

Talking points for the ECR October 6th Debate on Prop 1

1) Levy Amount

The City had a balanced budget passed by all CMs that had a \$6.0 projected levy. Just months later and after all these so called cuts, the levy was raised to \$14.5 and it opposed by 2 Council Members? What caused the dramatic increase?

2) Head Count/FTE

The Pro Committee states that head count for the city of Edmonds numbered 292 employees – a gross inaccuracy. Head count at the city had been steady for years, never that high, and basic services were provided without issue, up through 2021 at 241 FTE. Why this sudden inability to deliver basic services since the budget was balanced and all services, capital improvement and facilities plans were approved?

(Note from BRC: From 2021 to 2024, employment in the City grew from 241 to 279 which is 38 additional full-time employees (a 15.8% increase). At an average total compensation cost of almost \$129,000 per employee (in 2023), that added almost \$5 million annually to the budget.)

3) Co-mingling of revenue sources and expenditures and why the huge GF increase?

Explain the various revenue sources that feed into the overall city balanced budget that the city has not discussed now that the Levy has been increased to \$14.5M? The city has not brought forth the Capital improved or capital facilities plans to see what has been accelerated for streets, sidewalks and parks. Those items are programmed into the CIP/CFP. Money comes from the Transportation Benefit District and \$1.5M was programmed but there is an increase? Or from real estate excise tax where only \$3M and projections show a higher figure, and from utilities charges which are low at only 5 percent when the City approved water at 9% from 2024-2026 and Stormwater at 8.5% and Sewer at 10% for first two years then 10.5 % or almost double the revenue? And, no grants are even considered

Remember the City can only fix so many streets and so many sidewalks

Why is the city not creating significant confusion and a sense of crisis when the general fund and we had a balanced budget seven months ago in December 2024?

Or what are the new revenue projections from the red light cameras and why was it estimated so low \$2.0M when with the first month being June over \$242K was collected and the City has \$1.69 in accounts receivable waiting to be processed. Red-light camera income, if annualized could be over \$5M which is what former Finance Director estimated in 2024.

Where are the forecasting model that was a recommendation of the Blue Ribbon Club?

The City is proposing to increase the size of general fund spending by 30% in one year? every other government in our region grows incrementally and over a long period of time. (the 30% includes the levy lid lift, B&O taxes, higher impact fees, etc. the whole financial package Rosen is pushing)

4) Blue Ribbon Commission recommendations ignored nor and the City used a “citizen interest group” to create levy information with no opposing comments.

The Blue Ribbon Commission (BRC) results of July 2024 issued a series of recommendations. Why has the city not followed any of these, including the recommendation to develop a long-term plan and citizen led financial oversight committee? There are many citizens that have been providing the City

Council with actual data not some “Council version” created by the Mayor that is not transparent and leaves at key categories to show where the City is overspending other than the extremely highly paid Directors of this City.

5) Impact on business, renters and seniors?

What are the impacts on the homeowner, renter, property owner and small business owner if this large, permanent levy were to pass? I work with seniors for their tax exemptions and there are not many seniors out there – but the renters and business owners need to realize this will impact them as well. There are only about 800 seniors in Edmonds that have qualified for the senior exemption.

6) Fire/EMS Budget savings

With the RFA annexation vote the City advocated for, the city now has \$12M in excess spending. Why has that not been addressed? In other words, moving the city’s fire/ems bill direct to taxpayers at double the amount (a 315% increase) frees up \$12M in the budget.

7) Why is there no representative from the Pro Committee of which one was a former Council Member and a former planning board member who ran for Council? Treasure Mackley isn’t part of the Pro Committee Why did the City Council’s approved Pro Committee not utilize one of the individuals approved by Council to be at this debate? Why use a political strategist who wrote an opinion letter in May 2025 about progressive revenue sources whereas this levy would be a regressive tax, especially for vulnerable people on fixed, average and median incomes? Not to mention minimum wage? CM Tom Mesasos recommending creating the Changes in Fund Balance General Fund Balance report that the City used for years until suddenly the end of December, when Nelson is leaving office, the City is out of balance by \$4.3M and there was no footnote or explanation. So, how would you like to think you have \$100 in the bank and go in and find out you only have \$70? Wouldn’t you ask for a reconciliation and explanation? Rosen turns a blind eye and actually paid the finance director two months more than his severance noted in his contract.

8) Unclear Financials and no Council oversight

Current financials show improving trends in sales tax, REET money and interest income from the \$72M investment portfolio Edmonds has. Why are the financials limited this year to show the trends of major departments like consultants or attorneys fees?

9) Police metrics or savings not apparent? In that infamous 2022 budget, a new layer was added to the Police Department creating a Commander position so now rather than three “non-reps” the City had five and with the salary compression scenarios, it created a huge difference for the pay to the Chief and the Assistant Chief officers. Or as an example, former police Chief Al Compaan was the city’s highest paid employee at about a salary of \$176K and former police chief Bennett levy with a salary of \$296K and we hire the new police chief at a salary of \$236K for a City of 42,000. Granted, the police union came before Council and told them they can and will cut the projected \$19M budget, which includes an overtime budget of \$1M but City Council seems to ignore and nothing has been publicly discussed. And in October 2025, the Police Union donates \$10K to the KEV campaign and previous comments regarding savings have been forgotten.

Overtime has typically \$400K/year for decades and now it is \$1M? We do not have a spike in crime in Edmonds nor greater police needs than in years past. Nor do we have a material increase in population. In fact, significant savings can be realized for Edmonds by shared services model, only costs DECREASE vs increase, to the tune of \$5M in savings. The Council has showed zero interest to investigate this kind of savings, which retains the look and feel of our Edmonds police force. Instead,

Edmonds pays 40% more per citizen for police as compared to Shoreline (\$452 vs \$298), which has greater crime and a higher population. What is the rationale for this, especially during a budget crunch?

Edmonds population	2023 42,701	2025 42,615	(slight decline)
Shoreline	61,353	63,000 – 65,000 (moderate growth)	

Shoreline is notably larger with 18,600 more residents than Edmonds as of 2023.

Crime is roughly the same (shockingly I cannot believe it) between the 2 cities. Shoreline slightly higher but not much, according to ChatGPT.

10) Where is the Plan B?

Many good ideas and I will just state a few:

The 2026 budget was balanced with a \$6.0M hole and we have a number of items that bring more than \$6M into the City coffers.

Side issues to begin working on is 1) annexation of Experance, the City created a second police arm just for highway 99, if we were to annex it will drop the per capita. Earling and Scott James and Council looked into annexation in 2019 and Snohomish County would have had to pay the City \$1M for annexation due to staffing of police and animal control. That barrier seems to be solved.

2) finishing using the \$1.8M in infrastructure bonds that remains from the 2021 issuance.

3) pursue more aggressively the \$15M of ground management emergency services from the RFA. We gave away the \$6M of the expired contract so the City should go out for a RFQ for a new attorney so that the City can begin pursuing these contractual issues.

4) drop the contracting limit of the Mayor and staff and STOP the use of not accumulating contracts. The Public works director was paid \$313K and the Mayor was able to negotiate another contract with the same person without bring it forth to Council and the public as he is now managing the sewer plant and not all of Public Works.

The City continues to be TOP heavy expensive Directors created under Nelson and the simple majority in the 2022 budget.

5) Look at mess with sewer plant – the City had an all-in contract for about \$23M and where is the City on any potential lawsuits against the fulfilling its contract of a fully function sewer plant? The City is still shipping sludge and now a second Wastewater Treatment Plant worker has come forth with a “whistleblower complaint” regarding poor working conditions. We have a potential \$5.0M lawsuit from a former employee, yet recently Rosen hired the one person that convinced Council to move from the pyrolysis plant with an already 60% design costing \$1.5M with height allowance to this gasification plant. That same Director recently received over \$300K for his one year as a Public Works employee. This same Public Works Director was responsible for plugging Perrinville Creek in 2021 and that information can all be found in my previous Diane’s Corner expose.

6) we have developed a Plan B which is an alternative to move ISF funds to the General Fund. ISF funds are the 511 equipment rental and 512 technology fund which collects money from departments and is held for purposes to buy equipment or technology. The law only requires that the City have a 511 equipment rental account but funds can be transferred to the general fund which in 2020, the City transferred \$1.5 million to that fund (without Council approval).

7) Take the advice of the 2019 Housing Commission and get rid of the MFTE (multi-family tax exemption) incentives for developers which allows developers 12 years of tax free on property taxes if 10% of complex is priced as "affordable".