

Welcome to 2015! - Part I
by Dave Earling

As many of you may know, one of my favorite lines when asked how things are going with the city is: "it's always sunny and 82 in Edmonds". The line is one I began using years ago when I served on the City Council for 12 years. Now while the line is facetious, it is a mindset which I carry most of the time. I guess I am one of the "glass is half full" folks and prefer to focus on life with that general attitude.

While this is the mind-set I keep, when looking forward to 2015, we need to focus on the positives and the challenges. We all know we live in a great community. We all appreciate the quality of life we provide for ourselves; seaside setting, quality schools, great parks, fabulous arts community reputation including the ECA, an outstanding and expanding Swedish Hospital, quality Port and the many new and flourishing businesses' joining our city. Life is good!

But while life is good, we have a list of issues to seriously consider this next year, not the least of which is how, as a city, do we provide the long term revenue needed to maintain the quality we all acknowledge and expect? I know some folks think we will be fine long term, but the two previous Financial Directors, as well as Scott James our current Director, have all expressed concerns with projected shortfalls in outlying years. I agree with them. Where will this needed revenue come from?

I have been able to find \$1.2-1.5M from the General Fund for two years to begin a long neglected road resurfacing program. I do not see another year of that program without an infusion of additional funds from another source.

We know we owe FD 1 a substantial amount of back payments after they settled their union contract. While we work in good faith with FD 1 we do not yet have all of our questions answered so that we can establish an agreed upon amount. We also do not know our projected cost for 2015 as the District has not yet settled their 2015 labor agreement. We do know, however, that it will be a substantial increase.

With the economic downturn in 2008 through 2013, a number of entities we need for support services made every effort to keep their costs under control and in some cases even reduced them. With the rebounding economy those entities are now increasing fees. Here are just a few examples of 2015 ongoing cost increases.

Fire District 1 (projected placeholder) - \$978,000
Snohomish County Jail - \$163,950
ESCA/SERS - \$9,300
SNOCOM - \$45,332
TOTAL - \$1, 196, 532

Don't forget the legislature has a projected billion dollar shortfall and the McCleary education funding decision to solve. The reason I raise the state issue is with each tough budget decision they have made, they have reduced or taken away much needed city funding.

The good news is, with the careful and thoughtful financial decisions we have made in the past three years, we have adequate funding to assemble a healthy and forward looking budget for 2015. Our sales tax revenue and property tax revenue will continue to grow. We had a banner year for new construction

and building permits. All of this good news is already mixed into this year's budget... so where will the revenue come for the coming worrisome years?

Certainly we have had great advances in economic development. Salish Crossing near the waterfront will bring exciting new businesses, Jacobsen Marine is open, and many new businesses have opened across the city. All of these businesses will create new jobs, vitality and needed revenue.

Beyond economic development, do we need to consider a 3 or 4 year road resurfacing program which would require voter approval? Do we need to explore the potential of setting up a Metropolitan Parks District which would also require voter approval? Or are there other alternatives for finding additional revenue enhancements? A serious conversation we need to have.

In this column I simply highlight some of the challenges we will be facing. In my next column, Welcome to 2015 Part 2, I will highlight some of the positives coming this year. Remember, it's always sunny and 82 in Edmonds!