

M E M O



Date: July 29, 2011

To: Chair J.J. McCament and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: 2012 Budget Process & Calendar

Following is the process and key calendar dates for the 2012 budget.

Date	2012 Budget Activities
Early August	<i>Budget Process Begins:</i> <ul style="list-style-type: none">▶ Neel and Georgia create budget instructions▶ Budget packets sent to department heads▶ Department heads create 2012 budget proposal
August 10	<i>Board of Trustees meeting:</i> <ul style="list-style-type: none">▶ Review 2012 budget calendar/process
August – Sept	Library management reviews department head proposals
September 8	<i>Board of Trustees meeting:</i> <ul style="list-style-type: none">▶ Follow up discussion from previous Board Meeting (budget priorities)▶ Review of 2012 projected revenues and expenditures
Late September	Preliminary certification of property tax received from the County
Mid October	IPD furnished by Department of Revenue and County Assessor/Treasurer Note: due to project values' significant decline, the mill rate will continue to be at 50 cents; therefore the IPD has no bearing on revenues.
October 19	<i>Board of Trustees meeting:</i> <ul style="list-style-type: none">▶ Review of 2012 draft revenue and expenditure (balanced budget)▶ Review of 2012-2016 Capital Improvement Plan projects and budget
November 9	<i>Board of Trustees meeting:</i> <ul style="list-style-type: none">▶ First public hearing regarding the 2012 budget▶ Review of draft 2012 budget & Capital Improvement Plan▶ Review and approve motion to certify property taxes to be levied for collection in 2012▶ Decision for IPD/tax increase considerations (likely not necessary)
November 15	<ul style="list-style-type: none">▶ Deadline to file tax levy resolutions/budget certification with County Assessor/Treasurer▶ Deadline for IPD override resolution filing (likely not necessary)
December 14	<i>Board of Trustees meeting:</i> <ul style="list-style-type: none">▶ Second public hearing regarding the 2012 budget▶ Resolution to adopt 2012 budget▶ Resolution to adopt 2012 Capital Improvement Fund budget▶ Motion to certify property tax levied for collection in 2012 (if needed)
December 15	File updated budget resolution with the County

Pierce County property values drop for 4th consecutive year

STEVE MAYNARD

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If you're a typical Pierce County homeowner, your property tax assessment took another tumble this year, but not as much as last year.

The average decline reflected in property value notices mailed this week was 7.3 percent, compared with 10.4 percent in 2010.

This marks the fourth straight year home assessments dropped, according to figures from the Pierce County Assessor-Treasurer's Office. Since 2008, the average value of a residential property in Pierce County has plunged 22.5 percent – from \$277,674 to \$215,266, the office reported.

But whether this year's dip will lower how much you pay in taxes depends on how many taxing districts can lay claim to your money, what your share of voter-approved bonds and levies is, and whether those rates increase. You won't know your tax bill for 2012 until the assessor's office sends it to you early next year.

The county reports that nine out of every 10 assessed Pierce County properties have values that are lower than last year. Property owners in Pacific saw the biggest percentage decline, on average, while those in Fircrest fell the least.

"Overall, another year of real estate market frustrations is reflected by the lower average values of property in Pierce County," the assessor-treasurer's office reported in a news release.

Frustration is one word for what property owners are feeling. Confusion is another.

Even though her assessed value dropped again this year, Wivina Tolentino of University Place doesn't know what to expect when she gets her tax bill in February.

In the last year, the assessed value of her three-bedroom house in UP dropped by \$4,000 – about 1.3 percent. But her total property taxes went up by \$614.52, or 15 percent.

Her valuations and property taxes had both dropped the previous two years.

"What happened this year?" Tolentino asked. "The assessed value went down while the property tax went up."

The explanation for Tolentino's question is her tax rate. It increased from \$12.51 per \$1,000 of assessed valuation in 2010 to \$14.72 per \$1,000 in 2011.

Tax rates for the county, the state, the City of University Place, and Tacoma Public Schools each increased. Plus, Tolentino's tax for 2011 included an added Tacoma schools capital projects fund.

"I don't even have any kids that go to public school," said Tolentino, whose son attends Bellarmine Preparatory School. In the notice she received Tuesday, the assessed value of her home dropped another \$7,500, or 2.5 percent.

The latest assessment notices contain the assessor's valuations as of Jan. 1, 2011. Those values will be used to calculate property taxes for 2012.

Experts say the slowing decline in overall assessed values may mean they are catching up with the fall in housing prices over the past several years.

"It seems as if the valuations that come from the assessor are getting more in line," said Mike Larson, president of the Tacoma-Pierce County Association of Realtors. Before the market started declining, a home's fair-market value was usually 10 to 20 percent more than the assessed value, said Larson, who is president of Allen Realtors in Lakewood.

"The lines are almost beginning to intersect at this point," he said.

Figures from the Northwest Multiple Listing Service showed Pierce County median sales prices continued to decline this May compared with May of last year.

Median home sales were \$194,000 compared with \$221,000 in May 2010 – a 12.22 percent decline.

As required by state law, Pierce County appraises all properties on a six-year revaluation schedule. One-sixth of the county must be physically appraised, while the values for the remaining five-sixths are "statistically trended, sight unseen," the office for Assessor-Treasurer Dale Washam said in a release.

Washam did not respond to requests for an interview for this story. Gretchen Borck, Washam's assistant, said the assessor-treasurer's office would respond to questions by email only and only if questions were submitted by email. The News Tribune would not accept those conditions.

Washam was elected in 2008 and has considered all the county's property tax rolls "tainted" until assessors have looked at every parcel. He is currently the subject of a recall campaign.

An independent consultant found that the assessor's office – under Washam's predecessor, Ken Madsen – failed to perform many physical inspections from 2001-08. An audit concluded in 2009 that there was no evidence taxpayers were harmed by the skipped inspections.

Through the first four years of the six-year revaluation schedule, the assessor-treasurer's office has physically appraised 202,570 properties, more than 63 percent of the total properties in Pierce County.

"Assessor-Treasurer Dale Washam and his staff remain committed to ensuring that all properties are physically appraised in accordance with state law, and remain on schedule to do so, as promised," his office said.