
INTRODUCTION

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OFFICE OF THE MAYOR

Ray Stephanson
Mayor

October 29, 2014

Council President Moore, City Council members, City staff and residents of Everett:

Tonight I am pleased to present to you a proposed balanced budget for 2015 that maintains key services for our city and supports our quality of life as a community.

This spring the City underwent a comprehensive review of our programs and services, as well as our fee and rate structures, in an effort to bring our finances into structural balance for the long term. I am very appreciative of the leadership of the City Council, Parks Director Paul Kaftanski and key senior staff throughout this unprecedented effort. I am also grateful for the community's feedback and participation at community meetings, neighborhood gatherings and City Council hearings.

This was a challenging and emotional process for everyone. Ultimately, our work and the public's feedback overwhelmingly reaffirmed the importance of protecting our quality of life as a community. My recommendations in June were focused on reining in labor costs on the expense side with minimal cuts to programs and services. With your support, on the revenue side we adjusted many of our fees and rates to better reflect the cost of providing services, and to bring us in line with other Washington jurisdictions. Together, the changes we've made in 2014 have helped us balance the budget for 2015 and have significantly reduced projected deficits in future years.

But our work is not done. This fall, we will begin an in-depth review of our fire department operations to ensure that our resources and staffing practices are appropriately aligned with the types of calls and requests for service that we receive. In December Everett Transit will begin a peer review with the American Public Transportation Association, focusing on regional partnerships, facilities and other aspects of our transit operations. We will continue to look at every department and every program to ensure that we are being as cost effective and strategic as possible, including an in-depth review of our police department in 2015.

Looking ahead

As we look toward 2015, we have much to be excited about in Everett. After a challenging competition, we secured the Boeing 777X and composite-wing facility, ensuring ongoing stability and solidifying our position at the forefront of aerospace technology. The Boeing Company broke ground on their new 60-acre plant in August, and we look forward to years of continued innovation and workforce development in partnership with our entire advanced manufacturing network.

On the higher education front, we continue to benefit from expanded opportunities for students and families in our region. Washington State University took over management of the University Center this fall and is pursuing funding for a new facility on North Broadway. The first class of mechanical engineers graduated in May, and this fall students are enrolled in three new degree programs at WSU Everett. In October, Governor Inslee and other elected officials helped celebrate the opening of Everett Community College's cutting-edge Advanced Manufacturing Training and Education Center on the North Broadway campus. Trinity Lutheran College continues to expand its presence in downtown Everett, with plans for student housing to open by next fall.

After being stalled by the economic downturn, several major developments are gathering speed throughout the city. The Riverfront Development has received all major approvals and site work is underway on Everett's newest neighborhood, which will ultimately feature 235 single-family homes, 190 townhomes, a retail center, trails, open space and recreation areas.

Next door to City Hall, work has begun on the Courtyard by Marriott hotel, a much-needed quality option for business travelers and visitors to the arena and events center. The 156-room hotel will open in summer 2016. Further west, we welcomed the Hampton Inn in July, where rooms were booked solid immediately upon opening. Work continues on exciting new housing throughout our downtown, further enhancing our active and walkable city core.

I'm looking forward to other major projects on the horizon, including the year-round farmers market, and the Port's revamped Waterfront Place project. The farmers market, with 47,000 square feet of retail space and 220 market-rate apartments, is changing the landscape of downtown Everett. When it opens next spring, it will become a regional destination and an innovative direct market and incubator for the area's small farmers.

The Port reworked the Waterfront Place project and is now moving forward plans for a unique 65-acre attraction that will greatly enhance our waterfront. The mixed-use development will feature housing, medium-size business pads, and trails and open space to provide more public access to one of our most-treasured assets.

Commitment to strong fiscal management

While we are encouraged by our recent economic good news, we continue to work hard to shepherd the City's finances and ensure that we are balanced and stable for the future. This month Standard and Poor's reaffirmed our AA+ bond rating, an endorsement of our tradition of strong fiscal management.

As with many communities around the state, we must adjust to a changing reality for local governments. State-shared revenues continue to dwindle as the state struggles with its own budget. The cost of doing business continues to climb, even as traditional sources of revenue disappear. Our biggest challenge in coming years will be the rising costs of health care for our staff, and we are exploring many possible solutions to this complex issue. As I said this spring, I have directed staff to continue working toward a 10 percent medical contribution for all City employees, which is an effort that the community has strongly supported.

With your support of my proposed budget, we will begin restoring funding for important infrastructure in 2015, including our street overlay program and the City's technology infrastructure reserves. My proposed budget also restores payments to the LEOFF 1 pension reserve fund. At the same time, we have adjusted for increased costs in several areas, including jail fees and our indigent-defense program.

As we near the end of 2014, I extend my heartfelt appreciation to our entire City workforce. Our employees – at every level of our organization – have continued to work diligently throughout the economic downturn and recovery to provide essential services to our community. I am honored to work alongside them.

I would also like to thank the City Council and community leaders for your thoughtful participation in our structural deficit work this spring, and your continuing commitment to Everett and the future of our community.

Sincerely,



Ray Stephanson
Mayor

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CITY OF EVERETT OVERVIEW

The City of Everett was incorporated on May 4, 1893. Located along the shores of Port Gardner Bay, Everett is about 25 miles north of Seattle and 85 miles south of the Canadian border. The City encompasses roughly 48 square miles of land and is bordered by 11 miles of saltwater and 10 miles of freshwater shoreline.

Everett operates under a Mayor-Council form of government. It is a general purpose governmental entity and provides the full range of municipal services allowed by statute and charter. These services include police, fire, emergency medical services, street maintenance, planning and zoning, libraries, parks and recreation, and general administrative services. In addition to its general government services, the City operates five enterprises: water and sewer utility, solid waste (recycling) utility, two golf courses, a transit system, and a parking garage.

The City of Everett is the Snohomish County seat. With a population of 104,200, it is the largest city in the county and the seventh largest in the state.

OFFICIALS and DEPARTMENT DIRECTORS

Elected Officials:

Term Expires

Mayor 12/31/17 Ray Stephanson

City Councilmembers:

Position No. 1 12/31/17 Paul Roberts
 Position No. 2 12/31/17 Jeff Moore
 Position No. 3 12/31/17 Scott Murphy, VP
 Position No. 4 12/31/15 Ron Gipson
 Position No. 5 12/31/15 Scott Bader, President
 Position No. 6 12/31/15 Brenda Stonecipher
 Position No. 7 12/31/15 Judy Tuohy

Appointed Officials:

Administration:

Chief Administrative Assistant Debra Bryant
 Governmental Affairs Director Pat McClain
 Economic Development Director Lanie McMullin
 Public Information Director Meghan Pembroke

Department Directors:

Chief Financial Officer-Executive Director Debra Bryant
 Chief of Police Dan Templeman
 City Attorney James Iles
 Facilities and Property Management Director Carlton Gipson
 Fire Chief Murray Gordon
 Information Technology Director Vacant
 Labor Relations and Human Resources Director Sharon DeHaan
 Library Director Eileen Simmons
 Neighborhoods and Community Services Director Deborah Wright
 Parks and Recreation Director Paul Kaftanski
 Planning and Community Development Director Allan Giffen
 Public Works Director Dave Davis
 Transportation Services Director Tom Hingson



Mayor

Ray Stephanson

Everett City Council:



Paul Roberts



Jeff Moore



Scott Murphy
Vice President



Ron Gipson



Scott Bader
President



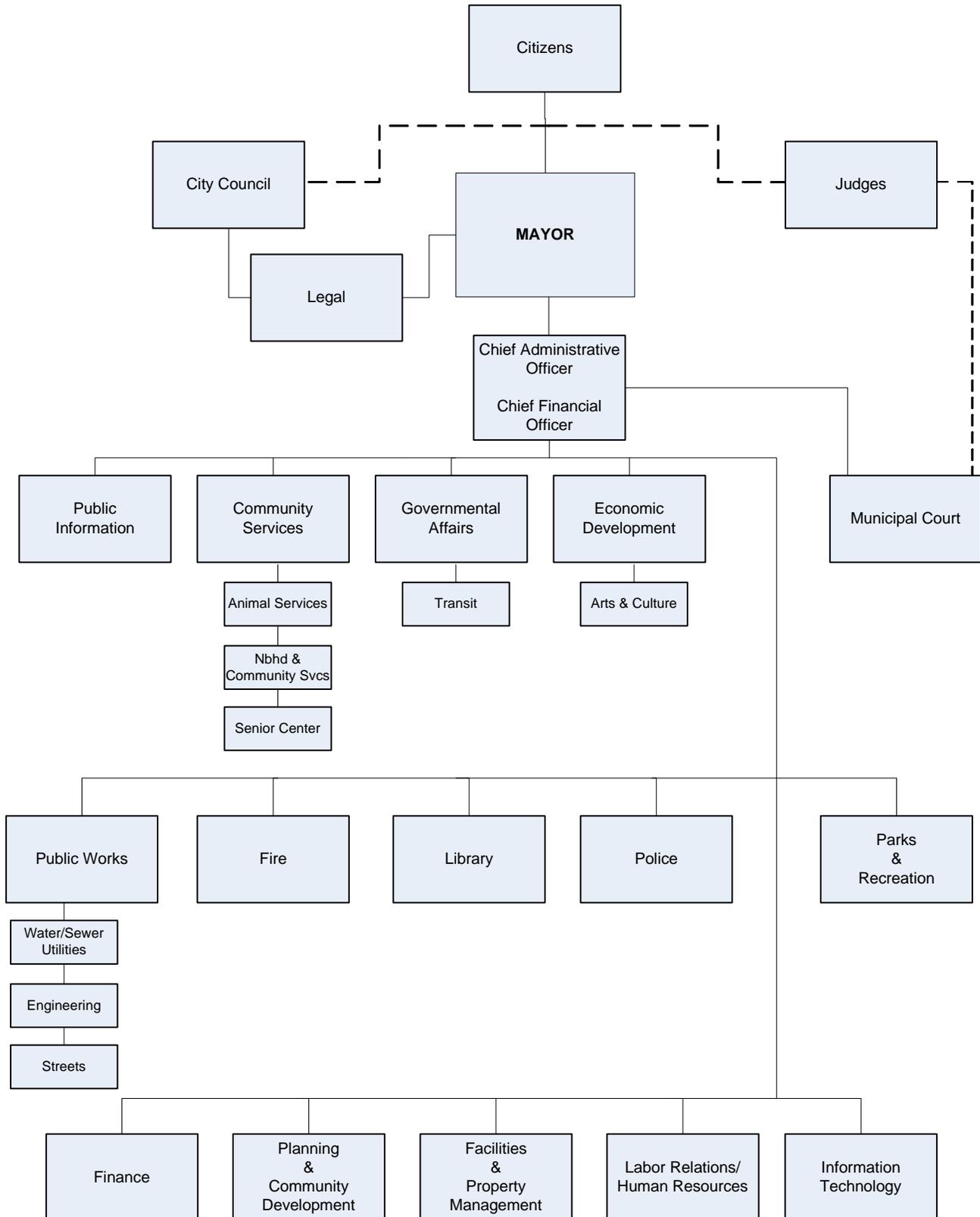
Brenda Stonecipher



Judy Tuohy

City of Everett

ORGANIZATION CHART



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