CITY OF CLYDE HILL

Financial Sustainability Open House

Mayor Steve Friedman, City Administrator Dean Rohla, Director Lisa King

March 6, 2025

2025 Financial Sustainability Task Force

- Commitment to a time phased road map
- All sessions open to the public
- Key phases include:
  1. Formation of Financial Sustainability Task Force, expectations, schedule
  2. Inventory of existing City services (what/how/who)
  3. Assessment of services
     a. Identify efficiency gaps, understand importance of services to residents, research alternative ways to deliver services
  4. Identify additional ways to reduce expenses/increase revenues
  5. Prepare various scenarios/recommendation

Increased involvement of Mayor, City Council, City Staff and Residents

Task Force Progress

- Phase 1 Complete

- Phase 2 (inventory of services the City provides, etc.)
  - Meeting on Jan 30th held to discuss
    - Information on services provided in Item 3.3 of the Agenda
    - Objectives of Phase 2 not achieved in this meeting, as input from participants indicated a different direction was needed

- The response to the Jan 30th meeting was to develop a variety of financial scenarios for 2026
  - Activity was commenced, then paused due to uncertainty of Council direction to address topics within the City Council meetings of 2/10 and 2/25
  - Have resumed developing financial projections

We are now following a different roadmap; some time has been lost due to other activities

Basic considerations of the process

- Challenge personnel and consulting costs
- Challenge purchasing policies (small opportunities add up)
- Examine opportunities to pool/partner resources
- Projecting state/county impacts of legislation (headwinds)
- Optimize capital spending/equipment costs
- Consideration of investments that yield operational efficiencies
- Enhancement of revenues
- Maintain our system of internal controls
- Built in conservatism on financial assumptions and services to residents
- Communication that is timely and meaningful

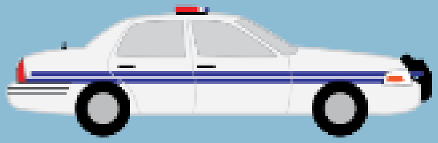
CITY SERVICES OVERVIEW

Residents

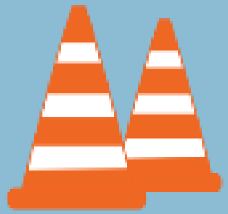
Mayor

City Council

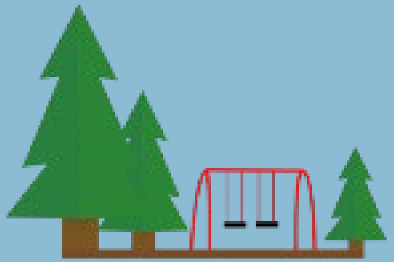
City Administrator



Police



Public Works



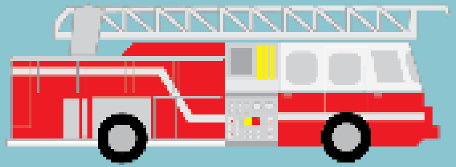
Parks & Recreation

Finance

Building & Planning

Contracted Services

Water/Sewer
Solid Waste

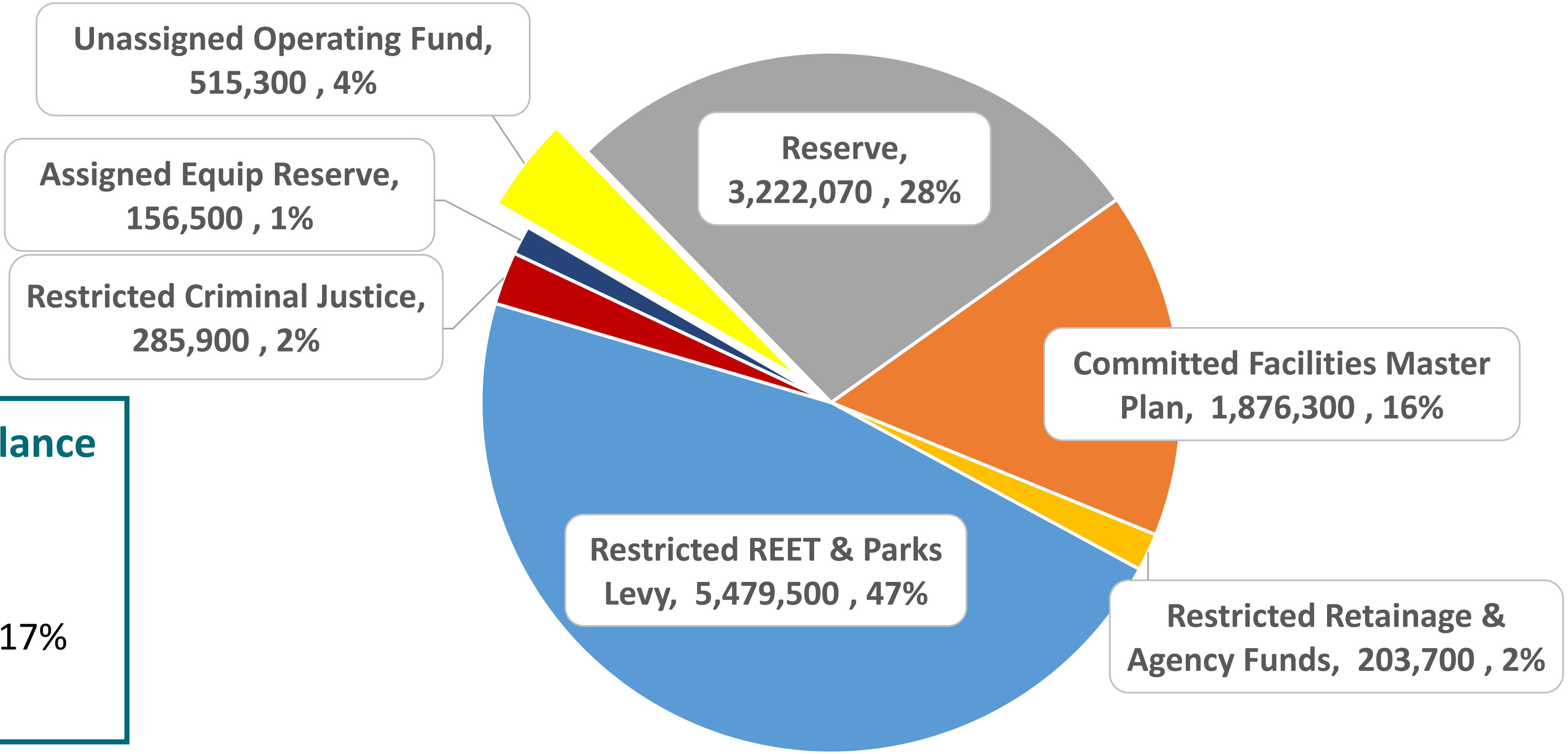


Fire

IT

City Attorney &
Municipal Court

Fund Balance as of 12/31/24

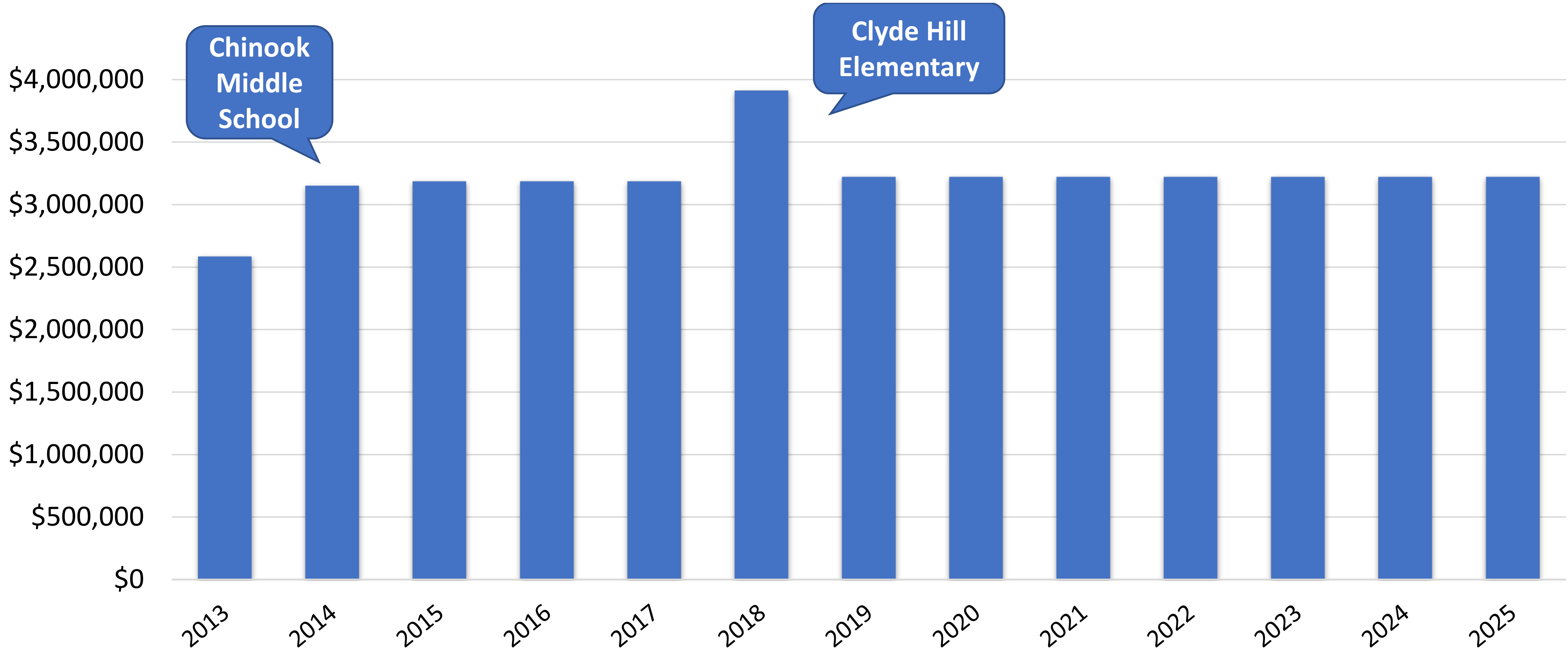


Total Beginning Fund Balance ~ $11,740,00

- Unassigned 32%
- Assigned & Committed 17%
- Restricted 51%

Finance Policy requires: Maintain a minimum unassigned fund balance in the Reserve Fund of 25% of the current years budgeted General Fund expenditures. 2025 = required unassigned fund balance of $1,593,615

Reserve Balance $3.2 Million



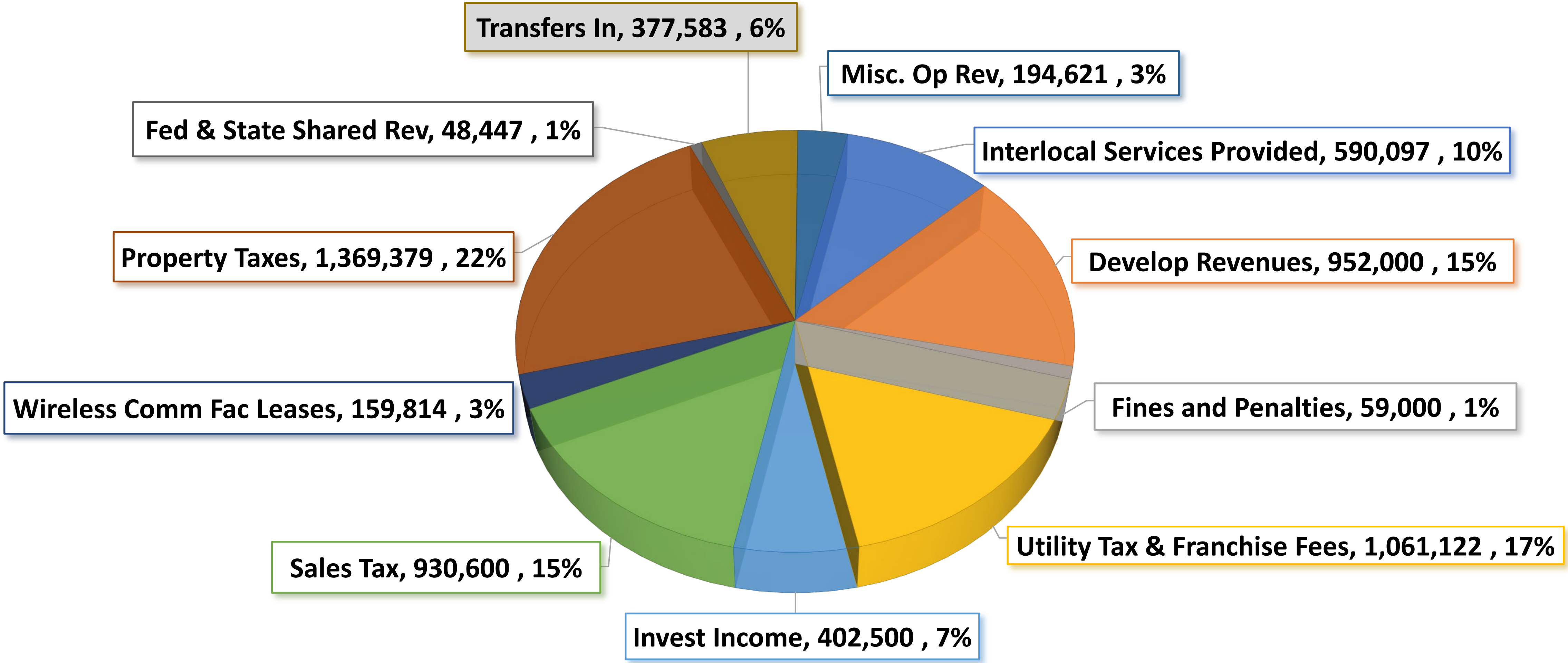
2025 Budget Overview

FINAL BUDGET 2025	001 General Fund	002 Reserve Fund	003 Retainage Dep Fund	100 Special Rev Funds	300 Capital Projects Fund	TOTAL CITY
Beg. Fund Balance	515,664	3,222,070	203,385	2,318,749	5,479,465	11,739,334
REVENUE	**5,767,580**	**0**	**50,000**	**256,531**	**856,000**	**6,930,111**
EXPENDITURES	**6,374,459**	**0**	**50,000**	**154,800**	**1,131,000**	**7,710,259**
Surplus or (Deficit):	(606,878)	0	0	101,731	(275,000)	(780,148)
Total Transfer In	377,583	0	0	0	0	**377,583**
Total Transfer Out	0	0	0	337,583	40,000	**377,583**
Total Surplus or (Deficit):	**(229,296)**	**0**	**0**	**(235,852)**	**(315,000)**	**(780,148)**
Ending Fund Balance	**286,368**	**3,222,070**	**203,385**	**2,082,897**	**5,164,465**	**10,959,186**

Budget deficit


REVENUE

2025 GF Revenue Budget

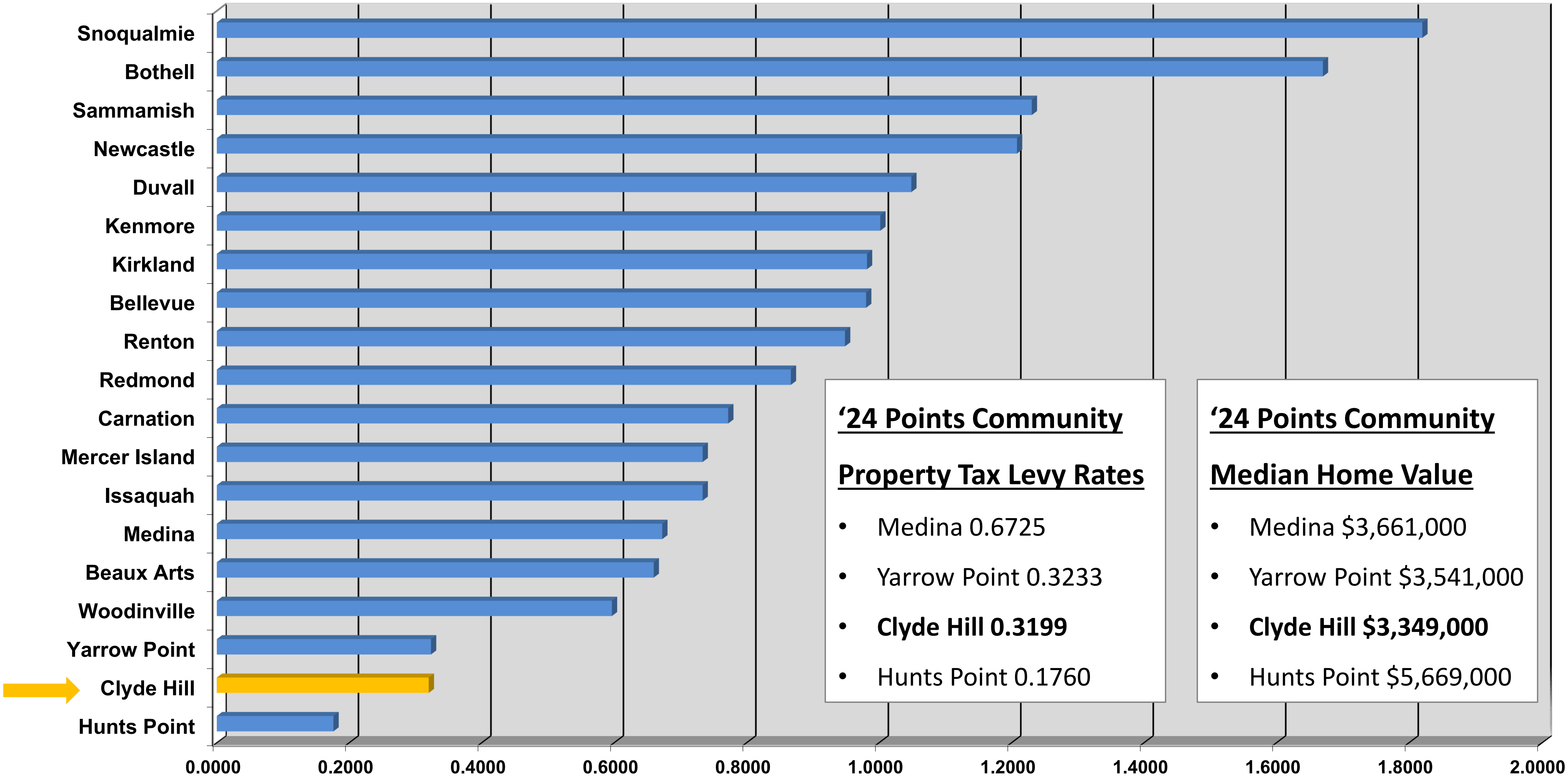


2025 Property Tax Distribution

2025 Annual CH Property Tax Revenue
$1,369,379

Transit	King Co	Flood	Bellevue Schools	EMS	Port	State Schools	Clyde Hill	Library
2.5¢	20.5¢	1.5¢	28.6¢	3.3¢	1.5¢	33.8¢	4.5¢	3.7¢

Comparison of 2024 Property Tax Rates for Eastside Cities & Towns



‘24 Points Community Property Tax Levy Rates

- Medina 0.6725
- Yarrow Point 0.3233
- **Clyde Hill 0.3199**
- Hunts Point 0.1760

‘24 Points Community Median Home Value

- Medina $3,661,000
- Yarrow Point $3,541,000
- **Clyde Hill $3,349,000**
- Hunts Point $5,669,000

2025 Property Tax: Clyde Hill, Medina & Bellevue

9518 NE 32nd ST 98004 | CLYDE HILL

2024 Valuation: $3,337,000

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%

2020 Evergreen Point Rd 98039|MEDINA

2024 Valuation: $3,338,000

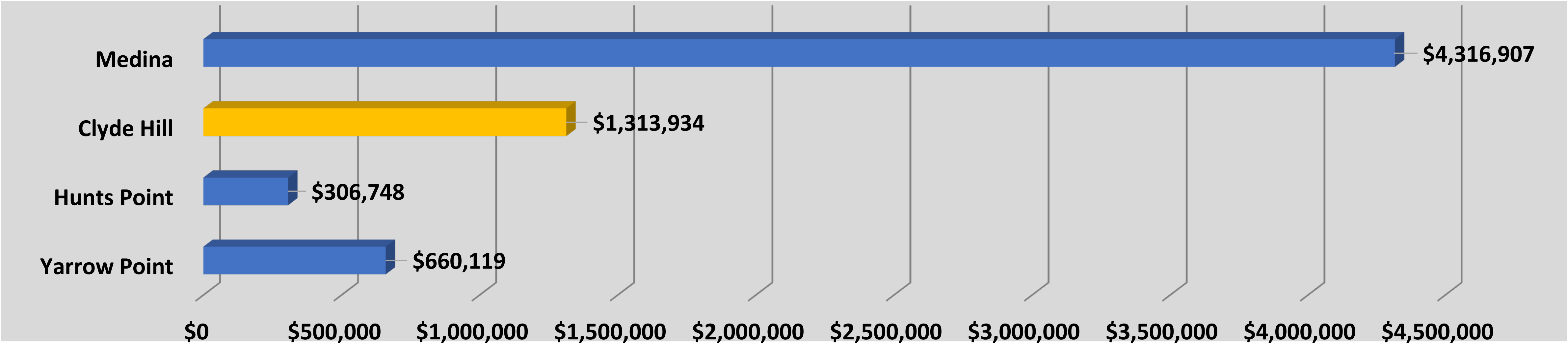
Taxing District	Dollars	Percent
State School	$7,498.91	32.1%
Local School	$6,343.57	27.2%
County	$4,545.74	19.5%
City	$2,150.25	9.2%
All Other (Port, Sound Transit, Flood, Library EMS)	$2,789.92	12.0%
TOTAL	$23,328.40	100%

2416 98th Ave NE 98004|BELLEVUE

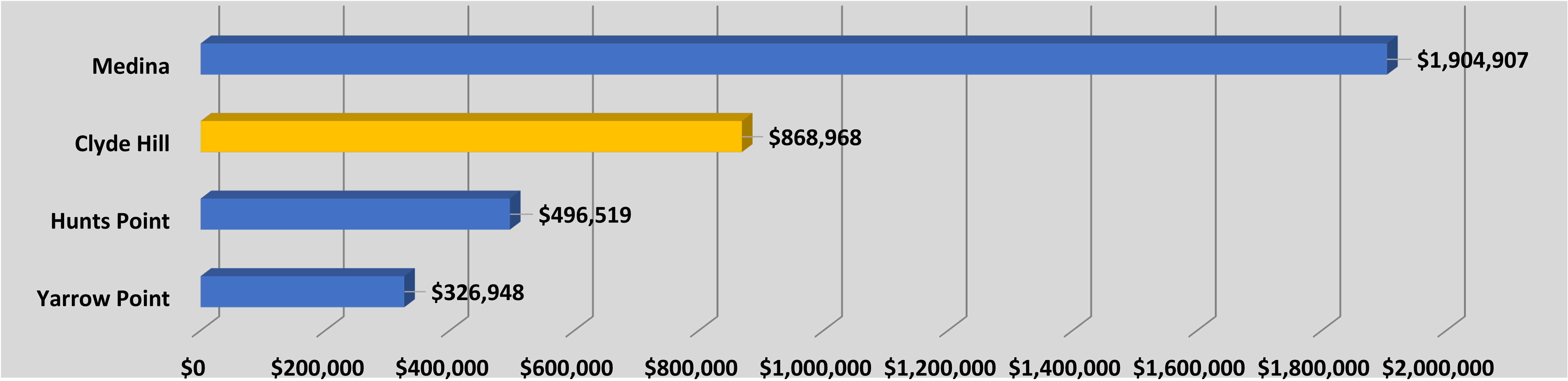
2024 Valuation: $3,329,000

Taxing District	Dollars	Percent
State School	$7,478.71	30.6%
Local School	$6,326.45	25.9%
County	$4,533.50	18.6%
City	$3,286.43	13.5%
All Other (Port, Sound Transit, Flood, Library EMS)	$2,782.40	11.3%
TOTAL	$24,407.49	100%

2024 Regular levy amount



2024 Sales tax revenue



*Source data from AWC

Clyde Hill vs Medina

	City of Clyde Hill	City of Medina Washington
Assessed Valuation (2024)	$4.2 Billion	$6.6 Billion
Median Assessed Home Valuation (2024)	$3,349,000	$3,661,000
Property Tax Rate & Annual Levy (2024)	0.31986 | $1.34 Million	0.67247 | $4.46 Million
Sales Tax (2024)	$0.88 Million ($882,000)	$2.04 Million
General Fund Budget Revenue (2025)	$5.6 Million	$8.4 Million
Full Time Employees (2025)	6 Admin, Finance & Dvlp Svcs 3 Public Works* <u>11 Police</u> 20 Total **1 position cut in 2025 Budget*	9.7 Admin, Finance & Dvlp Svcs 5 Public Works <u>11 Police</u> 25.7 Total

2025 Utility Tax Rates – Total Revenue $1,042,518

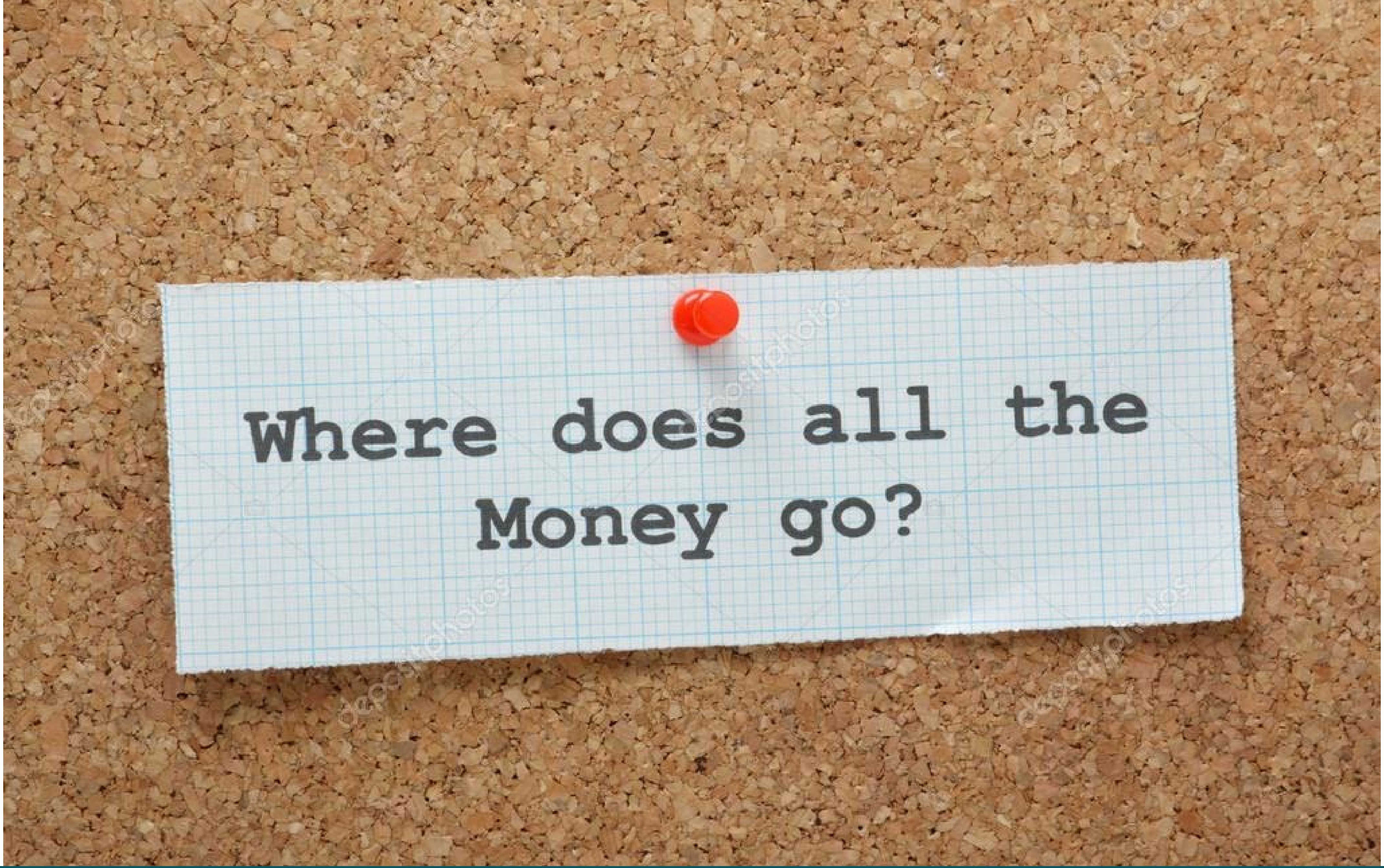
- Electric Utility (6%)
- Natural Gas Utility (6%)
- Cable TV Utility (9%)
- Telephone Utility (6%)
- Solid Waste Utility Tax (8%)
- Cable TV Franchise Fee (5%)
- Water Franchise Fee (12%)
- Sewer Franchise Fee (12%)
- Solid Waste Franchise Fee (5.5%)

Special Fund Revenue Sources

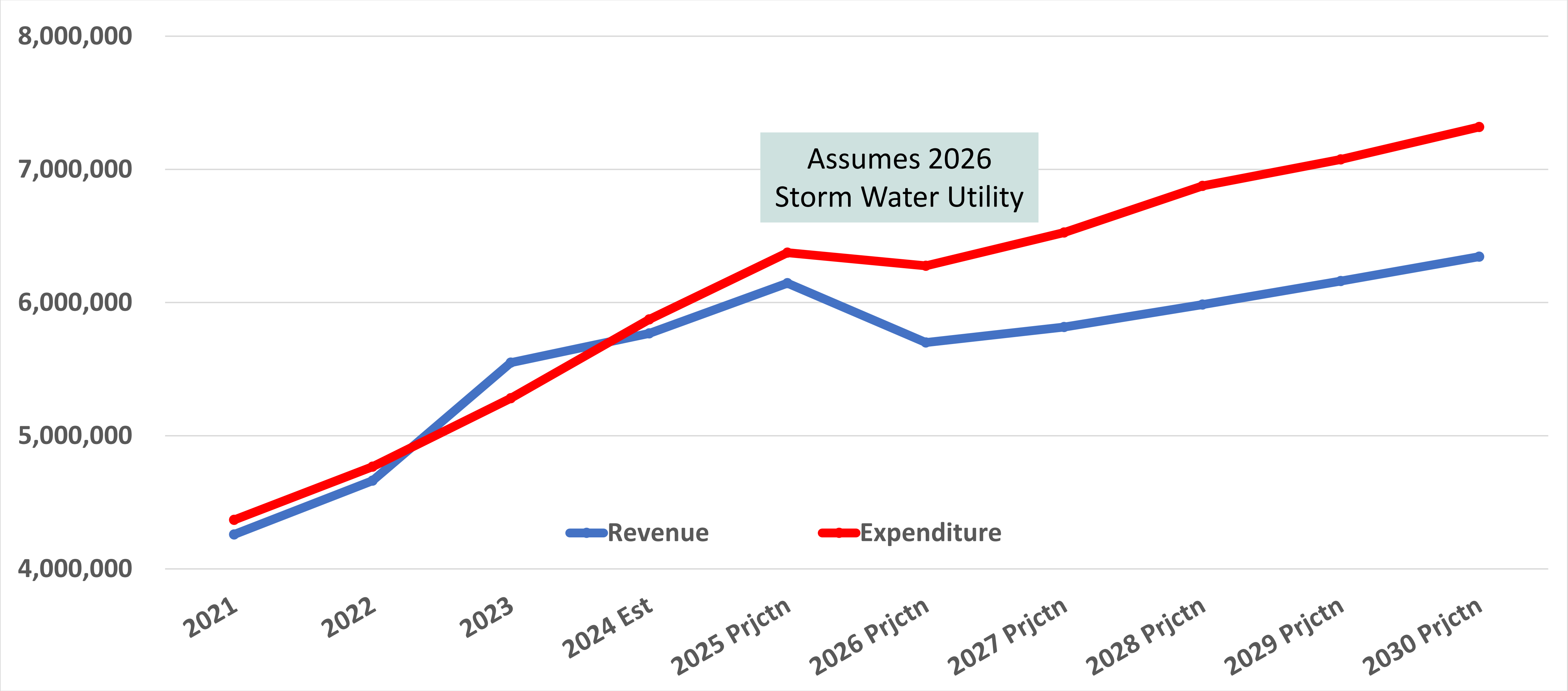
City Street Fund	2024 Budget	2024 Actual	2025 Budget
Total	**$125,795**	**$81,166**	**$110,583**

Criminal Justice Fund	2024 Budget	2024 Actual	2025 Budget
Total	**$145,911**	**$138,158**	**$145,948**

Restricted Capital Projects Fund	2024 Budget	2024 Actual	2025 Budget
Total	**$953,000**	**$944,494**	**$856,000**


Where does all the
Money go?

GF Revenue vs Expenditures 2021-2030

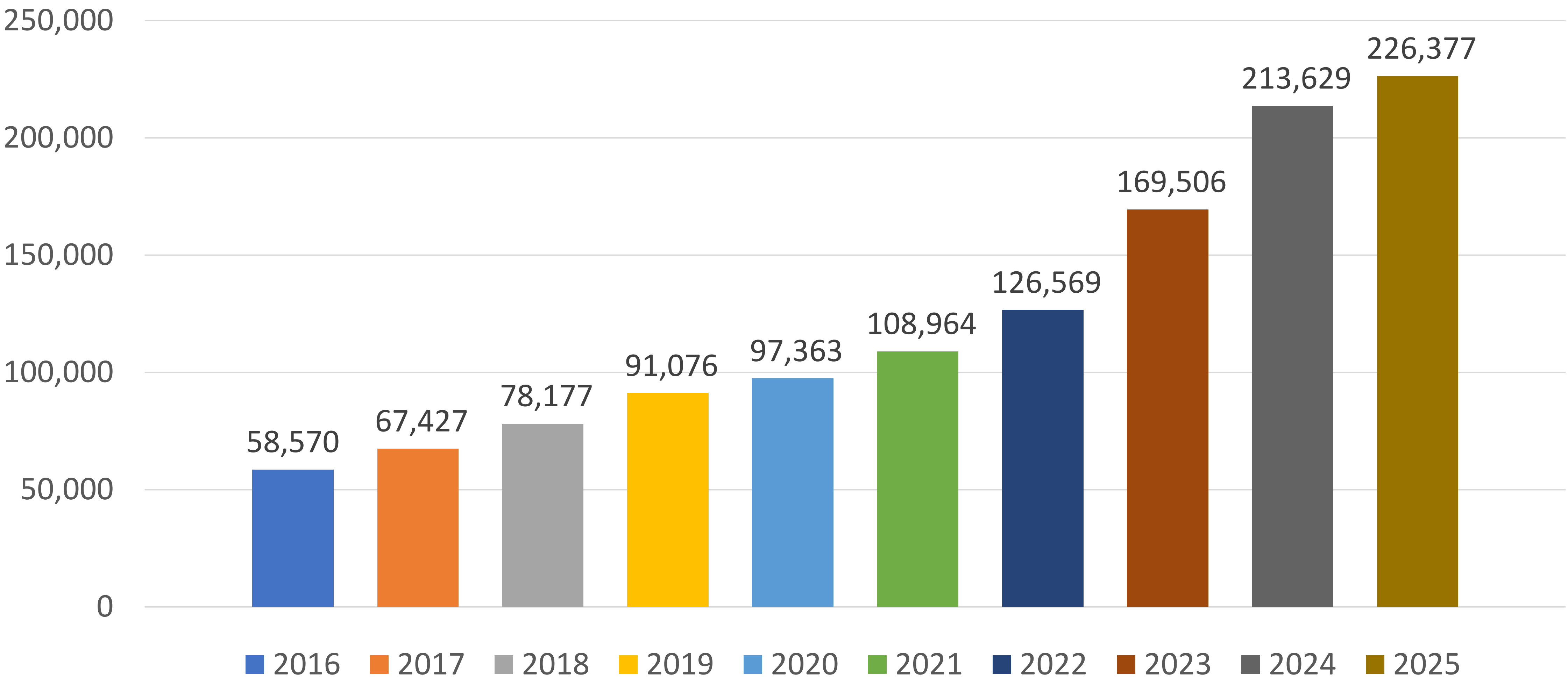


Cost Drivers – General Fund

New and/or rising faster than CPI (2022-2025)

- Liability insurance *(mandatory)*
- Employee health insurance *(mandatory)*
- Fire & EMS *(mandatory)*
- Public defender *(mandatory)*
- Vehicle fuel *(mandatory)*
- Public records request management *(mandatory)*
- Planning consultants *(semi-discretionary)*
- SR-520 lid mediation *(semi-discretionary)*
- Police salaries & programs *(semi-discretionary)*
- Lobbyist *(discretionary)*

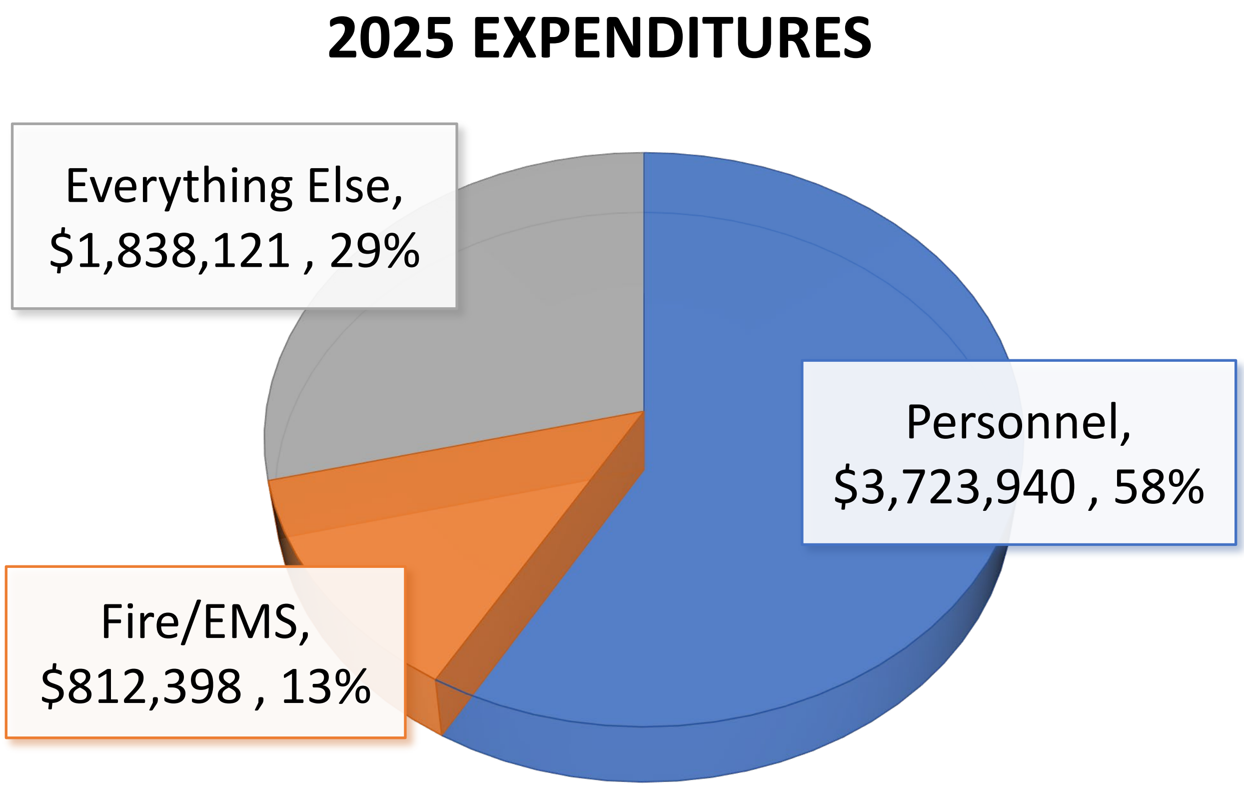
Liability Insurance Costs over Time



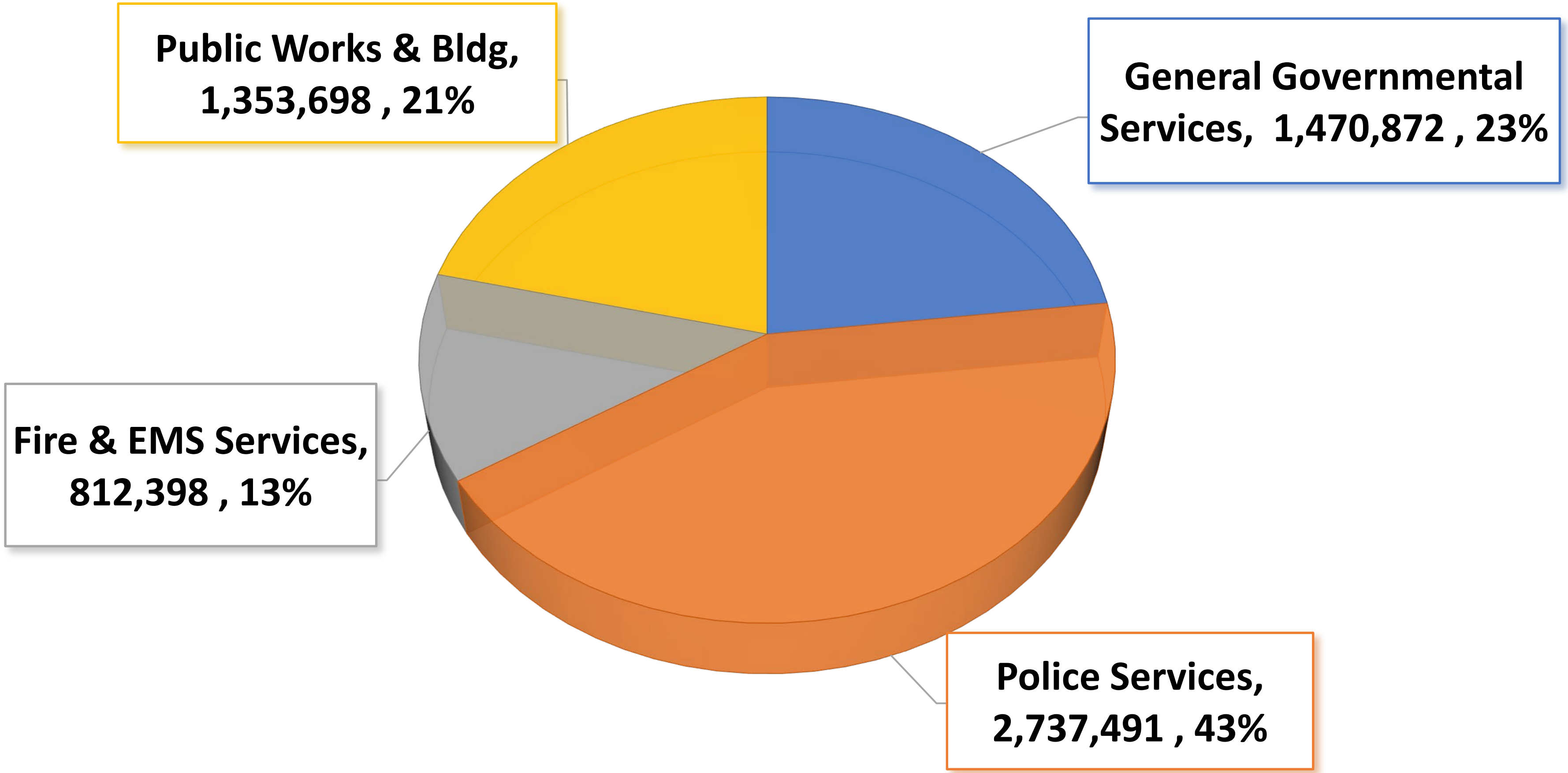
Clyde Hill in 2015 vs 2025

	2015	2025	Service Level Changes
General Fund Budget Revenue	$3.4 Million	$5.6 Million	**Police** + Coverage/ response time + Department accreditation + Technology: License plate cameras, body-worn cameras, drones **Public Works** + Coverage/ response time *(with all positions filled)* + Stormwater management **Admin, Finance & Development Services** + Public records request management + Planning & code updates + Public communication & engagement + Legislative advocacy & regional coordination + Public meetings & information sharing - Community events
Full Time Employees	4 Admin & Dvlp Svcs 3.5 Public Works 9.5 Police* 17 Total +1 PW Summer Help **1 Officer funded, not filled*	6 Admin & Dvlp Svcs 3 Public Works* 11 Police 20 Total **1 position eliminated in 25*	

2025 General Fund Costs by Type $6.4M



2025 General Fund Costs by Department $6.4M



2024 vs 2025 GF Expenditures by Department

	2024 Budget	2024 Actual	2025 Budget
Legislative	$55,840	$53,800	$46,540
Executive	$32,050	$24,681	$27,200
General Governmental (Incl Legal, Finance, Records)	$1,361,902	$1,423,102	$1,397,132
Law Enforcement	$2,075,686	$2,253,850	$2,737,491
Fire/EMS	$805,163	$805,180	$812,398
Public Works – Engineering, Transportation, Parks	$782,669	$628,987	$528,924
Public Works – Stormwater Division	$384,500	$346,407	$336,300
Public Works – Community Development Division	$427,370	$324,036	$488,474
Transfers Out	$25,000	$25,000	$0
TOTAL GF EXPENDITURES & TRANSFERS OUT	**$5,950,179**	**$5,873,692**	**$6,374,459**

Project Funds Expenditures/Transfers

	2024 Budget	2024 Actual	2025 Budget
Criminal Justice	$261,450	$259,895	$346,800
City Street Fund	$125,795	$81,166	$110,583
Grants	$184,767	$114,792	$0
Equipment Replacement Fund	$50,000	$67,022	$10,000
Special Projects (Incl FMP)	$62,000	$72,829	$25,000
TOTAL PROJECT FUND EXPENDITURES & TRANSFERS OUT	**$684,012**	**$595,704**	**$492,383**

Restricted Capital Projects Fund	2024 Budget	2024 Actual	2025 Budget
Total	**$2,480,000**	**$1,357,891**	**$1,171,000**

How to Reduce the Structural Imbalance?

Possible New Revenue Sources

- Property Tax Levy Lid Lift
- Stormwater Utility
- New or Increased Fees (limited capacity)
- Transportation Benefit District - 0.1% Sales Tax increase for up to 10 years (Restricted)

Possible Expenditure Cuts

- Further Scrutinize Discretionary Expenses
- Eliminate or Reduce Services

Spend Down Reserves

Future Task Force Meetings

Location: **City Council Chambers**

Dates: **Tuesday, March 25th - 2pm**

Thursday, April 17th - 2pm

Thursday, May 8th - 2pm

All Task Force Meetings are Open to the Public

Frequently Asked Questions

Q Why has City staffing increased from 17 to 20 employees in the past decade?

A Compared to 2015, the City now operates with one additional Police Officer, an Assistant City Administrator, and an additional Records Manager. These positions were added to:

1. Meet demands for more responsive, transparent, and professional law enforcement and general government administration.
2. Accommodate increasingly complex and time-consuming training, records management, programmatic, and planning requirements from the State.

Q Can we raise developer fees by more than annual CPI?

A No. Development fees are required to be tied to actual costs for providing development services, which ours already are.

Frequently Asked Questions

Q Could Clyde Hill merge/ share services with Medina or another city?

A Maybe. The City has had many discussions about this possibility. Here are some issues to think about:

- Chance of service level impacts to residents is high.
- Discussion among Points Cities about sharing services occurs regularly. Opportunity for cost savings and a willing partner has not been identified.
- Residents seem to be less interested in shared services with larger entities such as King County or Bellevue, despite a higher opportunity for cost-savings (but also may result in service level impacts).
- Clyde Hill has one of the lowest tax rates in the County. In a full 2-city consolidation scenario, residents would pay the higher city tax rate.

More Questions?