

PROPOSITION 1: QUESTIONS AND ANSWERS

North Kitsap Fire & Rescue (NKF&R) is placing a measure on the November general election ballot that, if approved, will replace two expiring taxes. Passage of the measure will help the district to maintain current levels of service by providing necessary resources to fund both operations and capital needs.

What is the district proposing to voters?

The proposed maintenance and operations (M&O) levy would allow the district to collect an additional \$1.6 million in annual revenue for four years, beginning in 2019. The estimated 2019 tax rate would be about \$0.48 per \$1,000 of assessed property valuation. However, because two of the district's voter-approved measures are expiring and increasing assessed valuations are causing other levy rates to fall, it's estimated that approval of the new M&O will result in a total fire tax rate for most of the district's property owners that's about the same as the 2018 rate. Because the proposal requests a fixed amount per year, the rate in successive years is likely to decrease as assessed valuations increase.

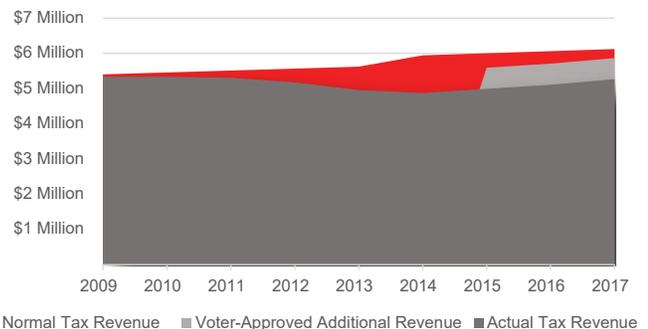
Why is this proposal necessary?

The November request is part of the district's continued effort to recover from the lingering effects of the recession that started in 2008. By state law, fire protection districts are limited in their revenue sources. NKF&R receives 82% of its operating funds through property taxes so when property values plummeted, so did tax revenues.

Between 2009 and 2014, the district collected \$2.5 million less in funding than it would have during normal economic conditions. Although valuations are now recovering, statutory caps on tax increases prevent the district's revenues from recovering at the same rate.

Fire and emergency medical taxes average about 15% of each property tax bill.

NKF&R Property Tax Revenue, 2009 - 2017



What will be funded by Proposition 1?

The majority of Proposition 1's funding will be applied toward capital projects that the district was forced to defer as it diverted resources away from planned projects in an effort to maintain levels of service during the recession and its aftermath. Three ambulances, one water tender truck, one fire engine, several support vehicles and a long list of smaller capital items are all slated for replacement over four years at a total cost of about \$2.6 million. Also planned are about \$1.3 million in maintenance and improvements on the district's five fire stations over four years, including HVAC and roof replacements as well as some remodeling that will increase available work and storage spaces in existing facilities. The remaining \$2.6 million (or \$650,000 per year) will replace the funding provided by the expiring maintenance and operations levy, helping to ensure that the district can continue its current levels of service.



How will Proposition 1 affect individual taxes?

NKF&R's 1999 voter-approved bonds will be paid off at the end of 2018. Because the citizens served by the former Kitsap County Fire District #14 (Hansville/Egdon) were not yet a part of NKF&R when

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NORTH KITSAP FIRE & RESCUE

	2018	2019
Kingston, Indianola, Suquamish, Gamblewood, Miller Bay Estates		
Median Home Value	\$366,240	\$402,864
Average Value Change	+11%	+10%
NKF&R Taxes (Rounded Rates per \$1,000 of Assessed Valuation)		
Fire Levy (Permanent)	\$1.33	\$1.22
1999 Bond (Expires in 2018)	\$0.15	-0-
2013 EMS Levy (Expires in 2019)	\$0.42	\$0.39
2014 M&O Levy (Expires in 2018)	\$0.20	-0-
2018 M&O Levy (Expires in 2022)	n/a	\$0.48
Total NKF&R Tax Rate	\$2.10	\$2.09
Total NKF&R Tax on Median Home	\$769.10	\$841.99
Change in NKF&R Total Tax (Year)	-\$4.66	+\$72.89
Change in NKF&R Total Tax (Month)	-\$0.39	+\$6.07
Hansville, Driftwood Key, Shorewoods, Cliffside, Eglon		
Median Home Value	\$366,240	\$402,864
Average Value Change	+11%	+10%
NKF&R Taxes (Rounded Rates per \$1,000 of Assessed Valuation)		
Fire Levy (Permanent)	\$1.33	\$1.22
1999 Bond (Expires in 2018)	-0-	-0-
2013 EMS Levy (Expires in 2019)	\$0.42	\$0.39
2014 M&O Levy (Expires in 2018)	\$0.20	-0-
2018 M&O Levy (Expires in 2022)	n/a	\$0.48
Total NKF&R Tax Rate	\$1.95	\$2.09
Total NKF&R Tax on Median Home	\$714.17	\$841.99
Change in NKF&R Total Tax (Year)	+\$26.41	+\$127.82
Change in NKF&R Total Tax (Month)	+\$2.20	+\$10.65

The median home value for each portion of Kitsap County's unincorporated areas is published by the Kitsap County Assessor's Office in the annual Assessment Book, which can be found at <https://www.kitsapgov.com/assessor/Pages/AssessmentBooks.aspx>.

To simplify this illustration, we have rounded the levy rates to the nearest cent.

Median home value, average change in value and levy rates provided for 2019 are all estimated because the final figures are not yet available from the Kitsap County Assessor's Office.

For information about tax exemptions and deferrals for seniors, the disabled and low-income persons, see www.kitsapgov.com/assessor/ or contact us.

NKF&R serves the communities of Hansville, Kingston, Miller Bay, Indianola and Suquamish across a 46 square mile area. A board of five commissioners, elected at large, oversees the district. That body meets on the second and fourth Mondays of every month at 7 p.m. in NKF&R's headquarters fire station (26642 Miller Bay Road NE). The district's 2018 operating budget is \$6.9 million. In 2017, crews responded to 3,052 incidents from four staffed fire stations. About two-third of all calls were for emergency medical services.

the bonds were approved, properties there couldn't be levied for the bonds' repayment. The \$5.5 million issue funded construction and furnishing of the Kingston headquarters and South Kingston satellite fire stations, a training tower and apparatus maintenance facility as well as the purchase of apparatus. The 2018 rate on the bond repayment is about \$0.15 per \$1,000 of assessed property valuation.

The district's 2014 voter-approved M&O levy also expires at the end of 2018. The 2018 rate is about \$0.20 per \$1,000 of assessed property valuation. If approved, the proposed M&O levy rate will be the same on properties across the entire

district (including on properties in Hansville, Cliffside and Eglon that previously couldn't be levied to repay the 1999 bond) but the effects on individual taxpayers will vary with property location as well as with increases or decreases to each property's assessed valuation. For detailed examples of the proposal's effects, see the illustration on the next page. Interested parties are encouraged to contact the district at (360)297-3619 for information on impacts to their specific tax bill.



What if the measure fails?

If Proposition 1 doesn't pass, the district would first seek as much public input as possible before determining its next steps. However, it's important to note that current levels of service cannot be maintained without replacement funding.

Looking for more information?

To ensure that the public has all of the information needed to make a decision on the proposal, NKF&R is hosting a series of public meetings. The most current list of those events as well as many other resources is available on the district's web site at www.nkfr.org. If you have questions, please feel free to call or email Fire Chief Dan Smith at (360)297-3619 or smith@nkfr.org.

Open Houses

Saturday, October 6
3 - 6 p.m.

Kingston

26642 Miller Bay Road

Wednesday, October 10
4 - 7 p.m.

Indianola/Jefferson Beach

23260 S. Kingston Road

Saturday, October 13
10 a.m. - 1 p.m.

Hansville

4911 Twin Spits Road

Monday, October 15
4 - 7 p.m.

Suquamish

18533 Augusta Avenue

9/26/18

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