

Amendment #8 to Resolution 31760 - DRAFT

Sponsor: CM Herbold

Civil Rights, Utilities, Economic Development and Arts Committee

Utility Tax Rate Policy Changes: This amendment would set the stage for passing rates ordinance(s) linking SPU’s City utility tax expenditures to inflation for six years resulting in \$62.6 million in deferred tax receipts to the General Fund and a combined average annual rate increase of 5.3 percent. To the extent that utility tax revenue assumptions affect the Mayor’s 2018 Proposed Budget, Council may need to adjust expenditures accordingly

* Council requests Central Staff reconcile all amendments and adjust the 6-year rate path accordingly.

** Council requests Central Staff reconcile all amendments and re-number sections to reflect the cumulative impact of all changes to the resolution.

Section 4. The City Council requests that, absent justifiable circumstances, the Executive submit rates for 2018 through 2023 that support and are consistent with the Plan Update and are no higher than the Plan Update’s ~~5.3~~ 5.5 percent combined 2018-2023 average annual rate path as amended by this resolution and shown in the lower right corner of the table below.

Projected 6-Year Rate Path	2018	2019	2020	2021	2022	2023	2018-2023 Average
Drinking Water	3.5%	4.01%	5.25.1%	5.35.1%	4.14.0%	5.65.4%	4.64.5%
Wastewater	1.2%	12.210.8%	12.611.4%	3.211.4%	4.06.6%	2.72.4%	5.9%
Drainage	7.5%	14.212.8%	15.914.4%	6.114.4%	2.83.9%	7.15.7%	8.88.3%
Solid Waste	3.1%	3.3%	4.64.2%	2.84.2%	3.73.6%	2.92.8%	3.43.3%
Combined	3.2%	8.27.5%	9.58.6%	4.1%	3.74.8%	4.23.8%	5.55.3%

Section . SPU City Utility Tax Expenditures. Council may adjust the proposed utility rate increases in Section 4 to reflect SPU utility tax expenditures growing at no more than the City’s standard inflation rate for a period of six years beginning January 1, 2018 and ending December 31, 2023. Since rates for each line of business are staggered, Council anticipates changes to SPU

utility tax expenditures in 2018 for Water, 2019 for Drainage and Wastewater and 2020 for Solid Waste. Council requests Seattle Public Utilities submit rate ordinances consistent with the change in tax policy.

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