

MINUTES

BOARD OF COUNTY COMMISSIONERS MEETING

May 5, 2003

Special Meeting
6:30 p.m.

The Commissioners met in session in the Commissioners' Meeting Room, Administration Building, Montesano, Washington, on Monday, May 5, 2003, at 6:30 p.m. Commissioners Bob Beerbower, Dennis Morrisette and Al Carter were present. Also in attendance was Sandra Daniels, Clerk of the Board.

HEARING

Consider A Request By City Of Montesano That The Grays Harbor County Board Of Commissioners Place On The Ballot For Vote By The Residents Within The Boundaries Of The Proposed District, The Creation Of A Metropolitan Park

District: There was a public hearing before the Board of Commissioners for Grays Harbor County to consider a request by the City of Montesano that the Board of Commissioners place on the ballot for consideration by the voters within the boundaries of the proposed district, the proposed creation of a Metropolitan Park District (MPD).

Chairman Morrisette stated that comments be limited to 3 minutes and that individuals testifying provide their name for the record.

Presentation by City of Montesano: Doug Iverson, Mayor for City of Montesano, explained he was asked to present for the City of Montesano a request to consider a joint effort between the City of Montesano and Grays Harbor County to place on the ballot the formation of a MPD. Mayor Iverson explained a MPD is a mechanism that has been created by legislature to form a group or boundary to fund the maintenance and operation of parks. Every entity, including Montesano, has shrinking dollars for ongoing programs. The available funding has been reduced and it is becoming a burden to be able to maintain proper maintenance of the fields. Without proper maintenance the fields will not continue. Mayor Iverson explained that in 2002 the legislature provided for cities of fewer than 5,000 that they could form a MPD. Prior to that a larger entity was required to form a Metropolitan Park District. There are different methods to form districts and the MPD is the most flexible. It allows the local entities to work with their available resources. The City of Montesano Parks and Recreation Committee and city staff have researched the pros and cons and have recommended the MPD. Mayor Iverson discussed the concerns regarding the fiscal impact that a MPD would have on other junior taxing districts including fire districts. He recommended that the purpose of the meeting tonight should be to determine if it is feasible to present to the voters and place the issue on the ballot. He commented that it would be premature to discuss the specifics of the operation

at this time. In order to begin making decisions for a MPD it is necessary to have a Board formed. Chairman Morrisette clarified that if a decision is made to create the MPD it also creates a tax.

Mayor Iverson introduced Kathy Beite with the Washington State Department of Revenue. Ms. Beite reported that the City of Montesano asked her to provide a brief presentation regarding the interaction between different taxing districts relating to property tax and the capacity that is available for the district. Ms. Beite provided information regarding property tax limitations. She reported that taxing districts are limited in the amount that can be generated through property taxation with five basic limits:

1. Taxing District Budget – A taxing district can levy no more than is certified to the County Legislative Authority under RCW 84.52.020.
2. Statutory Dollar Rate – Taxing districts are limited to a specific rate that can be charged to taxpayers. MPD are limited to a rate of .75 per \$1,000 of assessed value.
3. 101% Levy Limit – Since adoption of I-747, taxing districts may not increase their overall levy amount by more than 1% each year (exclusive of additional amounts allowed for new construction) without obtaining voter approval.
4. \$5.90 Aggregate Limit – The levy rates of most taxing districts cannot exceed a total of \$5.90 per \$1,000 of assessed value. If the total exceeds \$5.90, some taxing districts will lose levy capacity.
5. 1% Constitutional Limit – The Washington State Constitution limits the total regular property taxes to no more than 1% of the true and fair value of the property within the taxing district.

Ms. Beite explained the term “senior taxing districts” includes the state, counties, road districts, cities, towns, port districts, and public utility districts. All other districts are considered “junior taxing districts.” The limitation does not apply to the state levy, levies by or for any port or public utility district, excess property tax levies authorized in Article VII, section 2 of the State Constitution, levies for acquiring conservation futures, levies for emergency medical care or emergency medical services, and levies for affordable

housing. Certain MPD may protect .25 of their levy rate from prorating under the \$5.90 limit with voter approval.

If the total levy rates exceed \$5.90 per \$1,000 of assessed value, the rates must be prorated among the districts, according to a statutory mechanism for reducing junior district rates. Ms. Beite outlined a table providing the order in which levy rates are reduced.

In 1972, the voters adopted a constitutional limit of 1.0 percent. This limits the amount of property taxes that may be imposed on an individual parcel (real or personal) of property without voter approval to 1% of its true and fair value. The 1% limit applies to all regular levies (except port and public utility district levies). It does not apply to excess levies approved by voters. This limit would equate to a regular levy rate of \$10.00 per \$1,000 of assessed value if the property were assessed at its true and fair value.

The 1% limit is based on the true and fair value, unlike the \$5.90 limit, which is based on assessed value. True and fair value may be different from assessed value for various reasons, such as revaluation cycles used by county assessors. For example, the Grays Harbor County Assessor uses a 4-year revaluation cycle. Since only ¼ of the property within the county is revalued each year, it is likely that some of the remaining ¾ of the property is not assessed at its true and fair value. The Department of Revenue annually conducts a ratio study to determine the level of assessment in each county. That ratio study is used in determining if the 1% constitutional limit has been exceeded.

Taxing districts which are subject to the 1% limit are those that are under the \$5.90 limit plus the state school levy at the local rate, emergency medical service levy, affordable housing levy, and the conservation futures levy.

The 1% limit may be exceeded if approved by 60% of the voters voting on the proposition provided the “yes” votes at least equals 24% of the number of votes cast in the last general election. These are excess levies and are not subject to the 1% limitation.

Like the \$5.90 aggregate limit, the 1% constitutional limit applies to the total levy rates of the various taxing districts. If the 1% limit is exceeded, the levy rates of some taxing districts must be reduced. Ms. Beite outlined a chart showing the prorating order for the 1% Constitutional Limit. Levies not subject to the 1% constitutional limit include ports and public utility districts.

Chairman Morrisette asked for questions. Vini Samuel, resident of Montesano, asked if under any situation would the fire districts suffer as a consequence if passed. Ms. Beite
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responded that a fire district would not suffer as a result of a park district because the fire district is higher on the list from a park district that is created after January 1, 2002. However, an EMS levy on the 1% constitutional limit is below a park district on the order. An EMS district could lose money if the 1% constitutional limit was defeated.

Commissioner Carter asked if E-9-1-1 would suffer. Ms. Beite responded that if it were a property tax levy it would be impacted.

Dale Hensley asked if fire district raised taxes would it affect the park district. Ms. Beite responded that because fire districts are higher on the list from a park district that the park district would lose rather than the fire district.

Dave Burlison asked how much money is below the \$5.90 at the present time.

Ed Prkut commented that regarding a special levy there is no one that has more seniority than another. If a fire district put out a special levy and a MPD also put out a special levy they could both be funded at the same time. Ms. Beite explained that with a special levy there is no competition in terms of how much money there is to be distributed. The competition would be from the voters if both measures were placed on the ballot. A special levy requires voter approval.

Mike Bruner, clarified that at this time the County is at .566 and the City of Montesano is at .540.

Chairman Morrisette asked for public testimony in support of placing on the ballot for consideration by the voters within the boundaries of the proposed district, the proposed creation of a MPD.

The following individuals expressed support of the proposed creation of a MPD:

Richard Minarik, resident of 903 Nevills Place, Montesano and Superintendent for the Montesano School District.

Laura Schnill, resident of 220 Church Street South, Montesano and with the Montesano Parks and Recreation Board.

Adrian Teagle and friend Chelsea, students at Beacon Elementary School in Montesano and residents of Montesano. Also friends Alex, Rachel, Michaela, Corey and Devin who are classmates and teammates and live outside the city limits.

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Tim Schear, resident of 1802 Beacon Avenue, Montesano and involved with athletic teams.

Lori Benedict, resident of 621 East Broadway, Montesano and member of the Montesano Parks Board.

Tom Smiley, resident of 906 East Klamache, Montesano and involved in youth sports.

Norm Cole, member of the Montesano Park Board.

Vini Samuel, resident of 738 West Marcy, Montesano and member of the Montesano City Council.

Phil Papac, member of the Montesano Parks Board and volunteer in Montesano youth programs.

Chairman Morrisette asked for public testimony in opposition to placing on the ballot for consideration by the voters within the boundaries of the proposed district, the proposed creation of a MPD.

Dave Burlison, resident of 17 Eileen Lane, Montesano.

Arnie Iverson, resident of 89 Alder Grove Drive, Montesano.

Bill Walper, resident of 79 Fern Lane, Montesano and retired Chief of the Wynooche Fire Station in Fire District 2.

Pat Bossard, resident of Montesano and janitor at Simpson Elementary School.

Grace Daubert, resident of Monte-Elma Road, Montesano.

Scott Fournier, resident of 297 Monte-Elma Road and Fire Commissioner for Fire District 2.

Diane Carter, resident of West Wynooche Road and Vice President of the Montesano Community Center.

Chuck Herzog, resident of Camp Creek Road and volunteer with sports programs.

Jay Sterling, resident of 410 First Street North, Montesano and supporter of public parks and trails.

Jim Mason, resident of Clemons Road, outside the city limits.

Chairman Morrisette asked for public comment or questions to be directed to Mayor Iverson or Mike Bruner, Montesano Parks Director.

Greg Nelson, resident of Montesano, requested rebuttal time. Mr. Nelson spoke in support of the proposed MPD. He clarified that the majority did not vote against the park and the super-majority turned it down. The majority of the voters voted for the parks both times.

Chairman Morrisette asked for public comment or questions to be directed to the Mayor or the Montesano Parks Director.

There was a question regarding the cost for building Beacon Park. Mayor Iverson responded there is no connection between Beacon Park and the proposed MPD. A MPD does not require that property be transferred.

Numerous questions and discussion followed.

Commissioner Carter clarified that the issue at this hearing is that the Board of Commissioners for Grays Harbor County consider a request by the City of Montesano that the Board of Commissioners place on the ballot for consideration by the voters within the boundaries of the proposed district, the proposed creation of a Metropolitan Park District (MPD). Mayor Iverson confirmed that if the request is approved and placed on the ballot that .24 per thousand would be included on the ballot with the creation of a MPD.

Mike Bruner explained that the Board of County Commissioners would have as much authority as the Montesano City Council. He explained that both the city and county would be represented and work together to develop the structure and policies when forming an entity. Ultimately both the city and county would negotiate what is presented to the voters. Commissioner Carter commented that he believes that process should have taken place before this hearing was held. He stated that he supports parks and believes the city should have met with the county to study the issue and adequately represent the citizens of the county and the city and have the information to answer questions.

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Chairman Morrisette commented and explained that a MPD is a government. He asked if this is the time to form another government. There was a comment that the decision should be up to the citizens and the issue should be placed on the ballot and allow citizens to vote on a MPD.

Mike Bruner clarified that fire districts have rights and asked why park districts should not be entitled to the same rights as fire districts. He commented that citizens should be allowed to decide how to shape their community.

Discussion continued and questions were answered. The County Commissioners commented and made closing statements.

DECISION

A motion was made, seconded and passed to continue a decision to allow additional time for review.

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The meeting adjourned at 9:00 p.m. to Monday, May 12, 2003 at 2:00 p.m.

BOARD OF COMMISSIONERS
for Grays Harbor County
This _____ day of _____, 2003

BOB BEERBOWER, Commissioner, District 1

DENNIS MORRISETTE, Chairman

ALBERT A. CARTER, Commissioner, District 3

ATTEST:

Sandra Daniels
Clerk of the Board