



News Release

CITY OF MOUNTLAKE TERRACE

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Early Budget Restrictions Allow City to Maintain Services

2008 Financial Report Indicates Success Through Cost Saving Measures

MOUNTLAKE TERRACE—In the final 2008 financial report to the City Council, City Manager John Caulfield stated that 2008 was another successful year for the City of Mountlake Terrace in spite of unprecedented times for the economy.

“The city has met its 2008 financial objectives as projected to carry forward into our 2009-2010 budget,” noted Caulfield. “In addition, the city’s reserves are strong with financial resources set aside to accommodate unexpected operational changes, legislative impacts, or other economic events affecting the city’s operations.”

While bottom line 2008 financial objectives were met, General Fund revenues fell short of budgetary projections by approximately 3.3% due to slow holiday sales and the closure of the Silver Dollar Casino. However, cost saving measures implemented last fall including not filling vacant positions (except for police patrol), postponing department directors’ cost-of-living increases, voluntary reduced hours by employees, and restrictions on all discretionary and overhead spending allowed the city to make up the shortfall without an impact to services.

With slower than projected revenue growth, especially sales and gambling tax receipts, the cost saving strategies will continue into 2009 and 2010 to ensure the city’s financial objectives are met in coming years as well as to ensure that

no services are reduced or eliminated while maintaining the current level of services enjoyed by the community.

The city will continue to focus on economic development, primarily in its commercial areas including the downtown, to generate additional property and sales taxes and ease the burden on its residents to support essential services.

After productive meetings with representatives from the U.S. Congress and State Legislature on the city's aging infrastructure, over \$2.4 million in state and federal dollars has been allocated for reconstruction of streets and utilities. This outside funding enables critical work to be completed, while saving local funds for basic services. The weak economy has also produced a competitive and favorable bidding environment with many projects coming in significantly under the estimated cost of construction included in the budget.

Despite the current economic volatility, services for residents have been maintained at current levels. The City Council is moving forward to implement its economic development initiatives, leverage additional resources through partnerships with state and federal funding sources, and stretch dollars as much as possible. At this time, no services are expected to be reduced or eliminated.

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