



Seattle City Council

August 13, 2010

Honorable Michael McGinn
Mayor
City of Seattle
600 4th Avenue, Floor 7
Seattle, WA 98104

Dear Mayor McGinn:

As we move quickly toward this year's fall budget process, it remains clear that we have significant challenges ahead of us. The local economy remains weak and the recovery we hope for appears slower and weaker than anticipated. Spending reductions will be difficult to implement because they will likely force cuts in important services and staff, and options for increasing revenues are limited. We dealt with these difficult issues in the development and adoption of the 2010 budget, and recognize that the challenges faced for 2011 and 2012 are even greater.

Earlier this year we sat together at community meetings in north and south Seattle and heard the concerns and hopes of hundreds of people. We've all received messages about critical and beloved city programs. When people take the time to engage in the cause of building community city government should be their full partner. Together we will make difficult decisions this year. This recession requires us to reexamine what we do and how we do it so that we can be a higher-value partner for taxpayers.

In this context, the Council wanted to take this opportunity to clearly articulate our priorities for the 2011/2012 biennium.

1. **Protect the health and safety of all Seattle.** In these difficult times, it is the Council's belief that the City must continue to protect the health and safety of all of Seattle's residents, while at the same time providing assistance to the most needy amongst us.

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As such, human services and public safety (Fire and Police services) are the Council's highest priorities for the 2011-2012 biennium. We request that you maintain funding for important existing direct services and avoid reductions in such services. This is not the time to significantly expand existing programs that are not human services or public-safety related or to propose the addition of new programs.

2. **Maintain our commitment to Neighborhood Policing.** The Council reaffirms its support for implementation of the Neighborhood Policing Plan (NPP). Recognizing that in your 2010 mid-year budget reductions, the hiring of additional police officers was not continued we ask that your 2011-12 budget proposal include your plan for the full implementation of NPP. If you do not intend to resume police officer hiring, then we ask that you present a detailed plan that will allow for full implementation of NPP through alternative means.
3. **Reduce costs.** We fully understand that this is easier said than done. However, it is clear that city revenues will not quickly rebound to the levels previously enjoyed. This is the time to reevaluate the size and scope of city government. To successfully balance the financial demands we now face, improvements in the efficiency of service delivery must be a significant element of the City's overall budget strategy. We look forward to, and will strongly support, proposals that reduce operational costs while limiting the impact on **the actual** delivery of direct services.
4. **Where and when appropriate raise revenue.** We anticipate that revenue enhancements will be part of your biennial budget proposal. The Council will carefully consider proposals for increases in user fees, fines and other revenues being mindful of the need to mitigate negative impacts such fees would have on access to services for economically disadvantaged residents. Consistent with legislation recently sponsored by a majority of Councilmembers, we are willing to support an increase in the Commercial Parking Tax to 12.5 percent from the current 10 percent. These new revenues will be targeted to provide the resources needed to address ongoing work on the replacement of the Seawall and the Alaskan Way Viaduct program. Further increases in the parking tax or other taxes that unduly burden local business would not be prudent at this time. The regional economy remains fragile. Downtown and neighborhood businesses are under significant stress and have expressed specific concerns about the perception and reality of parking costs.

The 0.2 percent sales tax increase proposed by the County offers the prospect for new revenue. If the voters approve this measure, cuts to the City budget could be reduced. However, we cannot take for granted that the proposal will win public support. Consistent with City policy, we request that you develop a budget proposal that does not assume these revenues.

Dave Hennes
CBO/FAS Long Prop Tax 2011 FISC ATT1
October 22, 2010
Version #1

We look forward to working with you in the coming months on the development adoption of the 2011/2012 biennial budget.

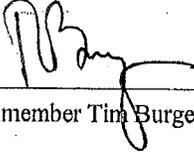
Sincerely,



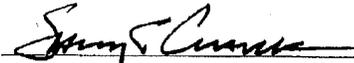
Council President Richard Conlin



Councilmember Sally Bagshaw



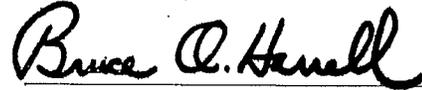
Councilmember Tim Burgess



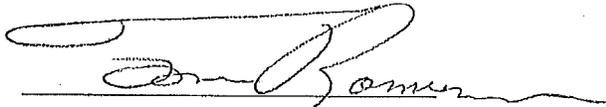
Councilmember Sally J. Clark



Councilmember Jean Godden



Councilmember Bruce A. Harrell



Councilmember Tom Rasmussen

Cc: Beth Goldberg, Acting Director, City Budget Office