



CITY COUNCIL RETREAT JANUARY 18, 2025
LEGION HALL LOCATED AT
3145 ALVERSON BLVD, EVERETT WA 98201

9:00 Opening

9:30 Financial Work Presentation - Mike Bailey

10:00 Facilitated Discussion following financial presentation

10:30 Revenue Solutions Options - Exploration of Ideas

11:15 Comprehensive Plan Periodic Update on Council Actions - Yorik Stevens-Wajda

11:30 *LUNCH*

12:15 Organized Retail Crime Mark Johnson- WA Retail Association

12:40 Committee Structure - 2025 Options

1:00 Council Initiated policy process and Analyst Support Options

1:50 *BREAK*

2:00 2025 Newsletter

2:15 Priorities for 2025

2:45 Closure and Next Steps

3:00 Adjourn

The Public is welcome to attend in person. Public comments will not be part of the agenda during this Retreat.



City of Everett
City Council Retreat
January 18, 2025

AGENDA FOR SHARED TIME



- **9:00 Opening**
- **9:30 Financial Work Presentation -Mike Bailey**
- **10:00 Facilitated Discussion following financial presentation**
- **10:30 Expense/Revenue Solutions Options - Exploration of Ideas**
- **11:15 Comprehensive Plan Periodic Update on Council Actions - Yorik Stevens-Wajda**
- **11:30 LUNCH**
- **12:15 Organized Retail Crime - Mark Johnson - WA Retail Association**
- **12:40 Committee Structure - 2025 Options**
- **1:00 Council Initiated policy process and Analyst Support Options**
- **1:50 BREAK**
- **2:00 2025 Newsletter**
- **2:15 Priorities for 2025**
- **2:45 Closure-Next Steps**
- **3:00 Adjourn**

COUNCIL SUCCESSES

Authorized first two agreements to help us establish an alternative response team

Authorized funding to launch the Emergency Mobile Opioid Treatment in Everett team

Authorized contract with Flock to install several types of safety cameras and license plate readers in the City, leading to arrests of suspects in gun violence incidents

Chose a site for a new stadium as a home for the Aquasox, soccer leagues, and other uses

Approved development agreement for Everett Housing Authority's Park District proposal in the Delta neighborhood

Supported funding for the Monte Cristo Awards and funded establishment of Community Watch Program

COUNCIL SUCCESSES

Approved funding for 28 lane-miles of new bicycle wayfinding signage

Approved funding and process to relocate residents, demolish the Waits Motel and authorized a process for redevelopment

After evaluating multiple fundings strategies, presented voters with the first ever levy proposal for maintaining city services

Adopted a wage theft prevention/ accountability ordinance championed by Councilmember Rhyme

Amended downtown zoning code to allow for birth centers on the ground floor in Metro Everett, championed by Councilmember Fosse and with support from Mayor Franklin

Authorized funding to establish an Everett Chamber of Commerce in 2025

Other Acknowledgements



Council President Schwab's ability and efforts to connect all council members and his outreach.



Communication as a team is better than it has been in past years.



The committees are working and with some honing on time and frequency will feel well tuned.

Your Desired Outcomes for Today

1. Acknowledge accomplishments.
2. Have logistics in place on how to run council subcommittees.
3. Explore expenses and potential cuts along side revenue options
4. Deciding how much fund balance we need and a policy with stated amount to avoid drawing it down.
5. Have awareness of 2026 budget and potential shortfall – have plan B.
6. How to bring forward council-initiated legislation? Create policy process.
7. Newsletter communication process decision
8. Name Council policies to update and establish process to do so.
9. Optimize committees to bring council initiatives forward assuring that a minimum of 4 council members join in support.
10. Joined commitment that is named and agreed upon to not cut public safety.
11. Realize that initiatives cannot be a priority with the current budget and limitations.

Council Fiscal Priorities



- Setting strategic priorities
- Review and revise budget policies
- Adoption of budget calendar
- Oversight of fiscal operations
- Clear understanding of council role in context of policy vs administration

Financial Questions Heard in Council Member Mtgs

1. How much fund balance do we need?
2. Where are we to cut the budget?
3. Can we start the budget process early in the year?
4. Can we define program impact in budget and set language to protect programs as we define boundaries?
5. Set criteria and clarity around budget.
6. Can we address reduction and budget projections before November? In August?
7. Can we establish a process to look at comps from other cities of like size and demographic?

FINANCIAL WORK PRESENTATION

Prepared by: Mike
Bailey, CPA
Local Government
Consulting
Finance and
Technology



Discussion Following Financial Presentation

- Best practices for finance policy update
- Budget Process
- Setting date/timeline for the 2026 budget process

EXPENSES

Understand council priorities related to expense

- Where do you see a need to protect programs and set guardrails for program areas or budget lines?
- What is important to you? Council priorities?
- What work can be done at the Budget Committee level?

Reviewing Revenue Options Previously Discussed



Fire Options

- Regional Fire Authority
- City Fire Benefit Charge
- Form a fire district
- Merge or Consolidate

Library Merger

Park and Library Levy

EMS Levy

Fire Levy

Others?

Comprehensive Plan Periodic Update

Yorik Stevens Wajda



LUNCH
Reconvene at
12:15



Organized Retail Crime

Mark Johnson
WA Retail
Association



Committee Structure – 2025 Options

OPTION 1

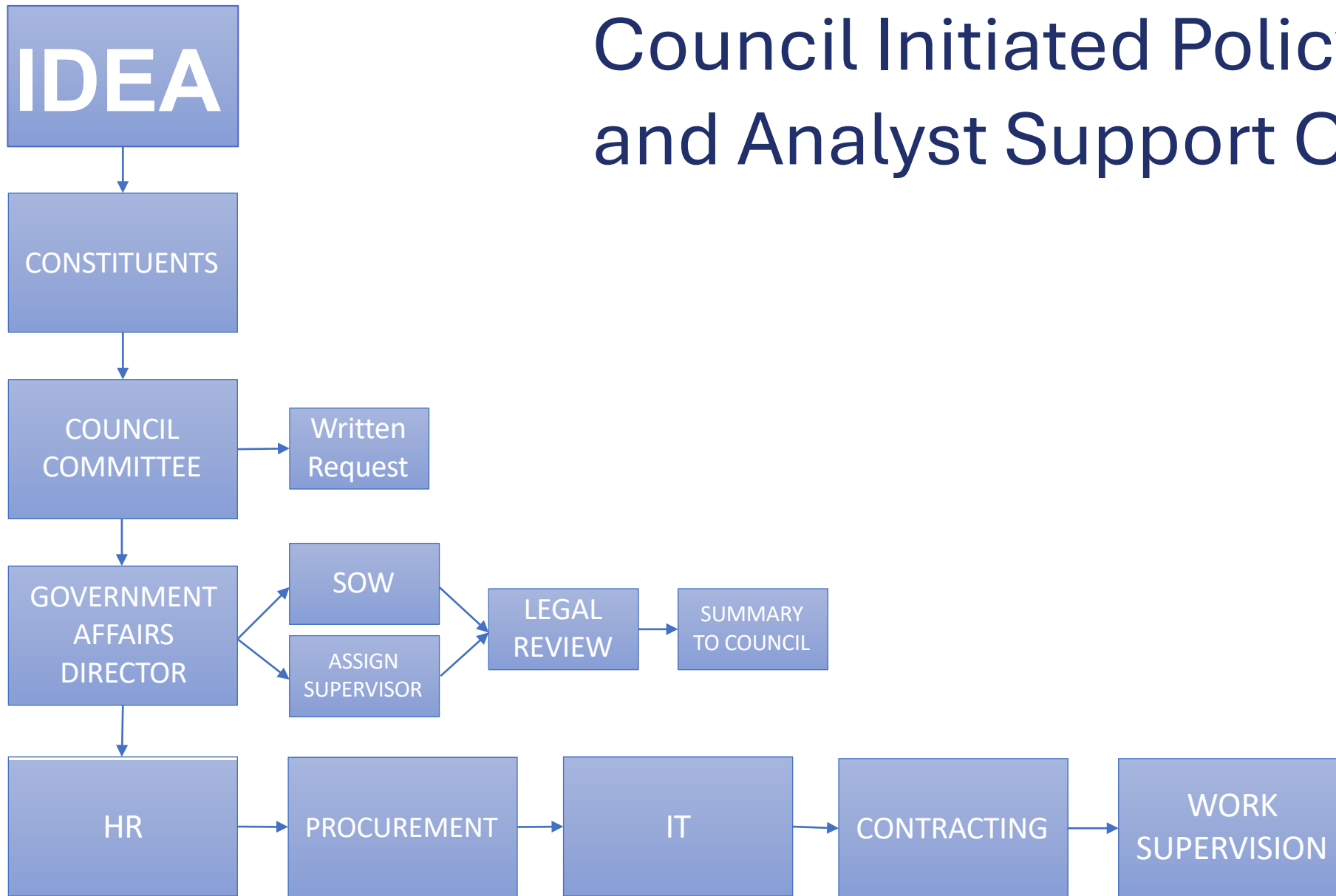
- 4 subcommittees meet every other month
- Other space for budget meetings

OPTION 2

- Have 2 Committees
 - PEOPLE
 - PLACES
- One is the first Wednesday
- One is the second Wednesday
- Budget Meeting the 3rd
- 4th Wednesday Other Committees

- OTHER IDEAS?

Council Initiated Policy Process and Analyst Support Options



Section 9: Procedure for Council Initiated Legislation

SECTION 9: PROCEDURE FOR COUNCIL INITIATED LEGISLATION.

To promote the orderly development and consideration of proposed legislation and the efficient use of staff time, Council will initiate legislation as follows: Council members may seek confidential legal advice from the City Attorney to draft an outline of their proposed legislation for consideration at a Council meeting. Following Council discussion, the City Attorney will prepare a draft ordinance or resolution if a request is made by two or more members at a council meeting. Once the legislation has been prepared, the President will place it on the Council agenda for discussion. Provided, however, the obligations of this section shall be consistent with the Washington Court Rules for Rules of Professional Conduct, State law, the Charter and City Ordinances.

Comprehensive Evaluation for Effective Analytical Project Management

Timeline Considerations

Considers the urgency and time constraints of the project.

Implementation Impact

Looks at the immediate and long-term effects of the project's recommendations.

Political Sensitivity

Evaluates the political and public scrutiny aspects of the project.

Project Complexity

Assesses the technical and specialized requirements of the project.

Long-term Value

Focuses on the future benefits and knowledge transfer from the project.



Suggested Process for Staff vs Analyst



Initial Request Protocol

- Any councilmember may submit a written request for analysis
- Request must include clear scope, expected deliverables and estimated timeline

Support Verification Process

- Minimum of 4 supporting votes required to proceed

Resources Assessment

- City staff capacity is evaluated and budget implications
- Determination if external analyst makes sense
- Provide cost estimate

Implementation Framework

- Upon approval – analyst or staff provide SOW and provide updates at predetermined intervals
- Clear process for analyst or staff to request additional information or clarification

Deliverable Management

- Final report addresses elements of SOW
- Report distributed to all council members for review prior to meeting

Council Inquiry :Process Overview

New Idea

Ensure Council Assistant is Loop in

- Any new ideas or proposals should be communicated to the council assistant to keep them in the loop.

Direct to Mayor for Conversation with Council

- New ideas should be discussed with the mayor, who will facilitate conversations with the council. Staff will assist in gathering information to support these discussions.



Council Inquiry : Process Overview

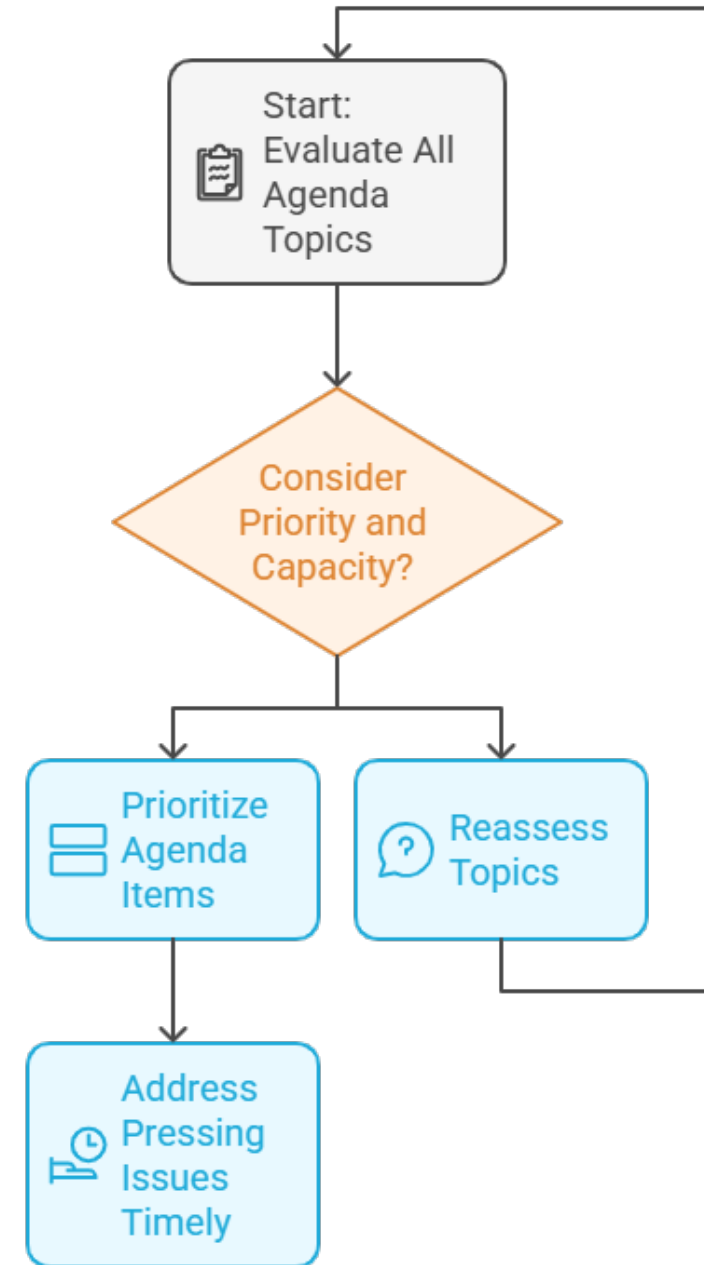
Committee Work

•Evaluate All Agenda Topics

- All topics on the agenda should be evaluated with consideration for priority and the capacity of the staff and council.

•Prioritization

- It is essential to prioritize agenda items to ensure that the most pressing issues are addressed in a timely manner.



BREAK
10 Minutes



2025 NEWSLETTER

- What serves all and makes sense?
- What is working now?
- Is there election year communication that is best handled individually?
- What is needed now?



Priorities for 2025

Looking at conversations today, budget and other considerations, what has risen as clear areas of focus for 2025?

NEXT STEPS AND CLOSURE

- I will take the information that I have heard today and submit a report back to council.
- What other actions need to happen for closure for our agenda content today?

THANK YOU!!

I appreciate the privilege of
working with you.

KATHY SOLBERG

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Everett City Council Retreat Financial Work Presentation

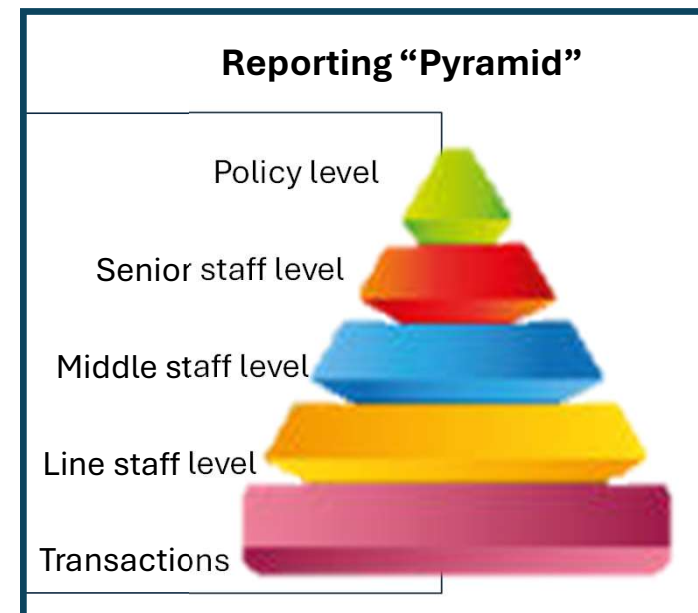
Prepared and presented by:

Mike Bailey

January 18, 2025

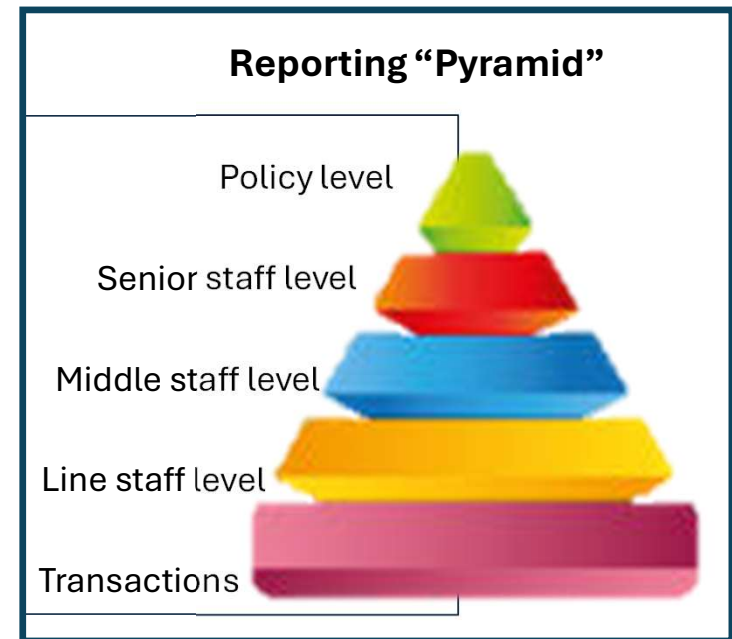
Budget Roles and Responsibilities

- Policy makers – make policy
 - Provides oversight as necessary
- Administration
 - Informs policy choices and progress
 - Revenue forecasts / options
 - Programmatic approaches to achieve policy
 - Interim financial reporting
 - Performance management information
 - Carries out the policy
 - Organizational structure / resource deployment
 - Oversees activities



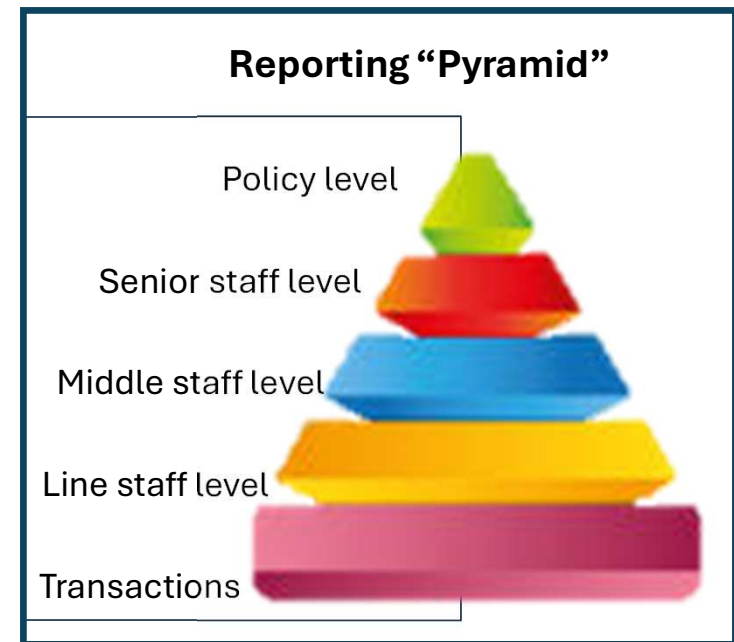
Budget Roles and Responsibilities - Policy

- Making policy
 - What does this look like?
 - Broad goals / strategic plans
 - Other plans (Comp Plan, TIP, Systems Plans)
 - Financial policies
 - The “guardrails”
 - Budget policies & Calendar
- Provides oversight as necessary
 - Reviews reports (at policy level)
 - Interim financial reports, audits, etc.
 - Investigates issues (as necessary)
 - Reviews and updates policy direction (annually)



Budget Roles and Responsibilities - Administration

- Administration
 - Informs policy choices and progress
 - Develops policy recommendations
 - Regular reviews of status
 - Financial status
 - Programmatic status
 - ☐ Policy compliance (such as in the budget)
 - Carries out the policy
 - Day to day activity
 - Reports on progress (both programmatic and financial)



Note: I will use a check-box to indicate a topic for your future consideration

Financial Policies

- A wide spectrum (see provided list of potential policy topics)
- We will focus on:
 - Budget and
 - Financial Management
- Informed by:
 - Government Finance Officers Association (GFOA) “Best Practices”
 - Municipal Research and Services Center (MRSC)
 - My experience

Approaches to Policies

- Legislative policies versus administrative policies
 - It is common to have both
 - Difference is “what” (legislative) versus “how” (administrative)
 - The “line” is often a bit blurry
- Development
 - Staff develops policy proposals and revisions
 - Can / should be informed by council topics, concerns or priorities
 - Periodic review – I recommend at the beginning of the budget process (example: Redmond’s budget policies are “red-lined” in their budget)

Budget Policies

- From Everett's current policies
 - Six-year outlook (long-range financial forecast)
 - ☐ Be sure to describe the assumptions and implications
 - ☐ Include in the preliminary budget as well (where it is most important!)
 - Balancing the Operating Budget
 - ☐ Legally balanced versus structurally balanced
 - ☐ Consider changing the format of the summary schedule to illustrate this
 - Fund balances – 20% for General Government
 - ☐ Based on revenues; consider using expenditures as they tend to be more consistent
 - ☐ 20% is in addition to Contingency Reserve (fund 160)
 - ☐ Evaluate target level in the context of risks and the economy

Budget Policies - continued

- From Everett's current policies (continued)
 - Budget timing – annual versus biennial
 - Reserves – numerous funds
 - ☐ These can become stagnant – consider an annual review (purpose and level)
 - ☐ Consider expanding to incorporate enterprise funds
 - ☐ Consider outside an actuarial analysis of self-insurance reserve levels
 - Fees and Charges
 - ☐ Consider developing criteria to inform the variety of types of user fees (e.g. some are intended to recover full costs, some are not, etc.)
 - ☐ Clarify which are to be set by council and which are administrative
 - ☐ Develop a comprehensive list of user fees and the last date the fee was refreshed

Budget Policies - continued

- Additional Topics to Consider
 - Strategic priorities to inform budget development
 - ☐ Council's often have a “retreat” to develop priorities, goals or focus areas
 - Mayor's office often informs the conversation (in “strong mayor” cities)
 - ☐ Council should then “adopt” their priorities
 - Public involvement in the budget process
 - ☐ Consider a policy that describes the type and rhythm of public involvement
 - ☐ Can be public meetings (not the hearings), surveys or other forms
 - Develop a budget calendar to inform the process and approach
 - Mayor's offices often develop the initial calendar
 - ☐ Council should “adopt” a calendar

Budget Policies - continued

- Additional Topics to Consider (continued)
 - Staffing
 - ☐ Consider requiring information that describes the rationale for additional staff
 - ☐ Clarify which staff are supported by grants, capital projects or one-time revenue
 - ☐ Clarify costs of benefits and other staff related costs
 - ☐ Zero base overtime budgets (describe the different types and reasons for overtime)
 - Capital improvements
 - Develop policy around how capital projects will be:
 - ☐ Described in the annual budget
 - ☐ Consistent with the Growth Management Act
 - ☐ Reported on to the council and public
 - ☐ and Project prioritization

Other Financial Management Topics

- Reporting
 - Annual financial reporting – the city already creates a “ACFR”
 - This is a GFOA best practice and typical for larger, complex cities
 - Council’s role in the annual audit
 - ☐ Participate in the “pre-conference” and the “post-conference”
 - ☐ Audit Committee (review of vouchers as required by state law)
 - Interim financial reports
 - Council currently gets very good interim financial reports
 - ☐ Consider publishing these more broadly
 - Consider specific approaches, such as:
 - ☐ A review of the audit report at a public meeting
 - ☐ A mid-year check-in on the current budget performance and expectations for next year

Other Financial Management Topics

- Grants

- ☐ Who has the authority to apply for / approve the acceptance of grants?
 - ☐ Grants that may not be consistent with city priorities
- ☐ Grant reporting responsibilities
- ☐ Grant reporting as part of the budget (grants currently funding city programs)



GFOA Financial Foundations Framework

1. Establish a Long-Term Vision
 - Promote collaboration; Balance long-term goals with short-term needs
2. Build Trust and Open Communication
 - Create open lines of communication; Cultivate trustworthy reputations
3. Use Collective Decision-Making
 - Engage stakeholders; collective choice arrangements; networked enterprises
4. Create Clear Rules
 - Boundaries; Monitoring; Maintain oversight; Sanctions and rewards
5. Treat Everyone Fairly
 - Proportional equivalence; Conflict resolution; Recognition of Rights



Discussion

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