

October 20, 2020

**VIA EMAIL ONLY**

Fox Blackhorn  
Compliance Coordinator 2  
Public Disclosure Commission  
PO Box 40908  
Olympia, WA 98504

***Re: City of Newcastle's Response to PDC Complaints – Consolidated Case  
No. 78205***

Dear Mx. Blackhorn:

### **1. Introduction.**

This office represents the City of Newcastle (“City”) as its general counsel, and as such I am responding to two complaints filed with the Public Disclosure Commission (“PDC”) from Robert Clark, dated October 5, 2020, and Kandy Schendel, dated October 10, 2020, which have been consolidated as PDC Case No. 78205 (collectively, “Complaints”).<sup>1</sup>

The Complaints allege that the City violated RCW 42.17A.555 by misusing public facilities to promote a ballot measure when it posted a news item on its website entitled, “Frequently Asked Questions: Referendum 2” (“FAQ”). However, for the reasons set forth below, the City did not violate state law, and respectfully requests the Complaints be dismissed.

### **2. Legal framework.**

RCW 42.17A.555 prohibits the City from using public facilities to promote or oppose a ballot measure. However, the statute expressly exempts from this prohibition “[a]ctivities which are part of the normal and regular conduct of the office or agency.” RCW 42.17A.555(3).

The PDC has defined the statutory exemption as follows:

---

<sup>1</sup>This letter includes the City’s response to the complaint correction and supplementation from Kandy Schendel on 10/15/20 and 10/18/20, which were consolidated with PDC Case No. 78205.

1194692.1 - 362429 -0001

Attorneys at Law

Charlotte A. Archer  
Richard A. Bersin  
Kay L. Brossard  
Curtis J. Chambers  
Daniel G. Findley  
Eric C. Frimodt  
J. Todd Henry  
Anneliese E. Johnson  
Rosemary A. Larson  
David J. Lawyer  
Mark S. Leen  
William A. Linton  
Kathryn Felice Peterson  
Christopher W. Pirnke  
Dawn F. Reitan  
Aleksander R. Schilbach  
Daniel N. Shin  
Gregory L. Ursich  
Katherine F. Weber  
Brett N. Wiese  
Kinnon W. Williams  
Juliana U. Wong

**WAC 390-05-273 Definition—Normal and regular conduct.** Normal and regular conduct of a public office or agency, as that term is used in the proviso to RCW 42.17A.555, means conduct which is (1) lawful, i.e., specifically authorized, either expressly or by necessary implication, in an appropriate enactment, and (2) usual, i.e., not effected or authorized in or by some extraordinary means or manner. No local office or agency may authorize a use of public facilities for the purpose of assisting a candidate's campaign or promoting or opposing a ballot proposition, in the absence of a constitutional, charter, or statutory provision separately authorizing such use.

The PDC has also adopted the following rule applicable to ballot measures:

**WAC 390-05-271 General applications of RCW 42.17A.555.**

\* \* \*

(2) RCW 42.17A.555 does not prevent a public office or agency from (a) making facilities available on a nondiscriminatory, equal access basis for political uses or (b) making an objective and fair presentation of facts relevant to a ballot proposition, if such action is part of the normal and regular conduct of the office or agency.

(Emphasis added). To further assist local agencies, the PDC published "*Guidelines for Local Government Agencies in Election Campaigns (Public Disclosure Law Re: Use of Public Facilities in Campaigns)*"<sup>2</sup>, which identifies certain "Basic Principles" applicable to ballot measures:

**BASIC PRINCIPLES**

\* \* \*

2. The Public Disclosure Commission holds that it is not only the right, but the responsibility of local government to inform the general public of the operational and maintenance issues facing local agencies. This includes informing the community of the needs of the agency that the community may not realize exist. Local governments may expend funds for this purpose provided that the preparation and distribution of information is not for the purpose of influencing the outcome of an election.

\* \* \*

---

<sup>2</sup>The publication is found at the following link: <https://www.pdc.wa.gov/learn/guidelines-local-government> (hereinafter "Guidelines"). The City Council reviewed these same PDC Guidelines at the June 19, 2020 Special Meeting in a presentation entitled, "Referendum, Rules of the Road". The written presentation is located at following link: <https://newcastle.civicweb.net/document/32221/3-1%20Referendum%20Rules%20of%20the%20Road%20Slides.pdf?handle=7FE00118F3BE44F385CB545A0DF5064F>

7.a. Historically, the PDC has routinely advised and held that with respect to election-related publications, one jurisdiction-wide objective and fair presentation of the facts per ballot measure is appropriate.

In addition, if an agency\* has also customarily distributed this information through means other than a jurisdiction-wide mailing (e.g. regularly scheduled newsletter, website, bilingual documents, or other format), that conduct has also been permitted under RCW 42.17A.555 so long as the activity has been normal and regular for the government agency. For more discussion of fact sheets, see this staff analysis.

b. The PDC will presume that every agency may distribute throughout its jurisdiction an objective and fair presentation of the facts for each ballot measure. If the agency distributes more than this jurisdiction-wide single publication, the agency must be able to demonstrate to the PDC that this conduct is normal and regular for that agency. In other words, the agency must be able to demonstrate that for other major policy issues facing the government jurisdiction, the agency has customarily communicated with its residents in a manner similar to that undertaken for the ballot measure.

(Emphasis added). The Guidelines include a chart which identifies the following permitted activities and resources relating to “Agency Publications (Specific to Elections)”:

- Agencies may develop an objective and fair presentation of the facts regarding agency needs and the anticipated impact of a ballot measure, and may distribute it in the agency’s customary manner. This information may be printed in various languages and communicated in other formats as required by the ADA.
- In the course of regular publications for the agency, the agency may distribute an objective and fair presentation of the facts for each ballot measure in accordance with the normal and regular conduct of the agency.

### 3. City Enactments.

To better understand how the legal framework discussed above applies to the City’s publication of the FAQ, it is necessary to provide background on certain relevant City legislative enactments.

#### a. Fiscal Sustainability Plan

On February 18, 2020, the City Council passed Resolution 2020-812, which adopted the City’s Fiscal Sustainability Implementation Plan (“Fiscal Sustainability Plan”).<sup>3</sup> The Fiscal Sustainability Plan was adopted after a long public process relating to the City’s fiscal sustainability. One of the

---

<sup>3</sup>Resolution 2020-812, and the adopted Fiscal Sustainability Plan have been attached as Attachment 1.

implementing “Goals/Strategy” of the Fiscal Sustainability Plan includes the adoption of a utility tax.<sup>4</sup>

b. Utility Tax Ordinance

Consistent with the adopted Fiscal Sustainability Plan, on June 2, 2020, the City Council adopted Ordinance 2020-0609 (“Ordinance”), which authorized and levied utility taxes “to fund and sustain public safety (police, fire)”.<sup>5</sup> The recitals within the Ordinance discuss the long history leading up to the Ordinance, and explain that:

- The Washington State Auditor in a 2011 Audit Exception expressed concerns about the long-term financial viability of the City due to reliance on the revenue sources susceptible to impacts from economic conditions, and noted that personnel cuts are a strategy that cannot be employed indefinitely;
- In 2018, the City entered into a contract with Management Partners to provide an impartial review of the operating budget and six-year financial forecast prepared by Newcastle staff;
- This forecast confirmed by Management Partners shows expenditures exceed estimated revenue sources beginning in 2020, and reserves to be depleted if no action is taken to reduce expenditures and/or enhance revenue;
- Management Partners was hired to prepare a Fiscal Sustainability Plan to provide a comprehensive analysis of how the city is operating and what spending changes and revenue enhancements could be made;
- On December 3, 2019, the City council adopted the 2020 budget which anticipated that the City’s annual expenses alone for public safety services (police, fire) would consume all revenue from property taxes;
- On February 18, 2020, the City Council passed Resolution 2020-812, which adopted a Fiscal Sustainability Plan to ensure the City remains viable, and the plan includes certain steps such as increasing cost recovery from developers, decreasing internal costs, increase collection of sales tax revenue, and adopting a utility tax within the City;<sup>6</sup>

---

<sup>4</sup> See Attachment 1, Fiscal Sustainability Plan, Goals/Strategy A, “Utility Tax”. The resolution notes that fiscal sustainability has been a topic of public discussion at the following public meetings: January 18, 2019, May 4, 2019, June 18, 2019, July 2, 2019, August 15, 2019, January 21, 2020, and February 4, 2020. See Attachment 1 Resolution 2020-812 at 2.

<sup>5</sup> See City of Newcastle Ordinance No. 2020-0609 (“Ordinance”), attached as Attachment 2. The cited declaration is located in the title of the Ordinance, and Section 2, Purpose and Need.

<sup>6</sup> See Attachment 2, Ordinance at 1-2.

The City Council incorporated the recitals as findings to support the Ordinance. The Council also specifically found that the best interest of the public required the levying of utility taxes “for the purpose of funding and sustaining public safety services (police, fire).”<sup>7</sup>

Lastly, the Ordinance also included the exclusive statutory referendum process required by state law under RCW 35.21.706. After the Ordinance was adopted, a petition for referendum was submitted to the City, and thereafter sufficient signatures were submitted and certified so as to place the approval or rejection of the Ordinance on the November 3, 2020, ballot (“Referendum 2”).

c. Public Engagement Strategy

In 2019, the City Council adopted Resolution 2019-790, which adopted the City’s Public Engagement Strategy.<sup>8</sup> The resolution recognizes that communicating with a broad range of people is “vital for individuals to have a voice in the decisions that affect them.”<sup>9</sup> The resolution also acknowledges that “providing information increases citizen competence and empowerment as they relate to participatory government.”<sup>10</sup>

The Public Engagement Strategy notes that the City’s local public newspaper went out of business in 2016, and that the City “can fill this gap of providing information about City government to the public it serves. Facilitating participation in government is one of our core responsibilities.”<sup>11</sup> The Public Engagement Strategy adopts the following relevant “Objectives”:

**Communicate Early and Often**

- Ensure that City initiatives, issues and projects include early identification and regular public outreach so that citizens are included, heard and informed.
- Keep stakeholders in the loop with consistent updates on City events and news.

**Inform and Educate**

---

<sup>7</sup>See Attachment 2, Ordinance at 3, Section 2. Purpose and Need.

<sup>8</sup>See Resolution 2019-790, attached as Attachment 3.

<sup>9</sup>See Attachment 3, Resolution 2019-790 at 1.

<sup>10</sup>See Attachment 3, Resolution 2019-790 at 1.

<sup>11</sup>See Attachment 3, Resolution 2019-790, Ex. A Public Engagement Strategy (“Public Engagement Strategy”) at 3. The Public Engagement Strategy also notes that in 2017 the City contracted with a part-time communications professional to increase the City’s social media presence and timely posting of newsletters and website posts. The 2017 postings increased from 41,187 in 2016 to 268,797 in 2017. *Id.* at 4. As a small “contract” City, the City routinely hires consultants to perform services on its behalf, including communication outreach services.

- Proactively disseminate City news and information to the community in a manner that most will receive.
- Educate residents about City government in an effort to support an active and engaged citizenry.<sup>12</sup>

The Public Engagement Strategy also identifies the “Communication Tools” that staff should strive to use to ensure the City’s message reaches the widest, most diverse audience possible. These tools include: public forums, public comment, email newsletters, email alerts, city website, social media, photos and videos, among other things.<sup>13</sup>

Consistent with the Public Engagement Strategy, the City has routinely and customarily communicated with its residents on major policy issues facing the City. For example, over the past sixteen months the City has posted the following news items on its website relating to fiscal sustainability, utility taxes and voter information:<sup>14</sup>

- *FAQ: Referendum 2*, posted 9/18/20 (addressing common questions relating to proposed utility tax);<sup>15</sup>
- *City Council Recap/June 2, 2020*, posted 6/15/20 (discussing City Council’s approval of 3% utility tax, beginning Jan 2021);<sup>16</sup>
- *Procedures for Filing a Referendum Petition*, posted 6/4/20 (posting procedures for filing a referendum petition to the 3% utility tax);
- *Council to Discuss Utility Tax Ordinance on June 2*, posted 5/29/20 (noting that City Council will consider an ordinance establishing 3% utility tax, and discussing the City’s three main revenue sources (property taxes, sales taxes, and development revenue, and budget deficit);
- *City Hall Ballot Drop Box Open for Presidential Primary*, posted 2/24/20 (posting voter information);
- *City Council Roundup/Feb. 18, 2020*, posted 2/20/20 (discussing adoption of Fiscal Sustainability Plan to address future projected budget shortfalls);
- *City Council Roundup/Feb. 4, 2020*, posted 2/13/20 (noting that council considered solutions to operating budget shortfall and directed staff to bring forward implementation plan);

---

<sup>12</sup>See Attachment 3, Resolution 2019-790 at 5.

<sup>13</sup> See Attachment 3, Resolution 2019-790 at 10-11.

<sup>14</sup>All news items referenced above have been attached as Attachment 4.

<sup>15</sup> The City acknowledges that while the FAQ was initially published on the City’s website on September 18, it was temporarily withdrawn for refinement, and then re-posted on October 1, 2020. Screen shots of the Sept. 18<sup>th</sup> and Oct. 1<sup>st</sup> FAQs are attached as Attachment 5.

<sup>16</sup>Consistent with the FAQ, the Recap notes the utility tax will generate about \$880,000 in revenue.

- *Council to Review Survey Results, Discuss Fiscal Sustainability*, posted 01/17/2020 (noting Council will receive an overview of the Fiscal Sustainability Plan);
- *City Council Roundup/Dec. 2, 2019*, posted 12/13/19 (discussing 2020 budget and that “public safety expenditures alone make up nearly half of the City’s operational budget” and using fund balance “not sustainable for the foreseeable future as reserves are drawn down”);
- *City Council Meeting Agenda/Dec. 3, 2019*, posted 11/27/19 (noting budget cuts reduce projected \$1.3 million deficit to just over \$950,000);
- *City Council Roundup/Nov. 5, 2019*, posted 11/7/19 (noting “City Council continued reviewing the 2020 preliminary budget and explored ways to reduce a projected operating deficit of \$1.3 million, driven largely by increasing costs to fund police and fire services”);
- *Update on Newcastle’s Fiscal Sustainability*, posted 10/10/19 (discussing projected operating deficit and potential implementation of utility tax);
- *FAQs/Council Community Conversation*, posted 9/16/19 (FAQ summary provided of questions asked at Community Conversation event, including FAQ on whether City Council was considering a utility tax);
- *Council Budget Retreat is Thursday*, posted 8/12/19 (discussing 2020 budget and development of Fiscal Sustainability Plan to address anticipated long-term structural deficit);
- *Ballot Drop Box Opens on July 18*, posted 7/17/2019 (information on Aug. 6 primary election)
- *City Council Roundup/July 2, 2019*, posted 7/9/19 (discussing review of strategies to address budget fiscal gap; Management Partners’ development of Fiscal Sustainability Plan; and potential new revenue through implementation of utility and admissions taxes and transportation benefit district);
- *Council to Consider Budget Strategies at July 2 Study Session*, posted 6/28/19 (noting Council will review Fiscal Sustainability Plan and proposed strategies to address budget’s fiscal gap);

In addition to posting news on its website relating to policy issues affecting the community, the City routinely communicates with residents by linking these same new items to City social media accounts (Facebook, Nextdoor), and then includes the new items in the City’s email newsletter.<sup>17</sup> Consistent with the City’s Public Engagement Strategy, and customary practice of posting community news items, the City published the FAQ to inform its residents of an upcoming issue on the ballot, Referendum 2. The Complaints were then filed with the PDC relating to the FAQ.

---

<sup>17</sup>A detailed summary of the City’s routine and customary practices relating to public communication is attached as Attachment 6, which includes links to the numerous news items, social media postings and newsletters referenced therein. The City will provide copies of these publications/postings if so requested by the PDC.

Significantly, when contesting the City's authority to post the FAQ, the Complaints do not discuss the "normal and regular" exemption to RCW 42.17A.555. The Complaints do not discuss the City's routine and customary practice of posting news on its website, in social media or newsletters to inform the public of important policy issues. Instead, the Complaints essentially argue against the idea of utility taxes, and debate on behalf of preferred alternatives to addressing fiscal sustainability. However, the City was not required to include discussion of more than one fiscal sustainability alternative in the FAQ.

As such, the FAQ provides fair and objective information about utility taxes, and closely follows the findings of the Ordinance, the Fiscal Sustainability Plan, and adopted 2020 budget forecasting of deficit spending.<sup>18</sup> The FAQ also provides fair and objective information relating to the potential impacts to operations if the Ordinance is approved or rejected under Referendum 2. Consistent with PDC Guidelines, the FAQ seeks to inform residents of the needs of the City that the community may not realize exist. However, the FAQ does not ask residents to vote for or against the utility tax, or otherwise attempt to influence the outcome of the election. The City's posting of the FAQ followed state law and PDC guidelines, and should be affirmed.

#### 4. Conclusion.

In conclusion, as demonstrated above, the City routinely publishes information on its website relating to policy issues such as fiscal sustainability, utility taxes and voter information. The City's posting of fair and objective information relating to utility taxes and Referendum 2 also meets the City's adopted Public Engagement Strategy. Therefore, the City's publication of the FAQ meets the definition of "normal and regular conduct" and as such is permitted under law. Accordingly, the City requests that the Complaints be dismissed.

Please let this office know if you need any additional information relating to this response.

Very truly yours,



Dawn F. Reitan

DFR:cmh

---

<sup>18</sup>The Complaints allege the FAQ has incorrect information, but the FAQ is consistent with the Ordinance which provides that: 1) the 3% utility taxes are not scheduled to increase; 2) a 3% utility tax has not been levied on the stormwater utility; and 3) the Ordinance contains the statutory referendum process identified by the Legislature as the "exclusive" referendum process. See Attachment 2, Ordinance.

# **ATTACHMENT 1**



## **RESOLUTION NO. 2020-812**

### **A RESOLUTION OF THE CITY OF NEWCASTLE, WASHINGTON, ADOPTING A FISCAL SUSTAINABILITY IMPLEMENTATION PLAN.**

WHEREAS, the City Council of the City of Newcastle desires to protect the future financial soundness of the City, minimize financial risk and promote sound financial management; and

WHEREAS, the City's annual expenses for public safety alone are expected to annually completely consume all revenue from property taxes; and

WHEREAS, current adopted financial policies require the City Council consider potential options to bring the six-year financial forecast into balance as an integral part of the annual budget process; and

WHEREAS, financial policies set forth direction for budget preparation that states one-time resources shall be identified and used to support one-time expenditures, and ongoing expenditure programs shall only be supported by ongoing resources; and

WHEREAS, financial policies further require the City strive to maintain as diversified and stable revenue sources as permitted by state law to shelter it from short-run fluctuations in any one revenue source; and

WHEREAS, the Washington State Auditor in a 2011 Audit Exception expressed concern about the long term financial viability of the City due to reliance on revenue sources susceptible to impacts from economic conditions, and noted that personnel cuts are a strategy that cannot be employed indefinitely; and

WHEREAS, following the recommendations of the Washington State Auditor, the City Council Finance Committee adopted a work plan for 2012 that included review and recommendations on financial sustainability, and discussed this topic each subsequent year without producing a proposed plan; and

WHEREAS, on April 7, 2015, the City Council adopted goals and strategic priorities that included development of a long range financial plan as a goal, and again reaffirmed this goal April 3, 2018, in the adoption of revised goals and priorities; and

WHEREAS, in 2017 the City Council Finance Committee recommended the City Council assign the task of developing a six-year financial strategic plan to a different person or persons and requested a timeline and process for addressing 2018 budget shortfalls and new revenue sources; and

WHEREAS, on September 18, 2018, the City entered into a contract with Management Partners to provide an impartial review of the operating budget and six-year financial forecast prepared by Newcastle staff; and

WHEREAS, this forecast confirmed by Management Partners shows estimated expenditures exceed estimated resources beginning in 2020, and reserves are expected to be depleted by 2023 if no action is taken to reduce expenditures and/or enhance revenue; and

WHEREAS, on January 18, 2019, the City Council approved a contract with Management Partners to prepare a Fiscal Sustainability Plan, to be a comprehensive analysis of how the City is operating, its financial outlook, what kind of spending changes and revenue enhancements could be made and if there are efficiencies that can be gained; and

WHEREAS, on May 4, 2019, Management Partners presented to City Council a preliminary analysis of budget strategies to address the General Fund structural deficit; and

WHEREAS, Management Partners provided a public presentation at a Town Hall meeting on June 18, 2019, wherein the City's finances, financial challenges and possible ways to avoid deficit spending and budgetary shortfalls were discussed and public input was provided to the City Council; and

WHEREAS, during a study session on the Fiscal Sustainability Plan on July 2, 2019, the City Council discussed possible expense reductions and revenue enhancements and their effect on long range financial projections; and

WHEREAS, the City Council held a special meeting August 15, 2019, to discuss strategies previously presented by Management Partners, and took action by removing \$25,000 in funding from the 2020 budget for staffing assistance with community events and increasing revenue projections to account for improved sales tax enforcement and new businesses downtown; and

WHEREAS, the City Council met on January 21, 2020 and February 4, 2020 to review a draft of the Fiscal Sustainability Implementation Plan; and

WHEREAS, after thoughtful review and consideration of options for fiscal sustainability, the City Council desires to adopt a Fiscal Sustainability Plan to ensure the City of Newcastle remains viable;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON AS FOLLOWS:**

Section 1. Adoption. The City Council hereby adopts the Fiscal Sustainability Implementation Plan attached hereto as "Exhibit A" and incorporated by this reference.

Section 2. Further Direction. City staff are directed to take the steps specified in this Fiscal Sustainability Implementation Plan.

Section 3. Effective Date. This Resolution shall take effect and be in full force immediately upon its passage and adoption.

**APPROVED BY THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON, at a regular meeting thereof this 18<sup>th</sup> day of February, 2020.**

  
\_\_\_\_\_  
Linda Newing, Mayor

ATTEST

  
\_\_\_\_\_  
Robert Wyman, City Manager

**City of Newcastle, Washington  
Fiscal Sustainability Plan  
Implementation Action Plan**

**February 2020**



## **Making the Most of the Implementation Action Plan**

The City Council made it a priority to establish the City's Fiscal Sustainability Plan. Months of planning, analysis and public engagement culminated in the City Council's actions in January and February 2020 to select the set of strategies that will provide fiscal sustainability to the City's General Fund. Management Partners has developed this Implementation Action Plan to assist the City of Newcastle with the phasing and scheduling of the components included in the City's long-term fiscal sustainability plan. This Action Plan reflects the City Council's decisions in February 2020.

The work involved in implementing the recommendations must be integrated into the other work of the departments and positions tasked with their completion, along with appropriate assignments of responsibility and with identification of specific planned completion dates. However, in order to implement the provisions of the fiscal sustainability plan, the work will need to take place in accordance with the recommended timeframes provided in this Action Plan.

Under Washington State law, the City Council has the authority to proceed with the strategies identified in its Fiscal Sustainability Plan. This Action Plan has been developed under the assumption that Council's actions by resolution and/or ordinance adoption proceed as planned. The implementation of a utility tax is subject to referendum. If voters submit a petition to request that a utility tax measure be submitted to voters, the Action Plan will need to be amended to address the timelines under that scenario which may delay implementation of the utility tax to January 2021 if voters approve the measure.

Management has had an opportunity to review and finalize specific target dates and assignments for completing implementation. Prudent implementation of most recommendations requires "circling back" after the work of completing strategies has begun and fine-tuning the results based on experience. The step to do that is not spelled out for each recommendation in this document on the assumption that it would be part of your normal management system. This final Action Plan will likely require City Council approval and implementation.

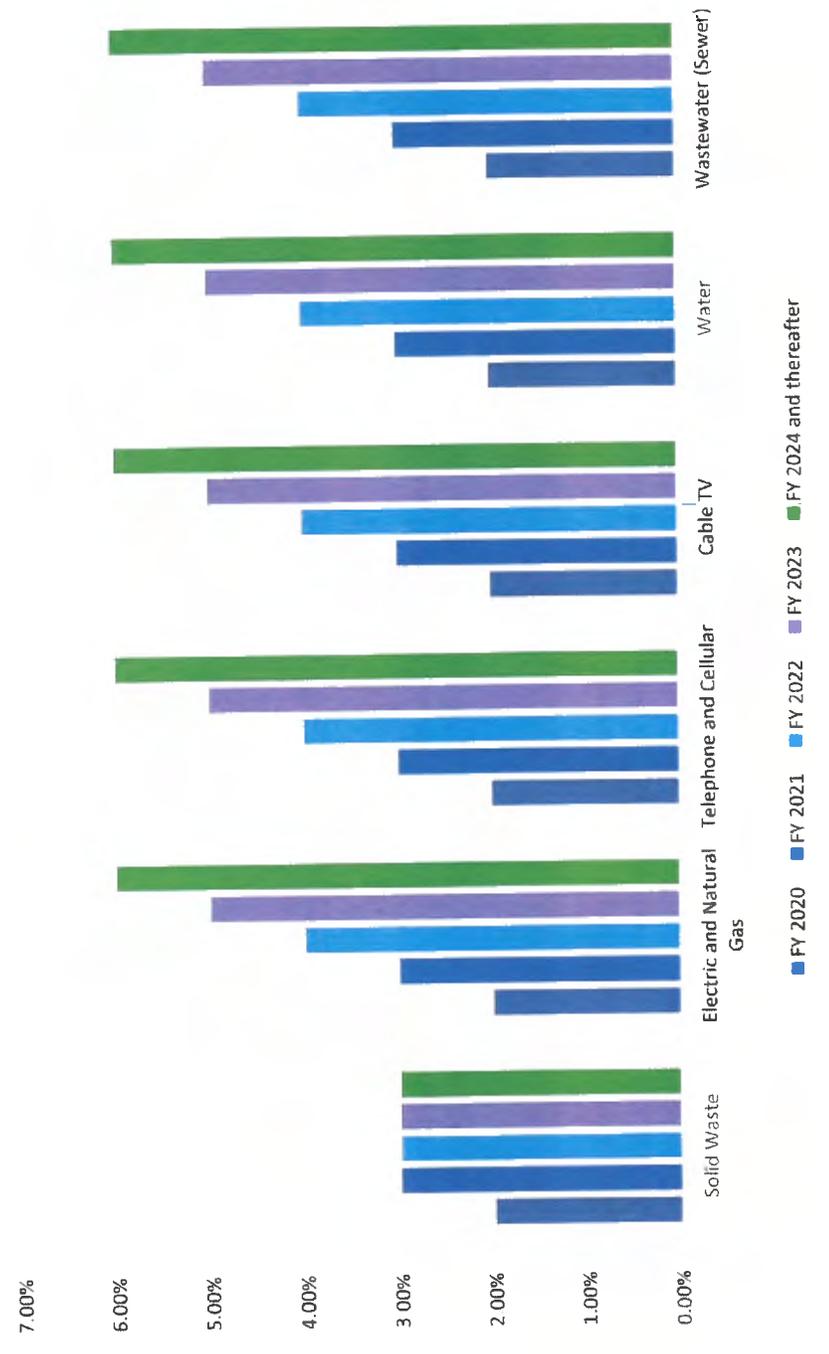
All of the work to implement the recommendations is in addition to the normal work of involved city staff. Management Partners remains available to consult with you in this process in whatever way we can be helpful. Management Partners can provide extra capacity to expedite completion of many of the recommendations. Please do not hesitate to contact Steve Toler at (650) 918-7017 if we can be of assistance. Steve can also be reached by email at [stoler@managementpartners.com](mailto:stoler@managementpartners.com).

Successful project planning is key to the successful execution of the work ahead. We hope that you find this Action Plan useful in that regard.

Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
<b>A. Utility Tax (UT)</b>				
A1. Develop a list of all utility providers that would be subject to the UT	January to February 2020	Finance Director		FY 2020 - \$165,000
A2. Meet with each utility provider to discuss the proposed utility tax and revenues that would be subject to the tax	January to March 2020	City Manager	Review pertinent provisions in RCW 35 and peer agencies' municipal codes to determine proper categories of revenues subject to UT	FY 2021 - \$1,036,000 FY 2022 - \$1,370,000 FY 2023 - \$1,705,000 FY 2024 - \$2,043,000
A3. Obtain gross revenue estimates for the past two years from each utility provider broken down by revenue category	February to March 2020	Finance Director		
A4. Finalize projected tax rates based on revenue estimates provided by utility providers to provide the necessary fiscal impact to the City	March 2020	Finance Director		
A5. Present findings and recommended utility tax rates to Finance Committee	March 2020	City Manager		
A6. Draft utility tax ordinance and staff report for City Council consideration	April 2020	Finance Director	Coordination with legal counsel will be necessary	
A7. Present the UT Staff Report and municipal code to Council for adoption (first and second readings may be required)	April 2020 (must be enacted by April 30, 2020)	City Manager	Proper noticing will be required; coordination with legal counsel and the City Clerk will be necessary; enactment of the ordinance must predate collection date by not less than 60 days	

Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
A8. Develop utility tax reporting forms to be used by utility providers in remitting taxes to City	April 2020	Finance Director		
A9. Update municipal code based on City Council action	TBD (estimated June 2020)	City Clerk		
A10. Notify utility providers of approved utility tax and implementation date and provide utility tax reporting forms to them	On or before July 31, 2020	Finance Director	Must wait for enactment of the ordinance by City Council	
A11. Implement the utility tax and ensure remittance by utility providers	October 1, 2020	Finance Director	Implementation cannot occur earlier than 60 days after enactment of the ordinance	
A12. Notify utility providers and public of change in tax rates based on tax rates enacted in future years	Not less than 60 days prior to implementation of the new rate	Finance Director	Implementation cannot occur earlier than 60 days after enactment of the ordinance	

Figure 1. Proposed UT Implementation Timing and Tax Rates

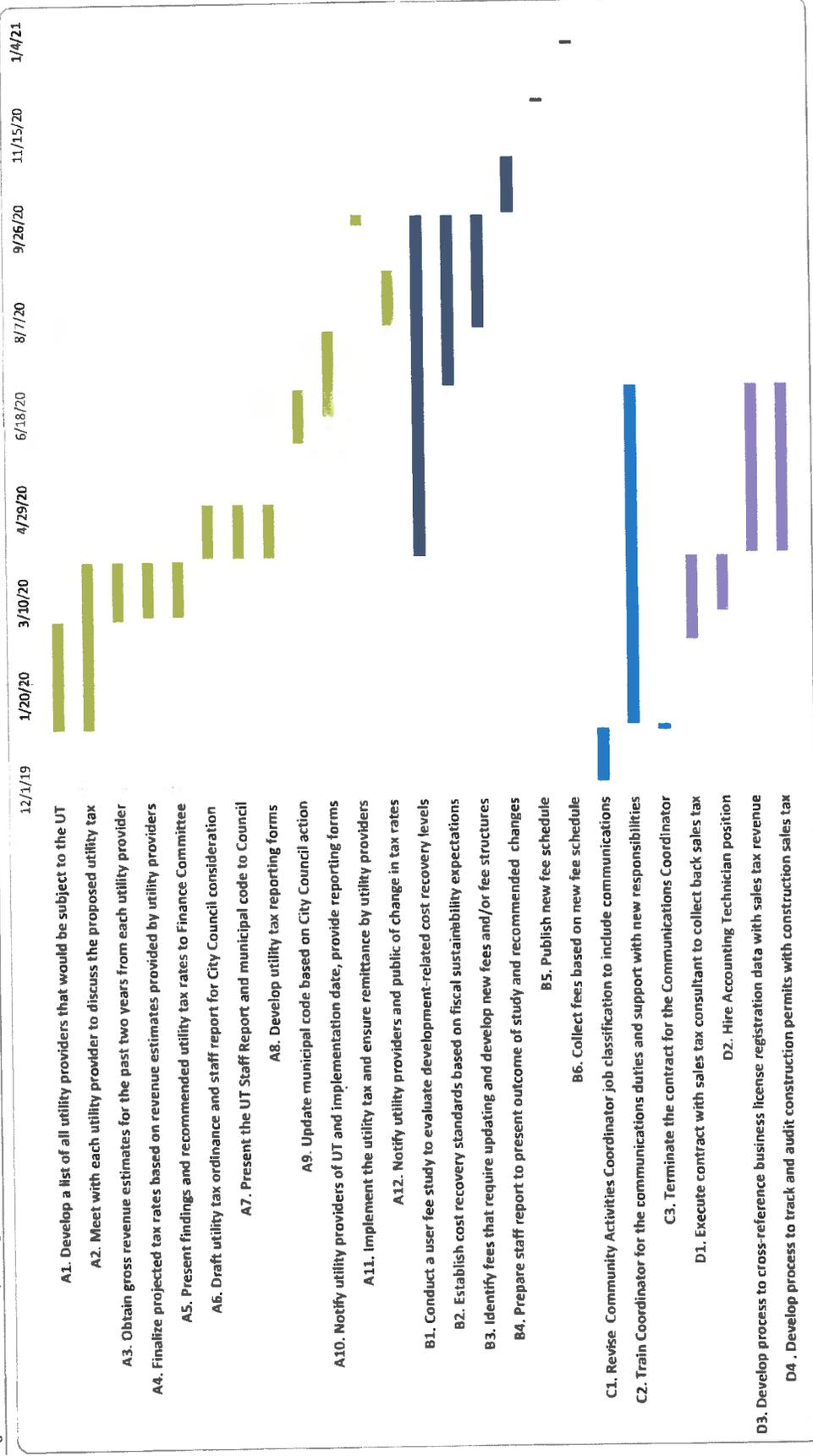


Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
<b>B. Cost Recovery for Development Services</b>				
B1. Conduct a user fee study to evaluate the cost recovery levels of the current development-related fees and charges.	April to September 2020	Finance Director	City will likely need to contract with a consulting firm specializing in user fee studies	FY 2021 and ongoing - \$50,000
B2. Establish cost recovery standards based on fiscal sustainability expectations	July to September 2020	City Manager		
B3. Identify fees that require updating and develop new fees and/or fee structures.	August and September 2020	Finance Director		
B4. Prepare staff report to present outcome of user fee study and recommended fee changes	October 2020	Finance Director		
B5. Publish new fee schedule.	December 1, 2020	Finance Director		
B6. Collect fees based on new fee schedule	Starting January 1, 2021	Finance Director/ Community Development Director		

Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
<b>C. Merge the Community Activities Coordinator and Communications Coordinator Positions</b>				
C1. Retitle the Community Activities Coordinator job classification to Community Engagement Coordinator include communications duties.	December 2019	City Manager		FY 2020 and ongoing - \$50,000
C2. Integrate the functions of the revised job description for the new duties and support them as they adopt the new responsibilities.	January to June 2020	City Manager		
C3. Terminate the contract for the Communications Coordinator.	On or before January 1, 2020	City Manager		

Goal/Strategy	Estimated Timeline	Lead Staff Position	Comments/Status	Projected Fiscal Impact
<b>D. Increase Sales Tax Revenue Collection</b>				
D1. Execute contract with sales tax consultant to collect back sales tax	March 2020	Finance Director		FY 2021 and Ongoing – approximately \$50,000 annually (pending assessment by sales tax consultant and depending on volume of future construction projects)
D2. Hire Accounting Technician position	March 2020	Finance Director		
D3. Develop process to cross-reference business license registration data with sales tax revenue	Ongoing	Finance Director	Implementation will be assigned to the Accounting Technician	
D4. Develop process to track and audit construction permits with construction sales tax	Ongoing	Finance Director	Implementation will be assigned to the Accounting Technician and the Development Services Coordinator	

Figure 2. Overall Timeline of Strategies



## **ATTACHMENT 2**



**ORDINANCE NO. 2020-0609**

**AN ORDINANCE OF THE CITY OF NEWCASTLE, WASHINGTON; ADOPTING A NEW CHAPTER 3.31 OF THE NEWCASTLE MUNICIPAL CODE TO AUTHORIZE AND LEVY UTILITY TAXES TO FUND AND SUSTAIN PUBLIC SAFETY (POLICE, FIRE); ESTABLISHING REGULATIONS REGARDING THE SAME; PROVIDING FOR REFERENDUM; AUTHORIZING CITY OFFICIALS TO TAKE NECESSARY ACTIONS; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Newcastle desires to protect the future financial soundness of the City, minimize financial risk and promote sound financial management; and

**WHEREAS**, the City's adopted financial policies require the City Council consider potential options to bring the six-year financial forecast into balance as an integral part of the annual budget process; and

**WHEREAS**, the City's adopted financial policies also require the City strive to maintain as diversified and stable revenue sources as permitted by state law to shelter it from short-run fluctuations in any one revenue source; and

**WHEREAS**, the Washington State Auditor in a 2011 Audit Exception expressed concern about the long-term financial viability of the City due to reliance on revenue sources susceptible to impacts from economic conditions, and noted that personnel cuts are a strategy that cannot be employed indefinitely; and

**WHEREAS**, on April 7, 2015, the City Council adopted goals and strategic priorities that included development of a long range financial plan as a goal, and again reaffirmed this goal April 3, 2018, in the adoption of revised goals and priorities; and

**WHEREAS**, on September 18, 2018, the City entered into a contract with Management Partners to provide an impartial review of the operating budget and six-year financial forecast prepared by Newcastle staff; and

**WHEREAS**, this forecast confirmed by Management Partners shows estimated expenditures exceed estimated resources beginning in 2020, and reserves are expected

to be depleted by 2023 if no action is taken to reduce expenditures and/or enhance revenue; and

**WHEREAS**, on January 18, 2019, the City Council approved a contract with Management Partners to prepare a Fiscal Sustainability Plan, to be a comprehensive analysis of how the City is operating, its financial outlook, what kind of spending changes and revenue enhancements could be made and if there are efficiencies that can be gained; and

**WHEREAS**, on May 4, 2019, Management Partners presented to the City Council a preliminary analysis of budget strategies to address the General Fund structural deficit; and

**WHEREAS**, Management Partners provided a public presentation at a Town Hall meeting on June 18, 2019, wherein the City's finances, financial challenges and possible ways to avoid deficit spending and budgetary shortfalls were discussed and public input was provided to the City Council; and

**WHEREAS**, on December 3, 2019, the City Council adopted the City of Newcastle 2020 Operating and Capital Budget (Budget), which, among other things, anticipates that the City's annual expenses alone for public safety services (police, fire) would completely consume all revenue from property taxes; and

**WHEREAS**, the City Council met on January 21, 2020, and February 4, 2020, to review a draft of the Fiscal Sustainability Implementation Plan; and

**WHEREAS**, on February 18, 2020, the City Council passed Resolution 2020-812, which adopted a Fiscal Sustainability Plan to ensure the City of Newcastle remains viable, and the plan includes certain steps, such as increasing cost recovery from developers, decreasing internal costs, increase collection of sales tax revenue, and adopting a utility tax within the City; and

**WHEREAS**, on February 29, 2020, the Governor of the State of Washington proclaimed a State of Emergency due to COVID-19 pandemic and public health emergency; and

**WHEREAS**, on March 6, 2020, the City Manager proclaimed an emergency due to COVID-19 under RCW 38.52.070; and

**WHEREAS**, on March 11, 2020, the World Health Organization classified the global spread of COVID-19 as a pandemic, and urged all governments to take action now to stem the spread of the disease; and

**WHEREAS**, on March 23, 2020, the Governor issued a "Stay Home – Stay Healthy" order, which effectively closed many businesses in the state of Washington and ordered

all residents to stay home, and the Governor has extended the order to May 31, 2020; and

**WHEREAS**, the COVID-19 emergency is causing a sustained global economic slowdown, an economic downturn throughout Washington State, and a substantial reduction in business activity and state and local commerce that support Newcastle's economic sustainability; and

**WHEREAS**, COVID-19 has caused an unprecedented shut-down of businesses in Newcastle and it has substantially impacted revenues identified in the City's 2020 budget; and

**WHEREAS**, on May 5, 2020, the City Council considered COVID-19's financial impacts to the City's 2020 budget, and the actions necessary to respond to the COVID-19 emergency, and it was determined that COVID-19's financial impacts to the General Fund increases the currently budgeted operating deficit of \$896,000 to a range of \$1.125 million to \$1.929 million, and escalates the depletion of the City's general fund reserve to the year 2022 or 2023; and

**WHEREAS**, the significant budget deficits caused by COVID-19 will potentially undermine the City's ability to fund and sustain essential public services, such as public safety services (police, fire) to its citizens; and

**WHEREAS**, the City Council finds it necessary to establish new, stable revenue to respond to the COVID-19 pandemic and public health emergency, fund public safety services (police, fire), and address its dire impacts to Newcastle's fiscal sustainability; and

**WHEREAS**, the City Council is authorized by Chapters 35.21 and 35.22 RCW to collect excise taxes from persons conducting business within the City; and , and the City Council desires to adopt a new Chapter 3.31 of the Newcastle Municipal Code to levy a utility tax within the City and to establish regulations relating to the same; and

**WHEREAS**, the City Council finds that the adoption of this ordinance is necessary to provide revenue necessary for the provision of essential public services, and protect public health, safety and welfare;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1. Findings.** The City Council adopts the recitals set forth above, herein incorporated by reference, as findings supporting this Ordinance.

**Section 2. Purpose and Need.** The City Council finds that the best interests of the public requires the adoption of this Ordinance levying utility taxes for the purpose of funding and sustaining public safety services (police, fire). In addition, the Council finds it

necessary to adopt this Ordinance to preserve and protect the health, safety and welfare of its citizens.

**Section 3. Utility Occupation Tax Adopted.** The City Council hereby adopts a new Chapter 3.31 of the Newcastle Municipal Code, entitled "Utility Taxes" to read as follows:

Chapter 3.31  
UTILITY TAXES

Sections:

- 3.31.010 Purpose.**
- 3.31.020 Definitions.**
- 3.31.030 Utility tax imposed and rate.**
- 3.31.040 Exceptions and deductions from gross income.**
- 3.31.050 Monthly installments.**
- 3.31.060 Cellular telephone service allocation and administration.**
- 3.31.070 Books and records – Inspection and confidentiality.**
- 3.31.080 Investigation of returns.**
- 3.31.090 Over or under payment.**
- 3.31.100 Failure to make return.**
- 3.31.110 Appeal.**
- 3.31.120 Rules and regulations.**
- 3.31.130 Unlawful acts.**
- 3.31.140 Penalty for violation.**
- 3.31.150 Rate change.**

**3.31.010 Purpose.**

The provisions of this chapter shall be deemed to be an exercise of the power of the City of Newcastle to license for revenue and to levy a tax on utilities pursuant to the laws of the state of Washington.

**3.31.020 Definitions.**

Unless the context clearly indicates otherwise, the words, phrases and terms used in this chapter shall have the following meanings:

A. Cable Television Business: Every person engaging in or carrying on the business of providing cable television services, which includes the one-way transmission of video programming and associated non-video signals to subscribers together with subscriber interaction, if any, which is provided in connection with video programming.

B. Cellular Telephone Business: Every person engaging in or carrying on the business of providing cellular telephone services, which include:

i. The provision of Mobile Telecommunications Service defined as “commercial mobile radio service”, as defined in section 20.3, Title 47 C.F.R. as in effect on June 1, 1999; and

ii. The provision of Mobile Wireless Service defined as a telecommunications service that is transmitted, conveyed, or routed regardless of the technology used, whereby the origination and/or termination points of the transmission, conveyance, or routing are not fixed, including, by way of example only, telecommunications services that are provided by a commercial mobile radio service provider.

C. City: The City of Newcastle.

D. Director: The Finance Director or designee.

E. Gas Distribution Business: Every person engaging in or carrying on the business of providing, selling, furnishing, distributing, or transmitting gas, whether manufactured or natural.

F. Gross Income or Gross Proceeds of Sales: The value proceeding or accruing by reason of the transaction of the business engaged in, and includes, but is not limited to, gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds, or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends, and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

G. Light and Power Business: Every person engaging in or carrying on the business of operating a plant or system for the generation, production, distribution of electric light and power for hire or sale and/or for the wheeling of electricity for others.

H. Person or persons: Persons of either gender, firms, co-partnerships, corporations, public utility districts, municipal corporations, public or private utilities, and other associations, whether acting by themselves or by servants, agents or employees.

I. Sewerage Business: Every person engaging in or carrying on the business of selling, furnishing, or distributing sanitary sewer services for commercial or domestic use or purpose.

J. Solid Waste Business: Every person engaging in or carrying on the business of providing services to receive solid waste or recyclable materials for transfer, storage, or disposal, including but not limited to all collection services, public or private solid waste disposal sites, transfer stations, and similar operations. “Solid waste” means all putrescible and non-putrescible solid and semisolid wastes including, but not limited to, garbage, rubbish, compost, ashes, industrial wastes, swill, sewage sludge, demolition

and construction waste, abandoned vehicles or parts thereof, and recyclable materials. "Recyclable materials" means those solid wastes that are separated for recycling or reuse, such as papers, metals, and glass.

K. Storm and Surface Water Business: Every person engaging in or carrying on the business of selling, furnishing, or distributing storm and surface water drainage services for commercial or domestic use or purpose.

L. Taxpayer: Any person liable for the tax imposed by this chapter.

M. Tax year or taxable year: The 12-month period year commencing on January 1<sup>st</sup> and ending on December 31<sup>st</sup> of the same year.

N. Telephone Business: Every person providing Network Telephone Service (defined in subsection NMC 3.31.020.N.1), Telecommunications Services (defined in subsection NMC 3.31.020.N.2), or cooperative or farmer line telephone companies or associations operating an exchange within Newcastle City limits:

1. Network Telephone Service is defined as the providing by any person of access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" includes the provision of transmission to and from the site of an internet provider via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" does not include the providing of "competitive telephone service" (defined in subsection NMC 3.31.020.N.3), the providing of cable television service, or the providing of broadcast services by radio or television stations, nor the provision of internet access as defined in RCW 82.04.297, including the reception of dial-in connection, provided at the site of the internet service provider.

2. Telecommunication Services is defined as the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. "Telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice over internet protocol services or is classified by the federal communications commission as enhanced or value added. "Telecommunications service" does not include those activities expressly excluded from the definition in RCW 82.04.065(27).

3. Competitive Telephone Service: Every person engaging in or carrying on the business of providing telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or

apparatus is of a type which can be provided by persons that are not subject to regulation as telephone companies under Title 80 RCW and for which a separate charge is made.

O. Water Distribution Business: Every person engaged in the business of selling, furnishing, or distributing water services for commercial or domestic use or purpose.

**3.31.030 Utility Tax Imposed & Rate:**

There is levied and shall be collected from every person a tax for the act or privilege of engaging in the following utility business activities within the City, and the amount due shall be equal to the gross proceeds of sales from customers within the City, multiplied by the following applicable rates:

1. Telephone Business: The Telephone Business utility tax rate shall be three percent (3%).
2. Cellular Telephone Business: The Cellular Telephone Business utility tax rate shall be three percent (3%).
3. Gas Distribution Business: The Gas Distribution Business utility tax rate shall be three percent (3%).
4. Light and Power Business: The Light and Power Business utility tax rate shall be three percent (3%).
5. Cable Television Business: The Cable Television Business utility tax rate shall be three percent (3%).
6. Sewerage Business: The Sewerage Business utility tax rate shall be three percent (3%).
7. Solid Waste Business: The Solid Waste Business utility tax rate shall be three percent (3%).
8. Storm and Surface Water Business: Storm and Surface Water Business utility tax rate shall be zero percent (0%).
9. Water Distribution Business: The Water Distribution Business utility tax rate shall be three percent (3%).

**3.31.040 Exceptions and deductions from gross income.**

There is excepted and deducted from the total gross income upon which the tax is computed:

A. That part of the total gross income derived from business which the City is prohibited from taxing under the constitution or laws of the United States and the constitution of the State of Washington.

B. That portion of gross income derived from charges to another telecommunications company, as defined in RCW **80.40.010**, for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services, or for access to, or charges for, interstate service.

C. Charges incurred by a taxpayer engaging in a telephone business and paid to a telecommunications company, as defined in RCW **80.40.010**, for telephone service that the taxpayer purchases for the purpose of resale.

D. Adjustments made to a billing or customer account in order to reverse a billing or charge that was not properly a debt of the customer.

E. Cash discounts allowed and actually granted to customers of the taxpayer during the tax year.

F. Uncollectible debts written off the taxpayer's books during the tax year. If subsequently collected, the income shall be reported for the period in which collected.

**3.31.050 Monthly installments.**

A. The tax imposed by this chapter shall be due and payable in monthly installments. The remittance shall be made on or before the last day of the month following the end of the monthly period in which the tax is accrued. Quarterly or annual returns for smaller entities may be allowed upon written approval of the Director. On or before said due date, the taxpayer shall file with the Director, a written return upon such form and setting forth such information as the Director shall reasonably require relating to the accurate computation and collection of this tax, together with the payment of the amount.

B. Payment made by draft or check shall not be deemed a payment of the tax unless and until the same has been honored in the usual course of business, nor shall acceptance of any such check or draft operate as a discharge of the fee or tax unless and until the check or draft is honored.

**3.31.060 Cellular Telephone Service Allocation and Administration:**

A. Allocation of Income, Cellular Telephone Service:

1. Service Address: Payments by a customer for the cellular telephone service from telephones without a fixed location shall be allocated among taxing jurisdictions to the location of the customer's principal service address during the period for which the tax applies.

2. Presumption: There is a presumption that the service address a customer supplies to the taxpayer is current and accurate, unless the taxpayer has actual knowledge to the contrary.

3. Roaming Phones: When the service is provided while a subscriber is roaming outside the subscriber's normal cellular network area, the gross income shall be assigned consistent with the taxpayer's accounting system to the location of the originating cell site of the call, or to the location of the main cellular switching office that switched the call.

4. Dispute Resolution: If there is a dispute between or among the City and another city or cities as to the service address of a customer who is receiving cellular telephone services and the dispute is not resolved by negotiation among the parties, then the dispute shall be resolved by the City and the other city or cities by submitting the issue for settlement to the Association of Washington Cities (AWC). Once taxes on the disputed revenues have been paid to one of the contesting cities, the cellular telephone service company shall have no further liability with respect to additional taxes, penalties, or interest on the disputed revenues so long as it promptly changes its billing records for future revenues to comport with the settlement facilitated by AWC.

B. Authority of Director: The Director is authorized to represent the City in negotiations with other cities for the proper allocation of taxes due under this Section.

C. In computing said tax the business enterprise may deduct in computing gross income the actual amount of credit losses and uncollectibles sustained by the business enterprise, and amounts derived from transactions in interstate and foreign commerce which the City is prohibited from taxing under the laws and Constitution of the United States.

**3.31.070 Books and records – Inspection and confidentiality.**

A. It is the duty of each taxpayer to keep and enter in a proper book or set of books or records an account which shall accurately reflect the amount of its gross income, which account shall be open to inspection by the Director at a reasonable time, and from which said officer the Director may verify returns made by the taxpayer.

B. To the extent permitted by Chapter **42.56** RCW and other applicable statutes, the applications, statements or returns made to the Director pursuant to this chapter shall not be made public, nor shall they be subject to the inspection of any person except the mayor, the city attorney, the Director or his or her authorized agent and members of the city council.

**3.31.080 Investigation of returns.**

If any taxpayer fails to apply for a license or make his or her return, or if the Director is dissatisfied as to the correctness of the statements made in the application or return of any taxpayer, the Director, or his or her designee, may perform such actions to audit and investigate. The Director may: (A) enter the premises of such taxpayer at any reasonable time for the purpose of inspecting and auditing the taxpayer's books or records to ascertain the amount of the fee or tax or to determine the correctness of such statements, as the case may be; (B) may examine any person under oath administered by the Director, or his or her designee, touching the matters inquired into; or (C) fix a time and place for an investigation of the correctness of the return, and (D) issue a subpoena to the taxpayer, or any other person, to attend such investigation and testify, under oath administered by the Director, or his or her agent, in regard to the matters inquired into and may, by subpoena, require him or her, or any person, to bring

with him or her such books, records and papers as may be necessary. In the event that any such audit reveals an underpayment of 10 percent or more, the taxpayer shall, in addition to the penalties provided by this chapter, be responsible for all of the costs associated with the audit, including, but not limited to, staff time and overhead, accounting fees, professional service fees, and attorneys' fees.

**3.31.090 Over or under payment.**

A. Overpayment. If the Director, upon investigation or upon checking returns, finds that the fee or tax paid by a taxpayer is more than the amount required of the taxpayer, he or she shall return the amount overpaid, upon the written request of the taxpayer. Any refund request not submitted within three years of the alleged overpayment shall be forever barred.

B. Underpayment. If the Director finds that the fee or tax paid by a taxpayer is less than required, he or she shall send a statement to the taxpayer showing the balance due, together with a penalty of 10 percent of the amount due, and the taxpayer shall, within 10 days, pay the amount shown thereon. If payment is not received by the Director by the due date specified in the notice, the Director shall add a penalty of an additional 25 percent of the amount of the additional tax found due. In the event that the balance due, including all penalties, is not paid in full within 30 days from the date specified, the penalty shall be increased by 15 percent of the amount due and the total amount due shall accrue interest at the rate of 12 percent per annum. If the Director finds that all, or any part of, the deficiency resulted from an intent to evade the tax payable hereunder, a penalty of 50 percent of the additional tax found to be due shall be added and the amounts due, including penalties, shall accrue interest at the rate of 12 percent per annum from the date the tax became due and the date payment is actually made.

**3.31.100 Failure to make return.**

A. If any taxpayer fails, neglects, or refuses to make the return as and when required by this chapter, or pay the taxes therefor, or any part thereof, the Director is authorized to determine the amount of the tax payable under the provisions of NMC 3.31.030, and shall notify the taxpayer of the amount so determined. The amount so fixed shall be the tax and be immediately due and payable, together with penalty and interest. Delinquent taxes, including any penalties, are subject to an interest charge of 12% per year on the unpaid balance from the date any such taxes became due as provided herein.

B. In the event that any taxes imposed by this chapter remain unpaid, the Director may refer such claims to a collection agency or to the city attorney for collection. If referred to the city attorney for collection, the city attorney shall, with the assistance of the Director, collect the same by any appropriate means or by suit or action in the name of the City. In the event that the City prevails on any claim that a taxpayer is in noncompliance with the terms of this chapter, the City shall be entitled to an award of its reasonable attorneys' fees and other professional expenses associated with prosecuting the action.

**3.31.110 Appeal to hearing examiner.**

A. Any taxpayer aggrieved by a determination of the Director under the provisions of this chapter may appeal such determination pursuant to the procedures established by this section. If the determination being appealed is the amount of the tax or fee due, the amount determined by the Director must be paid to the City under protest prior to filing an appeal.

B. Any appeal must be in writing and must contain the following:

1. Name, address and UBI/tax registration number of taxpayer;
2. A statement identifying the determination of the Director from which the appeal is taken;
3. A statement setting forth the grounds upon which the appeal is taken and identifying specific errors the designated official is alleged to have made in making the determination;
4. A statement identifying the requested relief from the determination being appealed; and
5. An appeal fee in an amount established by the City's fee resolution, which is refundable in the event the appellant prevails on the appeal.

C. An appeal shall be filed with the city clerk no later than 30 days following the date on which the determination of the Director was mailed to the taxpayer. Failure to follow the appeal procedures in this section shall preclude the taxpayer's right to appeal.

D. The hearing examiner shall schedule a hearing date, notify the taxpayer and Director and shall then conduct an appeal hearing in accordance with this chapter and procedures developed by the hearing examiner, at which time the appellant taxpayer and Director shall have the opportunity to be heard and to introduce evidence relevant to the subject of the appeal. The appellant taxpayer shall have the burden of proving by a preponderance of the evidence that the determination of the Director is erroneous. The hearing examiner shall make an electronic sound recording of each appeal unless the hearing is conducted solely in writing.

E. Following the hearing, the hearing examiner shall enter a decision on the appeal, supported by written findings and conclusion in support thereof. A copy of the findings, conclusions and decision shall be mailed to the appellant taxpayer and the designated official. The decision of the hearing examiner may be appealed to the superior court of King County by the appellant taxpayer or by Director, which must be filed within 21 days of mailing of the hearing examiner's decision.

**3.31.120 Rules and regulations.**

The Director shall have the power to adopt, publish and enforce rules and regulations not inconsistent with this chapter or with applicable law for the purpose of carrying out the provisions of this chapter, and it is unlawful for any person or taxpayer to violate or fail to comply with any such rule or regulation.

**3.31.130 Unlawful acts.**

It shall be unlawful:

- A. For any person liable for taxes or fees hereunder to fail or refuse to file returns, or to pay any fee or tax or installment thereof when due;
- B. For any person to make any false or fraudulent return or any false statement or representation in, or in connection with, any return;
- C. To aid or abet another in any attempt to evade payment of the fee or tax, or any part thereof;
- D. For any person to fail to appeal and/or testify in response to subpoena issued pursuant hereto;
- E. To testify falsely upon any investigation of the correctness of a return, or upon the hearing of any appeal; and/or
- F. In any manner to hinder or delay the City or any of its officers in carrying out the provisions of this chapter.

**3.31.140 Penalty for violation.**

Any person violating any of the provisions or failing to comply with any of the requirements of this chapter shall, in addition to being liable for the monetary penalties set forth herein, be guilty of a misdemeanor and upon conviction of such violation or failure be punished by a fine of not more than \$5,000 or by imprisonment not to exceed 90 days or by both such fine and imprisonment.

**3.31.150 Rate change.**

No change in the rate of tax upon persons engaging in providing services taxable under this chapter shall apply to business activities occurring before the effective date of the change, and, except for a change in the tax rate authorized by RCW **35.21.870**, no change in the rate of the tax may take effect sooner than 60 days following the enactment of the ordinance establishing the change. The Director, or his or her designee, shall send to each taxpayer a copy of any ordinance changing the rate of tax upon taxable services promptly upon its enactment.

**Section 4. Referendum Procedure.** The provisions of this Ordinance are subject to the referendum procedure as follows:

A. A referendum petition seeking to repeal this Ordinance shall be filed with the City Clerk, the designated filing officer, within seven days of the passage of the Ordinance.

B. Within ten days, the City Clerk shall confer with the petitioner concerning the form and style of the petition, issue the petition an identification number, and cause to be written a ballot title for the measure. The ballot title shall be posed as a question, so that an affirmative answer to the question and an affirmative vote on the measure results in the tax being imposed, and a negative answer to the question and a negative vote on the measure results in the tax not being imposed. The petitioner shall be notified of the identification number and ballot title within this ten-day period.

C. After notification of the identification number and ballot title, the petitioner shall have thirty days in which to secure the signatures of not less than fifteen percent of the registered voters of the City, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred, and to file the signed petitions with the City Clerk.

D. The City Clerk shall verify the sufficiency of the signatures on the petitions. If sufficient valid signatures are properly submitted, the City Clerk shall certify the referendum measure to the next election ballot within the City or at a special election as provided pursuant to RCW 35.17.260(2).

**Section 5. Exclusive Procedure.** Pursuant to RCW 35.21.706, the referendum procedure set forth in Section 4 of this Ordinance, shall be the exclusive referendum procedure for the tax imposed herein, and shall supersede the procedures under Chapters 35A.11 and 35.17 RCW and all other statutory provisions for initiative or referendum which might otherwise apply.

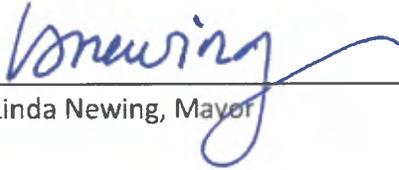
**Section 6. Implementation and Authority.** The City Manager, City Clerk and City Attorney are directed and authorized to take such actions as necessary to implement this Ordinance and the process identified in Section 4 consistent with state and local laws. The City Clerk is authorized to adopt administrative policies/rules to implement this Ordinance.

**Section 7. Severability.** If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

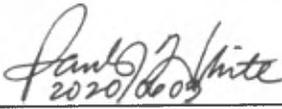
**Section 8. Effective Date.**

- A. This ordinance shall take effect and be in full force five (5) days after passage and legal publication.
- B. The utility taxes authorized and levied herein shall take effect on January 1, 2021.

ADOPTED BY THE CITY COUNCIL at its meeting on June 2, 2020.

  
\_\_\_\_\_  
Linda Newing, Mayor

ATTEST

  
\_\_\_\_\_  
Paul J. White, City Clerk

APPROVED AS TO FORM

  
\_\_\_\_\_  
Dawn F. Reitan, City Attorney



**CERTIFICATION OF ORDINANCE 2020-609**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Newcastle, King County, Washington, (the "City"), and as such official I am the keeper of the records and files of the City and of the City Council of the City (the "Council").

I do further certify that the attached document constitutes a full, true and complete copy of Ordinance 2020-609 (the "Ordinance"), entitled:

**ORDINANCE 2020-609**

**AN ORDINANCE OF THE CITY OF NEWCASTLE, WASHINGTON; ADOPTING A NEW CHAPTER 3.31 OF THE NEWCASTLE MUNICIPAL CODE TO AUTHORIZE AND LEVY UTILITY TAXES TO FUND AND SUSTAIN PUBLIC SAFETY (POLICE, FIRE); ESTABLISHING REGULATIONS REGARDING THE SAME; PROVIDING FOR REFERENDUM; AUTHORIZING CITY OFFICIALS TO TAKE NECESSARY ACTIONS; PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.**

The Ordinance was adopted by the City Council of the City of Newcastle on June 2, 2020, by a vote of 6-1. The title of this Ordinance was published in the City's newspaper of record on June 5, 2020, and the effective date of the Ordinance is June 10, 2020.

I do further certify that the deliberations of the Council on the adoption of the Ordinance were held openly and that the vote on adoption of the Ordinance was taken openly and in accordance with state law. Such meeting was held at a specified place and time convenient to the public, notice of such meeting was given, and such meeting was called and held in strict compliance with the provisions of the open meetings laws of the State of Washington, as amended, and that the Council has complied with all applicable provisions of open meetings laws and procedural rules in the adoption of the Ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature this 5th day of June, 2020.

---

Paul J. White  
City Clerk  
City of Newcastle  
King County, Washington

## **ATTACHMENT 3**



## RESOLUTION NO. 2019 - 790

### A RESOLUTION OF THE CITY OF NEWCASTLE, WASHINGTON, APPROVING A PUBLIC ENGAGEMENT STRATEGY.

WHEREAS, communication with the broad range of people the City of Newcastle serves is vital for individuals to have a voice in the decisions that affect them; and

WHEREAS, providing information increases citizen competence and empowerment as they relate to participatory government; and

WHEREAS, the City Council desires to maintain a high degree of transparency in the conduct of City government and operations to preserve public trust; and

WHEREAS, timely and effective communication between the City of Newcastle and its residents is necessary for maintaining quality of life in the City and for the protection of public health, safety and welfare; and

WHEREAS, a public engagement strategy assists in focusing communications resources and efforts in response to the circumstances of a changing environment; and

WHEREAS, strategic goals and priorities are a motivational and proactive management tool to ensure cohesiveness and effectiveness of communications; and

WHEREAS, members of the Community Activities Commission developed a recommended City of Newcastle Public Engagement Strategy; and

WHEREAS, the City Council has reviewed the recommended public engagement strategy and desires to approve the same;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. Approval. The City Council hereby approves the City of Newcastle Public Engagement Strategy as set forth in Exhibit A, attached hereto and incorporated by reference.

City staff is hereby directed to publicize and distribute the public engagement strategy to Newcastle officials, staff and residents.

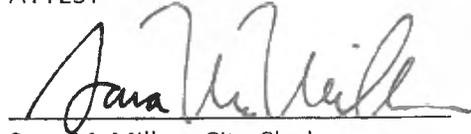
Section 2.    Effective Date. This resolution shall take effect immediately upon passage.

**APPROVED BY THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON,** at a regular meeting thereof this 4<sup>th</sup> day of June, 2019.

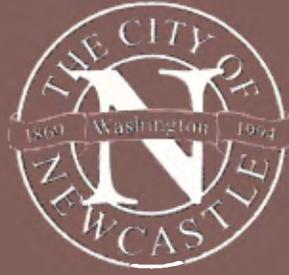


Allen Dauterman, Mayor

ATTEST



Sara McMillon, City Clerk



RESOLUTION 2019-790  
EXHIBIT A

# Public Engagement Strategy



[newcastlewa.gov](http://newcastlewa.gov)



# CITY OF NEWCASTLE PUBLIC ENGAGEMENT STRATEGY

The Newcastle Public Engagement Strategy is designed to support the:

## **City of Newcastle Mission**

To serve the Newcastle community in an effective, efficient, professional, friendly and fiscally responsible manner that fosters a sense of community and assures equity, integrity, dignity and respect.

## **City of Newcastle Vision Statement**

Our guiding vision for the community is that of a diverse, safe, tolerant, and economically viable residential and business community, with its foundation in strong neighborhoods, family values, trust, respect for the natural environment, and an appreciation of its history.

## **City of Newcastle Strategic Goals**

The City of Newcastle will:

1. Continue to manage City operations with sound fiscal planning and actions that ensure long-term sustainability while being cognizant of the tax burden on our residents and businesses.
2. Maintain a safe community with a high quality built and natural environment.
3. Encourage community engagement and provide customer service excellence.
4. Encourage a vibrant local economy with additional amenities and services.

# TABLE OF CONTENTS

	Pages
Introduction and Background	<b>3-4</b>
Objectives	<b>5</b>
Goals and Strategies	<b>6-9</b>
Exhibit A: Communications Tools	<b>10-11</b>
Exhibit B: Potential Audiences	<b>12</b>
Exhibit C: Citizen's Guide to Engaging with Your City	<b>13-15</b>



# Introduction

The City of Newcastle is a small community within a major metropolitan area, adjacent to the more populous cities of Bellevue and Renton. At the time of incorporation in 1994, the City's population of about 7,700 valued small, efficient government responsive to their values, and felt a sense of community and separate identity. Today, 25 years later, these feelings persist. The City's population has nearly doubled to 12,500, mirroring trends throughout the area. Compared with King County as a whole, people



choosing Newcastle are younger and more educated, with a higher median household income. Technological innovation continually increases service delivery expectations and changes how we communicate. Newcastle's population also continues to diversify with nearly 30 percent of the City's residents identifying as Asian in 2019.

The City of Newcastle's communication, engagement and outreach efforts must consider these current conditions and trends. The program:

- Maintains the City's distinctive identity;
- Fosters the sense of community that sets Newcastle apart;
- Maintains responsiveness of government;
- Furthers goals of engaging all citizens, particularly underrepresented communities;
- Ensures public opinion is reflected in legislation and planning;
- Increases government transparency and accountability;
- Assists in fulfilling the public safety needs of a growing population, ensuring the safety and protection of our City and neighborhoods;
- Helps staff keep pace with expectations for service delivery;
- Creates operational efficiencies;
- Promotes economic growth and business activity;
- Increases community satisfaction and staff pride in work; and
- Improves quality of life for the City's residents overall.

Consistent with trends nationwide, Newcastle's only community newspaper went out of business in 2016. Larger media companies also have been forced to reduce costs and are not prioritizing local news coverage. The City of Newcastle can fill this gap of providing information about City government to the public it serves. Facilitating participation in government is one of our core responsibilities.

# Communications Program Background



The City of Newcastle adopted its first communications plan in 2010 and has made significant advances in communications since then. A few years after plan adoption, the City maintained a website, Twitter and Facebook accounts, sent out email communications and a newsletter. Every year a Town Hall meeting was held to share information with the public. However, without adequate staffing for communications, overall information was not consistently shared or updated. Social media accounts were not frequently monitored and

resident questions were not responded to in an acceptable time period.

Fulfillment of plan objectives accelerated when the City Council allocated funding for a website redesign, which was completed in late 2016. Further progress was achieved when the Council provided an additional personnel resource by contracting with a part-time communications professional in 2017, allowing 1) greater social media presence through more frequent, consistent posts with images; 2) quick response to resident comments and inquiries made through social media; 3) consistent and timely publication of news and information through various media channels such as emails, email newsletters and frequent website posts. On Facebook alone, the City's annual total post reach (the total number of people who saw posts on our page) grew from 41,187 in 2016 to 268,797 in 2017.

During 2018, the communications program continued to evolve with video clips about particular items of interest posted. The City added Instagram and NextDoor accounts to its social media. The City Council began holding Community Conversation events for public outreach. City staff partnered with Sound Publishing to produce a residents' guide highlighting Newcastle's amenities and attractions. Newcastle Police also began taking a more active role in communications by holding events and creating a police Facebook and Twitter page. A "Government 101" event was held at the Newcastle Library educating the public about City operations.



This new Public Engagement Strategy is intended to build on that progress and present a clear and concise roadmap for communicating with our community.

# Objectives

The City of Newcastle commits to clear, consistent, timely and transparent communication practices under these guiding principles:



## **Keep Communications Simple and Accessible**

- Use clear, concise and easy-to-understand language in all communications.
- Strive to vary the types and methods of communications to target diverse audiences and bring our message directly to the people.



## **Promote Transparency and Honesty**

- Provide the community with the most current information about City affairs and respond honestly to questions, concerns and feedback.
- Always review and verify accuracy of City communications to ensure all stakeholders receive the most credible information.



## **Communicate Early and Often**

- Ensure that City initiatives, issues and projects include early identification and regular public outreach so that citizens are included, heard and informed.
- Keep stakeholders in the loop with consistent updates on City events and news.



## **Inform and Educate**

- Proactively disseminate City news and information to the community in a manner that most will receive.
- Educate residents about City government in an effort to support an active and engaged citizenry.



## **Listen, Respond and Implement**

- Create an environment that encourages residents to engage in open, two-way communication with their City.
- Encourage citizens to express their ideas, feedback and concerns and create concrete mechanisms to listen, respond and implement their feedback into actions.

# Goals and Strategies

The Public Engagement Strategy will support City staff, elected officials and the community in the effort to accomplish the following communications goals:

➔ **Goal Statement #1: Use clear, concise and easy-to-understand language and formatting in all communications with the public.**

## Strategies:

- Keep public communications simple, short and to-the-point, avoid complicated government jargon and commit to use language the general public will understand.
- We live in a visual world. Wherever possible, use photos and/or video to illustrate important issues, promote community events and showcase City operations and services.
- Develop a style guide to ensure consistency in language, tone, appearance and grammar across all public communications.



➔ **Goal Statement #2: Disseminate information through a wide variety of media in order to reach as broad a spectrum of the community as possible.**

## Strategies:

- Continue to build the City's communications channels and overall engagement by delivering the news and information the community desires, in the manner they most want to receive it.
- Proactively explore additional methods and emerging technologies to better reach the community. Possibilities include, but are not limited to: implementation of live audio and/or video recordings of public meetings, evaluation of potential print publications, consideration of increased public forum opportunities, better utilization of banners, posters and public bulletin boards, and PTSA and/or Homeowners Associations email communications.
- Strive to provide public communications in multiple languages in an effort to accommodate a diverse community.
- Review analytics to assess effectiveness of social media posts, email newsletters and website pages to better tailor content that engages the community.



***Goal Statement #3: Foster an environment where community stakeholders can engage in open, two-way communication with City staff and elected officials.***

Strategies:

- Continue to promote and offer a variety of methods for community members to regularly share their feedback, concerns and questions. Proactively explore additional practices to ensure citizens voices are heard and considered. Possibilities include, but are not limited to: periodic, statistically-valid public surveys, telephone town halls, virtual question-and-answer sessions, a City Hall suggestion box and Council office hours.
- Continue to reinforce a City Hall culture that emphasizes top-tier customer service and responsiveness, ensuring that City staff and elected officials serve the community with the highest degree of professionalism and care.
- Continue to foster a City Hall culture that encourages officials and staff to critically listen and respond to community comments, and implement the feedback into appropriate policies and actions.



***Goal Statement #4: Support an active and engaged community that encourages residents of all backgrounds to participate in City decision-making processes, local government and events.***

Strategies:

- Continue to encourage, celebrate and promote volunteerism.
- Continue to support local nonprofit organizations that benefit the Newcastle community. Organizations include, but are not limited to: Newcastle Trails, Newcastle Historical Society, the Friends of the Newcastle Library and the Newcastle Arts Council.
- Brainstorm and coordinate regular opportunities to educate the public about all aspects of City operations, services and activities.
- Promote and organize opportunities for heritage and cultural events, highlighting the diversity of Newcastle and its residents.
- Advance staff efforts to establish relationships with diverse groups and residents to better engage those entities to participate in the community.
- Establish a Neighborhood Liaison Program that creates a link between the City and its communities. The program would provide neighborhoods with the information they need to be effective participants in government and open a productive channel of communication between the City and its citizen groups.
- Explore opportunities to engage the local business community and encourage their involvement in City decision-making processes.



**➔ Goal Statement #5: Commit to proactively share City – and where appropriate, regional – news and information in a manner that is transparent, consistent and accurate.**

Strategies:

- Continue to proactively disseminate City news and information as outlined in *The Citizen's Guide to Engaging with Your City* (Exhibit C).
- Continue to ensure all public communications are relevant, transparent and factual. Review all information for accuracy before publishing.
- Ensure that all City initiatives, issues and projects include early identification and regular public outreach so that citizens are included, heard and informed.



- Incorporate communications goals in planning and budgeting for City projects.
- Advance efforts to publicly showcase staff at work and celebrate completed projects so taxpayers see where their dollars are going.
- Continue to publish legal notices in the City's newspaper of record. Consistently post these notices on the City website to provide greater visibility to the public.
- Advance efforts to foster relationships with neighboring and regional jurisdictions to share relevant information, events or services that impact or benefit Newcastle residents. Entities include, but are not limited to: Coal Creek Utility District, Newcastle Chamber of Commerce, Bellevue Fire Department, King County Sheriff's Office, City of Bellevue, City of Renton, King County, Puget Sound Energy and Washington State Department of Transportation.

**➔ Goal Statement #6: Create effective messaging that enhances Newcastle's image and profile in the region.**

Strategies:

- Collaborate with the Newcastle Chamber of Commerce and local businesses to support economic development and bolster the City's competitiveness for regional economic activity through marketing communications.
- Explore methods to increase regional awareness and interest in the City of Newcastle, its citizens and features.
- Foster community pride among City staff, officials and citizens by highlighting and championing assets such as the City's history, trails, businesses and environment.





**Goal Statement #7: Create formal frameworks and support training opportunities to assist in the Public Engagement Strategy's implementation and assess accountability.**

**Strategies:**

- Schedule an executive review of the Public Engagement Strategy to ensure that it remains aligned with the City's goals on an annual basis.
- Review data analytics and solicit community feedback to determine effectiveness of communications.
- Research and pursue communications training and educational opportunities for City staff and officials. Topics include, but are not limited to: media response training, how to effectively connect and communicate with constituents, social media instruction and handling communications during a natural disaster or crisis.
- Distribute, share and reinforce the goals of the Public Engagement Strategy among City staff, officials and the community.
- Review and update the City's social media policy, and develop a formal process to collect public feedback and respond to inquiries through heavily-trafficked social media channels.
- Develop a content calendar to optimize post scheduling across all City platforms and research tools to better manage the City's social media accounts.
- Develop an annual communications work plan that's tied to the budget and outlines specific projects that support implementation of the Public Engagement Strategy.

# EXHIBIT A

## COMMUNICATIONS TOOLS

The City of Newcastle strives to explore a variety of methods to ensure our message is reaching the widest, most diverse audience possible. Our current inventory of communications methods include, but are not limited to:

### **PUBLIC FORUMS**

*Description:* The Newcastle City Council uses the Town Hall and Community Conversation events as public forums to listen to citizen concerns, questions and feedback. The Newcastle City Council Town Hall is held annually at a larger venue, while multiple Community Conversation events are held at smaller, more intimate venues throughout the year.



### **PUBLIC COMMENT**

*Description:* The City Council and Commissions offer two public comment periods during every meeting, giving citizens the chance to provide input on the agenda of the day or any other issues that arise.

### **BANNERS, FLYERS AND HANDOUTS**

*Description:* The City uses a banner above Coal Creek Parkway to promote community events, while City bulletin boards are available at City Hall and Lake Boren Park. Handouts are also occasionally designed to share information (volunteer handout, sponsorship package, etc.).

### **EMAIL NEWSLETTERS**

#### **(Audience: 1,400+ subscribers as of April 2019)**

*Description:* On the Friday before every City Council meeting, the City of Newcastle publishes *News from Newcastle City Hall*, a regular email newsletter featuring City Council recaps, City news, the police blotter and more. It presents a consistent source of news and information about what's happening in the City of Newcastle, offering links to stories posted on our City website and social media. Citizens can sign up for the newsletter online or through sign-up sheets at City Hall meetings or City events. This email list has the largest single number of subscribers.

## **EMAIL ALERTS**

**(Audience: Public Meetings [400+], Employment Information [350+], Police E-Alert [1,050+] subscribers as of April 2019)**

*Description:* The City of Newcastle has additional email lists for specific topics (Employment Information, Police E-Alerts, and Public Meeting Notices). The Public Meeting Notices list is used regularly to send agendas for each meeting. The Employment list is used sparingly to announce City job openings. The Police E-Alert list was previously used to send out urgent police information. It is now used sparingly, as those items are now being posted on the Newcastle Police Facebook page, Twitter account and cross-posted to the City's NextDoor.

## **CITY WEBSITE**

*Description:* The City website [newcastlewa.gov](http://newcastlewa.gov) represents a virtual City Hall – a 24/7 venue where residents can explore City services. The site features pages dedicated to each City department, as well as information about the community and more. A Community News section featured on the front page serves as a news blog of sorts where we post City Council recaps after each meeting, news articles and community events. The website is generally not highly trafficked on its own, so we must cross-post these articles on social media to drive traffic.

## **SOCIAL MEDIA**

**Facebook (Audience: 1,850+ follows as of April 2019)**

**Twitter (Audience: 1,000+ followers as of April 2019)**

**Nextdoor (Audience: 3,100+ members as of April 2019)**

**Instagram (Audience: 530+ followers as of April 2019)**

*Description:* The City of Newcastle utilizes social media platforms as a way to reach citizens where they typically consume their news. We bring the information to the community and let residents know what is happening. The City posts news, photos, videos and urgent alerts to these networks on a near daily basis. Users can leave comments and send private messages. Communications Coordinator monitors accounts and responds to posts seven days a week.

## **PHOTOS AND VIDEO**

*Description:* We live in a visual world, so whenever possible, the City attaches a photo or video to posts on the website, social media and email newsletters. Posts with visuals increase engagement. The City takes photos/videos during events and projects to share with the community and showcase City services and news.

## **SOCIAL MEDIA: NEWCASTLE POLICE DEPARTMENT**

*Description:* The Newcastle Police Department has dedicated Twitter and Facebook accounts to share crime news, safety prevention tips and showcase their officers out in the community. The Newcastle Police Chief exclusively maintains these accounts, but everything is cross-posted to the City of Newcastle pages.

# EXHIBIT B

## POTENTIAL AUDIENCES

The City of Newcastle strives to deliver information to as broad a spectrum to the community as possible. Our potential audiences include, but are not limited to:

- Residents
- City Employees
- Elected Officials
- Volunteers
- Business Community
- Prospective Businesses and Residents
- Civic Groups
- Neighborhood Associations
- School Districts
- Neighboring Jurisdictions and Partners
- Nonprofit Organizations
- Community Organizations
- Law Enforcement and Public Safety Agencies
- Senior Citizen Groups
- Youth Groups
- Visitors



# EXHIBIT C

## A CITIZEN'S GUIDE TO ENGAGING WITH YOUR CITY

Newcastle is committed to open, two-way communication between the City and the community it serves. This guide offers tips and tricks on how you can get involved and engage with your City government.

### RECEIVE Information from the City of Newcastle

Don't miss a thing when it comes to City of Newcastle news. There are multiple ways you can keep up with the latest happenings in your community.

#### **1. City Council Meetings**

- a. Your elected Newcastle City Council representatives establish the city's plans and policies during open public meetings held from 7-10 p.m. in the City Hall Council Chambers on the first and third Tuesdays of every month.
- b. Can't make it on a Tuesday evening? The audio is posted on the City website after each meeting.

#### **2. Meeting Agenda Packets**

- a. The agenda packets offer a wealth of information on each topic set for City Council discussion. Published on the City website the Thursday before every meeting, the packet features detailed summaries and exhibits (known as agenda bills) about each subject that will go before the Council.
- b. Don't miss the City Manager Report for newsworthy updates on everything from road alerts, community events and important City projects.

#### **3. City Council Meeting Recaps**

- a. In an effort to proactively inform the public about important Council decisions, the City publishes recaps after each City Council meeting. Published in a journalistic fashion, the meeting roundups recap critical Council actions. Stay up to date on the latest meeting news and read the summaries at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

#### **4. Email Newsletters**

- a. The *Newsletter from Newcastle City Hall* email digest is your main source for Newcastle news. The easy-to-read digital newsletter is published the Friday before every Council meeting and features links to the City Council agenda, the Newcastle Police Blotter, City news and community events. Get regular updates straight to your inbox! Read past issues and sign up for the newsletter at [newcastlewa.gov/newsletters](http://newcastlewa.gov/newsletters).

#### **5. City Website**

- a. The City website [newcastlewa.gov](http://newcastlewa.gov) is your virtual City Hall – a 24/7 venue where residents can explore City services, view important documents and learn about Newcastle. The site features pages dedicated to each City department, as well

as useful information about City operations, the community and frequently asked questions. A Community News section featured on the front page serves as a news blog where you can view the latest City news, informational articles and community events. The website is updated daily, so bookmark [newcastlewa.gov](http://newcastlewa.gov) and check back often.

## **6. Social Media**

- a. Newcastle operates its social media sites as a public service to provide information about and showcase City programs, projects, issues, events and urgent alerts. Social media allows the City to share its news with a wider audience, bringing information directly to the community through the social platforms citizens already frequent. Recognizing that the City website is not highly-trafficked, the City boosts its reach by posting important news articles and information on social media. The Communications Coordinator monitors and updates the social media platforms on a daily basis.
- b. Follow us on the following social media platforms to view the latest photos, videos and articles highlighting what's happening in your community:
  - i. Twitter
    1. City: [twitter.com/cityofnewcastle](https://twitter.com/cityofnewcastle)
    2. Police: [twitter.com/pdnewcastle](https://twitter.com/pdnewcastle)
  - ii. Facebook
    1. City: [facebook.com/newcastlewa](https://facebook.com/newcastlewa)
    2. Police: [facebook.com/newcastlewapd](https://facebook.com/newcastlewapd)
  - iii. Instagram: [instagram.com/newcastlewa](https://instagram.com/newcastlewa)
  - iv. Nextdoor: [nextdoor.com/agency-detail/wa/newcastle/city-of-newcastle/](https://nextdoor.com/agency-detail/wa/newcastle/city-of-newcastle/)

## **SUBMIT Information to the City of Newcastle**

Citizen participation is an essential component to any democratic process. Newcastle is committed to serving its residents and encourages the community to share its concerns, questions and feedback through whatever method best suits your needs.

### **1. Public Forums**

- a. Interact face-to-face with the City Council and City staff at public forums. The City Council hosts an annual Town Hall meeting and multiple Community Conversation events to hear your thoughts and respond to inquiries throughout the year. Check [newcastlewa.gov](http://newcastlewa.gov) to see when the next event is scheduled.

### **2. Public Comment/Public Hearings**

- a. The City Council and Commissions offer two public comment periods during every meeting, giving citizens the chance to provide input on the agenda of the day or any other issues that arise. Public comment is welcome at the beginning and end of the meeting.
- b. Certain agenda topics, such as ordinances, offer a chance for additional input through public hearings. The City Council invites public comment upon the first

reading of all ordinances. Check the meeting agenda to see if a public hearing is scheduled.

**3. Email**

- a. Your elected representatives want to hear from you. Email the City Clerk at [cityclerk@newcastlewa.gov](mailto:cityclerk@newcastlewa.gov) to send a message to the entire Council or contact them individually through the emails listed at [newcastlewa.gov/councilcontact](http://newcastlewa.gov/councilcontact). View emails for all City staff members at [newcastlewa.gov/contactus](http://newcastlewa.gov/contactus). We'd love to listen to your thoughts, suggestions and questions.

**4. YourGov**

- a. The City makes it easy for you to let us know about potholes, tree problems and other non-emergency issues. The YourGov ([yourgov.cartegraph.com](http://yourgov.cartegraph.com)) application allows community members to report issues, complete with location, details and photos. This, NOT social media, is the preferred and most efficient way to report problems you notice such as graffiti, parks/trails concerns, problems involving storm drainage, street and street signs, traffic signals and trees or other vegetation.

**5. Call Us**

- a. If you have a question, comment or concern, don't hesitate to contact City Hall at 425-649-4444 during regular business hours (Monday-Friday, 8 a.m. to 5 p.m.).
- b. If it's an emergency, call 911 or the police nonemergency number at 206-296-3311. Do NOT report police incidents over social media. Those accounts are not monitored 24/7.

**6. Social Media**

- a. The methods outlined above represent the preferred methods to contact your City and its representatives, however, citizens can message and post comments and questions through the City social media channels. Accounts are not monitored 24/7, so please do NOT report emergencies on social media and allow additional time for the Communications Coordinator to collect information from staff before responding to your inquiry.

#NewcastleWA  
**Stay Connected!**



**newcastlewa.gov**

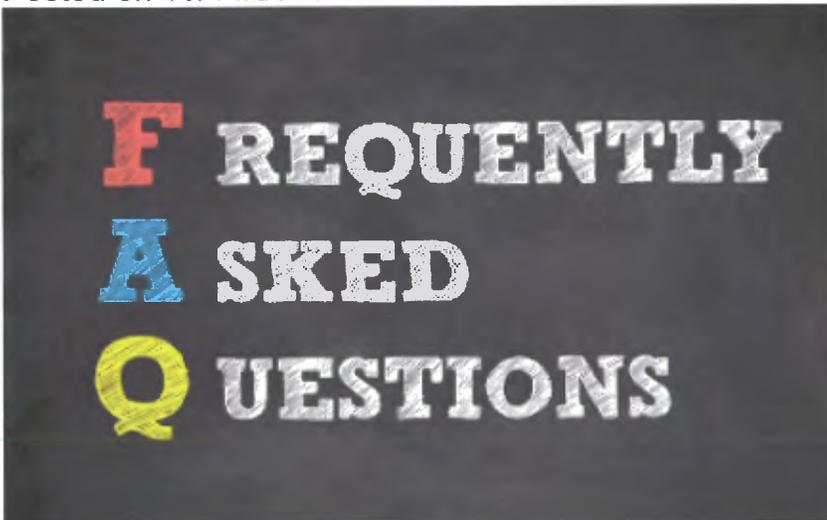


## **ATTACHMENT 4**



[Print This Page](#)

[City of Newcastle](#) / [News](#) / [What's New](#) / [FAQs: Referendum 2](#)  
FAQs: Referendum 2  
Posted on 10/14/2020



PUBLISHED OCTOBER 1, 2020

This November, Newcastle residents will be asked to vote on a proposed 3% utility tax. To address common questions related to the proposed utility tax, we've compiled a list of FAQs. Click the dropdown menus below to learn more.

### **Q: Why is a utility tax needed?**

**A:** Newcastle has three primary sources of revenue: property tax, sales tax and development fees. Multiple forecasts have shown that projected revenues cannot keep pace with projected expenditures. The City's largest revenue source is from property taxes which account for roughly 50% of operating revenue. The City only collects a portion of the overall property tax bill a household pays, typically about 15%. In addition, state law caps increases in property tax revenue to 1% per year, while inflation generally rises at a greater rate.

The revenue collected from sales tax and development fees are prone to fluctuation based on economic conditions. The end result is that the City's three primary revenue sources cannot keep pace with expenditures, creating what is called a structural budget deficit. Because of this, financial professionals have recommended that Newcastle diversify its revenue sources with more stable revenue options, such as a utility tax.

### **Q: Why is a utility tax needed now?**

**A:** The cost of city services, including public safety services like police and fire, are increasing and existing revenue cannot keep pace. Current projections show that by 2025, 100% of property tax revenue would go to just fund public safety. This is up from 81% only six years ago. Additionally, since the vast majority of land available for new growth has already been developed, the City needs a new, more reliable source of revenue to replace that funding source.

After concerns over sustainability were raised by the state auditor's office and the City Council Finance Committee, City leaders commissioned a financial study by a third-party consultant firm. After careful review of city budgets and projections, these consultants recommended adoption of a utility tax to diversify revenue sources.

**Q: Is this budget shortfall a result of COVID-19?**

**A:** No. Discussions to address the City's anticipated budget shortfall began before the COVID-19 pandemic and City leaders have been exploring ways to address it for over two years. The fiscal impacts of COVID -19 are being monitored and will be discussed further during the 2021 budget process.

**Q: Doesn't Newcastle already have a utility tax?**

**A:** No. Newcastle is one of only three municipalities in King County that does not have a utility tax. The only other two cities without this source of revenue is Sammamish and SeaTac. Looking at our neighboring cities, Renton's utility taxes are set at 6% and Bellevue's range from 4.5% to 10.4%.

**Q: How would the utility tax be applied?**

**A:** The utility tax would distribute the burden among all Newcastle businesses, homeowners and renters, and is anticipated to generate sufficient revenue to maintain existing city services. Unlike property and sales taxes, 100% of the revenue collected would go to the City. Additionally, the proposed rate of 3% is not set to increase.

**Q: What utilities would this tax apply to?**

**A:** The 3% tax would be applied to the following utilities:

- Electricity and Natural Gas (Monthly from Puget Sound Energy)
- Garbage (Quarterly from Waste Management)
- Water/Sewer (Bimonthly from Coal Creek Utility District)
- Cable TV (Monthly from Comcast)
- Phone Voice Fees\*

\*The voice portion of a mobile bill typically accounts for one-third of the total bill

**Q: What utilities are not subject to the utility tax?**

**A:** Cable internet, stormwater, mobile phone text, data and non-voice fees.

**Q: How much will this cost me and my family?**

**A:** The average household in Newcastle will pay between \$8 and \$14 a month total.

**Q: What are the impacts of approving/rejecting the utility tax?**

**A:** If approved, it is estimated the utility tax will generate approximately \$880,000 in revenue. The City anticipates using the projected revenue to pay for public safety services (fire and police), as the City's 2020 budget identified increased costs relating to police and fire contracts in the future. If rejected, it is projected that the City will have an approximately \$1 million shortfall in the 2021 budget alone, and will need to consider cutting public safety (police and fire) and other services.



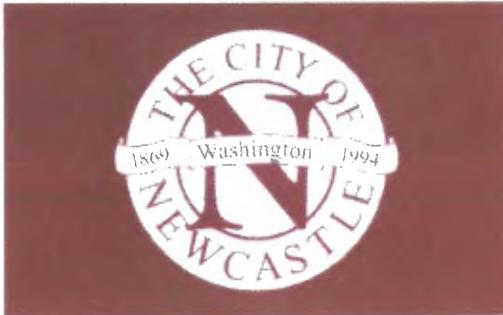
Search...

City of Newcastle / News / Archives / 2020 / City Council Recap | June 2, 2020



City Council Recap | June 2, 2020

Posted on 06/15/2020



The Newcastle City Council roundups offer a digest of notable items for those who can't make it to meetings. View the meeting agenda packet [here](#) and watch the meeting video [here](#). View past City Council roundups at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

COUNCIL APPROVES UTILITY TAX ORDINANCE

During the June 2nd meeting, the Newcastle City Council approved a 3 percent utility tax, beginning 2021. The utility tax will generate about \$880,000 in revenue annually. Based on a total of approximately 10,000 residential dwelling units in the City, the average residential dwelling unit would pay approximately \$90 per month.

The ordinance that the City Council passed includes a 3 percent tax on the following utilities: telephone (including cellular), gas/electricity, water/sewer, cable television and solid waste. During the meeting, the Council amended the ordinance to reduce the stormwater utility tax from the proposed 3 percent to 0.

A utility tax is imposed upon the utility itself. Utility companies in the state pass these taxes on to their customers. Many utilities list the tax as a separate item on their utility bill since it is part of their business costs.

The ordinance that the Council passed includes a referendum clause, giving citizens an opportunity to collect enough signatures to put the matter on the ballot for residents to vote on utility tax implementation.

GENERAL UPDATES

— Mayor Linda Newing officially [proclaimed](#) June as Class of 2020 Senior Recognition Month in the City of Newcastle.

The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment periods at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month starting at 7 p.m., unless otherwise noted. You can email your thoughts to Councilmembers at [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov).

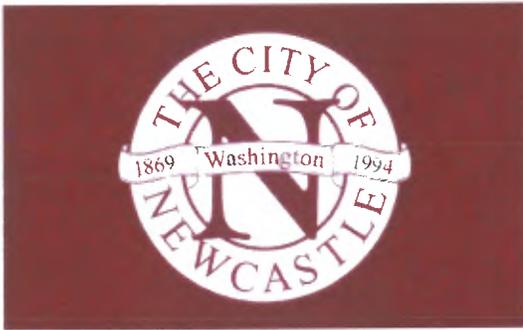


Search...

City of Newcastle / News / Archives / 2020 / Handout: Referendum Process

Procedures for Filing a Referendum Petition

Posted on 06/04/2020



Following the City Council's June 2 adoption of an ordinance that establishes a 3 percent utility Clerk has prepared a document outlining the procedures for filing a referendum petition. View i

HOME

CALENDAR

STAFF DIRECTORY

POLICE

CITY COUNCIL

SIGN UP FOR NOTICES

COMMUNITY EVENTS

PARKS AND TRAILS

EMPLOYMENT

RECORDS SEARCH

DEVELOPMENT PROJECTS

CONTACT US

COUNCIL RECAPS

NEWS

SITE MAP

City of N

12835 Newcastle Way Suite 200. New

Newcastle Sales Tax Codes: 1736, 4036. Learn more at new





## PROCEDURES FOR FILING A REFERENDUM PETITION

The procedures for filing a referendum petition are set forth below:

1. Pursuant to RCW 35.21.706:
  - a. A referendum petition may be filed with the City Clerk within seven days of passage of the ordinance;
  - b. Within ten days, the Clerk shall confer with petitioner concerning form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the designated local official;
  - c. The petitioner shall have thirty days in which to secure the signatures of not less than fifteen percent of the registered voters of the city, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred;
  - d. The Clerk shall verify the sufficiency of signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the city.
2. After the process noted above, the Clerk provides the signed petitions to the King County Elections Office for verification.
3. King County Elections workers verify the petition signatures.
4. If sufficient signatures are gathered, the City Council will adopt a resolution to direct the County to place the measure on the next election ballot.

### **VIRTUAL SUBMITTAL ACCEPTED: DUE TO CITY HALL CLOSURES RELATING TO THE COVID-19 PANDEMIC**

The filing of a referendum petition and its subsequent review and processing by the Clerk (issuance of ballot title and number, signature verifications, acknowledgements, etc.) will be accepted and executed **ELECTRONICALLY**.

To submit a referendum petition, please email the City Clerk:

[CityClerk@NewcastleWA.gov](mailto:CityClerk@NewcastleWA.gov)

Phone: 425-649-4143, ext. 102 or 425-496-0205

NOTICE: The City of Newcastle has not adopted general initiative and referendum powers. Procedures referred to in this document apply to procedures required under RCW 35.21.706. This document is provided for informational purposes only and is not intended to provide legal advice. Petition coordinators and any persons seeking legal advice should consult with a private attorney. Questions or requests for additional information other than legal advice should be directed to the City Clerk: [cityclerk@newcastlewa.gov](mailto:cityclerk@newcastlewa.gov); (425) 649-4143, ext. 102; Mail to: Paul J. White, Newcastle City Clerk 12835 Newcastle Way, Suite 200, Newcastle, WA 98056.



Search...

City of Newcastle / News / Archives / 2020 / Council to Discuss Utility Tax Ordinance on June 2



## Council to Discuss Utility Tax Ordinance on June 2

Posted on 05/29/2020



On June 2, the Newcastle City Council will consider and likely vote on an ordinance that establishes a utility tax. Under this proposal, the average Newcastle household would pay about \$10 a month to support operating costs that include critical services such as police protection and street maintenance.

### BACKGROUND

As costs to provide police and fire protection continue to rise and developable land disappears in the Newcastle, City expenditures outpace incoming revenue, creating an annual shortfall in our operating budget that's expected to eclipse \$1 million for the foreseeable future.

Newcastle relies on three revenue sources to fund basic City services: Property taxes, sales taxes and development revenue. With a limited commercial retail base, declining opportunities for development and ever-increasing public safety costs (which remain City's largest expense), Newcastle does not currently have the revenue streams to survive, much less maintain our residents' expected levels of service and protection, as outlined in the most recent [community survey](#).

Earlier this year, the Newcastle City Council took a critical step forward in addressing operating budget shortfalls. With the help of a nationally-recognized consultant, the Council adopted an [action plan](#) that outlines specific strategies to bridge the budget's fiscal gap. Those strategies include cost recovery efforts and staff consolidation.

However, with a budget deficit forecasted to annually exceed \$1 million, cuts and consolidations alone would not bridge the gap without major impacts to critical services that residents value. A cut-only solution would likely require a reduction in police officers, a reduction in maintenance technicians who service park streets during snow storms, the elimination of summer events and more.

That's why the most fiscally impactful of the plan's strategies is the implementation of a utility tax. The state Legislature allows Cities to establish a utility tax to generate revenues for general operating costs, such as police and streets. Taxes are imposed on any business or public entity providing utility services (cable, waste, etc.). Newcastle is one of only three King County cities without a utility tax.

### THE UTILITY TAX PROPOSAL

The proposed 3 percent utility tax would generate about \$900,000 annually to fund City operating costs. This revenue estimate includes both residential and commercial utility customers' contributions. It pencils out to about \$8-14 a month, with the average Newcastle household paying about \$10 a month to support critical City services like police and fire protection.

A utility tax is imposed upon the utility itself, not upon the individual utility customers. Most natural gas, garbage, electric, and telephone utility companies simply pass these taxes on to their customers. Many utilities list the tax as a separate item on the utility bill since it is part of their business costs.

The [proposal](#) going before the City Council on June 2 includes a 3 percent tax on eligible utilities which include telephone (including cellular), gas, electricity, sewer, stormwater, cable television and solid waste. It does not include any future rate increases, keeping it at 3 percent. The effective date is listed as January 1, 2021.

The ordinance also includes a referendum clause. That gives citizens an opportunity to collect enough signatures to put the matter on the ballot and have a vote on utility tax implementation.

### GET INVOLVED

On June 2, the City Council will review the proposed ordinance, hear from the public, discuss and consider any amendments, and then likely vote on the utility tax proposal. The Newcastle City Council wants your feedback, so in order to ensure there's plenty of time to hear everyone, the meeting will begin at 5 p.m., rather than the regular 7 p.m. start time. See below for instructions on how to participate in the meeting. City hall remains closed in compliance with state and local public health protocols. As a result, this meeting will be held remotely only.

### HOW TO PARTICIPATE IN THE CITY COUNCIL MEETING

City hall remains closed in compliance with state and local public health protocols. As a result, this meeting will be held remotely only. You can view the agenda packet [here](#). The meeting starts at 5 p.m. on Tuesday, June 2.

### WATCH AND LISTEN

— Residents can watch and listen to the meeting online by using any web-enabled device to access this link: <https://us02web.zoom.us/j/86927169213>. We will walk you through the setup. If you log-in through the Zoom app, it will ask for your name and email address. If you join the meeting from your browser, you will be asked to submit your name.

### LISTEN

— You can also join the meeting by telephone. Call 1-253-215-8782 and input the Meeting ID 869 2716 9213 to listen. At that time, you will be prompted to enter your unique participant ID. This will not apply to the general public, so press # to skip.

### COMMENT

— Persons wishing to comment during the meeting should contact the City Clerk at [cityclerk@newcastlewa.gov](mailto:cityclerk@newcastlewa.gov) by 4:30 p.m. Tuesday, June 2, to register to receive further instructions. Participants will be placed on mute until any public comment periods, at which point those who have signed up will be given a chance to speak.

— You can also submit your comments to the City Council ahead of time in writing. Email your remarks to [cityclerk@newcastlewa.gov](mailto:cityclerk@newcastlewa.gov) by 4:30 p.m. on Tuesday, June 2.

HOME

CALENDAR

STAFF DIRECTORY

City of New

POLICE

CITY COUNCIL

SIGN UP FOR NOTICES

12835 Newcastle Way, Suite 200, Newcastle, WA

COMMUNITY EVENTS

PARKS AND TRAILS

EMPLOYMENT

Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](#)



RECORDS SEARCH

DEVELOPMENT PROJECTS

CONTACT US

COUNCIL RECAPS

NEWS

SITE MAP



Search...

City of Newcastle / News / Archives / 2020 / City Hall Ballot Drop Box Open for Presidential Primary



City Hall Ballot Drop Box Open for Presidential Primary

Posted on 02/24/2020



The Newcastle City Hall ballot drop box is now open for the March 10 Presidential Primary Election. It will remain open 24 hours a day until 8 p.m. on March 10. King County mailed ballots last week. Voters can choose to deposit their ballots in a drop box by 8 p.m. March 10 or mail your ballot (King County Elections requires you mail it by Friday, March 6 to ensure an on-time postmark). King County also offers [accessible voting centers](#) where voters who need assistance completing their ballot can get help.

Questions about the Primary process? King County Elections has prepared a Presidential Primary overview handout [here](#). Learn more at [kingcounty.gov/elections](http://kingcounty.gov/elections).

- HOME
- POLICE
- COMMUNITY EVENTS
- RECORDS SEARCH
- COUNCIL RECAPS
- CALENDAR
- CITY COUNCIL
- PARKS AND TRAILS
- DEVELOPMENT PROJECTS
- NEWS
- STAFF DIRECTORY
- SIGN UP FOR NOTICES
- EMPLOYMENT
- CONTACT US
- SITE MAP

City of New

12835 Newcastle Way, Suite 200 Newcastle, WA 98056  
Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](http://newcastlewa.gov)





Search...

City of Newcastle / News / Archives / 2020 / City Council Roundup | Feb. 18, 2020



### City Council Roundup | Feb. 18, 2020

Posted on 02/20/2020



The Newcastle City Council roundups offer a digest of notable items for those who can't make it to meetings. View the meeting agenda packet [here](#) and listen to the audio [here](#). View past City Council at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

#### COUNCIL ADOPTS FISCAL SUSTAINABILITY IMPLEMENTATION PLAN

The Newcastle City Council took a critical step forward in addressing future projected budget shortfalls. Tuesday, the Council adopted an action plan that outlines specific strategies to resolve the fiscal gap over the next six years. The Fiscal Sustainability Implementation Plan includes a combination of staff consolidations, cost recovery, improved sales tax collection and the addition of a utility tax, with timely implementation.

Please note that the adopted plan is just that — a plan. It's a guidebook of recommended actions meant to steer the City toward a viable financial future. It is not a mandate, nor is it a final action. It is ultimately up to the Council to decide if, when and how these strategies will be implemented. For example, the mere adoption of this plan does NOT establish a utility tax, it simply outlines the revenue source as a tool and gives the City a chance to gather additional information about implementation. If a utility tax were to be implemented, staff first would need to bring back a utility tax ordinance. All ordinances require a public hearing, so you would have an opportunity to comment before any consideration.

#### How did we get here?

Newcastle relies on three revenue sources to fund basic City services like police, fire and street maintenance: Property taxes, sales taxes and development taxes. With a limited commercial retail base, declining opportunities for development and ever-increasing public safety costs (which remains the City's largest expense), the City does not have the revenue streams to provide the current level of service the community desires.

Last year, the Newcastle City Council took a few steps to slash expenses in response to the budget deficit. For example, the roles of the Community Activities Coordinator, who coordinates all City events, volunteers and the efforts of the Community Activities Commission, and the formerly contracted Communications Coordinator, who manages the City's website, social media accounts, email and other outreach, were combined in an effort to cut staff costs.

However, with a budget deficit forecasted to annually exceed \$1 million, cuts alone would not bridge the gap without major impacts to City services that reduce their value. A cut-only solution would require a reduction in police officers, a reduction in maintenance technicians who service parks and plow streets during snow, and the elimination of events AND more.

#### The Plan

Last year, the City contracted with a nationally-recognized firm to develop a plan that addresses Newcastle's forecasted financial challenges. The firm, Man & Partners, helped develop a list of strategies to resolve the fiscal gap. The Council took those strategies and crafted a plan that both maintains residents' expectations of service and sets the City on a fiscally sustainable path.

One of the items on the plan is already complete. The City previously consolidated the Activities and Communications Coordinators into one position. The plan calls for a stronger emphasis on sales tax collection, something that will be achieved with the hire of an Accounting Technician this year. The City will also collect fees for development services in an effort to better achieve cost recovery.

The most fiscally impactful of the plan's strategies is the implementation of a utility tax. The state legislature allows Cities to establish a utility tax to generate revenues for general operating costs, such as police and streets. Taxes are imposed on any business or public entity providing utility services (Cable, electric, etc.). A utility tax is imposed upon the utility itself, not upon the individual utility customers. Most natural gas, garbage, electric, and telephone utility companies pass these taxes on to their customers. Although it is not a tax on the customer, many utilities list the tax as a separate item on the utility bill since it is their business costs. *Newcastle is one of just three King County cities without a utility tax.*

As already noted, adoption of this Fiscal Sustainability Implementation Plan is NOT the implementation of a utility tax. Staff would first need to present a utility tax ordinance for Council review. Prior to that, staff would meet with utility providers to obtain revenue estimates and complete further research.

The City Council can choose to put a referendum clause in any ordinance implementing a utility tax. That clause would give citizens an opportunity to collect signatures to put the matter of a tax increase on the ballot. Councilmembers learned that in order to prepare for a possible tax measure to be placed on the 2020 ballot, a utility tax ordinance would have to be adopted by the end of April. Staff also noted that should the Council adopt a utility tax ordinance with increases over time, Councilmembers could amend the ordinance to pause implementation of future increases should conditions warrant, giving Councilmembers control over rate increases.

The City of Newcastle is committed to keeping the community informed through this process. Please stay tuned to these City Council recaps ([newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps)) for the latest news, facts and updates on further Council actions.

*Resources:* [Feb. 21 Staff Report on Agenda Item | Adopted Plan and Resolution](#)

## DELEO WALL CONSERVATION

As the City continues to explore options to protect a beloved property threatened by clear-cutting, the City Council identified at least one mechanism for funding should they attempt to acquire it.

During the meeting, the Newcastle City Council authorized staff to enter into an **agreement** with King County for Conservation Futures Grant funds. At the 2019, King County awarded the City of Newcastle a \$450,000 grant to assist with the potential purchase of the DeLeo Wall property. It is a matching grant. City would have to come up with additional funds. The current adopted budget includes no City expenditures for such a purchase. City staff and community are exploring alternate funding sources for the required grant match including King County Parks Levy funds, private donations, neighboring agencies, Fort City tree mitigation funds.

Authorizing staff to move ahead with this King County grant agreement does not commit the City to purchasing the DeLeo Wall. It simply makes available a funding mechanism, should the Council choose to go forward with that option. It is recognized that while the City is currently leading this project, it is unable to provide significant funding. King County is eager to partner with Newcastle on this project, as the City continues to explore creative and cost-effective solutions to protect this property from logging.

## GENERAL UPDATES

-- Prior to the regular meeting, the Council held a joint meeting with the volunteer Planning Commission. The Commission advises the City Council on the Comprehensive Plan, development codes and other matters related to development and land use. The Commission shared, and the Council approved, its 21<sup>st</sup> Plan. Among the more notable items is an exploration of regulations on short-term rentals. The City has received an increasing number of complaints related to nightly online rentals such as Airbnb.com and Vrbo.com. [View the Work Plan here.](#)

— A potential developer for the property located behind the Newcastle Library presented the City Council with a proposed design. The Waterline Homes would be built for ownership (condominiums, rather than apartments) and would include some ground-floor retail. They're proposing a 74-unit, 5-story condo building with 163 parking stalls (more than 40 above what the code currently requires), including about 60 spaces allocated for library and retail patrons. The developer of the site has some constraints that make this project challenging, so they would likely seek some City flexibility in height and density. If that were the case, they would eventually have to come before the City Council in the form of a development agreement. This was just an initial presentation for the Council's information. The developer has not yet submitted applications for the project, and any applications would be required to go through the City's regular review process.

--- The City Council adopted new standards for development along Lake Boren's waterfront. Learn more about the standards in the staff report [here](#) and the ordinance [here](#).

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email you*

to Councilmembers. To send a message to the entire Council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov)

HOME      CALENDAR      STAFF DIRECTORY

POLICE      CITY COUNCIL      SIGN UP FOR NOTICES

COMMUNITY EVENTS      PARKS AND TRAILS      EMPLOYMENT

RECORDS SEARCH      DEVELOPMENT PROJECTS      CONTACT US

COUNCIL RECAPS      NEWS      SITE MAP

**City of New**

12835 Newcastle Way Suite 200, Newcastle, V  
Newcastle Sales Tax Codes: 1736, 4036. Learn more at newcastlewa.gov



Search...

City of Newcastle / News / Archives / 2020 / City Council Roundup | Feb. 4, 2020



City Council Roundup | Feb. 4, 2020

Posted on 02/13/2020

## NEWS: City Council Meeting Recap



The Newcastle City Council roundups offer a digest of notable items for those who can't make it to the meetings. View the meeting agenda packet [here](#) and listen to the audio [here](#). View past City Council at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

### City Council Moves Forward on Fiscal Sustainability Implementation Plan

The Newcastle City Council moved one step closer to implementing much-needed solutions for an operating budget shortfall expected to eclipse \$1 million for the foreseeable future. During the Feb. 4 meeting, the Council directed staff to bring back an implementation plan that would successfully resolve the fiscal gap for the Feb. 18 meeting. The proposed Implementation Plan includes a combination of cuts, cost recovery, and the addition of a utility tax, with timelines for implementation. You can view the draft implementation plan [here](#).

Newcastle relies on three revenue sources to fund basic City services like police, fire, and parks and street maintenance: Property taxes, sales taxes and developer fees. With a limited commercial retail base, declining opportunities for development and ever-increasing public safety costs (which remains the City's largest expense), the City does not currently have the revenue streams to provide the level of service the community desires, as outlined in the most recent community survey.

The City Council will likely rely on a suite of solutions to fix the projected operating budget deficit. In addition to staff reductions already implemented, Councilmembers are exploring the possibility of a phased-in approach to a utility tax that would effectively solve the fiscal gap and ensure the City maintains its current level of service. That was the focus of the Council's discussion during the Jan. 21 meeting (Read our meeting recap [here](#)).

Following their discussion from the previous meeting, City staff provided Councilmembers with [answers to their questions about the implementation of a utility tax](#) during the Feb. 4 meeting. The City Council can choose to put a referendum clause in any ordinance implementing a utility tax. That clause would give citizens the opportunity to collect enough signatures to put the matter of a tax increase on the ballot. Councilmembers learned that in order to prepare for a possible tax increase to be placed on the November 2020 ballot, a utility tax ordinance would have to be adopted by the end of April. Staff also noted that should the Council adopt a utility tax ordinance with stepped increases over time, Councilmembers could amend the ordinance to pause implementation of future increases should conditions change, giving Councilmembers control over rate increases.

Please note that adoption of this Fiscal Sustainability Implementation Action Plan, which is slated for consideration at the Feb. 18 meeting, is NOT the adoption of a utility tax. If a utility tax were to be implemented, Councilmembers must first direct staff to bring back a utility tax ordinance. All ordinances require a public hearing so citizens would have an opportunity to comment before any consideration. Please stay tuned to these City Council recaps ([newcastlewa.gov/councilrecap](http://newcastlewa.gov/councilrecap)) for the latest news and updates on further Council actions.

### General Updates

- The City Council received a report on a proposal to [increase impact fees for Transportation and Parks/Trails](#). Impact fees are one-time charges assessed by the government against a new development project to help pay for new or expanded public facilities that will directly address the increased demand for service.

by that development. The City has not updated its impact fees since 2014. The proposal is to increase the Transportation Impact Fee from \$6,475 to \$7,550 and the Parks Impact Fee from \$3,006 to \$5,381. The Council did not take any action and will continue discussion on this at a future meeting. Flip through a copy of the consultant presentation [here](#).

- The Newcastle City Council received an update on an effort to create an [Arts and Culture Plan](#) for the City. Last year, the City received a \$9,000 grant from the State of Maryland to pay for a consultant to guide this project. Staff shared the outcomes of [Phase 1](#) and sought Council direction on whether or not to continue pursuing this effort. Due to the City's current economic conditions and short-handed City staff, Councilmembers chose not to pursue Phase 2. Councilmembers stressed that arts and culture are still very important to this community and we'll work to continue its advancement through our events and partnerships with local organizations.

- Prior to the regular meeting, the Newcastle City Council held a joint meeting with the Community Activities Commission. They shared their accomplishments from 2019 and shared their [2020 Work Plan](#). The Newcastle Community Activities Commission is comprised of seven community members who volunteer their expertise to serve as a review and advisory body to the City Council on City-owned parks and trails, recreation programs, community events and community engagement. They're instrumental in planning and staffing community celebrations such as Newcastle Days, Boocastle and much more.

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email your comments to Councilmembers. To send a message to the entire Council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov).*

[HOME](#)

[CALENDAR](#)

[STAFF DIRECTORY](#)

City of New

[POLICE](#)

[CITY COUNCIL](#)

[SIGN UP FOR NOTICES](#)

12835 Newcastle Way, Suite 200, Newcastle, WA

[COMMUNITY EVENTS](#)

[PARKS AND TRAILS](#)

[EMPLOYMENT](#)

Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](#)

[RECORDS SEARCH](#)

[DEVELOPMENT PROJECTS](#)

[CONTACT US](#)



[COUNCIL RECAPS](#)

[NEWS](#)

[SITE MAP](#)



Search...

City of Newcastle / News / Archives / 2019 / Council to Review Survey Results, Discuss Fiscal Sustainability



### Council to Review Survey Results, Discuss Fiscal Sustainability

Posted on 01/17/2020



The Newcastle City Council will hear the results of the [Community Satisfaction Survey](#) during a press the Jan. 21 Council meeting. The City conducted the survey in October to find out more about how re think the City is doing and where it should focus its efforts. The survey, administered by nationally re ETC Institute, will provide City leaders with statistically valid data to use in making decisions.

The full survey report is now available online [here](#), but the consultant will summarize the results and recommendations in a presentation during the meeting. There's a lot of data to sift through in the rep overall, 92 percent of the residents were very satisfied or satisfied with their overall quality of life in N

Later in the meeting, the Council will get an overview of the work done to-date on a [Fiscal Sustainab](#) you'll recall, last year the City contracted with a nationally-recognized firm to develop a plan that addresses Newcastle's forecasted financial challenges. As safety costs continue to rise and development income slows down, the costs to provide basic City services like Police, Fire and parks maintenance, outpace revenue that comes in, creating an annual structural deficit.

The firm, Management Partners, helped develop a list of [strategies](#) to resolve the identified gap. The financial analysis included everything from expenditure and service-level reductions to cost shifts and new revenue streams. The City Council will likely rely on a suite of solutions to fix the projected operating bu deficit. During the meeting, the Council will review a draft [Implementation Action Plan](#) to employ possible strategies to address the structural deficit.

The regular meeting begins at 7 p.m. Tuesday in the Council Chambers at Newcastle City Hall, 12835 Newcastle Way, Suite 200. View the full meeting ag packet [here](#).

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comm at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email you to councilmembers. To send a message to the entire council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov). Can't make it to a City Council meeting? Read our past re at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).*





Search...

City of Newcastle / News / Archives / 2019 / City Council Roundup | Dec. 3, 2019



## City Council Roundup | Dec. 3, 2019

Posted on 12/13/2019



The Newcastle City Council roundups offer a digest of notable items for those who can't make it to the meetings. View the meeting agenda packet [here](#) and the audio [here](#). View past City Council roundup at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

### City Council Passes 2020 Budget

Speeders, texting drivers and stop-sign ignorers are on notice. The Newcastle City Council adopted a budget that prioritizes public safety and includes funding for a new motorcycle officer to address some of the community's most pressing traffic concerns. The Council approved Police Chief Jason Houck's request for an additional officer to protect Newcastle's growing population.

A motorcycle officer is essential to traffic enforcement along places like busy Coal Creek Parkway where it is difficult for a full-sized police vehicle to pull over and enforce speeding and traffic violations, Police Chief Houck said. In May, the Newcastle Police Department had the opportunity to borrow a motorcycle officer from Sammamish, and he wrote several tickets in just a few hours. The new motorcycle officer will join the City sometime in the second half of 2020.

Public safety expenditures alone make up nearly half of the City's operating budget. In 2020, the service contract costs with Bellevue Fire and the King County Sheriff's Office will go up about \$700,000, a 14 percent increase over 2019. Not only are costs for policing going up, but the need for officers is increasing due to the growing population. Councilmembers at the Nov. 5 meeting noted that Newcastle's police department has fewer officers per capita than neighboring cities. For example, Medina, a community of about 3,000, has 11 people in their police department. As of 2019, Newcastle has 10 police officers to serve upwards of 10,000 people.

Over the course of several meetings, the Newcastle City Council took a projected operating deficit of about \$1.3 million in 2020 and made amendments to bring it down to about \$950,000 before adoption. The budget will use General Fund reserves to cover the shortfall in 2020, a strategy made possible by previous Council actions to build up a healthy fund balance. However, this approach is not sustainable for the foreseeable future as reserves are drawn down.

In one of the key budget changes, the Council voted not to fill the Project Planner position, a move that impacts the future of City parks and trail projects. The position, which became vacant in December, was the City's primary resource on parks and trail planning and worked closely with the nonprofit Newcastle Trails. The position was also the Community Activities Coordinator, who coordinates events, volunteers and the efforts of the Community Activities Commission, and the former contract position of the Communications Coordinator, who manages the City's website, social media accounts, email and other outreach, were also combined in an effort to cut staff.

Though this does not impact the General Operating Fund deficit, the Council also reduced funding to efforts that would protect the DeLeo Wall, threatened by a proposed cutting, from a budgeted \$900,000 to \$450,000.

On the revenue side, the 2020 budget does not include the implementation of any new taxes. The City Council did adopt the recommended property tax levy, which is taking the state-allowed 1 percent increase for 2020. You can read about how that will affect your property taxes in our Council roundup from the Nov. 5 meeting [here](#). Please note that very little of your property tax bill goes to the City, as more than half of your payment goes toward funding schools.

## Councilmembers Honored at Final Meeting

The Newcastle City Council said goodbye to a vast wealth of experience when (from left) Councilmember Gordon Bisset, Mayor Allen Dauterman and Councilmember Carol Simpson were honored at the Dec. 3 Council meeting. It was the final meeting for a trio with almost 30 years of combined service under their belts. Thank you to these Councilmembers who dedicated countless hours of their lives to make Newcastle the special place that it is.

The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment periods at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email your comments to Councilmembers. To send a message to the entire Council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov).

HOME      CALENDAR      STAFF DIRECTORY      **City of New**

POLICE      CITY COUNCIL      SIGN UP FOR NOTICES      12835 Newcastle Way, Suite 200, Newcastle, WA

COMMUNITY EVENTS      PARKS AND TRAILS      EMPLOYMENT      Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](http://newcastlewa.gov)

RECORDS SEARCH      DEVELOPMENT PROJECTS      CONTACT US        

COUNCIL RECAPS      NEWS      SITE MAP



Search...

City of Newcastle / News / Archives / 2019 / City Council Meeting Agenda | Dec. 3, 2019



City Council Meeting Agenda | Dec. 3, 2019

Posted on 11/27/2019



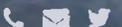
After holding three public hearings and making several amendments, the Newcastle City Council will adopt the final 2020 Operating and Capital Budget at its final meeting of the year on Tuesday, Dec. 3

Over the past few meetings, the City Council made cuts to whittle down a projected \$1.3 million deficit over \$950,000. The projected operating deficit is driven largely by increasing costs to fund police and services. Public safety expenditures alone make up nearly half of the City's operating budget. In 2020, service contracts with Bellevue Fire and the King County Sheriff's Office will increase by more than 10% over 2019.

You can read about previous Council budget actions in our [Nov. 5 meeting roundup](#), but the Council adopted a few additional amendments to address the budget deficit at the Nov. 17 meeting. Most notably, the Council voted not to fill the project planner position, a position that impacts the future of any City parks and trail projects. The position, which will become vacant in December, is the City's primary resource on parks and trails and works closely with the nonprofit Newcastle Trails. Though this does not impact the General Operating Fund deficit, the Council also reduced funding to that would protect the DeLeo Wall, threatened by clear-cutting, from a budgeted \$900,000 to \$450,000. You can learn more about all of the Council's budget changes to date in the staff report [here](#).

During the meeting, the City will also honor outgoing Councilmembers Gordon Bisset, Allen Dauterman and Carol Simpson. View the full meeting agenda packet [here](#). The regular meeting begins at 7 p.m. Tuesday in the Council Chambers at Newcastle City Hall, 12835 Newcastle Way, Suite 200.

The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment periods at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email your comments to councilmembers. To send a message to the entire council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov). Can't make it to a City Council meeting? Read our past reports at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).



[HOME](#)

[CALENDAR](#)

[STAFF DIRECTORY](#)



Search...

City of Newcastle / News / Archives / 2019 / City Council Roundup | Nov. 5, 2019



### City Council Roundup | Nov. 5, 2019

Posted on 11/07/2019



The Newcastle City Council roundups offer a digest of notable items for those who can't make it to the meetings. View the meeting agenda packet [here](#) and the audio [here](#). View past City Council roundup at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

#### Council Reviews 2020 Preliminary Budget

The Newcastle City Council continued reviewing the 2020 preliminary budget and explored ways to address a projected operating deficit of \$1.3 million, driven largely by increasing costs to fund police and fire services. Public safety expenditures alone make up nearly half of the City's operating budget. In 2020, the service contracts with Bellevue Fire and the King County Sheriff's Office will go up a combined \$700,000, a

increase over 2019.

Not only are costs for policing going up, but the need for officers is increasing due to a growing population. In response to the Council's prioritization of public safety, the preliminary budget proposal includes the addition of a motorcycle officer to Newcastle's police force. A motorcycle officer is essential to traffic enforcement on busy Coal Creek Parkway where it is difficult for a full-sized police vehicle to pull over and enforce speeding violations. The officer also would be better equipped in discreet locations to monitor speeding and traffic violations.

Councilmembers at the Nov. 5 meeting noted that Newcastle's police department has fewer officers per capita than neighboring cities. For example, Medina, a community of about 3,000, has 11 people in their police department. As of 2019, Newcastle has 10 police officers to serve upwards of 12,000 people.

During the meeting, a few members of the City Council proposed postponing the hiring of an additional officer for a year or more due to the projected budget deficit. Other Councilmembers highlighted a need to appropriately staff the department. They also pointed out that Newcastle does not currently have adequate staffing to ensure two officers are on staff at all times, which is a safety concern for both deputies and residents. The proposal failed by a 3-4 vote, so the additional officer remains in the preliminary budget for 2020.

The 2020 budget proposal also includes funding for an existing accountant position to help ensure Newcastle is receiving its owed sales tax. This issue requires a higher level of oversight, in part, because of the U.S. Postal Service's long-held stance of denying Newcastle's request for a unique ZIP code. Staff said this would likely pay for itself with improved tax enforcement, bringing in additional revenue. A Councilmember motion to postpone filling this position in 2020 failed by a 3-4 vote.

As the City looks to solve forecasted financial challenges, the 2020 preliminary budget condenses the roles of two employees into one position. The roles of the Community Activities Coordinator, who coordinates events, volunteers and the efforts of the Community Activities Commission, and the formerly contracted Communications Coordinator, who manages the City's website, social media accounts, email and other outreach, will be combined in an effort to cut staff costs.

During the Nov. 5 meeting, the Council found a few strategies to reduce the \$1.3 million deficit by about \$300,000. They directed the City Manager to find expenditure reductions totaling \$50,000 in the operating budget. Councilmembers left it up to the City Manager to decide what to cut, but they offered suggestions.

such as eliminating funding for public art on utility boxes (\$7,500), additional historical signage (\$5,500) and more. The Council also directed the City pay a \$215,000 for fire services in 2019, rather than 2020. This is a cost shift and does not affect the overall ending fund balance.

On the revenue side, the City Council adopted the recommended property tax levy rate, taking the state-allowed 1 percent increase for 2020. It will result in additional \$52,294 in operating revenue for the City next year. You can calculate how that will affect your property taxes: Take your property's assessed value, multiply that by the estimated levy rate (1.50890) and divide that by 1,000 to find out exactly how much of your property taxes go to the City. A property value of \$700,000 would yield about \$1,056, or about \$88 a month, to the City of Newcastle. The City portion of your property tax bill is a relatively small amount and less than half of your payment goes toward funding schools.

As for additional revenue sources, a motion to further discuss the possibility of implementing a 5 percent admissions tax was introduced. An admissions tax would be levied whenever a charge is collected for admission into any place or event for entertainment or recreation. The user tax would be collected for the City by the business charging the admission. It would primarily affect The Golf Club at Newcastle, but could also impact businesses like the Coal Creek YMCA, and our estimate the tax could net about \$200,000. The motion was defeated in a 3-4 vote. Councilmembers did not propose adding any other revenue streams.

With the Council changes, the 2020 projected operating deficit currently sits at about \$1 million. The budget proposes using General Fund reserves to cover the shortfall in 2020, a strategy made possible by a healthy fund balance. However, this approach is not sustainable for the foreseeable future as reserves are used up. City staff will incorporate the changes and the City Council will continue budget deliberations at the next regular meeting on Nov. 19. The Council can still make amendments until the final budget adoption. View the budget, relevant news articles, important dates, meeting agendas and other materials at [newcastlewa.gov/budget2020](http://newcastlewa.gov/budget2020).

#### General Updates

— The City Council approved five amendments to the Comprehensive Plan, after making a handful of changes to the Parks, Trails and Recreation element. The Comprehensive Plan is a long-range plan that guides decision making to ensure steady progress toward achieving the City's desired future. View the Comprehensive Plan [staff report](#) for a summary and read last meeting's [Council recap](#) for a quick synopsis of the amendments.

— The City Council meeting adjourned at 11 p.m., before the Council could get to the remaining items on the agenda. They did not discuss the 2020 legislative priorities or hear committee/staff reports.

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment periods at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email you directly to Councilmembers. To send a message to the entire Council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov).*



The footer of the City of Newcastle website features a dark blue background with a white navigation menu. The menu is organized into three columns of links. On the right side, there is contact information, social media icons, and the city's name.

HOME	CALENDAR	STAFF DIRECTORY	City of Newcastle 12835 Newcastle Way, Suite 200, Newcastle, WA 98562 Newcastle Sales Tax Codes: 1736, 4036. Learn more at <a href="#">newcastlewa.gov</a>
POLICE	CITY COUNCIL	SIGN UP FOR NOTICES	
COMMUNITY EVENTS	PARKS AND TRAILS	EMPLOYMENT	
RECORDS SEARCH	DEVELOPMENT PROJECTS	CONTACT US	
COUNCIL RECAPS	NEWS	SITE MAP	

12835 Newcastle Way, Suite 200, Newcastle, WA 98562  
Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](#)

Phone, Email, Twitter icons



# An Update on Newcastle's Fiscal Sustainability

Search...

City of Newcastle / News / Archives / 2019 / An Update on Newcastle's Fiscal Sustainability



## An Update on Newcastle's Fiscal Sustainability

Posted on 10/10/2019



Fiscal sustainability will figure prominently in City Council budget discussions this year as the Council how to face a projected shortfall of over \$1 million in the 2020 budget. Councilmembers must take a reduce both next year's deficit and growing deficits in future years.

A third-party review of the City's financial situation and subsequent [report](#) containing strategies for e financial stability provides objective data the Council needs to move forward. How the City proceeds under consideration.

"Our biggest expense that continues to increase is the cost of providing police and fire protection. Th essential services for a safe community," said City Manager Rob Wyman. "We are fortunate to have :

of options to continue to provide the quality of life our residents expect."

Those options are detailed in the financial analysis and include expenditure controls, service-level reductions, cost shifts, revenue enhancements and new r streams. Recently, the City has received several questions and concerns about one possible strategy: a utility tax. The City of Newcastle does not currently utility tax and the City Council has not proposed one.

"Public input is a big part of everything we do at the City of Newcastle and is particularly critical during our budget process. We started out our process wit Hall meeting about fiscal sustainability, and we encourage ongoing public participation," Mr. Wyman said. "These decisions impact the lives of our resident: are listening."

The City Council will likely rely on a suite of solutions to fix the projected operating budget deficit. The Council already tackled one cost-cutting measure du October budget retreat, approving a move to consolidate the roles of two employees into one position. The roles of the Community Activities Coordinator a contracted Communications Coordinator were combined in an effort to cut staff costs.

If the City Council decides to implement a utility tax, they'd have control over which utilities are taxed and at what percentages. Additionally, utility taxes an upon utility organizations, many of which have rate relief programs for those on fixed incomes.

The Newcastle City Council's work to adopt the 2020 budget kicks in to high gear this October and citizens are encouraged to get involved. The City Coun budget public hearings on Oct. 15 and Nov. 5. Staff will present the preliminary budget on Oct. 15, and from there, the Council will review, discuss and perf the next month.

The City of Newcastle is committed to keeping residents informed. The webpage [newcastlewa.gov/budget2020](http://newcastlewa.gov/budget2020) is your news source for all-things 2020 bu Check back regularly for relevant meeting agendas, meeting audio, written recaps and other materials.

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comme. at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email you. to Councilmembers. To send a message to the entire Council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov).*



Search...

City of Newcastle / News / Archives / 2019 / FAQs | Council Community Conversation



### FAQs | Council Community Conversation

Posted on 09/16/2019



The Newcastle City Council wishes to thank all of the citizens who took time out of their busy schedule to attend us at our Sept. 10 Community Conversation. It was our most well-attended event yet and the Council appreciated the chance to speak with each and every one of you. Your voice makes a difference.

The conversation doesn't have to end there. The Newcastle City Council wants to hear from you! Meetings of the public are invited to share thoughts during public hearings or two open public comment periods at regular meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month starting at 7 p.m. You can also email your thoughts to councilmembers. To send a message to the entire council email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov).

We've put together a summary of some of the questions asked by attendees at the Sept. 10 City Council Community Conversation event. Questions and answers were paraphrased and the writeup includes additional information provided by City staff. Click on the arrows below to expand the menu and answers.

The City of Newcastle does not currently have a utility tax and the City Council has not formally proposed one. It's one of several options on the table as the City Council looks to address forecasted financial challenges. As public safety (police and fire) costs continue to rise and development income slows down, City operational expenditures outpace incoming revenue, creating an annual structural deficit. That deficit is projected to rise to over \$1 million in 2020, and in each subsequent year, if the City takes no action.

The City Council will likely rely on a suite of solutions to fix the projected operating budget deficit. That could include cost cuts and new revenue streams. Council already tackled one cost-cutting measure during the October budget retreat, approving a move to consolidate the roles of two employees into one position. The roles of the Community Activities Coordinator and the contracted Communications Coordinator were combined in an effort to cut staff costs.

Newcastle is one of just three cities (Sammamish and SeaTac) in King County without a utility tax. If the City Council decides to implement a utility tax, the control over which utilities are taxed and at what percentages. Additionally, utility taxes are enacted upon utility organizations, many of which have rate programs for those on fixed incomes.

The Newcastle City Council's work to adopt the 2020 budget kicks in to high gear this October. Staff will present the preliminary budget in mid-October. There, the Council will review, discuss and perfect it over the next month. Citizens are encouraged to participate in the budget process and offer feedback. The City of Newcastle is committed to keeping residents informed and involved throughout the budget process. Stay tuned to [newcastlewa.gov](http://newcastlewa.gov) or subscribe to our newsletter at [newcastlewa.gov/newsletters](http://newcastlewa.gov/newsletters) for regular meeting notices and recaps.

HOME      CALENDAR      STAFF DIRECTORY

POLICE      CITY COUNCIL      SIGN UP FOR NOTICES

COMMUNITY EVENTS      PARKS AND TRAILS      EMPLOYMENT

RECORDS SEARCH      DEVELOPMENT PROJECTS      CONTACT US

COUNCIL RECAPS      NEWS      SITE MAP

**City of Newcastle**  
12835 Newcastle Way, Suite 200, Newcastle, WA 98056  
Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](http://newcastlewa.gov)

☎ ✉ 🐦



Search...

City of Newcastle / News / Archives / 2019 / Council Budget Retreat is Thursday



### Council Budget Retreat is Thursday

Posted on 08/12/2019



The Newcastle City Council will take a look at preliminary revenue and expenditure forecasts, and discuss the 2020 budget during a retreat Aug. 15, from 8:30 a.m. to 4:30 p.m. in the Council Chambers at Newcastle City Hall.

The annual City Council retreat is a normal part of the budgeting process that sets the stage for the City Manager's October presentation of the preliminary budget for the following year. The retreat is an opportunity for the Council to review early budget numbers and provide staff direction on what to include in the 2020 budget.

This year, the Council also will discuss strategies to resolve Newcastle's forecasted long-term financial challenges. Earlier this year, the City contracted with the firm Management Partners to develop a [Fiscal Sustainability Plan](#) addressing an anticipated long-term structural deficit. As public safety costs continue to rise and development income slows down, City expenditures outpace incoming revenue, creating an annual gap. That deficit is projected to rise to over \$1 million in 2020, and increasing each subsequent year, if the City takes no action.

As part of the plan, the firm prepared three budget strategy scenarios that could fix the structural deficit. The Council reviewed those, and a scenario prepared by the Finance Committee, during a study session at the July 2 City Council meeting. You can read more about that [here](#). They'll continue exploring strategies to ensure the City's fiscal sustainability during the budget retreat.

View the retreat agenda packet [here](#). Residents are encouraged to attend, but no public comment period will be provided. Anyone who wishes to provide comment or writing may submit an email to [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov) or may speak during open public comment periods at regular City Council meetings held the third Tuesdays of every month.

- HOME
- POLICE
- COMMUNITY EVENTS
- RECORDS SEARCH
- COUNCIL RECAPS
- CALENDAR
- CITY COUNCIL
- PARKS AND TRAILS
- DEVELOPMENT PROJECTS
- NEWS
- STAFF DIRECTORY
- SIGN UP FOR NOTICES
- EMPLOYMENT
- CONTACT US
- SITE MAP

City of New

12835 Newcastle Way, Suite 200, Newcastle, WA  
Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](#)





Search...

City of Newcastle / News / Archives / 2019 / Ballot Drop Box Opens on July 18

Ballot Drop Box Opens on July 18

Posted on 07/17/2019



King County Elections mailed the ballots for the Aug. 6 Primary Election today. Voters can learn more about how to return their ballot right now on the King County Elections website [here](#).

Citizens can choose to return their ballots at the Newcastle City Hall drop box. The drop box will be open 24 hours a day beginning on July 18, before closing at 8 p.m. on Aug. 6. If you choose to return your ballot (no postage required), just make sure it's postmarked by Election Day. King County also offers [polling centers](#) where voters who need assistance completing their ballot can get help.

Learn more at [kingcounty.gov/elections](http://kingcounty.gov/elections)

- HOME
- POLICE
- COMMUNITY EVENTS
- RECORDS SEARCH
- COUNCIL RECAPS
- CALENDAR
- CITY COUNCIL
- PARKS AND TRAILS
- DEVELOPMENT PROJECTS
- NEWS
- STAFF DIRECTORY
- SIGN UP FOR NOTICES
- EMPLOYMENT
- CONTACT US
- SITE MAP





Search...

City of Newcastle / News / Archives / 2019 / City Council Roundup | July 2, 2019



City Council Roundup | July 2, 2019

Posted on 07/09/2019



The Newcastle City Council roundups offer a digest of notable items for those who can't make it to the meetings. Listen to the audio from the July 2 2019, meeting [here](#) and view the meeting agenda pack. View past City Council roundups at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).

COUNCIL CONSIDERS BUDGET STRATEGIES

In a study session prior to the regular meeting, the Newcastle City Council reviewed strategies to address the budget's fiscal gap. Earlier this year, the City contracted with the firm Management Partners to develop a Sustainability Plan addressing Newcastle's forecasted financial challenges.

As part of the plan, the firm prepared three budget strategy scenarios that could fix the structural deficit. The Council reviewed those, and a scenario prepared by the Finance Committee, during the study session.

Management Partners' three scenarios propose a variety of approaches ranging from revenue enhancements to service level reductions. One scenario focuses on adding new revenue through the implementation of utility and admissions taxes and the establishment of a transportation benefit district. Another scenario emphasizes service and staff cuts, discontinuing Newcastle's community events and eliminating a police officer and other staff positions.

The third scenario offers a blend of the two strategies. This option suggests implementation of a utility tax by 2021, the addition of an admissions tax, a vacant accountant position and combining the duties of two staff members into one position. All of the scenarios propose implementing measures to improve tax collection and enforcement. You can learn more about each scenario and get additional information [here](#).

The City Council's three-member Finance Committee came up with a fourth scenario that follows the blended concept. It proposes a phased-in approach to the implementation of a utility tax, gradually increasing rates over a five-year period. This plan also suggests freezing the vacant accountant position for the remainder of 2019 and combining the roles of the communications and activities coordinators. You can learn more about this scenario [here](#).

The City Council also had the chance to use a tool that allowed them to see in real time the financial impacts of their decisions. The Council did not take any action, but they'll continue the discussion during their Aug. 15 budget retreat.

COUNCIL PREVIEWS TRANSPORTATION IMPROVEMENT PROGRAM

Public Works Director Jeff Brauns [presented](#) the first draft of the 2020-2025 Transportation Improvement Program, a six-year planning document that outlines the City's future transportation projects. The TIP is a state-mandated guide that ensures municipalities plan ahead to carry out and coordinate transportation projects that benefit their communities.

This draft of the TIP includes two project additions. The first one would bring non-motorized improvements to Southeast May Creek Park Drive from 117th Street Southeast to 121st Avenue Southeast. The second one is a 136th Avenue Southeast widening project that would address traffic concerns at Newcastle El

School. Staff implemented interim striping improvements at the site earlier this year and they will continue to evaluate the performance and effectiveness of lane configuration when classes resume in the fall.

As a planning document, the TIP doesn't commit the City to fund any particular project. Projects must be authorized through the City's normal budget adoption process. State law requires communities to annually update their TIPs. View the full draft TIP [here](#) and learn more about the changes and additions on the

You're invited to share your thoughts on the proposed TIP at a public hearing during the City Council's July 16 meeting. The City Council will consider approval resolution adopting the document at that time.

### COUNCIL APPROVES ORDINANCE EXPANDING USE OF TREE-FEE-IN-LIEU FUNDS

The City collects tree-fee-in-lieu funds when a contractor cannot retain or replace the required amount of significant trees on the site of a development. We then uses the collected fees to plant trees elsewhere in the City, such as in parks, right-of-ways or other city-owned properties. However, this provision has always been easy to implement because it is difficult to find locations off-site where staff could plant replacement trees.

During the meeting, the City Council expanded the allowed uses for tree-fee-in-lieu funds to include the acquisition of real property for the preservation and conservation of trees. Additional amendments to the tree-fee-in-lieu regulations include incentives for developers to plant coniferous trees rather than deciduous for the purpose of preserving a healthier tree canopy.

### GENERAL UPDATES

— As announced in City Manager Rob Wyman's report, the King County Conservation Futures Advisory Committee is recommending the City receive a \$4.5 million matching grant to support Newcastle's acquisition of the DeLeo Wall property. These are funding recommendations made to the King County Executive, which will be incorporated into legislation and then approved by the King County Council. Nothing is final until the County Council approves the recommendations. This year, the City applied for funds to help purchase the parcel through the King County Conservation Futures Program.

— Also announced in City Manager Wyman's report: The Port of Seattle awarded the City of Newcastle with a \$12,000 Economic Development grant. Staff will use the funds to hire a consultant that will study the recently adopted downtown development standards to ensure they are economically feasible and appropriate for downtown.

— Surface Water Program Manager Audrie Starsy presented details about the new National Pollutant Discharge Elimination System (NPDES) Phase II permit requirements. View the presentation [here](#).

— The City Council reviewed Planning Commission recommendations regarding changes to the parking requirements for rideshare parking, short-term par shopping plaza parking. They did not take any action. Learn more [here](#).

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email you directly to Councilmembers. To send a message to the entire Council, email [citycouncil@newcastlewa.gov](mailto:citycouncil@newcastlewa.gov). You can also email them individually (view all Councilmembers' email addresses [here](#)).*

HOME      CALENDAR      STAFF DIRECTORY      **City of Newcastle**

POLICE      CITY COUNCIL      SIGN UP FOR NOTICES      12835 Newcastle Way, Suite 200, Newcastle, WA 98562

COMMUNITY EVENTS      PARKS AND TRAILS      EMPLOYMENT      Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa.gov](#)

RECORDS SEARCH      DEVELOPMENT PROJECTS      CONTACT US        

COUNCIL RECAPS      NEWS      SITE MAP



Council to Consider  
Study Session

Search...

City of Newcastle / News / Archives / 2019 / Council to Consider Budget Strategies at July 2 Study Session



## Council to Consider Budget Strategies at July 2 Study Session

Posted on 06/28/2019



The Newcastle City Council will continue its review of the [Fiscal Sustainability Plan](#) and consider project strategies to address the budget's fiscal gap during a three-hour study session prior to the July 2 regular meeting.

Earlier this year, the City Council contracted with the firm Management Partners to develop a plan address Newcastle's forecasted financial challenges. Management Partners shared results and information from study at the annual [Town Hall meeting](#). The firm prepared three [budget strategy scenarios](#) that would address the structural deficit. The Council will review those, and [a scenario prepared by the Finance Committee](#), at the study session.

The study session starts at 4 p.m. at Newcastle City Hall. Attend the study session to stay informed about the fiscal sustainability process and share your thoughts during the open public comment period provided during the regular City Council meeting, which starts at 7 p.m.

The City Council's work continues during the regular meeting, when they'll discuss a variety of topics, highlighted by an ordinance that would make changes to [City's tree-fee-in-lieu regulations](#). As City code currently states, if significant trees cannot be retained or replaced on site of a development, "the applicant shall pay a fee in lieu of retained or replaced trees." The intent of this option is to ensure no net loss of significant trees.

The Council will consider [an ordinance](#) that would expand the allowed uses for fee-in-lieu funds to include the acquisition of real property for the preservation and conservation of trees. It also includes added incentives for planting fir trees instead of deciduous trees. Citizens are encouraged to offer input during the open public hearing on the matter that night.

Staff will also present a preview of the [2020-2025 Transportation Improvement Program](#), a six-year planning document that outlines the City's future transportation projects. The TIP is a state-mandated guide that ensures municipalities plan ahead to carry out and coordinate transportation projects that benefit their communities. As a planning document, the TIP doesn't commit the city to fund any particular project. Projects must be authorized through the City's normal budget adoption process. State law requires communities to annually update their TIPs.

The Council will also discuss an ordinance [modifying parking requirements](#) for rideshare, short-term and shopping plaza parking, and hear a staff presentation outlining the new requirements of the [National Pollutant Discharge Elimination System \(NPDES\) Phase II Municipal Stormwater Permit](#).

View the full meeting agenda packet [here](#). The study session starts at 4 p.m. and the regular meeting begins at 7 p.m. Tuesday in the Council Chambers at City Hall, 12835 Newcastle Way, Suite 200.

*The Newcastle City Council wants to hear from you! Members of the public are invited to share thoughts during public hearings or two open public comment periods at meetings. Regular meetings of the City Council occur on the first and third Tuesdays of each month at City Hall, starting at 7 p.m. You can also email your comments to councilmembers. To send a message to the entire council, email the city clerk at [saram@newcastlewa.gov](mailto:saram@newcastlewa.gov). You can also email them individually (view all councilmember emails [here](#)). Can't make it to a City Council meeting? Read our past recaps at [newcastlewa.gov/councilrecaps](http://newcastlewa.gov/councilrecaps).*

[HOME](#)

[CALENDAR](#)

[STAFF DIRECTORY](#)

City of New

[POLICE](#)

[CITY COUNCIL](#)

[SIGN UP FOR NOTICES](#)

12835 Newcastle Way, Suite 200, Newcastle, VA

Newcastle Sales Tax Codes: 1736, 4036. Learn more at [newcastlewa](#)

[COMMUNITY EVENTS](#)

[PARKS AND TRAILS](#)

[EMPLOYMENT](#)



[RECORDS SEARCH](#)

[DEVELOPMENT PROJECTS](#)

[CONTACT US](#)

[COUNCIL RECAPS](#)

[NEWS](#)

[SITE MAP](#)

## **ATTACHMENT 5**

## **Sept. 18<sup>th</sup> FAQ**

**Q: Why is this tax needed?**



**A:** The city is funded three ways. The first is through property taxes. State law caps the increase of property taxes at 1% per year, however inflation rises at a greater rate. Revenue from property taxes accounts for roughly fifty percent of the city's operating revenue. Sales tax revenue is the second significant revenue source. Lastly, the city collects fees from new development projects. These last two sources are prone to fluctuation and are highly dependent on economic conditions. The end result is that the city is left with a structural budget deficit.

**Q: Is this budget shortfall a result of COVID-19?**



**A:** The simple answer is no. While the effects of COVID-19 have not helped, especially in regards to our development revenue, the city's budget shortfall began before the pandemic and city leaders have been exploring ways to address it for over two years.

**Q: Doesn't Newcastle already have a utility tax?**



**A:** No. Newcastle is one of only three municipalities in King County that does not already have this tax. Both Renton and Bellevue already have utility taxes. In fact, Renton's utility taxes are 6% and Bellevue's are as high as 10%. What's more, even with the utility tax, Newcastle residents would remain amongst the lowest-taxed small cities in King County.

**Q: Why a utility tax?**



**A:** This utility tax would fairly distribute the burden between all Newcastle businesses, homeowners and renters while generating enough revenue to maintain existing services. 100% of the tax collected will go to the city. Additionally, the proposed rate of 3% is not set to increase.

**Q: How will I pay this tax?**



- A:** The 3% tax will be applied to your bill for the following utilities:
- Electricity and Natural Gas (Monthly from Puget Sound Energy)
  - Garbage (Quarterly from Waste Management)
  - Water/Sewer (Bimonthly from Coal Creek Utility District)
  - Cable TV (Monthly from Comcast)
  - Phone Voice Fees\*

\*Often, the voice portion of your mobile bill accounts for only one-third of your total bill

**Q: What utilities won't be taxed?**



**A:** Cable internet, mobile phone text, data and non-voice fees.

**Q: How much will this cost me and my family?**



**A:** The average household in Newcastle will pay between \$8 and \$14 a month.

**Q: What is driving this need?**



**A:** The simple answer is that the cost of public safety services like police and fire is increasing and city revenue cannot keep pace. Current projections show that by 2025, 100% of city property taxes would go to fund public safety. This is up from 81% just six years ago. Additionally, since the vast majority of land available for development has been developed, the city needs a new, more reliable source of revenue to replace that funding source.

**Q: How did the city come to choose a utility tax?**



**A:** City leaders commissioned a financial study by third-party experts. After careful review of city budgets and projections, these experts suggested a 3% utility tax.

**Q: What will happen if this tax doesn't pass?**



**A:** If the utility tax fails to pass, our city will be forced to make drastic cuts to services, and within a few short years would not be able to support itself as an independent city. Simply put, if the utility tax fails to pass, our city will be forced to make drastic cuts to services, including police protection, street and parks maintenance, etc.

## **Oct. 1<sup>st</sup> FAQ**

**Q: Why is a utility tax needed?**



**A:** Newcastle has three primary sources of revenue: property tax, sales tax and development fees. Multiple forecasts have shown that projected revenues cannot keep pace with projected expenditures. The City's largest revenue source is from property taxes which account for roughly 50% of operating revenue. The City only collects a portion of the overall property tax bill a household pays, typically about 15%. In addition, state law caps increases in property tax revenue to 1% per year, while inflation generally rises at a greater rate.

The revenue collected from sales tax and development fees are prone to fluctuation based on economic conditions. The end result is that the City's three primary revenue sources cannot keep pace with expenditures, creating what is called a structural budget deficit. Because of this, financial professionals have recommended that Newcastle diversify its revenue sources with more stable revenue options, such as a utility tax.

**Q: Why is a utility tax needed now?**



**A:** The cost of city services, including public safety services like police and fire, are increasing and existing revenue cannot keep pace. Current projections show that by 2025, 100% of property tax revenue would go to just fund public safety. This is up from 81% only six years ago. Additionally, since the vast majority of land available for new growth has already been developed, the City needs a new, more reliable source of revenue to replace that funding source.

After concerns over sustainability were raised by the state auditor's office and the City Council Finance Committee, City leaders commissioned a financial study by a third-party consultant firm. After careful review of city budgets and projections, these consultants recommended adoption of a utility tax to diversify revenue sources.

**Q: Is this budget shortfall a result of COVID-19?**



**A:** No. Discussions to address the City's anticipated budget shortfall began before the COVID-19 pandemic and City leaders have been exploring ways to address it for over two years. The fiscal impacts of COVID-19 are being monitored and will be discussed further during the 2021 budget process.

**Q: Doesn't Newcastle already have a utility tax?**



**A:** No. Newcastle is one of only three municipalities in King County that does not have a utility tax. The only other two cities without this source of revenue is Sammamish and SeaTac. Looking at our neighboring cities, Renton's utility taxes are set at 6% and Bellevue's range from 4.5% to 10.4%.

**Q: How would the utility tax be applied?**



**A:** The utility tax would distribute the burden among all Newcastle businesses, homeowners and renters, and is anticipated to generate sufficient revenue to maintain existing city services. Unlike property and sales taxes, 100% of the revenue collected would go to the City. Additionally, the proposed rate of 3% is not set to increase.

**Q: What utilities would this tax apply to?**

- A: The 3% tax would be applied to the following utilities:
- Electricity and Natural Gas (Monthly from Puget Sound Energy)
  - Garbage (Quarterly from Waste Management)
  - Water/Sewer (Bimonthly from Coal Creek Utility District)
  - Cable TV (Monthly from Comcast)
  - Phone Voice Fees\*

\*The voice portion of a mobile bill typically accounts for one-third of the total bill

**Q: What utilities are not subject to the utility tax?**

A: Cable internet, stormwater, mobile phone text, data and non-voice fees.

**Q: How much will this cost me and my family?**

A: The average household in Newcastle will pay between \$8 and \$14 a month total.

**Q: What are the impacts of approving/rejecting the utility tax?**

A: If approved, it is estimated the utility tax will generate approximately \$880,000 in revenue. The City anticipates using the projected revenue to pay for public safety services (fire and police) as the City's 2020 budget identified increased costs relating to police and fire contracts in the future. If rejected, it is projected that the City will have an approximately \$1 million shortfall in the 2021 budget alone, and will need to consider cutting public safety (police and fire) and other services.

## **ATTACHMENT 6**

Communications Mission: The City of Newcastle commits to clear, consistent, timely and transparent communication practices under these guiding principles: 1. Keep communications simple and accessible; 2. Promote transparency and honesty; 3. Communicate early and often; 4. Inform and educate; 5. Listen, respond and implement.

Process: The City regularly post news items regarding City events, Council actions and general City news. When news items and articles informing the community are posted, they are posted to the City's website, then the City posts that link to City social media accounts (Facebook, Nextdoor, etc.) and includes them in the City's email newsletter.

### **NEWS ITEMS DEALING WITH UTILITY TAX, BUDGET OR FISCAL SUSTAINABILITY**

2018

- **March 20: Citizens Academy Resources:** The Newcastle Library held a three-week Citizens Academy giving citizens a chance to learn about civics and government. Several members of the city staff were invited to present information.
  - **Website Link:** <https://bit.ly/35hCDJQ>
  - **Post(s) on Facebook:** Feb. 27: <https://bit.ly/2T9n9IG>; March 15: <https://bit.ly/35ewTAX>
  - **Appearance in Email Newsletter(s):** Feb. 16: <https://conta.cc/3javTCr>; March 2: <https://conta.cc/3m17P6X>
  - **Notes:** Among the presentations was a primer on Budgeting 101 the City's Finance Director gave. The City posted a link to a copy of the presentation on the website. The City also promoted the event on social media and the newsletter.
- **June 21: Recap: Council Hosts 2018 Town Hall Meeting:** A news recap of the community Town Hall where staff shared information about the city's current demographics and highlighted how revenue sources such as property tax and sales tax fund vital city services.
  - **Website Link:** <http://bit.ly/2tsyqAi>
  - **Post(s) on Facebook:** June 21: <https://bit.ly/3m28ghw>
  - **Notes:** Includes recap about the Town Hall, copy of presentation and audio. City finances were discussed during the meeting.
- **September 24: Save the Date: City Council's 2019 Budget Calendar:** This news post shared the dates of public hearings for citizens to comment on the preliminary 2019 budget.
  - Website Link: <https://bit.ly/2Hnz10z>
  - Post(s) on Facebook: Sept. 28: <https://bit.ly/3jltAwN>
  - Appearance in Email Newsletter(s): Sept. 28: <https://conta.cc/3o5BCgx>; Oct. 12: <https://conta.cc/2FFWZUm>; Nov. 2: <https://conta.cc/36gqUet>
  - Notes: Start-of-the-budget season post encouraging citizens to submit comments on the preliminary budget.
- **October 18: City Council Roundup | Oct. 16, 2018:** A recap of what happened at the City Council meeting with information about the first of three public hearings on the 2019 budget.
  - Website Link: <http://bit.ly/2P4vruN>
  - Post(s) on Facebook: Oct. 18: <https://bit.ly/37gPhLY>
  - Appearance in Email Newsletter(s): Nov 2: <https://conta.cc/36gqUet>
- **November 2: City Council Meeting Agenda | Nov. 6, 2019:** A news post with a link to the Council meeting agenda and notes on what will be discussed, including the 2019 budget.
  - Website Link: <http://bit.ly/2CXfrnK>
  - Appearance in Email Newsletter(s): Nov 2: <https://conta.cc/36gqUet>

- November 9: City Council Roundup | Nov. 6, 2018: A news recap of what happened at the City Council meeting with details about budget deliberations.
  - Website Link: <http://bit.ly/2AVI3wo>
  - Post(s) on Facebook: <https://bit.ly/2HdUs4F>
  - Appearance in Email Newsletter(s): Nov. 16: <https://conta.cc/37IKUPJ>
- November 27: City Council Roundup | Nov. 20, 2018: A news recap of what happened at the City Council meeting with details about budget adoption.
  - Website Link: <http://bit.ly/2QndyYC>
  - Post(s) on Facebook: <https://bit.ly/3dEha1w>
  - Appearance in Email Newsletter(s): <https://conta.cc/34bTY7O>
- December 11: City Council Roundup | Dec. 4, 2018: A news recap of what happened at the City Council meeting with details about a consultant presentation that analyzed the City's financial forecast.
  - Website Link: <https://bit.ly/3keNs5I>
  - Post(s) on Facebook: <https://bit.ly/2FHpDVc>
  - Appearance in Email Newsletter(s): <https://conta.cc/2Exwqyg>
  - Notes: "A consultant review of the city's financial forecast confirmed the city is currently in good financial condition, however, a projected structural deficit exists in the general fund's future, and if no action is taken, the city's reserves could be fully depleted by 2023."

2019

You can view all 2019 News Articles in the 2019 Archive here: <https://bit.ly/2IGcEUN>

You can view all 2019 City Council Meeting Recaps here: <https://bit.ly/37ktfYy>

You can view all 2019 Email Newsletters here: <https://bit.ly/35cl3pE>

- March 26: City Prepares for Future with Fiscal Sustainability: News article announcing the City has contracted with a firm to prepare a Fiscal Sustainability Plan.
  - Website Link: <https://bit.ly/34dCYhv> (News Article)
  - Website Link: <http://bit.ly/2uyDe7Y> (Fiscal Sustainability Plan News HQ)
  - Post(s) on Facebook: <https://bit.ly/2Hoau1l>
  - Appearance in Email Newsletter(s): <https://conta.cc/2JNw4r7>
  - Note: The City created a webpage ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan)) which has been updated frequently with documents, meeting recaps and schedules well into the 2020 preliminary budget season. This link appeared in several newsletters and social media posts through the year.
- May 3: Fiscal Sustainability Plan: Important Dates: News article announcing two key date as Newcastle develops a plan to address forecasted financial challenges.
  - Website Link: <https://bit.ly/2IMhiAQ>
  - Post(s) on Facebook: <https://bit.ly/2HeLluK>
  - Appearance in Email Newsletter(s): <https://conta.cc/2HlcDRZ>, <https://conta.cc/2VdlNtl>
  - Notes: This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))
- May 9: Fiscal Sustainability Plan Workshop: A news article announcing the date of the Fiscal Sustainability Plan workshop, along with a link that includes meeting agenda materials.
  - Website Link: <http://bit.ly/2HbB58e>
  - Post(s) on Facebook: <https://bit.ly/3dI89EB>

- Appearance in Email Newsletter(s): <https://conta.cc/2HzgJ9j>, <https://conta.cc/2HlcDRZ>
  - Notes: This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))
- May 22: City Council Roundup | May 21, 2019: A news recap of what happened at the City Council meeting including a tiny note about a June Town Hall meeting where the firm developing the Fiscal Sustainability Plan will speak.
  - Website Link: <http://bit.ly/2wctDok>
  - Post(s) on Facebook: <https://bit.ly/2IMEKxV>
  - Appearance in Email Newsletter(s): <https://conta.cc/2Mim0HH>
- May 24: Save the Date: Town Hall Meeting is June 18: A news article announcing the date of the Town Hall meeting where residents can come learn about the Fiscal Sustainability Plan.
  - Website Link: <https://bit.ly/35c9boj>
  - Post(s) on Facebook: <https://bit.ly/31odMmD>, <https://bit.ly/37jHixG>
  - Appearance in Email Newsletter(s): <https://conta.cc/2Mim0HH>, <https://conta.cc/2Mim0HH>
  - Note: The City sent out a city-wide postcard letting people know about the date and how to get involved. Link to picture: <https://bit.ly/37jHixG>. This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))
- June 28: Council to Consider Budget Strategies at July 2 Study Session: A news article announcing a study session where the Council will discuss budget strategy scenarios as part of the Fiscal Sustainability Plan.
  - Website Link: <http://bit.ly/2LuyZUJ>
  - Post(s) on Facebook: <https://bit.ly/31lRUsb>
  - Appearance in Email Newsletter(s): <https://conta.cc/2NfBzjR>
  - Notes: This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))
- July 9: City Council Roundup | July 2, 2019: A news recap of what happened at the City Council meeting including a writeup about the different budget scenarios the Council considered.
  - Website Link: <http://bit.ly/2XQBA25>
  - Post(s) on Facebook: <https://bit.ly/349V5F8>
  - Appearance in Email Newsletter(s): <https://conta.cc/2NQRhIT>
  - Notes: This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))
- August 12: Council Budget Retreat is Thursday: A news article announcing the Council's budget retreat where they will take a look at preliminary revenue and expenditure forecasts and discuss the 2020 budget.
  - Website Link: <http://bit.ly/2MWQqhu>
  - Post(s) on Facebook: <https://bit.ly/2T6hdKf>
  - Appearance in Email Newsletter(s): <https://conta.cc/31yQs3e>
  - Notes: This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))
- August 21: City Council Roundup | Budget Retreat: A news recap of what happened at the City Council budget retreat including information on staffing changes connected to the 2020 budget.
  - Website Link: <http://bit.ly/2ZnR5PC>
  - Post(s) on Facebook: <https://bit.ly/2T5QD3O>
  - Appearance in Email Newsletter(s): <https://conta.cc/32kfpQu>
  - Notes: This information was also added to the Fiscal Sustainability Plan News HQ page ([newcastlewa.gov/fiscalplan](http://newcastlewa.gov/fiscalplan))

- September 16: FAQs | Council Community Conversation: A summary of FAQs from the Council's Community Conversation. It includes one question regarding a utility tax.
  - Website Link: <http://bit.ly/2IXkdeo>
  - Post(s) on Facebook: <https://bit.ly/31niOjr>
  - Appearance in Email Newsletter(s): <https://conta.cc/2meDw3D>
- October 7: Save the Dates: 2020 Budget Calendar: A news article announcing dates for the preliminary budget hearings
  - Website Link: <http://bit.ly/2IEmFiB>
  - Website Link: <https://bit.ly/3jbmWZS> (2020 Budget Master Webpage with info from each meeting)
  - Post(s) on Facebook: <https://bit.ly/3dHh0Xt>
  - Appearance in Email Newsletter(s): <https://conta.cc/33jMcW0>
- October 10: An Update on Newcastle's Fiscal Sustainability: A news article describing the latest news on the City's Fiscal Sustainability efforts. Includes information about utility tax.
  - Website Link: <http://bit.ly/2M53eBv>
  - Post on Facebook: <https://bit.ly/37pO2dk>
- November 7: City Council Roundup | Nov. 5, 2019: A news recap of what happened at the City Council meeting with information about the Council's first round of deliberations regarding the preliminary budget.
  - Website Link: <http://bit.ly/2WPraNc>
  - Appearance in Email Newsletter: <https://conta.cc/2Oj9F3Q>
  - Post on Facebook: <https://bit.ly/3keFSbq>
- December 13: City Council Roundup | Dec. 3, 2019: A news recap of what happened at the City Council meeting with information about Council adoption of the 2020 budget.
  - Website Link: <https://bit.ly/3o6uyAu>
  - Appearance in Newsletter: <https://conta.cc/2YQ6buK>

## 2020

You can view all News Articles in the 2020 Archive here: <https://bit.ly/3jm00qZ>

You can view all 2020 City Council Meeting Recaps here: <https://bit.ly/37ktfYy>

You can view all 2020 Email Newsletters here: <https://bit.ly/35cl3pE>

- January 17: Council to Review Survey Results, Discuss Fiscal Sustainability: A news article previewing the Council meeting where the new Councilmembers get a review of the Fiscal Sustainability Plan
  - Website Link: <http://bit.ly/368dVKw>
  - Facebook Post: <https://bit.ly/2TapZXu>
  - Appearance in Newsletter: <https://conta.cc/2TzmfjN>
- January 30: City Council Roundup | Jan. 21, 2020: A news recap of what happened at the City Council meeting where they examined implementation strategies for the Fiscal Sustainability Plan
  - Website Link: <https://bit.ly/2TfyftT>
  - Appearance in Newsletter: <https://conta.cc/38ZngWC>
  - Facebook Post: <https://bit.ly/3dFJBw9>
- February 13: City Council Roundup | Feb. 4, 2020: A news recap of what happened at the City Council meeting where the Council chose to move forward with implementation of the Fiscal Sustainability Plan.

- Website Link: <https://bit.ly/37mFofR>
- Appearance in Newsletter: <https://conta.cc/2UTR4Ag>
- Facebook Post: <https://bit.ly/2ICasxB>
- February 18: City Council Roundup | Feb. 18, 2020: A news recap of what happened at the City Council meeting where the Council adopted a Fiscal Sustainability Implementation Plan
  - Website Link: <https://bit.ly/3o6cCFX>
  - Facebook Post: <https://bit.ly/2ICasxB>
  - Appearance in Newsletter: <https://conta.cc/39fTGgs>
- May 8: City Council Recap | May 5, 2020: A news recap from Council meeting when the Council reviewed the budget impacts of COVID-19 and voted to continue discussing implementation of a utility tax.
  - Website Link: <https://bit.ly/35fdT4V>
  - Appearance in Newsletter: <https://conta.cc/2SUMmRa>
  - Facebook Post: <https://bit.ly/3m2DUv7>
- May 9: City Council to Host Special Meeting on May 12, 2020: A news article announcing the Council will host special meeting to discuss draft utility tax ordinance.
  - Website Link: <https://bit.ly/3keLkLr>
  - Appearance in Newsletter: <https://conta.cc/3duMAWZ>
- May 29: Council to Discuss Utility Tax Ordinance on June 2: A news article announcing the Council will consider and likely vote on a utility tax ordinance at the upcoming meeting.
  - Website Link: <https://bit.ly/2yIIFf4>
  - Appearance in Newsletter: <https://conta.cc/3dfB5Db>
  - Post on Facebook: <https://bit.ly/2Hju8Wg>
- June 4: Handout: Procedures for Filing a Referendum Petition: A handout with details on how to file a referendum petition.
  - Website Link: <https://bit.ly/3dljg0E>
- June 15: City Council Recap | June 2, 2020: A news recap of what happened at the City Council meeting where the Council approved a utility tax ordinance.
  - Website Link: <https://bit.ly/2HI99T2>
  - Appearance in Newsletter: <https://conta.cc/2VX9AaX>
- July 10: Applicants for Voters Pamphlet Committees: News article announcing that the City seeks applicants to write pro/con statements for utility tax referendum
  - Website Link: <https://bit.ly/2FGuYvU>
  - Facebook Post: <https://bit.ly/3dlkJ70>
- October 1: FAQs: Referendum 2:
  - Website Link: <https://bit.ly/3keOJtH>
  - Appearance in Newsletter: <https://conta.cc/2GB9Vul>
  - Facebook Post: <https://bit.ly/2HoS4HO>

### **General News Information**

The City posts the latest community news articles on its website at [http://newcastlewa.gov/news/what\\_s\\_new](http://newcastlewa.gov/news/what_s_new). This includes information on community events, Council news, Police news and general items that the residents should know about. Archives can be found at <http://newcastlewa.gov/news/archives>.

### **Council News**

- Before every Council meeting, the City posts the Council agenda under the What's New section.

- After Council meetings, the City posts news recaps and share them in the What's New section as well as the [Council Recap page](#).

### **Newsletters and Social Media**

- The City copies everything on the website and shares it on City social media accounts, [Facebook](#), [Twitter](#), [Nextdoor](#) and [Instagram](#).
- The City has an email newsletter that is sent out the Friday before every regular Council meeting. If there are other important news alerts that need to go out, they are sent immediately to the same email list. City newsletters can be viewed dating back to 2018 at [newcastlewa.gov/newsletters](http://newcastlewa.gov/newsletters).

### **FAQs**

- The City has employed FAQs, using them to highlight questions and inform the community:
  - FAQs following a Community Conversation: <https://bit.ly/3jd1tjb>
  - FAQs regarding winter storm response: <https://bit.ly/349joD4>
  - FAQs regarding COVID: <https://bit.ly/3mftOr9>
  - FAQs regarding Waste Management service: <https://bit.ly/37otq5o>
  - FAQs regarding how to report items to staff: <https://bit.ly/2IETzCs>

### **Election News**

- The City regularly post reminders on the website letting people know how to vote
  - January 15, 2019: <https://bit.ly/31n2xLc>
  - July 17, 2019: <https://bit.ly/3oaOjae>
  - October 14, 2019: <https://bit.ly/2IPBq5f>
  - February 24, 2020: <https://bit.ly/2IBZ9p9>
  - October 15, 2020: <https://conta.cc/33Zy2ww>