

# Proposed City of Fairwood - Q&A

The questions are from the readers of the Fairwood Flyer.

Answers were provided by Joe Giberson (see brief biography at the end of the article).

## **Business taxes support cities. Fairwood has few businesses, therefore no support. True or False?**

False -- Some cities have particular taxes that focus on business and commercial interests. Other cities do not. Renton has a tax of \$55.00 per employee per year. However, only 30 of 229 Washington Cities have this kind of tax, according to A Revenue Guide for Washington Cities and Towns (Rpt. 46, August 1999), published by Municipal Research & Services Center of Washington, at page 13.

The Berk Study (Analysis of the Financial Feasibility of the Proposed City of Fairwood, Final Report, January 17, 2006) dedicates 17 pages to describe the revenue sources for the proposed City of Fairwood. It establishes that a City of Fairwood has sufficient revenue to provide for the operation of the City, at a slightly enhanced level of service, while generating an annual surplus of \$500,000 per year, for the 6 years projected in the study.

Opponents distort by picking at pieces, while the truth of feasibility is the whole of the revenue and expense analysis for the proposed City of Fairwood.

## **Residential taxes are insufficient to support a city. True or False?**

False -- Good financial analysis requires comparison of **all sources of revenue**, against all expenses required to perform city functions and deliver city services. The Berk study provides this comprehensive analysis. The study shows revenue from 10 sources for the City of Fairwood: Property taxes, Retail Sales tax, State Shared Revenues, Retail Sales Tax – Criminal Justice, Utility Tax, Permit Fees, Cable TV Franchise Fee, Community Development Block Grant, Interest Income, and Gambling Taxes (Exhibit 10, at page 38). Several Washington cities derive revenue primarily for residential taxes.

## **Fire Department. Will we be forced to immediately staff and house facilities?**

No, the fire and emergency services currently provided by Fire Districts 40 and 37 will continue after the City of Fairwood is created. The City will annex to one or both Districts. These special district(s) will continue to levy their own taxes and operate at their current level of service. According to the Berk study, at page 69, “Since these districts are funded through discrete levies, the provision of fire and life safety protection will have no direct financial impact on the City’s budget.”

## **Police Department. Will we be forced to immediately staff and house facilities?**

No, it is expected that the City will contract for Police Services. With the contracting model, the city can choose a desired level of staffing and service. The King County Sheriff’s office currently provides policing service to 13 contracting cities and towns, including nearby cities: Maple Valley and Covington. Sheriff Officers currently operate out of a store front office located in the Albertson’s shopping center. According to the Berk study, at page 67, “the budget assumptions retain all services currently being provided,” so the facilities were included within the contract, for the purposes of the study. Also according to the Berk study,

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at page 68, “If the City chooses to contract with the County for police services, the County has indicated that the first two months of that service will be provided without charge.”

## **City services (sewage, street maintenance, grounds maintenance, etc.). Will we be forced to immediately staff and house facilities?**

No, first with regard to sewer and water services, the special districts that currently provide these services will be retained. The Cedar River Water and Sewer District and the Soos Creek Water and Sewer District are special taxing districts that each service residences in Fairwood. Their combined coverage includes all of the proposed City of Fairwood. No changes will occur regarding these services, when Fairwood becomes a City.

The City of Fairwood will become responsible for the maintenance of roads within its boundaries, after the formal Incorporation of the City (183-360 days after Sept 19th). The City is expected to contract with King County, another municipality or with a private company for road maintenance services. The King County Executive recently offered a \$1.25 million financial assistance package to help get the City started. According to the terms of the offer, “\$725,000, would be allocated from the county Road Fund, and would be appropriated by the county to road overlay improvements in the proposed city of Fairwood boundaries to be completed prior to the date of incorporation.”

If the City decides to accept the transfer from King County, the City would become responsible for maintenance of one local 4.81 acre park (Lake Youngs Park, located at SE 200th and 148th Ave. SE). The City is expected to contract for maintenance of that park. According to the existing county policy, regional parks will be retained by King County.

The City would take over maintenance of surface water management facilities within the incorporation area that are currently owned by the County. The special tax revenues for surface water management would also be transferred to the City. It is likely that the City would contract with the County to continue maintenance of these facilities.

## **Library. Will we be forced to immediately staff and house facilities?**

No, the Fairwood library is operated by a special taxing district, the King County Library System. The City of Fairwood will annex to the library district (KCLS), which means that the library services will have no impact on the City budget and that Fairwood library will continue to provide its service without any change. Only 3 cities within King County provide their own library services (Renton, Enumclaw and Seattle). The Residents of all other cities within King County obtain their library services from KCLS.

- Defeat of the proposition for the incorporation of the City of Fairwood, would likely bring significant change to Library services, as annexation to Renton will soon become the only viable alternative. Renton provides its own library services, but its spending on library services is much less per person (\$22) than the KCLS (\$63). This means that Renton could not provide the same level of staffing, operating hours, items in circulation or facilities.

## **City Offices: Will we be forced to immediately staff and house facilities?**

The State law provides for an orderly transition to a new City. After a favorable vote on September 19<sup>th</sup>, the City will actually be incorporated from 180 to 360 days in the future. On February 6<sup>th</sup>, a special primary election will be held for council person candidates. On April 24<sup>th</sup> a runoff election will be held for council persons. After the council persons are elected, the City Council will have interim powers to form the City government and set a date for the

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actual incorporation of the City. The City Council may hire an interim staff during this period (probably 3 people, according to the budget in the Berk Study.) The City will likely rent space during this period. After incorporation, hiring of up to 8 full-time employees is expected for the first year, according to the Berk study.

## **Permits and Licensing: Are we responsible in short term?**

After the City of Fairwood is formally incorporated, it would become responsible for administration of building permits. Until the City has established a permitting and land use desk, it may contract with another City or with King County to perform these services. The Berk study assumes that the City would move into this role quickly. The first year budget anticipates both revenue and expense from these activities.

## **City management: Hire it done in the short term? Who? How do they work?**

The Berk study suggests that the interim staffing (from the period after the City Council is elected until the City is formally incorporated) should consist of only three persons (Interim City Manager, Interim Assistant City Manager, and Interim Administrative Assistant.). During the first year of operation, the City will probably hire no more than 8 individuals. If the City of Fairwood follows the example of the City of Kenmore, the first hires will be: City Manager, Assistant City Manager, Senior Planner, Community Development Director, Receptionist, Administrative Assistant, Accounting Tech, and City Clerk.

The City Manager is responsible for the day to day operation of the City. He or she is a person with deep experience in running a city government. The City Manager receives policy direction from the City Council. The City Manager provides standard operating procedures, direction and oversight for the employees and contractors of the City.

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## **Joe Giberson is a volunteer for the Fairwood Task Force and is author of an informative web site ([www.Virtual-Fairwood.com](http://www.Virtual-Fairwood.com)).**

- He is trained as a lawyer, but is on inactive status, as a member of the Washington State Bar Association. He works at World Vision as Software Solutions Architect.
- He is President of the Shady Lake Community Council.
- In 1998, he led a successful drive to form a Sewer ULID for the Shady Lake basin.
- In 2000, he served as a member of the Citizen Advisory Committee for King County's Petrovitsky Corridor Governance Options Report. That group studied the alternatives of incorporation of a new city, annexation to Renton or remaining within unincorporated King County.
- In 2002, he served as a member of the Community Advisory Group for the King County Roads Strategic Plan.
- He has resided or owned property within the incorporation boundary, since 1982 and has resided in the Forest Estates, Carriage Wood and Shady Lake neighborhoods.