

City of Stanwood



City Council Packet

Stanwood City Council Regular Meeting

Monday, November 21, 2022



AGENDA
CITY COUNCIL REGULAR MEETING
Monday, November 21, 2022 – 7:00 p.m.

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

Members of the public may attend Stanwood City Council meetings
in-person at the address above, or Via Zoom.
Instructions to join the meeting by telephone or online are posted on the
City Website <https://www.stanwoodwa.org>

- 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. PRESENTATION:** None
- 5. PUBLIC COMMENTS**
Written comments must be provided to the Clerk by 9:00 a.m. the day of the meeting via this link:
<https://stanwoodwa.org/FormCenter/City-Clerk-5/City-Council-Meeting-Remote-Public-Comme-61>;
verbal comments may be provided in-person, or online via Zoom, call 360-454-5213 for assistance.
- 6. STAFF / DEPARTMENT REPORTS**
- 7. COUNCIL COMMITTEE REPORTS:**
 - a. Planning Commission Meeting Minutes – July 11, 2022 **7.1**
 - b. Planning Commission Public Hearing Minutes – September 19, 2022 **7.7**
 - c. Planning Commission & Community Development Committee Joint Meeting Minutes – September 19, 2022 **7.11**
- 8. CONSENT AGENDA**
 - a. Approve Vouchers and Payroll Checks **8.1**
 - b. Approve City Council Regular Meeting Minutes – November 10, 2022 **8.7**
 - c. Approve City Council Special Workshop Minutes – November 3, 2022 **8.15**
- 9. UNFINISHED BUSINESS:**
 - Second Reading and Adoption, Resolution 2022-16, 2023-2028 Capital Improvement Plan Update **9.1**
- 10. PUBLIC HEARING:**
 - a. Revenue Sources and 2023 Property Tax Levy **10.1**
 - i. Open Public Hearing
 - ii. Approve First and Second Reading and Adoption, Ordinance 1508, 2023 Property Tax Levy
 - b. Preliminary 2023-2024 Biennial Budget **10.13**
 - i. Open Public Hearing
 - ii. Approve First Reading, Ordinance 1509, 2023-2024 Biennial Budget
- 11. NEW BUSINESS**
 - a. Approve the Digital Travel Photography Project Submittals **11.1**
 - b. Adopt Resolution 2022-18 and Ratify Mayor's November 14, 2022 Emergency Proclamation **11.23**
- 12. PUBLIC CLOSING COMMENTS**
- 13. EXECUTIVE/LEGISLATIVE REPORTS**
 - a. Mayor's Report
 - b. City Administrator's Report
 - c. Councilmember Reports/Questions
- 14. RECESS TO EXECUTIVE SESSION:** None Scheduled at this time
- 15. ADJOURN**

Upcoming Meetings:

December 8, 2022, Regular City Council Meeting 7:00pm
January 12, 2023, Regular City Council Meeting 7:00pm



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7a

DATE: November 21, 2022

SUBJECT: Joint Planning Commission & Community
Development Committee Meeting Minutes

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: A – July 11, 2022 Meeting Minutes

SUMMARY STATEMENT

Minutes from the July 11, 2022 Planning Commission Meeting are attached to this staff report for approval as presented. These minutes were approved at the November 14, 2022 Planning Commission Meeting.



Planning Commission
Meeting Minutes
July 11, 2022

Call to Order: 6:37 pm

Roll Call

Commissioners Present:

Eric Warnat, Commissioner
Monae Birkhofer, Commissioner
Cody Davis, Commission (stood in as Chair)
Jeff Wheatley, Commissioner

Staff Present:

Patricia Love, Community Development Director
Audrey Rotrock, Associate Planner
Tansy Schroeder, City Planner

Absent: Justin Burns, Commission Vice-Chair; Melissa Toner, Commissioner; Patrick Hosterman, Commission Chair

Also known to be present: Peter Kamb (online)

Public Requests and Comments:

None

Approval of Minutes:

The Minutes from the June 13, 2022 Planning Commission meeting were approved.

New Business:

Twin City Mile Recommendation

In December of 2020 the City Council adopted the City Beautification Action Plan and directed staff to begin implementation of the 2021-2026 Capital Improvement Project list. The Beautification Plan consists of 6 key program elements:

- 72nd Avenue Gateway Signage and Landscaping
- Main Street Revitalization
- Downtown Gateway Features
- SR 532 Beautification
- Wayfinding Signage
- Public Art

The 2022 budget includes preliminary design and public outreach for the Main Street Revitalization project that has been branded as the Twin City Mile Project. Using policy guidance from the Beautification Plan, the City is initiated the Downtown Revitalization Project that invests in the downtown business district infrastructure by:

- Creating Pedestrian-Friendly Streets;
- Actively Engage Storefronts with Walkable Sidewalks;
- Encourage Use of Streets for Community Festivals;
- Create Usable Urban Park Spaces; and
- Promote the Concept of Buying Local.



Planning Commission Meeting Minutes July 11, 2022

A Steering Committee was formed to help define the project vision, goals and project concepts. The 11-member committee consisted of Councilmembers, Downtown Business Owners, the Stanwood Camano Arts Advocacy Committee, and the Stanwood Chamber of Commerce. Consultants Scott Lankford of Lankford Associates, TranspoGroup, and KPG supported the design efforts.

The project reimagines how the City's main downtown commercial corridor, 271st and 270th Street, could look and function by connecting City Hall Park to the Train Station: The Twin City Mile. Project elements include constructing gateways, reconfiguring travel lanes and parking, building wider sidewalks and plaza areas, constructing park areas, and installing street trees, art, and other curb appeal amenities.

The Twin City Mile Steering Committee recommends moving forward with engineering designs focusing on the following important project features:

- General support for design elements
- Keep brick road element throughout downtown
- Keep downtown pedestrian friendly
- Seriously consider the one-way street on 271st option (East End) during preliminary design
- Vegetation/planting is needed to improve the look of downtown
- Two bookend parks are high priority to tie the whole downtown together
- *The City had the following marketing ideas: "Follow the Stanwood brick road!" or "From the brick road to the railroad" etc.*
- *Consider changing the name of 271st Street to something more descriptive of the Mainstreet / Twin City Mile improvement project*

The Planning Commissioners had the following comments:

- If sidewalks are widened to accommodate more pedestrians, request awnings to be added to buildings for rain protection.
- Consider allowing temporary closures of streets seasonally or per event and allow street vendors, performers, etc.
- Consider having requirements to incorporate the brick theme into facades of buildings/businesses across the entire Twin City Mile.
- Create a better bypass system for drivers to get around the Twin City Mile when traveling to the QFC area.
- Consider adding more signage to guide people to the City's public parking lots.
- Consider adding historical markers/placards as part of wayfinding.
- Make the Twin City Mile ADA accessible.

Peter Kamb, a member of the public, commented that he appreciates the effort the City has put in to this project. He also said that one benefit of creating a one-way street on the East end would be that traffic would be diverted north towards the train station and the City's public parking lot.

The Planning Commissioners support moving the Twin City Mile Recommendation forward to City Council.



Proposed Storefront Improvement Program

Throughout the Twin City Mile Steering Committee meetings, the issue of city and private property maintenance along the corridor became a recurring theme. While it has been widely documented that investment in city infrastructure, especially in downtowns, spurs investment in private property, the Committee has concerns that many of the small businesses may not have the resources to make improvements to their property.

Storefront Improvement Programs are a common tool used throughout the United States to incentivize private property owners to make investments in their properties. Attached is a draft proposal for the Committee's consideration of how a Storefront Improvement Program could work in the City of Stanwood. The proposed program seeks to preserve and enhance the charm of the downtown commercial area by providing small grants to property owners to make physical improvements to their storefronts.

The Planning Commission unanimously supports moving the Proposed Storefront Improvement plan to Council and had the following comments on the program:

- The Commissioners support this program with parameters such as design standards to match existing brick theme/Main Street design, and a deadline of when improvements must be completed after receiving the grant.
- Consider hiring a management company to help guide the process and ideas and have oversight of the financial side of the program.
- Consider allowing adjacent businesses to partner up for the grant which could in turn reduce total construction costs.
- Consider a modification to the sign code for Main Street to require a cohesive look throughout.
- Consider a bonus amount for businesses that have been in business five or more years.
- Consider involving the Stanwood Chamber of Commerce.
- Consider creating a "Tool Kit" as an aid for people wanting to start a business.

Old Business:

Farmers Market Outreach Event

On Friday, June 24th, the first Farmers Market Outreach Event was held. The staff hosted booth focused on housing: specifically, attendees were asked what type of housing is needed in the future. 73 people stopped by the booth on June 24th and were asked to vote on the following questions:

1. What type of housing is needed in Stanwood – Townhouses, Triplexes/Fourplexes, or Multifamily Residential?
 - 44 voted for Townhouses
 - 31 voted for Triplexes/Fourplexes
 - 18 voted for Multifamily Residential
2. Would you support infill manufactured housing?
 - 31 voted Yes
 - 9 voted No
3. Do you support Accessory Dwelling Units?
 - 40 voted Yes
 - 7 voted No



Planning Commission Meeting Minutes July 11, 2022

Other Comments:

Housing:

- Need more subsidized & Affordable housing
- Would not like to see any of these types of houses
- Does not want to participate in the poll because they have a house already
- Multifamily looks like Seattle = no
- Absolutely no to all
- No more apartments / We have enough MF
- Renter rights are important
- Cost of rent is too high
- Church Creek is charging for certain amenities
- Mixed used is good
- Section 8 housing accessibility is needed
- Property maintenance is needed
- Single family only
- Affordable housing land trust
- Maintenance is key!
- Make MF more affordable
- ADU displaced long term renters
- If More MF = Then they will leave Stanwood
- ADU's are too dense, too many cars in neighborhoods

Traffic:

- Traffic is terrible
- Possible roundabouts?
- Traffic issues and road issues, road to I5 needs widened

Permitting:

- Too difficult to develop sheds (10 years ago)
- Quality of materials/work, bad experience with permitting in the past
- Get permits through! Expedite!
- Transparency is key

Other:

- I feel I am not informed enough, not sure what we need in Stanwood
- Growth management act can be axed
- Higher density = higher crime and DV
- Quieter life in Stanwood (Came from Edmonds)

The Commissioners are excited to hear more results from future Farmer's Market outreach events and suggested a possible partnership with Housing Hope or Habitat for Humanity to address the Section 8 and subsidized housing need.

Miscellaneous Business:

No Planning Commission Meeting in August. See you in September

Recent Council Action on Commission Items:

Update on Kottsick Annexation

Council approved the Kottsick Annexation on June 9th.

Upcoming Items:

Proposals from Comprehensive Plan Consultants for review

Adjourn: 7:55 pm

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7b

DATE: November 21, 2022

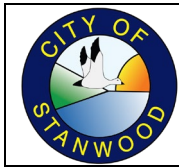
SUBJECT: Planning Commission Public Hearing Meeting Minutes

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: A – September 19, 2022 Meeting Minutes

SUMMARY STATEMENT

Minutes from the September 19, 2022 Planning Commission Public Hearing are attached to this staff report for approval as presented. These minutes were approved at the November 14, 2022 Planning Commission Meeting.



Planning Commission
Meeting Minutes
September 19, 2022

Call to Order: 6:30 pm

Roll Call

Commissioners Present:

Eric Warnat, Commissioner
Monae Birkhofer, Commissioner
Melissa Toner, Commissioner
Patrick Hosterman, Commission Chair
Cody Davis, Commissioner
Justin Burns, Vice Commission Chair (online)

Staff Present:

Patricia Love, Community Development Director
Audrey Rotrock, Associate Planner
Tansy Schroeder, City Planner

Absent: Jeff Wheatley, Commissioner

Also known to be present: Peter Kamb (online), Renee Rhodes, Kathy O.

Public Requests and Comments:

None

Approval of Minutes:

Due to scheduling, approval of the July and September Planning Commission Minutes will take place at October's meeting.

New Business:

Meadow Hawk Preliminary Planned Residential Development Public Meeting

Request: The applicant is proposing to construct a 127-lot single-family planned residential development. The project is located north of 284th Street NW and east of 80th Avenue NW. The site consists of two parcels for a total of 29.09 acres zoned Single Family Residential 7.0 (SR 7.0). Resident vehicular access to the site will be from 80th Avenue NW and connect to 76th Drive NW to the south in the existing Cedar Hill Estates plat. The proposed community will include open space tracts, storm water management, utility infrastructure, and street and landscaping improvements.

The project site is located at 7615 284th Street NW, Stanwood, Washington, within the city limits of Stanwood. Zoning for the site is Single-Family Residential 7.0 (SR 7.0). The accesses into the 29.09-acre property will be from 80th Avenue NW to the west, a new street connection to the existing 76th Drive NW in the Cedar Hill Estates subdivision to the south, and a new street connection to the existing 286th Place NW in the Copper Station subdivision to the east. This project will subdivide approximately 29.09-acres into 127 single-family lots for a gross density of 4.3 dwelling units per acre and a net density of 8.3 dwelling units per acre. The residential development standards (SMC 17.60.020) allow for a maximum residential density of 8 dwelling units per acre for PRD development in the SR 7.0 zoning district. The majority of



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developed area around this site is made up of single-family residences which is consistent with this development.

The site is generally flat consisting of predominantly pasture-land. There are a few wetlands on the property that are proposed to be in Native Growth Protection Areas. The property was recently annexed into the City June 2022. Approximately 16.2% of the developed site will consist of common public open space and approximately 12.7% of the developed site will consist of Native Growth Protection Area. The development plans provide all of the public improvements, facilities, and utilities and will be reviewed to meet city requirements (See development plans). These facilities include but are not limited to city streets, sidewalks, all utilities, open space and recreational facilities.

Commissioner Questions and Comments:

- What is the lot size for this development? The minimum lot size is 5,000 square feet. Some lots will exceed this minimum. The largest lot is 8,100 SF. Planned Residential Developments have standards to meet under the Stanwood Municipal Code (SMC), such as setbacks and lot coverages that must be met. Adjacent developments are in different zones, which will have different lot size requirements.
- What is being done with the wetlands on this site? The wetlands will be recorded as Native Growth Protection Areas (NGPAs) which will protect them in perpetuity. Some low impact uses will be allowed, such as trails. The HOA's will be allowed to decide which uses will be implemented.
- Active recreation spaces will be implemented as well, such as playgrounds.
- School capacity: The School District is also updating their comprehensive plan which will address growth. They currently have the capacity to accommodate this growth. The City encourages residents to reach out to their Elected Officials to voice concerns over school capacity. The City involves the School District in the Comprehensive Plan updates. If the School District finds there is a deficiency in school capacity, the City will begin collecting School Impact fees to remedy the gap.
- Electric vehicle (EV) charging stations: The SMC currently does not have standards addressing EV charging stations. The City is conducting a Policy Gap Analysis where EV charging stations will be discussed. Some developers are choosing to proactively install these stations.
- Does the City have the water and sewer capacity to take on these new developments? The City has a Water & Sewer Availability Certificate Program that analyzes whether or not it can handle the new capacity. These certificates are issued prior to development to ensure needs can be met.
- This development will have underground water detention vaults to handle stormwater. The City is working with the developer to determine who will take over maintenance in perpetuity. The vaults will have open/green space above.



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- This area is going through construction fatigue. The developer has determined that all construction vehicles will enter the site on 80th Avenue in order to keep vehicles out of surrounding neighborhoods.
- The tract behind the development will likely be an ingress/egress road only with walking paths. It is not wide enough for fire access. The maintenance of this area is still under discussion, but the developer is open to the space being dedicated to the development and HOA.
- DR Horton will be the home builder.
- The Developer is making off-site sewer improvements for this site.
- The pipeline is already installed, and no structures will be built on top of it. The pipeline has setbacks of 35 feet to the north, and 15 feet to the south. The space will be open/green space. PUD will provide the gas utility to the neighborhood.
- What is the development timeline? The Developers timeline for plat approval and civil construction approval is 2023. The home builder construction timeline is 2024.
- Can the City install speed bumps in neighborhoods? There is a safety concern due to fast moving vehicles. The City recommends communities speak to their HOA and fellow residents. The HOA's can also have discussions with the Public Works department to determine if traffic calming measures are warranted.
- Two new traffic circles are to be installed in the surrounding areas for additional traffic calming.
- Street parking in this development will be on one side only to accommodate for fire/emergency access.

Miscellaneous Business:

Comprehensive Plan and Municipal Code Update Advisory Board Volunteers

- This meeting takes place virtually and about once a month. The Commissioners decided to rotate attendance between themselves.

Recent Council Action on Commission Items:

Storefront Improvement Project – Council approved the Storefront Improvement Project

Upcoming Items:

Policy Gap Analysis

Adjourn: 7:44 pm



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7c

DATE: November 21, 2022

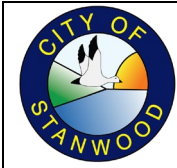
SUBJECT: Joint Planning Commission & Community
Development Committee Meeting Minutes

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: A – September 19, 2022 Meeting Minutes

SUMMARY STATEMENT

Minutes from the September 19, 2022 Joint Planning Commission & Community Development Committee Meeting are attached to this staff report for approval as presented. These minutes were approved at the November 14, 2022 Planning Commission Meeting.



Community Development Committee and Planning Commission
 Special Joint Meeting
 Meeting Minutes
 September 19, 2022

5:04 pm – 6:30 pm

Commissioners Present:

Eric Warnat, Commissioner
 Monae Birkhofer, Commissioner
 Melissa Toner, Commissioner
 Patrick Hosterman, Commission Chair
 Cody Davis, Commissioner
 Justin Burns, Vice Commission Chair (online)

Staff Present:

Patricia Love, Community Development Director
 Audrey Rotrock, Associate Planner
 Tansy Schroeder, City Planner

Councilmembers Present:

Dani Gaumond, Council Position 1
 Marcus Metz, Council Position 2
 Steve Shepro, Council Position 5

Absent: Jeff Wheatley, Commissioner

Also known to be present: Todd Chase (FCS), Matt Covert (FCS), Caitlin Hepworth (Blueline), Clay White (LDC), Peter Kamb.

Public Requests and Comments:

None

New Business:

Economic Analysis of Land Use Options

Stanwood’s Comprehensive Plan consultants, FCS Group, presented their Stanwood Economic Analysis of Land Use Options. They have identified market trends that are shaping future development opportunities within the City of Stanwood’s municipal boundaries. The findings are intended to inform the 2024 update of the Stanwood Comprehensive Plan by conducting an Economic Analysis of Land Use Options.

An important element of this work is to identify and evaluate potential land use/zoning options that the City should consider as it prepares a new Comprehensive Plan and development code. Potential changes to the official zoning map and land use designations may be required to fulfill state and regional requirements for “providing sufficient land capacity suitable for development.” The FCS/Blueline/LDC consultant team conducted the following activities:

1. Reviewed background planning documents and current City zoning/development code regulations.
2. Summarized current community demographic and socio-economic conditions using the most recent available Census data.
3. Analyzed buildable lands and current major developments that are now in the planning “pipeline” as part of a periodic review of the City’s ability to meet land capacity requirements for housing and jobs.



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4. Identified land use and zoning alternatives that could enhance the consistency between land capacity and growth allocations.
5. Evaluated three land use/zoning alternatives in terms of housing/employment capacity, impacts on the City's general fund, and the potential value of new private investment.

The land use/zoning alternatives will also be evaluated with respect to their transportation and infrastructure capacity impacts in separate studies.

Community Overview

As part of this economic and land use analysis, current demographic and socio-economic data trends were compiled. Key findings are summarized below:

Population and Income

- Stanwood has an area of approximately 2.8 square miles.
- The current population of Stanwood is 8,405, which is its peak population.
- The population of Stanwood has grown 135% over the past 12 years.
- According to current Census statistics, 12.7% of the residents of Stanwood are 65 or older, and the City has a relatively large share of residents under age 24.
- The racial demographics of Stanwood are 93.5% white, 4.3% two or more races, 1.6% Asian, 0.4% American Indian, and 0.2% black. Additionally, 4.4% of the population identifies as Hispanic.
- The median household income in Stanwood is \$75,767.
- In Stanwood, 7.5% of residents have an income below the poverty line, and the child poverty rate is 8.0%. On a per-household basis, 5.6% of families are below the poverty line in Stanwood.

Employment

- The unemployment rate in Stanwood is 2.1% which is calculated among residents aged 16 or older who are in the labor market.
- Within the City, 73% of the jobs are in the service sector, 14% are in the industrial sector, 10% are in the retail sector and 3% are in the government sector. Virtually all new job growth over the past 10 years has occurred in the service and government sectors.

Housing

- In Stanwood, 70.4% of housing units are occupied by their owners. Renters occupy 29.6% of housing units.
- An influx of relatively younger households with children is starting to drive up the average household size.
- The 2022 *Stanwood Housing Needs Assessment* forecasts a need for 1,522 net new dwelling units by 2044. This forecast is comprised of 1,017 single family dwellings and 505 multifamily dwelling units.

Housing Market

- New housing construction has been robust. The City added 649 new dwelling units between 2017 and 2020; plus, there are now over 1,120 housing units in the development pipeline. Prior to 2020, nearly 2/3 of the new construction permits were issued for single family homes and 1/3 were for multifamily. In more recent years, the share of multifamily permitting activity has exceeded the single-family share.



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- Median home sales prices in Stanwood increased 24.6% (year to date) to \$573,000 in July 2022.
- Rental market activity has been brisk and vacancy rates are very low with only 17 vacant units listed on Apartmentfinder.com.

Commercial and Industrial

- Overall retail vacancy rates in Snohomish County were 2.6% (2nd Q 2022) and have been decreasing year over year as rents have increased 5% or more.
- The office market is rebounding more slowly than the retail and industrial market since the pandemic.
- Industrial market growth in the Region has been mostly concentrated in transportation and warehousing. Manufacturing activity has been relatively stable with moderate job growth overall.
- Since overall local industrial job growth declined between 1999 and 2019, it is recommended that the City of Stanwood consider changes to its Zoning Map and development code to provide added flexibility in the types of uses that can occur on industrial-zoned properties.

Pipeline Projects and Related Buildable Land Capacity Update

- The February 23, 2022, adopted Buildable Lands Report (BLR) indicated that the City of Stanwood is expected to have a zoned-land use capacity shortfall of 251 jobs. However, the adjacent unincorporated area within the Stanwood Urban Growth Area (UGA) was found to have a capacity surplus of 756 jobs.
- The analysis of pipeline developments indicates that the current projects in the development pipeline are expected to *overachieve* their housing capacity forecast by 165 dwelling units. In other words, the parcels identified in the BLR for housing growth are currently planned to be developed at a higher density than was assumed by the February 2022 BLR. Conversely, this pipeline project analysis indicates that the pipeline projects are expected to *underachieve* their employment capacity by 22 jobs.
- The current development pipeline in the Downtown area includes seven significant private developments that will add housing, office/warehousing and mini-storage developments. These projects are expected to create 106 townhomes and nearly 106,000 SF of improved non-residential building floor area that would likely support 77 jobs on site.
- Outside of the Downtown area, there are 14 projects in the planning pipeline, three of which include an employment component. These three developments combined are expected to support a total of 100 jobs on site.
- The combination of capacity findings from the prior BLR and the current analysis of pipeline projects indicates that the City is likely to have a capacity surplus for meeting its 2044 targets for population and housing, but a shortfall in job capacity based on current zoning. The combination of the projected shortfall in employment growth determined by the BLR (251 jobs) along with the employment shortfall created from the current pipeline projects (22 jobs) indicates that there would likely be an overall 2033 employment capacity shortfall of 273 jobs based on current zoning and development assumptions.
- As part of identifying new land use and zoning alternatives for providing sufficient land capacity that's suitable for development, the consultant team (from FCS, LDC, and Blueline) worked with City staff to prepare and evaluate three land use alternatives designed to enhance growth potential within City limits by at least another 273 jobs.



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Land Use Alternatives Analysis

The land use alternatives identified below are intended to enable the City of Stanwood to provide sufficient land capacity for new development over the next 20+ years (by year 2044).

Alternative 1 – Combine LI and GI Zones into a Planned Industrial (PI) Zone

- This land use alternative is intended to protect existing industrial operations while encouraging redevelopment of underutilized industrial buildings/sites. The PI zone would replace the LI and GI zones in most locations with a single PI (Planned Industrial Zone) category that permits most industrial activities to occur as well as commercial (retail and office) uses. The PI zone would remove the current 2,000 SF maximum for ancillary retail and allow industrial operations to include retail/wholesale showrooms and uses such as commercial kitchens, brewpubs, meetings/event space, offices, and entertainment/recreation.
- An analysis was conducted of selected remaining GI and LI tax lots in the City that have a projected baseline job capacity of 10 or more net new jobs. The capacity analysis excluded the pipeline projects and identified nine (9) areas with a total of 41 acres of gross buildable land area. The BLR assumes that these parcels/sites will increase in job capacity from 38 currently to 573 over the next 20 years.
- The capacity analysis indicates that the overall amount of job capacity increase supported by a new user within the Twin City Foods site and changes in LI/GI to PI would result in an increase in the overall employment capacity by 513 jobs.

Commissioner & Council Member Comments and Questions:

- The PI zone would be more like a business park zone where the work is done on the inside of buildings as opposed to the outside.
- No heavy industrial uses near the Twin City Mile and downtown.
- Re-zone along Main Street to allow more commercial.
- Promote uses that will increase jobs.
- Examples of Planned Industrial zones nearby would be the East Arlington Airport Industrial Parks.
- More restrictive zoning is prohibitive. Explore all options for this zone.
- Encourage heavier industrial uses to develop in unincorporated areas.
- More senior housing could bring jobs to the City.
- The market will determine uses.
- Some uses might discourage others. The Municipal Code will need to specify conflicting adjacent uses.
- Overall, the Commissioners and Council members are supportive of Land Use Alternative 1.

Alternative 2 – New Downtown Mixed-Use Zone

- The City is aiming to revitalize its downtown through visual and physical improvements to storefront buildings with stronger pedestrian linkages to surrounding neighborhoods. The Twin City Mile Project focuses on creating well-designed storefronts and pedestrian facilities.
- Currently, there are approximately 59 tax lots with underutilized buildings and redevelopment potential within the Downtown area with a mix of MB1, MB2, and MR zone designations. According to the Snohomish County BLR, the remaining buildable lands in the Downtown areas have the capacity to accommodate another 37 households and 324 jobs. However, recent



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Downtown development activity in the pipeline is likely to displace businesses with new townhome construction and not result in any net new job growth.

- A new Downtown Mixed Use Zone designation can be created to allow and encourage a mix of housing and employment as buildings are rehabilitated and sites are redeveloped. The new zone would retain the historic overlay designation for significant buildings and encourage façade and building revitalization with bonus density allowances allowing some additional building height for mixed-use developments.
- With the Mixed-Use Zone designation and the related development incentives, the Downtown area would accommodate a mix of 2-3 story structures with ground floor commercial, upper-level offices and apartments and live/work buildings in mixed-use developments.
- The overall impact on development capacity attributed to the new Mixed-Use zoning is expected to result in a net increase in housing from 53 existing dwellings to 291 dwellings, which is above the BLR assumptions by 254 dwellings.
- The new Mixed-Use zone designation is expected to result in an increase of 287 net new jobs in Downtown, which is 37 fewer jobs than what the February 2022 BLR capacity had assumed for the remaining vacant, part vacant, and redevelopment tax lots in Downtown.

Commissioner & Council Member Questions & Comments:

- There is a gap of no businesses between East and West downtown, this alternative could help close this gap.
- Mixed-use historically doesn't work, but this alternative would bring the residential element to support the commercial element.
- Both groups support Land Use Alternative 2.

Alternative 3 – New GC Zone for Neighborhood Center

- This alternative would address the current projected employment shortfall through a specific land use action to redesignate approximately 4 acres of buildable land within a TN zone to a GC zone designation within the City. This additional consumer buying power would increase potential sales for existing and future retail and service businesses.
- An analysis of retail sales and supportable commercial development was conducted to ascertain the amount of growth necessary to support a small neighborhood center with a small grocery store (such as a Trader Joes or Whole Foods 365), coffee shop, day care center and 1-2 restaurants. The results indicate that if 1,600 households are added to the City and surrounding communities over the next 20-25 years, it would create approximately \$136.9 million in net new annual income and support \$70.6 million in net new annual in-store sales. That level of demand would likely generate demand for approximately 148,600 SF of new development or redevelopment.
- While the market support for a new neighborhood shopping center would not occur for 15+ years, it will likely occur within the 15-20 year time frame based on the pace of housing development underway. Other factors such as transportation access, visibility and walkability are important considerations in the location of any development.
- The project consultant team identified a central location for the new neighborhood center. The capacity analysis identified two remaining large vacant TN-zoned sites in the City that are not currently in the development pipeline. These two sites include 32.8 buildable acres with current capacity of 323 dwelling units per BLR assumptions (west side of 80th Avenue, just north of 276th



Community Development Committee and Planning Commission
Special Joint Meeting
Meeting Minutes
September 19, 2022

Street NW, and the East side of 68th Avenue NW, just north of 284th Street NW). The GC designation on 4 acres of land is expected to result in a net decrease in housing capacity by 22 units and a corresponding increase in employment capacity by 202 jobs.

Commissioner & Council Member Questions & Comments:

- These types of zones are typically on high traffic streets. The proposed locations may not attract enough business.
- There is nothing else in these areas to attract people to these locations.
- 64th Avenue NW and SR 532 would be a better location for this as an entryway to the City.
- GC development in these areas may take away from the “Vision” of Stanwood.
- Both groups support Alternatives 1 & 2 over Alternative 3.

Stanwood Municipal Code Titles Memorandum

As part of the Stanwood Municipal Code (“SMC”) Update Project, consultants BHC, reviewed existing SMC Title 1 and Title 2, as well as staff memos on these titles, to develop a proposed scope for the update of these first two titles. BHC also proposes a new Title 4, Administration, to logically segregate some material into its own title.

BHC proposes to correct existing code text in all cases to plain language principles as described in the SMC Style Guide (draft July 13, 2022), e.g., “shall” to “must” or “may.” BHC expects that repealed and reserved sections and chapters throughout the code will be repealed by the code reviser through the conversion of the code-to-Code Publishing Company’s new municipal codes platform; if not, BHC will propose to remove those labels through the update.

Title 1 General Provisions

Consistent with the SMC Style Guide (draft July 13, 2022), BHC recommends no high-level reorganizational changes to Title 1 other than those minor adjustments mentioned in the paragraphs above.

Title 2 Administration and Personnel

While it is very common for cities and counties to have an “Administration and Personnel” title, after discussion with staff, BHC recommends renaming this title to “Personnel” to make its content consistent with the SMC Style Guide (draft July 13, 2022) which recommends use of this title for the creation and regulation of all city offices, boards, commissions, and committees. BHC also recommends some reorganization and consolidation of its chapters. These recommendations generally attempt to avoid unnecessary chapter renumbering.

NEW Title 4 Administration

BHC proposes this new title to logically segregate material about government administration into its own title, separate from the Personnel title and the Revenue and Finance titles.

The Commissioners and Council members unanimously support these changes.



Community Development Committee and Planning Commission
Special Joint Meeting
Meeting Minutes
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Ordinance Prohibiting Mini-Warehouse/Storage Facilities as an Allowed Use in All Zoning Districts within the City

WHEREAS, Mini-Warehouse/Storage Facilities are now allowed in the City in the Light Industrial (LI) and General Industrial (GI) Zoning Districts; and

WHEREAS, the City wishes to ensure land uses enable diverse economic development opportunities; and

WHEREAS, the City has sufficient Mini-Warehouse/Storage Facilities to accommodate existing needs; and

WHEREAS, Mini-Warehouse/Storage Facilities are passive uses rather than uses that encourage an activated, thriving business environment for the City; and

Commissioner & Council Member Questions and Comments

- Create a tax for storage units to generate more revenue.
- The majority of Commissioners and Council members support the prohibition. Some suggest allowing the use in locations other than downtown Stanwood.

Adjourn: 6:30 pm



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 8a

DATE: November 21, 2022

SUBJECT: Approval of Voucher and Payroll Checks

CONTACT PERSON: Amy Bergemeier, Accounting Specialist

ATTACHMENTS: A - Voucher Check Detail

SUMMARY STATEMENT

Approve issuance of Washington Federal Bank voucher checks 36153 through 36213 and electronic fund transfers in the amount of \$167,208.39. Approve issuance of Washington Federal payroll benefit checks 2062 through 2071 and electronic fund transfers in the amount of \$325,522.22.

RECOMMENDED MOTION

MOTION TO APPROVE ISSUANCE OF WASHINGTON FEDERAL BANK VOUCHER CHECKS 36153 THROUGH 36213 AND ELECTRONIC FUNDS TRANSFERS IN THE AMOUNT OF \$167,208.39. APPROVE ISSUANCE OF WASHINGTON FEDERAL PAYROLL BENEFIT CHECKS 2062 THROUGH 2071 AND ELECTRONIC FUND TRANSFERS IN THE AMOUNT OF \$325,522.22.

CHECK REGISTER

ATTACHMENT A

City Of Stanwood

Time: 16:37:08 Date: 11/15/2022

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
5376	11/08/2022	Payroll	3	EFT		4,144.23	October 2022 Payroll
5377	11/08/2022	Payroll	3	EFT		4,133.18	October 2022 Payroll
5378	11/08/2022	Payroll	3	EFT		3,540.07	October 2022 Payroll
5379	11/08/2022	Payroll	3	EFT		2,210.86	October 2022 Payroll
5380	11/08/2022	Payroll	3	EFT		2,388.14	October 2022 Payroll
5381	11/08/2022	Payroll	3	EFT		435.95	October 2022 Payroll
5382	11/08/2022	Payroll	3	EFT		3,060.06	October 2022 Payroll
5383	11/08/2022	Payroll	3	EFT		3,085.57	October 2022 Payroll
5384	11/08/2022	Payroll	3	EFT		7,097.51	October 2022 Payroll
5385	11/08/2022	Payroll	3	EFT		3,964.98	October 2022 Payroll
5386	11/08/2022	Payroll	3	EFT		2,980.26	October 2022 Payroll
5387	11/08/2022	Payroll	3	EFT		3,136.15	October 2022 Payroll
5388	11/08/2022	Payroll	3	EFT		3,299.74	October 2022 Payroll
5389	11/08/2022	Payroll	3	EFT		3,116.49	October 2022 Payroll
5390	11/08/2022	Payroll	3	EFT		435.95	October 2022 Payroll
5391	11/08/2022	Payroll	3	EFT		3,593.24	October 2022 Payroll
5392	11/08/2022	Payroll	3	EFT		3,283.37	October 2022 Payroll
5393	11/08/2022	Payroll	3	EFT		4,927.05	October 2022 Payroll
5394	11/08/2022	Payroll	3	EFT		6,410.19	October 2022 Payroll
5395	11/08/2022	Payroll	3	EFT		5,083.23	October 2022 Payroll
5396	11/08/2022	Payroll	3	EFT		1,693.75	October 2022 Payroll
5397	11/08/2022	Payroll	3	EFT		2,072.75	October 2022 Payroll
5398	11/08/2022	Payroll	3	EFT		5,119.70	October 2022 Payroll
5399	11/08/2022	Payroll	3	EFT		5,392.23	October 2022 Payroll
5400	11/08/2022	Payroll	3	EFT		3,858.04	October 2022 Payroll
5401	11/08/2022	Payroll	3	EFT		435.86	October 2022 Payroll
5402	11/08/2022	Payroll	3	EFT		3,143.53	October 2022 Payroll
5403	11/08/2022	Payroll	3	EFT		436.04	October 2022 Payroll
5404	11/08/2022	Payroll	3	EFT		4,172.28	October 2022 Payroll
5405	11/08/2022	Payroll	3	EFT		385.86	October 2022 Payroll
5406	11/08/2022	Payroll	3	EFT		2,057.90	October 2022 Payroll
5407	11/08/2022	Payroll	3	EFT		2,773.94	October 2022 Payroll
5408	11/08/2022	Payroll	3	EFT		2,001.99	October 2022 Payroll
5409	11/08/2022	Payroll	3	EFT		478.17	October 2022 Payroll
5410	11/08/2022	Payroll	3	EFT		3,300.82	October 2022 Payroll
5411	11/08/2022	Payroll	3	EFT		285.86	October 2022 Payroll
5412	11/08/2022	Payroll	3	EFT		3,131.00	October 2022 Payroll
5413	11/08/2022	Payroll	3	EFT		3,865.74	October 2022 Payroll
5414	11/08/2022	Payroll	3	EFT		435.86	October 2022 Payroll
5415	11/08/2022	Payroll	3	EFT		4,461.30	October 2022 Payroll
5416	11/08/2022	Payroll	3	EFT		3,974.64	October 2022 Payroll
5417	11/08/2022	Payroll	3	EFT		5,794.34	October 2022 Payroll
5418	11/08/2022	Payroll	3	EFT		4,081.51	October 2022 Payroll
5419	11/08/2022	Payroll	3	EFT		1,973.01	October 2022 Payroll
5420	11/08/2022	Payroll	3	EFT		3,195.16	October 2022 Payroll
5458	11/08/2022	Payroll	3	EFT	HSA Bank	1,408.33	Pay Cycle(s) 11/08/2022 To 11/08/2022 - HSA Contributions ER; Pay Cycle(s) 11/08/2022 To 11/08/2022 - HSA Contr EE
5459	11/08/2022	Payroll	3	EFT	Internal Revenue Service (941)	66,120.05	941 Deposit for Pay Cycle(s) 11/08/2022 - 11/08/2022
5460	11/08/2022	Payroll	3	EFT	WA St Department Of Retirement Systems	46,154.92	Pay Cycle(s) 11/08/2022 To 11/08/2022 - PERS2; Pay Cycle(s) 11/08/2022 To 11/08/2022 - PERS 3; Pay Cycle(s) 11/08/2022 To 11/08/2022 - 457 - DRS (DCP)
5471	11/01/2022	Claims	3	EFT	WA St Dept of Revenue **	785.17	Leasehold Excise Tax 3rd Qtr
5472	11/01/2022	Claims	3	EFT	Heartland Payment Systems	398.02	Oct Merchant Fees
5474	11/03/2022	Claims	3	EFT	Chase Paymentech	2,722.70	Oct Paymentech Fees

CHECK REGISTER

ATTACHMENT A

City Of Stanwood

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
5476	11/04/2022	Claims	3	EFT	Xpress/Bill Pay	671.29	October fees
5461	11/08/2022	Payroll	3	2062	AFLAC	221.39	Pay Cycle(s) 11/08/2022 To 11/08/2022 - AFLAC, Pre-Tax; Pay Cycle(s) 11/08/2022 To 11/08/2022 - AFLAC, Post-Tax
5462	11/08/2022	Payroll	3	2063	AWC Employee Benefit Trust	24,027.81	Pay Cycle(s) 11/08/2022 To 11/08/2022 - AWC - Health First 250; Pay Cycle(s) 11/08/2022 To 11/08/2022 - AWC - Dental J; Pay Cycle(s) 11/08/2022 To 11/08/2022 - AWC - Vision; Pay Cycle(s) 11/08/2022 To;
5463	11/08/2022	Payroll	3	2064	Colonial Life Insurance	66.75	Pay Cycle(s) 11/08/2022 To 11/08/2022 - Colonial Life Ins
5464	11/08/2022	Payroll	3	2065	Great-West Life & Annuity	3,363.00	Pay Cycle(s) 11/08/2022 To 11/08/2022 - 457 - Empower (Mass Mutual); Pay Cycle(s) 11/08/2022 To 11/08/2022 - Roth 457(b)Empower(MassMutual)
5465	11/08/2022	Payroll	3	2066	ICMA Retirement Trust	3,615.28	Pay Cycle(s) 11/08/2022 To 11/08/2022 - 457 - Mission Square Ret(ICMA)
5466	11/08/2022	Payroll	3	2067	Legal Shield	53.70	Pay Cycle(s) 11/08/2022 To 11/08/2022 - Legal Shield
5467	11/08/2022	Payroll	3	2068	Navia Benefits	125.00	Pay Cycle(s) 11/08/2022 To 11/08/2022 - Navia Limited FSA
5468	11/08/2022	Payroll	3	2069	Western Conference of Teamsters Pension Trust	2,666.79	Pay Cycle(s) 11/08/2022 To 11/08/2022 - WCTPP Contributions
5469	11/08/2022	Payroll	3	2070	Teamsters Union Local 231	1,663.00	Pay Cycle(s) 11/08/2022 To 11/08/2022 - Teamsters Dues
5470	11/08/2022	Payroll	3	2071	Washington Teamsters Welfare Trust	37,188.70	Pay Cycle(s) 11/08/2022 To 11/08/2022 - Teamsters Dental; Pay Cycle(s) 11/08/2022 To 11/08/2022 - Teamsters Medical
5432	11/03/2022	Claims	3	36153	Ace Hardware #14901 *	28.41	20013
5433	11/03/2022	Claims	3	36154	Advanced Analytical Solutions	428.06	City of Stanwood 001204
5434	11/03/2022	Claims	3	36155	Aramark Uniform Services Inc	57.29	937963000
5435	11/03/2022	Claims	3	36156	Gaylynn Brien	60.00	city of stanwood
5436	11/03/2022	Claims	3	36157	Edge Analytical Inc	3,825.20	STA01; STA01; STA01
5437	11/03/2022	Claims	3	36158	Occupant/ Robertson, Kathleen	28.08	08 3511 10 - 28511 72ND DR NW
5438	11/03/2022	Claims	3	36159	Lennar	23,157.00	city of stanwood
5439	11/03/2022	Claims	3	36160	Metron And Associates, Inc.	19,419.50	city of stanwood
5440	11/03/2022	Claims	3	36161	Navia Benefits	50.00	city of stanwood
5441	11/03/2022	Claims	3	36162	O'Reilly Auto Parts	39.96	1872464
5442	11/03/2022	Claims	3	36163	ODP Business Solutions, LLC	78.15	36274097
5443	11/03/2022	Claims	3	36164	PUD Of Snohomish County *	325.23	200592889
5444	11/03/2022	Claims	3	36165	Perteet Inc.	9,736.20	City of Stanwood
5445	11/03/2022	Claims	3	36166	Petty Cash/ Marcy Mathis -Custodian	8.20	city of stanwood
5446	11/03/2022	Claims	3	36167	Pitney Bowes Inc- Purchase Power *	1,123.57	8000-9090-0519-4677
5447	11/03/2022	Claims	3	36168	RH2 Engineering Inc	1,278.24	city of stanwood
5448	11/03/2022	Claims	3	36169	Ricoh USA, Inc.	277.74	1316669-3800642
5449	11/03/2022	Claims	3	36170	Skagit Farmers Supply	126.99	135052; 135052; 135052
5450	11/03/2022	Claims	3	36171	Skagit Valley Publishing	549.12	48893; 48893; 48893; 48893; 48893
5451	11/03/2022	Claims	3	36172	Sno Co Sheriff's Office - CB	3,995.02	TIN-91-6001368

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
5452	11/03/2022	Claims	3	36173	Springbrook Holding Company LLC	425.25	City of Stanwood
5453	11/03/2022	Claims	3	36174	Unum Life Insurance	88.40	0220603-036 2
5454	11/03/2022	Claims	3	36175	WABO	95.00	city of stanwood
5455	11/03/2022	Claims	3	36176	Western Exterminator Company	209.59	City of Stanwood 683591; City of Stanwood-683591
5548	11/10/2022	Claims	3	36177	Ace Hardware #14901 *	291.97	20013; 20013; 20013; 20013; 20013
5549	11/10/2022	Claims	3	36178	Aramark Uniform Services Inc	57.29	937963000
5550	11/10/2022	Claims	3	36179	David Walker	48.87	08 2314 10 - 27740 69TH AVE NW
5551	11/10/2022	Claims	3	36180	BHC Consultants, LLC	4,656.16	city of stanwood
5552	11/10/2022	Claims	3	36181	Badger Meter Inc	149.50	460708
5553	11/10/2022	Claims	3	36182	The Blueline Group, LLC	28,080.63	City of Stanwood; City of
5554	11/10/2022	Claims	3	36183	Confluence Environmental Company, Inc	23,348.92	city of stanwood
5555	11/10/2022	Claims	3	36184	Crawford Garage Doors Inc	1,530.20	city of stanwood
5556	11/10/2022	Claims	3	36185	D-Square Energy LLC	3,281.99	city of stanwood
5557	11/10/2022	Claims	3	36186	DMH Industrial Electric Inc	688.59	city of stanwood
5558	11/10/2022	Claims	3	36187	Edge Analytical Inc	460.41	STA01; STA01
5559	11/10/2022	Claims	3	36188	Fastenal	17.77	city of stanwood
5560	11/10/2022	Claims	3	36189	Hamilton Lumber LLC	205.24	City of Stanwood
5561	11/10/2022	Claims	3	36190	J.A. Brennan Associates, PLLC	203.75	City of Stanwood
5562	11/10/2022	Claims	3	36191	Lou's Gloves	590.00	STA629
5563	11/10/2022	Claims	3	36192	O'Reilly Auto Parts	291.55	city of stanwood
5564	11/10/2022	Claims	3	36193	PUD Of Snohomish County *	7,093.21	221854284; 222799900; 200367373; 202240505; 200128742; 200128742; 200142180; 202579512
5565	11/10/2022	Claims	3	36194	Refund-Cozy Heating, Inc.	58.80	City of Stanwood
5566	11/10/2022	Claims	3	36195	Ricoh USA Inc- Maint	656.35	4250811; 4250811; 4250811; 4250811
5567	11/10/2022	Claims	3	36196	Ricoh USA, Inc.	90.80	1316669-3800377
5568	11/10/2022	Claims	3	36197	Safeway	22.79	191483
5569	11/10/2022	Claims	3	36198	Steven B Schei	189.00	City of Stanwood
5570	11/10/2022	Claims	3	36199	Shred-it US JV LLC	43.28	1000283524
5571	11/10/2022	Claims	3	36200	Skagit Farmers Supply	748.95	135052; 135052; 135052
5572	11/10/2022	Claims	3	36201	Stanwood Auto Parts	128.86	56100
5573	11/10/2022	Claims	3	36202	Stanwood City Utility	6,020.14	4724; 1674; 2416; 1675; 1587; 1348; 1473; 1332; 1573; 1271; 1328; 1241; 4252; 4916
5574	11/10/2022	Claims	3	36203	Stilly Auto Parts Napa	107.46	27197; 27197
5575	11/10/2022	Claims	3	36204	Thompson Guildner & Associates Inc. P.S.	5,279.60	City of Stanwood
5576	11/10/2022	Claims	3	36205	Transpogroup Inc	9,998.75	City of Stanwood
5577	11/10/2022	Claims	3	36206	US Bank Na Custody/ Treas Div- Money Ctr	58.00	City of Stanwood XXXX717
5578	11/10/2022	Claims	3	36207	USA Bluebook	633.25	478228
5579	11/10/2022	Claims	3	36208	Utilities Underground Loc	78.69	134200
5580	11/10/2022	Claims	3	36209	Verizon Wireless	350.02	742373248-00001
5581	11/10/2022	Claims	3	36210	% Brianna May WPTA	90.00	City of Stanwood
5582	11/10/2022	Claims	3	36211	% Shawn Reed WPTA	90.00	City of Stanwood
5583	11/10/2022	Claims	3	36212	Ziply Fiber	1,445.53	206-188-0411-053105-5; 360-629-4907-072497-5
5584	11/10/2022	Claims	3	36213	Zumar Industries Inc	134.69	000683
001 General Fund						215,529.69	
101 Street Fund						34,025.94	
103 Street Construction Fund						29,155.70	

CHECK REGISTER

City Of Stanwood

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
		104 Park And Trail Improvement Fund				23,712.67	
		401 Sewer Fund				78,968.87	
		405 Sewer Plant Investment Fund				23,157.00	
		410 Drainage Fund				21,258.33	
		421 Water Fund				66,137.24	
		630 Agency Fund				785.17	
							Claims: 167,208.39
		* Transaction Has Mixed Revenue And Expense Accounts				492,730.61	Payroll: 325,522.22

CERTIFICATION: I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Stanwood, and that I am authorized to authenticate and certify to said claim.

() Finance Director () Auditing Officer Wendy Donbrow
 (✓) Deputy Finance Director

Date: 11/15/22

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**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 8b
DATE: November 21, 2022
SUBJECT: City Council Regular Meeting Minutes – November 10, 2022
CONTACT PERSON: Lisa Sokolik, City Clerk
ATTACHMENTS: A – Council Regular Meeting Minutes – November 10, 2022

SUMMARY STATEMENT

November 10, 2022, Regular City Council Meeting minutes are attached.

RECOMMENDED MOTION

MOTION TO APPROVE THE NOVEMBER 10, 2022, CITY COUNCIL REGULAR MEETING MINUTES AS PRESENTED.

CITY OF STANWOOD
Regular Meeting of the City Council
Thursday, November 10, 2022 – 7:00 p.m.
In-Person & Zoom Online Meeting
MINUTES

1. Call to Order and Pledge of Allegiance

Mayor Sid Roberts called the meeting to order at 7:00 p.m. Councilmember Bergman led the Pledge of Allegiance.

2. Roll Call

City Clerk Lisa Sokolik called the roll with the following Councilmembers present: Dani Gaumond, Marcus Metz, Tim Pearce, Steve Shepro, Andreena Bergman, Tim Schmitt and Darren Robb (Robb attended on-line via Zoom). The meeting was quorate.

Note: The microphone used to allow on-line attendees to hear the meeting was inadvertently turned off at the beginning of meeting. Councilmember Robb who was attending via Zoom could not hear the meeting until after item 9, so was unable to vote on items 3, 8 and 9.

Also present: City Administrator Shawn Smith, Community Development Director Patricia Love, Finance Director David Hammond, Public Works Director Kevin Hushagen, Chief Jason Toner, City Attorney Nikki Thompson, Economic Development and Marketing Manager Sarah Cho, Associate Engineer Alan Lytton, Assistant to the Administrator/Communication Manager Krista Hintz, City Clerk Lisa Sokolik. Finance Manager Wendy Dowhower. Utility Supervisor Leigh Danielson attended via Zoom.

3. Approval of the Agenda

Motion by Councilmember Pearce, second by Councilmember Shepro to approve the agenda as amended. Motion carried 6 yes / 0 nay

4. Presentation - None

5. Public Comments

The Clerk did not receive written comments or requests to verbally address the Mayor and City Council. Written comments must be provided to the Clerk by 9:00 a.m. on the day of the meeting. Verbal comments may be provided by attending the meeting in person or via Zoom.

6. Staff / Department Reports

Police Compstat Report - October

7. Council Committee Reports

- a. Community Development Committee Minutes – October 6, 2022
- b. Economic Development Board Meeting Minutes – September 16, 2022

Council questions and comments:

- The Economic Development Board minutes references the Stanwood Commerce Alliance, what is this group and what are they attempting to do? Sarah Cho answered that this is a group of local individuals, community members and business owners who are hoping to start a new business association and a Stanwood Chamber organization. This group is hoping to announce more details by early 2023.

8. Consent Agenda

- a. Approve Vouchers and Payroll Checks.
- b. Approve City Council Regular Meeting Minutes – October 27, 2022.

Motion by Councilmember Metz, second by Councilmember Gaumond to approve the consent agenda items A and B. Motion carried 6 yes / 0 nay.

9. Unfinished Business

Authorize the Mayor to Sign a Change Order for the Sebranke Property Cleanup Project with Wyser Construction Corporation.

Kevin Hushagen discussed the change order with Council.

Council questions and comments:

- When are they starting this project? Hushagen said, if this change order is approved, it will start next week.
- What is the timeline of having the property mediated? Alan Lytton answered it will take about a week.
- After the work is completed, will the Christmas Tree Lighting be able to go on that site? Hushagen said that is one of the reasons they are trying to get this project started, but he does not think the project will be finished in time, so an alternate location at 271st & 88th, the old bank drive thru, has been chosen.

Motion by Councilmember Bergman, second by Councilmember Pearce to authorize the Mayor to sign a change order in the amount of \$6,765.00 for the Sebranke Cleanup Project with Wyser Construction Corporation.

Roll call of votes was taken.

<i>Councilmember Bergman</i>	<i>Yes</i>
<i>Councilmember Schmitt</i>	<i>Yes</i>
<i>Councilmember Gaumond</i>	<i>Yes</i>
<i>Councilmember Metz</i>	<i>Yes</i>
<i>Councilmember Robb</i>	<i>microphone error</i>
<i>Councilmember Pearce</i>	<i>Yes</i>
<i>Councilmember Shepro</i>	<i>Yes</i>

Motion carried 6 yes / 0 nay

10. Public Hearing – None

11. New Business

a. Discussion Item – City Revenue Sources

Finance Director Hammond discussed the revenue sources for the 2023-2024 budget that will be brought to council on November 21, 2022, for a Public Hearing and for Council adoption of a property tax levy ordinance.

Key points:

- Building Permits and Development Related Charges
- Sales Tax
- Utility Tax
- State-Shared Revenues
- Streets Fund
- Property Tax Levy

Council questions and comments:

- Is the revenue from utility tax composed of all utilities? Hammond said yes, it includes taxes for phone, electric, cable, sewer, etc.
- Motor Fuel tax is declining, any thoughts or insights on how other entities are addressing this loss of revenue? Hammond said the motor vehicle fuel tax is levied per gallon not by value. Legislature has proposed ideas to fix the shortfall.
- On page 11.4, the ARPA funds are shown in the state pass-through line item in 2021 and 2022. What makes up these funds in 2023 and 2024? Hammond said examples are the criminal justice portion of sales tax and liquor excise tax that are shared on a per capita basis with all cities.
- Are all taxing agencies, that make up our property tax, limited to a 1% property tax? Hammond said, no, a portion of state levied property tax supporting schools is not.

b. Authorize the Mayor to Sign an Interlocal Agreement Releasing Potential Interest in the Rucker Building to Snohomish County

Finance Director Hammond said this is a basically a housekeeping item as the city made a similar agreement six years ago with the Health District, but the Snohomish County legal team would like to redo the paperwork as the Health District is being subsumed into being a Snohomish County Health Dept. effective January 1st.

Motion by Councilmember Metz, second by Councilmember Shepro to approve relinquishment of any potential ownership and financial interest in 3020 Rucker Avenue in Everett, Washington and to authorize the Mayor to sign the agreement between the City of Stanwood and Snohomish County and any other documents necessary to effect this action.

Roll call of votes was taken. Motion carried unanimously.

c. First Reading, Resolution 2022-16, 2023-2028 Capital Improvement Plan Update

Public Works Director Hushagen presented the first reading of Resolution 2022-16, 2023-2028 Capital Improvement Plan (CIP). Council has seen the proposed CIP a few times now,

and it will be brought back on November 21st for adoption. Although this is a six-year CIP, staff is primarily focused on the next two years with the biennium budget. This is a very aggressive and robust CIP for the next two years. The CIP is reviewed and updated every year.

Council comments and questions:

- Page 11.30 under Downtown Park, it references 'the site', where is the site? Hushagen answered it's the Sebranke property.
- How will we use the sewer rate study? Hushagen said FCS Group will add up all our assets, property and infrastructure to see what it's worth and then spread the cost over a period of time to get a replacement cost. The study will be used to see if we need to increase rates to make sure we have enough for replacement costs or if we are on track. Hammond added that the last time we did a utility rate study was in 2018 when Council adopted ordinance that implemented rate increases each year through 2024.
- Is there any analysis by neighboring sewer districts of what they are charging and how they are approaching, are there any external analysis used in the study? Hammond said not in the study, but in the presentation to Council. We want to know what the actual cost of Stanwood's wastewater treatment plant and what is the replacement cost. Hushagen added that it's tough to compare to our neighboring jurisdictions, as we have different infrastructures, and the cost is spread out amongst larger or smaller populations.
- The City recently received an evaluation from an arborist to remove trees at Church Creek Park, is that \$100,000 estimate in the CIP? Hushagen said yes, but some of the trees listed in the evaluation were blown over during the last windstorm, so that amount may go down.
- Are we getting money to plant 88 new trees at Heritage Park? Love and Hushagen said that PUD will be giving us vouchers for the trees and they will do the planting.

d. Authorize the Mayor to Sign Supplemental No. 1 to On-Call Professional Services Agreement with Quality Controls Corporation

Public Works Director Hushagen discussed QCC Supplemental No. 1 with the Council.

Motion by Councilmember Pearce, second by Councilmember Shepro to authorize the Mayor to authorize the Mayor to sign Supplemental No. 1 to the existing on-call professional services agreement with Quality Controls Corporation to provide on-call support for the Wastewater and Water Supervisory Control and Data Acquisition Systems.

Roll call of votes was taken. Motion carried unanimously.

e. Authorize the Mayor to Sign a Lease Agreement with Mammoth Burger

Economic Development and Marketing Manager Sarah Cho said Mammoth Burger Company reached out the City to see if they could lease one parking stall in the city-owned parking lot behind the police station on 271st for six months while they renovate and remodel a portion of their building to open a new restaurant and bar. Construction would start in November/December and finish before the start of the Farmer's Market.

Motion by Councilmember Shepro, second by Councilmember Bergman to authorize the Mayor to sign a lease agreement with Mammoth Burger Company pending final legal review of the lease agreement for the use of one parking stall in the City's parking lot behind the police station on 271st Street NW. Motion carried unanimously.

- f. Authorize the Mayor to sign a Task Order with Perteet, Inc. for Twin City Mile Phase I Design and Permitting Services.

Community Development Director Patricia Love said the approval of this task order will begin the design work for the capital improvement projects listed in the Capital Improvement Plan (CIP) for the Twin City Mile project. This contract is approximately \$800,000, but it will cover the six-year period in the CIP.

The task order will cover all the engineering and design work for the following five projects and include some of the outreach events.

1. Brick Road Design – 10% design in 2023, final design pushed out to 2026/2027
2. Camano Street Triangle Design – design in 2024, construction in 2025
3. 92nd Avenue NW Design & Construction – designed and constructed in 2023
4. 88th Avenue NW Lighting – have been putting emphases on getting power to city-owned poles so they can be lit up during the holidays
5. East End Traffic Calming and Park Design – construction in 2023, will have a lot of public outreach with business owners

These tasks are set up as maximum fee, so if we don't use all the fees in the design efforts we would not be billed.

Council comments and questions:

- Appreciate how clear all the projects were laid out, it was easy to understand.
- Scott Lankford of Lankford Associates and Tom Barry of Metron and Associates are listed on the Consultant Team, does that mean they are sub-consultants of Perteet? Love said yes, so there won't be a need to bring on more consultants on this project.
- The contract shows seven months of hard and thoughtful work. It is exciting to envision this project and when it's done it will definitely be an asset to Stanwood.

Motion by Councilmember Metz, second by Councilmember Gaumond to authorize the Mayor to sign a Task Order with Perteet, Inc. in the amount of \$799,518.00 for the Twin City Mile Project - Phase 1 Design and Permitting Services.

Roll call of votes was taken. Motion carried unanimously.

12. Public Closing Comments

Carrie Meyer Richardson
Stanwood

Topic: Rejoining of the pie shaped piece of land with the former Stanwood Hardware Store original parcel.

13. Executive/Legislative Reports

a. Mayor's Report

- Transportation Benefit Fund ballot is passing by a 2/3 margin, which says a lot about what our citizens are saying about our streets. Very grateful for the turnout.
- Tomorrow, November 11th is Veterans Day, would love to have a good showing of Councilmembers to honor our Veterans at 10:30 am at the Floyd.
- Attended a webinar on Mastering Public Comment and Public Hearings
- The next Council meeting will be on Monday, November 21, 2022 due to Thanksgiving.

b. City Administrator Report

- Thanked the Public Works crew, in particular Nate Towse who was on-call during the wind. Nate spent many hours cleaning up fallen trees and debris, and fixing signs.
- Thank you to the City of Stanwood residents for supporting proposition No. 1, the show of support was amazing. A special thank you to Cathy Wooten for all her work, she was a big proponent in supporting the proposition.
- Thank you to Marcy Mathis, Amy Bergemeier, and Charlee Rowland in the Finance Dept. They do a wonderful job talking with customers, explaining and answer questions regarding their utility invoice. The city gives a winter water rate average to customers to give them a break during the summer months while they are watering their lawns, that break just ended, but with a warmer and drier September and October customers were still watering, so the statements that just went out were higher than normal. Marcy, Amy and Charlee do a great job explaining this to our customers. Staff will be looking at different options to apply this rate for next year.
- Today, Shawn, the Mayor, Directors, Alan Lytton and a few other staff went to the Emergency Management Training put on by North County Fire to continue planning and training how we will deal with major event like flooding or a train derailment.

c. Councilmember Reports/Questions

- Thank you for doing the firework survey.
- With the holidays coming up, encourage everyone to buy local.
- Looking forward to the Christmas Tree Lighting, the event gets better and better every year.
- Excited for the Veterans event at the Floyd. Thank you to all the businesses and organizations who do wonderful things for our Veterans.

14. Recess to Executive Session – None

15. Adjourn

There being no further business before the Council, and hearing no objection to adjournment, Mayor Roberts adjourned the meeting at 8:18 p.m.

CITY OF STANWOOD

ATTEST:

Sid Roberts, Mayor

Lisa Sokolik, City Clerk

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**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 8c
DATE: November 21, 2022
SUBJECT: City Council Special Workshop Minutes November 3, 2022
CONTACT PERSON: Lisa Sokolik, City Clerk
ATTACHMENTS: A – Council Workshop Meeting Minutes 11-3-2022

SUMMARY STATEMENT

November 3, 2022, City Council Special Workshop minutes are attached.

RECOMMENDED MOTION

MOTION TO APPROVE THE NOVEMBER 3, 2022, CITY COUNCIL SPECIAL WORKSHOP MINUTES AS PRESENTED.

CITY OF STANWOOD

City Council Special Workshop Meeting
Thursday, November 3, 2022 – 5:00 p.m.
City of Stanwood City Hall
10220 270th Street NW, Stanwood

MINUTES**Call to Order**

Mayor Sid Roberts called the meeting to order at 5:01 p.m.

Attendance

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

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

1. 2023-2024 Budget

Finance Director Hammond led the discussion on the preliminary 2023-2024 Budget, focusing on Capital Improvement Projects (CIP) for Parks, Facilities, the Floodwall project, Streets and the General funds. He discussed the significant cost increases by category.

City Administrator Smith reminded Council that the CIP can be updated every year.

Hammond discussed the General Fund Revenue & Expenditure History and Biennium Forecast.

Council Comments and Questions:

- Parks Level 2 was going to be discussed during the budget 2023-24, so will we be hiring a Parks Supervisor? Community Development Director Love said level 2 was to make a parks division and hire an assistant director. Smith said we created the park team and reorganized Public Works, the affect is noticeable and would like the crew to get in a whole season to see how the crew does and then look to see at the end of next summer if they need another employee.
- A request to have a mid-year Park Team update. City Administrator will provide parks team report on first full year.
- Would like to move the Parks Division to a level 2.0 by next year and an update by mid-year.
- Comfortable with the projects on the CIP, if more park projects are added, then other projects, like street projects, will need to be removed.
- There are visual improvements at the park since creating the Parks Team.

Stanwood Special Workshop Meeting Minutes – November 3, 2022

- If the Parks Division is at level 1.8 now, what would it take to get to level 2? Smith said level 2 requires the hiring of an Assistant PW Director, the team currently has three seasonal employees dedicated to parks, and a parks planner.

The workshop handout is attached to these minutes.

Adjourn

Mayor Roberts Adjourned the meeting at 6:52 pm.

CITY OF STANWOOD

ATTEST:

Sid Roberts, Mayor

Lisa Sokolik, City Clerk

**Stanwood City Council
Special Workshop Meeting
November 3, 2022
Budget 2023-24**

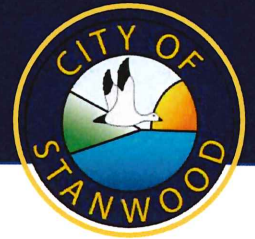


Parks, Facilities & Floodwall Project Costs Added in the Draft 2023-2028 Capital Improvement Program



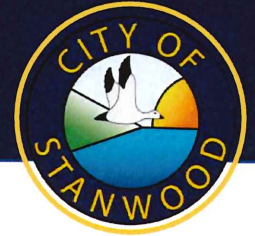
Additional Project Costs in 2023-2027 Capital Improvement Plan							
Project:	2023	2024	2025	2026	2027	2028	Total
Cedarhome new park	\$ 70,000						
Church Creek	\$ 240,000	\$ 250,000	\$ 150,000	\$ 67,650	\$ (129,400)	\$ 200,000	\$ 778,250
Ovenell Park	\$ (250,000)	\$ (355,000)	\$ (1,500,000)	\$ 70,000			\$ (2,035,000)
Downtown Park		\$ (900,000)	\$ 900,000				\$ -
Johnson Farm	\$ 485,000		\$ 50,000	\$ 200,000			\$ 735,000
Hamilton							\$ -
Port Susan Trail	\$ 500,000	\$ (100,000)	\$ (605,000)	\$ 100,000	\$ 200,000	\$ 200,000	\$ 295,000
Heritage Park	\$ 200,000	\$ 300,000	\$ (25,000)	\$ (25,000)	\$ 75,000	\$ 325,000	\$ 850,000
Raplee Property	\$ 85,000	\$ 60,000	\$ 550,000				\$ 695,000
Civic Hall/Police Station Remodels	\$ 890,000						\$ 890,000
Floodwall	\$ 150,000						\$ 150,000
Subtotal	\$ 2,370,000	\$ (745,000)	\$ (480,000)	\$ 412,650	\$ 145,600	\$ 725,000	\$ 2,428,250
City Beautification	\$ 35,000	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 190,000
Twin City Mile	\$ 1,616,000	\$ 739,000	\$ 1,600,000	\$ 371,000	\$ 371,000	\$ 5,440,000	\$ 10,137,000
Total increase, 2023-2028		\$ 6,665,250					

Parks, Facilities & Floodwall Project Changes



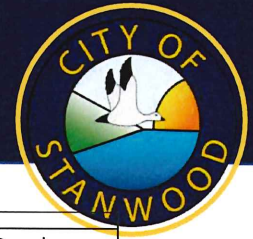
Project	Description of change
Church Creek Park	Reduced cost from \$1.53 m to \$1.1, moved Lower Trail and Picnic Shelter/Outdoor Classroom beyond 2028
Downtown Park	No cost change, moved Construction to 2025, grant or debt dependent
Port Susan Trail	No change to 2023-24, reduced out years by \$400,000; includes construction of phase 2 and 3, and design of phase 4 and 5
Heritage Park	Reduced by \$2.3 m; no change to 2023 and 2024, slowed down 2025-28, grant or debt dependent
Twin City Mile	No change to 2023 to 2025, slowed down West End Brick Road, heavily grant or debt dependent
Johnson Farm Park	No cost change, assumed more grant funding
Sidewalks, 98 th DR. NW And 284 th ST. NW	Moved from 2024 to 2025

Parks, Facilities & Floodwall Project Funding in the Draft 2023-2028 Capital Improvement Program



Project:	Total 2023-2028 Projected use of:								
	Debt	REET 1	REET 2	Park Impact	General *	Grant	TBF	Traffic Impact	Developer
Cedarhome new park				\$ 70,000					
Church Creek	\$ -	\$ 240,000	\$ 950,000						
Ovenell Park	\$ -	\$ -	\$ -	\$ 70,000	\$ -				
Downtown Park	\$ 900,000				\$ 100,000				
Johnson Farm		\$ 250,000				\$ 485,000			
Hamilton		\$ 250,000			\$ 250,000	\$ 500,000			
Port Susan Trail	\$ 1,700,000	\$ 100,000			\$ 910,840	\$ 927,160			
Heritage Park		\$ 500,000	\$ 200,000	\$ 400,000	\$ 200,000	\$ 350,000			
Raplee Property					\$ 145,000	\$ 550,000			
Civic Hall/Police Station Remodels					\$ 890,000				
Floodwall					\$ 150,000				
Subtotal Parks	\$ 2,600,000	\$ 1,340,000	\$ 1,150,000	\$ 540,000	\$ 2,495,840	\$ 2,812,160			
City Beautification			\$ 190,000						
Twin City Mile		\$ 655,000			\$ 1,500,000	\$ 7,682,000	\$ 300,000		
SubTotal by Source-Before Streets	\$ 2,600,000	\$ 1,995,000	\$ 1,340,000	\$ 540,000	\$ 3,995,840	\$ 10,494,160	\$ 300,000		

Parks, Facilities & Floodwall Project Funding in the Draft 2023-2028 Capital Improvement Program



	Debt	REET 1	REET 2	Park Impact	General	Grant	TBF	Traffic Impact	Developer
Street Projects in 2023-2028									
Vestside Overlays					\$ 387,337		\$ 387,338		
Walking Way Phase 2						\$ 890,000		\$ 146,000	
Bikewalk: Cedarhome Drive NW			\$ 150,612				\$ 500,000	\$ 64,000	
Bikewalk: 98th Dr. NW					\$ 35,920		\$ 75,000	\$ 12,320	
Bikewalk: 272nd St NW					\$ 168,000		\$ 75,000	\$ 27,000	
Bikewalk: 72nd AVE NW			\$ 45,000		\$ 102,500		\$ 100,000	\$ 27,500	
Bikewalk: 92nd Ave NW			\$ 140,000		\$ 111,000		\$ 100,000	\$ 39,000	
Bikewalk 284th ST NW-South					\$ 92,280		\$ 75,000	\$ 18,600	
Overlay and ADA Improvements						\$ 2,340,500	\$ 296,300		
10th Ave NW Reconstruction Phase 1			\$ 880,000				\$ 100,000	\$ 420,000	
10th Ave NW Reconstruction Phase 2									\$ 5,000,000
Wenell Entrance/106th Bypass						\$ 3,500,000			
R532 Hamilton Entrance Intersection						\$ 3,500,000			
4th and SR532 Intersection						\$ 4,200,000			
84th Street NW Improvements						\$ 622,000		\$ 1,000,000	\$ 4,078,000
101st Ave Reconstruction & Overlay						\$ 2,640,000			
Subtotal Streets	\$ -	\$ -	\$ 1,215,612	\$ -	\$ 897,037	\$ 17,692,500	\$ 1,708,638	\$ 1,754,420	\$ 9,078,000
Subtotal Parks, Facilities, Floodwall & TCM	\$ 2,600,000	\$ 1,995,000	\$ 1,340,000	\$ 540,000	\$ 3,995,840	\$ 10,494,160	\$ 300,000	\$ -	\$ -
Total By Funding Source	\$ 2,600,000	\$ 1,995,000	\$ 2,555,612	\$ 540,000	\$ 4,892,877	\$ 28,186,660	\$ 2,008,638	\$ 1,754,420	\$ 9,078,000
Available January 2023		\$ 1,376,650	\$ 1,287,216	\$ 39,608	\$ 8,761,426		\$ 450,000	\$ 980,000	
Available Annually		\$ 250,000	\$ 250,000	\$ 50,000			\$ 500,000	\$ 150,000	
Available over 2023-28		\$ 1,500,000	\$ 1,500,000	\$ 300,000			\$ 3,000,000	\$ 900,000	
Total Available	\$ -	\$ 2,876,650	\$ 2,787,216	\$ 339,608	\$ 8,761,426	\$ -	\$ 3,450,000	\$ 1,880,000	
Gap and Surplus by Source	\$ (2,600,000)	\$ 881,650	\$ 231,604	\$ (200,392)	\$ 3,868,549	\$ (28,186,660)	\$ 1,441,362	\$ 125,580	

Current Proposed 2023-2028 CIP, Page One



Department	Request Title	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Parks Capital	Johnson Farm Park Version 2	\$485,000		\$50,000	\$200,000			\$735,000
	Church Creek Park Version 2	\$240,000	\$250,000	\$150,000	\$150,000	\$200,000	\$200,000	\$1,190,000
	Downtown Park Version 2	\$100,000	\$100,000	\$900,000				\$1,100,000
	Heritage Park Version 2	\$400,000	\$400,000	\$225,000	\$225,000	\$75,000	\$325,000	\$1,650,000
	Port Susan Trail Version 2	\$1,838,000	\$100,000	\$1,200,000	\$100,000	\$200,000	\$200,000	\$3,638,000
	Cedarhome Area Park	\$70,000						\$70,000
	Raplee Property (271st/270th Triangle)	\$85,000	\$60,000	\$550,000				\$695,000
	Ovenell Park				\$70,000			\$70,000
	Hamilton Landing Park & Boat Launch	\$1,000,000						\$1,000,000
Total Parks Capital		\$4,218,000	\$910,000	\$3,075,000	\$745,000	\$475,000	\$725,000	\$10,148,000
Public Works	City Hall/Police Station Remodel	\$890,000						\$890,000
Total Public Works		\$890,000	\$0	\$0	\$0	\$0	\$0	\$890,000
Sewer Capital	Sewer System Plan	\$280,000						\$280,000
	Sewer main replacement on 78th and Cecelia	\$700,000						\$700,000
	Sewer Main Replacement on 79th Dr	\$280,000						\$280,000
	Sewer Rate Study	\$40,000					\$50,000	\$90,000
	Sewer Basin 1 Pipe replacement program	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,800,000
	Inflow and Infiltration Study						\$125,000	\$125,000
	Grit Removal		\$150,000	\$150,000				\$300,000
	Fine Screen Rebuild/Second Screen		\$150,000	\$150,000				\$300,000
	Biosolids Removal and Utilization	\$600,000	\$5,000,000					\$5,600,000
	Pioneer Hills Lift Station Upgrade		\$50,000	\$200,000				\$250,000
	274th Sewer Main Replacement			\$700,000				\$700,000
	Cedarhome Dr. Sewer Main Replacement			\$1,285,000				\$1,285,000
	SR532 and Pioneer Hwy Sewer Crossing	\$360,000						\$360,000
	Pioneer Hwy and SR532 Sewer Main			\$600,000				\$600,000
	72nd Ave Sewer Main Replacement			\$1,925,000				\$1,925,000
	Cedarhome Collection System		\$175,000					\$175,000
	68th Sewer Main Replacement			\$1,000,000				\$1,000,000
Total Sewer Capital		\$2,560,000	\$5,825,000	\$6,310,000	\$300,000	\$300,000	\$475,000	\$15,770,000

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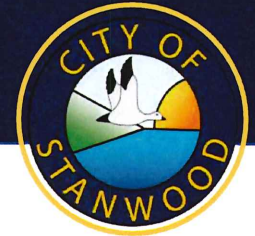
DH1 David Hammond, 10/11/2022

Current Proposed 2023-2028 CIP, page two



Stormwater Capital	Drainage Rate Updates	\$40,000					\$60,000	\$100,000
	Skagit Bay Dike Repair	\$6,000,000						\$6,000,000
	Floodwall- Florence Rd.	\$714,000						\$714,000
	Stormwater Comprehensive Plan Update	\$250,000						\$250,000
	Irvine Slough Pump Station Building		\$100,000	\$250,000				\$350,000
	Drainage System Receiving Station		\$400,000					\$400,000
	Irvine Slough Drainage	\$3,800,000		\$4,000,000		\$4,000,000		\$11,800,000
Total Stormwater Capital		\$10,804,000	\$500,000	\$4,250,000	\$0	\$4,000,000	\$60,000	\$19,614,000
Street Construction	City Beautification Projects	\$35,000	\$35,000	\$30,000	\$30,000	\$30,000	\$30,000	\$190,000
	Westside Overlays		\$320,490	\$158,850	\$126,045	\$86,040	\$83,250	\$774,675
	101st Ave Reconstruction & Overlay						\$2,640,000	\$2,640,000
	80th Ave Reconstruction Phase 2						\$5,000,000	\$5,000,000
	SR532 Ovenell Park Entrance Roundabout				\$1,030,000	\$2,470,000		\$3,500,000
	SR532 Hamilton Entrance Intersection				\$3,500,000			\$3,500,000
	Sidewalk: Cedarhome Drive NW				\$714,612			\$714,612
	Sidewalk: 272nd St NW		\$270,000					\$270,000
	Sidewalk: 72nd AVE NW	\$25,000	\$45,000	\$205,000				\$275,000
	Sidewalk: 92nd Ave NW	\$390,000						\$390,000
	Overlay and ADA Improvements	\$388,800	\$410,000	\$510,000	\$428,000	\$450,000	\$450,000	\$2,636,800
	284th Street NW Improvements			\$5,700,000				\$5,700,000
	64th and SR532 Intersection			\$500,000	\$100,000	\$3,600,000		\$4,200,000
	Viking Way- 90th Ave Phase 2	\$1,036,000						\$1,036,000
	80th Ave NW Reconstruction Phase 1	\$1,400,000						\$1,400,000
	Sidewalk: 98th Dr. NW Copy Ver 2			\$123,240				\$123,240
	Twin City Mile Downtown Renovation Project Version 2	\$1,616,000	\$739,000	\$1,600,000	\$371,000	\$371,000	\$5,440,000	\$10,137,000
	Sidewalk: 284th St NW- South Version 2		\$0	\$185,880				\$185,880
Total Street Construction		\$4,890,800	\$1,819,490	\$9,012,970	\$6,299,657	\$7,007,040	\$13,643,250	\$42,673,207
Water Capital	Water System Plan	\$125,000						\$125,000
	Water System Telemetry Upgrade	\$350,000						\$350,000
	Water Rate Study	\$70,000					\$70,000	\$140,000
	Annual Water Main Improvements	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000	\$400,000
	Water Treatment Plant/Cedarhome WellUpgrades	\$75,000						\$75,000
	Meter Replacement	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$330,000
	Water Treatment Plant Media Replacement	\$500,000						\$500,000
Total Water Capital		\$1,275,000	\$155,000	\$105,000	\$105,000	\$105,000	\$175,000	\$1,920,000
Total Departments		\$24,637,800	\$9,209,490	\$22,752,970	\$7,449,657	\$11,887,040	\$15,078,250	\$91,015,207

2021 Citizen Survey of Priorities



- **Build Safe Streets**

- *Develop multi-modal, safe and aesthetically pleasing city streets and support our WSDOT partnership to improve SR532 intersections*

- **Water and Sewer Systems**

- *To ensure that cost-effective, high-quality water and sewer service is available, or can be provided, to serve the projected population and employment growth with the City.*

- **Drainage and Flood Protection**

- *Protect life and property from storm, river, flood, and excess surface waters. Assure compliance with federal and state storm-water management and water quality requirements. Encourage the preservation and enhancement of natural drainage systems.*

- **City Beautification**

- *Preserve the community's historic rural, small-town character while promoting the region as a family-friendly place to live, work and play. The project will celebrate the beauty of the area and promote buying locally.*

- **Support a Sustainable Local Economy**

- *Focus economic development efforts on continually building a sustainable local economy by supporting existing businesses, recruiting new business and promote our tourism industry.*

- **Enhance Parks and Recreation**

- *Improve our existing parks and trails, especially along the waterfront and develop recreational opportunities for the community and visitors*

- **Public Engagement Opportunity**

- *Continually enhance connectivity and public engagement tools for residents, business and visitors through diverse communication channels that include alternative meeting formats*

General Fund Revenue & Expenditure History and Biennium Forecast



	2021	2022	2023	2024
Beginning Fund Balance	\$ 4,428,700	\$ 5,152,241	\$ 5,970,652	\$ 2,263,198
General Fund Revenue				
Property tax	\$ 1,826,734	\$ 1,954,000	\$ 2,032,948	\$ 2,064,249
Sales tax	\$ 2,523,757	\$ 2,397,825	\$ 2,275,911	\$ 2,328,184
Utility tax	\$ 1,176,351	\$ 1,158,250	\$ 1,221,360	\$ 1,274,144
Licenses & permits	\$ 510,985	\$ 375,115	\$ 377,130	\$ 386,558
Charges for Services	\$ 388,009	\$ 398,045	\$ 313,800	\$ 321,645
State pass-through	\$ 1,398,640	\$ 1,292,346	\$ 265,619	\$ 265,571
Fines & Misc.	\$ 139,941	\$ 80,885	\$ 76,125	\$ 77,526
	\$ 7,964,417	\$ 7,656,466	\$ 6,562,893	\$ 6,717,877
Less: ARPA	\$ 1,018,070	\$ 1,018,070		
	\$ 6,946,347	\$ 6,638,396	\$ 6,562,893	\$ 6,717,877
General Fund Expenditure	2021	2022	2023	2024
Operating Expenditures:				
Salaries and Wages	\$ 1,352,689	\$ 1,464,870	\$ 1,590,891	\$ 1,671,842
Personnel Benefits	\$ 520,807	\$ 645,727	\$ 658,014	\$ 691,604
Supplies	\$ 39,088	\$ 69,644	\$ 75,425	\$ 81,067
Services	\$ 448,427	\$ 679,110	\$ 728,403	\$ 710,976
Professional Services	\$ 447,904	\$ 489,989	\$ 888,019	\$ 540,985
Police Services Contract	\$ 1,880,685	\$ 1,944,372	\$ 2,111,430	\$ 2,248,673
Capital	\$ 13,500	\$ 25,000	\$ 25,000	\$ 26,250
Operating Subtotal	\$ 4,703,100	\$ 5,318,712	\$ 6,077,182	\$ 5,971,397
Transfers Out:				
Streets	\$ 300,000	\$ 340,000	\$ 340,000	\$ 340,000
Equipment	\$ 110,710	\$ 90,343	\$ 80,165	\$ 70,000
Tourism	\$ 43,750	\$ 90,000	\$ 91,000	\$ 91,000
Contingency	\$ 34,313	\$ 50,000	\$ 138,000	\$ 40,000
Water (Hydrant Reimb.)	\$ 100,000	\$ 100,000	\$ 104,000	\$ 109,200
Ordinary Transfers Out Subtotal	\$ 588,773	\$ 670,343	\$ 753,165	\$ 650,200
Operating and Ordinary Transfers	\$ 5,291,873	\$ 5,989,055	\$ 6,830,347	\$ 6,621,597



Extraordinary Transfers and One-Time Costs

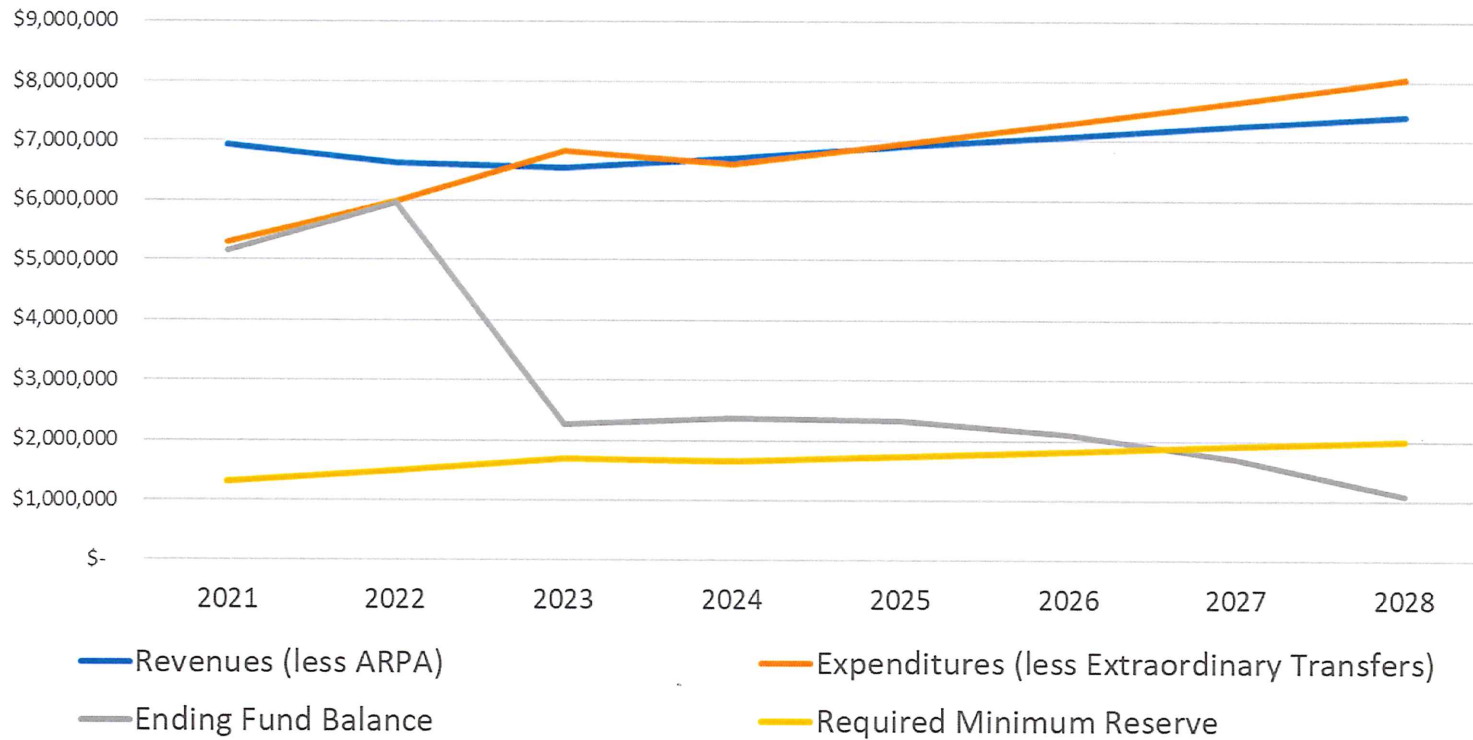
Extraordinary Transfers	2021	2022	2023	2024
Floodwall		\$ 564,000	\$ 150,000	
Street Construction		\$ 285,000	\$ 1,190,000	
Parks Construction	\$ 449,003		\$ 1,500,000	
Facilities Capital	\$ 1,500,000		\$ 600,000	
Transfers Out Total	\$ 2,537,776	\$ 1,519,343	\$ 4,193,165	\$ 650,200
Total Expenditures	\$ 7,240,876	\$ 6,838,055	\$10,270,347	\$ 6,621,597
Ending Fund Balance	\$ 5,152,241	\$ 5,970,652	\$ 2,263,198	\$ 2,359,478
Required Minimum Reserve	\$ 1,322,968	\$ 1,497,264	\$ 1,707,587	\$ 1,655,399

One-Time General Fund Costs 2022, and Proposed for 2023-24 Biennium				
	2022	2023	2024	
Senior Center	\$ 25,000			
Resource Center		\$ 50,000		
Food Bank Paving		\$ 40,000		
Crosswalks	\$ 50,000	\$ 50,000		
Special Events	\$ 10,000	\$ 10,000	\$ 10,000	
City Beautification	\$ 285,000			
Storefront Improvement Program		\$ 100,000	\$ 100,000	
RFA Ambulance	\$ 150,000			
Public Works Security	\$ 25,000	\$ 20,000		
Flood Wall	\$ 564,000	\$ 150,000		
Event Stage	\$ 30,000			
Records Request Software	\$ 3,290			
Budget Software Implementation	\$ 5,600			
Digital Records Management	\$ 126,000	\$ 180,000	\$ 120,000	
Park & Rec Feasibility Study	\$ 25,000			
Municipal Code update	\$ 30,000	\$ 115,000	\$ 115,000	
Comprehensive Plan	\$ 200,000	\$ 220,000	\$ 80,000	
	\$ 1,530,912	\$ 937,023	\$ 427,024	\$ 2,894,959

Six-Year General Fund Outlook



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





General Fund Outlook Depends on Many Assumptions

Significant Assumptions:

- TBD Sales Tax Levy Renewal Passes
- Fund Rainy Day Reserve with Statutory Maximum of \$138,000
- One Percent Property Tax Increase in 2023 and 2024
- Salary and benefit increases will require a budget amendment across all operating funds
- Fifty Percent of Construction Sales Tax Allocated to Street Construction may not be possible
- Conservative Building Permit Forecast
- Continued General Fund Support to Street Operations - \$340,000 (allows TBD Tax 100% to Capital)
- City Engineer & Senior Planner Positions Remain Vacant
- Municipal Code and Comprehensive Plan Updates Complete in 2024
- Records Digitization continues in 2025-26
- Police Services Contract renewal for 2024 is within 6.5% increase (9% in 2023)
- Maintain Parks Team with extra seasonal employees through biennium
- Storefront Improvement Program funded \$100,000 per year for 2023 and 2024



Options to address future funding gaps:

- Levy Banked Property Tax Capacity
- Excess Property Tax Levy
- Public Safety Sales Tax
- TBD Sales Tax
- Reduced Levels of Service
- Capital Improvement Plan Changes

Budget and CIP Calendar
Updated Budget and Capital Improvement Plan Calendar



Capital Improvement Plan, 1 st Reading	November 10
Revenue Update to Council	November 10
Revenue Sources, Public Hearing, and Property Tax Levy Ordinance 1 st and 2 nd Reading and Adoption	November 21
Capital Improvement Plan, 2 nd Reading & Adoption	November 21
Preliminary 2023-24 Biennial Budget, Public Hearing, 1 st Reading of Budget Ordinance	November 21
Final 2023-24 Biennial Budget, Public Hearing, 2 nd Reading and Adoption	December 8



City of Stanwood

2023-2024 Operating & Capital Budgets

background-image

Proposed Version - 11/21/2022

Last updated 11/03/22



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Multi-year plan	4

CAPITAL IMPROVEMENTS



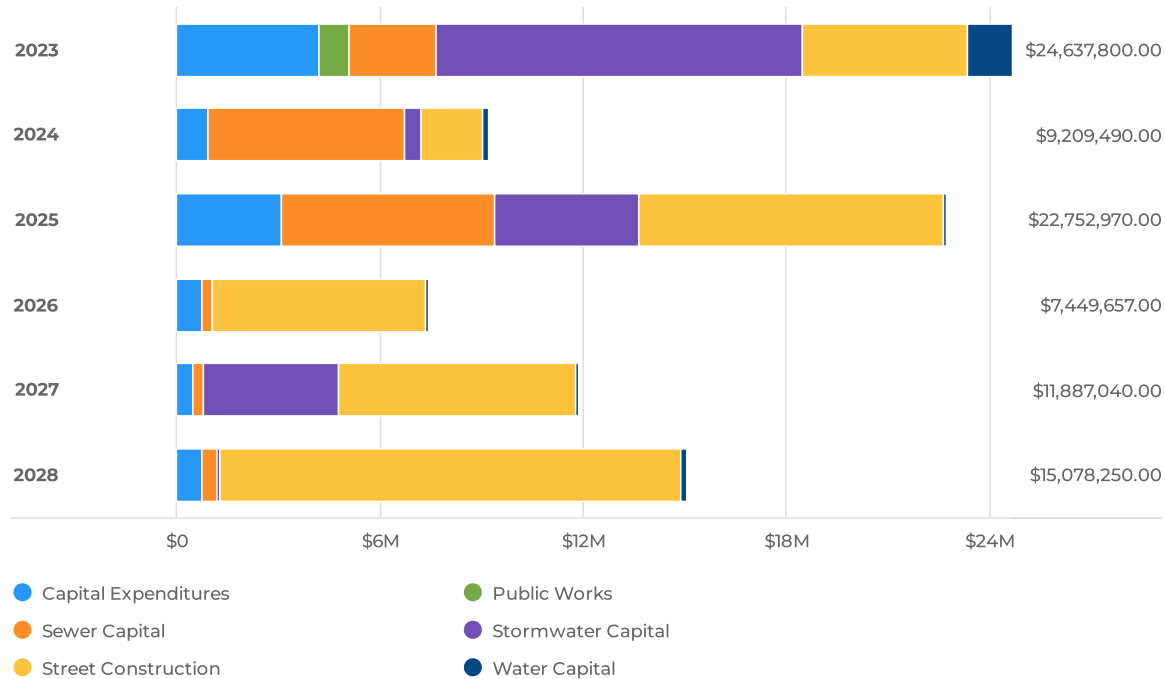
Capital Improvements: Multi-year Plan

Total Capital Requested

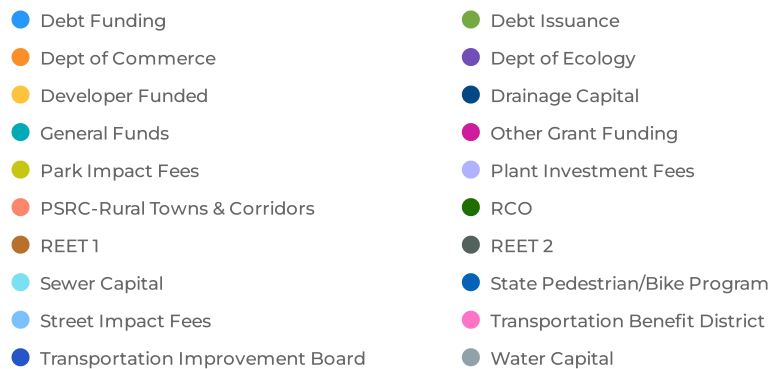
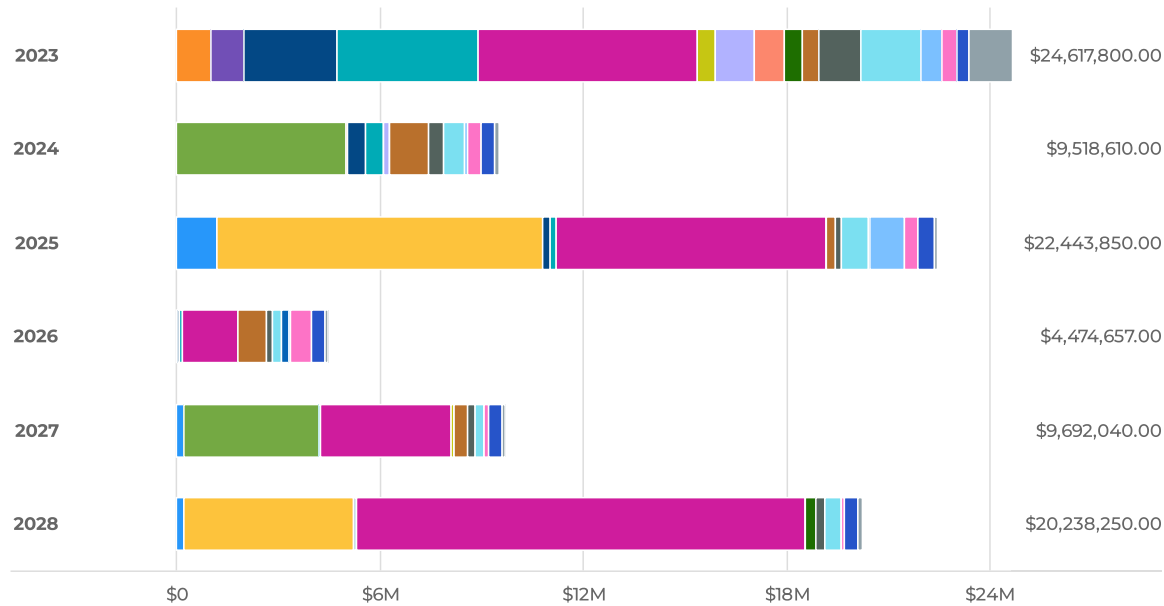
\$91,015,207

59 Capital Improvement Projects

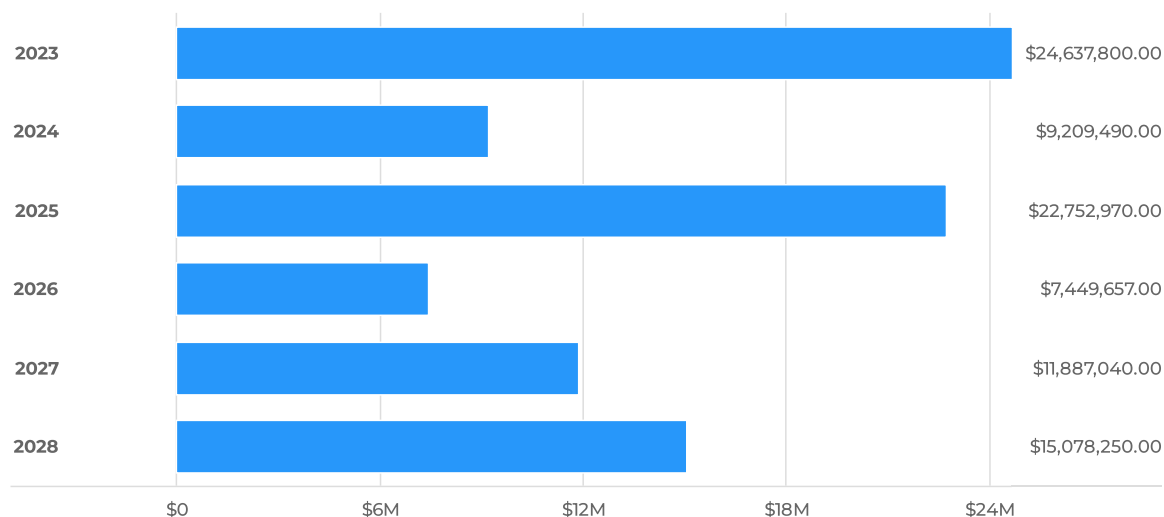
Total Funding Requested by Department



Total Funding Requested by Source



Capital Costs Breakdown



Public Works Requests

Itemized Requests for 2023-2029

City Hall/Police Station Remodel

\$890,000

Building renovations to maintain the function and use of the Police Station and City Hall over the next 5 to 10 years. Improvements could include renovating bathrooms and kitchens, roof repairs, and space reconfiguration. Building a new...

Total: \$890,000

Parks Capital Requests

Itemized Requests for 2023-2029

Cedarhome Area Park

\$70,000

Locate property for a new park in the Cedarhome neighborhood

Church Creek Park Version 2

\$1,190,000

Church Creek Park is a 15.4 acre community park in the uptown area of the city. It serves as the main residential area of the city and is located across the street (72nd Avenue) from Stanwood High School. Park facilities include a...

Downtown Park Version 2

\$1,100,000

Main Street is the primary location for special events. The street is regularly closed for the following events: Arts By the Bay festival; Summary Arts Jam; Small Trailer Event; Twin City Idlers Car Show; Stanwood Camano Fair parade; Touch-...

Hamilton Landing Park & Boat Launch

\$1,000,000

The City of Stanwood purchased Hamilton Landing Park in 2014 with "Conservation Futures" funds from the Hamilton family. The property sits on the banks of the Stillaguamish River and was purchased with the intent of...

Heritage Park Version 2

\$1,650,000

Heritage Park is a regional facility serving the northern Snohomish County and Camano area. This facility provides baseball and soccer fields along with open space, trails and play areas. It will take at least 20 years to fully develop the site...

Johnson Farm Park Version 2

\$735,000

Johnson Farm Park was purchased with Conservation Futures funds, which limits future uses as follows: Passive Recreation: trails, interpretive centers, viewpoints, picnic facilities, access, restrooms, restoration projects, associated...

Ovenell Park

\$70,000

The 15-acre Ovenell property is a former dairy farm with a long history in Stanwood. The site includes the old milking parlors and barns used by the Ovenell family for milk production. The 2016 Master Plan envisioned Ovenell as a regional asset...

Port Susan Trail Version 2

\$3,638,000

The Stanwood Port Susan Trail is a 5-mile looped trail around Stanwood's downtown. Phase 1, the SR 532 berm, was completed in 2021 and includes a 10-foot multipurpose trail on top of the berm. 2023: Construction of...

Raplee Property Evaluation (271st / 207th Street Triangle)

\$695,000

Conduct land use, environmental feasibility, appraisal, concept design and grant analysis to determine the feasibility of how the property could integrate into the Twin City Mile project if state grants can be obtained to conduct site clean up...

Total: \$10,148,000



Sewer Capital Requests

Itemized Requests for 2023-2029

274th Sewer Main Replacement

\$700,000

Replace approximately 980lf of existing gravity main with 15 inch diameter gravity pipe. The capacity of this sewer collector will be exceeded if any residential, commercial, or industrial growth occurs in Sewer Drainage Basin 3.

68th Sewer Main Replacement

\$1,000,000

Replace the sewer main in 68th Ave. between 284th St. and the Cedarhome Lift Station. The existing pipe was shown to be undersized in a sewer availability analysis for Josephine Sunset Homes. Replace approximately 1500 LF of existing...

72nd Ave Sewer Main Replacement

\$1,925,000

Replace approximately 2,000lf of existing gravity pipe with 15 inch diameter gravity pipe along 72nd Avenue between Pioneer Highway and SR532.- due to High School putting their sewer under SR532, this has resulted in undersized pipes on 72nd AVE....

Biosolids Removal and Utilization

\$5,600,000

Removal and Utilization of sludge produced at the WWTP as part of treatment. Design and construct long term solids handling facility.

Cedarhome Collection System

\$175,000

In order to eliminate the Cedarhome Lift Station, a connection will need to be made to Church Creek Estates. This will be complete after all other downstream improvements have been completed.

Cedarhome Dr. Sewer Main Replacement

\$1,285,000

Phase I replaces approximately 1080 LF of existing gravity pipe with 24/12-inch diameter gravity pipe per City standards along Cedar Home Dr. and 84th Ave NW. Phase II Replace approximately 660 LF of existing gravity pipe with 24-inch diameter...

Fine Screen Rebuild/Second Screen

\$300,000

The fine screen at the WWTP runs several hours daily and the accumulative wear and tear requires this fine screen to be rebuilt, evaluating the need for a second screen at the WWTP.

Grit Removal

\$300,000

WWTP needs a Grit Removal unit installed at the headworks to reduce operational and maintenance issues.

Inflow and Infiltration Study

\$125,000

I/I study is used to evaluate the sewer collection system and confirm results.

Pioneer Hills Lift Station Upgrade

\$250,000

Upgrading Pioneer Hills Lift Station equipment and adding backup power source.

Pioneer Hwy and SR532 Sewer Main

\$600,000

Upsize existing pipe to 15" to mitigate existing capacity issues. Approx 1000 feet of pipe south of 77th AVE NW (Taylors Landing)

Sewer Basin 1 Pipe replacement program

\$1,800,000

The sewer main in basin 1 is over 50 yrs old, and needs upgrading. As the Twin City Mile gets constructed, the line in 271st should be replaced. Also, sections on 99th, 272nd and the entire west end will be evaluated.

Sewer main replacement on 78th and Cecelia

\$700,000

Replace 8 inch sewer main in Cecilia Way from 78th Avenue east to the terminus. Replace as needed on 78th Avenue from Cecilia Way north.



Sewer Main Replacement on 79th Dr	\$280,000
Replace sewer main on 79th Dr from 272nd north to terminus.	
Sewer Rate Study	\$90,000
The City will evaluate sewer rates and update as necessary.	
Sewer System Plan	\$280,000
Carry over from 2022 for the general sewer plan being developed by RH2.	
SR532 and Pioneer Hwy Sewer Crossing	\$360,000
Replace approximately 355 LF of existing gravity pipe with 18-inch diameter gravity pipe per City standards connecting Pioneer Highway under SR532	
Total: \$15,770,000	

Stormwater Capital Requests

Itemized Requests for 2023-2029	
Drainage Rate Updates	\$100,000
Evaluate rates for adequate revenue.	
Drainage System Receiving Station	\$400,000
Construct receiving station for use during collection system cleaning.	
Floodwall- Florence Rd.	\$714,000
Construct a removable floodwall on Florence Road to prevent flooding of downtown Stanwood during flood events. Design, permit and build a removable wall on Florence Road on BNSF rail right of way to help prevent flooding into the...	
Irvine Slough Drainage	\$11,800,000
Irvine Slough Stormwater Separation (IS4) consists of 6 discrete phases: Phase 1, adding an additional pump to the existing pump station was completed in 2020 with an actual cost of \$1,736,000 Phase 2, funded for construction in 2023, will...	
Irvine Slough Pump Station Building	\$350,000
Upgrade the Irvine Pump Station building and add telemetry.	
Skagit Bay Dike Repair	\$6,000,000
City partnership with Diking District 7 and Snohomish County to repair and expand the Skagit Bay Dike that separates the bay from farmlands and the City of Stanwood. Project elements include repair of the existing dike, construction of a new...	
Stormwater Comprehensive Plan Update	\$250,000
Update the 2015 Stormwater Comprehensive Plan to be consistent with the 2024 Comprehensive Plan and other utility plans. Amendments include an updated infrastructure inventory, capital improvement project lists, maps and policies.	
Total: \$19,614,000	



Water Capital Requests

Itemized Requests for 2023-2029

Annual Water Main Improvements	\$400,000
Annual replacement of water mains due to deficiencies. New service lines on Leque Road.	
Meter Replacement	\$330,000
Annual meter replacement program.	
Water Rate Study	\$140,000
The City will evaluate water rates and update as necessary.	
Water System Plan	\$125,000
Carry over from 2022 for the water system plan being developed by RH2.	
Water System Telemetry Upgrade	\$350,000
Upgrade to software and hardware for existing telemetry system.	
Water Treatment Plant and Cedarhome Well System Upgrades	\$75,000
Water Treatment Plant and Cedarhome Well System Upgrades- to replace original pumps and equipment.	
Water Treatment Plant Media Replacement	\$500,000
Replace sand filter media at the water treatment plant.	
Total: \$1,920,000	



Roads/Streets and Other Infrastructure: Improvements and New Construction Projects Requests

Itemized Requests for 2023-2029

101st Ave Reconstruction & Overlay

\$2,640,000

This project will reconstruct 101st Ave NW between approximately 271st St NW and 273rd St NW. The project includes drainage, curb, gutter, and sidewalks on both sides.

284th Street NW Improvements

\$5,700,000

Reconstruct and widen 284th Street from 80th Ave NW to 68th Ave NW

64th and SR532 Intersection

\$4,200,000

64th & SR532. This project will include roundabout, curb, gutter, paving, and planter.

80th Ave NW Reconstruction Phase 1

\$1,400,000

between approx.. 276th St to 280th PL NW. Road improvements including widening, intersection improvements, curb, gutter, sidewalk and planter strip.

80th Ave Reconstruction Phase 2 Widening with Calming Device

\$5,000,000

between approx.. 280th St NW to 284th St NW. Road improvements include widening, intersection improvements, wrapping a sidewalk around 283rd St., curb, gutter, sidewalk and planter strip.

City Beautification Projects

\$190,000

The City adopted the City Beautification Action Plan in December of 2020 as an implementation of several city visioning and economic development plans. The City Beautification Action Plan includes 6 key program elements that focus on improving...

Overlay and ADA Improvements

\$2,636,800

Asphalt overlay and ADA upgrades on 68th from 280th St NW to the city limits, and 72nd Ave NW from SR532 to Pioneer Hwy

Sidewalk: 272nd St NW

\$270,000

North side between 72nd Ave and West of 78th Ave. Add curbing, gutter, sidewalk, and ADA requirements to the north side of 272nd St NW

Sidewalk: 284th St NW- South Version 2

\$185,880

New sidewalk on the south side between 68th and east of 70th Ave

Sidewalk: 72nd AVE NW

\$275,000

Including curbs, gutter and constructing missing sidewalk panels from 272nd St to Church Creek Park and missing sections between 272nd and 276th st NW.

Sidewalk: 92nd Ave NW

\$390,000

West side between north of 271st ST NW and 272nd ST NW.

Sidewalk: 98th Dr. NW Copy Ver 2

\$123,240

Widening the roadway and adding a sidewalk on east side of 98th Dr. NW between SR532 and 270th St.

Sidewalk: Cedarhome Drive NW

\$714,612

South side between 271st St and 276th St. Add curbs, gutter, sidewalk and ADA requirements.



SR532 Hamilton Entrance Intersection	\$3,500,000
SR532 to 98th Dr. NW. This project will include a roundabout, a curb, gutter, paving and planter	
SR532 Ovenell Park Entrance and 106th Ave Bypass Roundabout	\$3,500,000
New road on 106th Ave from SR532 to 276th St, then on 276th St from 106th to 102nd Ave. The project will include a curb, a gutter, paving and planter strip.	
Twin City Mile Downtown Renovation Project Version 2	\$10,137,000
The Twin City Mile revitalization project reimagines how the City's main downtown commercial corridor, 271st and 270th Streets, could look and function by connecting City Hall Park to the Train Station. Project elements include constructing...	
Viking Way- 90th Ave Phase 2	\$1,036,000
The project will construct a continuation of Viking Way from where the previous phase ended in 2020 to 92nd Ave, ultimately connecting 88th to 92nd, eliminating an existing misalignment on 92nd. This new roadway will include curb, gutter,...	
Westside Overlays	\$774,675
Overlays on 104th DR NW, 103rd DR NW, 102nd DR NW, 273rd PL NW, 272nd PL NW, and 271st ST NW.	
Total: \$42,673,207	



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**CITY OF STANWOOD
CITY COUNCIL
AGENDA STAFF REPORT**

ITEM: 9

DATE: November 21, 2022

SUBJECT: Capital Improvement Plan (CIP)

CONTACT PERSON: Kevin Hushagen, Public Works Director

ATTACHMENTS: A – Resolution 2022-16 –Adopting 2023-2028 CIP Update
B - 2023-2028 Capital Improvement Plan (CIP)

ISSUE

The issue in front of the City Council is to discuss the proposed list of capital improvements in the 2023-2028 Capital Improvement Plan and conduct a second reading and adoption of Resolution 2022-16, Six Year Capital Improvement Plan.

RECOMMENDATION

Review and discuss the 2023-2028 Capital Improvement Plan (CIP) and conduct second reading and adoption of Resolution 2022-16 Six Year Capital Improvement Plan.

SUMMARY STATEMENT

The purpose of capital improvement planning is to:

- Provide adequate public facilities to serve existing and new development.
- Reduce the cost of serving new development with public facilities.
- Ensure that these facilities will be in place when development occurs.

The capital improvement plan is a six or more-year plan of capital projects with estimated costs and proposed methods of financing that are updated annually. An update to the City's Six-Year CIP does not require an amendment to the City's Comprehensive Plan as such provisions are set forth in Stanwood Municipal code chapter 17.157.

City Council reviewed and discussed the Six-Year Capital Improvement Plan for Fiscal Years 2023 – 2028 at their August, October and November Special Workshops and considered what capital improvements are in the best interest of the health, safety, and welfare of the citizens of Stanwood.

DISCUSSION

The following are brief descriptions of projects proposed and amounts included in the 2023-2024 biennial budget:

Parks Capital:

Cedarhome Area Park 2023 \$70,000 No funding in 2024
Locate property for a new park in the Cedarhome neighborhood.

Raplee Property Evaluation 2023 \$85,000 2024 \$60,000
Conduct land use, environmental feasibility, appraisal, concept design and grant analysis to determine the feasibility of how the property could integrate into the Twin City Mile project if state grants can be obtained to conduct site clean-up work.

Hamilton Landing Park & Boat Launch 2023 \$1,000,000 No funding in 2024
The City of Stanwood purchased Hamilton Landing Park in 2014 from the Hamilton family with "Conservation Futures" funds. The property sits on the banks of the Stillaguamish River and was purchased with the intent of developing a park with public access to the river. The city and the Washington Department of Fish and Wildlife have created a partnership to improve the property with a motorized boat launch ramp, handheld boat launch and park improvements. The river access provides opportunities to explore the water for multiple activities, which could include bird watching, fishing, hunting, and general boating. Other Park features include a restroom, wetland enhancement, grassy lawn area, picnic tables, play areas, and overlook areas.

Johnson Farm Park \$485,000 No funding in 2024
Environmental studies to prepare the site for demolition (Phase 2 Environmental Study, Building Haz-Mat Study, and Environmental Cleanup Report). Once the environmental reports are completed, the site will be cleaned based on the recommendations in the reports.

Church Creek Park 2023 \$240,000 2024 \$250,000
Gateway/wayfinding signage, crosswalk to high school with lighted safety feature and improve dugouts.

Downtown Park (Sebranke Property) 2023 \$100,000 2024 \$200,000
Main Street is the primary location for special events. The street is regularly closed for the following events: Arts by the Bay festival; Summer Arts Jam; Small Trailer Event; Twin City Idlers Car Show; Stanwood Camano Fair Parade; Touch-A-Truck, National Night Out; and the Downtown Concert Series. In 2023, the city is considering moving the Farmers Market to Main Street. This site will enhance these events by providing park space for people to rest, eat and relax during these events. The site has remained underutilized and vacant since the 1990s. The site's location within the main street business district of the City of Stanwood provides a great opportunity to support local businesses with a public park in the downtown corridor.

Heritage Park 2023 \$400,000 2024 \$400,000

Restroom plumbing upgrades, gateway/wayfinding signage, field #3 irrigation, cover dugouts / foul netting, add drainage pumps, create a large dog park area including relocation of small dog park, pickleball courts 3 & 4 including paved path to courts, improve park entry drive/drop-off including circular landscaping, improve soccer fields including irrigation, expand skate park, and improve the pump track.

Port Susan Trail 2023 \$1,838,000 2024 \$100,000

A 1.2-mile segment that runs from the Stanwood Park and Ride lot off 88th Avenue and SR 532, around the wastewater treatment plant, and along the Stillaguamish River to Twin City Foods. The project would include: 6- to 10-foot-wide trail, which will vary on the wastewater treatment plant dike to accommodate existing conditions, gateway trail entry locations, river view, and plaza area near the southeast corner of the looped trail, wetland and buffer mitigation for trail impacts, pedestrian bridge spanning Irvine Slough and interpretive signs. Construction of Phase 2 may be broken into multiple contracts depending on available funding.

Total Parks Capital 2023 \$4,218,000 2024 \$1,010,000

Buildings Capital:

City Hall/Police Station Remodel 2023 \$890,000 No funding in 2024

Building renovations to maintain the function and use of the Police Station and City Hall over the next 5 to 10 years. Improvements could include renovating bathrooms and kitchens, roof repairs, and space reconfiguration. Building a new public restroom with pedestrian access through the records room building is also a potential improvement project. All work would be within the 50% building valuation limits as established by the City's floodplain regulations.

Total Buildings Capital: \$890,000 (2023 Only)

Street Construction Projects:

City Beautification Projects \$35,000 per year

The City adopted the City Beautification Action Plan in December of 2020 as an implementation of several city visioning and economic development plans. The City Beautification Action Plan includes six key program elements that focus on improving city infrastructure and promoting the city as the cultural and economic hub of greater Snohomish County. These elements include:

- 72nd Avenue Gateway Signage and Landscaping.
- Main Street Revitalization.
- Downtown Gateway Features.
- SR 532 Beautification.
- Wayfinding Signage.
- Public Art.

Achieving full build-out of the Beautification Action Plan will take time, phased implementation and significant resources. This capital budget item is intended to annually fund the gateway, wayfinding and landscaping components of the City Beautification Action Plan.

Sidewalk: 72nd AVE NW 2023 \$25,000 2024 \$45,000

Including curbs, gutter and constructing missing sidewalk panels from 272nd St to Church Creek Park and missing sections between 272nd and 276th St NW.

Sidewalk: 92nd Ave NW 2023 \$390,000 No funding in 2024

West side between north of 271st ST NW from Credit Union to HRC trail.

Overlay and ADA Improvements 2023 \$388,800 No funding in 2024

Asphalt overlay and ADA upgrades on 68th from 280th St NW north to the city limits.

Viking Way- 90th Ave Phase 2 2023 \$1,036,000 No funding in other years

The project will construct a continuation of Viking Way from where the previous phase ended in 2020 to 92nd Ave, ultimately connecting 88th to 92nd, eliminating an existing misalignment on 92nd. This new roadway will include curb, gutter, sidewalks, landscaping, street lighting, and underground utilities.

80th Ave NW Reconstruction Phase 1 2023 \$1,400,000 No funding in 2024

From approximately 276th St to 280th PI NW. Road improvements including widening, intersection improvements, curb, gutter, sidewalk and planter strip.

Twin City Mile Downtown Renovation Project 2023 \$1,784,000 2024 \$739,000

The Twin City Mile revitalization project reimagines how the City's main downtown commercial corridor, 271st and 270th Streets, could look and function by connecting City Hall Park to the Train Station. Project elements include constructing gateways, reconfiguring travel lanes and parking, building wider sidewalks and plaza areas, constructing park areas, and installing street trees, art, and other curb appeal

amenities. Using policy guidance from the City Beautification Plan, the City initiated the Downtown Revitalization Project that invests in the downtown business district infrastructure by:

- Creating Pedestrian-Friendly Streets;
- Actively Engage Storefronts with Walkable Sidewalks;
- Encourage Use of Streets for Community Festivals;
- Create Usable Urban Park Spaces; and
- Promote the Concept of Buying Local.

Over the next six years, the project will be broken into multiple phases, first year:

- 2023: West End Brick Road 30% Design, 92nd Avenue Design and Construction, 92nd Avenue Lighting, East End Concept Designs and Traffic Calming, 88th Avenue Arch, West End Gateway.
- 2024: Camano Street Design, 88th Avenue Power & Lighting Construction, East End Traffic Calming Improvements
- 2025: Camano Street Construction
- 2026/2027: West End Brick Road 100% Design and Permitting
- 2028: West End Brick Road Construction

Total street construction projects 2023 \$5,058,800 2024 \$1,819,490

Sewer Capital:

Sewer System Plan 2023 \$280,000 No funding in 2024

Carry over from 2022 for the general sewer plan being developed by RH2.

Sewer main replacement on 78th and Cecelia 2023 \$700,000 No funding in 2024

Replace 8-inch sewer main in Cecelia Way from 78th Avenue east to the terminus.

Replace as needed on 78th Avenue from Cecelia Way north.

Sewer Main Replacement on 79th Dr 2023 \$280,000 No funding in 2024

Replace sewer main on 79th Dr from 272nd north to terminus.

Sewer Rate Study 2023 \$40,000 No funding in 2024

The City will evaluate sewer rates and update as necessary.

Sewer Basin 1 Pipe replacement program \$300,000 The sewer main in basin 1 is over 50 yrs. old and needs upgrading. As the Twin City Mile gets constructed, the line in 271st should be replaced. Also, sections on 99th, 272nd and the entire west end will be evaluated.

Biosolids Removal and Utilization 2023 \$600,000 2024 \$5,000,000

Removal and Utilization of sludge produced at the WWTP as part of treatment. Design and construct long term solids handling facility.

SR532 and Pioneer Hwy Sewer Crossing 2023 \$360,000 No funding in 2024

Replace approximately 355 LF of existing gravity pipe with 18-inch diameter gravity pipe per City standards connecting Pioneer Highway under SR532.

Total Sewer Capital 2023 \$2,560,000 2024 \$5,825,000

Stormwater Capital:

Drainage Rate Updates 2023 \$40,000 No funding in 2024
Evaluate rates for adequate revenue.

Skagit Bay Dike Repair 2023 \$6,000,000 No funding in 2024
City partnership with Diking District 7 and Snohomish County to repair and expand the Skagit Bay Dike that separates the bay from farmlands and the City of Stanwood. Project elements include repair of the existing dike, construction of a new estuary and a dike on the city-owned Johnson Farm property. The dike protects adjacent farmlands and downtown Stanwood high tides and flooding events during winter storms.

Floodwall- Florence Rd. 2023 \$714,000 No funding in 2024

Construct a removable floodwall on Florence Road to prevent flooding of downtown Stanwood during flood events. Design, permit and build a removable wall on Florence Road on BNSF rail right of way to help prevent flooding into the City's downtown during high tides and flood events. City will design and install the wall on city right of way; BNSF staff will install the pilings needed on BNSF right of way. Flood walls will be owned and maintained by the city.

Stormwater Comprehensive Plan Update 2023 \$250,000 No funding in 2024

Update the 2015 Stormwater Comprehensive Plan to be consistent with the 2024 Comprehensive Plan and other utility plans. Amendments include an updated infrastructure inventory, capital improvement project lists, maps, and policies.

Irvine Slough Drainage 2023 \$3,800,000 No funding in 2024

Irvine Slough Stormwater Separation (IS4) consists of 6 discrete phases: Phase 2, funded for construction in 2023, will construct a new lift station at the NE corner of 92nd/SR532 intersection, as well as a force main to the Stillaguamish River. Phase 2 has an estimated cost of \$1,800,000.

Total Stormwater Capital 2023 \$10,804,000 2024 \$500,000

Water Capital:

Water System Plan 2023 \$125,000 No funding in 2024
Carry over from 2022 for the water system plan being developed by RH2.

Water System Telemetry Upgrade 2023 \$250,000 No funding in 2024
Upgrade to software and hardware for existing telemetry system.

Water Rate Study 2023 \$70,000 No funding in 2024
The City will evaluate water rates and update as necessary.

Annual Water Main Improvements \$100,000 per year
Annual replacement of water mains due to deficiencies. New service lines on Leque Road.

Water Treatment Plant/Cedarhome Well 2023 \$75,000 No funding in 2024
Water Treatment Plant and Cedarhome Well System Upgrades- to replace original pumps and equipment.

Meter Replacement \$55,000 per year
Annual meter replacement program.

Water Treatment Plant Media Replacement 2023 \$500,000 No funding in 2024
Replace sand filter media at the water treatment plant.

Total Water Capital 2023 \$1,175,000 2024 \$155,000

Total All Departments 2023 \$24,637,800 2024 \$9,209,490

COUNCIL OPTIONS

Conduct second reading and adoption of Resolution 2022-16 Six Year Capital Improvement Plan 2023-2028.

MOTION:

I MOVE TO APPROVE THE SECOND READING AND ADOPTION OF RESOLUTION 2022-16 SIX YEAR CAPITAL IMPROVEMENT PLAN 2023-2028.

**RESOLUTION NO. 2022-16
CITY OF STANWOOD, WASHINGTON**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, APPROVING AND ADOPTING THE CITY'S SIX-YEAR CAPITAL IMPROVEMENT PLAN (CIP) FOR FISCAL YEARS 2023 – 2028.

WHEREAS, pursuant to the City's Comprehensive Plan, an update to the City's Six-Year CIP does not require an amendment to the Comprehensive Plan as such provisions are set forth in Stanwood Municipal code chapter 17.157; and

WHEREAS, the City would like approve and adopt its Six-Year CIP; and

WHEREAS, the City Council has reviewed the Six-Year Capital Improvement Plan for Fiscal Years 2023 – 2028 and has determined that it is in the interest of the health, safety, and welfare of the citizens of Stanwood to adopt the CIP.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON

Section 1. That the Six-Year Capital Improvement Plan for Fiscal Years 2023 – 2028, attached as Exhibit A and incorporated herein by this reference, is hereby **Approved and Adopted**.

APPROVED AND ADOPTED this ____ day of November 2022.

Sid Roberts, Mayor

ATTEST:

Lisa Sokolik, City Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

EXHIBIT A

SIX-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2023-2028

Department	Request Title	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Parks Capital	Johnson Farm Park Version 2	\$485,000		\$50,000	\$200,000			\$735,000
	Church Creek Park Version 2	\$240,000	\$250,000	\$150,000	\$150,000	\$200,000	\$200,000	\$1,190,000
	Downtown Park Version 2	\$100,000	\$100,000	\$900,000				\$1,100,000
	Heritage Park Version 2	\$400,000	\$400,000	\$225,000	\$225,000	\$75,000	\$325,000	\$1,650,000
	Port Susan Trail Version 2	\$1,838,000	\$100,000	\$1,200,000	\$100,000	\$200,000	\$200,000	\$3,638,000
	Cedarhome Area Park	\$70,000						\$70,000
	Raplee Property (271st/270th Triangle)	\$85,000	\$60,000	\$550,000				\$695,000
	Ovenell Park				\$70,000			\$70,000
	Hamilton Landing Park & Boat Launch	\$1,000,000						\$1,000,000
Total Parks Capital		\$4,218,000	\$910,000	\$3,075,000	\$745,000	\$475,000	\$725,000	\$10,148,000
Public Works	City Hall/Police Station Remodel	\$890,000						\$890,000
Total Public Works		\$890,000	\$0	\$0	\$0	\$0	\$0	\$890,000
Sewer Capital	Sewer System Plan	\$280,000						\$280,000
	Sewer main replacement on 78th and Cecelia	\$700,000						\$700,000
	Sewer Main Replacement on 79th Dr	\$280,000						\$280,000
	Sewer Rate Study	\$40,000					\$50,000	\$90,000
	Sewer Basin 1 Pipe replacement program	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,800,000
	Inflow and Infiltration Study						\$125,000	\$125,000
	Grit Removal		\$150,000	\$150,000				\$300,000
	Fine Screen Rebuild/Second Screen		\$150,000	\$150,000				\$300,000
	Biosolids Removal and Utilization	\$600,000	\$5,000,000					\$5,600,000
	Pioneer Hills Lift Station Upgrade		\$50,000	\$200,000				\$250,000
	274th Sewer Main Replacement			\$700,000				\$700,000
	Cedarhome Dr. Sewer Main Replacement			\$1,285,000				\$1,285,000
	SR532 and Pioneer Hwy Sewer Crossing	\$360,000						\$360,000
	Pioneer Hwy and SR532 Sewer Main			\$600,000				\$600,000
	72nd Ave Sewer Main Replacement			\$1,925,000				\$1,925,000
	Cedarhome Collection System		\$175,000					\$175,000
	68th Sewer Main Replacement			\$1,000,000				\$1,000,000
Total Sewer Capital		\$2,560,000	\$5,825,000	\$6,310,000	\$300,000	\$300,000	\$475,000	\$15,770,000
Stormwater Capital	Drainage Rate Updates	\$40,000					\$60,000	\$100,000
	Skagit Bay Dike Repair	\$6,000,000						\$6,000,000
	Floodwall- Florence Rd.	\$714,000						\$714,000
	Stormwater Comprehensive Plan Update	\$250,000						\$250,000
	Irvine Slough Pump Station Building		\$100,000	\$250,000				\$350,000
	Drainage System Receiving Station		\$400,000					\$400,000
	Irvine Slough Drainage	\$3,800,000		\$4,000,000		\$4,000,000		\$11,800,000
Total Stormwater Capital		\$10,804,000	\$500,000	\$4,250,000	\$0	\$4,000,000	\$60,000	\$19,614,000

Department	Request Title	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Street Construction	City Beautification Projects	\$35,000	\$35,000	\$30,000	\$30,000	\$30,000	\$30,000	\$190,000
	Westside Overlays		\$320,490	\$158,850	\$126,045	\$86,040	\$83,250	\$774,675
	101st Ave Reconstruction & Overlay						\$2,640,000	\$2,640,000
	80th Ave Reconstruction Phase 2						\$5,000,000	\$5,000,000
	SR532 Ovenell Park Entrance Roundabout				\$1,030,000	\$2,470,000		\$3,500,000
	SR532 Hamilton Entrance Intersection				\$3,500,000			\$3,500,000
	Sidewalk: Cedarhome Drive NW				\$714,612			\$714,612
	Sidewalk: 272nd St NW		\$270,000					\$270,000
	Sidewalk: 72nd AVE NW	\$25,000	\$45,000	\$205,000				\$275,000
	Sidewalk: 92nd Ave NW	\$390,000						\$390,000
	Overlay and ADA Improvements	\$388,800	\$410,000	\$510,000	\$428,000	\$450,000	\$450,000	\$2,636,800
	284th Street NW Improvements			\$5,700,000				\$5,700,000
	64th and SR532 Intersection			\$500,000	\$100,000	\$3,600,000		\$4,200,000
	Viking Way- 90th Ave Phase 2	\$1,036,000						\$1,036,000
	80th Ave NW Reconstruction Phase 1	\$1,400,000						\$1,400,000
	Sidewalk: 98th Dr. NW Copy Ver 2			\$123,240				\$123,240
	Twin City Mile Downtown Renovation Project Version 2	\$1,616,000	\$739,000	\$1,600,000	\$371,000	\$371,000	\$5,440,000	\$10,137,000
	Sidewalk: 284th St NW- South Version 2		\$0	\$185,880				\$185,880
Total Street Construction		\$4,890,800	\$1,819,490	\$9,012,970	\$6,299,657	\$7,007,040	\$13,643,250	\$42,673,207
Water Capital	Water System Plan	\$125,000						\$125,000
	Water System Telemetry Upgrade	\$350,000						\$350,000
	Water Rate Study	\$70,000					\$70,000	\$140,000
	Annual Water Main Improvements	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000	\$400,000
	Water Treatment Plant/Cedarhome WellUpgrades	\$75,000						\$75,000
	Meter Replacement	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000	\$330,000
	Water Treatment Plant Media Replacement	\$500,000						\$500,000
Total Water Capital		\$1,275,000	\$155,000	\$105,000	\$105,000	\$105,000	\$175,000	\$1,920,000
Total Departments		\$24,637,800	\$9,209,490	\$22,752,970	\$7,449,657	\$11,887,040	\$15,078,250	\$91,015,207

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 10a

DATE: November 21, 2022

SUBJECT: General Fund Revenue Sources and, First & Second
Reading and Adoption of Ordinance 1508, 2023
Property Tax Levy

CONTACT PERSON: David A. Hammond, Finance Director

ATTACHMENT: A - Ordinance 1508, 2023 Property Tax Levy

Reference: [Mayor's Proposed 2023-2024 Budget Book](#)

PURPOSE

The purpose of this agenda item is to conduct a public hearing on revenue sources, including property taxes, for the 2023-2024 biennial budget, which is required by State Law, Ch. 84.55.120 RCW. The City Council will consider First and Second Reading and Adoption of Ordinance 1508, establishing the 2023 property tax levy.

BACKGROUND

The 2023-2024 Biennial Budget and the 2023-2028 Capital Improvement Plan update were discussed by the City Council during council workshops on August 11th, September 22nd, October 13th, and on November 3rd, 2022. A proposed Budget Book was published online November 8th, on the city website, which is referenced above.

As part of the biennial budget development process, revenues for the current expense (General Fund) are forecast. The impact of the COVID-19 pandemic has receded, but the economy is faced with significant uncertainty resulting from persistent high inflation. The real estate market has cooled, which affects impact fees, real estate excise taxes and utility plant investment fees. Stanwood hasn't yet felt the impact and the general economic outlook is for a probable recession in the upcoming biennium. It is impossible to predict the depth or the duration of a recession, and although a recession is very possible, it may not significantly impact the city's operating funding sources. The city's forecast for sales tax is most threatened by a recession, and the forecast is appropriately conservative.

One source of revenue within the General Fund is property taxes and the City Council must take final action on a property tax levy no later than November 30. Adoption of a property tax ordinance is required.

The proposed 2023-2024 Biennial General Fund Budget includes revenue of \$6,604,679 in 2023, and \$6,698,973 in 2024. The city's 2021- 2022 biennial budget began with a fund balance of \$4,428,700, and a forecast ending 2022 Fund Balance of \$4,199,473. Through

October of 2022, it appears the city will end the biennium well ahead of estimates. Current estimate is an ending fund balance of 5.9 million. This ending fund balance represents nearly 98% of preliminary budgeted 2023 General Fund expenditures, well above the 25% reserve level required in the city's Financial Management Policy (Section 2.a.). This surplus arose due to ARPA funds received, taxes greater than estimates, and expenditures running under budget, primarily due to less than 100 percent staffing during the biennium..

The preliminary 2023-2024 budget recommends transfer of \$4.2 of the fund balance to capital accounts, to appropriately match one-time revenue with one-time expenses.

ECONOMIC OUTLOOK

The revenue forecast for the biennium is required by the Financial Management Policy to be conservative, and staff was particularly attentive to this direction as the economy continues to be impacted by persistent inflation and rising interest rates.

- Key indicators include the most current inflation rate (CPI-W, West States Region), ranged between 8.7% and 9.2% for the year ending September 2022, which is unchanged from the prior month. U.S. unemployment declined from 5.9% in June to 4.8% at September 30, 2021.
- Fund balances for the General Fund, Street Operating, and Utility Operating funds remain positive, and as forecast, thru ten months of the year.
- Operating expenditures in the General Fund, Streets Operating, and Utility Operating are all under 83% through ten months of the year. Operating funds include salary & benefit line expenditures which are relatively fixed costs and the largest portion of spending for delivering services.
- The City received the second half \$1,018,070 of ARPA (American Rescue Plan Act) funds in June 2022.
- Economic conditions such as housing prices and new and existing home sales are declining, the unemployment rates remains low, although it has begun to tick up recently, consumer confidence and retail spending remain steady.
- In the long term, the city continues to face the structural deficit, in that property tax increases are limited to a one percent annual increase while city expenditures - primarily labor and benefits, typically increase at much more than a one percent rate.

DISCUSSION

The General Fund is the main operating fund of the City, funded by six revenue categories: Taxes, Licenses & Permits, and State Shared sources, Charges for Services, Fines & Forfeitures, and Miscellaneous. Each of these sources is discussed in more detail below.

Chart 1 below provides an extended General Fund outlook to 2028. Key points to note on this chart are the large expenditure vs. revenue in 2021 and 2023, which arise from fund balance transfers to capital funds. The data supporting Chart One is provided below in Table One on the following page.

Chart 1—General Fund Six Year Outlook (see data in table on following page):

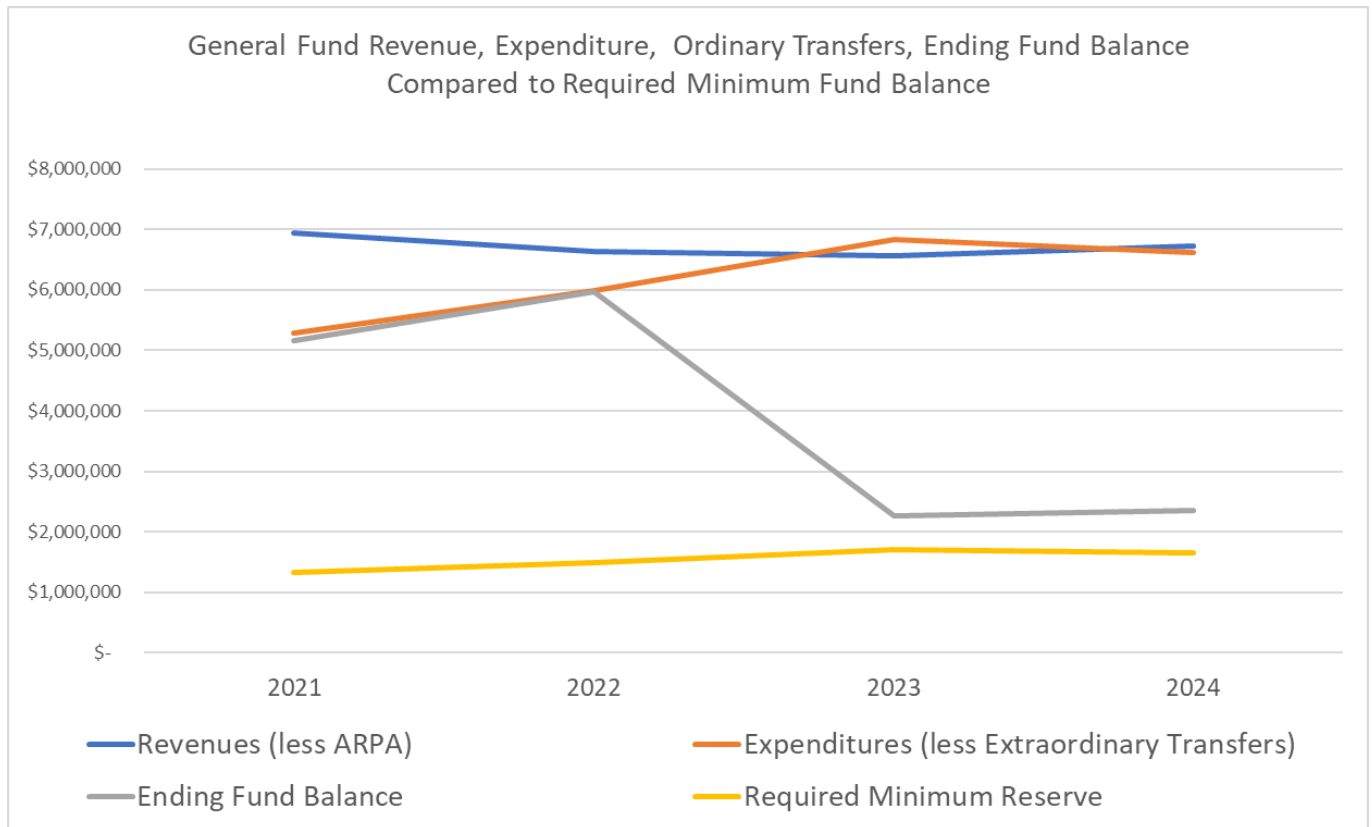
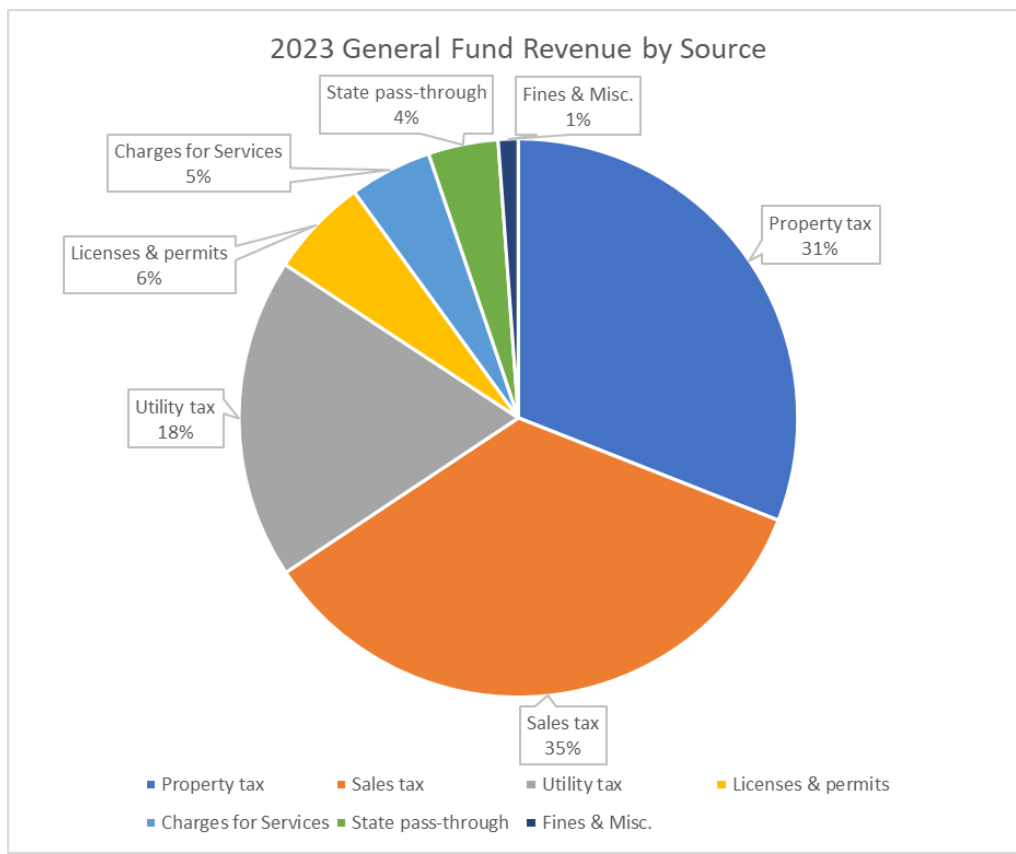


Table 1—General Fund Data

	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Fund Balance	\$ 4,428,700	\$ 5,152,241	\$ 5,970,652	\$ 2,263,198	\$ 2,359,478	\$ 2,326,214	\$ 2,111,383	\$ 1,701,588
General Fund Revenue								
Property tax	\$ 1,826,734	\$ 1,954,000	\$ 2,032,948	\$ 2,064,249				
Sales tax	\$ 2,523,757	\$ 2,397,825	\$ 2,275,911	\$ 2,328,184				
Utility tax	\$ 1,176,351	\$ 1,158,250	\$ 1,221,360	\$ 1,274,144				
Licenses & permits	\$ 510,985	\$ 375,115	\$ 377,130	\$ 386,558				
Charges for Services	\$ 388,009	\$ 398,045	\$ 313,800	\$ 321,645				
State pass-through	\$ 1,398,640	\$ 1,292,346	\$ 265,619	\$ 265,571				
Fines & Misc.	\$ 139,941	\$ 80,885	\$ 76,125	\$ 77,526				
	\$ 7,964,417	\$ 7,656,466	\$ 6,562,893	\$ 6,717,877	\$ 6,919,413	\$ 7,085,479	\$ 7,255,531	\$ 7,429,663
Less: ARPA	\$ 1,018,070	\$ 1,018,070						
	\$ 6,946,347	\$ 6,638,396	\$ 6,562,893	\$ 6,717,877	\$ 6,919,413	\$ 7,085,479	\$ 7,255,531	\$ 7,429,663
General Fund Expenditure								
Operating Expenditures:								
Salaries and Wages	\$ 1,352,689	\$ 1,464,870	\$ 1,590,891	\$ 1,671,842				
Personnel Benefits	\$ 520,807	\$ 645,727	\$ 658,014	\$ 691,604				
Supplies	\$ 39,088	\$ 69,644	\$ 75,425	\$ 81,067				
Services	\$ 448,427	\$ 679,110	\$ 728,403	\$ 710,976				
Professional Services	\$ 447,904	\$ 489,989	\$ 888,019	\$ 540,985				
Police Services Contract	\$ 1,880,685	\$ 1,944,372	\$ 2,111,430	\$ 2,248,673				
Capital	\$ 13,500	\$ 25,000	\$ 25,000	\$ 26,250				
Operating Subtotal	\$ 4,703,100	\$ 5,318,712	\$ 6,077,182	\$ 5,971,397	\$ 6,269,967	\$ 6,583,465	\$ 6,912,638	\$ 7,258,270
Transfers Out:								
Streets	\$ 300,000	\$ 340,000	\$ 340,000	\$ 340,000				
Equipment	\$ 110,710	\$ 90,343	\$ 80,165	\$ 70,000				
Tourism	\$ 43,750	\$ 90,000	\$ 91,000	\$ 91,000				
Contingency	\$ 34,313	\$ 50,000	\$ 138,000	\$ 40,000				
Water (Hydrant Reimb.)	\$ 100,000	\$ 100,000	\$ 104,000	\$ 109,200				
Ordinary Transfers Out Subtotal	\$ 588,773	\$ 670,343	\$ 753,165	\$ 650,200				
Operating and Ordinary Transfer	\$ 5,291,873	\$ 5,989,055	\$ 6,830,347	\$ 6,621,597	\$ 6,952,677	\$ 7,300,311	\$ 7,665,326	\$ 8,048,593
Extraordinary Transfers								
Floodwall		\$ 564,000	\$ 150,000					
Street Construction		\$ 285,000	\$ 1,190,000					
Parks Construction	\$ 449,003		\$ 1,500,000					
Facilities Capital	\$ 1,500,000		\$ 600,000					
Transfers Out Total	\$ 2,537,776	\$ 1,519,343	\$ 4,193,165	\$ 650,200	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 7,240,876	\$ 6,838,055	\$ 10,270,347	\$ 6,621,597				
Ending Fund Balance	\$ 5,152,241	\$ 5,970,652	\$ 2,263,198	\$ 2,359,478	\$ 2,326,214	\$ 2,111,383	\$ 1,701,588	\$ 1,082,658
Required Minimum Reserve	\$ 1,322,968	\$ 1,497,264	\$ 1,707,587	\$ 1,655,399	\$ 1,738,169	\$ 1,825,078	\$ 1,916,332	\$ 2,012,148

The chart below illustrates the composition of General Fund Revenue sources, with Sales and Property taxes comprising the majority.



Building Permits and Development Related Charges:

Development-related revenues are based on the number of permits the city expects to issue. The 2022 budget estimated revenues associated with building activity with an assumption on issuing sixty permits. Through October, the city has issued 6 single family residential permits, and two MFR permits that include 70 units, this is less than forecast, but activity has picked up with the final plat approval of Chandler's reserve. The Community Development department has been busy with smaller permits related to improvements, and through Nov. 15, has received \$351,406 for all licenses and permits, which is \$98,599 less than the budget of \$450,000; given recent activity, we expect this to be close to budget by year end.

The Community Development Department generates most General Fund Charges for Services Revenue, and the bulk of these are engineering, zoning and inspection fees. Through Nov. 15, the total received was \$477,947, which is \$41,727 over budget.

The city staff anticipates residential building activity decline into the new biennium and has based estimated revenues on an assumption of issuing 49 residential permits. This equates to total building permit-related revenue, as well as zoning fees, engineering fees, plan checking fees, environmental fees etc.) to generate approximately \$691,000 in general fund revenue in 2023, down from budgeted \$886,220 in 2022. These fees are used to offset the actual costs of providing community development services (matching one-time revenues to one-time expenditures).

Sales Tax:

As of October, the city expects sales tax from construction for the 2021-2022 period to be approximately \$1,100,000, city fiscal policy directs this to be transferred to a one-time (capital) use. The 2023 preliminary budget includes transfer of surplus to both Parks and Streets Construction Fund.

General Fund Sales tax received through October 2022 was \$1,973,455, which is slightly higher than the \$1,955,784, received through October 2021. The city budgeted \$1,938,000 for General Fund sales tax revenues in 2022 in anticipation of continued strength in the economy and new construction. Currently, the city Sales Tax received is \$390,122 ahead of budget, or 24.6%; if this trend holds true for the remainder of the year, then 2022 Sales Tax will be \$2,416,770. The portion of Sales tax from construction year-to-date is 23 percent of the total, which is slightly lower than 2021 (through October), when 25 percent was from construction, and this is down from the 30 percent ratio in 2020.

Utility Tax

The 2022 budget included utility rate increases, as well as additional utility connections, which leads to increases utility tax revenue in the General Fund. This increase was partially offset by declining telephone utility tax. Utility Tax is estimated to total \$1,221,360 in 2023, a 5 percent increase from 2022.

State-Shared Revenues

State distributed revenues, such as liquor excise taxes and the criminal justice sales taxes are allocated based on population. The 2023 population estimate is 8,405 which is an increase of 425 over the prior year. Although the city population is higher, estimates from the State indicate the 2023 state-shared revenue estimates will slightly decrease in 2023, from \$282,346 to \$265,619.

Streets Fund

The street fund accounts for operating revenues and expenditures associated with the maintenance and repair of city streets. As of October 30, 2022, this fund had a cash operating reserve of \$317,365. The motor vehicle fuel tax (MvFT) can be used for Streets operations and maintenance is estimated at \$140,000 in 2022. This estimate appears reasonable after three quarters of 2022.

Chart Two below illustrates the six-year outlook for the Streets Fund. The primary revenue sources for Streets are MvFT and transfers from the General Fund and Transportation Benefit Fund. Complicating the Street fund budget is the fact that MvFT is not expected to increase over time and may even decline because it is based on gallons sold, while drivers are increasingly choosing hybrid or electric vehicles. At the same time, street maintenance costs, such as labor and electricity for streetlights continue to increase. Beyond 2025, the city will need to explore long term solutions to address a gap of approximately \$50,000 at current service and funding levels. The chart below is based on gradually increasing support from the TBF, starting with \$60,000 in 2024, then approximately \$20,000 per year additional each year after 2024.

Chart Two—Streets Fund Six Year Outlook (see chart on following page):

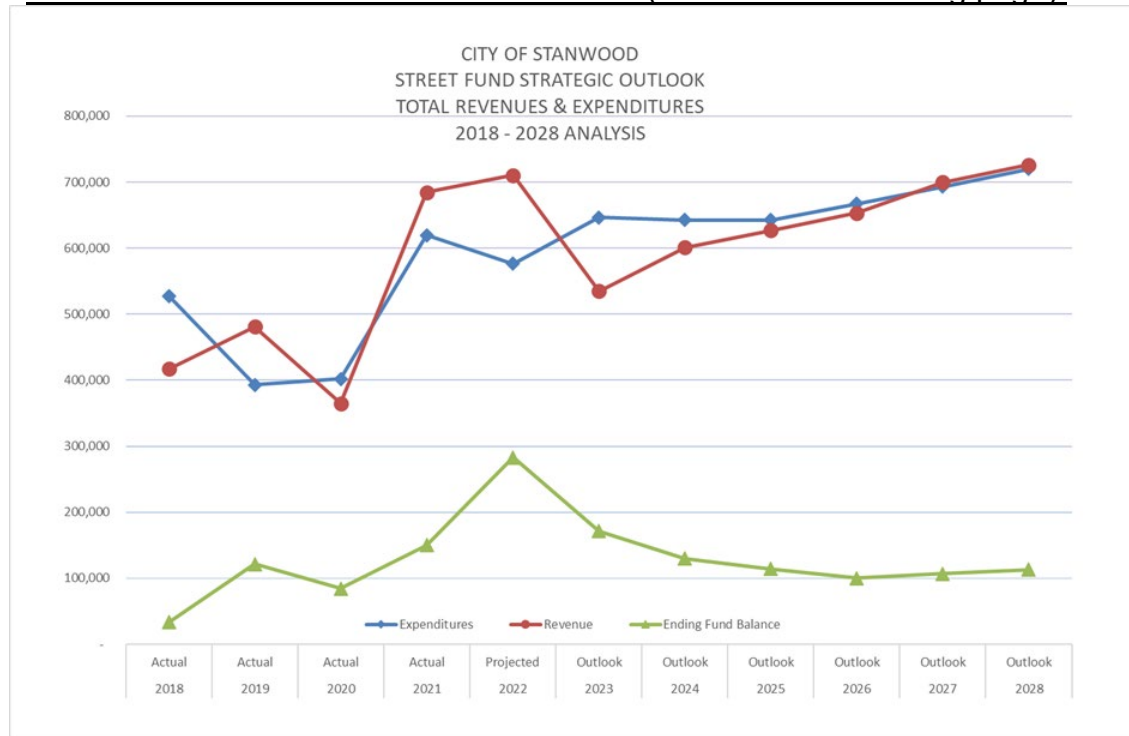


Table Two—Streets Fund Data

STRATEGIC OUTLOOK CITY OF STANWOOD TOTAL REVENUES & EXPENDITURES 2018 - 2028 ANALYSIS											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Actual	Projected	Outlook	Outlook	Outlook	Outlook	Outlook	Outlook
Beginning Fund Balances	143,818	33,231	121,222	84,587	149,313	282,985	171,414	129,642	114,138	100,087	106,637
Revenue											
Property Taxes	202,365	227,184	141,503	-	-	-	-	-	-	-	1
Street Maintenance Fee	19,491	18,369	20,454	19,131	18,685	19,246	20,200	20,806	21,430	22,073	22,735
Multimodal Transportation	9,555	9,462	9,570	9,731	9,494	10,927	11,255	11,592	11,940	12,298	12,667
Mvft Unrestricted Fuel Tax	148,652	144,100	129,312	138,319	140,000	162,553	167,430	172,452	177,626	182,955	188,443
Miscellaneous Revenues	1,709	20,403	1,461	17,440	2,000	2,060	2,122	2,185	2,251	2,319	2,388
Transfers	35,000	61,200	62,730	500,000	540,000	340,000	400,000	420,000	440,000	480,000	500,000
Total Revenues	416,771	480,718	365,030	684,620	710,179	534,786	601,006	627,036	653,247	699,645	726,235
Revenue Growth / (Decline)	-98.5%	15.3%	-24.1%	87.6%	3.7%	-24.7%	12.4%	4.3%	4.2%	7.1%	3.8%
Expenditures											
Labor	148,497	149,000	166,110	266,170	215,000	204,171	214,380	224,027	234,108	244,643	255,652
Benefits	63,851	64,828	70,432	102,442	80,000	96,319	90,739	95,276	100,040	105,042	110,294
Supplies	32,242	28,234	30,559	28,750	30,650	48,696	50,400	52,164	53,990	55,880	57,836
Services	129,612	150,664	134,565	140,725	183,000	214,671	223,259	231,073	239,161	247,531	256,195
Transfer to Equipment reserve	153,156	-	-	81,280	67,857	82,500	64,000	40,000	40,000	40,000	40,001
Total Expenses	527,358	392,726	401,666	619,367	576,507	646,357	642,778	642,540	667,298	693,095	719,977
Expense Growth / (Decline)		-25.5%	2.3%	54.2%	-6.9%	12.1%	-0.6%	0.0%	3.9%	3.9%	3.9%
Change in Ending Fund Balance	(110,587)	87,992	(36,636)	65,253	133,672	(111,571)	(41,772)	(15,504)	(14,051)	6,549	6,258
Anticipated Under-Expenditure	-	-	-	-	-	(9,695)	(9,642)	(9,638)	(10,009)	(10,396)	(10,800)
Ending Fund Balance	33,231	121,222	84,587	149,840	282,985	171,414	129,642	114,138	100,087	106,637	112,895

Property Tax Levy for 2022

Property taxes and the amount that a taxing jurisdiction, the City, may levy each year is subject to strict limitations. The Levy amount is a set dollar amount that the City may levy and is based on the value of property assessed by the Snohomish County Assessor. One limitation is the levy cannot increase more than 1% from the prior year levy, unless the City has available capacity to levy more; however, this additional amount is subject to further limitations.

For 2023, the proposed tax levy is calculated by taking the 2022 levy of \$1,938,562 and increasing it 1% or \$19,386 to \$1,957,948. Additionally, the levy is also allowed to increase by the value of new construction, state utility changes, refunds and annexations that occurred in the prior year. For the 2023 levy, new construction value is estimated at \$63,341 in levy dollars. Based on a 1% increase for the 2023 levy, the city tax rate would be \$1.23 per \$1,000 of AV; a decrease of \$0.27 per \$1,000 of AV from the 2022 tax rate. The total levy, including the value from new construction, the annexation and refunds from prior years is \$2,035,693.

In addition to the 1% annual increase limitation is the \$3.60 District Aggregate Limitation. This means that the total amount of the city tax rate, the Regional Fire Authority rate and the Sno-Isle Library rates cannot cumulatively exceed \$3.60 per \$1,000 of AV. For 2023, we meet this limitation as the proposed city rate is \$1.23, the RFA is estimated to be \$1.45 and the Library is estimated to be \$0.39 for a total of \$3.11. The City Council may choose to levy banked capacity, estimated to be no more than \$322,170 in additional levy with a tax rate of no higher than \$1.76. This additional levy amount would increase the levy over a 1% limitation but is allowed by law.

The preliminary budget for 2023-2024 does not include the levy of banked capacity but does include one percent increases. Table Three below summarizes a 2023 levy with a one percent increase to remain consistent with the biennial budget, however council may elect to not increase the levy and bank the capacity for future needs. Table Four below provides examples of the impact of these options on a typical residence, including an example demonstrating the effect of a levy of \$200,000 of available banked capacity, for illustrative purposes.

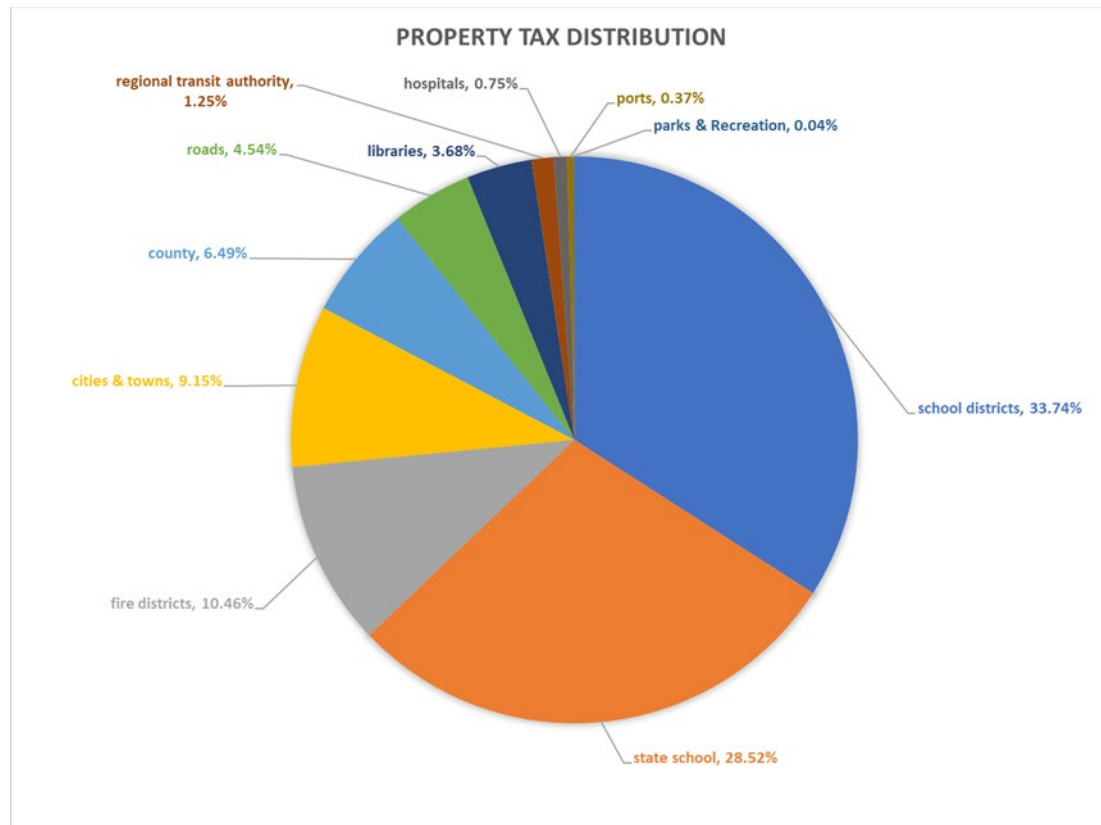
Table Three – 2023 Property Tax Levy Summary- With 1% Increase

Item	Amount
2022 Total Regular Levy	\$ 1,938,562
1% Levy Increase	19,386
Est. New Construction (\$42.4 million)	63,341
Refunds	10,423
Annexation	2,912
Utilities	1,069
Banked Capacity (within \$1.60 statutory limit)	603,894
Additional Banked Capacity Estimate	263,959
Estimated 2023 Levy cap*, includes new construction and refunds, without Banked Capacity	\$2,035,693
Estimated 2023 Levy Rate, without banked capacity*	\$1.23
*Amounts per Sept. 2022 Preliminary Assessed Valuation \$1,649,741,471.	

Table Four – Example impact of levy options

Estimated 2022 Tax On Typical Residence*	
With no increase	\$ 617.12
With 1% increase	\$ 623.05
With 1% increase, and levy \$200,000 banked capacity	\$ 684.27
For reference, 2022 tax on typical residence	\$ 611.44
*Estimated typical 2022 residence value \$407,200 2023 Typical Residential Value \$504,928 (24% increase)	

The chart below illustrates the portion of a property owner's annual property tax that is levied by the city, approximately 9 percent.



Staff Recommendation: Staff recommends conducting the public hearing to receive public testimony and adopting Ordinance 1509 which increases the 2023 Property Tax Levy by the statutorily allowed one percent over the 2022 Levy Amount. The decision whether to levy some or all available banked capacity is available to the City Council, which could be set aside in capital funds to provide reserves for future projects, such as funding bonded debt for parks or streets improvement projects. Such reserves contribute to the city's bond rating, which in turn lead to lower long-term borrowing costs.

Committee/Board Recommendation: N/A. The budget and property tax levy are reviewed by the full City Council.

CITY COUNCIL OPTIONS

The City Council options include:

1. Approve first and second reading of ordinance 1509 to increase the 2023 Property Levy 1%
2. Approve the first and second reading of ordinance 1509 to increase the Levy an additional % that is within the \$3.60 limitation, utilizing a portion of banked capacity; which can be no more than \$867,853.
3. Approve the first and second reading of ordinance 1509 that does not increase the Levy and remain at 2022 levy amount adding to future banked capacity.
4. Do not approve ordinance 1509 and direct staff to prepare other analysis and make further adjustments and set another adoption date for the 2023 Levy no later than November 30, 2022.

PROPOSED MOTION

MOTION TO APPROVE THE FIRST AND SECOND READING OF ORDINANCE 1509 LEVYING TAXES UPON ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CORPORATE LIMITS OF THE CITY OF STANWOOD, WASHINGTON FOR 2023, WITH ONE PERCENT LEVY INCREASE FROM 2022.

Note that the council must take final action on a property tax levy by November 30, as levy certifications must be prepared and submitted to the Snohomish County Assessor's Office by their 2022 deadline.



Ordinance / Resolution No. 1508
RCW 84.55.120

WHEREAS, the City Council of the City of Stanwood has met and considered
(Governing body of the taxing district) (Name of the taxing district)
 its budget for the calendar year 2023; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 1,938,562.44; and,
(Previous year's levy amount)

WHEREAS, the population of this district is ☐ more than or ☒ less than 10,000; and now, therefore,
(Check one)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2022 tax year.
(Year of collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 19,385.62

which is a percentage increase of 1% from the previous year. This increase is exclusive of
(Percentage increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 21 day of November, 2022.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

To ask about the availability of this publication in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 10b

DATE: November 21, 2022

SUBJECT: First Reading of Ordinance 1509 2023-2024 Biennial Budget

CONTACT PERSON: David A. Hammond

ATTACHMENTS: A – Ordinance 1509 2023-2024 Biennial Budget

Reference: [Mayor's Proposed 2023-2024 Operating and Capital Budget](#)

PURPOSE

The purpose of this agenda item is for the First Reading of Ordinance 1509 2023-2024 Biennial Budget and to conduct a public hearing on the proposed 2023-2024 Biennial Budget, which is required by State Law, Ch, 35A.34 RCW. The City Council will consider the first reading of Ordinance 1509.

BACKGROUND

The proposed 2023-2024 Biennial Budget was published online November 8, 2022, to the city website which is referenced above. Budget workshops included the May 12th Council priorities setting discussion, the August 11th workshop, the September 22nd budget workshop, the October 13th budget workshop, and the Nov. 3rd council workshop. The City Council will discuss and set the 2023 Property Tax Levy November 21st at a scheduled public hearing.

ANALYSIS

The 2023-2024 Biennial Budget is comprised of 27 funds with a total budgeted revenue forecast of \$60,294,222 matched to budgeted expenditure appropriations of \$74,216,418. The city is projected to begin the 2023-2024 biennium with a beginning fund balance of \$32,778,348 for all funds and an estimated biennium ending fund balance of \$18,856,152. Ordinance 1509 sets forth the Summary Revenues, Expenditures and Fund Balances for all funds, and is also shown in the Budget Overview section of the 2023-2024 Budget Book.

City Council and Resident Priorities

On May 12th the Stanwood City Council met to develop budget priorities that have guided staff in the preparation of the biennial budget in their requests for allocations of funds for staffing resources, operating costs and capital investments. The Council reviewed the results of a February 2021 resident survey and affirmed the following priorities:

Resident Priorities (from 2021 survey)

- **Build Safe Streets**
 - *Develop multi-modal, safe and aesthetically pleasing city streets and support our WSDOT partnership to improve SR532 intersections*
- **Water and Sewer Systems**
 - *To ensure that cost-effective, high-quality water and sewer service is available, or can be provided, to serve the projected population and employment growth with the City.*
- **Drainage and Flood Protection**
 - *Protect life and property from storm, river, flood, and excess surface waters. Assure compliance with federal and state storm-water management and water quality requirements. Encourage the preservation and enhancement of natural drainage systems.*
- **City Beautification**
 - *Preserve the community's historic rural, small-town character while promoting the region as a family-friendly place to live, work and play. The project will celebrate the beauty of the area and promote buying locally.*
- **Support a Sustainable Local Economy**
 - *Focus economic development efforts on continually building a sustainable local economy by supporting existing businesses, recruiting new business and promote our tourism industry.*
- **Enhance Parks and Recreation**
 - *Improve our existing parks and trails, especially along the waterfront and develop recreational opportunities for the community and visitors*
- **Public Engagement Opportunity**
 - *Continually enhance connectivity and public engagement tools for residents, business and visitors through diverse communication channels that include alternative meeting formats*

Major Initiatives in the 2023-2024 Budget

The 2023-2024 Budget works to achieve Council and community priorities by:

- Major updates to the Utility System plans to incorporate into the city's 2024 Comprehensive Plan update
- Over \$4 million in Park Development Projects, including:
 - \$1.94 million to advance the Port Susan Trail
 - \$1 million to develop Hamilton Landing
 - \$800,000 improvements at Heritage Park
 - \$500,000 improvements at Church Creek
- Nearly \$5 million in Street Improvements, including:
 - \$1 million to Construct Viking Way Phase Two
 - \$2.45 million to begin the Twin City Mile Downtown Renovation Project
 - \$1.4 million for Phase One of the 80th Ave. NW Reconstruction Project
 - \$1.9 million for Overlay, Sidewalk and City Beautification Projects
- \$890,000 for Police Station and City Hall remodeling
- \$6 million to Repair the Skagit Bay Dike
- \$3.8 million for Phases Two and Five of the Irvine Slough drainage improvement project.
- \$6 million for Design and Construction of Bioprocessing Capability at the Wastewater Treatment Plant
- Coordinate and work with the Federal Emergency Management Agency on options to join the Community Rating System
- Complete rewrite of the Stanwood Municipal Code
- Develop a long-term strategic plan
- Continue initiative to transition to paperless work environments
- Continue work with WSDOT on SR532 Intersection Improvements
- Continue pursuing long-term water source options

General Fund Overview

The general fund is the main operating fund of the City and includes revenue and expenditure allocations for general government activities that include legislative, public safety, community planning and development, economic development, street maintenance, park maintenance, facility maintenance; along with general administration divisions of finance, human resources, information technology and communications.

Overall general fund revenues are projected at \$13.3 million for 2023-2024; after deducting the extraordinary receipt of ARPA federal funds of \$2 million this represents a decrease of 1.9% from 2021-2022 sources. The general fund expenditures budget is \$16.8 million, an increase of 19.6% from the prior budget. Significantly, this expenditure includes \$4.8 million of transfers to capital funds, which will result in a decrease in the ending fund balance of approximately \$3.5 million to \$2.4 million. This ending fund balance will be approximately 36% of operating expenditures, so is well in excess of the required minimum reserve of \$1.7 million established by the city council.

Street Operating Fund Overview

The street operating fund is a sub-fund of the General Fund and used to track street maintenance operations. Street operating costs are increasing due to the added staffing resources necessary to support enhanced service delivery. This fund is supported by the General Fund and this budget also includes funding of \$60,000 in 2024 from the transportation benefit district. The City is projecting approximately \$1.15 million of revenue in FY2023-24, which represents a 19% decrease from the prior biennium. Budgeted expenditures are projected to increase by 8% or \$93,286 to \$1.3 million in FY2023-24. These declines result from updated personnel and overhead allocations.

Special Revenue Funds Overview

Special Revenue Funds are established to account for a specific revenue source mandated by the City Council, State of Washington or other regulatory authority. These sources then support special programs and capital projects by transferring out funds to other funds. In the case of special revenue funds that primarily support capital investments, longer term cash flow analysis is prepared to not only support the biennial budget allocations for a two-year period but to assess the longer-term impacts on important sources. Special Revenue Fund sources and uses are included by fund in the Fund Summaries chapter of the budget.

Capital Project Funds Overview

As part of the biennial budget, the Capital Improvement Plan (CIP) is updated, and the budget includes sources and uses in the two-year budget for capital investments that are key to achieving community priorities. Capital project allocations are major expenditures and the 2023-2024 budget includes almost \$34 million in capital investments. See the Capital improvement sections of the budget book for detailed descriptions of the projects and funding sources.

Utility Funds Overview

The City of Stanwood operates wastewater, water and stormwater utilities.

Water Operating Fund, the city is projecting \$2.4M of revenue in FY2023, which represents a 3.2% increase over the prior year. Budgeted expenditures are projected to increase by 20.9% or \$466.88K to \$2.7M in FY2023.

Sewer Operating Fund, the City is projecting \$2.8M of revenue in FY2023, which represents a 4.9% increase over the prior year. Budgeted expenditures are projected to increase by 13.9% or \$383.55K to \$3.14M in FY2023.

Stormwater (or Drainage) Operating Fund, the City is projecting \$1.38M of revenue in FY2023, which represents a 9.2% increase over the prior year. Budgeted expenditures are projected to increase by 37.5% or \$303.14K to \$1.11M in FY2023.

Utility rates for 2019 to 2024 were set based on a 2018 rate study. The city's 2023-24 workplan includes rate analysis for 2025 and beyond. The table below provides details of the utility rate increases previously established by the City Council for the biennium.

	2023 Increase	2024 Increase
Water	3.0%	1.5%
Sewer	6.5%	1.5%
Stormwater	9.25%	6.25%

Other utility revenues include plant investment fees from new development that support improvements to the utility systems.

Operating expenditures in the utility funds are forecast to increase between 9.5% and 12.5% due to planned increased major maintenance efforts and high inflation affecting operating supplies, professional services and salary and benefits.

Major capital projects include the Skagit Bay Dike Repair, a Floodwall on Florence Road, Large Main Replacement Projects, Irvine Slough Phases Two and Five, and Design and Construction of Bio solids processing capability.

City Staffing Overview

City services are provided to the community through the allocation of people and tools. In 2021-2022, the city added four positions:

- Economic Development & Marketing Manager
- Public Works Supervisor
- Parks/Streets Maintenance
- Public Works Engineering Technician

The Mayor's proposed 2023-2024 budget anticipates not filling two positions in effort to offset rising costs:

- Senior Planner
- City Engineer/Assistant Public Works Director

Approximately two-thirds of the city's employees are union represented. The current collective bargaining agreements expire at the end of 2022. Because of ongoing collective bargaining, the Mayor's proposed budget does not include cost of living increases for any employees. The result of collective bargaining is likely to result in the need for a budget amendment.

RECOMMENDATIONS

Staff Recommendation: Staff recommends approval of the first reading of Ordinance 1509 and conducting the public hearing to receive public testimony.

Committee/Board Recommendation: N/A. The budget is reviewed by the full City Council

CITY COUNCIL OPTIONS

The City Council options include:

1. Approve the first reading of Ordinance 1509, 2023-2-24 biennial budget.

2. Do not approve first reading of Ordinance 1509 and direct staff to prepare other budget analysis, and/or make further adjustments. Note: the budget is required to be adopted by December 31, 2022.

PROPOSED MOTION

**MOTION TO APPROVE THE FIRST READING OF ORDINANCE - 1509 2023-2024
BIENNIAL BUDGET**

**CITY OF STANWOOD
Stanwood, Washington**

ORDINANCE 1509

AN ORDINANCE ADOPTING A BIENNIAL BUDGET FOR THE CITY OF STANWOOD, WASHINGTON, FOR THE YEARS 2023 AND 2024, AND SETTING FORTH IN SUMMARY FORM THE TOTALS OF ESTIMATED REVENUES AND APPROPRIATIONS FOR EACH SEPARATE FUND AND THE AGGREGATE TOTALS FOR ALL SUCH FUNDS COMBINED.

WHEREAS, State Law, Chapter 35A.34 RCW has provided that the legislative body of any city of the first and second classes and all towns may, by ordinance elect to have a two-year fiscal biennial budget in lieu of the annual budget which is otherwise provided for; and

WHEREAS, State Law, Chapter 35A.11.020 RCW has provided that the legislative body of each code city shall have all powers possible for a city or town to have under the Constitution of this state, and not specifically denied to code cities by law; and

WHEREAS, pursuant to State Law, Chapter 35A.34 RCW, the City of Stanwood, as a code city, is authorized to adopt a two year biennial budget; and

WHEREAS, on July 25, 2013 the City Council adopted Ordinance 1348 establishing a two-year biennial budget for the City of Stanwood for the first two-year budget period beginning January 1, 2015.

WHEREAS, State law requires that the City adopt a biennial budget before the end of the preceding calendar year; and

WHEREAS, the Mayor proposed the 2023-2024 Biennial Budget, on November 8, 2022 to the Stanwood City Council as provided by law; and

WHEREAS, the City Council held public budget workshops on August 14, 2022, September 22, 2022, October 13, 2022, and November 3, 2022, in preparation for the budget for the years 2023 and 2024; and

WHEREAS, as required by law, on November 21, 2022 and December 8, 2022, the City Council has held public hearings and provided opportunity for public comment on the proposed 2023-2024 Biennial Budget;

NOW THEREFORE, the City Council of the City of Stanwood, Washington do ordain as follows:

Section 1. In accordance with the provisions of Chapter 35A.34 RCW the budget of the City of Stanwood for the year 2023 in the aggregate amount of \$48,265,720. is hereby adopted.

Section 2. In accordance with the provisions of Chapter 35A.34 RCW the budget of the City of Stanwood for the year 2024 in the aggregate amount of \$25,950,698. is hereby adopted.

Section 3. The totals of budgeted revenues and appropriations for each separate fund are set forth in summary form for 2023 and 2024 and attached as Exhibit A to Ordinance 1509. The Finance Director is hereby authorized to include year-end actual cash balances in the final budget document as determined at the close of the current fiscal year.

Section 4. Following adoption of this ordinance a copy shall be transmitted to the Office of the State Auditor, the Association of Washington Cities and the Municipal Research Services Center.

Section 5. Effective Date. This ordinance shall take effect and be in force January 1, 2023.

ADOPTED by the City Council and **APPROVED** by the Mayor this 8th day of December, 2022.

CITY OF STANWOOD

Sid Roberts, Mayor

ATTEST:

Lisa Sokolik, City Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

City of Stanwood
Summary Revenues, Expenditures and Fund Balance
2023-2024 Biennial Budget

Fund Name	Beginning Fund Balance	Revenues			Expenditures			Ending Fund Balance
		2023	2024	Total	2023	2024	Total	
General Fund	\$ 5,970,652	6,604,679	6,698,973	\$ 13,303,652	10,254,347	6,588,097	\$ 16,842,444	\$ 2,431,860
Street Operating	287,594	534,500	596,445	\$ 1,130,945	643,358	643,841	\$ 1,287,199	\$ 131,340
Street Impact Fees	980,278	42,239	39,239	\$ 81,478	605,000	57,920	\$ 662,920	\$ 398,836
Street Capital	343,545	4,926,400	1,826,345	\$ 6,752,745	4,980,800	1,819,490	\$ 6,800,290	\$ 296,000
Park & Trail Capital	1,950,000	4,680,660	975,900	\$ 5,656,560	4,218,000	910,000	\$ 5,128,000	\$ 2,478,560
Park Impact Fees	23,592	71,040	71,040	\$ 142,080	50,000	50,000	\$ 100,000	\$ 65,672
Equipment Reserve	527,238	187,565	136,400	\$ 323,965	186,298	135,000	\$ 321,298	\$ 529,905
Transportation Benefit Fund	480,000	484,860	491,907	\$ 976,767	800,000	636,245	\$ 1,436,245	\$ 20,522
Contingency	481,289	142,000	44,000	\$ 186,000	-	-	\$ -	\$ 667,289
Building Improvement Fund	2,683,987	685,000	595,000	\$ 1,280,000	890,000	-	\$ 890,000	\$ 3,073,987
Tourism And Promotion	26,851	91,000	96,000	\$ 187,000	102,000	99,500	\$ 201,500	\$ 12,351
REET 1: Capital Improvements	1,303,975	262,000	260,000	\$ 522,000	800,000	1,000,000	\$ 1,800,000	\$ 25,975
REET 2 - Growth Management	1,231,360	256,000	256,000	\$ 512,000	1,200,000	472,280	\$ 1,672,280	\$ 71,080
Debt Service Fund	21,036	-	-	\$ -	21,036	-	\$ 21,036	\$ -
Sewer Operating	1,102,716	2,802,398	2,908,347	\$ 5,710,745	3,139,574	2,924,269	\$ 6,063,843	\$ 749,618
Sewer Capital	4,287,701	735,400	5,250,800	\$ 5,986,200	2,560,000	5,825,000	\$ 8,385,000	\$ 1,888,901
Sewer Plant Investment	542,968	25,040	30,000	\$ 55,040	500,000	30,000	\$ 530,000	\$ 68,008
Sewer Equipment Reserve	773,533	170,000	64,040	\$ 234,040	349,000	-	\$ 349,000	\$ 658,573
Drainage Operating	154,727	1,379,665	1,510,733	\$ 2,890,398	1,111,726	1,338,445	\$ 2,450,171	\$ 594,954
Drainage Capital	4,200,000	6,662,000	594,210	\$ 7,256,210	10,804,000	500,000	\$ 11,304,000	\$ 152,210
Drainage Plant Investment	164,840	57,260	57,260	\$ 114,520	200,500	70,000	\$ 270,500	\$ 8,860
Drainage Equipment Reserve	375,000	64,600	79,600	\$ 144,200	92,298	-	\$ 92,298	\$ 426,902
Water Operating	800,000	2,403,831	2,471,846	\$ 4,875,677	2,702,783	2,471,311	\$ 5,174,094	\$ 501,583
Water Capital	2,200,000	1,228,800	508,800	\$ 1,737,600	1,245,000	155,000	\$ 1,400,000	\$ 2,537,600
Cedar Home Plant Investment Fees	325,000	7,100	7,100	\$ 14,200	10,000	10,300	\$ 20,300	\$ 318,900
Water Plant Investment Fees	945,970	30,000	30,000	\$ 60,000	800,000	150,000	\$ 950,000	\$ 55,970
Water Equipment Reserve	439,076	88,600	71,600	\$ 160,200	-	64,000	\$ 64,000	\$ 535,276
Total Funds	\$ 32,622,928	34,622,637	25,671,585	\$ 60,294,222	48,265,720	25,950,698	\$ 74,216,418	\$ 18,700,732

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CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 11

DATE: November 21, 2022

SUBJECT: Digital Travel Photography Project Acceptance

CONTACT PERSON: Sarah Cho, Economic Development and Marketing Manager

ATTACHMENTS: Attachment A – Digital Travel Photography Presentation

PURPOSE

The purpose of this agenda item is to update the Council on the Digital Travel Photography Project and for Council consideration and approval of the submitted photographs.

BACKGROUND

Discover Stanwood Camano, www.discoverstanwoodcamano.com has been successful in bringing visitors to our community. To continue the success of Discover Stanwood Camano, the city has been granted the Snohomish County Small Fund Grant to enhance our tourism initiatives by attracting out-of-state and out-of-county visitors through enhanced digital travel content.

The Digital Travel Photography Project included working with the Stanwood Camano Arts Advocacy Commission (SCAAC) to prepare 95 photos that represent the greater Stanwood-Camano region. The call for art began in May and ended in November and a total of 50 artists submitted over 313 photographs. A committee consisting of a professional photographer, local gallery owner and a board member of SCAAC created the criteria for the final photo selections, which consisted of several categories, including light and color, composition and balance, framing, and skill. All 95 photos are available to view at this link: [Digital Travel Photography Project](#)

Fiscal Impact			
All projects were approved under the Discover Stanwood Camano 2021-2022 budget and funded through Snohomish County Small Fund Grant.			
Fund(s):	557.30.41.00		
Amount:	\$ 7,000	Project Estimate: N/A	\$ 7,000
Budget Authorized	☐ Yes ☐ No	Amendment Required	☐ Yes ☐ No ☐ Monitor

RECOMMENDATIONS

Staff Recommendation:

Staff worked with the Stanwood Camano Arts Advocacy Commission to review the submitted artwork for the Digital Travel Photography Project. The Stanwood Camano Arts Advocacy Commission presented artwork submissions to city staff for review. A presentation was prepared for the Economic Development Board, but quorum was not met. Staff recommends the approval of the submitted photographs for the Digital Travel Photography Project.

Committee/Board Recommendation:

No committee review.

CITY COUNCIL OPTIONS

1. Review and approve the Digital Travel Photography Project submissions.
2. Request changes to the submitted photographs for the Digital Travel Photography Project.
3. Do not approve the submitted photographs for the Digital Travel Photography Project at this time.

PROPOSED MOTION

MOTION TO ACCEPT THE SUBMITTED PHOTOGRAPHS FOR THE DIGITAL TRAVEL PHOTOGRAPHY PROJECT.

**STANWOOD
CAMANO
ARTS
ADVOCACY
COMMISSION**

Discover Stanwood Camano Photography Call for Art

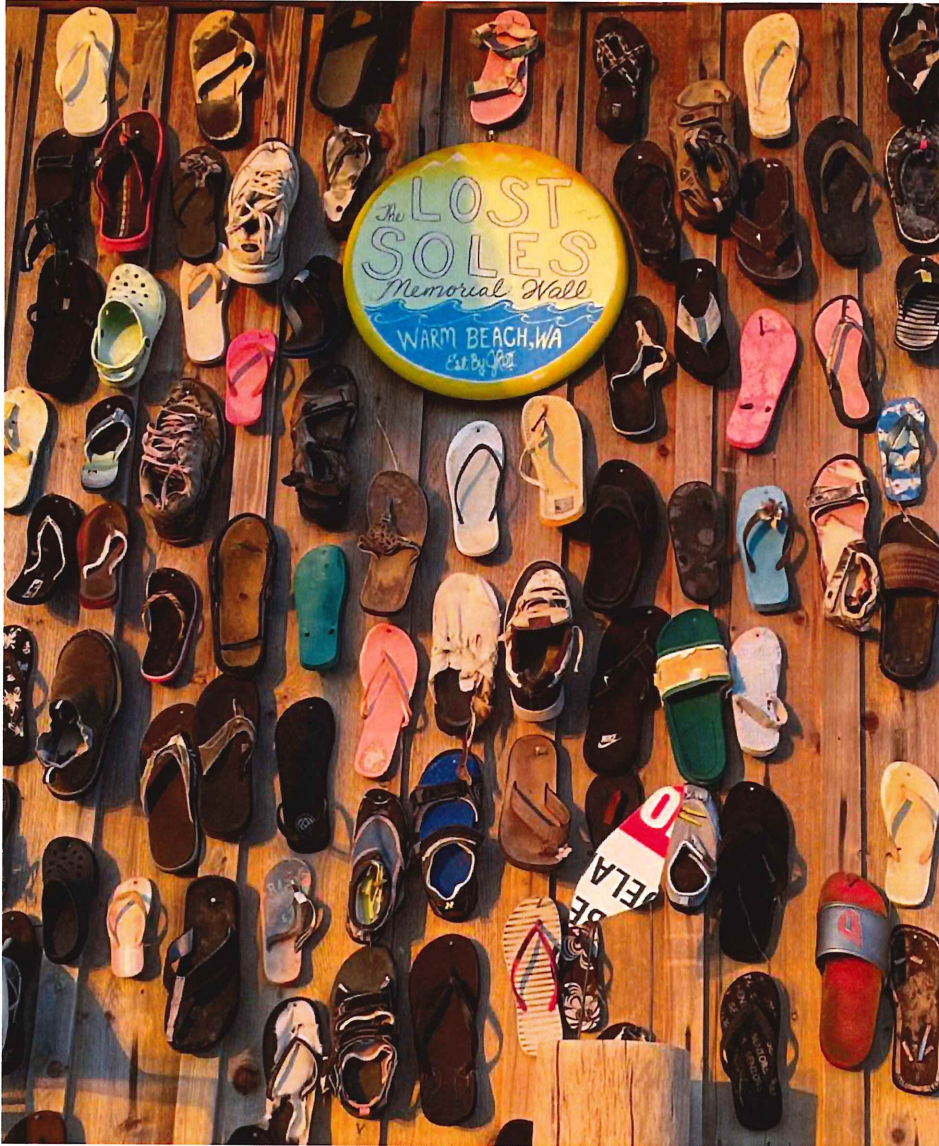


Photos that inspire...



Explore Downtown Stanwood

photo credits: Amber Henke



Lost Sole Memorial Wall
Warm Beach, WA

photo credit: Sarah Denby



Stanwood's Farming History

photo credits: Nick Seegert



Camano Island Fire & Rescue

photo credits: Levon Yengoyan



Pearson House
Stanwood, WA

photo credit: Chaim Bezalel



4th of July on Utsalady Bay
Camano Island, WA

photo credits: Ella Conway (left) &
Mark Curfman (above)



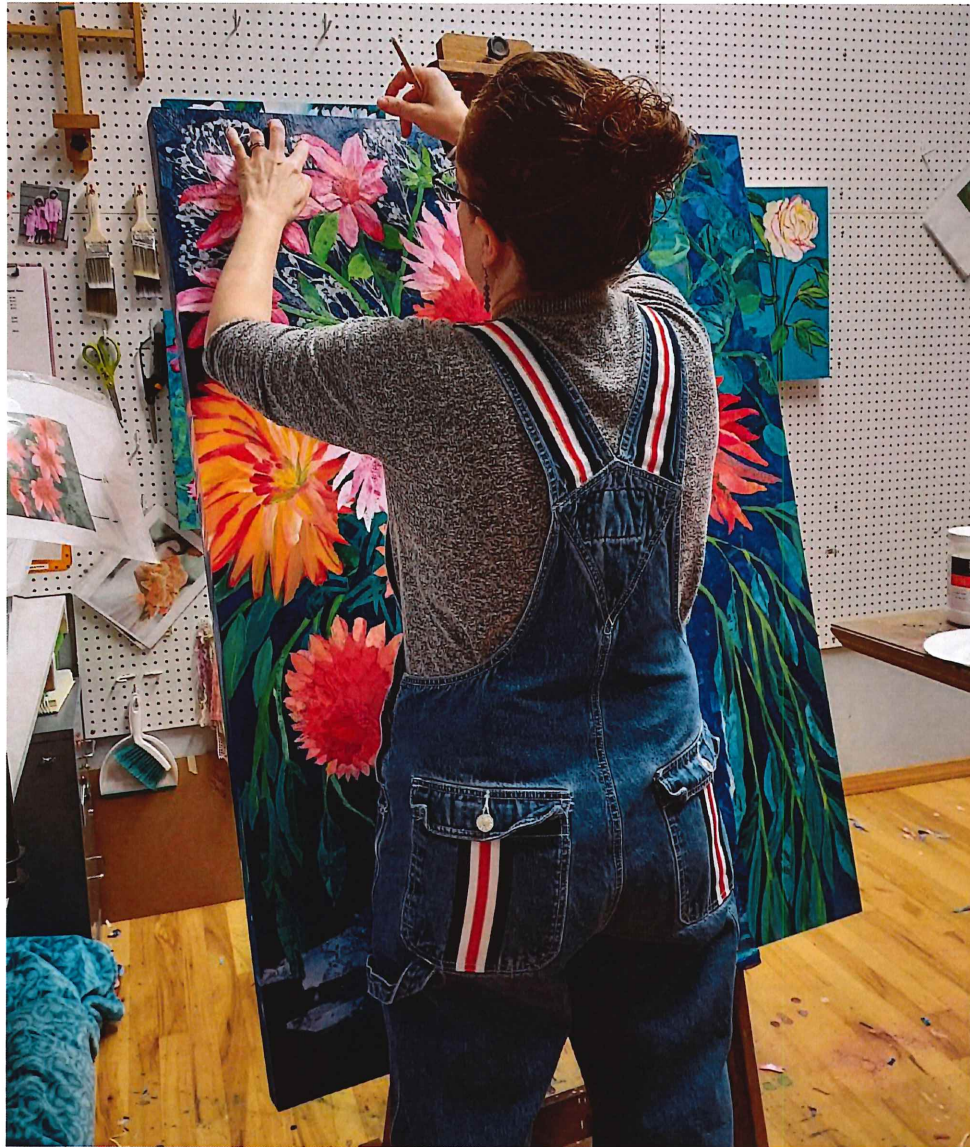
Our Legacy Fields Stanwood, WA

photo credits: Renee Ellsworth (left)
& Heather Hollimon (above)



Soap Box Derby
Camano Island, WA

photo credit: Ashleigh Vanderpool



Stanwood & Camano Artists

photo credits: Tasha Smith (left), Yonah Ben-Levy (above)



Utsalady Bay & Kayak Point

photo credits: Ella Conway (above), Sandra
Cooper (left)

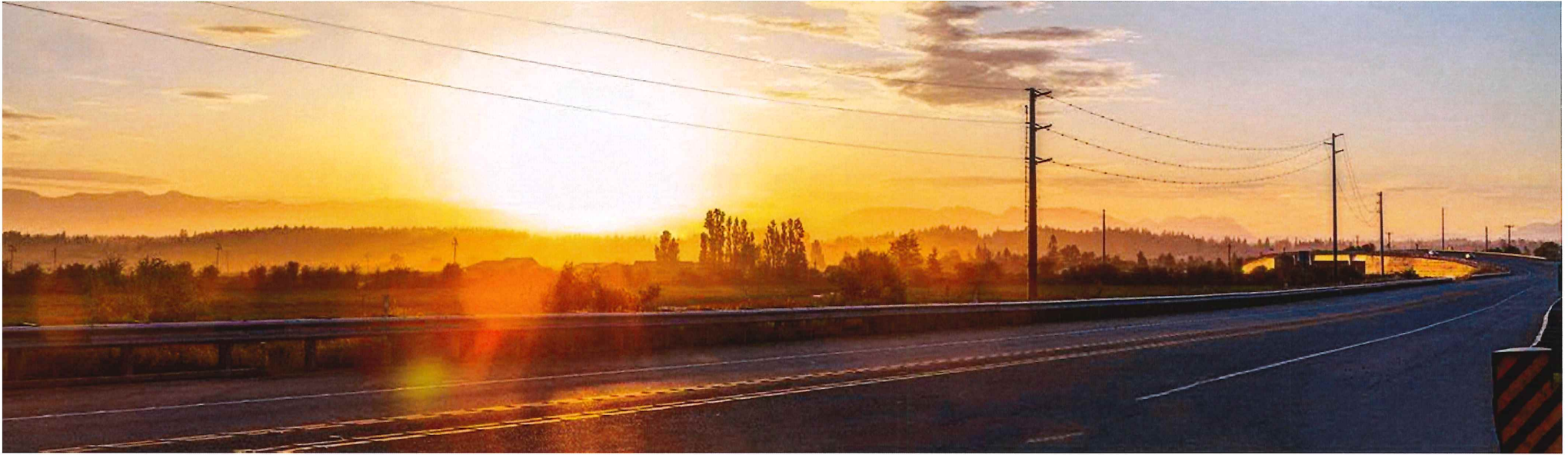


Photos that illustrate...



Iverson Spit Waterfront
Preserve
Camano Island, WA

photo credit: Lisa Nason



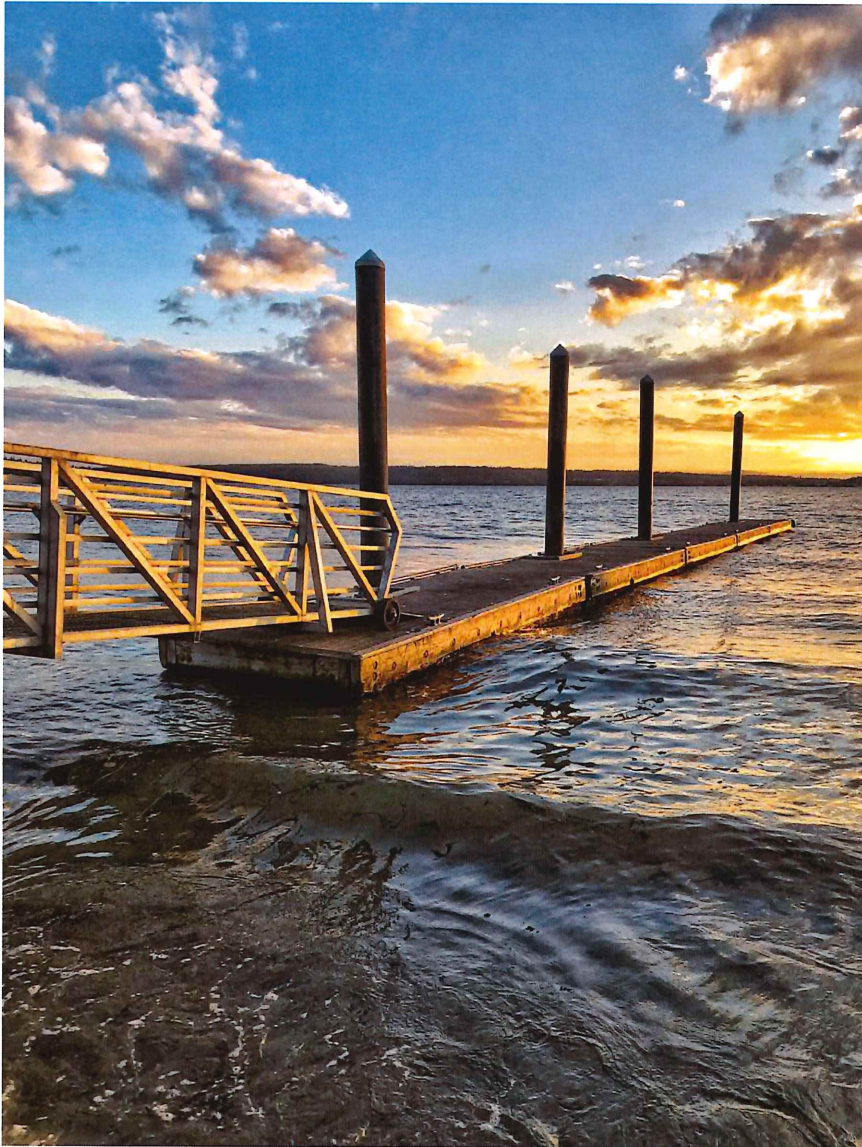
Stanwood-Camano Connection

photo credit: Judith Fernandes



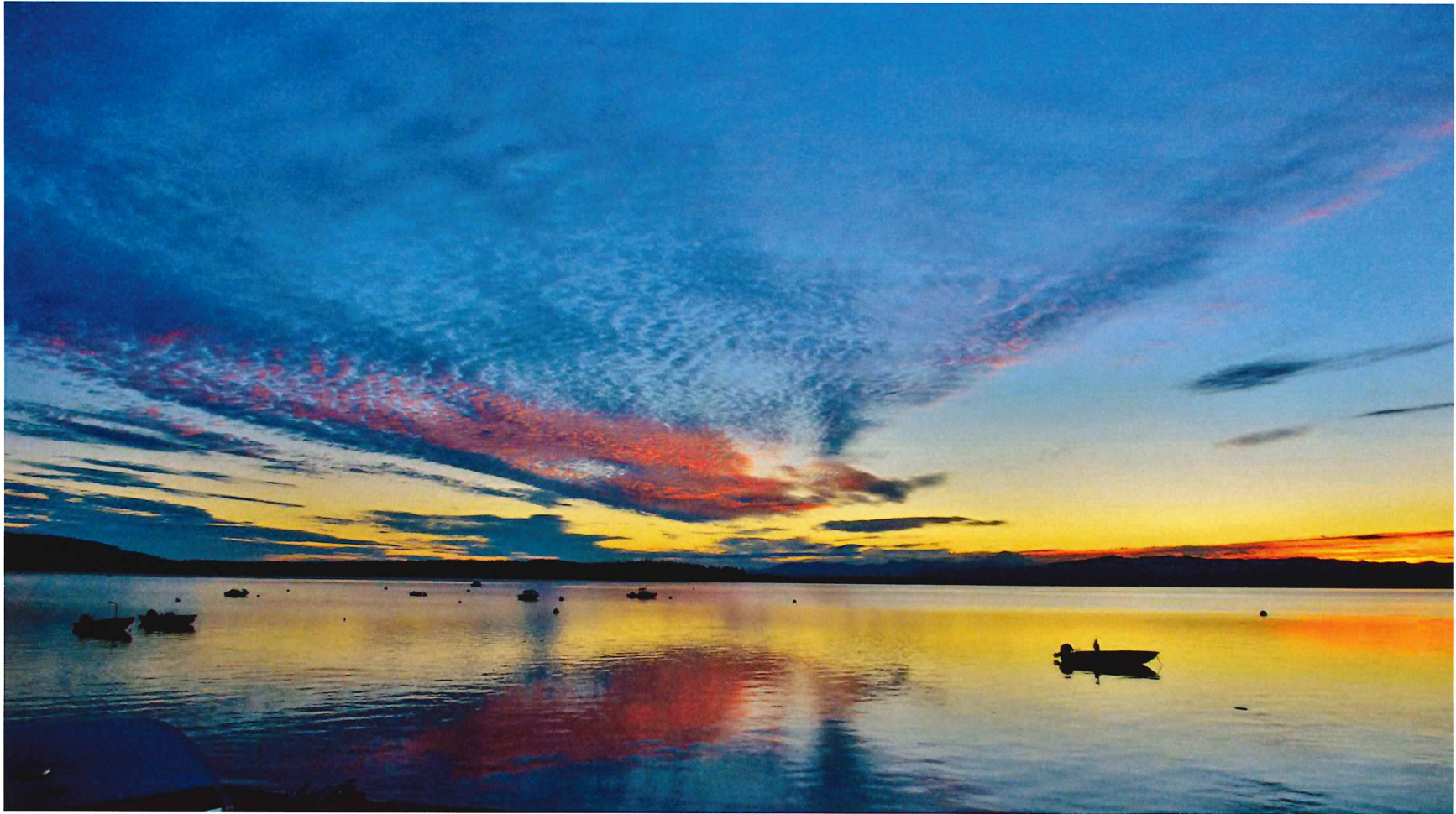
Old Pacific Highway
Stanwood, WA

photo credit: Catherine
Anstatt



Camano Island State Park
Camano Island, WA

photo credit: Jehoshua Michael Pojchaikul



Sunrise on Camano
photo credit: Nick Seegert



THANK YOU!

photo credit: Teddie Mower



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 11b

DATE: November 21, 2022

SUBJECT: Adoption of Resolution 2022-18 Emergency Proclamation

CONTACT PERSON: Kevin Hushagen, Public Works Director

ATTACHMENT A – Emergency Proclamation
B – Resolution 2022-18 Emergency Proclamation

PURPOSE

The purpose of this agenda item is to adopt Resolution 2022-18 Emergency Proclamation.

BACKGROUND

Due to the recent windstorm, damage was sustained to a number of trees in Church Creek Park. In order to keep the public safe, we closed off a large portion of the wooded area because of hazard trees. A company was called in to remove the hazardous trees to allow for our crews to continue their assessment, clean-up efforts and allow for the park to be reopened. Consistent with Section 2.80.010 of the SMC and 9.20.5 of the Financial Management Policy the Mayor declared a civil emergency to allow for services and goods to be procured as needed and without a competitive bid process. With an emergency declaration, a resolution must be adopted within two weeks.

PROPOSED MOTION

I MOVE TO ADOPT RESOLUTION 2022-18 AND RATIFY MAYOR ROBERTS' NOVEMBER 14, 2022 - EMERGENCY PROCLAMATION

**CITY OF STANWOOD
PROCLAMATION OF EMERGENCY**

WHEREAS, The City of Stanwood Public Works Director reported to the Mayor or designee on November 14, 2022 at 11:38 a.m. that there were broken, fallen and otherwise dangerous trees in Church Creek Park due to a high wind event; and

WHEREAS, immediate response and repair was required in order to mitigate health and safety risks to the public; and

WHEREAS, all support personnel from the City of Stanwood are being utilized, including the recall of off-duty personnel.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR OR DESIGNEE that

- (1) In accordance with the City of Stanwood Municipal Code, it is therefore declared by the Mayor or designee that an emergency exists in the City of Stanwood, Washington due to this high wind event; and
- (2) It is beyond the capabilities of the city resources to cope with the removal of the dangerous trees at Church Creek Park; and
- (3) The City of Stanwood authorizes the use of emergency expenditures including the waiver of hearing requirements under RCW 38.52.070(2) and RCW 36.40.180 and purchasing/contracting requirements pursuant to RCW 36.32.270.

Adopted this 14th Day of November 2022.

Mayor, City of Stanwood
Snohomish County, Washington



Sid Roberts

Attest:



Lisa Sokolik, City Clerk

RESOLUTION NO. 2022-18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, RATIFYING THE
NOVEMBER 14, 2022 PROCLAMATION DECLARING EMERGENCY AND AUTHORIZING THE USE OF
EMERGENCY PROCUREMENT PROCEDURES CONSISTENT WITH STATE LAW**

WHEREAS, the Revised Code of Washington (RCW) Chapter 38.52 authorizes the Mayor to exercise emergency powers; and

WHEREAS, Stanwood Municipal Code 2.80.010 empowers the Mayor to proclaim a state of emergency when an incident, whether natural or man-made, requires immediate responsive action to protect life and property; and

WHEREAS, on November 9, 2022, Stanwood discovered broken, fallen and otherwise dangerous trees; and

WHEREAS, immediate response and repair was required in order to mitigate health and safety risks to the public right of way and public; and

WHEREAS, RCW 36.40.180, RCW 38.52.070(2), and RCW 39.04.280(3), authorize the waiver of the requirements of competitive bidding and public notice with reference to any contract relating to the City's lease or purchase of supplies, equipment, personal services or public works as defined by RCW 39.04.010, or to any contract for the selection and award of professional and/or technical consultant contracts in emergency situations; and

WHEREAS, there is an emergency present which necessitates the utilization of emergency powers granted pursuant to chapter 38.52 RCW and other relevant provisions of state and federal law; and

WHEREAS, on November 14, 2022 Mayor Sid Roberts signed an Emergency Proclamation declaring a state of emergency exists.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON AS FOLLOWS:

Section 1. That the Emergency Proclamation signed by Mayor Sid Roberts dated November 14, 2022, declared an emergency and waived competitive bidding requirements is hereby ratified and confirmed and all acts consistent with and prior to the adoption of this Resolution are further ratified and confirmed.

APPROVED AND ADOPTED this **21st day of November, 2022.**

Sid Roberts, Mayor

ATTEST:

Lisa Sokolik, Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

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