



# **News Release**

## **CITY OF MOUNTLAKE TERRACE**

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## **Mountlake Terrace Meeting Financial Objectives** ***Mountlake Terrace Second Quarter 2010 Financial Report***

MOUNTLAKE TERRACE—On Monday, August 16, City Manager John Caulfield provided a report to the City Council detailing the city's 2010 finances and performance measures from January 1 through June 30. The second quarter of 2010 was another successful quarter for the City of Mountlake Terrace, both from an operational and financial perspective reflecting its sound financial and management policies. Overall, most financial projections are tracking consistent with the 2010 budget and the six-year financial forecast.

In his report to Council, Caulfield noted that the City of Mountlake Terrace recently received a favorable 'AA' rating with a stable outlook from Standard & Poor's. The rating report noted that the city has used effective financial policies and practices, including quarterly financial performance reviews and a six-year forecasting model. "This kind of result starts at the top with strong and effective leadership from the City Council," Caulfield said. "We've turned a crisis into opportunities by focusing on priorities and partnerships such as administrative support for SNOCOM and providing fleet management for the cities of Brier and Shoreline."

Caulfield cautioned, however, that in the future local governments are expected to face more challenges. "The city has maintained fiscal discipline while maintaining services during the most turbulent times in recent history," Caulfield said.

In 2008, the city began putting a number of steps in place to reduce costs. These steps included curtailing, and in some instances, eliminating discretionary spending. These steps have continued into 2010.

Although the city has been holding its own since economic conditions took a turn for the worse in 2007, revenue collections have declined almost \$1.1 million or 7.1% between 2006 and 2009, reflecting the impact the recession is having on city finances. This downward trend is projected to continue into 2011 and beyond.

Even though the city continues to meet its operational and financial objectives through June 2010, general fund revenues are under budget by \$297,799 or 4.0%. Operating expenditures savings are under budget by \$442,609 or 6.0%, more than offsetting the slower than anticipated revenue collections.

It is imperative that the city continue its proactive approach on controlling costs since it is unlikely that revenue collections will increase anytime in the near future. The city's effectiveness in managing its financial resources during one of the most difficult economic times in several generations is a positive reflection upon the organization and its leadership. Successful strategies include a balanced budget; a 6-year financial forecast; ability to maintain current levels of service; an aggressive and proactive capital improvement plan; strong reserves; implementation of sound financial policies; and the implementation of action strategies and preventative measures to ensure the city lives within its means.

Councilmember Kyoko Matsumoto Wright remarked, "I am amazed at what we've done. We're actually doing such a good job. Other cities are envious of our position."

More information on the 2010 2nd quarter reports on finances and performance measures can be found on the city's website at [www.cityofmlt.com](http://www.cityofmlt.com). Go to City Services, Finance/Budget, Reports and Presentations.

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