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AGENDA

FINANCE/PERSONNEL COMMITTEE MEETING

November 19, 2018

6:30 pm – 6:50 pm

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

1. Heritage Park Master Plan Expansion
2. Fire Impact Fees
3. Snohomish Health District Update



**CITY OF STANWOOD
FINANCE COMMITTEE AGENDA STAFF REPORT**

ITEM NUMBER: 1
DATE: November 19, 2018
SUBJECT: Heritage Park Master Plan Expansion
CONTACT PERSON: David A. Hammond, Finance Director
ATTACHMENTS: none

ISSUE

The issue before the committee is to review an opportunity to proceed with wetlands delineation on property adjacent to Heritage Park.

RECOMMENDATION

Recommend committee direct staff to proceed with wetlands delineation.

DISCUSSION

Recently, the City reached out to Terry Richardson of Josephine Caring Community to discuss the City's plans for Heritage Park. Jennifer Olson, City Administrator, and Patricia Love, Community Development Director, met with Administrator / CEO Terry Robertson about future plans for the Park.

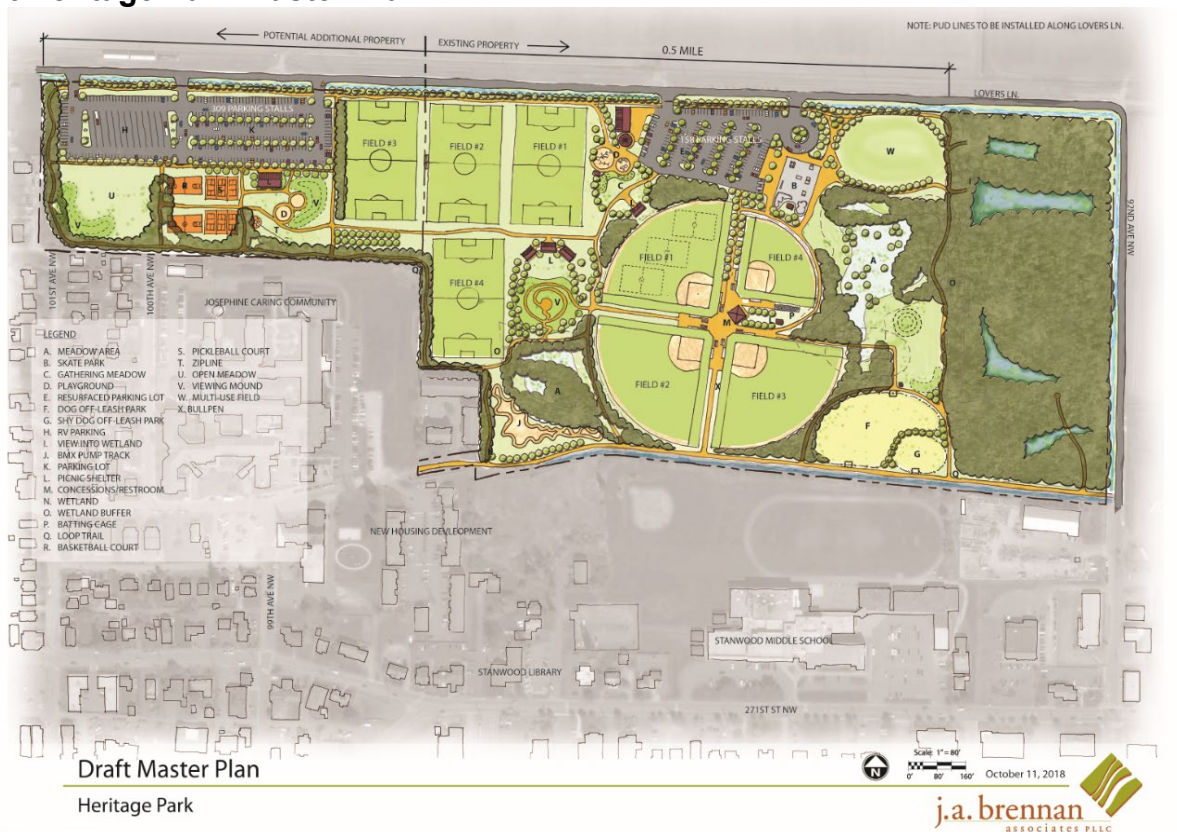
The meeting was very positive and Mr. Robertson gave the City permission to conduct a wetland evaluation on the property and is willing to discuss potentially selling a portion of the Josephine property to the City. He has also agreed not to list the property for about three months while we investigate the site and potential purchase options. He did note that they are not interested in a Right of First Refusal Agreement.

The City received a quote for the wetland evaluation of just under \$20,000. This work would include a full wetland evaluation of the City's site and Josephine's property. The City Attorney will start working on a potential purchase and sale agreement after the meeting, which would involve appraisal of value, largely based on assessment of wetland delineation and the extent and manner in which the property might be developed.

The best available financing source would be an interfund loan to the Parks Fund that would be repaid from sales tax the city will receive related to the new high school construction over the next twenty-four months. Earmarking these funds would impact the next phase of development at Heritage Park. If the park area is expanded the master planning of the park would necessarily need updating including financing options.



Draft Heritage Park Master Plan



FINANCIAL IMPACT

The financial impact to the city would potentially be an obligation of some amount of the future sales tax resulting from the construction of the new high school.

Community Development Committee Review

The CDC met on November 8, 2018 to discuss this issue. They are interested in pursuing discussions with Josephine for expansion of Heritage Park to create a tournament quality venue on the site. The Committee is also interested in exploring financial options to complete the ground / drainage work in the next construction phase of the project and move some of the above ground items, such as the play equipment, to a later phase.

Committee Options

- 1) Recommendation to council to direct staff to proceed with a scope of work to include delineation of wetlands on the property adjacent to Heritage Park.
- 2) Do not recommend to council to direct staff to proceed with a scope of work to include delineation of wetlands on the property adjacent to Heritage Park.



CITY OF STANWOOD FINANCE COMMITTEE STAFF REPORT

ITEM NUMBER: 3

DATE: November 19, 2018

SUBJECT: Snohomish Health District Update

CONTACT PERSON: David A. Hammond, Finance Director/City Clerk

ATTACHMENTS: **Found in Nov. 19, 2018 Council Packet**
A – Health District Letter dated November 5, 2018
B – Point-in-Time Opioids report July 9-15
C – Health District Resolution 18-20
D – Handout-Building a Culture of Quality

ISSUE

The issue in front of the committee is whether or not to authorize the Mayor to extend the Snohomish Health District Interlocal Agreement, for one year, including a \$1.00 per capita contribution (\$6,785) to provide basic essential public health services and functions such as food safety, septic system inspections, disaster response, and disease outbreak prevention.

RECOMMENDATION

Authorize the Mayor to sign the Snohomish Health District Interlocal Agreement to provide basic essential public health services and functions from January 1, 2019 to December 31, 2019 in an amount not to exceed \$6,835; however, this agreement should only be for one year, and a letter should be addressed to the Health District requesting they send a complete financial overview of the district detailing the necessity for financial contributions from the city.

SUMMARY STATEMENT

In 2016, the Snohomish County Health District requested cities within Snohomish County contribute \$2/capita towards supporting the Health District's mission to provide essential public health services to residents and businesses in Snohomish County. The Health District made a presentation to the City Council on August 11, 2016, and a second presentation to the management team on August 31, 2016. The Snohomish County mayors signed a letter dated November 7, 2016 committing to working with their respective city council's to approve a \$1/capita contribution to the Health District in 2017. The mayors requested the Health District commit to improvements recommended in the Ruckelshaus Assessment Report including finding a sustainable funding model, updating the strategic plan and governance as well as establishing county priorities for the funding available.

The City Council discussed the proposed \$1/capital contribution during First Reading of the 2017-2018 Budget ordinance on November 10, 2016. The City Council directed staff to include the \$1/capita contribution in the 2017 budget and bring the Interlocal Agreement to the City Council for approval. The City agreed to a one year Interlocal Agreement reflecting the \$1.00 per capita amount.

In a letter dated November 5, 2018, the Health District requests a \$2 per capita contribution in 2019. The policy question for the City Council is whether to extend the Interlocal Agreement, which includes \$1.00 per capita to support the Health District in 2019, or consider a \$2.00 per capita contribution.

The Health District is responsible for providing basic essential public health services and functions such as ensuring safe food, inspecting septic systems, responding to disasters and preventing and responding to disease outbreaks. In addition, the District is responsible for providing quarterly reports to the city, and the latest report is attached.

DISCUSSION

The Snohomish Health District is an independent special purpose district responsible for providing a range of programs and services that protect and promote public health in Snohomish County. The Health District was formed in 1966. Initially, Snohomish County cities provided the majority of funding ranging between \$0.50 and \$2.70 per resident. In 1993 the Snohomish County cities and Snohomish County dedicated a portion of the motor vehicle excise tax (MVET) to the Health District. This was repealed by popular vote in 2000. Since 2005, the District experienced a significant decrease in funding, and ranks 34th out of 35 among local public health agencies in Washington State for per capita funding.

The public health landscape in Snohomish County is in a state of change and transition due, in part, to the healthcare reform efforts, ongoing budgetary shortfalls, continued shifts in public health at the federal and state levels, and a growing and changing county population. In the spring of 2016, the District contacted the William D. Ruckelshaus Center to help them determine whether and how to best engage interested parties in addressing these issues.

The Assessment Report concludes, "There is no lone entity or single options that can provide the funding necessary to support public health needs in Snohomish County. Funding solutions will required the combined leadership and commitment of all parties, including the Health District, Board of Health, Snohomish County, the cities, federal and state governments, and other partners. In addition, there is a link between understanding the value of public health and willingness of the public and partners to support funding."

The Health District letter dated November 5, 2018 does not provide financial background information such as the district budgeted expenditures compared to revenues, nor does the letter provide information on other revenues sources. Staff recommends continuation of the \$1 per capita level in 2019, but requests the district provide a complete presentation of the financial necessity of a larger contribution.

FISCAL IMPACT

The \$1/capital contribution (\$6,835) is included in the City's 2019 General Fund Budget.



**CITY OF STANWOOD
FINANCE COMMITTEE AGENDA STAFF REPORT**

ITEM NUMBER: 2

DATE: November 19, 2018

SUBJECT: Fire Impact Fees

CONTACT PERSON: David A. Hammond, Finance Director

ISSUE

The issue before the committee is to review options for disposition of fire impact fees collected between 2011 and present.

RECOMMENDATION

Recommend committee direct staff to prepare a 2018 budget amendment to authorize the fire impact fees collected since 2011 to offset the 2018 principal and interest payment on 2007 General Obligation Bonds related to the fire station.

DISCUSSION

Recently, with the annexation of city fire and emergency management services into the North County Regional Fire Authority, staff has investigated the options concerning fire impact fees collected since 2011 and on hand, which amount to approximately \$78,500. Ordinance 913 established the impact fees and authorized their use in support of fire facilities that are identified in the fire facilities section of the capital facility plan (CFP) element of the Comprehensive Plan.

The Capital Facilities Plan contemplated construction of a fire station with additional square footage to maintain the level of services discussed in the CFP beyond the time frame the fire station would actually be a listed project within the CFP. In fact, the 2012 CFP update included projections detailing excess capacity up to the year 2025.

The Municipal Research Service Center has indicated it is not uncommon for impact fees to be used for debt service associated with projects that were at one time included in the CFP, but are no longer due to their being constructed. In this case, the fire station was constructed with excess square footage to accommodate growth.

Based on the connection between the collection of the impact fees and their relation to the needed excess square footage contemplated in the CFP, the most appropriate use of the impact fees that are currently maintained in Fund 105, is to pay a portion of the debt service payments on the fire station bond.

Staff also investigated an option to transfer the balance in Fund 105 to NCRFA in order to purchase or replace equipment, but found this not compliant with impact fees as the CFP did not properly identify the connection between equipment needed in relation to growth in the community.

FINANCIAL IMPACT

The financial impact to the city would reduction of debt service in the amount of \$78,500.

Committee Options

- 1) Recommendation to council to direct staff to proceed with a budget amendment to authorize expenditure of the balance of Fund 105 (approximately \$78,500) to pay part of the 2018 debt service related to the fire station..
- 2) Do not recommend to council to direct staff to proceed with a budget amendment to authorize expenditure of the balance of Fund 105 (approximately \$78,500) to pay part of the 2018 debt service related to the fire station.