


**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners

FROM: Philip Morley, County Administrator 

DATE: August 4, 2010 *for August 9, 2010*

RE: Resolution calling for an election on the levy of a County special purpose sales and use tax for public safety, youth and senior services, community services, and basic government public services

STATEMENT OF ISSUE: On July 26 and August 2, 2010, the Board of County Commissioners were given an update on the current five-year budget projections for the Jefferson County General Fund. The presentations outlined the current budget crisis and necessary cuts to public programs and services the County is facing due to long-term structural funding issues and a profound national economic recession. On August 2, the Board of County Commissioners, in order to provide county citizens a say on the extent of the cuts and an opportunity to save some important programs and services, gave staff direction to prepare a ballot measure for a local sales and use tax increase for the November Ballot.

ANALYSIS: The projection for the General Fund for 2011 shows a \$900,000 deficit between revenues and expenditures, growing to approximately \$1.7 million by 2015.

To address the county's challenges in the coming years and balance the budget, the County Commissioners have taken a number of actions. The County has made economic development a priority: a healthy economy helps everyone. The county adopted an interlocal agreement and is doing Joint Economic Development planning with the City and the Port; the County added 24 light industrial acres to the Airport; and the work to design the Port Hadlock Wastewater System continues. In July the Commissioners adopted a new Jefferson County Strategic Plan as a blueprint for marshaling scarce resources, gaining efficiencies, and strengthening our capacity to manage through tough times. The County has also initiated negotiations with our unions to contain future growth in labor costs. Still, significant cuts to existing programs and levels of service that the county provides the public will be necessary.

The Commissioners are considering placing a local sales tax proposition on the November ballot in order to retain some valuable services while balancing the budget.

On July 28, the Board held a meeting with the elected officials and department heads to discuss the revenue options available to County government, and to begin identifying approximately \$637,000 worth of programs and services subject to future cuts, that could be preserved and funded if a sales and use tax were approved by the voters. The department

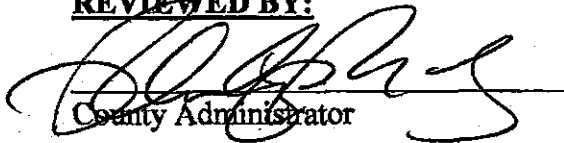
directors and elected officials have identified specific programs and levels of services that we may ask the public to consider funding.

Pursuant to RCW 82.14.450, in addition to the \$637,000 estimated to be generated for the Jefferson County, Port Townsend would receive 40% of all revenue, estimated at approximately \$425,000, one-third of which funds shall be used to fund City criminal justice programs, and the remaining revenue would be used for other City services. The City Council is considering a motion on August 9 to agree that the City and the County intend to enter into an interlocal agreement whereby half of the City's share would be dedicated during the first six years to Memorial Field and the Port Townsend Recreation Center to support and restore their operation and maintenance, restore youth afterschool programs, and provide capital funds for repairs and improvements.

FISCAL IMPACT: A ballot measure will provide additional revenues to allow the County to keep or restore critical services that would otherwise be reduced in order to balance the budget.

RECOMMENDATION: Review, revise and approve a resolution calling for an election on the levy of a County Special Purpose sales and use tax for Public Safety, Youth and Senior Services, Community Services and Basic Government Public Services.

REVIEWED BY:


County Administrator

8/5/10
Date

STATE OF WASHINGTON
County of Jefferson

IN THE MATTER OF CALLING)
FOR AN ELECTION ON THE LEVY)
OF A COUNTY SPECIAL PURPOSE) RESOLUTION NO. _____
SALES AND USE TAX FOR PUBLIC)
SAFETY, YOUTH AND SENIOR SERVICES,)
COMMUNITY SERVICES, AND BASIC)
GOVERNMENT PUBLIC SERVICES)

WHEREAS, Jefferson County has encountered a severe budget crisis due to long-term financial issues that have been exacerbated by the deepest and longest-lasting recession since the Great Depression; and

WHEREAS, costs to continue existing public services will exceed revenues by \$900,000 in 2011, growing to a \$1.7 million shortfall in 2015; and

WHEREAS, the Board of County Commissioners has adopted a Strategic Plan for marshalling existing limited resources to place the County on a sustainable financial footing, gain efficiencies, strengthen administrative controls, focus service delivery, and promote economic development to manage through the current crisis; and

WHEREAS, in the past 18 months, the Board of County Commissioners have already made \$1.3 million in cost reductions, while attempting to maintain valuable public services; and

WHEREAS, the Board of County Commissioners has entered into negotiations with all union bargaining units with a goal to constrain the growth of labor costs and lower future public service expenses; and

WHEREAS, even with these measures, a gap remains between expenditures for existing services and available revenues that will require substantial cuts to public programs and levels of service that the County provides its citizens; and

WHEREAS, before making all the cuts to public programs and levels of service necessary to balance expenditures to existing revenues, the Board of County Commissioners has determined the public should have a choice whether to save some services by authorizing new revenue; and

WHEREAS, the 2003 Washington State Legislature noted that local governments are presented with significant challenges in funding criminal justice and other services, and hence provided a legal means by which Counties could seek local revenues to better protect the health, safety, and welfare of its residents, codified as RCW 82.14.450 and amended by Engrossed Substitute House Bill 3179, enacted in 2010; and,

WHEREAS, RCW 82.14.450 authorizes the Jefferson County legislative authority to submit a proposition to voters at a primary or general election that would authorize sales and use tax at the rate of three-tenths of one percent (0.3%) to be collected throughout Jefferson County; and,

WHEREAS, upon consultation with the independent elected officials of Jefferson County on July 28, 2010, it was determined that such a sales tax would be an appropriate option to fund retention and maintenance of some public services jeopardized by cuts; and

WHEREAS, under state law one-third of such revenue collected must be used for "criminal justice purposes," pursuant to RCW 82.14.450(4). Further, the remaining revenue collected would be used to improve other public services for the citizens of Jefferson County; and,

WHEREAS, Washington State Law requires the revenue received under this proposal to be shared, with sixty percent (60%) being retained by the County and forty percent (40%) being retained and distributed to the County's one incorporated city, Port Townsend; and,

WHEREAS, According to state law, this proposition must be approved by a majority of the persons voting at a primary or general election. The next general election is November 2, 2010; and,

WHEREAS, Jefferson County may conduct a county wide mail-in ballot only election; and,

WHEREAS, if the voters approve this proposal on November 2, 2010, the additional sales and use tax will be collected beginning in April 2011 and the two jurisdictions will begin receiving revenue shortly thereafter; now therefore,

BE IT HEREBY RESOLVED BY THE BOARD OF THE COUNTY COMMISSIONERS OF JEFFERSON COUNTY as follows:

1. The Board of County Commissioners have determined that in order to present voters an option to reduce cuts to services and support vital public programs and services, the best interests of the citizens of Jefferson County require the submission to the qualified voters of the County of a proposition to authorize a sales and use tax at the rate of three-tenths of one percent (0.3%), to be levied beginning in 2011; and
2. The proposed sales and use tax will generate approximately \$637,000 per year of additional revenue to Jefferson County, which funds shall be used to fund to retain or provide the following programs and projects, or similar programs and projects within available funding:
 - a. Sheriff's Office to retain one deputy sheriff position, one animal control officer, and safety training, at a cost of approximately \$175,000;
 - b. Prosecutor's Office to retain one half of a deputy prosecuting attorney responsible for property crime, domestic violence and DUI prosecutions, at a cost of approximately \$37,500;
 - c. Juvenile Services to retain one juvenile probation counselor and maintain support staff, to continue local restorative justice/community restitution program; continue support of the diversion program serving first time offenders; continue to provide intervention services to at-risk youth; and continue to provide pre-trial offender supervision services, at a cost of approximately \$75,000;
 - d. Other public safety programs to retain partial funding for criminal justice services, at a cost of approximately \$19,000;
 - e. Olympic Community Action Programs (OlyCAP) to retain operations of community centers and senior services in the Tri-Area, Quilcene, and Brinnon Community Centers, at a cost of approximately \$126,000;
 - f. Port Townsend Senior Center Association, to retain operations and senior services in the Port Townsend Community Center, at a cost of approximately \$12,500;

- g. Gardiner Community Center, to retain operations of the Gardiner Community Center, at a cost of approximately \$2,800
 - h. Jefferson County Fair, to retain County support for continuation of an annual Jefferson County Fair, at a cost of approximately \$4,500;
 - i. Public Health to retain substance abuse recovery programs in Port Townsend, Chimacum and Quilcene middle schools as a best-practice-researched program that involves parents, teachers and students to decrease early substance use, at a cost of approximately \$46,600;
 - j. WSU Cooperative Extension, including funding for afterschool programs for youth, at a cost of approximately \$20,000;
 - k. Public Health, to retain a Maternal Child Health Nurse home visits to prenatal women and families with newborns, child abuse prevention visits and education to families, at a cost of approximately \$50,000;
 - l. Jefferson County Conservation District, to retain County support for the District's programs in agriculture, water quality, forestry, fish & wildlife habitat, and education, at a cost of approximately \$45,600;
 - m. Core County services, to retain partial funding for basic County operations, at a cost of approximately \$22,500; and,
3. The proposed sales and use tax will also generate approximately \$425,000 per year of additional revenue to the City of Port Townsend, one-third of which funds shall be used to fund City criminal justice programs, and the remaining revenue would be used for other City services; and the City and the County intend to enter into an interlocal agreement whereby half of the City's share would be dedicated during the first six years to Memorial Field and the Port Townsend Recreation Center to support and restore their operation and maintenance, restore youth afterschool programs, and provide capital funds for repairs and improvements; and,
4. **IT IS FURTHER RESOLVED** that a county wide mail-in ballot only election be held on November 2, 2010, for the purpose of submitting to the affected voters the determination of whether or not to authorize a sales and use tax at the rate of three-tenths of one percent (0.3%), to be levied beginning in 2011 and the proceeds to be shared by the County and City therein for the aforementioned purposes; and,

5. **IT IS FURTHER RESOLVED** that the Jefferson County Auditor is hereby requested to place a proposition on the November 2, 2010 ballot in substantially the following form:

JEFFERSON COUNTY

PROPOSITION NO. 1

LOCAL SALES AND USE TAX FOR PUBLIC SAFETY, YOUTH AND SENIOR SERVICES, COMMUNITY SERVICES AND BASIC GOVERNMENT PUBLIC SERVICES

The Jefferson County Board of County Commissioners adopted Resolution #10-xxxx to place before the qualified voters of Jefferson County the question of whether the sales and use tax in Jefferson County should be increased three-tenths of one percent (0.3%), equal to thirty cents tax on a one-hundred-dollar purchase. If approved, Proposition #1 would dedicate revenue to maintain certain sheriff, prosecutor and other public safety services, youth programs, juvenile services, senior services, community centers, public health and basic government services. If approved, by law Port Townsend would receive forty percent (40%) of the revenue for similar purposes including an agreement to dedicate a portion to support county parks and recreation for six years. At least one-third (1/3) of all revenue must be allocated for public safety purposes. Should this proposition be:

Approved _____

Rejected _____

APPROVED this ____ day of August, 2010.

SEAL:

**JEFFERSON COUNTY
BOARD OF COMMISSIONERS**

ATTEST:

David Sullivan, Chairman

Phil Johnson, Member

Lorna Delaney
Clerk of the Board

John Austin, Member