



NEWS RELEASE

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CITY COUNCIL APPROVES BUDGET CUTS IN ANTICIPATION OF INITIATIVE 976 PASSING

Covington, WA – As Initiative 976 is expected to pass and go into effect in December, the City of Covington is anticipating a \$360,000 loss in street fund revenue from car tab fees. As a result, city council approved almost \$220,000 in budget cuts across city departments at their annual Budget Workshop held on November 16.

“We postponed our budget workshop, normally held in October, until after the general election in order to determine if I-976 would pass,” stated Covington City Manager Regan Bolli. “Now we know that a large chunk of our street fund, which goes toward street maintenance and operations, will disappear.”

In light of these election results, Covington City Council deliberated and considered what areas to cut budgets and by how much. Although the loss to city revenue will be about \$360,000, the council proceeded to make \$220,000 in cuts to the city’s 2020 budget and will consider further cuts after the first quarter.

Because Initiative 976 removes the ability for cities across the state to collect car tab fees that go directly toward local transportation improvements, the city’s General Fund will also be taking a large hit as it heavily subsidizes the Street Fund.

The approved cuts to the city’s budget include removal of one half of an FTE (full time employee) in Street Maintenance; elimination of crack sealing and graffiti removal programs; a one-third cut to the right-of-way landscape maintenance budget; elimination of the parade at the Covington Days Festival, one summer concert, the Battle of the Bands event and the Summer Volleyball Tournament; a 50 percent reduction in the city’s art fund; cancellation of the city’s GovSpend subscription; elimination of the State of the City event and Business Breakfast; cancellation of the

Regional Economic Development Alliance membership; removal of the city logo items budget line; and a 75 percent reduction in the council contingency budget.

“It is never easy to cut budgets, especially staffing,” said Covington Mayor Jeff Wagner. “We are a small city, so even small cuts can make a huge impact on service levels.”

City council will consider adopting the final Fiscal Year 2020 Operating and Capital Budget at the upcoming December 10 City Council Meeting.

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