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Media Contact:
Carmen Palmer
253-299-5503
carmenp@ci.sumner.wa.us

PRESS RELEASE

Mayor Enslow Submits 2009-10 Budget Proposal to Council

Sumner, WA—On October 8, 2008, Mayor Dave Enslow submitted to the Sumner City Council his proposal for a 2009-2010 City budget. “This is probably the toughest budget to put together that I’ve ever seen,” said Mayor Enslow. In the meeting, he, along with City Administrator John Doan and Deputy City Administrator Diane Supler, highlighted the major aspects of the proposed budget. Next week, the Council will have another budget workshop to begin going over the details. The Council will review the proposal, can propose and make changes, and will pass a balanced budget by the end of 2008.

“Given the economic challenges before us, I had to propose postponing or taking away a lot of wonderful programs that we value,” said Enslow. “However, I also believe that in this climate, we can’t ask the taxpayers who are already tightening their personal budgets to take on a major increase in taxes either. Although this budget will be tough on us, this isn’t a time to fix our bumps by passing it along to our citizens. We will continue to work with the community and our partners to find creative ways to keep these programs going.”

WHAT THE CHALLENGE IS

With no changes, Sumner faces a \$2.3 million deficit in the 2009/2010 budget. However, a city budget must balance, so the City needs to cut or save \$2.3 million, or roughly 11% of its budget.

WHAT CREATES THIS CHALLENGE

It’s a combination of a number of factors:

1. Drop in sales tax and other revenue.

- Sales tax revenue now makes up at least 47% of the City’s general fund income.
- As a result of the economic conditions, people are buying less. Especially impacted are sales of items like cars, trucks, tractors, and furniture, items that are the primary base of sales in Sumner. A dramatic slowdown in the pace of development also impacts sales tax, along with future property taxes.
- The dramatic slowdown in construction has impacted property taxes, sales tax, real estate excise tax, and other income that plays a significant part of the City’s revenue equation.

2. Increase in costs.

- Like any household or business, the City must buy gas, copy paper, health insurance. Everyone knows well that all of these costs have risen dramatically in the past year.
- In addition, because costs of goods has gone up, that means the Cost of Living (COLA) index has also risen dramatically. Collective bargaining agreements tie annual salary increases to the cost of living.
- So, the City must pay more for goods *and* more for employees.

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WHAT THE CITY IS DOING TO BALANCE THE BUDGET

- **Find efficiencies**
Do the services better at less cost.
- **“Grow the pie”**
Recruit more retail to come into the City. This is a long-term process that only works when people are spending money.
- **Use extra contingencies**
The City of Sumner keeps an 8% reserve fund for emergencies. Even this budget keeps this reserve fund intact. However, when the City had excess revenue in previous years, it saved over and above its own reserve fund so that money could be used when harder years came. So, this budget uses some of that extra contingency money while keeping the reserve funds intact.
- **Increase revenue**
Proposed increases in revenue try to more directly link certain cost onto the citizens using specific services such as:
 - 6% tax on stormwater rates
 - 10% surcharge for building permits
 - Increase fire permit fees from 15% to 30%
 - Increase taxes for private electric, gas and telephone
 - Charge organizations to hang promotional banners over streets
- **Make cuts**
The Council has made some hard choices in order to try to preserve the core services the City provides its citizens. Proposed cuts for 2009/2010 include:

Staffing

- Leave vacant an open position for an assistant city planner.
- Leave vacant an open position for a police officer.
- Remove the parks and facilities director position.
- Reduce time for domestic violence advocate position.
- Eliminate a vacant part-time records clerk position.
- Eliminate one seasonal parks employee position.

Resources

- Use police cars two additional years per vehicle.
- Shift some of the City newsletters to electronic only
- Cuts in police training, equipment and over-time.
- Charge regular users of the Sports Complex for the use of the facility to help defray maintenance and operations

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Services

- Reduce Arts Commission funding from \$2 to \$1 per citizen.
- Reduce hours Senior Center is open.
- Shift funding of Sumner Downtown Association to come from new lodging tax revenue.
- Eliminate the funding for the City's contribution to Forever Green and the Stream Team
- Begin charging for additional staff time associated with special events
- Eliminate the hanging basket program

At midyear, implement a 6% utility tax on stormwater bills.

THE RESULT

With these proposed changes, the City would have a balanced budget for 2009/2010 with its reserve funds intact while retaining core services such as 911, police, cemetery, water, utilities, planning and court and support for the Sumner Family Center and the Daffodil Festival without raising the property tax rate.

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