CITY OF EDMONDS ANNOUNCES HIRING FREEZE

(Edmonds - WA) With the City of Edmonds facing a projected deficit of approximately $1 million in 2013, and increasingly larger deficits in future years, Mayor Dave Earling announced a hiring freeze effective immediately. The City’s five year financial projections originally anticipated a deficit of $813,000 in 2013. This amount has grown to over $1 million with the adoption of the State budget that calls for a discontinuance of distributions to cities of liquor excise taxes. This will result in the loss of $211,000 of revenue per year. The State also capped any future growth in distribution of liquor profit sharing to cities, resulting in the loss of projected increases in future years.

The projected deficit of $1 million in 2013 quickly grows to approximately $3 million in 2016. This is the result of flat or minimal growth in the City’s largest revenue sources, and expenses that are projected to grow by over 3% per year for the foreseeable future. It is anticipated that City reserves could be depleted by 2016 if the current projections are met.

The City will begin the formal budgeting process for 2013 this summer. A hiring freeze now is made in anticipation of potential service reductions that could be necessary in the future given the state of the City’s finances. Mayor Earling will consider limited exceptions to the hiring freeze based on staffing needs for certain essential services the City provides to residents and businesses in Edmonds.