



## CITY OF EVERETT 2023 Budget Address

City Council members and residents of Everett:

This year marks the fifth that I have had the honor of serving as your Mayor, and tonight I am pleased to present to you my proposal for our 2023 Operating Budget.

This budget leverages all available resources to support the quality of life in Everett and investments that will help our community move forward.

Building a balanced budget has been a difficult task throughout my time in office, and this year brought us new challenges. Our long-standing structural deficit -- where the City's annual revenues fall short of what it costs to provide basic services -- has been further impacted by circumstances beyond our control. The economic and human toll of the pandemic has greatly increased the need for public services, at a time when the highest inflation rate in 40 years makes those services *even more* expensive to deliver.

I know that as individuals, families, and businesses--we're all feeling the pinch. And as a City, we're feeling that pinch, too.

We initially intended to work with our community this year to identify new revenue to help create a more sustainable financial future for our city. However, due to the state of the economy, we decided to delay that so our residents and businesses have time to move past the financial hurdles we are all facing prior to asking our community to consider an investment.

So to balance the budget this year, we've made some choices that are not sustainable long-term. Rather, we are proposing short-term, stop-gap measures -- like putting off maintenance of our buildings, vehicles and equipment, and deferring payments toward long-term liabilities, in order to maintain service levels until we can seriously and meaningfully address our revenue shortfall.

Thankfully, even during what has been a challenging few years, we're still able to make some important investments in our community, thanks to an unusual amount of federal, state and local grant funds. This includes the American Rescue Plan Act, the Bipartisan Infrastructure Law and the Inflation Reduction Act, among others.

Grant dollars of this size are very rare –we cannot count on this kind of outside funding being available in years to come. But for now - grant awards are helping bridge the gap and keep essential services afloat, supporting programs we otherwise wouldn't be able to sustain.

We're also boosted by the growth we're experiencing as a city – both in terms of population and also investment by new businesses choosing to locate here.

Our hospitality industry –hotels, restaurants, and events - is showing encouraging signs of recovery. After two years of being shut down and canceled, Everett is really beginning to come back to life. I hope you all enjoyed the incredible line-up of events that filled our city so far this year – including familiar favorites put on by the City, like Sorticulture and Wintertide; as well as those run by partners, like the Everett Farmers Market, Cruzin' to Colby, Fisherman's Village Music Festival, and Fresh Paint! And we welcomed some new ones, like the amazing 3on3 Basketball Tournament, which literally transformed several blocks of downtown into basketball courts and attracted thousands to our city. The Angel of the Winds arena and conference center reported gains over last year, bringing in 50 percent more events this year. All of this has brought some much needed energy into Everett – and generated additional lodging tax revenue. We'll be able to re-invest these funds to support more placemaking events, attract visitors and create memorable opportunities for our community to come together and enjoy arts, sports, culture and more.

Everett also remains a magnet for businesses in the green economy, which is thriving here. In less than a year, three of our Everett companies *that are changing the world*– TerraPower, Helion and Zap Energy – have raised over \$1.4 billion for clean-energy research and development.



And, our permit team is currently reviewing a three-phase redevelopment plan of the Everett Mall. In the coming months, you can expect to hear some really exciting news and announcements about the changes and new businesses coming that will transform this space.

I'd also like to highlight a few other investments we have planned for next year. We're increasing investment in neighborhood and community engagement, as well as equity.

Our proposed budget also supports several important infrastructure projects, including the replacement of the Edgewater bridge – which is at the end of its useful life and vulnerable to earthquakes. Next year we'll begin construction on a new bridge that will meet modern standards and serve the needs of everyone walking, biking, driving or using a wheelchair. Another critical bridge project supported by this budget is for the Everett Point Industrial Center planned on the riverfront. This site is currently only accessible by a road that crosses railroad tracks. To ensure uninterrupted and safe access to the site, a new bridge must be built that goes over the tracks. This will raise the value of the site for existing and future uses.

The budget includes funds to support Parks – including the next phase of the long-awaited Silver Lake Loop Trail, which creates a continuous recreational route around the lake, including a new ADA-compliant trail through Thornton A. Sullivan Park. There will be new signage along the route highlighting the history of the Silver Lake community. We expect this phase to be done by next summer and I am so excited to have this new amenity at one of our most beautiful and beloved parks!

In addition to the trail, the park will see a transformation of its playground, which was installed in 1997 and is one of the most popular playgrounds in our system. We'll be modernizing it with state-of-the-art elements to ensure children of all abilities can play and explore.

And we'll also advance plans to expand our tree canopy, starting with a citywide tree inventory and tree-planting initiative.



We plan to offer another round of Everett Forward grants, which this year provided funds to local businesses impacted by the pandemic. These grants supported things like adding outdoor dining areas for restaurants for better social distancing, making storefront façade improvements, or supporting entertainment and events, like shows at the Village Theatre and Historic Everett Theatre.

We've also awarded grant funds to support local nonprofits and their capacity to provide early childhood education and daycare and make them affordable -- especially to low-income families. You may recall that earlier this year we entered into a partnership with the Bezos Academy to open a new preschool at Everett Station. We expect doors to open next year, providing up to sixty children with tuition-free, high-quality preschool.

Recognizing our ongoing housing shortage and the need for more housing options at all price points, our budget adds a new housing project coordinator position. This role will focus on identifying opportunities to attract developers to invest and expand the "missing middle" housing inventory in our communities. We've also hired an engagement coordinator to support our Planning team with the comprehensive plan periodic update. We want input and participation from all corners of our city in this multi-year process, which establishes the blueprint for how we, as a city, want to grow to meet our needs now – and into the future.

We'll continue efforts to alleviate homelessness and address street level social issues we're experiencing in our community– an issue we all know has only become more serious during the pandemic. We're continuing our balanced approach of outreach and connecting people with services, combined with ample enforcement.

In a moment I'm going to go into more detail about how we plan to strengthen enforcement activities and keep our communities safe.

First, I'll highlight some of our plans to alleviate homelessness. Our budget supports our Pallet shelter, which recently expanded from 20 initial units to 40. Next year we'll add two more locations in other parts of the city. One will serve unsheltered women and children, and another will serve families. Last year we added a new homelessness response coordinator position and we will continue



support for this work to develop strategies and partnerships to provide more shelter and service options for people in our community experiencing homelessness.

We'll also be expanding support for our human needs grant program with another \$100,000 of American Rescue Plan Act funds. This will come to Council for approval at the end of this month.

Next year we'll roll-out our new See-Click-Fix app, which will allow residents to report concerns they see in the city immediately via an app. This includes things like encampments, graffiti, potholes, and other hazards or issues.

And I'm excited to report we're moving ahead with plans to add public restrooms to our downtown.

Next year's budget adds more mental health professionals to city teams, notably our fire department and library. Both of these teams frequently interact with people experiencing behavioral health issues. We envision the support provided by the new mental health professionals will relieve our already-stressed police and fire systems from some of the calls that don't require an emergency response.

I'll note that right now, mental health professionals are very difficult to find. So are firefighters, paramedics, police officers, engineers, IT professionals and more. As an employer, the city is not immune to the labor shortages so many of our local businesses and organizations are facing. We're struggling to fill vacant positions throughout our city teams. Which is why our budget also includes investing to ensure we are a competitive employer and able to attract the talent and skills we need to serve our community.

Next I'd like to address public safety.

As mayor, there is **nothing** more important to me than ensuring that everyone who lives, works, learns or visits Everett, feels SAFE. We should all feel safe in our homes, safe walking or driving around town....safe going to our jobs...safe going to school.

And right now, **many of us do not feel safe**.



We're experiencing an increase in crime – especially violent crime – and this is not unique to Everett. But what is unique to Everett, is our **firm** commitment to addressing this with urgency as **our most important priority**.

That's why I've been working with mayors throughout Snohomish County to bring together a new coalition, in partnership with our business leaders. Together we will advance recommendations and policies to address crime and the behavioral health challenges that contribute to the rising crime we're seeing in our cities.

We'll work with Olympia on ways we can fix the legislation that hinders the ability of our local police to enforce laws and protect our communities. We will also partner closely with our Snohomish County leadership to ensure that our prosecutors and the court system are moving in the same direction: enforcing the law, administering justice, and reducing crime.

This is not a Democrat or Republican issue – it is a community issue, and our dedicated law enforcement professionals cannot be expected to solve this alone. They need the tools, resources, and policies in place in order to carry out their responsibilities in a safe and effective manner. Our cities have invested in first responders and embedded social workers. And while we are working aggressively here in Everett to solve these problems – investing in housing, support services, and law enforcement -- we also need help from all of our partners at the state and other levels of government. This includes responding to the Blake decision, which decriminalized nearly all drug possession. We need criminal justice reforms that allow officers to better use their training, experience and judgment in the field. We must continue to invest more funding for both law enforcement, as well as the supportive services necessary to rehabilitate offenders.

Increases in homelessness, drug addiction, and untreated mental illnesses directly lead to negative street activity and increases in both property and violent crimes. While we desperately need more funding for social services to treat a growing number of behavioral health-related cases, we also need increased flexibility for law enforcement to regain the authority to deal with those who refuse treatment. Sometimes jail is the best short-term solution until someone can recognize the long-term help they need.



Neither social services nor law enforcement on their own are the answer; **we need more of both** if we are going to make progress.

I'm grateful for the commitment of my fellow mayors and leaders in working together to face these challenges. And I continue to be grateful to the incredible work our public safety team does in this difficult environment.

So these are some of the highlights of the 2023 budget I am presenting tonight.

I've shared with you some of our challenges, and how we're working to address them. I've shared some of the key investments we're making, and the positive change they'll bring to light. And as a city we continue to grow, attracting new residents, new businesses, new jobs and new opportunities. I'm pleased with this growth – and the prosperity and vitality it brings to Everett. I'll continue to work with you, our City Council, as well as our community, to identify the best ways to support this growth and sustain our important city services.

I also want to take a moment to thank our council leadership on the Budget and Finance Committee: Council President Stonecipher, Vice Council President Tuohy and Councilmember Schwab. You have been wonderful to work with this year and I greatly appreciate your partnership not only on the budget - but all year long as we continue to work together to address important issues in the city. Thank you.

I'd like to also recognize our incredible city teams who have been diligently working behind the scenes to build this budget – and make sure it balances. I'd like to especially acknowledge Lori Cummings, our Executive Director; Susy Haugen, our Finance Director; and our entire Finance team, for their tremendous work. Thank you.

I also want to thank our Everett community. We've been through a lot these past few years – and while we still face challenges, I remain humbled and grateful for the resilience and support I see every day – and our care for one another and the city we share.

Thank you.

