

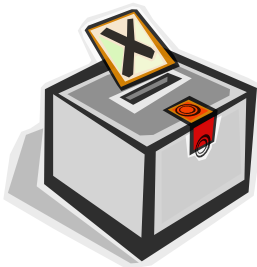
# WEEKENDER OCTOBER 16, 2008

## October 18, 2008 Board Meeting

This Saturday is an important day in the yearly cycle of events in Surfside. The October Board meeting is the time when the Board must adopt a budget for submission to the membership for ratification. This year we include a 9 AM budget explanation and member comment time. This meeting is the last opportunity to change individual line items.



Once the Board adopts the budget it must notify members of the adopted budget and they vote to ratify by proxy or in person at a Special Membership Meeting that coincides with the November Board Meeting (November 15, 2008). Modification at the November meeting is not allowed because proxy ballots will already have been cast. It is an up or down vote on the adopted budget.



One other peculiarity of the budget ratification process is that unless a majority of all members (not just those present) vote against ratification the budget adopted by the Board will take effect – not voting follows the “silence is consent” custom and counts as if it were a vote to ratify the Board adopted agenda. If a majority of all members were to vote against ratification the last year’s budget would be in effect until such time as a budget is resubmitted to the membership. These rules are established in State law.

So, if you have items of concern this Saturday is the appropriate time to bring them forth.

Remember the agenda for the board meeting is posted on the website:

[http://www.surfsideonline.org/meeting\\_minutes/BoardAgenda10-18-08Draft.pdf](http://www.surfsideonline.org/meeting_minutes/BoardAgenda10-18-08Draft.pdf)

Warren Olson

To view the budget click on the following links:

<http://www.surfsideonline.org/docs/2009BUDGETFINALDRAFT.pdf>  
<http://www.surfsideonline.org/docs/2009BUDGETSUMMARY.pdf>

**Be informed!**



# Tax Assessments

...Some thoughts and some information by Warren Olson

Recent cyclical revaluation of the property in Surfside resulted in some steep increases in value of property for tax purposes. Below are explanations from Pacific County Assessor, Bruce Walker, and an article from the Observer. The articles are meant to help members understand how the system works and what the implications of the revaluations are.

Neither we, nor the Assessor can do much about the system. I suspect many of you, like me, find the increases troubling when they are pegged to boom prices and now we are in an economic downturn. It seems we got revalued at exactly the wrong moment in the economic cycle. It stings even more for those of us with little or no interest in selling or refinancing our homes. I remember shaking my head at the prices quoted for sales during the boom and, I guess, marvel at all that fictional wealth on paper, and thinking that for anyone not selling all it does is raise their taxes. At any rate the timing feels unfair and I feel rather powerless when faced with the realities of the downturn and difficulty of selling in this market. Seems that the process for revaluation was developed when real estate markets inevitable went up and, as has been said so often, nobody really contemplated a deflationary cycle and its devastation. However, as Bruce Walker notes, prices still don't seem to be less than valuation.

I've asked staff to begin tracking the number of lots and houses for sale in Surfside. We'll be sharing the information at the meeting Saturday. Like so many people we're unclear about the effects of all this on the Association and are hoping the information will help us make better decisions.

## **SURFSIDE ASSESSOR REPORT**

**By Bruce Walker**

Warren Olson asked if I could write a short article explaining the new valuation of Surfside for property taxes.



First off the new assessments are the most likely price a piece of property would have sold for if it had sold on January 1, 2008. Pacific County is a four (4) year cycle county which means that we revalue one-fourth of the county each year. For the Surfside area we used sales from 2003-2007. This is what the state law requires.

We don't use any sales from the assessment year which in this case is 2008 for taxes due in 2009. The number of sales has decreased in 2008, but most actual sales prices are at or below the new assessed value. When the market is going up no one wants us to use the assessment year sales or trend our new values to the date of the reval notices.

A doubling of your assessed value does not mean a doubling of your taxes. I would like to use an actual Surfside lot to explain the system. I apologize to the Coles but I am

going to use Lot 1 Blk 1 Div 1 as an example. Since this is a public record you can look this up online.

2004 was the last assessment year for Surfside and the assessed value of this lot went from \$217,400 to \$273,600, the gross tax bill went from \$3,015.27 in 2004 to \$3,734.89 in 2005. Since we are a four year county the assessed value stayed the same and in 2008 the gross tax bill was \$3,144.18 a drop of around \$600. Using this year's levy rate (and the actual 2009 levy rate will be lower) and their new assessed value of \$496,600, their gross tax bill would be \$5,706 or an increase of \$2600 approx from 2008. As I said I'm sure the 2009 levy rate will be lower.

By state law we can only use actual sales. Not length of time for sale or how much less than the asking price, only actual arms length sales. We are monitored by the state on our assessed value to sales price ratio. Last year our ratio was 76% assessed value to sales price. We have the sales data we used for revaluation and also can provide the 2008 sales data also. We also check the local realty websites and while a lot of asking prices are lower, they in most cases are still more than the new assessed value.

Please remember that Washington is a budget based system. It is the actual budget of the various taxing district which can go up by 1% not an individual tax amount. The biggest reasons that your overall tax bill has increased is voter approved taxes, school bonds, M & O levies, hospital bonds and exemptions granted by the state legislature which shifts the tax burden onto the remainder of us paying full taxes.

## **Surfside storms about tax value hikes**

(Reprint of Article by Nancy Butterfield, Observer Correspondent, in the Chinook Observer)

**SURFSIDE** - It happens every four years in different areas of Pacific County, and this time it was Surfside property owners who got a shock last month when change-of-value notices from the assessor arrived in the mail.

In some cases, the assessed value of homes and property nearly quadrupled and a lot of folks are pretty upset.

Take Jack McBride. The land his home is on went from a valuation of \$84,800 in 2004 to \$236,000 this year. His home, valued at \$210,800 four years ago, went to \$313,900. The total assessment on his property was \$295,600 in 2004. This year it jumped to \$549,900.

That's quite a jump. But Assessor Bruce Walker says he's following a set of state-mandated guidelines for the valuations that are in place throughout Washington.

"I understand where they're coming from," he said. "But state laws say the cutoff date for the assessments was Jan. 1. We look at what the most likely price the house would have sold for during the previous four years. When prices were doubling and tripling in Surfside during those years, gross property taxes were actually going down. We

checked the 2008 prices before we mailed out the valuations and didn't use them. They were still more than the new assessed value."

James Thomson, 80, who lives in Grangeville, Idaho, and is the owner of two wooded lots in Surfside, found the value had gone from \$7,000 four years ago to \$28,500 this year. "It burned me up," he said of the property he's owned for 13 years. "The lots are heavy timber with impenetrable understory," he said. "You take your life into your hands to go into it." The property has no improvements and Thomson said he'll hold onto it.

Lance Woolwine, a Puyallup-based builder and real estate broker, has several land parcels, including two in Surfside. A new home he built that was assessed at \$280,000 jumped to \$513,000. "It's not the increase I have a problem with," he said. "It's the data they used. It's reflecting the time when prices were at a peak. They should have done it two years ago, then it would have been justified. In other counties, values drop as prices drop. They're using a window and taking advantage of it. It ain't gonna work. It's insane."

Woolwine said he has nine cases before the Pacific County Board of Equalization now. "We'll see what happens," he said.

The steep rise in valuation is more shocking because of the every-four-year cycle in the county. Changing to a once-a-year valuation "could take a while to get ready to go," Walker said. For example, in Surfside alone, there are 10 different categories of land, including - oceanfront, sand lots, woods and ridge with view - and they're all taxed at a different rate.

And, Walker said, the county uses a program used nationwide to figure the value of property. "It's pretty locked in," he said. "If we err, we err on the low side. To make sure I'm doing my job, they run an assessed value to sales price ratio at the state Department of Revenue. Last year it was 78 percent, meaning that, on average, assessed value on a sale was 78 percent of the sales price. If I don't change values at all taxes will still go up. All properties in the state have to be taxed uniformly. It's in the state constitution."

As an example, he said, say Lewis or Pierce counties have a 90 percent assessed value and Pacific County has 50 percent, "the state will raise our portion of the state levy to make it uniform with the counties with a higher ratio. That way, no one gets a break. It keeps the assessor from keeping values artificial."

But that doesn't make people like Woolwine and Thomson and McBride feel much better. Woolwine said the county "needs to get everybody to a new level when property prices are declining." He said he had a home for sale for \$300,000 that's been on the market for two years. "It's priced at \$285,000 now," he said. "I had one offer a year ago and none since. The activity is not there. It's just sitting. I have a 'for rent' sign out. It's just crazy to use statistics from two years ago. If I went to any appraiser and told him that he'd say 'You're smoking crack.'" He said he has parcels in Surfside that went from an \$8,000 assessment to \$41,000. Others assessed at \$7,500 jumped to \$23,000. He says he's not sure the lots are buildable.

As Walker said in a recent column in the Chinook Observer - "We go through this process every year. Every year we have a lot of angry property owners calling us up very upset about their new values. This year is no exception. It's understandable ... Pacific County is on a four-year cycle meaning we value one-fourth of the county every year. We also pick up any new construction in the other three revaluation areas too. Any property which has ANY change in value will receive a change of value notice."

Walker said the new value ... "is the price it would most likely have sold for on Jan. 1, not the week you receive your reval notice. It would be impossible to value 4,000 parcels the day before the notices are mailed out. For our Jan. 1 values for taxes due in 2009 we use no 2008 sales to check the new values.

"We do use 2008 sales to check our new values. We also check current listings in the papers and on realtor Web sites and check them against our new values to verify our figures. As an example, in 2008 in the area north of Joe Johns Road there have been 45 and most are at or above the new assessed value."

In fact, Walker said in his column, the levy rate went down between 2004 and this year." As an example, in taxing district 24 (north of Joe Johns) the levy rate in 2004 was \$13.8697 per \$1,000 of assessed value and \$11.9589 per thousand in 2008. Due to the increase in the total assessed value of the county most regular levy rates have fallen."



## Real Estate for Sale in Surfside

As of October 10, 2008

	% TOTAL
Houses....104.....	3.66%
Lots.....157.....	5.52%
Total Lots in Surfside.....	2,841
9.19% of the lots in Surfside are for sale	

# Emergency Management Committee

If you are a Surfside Member, concerned about the development and implementation of emergency plans in our community, please contact Barbara Robinson, General Manager, with regard to being a committee member of the Emergency Management Committee.



## Community Events

This portion of the Surfside Weekender will include events within the community that Surfside members may want to know about. If you are involved or know of an event here on the Peninsula, or close by, that you would like to have published in the Weekender, please email the particulars to [Dinah@surfsideonline.org](mailto:Dinah@surfsideonline.org). Please limit your submissions to family friendly community events.



### Events

#### Coffee Hour

October 17, 2 PM, Oysterville Schoolhouse

Both candidates for County Commission will speak to County issues and answer voters' questions.

# **RERUNS**

**AND CONTINUED NEEDS:**

## **Kerry Amundson Reminds New Members to Call**



Just a reminder: if you are a **new** resident of Surfside, please call Kerry Amundson at 665-2779 so she can personally meet you and welcome you to the neighborhood and give you a gift bag full of information and goodies from local businesses. And welcome to Surfside!



## **Christian Women's Groups Meet**

These non-denominational groups offer "Fun, Friends, Support, Bible Study, Prayer, & Spiritual Renewal". Questions? Call Coral Hughes: 665-3206. The groups meet in homes every Thursday at 9:30am:

- \*Bonnie Masson: 32904 "J" Place; Call 665-6504
- \*Linda Lanphear: 809 - 347th Place; Call 665-0895
- \*Mindy Burns: 33609 "I" Street; Call 665-0880

NEW Working Women's group meets Tuesdays at 5:30pm:

- \*Lola Larson: 5015 "L" Place, Seaview; Call 642-8359

## **Other Local News**

You may access directly the current issue of the weekly Chinook Observer, our local source of news and events, by clicking on the following web site:

<http://www.chinookobserver.com>

You can also find things going on the peninsula at the following web site of the Visitors' Bureau:

<http://www.funbeach.com>

and of the Pacific County Friends of Lewis & Clark at:

<http://lewisandclarkwa.com/pages/ocian.html>

and for local news of the Ocean Park Area Chamber membership and activities:

<http://www.opwa.com>

and, finally, Surside's own web page at:

<http://www.surfsideonline.org>

***Keep the news coming***... submit information to [dinah@surfsideonline.org](mailto:dinah@surfsideonline.org) (put "Week Ender" in subject line):

- **Surfside Homeowners Association**

Mailing Address: 31402 H Street, Ocean Park, WA 98640

General Office Email: [office@surfsideonline.org](mailto:office@surfsideonline.org)

- Office Phone: 360-665-4171