
MAYOR’S MESSAGE & BUDGET PRIORITIES

TABLE OF CONTENTS

	PAGE
Mayor’s Message	1 - 1
2023 Budget Priorities	1 - 9

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.



BLANK PAGE

2023 Budget Priorities



2023 BUDGET PRIORITIES

Five key priorities shaped the development of the 2023 Proposed Budget. The graphic on the previous page outlines the overall concept, beginning with a Responsive & Responsible Government as the foundation for the delivery of public services. Then priorities of Safe Community; Housing, Transportation, & Infrastructure; Economic, Workforce, & Cultural Vitality; and Engaged & Informed Community work together as a unified group to positively impact the quality of life in Everett.

The fundamental belief associated with this concept is that no single priority on its own can provide our residents and businesses the entirety of what they need to prosper. Everything we do as a City, whether in public safety, community engagement, economic development or delivering basic services, supports our goal of ensuring the best quality of life possible for our community. Vision statements for each priority are provided at the end of this section.

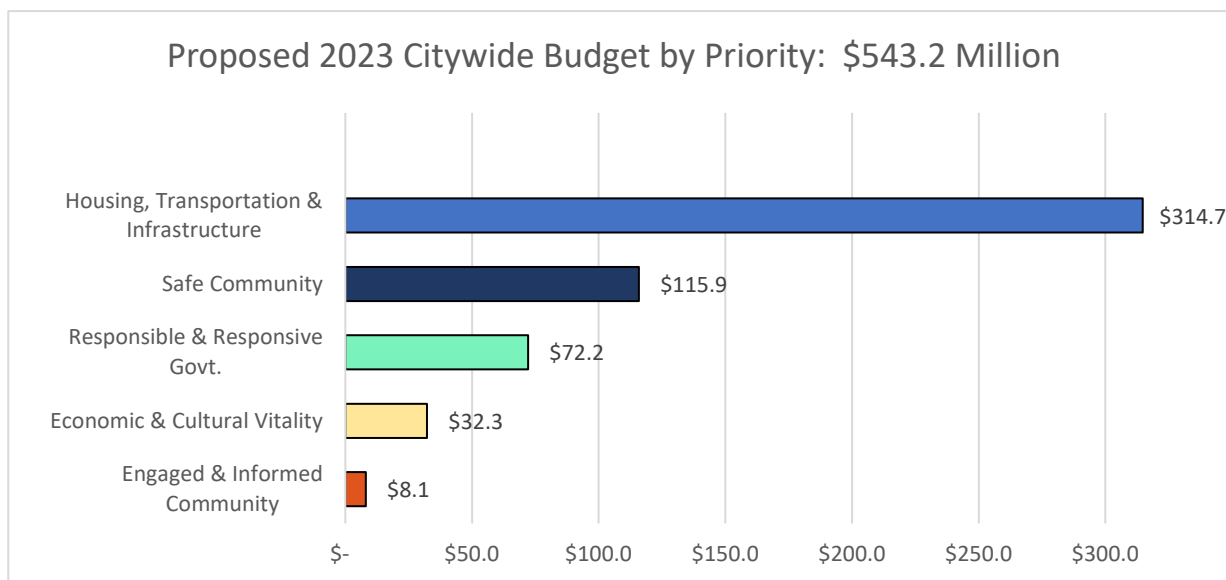
The budget document is designed to serve as a communication tool for the public. The intent is to provide transparency and accountability in how and why tax dollars are allocated. To that end, although we still present information by department, the focus of department activity is on how the work they do supports one or more of these priorities rather than departments as silos of activity.

The icons below are incorporated throughout the fund narratives as a quick reference to associate services with City priorities.

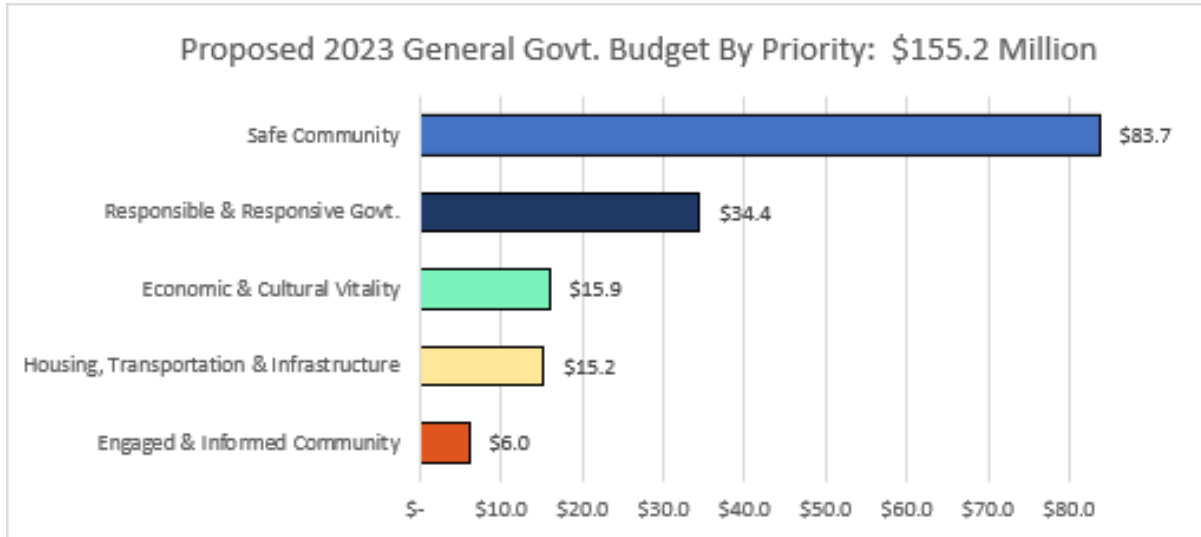


Results or process performance measures are also provided for each activity in the fund narratives. Performance measures are important because they help city leaders make informed budget decisions regarding the allocation of resources, and they create accountability to taxpayers for their investment in public services.

The chart below illustrates the budget distribution among the priorities from a citywide perspective.








The next chart drills down to the proposed General Government expenditure budget. With the business-type services removed, such as Transit and the Water & Sewer Utility, the Safe Community priority rises to the top with \$83.7 million or 53.9% of the total General Government budget.








The tables on the following pages provide additional detail on the budget allocations between priorities.

BUDGET PRIORITIES DISTRIBUTION DETAIL






GENERAL GOVERNMENT FUNDS

FUND ACTIVITY		 Responsive & responsible government	 Safe community	 Economic, workforce & cultural vitality	 Housing, transportation & infrastructure	 Engaged & informed community
1	Council					
	City Council	\$ 649,355				
3	Legal					
	Civil	\$ 1,124,147				
	Risk Management	\$ 172,731				
	Criminal		\$ 1,578,566			
	Indigent Defense		\$ 1,745,000			
4	Administration					
	Administration	\$ 952,237				
	Intergovernmental Relations & Legislative Advocacy	\$ 218,235				
	Sustainability and Climate Action	\$ 31,460				
5	Municipal Court					
	Municipal Court		\$ 1,927,878			
	Probation and Other Court Programs		\$ 558,469			
7	Human Resources					
	Recruitment and Employment Development	\$ 637,447				
	Emp. Benefits & Leave Administration	\$ 418,892				
	Compensation and Classification	\$ 631,135				
	Labor and Employee Relations	\$ 581,899				
	Employee Safety	\$ 91,368				
9	General Gov't. Non-Departmental					
	Safe Community		\$ 7,819,860			
	Economic & Cultural Vitality			\$ 2,324,565		
	Housing, Transportation & Infrastructure				\$ 3,826,893	
	Engaged & Informed Community					\$ 160,000
	Responsive & Responsible Government	\$ 15,016,582				
10	Finance					
	Finance & Budget Administration	\$ 634,298				
	City Clerk	\$ 842,372				
	Accounting	\$ 1,216,659				
	Procurement	\$ 512,183				
15	Information Technology					
	Administration	\$ 543,532				
	Help Desk & Desktop Support	\$ 498,290				
	Network and Cybersecurity Operations	\$ 1,264,121				
	Software & Business Applications	\$ 1,218,378				
	Project Management	\$ 492,835				






GENERAL GOVERNMENT FUNDS - CONTINUED

FUND ACTIVITY		 Responsive & responsible government	 Safe community	 Economic & cultural vitality	 Housing, transportation & infrastructure	 Engaged & informed community
18	Engagement & Communications					
	Engagement & Communications					\$ 816,737
21	Community, Planning & Econ. Dev.					
	Community Support		\$ 617,992			
	Community Development				\$ 424,214	
	Planning Administration	\$ 600,787				
	Long Range Planning	\$ 468,048				
	Land Use Planning	\$ 1,068,693				
	Economic Development			\$ 445,934		
	Tourism			\$ 192,665		
24	Engineering & Public Services					
	Administrative Services				\$ 540,952	
	Engineering Design & Project Mgmt.				\$ 913,495	
	Permit Services			\$ 3,871,136		
	Code Enforcement		\$ 639,437			
	Traffic Operations				\$ 1,944,033	
	Traffic Analysis				\$ 528,698	
26	Animal Services					
	Animal Services Administration	\$ 360,561				
	Shelter Operations		\$ 1,204,146			
	Animal Control & Pet Licensing		\$ 425,060			
31	Police					
	Administration		\$ 2,425,649			
	Administrative Services		\$ 5,019,266			
	Investigations		\$ 7,605,264			
	Operations		\$ 27,815,488			
32	Fire					
	Administration		\$ 1,944,398			
	Suppression		\$ 19,114,902			
	Prevention		\$ 1,281,054			
	Training		\$ 871,537			
	Emergency Management		\$ 517,430			
	Administrative Services		\$ 535,689			
38	Facilities and Property Management					
	Facilities Maintenance	\$ 2,824,060				
	Facilities Project Management	\$ 1,034,873				
	Real Property Management	\$ 328,265				






GENERAL GOVERNMENT FUNDS - CONTINUED

						
FUND ACTIVITY		Responsive & responsible government	Safe community	Economic & cultural vitality	Housing, transportation & infrastructure	Engaged & informed community
101	Parks & Community Services					
	Admin. and Support Services			\$ 1,011,994		
	Projects & Planning			\$ 646,142		
	Maintenance			\$ 3,868,192		
	Recreation			\$ 1,414,467		
110	Library					
	Administration					\$ 1,039,215
	Adult Services					\$ 911,937
	Circulation					\$ 1,115,563
	Youth services					\$ 572,440
	Technical Services					\$ 1,398,069
112	Municipal Arts					
	Cultural Arts & Placemaking			\$ 429,774		
	Everett Performing Arts Center			\$ 211,034		
114	Conference Center					
	Conference Center			\$ 1,515,849		
119	Street Improvements					
	Street Improvements				\$ 3,969,200	
120	Streets					
	Streets Administration				\$ 125,624	
	Asphalt Services				\$ 671,211	
	Concrete Services				\$ 1,054,819	
	General Maintenance				\$ 1,239,157	
	Subtotal General Government	\$ 34,433,443	\$ 83,647,085	\$ 15,931,752	\$ 15,238,296	\$ 6,013,961






NON-GENERAL GOVERNMENT FUNDS

						
FUND ACTIVITY		Responsive & responsible government	Safe community	Economic & cultural vitality	Housing, transportation & infrastructure	Engaged & informed community
126	Motor Vehicle & Equip. Replacement					
	Vehicle/Equip. Repl. - Police & Fire		\$ 2,911,342			
	Vehicle/Equip. Repl. - Parks			\$ 220,000		
	Vehicle/Equip. Repl. - Facilities	\$ 45,000				
	Vehicle/Equip. Repl. - Eng. & Streets				\$ 170,000	
	Vehicle/Equip. Repl. - General	\$ 250,000				
130	Permit Fees					
	Development & Construction Permit Fees			\$ 4,230,813		
138	Lodging Tax					
	Lodging Tax			\$ 795,000		
145	Real Property Reserve					
	Real Property Acquisition	\$ 180,850				
	Street & Alley Vacation Funds				\$ -	

NON-GENERAL GOVERNMENT FUNDS - CONTINUED

FUND ACTIVITY		 Responsive & responsible government	 Safe community	 Economic & cultural vitality	 Housing, transportation & infrastructure	 Engaged & informed community
146	Property Management					
	Property Management	\$ 2,166,832				
148	Parks Reserve					
	Maintenance Reserve			\$ -		
	Park Impact Fees			\$ -		
	Deckman/Madison Morgan Property			\$ 9,500		
	CEMEX Property			\$ 5,500		
	Capital Project Reserve			\$ -		
	Other Reserves for Parks			\$ 10,000		
149	Senior Center Reserve					
	Reserve Administration					\$ 4,000
151	Fund for Animals					
	Vet. Care & Animal Benefit Funding	\$ 241,463				
152	Library Reserve					
	Cumulative Reserve					\$ 100,412
153	Emergency Medical Services					
	Administration and Training		\$ 1,776,342			
	Operations		\$ 16,863,374			
154	Real Estate Excise Tax (CIP 3)					
	Parks Projects			\$ -		
	Street Projects				\$ 113,142	
155	General Govt. Special Projects					
	PEG Fees					\$ 200,000
	Shoreline Public Access			\$ -		
	1% for the Arts Program			\$ -		
	American Rescue Plan Program (ARP)	\$ -				
	Shelter Program				\$ -	
156	Criminal Justice					
	Law Enforcement Staff Support		\$ 2,430,415			
	Law Enforcement Special Projects		\$ 2,609,912			
	Criminal Justice/City Prosecutor		\$ 551,599			
	Muni. Court Probation & Court Prog.		\$ 382,976			
157	Traffic Mitigation					
	Traffic Mitigation				\$ 4,000,000	
159	Transportation Benefit District					
	Transportation Benefit District				\$ 2,894,150	
160	Rainy Day Fund					
	Rainy Day Fund	\$ -				
162	Capital Improvement Reserve					
	Capital Improvement Prgms. 1, 2, & 4			\$ 3,356,090		
171	Affordable and Supportive Housing					
	Affordable and Supportive Housing				\$ -	
197	Community Housing Improvement Prog.					
	CHIP, Housing and Comm. Dev. Proj.				\$ 1,045,057	
198	Community Development Block Grants					
	Community Dev. Block Grant Prog.				\$ 618,562	

NON-GENERAL GOVERNMENT FUNDS - CONTINUED

FUND ACTIVITY		 Responsive & responsible government	 Safe community	 Economic & cultural vitality	 Housing, transportation & infrastructure	 Engaged & informed community
210	Bond Redemption					
	2012 LTGO and Refunding Bonds			\$ 1,446,140		
	2019 LTGO and Refunding Bonds			\$ 1,434,950		
401	Water & Sewer Utility					
	Resource Management				\$ 6,551,620	
	Maintenance				\$ 21,793,212	
	Operations				\$ 34,254,820	
	Finance				\$ 169,369,290	
	Community Involvement & Support					\$ 1,784,160
402	Solid Waste Utility					
	Solid Waste Utility Administration				\$ 2,273,041	
425	Transit					
	Everett Station				\$ 2,000,673	
	Fixed Route Services				\$ 17,894,068	
	Paratransit Services				\$ 3,947,994	
	Transit Administration				\$ 4,109,548	
	Projects				\$ 18,904,305	
430	Everpark Garage					
	Everpark Garage				\$ 821,857	
440	Golf					
	Golf			\$ 4,890,344		
450	Snohomish River Regional Water Authority					
	Resource Management				\$ 18,000	
501	Motor Vehicle Department Operations					
	Motor Vehicle Operations				\$ 8,672,332	
503	Self Insurance					
	Workers' Compensation	\$ 3,750,000				
	Tort Liability	\$ 1,850,000				
	Property/Casualty Insurance Premiums	\$ 5,897,731				
	Unemployment Compensation	\$ 175,000				
	George Culmback Dam	\$ -				
505	Information Technology Reserve					
	Information Technology Reserve	\$ 4,114,176				
507	Telecommunications					
	Telecommunications	\$ 778,308				
508	Employee Health Benefits					
	Health Benefits	\$ 18,305,000				
637	Police Pension					
	Police LEOFF 1 Pension and OPEB		\$ 1,893,000			
638	Fire Pension					
	Fire LEOFF 1 Pension and OPEB		\$ 2,806,000			
	Subtotal Non-General Government	\$ 37,754,360	\$ 32,224,960	\$ 16,398,337	\$ 299,451,671	\$ 2,088,572
	CITYWIDE TOTAL	\$ 72,187,803	\$ 115,872,045	\$ 32,330,089	\$ 314,689,967	\$ 8,102,533

BUDGET PRIORITIES VISION STATEMENTS

Quality of life

Everything we do as a City, whether in public safety, community engagement, economic development or delivering services, supports our ultimate vision and goal of ensuring the best quality of life possible for our residents, businesses and visitors.



Responsive & responsible government

Vision: As a government agency, we are responsive, transparent and accountable. We are good stewards of our resources and we deliver essential services efficiently. We establish priorities and make decisions that honor our obligation to our community.



Safe community

Vision: People are safe anytime, anywhere in Everett. Our community is inclusive and welcoming to people of all backgrounds and beliefs.



Housing, transportation & infrastructure

Vision: People who work in Everett also have the opportunity to live in Everett. Our policies and resources are aligned with our housing vision and we have a wide range of quality housing available at all price points, as well as temporary and permanent housing options available. People and goods move easily and efficiently within and through Everett and have access to many modes of transportation. Transportation networks are well-maintained, sustainable, regionally connected, support economic development and able to adapt to a growing population.



Economic, workforce & cultural vitality

Vision: Businesses of all sizes feel supported and connected to City government, with its commerce-friendly policies and well-established pipelines into major industries and networks. Everett is a leader in regional economic development efforts that attract new businesses to our City where they find a ready workforce that is educated and trained at our own premier institutions. Residents and visitors love our parks, celebrate our diverse cultures, cheer our teams and events, support our restaurants and retailers, and explore our active art scene.



Engaged & informed community

Vision: Community members are connected to each other and actively involved in civic life. The City uses technology and rich community networks to share information, solicit feedback and make it easy to utilize City services.

BLANK PAGE