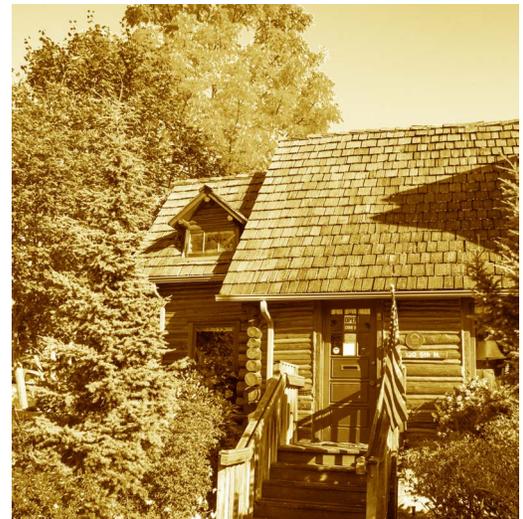
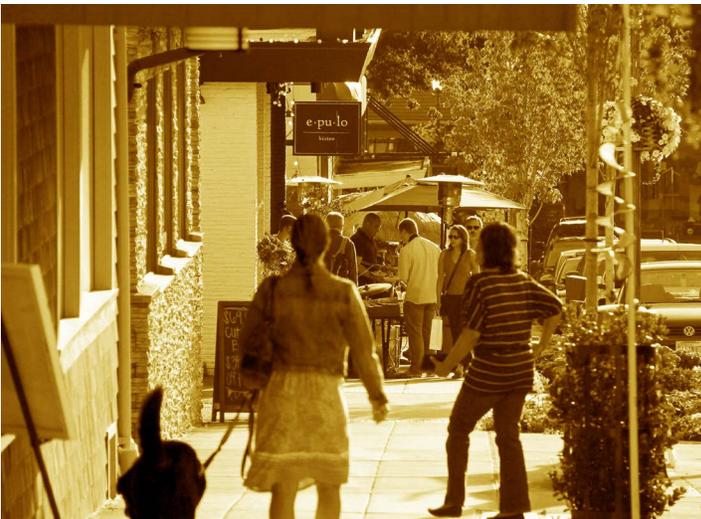


# 2017 CITIZEN'S REPORT

CITY OF EDMONDS  
WASHINGTON



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

# MESSAGE FROM THE MAYOR

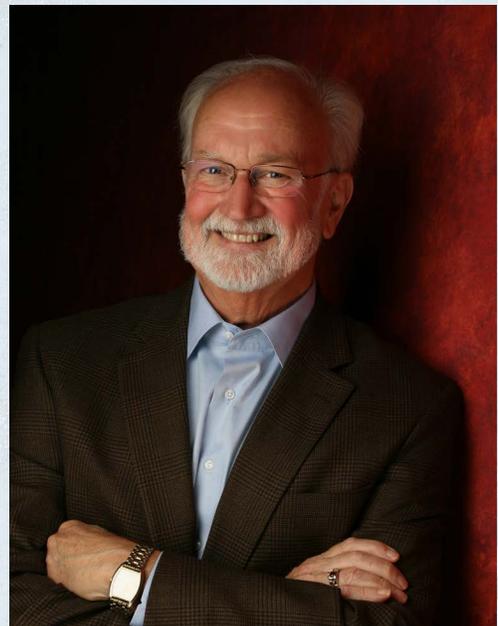
I am pleased to say we have come far from the hard times of the 2008 recession. After making dramatic cuts to the 2012 budget we have, over the past three years, steadily brought the city full circle to a healthy financial position. Simply put, the city is doing well.

With the help of an improving economy, along with key decisions we have made, we are successfully restoring staffing to address the many needs across the city and bring back service levels the community needs and expects. Key hires have been made in Public Safety, Finance, Parks, Public Works, and Human Resources.

We have also begun to address needs in many other areas such as: after a five year stint of neglect we have spent the past six years resurfacing our streets; after many years of minimal attention to our city buildings we have begun much needed repairs and maintenance; and even though it is not very “sexy”, we have done extensive improvements to our infrastructure, including water, sewer, and stormwater.

We have also been involved with larger projects which look to the future. They include the purchase and re-development of Civic Field; rethinking the design and major improvements for our two mile stretch of Highway 99; the new Edmonds Waterfront Center; and the Waterfront Access Project. These are all big projects whose time have come.

We have come far and have further to go, but through the diligent work of our City Council, Department Directors, and our fabulous and committed staff, we should all be proud of the progress city government has brought. In a quality community, we as a city government know we are only a portion of the success of Edmonds.



**Mayor Dave Earling**

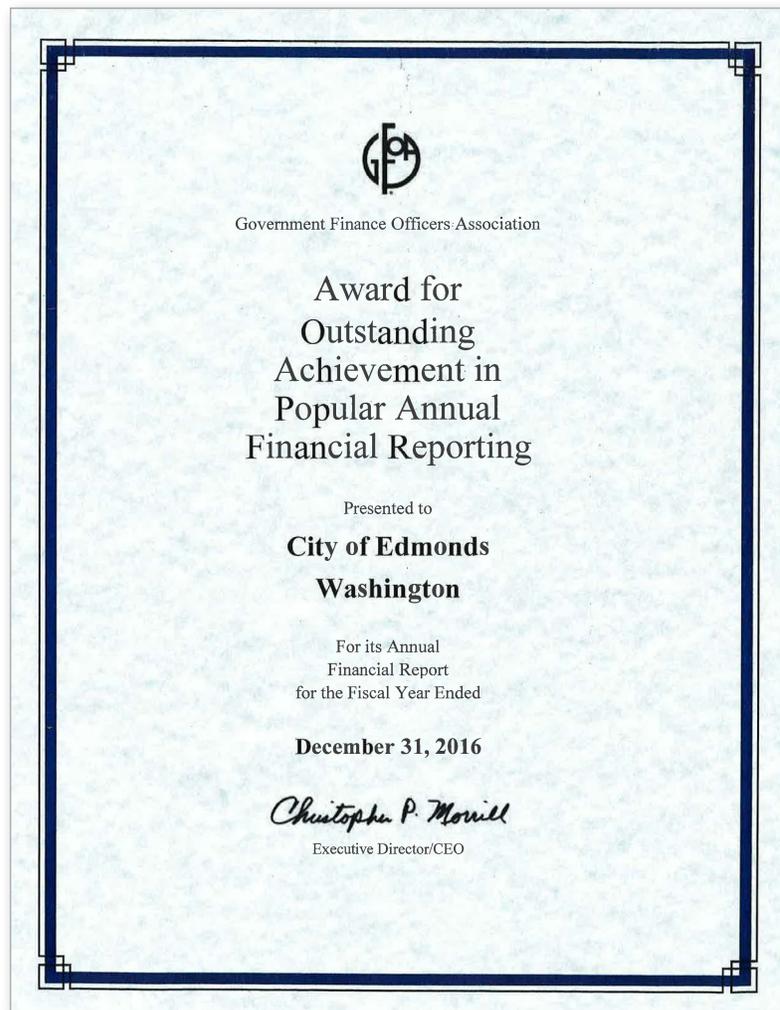
# WHAT IS A CITIZEN'S REPORT

**T**HE Edmonds Citizen's Report is designed to be an easy way to understand some of the basics of Edmonds' finances and local government. We have tried to make this document something that would be easy to read and accessible to all. The City also publishes a Comprehensive Annual Financial Report (CAFR), which provides financial information about the City in much greater detail. Both the reports are presented using generally accepted accounting principles, the standard framework for governmental accounting, but there are differences between the two reports. If you look at the City's CAFR, for example, you'll see that there we included the Edmonds Center for the Arts (ECA) as a "component unit" of the City, but for the Citizen's Report we did not include the ECA's numbers.

We want to emphasize that this report is intended to complement the CAFR, not to be a substitute for it. If you would like a copy of the CAFR, please visit [www.edmondswa.gov/financial-reports.html](http://www.edmondswa.gov/financial-reports.html)

Thank you for your interest, and we hope you enjoy looking through our second annual Popular Annual Financial Report, also known as the Citizen's Report!

Assistant Finance Director  
Dave Turley



# MEET YOUR CITY OFFICIALS

**A**LL Council positions are at-large positions. The Edmonds City Council meets as a body of the whole on the first, third, and fourth Tuesdays each month starting at 7:00 PM, and meets the second Tuesday of every month in Committee. Council meetings are held in the Public Safety Complex located at 250 5th Avenue North in Edmonds and are open to the public.



Councilmembers (from left) **Mike Nelson** (2015-21), **Diane Buckshtnis** (2010-19), **Dave Teitzel** (2016-19), **Kristiana Johnson** (2012-21), Mayor **Dave Earling** (2012-19), **Neil Tibbot** (2016-19), **Adrienne Fraley-Monillas** (2010-21), and **Thomas Mesaros** (2014-19)



**Dave Earling**  
Mayor



**Patrick Doherty**  
Economic Development Director



**Al Compaan**  
Police Chief



**Carrie Hite**  
Parks and Recreation Director



**Phil Williams**  
Public Works Director



**Linda Coburn**  
Municipal Court Judge



**Mary Ann Hardie**  
Human Resources Director



**Scott James**  
Finance Director



**Shane Hope**  
Development Services Director



**Scott Passey**  
City Clerk

# 2017 POPULAR EVENTS



## DID YOU KNOW?

Edmonds operates under a Council-Mayor form of government, with all officials elected by voters of the city.

The City grew out of a homestead and logging operation started by George Brackett in 1876 and incorporated in 1890. Up until the 1940's, the primary industry in the city was the production of shingles.

Edmonds also has a Sister City in Japan. Edmonds and the City of Hekinan, Japan established a sister-city relationship in 1988. The goal of having a sister city is to foster exchanges that reflect our intercultural focus between business, education, and nonprofit organizations in the local area.

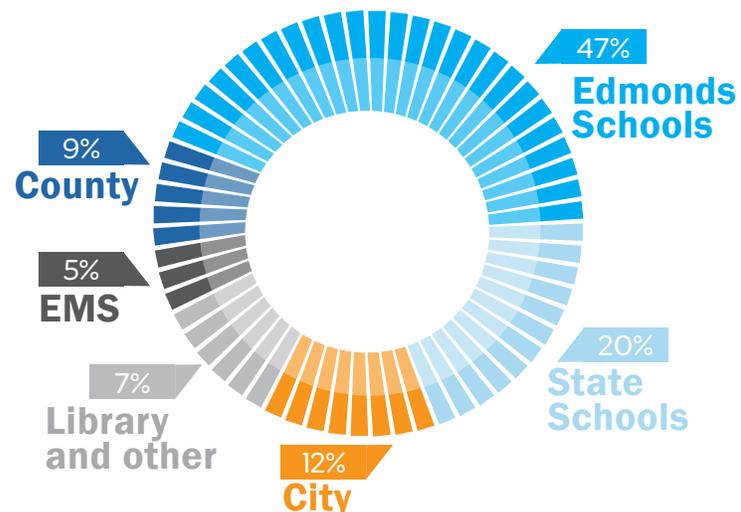
# 41,260

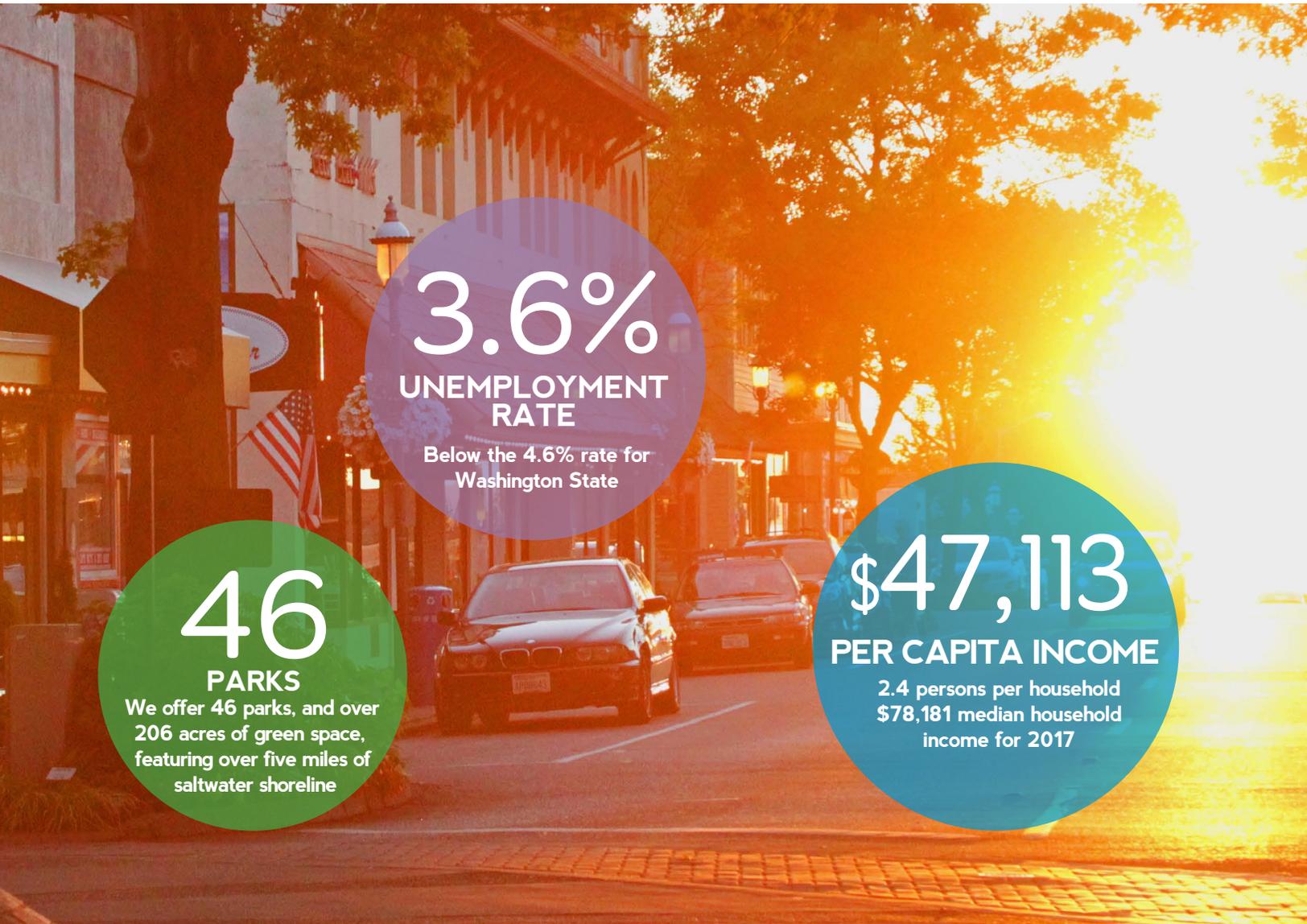
## POPULATION

Edmonds' population estimate for 2017 making it the 25th largest city in Washington and the 3rd largest in Snohomish County.

## WHERE DO YOUR TAXES GO?

Do you know where your property taxes go? Many people are surprised to learn that only about 12% of their property taxes go to the City of Edmonds. About 47% goes to the Edmonds School District, and 20% goes to the State.





3.6%

UNEMPLOYMENT  
RATE

Below the 4.6% rate for  
Washington State

46

PARKS

We offer 46 parks, and over  
206 acres of green space,  
featuring over five miles of  
saltwater shoreline

\$47,113

PER CAPITA INCOME

2.4 persons per household  
\$78,181 median household  
income for 2017



New home and commercial  
construction has added \$43.5  
million to our assessed property  
values. Average residence  
assessed value; \$474,800.



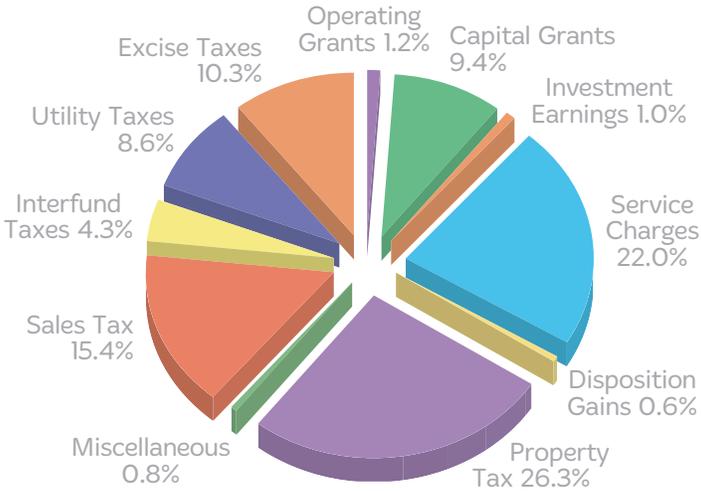
Total student enrollment. The  
largest portion of property  
taxes goes to schools.



Number of square miles.  
Also, 145 miles of streets, 138  
miles of water mains, and over  
10,000 utility customers.

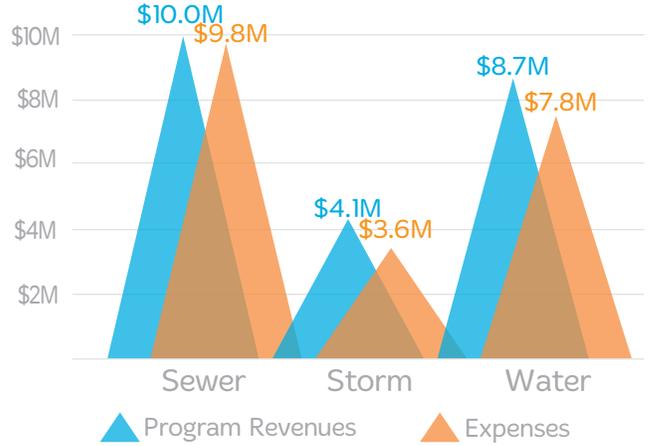
# WHERE DOES THE CITY GET MONEY?

This chart summarizes the government activity revenue by source. Total government-wide revenues of the primary government increased \$4.1 million or 5.5%.



# BUSINESS TYPE ACTIVITIES

The business type activities are the water, sewer, and storm funds. Governmental activities are things like the general fund, the police department, and the parks department.



# WHERE DOES THE CITY SPEND ITS MONEY?

Not two cities are alike. For example, some cities have both a Police and a Fire Department. Some, like Edmonds, don't operate a Fire Department. Some cities operate golf courses, airports, or transit systems. You might find it interesting that 1 out of every 3 City employees works for the Police or the Municipal Court. And another 22% of City employees work in a department that provides some sort of business type of service, such as providing water or sewer services. The City of Edmonds has two general categories of spending.

About two-thirds of what the City spends goes for general government activities, like providing Police protection, parks and recreation services, or building and maintaining streets, which is mostly paid for out of general revenues. The remaining one-third of what the City spends goes for business-type activities. In the case of Edmonds, the City provides water and sewer services to customers and maintains a stormwater system which is mostly paid for out of fees charged to customers. The breakdown between governmental and business type activities looks like this:



# REVENUES, EXPENSES AND NET POSITIONS

REVENUES	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues:						
Charges for Services	\$11,852,411	\$ 9,862,952	\$22,771,153	\$20,863,573	\$ 34,623,564	\$ 30,726,525
Operating grants and contributions	666,620	382,596	20,602	79,189	687,222	461,785
Capital grants and contributions	5,058,911	5,937,285	2,282,014	2,485,875	7,340,925	8,423,160
General Revenues:	14,140,797	14,657,369	-	-	14,140,797	14,657,369
Property taxes	8,255,039	7,814,209	-	-	8,255,039	7,814,209
Sales taxes	2,301,442	2,191,481	-	-	2,301,442	2,191,481
Interfund utility taxes	4,649,111	4,572,918	-	-	4,649,111	4,572,918
Utility taxes	5,521,504	5,163,781	-	-	5,521,504	5,163,781
Interest and investment earnings	558,862	(582)	47,270	131,933	606,132	131,351
Miscellaneous	454,259	479,823	-	20	454,259	479,843
Gains on disposition of assets	308,580	135,591	2,500	-	311,080	135,591
Total revenues	\$53,767,536	\$51,197,423	\$25,123,539	\$23,560,590	\$78,891,075	\$74,758,013

EXPENSES	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Governmental activities:						
General government	11,861,913	10,617,051	-	-	11,861,913	10,617,051
Public safety	22,952,541	20,590,459	-	-	22,952,541	20,590,459
Utilities and environment	174,237	161,755	-	-	174,237	161,755
Transportation	5,197,489	6,115,715	-	-	5,197,489	6,115,715
Economic environment	1,594,100	1,421,122	-	-	1,594,100	1,421,122
Mental and physical health	126,791	70,814	-	-	126,791	70,814
Culture and recreation	4,965,274	4,527,224	-	-	4,965,274	4,527,224
Interest on long-term debt	68,532	146,942	-	-	68,532	146,942
Business-Type activities:						
Sewer Fund	-	-	9,770,914	10,672,276	9,770,914	10,672,276
Storm Fund	-	-	3,570,534	3,393,990	3,570,534	3,393,990
Water Fund	-	-	7,782,236	7,409,006	7,782,236	7,409,006
Total expenses	46,940,877	43,651,082	21,123,684	21,475,272	68,064,561	65,126,354
Change in net position before transfers	6,826,659	7,546,341	3,999,855	2,085,318	10,826,514	9,631,659
Transfers	-	10,907	-	(10,907)	-	-
Change in net position	6,826,659	7,557,248	3,999,855	2,074,411	10,826,514	9,631,659
Net position - beginning	94,265,873	86,708,625	71,655,568	69,581,157	165,921,441	156,289,782
Special Item - See Note 2	(795,392)	-	-	-	(795,392)	-

NET POSITION	\$100,297,140	\$94,265,873	\$75,655,423	\$71,655,568	\$175,952,563	\$165,921,441
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**Y**OU can see that Net Position for governmental activities increased by \$6 million, while the total change in net position of the City increased by \$10 million. These increases are due to a strong local economy, strong sales tax and property tax bases, and City management's continued diligence to manage expenses.

Edmonds continues to be in a good position to be able to provide services to its citizens and customers.





## EDMONDS

Edmonds is located in Snohomish County in western Washington State, about 15 miles north of Seattle and 18 miles southwest of Everett, in the southwest corner of the County. Edmonds has incredible scenery, including Puget Sound and the Olympic Mountains to the west, and on a clear day you can see Mt. Rainier, about 75 miles to the southeast.

## EDMONDS CENTER FOR THE ARTS

The Edmonds Center for the Arts (ECA) serves as an artistic focal point for the community, hosting outstanding performing artists from around the world. In 2017, performers included The Four Tops, Randy Newman, The Indigo Girls, and Arlo Guthrie. The ECA also provides space, production management, and technical expertise for a variety of community partners and rental clients, and serves more than 75,000 patrons who enjoy the facility annually.



# GOVERNMENTAL ACCOUNTING TERMS

**Assets** are resources that the City controls that have some sort of a service capacity for the City.

**Capital Assets** are things other than money that will last longer than a year, and are used to provide products and services to the City and its residents.

**Change in Net Position** is the increase or decrease in the net position from one year to another and can be used as a guide as to whether the City's financial health is improving or declining.

**Current Assets** include cash and things that are like cash, because they are available and can be used to reduce liabilities within a year.

**Deferred Inflows of Resources and Deferred Outflows of Resources** represent flows of resources into and out of the City that are related to a future period. Examples of this are things like prepaid expenses, where we have paid for something that will give us a benefit next year; and money that we received from a grantor this year to do a project, and we will be doing most of the work on the project next year.

**Fund Balance** is the net position of a City governmental fund, such as the General fund, or a group of funds.

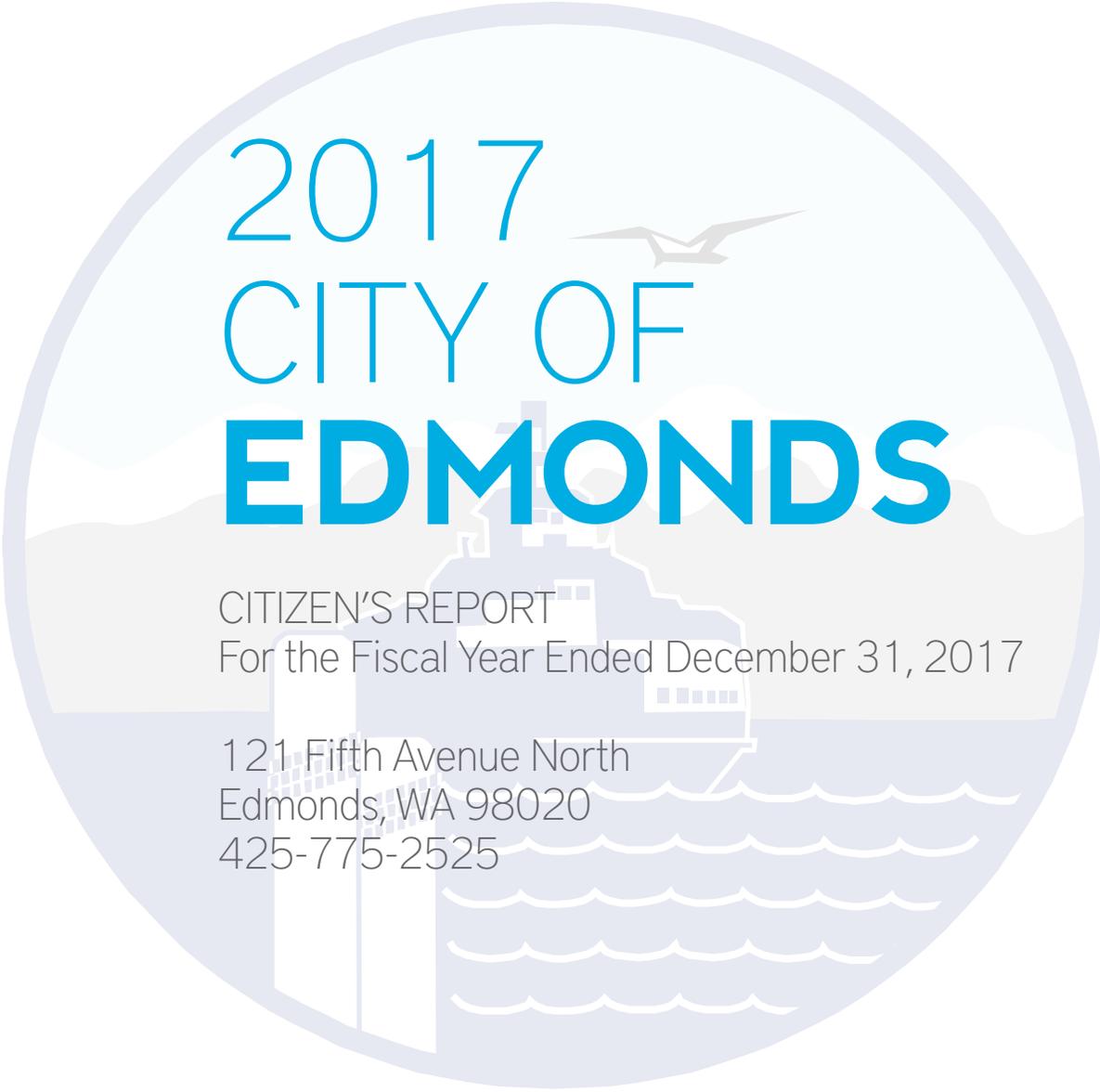
**Liabilities** are obligations of the City to other entities, such as amounts the City

owes to employees, suppliers, or bond holders. Liabilities can be short-term like salaries and wages (short-term debt is typically due within a year) or long-term like bond indebtedness that is not owed this year (long-term debt is typically due in a year or more).

**Governmental Funds** are those funds that are normally supported by taxes and intergovernmental revenues, and are reported separately from Business-Type Funds, which rely to a greater extent on fees and charges that are directly related to the service that is being provided. For example, governmental funds are sales taxes and property taxes come in to the City and can be used to pay for things like the Police Department and the Parks and Recreation Department. The City also has Utility Funds, which are Business-Type Funds because they provide a service that they charge for. When a customer pays their water bill to the City, the City can only use that money in the Water Utility Fund. The City can't use that money to fund the Police or Parks Departments.

**Government-wide Reporting** is a presentation of all of the City's funds grouped together as if they all were combined into one single fund which provides a consolidated view of the City's financial activities and uses the accrual basis of accounting.

**Net Position** is assets (and deferred outflows) minus liabilities (and deferred inflows). This is similar to Owner's Equity in a for profit business.

A circular graphic with a light blue background. In the center, there is a stylized cityscape with a prominent building. Below the cityscape are wavy lines representing water. A seagull is flying in the upper right quadrant of the circle. The text '2017 CITY OF EDMONDS' is overlaid on the graphic. '2017' is in a light blue, sans-serif font. 'CITY OF' is in a slightly larger, light blue, sans-serif font. 'EDMONDS' is in a large, bold, dark blue, sans-serif font.

2017  
CITY OF  
**EDMONDS**

CITIZEN'S REPORT  
For the Fiscal Year Ended December 31, 2017

121 Fifth Avenue North  
Edmonds, WA 98020  
425-775-2525