

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing on Resolution No. 354 Declaring Support for Shoreline School District Ballot Proposition No. 1: Replacement of Expiring Levy for Educational Programs, Maintenance and Operations
DEPARTMENT:	City Manager's Office
PRESENTED BY:	John Norris, Acting Assistant City Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The Shoreline City Council has requested that this item be placed on the City Council agenda for consideration. Resolution No. 354, which is attached to this staff report as Attachment A, would declare City Council support for the Shoreline School District's ballot Proposition No. 1, Replacement of Expiring Levy for Educational Programs, Maintenance and Operations, scheduled for the special election on February 11, 2014. The Council is scheduled to take action on proposed Resolution No. 354 on January 6, 2014.

BACKGROUND:

Generally, Washington State law prohibits the use of any public resources in support or opposition to candidates or ballot issues. However, RCW 42.17.130 provides an exception that allows a city to take a position on a ballot issue as long as: 1) the notice of the Council meeting includes the title and number of the ballot proposition, and 2) an equal opportunity is provided to both sides to speak. To facilitate this, the Council will have a public hearing to take comments on Resolution No. 354, which would declare Council's support of the Shoreline School District ballot Proposition No. 1. The details of the ballot proposition are contained in the attached documents from the Shoreline School District (Attachments B, C and D).

On occasion, the Council has voted to support ballot propositions if it determines the proposition will have a direct impact on the Shoreline community. These have included propositions supporting the Shoreline Fire District, Emergency Medical Services, King County Metro Transit, and, most recently, the Shoreline School District. In January 2010, Council voted to support a maintenance and operations levy, technology improvement levy, and a bond measure for the modernization and replacement of Shorecrest and Shorewood High Schools, and in 2011, the Council voted to support the School District's supplemental levy for reduced class size.

RECOMMENDATION

It is recommended that the Council review and consider the adoption of Resolution No. 354 following a public hearing to hear those in support or opposition. Resolution No. 354 will be brought back to Council for action on January 6, 2014.

ATTACHMENTS:

Attachment A: Proposed Resolution No. 354

Attachment B: Shoreline School District Resolution No. 2013-17: Replacement of Expiring Levy for Educational Programs, Maintenance and Operations

Attachment C: 2014 Levy Fact Sheet

Attachment D: Shoreline School District 2014 Levy Presentation

Approved By: City Manager ***DT*** City Attorney ***IS***

RESOLUTION NO. 354

A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, SUPPORTING SHORELINE SCHOOL DISTRICT PROPOSITION 1, REPLACEMENT OF EXPIRING LEVY FOR EDUCATIONAL PROGRAMS, MAINTENANCE AND OPERATIONS, AND PROPOSITION 2, REPLACEMENT OF EXPIRING CAPITAL LEVY FOR TECHNOLOGY IMPROVEMENTS AND SUPPORT

WHEREAS, the Shoreline School District Board has approved two propositions for a February 11, 2014 special election; and

WHEREAS, the District's Proposition 1 levy would replace the expiring programs, maintenance and operations levy and will fund basic education programs and instructional materials as well as other programs and activities, such as nurses, librarians and family advocates; and

WHEREAS, the District's Proposition 2 capital levy will replace the expiring technology improvements and support levy and will fund ongoing technology expenses and support for equipment replacement, software, licensing, subscriptions, training, and infrastructure to support current and emerging information technology; now therefore

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

That the City Council of the City of Shoreline hereby expresses its support for Propositions 1, Shoreline School District replacement of an expiring levy for educational programs, maintenance and operations; and Proposition 2, Shoreline School District replacement of an expiring capital levy for technology improvements and support, and encourages voters to approve these two propositions at the special election to be held on February 11, 2014.

ADOPTED BY THE CITY COUNCIL ON JANUARY 6, 2014.

Keith A. McGlashan, Mayor

ATTEST:

Jessica Simulcik Smith, City Clerk

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

PROPOSITION 1 - REPLACEMENT OF EXPIRING LEVY FOR
EDUCATIONAL PROGRAMS, MAINTENANCE AND OPERATIONS

RESOLUTION NO. 2013-17

A RESOLUTION of the Board of Directors of Shoreline School District No. 412, King County, Washington, providing for the submission to the voters of the District at a special election to be held therein on February 11, 2014, of a proposition authorizing a tax levy to be made annually for four years commencing in 2014 for collection in 2015 on all of the taxable property within the District of \$24,400,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.90 per \$1,000 of assessed value (such assessed value representing 100% of true and fair value unless specifically provided otherwise by law), in 2015 for collection in 2016 of \$24,500,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.85 per \$1,000 of assessed value, in 2016 for collection in 2017 of \$25,600,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.92 per \$1,000 of assessed value, and in 2017 for collection in 2018 of \$26,000,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.91 per \$1,000 of assessed value, all in excess of the maximum tax levy specified by law for school districts without voter approval, for the District's General Fund, the proceeds of such levies to be used to pay general expenses of educational programs, maintenance and operations, all as more particularly set forth herein; designating the Deputy Superintendent and special counsel to receive notice of the ballot title from the Director of Records and Elections of King County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

ADOPTED: OCTOBER 21, 2013

This document prepared by:

*FOSTER PEPPER PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-5339*

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

RESOLUTION NO. 2013-17

A RESOLUTION of the Board of Directors of Shoreline School District No. 412, King County, Washington, providing for the submission to the voters of the District at a special election to be held therein on February 11, 2014, of a proposition authorizing a tax levy to be made annually for four years commencing in 2014 for collection in 2015 on all of the taxable property within the District of \$24,400,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.90 per \$1,000 of assessed value (such assessed value representing 100% of true and fair value unless specifically provided otherwise by law), in 2015 for collection in 2016 of \$24,500,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.85 per \$1,000 of assessed value, in 2016 for collection in 2017 of \$25,600,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.92 per \$1,000 of assessed value, and in 2017 for collection in 2018 of \$26,000,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.91 per \$1,000 of assessed value, all in excess of the maximum tax levy specified by law for school districts without voter approval, for the District's General Fund, the proceeds of such levies to be used to pay general expenses of educational programs, maintenance and operations, all as more particularly set forth herein; designating the Deputy Superintendent and special counsel to receive notice of the ballot title from the Director of Records and Elections of King County, Washington; and providing for other matters properly related thereto, all as more particularly set forth herein.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SHORELINE SCHOOL DISTRICT NO. 412, KING COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Shoreline School District No. 412, King County, Washington (the "District"), hereby makes the following findings and determinations:

(a) Calendar year 2014 is the last year of collection of the District's four-year General Fund educational programs, maintenance and operations tax levy, which was authorized pursuant to Resolution No. 2009-28, adopted by the Board on November 16, 2009, and a special election held on February 9, 2010, as supplemented by a three-year supplemental General Fund educational programs, maintenance and operations levy, which was authorized pursuant to Resolution No. 2011-14, adopted by the Board on July 27, 2011, and a special election held on November 8, 2011. The four-year General Fund educational programs, maintenance and operations tax levy and the three year supplemental General Fund educational programs, maintenance and operations levy are collectively referred to herein as the "General Fund Educational Programs, Maintenance and Operations Tax Levy."

(b) With the expiration of the District's General Fund Educational Programs, Maintenance and Operations Tax Levy, it appears certain that the money which will be available for

the General Fund for the school years 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 will be insufficient to permit the District to meet the educational needs of its students and pay general expenses of educational programs, maintenance and operations support thereof, all as more particularly set forth in Section 3 of this resolution, during such school years, and that it is necessary that a replacement excess tax levy of \$24,400,000 be made in 2014 for collection in 2015, \$24,500,000 be made in 2015 for collection in 2016, \$25,600,000 be made in 2016 for collection in 2017, and \$26,000,000 be made in 2017 for collection in 2018 for the District's General Fund to provide the money required to meet those expenses.

(c) The District's proposed four-year General Fund educational programs, maintenance and operations tax levy authorized in this resolution provides for approximately the same purpose as the District's expiring General Fund Educational Programs, Maintenance and Operations Tax Levy.

(d) The District is authorized pursuant to Article VII, Section 2(a) of the Washington Constitution and Revised Code of Washington ("RCW") 84.52.053 to submit to the District's voters at a special election, for their approval or rejection, the proposition of whether the District shall levy excess property taxes for support of the District's educational programs, maintenance and operations expenses.

Section 2. Calling of Election. The Director of Records and Elections of King County, Washington, as *ex officio* Supervisor of Elections (the "Auditor"), is requested to call and conduct a special election in the District in the manner provided by law to be held therein on February 11, 2014, for the purpose of submitting to the District's voters, for their approval or rejection, the proposition of whether a replacement General Fund educational programs, maintenance and operations tax levy shall be made annually for four years commencing in 2014 for collection in 2015 on all of the taxable property within the District of \$24,400,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.90 per \$1,000 of assessed value (such assessed value representing 100% of true and fair value unless specifically provided otherwise by law), in 2015 for collection in 2016 of \$24,500,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.85 per \$1,000 of assessed value, in 2016 for collection in 2017 of \$25,600,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.92 per \$1,000 of assessed value, and in 2017 for collection in 2018 of \$26,000,000, the estimated dollar rate of tax levy required to produce such an amount being \$2.91 per \$1,000 of assessed value, all in excess of the maximum tax levy specified by law for school districts without voter approval. The exact tax levy rate may be adjusted based upon the actual assessed value of the taxable property within the District at the time of the levy.

Section 3. Use of Levy Proceeds. If the proposition authorized by this resolution is approved by the requisite numbers of voters, the District will be authorized to levy excess property taxes and use the proceeds of such levies to meet the educational needs of its students and pay general expenses of educational programs, maintenance and operations thereof during the school years 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019, all as may be authorized by law and deemed necessary by the Board. Pending the receipt of those taxes, the District may issue short-term obligations pursuant to chapter 39.50 RCW or contract indebtedness pursuant to RCW 28A.530.080. Upon receipt, the District may use those taxes to repay such short-term obligations or indebtedness, all as may be authorized by law and deemed necessary and advisable by the Board.

Section 4. Form of Ballot Title. Pursuant to RCW 29A.36.071, the King County Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1

SHORELINE SCHOOL DISTRICT NO. 412

REPLACEMENT OF EXPIRING LEVY FOR EDUCATIONAL PROGRAMS,
MAINTENANCE AND OPERATIONS

The Board of Directors of Shoreline School District No. 412 adopted Resolution No. 2013-17, concerning a proposition to finance educational programs, maintenance and operations expenses. This proposition would authorize the District to meet educational needs of its students by levying the following excess taxes, in place of the expiring levy, on all taxable property within the District, for support of the District's General Fund educational programs, maintenance and operations expenses:

<u>Collection Year</u>	<u>Approximate Levy</u>	
	<u>Rate/\$1,000</u>	<u>Assessed Value</u>
2015	\$2.90	\$24,400,000
2016	\$2.85	\$24,500,000
2017	\$2.92	\$25,600,000
2018	\$2.91	\$26,000,000

all as provided in Resolution No. 2013-17. Should this proposition be approved?

LEVY . . . YES

LEVY . . . NO

Section 5. Authorization to Deliver Resolution to Auditor and Perform Other Necessary Duties. The Secretary to the Board (the "Secretary") or her designee is directed to: (a) present a certified copy of this resolution to the Auditor no later than December 27, 2013; and (b) perform such other duties as are necessary or required by law to submit to the District's voters at the aforesaid special election, for their approval or rejection, the proposition of whether the District shall levy excess property taxes for support of the District's educational programs, maintenance and operations expenses. All actions of the District or its staff or officers taken prior to the effective date of this resolution and consistent with the objectives and terms of this resolution are ratified and confirmed.

Section 6. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates the (a) Deputy Superintendent (Marla S. Miller), telephone: 206.393.4514; fax: 206.393.4204; email: marla.miller@shorelineschools.org; and (b) special counsel, Foster Pepper PLLC (Jim McNeill), telephone: 206.447.5339; fax 800.533.2284; email: mcnej@foster.com, as the individuals to whom the Auditor shall provide such notice. The Secretary is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 7. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, or of the levy or collection of excess property taxes authorized herein.

Section 8. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Shoreline School District No. 412, King County, Washington, at a regular open public meeting thereof, held this 21st day of October, 2013, the following Directors being present and voting in favor of the resolution.

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

Deborah Ehrlichman, President

Michael Jacobs, Vice President

Richard Nicholson, Director

David Wilson, Director

Richard Potter, Director

ATTEST:

SUSANNE M. WALKER
Secretary to the Board of Directors

CERTIFICATION

I, SUSANNE M. WALKER, Secretary to the Board of Directors of Shoreline School District No. 412, King County, Washington (the “District”), hereby certify as follows:

1. The foregoing Resolution No. 2013-17 (the “Resolution”) is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board of Directors of the District (the “Board”) held at the regular meeting place thereof on October 21, 2013, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2013.

SHORELINE SCHOOL DISTRICT NO. 412
KING COUNTY, WASHINGTON

SUSANNE M. WALKER
Secretary to the Board of Directors

FACTS ABOUT THE FEBRUARY 2014 LEVY PROPOSITIONS



Ballots will be mailed Jan. 22

Please remember to vote by Feb. 11

To register to vote, visit kingcounty.gov/elections

PROPOSITION 1:

Replacement of an Expiring Levy for Educational Programs, Maintenance and Operations

Replaces the current four-year levy which will expire in 2014, and provides the District with approximately 26 percent of its General Fund operating revenue. The levy funds basic education programs not fully supported by state and federal funding, including:

- Special education programs, highly capable programs, remedial programs and vocational education programs
- Nurses, family advocates, librarians and instructional materials
- Maintenance of current class sizes

The levy also supports extra-curricular student activities, including music, drama and athletics.

PROPOSITION 2:

Replacement of an Expiring Capital Levy for Technology Improvements and Support

Replaces the current four-year levy that expires in 2014. These funds would be used to meet the District's ongoing technology needs, including:

- **Student Computers and Technology Access:** Upgrade equipment used for online learning in K-8 and expand use of digital curriculum and online assessments K-12
- **Software/Online Resources:** Online curriculum products (all subjects), streaming video, research databases, teacher website platform, help desk service
- **Staffing and Training:** Instructional technology specialists to support effective classroom integration, classes and training sessions for all staff, online support resources.

The proposed levy amounts are unchanged from the expiring 2010 Capital Levy for Technology Improvements and Support.

Property Tax Information

The District projects that average tax bills will remain stable at current levels over the four years of these measures. The District may collect only up to the amount approved by voters regardless of assessed valuation changes. Senior citizens or disabled persons may qualify for tax exemptions. Contact the King County Assessor's Office for information, 206.296.3920.

Proposition 1: Replacement of Expiring Educational Programs, Maintenance and Operations Levy

Year	Levy amount	Estimated Rate*
2015	\$24.4 million	\$2.90
2016	\$24.5 million	\$2.85
2017	\$25.6 million	\$2.92
2018	\$26 million	\$2.91

Proposition 2: Replacement of Expiring Capital Levy for Technology Improvements and Support

Year	Levy Amount	Estimated Rate*
2015	\$3 million	\$0.36
2016	\$3 million	\$0.35
2017	\$3 million	\$0.34
2018	\$3 million	\$0.34

*Rates are estimated per \$1,000 of assessed property value

Information Forums


Jan. 14: Shorecrest HS theater, 7:30 p.m.

Jan. 15: Shorewood HS theater, 7:30 p.m.

Visit shorelineschools.org or call the Public Information Office, 206-393-4412



February 2014
Levy Information

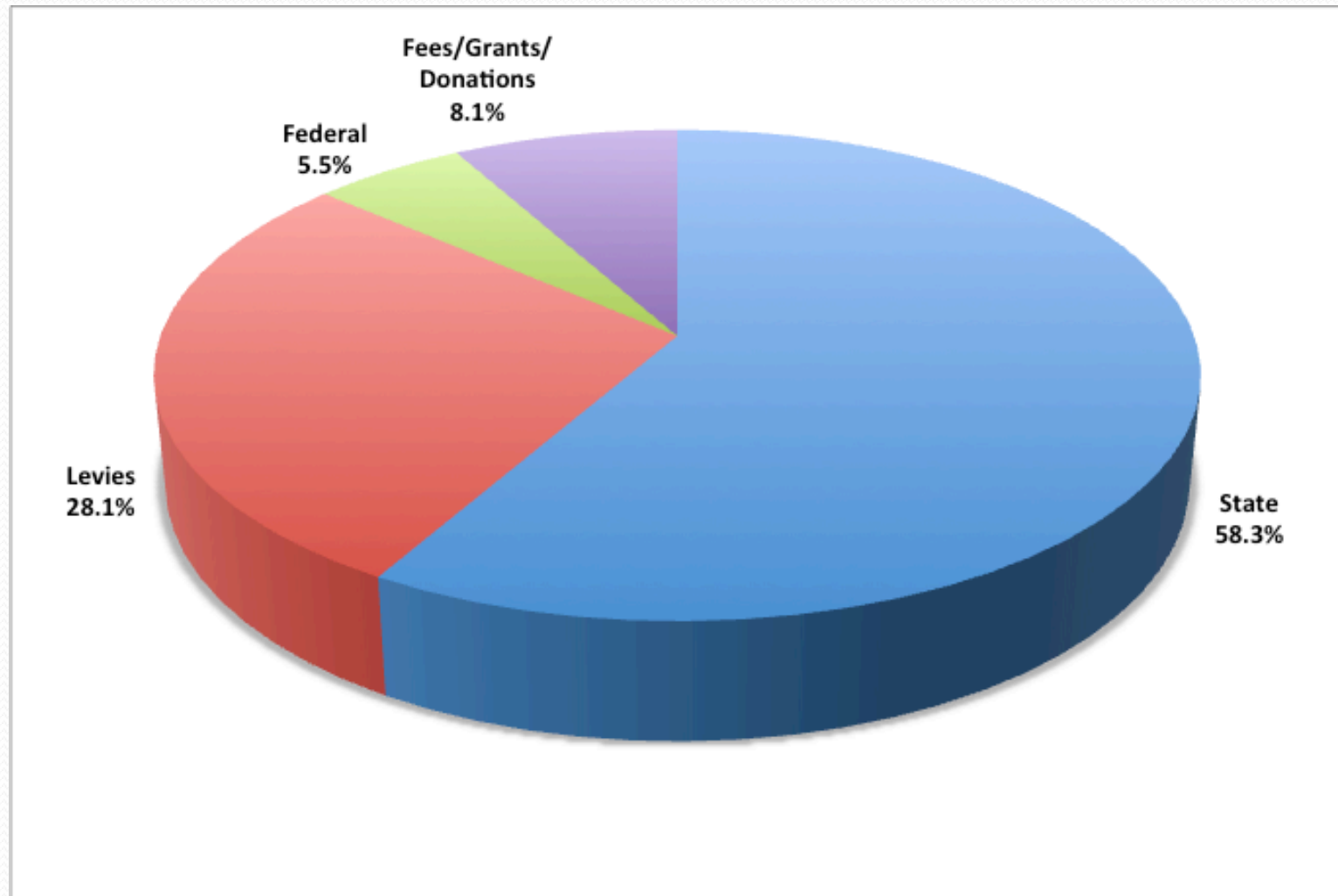


The Shoreline School District's current four-year levies for educational programs, maintenance, operations and technology will expire at the end of 2014.

In Shoreline, the levies fund over 28% of our annual operating budget.

SOURCE OF DISTRICT REVENUES

General Fund and Tech Levy



TWO PROPOSED BALLOT MEASURES

- **Replacement of an expiring Levy for Educational Programs, Maintenance and Operations (M & O)**
Approximately \$24.4 to \$26 million/year for 4 years
(50% +1 Approval Required)
- **Replacement of an expiring Levy for Technology Improvements and Support**
\$3 million/year for 4 years
(50% +1 Approval Required)

WHAT DOES THE LEVY FOR EDUCATIONAL PROGRAMS, MAINTENANCE AND OPERATIONS (M & O) SUPPORT IN SHORELINE?

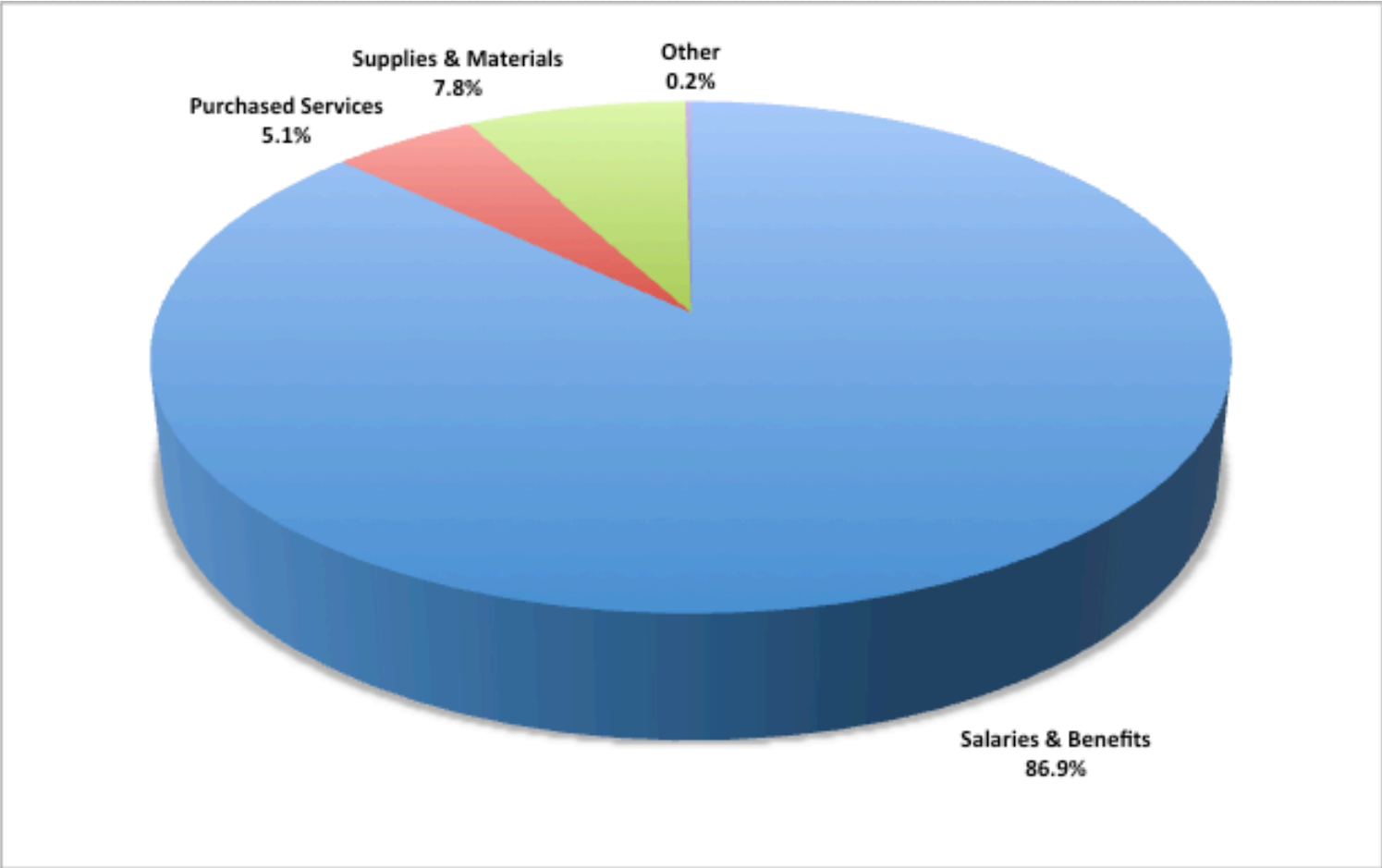
Basic education programs not fully supported by state and federal funding:

- Special education programs, highly capable programs, remedial programs and vocational education programs
- Nurses, family advocates, librarians and instructional materials
- Maintenance of current class sizes
- Building maintenance, utilities and transportation

Extra-curricular student activities, including music, drama and athletics

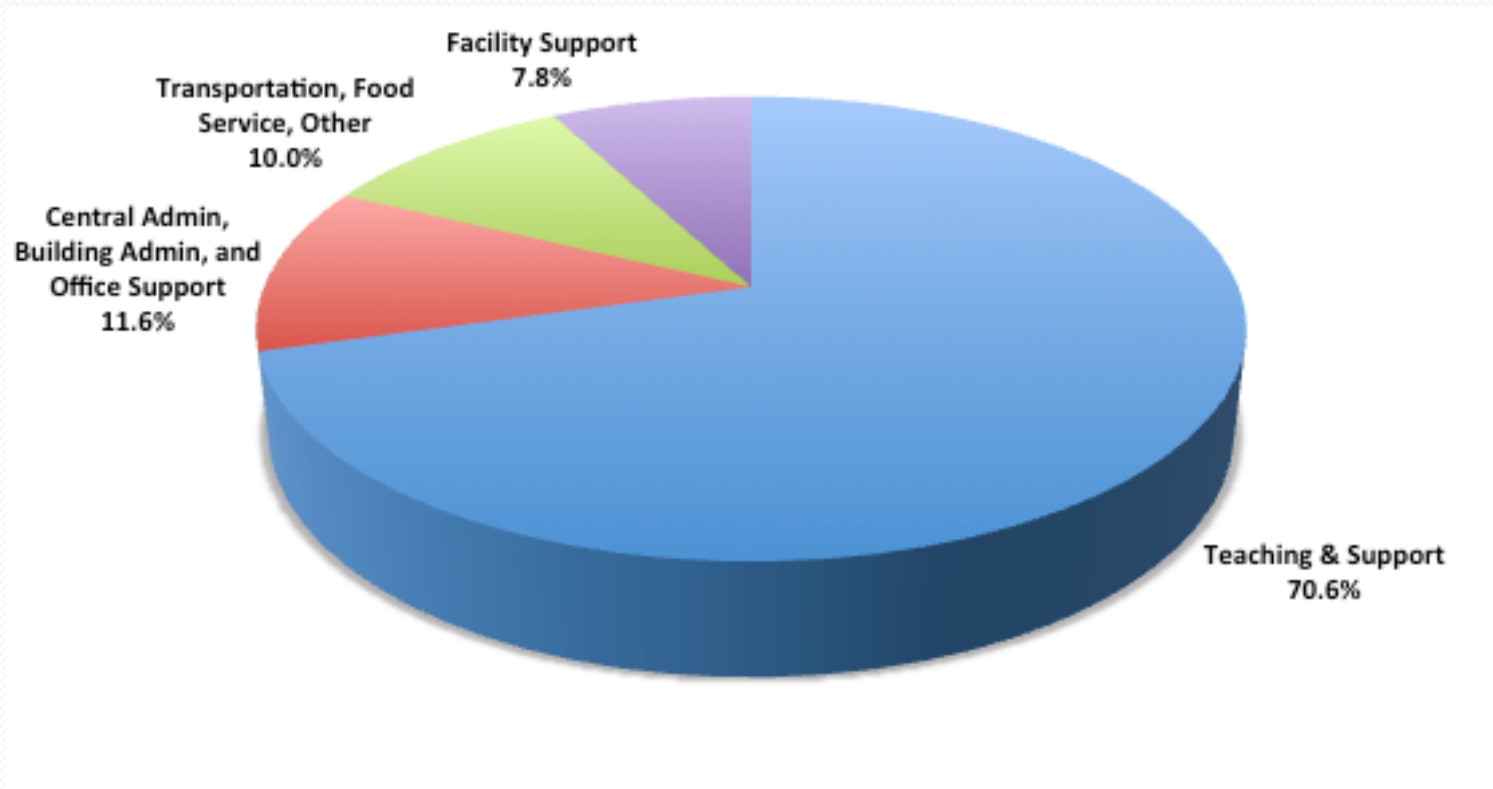
DISTRICT EXPENDITURES

General Fund



DISTRICT EXPENDITURES BY ACTIVITY

General Fund



WHAT IS THE PURPOSE OF A TECH LEVY?

- Financial support and relief for the General Fund
- Dedicated to the purchase of technology to support instruction and infrastructure needs

WHAT DOES THE TECH LEVY SUPPORT IN SHORELINE?

Instructional technology equipment, programs and services:

- Student computers and technology access
- Software, online subscriptions, resources and classroom curriculum
- Annual maintenance & licensing
- Equipment upgrade/replacement
- Staffing, professional development and training
- Network – servers and wireless infrastructure

EXAMPLES OF WHAT THE EXPIRING 2010 TECH LEVY PROVIDED . . .

- District-wide enhanced 911 digital phone system, increasing student/staff safety and communication capabilities
- Security system pilots for increased student safety and emergency response
- 700 MacBook laptops for middle school students
- 3000 iPads for high school students
- Expanded technology for special needs students
- 3.0 FTE for technology integration support

EXAMPLES OF WHAT THE **REPLACEMENT** **2014 TECH LEVY** WOULD PROVIDE?

- Student Computers and Technology Access: Upgrade equipment used for online learning in K-8 and expand use of digital curriculum and online assessments K-12
- Software/Online Resources: Online curriculum products (all subjects), streaming video, research databases, teacher website platform, help desk service
- Staffing and Training: Instructional technology specialists to support effective classroom integration, classes and training sessions for all staff, online support resources
- Annual Maintenance and Licensing: Student information systems, security, email, phone, and Internet

GOAL FOR YOUR TAXES 2014 AND BEYOND

Keep the Shoreline School District tax bills stable and predictable at current levels for the average resident.

Rates may change....

but not average taxes paid per year.

WHAT WOULD IT COST?

(DOLLARS PER \$1,000 OF ASSESSED PROPERTY VALUE)

- Replacement Levy for Educational Programs, Maintenance and Operations

2014 **\$2.79 (current levy)**

2015 \$2.90

2017 \$2.92

2016 \$2.85

2018 \$2.91

- Capital Levy for Technology Improvements and Support

2014 **\$0.39 (current levy)**

2015 \$0.36

2017 \$0.34

2016 \$0.35

2018 \$0.34

HOW DOES THIS COMPARE TO CURRENT TAX RATES?

(DOLLARS PER \$1,000 OF ASSESSED PROPERTY VALUE)

<u>Year</u>	<u>Combined Rate</u>
<i>2014 (Current)</i>	<i>\$5.51 per \$1000*</i>
2015 (Projected)	\$5.39 per \$1000
2016 (Projected)	\$5.29 per \$1000
2017 (Projected)	\$5.18 per \$1000
2018 (Projected)	\$5.09 per \$1000

BOTTOM LINE

If both ballot measures pass in February . . .

The average homeowner's tax bill in Shoreline and Lake Forest Park would remain stable at 2013 levels.

The local levies would provide over 28% of the District's annual funding for educational programs, materials and services for our students and schools.



Questions?