

ANOTHER BLUNT CONVERSATION

By Dave Earling

As many of you know, I gave the "State of the City" address a couple of weeks ago at the Wade James Theater before a full house. The program was great fun and Swedish CEO, David Jaffe and Dr. Jean Hernandez, President of Edmonds Community College, did fabulous work, adding to the quality of the morning.

I spent a good deal of time highlighting many groups and organizations that contribute to our quality of life in Edmonds. Groups such as; Swedish Hospital, Verdant Health Commission, Ed.CC, our public schools, the Chamber and business community, the Port, Edmonds Center for the Arts and the Economic Alliance of Snohomish County.

We put a focus on the many projects staff accomplished this past year including the Main Street improvements, Hazel Miller Park, obtaining \$14M in state and federal grants, as well as the expanded parking for the Sounder Commuter Rail service.

We announced the Arts Summit, which will be held June 29, to bring together our arts community to attempt to make it a regional force. In addition, we announced Rep. Marko Liias intends to include \$10M for the long-term rejuvenation of Highway 99.

That being said, I devoted a significant amount of time to our budget situation. We began to deal with our budget challenges this past year by cutting approximately \$1.5M from our General Fund Budget. We did this by making a 4.5% reduction across the board, reducing our healthcare costs by \$300,000 and reducing staff size by 9 positions. Very hard decisions, but they had to be made and staff and citizens are already feeling the discomfort of some of these reductions.

We are obviously in a balanced budget this year and should just barely get by next year. To give you an idea how close our budget projections are, we project we will have about \$9,500 revenue over expenses in 2013 and 14; this, in a \$32M General Fund Budget! After next year however, we are looking at potential deficits of \$400-500 thousand a year for the subsequent three years, or a total of a \$1.2-1.5M shortfall. In other words, facing the same level of reductions we had to make this year.

We need to begin a serious discussion on how to deal with the shortfall. We will not be able to dramatically reduce our healthcare costs again. We already have one of the smallest staffs on a per capita basis in the Puget Sound area. Further reductions would mean loss of service and perhaps departments. Certainly other expenses will continue to rise; so where to from here?

In my mind, we have two areas of main concern with dwindling resources; how do we sustain our amenities and service level related to our parks program and how do we restore funding for our deteriorating streets, which the Council compromised several years ago?

When I mention parks, I am speaking of a wide-range of assets that need ongoing funding; our valued waterfront parks, Yost Pool, our flower program, including the hanging baskets and corner flower gardens, the beach ranger program and our many neighborhood parks throughout the city.

Without a street overlay program, we have been unable to maintain the quality of our streets. We have been able to patch streets and fill pot holes, but not address the bigger question of street overlays.

Roughly half of our streets are in poor to critical condition. If we are not able to address this need soon, the streets will deteriorate further until the sub-surface breaks down and the entire road has to be rebuilt.

Do we have other needs? You bet! The City's Public Safety Department, while adequately staffed, is stretched very thin. General staffing in parks, the City Clerk's office, IT, and other departments are feeling the impacts of the nine positions lost with budget cuts for this year.

Over the next several weeks, I have asked our Directors to write columns to more fully describe the function of their various departments, the good work they accomplish and the challenges they face to fully implement their mission. The first column will be written by our Public Works Director, Phil Williams, addressing our shortfall in maintaining our streets.

As I said a year ago, we need to begin a blunt discussion regarding our expectations about how to maintain the quality of life in our city we have come to expect and enjoy. How do we generate the additional revenue needed for our long-term economic health? More economic development? A levy proposal put before the voters? Or do we just duck our heads and hope the challenges just magically disappear? Our community is too good to let the last question be the answer.