

**Minutes
August 4, 2010**

Orcas Island Park and Recreation District Commission
Special Meeting, Wednesday August 4, 2010
10:30 A.M., Eastsound Fire Station #2

I. CALL TO ORDER (10:30)

Meeting called to order Jim Bredouw, Chairman Pro-Tem
Roll call:

Seat 1: Vicki Vandermay - Present
Seat 2: Bob Eagan - Present
Seat 3: Martha Farish - Late arrival
Seat 4: Jim Bredouw - Present
Seat 5: Ian Lister - Present

II. CONSENT AGENDA (10:35)

1. *Minutes for June 10, 2010 - passed with no objections*
2. *Minutes for July 29, 2010 - passed with no objections*

III. OLD BUSINESS (10:40)

Campaign Committee - Bob Eagan:
Brainstorming: events, strategies, talking points

Submission of report - Conversations with officials re: OIPRD taxing district, dated August 2/3 2010.

Motion: Term of the park levy should be six years.
- Farish, 2nd Bredouw
- Deliberations: *Discussion of pros and cons of six-year term*
- Vote: Jim Bredouw, Ian Lister, Vicki Vandermay - aye
Martha Farish - no
Bob Eagan - Abstain

Resolution 2010-02: Authorizing placement of a funding proposition before the voter

Discussion of Resolution 2010-02 and review of adjustment made to the document based on comments from the previous meeting.

Motion: Adopt Draft Resolution No. 2010-02 as submitted for signature
- Farish, 2nd Bredouw
- Deliberations: *Adina Cunningham AAL remarked that the resolution was a concise statement.*

- Vote: unanimously aye

IV. PUBLIC COMMENT (11:30)

None

V. NEW BUSINESS (11:50)

Discussion of cover letter for Resolution 2010-02.

Motion: Adopt cover letter as amended.

- Eagan, 2nd Vandermay
- Deliberations: *none*
- Vote: unanimously aye

Break in session to print Resolution and Letter for signatures. (12:20)

Session Resumes (12:40)

ACTION: Resolution signed by Commissioners. Resolution to be transmitted to the San Juan County Auditor for placement on the November 2010 ballot.
Budget Discussion

Motion: Convene to Budget Committee session for open discussion (1:00)

- Jim Bredouw, 2nd Bob Eagan
- Deliberations: *Budget development*
- Vote: unanimously aye

Motion: Reconvene to General session (2:25)

- Vicki Vandermay, 2nd Bob Eagan
- Vote: unanimously aye

Motion: To adjourn

- Martha Farish, 2nd Jim Bredouw
- Vote: unanimously aye

VI. ADJOURNMENT (2:30)

Addenda:

Paper Document: Resolution 2010-02 for Property Tax Levy
by Martha Farish, 2pgs., dbl sided

Paper Document: Cover Letter for Resolution 2010-02
by Martha Farish, 1pg.

Paper Document: Conversations with officials re: OIPRD taxing district,
by Bob Eagan, 5 pgs.

Regular Public Meeting minutes for August 4, 2010
Approved by motion on this 30th day of September 2010
Signed and attested this 18th day of Oct 2012


Secretary


Chair

Chair

RESOLUTION NO. 2010-02

**A RESOLUTION BY THE ORCAS ISLAND PARK AND
RECREATION DISTRICT TO AUTHORIZE THE SAN JUAN
COUNTY AUDITOR TO PLACE BEFORE THE VOTERS A
PROPOSITION FOR A REGULAR PROPERTY TAX LEVY.**

WHEREAS, during the November 3, 2009 general election, eligible voters of San Juan County approved the formation of the Orcas Island Park and Recreation District (OIPRD); and

WHEREAS, on December 8, 2009, the County Council for San Juan County, consistent with those election results, approved the formation, commissioners for, and boundaries of OIPRD pursuant to county Resolution No. 55-2009; and

WHEREAS, during the 2009 general election, the voters were not requested to approve a tax levy or other source of funding for OIPRD, and OIPRD has no other source of funding; and


WHEREAS, the Board of Commissioners for OIPRD desire to fund the district so that the district may fulfill its duties to provide programs, services, and other matters and functions related to parks management and recreational services and activities, as set forth in RCW 36.69.130; and

WHEREAS, OIPRD desires for voters to approve a property tax levy to fund OIPRD, as authorized by RCW 36.69.145.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners for the Orcas Island Park and Recreation District:

1. The Board of Commissioners authorizes and requests that the San Juan County Auditor place before the voters during the November 3, 2010 general election a proposition requesting approval of funding for the Orcas Island Park and Recreation District in the amount of 10 (ten) cents per \$1,000.00 (one thousand dollars) of assessed value of property in each year for six consecutive years following voter approval, pursuant to RCW 36.69.145;

DULY SUBMITTED 0804, 2010

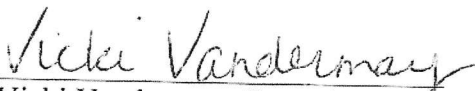

AS SECRETARY

2. The Commissioners approve the following language for the ballot title, subject to review and approval by the San Juan County Auditor and the Prosecuting Attorney:

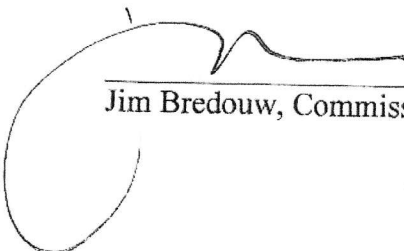
WILL THE ORCAS ISLAND PARK AND RECREATION DISTRICT BE AUTHORIZED TO IMPOSE REGULAR PROPERTY TAX LEVIES OF 10 CENTS PER THOUSAND DOLLARS OF ASSESSED VALUATION FOR EACH YEAR FOR SIX CONSECUTIVE YEARS?


ADOPTED this 4th day of 2010. AUGUST, 2010.

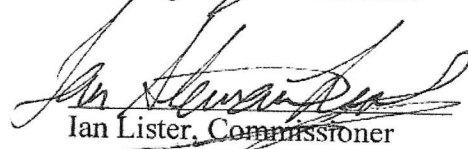
BOARD OF COMMISSIONERS:


Vicki Vandermay, Commissioner


Martha Farish, Commissioner


Jim Bredouw, Commissioner


Bob Eagan, Commissioner


Ian Lister, Commissioner

August 5, 2010

Milene Henley
San Juan County Auditor
350 Court St.
PO Box 638
Friday Harbor, WA 98250

Dear Ms. Henley,

Attached is the Resolution for a Regular Property Tax Levy to be placed on the November 2010 ballot to provide funding for the Orcas Island Park and Recreation District.

If appropriate we would like to suggest the Explanatory Statement include reference to purposes for the revenue. We understand the Prosecuting Attorney's office normally drafts Explanatory Statements and therefore provide the following as "suggested" language only.

Suggested Explanatory Statements:

- In accordance with the powers granted Park and Recreation Districts via RCW 36.69.130 the OIPRD Commissioners have specified the following purposes, among others, for the revenue.
- OIPRD funding will be partially used to administer and/or fund recreational programming similar to, but not limited to, the activities formerly provided through the organization known as "Orcas Rec".
- Revenue may also be used to secure joint or sole use, repair and/or maintenance of facilities judged to be necessary and appropriate for improving safety and/or enhancing or increasing recreational opportunities for Orcas Islanders.

Thank you.

Martha Farish, Chairperson
Orcas Island Park and Recreation District

Cc: Randy Gaylord, Prosecuting Attorney, San Juan County

Conversations with officials re: OIPRD taxing district, August 2/3, 2010

Randy Gaylord, County attorney (378-4101)

- Says that if prop. taxes go up, the mill rate goes down and that the opposite is also true. That is, if prop. values go down in 2012 (affecting 2013 taxes), the mill rate will go up automatically to match the original amount.
- The 1% annual increase is not tied to valuations but, rather, **"IPD"** (Implied Price Deflator), which is akin to CPI. He says he believes that if the IPD shows deflation, which it did last year for the first time in memory, that we can ask for a 'Declaration of Substantial Need' and get the 1% annual increase that way (this turns out to be wrong due to our population size - more on this later).
- He says that the School Districts are clients of his office (as are Officers of the County), but that no districts whether fire, parks & rec., cemetery, library, etc. are his clients and that he must always default to the interests of his clients - happy to help, but this distinction needs to be understood.
- There is no impropriety dealing with a private non-profit or, for that matter, even a profit based company just because we are a public organization; that it's done all the time. That is, we are allowed to pay rent and have multiple financial relationships with various organizations.
- We have a statutory obligation to do an annual budget and we should send it to him.
- We should create our resolution and send it to him to then do the final draft for the ballot.
- We need to find "con" statement but the Auditor will do so if we don't (more on this later).
- If we want to, we can propose bonds for general obligation debt (for capital improvement?), but he says *"it will be difficult to get bonds that have a payment plan of longer than the ability to impose taxes"* (either 4 or 6 years). He says we should consult a municipal bond att'y if we want to pursue this course.
- He can find no limit as to how often we can go on ballots if the proposal fails, unlike school districts which I believe are limited to 2 consecutive ballots (or two/year maybe?).
- He suggests that we not only create a budget but to also 'set policies' - not sure what this means.

John Kulseth, SJC Assessor's Office (370-7534 / 378-2172)

- John was in charge, as Charles Z. was on vacation - Randy speaks highly of his base of knowledge.
- Re: the potential for our public income to reduce if prop. taxes go down, he suggested that we would indeed be limited to our initial 'ask' (1% annual increase a separate subject coming up), but that the mill rate, as per Randy, is flexible both directions; not just lower if prop. values go up.
- Said the Orcas re-assess will be in 2012 for 2013 taxes and that, after that, reassessments will occur annually to avoid this kind of Orcas imbalance. (Anecdotally, he also mentioned that because they won't have enough assessors to physically inspect all properties every year, that they'll have to rely more on statistical trends vs. individual inspections, which will only be done probably every 6 years).
- He said the correct number on which to base our levy is: \$2,762,016,270. He said we are correct to use Library or Fire or Port District numbers; not Cemetery nor Schools.
- We not only receive the property tax base, but also all new construction for the year (est. at about, yes, 1% each year) times the previous years' mill rate.
- There is one other source of revenue but I may have this wrong: If the Board of EQ collects less due to the amount of collectable prop. taxes being down (due to appeals, etc.), then we can request a 'refund' of the difference between what they originally purported we'd get and this new slightly reduced amount. The one caveat is that we have to request these refunds in our resolution. We also need 'levy certification' which we can get from the Dept. of Revenue website. I suggest we talk to Charlie next week to fine tune these requirements. John says Charlie 'will send out a packet' to us - I assume after we file for the Nov. ballot, so maybe this will all be in that packet.
- Initially thought that the deal with annual increases was based on 1% OR the IPD, whichever was lower, but said to call Diann Locke with the WA state Dept. of Revenue, as she is 'the definitive expert

on WA state levies". He thought that since the IPD rule only applies to populations of over 10,000, that it might not apply to us (more later – this turns out to be true and is good news).

Diann Locke, WA State Dept. of Revenue; Property Tax Division, Specialist Levies, Collection & Appeals (360-570-5885)

- Says that the IPD doesn't apply, as per John's intuition, because we're under 10,000 population but that this is good news, as it is less paperwork. That is, the 1% "is automatic, so long as you ask for it every year". We just have to file a 'second resolution' (the first being the initial formation of the levy ask) each year. (She said the IPD 'ask' would have required a third resolution, so this is better.) Also, if we need and use, say, only 90% of our budget one year, we can go back and get the next year's budget for the full amount (plus the 1%), but we have to create this second resolution but we need to do this EVERY YEAR by Nov. 30th.
- We need a super-majority of 60% of the vote for this to pass AND, according to RCW 36.69.140, the turnout must be at least 40% of the last general election (which shouldn't be a problem, I would guess).
- She confirmed that the changing mill rate question is as described above – that just as it goes lower if prop. taxes go higher; it goes higher if prop. taxes go lower (with a legal cap on a junior taxing district like ours of \$.60/\$1,000 – NOT really a problem!). She says that it is 'budget based'; not mill rate based – that the initial mill rate is just the first year's number based on current prop. taxes but is not set in stone either direction.

Jan Sears, SJC Treasurer (378-2171)

- Money comes in literally on a daily basis as property tax payments are made. That is, every citizens' check technically gets parsed into its various relative %'s as they're received.
- As a result, most of the money comes in near the end of April and October; the deadlines for taxes, though obviously some people pay even later than that. (FYI, tax statements don't even get sent until Feb., so there's literally zero funding between the Nov. election day and Feb., 2011)
- If we want to 'borrow' money in advance of this, we may do so, though not through a bank. We will need a letter from we commissioners (she called us the "Board" though I'm not sure that's technically correct) AND we will have to pay the country .75% over the then current "State Investment Rate" pool, which is currently .35% that SJC pays, for a current loan interest of 1.1%. This must be paid back within 6 months (I suppose to coincide with the next bi-annual prop. tax due date).
- The way bills get paid is that we send invoices ("warrants" technically) to the auditor's office (not the Treasurer's) and that office pays them directly. We handle no money, checks, etc. I believe Jan said that they will give us a monthly accounting, although I believe we are allowed to look at the account balance at any time.

Doris Schaller, SJC Elections office (3357)

- Cost for Nov. ballot should run between \$_____ (*still waiting for this number*).

Milene Henley, SJC Auditor (378-2161)

- Says that the 1% annual increase is "pretty automatic" but that we need to request it annually by way of a 'levy resolution' every year after the first year, if we want it. (This squares with Diann's answer.)
- If we can't find a 'con' statement for the pamphlet, she will try to find one but would like to know before the last minute (Aug. 27th) if we can't. (Perhaps by the 23rd or so we should let her know) She said if we can't find someone, she literally just reads the Sounder to see if there's anyone opposed. I mentioned

that people probably won't even be discussing this until October, nearer the election. She replied that basically, if there's no public objection she can find, there likely just won't be a 'con' statement.

- She confirms Jan's recitation of how bills get paid, via her office.

c. info

Skateboard Parks: RCW 4.24.210 includes "skateboarding or other nonmotorized wheel-based activities, hanggliding, paragliding" as part of covered activities. Cities will not be held responsible for injuries sustained by skateboarders or inline skaters at skateboard parks operated by the city as long as: (1) a fee is not charged for use of the skateboard park; and (2) conspicuous signs are posted to warn of any known dangerous, artificial, latent conditions.