2031 under the following scenarios:

1. **Maintaining Existing Services.** This status quo scenario assumes the continuation of existing services with no new revenues. Existing revenues and expenditures are forecasted based on historical trends and inflation forecasts (see *Appendix B: General Fund Forecast Assumptions* for more details).
2. **Adding Staff Positions.** This scenario forecasts the impact of new staff positions budgeted for the General Fund in the 2025-2026 biennium. This scenario builds on Scenario 1 to add salaries and benefits for the new positions but no new revenue tools.

Each scenario is presented on the pages that follow.

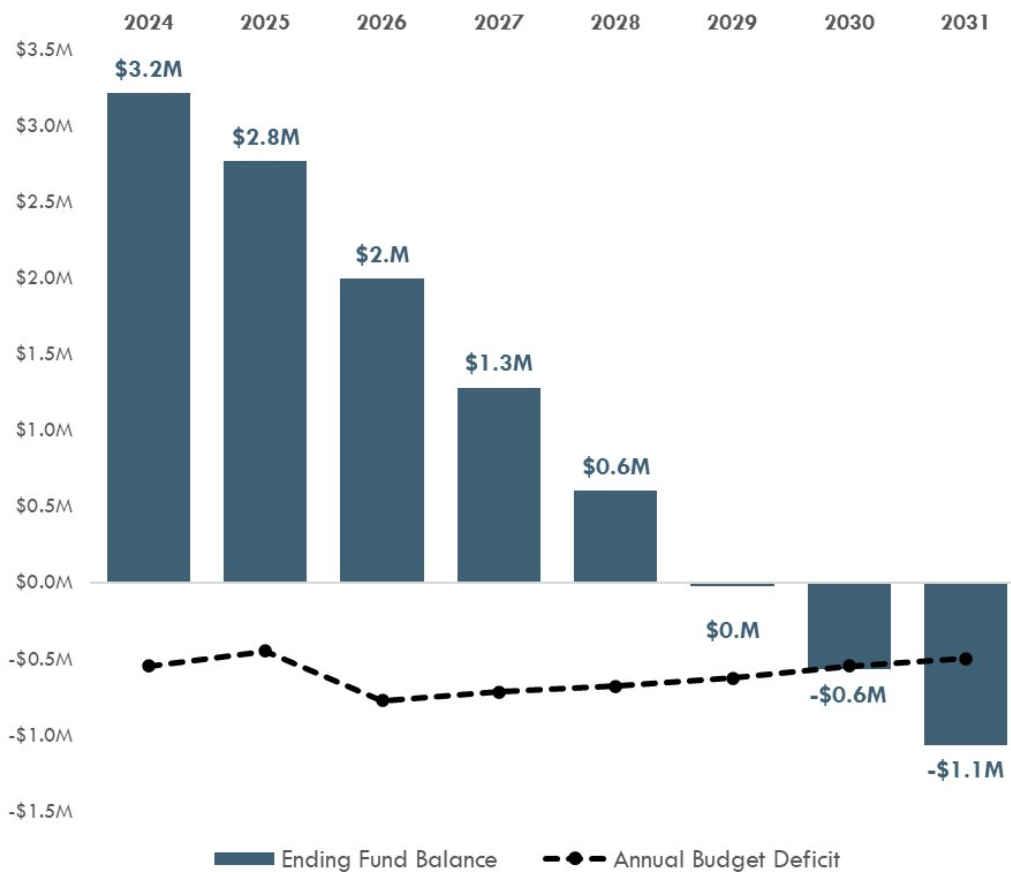
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<sup>2</sup> Moss Adams LLP, 2024, "City of Duvall Organizational Assessment." Available at: <https://www.duvallwa.gov/DocumentCenter/View/11513/City-of-Duvall-2024-Organizational-Assessment-FINAL>.

## Scenario 1: Maintaining Existing Services

With no new expenses or revenue sources, and with the property tax levy lid lift expiring at the end of 2025, General Fund expenditures are projected to exceed revenues in each year of the forecast period and the ending fund balance goes negative by 2029 (*Exhibit 7*). This scenario illustrates that new revenue sources are needed to maintain current levels of service.

**Exhibit 7: Scenario 1 General Fund Forecast, 2024-2031**



Sources: Bureau of Labor Statistics, 2024; City of Duvall, 2024; King County Assessor, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024. Also see Appendix B: General Fund Forecast Assumptions.

## Scenario 2: Adding Staff Positions

*Exhibit 8* lists the new positions that the City has budgeted in the General Fund in 2025 and 2026. The Community Events Coordinator and Emergency Management Coordinator positions are currently limited-term positions supported by ARPA funds that will be converted to full-time positions in 2025.

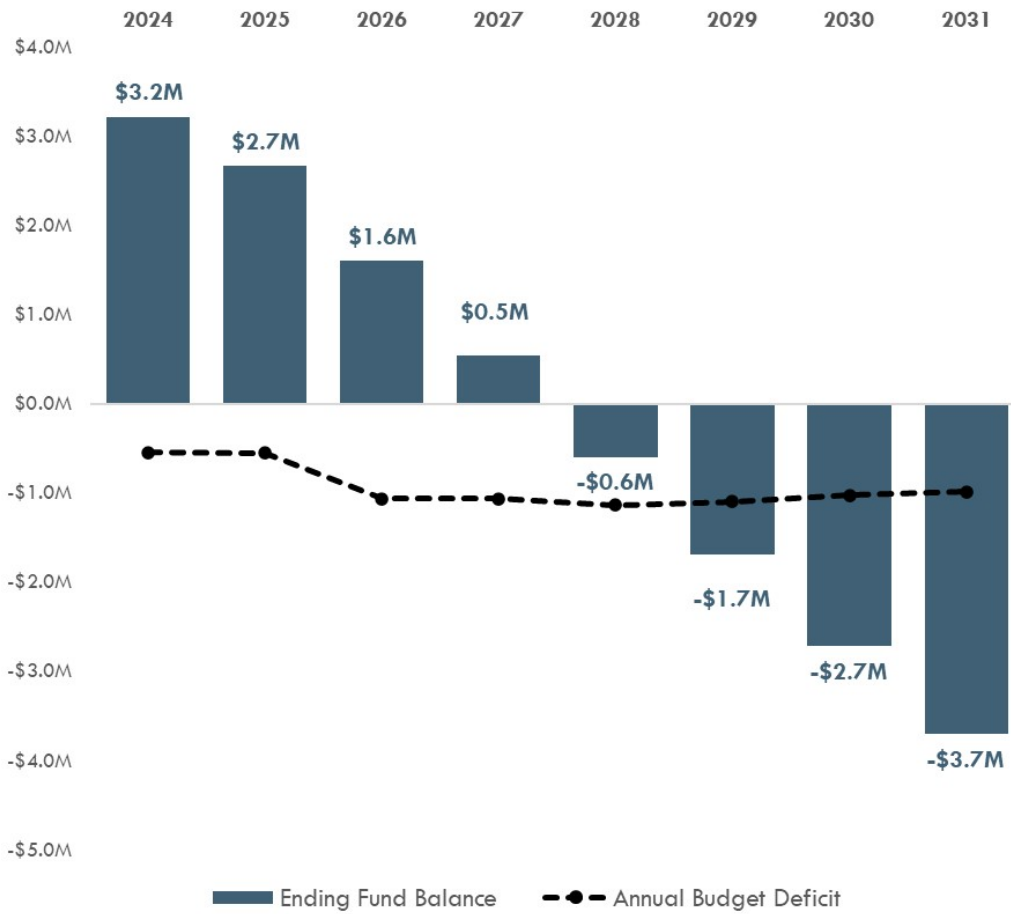
### Exhibit 8: New General Fund Staff Positions for 2025-2026 Biennium.

Position	Start Date	Cost Shares by Fund
Finance Manager	May 2025	45% General Fund / 7% Building Fund / 48% Utility Funds
Community Events Coordinator	January 2026	100% General Fund
Emergency Management Coordinator	January 2026	40% General Fund / 60% Utility Funds
Police Sergeant	May 2026	100%

Sources: City of Duvall, 2024; BERK, 2024.

*Exhibit 9* shows the projected impact of adding staff on the General Fund. In this scenario, annual expenditures are projected to exceed revenues by more than \$1 million by 2026 and the General Fund ending balance goes negative by 2028.

### Exhibit 9: Scenario 2 General Fund Forecast, 2024-2031



Sources: Bureau of Labor Statistics, 2024; City of Duvall, 2024; King County Assessor, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024. Also see Appendix B: General Fund Forecast Assumptions.

# Capital Investments

To support the work of City staff and help meet the demands of a growing community, the City would also like to undertake several large capital projects. These are in addition to other capital investments that maintain the City’s infrastructure. *Exhibit 10* lists four projects that the City has prioritized and their estimated costs. More detail on the status of each project is included below.

## Exhibit 10: Planned Infrastructure Projects and Estimated Costs

Capital Project	2025-2029	2030 and Beyond	Estimated Total Cost
City Hall/Municipal Campus	--	\$41,700,000	\$41,700,000
Public Works Maintenance Yard	\$8,500,000	--	\$8,500,000
Big Rock Ballfields Expansion	\$8,710,000	--	\$8,710,000
Third Avenue Reconstruction	\$14,000,000	--	\$14,000,000
<b>Total</b>	<b>\$31,210,000</b>	<b>\$41,700,000</b>	<b>\$72,910,000</b>

Source: City of Duvall, 2024.

**City Hall/Municipal Campus.** A new City Hall/Municipal Campus facility is envisioned as a long-term project, to begin after 2030. The cost estimate includes a police facility, space for City employees, and space for community functions.

**Public Works Maintenance Yard.** This project could begin in 2026. The purpose of this project is to provide sufficient space for Public Works staff now and into the future. The City has sufficient funding for land acquisition for a new maintenance facility. This would occur in conjunction with land acquisition for the Big Rock Ballfields expansion.

**Big Rock Ballfields Expansion.** This project could begin in 2026. The purpose of this project is to address demand in the community. The City has sufficient funding for land acquisition for an expansion of Big Rock Ballfields; this is currently in progress.

**Third Avenue Reconstruction.** This project began in 2024 and will be broken up into phases, to be completed in 2027.

### Operational Impacts

In addition to capital costs, these projects may have an impact on the City’s operating budget. For example, the City would need several additional Parks positions to conduct routine maintenance, maintain safety, or manage community use of an expanded Big Rock Ballfield. A new facility may have lower operating costs as it would require less preventive maintenance. As these projects move forward, it will be important to consider their impacts on the operating budget. These operational impacts are not included in the additional General Fund forecast scenarios in **Recommended Strategies**.

# Financial Sustainability Strategies

## General Approaches to Financial Sustainability

Many municipal financial sustainability efforts focus on how to **increase revenues** to pay for everything a city wants to do. Tools to increase revenues include increasing existing tax rates, adopting a new tax or fee, establishing a special district that can assess taxes or fees to pay for a specific service, establishing cost recovery principles so that user fees pay an appropriate share of the cost of a program, and seeking to increase state and federal grant revenues.

Another approach is to “bend the cost curve” or **align expenditures** with ongoing revenues. Tools to align expenditures include limiting growth in baseline costs by finding efficiencies, changing levels of service, and delivering services differently such as partnering with other entities.

In addition, a city may consider how its **land use and approach to economic development** affects financial sustainability. Land generates a stream of tax revenues and generates demands for public services, and each type of land use generates a unique mix of revenues and service costs. For example, residents are the largest users of city services but also pay property tax, sales tax on local and online purchases, and utility taxes. State revenues are also distributed based on population. Offices may generate a positive fiscal benefit, as the property would pay utility taxes and office employees make purchases near work. Retailers of high-cost items generate a greater fiscal benefit than other types of property, because the sales tax revenue received on high-cost purchases is greater than the incremental demand for city services.

## Evaluation Criteria

One way to determine which financial sustainability strategies to pursue is to evaluate how potential strategies align with the City’s goals. In our analysis, we consider the criteria below. See [Appendix C: Evaluation of Strategies](#) for more details on how we evaluated the operating, capital, and long-term strategies described next in this section.

- **Equity.** Who will the strategy impact? Who would be helped and who would be harmed, and how does that correspond to historical and structural patterns?
- **Magnitude and Growth.** How meaningful will the impact of potential strategies be compared to the City’s overall budget? How will this magnitude change over time?
- **Sustainability.** Can the strategy continue into and be counted on in the future?
- **Alignment with Priorities.** How well does the strategy align with the community priorities?
- **Feasibility.** Can the City practically implement the strategy, with a reasonable level of effort and within a reasonable period of time? How politically feasible is this strategy? What type of approval does it need?
- **Impact to Other Services.** If a strategy is implemented, how might it directly or indirectly impact the provision of other services?

# Operating Strategies

This section describes potential operating strategies Duvall can consider and notes if Duvall and peer cities currently use the strategy. The focus is on strategies to increase revenue because our forecast shows baseline expenditures are greater than current revenues and the City has identified a need for additional staff to meet workload demand and service needs.

## *Property Tax Levy Lid Lift*

The City currently receives property tax from a nine-year levy lid lift, which expires in 2025. The City could propose another levy lid lift. Voter approval is required. If the City chooses to pursue a new levy lid lift, it can decide on the duration and annual increase. For a multi-year lid lift, the annual increase can be set to align with expected increases in assessed value. This would help maintain the levy rate over the period of the lid lift. If a multi-year lid lift is used to pay debt service, the increased levy may not last for more than 9 years total.<sup>3</sup>

The other peer cities do not currently have a levy lid lift. The City of Monroe had a levy lid lift on the ballot in November 2024, but it was not approved. The revenue would have been used to fund parks maintenance and public safety services. The City of Black Diamond noted in its 2024 budget that it will be working with a consultant to explore the need for a possible property tax lid lift or other sustainable revenue options.

## *Property Tax Sharing*

The City allocates 20% of its regular property tax levy to the Street Fund for street operations. A strategy could be to re-evaluate this allocation and direct more revenue to the General Fund.

## *Public Safety Sales Tax*

Any city or county may impose a public safety sales tax with at least one-third of the revenues used solely for criminal justice purposes, fire protection purposes, or both. The maximum rate for cities is 0.1%. Voter approval is required. There is no term limit for this tax specified in RCW 82.14.450. Among peer cities, Gig Harbor, Monroe, North Bend, and Sequim have a 0.1% public safety sales tax. Gig Harbor's tax was just approved by voters in August 2024.

## *Business and Occupation Tax*

Any city or town may levy a business and occupation (B&O) tax on local businesses. B&O tax revenues are unrestricted and may be used for any lawful governmental purpose. Duvall does not currently levy a B&O tax. Among peer cities, only North Bend has a B&O tax.

## *Utility Taxes*

The City currently receives utility taxes from electric, natural gas, cable, phone, garbage, water, sewer and storm drainage utilities. State statute has limits on the maximum tax rate for some

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<sup>3</sup> MRSC, 2024, "Levy Lid Lift." Accessed at: <https://mrsc.org/explore-topics/finance/revenues/levy-lid-lifts>.

utilities; others have no maximum tax rate. *Exhibit 20* and *Exhibit 21* note the utility tax rates in Duvall and peer cities; most other cities levy utility taxes.

### ***Transportation Benefit District***

A Transportation Benefit District (TBD) is an independent taxing district that can raise revenue for specific transportation projects, usually through vehicle license fees or sales taxes. The tax may be imposed for a maximum of 10 years, with the possibility of renewal by voters for additional periods. If the tax revenues are specifically used to pay for debt service, the tax may be imposed for a period of more than 10 years.

Duvall has a TBD and charges a 0.2% sales tax. All other peer cities except one (Bonney Lake) have a TBD and charge a 0.2% sales tax. In 2022, the State Legislature increased the maximum sales tax rate for a TBD to 0.3%. The City could increase the TBD sales tax by 0.1%, which would provide more revenue for street maintenance. This can be done by a Council vote. The City could then reduce the allocation of property tax to the Street Fund and use that revenue in the General Fund.

### ***Metropolitan Park District***

A Metropolitan Park District (MPD) is an independent taxing district for the management, control, improvement, maintenance, and acquisition of parks, parkways, boulevards, and recreational facilities. An MPD may also be formed for a limited purpose that identifies specific public parks and/or recreational facilities (e.g. a pool or playfield). Voter approval is required. North Bend is included in the Si View Metro Park District. Monroe is included in the East County Park and Recreation District. Bonney Lake and Snohomish proposed the creation of an MPD but they were not approved by voters.

## **Capital Strategies**

This section describes potential strategies Duvall can consider to fund capital projects and notes if Duvall and peer cities currently use the strategy.

### ***Impact Fees***

Impact fees are assessed on a new development project to help pay for new or expanded public capital facilities that will directly address the increased demand for services created by that development. Duvall currently assesses park and transportation impact fees, as do all other peer cities. Impact fee revenue grows when there is more development occurring and decreases in times of slow growth and when cities become fully built out.

### ***Bonds***

The City can issue general obligation bonds to fund capital projects. Bonds may be issued by a vote of the City Council or may be approved by voters. Duvall has issued bonds for Big Rock Ballfield and Main Street. The City of Monroe is using bonds to fund a municipal campus capital

project. The City of Stanwood also discussed using bond funding for a new city campus but is not currently pursuing this option.

### ***Dedicated REET Revenues***

Real Estate Excise Tax (REET) revenues must be used for capital projects and some cities use REET revenues to pay for debt service on bonds. Duvall uses REET revenues to fund street capital projects and pay debt service for the Main Street project. REET revenues increase when the real estate market is active and decreases when market activity slows.

### ***Grants***

Grants are available for capital projects from King County and state agencies like the Transportation Improvement Board (TIB) and the Recreation and Conservation Office (RCO). Grant revenues are not guaranteed but can fund a significant portion of a project. The administrative costs of putting together grant applications should also be considered. The City has included grant funding from TIB for several roadway improvement projects and from King County for Big Rock Ballfields in the 2024 budget.

### ***Use of Fund Balance***

A strategy some cities use is dedicating excess reserve funds, from the General Fund or utility funds, as a one-time source for capital projects.

## **Long-Term Strategies**

There are some strategies that the City can consider that either take further analysis or would have an impact over the long-term.

### ***Cost Recovery for Fees***

The City could adopt a policy describing guidelines for setting fees given the cost of service. Currently, most of the City's permitting fees are set to achieve full cost recovery. Additional analysis would be needed to determine the cost recovery share of other fees and the desired cost recovery goals.

### ***Cost Efficiencies***

Department staff could identify opportunities to reduce expenditures or streamline processes to limit growth in costs. Process improvement or streamlining may involve changes to City policies, such as approval processes. Staff may need the tools and training to conduct process improvement. The City could reach out to the Washington State Auditor's Office, which provides Lean services at no cost to local governments. The focus of Lean is on finding ways to make existing work more efficient and make services more customer focused. This strategy is recommended but it can take time to show cost savings or a slowing in expenditure growth. It is not included in the Recommended Strategies section because of the uncertainty about the net financial impact.

## Contracting Out Police Services

The Police Department makes up approximately 40% of the City's budget. The City could explore contracting with the King County Sheriff for police services, which may result in cost savings as there would be some efficiencies with having some functions managed centrally by the Sheriff's Office. The City could also determine how much service to pay for. The cities of Snohomish and Stanwood contract with the county sheriff's office and the City of North Bend contracts with the City of Snoqualmie.

*Exhibit 11* shows the total budget and per capita budget for cities that currently contract with the King County Sheriff's Office, along with Duvall. The per capita budget ranges from \$258 in Carnation to \$412 in North Bend. The level of service in each city also varies. Duvall's current budget for its Police Department is \$3.35 million, or a per capita amount of \$382. Using the per capita amounts in these other cities, the cost for Duvall could range from \$2.27 million to \$3.6 million. There are many things to consider when evaluating a different service delivery model for police services. These include cost (initially and over time), local control, accountability, and liability, among others.

### Exhibit 11: Budget for Cities with Contract Police Services, 2024

City	2024 Population	2024 Police Budget	2024 Budget per capita
Carnation	2,250	\$580,000	\$258
Burien	53,000	\$16,700,000	\$315
Duvall	8,870	\$3,354,000	\$382
Kenmore	24,350	\$9,600,000	\$394
Woodinville	13,900	\$5,700,000	\$410
North Bend	8,260	\$3,400,000	\$412

Sources: City of Duvall, 2024; BERK, 2024.

## Encourage New Development or Business Growth to Expand the Tax Base

New construction or new businesses contribute to a city's revenues but also have an impact on costs, as new residents or businesses require city services. The City could apply a fiscal sustainability lens to future land use decisions, increasing growth and development in a targeted way that works best for Duvall. An example is evaluating the costs and benefits associated with annexation. The City could also use economic development strategies to encourage new development. The City of North Bend is evaluating a development agreement that could potentially add value to the City's tax base and revenue to the City's budget.

# Recommended Strategies

## Operating Strategies

As illustrated in the General Fund forecast scenarios in **Operating Investments**, the City is expected to need new revenues to sustain existing operations and support new staff positions. To meet the City's operating needs, the following strategies are recommended. These strategies score highly on the evaluative criteria, are used by several peer cities, and align with the City's desired investments. See *Appendix C: Evaluation of Strategies* for further discussion on the strategies and evaluative criteria.

**Property Tax Levy Lid Lift.** As a primarily residential community, the largest share of Duvall's General Fund revenue comes from property tax. Property tax is an ongoing, stable source of revenue, despite the limit on its annual growth. It is also flexible in its use so can fund ongoing operations.

**Public Safety Sales Tax.** Sales tax is also an ongoing revenue source, and while it can be impacted by economic volatility, Duvall's sales tax revenue has grown steadily over the past several years. Sales tax would be paid by residents and visitors to Duvall. This strategy would add a dedicated revenue source to fund the City's largest department.

**Transportation Benefit District (TBD) Sales Tax Increase.** This strategy would add additional revenue to the Street Fund and allow the City to retain more property tax in the General Fund.

## Capital Strategies

To meet the City's capital needs, the following strategies are recommended.

**City Hall/Municipal Campus.** A common approach to pay for a new City Hall facility is to use bond funding. Grant opportunities are not readily available for this type of infrastructure, so a city must often use its local resources. The City's non-voted debt capacity is 1.5% of total assessed value, which is \$38 million in 2023. Issuing bonds for a \$40 million project would approach this debt limit. If the City were to issue debt for a new City Hall, the annual debt service on a bond issue of \$40 million would be approximately \$1.5 million.<sup>4</sup> This is a significant share of the City's General Fund budget.

In addition, the City can use REET revenue or available fund balance to reduce the amount of debt needed. Between 2025 and 2031, the estimated amount of REET revenue for the City is \$13.4 million. As this project would begin after 2030, the City could begin setting aside funding to pay part of the total cost. The City can also seek federal or state funding. The City has engaged a federal lobbyist to pursue federal funding.

**Public Works Maintenance Yard.** The City can use excess reserves in the utility funds to construct this facility. The General Fund can rent space from the utility funds to pay for the portion of the facility serving General Fund functions. The City can also pursue grant funding.

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<sup>4</sup> This estimate assumes a 40-year term for the debt and an interest rate of 2.5%.

**Big Rock Ballfields Expansion.** The City can issue bonds to fund this project. The annual debt service on a bond issue of \$8.71 million would be approximately \$415,000.<sup>5</sup> The City could also pursue grants.

**Third Avenue Reconstruction.** The City plans to use a combination of Traffic Impact Fees, ARPA funds, REET, Storm Water revenues, and state funding to complete this project. Federal funding could support this project as well.

## General Fund Impact

Building on the General Fund forecast scenarios discussed in **Operating Investments**, we developed the following additional scenarios to consider the impact of the recommended operating and capital strategies. These scenarios are:

- 3. Enhanced Revenue.** This scenario builds on Scenario 2 to forecast the impact of implementing a property tax levy lid lift, a public safety sales tax, and an increase in the TBD sales tax.
- 4. Enhanced Revenue and Capital Funding.** This scenario builds on Scenario 3 to forecast the impact of debt service commitments to support the Big Rock Ballfields project and General Fund contributions to support the Public Works Maintenance Yard.

Each scenario is shown on the pages that follow.

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<sup>5</sup> This estimate assumes a 30-year term for the debt and an interest rate of 2.5%. The initial bond issuance for Big Rock Ballfields was for nine years.

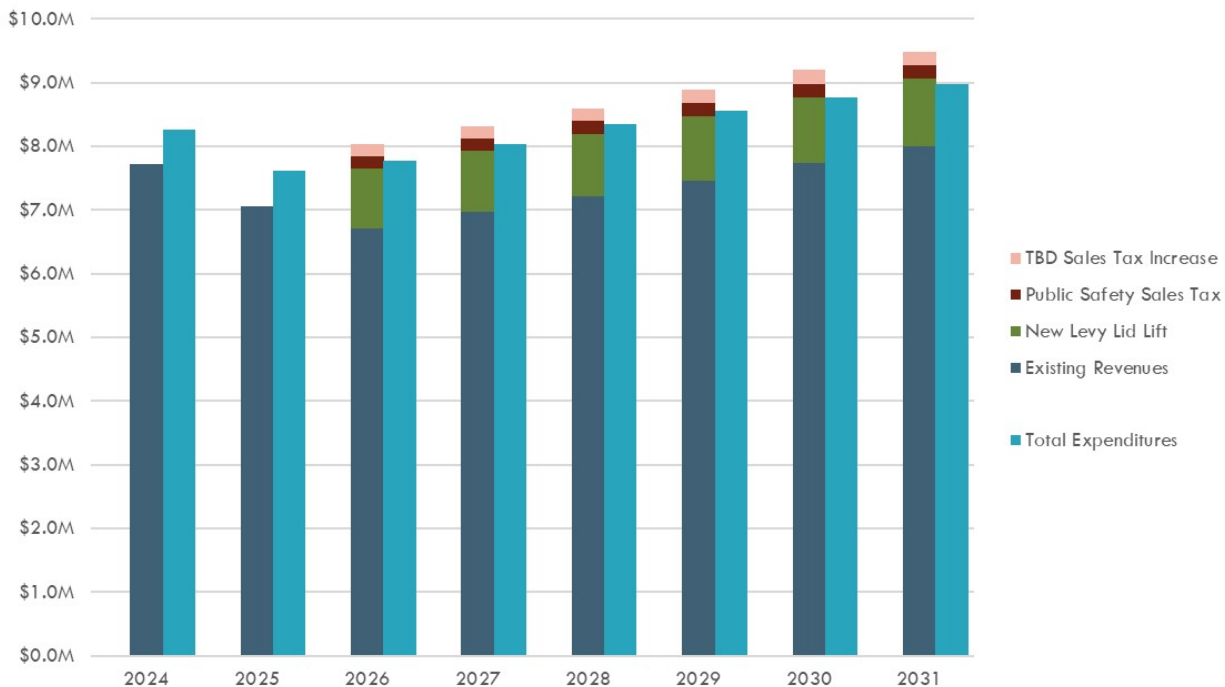
## Scenario 3: Enhanced Revenue

This scenario includes the impact of three revenue strategies that would impact the General Fund:

- **Property Tax Levy Lid Lift**, to start in 2026 at a rate of \$0.325 per \$1,000 assessed value, which is the same starting rate (not adjusted for inflation) as the existing levy lift approved in 2016. This analysis assumes that voters approve the ballot measure for a new levy lift. A levy lid lift would generate approximately \$930,000 in the first year.
- **Public Safety Sales Tax**, to start in 2026 at rate of 0.1%, which is the maximum rate for cities. This analysis assumes that voters approve the ballot measure to impose a public safety sales tax. An increase in the sales tax rate would generate approximately \$190,000 in the first year.
- **TBD Sales Tax Increase**, to increase by 0.1% in 2026, which is the maximum rate for cities. This analysis assumes that voters approve the ballot measure to increase the sales tax rate. The Street Fund would receive the additional revenue, so this scenario assumes the General Fund keeps an equivalent amount of the regular property tax levy. This increase would generate approximately \$190,000 in the first year.

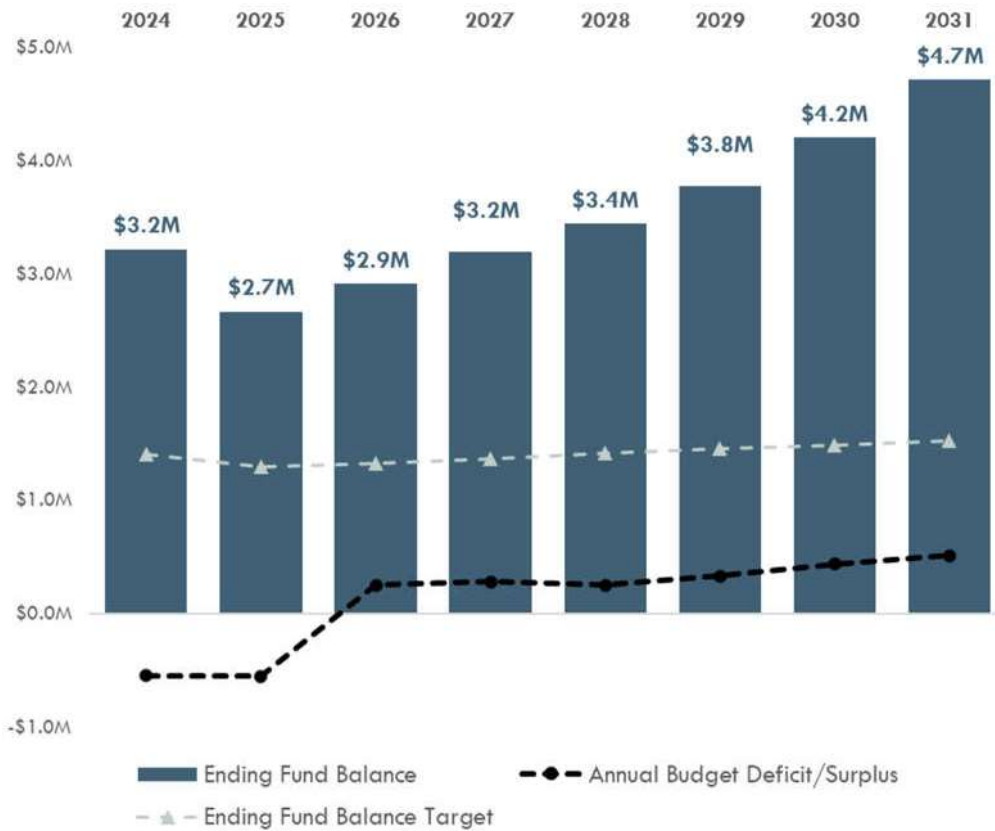
*Exhibit 12* shows the projected impact of incorporating these revenue strategies. In this scenario, revenues exceed expenditures in each forecast year once the new strategies start in 2026. *Exhibit 13* shows that the annual General Fund ending balance is forecasted to exceed the reserve target every year.

**Exhibit 12: Scenario 3 Revenues and Expenditures, 2024-2031**



Sources: Bureau of Labor Statistics, 2024; City of Duvall, 2024; King County Assessor, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024. Also see Appendix B: General Fund Forecast Assumptions.

### Exhibit 13: Scenario 3 General Fund Forecast, 2024-2031



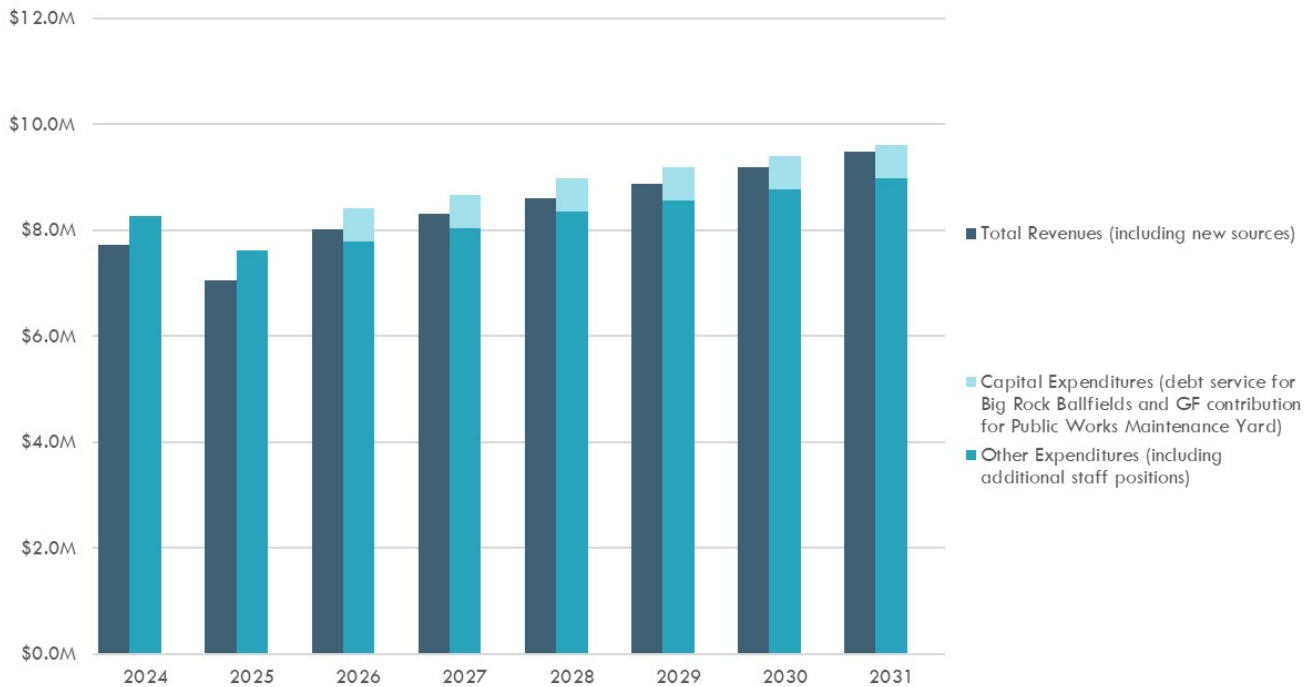
Sources: Bureau of Labor Statistics, 2024; City of Duvall, 2024; King County Assessor, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024. Also see Appendix B: General Fund Forecast Assumptions.

## Scenario 4: Enhanced Revenue and Capital Funding

This scenario builds on the previous scenarios to include the impact of debt service for Big Rock Ballfields and a General Fund contribution of 25% for the Public Works Maintenance Yard, paid over 10 years. These costs would begin in 2026.

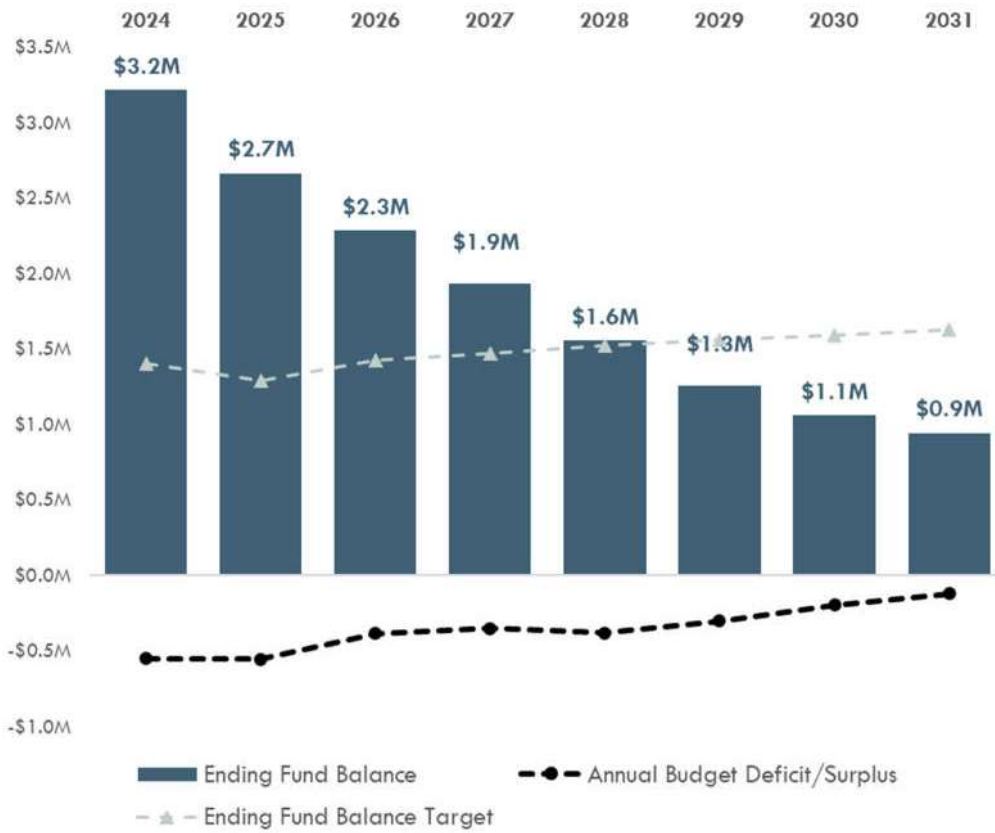
*Exhibit 14* shows the projected impact of incorporating these costs. In this scenario, expenditures are greater than revenues in each year. *Exhibit 15* shows that the annual General Fund ending balance falls below the reserve target in 2029, though the annual deficit declines from 2028 to 2031.

**Exhibit 14: Scenario 4 Revenues and Expenditures, 2024-2031**



Sources: Bureau of Labor Statistics, 2024; City of Duvall, 2024; King County Assessor, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024. Also see Appendix B: General Fund Forecast Assumptions.

### Exhibit 15: Scenario 4 General Fund Forecast, 2024-2031



Sources: Bureau of Labor Statistics, 2024; City of Duvall, 2024; King County Assessor, 2024; King County Office of Economic and Financial Analysis, 2024; BERK, 2024. Also see Appendix B: General Fund Forecast Assumptions.

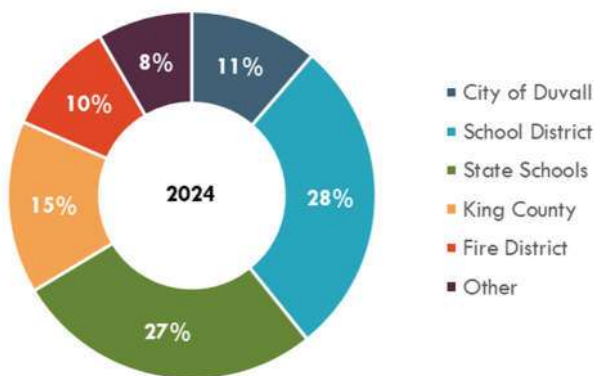
# Community Impact

The recommended operating and capital strategies would also have an impact on the Duvall community. In this section, we discuss the potential impacts of the property tax levy lid lift and public safety sales tax. Duvall residents also pay utility taxes on water, sewer, and stormwater service rates. These tax rates as well as peer city utility tax rates are shown in Appendix A: Peer City Characteristics.

## Property Tax Levy Lid Lift

In 2024, the owner of an average value residential property in Duvall will pay approximately \$7,135 in total property taxes. Approximately 11% of total property tax goes to the City (\$806), while the remaining 89% goes to other jurisdictions such as King County and the school, fire, and hospital districts (*Exhibit 16*).

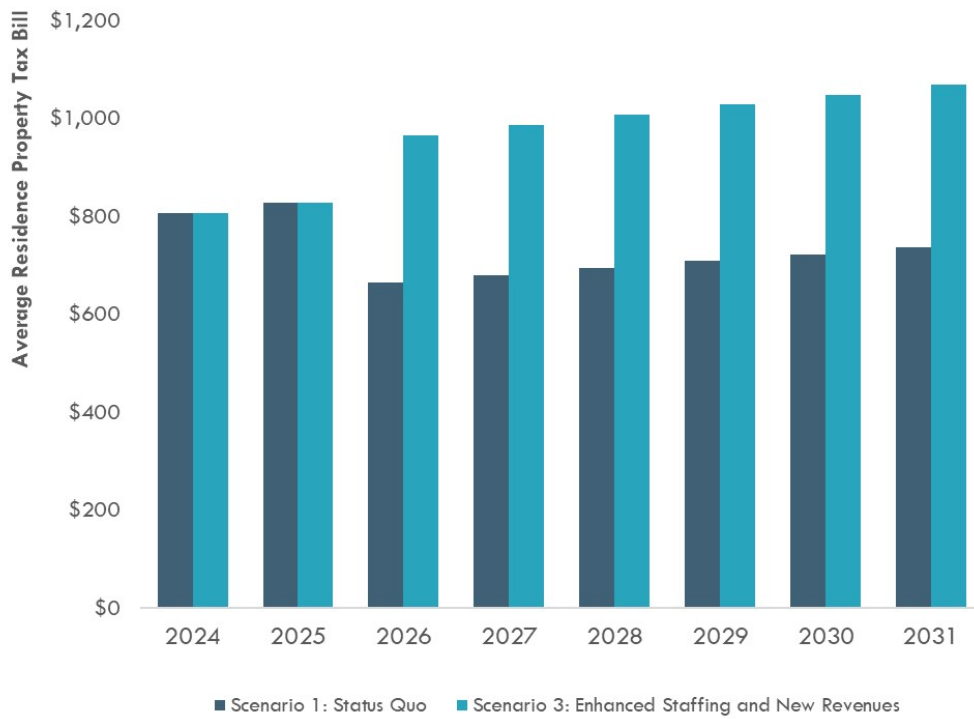
**Exhibit 16: Duvall Total Property Tax Bill Composition, 2024**



Sources: King County Assessor, 2024; BERK, 2024.

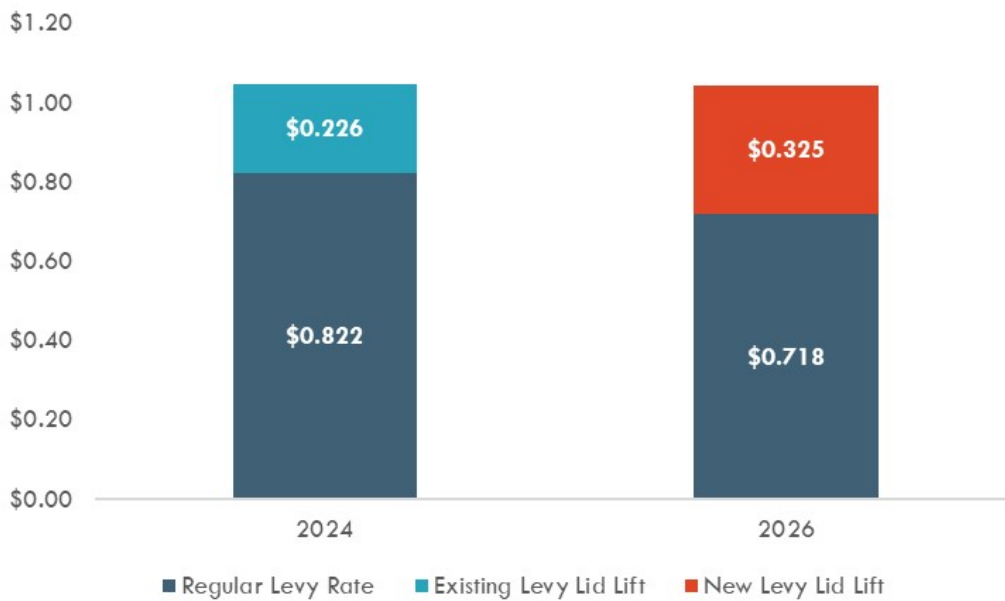
In 2026, assuming the adoption of a new levy lid lift starting at \$0.325 per \$1,000 of assessed value, the same property owner would pay approximately \$8,570 in total property taxes. The amount for the City would be \$964, which would be an increase of approximately \$300 compared to Scenario 1, where the existing levy lid lift expires at the end of 2025 (*Exhibit 17*). However, this increase is primarily due to the increase in assessed value in Duvall. As the assessed value in Duvall increases each year, the regular levy rate decreases each year. In Scenario 3, the starting value of the new levy lid lift offsets the decreased regular levy rate and expiration of the existing levy lid lift so that the total city rate in 2026 is estimated to be about the same as the current rate (*Exhibit 18*).

### Exhibit 17: Estimated Average Residential Property Tax Bill, 2024-2031



Sources: City of Duvall, 2024; King County Assessor, 2024; BERK, 2024.

### Exhibit 18: Duvall City Levy Rate Composition, 2024, and Estimated 2026 City Levy Rate Composition



Sources: City of Duvall, 2024; King County Assessor, 2024; BERK, 2024.

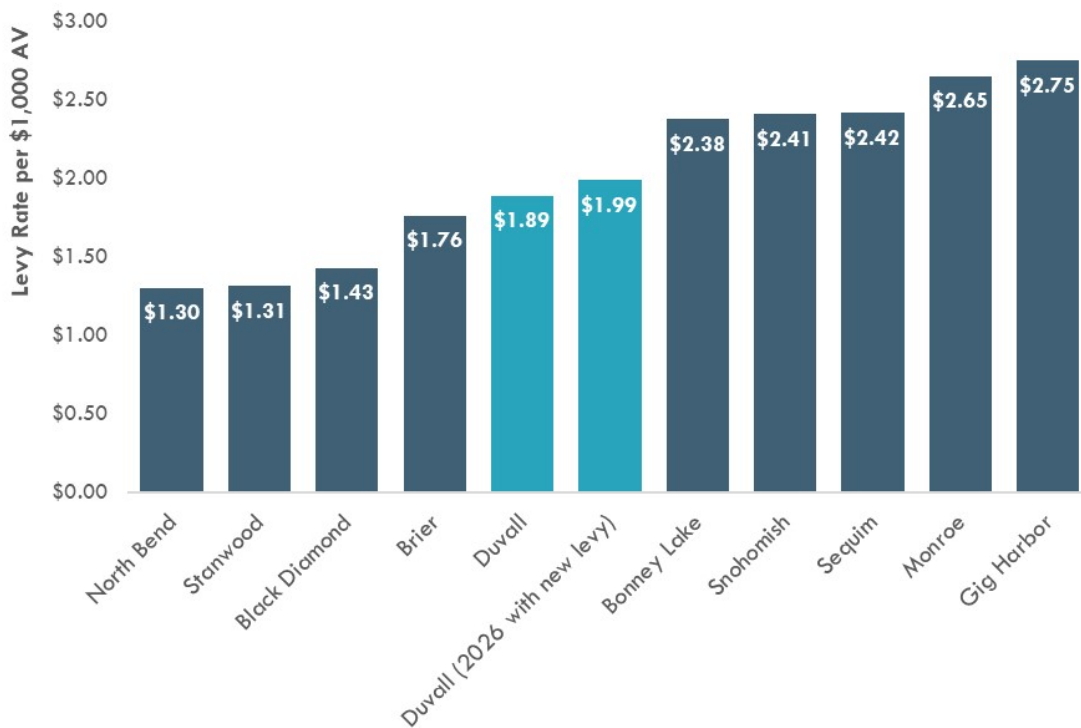
Exhibit 19 shows the 2024 city, fire/EMS, and park district levy rates for Duvall and peer cities. Levy rates for fire/EMS and park districts are included because it is common for peer cities to be part of a fire or park district, which means taxpayers also pay taxes to those districts.

Duvall-KCFD 45 also assesses a fire benefit charge, which is based on the total square footage of buildings, garages, and other structures on a property and the use of the property. It is not based on the assessed value of the property. The District provides an example on its website of the charge for a 2,500 square foot home, including basements and garages, which is approximately \$565 per year.<sup>6</sup>

Duvall's total levy rate is currently just below the median of these peer cities. With a levy lid lift, Duvall's total rate would be higher than the current rate but still at the median. By 2026, levy rates in other cities would likely be different than current rates, which means that Duvall's rate may compare differently to other cities. The chart below does not include the fire benefit charge, which is also paid by property owners in Duvall. The cities of Brier and North Bend are also served by fire districts that assess a fire benefit charge.

If the City wanted to pursue a property tax levy lid lift, it could estimate the total impact on some example properties and include the fire benefit charge.

**Exhibit 19: City, Fire/EMS, and Park District Property Tax Levy Rates for Peer Cities, 2024, and Estimated Duvall Rate with New Levy Lid Lift in 2026**



Sources: King County Assessor, 2024; BERK, 2024.

<sup>6</sup> Duvall Fire – King County Fire District 45, “Benefit Service Charge 2024.” Accessed at: <https://www.duvallfire45.com/benefit-service-charge>.

## Sales Tax Increases

A public safety sales tax and an increase in the TBD sales tax would add to the cost of purchasing goods and services in the City of Duvall. The Bureau of Labor Statistics tracks consumer spending and found that average annual expenditures in the Seattle Metropolitan Statistical Area that would be subject to sales tax is approximately \$24,000.<sup>7</sup> Adding 0.2% to the sales tax rate would cost a consumer approximately \$48 additionally annually.

## Conclusions

The analysis in this report shows that the City will need new revenue to continue providing high quality services that residents desire. Three strategies that are recommended for further consideration are a property tax levy lid lift, a public safety sales tax, and an increase in the TBD sales tax. These new revenues would support the addition of new positions and capital investments and ensure that the General Fund ending fund balance remains positive through 2031.

As these strategies require voter approval, the City should engage with the community to talk about the City's needs and understand the community's willingness to support higher tax rates. This analysis shows these three strategies adopted in the same year, but the City may consider phasing in new revenue sources over time.

The City would have sufficient funding to undertake the short-term priority capital investments if additional revenue were available to support new debt service. Funding a new City Hall/Municipal Campus will be challenging, but planning now and identifying likely funding sources, including federal funds, can help bring this project to fruition.

Over the long term, there are strategies that may further enhance the City's fiscal sustainability. The City can evaluate how it delivers its core services and implement process improvement practices to control costs. The City can also apply a fiscal sustainability lens to future land use decisions, increasing growth and development in a targeted way that works best for Duvall.

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<sup>7</sup> Bureau of Labor Statistics, "Table 3033. Selected western metropolitan statistical areas: Average annual expenditures and characteristics, Consumer Expenditure Surveys, 2022-2023." Expense categories assumed to be subject to sales tax are food, alcohol, apparel and services, entertainment, and personal care products and services.

# Appendix A: Peer City Characteristics

*Exhibit 20* and *Exhibit 21* provide a summary of the population size, staffing, and service delivery model in Duvall and peer cities. This information is taken from each city’s most recently available budget document. These tables also show the water, sewer, and stormwater city utility tax rates based on information from city utility billing webpages and municipal codes.

**Exhibit 20: Summary of Peer City Characteristics (Part 1 of 2)**

	Duvall	Black Diamond	Bonney Lake	Brier	Gig Harbor	Monroe
County	King	King	Pierce	Snohomish	Pierce	Snohomish
Type of City Administration	Mayor-Council	Mayor-Council	Mayor-Council	Mayor-Council	Mayor-Council	Mayor-Council
Police Service Provision	City Department	City Department	City Department	City Department	City Department	City Department
Fire Service Provision	Duvall-King County Fire District 45	Mountain View Fire and Rescue	East Pierce Fire and Rescue	South County Fire	Gig Harbor Fire & Medic One	Snohomish Regional Fire & Rescue
2018 Population	7,655	4,011	21,188	6,438	11,111	18,781
2024 Population	8,780	7,195	23,320	6,600	13,090	20,830
2018-2024 Population Growth	14%	79%	10%	3%	18%	11%
2024 Authorized FTE	59.7	54	157.53	19	110	134.19
2024 Police FTE	15.55	15	41	8	20.5	44
City Water Utility Tax Rate	10%	6%	12%	N/A	5%	10%
City Sewer Utility Tax Rate	10%	6%	12%	N/A	5%	10%
City Stormwater Utility Tax Rate	10%	10%	12%	0%	5%	0%

Note: For Brier, water services are provided by Alderwood Water & Wastewater District and sewer services are provided by Alderwood Water & Wastewater District and King County Wastewater Treatment Division.  
Sources: City of Duvall, 2024; City of Black Diamond, 2024; City of Bonney Lake, 2024; City of Brier, 2024; City of Gig Harbor, 2024; City of Monroe, 2024; BERK, 2024.

## Exhibit 21: Summary of Peer City Characteristics (Part 2 of 2)

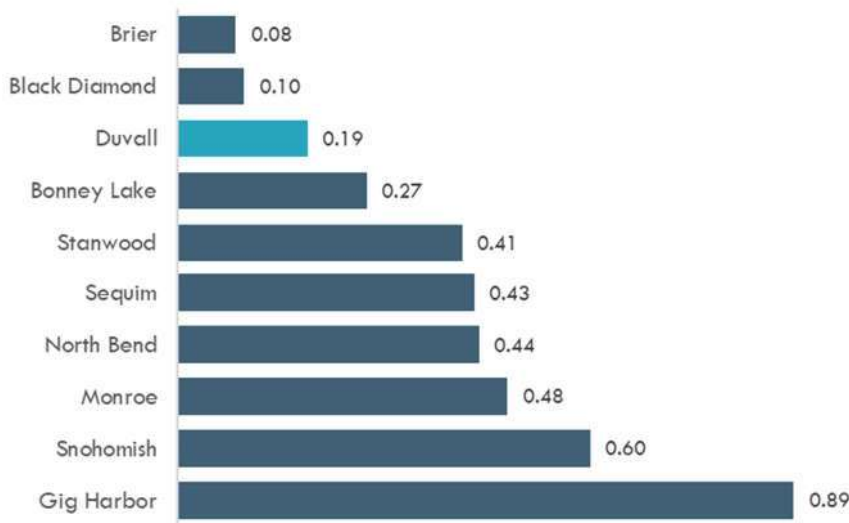
	Duvall	North Bend	Sequim	Snohomish	Stanwood
County	King	King	Clallam	Snohomish	Snohomish
Type of City Administration	<b>Mayor-Council</b>	Mayor-Council	Council-Manager	Mayor-Council	Mayor-Council
Police Service Provision	<b>City Department</b>	City of Snoqualmie	City Department	Snohomish County Sheriff's Office	Snohomish County Sheriff's Office
Fire Service Provision	<b>Duvall-King County Fire District 45</b>	Eastside Fire and Rescue	Clallam County Fire District	Snohomish County Fire District	North County Fire & EMS
2018 Population	<b>7,655</b>	6,829	7,606	10,046	7,265
2024 Population	<b>8,780</b>	8,260	8,405	10,350	8,865
2018-2024 Population Growth	<b>14%</b>	21%	11%	3%	22%
2024 Authorized FTE	<b>59.7</b>	52	95.71	62	37.56
2024 Police FTE	<b>15.55</b>	0	27.4	0	2
City Water Utility Tax Rate	<b>10%</b>	6%	8%	5.33%	11.98%
City Sewer Utility Tax Rate	<b>10%</b>	6%	8%	5.33%	0%
City Stormwater Utility Tax Rate	<b>10%</b>	0%	N/A	0%	0%

Notes: Utility tax rates shown for North Bend are the monthly surcharges for water and sewer services. Sequim does not have a stormwater service charge.

Sources: City of Duvall, 2024; City of North Bend, 2024; City of Sequim, 2024; City of Snohomish; City of Stanwood, 2024; BERK, 2024.

Duvall has the lowest employment to population ratio among peer cities (*Exhibit 22*).

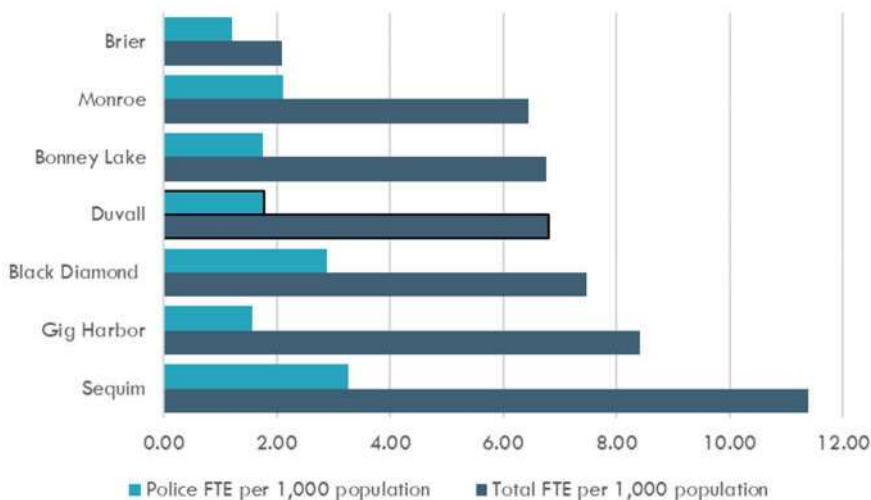
**Exhibit 22: Covered Employment to Population Ratio, Duvall and Peer Cities**



Notes: The ratio for all cities except Sequim is based on 2023 covered employment as reported by the Puget Sound Regional Council (PSRC), which is the metropolitan planning organization for King, Pierce, Snohomish, and Kitsap counties. The ratio for Sequim (Clallam County) is based on 2021 covered employment according to the U.S. Census Bureau. Sources: City of Duvall, 2024; PSRC, 2024; U.S. Census Bureau, 2024; Washington State Office of Financial Management, 2024.

*Exhibit 23* shows the ratio of total FTEs and police FTEs per 1,000 residents for Duvall and peer cities with their own police department. Duvall’s ratio of total FTEs per 1,000 residents is similar to Bonney Lake and Monroe and lower than Gig Harbor and Sequim.

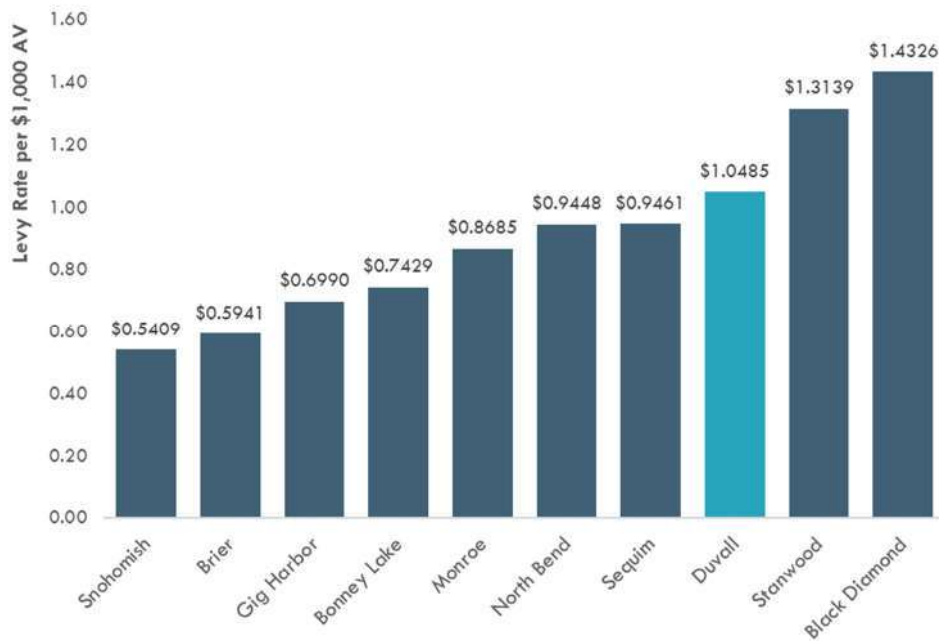
**Exhibit 23: Total FTEs and Police FTEs per 1,000 Population, Duvall and Select Peer Cities, 2024**



Sources: City of Duvall, 2024; City of Black Diamond, 2024; City of Bonney Lake, 2024; City of Brier, 2024; City of Gig Harbor, 2024; City of Monroe, 2024; City of Sequim, 2024; BERK, 2024.

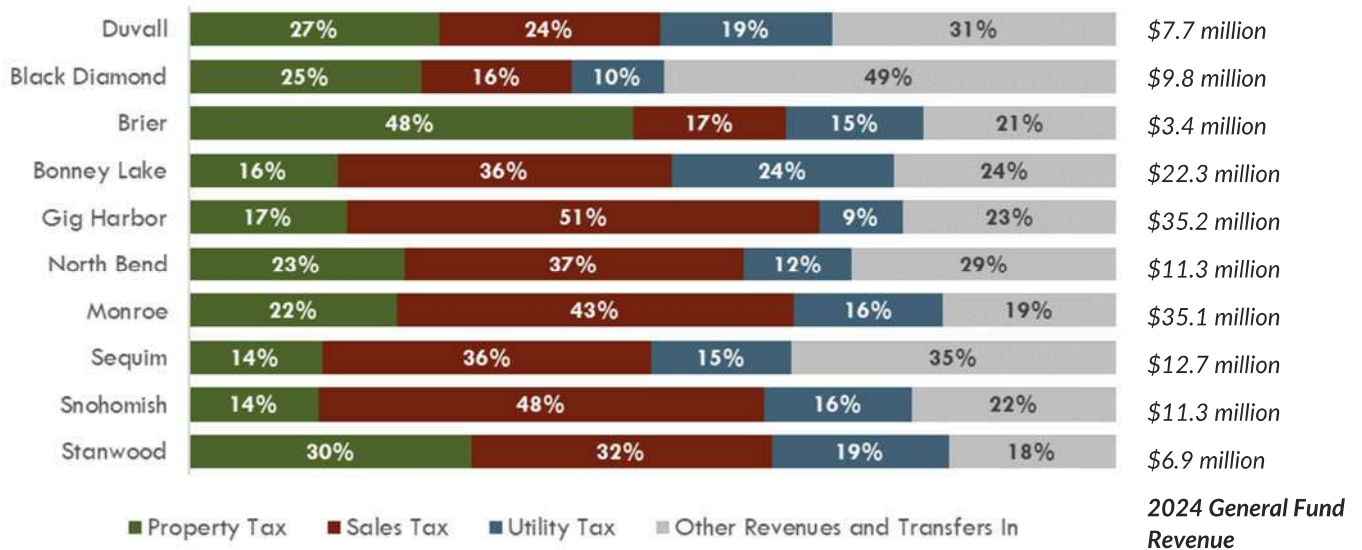
Relative to peer cities, Duvall has a higher property tax regular levy rate, which also corresponds to a higher share of General Fund revenue from property taxes (*Exhibit 24*). When looking at the share of sales tax revenue of total General Fund revenue, Duvall's share is the lowest among peer cities in the 2024 budget (*Exhibit 25*). Duvall's percentages in *Exhibit 25* are impacted by the large share of revenue from transfers in and other sources in 2024, such as the ARPA Fund and Strategic Fund mentioned above.

**Exhibit 24: City Regular Levy Rate, Duvall and Peer Cities, 2024**



Sources: King County Assessor's Office, 2024; Snohomish County Assessor's Office, 2024; Pierce County Assessor, 2024; Clallam County Assessor, 2024.

## Exhibit 25: General Fund Revenue Mix, Duvall and Peer Cities, 2024



Notes: Revenue mix for North Bend and Snohomish uses shares from the 2021-2022 biennium and revenue mix for Gig Harbor uses shares from the 2022 budget, as shares by revenue source were not reported in the 2023-2024 budget documents for these cities. 2024 General Fund revenue for Monroe and Gig Harbor are estimated as half of the budgeted revenue for the 2023-2024 biennium, as these cities have switched to reporting a biennial (two-year) instead of annual budget. Sources: City of Duvall, 2024; City of Stanwood, 2024; City of North Bend, 2024; City of Snohomish, 2024; City of Monroe, 2024; City of Gig Harbor, 2024; City of Sequim, 2024; City of Brier, 2024; City of Black Diamond, 2024.

# Appendix B: General Fund Forecast Assumptions

This appendix describes the assumptions and data sources we used to project revenues and expenditures in the General Fund forecast scenarios.

## *Forecast Confidence*

Variables that may result in actual future revenues and expenditures varying from our forecast include:

- Amount of new construction and/or changes in state legislation that may affect property tax revenues.
- A recession that may impact revenue collections, such as sales tax.
- Independent decisions by the City Council such as changes to tax or fee rates.
- Efficiencies in operations that may result in cost savings.
- Vacancies in staff positions that may result in lower actual salaries and benefits.
- Inflation rates that differ from forecasted values due to macroeconomic factors.

## *Population*

Historical population estimates through 2024 are from the Washington State Office of Financial Management. Population projections for 2025-2031 assume 1.9% annual growth, which is the compound annual population growth rate for the past five years (2019-2023).

## *Inflation*

Historical inflation uses the Bureau of Labor Statistics (BLS) annual Consumer Price Index for all urban consumers (CPI-U) in the Seattle-Tacoma-Bellevue area (series CUURS49DSA0).

For 2024-2031, we use the following forecasts from the July 2024 King County Economic and Revenue Forecast. These estimates are produced by the King County Office of Economic and Financial Analysis.

- Annual CPI-U, based on the BLS CPI-U for Seattle-Tacoma-Bellevue (series CUURS49DSA0).
- June to June CPI-W, based on the BLS CPI-W for Seattle-Tacoma-Bellevue (series CWURS49DSA0).

## Revenues

Revenues through 2024 are from City budget documents. Revenues for 2025-2031 are projected according to the revenue category:

- **Property tax revenues** assume 1% annual growth (in accordance with state law) on revenue from the regular levy property tax on existing property, which does not include new construction.
  - Assessed value of real and personal property assumes 6.2% annual growth, which is the average growth in assessed value for the years 2019-2022 in 2023 inflation-adjusted dollars. Historical values are from the King County Assessor's annual reports.
  - Assessed value of new construction assumes \$51.3 million annually, which is the average assessed value of new construction for the years 2019-2022 in 2023 inflation-adjusted dollars. Historical values are from the King County Assessor's annual reports.
  - Assessed value of existing property is assumed to be the assessed value of real and personal property less the assessed value of new construction.
  - Regular levy rates are assumed to be the revenue from the regular levy property tax on existing property divided by the assessed value of existing property, expressed per \$1,000 of assessed value.
- **Sales tax revenues** assume annual percentage increases equal to the King County Sales and Use Taxbase Forecast, which is produced by the King County Office of Economic and Financial Analysis. These estimates are used as a proxy for Duvall sales tax revenue growth.
- **Utility taxes, other revenues, and transfers in** assume annual percentage increases equal to King County's CPI-U forecast for Seattle-Tacoma-Bellevue. Other revenues include licenses and permits, intergovernmental revenues (federal and state grants), charges for goods and services, fines and penalties, and miscellaneous revenues (such as rents and donations).

## Expenditures

Expenditures through 2024 are from City budget documents. Expenditures for 2025-2031 are projected according to the expenditure category:

- **Salaries and benefits** assume annual percentage increases equal to labor agreements and King County's CPI-W forecast for Seattle-Tacoma-Bellevue. Salaries for the added staff positions are based on 2024 salary schedules and assume an additional 30% for the overhead costs of medical benefits, employer taxes, and retirement plan contributions.
- **Supplies, professional services, capital, and transfers out** assume annual percentage increases equal to King County's CPI-U forecast for Seattle-Tacoma-Bellevue.

# Appendix C: Evaluation of Strategies

Exhibit 26 shows each strategy compared to the evaluative criteria introduced in **Financial Sustainability Strategies**, with operating strategies listed first, followed by capital strategies, then long-term strategies. Strategies that rank higher on the evaluative criteria are listed at the top of each section. It is also noted if voter approval is required, which would impact the feasibility of the strategy and the City’s approach to pursuing it.

The highest ranking operating strategies are discussed in the analysis. The strategy to increase TBD tax revenue would allow the City to potentially reduce its property tax sharing with the Street Fund. Utility taxes also rank highly so raising them could be considered further. The focus of this analysis is on increasing resources to the General Fund so raising utility taxes is not discussed in the analysis.

**Exhibit 26: Strategies and Evaluative Criteria**

Operating Strategies	Voter Approval		Magnitude	Equity	Sustainability	Alignment with		Impact to Other Services
	Required	Feasibility				City Priorities	Feasibility	
Utility Taxes	No		\$	●	●	●	●	●
Property Tax Levy Lid Lift	Yes		\$\$	●	●	●	●	●
Property Tax Sharing	No		\$	●	●	●	●	●
Public Safety Sales Tax	Yes		\$	●	●	●	●	●
Transportation Benefit District Sales Tax	No		\$	●	●	●	●	●
Metropolitan Park District Property Tax	Yes		\$\$	●	●	●	●	●
Business & Occupation Tax	No		\$	●	●	●	●	●

Capital Strategies	Voter Approval		Magnitude	Equity	Sustainability	Alignment with		Impact to Other Services
	Required	Feasibility				City Priorities	Feasibility	
Dedicated REET Revenues	No		\$\$	●	●	●	●	●
Bonds	Depends		\$\$\$	●	●	●	●	●
Grants	No		??	●	●	●	●	●
Impact fees	No		\$\$	●	●	●	●	●
Fund Balance Transfers	No		??	●	●	●	●	●

Long-Term Strategies	Voter Approval		Magnitude	Equity	Sustainability	Alignment with		Impact to Other Services
	Required	Required				City Priorities	Feasibility	
Encourage New Development or Business Growth to Expand the Tax Base	No	??		●	●	●	●	●
Contracting Police Services	No	\$\$\$		●	●	●	●	●
Cost Recovery for Fees (policy)	No	\$		●	●	●	●	●
Cost Efficiencies	No	??		●	●	●	●	●

Legend	Equity, Sustainability, Alignment with Priorities, Feasibility				Impact to Other Services
	Magnitude Estimate	Equity	Sustainability	Alignment with City Priorities	
\$	<\$500 K annually	●	High	●	Low
\$\$	\$500 K - \$1.5 M annually	●	Medium	●	Medium
\$\$\$	> \$1.5 M annually	●	Low	●	High
??	Varies annually	??	Unknown	??	Unknown

**Equity.** The strategy impacts members of the community in an equitable way.  
**Magnitude.** The strategy has a meaningful impact on the City's financial condition.  
**Sustainability.** The strategy will continue into and be counted on in the future.  
**Alignment with Priorities.** The strategy supports the City's priorities.  
**Feasibility.** The City can feasibility implement the strategy, in terms of technical and political feasibility.  
**Impact to Other Services.** The strategy does not adversely impact the provision of other services.

Source: BERK, 2024.