

ASSOCIATION OF NORTHEAST WASHINGTON MAYORS

February 2, 2015

Members of the Northeastern Washington Legislative Delegation:

The mayors of many of the cities of Northeast Washington have been meeting regularly for the past several years to discuss issues and to share information about how to address our residents' service needs in a time of continuing budget challenges. A common theme for all of us is the loss of revenues shared by the state and how that has impacted our communities. In the past two biennium the Legislature has redirected more than \$200 million in liquor revenue away from Washington's cities and counties, and since 2009 has diverted more than \$1 billion from the Public Works Trust Fund.

As mayors it is our duty to be advocates for our city residents and to act in their best interests. While most of our cities have our own legislative agenda, to be more effective we have come together; and for the first time, have formed a coalition in order to be helpful to you, our elected state representatives and senators, in identifying what the cities in your district need.

Our joint priorities are for the state to restore shared revenue to cities, stop raiding money in the Public Works Trust Fund, and enact a state transportation funding package.

First, we request your support and work toward full restoration of state-shared revenues to cities, and specifically, liquor revenue. Liquor profits and taxes have been shared with cities for more than 80 years. Initiative 1183, approved by the voters in 2011 to privatize liquor sales, set into law these words: "Maintain the current distribution of liquor revenues to local government, and dedicate a portion of the new revenues raised from liquor license fees to increase funding for local public safety programs."

Instead, liquor revenues to cities were cut, starting in 2011, which so far has resulted in the loss of almost \$10 million for cities in this part of the state. That is a direct cut to all of our general fund budgets and is straining our ability to provide police and fire services, road maintenance, and parks and recreation programs.

Our second request is for the state to stop taking monies from the Public Works Trust Fund. The Trust Fund was created in 1985 when local governments agreed to a state tax on local utilities, and the business community agreed to taxes on real estate transactions to ensure a stable source of funding for the infrastructure that supports economic development. Since that time it has provided billions of dollars in low interest loans to help build local water, sewer, transportation, and stormwater projects – projects that have upgraded vital services for our residents, improved the environment, and created jobs for our local economies. Diversion of the Public Works Trust Fund resulted in higher costs and cancellation of some critical local infrastructure projects, many of which are needed to comply with state and federal mandates such as the Clean Water Act.

Finally, we ask you to act on a transportation package that addresses the needs of WSDOT and local governments to maintain our road infrastructure. In addition to funding capital projects on the state system, the package should include a fuel tax distribution to cities, enhanced funding for grant programs to local governments such as the Transportation Improvement Board (TIB), and revenue to support WSDOT maintenance and operations. Cities have not had an increase in fuel tax distribution since the early 1990s; and for many small jurisdictions that is our only dedicated source for roads.

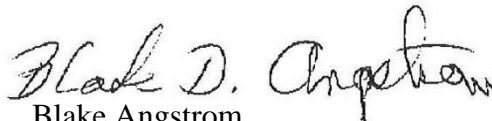
We appreciate that the state's priority in 2015 is to complete full funding of education to comply with the Supreme Court's ruling in the *McCleary* case. However, since 2012, the Legislature has been making incremental increases in education funding, in part by taking revenues that supported services to our city residents. We believe the choice can't be education or critical city services. Our residents need both. Investments in strong cities support safe schools, provide healthy communities, and attract economic development and job creation, which increases revenues to the state. We all serve the same people, and we are committed to working with you to find solutions that work for the residents of our cities and your legislative districts.

We look forward to your response. We would appreciate the opportunity to meet with you to discuss the local impacts of these issues in more detail. To that end, please contact the individual mayors whose cities and towns are in your district.

Sincerely,



Patrick Rushing
Mayor, City of Airway Heights



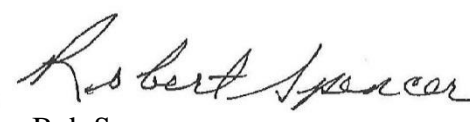
Blake Angstrom
Mayor, Town of Creston



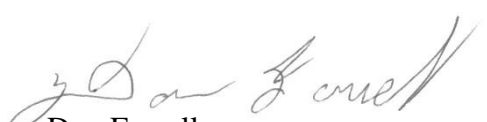
Kay Dee Gilkey
Mayor, Town of Fairfield



Einar Larson
Mayor, Town of Almira



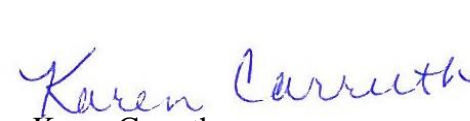
Bob Spencer
Mayor, Town of Cusick



Don Fowell
Mayor, Town of Ione



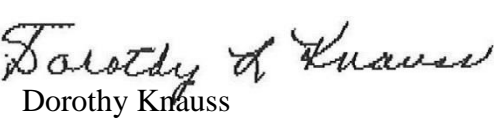
Tom Trulove
Mayor, City of Cheney



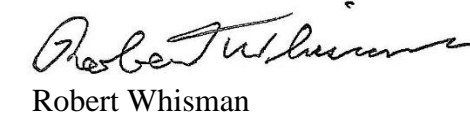
Karen Carruth
Mayor, City of Davenport



Dorothy Slagle
Mayor, City of Kettle Falls



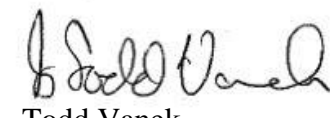
Dorothy Krauss
Mayor, City of Chewelah



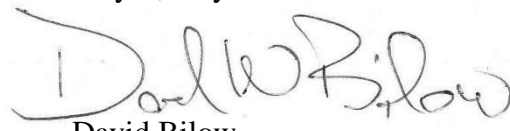
Robert Whisman
Mayor, City of Deer Park



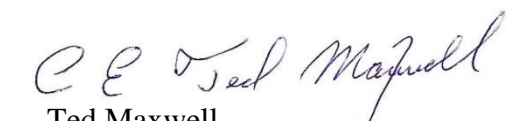
Steve Peterson
Mayor, City of Liberty Lake



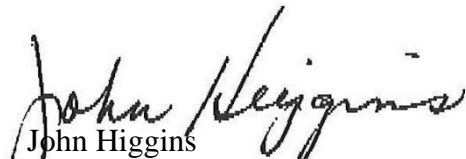
Todd Vanek
Mayor, City of Colfax




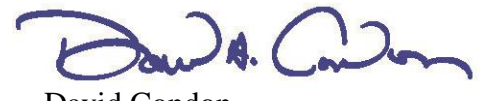
David Bilow
Mayor, Town of Endicott



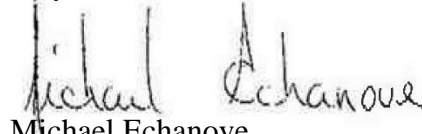
Ted Maxwell
Mayor, Town of Malden



John Higgins
Mayor, City of Medical Lake



Doug Plinski
Mayor, Town of Odessa

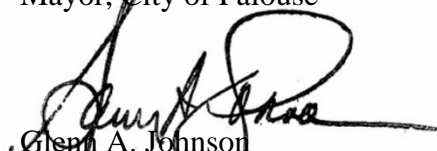

David Condon
Mayor, City of Spokane



Tara Leininger
Mayor, Town of Metaline Falls



Michael Echanove
Mayor, City of Palouse


Dean Grafos
Mayor, City of Spokane Valley

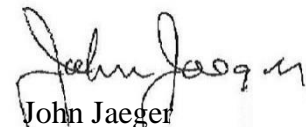

Kevin Freeman
Mayor, Town of Millwood

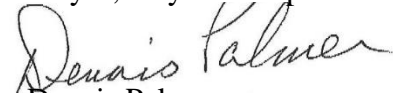

Glenn A. Johnson
Mayor, City of Pullman


Gerald E. Stephens
Mayor Pro Tem, Sprague


Shirley Sands
Mayor, City of Newport


Nanette Konishi
Mayor, Town of Rosalia


John Jaeger
Mayor, City of Tekoa


Dennis Palmer
Mayor, Town of Oakesdale