

**Ballot Title**

The following is the specific language on the ballot for the proposed Maintenance and Operations Levy for South Whidbey Parks and Recreation District:

For maintenance and operation of its recreation facilities and programs, shall the South Whidbey Parks and Recreation District be authorized to impose regular property tax levies of \$.18 or less per \$1,000 of assessed valuation for each of four consecutive years commencing in 2014, for collection in the years 2015 through 2018, all as provided in District Resolution No. 2014-01?

**Explanatory Statement:**

Proposition 1 authorizes South Whidbey Parks and Recreation District (the "District") to levy a regular tax levy of not to exceed \$0.18 per \$1,000 of assessed valuation each year for collection in the years 2015 through 2018. In accordance with Resolution No. 2014-01 approving this proposition, these taxes would pay for the maintenance and operation of the District's recreation programs and facilities.

**Information on the Levy:**

South Whidbey Parks and Recreation District is a Junior Taxing District and receives tax revenue based on the assessed value of the homes within its boundaries

Since its inception in 1983 SWPRD has maintained the levy rate at \$0.15 per \$1,000 AV

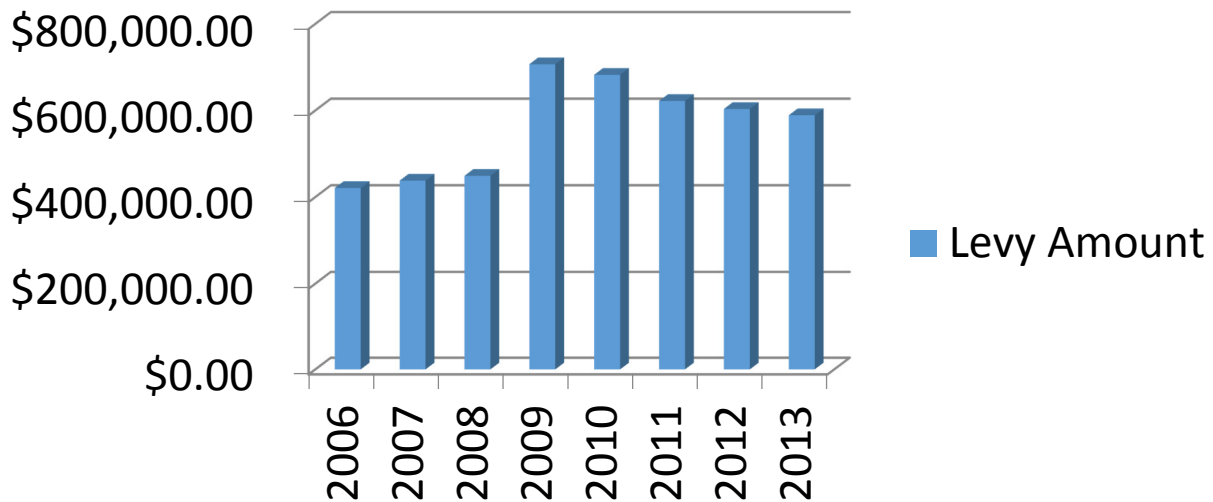
As a Parks and Recreation District, SWPRD may only levy upon approval of the taxpayers for up to 6 years

<b>Park &amp; Rec Districts</b>	<b>Cities, Schools Ports, etc.</b>
<ul style="list-style-type: none"><li>• Initial Levy based on rate approved by taxpayers</li><li>• After initial Levy rate may go up annually by 1%, the Implicit Price Deflator, or down based on the approved rate (whichever amount is lowest)</li><li>• Amount received can decrease if assessed values go down.</li></ul>	<ul style="list-style-type: none"><li>• Initial Levy based on rate approved by taxpayers</li><li>• After initial Levy rate is set by amount and may go up annually by 1%, or the Implicit Price Deflator (whichever is less)</li><li>• Amount received remains constant regardless of assessed value</li></ul>

The Levy Ballot Measure is for the Maintenance and Operation of current District properties and programs.

The proposed rate on the ballot is an increase to \$0.18 per \$1,000 of Assessed Value for a 4 year term beginning in 2015 and going through 2018

## Historical Levy Amounts



### Board Reasons for requesting a Levy Increase:

Levy revenues have dropped from their peak in 2009 of \$706,909 to \$589,000 in 2013

During that time that District has taken on the maintenance and operation of the three lake properties, Lone Lake, Goss Lake and Deer Lake Public Access points

The District acquired the Trustland Trails property and did not increase the rate as revenues increased due to property value increases

The district projects that District Reserves and Cash on hand would be drawn below board required values in 2014 and would continue to drop through the term of a new \$0.15 levy

- District Reserve Fund
  - Goal-Cover skeleton operating costs in event of a M&O Levy Failure
  - Fund Level Requirement-25% of Projected year's Operating Expense
  - 2014 Level-\$212,276
  - Fully Funded as of 1/1/14
- Cash on Hand
  - Goal-Sufficient capital to fund district operations until first levy payment
  - Fund Level Requirement-33% of Projected year's Operating Expense
  - 2014 Level-\$245,710
  - \$225,727 as of 1/1/14

The \$0.18 levy will replenish the required Beginning Cash and Reserve Fund Amounts by the end of 2016

Once required Reserves and Beginning cash amounts are replenished, The District would establish a Capital Projects fund to effect projected repairs to current infrastructure in the currently served properties

Costs of supplies, and services have increased while levy funds at the \$0.15 rate have decreased

### Impact of the Levy

Based on current assessed values the proposed \$0.18 per \$1,000 AV levy will result in an increase in the funds the District Receives from approximately \$590,000 in 2014 to approximately \$705,000

The increase of \$0.03 per \$1,000 AV would result in an impact to the taxpayer of \$3 per \$100,000 of assessed value over the current annual rate paid for the District

### Estimated Rate Example:

Assessed Value	\$0.15 amount	Additional \$0.03	Total \$0.18
\$150,000	\$22.50	\$4.50	\$27.00
\$200,000	\$30.00	\$6.00	\$36.00
\$250,000	\$37.50	\$7.50	\$45.00
\$300,000	\$45.00	\$9.00	\$54.00
\$350,000	\$52.50	\$10.50	\$63.00
\$400,000	\$60.00	\$12.00	\$72.00

### Frequently asked Questions:

- 1) What was the reasoning on it being now and not waiting until later in the year and putting it on the regular election ballot or running the election last November on the regular ballot?

The District is bound by State Constitutional requirements on this.

The following is the relevant passage from the Constitution of the State of Washington  
Article VII: Revenue and Taxation Section 2 Limitation on Levies:

(a)By any taxing district when specifically authorized so to do by a majority of at least three-fifths of the voters of the taxing district voting on **the proposition to levy such additional tax submitted not more than twelve months prior to the date on which the proposed initial levy is to be made and not oftener than twice in such twelve month period, either at a special election or at the regular election of such taxing district**, at which election the number of voters voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percent of the total number of voters voting in such taxing district at the last preceding general election when the number of voters voting on the proposition does not exceed forty percent of the total number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the voters of the taxing district voting on the proposition to levy when the number of voters voting on the proposition exceeds forty percent of the

number of voters voting in such taxing district in the last preceding general election. Notwithstanding any other provision of this Constitution, any proposition pursuant to this subsection to levy additional tax for the support of the common schools or fire protection districts may provide such support for a period of up to four years and any proposition to levy an additional tax to support the construction, modernization, or remodelling of school facilities or fire facilities may provide such support for a period not exceeding six years. Notwithstanding any other provision of this subsection, a proposition under this subsection to levy an additional tax for a school district shall be authorized by a majority of the voters voting on the proposition, regardless of the number of voters voting on the proposition;

Initially, staff and commissioners wanted to run the levy on the November 2013 ballot, but were advised by our attorney that based on this section of the Constitution, the District may not levy for Maintenance and Operations earlier than twelve months before the initial levy start date (January 1, 2015) and may only put a measure on the ballot twice for that particular Levy within the 12 month period before the Levy would begin. For that reason the determination was made to run the levy in April with a fallback position of November should the levy in April fail to pass. If the District were only to run a levy in November 2014 and it failed to pass, the District would not have any levy funding for the entire 2015 year.

2) What will the cost be for this special election ballot to be processed?

Neither the county nor the Park District will know the cost of the election until the ballots have been processed. As the only item on the ballot, we will be responsible for the cost of processing all ballots returned but that cost will not be known until after the election process takes place.