



State of the Cities – Fiscal Update Part I

In June 2009, mayors and city managers/administrators at all 281 cities and towns were asked to complete this survey. One hundred forty-six cities completed the survey; representing 52% of cities and 76% of the state's incorporated population.

Please indicate the extent to which local economic conditions in your community have changed since last year at this time (June/July 2008). (145 responses)

Improved (count: 5; 3%)

Stayed about the same (count: 48; 33%)

Worsened (count: 92; 63%)

If economic conditions have improved in your community, what do you attribute the improvement to? (7 responses)

Responses include new business development, construction project, loan/grant income.

Please indicate the degree to which you agree with the following statements.

Current revenues provide enough resources to meet our city's service demands; 1=Strongly disagree; 10=Strongly agree. (143 Responses)

Mean: 3.55

Median: 3

Mode: 1

The recent economic downturn has negatively impacted my city's ability to meet community needs; 1=Strongly disagree; 10=Strongly agree. (144 Responses)

Mean: 6.70

Median: 7

Mode: 8

Economic conditions in my community have declined since the beginning of 2009, requiring my city to look at additional cost-saving measures mid-year; 1=Strongly disagree; 10=Strongly agree. (143 responses)

Mean: 6.43

Median: 7

Mode: 10

I am optimistic about my city's ability to meet community needs in the 2010 budget; 1=Strongly disagree; 10=Strongly agree. (144 Responses)

Mean: 5.20

Median: 5

Mode: 5

I am optimistic about my city's ability to meet community needs in the next five years (2010-2015) ; 1=Strongly disagree; 10=Strongly agree. (144 Responses)

Mean: 5.21

Median: 5

Mode: 5

The community (citizens, business leaders, etc.) generally has a good understanding of my city's fiscal health; 1=Strongly disagree; 10=Strongly agree. (145 Responses)

Mean: 5.2

Median: 5

Mode: 5

Comparing this fiscal year (2009) with last fiscal year (2008), has your city done any of the following in order to balance the budget? (148 Responses)

	<u>Yes, adopted with 2009 budget</u>	<u>Yes, imposed after 2009 budget was adopted</u>	<u>No, and do not plan to</u>	<u>No but am planning to during this fiscal year</u>
STAFFING CHANGES				
Froze hiring (city is not replacing employees when they leave/retire)	29 (19.6%)	35 (23.7%)	70 (47.3%)	12 (8.1%)
Decreased the number of hours/days worked or imposed furloughs	10 (6.76%)	12 (8.11%)	101 (68.24%)	17 (11.49%)
Offered voluntary leave without pay	7 (4.73%)	6 (4.05%)	118 (79.73%)	11 (7.43%)
Laid off employees	20 (13.51%)	17 (11.49%)	97 (65.54%)	10 (6.76%)
COMPENSATION / BENEFIT CHANGES				
Eliminated salary increases for employees	6 (4.05%)	10 (6.76%)	99 (66.89%)	24 (16.22%)
Delayed or reduced salary increases for employees	15 (10.14%)	9 (6.08%)	99 (66.89%)	18 (12.16%)
Reduced spending on some employee benefits (i.e. deferred compensation, health care)	16 (10.81%)	5 (3.38%)	106 (71.62%)	15 (10.14%)
Eliminated some employee benefits (i.e. deferred compensation, health care)	5 (3.38%)	0 (0.00%)	126 (85.14%)	5 (3.38%)
Required increased employee contributions for employee/family healthcare	21 (14.19%)	6 (4.05%)	100 (67.57%)	12 (8.11%)
Other (please specify in comments section)	2 (1.35%)	2 (1.35%)	39 (26.35%)	1 (0.68%)

Please indicate which efforts, if any, your city has made to work with citizens to identify budget/service priorities? (Check all that apply) (109 Responses)

- Surveys (count: 35; 32%)
- Community outreach/forums (count: 47; 43%)
- Press kits for media (count: 7; 6%)
- Online budget calculator (count: 4; 4%)
- Citizen workgroups/committees (count 32; 29%)
- Webpage on city website (count: 41; 38%)
- Other (count: 31; 28%)

Has your city engaged employee groups in identifying cost-savings? (143 Responses)

- Yes (count: 60; 42%)
- No (and likely will not need to) (count: 52; 36%)
- No (but planning to during next budget development process) (count: 31; 22%)

Please indicate the degree to which implementing the following local strategies would help your city meet its budget needs. (137 Responses)

	<u>Very Helpful</u>	<u>Somewhat Helpful</u>	<u>No Effect</u>	<u>Helpful But Not Desirable</u>
LOCAL STRATEGIES				
Increase economic development activities	64 (45.39%)	59 (41.84%)	13 (9.22%)	1 (0.71%)
Enhance community-building/civic awareness efforts	26 (18.44%)	71 (50.35%)	37 (26.24%)	1 (0.71%)
Enter into public/private partnerships	24 (17.02%)	71 (50.35%)	28 (19.86%)	11 (7.80%)
Increase taxes not needing voter approval	29 (20.57%)	40 (28.37%)	18 (12.77%)	50 (35.46%)
Seek voter-approved tax increase	32 (22.70%)	25 (17.73%)	14 (9.93%)	65 (46.10%)
Increase reliance on user fees	12 (8.51%)	79 (56.03%)	20 (14.18%)	24 (17.02%)
Cut personnel/hiring freeze	21 (14.89%)	23 (16.31%)	24 (17.02%)	67 (47.52%)
Service cutbacks/eliminations	17 (12.06%)	24 (17.02%)	23 (16.31%)	69 (48.94%)
Enter into local contracts for service delivery	13 (9.22%)	42 (29.79%)	56 (39.72%)	20 (14.18%)

Please indicate the degree to which the following state strategies would help your city meet its budget needs. (140 Responses)

	<u>Very Helpful</u>	<u>Somewhat Helpful</u>	<u>No Effect</u>	<u>Helpful But Not Desirable</u>
STATE STRATEGIES				
Increase/provide state funding support for maintaining basic operating services	97 (68.79%)	26 (18.44%)	3 (2.13%)	13 (9.22%)
Allow cities greater fiscal flexibility with all existing resources - operating and capital	85 (60.28%)	40 (28.37%)	11 (7.80%)	4 (2.84%)
Grant cities the ability to levy new revenues for operating purposes	58 (41.13%)	45 (31.91%)	8 (5.67%)	27 (19.15%)
Grant cities the ability to levy new revenues for capital purposes	54 (38.30%)	53 (37.59%)	9 (6.38%)	21 (14.89%)
Increase state funding to local governments for infrastructure (capital projects)	119 (84.40%)	18 (12.77%)	2 (1.42%)	1 (0.71%)
Increase state funding for environmental protection/restoration	71 (50.35%)	48 (34.04%)	16 (11.35%)	2 (1.42%)
Create new/enhance ongoing state programs to assist local governments for economic development purposes	67 (47.52%)	62 (43.97%)	8 (5.67%)	3 (2.13%)
Provide technical assistance for smaller jurisdictions (planning, fiscal management, etc)	44 (31.21%)	50 (35.46%)	39 (27.66%)	4 (2.84%)

What is the impact of the following unfunded/under-funded mandates/restrictions on your city's budget? (143 Responses)

	<u>Major negative impact</u>	<u>Moderate negative impact</u>	<u>No impact</u>	<u>Positive impact</u>	<u>Not applicable</u>
REVENUE / EXPENDITURE LIMITATIONS/MANDATES					
Property tax limit factor (aka 1% cap; I-747)	77 (53.85%)	46 (32.17%)	12 (8.39%)	3 (2.10%)	2 (1.40%)
Repeal of the Motor Vehicle Excise Tax (MVET) / sales tax equalization	75 (52.45%)	48 (33.57%)	11 (7.69%)	3 (2.10%)	2 (1.40%)
Restricted tax revenues (i.e. lodging tax, real estate excise tax, criminal justice sales tax)	28 (19.58%)	77 (53.85%)	27 (18.88%)	6 (4.20%)	1 (0.70%)
Lack of fiscal flexibility with expenditure of funds (i.e. non-supplant requirements)	35 (24.48%)	75 (52.45%)	22 (15.38%)	2 (1.40%)	5 (3.50%)
ENVIRONMENTAL MANDATES					
NPDES Phase I and II Stormwater permits	45 (31.47%)	48 (33.57%)	29 (20.28%)	3 (2.10%)	12 (8.39%)
State Environmental Policy Act (SEPA)	20 (13.99%)	62 (43.36%)	41 (28.67%)	11 (7.69%)	3 (2.10%)
Shoreline Management Act Updates (SMA)	17 (11.89%)	64 (44.76%)	37 (25.87%)	6 (4.20%)	12 (8.39%)
Meeting new standards when replacing water/sewer systems	51 (35.66%)	46 (32.17%)	21 (14.69%)	6 (4.20%)	13 (9.09%)
GENERAL GOVERNMENT & PERSONNEL MANDATES					
Financial and accountability reporting requirements to State Auditor	27 (18.88%)	55 (38.46%)	49 (34.27%)	9 (6.29%)	0 (0.00%)
Open public meetings/records	20 (13.99%)	46 (32.17%)	66 (46.15%)	8 (5.59%)	0 (0.00%)
Collective bargaining requirements/Interest arbitration	26 (18.18%)	43 (30.07%)	49 (34.27%)	3 (2.10%)	17 (11.89%)
Enhanced leave laws	10 (6.99%)	51 (35.66%)	70 (48.95%)	2 (1.40%)	5 (3.50%)
Compliance with Uniform Building Code	2 (1.40%)	35 (24.48%)	80 (55.94%)	16 (11.19%)	2 (1.40%)
CRIMINAL JUSTICE & PUBLIC SAFETY MANDATES					
Court costs	25 (17.48%)	66 (46.15%)	36 (25.17%)	0 (0.00%)	10 (6.99%)
Prosecutor, indigent defense	32 (22.38%)	64 (44.76%)	31 (21.68%)	1 (0.70%)	9 (6.29%)
Jails, offender medical	54 (37.76%)	54 (37.76%)	19 (13.29%)	2 (1.40%)	8 (5.59%)
LAND USE MANDATES					
Growth Management Act	31 (21.68%)	55 (38.46%)	32 (22.38%)	9 (6.29%)	5 (3.50%)

Has your city quantified the impact of any unfunded/under-funded mandates? (125 Responses)

Yes (count: 16; 13%)

No (count: 106; 85%)