

## **State of the County and Proposed 2021 Budget**

**Snohomish County Executive Dave Somers**

**September 29, 2020**

### **INTRODUCTION**

Thank you, Chair Nehring.

Welcome to the first remote State of the County and Budget Address in Snohomish County's history. I want to start by thanking our closest partners. Snohomish County Council Chair Nate Nehring, Vice Chair Stephanie Wright, Councilmember Megan Dunn, Councilmember Jared Mead, and Councilmember Sam Low. We appreciate your leadership as we navigate these unique times.

I'd also like to thank County Auditor Garth Fell, Assessor Linda Hjelle, Clerk Heidi Percy, Prosecuting Attorney Adam Cornell, Sheriff Adam Fortney, our District and Superior Court Judges, and Treasurer Brian Sullivan. Each of you has contributed to keeping Snohomish County functioning very well during the pandemic.

This year has been one where we have kept the safety and welfare of our workers a top priority. We have asked much of them, and they have responded with the hearts of true public servants. I want to thank our labor unions: AFSCME, Teamsters, Deputy Sheriff's Association, Corrections Guild, International Association of Fire Fighters, and the Clerk's Association.

The Mayors and Councilmembers of our Cities, our state and federal delegations, and all the many people who have kept our community together during this time: We thank you.

I want to thank all of those nurses, doctors, and other health care providers keeping all of us healthy and our medical systems working well. I want to thank first responders who have been putting in tremendously long hours and keeping us safe in these difficult times. I want to thank the grocery workers, teachers, truck drivers, and others who have found themselves on the front lines of this crisis.

We appreciate all that is done to keep our communities secure.

I want to thank all of Snohomish County's employees for their adaptability and persistence in the face of uncertainty. You make us all proud.

Most importantly, I want to thank the people of Snohomish County, who have shown resilience and strength throughout 2020. We relied on our residents to be sensible and use common sense. They are the reason we are seeing a bit of light at the end of the tunnel. And we need to continue our path forward.

## **COVID-19**

Obviously, this has been a year like no other. In January, we had the first case of COVID-19 in the country; and as a result, we were the first forced to respond.

In April, we had the highest unemployment in the state, a sad distinction that none of us can ever recall.

In June we had beaten the curve down, only to see it rise again. We have now beaten it back a second time and hope to keep it down for good.

We have witnessed the largest and most compelling movement for social justice our country has seen in over a generation, demanding fairness and equality before the law.

And now, this month, we saw wildfires ravage our state and region.

We certainly can't predict what else we may face this year, good or not, but I do know one thing: We will face it together. We have been tested time and time again. We have always risen to the occasion. We could have all sat in our bunkers, amidst the stockpile of supplies, but we didn't. We came together to feed the hungry, care for the sick, ensure our elders were not alone, and teach our kids, all while social distancing

We must remember that over 200 people in our county have lost a loved-one to COVID-19 and over 200,000 across our country. These are families who have experienced the worst possible outcome of the pandemic. And there are the thousands of others in Snohomish County who have been hospitalized and may have long-term health impacts from COVID-19. As a community, we must take care of one another, and we have.

Beyond the direct health impacts, the economic consequences of the pandemic have been devastating. As I mentioned, in April nearly 20% of our workforce was unemployed. That abstract number represents real suffering. Families from across the county and from every income range are hurting. The most severely impacted, of course, were those working minimum wage and service jobs who saw their livelihoods evaporate overnight. People who work hard, pay their bills, and provide for their families were suddenly without a paycheck. Others have been laid off or seen their business fold. Federal support has softened the blow, but we know our economy is in a rough place.

We are seeing an impact on homelessness and increased insecurity about housing. When the eviction moratorium ends, which it will, we aren't sure what we'll see, but undoubtedly many will be at risk of losing their homes.

In the last few weeks, we learned that because of the collapse of the travel industry and the resulting shock to aerospace companies, Boeing is considering consolidating the 787 line. It could be in Everett or it could be in South Carolina. If Boeing decides to stop 787 work in Everett, it could represent the loss of thousands of jobs.

I don't believe we are powerless in the face of these challenges. In fact, there is much we have done and will continue to do to prevent the worst outcomes and protect the health and well-being of our residents.

Our Department of Emergency Management has been working nearly non-stop since January and our county is better for it. Let me just give you a few numbers:

Our Emergency Coordination Center has been activated for over 150 days with 148 staff from 15 different agencies represented. They have worked over 30,000 hours in response to the pandemic.

And what have they been doing? They procured over 23.2 million pieces of personal protective equipment (PPE) for our health care professionals, first responders, and other front-line workers. This was one of our biggest concerns, and we now have enough PPE to see us through at least the next six months.

Our Nourishing Neighborhoods program, providing food to families in need across the county, has delivered meals to 3,600 low-income families at 14 separate locations. This was done in partnership with our local and state farmers. Their supply chain was disrupted, and there was risk of them losing this year's harvest. But we quickly figured out a system to procure their food and get it to families who would have gone hungry otherwise. We even sent trucks to Eastern Washington to bring produce from farms to our community, preventing the loss of precious resources and providing food to our community. Zsofia Pastor and Farmer Frog deserve our gratitude for their leadership.

We have helped provide day care for essential workers and coordinated the delivery of life-saving supplies.

We established an Isolation and Quarantine Center, one of the requirements for moving to Phase Two of the Governor's Re-Opening Plan, and then we moved it. We've found the Isolation and Quarantine Center is vital when we have an outbreak, and it has undoubtedly saved lives and prevented people from getting sick.

Knowing the incredible hardship our business community is under, we set up an Office of Economic Recovery and Resiliency without adding any new staff. This helps us focus our business recovery efforts and provide one-stop service for business owners.

Day and night people have been working to meet the challenges of the pandemic. We did what had to be done to keep our community strong.

And in the midst of it all, the rest of county government continues to deliver vital services to the public.

Many of our county staff, who were able, have been working from home since March. Many of those have had to take on childcare and teaching duties, in addition to their normal work. Some were

concerned about productivity. But I never was. My experience with Snohomish County employees is that they take great pride in their work and would continue to do so no matter where or how they worked. In fact, we have seen productivity rise across many of our departments.

These results also show how our continuous improvement program has been very successful in finding waste in processes and then eliminating it step-by-step. I am proud that, particularly now, when we have people working in new ways, our STEP Initiative continues to improve how we deliver services to the public. We are doing a great job at finding efficiencies throughout county government.

We adapted and innovated to ensure essential services would continue.

Others had to reshape their work to accommodate COVID-19 restrictions. The county's law enforcement and corrections deputies, as well as Human Services, Solid Waste, Public Works, and other essential staff, have done a great job of maintaining public safety and other services while keeping themselves and the public healthy.

Our Parks Rangers and staff have had one of the busiest years in memory, and they are working with their usual professionalism and common-sense. The Auditor ran a record-setting presidential primary election and did it safely, securely, and efficiently. The Assessor and Treasurer, our Courts and Prosecuting Attorney, Human Services, Clerk, Paine Field Airport, Public Works, PDS, IT, HR, and others all stepped up to the challenge and met it.

I am very proud of the leadership we have seen across the county as people did what they had to do to get the job done.

## **PROPOSED 2021 BUDGET**

That brings me to the tough part of today, talking about the budget. With the severe slowdown of our local economy, there are many unknowns about potential impacts to the county's budget. The county's general fund budget relies on a small portion of the overall property taxes paid and only a slightly larger portion of all sales taxes.

As many of you know, about seven cents of every dollar of a homeowner's property tax comes to the County to support our General Fund. Seven cents. Property tax revenues are generally stable, since it takes a major crisis to significantly impact them. However, sales tax revenues tend to rise and fall in conjunction with the economy.

Our first preliminary projections were that about ten percent of our general fund budget would be lost in 2020 and 2021—or about \$26.9 million and \$19.5 million respectively. That meant we had to find savings this year and adjust our projections for next.

We immediately worked with the County Council to institute a hiring freeze, and with the Council we mandated furloughs for much of our county workforce. Of course, some public safety and essential functions did not have to furlough. I also stopped all discretionary spending on things like travel, training, and supplies. We also made strategic reductions in every department's budget in the General

Fund. This immediate action allowed us to make headway on solving our 2020 budget challenge and set the stage for the 2021 budget. I am confident that we have met that challenge.

Our 2021 budget will by necessity be further constrained. We don't know the full impact on our revenues, but my proposed budget takes a conservative approach. We must assume the worst case to avoid having to make mid-year cuts. And for those thinking that we can just cut "fat" from the budget, you should know that anything non-essential was cut out of our system from 2008 to 2010 during the Great Recession. We are a leaner organization than we were prior to 2008.

I want every Snohomish County employee to know that we will do everything in our power to avoid layoffs. We very much appreciate that many employees including AFSCME members were willing to accept furloughs this year in order to prevent the need for us to lay people off. We consider every Snohomish County employee to be important for fulfilling our many responsibilities.

As County Executive, I am responsible, with the County Council, for managing the entirety of the county budget. Every separately elected county leader is passionate about his or her particular office, and they each advocate accordingly. I wish we could fund every great idea or every request for staff. But even in the best of times, this isn't possible. During the worst economic downturn of our lives, it's just not possible.

The entire county system depends on every other part. If we don't assess the value of property, we can't collect taxes for the state, school districts, and other crucial functions, like fire and EMS services. Every deputy on the street is there because of the work the Assessor and Treasurer's Offices do. If we don't have well-functioning HR, IT, and Facilities Departments, then we can't hire, equip and house all of our vital county departments, from law and justice agencies to elections, Parks, and the Medical Examiner. We must have both District and Superior Courts, as well as Prosecuting Attorneys and Public Defenders, for our justice system to work. The Auditor's Office, Clerk's Office, Planning and Development Services, Human Services, Finance: these departments have important roles to play in preserving our residents' quality of life. Everyone is aware of the work that our Sheriff's Office, Public Works, Emergency Management, and Paine Field Airport do, but they each depend on every other part of the county. It is a complex system but a system nonetheless. We cannot fund one part of the system at the expense of any other.

The Sheriff's Office remains the largest single part of our general fund budget, representing 42% of spending for both their law enforcement and corrections functions. And the entirety of our law and justice system—including the Courts, the Sheriff's Office, Prosecuting Attorney, Public Defense, the Clerk, Emergency Management, and the Medical Examiner's Office—represents about 75% of our general fund budget. The other 25% we use for all of the other essential functions.

As we looked at how to balance our budget for 2021, we realized that we'd have to plan for another \$19.5 million dollar cut, representing roughly 10% of our general fund budget. We did that by ensuring we used all of the flexibility available to us in our federal CARES Act funding to pay for COVID-related activities in 2020, including corrections and law enforcement costs. We also will be extending the hiring freeze, making across the board reductions, and finding other ways to save money. Most reductions will be less than 2%. Our goals are to maintain essential services, including public safety, and also avoid layoffs. I believe we have achieved those goals.

We do not know what challenges 2021 will bring to us, or how our economy will continue to be impacted by COVID, but my proposed budget means we are well positioned to meet those challenges.

## **SOCIAL JUSTICE**

For 2021, we were able to make a few important investments in vital services. Most important is the commitment I have made to leading Snohomish County in becoming an anti-racist organization and community. For over 400 years, Black, Indigenous, and other people of color have not been afforded the same protections and basic rights that white Americans enjoy. Black and African American people continue to be treated inequitably in all facets of life, including housing, employment, the justice system, representation, and access to services and the people who serve them. This is neither fair nor just and must be corrected. We have an opportunity to model what anti-racism and equity look like for communities just like ours across the country.

In this budget, I am including funding for body cameras for our Sheriff's Deputies. Better transparency, increased civility, more corroborating evidence, and quicker resolutions to citizen complaints are some of the benefits of law enforcement body worn camera programs, according to the National Institute of Justice. The 2021 budget includes funding to start the process of acquiring cameras and undertaking the training and outfitting of Snohomish County's first responders. This process will support police reform and de-escalation tactics, crucial parts of making our justice system more just. We know it is not simple to implement, but other large law enforcement agencies have been able to do it, and we look forward to making it work for us.

I have also created an Office of Social Justice. This office will help us find ways, both large and small, to implement changes that move us forward in becoming an anti-racist organization. We have work to do on recruiting, hiring, developing, supporting, and retaining Black and African American, Indigenous and people of color as county employees. This is necessary to ensure county government represents the people that live and work in Snohomish County.

The Office of Social Justice will also help develop education and engagement opportunities for all employees to ensure we have empowered everyone in our organization to fight all forms of oppression.

We are working closely with our partners to reform those parts of the justice system that inequitably burden Black, Indigenous, and other people of color with convictions, bail amounts, and debts that they can never get out from under. We are also committed to studying our county justice system to better understand the inequities that start with arrests and continue through the legal process all the way to convictions.

There is much work to do. This is a starting place, and I am fully committed to the long-term work ahead to make real, lasting, substantive change.

## **DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

Another significant change in my budget is the proposed creation of a new Department of Natural Resources and Conservation. We had multiple offices and the Department of Parks, Recreation and

Tourism all working on issues related to environmental sustainability. We felt that we could find greater opportunities for collaboration, and eventually some efficiencies, if we brought everyone together in one organization. We will now be able to better leverage our Surface Water Management, Agriculture, Energy and Sustainability, and Parks, Recreation and Tourism work. We will be able to optimize collaboration. Ultimately, we will bring greater focus to these critical environmental issues that affect all of us.

I have long been exploring the possibility of setting up a department that brings these functions together. With the recent wildfires burning the western US and the need to focus on climate change if we want to protect our economy and way of life, now was the best time to take this important step. Thankfully, this adds no money to our budget, but will, importantly, align these functions of preserving our land, water, and air.

## **CONCLUSION**

I am excited by the opportunities ahead of us. Yes, we will be dealing with COVID-19 for the foreseeable future. But we also are innovating. We're bringing partners together. We are leading.

Our Housing Affordability Regional Task Force has some very good recommendations for helping us address this critical issue. We must do something to make housing more affordable in Snohomish County, or we will be dealing with an even more difficult problem of homelessness down the line.

The Darrington Wood Innovation Center has received significant state grants and will be a very important economic anchor for the northern part of our county.

After much work with Mayor Franklin, the City of Everett, and Congressman Larsen, Naval Station Everett is getting more ships home-ported here. This means more jobs and a longer-term commitment from the Navy.

This past year, the County Council and I made a commitment to make measurable progress toward addressing climate change.

Our new commercial terminal at Paine Field Airport has won national and international awards. When travel gets back to normal, which it certainly will, we will once again see this dynamic and beautiful new terminal at full capacity. That is very good for Snohomish County and the region.

We have invested in repairing and replacing culverts to help more salmon survive the journey from river to sea and back.

We have reshaped our entire workforce system to make it more strategic and effective. We are well on our way to having THE gold standard workforce system.

We launched a campaign to let our largest employer know that we are Better With Boeing.

We are part of a coalition of neighboring counties to reimagine our trail system, called Leafline, giving us a network of over 400 miles of trails across our region.

We are in the process of re-imagining and improving county government to be prepared for the opportunities and challenges of the next ten years.

In the midst of the madness that is 2020, the state of the county is strong, and the future looks very promising for Snohomish County.

Thank you.