



2021 Budget Questions October 16

To: City Council
From: Mayor Gregerson and Department Directors
Date: October 16, 2020

Please find below information in response to questions raised by Councilmembers at the October 12, 2020 meeting as well as by email on October 16, 2020.

Natural Gas

Councilmember Champion asked why this item was showing an increase from the 2020 Budget. Natural Gas taxes are a consumption tax (as asked by Council Vice President Kneller).

	2019 Actuals	2020 Budget	2020 Estimated Actuals	2021 Budget
Natural Gas Tax	356,464	350,000	355,000	360,000

Puget Sound Energy (PSE) recently filed requests with the state Utilities and Transportation Commission (UTC) to adjust natural gas rates. Their proposal would increase rates for natural gas customers by an overall average 8.92 percent, effective Nov. 1, 2020. It appears to be scheduled for UTC review on October 29, 2020, though it is not clear if a decision will be rendered on that date as the full agenda has not yet been posted.

An alternative option to the City's projected increase of 1.4% would be to reduce by \$5,000 and return to the estimated actuals of 2020 and actuals of 2019

Transportation Benefit District

Council President Emery asked about vehicle license fee options and the amount that could be raised with a \$5 fee.

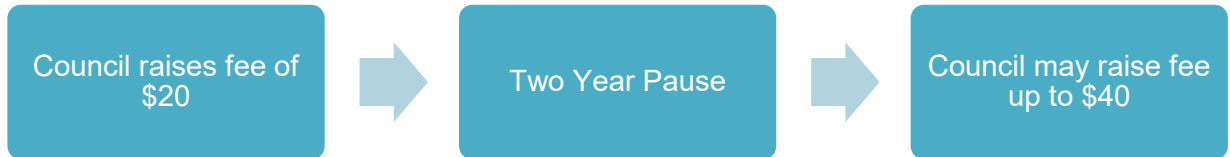
Data from the 2016 Wise Investments in Transportation Taskforce and Transportation Benefit District formation process showed that \$5 would result in \$133,750. A reasonable growth factor might result in \$145,000 in 2021. The Council may impose up to \$20 without voter approval.

Two timelines are shown on the next page for further information.

Option 1



Option 2



After a license fee of \$40 is in effect for two years, the Council may raise the fee to \$50, or any amount up to \$100 with voter approval.

The Department of Licensing would begin collecting vehicle license fees six months after Council action imposing fees or after ballot certification of voter approval of fees.