

## ISLAND COUNTY COMMISSIONERS - MINUTES OF MEETING

### SPECIAL SESSION - JULY 28, 1999

The Board of Island County Commissioners met in Special Session on Wednesday, July 28, 1999, beginning at 1:30 p.m., to meet in Roundtable Session with Island County Elected Officials, rescheduled from regular meeting July 26, 1999. The special session was held in the Basement Hearing Room, Island County Courthouse Annex, Coupeville, Wa.

#### Roundtable Meeting with Island County Elected Officials

##### Attendance

County Commissioners: Mike Shelton; Wm. L. McDowell; William F. Thorn

Elected Officials: Tom Baenen; Greg Banks; Marilee Black; Vickie Churchill; Alan Hancock;

Maxine Sauter; Suzanne Sinclair; Peter Strow

Others: Dick Toft; Margaret Rosenkranz

**Topic:** Potential Impacts of Initiative 695

**Hand-outs:** Courthouse Journal Number 13: *Initiative 695-A Property Tax Cap?*

Courthouse Journal Number 10: *Potential Impacts of I-695 on Counties Estimated*

RCW: *Local Retail Sales and Use Tax*

Office of Financial Management April 1999: *Potential Financial Impacts of I-695 The "\$30 License Tab Fee" Initiative*

From the Assessor's point of view, Mr. Baenen explained the "dark side of the legislation" as he saw it: if all taxes are frozen, for example, Island County is valued at 6 billion and have a 10% increase in valuation, the Assessor would take last year's frozen figure and reduce the rate. The thought of putting autos on the tax role – would come on the role as increased value – and would require two additional employees. Put in the context of a small taxing district, such as a cemetery district: needs new irrigation system that costs \$20,000 – what is the estimated cost of that district running an election for that purchase and how will the district know it can do anything about it until the following year; and how would the Assessor in levying establish a rate when we the value is not frozen until late September? If this is passed it would go into effect in January, after the Board adopts its budget; therefore, the Board has the latitude this year of setting up the budget and going for the 106%.

Judge Hancock understood some of the leadership in the Legislature thinks there is a good chance that the second portion of the bill will be found unconstitutional under Article 2, Section 19 of the State Constitution.

For District Court, Judge Strow saw the Court not being able to do any municipal court cases.

Chairman Shelton felt the way M-VET tax was calculated was unfair – auto list price, not what the person paid for the vehicle, and M-VET tax does not go down as the auto depreciates.

Mr. Banks indicated that for the Prosecutor's Office there are now things the Attorney General's Office handles, some cases that the D.P.A. in Snohomish County handles – that assistance would go away so not only would that be a loss, the Prosecutor's case loads would go up.

#### Ramifications to Island County If I-695 Passes

- Salaries supported equates to 11 employees [most in the Law & Justice area] plus \$616,000+ state tax equalization: total hit estimated at over 1 million dollars, or about 10% of the County's Current Expense Budget
- **Added** to that: M-VET – estimate - \$155,000

Road Department : not yet estimated

Health Programs: not yet estimated

Lost revenue and matching funds = County's "hit" is closer to **15-20%**.

- While the State's hit is in the area of 2%, that will be categorized out to different state agencies which could have further impact to Island County as far as the Health Department, Roads, Juvenile Court Detention Facility, etc. The hit to the ferry system is huge, 22% of it's operating budget which will impact Island County citizens heavily.

### **Possible Suggestions to Consider**

- prepare alternative budget assuming worst case scenario – contingency budget
- ask Departments to look and see where they can make a 10% cut in budget
- any 10% cut should be uniformly made County-wide by an across-the-board cut so that no single department takes the full hit; however, take into account uniqueness in departments

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### **Follow-up:**

- Once the total dollar number is available from the Budget Director, that will be made available to the Elected Officials
- Meet again as a group in two weeks and continue to strategize.

Special Session adjourned: 2:20 p.m.

## **BOARD OF COUNTY COMMISSIONERS**

### **ISLAND COUNTY, WASHINGTON**

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Mike Shelton, Chairman

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Wm. L. McDowell, Member

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William F. Thorn, Member

**ATTEST:** \_\_\_\_\_

The Board of Island County Commissioners met in Special Session on Wednesday, July 28, 1999, beginning at 1:30 p

Margaret Rosenkranz, Clerk of the Board

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**ISLAND COUNTY COMMISSIONERS - MINUTES OF MEETING**

**REGULAR SESSION - AUGUST 2, 1999**