

City of Lacey

ESTIMATING IMPACTS OF INITIATIVE 1033

Assumptions outlined by the Association of Washington Cities (see more on assumptions below)
 Updated September 3, 2009

*** Shaded cells should be filled out by jurisdiction depending upon local conditions and forecasts**

| | IPD (March to March) (Note 1) | Population Growth Estimate* (Note 2) | GF Forecast w/out I-1033 (Note 3) | Forecasted Growth in GF Revenues* (Note 3) | Levy w/out "Lower City Property Tax Account" Transfer* (Note 4) | Growth in Prop Tax w/out "Lower City Property Tax Account" Transfer Estimated* (Note 4) | Estimated Actual GF Revenues w/out Limit (Note 5) | Gen Fund Revenue w/ Limit (Note 6) | Lesser of GF Revenue Limit (J) or GF Actuals growing at rate in column F (I) (I) | % Increase in Gen Fund Limit or Actual Revenues (Column K) | Amount Over/Under Revenue Limit (I-J) | Transfer to "Lower City Property Taxes Account" | Property Tax After "Lower City Property Tax Account" Transfer (Note 7) |
|---------|----------------------------------|---|--------------------------------------|---|--|--|--|---------------------------------------|---|---|--|---|---|
| CY 2009 | 0.50% | 1.80% | 30,343,413 | -1.60% | 8,439,813 | | 30,343,413 | 30,343,413 | 30,343,413 | | | | 8,439,813 |
| CY 2010 | 1.80% | 1.50% | 32,922,603 | 8.50% | 8,608,609 | 2.00% | 32,922,603 | 31,044,042 | 31,044,042 | 2.31% | 1,878,561 | 0 | 8,608,609 |
| CY 2011 | 2.00% | 1.30% | 34,799,191 | 5.70% | 8,780,781 | 2.00% | 34,692,114 | 32,076,878 | 32,076,878 | 3.33% | 2,615,236 | 1,878,561 | 6,902,221 |
| CY 2012 | 1.80% | 1.30% | 36,887,143 | 6.00% | 9,000,301 | 2.50% | 36,616,726 | 33,143,755 | 33,143,755 | 3.33% | 3,472,972 | 2,615,236 | 6,385,065 |
| CY 2013 | 1.80% | 1.30% | 39,137,259 | 6.10% | 9,225,309 | 2.50% | 38,638,495 | 34,178,967 | 34,178,967 | 3.12% | 4,459,529 | 3,472,972 | 5,752,337 |
| CY 2014 | 1.70% | 1.30% | 41,524,631 | 6.10% | 9,455,941 | 2.50% | 40,723,412 | 35,246,513 | 35,246,513 | 3.12% | 5,476,900 | 4,459,529 | 4,996,413 |
| CY 2015 | 1.70% | 1.30% | 44,057,634 | 6.10% | 9,739,619 | 3.00% | 42,873,449 | 36,311,697 | 36,311,697 | 3.02% | 6,561,752 | 5,476,900 | 4,262,720 |

NOTES

- (1) IPD estimates for CY 2009-CY 2011 are from the June 2009 Washington State Economic and revenue Forecast. Inflation estimates for CYs 2012-15 are from the June 2009 HIS Global Insight forecast (OFM)
- (2) Population growth estimates provided are based on OFM's forecasted population increases for cities in urban counties; cities should replace with own estimates
- (3) General fund revenues and revenue growth should reflect current forecasts without I-1033
- (4) Growth should reflect anticipated councilmanic increases plus increases due to new construction/improvements, annexation, electric generation wind turbine facilities and state-assessed property
- (5) CY 2010 revenue calculated as: (CY 2009 GF REV X GF forecasted growth) + CY 2009 GF REV; CY 2011 and subsequent years calculated as ((CY 2010 GF REV - transfer to Lower City Property Tax Account) X % GF forecasted growth) + CY 2010 GF REV; For simplicity the same forecasted growth rate is assumed with or without passage of I-1033.
- (6) CY 2010 revenue limit calculated as: CY 2009 GF REV X (1+ 2009 % Change Pop) X (1+ 2009 % Change IPD); CY 2011 and subsequent years limit calculated as: CY 2010 GF REV - transfer X (1 + 2010 % Change Pop) X (1 + 2010 % Change IPD)
- (7) Lower City Property Taxes Account is applied to previous year's full levy, reflecting any limit factor increase (plus new construction/improvements, annexation, electric generation wind turbine facilities and state-assessed property). Reflects the amount of the levy set for collection in following year

OFM GENERAL ASSUMPTIONS

CY 2010 revenue limit calculated as: CY 2009 GF REV X (1+ 2009 % Change Pop) X (1+ 2009 % Change IPD)
 CY 2010 GF revenues exceeding CY 2010 revenue limit are transferred into "Lower City Property Tax Account"
 First transfer to the "Lower City Property Tax Account" takes place in CY 2011
 First property tax levy to be reduced is levy set in CY 2011 for CY 2012 collection
 General fund revenues defined as taxes, fees and other governmental charges. Revenues coded for the general fund in the BARS chart of account included, excluding the following categories:
 Federal and state direct and indirect grants
 State shared taxes or revenues
 Charges for contracted services performed
 Charges for enterprise activities or charges that are not governmental in nature
 Inter-fund and inter-department charges
 Interest and investment earnings

AWC ADDITIONAL INFORMATION

Using the assumptions outlined in Office of Financial Management's fiscal impact statement, in addition to some of our own, AWC has developed this spreadsheet that cities can use to estimate their individual jurisdiction's impacts. In building this spreadsheet, AWC worked with a group of finance directors to interpret the language in I-1033 and test the model.
 Cities should note that neither OFM nor AWC is a regulatory agency, and this impact model outlines assumptions for estimating fiscal impacts only. It does not serve as an implementation guide should the initiative pass. The impact model is intended to provide cities with an idea of the magnitude of change under the initiative, rather than a specific dollar amount.
 Once your city has estimated the impacts of I-1033, please forward this spreadsheet to Alicia Seegers Martinelli, aliciam@awcnet.org, to be included on our website.