
MAYOR'S MESSAGE

January 2017

Redmond City Council and the Redmond Community:

It is my pleasure to present the City of Redmond's biennial budget for the years 2017 and 2018. This is my fifth budget developed using the community's priorities as our framework. While a budget is traditionally a spending plan, our budgets here in Redmond have become much more. In this message I will summarize how we align our resources with the interests and ideals of our community while continuing to move the City forward. This budget funds those programs that our community finds most important, maintains past investments, and reinforces continued improvements in how the City delivers value to the Redmond community.

Community Priorities

We continue to utilize the six priorities identified by the 300+ community members in 2008 as the foundation of our financial planning. These priorities:

- a vibrant economy;
- a diverse and connected community;
- a commitment to staying "clean and green";
- support for infrastructure that keeps pace with growth;
- a responsible and responsive government; and
- a safe community;

have been affirmed in subsequent surveys as well. The community priorities form the basis for how we think about the goals for the future and the resources necessary to pursue and achieve those goals.

The community's influence on the budget continues with an annual, statistically valid survey conducted each budget year. The most recent survey confirmed progress on many fronts but also identified areas where our residents are looking for improvement. We've worked to provide that focus with the recommendations in this budget.

For the second time, we've also provided an on-line tool to gather additional community input regarding priorities and choices for City investment. The "Your City / Your Choice" website registered over 750 visits by community members (residents, business owners and those employed in Redmond). The on-line tool was enhanced this year to offer more focused feedback on how the City's resources should be allocated. Other in-person input opportunities helped frame our approach as well. These included the "Neighborhood Conversations" held last year

around the community, the National Night Out with sixty-one community events and the traditional public hearings on the budget.

Investments

Preserving our neighborhoods. We continue to hear from Redmond residents that they want to continue to enjoy our evolving network of strong neighborhoods. Consequently, the preservation of Redmond's neighborhoods is one reason we've invested in growing our urban centers. With future growth directed to the urban centers, the pressure for development of the residential neighborhoods is mitigated. However, we need to keep the quality of City amenities in these neighborhoods strong as well. As a result, this budget invests in neighborhood sidewalk and roadway preservation. In addition, we are adding and converting resources for our police department to address growing property crime and related investigations.

To address the growing concern over homelessness, the related human service programs that the City has traditionally supported will benefit from additional investment as well. The part-time homeless coordinator position has become a full-time regular position. We experimented with this balanced approach this past summer and it has proven to be an effective way to address concerns while providing the needed support and guidance to those who are struggling. We also heard the significant need for affordable housing, and allocated one-time revenues to help increase the supply of affordable housing. In addition, we are incorporating the Human Services Commission's recommendation to increase the city's ongoing support for human services agencies consistent with our strong partnership efforts to date.

Environment: Keeping it Green. The Redmond community also wants us to maintain the beautiful environment we've long appreciated. We are increasing our implementation of a "low impact development" approach to help preserve our environment while growth and development continue. This initiative adds two technical employees to plan for and then inspect development projects to reduce their impact on our environment. In addition, we will perform studies to gather data to understand our environment better. This work will enable us to make the best choices about maintaining a healthy environment in the face of continued development.

Clean, reliable drinking water has become a top concern in light of several problems around the country and the region. We have added an indicator to our performance system that clarifies that Redmond's drinking water remains safe. We added an employee focused on continued protection of the City's groundwater system – a critical element of our safe drinking water strategy.

We have included resources to maintain the new trails, parks and landscaping. This includes a parks maintenance employee as well as needed supplies and equipment. We have also added resources to the very successful Green Redmond Partnership as well as continuing investments

in Redmond's tree canopy. We are increasing resources to partner in our solid waste program goals of reducing, reusing and recycling as well.

Investing in the Future. As discussed above, a key strategy to protect our existing neighborhoods has been to direct growth to the City's two urban centers, Downtown and Overlake. We first focused on downtown with investments in utilities, roadways and now parks. These investments have contributed to the vibrancy in residential, retail and commercial development in our downtown. While these projects are wrapping up over the next few years, we now focus our attention on the Overlake urban center. Investments in utility systems have already begun and additional capital projects in transportation systems will increase. Thanks to strong partnerships with Sound Transit, the State of Washington and Microsoft, this budget includes several collaborative investments to improve access to this urban center and keep pace with the anticipated growth that will occur there.

While growth is occurring, it remains important to preserve past infrastructure investments. The first comprehensive review of City facilities was conducted last summer. In the resulting report we catalogued several needs to preserve City buildings and facilities and increase their useful life. This budget sets aside limited resources to address the most acute needs. In addition we have begun to identify resources and develop strategies to address the longer-term, more challenging issues.

Organizational Excellence.

As reported to Council last year, we've been working to improve the performance of City government in a variety of ways. This work started with a focus on those things the community valued (our budget priorities) and a strong community voice in our decisions. We've since added accountability for the results our community expects. As with the last budget, each budget offer includes a "logic model" – a type of road map – showing the purpose of the budget program and how we will demonstrate its value. We have improved the quality and relevancy of this work in this budget, as well as added a new "dashboard" of community outcomes related to the budget priorities.

Other organizational improvements include a new "Customer Service Center". This effort will relocate four existing city staff to a new counter location on the first floor of City Hall. Here, customers will find quick access to a variety of municipal services or be directed to the best location for more involved needs. Other department reorganizations are focused on putting more resources into front-line service to our community as well. As an example, the Police and Parks departments are reorganizing to maximize service delivery to better address neighborhoods' needs.

The Budget

The total budget for 2017-2018 is \$679 million, a 3.6% increase over the past biennium. Of this amount, \$132 million is for capital improvements such as roadways, parks, trails and sidewalks, which represents an increase of \$26 million or 20%. The budget includes converting limited duration positions and adding eight positions primarily focused on new environmental initiatives (low impact development), community safety and maintaining new investments in our parks and environment (surface water facilities). Despite the addition of the new positions, City employment compared to population continues to decline from a high of 13 full-time equivalent employees per 1,000 population in 2007-2008 to 11.1 in 2017-2018.

The City's "Price of Government" (the "price") continues to decline as well. This ratio compares total city revenues to community income. From 1998 through 2013, it hovered between 5% and 6%. The "price" dropped in 2014 to 4.9% and with this budget, the "price" continues to decline. That said, we have included a .95 percent increase to the property tax and a CPI increase to business license fees, in keeping with the Council's adopted long-term financial strategy.

Conclusion

This is my fifth budget as Mayor of the City of Redmond. I'm very proud of what we've accomplished together in the past, and am committed to pressing for more value in the delivery of service to the community for the future. In each budget we work to "up our game" and provide more of the community's priorities for a lower "price of government". We strive to provide accountability for results – results that matter to our residents, businesses and visitors. We are able to accomplish this working together as a team of employees, community and leaders. The strong commitment to this teamwork by the Redmond City Council has been an integral part of our success. I encourage you to share your questions and suggestions on the community issues that are important to you and the services we provide. You can contact me by phone at (425) 556-2101 or email at mayor@redmond.gov.

Sincerely,

A handwritten signature in blue ink that reads "John Manchione". The signature is written in a cursive style with a large, looped initial "J".