

# Edgewood News

Edgewood City Hall

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December 2009  
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## Welcome New City Manager Mark Bauer

Council Meetings are held on the 2nd and 4th Tuesday of each month at 7:00 pm at City Hall

Citizens came to City Hall on Sunday, November 8th to meet five candidates who were selected to interview for the position of City Manager in Edgewood. The following day, interviews with the candidates were conducted by the City Council and senior staff. At the Regular Council meeting on November 10th, Council announced their decision to enter into a contract with Mark Bauer, who will serve as Edgewood's new City Manager.

Mr. Bauer has been with the City of

Enumclaw since 1991. Since 1999 he has served in the position of City Administrator. Prior to that, he was Enumclaw's Public Works Director for eight years.

The knowledge and experience he has gained over the past 22 years in public service and administration has well equipped him to successfully meet the challenges currently facing Edgewood head on. We look forward to working with Mr. Bauer and encourage you to call, email or stop by to greet him after his arrival in mid-December!

### City Council

Mayor Jeff Hogan  
279.3238

Deputy Mayor  
Dave Olson  
219.8443

Steve Cope  
927.0210

Paul Crowley  
344.1166

Mike Kelley, Jr.  
840.9790

Scott Malkuch  
826.1108

Donna O'Ravez  
863.3457

Interim City Manager  
Mike Caldwell  
952.3299

Police Chief  
Ed Knutson  
952.0275

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## Mayor's Urgent Message

We are at a critical juncture in the future of our City. Not surprisingly, the impact of the current economic crisis in our country has trickled down to the state, county and local government levels. All public agencies are struggling to find ways to finance and continue to provide vital public services and programs. Edgewood has not been immune. The current economy has dramatically weakened and severely damaged the financial health of the City of Edgewood.

This past July, we asked you, the citizens of Edgewood, to help the City Council work through the budget issues we are facing by providing your input during a Town Hall meeting, which was well attended by members of the community. The meeting allowed the City Council and staff an opportunity to talk with those present about where we are and where we are headed financially. Citizens contributed meaningful input through public testimony and by their comments provided on questionnaires, which presented the Council with valuable advice on expense reductions and cuts in service as well as revenue generating options, such as a property tax levy lid lift, a Utility Tax, or a combination of both. Overall, it was an excellent forum. I believe all

ATTEND THE NEXT . . .

Edgewood City Council Meeting  
Tuesday, December 8th at 7:00 pm  
City Hall (2224 104th Ave E)

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## LOCAL SERVICES

### POLICE, MEDICAL & FIRE EMERGENCY

911

### EDGEWOOD POLICE

952-0275

*(Business Hours)*

798-4721

*(After Hours)**Press 1 for Operator*

### FIRE DISTRICT #8

927-2313

*(Business Hours)*

### DOMESTIC VIOLENCE HOTLINE

798-4166

### CITY HALL

952-3299

### MURREY'S DISPOSAL

922-8008

### COMCAST CABLE

1-877-824-2288

### METRO

### ANIMAL SERVICES

841-5595

### PUBLIC WORKS

798-3842

*(After Hours)*

### MT. VIEW

### EDGEWOOD WATER

863-7348

### PIERCE COUNTY LIBRARY IN MILTON

922-2870

### PUGET SOUND ENERGY

1-800-321-4123

*(Power outages, downed lines, etc.)*

... Continued from front page—Mayor's Message

in attendance that evening came together in all sincerity, as a community team, to find solutions to help Edgewood through this crisis.

Since the Town Hall meeting, the City staff has been reduced by three full-time employees. For an organization with an already small number of staff (14 employees), this is essentially a 20% cut. The Council also made cuts to our contracted Police force by eliminating our only Detective position. Numerous other cost-cutting measures have been enacted, which have helped, but we still have more work to do in order to achieve and sustain a balanced budget that will work.

Over the last two months, the Council has held six public forum Budget Workshops to craft a workable budget for 2010. One of the things that makes this process so difficult is that Edgewood has always been a cost-conscious organization that has operated on a lean budget, so there wasn't much to trim to begin with. All seven Councilmembers and the entire City staff have poured themselves into this process with numerous hours of meetings, research, phone calls, etc., in an effort to shave every dollar we could possibly find. **In the end, we may not agree on every line item in the budget, but we are in**

agreement that in spite of significant cuts in the level of service and expenses that have already been made, additional action is still required.

**We need your help again. This edition of *Edgewood News* provides you with updated, first-hand information that you need to know.** Please read it carefully - cover to cover. Then encourage your friends and neighbors to do the same. It contains information about additional proposed cuts in City staff and our Police force. It will also show you how the taxes you pay [in

Edgewood] to keep your City functioning and providing the services you require compare to taxes paid in neighboring cities. It also has information about a pending utility tax due to a budget gap that still exists, even after the numerous cuts that have already been made.

**Ultimately, what this comes down to is that we realize you expect a certain level of City services and Police coverage for public safety .**

We also realize that new and increased taxes are unpopular topics to consider and discuss. However, we need to find the balance between the taxes that citizens are willing to pay and the level of services these taxes can support. This newsletter will show how these two correspond.

We look forward to your continued feedback and participation in the process as we finalize our 2010 budget over the next couple of weeks. Please take time to contact any member of your City Council or City staff if you have comments, questions or suggestions. **Please attend the upcoming December 8th Council meeting.** Edgewood can only grow as a community if we work together as a community to find viable solutions.

Sincerely,

*Mayor Jeffery Hogan*

**Did You Know?  
Police & City staff  
serve 9,615  
residents (6<sup>th</sup>  
highest in popula-  
tion in the  
County) in a City  
that spans nearly 9  
square-miles.**

### Interesting Comparison:

The Jiffy Lube and Poverty Bay Espresso stand in Edgewood have a combined staff of 10 plus one temporary position—  
That's the size of Edgewood's City staff.

# Tax and Revenue Discussion

## What is a Utility Tax?

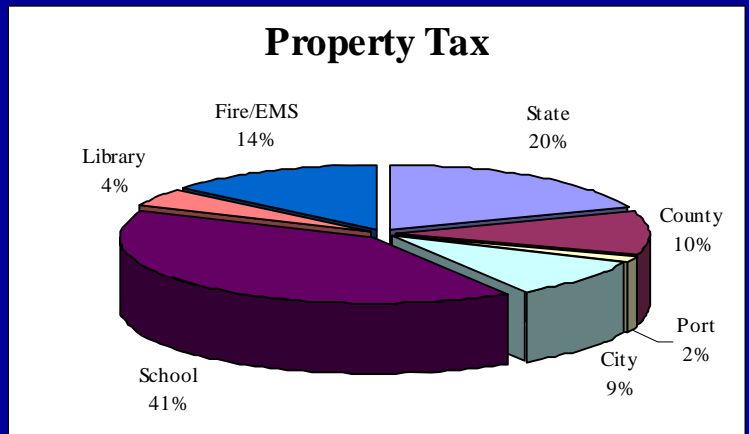
Utility Taxes are taxes that cities have the authority to impose on utilities, such as electricity, gas, telephone, water, cable television, solid waste collection, etc. The tax is assessed to the utility provider (phone company, power company, etc.) and they pass those costs on to the consumer. Of the 24 cities in Pierce County, 22 have a Utility Tax. Besides Edgewood, only Carbonado has not enacted a Utility Tax.

## What Other Tax Sources Are There?

Cities within the state of Washington have three sources of taxation available to them for general operations: Property Tax, Sales Tax and Utility Tax. Cities under 10,000 in population, like Edgewood, are limited to annual increases of only 1% in property tax revenue since the passage of Initiative 747 in 2001. **This increase equates to approximately \$13,000 in additional revenue per year.** For 2010, your Council elected not to increase property tax and to keep them at the same level as 2009. The City of Edgewood receives approximately 9% of your property tax bill as illustrated in the graph below: *(The percentage may vary slightly for those living within the Fife or Sumner school districts.)*

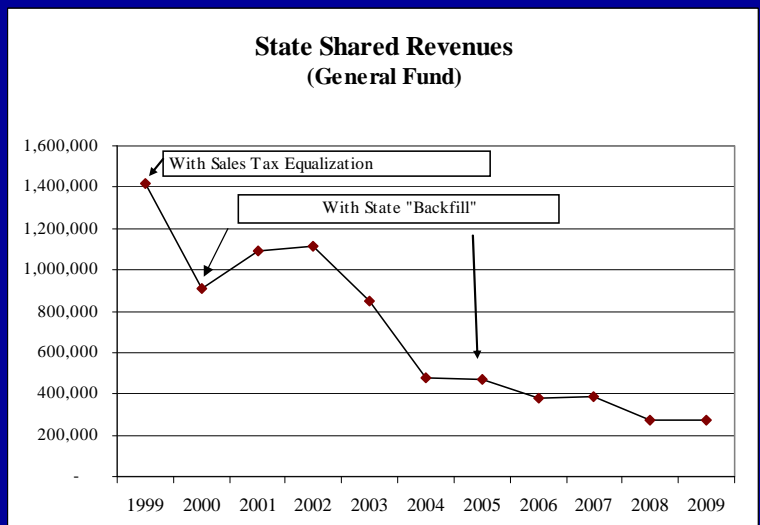
## Property Tax - How Much Does Edgewood Receive?

In 2009, the rate was \$0.9516 per \$1,000 of assessed valuation. Since the library and fire districts are separate from the City, each has their own levy rate. The maximum amount that can be levied by the City alone is \$1.60 per \$1,000 of assessed valuation. The 2009 rate is obviously much lower than the amount allowed, which is primarily due to the 1% cap.



## How Has the City Survived Without a Utility Tax?

When Edgewood incorporated in 1996, it was assumed that a large portion of the City's General Fund revenues would be from the Sales Tax Equalization Program. The program was established to help cities without a large sales tax base generate enough revenue to provide basic services. In 1999, the City received over \$1 million in revenue from Sales Tax Equalization alone; however, after Initiative 695 passed that year, funding for this program was lost. The legislature stepped in and provided support to the cities hardest hit by I 695 with "Backfill" assistance. Edgewood received over \$3.2 million from the state through 2005. The graph illustrates the drastic decline in revenue distributed by the state since 1999.



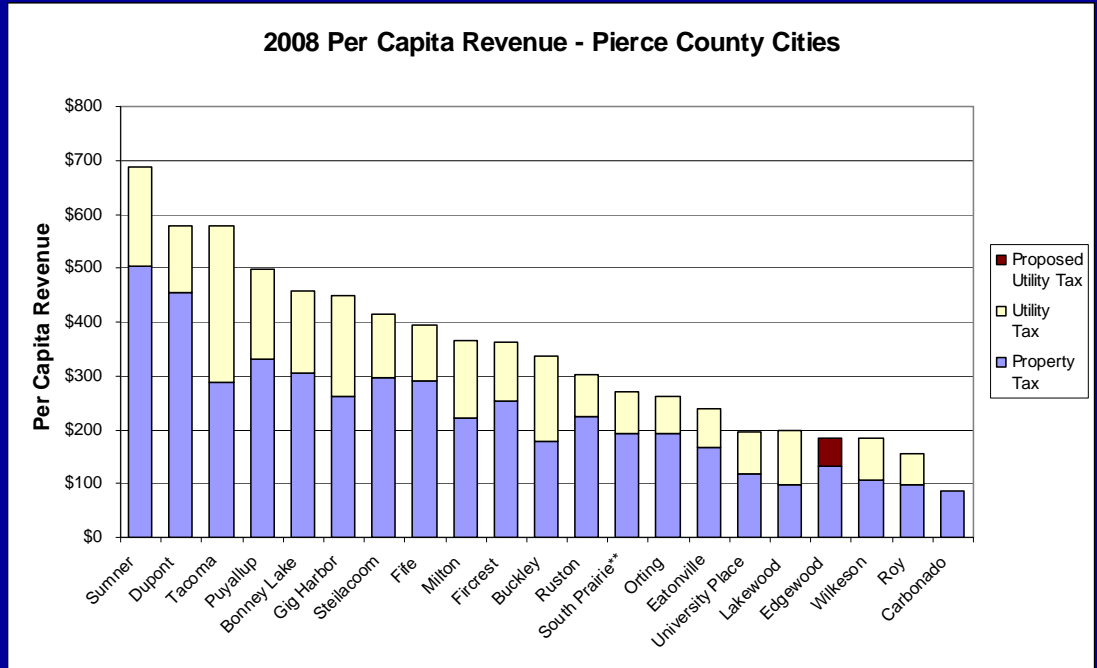
... Continued from page 3—Tax Discussion

## Where Are We in This Process?

At the December 8<sup>th</sup> City Council meeting, the Council will discuss the proposed Utility Tax rate, with a proposed rate of 3.5%. A tax of up to 6% can be enacted. **It is estimated that the 3.5% rate will generate enough revenue to help the City remain solvent and maintain 24-hour police coverage and other City services.** The ordinance is subject to referendum, which means that citizens can petition the Council action and require that it be put on a ballot for the voters to decide.

## How Does Edgewood Compare?

This graph (right) illustrates the revenue generated per capita (per person) in Property Tax and Utility Tax by each of the cities in Pierce County. **Even with the Utility Tax being proposed by the City of Edgewood, the amount**



**of revenue received per capita is substantially less than the amount received in other jurisdictions.** Both Property Taxes and Utility Taxes are General Fund revenues, which are used to support vital services such as police protection.

## How Will the Cost of a Utility Tax Impact My Personal Budget?

It can be difficult to imagine how the implementation of a Utility Tax will affect your own household budget.



Because the amount each consumer pays for their utilities each month can vary and the tax is a percentage of those charges, it would be impossible to provide you with an exact amount. The following example will help you estimate what the impact would be for your household if a Utility Tax were implemented. **For this example we based the calculation on an average combined monthly utility cost at \$400. At this cost, you could expect to pay approximately \$14 per month for the Utility Tax.** The proposed ordinance includes a provision for a reduced rate for low-income households. Compare your combined utility costs to determine how much you would be paying.

Continued on page 5 . . .

## Efforts to Create a Balanced Budget

The City Council will be considering the adoption of the 2010 Budget Ordinance on December 8<sup>th</sup>. **The proposed budget reduces staff and some levels of service substantially, but even with those reductions the budget has a shortfall of over \$450,000.** The Council is considering a Utility Tax in the amount of 3.5 % on all utilities (except water) that would terminate or “sunset” in 36 months. At that time, if the City Council decided to reinstate a Utility Tax after the Utility Tax was sunsetted, the Council would have to go through the process of adopting a new ordinance.

This action would again be subject to referendum through a citizen petition.

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... Continued from page 4—Tax Discussion

## Compare Utility Tax by City in Pierce County

City	Natural Gas	Electricity	Phone	Cable	Garbage	Water	Sewer	Stormwater
* *Auburn	5%	5%	5%	No	6%	6%	6%	6%
Bonney Lake	6%	6%	6%	6.50%	6%	8%	8%	8%
Buckley	6%	6%	6%	5%	9%	9%	9%	9%
Carbonado	0	0	0	0	0	0	0	0
DuPont	6%	6%	6%	0	6%	6%	6%	6%
Eatonville	0	5%	0	0	5%	5%	5%	5%
<b>*Edgewood</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>0</b>	<b>3.5%</b>	<b>3.5%</b>
* *Enumclaw	4%	6%	6%	0	8%	8%	8%	N/A
<b>Fife</b>	<b>4.50%</b>	<b>3%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>
Fircrest	6%	6%	6%	6%	8.50%	6%	6%	6%
Gig Harbor	5%	5%	5%	No	0	5%	5%	5%
Lakewood	5%	5%	6%	6%	6%	0	0	0
<b>* *Milton</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Orting	6%	6%	6%	0	0	0	0	0
* *Pacific	6%	6%	6%	0	6%	6%	6%	6%
<b>Puyallup</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>3.80%</b>	<b>6%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>
Roy	4%	4%	4%	0	4%	4%	0	0
Ruston	6%	6%	6%	0	0	0	0	0
South Prairie	6%	6%	6%	No	0	3%	8%	0
Steilacoom	6%	6%	6%	5%	6%	6%	6%	6%
<b>Sumner</b>	<b>5.25%</b>	<b>5.25%</b>	<b>5.25%</b>	<b>0</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>0</b>
Tacoma	6%	6%	6%	8%	8%	8%	8%	8%
University Place	6%	6%	6%	6%	6%	0	0	0
Wilkeson	0	6%	6%	6%	0	6%	6%	6%

\* Proposed rate in 2010

\* \* Partially located outside Pierce County

**NOTE:** As you can see, Utility Tax rates vary from city to city and rates can differ between the types of utility. Not all utilities must be taxed if a city chooses to utilize the option of implementing a Utility Tax. Each city government can customize the Utility Tax to meet their unique needs and circumstances, as would Edgewood.

... Continued from page 4—Efforts

Although mentioned throughout this newsletter, it cannot be stressed strongly enough. Your City Council is seeking the input of those who will be affected by the decisions that Council will soon have to make – they are soliciting your input. **The 2010 proposed budget is \$577,610 (17%) lower than the 2009 budget.** Some of the major reductions are as follows:



- **Reduced the following six full-time staff positions as compared to the 2009 budget:**
  - Permit Coordinator
  - Senior Engineer
  - Administrative Coordinator
  - Detective
  - Police Deputy
  - Police Office Assistant



- **Eliminated staff cost-of-living increases**
- **Increased employee contributions for health care premium from zero to 10%**
- **Eliminated employee deferred compensation program**
- **Reduced Building Official contract with City of Buckley**
- **Eliminated part-time office help budget**
- **Reduced travel/training budget to cover only essential classes required to maintain certifications**
- **Eliminated portable restroom rental at Nelson Nature park**
- **Eliminated recycling service (employees have volunteered to take material to recycling center)**
- **Proposed closure of City Hall for public services on Fridays**



**The Council also voted NOT to raise property taxes by the allowed one percent this year.**

## 2009 HIGHLIGHTS

Although a turbulent year, the City needs to recognize and appreciate the positive accomplishments in 2009. Although we are unable to list them all, the following list is a brief overview of the progress the City has made on various projects:

- Developed a streetscape and illumination plan for the WSDOT widening project on Meridian/SR161.
- Awarded a contract for construction of force mains and gravity sewers for LID No. 1 for \$5.8 million, which was nearly \$1.9 million less than the engineer's estimate and another contract for construction of the pumpstations for LID No. 1 for \$3.2 million, or about \$1.1 million less than the engineer's estimate.
- Made code amendments to help encourage development, which included changes in setbacks along Meridian/SR161, building height, size and uses.

- Developed an economic development strategy to assist with initiating a development feasibility strategy for properties along the Meridian Corridor and within the LID.
- Began design of Phase I of the Interurban Trail, which is being funded with both State and Federal grants.
- Completed design of the utility undergrounding, which will be done when Meridian/SR161 is widened. The undergrounding is being funded with Federal grant money that was obtained for enhancements along the corridor.
- Continued design of the realignment of Jovita Boulevard which is a joint project with the City of Milton that is partially funded by the Washington State Transportation Improvement Board.
- Completed a stormwater rate study and an updated Capital Improvement Plan in coordination with the new National Pollutant Discharge Elimination System (NPDES) Phase II requirements.

We look forward to continuing this forward momentum in 2010.

## Interim City Manager Mike Caldwell's Comments

Thank you for allowing me to serve as your Interim City Manager. I have enjoyed meeting and working with many of the citizens of the community, the City Council and staff.

Since my arrival in August we have made several changes at City Hall. We have reduced City staff by three full time staff positions and one Police Detective and have reassigned the work load to the eleven remaining employees and seven remaining patrol officers, implemented many cost saving measures and substantially reduced next year's budget. Several budget cuts and cost saving reductions have been directed by the City Council and I believe the City can continue to function with a minimum loss of service levels.

The Council and remaining staff have worked extremely hard to develop a realistic, but very frugal budget for 2010. **This budget has a total staff reduction of six positions, including police cuts, compared to the 2009 budget.** In addition, I have proposed a small

**Utility Tax in order to balance the budget.** This will allow the City to continue to provide basic services and continue as a City. As you know, Edgewood is located in one of the premier areas of the Puget Sound region and has retained a great rural atmosphere with the opportunity to implement a "Town Center" development along the Meridian corridor.

**The only choices remaining other than imposing a small Utility Tax are to 1) return to County governance or 2) annex to one or more of the adjacent cities.**

Neither of those options are attractive because the Edgewood community would probably lose its identity and end up paying considerably more taxes than what is proposed in the budget.

It has been a privilege to work with Edgewood's professional, hard working staff and a City Council that does their homework and provides the needed leadership for good governance.

**I wish you all continued success.**

### Thank You

Please join us in thanking **Councilmember Scott Malkuch** for his commitment and the contributions he made during his four years of service to the citizens of Edgewood.

### Welcome

Please welcome Councilmember-elect **Daryl Eidinger**. He has been a resident of Edgewood for 18 years and volunteered with the Edgewood Fire Department for 17 years.

## *Returning Councilmembers*

**Mayor Jeff Hogan** and **Deputy Mayor Dave Olson** were both re-elected to City Council on November 3, 2009. Both Jeff and Dave were first sworn in as members of the City Council in January 2006.

**Councilmember Donna O'Ravez** was appointed to the City Council in January 2009 to fill a vacancy. She was elected to the Council on November 3rd and was sworn in at the November 24, 2009 Regular Council meeting.

◆ **COMING SOON!** Meeting and Community Room rentals and passport services at City Hall

◆ **New Pet or Old License?** Visit City Hall to renew or obtain a pet license - it's required for dogs & cats

◆ **Road Reminders:** **Walkers** walk against traffic, **Bicyclists** ride with traffic, **Motorists** provide space

**Everyone**, please use caution and courtesy on the road. Edgewood residents enjoy outdoor activity 12 months a year walking, riding bikes, jogging, riding horses and driving cars. Our roads are narrow and there are few walking paths or sidewalks at this time, so be extra careful when you're out and about. Winter months have the highest rate of auto/pedestrian/bicycle accidents in the Pacific Northwest. Travel smart & safe this season!



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2224 104th Avenue East  
Edgewood, WA 98372-1513





# ECRWSS Postal Customer Local

**Edgewood Toy & Food Drive Donations Accepted at City Hall**

Donation bins have been placed at City Hall and are awaiting donations of new toys and non-perishable food items, which will be delivered to the Edgewood Community Food Bank and Mt. View Community Center for distribution.

*What's donated in Edgewood stays in Edgewood. Give Generously.*

**Update:**  
**PLANNING COMMISSION MEMBERS**

Larry Wright was replaced by Michael Stanzel. Thank you Larry for your contributions and welcome Michael to the Planning Commission.

**Update:**  
**PARKS & RECREATION ADVISORY BOARD**

Brian Levenhagen and Rhonda Armstrong have been appointed to the Parks and Recreation Advisory Board (PRAB), replacing Bob Van Gieson and Dan Brown. Our thanks go out to Dan and Bob for their work, and welcome new PRAB members.

## CALL FOR 2009 COMPREHENSIVE PLAN AMENDMENT PROPOSALS

Proposals are being accepted now through Thursday, December 31, 2009 at 5:00 p.m.

For answers about the process, contact Senior Planner Kevin Stender or Community Development Director Eric Phillips at City Hall.

