



Financial Sustainability Open House #2

May 1, 2025

PRESENTED BY

Mayor Steve Friedman



Welcome

- Thank you for joining us for Clyde Hill's second Financial Sustainability Open House.
- We're here to talk openly about Clyde Hill's financial challenges and future options.
- Tonight's format includes a brief presentation followed by breakout tables:

**Revenues &
Taxes**

**Spending &
Efficiencies**

**City Services &
Staffing**

**Stormwater
Utility
(proposed)**

The Problem

Operating expenditures exceed revenues.

Structural funding imbalance:

- Costs rise ~3% each year but property tax can only go up 1%.

With no intervention, the City faces a projected funding gap of ~\$665k in 2030.

The Solution

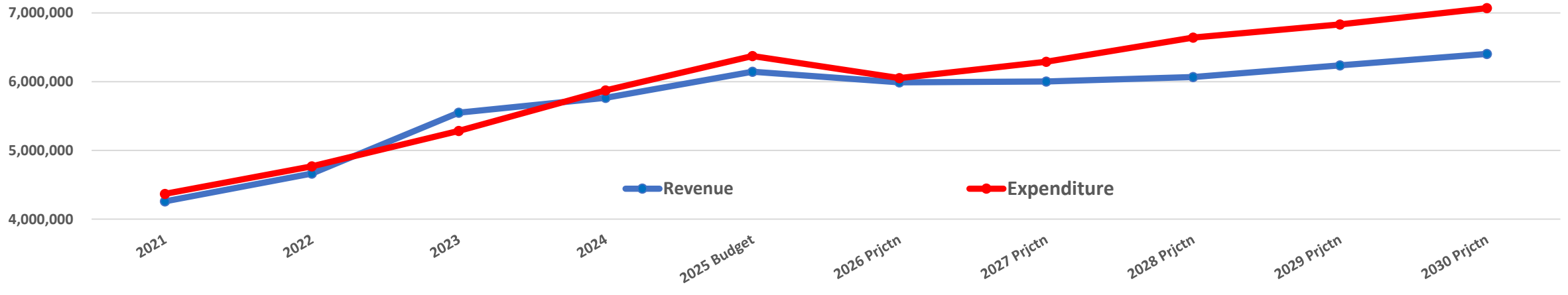
Some combination of:

- Reducing services
- Finding efficiencies
- Spending down reserves
- Raising taxes and fees

Financial Sustainability Task Force working to identify options & recommendations

Projected Operating Revenues vs Expenditures

May 1, 2025



Financial Sustainability Task Force

GOALS

1. Identify long-term strategies to eliminate the deficit
2. Protect Clyde Hill's independence
3. Ensure funding for essential services

December '24

January '25

February '25

March '25

April '25

Task Force of residents, councilmembers & staff was formed to evaluate long-term financial sustainability.

Past meetings explored staffing, service levels and delivery models, cost drivers, investments for greater efficiency, opportunities to partner & contract out, and revenue strategies.

Recent focus: financial scenarios & recommended strategies for 2026 and beyond.

Clyde Hill Has a Revenue Problem

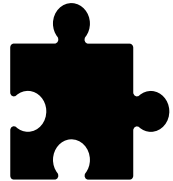
(not a spending problem)



Staffing is lean (20 full time employees); discretionary spending is limited.



Mandatory costs like insurance, fire/EMS, and statutory compliance keep rising.



Creative service delivery or contracting will help but not eliminate the projected deficits.



Clyde Hill collects significantly less property and sales tax per capita than comparable cities.



Without new revenue, Clyde Hill can't maintain current service levels.

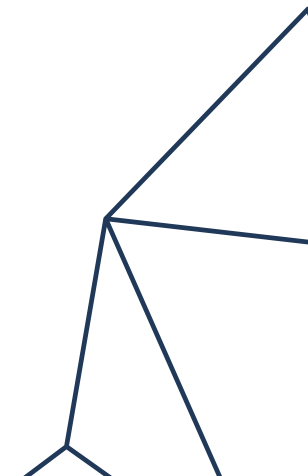


Two Major Revenue Levers

1. **Stormwater Utility** (proposed 2026)

- Transfers \$300k+ expenditures out of General Fund.
- Funded by new fees, not property tax.
- Maintains and protects current stormwater management services

2. **Property Tax Levy Lid Lift** (recommended 2026 ballot measure)

- Would bring property tax rate closer to our neighbors.
 - Generates ongoing, flexible revenue for essential services.
 - Subject to a majority vote of Clyde Hill residents.
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What Does This Mean For YOU?

- Estimated total revenue increase impact: \$600 - \$1,000/ year for the typical household.
- This investment:
 - Maintains existing high quality city services including public safety, public works, and building services.
 - Protects Clyde Hill's independence, preserves local control, and keeps Clyde Hill a community of quiet neighborhoods — not one that depends on commercial or high-density development to stay afloat.




Typical Household Example:

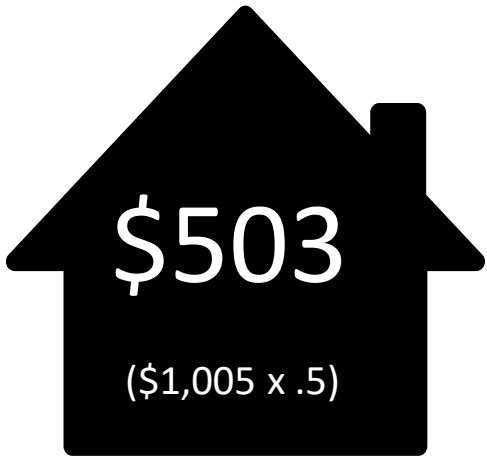


9518 NE 32nd ST 98004 | CLYDE HILL
2024 Valuation: \$3,337,000

2025 Property Tax Bill		
Taxing District	Dollars	Percent
State School	\$7,496.65	33.8%
Local School	\$6,341.68	28.6%
County	\$4,544.38	20.5%
City	\$1,005.11	4.5%
All Other (Port, Sound Transit, Flood, Library, EMS)	\$2,789.19	12.6%
TOTAL	\$22,177.01	100%

With Estimated New Taxes & Fees

 $+$



 $= \$803$

Stormwater
Utility Fee**

50% City Property
Tax Increase*

Total Property Tax & Storm Utility Bill

 $= \$1,803$

*Actual rate may be higher or lower subject to Council decision.
**Actual fee may be higher or lower subject to Council rate decision and lot impervious surface coverage.

THANK YOU FOR JOINING US TODAY!

We Want to Hear From You

- Visit each table to learn more and ask questions.
- Share your feedback.
- Final recommendations will be considered later this year.

Email feedback:
cityhall@clydehill.org

