
INTRODUCTION

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READER'S GUIDE

The budget process is the single most comprehensive analysis of available resources and the allocation of those resources to fund services for Everett's residents. The budget document is designed to illustrate the resources that are available for appropriation, the decisions about how to allocate the resources, and the resulting budget plan. In addition, the budget includes analysis of the long-term fiscal viability of the City's general government through 2020.

This section is designed to acquaint the reader with the overall layout and document arrangement. The budget is divided into fifteen tabbed sections, described below. Please note that six of the sections (General Government Funds, Special Revenue Funds, Debt Service Funds, Enterprise Funds, Internal Service Funds, and Trust Funds) are described below as one section called Departmental Budgets.

- The **Introduction** includes the *Mayor's Message* and related *Budget Overview* which articulate the priorities and issues for the City's budget including organization wide long-term concerns and strategies. It also provides the reader with a brief profile of the City and the services it provides.
- The **Budget Process** section describes the process for preparing the budget and how the budget changes during the budget year.
- The **Financial Structure and Policies** section describes the City's fund structure and is intended to illustrate the policy, fiscal, and planning elements of the City financial plan as a whole. This section contains reserve fund policies and goals, ongoing budget practices, debt management policies, cash management issues, and other fiscal management topics.
- The **Financial Summaries** section contains summary financial information for the City as a whole, and revenue and expenditure summaries for the General Government.
- The **General Government Five-Year Outlook** provides a 5-year forecast of future impacts of current decisions. This section is instrumental in guiding the City to continued long-term fiscal strength in the context of today's challenging economic climate. For purposes of this particular presentation and analysis method, the General Government expenditure budget is divided into nine parts: legislative, administrative, public safety, financial, reserves, debt service, infrastructure, community programs, and governmental operations. This type of analysis provides insights not found when assessing the budget from a traditional departmental view.
- The **Capital and Debt** section describes the capital budgeting process and provides details of citywide capital expenditures and their estimated impact on future operating budgets. This section also includes data on the City's debt obligations and debt limits.
- The **Personnel Summary** provides detailed information on the City's staffing budget including staffing by service category, staffing by department, staffing changes, trends, and other personnel related information.
- The **Departmental Budgets** sections depict the specific spending plans of all departments of the City in fund number order. *These sections include all operating funds.* The department narrative layout is described in more detail in the Budget Process section (please page 2-5).
- The **Supplemental Information** section provides additional community information, demographics, and economic information.
- The **Glossary** includes definitions for many of the terms used in the budget documents as well as a list of acronyms.

CITY OF EVERETT PROFILE

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 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 105,800, it is the largest city in the county and the seventh largest in the state.



Nestled between the beautiful Cascade Mountain Range to the east, the Puget Sound with its hundreds of forested islands to the west, and with the Snohomish River and easy-to-access lakes close at hand, Everett is a splendid place to live.

Industrialists from the east saw Everett's potential as a business hub more than a century ago and led its development as a lumber and mill town. Today, although the mills are gone, the area offers a high quality of life, a vital center for businesses of all types and an important deep-water port that provides access to overseas markets.

As the county seat, Everett is the center of economic development activity in Snohomish County with an expanding high-technology industrial base and health care industry, an established, world-renowned aircraft manufacturing plant and state-of-the-art naval station.

The City of Everett is home to the second largest marina on the West Coast. The area also boasts a wide range of family-centered entertainment, cultural, recreational and educational opportunities. The climate is relatively mild year-round, with seemingly endless outdoor recreational activities.

The following information is presented to give the reader an overall sense of the service demands of the City, providing a link to the allocation of resources in the operating budget.

GENERAL DATA:

Population	105,800
Number of Active Voters	49,817
Number of Active Voters	27,392
Median Age of Residents	37.7 years
Assessed Valuation	12,519,157,882
Full Time Equivalent Employees	1,167.73
Unemployment rate (Snohomish County).....	4.3%
Per Capita Personal Income.....	46,491
Average Annual Precipitation	38.4 inches
Average Precipitation Days	166

LIBRARY (2015 Activity):

Branches	2
Total Number of Materials Circulated.....	1,050,000
Number of Reference Questions Answered.....	70,000

PARKS & RECREATION:

Number of Parks	43
Number of Playgrounds.....	19
Park Acreage	1,600
Municipal Golf Courses.....	2
Public Swimming Pool	1

SENIOR CENTER:

Registered Active Members	6,120
Meal Program Participants.....	14,080

ANIMAL SERVICES:

Total Animal Intake	4,800
Save Rate (adoption, return to owner, transfer to rescue)	76%

NEIGHBORHOODS:

Number of Organized Neighborhoods	15
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FIRE PROTECTION:

Commissioned Firefighters.....	171
Fire Stations	6
Fire Apparatus (engines, aerial ladders, etc.)	17
Medic Units	7
Fire/EMS Alarms.....	21,750

POLICE PROTECTION:

Police Stations.....	2
Commissioned Officers.....	201
Police Vehicles	177
Harbor Patrol Boats	4
Calls for Police Services.....	175,424

STREETS:

Paved	337 miles
Sidewalks	741.3 miles
Alleys	54.0 miles
Bridges	25
Street Lights	6,767

TRANSIT:

Buses/Paratransit Vehicles	42/28
Transit Stations.....	3
Fixed Route Passengers	1,968,000
Paratransit Passengers.....	109,000

UTILITIES – SEWER:

Lift Stations	30
Service Connections	23,702
Miles of Sanitary Sewer	339.5
Average Daily Sewage Treated (millions of gallons)	19.3

UTILITIES – WATER :

(Source of supply is the Sultan River)

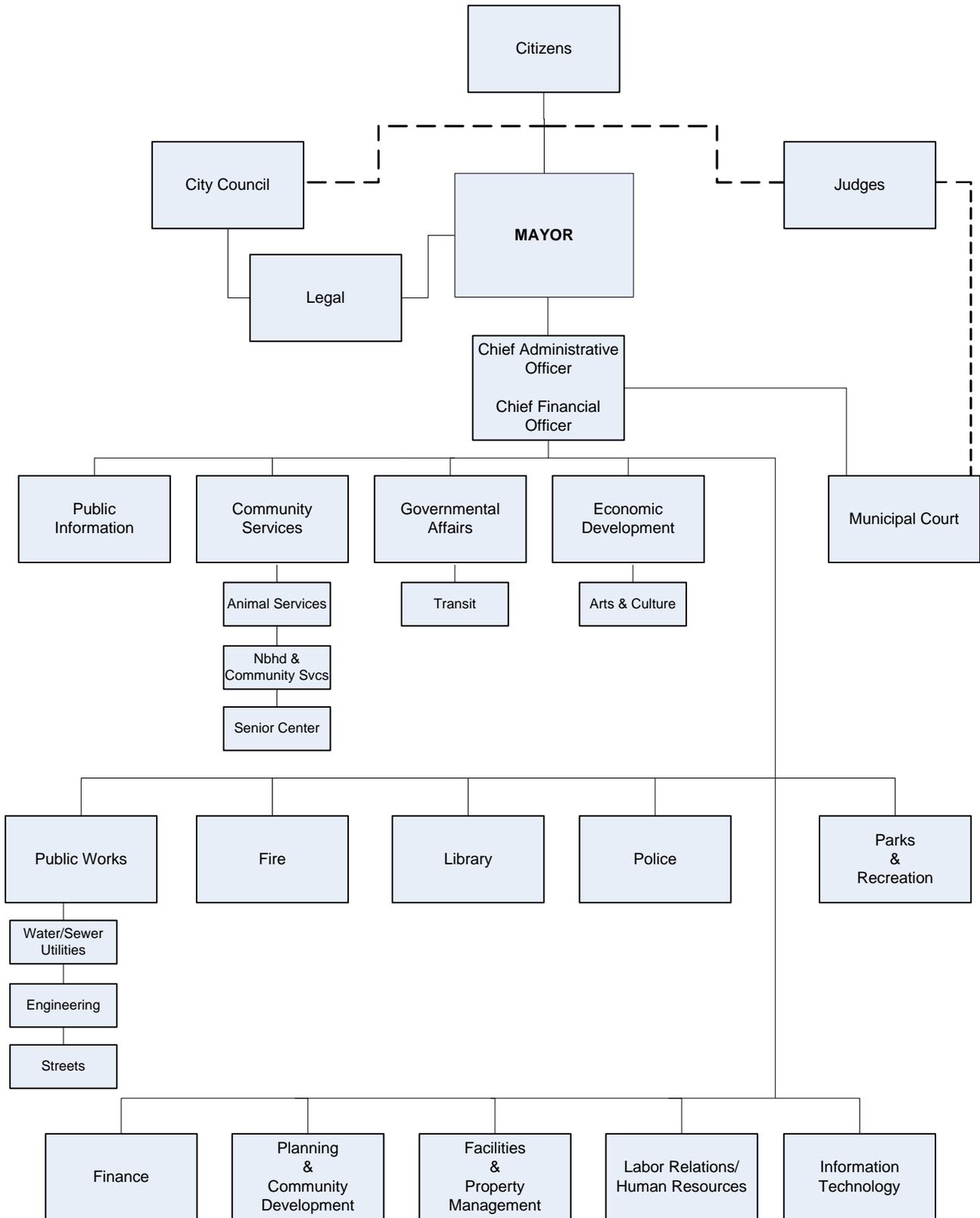
Total Treated Water Delivered (millions of gallons).....	19,228
Service Connections	30,469
Water customers served by system	563,000

Please find additional community and demographic information in the Supplemental section.

<p>INFORMATION SOURCES: City of Everett web site: www.everettwa.org City of Everett Operating Budget Documents Snohomish County web site: www.co.snohomish.wa.us</p>	<p>Snohomish County Business Journal Snohomish County Departments Office of Financial Management, State of Washington</p>
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City of Everett

ORGANIZATION CHART



OFFICIALS and DEPARTMENT DIRECTORS

The position of the Mayor is a full time position, elected to four-year terms. The Mayor is the chief executive and administrative officer of the city and is in charge of all departments and employees.

The City of Everett’s Council members are part-time officials. The Council members are the City’s legislative body who make policy decisions and enact local laws. The seven members are elected to four-year terms from the community as a whole (commonly called at-large elections). The positions are non-partisan. The terms are staggered, with positions ending for three members at one time and four members the next.

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, President
 Position No. 4 12/31/15 Ron Gipson
 Position No. 4 12/31/19 Cassie Franklin
 Position No. 5 12/31/19 Scott Bader
 Position No. 6 12/31/19 Brenda Stonecipher
 Position No. 7 12/31/19 Judy Tuohy, VP

Appointed Officials:

Administration:

Chief Administrative Assistant Debra Bryant
 Governmental Affairs Director Pat McClain
 Economic Development Director Lanie McMullin
 Communications 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 Mike Palacios
 Fire Chief Murray Gordon
 Information Technology Director Steven Hellyer
 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
President



Cassie Franklin



Scott Bader



Brenda Stonecipher



Judy Tuohy
VP

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OFFICE OF THE MAYOR

Oct. 28, 2015

Ray Stephanson

Mayor

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

Today I am pleased to present to you a proposed balanced budget for 2016 that includes critical investments in public safety and our city's infrastructure.

As I look back at 2015, I am encouraged by the significant projects underway in Everett, and I am excited for what the new year holds. This past month I had the chance to tour the new Composite Wing Center on the Boeing campus, welcome the Chinese president to Washington State, and help break ground for the new Washington State University Center in north Everett - all indicators of our rising profile in the region and around the world. All around the city, there are cranes towering above our streets, a strong symbol of the rebounding economy.

But even as our financial outlook improves, we still face challenges - both economic and social. Streets issues continue to demand our focus and compassion, while simultaneously straining our resources. These complex issues will require more investment from the City in 2016, and my proposed budget allocates more than \$2 million in new funding for the Streets Initiative efforts, including \$1 million for a comprehensive plan to help keep our community safe and provide a path forward for our most vulnerable citizens.

LOOKING AHEAD: 2016 OUTLOOK

In many ways, 2015 is the first year that we have seen glimpses of pre-recession Everett. Our revenues are currently projected to end the year at \$2.9 million over the amended budget. In 2016 we expect to finally exceed our prior revenue peak of 2008, with total estimated revenue at \$127 million.

Standard and Poor's recently reaffirmed our AA+ rating, a testament to our tradition of sound fiscal stewardship. Last week the Council approved the update to our comprehensive plan, extending our planning horizon to 2035. The plan ensures that, even as we enjoy our current development boom, our future growth is consistent with our community's values and design standards.

One major revenue contributor to our improving economy is the robust construction activity throughout the city. From the waterfront to the Riverfront, from the new University Center to the expanding aerospace hub, Everett is experiencing exciting growth. Within just a few blocks of City Hall, we can see a new hotel, a farmer's market, and more than 400 units of new housing taking shape. All of these projects will bring more residents, workers and visitors to Everett for years to come.

Significantly, we've also seen gains in retail sales, particularly in vehicle sales and revenue from building materials and garden centers. Retail sales revenue represents nearly half of our total sales tax income, and an increase in this sector is an important indicator that consumers have regained confidence after the recent downturn.

However, while we are benefitting from a recovering economy today, we know that many of our revenue sources can be volatile, and we still face a structural deficit in the coming years. My proposed budget continues our practice of prefunding future financial obligations. It also continues to replenish the City's reserves, and addresses maintenance that was deferred during the recession.

In 2016 we will reactivate Capital Improvement Program 1 as a dedicated funding source for major renovations, repairs or replacements of existing government structures. We will also make improvements to our sewer system infrastructure, using funding from \$50 million in water and sewer bonds that were issued this summer.

Next year our residents can expect to see work begin on a variety of needed public works and parks projects throughout the city. After nearly a year of detours and hard work by our contractor crews, I'm pleased to announce that we are on track to open the new Broadway Bridge before the end of the year. We have secured state funding for both phases of a critical freight mobility project that will keep trucks and traffic moving on 41st Street, Rucker Avenue and West Marine View Drive. Construction will begin next summer. In late 2016 we will begin work on the Grand Avenue Park pedestrian bridge and stormwater pipeline project.

In east Everett, improvements to Senator Henry M. Jackson Park will be completed next spring. We will also install a new permanent restroom at Wiggums Hollow Park, replacing the facility destroyed by arson a few years ago. Our parks staff will be busy in south Everett next summer, as we open the 15-acre South Everett Forest Preserve, build a new trail at the Green Lantern property in Silver Lake, and replace the turf on two soccer fields at Kasch Park.

We are also on track to present the comprehensive plan update for our parks, recreation and open spaces to Council for approval next spring. The plan ensures that the City will continue to be eligible for state recreation and conservation office funding for park projects.

INCREASING EFFICIENCIES

2015 marks the first full year of changes that came out of our structural deficit review in 2014. We are already seeing the positive effects of the expense cuts and revenue adjustments approved by Council last summer. For instance, the newly established Transportation Benefit District has enabled us to meet the growing costs of funding our street maintenance program - a figure that continues to rise as we adapt to new regulatory requirements and increased material costs, and address the backlog from the recession.

With Council's approval, we brought our fees and rates in line with similar jurisdictions, including our utility taxes, planning and traffic mitigation fees and business licenses. These adjustments have provided much needed revenue to ensure we can continue to provide the services our citizens and businesses rely upon.

On the expense side, we cut 17 budgeted positions. We saved costs by eliminating the Silver Lake life guard positions and the library outreach program, executing a jail contract with Yakima, establishing a job order contracting program and expanding electronic home detention in lieu of jail time for low-risk offenders.

Our work is not done, and we remain focused on closing our ongoing structural deficit. We continue to look for efficiencies in every area of our operations, whether it's replacing streetlights with LED bulbs to reduce costs, or using our new website to provide more services electronically.

We are also taking a closer look at our largest and most complex departments, beginning with Everett Transit this past spring. As a result of the transit peer review, the department has already begun implementing changes, including contracting with Community Transit to provide trip planning and other rider services, and making changes at Everett Station, such as improving security and way-finding signage, investing in repairs, and moving the transit administrative offices to the station.

The Fire Department study is now in draft form and the Council's Public Safety Committee has begun an in-depth review of the report to develop potential policy recommendations. The changes that come out of these studies will help us streamline our operations and provide better and more cost effective services to our community.

INVESTING IN SAFE STREETS

I appreciate the Council and community's continued support of the Community Streets Initiative and our efforts to address street-level social issues in Everett. We have already seen great success with our law enforcement embedded social worker, the Municipal Court's Mental Health Alternative Program, and the multi-jurisdictional team working to get Everett's frequent utilizers off the streets and into services.

My proposed 2016 budget includes more than \$2 million in new investments to keep our community safe and to support our most vulnerable citizens. I had previously proposed allocating \$1.2 million in funding for a Streets Initiative coordinator, housing, and other resources in 2016.

In September I announced a proposal for an additional \$1 million for a comprehensive plan focusing on housing, diversion and enforcement. The plan includes funding for two embedded social workers, additional police and prosecutor resources, establishes a work crew diversion program to expand our successful alternative sentencing options, and begins building 20 units of low-barrier housing for the chronically homeless in our community.

As we celebrate the successes of 2015 and look forward to the challenges ahead, I want to publicly acknowledge the hard work and dedication of our entire City workforce, who deliver essential public services and serve our citizens with care and integrity. I am honored to work alongside them.

I would also like to thank the City Council and community leaders for your continuing commitment to Everett and the future of our community.

Sincerely,


Ray Stephanson
Mayor