

Keep Edmonds Vibrant!

Our Future: Budget Visioning Workshop #2

April 30, 2025 | 6:30pm | Frances Anderson Center



Who are we?

We are group of residents who banded together out of concern about the future of our city.

Specifically, we are doubtful that we can sustain the vibrancy that currently defines Edmonds if we fail to identify and pursue sustained sources of new revenue.

And thus, **Keep Edmonds Vibrant** is a very preliminary concept for a **city-wide coalition of various stakeholders** – residents, non-profit groups, local businesses, etc. - **all committed to advocating for the continued thriving and vibrancy of this city.**

SAVE

Frances Anderson Center

Over 7,000 letters sent to Councilmembers and the Mayor in just over 72 hours

Edmonds' budget emergency

Financial Issues We Face	
Internal loan	\$6,000,000 (Need to pay back)
Reserves previously used	\$8,000,000 (Need to pay back)
<u>Fire will go up (approximately)</u>	<u>\$8,900,000 (Need to pay if Levy Fails)</u>
	\$22,900,000
Funds not available if Levy fails	\$6,500,000
Funds not available if Nov. Levy fails	\$6,000,000+
Expenses exceed revenues	
We have significantly cut staff and programs	
We have a significant maintenance backlog	

2025 Projected Revenue: \$53,571,000

2025 Budget: \$66,581,000

Shortfall: -\$13,010,000

\$7M (up to \$8.5M) in cuts have already been made resulting in the following:

All non-represented staff furloughed for 12 days.

46 positions will be unfunded – people will lose their jobs

The remote office will close

Cut Gymnastics at FAC

No Beach Rangers, Summer Day Camp, Meadowdale Pre-school

One fewer animal control officer

Council minutes will reflect only actions taken

We will switch from Zoom to Teams

Reduced HR staff

One less probation officer in courts

Reduced professional services for waterfront & neighborhood planning

Two fewer people in the finance department

Reduced overtime

Selling vehicles

Only mandatory trainings

Full-Time Employees, peer cities:

City	Pop. In Thousands	FTE#	FTE per capita
Olympia	57	649.00	11.4
Lynnwood	42	357.00	8.5
Puyallup	43	326.00	7.6
Issaquah	42	299.25	7.1
Seatac	33	234.30	7.1
Bothell	51	354.00	6.9
Lacey	60	365.50	6.1
Edmonds	43	252.74	5.9
Shoreline	62	260.00	4.2

City-owned facility conditions

Building	Cardno Estimated Maintenance Costs (5 Years)	Estimated Capital Replacement Costs (5 Years)	Estimated Building Costs (5 Years)	Cardno Building Replacement Cost	5 Year FCI Score
Boys and Girls Club	\$62,555	\$272,302	\$334,857	\$1,634,707	0.20
Cemetery Building	\$10,325	\$12,404	\$22,729	\$180,105	0.13
City Hall	\$265,405	\$1,679,717	\$1,945,122	\$8,124,420	0.24
Fishing Pier	\$11,830	\$37,781	\$49,611	\$213,795	0.23
Frances Anderson Center	\$389,105	\$2,638,683	\$3,027,788	\$13,113,901	0.23
FS 16	\$97,635	\$404,805	\$502,440	\$3,076,082	0.16
FS 17	\$162,595	\$874,470	\$1,037,065	\$2,817,346	0.37
FS 20	\$93,540	\$143,219	\$236,759	\$1,839,899	0.13
Historic Log Cabin	\$4,460	\$26,078	\$30,538	\$88,697	0.34
Historical Museum	\$51,310	\$64,399	\$115,709	\$1,103,831	0.10
Library and Plaza Room	\$744,030	\$1,371,824	\$2,115,854	\$5,299,970	0.40
Meadowdale Club House	\$30,020	\$94,076	\$124,096	\$941,817	0.13
Old Public Works	\$86,475	\$379,785	\$466,260	\$3,316,926	0.14
Parks Maint. Building	\$34,645	\$267,199	\$301,844	\$1,307,959	0.23
Public Safety building	\$306,265	\$1,426,671	\$1,732,936	\$9,203,257	0.19
Public Works O&M Center	\$146,730	\$1,597,177	\$1,743,907	\$4,822,482	0.36
Wade James Theater	\$44,490	\$493,030	\$537,520	\$2,133,487	0.25
Yost Pool House	\$84,610	\$250,293	\$334,903	\$1,250,373	0.27

FCI is the total cost of the existing maintenance, repair, or renewal of the facility divided by the total estimated replacement value (or CRV, current replacement value) of the facility.

0 to .05	Excellent-Good
.051 to .1	Good-Fair
.11 to .3	Fair-Poor
.31+	Poor-Critical

Blue Ribbon Panel: Potential solutions to our budget crisis

- a) **New Fees:** The panel recommends introducing new revenue sources, such as traffic cameras at busy intersections and school zones, to generate additional funds.
- b) **Annexation to the Regional Fire Authority (RFA):** A levy to support public safety could be proposed, along with a potential annexation to the RFA to address rising fire service costs. However, annexation is controversial as it could increase costs for residents.
- c) **New Taxes:** A property tax levy lid lift and potentially a 1% annual increase for Emergency Medical Services (EMS) and General Fund (GF) are under consideration, but these would likely require a vote and take time to implement.



Goals:

1. Identify and pursue specific policy changes that **will generate sustained revenues for the city.**
2. Identify and advocate for a **specific levy amount.**

Workshop #1

Essential question:

How much does it cost to run a thriving and vibrant Edmonds?



Workshop #1 Recap

What we heard from YOU,
in no particular order.

What makes Edmonds special?

1. Geography & Location (e.g. waterfront community, views)
2. Amenities (e.g. FAC, parks, ECA, Amtrak, bookstore, theatres, ferry, arts/creative district, marina, Waterfront Center)
3. Charm – true downtown, small-town vibes, local businesses
4. Public safety
5. Diversity – of perspectives, ages
6. Sense of Community and Pride – civic engagement, friendliness

Where can Edmonds improve?

1. Economic accessibility
2. One Edmonds – move away from bowl vs. outside bowl mentality
3. Better leverage residents in decision-making
4. Improve walkability/access (e.g. repair and/or expand sidewalks, protected bike lanes, community rider/trolley service)
5. Create/Annex community “hubs” (e.g. Esperence, Perrinville) to relieve any future stress on downtown AND to generate new revenues.
6. More revenue generation: (e.g. state & federal grants, increased property and/or sales taxes, better leverage city-owned assets, paid parking, attract new businesses)

What am I NOT willing to give up?

1. Views of waterfront that could be affected by zoning/height changes
2. History/culture/amenities (e.g. FAC, Wade James Theatre, parks, murals, historic landmarks, Yost pool/park, greenspace)
3. Local business variety
4. Public safety



Tonight's objectives:

1. Understand where current revenues are generated from (and how much).
2. Identify and analyze new revenue generating sources.

Follow along with us!

**STRATEGIC OUTLOOK
CITY OF EDMONDS GENERAL FUND
REVENUES, EXPENDITURES, AND FUND BALANCES
2022 - 2029 ANALYSIS**

	2022	2023	2024	2025	2026	2027	2028	2029
	Actual	Actual	Estimate	Budget	Budget	Outlook	Outlook	Outlook
Beginning Fund Balance	15,915,319	11,902,952	2,492,460	757,457	556,022	665,887	(2,579,426)	(6,513,739)
<u>Revenue</u>								
Property Taxes	14,843,369	14,892,420	15,750,000	15,936,000	11,676,000	11,804,000	11,934,000	12,065,000
Retail Sales Taxes	11,313,760	11,740,592	12,210,902	12,577,229	13,017,432	13,668,000	14,215,000	14,784,000
Other Sales Taxes	1,041,146	1,048,637	1,000,000	1,000,000	1,000,000	1,050,000	1,103,000	1,158,000
Utility Taxes	6,599,936	6,942,481	7,280,214	7,266,594	7,596,508	7,976,000	8,375,000	8,794,000
Other Taxes	410,894	381,405	360,900	360,100	370,100	389,000	408,000	428,000
Licenses/Permits/Franchise	1,790,243	2,079,139	2,045,705	1,817,670	1,823,250	1,914,000	2,010,000	2,111,000
Construction Permits	769,928	82,000	40,000	40,000	40,000	42,000	44,000	46,000
Grants	259,347	1,645,889	567,276	31,000	31,000	31,000	31,000	31,000
State Revenues	1,107,943	1,132,378	1,100,711	1,106,000	1,108,000	1,130,000	1,153,000	1,176,000
Charges for Goods & Services	3,020,628	3,993,576	4,382,360	4,114,738	2,859,783	2,946,000	3,034,000	3,125,000
Interfund Service Charges	-	-	3,910,821	4,460,521	4,097,040	4,302,000	4,517,000	4,743,000
Fines & Forfeitures	182,884	194,371	826,055	3,178,000	3,178,000	3,210,000	3,242,000	3,274,000
Miscellaneous Revenues	1,074,346	2,123,396	958,148	841,838	838,381	855,000	872,000	889,000
Interfund Loan	-	-	-	7,500,000	5,000,000	-	-	-
Other Financing Sources	-	-	-	-	-	-	-	-
Transfers	20,500	57,000	465,274	530,000	50,000	40,000	40,000	40,000
Total Revenues	42,440,724	46,353,350	50,898,366	60,759,690	52,685,494	49,357,000	50,978,000	52,664,000
Revenue % Change YOY	-4%	9%	10%	19%	-13%	-19%	-3%	7%
<u>Expenditures</u>								
Labor	17,498,082	20,237,110	25,039,816	25,252,431	26,915,095	28,261,000	29,674,000	31,158,000
Benefits	6,076,422	7,089,638	8,861,658	8,657,026	9,179,289	9,730,000	10,315,000	10,933,000
Supplies	837,671	829,316	655,650	655,199	658,084	678,000	678,000	719,000
Services	18,736,558	24,937,795	16,825,621	23,814,016	12,575,848	12,953,000	13,342,000	13,742,000
Capital	1,597,773	1,010,936	5,000	6,000	6,000	6,000	6,000	6,000
Debt Service	391,523	466,768	595,624	1,896,453	2,566,313	2,566,313	2,566,313	2,566,313
Transfers	1,315,062	1,192,279	650,000	680,000	675,000	600,000	600,000	600,000
Total Expense	46,453,091	55,763,842	52,633,369	60,961,125	52,575,629	54,794,313	57,200,313	59,724,313
Expense % Change YOY	10%	20%	-6%	16%	-14%	4%	4%	4%
Change in Ending Fund Balance	(4,012,367)	(9,410,492)	(1,735,003)	(201,435)	109,865	(5,437,313)	(6,222,313)	(7,060,313)
Anticipated Under-Expenditure	-	-	-	-	-	2,192,000	2,288,000	2,389,000
Ending Fund Balance	11,902,952	2,492,460	757,457	556,022	665,887	(2,579,426)	(6,513,739)	(11,185,052)

Temporary prop up

Financial Insolvency by 2027

Deficit Spending

Direct Comps

What do other comparable cities look like in our region?

	FY 2023		
	Edmonds	Lynnwood	Issaquah
Population	43,000	41,000	39,000
Median Household Income	\$116,095	\$76,400	\$153,700
Median Home Value	\$926,000	\$802,000	\$942,000
Total Revenues	\$98,466,000	\$134,527,000	\$116,383,000
Total Expenses	\$88,485,000	\$99,421,000	\$100,465,000
GF Revenues	\$45,700,000	\$61,500,000	\$62,800,000
GF Expenses	\$53,000,000	\$55,200,000	\$57,900,000
<i>Difference</i>	-\$7,300,000	\$6,300,000	\$4,900,000
Sales Tax Rev	\$12,800,000	\$30,000,000	\$22,000,000
B&O Tax	\$0	\$0	\$6,700,000
Employee/Head Tax	\$0	\$2,300,000	\$0
Parking Penalty	\$180,000	\$3,500,000	\$100,000

Historically, we've done a really bad job of seizing opportunities to expand our revenue base.

Dismayed Port of Edmonds Withdraws Harbor Square Redevelopment Plan

The Port of Edmonds has withdrawn its application to the city for a major mixed retail residential development downtown near the marina after the City Council moves to craft its own plan.



Greg Johnston, Patch Staff 

Posted Tue, Apr 9, 2013 at 4:20 pm PT | Updated Tue, May 7, 2013 at 1:46 pm PT



Council gets first look at Edmonds Citizens' Housing Commission recommendations

Posted: March 17, 2021



The first Citizens' Housing Commission open house, held in February 2020 before the COVID shutdown, elicited lively discussion among the participants and provided valuable information that helped shape the final commission recommendations.

COSTCO

WHOLESALE

EXIT

ENTRANCE

COSTCO
MEMBERS ONLY
MON - FRI 10:00 - 8:30
SATURDAY 9:30 - 7:00
SUNDAY 10:00 - 6:00
OPEN 24 HOURS & 7 DAY AT www.costco.com

**TODAY'S LOWEST
PRICES FOR GROCERIES**
2.76
3.03

COSTCO
COSTCO WHOLESALE
COSTCO WHOLESALE
COSTCO WHOLESALE
COSTCO WHOLESALE
COSTCO WHOLESALE

Bottom Line:

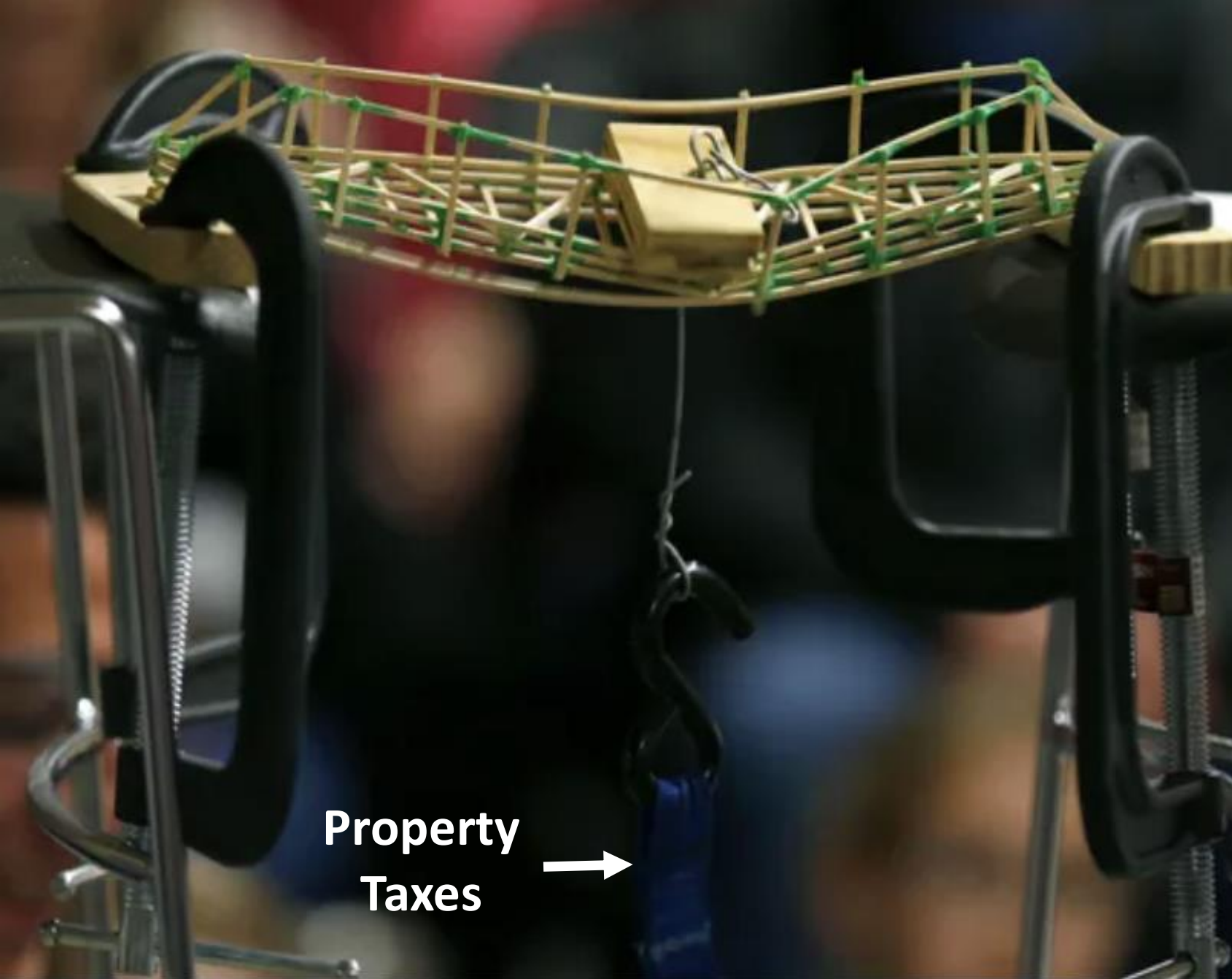
Edmonds *must* generate more revenue.

How much? We're in the process of figuring that out.

Meanwhile, let's BRAINSTORM

where the necessary revenues *should* come from?

What new or existing revenue-generating policies am I open to seeing adopted or modified in Edmonds?



**Property
Taxes**



**One way to think about
revenue-generation...**

**...done solely through
increased property
taxes will equally
disrupt efforts to
promote future
vibrancy.**

Revenue Load



Developers
(e.g. impact fees)



Local Business
(e.g. B&O Tax)



Non-Residents
(e.g. Sales Tax, paid parking)



Edmonds Residents
(e.g. property taxes)

**Another way to think about
revenue-generation...**

...LOAD DISTRIBUTION

A Starting Point

(We've heard or seen these 25 ideas proposed in the last 12 months)



I'm open to additional revenue being generated by the implementation of this policy.



I'm not open to additional revenue being generated by the implementation of this policy.



I need more information before making my decision on this.

Ideas

#1-5

I am open to additional revenue being generated from charging for parking on public streets.

I am open to additional revenue being generated from stronger enforcement of parking violations.

I am open to additional revenue being generated from the sale of the current City Hall building (5th & Main St.), and rezoning it for mixed-use (commercial, housing, or hotel use).

I am open to additional revenue being generated from increasing motor vehicle license fees from \$40 to \$50.

I am open to additional revenue being generated from changing land-use code to allow for more ground-floor business/retail in strategic locations.

Ideas

#6-10

I am open to additional revenue being generated from permitting more density in strategic areas.

I am open to additional revenue being generated from adding school zone speeding cameras to more schools.

I am open to additional revenue being generated from running school zone cameras 24/7 (similar to Kenmore).

I am open to additional revenue being generated from implementing a leasehold excise tax.

I am open to additional revenue being generated from increasing current park impact fees and transportation impact fees (an impact fee is the fee charged to a new development for each dwelling/commercial unit constructed. This fee is paid by the developer).

Ideas

#11-15

I am open to additional revenue being generated from increasing the utility connection fee.

I am open to additional revenue being generated from allowing (and taxing) gambling within city limits.

I am open to additional revenue being generated from charging market-rate rents to Wade James Theatre, Boys and Girls Club, Museum, Waterfront Center (currently, rents paid to the city are below market rent).

I am open to additional revenue being generated from raising the utility tax.

I am open to additional revenue being generated from installing more red-light cameras in high traffic areas.

Ideas

#16-20

I am open to additional revenue being generated from a slight increase in the retail sales tax rate (Lynnwood, Mountlake Terrace, and Mukilteo all currently have higher sales tax rates).

I am open to additional revenue generated from increasing the renewal fee for business license permits.

I am open to additional revenue being generated from introducing a Business and Occupation (B&O) tax, similar to Issaquah and Bellevue.

I am open to additional revenue being generated from introducing an Employee/Head Tax, similar to Lynnwood, Redmond, and Kirkland.

I am open to additional revenue being generated from relocating the Edmonds Police Department to a more centrally-located location, and selling the existing land/buildings.

Ideas

#21-25

I am open to additional revenue being generated from selling city-owned amenities (e.g. Frances Anderson Center, parks/greenspace, Wade James Theatre, etc.).

I am open to additional revenue being generated from permitting and franchising Limebikes and Bird E-scooters.

I am open to additional revenue being generated from charging for admissions to our public parks.

I am open to additional revenue being generated from selling naming rights to city-owned buildings and parks.

I am open to additional revenue being generated from annexing Esperence (currently unincorporated).

Final Tally

How did each idea fare?

What's missing?

What other ideas for revenue generation do you support or think may be a possibility?

Where are there questions?

Which of these ideas prompted yellow cards that require more information?

What's On Deck

Imminent: Civic Imagination Campaign via Polis* Goes Live

**Polis is an open-source, real-time system for gathering, analyzing and understanding what large groups of people think in their own words, enabled by advanced statistics and machine learning.*

Upcoming: Future Sessions

- May 21st: Polis **RESULTS** revealed
- May 28th: **RECOMMENDATIONS** to Edmonds City Council and Mayor

Exit Ticket

Please help us drive **participation** to our Civic Imagination Campaign:

Take a moment to think of 5 people you can commit to sending Polis to, once released.

Thank you!

Keep**edmonds**vibrant.org

Keep
Edmonds
Vibrant!