

PROP. 1 LEVY LID LIFT DISCUSSION

PRESENTED BY
EDMONDS CIVIC
ROUNDTABLE
&
MY EDMONDS NEWS

OCT. 6, 2025



WHY WE ARE
HERE

TO HEAR ARGUMENTS FOR AND AGAINST THE LEVY LID LIFT ON NOV. 4 BALLOT

Official General Election Sample/Provisional Ballot		
November 4, 2025		
Snohomish County, Washington		
City Nonpartisan Office	City Nonpartisan Office	City Nonpartisan Office
City of Bothell Council Position 5 Regular 4 year term - Vote for 1	City of Brier Mayor Regular 4 year term - Vote for 1	City of Edmonds Council Position 2 Regular 4 year term - Vote for 1
<input type="radio"/> Brittany Miles	<input type="radio"/> Dale Kaemingk	<input type="radio"/> Will Chen
<input type="radio"/> [Blank]	<input type="radio"/> [Blank]	<input type="radio"/> Jessica Bachman
City of Bothell Council Position 7 Regular 4 year term - Vote for 1	City of Brier Council Position 1 Regular 4 year term - Vote for 1	City of Edmonds Council Position 3 Regular 4 year term - Vote for 1
<input type="radio"/> Mark Swanson	<input type="radio"/> John Lockhart	<input type="radio"/> Erika Barnett
<input type="radio"/> Rami Al-Kabra	<input type="radio"/> [Blank]	<input type="radio"/> Alex Newman
<input type="radio"/> [Blank]	City of Brier Council Position 2 Regular 4 year term - Vote for 1	<input type="radio"/> [Blank]
City of Bothell Proposition No. 1	<input type="radio"/> Martin Krienke	City of Edmonds Municipal Court Judge 1 Short & Full 4 year term - Vote for 1
Renewal of Safe Streets and Sidewalks Levy Lid Lift	<input type="radio"/> [Blank]	<input type="radio"/> Neil Weiss
The Bothell City Council passed Ordinance No. 2456 concerning renewing the expiring safe streets and sidewalks levy lid lift.	City of Brier Council Position 3 Regular 4 year term - Vote for 1	<input type="radio"/> [Blank]
If approved, this proposition would authorize funding for the Safe Streets and Sidewalks Improvements and set the maximum total regular levy rate at \$1.65/\$1,000 assessed value in 2026. Improvements include street repairs, potholes and resurfacing; sidewalks, crosswalks and traffic safety infrastructure; and other projects, all as described in the Ordinance. The increased amount levied would carry forward in calculating levy limits for nine years through 2035. Qualifying seniors, veterans, and others would be exempt under State law.	<input type="radio"/> Mike Gallagher	City of Edmonds Proposition No. 1
Should this proposition be:	City of Brier Council-at-Large Regular 2 year term - Vote for 1	Property Tax Levy for Police, Parks, Planning, Streets and Sidewalks
<input type="radio"/> Approved	<input type="radio"/> Daniel Allen	The Edmonds City Council adopted Resolution 1574 concerning a property tax levy. This proposition would authorize the Edmonds City Council to increase the regular levy in 2026 up to \$1.65 per \$1,000 of assessed value; use the annual CPS-U to adjust levies in 2027-2031; dedicate proceeds to police, parks, planning, streets and sidewalks; exempt qualifying senior and disabled homeowners under RCW 84.36.381; and set the 2031 levy as the base for computing future levy limits.
<input type="radio"/> Rejected	<input type="radio"/> Shawn Parsons	Should this proposition be approved?
	<input type="radio"/> [Blank]	<input type="radio"/> Yes
	City of Edmonds Council Position 1 Regular 4 year term - Vote for 1	<input type="radio"/> No
	<input type="radio"/> Chris Eck	
	<input type="radio"/> Glenda Krull	
	<input type="radio"/> [Blank]	



PROPOSITION 1 OVERVIEW

Increases

Generate \$14.5 million for city services starting in 2026 by increasing property tax rates.

Revenue

Supports police, parks, planning, streets and sidewalks.

Tax increase

Raises the city's regular property tax levy rate from current \$0.72 per \$1,000 of assessed valuation to maximum of \$1.65 per \$1,000 in 2026.

Exemptions

Available for qualifying low-income, disabled and senior residents.

Tied to inflation

From 2027 – 2031, levy increase tied to inflation.

In 2032, the 2031 levy amount becomes new permanent base for calculating future 1% increase.

HOW EDMONDS' GOVERNMENT IS FUNDED



Property tax

Primary revenue source (28% of General Fund)

Sales tax

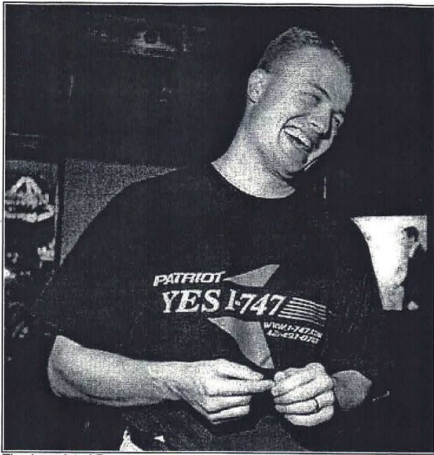
Variable, secondary revenue source (24% of General Fund)

Utility taxes, fees, permits and state and federal grants

Limited use and scope

HOW WE GOT HERE – LONG VIEW & BIG PICTURE

Home Page Stories Wednesday, November 7, 2001



The Associated Press
Tim Eyman, architect of Initiative 747, talks with supporters and campaign workers at the initiative's campaign party Tuesday in Bellevue.

Initiative 747

The property tax initiative passed handily. Of counties reporting as of 11pm Tuesday, King County voters were alone in voting down the measure.

No big box stores in Edmonds

- Lost sales tax opportunity.

I-747 limits property tax increases to 1% annually (2001)

- Property taxes do not keep pace with inflation, home values and other costs.

I-695 reduces car tab fees (1999)

- Significantly reduces road funding for local governments.

No state income tax

- Municipalities dependent on sales and property taxes.

HOW WE GOT HERE – RECENT VIEW



Spending outpaces revenue during COVID

- \$18 million surplus in 2021 drops to \$4 million by 2023.
- Fiscal emergency identified in April 2023, formally declared November 2023.

Revenue forecasts off, new state requirements

- Revenue forecasts for city are significantly out of alignment with expectations.
- New state requirements add to legally obligated costs.

Inflation

- Between 2021-2024, Consumer Price Index jumps 21.7%

2023



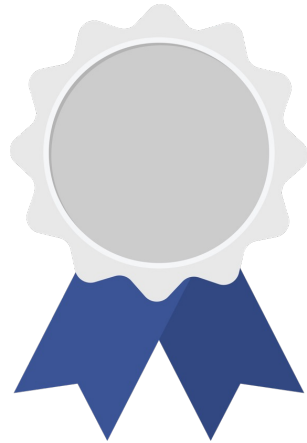
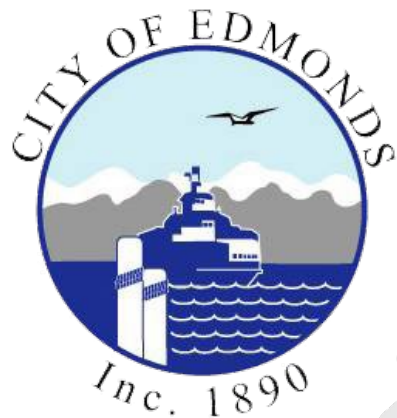
November

- City Council declares fiscal emergency after determining general fund balance is out of compliance with city policy.

December

- City uses one-time funds to balance budget and cover expenses.
- City depletes remaining reserves for 2024, uses one-time American Rescue Plan Act (ARPA) money (\$6.2 million) to achieve year-end balanced budget.
- South County Fire puts Edmonds on notice of intent to terminate contract for fire/EMS services Dec. 31, 2025.

2024



January

- Mayor Mike Rosen is sworn in.
 - Appoints volunteer Blue Ribbon Panel of experts to develop solutions.

March

- Rosen delivers State of the City and details severe financial problems.
 - City revenues grew by 27.8% while spending increased 44.9%
 - Revenue forecasts are off three years in a row
- Mayor announces hiring freezes and program cuts.

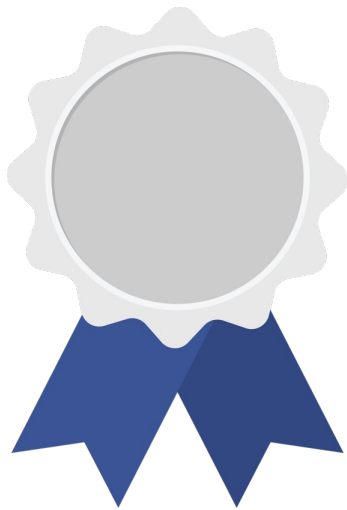
MAJOR FINANCIAL OBLIGATIONS



Rosen identifies:

- Significant increase in overall expenses.
- Higher costs for fire and emergency medical services.
- Funding for the state-mandated comprehensive plan.

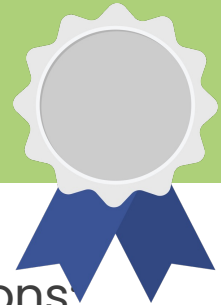
2024



April

- Blue Ribbon Panel chair presents strategies:
 - **Reduce expenses** by 25% to balance subsequent budgets.
 - Seek voter approval for **tax increases**, possibly for limited number of years.
 - **Borrow internally** – use one city fund to support another. Must be repaid with interest (\$6M = \$6.3 M in two years).
 - Investigate options for fire/EMS services, including **RFA annexation**.

2024 – BLUE RIBBON PANEL RECOMMENDATIONS

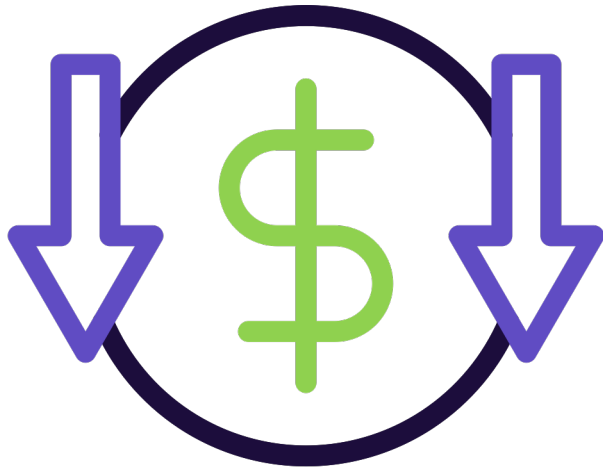
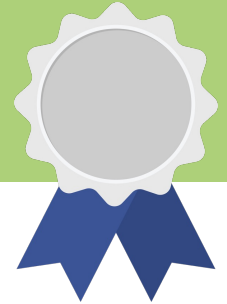


July

- Blue Ribbon Panel recommendations:
 - **Seek new sources of non-tax revenues:** i.e. red-light cameras, new parking fees.
 - **New taxes:** public safety sales tax, potential business and occupation tax, proposed cultural services tax.
 - **Expense reductions:** reduce head count, initiate furloughs, find professional services and other non-compensation reductions.



2024 – BLUE RIBBON PANEL RECOMMENDATIONS



July

- Blue Ribbon Panel recommendations:
 - **Recommend internal borrowing** for the 2025 budget
 - **Develop financial health model**
 - **Improve communication** with stakeholders
 - **Oversight:** Consider establishing standing city commission or committee to observe and advise city on financial matters.

2024



City of Edmonds
Community Survey
July 2024

July/August

- City releases community survey to prepare for priority-based budgeting.
- City hosts meetings to hear from community members.

2024



December

- Council agrees to place Regional Fire Authority annexation on **April 2025 ballot**.
- Council approves 2025-2026 budget that includes **\$9.8 million in cuts** and directs the mayor to find more cuts.
- Council approves **borrowing \$6 million** from utility fund to cover essential services in 2025.
- 2025-2026 budget assumes a **\$6 million levy lid lift** to cover essential services.

2025



April

- Edmonds voters approve Regional Fire Authority measure.

2025



June

- Council passes Resolution 1570, outlines cuts if \$6 million levy isn't approved.
 - \$1.8M in parks and recreation.
 - \$3.6M in police and public safety.
 - Elimination of human services program and staff.
 - Elimination of cultural service program and staff.
 - Reductions to street maintenance.
 - Reductions to facility building maintenance.

HOW THE COUNCIL GOT TO \$14.5 MILLION



July

- Mayor Rosen proposes \$19.5M based on staff requests to ensure key services are funded.
- Council subtracts \$5M, pledges to make that up with non-tax revenue generation.
- Council votes 5-2 to put Prop. 1 on November ballot.

TONIGHT'S DISCUSSION

Focus on facts

Voters are here tonight looking for information to make an informed decision. That is what we are striving to present.

Be respectful

We are asking all participants to be respectful of other other, listen and stay focused on the process and the problem, not the people or personalities.

Campaigning

Campaigning can take place outside. There are plenty of materials in the back.

