

2022 Budget Message

Members of the City Council and Citizens of Edmonds:

I present to you the Proposed 2022 City of Edmonds Budget.

COVID Aid to Our Community

Faced with the unimaginable impact of the ongoing COVID pandemic, our community has risen to the challenge. Today Edmonds residents are leading the way in Snohomish County for getting vaccines. In addition, our city is disbursing \$12 million back into our community thanks to the American Rescue Plan Act. We are helping our small businesses who have suffered throughout the city with more grant funds. We are helping small nonprofits like our arts and culture community which were heavily impacted with special grants. We have partnered with Edmonds and Shoreline Colleges, making it possible for Edmonds working adults to receive financial aid to help them regain employment or transition to a new career. Most importantly, we are providing grants of financial assistance to families and seniors that are struggling, helping with rent, food, childcare, medical bills or badly needed home repairs.

Our Local Economy is Growing

Notwithstanding the challenges of the COVID pandemic, this year we have seen strong financial growth in all sectors of our Edmonds economy. Our most recent sales tax revenue numbers have not only exceeded 2020, but are also above the pre-pandemic levels of 2019. Thanks to our downtown Walkable Main Street and our Uptown Market, our residents and visitors were able to shop, dine, and gather safely. We currently have received record setting sales tax revenue in Edmonds, \$9.6 million, the most we have ever had. This is a \$1.5 million increase in sales tax than was brought in during the same time period last year. Every major Edmonds sector has seen increases in revenue - from automotive to construction, to retail, food, and services. People continue to spend more than ever - to visit, shop, and dine in our wonderful community.

Edmonds continues to be one of the most desirable places to live. Our residents are buying homes at a record pace and spending record amounts for their homes. Edmonds' current assessed home values are up 11%, one of the highest annual increases in the past decade. As of August 2021, the last 12 month's real estate tax revenues are \$1.7 million higher than 2020. As a result, our property tax revenues are up \$214,000 more than in 2020.

Our city's financial position is strong. We have a very strong bond rating and sufficient reserves. We were one of the few local governments in the region that had no furloughs or layoffs in 2020 or 2021. We will be filling vacant positions and adding some new positions this year to meet the growing needs of our community. We are planning on continuing to provide a full range of services to our residents. COVID has not stopped our police from preventing or responding to crime, or our public works crews from keeping our roads safe, or our parks staff from keeping

our parks clean and inviting. We are also finally beginning to address our backlog of building maintenance after years of neglect. We have major maintenance projects planned at the library, the Center for the Arts, public works, police, and city hall buildings. We have found sufficient funding to complete construction of Civic Field, which we hope to be finished in 2022, as well as our \$26 million Carbon Recovery Project to replace our wastewater treatment plant incinerator.

Budget Highlights

Although our 2022 Budget covers every city department, I wanted to take this opportunity to share with you just a few highlights. Our city budget should be a reflection of our values, and the areas I will highlight ensure we have a local government that serves all people, where everyone has an equal opportunity to succeed and respects the rights of all.

These highlights include (1) helping revitalize the community area near Highway 99 to make it more livable and economically vital, (2) supporting community policing to build public engagement, and (3) taking climate action to protect our community and be more resilient.

1. Uptown Community

One area of our city that has been historically underserved and not given an equal opportunity to succeed is located around Highway 99. This area houses many residents and attracts many workers, yet many people don't even know it is within our city limits. It is time we stop calling this neighborhood after the state highway that runs through it and give it a real name. This summer we created a summer market and dubbed it the Uptown Evening Market. Now I know Edmonds will want a full community dialogue on what we should name this part of our city. But in the meantime, we are investing to make the Uptown area more livable and safe. We have begun and will continue a community renewal plan to address crime, nuisance, graffiti, and code violations, as well as encourage new redevelopment to reinvigorate the area.

For 2022, we will begin construction of Stage 2 of the Highway 99 revitalization project. This stage will begin the actual building of a planted raised center median designed to significantly reduce vehicle crashes, add new pedestrian crossings, and other improvements to beautify the area and encourage redevelopment. This project will cost \$7.6 million and is funded primarily with state grants. We will also begin construction of stage 3 of the revitalization project to include widening of sidewalks and lighting enhancements to improve pedestrian safety.

2. Community Policing

One proven way to address public safety issues is to take proactive steps to engage our community.

Community Engagement Programs

We recently hired a new police department community engagement coordinator who will be developing community relationships and partnerships. In addition, we would like to launch several programs to aid in building community relationships with our police department including a community academy for residents to provide transparency and learn about the job of police work, a robust volunteer program, a revamp of our youth explorer program, a national night out, and many other community opportunities. The costs for staffing and equipment of these programs are projected to be \$73,500.

Police Body and Vehicle Cameras

Another project we would like to fund to help protect the rights of all citizens is implementing body-worn and patrol -vehicle cameras for our Edmonds Police Department. These tools enhance the trust and visibility of police departments. They enhance officer and citizen safety and allow those present to review past encounters with law enforcement easily. Video-based evidence gathered by these cameras will provide dramatic improvement to re-create circumstances officers were engaged in with others by capturing moments in a way no witness statement or officer statement can do by itself.

These video recordings are critical in investigating use of force, information gathering at crime scenes, collecting statements from witnesses, victims or suspects. When our officers respond to domestic violence, drunk driving, or traffic stops and are captured on video, these video recordings will dramatically help improve community safety, transparency, and training. The program will require 57 body cameras, one for every sworn officer, 19 vehicle cameras, digital evidence management and storage. The cost is estimated to be \$428,000 out of the general fund.

3. Climate Action

We have seen the widespread, dramatic increase in extreme weather incidents, causing floods, power outages, rising seas, and widespread wildfires. Our infrastructure was not designed for this type of future. The climate-change crisis is here and is impacting every community including ours with increase flooding and pollution of our streams into Puget Sound. However, we can take steps in our local community to reduce the impacts for us and our children as well as be energy independent.

Solar Panel Grant Program

Today the cost of solar panels has fallen substantially and their usage is growing faster than anyone predicted. Recently the U.S. Department of Energy released a study showing the crucial role solar power will play in removing dirty fossil fuels from our electrical grid. It predicts that by 2035, there will be enough solar power energy to power every home in the United States. But to achieve this we must undergo a huge investment at the federal, state, and local levels to achieve this and to ensure it is distributed equitably. However, not everyone can afford this renewable energy.

We will be implementing for the first time a city sponsored solar panel grant program. This will help support homes in need with renewable energy and make our community more energy resilient. The grant program will cost \$150,000 to help encourage more solar energy usage.

Electric Vehicle Charging Stations

Transportation emissions are one of the top two sources of harmful emissions produced in Edmonds. The transition from fossil fuel vehicles to electric vehicles is a major and needed change, being implemented by every major auto manufacturer. But its success will largely depend on readily available charging stations for our residents and visitors to use. In fact, the lack of charging stations is viewed as the biggest hurdle to widespread use of electrical vehicles.

To help us transition to cleaner energy future we will be funding 10 new charging stations spread out throughout our city to ensure our residents and visitors are never too far from a charge to help them reach their destination. The infrastructure investment will cost approximately \$260,000 and be paid with bond proceeds.

Additionally, as part of my commitment to move our entire city vehicle fleet to electric, for 2022 we are replacing nine city vehicles that have reached their service life with new electric and hybrid vehicles.

City Council

I would like to thank our City Council for their unwavering commitment to our city. COVID has made conducting meetings challenging, but our City Councilmembers have worked through these issues to keep our city moving forward.

City Staff

I want to extend my heartfelt appreciation for every one of our wonderful city employees for their dedication to our city and for working tirelessly every day to keep our critical city services running and accessible.

Economic Future Hopeful

In defiance of the pandemic, our community continues to come together to support one another. This budget reflects our values that everyone has an equal opportunity to succeed, and everyone's rights will be protected. Because of our cautious approach to the City's budget in 2021, Edmonds is strong financially and situated to remain stable. Our city revenue continues to grow showing that Edmonds is a desirable place to live, work, and visit. Because of our community's resiliency, our future economic projections remain optimistic. With this in mind, what I am presenting today is a sustainable budget that will move us forward and lay down solid groundwork for our city in 2022 and beyond.

Thank you.