



CITY OF EVERETT
Office of the Mayor

2019 Budget Development Process

Mayor Cassie Franklin shared the following remarks at the Sept. 19 City Council meeting:

I want to thank our community members and City staff who have asked questions about the proposed budget changes and shared budget ideas of their own. This has been a very collaborative process.

I also want to thank the Council for all of their questions over the past several months. I really appreciate their willingness to dig into these difficult questions and talk about what services are important for our City to provide.

We've been talking with Council, our employees, and with our community, about some difficult changes to some of the programs and events we all love. They are all really hard options to consider.

To be clear – I wish that I did not have to bring options like this forward. I wish that I could add to our programs and expand our services, but that is not the reality that we are faced with.

It would be easier to just focus on 2019, and try to find more one-time cuts that will help us close the budget gap without affecting programs and services. However, I believe we need to be disciplined about looking ahead. We can't just look at 2019, where we started the year with a \$13 million deficit. We have to look at 2020, where the deficit will grow to \$16.4 million if we do nothing, and 2022, where the gap will grow to nearly \$24 million if we make no changes.

The only way to make a significant dent in the ongoing structural deficit is by making long-term, sustainable changes. We can't rely on one-time cuts to get us there. The changes in my proposed budget would permanently cut \$6 million from our structural deficit. That would be a huge step toward solving this challenge for the long term, but even that won't get us there.

As we've gone through this process, I've asked our teams to stay focused on the goal of making as many ongoing, long-term cuts as we can sustain in one year. We have asked hard questions about all of the services we provide, all of our operations, all of the events and programs that we put on. Our goal has been to develop a proposed budget that is aligned with our community's priorities, and protects the safety and quality of life of our residents.



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As I've said before – I can't speak highly enough of our City teams, from directors to front-line staff. Many of the recommendations you see in the proposed budget come directly from our employees, who do this work on a daily basis. Our department heads also worked with their teams to find options that will reduce our costs while still providing excellent service to our community and an incredible quality of life for our residents.

Proposed budget is aligned with community priorities

The proposed budget is aligned with the priorities that we've consistently heard from our community:

Public safety: It's very clear from our community that public safety is the #1 service they expect from their City government. Our residents expect us to respond when they call 911 and they expect to see our police officers out on the streets, working to keep them and their families safe.

My proposed budget keeps public safety a top priority. The changes that I've proposed in police and fire reduce our staffing levels at the top in those departments, and actually add more boots on the ground.

Economic development: It's also very clear from our community that they want to see our economy grow – bringing new businesses and new residents to Everett means new revenue for the City. That is the only way we can make a positive, long-term impact on the deficit.

Community engagement: We have also heard from our community that they want to see the City focus on engagement – particularly with groups that aren't already connected to the City. Those kind of relationships and networks are hugely important in building the kind of community that we all want. Strong networks are also critical as our city continues to grow and change – we want our residents and business owners to be aware of and have a say in the projects and developments that will affect them.

My proposed budget restructures our City teams to provide a strong focus and investment in economic development, including tourism and marketing, and on community development and engagement. The new structure also allows those teams to work in close coordination to have an even stronger impact on our neighborhoods and business districts.

Strategic cuts

And as we've discussed, my proposed budget does include cuts to programs and services.

I've tried to modify or reduce programs where I can, instead of eliminating them entirely. Some of these are incredibly difficult recommendations. I've worked closely with department heads to understand how best to make those changes in a way that still allows us to serve our community.



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These are very hard choices. As a community, we are used to these programs. We enjoy them, our kids enjoy them, and the City has tried to preserve them for as long as possible.

Unfortunately, that isn't sustainable. We need to take a close look at all of those services. If we don't make significant changes now, we will be faced with an even bigger challenge in the years ahead, and cuts will be far more painful.

Finally, I'd also like to address some of the questions I've heard from community members.

I've heard from some in our community that we should reduce more jobs before we cut services. To be clear, we have made cuts in staffing - my proposed budget eliminates 18 positions across the City for a net of 13 FTE reductions, and I expect that we will see more reductions over the coming year as we continue to restructure teams. But my goal is to protect as many jobs as we can.

I've met with nearly all of our team members over the course of this year and I can tell you that many departments are already operating with the bare minimum. It's so important to remember without people, there are no services. As we reduce staff and restructure teams throughout the City, I want to ensure that they are focused on the most essential services that will best serve our entire community.

We've also received some questions about why we have included options that seem relatively small compared to the size of the deficit.

The reality is we need all of these cuts to make a sustainable, long-term difference. If it's a drop in the bucket, those drops do add up to significant dollars.

The dollar amount that we see in a budget line item doesn't always reflect the total resources for a specific event or program. We sometimes involve staff from other departments working an event or providing support in other ways. And again, it's a question of how best to spend our limited resources. If we have reduced staff in a department, where do we want them spending their time? Where can they have the most impact?

That's why we've been looking closely at programs and services to ensure they are aligned with community priorities, and that those programs are promoting our economic development priorities and or reaching a broad demographic of our residents and visitors.

A great example has been in our neighborhoods

Earlier this year we talked a lot about some of the changes we made in our neighborhoods department, including eliminating the Monte Cristo ceremony and phasing out neighborhood mailings. Those were hard cuts and tough choices to make.



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But I've been so pleased to see our neighborhood leaders step up to take on the Monte Cristo awards, and to develop new ways of engaging residents and communicating with their neighbors – as you heard from Mary Fosse last week, and I heard from Harborview/Seahurst and Glenhaven neighborhoods just last night.

Our neighborhood leaders are truly partnering with us and the changes we've made free up staff from managing address databases and sending postcards and allow them to support our neighborhoods in building capacity and reaching new residents who aren't currently engaged.

It is our hope that we see more groups and private entities step forward in a similar fashion as we've seen our neighborhoods leaders do. We want to use that same lens to look at all we do and determine whether our programs and service are really aligned with where our community wants us to go.

As we've discussed, this is just the first phase, and I look forward to working with you on a process to look at transit services, fire services and our golf operations over the coming year.

Again, thank you to our finance team, particularly Susy Haugen and Rae Ann Nielsen who have been working 24/7 these last months. They have done an outstanding job of providing us with accurate, thorough and timely information, and again thank you to the City Council, for their continued thoughtful deliberation in this process. I look forward to continuing our discussion as we finalize the budget over the coming weeks.



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