



CITY OF SEATAC APPROVES 2011 ANNUAL BUDGET

Difficult choices made in order to balance services and city's fiscal integrity

City of SeaTac, Wash. (December 15, 2010) – The SeaTac City Council last night adopted the annual budget for 2011. The City Council held five budget workshops between July and December. The preliminary budget for 2011 was presented during a public hearing in conjunction with the workshop on December 6. The expected budget shortfall going into deliberations was \$2.3 million.

According to City officials, even with the City's history of fiscal responsibility, difficult choices were required in order to provide services that support a healthy, safe, secure and livable city for residents and businesses while taking into consideration the impact of declining revenues resulting from the economic downturn.

"In recent years the City of SeaTac took great steps to reduce expenditures in anticipation of the challenging times ahead," said Todd Cutts, Interim City Manager. "Indications are that the recovery will take a very long time. As a result the City has been forced to take a most difficult step and reduce the number of employees on payroll."

The City is experiencing decreasing revenues from declining air travel, impacting sales tax, parking tax and lodging tax; decreasing Real Estate Excise Tax (REET) due to the continued slowing of property sales; property tax revenues (41 percent of the City's general fund) that are limited to annual increases of one percent; and sales tax (30 percent of the general fund) continuing to be slow to recover to previous levels.

In order to balance the budget the City will lay off six full-time positions that are currently filled, while two full-time and three part-time positions that are vacant will not be filled. The staffing changes result in a savings of \$1 million. Additionally, the City is transferring \$920,000 of Port of Seattle construction sales tax, previously designated for capital projects, to the General Fund, as was done in 2010. The City will save \$360,000 in non-personnel reductions. In announcing an agreement with the Kent Regional Fire Authority, the City will save more than \$100,000 without any change in service or

protection. In lieu of cost-of-living increases the City will provide five days of furlough to its non-represented staff.

The City is committed to several capital investments in the 2011 budget including Valley Ridge Park playground equipment, the construction of several pedestrian and transportation improvements, upgraded fire equipment and vehicles to serve the community, and a new roof for the community center.

“This budget, while challenging, provides the operating and capital budgets that are in keeping with the City’s goal of delivering the highest level of services possible, while making the required strategic investments for the future,” said Cutts.

About the City of SeaTac:

Incorporated in February 1990, the City of SeaTac is located approximately midway between the cities of Seattle and Tacoma. The City of SeaTac is 10 square miles in area and has a population of 25,230. The City of SeaTac is a vibrant community, economically strong, environmentally sensitive, and people-oriented. The City boundaries surround the Seattle-Tacoma International Airport, (approximately 3 square miles in area) which is owned and operated by the Port of Seattle. For more information contact Jeff Robinson, interim assistant city manager, at (206) 973-4812.

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