

Pollie McCloskey

From: Debbie Tarry
Sent: Tuesday, July 13, 2021 6:54 PM
To: Pollie McCloskey; John Norris
Subject: Fwd: [EXTERNAL] Consumer Price Index News Release
Attachments: 2022 COLA ESTIMATE PB Query - 2021.07.13.xlsx

Pollie -

Can you make sure to include this information with the Mayor/Dep Mayor agenda? Thanks.

Debbie
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From: Rick Kirkwood <rkirkwood@shorelinewa.gov>
Sent: Tuesday, July 13, 2021 5:54 PM
To: Debbie Tarry; Sara Lane
Cc: Christine Hopkins
Subject: RE: [EXTERNAL] Consumer Price Index News Release

Hi Debbie,

Christy and I worked through the analysis on the impact of the June-to-June percentage change of the CPI-U of 5.52% on currently budgeted salaries and benefits and the property tax levy.

COLA: Providing a 4.00% COLA for employees represented by Teamsters Local 763 and a 5.52% COLA for all other employees is estimated to increase 2022 budgeted salaries and benefits by \$757,000. The estimated increase for the General Fund and Street Fund totals \$576,000. Please keep in mind that the salaries and benefits analysis is not reflective of the current personnel complement and would require creation of Position Budgeting models to fully validate.

Property Tax: Increasing the property tax levy by 5.52%, along with updated forecast of increases of assessed valuation and new construction, is estimated to increase property tax revenue by \$697,000. The levy rate is expected to increase from \$1.21558 to \$1.24785, thereby **increasing** the amount that the following homeowners will pay by:

- 2020 Median Valued Home (\$517,000): \$17
- Home Valued at \$750,000: \$24
- Home Valued at \$1,000,000: \$32

Please let us know if you have any questions.

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Additional COLA Analysis Details:

Refer to the attached spreadsheet and tables below showing our analysis of the net impact of providing a 4.00% COLA for employees represented by Teamsters Local 763 and a 5.52% COLA for all other employees. While the basis for the calculation is the currently budgeted salaries, the "Est. Net Increase" includes the associated benefits that are impacted by changes in salaries (Social Security Replacement, Medicare, PERS, and State Family Medical Leave). In sum, the first table below shows 2022 budgeted salaries and benefits are estimated to increase by \$757,436, comprised of \$60,882 for those represented by Teamsters Local 763 and \$696,554 for all other employees. The second table presents the estimated net increase for the full COLA by fund (refer to the TOTAL DELTA column). The increase to the General Fund (001) and Street Fund (101) totals \$575,758.

Impact of CPI-U on COLA and Benefits	2022 Current Budget for Salaries w/ 1.73% COLA	Est. Net Increase (S&B) for 4.00% COLA	Est. Net Increase (S&B) for 5.52% COLA for Citywide excl. Teamsters	Est. Net Increase (S&B) for the full COLA	Total Estimated Potential Impact
	(A)	(B)	(C)	(D) = (B + C)	(A+D)
Citywide excl. Teamsters Local 763 Represented Employees	\$15,097,583	\$413,433	\$283,121	\$696,554	\$15,794,137
Teamsters Local 763 Represented Employees	\$2,223,277	\$60,882	\$0	\$60,882	\$2,284,159
Total	\$17,320,860	\$474,316	\$283,121	\$757,436	\$18,078,296

CITYWIDE ESTIMATED POTENTIAL IMPACT					
FUND	SALARIES 2022FINAL	4.00% DELTA	5.52% DELTA	TOTAL DELTA	TOTAL POTENTIAL IMPACT
001	\$12,325,975	\$337,535	\$213,808	\$551,343	\$12,877,318
101	\$719,060	\$19,691	\$4,724	\$24,415	\$743,474
109	\$18,814	\$515	\$353	\$868	\$19,682
301	\$77,852	\$2,132	\$772	\$2,903	\$80,756
330	\$1,459,393	\$39,964	\$27,368	\$67,332	\$1,526,725
401	\$1,541,104	\$42,202	\$22,395	\$64,597	\$1,605,701
405	\$1,178,662	\$32,277	\$13,702	\$45,978	\$1,224,640
	\$17,320,860	\$474,316	\$283,121	\$757,436	\$18,078,296

Additional Property Tax Levy Analysis Details:

The property tax levy analysis shows that, had the percentage change of the CPI-U been the same as the forecast 1.73%, the updated forecast increase in assessed valuation, new construction value, etc., would reduce the levy rate from \$1.22 to \$1.20, thereby **reducing** the amount a homeowner of a median assessed value home (at \$517,000) would pay by \$6.35. The impact of increasing the levy by 5.52% increases the levy rate from \$1.22 to \$1.25, thereby **increasing** the amount that homeowner would pay by \$17.

	2020 Forecast (1.73%)	2021 Update (1.73%)	2021 Update (5.52%)
2022	\$14,430,037	\$14,587,345	\$15,127,242
Variance from 2020F		\$157,308	\$697,205
Levy Rate	\$1.21558	\$1.20331	\$1.24785
Property Tax Paid			
\$517,000 AV	\$628.46	\$622.11	\$645.14
Variance from 2020F		(\$6.35)	\$16.68
\$750,000 AV	\$911.69	\$902.48	\$935.89
Variance from 2020F		(\$9.21)	\$24.20
\$1,000,000 AV	\$1,215.58	\$1,203.31	\$1,247.85
Variance from 2020F		(\$12.27)	\$32.27

Rick Kirkwood

Budget and Tax Manager

City of Shoreline

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Budget and Capital Improvement Plan: <http://www.shorelinewa.gov/government/transparency/budget-capital-improvement-plan>

Business Licenses: www.shorelinewa.gov/business/business-licenses

Business & Occupation Tax: <http://www.shorelinewa.gov/businessoccupationtax>

17500 Midvale Ave N, Shoreline, WA 98133-4905



Please consider the environment before printing this e-mail

From: Debbie Tarry <dtarry@shorelinewa.gov>
Sent: Tuesday, July 13, 2021 8:38 AM
To: Sara Lane <slane@shorelinewa.gov>; Rick Kirkwood <rkirkwood@shorelinewa.gov>
Cc: Christine Hopkins <chopkins@shorelinewa.gov>
Subject: RE: [EXTERNAL] Consumer Price Index News Release

Hi –

One more thing. We put a ceiling of 4% in the union contract – so should use that for the union group and then I'd appreciate knowing the difference between 4% and the full CPI for the remaining employees.

Debbie Tarry

City Manager | City of Shoreline

17500 Midvale Avenue N, Shoreline, WA 98133

Pronouns: she/her

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From: Debbie Tarry
Sent: Tuesday, July 13, 2021 8:32 AM
To: Sara Lane <slane@shorelinewa.gov>; Rick Kirkwood <rkirkwood@shorelinewa.gov>
Cc: Christine Hopkins <chopkins@shorelinewa.gov>
Subject: RE: [EXTERNAL] Consumer Price Index News Release

Yes it would be helpful to know. Also the impact on the value of a home for same levels we are doing for Prop 1. I would be interested in knowing the property tax rate also.

Debbie Tarry

City Manager | City of Shoreline

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From: Sara Lane <slane@shorelinewa.gov>
Sent: Tuesday, July 13, 2021 8:14 AM
To: Rick Kirkwood <rkirkwood@shorelinewa.gov>; Debbie Tarry <dtarry@shorelinewa.gov>
Cc: Christine Hopkins <chopkins@shorelinewa.gov>
Subject: RE: [EXTERNAL] Consumer Price Index News Release

Rick, can you calculate the expenditure impact by fund if we were to use the full amount? And also the impact on the Property Tax Levy and rate?

From: Rick Kirkwood <rkirkwood@shorelinewa.gov>
Sent: Tuesday, July 13, 2021 7:23 AM
To: Debbie Tarry <dtarry@shorelinewa.gov>; Sara Lane <slane@shorelinewa.gov>
Cc: Christine Hopkins <chopkins@shorelinewa.gov>
Subject: RE: [EXTERNAL] Consumer Price Index News Release

Hi Debbie and Sara,

The June 2020-to-June 2021 percentage change of the CPI-U included in the 2021-2022 Adopted Biennial Budget is 1.73%. The CPI-U for the Seattle-Tacoma-Bellevue area ([link](#)) was released this morning and the percentage change is 5.52%. As you know, this percentage change is used to calculate the increase of the property tax levy basis, salaries and fees for 2022. Should we proceed with incorporating this level of increase in our mid-biennial budget review of these items?

June 2020 = 281.055
June 2021 = 296.573
The June 2020-to-June 2021 percentage change is 5.52%.

Thanks,

Rick Kirkwood
Budget and Tax Manager
City of Shoreline

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From: Bureau of Labor Statistics <service@subscriptions.bls.gov>
Sent: Tuesday, July 13, 2021 5:34 AM

To: Rick Kirkwood <rkirkwood@shorelinewa.gov>
Subject: [EXTERNAL] Consumer Price Index News Release

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Bureau of Labor Statistics

The latest Consumer Price Index news release has been posted on the BLS website at <https://www.bls.gov/news.release/pdf/cpi.pdf> and also archived at https://www.bls.gov/news.release/archives/cpi_07132021.pdf. Highlights are below.

CPI for all items rises 0.9% in June as many indexes increase

07/13/2021

In June, the Consumer Price Index for All Urban Consumers rose 0.9 percent on a seasonally adjusted basis; rising 5.4 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy increased 0.9 percent in June (SA); up 4.5 percent over the year (NSA).

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