

## **SLIDE 2 – PICTURE SLIDE**

This update does not represent the work that any one person or group of people have done – this update represents the work our community has done – it represents the work of thousands of residents, business owners, non-profit organizations, appointed and elected officials, and city staff; it represents the work of people working on our behalf at the County Courthouse in Everett, the Capitol in Olympia, and Washington, DC; it represents the work we do in partnership with people and organizations based outside of city limits. To each and every one of you, I personally and on behalf of our Monroe community, thank you for your partnership, your dedication, and your leadership that builds, sustains, and nurtures our community. Thank you.

## **ADMINISTRATION SLIDE 1**

After working for Monroe for 30 years, Gene Brazel, our former City Administrator, accepted a position with a larger city, the City of Lake Stevens. We are in the process of recruiting a new City Administrator. While this recruitment is underway, David Moseley has been serving as our Interim City Administrator. David comes to us with decades of experience in city and government administration. Some of his responsibilities are listed on the slide above me. In short, the City Administrator represents me at local and regional meetings, administers the day to date operation of city services, and keeps me and Council informed of issues as they arise. Over the first quarter of this year, one of the issues David has been actively involved in is coordinating issues related to homelessness. I appreciate having David here – Thank you, David.

Our Human Resources and IT Director, Ben Warthan, has been very busy recruiting people to fill positions that have become vacant, negotiating labor and technology contracts, and advising departments on personnel issues. I am happy to report that most of our labor contracts have been renewed and that Monroe continues to be a place where people want to come to work. Some items of interest from the IT area that Ben is working on include refreshing our City's web page and exploring alternative to improve our accounting and permitting systems. Thank you, Ben, for all your work.

## **ADMINISTRATION SLIDE 2**

Our City Clerk is Liz Adkisson. Liz is the person who coordinates and produces the weekly Council meeting agendas and minutes. She is the person responsible for managing city records, ensuring public notices for city council meetings are published, and ensuring that the laws the Council adopts are properly codified. Liz is our parliamentarian, that is, she is the one that I look to when I have questions about Roberts Rules of Order during a meeting. Liz, who is a certified municipal clerk, continues to lead and support a number of administrative improvements that support many city functions that governments sometimes take for granted. Thank you, Liz.

## **FINANCE SLIDE 1**

Our Finance Director, Dianne Nelson, retired at the end of April. Our community is fortunate to have a new Finance Director, Becky Hasart, who comes to us with decades of experience in both public and private sectors. City staff requested, I recommended, and Council authorized one-time funding in 2017 that allowed us to have a period where Becky was able to work for about two months while Dianne was still here. This has allowed us to have a smooth transition in the very key position of Finance Director. The Finance Department is responsible for all things financial at the City from payroll to investments to the annual budget to actual expenditures. But, further, the Finance Department has been responsible for utility billing, business licenses, and passports. One of the issues that Finance has been implementing is the transition from the City billing for garbage collection to Republic Services billing residents and business owners directly for garbage collection. I thank our Finance staff and Republic Services for continuing to work on this transition.

Our finances consist of a variety of funds. Some of these are limited in their use and some can be used for a variety of uses. The slide above me illustrates the most flexible fund we have – the General Fund. The general fund funds most of the city's general, day to date operations. The right side of the slide indicates where revenue comes from

– in 2017, 41% of our revenue is expected to come from sales tax, 20% from property tax, 17% from utility taxes, with the remaining 22% coming from other sources.

For many cities outside of the metropolitan core, sales tax is a lower percentage of their revenues while property tax is a higher percentage. Property taxes are a fairly stable source of revenue while sales taxes can fluctuate, sometimes pretty significantly, from year to year. It is because of this fluctuation that I am very careful in recommending budgets to Council – staff and I are careful to build budgets based on conservative forecasts of sales tax revenues to support ongoing expenses. It is our policy to use one-time spikes in revenue for one-time uses – for example, this year we ensured that our contingency fund was funded and, with a recent budget amendment, that our ending fund balance was higher than in preceding years. But further, we have used some of these one-time spikes in revenue for one-time improvements, like installing the Wagner Swift’s Sculpture, sidewalk lights, and new benches and garbage cans in downtown, or “pilot programs,” like the 2-year embedded social worker we are sharing with the County to make progress on homelessness and issues contributing to homelessness.

As you will note from the pie chart on the left of the screen, about 61% of our general fund expenditures supports public safety, 11% supports community development, and 10% supports parks and recreation.

Our 2017 Budget fully funds reserves at target levels. The reasons we were able to do this include:

- We saved \$455,000 in 2016, which rolled over into 2017,
- We received \$214,000 more in revenues than we had estimated for 2016; and
- We managed our expenditures to save \$267,000 from what was approved in the 2016 Budget.

Again, we take a conservative approach in estimating revenues and, while we make realistic projections of how much it is going to cost to deliver services, we work hard to deliver the best services we can within or below budget.

## **FINANCE SLIDE 2**

This next slide demonstrates how sales tax, real estate excise tax, building permit revenues, and planning revenues have changed over the last three years and are projected for the end of 2016. You will note significant increases in revenue – I ask you to look beyond the dollar signs – these revenues don't just represent more income –they also represent changes in our community... With these changes come new demands on public facilities and services... and for Monroe to be successful, it is critical that we carefully invest revenues in facilities, services, and reserves to meet these demands. For example, it is important we distinguish “one-time” revenues from new “on-going” revenues and ensure that our long-term financial forecasting does not put one-time revenues to support on-going expenses.

So, a couple items to note:

- From 2013 to 2016, sales taxes increased by 23.5%;
- From 2013 to 2016, REET increased by 108.4%;
- From 2013 to 2016, building permits have increased by 147.8%;
- From 2013 to 2016, planning-related revenue has increased by 27.3%; and
- As of today, 2017 sales taxes are 9.7% above budget estimates for 2017.

Real Estate Excise Tax, which is paid every time someone buys property, is one of those restricted funds – it is used to fund capital improvements like roads, sidewalks, parks, and city buildings. The sales tax includes construction sales tax from new homes and business improvements, but also includes general retail sales. As we look to 2018, I will be working with staff and Council to invest construction-generated revenue into needed capital improvements. Examples of this include the improvements you are seeing in our parks today and planning efforts that are underway to re-establish 191<sup>st</sup> and to improve the intersection at Blueberry and North Kelsey. Working with staff and Council, I will make certain we are funding and completing improvements to support our growing community.

Thank you, Becky and your staff, for all the work you do to keep us on a path of financial sustainability.

**COMMUNNITY DEVELOPMENT SLIDE 1**

Ben Swanson, worked for the City of Monroe about a decade ago as a planner. Ben left to work for the City of Duvall and then the City of Snoqualmie. He has come back to Monroe as our Community Development Director.

The slide behind me illustrates the substantial changes in building permit activity and related revenue from 2014 to 2016. As you can see, Monroe continues to be a place where companies want to build and people want to buy homes. Based on first quarter data, we are projecting that building permit revenues will be up 44%, planning revenues will be up 11%, and single family building permits will be up 8% compared to 2016.

## **COMMUNITY SLIDE 2**

This next slide identifies where residential building permits in progress. Some items of note include:

- There are about 800 residential units in the pipeline – this includes lots that are part of pre-applications, lots that are in approved plats, and lots with homes built but not yet sold to a buyer; (approximately an increase of 2,200 people)
- A significant area of residential development is the area north of North Kelsey along Chain Lake Road and there are also developments in progress along Roosevelt on the west side of Monroe and there are also infill developments occurring along either side of SR522;
- There is an apartment complex of about 122 units currently in review; and
- There are commercial developments including Park Place Middle School, Rudeen Building improvements, and Carl's Junior.

In addition to receiving development applications, working with applicants, and assisting customers with building permit questions, our Community Development Department is undertaking a complete re-write of our development regulations. As I have stated to the Chamber in previous City updates, we need to update our processes, procedures, and development regulations. We have made some of the updates to the processes and procedures. Staff is beginning the work of updating the City's development regulations. Last week, at my request, staff discussed the scope of work with our Planning Commission and will be discussing the scope of work with City Council beginning this

evening. We hope to have the development regulations re-written by this winter. Our goal is to have regulations that make sense and that reflect our shared vision for how our neighborhoods, downtown, commercial areas, and manufacturing park will be built for the next decade or more.

A couple of additional items to note include:

- Council authorized a temporary increase of one of our permitting positions from half time to full time to the end of 2017. Staff, Council, and I felt this was needed to make certain we have the staff to process and respond to questions about building permit applications. The building permit revenues we are receiving will fund the increase in this position from half to full time.
- Council authorized a new position in Community Development that is supporting planning review and performing code enforcement.

Thank you, Ben and your staff, for all the work you continue to do to serve our customers and to help us realize our community's vision.

### **POLICE DEPARTMENT SLIDE 1**

Chief Quenzer leads an amazing Police Department. The slide behind me identifies just some of the department's accomplishments in 2016 including contracting with Snohomish County for a part-time domestic violence advocate to assist victims of domestic violence, raising funds to support the Special Olympics – which included a new event last year called “Wings N Wheels” at First Air Field and which resulted in the department earning the “Bronze” level award in the Circle of Honor, increasing social media presence, and completing a 5-year strategic plan that included community and stakeholder input.

### **POLICE DEPARTMENT SLIDE 2**

Homelessness and issues contributing to homelessness are significant concerns region-wide and also in and around Monroe. There are many things that contribute to homelessness including poverty, unemployment, housing affordability, mental health, and chemical dependency. We have a number of organizations, businesses, and

individuals that have led and been involved in efforts to help people who are homeless. I thank everyone of you who has been led and partnered in these efforts.

For the City's part, we had been relying on our police officers and our Parks and Public Works staff to resolve issues related to homelessness for some time. Recognizing that our community could benefit from a different approach, I requested and Council approved, an embedded social worker as a pilot program in the 2017 Budget. New for 2017, Elisa Delgado, will be working part time in the City and part time in the County to provide assistance to people who are homeless. I am hopeful that this partnership with Snohomish County will help people who homeless find the help and housing they need and I am hopeful this partnership with Snohomish County will resolve some of the issues our community faces related to homelessness. Thank you to our City Council, County Council including District 5 Councilmember Low, County Executive Somers, and County Sheriff Trenary for supporting this partnership.

Another item new to 2017 is "Coffee with a Cop." Similar to the "Coffee with the Mayor" that I routinely do, we are providing people with the opportunity to sit down with our police over a cup of coffee to talk about community policing efforts in and around Monroe. If you are interested in hosting one of these, please contact our Police Department. The department has its first "Coffee with a Cop" at 10AM on May 16th at Sahara Pizza.

### **POLICE DEPARTMENT SLIDE 3**

The slide behind me illustrates calls for service versus population from 2012 to 2016. The bar chart demonstrates a slow, but steady, rise in calls for service. The trend is expected to continue as growth occurs in and around Monroe. Council, staff, and I are committed to properly funding public safety; staff and I will evaluate the need to add police staff as we work on the 2018 Budget that will be presented to Council for consideration in October this year.

Thank you, Chief Quenzer and your staff, for your leadership and dedication in ensuring public safety in our community.

### **PUBLIC WORKS SLIDE 1**

Brad Feilberg is our Public Works Department Director. He has been with our City for over 30 years. Under his leadership, our Public Works Department builds and maintains the 102 miles of streets, 176 miles of waterlines, 67 miles of sewer mains, 53 miles of storm water mains, sidewalks, and other infrastructure that we use every day. In 2016, we added 1.74 miles of streets, 1.61 miles of water mains, 1.46 miles of sewer mains, and 2.78 miles of storm water mains. Also in 2016, the City received a total of \$3.3 million in grants to help fund these improvements.

## **PUBLIC WORKS SLIDE 2**

Some of the projects we have underway are illustrated in the slide behind me. These include new construction for a watermain upgrade on Tester Road, new sidewalks to cross the railroad tracks at Fryelands Boulevard and at 179<sup>th</sup> by the hospital, a new entrance to Fairfield County Park off of Fryelands, a sewer upgrade on Powell Street, and rehabilitating Chain Lake Road, Fryelands Boulevard, Woods Creek Road, Old Owen Road, and other local streets. In design, staff is working on a new path along Chain Lake Road north of Rainier View Road and other utility upgrades. As part of this work, our Public Works Department has worked with PSE to install lighting along the new Woods Creek Road sidewalk.

Thank you, Brad and your staff, for all the work you do to maintain and develop these important facilities.

## **MUNICIPAL COURT SLIDE 1**

Monroe is one of a handful of cities that has its own municipal court. Under Judge Rozzano's leadership, the Court is in session on Tuesdays and Wednesdays. In 2016, the court processed over 3,000 citations, signed 27 search warrants, and is currently monitoring 350 post-conviction cases. By having our own court, we are able to provide better and customized services that support our community.

## **MUNICIPAL COURT SLIDE 2**

For 2017, the Court will continue to use alternative sentencing programs, when appropriate, with the goal of reintegrating people back into productive members of our

community. This includes providing community service in lieu of jail time or legal financial obligations and earning a GED as credit toward legal financial obligations. Also being considered is establishing a volunteer veteran's court and a community based court program to encourage civic growth and reduce repeat offenders.

Thank you, Judge Rozzano and your staff, for your work and leadership in developing and maintain our court.

### **PARKS AND RECREATION SLIDE 1**

Our Parks and Recreation Department is led and managed by Mike Ferrell. His team develops new parks and maintains the ones we have. His team coordinates a number of events. The Parks and Recreation facilities we have in Monroe are not just awesome facilities our residents use, they are also facilities used by regional events and because of that draw people into town for overnight stays in our hotels.

### **PARKS AND RECREATION SLIDE 2**

For 2016, our Parks and Recreation Department maintained 240 acres of parks and 10 miles of trails. We supported events that brought over 600,000 people to our community with an estimated impact of \$26 million in revenue to businesses in and around Monroe. We have a robust volunteer program and last year volunteers contributed over 1,000 hours and people donated over \$10,000 to our parks facilities and events. Last year, we completed a significant skate park renovation funded in part by state grant funds (Thank you Senator Pearson) and we purchased new event fences and tourism-branded street pole banners for downtown and North Kelsey (Thank you Executive Somers, County Councilmembers including District 5 Councilmember Low). Also last year, we purchased a new mobile stage that will be used for music in the park and other events. We also supported the American Legion's gift of the beautiful Veteran's Memorial at Lake Tye Park and installing a new art sculpture – Wagner Swifts – in downtown.

### **PARKS AND RECREATION SLIDE 3**

For 2017, we will continue to maintain, plan new development of, and improve our parks. For 2017, we have initiated an adopt-a-park program with the first program involving the Boys and Girls Club for Sky River Park. Also, we will begin master planning of Lake Tye Park and Cadman Pit site, work toward installing synthetic turf fields at Lake Tye Park, install new furniture in downtown, and pursue grant opportunities to fund various events and projects around Monroe. In fact, today, the County Council approved a small capital matching grant for over \$5,000 to install exercise stations at Sky River Park in conjunction with the Monroe Boys and Girls Club (Thank you County Councilmember Low).

Thank you, Mike Farrell and staff, for your hard work in maintaining our parks, working with our volunteers, and for supporting and coordinating the events that happen within the City.

### **COUNCIL SLIDE 1**

A City Council's responsibility is generally to review, consider, and approve budgets and laws. I truly appreciate the continued leadership and partnership with our City Council. Our Councilmembers and I continue to be active formally in regional boards and commissions and to be active in our community. By being active in regional boards and commissions, by partnering with other jurisdictions like with the County for the embedded social worker, and by investing time and resources in meeting with and lobbying our elected officials in Everett, Olympia, and DC, we have been able to leverage more resources for our community. Two items of note right now are synthetic turf fields at Lake Tye and improvements to SR-522:

I coached lacrosse for five years in Monroe. I have pictures of the teams I coached laden in mud. I approached Councilmembers and staff about installing synthetic turf fields at Lake Tye Park. Councilmembers also had recognized this need and strongly supported this vision, so much so in fact that a capital funding request has been submitted to our legislative delegation in Olympia. Thank you to our delegation, especially Senator Pearson, for your support to help make this a reality. As an update, funds have been proposed in the amount of \$800,000 in the House's proposed capital

budget. We won't know whether this has been approved until maybe June, but with that, it is important to emphasize how much we appreciate the support in Olympia to help make this happen. Stay tuned.

Councilmembers and I have also been very active in lobbying efforts to complete improvements to SR522. We have met with Congresswoman DelBene, our legislative delegation including Representatives Kristiansen and Koster and Senator Pearson, representatives for neighboring legislative districts including Senator Palumbo, our County Executive Somers, and our County Council District 5 Councilmember Sam Low. We have had strong support for improvements to SR522 and \$750,000 has been allocated to practical design for the corridor in the State biennial budget. This is a step closer to building the improvements and we will continue to work with our partners to have these needed improvements done.

#### **FINAL SLIDE**

The State of our City is strong. We are realizing significant residential and economic development. We are working well with our partners. We are being proactive to address change and emerging needs. We strive to address a broad array of issues that range from traffic and transportation to law enforcement to downtown revitalization to homelessness to parks and events. It is because of our staff, our Councilmembers, our residences and businesses, our non-profit organizations, and other partners, that Monroe succeeds. Thank you everyone – together we make Monroe a strong, successful community.