



Snohomish County
County Executive's Office

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Reardon sets price of Snohomish County government at 1.5 percent of citizens' gross income

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*Figure has remained stable for past decade; County revenues slow
in tandem with personal incomes as unemployment high*

LYNNWOOD – For each dollar a Snohomish County citizen earns, a penny-and-one-half goes to pay for County services.

That's the average price of County government, Snohomish County Executive Aaron Reardon told members of the South Snohomish County Chamber of Commerce who gathered this noon to hear the Executive outline his administration's first 100 days in office.

The 1.5 percent of gross earnings figure is significant, for it has stayed virtually constant for Snohomish County's taxpayers during the past 10 years. Reardon pledged that as his administration develops its no-new-taxes 2005 budget that spending will not exceed that percentage - even though the County faces a worst-case \$16.6 million budget deficit next year.

So, on average, a Snohomish County family with a gross income of \$40,000 will still pay about \$600 in taxes, fees and charges to the county.

"We needed to establish with some definition how much Snohomish County citizens pay for County services today - before getting on with writing our 2005 budget," Reardon said. "We now know that the figure is 1.5 percent of gross earnings - and it has been at that level for 10 years.

"My administration's job is now to produce a budget that stays within that figure, but still maintains priority County services."

Reardon said that people might think the County takes in more tax revenues than 1.5 cents on the dollar. But he pointed out that Snohomish County does not keep all the property tax dollars it brings in, passing revenues through to school districts, cities and port districts.

Reardon told Chamber members tough budget decisions are ahead for the County as it undertakes a priority-based budgeting process that last year helped the State of Washington close a \$2.6 billion deficit without tax increase. When Snohomish County's economy sagged and unemployment soared above 8 percent in mid-2003, growth in personal income slowed, too.

The slowdown in personal income comes at a critical time for the County because it is bringing a new jail on line in 2005. Reardon said the new jail will be paid for out of existing revenues after Snohomish County citizens twice turned down proposed tax packages to finance its operation.

Reardon told Chamber members that his answer to County spending problems is priority-based budgeting, which offers a top-to-bottom review of everything government does. It starts by focusing on results that citizens want from government, not on how to cut the previous year's budget.

Much of the groundwork has already been laid for creating a priority-based budget in Snohomish County – which becomes one of the first municipal governments in the nation to undertake such a project.

Snohomish County has been working with Minneapolis-based Public Strategies Group (PSG) on priority-based budgeting. PSG was hired by the State of Washington to work on its priority-budgeting effort last year. Peter Hutchinson, PSG president, has already met several times with Reardon, Executive Office staff and the Finance Department's budget team to ready the County's priority-budget process.

Hutchinson has also meet with independently elected Snohomish County officials to explain how a priority-based budget is developed.

Reardon was elected Snohomish County Executive in November. Since then he has won praise from a variety of organizations for moving ahead with priority-based budgeting. The Washington Roundtable, whose members include the state's largest home-based corporations; the Association of Washington Business; and the Washington Research Council have all endorsed Snohomish County's process.

In addition, the five-member Snohomish County Council unanimously endorsed the priority-based budgeting process.

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