



JUNIOR TAXING DISTRICT CHALLENGE

Problem Defined

The Vashon Park District (VPD) is a Park and Recreation District on Vashon-Maury Islands. Our Junior Taxing District model has a \$5.90 Aggregate Limit shared between several agencies. VPD is the lowest of the agencies in the “pecking order.” There is currently 52 cents not yet claimed by the agencies in our taxing district. Any claim above the available amount will come at Vashon Park District’s expense.

Last month, island voters approved the formation of a Hospital District, and we anticipate their board taking somewhere between 45 to 75 cents. We are also expecting rate increases for the Library District and Fire District in 2020. Based upon conservative estimates, **VPD’s levy revenue will be compromised 31% -- at minimum.**

Loss of Park & Recreation Services to the Vashon Community

A 31% loss in levy revenue will result in the following lay-offs and closures at the Vashon Park District (note: Executive Director’s analysis subject to VPD Board approval):

VPD Levy at 45 cents	\$1,517,018
VPD Levy at 31 cents	<u>\$1,045,057</u>
Loss to VPD	(\$471,961)
Eliminate Interlocal Agreement with the School District	(\$75,000)
Lay off 4 Access personnel (no public use of school fields and gymnasiums)	(\$50,000)
Eliminate recreation programming	(\$50,000)
Layoff recreation programming coordinator	(\$70,000)
Close the public pool September – May	(\$62,000)
Layoff 2 of 5 maintenance personnel**	<u>(\$170,000)</u>
	(\$477,000)

**Park standards will suffer greatly; other option is to layoff one maintenance person and reduce pool summer hours to limited weekends only.

Much needed capital improvement projects will not be addressed. Safety, liability, and asset preservation concerns will continue to mount over time.

Options (see associated handouts)

- 1) **Excess Levy** – property taxes over and above the \$5.90 and \$10 constitutional property tax limits.
Advantages:
 - No restriction on the levy rateDisadvantages:
 - Increases property taxes
 - Imposed for one year at a time; must go before the voters every year; educating voters every 4 years is challenging as it is!
 - Requires 60% voter approval
 - For 1/3 of our budget, this is risky to potentially affected staff and services year to year

- 2) **Move Fire District to Port** – In early 2019, Brigitte Schran (Vashon Fire and Rescue Board Chair) informed me that the Washington State Fire Commissioners were attempting to move Fire Districts out of the Junior Taxing District model and in line with a Port District structure. The process has been painstakingly slow.
Advantages:
 - Frees up to \$1.50 of the \$5.90 statutory limitDisadvantages:
 - Increases property taxes

- 3) **Add to Unused 50 Cent “Other”** – the \$10 constitutional limit is comprised of State (\$3.60), Local Districts (\$5.90) and Other (\$0.50). The only “Other” on Vashon is Emergency Medical Services at a rate of \$0.21762. Create an allowance for pro-rated Districts to utilize excess funds up to their voter-approved rate.
Advantages:
 - Plenty of room here for VPD’s loss of \$0.14!Disadvantages:
 - Increases property taxes

- 4) **Transfer funds/Buy-Down from one or all higher level Districts that raised their rate and contributed to the VPD reduction.**
Advantages:
 - Particularly for King County Current and the Library District, provides a relatively inexpensive (\$470k) protection of services in the community
 - More equitably distributes available tax dollars
 - Does not increase property taxes; merely transfers fundsDisadvantages:
 - Reduces the budget of the higher level District

- 5) **Change the \$5.90 structure, so all Junior Taxing District agencies are equally pro-rated.**
Advantages:
 - All JTD agencies share in the painDisadvantages:
 - Difficult to change the mindset that some services take priority over others