



Mayor Dianne White
2006-2013

After several years of belt-tightening it feels like the economy is beginning to stabilize. The city has issued more than 60 single-family residential building permits this year; double the number projected during last year's budget. The city is ending 2013 with higher than anticipated permit revenues allowing us to hire a second part-time planner to ensure we are meeting demand and maintaining good customer service. We want people to know the city is open and ready for business.

This is just one part of the city's overall economic development strategy to attract new residents, business and visitors to our distinct community. With the economic recovery just underway, the city council and I remain optimistic that slow and measured growth will continue in 2014.

My 2014 recommended budget is built around five budget priorities developed in collaboration with the city council:

1. Financial Sustainability
2. Economic Development
3. Public Safety
4. Place Making and Public Places
5. Regional Partnerships

Financial Stability

Financial speaking, 2014 will be a unique year. Property taxes are expected to increase about \$77,600 – 1% plus \$57,600 from new construction while the city's contracts with the Sno-Isle Library and North County Fire, which are based on property values, will remain flat in 2014 and then increase in 2015. As a result of changes in the city's insurance pool, benefit costs for employees will also remain unchanged in 2014. Again, we anticipate benefits will increase at a normal rate in 2015.

Sales tax revenues are conservatively projected to be about the same as 2014 - \$905,000 plus \$125,000 from new construction. Building permit revenue continues to be a big unknown factor. My recommended budget is built on the assumption the city will issue 30 residential building permits. The city needs to carefully match building permit revenues to expenditures. My recommended budget uses \$222,000 in unanticipated building permit revenue collected in 2013 to support permit activities in 2014. This carry-forward will be unnecessary with the city begins a two-year budget in 2015.

My budget includes reinstating a 5% increase in water rates through 2019 and initiating a 3.5% increase in sewer rates through 2019. The average customer will see an increase of \$2.77 per month in 2014 (\$5.54 per billing period). Increasing utility fees is not usually a popular position. However, the city has cut expenses and staffing during the economic downturn to the point where taxpayer owned assets are beginning to suffer. My recommendation is to have small annual increases that support the investment to maintain the existing system and serve future development.

Economic Development

I continue to support efforts to bring more businesses, residents and visitors to Stanwood. In 2013, the city, Chamber of Commerce and area merchant's association worked together to promote the

Stanwood/Camano area. The 2014 budget includes \$32,500 for economic development programs. The city council approved increasing the business license fee from \$35 to \$50 to help fund economic development initiatives.

The city's new website will be up and running in 2013. The new site will highlight our unique natural resources and things to see and do while in Stanwood. Next year, we will add a specific visitor information page with links on where to stay, shop and play. We will add printed marketing materials to distribute throughout the region to further attract visitors and people looking to relocate.

Part of our economic develop effort in 2014 will include \$12,000 to help fund the third year of the Port Susan Farmer's Market held from June-October in downtown Stanwood, and \$3,000 to promote the city's annual Light Up Your Holidays events held between Thanksgiving and Christmas.

Public Safety

I am very proud of our law enforcement and fire/EMS services. In 2014 we plan to continue to grow our business and neighborhood watch programs. Our first National Night Out on August 6, 2013 was a huge success. We plan to make next year's event even bigger and better. The fire department will continue to work closely with the Stanwood/Camano School District to bring fire safety and fire prevention instruction to Stanwood students. The fire department is also working to prepare the community for flooding and other emergency events. These types of partnerships build positive relationships between the city, residents, business owners and visitors.

The city spends approximately 45% of the general fund budget on public safety. The city contracts with the Snohomish County Sheriff's Office for law enforcement services and with the North County Fire District for fire and emergency medical services (EMS). Together public safety services cost \$3,164,000 of the city's \$7,053,000 general fund budget. The city's Law Enforcement Contract will expire on December 31, 2013. The recommended budget includes a 5.7% increase in the law enforcement contract in 2014.

The fire and EMS contract with North County Fire is based on the contract formula of \$2 per \$1,000 of assessed value, with the 2011 assessed value as the floor. Because the assessed value for 2014 is still below 2012, the annual fire contract will remain unchanged at \$1,280,000. The fire contract is expected to increase in 2015 as the city's assessed valuation rises above \$639 million.

The only dark cloud in the 2014 budget was the unexpected 5.7% increase in the Law Enforcement contract with the Snohomish County Sheriff's Office. The City and the Sheriff's Office worked together to reduce the cost of the contract in 2014 in order to retain a full-time detective, six deputies, two sergeants and a full-time chief. The city also contributes 40% (\$54,000) of the funding for the school resource officer serving the middle-schools and high-school. The Stanwood/Camano School District pays 60%.

Next year, your new mayor and city council will need fund a 5.7% (\$84,800) increase in the Law Enforcement contract. Law enforcement services cost approximately \$1,800,967 which is just shy of the \$2,000,000 the city receives in property tax revenues. Because the city can only increase property taxes by 1% annually, the Law Enforcement contract is expected to exceed property tax collections in 2018. As a result, I recommend the new mayor and city council adopt a long-term funding strategy to maintain

law enforcement services. This should be done without sacrificing services such as park and street maintenance.

Place Making and Public Spaces

One of the most important functions of local government is to improve the quality of life for residents and business owners. During my two terms in office I have worked hard to bring a sense of pride and ownership to our public places including our streets, parks and public buildings. 2014 is no exception.

The 2014 budget includes approximately \$7,870,481 in capital expenditures - \$3,143,000 of the budget is from grants including \$2.3 million to purchase the Ovenell property; \$156,000 to purchase the Hamilton property; and \$647,000 to install sidewalks on 68th Street between Cedarhome Elementary and 284th Street. The city plans to spend \$2.1 million to ensure an adequate water supply from our three active wells – Cedarhome, Bryant Well and Hatt Slough.

In 2013, Stanwood residents approved raising the sales tax from 8.6% to 8.8% to fund street improvements. Next year we will collect approximately \$200,000 from the sales tax increase. The proposed budget spends \$765,000 to continue our street improvement projects eliminating standing water on roadways, repaving city streets, fixing sidewalks, designing a new grid road system between QFC and RiteAid, and finishing the design for a permanent berm on SR532 to protect the city from flooding.

The 2014 budget includes \$60,000 to replace worn fences and restrooms and restore ball fields at Heritage and Church Creek Parks. The city will collect approximately \$10,000 from field users to maintain the fields in top condition. The city will spend \$745,000 from the building improvement fund to remodel city hall and the police station to improve safety, better serve the public and meet modern office standards. We will continue to look for opportunities to improve the city's historic business districts in East and West Stanwood.

Partnerships

Governing is about building partnerships with community members, business leaders, non-profit organizations and others working toward shared goals. Last year, the city signed agreements with Diking District 7 and the Stillaguamish Tribe to work cooperatively together to manage flood waters and preserve habitat. Under my leadership, the city hosted the first regional parks meeting with representatives from Island County, Snohomish County and Washington State. Next year, the city will work closely with The Nature Conservancy, Ducks Unlimited, Snohomish County Conservation District and others to develop a regional habitat destination along Port Susan Bay.

Together we can do so much more than we can do by ourselves. During my two terms in office I have served on the Community Transit Board to ensure continued high quality bus service in Stanwood. I have also served on the board of the Snohomish County Health District. I was instrumental in bringing the YMCA to Stanwood and will continue to work after my term in office to site a YMCA facility in Stanwood. I have enjoyed serving as your mayor and will continue to serve the community after my term in office expires this year.

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