Exhibit A.

SHORELINE

City of Shoreline

1998 Adopted Budget Summary

December 8, 1997

SHORELINE

1998 Budget Summary

Table of Contents

1998 Expenditure Summary by Service Area

	1997 Budget As Amended	1997 Projected	1998 Adopted	% of Total Budget	1998 versus 1997 Budget	Percent Change
City Council	$ 63,524	$ 65,124	$ 93,559	0.5%	$ 30,035	47.3%
City Manager	578,377	580,588	688,656	3.4%	110,279	19.1%
Office of the City Clerk	283,457	258,027	268,297	1.3%	(15,160)	(5.3%)
Office of Community & Gov't Relations	430,823	274,898	408,580	2.0%	(22,243)	(5.2%)
Office of Health and Human Services	386,081	373,907	414,241	2.1%	28,160	7.3%
Office of the City Attorney	165,885	146,135	166,477	0.8%	592	0.4%
Finance / Information Services	1,516,086	1,288,183	1,872,593	9.3%	356,507	23.5%
Citywide Services	2,311,015	1,881,496	1,420,844	7.1%	(890,171)	(38.5%)
Human Resources	219,126	202,431	243,782	1.2%	24,656	11.3%
Public Safety / Criminal Justice Services	6,024,464	6,045,782	6,497,709	32.3%	473,245	7.9%
Planning and Community Development	845,580	834,618	1,084,808	5.4%	239,228	28.3%
Parks, Recreation & Cultural Services	1,704,093	1,771,555	1,820,022	9.0%	115,929	6.8%
Public Works (Administration & Facilities)	906,910	814,142	830,878	4.1%	(76,032)	(8.4%)
1998 General Fund *	$ 15,435,421	$ 14,536,886	**$ 15,810,444**		**$ 375,023**	2.4%
Development Services (Develop. Services Fund) *	873,719	885,594	1,033,298	5.1%	159,579	18.3%
Public Works Operations (Street/Arterial/SWM) *	2,129,266	1,835,883	3,283,351	16.3%	1,154,085	54.2%
EXPENDITURE TOTALS *	$ 18,438,403	$ 17,258,363	**$ 20,127,094**	100.0%	**$ 1,688,688**	9.2%
	General Fund	General Fund	All Operational Funds			

Note:

* In 1997, the operational expenditures for Development Services and Public Works were included in the General Fund. In 1998, these operational expenditures will be included in the Development Services Fund and the Street and Surface Water Management Fund.

Council Adjustments to 1998 Proposed Budget

General Fund

1998 Proposed Budget	$ 19,277,585	
Additional Property Tax Revenue	125,523	Increase due to higher than projected taxable assessed value
Increase in Reserve Requirement	($ 12,552)	Increase in 10% reserve requirement due to higher, than originally proposed, property tax revenue
Increase in Reserve Requirement	(60,162)	Increase in General Reserve Fund transfer to bring the Reserve Fund up to 10% of General Fund discretionary revenue at the beginning of 1998.
Councilmember Salary Corrections	(2,261)	Correction to 1998 Proposed Budget for salaries
Shoreline/Lake Forest Park Senior Center	(24,899)	Funds to bring budget up to the Senior Center request of $67,739
Center for Human Services	(10,000)	Funds to bring budget up to the Center request of $40,000
Net Increase in General Fund Transfer to Capital	(15,649)	Increase due to higher than projected taxable assessed value
	($ 125,523)	
1998 Proposed Budget as Adjusted	**$ 19,403,108**	

General Reserve Fund

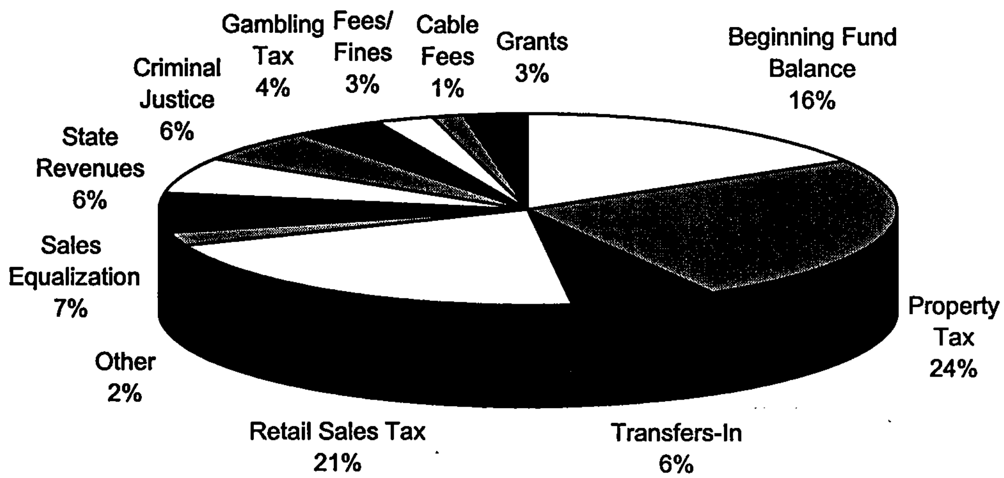
1998 Proposed Budget	$ 1,411,340	
Increase in Reserve Requirement	12,552	Increase in 10% reserve requirement due to higher, than originally proposed, property tax revenue
Increase in Reserve Requirement	60,162	Increase in General Reserve Fund transfer to bring the Reserve Fund up to 10% of General Fund discretionary revenue at the beginning of 1998.
1998 Proposed Budget as Adjusted	**$ 1,484,054**	

Special Capital Improvement Fund

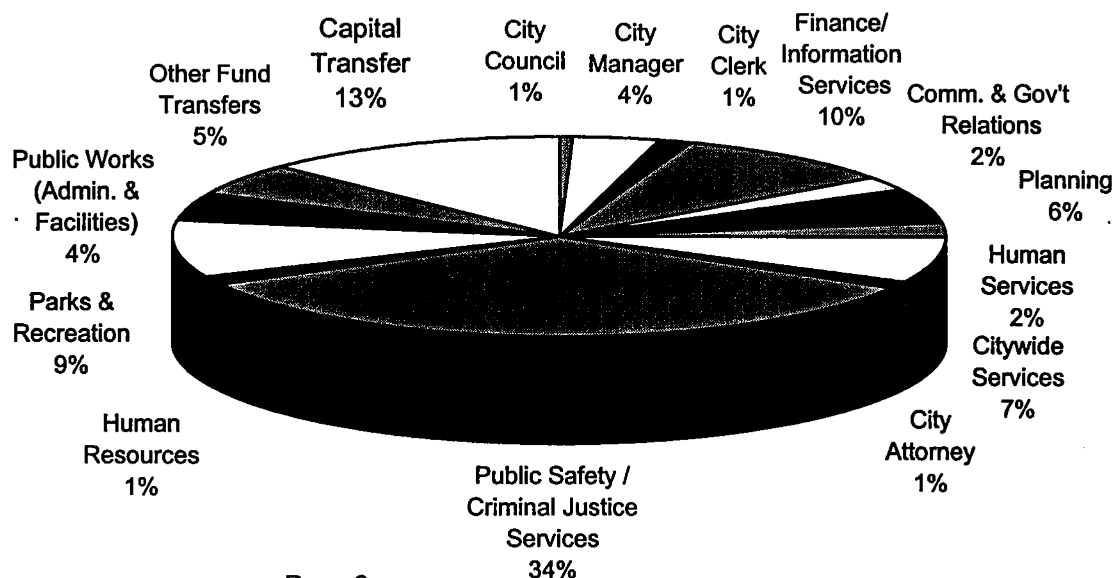
1998 Proposed Budget	$ 11,896,296	
General Fund Transfer to Capital Fund	$ 15,649	General Fund transfer is increased due to the higher than projected taxable assessed value
Shoreview Park	829,710	County capital transfer in 1997 will increase the 1998 beginning fund balance for the Capital Fund by the amount of these two projects
Richmond Beach Trail	170,000	
Richmond Beach Stairs Project	(30,560)	Stairs capital project which will be before Council on December 8th will be expensed to the 1997 budget
Total Special Capital Improvement Fund Adjs.	$ 984,799	
1998 Proposed Budget as Adjusted	**$ 12,881,096**	

General Fund 1998 Resources and Expenditures

General Fund Resources, $19,403,108



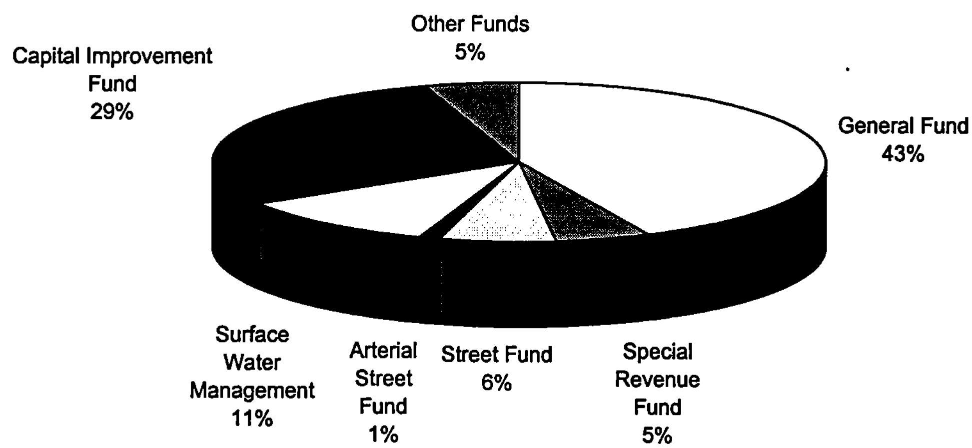
General Fund Expenditures, $19,403,108



City of Shoreline
1998 All Funds
Resource / Expense Summary

Primary Revenue Funds	Beginning Fund Balance	1998 Revenues	1998 Total Resources	1998 Expenditures	Ending Fund Balance	Total 1998 Appropriation
General Fund	$ 3,211,763	$ 16,191,344	$ 19,403,108	$ 19,403,108	$ 0	$ 19,403,108
Special Revenue Fund	440,886	1,766,088	2,206,974	1,721,645	485,329	2,206,974
Street Fund	700,959	1,982,580	2,683,539	2,345,463	338,076	2,683,539
Arterial Street Fund	203,852	367,256	571,108	513,997	57,111	571,108
Surface Water Management	2,892,302	2,008,836	4,901,138	2,122,995	2,778,143	4,901,138
Capital Improvement Fund	6,578,033	6,303,063	12,881,095	3,432,183	9,448,913	12,881,095
Transfer Funds						
General Reserve Fund	$ 1,336,942	$ 147,112	$ 1,484,054	$ 0	$ 1,484,054	$ 1,484,054
Asset Depreciation Fund	180,000	200,000	380,000	0	380,000	380,000
Equipment Rental Fund	14,140	167,432	181,572	166,682	14,890	181,572
Unemployment Fund	20,606	650	21,256	0	21,256	21,256
Advance Travel Fund	5,000	0	5,000	0	5,000	5,000
Agency Fund	0	215,000	215,000	215,000	0	215,000
Total City Funds	**$ 15,584,483**	**$ 29,349,360**	**$ 44,933,843**	**$ 29,921,073**	**$ 15,012,771**	**$ 44,933,844**

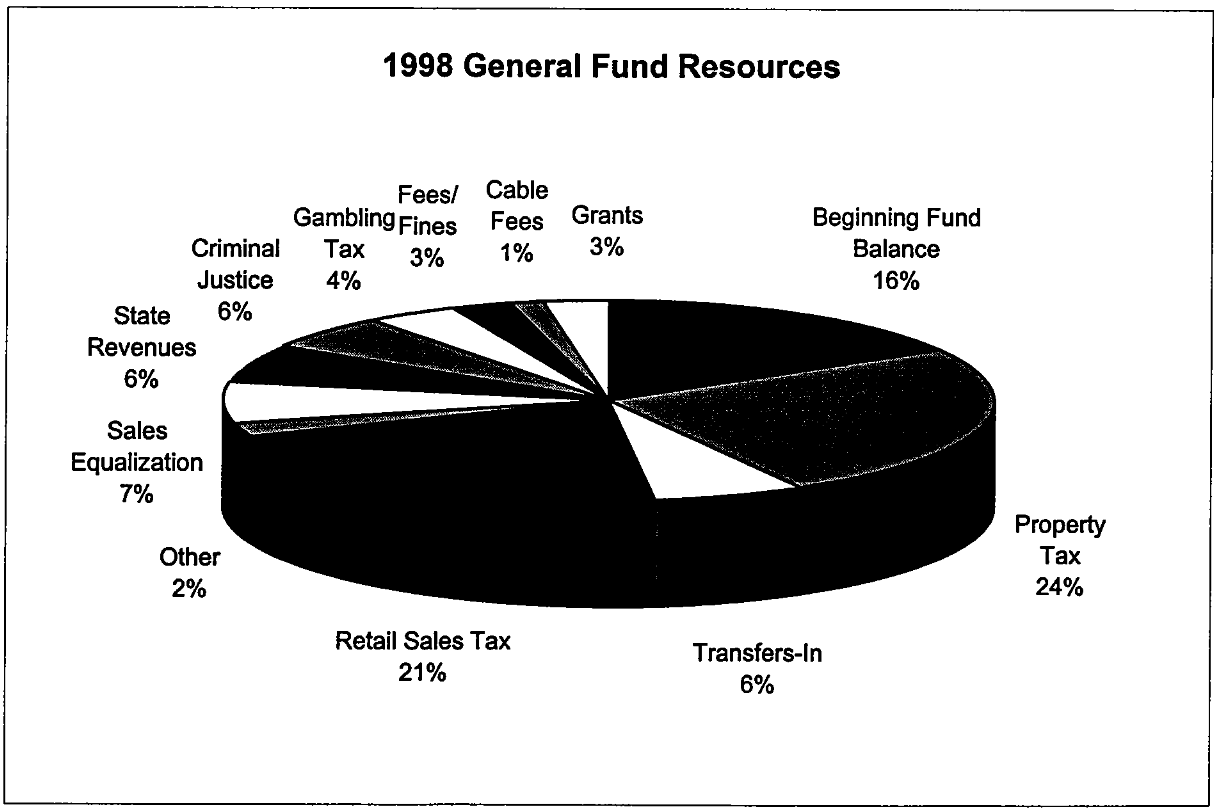
1998 All Funds Resources



1998 General Fund Summary

The General Fund is used to pay the expenses and liabilities of the City associated with general service functions that are not budgeted in special revenue funds. The primary sources of revenue are general purpose State and local taxes. Property tax and sales tax combined provide approximately 52% of the General Fund Revenue base.

	1996 Actual	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 912,893	$ 2,429,702	$ 3,734,931	3,211,763
Revenues	13,131,258	12,757,392	13,529,825	14,942,831
Transfers In	3,991,371	3,251,309	3,205,371	1,248,513
Total Resources	**$ 18,035,522**	**$ 18,438,403**	**$ 20,470,127**	**$ 19,403,108**
Department Expenditures	$ 14,227,591	$ 17,047,598	$ 15,867,558	$ 15,810,444
Transfers Out	73,000	1,390,805	1,390,805	3,592,664
Total Expenditures	**$ 14,300,591**	**$ 18,438,403**	**$ 17,258,363**	**$ 19,403,108**
Ending Fund Balance	**$ 3,734,931**	**$ 0**	**$ 3,211,763**	**$ 0**
Total Appropriation	**$ 18,035,522**	**$ 18,438,403**	**$ 20,470,127**	**$ 19,403,108**

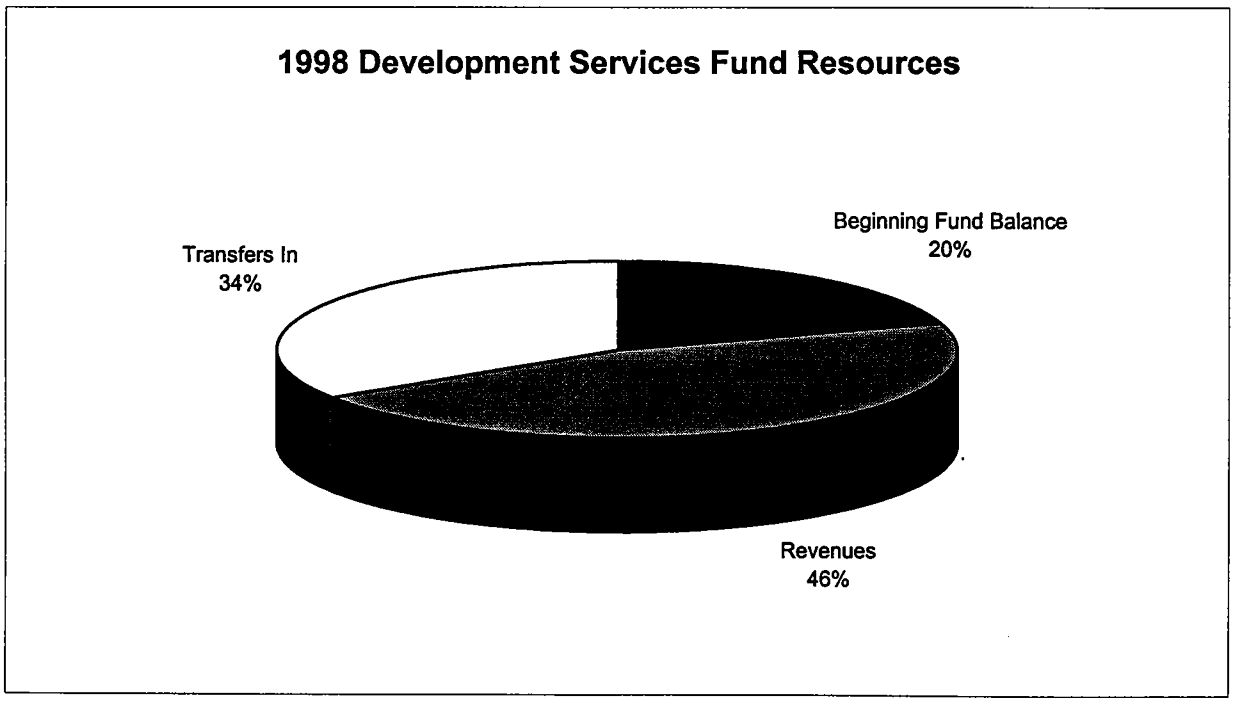


1998 Development Services Fund Summary

(Previously the Special Revenue Fund)

The purpose of this Fund is to maintain accounts for the Development Services permit fees. The beginning fund balance is comprised of a portion of prior-year Development Services fees, which are held in reserve for future year services associated with multi-year construction permits. This permit revenue must be deferred until the year that services are provided. The General Fund Transfer In represents the General Fund subsidy for Development Services. The Transfer Out to the General Fund represents the General Fund overhead that Development Services owes for the support services provided by support departments (e.g., Finance, Human Resources, etc.) in the General Fund.

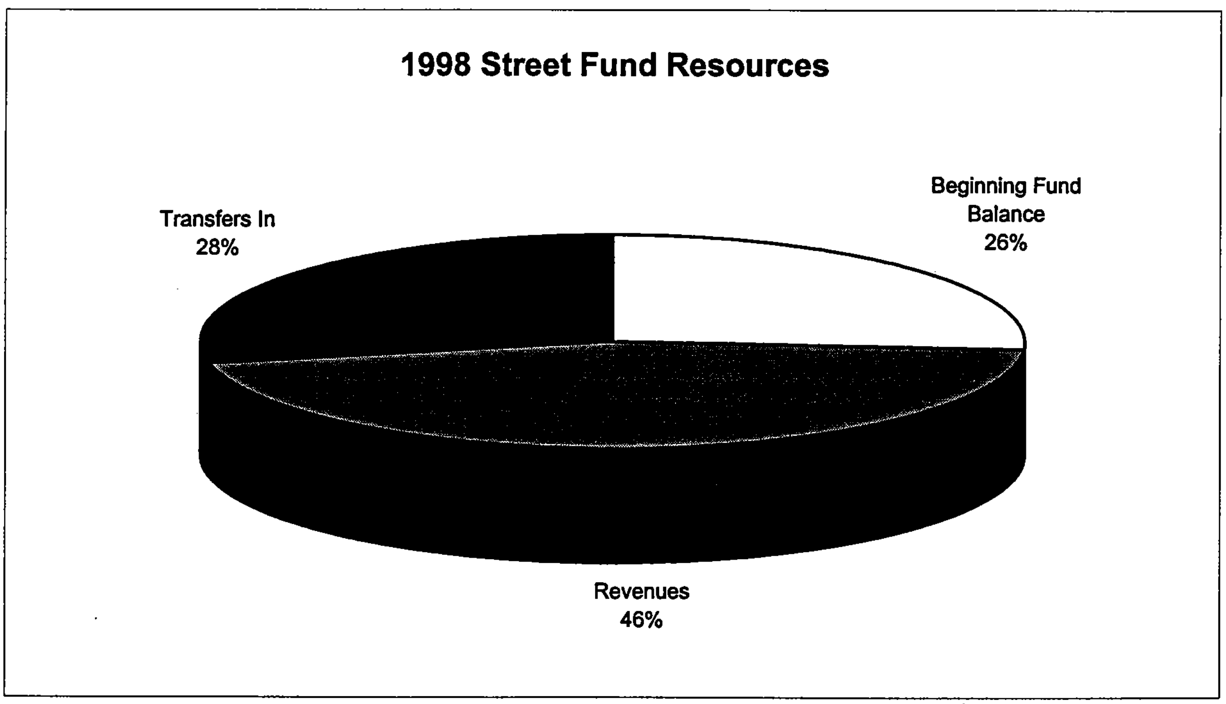
	1996 Actual	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 0	$ 0	$ 0	$ 440,886
Revenues	2,022,880	1,836,549	1,627,255	1,010,873
Transfers In (General Fund)	0	0	0	755,215
Total Resources	**$ 2,022,880**	**$ 1,836,549**	**$ 1,627,255**	**$ 2,206,974**
Department Expenditures	$ 0	$ 19,164	$ 19,164	$ 1,033,298
Transfers Out (General Fund)	2,022,880	1,385,099	1,167,205	688,347
Total Expenditures	**$ 2,022,880**	**$ 1,404,263**	**$ 1,186,369**	**$ 1,721,645**
Ending Fund Balance	**$ 0**	**$ 432,286**	**$ 440,886**	**$ 485,329**
Total Appropriation	**$ 2,022,880**	**$ 1,836,549**	**$ 1,627,255**	**$ 2,206,974**



1998 Street Fund Summary

Street Funds are used to support roads and transportation programs. Fuel tax and vehicle license fees are the two sources of ongoing support for these programs. In 1998, the Street Fund will be used to fund the roads portion of the Public Works Department operations, the County roads maintenance contract, road overlays, as well as an assessment of the City's road conditions. The results of the assessment will be used to prioritize roads operational and capital projects. Funds are transferred in from the General Fund as a subsidy to pay for street operations since the Street Fund does not receive enough revenue to fully pay for street operations and from the Arterial Street Fund to pay for operational expenses related to road overlays and other roads maintenance work. Funds are transferred out to the General Fund to pay for overhead for the support received from the support departments (e.g., Finance, Human Resources, etc.) funded from the General Fund.

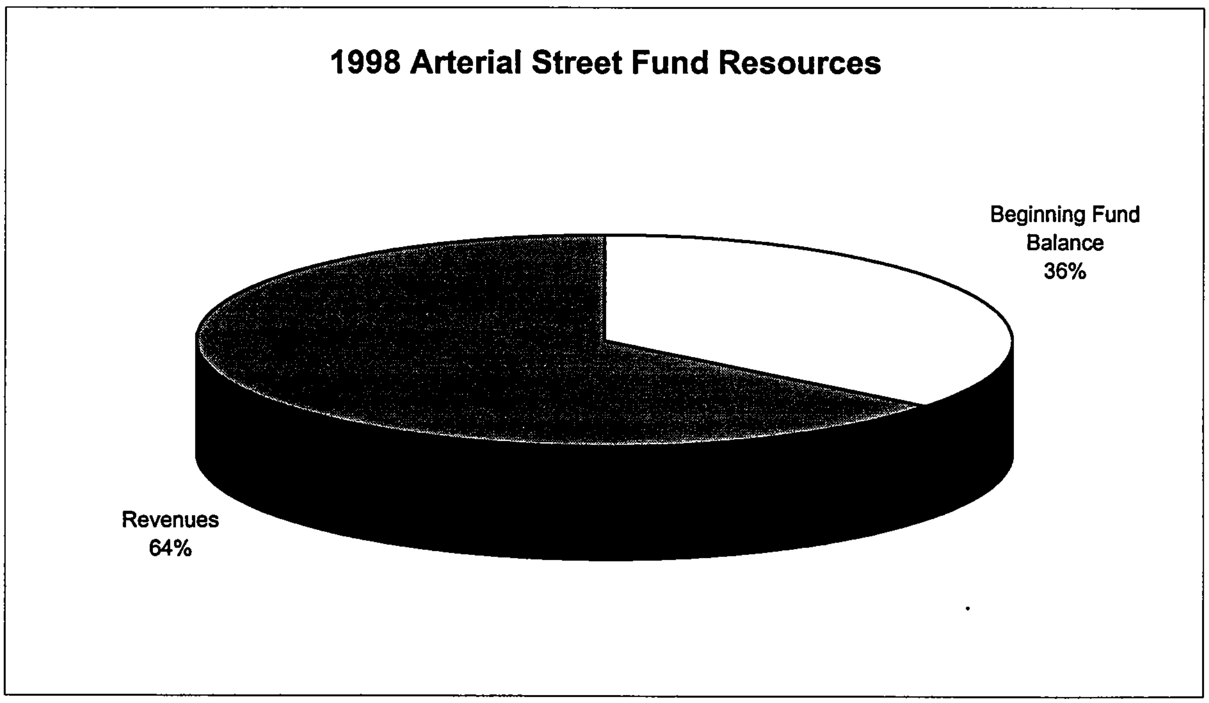
	1996 Actual	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 167,843	$ 476,942	$ 515,103	$ 700,959
Revenues	1,426,130	1,121,754	1,225,652	1,222,474
Transfer In (General Fund)	0	0	0	246,109
Transfer In (Arterial Street)	0	0	0	513,997
Total Resources	**$ 1,593,973**	**$ 1,598,696**	**$ 1,740,755**	**$ 2,683,539**
Expenditures	$ 1,101,762	$ 1,064,988	$ 966,257	$ 1,982,580
Transfers Out (General Fund)	3,539	73,539	73,539	362,883
Total Expenditures	**$ 1,105,301**	**$ 1,138,527**	**$ 1,039,796**	**$ 2,345,463**
Ending Fund Balance	**$ 488,672**	**$ 460,169**	**$ 700,959**	**$ 338,076**
Total Appropriation	**$ 1,593,973**	**$ 1,598,696**	**$ 1,740,755**	**$ 2,683,539**



1998 Arterial Street Fund Summary

Arterial Street Funds are used to support roads and transportation programs. Fuel tax provides the primary source of support for this Fund. These funds are transferred to the Street Fund to help pay for the roads and transportation programs of the Public Works Department. This includes road overlays, and a portion of the County roads maintenance contract.

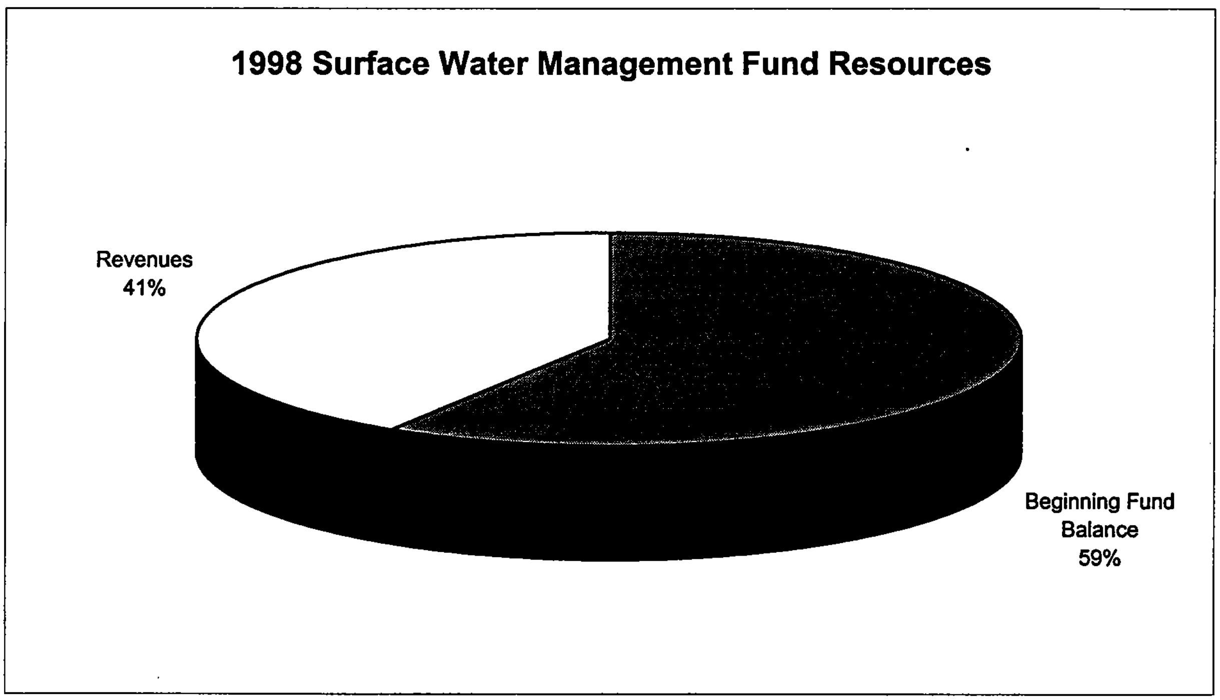
	1996 Actual	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 60,715	$ 104,271	$ 109,815	$ 203,852
Revenues	424,125	360,054	367,256	367,256
Total Resources	**$ 484,840**	**$ 464,325**	**$ 477,071**	**$ 571,108**
Expenditures	$ 375,562	$ 337,550	$ 241,564	$ 0
Transfers Out (Street Fund)	1,654	31,654	31,654	513,997
Total Expenditures	**$ 377,216**	**$ 369,204**	**$ 273,218**	**$ 513,997**
Ending Fund Balance	**$ 107,624**	**$ 95,121**	**$ 203,852**	**$ 57,111**
Total Appropriation	**$ 484,840**	**$ 464,325**	**$ 477,071**	**$ 571,108**



1998 Surface Water Management Fund Summary

The Surface Water Management Fund is used to support the City drainage program. In 1998, these funds will be used to support the drainage program, as well as an assessment of the City's drainage needs. The results of this assessment will used to prioritize operational and capital drainage projects. Funds are transferred out to the General Fund to pay for overhead and to the Capital Improvement Fund to pay for surface water capital projects.

	1996 Actual	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 563,914	$ 1,795,229	$ 2,213,218	$ 2,892,302
Revenues	1,892,163	1,914,300	2,008,836	2,008,836
Total Resources	**$ 2,456,077**	**$ 3,709,529**	**$ 4,222,054**	**$ 4,901,138**
Expenditures	$ 507,449	$ 903,118	$ 628,062	$ 1,300,771
Transfers Out (General Fund)	0	0	197,283	197,283
Transfers Out (Capital Fund)	0	803,506	504,407	624,941
Total Expenditures	**$ 507,449**	**$ 1,706,624**	**$ 1,329,752**	**$ 2,122,995**
Ending Fund Balance	**$ 1,948,628**	**$ 2,002,905**	**$ 2,892,302**	**$ 2,778,143**
Total Appropriation	**$ 2,456,077**	**$ 3,709,529**	**$ 4,222,054**	**$ 4,901,138**

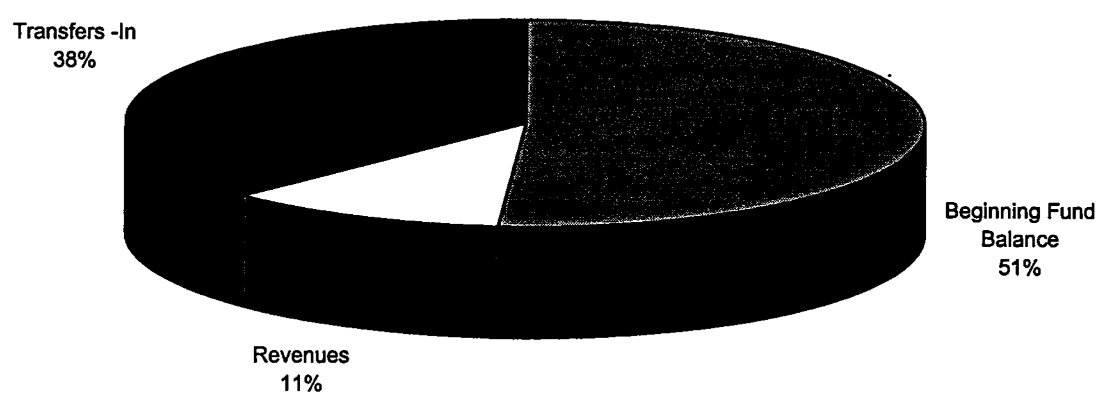


1998 Special Capital Improvement Fund Summary

The Capital Improvement Fund receives resources which are designated specifically for capital purposes. The primary source of dedicated revenue is Real Estate Excise Tax (REET). Other revenue sources include: Street and Surface Water Management Fund transfers; a General Fund transfer; dedicated Federal Intermodal Surface Transportation Efficiency Act (ISTEA) funding; dedicated State Transportation Improvement Act (TIA) funding; federal funds to reimburse the City for last year's storm damage; and dedicated project grants. The beginning balance is comprised of 1996 & 1997 REET funds and of King County Road Fund transfers associated with the transfer of several capital roads projects. For a complete discussion of the 1998 Capital Program, refer to the Capital Program Report.

	1996 Actual	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 180,517	$ 5,129,838	$ 5,021,294	$ 6,578,033
Revenues	993,258	1,598,545	1,250,749	1,472,633
Transfers-In	4,157,674	4,564,494	3,853,103	4,830,430
Total Resources	**$ 5,331,449**	**$ 11,292,877**	**$ 10,125,146**	**$ 12,881,095**
General Capital	$ 310,155	$ 576,211	$ 606,771	$ 1,977,917
Roads Capital	0	2,273,694	2,212,688	384,194
Surface Water Capital	0	1,443,350	727,654	1,070,072
Total Expenditures	**$ 310,155**	**$ 4,293,255**	**$ 3,547,113**	**$ 3,432,183**
Ending Fund Balance	**$ 5,021,294**	**$ 6,999,622**	**$ 6,578,033**	**$ 9,448,913**
Total Appropriation	**$ 5,331,449**	**$ 11,292,877**	**$ 10,125,146**	**$ 12,881,095**

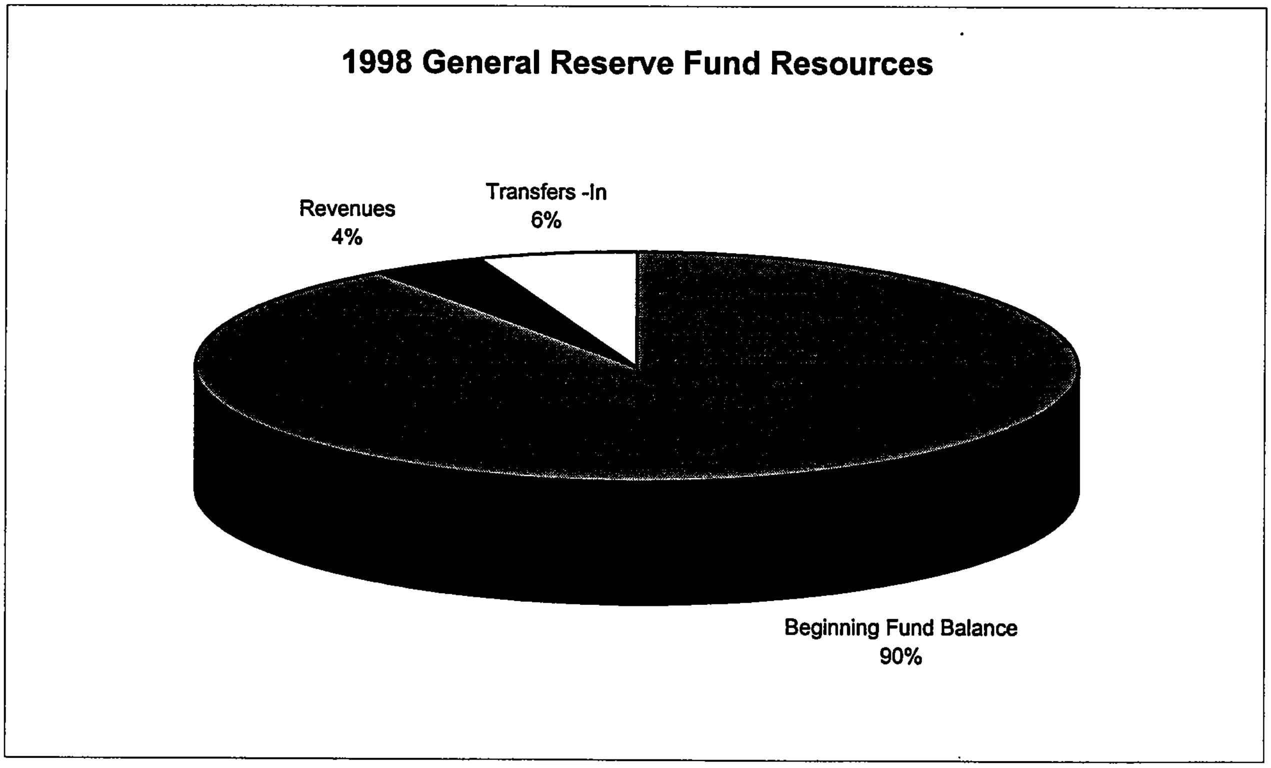
1998 Special Capital Improvement Fund Resources



1998 General Reserve Fund Summary

The purpose of this Fund is to maintain reserves to provide for temporary financing of unforeseen needs of an emergency nature, adverse changes in the economic environment, and to facilitate the orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. The amount transferred to the Reserve Fund is an amount that will provide a total at least equal to ten percent of the discretionary General Fund revenue for the current year. The Reserve Fund was formally created in 1997 with a transfer from the General Fund to the Reserve Fund. The Reserve Fund earns interest revenue each year and is adjusted annually based on the amount of General Fund discretionary revenue.

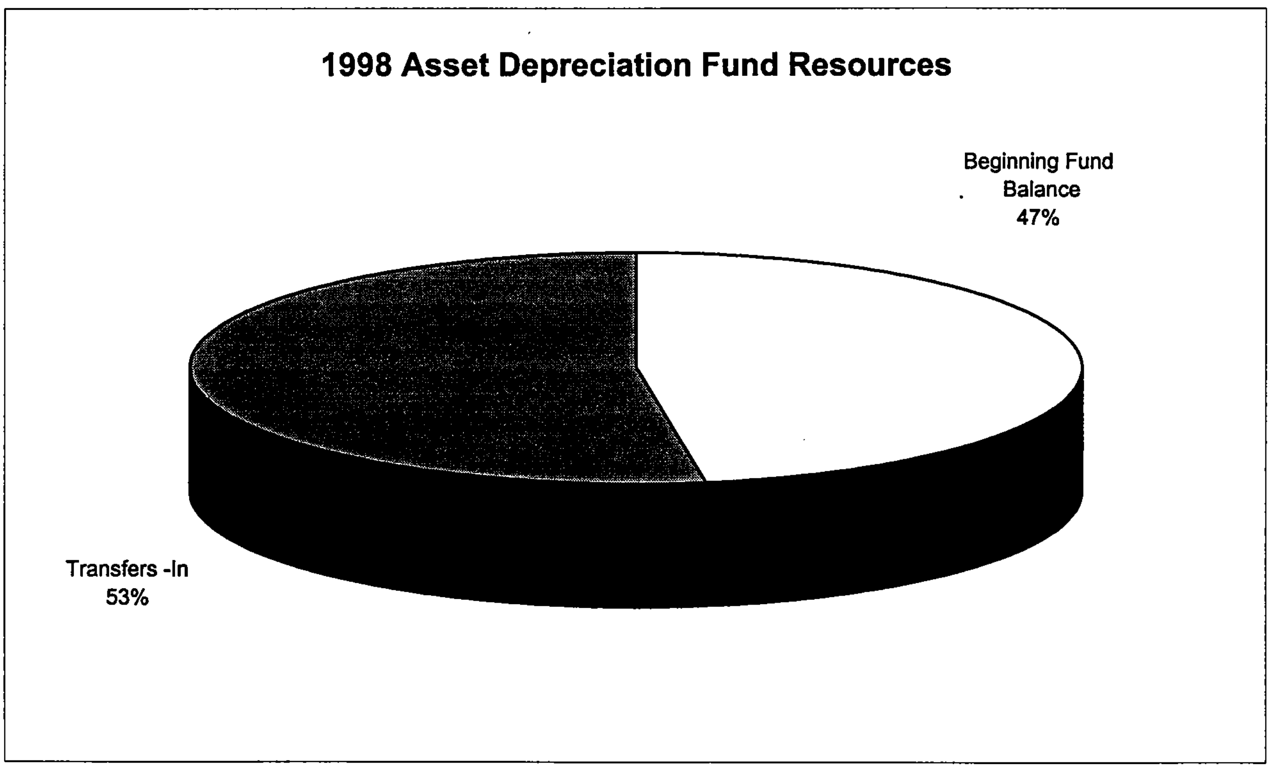
	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 0	$ 0	$ 1,336,942
Revenues	0	61,203	60,162
Transfers-In	1,275,739	1,275,739	86,950
Total Resources	**$ 1,275,739**	**$ 1,336,942**	**$ 1,484,054**
Expenditures	$ 0	$ 0	$ 0
Total Expenditures	**$ 0**	**$ 0**	**$ 0**
Ending Fund Balance	**$ 1,275,739**	**$ 1,336,942**	**$ 1,484,054**
Total Appropriation	**$ 1,275,739**	**$ 1,336,942**	**$ 1,484,054**



1998 Asset Depreciation Fund Summary

The Asset Depreciation Fund is used to account for the future replacement of all City personal property, with the exception of vehicles. This includes replacement of computers, information servers, other equipment and furniture. An annual allocation is made from the General Fund, in the Citywide budget, to support this purpose. The amount to be transferred annually is based on a replacement schedule for the City's personal property. During 1998 and 1999, the Fund may begin to be used to replace used equipment where necessary.

	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 30,000	$ 30,000	$ 180,000
Transfers-In	150,000	150,000	200,000
Total Resources	**$ 180,000**	**$ 180,000**	**$ 380,000**
Expenditures	$ 0	$ 0	$ 0
Total Expenditures	**$ 0**	**$ 0**	**$ 0**
Ending Fund Balance	**$ 180,000**	**$ 180,000**	**$ 380,000**
Total Appropriation	**$ 180,000**	**$ 180,000**	**$ 380,000**

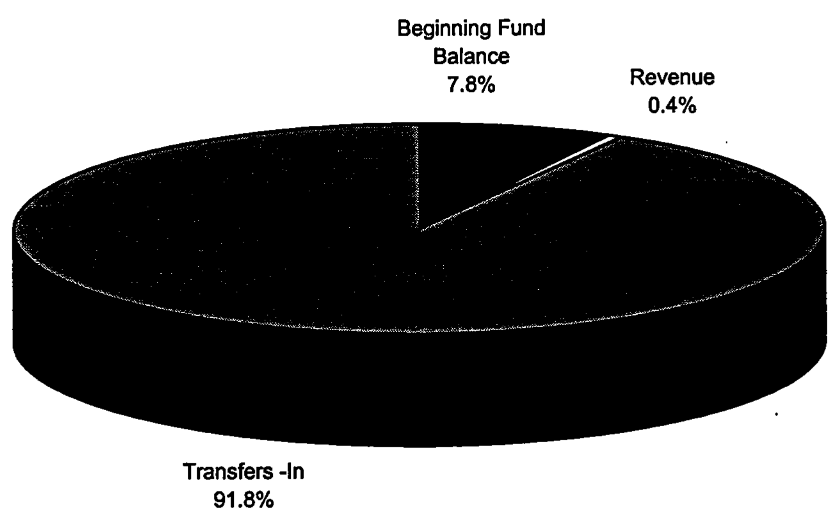


1998 Equipment Rental Fund Summary

The Equipment Rental Fund is used to account for the costs of leasing, maintaining and replacing City vehicles and auxiliary equipment. An annual allocation from the General Fund is made to support this purpose.

	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 13,400	$ 13,400	$ 14,140
Revenue	0	740	750
Transfers-In	95,066	72,505	166,682
Total Resources	**$ 108,466**	**$ 86,645**	**$ 181,572**
Expenditures	$ 95,066	$ 72,505	$ 166,682
Total Expenditures	**$ 95,066**	**$ 72,505**	**$ 166,682**
Ending Fund Balance	**$ 13,400**	**$ 14,140**	**$ 14,890**
Total Appropriation	**$ 108,466**	**$ 86,645**	**$ 181,572**

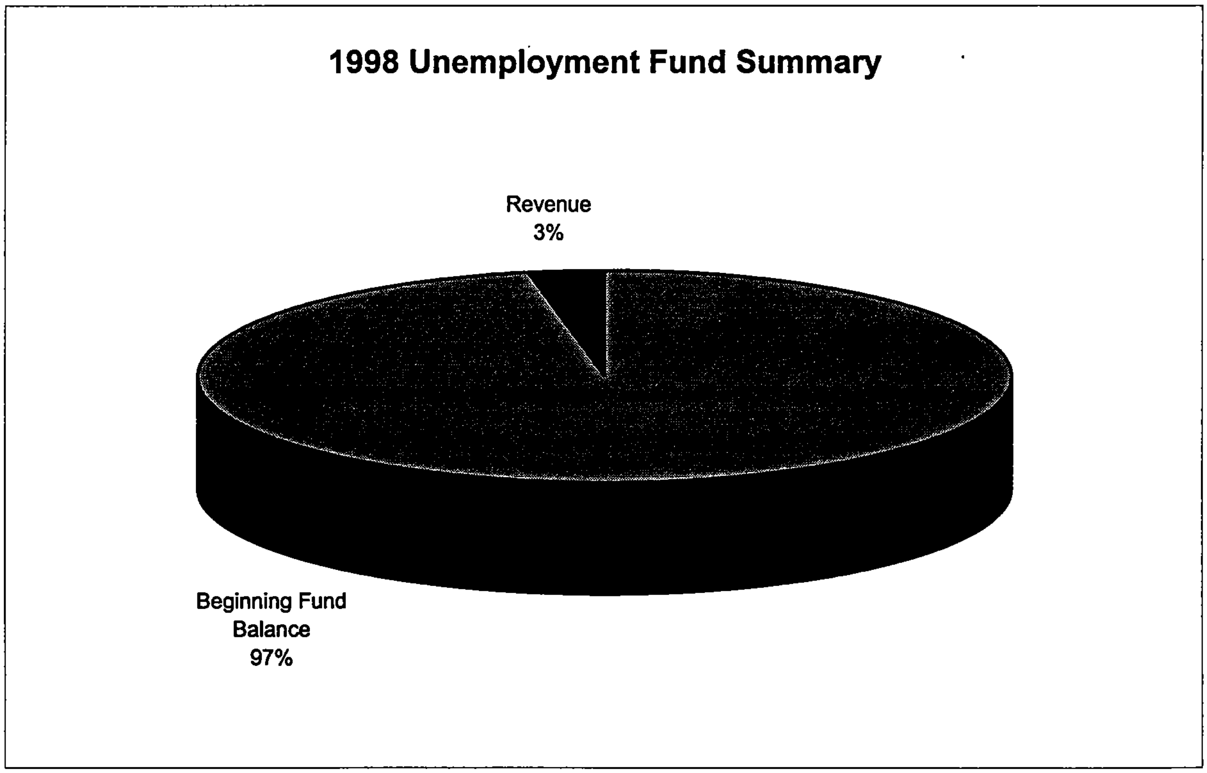
1998 Equipment Rental Fund Summary



1998 Unemployment Fund Summary

An annual allocation is made to this Fund in lieu of making contributions to State unemployment insurance. These funds will be used to pay unemployment benefits to qualified City employees after they leave City employment.

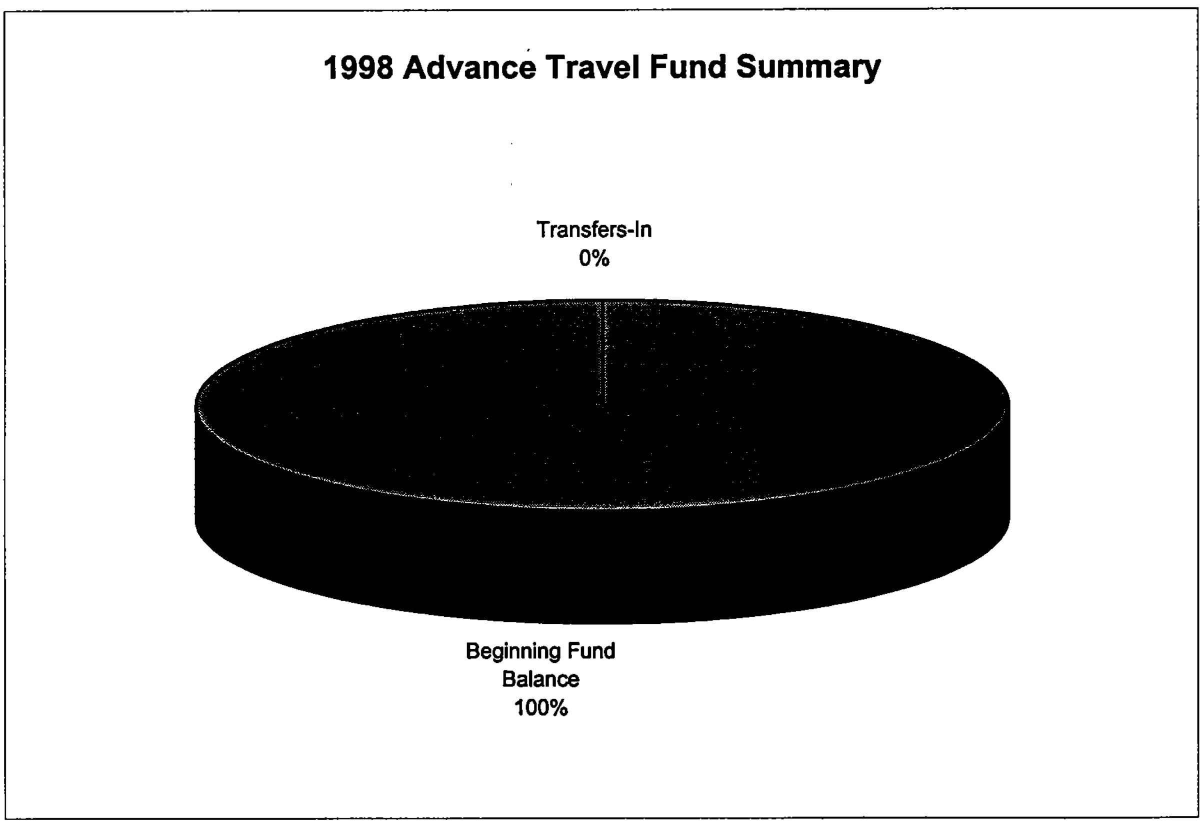
	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 5,000	$ 5,000	$ 20,606
Revenue	0	606	650
Transfers-In	15,000	15,000	0
Total Resources	**$ 20,000**	**$ 20,606**	**$ 21,256**
Expenditures	$ 0	$ 0	$ 0
Total Expenditures	**$ 0**	**$ 0**	**$ 0**
Ending Fund Balance	**$ 20,000**	**$ 20,606**	**$ 21,256**
Total Appropriation	**$ 20,000**	**$ 20,606**	**$ 21,256**



1998 Advance Travel Fund Summary

The purpose of this Fund is to reduce the financial burden of paying for reimbursable costs out of personal resources, by providing staff who are traveling on City business with some resources in advance. Distributions are based on estimates of per diem costs.

	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 0	$ 0	$ 5,000
Transfers-In	5,000	5,000	0
Total Resources	**$ 5,000**	**$ 5,000**	**$ 5,000**
Expenditures	$ 5,000	$ 0	$ 0
Total Expenditures	**$ 5,000**	**$ 0**	**$ 0**
Ending Fund Balance	**$ 0**	**$ 5,000**	**$ 5,000**
Total Appropriation	**$ 5,000**	**$ 5,000**	**$ 5,000**



1998 Agency Fund Summary

In some instances, the City is liable for making payments to other agencies based on fees collected. The purpose of this Fund is to track and set aside these type of fees. The Fund includes accounts for Hazardous Material Fees, which go to the Fire District; District Court Fees, a portion of which goes to the State; Deferred Compensation Payments, which are paid to our private providers; and other similar fees.

	1997 Amended Budget	1997 Projected	1998 Proposed
Beginning Fund Balance	$ 0	$ 0	$ 0
Transfers-In	228,400	228,400	215,000
Total Resources	**$ 228,400**	**$ 228,400**	**$ 215,000**
Expenditures	$ 228,400	$ 228,400	$ 215,000
Total Expenditures	**$ 228,400**	**$ 228,400**	**$ 215,000**
Ending Fund Balance	**$ 0**	**$ 0**	**$ 0**
Total Appropriation	**$ 228,400**	**$ 228,400**	**$ 215,000**