What is a city?

- Washington’s cities are home to more than 4 million people.
- 64% of the state’s population resides in cities.
- Cities employ 62% of the state’s local law enforcement and fire personnel.
- There are 38,000 lane miles of city streets – a 47% increase since 1990.
- Cities support enterprise activities like water, sewer, and stormwater systems which provide dependable utility services for millions of urban and suburban residents and businesses. These systems protect our environment and water quality, both in and out of cities.
- Parks, libraries, senior centers, and recreation activities keep communities healthy and help to attract and retain businesses.

How many people?

<table>
<thead>
<tr>
<th>Population</th>
<th>Number of cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 100,000</td>
<td>7</td>
</tr>
<tr>
<td>50,000 – 100,000</td>
<td>13</td>
</tr>
<tr>
<td>20,000 – 50,000</td>
<td>29</td>
</tr>
<tr>
<td>5,000 – 20,000</td>
<td>69</td>
</tr>
<tr>
<td>1,000 – 5,000</td>
<td>83</td>
</tr>
<tr>
<td>Less than 1,000</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: OFM April 2012 population estimates

Washington’s largest cities often provide different services than those provided by a town with a population of several hundred. But every city, regardless of size, is responsible for providing basic services and infrastructure that ensure the safety of its citizens and they have varying capacities to do so.

City streets are more than pavement - a typical urban mile costs $16 million

Did you know?

- There are over 2,000 city elected officials that represent over four million citizens. They serve on a non-partisan basis. Almost all are part-time officials that serve with little or no compensation.
- All 281 incorporated cities and towns are members of the Association of Washington Cities.
- Cities in Washington state employ over 35,000 people. However, they have reduced their workforce by 8% between 2009-12.
- Property tax, a critical city revenue source, is limited by law to an annual increase of only one percent or the rate of inflation, whichever is less. In most years, this means the allowable increase doesn’t keep up with actual costs.
- Washington’s cities and towns have limited home rule authority. They can only impose taxes that have been granted under state law and all other city and town actions must be consistent with the state constitution.
- Sales tax revenue usually nosedives during a recession. This can have severe consequences for city services, including the very services that people need most in hard times.
- Utility and business tax revenues also decline when the economy slows.
- State and federal mandates typically come with little or no funding support to implement them.
- Unlike the state or counties, almost all city transportation funding comes from the city general fund - the same fund that supports public safety and other city services.
Financial overview

Where do city revenues come from?
Cities rely on property taxes, sales tax and business and utility taxes for the majority of operating revenue.


Where do city revenues go?
Cities provide many important community services; nearly half of the city operating budget is directed to public safety.

Source: State Auditor's Office Local Government Financial Reporting System; general fund, special revenues

Cities receive only 13 cents of each property tax dollar.

$.13 City share
$.16 Junior taxing districts (fire, EMS, ports, hospitals, library, etc.)
$.17 County
$.22 State
$.32 Local school (voter approved)

For every retail dollar spent, cities receive less than one cent of the sales tax (excluding local options)*.

6.5 cents - State
0.5 cents - Local option sales tax (cities, counties, transit and others)
0.15 cents - Counties**
0.85 cents - Cities**

* Based on city sales tax average of 8%
** For sales sourced to unincorporated areas, counties receive the full 1 cent.

Infrastructure systems victim of the poor economy

<table>
<thead>
<tr>
<th>FY 2010 actions taken</th>
<th>FY 2011 actions taken</th>
<th>FY 2012 likely actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>34%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Decrease in infrastructure spending

Public safety not immune to cuts

<table>
<thead>
<tr>
<th>FY 2010 actions taken</th>
<th>FY 2011 actions taken</th>
<th>FY 2012 likely actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>37%</td>
<td>55%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Decrease in public safety spending

Since 2009 cities have made the following personnel cuts

- 66% eliminated salary increases
- 60% implemented hiring freezes
- 45% laid off employees
AWC 2013 Legislative Priorities

Washington’s 281 cities and towns provide vital services to most of the state’s citizens and businesses. Our state’s economy depends on maintaining and promoting strong city economies. Our state’s quality of life depends on vibrant, healthy, and diverse neighborhoods. Cities play an integral role in partnerships between public and private interests to ensure public confidence in the ability of government to be a constructive force in our communities.

To advance these goals, our cities have developed and embraced the following priorities:

**Ensure fiscal sustainability and flexibility**
- Restore diverted liquor revenue and retain existing state-shared city revenues during these fiscally challenging times.
- Preserve current local revenue authorities like local business licensing taxes and seek to develop new options.
- Retain flexibility in using Lodging Tax for operations and non-profits.

**Foster and invest in infrastructure and economic development**
- Collaborate with the state to increase multi-modal transportation funding and expand sustainable revenue options.
- Authorize tax increment financing and fine-tune other tools that help foster job creation and retention in cities.
- Keep funding for critical infrastructure programs like the Public Works Trust Fund and don’t divert capital investment dollars to the general fund.

**Enhance service provision**
- Allow cities to be more flexible and responsive to fiscal challenges, such as managing personnel costs.
- Provide state funding for critical mandates like municipal stormwater permits and refrain from adding any new unfunded or underfunded mandates.
- Strengthen public records access by curbing abusive requests.

In addition, AWC has identified a number of other issues important to cities across the state. A full list with adopted positions can be found at awcnet.org.