



## SHORELINE CITY COUNCIL REGULAR MEETING

Monday, April 25, 2016  
7:00 p.m.

Council Chamber · Shoreline City Hall  
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
<b>1. CALL TO ORDER</b>		7:00
<b>2. FLAG SALUTE/ROLL CALL</b>		
(a) Proclamation of Arbor Day	<u>2a-1</u>	
<b>3. REPORT OF THE CITY MANAGER</b>		
<b>4. COUNCIL REPORTS</b>		
<b>5. PUBLIC COMMENT</b>		
<p><i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i></p>		
<b>6. APPROVAL OF THE AGENDA</b>		7:20
<b>7. CONSENT CALENDAR</b>		7:20
(a) Minutes of Workshop Dinner Meeting of April 11, 2016	<u>7a-1</u>	
(b) Approval of expenses and payroll as of April 8, 2016 in the amount of \$1,133,387.17	<u>7b-1</u>	
(c) Adoption of Ord. No. 743 – 2015 Budget Carryover	<u>7c-1</u>	
(d) Adoption of Ord. No. 744 – 2016 Budget Amendment	<u>7d-1</u>	
(e) Approval of Res. No. 383 - Shoreview Park Boeing Creek Restoration at Hidden Lake Development Grant - Washington State Recreation and Conservation Office, Land and Water Conservations Fund	<u>7e-1</u>	
(f) Approval of Res. No. 384 - Twin Ponds Park Lighting Replacement Development Grant - Washington State Recreation and Conservation Office, Youth Athletic Fund	<u>7f-1</u>	
(g) Approval of Res. No. 385 - Twin Ponds Park Lighting Replacement Development Grant - Washington State Recreation and Conservation Office, Washington Wildlife and Recreation Program	<u>7g-1</u>	
(h) Authorize the City Manager to Execute a Purchase Order for the	<u>7h-1</u>	

Lease of New Copiers

**8. STUDY ITEMS**

- |                                                                                                                           |             |      |
|---------------------------------------------------------------------------------------------------------------------------|-------------|------|
| (a) Discussion of 2015 Fourth Quarter and Year End Financial Report                                                       | <u>8a-1</u> | 7:20 |
| (b) Discussion of 10 Year Financial Sustainability Plan Permitting and Inspection Cost of Service and Cost Recovery Study | <u>8b-1</u> | 7:50 |

**9. ADJOURNMENT**

8:50

*The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at [www.shorelinewa.gov](http://www.shorelinewa.gov). Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.*

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Arbor Day Proclamation and Tree City USA Designation
<b>DEPARTMENT:</b>	Parks, Recreation and Cultural Services
<b>PRESENTED BY:</b>	Eric Friedli, Parks, Recreation and Cultural Services Director
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Proclamation

**INTRODUCTION**

In 1872, Arbor Day was first observed with the planting of more than a million trees in the State of Nebraska. Arbor Day is now observed throughout the nation and the world. National Arbor Day is observed on the last Friday of April, and this year, Arbor Day falls on April 29, 2015.

The City of Shoreline has long recognized the benefit of improving the natural environment for present and future generations. Natural areas, trees, and landscapes provide not only community beautification but also economic and environmental benefits. To that end, the City of Shoreline is engaged in the Implementation of the 2014 Urban Forest Strategic Plan. That plan guides the City in the management and maintenance of our valuable community forest.

This proclamation recognizes Arbor Day in the City of Shoreline and encourages Shoreline citizens to participate in appropriate activities and to enjoy the parks and other natural areas in our community. On Sunday, April 24, 2016, the City of Shoreline celebrated Arbor Day by gathering with residents to remove invasive plants and plant native plants at Twin Ponds Park. The City of Shoreline has received official notification that the City has been recognized for the fourth year in a row as a Tree City USA community. Ben Thompson, Urban Forestry Specialist from the Washington State Department of Natural Resources, was in attendance to formally present our award.

At tonight's meeting, Jim Coneul and Yoshkio Saheki, the group leaders of the Stewards of Twin Ponds Park, will accept the Arbor Day proclamation. Stewards of Twin Ponds Park was created by John Dixon, Seattle resident who began working in Twin Ponds Park in 1990 as a steward when it was still unincorporated King County.

Jim Coneul has lived in Shoreline for over 25 years. Jim Coneul came to the Seattle area by riding his bicycle cross country in 1972 after graduating from the University of Massachusetts. A longtime supporter of bicycle commuting, clean air, and environmental preservation, Jim joined the Stewards of Twin Ponds Park group after meeting John Dixon in 2010. Since then he has been a regular at the weekly work parties that have cleared much of the Himalayan blackberry and English ivy from the park. He has lived near Twin Ponds Park since 1991, and is now retired after careers in

the mental health and information technology fields. Jim enjoys country dancing and plays the guitar with friends, occasionally performing at open mic venues around town.

Yoshiko Saheki has lived in Shoreline for over 20 years. Yoshiko first learned about John Dixon's restoration project in Twin Ponds Park shortly after Shoreline became a city. She began as a once-a-year volunteer back in 1997. In 2013, she joined the weekly work parties and greatly appreciates the hard work put in by John and others over the years. She is happy to continue the restoration efforts. Yoshiko is also active in the Parkwood Neighborhood Association, the 145th Street Citizens Committee, and Friends of Shoreline Library. She served two separate terms on the Library Board, including as chair of the inaugural board in 1996. She is a fundraising professional and currently works at Northwest School for Deaf and Hard-of-Hearing Children.

### **RECOMMENDATION**

Staff recommends that Council declare April 29, 2016 as a day to recognize Arbor Day in the City of Shoreline.

Approved By:

City Manager: **JN**

City Attorney **MK**



## PROCLAMATION

- WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and
- WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and Arbor Day is now observed throughout the nation and the world; and
- WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen, and provide habitat for wildlife; and
- WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, beautify our community, and are a source of joy and spiritual renewal; and
- WHEREAS, the City of Shoreline has been recognized for the fourth year in a row as a Tree City USA Community by Washington State Department of Natural Resources Urban and Community Forestry;

NOW, THEREFORE, I Chris Roberts, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and urban forest, and do hereby proclaim April 29, 2016 as

## ARBOR DAY

in the City of Shoreline.

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Christopher Roberts, Mayor of Shoreline

**CITY OF SHORELINE**  
**SHORELINE CITY COUNCIL**  
**SUMMARY MINUTES OF WORKSHOP DINNER MEETING**

Monday, April 11, 2016

Conference Room 104 - Shoreline City Hall  
17500 Midvale Avenue North

5:45 p.m.

PRESENT: Mayor Roberts, Deputy Mayor Winstead, Councilmembers McGlashan, Scully, Hall, McConnell, and Salomon,

ABSENT: None

STAFF: John Norris, Acting City Manager; Eric Bratton, Communications Program Manager; and Bonita Roznos, Deputy City Clerk

GUESTS: None

At 5:47 p.m., the meeting was called to order by Mayor Roberts.

The Citizen's Satisfaction Survey assesses resident's satisfaction with delivery of major City services; benchmarks current results against prior years; compares the City's performance with national and regional benchmarks; identifies areas of importance for improvement, and is performed every two years. Mr. Norris shared the importance of establishing a baseline and keeping questions longitudinal overtime.

Mr. Bratton reviewed proposed changes, including new proposed questions, for the 2016 Survey. Councilmembers discussed the purpose and intent of the questions, and the information that they hope to receive regarding residents' opinion of City services. They agreed with Mr. Bratton's proposed changes and to keep the Survey at a manageable length for respondents. They made the following recommendations:

- Question 3F – spell out I-5 to read “Interstate 5”
- Delete proposed new Question 8
- Delete Question 24E
- Delete Question 25
- Include some of the four (4) new proposed Public Safety questions (Question 9), possibly combining the new questions 1 and 2 or eliminating one of them.
- Omit the proposed question regarding increasing the minimum wage.

Mr. Bratton shared that the Survey will be advertised in the Currents Newsletter in May, and said he anticipates presenting results to Council in August 2016.

At 6:47 p.m., the meeting was adjourned.

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Bonita Roznos, Deputy City Clerk

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Approval of Expenses and Payroll as of April 8, 2016
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara S. Lane, Administrative Services Director

**EXECUTIVE / COUNCIL SUMMARY**

It is necessary for the Council to formally approve expenses at the City Council meetings. The following claims/expenses have been reviewed pursuant to Chapter 42.24 RCW (Revised Code of Washington) "Payment of claims for expenses, material, purchases-advancements."

**RECOMMENDATION**

Motion: I move to approve Payroll and Claims in the amount of \$1,133,387.17 specified in the following detail:

**\*Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
3/13/16-3/26/16	4/1/2016	65718-65897	14326-14337	63126-63131	\$469,481.39
					<u>\$469,481.39</u>

**\*Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
3/28/2016	1106	\$1,690.11
		<u>\$1,690.11</u>

**\*Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
3/31/2016	62990	63014	\$265,369.76
3/31/2016	63015	63028	\$2,380.72
3/31/2016	63029	63043	\$31,762.59
3/31/2016	63044	63067	\$64,836.51
3/31/2016	63068	63081	\$76,776.39
4/6/2016	63082	63101	\$205,139.86
4/6/2016	63102	63109	\$8,712.45
4/6/2016	63110	63118	\$6,202.28
4/6/2016	63119	63125	\$1,035.11
			<u>\$662,215.67</u>

Approved By: City Manager \_\_\_\_\_ City Attorney \_\_\_\_\_

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 743 - Amending the 2016 Budget for Uncompleted 2015 Operating and Capital Projects
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
<b>ACTION:</b>	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On April 11, staff presented proposed Ordinance No. 743 (Attachment A) to Council to amend the 2016 budget by increasing appropriations to pay expenditures incurred or complete projects initiated in 2015. Tonight's action would adopt proposed Ordinance No. 743.

**FINANCIAL IMPACT:**

In total, proposed Ordinance No. 743 will amend the City's budget by increasing it \$9,316,210, which will bring the total 2016 budget to \$88,766,646. The amendment includes \$3,960,212 of revenue from grants and other funding sources, the transfer of \$2,146,343 between funds, and the use of \$3,209,655 in available fund balance. After including the preliminary results of 2015 and the proposed use of fund balance, the City's available 2016 fund balance for the affected funds is \$4.995 million higher than that projected in the 2016 budget book.

**RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 743, amending the 2016 budget.

Approved By:            City Manager **JN**    City Attorney **MK**

## **BACKGROUND**

On April 11, staff presented proposed Ordinance No. 743 (Attachment A) to Council to amend the 2016 budget by increasing appropriations to pay expenditures incurred or complete projects initiated in 2015. The staff report for the April 11 discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport041116-9a.pdf>.

## **DISCUSSION**

Proposed Ordinance No. 743 would re-appropriate \$9,316,210 from 2015 to 2016 for several operating programs and capital projects. Among other reasons, re-appropriations often happen for very large projects, projects started later in a calendar year, and projects that experience unforeseen delays. Only the amount necessary to complete the project is actually re-appropriated into the succeeding year. Although most projects are capital in nature, some of these expenditures relate to operations. Attachment B to this staff report provides a table that summarizes the re-appropriation requests by fund.

## **ALTERNATIVES ANALYZED**

### Alternative 1: Take no action

If the Council chooses to not approve this amendment, either the expenditures incurred or complete projects initiated in 2015 would not be paid or completed without adversely impacting existing 2016 appropriations, which would need to be redirected for the completion of projects already in progress. In the case of capital projects, there would not be sufficient budget authority to complete ongoing projects.

### Alternative 2: Approve Ordinance No. 743 (Recommended)

Approval of proposed Ordinance No. 743 will provide the budget authority for the payment of expenditures incurred or completion of projects initiated in 2015 without negatively impacting existing 2016 appropriations. In addition, this amendment will result in accurately reflecting the anticipated expenditures in the City's operating and capital funds.

## **FINANCIAL IMPACT**

Proposed Ordinance No. 743 totals \$9,316,210 and increases both revenues and expenditures. Resources for the amendment include \$3,960,212 of revenue from grants and other funding sources, the transfer of \$2,146,343 between funds, and the use of \$3,209,655 in available fund balance. The following table summarizes the impact of this budget amendment and the resulting 2016 appropriation for each of the affected funds.

<b>Fund</b>	<b>2016 Current Budget (A)</b>	<b>Carryover Amount (B)</b>	<b>Amended 2016 Budget (C) (A + B)</b>
General Fund	\$42,133,114	\$1,675,103	\$43,808,217
Street Fund	\$1,631,411	\$69,771	\$1,701,182
Federal Criminal Forfeiture Fund	\$1,156,101	\$1,646,343	\$2,802,444
General Capital Fund	\$7,341,725	\$1,793,799	\$9,135,524
City Facilities-Major Maintenance Fund	\$758,500	\$18,584	\$777,084
Roads Capital Fund	\$12,758,137	\$3,716,339	\$16,474,476
Surface Water Utility Fund	\$6,835,663	\$306,807	\$7,142,470
Equipment Replacement Fund	\$210,138	\$89,464	\$299,602
All Other Funds	\$6,625,647	\$0	\$6,625,647
<b>Total</b>	<b>\$79,450,436</b>	<b>\$9,316,210</b>	<b>\$88,766,646</b>

The table below summarizes the impact on available fund balance in each of the affected funds. After the effect of these changes, the City's 2016 adjusted fund balance is \$4.995 million higher than that projected in the 2016 budget book.

<b>Fund</b>	<b>Proj. 2016 Beg. Fund Balance (A)</b>	<b>Actual 2016 Beg. Fund Balance (B)</b>	<b>Total Carryover Request (C)</b>	<b>Total Resources Adjustment (D)</b>	<b>2016 Adj. Fund Balance (Adj. for Carryover) (E) (B - C + D)</b>	<b>Var. from Proj. 2016 Beg. Fund Balance (F) (E - A)</b>
General Fund	\$9,645,545	\$12,467,360	\$1,675,103	\$667,374	\$11,459,631	\$1,814,086
Street Fund	\$888,977	\$1,064,319	\$69,771	\$0	\$994,548	\$105,571
Federal Criminal Forfeiture Fund	\$177,601	\$2,600,244	\$1,646,343	\$0	\$953,901	\$776,300
General Capital Fund	\$2,515,749	\$2,953,306	\$1,793,799	\$1,679,622	\$2,839,129	\$323,380
City Facilities-Major Maintenance Fund	\$35,944	\$84,801	\$18,584	\$0	\$66,217	\$30,273
Roads Capital Fund	\$2,993,168	\$4,185,502	\$3,716,339	\$3,759,559	\$4,228,722	\$1,235,554
Surface Water Utility Fund	\$1,510,129	\$2,418,441	\$306,807	\$0	\$2,111,634	\$601,505
Equipment Replacement Fund	\$1,988,194	\$2,185,499	\$89,464	\$0	\$2,096,035	\$107,841
<b>Total</b>	<b>\$19,755,307</b>	<b>\$27,959,473</b>	<b>\$9,316,210</b>	<b>\$6,106,555</b>	<b>\$24,749,818</b>	<b>\$4,994,511</b>

### **RECOMMENDATION**

Staff recommends that Council adopt Ordinance No. 743, amending the 2016 budget.

### **ATTACHMENTS**

- Attachment A: Proposed Ordinance No. 743
- Attachment B: 2016 Re-appropriations by Fund Detail

**ORDINANCE NO. 743**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 728 BY INCREASING THE APPROPRIATION IN THE GENERAL FUND, STREET FUND, FEDERAL CRIMINAL FORFEITURES FUND, GENERAL CAPITAL FUND, CITY FACILITIES-MAJOR MAINTENANCE FUND, ROADS CAPITAL FUND, SURFACE WATER UTILITY FUND, AND EQUIPMENT REPLACEMENT FUND**

WHEREAS, the 2016 Budget was adopted in Ordinance No. 728 and amended by Ordinance No. 740; and

WHEREAS, various projects were included in the City's 2015 operating budget and were not completed during 2015; and

WHEREAS, the 2016–2021 Capital Improvement Plan was adopted in Ordinance No. 728; and

WHEREAS, the 2015 Budget has assumed completion of specific capital improvement projects in 2015; and

WHEREAS, some of these capital projects were not completed and need to be continued and completed in 2016; and

WHEREAS, due to these 2015 projects not being completed, the 2015 ending fund balance and the 2016 beginning fund balance for the General Fund, Street Fund, Federal Criminal Forfeitures Fund, General Capital Fund, City Facilities-Major Maintenance Fund, Roads Capital Fund, Surface Water Utility Fund, and Equipment Replacement Fund is greater than budgeted; and

WHEREAS, the City wishes to appropriate a portion of these greater-than-budgeted beginning fund balances in 2016 to complete 2015 work and to include additional projects that were unknown needs when the 2016 budget was adopted; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.00.075 to include all revenues and expenditures for each fund in the adopted budget; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1. Amendment.** The City hereby amends Section 2 of Ordinance No. 728, *Summary of Revenues and Expenditures*, by increasing the appropriation for the General Fund by \$1,675,103; for the Street Fund by \$69,771; for the Federal Criminal Forfeiture Fund by \$1,646,343; for the General Capital Fund by \$1,793,799; for the City Facilities-Major Maintenance Fund by \$18,584; for the Roads Capital Fund by \$3,716,339; for the Surface Water

Utility Fund by \$306,807; for the Equipment Replacement Fund by \$89,464; and, by increasing the Total Funds appropriation to \$88,766,646, as follows:

	Current Appropriation	Revised Appropriation
General Fund	\$42,133,114	\$43,808,217
Street Fund	<del>1,631,411</del>	1,701,182
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	168,243	
Public Arts Fund	84,216	
Federal Drug Enforcement Forfeiture Fund	263,000	
Transportation Benefit District Fund	1,035,644	
Property Tax Equalization Fund	691,313	
Federal Criminal Forfeiture Fund	<del>1,156,101</del>	2,802,444
Transportation Impact Fees Fund	359,775	
Revenue Stabilization Fund	\$0	
Unltd Tax GO Bond 2006	1,710,375	
Limited Tax GO Bond 2009	1,663,417	
Limited Tax GO Bond 2013	260,948	
General Capital Fund	<del>7,341,725</del>	9,135,524
City Facility-Major Maintenance Fund	<del>758,500</del>	777,084
Roads Capital Fund	<del>12,758,137</del>	16,474,476
Surface Water Capital Fund	<del>6,835,663</del>	7,142,470
Vehicle Operations/Maintenance Fund	271,216	
Equipment Replacement Fund	<del>210,138</del>	299,602
Unemployment Fund	17,500	
Total Funds	<del>\$79,450,436</del>	\$88,766,646

**Section 2. Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

**Section 3. Effective Date.** A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

**PASSED BY THE CITY COUNCIL ON APRIL 25, 2016**

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Mayor Christopher Roberts

**ATTEST:**

**APPROVED AS TO FORM:**

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Jessica Simulcik Smith  
City Clerk

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Margaret King  
City Attorney

Publication Date:       , 2016  
Effective Date:       , 2016

Fund	Dept / Program	Project/Item	Carryover Amount	Carryover Revenue	Justification
<b>General Fund</b>					
	General Fund Admin Key	Transfer to Roads Capital Fund for Grant Match	\$500,000		Transfer delayed until 2016.
	City Manager's Office	Leadership and Management Development	\$25,000		Complete project in 2016.
	ASD / Budget/Financial Plan	Cost of Service Study	\$16,432		Complete project in 2016.
	ASD / IT Strategic Plan & Advry Svc	SharePoint Phase I	\$6,000		Complete project in 2016.
	ASD / IT Strategic Plan & Advry Svc	Class Replacement	\$4,000		Complete project in 2016.
	ASD / Information Technology - GIS	Digital Aerial Photography and Mapping	\$20,000		Project delayed into 2016.
	ASD / IT-Operations	Vsphere License Upgrades	\$9,906		Payment of invoices received in 2016.
	ASD / IT-Operations	GFI Replacement (Email Archiving Software)	\$3,000		Complete project in 2016.
	ASD / Facilities	Project Management Skills Training	\$12,075		Complete project in 2016.
	ASD / Facilities	Pool HVAC Controls Replacement	\$18,000		Complete project in 2016.
	Police / Special Support	RADAR Program	\$631,380	\$631,380	Project continues in 2016.
	Community Services / Emergency	Emergency Management Performance Grant		\$1,014	EMPG Grant continues until 8/31/2016.
	PRCS / General Programs	Purchase of greenhouse supplies for gardening program	\$5,039		Use of \$5,039 donation from CHOICES program received in March 2013.
	PRCS / Teen & Youth Development Program	Raikes Foundation Teen Training	\$4,917		Use remainder of funding from the Raikes Foundation.
	CMO / Economic Development	Marketing campaign for Promoting Shoreline	\$71,673		Complete project in 2016.
	CMO / Economic Development	Promoting Shoreline	\$45,484		Complete project in 2016.
	CMO / Economic Development	Building a cohesive, unified brand for Aurora Square	\$5,000		Complete project in 2016.
	PCD / City Planning	145th St Station Subarea Plan Support	\$77,704		Continue development of 145th St Station Subarea Plan
	PW / Administration	Strategic Planning Facilitation	\$4,400		Complete project in 2016.
	PW / Environmental Services	Waste Reduction & Recycling Grant	\$34,980	\$34,980	Support Wastemobile and residential recycling programs.
	PW / Environmental Services	Solid Waste Procurement Contract	\$16,122		Consultant support during the process.
	PW / Right of Way Program	Construction Manual	\$13,014		Complete project in 2016.
	PW / Engineering	Section 504 and American Disability Act	\$50,000		Project delayed into 2016.
	PW / Engineering	Right-of-Way Inventory and Condition Assessment	\$56,000		Project delayed into 2016.
	PW / Engineering	Development of cost estimating tool	\$4,977		Complete project in 2016.
	PW / Traffic Services	145th St Route Development Plan	\$40,000		Project delayed into 2016.
	<b>Total General Fund</b>		<b>\$1,675,103</b>	<b>\$667,374</b>	
<b>Street Fund</b>					
	PW / Street Operations	Public Works Health and Safety Manual	\$19,105		Complete project in 2016.
	PW / Street Operations	Purchase of accessories for 3/4 Ton Heavy Duty Pickup (Street Operations portion of cost of VN#110)	\$6,927		Complete purchase in 2016.
	PW / Street Operations	Purchase of utility body for sign truck (Street Operations portion of cost of VN#116)	\$43,739		Complete purchase in 2016.
	<b>Total Street Fund</b>		<b>\$69,771</b>	<b>\$0</b>	

Fund	Dept / Program	Project/Item	Carryover Amount	Carryover Revenue	Justification
<b>Federal Criminal Forfeiture Fund</b>					
Federal Criminal Forfeiture		Transfer to General Capital Fund for Police Station	\$1,646,343		Project continues in 2016.
<b>Total Federal Criminal Forfeiture Fund</b>			<b>\$1,646,343</b>	<b>\$0</b>	
<b>General Capital Fund</b>					
CIP		Police Station at City Hall	\$1,646,343	\$1,646,343	Continue project in 2016.
CIP		Parks Repair & Replacement	\$13,565		Continue project in 2016.
CIP		Regional Trail Signage	\$5,906		Continue project in 2016.
CIP		Shoreline Veteran's Recognition	\$33,279	\$33,279	Complete project in 2016.
CIP		Turf and Lighting Repair & Replacement Projects	\$42,155		Continue project in 2016.
CIP		Pool & Recreation Facility Master Planning	\$15,000		Project delayed into 2016.
CIP		Parks, Recreation and Open Space Plan Update	\$37,551		Complete project in 2016.
<b>Total General Capital Fund</b>			<b>\$1,793,799</b>	<b>\$1,679,622</b>	
<b>City Facilities-Major Maintenance Fund</b>					
CIP		Pool Major Maintenance	\$18,584		Continue project in 2016.
<b>Total City Facilities-Major Maintenance Fund</b>			<b>\$18,584</b>	<b>\$0</b>	
<b>Roads Capital Fund</b>					
Roads Capital Fund Admin Key		Transfer to Roads Capital Fund for Grant Match		\$500,000	Transfer delayed until 2016.
CIP		Curb Ramps, Sidewalks, Gutters	\$83,902		Continue project in 2016.
CIP		Traffic Safety Improvements	\$17,829		Continue project in 2016.
CIP		10th Ave NW Bridge Repairs	\$13,207		Complete project in 2016.
CIP		Einstein Safe Route to School	\$39,227	\$9,263	Complete project in 2016.
CIP		195th Trail Connector 1st-5th	\$10,000		Complete project in 2016.
CIP		Interurban / Burke-Gilman	\$50,017	\$62,989	Continue project in 2016.
CIP		Bike System Implementation	\$10,000	\$8,650	Continue project in 2016.
CIP		Echo Lake Safe Route to School	\$31,124	\$33,500	Complete project in 2016.
CIP		Traffic Signal Rehab	\$52,089		Continue project in 2016.
CIP		Aurora Ave. N 145th to 192nd Safety Improvements	\$3,543		Complete project in 2016.
CIP		Annual Roads Surface Maintenance Program	\$121,336		Continue project in 2016.
CIP		Aurora Avenue N 192nd to 205th	\$3,284,065	\$3,145,157	Complete project in 2016.
<b>Total Roads Capital Fund</b>			<b>\$3,716,339</b>	<b>\$3,759,559</b>	
<b>Surface Water Utility Fund</b>					
PW / Surface Water Mgmt		Storm Sewer System Cleaning (Vactoring)	\$10,995		Work continues in 2016.
PW / Surface Water Mgmt		Purchase of accessories for 3/4 Ton Heavy Duty Pickup (SWM portion of cost of VN#110)	\$1,052		Complete purchase in 2016.
CIP		McAleer Creek - Goheen Property Revetment Repair Project	\$3,626		Continue project in 2016.
CIP		Stormwater Pipe Repair and Replacement Project	\$77,103		Continue project in 2016.
CIP		Puget Sound Drainages Basin Plan	\$171,432		Complete project in 2016.
CIP		Hidden Lake Dam Removal	\$41,213		Complete project in 2016.
CIP		NE 148th Street Infiltration Facilities	\$1,386		Complete project in 2016.
<b>Total Surface Water Utility Fund</b>			<b>\$306,807</b>	<b>\$0</b>	

Fund	Dept / Program	Project/Item	Carryover Amount	Carryover Revenue	Justification
<b>Equipment Replacement Fund</b>					
	Equipment Replacement-Vehicles/Heavy Equipment	Purchase of utility body for sign truck (Equip. Repl. portion of cost of VN#116)	\$4,069		Complete purchase in 2016.
	Equipment Replacement-Vehicles/Heavy Equipment	Purchase of accessories for 3/4 Ton Heavy Duty Pickup (Equip. Repl. portion of cost of VN#110)	\$27,781		Complete purchase in 2016.
	Equipment Replacement-Vehicles/Heavy Equipment	Additional funds to purchase VN#232 (Cracksealer)	\$57,614		Complete purchase in 2016.
<b>Total Equipment Replacement Fund</b>			<b>\$89,464</b>	<b>\$0</b>	
<b>TOTAL CARRYOVER REQUESTS</b>			<b>\$9,316,210</b>	<b>\$6,106,555</b>	

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 744 - Budget Amendment for 2016
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
<b>ACTION:</b>	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On April 11, staff presented proposed Ordinance No. 744 (Attachment A) to Council to amend the 2016 budget by increasing appropriations and the number of full-time equivalent (FTE) positions. Tonight's action would adopt proposed Ordinance No. 744.

**FINANCIAL IMPACT:**

Proposed Ordinance No. 744 increases 2016 appropriations for various operating programs and capital projects by \$1,112,712, increases revenues by \$157,529, increases transfers between funds by \$58,303, and uses available fund balance totaling \$955,183. Proposed Ordinance No. 744 also zeroes out the \$1,035,644 in appropriations and revenues for the Transportation Benefit District Fund. The net impact of Ordinance No. 744 is an increase in 2016 appropriations totaling \$77,068 and decrease in resources totaling \$819,812. The adjusted 2016 fund balance, net of 2015 carryovers, for the affected funds is \$2.983 million higher than that projected in the 2016 budget book. After the effect of these changes, the City's 2016 fund balance is \$2.086 million higher than that projected in the 2016 budget book. The following programs in the operating budget will be impacted by this amendment:

General Fund: \$632,930

- ASD / Information Technology: \$238,004
- ASD / IT Equipment Replacement: \$17,000
- ASD / Facilities: \$4,634
- Citywide / Non-departmental: \$17,252
- Police /Traffic Services: \$10,314
- PRCS / Administration: (\$15,000)
- PRCS / Parks Operations: \$36,000
- PRCS / Teen & Youth Development Program: \$4,865 (Increase of 0.125 FTE Recreation Specialist II)
- Public Works / Environmental Services: \$50,000
- Staffing for Sound Transit Lynnwood Link Extension Project (ASD/PW/PCD): \$211,558 (Increase of 1.00 FTE Sr. Planner and 1.00 FTE Engineer II)
- Transfers Out: \$58,303

Street Fund: \$12,591

- Public Works / Street Operations: \$12,591

Transportation Benefit District Fund: (\$1,035,644)

- Transportation Benefit District / Admin Key: (\$1,035,644)

Equipment Replacement Fund: \$157,798

- Equipment Replacement: \$157,798

The following projects in the capital budget will be impacted by this amendment:

General Capital Fund: \$6,000

- KC Levy Trail Projects: \$6,000

City Facilities Major Maintenance Fund: \$89,670

- Roof Replacement and Major Repairs: \$89,670

Roads Capital Fund: \$0 (FTE Increase only)

- N 175th Street (Stone Way to I-5) Capital Project: \$0 (Increase of 1.00 FTE Engineer II – Capital Projects)

The following programs/projects in the utility budget will be impacted by this amendment:

Surface Water Management: \$70,000

- Surface Water Management - \$70,000

Surface Water Capital: \$143,723

- Surface Water Small Projects: \$135,723
- Lyon (Ballinger) Creek Basin Plan: \$4,000
- McAleer Creek Basin Plan: \$4,000

Staff has updated the 10 Year Financial Sustainability Model to reflect the impact this budget amendment will have on the current budget and the forecast.

**RECOMMENDATION**

Staff recommends that Council adopt proposed Ordinance No. 744, amending the 2016 budget and increasing the number of approved full-time equivalent (FTE) positions.

Approved By:           City Manager **JN**   City Attorney **MK**

## **INTRODUCTION**

On April 11, staff presented proposed Ordinance No. 744 (Attachment A) to Council to amend the 2016 budget by increasing appropriations and the number of full-time equivalent (FTE) positions. The staff report for the April 11 discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport041116-9b.pdf>.

## **BACKGROUND**

The detail of the proposed budget amendments is as follows, and is also outlined in Attachment B to this staff report.

### **General Fund**

#### **Cityworks Implementation for Parks Operations and Ronald Wastewater District:**

The 2016 appropriation will increase by a total of \$238,004 for the Information Technology Division of the Administrative Services Department and decrease by a total of \$15,000 for the Administration Division of the Parks, Recreation and Cultural Services Department. The net increase requested by staff in 2016 totals \$223,004.

The implementation of Cityworks for the Parks Operations Division of the Parks, Recreation and Cultural Services Department (Parks) is included in the Strategic Technology Plan for a 2017 implementation. As part of the Assumption Transition Committee of Elected Officials (CEO) process, the Ronald Wastewater District (RWD) discussed and subsequently appropriated funding in its 2016 budget for the implementation of Cityworks. Woolpert, the City's Cityworks implementer, can link implementation for Parks and RWD together at this time. The implementation of RWD on the City's Cityworks system will provide RWD with a much needed replacement of its aging database that is no longer supported by the vendor. RWD has agreed to implement its assets in a separate area on the City's Cityworks system. A significant benefit of this approach is the elimination of work to consolidate assets upon the City's assumption of RWD. To that end, this approach will result in significant cost savings by reducing the number of trips the consultant will need to make to our organizations and focusing on the configuration of the system once for two groups as opposed to two separate configurations.

The City will need to amend its contract with Cityworks to include licensing for RWD at a total of \$16,425, which will be reimbursed by RWD. The City will need to amend its contract with Woolpert to provide consulting services for the implementation at a total of \$153,579 and up to \$8,000 of travel expenses (to be invoiced based on actual expenses), with RWD reimbursing the City for 50% of the actual cost.

The City will also have to contract out for approximately seven months of technical support for \$60,000 to update GIS inventory, provide support for implementation, develop workflows to support work processes, train staff on processes, and configure mobile devices.

The 2016 budget includes \$50,000 in the PRCS Administration budget identified for the Parks asset inventory. In addition to the savings discussed above, \$15,000 of this budget item can be redirected toward the Cityworks project. If the Cityworks item discussed above is not moved forward, this item in the PRCS Administration budget will need to remain funded at \$50,000. The net increase requested by staff in 2016 totals \$223,004. The 2017 proposed budget would have included this funding request, but it is now recommended to move this work to 2016.

**ASD / IT Equipment Replacement:**

The 2016 appropriation for this program will increase by a total of \$17,000 to replace the control panel (located in the Council Chambers) and the capture device used for recording council meetings for cable TV. The control panel is not working reliably and is over two years past its normal replacement cycle. The device that records the Council meetings for cable TV is also past its normal replacement cycle and has been failing intermittently.

**ASD / Facilities:**

The 2016 appropriation for this program will increase by a total of \$4,634 to replace several small, but important, tools that were stolen from the City Facility's van in July 2015. These tools are stored in the Facility's van so they can be transported to make repairs in various City facilities including the 14 park restrooms.

**Citywide / Non-departmental:**

The 2016 appropriation for this program will increase by a total of \$17,252 to pay for a Fire Benefit Charge implemented by the Shoreline Fire Department. In August 2015, voters authorized the Shoreline Fire Department to impose a Fire Benefit Charge (FBC) on improvements to real property. City property is exempt from taxes levied on properties. The Shoreline Fire Department assured City staff that the City would be exempt; however, because the FBC is a fee for a service/benefit and not a tax, the City will have to pay the FBC. There are 11 properties that include improvements (e.g., City Hall, Highland Plaza, etc.) that were charged the FBC for a total of \$17,289. The 2016 budget includes \$41,093 for fees associated with City-owned properties, such as noxious weed fees, King County Conservation District fees, and surface water fees. With the FBC and other fees added together, the 2016 total charge is \$58,345. Staff is requesting \$17,252 in additional appropriations for the difference created by the addition of the FBC. Staff is continuing its discussion with the Shoreline Fire Department regarding the FBC.

**Police / Traffic Enforcement:**

The 2016 appropriation for this program will increase by a total of \$10,314 to purchase police equipment. Funding for this amendment will come from a grant from the Byrne/JAG Program.

**Parks, Recreation and Cultural Services (PRCS) / Parks Operations:**

*Vactoring:*

The 2016 appropriation for this program will increase by a total of \$11,000 for the vactoring of catch basins within City parks, parking lots, and open spaces as requested by the Public Works Surface Water Management program to meet the requirements of the City's National Pollution Discharge Elimination System (NPDES) permit.

### *Emergency/Hazardous Tree Removal:*

The 2016 appropriation for this program will increase by a total of \$25,000 for emergency and hazardous tree removal. On March 8 PRCS staff were contacted by a resident about a tree in Innis Arden Reserve Park that was leaning on another tree adjacent to a home. Staff investigated and determined the tree needed to be removed as quickly as possible since the tree root ball was exposed, thereby no longer securing the tree in the ground, and the tree was leaning directly over the adjacent home. Given the size of the tree and its location on a steep slope the removal was beyond staff's ability. Staff's tree maintenance contractor (Best Tree) was asked to inspect the tree and provide a bid for removal. The removal was a complicated process requiring a 175-ton crane to lift workers to the top of the tree, remove it in sections and drop the tree sections to the ground. The work was completed on Saturday, March 12. Furthermore, with the recent windstorm on March 13, a number of trees in the right-of-way have become critically hazardous and will need removal.

### **Parks, Recreation and Cultural Services (PRCS) / Teen & Youth Development Program:**

The 2016 appropriation for this program will increase by a total of \$4,865 and the number of approved FTEs will be increased by 0.125 for the Recreation Specialist II position in order to expand the Hang Time program for middle school students currently held at Kellogg Middle School into Einstein Middle School. This is intended to be an ongoing change starting in August 2016. There are offsetting savings from payments to the YMCA.

In early March the Shoreline School District (SSD) approached the YMCA and PRCS about expanding this program due to its success at Kellogg Middle School. The Hang Time program has offered after school activities to students for almost 20 years. It has been a successful partnership between the City, YMCA, and SSD. The SSD believes expanding this program into Einstein Middle School will fill a gap where there is not a comprehensive after school program. The YMCA and SSD have agreed to participate in an expanded program. The requested funding allows an increase of 0.125 FTE of the aforementioned position and additional extra help support for the program hours, which provides the City's participation in this partnership to serve Shoreline's youth.

The total net cost of this request in 2016 equals \$4,865, comprised of \$4,498 to increase the Recreation Specialist II to 1.00 FTE, \$2,867 in extra help costs, and an offset of \$2,500 in the form of a reduction in payments to the YMCA. The estimated net cost increase of this program expansion for 2017 totals \$10,106, and is comprised of \$9,184 related to the FTE increase, \$5,922 in extra help costs, and an offset of \$5,000 in the form of a reduction in payments to the YMCA.

### **Public Works / Environmental Services:**

The 2016 appropriation for this program will increase by a total of \$50,000 to implement the new solid waste contract and new mandatory collection requirement, which includes, but is not limited to, the development of educational material, an open house event, and consultant services. These services need to be provided to facilitate a smooth contract implementation process that enhances customer understanding of their new service and requirements. Funding for this amendment will come from a reimbursement of \$50,000 from the selected solid waste service provider.

**Staffing for Sound Transit Lynnwood Link Extension Project:**

The 2016 appropriation will increase by a total of \$211,558, comprised of \$22,528 for the Information Technology and Facilities divisions of the Administrative Services Department, \$89,018 for the Planning & Community Development Department, and \$100,012 for the Public Works Department.

Sound Transit is expected to begin final design of the Lynnwood Link Extension (LLE) project in late-April or early-May. The City and Sound Transit are negotiating a multi-year agreement with regard to its development, design, construction and permitting phases. It is anticipated that the cost for these positions will be funded through a staffing agreement between the City and Sound Transit. In order to meet the turn-around times requested by Sound Transit additional staffing is required. Sound Transit has provided funding for supplemental staffing to other jurisdictions that have Sound Transit light rail facilities being built. Given the lead time needed to recruit and hire staff, the City Manager recommends adding these positions at this time, recognizing that a negotiated agreement with Sound Transit will come at a later date.

At this time staff is requesting that the 2016 budget be amended by increasing the number of approved FTEs for the Planning and Community Development Department by one (1.00 FTE Senior Planner) and the Public Works Department by one (1.00 FTE Engineer II). The appropriations for 2016 will be placed in the appropriate departments' budgets, as follows:

- Administrative Services Department – Information Technology and Facilities: \$22,528 for start-up costs (i.e., computer, phone, cubicle setup, etc.).
- Planning & Community Development: \$89,018 for salaries, benefits, and staff support of a Senior Planner position (1.00 FTE).
- Public Works: \$100,012 for salaries, benefits, and staff support of an Engineer II (1.00 FTE).

**General Fund Transfers Out:**

The 2016 appropriation will increase by a total of \$58,303 as a transfer from the General Fund to the City Facilities-Major Maintenance Fund that is needed to fully establish the Roof Replacement and Major Repairs project. There are four City facilities that are experiencing roof leaks; City Hall (CH), Richmond Highlands Community Center (RHCC), Shoreline Pool (Pool) and Highland Plaza (current location of Jersey's). This request will fund the investigation and/or repair of the CH green roof and a 30'x5' roof section at the Pool, as well as the investigation of options to repair the Highland Plaza roof and severity of the leaks in the RHCC roof.

**Revenues:**

General Fund revenues will be increased by \$157,529, as follows:

- The Ronald Wastewater District will reimburse the City for 100% of the costs, or \$16,425, of the licenses needed to implement Cityworks, and 50% of the costs, or up to \$80,790, for the consulting services with Woolpert for the implementation and Woolpert's travel costs.
- A grant from the Byrne/JAG program will provide \$10,314 for the purchase of police equipment; and,

- The new solid waste service provider will provide \$50,000 to implement the new solid waste contract and new mandatory collection requirement.

**Impact on the General Fund's Fund Balance:**

Ordinance No. 744 proposes using \$475,401 of available fund balance to fund the proposed items that do not have a dedicated revenue source.

**Street Fund**

**Public Works / Street Operations:**

The 2016 appropriation for this program will increase by a total of \$12,591 to purchase the replacement the current Vehicle #134 with a heavy duty multi-purpose vehicle with a "hook-and-go" feature. The balance of the appropriations to complete this purchase is in the Equipment Replacement Fund. The 2015 appropriation to purchase the new vehicle was not sufficient primarily due to the increased cost of the required hydraulic system.

**Impact on the Street Fund's Fund Balance:**

Ordinance No. 744 proposes using \$12,591 of available fund balance to fund this amendment.

**Transportation Benefit District (TBD) Fund**

**Transportation Benefit District / Admin Key:**

The 2016 appropriation and revenues for this program will each decrease by a total of \$1,035,644 as a result of the assumption of the TBD through Council action (Ordinance No. 726). In 2016, staff learned that the City is able to account for the revenues and expenditures associated with the TBD directly within the Roads Capital Fund, thereby eliminating the need to maintain a separate TBD Fund. As the appropriation and offsetting revenue from TBD vehicle license fees for the Annual Road Surface Maintenance Program are already budgeted within the Roads Capital Fund, this amendment serves to reduce the City's total appropriations without adversely impacting existing 2016 appropriations.

**Impact on the Transportation Benefit District Fund's Fund Balance:**

Ordinance No. 744 will have no effect on available fund balance to fund this amendment.

**Equipment Replacement Fund**

**Equipment Replacement:**

The 2016 appropriation for this program will increase by a total of \$157,798 to purchase the replacement the current Vehicle #134 with a heavy duty multi-purpose vehicle with a "hook-and-go" feature. The balance of the appropriations to complete this purchase is in the Street Fund. The 2015 appropriation to purchase the new vehicle was not sufficient primarily due to the increased cost of the required hydraulic system.

**Impact on the Equipment Replacement Fund's Fund Balance:**

Ordinance No. 744 proposes using \$157,798 of available fund balance to fund this amendment.

**General Capital Fund**

**KC Levy Trail Projects:**

The 2016 appropriation for this project will increase by a total of \$6,000 to include additional KC Levy Trail funding received in 2015 than was projected and programmed in 2016. This project will provide for environmental vegetation management and minor trail repair.

**Impact on the General Capital Fund's Fund Balance:**

Ordinance No. 744 proposes programming \$6,000 of additional KC Levy Trail funding received in 2015 to fund this amendment.

**City Facilities-Major Maintenance Fund**

**Roof Replacement and Major Repairs:**

The 2016 appropriation for this project will increase by a total of \$89,670 to add the Roof Replacement and Major Repairs project to the 2016 Capital Improvement Program. There are four City facilities that are experiencing roof leaks; City Hall (CH), Richmond Highlands Community Center (RHCC), Shoreline Pool (Pool) and Highland Plaza (Jersey's). This project will include investigation and/or repair of the CH green roof and a 30'x5' roof section at the Pool, as well as the investigation of options to repair the Highland Plaza roof and severity of the leaks in the RHCC roof. Additional support for this project will be provided by the General Fund in the amount of \$58,303 as discussed above.

Facility roofs leaks, if not repaired in a timely manner, can lead to extensive damage to interior walls, floors, furniture, and other mechanical systems and appliances. It is critical to have repairs completed to prevent interruptions to business operations and maintain a safe and reliable facility for the community. Roof conditions are not always apparent. In the future it is recommended that the Facilities program conduct an annual review of all City building roofs to identify the needs to be addressed by this new CIP project in the future.

**Resources:**

City Facilities-Major Maintenance Fund resources will be increased by \$58,303 from a General Fund transfer.

**Impact on the City Facilities-Major Maintenance Fund's Fund Balance:**

Ordinance No. 744 proposes reprogramming \$31,367 of available fund balance to fund this amendment.

## **Roads Capital Fund**

### **N 175<sup>th</sup> Street (Stone Way to I-5):**

The 2016 appropriation for this project will not change as this request will amend the 2016 budget by increasing the number of approved FTEs for the Public Works Department by one (1.00 FTE Engineer II – Capital Projects) in order to be able to deliver this project. The 2016-2021 CIP includes funding the mobility and safety improvements to users of the N 175<sup>th</sup> Street corridor. Federal Surface Transportation Program funds are the primary source of revenue for this project. The City received notice on March 2, 2016 that the King County Project Evaluation Committee has completed its review related to the allocation of returned federal funding and has finalized the distribution of these funds. The City's funding request for \$3,546,500 is on the adopted contingency list. The 2016-2021 CIP already reflects the use of \$2,305,225 in 2016 and \$1,241,275 in 2017 for this project.

### **Impact on the Roads Capital Fund's Fund Balance:**

Ordinance No. 744 will have no effect on available fund balance to fund this amendment as funding is already included in the 2016-2021 CIP.

## **Surface Water Utility Fund**

### **Surface Water Management:**

The 2016 appropriation for this program will increase by a total of \$70,000 to fund professional services to help the City address drainage assessment, engineering and planning needs. The Surface Water Engineer II is focused on the development and delivery of CIP project and does not have capacity to address a backlog of 60 identified drainage issues. This funding will support the Surface Water Engineering and On-Call Services firm in assessing and developing designs. Specific tasks include:

- Assess and develop design and construction documents to eliminate ponding of water on the right-of-way at N 179<sup>th</sup> and 1<sup>st</sup> Avenue NE; estimated cost: \$20,000;
- Assess and develop design and construction documents to collect and redirect right-of-way water from entering two private properties located at N 149<sup>th</sup> and Westminster to an infiltration pond in the right-of-way; estimated cost: \$20,000;
- Assess and develop design and construction documents to eliminate water from two public catch basins contributing to flooding of private property located at 1847 N 183<sup>rd</sup> St.; estimated cost: \$20,000; and,
- Review backlog of unassigned work and develop criteria for prioritizing the remaining unassigned backlog of drainage issues; provide staff with a prioritized list to address high to low priority projects and which should be contracted out from those that may be accomplished in-house; estimated cost: \$10,000.

Staff anticipates bringing to Council a 2017 budget request for a higher level of professional services funding that will be used to continue to address the backlog of drainage work through the services provided by the current Surface Water Engineering and On-Call Services firm.

**Surface Water Small Projects:**

The 2016 appropriation for this project will increase by a total of \$135,723 so that previous pre-design and design efforts for Surface Water Small Works sites can be further developed to final design and constructed in 2016 without adversely impacting existing 2016 appropriations. Work to be funded by this amendment represents a continuation of previous efforts which were not completed due to workload issues. Such work includes the Surface Waters Small Project bid package #7639 currently in development, which is approximately 75% complete. There are sufficient funds available in the Surface Water Utility Fund that can be reprogrammed due to operating and other capital project savings that occurred during 2015.

**Lyon (Ballinger) Creek Basin Plan:**

The 2016 appropriation for this project will increase by a total of \$4,000 to fund the final actions of the basin plan, which included a summary presentation and discussion of basin plan results for City Council. The basin plan final report was completed in 2015. No further work for this basin plan is expected at this time.

The summary presentation and discussion of basin plan results took place during the City Council meeting on February 8, 2016. The total to-date expenses for this work are approximately \$2,000. The remaining \$2,000 of the proposed budget amendment will likely not be needed but represent a contingency amount in the event that any additional final basin plan-related tasks arise in 2016. There are sufficient funds available in the Surface Water Utility Fund that can be reprogrammed due to operating and other capital project savings that occurred during 2015.

**McAleer Creek Basin Plan:**

The 2016 appropriation for this project will increase by a total of \$4,000 to fund the final actions of the basin plan, which included a summary presentation and discussion of basin plan results for City Council. The basin plan final report was completed in 2015. No further work for this basin plan is expected at this time.

The summary presentation and discussion of basin plan results took place during the City Council meeting on February 8, 2016. The total to-date expenses for this work are approximately \$2,000. The remaining \$2,000 of the proposed budget amendment will likely not be needed but represent a contingency amount in the event that any additional final basin plan-related tasks arise in 2016. There are sufficient funds available in the Surface Water Utility Fund that can be reprogrammed due to operating and other capital project savings that occurred during 2015.

**Impact on the Surface Water Utility Fund's Fund Balance:**

Ordinance No. 744 proposes using \$213,723 of available fund balance to fund this amendment.

**FINANCIAL IMPACT**

Proposed Ordinance No. 744 increases 2016 appropriations for various operating programs and capital projects by \$1,112,712, increases revenues by \$157,529, increases transfers between funds by \$58,303, and uses available fund balance totaling \$955,183. Proposed Ordinance No. 744 also zeroes out the \$1,035,644 in

appropriations and revenues for the Transportation Benefit District Fund. The net impact of Ordinance No. 744 is an increase in 2016 appropriations totaling \$77,068 and decrease in resources totaling \$819,812. The following table summarizes the impact of this budget amendment and the resulting 2016 appropriation for each of the affected funds.

<b>Fund</b>	<b>2016 Current Budget (A)</b>	<b>Budget Amendment (B)</b>	<b>Amended 2016 Budget (C) (A + B)</b>
General Fund	\$43,808,217	\$632,930	\$44,441,147
Street Fund	\$1,701,182	\$12,591	\$1,713,773
Transportation Benefit District Fund	\$1,035,644	(\$1,035,644)	\$0
General Capital Fund	\$9,135,524	\$6,000	\$9,141,524
City Facilities-Major Maintenance Fund	\$777,084	\$89,670	\$866,754
Surface Water Utility Fund	\$7,142,470	\$213,723	\$7,356,193
Equipment Replacement Fund	\$299,602	\$157,798	\$457,400
All Other Funds	\$24,866,923	\$0	\$24,866,923
<b>Total</b>	<b>\$88,766,646</b>	<b>\$77,068</b>	<b>\$88,843,714</b>

The following table summarizes the impact on available fund balance in each of the affected funds. The adjusted 2016 fund balance, net of 2015 carryovers, is \$2.983 million higher than that projected in the 2016 budget book. After the effect of these changes, the City's 2016 fund balance is \$2.086 million higher than that projected in the 2016 budget book.

<b>Fund</b>	<b>Proj. 2016 Beg. Fund Balance (A)</b>	<b>2016 Adj. Fund Balance (Adj. for Carryover) (B)</b>	<b>Total Amendment Request (C)</b>	<b>Total Resources Adjustment (D)</b>	<b>2016 Adj. Fund Balance (Adj. for Amendment) (E) (B - C + D)</b>	<b>Var. from Proj. 2016 Beg. Fund Balance (F) (E - A)</b>
General Fund	\$9,645,545	\$11,459,631	\$632,930	\$157,529	\$10,984,230	\$1,338,685
Street Fund	\$888,977	\$994,548	\$12,591	\$0	\$981,957	\$92,980
Transportation Benefit District Fund	\$0	\$0	(\$1,035,644)	(\$1,035,644)	\$0	\$0
General Capital Fund	\$2,515,749	\$2,839,129	\$6,000	\$0	\$2,833,129	\$317,380
City Facilities-Major Maintenance Fund	\$35,944	\$66,217	\$89,670	\$58,303	\$34,850	(\$1,094)
Surface Water Utility Fund	\$1,510,129	\$2,111,634	\$213,723	\$0	\$1,897,911	\$387,782
Equipment Replacement Fund	\$1,988,194	\$2,096,035	\$157,798	\$0	\$1,938,237	(\$49,957)
<b>Total</b>	<b>\$16,584,538</b>	<b>\$19,567,194</b>	<b>\$77,068</b>	<b>(\$819,812)</b>	<b>\$18,670,314</b>	<b>\$2,085,776</b>

#### **Impact on the Ten Year Financial Sustainability Model (10 YFSM):**

The 10 YFSM has been updated (Attachment C) to include all of the proposed items in the General Fund and Street Fund that will require ongoing funding. This includes the requested increase for the Fire Benefit Charge, vactoring services to meet the requirements of the City's NPDES permit, the 0.125 FTE increase of the Recreation

Specialist II position and extra help support to expand the Hang Time program for middle school students into Einstein Middle School, and staffing for the Sound Transit Lynnwood Link Extension (LLE) Project. For the period of 2017 through 2026, this amendment results in additional expenditures totaling \$2,158,505, which is comprised of the following:

- \$175,000 for the Fire Benefit Charge;
- \$110,000 for vactoring services in City park facilities;
- \$112,438 for the 0.125 FTE increase of the Recreation Specialist II position;
- \$75,546 for extra help support of the expanded Hang Time program; and,
- (\$50,000) to the YMCA contract to redirect some of the City's support of the expanded Hang Time program.
- \$1,735,521 for staffing for the Sound Transit Lynnwood Link Extension Project for the period of 2017-2022 (six years).

As noted earlier, Sound Transit has agreed, in writing, to provide funding through an Interlocal Agreement (ILA), which is currently being negotiated. A projection for the amount of funding the City may receive through the project period of 2017-2022 is included in this forecast at a total of \$1,735,521.

### **RECOMMENDATION**

Staff recommends that Council adopt proposed Ordinance No. 744, amending the 2016 budget and increasing the number of approved full-time equivalent (FTE) positions.

### **ATTACHMENTS**

Attachment A: Proposed Ordinance No. 744

Attachment B: Budget Amendment Detail

Attachment C: 10 Year Financial Sustainability Model – Updated with Proposed Amendment Impacts

**ORDINANCE NO. 744**

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 728 BY INCREASING THE APPROPRIATION IN THE GENERAL FUND, STREET FUND, GENERAL CAPITAL FUND, CITY FACILITIES-MAJOR MAINTENANCE FUND, SURFACE WATER UTILITY FUND, AND EQUIPMENT REPLACEMENT FUND, AND DECREASING THE APPROPRIATION IN THE TRANSPORTATION BENEFIT DISTRICT FUND**

WHEREAS, the 2016 Budget was adopted by Ordinance No. 728 and amended by Ordinance No. 740 and Ordinance No. 743; and

WHEREAS, additional needs that were unknown at the time the 2016 Budget was adopted have occurred; and

WHEREAS, subsequent to the enactment of Ordinance No. 740, it was determined that additional personnel were needed in order to delivery the programs and projects approved in the 2016 budget and 2016-2021 CIP; and

WHEREAS, the 2016 Annual Budget needs to be amended to increase the number of full-time equivalent employees for the Parks, Recreation and Cultural Services, Planning & Community Development, and Public Works departments to fulfill these needs; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:**

**Section 1. Amendment.** The City hereby amends Section 1 of Ordinance No. 743, *Amendment*, by increasing the appropriation for the General Fund by \$632,930; for the Street Fund by \$12,591; for the General Capital Fund by \$6,000; for the City Facilities-Major Fund by \$89,670; for the Surface Water Utility Fund by \$213,723; for the Equipment Replacement Fund by \$157,798; by decreasing the appropriation for the Transportation Benefit District Fund by \$1,035,644; and by increasing the Total Funds appropriation to \$88,843,714, as follows:

	Current Appropriation	Revised Appropriation
General Fund	\$43,808,217	\$44,441,147
Street Fund	1,701,182	1,713,773
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	168,243	
Public Arts Fund	84,216	
Federal Drug Enforcement Forfeiture Fund	263,000	

	Current Appropriation	Revised Appropriation
Transportation Benefit District Fund	1,035,644	0
Property Tax Equalization Fund	691,313	
Federal Criminal Forfeiture Fund	2,802,444	
Transportation Impact Fees Fund	359,775	
Revenue Stabilization Fund	\$0	
Unltd Tax GO Bond 2006	1,710,375	
Limited Tax GO Bond 2009	1,663,417	
Limited Tax GO Bond 2013	260,948	
General Capital Fund	9,135,524	9,141,524
City Facility-Major Maintenance Fund	777,084	866,754
Roads Capital Fund	16,474,476	
Surface Water Capital Fund	7,142,470	7,356,193
Vehicle Operations/Maintenance Fund	271,216	
Equipment Replacement Fund	299,602	457,400
Unemployment Fund	17,500	
Total Funds	\$88,766,646	\$88,843,714

**Section 2. 2016 Budget Amended.** The 2016 Final Budget for the City of Shoreline, as enacted by Ordinance No. 728 and amended by Ordinance No. 740 and Ordinance No. 743, is amended to increase the number of full-time equivalent employees (FTE) for the Parks, Recreation and Cultural Services Department from 30.475 to 30.60, for the Planning & Community Development Department from 22.000 to 23.000, and for the Public Works Department from 42.000 to 44.000. All references to total FTEs for the City and the Public Works Department shall be amended to reflect this increase.

**Section 3. Severability.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

**Section 4. Effective Date.** A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

**PASSED BY THE CITY COUNCIL ON APRIL 25, 2016**

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Mayor Christopher Roberts

**ATTEST:**

**APPROVED AS TO FORM:**

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Jessica Simulcik Smith  
City Clerk

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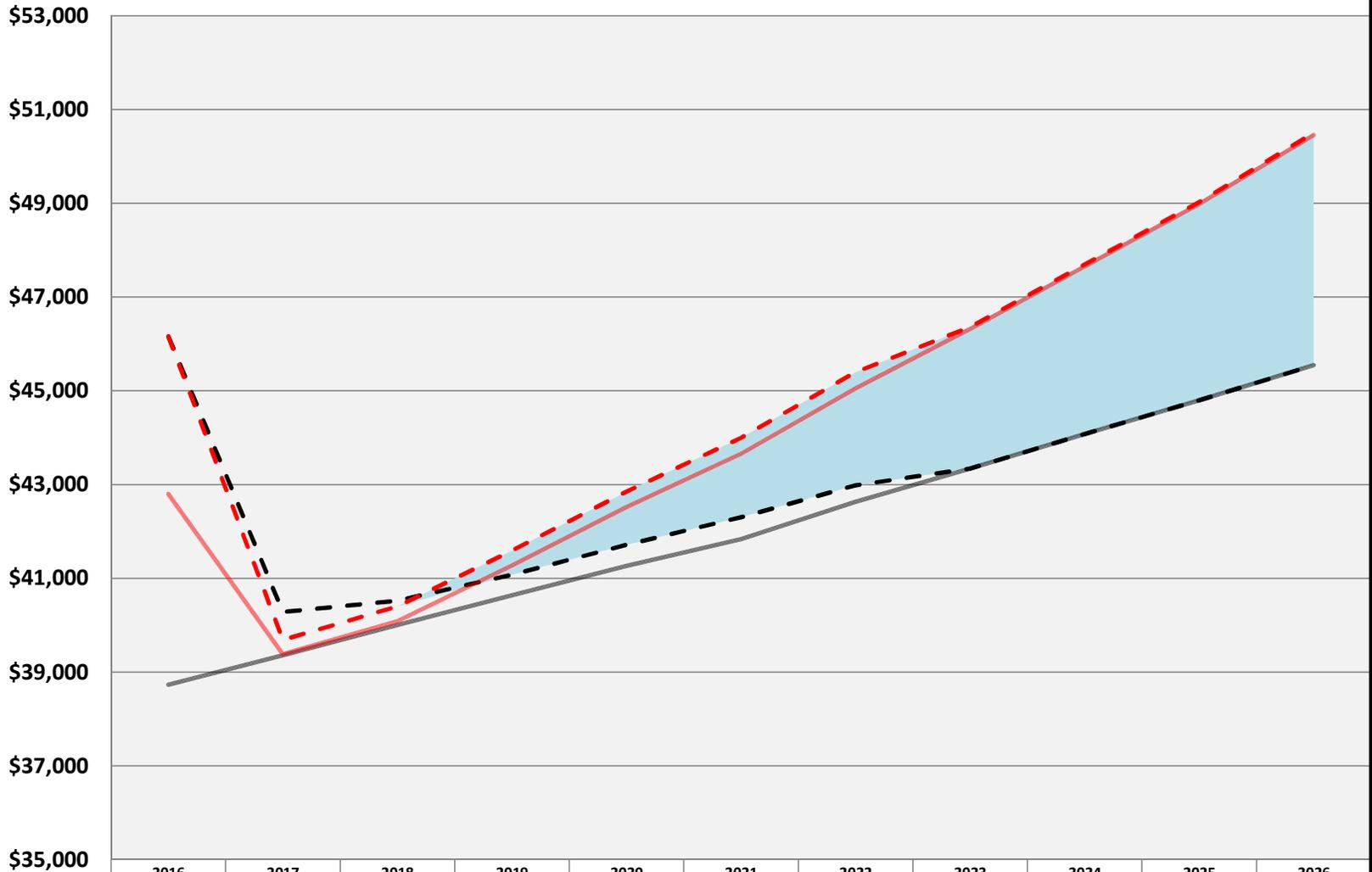
Margaret King  
City Attorney

Publication Date:       , 2016  
Effective Date:       , 2016

Fund	Dept/Program	Project/Item	Budget Amendment Amount	Budget Amendment Revenue
<b>General Fund</b>				
	General Fund Admin Key	Roof Replacement and Major Repairs	\$58,303	
	ASD / IT Strategic Plan & Advrsy Svc	Cityworks license	\$16,425	\$16,425
	ASD / IT Strategic Plan & Advrsy Svc	Contract Engineering Technician - Asset Management	\$60,000	
	ASD / IT Strategic Plan & Advrsy Svc	Woolpert, LLC Contract Amendment	\$161,579	\$80,790
	ASD / IT Equipment Replacement	AV Equipment Repairs/Replacement	\$17,000	
	ASD / Facilities	Replacement of small tools stolen July 2015	\$4,634	
	Citywide / Non-departmental	Fire Benefit Charge	\$17,252	
	Police / Traffic Enforcement	Purchase of equipment with FY14 Byrne/JAG Program funds.	\$10,314	\$10,314
	PRCS / Parks Administration	Reduce Asset Inventory for PRCS to partially offset cost of contracting the Engineering Technician in 1602013.	(\$15,000)	
	PRCS / Parks Operations	Vactoring Services to meet NPDES requirements.	\$11,000	
	PRCS / Parks Operations	Emergency/Hazardous Tree Removal	\$25,000	
	PRCS / Teen & Youth Development Program	0.125 FTE Increase for Recreation Specialist II to expand Hang-Time to Einstein Middle School	\$4,498	
	PRCS / Teen & Youth Development Program	Extra Help increase for Hang Time at Einstein	\$2,867	
	PRCS / Teen & Youth Development Program	Reduction in Grant to other agency due to increase in Hang Time at Einstein Middle School	(\$2,500)	
	PW / Environmental Services	2016 Solid Waste Contract Services	\$50,000	\$50,000
	ASD-IT,ASD-Facilities, PW-Transportation Planning, PCD - City Planning	Sound Transit Staffing and Support (1.000 FTE Sr. Planner and 1.000 FTE Engineer II)	\$211,558	
		<b>Total General Fund</b>	<b>\$632,930</b>	<b>\$157,529</b>
<b>Street Fund</b>				
	Street Operations	Additional funds to purchase VN#134 (Heavy Duty multi-purpose vehicle w/ Hook & Go)	\$12,591	
		<b>Total Street Fund</b>	<b>\$12,591</b>	<b>\$0</b>
<b>Transportation Benefit District Fund</b>				
	Trans Bene Dist_Admin Key	Elimination of TBD Fund	(\$1,035,644)	(\$1,035,644)
		<b>Total Street Fund</b>	<b>(\$1,035,644)</b>	<b>(\$1,035,644)</b>
<b>General Capital Fund</b>				
	KC Levy Trail Projects	KC Levy Trail Projects (Increase in budget for EarthCorps Contract #8428).	\$6,000	
		<b>Total General Capital Fund</b>	<b>\$6,000</b>	<b>\$0</b>
<b>City Facilities Major Maint.</b>				
	Roof Replacement and Major Repairs	Roof Replacement and Major Repairs	\$89,670	\$58,303
		<b>Total General Capital Fund</b>	<b>\$89,670</b>	<b>\$58,303</b>
<b>Roads Capital Fund</b>				
	CIP	Increase of 1.00 FTE Engineer II - Capital Projects for N 175th Street (Stone Way to I-5) project	\$126,735	
	CIP	N 175th Street (Stone Way to I-5) project Professional Services reduced to shift costs of 1.00 FTE Engineer II - Capital Projects	(\$126,735)	
		<b>Total Roads Capital Fund</b>	<b>\$0</b>	<b>\$0</b>
<b>Surface Water Utility Fund</b>				
	Surface Water Management	Prof. Svcs. for drainage assessment, engineering and planning needs.	\$70,000	
	CIP	Surface Water Small Projects	\$135,723	
	CIP	Lyon (Ballinger) Creek Basin Plan	\$4,000	
	CIP	McAleer Creek Basin Plan	\$4,000	
		<b>Total Surface Water Utility Fund</b>	<b>\$213,723</b>	<b>\$0</b>
<b>Equipment Replacement</b>				
	Equipment Replacement-Vehicles/Heavy Equipment	Purchase VN#134 (Heavy Duty multi-purpose vehicle w/ Hook & Go)	\$157,798	\$0
		<b>Total General Capital Fund</b>	<b>\$157,798</b>	<b>\$0</b>
<b>TOTAL BUDGET AMENDMENT REQUESTS</b>			<b>\$77,068</b>	<b>(\$819,812)</b>

### OPERATING BUDGET TEN YEAR FORECAST (\$ IN '000'S)

Attachment C



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
ANNUAL SURP/(GAP)	-	593	123	(514)	(618)	(557)	(725)	(602)	(602)	(613)	(721)
CUMULATIVE (GAP)	-	-	-	(514)	(1,132)	(1,690)	(2,414)	(3,016)	(3,619)	(4,232)	(4,952)
VARIANCE BASE	46,155	39,690	40,399	41,591	42,850	43,994	45,397	46,359	47,696	49,028	50,499
CURRENT RESOURCES	38,731	39,359	40,005	40,638	41,264	41,836	42,629	43,343	44,078	44,796	45,547
SCENARIO RESOURCES	46,155	40,283	40,523	41,077	41,718	42,305	42,983	43,343	44,078	44,796	45,547
CURRENT EXPENDITURES	42,799	39,385	40,087	41,271	42,522	43,659	45,054	46,317	47,654	48,985	50,455
SCENARIO EXPENDITURES	46,155	39,690	40,399	41,591	42,850	43,994	45,397	46,359	47,696	49,028	50,499

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Resolution No. 383 Authorizing Application for Land and Water Conservation Funding From the Washington State Recreation and Conservation Office for the Shoreview Park Boeing Creek Restoration at Hidden Lake Development Grant Project
<b>DEPARTMENT:</b>	Administrative Services Parks, Recreation and Cultural Services Public Works
<b>PRESENTED BY:</b>	Bethany Wolbrecht-Dunn, Grants Administrator Maureen Colaizzi, Parks Project Coordinator John Featherstone, Surface Water Engineer
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The City of Shoreline’s Capital Improvement Plan (CIP) provides a list of prioritized capital projects. The 2016-2021 CIP, approved as part of the Adopted 2016 Budget on November 23, 2015, includes the Hidden Lake Project (Hidden Lake). The City will be applying for federal Land and Water Conservation (LWCF) funding from the Washington State Recreation and Conservation Office (RCO) to provide financial resources for this project.

In accordance with the requirements of the RCO, Council approval of the grant application submission is required via a City Council Resolution. Proposed Resolution No. 383 provides for this Council approval.

The City’s 2016-2021 CIP identifies matching funds for this RCO funding request. While there are two options identified below; the RCO funding allows the City to maximize the capital funding already identified.

- Pursue financial assistance from the RCO to supplement the City’s existing financial resources for the Shoreview Park Boeing Creek Restoration at Hidden Lake Development project. (recommended)
- Do not seek additional resources for the project.

**RESOURCE/FINANCIAL IMPACT:**

For the Hidden Lake project, the City will apply for federal Land and Water Conservation Funding (LWCF).

Due to funding program rules and limits, the grant funding application's budget reflects a lesser total budget than is included in the CIP, as the project presented through the RCO application process is a component of the larger Hidden Dam Removal project.

The estimated project budget and requested amount is as follows:

Shoreview Park Boeing Creek Restoration at Hidden Lake	City Surface Water Funds	\$ 500,000
	<i>LWCF Application Funding</i>	<i>\$ 500,000</i>
	<b>Total Grant Project Budget</b>	<b>\$1,000,000</b>

Results of the funding process will be known in the fall of 2016; any funding awarded by the RCO would be added to the CIP in early 2017, as the funding is available July 1, 2017.

**RECOMMENDATION**

Staff recommends that Council approve Resolution No. 383 which will authorize the City Manager to make a formal application to the RCO for funding assistance for the Hidden Lake Dam Removal Project.

**ATTACHMENT:**

Attachment A: Proposed Resolution No. 383

Approved By:            City Manager **JN**      City Attorney **MK**

**RESOLUTION NO. 383**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING APPLICATION FOR FUNDING ASSISTANCE FOR A LAND AND WATER CONSERVATION FUND PROGRAM PROJECT TO THE RECREATION AND CONSERVATION FUNDING BOARD (RCO) AS PROVIDED IN TITLE 54, U.S.C. SECTION 200305, 79A.25 RCW, WAC 286, AND OTHER APPLICABLE AUTHORITIES**

WHEREAS, the City of Shoreline has approved a comprehensive parks and recreation or habitat conservation plan that includes this project (Shoreview Park Boeing Creek Restoration at Hidden Lake, RCO project 16-1621);

WHEREAS, under provisions of the Land and Water Conservation Fund (LWCF) program, state grant assistance is requested to aid in financing the cost of facility development; and

WHEREAS, the Shoreline City Council considers it in the best public interest to complete the project described in the application;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

1. The City Manager, or her designee, is authorized to make formal application to the Recreation and Conservation Office for grant assistance;
2. The City of Shoreline has reviewed the sample project agreement on the Recreation and Conservation Office's web site at: <http://www.rco.wa.gov/documents/manuals&forms/SampleProjAgreement.pdf> and authorizes the City Manager, or her designee, to enter into such a project agreement, if funding is awarded. We understand and acknowledge that the project agreement will contain the indemnification (applicable to any sponsor) and waiver of sovereign immunity (applicable to Tribes) and other terms and conditions that are contained in the sample project agreement. The sample project agreement may be revised periodically by the Recreation and Conservation Office. Our organization recognizes that such changes might occur prior to our authorized representative signing the actual project agreement, and we accept the responsibility and the presumption that our authorized representative shall have conferred with us as to any such changes before he/she executes the project agreement on behalf of our organization and so executes with our authorization;
3. Any grant assistance received will be used for only direct eligible and allowable costs that are reasonable and necessary to implement the project referenced above.
4. The City of Shoreline expects that our matching share of project funding will be derived from the 2016-2021 Capital Improvement Plan and that pursuant to WAC 286-13-040 the City must certify the available match at least one month before funding approval. In

addition, the City is responsible for supporting all non-cash commitments to this project should they not materialize;

5. The City acknowledges that the grant assistance, if approved, will be paid on a reimbursement basis, meaning the City will only request payment from the Recreation and Conservation Office after eligible and allowable costs have been incurred and payment remitted to our vendors, and that the Recreation and Conservation Office will hold retainage until the project is deemed complete;
6. The City acknowledges that any property owned by our organization that is developed, renovated or restored with grant assistance must be dedicated for the purpose of the grant in perpetuity after the project is complete unless otherwise provided and agreed to by our organization and the Recreation and Conservation Funding Board in the project agreement or an amendment thereto.
7. The City is aware of both the federal guidelines and state policies for the LWCF program and agrees to abide by those guidelines and policies, and as LWCF grants are federal funds, our organization must comply with all applicable federal laws.
8. This resolution becomes part of a formal application to the Recreation and Conservation Office for grant assistance; and
9. The City has provided appropriate opportunity for public comment on this application.
10. The City certifies that this application authorization was properly and lawfully adopted following the requirements of our organization and applicable laws and policies and that the person signing as authorized representative is duly authorized to do so.

**This resolution was adopted by the City of Shoreline during a public meeting held April 25, 2016.**

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Christopher Roberts, Mayor

**ATTEST:**

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Jessica Simulcik Smith  
City Clerk

Approved as to form:

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Margaret King  
City Attorney

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Resolution. No. 384 Authorizing Application for Youth Athletic Facility Funding from the Washington State Recreation and Conservation Office for the Twin Ponds Park Turf and Lighting Replacement Development Grant Project
<b>DEPARTMENT:</b>	Administrative Services Parks, Recreation and Cultural Services Public Works
<b>PRESENTED BY:</b>	Bethany Wolbrecht-Dunn, Grants Administrator Maureen Colaizzi, Parks Project Coordinator John Featherstone, Surface Water Engineer
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The City of Shoreline's Capital Improvement Plan (CIP) provides a list of prioritized capital projects. The 2016-2021 CIP, approved as part of the Adopted 2016 Budget on November 23, 2015, includes the Turf and Lighting Repair and Replacement Projects. The City will be applying for Youth Athletic Facility (YAF) funding from the Washington State Recreation and Conservation Office (RCO) to provide financial resources for this project.

In accordance with the requirements of the RCO, Council approval of the grant application submission is required via a City Council Resolution. Proposed Resolution No. 384 provides for this Council approval.

The City's 2016-2021 CIP identifies matching funds for this RCO funding request. While there are two options identified below; the RCO funding allows the City to maximize the capital funding already identified.

- Pursue financial assistance from the RCO to supplement the City's existing financial resources for the Twin Ponds Park Turf and Lighting Replacement Development Grant project. (recommended)
- Do not seek additional resources for the project.

**RESOURCE/FINANCIAL IMPACT:**

For the Twin Ponds Park Turf and Lighting Replacement Development Grant Project, the City will apply for Youth Athletic Facility funding. Additionally, the City is also seeking Washington Wildlife and Recreation Program (WWRP) funding and this is reflected in a separate staff report and Resolution.

Due to funding program rules and limits, the grant funding application's budget reflects a lesser total budget than is included in the CIP, as the project presented through the RCO application process is a component of the larger Turf and Lighting Repair and Replacement Projects.

The estimated project budget and requested amount is as follows:

Twin Ponds Park Turf and Lighting Replacement Development Grant Project	City General Capital	\$ 909,787
	WWRP Application Funding	\$ 500,000
	<i>YAF Application Funding</i>	<i>\$ 250,000</i>
	<b>Total Grant Project Budget</b>	<b>\$1,659,787</b>

Results of the funding process will be known in the fall of 2016; any funding awarded by the RCO would be added to the CIP in early 2017, as the funding is available July 1, 2017.

**RECOMMENDATION**

Staff recommends that Council approve Resolution No. 384 which will authorize the City Manager to make a formal application to the RCO for funding assistance for the Twin Ponds Park Lighting Replacement Development Grant project.

**ATTACHMENT:**

Attachment A: Proposed Resolution. No. 384

Approved By:           City Manager **JN**     City Attorney **MK**

**RESOLUTION NO. 384**

**A RESOLUTION OF THE CITY COUNCIL of THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING APPLICATION FOR FUNDING ASSISTANCE FOR A YOUTH ATHLETIC FACILITIES PROGRAM PROJECT TO THE RECREATION AND CONSERVATION FUNDING BOARD (RCO) AS PROVIDED IN CHAPTER 79A.25 RCW, WAC 286, AND OTHER APPLICABLE AUTHORITIES**

WHEREAS, the City of Shoreline has approved a comprehensive parks and recreation or habitat conservation plan that includes this project (Twins Ponds Park Lighting Replacement Development, RCO number 16-1774);

WHEREAS, under the provisions of the Youth Athletic Facilities (YAF) program, state grant assistance is requested to aid in financing the cost of facility development; and

WHEREAS, the Shoreline City Council considers it in the best public interest to complete the project described in the application(s);

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

1. The City Manager, or her designee, is authorized to make formal application to the Recreation and Conservation Office for grant assistance;
2. The City of Shoreline has reviewed the sample project agreement on the Recreation and Conservation Office's web site at: <http://www.rco.wa.gov/documents/manuals&forms/SampleProjAgreement.pdf> and authorizes the City Manager, or her designee, to enter into such a project agreement, if funding is awarded. We understand and acknowledge that the project agreement will contain the indemnification (applicable to any sponsor) and waiver of sovereign immunity (applicable to Tribes) and other terms and conditions that are contained in the sample project agreement. The sample project agreement may be revised periodically by the Recreation and Conservation Office. Our organization recognizes that such changes might occur prior to our authorized representative signing the actual project agreement, and we accept the responsibility and the presumption that our authorized representative shall have conferred with us as to any such changes before he/she executes the project agreement on behalf of our organization and so executes with our authorization;
3. Any grant assistance received will be used for only direct eligible and allowable costs that are reasonable and necessary to implement the project(s) referenced above;
4. The City of Shoreline expects that our matching share of project funding will be derived from the 2016-2021 Capital Improvement Plan and that pursuant to WAC 286-13-040 (3) the City must certify the available match at least one month before funding approval. In addition, the City is responsible for supporting all non-cash commitments to this project should they not materialize;

Attachment A

5. The City acknowledges that the grant assistance, if approved, will be paid on a reimbursement basis, meaning the City will only request payment from the Recreation and Conservation Office after eligible and allowable costs have been incurred and payment remitted to our vendors, and that the Recreation and Conservation Office will hold retainage until the project is deemed complete;
6. The City acknowledges that any facility developed through grant assistance from the Recreation and Conservation Funding Board must be reasonably maintained and made available to the general public at reasonable hours and times of the year according to the type of area or facility unless other restrictions have been agreed to by the Recreation and Conservation Office Director or the Recreation and Conservation Funding Board;
7. The City acknowledges that any facility developed with grant assistance from the Recreation and Conservation Funding Board must be dedicated for public outdoor recreation purposes, and be retained and maintained for at least 20 years from the date of final project reimbursement unless otherwise provided and agreed to by the City and the Recreation and Conservation Funding Board;
8. This resolution becomes part of a formal application to the Recreation and Conservation Office for grant assistance; and
9. The City has provided appropriate opportunity for public comment on this application.
10. The City certifies that this application authorization was properly and lawfully adopted following the requirements of our organization and applicable laws and policies and that the person signing as authorized representative is duly authorized to do so.

**This resolution was adopted by the City of Shoreline during a public meeting held April 25, 2016.**

---

Christopher Roberts, Mayor

**ATTEST:**

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Jessica Simulcik Smith  
City Clerk

Approved as to form:

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Attachment A  
Margaret King  
City Attorney

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Resolution No. 385 Authorizing Application for Washington Wildlife and Recreation Program Funding from the Washington State Recreation and Conservation Office for the Twin Ponds Park Turf and Lighting Replacement Development Grant Project
<b>DEPARTMENT:</b>	Administrative Services Parks, Recreation and Cultural Services Public Works
<b>PRESENTED BY:</b>	Bethany Wolbrecht-Dunn, Grants Administrator Maureen Colaizzi, Parks Project Coordinator John Featherstone, Surface Water Engineer
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The City of Shoreline’s Capital Improvement Plan (CIP) provides a list of prioritized capital projects. The 2016-2021 CIP, approved as part of the Adopted 2016 Budget on November 23, 2015, includes the Turf and Lighting Repair and Replacement Projects. The City will be applying for Washington Wildlife and Recreation Program (WWRP) funding from the Washington State Recreation and Conservation Office (RCO) to provide financial resources for this project.

In accordance with the requirements of the RCO, Council approval of the grant application submission is required via a City Council Resolution. Proposed Resolution No. 385 provides for this Council approval.

The City’s 2016-2021 CIP identifies matching funds for this RCO funding request. While there are two options identified below; the RCO funding allows the City to maximize the capital funding already identified.

- Pursue financial assistance from the RCO to supplement the City’s existing financial resources for the Twin Ponds Park Turf and Lighting Replacement Development Grant project. (recommended)
- Do not seek additional resources for the project.

**RESOURCE/FINANCIAL IMPACT:**

For the Twin Ponds Park Turf and Lighting Replacement Development Grant Project, the City will apply for Washington Wildlife and Recreation Program funding. Additionally,

the City is also seeking Youth Athletic Facility (YAF) funding and this is reflected in a separate staff report and Resolution.

Due to funding program rules and limits, the grant funding application's budget reflects a lesser total budget than is included in the CIP, as the project presented through the RCO application process is a component of the larger Turf and Lighting Repair and Replacement Projects.

The estimated project budget and requested amount is as follows:

Twin Ponds Park Turf and Lighting Replacement Development Grant Project	City General Capital	\$ 909,787
	<i>WWRP Application Funding</i>	\$ 500,000
	YAF Application Funding	\$ 250,000
	<b>Total Grant Project Budget</b>	<b>\$1,659,787</b>

Results of the funding process will be known in the fall of 2016; any funding awarded by the RCO would be added to the CIP in early 2017, as the funding is available July 1, 2017.

### **RECOMMENDATION**

Staff recommends that Council approve Resolution No. 385 which will authorize the City Manager to make a formal application to the RCO for funding assistance for the Twin Ponds Park Lighting Replacement Development Grant project.

### **ATTACHMENT:**

Attachment A: Proposed Resolution No. 385

Approved By:           City Manager **JN**   City Attorney **MK**

**RESOLUTION NO. 385**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING APPLICATION FOR FUNDING ASSISTANCE FOR A WASHINGTON WILDLIFE AND RECREATION PROGRAM PROJECT TO THE RECREATION AND CONSERVATION FUNDING BOARD (RCO) AS PROVIDED IN CHAPTER 79A.15 AND 79A.25 RCW, WAC 286, AND OTHER APPLICABLE AUTHORITIES**

WHEREAS, the City of Shoreline has approved a comprehensive parks and recreation or habitat conservation plan that includes this project (Twins Ponds Park Lighting Replacement Development, RCO number 16-1775);

WHEREAS, under the provisions of the Washington Wildlife and Recreation Program (WWRP), state grant assistance is requested to aid in financing the cost of facility development; and

WHEREAS, the Shoreline City Council considers it in the best public interest to complete the project described in the application(s);

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

1. The City Manager, or her designee, is authorized to make formal application to the Recreation and Conservation Office for grant assistance;
2. The City of Shoreline has reviewed the sample project agreement on the Recreation and Conservation Office's web site at: <http://www.rco.wa.gov/documents/manuals&forms/SampleProjAgreement.pdf> and authorizes the City Manager, or her designee, to enter into such a project agreement, if funding is awarded. We understand and acknowledge that the project agreement will contain the indemnification (applicable to any sponsor) and waiver of sovereign immunity (applicable to Tribes) and other terms and conditions that are contained in the sample project agreement. The sample project agreement may be revised periodically by the Recreation and Conservation Office. Our organization recognizes that such changes might occur prior to our authorized representative signing the actual project agreement, and we accept the responsibility and the presumption that our authorized representative shall have conferred with us as to any such changes before he/she executes the project agreement on behalf of our organization and so executes with our authorization;
3. Any grant assistance received will be used for only direct eligible and allowable costs that are reasonable and necessary to implement the project(s) referenced above.
4. The City of Shoreline expects that our matching share of project funding will be derived from the 2016-2021 Capital Improvement Plan and that pursuant to WAC 286-13-040 (3)

Attachment A

the City must certify the available match at least one month before funding approval. In addition, the City is responsible for supporting all non-cash commitments to this project should they not materialize;

5. The City acknowledges that the grant assistance, if approved, will be paid on a reimbursement basis, meaning the City will only request payment from the Recreation and Conservation Office after eligible and allowable costs have been incurred and payment remitted to our vendors, and that the Recreation and Conservation Office will hold retainage until the project is deemed complete;
6. The City acknowledges that any facility developed through grant assistance from the Recreation and Conservation Funding Board must be reasonably maintained and made available to the general public at reasonable hours and times of the year according to the type of area or facility unless other restrictions have been agreed to by the Recreation and Conservation Office Director or the Recreation and Conservation Funding Board;
7. The City acknowledges that any facility developed with grant assistance from the Recreation and Conservation Funding Board must be dedicated for public outdoor recreation purposes, and be retained and maintained for at least 20 years from the date of final project reimbursement unless otherwise provided and agreed to by the City and the Recreation and Conservation Funding Board;
8. This resolution becomes part of a formal application to the Recreation and Conservation Office for grant assistance; and
9. The City has provided appropriate opportunity for public comment on this application.
10. The City certifies that this application authorization was properly and lawfully adopted following the requirements of our organization and applicable laws and policies and that the person signing as authorized representative is duly authorized to do so.

**This resolution was adopted by the City of Shoreline during a public meeting held April 25, 2016.**

\_\_\_\_\_  
Christopher Roberts, Mayor

**ATTEST:**

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

Attachment A  
Approved as to form:

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Margaret King  
City Attorney

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize City Manager to Execute a Purchase Order with Pacific Office Automation in the Amount of \$163,895.22 for the Lease of New Copiers
<b>DEPARTMENT:</b>	Administrative Services Department/Information Technology Division
<b>PRESENTED BY:</b>	Katherine Moriarty, Information Technology Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The City currently has 14 black and white copiers that were purchased in 2009. The copiers have reached end of life and need to be replaced. In anticipation of their replacement, each year since the 2009 purchase, money has been placed in the City's equipment replacement fund to procure new copiers. The City's Equipment Replacement Fund has a balance of \$320,002, which will cover the costs of the new copiers.

The City considered two options for the replacement of the copier fleet, and staff has proposed to enter into a 60-month lease for new copiers. Following a bid process, Pacific Office Automation was selected as the least expensive vendor to provide the copiers on lease. Staff recommends that Council provide the authority to execute a purchase order with Pacific Office Automation for lease of the copier fleet.

**RESOURCE/FINANCIAL IMPACT:**

The cost of the lease of the equipment is \$163,895.22 (\$149,676 + \$14,219.22 in tax). Pacific Office Automation is providing the City with a \$15,000 payment for the old copier fleet, making the effective cost to the City for this lease \$148,895.22. The funds are available through the Citywide Equipment Replacement Fund. There is \$320,002 in the fund for the replacement of the copier fleet, which includes a 2016 allocation of \$25,200.

There will be no residual value to the copiers after the lease term. It will be the responsibility of the lessor to dispose of the copiers at that time.

**RECOMMENDATION**

Staff recommends that Council move to authorize the City Manager to execute a purchase order in the amount of \$163,895.22 with Pacific Office Automation for the lease of 11 copiers.

Approved By:            City Manager **JN**    City Attorney **MK**

## **BACKGROUND**

The City currently has 14 black and white copiers that were purchased in 2009. The copiers have reached end of life and need to be replaced. In anticipation of their replacement, each year since the 2009 purchase, City departments made annual contributions to the Citywide Equipment Replacement Fund in order to ensure that there were sufficient funds for the replacement of the copiers within five years (the life expectancy of copier devices). The City's Equipment Replacement Fund has a balance of \$320,002, which will cover the proposed lease.

Two of the black and white copiers were decommissioned and will be disposed of. In 2013, these two copiers were replaced by leased color copiers. Of the remaining 12 copiers, 11 will be replaced. The 12<sup>th</sup> copier has very low usage. The selected vendor has agreed to replace that copier with a copier from the vendor's inventory that has not reached end-of-life. The City will pay a per-page cost that will cover the support of that copier, when needed.

## **ALTERNATIVES ANALYSIS**

The City considered two options for the replacement of the black and white copier fleet: 1) purchase, and 2) a 60-month lease.

### **Purchase**

The following points were considered in connection with this option:

- Purchase cost is \$11,292.59 less than the lease option over the five-year life cycle.
- Purchase does not allow for payments over time (i.e. investment of the fund balance allows the fund to potentially grow in value over time.)
- Purchase does not allow for equipment changes based on the City's needs (changes in equipment when capacity grows or shrinks.)
- Purchase results in the City's liability for keeping the copier fleet operationally reliable. In the event that a City-owned copier could not be returned to operability, it would be the City's responsibility to replace that copier.
  - Some of our currently owned copiers are not reliable and jam once to several times a day. While the City negotiated a maintenance contract on these units, our vendor is unable to maintain reliable operability.

### **60-month Lease**

The following issues were considered in connection with this option:

- Lease cost for the 11 needed black and white copiers is \$2,494.60 per month.
- Lease will enable the City to pay for the copiers over the 60 months of operation versus a lump sum payment, and therefore, investment of the fund balance allows the fund to potentially grow in value over time.
- Lease will enable the City flexibility should requirements for copying and printing change.
- Lease will result in the responsibility for the reliable operation of the copier fleet to transition to the vendor. In the event a copier does not reliably operate, the vendor will be required to replace the unit with one that is fully operational.

- The City has already experienced this situation with our color copier fleet. A replacement for the color copier was delivered and installed to replace one that was not reliably operating as a component of the lease agreement.

### **Maintenance**

The maintenance of the copier fleet, whether leased or purchased, is determined on the number of pages printed (per-page cost). These operational costs are budgeted through the general fund, and are not included in the lease cost.

### **Replacement Recommendation**

Staff is recommending the lease of the copiers for the following reasons:

- Equipment downtime has a substantial impact to staff productivity, so the provision of reliable printing and copying is important;
- A lease allows the flexibility to increase or decrease capacity based on operational need;
- The City can pay the lease monthly and invest the fund balance (while interest income received will not equate to the difference in the purchase cost versus the lease cost, there will be some benefit in not paying for the copiers in one lump sum); and
- The City does not need to dispose of the old equipment at end of life.

### **Lease Procurement**

Bids were received from three copier vendors for the proposed lease:

- Copiers Northwest,
- Preferred Copiers, and
- Pacific Office Automation.

A complete analysis of costs was performed, and Pacific Office Automation was the least expensive vendor over the 60-month lease period. Both cost and service levels were considered. While all three vendors offered the same level of service and while each used the Washington State contract that the City can also benefit from, greater discounts to that contract were offered by Pacific Office Automation. Pacific Office Automation also offered a 'trade in' value for our existing copiers that was greater than that offered by the other two vendors.

### **RESOURCE/FINANCIAL IMPACT**

The cost of the lease of the equipment is \$163,895.22 (\$149,676 + \$14,219.22 in tax). Pacific Office Automation is providing the City with a \$15,000 payment for the old copier fleet, making the effective cost to the City for this lease \$148,895.22. The funds are available through the Citywide Equipment Replacement Fund. There is \$320,002 in the fund for the replacement of the copier fleet, which includes a 2016 allocation of \$25,200.

There will be no residual value to the copiers after the lease term. It will be the responsibility of the lessor to dispose of the copiers at that time.

## **RECOMMENDATION**

Staff recommends that Council move to authorize the City Manager to execute a purchase order in the amount of \$163,895.22 with Pacific Office Automation for the lease of 11 copiers.

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	2015 Fourth Quarter and Year-End Financial Report
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The 2015 year-end financial report is attached to this staff report as Attachment A. This report summarizes the financial activities during 2015 for all City funds with detailed information provided on the General Fund, Street Fund, Surface Water Utility Fund, General Capital Fund and Roads Capital Fund. This report is provided to keep the Council informed of the financial issues and the financial position of the City.

**RESOURCE/FINANCIAL IMPACT:**

The table on page 2 of the 2015 Year-End Financial Report provides a summary of the financial results for all City funds for 2015.

**RECOMMENDATION**

No action is required by the Council. This item is provided for informational purposes.

Approved By:            City Manager **JN**    City Attorney **MK**

**ATTACHMENTS**

Attachment A – 2015 Year End Financial Report



# 2015 YEAR END FINANCIAL REPORT

April 2016			
GENERAL FUND REVENUES	Compared to 2015 Projection	Compared to 2014 Actual	Reference
Property Tax Revenue	◀NEUTRAL▶	▲ POSITIVE ▲	Page 5
Sales Tax Revenue	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 6-7
Utility Tax Revenue	◀NEUTRAL▶	◀NEUTRAL▶	Page 11
Development Revenue	▲ POSITIVE ▲	▼ NEGATIVE ▼	Page 12
Parks and Recreation Revenue	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 13
Investment Income	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 14
EXPENDITURES			
General Fund Expenditures	▲ POSITIVE ▲	◀NEUTRAL▶	Page 15
NON-GENERAL FUND REVENUES			
Surface Water Fees	◀NEUTRAL▶	▲ POSITIVE ▲	Page 18
Fuel Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 21
Real Estate Excise Tax	▲ POSITIVE ▲	▲ POSITIVE ▲	Page 22

*Key to revenue trend indicators:*

- ▲ POSITIVE ▲ = Positive variance of >+2% compared to projections.
- ◀NEUTRAL▶ = Variance of -1% to +2% compared to projections.
- WARNING ● = Negative variance of -1% to -4% compared to projections.
- ▼ NEGATIVE ▼ = Negative variance of >-4% compared to projections.

- General fund receipts are 1.4% higher than the year-ago level and expenditures are 1.2% higher than the year-ago level. Including the re-appropriations requested by staff, total expenditures would have been 5.9% higher than the year-ago level but 1.7% lower than the revised projection. The 2015 ending fund balance, adjusted for the re-appropriation, is projected to be 19.6% above the 2016 budget estimate. See pages 3-14 for details.
- Street fund receipts and expenditures are lower than 2014 due to a reduction in the amount of general fund support provided to the street fund. Fuel tax receipts are 2.8%, higher than the year-ago level. See page 21 for details.
- Surface water utility (SWM) fund receipts are 1.1% higher than the year-ago level. SWM fund expenditures are 6.0% higher than the year-ago level and in line with the revised projection. See page 18 for details.
- Real estate excise tax receipts are 52.0% higher than the year-ago level due to the strong real estate market and multiple turnovers of a large commercial property this year. See page 22 for details.

## CITY FINANCIAL OVERVIEW

## 4Q Executive Summary

## Revenues

Fund	2015 Current Budgeted Revenues	2015 4th Quarter Actual	2015 % of Current Budget	2014 Current Budgeted Revenues	2014 4th Quarter Actual	2014 % of Current Budget	2015 v. 2014 \$ Variance	2015 v. 2014 % Variance
General Fund	\$36,304,526	\$36,523,835	100.6%	\$34,425,552	\$36,012,200	104.6%	511,635	1.4%
Street Fund	\$1,383,163	\$1,459,565	105.5%	\$1,815,589	\$1,838,551	101.3%	-378,986	-20.6%
Code Abatement Fund	\$80,550	\$18,326	22.8%	\$80,550	\$13,934	17.3%	4,392	31.5%
State Drug Enforcement Fund	\$13,800	\$18,697	135.5%	\$13,800	\$57,478	416.5%	-38,781	-67.5%
Public Arts Fund	\$5,000	\$7,611	152.2%	\$500	\$13,893	2778.6%	-6,282	-45.2%
Federal Drug Enforcement Fund	\$20,750	\$15,823	76.3%	\$20,750	\$114,249	550.6%	-98,426	-86.2%
Property Tax Equalization Fund	\$0	\$2,117	0.0%	\$0	\$1,103	0.0%	1,014	91.9%
Federal Crime Forfeitures Fund	\$38,945	\$1,011,070	2596.1%	\$79,845	\$1,653	2.1%	1,009,417	61065.8%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	0	0.0%
Transportation Impact Fee	\$0	\$254,780	0.0%	\$0	\$0	0.0%	254,780	0.0%
Unltd Tax GO Bond Fund	\$1,700,000	\$1,704,720	100.3%	\$1,710,000	\$1,697,774	99.3%	6,946	0.4%
Limited Tax GO Bond 2009 Fund	\$1,663,217	\$1,664,182	100.1%	\$1,662,567	\$1,662,567	100.0%	1,615	0.1%
Limited Tax GO Bond 2013 Fund	\$260,823	\$260,823	100.0%	\$260,823	\$260,823	100.0%	0	0.0%
General Capital Fund	\$3,173,261	\$2,096,845	66.1%	\$2,582,494	\$1,396,999	54.1%	699,846	50.1%
City Facility-Major Maint. Fund	\$125,449	\$174,356	139.0%	\$75,392	\$74,223	98.4%	100,133	134.9%
Roads Capital Fund	\$21,450,709	\$17,849,590	83.2%	\$23,457,681	\$18,674,843	79.6%	-825,253	-4.4%
Surface Water Utility Fund	\$5,756,408	\$3,885,504	67.5%	\$3,762,067	\$3,842,356	102.1%	43,148	1.1%
Vehicle Operations/ Maint. Fund	\$263,950	\$220,501	83.5%	\$230,523	\$230,443	100.0%	-9,942	-4.3%
Equipment Replacement Fund	\$335,185	\$329,292	98.2%	\$275,010	\$272,350	99.0%	56,942	20.9%
Unemployment Fund	\$0	\$134	0.0%	\$17,500	\$17,562	100.4%	-17,428	-99.2%
<b>Total Budgeted Revenue</b>	<b>\$72,575,736</b>	<b>\$67,497,771</b>	<b>93.0%</b>	<b>\$70,470,643</b>	<b>\$66,183,001</b>	<b>93.9%</b>	<b>1,314,770</b>	<b>2.0%</b>
<b>Budgeted Use of Fund Balance</b>	<b>\$9,966,609</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$7,625,020</b>	<b>\$0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Total Budgeted Resources</b>	<b>\$82,542,345</b>	<b>\$67,497,771</b>	<b>81.8%</b>	<b>\$78,095,663</b>	<b>\$66,183,001</b>	<b>84.7%</b>	<b>1,314,770</b>	<b>2.0%</b>

## Expenditures

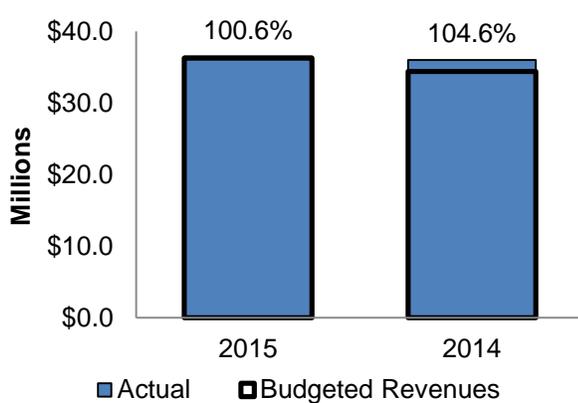
Fund	2015 Current Budget	2015 4th Quarter Actual	2015 % of Current Budget	2014 Current Budget	2014 4th Quarter Actual	2014 % of Current Budget	2015 v. 2014 \$ Variance	2015 v. 2014 % Variance
General Fund	\$40,151,029	\$35,847,605	89.3%	\$37,250,828	\$35,425,424	95.1%	\$422,182	1.2%
Street Fund	\$1,569,007	\$1,388,044	88.5%	\$1,999,037	\$1,747,608	87.4%	-\$359,564	-20.6%
Code Abatement Fund	\$100,000	\$10,630	10.6%	\$100,000	\$11,455	11.5%	-\$825	-7.2%
State Drug Enforcement Fund	\$13,800	\$12,111	87.8%	\$13,800	\$13,054	94.6%	-\$943	-7.2%
Public Arts Fund	\$54,408	\$54,224	99.7%	\$55,051	\$32,172	58.4%	\$22,052	68.5%
Federal Drug Enforcement Fund	\$65,750	\$4,930	7.5%	\$20,750	\$5,739	27.7%	-\$809	-14.1%
Property Tax Equalization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Federal Crime Forfeitures Fund	\$1,823,405	\$177,062	9.7%	\$316,310	\$21,906	6.9%	\$155,156	708.3%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Transportation Impact Fee	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Unltd Tax GO Bond Fund	\$1,712,175	\$1,709,654	99.9%	\$1,709,050	\$1,706,352	99.8%	\$3,302	0.2%
Limited Tax GO Bond 2009 Fund	\$1,663,217	\$1,662,024	99.9%	\$1,662,567	\$1,661,071	99.9%	\$953	0.1%
Limited Tax GO Bond 2013 Fund	\$260,823	\$260,586	99.9%	\$260,823	\$260,823	100.0%	-\$237	-0.1%
General Capital Fund	\$3,567,919	\$1,833,614	51.4%	\$4,878,471	\$1,760,565	36.1%	\$73,049	4.1%
City Facility-Major Maint. Fund	\$368,525	\$318,575	86.4%	\$90,000	\$35,906	39.9%	\$282,669	787.2%
Roads Capital Fund	\$23,749,289	\$17,601,658	74.1%	\$23,603,999	\$17,799,802	75.4%	-\$198,144	-1.1%
Surface Water Utility Fund	\$6,191,834	\$4,593,317	74.2%	\$5,602,951	\$4,334,247	77.4%	\$259,070	6.0%
Vehicle Operations/ Maint. Fund	\$278,950	\$186,360	66.8%	\$245,273	\$178,084	72.6%	\$8,276	4.6%
Equipment Replacement Fund	\$954,714	\$532,690	55.8%	\$269,253	\$23,960	8.9%	\$508,730	2123.2%
Unemployment Fund	\$17,500	\$1,156	6.6%	\$17,500	\$6,158	35.2%	-\$5,002	-81.2%
<b>Total Budgeted Expenditures</b>	<b>\$82,542,345</b>	<b>\$66,194,240</b>	<b>80.2%</b>	<b>\$78,095,663</b>	<b>\$65,024,326</b>	<b>83.3%</b>	<b>\$1,169,915</b>	<b>1.8%</b>

## GENERAL FUND REVENUE DETAIL

Revenue Source	2015 Current Budget	2015 Fourth Quarter Actual Revenue	2015 % of Current Budget Received	2014 Current Budget	2014 Fourth Quarter Actual Revenue	2014 % of Current Budget Received	2015 v. 2014 \$ Change	2015 v. 2014 % Change
Budgeted Fund Balance	\$3,846,503	\$0	0.0%	\$2,825,278	\$0	0.0%	\$0	0.0%
Property Tax	\$10,570,659	\$10,672,179	101.0%	\$10,245,815	\$10,255,320	100.1%	\$416,859	4.1%
Sales Tax	\$7,320,000	\$7,756,234	106.0%	\$6,739,000	\$7,462,886	110.7%	\$293,348	3.9%
Local Criminal Justice	\$1,276,154	\$1,380,160	108.1%	\$1,224,532	\$1,274,025	104.0%	\$106,135	8.3%
<b>Utility Tax &amp; Franchise Fee Revenue</b>								
Natural Gas	\$889,590	\$785,472	88.3%	\$889,590	\$849,542	95.5%	-\$64,070	-7.5%
Garbage	\$538,648	\$547,486	101.6%	\$528,086	\$534,409	101.2%	\$13,077	2.4%
Cable TV	\$1,760,845	\$1,866,627	106.0%	\$1,658,749	\$1,753,193	105.7%	\$113,434	6.5%
Telecommunications	\$1,503,000	\$1,290,650	85.9%	\$1,569,095	\$1,415,044	90.2%	-\$124,394	-8.8%
Storm Drainage	\$214,571	\$217,034	101.1%	\$207,697	\$212,005	102.1%	\$5,029	2.4%
Water	\$754,197	\$939,937	124.6%	\$754,197	\$895,350	118.7%	\$44,587	5.0%
Sewer	\$834,002	\$835,000	100.1%	\$809,711	\$811,000	100.2%	\$24,000	3.0%
<b>Utility Tax &amp; Franchise Fee Revenue Subtotal</b>	<b>\$6,494,853</b>	<b>\$6,482,206</b>	<b>99.8%</b>	<b>\$6,417,125</b>	<b>\$6,470,543</b>	<b>100.8%</b>	<b>\$11,663</b>	<b>0.2%</b>
SCL Contract Payment	\$1,993,063	\$1,756,770	88.1%	\$1,912,728	\$1,784,137	93.3%	-\$27,367	-1.5%
Gambling Tax Revenue	\$1,586,625	\$1,569,806	98.9%	\$1,569,125	\$1,643,171	104.7%	-\$73,365	-4.5%
Development Revenue	\$1,319,750	\$1,657,875	125.6%	\$1,211,750	\$1,775,938	146.6%	-\$118,063	-6.6%
Park and Recreation Revenue	\$1,603,216	\$1,767,394	110.2%	\$1,537,541	\$1,591,666	103.5%	\$175,728	11.0%
Intergovernmental Revenue	\$894,991	\$908,571	101.5%	\$865,015	\$977,346	113.0%	-\$68,775	-7.0%
Grant Revenue	\$974,936	\$340,658	34.9%	\$427,289	\$304,857	71.3%	\$35,801	11.7%
Fines and Licenses	\$644,000	\$661,323	102.7%	\$835,053	\$627,704	75.2%	\$33,619	5.4%
Miscellaneous Revenue	\$574,665	\$511,220	89.0%	\$431,479	\$827,121	191.7%	-\$315,901	-38.2%
Interest Income	\$70,600	\$78,423	111.1%	\$30,000	\$38,386	128.0%	\$40,037	104.3%
Operating Transfers In	\$981,014	\$981,016	100.0%	\$979,100	\$979,100	100.0%	\$1,916	0.2%
<b>Total General Fund Resources</b>	<b>\$40,151,029</b>	<b>\$36,523,835</b>	<b>91.0%</b>	<b>\$37,250,830</b>	<b>\$36,012,200</b>	<b>96.7%</b>	<b>\$511,635</b>	<b>1.4%</b>
<b>Total General Fund Revenue excl. Budgeted Fund Balance</b>	<b>\$36,304,526</b>	<b>\$36,523,835</b>	<b>100.6%</b>	<b>\$34,425,552</b>	<b>\$36,012,200</b>	<b>104.6%</b>	<b>\$511,635</b>	<b>1.4%</b>

## GENERAL FUND REVENUE ANALYSIS:

### TOTAL GENERAL FUND REVENUE



2015 Current Budget	\$40,151,029
2015 Budgeted Revenues	\$36,304,526
2015 Fourth Quarter Actual Revenue	\$36,523,835
2015 % of Current Budget Received	100.6%
2014 Budgeted Revenues	\$34,425,552
2014 Fourth Quarter Actual Revenue	\$36,012,200
2014 % of Current Budget Received	104.6%
2015 v. 2014 \$ Change	\$511,635
2015 v. 2014 % Change	1.4%

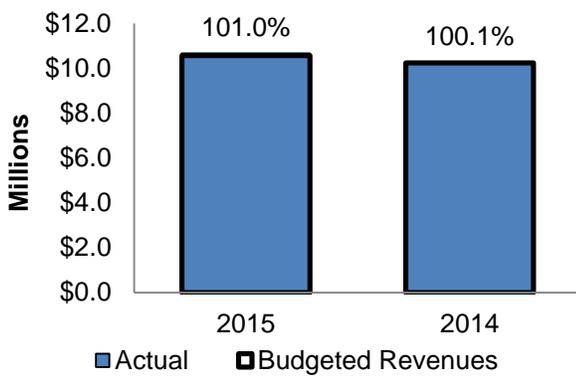
The difference between 2015 current budget and 2015 budgeted revenues reflects the planned use of fund balance for one time investments as provided in our financial policy. Total general fund revenue receipts total \$36,523,835 and reflects an increase from budgeted revenues of \$219,309, or 0.6%, and from 2014 of \$511,635, or 1.4%. Revenues came in at 100.6% of budgeted revenues.

The following pages provide a detailed analysis of the various general fund revenue sources. The following are highlights comparing 2015 to 2014 for the general fund:

- Property tax receipts are 4.1% higher.
- Sales tax receipts are 3.9% higher largely due to 7.3% growth in the retail trade sectors offset by 5.4% decline in the construction sector. Removing one-time activity for construction projects from the calculation reveals a year-over-year increase of 5.4% in ongoing activity in the construction sector.
- Gambling tax receipts are lower by 4.5%. Receipts from pull-tab activity slightly decreased (-1.2%) while cardroom activity increased (+3.6%). The action Council took in July to write off certain debt owed for unpaid gambling taxes resulted in a one-time reduction of 2015 receipts in the amount of \$33,199.
- Development revenue receipts exhibit a year-over-year decrease of 6.6% but are 6.4% higher than the revised projection. Local development activity in 2015, in terms of the valuation, is higher than the year-ago level while the number of building permits pulled for new construction and remodels is only slightly higher.
- The year-over-year change for intergovernmental revenue receipts is largely due to unanticipated receipts from the distribution of liquor excise taxes and marijuana enforcement revenues offset by a delay in the receipt of the second half of the waste reduction and recycling grant until 2016.

# GENERAL FUND REVENUE ANALYSIS:

## PROPERTY TAX

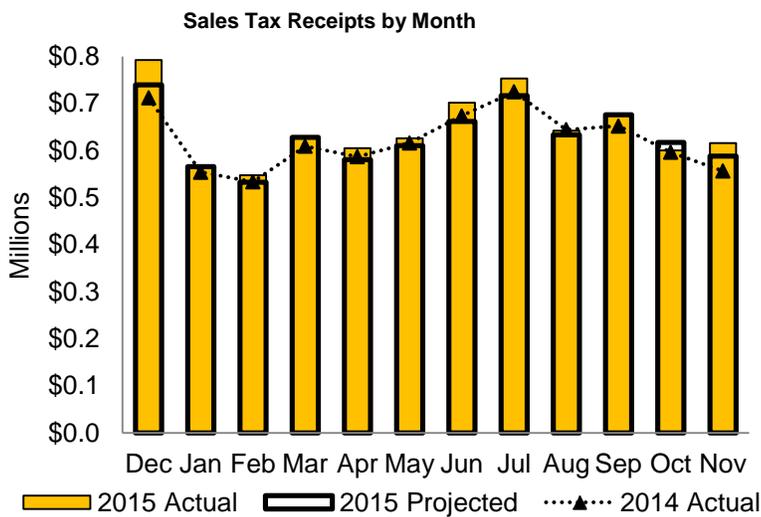


2015 Current Budget		2015 Current Budget
2015 Fourth Quarter Actual Revenue		\$10,672,179
2015 % of Current Budget Received		101.0%
2014 Current Budget		\$10,245,815
2014 Fourth Quarter Actual Revenue		\$10,255,320
2014 % of Current Budget Received		100.1%
2015 v. 2014 \$ Change		\$416,859
2015 v. 2014 % Change		4.1%

In addition to the over collection discussed in the summary, property tax receipts are greater than the projection by \$101,520, or 1.0%. In 2015 the City has received delinquent taxes from previous years that were not factored into the budget projection.

# GENERAL FUND REVENUE ANALYSIS (continued):

## SALES TAX



2015 Current Budget		\$7,320,000
2015 Projected Revenue		\$7,552,351
Sales tax revenue: December - July		
Sales Activity	2014	2015
December 2014	\$712,174	\$792,683
January	\$554,366	\$565,161
February	\$533,674	\$547,403
March	\$609,471	\$630,073
April	\$587,117	\$605,418
May	\$616,693	\$625,846
June	\$674,044	\$702,026
July	\$725,205	\$753,169
August	\$644,437	\$642,526
September	\$652,470	\$675,275
October	\$596,505	\$600,438
November	\$556,730	\$616,216
Year to date	\$7,462,886	\$7,756,234
\$ Change		\$293,348
% Change		3.9%

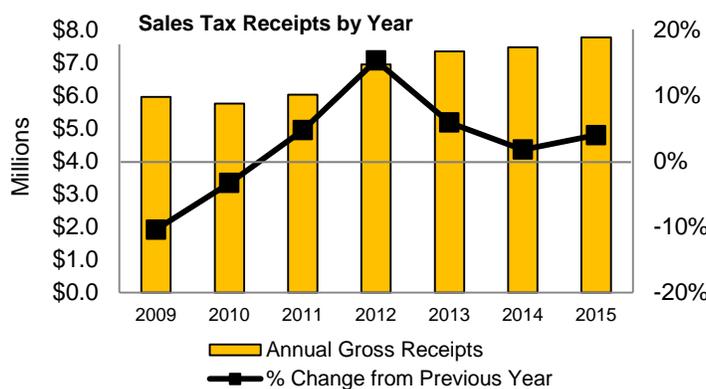
Sales Tax receipts reflect activity from December 2014 through November 2015 totaling \$7,756,234. Collections are above the revised projection by 2.7% and 2014 collections by 3.9%. Staff's projection does not factor in the impact of one-time activity in the construction sector.

March receipts were significantly higher than that projected due to staff detection and correction of business miscoding from prior periods. The chart presented above corrects the activity for the prior periods.

Retail trade sector receipts are higher than the revised projection by 0.5% and the year-ago level by 7.3% largely fueled by continued growth in new car dealers sales (in the motor vehicle and parts dealer category). Other categories that saw a significantly higher level of activity include building material and garden (+18.9%) and health and personal care store (+26.3%). Activity in most of the other categories is also higher compared to the prior two years.

Receipts from the construction sector are higher than the revised projection by 13.6% but lower than the year-ago level by 5.4%. Of the amount collected, one-time activity accounted for \$17,286, or 1.7%, in 2015, \$128,482, or 11.8%, in 2014, \$578,633, or 43.6%, in 2013 and \$778,106, or 59.2%, in 2012. One-time projects that have been tracked through this report for the last few years have come to a close. Removing one-time activity from the calculation reveals a year-over-year increase of 5.4%.

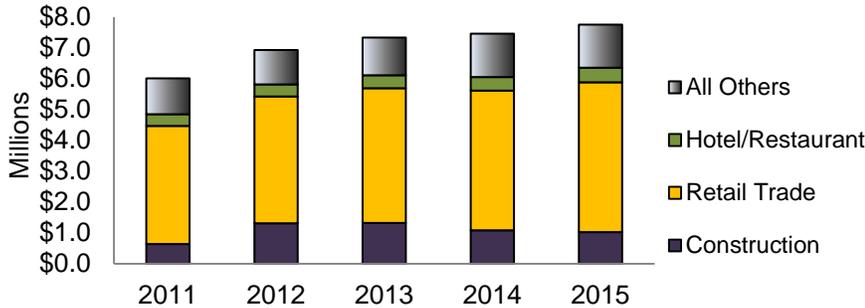
The tables on the following page help illustrate the performance of various sectors. The first table presents a condensed view of the four primary categories: construction, retail trade, hotels and restaurants, and all others. The second table presents a breakdown of the retail trade category and highlights specific industry economic performance in comparison to previous years.



Year	Fourth Quarter Revenue	% Change from Previous Year
2008	\$6,640,320	0.1%
2009	\$5,946,181	-10.5%
2010	\$5,745,755	-3.4%
2011	\$6,014,244	4.7%
2012	\$6,932,874	15.3%
2013	\$7,336,805	5.8%
2014	\$7,462,886	1.7%
2015	\$7,756,234	3.9%

## GENERAL FUND REVENUE ANALYSIS (continued):

### Annual Sales Tax Revenue Comparison by Sector



#### SALES TAX BY PRIMARY CATEGORY – Annual

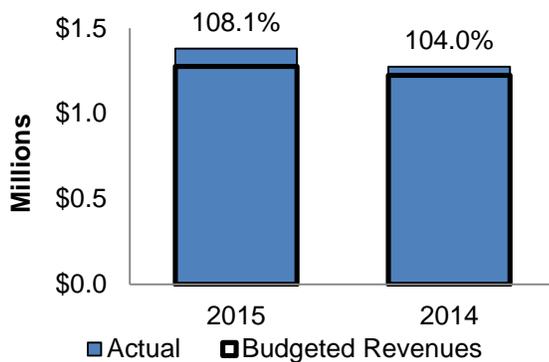
Sector	2011	2012	2013	2014	2015
Construction	\$642,326	\$1,315,397	\$1,326,775	\$1,088,201	\$1,029,064
Retail Trade	\$3,829,648	\$4,111,726	\$4,367,503	\$4,528,070	\$4,857,283
Hotel/Restaurant	\$379,096	\$390,912	\$420,096	\$440,339	\$473,001
All Others	\$1,163,174	\$1,114,839	\$1,222,431	\$1,406,276	\$1,396,885
<b>Total</b>	<b>\$6,014,244</b>	<b>\$6,932,874</b>	<b>\$7,336,805</b>	<b>\$7,462,886</b>	<b>\$7,756,234</b>
\$ Change from previous year	\$268,489	\$918,630	\$403,931	\$126,081	\$293,348
% Change from previous year	4.7%	15.3%	5.8%	1.7%	3.9%

#### SALES TAX BY RETAIL TRADE CATEGORY - Annual

Retail Trade	2011 Dec-Nov	2012 Dec-Nov	2012 v. 2011 \$ Change	2013 Dec-Nov	2013 v. 2012 \$ Change	2014 Dec-Nov	2014 v. 2013 \$ Change	2015 Dec-Nov	2015 v. 2014 \$ Change
Motor Vehicle and Parts Dealer	\$886,376	\$1,016,944	\$130,568	\$1,126,163	\$109,219	\$1,236,501	\$110,338	\$1,350,157	\$113,656
Furniture and Home Furnishings	\$54,955	\$52,391	-\$2,564	\$56,861	\$4,470	\$61,757	\$4,896	\$58,847	-\$2,910
Electronics and Appliances	\$86,164	\$89,633	\$3,469	\$92,316	\$2,683	\$102,349	\$10,033	\$111,503	\$9,154
Building Material and Garden	\$568,887	\$594,639	\$25,752	\$665,036	\$70,397	\$662,018	-\$3,018	\$787,425	\$125,407
Food and Beverage Stores	\$255,851	\$263,322	\$7,471	\$261,984	-\$1,338	\$253,519	-\$8,465	\$263,631	\$10,112
Health and Personal Care Store	\$127,062	\$148,724	\$21,662	\$161,275	\$12,551	\$167,514	\$6,239	\$211,545	\$44,031
Gasoline Stations	\$70,763	\$73,646	\$2,883	\$74,774	\$1,128	\$76,539	\$1,765	\$75,269	-\$1,270
Clothing and Accessories	\$36,724	\$44,684	\$7,960	\$46,099	\$1,415	\$52,192	\$6,093	\$59,628	\$7,436
Sporting Goods, Hobby, Books	\$79,641	\$75,232	-\$4,409	\$80,310	\$5,078	\$82,463	\$2,153	\$84,163	\$1,700
General Merchandise Stores	\$1,306,756	\$1,375,538	\$68,782	\$1,406,042	\$30,504	\$1,414,543	\$8,501	\$1,424,571	\$10,028
Miscellaneous Store Retailers	\$254,677	\$255,055	\$378	\$251,155	-\$3,900	\$246,326	-\$4,829	\$236,280	-\$10,046
Nonstore Retailers	\$101,792	\$121,918	\$20,126	\$145,488	\$23,570	\$172,349	\$26,861	\$194,265	\$21,916
<b>Total Revenue</b>	<b>\$3,829,648</b>	<b>\$4,111,726</b>	<b>\$282,078</b>	<b>\$4,367,503</b>	<b>\$255,777</b>	<b>\$4,528,070</b>	<b>\$160,567</b>	<b>\$4,857,283</b>	<b>\$329,213</b>

## GENERAL FUND REVENUE ANALYSIS (continued):

### LOCAL CRIMINAL JUSTICE SALES TAX

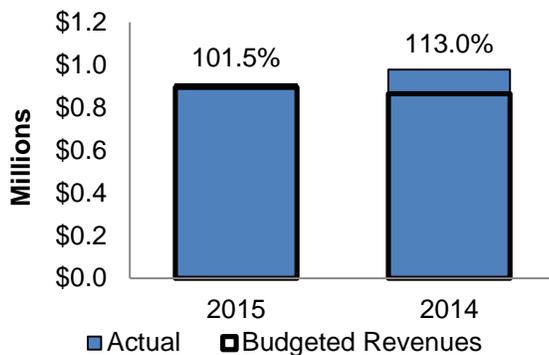


2015 Current Budget		2015 Current Budget
2015 Fourth Quarter Actual Revenue		\$1,380,160
2015 % of Current Budget Received		108.1%
2014 Current Budget		\$1,224,532
2014 Fourth Quarter Actual Revenue		\$1,274,025
2014 % of Current Budget Received		104.0%
2015 v. 2014 \$ Change		\$106,135
2015 v. 2014 % Change		8.3%

Local criminal justice sales tax receipts are 8.3% more than the year-ago level with 108.1% of the amount budgeted being received as compared to 104.0% received last year. In addition to the increase from the prior year, receipts are \$25,547, or 1.9%, more than the revised projection.

The result for local criminal justice sales tax receipts is not commensurate with the result for sales tax receipts because the distribution of local criminal justice sales tax is based on the city's population and the amount of sales tax collected throughout all of King County. Sales tax collected throughout King County was 9.5% higher than the year ago level.

### INTERGOVERNMENTAL REVENUE

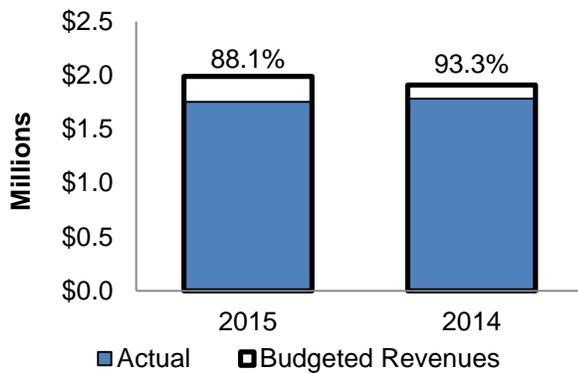


2015 Current Budget		2015 Current Budget
2015 Fourth Quarter Actual Revenue		\$908,571
2015 % of Current Budget Received		101.5%
2014 Current Budget		\$865,015
2014 Fourth Quarter Actual Revenue		\$977,346
2014 % of Current Budget Received		113.0%
2015 v. 2014 \$ Change		-\$68,775
2015 v. 2014 % Change		-7.0%

Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, liquor excise tax, and liquor board profits. Receipts are 7.0% lower than the year-ago level. In addition to the year-over-year change, receipts are \$22,166, or 2.4%, lower than the revised projection. Both differences are largely due to unanticipated receipts from marijuana enforcement revenues (\$13,163) offset by a delay in the receipt of the second half of the waste reduction and recycling grant (\$34,980) until 2016.

## GENERAL FUND REVENUE ANALYSIS (continued):

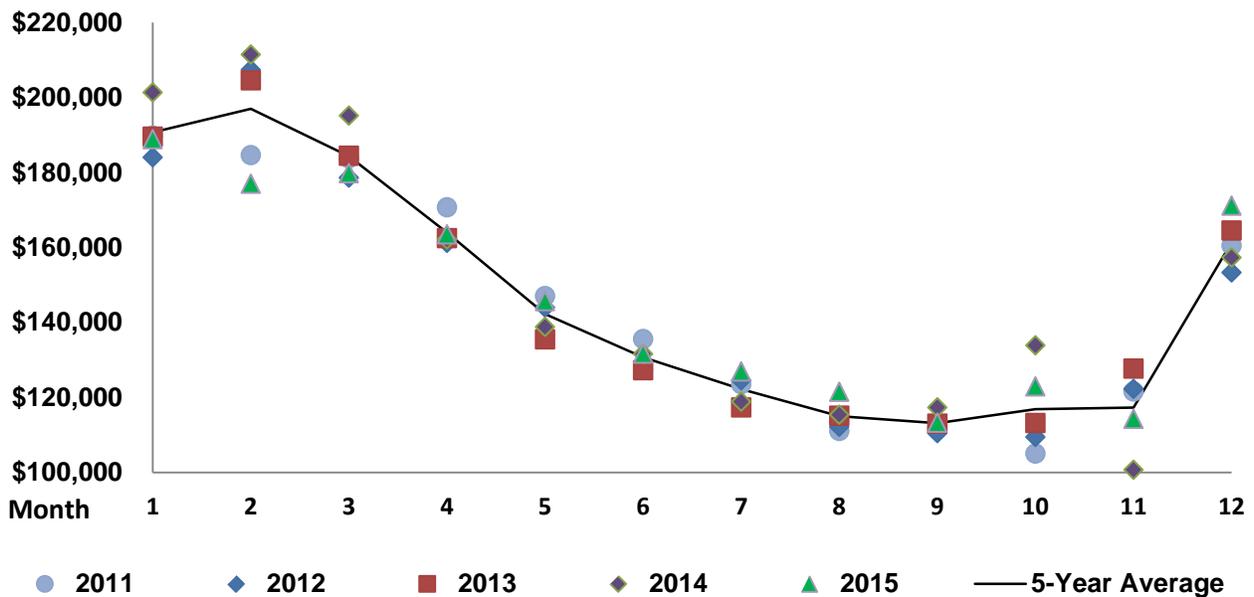
### SEATTLE CITY LIGHT CONTRACT PAYMENT



2015 Current Budget		\$1,993,063
2015 Fourth Quarter Actual Revenue		\$1,756,770
2015 % of Current Budget Received		88.1%
2014 Current Budget		\$1,912,728
2014 Fourth Quarter Actual Revenue		\$1,784,137
2014 % of Current Budget Received		93.3%
2015 v. 2014 \$ Change		-\$27,367
2015 v. 2014 % Change		-1.5%

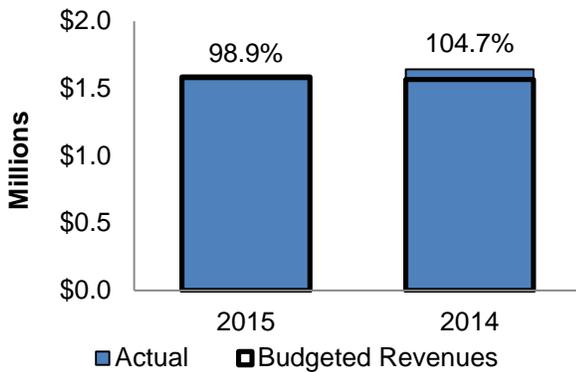
Receipts are 1.5% lower than the year-ago level but 3.7% higher than the revised projection. Staff revised the year-end estimate through the 2016 budget process to bring the projections in line with historical trends. As can be seen in the chart below receipts in the first quarter of 2015 were lower than those received during the same period of the last two years but have since come in near the five-year average.

### Receipts SEATTLE CITY LIGHT RECEIPTS BY MONTH



## GENERAL FUND REVENUE ANALYSIS (continued):

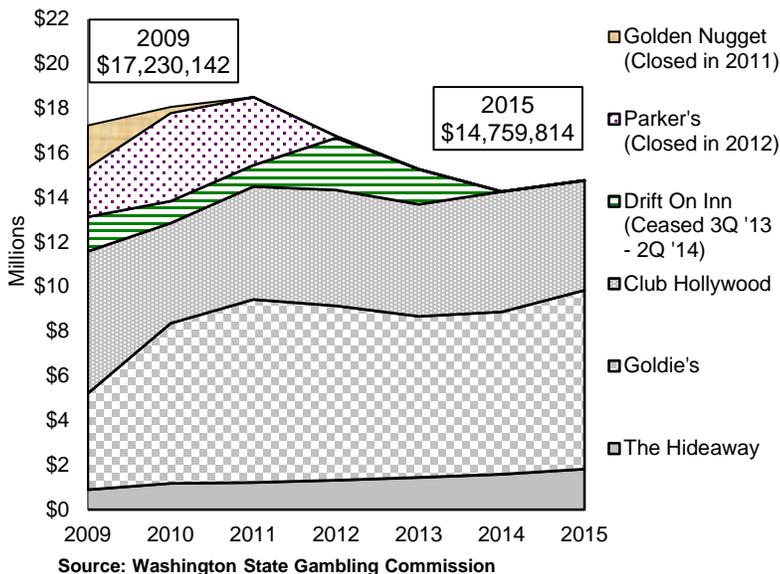
### GAMBLING TAX REVENUE



2015 Current Budget		\$1,586,625
2015 Fourth Quarter Actual Revenue		\$1,569,806
2015 % of Current Budget Received		98.9%
2014 Current Budget		\$1,569,125
2014 Fourth Quarter Actual Revenue		\$1,643,171
2014 % of Current Budget Received		104.7%
2015 v. 2014 \$ Change		-\$73,365
2015 v. 2014 % Change		-4.5%

Total receipts, inclusive of taxes on gambling activity and payments on promissory notes, in the amount of \$1,603,004, are lower than 2014 collections of \$1,643,173 primarily due to the payoff of promissory notes by Goldie's and The Hideaway in 2014. Receipts attributable to taxes on gambling activity reported, in the amount of \$1,597,329, are 3.2% higher than the year-ago level and 0.3% lower than the revised projection. On July 27, 2015 Council determined that debt owed by Parker's Sports Bar & Casino / Slam Dunk Entertainment and Echo Lake Tavern / Gloria Kalitovic resulting from unpaid gambling taxes were uncollectible and authorized the City Manager to write off the debt. This action resulted in a one-time reduction of 2015 receipts in the amount of \$33,199. This report reflects the culmination of these issues with a result that shows receipts being 4.5% lower than the year-ago level.

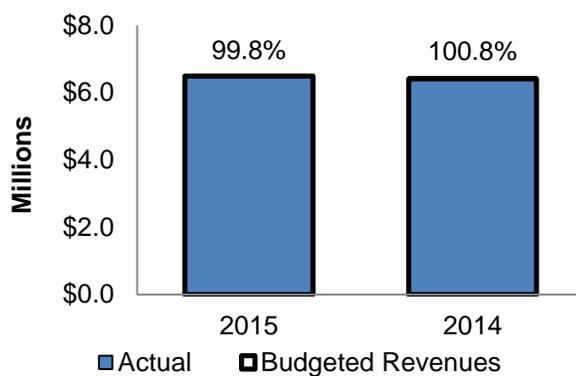
Receipts from pull-tab activity slightly decreased (-1.2%) year-over-year while cardroom activity increased (+3.6%). Pull-tab activity returned to historic levels in the second quarter of 2014 while card room activity appears to have found a plateau after the closure of three establishments since 2010. The chart below exhibits the last seven years of gross receipts reported by card rooms in Shoreline.



Annual Activity 2009 - 2015		
Year	Amount	% Change from Previous Year
2009	\$17,230,142	-6.0%
2010	\$18,065,061	4.8%
2011	\$18,502,782	2.4%
2012	\$16,751,880	-9.5%
2013	\$15,265,019	-8.9%
2014	\$14,263,567	-6.6%
2015	\$14,759,814	3.5%

## GENERAL FUND REVENUE ANALYSIS (continued):

### UTILITY TAX AND FRANCHISE FEE



2015 Current Budget		\$6,494,853
2015 Fourth Quarter Actual Revenue		\$6,482,206
2015 % of Current Budget Received		99.8%
2014 Current Budget		\$6,417,125
2014 Fourth Quarter Actual Revenue		\$6,470,543
2014 % of Current Budget Received		100.8%
2015 v. 2014 \$ Change		\$11,663
2015 v. 2014 % Change		0.2%

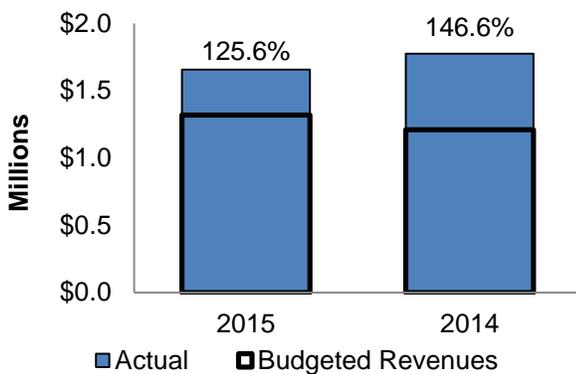
Overall utility tax and franchise fee receipts are below the revised projection by 0.1% but above 2014 collections by 0.2%.

Natural gas tax receipts are 7.5% lower than those collected during the same period in 2014. Compared to the prior year, lower monthly payments for February through May (-16.0%) point to reduced demand for natural gas, perhaps due to a mild winter and spring, while payments for the remainder of the year were only slightly lower (-0.8%). Cable television tax receipts are 6.6% higher than the year-ago level. Receipts from the cable TV category came in above the budget and revised projections by 6.0% and 1.6%, respectively. Telecommunications tax receipts are 8.8% lower than the year-ago level. Staff revised the year-end estimates for cable TV and telecommunications categories through the 2016 budget process. Receipts from the telecommunications category came in below the budget and revised projections by 14.1% and 9.2%, respectively. The telecommunications category has seen a steady decrease over the past few years. Water franchise fee receipts are 5.0% higher than the year-ago level, which is mostly due to receipts in the first three quarters being 7.3% higher and receipts for the fourth quarter being 3.9% lower compared to the same periods of 2014.

Utility	2015 Current Budget	2015 Fourth Quarter Actual Revenue	2015 % of Current Budget Received	2014 Current Budget	2014 Fourth Quarter Actual Revenue	2014 % of Current Budget Received	2015 v. 2014 \$ Change	2015 v. 2014 % Change
Natural Gas	\$889,590	\$785,472	88.3%	\$889,590	\$849,542	95.5%	-\$64,070	-7.5%
Garbage	\$538,648	\$547,486	101.6%	\$528,086	\$534,409	101.2%	\$13,077	2.4%
Cable TV	\$1,760,845	\$1,866,627	106.0%	\$1,658,749	\$1,753,193	105.7%	\$115,225	6.6%
Telecommunications	\$1,503,000	\$1,290,650	85.9%	\$1,569,095	\$1,415,044	90.2%	-\$124,394	-8.8%
Storm Drainage	\$214,571	\$217,034	101.1%	\$207,697	\$212,005	102.1%	\$5,029	2.4%
Water	\$754,197	\$939,937	124.6%	\$754,197	\$895,350	118.7%	\$44,587	5.0%
Sewer	\$834,002	\$835,000	100.1%	\$809,711	\$811,000	100.2%	\$24,000	3.0%
<b>Utility Tax &amp; Franchise Fee Revenue Subtotal</b>	<b>\$6,494,853</b>	<b>\$6,482,206</b>	<b>99.8%</b>	<b>\$6,417,125</b>	<b>\$6,470,543</b>	<b>100.8%</b>	<b>\$11,663</b>	<b>0.2%</b>

## GENERAL FUND REVENUE ANALYSIS (continued):

### DEVELOPMENT REVENUE



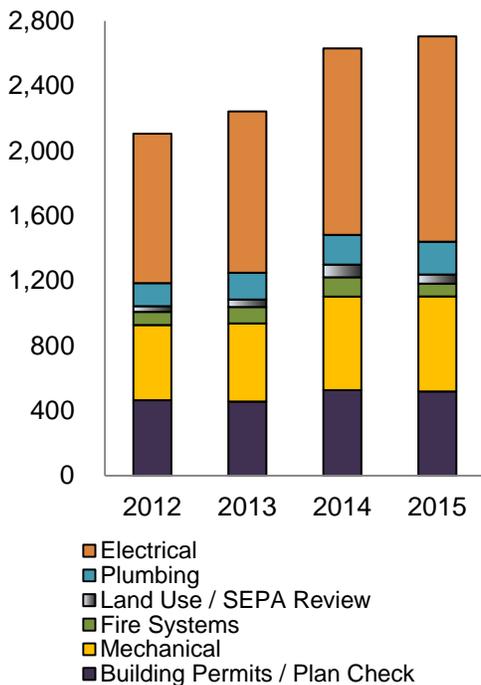
2015 Current Budget		\$1,319,750
2015 Fourth Quarter Actual Revenue		\$1,657,875
2015 % of Current Budget Received		125.6%
2014 Current Budget		\$1,211,750
2014 Fourth Quarter Actual Revenue		\$1,775,938
2014 % of Current Budget Received		146.6%
2015 v. 2014 \$ Change		-\$118,063
2015 v. 2014 % Change		-6.6%

Development revenue receipts exhibit a year-over-year decrease of 6.6% but are 6.4% higher than the revised projection. Local development activity in 2015, in terms of the valuation, is higher than the year-ago level while the number of building permits pulled for new construction and remodels is only slightly higher.

Valuation of 307 building permits for new construction and remodels totals \$78.0 million and is comprised 35.0% of residential and 65.0% commercial / multi-family valuation. The majority of the commercial / multi-family valuation is for the Centerpointe Apartments (163 units valued at \$21.7 million), Aurora Micro Apartments (11 units valued at \$4.75 million), and Compass Housing Alliance (60 units valued at \$8.1 million).

In 2015, there were 14 more permits issued for new single-family residences, with a value that is \$2.6 million more, as compared to the year-ago level. While there have been 10 fewer permits issued for commercial / multi-family construction (new and remodels) the value is \$31.9 million more than the year-ago level.

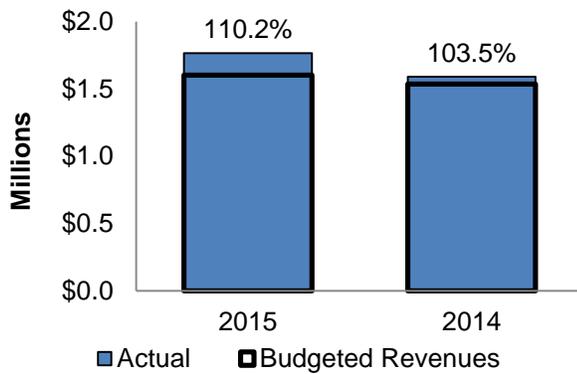
### PERMITS BY TYPE



PERMIT TYPE	2012	2013	2014	2015	# Change	% Change
Building Permits / Plan Check	465	457	527	519	-8	-1.5%
Mechanical	463	481	576	585	9	1.6%
Fire Systems	81	101	119	79	-40	-33.6%
Land Use / SEPA Review	35	46	78	56	-22	-28.2%
Plumbing	142	165	183	202	19	10.4%
Electrical	920	993	1,148	1,264	116	10.1%
<b>Total</b>	<b>2,106</b>	<b>2,243</b>	<b>2,631</b>	<b>2,705</b>	<b>74</b>	<b>2.8%</b>

## GENERAL FUND REVENUE ANALYSIS (continued):

### PARK AND RECREATION REVENUE



2015 Current Budget		\$1,603,216
2015 Fourth Quarter Actual Revenue		\$1,767,394
2015 % of Current Budget Received		110.2%
2014 Current Budget		\$1,537,541
2014 Fourth Quarter Actual Revenue		\$1,591,666
2014 % of Current Budget Received		103.5%
2015 v. 2014 \$ Change		\$175,728
2015 v. 2014 % Change		11.0%

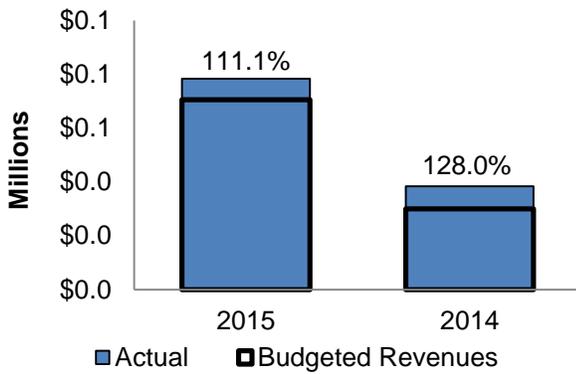
Park and Recreation revenue receipts are higher than the year-ago level and revised projection by 11.0% and 6.2%, respectively. Compared to last year, 2015 witnessed an increase in revenues from the pool by 6.6%, mostly due to an increase in revenue from lessons (+7.2%), and facility rentals by 9.3%, mostly due to an increase in revenues from athletic field rentals (+8.7%) and picnic shelter rentals (+15.5%). General recreation receipts showed a significant increase of 15.1% over the same period in 2014, mostly due to increased revenue from participation in class offerings for specialized recreation classes (+28.2%) and youth arts (+61.4%), as well as increased participation in the summer playground (+23.7%).

Recreation Revenue by Program Area: January - December 2008 – 2015							
Year	General Recreation*	Gen Rec % of Total	Pool	Pool % of Total	Facility Rentals	Fac. Rent % of Total	Total Revenue
2008	\$597,402	45.4%	\$383,260	29.1%	\$334,301	25.4%	\$1,314,963
2009	\$556,951	41.2%	\$372,035	27.5%	\$423,021	31.3%	\$1,352,007
2010	\$593,454	42.8%	\$367,554	26.5%	\$423,972	30.6%	\$1,384,980
2011	\$625,368	43.0%	\$374,828	25.8%	\$455,039	31.3%	\$1,455,235
2012	\$604,705	42.6%	\$367,770	25.9%	\$446,884	31.5%	\$1,419,359
2013	\$615,758	42.5%	\$342,378	23.7%	\$489,258	33.8%	\$1,447,394
2014	\$661,091	44.5%	\$371,070	25.0%	\$452,842	30.5%	\$1,485,003
<b>2015</b>	<b>\$760,772</b>	<b>46.1%</b>	<b>\$395,462</b>	<b>23.9%</b>	<b>\$495,126</b>	<b>30.0%</b>	<b>\$1,651,360</b>



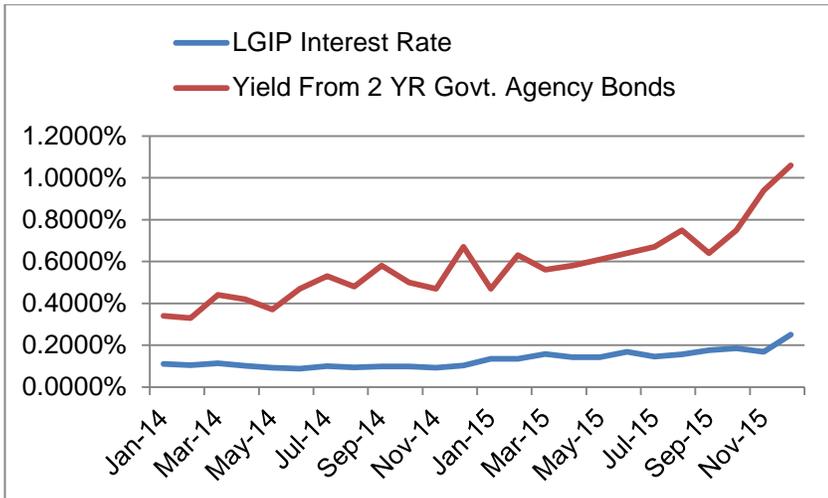
## GENERAL FUND REVENUE ANALYSIS (continued):

### INVESTMENT INCOME



2015 Current Budget		\$70,600
2015 Fourth Quarter Actual Revenue		\$78,423
2015 % of Current Budget Received		111.1%
2014 Current Budget		\$30,000
2014 Fourth Quarter Actual Revenue		\$38,386
2014 % of Current Budget Received		128.0%
2015 v. 2014 \$ Change		\$40,037
2015 v. 2014 % Change		104.3%

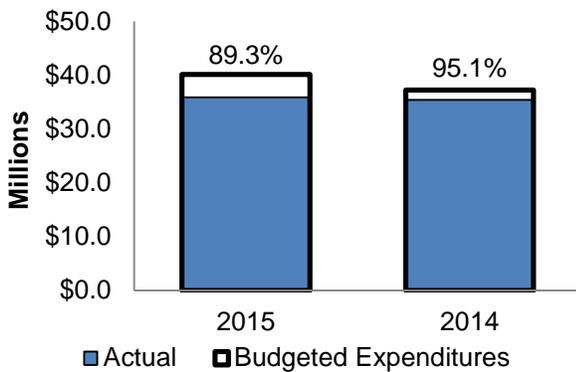
Investment earnings are higher than the year-ago level by \$40,037, or 104.3%. The City is diversifying and laddering its portfolio, moving methodically into longer term securities earning higher interest rates.



Month	LGIP Interest Rate	Bond Investment Yield
Jan-14	0.1110%	0.3400%
Feb-14	0.1051%	0.3300%
Mar-14	0.1137%	0.4400%
Apr-14	0.1009%	0.4200%
May-14	0.0921%	0.3700%
Jun-14	0.0874%	0.4700%
Jul-14	0.0999%	0.5300%
Aug-14	0.0943%	0.4800%
Sep-14	0.0982%	0.5800%
Oct-14	0.0984%	0.5000%
Nov-14	0.0928%	0.4700%
Dec-14	0.1031%	0.6700%
Jan-15	0.1347%	0.4700%
Feb-15	0.1347%	0.6300%
Mar-15	0.1577%	0.5600%
Apr-15	0.1430%	0.5800%
May-15	0.1428%	0.6100%
Jun-15	0.1688%	0.6400%
Jul-15	0.1453%	0.6700%
Aug-15	0.1561%	0.7500%
Sep-15	0.1766%	0.6400%
Oct-15	0.1854%	0.7500%
Nov-15	0.1682%	0.9400%
Dec-15	0.2499%	1.0600%
24 Month Average	0.1317%	0.5792%

**EXPENDITURE ANALYSIS:**

**GENERAL FUND EXPENDITURES**



<b>2015 Current Budget</b>		<b>\$40,151,029</b>
2015 Fourth Quarter Actual Expenditures		\$35,847,605
2015 % of Current Budget Expended		89.3%
2014 Current Budget		\$37,250,828
2014 Fourth Quarter Actual Expenditures		\$35,425,424
2014 % of Current Budget Expended		95.1%
2015 v. 2014 \$ Change		\$422,182
2015 v. 2014 % Change		1.2%

Departments spent \$33,816,839, or 90.6%, of the Current Budget excluding transfers out. This level is \$921,874, or 2.8%, higher than the year-ago level but \$1,541,731, or 4.4%, less than the revised projection. Delays and other unanticipated issues resulted in 2015 expenditures being less than projected. Some operating programs and projects that were in progress in 2015 will be completed in 2016. Staff requested a re-appropriation of \$1,175,103 to pay expenditures incurred or complete projects initiated in 2015. Without these delays or with completion of these projects, departments would have spent 93.7% of the current budget excluding transfers out, which would have been 6.4% higher than the year-ago level but 1.0% less than the revised projection.

The General Fund transferred \$2,030,766, or 72.3%, of its budgeted support to other funds. This level is \$499,692, or 19.7%, lower than the year-ago level and \$779,366, or 27.7%, less than the revised projection. Three transfers to the Roads Capital Fund were not completed in 2015. Two of these transfers, which provide support for the Sidewalks/Overlay program and Traffic Services staff that supports capital projects, were sufficiently replaced by real estate excise tax deposited in the Roads Capital Fund that exceeded staff's revised projection by \$263,840. The third transfer was intended to provide \$500,000 for grant match funding for capital projects but that has been delayed until 2016 when the funds will be needed to support a project. Staff requested a re-appropriation of this \$500,000 transfer. Without this delay, the General Fund would have transferred 90.1% of the budget, which would have been slightly higher (0.01%) than the year-ago level but 9.9% less than the revised projection.

Total expenditures including transfers out, representing expenditure of 89.3% of the current budget, are 1.2% higher than the year-ago level but 6.1% less than the revised projection. Including the re-appropriations discussed above, total expenditures would have been 5.9% higher than the year-ago level but 1.7% lower than the revised projection.

## EXPENDITURE ANALYSIS:

## GENERAL FUND EXPENDITURES

Department	2015 Current Budget	2015 Fourth Quarter Actual Expenditures	2015 % of Current Budget Expended	2014 Current Budget	2014 Fourth Quarter Actual Expenditures	2014 % of Current Budget Expended	2015 v. 2014 \$ Change	2015 v. 2014 % Change
City Council	\$228,226	\$216,255	94.8%	\$221,089	\$216,206	97.8%	\$49	0.0%
City Manager's Office <sup>1</sup>	\$2,266,456	\$2,076,166	91.6%	\$2,161,237	\$2,035,666	94.2%	\$40,500	2.0%
City Attorney	\$671,384	\$638,844	95.2%	\$593,787	\$591,018	99.5%	\$47,826	8.1%
Community Services <sup>2</sup>	\$1,612,120	\$1,514,299	93.9%	\$1,615,079	\$1,557,226	96.4%	-\$42,927	-2.8%
Administrative Services <sup>3</sup>	\$4,273,854	\$4,040,853	94.5%	\$4,138,040	\$3,777,839	91.3%	\$263,015	7.0%
Citywide	\$2,064,050	\$810,844	39.3%	\$1,795,506	\$1,130,082	62.9%	-\$319,238	-28.2%
Human Resources	\$516,738	\$505,896	97.9%	\$445,411	\$471,952	106.0%	\$33,944	7.2%
Police	\$11,555,917	\$10,900,246	94.3%	\$10,703,332	\$10,494,973	98.1%	\$405,273	3.9%
Criminal Justice	\$3,031,291	\$2,845,340	93.9%	\$2,340,706	\$3,121,389	133.4%	-\$276,049	-8.8%
Parks	\$5,431,658	\$5,230,087	96.3%	\$5,055,514	\$4,831,836	95.6%	\$398,250	8.2%
Planning & Community Development	\$2,774,400	\$2,564,214	92.4%	\$2,756,917	\$2,553,287	92.6%	\$10,928	0.4%
Public Works	\$2,914,803	\$2,473,793	84.9%	\$2,446,628	\$2,113,492	86.4%	\$360,301	17.0%
<b>Departmental Expenditures</b>	<b>\$37,340,897</b>	<b>\$33,816,839</b>	<b>90.6%</b>	<b>\$34,273,245</b>	<b>\$32,894,966</b>	<b>96.0%</b>	<b>\$921,872</b>	<b>2.8%</b>
Operating Transfers Out	\$2,810,132	\$2,030,766	72.3%	\$2,977,583	\$2,530,458	85.0%	-\$499,692	-19.7%
<b>Total Expenditures</b>	<b>\$40,151,029</b>	<b>\$35,847,605</b>	<b>89.3%</b>	<b>\$37,250,828</b>	<b>\$35,425,424</b>	<b>95.1%</b>	<b>\$422,182</b>	<b>1.2%</b>

Department	2015 Current Budget	2015 Fourth Quarter Actual + Carryover Expenditures	2015 % of Current Budget Expended	2014 Current Budget	2014 Fourth Quarter Actual Expenditures	2014 % of Current Budget Expended	2015 v. 2014 \$ Change	2015 v. 2014 % Change
<b>Departmental Expenditures</b>	<b>\$37,340,897</b>	<b>\$34,991,942</b>	<b>93.7%</b>	<b>\$34,273,245</b>	<b>\$32,894,966</b>	<b>96.0%</b>	<b>\$2,096,975</b>	<b>6.4%</b>
<b>Operating Transfers Out</b>	<b>\$2,810,132</b>	<b>\$2,530,766</b>	<b>90.1%</b>	<b>\$2,977,583</b>	<b>\$2,530,458</b>	<b>85.0%</b>	<b>\$308</b>	<b>0.0%</b>
<b>Total Expenditures</b>	<b>\$40,151,029</b>	<b>\$37,522,708</b>	<b>93.5%</b>	<b>\$37,250,828</b>	<b>\$35,425,424</b>	<b>95.1%</b>	<b>\$2,097,284</b>	<b>5.9%</b>

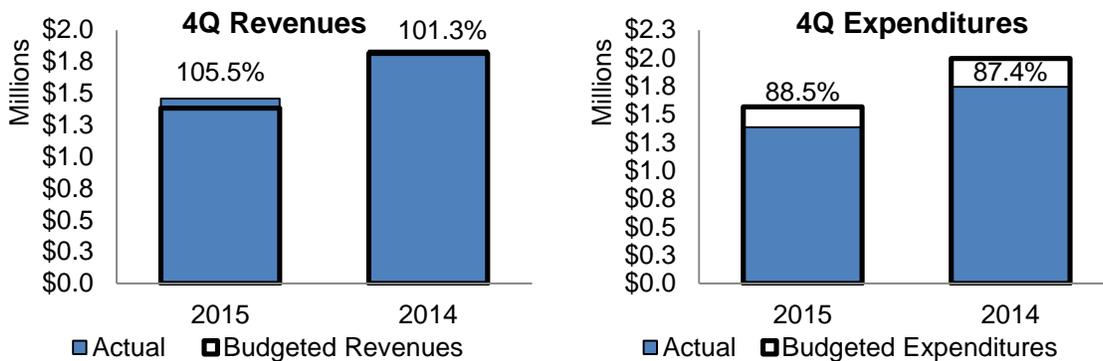
1. City Manager's Office includes City Manager's Office, City Clerk, Communications, Intergovernmental Relations, Economic Development, and Property Management

2. Community Services includes Neighborhoods, Customer Response Team, Emergency Management Planning, and Human Services

3. Administrative Services includes Finance, Purchasing, Information Systems, and Fleet & Facilities.

## OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

### STREET FUND



	Revenue	Expenditures
2015 Budgeted Use of Fund Balance	\$185,844	N/A
2015 Budgeted Revenues	\$1,383,163	N/A
2015 Current Budget	\$1,569,007	\$1,569,007
2015 4th Quarter Actual	\$1,459,565	\$1,388,044
2015 % of Current Budget*	105.5%	88.5%
2014 Budgeted Use of Fund Balance	\$183,448	N/A
2014 Budgeted Revenues	\$1,815,589	N/A
2014 Current Budget	\$1,999,037	\$1,999,037
2014 4th Quarter Actual	\$1,838,551	\$1,747,608
2014 % of Current Budget*	101.3%	87.4%
2015 v. 2014 \$ Variance	-\$378,986	-\$359,564

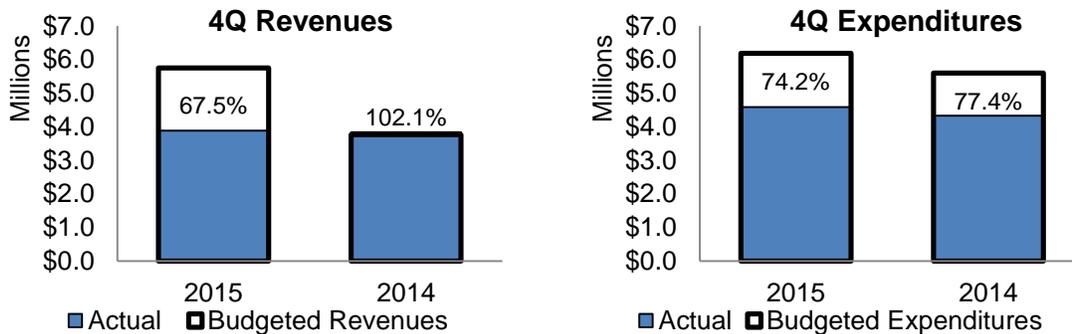
\*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance

Receipts, including transfers in, through December totaled \$1,459,565 and are \$378,986, or 20.6%, lower than the year-ago level. In 2014, the Street Fund received \$189,000 in one-time support from the General Fund. In 2015, the \$250,000 of services provided by King County was shifted to the Traffic Services program in the General Fund. These two factors resulted in a reduction in the amount of General Fund support provided in 2015 to the Street Fund of \$439,000. Factoring out the above 2014 items, the 2015 receipts through the fourth quarter were \$60,014, or 3.3%, higher than the 2014 level. Motor vehicle fuel tax revenue receipts for the fourth quarter of 2015 total \$1,137,676, which is 2.8% more than the year-ago level. In total, 2015 revenues were 5.5% more than budgeted revenue (current budget excluding use of fund balance).

Expenditures, including transfers out, through December totaled \$1,388,044 and are \$359,564, or 20.6%, less than the year-ago level. As was noted above, this is primarily due to the \$250,000 of services provided by King County shifted to the Traffic Services program in the General Fund in 2015. Expenditures are \$181,000 lower than the current budget due to staff vacancies, a delay in the development of the Health and Safety Manual, savings in the repairs and maintenance budget, and a delay in the purchase of two vehicles. Staff requested a re-appropriation of \$19,105 to develop the Health and Safety Manual and \$69,771 to complete the purchase of two vehicles. Without these delays, expenditures would have been 7.1% lower than the current budget.

## OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

### SURFACE WATER UTILITY FUND



	Revenue	Expenditures
2015 Budgeted Use of Fund Balance	\$435,426	N/A
2015 Budgeted Revenues	\$5,756,408	N/A
2015 Current Budget	\$6,191,834	\$6,191,834
2015 4th Quarter Actual	\$3,885,504	\$4,593,317
2015 % of Current Budget*	67.5%	74.2%
2014 Budgeted Use of Fund Balance	\$1,840,884	N/A
2014 Budgeted Revenues	\$3,762,067	N/A
2014 Current Budget	\$5,602,951	\$5,602,951
2014 4th Quarter Actual	\$3,842,356	\$4,334,247
2014 % of Current Budget*	102.1%	77.4%
2015 v. 2014 \$ Variance	\$43,148	\$259,070

\*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance

The Surface Water Utility Fund (SWM) includes on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

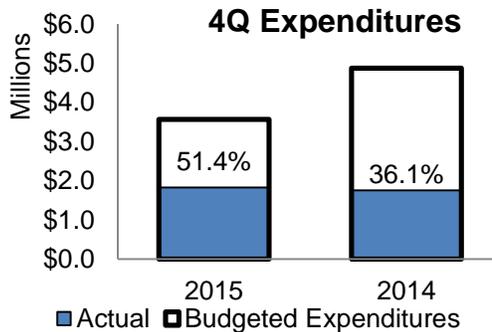
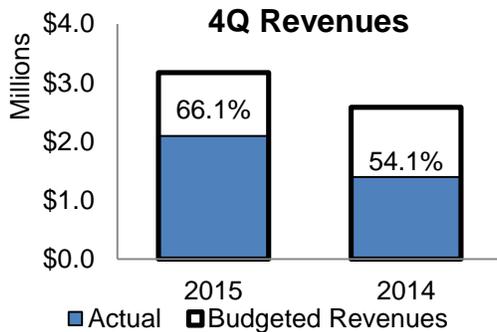
Receipts through December, in the amount of \$3,885,504, are \$43,148, or 1.1%, higher than the year-ago level. SWM ongoing revenues include storm drainage fees and investment interest earnings. Storm Drainage Fees totaled \$3,892,170 and are \$100,563, or 2.65%, above the year-ago level. The Storm Drainage Fees are higher than the total revenues due to the school district SWM fee credit, which was a total of \$274,380 in 2015 and is credited against the SWM Fund's revenue. Once the school district credit is factored out, and \$267,714 in other revenues from grants, investment interest, and other revenues are included, the 2015 amount nets to \$3,885,504.

Compared to budget, revenues are only 67.5% of budgeted revenue (current budget excluding use of fund balance). This is due to a \$2,000,000 bond issue that was scheduled for 2015 but deferred to 2016 to align with construction timing.

Expenditures, including transfers out, through December totaled \$4,593,317 and are \$259,070, or 6.0%, more than the year-ago level. Expenditures are impacted by the timing of construction schedules. For example, in 2015, the revised CIP projection lowered the current budget for the NE 148<sup>th</sup> Infiltration Facilities from \$200,000 in 2015 to an estimated \$20,000 in the 2016-2021 CIP. The Stormwater Pipe Replacement Program's current budget was lowered from \$1,016,415 in 2015 to an estimated \$566,415 in the 2016-2021 CIP. The total 2015 estimate from the 2016-2021 CIP for both the SWM operating and SWM capital projects was \$4,551,854. With actual total 2015 expenditures at \$4,593,317, they were 0.9% higher than the revised 2015 estimates.

**OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:**

**GENERAL CAPITAL FUND**



	Revenue	Expenditures
2015 Budgeted Use of Fund Balance	\$394,658	N/A
2015 Budgeted Revenues	\$3,173,261	N/A
2015 Current Budget	\$3,567,919	\$3,567,919
2015 4th Quarter Actual	\$2,096,845	\$1,833,614
2015 % of Current Budget*	66.1%	51.4%
2014 Budgeted Use of Fund Balance	\$2,295,977	N/A
2014 Budgeted Revenues	\$2,582,494	N/A
2014 Current Budget	\$4,878,471	\$4,878,471
2014 4th Quarter Actual	\$1,396,999	\$1,760,565
2014 % of Current Budget*	54.1%	36.1%
2015 v. 2014 \$ Variance	\$699,846	\$73,049

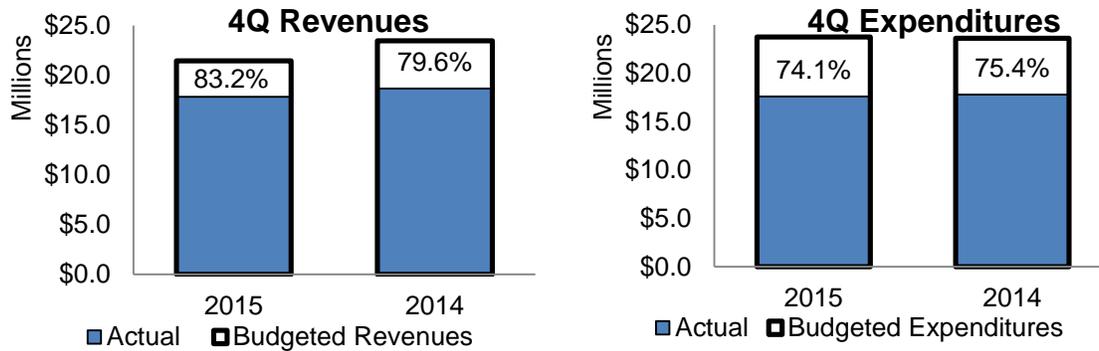
\*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance

Receipts through December, in the amount of \$2,096,845, are \$699,846, or 50.1%, more than the year-ago level. This increase is mainly attributed to an increase in REET (please see Real Estate Excise Tax section). Investment earnings totaled \$2,894 which is \$331, or 12.9%, above the 2014 levels. This year the General Capital Fund received 66.1% of budgeted revenues (current budget excluding use of fund balance). A significant portion of the budgeted revenue for the Police Station at City Hall project is being transferred from the Federal Criminal Forfeitures Fund as expenditures are incurred for the project. Staff requested a re-appropriation of \$1,646,343 for this purpose. Had all planned worked been completed in 2015, revenues would have been 18.0% higher than budgeted revenues.

Expenditures through December, including transfers out, totaled \$1,833,614 and are \$73,049, or 4.1%, more than the same period in 2014. Expenditures are impacted by the timing of construction schedules. As is noted above, expenditures are lower than the current budget primarily due to the timing of the Police Station at City Hall project. Again, staff requested a re-appropriation for this project. Had all planned worked been completed expenditures would have been 2.5% lower than the current budget.

## OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

### ROADS CAPITAL FUND



	Revenue	Expenditures
2015 Budgeted Use of Fund Balance	\$2,298,580	N/A
2015 Budgeted Revenues	\$21,450,709	N/A
2015 Current Budget	\$23,749,289	\$23,749,289
2015 4th Quarter Actual	\$17,849,590	\$17,601,658
2015 % of Current Budget*	83.2%	74.1%
2014 Budgeted Use of Fund Balance	\$146,318	N/A
2014 Budgeted Revenues	\$23,457,681	N/A
2014 Current Budget	\$23,603,999	\$23,603,999
2014 4th Quarter Actual	\$18,674,843	\$17,799,802
2014 % of Current Budget*	79.6%	75.4%
2015 v. 2014 \$ Variance	-\$825,253	-\$198,144

\*Current Budget for Revenues is calculated by excluding Budgeted Use of Fund Balance

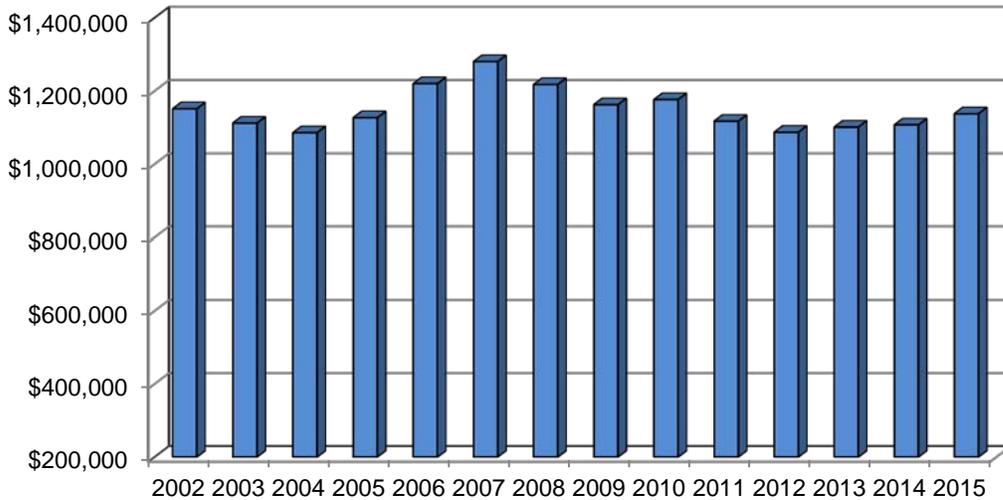
Receipts through December, in the amount of \$17,849,590, are \$825,253, or 4.4%, lower than the year-ago level. This year the Roads Capital Fund received 83.2% of budgeted revenues (current budget excluding use of fund balance). Receipt of a significant portion of the budgeted revenue for the Aurora Avenue North 192nd - 205th project and the transfer of \$500,000 from the General Fund for grant match funding will be delayed into 2016. In October 2015, Council adopted Ordinance Number 726, which assumed the rights, powers, functions, immunities, and obligations of the Shoreline Transportation District (TBD). The TBD's revenues, including \$818,017 in vehicle license fees, and fund balance, in the amount of \$429,582, have been booked to the Roads Capital Fund. Staff requested a re-appropriation of \$3,145,157 for the Aurora project and \$500,000 for the grant match funds. Had the Aurora project and grants match funding transfer been completed in 2015 revenues (excluding the booking of TBD fund balance) would have been 5.1% lower than budgeted revenues.

Expenditures through December, in the amount of \$17,601,658, are \$198,144, or 1.1%, lower than the year-ago level. As with the other capital funds, expenditures are impacted by the timing of construction schedules. As is noted above, expenditures are lower than the current budget primarily due to the timing of the Aurora project and grants match funding transfer. Again, staff requested a re-appropriation for these items. Had the Aurora project and grants match funding transfer been completed in 2015 expenditures would have been 10.5% lower than the current budget. The 2016-2021 CIP revised the 2015 estimated expenditure for a number of projects with 10th Avenue NW Bridge project being lowered by \$366,026 from its original budget, the Interurban Trail project being lowered by \$385,999 from its original budget, and the Aurora project being lowered by \$515,756 from its original budget. In total, the 2016-2021 CIP estimated 2015 would end with \$22,210,311. Actual 2015 expenditures ended 20.8% lower than revised estimates. As noted above, staff requested re-appropriations for a number of CIP projects.

**OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:**

**STREET FUND FUEL TAX**

**Fuel Tax Historical Fourth Quarter Comparison**



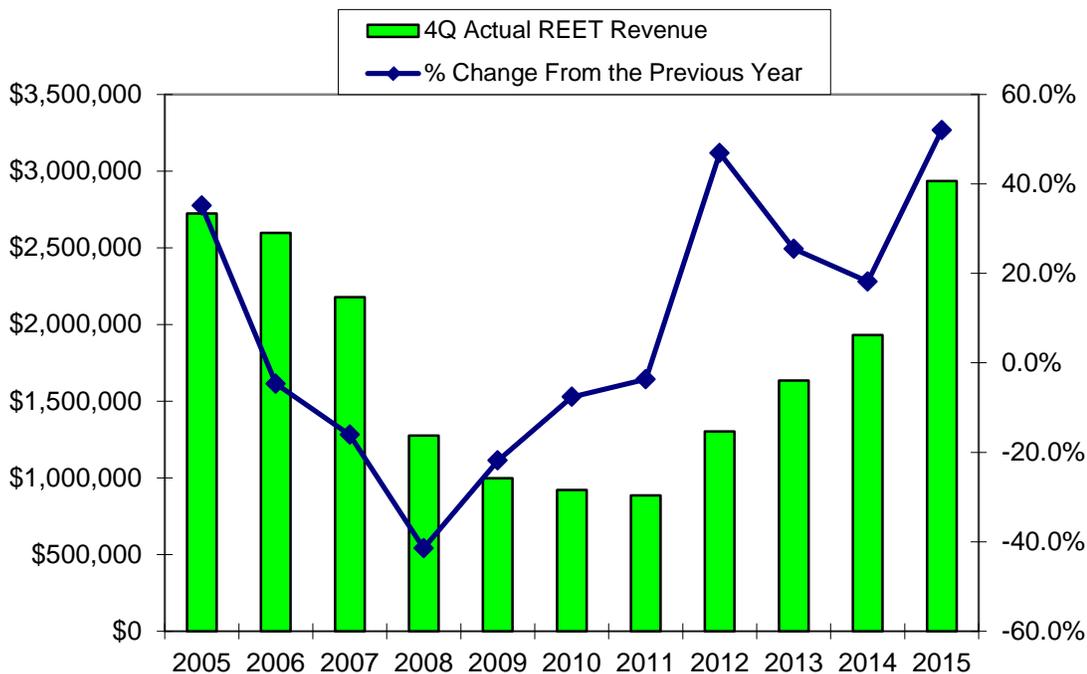
**Fuel Tax: Historical Annual  
2006-2015**

2006	\$1,220,213
2007	\$1,280,096
2008	\$1,217,850
2009	\$1,162,565
2010	\$1,176,559
2011	\$1,117,297
2012	\$1,087,126
2013	\$1,101,244
2014	\$1,107,075
2015	\$1,137,676

The motor vehicle fuel excise tax, commonly referred to as gas tax, is levied by the state on a per gallon basis, distributed monthly on a per capita basis to the City of Shoreline, and placed in the Street Fund. In addition, the state's transportation package passed in 2015 included an increase in the gas tax with the first increase in place as of August 1, 2015 and the second increase to be effective July 1, 2016. This portion is shared with cities and counties based upon a set allocation provided in 2<sup>nd</sup> ESSB 5987. Total fuel tax revenue receipts through December totaled \$1,137,676 and are \$30,601, or 2.8%, higher than the year-ago level. Of that amount, \$16,401 was from the increased distributions that began in the 3<sup>rd</sup> quarter of 2015. Factoring out that increase, 2015 receipts are 2.4% higher than the budget projection and 1.3% higher than the year-ago level.

## OTHER FUNDS REVENUE AND EXPENDITURE ANALYSIS:

## REAL ESTATE EXCISE TAX (REET)



## REET: Annual Collected 2007-2015

	Revenue	\$ Change from Previous Year	%Change from Previous Year
2007	\$2,179,332	-\$418,371	-16.1%
2008	\$1,275,597	-\$903,735	-41.5%
2009	\$996,805	-\$278,792	-21.9%
2010	\$920,596	-\$76,209	-7.6%
2011	\$886,555	-\$34,041	-3.7%
2012	\$1,302,282	\$415,727	46.9%
2013	\$1,634,442	\$332,160	25.5%
2014	\$1,931,192	\$296,750	18.2%
2015	\$2,936,028	\$1,004,836	52.0%

Real estate excise tax (REET) revenue receipts through December totaling \$2,936,028 are higher than the budget projection, revised projection, and year-ago level by 59.1%, 21.9%, and 52.0%, respectively. There were 215, or 23.3%, more real estate transactions through the fourth quarter of 2015 than in the same period of 2014, and the total value of all transactions was \$580.5 million, or 57.6%, more than in 2014.

The difference in the value of real estate transactions is attributable to: (i) there being more transactions in 2015 (1,138 total) than in 2014 (923 total), (ii) there being 53 high-value (\$1 million or more) transactions through the fourth quarter of 2015, which is 23 more than the same period of 2014, and (iii) the average value of all transaction (i.e. single-family, multi-family, and commercial) increased by \$129,833 in 2015 to \$510,141.

**INVESTMENT REPORT – Fourth Quarter December 31, 2015**

The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.

Our yield objectives are very important and, pursuant to policy, the basis used by the City to determine whether the market yields are being achieved is through the use of a comparable benchmark. Our benchmark has been identified as the current yield to maturity of the Washington State Local Government Investment Pool, which had been the City's primary mode of investment prior to adopting our Investment Policy. As of December 31, 2015, the City's investment portfolio, excluding the State Investment Pool and deposits in Opus Bank, had a current weighted average rate of return of 1.1082%. This is better than the State Investment Pool's current rate of return of 0.2499%. In an effort to get better return than the State Investment Pool, the City deposited \$10M in Opus Bank which provides 0.35% rate of return. Total investment interest earnings through December were \$111,215 which is about 94% of total budgeted 2015 investment earnings of \$118,013.

Over the past few years, we have seen interest rates decline significantly. The average yield on two year government agency bonds was 5.34% in January 2007. By the end of 2008 this rate was down to 1.1%. Rates continued to decline reaching a low of 0.39% at the end of December 2013.

We are now starting to see some recovery in interest rates as the rate at the end of June 2014 was 0.47% and at the end of December 2015 was 1.06%. The City continued to implement a ladder philosophy in its investment portfolio over the last year. With the ladder philosophy, the City adds \$1M a quarter to its investment portfolio. This resulted in the City being able to hold some securities at a higher interest rate during the current interest rate environment. For example an instrument purchased in December 2015 is yielding 1.409% and will not mature until December 2018. This rate of return is projected to be above the average projected rate of return from the State Pool over the same period. A laddered portfolio approach helps assure that the City will, in the long run, receive a market average rate of return.

As of December 31, 2015, the City's investment portfolio had a fair value of nearly \$30.84 million. Approximately 29% of the investment portfolio was held in U.S. government instrumentality securities, and 39% was held in the Washington State Investment Pool, and 33% was held in Opus Bank. The City's investment portfolio valued at cost as of December 31, 2015, was slightly over \$30.83 million. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City holds all of its investments until the scheduled maturity date, and therefore when the investments mature the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool and Opus Bank to allow for immediate cash liquidation if needed. Investments within the State Pool and Opus Bank can be liquidated on any given day with no penalty.

## INVESTMENT REPORT (continued):

## LGIP Cash and Investment Balances December 31, 2015

Instrument Type	CUSPID #	Broker	Settlement Date	Maturity Date	Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 9/30/15
FHLB 0.375	3133834R9	ProEquities	06/26/13	06/24/16	\$1,000,000	\$986,541	0.8310%	\$12,488	\$999,029
FHLB 0.75	3130A16D5	Financial Northwestern	03/26/14	03/24/17	1,000,000	994,000	0.9537%	4,108	998,108
FHLMC 1.0	3137EADH9	Financial Northwestern	06/14/14	06/29/17	1,000,000	1,000,000	1.0000%	-936	999,064
FFCB 1.20	3133EEFP0	Wells Fargo	12/19/14	12/18/17	1,000,000	999,500	1.2170%	533	1,000,033
FHLB 1.17	3130A5RE1	Financial Northwestern	06/29/15	06/29/18	1,000,000	999,500	1.1870%	1,007	1,000,507
FICO STRIP PRIN SER D-P	31771KAH0	Time Value Investment	09/29/15	08/03/18	1,500,000	1,456,388	1.0400%	-12,315	1,444,073
FHLB 1.25	3130A67L5	Alamo Capital	08/24/15	08/24/18	1,000,000	999,600	1.2636%	-25	999,575
FFCB 1.09	3133EFFL6	Time Value Investment	09/29/15	09/28/18	500,000	500,000	1.0900%	-4,272	495,729
FFCB 1.375	3133EFSW8	Alamo Capital	12/21/15	12/21/18	1,000,000	999,000	1.4090%	-2,331	996,669
Sub Total Investments					\$9,000,000	\$8,934,529		-\$1,743	\$8,932,786
OpusBank Interest Checking						10,008,535	0.3500%		10,008,535
State Investment Pool						11,894,344	0.2499%		11,894,344
Sub Total - State Investment Pool and Opus Bank Interest Checking						21,902,880			21,902,880
<b>Total LGIP + Investments</b>						<b>\$30,837,408</b>		<b>-\$1,743</b>	<b>\$30,835,666</b>

Current Average Maturity Excluding the State Investment Pool (days)	753
Current Weighted Average Yield to Maturity Excluding the State Pool	1.1082%
Current Yield to Maturity State Investment Pool	0.2499%
Basis Points in Excess (Below) Benchmark	86

## Portfolio Diversification

Instrument Type	Percentage	Amount at Market Value	Amount at Cost	Broker	Percentage	Amount at Cost
FFCB	8.1%	\$2,492,431	\$2,498,500	Alamo Capital	6.5%	\$1,998,600
FHLB	13.0%	3,997,219	3,979,641	Financial Northwestern	9.7%	2,993,500
FHLMC	3.2%	999,064	1,000,000	ProEquities	3.2%	986,541
FICO STRIP PRIN SER D-P	4.7%	1,444,073	1,456,388	Time Value Investment	6.3%	1,956,388
				Wells Fargo	3.2%	1,000,000
OpusBank Interest Checking	32.5%	10,008,535	10,008,535	OpusBank Interest Checking	32.5%	10,008,535
State Invest. Pool + Opus Bank Interest Checking	38.6%	11,894,344	11,894,344	State Investment Pool	38.6%	11,894,344
<b>Total LGIP + Investments</b>	<b>100%</b>	<b>\$30,835,666</b>	<b>\$30,837,408</b>	<b>Total Investments</b>	<b>100%</b>	<b>\$30,837,908</b>

## Investments by Fund

Fund	Investments at Cost as of 12/31/2015	LGIP State Investment Pool and Opus Bank Interest Checking as of 12/31/2015	Total LGIP + OpusBank Interest Checking + Investments at Cost by Fund as of 12/31/2015	Recognized Gain/(Loss) as of 12/31/2015	Total Market Value of Investments by Fund as of 12/31/2015	Investment Earnings Budget 2015	Investment Earnings Actual 2015	Over/(Under) Budget
001 General	\$2,221,494	\$8,935,496	\$11,156,990	-\$11,28	\$11,145,703	\$69,000	\$70,733	\$1,733
101 Street	869,000	835,760	1,704,760	2,685	1,707,445	2,500	4,628	2,128
107 Code Abatement	0	134,557	134,557	0	134,557	550	286	-264
108 Asset Seizure	0	164,785	164,785	0	164,785	0	341	341
109 Public Arts	0	158,412	158,412	0	158,412	0	372	372
112 Fed Drug Enforcement	0	253,870	253,870	0	253,870	50	516	466
115 Property Tax Equalization	0	1,036,894	1,036,894	0	1,036,894	0	2,117	2,117
116 Fed Crim Forfeit	0	1,996,645	1,996,645	0	1,996,645	845	3,553	2,708
117 Transportation Impact Mitigation	0	227,182	227,182	0	227,182	0	151	151
190 Revenue Stabilization	4,657,494	282,217	4,939,711	0	4,939,711	0	1,095	1,095
301 General Capital	0	2,383,481	2,383,481	0	2,383,481	11,809	2,895	-8,914
312 City Fac-Mjr Maint	0	107,446	107,446	0	107,446	1,417	324	-1,093
330 Roads Capital	0	2,324,012	2,324,012	0	2,324,012	14,491	4,073	-10,418
401 Surface Water Utility Fund	0	1,962,724	1,962,724	0	1,962,724	9,101	4,004	-5,097
501 Vehicle Oper/Maint	0	191,797	191,797	0	191,797	250	446	196
503 Equip Dep Replace	1,186,541	845,564	2,032,105	6,859	2,038,963	8,000	15,545	7,545
505 Unemployment	0	62,039	62,039	0	62,039	0	134	134
<b>Total Investments</b>	<b>\$8,934,529</b>	<b>\$21,902,880</b>	<b>\$30,837,408</b>	<b>-\$1,743</b>	<b>\$30,835,666</b>	<b>\$118,013</b>	<b>\$111,215</b>	<b>-\$6,798</b>

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of the 10 Year Financial Sustainability Plan Permitting and Inspection Cost of Service and Cost Recovery Study
<b>DEPARTMENT:</b>	Administrative Services Planning & Community Development Public Works
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rachael Markle, Planning & Community Development Director Randy Witt, Public Works Director
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

The purpose of this discussion is to provide Council with an update on the progress of the Permitting and Inspection Cost of Service and Cost Recovery Study that is being conducted as part of the 10 Year Financial Sustainability Plan and to obtain Council direction on proposed policies for setting new fees and rates for permitting and inspection services.

**RESOURCE/FINANCIAL IMPACT:**

Permitting Fees generated \$1,655,951 in revenue for the General Fund in 2015. The study had a total budget of \$35,000. The study is being conducted to determine the current cost of issuing permits and the current cost recovery percentage. Staff is using this data to make recommendations for changes to methodology and rates to increase the City's overall recovery of costs for permitting and inspection per the 10YFSP strategy. The potential revenue impact of the change is estimated at to be approximately \$100,000.

**RECOMMENDATION**

No formal action is required at this time. Staff has evaluated alternatives and formulated several recommendations relating to permitting and inspection fees. Staff would like Council's confirmation of these recommendations to incorporate policy changes into the permitting and inspection fees as part of the 2017 budget. This information will also be used to configure the fees in TrakIT, the City's new permitting system.

Approved By:            City Manager **JN**    City Attorney **MK**

## **INTRODUCTION**

In June 2014, the Council accepted the 10 Year Financial Sustainability Plan (10YFSP), which included seven targets to preserve the City's financial sustainability. The June 16, 2014 staff report for the 10YSFP acceptance can be found at the following link: (<http://www.cityofshoreline.com/home/showdocument?id=19755>).

One of the strategies identified included the evaluation of cost recovery for fee based programs. The Parks, Recreation and Cultural Services Department completed their cost recovery analysis in 2015 and began to implement their new cost recovery targets as part of the 2016 budget. The cost recovery evaluation for the permitting and inspection functions began in late 2015 when the City engaged FCS Group to conduct the study. FCS Group has completed their analysis and Peter Moy, FCS' lead consultant for this study, will be present to provide the results of the study to Council tonight. The Permitting and Inspection Cost of Service and Cost Recovery Analysis Report is attached to this staff report as Attachment A.

Staff has utilized the results of the study and prepared recommendations for changes to the permitting fee structure for Council's consideration and to later be incorporated into with the adoption of the 2017 Budget.

## **BACKGROUND**

The City of Shoreline processes about thirty (30) different types of permits and averages over 2,000 permits issued per year. Eleven (11) of these permit types require inspections. Permitting and inspection rates are based either on the valuation of the project or a minimum deposit based on a set number of hours multiplied by an hourly fee. The hourly fee was originally set in 1995. By policy, the fees have been adjusted annually for inflation using the Consumer Price Index for All Urban Consumers (CPI-U).

The Permitting and Inspection Cost of Service and Cost Recovery Analysis was intended to determine the actual average cost of performing the permitting and inspection functions as well as identifying and evaluating the various options for cost recovery methodologies and a comparison with other cities. The study did not include a study of fire and electrical permits as these permits are reviewed, approved and inspected by other agencies. The City only does intake, issuance and records management for these permits.

Permitting and Inspection work is performed by staff in both the Planning & Community Development and Public Works Departments. FCS Group's analysis broke permits into three primary categories, and the following table describes the current rate calculation methodology based on the 2015 Hourly Rate:

<b>Permit Category</b>	<b>Current Rate Calculation Methodology</b>	<b>2015 Rate</b>
Building and Inspection Fees	Construction Valuation (Industry Standard)	Varies based on Valuation Amount
	Minimum Hourly Fee + Additional Hours	\$158.75
	Minimum Hourly Fee + Per Fixture Fee	\$158.75
City Planning Fees	Minimum Hourly Fee + Additional Hours	\$158.75
Public Works Engineering Fees	Minimum Hourly Fee + Additional Hours	\$158.75

As noted above, hourly rates are increased by CPI-U annually as part of the budget process. The study confirmed that CPI-U adjustments have not kept pace with actual cost increases, revealing a calculated hourly rate of \$180.37 in 2015 dollars. The current 2016 rate is \$161.25 an hour.

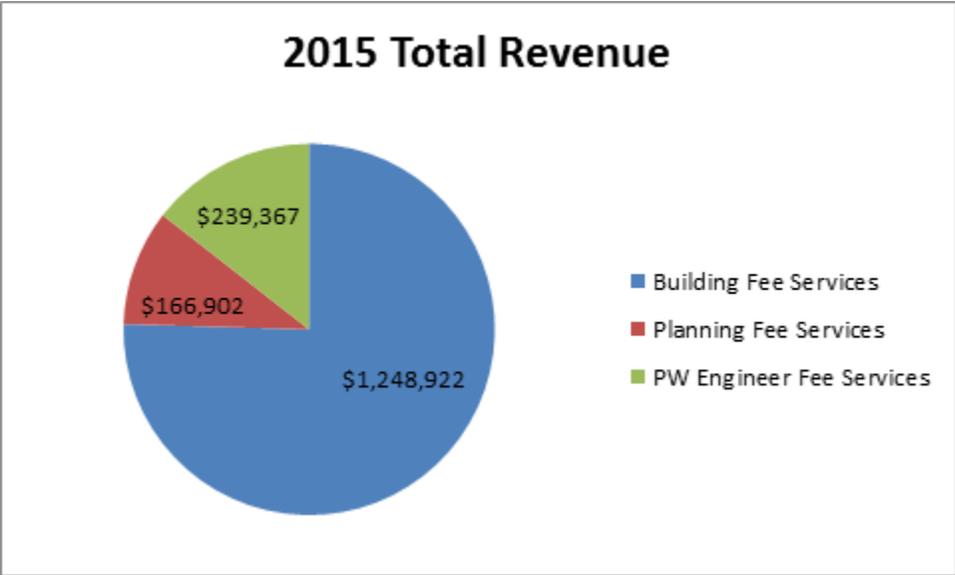
While staff is able to charge additional hours beyond the minimum hourly fee based on additional work performed during the permit review process, currently there is not a defined or consistently used mechanism to track time against the permit; therefore total hours spent are inconsistently tracked and included in the permit fees. The current City of Shoreline Fee Schedule is included as Attachment B.

### **DISCUSSION**

FCS Group’s Analysis Report (Attachment A) includes a detailed description of the evaluation methodology and the resulting costs by permit type. This staff report provides a high level summary of the outcomes, options, and considerations that drive staff recommendations. The following table summarizes the outcome of the cost recovery analysis for each category of permits:

<b>Permit Category</b>	<b>Current Cost Recovery</b>
Building and Inspection Fees	75%
City Planning Fees	27%
Public Works Engineering Fees	32%

Permitting fees generated a total of \$1,655,951 in revenue for the General Fund in 2015. The chart below shows the distribution of 2015 revenue between these same categories:

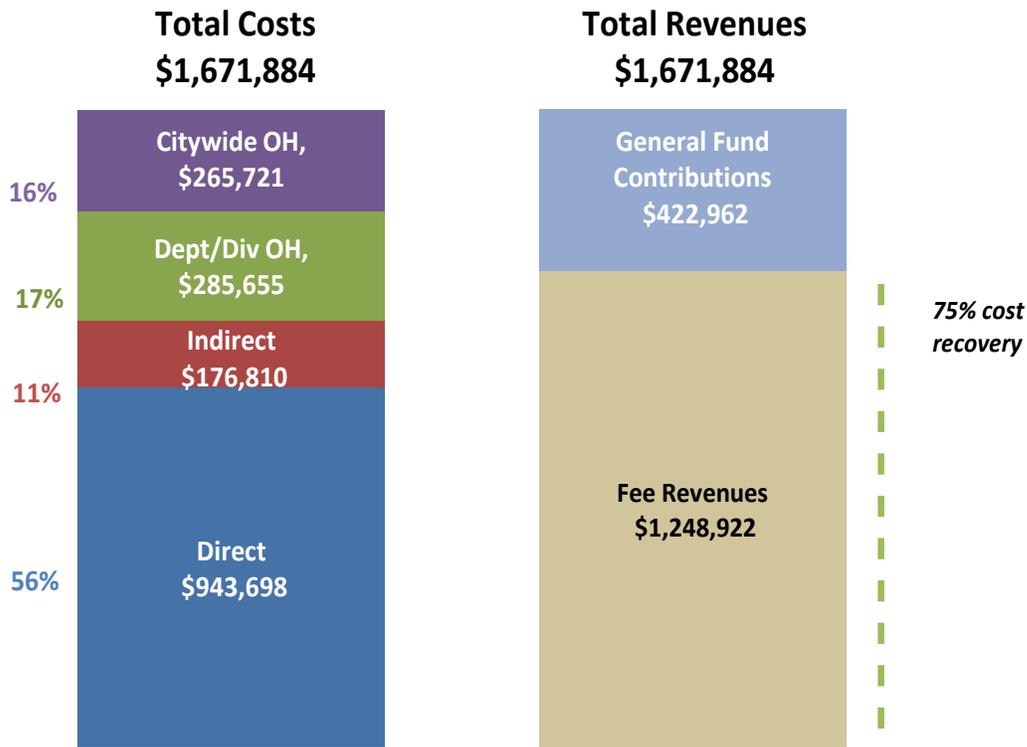


Following is a discussion of the factors influencing the cost recovery rates and staff recommendations to the current rate structures.

**Building and Inspection Fees**

Of the three areas, Building and Inspection fees had the highest cost recovery at 75%, covering all of the direct and indirect costs for these permit types and some of the citywide overhead costs. The reason for this level of cost recovery is primarily due to using the national valuation-based model from the Uniform Building Code, which has stood the test of time and practice. Most local jurisdictions have used some variation of this model for over 30 years. The model was specifically developed to cover the “amount of work to be expended in plan review, inspections and administering the permit”, in addition to “some excess to cover the department overhead” (quotes from the 1994 Uniform Building Code Handbook).

The chart below highlights the level of cost recovery for **Building and Inspection Fees**:



The value of the project is established by the applicant and is to include all work associated with the permit. The City’s fee schedule (Attachment B) denotes the building permit fee for projects falling within ranges of valuation. For example, in 2016 building projects valued between \$25,001 and \$50,000 pay \$397.00 for the first \$25,000 plus \$11.00 for each additional \$1,000 or fraction thereof, to and including \$50,000. Then the plan review fee is calculated at 65% of the building permit fee. The valuation fee plus the plan review fee comprise the “building permit fees”. Building projects may also require other permits such as plumbing, mechanical, right of way, and electrical with separately assessed fees.

The FCS Group performed a comparative analysis of the fees paid for the following permit types in five similarly sized and nearby jurisdictions (Attachment A, exhibit 25). This data reveals the following:

- Single Family Additions/Remodel – Shoreline has the lowest permit fee;
- Single Family New Construction – Shoreline has one of the highest permit fees;
- Commercial Addition/Remodel – Shoreline is median priced; and
- Commercial New Construction – Shoreline has the lowest building permit fee.

Staff recommends the following changes for Building Permit Fees:

<b>Current Rate Calculation Methodology</b>	<b>Recommended Changes</b>
Construction Valuation (Industry Standard)	<ul style="list-style-type: none"> <li>• Increase rates for valuations over \$1,000,000 to bring the cost to the median of comparable cities. For example, the City had nine permits that would have been impacted in 2015, primarily impacting commercial development</li> <li>• No change is recommended for valuation based fees under \$1,000,000 to limit the impact on most residential projects and smaller business projects.</li> </ul>
Minimum Hourly Fee + Additional Hours	<ul style="list-style-type: none"> <li>• Adjust most to a flat fee with the goal of establishing the fee to accurately cover the costs for most projects.</li> <li>• Maintain minimum hour + additional hours for those permits with greater variability in effort.</li> <li>• Evaluate opportunities to create fees for specific activities (i.e. Clearing &amp; Grading inspections).</li> </ul>
Minimum Hourly Fee + Per Fixture Fee	<ul style="list-style-type: none"> <li>• Maintain current structure.</li> </ul>

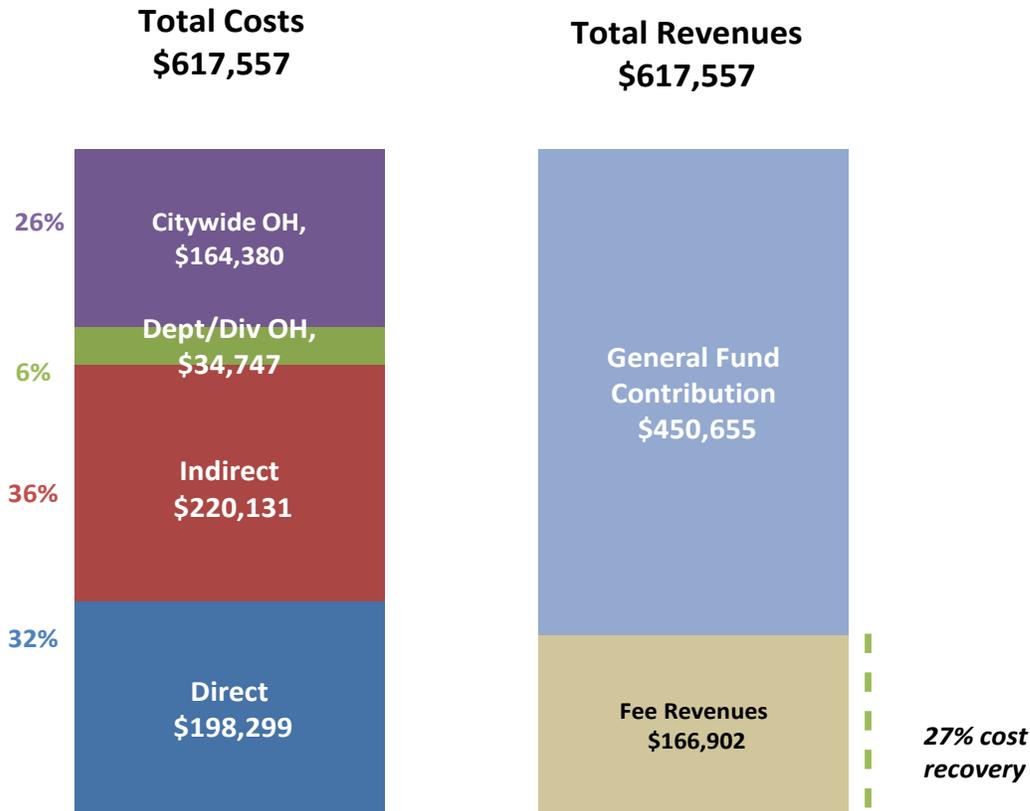
Recommended changes are estimated to produce \$60,000 of additional Building Permit fee revenue and raise cost recovery to 78%.

### City Planning Fees

City Planning Fees had the lowest cost recovery rate at 27%, covering most of the direct costs. This lower cost recovery rate is the result of:

- A high level of customer service is needed to support applicants through the complexities associated with land use permits;
- Staffing is required to support opportunities for public input such as written comments and public hearings;
- Staffing is required to respond to questions from the public regarding land use permits;
- Higher citywide overhead related to legal support and the high volume of items requiring City Manager's Office, Planning Commission and Council interaction; and
- Extra time is spent to refresh skills associated with processing some land use permits that are seldom applied; e.g., Critical Areas Reasonable Use.

The chart below highlights the level of cost recovery for **City Planning Permit Fees**:



Staff recommends the following changes for City Planning Permit fees:

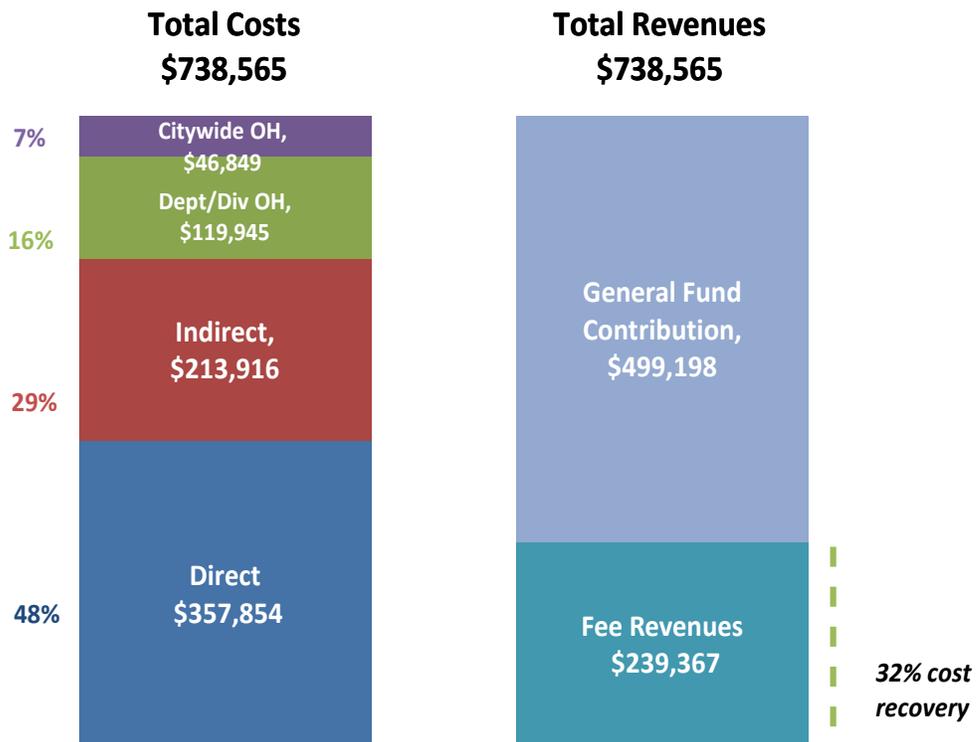
<p>Minimum Hourly Fee + Additional Hours</p>	<ul style="list-style-type: none"> <li>• Adjust most permits to a flat fee for customer predictability and ease of billing with the goal of establishing the fee to accurately cover the costs for most projects.</li> <li>• Maintain minimum hour + additional hours for those permits with greater variability in effort.</li> <li>• Evaluate opportunities for new fees where unique services are being provided; e.g. Critical Areas monitoring and inspection fee.</li> </ul>
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Recommended changes are estimated to produce \$20,000 of additional Planning Permit fee revenue and increases cost recovery to 30%.

### Public Works Engineering Fees

Public Works Engineering had a 32% cost recovery, covering 67% of the direct costs of these permits. Similar to City Planning, staff spends considerable time providing customer service that does not collect revenue. In addition, currently no fees are collected for review by Traffic services performed on certain permits, such as review of Traffic Impact Analysis (TIA) or traffic control plans. As identified in the report, FCS Group’s analysis was based on staff assumptions on time spent on the various types of permits or activities. At this point, actual data is not available to determine the time spent on the individual permits and activities.

The chart below highlights the level of cost recovery for **Public Works Engineering Fees**:



Staff recommends the following changes for City Engineering Fees (similar to Planning):

<p>Minimum Hourly Fee + Additional Hours</p>	<ul style="list-style-type: none"> <li>• Maintain minimum hour + additional hours for most permits with greater variability in effort.</li> <li>• Adjust some permits to a flat fee for customer predictability and ease of billing.</li> <li>• Evaluate opportunities for new fees where unique services are being provided ex. Traffic Impact Analysis review fee.</li> </ul>
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Proposed changes are estimated to produce \$20,000 of additional fee revenue and would achieve a 35% cost recovery level

### Cost Recovery Objectives

Currently the City does not have a target for overall cost recovery for permitting and inspection services. There are several options that can be considered for cost recovery objectives. Note that the overall cost recovery objectives would be evaluated by category, recognizing that each permit may not be at the cost recovery target, but that collectively a category would seek to achieve the target. Staff proposes the following cost recovery categories and percentage rates:

<b>Permit Category</b>	<b>Current Cost Recovery</b>	<b>Proposed Cost Recovery Target</b>
Building and Inspection Fees	75%	78%
City Planning Fees	27%	30%
Public Works Engineering Fees	32%	35%

To achieve this level of overall cost recovery, individual permits must be evaluated based on several factors:

1. Cost to issue the permit;
2. Public benefit verses individual gains derived from the permit;
3. Relative cost of the project to the cost of the permit or value received for the permit; and
4. Relative cost of the permit to the cost of the same permit in other cities.

Based upon this evaluation, permits with fees that are not based on valuation would be placed in one of the following Cost Recovery Objective Categories:

<b>Cost Recovery Objective Category</b>		
<b>Individual Permit Cost Recovery Level</b>	<b>Rationale</b>	<b>Example Permits</b>
80-100% of Full Cost	Applied to permits where individuals or businesses are the primary beneficiaries of a financial gain as a result of the City issuing the permit. Pricing set in this range to maintain rates within the market with long term goal to reach 100%.	Rezone, Variance, and Administrative Design Review.
50-80% of Full Cost	Applied to permits that have a public benefit derived or where we want to ensure that the cost of the permit does not discourage permitting.	Adult Family Homes (creates housing options for special needs populations), Conditional Use Permits (required to site schools & churches), Master Plans (largely used for public agency campuses & CRISTA); and Right of Way Site permits (manages a public resource); Tree removal permits.
Less than 50% of Full Cost	Applied to permits where the cost associated with issuing the permit is higher than the benefit received by the permittee; or where in comparison to other cities the rate is much higher. The cost recovery rate would	Ex. 1 - Gas water heater that costs \$500+labor would not be raised to the actual cost of \$175, but maintained at the current rate (\$157). The main cost for the City associated with this permit is the inspection which directly correlates to the customer's benefit,

	then be set to better match the market or value of the work.	protection of life and property. Ex. 2 - Shoreline Variance – while rarely used - in looking at other jurisdictions, the proposed full cost recovery rate of \$17,829 seems high in comparison to Seattle for example at \$6,250- \$12,500 for complex Shoreline Variance permits.
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**Other Rate Recommendations**

In addition to the rate recommendations for each category staff has the following general rate recommendations:

- Maintain an “Other Permits” Hourly Rate – an hourly rate is appropriate for unique work that is requested that does not easily fall into the regular fee table and work that occurs above the flat fee permits that also allow for charging additional hours worked beyond the base.
- Round the fees to simplify calculations.
- Continue to adjust rates by CPI-U annually and conduct cost recovery studies using hours and performance metrics; every 3-4 years adjusting rates as needed to achieve average cost recovery objectives.
- Establish a flat fee for public hearings. Permits requiring public hearings are charged an additional fee for the hearing. Currently, the City charges different rates for public hearings for different types of permits. Staff does not discern a difference between the permit types and the level of work for these public hearings. Therefore, staff recommends standardizing the fee for public hearings and having only one fee. The amount of the fee would be based upon average cost recovery for public hearings.

**Next Steps and Other Opportunities**

1. Evaluate Potential New Fees

The cost recovery evaluation also identified the possibility for a few new fees based upon work that is being done and is not directly captured by current permit fees.

The proposed new fees include:

- Grading Inspection Fee –the City is not collecting enough fees to cover the cost of inspections for large projects. The new fee would be based on cubic yards of fill removed or installed. This practice is also used by other cities in the region.
- Transportation Impact Analysis Review-the City requires the submittal of Transportation Impact Analysis reports for some projects. These reports are reviewed by the City’s Traffic Engineer. There is no additional fee charged for this review.
- Critical Areas monitoring and inspection- the Code requires multiyear monitoring and inspection by the City when projects occur in critical areas or critical area buffers. There is no specific fee for this work.
- Temporary Use Permit for Transitional Encampments- Staff is proposing to increase the cost recovery rate for Temporary Use Permits to cover the average number of hours it takes to process this permit. This will increase

the fee. Therefore, staff recommends creating a lower cost Temporary Use Permit for Transitional Encampments that remains at or near the current fee of \$317.50.

2. Improved Time Tracking and Process Improvements

As noted in this report and the Cost of Service Study, all costs were based on staff time estimates. The study revealed a need for better time tracking capabilities to ensure that processes are optimized for efficiency and cost effectiveness and monitor our cost recovery. Also in some instances the hours estimated to complete a permit and the cost of the permit compared to other jurisdictions highlight opportunities to evaluate our processes. Staff will do this using process improvement methodology during the implementation of the new permitting system, TrakIT and through our continuous improvement efforts.

3. Evaluate the potential for imposing a technology fee to develop a Permitting Technology reserve

The City currently relies on general reserves to fund City software and supplemental technology enhancements. A technology fee could be imposed as a flat fee or as a % of all permits with funds dedicated to a replacement reserve for permitting technology projects, such as enhancements, upgrades, or replacement of the City's permitting system. Staff recommends evaluating the full impacts of this option before making a recommendation to pursue this option.

### **COUNCIL GOALS ADDRESSED**

This item addresses Council Goal 1, "Strengthen Shoreline's economic base to maintain the public services that the community expects", and specifically, Action Step #3 of that Goal: "Implement the 10-year Financial Sustainability Plan to achieve sufficient fiscal capacity to fund and maintain priority public services, facilities, and infrastructure, including a continued focus on economic development, renewal of the property tax levy lid lift in 2016, and exploration of a business and occupation tax."

### **RESOURCE/FINANCIAL IMPACT**

Permitting Fees generated \$1,655,951 in revenue for the General Fund in 2015. The study had a total budget of \$35,000. The study is being conducted to determine the current cost of issuing permits and the current cost recovery percentage. Staff is using this data to make recommendations for changes to methodology and rates to increase the City's overall recovery of costs for permitting and inspection per the 10YFSP strategy. The potential revenue impact of the change is estimated at to be approximately \$100,000.

### **RECOMMENDATION**

No formal action is required at this time. Staff has evaluated alternatives and formulated several recommendations relating to permitting and inspection fees. Staff would like Council's confirmation of these recommendations to incorporate policy changes into permitting and inspection fees as part of the 2017 budget. This information will also be used to configure the fees in TrakIT, the City's new permitting system.

## **ATTACHMENTS**

Attachment A: FCS Group Permitting and Inspection Cost of Service and Cost Recovery Analysis Report

Attachment B: 2016 Fee Schedule



City of Shoreline,  
Washington

Permitting and  
Inspection Cost of  
Service and Cost  
Recovery Analysis

April 2016

**FCS GROUP**

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This entire report is made of readily recyclable materials, including the bronze wire binding and the front and back cover, which are made from post-consumer recycled plastic bottles.

April 15, 2016

Ms. Sara Lane, Administrative Services Director  
City of Shoreline  
17500 Midvale Ave N  
Shoreline, WA 98133-4905

Subject: Permitting and Inspection Cost of Service and Cost Recovery Analysis

Dear Ms. Lane:

Attached is our final report on the results of our Permitting and Inspection Cost of Service and Cost Recovery Analysis. We want to thank you, Joanne Dillion, and all the Planning and Community Development and Public Works staff for their assistance and participation in helping us gather information for the study. If you have any questions, please feel free to contact us at (425) 867-1802 extension 228.

Sincerely,



Peter Moy  
Principal



Christine Elting  
Analyst

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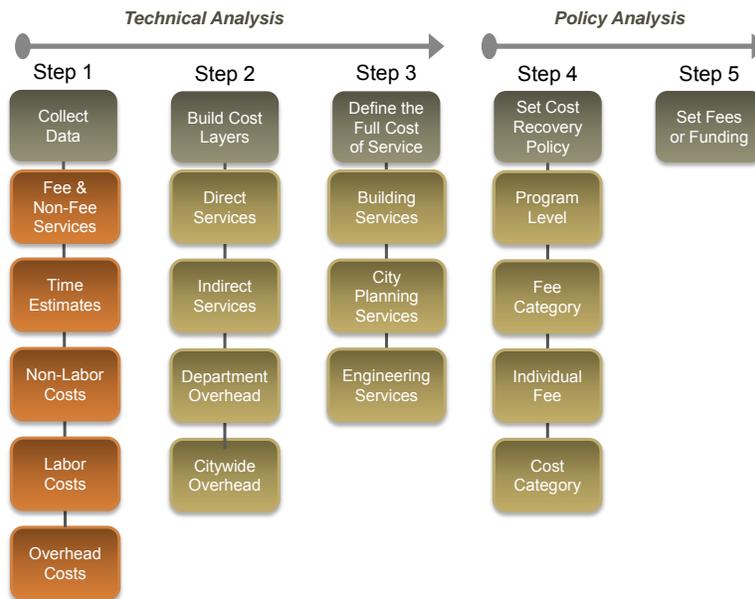
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# EXECUTIVE SUMMARY

The City of Shoreline initiated a cost of service/fee analysis study for permitting and inspection functions throughout the City to develop recommendations for cost recovery objectives for each type of permit and service. The City engaged FCS GROUP to perform a cost of service and fee study for the Planning and Community Development (PCD) Department and the Public Works Engineering Division. The cost of service and fee study identifies the City’s labor and non-labor resources, establishes the full cost of service for fee-related activities provided by the PCD and Public Works Engineering, determines the City’s cost recovery rate, and establishes a framework for cost recovery policies and funding reserve recommendations.

The study involved meeting several times with the PCD and Public Works Engineering management and staff that are involved with fee and non-fee related services for Building, Planning, and Public Works Engineering permits. Other key tasks included analyzing 2015 timekeeping and financial documentation and data associated with development related services and fees, estimating the direct labor time needed for each development related service and/or fee, and reviewing the cost of service and cost recovery results with City staff. The overall fee methodology is shown in the following graphic.



The City’s current fee structure for building permits uses building valuation as the primary basis for determining the fees for plan review and inspections, while a combination of an hourly minimum fee and per fixture fees are used for mechanical and plumbing type permits. For planning and engineering permits, the fees are set as a minimum fee that is based on a minimum number of hours spent on a permit, and if the minimum time is exceeded, the fees are then based on an average hourly rate for the additional time spent on the permit. The 2015 and 2016 hourly rates are \$158.75 and \$161.25 per hour, respectively.

To determine the overall cost of service for each type of permit category (e.g. Building, Planning, and Engineering), the City staff estimated the amount of time in 2015 they spent working on permits

in the different permit categories, on indirect support activities (e.g. administration, training, and customer service), and on non-fee related services such as long range planning, code enforcement, or City capital projects. In addition to the labor costs, non-labor, department and division overhead, and citywide overhead costs were also included to calculate the full cost of service. Based on meetings with the City staff that are involved with processing permits in each category, the City staff estimated the minimum amount of time needed by each position to process each type of permit.

Based on the staff time estimates, actual 2015 revenues and expenditures, and the calculated fully loaded hourly rates, the cost of service and cost recovery analyses showed the following:

- ◆ For Building type permits, the overall costs were about \$1.7 million, and the 2015 cost recovery rate was at 75%. The costs not recovered primarily related to the Citywide overhead costs associated with the Building Division. For the mechanical and plumbing permits, the current minimum and fixed fees did not recover their full costs. Based on the staff time estimates eight fees should be based on a higher minimum number of hours.
- ◆ For Planning type permits, the overall costs were about \$617,557, and the 2015 cost recovery rate was at 27%. The \$166,902 in revenue did not offset the estimated direct costs of \$198,299. For the minimum planning fees, 57% of the fees are recovering less than 50% of their cost of service.
- ◆ For Engineering type permits, the overall costs were about \$738,565, and the 2015 cost recovery rate was at 32%. The \$239,367 in revenue did not even offset the estimated direct costs of \$357,854. For the minimum engineering fees, the fees are only recovering an average of 37% of their cost of service.

To help evaluate its fees, Shoreline's fees were compared to other jurisdictions to assess how high or low its fees are relative to neighboring or similar jurisdictions. Based on input from PCD staff, building and planning fees were compared with Burien, Kirkland, Lynnwood, Renton, and Sammamish.

- ◆ Overall, the City's building fees are generally lower to in the middle for both single family and commercial construction compared to the five selected jurisdictions. In general, the survey jurisdictions all charge differently for their plumbing and mechanical permits. Some charge based on valuation, some vary by type of equipment, and some have a flat fixture fee. PCD had the lowest building fees for a new single family addition/remodel and was in the middle for single family construction. Lynnwood had the highest total fees for both categories. For commercial construction PCD was in the middle for commercial additions/remodels, but was lower than all other jurisdictions in new commercial construction.
- ◆ A comparison of fifteen Planning fees showed that the City charges the lowest fee for four permits and the highest fee for three permits in comparison to the other jurisdictions. The City falls somewhere in the middle for the remaining fees, except Bed and Breakfast/Boarding House which has no comparable fees in the selected jurisdictions. Examples of permits for which the City has the highest fee are Conditional use permit and Final Subdivisions. The City charges the lowest fee for Final Short Subdivisions and Binding Site Plans.

Overall, Shoreline has several options to increase cost recovery and maintain competitiveness in the region. FCS GROUP worked with the City staff to evaluate the impact of the following opportunities that are discussed in the Cost of Service Study report:

- ◆ Using flat rate fees for permits with predictable hours for customer predictability and ease of billing,
- ◆ Increasing hourly rates to reflect actual cost either by category of permit (Building, Planning, etc.) or continuing to use a blended rate,
- ◆ Raising Valuation Based Fee rates for higher valued permits to bring the permit costs closer to the median of comparative cities,

- ◆ Considering the use of special reserves with associated fees that are added to the permit fee (i.e. a technology surcharge or fee), and
- ◆ Improving employee time tracking.

## CHAPTER I: INTRODUCTION

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The City of Shoreline initiated a cost of service/fee analysis study for permitting and inspection functions throughout the City to develop recommendations for cost recovery objectives for each type of permit and service. In order to help the City of Shoreline understand the full cost of service and cost recovery related to its building, planning, and engineering permit services, the City engaged FCS GROUP to perform a cost of service and fee study for the Planning and Community Development (PCD) Department and the Public Works Engineering Division. This comprehensive cost of service and fee study identifies the City's labor and non-labor resources, establishes the full cost of service for fee-related activities provided by the Planning and Community Development Department and the Public Works Department, determines the City's cost recovery rate, and establishes a framework for cost recovery policies and funding reserve recommendations.

The approach used to conduct the study involved the following:

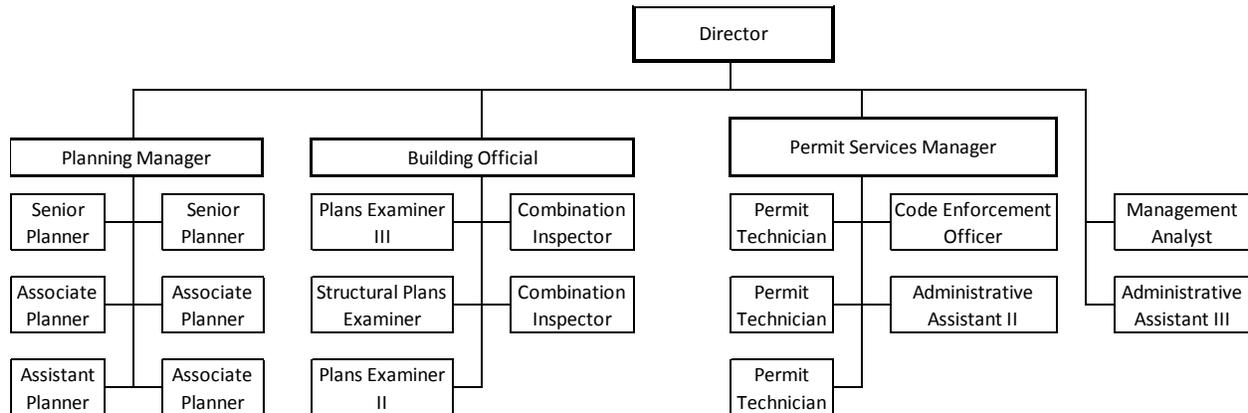
- ◆ Working with the PCD and Public Works Engineering management and staff who are involved with fee and non-fee related services for building, planning, and engineering services,
- ◆ Analyzing 2015 timekeeping and financial documentation and data associated with development related services and fees,
- ◆ Estimating the direct labor time needed for each development related service and/or fee,
- ◆ Reviewing with PCD and Engineering management the direct and indirect labor estimates, non-labor and overhead cost allocation results, the cost of service analysis, and the cost recovery results,
- ◆ Having PCD and Engineering management review the cost of service and cost recovery for each fee,
- ◆ Working with the City staff on analyzing the fee structures and cost recovery levels, and
- ◆ Presenting the cost of service analysis and cost recovery results to the City Council

The process used for collecting and analyzing the data required active participation by building, planning, and engineering staff. We also want to take the opportunity to recognize the time, participation, and effort that all PCD staff devoted to the study and to scheduling and organizing the meetings, especially Joanne Dillon.

### Planning and Community Development Department Background

The Planning and Community Development Department's mission is to maintain and enhance the livability and sustainability of the City's natural and built environments by providing safe and cost-effective public infrastructure and related services. The Department is organized into four divisions: City Planning, Building & Inspections, Permit Services, and Operations Support and Code Enforcement. Exhibit 1 shows the PCD's organization structure.

### Exhibit 1 Planning and Community Development Organizational Structure



The development related services are generally supported by fees and the City’s General Fund. Expenses for PCD are summarized below in Exhibit 2.

### Exhibit 2 Planning and Community Development 2015 Actual Expenditures

Expenditures	Building & Inspections	City Planning	Permit Services	Administrative Services	Code Enforcement	Total
Personnel	\$710,498	\$773,869	\$451,587	\$196,913	\$189,714	<b>\$2,322,581</b>
Supplies	\$3,251	\$10,853	\$4,963	\$530	\$416	<b>\$20,013</b>
Services and Charges	\$67,031	\$136,901	\$10,619	\$6,521	\$546	<b>\$221,618</b>
<b>Total Expenditures</b>	<b>\$780,780</b>	<b>\$921,623</b>	<b>\$467,169</b>	<b>\$203,964</b>	<b>\$190,676</b>	<b>\$2,564,212</b>

### Public Works Department Background

Engineering Division of the City’s Public Works Department is responsible for City capital projects and major utility construction projects as well as development permit reviews related to right-of-way permitting and inspection and traffic. Exhibit 3 shows the organizational chart for the Engineering Division.

**Exhibit 3  
Public Works Engineering Organizational Structure**

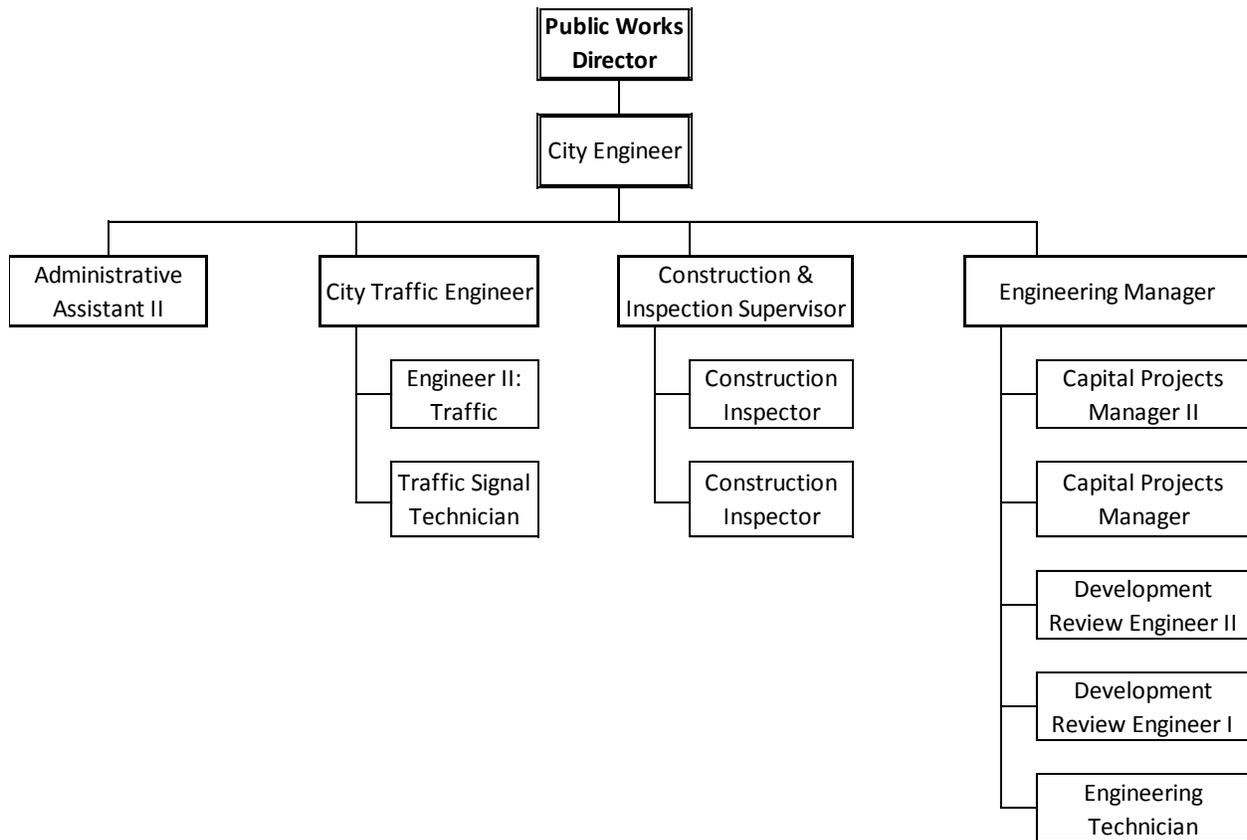


Exhibit 4 shows the 2015 actual expenditures for the Engineering Division.

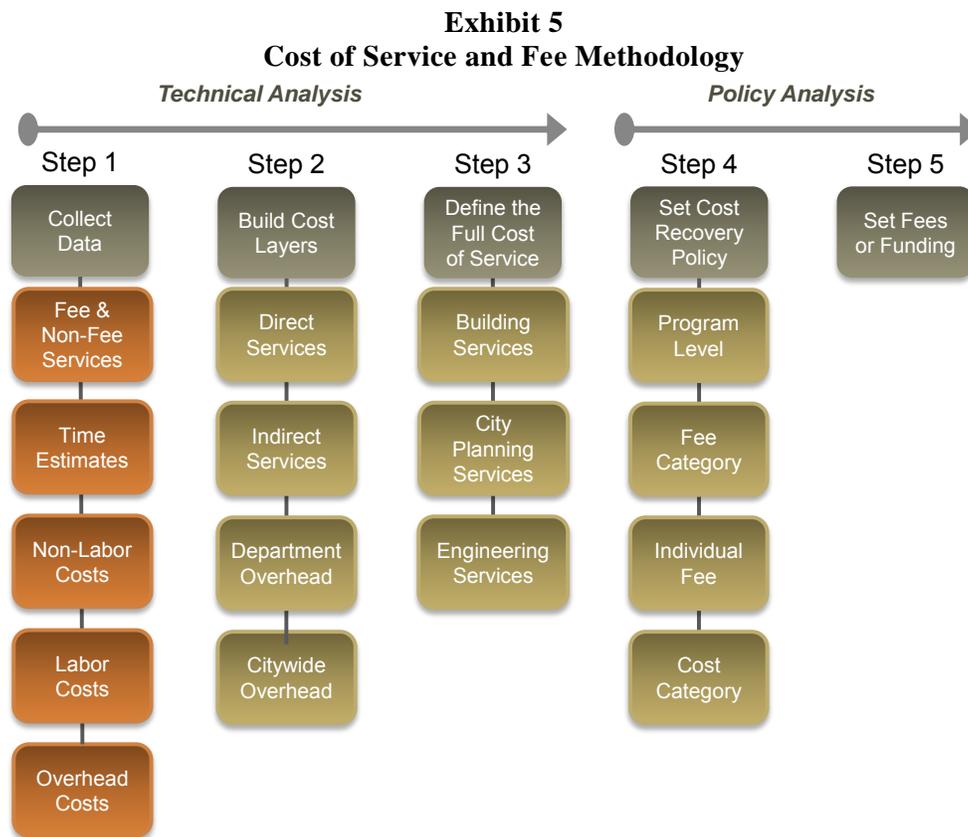
**Exhibit 4  
Public Works Engineering 2015 Actual Expenditures**

<b>Expenditures</b>	<b>Administration</b>	<b>Traffic</b>	<b>Right of Way</b>	<b>Engineering</b>	<b>Total</b>
<b>Personnel</b>	\$154,911	\$244,222	\$223,834	\$377,269	<b>\$1,000,236</b>
<b>Supplies</b>	\$3,180	\$8,805	\$2,178	\$2,276	<b>\$16,439</b>
<b>Services and Charges</b>	\$94,045	\$780,527	\$33,854	\$59,661	<b>\$968,087</b>
<b>Total Expenditures</b>	<b>\$252,136</b>	<b>\$1,033,554</b>	<b>\$259,866</b>	<b>\$439,206</b>	<b>\$1,984,762</b>

The following chapters discuss the cost of service methodology, the cost of service, and the cost recovery levels for PCD's and Public Works' permits and fees. In addition, a fee survey compares PCD's fees with neighboring jurisdictions, and a discussion of cost recovery and reserve policies is also included.

## CHAPTER II: FEE METHODOLOGY

To determine the cost of service and the appropriate fees, a defined task plan was followed as outlined below in Exhibit 5. The methodology identifies both the labor and non-labor resources that are required to perform the services and analyzes the cost for each of the fee and non-fee services performed by building, current planning, and Public Works engineering. The analysis provides the City’s elected officials, management, and PCD staff the opportunity to determine the cost basis for the services and the fees.



**Step 1: Collect Data** – The data collection phase is the critical step that establishes the parameters of the cost of service and fee analyses. The first part of the data collection process involved taking an inventory of the different departmental services that should be included in the study. Services with fees were included as well as the support activities related to the overall operations. Exhibits 6, 7, and 8 show the list of the fee services and activities identified by PCD and Public Works management and staff. Development related services that are currently provided for free by the City are indicated by an asterisk (\*).

### **Exhibit 6 Building Fee Services**

- ◆ Plan Review
- ◆ Building Permit
- ◆ Electrical Permit
- ◆ Residential Mechanical System - 1 Hour Minimum
- ◆ Residential Mechanical System - Per Equipment over 4
- ◆ Commercial Mechanical System – 3 Hour Minimum
- ◆ Commercial Mechanical System – Per Equipment over 4
- ◆ All Other Mechanical (Residential and Commercial) – 1 Hour Minimum
- ◆ Plumbing System - 1 Hour Minimum
- ◆ Plumbing System - Per Fixture over 4
- ◆ Gas Piping System Standalone Permit – 1 Hour Minimum
- ◆ Gas Piping System Standalone Permit – Per Outlet over 4
- ◆ Gas Piping as Part of a Plumbing or Mechanical Permit – Per Outlet
- ◆ Backflow Prevention Device – Standalone Permit – 1 Hour Minimum
- ◆ Backflow Prevention Device – Standalone Permit – Per Device over 4
- ◆ Backflow Prevention Device as Part of a Plumbing Systems Permit – Per Device
- ◆ Supplemental Building Permit Fees – 1 Hour Minimum
- ◆ Re-Inspection Fees – 1 Hour Minimum
- ◆ Code Enforcement Investigations\*
- ◆ Substantial Development Permit up to \$10,000 Valuation – 15 Hour Minimum
- ◆ Substantial Development Permit \$10,000 - \$500,000 Valuation – 34 Hour Minimum
- ◆ Substantial Development Permit over \$500,000 Valuation – 60 Hour Minimum

### **Exhibit 7 Planning Fee Services**

- ◆ Pre-Application Meeting\*
- ◆ Accessory Dwelling Unit - 1 Hour Minimum
- ◆ Administrative Design Review - 1 Hour Minimum
- ◆ Adult Family Home - 2 1/2 Hour Minimum
- ◆ Comprehensive Plan Amendment - General Text Amendment\*
- ◆ Comprehensive Plan Amendment - Site Specific - 60 Hour Minimum
- ◆ Comprehensive Plan Amendment - Site Specific – Public Hearing
- ◆ Development Code Amendment – General\*
- ◆ Conditional Use Permit - 30 Hour Minimum
- ◆ Critical Areas Reasonable Use Permit (CARUP) - 60 Hour Minimum
- ◆ Critical Areas Reasonable Use Permit (CARUP) – Public Hearing
- ◆ Critical Areas Special Use Permit (CASUP) – 60 Hour Minimum
- ◆ Critical Areas Special Use Permit (CASUP) – Public Hearing
- ◆ Historic Landmark Review – 1 Hour Minimum
- ◆ Bed and Breakfast, Boarding House – 1 Hour Minimum
- ◆ Interpretation of Development Code – 1 Hour Minimum
- ◆ Master Plan – 60 Hour Minimum
- ◆ Master Plan – Public Hearing
- ◆ Planned Action Determination – 1 Hour Minimum
- ◆ Rezone – 60 Hour Minimum
- ◆ Rezone – Public Hearing

- ◆ Sign Permit – 2 Hour Minimum
- ◆ Special Use Permit – 60 Hour Minimum
- ◆ Special Use Permit – Public Hearing
- ◆ Temporary Use Permit (TUP) – 2 Hour Minimum
- ◆ Variances – Zoning – 30 Hour Minimum
- ◆ All Other Fees Per Hour – 1 Hour Minimum
- ◆ Multiple Family Tax Exemption Application Fee – 3 Hour Minimum
- ◆ Extension of the Conditional Certificate for the Multiple Family Tax Exemption
- ◆ Shoreline Conditional Permit Use – 30 Hour Minimum
- ◆ Shoreline Exemption – 2 Hour Minimum
- ◆ Shoreline Variance – 30 Hour Minimum
- ◆ Shoreline Variance – Public Hearing
- ◆ Tree Removal – 1 Hour Minimum
- ◆ Landscaping – 3 Hour Minimum
- ◆ Parking Lot – 3 Hour Minimum
- ◆ Subdivision Construction – 12 Hour Minimum
- ◆ Binding Site Plan – 6 Hour Minimum
- ◆ Lot Line Adjustment – 3 Hour Minimum
- ◆ Preliminary Short Subdivision - 30 Hour Minimum for Two Lots
- ◆ Preliminary Short Subdivision – 3 Hour Minimum Additional Lot
- ◆ Final Short Subdivision – 8 Hour Minimum
- ◆ Preliminary Subdivision – 39 Hour Minimum for Five Lots
- ◆ Preliminary Subdivision – 3 Hour Minimum Additional Lot
- ◆ Preliminary Subdivision – Public Hearing
- ◆ Final Subdivision – 30 Hour Minimum
- ◆ Changes to Preliminary Short or Formal Subdivision – 12 Hour Minimum
- ◆ Hearing Examiner Appeals
- ◆ Wireless Telecommunication Permit\*
- ◆ Critical Areas Monitoring Inspections\*
- ◆ Critical Areas Review\*
- ◆ Single-Family – SEPA Checklist- 10 Hour Minimum
- ◆ Multi-family/Commercial – SEPA Checklist - 15 Hour Minimum
- ◆ Environmental Impact Statement Review – 35 Hour Minimum
- ◆ Demolition, Commercial - 3 Hour Minimum
- ◆ Demolition, Residential - 1 Hour Minimum
- ◆ Grading – 3 Hour Minimum
- ◆ Clearing – 3 Hour Minimum
- ◆ Street Vacation – 60 Hour Minimum
- ◆ Street Vacation – Public Hearing
- ◆ Preliminary Subdivision - for Nine Lots

**Exhibit 8**  
**Public Works Engineering Fee Services**

- ◆ Civil Plan Review, Commercial - 5 Hour Minimum
- ◆ Civil Plan Review, Residential - 3 Hour Minimum
- ◆ Floodplain Permit - 1 Hour Minimum
- ◆ Floodplain Variance - 3 Hour Minimum
- ◆ Deviation – Engineering Standards – 3 Hour Minimum

- ◆ Right-of-Way Use – 1 Hour Minimum
- ◆ Right-of-Way Site – 2 Hour Minimum
- ◆ Right-of-Way Tree Removal and Maintenance\*
- ◆ Special Events\*

The major effort for this step involved gathering the time data to determine the number of hours worked by each PCD and Public Works Engineering employee to provide services to and for the public. To help identify the staff time spent and the costs associated with the different services, the time and costs were divided into the following broad categories.

**Direct Services** – Services provided as the result of a project, permit application, or specific related activity and that are often tied to a specific fee (e.g. plan review). Also includes services that are provided directly for or to the public which are not fee-related.

**Indirect Services** – Services provided to support direct services (e.g. customer service, code development, general administration, etc.) and that cannot be assigned to a specific project, application, activity, or request. The indirect services identified in this study are listed and described as follows:

- ◆ Code and Policy Development – Time spent creating and/or revising codes, ordinances, and policies for development services
- ◆ Public Information and Customer Service – Time spent assisting customers and the public with information and questions about building and planning fee services that was not related to a specific permit.
- ◆ Training & Certification – Time spent receiving or providing employee training.
- ◆ General Administration & Management – Time spent on general office tasks, such as division management, supervision, internal meetings/calls/e-mails, filing, and other miscellaneous activities.
- ◆ Other – Time spent on other support activities that don't fall into any of the categories listed above.

Because the staff perform both fee and non-fee services, hours and costs for Training & Certification and General Administration & Management were allocated between fee and non-fee services based on the proportion of direct fee hours and direct non-fee hours.

**Overhead Services** – General management and administrative costs primarily related to Citywide indirect costs and allocations that support the departments' operations and services including divisional and departmental administrative costs.

With the services identified, the data collection effort focused on collecting expenditure and time data from all staff involved in the services and activities. Because the timekeeping data kept by PCD had questions concerning its accuracy, focus group sessions were held with each staff group to estimate how they spent their time in 2015 and how much time is spent providing each individual fee service. Based on the current fees and any additional new fees, each fee service was discussed and the processing times by position class were identified. The total processing times for each fee service are included in Appendix B.

Labor costs were based on actual 2015 salary, wages, and benefits. An assumption of 2,080 total annual hours was used for the annual paid hours for full time employees (FTE's), and the actual available time was calculated by deducting any leave hours and other time off. Staff then estimated the annual time spent on indirect services, with the remaining hours available for direct fee and non-fee services. These remaining hours were then assigned to direct services by entering either the annual hours for each applicable direct service activity or as a percentage of the remaining available time. The employee time distributions can be found in Appendix A.

The PCD expenditure data received from the City were grouped into the following categories: Permit Services, Code Enforcement, City Planning, Building & Inspections, and PCD Administrative Services. In addition to these expenditures, a total of \$1,202,167 in City overhead for PCD and Public Works was identified and included in the analysis.

**Step 2: Build Cost Layers** – The next stage in the process was to develop an analytical model for calculating the costs related to each fee category (e.g. Building and Current Planning). The design and structure for the analytical model were based on the services and activities identified in Step 1 that were associated with the three service categories: direct, indirect, and overhead services. Cost layers were developed for each fee category.

To build the cost layers, the staff time allocations for each activity in the major categories (i.e. direct, indirect, and overhead) were first priced at each individual staff member’s loaded hourly rate. The loaded hourly rate for one staff member equals the person’s annual salary and benefits divided by the available work hours (i.e. total annual hours minus leave). Additional direct non-labor, indirect, and overhead costs components were then added to the three service categories. The hourly rates were based on the total cost per fee category divided by the total direct hours spent on the fee category. The analysis was done separately for Building, Planning, Engineering, Permit Services, and Administration based on their staff and the services provided. Exhibit 9 below displays the average loaded hourly rates by position, as well as the average of all positions. In comparison to the calculated average loaded hourly rate of \$180.37, the 2015 average hourly rate was \$158.75 per hour for all positions. The primary reason the Planner hourly rate is significantly higher than other positions is because they reported much more indirect time, mainly under customer service. Since the City does not charge for the indirect support time spent on customer service or public information, the time spent on direct fee related services is more expensive in order to recover all the costs for that fee category.

**Exhibit 9  
 Average Loaded Hourly Rates by Position**

<b>Total Average Hourly Rate</b>	<b>\$ 180.37</b>
Plans Examiner	\$ 136.67
Combination Inspector	\$ 123.57
Planner	\$ 243.69
Construction Inspector	\$ 151.54
Development Review Engineer	\$ 165.15
Engineering Technician	\$ 144.92
Traffic Engineer	\$ 164.04
City Engineer	\$ 201.39

The City might consider implementing different hourly rates for PCD staff and Public Works Engineering staff. Exhibit 10 displays the average hourly rate for all non-supervisory staff that spend time on permits for PCD and Public Works.

**Exhibit 10  
 Average Loaded Hourly Rates by Fee Category**

Planning & Community	
Development	\$192.66
Building	\$131.43
Current Planning	\$243.69
Public Works Engineering	\$163.47

After the labor costs for each staff member and each service were calculated, the non-labor costs for PCD were analyzed. The costs in each group were allocated to the different functions of PCD. Non-labor costs were allocated between direct fee services, indirect services, and non-fee services in proportion to the level of staff time reported for each direct service.

Because the Permit Services Division staff intakes and processes permits for each fee group, their direct service costs were allocated across Building, Planning, and Engineering based on the number of permits processed per group in 2015. These costs were assigned as the fee related Division Overhead.

The PCD Director and the indirect costs from Administration were allocated based on number of FTE's in each division, except the Public Works administrative assistant who was completely allocated to Public Works. These costs were distributed into Department overhead costs for both direct fee services and non-fee services in proportion to the total number of hours spent per type of service.

Citywide Overhead costs were allocated as part of the non-labor cost allocations and were allocated directly into overhead costs for their corresponding program group. Department Administration, Department, and Citywide Overhead costs were all allocated between direct fee services and non-fee services in proportion to the level of staff time reported for each service.

**Step 3: Determine the Full Cost of Service** – After establishing the different cost layers, the full cost of service was calculated. The initial steps of the cost of service analysis were focused on taking each fee group's 2015 cost of operations and distributing those costs among the different service categories and components to establish the cost layers that ultimately make up each program's total cost. To determine a fee group's full cost of service, the different costs are brought back together. For a specific program category (i.e. Building, Planning, and Engineering), each program's cost layers were used to arrive at the full cost of service for each service category. As previously described these cost layers were then used to calculate an average hourly rate for each program.

The cost for each individual Building, Planning, and Engineering fee service was also calculated by applying the fully loaded hourly rates to the total staff time estimates developed and reviewed as part of Step 1 above. Total time estimates for the current and new fees can be found in Appendix B.

**Step 4: Set Cost Recovery Objectives** – Once the full cost of service was identified and the hourly rates established, the next step is to identify the cost recovery levels and to establish cost recovery objectives. The total costs of the various services were compared to the fee charged or to the overall revenue generated by each program to determine the level of cost recovery (e.g. percentage of full costs compared to revenue generated). When services cost more than the revenue generated, funding support from the General Fund or other funds is needed to cover the gap between the costs and revenues. The amount of cost recovery is a policy decision that is generally made by the City Council.

**Step 5: Set Fees** – The final step of the cost of service and fee analysis is to calculate the fees based on the cost recovery policies. To calculate the fees, the amount of time spent to provide each fee service was established. Other considerations in fee setting besides the analytical cost recovery objectives include key questions such as:

- ◆ Is it feasible to set fees at the calculated level?
- ◆ Will increasing fees result in compliance or public safety problems?
- ◆ Can the market bear the fee increases?
- ◆ Do adjustments in fees adversely affect other City goals?
- ◆ Are there feasible process changes that might bring costs into better balance with revenues?

## CHAPTER III: COST OF SERVICE ANALYSIS

Based on the methodology described in the prior chapter, the estimated 2015 full cost of service for all Building, Planning, and Public Works Engineering fee supported services were developed as well as the full cost for all non-fee supported services. The cost of service analysis shows the costs by type of cost category, overall fee category (i.e. Building, Planning, and Engineering), and individual fee. Costs were originally grouped by staff classification: Building, Planning, Engineering, Permit services, and Administration. Each division can provide services to all three programs, so services provided by each cost category were reorganized by function. To properly calculate the actual cost of service for each program, each permit category under each division was classified and allocated as Building, Planning and Engineering in proportion to the number of direct hours spent under each function. Other non-fee service costs were not included in the total cost. Exhibit 11 below shows the results of the breakdown of direct hours by fee category, and Exhibit 12 shows the allocation of the labor costs from the organizational groups into the three fee categories.

**Exhibit 11**  
**Breakdown of Direct Hours by Fee Category**

Fee Category	Division					Total Direct Fee Services
	Building and Inspections	City Planning	Public Works	Permit Services	P&CD Administrative Services	
Building	6,956	1,949	939	2,690	752	13,286
Planning	-	1,890	82	507	-	2,479
Engineering	657	-	3,070	985	20	4,732
<b>Total</b>	<b>7,613</b>	<b>3,839</b>	<b>4,091</b>	<b>4,182</b>	<b>772</b>	<b>20,497</b>

**Exhibit 12**  
**Allocation of Labor Cost Layers by Fee Category**

Fee Category	Division					Total Direct Fee Services
	Building and Inspections	City Planning	Public Works	Permit Services	P&CD Administrative Services	
Building	\$ 514,326	\$ 123,898	\$ 68,711	\$ 140,600	\$ 37,687	\$ 885,223
Planning	-	126,566	8,928	28,160	-	163,654
Engineering	42,059	-	207,156	50,333	1,297	300,845
<b>Total</b>	<b>\$ 556,385</b>	<b>\$ 250,464</b>	<b>\$ 284,796</b>	<b>\$ 219,092</b>	<b>\$ 38,984</b>	<b>\$ 1,349,721</b>

Many of the current fees are based on a minimum number of hours and then charge an hourly rate for any additional time. After interviews with staff, most fees were determined to require more than the minimum hours currently charged. The cost of service per individual fee and permit shown in the following sections are based on the estimated hours of effort required for each fee most of the time. In the future, the City may decide to increase the minimum hours charged to set a base fee that will cover the cost of most permits rather than charging hourly.

## BUILDING SERVICES

As shown below in Exhibit 13, the full cost of building fee supported services was \$1,671,884. Direct services made up roughly 56% of the full cost of service, while indirect services made up 11% of the full cost of service. Department Administration, Division, and Citywide Overhead costs made up the remaining 33%.

**Exhibit 13**  
**Full Cost of Service for Building Fee Services**

<i>Building and Inspections</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 885,223	\$ 58,475	\$ 943,698	56%
	Contract Services		\$ -	\$ -	-
<b>Subtotal Direct Costs</b>		<b>\$ 885,223</b>	<b>\$ 58,475</b>	<b>\$ 943,698</b>	<b>56%</b>
Indirect Costs	Code and Policy Development	\$ 33,893	\$ 1,835	\$ 35,728	2%
	Public Info, Pre-App Help, & Customer Service	56,012	3,134	59,146	4%
	Training & Certification	18,841	1,102	19,942	1%
	General Administration & Management	56,946	3,220	60,166	4%
	Other	1,740	88	1,828	0%
<b>Subtotal Indirect Costs</b>		<b>167,431</b>	<b>9,379</b>	<b>\$ 176,810</b>	<b>11%</b>
Overhead Costs	Department Administration OH - Fee Related	\$ 68,397	\$ -	\$ 68,397	4%
	Division OH - Fee Related	-	217,259	217,259	13%
	Citywide OH - Fee Related	-	265,721	265,721	16%
<b>Subtotal Overhead Costs</b>		<b>\$ 68,397</b>	<b>\$ 482,980</b>	<b>\$ 551,376</b>	<b>33%</b>
<b>Total Building and Inspections Fee Related Costs</b>		<b>\$ 1,121,050</b>	<b>\$ 550,834</b>	<b>\$ 1,671,884</b>	<b>100%</b>

## Building Fees

Because most of the building fee revenue is based on the construction value rather than the specific amount of time required to provide the services, only the building fees that were fixed fees were analyzed for their specific cost of service as shown in Exhibit 14. In addition to the PCD's current fixed fees, the cost of Code Enforcement Investigations was also identified even though the City does not charge for the service. The new minimum hours required per fee is shown in comparison to the current minimum described in the fee title.

**Exhibit 14  
Cost of Service by Individual Building Fee**

Fee Services for Building and Inspections		Cost of Service	New Estimated Minimum Hours
1	Electrical Permit	\$ 29	
2	Residential Mechanical System - 1 Hour Minimum	\$ 164	1.6
3	Residential Mechanical System - Per Equipment over 4	\$ 22	
4	Commercial Mechanical System – 3 Hour Minimum	\$ 501	4.3
5	Commercial Mechanical System – Per Equipment over 4	\$ 101	
6	All Other Mechanical (Residential and Commercial) – 1 Hour Minimum	\$ 188	2.0
7	Plumbing System - 1 Hour Minimum	\$ 456	3.8
8	Plumbing System - Per Fixture over 4	\$ 32	
9	Gas Piping System Standalone Permit – 1 Hour Minimum	\$ 197	1.8
10	Gas Piping System Standalone Permit – Per Outlet over 4	\$ 11	
11	Gas Piping as Part of a Plumbing or Mechanical Permit – Per Outlet	\$ 22	
12	Backflow Prevention Device – Standalone Permit – 1 Hour Minimum	\$ 261	2.3
13	Backflow Prevention Device – Standalone Permit – Per Device over 4	\$ 16	
14	Backflow Prevention Device as Part of a Plumbing Systems Permit – Per Device	\$ 11	
15	Supplemental Building Permit Fees – 1 Hour Minimum	\$ 88	
16	Re-Inspection Fees – 1 Hour Minimum	\$ 144	1.3
17	Code Enforcement Investigations	\$ 253	2.5
18	Substantial Development Permit up to \$10,000 Valuation – 15 Hour Minimum	\$ 3,798	
19	Substantial Development Permit \$10,000 - \$500,000 Valuation – 34 Hour Minimum	\$ 8,609	
20	Substantial Development Permit over \$500,000 Valuation – 60 Hour Minimum	\$ 15,193	

**PLANNING SERVICES**

As shown below in Exhibit 15, the full cost of current planning fee supported services was \$617,557. Direct services made up roughly 32% of the full cost of service, while indirect services made up 36% of the full cost of service. Department Administration, Division, and Citywide Overhead costs made up the remaining 32%.

**Exhibit 15  
Full Cost of Service for Current Planning Fee Services**

<i>City Planning</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 163,654	\$ 34,645	\$ 198,299	32%
	Contract Services		\$ -	\$ -	-
<b>Subtotal Direct Costs</b>		<b>\$ 163,654</b>	<b>\$ 34,645</b>	<b>\$ 198,299</b>	<b>32%</b>
Indirect Costs	Code and Policy Development	\$ -	\$ -	\$ -	-
	Public Info, Pre-App Help, & Customer Service	143,985	32,286	176,271	29%
	Training & Certification	3,030	718	3,749	1%
	General Administration & Management	28,203	5,923	34,126	6%
	Other	4,525	1,460	5,986	1%
<b>Subtotal Indirect Costs</b>		<b>179,743</b>	<b>40,388</b>	<b>\$ 220,131</b>	<b>36%</b>
Overhead Costs	Department Administration OH - Fee Related	\$ 30,014	\$ -	\$ 30,014	5%
	Division OH - Fee Related	-	4,732	4,732	1%
	Citywide OH - Fee Related	-	164,380	164,380	27%
<b>Subtotal Overhead Costs</b>		<b>\$ 30,014</b>	<b>\$ 169,112</b>	<b>\$ 199,127</b>	<b>32%</b>
<b>Total City Planning Fee Related Costs</b>		<b>\$ 373,412</b>	<b>\$ 244,145</b>	<b>\$ 617,557</b>	<b>100%</b>

## Planning Fees

The cost of service was also calculated for each fee service. The current planning fee services are based on PCD's fee schedule. In the planning group sessions, some changes were made to the fees in analyzing the cost of service, and although some services are provided for free, the costs to provide Comprehensive Plan Amendment – General Text Amendment, Development Code Amendment, Wireless, Critical Areas Monitoring Inspections, and Critical Areas Review services were also identified. The base costs for a Preliminary Subdivision – up to nine lots were also identified. Exhibit 16 shows the cost for each planning fee as well as the estimated new minimum hours of effort for those that changed.

**Exhibit 16  
Full Cost of Service by Current Planning Fee**

Fee Services for City Planning	Cost of Service	New Estimated Minimum Hours
1 Pre-App	\$ 2,248	
2 Accessory Dwelling Unit - 1 Hour Minimum	\$ 825	6.4
3 Administrative Design Review - 1 Hour Minimum	\$ 1,493	7.2
4 Adult Family Home - 2 1/2 Hour Minimum	\$ 613	5.2
5 Comprehensive Plan Amendment - General Text Amendment - No Charge	\$ 19,554	
6 Comprehensive Plan Amendment - Site Specific - 60 Hour Minimum	\$ 20,570	83.6
7 Comprehensive Plan Amendment - Site Specific – Public Hearing	\$ 1,266	5.0
8 Development Code Amendment - General	\$ 19,810	
9 Conditional Use Permit - 30 Hour Minimum	\$ 9,049	40.2
10 Critical Areas Reasonable Use Permit (CARUP) - 60 Hour Minimum	\$ 16,928	70.3
11 Critical Areas Reasonable Use Permit (CARUP) – Public Hearing	\$ 4,910	20.0
12 Critical Areas Special Use Permit (CASUP) – 60 Hour Minimum	\$ 16,928	70.3
13 Critical Areas Special Use Permit (CASUP) – Public Hearing	\$ 4,910	20.0
14 Historic Landmark Review – 1 Hour Minimum	\$ 695	3.0
15 Bed and Breakfast, Boarding House – 1 Hour Minimum	\$ 354	2.9
16 Interpretation of Development Code – 1 Hour Minimum	\$ 802	4.2
17 Master Plan – 60 Hour Minimum	\$ 32,481	140.3
18 Master Plan – Public Hearing	\$ 6,077	24.0
19 Planned Action Determination – 1 Hour Minimum	\$ 318	2.3
20 Rezone – 60 Hour Minimum	\$ 20,138	83.1
21 Rezone – Public Hearing	\$ 1,266	5.0
22 Sign Permit – 2 Hour Minimum	\$ 814	5.5
23 Special Use Permit – 60 Hour Minimum	\$ 18,035	75.0
24 Special Use Permit – Public Hearing	\$ 2,532	10.0
25 Temporary Use Permit (TUP) – 2 Hour Minimum	\$ 1,471	7.3
26 Variances – Zoning – 30 Hour Minimum	\$ 8,562	37.2
27 All Other Fees Per Hour – 1 Hour Minimum	\$ 246	
28 Multiple Family Tax Exemption Application Fee – 3 Hour Minimum	\$ 346	4.4
29 Extension of the Conditional Certificate for the Multiple Family Tax Exemption	\$ 147	
30 Shoreline Conditional Permit Use – 30 Hour Minimum	\$ 9,009	38.4
31 Shoreline Exemption – 2 Hour Minimum	\$ 472	3.9
32 Shoreline Variance – 30 Hour Minimum	\$ 21,238	144.8
33 Shoreline Variance – Public Hearing	\$ 4,910	20.0
34 Tree Removal – 1 Hour Minimum	\$ 644	3.9
35 Landscaping – 3 Hour Minimum	\$ 1,321	6.7
36 Parking Lot – 3 Hour Minimum	\$ 1,949	12.2
37 Subdivision Construction – 12 Hour Minimum	\$ 6,448	33.2
38 Binding Site Plan – 6 Hour Minimum	\$ 5,771	25.4
39 Lot Line Adjustment – 3 Hour Minimum	\$ 1,798	8.4
40 Preliminary Short Subdivision - 30 Hour Minimum for two Lots	\$ 7,341	34.3
41 Preliminary Short Subdivision – 3 Hour Minimum Additional Lot	\$ 782	4.0
42 Final Short Subdivision – 8 Hour Minimum	\$ 3,697	18.5
43 Preliminary Subdivision – 39 Hour Minimum for five Lots	\$ 11,391	51.5
44 Preliminary Subdivision – 3 Hour Minimum Additional Lot	\$ 852	5.0
45 Preliminary Subdivision – Public Hearing	\$ 1,964	8.0

	Cost of Service	New Estimated Minimum Hours
<b>Fee Services for City Planning</b>		
46 Final Subdivision – 30 Hour Minimum	\$ 9,156	41.0
47 Changes to Preliminary Short or Formal Subdivision – 12 Hour Minimum	\$ 3,735	17.0
48 Hearing Examiner Appeals	\$ 1,473	
49 Wireless	\$ 2,709	
50 Critical Areas Monitoring Inspections	\$ 1,855	
51 Critical Areas Review	\$ 1,275	
52 Single-Family – SEPA Checklist- 10 Hour Minimum	\$ 3,080	14.2
53 Multi-family/Commercial – SEPA Checklist - 15 Hour Minimum	\$ 4,553	20.2
54 Environmental Impact Statement Review – 35 Hour Minimum	\$ 7,783	35.3
55 Demolition, Commercial - 3 Hour Minimum	\$ 1,564	9.4
56 Demolition, Residential - 1 Hour Minimum	\$ 977	6.2
57 Grading – 3 Hour Minimum	\$ 2,314	13.2
58 Clearing – 3 Hour Minimum	\$ 2,314	13.2
59 Street Vacation – 60 Hour Minimum	\$ 10,339	47.5
60 Street Vacation – Public Hearing	\$ 2,532	10.0
61 Preliminary Subdivision - for nine lots	\$ 15,363	71.5

## PUBLIC WORKS ENGINEERING SERVICES

As shown below in Exhibit 17, the full cost of Public Works Engineering fee supported services was \$738,565. Direct services made up roughly 48% of the full cost of service, while indirect services made up 29% of the full cost of service. Department Administration, Division, and Citywide Overhead costs made up the remaining 23%.

**Exhibit 17**  
**Full Cost of Service for Public Works Engineering Fee Services**

<i>Public Works</i>		Annual Cost Components		Total Costs	% of Total Costs
		Labor Costs	Non-Labor Costs		
Direct Costs	Total Direct Services	\$ 300,845	\$ 57,010	\$ 357,854	48%
	Contract Services		\$ -	\$ -	-
<b>Subtotal Direct Costs</b>		<b>\$ 300,845</b>	<b>\$ 57,010</b>	<b>\$ 357,854</b>	<b>48%</b>
Indirect Costs	Code and Policy Development	\$ 36,191	\$ 5,057	\$ 41,249	6%
	Public Info, Pre-App Help, & Customer Service	61,853	10,384	72,237	10%
	Training & Certification	7,661	1,242	8,903	1%
	General Administration & Management	73,443	10,692	84,135	11%
	Other	6,139	1,253	7,392	1%
<b>Subtotal Indirect Costs</b>		<b>185,287</b>	<b>28,629</b>	<b>\$ 213,916</b>	<b>29%</b>
Overhead Costs	Department Administration OH - Fee Related	\$ 79,384	\$ -	\$ 79,384	11%
	Division OH - Fee Related	-	40,562	40,562	5%
	Citywide OH - Fee Related	-	46,849	46,849	6%
<b>Subtotal Overhead Costs</b>		<b>\$ 79,384</b>	<b>\$ 87,411</b>	<b>\$ 166,795</b>	<b>23%</b>
<b>Total Public Works Fee Related Costs</b>		<b>\$ 565,515</b>	<b>\$ 173,050</b>	<b>\$ 738,565</b>	<b>100%</b>

## Public Works Engineering Fees

The cost of service was also calculated for each fee service. The Public Works Engineering fee services are based on PCD's fee schedule. Costs were also identified for services currently provided

for free, such as right-of-way tree removal and maintenance and special events permits. Exhibit 18 shows the cost for each engineering fee and the new estimated minimum hours of effort per fee that previously had hourly minimums.

**Exhibit 18  
 Full Cost of Service by Public Works Engineering Fee**

<b>Fee Services for Public Works</b>	<b>Cost of Service</b>	<b>New Estimated Minimum Hours</b>
1 <b>Civil Plan Review, Commercial - 5 Hour Minimum</b>	\$ 1,986	12.0
2 <b>Civil Plan Review, Residential - 3 Hour Minimum</b>	\$ 817	5.0
3 <b>Floodplain Permit - 1 Hour Minimum</b>	\$ 732	4.4
4 <b>Floodplain Variance - 3 Hour Minimum</b>	\$ 1,056	6.4
5 <b>Deviation – Engineering Standards – 3 Hour Minimum</b>	\$ 1,387	9.0
6 <b>Right-of-Way Use – 1 1/2 Hour Minimum</b>	\$ 839	6.0
7 <b>Right-of-Way Site – 2 Hour Minimum</b>	\$ 957	6.5
8 <b>ROW Tree Removal and Maintenance</b>	\$ 678	
9 <b>Special Events</b>	\$ 1,055	

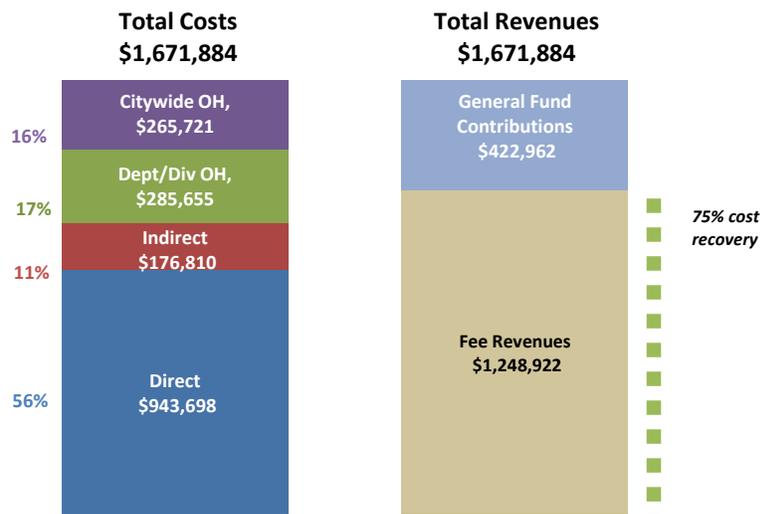
## CHAPTER IV: COST RECOVERY ANALYSIS

Once the cost of service has been established, the level of cost recovery can be analyzed by comparing the cost of service to the current fee or revenues. The analysis evaluates the cost recovery level at an overall fee group level as well as at the individual fee level. Overall, total Building fee services recovered 75% of their total costs, but it should be noted that most of the revenue is from fees based on valuation and not based on a fixed fee. Planning and Public Works Engineering fee services had overall cost recovery levels of 27% and 32%, respectively. The cost of service is primarily based on the amount of time assigned to each permit category, and time from one permit category might also be related to other permit categories because there can be a certain degree of legal and technical overlap between the different permit categories. Consequently, each permit category's cost of service provides only a general cost estimate, and the cost recovery levels can also be affected by these estimates.

### BUILDING FEE SERVICES

The cost recovery analysis included the actual revenues for 2015 compared to the 2015 costs for the various PCD fee supported services. As Exhibit 19 shows, 2015 actual costs for Building services was \$1,671,884, and based on 2015 revenues, building services recovered about 75% of their full cost of services with \$1,248,922 in total fee revenues. Building services would require \$422,962 in other PCD funding to recover the full cost of service. It should be noted that the only portion of Building service costs not recovered by building revenues are primarily related to Citywide overhead costs.

**Exhibit 19**  
**Cost Recovery for Building Services**



For Building services, the cost of each fee service was calculated using the fully loaded hourly rates and staff time estimates as discussed in Chapter II. Exhibit 20 shows the cost recovery levels for each fee. Overall, the results show that except for the Supplemental Building Permit Fees and Re-inspection fees every fixed building fee is currently lower than the cost of service. It should be noted that due to the minimal amount of Substantial Development Permits submitted to the City, the time for completion could not be estimated and was kept at the current minimum hours and charged at a Senior Planner’s hourly rate.

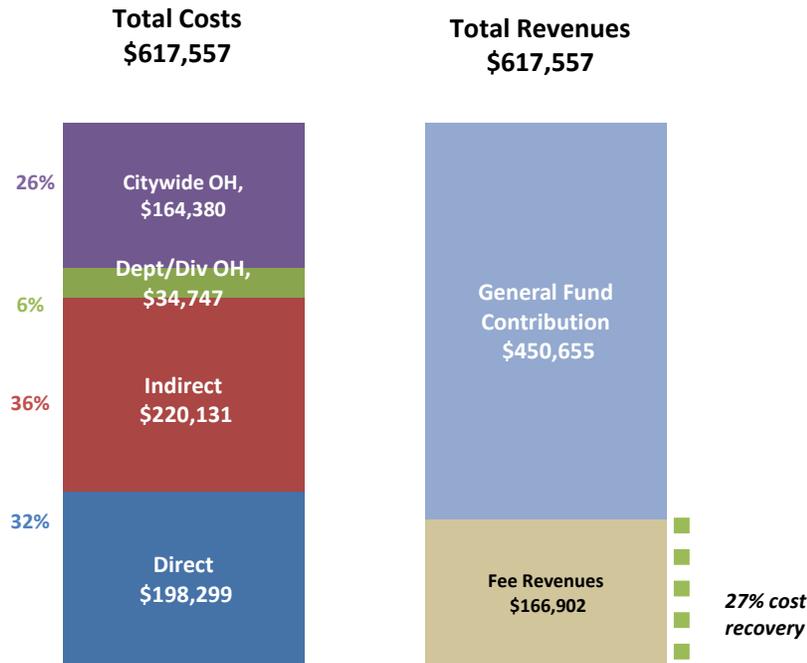
**Exhibit 20  
Individual Building Fee Cost Recovery Analysis**

Fee Services for Building and Inspections	Cost of Service	2015 Fee	Cost Recovery (%)	New Estimated Minimum Hours
1 Electrical Permit	\$ 29	20% Admin Fee	0%	
2 Residential Mechanical System - 1 Hour Minimum	\$ 164	\$ 158.75	97%	1.6
3 Residential Mechanical System - Per Equipment over 4	\$ 22	\$ 11.50	53%	
4 Commercial Mechanical System – 3 Hour Minimum	\$ 501	\$ 476.25	95%	4.3
5 Commercial Mechanical System – Per Equipment over 4	\$ 101	\$ 11.50	11%	
6 All Other Mechanical (Residential and Commercial) – 1 Hour Minimum	\$ 188	\$ 158.75	85%	2.0
7 Plumbing System - 1 Hour Minimum	\$ 456	\$ 158.75	35%	3.8
8 Plumbing System - Per Fixture over 4	\$ 32	\$ 11.50	35%	
9 Gas Piping System Standalone Permit – 1 Hour Minimum	\$ 197	\$ 158.75	81%	1.8
10 Gas Piping System Standalone Permit – Per Outlet over 4	\$ 11	\$ 11.50	106%	
11 Gas Piping as Part of a Plumbing or Mechanical Permit – Per Outlet	\$ 22	\$ 11.50	53%	
12 Backflow Prevention Device – Standalone Permit – 1 Hour Minimum	\$ 261	\$ 158.75	61%	2.3
13 Backflow Prevention Device – Standalone Permit – Per Device over 4	\$ 16	\$ 11.50	71%	
14 Backflow Prevention Device as Part of a Plumbing Systems Permit – Per Device	\$ 11	\$ 11.50	106%	
15 Supplemental Building Permit Fees – 1 Hour Minimum	\$ 88	\$ 158.75	181%	
16 Re-Inspection Fees – 1 Hour Minimum	\$ 144	\$ 158.75	110%	1.3
17 Code Enforcement Investigations	\$ 253	No Fee	0%	2.5
18 Substantial Development Permit up to \$10,000 Valuation – 15 Hour Minimum	\$ 3,798	\$ 2,381.25	63%	
19 Substantial Development Permit \$10,000 - \$500,000 Valuation – 34 Hour Minimum	\$ 8,609	\$ 5,397.50	63%	
20 Substantial Development Permit over \$500,000 Valuation – 60 Hour Minimum	\$ 15,193	\$ 9,525.00	63%	

## PLANNING FEE SERVICES

The 2015 revenues for Planning services did not fully recover the 2015 actual costs of \$617,557. As shown in Exhibit 21, Planning services recovered only 27% of their full cost of service with \$166,902 in total fee revenues. Planning services required \$450,655 in General Fund contributions to recover their full costs.

**Exhibit 21**  
**Cost Recovery for Planning Services**



For Planning services, a cost recovery analysis was also performed for each individual fee service. Exhibit 22 shows the cost recovery level for each fee. A few observations are the following:

- ◆ 57% of the Planning fees are recovering less than 50% of their minimum cost of service.
- ◆ 8% of the fees are recovering over 100% of their minimum cost of service.
- ◆ Three of the five fees that are recovering more than 100% are public hearings. Since the fee for public hearings does not vary by permit but the time required for preparation does, many public hearing fees for other permits recover less than 100%.
- ◆ One of the most common Planning permits in 2015 was Subdivision – Short Plat, which is currently recovering only about 65% of its costs for preliminary fees and 34% of its costs for final fees.

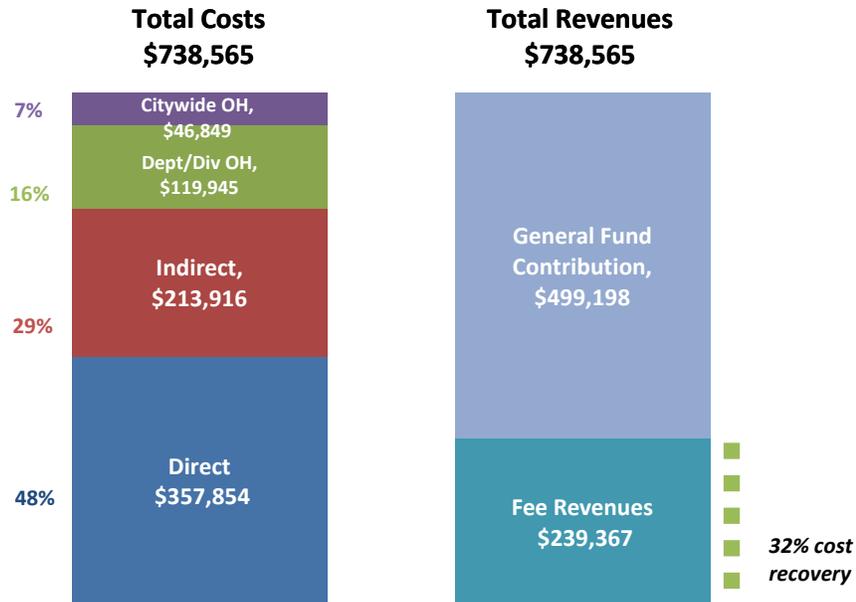
**Exhibit 22  
Individual Planning Fee Cost Recovery Analysis**

Fee Services for City Planning	Cost of Service	2015 Fee	Cost Recovery (%)	New Estimated Minimum Hours
1 Pre-App	\$ 2,248	No Fee	0%	
2 Accessory Dwelling Unit - 1 Hour Minimum	\$ 825	\$ 158.75	19%	6.4
3 Administrative Design Review - 1 Hour Minimum	\$ 1,493	\$ 158.75	11%	7.2
4 Adult Family Home - 2 1/2 Hour Minimum	\$ 613	\$ 396.88	65%	5.2
5 Comprehensive Plan Amendment - General Text Amendment - No Charge	\$ 19,554	No Fee	0%	
6 Comprehensive Plan Amendment - Site Specific - 60 Hour Minimum	\$ 20,570	\$ 9,525	46%	83.6
7 Comprehensive Plan Amendment - Site Specific – Public Hearing	\$ 1,266	\$ 2,437.50	193%	5.0
8 Development Code Amendment - General	\$ 19,810	No Fee	0%	
9 Conditional Use Permit - 30 Hour Minimum	\$ 9,049	\$ 4,762.50	53%	40.2
10 Critical Areas Reasonable Use Permit (CARUP) - 60 Hour Minimum	\$ 16,928	\$ 9,525	56%	70.3
11 Critical Areas Reasonable Use Permit (CARUP) – Public Hearing	\$ 4,910	\$ 2,437.50	50%	20.0
12 Critical Areas Special Use Permit (CASUP) – 60 Hour Minimum	\$ 16,928	\$ 9,525	56%	70.3
13 Critical Areas Special Use Permit (CASUP) – Public Hearing	\$ 4,910	\$ 2,437.50	50%	20.0
14 Historic Landmark Review – 1 Hour Minimum	\$ 695	\$ 158.75	23%	3.0
15 Bed and Breakfast, Boarding House – 1 Hour Minimum	\$ 354	\$ 158.75	45%	2.9
16 Interpretation of Development Code – 1 Hour Minimum	\$ 802	\$ 158.75	20%	4.2
17 Master Plan – 60 Hour Minimum	\$ 32,481	\$ 9,525	29%	140.3
18 Master Plan – Public Hearing	\$ 6,077	\$ 2,437.50	40%	24.0
19 Planned Action Determination – 1 Hour Minimum	\$ 318	\$ 158.75	50%	2.3
20 Rezone – 60 Hour Minimum	\$ 20,138	\$ 9,525	47%	83.1
21 Rezone – Public Hearing	\$ 1,266	\$ 2,437.50	193%	5.0
22 Sign Permit – 2 Hour Minimum	\$ 814	\$ 317.50	39%	5.5
23 Special Use Permit – 60 Hour Minimum	\$ 18,035	\$ 9,525	53%	75.0
24 Special Use Permit – Public Hearing	\$ 2,532	\$ 2,437.50	96%	10.0
25 Temporary Use Permit (TUP) – 2 Hour Minimum	\$ 1,471	\$ 317.50	22%	7.3
26 Variances – Zoning – 30 Hour Minimum	\$ 8,562	\$ 4,762.50	56%	37.2
27 All Other Fees Per Hour – 1 Hour Minimum	\$ 246	\$ 158.75	65%	
28 Multiple Family Tax Exemption Application Fee – 3 Hour Minimum	\$ 346	\$ 476.25	137%	4.4
29 Extension of the Conditional Certificate for the Multiple Family Tax Exemption	\$ 147	\$ 158.75	108%	
30 Shoreline Conditional Permit Use – 30 Hour Minimum	\$ 9,009	\$ 4,762.50	53%	38.4
31 Shoreline Exemption – 2 Hour Minimum	\$ 472	\$ 317.50	67%	3.9
32 Shoreline Variance – 30 Hour Minimum	\$ 21,238	\$ 4,762.50	22%	144.8
33 Shoreline Variance – Public Hearing	\$ 4,910	\$ 2,437.50	50%	20.0
34 Tree Removal – 1 Hour Minimum	\$ 644	\$ 158.75	25%	3.9
35 Landscaping – 3 Hour Minimum	\$ 1,321	\$ 476.25	36%	6.7
36 Parking Lot – 3 Hour Minimum	\$ 1,949	\$ 476.25	24%	12.2
37 Subdivision Construction – 12 Hour Minimum	\$ 6,448	\$ 1,905	30%	33.2
38 Binding Site Plan – 6 Hour Minimum	\$ 5,771	\$ 952.50	17%	25.4
39 Lot Line Adjustment – 3 Hour Minimum	\$ 1,798	\$ 476.25	26%	8.4
40 Preliminary Short Subdivision - 30 Hour Minimum for two Lots	\$ 7,341	\$ 4,762.50	65%	34.3
41 Preliminary Short Subdivision – 3 Hour Minimum Additional Lot	\$ 782	\$ 476.25	61%	4.0
42 Final Short Subdivision – 8 Hour Minimum	\$ 3,697	\$ 1,270	34%	18.5
43 Preliminary Subdivision – 39 Hour Minimum for five Lots	\$ 11,391	\$ 6,191.25	54%	51.5
44 Preliminary Subdivision – 3 Hour Minimum Additional Lot	\$ 852	\$ 476.25	56%	5.0
45 Preliminary Subdivision – Public Hearing	\$ 1,964	\$ 2,437.50	124%	8.0
46 Final Subdivision – 30 Hour Minimum	\$ 9,156	\$ 4,762.50	52%	41.0
47 Changes to Preliminary Short or Formal Subdivision – 12 Hour Minimum	\$ 3,735	\$ 1,905.00	51%	17.0
48 Hearing Examiner Appeals	\$ 1,473	\$ 492.50	33%	
49 Wireless	\$ 2,709	In Plan Review	N/A	
50 Critical Areas Monitoring Inspections	\$ 1,855	No Fee	0%	
51 Critical Areas Review	\$ 1,275	No Fee	0%	
52 Single-Family – SEPA Checklist- 10 Hour Minimum	\$ 3,080	\$ 1,587.50	52%	14.2
53 Multi-family/Commercial – SEPA Checklist - 15 Hour Minimum	\$ 4,553	\$ 2,381.25	52%	20.2
54 Environmental Impact Statement Review – 35 Hour Minimum	\$ 7,783	\$ 5,556.25	71%	35.3
55 Demolition, Commercial - 3 Hour Minimum	\$ 1,564	\$ 476.25	30%	9.4
56 Demolition, Residential - 1 Hour Minimum	\$ 977	\$ 158.75	16%	6.2
57 Grading – 3 Hour Minimum	\$ 2,314	\$ 476.25	21%	13.2
58 Clearing – 3 Hour Minimum	\$ 2,314	\$ 476.25	21%	13.2
59 Street Vacation – 60 Hour Minimum	\$ 10,339	\$ 9,525	92%	47.5
60 Street Vacation – Public Hearing	\$ 2,532	\$ 2,438	96%	10.0
61 Preliminary Subdivision - for nine lots	\$ 15,363	No Fee	0%	71.5

## PUBLIC WORKS ENGINEERING FEE SERVICES

Exhibit 23 shows that FY 2015 actual costs for Public Works Engineering services were \$738,565, and based on FY 2015 revenues, Public Works Engineering fee services recovered 32% of their full cost of service with \$239,367 in total fee revenues. Public Works Engineering needed \$499,198 in General Fund or other fund contributions to recover its full cost of service.

**Exhibit 23**  
**Cost Recovery for Engineering Fee Services**



For Public Works Engineering services, a cost recovery analysis was also performed for each individual fee service. Exhibit 24 shows the cost recovery level for each fee.

**Exhibit 24**  
**Individual Public Works Engineering Fee Cost Recovery Analysis**

Fee Services for Public Works	Cost of Service	2015 Fee	Cost Recovery (%)	New Estimated Minimum Hours
1 Civil Plan Review, Commercial - 5 Hour Minimum	\$ 1,986	\$ 793.75	40%	12.0
2 Civil Plan Review, Residential - 3 Hour Minimum	\$ 817	\$ 476.25	58%	5.0
3 Floodplain Permit - 1 Hour Minimum	\$ 732	\$ 158.75	22%	4.4
4 Floodplain Variance - 3 Hour Minimum	\$ 1,056	\$ 476.25	45%	6.4
5 Deviation – Engineering Standards – 3 Hour Minimum	\$ 1,387	\$ 476.25	34%	9.0
6 Right-of-Way Use – 1 1/2 Hour Minimum	\$ 839	\$ 158.75	19%	6.0
7 Right-of-Way Site – 2 Hour Minimum	\$ 957	\$ 317.50	33%	6.5
8 ROW Tree Removal and Maintenance	\$ 678	No Fee	0%	
9 Special Events	\$ 1,055	No Fee	0%	

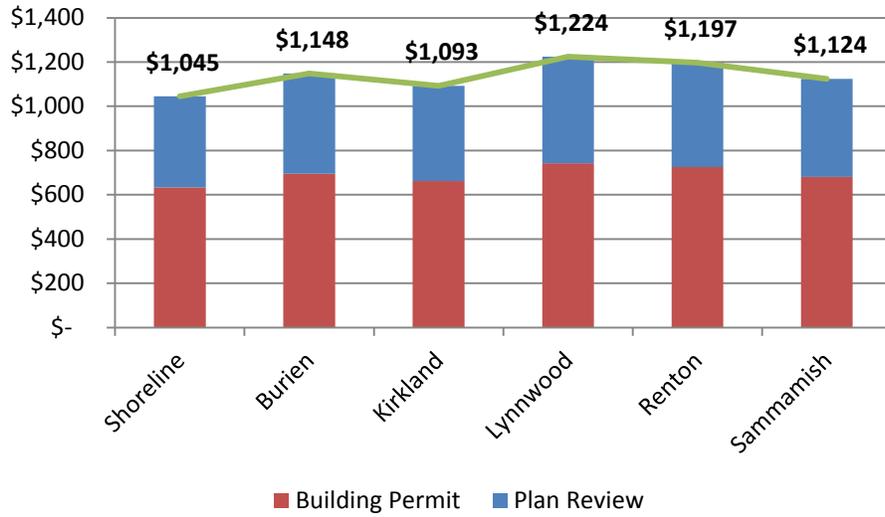
## CHAPTER V: FEE SURVEY

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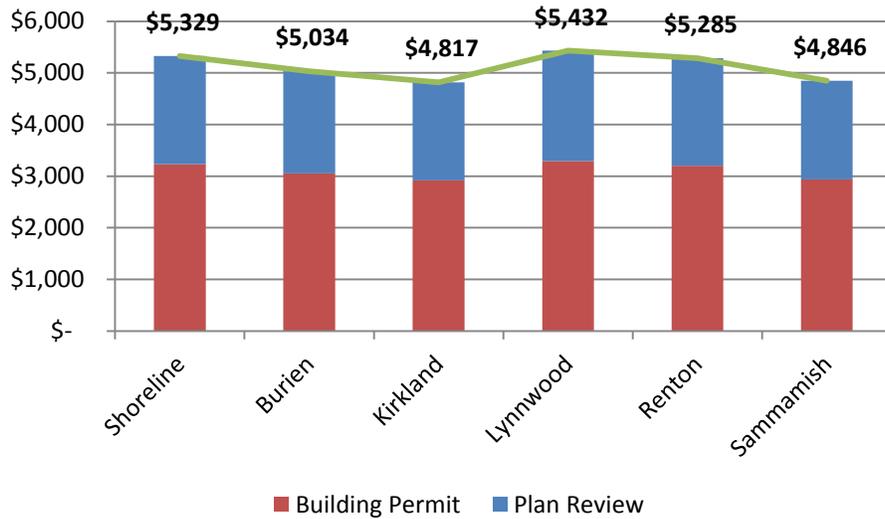
To help evaluate its fees, PCD's fees were compared to other jurisdictions to assess how high or low its fees are relative to neighboring or similar jurisdictions. Based on input from PCD staff, fees were compared with Burien, Kirkland, Lynnwood, Renton, and Sammamish. It should be noted that only the fee schedules were used, and further research might be needed to determine whether the jurisdiction is fully recovering its costs or has policies that allow less than full cost recovery. For building fees, PCD's main building fees were compared with the five selected jurisdictions based on average valuations of building permits in the City. For building services, the primary fees analyzed were those for mechanical and plumbing systems. A sample of the most common PCD planning fees was compared with the other jurisdictions, and it should be noted that several of PCD's fees were not used in the other cities. The following are the highlights of the comparisons, and all the exhibits are on the next pages. The full fee survey with all fee comparisons can be found in Appendix C.

- ◆ Overall, the City's building fees are generally lower to in the middle for both single family and commercial construction compared to the five selected jurisdictions. In general, the survey jurisdictions all charge differently for their plumbing and mechanical permits. Some charge based on valuation, some vary by type of equipment, and some have a flat fixture fee.
- ◆ In Exhibit 25, PCD had the lowest building fees for a new single family addition/remodel and was in the middle for single family construction. Lynnwood had the highest total fees for both categories.
- ◆ Exhibit 26 shows that for commercial construction PCD was in the middle for commercial additions/remodels, but was lower than all other jurisdictions in new commercial construction.

**Exhibit 25**  
**Building Fees for Single Family Homes**  
**Single Family Addition/Remodel: \$46,478**

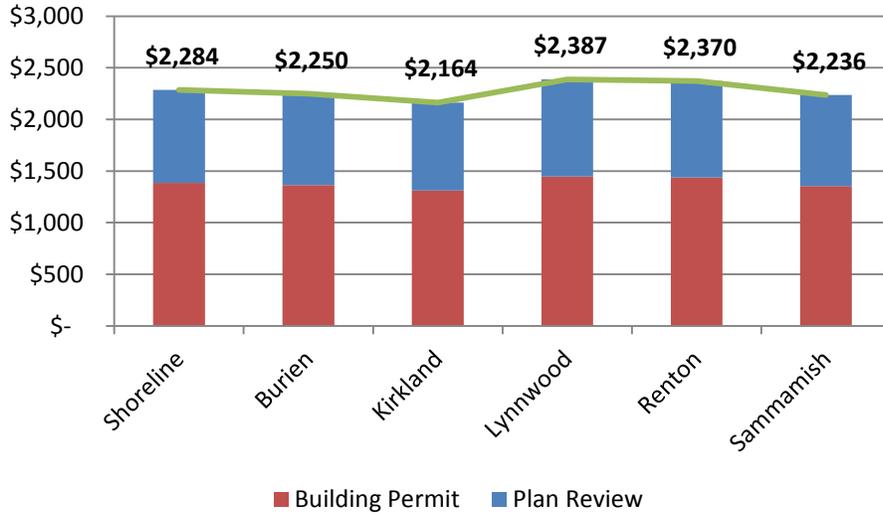


**Single Family New Construction: \$401,129**



**Exhibit 26**  
**Building Fees for Commercial Projects**

**Commercial Addition/Remodel: \$137,486**



**Commercial New Construction: \$5,340,197**



- ◆ The City also wanted to know if other jurisdictions are charging for traffic concurrency fees. The City does not currently charge a specific fee for traffic concurrency reviews, but the work might be done as part of another permit or review. Of the five jurisdictions, only two currently charge traffic concurrency fees. These fees can be found below in Exhibit 27.

**Exhibit 27  
 Traffic Concurrency Fees**

<b>City of Kirkland</b>	<b>City of Sammamish</b>
Concurrency Application: (estimated number of PM Peak trips) Less than 20 trips - \$545 21-50 trips - \$763 51-200 trips - \$1,527 Greater than 200 trips - \$1,963	Administrative Fee: \$120 Concurrency Test/Exemption fee: Single family house - \$244 Short plat up to 4 lots - \$244 Short plat 5 to 9 lots - \$1,218 Plats of 10 lots to 19 lots - \$1,523 Plats of 20 or more - \$2,538 All others - \$1,218

- ◆ Of the fifteen Planning fees shown in Exhibit 28, the City charges the lowest fee for four permits and the highest fee for three permits in comparison to the other jurisdictions. The City falls somewhere in the middle for the remaining fees, except Bed and Breakfast/Boarding House which has no comparable fees in the selected jurisdictions. Examples of permits for which the City has the highest fee are Conditional use permit and Final Subdivisions. The City charges the lowest fee for Final Short Subdivisions and Binding Site Plans. The detailed comparisons can be found below in Exhibit 28.

**Exhibit 28  
Planning Fee Comparisons**

Fee Type	City of Shoreline Cost of Service	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Adult Family Home</b>	\$613 (5.5 hour minimum)	Hourly Rate, \$396.88 (2.5 hour minimum)			Inspection: \$290		
<b>Accessory Dwelling Unit</b>	\$1,493 (6.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)		\$425.00	\$1,250.00		
<b>Conditional Use Permit</b>	\$9,049 (40.5 hour minimum)	Hourly Rate, \$4762.50, (30 hour minimum)	\$1,200 plus costs		\$3,500.00	\$1,000.00 Administrative, \$2,500.00 Hearing Examiner	\$1,800 plus \$120.00 per hour
<b>Historic Landmark Review</b>	\$695 (3 hour minimum)	Hourly Rate, \$158.75, (1 hour minimum)		Historic Residence Alteration: \$850.00 Historic Residence Designation: \$1,091.00			
<b>Bed and Breakfast, Boarding House</b>	\$354 (3 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					
<b>Sign Permits</b>	\$814 (5.5 hour minimum)	Hourly Rate, \$317.50 (2 hour minimum)	Plan Reviews: \$75	Marquee or building- mounted sign: \$149 per sign Freestanding or pole- mounted sign: \$200 per sign	Banner permit: \$38 per occupancy Electrical sign hook- up: \$38	Permanent: Roof, projecting, awning, canopy, marquee and wall signs: \$125 per tenant Freestanding: \$175 per sign Temporary: Real estate directional signs, grand opening event signs, commercial property real estate banner, decorative flag: \$50 per sign Event signs: \$25 per sign A-Frame signs: \$100 per first sign and \$50 each additional	Signs requiring building permit, plan review, and inspection: \$420 Plan review only: \$181
<b>Temporary Use Permit</b>	\$1,471 (7.5 hour minimum)	Hourly Rate, \$317.5 (2 hour minimum)	\$309 plus costs	\$218		Tier 1 - \$75.00 Tier 2 - \$150.00	\$1,200

Fee Type	City of Shoreline Cost of Service	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Demolition, Commercial</b>	\$1,564 (9.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)	\$108	Same as Building Permit Fees	10% of Value of Demolition	\$250	\$181.00 plus \$500 site bond
<b>Demolition, Residential</b>	\$977 (6.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)		Primary Building - \$189.00 Accessory Building or Structure - \$96.00	\$115		
<b>Preliminary Short Subdivision</b>	\$7,341 (34.5 hour minimum) for two-lot short subdivision plus \$782 (4 hour minimum) for each additional lot	Hourly Rate, \$4752.50 (30 hour minimum) for two-lot short subdivision plus 3- hour minimum (\$476.25) for each additional lot	\$2,401 plus costs	\$3,273.00 Base Fee, plus \$992.00 per lot	9 lots or less: \$2,000.00	Preliminary and Final: \$2,000	\$3,000.00 plus \$120.00 per hour
<b>Final Short Subdivision</b>	\$3,697 (18.5 hour minimum)	Hourly Rate, \$1,270 (8 hour minimum)	\$1,662 plus costs	\$2,127.00 plus \$213.00 per lot			\$1,200.00 plus \$120.00 per hour
<b>Preliminary Subdivision</b>	\$11,391 (51.5 hour minimum) for five-lot short subdivision plus \$852 (5 hour minimum) for each additional lot, plus \$1,964 for public hearing	Hourly Rate, \$6,191.25 (39 hour minimum) for five-lot short subdivision plus 3- hour minimum (\$476.25) for each additional lot, plus \$2,437.50 for public hearing	\$5,539 plus costs	\$8,946.00 plus \$1,077 per lot	10 lots or more: \$7,500.00	\$4,500	Preliminary Review Fee: \$4,800.00 plus \$120.00 per hour Per lot fee: 10-20 lots - \$180.00 per lot 21-50 lots - \$120.00 per lot 51+ lots - \$60.00 per lot
<b>Final Subdivision</b>	\$9,156 (41 hour minimum)	Hourly Rate, \$4,762.50 (30 hour minimum)	\$1,662 plus costs	\$2,127.00 plus \$213.00 per lot		\$1,500	
<b>Subdivisions Binding Site Plan</b>	\$5,771 (25.5 hour minimum)	Hourly Rate, \$952.50 (6 hour minimum)	Minor: \$1,662 plus costs Major: \$5,539 plus costs	\$2,141	\$2,000	\$2,500	\$1,800 plus \$120 per hour
<b>Lot Line Adjustment</b>	\$1,798 (8.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)	\$615 plus costs	\$1,077	\$1,250	\$450	\$480

# CHAPTER VI: IMPLEMENTATION ISSUES AND COST RECOVERY

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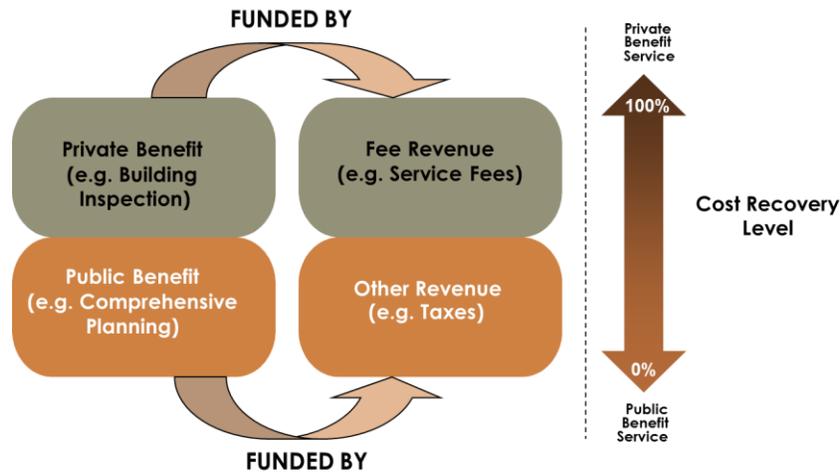
The results of this study can be used to help develop or confirm the City's current cost recovery policies and its fee structure or provide a basis for different cost recovery policies or fee structures. During the data collection and discussions about the various fees, several issues were identified. Although the City's fee structure is based on minimum hours and added hourly charges, the City staff believed that the time data might not actually reflect the actual time spent on those types of permits compared to what is billed. Because of this concern, the City staff were asked to estimate the amount of time they spent on various fee and non-fee services rather than using the staff time data base. Compared to the staff time estimated for Planning and Public Works Engineering fee services and the fee revenues generated, there is a significant gap between the costs and the revenues received. Overall, Planning recovered only 27% of its costs for fee services, while Public Works Engineering recovered 32%. Neither fee category even recovered the estimated direct cost of service. Planning revenues covered about 84% of the estimated direct costs, while Engineering revenues covered about 67% of the direct costs. The specific policy issues or actions that City staff and the City Council might want to consider include:

- ◆ Should the City have a full cost recovery policy for building, current planning, and engineering services,
- ◆ Is the current Planning and Engineering fee structure (i.e. a minimum plus hourly charges) the best method for achieving the desired cost recovery policy,
- ◆ Should a technology surcharge and reserve be added to support PCD's and Engineering's share of technology improvements related to the permitting or timekeeping systems, and
- ◆ Should other reserves be established to account for prepaid work and core staffing,

## COST RECOVERY POLICIES

As discussed in Chapter II, cost recovery objectives are policy decisions that can be based on a variety of factors, including the public versus private benefit provided by the service. If an activity has a public benefit, it might be more appropriately supported by the General Fund. Conversely, if an activity has mostly private benefits, it might be more appropriately supported by fees. Activities that have a mix of public and private benefits might be supported by a combination of fees and General Fund. Exhibit 30 illustrates the application of public versus-private benefit decisions in determining what level of the full cost of service should be recovered from fees. When fee activities combine both public and private benefits, the fees might be less than the cost of service. This is an important concept that should be considered when determining the level of cost recovery and can be especially true for current planning fees.

**Exhibit 30  
Public Versus Private Benefit and Cost Recovery Decisions**



Other considerations include previously identified questions such as the following:

- ◆ Is it feasible to set fees at the calculated level?
- ◆ Will increasing fees result in compliance or public safety problems?
- ◆ Can the market bear the fee increases?
- ◆ Do adjustments in fees adversely affect other City goals such as economic development?
- ◆ Are there feasible process changes that might bring costs into better balance with revenues?

## FEE STRUCTURE

The City’s current fee structure for development services is to charge an amount representing the minimum hours needed to process a permit application and then charge on an hourly basis if more time is needed to review and process the permit application. As a result, the City needs to have a timekeeping system, and PCD and Engineering staff need to make sure that all time is entered for all work performed. As mentioned previously, it does not appear that all the time is being entered and billed. If the City wants to continue with the current fee structure and a 100% cost recovery target, the City needs assure that all time is recorded and billed for each fee service.

In order to ensure fees are covering the cost a majority of the time, an alternative is to consider changing to base or fixed fees rather than the current minimum fee plus hourly charge structure. During the fee time analysis meetings staff indicated that several fees take a standard amount of time, while some fees have a wide variation of time and effort depending on the project. For fees that have minimum hours that cover costs on almost every fee service of the same type, the City could change to a base or fixed fee eliminating the need to track staff time for those fees. For fee services that have a wide variation in effort, it might be better to have a fixed fee and then charge hourly to cover the extra review time. Changing to this structure can simplify the fee collection for those permits and will increase revenue if the cost of service amount with higher minimum times is charged and all additional time is billed.

There are also some related fees that have slightly different costs. For example, the City currently charges a set fee for public hearings independent of the permit to which the hearing is related. During the fee time analysis meetings, the staff indicated that public hearings can take different amounts of effort and time depending on the permit. The City can choose to continue with a set fee for all public

hearings or have a different fee for different permit hearings. If a single fee amount is used, the average fee for all the hearings might be used or the fee for the hearing that occurs most of the time.

Another mechanism to improve cost recovery is by applying a stricter policy on submittals and correction cycles. When a customer submits a permit application, a completeness review can catch incomplete or unclear information before a planner or engineer begins their review. Currently, customers that resubmit permit applications and materials with errors are typically not charged for the extra time. Implementing a policy that allows a certain number of correction cycles and then charging for any additional would help recover some of this additional cost. The Department would have the authority to determine whether to charge these fees in each situation.

## RESERVE POLICIES

As part of the overall financial management of the PCD costs, managing reserve categories can be used to strategically address key financial issues for development oriented services. The purpose of financial reserves for building/development services is to improve management of the Department's cash flow from year to year and to improve the financial stability for services that are subject to the economic cycles related to the housing and commercial construction industry.

Based on the cyclical nature of the housing and construction industry, there are three types of reserve categories that can help assure more financial stability for the City's building, planning, and engineering operations. In addition to contributing to the basic working capital cash, reserves can also include amounts for deferred workload liability (i.e. pre-paid work), core staffing, and technology and equipment funding.

A deferred workload liability is created when development fees are paid in one year when a permit application is submitted, but the City services associated with the permit are provided in the next year. The deferred liability is funded by revenues paid in advance and is not a reserve component that needs a separate funding source. However, such advance payments are included as part of the fund balance at the end of a year when revenues are greater than expenditures, and as a result, a surplus might overstate the actual fund balance contribution. This deferred workload liability is especially important to recognize when there is a fund balance at the end of year and when construction is rapidly declining such as it did in 2008. If these carryover permits still need to be processed, the additional reserve from the previous year's payments can delay the necessity to reduce PCD's budget. In some cities, the deferred liability is recognized as unearned revenue and is not included in the revenues until work continues on the permit. This situation is more commonly applied to building type permits and provides more transparency regarding the development fees received and how they are spent.

In addition to accounting for the deferred liability, a reserve can also be used to support core staffing needs. A core staffing reserve ensures that minimum staffing levels are maintained for development services during times when there is a significant decrease in workload and revenues. When workload and revenue reductions occur, management can take a number of steps to balance the budget such as adjusting staffing levels or raising fees. However, given the cyclical nature of development work, the time needed to hire new staff, the new staff training time, and the demand for timely permit processing when the economy improves, PCD might not want to reduce staff or raise fees too quickly if a downturn in the economy is forecast for only a short period of time. A core staffing reserve can be used to stabilize fees and maintain essential levels of expertise and service for a specific period of time before making changes, if necessary. Once the core staffing amount is determined, this type of reserve can be funded by a surcharge or by excess revenues over time. If such a reserve is established, PCD might not need to reduce staff immediately or require General Fund support to maintain its staffing level when there is a downturn in the economy or when the General Fund revenues decline.

The last reserve category is to establish is a reserve for technology improvements and/or equipment replacement (e.g. vehicles) by implementing a technology surcharge. To help pay for future major technology improvements, a reserve could be established. For example replacing PCD's current permitting system software in five years might be a need that it could begin collecting funds through a technology surcharge on all permits. If the future cost is \$100,000, PCD could set a surcharge that would collect about \$20,000 per year. Again, if more or less reserve funding is generated in a year, the surcharge can be decreased or increased depending on the Department's needs.

The identified reserves provide mechanisms to deal with issues related to transparency, maintaining staffing and expertise during economic downturns, and financing major technology improvements and equipment. If such reserves are not established, the City's General Fund will probably need to provide the funding to support any core staffing and technology improvement initiatives, but PCD will need to compete for funds with the other City services supported by the City's General Fund.

The City currently utilizes the General Reserves to meet all of these reserve needs. Adjusting rates to improve cost recovery will reduce the operating reliance on General Fund and therefore potentially increase general reserves. However, the City might want to consider whether there is value in having dedicated reserves for specific aspects of the permitting function and imposing additional surcharges or fees to support those reserves.

# APPENDIX A: EMPLOYEE TIME DISTRIBUTIONS

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<b>Building and Inspections LABOR HOURS</b>		<b>Total</b>	Ray Allshouse - Building Official	Wayne Mrozek - Plans Examiner II	Steve McGlocklin- Plans Examiner III	Jeff Curtis - Structural Review Plans Examiner	Mike Raglin - Combination Inspector	Scott Dorrance - Combination Inspector
<b>Labor Breakdown</b>	Annual Regular Labor	12,480	2,080	2,080	2,080	2,080	2,080	2,080
	Annual Overtime	0						
	Annual Labor	12,480	2,080	2,080	2,080	2,080	2,080	2,080
	Annual Leave	2,184	372	376	372	400	288	376
<b>Total Available Work Hours</b>		<b>10,296</b>	<b>1,708</b>	<b>1,704</b>	<b>1,708</b>	<b>1,680</b>	<b>1,792</b>	<b>1,704</b>
<b>Indirect Activities</b>	Code and Policy Development	417	250	10	120	17	10	10
	Public Info, Pre-App Help, & Customer Service	712	300	140	108	84	40	40
	Training & Certification	260	60	40	40	40	40	40
	General Administration & Management	760	256	144	120	120	60	60
	Other	20				20		
<b>Net Annual Labor Related to Direct Services</b>		<b>8,127</b>	<b>842</b>	<b>1,370</b>	<b>1,320</b>	<b>1,399</b>	<b>1,642</b>	<b>1,554</b>
<b>Direct Fee Time Categories for Building and Inspections</b>	Building Permits	1,575	170	274	120	56	411	544
	Plan Review	3,663	105	1,028	990	1,239	146	155
	Plumbing/Mechanical	1,669	320	69	160	79	575	466
	Other Building Services (Includes Electrical)	50	50					
	Current Planning	0						
	Other Engineering	657					346	311
	0	0						
<b>Direct Non-Fee Time Categories for Building and Inspections</b>	Long-range Planning	0						
	Code Enforcement	514	197		50	25	164	78
	Other	0						
	0	0						
	0	0						
	0	0						
<b>Total Direct Hours</b>		<b>8,127</b>	<b>842</b>	<b>1,370</b>	<b>1,320</b>	<b>1,399</b>	<b>1,642</b>	<b>1,554</b>
Total Indirect Hours		2,169	866	334	388	281	150	150
Total Direct Hours - Fee Services		7,613	645	1,370	1,270	1,374	1,478	1,476
Total Direct Hours - Direct Non-Fee Time Categories		514	197	-	50	25	164	78
<b>Grand Total</b>		<b>10,296</b>	<b>1,708</b>	<b>1,704</b>	<b>1,708</b>	<b>1,680</b>	<b>1,792</b>	<b>1,704</b>

City Planning			Paul Cohen - Planning Manager	Miranda Redinger Senior Planner	Steve Szafran - Senior Planner	Juniper Nammi - Associate Planner	Kim Lehberg - Associate Planner	Kate Skone - Assistant Planner	Brian Lee - Associate Planner
<b>LABOR HOURS</b>		<b>Total</b>							
	Annual Regular Labor	13,939	2,080	2,080	2,080	2,080	2,080	1,459	2,080
	Annual Overtime	0							
	Annual Labor	13,939	2,080	2,080	2,080	2,080	2,080	1,459	2,080
	Annual Leave	2,252	375	360	396	204	400	157	360
<b>Total Available Work Hours</b>		<b>11,687</b>	<b>1,705</b>	<b>1,720</b>	<b>1,684</b>	<b>1,876</b>	<b>1,680</b>	<b>1,302</b>	<b>1,720</b>
Indirect Activities	Code and Policy Development	0							
	Public Info, Pre-App Help, & Customer Service	2,310	400	240	200	300	500	520	150
	Training & Certification	142	10	10	24	40	24	26	8
	General Administration & Management	1,170	300	40	350	200	150	130	
	Other	105						105	
<b>Net Annual Labor Related to Direct Services</b>		<b>7,959</b>	<b>995</b>	<b>1,430</b>	<b>1,110</b>	<b>1,336</b>	<b>1,006</b>	<b>520</b>	<b>1,562</b>
Direct Fee Time Categories for City Planning	Building Permits	1,916	398		25	328	484	260	421
	Plan Review	33			33				
	Plumbing/Mechanical	0							
	Other Building Services (Includes Electrical)	0							
	Current Planning	1,890	398		173	82	121	260	856
	0								
Direct Non-Fee Time Categories for City Planning	Long-range Planning	2,231	199	1,350	429	17	161		75
	Code Enforcement	9				9			
	Other Planning/Economic Development	190					40		150
	Code and Policy Development	1,690		80	450	900	200		60
		0							
	0								
	0								
<b>Total Direct Hours</b>		<b>3,839</b>	<b>995</b>	<b>1,430</b>	<b>1,110</b>	<b>1,336</b>	<b>1,006</b>	<b>520</b>	<b>1,562</b>
Total Indirect Hours		3,727	710	290	574	540	674	781	158
Total Direct Hours - Fee Services		3,839	796	-	231	410	605	520	1,277
Total Direct Hours - Direct Non-Fee Time Categories		4,121	199	1,430	879	926	402	-	285
<b>Grand Total</b>		<b>11,687</b>	<b>1,705</b>	<b>1,720</b>	<b>1,684</b>	<b>1,876</b>	<b>1,680</b>	<b>1,302</b>	<b>1,720</b>

Public Works LABOR HOURS		Total	Paul Laine - Construction & Inspection Supervisor	John Read - Construction Inspector	Dave Roper - Construction Inspector	Bob Earl - Engineering Manager	Kevin Kinsella - Development Review Engineer II	Danielle Angiono Development Review Engineer I	Hazel DeLaCruz - Engineering Technician	Kendra Dedinsky - City Traffic Engineer	Quang Nguyen - Engineer II: Traffic	Tricia Juhnke - City Engineer
Annual Regular Labor		18,697	2,080	2,080	2,080	2,017	1,060	2,080	2,080	2,080	1,060	2,080
Annual Overtime		0										
Annual Labor		18,697	2,080	2,080	2,080	2,017	1,060	2,080	2,080	2,080	1,060	2,080
Annual Leave		3,054	376	328	352	303	163	367	328	319	159	360
<b>Total Available Work Hours</b>		<b>15,643</b>	<b>1,704</b>	<b>1,752</b>	<b>1,728</b>	<b>1,715</b>	<b>897</b>	<b>1,713</b>	<b>1,752</b>	<b>1,761</b>	<b>901</b>	<b>1,720</b>
Indirect Activities	Code and Policy Development	420	30	12	12	136				80		150
	Public Info, Pre-App Help, & Customer Service	862	120	12	24	70	191	375		60		10
	Training & Certification	267	40	40	40	47	20	40				40
	General Administration & Management	2,298	300	160	160	600	127	250				700
	Other	104		52	52							
<b>Net Annual Labor Related to Direct Services</b>		<b>11,693</b>	<b>1,214</b>	<b>1,476</b>	<b>1,440</b>	<b>862</b>	<b>559</b>	<b>1,048</b>	<b>1,752</b>	<b>1,621</b>	<b>901</b>	<b>820</b>
Direct Fee Time Categories for Public Works	Building Permits	542				48	39	201	88	130	36	
	Plan Review	398				12	103	201				82
	Current Planning	82										82
	Right-Of-Way Permits	3,015	486	738	720	120	211	314	88	97	36	205
	Special Event Permits	55						55				
		0										
Direct Non-Fee Time Categories For Public Works	Long-range Planning	82										82
	Code Enforcement	0										
	Other/Asset Management	944	121	295	288	116						123
	Other Planning/Economic Development	0										
	City Capital Projects	3,979	607	443	432	565			1,226	324	135	246
Other Engineering	2,596					205	277	350	1,070	694		
<b>Total Direct Hours</b>		<b>4,091</b>	<b>1,214</b>	<b>1,476</b>	<b>1,440</b>	<b>862</b>	<b>559</b>	<b>1,048</b>	<b>1,752</b>	<b>1,621</b>	<b>901</b>	<b>820</b>
Total Indirect Hours		3950	490	276	288	853	339	665	0	140	0	900
Total Direct Hours - Fee Services		4,091	486	738	720	180	353	771	175	227	72	369
Total Direct Hours - Direct Non-Fee Time Categories		7,601	728	738	720	682	205	277	1577	1394	829	451
<b>Grand Total</b>		<b>15643</b>	<b>1704</b>	<b>1752</b>	<b>1728</b>	<b>1715</b>	<b>897</b>	<b>1713</b>	<b>1752</b>	<b>1761</b>	<b>901</b>	<b>1720</b>

Permit Services LABOR HOURS		Total	Jarrod Lewis - Permit Services Manager	Pam Hagen - Technical Assistant	Lucinda Clark - Technical Assistant	Matt Brophy - Administrative Assistant II
	Annual Regular Labor	7,739	2,080	2,080	2,080	1,499
	Annual Overtime	0				
	Annual Labor	7,739	2,080	2,080	2,080	1,499
	Annual Leave	1,246	319	376	343	208
<b>Total Available Work Hours</b>		<b>6,493</b>	<b>1,761</b>	<b>1,704</b>	<b>1,737</b>	<b>1,291</b>
Indirect Activities	Code and Policy Development	240	240			
	Public Info, Pre-App Help, & Customer Service	480	480			
	Training & Certification	116	40	32	32	12
	General Administration & Management	360	360			
	Other	0				
		0				
		0				
<b>Net Annual Labor Related to Direct Services</b>		<b>5,297</b>	<b>641</b>	<b>1,672</b>	<b>1,705</b>	<b>1,280</b>
Direct Fee Time Categories for Permit Services	Building Permits	1,904	321	752	767	64
	Plan Review	0				
	Plumbing/Mechanical	729	71	134	205	320
	Current Planning	507	103	234	170	
	Right-Of-Way Permits	955	26	418	511	
	City Capital Projects	0				
	Other Engineering	13	13			
	Special Event Permits	17			17	
	Front Counter Service	576				576
	Other Building Services (Includes Electrical)	57	6	33	17	
	Reports	84		84		
		0				
	0					
Direct Non-Fee Time	Long-range Planning	47	13	17	17	
	Code Enforcement	384	64			320
	Other Planning/Economic Development	26	26			
		0				
	0					
<b>Total Direct Hours</b>		<b>4,841</b>	<b>641</b>	<b>1,672</b>	<b>1,705</b>	<b>1,280</b>
Total Indirect Hours		1196	1120	32	32	12
Total Direct Hours - Fee Services		4,841	538	1655	1688	960
Total Direct Hours - Direct Non-Fee Time Categories		456	102.6	16.7	17	320
<b>Grand Total</b>		<b>6493</b>	<b>1761</b>	<b>1704</b>	<b>1737</b>	<b>1291</b>

<b>P&amp;CD Administrative Services LABOR HOURS</b>			Joanne Dillon - Management Analyst	Lisa Basher - Administrative Assistant III
		<b>Total</b>		
	Annual Regular Labor	4,160	2,080	2,080
	Annual Overtime	0		
	Annual Labor	4,160	2,080	2,080
	Annual Leave	592	400	192
<b>Total Available Work Hours</b>		<b>3,568</b>	<b>1,680</b>	<b>1,888</b>
<b>Indirect Activities</b>	Code and Policy Development	240		240
	Public Info, Pre-App Help, & Customer Service	798	270	528
	Training & Certification	0		
	General Administration & Management	1,640	1,140	500
	Other	0		
<b>Net Annual Labor Related to Direct Services</b>		<b>890</b>	<b>270</b>	<b>620</b>
<b>Direct Fee Time Categories for P&amp;CD Administrative Services</b>	Building Permits	622	120	502
	Plan Review	0		
	Plumbing/Mechanical	20	20	
	Other Building Services (Includes Electrical)	110	110	
	Current Planning	0		
	Right-Of-Way Permits	20	20	
		0		
<b>Direct Non-Fee Time Categories for P&amp;CD</b>	Long-range Planning	118		118
	Code Enforcement	0		
		0		
		0		
		0		
<b>Total Direct Hours</b>		<b>772</b>	<b>270</b>	<b>620</b>
Total Indirect Hours		2678	1410	1268
Total Direct Hours - Fee Services		772	270	502
Total Direct Hours - Direct Non-Fee Time Categories		118	0	117.8
<b>Grand Total</b>		<b>3568</b>	<b>1680</b>	<b>1888</b>

## APPENDIX B: PERMIT PROCESSING TIMES

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<b>Fee Services for Building and Inspections</b>	<b>New Estimated Minimum Hours</b>
1 <b>Electrical Permit</b>	<b>0.50</b>
2 <b>Residential Mechanical System - 1 Hour Minimum</b>	<b>1.58</b>
3 <b>Residential Mechanical System - Per Equipment over 4</b>	<b>0.17</b>
4 <b>Commercial Mechanical System – 3 Hour Minimum</b>	<b>4.33</b>
5 <b>Commercial Mechanical System – Per Equipment over 4</b>	<b>0.92</b>
6 <b>All Other Mechanical (Residential and Commercial) – 1 Hour Minimum</b>	<b>2.00</b>
7 <b>Plumbing System - 1 Hour Minimum</b>	<b>3.83</b>
8 <b>Plumbing System - Per Fixture over 4</b>	<b>0.25</b>
9 <b>Gas Piping System Standalone Permit – 1 Hour Minimum</b>	<b>1.83</b>
10 <b>Gas Piping System Standalone Permit – Per Outlet over 4</b>	<b>0.08</b>
11 <b>Gas Piping as Part of a Plumbing or Mechanical Permit – Per Outlet</b>	<b>0.17</b>
12 <b>Backflow Prevention Device – Standalone Permit – 1 Hour Minimum</b>	<b>2.33</b>
13 <b>Backflow Prevention Device – Standalone Permit – Per Device over 4</b>	<b>0.17</b>
14 <b>Backflow Prevention Device as Part of a Plumbing Systems Permit – Per Device</b>	<b>0.08</b>
15 <b>Supplemental Building Permit Fees – 1 Hour Minimum</b>	<b>0.75</b>
16 <b>Re-Inspection Fees – 1 Hour Minimum</b>	<b>1.25</b>
17 <b>Code Enforcement Investigations</b>	<b>2.50</b>
18 <b>Substantial Development Permit up to \$10,000 Valuation – 15 Hour Minimum</b>	<b>15.00</b>
19 <b>Substantial Development Permit \$10,000 - \$500,000 Valuation – 34 Hour Minimum</b>	<b>34.00</b>
20 <b>Substantial Development Permit over \$500,000 Valuation – 60 Hour Minimum</b>	<b>60.00</b>

Fee Services for City Planning	New Estimated Minimum Hours
1 Pre-App	12.50
2 Accessory Dwelling Unit - 1 Hour Minimum	6.42
3 Administrative Design Review - 1 Hour Minimum	7.17
4 Adult Family Home - 2 1/2 Hour Minimum	5.17
5 Comprehensive Plan Amendment - General Text Amendment - No Charge	79.50
6 Comprehensive Plan Amendment - Site Specific - 60 Hour Minimum	83.58
7 Comprehensive Plan Amendment - Site Specific – Public Hearing	5.00
8 Development Code Amendment - General	80.58
9 Conditional Use Permit - 30 Hour Minimum	40.17
10 Critical Areas Reasonable Use Permit (CARUP) - 60 Hour Minimum	70.33
11 Critical Areas Reasonable Use Permit (CARUP) – Public Hearing	20.00
12 Critical Areas Special Use Permit (CASUP) – 60 Hour Minimum	70.33
13 Critical Areas Special Use Permit (CASUP) – Public Hearing	20.00
14 Historic Landmark Review – 1 Hour Minimum	3.00
15 Bed and Breakfast, Boarding House – 1 Hour Minimum	2.92
16 Interpretation of Development Code – 1 Hour Minimum	4.17
17 Master Plan – 60 Hour Minimum	140.25
18 Master Plan – Public Hearing	24.00
19 Planned Action Determination – 1 Hour Minimum	2.33
20 Rezone – 60 Hour Minimum	83.08
21 Rezone – Public Hearing	5.00
22 Sign Permit – 2 Hour Minimum	5.50
23 Special Use Permit – 60 Hour Minimum	75.00
24 Special Use Permit – Public Hearing	10.00
25 Temporary Use Permit (TUP) – 2 Hour Minimum	7.25
26 Variances – Zoning – 30 Hour Minimum	37.17
27 All Other Fees Per Hour – 1 Hour Minimum	1.00
28 Multiple Family Tax Exemption Application Fee – 3 Hour Minimum	4.42
29 Extension of the Conditional Certificate for the Multiple Family Tax Exemption	2.00
30 Shoreline Conditional Permit Use – 30 Hour Minimum	38.42
31 Shoreline Exemption – 2 Hour Minimum	3.92
32 Shoreline Variance – 30 Hour Minimum	144.75
33 Shoreline Variance – Public Hearing	20.00
34 Tree Removal – 1 Hour Minimum	3.92
35 Landscaping – 3 Hour Minimum	6.67
36 Parking Lot – 3 Hour Minimum	12.17
37 Subdivision Construction – 12 Hour Minimum	33.17
38 Binding Site Plan – 6 Hour Minimum	25.42
39 Lot Line Adjustment – 3 Hour Minimum	8.42
40 Preliminary Short Subdivision - 30 Hour Minimum for two Lots	34.33
41 Preliminary Short Subdivision – 3 Hour Minimum Additional Lot	4.00
42 Final Short Subdivision – 8 Hour Minimum	18.50
43 Preliminary Subdivision – 39 Hour Minimum for five Lots	51.50
44 Preliminary Subdivision – 3 Hour Minimum Additional Lot	5.00
45 Preliminary Subdivision – Public Hearing	8.00
46 Final Subdivision – 30 Hour Minimum	41.00
47 Changes to Preliminary Short or Formal Subdivision – 12 Hour Minimum	17.00
48 Hearing Examiner Appeals	6.00
49 Wireless	12.33
50 Critical Areas Monitoring Inspections	8.00
51 Critical Areas Review	5.50
52 Single-Family – SEPA Checklist- 10 Hour Minimum	14.17
53 Multi-family/Commercial – SEPA Checklist - 15 Hour Minimum	20.17
54 Environmental Impact Statement Review – 35 Hour Minimum	35.25
55 Demolition, Commercial - 3 Hour Minimum	9.42
56 Demolition, Residential - 1 Hour Minimum	6.17
57 Grading – 3 Hour Minimum	13.17
58 Clearing – 3 Hour Minimum	13.17
59 Street Vacation – 60 Hour Minimum	47.50
60 Street Vacation – Public Hearing	10.00
61 Preliminary Subdivision - for nine lots	71.50

	<b>Fee Services for Public Works</b>	<b>New Estimated Minimum Hours</b>
1	<b>Civil Plan Review, Commercial - 5 Hour Minimum</b>	<b>12.00</b>
2	<b>Civil Plan Review, Residential - 3 Hour Minimum</b>	<b>5.00</b>
3	<b>Floodplain Permit - 1 Hour Minimum</b>	<b>4.42</b>
4	<b>Floodplain Variance - 3 Hour Minimum</b>	<b>6.42</b>
5	<b>Deviation – Engineering Standards – 3 Hour Minimum</b>	<b>9.00</b>
6	<b>Right-of-Way Use – 1 1/2 Hour Minimum</b>	<b>6.00</b>
7	<b>Right-of-Way Site – 2 Hour Minimum</b>	<b>6.50</b>
8	<b>ROW Tree Removal and Maintenance</b>	<b>4.75</b>
9	<b>Special Events</b>	<b>8.00</b>

## APPENDIX C: FEE SURVEY

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Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Building Structural Valuation \$1-500</b>				\$25.62	\$0-1,000 \$53.00	\$28.00	\$27.00
\$501-2,000		\$0-7,000 1 hour minimum (\$158.75)	\$81.00	\$25.62 for the first \$500 plus \$3.32 for each additional \$100 or fraction thereof	\$1001.00-2,000 \$53.00 for the first \$1,000 plus \$4.00 for each additional \$100 or fraction thereof	\$28.00 for first \$500, plus \$3.65 for each additional \$100 or fraction thereof	\$27.00 for the first \$500.00 plus \$4.00 for each additional \$100 or fraction thereof
\$2,001-25,000		\$7,001-\$25,000 \$75 for the first \$2,000 plus \$14.00 for each additional \$1,000 or fraction thereof	\$81.00 for the first \$2,000 plus \$15.75 for each additional \$1,000 or fraction thereof	\$75.42 for the first \$2,000 plus \$15.26 for each additional \$1,000 or fraction thereof	\$93.00 for the first \$2,000 plus \$17.00 for each additional \$1,000 or fraction thereof	\$82.75 for first \$2,000, plus \$16.75 for each additional \$1,000 or fraction thereof	\$81.00 for the first \$2,000 plus \$16.00 for each additional \$1,000 or fraction thereof
\$25,001-50,000		\$397.00 for the first \$25,000 plus \$11.00 for each additional \$1,000 or fraction thereof	\$443.25 for the first \$25,000 plus \$11.75 for each additional \$1,000 or fraction thereof	\$426.40 for the first \$25,000 plus \$10.99 for each additional \$1,000 or fraction thereof	\$484.00 for the first \$25,000 plus \$12.00 for each additional \$1,000 or fraction thereof	\$468.00 for the first \$25,000 plus \$12.00 for each additional \$1,000 or fraction thereof	\$445.00 for the first \$25,000 plus \$11.00 for each additional \$1,000 or fraction thereof
\$50,001-100,000		\$672.00 for the first \$50,000 plus \$9.00 for each additional \$1,000 or fraction thereof	\$748.75 for the first \$50,000 plus \$7.50 for each additional \$1,000 or fraction thereof	\$701.15 for the first \$50,000 plus \$7.63 for each additional \$1,000 or fraction thereof	\$784.00 for the first \$50,000 plus \$8.00 for each additional \$1,000 or fraction thereof	\$768 for the first \$50,000 plus \$8.35 for each additional \$1,000 or fraction thereof	\$731.00 for the first \$50,000 plus \$8.00 for each additional \$1,000 or fraction thereof
\$100,001-500,000		\$1,122.00 for the first \$100,000 plus \$7.00 for each additional \$1,000 or fraction thereof	\$1,123.75 for the first \$100,000 plus \$6.40 for each additional \$1,000 or fraction thereof	\$1082.65 for the first \$100,000 plus \$6.10 for each additional \$1,000 or fraction thereof	\$1,184.00 for the first \$100,000 plus \$7.00 for each additional \$1,000 or fraction thereof	\$1,185.50 for the first \$100,000 plus \$6.70 for each additional \$1,000 or fraction thereof	\$1,130.00 for the first \$100,000 plus \$6.00 for each additional \$1,000 or fraction thereof

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
\$500,001- 1,000,000		\$3,922.00 for the first \$500,000 plus \$5.00 for each additional \$1,000 or fraction thereof	\$3,690.15 for the first \$500,000 plus \$5.35 for each additional \$1,000 or fraction thereof	\$3,522.65 for the first \$500,000 plus \$5.18 for each additional \$1,000 or fraction thereof	\$3,984.00 for the first \$500,000 plus \$6.00 for each additional \$1,000 or fraction thereof	\$3,865.50 for the first \$500,000 plus \$5.65 for each additional \$1,000 or fraction thereof	\$3,679.00 for the first \$500,000 plus \$5.00 for each additional \$1,000 or fraction thereof
Over \$1,000,000		\$6,422.00 for the first \$1,000,000 plus \$3.15 for each additional \$1,000 or fraction thereof	\$6,370.50 for the first \$1,000,000 plus \$4.25 for each additional \$1,000 or fraction thereof		\$6,984.00 for the first \$1,000,000 plus \$4.00 for each additional \$1,000 up to 5,000,000, then \$3.00 for each additional \$1,000 beyond that	\$6,690.50 for the first \$1,000,000 plus \$4.35 for each additional \$1,000 or fraction thereof	\$6,375.00 for the first \$1,000,000 plus \$4.00 for each additional \$1,000 or fraction thereof
<b>Building/ Structure Plan Review</b>		65% of Building Permit Fee	65% of Building Permit Fee (minimum \$81.00)	65% of Building Permit Fee	65% of Building Permit Fee	65% of Building Permit Fee	65% of Building Permit Fee (minimum \$120.00/hur)
<b>Residential Mechanical System</b>	\$164 (2 hour minimum), \$22 per piece of equipment over 4	Hourly Rate, 1 hour minimum \$158.75 (including 4 pieces of equipment), \$11.50 per piece of equipment over 4	New construction - \$189.00 Additions/Remodels - \$63 each new/replaced appliance, \$189 more than two new/replaced 65% Plan Review Fee	New Construction - 8% of Building Permit Fee Remodels/additions - \$41 each new/moved appliance (max fee \$246) 25% Plan Review Fee	\$38 permit issuance, \$19 Air-handler installation, \$32 Boiler or compressor (up to 3hp), \$25 Furnace, heater or burner, \$25 per outlet, \$32 incinerator, \$32 IRC/IMC regulated appliance, \$32 range hood, \$19 relocation or replacement, \$25	\$45 permit fee, \$17 heating system, \$17 boiler or compressor, \$17 Air/C Unit each, \$8 ventilation exhaust fan each, \$75 incinerator each	\$34.00 permit issuance, \$34.00 application fee, \$245.00 flat fixture fee

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
					repair, alteration or addition, \$13 ventilation systems		
<b>Commercial Mechanical System</b>	\$501 (4.5 hour minimum) \$101 per piece of equipment over 4	Hourly Rate, 3 hour minimum \$476.25 (including 4 pieces of equipment), \$11.50 per piece of equipment over 4	\$1-2,000: \$81.00 \$2,001-25,000: \$81 for the first \$2,000 plus \$15.75 for each additional \$1,000 or fraction thereof \$25,001-50,000: \$443.25 for the first \$25,000 plus \$11.75 for each additional \$1,000 or fraction thereof \$50,001- \$100,000: \$748.75 for the first \$50,000 plus \$7.50 for each additional \$1,000 or fraction thereof \$100,001- \$500,000: \$1,123.75 for the first \$100,000 plus \$6.40 for each additional \$1,000 or fraction thereof \$500,001- \$1,000,000: \$3,690.15 for the first \$500,000	\$1.00-1,000: \$49.07 \$1,001-100,000: \$49.07 for the first \$1,000 plus \$17.25 for each \$1,000 or fraction thereof \$100,001 and up: \$1,756.82 for the first \$100,000 plus \$15.26 for each \$1,000 or fraction thereof 25% Plan Review fee		\$45 permit fee, \$17 heating system, \$60 boiler or compressor, \$60 refrigeration system, \$17 Air/C Unit each, \$17 ventilation system each, \$50 commercial hood each, \$75 incinerator each	\$44.00 permit issuance, \$44.00 application fee

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
			plus \$5.35 for each additional \$1,000 or fraction thereof \$1,000,001 and up: \$6,370.50 for the first \$1,000,000 plus \$4.25 for each additional \$1,000 or fraction thereof				
<b>All Other Mechanical (Residential and Commercial)</b>	\$188 (2 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					
<b>Plumbing System</b>	\$456 (4 hour minimum) \$32 per fixture over 4	Hourly Rate, \$158.75 (1 hour minimum) including 4 pieces of equipment, \$11.50 per fixture over 4	Residential: \$189.00, \$63.00 each new or replaced fixture, \$189.00 for more than two new or replaced fixtures Commercial: Same as commercial mechanical permit	Residential: New construction – 8% of Building Permit Fee Remodels and additions – \$20.50 each new/moved fixture Commercial: \$1-1,000 - \$41.08 \$1,001-100,000 - \$41.08 for the first \$1,000 plus \$6.90 per \$1,000 or fraction thereof, \$724.18 for first \$100,000 plus \$6.10 for each	\$38.00 Permit Issuance, \$19 per fixture	\$45.00 permit fee, \$8.00 per plumbing fixture	Residential: \$34.00 permit issuance, \$34.00 application fee, \$240.00 per hour for all fixtures, \$11.00 each additional fixture Non-Residential: \$44.00 permit issuance, \$44.00 application fee, \$16-\$22 each additional fixture

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
				additional \$1,000 or fraction thereof			
<b>Gas Piping System Standalone Permit</b>	\$197 (2 hour minimum) Including 4 outlets, \$11 per outlet over 4	Hourly Rate, \$158.75 (1 hour minimum) including 4 outlets, \$11.50 per outlet over 4	\$63.00	\$41.00	\$25.00 per outlet up to 4 outlets	\$12.00 up to 4 outlets, \$2.50 each additional outlet over 4	\$34.00 first 5 outlets, \$6.00 each additional outlet over 5
<b>Gas Piping as part of a plumbing or mechanical permit</b>	\$22 per outlet	\$11.50 per outlet		\$41.00 (max fee \$246.00)		\$12.00 up to four outlets	
<b>Backflow Prevention Device – Standalone Permit</b>	\$261 (2.5 hour minimum) Including 4 devices, \$16 per device over 4	Hourly Rate, \$158.75 (1 hour minimum) including 4 devices, \$11.50 per device over 4			\$32 per device		
<b>Backflow Prevention Device as part of a Plumbing Systems Permit</b>	\$11 per device	\$11.50 per device				\$8.00	Residential: \$11.00 per device 1.5”-2”, \$22.00 per device 3” and larger Non-Residential: \$16.00 per device 1.5”-2”, \$22.00 per device 3” and larger

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Substantial Development Permit Up to \$10,000</b>	\$3,798 (15 hour minimum)	Hourly Rate, \$2,381.25 (15 hour minimum)	\$1,200 plus costs	\$10,718.00 for piers and docks, marinas and moorage facilities associated with multifamily/ commercial \$4,594.00 for other shoreline improvements		\$2,000.00	\$3,000.00 plus \$120.00 per hour
<b>\$10,000 to \$500,000</b>	\$8,609 (34 hour minimum)	Hourly Rate, \$5,397.50 (34 hour minimum)					
<b>over \$500,000</b>	\$15,193 (60 hour minimum)	Hourly Rate, \$9,525 (60 hour minimum)					

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Accessory Dwelling Unit</b>	\$825 (6.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)		\$425.00	\$1,250.00		
<b>Administrative Design Review</b>	\$1,493 (7.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)		\$2127.00 if application involves new gross floor area, No fee if no new gross floor area	\$1,500.00		
<b>Adult Family Home</b>	\$613 (5.5 hour minimum)	Hourly Rate, \$396.88 (2.5 hour minimum)			Inspection: \$290		
<b>Comprehensive Plan Amendment – Site Specific</b>	\$20,570 (84 hour minimum) plus \$1,266 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing	Map Amendment: \$1,848 plus costs Text Amendment: \$1,232 plus costs	\$328.00 initial request, plus \$328.00 if request is authorized by City Council	\$3,500.00	\$2,500.00	
<b>Conditional Use Permit</b>	\$9,049 (40.5 hour minimum)	Hourly Rate, \$4,762.50 (30 hour minimum)	\$1,200 plus costs		\$3,500.00	\$1,000.00 Administrative, \$2,500.00 Hearing Examiner	\$1,800 plus \$120.00 per hour
<b>Critical Areas Reasonable Use Permit</b>	\$16,928 (70.5 hour minimum) plus \$4,910 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing	Admin Review: \$149 plus costs Type 1 Review: \$2,401 plus costs Flood Hazard Area: \$1,232 plus costs		No Mitigation required: \$688.00 Mitigation plan required: plus \$1,581.00	100% of costs of contract biologist's review	Basic Review: \$353.00 Complex Review Residential: \$600, \$120 per hour after 5 hours Complex Review Nonresidential: \$840.00, \$120 per hour after 7 hours

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Critical Areas Special Use Permit</b>	\$16,928 (70.5 hour minimum) plus \$4,910 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing					
<b>Historic Landmark Review</b>	\$695 (3 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)		Historic Residence Alteration: \$850.00 Historic Residence Designation: \$1,091.00			
<b>Bed and Breakfast, Boarding House</b>	\$354 (3 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					
<b>Interpretation of Development Code</b>	\$802 (4.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					
<b>Master Plan</b>	\$32,481 (140.5 hour minimum) plus \$6,077 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing					
<b>Planned Action Determination</b>	\$318 (2.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Rezone</b>	\$20,138 (83.5 hour minimum) plus \$1,266 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing				\$2,500.00	
<b>Sign Permit</b>	\$814 (5.5 hour minimum)	Hourly Rate, \$317.50 (2 hour minimum)	Plan Review: \$75	Marquee or building-mounted sign: \$149 per sign Freestanding or pole-mounted sign: \$200 per sign	Banner permit: \$38 per occupancy Electrical sign hook-up: \$38	Permanent: Roof, projecting, awning, canopy, marquee and wall signs: \$125 per tenant Freestanding: \$175 per sign Temporary: Real estate directional signs, grand opening event signs, commercial property real estate banner, decorative flag: \$50 per sign Event signs: \$25 per sign A-Frame signs: \$100 per first sign and \$50 each additional	Signs requiring building permit, plan review, and inspection: \$420 Plan review only: \$181
<b>SCTF Special Use Permit</b>	\$18,035 (75 hour minimum) plus \$2,532 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing					

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Temporary Use Permit</b>	\$1,471 (7.5 hour minimum)	Hourly Rate, \$317.50 (2 hour minimum)	\$309 plus costs	\$218.00		Tier 1 - \$75.00 Tier 2 - \$150.00	\$1,200.00
<b>Variances - Zoning</b>	\$8,562 (37.5 hour minimum)	Hourly Rate, \$4,762.50 (30 hour minimum)			Single Family: \$788.00 Standard: \$3,000.00		\$1,800.00 plus \$120.00 per hour after first 15 hours
<b>All other Fees Per Hour</b>	\$246 (1 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					
<b>Multiple Family Tax Exemption Application Fee</b>	\$346 (4.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum) plus current King County Assessors fee	\$615 plus \$32/unit	\$1,077.00			
<b>Extension of the Conditional Certificate for Multiple Family Tax Exemption</b>	\$147	\$158.75	\$309	\$539.00			
<b>Shoreline Conditional Use Permit</b>	\$9,009 (38.5 hour minimum)	Hourly Rate, \$4,762.50 (30 hour minimum)	\$1,200 plus costs			\$2,500.00	\$3,000.00 plus \$120.00 per hour
<b>Shoreline Exemption</b>	\$472 (4 hour minimum)	Hourly Rate, \$317.50 (2 hour minimum)	\$154 plus costs	\$205.00		No Charge	\$120.00 per hour

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Shoreline Variance</b>	\$21,238 (145 hour minimum) plus \$4,910 public hearing if required	Hourly Rate, \$4,762.50 (30 hour minimum) plus \$2,437.50 public hearing if required	\$1,200 plus costs			\$2,500.00 each	\$3,000.00 plus \$120.00 per hour
<b>Tree Removal</b>	\$644 (4 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)	\$215 plus costs	\$205.00	Class I: \$65.00 Class II: \$193.00 first 10 significant trees, \$8.00 per additional tree		3 or less – no charge, \$60.00 OTC permit, if additional review required - \$120.00 per hour
<b>Landscaping</b>	\$1,321 (7 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)					
<b>Parking Lot</b>	\$1,949 (12.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)		\$539.00	\$1,500.00		
<b>Subdivision Construction</b>	\$6,448 (33.5 hour minimum)	Hourly Rate, \$1,905 (12 hour minimum)					
<b>Subdivisions Binding Site Plan</b>	\$5,771 (25.5 hour minimum)	Hourly Rate, \$952.50 (6 hour minimum)	Minor: \$1,662 plus costs Major: \$5,539 plus costs	\$2,141.00	\$2,000.00	\$2,500.00	\$1,800 plus \$120 per hour

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Lot Line Adjustment</b>	\$1,798 (8.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)	\$615 plus costs	\$1,077.00	\$1,250.00	\$450.00	\$480
<b>Preliminary Short Subdivision</b>	\$7,341 (34.5 hour minimum) for two-lot short subdivision plus \$782 (4 hour minimum) for each additional lot	Hourly Rate, \$4,752.50 (30 hour minimum) for two-lot short subdivision plus 3-hour minimum (\$476.25) for each additional lot	\$2,401 plus costs	\$3,273.00 Base Fee, plus \$992.00 per lot	9 lots or less: \$2,000.00	Preliminary and Final: \$2,000	\$3,000.00 plus \$120.00 per hour
<b>Final Short Subdivision</b>	\$3,697 (18.5 hour minimum)	Hourly Rate, \$1,270 (8 hour minimum)	\$1,662 plus costs	\$2,127.00 plus \$213.00 per lot			\$1,200.00 plus \$120.00 per hour
<b>Preliminary Subdivision</b>	\$11,391 (51.5 hour minimum) for five-lot short subdivision plus \$852 (5 hour minimum) for each additional lot, plus \$1,964 for public hearing	Hourly Rate, \$6,191.25 (39 hour minimum) for five-lot short subdivision plus 3-hour minimum (\$476.25) for each additional lot, plus \$2,437.50 for public hearing	\$5,539 plus costs	\$8,946.00 plus \$1,077 per lot	10 lots or more: \$7,500.00	\$4,500	Preliminary Review Fee: \$4,800.00 plus \$120.00 per hour Per lot fee: 10-20 lots - \$180.00 per lot 21-50 lots - \$120.00 per lot 51+ lots - \$60.00 per lot
<b>Final Subdivision</b>	\$9,156 (41 hour minimum)	Hourly Rate, \$4,762.50 (30 hour minimum)	\$1,662 plus costs	\$2,127.00 plus \$213.00 per lot		\$1,500	

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Changes to Preliminary Short or Formal Subdivision</b>	\$3,735 (17 hour minimum)	Hourly Rate, \$1,905 (12 hour minimum)					
<b>Environmental Checklist (SEPA) Single Family</b>	\$3,080 (14.5 hour minimum)	Hourly Rate, \$1,587.50 (10 hour minimum)		\$927.00 Base Fee, \$567.00 applications involving sensitive areas (streams or wetlands only)	\$1,000.00 threshold determination, \$150.00 per addendum	\$1,000.00	\$600.00 plus \$120.00 per hour
Multifamily/ Commercial	\$4,553 (20.5 hour minimum)	Hourly Rate, \$2,381.25 (15 hour minimum)					
<b>Environmental Impact Statement Review</b>	\$7,783 (35.5 hour minimum)	Hourly Rate, \$5,556.25 (35 hour minimum)		\$5,000 base fee, plus deposit to cover anticipated cost	\$1,000.00 deposit	100% of costs of coordination, review and appeals	Actual Cost
<b>Demolition, Commercial</b>	\$1,564 (9.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)	\$108.00	Same as Building Permit Fees	10% of Value of Demolition	\$250.00	\$181.00 plus \$500 site bond
<b>Demolition, Residential</b>	\$977 (6.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)			Primary Building - \$189.00 Accessory Building or Structure - \$96.00	\$115.00	
<b>Grading</b>	\$2,314 (13.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)	Same as Building Permit Fees	Plan Review Fee: 1,000 CY or less - \$81 1,001-10,000 CY - \$162	\$474.00 admin fee, plus inspection fees: 50 CY or less - \$29	License Fees: 50 CY or less - \$15 51-100 CY - \$20 101-1,000 CY -	Base fee per volume plus \$120.00 per hour 101-1,000 CY - \$240.00

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
				10,001-100,000 CY - \$162 for first 10,000 CY plus \$25.16 for each additional 10,000 CY 100,001-200,000 CY - \$388.44 for first 100,000 CY plus \$13.61 for each additional 10,000 CY 200,001 CY or more - \$524.54 for first 200,000 CY plus \$7.45 for each additional 10,000 CY Permit Fees: 50 CY or less - \$40.50 51-100 CY - \$81 101 - 1,000 CY - \$81 for first 100 CY plus \$17.97 for each additional 100 CY 1,001-10,000 CY - \$242.73 for first 1,000 CY plus \$14.89 for each additional 1,000 CY 10,001-100,000 CY - \$376.74 for first 10,000 CY	51-100 CY – \$49 101-1,000 CY - \$49 for first 100 CY plus \$24 per additional 100 CY 1,001-10,000 CY - \$260 for first 1,000 CY plus \$21 per additional 1,000 CY 10,001-100,000 CY- \$436 for first 10,000 CY plus \$87 per additional 10,000 CY 100,001 CY or more- \$1,232 for first 100,000 CY plus \$50 per addition 10,000 CY, Plus plan review fees: 50 CY – Free 51-100 CY - \$32 101-1,000 CY - \$49 1,001-10,000 CY - \$66 10,001-100,000 CY – \$66 for first 100,000 CY plus \$34 per additional 10,000 CY 100,001-200,000 CY – \$362 for	\$20 for first 100 CY plus \$9 for each addition 100 CY 1,001-10,000 CY - \$101 for first 1,000 CY plus \$8 for each additional 1,000 CY 10,001-100,000 CY - \$173 for first 10,000 CY, plus \$26 for each additional 10,000 CY 100,001 CY or more - \$497 for first 100,000 CY plus \$20 for each additional CY Plan Check Fees: 50 CY or less - \$10 51-100 CY - \$20 101-1,000 CY - \$30 1,001-10,000 CY - \$40 10,001-100,000 CY - \$20 for first 10,000 CY plus \$20 for each additional 10,000 CY or fraction thereof 100,001-200,000	1,001-10,000 CY - \$260.00 10,001-100,001 CY - \$480.00 100,001 CY or more - \$600.00

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
				plus \$67.76 for each additional 10,000 CY 100,001 CY or more - \$986.76 for first 100,000 CY plus #37.50 for each additional 10,000 CY	first 100,000 CY plus \$19 per additional 10,000 CY 200,001 CY or more – \$540 for first 200,000 CY plus \$10 per additional 10,000 CY	CY - \$220 for first 100,000 CY plus \$8 for each additional 10,000 CY or fraction thereof 200,001 CY or more - \$300 for first 200,000 CY plus \$4 for each additional 10,000 CY	
<b>Clearing</b>	\$2,314 (13.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)	Same as Building Permit Fees				
<b>Street Vacation</b>	\$10,339 (47.5 hour minimum) plus \$2,532 public hearing	Hourly Rate, \$9,525 (60 hour minimum) plus \$2,437.50 public hearing	\$2,000 plus costs	\$8,578.00 plus \$0.42 per sq. ft. of street		\$500.00 filing fee, plus processing and completion fee based on appraised value of ROW: Less than \$25,000 - \$750.00 \$25,000-75,000 - \$1,250.00 Over \$75,000 - \$2,000.00	\$360.00 plus \$120.00 per hour

Fee Type	City of Shoreline Cost of Service Fee	City of Shoreline	City of Burien	City of Kirkland	City of Lynnwood	City of Renton	City of Sammamish
<b>Right of Way Site</b>	\$957 (6.5 hour minimum)	Hourly Rate, \$317.50 (2 hour minimum)					
<b>Right of Way Use</b>	\$839 (6 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)	Short-term Nonprofit: \$50 permit fee, \$250 Cleanup Deposit Short-term Profit: \$100 permit fee, \$250 Cleanup Deposit One-year Permit: \$75 Long-term: \$100 per year	Basic: \$110 Standard: \$386	Underground Work: \$679 first 100 Lineal feet, plus \$217 per additional 100 lineal Ft up to 500 Ft, \$47 per 100 lineal Ft. or portion thereafter Above Ground Work: \$679 first 100 lineal Ft, plus \$47 per 100 lineal Ft or portion thereafter	Up to 35 feet: \$100.00 To 100 feet: \$125.00 Greater than 100 feet: \$150.00	Type A – Special Use Permit: No Charge Type B – Construction Permit: Valuation of work <\$5,000: \$100.00 >\$5,000: \$480.00 plus \$120.00 per hour
<b>Variance – Engineering Standards</b>	\$1,387 (9 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)			Single Family: \$788.00 Standard: \$3,000.00	\$1,200.00	
<b>Floodplain Variance</b>	\$1,056 (6.5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)					
<b>Civil Plan Review, Commercial</b>	\$1,986 (12 hour minimum)	Hourly Rate, \$793.75 (5 hour minimum)	\$149.00				

<b>Fee Type</b>	<b>City of Shoreline Cost of Service Fee</b>	<b>City of Shoreline</b>	<b>City of Burien</b>	<b>City of Kirkland</b>	<b>City of Lynnwood</b>	<b>City of Renton</b>	<b>City of Sammamish</b>
<b>Civil Plan Review, Residential</b>	\$817 (5 hour minimum)	Hourly Rate, \$476.25 (3 hour minimum)					
<b>Floodplain Permit</b>	\$732 (4.5 hour minimum)	Hourly Rate, \$158.75 (1 hour minimum)					

**City of Shoreline  
Fee Schedules**

**3.01.010 Planning and Community Development**

Type of Permit Application	2016 Fee Schedule	
	Fee Based on \$161.25 Per Hour	
<b>A. BUILDING</b>		
Valuation (The Total Valuation is the "Building permit valuations" as delineated in section R108.3 of the International Residential Code and section 108.3 of the International Building Code.		
1.	\$0 - \$7,000	1 hour minimum (\$161.25 per hour)
2.	\$7,001 - \$25,000	\$75 for the first \$2,000.00 + \$14 for each additional 1,000.00, or fraction thereof, to and including \$25,000.00 (1 hour minimum)
3.	\$25,001 - \$50,000	\$397 for the first \$25,000.00 + \$11 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00.
4.	\$50,001 - \$100,000	\$672 for the first \$50,000.00 + \$9 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00.
5.	\$100,001 - \$500,000	\$1,122 for the first \$100,000.00 + \$7 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00.
6.	\$500,001 - \$1,000,000	\$3,922 for the first \$500,000.00 + \$5 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00.
7.	\$1,000,001 +	\$6,422 for the first \$1,000,000.00 + \$3.15 for each additional \$1,000.00, or fraction thereof.
8. Building/Structure Plan Review		65% of the building permit fee
9. Civil Plan Review, Commercial (if applicable)		Hourly rate, 5 Hour Minimum \$806.25
10. Civil Plan Review, Residential (if applicable)		Hourly rate, 3 Hour Minimum \$483.75
11. Floodplain Permit		Hourly rate, 1-hour minimum \$161.25
12. Floodplain Variance		Hourly rate, 3 Hour Minimum \$483.75
13. Demolition, Commercial		Hourly rate, 3 Hour Minimum \$483.75
14. Demolition, Residential		Hourly rate, 1-hour minimum \$161.25
<b>B. ELECTRICAL</b>		
1. Electrical Permit		Permit fee described in WAC 296-46B-905, plus a 20% administrative fee
<b>C. FIRE - CONSTRUCTION</b>		
1. Automatic Fire Alarm System:		
a. Existing System		
	New or relocated devices up to 5	Hourly rate, 1-hour minimum \$161.25
	New or relocated devices 6 up to 12	Hourly rate, 3-hour minimum \$483.75
	Each additional new or relocated device over 12	\$6.50 per device
b. New System		
		Hourly rate, 4-hour minimum \$645
c. Each additional new or relocated device over 30		
		\$6.50 per device
2. Fire Extinguishing Systems:		
a. Commercial Cooking Hoods		
	1 to 12 flow points	Hourly rate, 3-hour minimum \$483.75
	More than 12	Hourly rate, 4-hour minimum \$645
	Other Fixed System Locations	Hourly rate, 4-hour minimum \$645
3 Fire Pumps:		
a. Commercial Systems		
		Hourly rate, 4-hour minimum \$645

**City of Shoreline  
Fee Schedules**

Type of Permit Application	2016 Fee Schedule
	Fee Based on \$161.25 Per Hour
4. Commercial Flammable/Combustible Liquids:	
a. Aboveground Tank Installations	
First tank	Hourly rate, 2-hour minimum \$322.50
Additional	Hourly rate, 1-hour minimum \$161.25
b. Underground Tank Installations	
First tank	Hourly rate, 2-hour minimum \$322.50
Additional	Hourly rate, 1-hour minimum \$161.25
c. Underground Tank Piping (with new tank)	Hourly rate, 2-hour minimum \$322.50
d. Underground Tank Piping Only (vapor recovery)	Hourly rate, 3-hour minimum \$483.75
e. Underground Tank Removal	
First tank	Hourly rate, 2-hour minimum \$322.50
Additional Tank	Hourly rate, 0.5 Hours \$80.63 per additional tank
5. Compressed Gas Systems (exception: medical gas systems require a plumbing	
a. Excess of quantities in IFC Table 105.6.9	Hourly rate, 2-hour minimum \$322.50
6. High-Piled Storage:	
a. Class I – IV Commodities:	
501 – 2,500 square feet	Hourly rate, 2-hour minimum \$322.50
2,501 – 12,000 square feet	Hourly rate, 3-hour minimum \$483.75
Over 12,000 square feet	Hourly rate, 4-hour minimum \$645
b. High Hazard Commodities:	
501 – 2,500 square feet	Hourly rate, 3-hour minimum \$483.75
Over 2,501 square feet	Hourly rate, 5-hour minimum \$806.25
7. Underground Fire Mains and Hydrants	Hourly rate, 3-hour minimum \$483.75
8. Industrial Ovens:	
Class A or B Furnaces	Hourly rate, 2-hour minimum \$322.50
Class C or D Furnaces	Hourly rate, 4-hour minimum \$645
9. LPG (Propane) Tanks:	
Commercial, less than 500-Gallon Capacity	Hourly rate, 2-hour minimum \$322.50
Commercial, 500-Gallon+ Capacity	Hourly rate, 3-hour minimum \$483.75
Residential 0 – 500-Gallon Capacity	Hourly rate, 1-hour minimum \$161.25
Spray Booth	Hourly rate, 4-hour minimum \$645
10. Sprinkler Systems (each riser):	
a. New Systems	Hourly rate, 5-hour minimum \$806.25, plus \$3.00 per head
b. Existing Systems	
1 – 10 heads	Hourly rate, 3-hour minimum \$483.75
11 – 20 heads	Hourly rate, 4-hour minimum \$645
More than 20 heads	Hourly rate, 5-hour minimum \$806.25, plus \$3.00 per head
c. Residential (R-3) 13-D System	
1 – 30 heads	Hourly rate, 3-hour minimum \$483.75
More than 30 heads	Hourly rate, 3-hour minimum \$483.75, plus \$3.00 per head
Voluntary 13-D Systems in residences when not otherwise required	Hourly rate, 1-hour minimum \$161.25
11. Standpipe Systems	Hourly rate, 4-hour minimum \$645
12. Emergency Power Supply Systems:	
10 kW - 50 kW	Hourly rate, 3-hour minimum \$483.75
> 50 kW	Hourly rate, 5-hour minimum \$806.25
13. Temporary Tents and Canopies	Hourly rate, 1-hour minimum \$161.25

**City of Shoreline  
Fee Schedules**

Type of Permit Application	2016 Fee Schedule
	Fee Based on \$161.25 Per Hour
<b>D. MECHANICAL</b>	
1. Residential Mechanical System	Hourly rate, 1-hour minimum (\$161.25) (including 4 pieces of equipment), \$11.50 per piece of equipment over 4
2. Commercial Mechanical System	Hourly rate, 3-hour minimum (\$483.75) (including 4 pieces of equipment), \$11.50 per piece of equipment over 4
3. All Other Mechanical (Residential and Commercial)	Hourly rate, 1-hour minimum \$161.25
<b>E. PLUMBING</b>	
1. Plumbing System	Hourly rate, 1-hour minimum (\$161.25) (including 4 fixtures), \$11.50 per fixture over 4
2. Gas Piping System standalone permit	Hourly rate, 1-hour minimum (\$161.25) (including 4 outlets), \$11.50 per outlet over 4
3. Gas Piping as part of a plumbing or mechanical permit	\$11.50 per outlet (when included in outlet count)
4. Backflow Prevention Device - standalone permit	Hourly rate, 1-hour minimum (\$161.25) (including 4 devices), \$11.50 per devices over 4
5. Backflow Prevention Device as part of a plumbing systems permit	\$11.50 per device (when included in fixture count)
<b>F. ENVIRONMENTAL REVIEW</b>	
Environmental Checklist (SEPA):	
1. Single-Family	Hourly rate, 10-hour minimum \$1,612.50
2. Multifamily/Commercial	Hourly rate, 15-hour minimum \$2,418.75
3. Environmental Impact Statement Review	Hourly rate, 35-hour minimum \$5,643.75
<b>G. LAND USE</b>	
1. Accessory Dwelling Unit	Hourly rate, 1-hour minimum \$161.25
2. Administrative Design Review	Hourly rate, 1-hour minimum \$161.25
3. Adult Family Home	Hourly rate, 2-1/2-hour minimum \$403.13
4. Comprehensive Plan Amendment – Site Specific	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
5. Conditional Use Permit (CUP)	Hourly rate, 30-hour minimum \$4,837.50
6. Critical Areas Reasonable Use Permit (CARUP)	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
7. Critical Areas Special Use Permit (CASUP)	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
8. Historic Landmark Review	Hourly rate, 1-hour minimum \$161.25
9. Bed and Breakfast, Boarding House	Hourly rate, 1-hour minimum \$161.25
10. Interpretation of Development Code	Hourly rate, 1-hour minimum \$161.25
11. Master Plan	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
12. Planned Action Determination	Hourly rate, 1-hour minimum \$161.25
13. Rezone	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
14. SCTF Special Use Permit (SUP)	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
15. Sign Permit	Hourly rate, 2-hour minimum \$322.50
16. Special Use Permit	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
17. Street Vacation	Hourly rate, 60-hour minimum (\$9,675), plus public hearing (\$2,476.75)
18. Temporary Use Permit (TUP)	Hourly rate, 2-hour minimum \$322.50
19. Variance - Engineering Standards	Hourly rate, 3-hour minimum \$483.75
20. Variances - Zoning	Hourly rate, 30-hour minimum \$4,837.50

**City of Shoreline  
Fee Schedules**

Type of Permit Application	2016 Fee Schedule
	Fee Based on \$161.25 Per Hour
<b>H. MISCELLANEOUS FEES</b>	
1. Critical area field signs	\$6.50 per sign
2. Permit Fee for Work Commenced Without a Permit	Twice the Applicable Permit Fee
3. Expedited Review – Building or Site Development Permits	Twice the applicable plan review fee(s)
4. All Other Fees Per Hour	Hourly rate, 1-hour minimum \$161.25
5. Multiple Family Tax Exemption Application Fee	Hourly rate, 3-hour minimum (\$483.75) for processing land use permits plus current King County Assessors fee for administering the Multiple Family Tax Exemption program
6. Extension of the Conditional Certificate for the Multiple Family Tax Exemption	\$161.25
<b>7. Pre-application Meeting</b>	<b>Mandatory pre-application meeting \$483.75</b> <b>Optional pre-application meeting \$161.25</b>
<b>I. RIGHT-OF-WAY</b>	
1. Right-of-Way Use	Hourly rate, 1-hour minimum \$161.25
2. Right-of-Way Site	Hourly rate, 2-hour minimum \$322.50
<b>J. SHORELINE SUBSTANTIAL DEVELOPMENT</b>	
1. Shoreline Conditional Permit Use	Hourly rate, 30-hour minimum \$4,837.50
2. Shoreline Exemption	Hourly rate, 2-hour minimum \$322.50
3. Shoreline Variance	Hourly rate, 30-hour minimum (\$4,837.50), plus public hearing if required (\$2,476.75)
Substantial Development Permit (based on valuation):	
1. up to \$10,000	Hourly rate, 15-hour minimum \$2,418.75
2. \$10,000 to \$500,000	Hourly rate, 34-hour minimum \$5,482.50
3. over \$500,000	Hourly rate, 60-hour minimum \$9,675
<b>K. SITE DEVELOPMENT</b>	
1. Grading	Hourly rate, 3-hour minimum \$483.75
2. Clearing	Hourly rate, 3-hour minimum \$483.75
3. Tree Removal	Hourly rate, 1-hour minimum \$161.25
4. Landscaping	Hourly rate, 3-hour minimum \$483.75
5. Parking Lot	Hourly rate, 3-hour minimum \$483.75
6. Subdivision Construction	Hourly rate, 12-hour minimum \$1,935
<b>L. SUBDIVISIONS</b>	
1. Binding Site Plan	Hourly rate, 6-hour minimum \$967.50
2. Lot Line Adjustment	Hourly rate, 3-hour minimum \$483.75
3. Preliminary Short Subdivision	Hourly rate, 30-hour minimum (\$4,837.50) for two-lot short subdivision plus 3-hour minimum (\$483.75) for each additional lot
4. Final Short Subdivision	Hourly rate, 8-hour minimum \$1,290
5. Preliminary Subdivision	Hourly rate, 39-hour minimum (\$6,288.75) for five-lot subdivision plus 3-hour minimum (\$483.75) for each additional lot, plus public hearing (\$2,476.75)
6. Final Subdivision	Hourly rate, 30-hour minimum \$4,837.50
7. Changes to Preliminary Short or Formal Subdivision	Hourly rate, 12-hour minimum \$1,935

**City of Shoreline  
Fee Schedules**

Type of Permit Application	2016 Fee Schedule
	Fee Based on \$161.25 Per Hour
<b>M. SUPPLEMENTAL FEES</b>	
1. Supplemental building permit fees	Additional review of fees may be assessed if plan revisions are incomplete, corrections not completed, the original scope of the project has changed, or scale and complexity results in review hours exceeding the minimums identified in this schedule. Fees will be assessed at \$161.25 per hour, minimum of one hour.
2. Reinspection fees	Reinspection fees may be assessed if work is incomplete, corrections not completed or the allotted time is depleted. Fees will be assessed at \$161.25 per hour, minimum one hour.
<b>N. FEE REFUNDS</b>	
<p>The city manager or designee may authorize the refunding of:</p> <ol style="list-style-type: none"> <li>1. One hundred percent of any fee erroneously paid or collected.</li> <li>2. Up to 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.</li> <li>3. Up to 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any plan reviewing is done.</li> <li>4. The city manager or designee shall not authorize refunding of any fee paid except on written application filed by the original permittee not later than 180 days after the date of fee payment.</li> </ol>	

[Ord. 699 § 3 (Exh. A), 2014; Ord. 678 § 1, 2013 (Exh. A); Ord. 650 § 3, 2012; Ord. 646 § 2, 2012; Ord. 641 § 1, 2012; Ord. 629 § 1, 2012; Ord. 622 § 3 (Exh. A), 2011; Ord. 585 §§ 3(a), 3(b) (Exh. B), 2010; Ord. 563 § 3 (Exh. B), 2009; Ord. 528 § 3 (Exh. A), 2008; Ord. 486 § 3, 2007; Ord. 451 § 1, 2006; Ord. 426 § 4, 2006]