



**City Council Business Agenda Item
City of Kenmore, WA**

<p>Subject/Topic:</p> <p>Price of Government and Tax Comparison Report</p> <p>Proposed Council Action/Motion:</p> <p>Review and discuss attached report and slide presentation</p>	<p>For Council Meeting Agenda of: July 21, 2014</p> <p>Department: City Manager's Office Prepared by: Brett Lee, Management Intern</p> <p align="right"><u>Initial & Date</u></p> <p>Approved by Department Head: _____</p> <p>Approved by City Attorney: _____</p> <p>Approved by Finance Director: _____</p> <p>Approved by City Manager: <u>RLK 7/11/14</u></p> <p>Exhibits/Attachments:</p> <p>Exhibit A: Excel Report Exhibit B: Slide Presentation</p>	
<p>Expenditure Required \$</p> <p>N/A</p>	<p>Amount Budgeted \$</p>	<p>Appropriation Required \$</p>
<p><u>INFORMATION/BACKGROUND:</u></p> <p>At the January 2014 City Council Retreat, Council approved the request from the City Manager's office to conduct a Price of Government and tax comparison report. The Price of Government study examines the percent of personal income that a Kenmore citizen pays to the City. This is calculated by totaling City Revenue as a percentage of Total Citizen Income. This report contains Price of Government data along with tax comparison information.</p>		
<p><u>FISCAL CONSIDERATION:</u></p> <p>N/A</p>		
<p><u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:</u></p> <p>Kenmore Vision Statement: In 2020, we see Kenmore as a community with ... An economic base that provides for the needs of its citizens and provides quality employment opportunities.</p> <p>Goal #9 To establish a long term Financial Plan for the future.</p>		

Exhibit A: Excel Report

Price of Government and Tax Comparison Report

City of Kenmore, Washington
City Council Meeting
July 21, 2014

Brett Lee, Management Intern

Tax Comparison

Price of Government and Tax Comparison Report

City of Kenmore, Washington
City Council Meeting
July 21, 2014

Brett Lee, Management Intern

Property and Sales Tax Comparison

Key	Low	High	Average	Kenmore
-----	-----	------	---------	---------

Table A					
Sales Tax Per Capita					
Total Sales Tax Collected Divided by Population					
City	2009	2010	2011	2012	4-Yr Avg
Kenmore	112	108	103	104	107
Brier	42	47	44	47	45
Lake Forest Park	66	68	75	74	71
Bothell	266	283	265	269	271
Kirkland	276	286	323	248	283
Woodinville	456	414	440	423	433
Maple Valley	90	86	92	108	94
Covington	179	178	189	202	187
Mountlake Terrace	84	85	83	90	85
Average	175	173	179	174	175

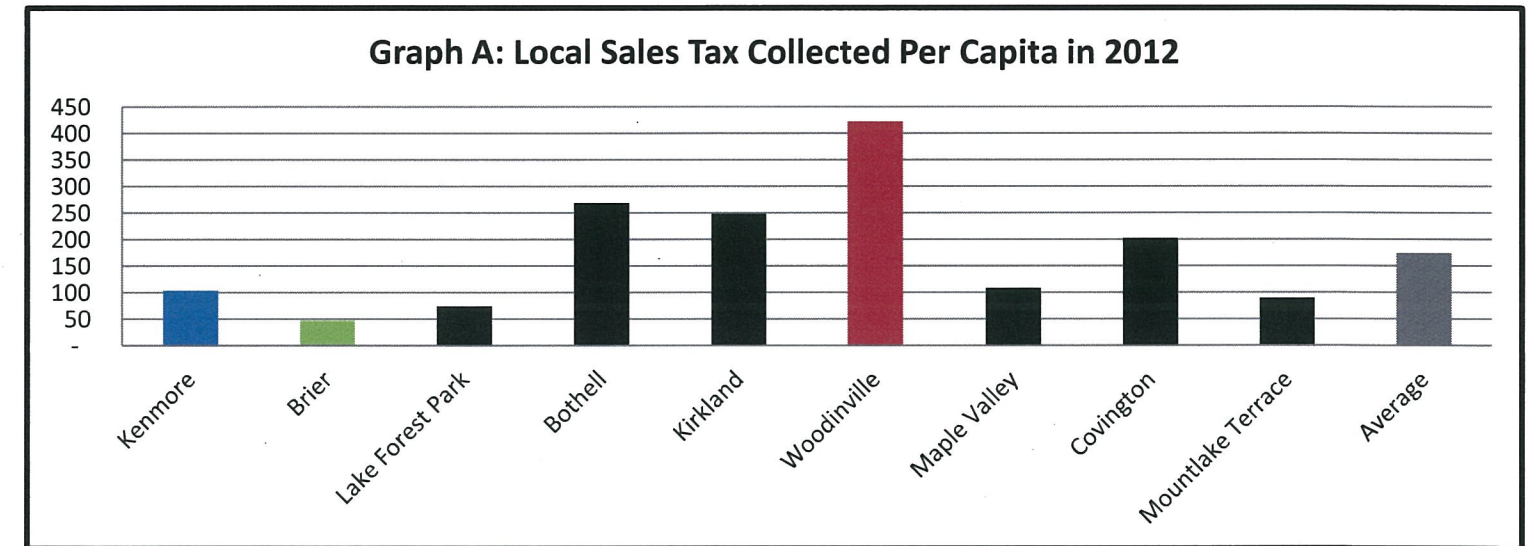


Table B							
Assessed Valuation Per Capita							
Assessed Valuation divided by Total Population (Calculated)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	163,872	136,600	132,693	123,178	120,164	128,827	134,222
Brier	148,939	138,098	124,232	111,085	104,461	115,765	123,763
Lake Forest Park	191,135	165,637	159,283	146,676	146,237	150,534	159,917
Bothell	185,408	171,991	163,492	149,753	149,391	161,162	163,533
Kirkland	263,586	225,278	211,855	175,258	170,291	188,187	205,742
Woodinville	269,537	229,130	219,461	209,165	205,160	218,943	225,233
Maple Valley	123,167	106,492	103,908	97,177	88,443	93,550	102,123
Covington	118,512	100,474	95,623	87,141	82,647	85,692	95,015
Mountlake Terrace	120,105	112,457	101,751	89,358	82,376	88,972	99,170
Average	176,029	154,017	145,811	132,088	127,686	136,848	145,413

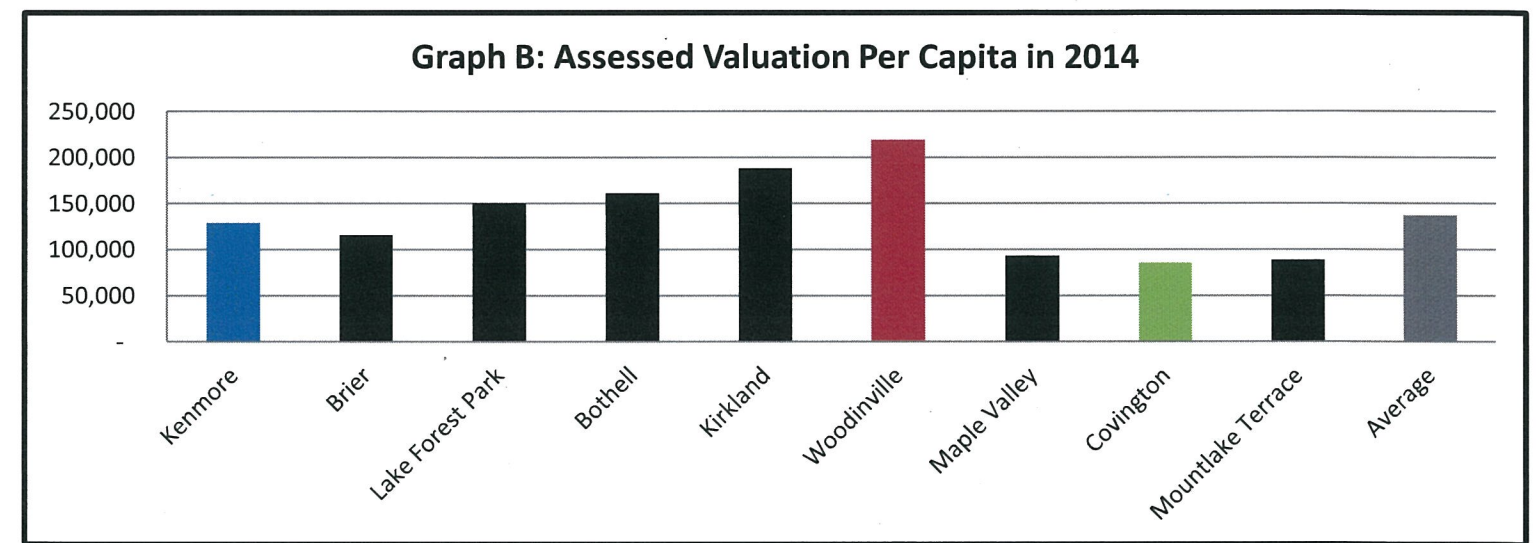


Table C							
Median Home Value							
King County: Assessed Values and Taxes (Total Levy)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	466,400	378,000	338,000	311,000	304,000	330,000	354,567
Brier	408,000	374,600	338,600	303,100	290,700	324,100	339,850
Lake Forest Park	500,600	432,700	366,000	328,000	328,000	343,000	383,050
Bothell	453,000	360,400	338,000	310,000	298,000	343,000	350,400
Kirkland	640,500	511,800	425,000	346,000	331,000	374,000	438,050
Woodinville	510,200	427,700	383,000	358,000	343,000	382,000	400,650
Maple Valley	346,000	294,400	266,000	247,000	225,000	328,000	284,400
Covington	312,700	253,200	247,000	202,000	183,000	196,000	232,317
Mountlake Terrace	285,300	256,200	236,700	204,500	180,200	195,100	226,333
Average	435,856	365,444	326,478	289,956	275,878	312,800	334,402

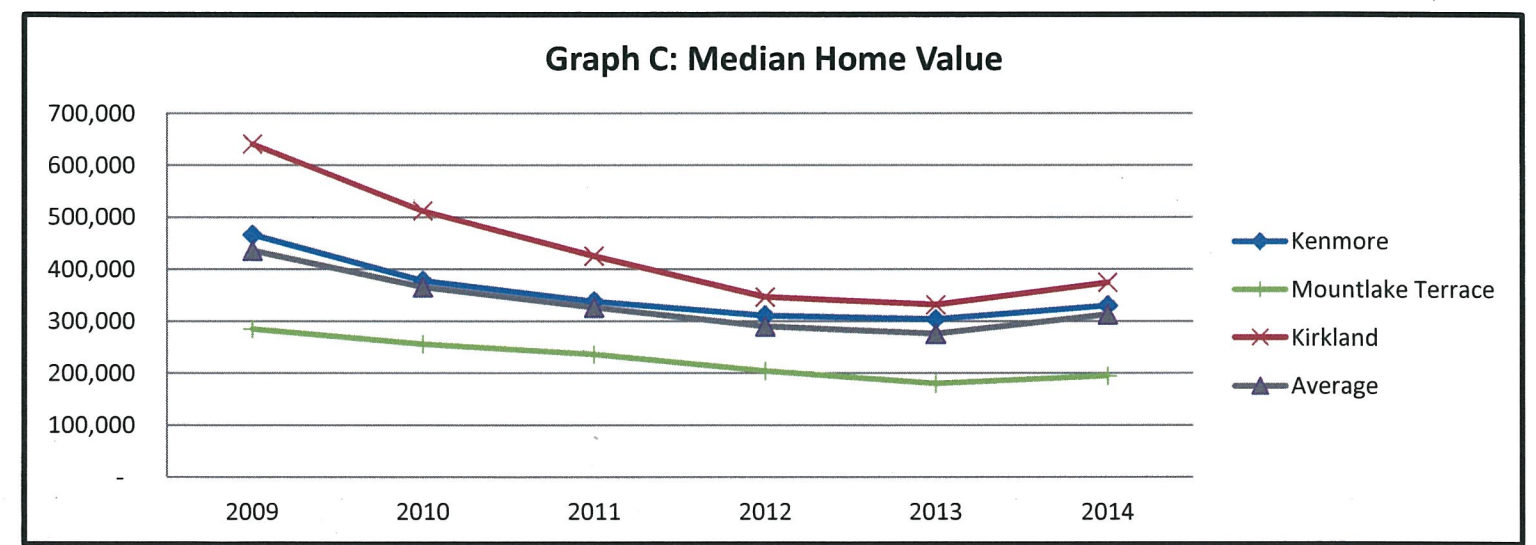


Table D							
Total Property Tax Paid by Median Value Home							
King County: Assessed Value and Taxes (Total Levy)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	4,627	4,401	4,691	4,096	4,279	4,439	4,422
Brier	3,098	3,154	3,255	3,221	3,242	3,445	3,236
Lake Forest Park	5,263	5,321	5,301	4,419	4,596	4,637	4,923
Bothell	4,192	3,798	4,168	3,701	3,828	4,208	3,983
Kirkland	5,016	4,682	4,868	3,647	3,799	4,097	4,351
Woodinville	4,995	4,764	4,916	4,486	4,596	4,900	4,776
Maple Valley	3,554	3,543	3,713	3,395	3,349	3,824	3,563
Covington	3,475	3,193	3,197	2,755	2,639	2,748	3,001
Mountlake Terrace	2,256	2,218	2,335	2,237	2,078	2,158	2,214
Average	4,053	3,897	4,049	3,551	3,601	3,828	3,830

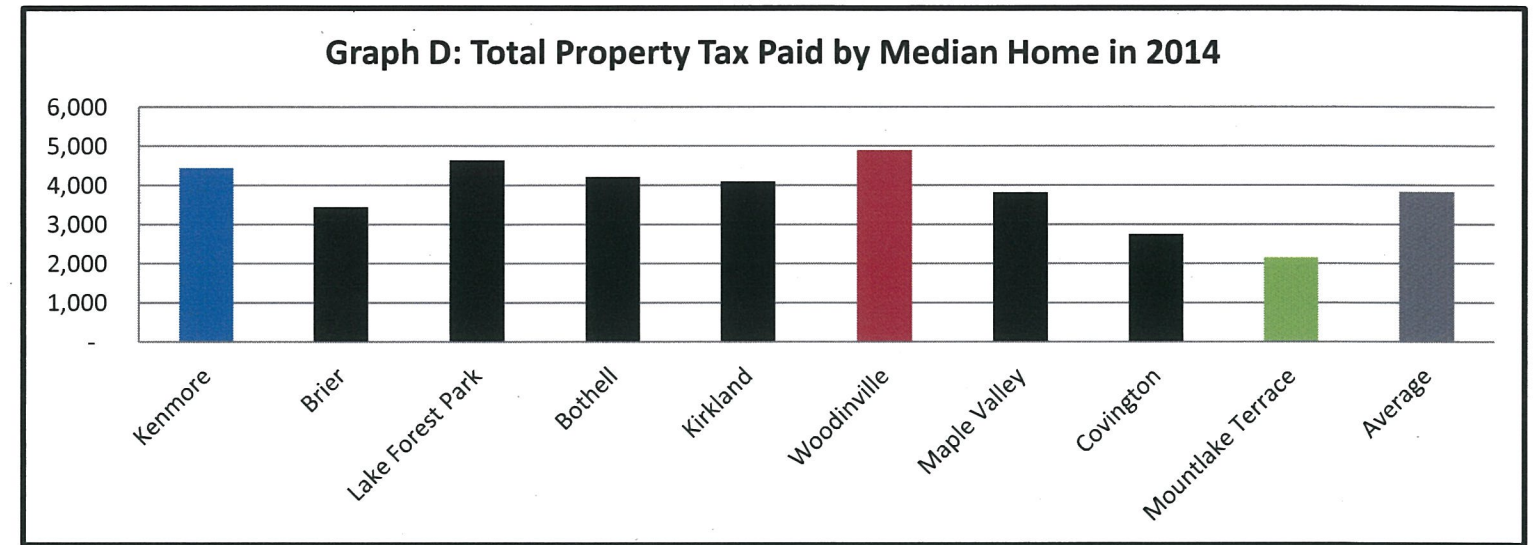


Table E							
Total Property Levy Rate							
King County: Assessed Values and Taxes by City (Total Levy)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	9.92	11.63	12.56	13.17	14.07	13.45	12.47
Brier	7.59	8.42	9.61	10.62	11.15	10.63	9.67
Lake Forest Park	10.51	12.30	12.75	13.47	14.01	13.52	12.76
Bothell	9.25	10.54	11.41	11.94	12.85	12.27	11.38
Kirkland	7.83	9.15	9.66	10.54	11.48	10.95	9.94
Woodinville	9.79	11.14	12.03	12.53	13.40	12.83	11.95
Maple Valley	10.27	12.03	13.01	13.75	14.89	16.07	13.34
Covington	11.11	12.61	13.13	13.64	14.42	14.02	13.16
Mountlake Terrace	7.91	8.66	9.87	10.94	11.53	11.06	9.99
Average	9.35	10.72	11.56	12.29	13.09	12.76	11.63

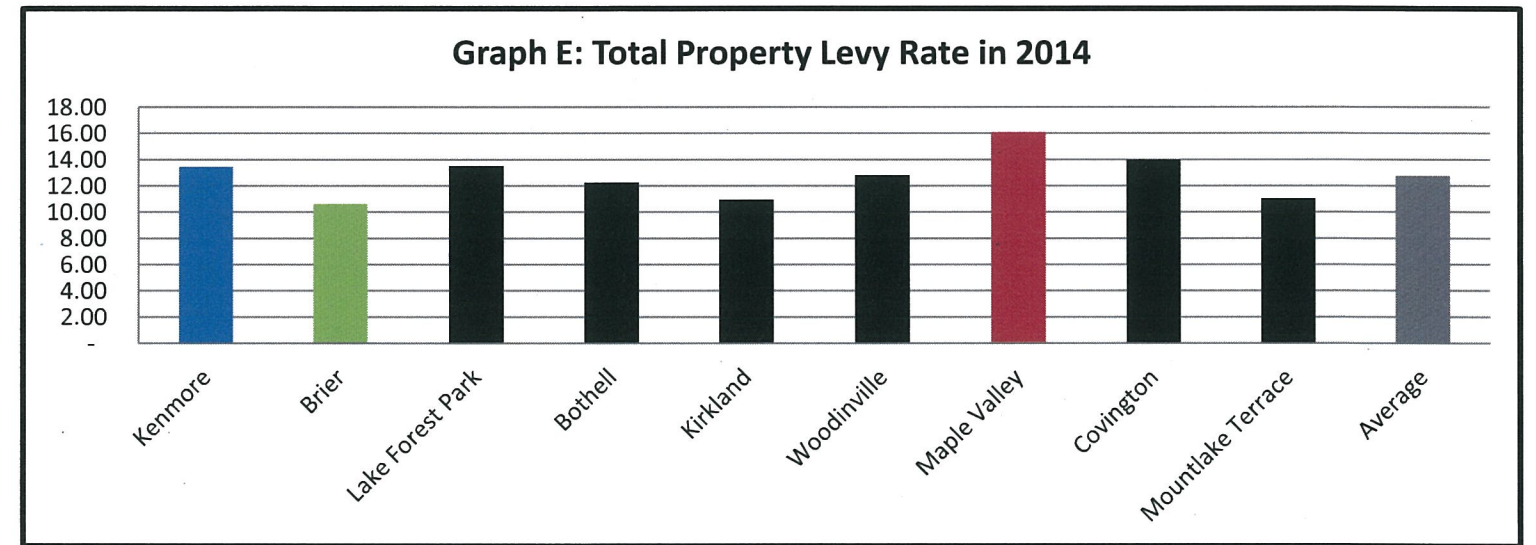
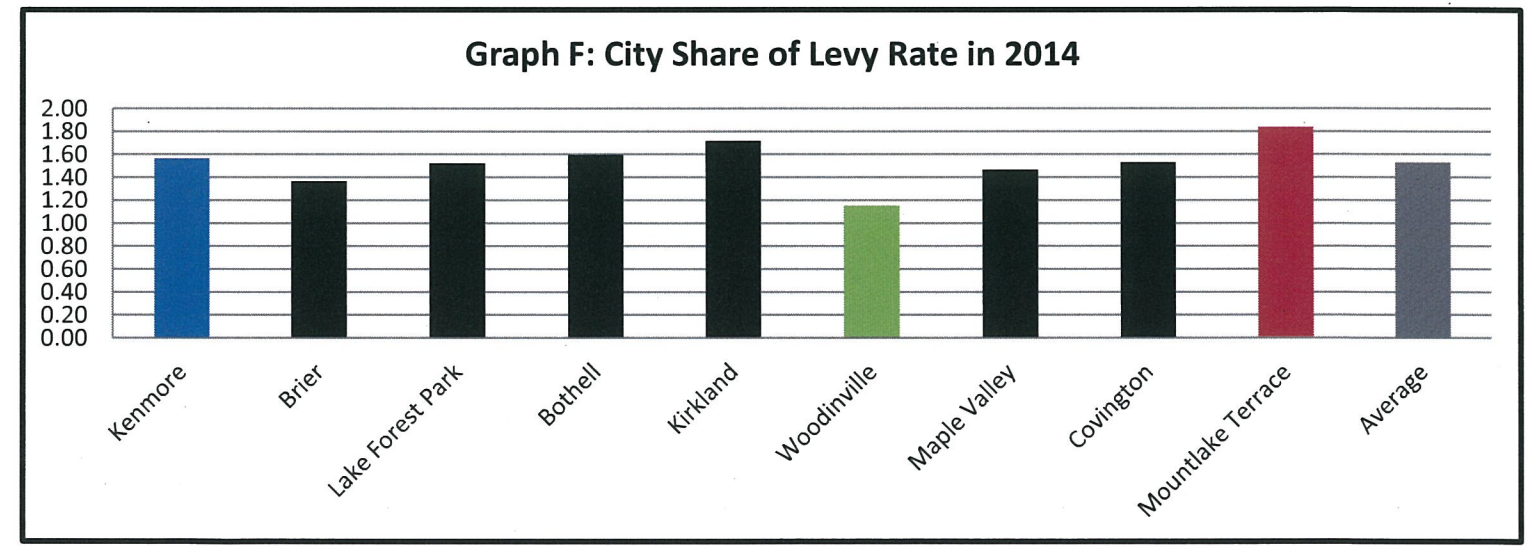


Table F							
City Share of Total Levy Rate							
King County: Assessed Valuations and Taxes (City-Only)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	1.20	1.44	1.48	1.60	1.64	1.56	1.49
Brier	1.01	1.11	1.25	1.41	1.51	1.37	1.28
Lake Forest Park	1.14	1.34	1.40	1.52	1.55	1.52	1.41
Bothell	1.27	1.40	1.49	1.62	1.67	1.60	1.51
Kirkland	1.14	1.29	1.39	1.46	1.87	1.72	1.48
Woodinville	1.02	1.11	1.16	1.21	1.22	1.16	1.14
Maple Valley	1.08	1.25	1.29	1.38	1.55	1.47	1.34
Covington	0.98	1.15	1.36	1.48	1.55	1.53	1.34
Mountlake Terrace	1.27	1.38	1.54	1.77	1.94	1.84	1.62
Average	1.12	1.27	1.37	1.49	1.61	1.53	1.40

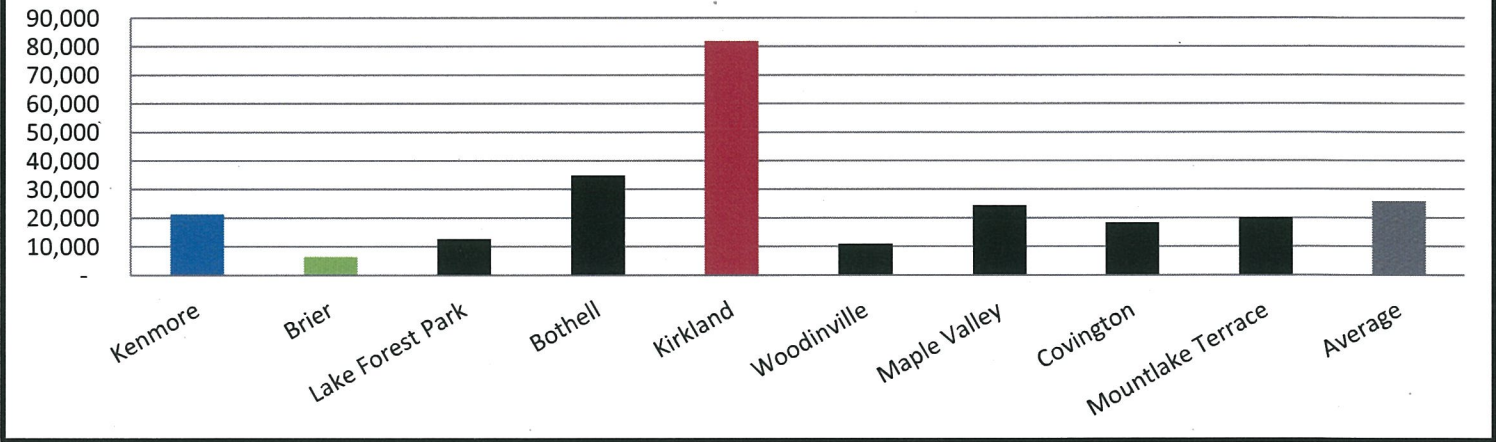


Appendix: Table AA

Population
From the Office of Financial Management

City	2009	2010	2011	2012	2013	2014*
Kenmore	20,263	20,460	20,780	21,020	21,170	21,321
Brier	6,126	6,087	6,100	6,155	6,315	6,479
Lake Forest Park	12,583	12,598	12,610	12,640	12,680	12,720
Bothell	33,361	33,505	33,720	34,000	34,460	34,926
Kirkland	48,449	48,787	49,020	81,480	81,730	81,981
Woodinville	10,095	10,938	10,940	10,960	10,990	11,020
Maple Valley	20,680	22,684	22,930	23,340	23,910	24,494
Covington	17,471	17,575	17,640	17,760	18,100	18,447
Mountlake Terrace	20,009	19,909	19,990	20,090	20,160	20,230
Average	21,004	21,394	21,526	25,272	25,502	25,735

Appendix Graph AA: 2014 Population

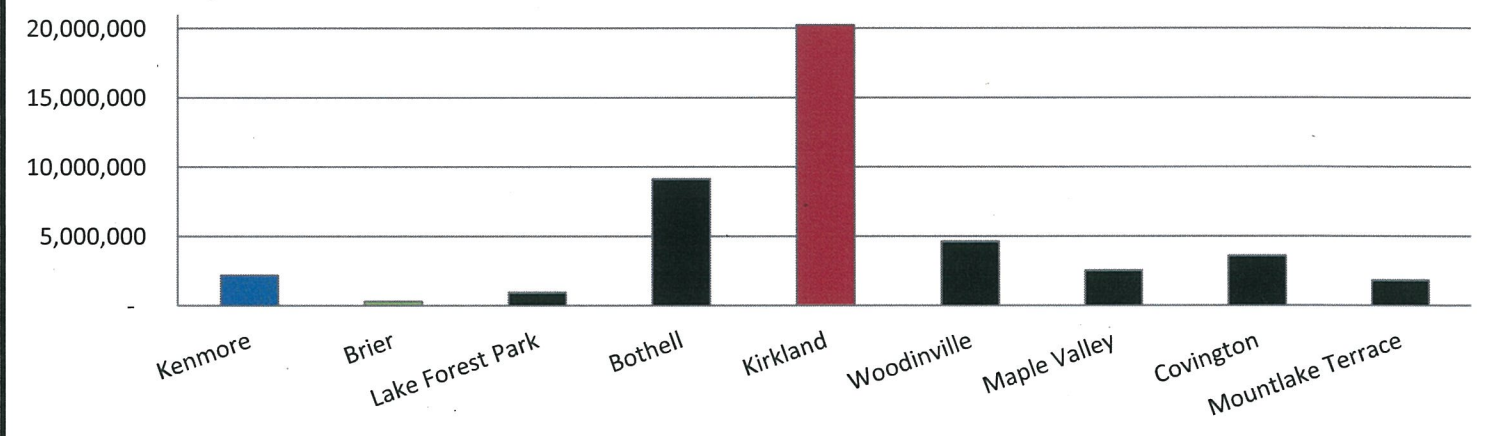


Appendix: Table AB

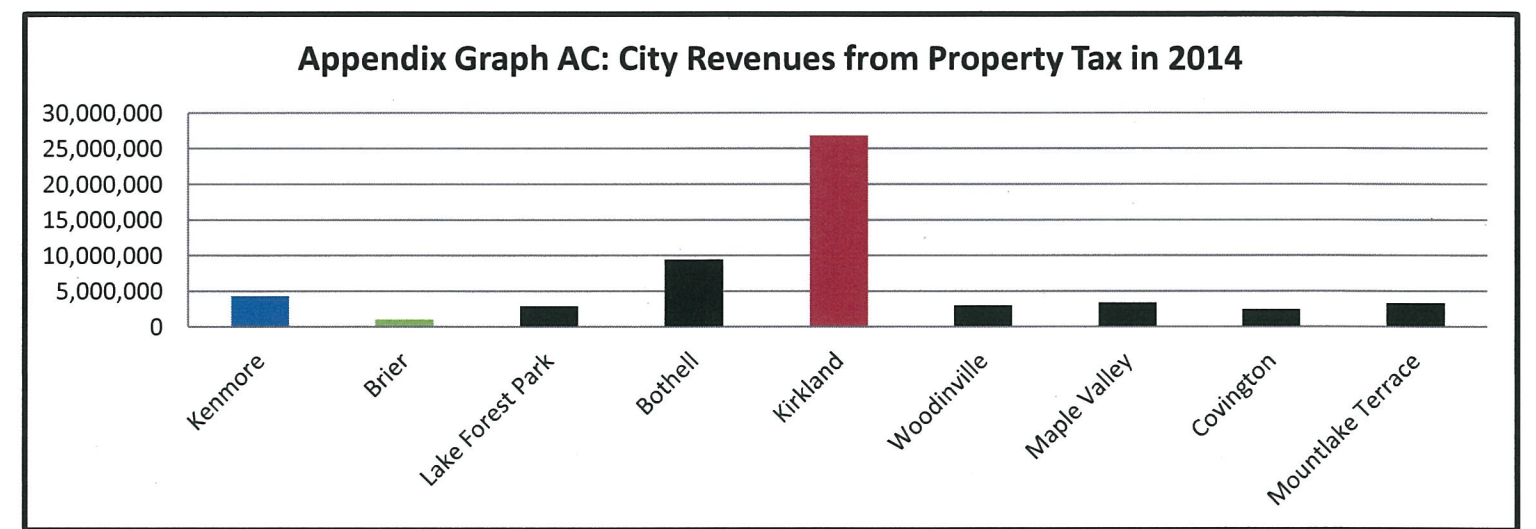
Total Sales Tax Collected
From Individual Cities Audited Annual Reports

City	2009	2010	2011	2012	4-Yr Avg
Kenmore	2,278,780	2,203,379	2,132,546	2,185,498	2,200,051
Brier	260,209	287,945	268,151	289,815	276,530
Lake Forest Park	827,666	852,826	942,087	936,922	889,875
Bothell	8,885,389	9,493,535	8,949,523	9,133,266	9,115,428
Kirkland	13,396,129	13,938,930	15,827,068	20,247,089	15,852,304
Woodinville	4,607,855	4,527,976	4,812,310	4,631,083	4,644,806
Maple Valley	1,865,486	1,958,523	2,100,009	2,528,876	2,113,224
Covington	3,121,376	3,134,048	3,338,239	3,596,215	3,297,470
Mountlake Terrace	1,671,231	1,684,988	1,667,045	1,808,459	1,707,931
Average	4,101,569	4,231,350	4,448,553	5,039,691	4,455,291

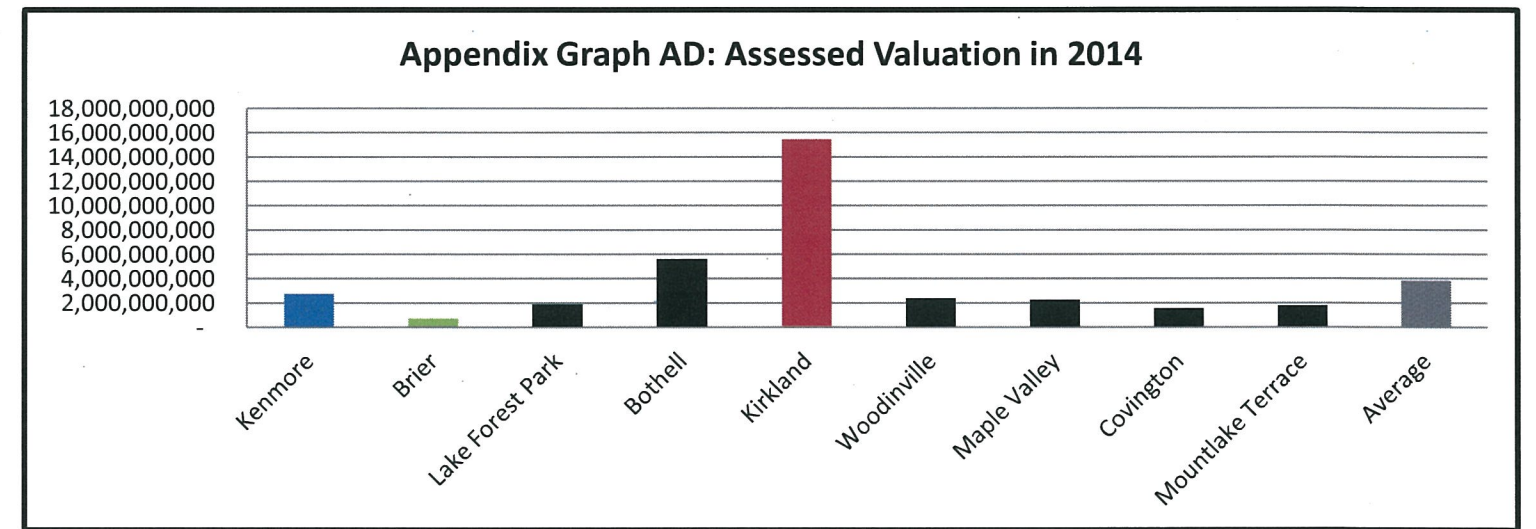
Appendix Graph AB: Total Local Sales Tax Collected in 2012



Appendix: Table AC							
City Property Tax Levy Revenues							
King County: Assessed Valuations and Taxes (City-Only)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	4,015,446	4,067,193	4,124,126	4,172,195	4,218,730	4,323,323	4,153,502
Brier	920,900	932,468	947,011	962,706	994,404	1,026,059	963,925
Lake Forest Park	2,742,646	2,783,787	2,799,174	2,819,541	2,875,874	2,920,505	2,823,588
Bothell	8,476,029	8,857,016	9,044,170	9,144,482	9,293,457	9,444,713	9,043,311
Kirkland	14,908,508	14,603,490	14,852,538	20,988,294	26,328,493	26,826,311	19,751,272
Woodinville	2,934,231	2,934,850	2,944,026	2,963,025	2,982,404	3,006,276	2,960,802
Maple Valley	2,774,251	3,059,587	3,142,475	3,206,348	3,320,289	3,419,850	3,153,800
Covington	2,072,649	2,093,257	2,348,812	2,338,090	2,368,167	2,475,817	2,282,799
Mountlake Terrace	3,050,945	3,088,497	3,128,130	3,175,047	3,214,694	3,305,338	3,160,442
Average	4,655,067	4,713,349	4,814,496	5,529,970	6,177,390	6,305,355	5,365,938



Appendix: Table AD							
Assessed Valuation							
King County: Assessed Valuations and Taxes (City-Only)							
City	2009	2010	2011	2012	2013	2014	6-Yr Avg
Kenmore	3,320,536,600	2,794,844,049	2,757,357,918	2,589,194,565	2,543,874,170	2,746,721,029	2,792,088,055
Brier	912,400,045	840,604,327	757,814,454	683,728,075	659,670,947	750,061,330	767,379,863
Lake Forest Park	2,405,053,494	2,086,691,572	2,008,556,552	1,853,984,776	1,854,285,076	1,914,814,976	2,020,564,408
Bothell	6,185,405,098	5,762,559,537	5,512,934,808	5,091,604,593	5,148,016,639	5,628,778,475	5,554,883,192
Kirkland	12,770,499,212	10,990,618,264	10,385,115,167	14,280,029,212	13,917,848,447	15,427,750,906	12,961,976,868
Woodinville	2,720,979,386	2,506,220,562	2,400,907,944	2,292,444,727	2,254,713,261	2,412,768,838	2,431,339,120
Maple Valley	2,547,086,835	2,415,664,893	2,382,611,585	2,268,115,765	2,114,661,059	2,291,402,027	2,336,590,361
Covington	2,070,516,480	1,765,824,500	1,686,792,763	1,547,624,468	1,495,916,379	1,580,726,191	1,691,233,464
Mountlake Terrace	2,403,174,145	2,238,900,368	2,033,992,888	1,795,193,718	1,660,705,992	1,799,934,852	1,988,650,327
Average	3,926,183,477	3,489,103,119	3,325,120,453	3,600,213,322	3,516,632,441	3,839,217,625	3,616,078,406



Price of Government

Price of Government and Tax Comparison Report

City of Kenmore, Washington
City Council Meeting
July 21, 2014

Brett Lee, Management Intern

Kenmore

Price of Government

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget

Revenues															
Total Revenues	16,858,272	19,766,315	16,405,924	17,871,604	13,231,702	14,628,985	16,643,602	21,360,337	31,751,541	30,781,984	21,961,087	12,751,376	14,742,176	16,715,094	24,016,006
Adjusted Revenues	15,589,173	18,144,713	15,567,946	12,013,086	12,680,859	14,439,518	15,126,863	15,546,967	16,083,263	13,818,878	13,194,751	12,691,077	14,036,856	14,713,979	12,501,996

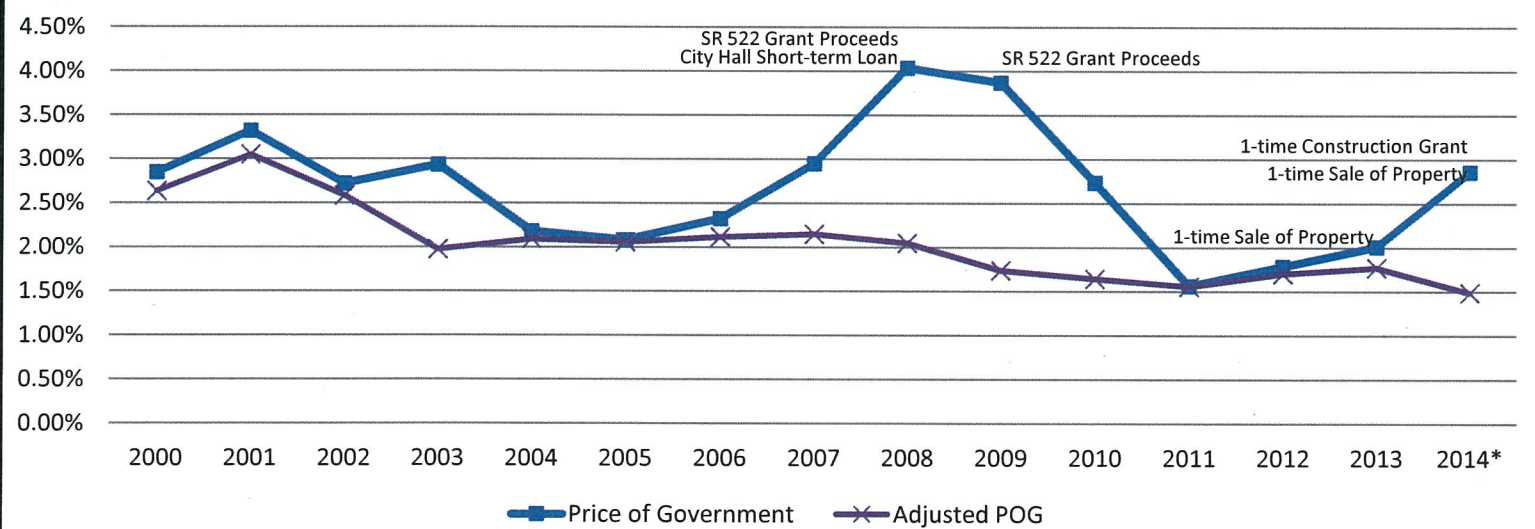
Price of Government															
Price of Government	2.85%	3.32%	2.72%	2.94%	2.18%	2.08%	2.33%	2.95%	4.04%	3.87%	2.74%	1.56%	1.79%	2.01%	2.86%
Adjusted POG	2.63%	3.05%	2.58%	1.97%	2.09%	2.06%	2.11%	2.15%	2.05%	1.74%	1.64%	1.56%	1.70%	1.77%	1.49%

Total Population Income															
Kenmore Population	18,678	18,784	19,020	19,212	19,142	19,227	19,577	19,805	20,035	20,263	20,460	20,780	21,020	21,170	21,405
Per Capita Income	31,692	31,692	31,692	31,692	31,692	36,543	36,543	36,543	39,234	39,234	39,234	39,234	39,234	39,234	39,234
Total Population Income	591,943,176	595,302,528	602,781,840	608,866,704	606,648,264	702,612,261	715,402,311	723,734,115	786,053,190	794,998,542	802,727,640	815,282,520	824,698,680	830,583,780	839,791,323

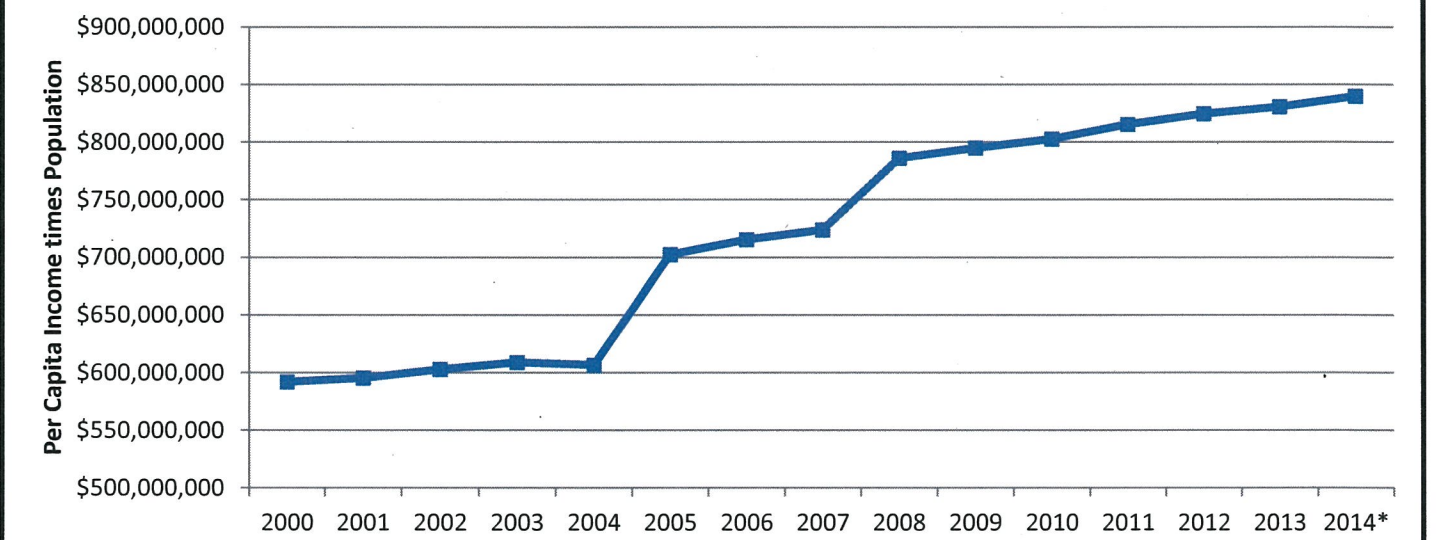
Definitions

Price of Government	Revenues as a percentage of Citizen Income, showing how much of a citizen's income is allocated towards local government. Different definitions of 'revenue' impact the POG.
Total Revenue	All Revenue the City receives, regardless of source. This includes revenues exclusive to large cities like utility revenue and one-time revenues like state/federal grants and long-term debt proceeds
Adjusted Revenue	The attempt to smooth out and normalize the revenue by adjusting for contract differences like utility revenues and by eliminating one-time revenues
Actual Price of Government	The ratio of how much of a citizen's income is allocated to local government using Total Revenue. Divide Total Revenue by the Kenmore Population Income
Adjusted POG	The ratio of how much of a citizen's income is allocated to local government using Adjusted Revenue. Divide Adjusted Revenue by the Kenmore Population Income
Kenmore Population	From the Washington Office of Financial Management
Per Capita Income	From the Five-Year Per Capita Income Estimates from the United States Census Bureau
Total Population Income	Calculated by multiplying the per capita income by the total population

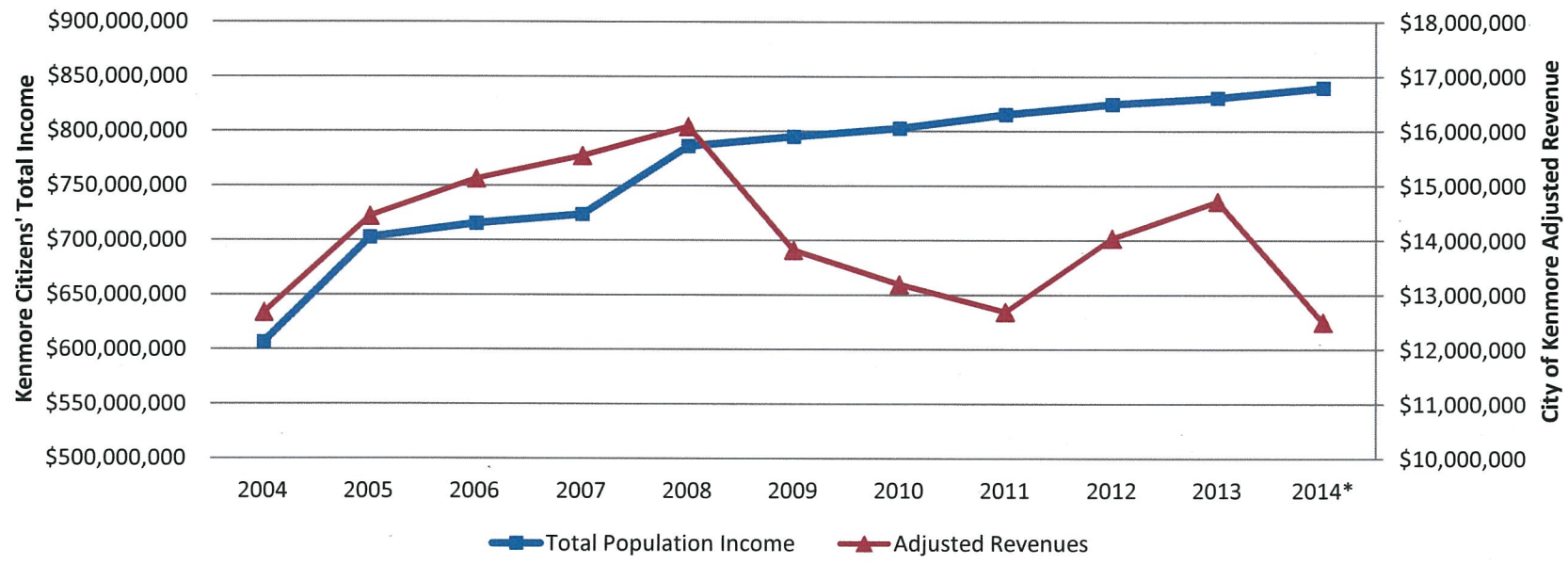
Graph G: Kenmore Price of Government



Graph H: Kenmore Citizens' Total Income



Graph I: Kenmore Citizens' Total Income vs. Kenmore Adjusted Revenues



Price of Government: City Comparison

These tables show a comparison of Kenmore against 9 nearby cities. Audited 2013-2014 data is not available for cities besides Kenmore. Because of this, the "Average" percentages Kenmore is projected against in 2013 and 2014 is a forecasted trend line based on previous 2009-2012 data.

Key	Low POG	High POG	Avg. POG	Kenmore
-----	---------	----------	----------	---------

Table J							
Actual Price of Government							
No Adjustments to Total Revenues							
City	2009	2010	2011	2012	2013*	2014*	4-Yr Avg
Kenmore	3.87%	2.74%	1.56%	1.79%	2.01%	2.86%	2.49%
Brier	1.88%	1.91%	1.95%	1.98%			1.93%
Lake Forest Park	1.61%	1.66%	2.10%	2.10%			1.86%
Bothell	4.67%	7.33%	7.32%	5.68%			6.25%
Kirkland	4.22%	5.57%	5.06%	3.44%			4.57%
Woodinville	3.22%	2.90%	2.43%	2.55%			2.77%
Maple Valley**	1.67%	1.72%	1.89%	2.11%			1.85%
Covington	2.54%	2.61%	2.20%	2.96%			2.58%
Mountlake Terrace	4.33%	5.66%	4.40%	5.56%			4.99%
Average	3.11%	3.57%	3.21%	3.13%	3.18%	3.15%	3.25%

*Average POG in 2013 and 2014 is forecasted

**Kenmore is lowest, Maple Valley is included as next lowest

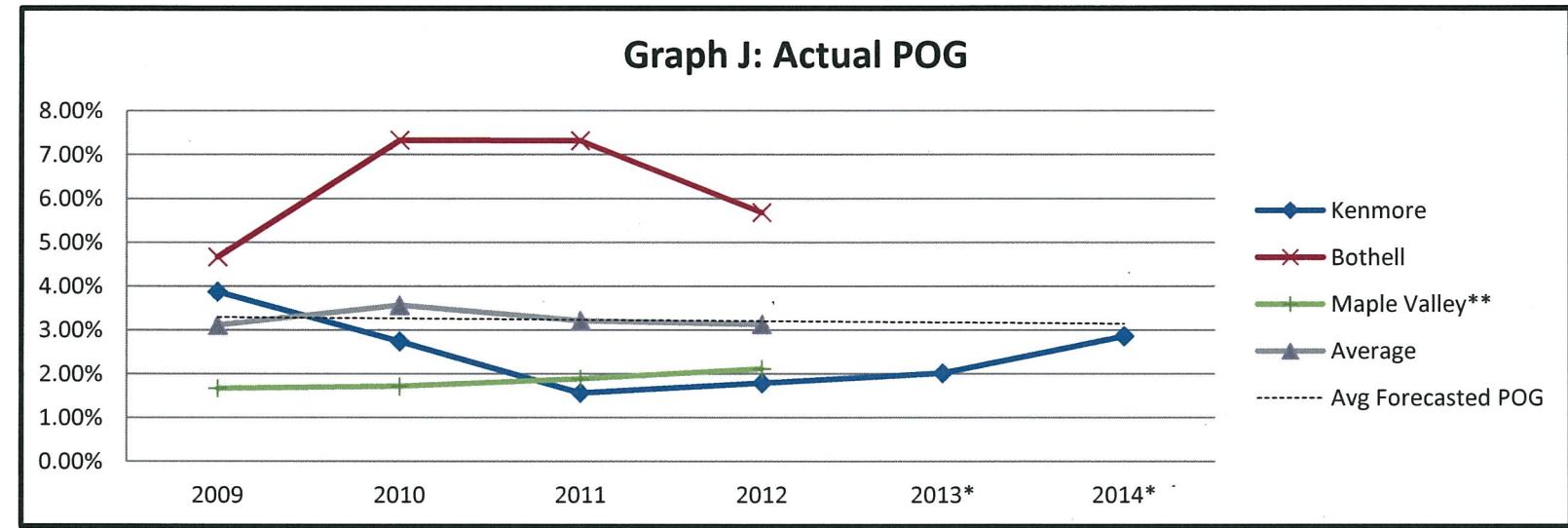


Table K							
Adjusted POG							
Adjusted for Contracts and One-Time Revenues							
City	2009	2010	2011	2012	2013*	2014*	4-Yr Avg
Kenmore	1.74%	1.64%	1.56%	1.70%	1.77%	1.49%	1.66%
Brier	1.86%	1.88%	1.94%	1.97%			1.91%
Lake Forest Park	1.59%	1.65%	2.05%	2.08%			1.84%
Bothell	3.00%	3.14%	2.86%	3.30%			3.07%
Kirkland	2.36%	2.33%	2.74%	2.06%			2.37%
Woodinville	2.68%	2.66%	2.38%	2.52%			2.56%
Maple Valley**	1.53%	1.54%	1.81%	1.85%			1.68%
Covington	2.40%	2.21%	2.06%	2.71%			2.34%
Mountlake Terrace	3.15%	3.30%	3.27%	3.17%			3.22%
Average	2.26%	2.26%	2.30%	2.37%	2.39%	2.43%	2.30%

*Average Adjusted POG in 2013 and 2014 is forecasted

**Kenmore is lowest, Maple Valley is included as next lowest

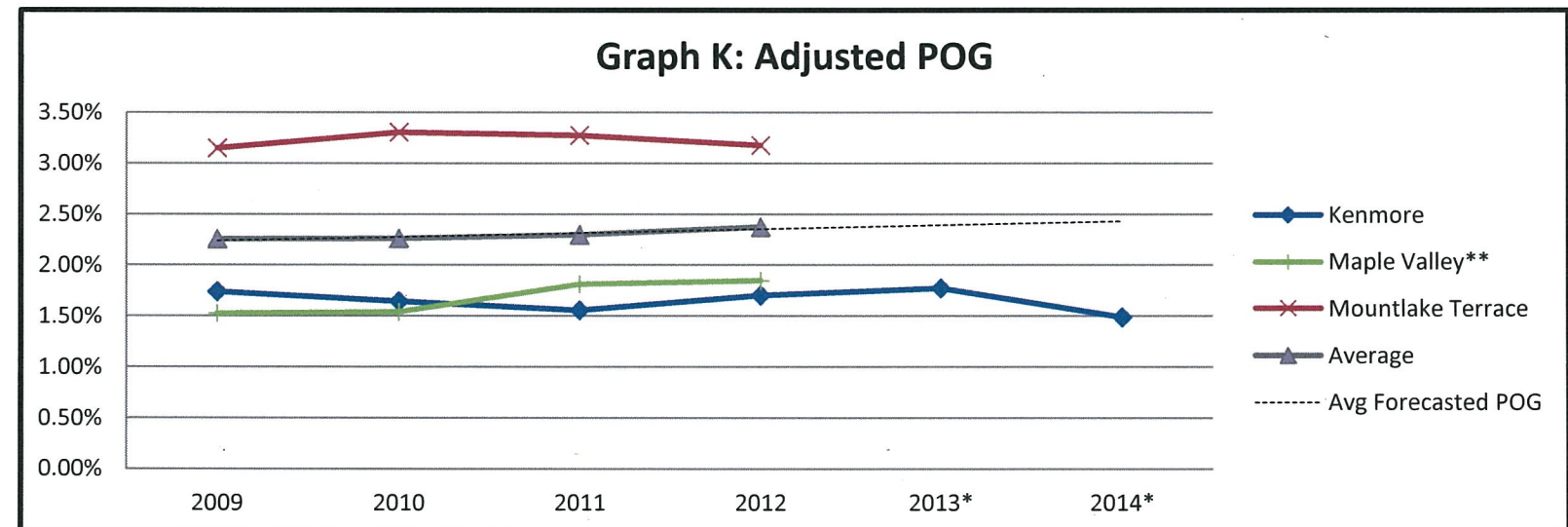
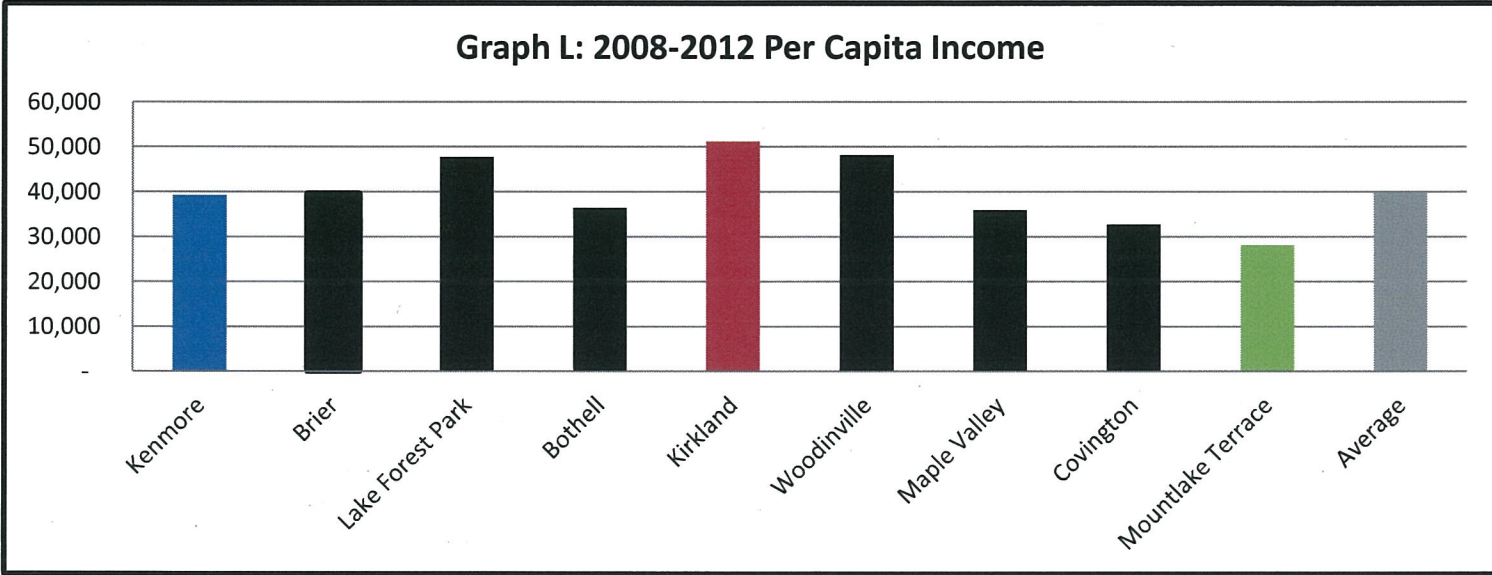


Table L	
Per Capita Income for 2008-2012	
City	Per Capita Income
Kenmore	39,234
Brier	39,686
Lake Forest Park	47,775
Bothell	36,455
Kirkland	51,229
Woodinville	48,181
Maple Valley	35,937
Covington	32,776
Mountlake Terrace	28,152
Average	39,936



POG Difference Summary: Low Tax Base City Comparison

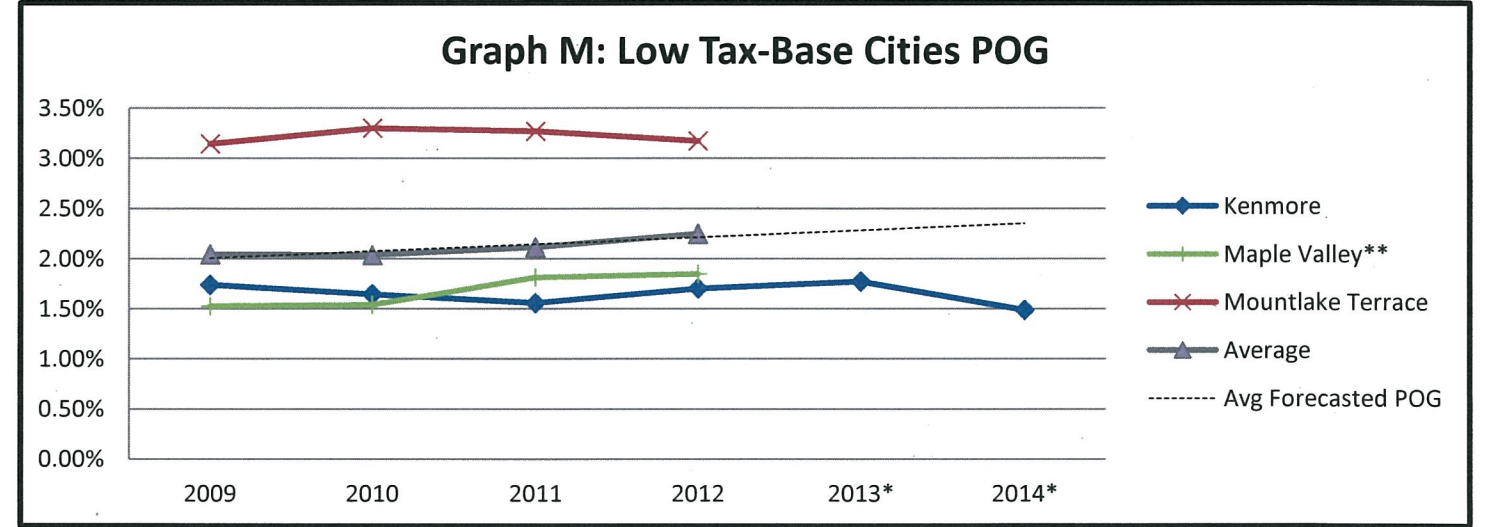
To obtain a more apples-to-apples Adjusted Price of Government comparison, the table below depicts only the 6 Low Tax Base Cities from the previous 9 city research. Adjusted POG is used, meaning non-contract revenues/expenses and one-time revenues are excluded. The second table shows what Kenmore actually collected in revenue each year, compared against what the City hypothetically could have collected in revenue if Kenmore's POG was the average of the 6 Low Tax Base Cities. The Difference in Kenmore Actual versus Average Expected shows the additional revenue the City would collect if Kenmore Citizen's Price of Government was the average of the 6 Low Tax Base Cities.

Key	Low POG	High POG	Avg. POG	Kenmore
-----	---------	----------	----------	---------

City	2009	2010	2011	2012	2013*	2014*	4-Yr Avg
Kenmore	1.74%	1.64%	1.56%	1.70%	1.77%	1.49%	1.66%
Brier	1.86%	1.88%	1.94%	1.97%			1.91%
Lake Forest Park	1.59%	1.65%	2.05%	2.08%			1.84%
Maple Valley**	1.53%	1.54%	1.81%	1.85%			1.68%
Covington	2.40%	2.21%	2.06%	2.71%			2.34%
Mountlake Terrace	3.15%	3.30%	3.27%	3.17%			3.22%
Average	2.04%	2.04%	2.11%	2.25%	2.28%	2.35%	2.11%

*Average POG in 2013 and 2014 is forecasted, Kenmore Revenue in 2014 is forecasted

**Kenmore is lowest, Maple Valley is included as next lowest



Revenue and Income Information	2009	2010	2011	2012	2013*	2014*	6-Yr Avg.
Total Population Income (Total Population multiplied by Per Capita Income)	794,998,542	802,727,640	815,282,520	824,698,680	830,583,780	839,791,323	809,426,846
Kenmore's Revenue (Modified for contracts and one-time revenues)	13,818,878	13,194,751	12,691,077	14,036,856	14,713,979	12,501,996	13,435,391
Average Expected Revenue (6-City Avg POG as % of Kenmore Pop. Income)	16,238,011	16,349,592	17,235,615	18,536,797	18,937,310	19,735,096	17,090,004
Difference in Kenmore Actual versus Average Expected	2,419,133	3,154,841	4,544,538	4,499,941	4,223,331	7,233,100	3,654,613

*Average POG in 2013 and 2014 is forecasted, Kenmore Revenue in 2014 is forecasted

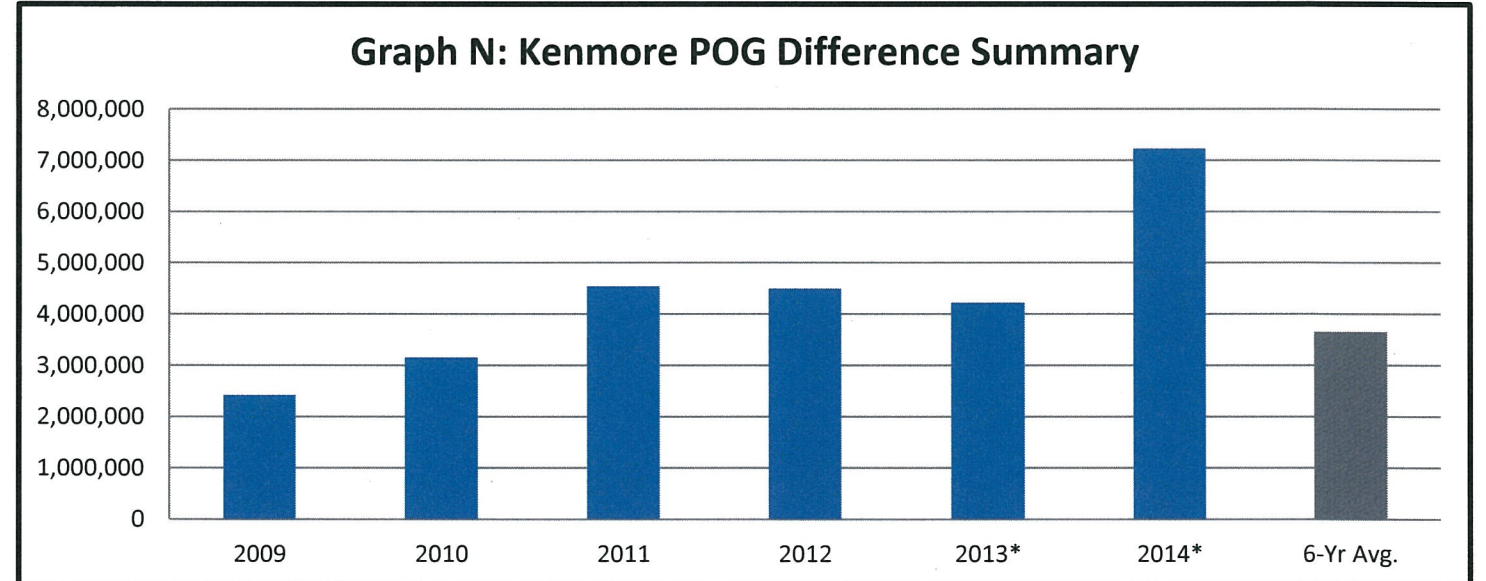


Exhibit B: Slide Presentation

Price of Government and Tax Comparison Report

City of Kenmore, Washington
City Council Meeting
July 21, 2014

Brett Lee, Management Intern

PRICE OF GOVERNMENT AND TAX COMPARISON REPORT

City of Kenmore – City Council Meeting
July 21, 2014

Outline

Property and
Sales Tax
Comparison

The Price of
Government

Property and Sales Tax Comparison

Why Compare Property and Sales Tax?

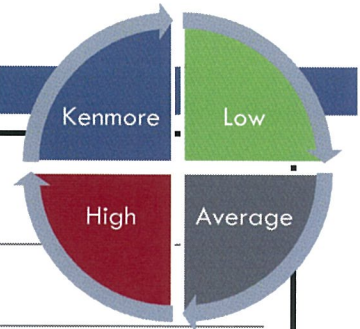
Understand where
Kenmore Stands
among Peers

Address
Misconceptions

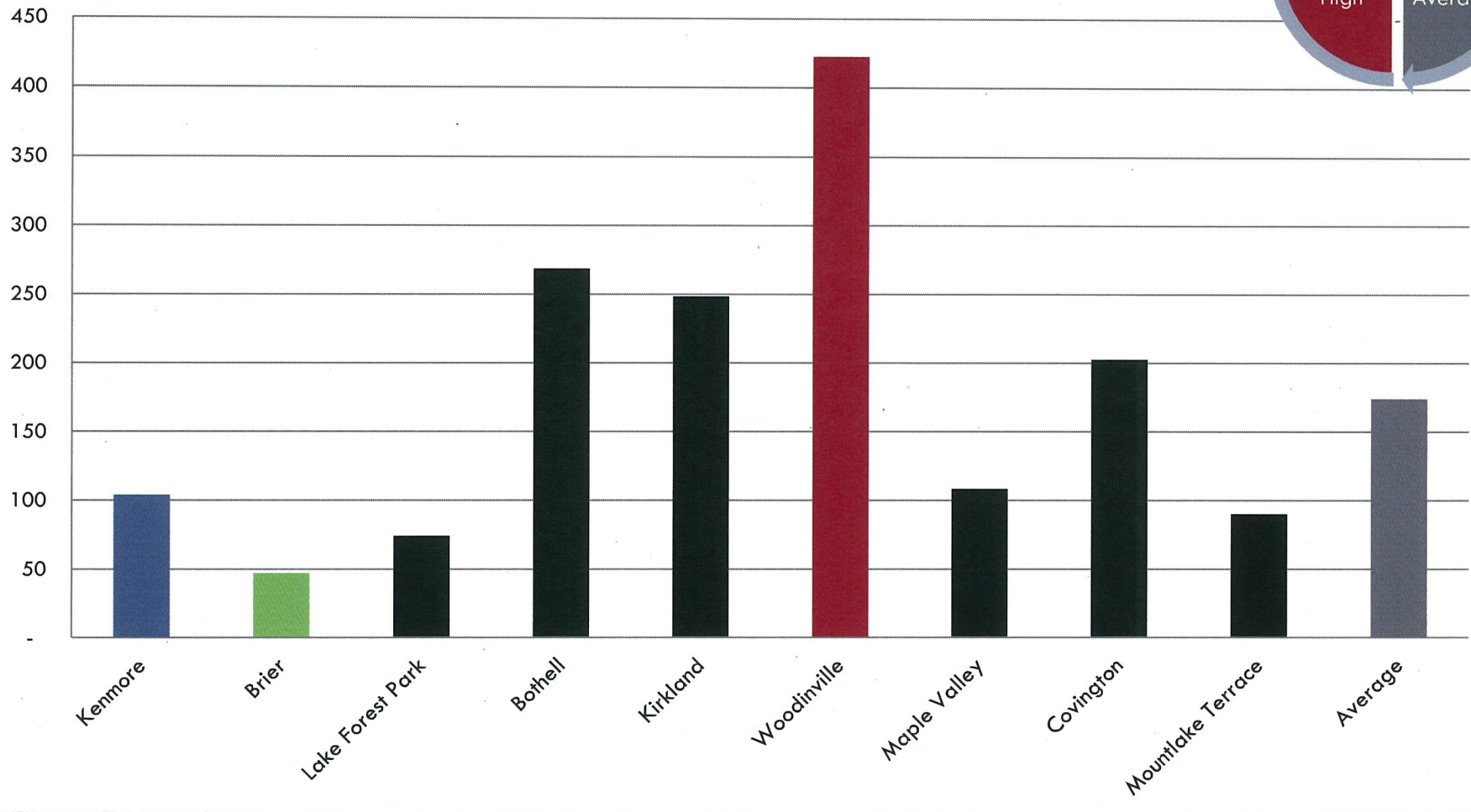
Two Caveats

- There are major differences in tax bases in some cities
- This only highlights two sources of revenue, and does not represent the full picture

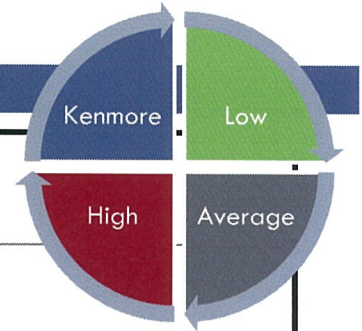
Sales Tax Comparison



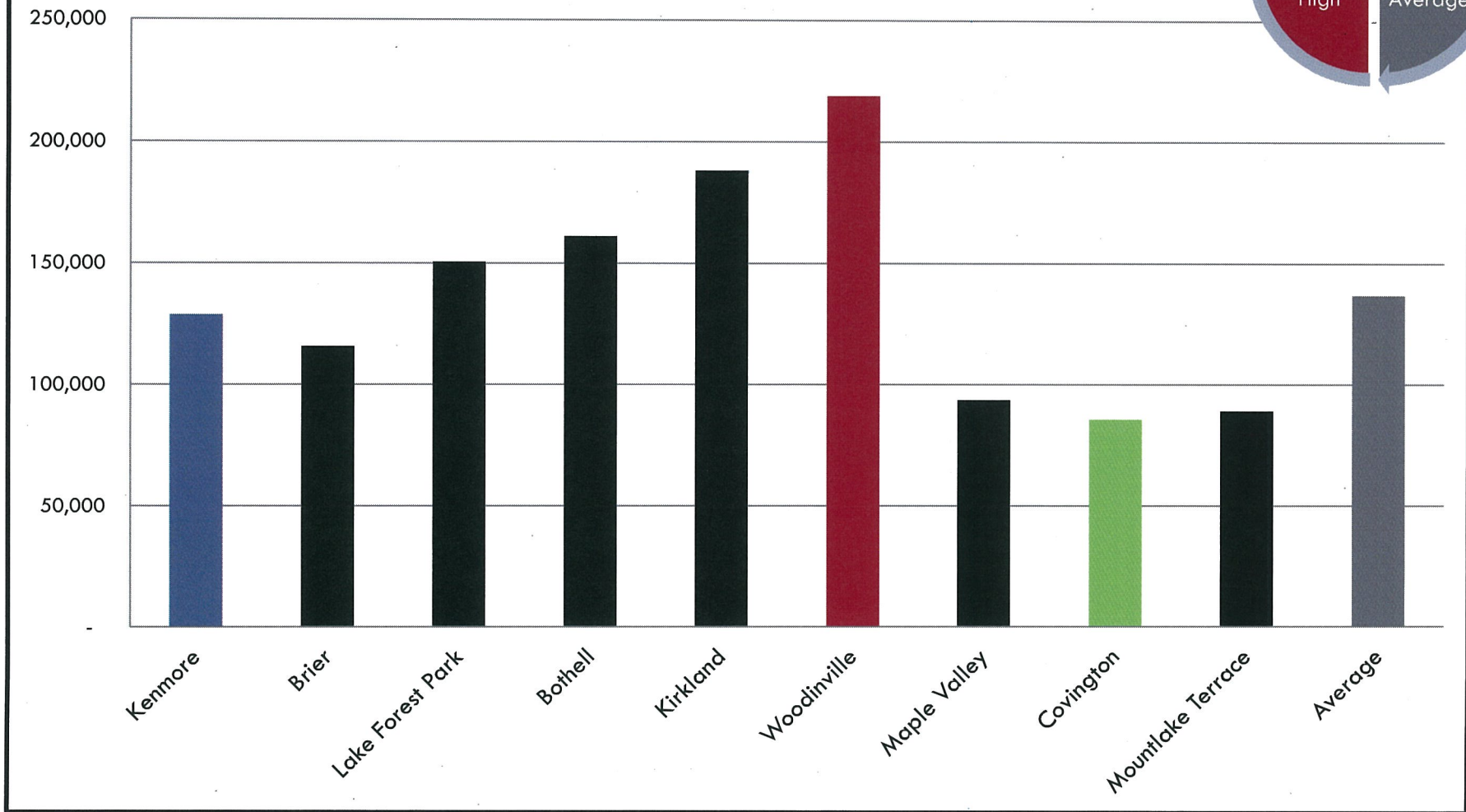
Graph A: Local Sales Tax Collected Per Capita in 2012



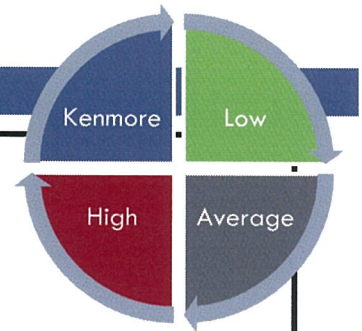
Property Tax Comparison



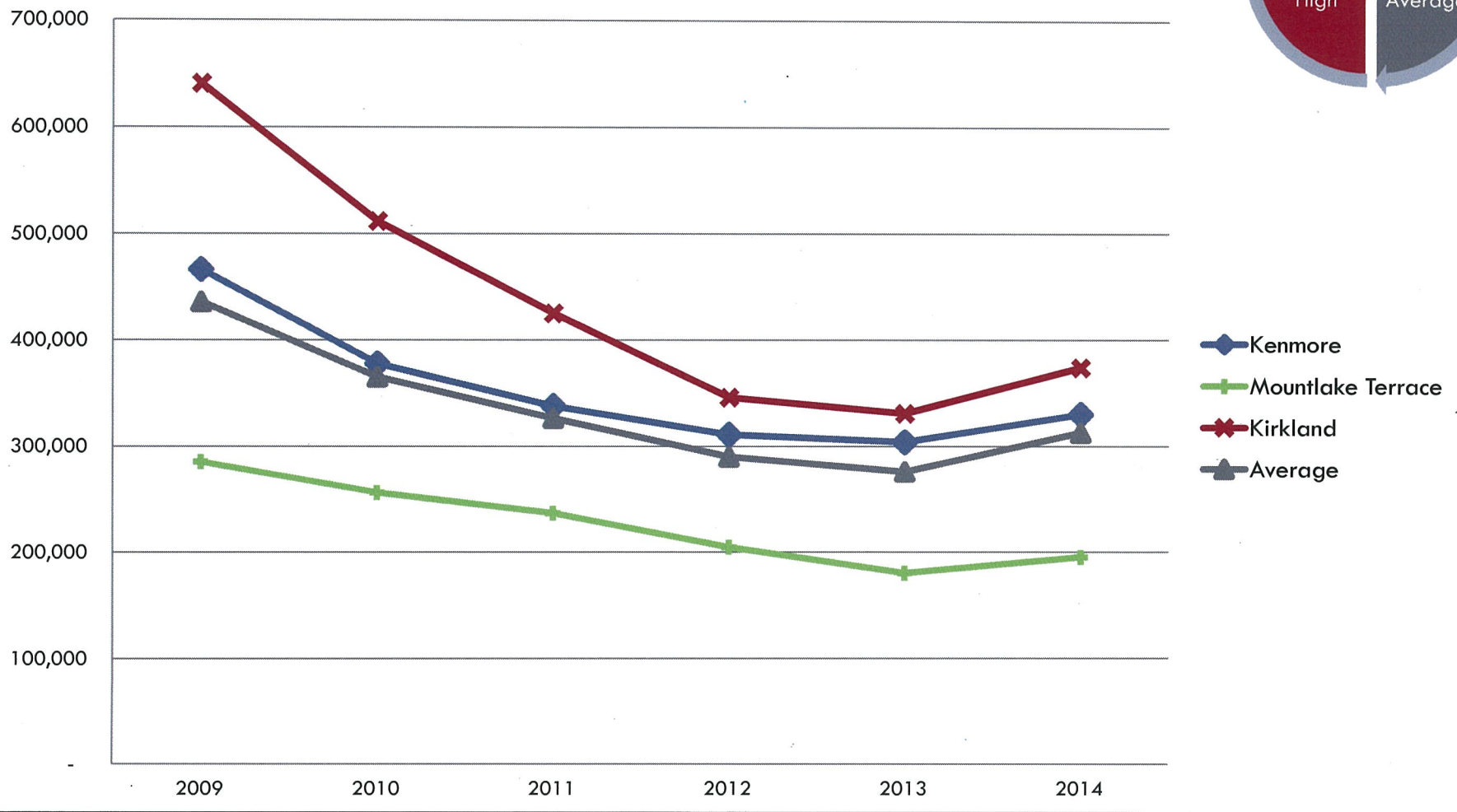
Graph B: Assessed Valuation Per Capita in 2014



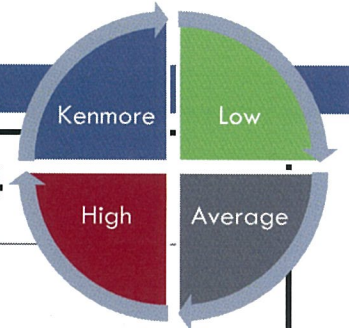
Property Tax Comparison



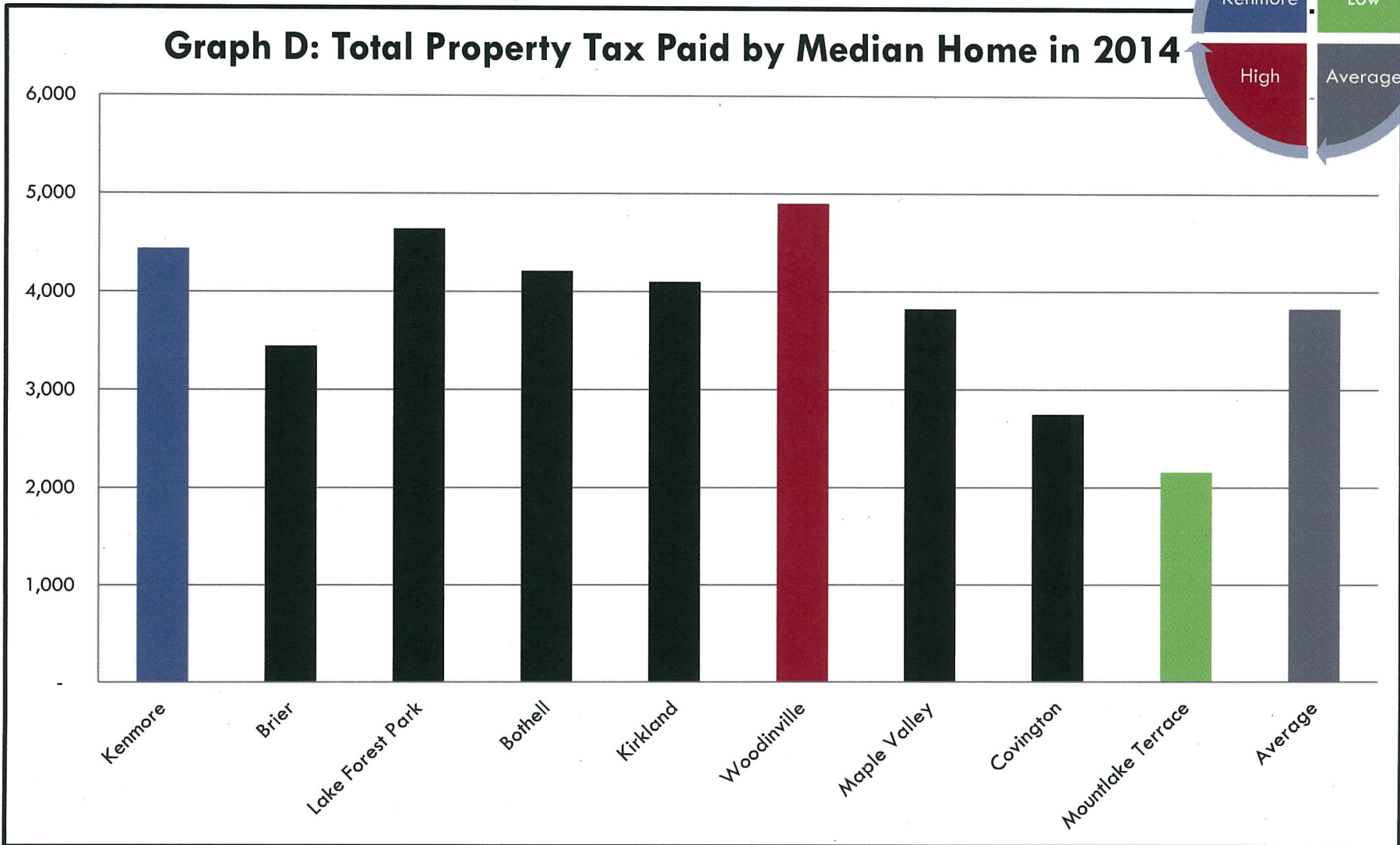
Graph C: Median Home Value



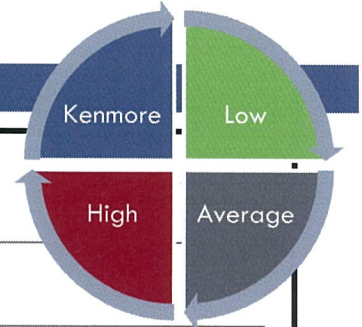
Property Tax Comparison



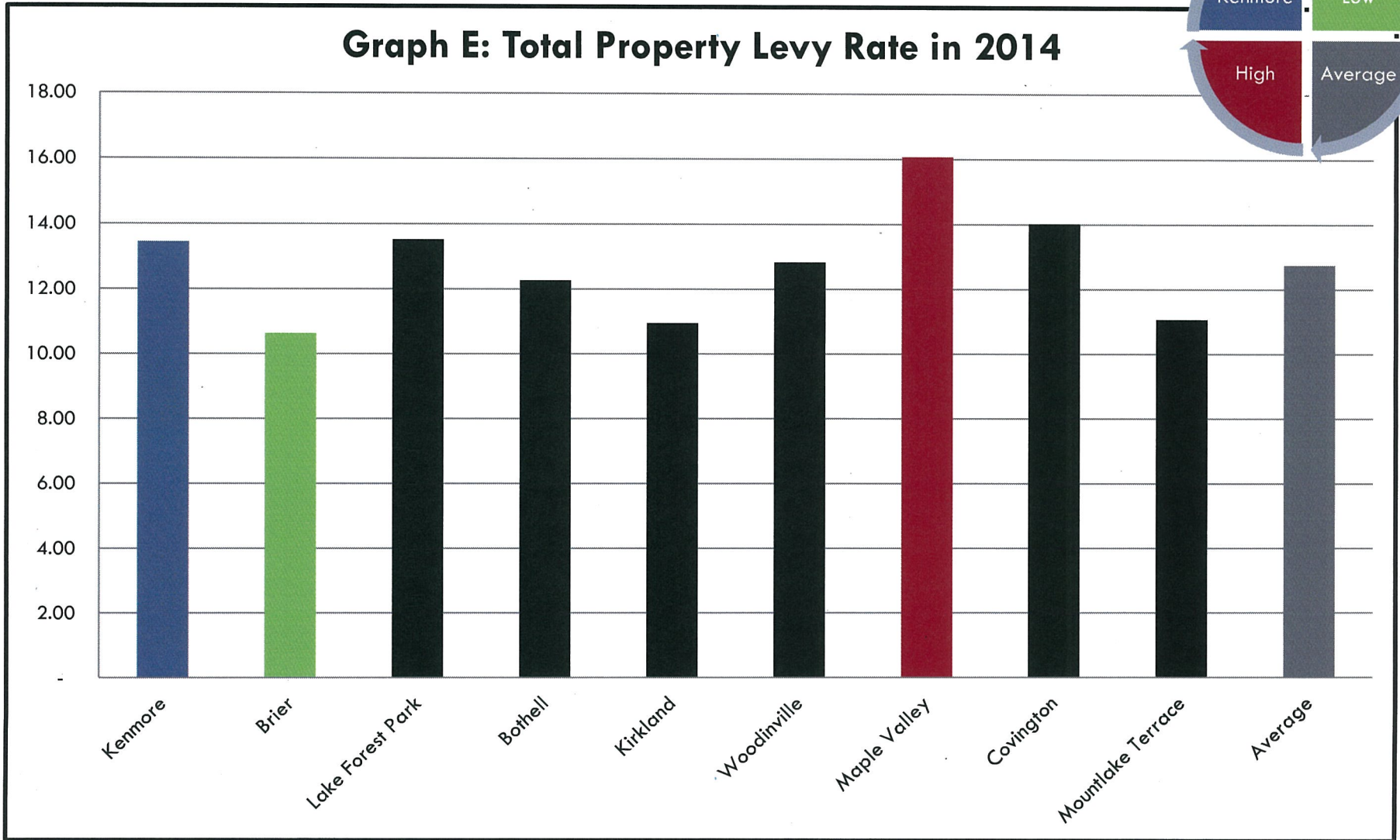
Graph D: Total Property Tax Paid by Median Home in 2014



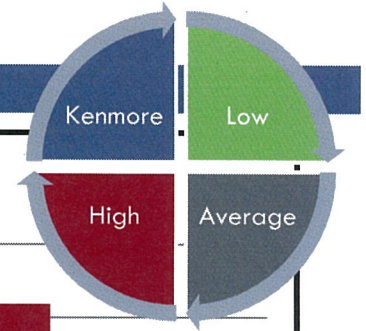
Property Tax Comparison



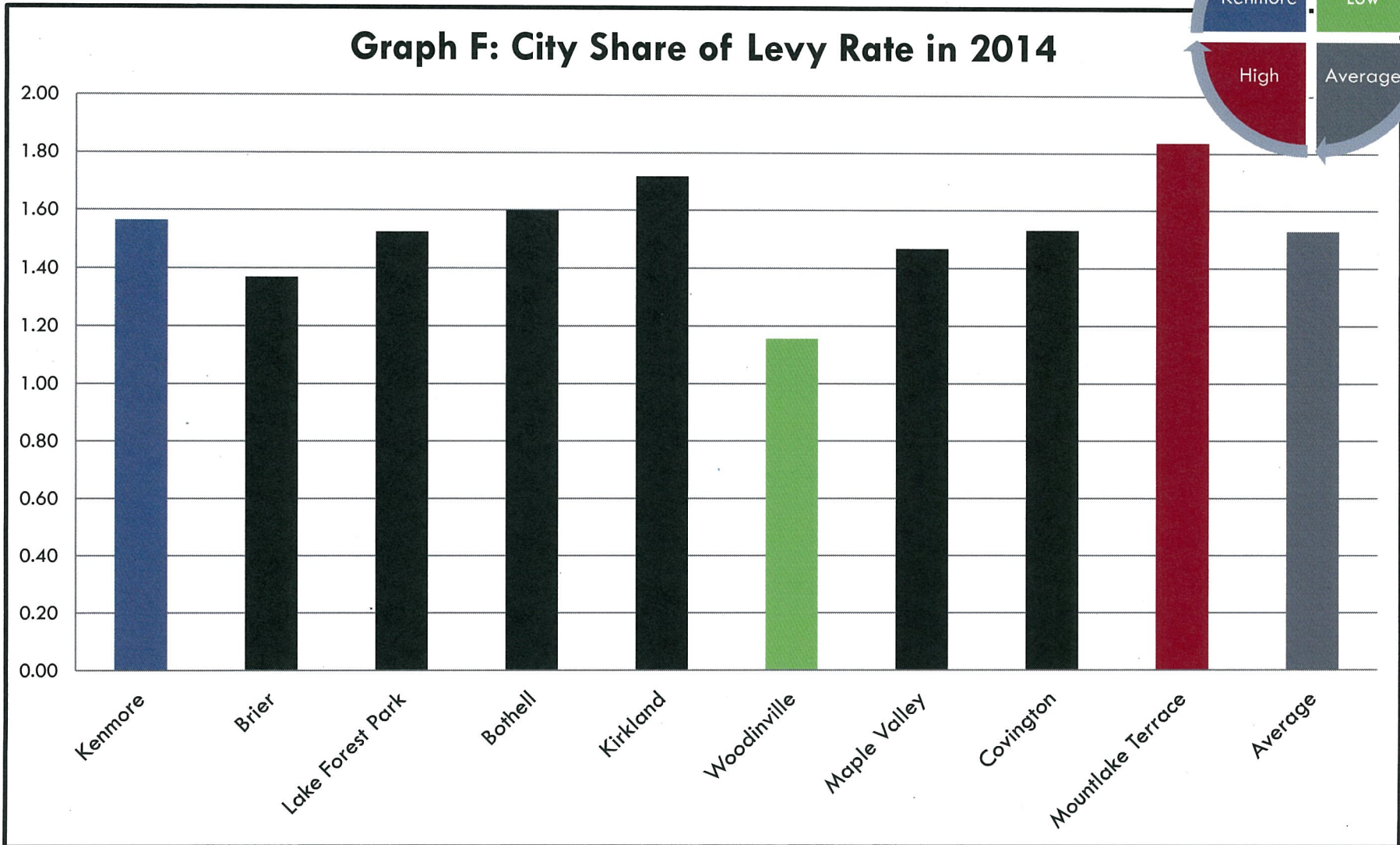
Graph E: Total Property Levy Rate in 2014



Property Tax Comparison



Graph F: City Share of Levy Rate in 2014



The Price of Government

The Price of Government

$$\text{Price of Government} = \frac{\text{City Revenue}}{\text{Total Citizen Income}}$$

**The percentage of personal income a
Kenmore Citizen pays to the City**

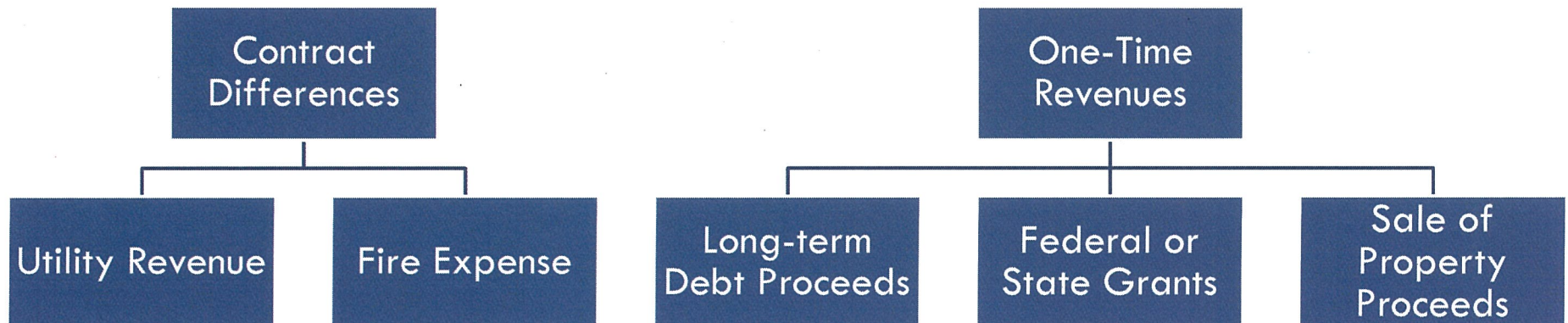
Definitions of Revenue

Actual Revenue

- This is the raw revenue with no adjustments for anything

Adjusted Revenue

- **Contract Differences:** Adjustments to revenues and expenses to non-Contract cities are made to provide the closest apples-to-apples comparison possible among cities of difference sizes
- **One-time Revenues:** These are removed to normalize annual numbers



Other Definitions

Price of Government

- POG derived from Total Revenue

Adjusted POG

- POG derived from Adjusted Revenue

Kenmore Population

- From the Washington Office of Financial Management

Per Capita Income

- 5-year Estimates from US Census Bureau

Total Population Income

- Calculated by multiplying Per Capita Income by Total Population

The Value in POG

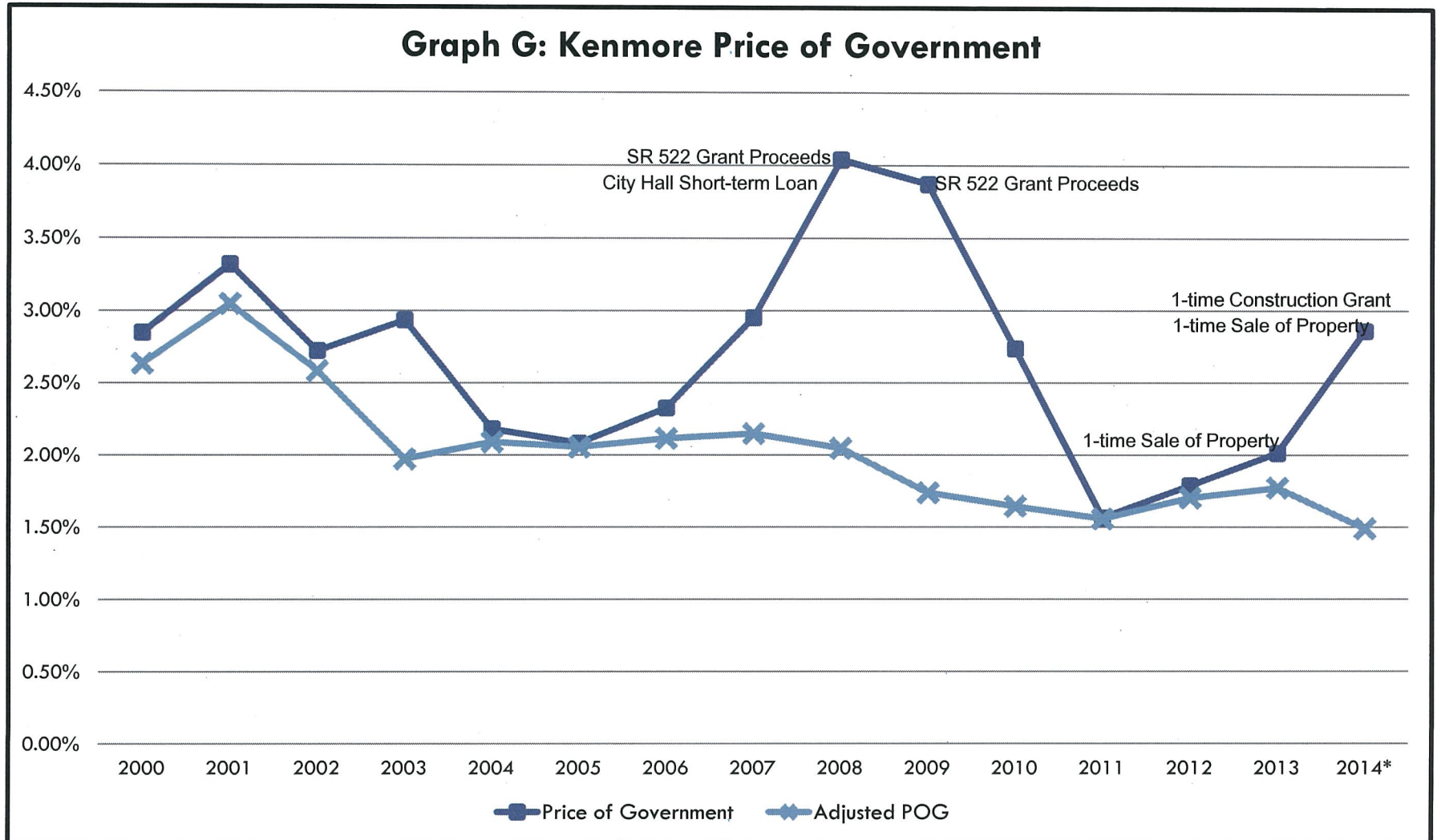
Trend
Comparison
Against Self

Comparison
Against Others

Two Caveats

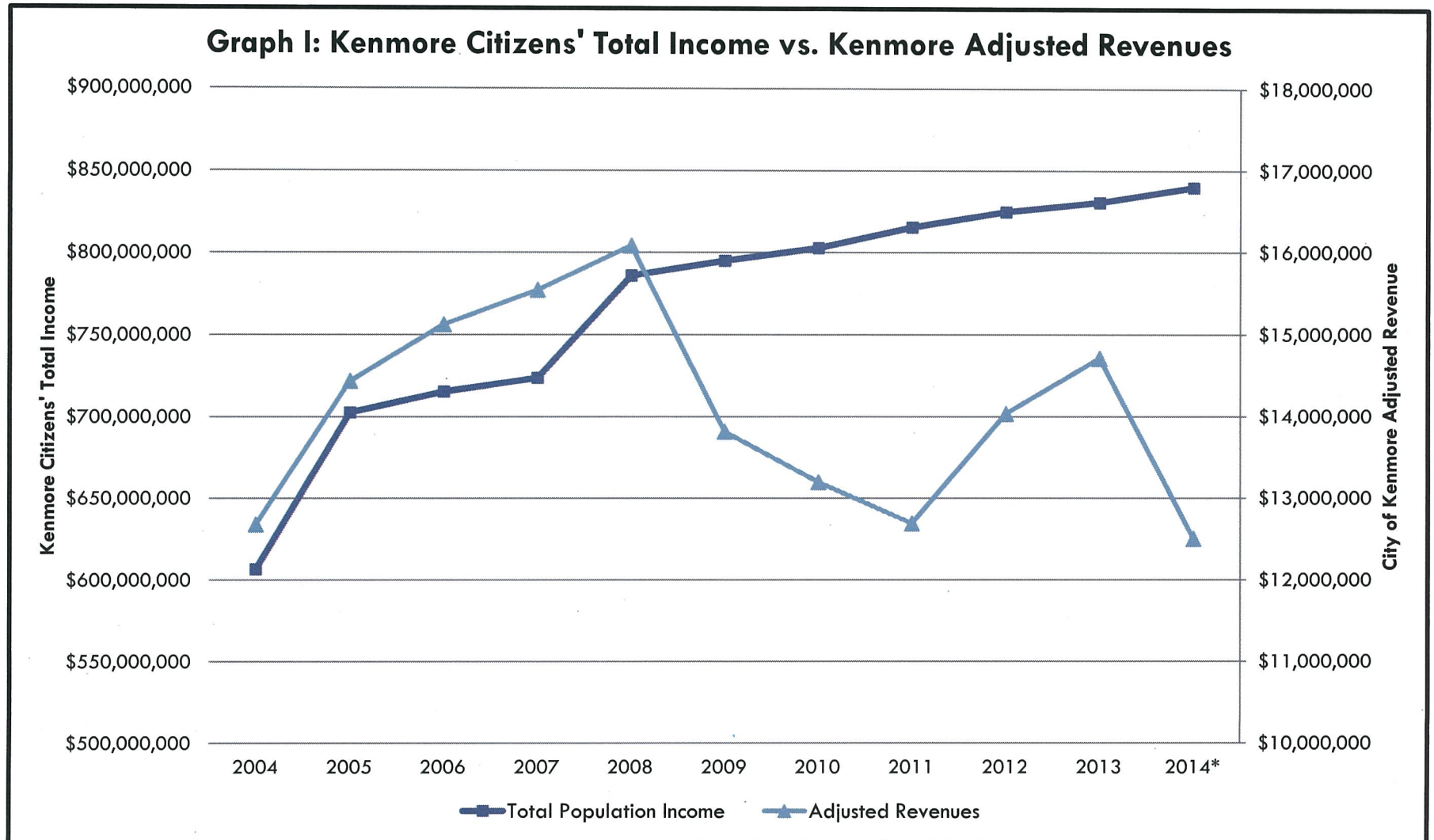
- There are major differences in tax bases across cities
- Precise Apples-to-Apples comparisons are not possible

Kenmore's Price of Government

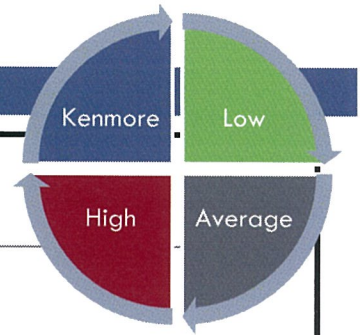


*Kenmore Revenue in 2014 is Forecasted

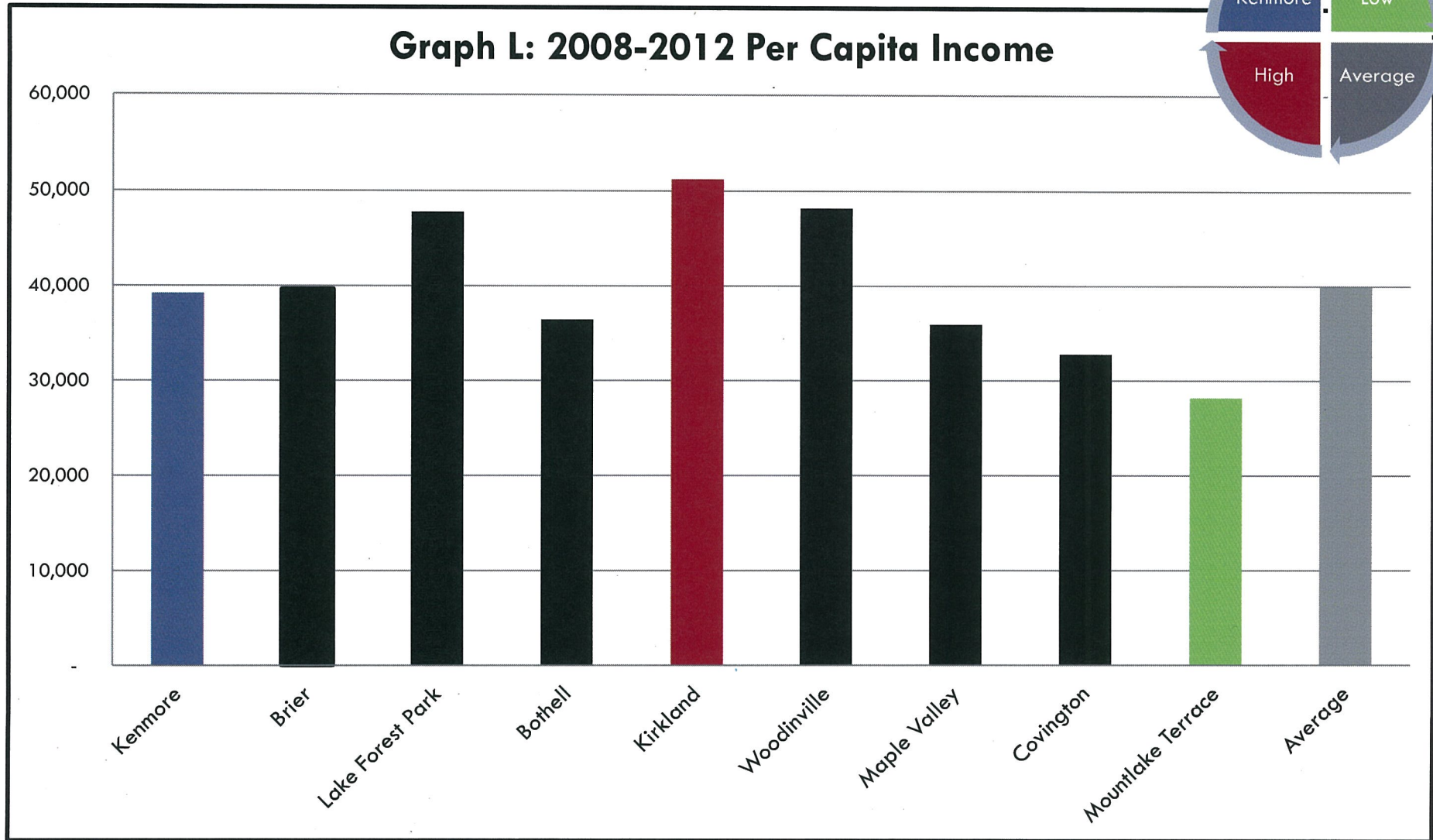
Citizen Total Income vs. Adjusted Revenues



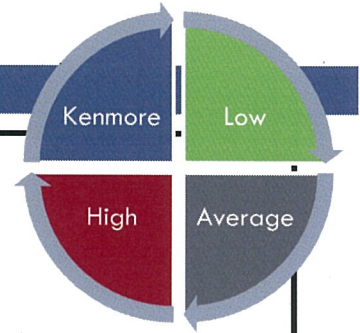
Tax and Income Comparison



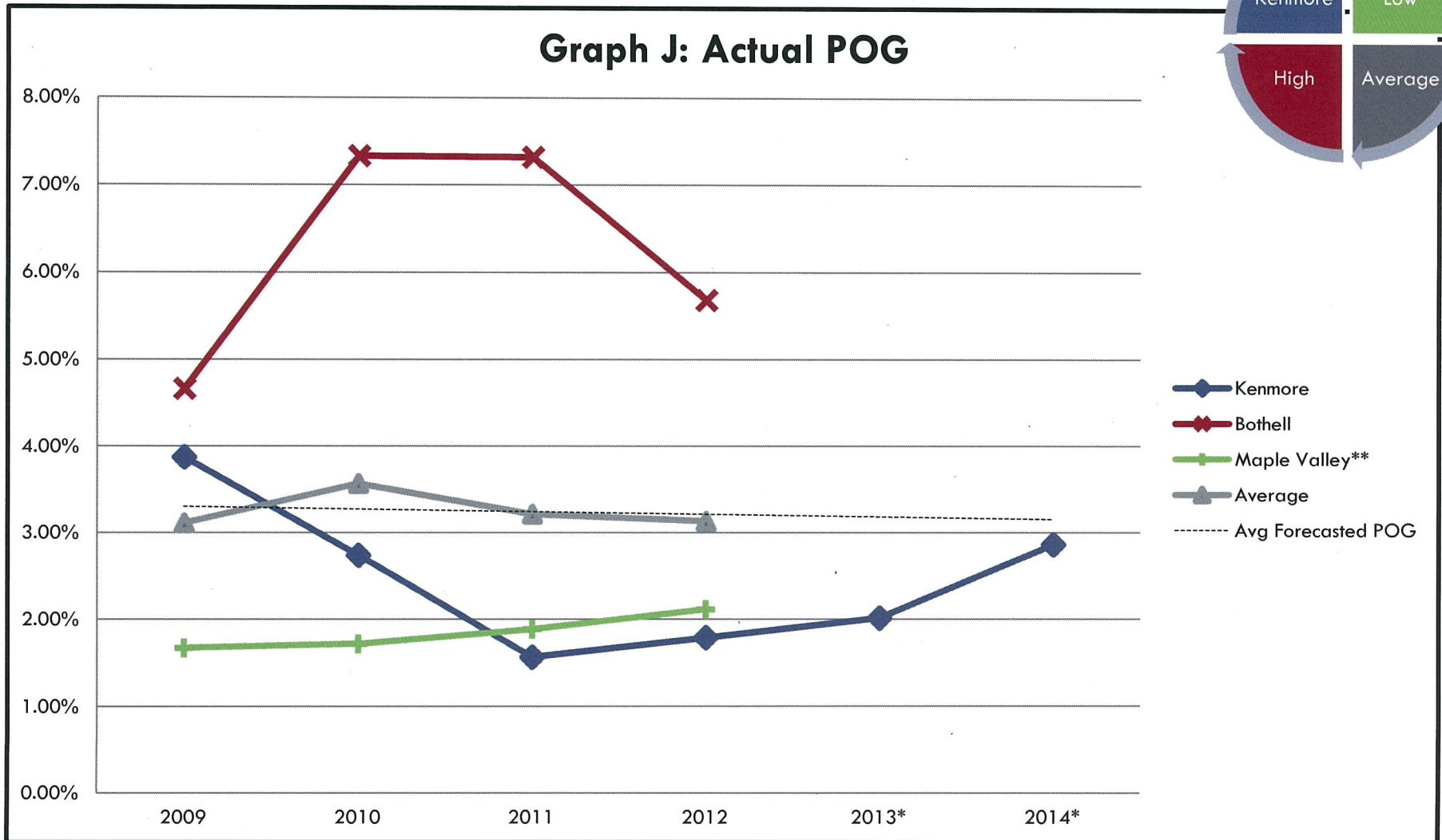
Graph L: 2008-2012 Per Capita Income



POG Comparison



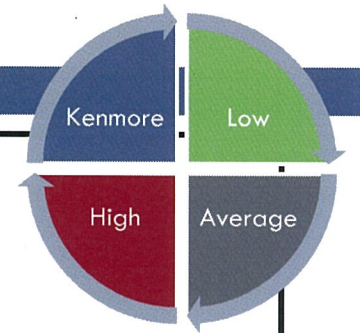
Graph J: Actual POG



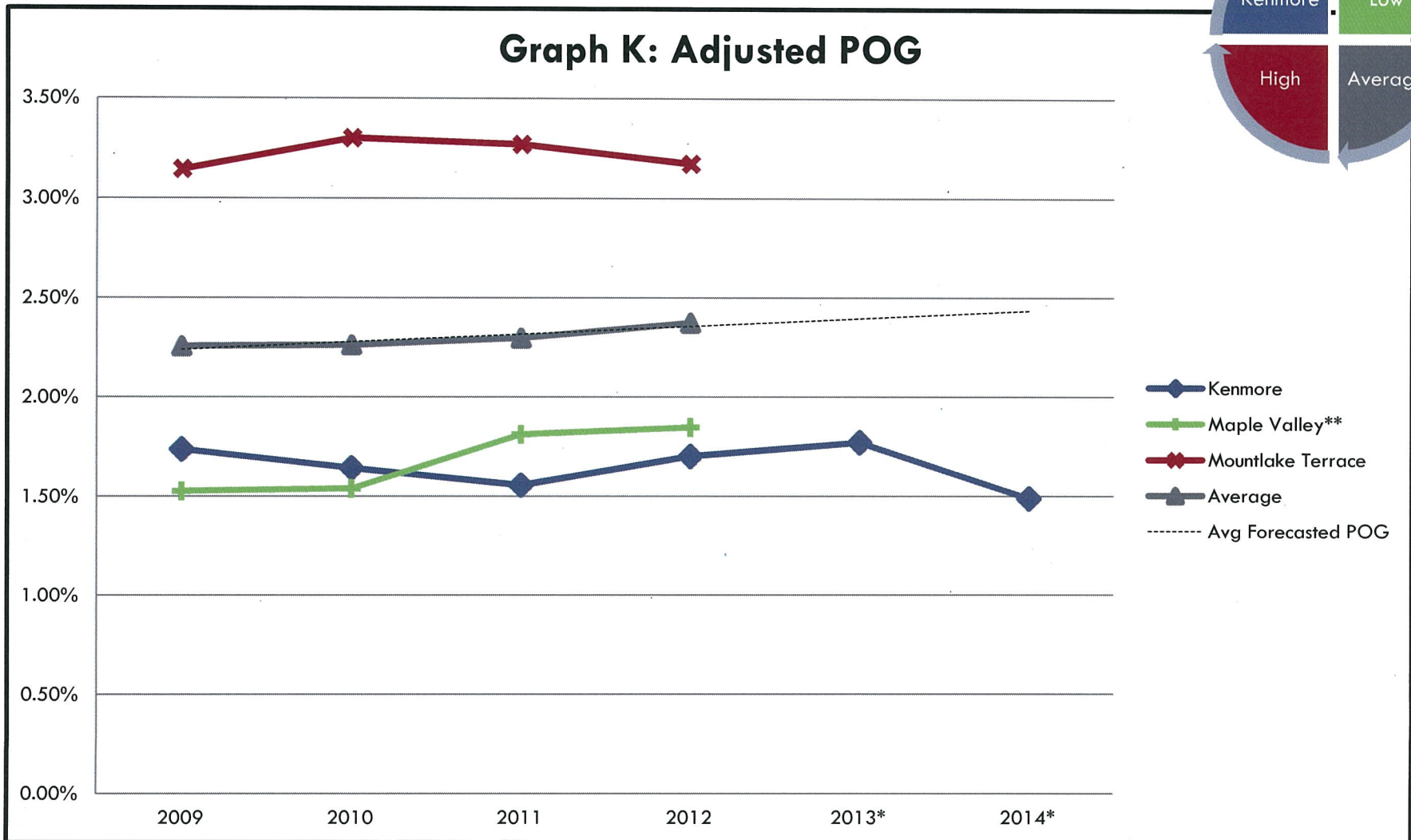
*Average POG in 2013-2014 and Kenmore Revenue in 2014 is Forecasted

**Kenmore is Lowest. M Valley is included as Next Lowest.

POG Comparison



Graph K: Adjusted POG



*Average POG in 2013-2014 and Kenmore Revenue in 2014 is Forecasted

**Kenmore is Lowest. M Valley is included as Next Lowest.

POG Summary: Low Tax Base Cities

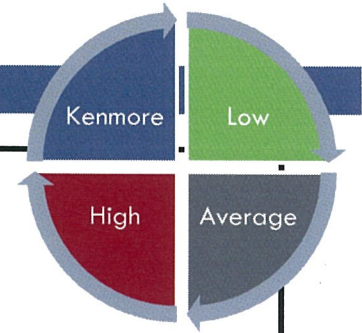
Table M: Low Tax-Base Cities Adjusted Price of Government

A comparison of the 6 Low Tax Base Cities, to find a more equal comparison

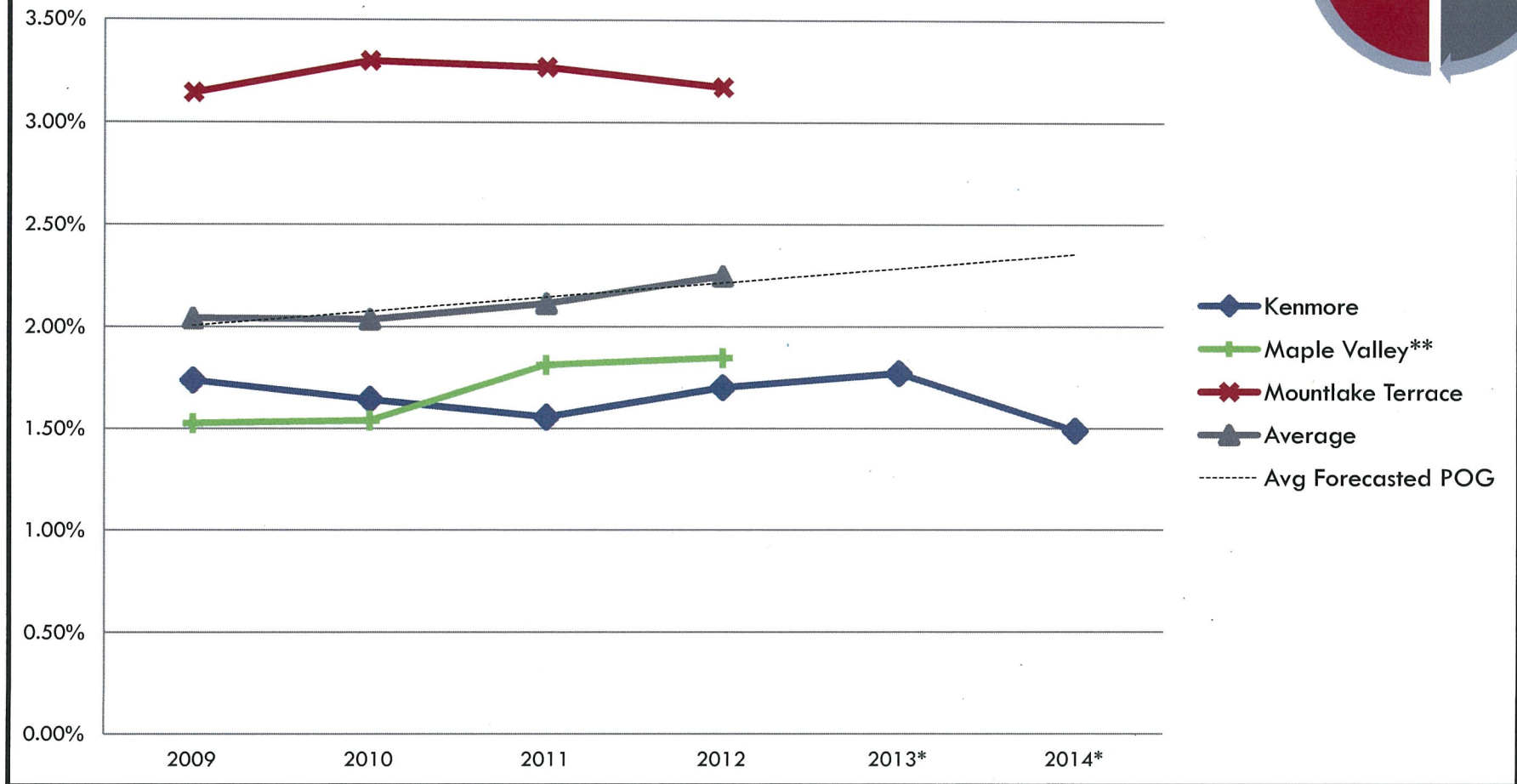
City	2009	2010	2011	2012	2013*	2014*	4Yr Avg
Kenmore	1.74%	1.64%	1.56%	1.70%	1.77%	1.49%	1.66%
Brier	1.86%	1.88%	1.94%	1.97%	--	--	1.91%
LFP	1.59%	1.65%	2.05%	2.08%	--	--	1.84%
M. Valley	1.53%	1.54%	1.81%	1.85%	--	--	1.68%
Covington	2.40%	2.21%	2.06%	2.71%	--	--	2.34%
MLT	3.15%	3.30%	3.27%	3.17%	--	--	3.22%
Average	2.04%	2.04%	2.11%	2.25%	2.28%	2.35%	2.11%

*Average POG in 2013-2014 and Kenmore Revenue in 2014 is Forecasted

POG Summary: Low Tax Base Cities



Graph M: Low Tax-Base Cities Adjusted POG



*Average POG in 2013-2014 and Kenmore Revenue in 2014 is Forecasted

**Kenmore is Lowest. M Valley is included as Next Lowest.

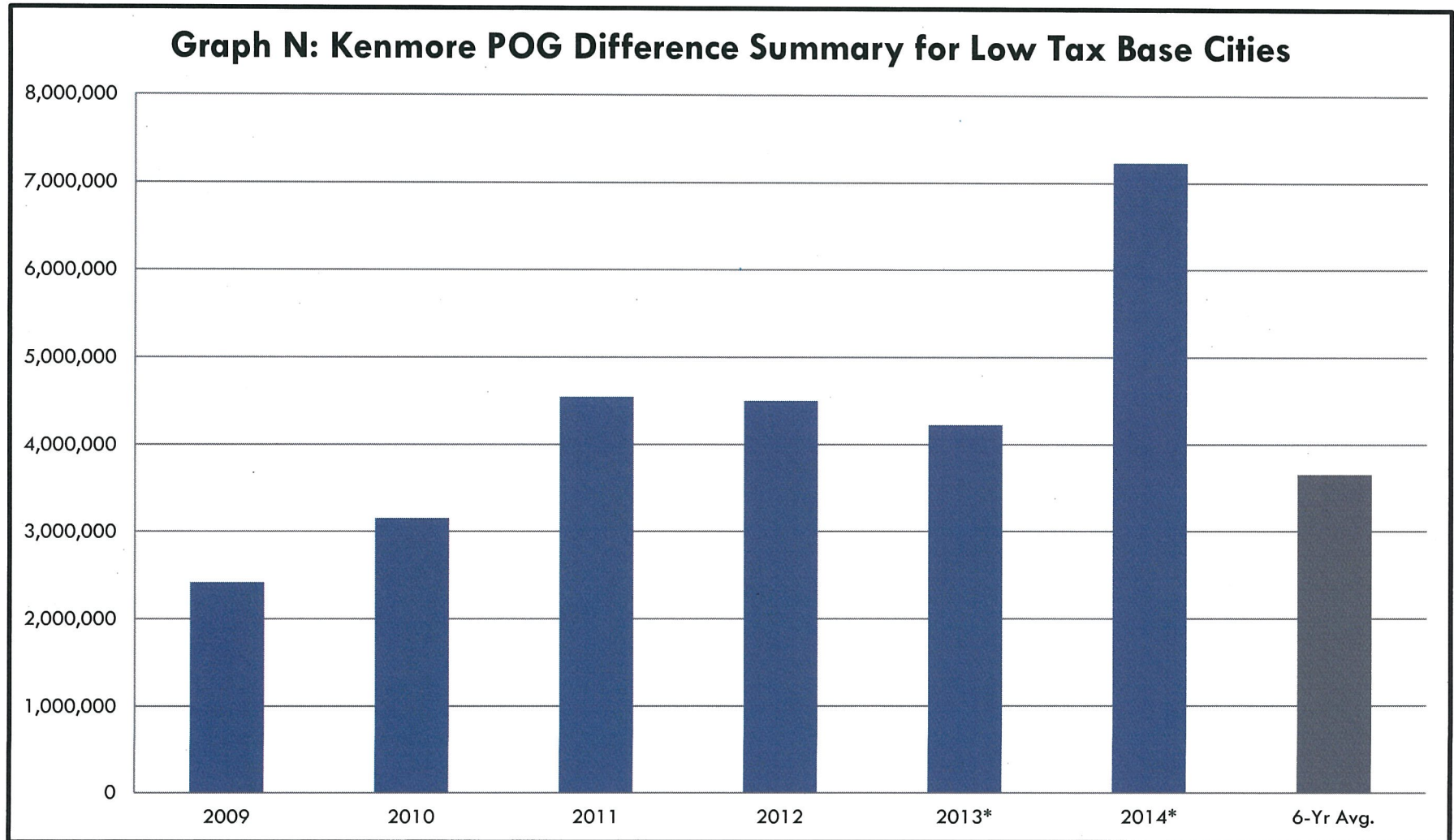
POG Difference Summary: Low Tax Base Cities

Table N: Kenmore Difference in POG Summary

Kenmore's Actual Revenue	From Kenmore's Adjusted POG as a percentage of Kenmore's Total Population Income						
Kenmore's Avg. Expected Revenue	From 6-City Average POG as a percentage of Kenmore's Total Population Income						
Difference in Actual & Average Expected	Shows the additional revenue the City would collect if the Average Low Tax Base City POG was used						
Revenue Information	2009	2010	2011	2012	2013*	2014*	6 Yr Avg.
Total Population Income	794,998,542	802,727,640	815,282,520	824,698,680	830,583,780	839,791,323	809,426,846
Kenmore Actual Revenue	13,818,878	13,194,751	12,691,077	14,036,856	14,713,979	12,501,996	13,435,391
Average Expected Revenue	16,238,011	16,349,592	17,235,615	18,536,797	18,966,200	19,758,315	17,090,004
Difference in Actual vs. Expected	2,419,133	3,154,841	4,544,538	4,499,941	4,252,221	7,256,319	3,654,613

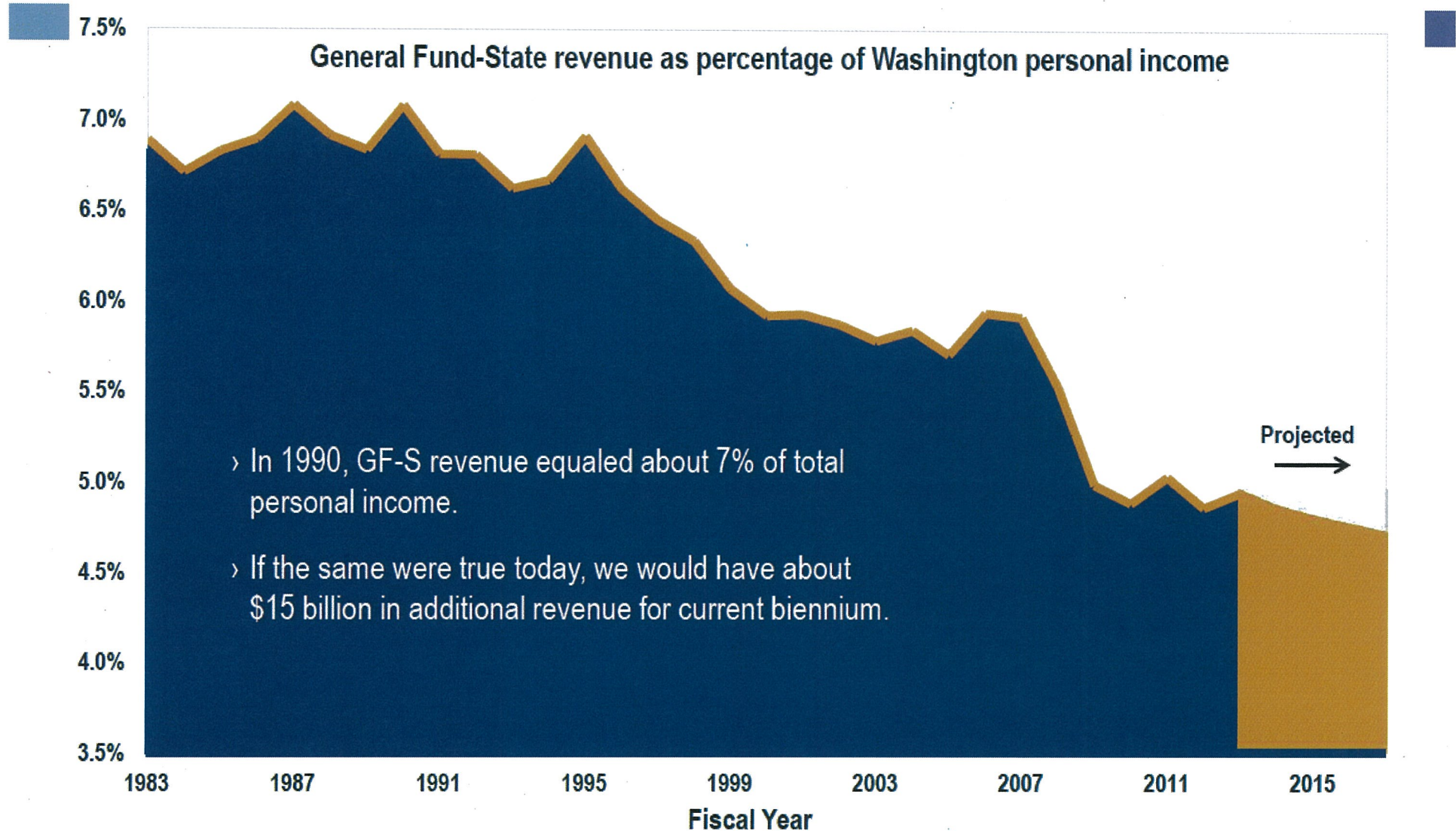
*Average POG in 2013-2014 and Kenmore Revenue in 2014 is Forecasted

POG Difference Summary: Low Tax Base Cities



*Average POG in 2013-2014 and Kenmore Revenue in 2014 is Forecasted

Revenue collections are at historically low levels when compared to overall economy



Value of Comparison Financial Data

Highlights Difference in Tax Bases

Compares Kenmore to other Cities

Compares Kenmore to Self over Time

Serves as a Reference Point when seeking Voter-Approved Additional Revenue