CITY OF STANWOOD

Special Meeting of the City Council
Monday, October 22, 2018 – 5:15 p.m.
Stanwood City Hall

MINUTES

1. Dinner

Welcome and Introduction

Mayor Pro Tem White called the meeting to order at 5:32 p.m.
The following Councilmembers were present: Rob Johnson, Dianne White, Elizabeth Callaghan, Timothy Pearce, Larry Sather, and Judy Williams. Councilmember McGill was excused. The meeting was quorate.

Also present: City Administrator Jennifer Olson, Finance Director David Hammond, Public Works Director Kevin Hushagen, City Engineer/Assistant Public Works Director Shawn Smith, Senior Accountant Wendy Dowhower and Administrative Assistant Krista Hintz. Mayor Leonard Kelly arrived at 6:05 p.m.

2. **Budget Overview:** Finance Director David Hammond gave an overview:
   a. Budget Themes and Initiatives
      The themes and initiatives were established during development of the 2017-18 budget to guide budget and policy direction over the 2017-2020 period; council revisited and reaffirmed at their June 21st workshop.
      The proposed workplan and preliminary initiatives align with these themes.
   b. Economic forecast
      The consensus among economists is for GDP growth of approximately 3.2% in 2019 but leveling off/tapering to 2 percent in 2020, which is what our forecast is based on.
   c. Revenue overview
      Noted that Council has several property tax options, including levy of banked capacity and the voter-approved lift, which would enable the city to transfer one-time revenues to the building fund in support of planned construction of city facilities out of the floodplain in 2020. Hammond noted this would reduce the amount of borrowing and increase the city's reserves, which would improve credit rating and reduce borrowing cost. Discussed conservative estimates of sales tax, Real Estate Excise Taxes. Discussed impact fees, investment fees and building permit/fee are based on assumed sixty new residential properties in each of 2019 and 2020;these are in the planning process now.
   d. Fund Balance Analysis
      Discussion of chart outlining trend in fund cash reserves versus policy requirements.
   e. Debt Summary
      Brief summary of borrowing anticipated in the budget and CIP to fund capital projects during the budget period and the next two years, for both utility revenue-backed bonds and a voter-approved excess levy to build new police station/records room & City Hall campus, in the late 2020/2021 timeline. Discussion of the relative value of borrowing in larger amounts earlier, versus multiple issuances, and the risk of rising interest rates.

3. **Executive Office:** City Administrator Jennifer Olson outlined the focus of the City Administrator's role in various areas:
   Legislative agenda
   Staffing –assessing and developing strategy
   Organizational development
   Performance measurements
   Economic development initiatives
   Parks planning and maintenance

4. **Finance and Administration:** Director David Hammond described preliminary initiatives:
   Support collective bargaining
   Parks levy and financing options
   Major facility replacement financing
   Policy updates
   Electronic Records Management-potentially using Open Text with shared Snohomish County licensing
   Planning for debt issuance

5. **Community Development:** Director Patricia Love listed her department goals:
   Improving customer service
   Tourism and special events
   Growth and development
   Fee schedule
   Strategic Plan for parks

6. **Economic Development:** City Administrator Jennifer Olson presented initiatives:
   Parks & Recreation Assets
   Tourism-Discover Stanwood Camano
   Improving Business climate
   Continue with Hotel/Motel study
   Gateway Sculpture project

7. **Law Enforcement** will continue to focus on Safe and Secure Communities, Sno-Pac dispatch, School Resource Officer Jensen retiring. Records Specialist Peggy Girard retiring.

8. **Public Works:** Director Kevin Hushagen gave an overview of PW department's initiatives:
   Buildings Maintenance
   Park Maintenance
   Johnson Farm
   Streets-paving, sidewalks
   Safe Routes to School
   Staffing- understaffed in Streets, Parks, Wastewater
   UV System needs work
   Reservoir
   City Hall furnace/HVAC system

9. **Capital Improvement Plan:** Public Works Director Kevin Hushagen led discussion of streets, water, sewer, drainage, Irvine Slough Erosion Control, Impact and investment fee funded project, building improvement, and parks.

10. Mayor Kelly introduced Sid Roberts, new Planning Commission member.

11. Meeting adjourned 8:08 p.m.

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Leonard Kelley, Mayor

ATTEST:

Krista Hintz, Administrative Assistant