

City of Stanwood



Stanwood City Council Special Workshop Packet

Thursday, September 26, 2024



**CITY OF STANWOOD
CITY COUNCIL SPECIAL WORKSHOP**

Stanwood-Camano School District
Administration Building Board Room
26920 Pioneer Highway, Stanwood, WA 98292

Thursday, September 26, 2024 | 5:00 p.m.

AGENDA

1. 2025-2026 Biennial Operating Budget Discussion

**Stanwood City Council
Special Workshop Meeting
September 26, 2024
Mayor's Proposed 2025-2026
Operating Budget**



CITY GOAL:

Financial Stability, Efficiency and Accountability



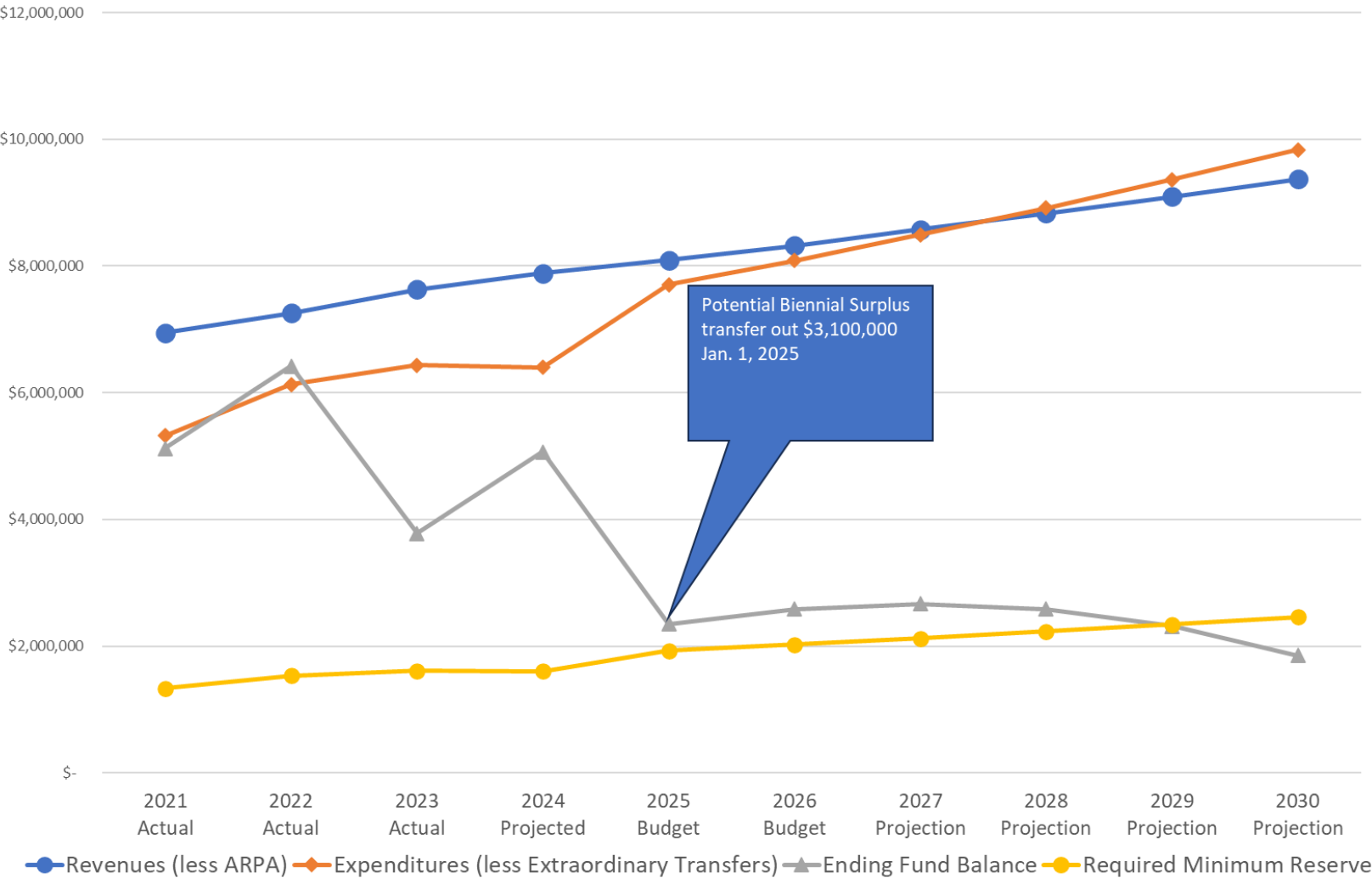
Operating Funds: Account for city services, general administration, planning, parks operations and maintenance, street operations and maintenance and the operation of the Water, Wastewater and Stormwater utilities. These funds account for all employee costs.

The city's budgeting software has been updated with the mayor's proposed 2025-2026 budget [Mayor's proposed 2025-2026 Operating Budget at this link.](#)

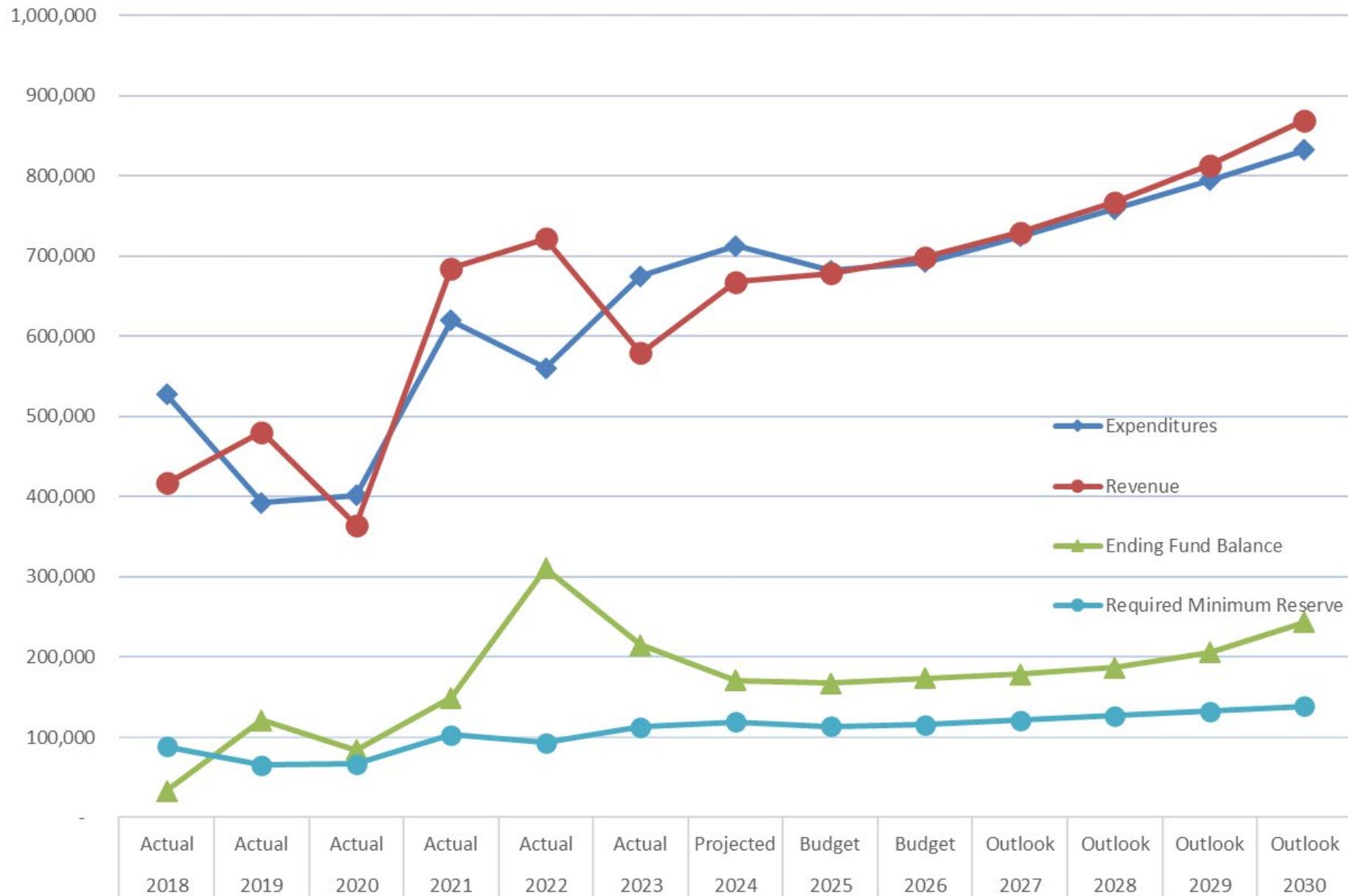
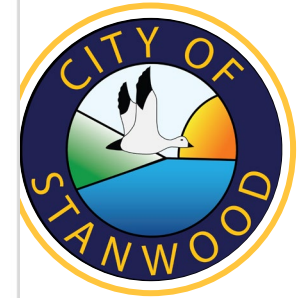
General Fund Revenue & Expenditure History and 2025-2026 Budget and Extended Forecast (2027 to 2030)



General Fund Revenue, Expenditure, Ordinary Transfers, Ending Fund Balance Compared to Required Minimum Fund Balance



Street Fund Outlook, 2025-2026 Budget, 2027-2030 Forecast



Budget Highlights:



Public Safety:

Sherriff Contract +4.8%/year, two-year increase	= \$300,000
Snohomish 911 dispatch, two-year increase	= \$42,000
FLOCK Camera System – two-year	= \$90,000

Tourism:

Transferred Communications and Marketing Specialist salary and benefit allocation from General Fund, increases transfer. Held event and economic support at 2024 rate.

Rainy Day fund:

Due to increased Assessed Valuation, city is able to transfer \$24,000 in 2025, estimated \$24,000 in 2026 (maximums). Held down by interest earnings.

Budget Highlights:



Salaries and Benefits:

2025 wage increase 2.6 %, 2026 estimated 5%

2025 & 2026 benefits estimated 6%/year

Overall increases of 6%/year, equate to a 10% overall increase

Total Salary increase = \$355,000, Total Benefits = \$133,000

Streets Operation and Maintenance Fund:

Two-year increase = 4% and 6% two-year total	\$72,000
Increase TBF transfer 25%/year, two-year total	\$62,500

Budget Highlights:



FTE Increases:

Increase Parks Planning Manager from .56 FTE to full time, effective April

2025 impact \$68,500

2026 impact \$82,000

Engineering Intern:

Propose Engineering Intern summer of 2025 & 26

Two-year impact approximately \$15,000.

Summer Help:

Addition of two additional summer maintenance workers

Two-year impact approximately \$28,000 (one in Parks, one in Streets).

Budget Highlights:



Sewer and Water Utilities:

Propose 5% annual rate increase in Water and Sewer Utility Rates (assume this for the 2025 – 2026 budget while awaiting rate consultant early November. This increase is necessary to support Public Works Department proposed increases in maintenance activities and assumed development in the biennium.

Sewer Revenue increase 2025 \$160,000 2026 \$168,000.

Water Revenue increase 2025 \$117,000 2026 \$134,000.

Drainage Utility:

Propose 2.5% annual rate increase in Drainage Utility Rates for 2025 & 2026.

Drainage Revenue increase 2025 \$42,000 2026 \$44,000.

Budget Highlights:

Community Development Department Professional Services Additions:



- Shoreline and Climate Change Scoping. This is a state mandated update. Work needs to be completed by June 2029 and will take at least 2 years. I'm thinking we should start the scoping and initial project set up in 2026 to get it done on time. There will be state grants in 2027 to cover the majority of the work.
 - 2025-2026 Impact: \$30,000
- Critical Areas Code Updates. Another state mandate. We are doing the majority of this work with the Municipal Code Update, but I anticipate we will need mapping assistance and an update to our Best Available Science documentation which was last updated in 2012.
 - 2025-2026 Impact: \$30,000
- Transportation projects: Multimodal Level of Service analysis and SR 532 speed study. The LOS is another state mandated item and included in the Comp Plan. The SR 532 speed study is a recent request by Council to lower the 45 mph speed limit to 35 mph.
 - 2025-2026 Multimodal LOS Impact: \$50,000
 - 2025-2026 SR532 Speed Study Impact \$40,000
- Development of Arts/Historic District Program.
 - 2025-2026 Impact: \$20,000
- Municipal Code Update, Complete the integration of Title 16-Subdivisions, Title 17-Zoning into New Title 18-Unified Development Code.
 - 2025-2026 Impact: \$130,000

Budget Highlights:



Clerk/Finance Professional Services:

Laserfiche Consulting

2025-2026 Impact \$40,000

Digitization (scanning archival records):

2025-2026 Impact \$60,000

City Council Agenda Management Software

2025-2026 Impact \$26,000

Public Works Professional Services:

Asset Maintenance Planning Tool (IworQ module)

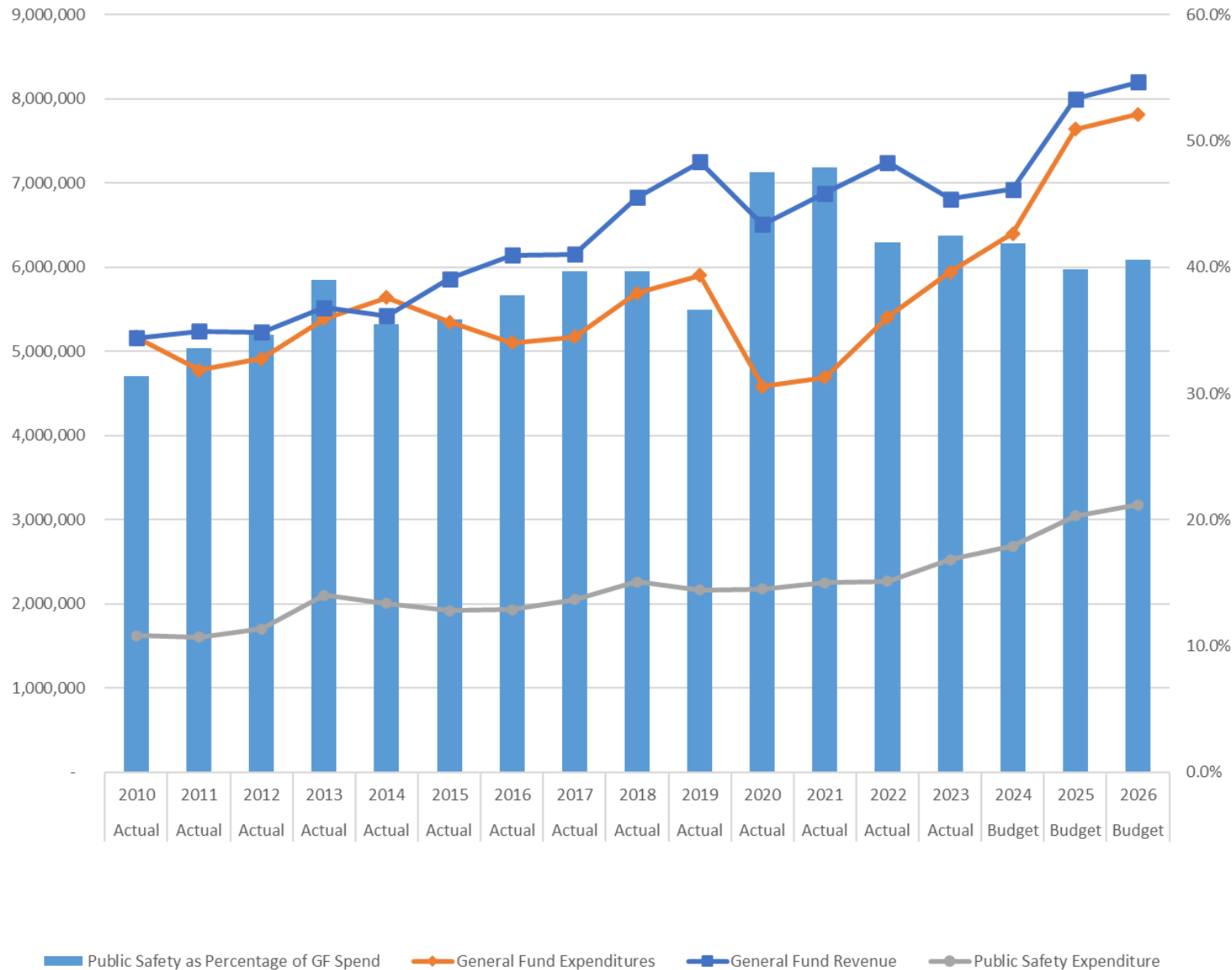
2025-2026 Impact \$20,000 (annual subscription)



General Fund Surplus, according to Financial Management Policy

- Must be used for one-time expenditure
- Current estimate one-time transfers in 2025:
 - Building Improvement Fund \$1,700,000
 - Street Construction Fund \$700,000
 - Parks Construction Fund \$700,000
 - TOTAL \$3,100,000

Increased Investment in Public Safety Cost Increases

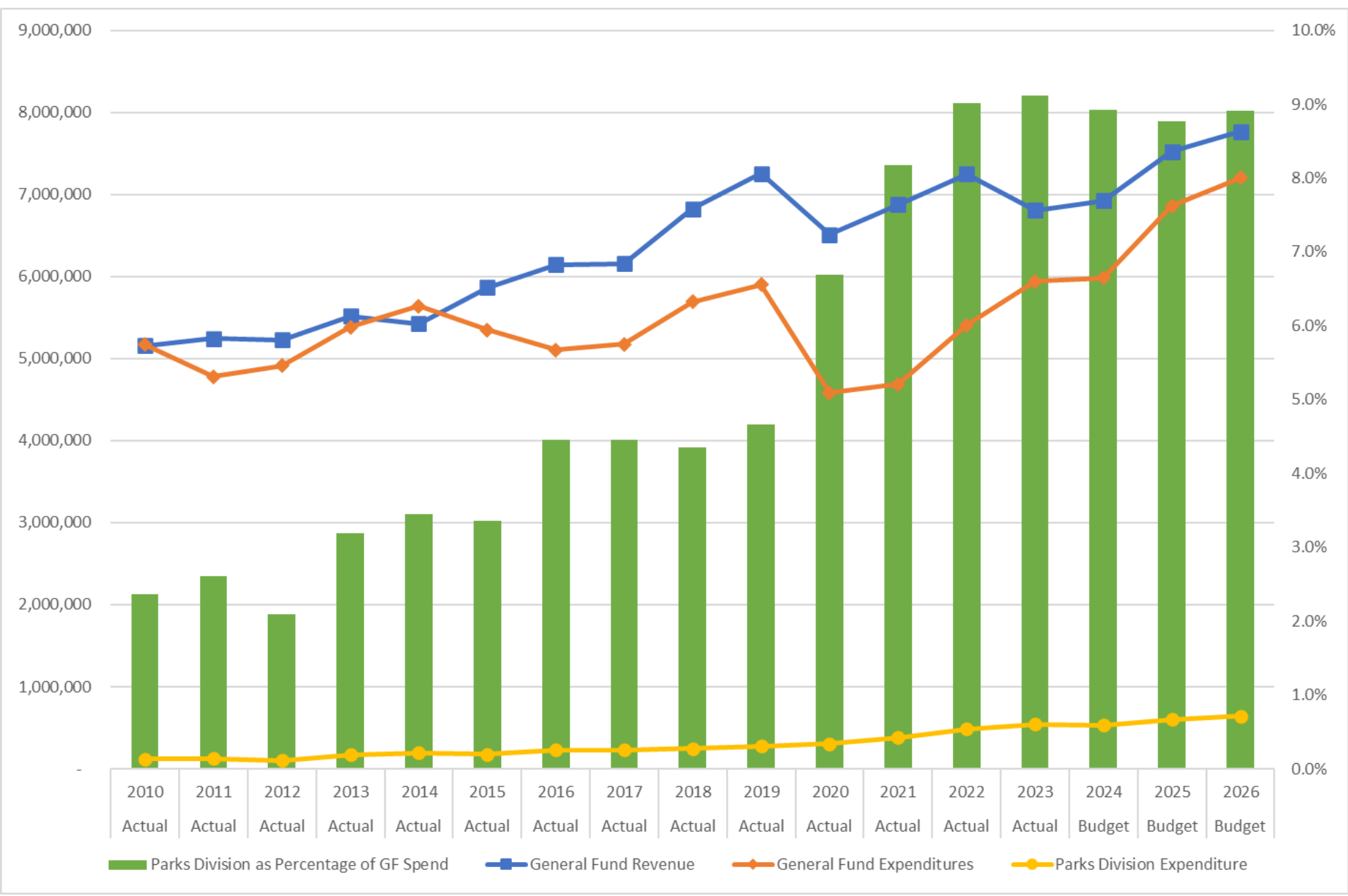


To maintain this level of service in Public Safety increasing level of support takes away from the city's ability to invest in capital infrastructure.

2010-2024 Actual, and 2025-26 Budgeted Parks O & M Spending Compared to Overall General Fund Spending



To maintain this level of service in Parks Operation & Maintenance takes away from the city's ability to invest in capital infrastructure.



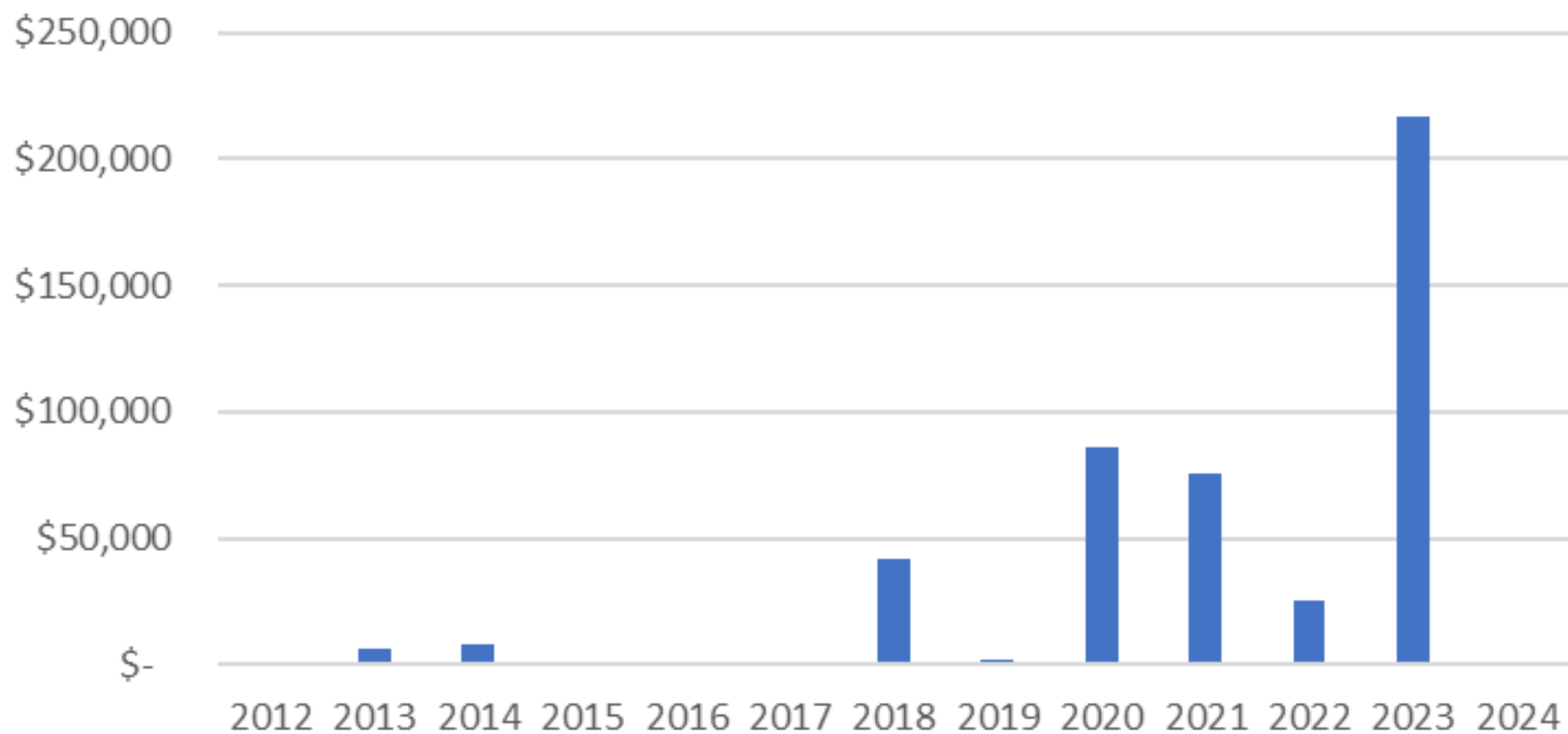


Calendar of Events toward budget adoption

Council Budget Workshop [Capital Projects focus]	October 10
Salary & Benefit Resolution to City Council	October 10
Property tax <u>Public Hearing</u> and ordinance 1 st reading	October 24
Budget 1 st <u>Public Hearing</u> 1 st reading of budget ordinance	November 14
Capital Improvement Plan, <u>Public Hearing</u> , 1 st Reading	November 14
Property tax ordinance second reading & adoption	November 25
Capital Improvement Plan, 2 nd Reading & adoption	November 25
2nd reading and adoption of the 2025-26 Biennial Budget	November 25



Parks Machinery and Equipment Expenditures – 2012 to 2024





Biennium Major Revenue Estimates

General Fund:					
Property Tax	\$ 2,041,200	\$ 2,111,593	\$ 2,191,000	\$ 2,212,910	6.0%
Sales Tax	\$ 2,646,459	\$ 2,662,000	\$ 2,741,860	\$ 2,824,116	4.9%
Utility Taxes	\$ 1,412,330	\$ 1,638,582	\$ 1,704,125	\$ 1,755,249	13.4%
State Pass through	\$ 312,524	\$ 245,572	\$ 252,939	\$ 260,527	-8.0%
Community Development Fees	\$ 1,075,000	\$ 1,005,000	\$ 975,000	\$ 1,035,000	-3.4%
Street Fund- Motor Vehicle Fuel Tax	\$ 155,647	\$ 163,115	\$ 151,326	\$ 150,000	-5.5%
Street Impact Fees	\$ 95,890	\$ 60,689	\$ 277,000	\$ 360,525	307.2%
Park Impact Fees	\$ 123,904	\$ 70,440	\$ 241,000	\$ 277,000	166.5%
Transportation Benefit Fund	\$ 588,325	\$ 550,000	\$ 556,200	\$ 556,200	-2.3%
REET 1: Capital Improvements	\$ 306,945	\$ 300,000	\$ 150,000	\$ 150,000	-50.6%
REET 2 - Growth Management	\$ 306,945	\$ 300,000	\$ 150,000	\$ 150,000	-50.6%
Sewer Operating	\$ 3,165,837	\$ 3,100,000	\$ 3,360,000	\$ 3,528,000	9.9%
Sewer Plant Investment	\$ 72,018	\$ 140,000	\$ 391,000	\$ 540,330	339.3%
Drainage Operating	\$ 1,508,230	\$ 1,702,200	\$ 1,744,981	\$ 1,788,605	10.1%
Drainage Plant Investment	\$ 91,910	\$ 56,560	\$ 142,100	\$ 142,100	91.4%
Water Operating	\$ 2,534,912	\$ 2,550,000	\$ 2,677,500	\$ 2,811,375	7.9%
Cedar Home Plant Investment Fees	\$ 12,850	\$ 24,000	\$ 128,500	\$ 179,900	736.9%
Water Plant Investment Fees	\$ 502,226	\$ 133,609	\$ 483,840	\$ 449,280	46.8%