

TOWN OF WOODWAY
COUNCIL RETREAT AGENDA

THURSDAY, JUNE 3, 2021
2:00 P.M.

Hybrid meeting

In-person at Town Hall | 23920 113th Place W. | Woodway, WA 98020
Virtually via Teams due to the Governor's Stay-at-Home order

- 2:00 P.M. Call to Order & Roll Call
- 2:00 P.M. I Department Updates:
- *Town Administrator*
 - *Clerk's Office*
 - *Building*
 - *Planning Commission*
 - *Public Works*
 - *Police*
- 3:00 P.M. Break
- 3:10 P.M. II Rights-of-Way Plantings & Maintenance
- 3:40 p.m. III Long-term Financial Update
- 4:10 P.M. Break
- 4:20 P.M. IV Point Wells
- 5:20 P.M. Dinner Break
- 5:40 P.M. V Communication Strategy
- 6:10 P.M. VI Other Issues
- 7:00 P.M. Adjournment

Council agendas are subject to change before or during the council meetings upon motion. All times are approximate.

Anyone with a disability requiring special accommodations should contact the Town Clerk's Office at Town Hall or call (206)542-4443 before 1:00 p.m. the Monday preceding the Council Retreat. For TDD relay service, call (206)587-5500, or outside the Seattle area #1-800-833-6388.

MEMORANDUM

To: Town Council
From: Eric Faison, Town Administrator
Subject: Council Retreat
Date: June 3, 2021
Cc: Mike Quinn, Mayor

DEPARTMENT UPDATES

Town Administrator

- **Responsibilities:** Supervise all staff, manage day-to-day operations, manage legal issues and finances of the Town, conduct long-range financial planning, handle special projects, address resident concerns/complaints, and assist in communications and code enforcement.
- **Current Projects:** Point Wells (litigation, code updates, annexation planning/analysis), sewer planning, Twin Maples stormwater, financial planning.

Clerk-Treasurer's Office (including Deputy Clerk)

- **Responsibilities:** Maintain the Town's accounting (accounts payable/receivable, reconciliations, annual report) and payroll system, process utility billing and business licenses, provide IT support and front desk reception, assist, draft and publish public communications (e-Newsletter, Whisper and website), serve as custodian of Town's records and public documents (and public records requests), supports and attends Council and Planning Commission meetings, prepares and distributes public meeting agendas, materials and minutes, ensures human resources compliance/documentation, maintains inventory of Town equipment and property, serves as notary public, and prepares and codifies as required Town ordinances and resolutions.
- **Current Projects:** Annual Report, records management, Town Hall A-V/phone/internet research and implementation, process documentation & improvement in advance of Deputy Clerk/Permit Technician retirement
- **Needs:** Increase staffing, time for training and vacations

Building (including Deputy Clerk/Permit Technician, Building Official, and Building Inspector)

- Responsibilities: Review and draft code updates for compliance with state building regulations, review development applications for code/legal compliance, process, review and issue permits, conduct building inspection, and assist in code enforcement.
- Current Projects: International Wildland-Urban Interface Code implementation, reduce setbacks requirements in the R-43 and R-87 for AC units and generators, implementation of MyBuildingPermit.com software.
- Metrics: Permits issued
 - 2018: 59 issued
 - 2019: 95 issued
 - 2020: 121 issued
 - 2021: 38 issued YTD
- Needs: Divide Deputy Clerk/Permit Technician position into two half-time jobs.

Planning Commission (including Town Planner)

- Responsibilities: Prepare and conduct public hearings and develop recommendations to Council on amendments to Town's comprehensive plan, subarea plans and various development regulations (including the zoning ordinance, subdivision regulations and critical area regulations). The Town Planner also serves as the Town's SEPA Official – reviewing development applications and permits for environmental issues.
- Current Projects: Review Snohomish County Buildable Lands Report for Woodway and the Woodway Municipal Urban Growth Area (Point Wells), issue decision on Greenwood Final Short Plan, and update Town's critical area regulations regarding landslide hazard areas.
- Needs: Will need a new member in January 2022.

Public Works

- Responsibilities: Provide improvements to and maintenance of Town streets, parks, stormwater system and public assets/facilities/equipment, serve as code enforcement officer, provide animal control, review and process tree and right-of-way permits.
- Current Projects: Twin Maples stormwater project, Town Hall painting and refreshing parking area, six-year street plan, catch basin cleaning (1/3 of all catch basins), replacing signs (1/4 of street signs), removal of invasive species in parks, tree removal in Town ROW, compile speed counts, street paving coalition, grant application.
- Metrics:
 - 30-40 tree and ROW permits issued per year.
 - 80 hours a week in PW crew time. 54 hours allocated to:
 - New Town Hall (20 hours per week in weeding and mowing April through September and 5 hours per week in elevator/painting/maintenance year-round).
 - Playground (6 hours per week in inspections and maintenance, including 40 hours per year of major repairs, painting and woodchip replacement).

- Two parks (6 hours per week in inspections and maintenance, including 50 hours per year of vegetation management and chip placement).
- 14 Garbage cans (6 hours per week emptying the garbage, replacing bags, and repairs and replacement).
- Radar Signs (2 hours per week for placement and battery charging, which does not include traffic counts).
- Bio-Swales (5 hours of maintenance per week).
- Roadside Gardens (4 hours of maintenance per week).

26 remaining hours of crew time for line trimming, mowing, weeding, hedging, sign cleaning and replacement. Does not include special projects, such as painting the inside of Town Hall, installation of the pavilion, the playground, the adult exercise equipment, lawn and landscaping of Town Hall (twice), installation of the rock patio and history board, park trails, benches and picnic table.

- Needs: Increase staffing and increase overall compensation.

Police

- Responsibilities: Provides police patrols and traffic enforcement. Addresses code complaints (such as noise and dog violations). Coordinates with the Town’s public safety partners (i.e., Edmonds police, Snohomish 911, Snohomish County District Court and Snohomish County Jail).
- Current Projects: Recruitment.
- Metrics: 124 traffic citations in 2019, 61 in 2020.
- Needs: We have two vacancies.

RIGHTS-OF-WAY PLANTINGS & MAINTENANCE

Led by Councilmember Elizabeth Mitchell. Discussion focuses on planning and funding for development of Town-wide right-of-way enhancement and maintenance.

LONG-TERM FINANCIAL UPDATE

Background

At the first Council meeting in May, Council reviewed the Town’s financial forecast from December 2020, and saw the effect of a recent change in State law. The new law allows the Town, for the next three years, to pay for operations and maintenance of the Town’s rights-of-way (ROW) and parks with the greater of 35% or \$100,000 of available real estate excise tax (REET) funds. The Town has approximately \$1 million in currently available funds, and projects \$120,000 a year in new revenue. Council was supportive of the use of the funds as described. I currently estimate the total amount available to be \$697,000, with the following effect on our financial forecast:

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Adopted Beginning Year Cash Balance | 1,536,851 | 1,426,007 | 1,331,327 | 1,144,036 | 987,271 | 757,886 | 509,305 | 177,975 | (182,461) | (632,562) |
| May 2021 Updated Cash Balance w/REET | 1,536,851 | 1,743,761 | 1,872,231 | 1,758,230 | 1,573,263 | 1,314,108 | 1,034,108 | 669,627 | 274,217 | (212,772) |
| Projected REET Balance as Budgeted | 1,001,443 | 876,443 | 861,443 | 866,443 | 926,443 | 986,443 | 1,046,443 | 1,106,443 | 1,166,443 | 1,226,443 |
| Revised REET Balance after Expenditure | 1,001,443 | 706,443 | 264,343 | 169,343 | 229,343 | 289,343 | 349,343 | 409,343 | 469,343 | 529,343 |

Note that the revised REET balance includes currently budgeted road overlays planned for 2022 (based on County estimated prices). Also, the available amount may increase or decrease, depending on REET revenues over the applicable time period.

American Rescue Plan Act (ARPA)

Another recent development is the allocation of Federal funds (ARPA) that the Town anticipates receiving over the next couple years. At its May 3rd meeting, Council supported use of part of these funds for two Public Works summer help positions, and the staff expects part of the funds to be needed to purchase equipment necessary to allow for mixed-format Council and Planning Commission meetings. This should leave approximately \$250,000 that can be used under the law to reimburse the Town for lost revenue due to COVID-19. I estimate the following effect on our financial forecast:

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|
| Revised Balance w/ARPA | 1,536,851 | 1,743,761 | 2,155,424 | 2,069,669 | 1,914,444 | 1,686,604 | 1,439,573 | 1,109,796 | 750,917 | 302,377 |

Staffing and Compensation Recommendation

To address the staffing issues raised during the earlier department presentations, I recommend that we divide Deputy Clerk/Permit Technician position into two half-time jobs upon Jill's retirement in November. I also recommend that we add back, on an ongoing basis, the summer help temporary position in the Public Works Department. I estimate the following effect on our financial forecast:

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|-----------|
| Revised Balance w/ARPA & DC & PW | 1,536,851 | 1,743,761 | 2,094,896 | 1,945,262 | 1,717,674 | 1,413,527 | 1,086,047 | 671,472 | 223,226 | (319,479) |

While these changes address staffing needs, they do not address compensation concerns. Our forecast has always included an annual 4% increase in compensation. However, we have not usually implemented the increase. Instead, we have only granted CPI-based wage increase, which for last year was 0.9%. We have not recognized market increases or years of experience. As a result, we have had to do more dramatic increases every few years when we do compensation comparisons. I recommend that we change this practice and, as a policy, grant the 4% raises annually. This change would have no effect on our forecast.

As for compensation levels, we do not yet have AWC's compensation comparison data. I expect that the report will be completed in August. Based on the 2019 report, in my professional opinion, our overall compensation is about \$50,000 less per year than where we should be. If we were address compensation levels by implementing this change in 2022, I estimate the

following effect on our financial forecast, which includes an additional \$15,000 in associated benefits:

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|---------|---------|-----------|-----------|
| With REET, ARPA, staffing and pay | 1,536,851 | 1,743,761 | 2,029,896 | 1,811,875 | 1,512,352 | 1,132,556 | 725,539 | 227,355 | (308,766) | (943,812) |

Levy Analysis

So, the next logical question is, what would it take to maintain our \$1 million reserve through 2030 if we were to implement these various changes. The first thing to note here is that there is no set rule. So, the analysis below merely shows comparative examples of several scenarios.

- **2020 Budget:** Our original 2020 budget projected that, to maintain at least \$1 million in reserve through 2030, we would return to voters in 2024 with either a one-time increase of 27% or, alternatively, a six-year levy in 2023 with an annual increase of 6.5%.
- **2020 Budget (with REET change):** With the change in REET, we estimate that if we returned to voters with the same timeline, we could do either a one-time increase of 17% in 2024 or a six-year levy in 2023 with an annual increase of 4.75%.
- **Budget with Staffing Changes** (including the Clerk’s Office and PW staffing changes, but not including the \$50,000 salary adjustment): We could return to voters in 2024 with either a one-time increase of 22.75% or a six-year levy in 2023 with an annual increase of 5.8%.
- **Budget with Staffing & Compensation Changes:** We could return to voters in 2024 with either a one-time increase of 33% or a six-year levy in 2023 with an annual increase of 7.8%.

The chart below illustrates the comparison. Please note that the one-time levy establishes a new base for subsequent levies, which will increase by 1% annually. The six-year levy will establish a new base for each year of the levy, upon which the relevant percentage will be calculated, until the seventh year, which will increase by 1% annually.

| | 2024 One-time Levy | 2023 6-year Levy |
|----------------------------------|--------------------------|------------------------|
| Original Budget | 27.0% | 6.5% |
| Original Budget w/REET | 17.0% | 4.8% |
| Budget w/REET/ARPA/Staffing | 22.8% | 5.8% |
| Budget w/REET/ARPA/Staffing/Comp | 33.0% | 7.8% |

These percentages translate to the following amounts on a \$1 million home (note that the amount shown for the six-year levy is the first year of six yearly increases in the levy).

| | 2024 One-time Levy | 2023 6-year Levy |
|----------------------------------|--------------------------|------------------------|
| Original Budget | \$ 397 | \$ 96 |
| Original Budget w/REET | \$ 250 | \$ 70 |
| Budget w/REET/ARPA/Staffing | \$ 334 | \$ 85 |
| Budget w/REET/ARPA/Staffing/Comp | \$ 485 | \$ 115 |

Reserve Policy

For the final budget item, last July we briefly discussed the idea of adopting a policy change that would separate our \$1 million minimum unallocated operating budget balance (“Town Reserves”) into categories. Council stated that it would discuss this issue at a future retreat. As a reminder, below is a comparative chart that I previously shared with you last November when Council affirmed its policy of maintaining \$1 million in reserve.

| City Reserves Comparison | | | | |
|--------------------------|---------------|---------------------|---------------|-------------------|
| City | Budget | Unallocated Balance | Reserves | Total % of Budget |
| Brier | \$ 3,993,957 | \$ 3,014,587 | \$ - | 75% |
| Clyde Hill | \$ 4,453,600 | \$ 326,545 | \$ 3,222,070 | 80% |
| Edmonds | \$ 50,315,875 | \$ 12,127,388 | \$ 1,966,973 | 28% |
| Fircrest | \$ 5,800,000 | \$ - | \$ 3,250,000 | 56% |
| Medina | \$ 7,556,485 | \$ 1,583,725 | \$ - | 21% |
| Normandy Park | \$ 5,400,000 | \$ 850,000 | \$ 500,000 | 25% |
| Shoreline | \$ 50,306,395 | \$ 9,649,869 | \$ 10,433,661 | 40% |
| Steilacoom | \$ 5,650,000 | \$ 4,000,000 | \$ - | 71% |
| Woodway | \$ 1,977,850 | \$ 1,536,027 | \$ - | 78% |
| Yarrow Point | \$ 1,701,886 | \$ 1,790,402 | \$ - | 105% |

Cities who designate reserves may identify a variety of categories. The most common types of reserves are:

- Contingency Reserves
- Rainy Day Funds
- Emergency Reserves
- Current and Future Capital Needs Reserve
- Liability Reserves for compensated absences, pension, post-employment benefits (OPEB), unemployment

If Council chooses to identify categories of funds, I would recommend that we include the following categories and amounts:

- Contingency Funds: \$400,000 (approximately two months of Town operating expenses)
- Emergency Reserves: \$600,000 (for catastrophic events, including those that must be paid for upfront even though the expense may be eligible for FEMA reimbursement)

Note: some cities restrict the use of the Emergency Reserves to an affirmative vote of a super majority of Council.

As a final matter, I know that you have received a suggestion that we combine our REET balance with our reserves, with the intent to delay when we would have to return to voters. First, I will state that we use REET regularly in accordance with State law to repave our roads and for major park projects. The funds do not remain static. And lastly, according to my projections, this combination would have limited effect – delaying a return to voters by one year. It would not change the rate of increase needed to maintain the \$1 million reserve level.

POINT WELLS

At the retreat, I will provide a legal update. I also will highlight proposed changes to the Town's code to match the County's code, and I will provide new information that we recently received regarding the County's buildable lands analysis. As a reminder, under our agreement with the City of Shoreline, the Town must start the annexation process no later than June 2023, or Shoreline has the right to pursue an annexation of Point Wells.

Several areas for Council discussion include:

- Identifying Council questions, concerns, and preferences.
- Discussing if and when we should engage the property owner in discussions.
- Outlining elements of a public communication plan.

COMMUNICATION STRATEGY

Led by Councilmember John Brock. Discussion items identified in the attached document.

OTHER ISSUES

Several other topics identified by Council for discussion at this or future meetings include:

- Olympic View assumption
- Twin Maples sewers
- Woodway Ready!
- Fire/Police contracts
- Succession planning

Communications

“Lack of communication leaves too much room for the imagination.” - Unknown

Revised 30 May 2021 - John Brock

Improved communication between the Town, Mayor, and Council with Woodway residents directly benefits everyone. If interested citizens have the same information we do, they will likely come to the same conclusions for the same reasons we have. This should result in a few citizens becoming more involved with the details of Town business. Better communication leads to better interaction and input particularly on sensitive subjects like Point Wells and a future operating levy. This should help reduce rumors, misinformation, and poor assumptions which tend to flourish when information is inadequately sought or readily available. The biggest benefit is building more trust in local government and building confidence that the Town is working in the best interest of all citizens.

Improved communications is never a finished project. Incremental improvements, evaluated for cost, effort, efficiency, and benefit must be an ongoing effort. Staying aware, keeping our eyes and ears open for opportunities as technology evolves and community values change will be key.

Existing

- **Whisper**
 - Arguably the most effective current tool we currently have
 - Timely and reliable information
 - Labor intensive to write, proofread, and assemble
 - Added costs of printing and postage
 -

- **Mayor's Email list**
 - Quick and to the point
 - Labor intensive to write and proofread
 - Inexpensive to send
 - All citizens do not use email
 - Citizens have to request to be added to the list
 - Perhaps underutilized
 -

- **Mailchimp blasts**
 - Similar to the pros and cons for the Mayor's email list
 - This was used effectively by Chief Correa for the recent graffiti mischief.
 -

- **Kiosks**
 - Have been around a long time

- Inexpensive
- Requires someone to keep them updated
- Unknown how effective they are
-
- **Town Website**
 - Fairly easily maintained
 - Note: New police Chief details need to be updated.
 - Convenient resource for storing information and sending links
 - Resources are not all that easily “discovered”
 -
- **Public meetings**
 - Required by law
 - Under attended by public
 -
- **Annual Town Fair**
 - Labor intensive
 - Relatively expensive with respect to labor and time
 - One of the annual highlights for Town residents
 - Gives citizens an informal way to put a name with a face and have a wee chat
 - Very popular and fun!
 -

New ideas:

Local newspapers - Councilmember Brock is currently doing this

- Send meeting Agendas and other public information to:
 - **My Edmonds News** - Teresa Wippel, editor
 - Daily on-line local news information
 - Good for meeting agendas and announcements like our new Police Chief.
 - Unknown how many citizens read it
 - No cost and minimal effort
 - Great place for announcements
 -
 - **Edmonds Beacon** - Brian Soergel, editor
 - Weekly online and print publication
 - Good for more “newsy” articles, eg. Point Wells Q&A
 - Underutilized

- Offers a platform for Letters to the Editor and Guest View opinion pieces perhaps from Councilmembers and Staff?
 - I submitted 3 pieces in the last year or so.
 - Extra care will need to be exercised as anything we submit, would likely be considered official information from the Town.
 - I can hear Eric's stomach growling already...
 - Get to know your Mayor, town council, police chief, etc. can add a personal touch to seemingly inaccessible "officials".
 -
 - **Shoreline Area News** - Diane Hettrick, editor
 - Daily on-line publication
 - Much wider circulation
 - Good for both quick announcements and more "newsy" articles.
 - I will be sending meeting agenda announcements
 -
 - Councilmember Mitchell suggested it and I reached out. - Thanks Elizabeth!
 - Diane asked about public events and gatherings
 -
- **A few ideas**
 - Cost saving measures the Town has implemented that should be publicly announced:
 - Police contract
 - New REET money available for a wider range of Town needs
 - Reduced Town Hall open hours
 - On-line permit system
 - Federal and State COVID grant money projects
 - A Whisper/Mayor's email announcement of temporary Hybrid Council meetings
 - Another article describing the grant funded future upgrades to Town Hall for Hybrid meetings
 -

Social media

These are probably not good options as they are all labor intensive, and post major issues with public records requirements, but they should be considered.

I'm generally opposed to using any public site where anyone can post anything they want. It's an open invitation to on-line "vandalism". That said, having an on-line resource to post comments and questions might be a good thing provided it was edited and moderated.

- **FaceBook, Twitter, Nextdoor, etc**
 - Can be configured to moderate public postings
 - Unknown how much penetration to Woodway citizens it would offer
 - Might prove to be an attractive nuisance
 - Would require a lot of on-going monitoring

Other ideas?

- Website - Perhaps add an “Ask Mayor Mike” link to the Home page that would use a “tuned up” friendlier version of the form on the Contact Us page.
-