

CITY OF STANWOOD

City Council Special Workshop Meeting

Thursday, September 22, 2022 – 5:00 p.m.

Stanwood-Camano School District Admin. Bldg. Board Room

26920 Pioneer Highway, Stanwood

and via Zoom Online & Telephone

MINUTES

Call to Order

Mayor Sid Roberts called the meeting to order at 5:10 p.m.

Attendance

Councilmembers present: Dani Gaumond, Marcus Metz, Darren Robb, Tim Pearce, Steve Shepro, Andreena Bergman, and Tim Schmitt.

Also present: City Administrator Shawn Smith, Community Development Director Patricia Love, Finance Director David Hammond, Public Works Director Kevin Hushagen, Finance Manager Wendy Dowhower, Utilities Supervisor Leigh Danielson, Assistant to the Administrator and Communications Manager Krista Hintz, and City Clerk Lisa Sokolik.

1. 2023-2024 Operational Budget

Finance Director David Hammond led the discussion on the preliminary 2023-2024 Operational Budget, focusing on the Street and General funds, and discussed the indicated significant cost increases by category.

Police Services: The City contracts with Snohomish County Sheriff's Office for police services, and the 5-year contract is expiring in 2022. The new 5-year contract will be dependent on the collective bargaining going on with the Sheriff's Office, but the increase is estimated to be 20% due to core decisions and legislation making it difficult for police officers to work in this state. Currently, Snohomish County Sheriff's office is down sixty deputies. The increase to the City is to cover the cost of bringing on a new deputy, which can take a year of training, and for a recruitment bonus to help Snohomish County Sheriff stay competitive with other agencies also looking for officers. Internal costs that will now be passed on to the City include risk management insurance per officer, vehicle costs, supplies, and training. Small savings in cost for the High School Resource Officer (SRO), down from eleven officers to ten.

Councilmember Metz asked if there is a tipping point for it to be cheaper to have a municipal police department instead of contracting for police services. Hammond said that would be a great conversation and that the City should consider a formal study at some point in the future.

Pearce asked if there could be a chance at some point that Snohomish County does not want to provide police services because it is not cost-effective for them. Hammond said that is happening now with Transit. Mayor Roberts said Community Transit is hiring security officers, which is one level below police officers.

Insurance: The City has received a very large assessment increase from Washington Cities Insurance Authority (WCIA). WCIA covers auto, property, and liability insurance. The annual

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increase is \$105,000. Most of the increase is due to the difficult environment in Washington State with uncapped liability which makes it very hard to get insurance coverage.

Staff salaries/wages are unknown as union negotiations have just begun, but the expectation is there will be an increase due to CPI, wage inflation, and trying to attract and retain employees.

Hammond went over the preliminary general fund revenue estimates and the general fund expenditure history. Hammond said that based on the preliminary estimates, the general fund may encounter deficits. Hammond said there are options Council can consider to increase revenue in the general fund: levy banked property tax capacity, levy a public safety sales tax, TBD sales tax, and reduced public safety level of service. Councilmember Robb added another option, to take a less ambitious approach to the City's Capital Improvement Plan.

The workshop handout is attached to these minutes.

The next Special Workshop will be held on October 13, 2022.

Adjourn

Mayor Roberts Adjourned the meeting at 6:35 pm.

CITY OF STANWOOD

Sid Roberts

Sid Roberts (Oct 14, 2022 12:57 PDT)

Sid Roberts, Mayor

ATTEST:

Lisa Sokolik

Lisa Sokolik (Oct 15, 2022 11:34 PDT)

Lisa Sokolik, City Clerk

Stanwood City Council Special Workshop Meeting Sept. 22, 2022 Operating Budget 2023-24





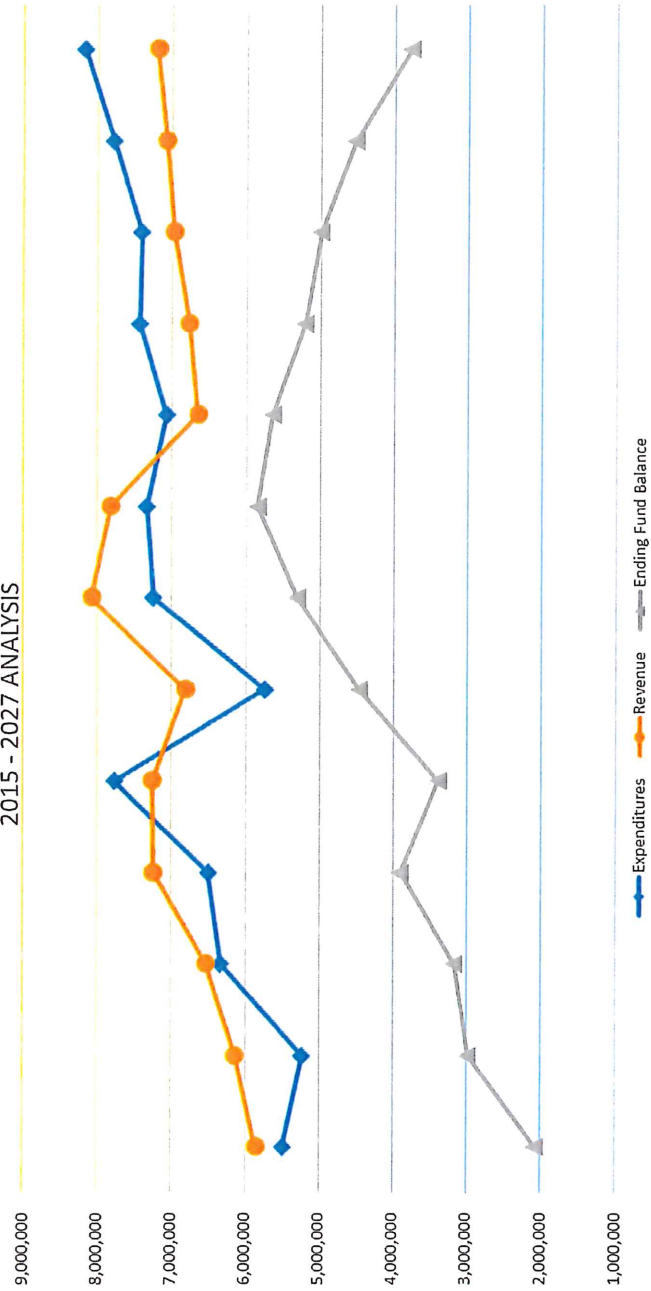
Preliminary General Fund Revenue Estimates

General Fund Revenue Projection 2022			
Property tax	\$ 1,954,000		28.5%
Sales tax	\$ 2,436,363		35.6%
Utility tax	\$ 1,219,599		17.8%
Licenses & permits	\$ 886,005		12.9%
State pass-through	\$ 269,833		3.9%
Fines & Misc.	\$ 80,885		1.2%
	\$ 6,846,685		

General Fund Revenue Forecast 2023			
Property tax	\$ 2,013,901		29.4%
Sales tax	\$ 2,335,153		34.1%
Utility tax	\$ 1,311,013		19.1%
Licenses & permits	\$ 850,005		12.4%
State pass-through	\$ 285,000		4.2%
Fines & Misc.	\$ 81,471		1.2%
	\$ 6,876,543		



CITY OF STANWOOD
GENERAL FUND STRATEGIC OUTLOOK
TOTAL REVENUES & EXPENDITURES
2015 - 2027 ANALYSIS

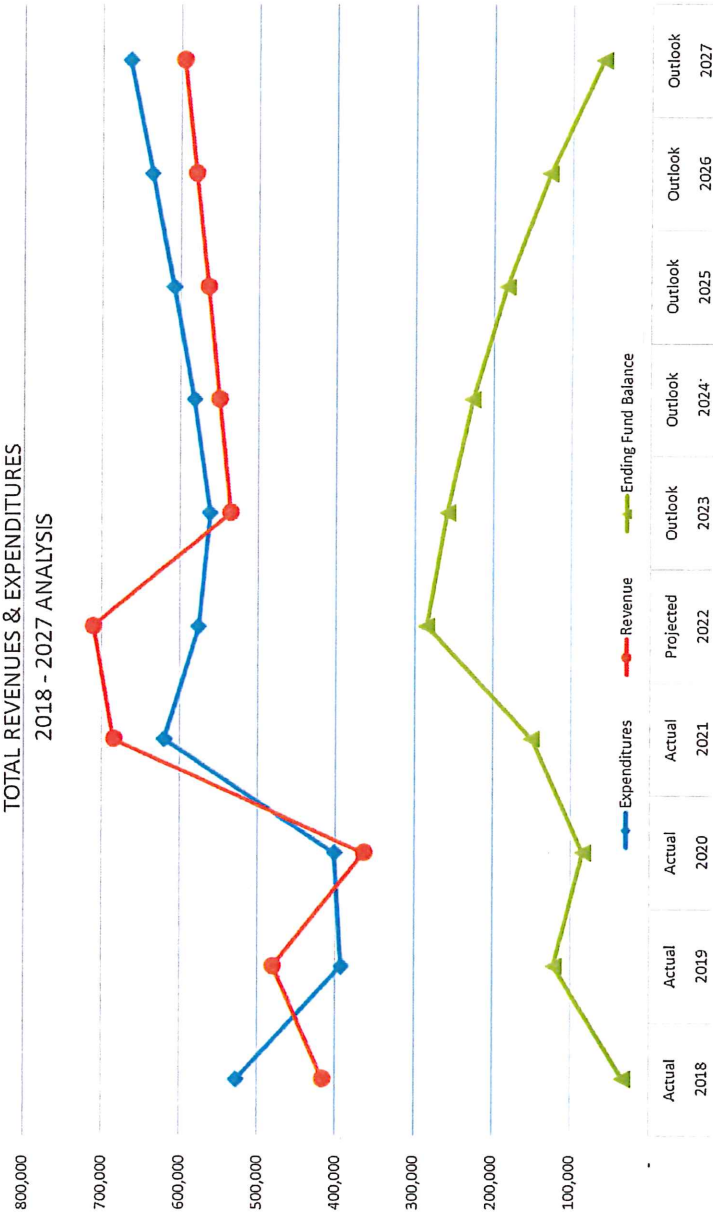


Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Projection 2022	Outlook 2023	Outlook 2024	Outlook 2025	Outlook 2026	Outlook 2027
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Streets Operations & Maintenance Fund Outlook



CITY OF STANWOOD
STREET FUND STRATEGIC OUTLOOK
TOTAL REVENUES & EXPENDITURES
2018 - 2027 ANALYSIS



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Final Audit Report

2022-10-15

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