



City Budget Basics

In the months ahead, City Council will be focusing on the 2013/2014 biennial budget. The budgetary process emphasizes long-range planning and effective program management. Designing a city budget requires a great deal of effort, careful ordering of priorities, and considerable input from residents.

Budget Challenges

West Richland is facing a difficult combination of a challenging economic environment combined with longer-term structural budget imbalances, making budgeting extremely challenging. There is a growing gap in the City's General Fund between revenues and cost of city services. The General Fund is the main operating fund of the City and supports services including public safety, criminal justice, parks, planning and economic development, debt service, and general administration. The City has made a series of cuts in spending over the last several years in an effort to balance the General Fund budget without significantly impacting service level including cuts to personnel, capital, and community events, as well as implementation of employee premium cost sharing for medical.



2013/2014 Biennial Budget

The City's budget development process is centered on the City's newly developed Strategic Plan. The Council has identified seven Strategic Focus Areas and corresponding goals, and staff has identified objectives to meet these goals. The Strategic Focus Areas support the City's long-term vision and mission, and the five-year goals set benchmarks for implementation. The objectives developed by city staff add more specificity identifying the most critical priorities or needs of the City, which Council wants to address in the upcoming budget period.

In August and September, the City Council is expected to review current and forecasted financial trends and begin prioritizing what services the City can afford to provide, at what level, and at what cost to West Richland residents, as well as consider options to address budget challenges. The Mayor and City Council encourage residents to take part in the budget process. This process works to ensure resources are wisely used and to provide adequate funding for services, public facilities, and infrastructure necessary to meet the community's present and future needs. *(cont. next page)*

Meetings

- Aug. 1 West Richland Chamber meeting
Sandberg Event Center - Noon
- Aug. 7 City Council meeting
Library - 7:00 PM
- Aug. 9 Planning Commission meeting
Library - 7:00 PM
- Aug. 13 Economic Development Board mtg.
CANCELLED
- Aug. 21 City Council meeting
Library - 7:00 PM
- Aug. 27 Park Board meeting
Library - 6:30 PM

Primary Election ballots are due August 7th. In West Richland, voters now have a 24 hour secure ballot drop box located at City Hall available until 8:00 pm on Election Day. The 2012 Primary includes offices of U.S. Senate, U.S. Representative, State Legislators, County, Judicial and Precinct Committee Officers.

Prescription Drug Take-Back Day - September 29th. Dispose of unused prescriptions at the West Richland Police Department, 3801 W. Van Giesen Street.

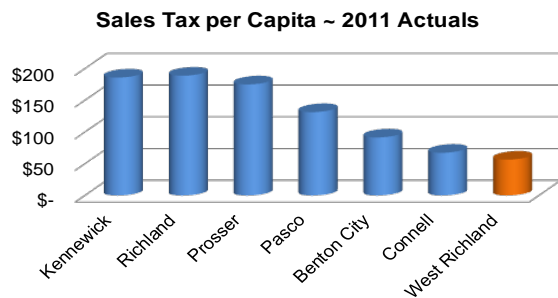
The public can take part in the budget process through City Council Meetings held on the first and third Tuesday of the Month, 7:00 p.m., and budget work sessions as scheduled. Dates and times will be posted on the City's website, please visit www.westrichland.org.

Property Tax

The City's main revenue source, property tax, does not grow at the same pace as costs. Property tax is restricted by State law to a 1% annual increase; this represents \$12,000 a year or less than 1% of total general fund revenue. There are 6 taxing districts in West Richland. Out of every \$1.00 paid for property tax, the City receives 13¢ to fund basic services.



Most cities in Washington rely on a mix of three taxes to fund general fund services including property, retail sales, and utility taxes. West Richland's proximity to major retail centers, such as the Queensgate, in neighboring cities has dampened growth in sales tax revenue. The City's recent residential growth has not yet generated a corresponding increase in sales tax receipts. As a result, West Richland continues to lag behind its neighbors and most cities in the state. West Richland encourages residents to shop locally. A vibrant and flourishing local economy will increase sales tax revenue and reduce the tax burden on home owners.



Did You Know?

The City of West Richland has been impacted by recent reductions and elimination of state shared revenues including city assistance, liquor excise taxes, and liquor profits. The City has relied on these revenues to fund public safety and other services. In an effort to mitigate some loss of state shared revenues, the City of West Richland implemented a cable utility tax becoming effective on August 1, 2012. The cable utility tax is levied on the gross operating revenues earned by private cable companies from operations within the boundaries of a city. The tax is legally levied on the utility, not the customer, and must be paid from utility revenues; however, utilities will often break out the amount of the tax on the customer's bill.

Most cities in Washington collect a cable utility tax. The City of West Richland levies a six percent (6%) cable utility tax, which is below the rate levied by most neighboring cities including Pasco, Richland, and Kennewick. Cities levying a cable utility tax in Benton and Franklin Counties are listed on the table below.

City	Cable Utility Tax Rate
Connell	6%
Kennewick	7%
Pasco	8.50%
Prosser	6%
Richland	7.50%

Association of Washington Cities - 2010 Tax and User Fee Survey