



**CITY OF MOUNT VERNON  
CITY COUNCIL STUDY SESSION  
AGENDA**

**November 15, 2023 - 7:00 p.m.**

Police/Court Campus  
1805 Continental Place

**To virtually attend the meeting, the public may:**

- 1. Watch the meeting live on TV10:** Comcast/Xfinity Channel 10
- 2. Watch the meeting live, online:**  
[https://www.youtube.com/channel/UCUob\\_hcQUmd4S93YkletdrA](https://www.youtube.com/channel/UCUob_hcQUmd4S93YkletdrA)

A. Public Comment

B. Approval of Ordinance – 2024 Property Tax Levy  
(Staff is requesting approval of Ordinance 3877 setting the City's 2024 property tax levy.)  
(required action – ordinance)  
(staff contact – Doug Volesky)

C. Public Hearing and Ordinance – 2024 Budget  
(This is a public hearing and request to adopt Ordinance 3878 approving the 2024 City Budget.)  
(required action – ordinance)  
(staff contact – Doug Volesky)

D. Approval of Resolution – Designate Real Estate Excise Taxes  
(Staff is requesting approval of Resolution 1046 designating the use of real estate excise taxes to be used for the repayment of financing for the Mount Vernon Library Commons Project.)  
(required action – resolution)  
(staff contact – Doug Volesky)

E. Approval of Agreement – Southwest Solutions Group, Inc.  
(Staff is requesting approval of an agreement with Southwest Solutions Group, Inc. for library shelving (stacks) for the Mount Vernon Library Commons Project.)  
(required action – motion)  
(staff contact – William Bullock)

F. Approval of Resolution – Final Plat of Highpoint Estates, PLAN23-0281  
(Staff is requesting approval of the final plat of Highpoint Estates, PLAN23-0281 with Resolution 1047.)  
(required action – resolution)  
(staff contact – Rebecca Lowell)

G. Meeting Cancellation – November 21, 2023  
(Council may make a motion to cancel the November 21, 2023 Regular City Council meeting.)  
(required action – motion)  
(staff contact – Mayor Boudreau)

**COMMITTEE MEETING**

Development Services 5:30 p.m.

Next Ordinance 3877  
Next Resolution 1046



**DATE:** November 15, 2023  
**TO:** Mayor Boudreau and City Council  
**FROM:** Doug Volesky, Finance Director  
**SUBJECT:** AN ORDINANCE TO SET THE CITY'S 2024 PROPERTY TAX LEVY

**RECOMMENDED ACTION:**

City staff is requesting Council to approve Ordinance 3877 to set the City's 2024 property tax levy amount.

**INTRODUCTION/BACKGROUND:**

Per MRSC, "As part of the budget process, the taxing jurisdiction establishes the amount of property tax revenue needed to fund the budget. That amount needed to fund the budget is called the levy. It is the total amount to be collected from the taxpayers by a taxing district. In Washington, property tax increases are not based on the increasing value of properties. They are based on last year's property tax levy, which is simply the amount of the property taxes that were assessed in the prior year.

By November 30 of each year, the amount of taxes to be levied by taxing districts are certified to the county assessor in a dollar amount. In Mount Vernon, our tax levy amount in 2023 was \$8,530,277. The county assessor calculates the levy rate necessary by dividing the total levy amount by the assessed value of taxable property in the district. By law, this number is expressed in terms of a dollar rate per \$1,000 of valuation. For example, a rate of \$0.00025 is expressed as 25¢ per \$1,000 of assessed value. The formula for property tax collections is expressed as: Levy = Levy Rate x Assessed Value (AV)".

The City of Mount Vernon is required by law to hold a public hearing to review revenue sources for the coming year, which was held on Wednesday, November 8th, 2023, and also to set property taxes for the coming year. The City's property tax increase is limited to the lesser of one percent (1%) or the implicit price deflator (IPD) for the year. Additionally, a City may capture 100% of all new construction and may take any "banked capacity" available to them.

Some important facts to consider when setting the 2024 property tax include:

1. The implicit price deflator (IPD) for the year is 3.67%, so it is more than 1%, so tax districts will be

allowed to levy 1% more than they collected in 2023. A 1% adjustment to the property tax levy is \$92,149. This amount has been included in the 2024 Preliminary Budget.

2. Banked Capacity. As a result of the City of Mount Vernon not taking the maximum regular tax which could lawfully be levied in past years, the City has accumulated banked levy capacity of \$684,527.49. The amount of banked capacity changes each year because the highest lawful levy and the actual levy are recalculated. Having banked capacity for one year does not guarantee the city will have the same amount the following year. There is \$276,500 in banked capacity included in the 2024 Preliminary Budget.

3. New construction value per the County Assessor's Office is \$12.2M which will generate \$19,011 of new revenue to the City in 2024. The new construction has been included in the 2024 Preliminary Budget.

#### **FINDINGS/CONCLUSIONS:**

City staff recommends that City Council:

- Set the property taxes in 2024 at 100% of the 2023 revenue amount plus the 1% allowed in the amount of \$92,149.
- Take \$19,011 for all new construction allowed to the City.
- Consider using \$276,500 of banked capacity to help balance the 2024 Budget.
- These recommendations would estimate the levy rate to be \$1.5631 in 2024 which is the same rate as the current rate in 2023.

#### **RECOMMENDATION:**

City staff recommends Council adopt ordinance 3877 to set the City's 2024 property tax levy amount at \$8,917,937.

#### **ATTACHED:**

2024 Property Tax Levy amount Ordinance.



**DATE:** November 15, 2023  
**TO:** Mayor Boudreau and City Council  
**FROM:** Doug Volesky, Finance Director  
**SUBJECT:** PUBLIC HEARING ON THE 2024 CITY BUDGET

**RECOMMENDED ACTION:**

The City will hold a public hearing to present and take comment on the 2024 City budget.

**INTRODUCTION/BACKGROUND:**

The City of Mount Vernon is required to hold a public hearing to discuss the 2024 proposed budget. Following a public hearing and discussion of the proposed budget, City Council may then adopt the budget which must be adopted prior to the beginning of the ensuing year.

**FINDINGS/CONCLUSIONS:**

The attached preliminary budget document with the Mayor's submittal letter summarizes the detailed information Council has in their 2024 budget binders. During discussions with City Council there have been some adjustments to the preliminary budget document.

These items include:

1. Carrying forward \$20,000 of expenses from 2023 to 2024 in F105 Paths and Trails Fund.
2. Carrying forward \$14,271 of expenses from 2023 to 2024 in F107 Little Mountain Improvements Reserve Fund.
3. Carrying forward \$20,888 of expenses from 2023 to 2024 in F115 Parks Capital Improvements Reserve Fund.
4. Reducing 2024 budget by \$8,000 in F106 Tourism Promotion Fund to match grant award amounts.
5. Increase expenditures in F123 Affordable Housing Sales & Use Tax by \$134,962 to include funding for the Nurse-Outreach position.

6. Add back funding in F001 General Fund for the Fire Prevention Specialist position in the amount of \$115,187.
7. Add back funding in F001 General Fund for the PC Technician position in the amount of \$92,504.
8. Add back funding in F001 General Fund for the Part-time Attorney position in the amount of \$35,386.
9. Add back funding in F001 General Fund for the Part-time Accounting Technician position in the amount of \$34,595.
10. Add back funding in F103 Parks and Enrichment Services Fun for the Recreation Coordinator position in the amount of \$106,157.
11. Add a new Police Records Position in F001 General Fund in the amount of \$92,272.
12. Add a temporary part-time employee to F301 Mount Vernon Library Commons Project for project management.
13. Removed city contribution to the Oasis Teen Shelter of \$50,000 out of F001 General Fund.
14. Increased F123 Affordable Housing Sales & Use Tax by \$350,000 for remaining contractual amount to the Oasis Teen Shelter for homelessness capital project.
15. Increased revenue to F653 MV School Impact Fees by \$10,424 to balance this managerial fund.
16. Increased F001 General Fund property tax revenues by using bank capacity of \$161,500.
17. Increased F103 Parks and Enrichment Services Fund property tax revenues by using bank capacity of \$115,000.

This public hearing will include the updated budget numbers.

The City budget as proposed consists of 43 funds and supports 255 full time and approximately 50 part-time employees.

The total 2024 proposed budget for the City of Mount Vernon is \$133,830,933, which is a 5.4% decrease compared to the 2023 budget. This decrease is due mainly to large capital projects with corresponding revenues and expenditures. Total governmental operating fund budgets for 2024 total \$43,025,217, a 4.4% increase compared to 2023.

The preliminary budget will continue to be adjusted per Council's direction prior to adoption, with a detailed list of these adjustments. The attached preliminary budget document has not been adjusted for any of these additional modifications.

**RECOMMENDATION:**

- Staff recommends Council adopt the 2024 budget ordinance

**ATTACHED:**

- 2024 Preliminary Budget Document
- 2024 Budget Ordinance



**DATE:** November 15, 2023

**TO:** Mayor Boudreau and City Council

**FROM:** Doug Volesky, Finance Director

**SUBJECT:** RESOLUTION TO DESIGNATE REAL ESTATE EXCISE TAXES TO MITIGATE FINANCING OF THE MOUNT VERNON LIBRARY COMMONS PROJECT.

**RECOMMENDED ACTION:**

Staff recommends Council make a motion to approve Resolution 1046 to designate real estate excise taxes to mitigate financing of the Mount Vernon Library Commons Project.

**INTRODUCTION/BACKGROUND:**

The City of Mount Vernon is currently in the process of applying for a loan from the U.S. Department of Transportation, Build America Bureau, Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program. The amount of the loan is for financing of the Mount Vernon Library Commons Project in the amount of \$26,191,727. Annual proceeds of Local Infrastructure Financing Tool (LIFT) revenues of \$500,000 each year for 25 years plus matching funds of \$500,000 from Real Estate Excise Taxes (REET I) will be used to fund the obligation of this loan.

**FINDINGS/CONCLUSIONS:**

The City is in the final stage of credit worthiness and a request was asked if the City would pass a resolution making it clear that real estate excise taxes (REET) funding would be used to help mitigate financing of this project.

**RECOMMENDATION:**

City staff recommends Council make a motion to approve Resolution 1046 which designates real estate excise taxes to mitigate financing of the Mount Vernon Library Commons Project.

**ATTACHED:**

- Proposed Resolution 1046



**DATE:** November 15, 2023  
**TO:** Mayor Boudreau and City Council  
**FROM:** Chris Phillips, Public Works Director  
**SUBJECT:** 2023 MOUNT VERNON LIBRARY COMMONS BOOK SHELVING SUPPLY & INSTALL

**RECOMMENDED ACTION:**

City Staff recommends City Council authorize the Mayor to enter into a Sourcewell cooperative purchase agreement with Southwest Solutions, aka Spacesaver Corporation, for a previously discussed/approved City Council expenditure for the MVLC Library Stacks in the amount of \$343,433.93 plus tax.

**INTRODUCTION/BACKGROUND:**

New library book collection Stacks (shelving) are needed for the new Library Commons project currently under construction. The Stacks are secured to the floor and all material components are Buy America compliant.

MVLC staff working with OAC, HKP and library staff completed the library stack selection process and considered three different vendors. The MVLC sourcing team selected Southwest Solutions due to their affiliation with Sourcewell Cooperative purchasing agreement (agreements provided for your review), which provides the City with the best compliant price. No federal funding will be utilized to source the library Stacks.

**FINDINGS/CONCLUSIONS:**

Please see Introduction narrative.

**RECOMMENDATION:**

City Staff recommends City Council authorize the Mayor to enter into a Sourcewell cooperative purchase agreement with Southwest Solutions, aka Spacesaver Corporation, for the MVLC Library Stacks expenditure in the amount of \$343,433.93 plus WSST

**ATTACHED:**

Sourcewell Cooperative Contract  
Southwest Solutions Library Stack Contract  
Mount Vernon Purchase Order



**DATE:** November 15, 2023

**TO:** Mayor Boudreau and City Council

**FROM:** Rebecca Lowell, Development Services

**SUBJECT:** FINAL PLAT APPROVAL OF HIGHPOINT ESTATES (CITY FILE NO. PLAN23-0281)

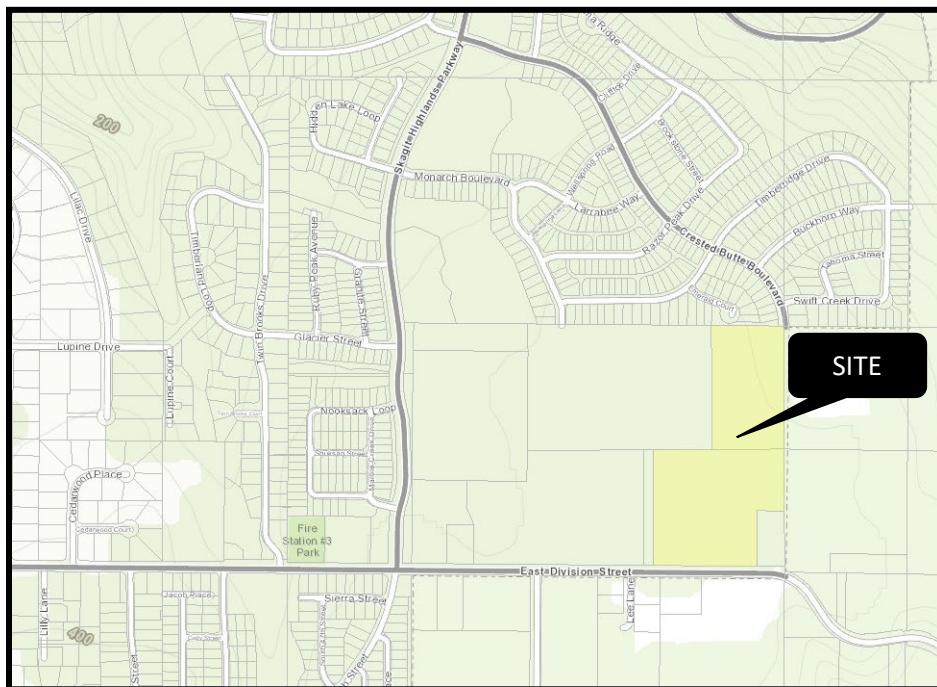
**RECOMMENDED ACTION:**

Staff recommends that Council make a motion to authorize the Mayor to sign the accompanying Resolution and final plat maps for the Highpoint Estates plat.

**INTRODUCTION/BACKGROUND:**

The residential development named Highpoint Estates consists of 49 new single-family residential lots and six tracts over an approximate 15.3-acre site. The Highpoint Estates preliminary plat was approved on September 25, 2019, with Resolution 970.

Highpoint Estates is described by the Skagit County Assessor as parcels P126391 and P27513. The site is located on the north side of East Division Street immediately east of North 53<sup>rd</sup> Street. See the vicinity map below that identifies the site location in yellow.



The proposed single-family residential lots with the Highpoint Estate plat range in size from 7,500 square feet to 11,886 square feet.



The below-listed public roads and two stormwater ponds will be dedicated to the City with the plat. Additionally, two private roads named Summit and Pinnacle Lanes will also be created:

- Highpoint Way, North 53<sup>rd</sup> Street, North 54<sup>th</sup> Place, North 55<sup>th</sup> Street, and Crested Butte Boulevard.

The above-listed public streets, the public sanitary sewer system, the storm water infrastructure within the right-of-way and applicable easements within the plat boundary will be dedicated to the City with the recording of the plat.

**FINDINGS/CONCLUSIONS:**

The applicant has satisfied the procedural requirements for final plat approval.

The applicant has constructed/installed the infrastructure and landscaping required through the preliminary plat approval. Additionally, the applicant will be submitting financial securities that are also required prior to the final plat being recorded with the Skagit County Auditor.

**RECOMMENDATION:**

Council move to authorize the Mayor to sign the accompanying Resolution and final plat maps for the Highpoint Estates Plat and accept all public improvements that were completed for this development.

**ATTACHED:**

- Proposed Resolution granting final plat approval
- Final Plat Maps
- Resolution 970 (granted preliminary plat approval)