



# MEMORANDUM

**DATE:** July 2, 2024

**TO:** Anne McEnerny-Ogle, Mayor  
City Council

**FROM:** Eric J. Holmes, City Manger  
Jeff Mori, Police Chief  
Natasha Ramras, Chief Financial Officer

**RE:** **Community Advisory Committee Recommendation – Police Levy**

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## **Background**

In anticipation of continued conversation about a potential police levy for the November ballot, this memorandum provides supplemental historic and contextual information for Council’s reference.

As Council considers the Community Advisory Committee recommendation, there are some aspects of the current state of capacity in VPD that may be of value to consider:

- Despite significant and consistent investment in VPD capacity by the Council over the last 8 years, the department does not currently have sufficient capacity to meet the law enforcement needs of our growing community. This is attributable to a few factors:
  - a combination of population and business growth and resulting increased call volume and demand for services.
  - Changing complexity of call types that require additional resources (time & people) to resolve.
  - Reforms around training, supervision, and response models.
- The total sworn staffing capacity of VPD relative to our community is among the lowest in the state of Washington, which in turn is among the lowest in the nation.
- The resulting gaps in capacity translate into gaps in delivery of basic police services; without additional investment in the department, these gaps threaten to grow in a manner that translates into potentially serious threats to community safety.

### Historical information

- [December 18, 2023 City Council Workshop regarding VPD](#): this information and direction from council at workshop was the catalyst for the community engagement that led to the recommended levy package. CVTV video of that workshop can be [viewed here](#).

### Contextual Information

- [Materials from Community Advisory Committee meetings 1-6](#): these are offered as background for council's reference and are a memorialization of iterative discussions that led to the final recommendation introduced at the July 1 meeting.
- Excerpt from [MRSC Revenue Guide](#) regarding levy lid lifts (attached below).

### Draft Ballot Resolution

Placing a proposition on the ballot requires council to adopt a ballot resolution. this resolution would include both the official ballot title as well as additional findings and information that memorialize the legislative intent of the ballot proposition and guide subsequent use of funds if the proposition is approved. A draft ballot resolution is attached for Council's reference, revision and refinement as we move toward formal consideration by the Council on August 5.

As always, feel free to let me know any questions. Chief Mori, Natasha Ramras and I look forward to the coming conversation.

From Municipal Research Services Center (edited for focus): [MRSC - Levy Lid Lifts](#)

### Multi-Year Levy Lid Lifts

The state legislature added the “multi-year” levy lid lift option in 2003. A multi-year levy lid lift authorizes a jurisdiction to bump up or exceed the 1% limitation *each year* for up to six consecutive years.

A multi-year levy lid lift may be used for any purpose, but the ballot must state the limited purposes for which the increased levy will be used (unlike a single-year lid lift, where there is no requirement to state the purpose). There are no supplanting restrictions.

The lift must state the total tax rate *for the first year only* – it *cannot* state the maximum rate in future years. For all subsequent years, the measure must identify a maximum “limit factor” which the total levy amount may not exceed (stated as an annual percent increase or a specific inflation index). The limit factor does not have to be the same for each year.

For instance, the limit factor might be 3% annually, 6% annually for the first two years and 4% annually after that, or the annual inflation increase as measured by an index such as the Consumer Price Index (CPI).

Multi-year lid lifts may be temporary (up to six years) or permanent. Multi-year lid lifts may also be used for debt service for up to nine years, in which case they may fall somewhere in between “temporary” and “permanent.”

### Permanent Multi-Year Lid Lifts

A permanent multi-year lid lift the levy lid bumps up more than 1% each year (subject to the limit factor) for up to six years. However, the lid lift does not revert and the maximum levy is then used as the base to calculate all future 1% levy limitations.

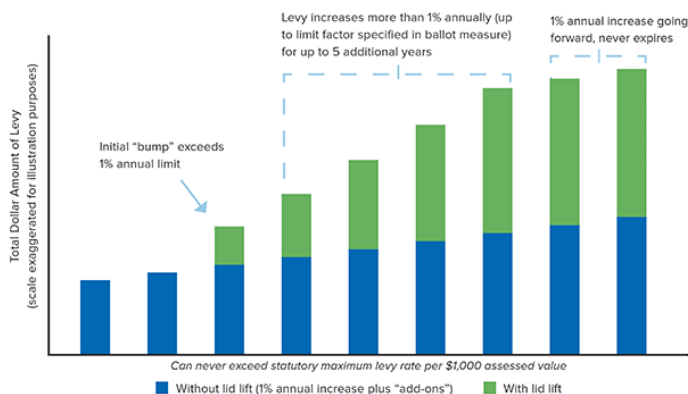
See inset for a conceptual example:

#### Choosing a Multi-Year Limit Factor/Inflation Index

A multi-year lid lift must identify a maximum “limit factor” which the total levy amount may not exceed in subsequent years (stated as an annual percent increase or a specific inflation index). The limit factor does not have to be the same for each year.

The main factor to consider when choosing an inflator is how much your assessed valuations are increasing. For instance, if a city seeks to raise its levy lid to its maximum statutory rate of \$3.10 per \$1,000 assessed value, and assessed valuations are rising about 6% annually, the

**MULTI-YEAR PERMANENT LEVY LID LIFT**



city might want to establish an annual limit factor of 6% (sometimes expressed as 106%) in an attempt to maintain the \$3.10 levy rate. (If the city uses a limit factor of less than 6% in that situation, the levy rate will likely fall in subsequent years as the increase in current assessed valuation outpaces the annual levy lid increase.)

If using an inflation index such as the Consumer Price Index, it is crucial to correctly identify the one you want to use in your ballot measure, since these will vary every year and are beyond the jurisdiction's control.

**Practice Tip:** The considerations for choosing an inflation index are the same as choosing a consumer price index for a labor contract. See the Bureau of Labor Statistics webpage on [How to Use the Consumer Price Index for Escalation](#).

Figure out when you will want the information, for budgeting purposes, on how much your property tax levy can be increased. Then make certain that the CPI index you have chosen will be available by that date. For example, the U.S. CPI figures are published monthly between the 15th and 20th following the end of the previous month, while the Seattle-Tacoma-Bremerton index is published bimonthly in odd-numbered months (for the preceding even-numbered month).

For more information on the CPI, including recent inflation rates, see our [Consumer Price Index](#) page.

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## Election Dates

When deciding on an election date for a levy lid lift, multi-year lid lifts are limited to the primary or general election.

The election date will determine (assuming the measure passes) when you will get your first tax receipts. Levy lid lifts must be submitted no more than 12 months before the levy is made (the date your budget is certified), and taxes levied in November are first due on April 30 of the following year. This means to receive increased tax revenues next year, your election can be no later than November of the current year.

Below are the filing deadlines by which your county auditor must receive your ballot measure resolution ([RCW 29A.04.321](#)):

- **Special election (February or April):** 60 days before the special election
- **Primary election (August):** the Friday before the first day of regular candidate filing
- **General election (November):** the date of the primary election

If you wait until September or October, during budget discussions, to begin discussing a levy lid lift for the coming year, it is too late because the general election deadline has passed. It pays to plan ahead!

**Practice Tip:** Councils and commissions should ask around to find out what other elections will be coming up during the coming year. You may not want to go head-to-head with a school levy election or a voted bond issue.

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## Ballot Measure Requirements

All levy lid lifts require a simple majority (50% plus one) for passage. Levy lid lifts do *not* have any validation (minimum voter turnout) requirements. However, there are slightly different ballot requirements for single-year and multi-year lid lifts.

**Local Ballot Measures:** For general information on ballot measures, including ballot title composition, pro and con committees, and more, see our page [Local Government Ballot Measures](#). In addition, levy lid lifts have a number of specific ballot title requirements as indicated below.

Local governments are limited in what they can do to support a ballot measure. For more information, see our page on [Use of Public Facilities in Election Campaigns](#).

## Multi-Year Lid Lift Ballot Requirements

A multi-year lid lift ballot measure must:

- State the total levy duration (number of years)
- If permanent, state that it is permanent or that the dollar amount of the levy will be used for the purpose of computing the limitations for subsequent levies.
- State the maximum tax *rate* to be collected in the first year (for instance, \$1.50 per \$1,000 AV)
- State the *limit factor* to be used for all subsequent years (stated as an annual percent increase or inflation index). The amounts do not need to be the same for each year.
- State the exemption for senior citizens and persons with disabilities under [RCW 84.36.381](#), if the jurisdiction wishes to exempt these individuals (*cities and counties only*)

The ballot measure *cannot* state the maximum levy *rate* for subsequent years after the first year.