

# City of Ocean Shores

## AGENDA BILL

COUNCIL MEETING DATE: July 13, 2009

SUBJECT: Levy for Emergency Medical Services (EMS) Purposes.

CATEGORY:

<input type="checkbox"/> CONSENT AGENDA	<input type="checkbox"/> ORDINANCE	<input type="checkbox"/> STAFF REPORT
<input type="checkbox"/> PUBLIC COMMUNICATION	<input type="checkbox"/> RESOLUTION	<input type="checkbox"/> PROCLAMATION
<input type="checkbox"/> OLD BUSINESS	<input checked="" type="checkbox"/> REQUEST	<input type="checkbox"/> STUDY SESSION
<input checked="" type="checkbox"/> NEW BUSINESS	<input type="checkbox"/> CONSULTANT REPORT	<input type="checkbox"/> OTHER

ATTACHMENTS: "Property Tax Levy – City and EMS" chart.

**SUMMARY/BACKGROUND:** The City's EMS levy expires this year. In 2003, the voters of the City approved a 35 cents EMS levy for a period of six years with a 69% "yes" vote. Because of voter-approved state-wide initiatives, the original EMS levy of 35 cents has dropped to 19.19 cents in 2009. The statutory limit for EMS levies is 50 cents. Eleven of the twelve Grays Harbor fire districts that currently levy an EMS levy levied a 50 cent levy. Three of the four cities that currently levy an EMS levy levied a 50 cent levy. EMS levies were structured as "excess" levies which require a 60% "yes" vote with validation by 40% of the registered voters. The Finance Director has demonstrated that between 2004 and 2008 the City has received EMS services and performance equivalent to between 45.4 cents and 54.3 cents. The City supplements the shortfall (that is, e.g., the difference between the 19 cents levied in 2008 and the 54.32 cent "expended" in 2008) by transferring funds from the General Fund to the Emergency Care Fund. The General Fund supports all city operations without a designated source of financial support, such as fire, police, library, parks, and code enforcement. This transfer from the General Fund has ranged from \$330,000 to \$480,000 during 2004 to 2008. Should the EMS levy not be renewed or fail in the 2009 general election this fall, the General Fund and/or the Emergency Care Fund would have reductions of \$733,000 (based on 2008).

Concurrently with the EMS levy, the City's basic levy has also dropped – from \$2.8631 in 2004 to \$1.7209 in 2009. The statutory limit of city basic levies (unannexed to a fire district or library district) is \$3.375. There is approx. \$1.65 of tax capacity available to the City within the city basic levy. City basic levies are non-voted regular levies, however the same state-wide initiatives that recalculated lower the City's basic levy and the EMS levy also provided for increases, up to the statutory limit, by means of a ballot measure called a "lid lift". A "lid lift" is approved by the voters by a simple majority and there is no validation requirement.

Because the \$1.65 "gap" in the City's basic levy authority is much larger than the maximum EMS levy possible of 50 cents, the concept of an "excess" EMS levy in addition to or "on top of" the City basic levy is no longer meaningful. City basic levies can be earmarked for specific purposes. The City could replace the EMS levy by a "lid lift" of the City's basic levy earmarked exclusively for EMS purposes. There would be no change in the City's tax capacity and there would be no change in City's tax levy. That is, (a) the City's 35 cent EMS levy would expire and the 50 cent EMS levy authority would be untaxed and (b) the EMS levy would be renewed through an "earmark" of the City's basic levy reducing the City's \$1.65 tax capacity of the City's basic tax levy.

OPTIONS:

(1) Type of Levy	EMS Levy	EMS "earmark" of City Levy (via a "lid lift)
(2) Length of Levy	6 yrs, 10 yrs, permanent	1 yr to 6 years, permanent
(3) Amount of Levy Rate	up to 50 cents	up to \$1.65

NOTE: Through-out this Agenda Bill, the Rate *per thousand dollars of assessed valuation* has been abbreviated to only the Rate.

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EXPENDITURE AMOUNT: A property tax levy rate of 50 cents per thousand dollars of assessed valuation would generate a levy of approx. \$680,000. A change in the levy rate would have a proportional change in the levy amount. The amount of General Fund subsidy in 2010 and future years, if any, is indeterminate depending on the budget approved by future City Councils, however in 2008 the subsidy would have been approximately \$50,000.

AMOUNT BUDGETED: n/a

BUDGET MODIFICATION REQUIRED: n/a

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STAFF RECOMMENDATION: (1) Type of Levy -The Finance Director recommends that the City Council approve submitting to the voters a “lid lift” of the City’s basic levy earmarked for EMS services. As opposed to an EMS levy, a “lid lift” of the City’s basic levy is determined by the will of a majority of the voters, rather than a minority. The earmarked portion of the city levy has no affect on the non-earmarked portion of the city levy either negatively or positively. (2) Length of Levy – The Finance Director advocates an EMS earmark which would function as the EMS levy that it is replacing. Therefore, the Finance Director encourages the City Council to approve submitting to the voters a “lid lift” which is effective for a period of six years. (3) Amount of Levy – Recognizing that the City has historically devoted between 45.4 cents and 54.3 cents for emergency medical services and considering the high level of support received from the voters in the most recent EMS levy election, the Finance Director and Fire Chief encourages the City Council to consider submitting to the voters a levy amount equal to or as close to 50 cents per thousand dollars of assessed valuation as the City Council determines that the voters will support again.

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MAYOR'S RECOMMENDATION:

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PRESENTED BY: Art Wuerth, Finance Director

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*(BELOW TO BE COMPLETED BY CITY CLERK'S OFFICE)*

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COUNCIL ACTION:

APPROVED \_\_\_\_\_ CONTINUED \_\_\_\_\_

DENIED \_\_\_\_\_

COUNCIL REQUEST FOR INFORMATION: \_\_\_\_\_