

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Council Resolution No. 280 Supporting Shoreline Fire Department Ballot Proposition No. 1 Authorizing Property Tax Levy Rate of Up To \$1.50 Per \$1,000 of Assessed Valuation For a Six Year Period (2009-2014)
DEPARTMENT:	CMO
PRESENTED BY:	John Norris, Management Analyst

PROBLEM/ISSUE STATEMENT:

Currently, the Shoreline Fire Department receives 90% of its operating revenue from property tax. Fire Departments and other local taxing authorities were limited by Initiative 747, codified in RCW 84.55.050, to 1% growth in property tax revenue per year. This level of growth does not keep up with the rising costs of emergency fire, rescue and EMS services. With less money coming in from property taxes than is needed to provide these services, it is not possible for the Fire Department to keep pace with increases in operating costs, increasing 9-1-1 calls, population growth, and unexpected expenses that occur.

The current property tax levy was initially set by the voters at \$1.50 per \$1000 of assessed property value. However, with the 1% growth limit in place, the levy has fallen to \$1.30 per \$1000 of assessed property value. Without restoring the \$1.50 levy to voter-approved levels, certain cutbacks might be necessary, including deferral of apparatus and equipment replacement, potential reductions in staffing, and/or elimination of special services such as the technical rescue team, public education and prevention activities. The deteriorating levy also interferes with Shoreline Fire's ability to follow its strategic plan which guarantees continuous quality improvement in our service to the citizens of Shoreline.

BACKGROUND:

The Shoreline Fire Department responded to over 9,300 calls for service in 2007. This number of service calls typically increases every year, as Shoreline is a growing and aging community with increasing emergency service needs. While the Fire Department is continually evaluating their budget and expenses, the current property tax levy does not fully fund existing and planned services. Thus, the Shoreline Fire Department is asking voters to refresh existing fire and medical service funding to levels at the amount already approved by voters in 2005.

To accomplish this, the Shoreline Fire Department is placing Proposition No.1 on the ballot at a special election to be held August 19, 2008. If approved, Proposition No. 1 would authorize a fire department property tax levy rate of \$1.50 per \$1,000 of assessed valuation for a one year period, and then would allow specific increases of up to 6% for each of five consecutive successive years. To maintain a levy rate of \$1.50 per \$1000 of

assessed valuation over time. Proposition No. 1 would also authorize the property tax levy rate in the sixth year to serve as the base rate for establishment of future years' levies. In the first year, returning the fire department property tax levy rate to its previous level will require an additional 20 cents per \$1,000 of assessed property value for all Shoreline property owners.

RECOMMENDATION

Staff recommends that Council adopt Resolution No. 280 supporting the Shoreline Fire Department's property tax levy lid lift.

Approved By:

City Manager

A circular stamp or seal, possibly containing the text "CITY OF SHORELINE", is positioned over the City Manager's signature line.

City Attorney

A handwritten signature, likely of the City Attorney, is written over the City Attorney's name.

Attachments:

- Resolution No. 280
- Shoreline Fire Department Resolution No. 08-01

RESOLUTION NO. 280

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, IN SUPPORT OF THE SHORELINE FIRE DEPARTMENT BALLOT PROPOSITION FOR A PROPERTY TAX LEVY LID LIFT

WHEREAS, the City Council believes it is essential and necessary for the protection of the public health, safety, life, and property of the citizens and residents of the City of Shoreline that service levels of fire, emergency medical services and other life safety services continue to be provided at current or enhanced levels; and

WHEREAS, the Shoreline Fire Department is seeking voter authorization of a property tax levy of \$1.50 per thousand dollars of assessed valuation, which would then allow specific increases of up to 6% for each of five consecutive successive years in property taxes collected by the Shoreline Fire Department providing that the levy rate in the sixth year shall serve as the base rate for establishment of future years' levies; and

WHEREAS, while in 2005, the fire district electorate approved a property tax rate of \$1.50 per \$1000 of assessed valuation for collection in 2006 to deliver fire, emergency medical services and other life safety services and, due to restrictions imposed by RCW 84.55.010 and related statutes, the 2008 property tax rate is \$1.30 per \$1000 of assessed valuation; and

WHEREAS, under the current regular property tax rate of \$1.30 per \$1,000 of assessed valuation, the Shoreline Fire Department's cost increases to offer such services have exceeded revenue increases, due to restrictions imposed by RCW 84.55.010 and related statutes, and this trend is projected to continue; and

WHEREAS, the City Council believes that continuation of the 1% limitation imposed by RCW 84.55.010 would restrict the Shoreline Fire Department from collecting sufficient revenue to fully fund existing and planned services, necessitating a cutback in the level of certain services in the district, including deferral of apparatus and equipment replacement, potential reductions in staffing for fire and emergency medical services, potential elimination of special services such as the technical rescue team, potential elimination of certain public education activities and similar cutbacks; and

WHEREAS, the City has conducted a public hearing pursuant to RCW 42.17.130 allowing the Councilmembers and public an equal opportunity to express their views on the ballot proposition; and

WHEREAS, the City Council believes that it is in the best interests the residents and the property owners within the City of Shoreline that the property tax levy lid lift be approved;

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

Section 1. The City Council of the City of Shoreline hereby express support for and encourage approval of a property tax levy lid lift, which will be presented to the voters at a special election to be held on August 19, 2008.

ADOPTED BY THE CITY COUNCIL ON JULY 28, 2007.

Cindy Ryu
Mayor

ATTEST:

Scott Passey
City Clerk

**SHORELINE FIRE DEPARTMENT
(Formerly King County Fire Protection District No. 4)
KING COUNTY, WASHINGTON**

RESOLUTION NO. 08-01

A RESOLUTION OF THE BOARD OF FIRE COMMISSIONERS OF SHORELINE FIRE DEPARTMENT (Formerly King County Fire Protection District No. 4) PROVIDING FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE DISTRICT AT AN ELECTION TO BE HELD THEREIN ON AUGUST 19, 2008, A PROPOSITION WHICH WOULD AUTHORIZE A FIRE DEPARTMENT LEVY RATE OF \$1.50 PER \$1,000 OF ASSESSED VALUATION FOR A ONE YEAR PERIOD, AND THEN WOULD ALLOW SPECIFIC INCREASES OF UP TO 6% FOR EACH OF FIVE CONSECUTIVE SUCCESSIVE YEARS, IN PROPERTY TAXES COLLECTED BY THE FIRE DEPARTMENT APPLICABLE TO ALL TAXABLE PROPERTY LOCATED IN THE DISTRICT, IN EXCESS OF THE LIMITATIONS IMPOSED BY CHAPTER 84.55 OF THE REVISED CODE OF WASHINGTON AND PROVIDING THAT THE LEVY RATE IN THE SIXTH YEAR SHALL SERVE AS THE BASE RATE FOR ESTABLISHMENT OF FUTURE YEARS' LEVIES.

WHEREAS, in the judgment of the Board of Fire Commissioners (the "Board") of Shoreline Fire Department (the "Department"), it is essential and necessary for the protection of the public health, safety, life, and property of the citizens and residents of the Department that service levels of fire, emergency medical services and other life safety services continue to be provided at current or enhanced levels according to the Department's strategic plan and that the Department's facilities, equipment, apparatus, training and staffing are in accordance with applicable laws and recognized industry standards; and

WHEREAS, while in 2005 the electorate approved a property tax rate of \$1.50 per \$1000 of assessed valuation for collection in 2006 to deliver such services enumerated in the recital above and, due to restrictions imposed by RCW 84.55.010 and related statutes, the 2008 property tax rate is \$1.30 per \$1000 of assessed valuation; and

WHEREAS, under the current regular property tax rate of \$1.30 per \$1,000 of assessed valuation, the Department's cost increases to offer such services have exceeded revenue increases, due to restrictions imposed by RCW 84.55.010 and related statutes, and this trend is projected to continue, and

WHEREAS, continuation of the 1% limitation imposed by RCW 84.55.010 would restrict the Department from collecting sufficient revenue to fully fund existing and planned services, necessitating a cutback in the level of certain services in the District, including deferral of apparatus and equipment replacement, potential reductions in staffing for fire and emergency medical services, potential elimination of special services such as the technical rescue team, potential elimination of certain public education activities and similar cutbacks; and

WHEREAS, RCW 84.55.050 authorizes the 1% limit on annual increases may be exceeded with voter approval, commonly referred to as a "lid lift" election, and

WHEREAS, the electorate should be given the opportunity to decide whether the potential reduction in service levels should occur or instead, whether the authorized rate of up to \$1.50 per \$1,000 assessed valuation should be levied and maintained, waiving the 1% limit of RCW 84.55, commonly referred to as "lifting the lid"; and

WHEREAS, current statutes authorize multi-year lid lifts for up to six years, with the rate in the sixth year being used as a base rate for establishment of the tax levy rate in future years (sometimes referred to as a "permanent" lid lift); and

WHEREAS, the Board finds that there is a substantial need to utilize such provision in the interest of providing more stable revenues and more efficient and effective services to the community;

NOW THEREFORE BE IT HEREBY RESOLVED, FOUND, DETERMINED AND ORDERED, AS FOLLOWS:

Section 1. A regular property tax rate of \$1.50 per \$1,000 of assessed valuation, applicable to all taxable property located in the District, is authorized by law, and is necessary and appropriate to levy, notwithstanding the 1% annual increase limitation of RCW 84.55.010 et seq., as amended. RCW 84.55 places a 1% limitation on the increase of tax revenue collected by the District annually. This resolution and the resultant election would give the voters the opportunity to choose to continue service according to the strategic plan of the Department and restore the previously authorized levy rate of \$1.50 per \$1000 assessed valuation adopted in 2005 pursuant to RCW 52.16.160 (the "third fifty cents"), waiving the 1% limit of RCW 84.55 (commonly referred to as a "lid lift").

Section 2. The proposal set forth below, if authorized by the qualified electors of the District, will authorize a levy rate of \$1.50 per \$1,000 of assessed valuation for a one (1) year period (2009), coupled with specified increases in property taxes collected in each of the five consecutive successive years thereafter. There shall be submitted to the qualified electors of the District, for their ratification or rejection, at an election on August 19, 2008, a proposition to exceed the 1% limitation (and "lift the lid") of RCW 84.55.010 et seq. and levy the full authorized rate of \$1.50 per \$1,000 of assessed valuation for a one (1) year period (2009), coupled with specified increases in property taxes collected in each of the five consecutive successive years thereafter, subject to statutory and constitutional limits, which are otherwise applicable; **provided further** that the levy rate in the sixth year shall be used as the base levy rate for establishment of the levy rate for future years levies.

Section 3. The Board hereby requests the Manager of Records and Elections of King County, Washington, as ex officio County Supervisor of Elections, to call and conduct such special election to be held within the District on August 19, 2008, and to submit to the qualified electors of the District the proposition in substantially the following form:

PROPOSITION NO. 1

SHORELINE FIRE DEPARTMENT

AUTHORIZING PROPERTY TAX LEVY RATE
OF UP TO \$1.50 PER \$1,000 OF ASSESSED VALUATION
FOR A SIX YEAR PERIOD (2009-2014)

The Board of the Shoreline Fire Department adopted Resolution No. 08-01, to re-establish its regular property tax rate to \$1.50 per \$1000 assessed valuation. Shall the Shoreline Fire Department be authorized to exceed the 1% limitation on annual increases in tax revenues for six years, levying \$1.50 per \$1,000 of assessed valuation in 2009, with annual increases of up to 6% for 2009-2014, with the 2014 levy amount used for computing limitations for subsequent levies?

(This shall not be construed to authorize an excess levy and shall be subject to otherwise applicable statutory limits, except the 1% limitation provided in RCW 84.55.010 et seq.)

INSTRUCTIONS TO VOTERS:

To vote IN FAVOR of the foregoing proposition, mark a cross (X) in the "Levy, Yes" square.

To vote AGAINST the foregoing proposition, mark a cross (X) in the "Levy, No" square.

LEVY, YES ☐

LEVY, NO ☐

Section 4. The locations of the polling places, if any, shall be as specified by the Manager of Records and Elections of King County, Washington, as ex officio County Supervisor of Elections for the District.

Section 5. A notice of special election shall be published at least once, which publication shall take place not more than ten (10) days nor less than three (3) days prior to the date of said election. Said publication shall be in a newspaper of general circulation within the District.

Section 6. Approval of the proposition described in Section 3 above shall be construed and interpreted as qualified elector approval of a tax increase in compliance with RCW 84.55 as amended.

Section 7. The Secretary to the Board is hereby directed to deliver a certified copy of this resolution to the Manager of Records and Elections of King County, Washington, as ex officio County Supervisor of Elections for the District, at least 84 days before the date for the special election.

Section 8. This resolution shall take effect immediately upon adoption.

ADOPTED AND APPROVED by the Board of Fire Commissioners of the Shoreline Fire Department on May 1, 2008.

Jon Kennison
Chair/Commissioner

Jim Fisher
Commissioner

Scott Keeny
Commissioner

ATTEST:

Joyce Brown
Secretary

APPROVED AS TO FORM:

Attorney