

TOWN OF WOODWAY

## MAYOR'S MESSAGE

### OUR FUTURE

In these unusual and unprecedented times, the Town is beginning its annual budget building process. I want to devote this edition of The Woodway Whisper to that topic.

We often talk about the sense of “community” that exists in Woodway. As your mayor, I feel a sense of responsibility to ensure that the Town’s resources and services are consistent with the wants and needs that are important to all of us. We put this concept into practice with an annual budget that is the template for prioritizing what is important to the community.

I have two overarching concepts for building a budget: (1) it needs to be straightforward; and (2) equitable for all segments of our community.

So, here’s how we build the budget. We conduct zero base budgeting, which means we start from scratch each year. Just because an expenditure category was utilized one year, doesn’t guarantee funding for the upcoming year. Along with this fresh start, we also review historical budgets and consider what we “actually spent,” not what was budgeted. So, in that way, we are benefiting from actual experience, not assumptions.

We are conservative in our budget building: expenditures are typically identified at the higher end

and revenues are identified at the lower end. By doing this, we protect the budget from unnecessary fluctuations. The State requires an official budget amendment when expenditures exceed the budgeted amounts. If that happens, it is not the end of the world, but we do attempt to minimize this as much as possible.

#### *Historical Background*

As you also know, the Town has developed a forecast model that spans ten years forward, so that we can see the effect of small changes to our revenues and expenditures and identify when we would return to the community to request a change in the levy rate for property taxes. Because the Town does not have a commercial tax base, our sources for revenue come down to two sources: property taxes which represent 68% of our 2020 operating revenue and utility taxes which represent 11%. This situation is both a curse and a blessing: we are limited due to only having these revenue sources and we are spared the ups and downs of being dependent upon commercial activity to help fund our operations.

In the early years of Woodway, the Council had the option of raising the total property tax amount by a

*Continued on Page 2*

KEEP UP THE PHYSICAL DISTANCING  
WHILE WALKING & BIKING IN  
WOODWAY—SIX FEET APART KEEPS US SAFE

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## MAYOR'S MESSAGE, CONTINUED

standard 6% per year. The Council chose that option for many years until the Tim Eyman tax limits were set in place and property tax increases were limited to only 1% -- less than the rate of inflation.

Communities could still raise taxes more than 1%, but only if a community vote was held and a majority agreed to the increase. Woodway residents voted to approve a levy increase in 2009. But seven years later, in 2016, a second community vote to increase property taxes was defeated.

The Council and I took that defeat to heart, and we started by identifying which services were state-mandated and required vs. those services that Woodway residents had come to enjoy and even expect. We then set about making reductions in staff (e.g. the Clerk's office, police officers, seasonal public works staff) and services (e.g. reduced hours for permit processing; discontinuing house checks by police officers, no new ROW garden development, and discontinuing summer flower baskets and chipping services). These actions and tight budgeting for the years following the election defeat have allowed the Town to continue providing a lower but necessary level of services.

If the next year's budget, which includes additional sources of revenue, can be adopted and our forecast model assumptions are accurate, a new community vote would not be necessary in the near future. The Town had originally estimated that a community vote would be necessary every seven years, but we are now in our eleventh year of operation since that first increase to our levy rate

### *Challenges to Building the Budget*

#### Revenues

Revenues are fairly static, because property taxes are limited to a 1% increase and utilities are taxed at 6%.

Historical data for utility usage is considered when we establish these revenue projections.

Building activity is the most volatile category, as we rarely know which properties will be developed in the coming year. There are a few vacant lots in Town. While many sit undisturbed for years, a sudden spurt of development activity can occur with little advance notice. Also, sales tax revenue from new construction is considered.

Residents have repeatedly urged me to look for new sources of revenue and two areas have been identified. The first relates to the Town's transfer of our sewer utility in 2004 to Olympic View Water and Sewer District. A condition of that transfer was that, after seven years, the Town could charge Olympic View a fee for using our public lands to operate their water and sewer utility. The fee in the agreement was a rate equivalent to the fee Olympic View pays to any other jurisdiction. Olympic View currently pays a 10% franchise fee to the City of Edmonds.

The Council has not imposed this fee for the past ten years. At its meeting on October 19, Council will consider adding this fee as part of the upcoming 2021 budget. This new revenue will generate approximately \$60,000 a year for our operating budget.

The second new revenue source is also related to water and sewer services. The Washington State Supreme Court recently affirmed the authority of local governments to impose a tax on the utility services of other governments. Like many local governments, the Town currently imposes a 6% tax on telephone, cable, natural gas, and electricity. The Council will be considering whether to extend this tax to water, sewer, and stormwater utilities. This new revenue will generate approximately \$45,000 a year for our operating budget.

While these taxes and fees are technically imposed on

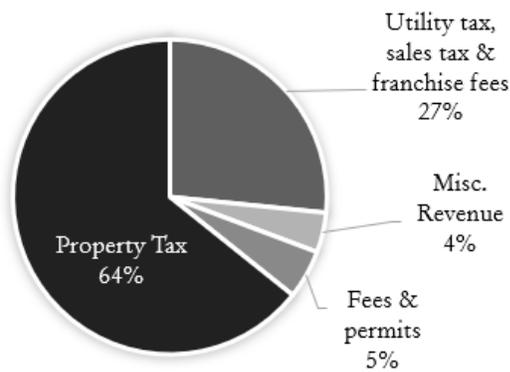
## MAYOR’S MESSAGE, CONTINUED

the utility district, it is likely that they will be passed along to the utility customer. I view this proposal as a user fee, which is the most equitable approach to raising revenue. The rate one uses a particular utility determines their monthly bill.

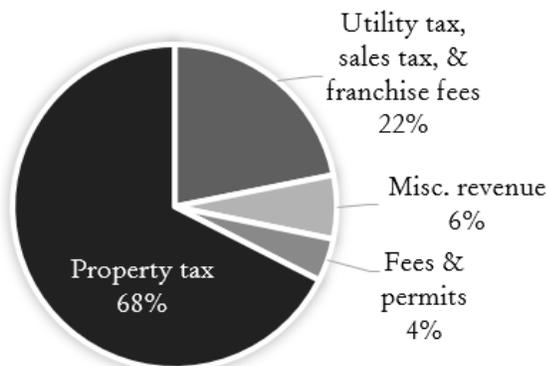
In an effort to determine how monthly utility bills will change under these two revenue strategies, Town staff researched other communities and their experience with utility taxes. While each community has a different approach, the Town’s rates, with the tax and fee, will remain roughly similar to rates charged within other communities near us.

To summarize, the 2021 proposed revenues are depicted in the following pie chart. I’ve included 2020 for reference.

**2021 PROPOSED  
OPERATING REVENUES - \$1.81M**



**2020 BUDGETED  
OPERATING REVENUES - \$1.71M**



### Expenditures

Our largest categories of expenditures are for staff salaries and benefits and our police and fire service contracts. There is very little room for adjustment in these categories. Most of the services provided by our staff or through these contracts are state mandated or what most people would consider essential.

Staff salaries are set by the Mayor and approved by Council. For 2021, staff salary increases, which are based on the Consumer Price Index for the Puget Sound region, will increase by less than 1%. Our service contracts for fire and emergency medical services include a 3% annual increase.

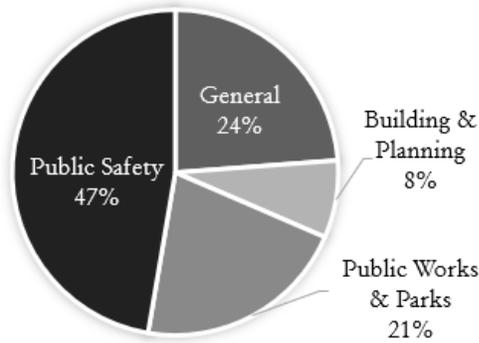
Another area that we have little control over is contract services provided by our consulting engineers and attorneys. It is next to impossible to estimate when a litigation issue will emerge between residents, and when the Town is identified as potentially liable or is responsible for enforcing the law. To protect all residents, the Town will employ legal expertise and sometimes, technical expertise such as engineers and geotechnical experts. We review historical activity in these areas each year to arrive at a sound estimate.

A new initiative under consideration is management of public, mature trees located alongside our roads or in our parks. There are several areas in Town where an aggressive virus has attacked and killed our trees. The Council will consider whether funds should be used to aggressively identify these trees, remove them for safety reasons and then replant with trees that are resistant to these diseases.

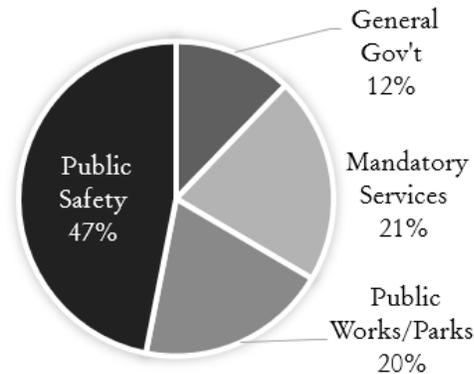
Otherwise, there will not be any other significant increases to the Town’s operating budget for 2021. It will be a “hold steady” year. Please see the pie charts on the following page which display our proposed expenditures. Again, 2020 is added for your reference.

# MAYOR'S MESSAGE, CONTINUED

## 2021 PROPOSED OPERATING EXPENSES - \$1.95M



## 2020 BUDGETED OPERATING EXPENSES - \$1.91M



### Replacement Reserves and Capital Projects

We do have some capital expenditures that are not counted in the annual Operating Budget. A purchase of a new utility vehicle for Public Works was scheduled for 2020, but we have deferred that purchase until 2021. That expenditure will be funded from our Replacement Reserves budget (we set aside \$20,000 every year in anticipation for planned replacement of major capital expenses, such as vehicles and building equipment).

Our Capital Projects fund supports road overlays. Major projects in our Transportation Improvement Plan included road overlays in the Estates and in the Highlands. These projects are accomplished through a contract with Snohomish County. This contractual

arrangement is financially attractive, as the Town benefits from the negotiating power of a large entity. This approach has saved the Town hundreds of thousands of dollars over the years.

### What is next? How can residents get involved?

The timing of our budget deliberations is dictated by state regulations, with major actions requiring public input through public hearings. Here's the schedule:

**October 5:** *Introduction of the revenue ordinance and Proposed 2021 Budget.* Councilmembers were invited to submit ideas to include in the 2021 budget. No formal action was taken at this meeting.

**October 19:** *Public Hearing on the 2021 revenue sources.* See page 7 for participation instructions. This hearing is required by state law; public participation is encouraged. Additional time will be set aside to allow residents to comment on the proposed franchise fees and utility taxes on water and sewer services. If you have thoughts about the proposed increases on water and sewer usage and the franchise fee charges, this is your time to communicate. *Public Hearing on the Preliminary 2021 Budget.* This is also a state requirement. The proposed 2021 expenditures will be reviewed and Council suggestions will be added to the budget. Preliminary ideas include more aggressive management of public trees and implementing traffic calming strategies, since this has long been a concern of both residents and the Council.

**November 2:** *Public Hearing on the Final 2021 Budget.*

The full budget will reviewed at a final public hearing. The Council could vote on the budget at this meeting or defer final action to either November 16 or December 7. The Town's website will communicate the final meeting dates as we move through this process.

## POINT WELLS UPDATE

*By Eric A. Faison, Town Administrator*

If you recall, the courts gave Blue Square Real Estate (BSRE), the owner of Point Wells, the right to resubmit its development application for Point Wells after Snohomish County determined that the original application was legally deficient. BSRE resubmitted its application last December.

As part of its resubmittal, BSRE requested several variances from County code requirements. The variance requests included a variance from the County's landslide hazard regulations and the County's building height rules. County staff recommended that the County Hearing Examiner reject not only the variance

requests, but the application as a whole.

BSRE requested that the Hearing Examiner delay setting the hearing date on these matters until other pending litigation is resolved. County staff objected to a delay, and the Hearing Examiner agreed. The Hearing Examiner set the hearing date for next month.

The hearing will now take place via Zoom on Wednesday, November 4. Public comment will begin at 2 p.m. Please contact Pamela Yount, the County's Administrative Hearings Clerk, for additional information or if you would like to submit public comment. She can be reached at [pamela.yount@co.snohomish.wa.us](mailto:pamela.yount@co.snohomish.wa.us).

## COMP PLAN & DEVELOPMENT REGULATION HEARINGS

*By Eric A. Faison, Town Administrator*

In accordance with the Town's agreement with the City of Shoreline, Town staff has had regular meetings with Shoreline staff to jointly update each jurisdiction's comprehensive plan and development regulations. These are updates to existing provisions that will become applicable should the Town Council decide at some point in the future to annex Point Wells.

Examples of the types of provisions being updated include placing limitations on building height and traffic, updating open space and parking requirements, and providing design standards applicable to buildings and the streetscape. We believe that these changes will limit overall density at the site (consistent with the 400-800 unit projection contained in the Woodway/Shoreline interlocal agreement) and result in a development that is aesthetically pleasing and more in character with the surrounding communities. The changes also allow for the possibility that the property is redeveloped as a waterfront residential community of not more than twenty-four single-family homes. Please

note that these provisions will only be effective if the property is annexed by the Town. The proposed amendments can be found here: [https://www.townofwoodway.com/your\\_government/building\\_and\\_planning/point\\_wells.php#revize\\_document\\_center\\_rz1107](https://www.townofwoodway.com/your_government/building_and_planning/point_wells.php#revize_document_center_rz1107)

The Town's Planning Commission will be hosting public hearings on the proposed amendments on Wednesday, October 21 at 7 p.m. Due to COVID-19, the public hearings will take place virtually, via Microsoft Teams. Directions for participation in the virtual public hearings can be found on page 7. Written comments and live participation are welcomed.

The Planning Commission's public hearings will not be your only opportunity to comment. The Planning Commission will be making a recommendation to the Town Council, which will hold multiple public hearings on the proposed changes, at the first meeting in November and at the first meeting in December. Please contact me at [eric@townofwoodway.com](mailto:eric@townofwoodway.com) with any questions.

# TOWN OF WOODWAY NOTICE OF PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN that the Woodway Planning Commission will hold two Virtual Public Hearings on Wednesday, October 21, 2020 at 7:00 p.m. and the Town Council will hold two Virtual Public Hearings at each meeting on November 2 and December 7, 2020 at 6 p.m.

The purpose of the first public hearing of each meeting is to consider comment regarding amendments to the Woodway Municipal Urban Growth Area Subarea Plan that includes renaming the subarea plan to Point Wells Subarea Plan 2020.

The purpose of the second public hearing of each meeting is to consider comment regarding amendments to the Urban Village Zone District (WMC 14.40) and adopting a new chapter entitled Urban Village Design Standards (WMC 14.60).

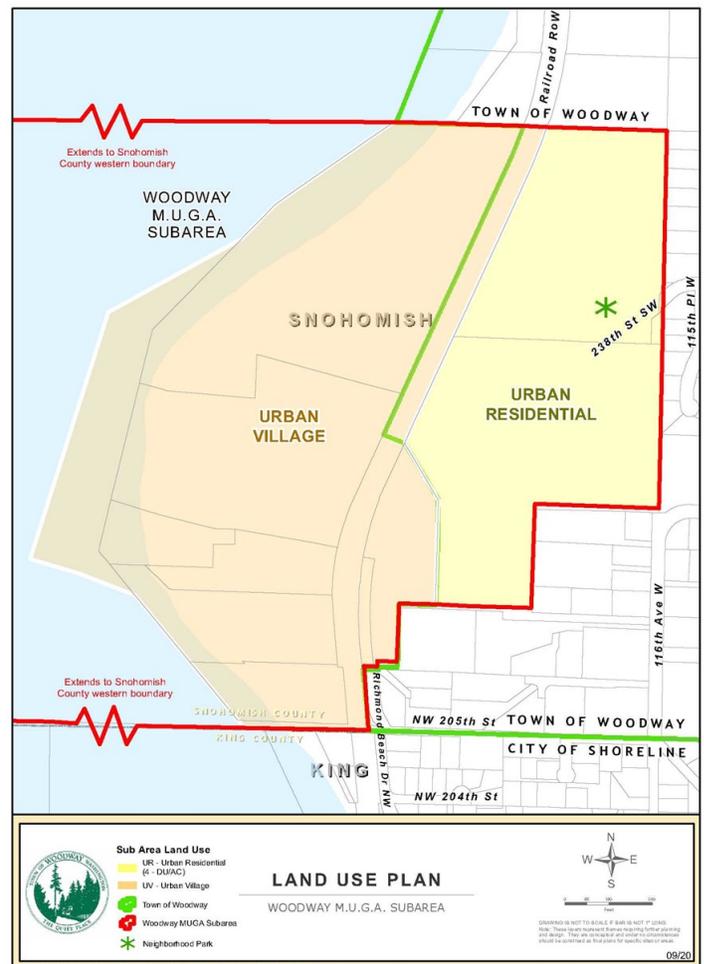
You can call in to listen to the meetings by telephone or you can join virtually via Microsoft Teams. The instructions and links will be available in the calendar on our website: <https://www.townofwoodway.com/calendar.php> and on the Official Notices page: [https://www.townofwoodway.com/your\\_government/notices.php](https://www.townofwoodway.com/your_government/notices.php).

Any interested person(s) may provide oral and written public testimony regarding these issues at the virtual public hearings. Directions for participation in the virtual public hearings can be found with the meeting links the on the Town’s website. Written comments may also be submitted prior to the public hearings to Heidi Napolitino, Clerk-Treasurer at [heidi@townofwoodway.com](mailto:heidi@townofwoodway.com). If for any reason these hearings cannot be completed, the Planning Commission or Town Council may continue them to

another date. No further notice of a continued hearing is required.

The Town of Woodway will attempt to accommodate any special needs of those wishing to attend. If you require special accommodations or have other questions about the public hearings, please contact Heidi Napolitino, Clerk-Treasurer at [heidi@townofwoodway.com](mailto:heidi@townofwoodway.com) a minimum of three (3) working days prior to the meeting date.

Heidi K. S. Napolitino, Clerk-Treasurer



## TOWN COUNCIL CORNER

### General Government:

- Reviewed the 2nd Quarter 2020 Financial Report.
- Held a study session on long-range financial planning.
- Heard a presentation by Shawn Frederick, Administrative Officer at Snohomish Health District.
- Authorized the Mayor to sign the Interlocal Agreement with Snohomish Health District, providing for a per capita contribution by the Town for Health District Services.
- Approved Ordinance 2020-617 – Update to Woodway Municipal Code Chapter 4.04 Cable Communications Franchises.
- Held a public hearing on the Franchise Agreement with Comcast Cable Communications Management, LLC, locally known as Comcast.
- Approved Ordinance 2020-618 – Comcast Cable

Franchise and Side Letter.

- Discussed the 2021 draft budget.

### Land Use & Planning:

- Authorized the Mayor to sign the First Amendment to Interlocal Agreement for the Watershed Basins Within Water Resource Inventory Area 8 (WRIA 8), which would allow Snohomish County to rejoin the agreement.
- Reviewed the proposed Woodway MUGA Zoning Code & Comp Plan Amendments

### Public Works & Lands:

- Held a public hearing on the : Six-Year Transportation Improvement Plan (TIP) 2021 2026.
- Approved Resolution 2020-421: Six-Year Transportation Improvement Plan (TIP) 2021 2026.

ELECTION REMINDER: THERE IS A BALLOT DROP BOX AT TOWN HALL

## WOODWAY OPENS NEW TRAILS

*By Carla A. Nichols, Mayor*

If the COVID situation has introduced a bit of cabin fever at your house, the Public Works staff have just presented you with a gift: a new network of trails in the middle Reserve. You won't have that cooped up feeling any longer when you stroll down the newly created walking paths.

There are three ways to enter this area: through the new gate located on the western side of Timberlane Road, the entrance gate by the playground, or the gate located on the east side of 114th Street.

Thank you, Terry, Scott, and Collin. We needed this!!!!

### YOUR PARTICIPATION MATTERS!

To view or listen to a Town Council or Planning Commission meeting, visit the calendar on our website. All login and phone information will be listed in the calendar event for each meeting. If you would like to register to speak at one of the upcoming public hearings, instructions will be available in the calendar event or by emailing [heidi@townofwoodway.com](mailto:heidi@townofwoodway.com).

Please call Town Hall or email Heidi if you need assistance connecting to a meeting.

We are here for you!



# TOWN OF WOODWAY

23920 113<sup>th</sup> Place West  
Woodway, WA 98020

## FALL 2020 NEWSLETTER



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### TOWN INFORMATION

#### TOWN HALL DIRECTORY:

Class	Code City
County	Snohomish
Population	1360
Business Hours	Town Hall closed due to COVID-19.
Permit Counter Hours	
Town Hall Phone	(206) 542-4443
Public Works Phone	(206) 542-0183
Website	<a href="http://www.townofwoodway.com">www.townofwoodway.com</a>
Email addresses	See staff & elected official contact information on our website
Mayor	Carla A. Nichols
Council Meets	1st & 3rd Mondays, 6:00 p.m.
Planning Commission Chair	Per Odegaard
Planning Commission Meets	1st Wednesday, 7:00 p.m.

#### TOWN HALL STAFF:

Town Administrator	Eric A. Faison
Clerk-Treasurer	Heidi K. S. Napolitano
Deputy Clerk/Permit Tech	Jill McCammon
Public Works Director	Terrance R. Bryant, Jr.
Public Works Crew	Scott Wynne
	Collin Harlow
Town Attorney	Greg Rubstello
Building Official/Plan Checker	Tom Phillips
Building Inspector	Scott Dorrance
Police Chief	Doug Hansen
Fire Marshal	Derek LaFontaine
Town Planner	Bill Trimm
Town Engineer	PACE Engineers
Town Hearing Examiner	John Galt
<b>EMERGENCY</b>	<b>911</b>

#### TOWN COUNCIL MEMBERS:

Brian Bogen, Andrew DeDonker, Elizabeth Mitchell, Mike Quinn, & Tom Whitson

#### LOCATIONS OF THE TOWN BULLETIN BOARDS:

Woodway Park Road at Algonquin Road  
North end of Chinook Road  
Bella Coola Road west of Makah Road

Timberlane Road at 240<sup>th</sup> Street S.W.  
114<sup>th</sup> Avenue W. at 239<sup>th</sup> Place S.W.  
Willowick Road, north side