



AGENDA

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SHORELINE CITY COUNCIL REGULAR MEETING

Monday, September 17, 2018
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
(a) Proclamation of Mayor's Day of Concern for the Hungry	<u>2a-1</u>	
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<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>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Approving Minutes of Workshop Dinner Meeting of August 6, 2018	<u>7a-1</u>	
(b) Authorizing the City Manager to Execute an Addendum to the Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests	<u>7b-1</u>	
8. STUDY ITEMS		
(a) Discussing the 2018 Second Quarter Financial Report and a Preliminary View of the 2019-2020 Biennium Budget and the 2019-2024 Capital Improvement Plan	<u>8a-1</u>	7:20
9. EXECUTIVE SESSION: Litigation – RCW 42.30.110(1)(i)		8:20

The Council may hold Executive Sessions from which the public may be excluded for those purposes set forth in RCW 42.30.110 and RCW 42.30.140. Before convening an Executive Session the presiding officer shall announce the purpose of the Session and the anticipated time when the Session will be concluded. Should the Session require more time a public announcement shall be made that the Session is being extended.

10. 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. 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

AGENDA TITLE:	Proclamation Declaring Mayor's Day of Concern for the Hungry		
DEPARTMENT:	Community Services		
PRESENTED BY:	Rob Beem, Community Services Manager		
ACTION:	<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

ISSUE STATEMENT:

The Mayors' Day of Concern for the Hungry provides an opportunity for cities to spotlight the needs and efforts their communities are taking to address hunger as a local concern. In Shoreline, fully one in four of our residents lacks the income to assure food security. This means these residents are making difficult choices between necessities and often rely on community resources for support. These resources include the Supplemental Nutrition Assistance Program (SNAP), weekend backpack for school kids, meal programs, and food banks. The meals programs, weekend backpacks and food banks all rely on generous donations of time, funds and food to be able to meet the growing demand in Shoreline.

As part of the regions' recognition of the Mayors' Day of Concern for the Hungry, Hopelink volunteers collected food and funds at Traders Joe's in Shoreline on September 15th. And Hopelink and other food pantries at schools and churches welcome ongoing contributions of food and funds.

Hopelink is Shoreline's largest food bank and is the major source of emergency financial support to Shoreline households. From July 2017 to June 2018, 2,611 individuals were served by Hopelink's food bank in Shoreline, a 13% increase over the previous year. Hopelink distributed 568,000 lbs. of food to these Shoreline residents.

Tonight, Malory Gustave, Hopelink's Associate Director of Housing and Case Management, will be accepting this proclamation on behalf of Hopelink and the community.

RECOMMENDATION

The Mayor should read and present the proclamation.

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



PROCLAMATION

WHEREAS, the City of Shoreline recognizes adequate nutrition as a basic need for each citizen; and

WHEREAS, food insecurity is a concern for one in four Shoreline residents; and

WHEREAS, the 13% increase in foodbank usage over the past year highlights the high level of need for food bank services in Shoreline; and

WHEREAS, Hopelink and local food pantries at churches and schools rely on contributions of food and funds to meet this ever increasing level of need;

NOW, THEREFORE, I, Will Hall, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, do hereby proclaim September 22, 2018 as the

MAYOR'S DAY OF CONCERN FOR THE HUNGRY

in the City of Shoreline and urge all citizens to support local food banks with donations of food, funds and time.

Will Hall, Mayor

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL DINNER MEETING

Monday, August 6, 2018
5:45 p.m.

Conference Room 303 - Shoreline City Hall
17500 Midvale Avenue North

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

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Randy Witt, Public Works Director; Nytasha Walters, Transportation Planning Manager; and Jessica Simulcik Smith, City Clerk

GUESTS: Washington State Department of Transportation (WSDOT): Patty Rubstello, Assistant Secretary of Urban Mobility and Access; Dylan Counts, Director of Regional Transit Coordination; Robin Mayhew, Director of Management of Mobility; and Celeste Gilman, Deputy Director of Regional Transit Coordination

At 5:47 p.m., Mayor Hall called the meeting to order and welcomed Washington State Department of Transportation (WSDOT) staff to the meeting. Ms. Tarry thanked WSDOT staff for joining City staff on a tour of the 145th Street Corridor prior to the meeting, and said she hopes it was informative and eye opening.

Councilmember Scully arrived at the meeting at 5:51 p.m.

Ms. Rubstello thanked the City Council for stepping up and demonstrating good multi-modal transportation planning for SR523. She briefly reviewed WSDOT's organizational structure and said she is responsible for the Urban Mobility & Access Division which includes the Management of Mobility, Regional Transit Coordination, and Tolling Programs.

Councilmember McConnell arrived at the meeting at 5:58 p.m.

Ms. Rubstello shared that WSDOT's Strategic Goals are Inclusion, Practical Solutions, and Workforce Development. The agency is working towards creating a diverse workforce and inclusive culture, and developing a proposed framework for future investment decisions that will guide the right investment, in the right location, at the right time. She reviewed how WSDOT is focusing on safety and meeting Target Zero goals, using technology in traffic centers and on roads, managing the consumer's demands and giving people choices, and planning for system expansions that make sense. She talked about the I-5 System Partnership and explained that it is a collaboration of diverse stakeholders creating a vision for I-5 to preserve and redevelop the corridor in a way that optimizes performance for moving people and goods using 21st century

tools and metrics, and develops transportation solutions appropriate to the changing needs and values of communities and economy.

Councilmember Chang asked how SR523 (145th Street) will fit into the work of the I-5 System Partnership. Ms. Rubstello responded that WSDOT will continue working on the Master Plan for I-5 but should get behind the planning for SR523 and help to make it happen.

Councilmember McGlashan recalled Ms. Rubstello stating that adding capacity is sometimes the last resort and he questioned if the I-5 System Partnership is looking at more than just capacity. Ms. Rubstello said nothing is off the table, and they are looking at multi-modal options. Councilmember McGlashan mentioned the idea of building freeway lids that are park-like and said getting people out of their cars and providing them with the ability to get across I-5 will reconnect neighborhoods. He requested that Shoreline be part of the I-5 System Partnership conversation.

Mayor Hall recalled that if a pedestrian bridge is built across I-5 at 148th Street, the Light Rail Station walkshed will be significantly increased. There is potential for 60 acres of high density zoned land to be developed, and there will not be enough parking spots in the Station garage for this density. The bridge can connect thousands of households with light rail. He emphasized this is a congestion project that Shoreline would like to partner with WSDOT on. Councilmember Scully added that Shoreline has invested \$500,000 on designing this bridge, and Shoreline really needs this project. Ms. Rubstello replied that WSDOT thinks in terms of where vehicles and pedestrians start their trip and all the places they travel to get to their end destination. They then design their projects to look at how vehicles, pedestrians, buses, and freight use spaces, while thinking about safety. She agreed the I-5 Interchange is not safe. She stated the Legislature is who dictates which projects get funded and noted the Legislature wants to do projects that matter.

Councilmember Roberts said it is smart to think about freeways moving people and freight, and not simply vehicles. He said a big congestion point is when an HOV lane ends and he asked if WSDOT plans to extend the lanes any further. Ms. Rubstello responded that WSDOT has a HOV System Plan but it is not actively using it, except for in Tacoma. She admitted that HOV lanes on I-5 are not performing well. There are too many vehicles using the lanes, and too many drivers violating the HOV rules, which make the fees go up substantially. WSDOT has identified there are repeat offenders and determined the \$136 HOV penalty fee is not enough of a deterrent for violators. They are looking at maximizing the number of persons allowed in the HOV lane, and offering the option of driving on the road shoulder during peak commute times. Councilmember McGlashan said he liked the idea of motorcycles driving on the shoulder, but noted debris would need to be routinely removed.

Mayor Hall mentioned metering of the I-5 on-ramp at 145th Street and said the sooner the State can find a path for a tolling system, the better the system will work for everyone. Councilmember Chang pointed out that people have to move further out in order find more affordable housing, so tolling them is challenging. There was discussion over the idea of replacing the gas tax with a distance fee.

Councilmember Roberts asked if WSDOT has a policy for adding pedestrian improvements when redoing a corridor and Ms. Rubstello responded that mobility is definitely evaluated.

Councilmember Chang inquired where WSDOT is with planning for autonomous vehicles. Ms. Rubstello said there are many questions to be addressed, like who is liable in an accident, who owns the vehicles, and is there a possibility of one round-trip turning into several round-trips when the vehicle drives without passengers. She noted there are benefits of autonomous vehicles as well, for example getting people to mass transit, and helping people with mobility issues to get out of the house more often.

Mayor Hall asked about WSDOT's plans for culverts, and Ms. Rubstello replied that the biggest challenge right now is funding the culvert at 145th Street.

Deputy Mayor Salomon arrived at the meeting at 6:39 p.m.

Mayor Hall stated Shoreline's desire to have a strong partnership with WSDOT and asked how Shoreline can support them. Ms. Rubstello responded that what they need is a strong multi-jurisdictional partnership and to continue talking with the Legislature. Mayor Hall thanked WSDOT staff for attending and said the City looks forward to continuing working together to develop transportation solutions that benefit the community.

At 6:44 p.m. the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to Execute an Addendum to the Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests
DEPARTMENT:	Public Works
PRESENTED BY:	Uki Dele, Surface Water and Environmental Services Manager
ACTION:	<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:

In May 2009, King County and the City of Shoreline entered into the *Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests* ("2009 Agreement"). The 2009 Agreement stated that King County transferred county-owned and/or maintained drainage facilities and property interests to the City because the facilities and property interests served "annexed" areas of the City. However, the listing of drainage facilities and drainage property interests contained in the exhibits to the 2009 Agreement pertained not only to annexed areas of the City but also to areas contained in the original incorporation of the City in 1995.

Under the terms of Section III.C.1 of the 2009 Agreement, additional County-owned drainage facilities and property interests that King County and the City subsequently identify as needing to be transferred to the City are authorized to be transferred through an addendum to the 2009 Agreement. One drainage facility and related easement was not transferred to the City in 2009 Agreement and needs to be transferred now. Tonight, Council is scheduled to authorize the City Manager to execute an addendum to the 2009 Agreement to provide for this transfer.

RESOURCE/FINANCIAL IMPACT:

This addendum would have no financial impact on the City. Adding this property to the list of storm drainage facilities transferred by the County will not change the operational costs to the City.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an addendum to the Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests.

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

BACKGROUND

Pursuant to Chapter 39.34 RCW, Interlocal Cooperation Act, on May 19, 2009, King County and the City of Shoreline entered into the *Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests* ("2009 Agreement"; Attachment A). The 2009 Agreement stated that King County transferred county-owned and/or maintained drainage facilities and property interests to the City because the facilities and property interests served "annexed" areas of the City. However, the listing of drainage facilities and drainage property interests contained in the exhibits to the 2009 Agreement pertain not only to annexed areas but also to those areas contained in the original incorporation of the City in 1995.

DISCUSSION

Under the terms of Section III.C.1 of the 2009 Agreement, additional County-owned drainage facilities and property interests that the County and the City subsequently identify as needing to be transferred to the City are authorized to be transferred to the City through an addendum to the Agreement.

In 1992, the former owners of the commercial property located at 1201 N 175th Street, Tax Parcel No. 031810-0005, (Shoreline Marketplace – Trader Joes/Everett Clinic) granted an easement to King County under Recording No. 199209210424 for the purpose of constructing, reconstructing, maintaining, and repairing a drainage facility. This drainage facility and related easement were not transferred to the City in 2009 Agreement.

In order to facilitate transfer, an addendum to the 2009 Agreement is needed. The first addendum provided in Attachment B will provide for the transfer of the drainage facility and drainage property interest identified in the 1992 easement to the City, and the City shall assume ownership and full and complete responsibility for the operation, maintenance, repairs, and any subsequent improvements to the drainage facilities.

RESOURCE/FINANCIAL IMPACT

This Addendum would have no financial impact on the City. Adding this property to the list of storm drainage facilities transferred by the County will not change the operational costs to the City.

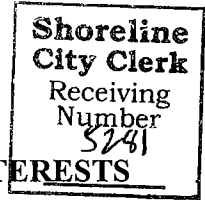
RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an addendum to the Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests.

ATTACHMENTS

Attachment A - Interlocal Agreement Between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests

Attachment B – First Addendum to the Interlocal Agreement Between King County and
City of Shoreline for the Transfer of Drainage Facilities and Property
Interests



**INTERLOCAL AGREEMENT BETWEEN KING COUNTY
AND THE CITY OF SHORELINE
FOR THE TRANSFER OF DRAINAGE FACILITIES AND PROPERTY INTERESTS**

1 This Agreement is hereby entered into between the City of Shoreline ("Shoreline" or
2 "City") and King County (collectively known as "the Parties"), to transfer from King County to
3 the City ownership of and responsibility for drainage facilities and drainage property interests
4 ("Agreement").

5 WHEREAS, Shoreline has an established program of services to address the management
6 of storm and surface water runoff, and

7 WHEREAS, Shoreline has annexed areas containing drainage systems, including
8 facilities and property interests, previously owned and operated by the County but now serving
9 City areas, and

10 WHEREAS, The City and the County believe that it is in the best interest of the public
11 that King County transfer ownership of and/or responsibility for drainage facilities and drainage
12 property interests within Shoreline municipal boundaries to the City to be managed under its
13 surface water program management, and

14 WHEREAS, pursuant to RCW 39.34, the Interlocal Cooperation Act, the Parties are
15 each authorized to enter into an agreement for cooperative action;

16 NOW THEREFORE, the parties hereto agree as follows:

17 **I. Purpose of the Agreement**

18 The purpose of this Agreement is to set forth the process by which King County will
19 transfer to Shoreline, in perpetuity, ownership of and/or responsibility for specific
20 drainage facilities and drainage property interests located within the City limits.

21 **II. Administration**

22 A. The City and King County shall each appoint a representative to manage activities
23 covered under this Agreement and to resolve any conflicts that arise
24 ("Administrators"). The Administrators shall meet as needed. Either Administrator
25 is authorized to convene a meeting with a minimum of ten (10) calendar days written
26 notice to the other.

27 B. Any conflict that is not resolved by the Administrators within ten (10) working days
28 of the meeting held to discuss the conflict shall be referred for resolution to the City
29 Manager, or his/her designee, and the King County Water and Land Resources
30 (WLR) Division Director. If the conflict cannot be resolved by the City Manager and

1 the WLR Division Director, it shall be resolved by the City Manager, or his/her
2 designee, and the Director of the King County Department of Natural Resources and
3 Parks (DNRP).

4 **III. Responsibilities of the Parties**

5 **A. King County Responsibilities**

- 6 1. On the effective date of this Agreement, the drainage facilities identified and
7 listed in Exhibit One, attached to this Agreement and incorporated herein and
8 made a part hereof, are hereby transferred to the City, and the City shall assume
9 full and complete responsibility for the operation, maintenance, repair, and any
10 subsequent improvements to these drainage facilities and all liability arising
11 from such responsibilities. Responsibilities include all financial responsibilities,
12 including but not limited to financial responsibility for materials, construction,
13 personnel, payroll, and purchasing costs. The Parties acknowledge that prior to
14 the execution of this Agreement Shoreline assumed operation and maintenance
15 responsibility for the facilities listed on Exhibit One; such responsibility was
16 assumed on the date of annexation of the land on or in which the facility is
17 located or on the date of acceptance of the facility for maintenance and
18 operation following upon construction completion, as applicable to each facility.
- 19 2. As soon as is practicable after the Parties have executed this Agreement, King
20 County will convey by quit claim deed in substantially the form as Exhibit Two
21 attached hereto and incorporated herein and made a part hereof, to the City, and
22 the City agrees to accept, the drainage facility property interests identified in
23 Exhibit Three, attached hereto and incorporated herein and made a part hereof,
24 subject to all rights, conditions, covenants, obligations, limitations and
25 reservations of record for such property interests. The City agrees to abide by
26 and enforce all rights, conditions, covenants, obligations, limitations and
27 reservations for the drainage facility property interests.

- 1 3. King County shall furnish the City with a list of any and all contracts or other
2 agreements, rights, obligations, restrictions, or dedications related to operations,
3 conditions, ownership, or use of the conveyed property interests. King County
4 shall provide the City a copy of each such contract, agreement, right, obligation,
5 or restriction to the extent known and available to King County.
- 6 4. King County shall provide the City, at the earliest opportunity, copies of all
7 warranties, maps, titles, "as built," maintenance logs and records, maintenance
8 and performance standards, and any and all other records related to the facilities
9 and property interests listed on Exhibits One and Three, to the extent known and
10 available to King County.
- 11 5. In the event legal action is brought or threatened against the City of Shoreline or
12 the City of Shoreline and King County jointly with regard to the facilities or
13 property interests listed in Exhibits One and Three, King County shall provide
14 Shoreline access to all relevant information that is maintained by the County in
15 connection with such facilities and property interests..

16 B. Shoreline Responsibilities

- 17 1. On the effective date of this Agreement, the City shall assume full and complete
18 ownership of and responsibility for the operation, maintenance, repairs, and any
19 subsequent improvements to the drainage facilities listed in Exhibit One, and all
20 liability arising from such ownership and responsibilities. Responsibilities
21 include all financial responsibilities, including but not limited to financial
22 responsibility for materials, construction, personnel, payroll, and purchasing
23 costs.
- 24 2. The City agrees to operate and maintain the drainage facilities listed in Exhibit
25 One as designed and to at least the same maintenance standards as those set forth
26 by King County in the adopted King County Surface Water Design Manual to
27 ensure that the local and watershed-wide effects of said facilities shall not be
28 diminished.
- 29 3. Upon delivery of the quit claim deed to the City, as provided for in III.A.2. of
30 this this Agreement, the City shall accept the full rights and responsibilities of
31 ownership of the drainage property interests conveyed in such deed.

- 1 4. The City shall abide by and enforce all terms, conditions, reservations,
2 restrictions, and covenants to title conveyed in the drainage property interests.
- 3 5. In the event that legal action is brought or threatened against King County or King
4 County and the City jointly with regard to the facilities or property interests listed
5 in Exhibits One and Three, the City shall provide King County access to all
6 relevant information that is maintained by the City in connection with such
7 facilities and property interests.
- 8 6. The City shall consult with King County prior to the destruction of any
9 documentation associated with the facilities and/or property interests listed on
10 Exhibits One and Three for a period of seven (7) years.
- 11 7. The City accepts the facilities in “as is” condition. The County makes no
12 warranty concerning such facilities other than as set forth in this Agreement. The
13 City assumes full and complete responsibility for all operations, maintenance,
14 repairs, and improvements for the drainage facility property interests.

15 C. Both Parties

- 16 1. Both Parties shall make staff available to identify and review any additional
17 County-owned drainage facilities and/or property interests to be conveyed to the
18 City. Additional County-owned drainage facilities and/or drainage property
19 interests shall be transferred to the City pursuant to this Agreement upon the
20 County’s approval, including, where required , the adoption of an ordinance
21 authorizing the transfer of King County owned drainage properties. The transfer
22 of responsibility for drainage facilities shall be memorialized in writing,
23 including identification of the specific facilities transferred and the date of
24 transfer, and such documentation signed by the appropriate City representative
25 and the WLR Division Director or his/her designee. Such documentation shall
26 be attached to this Agreement as an Addendum, but shall not constitute, nor be
27 construed as requiring, an amendment to this Agreement. Copies of any deeds
28 for drainage property interests that are conveyed to the City pursuant to the terms
29 of this Agreement shall be attached to this Agreement as Addenda, but shall not
30 constitute, nor be construed as requiring, an amendment to this Agreement.
- 31 2. The records related to matters covered by this Agreement are subject to
32 inspection, review or audit by King County or the City at the requesting party's

1 sole expense. Such records shall be made available for inspection during regular
2 business hours within a reasonable time of the request.

3 3. In the event that it is determined that a drainage property interest has been
4 erroneously conveyed to Shoreline under this Agreement, and both Parties agree
5 that such property interest has been conveyed in error, Shoreline may reconvey
6 such interest by quitclaim deed to King County without further amendment of this
7 Agreement.

8 **IV. Effectiveness, Termination and Amendment**

9 A. This Agreement is effective upon signature of the Parties.

10 B. This Agreement is of indefinite duration and shall continue in existence until
11 terminated by mutual agreement in writing of the Parties

12 C. Notwithstanding termination of this Agreement, all facilities and property interests
13 transferred pursuant to this Agreement shall remain the City's, unless the County
14 consents to accept said facilities and property interests in writing, as approved by the
15 King County Council.

16 D. This Agreement may be amended, altered, or clarified only by written agreement of
17 the Parties hereto.

18 E. This Agreement is a complete expression of the terms hereto and any oral or written
19 representations or understandings not incorporated herein are excluded. The parties
20 recognize that time is of the essence in the performance of the provisions of this
21 Agreement. Waiver of any default shall not be deemed to be a waiver of any
22 subsequent default. Waiver of breach of any provision of this Agreement shall not be
23 deemed to be a waiver of any other or subsequent breach and shall not be construed
24 to be a modification of the terms of the Agreement unless stated to be such through
25 written approval by the parties which shall be attached to the original Agreement.

26 **V. Indemnification and Hold Harmless**

27 A. King County shall indemnify and hold harmless the City and its elected officials,
28 officers, agents or employees, or any of them, from and against any and all claims,
29 actions, suits, liability, loss, costs, expenses and damages, which are caused by or
30 result from a negligent action or omission of King County, its officers, agents and
31 employees in performing its obligations pursuant to this Agreement.

1 In the event that any suit based upon such a claim, action, loss or damage is
2 brought against the City or the City and King County, King County shall defend the
3 same at its sole cost and expense and, if final judgment be rendered against the City
4 and its elected officials, officers, agents and employees or jointly against the City
5 and King County and their respective elected officials, officers, agents and
6 employees, King County shall satisfy the same.

7 B. In executing this Agreement, the County does not assume liability or responsibility
8 for or in any way release the City from any liability or responsibility which arises in
9 whole or in part from the existence or effect of City ordinances, rules or regulations.
10 If any cause, claim, suit, action or administrative proceeding is commenced in which
11 the enforceability and/or validity of any such City ordinance, rule or regulation is at
12 issue, the City shall defend the same at its sole expense, and if judgment is entered or
13 damages are awarded against the City, the County or both, the City shall satisfy the
14 same, including all chargeable costs and attorney's fees.

15 C. The City shall indemnify and hold harmless King County and its elected officials,
16 officers, agents and employees, or any of them, from and against any and all claims,
17 actions, suits, liability, loss, costs, expenses and damages, which are caused by or
18 result from a negligent act or omission of the City, its officers, agents and employees
19 in performing obligations pursuant to this Agreement.

20 In the event that any suit based upon such a claim, action, loss or damage is
21 brought against King County or King County and the City, the City shall defend the
22 same at its sole cost and expense and, if final judgment be rendered against King
23 County and its officers, agents and employees or jointly against King County and the
24 City and their respective officers, agents and employees, the City shall satisfy the
25 same.

26 D. Each Party to this Agreement shall immediately notify the other of any and all
27 claims, actions, losses or damages that arise or are brought against that Party relating
28 to or pertaining to the sites identified in the Agreement Exhibits One and Two.

29 E. Each Party agrees that its obligations under this subparagraph extend to any claim,
30 demand, and/or cause of action brought by or on behalf of any employees, or agents.
31 For this purpose, each Party, by mutual negotiation, hereby waives, with respect to

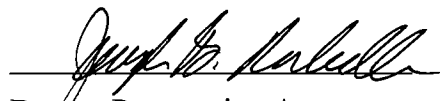
the other party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

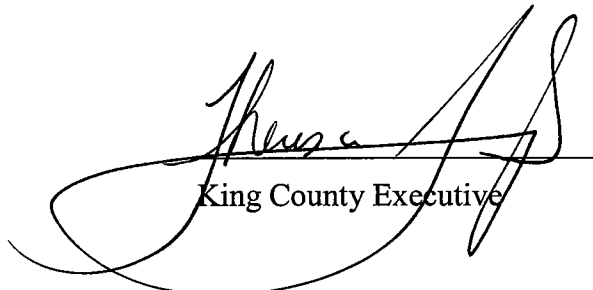
F. The indemnifications provided for in this Article shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 19th of May, 2009.


Approved as to form:

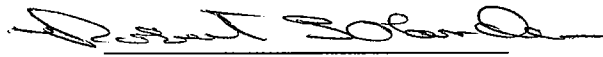
KING COUNTY:


Deputy Prosecuting Attorney


King County Executive

CITY OF SHORELINE:


Legal Counsel


City Manager

City of Shoreline Regional Drainage Facilities

Facility Name	Sub Basin	Facility Address	Facility Type
1st Avenue NE Transfer Station	Thornton Creek	2300 North 165th Street	Open Channel
Boeing Creek M-1 Dam	Boeing Creek	NW 172nd Street & Carlyle Hall Road	Regional R/D Pond
Boeing Creek Drainage/Channel	Boeing Creek	NW 172nd Street & North Carlyle Hall Road	Open Channel
Boeing Creek Shoreview North Pond	Boeing Creek	NW 175th Street & 6th Avenue NW	Regional R/D Pond
Crista R/D Pond	Boeing Creek	370 North 190th Place	Regional R/D Pond
Echo Lake Outlet	McAleeer Creek	N. 200th Street & Ashworth Avenue North	Enclosed Drain
EO-120	Thornton Creek	N. 169th Street & Corliss Avenue North	Enclosed Drain
EO-140	Boeing Creek	Greenwood Place North & North Carlyle Hall Road	Enclosed Drain
EO-250	Middle Puget Sound	19501 27th Avenue NW	Enclosed Drain
EO-260	Thornton Creek	125' feet south of North 175th Street; Ronald Bog	Enclosed Drain
EO-270	Thornton Creek	Meridian Avenue North; 15200 Block	Enclosed Drain
EO-290	Thornton Creek	15216 Meridian Avenue North	Enclosed Drain
EO-300	Thornton Creek	12th Avenue NE; Paramount Park by stream	Enclosed Drain
EO-310	Thornton Creek	15021 12th Avenue NE	Enclosed Drain
EO-320	West Lake Washington	North 167th Street & Wallingford Avenue North	Enclosed Drain
Interlake Avenue North Drainage	Thornton Creek	Interlake Avenue N. between North 145th & North 150th Streets	Regional R/D Tank
Interurban Drainage	Boeing Creek	North 149th Street & Interurban Right of Way.	Open Channel
NE 175th Street & 10th Aveue NE	Thornton Creek	NE 175th Street & 10th Aveue NE	Enclosed Drain
Pan Terra R/D Pond	Boeing Creek	North 185th Street & Dayton Avenue North	Regional R/D Pond
Paramount Park/ Shoreline Park #15	Thornton Creek	940 NE 147th Street & 9th Place NE	Regional R/D Pond
Pump Plant # 25/ Shoreline Park Pump Station	Thornton Creek	17548 2nd Place NE	Pump Station / Pond
Pump Plant # 26	Thornton Creek	18331 10th Avenue NE & NE 185th Street	Pump Station
Pump Plant # 30	Thornton Creek	NE 170th Street & 15th Avenue NE	Pump Station

Facility Name	Sub Basin	Facility Address	Facility Type
Ronald Bog	Thornton Creek	Corliss Avenue North between N. 167th & N. 172nd Streets	Open Channel
Fremont Tracts Drainage Improvements	West Lake Washington	20304 Greenwood Avenue North	Enclosed Drain
Storm Creek Drainage Improvements	Middle Puget Sound	1404 Richmond Beach North	Enclosed Drain

City of Shoreline Residential Drainage Facilities

Facility Name	Facil. File Number	Address	Facility Type	Dedicated KC Tract?
Shorewood Hills #2	D90139	930 NW 165th Place	Infiltration	Yes, Tract A.
Shorewood Hills #2	D90140	836 NW 165th Street	Vault	No, Easement.
Pan Terra Heights #1	D90212	114 NW 181st Street	Tank	No, Right of Way.
Shoreglen	D90218	2327 North 190th Street and Sunnyside Avenue North	Tank	No, Right of Way and Easement.
SP 0678098 & 0678099	D90280	16701 Corliss Place North	Tank	No, Right of Way.
Shorewood Hills #1	D90346	643 NW 163rd Street	Vault	No, Easement.
Shorewood Hills #1	D90347	16211 6th Avenue NW	Vault	No, Easement.
Parkwood Meadows	D90360	2029 North 153rd Place	Tank and Control	No, Easement and Right of Way.
Laura Cliff Addition	D90379	1st Avenue NE & North 189th Street	Tank	No, Easement.
SP 0480039	D90656	1924 NE 190th Street	Tank	No, Easement.
SP 0879076	D90657	331 NW 193rd Street	Tank	No, Easement in Lot A.
Pan Terra Heights #2 North	D90686	1629 NW 193rd Street	Tank with Infiltration	No, Easement & Right of Way.
Curtin Addition	D90745	17515 Corliss Avenue North	Pond w/ Infiltration	No, Easement.
SP 0980022	D90856	15717-15719 Greenwood Avenue North	Infiltration	No, Easement and Right of Way.
SP 0879076	D90868	19146 3rd Avenue NW	Tank	No, Easement.
SP 0980022	D90869	15717/15729 Greenwood Avenue North	Infiltration	No, Easement and Right of Way.
SP 0482093	D90920	20101 24th Avenue NW	Infiltration	No, Easement.
Pan Terra Heights #2 South	D90944	19228 17th Avenue NW	Tank with Infiltration	No, Easement & Right of Way.
Innis Arden #4	D90960	823 NW Innis Arden Road	Tank	No, Easement.
SP 0581075 & 0581076	D90965	17726 Sunnyside Court North	Tank	No, Easement.
SP 0484038 (Old #3810680)	D90989	22nd Place NE & NE 177th Street	Tank	No, Easement.
SP 1079094	D91020	16330 Linden Avenue North	Tank	No, Easement and Right of Way.
SP 0583119 & 0683008	D91029	18507 3rd Avenue NE	Tank	No, Right of Way.
SP 0483103	D91078	824 North 196th Street	Tank	No, Right of Way.
SP 0379115	D91112	2235/2237 22nd Place NE	Tank	No, Right of Way.
SP 0384040	D91138	1223 North 166th Court	Infiltration	No, Right of Way.
SP 0579086	D91254	336/356 NE 178th Street	Infiltration	No, Right of Way.
Harris Sunrise Estates	D91278	25th Avenue NE & NE 183rd Court	Tank	No, Right of Way.
SP 0880031	D91284	103 North 195th Court	Tank and Infiltration	No, Easement and Right of Way.
SP 0381070-72	D91285	15548 NE 157th Street	Tank	No, Easement & Right of Way.
Baumann's Addition	D91376	234 North 172nd Place	Infiltration	Yes, Tract A (through Lot 5) and Easement.
Simler Addition	D91440	Burke Avenue North & North 163rd Street	Tank	No, Easement.

Facility Name	Facil. File Number	Address	Facility Type	Dedicated KC Tract?
Commons 2, The	D91511	1603 North 201st Street	Vault	No, Easement.
Madrona Lane	D91516	407 5th Avenue NE & NE 153rd Place	Tank	No, Right of Way.
Noreen-Watson	D91584	15313 10th Avenue NE	Tank	No, Right of Way.
Seawood	D91587	303 NW 193rd Court	Tank	No, Right of Way.
Cary Place	D91614	426 NE 189th Court/5th Avenue NE	Tank	No, Easement and Right of Way.
SP 0786024 & 0786025	D91634	102 NW 190th Street	Tank	Yes, in Lot A (vacant land).
SP 1281063	D91711	Stone Avenue North	Tank	No, Right of Way.
Trophy Home Builders Addition	D91963	15504 Corliss Avenue North	Tank	No, Easement.
Northcape Addition	D91998	North 186th Street & NE Corliss Avenue	Tank	No, Right of Way.
SP S89S0337 (Harris)	D92061	18002 24th Avenue NE	Tank	Yes, Tract A.
SP 0887023	D92072	20210 12th Avenue NW	Tank	No, Right of Way.
SP 1185005	D92073	2001 North 164th Street	Tank	No, Right of Way and Easement.
SP S89S0434	D92095	19706 20th Avenue NW (and NW 197th Street)	Tank	No, Right of Way/ Private Road.
SP 0488022	D92115	1910 NE 176th Place	Tank	No, Private Right of Way.
SP 0387009 (Snare)	D92185	124/132 North 155th Street	Tank	No, Easement.
Sutton Heights	D92188	NW 204th Street & Richmond Beach Drive	Pond	Yes, Tract B
SP S0887008	D92269	17817 Wallingford Avenue North	Tank	Yes, Tract A.
SP S0687003	D92270	2325 North 179th Street	Tank	Yes, Tract A.
SP S0287005	D92271	18516 Fremont Avenue North	Tank	No, Easement.

Exhibit Two

Form of Quit Claim Deed

AFTER RECORDING RETURN TO:

City of Shoreline

QUIT CLAIM DEED

GRANTOR – KING COUNTY

GRANTEE - CITY OF Shoreline

LEGAL - -

C. TAX NO. – N/A

The Grantor, KING COUNTY, WASHINGTON, a political subdivision of the State of Washington, for and in consideration of mutual benefits, receipt of which is hereby acknowledged, conveys and quit claims unto the Grantee, the CITY OF SHORELINE, a municipal corporation of the State of Washington, those certain real property interests, as legally described in Exhibit A, attached hereto and made a part of this Deed:

Dated this _____ day of _____, 2009.

KING COUNTY, WASHINGTON

BY _____

TITLE _____

Drainage Property Interests for Transfer to Shoreline*Drainage related properties owned by King County:*

Tract A, Baumann's Addition, as recorded in Volume 133 of Plats, pages 57 through 59, records of King County, Washington. (Tax Account No. 056520-0080)

Lots 6 and 7, Block 1, Firgrove Addition, as recorded in Volume 47 of Plats, pages 24 and 25, records of King County, Washington. (Tax Account No. 254810-0030 & 254810-0035 – File No. 31, Parcel 45)

Tract B, Highland Park Estates, as recorded in Volume 175 of Plats, pages 1 through 5, records of King County, Washington. (Tax Account No. 329880-0120)

The East 1/2 of Lot 12, Block 1, Northend Country Estates Addition, as recorded in Volume 28 of Plats, page 37, records of King County, Washington; Less the North 22.44 feet. (Tax Account No. 616390-0120)

Drainage Tract in King County Short Plat No. 482093, Recording No. 8302030542, said short plat described as follows: A portion of the South 72 2/3 feet of Government Lot 1 lying Easterly of a line beginning on the South line of Government Lot 1, a distance of 1771.33 feet West from the Northeast corner of the SW 1/4 of the NE 1/4 of Section 2, Township 26 North, Range 3 East, W.M., less County Road. (Tax Account No. 022603-9344)

Tract Y, King County Short Plat No. 488022, Recording No. 9210019001, said short plat being described as follows: The Northwesterly 55 feet of Lot 18 and all of Lot 19, Block 28, Lake Forest Park 3rd Addition, as recorded in Volume 22 of Plats, page 4, records of King County, Washington. (Tax Account No. 402410-0898)

Tract B, King County Short Plat No. 684043, Recording No. 8601101041 and Tract B, King County Short Plat No. 684044, Recording No. 8601101040, said short plats being a portion of Lots 3, 4 & 5, Block 17, Paramount Park Division No. 2, as recorded in Volume 028 of Plats, page 050, records of King County, Washington. (Tax Account No. 663290-0000*)

Tract A, King County Short Plat No. 687003, Recording No. 8812010154, said short plat being described as follows: The West 84 feet of the East 450 feet of the South 1/2 of the SW 1/4 of the NW 1/4 of Section 8, Township 26 North, Range 4 East, W.M., Less the South 333 feet & Less the North 30 feet. Also known as Tract 11 of Ronald Home Tracts, Unrecorded. (Tax Account No. 740070-0052)

Exhibit Three

Tract A, King County Short Plat No. 786025, Recording No. 8910251570, said short plat described as follows: Lot 20 of Sea Breeze Tracts, as recorded in Volume 34 of Plats, page 42, records of King County, Washington; Less the West 93 feet & Less the North 24.14 feet and known as Lot B of Lot Line Adjustment 8806029. (Tax Account No. 761870-0187)

Tract A, King County Short Plat No. 887008, Recording No. 8811170817, said short plat described as follows: Lot 47, Jersey Summer Homes, as recorded in Volume 21 of Plats, page 96, records of King County, Washington. Subject to: the right of the public to make necessary slopes for cuts or fills in the reasonable grading of streets and roads as dedicated in said plat. (Tax Account No. 370590-0289)

Tract A, King County Short Plat No. R880035, Recording No. 8111020649, being a revision of a short plat recorded under Auditor's File No. 8102020570, said short plat described as follows: Block 6 of Richmond Beach Tracts Division No. 3, as recorded in Volume 25 of Plats, Page 49, records of King County, Washington; except the South 30 feet thereof conveyed to King County for road purposes by deed recorded under Auditor's File No. 5305195. Together with that portion of the SE 1/4 of the SE 1/4 of the SE 1/4 of Section 1, Township 26 North, Range 3 East, W.M., lying Southerly of the Southerly margin of Richmond Beach Road, as conveyed to King County by deed recorded under Auditor's File No. 5667278, Except the West 250 feet thereof and except the North 90 feet of the South 120 feet of the East 80 feet of the West 410 feet of said subdivision, and except the South 30 feet thereof conveyed to King County for road purposes by deed recorded under Auditor's File No. 5305195. Also known as Lots 1 & 2, King County Short Plat No. 880035, Recording No. 8102020570. (Tax Account No. 012603-9626 – Boeing Creek Detention Pond)

All drainage easements dedicated to King County or the public in the following recorded plats:

The West 10 feet of Lot 9, Block 1, Firgrove Addition, as recorded in Volume 47 of Plats, pages 24 and 25, records of King County, Washington. ALSO, the East 10 feet of the West 20 feet of said Lot 9. (Tax Account No. 254810-0045 - File No. 31, Parcel 45(2))

The East 10 feet of Lot 10, Block 1, Firgrove Addition, as recorded in Volume 47 of Plats, pages 24 and 25, records of King County, Washington. (Tax Account No. 254810-0050 – File No. 31, Parcel 45(3))

Drainage Easement over, through, across and under the Westerly 50 feet of Lot 7, Shorewood Hills Division II, as recorded in Volume 112 of Plats, pages 48 through 50, records of King County, Washington, as measured perpendicular to and parallel with the Westerly line of said Lot 7 and Lot 8 of said plat. (Tax Account No. 778536-0070 – File No. 33-3, Parcel 4)

Drainage Easement on Tract X, Short Plat No. 287005, Recording No. 8810120728, said short plat described as follows: South 100 feet of Tract 2, Richmond Highlands Addition, as recorded in Volume 18 of Plats, page 77, records of King County, Washington (Tax Account No. 728390-0000*)

Drainage easement on Lot 8, Sutton Heights, as recorded in Volume 151 of Plats, pages 23 through 25, records of King County, Washington. (Tax Account No. 815530-0080)

The following covenants and/or agreements in the following:

Tract A, Shoreline Park, as recorded in Volume 77 of Plats, pages 40 through 41, records of King County, Washington. Subject to Agreement, Recording No. 5852945. (Tax Account No. 777240-0000*)

***Undivided interest in Tract, no separate tax account number.**

All Drainage Easements dedicated to King County or the public in the following recorded plats:

113 - 115 NW 205TH ST, as recorded in Volume 194 of Plats, pages 032 through 033, records of King County, Washington

1255 BUILDING THE, as recorded in Volume 168 of Plats, pages 091 through 095, records of King County, Washington

15218-15220 12TH AVE NE, as recorded in Volume 188 of Plats, pages 006 through 007, records of King County, Washington

17404-17408 10TH AVE NE, as recorded in Volume 189 of Plats, pages 024 through 025, records of King County, Washington

1820-1822 NE 170TH, as recorded in Volume 182 of Plats, pages 072 through 073, records of King County, Washington

1855-1859 NE 171ST STREET, as recorded in Volume 180 of Plats, pages 099 through 100, records of King County, Washington

20111-20115-20119 30TH AVE NE, as recorded in Volume 196 of Plats, pages 095 through 096, records of King County, Washington

20351 GREENWOOD AVE N, as recorded in Volume 187 of Plats, pages 072 through 073, records of King County, Washington

Exhibit Three

8TH AVENUE COTTAGES, as recorded in Volume 213 of Plats, pages 039 through 040, records of King County, Washington

ALDER CREST, as recorded in Volume 052 of Plats, pages 052 through 053, records of King County, Washington

ALDERCREST TERRACE ADD, as recorded in Volume 077 of Plats, page 073, records of King County, Washington

ALFRED ELLEN HOME TRS, as recorded in Volume 045 of Plats, page 068, records of King County, Washington

ALLEN WOOD ADD, as recorded in Volume 056 of Plats, page 055, records of King County, Washington

ANDERSONS PARK TERRACE ADD, as recorded in Volume 060 of Plats, page 055; records of King County, Washington

ANDERSONS PARK TERRACE NO. 02, as recorded in Volume 061 of Plats, page 077, records of King County, Washington

ARDEN HEIGHTS ADD, as recorded in Volume 066 of Plats, page 076, records of King County, Washington

ARDEN LANE ADD, as recorded in Volume 082 of Plats, page 029, records of King County, Washington

ARDEN LANE ESTATES ADD, as recorded in Volume 059 of Plats, page 064, records of King County, Washington

ARDEN VILLAGE NO. 01, as recorded in Volume 062 of Plats, page 068, records of King County, Washington

ARDEN VILLAGE NO. 02, as recorded in Volume 067 of Plats, page 030, records of King County, Washington

ARDEN VILLAGE NO. 03, as recorded in Volume 073 of Plats, page 092, records of King County, Washington

ARDEN VILLAGE NO. 04, as recorded in Volume 068 of Plats, page 076, records of King County, Washington

ARGUS ADD, as recorded in Volume 048 of Plats, page 011, records of King County, Washington

Exhibit Three

ASHLAND TOWNHOMES, as recorded in Volume 149 of Plats, pages 081 through 083, records of King County, Washington

ASHWORTH AVENUE COTTAGES, as recorded in Volume 208 of Plats, pages 085 through 086, records of King County, Washington

ASHWORTH GARDENS, as recorded in Volume 192 of Plats, pages 020 through 022, records of King County, Washington

AURORA SQUARE, as recorded in Volume 109 of Plats, pages 003 through 004, records of King County, Washington

AUSTIN ADD, as recorded in Volume 084 of Plats, page 047, records of King County, Washington

AUTOMOBILE ADD, as recorded in Volume 902 of Plats, page 018, records of King County, Washington

BALBOA TOWNHOUSES THE, as recorded in Volume 002 of Plats, pages 051 through 052, records of King County, Washington

BALCHS ALBERT MAYFAIR ADD, as recorded in Volume 049 of Plats, page 089, records of King County, Washington

BALCHS ALBERT PARK HIGHLANDS ADD, as recorded in Volume 051 of Plats, pages 071 through 072, records of King County, Washington

BALCHS ALBERT PARKWOOD NO. 03, as recorded in Volume 050 of Plats, page 049, records of King County, Washington

BALCHS ALBERT PARKWOOD NO. 04, as recorded in Volume 070 of Plats, page 012, records of King County, Washington

BALCHS BOWNESS ADD, as recorded in Volume 048 of Plats, page 033, records of King County, Washington

BALCHS PARK LANE ADD, as recorded in Volume 046 of Plats, page 054, records of King County, Washington

BALCHS PARK ROW ADD, as recorded in Volume 047 of Plats, page 064, records of King County, Washington

BALCHS PARKWOOD ADD, as recorded in Volume 045 of Plats, page 065, records of King County, Washington

Exhibit Three

BALLINGER CREEK, as recorded in Volume 065 of Plats, pages 080 through 083, records of King County, Washington

BALLINGER LAKE VIEW ADD, as recorded in Volume 051 of Plats, page 057, records of King County, Washington

BALLINGER WOODLANDS, as recorded in Volume 105 of Plats, pages 070 through 071, records of King County, Washington

BARDAHL PARK ADD, as recorded in Volume 056 of Plats, page 038, records of King County, Washington

BARDAHL PARK NO. 02, as recorded in Volume 057 of Plats, pages 062 through 063, records of King County, Washington

BARDAHL PARK NO. 03, as recorded in Volume 061 of Plats, page 089, records of King County, Washington

BARTONIA ADD, as recorded in Volume 037 of Plats, page 033, records of King County, Washington

BAUMANN'S ADD, as recorded in Volume 133 of Plats, pages 057 through 059, records of King County, Washington

BECKTON & BARNES TO PARAMOUNT PK, as recorded in Volume 053 of Plats, page 033, records of King County, Washington

BECKTON ADD, as recorded in Volume 074 of Plats, page 017, records of King County, Washington

BECKTON ADD NO. 02, as recorded in Volume 074 of Plats, page 077, records of King County, Washington

BECKTON ADD NO. 03, as recorded in Volume 075 of Plats, page 092, records of King County, Washington

BELMAR, as recorded in Volume 207 of Plats, pages 035 through 040, records of King County, Washington

BETTER HOMES ADD DIV NO. 01, as recorded in Volume 060 of Plats, page 018, records of King County, Washington

BIBBYS ADD, as recorded in Volume 030 of Plats, page 004, records of King County, Washington

Exhibit Three

BONNIE BROOK, as recorded in Volume 050 of Plats, pages 037 through 040, records of King County, Washington

BONNIE GLEN ADD, as recorded in Volume 030 of Plats, page 020, records of King County, Washington

BONNIE GLEN MANOR ADD, as recorded in Volume 073 of Plats, page 094, records of King County, Washington

BONNIE LANE REPLAT OF BONNIE GLEN, as recorded in Volume 065 of Plats, page 086, records of King County, Washington

BRIAR LANE DIV NO. 01, as recorded in Volume 049 of Plats, page 047, records of King County, Washington

BRIAR LANE DIV NO. 02, as recorded in Volume 050 of Plats, page 048, records of King County, Washington

BRIAR LANE DIV NO. 03, as recorded in Volume 050 of Plats, page 040, records of King County, Washington

BRIAR LANE DIV NO. 04, as recorded in Volume 050 of Plats, page 053, records of King County, Washington

BRIAR LANE DIV NO. 05, as recorded in Volume 050 of Plats, page 075, records of King County, Washington

BRIAR LANE DIV NO. 06, as recorded in Volume 051 of Plats, page 092, records of King County, Washington

BRIAR LANE DIV NO. 07, as recorded in Volume 051 of Plats, page 026, records of King County, Washington

BRIAR LANE DIV NO. 08, as recorded in Volume 052 of Plats, page 074, records of King County, Washington

BRINKER-HENDRICKSON HOME TR, as recorded in Volume 902 of Plats, page 042, records of King County, Washington

BROOK GARDENS, as recorded in Volume 038 of Plats, pages 012 through 015, records of King County, Washington

BROOKSIDE TOWNHOMES, as recorded in Volume 106 of Plats, pages 013 through 017, records of King County, Washington

Exhibit Three

BROOKSIDE TOWNHOMES 1ST AMENDMENT, as recorded in Volume 107 of Plats, pages 097 through 101, records of King County, Washington

BROOKSIDE TOWNHOMES 2ND AMENDMENT, as recorded in Volume 114 of Plats, pages 046 through 050, records of King County, Washington

BROOKSIDE WEST, as recorded in Volume 037 of Plats, pages 053 through 056, records of King County, Washington

BROOKWOOD NO. 02, as recorded in Volume 075 of Plats, page 001, records of King County, Washington

BROOKWOOD REPLAT OF, as recorded in Volume 062 of Plats, page 011, records of King County, Washington

BROOM PARK ADD, as recorded in Volume 053 of Plats, page 009, records of King County, Washington

BUMBLE BEA ADD, as recorded in Volume 050 of Plats, page 091, records of King County, Washington

CAROLS HIGHLAND GARDENS ADD, as recorded in Volume 050 of Plats, page 007, records of King County, Washington

CARY PLACE, as recorded in Volume 145 of Plats, pages 067 through 069, records of King County, Washington

CECELIA ELLEN ADD, as recorded in Volume 046 of Plats, page 065, records of King County, Washington

CEDAR CREST ADD, as recorded in Volume 053 of Plats, page 067, records of King County, Washington

CHARLHEW ADD DIV NO. 01, as recorded in Volume 093 of Plats, pages 031 through 032, records of King County, Washington

CHARLHEW ADD DIV NO. 03, as recorded in Volume 091 of Plats, page 077, records of King County, Washington

CHARNLEY ADD, as recorded in Volume 077 of Plats, page 091, records of King County, Washington

CHEALS MOUNTAIN VIEW TRS, as recorded in Volume 041 of Plats, page 019, records of King County, Washington

Exhibit Three

CHELAN, as recorded in Volume 120 of Plats, pages 013 through 016, records of King County, Washington

CHITTENDENS TERRACE PARK, as recorded in Volume 030 of Plats, page 037, records of King County, Washington

CLARKSON ADD, as recorded in Volume 050 of Plats, page 069, records of King County, Washington

CLIVE ADD TO ECHO LAKE, as recorded in Volume 015 of Plats, page 005, records of King County, Washington

COEUR DE LANE, as recorded in Volume 094 of Plats, page 021, records of King County, Washington

COLONIAL GARDEN, as recorded in Volume 049 of Plats, page 058, records of King County, Washington

COLONIAL GARDEN (0005), as recorded in Volume 038 of Plats, pages 048 through 049, records of King County, Washington

COMMONS NO. 02 THE, as recorded in Volume 111 of Plats, pages 036 through 037, records of King County, Washington

COMPTON WEST, as recorded in Volume 054 of Plats, pages 009 through 013, records of King County, Washington

CORLISS ADD, as recorded in Volume 075 of Plats, pages 046 through 047, records of King County, Washington

CORLISS COURT ADD, as recorded in Volume 073 of Plats, page 021, records of King County, Washington

COTTAGES AT RICHMOND BEACH, THE, as recorded in Volume 188 of Plats, pages 086 through 088, records of King County, Washington

CRAIG ADD, as recorded in Volume 048 of Plats, page 018, records of King County, Washington

CREST VIEW ADD, as recorded in Volume 047 of Plats, page 048, records of King County, Washington

CRESTLAND ADD, as recorded in Volume 047 of Plats, page 099, records of King County, Washington

CRESTMONT NO. 02, as recorded in Volume 091 of Plats, pages 038 through 039, records of King County, Washington

CRESTMONT NO. 03, as recorded in Volume 094 of Plats, page 039, records of King County, Washington

CRESTMONT NORTH, as recorded in Volume 084 of Plats, pages 090 through 091, records of King County, Washington

CRESTMOOR ADD, as recorded in Volume 056 of Plats, page 007, records of King County, Washington

CRISTA LANE, as recorded in Volume 152 of Plats, pages 034 through 039, records of King County, Washington

CROMWELL COURT, as recorded in Volume 078 of Plats, page 089, records of King County, Washington

CROMWELL PARK ADD, as recorded in Volume 050 of Plats, page 094, records of King County, Washington

CROMWELL PARK DIV NO. 02, as recorded in Volume 051 of Plats, page 074, records of King County, Washington

CURTIN ADD, as recorded in Volume 104 of Plats, page 022, records of King County, Washington

CYNTHIA GAIL ADD, as recorded in Volume 065 of Plats, page 080, records of King County, Washington

DANMICHAEL ADD, as recorded in Volume 075 of Plats, page 003, records of King County, Washington

DAYTON TERRACE ADD, as recorded in Volume 072 of Plats, page 077, records of King County, Washington

DENSMORE CIRCLE ADD, as recorded in Volume 051 of Plats, page 041, records of King County, Washington

DENSMORE PARK ADD, as recorded in Volume 060 of Plats, page 069, records of King County, Washington

DEPREE B E ADD, as recorded in Volume 051 of Plats, page 058, records of King County, Washington

Exhibit Three

DONNA CLAIRE ADD, as recorded in Volume 061 of Plats, page 063, records of King County, Washington

DONNELL MANOR -VACATED, as recorded in Volume 091 of Plats, page 070, records of King County, Washington

DONOVAN TERRACE ADD, as recorded in Volume 064 of Plats, page 097, records of King County, Washington

DONOVAN TERRACE NO. 02, as recorded in Volume 069 of Plats, page 019, records of King County, Washington

DONOVAN TERRACE NO. 03, as recorded in Volume 072 of Plats, page 065, records of King County, Washington

DOROTHY MARIE ADD, as recorded in Volume 049 of Plats, page 005, records of King County, Washington

DRUMLINS THE ADD, as recorded in Volume 057 of Plats, page 002, records of King County, Washington

DULLS SUBDIV NO. 01, as recorded in Volume 054 of Plats, page 066, records of King County, Washington

DULLS SUBDIV NO. 02, as recorded in Volume 057 of Plats, page 057, records of King County, Washington

DWIGHTS 2ND ADD, as recorded in Volume 066 of Plats, page 050, records of King County, Washington

EASTER & WILLIAMS ADD NO. 01, as recorded in Volume 058 of Plats, page 026, records of King County, Washington

ECHO COVE, as recorded in Volume 052 of Plats, pages 097 through 104, records of King County, Washington

ECHO FIRS, as recorded in Volume 079 of Plats, pages 074 through 076, records of King County, Washington

ECHO HEIGHTS ADD, as recorded in Volume 076 of Plats, page 014, records of King County, Washington

ECHO LAKE GARDEN TRS 1ST DIV, as recorded in Volume 012 of Plats, page 019, records of King County, Washington

Exhibit Three

ECHO LAKE GARDEN TRS 2ND DIV, as recorded in Volume 906 of Plats, page 013, records of King County, Washington

ECHO LAKE GARDEN TRS 3RD DIV, as recorded in Volume 906 of Plats, page 014, records of King County, Washington

ECHO LAKE GARDEN TRS 4TH DIV, as recorded in Volume 906 of Plats, page 015, records of King County, Washington

ECHO LAKE GARDEN TRS 5TH DIV, as recorded in Volume 012 of Plats, page 028, records of King County, Washington

ECHO LAKE HEIGHTS ADD, as recorded in Volume 050 of Plats, page 015, records of King County, Washington

ECHO LAKE HOMESITES ADD, as recorded in Volume 054 of Plats, page 088, records of King County, Washington

ECHO LAKE PARK ADD, as recorded in Volume 023 of Plats, page 008, records of King County, Washington

ECHO LAKE PARK DIV NO. 02, as recorded in Volume 028 of Plats, page 046, records of King County, Washington

ECHO LAKE SUBURBAN TRS, as recorded in Volume 019 of Plats, page 063, records of King County, Washington

ECHO LAKE TERRACE ADD, as recorded in Volume 049 of Plats, page 054, records of King County, Washington

ECHO LAKE TERRACE NO. 02, as recorded in Volume 050 of Plats, page 099, records of King County, Washington

ECHO LAKE TOWNHOMES PH I, as recorded in Volume 043 of Plats, pages 083 through 085, records of King County, Washington

ECHO LAKE TOWNHOMES PH II, as recorded in Volume 049 of Plats, pages 010 through 012, records of King County, Washington

ECHO LAKE VIEW HOMES ADD, as recorded in Volume 066 of Plats, page 058, records of King County, Washington

ECHO LAKE WATERFRONT CONDO, as recorded in Volume 207 of Plats, pages 054 through 067, records of King County, Washington

Exhibit Three

ECHO LAKE WOODS ADD, as recorded in Volume 052 of Plats, page 019, records of King County, Washington

ECHO LANE ADD, as recorded in Volume 065 of Plats, page 076, records of King County, Washington

ECHO LANE NO. 02, as recorded in Volume 071 of Plats, page 090, records of King County, Washington

ECHO MANOR ADD, as recorded in Volume 054 of Plats, page 032, records of King County, Washington

ECHO PARK ADD, as recorded in Volume 025 of Plats, page 039, records of King County, Washington

ECHO SHORES, as recorded in Volume 041 of Plats, pages 069 through 071, records of King County, Washington

ECKMANNS PARAMOUNT PARK ADD, as recorded in Volume 053 of Plats, page 023, records of King County, Washington

ECKMANNS PARAMOUNT PARK NO. 02, as recorded in Volume 055 of Plats, page 045, records of King County, Washington

EDEN LANE ADD, as recorded in Volume 064 of Plats, page 052, records of King County, Washington

ELENA LANE, as recorded in Volume 195 of Plats, pages 001 through 004, records of King County, Washington

EMERALD CREEK, as recorded in Volume 113 of Plats, pages 082 through 083, records of King County, Washington

ERIN, as recorded in Volume 186 of Plats, page 015, records of King County, Washington

EVERGREEN LANE NO. 02, as recorded in Volume 054 of Plats, page 017, records of King County, Washington

EVERGREENS PARK LANE ADD, as recorded in Volume 056 of Plats, page 078, records of King County, Washington

EVERSHIRE THE, as recorded in Volume 003 of Plats, page 065, records of King County, Washington

FAGERHEIM ADD, as recorded in Volume 045 of Plats, page 007, records of King County, Washington

FAIRWOOD PLACE, as recorded in Volume 142 of Plats, pages 038 through 041, records of King County, Washington

FIR GROVE ADD, as recorded in Volume 047 of Plats, pages 024 through 025, records of King County, Washington

FIR LANE ADD, as recorded in Volume 047 of Plats, page 068, records of King County, Washington

FIR VIEW HEIGHTS ADD, as recorded in Volume 068 of Plats, page 072, records of King County, Washington

FIR VIEW TERRACE 2ND ADD, as recorded in Volume 047 of Plats, page 027, records of King County, Washington

FIR VIEW TERRACE 3RD ADD, as recorded in Volume 054 of Plats, page 021, records of King County, Washington

FIR VIEW TERRACE ADD, as recorded in Volume 046 of Plats, page 009, records of King County, Washington

FIRGROVE ESTATES, as recorded in Volume 081 of Plats, page 054, records of King County, Washington

FIRLAND VIEW ADD, as recorded in Volume 049 of Plats, page 023, records of King County, Washington

FIRLANDS THE, as recorded in Volume 111 of Plats, page 067, records of King County, Washington

FIRLANDS WAY, as recorded in Volume 117 of Plats, pages 019 through 023, records of King County, Washington

FISHERS REPL B 29 LK FOREST PK 3D, as recorded in Volume 046 of Plats, page 033, records of King County, Washington

FOREST CREEK, as recorded in Volume 168 of Plats, pages 076 through 078, records of King County, Washington

FOREST CREEK, as recorded in Volume 063 of Plats, pages 029 through 033, records of King County, Washington

Exhibit Three

FOREST LANE NO. 01, as recorded in Volume 072 of Plats, page 085, records of King County, Washington

FOREST VILLA AT FREMONT PLACE-ONE, as recorded in Volume 162 of Plats, pages 054 through 058, records of King County, Washington

FOREST VILLA AT FREMONT PLACE-TWO, as recorded in Volume 169 of Plats, pages 006 through 010, records of King County, Washington

FOREST VILLA PH 01, as recorded in Volume 042 of Plats, pages 094 through 102, records of King County, Washington

FOREST VILLA PH 02, as recorded in Volume 051 of Plats, pages 090 through 096, records of King County, Washington

FOREST VILLA PH 03, as recorded in Volume 078 of Plats, pages 001 through 010, records of King County, Washington

FOREST VILLA PH 03 1ST AMENDMENT, as recorded in Volume 091 of Plats, page 059, records of King County, Washington

FOSTER HOWE S NO. 01 ASSESSORS PLAT, as recorded in Volume 045 of Plats, page 086, records of King County, Washington

FOSTER HOWE S NO. 02 ADD, as recorded in Volume 044 of Plats, page 081, records of King County, Washington

FOYER VISTA, as recorded in Volume 087 of Plats, page 002, records of King County, Washington

FRANICH ADD, as recorded in Volume 050 of Plats, page 073, records of King County, Washington

FRANKLIN ADD, as recorded in Volume 045 of Plats, page 055, records of King County, Washington

FRAUENTHAL BROS TRS, as recorded in Volume 902 of Plats, page 090, records of King County, Washington

FREDERICK D E TO THE HIGHLANDS, as recorded in Volume 074 of Plats, pages 056 through 057, records of King County, Washington

FREMONT AVE TRACTS, as recorded in Volume 039 of Plats, page 029, records of King County, Washington

FREMONT AVE TRACTS NO. 02, as recorded in Volume 040 of Plats, page 018, records of King County, Washington

FREMONT AVE TRACTS NO. 03, as recorded in Volume 041 of Plats, page 004, records of King County, Washington

FREMONT AVENUE NORTH, as recorded in Volume 135 of Plats, pages 069 through 070, records of King County, Washington

FREMONT COTTAGES, as recorded in Volume 199 of Plats, pages 086 through 087, records of King County, Washington

G I ADD, as recorded in Volume 043 of Plats, page 007, records of King County, Washington

GARDEN PARK, as recorded in Volume 067 of Plats, page 074, records of King County, Washington

GARDEN PARK NO. 02, as recorded in Volume 068 of Plats, page 042, records of King County, Washington

GARDEN PARK NO. 03, as recorded in Volume 071 of Plats, page 077, records of King County, Washington

GARDEN PARK NO. 04, as recorded in Volume 072 of Plats, page 081, records of King County, Washington

GARDEN PARK NO. 05, as recorded in Volume 076 of Plats, page 024, records of King County, Washington

GARDENS THE, as recorded in Volume 029 of Plats, pages 038 through 044, records of King County, Washington

GATEWAY TOWNHOMES, as recorded in Volume 135 of Plats, pages 052 through 055, records of King County, Washington

GIFFEN HOWARD ADD, as recorded in Volume 065 of Plats, page 097, records of King County, Washington

GILBO'S 2ND ADD, as recorded in Volume 057 of Plats, page 005, records of King County, Washington

GILBO'S 3RD ADD, as recorded in Volume 057 of Plats, page 042, records of King County, Washington

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GILBO'S 4TH ADD, as recorded in Volume 057 of Plats, page 084, records of King County, Washington

GILBO'S 5TH ADD, as recorded in Volume 058 of Plats, page 028, records of King County, Washington

GILBO'S 6TH ADD, as recorded in Volume 059 of Plats, page 074, records of King County, Washington

GILBO'S 7TH ADD, as recorded in Volume 060 of Plats, page 049, records of King County, Washington

GILBOS ADD, as recorded in Volume 056 of Plats, page 013, records of King County, Washington

GLEN ARDEN ADD, as recorded in Volume 058 of Plats, page 094, records of King County, Washington

GLEN-HAVEN ADD, as recorded in Volume 064 of Plats, pages 056 through 057, records of King County, Washington

GLENLIVET ADD, as recorded in Volume 078 of Plats, page 017, records of King County, Washington

GLENMERE ADD, as recorded in Volume 055 of Plats, page 033, records of King County, Washington

GLENWOOD HOME TRS, as recorded in Volume 019 of Plats, page 029, records of King County, Washington

GLENWOOD LANE, as recorded in Volume 088 of Plats, page 083, records of King County, Washington

GOLF CLUB ACRES, as recorded in Volume 902 of Plats, page 094, records of King County, Washington

GRANDWOOD 2ND ADD, as recorded in Volume 058 of Plats, page 054, records of King County, Washington

GRANDWOOD 3RD ADD, as recorded in Volume 059 of Plats, page 005, records of King County, Washington

GRANDWOOD ADD, as recorded in Volume 056 of Plats, page 061, records of King County, Washington

GREEN FIRS PARK, as recorded in Volume 067 of Plats, page 061, records of King County, Washington

GREEN LAKE FIVE-ACRE TRS, as recorded in Volume 011 of Plats, page 072, records of King County, Washington

GREEN RIDGE ADD, as recorded in Volume 053 of Plats, page 014, records of King County, Washington

GREENWOOD AVE COTTAGES, as recorded in Volume 179 of Plats, pages 059 through 062, records of King County, Washington

GWEN TERRACE NO. 02, as recorded in Volume 077 of Plats, page 092, records of King County, Washington

HAGEMAN SUBDIVISION, as recorded in Volume 207 of Plats, pages 041 through 043, records of King County, Washington

HALLIS MEADOWBROOK LANE ADD, as recorded in Volume 064 of Plats, page 064, records of King County, Washington

HALLIS WILLOW GLEN ADD, as recorded in Volume 062 of Plats, page 069, records of King County, Washington

HALLIS WOODVIEW TERRACE, as recorded in Volume 062 of Plats, page 072, records of King County, Washington

HAMLIN VILLAGE, as recorded in Volume 188 of Plats, pages 077 through 082, records of King County, Washington

HANBURYS COUNTRY CLUB 5-ACRE TRS, as recorded in Volume 015 of Plats, page 006, records of King County, Washington

HANSENS 2ND ADD, as recorded in Volume 078 of Plats, page 050, records of King County, Washington

HANSENS ADD, as recorded in Volume 077 of Plats, page 042, records of King County, Washington

HAPPY DELL ADD, as recorded in Volume 054 of Plats, page 033, records of King County, Washington

HAPPY HILL ADD, as recorded in Volume 050 of Plats, page 090, records of King County, Washington

HARMONY LANE NO. 01, as recorded in Volume 056 of Plats, page 027, records of King County, Washington

HARMONY LANE NO. 02, as recorded in Volume 056 of Plats, page 028, records of King County, Washington

HARMONY PARK ADD, as recorded in Volume 053 of Plats, page 080, records of King County, Washington

HARMONY PARK NO. 02, as recorded in Volume 054 of Plats, page 024, records of King County, Washington

HARRIS SUNRISE ESTATES, as recorded in Volume 141 of Plats, pages 011 through 012, records of King County, Washington

HARVEYS DAVE ADD, as recorded in Volume 079 of Plats, page 002, records of King County, Washington

HARVEY'S DAVE ADD NO. 02, as recorded in Volume 083 of Plats, page 002, records of King County, Washington

HEATHER LANE ADD, as recorded in Volume 068 of Plats, page 053, records of King County, Washington

HEATHERGREEN, as recorded in Volume 011 of Plats, pages 094 through 096, records of King County, Washington

HEGGEN PARK ADD, as recorded in Volume 071 of Plats, page 027, records of King County, Washington

HEMLOCK ACRES ADD, as recorded in Volume 044 of Plats, page 005, records of King County, Washington

HEMLOCK ACRES NO. 13, as recorded in Volume 098 of Plats, page 061, records of King County, Washington

HENDRON HEIGHTS ADD, as recorded in Volume 064 of Plats, page 044, records of King County, Washington

HERRIGES ADD, as recorded in Volume 070 of Plats, page 014, records of King County, Washington

HIGHLAND ACRES ADD, as recorded in Volume 024 of Plats, page 046, records of King County, Washington

HIGHLAND ACRES REPLAT, as recorded in Volume 065 of Plats, page 055, records of King County, Washington

HIGHLAND GARDENS ADD, as recorded in Volume 048 of Plats, page 073, records of King County, Washington

HIGHLAND PARK ESTATES, as recorded in Volume 175 of Plats, pages 001 through 005, records of King County, Washington

HIGHLAND PARK PLACE, as recorded in Volume 093 of Plats, pages 085 through 086, records of King County, Washington

HIGHLAND PINES ADD, as recorded in Volume 057 of Plats, page 048, records of King County, Washington

HIGHLAND TERRACE ADD, as recorded in Volume 048 of Plats, page 097, records of King County, Washington

HIGHLAND WOODS, as recorded in Volume 100 of Plats, pages 076 through 077, records of King County, Washington

HIGHLANDER VILLAGE, as recorded in Volume 077 of Plats, page 059, records of King County, Washington

HIGHLANDER VILLAGE NO. 02, as recorded in Volume 077 of Plats, page 063, records of King County, Washington

HIGHLANDER VILLAGE NO. 03, as recorded in Volume 080 of Plats, page 009, records of King County, Washington

HIGHLANDS THE TRS, as recorded in Volume 902 of Plats, page 107, records of King County, Washington

HIGHLANDS TOWNHOMES CONDOS, as recorded in Volume 202 of Plats, pages 056 through 058, records of King County, Washington

HILLS COUNTRY HOME TRS, as recorded in Volume 902 of Plats, page 109, records of King County, Washington

HILLWOOD ESTATES, as recorded in Volume 207 of Plats, pages 079 through 081, records of King County, Washington

HILLWOOD TERRACE ADD, as recorded in Volume 051 of Plats, page 051, records of King County, Washington

HOME GARDENS ADD, as recorded in Volume 029 of Plats, page 025, records of King County, Washington

HUGHBANKS ACRES ADD, as recorded in Volume 035 of Plats, page 033, records of King County, Washington

HUMMING BIRD LANE ADD, as recorded in Volume 051 of Plats, page 073, records of King County, Washington

INNIS ARDEN ADD, as recorded in Volume 037 of Plats, page 025, records of King County, Washington

INNIS ARDEN NO. 02, as recorded in Volume 041 of Plats, page 020, records of King County, Washington

INNIS ARDEN NO. 03, as recorded in Volume 046 of Plats, pages 042 through 045, records of King County, Washington

INNIS ARDEN NO. 04, as recorded in Volume 123 of Plats, pages 027 through 028, records of King County, Washington

IRISH HIGHLANDS, as recorded in Volume 106 of Plats, page 075, records of King County, Washington

JACKSON PARK HEIGHTS DIV NO. 01, as recorded in Volume 067 of Plats, page 072, records of King County, Washington

JACKSON PARK HEIGHTS DIV NO. 02, as recorded in Volume 067 of Plats, page 065, records of King County, Washington

JACKSON TOWNHOUSES(0005), as recorded in Volume 046 of Plats, page 035 through 036, records of King County, Washington

JANETS ADD, as recorded in Volume 066 of Plats, page 049, records of King County, Washington

JARDIN EL NORTE ADD, as recorded in Volume 031 of Plats, page 011, records of King County, Washington

JERSEY SUMMER HOMES ADD, as recorded in Volume 021 of Plats, page 096, records of King County, Washington

JOHNSONS EVERGREEN PARK ADD, as recorded in Volume 051 of Plats, page 045, records of King County, Washington

JONES & GARNER INC ADD, as recorded in Volume 044 of Plats, page 016, records of King County, Washington

JONES & GARNER INC ADD NO. 02, as recorded in Volume 047 of Plats, page 040, records of King County, Washington

JUNIPER GARDEN ADD, as recorded in Volume 048 of Plats, page 059, records of King County, Washington

JUNIPER HEIGHTS ADD, as recorded in Volume 053 of Plats, page 052, records of King County, Washington

KAREN MARIE ADD, as recorded in Volume 081 of Plats, page 001, records of King County, Washington

KELLYS KOURT, as recorded in Volume 094 of Plats, pages 040 through 041, records of King County, Washington

KOPPEN ADD, as recorded in Volume 064 of Plats, page 100, records of King County, Washington

KULEANAS FOREST HILLS (AMENDED), as recorded in Volume 007 of Plats, pages 043 through 049, records of King County, Washington

KULEANAS FOREST HILLS (AMENDED), as recorded in Volume 059 of Plats, pages 050 through 054, records of King County, Washington

KULEANAS FOREST HILLS NO. 02 (AMENDED), as recorded in Volume 010 of Plats, pages 072 through 073, records of King County, Washington

KULEANAS FOREST HILLS NO. 03 (AMENDED), as recorded in Volume 012 of Plats, pages 022 through 023, records of King County, Washington

LAGO VISTA ADD, as recorded in Volume 030 of Plats, page 045, records of King County, Washington

LAGO VISTA NO. 02, as recorded in Volume 032 of Plats, page 036, records of King County, Washington

LAGO VISTA NO. 03, as recorded in Volume 032 of Plats, page 050, records of King County, Washington

LAKE BALLINGER GARDEN TRS, as recorded in Volume 017 of Plats, page 095, records of King County, Washington

LAKE CITY HOMES ADD, as recorded in Volume 043 of Plats, pages 048 through 049, records of King County, Washington

LAKE CITY HOMES NO. 02, as recorded in Volume 044 of Plats, page 056, records of King County, Washington

LAKE CITY HOMES NO. 03, as recorded in Volume 044 of Plats, page 057, records of King County, Washington

LAKE CITY HOMES NO. 04, as recorded in Volume 044 of Plats, page 093, records of King County, Washington

LAKE FOREST PARK 1ST ADD, as recorded in Volume 020 of Plats, page 082, records of King County, Washington

LAKE FOREST PARK 3RD ADD, as recorded in Volume 022 of Plats, page 004, records of King County, Washington

LAKE FOREST PARK 3RD REPLAT, as recorded in Volume 028 of Plats, page 030, records of King County, Washington

LAKE FOREST PARK 4TH ADD DIV A, as recorded in Volume 036 of Plats, page 004, records of King County, Washington

LANDIN & GROVE TO PARAMOUNT PARK, as recorded in Volume 053 of Plats, page 008, records of King County, Washington

LAURA CLIFF 2ND ADDITION, as recorded in Volume 186 of Plats, pages 034 through 035, records of King County, Washington

LAURA CLIFF ADD, as recorded in Volume 115 of Plats, page 074, records of King County, Washington

LAWN HAVEN ADD, as recorded in Volume 064 of Plats, page 077, records of King County, Washington

LEWIS BROTHERS ADD, as recorded in Volume 045 of Plats, page 019, records of King County, Washington

LINDA MARIE ADD, as recorded in Volume 050 of Plats, page 070, records of King County, Washington

LORDS A B COUNTRY CLUB 1/4 AC TRS, as recorded in Volume 018 of Plats, page 090, records of King County, Washington

LORRAINES ADD, as recorded in Volume 046 of Plats, page 063, records of King County, Washington

LOWELL COURT, as recorded in Volume 170 of Plats, pages 047 through 050, records of King County, Washington

LOWRIES ADD, as recorded in Volume 062 of Plats, page 014, records of King County, Washington

LUSCHENS ECHO LAKE DIV NO. 01, as recorded in Volume 047 of Plats, page 061, records of King County, Washington

MADOLON PARK ADD, as recorded in Volume 072 of Plats, page 072, records of King County, Washington

MADRONA COTTAGES, as recorded in Volume 187 of Plats, pages 011 through 013, records of King County, Washington

MADRONA LANE, as recorded in Volume 099 of Plats, page 056, records of King County, Washington

MAHER THOMAS JR ADD, as recorded in Volume 048 of Plats, page 048, records of King County, Washington

MAPLE KNOLL, as recorded in Volume 176 of Plats, pages 040 through 045, records of King County, Washington

MAPLE LEAF COURT ADD, as recorded in Volume 072 of Plats, page 037, records of King County, Washington

MARSHALLS TERRACE ADD, as recorded in Volume 064 of Plats, page 096, records of King County, Washington

MARTINIS PAUL ADD, as recorded in Volume 057 of Plats, page 025, records of King County, Washington

MAXWELLS W R SUBURBAN HOME TR ADD, as recorded in Volume 017 of Plats, page 020, records of King County, Washington

MAYWOOD ACRE TRS, as recorded in Volume 018 of Plats, page 048, records of King County, Washington

MAYWOOD ACRE TRS SUPL PLAT L 1-10, as recorded in Volume 019 of Plats, page 074, records of King County, Washington

Exhibit Three

MAYWOOD GLEN, as recorded in Volume 085 of Plats, page 027, records of King County, Washington

MAYWOOD HOMES ADD, as recorded in Volume 059 of Plats, page 050, records of King County, Washington

MAYWOOD LANE ADD, as recorded in Volume 060 of Plats, page 074, records of King County, Washington

MAYWOOD TERRACE ADD, as recorded in Volume 059 of Plats, pages 097 through 098, records of King County, Washington

MAYWOOD TERRACE NO. 02, as recorded in Volume 068 of Plats, page 039, records of King County, Washington

MC DONALDS NORTH END TRS, as recorded in Volume 902 of Plats, page 173, records of King County, Washington

MC LARENS ADD, as recorded in Volume 060 of Plats, page 004, records of King County, Washington

MEADOW COURTS ADD, as recorded in Volume 047 of Plats, page 002, records of King County, Washington

MEADOWLARK PARK REPLAT LOTS 1-9, as recorded in Volume 062 of Plats, page 035, records of King County, Washington

MERIDIAN COURT I, as recorded in Volume 194 of Plats, pages 030 through 033, records of King County, Washington

MERIDIAN CREST ADD, as recorded in Volume 060 of Plats, page 039, records of King County, Washington

MERIDIAN LANE NO. 02, as recorded in Volume 074 of Plats, page 058, records of King County, Washington

MERIDIAN LANE NO. 03, as recorded in Volume 074 of Plats, page 072, records of King County, Washington

MERIDIAN LANE NO. 04, as recorded in Volume 074 of Plats, page 065, records of King County, Washington

MERIDIAN LANE NO. 05, as recorded in Volume 078 of Plats, page 072, records of King County, Washington

MERIDIAN LANE REPLAT, as recorded in Volume 069 of Plats, page 036, records of King County, Washington

MERIDIAN PARK ADD, as recorded in Volume 056 of Plats, page 024, records of King County, Washington

MERIDIAN PARK COTTAGE HOMES, as recorded in Volume 180 of Plats, pages 010 through 012, records of King County, Washington

MERIDIAN TERRACE NO. 01, as recorded in Volume 064 of Plats, page 049, records of King County, Washington

MERIDIAN TERRACE NO. 02, as recorded in Volume 065 of Plats, page 042, records of King County, Washington

MERIDIAN TERRACE NO. 03, as recorded in Volume 073 of Plats, page 017, records of King County, Washington

MERRIDALE ADD, as recorded in Volume 059 of Plats, page 013, records of King County, Washington

METCALF ADD, as recorded in Volume 055 of Plats, page 043, records of King County, Washington

MICHELE PARK ADD, as recorded in Volume 077 of Plats, page 034, records of King County, Washington

MICHELE PARK NO. 02, as recorded in Volume 078 of Plats, page 032, records of King County, Washington

MICHELE PARK NO. 03, as recorded in Volume 079 of Plats, page 052, records of King County, Washington

MICHELE PARK NO. 04, as recorded in Volume 080 of Plats, page 002, records of King County, Washington

MIDVALE COURT, as recorded in Volume 186 of Plats, pages 012 through 015, records of King County, Washington

MITCHELL & BROWNSONS SUBDIV, as recorded in Volume 017 of Plats, page 070, records of King County, Washington

MONTCLAIR PARK ADD, as recorded in Volume 062 of Plats, page 093, records of King County, Washington

MONTE VISTA ADD, as recorded in Volume 029 of Plats, page 030, records of King County, Washington

MONTE VISTA NO. 02, as recorded in Volume 029 of Plats, page 045, records of King County, Washington

MORRISON ADD, as recorded in Volume 052 of Plats, page 059, records of King County, Washington

MORRISON ADD NO. 02, as recorded in Volume 053 of Plats, page 003, records of King County, Washington

MORRISON ADD NO. 03, as recorded in Volume 053 of Plats, page 010, records of King County, Washington

MORRISON ADD NO. 04, as recorded in Volume 054 of Plats, pages 015 through 016, records of King County, Washington

MORRISONS EVERGREEN ADD, as recorded in Volume 056 of Plats, page 034, records of King County, Washington

MUNGERS RICHMOND BEACH TRS, as recorded in Volume 049 of Plats, page 050, records of King County, Washington

MURPHYS INTERURBAN ACRES, as recorded in Volume 017 of Plats, page 083, records of King County, Washington

MYERS ADD, as recorded in Volume 070 of Plats, page 048, records of King County, Washington

MYLOS PLAT, as recorded in Volume 049 of Plats, page 087, records of King County, Washington

NICHOLS NORTH END TRS, as recorded in Volume 035 of Plats, page 010, records of King County, Washington

NOREEN-WATSON ADD NO. 01, as recorded in Volume 107 of Plats, pages 086 through 087, records of King County, Washington

NORTH 145TH CT TOWNHOMES, as recorded in Volume 177 of Plats, pages 052 through 057, records of King County, Washington

NORTH CITY ADD, as recorded in Volume 047 of Plats, page 082, records of King County, Washington

NORTH CITY GARDENS ADD, as recorded in Volume 048 of Plats, page 009, records of King County, Washington

NORTH CITY GARDENS NO. 02, as recorded in Volume 048 of Plats, page 099, records of King County, Washington

NORTH COUNTRY ESTATES (0005), as recorded in Volume 011 of Plats, page 023, records of King County, Washington

NORTH END GARDEN TRS, as recorded in Volume 902 of Plats, page 198, records of King County, Washington

NORTH PARK LANE, as recorded in Volume 077 of Plats, pages 047 through 056, records of King County, Washington

NORTH STAR, as recorded in Volume 021 of Plats, pages 056 through 058, records of King County, Washington

NORTH WHITMAN CT TOWNHOMES, as recorded in Volume 179 of Plats, pages 057 through 058, records of King County, Washington

NORTHCAPPE ADDITION, as recorded in Volume 138 of Plats, pages 063 through 064, records of King County, Washington

NORTHCREST ADD, as recorded in Volume 059 of Plats, page 007, records of King County, Washington

NORTHEND COUNTRY ESTATES ADD, as recorded in Volume 028 of Plats, page 037, records of King County, Washington

NORTHRIDGE HOMES ADD, as recorded in Volume 045 of Plats, pages 057 through 058, records of King County, Washington

NORTHRIDGE VILLAGE, as recorded in Volume 126 of Plats, pages 004 through 011, records of King County, Washington

NORTHSIDE GARDEN TRS, as recorded in Volume 011 of Plats, page 066, records of King County, Washington

NORTHWOODS PARK ADD, as recorded in Volume 076 of Plats, page 025, records of King County, Washington

NORTHWOODS PARK DIV NO. 02, as recorded in Volume 087 of Plats, page 019, records of King County, Washington

O BEIRNS RICHMOND BEACH ADD, as recorded in Volume 048 of Plats, page 052, records of King County, Washington

OLLIVERS ADD, as recorded in Volume 104 of Plats, pages 099 through 100, records of King County, Washington

OLYMPIC NORTH, as recorded in Volume 093 of Plats, page 075, records of King County, Washington

OLYMPIC WEST, as recorded in Volume 93 of Plats, pages 053 through 054, records of King County, Washington

OVERTON VISTA, as recorded in Volume 093 of Plats, page 003, records of King County, Washington

PACK HAVEN ADD, as recorded in Volume 068 of Plats, page 014, records of King County, Washington

PACK LANE ADD, as recorded in Volume 075 of Plats, page 013, records of King County, Washington

PACK PARK ADD, as recorded in Volume 068 of Plats, page 040, records of King County, Washington

PAN TERRA HEIGHTS NO. 01, as recorded in Volume 106 of Plats, page 050, records of King County, Washington

PAN TERRA HEIGHTS NO. 02, as recorded in Volume 119 of Plats, page 097, records of King County, Washington

PARAKEET PARK ADD, as recorded in Volume 052 of Plats, page 076, records of King County, Washington

PARAMONT PARK EAST, as recorded in Volume 200 of Plats, pages 092 through 095, records of King County, Washington

PARAMOUNT HOMES REPLAT, as recorded in Volume 063 of Plats, page 074, records of King County, Washington

PARAMOUNT PARK, as recorded in Volume 170 of Plats, pages 039 through 043, records of King County, Washington

PARAMOUNT PARK DIV NO. 02, as recorded in Volume 028 of Plats, page 050, records of King County, Washington

PARAMOUNT PARK TOWNHOMES, as recorded in Volume 190 of Plats, pages 093 through 097, records of King County, Washington

PARAMOUNT VILLA TOWNHOMES, as recorded in Volume 187 of Plats, pages 074 through 076, records of King County, Washington

PARK LANE NO. 02, as recorded in Volume 059 of Plats, page 004, records of King County, Washington

PARK LANE NO. 03, as recorded in Volume 059 of Plats, page 022, records of King County, Washington

PARK PLACE PH 01, as recorded in Volume 009 of Plats, pages 063 through 065, records of King County, Washington

PARK RICHMOND, as recorded in Volume 013 of Plats, page 096, records of King County, Washington

PARK ROYAL ADD, as recorded in Volume 067 of Plats, page 049, records of King County, Washington

PARK VIEW TRS, as recorded in Volume 035 of Plats, page 045, records of King County, Washington

PARKSIDE ADD, as recorded in Volume 035 of Plats, page 019, records of King County, Washington

PARKWOOD ADD, as recorded in Volume 044 of Plats, page 047, records of King County, Washington

PARKWOOD LANE, as recorded in Volume 100 of Plats, page 061, records of King County, Washington

PARKWOOD MEADOWS, as recorded in Volume 108 of Plats, page 085, records of King County, Washington

PARKWOOD NO. 02, as recorded in Volume 047 of Plats, page 086, records of King County, Washington

PEE WEE ADD, as recorded in Volume 072 of Plats, page 052, records of King County, Washington

PELICAN PARK DIV NO. 01, as recorded in Volume 049 of Plats, page 021, records of King County, Washington

PELICAN PARK DIV NO. 02, as recorded in Volume 049 of Plats, page 055, records of King County, Washington

PELICAN PARK DIV NO. 03, as recorded in Volume 049 of Plats, page 076, records of King County, Washington

PELICAN PARK DIV NO. 04, as recorded in Volume 050 of Plats, page 028, records of King County, Washington

PERKINS 1ST TO RICHMOND HIGHLANDS, as recorded in Volume 018 of Plats, page 078, records of King County, Washington

PERKINS 1ST TO RICHMOND HIGHLANDS REPLAT, as recorded in Volume 049 of Plats, pages 052 through 053, records of King County, Washington

PETERLIND ADD, as recorded in Volume 051 of Plats, page 024, records of King County, Washington

PETERS ADD, as recorded in Volume 066 of Plats, page 087, records of King County, Washington

PHILBROOKS ADD, as recorded in Volume 050 of Plats, page 051, records of King County, Washington

PINE KNOLL PARK, as recorded in Volume 069 of Plats, pages 091 through 095, records of King County, Washington

PINE LANE, as recorded in Volume 080 of Plats, pages 088 through 090, records of King County, Washington

PINE RAY, as recorded in Volume 018 of Plats, page 007, records of King County, Washington

PINEVIEW ESTATES, as recorded in Volume 098 of Plats, page 058, records of King County, Washington

PINEWAY TERRACE ADD, as recorded in Volume 051 of Plats, page 040, records of King County, Washington

PONDEROSA VILLAGE NO. 02, as recorded in Volume 072 of Plats, page 057, records of King County, Washington

PONDEROSA VILLAGE REPLAT, as recorded in Volume 070 of Plats, page 001, records of King County, Washington

POTTERS PLACE, as recorded in Volume 094 of Plats, page 076, records of King County, Washington

POWELLS 1/4-ACRE TRS, as recorded in Volume 018 of Plats, page 096, records of King County, Washington

PRICE ADD, as recorded in Volume 070 of Plats, page 059, records of King County, Washington

PRIMROSE VILLAGE ADD, as recorded in Volume 064 of Plats, pages 050 through 051, records of King County, Washington

PRYDE HOMES, as recorded in Volume 063 of Plats, page 033, records of King County, Washington

QUISLAN TRS, as recorded in Volume 066 of Plats, page 062, records of King County, Washington

RAGNAR MANOR ADD, as recorded in Volume 073 of Plats, page 003, records of King County, Washington

RANDALL DENNIS ADD, as recorded in Volume 049 of Plats, page 068, records of King County, Washington

RANUMS ADD, as recorded in Volume 103 of Plats, pages 059 through 060, records of King County, Washington

RAPP R L ADD, as recorded in Volume 084 of Plats, page 050, records of King County, Washington

REGENCY PARK TOWNHOUSES, as recorded in Volume 002 of Plats, pages 029 through 030, records of King County, Washington

RICHMOND ACRES ADD, as recorded in Volume 024 of Plats, page 025, records of King County, Washington

RICHMOND BEACH 5 ACRE TRS, as recorded in Volume 012 of Plats, page 001, records of King County, Washington

RICHMOND BEACH ADD, as recorded in Volume 006 of Plats, page 018, records of King County, Washington

RICHMOND BEACH COTTAGES, as recorded in Volume 121 of Plats, pages 060 through 062, records of King County, Washington

RICHMOND BEACH COURT, as recorded in Volume 083 of Plats, page 079, records of King County, Washington

Exhibit Three

RICHMOND BEACH PARK, as recorded in Volume 113 of Plats, pages 026 through 028, records of King County, Washington

RICHMOND BEACH REPLAT OF POR OF, as recorded in Volume 009 of Plats, page 094, records of King County, Washington

RICHMOND BEACH SUPL, as recorded in Volume 011 of Plats, page 061, records of King County, Washington

RICHMOND BEACH TOWNHOMES, as recorded in Volume 108 of Plats, pages 082 through 085, records of King County, Washington

RICHMOND BEACH VILLA SITES ADD, as recorded in Volume 010 of Plats, page 065, records of King County, Washington

RICHMOND BEACH WEST TOWNHOUSES, as recorded in Volume 001 of Plats, pages 045 through 048, records of King County, Washington

RICHMOND COURT ADD, as recorded in Volume 042 of Plats, page 016, records of King County, Washington

RICHMOND COVE, as recorded in Volume 206 of Plats, pages 080 through 082, records of King County, Washington

RICHMOND EVERGREEN PARK ADD, as recorded in Volume 049 of Plats, page 074, records of King County, Washington

RICHMOND EVERGREEN PARK DIV NO. 02, as recorded in Volume 050 of Plats, page 026, records of King County, Washington

RICHMOND EVERGREEN PARK DIV NO. 03, as recorded in Volume 058 of Plats, page 067, records of King County, Washington

RICHMOND FIRS, as recorded in Volume 053 of Plats, pages 050 through 053, records of King County, Washington

RICHMOND HIGHLANDS ADD, as recorded in Volume 018 of Plats, page 077, records of King County, Washington

RICHMOND HIGHLANDS WEST, as recorded in Volume 091 of Plats, page 026, records of King County, Washington

RICHMOND MANOR, as recorded in Volume 188 of Plats, pages 008 through 010, records of King County, Washington

RICHMOND MANOR ADD, as recorded in Volume 054 of Plats, page 091, records of King County, Washington

RICHMOND RESERVE ADD, as recorded in Volume 016 of Plats, page 048, records of King County, Washington

RICHMOND SEQUOIA, as recorded in Volume 038 of Plats, pages 050 through 054, records of King County, Washington

RICHMOND THE, as recorded in Volume 056 of Plats, pages 090 through 093, records of King County, Washington

RICHMOND TRACTS DIV NO. 02, as recorded in Volume 025 of Plats, page 038, records of King County, Washington

RICHMOND TRACTS DIV NO. 03, as recorded in Volume 025 of Plats, page 049, records of King County, Washington

RICHMOND TRACTS DIV NO. 04, as recorded in Volume 027 of Plats, page 040, records of King County, Washington

RICHMOND TRS, as recorded in Volume 025 of Plats, page 010, records of King County, Washington

RICHMOND VILLA, as recorded in Volume 040 of Plats, pages 089 through 090, records of King County, Washington

RICHMOND VILLAGE, as recorded in Volume 021 of Plats, pages 026 through 027, records of King County, Washington

RICHMOND VILLAGE ADD, as recorded in Volume 068 of Plats, page 074, records of King County, Washington

RICHWOOD ADD, as recorded in Volume 054 of Plats, page 038, records of King County, Washington

RICHWOOD GLENN ADD, as recorded in Volume 065 of Plats, page 003, records of King County, Washington

RICHWOOD LANE ADD, as recorded in Volume 061 of Plats, page 068, records of King County, Washington

RIDGE CREST PARK ADD DIV NO. 01, as recorded in Volume 046 of Plats, page 067, records of King County, Washington

Exhibit Three

RIDGE CREST PARK ADD DIV NO. 02, as recorded in Volume 052 of Plats, page 046, records of King County, Washington

RIDGE CREST PARK ADD NO. 03, as recorded in Volume 067 of Plats, page 051, records of King County, Washington

RIDGE CREST PARK ADD NO. 04, as recorded in Volume 067 of Plats, page 078, records of King County, Washington

RIDGECREST ADD, as recorded in Volume 037 of Plats, page 007, records of King County, Washington

RIDGECREST HOMES 2ND ADD, as recorded in Volume 045 of Plats, page 098, records of King County, Washington

RIDGECREST HOMES ADD, as recorded in Volume 044 of Plats, page 025, records of King County, Washington

RIDGECREST SLOPE ADD, as recorded in Volume 073 of Plats, page 082, records of King County, Washington

ROBINSON PARK ADD DIV NO. 01, as recorded in Volume 061 of Plats, page 031, records of King County, Washington

ROBINSON PARK ADD DIV NO. 02, as recorded in Volume 072 of Plats, page 038, records of King County, Washington

ROBINWOOD ADD, as recorded in Volume 052 of Plats, page 061, records of King County, Washington

ROCKYDALE ADD, as recorded in Volume 071 of Plats, page 012, records of King County, Washington

RONALD HOME TRS, as recorded in Volume 022 of Plats, page 050, records of King County, Washington

RONALD HOME TRS, as recorded in Volume 902 of Plats, page 423, records of King County, Washington

RONALD HOMES A REPLAT, as recorded in Volume 066 of Plats, pages 081 through 082, records of King County, Washington

RONALD PARK ADD, as recorded in Volume 049 of Plats, page 028, records of King County, Washington

RONALD TERRACE ADD, as recorded in Volume 052 of Plats, page 065, records of King County, Washington

RONLE ADD, as recorded in Volume 049 of Plats, page 049, records of King County, Washington

ROSE ADD NO. 01, as recorded in Volume 034 of Plats, page 019, records of King County, Washington

ROSE ADD NO. 02, as recorded in Volume 034 of Plats, page 026, records of King County, Washington

ROSE ADDITION, as recorded in Volume 188 of Plats, pages 021 through 025, records of King County, Washington

ROSE GLEN ADD, as recorded in Volume 050 of Plats, page 001, records of King County, Washington

ROSE TERRACE ADD, as recorded in Volume 055 of Plats, pages 095 through 096, records of King County, Washington

ROSEWOOD TERRACE ADD, as recorded in Volume 054 of Plats, page 084, records of King County, Washington

ROYAL RICHMOND THE, as recorded in Volume 004 of Plats, page 005, records of King County, Washington

SAULSBERRY HEIGHTS ADD, as recorded in Volume 032 of Plats, page 009, records of King County, Washington

SCHROEDERS H K BLUEBIRD LANE ADD, as recorded in Volume 061 of Plats, page 022, records of King County, Washington

SEA BREEZE MANOR ADD, as recorded in Volume 056 of Plats, page 037, records of King County, Washington

SEA BREEZE TRS, as recorded in Volume 034 of Plats, page 042, records of King County, Washington

SEATTLE BITTER LAKE ACRE TRS, as recorded in Volume 013 of Plats, page 002, records of King County, Washington

SEAWOOD, as recorded in Volume 142 of Plats, pages 067 through 068, records of King County, Washington

SHAMROCK PLACE, as recorded in Volume 043 of Plats, pages 052 through 057, records of King County, Washington

SHIRWOOD LANE ADD, as recorded in Volume 076 of Plats, page 051, records of King County, Washington

SHORE CREST, as recorded in Volume 198 of Plats, pages 005 through 007, records of King County, Washington

SHOREGLEN, as recorded in Volume 112 of Plats, pages 030 through 031, records of King County, Washington

SHORELINE HEIGHTS ADD, as recorded in Volume 044 of Plats, page 004, records of King County, Washington

SHORELINE MANOR NO. 02, as recorded in Volume 070 of Plats, page 093, records of King County, Washington

SHORELINE MANOR REPLAT, as recorded in Volume 070 of Plats, page 002, records of King County, Washington

SHORELINE NO. 01, as recorded in Volume 054 of Plats, page 039, records of King County, Washington

SHORELINE PARK ADD, as recorded in Volume 077 of Plats, pages 040 through 041, records of King County, Washington

SHORELINE VILLAGE, as recorded in Volume 203 of Plats, pages 040 through 045, records of King County, Washington

SHORELINE WEST, as recorded in Volume 035 of Plats, pages 001 through 006, records of King County, Washington

SHOREWOOD HILLS DIV NO. 01, as recorded in Volume 112 of Plats, pages 045 through 047, records of King County, Washington

SHOREWOOD HILLS DIV NO. 02, as recorded in Volume 112 of Plats, pages 048 through 050, records of King County, Washington

SIMLER ADD, as recorded in Volume 111 of Plats, pages 091 through 092, records of King County, Washington

SINCLAIR TERRACE, as recorded in Volume 086 of Plats, page 002, records of King County, Washington

Exhibit Three

SKY ACRES ADD, as recorded in Volume 049 of Plats, page 031, records of King County, Washington

SMILEY PARK ADD, as recorded in Volume 079 of Plats, page 048, records of King County, Washington

SMITH ADD, as recorded in Volume 075 of Plats, page 036, records of King County, Washington

SMITHS INTERURBAN TRACTS NO. 02, as recorded in Volume 075 of Plats, page 081, records of King County, Washington

SMITHS INTERURBAN TRS, as recorded in Volume 065 of Plats, page 051, records of King County, Washington

SOMERSET KNOLLS, as recorded in Volume 196 of Plats, pages 062 through 065, records of King County, Washington

ST CHARLES PLACE, as recorded in Volume 078 of Plats, pages 072 through 076, records of King County, Washington

ST JOHN ACRE TRS, as recorded in Volume 021 of Plats, page 005, records of King County, Washington

ST LUKES PARK ADD, as recorded in Volume 061 of Plats, page 070, records of King County, Washington

ST LUKES PLACE, as recorded in Volume 076 of Plats, page 018, records of King County, Washington

STAAF ADD, as recorded in Volume 050 of Plats, page 058, records of King County, Washington

STAAF ADD NO. 02, as recorded in Volume 082 of Plats, page 024, records of King County, Washington

STARLITE LANE ADD, as recorded in Volume 081 of Plats, page 013, records of King County, Washington

STATE PLAT IN SEC 16-26-4, as recorded in Volume 042 of Plats, page 010, records of King County, Washington

STEENDAHL PARK ADD, as recorded in Volume 068 of Plats, page 001, records of King County, Washington

STEINMAN ADD, as recorded in Volume 049 of Plats, page 045, records of King County, Washington

STIMSON ADD, as recorded in Volume 076 of Plats, page 010, records of King County, Washington

STIMSONS ESTATES, as recorded in Volume 095 of Plats, pages 080 through 081, records of King County, Washington

STIRTAN H G ADD, as recorded in Volume 056 of Plats, page 010, records of King County, Washington

SUN VALLEY HOMES REPLAT, as recorded in Volume 063 of Plats, page 009, records of King County, Washington

SUNRISE MANOR ADD, as recorded in Volume 068 of Plats, page 011, records of King County, Washington

SUNRISE NORTH, as recorded in Volume 108 of Plats, pages 037 through 040, records of King County, Washington

SUTTON HEIGHTS, as recorded in Volume 151 of Plats, pages 023 through 025, records of King County, Washington

SYLVAN HEIGHTS ADD, as recorded in Volume 051 of Plats, page 038, records of King County, Washington

TANGLEWOOD ADD, as recorded in Volume 057 of Plats, page 008, records of King County, Washington

TANGLEWOOD NO. 02, as recorded in Volume 058 of Plats, page 057, records of King County, Washington

TANGLEWOOD NO. 03, as recorded in Volume 058 of Plats, page 099, records of King County, Washington

TANGLEWOOD PARK ADD, as recorded in Volume 053 of Plats, page 070, records of King County, Washington

TANGLEWOOD PARK NO. 02, as recorded in Volume 054 of Plats, page 050, records of King County, Washington

TEGMAN ADD, as recorded in Volume 070 of Plats, page 013, records of King County, Washington

Exhibit Three

TERRACE HEIGHTS ADD, as recorded in Volume 055 of Plats, page 083, records of King County, Washington

THE MATTINO , as recorded in Volume 217 of Plats, pages 003 through 006, records of King County, Washington

THE RESERVE COTTAGES, as recorded in Volume 207 of Plats, pages 033 through 034, records of King County, Washington

THE WEATHERLY, as recorded in Volume 208 of Plats, pages 032 through 036, records of King County, Washington

THIRD AVE TRS, as recorded in Volume 042 of Plats, page 035, records of King County, Washington

TIMBER LANE ADD, as recorded in Volume 054 of Plats, page 062, records of King County, Washington

TRAFFORD PARK TRS, as recorded in Volume 902 of Plats, page 268, records of King County, Washington

TRENS ADD, as recorded in Volume 049 of Plats, page 092, records of King County, Washington

TROPHY HIGHLANDS, as recorded in Volume 107 of Plats, pages 088 through 089, records of King County, Washington

TROPHY HOME BUILDERS ADD NO. 01, as recorded in Volume 103 of Plats, page 070, records of King County, Washington

TWIGG EARLE PARK ADD, as recorded in Volume 055 of Plats, page 066, records of King County, Washington

URBAN TRAIL TOWNHOMES, as recorded in Volume 232 of Plats, pages 066 through 068, records of King County, Washington

URIGS ADD, as recorded in Volume 042 of Plats, page 030, records of King County, Washington

VIKING HIGHLANDS, as recorded in Volume 210 of Plats, pages 011 through 013, records of King County, Washington

VIKING LEA, as recorded in Volume 198 of Plats, pages 058 through 060, records of King County, Washington

Exhibit Three

VONDEL PARK ADD, as recorded in Volume 060 of Plats, page 037, records of King County, Washington

WALLINGFORD PINES, as recorded in Volume 078 of Plats, page 084, records of King County, Washington

WALLIS COUNTRY CLUB TRS, as recorded in Volume 035 of Plats, page 043, records of King County, Washington

WALTON ADD, as recorded in Volume 073 of Plats, page 006, records of King County, Washington

WEGLEYS ADD, as recorded in Volume 045 of Plats, page 087, records of King County, Washington

WELCOME LANE ADD, as recorded in Volume 080 of Plats, page 069, records of King County, Washington

WELCOME LANE NO. 02, as recorded in Volume 085 of Plats, page 069, records of King County, Washington

WENZLERS ECHO LAKE TRS, as recorded in Volume 012 of Plats, page 096, records of King County, Washington

WEST COURT ADD, as recorded in Volume 053 of Plats, page 002, records of King County, Washington

WEST VIEW, as recorded in Volume 085 of Plats, page 096, records of King County, Washington

WESTMINSTER - 500, as recorded in Volume 043 of Plats, pages 009 through 012, records of King County, Washington

WESTMINSTER ADD, as recorded in Volume 027 of Plats, page 025, records of King County, Washington

WESTOVER ADD, as recorded in Volume 034 of Plats, page 021, records of King County, Washington

WHITHAM ROBERT F HOME TRS, as recorded in Volume 030 of Plats, page 024, records of King County, Washington

WHITHAMS 2ND HIGHLAND ADD, as recorded in Volume 043 of Plats, page 021, records of King County, Washington

Exhibit Three

WHITHAMS HIGHLAND ADD, as recorded in Volume 020 of Plats, page 056, records of King County, Washington

WILLRUTHS ADD, as recorded in Volume 048 of Plats, page 023, records of King County, Washington

WILLRUTHS ADD NO. 02, as recorded in Volume 064 of Plats, page 043, records of King County, Washington

WOOD HILL ADD, as recorded in Volume 053 of Plats, page 045, records of King County, Washington

WOOD HILL NO. 02, as recorded in Volume 053 of Plats, page 084, records of King County, Washington

WOOD HILL NO. 03, as recorded in Volume 054 of Plats, page 095, records of King County, Washington

WOODCREST ADD, as recorded in Volume 035 of Plats, page 042, records of King County, Washington

WOODPARK LANE ADD, as recorded in Volume 052 of Plats, page 001, records of King County, Washington

WOODVIEW WEST, as recorded in Volume 088 of Plats, page 044 , records of King County, Washington

CONFORMED COPY

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KING COUNTY RE QCD 0.00
PAGE-001 OF 042
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10/19/2009 13:54

AFTER RECORDING RETURN TO:
City Attorney's Office
City of Shoreline
17500 Midvale Avenue North
Shoreline, Washington 98133

TAX
SALE

\$10.00
\$0.00

PAGE-001 OF 001

QUIT CLAIM DEED

Grantor: King County, Washington
Grantee: City of Shoreline, Washington
Legal: Tract A, Baumann's Addition (etc., Various Tracts and Drainage Easements)
Tax Acct.: 056520-0080 (etc., See Exhibit A)

The Grantor, KING COUNTY, a political subdivision of the State of Washington, for and in consideration of mutual benefits, receipt of which is hereby acknowledged, pursuant to King County Ordinance No. 2007-0602, conveys and quit claims unto the Grantee, the CITY OF SHORELINE, a municipal corporation of the State of Washington, those certain real property interests as legally described in Exhibit A, attached hereto and made a part of this Deed.

Dated this 6th day of October, 2009

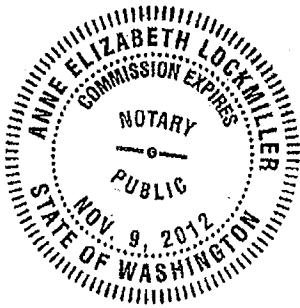
KING COUNTY, WASHINGTON

BY Stephy Bahya
TITLE Manager, Real Estate Services

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this 6th day of OCTOBER, 2009, before me personally appeared Stephen L. Salyer, to me known to be Manager of the Real Estate Services Section of the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

Given under my hand and official seal the day and year last above written.



Anne E. Lockmiller
Anne E. Lockmiller

NOTARY PUBLIC in and for the State of Washington,
Residing at Seattle, Washington
My appointment expires November 9, 2012

**FIRST ADDENDUM TO THE INTERLOCAL AGREEMENT BETWEEN
KING COUNTY AND THE CITY OF SHORELINE
FOR THE TRANSFER OF DRAINAGE FACILITIES AND PROPERTY INTERESTS**

This First Addendum to the Interlocal Agreement between King County and the City of Shoreline for the Transfer of Drainage Facilities and Property Interests (“Agreement”), dated May 19, 2009, provides for the transfer from King County (“County”) to the City of Shoreline (“City”) of County-owned drainage facilities and property interests, in accordance with Section III.C.1 of the Agreement. The County and the City are hereinafter collectively referred to as the “Parties.”

For clarification, the Agreement stated that the County transferred County-owned and/or -maintained drainage facilities and property interests to the City because the facilities and property interests served “annexed” areas of the City. However, the listing of drainage facilities and drainage property interests contained in the exhibits to the Agreement pertain to not only annexed areas but also to areas contained in the original incorporation in 1995, establishing the City of Shoreline.

Under the terms of Section III.C.1 of the Agreement, additional County-owned drainage facilities and property interests that the County and the City identify as needing to be transferred to the City are authorized to be transferred to the City through an Addendum to the Agreement. The Parties agree that the additional facilities and properties interests identified in the table below should be transferred to the City:

Property Tax Account Number	Property Interest	Drainage Facility
031810-0005	Drainage Easement	Drainage conveyance line and catch basins.

Upon execution of this First Addendum, the drainage facility and drainage property interest identified in the table above shall be transferred to the City, and the City shall assume ownership and full and complete responsibility for the operation, maintenance, repairs, and any subsequent improvements to the drainage facilities. The associated property interests shall be transferred to the City by Quitclaim Deed, a copy of the form of which is attached to this First Addendum as First Addendum Exhibit One. A copy of the drainage easement, recorded under King County Recording No. 9208251325 and re-recorded under King County Recording No. 9209210424, is attached to this First Addendum as First Addendum Exhibit Two.

Upon being signed by both Parties, this First Addendum shall be attached to the Agreement. All other terms of the Agreement not altered by this Addendum shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Addendum
on the ____ day of _____, 2018.

City of Shoreline

King County

Debbie Tarry
City Manager

Josh Baldi
Director, Water and Land Resources Division

Approved as to Form

Approved as to Form

Margaret King, City Attorney
Julie Ainsworth-Taylor, Assist. City Attorney

Amy Eiden, Sr. Deputy Prosecutor Attorney

First Addendum Exhibit One

AFTER RECORDING RETURN TO:

ATTN: _____

QUIT CLAIM DEED

GRANTOR – King County, Washington
GRANTEE – City of Shoreline, Washington
LEGAL – [REDACTED]
TAX NO. – [REDACTED]

The Grantor, **KING COUNTY**, a political subdivision of the State of Washington, for and in consideration of mutual benefits, hereby conveys and quitclaims to Grantee, **CITY OF SHORELINE**, a State of Washington municipal corporation, the property interest described in EXHIBIT A, attached hereto and incorporated herein by this reference including after acquired title subject to the City of Shoreline’s covenant that it shall have full and complete responsibility for the operation, maintenance, repairs and any subsequent improvements to the drainage facilities and/or properties listed in Exhibit A for drainage purposes in perpetuity.

GRANTOR – KING COUNTY

BY: _____

Anthony O. Wright

TITLE: Director, Facilities Management Division

DATE:

Approved as to Form:

BY: _____

John Briggs, Senior Deputy Prosecuting Attorney

NOTARY BLOCKS APPEAR ON NEXT PAGE

NOTARY BLOCK FOR KING COUNTY

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this _____ day of _____, 2018, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ANTHONY O. WRIGHT, to me known to be the Director, Facilities Management Division, and who executed the foregoing instrument and acknowledged to me that HE was authorized to execute said instrument on behalf of KING COUNTY for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the
State of Washington, residing
at _____
City and State

Signature

Printed Name

My appointment expires _____

**EXHIBIT A
TO QUIT CLAIM DEED**

LEGAL DESCRIPTION

A right of way easement for a drainage facility over, through, across and under that portion of the property herein described situated in King County, Washington, being more particularly described as follows:

The West 12 feet of vacated Midvale Avenue as determined by the King County Road Engineer in accordance with the Order of Vacation recorded May 4, 1954 in Volume 63, King County Commissioner's Records, Page 26 ("Easement area").

(Said drainage easement was first recorded in recording #9208251325 and #9209210424)

First Addendum Exhibit Two

[copy of easement here]

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussing the 2018 Second Quarter Financial Report and a Preliminary View of the 2019-20 Biennium Budget and the 2019-2024 Capital Improvement Plan
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor Tricia Juhnke, City Engineer
ACTION:	<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:

Tonight staff will provide an update on 2018 revenues and expenditures through the second quarter, a preview of the 2019-20 proposed preliminary budget, and an update to the long-term operating budget financial projections. The 2019-20 proposed preliminary budget is balanced and continues to allocate resources that support the Council's goals and priorities. The City Manager will present the 2019-20 Proposed Budget and 2019 – 2024 Capital Improvement Plan to the City Council on October 15, with adoption scheduled for November 19, 2018.

The City continues to maintain a healthy financial position. As a result of the Council's strong financial policies, diligent financial management, and conservative budget planning, the City continues to maintain its AA+ bond rating and a Standard & Poor's (S&P) ratings outlook of "stable." The City has had several years of clean audit opinions with no findings from the State Auditor's Office. The 2019-20 budget will continue to be in compliance with the City's financial and reserve policies.

RECOMMENDATION

No action is required by the City Council. This item is for informational purposes and to provide the City Council with a preview of the 2019-20 proposed preliminary budget. Staff anticipates that Council may provide additional budget direction to the City Manager as a result of this review.

Approved By: City Manager **DT**

City Attorney **MK**

INTRODUCTION

Staff is preparing the City Manager's 2019-20 Proposed Budget, 2019 – 2024 Capital Improvement Plan, and updating long-term financial projections as part of the budget process. Tonight's discussion will provide an opportunity for staff to share the latest financial projections and introduce some of the major policy issues that will be discussed during the 2019-20 budget process. The 2019-20 budget adoption schedule is, as follows:

Topic	Meeting Date
Discussing the 2018 Second Quarter Financial Report and a Preliminary View of the 2019-2020 Biennium Budget and the 2019-2024 Capital Improvement Plan	September 17
Presentation of the Proposed 2019-2020 Biennium Budget and the 2019-2024 Capital Improvement Plan	October 15
Discussing the Proposed 2019-2020 Biennium Budget – Department Presentations	October 22
Discussing the Proposed 2019-2020 Biennium Budget – Continued Department Presentations and Capital Improvement Program	October 29
Public Hearing and Discussing Ord. No. 842 – 2019-2020 Property Tax and Revenue Sources	November 5
Public Hearing and Discussing the Proposed 2019-2020 Biennium Budget and the 2019-2020 Capital Improvement Plan	November 5
Public Hearing and Discussing the Proposed 2019-2020 Biennium Budget and the 2019-2024 Capital Improvement Plan	November 19
Adopting Ord. No. 842 – 2019-2020 Property Tax Levy	November 19
Adopting Ord. No. 841 – 2019-2020 Biennium Budget, 2018-2023 Capital Improvement Program	November 19

BACKGROUND

2018 Operating Budget

Projected 2018 Operating (General and Street Funds) Budget Savings:

Routine monitoring and reporting on the City's actual revenues and expenditures is a critical part of the City's financial planning process. As discussed below, departments have prepared detailed estimates of revenues and expenditures for the current fiscal year. The City's Second Quarter Financial Report provides more details and is available as Attachment A.

It is projected that 2018 revenues, excluding transfers in, of \$44.547 million will be more than the current budgeted revenues, as amended in the third quarter, by \$247,000. The

most significant projections for collected revenues embedded in staff's year-end estimates are:

- an \$85,000 increase in anticipated property tax levy collections;
- a \$687,000, or 8.1%, increase in receipts from sales tax as receipts from the retail trade sector are projected to be slightly more than the budget projection (+\$57,000, or +1.1%) and receipts from the construction sector are projected to be \$184,000, or 19.3%, more than the budget projection;
- a \$75,000 increase in storm drainage utility tax collections as a result of the rate increase adopted in accordance with the Surface Water Master Plan;
- a \$286,000 reduction in other utility tax, franchise fee and contract collections;
- a \$65,000, or +2.5%, increase in development revenue mostly as a result of a higher mechanical fees/permits, land use fees/permits, and plan check fees, as well as one-time permit revenues related to some of the Shoreline School District's projects; and
- a \$544,000 reduction in the amount of reimbursement from Sound Transit for the work performed in 2018 as the project continues into 2019 and beyond.

It is projected that 2018 expenditures, excluding transfers between the General and Street Funds, of \$48.014 million will be less than the current budgeted expenditures by \$2.356 million. This includes use of \$3.714 million of the \$6.763 million of budgeted fund balance, as planned. Staff does not anticipate using any of the budgeted operational contingency or insurance reserve.

The General Fund is projected to end 2018 with \$12.285 million of fund balance, which is \$8.192 million more than the minimum required balance of \$4.093 million. Of this amount, the City Manager has set-aside \$2.0 million in reserve for future improvements for a maintenance facility, thereby leaving \$6.192 million available for other uses. The Street Fund is projected to end 2018 with \$408,000, which will be above the minimum required balance of \$259,000.

2018 Operating Budget Savings Recommendation:

As will be discussed later in this report, the 2019-20 supplemental budget requests include one-time requests to support the Council's adopted goals and priorities. Staff anticipates that some of the projected one-time savings from 2018 will be used to fund one-time supplemental requests in 2019-20 or other one-time needs as approved by the City Council.

DISCUSSION

Overall Financial Health

The City continues to maintain a healthy financial position. As a result of the Council's strong financial policies, diligent financial management, and conservative budget planning, the City continues to maintain its AA+ bond rating and a Standard & Poor's (S&P) ratings outlook of "stable." The City has had several years of clean audit opinions with no findings from the State Auditor's Office. The 2019-20 budget will continue to be in compliance with the City's financial and reserve policies with projected ending General Fund and Street Fund reserves in excess of requirements.

2019-20 Proposed Preliminary Budget

At this time the 2019-20 proposed preliminary budget is balanced in all funds. The City Manager will be recommending a budget that supports the accomplishment of Council goals and priorities. The 2019-20 budget also accommodates two major operating cost increases in electricity and landscaping maintenance that together impact the City's operating budget by \$827,000 in the proposed biennium and approximately \$1,129,000 in 2021-22.

Personnel:

The 2019-20 proposed preliminary budget increases the net number of full-time equivalent (FTE) positions in the City's personnel complement from the 2018 total by 9.45 FTE. This number reflects the following, which is also discussed in more detail later in this report:

- Addition of 7.00 FTEs for the in-house landscaping program;
- Conversion of on-going extra help personnel in the City's Specialized Recreation Program to three regular part-time positions for a total of 1.95 FTEs; and
- Changes to FTEs according to staffing needs during phases of various projects, including elimination of limited-term positions as terms come to an end.

The history of the City's personnel compliment is shown in the chart below:

City of Shoreline Regular FTE Summary

Department	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Prop.	2020 Prop.	2019 Changes	2020 Changes
City Manager ^{b,d,g}	9.50	8.75	8.75	13.00	13.00	13.00	17.00	16.75	23.50	22.88	21.25	(0.63)	(1.63)
City Clerk	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Services ^{a,g}	8.68	8.68	10.18	8.68	8.68	8.68	8.68	8.68	4.78	4.78	4.78	0.00	0.00
City Attorney	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Administrative Services ^{c,e,f}	18.50	18.70	21.20	21.20	21.20	21.45	21.45	21.45	25.65	25.65	25.65	0.00	0.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Police	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Community Development ^{d,g}	24.35	24.35	20.45	20.00	20.00	21.00	22.00	23.00	23.00	22.82	23.32	(0.18)	0.50
Parks, Recreation & Cultural Services	27.30	27.30	27.80	27.68	28.68	29.48	30.60	31.30	32.48	34.63	34.53	2.15	(0.10)
Public Works ^b	28.29	28.14	30.38	24.00	24.30	25.45	30.38	31.31	31.00	37.12	37.52	6.12	0.40
Surface Water Utility	10.71	10.86	11.12	12.00	13.70	12.55	12.62	12.69	14.92	15.76	15.46	0.84	(0.30)
Wastewater Utility	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14.00	14.13	14.15	14.15	0.02	0.00
Total FTE	137.33	136.78	135.88	132.56	135.56	137.60	148.73	165.18	175.45	183.78	182.65	8.33	(1.13)
Staffing for Sound Transit Lynnwood Link Extension Project ^c							4.00	3.75	4.75	4.12	2.50	(0.63)	(1.25)
Net FTE	137.33	136.78	135.88	132.56	135.56	137.60	144.73	161.43	170.70	179.66	180.15		0.12

a. Includes 0.50 FTE funded by the Emergency Management Program Grant since 2008

b. Reflects shift of staffing for ST Lynnwood Link Extension Project from Public Works to City Manager's Office since 2016

c. Excludes term-limited 1.00 FTE IT Projects Manager for 2016 - December 2018

d. Excludes term-limited 1.00 FTE Senior Planner for 2017 - 2019; excludes 0.50 FTE in 2020.

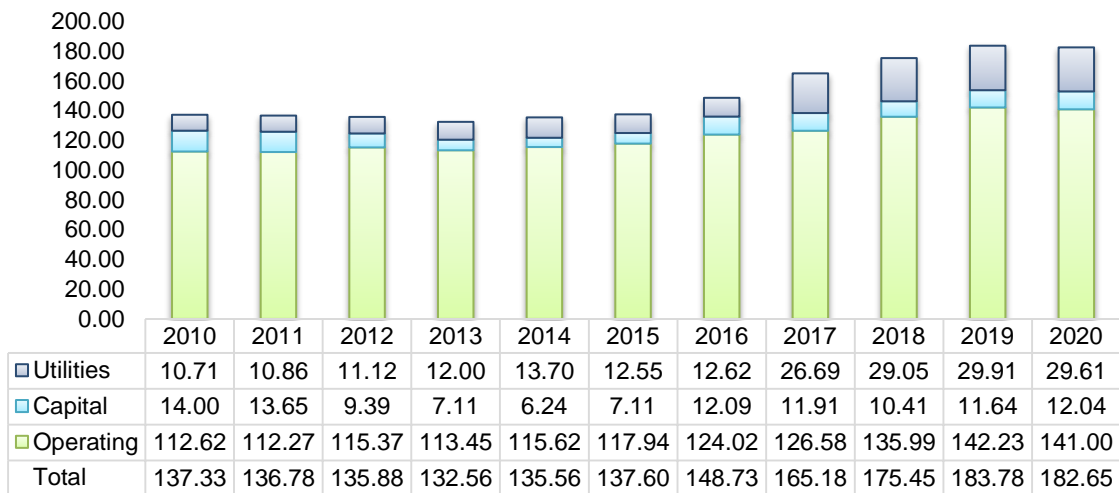
e. Excludes term-limited 1.00 FTE Staff Accountant for 2018-2019

f. Excludes term-limited 0.37 FTE increase for Finance Technician for 2017 - 2020

g. Reflects shift of staffing for Code Enforcement & Customer Response Team to City Manager's Office since 2018

The following chart exhibits the changes in staffing levels for operating, capital, and utility funds since 2010:

City of Shoreline Regular FTE Summary by Fund Type



Reclassification of Vacant Position: Staff has reviewed capacity that came with the transfer of Ronald Wastewater District (RWD) staff in 2017. The incumbent filling the RWD General and Accounting Manager assumed the responsibilities formerly performed by the City’s vacant Finance Manager. In 2018, the vacant Finance Manager position was budgeted as a Management Analyst as a placeholder until the actual work load and organizational needs could be further evaluated. The City’s current Information Technology (IT) Project Manager is a term-limited position through early 2019. The reality is that there is a need for an IT Project Manager to successfully implement the City’s Strategic Technology Plan. As such, the City Manager is recommending that the IT Project Manager become an on-going position and fill the vacant FTE slot of the Management Analyst. In essence, there would be no increase in FTE, but a reclassification of the position is proposed as part of the 2019-20 Proposed Budget.

Conversion of Extra Help to Regular Positions: The functions of the Specialized Recreation Program, which includes the CHOICES day program and events and trips for adults with disabilities, currently operates with a benefitted Recreation Specialist II supported by four extra help positions. The Extra Help positions provide on-going service and provide supervision to vulnerable population participants, at times without the direct oversight of a regular, benefitted staff person due to programmatic needs on trips and current staffing structure. Therefore, the 2019-20 proposed preliminary budget includes the conversion of three extra help positions to three regular part-time, benefitted Recreation Specialist I positions, comprised of two positions at 0.60 FTE and one position at 0.75 FTE. One extra help position will be retained with responsibilities and hours modified from the current structure to deliver services that are not ongoing in nature. The net cost increase of this conversion in the General Fund is \$176,000.

Staffing of Unified Landscape Maintenance Service (2019-20; General Fund: \$635,000 one-time and \$373,000 net ongoing; Street Fund: \$150,000 one-time and \$143,000 net ongoing; Surface Water Utility Fund: \$37,000 one-time with ongoing absorbed in base budget): The right-of-way (ROW) and park landscape maintenance services have traditionally been provided through private contracts. Contractor turnover, gaps in service, and the resulting expenditure of extra staff time to develop bid documents, rebid, let contracts, and contract oversight to ensure contract adherence, and bringing new contractors or sub-contractors up to speed is preventing the City from receiving a consistent level of service and displacing valuable staff time for other work.

Since 2014 there have been five separate ROW landscape maintenance contracts with three different contractors. Two of the contracts were full maintenance and three, including the current contract, are limited scope and duration contracts to address gaps in service due to early contract terminations. This constant turnover of contractors has negatively impacted both the quantity and quality of ROW service provided to the City.

In addition to these performance issues, State Law changes to prevailing wage calculations more than doubled the prevailing wages that contractors must pay landscape maintenance workers, effective August 31, 2018. It is estimated the change in prevailing wage would increase the costs of the City's contracts beginning in the 2019-20 biennium by at least \$900,000.

With a poor performance record of outsourcing ROW landscape maintenance services and the estimated \$900,000 increase in ongoing costs, the City Manager is recommending that the City create an in-house unified landscape/grounds maintenance crew. The 2019-20 proposed preliminary budget includes \$785,000 in one-time costs and \$516,000 in ongoing costs to implement this program in phases with the hiring of staff as reflected in the table below, as well as a full year of park landscape maintenance contract and acquisition of vehicles and equipment in 2019. It is estimated the fully implemented program would increase the ongoing cost of this service in the General Fund and Street Fund beginning in the 2021-22 biennium by \$746,000, which is \$154,000 less than the impact of the change in prevailing wage. The Surface Water Utility Fund's costs have been absorbed within its base budget. Funding for this program will be split generally 50% in the General Fund, 40% in the Street Fund and 10% in the Surface Water Utility Fund.

Unified Landscape/Grounds Maintenance Crew Hiring Phases

Regular Positions	FTE / Hours	Budgeted Start Date
Grounds Maintenance Supervisor	1.00 FTE	Jan. 1, 2019
Sr. Grounds Maintenance Worker	1.00 FTE	Jan. 1, 2019
Grounds Maintenance Worker II	1.00 FTE	March 1, 2019
Grounds Maintenance Worker I	2.00 FTE	March 1, 2019
Grounds Maintenance Worker II	1.00 FTE	Nov. 1, 2019
Grounds Maintenance Worker I	1.00 FTE	Nov. 1, 2019
Extra Help Positions	FTE / Hours	Budgeted in Year
Extra Help	2,080 hours	2019 only
Extra Help	4,160 hours	2020 and ongoing

Positions Necessary for Specific Projects: The following positions have been or are needed to accomplish specific projects. While not all of positions are term-limited, should the future demand for these positions diminish and supporting revenue not be available, the positions would be eliminated.

- *Staff Accountant (Financial System Replacement Backfill Term-Limited to 12/31/2019):* The 2019-20 proposed budget reflects the elimination of this position in 2020.
- *Light Rail Project:* The 2019-20 proposed preliminary budget reflects the following changes to positions permitting and coordinating the Lynnwood Link Extension Light Rail Project. Most are term-limited positions. Funding is provided via an agreement with Sound Transit:
 - Administrative Assistant II: Reduced from 0.75 FTE in 2019 to 0.50 FTE in 2020.
 - Senior Planner: Reduced from 1.00 FTE to 0.375 FTE in 2019 and eliminated in 2020.
 - Senior Planner (3-year term limited): This position was added in September 2017 as a 1.00 FTE to support the Light Rail Project and Planning and Community Development Department. In 2019 the support this position provides to the Light Rail Project will be reduced to 0.75 FTE and in 2020 it will be reduced to 0.50 FTE. The balance of the FTE will support the Planning and Community Development Department.
 - Development Review Engineer II: Included at 1.00 FTE in 2019 and eliminated in 2020.

The 2019-20 proposed preliminary budget does not currently reflect the positions related to the construction of light rail facilities. This will be a future discussion item brought to the City Council at a later date.

Salary and Benefit Considerations

- *2019-20 Market Adjustments - Cost of Living Adjustments (COLAs):* The City's practice has been to use 90% of the June-to-June percentage change of the Seattle/Tacoma/Everett June Consumer Price Index-All Urban Consumer (CPI-U) to determine the annual market adjustment. The 2019-20 proposed preliminary budget will include a recommended 2.95% COLA based on 90% of the June-to-June change in the CPI-U of 3.28% and a recommended 2.20% COLA based on 95% of the forecast June-to-June CPI-U of 2.32%. The increase to 95% in 2020 is recommended to maintain internal equity between the extra-help and regular employee salary tables as the City ensures that minimum wages meet or exceed the State mandated levels. Beginning in 2021, the State minimum wage increases will be set at 100% of CPI. As a result the 10 YFSM anticipates increasing the COLA adjustments to 100% of CPI beginning in 2021.
- *Health Benefits:* The City obtains medical plans through the Association of Washington Cities (AWC). In 2018 the City maintained its monthly contribution toward employee health benefits to help offset increased employee costs. With premium increases anticipated for 2019, we return to the allotment strategy

included in Ordinance No. 799. This strategy will increase the City allotments from the \$1,003 minimum and \$1,876 maximum per month to \$1,014 minimum and up to \$1,919 maximum.

- *Extra Help Salary Table:* The extra help salary table has been adjusted by 90% of CPI for 2019 and 95% of CPI in 2020 to accommodate minimum wage increases mandated by Initiative 1433, passed by voters in November 2016. I-1433 sets the minimum wage at \$13.50 in 2020, with increases at 100% of CPI starting in 2021. The City Manager is recommending, as discussed last year and noted above, the City's practice be modified to provide COLA at 100% of CPI-U instead of the current 90%, to maintain equity between the two tables in 2021.

Investments:

The City Manager is recommending various supplemental requests to meet organizational priorities that allow for the effective delivery of priority public services and completion of council goals. The City Manager's 2019-20 Proposed Budget will include a recommendation to fund the following one-time items with projected one-time savings and on-going items with on-going revenue.

Council Goals:

The following recommended investments support the 2018-2020 Council Goals. For more information about these goals, please click on the links below:

- *Goal 1:* [Strengthen Shoreline's economic climate and opportunities](#)
- *Goal 2:* [Improve Shoreline's infrastructure to continue the delivery of highly-valued public service](#)
- *Goal 3:* [Continue preparation for regional mass transit in Shoreline](#)
- *Goal 4:* [Expand the City's focus on equity and inclusion to enhance opportunities for community engagement](#)
- *Goal 5:* [Promote and enhance the City's safe community and neighborhood programs and initiatives](#)

Human Services Funding:

- The 2019-20 Proposed Budget continues to increase funding for human services to reach the City Council's goal of committing 1.0% of recurring General Fund revenues to human service providers with the allocation for 2019 at 0.84% and for 2020 at 0.88%. The budget includes one-time funding of \$22,000 for a housing outreach worker to contact people living homeless either on the street, in vehicles or in Winter Shelter to conduct assessments with them, to assist and connect them to essential housing and community resources and ultimately to support their moving off the street. The program will also assist Shoreline staff to better understand the scope and nature of homelessness in Shoreline and to provide a resource when staff encounter people living homeless. The program projects serving 190 individuals each year who list Shoreline as their last place of residence.

One-Time Funding Requests:

- *Expand Residential Housing Choices* (Council Goal 1; 2020; General Fund: \$75,000): In January 2018, the City Council provided staff direction at the joint City Council and Planning Commission dinner meeting to include on the 2020 Work Plan a project with the community to possibly expand the types of housing in Shoreline. The 2020 Residential Housing Choices project would be to explore the “missing middle” suite of options for housing styles, including cottages, tiny houses, VRBOs (Vacation Rental by Owner) and ADUs (Accessory Dwelling Units). The primary focus would be to create an opportunity for public dialogue about whether these options are appropriate for Shoreline and in which zoning designations, including use of such tools as visual preference surveys, online meetings, and other creative outreach. Potential assistance could include: developing a communications plan; researching model code language for jurisdictions that regulate these housing styles well; and, creating visual tools (online, print, photographs, diagrams, etc.) to communicate the purpose of the project and to obtain feedback regarding design options for various housing types.
- *Townhouse Design Standards* (Council Goal 1; 2019; General Fund: \$41,000): In January 2018, the City Council provided staff direction at the joint City Council and Planning Commission dinner meeting to include on the 2019 Work Plan the creation of design standards for townhomes (attached single family). The scope of work would primarily entail researching model townhome design standards and creating diagrams that illustrate what to do and what not to do, or to simply illustrate the standard. Illustrations could resemble the line drawing style currently used in the Development Code or something more elaborate.
- *Americans with Disabilities Act of 1990 (ADA) Parks Assessment and Transition Plan Development* (Council Goal 2; 2019-20; General Fund: \$170,000): In 2016, the Parks, Recreation and Cultural Services Department completed an inventory of the assets and features in Shoreline park system. The inventory did not assess what park features and access points met ADA requirements. An assessment of ADA features in the park system is required to ensure that deficiencies do not exist and requirements of ADA are met. Detailed items such as trail and pathway slopes, widths of doors and gates and restroom facilities require review by professionals specially trained in ADA requirements.
- *Update the 2015 Landscape Conservation Local Infrastructure Program Report* (Council Goal 2; 2019; General Fund: \$30,000): City Council directed staff to continue to analyze the Landscape Conservation and Local Infrastructure Program (LCLIP). The purpose of the Landscape Conservation and Local Infrastructure Program is to encourage the Transfer of Development Rights (TDR) with a public infrastructure financing tool called tax increment financing (TIF). The LCLIP report developed in 2015 was studied by with findings presented to the City Council on November 6, 2017. At the conclusion of the discussion the City Council directed staff to continue to evaluate the program and bring back a recommendation sometime in 2019. The City will hire a consultant

to update the 2015 LCLIP Report in 2019, including detailed Shoreline specific analysis, to be used for this next evaluation of the program.

- *Green Cities Partnership Launch – Establish the Green Shoreline Partnership* (Council Goal 2; 2019-20; General Fund: \$30,000): The process of forming a new Green City with Forterra involves an initial assessment of the current acreage and condition of a city’s forested parks and natural areas. With this information Forterra works with the City to develop and implement a 20-year strategic plan with the forest restoration goals over a set timeline. Forterra support also includes developing a community-based volunteer stewardship program to support restoration efforts across the city. In addition, Forterra facilitates connections across the Partnerships through the Green Cities Network, providing a venue for resource sharing, idea creation and consistency in regional restoration efforts. Forterra estimates \$60,000 in startup costs to do the initial assessment and planning work. The City’s contribution of \$30,000 will leverage an equal amount from Forterra and/or other grant sources.
- *Expanded Outreach and Engagement* (Council Goal 4; 2019-20; General Fund: \$24,000): Develop and pilot two expansions of existing efforts to engage the community:
 - Through the Diversity and Inclusion Program the Shoreline Community Bridge Pilot will provide diverse, multilingual community members with informational training sessions to increase their knowledge of City and government services, resources and opportunities to become engaged in and work with the City. Participants will have the opportunity to identify and execute a community engagement project focused on serving residents with limited English skills who are not currently able to access our more traditional community input practices such as boards, advisory committees and commissions or standard City input practices (i.e. open houses, surveys, Council meetings).
 - Through the Neighborhoods Program the Community Micro-Grants Pilot will run parallel to the Neighborhood Mini-Grant program and reach to residents that have not traditionally engaged with Neighborhood Associations (i.e. new residents, renters and apartment dwellers and those living in transition areas). The Micro Grants Pilot will support efforts of smaller groups to build stronger community connections with each other and with the City.

Ongoing Programs:

- *Continuous Improvement and Organizational Development* (Council Goal 4; 2019-20; General Fund: \$100,000): The City’s Leadership Team developed an 18-month roadmap to advance *Continuous Improvement*. The City Council funded activities outlined in the plan for 2017 and 2018 that resulted in Leadership Team training, the completion of two process improvements, and a citywide training on tools needed to improvement engagement with process improvement efforts. The City Manager desires to continue to build on the 18-

month roadmap by building capacity to lead these efforts internally in coordination and to develop an organizational development plan in coordination with the Human Resources Department and the Diversity & Inclusion Division.

- *Translation Services* (Council Goal 4; 2019-20; General Fund: \$70,000): As the City continues to expand its outreach and inclusion efforts to diverse communities, we anticipate the need for more translation and translator services. Creating a citywide fund for these services will allow us to better track how much we are spending, what services are used most, and what languages are most requested. This data will help us better plan our communication and outreach efforts.

Organization Goals

One-Time Funding Requests:

- *City Asset Maintenance & Efficiencies:*
 - *Bridge Cleaning – Bid and Cost Estimate Development* (2020; Street Fund: \$15,000): The two Aurora Pedestrian Bridges require periodic cleaning. Earlier cost estimates of this work, compiled in 2016, assumed King County would perform the work. King County is no longer a viable option for street maintenance services as it has been non-responsive under its municipal agreement to the City's requests such as this due to reduced King County maintenance staffing. As a result the City needs to develop bid-ready technical specifications and budget estimates to accomplish this work utilizing private contractors. The cost to let the contract to clean the bridges would then be requested in the 2021-22 budget.
 - *Guardrail Repair* (2020; General Fund: \$83,700): Guardrail maintenance is currently underfunded and there is no staff resource currently assigned to it. Over the last three years multiple vehicle collisions have damaged guardrails throughout the City. The 2019-20 proposed preliminary budget includes funding to contract out repair of priority guardrail runs that have been damaged.
 - *Public Art Funding Options Analysis* (2019; General Fund: \$5,000): The Municipal Art Fund, commonly referred to as the Public Art Fund, was established in 2002 with annual contributions from certain capital projects deposited into the Fund for supporting public art. The funds deposited into the Fund are sporadic and result in uncertainty for the ongoing public art program. In 2017 the City Council adopted the Public Art Plan that includes a goal to "identify and implement alternate or additional funding sources in 2019-2020". This \$25,000 in funding provides consultant assistance in collecting information from other jurisdictions about how their public art programs are funded and analyzed in the context of Shoreline to determine feasibility and revenue potential since PRCS staff do not have the capacity or expertise to complete this work.

- *Fleet & Facilities Maintenance Worker Extra Help* (2019; General Fund: \$15,000): The addition of Extra Help/seasonal support beginning in 2019 will enable Facilities regular staff to return to desired service levels to respond to and maintain City assets for compliance with safety and efficiency standards. Extra Help support will eliminate the growing backlog of work orders and services requests, thereby allowing staff to respond to issues in a timely manner and maintain support to projects and programs with facility implications. Additionally it will allow staff to fully evaluate the ongoing impact of supporting additional vehicles, facility square footage and special events.
- *Fiber Connection to Ronald Wastewater District Facility* (2020; Wastewater Utility Fund: \$10,000): At the time of operational transition, it was not known how long the Ronald Wastewater District facility would be utilized. It now appears that this facility will be used for the foreseeable future to support Wastewater operations. A quick, inexpensive connection was implemented between City Hall and the facility. In order to provide appropriate enterprise-grade network services to the facility a fiber connection is needed.

Ongoing Funding Requests:

- *Operational Cost and Workload Increases:*
 - *Electricity Costs* – As mentioned earlier in this report there have been significant increases in electricity costs for the City. These costs totaling almost \$120,000 annually or \$240,000 for the biennium and are primarily a result of increased rates charged by Seattle City Light for electricity used in City facilities, traffic signals and street lights.
 - *Durable Pavement Marking (Thermoplastic) Maintenance* (2019-20; General Fund: \$60,000 one-time; \$207,400 ongoing): King County has historically provided the majority of City traffic control device maintenance including durable pavement markings (thermoplastic). Over the last 3 years, County priorities have changed, and as a result King County has not been consistently or reliably providing durable pavement marking maintenance, installation or removal for the City. This change will achieve basic maintenance of durable pavement markings (thermoplastic).
 - *Street Operations Operating Supplies* (2019-20; Street Fund: \$24,000): Rising oil prices for material used for street maintenance like plastic pipe, asphalt emulsions, crack seal and patching material have increased costs to acquire deliver these same items to market. This proposed budget adjustment reflects these inflationary costs, projected actual year-end expenditures for 2018 and anticipated 2019-2020 expenditures.
 - *Parks, Recreation and Cultural Services Program Van* (2019-20; General Fund: \$39,422 one-time; \$12,852 ongoing): A healthy, robust recreational program expands beyond the walls of a community or recreation center. Meeting the diverse array of recreational needs of the community requires creative and active programming which engages participants in new

- experiences. The entirety of the recreation program offerings have increased over the past decade, including those which rely on vehicles. The Adult trips program, Camp Explore (a weeklong trip based summer camp for teens with disabilities) and Outdoor Adventures youth and teen camps are highly successful programs which were started within the last ten years and which depend on vehicles to transport participants. The City has relied upon King County Metro Van Pool donated vehicles to supply enough vehicles to allow for these programs to exist. These vehicles have a short lifecycle and tend to be unreliable, thus not a sustainable option for program needs. This summer, two of the vehicles being used for regular programming were slated for surplus yet due to lack of vehicles were kept in the fleet to meet community needs. The demand for these vehicles is increasing from both PRCS staff and other departments in the City.
- *Planning & Community Development Extra Help to Address Increase of Permit Activity (2019-20; General Fund: \$20,000):* PCD staff assumed the role of permit intake and issuance for wastewater permits that were previously being processed by a variety of Ronald Wastewater staff. This workflow is logical, as PCD processes all City permits. Based on the year-to-date volume of 280 permits, PCD expects to process 400 permits in 2018. In order to assist with this increased workload, the 2019-2020 budget includes funding for extra help, which will perform intake and issuance of routine permit types; process payments; and perform administrative functions to perform these new duties.
 - *Fleet & Facilities Maintenance Worker Extra Help (2019-20; General Fund: \$21,000; Vehicle O&M Fund: \$9,000):* The addition of Extra Help support beginning in 2019 will enable Facilities and Fleet regular staff to return to desired service levels to respond to and maintain City assets for compliance with safety and efficiency standards. Extra Help support will eliminate the growing backlog of work orders and services requests, thereby allowing staff to respond to issues in a timely manner and maintain support to projects and programs with facility and fleet implications. Additionally it will allow staff to fully evaluate the ongoing impact of supporting additional vehicles, facility square footage and special events.
 - *Efficiency & Effectiveness:*
 - *Answering Service and Online Research (2019-20; General Fund: \$9,500):* Support of the on-call process by adding a live after-hours answering service and adding an online investigation service for improved data access for customer information.
 - *Revenue-Backed Expenditure Authority for Parks Recreation Cultural Services to Add Programs (2019-20; General Fund: \$50,000):* Community recreation demands fluctuate, thereby making it difficult for staff to define an exact dollar amount necessary for contracted recreational services in upcoming years. This past year the static nature of the professional services budget only allowed for program expansion to meet community demand for

summer programs (i.e., Dandylyon Drama and Nature Vision summer camps) through going to the City Council for budget amendments. Including this revenue-backed expenditure line item will eliminate the need to go to the City Council for program expansion needs based on community demand as it gives staff the ability to add programs and associated contracted expenses, which are fully revenue-backed, throughout the year.

- *Vegetation and Equipment Backfill (2019-20; Street Fund: \$32,000; SWM: \$8,000)*: Roadside and slope mowing services are an essential street maintenance function to ensure safe use of the infrastructure for bicyclists, pedestrians, and vehicles. The current rental budget provides for approximately a month of roadside and slope mowing services during the growing season. However, this rental timeframe has not allowed staff to address all roadside vegetation areas requiring service. Additional rental funding will allow staff to provide one additional month of service and provide staff the flexibility to extend the rental timeframe during the growing season or perform this service off-season when the vegetation is dormant, which helps stunt the vegetation's growth and reduces the time to cut these areas the following spring. Additional equipment rental funding is required to address equipment loss during scheduled and unscheduled repairs and to address scheduling conflicts between street and surface water maintenance activities.
- *New Used-Backhoe (2019-20; Street Fund: \$100,000 one-time; \$37,322 ongoing; SWM Fund: \$25,000 one-time)*: Certain maintenance operations require the loading and unloading of materials and equipment. The operations include: loading gravel into dump trucks for shoulder maintenance, loading street sweeping debris into a designated dumpster, loading and removing occasional slide debris from roadways, loading snow and ice equipment onto and off of truck chassis and loading salt into spreaders, removing large downed trees from roadways and other lifting activities.

Additionally, another backhoe provides redundancy when the current backhoe is unavailable for scheduled or unscheduled maintenance or repair. With increasing emphasis and focus on surface water work, scheduling conflicts between surface water and street maintenance activities are avoided with having a second backhoe available to support two separate jobs.

Ongoing SWM Fund impacts have been addressed within existing budget.

- *Organizational Development:*

- *Enterprise Application Annual User Conferences (2019-20; General Fund: \$10,600)*: The vendors of the City's Enterprise applications (Financial, Permitting, Asset Management, SharePoint) offer annual conferences where major enhancements are announced and senior officers are available for 1:1 meetings with customers. IT was able to attend these conferences over the past two years as a part of the projects that funded new application implementation. These projects will be complete in 2019. While the City is generally offered free or reduced conference fees, travel costs remain the

responsibility of the City. Attendance at the conference ensures that the City is aware of upcoming changes, made aware of new functionality, and allows us to hear how other organizations are leveraging the application.

- *Parks, Recreation and Cultural Services Travel and Training (2019-20; General Fund: \$18,338)*: Increase travel and registration funding for the PRCS programs based on required certifications (i.e., life guards) and professional development.
- *Superior Training/Distance Learning (2019-20; General Fund: \$4,000)*: Superior offers two types of online training experiences, web classes and distance learning sessions, for the TRAKiT permit processing software suite. Permitting staff would benefit greatly from ongoing training associated with this constantly evolving software program. Training associated with current versions of the program would also be beneficial to explore tools, tips, and best practices.
- *2019 National American Public Works Association Conference (2019; General Fund one-time: \$7,000)*: The National American Public Works Association conference is being held in Seattle. This is a rare opportunity to allow Public Works staff to attend a nation conference without travel and lodging expense, to network with colleagues, attend seminars and trainings, see latest technologies and equipment and represent Shoreline to other Public Works professionals.

Technology Investments:

One-Time Funding Requests:

- *Aerial Photography (2019; General Fund: \$50,000)*: Current digital aerial photography and mapping provide the backbone of essential GIS layers for the City's geographic information system (GIS). This geographic data supports many of the City's business needs including: traffic engineering, park and open space planning, long range planning, surface water management, and code enforcement. The high resolution imagery produced by this project will provide the sharpest resolution imagery technology available to enable mapping of manholes, catch basins, and signs at a time when the City renews its asset management effort.
- *Staff Technology (2019; General Fund: \$14,700)*: Technology has become an indispensable tool to support City business processes. Maintenance workers and inspectors are entering work into enterprise systems. City staff are using data to drive decisions. As a result of a City-wide assessment of the technical tools required for staff to adequately deliver service it has been determined that additional hardware needs to be acquired.
- *Document Records Management (2020; General Fund: \$35,000)*: Many municipalities have not found SharePoint to be a sufficiently robust tool to

manage records and have purchased companion tools that integrate with SharePoint to satisfy that need. Should staff determine that the SharePoint records center is not sufficient to fulfill the City's operational needs in this area, a formal analysis will be completed and a companion product selected to fill the operational gap.

Ongoing Funding Requests:

- *Engineering Design and Plan Review Software (2019-20; General Fund: \$55,915):* The City has increased engineering staff and those new staff have greater knowledge and ability to leverage advanced engineering tools and substantially reduce engineering design costs. Additionally, the City is incorporating electronic plan review, which requires more staff to have the tools used for such review.

One-Time Capital Improvement Plan General Fund Support:

The 2018-2023 Capital Improvement Plan (CIP) utilized \$3.183 million in General Fund contributions to support the following projects:

- *General Capital Fund:*
 - *Police Station at City Hall (\$0.744 million in 2018)*
- *Roads Capital Fund:*
 - *160th & Greenwood/Innis Arden (\$105,000 in 2017)*
 - *185th Street Corridor Study (\$516,000 in 2018)*
 - *Design of Westminster Way and N 155th Street Improvements (\$273,000 in 2018)*
 - *Design of Trail Along the Rail (\$213,000 in 2018)*
 - *Design of the 147th/148th Non-Motorized Bridge (\$350,000 in 2018)*

The timing of various projects has shifted and is reflected in the attached fund summaries (Attachment C). The discussion of the 2018 ending fund balance for the General Fund discussed in the 2018 Operating Budget section above does not reflect the shift of the programmed use of General Fund contributions from 2018 to the 2019-20 proposed budget accordingly with the timing of certain projects. Additionally, the proposed 2019-2024 CIP reflects this shift and requires an additional contribution from the General Fund to the General Capital Fund for the *Playground Replacement* project (\$200,000). The General Fund has sufficient fund balance to provide these contributions, which will be reflected in the 2019-20 proposed budget.

2019-20 Operating Budget Revenues

2019 Property Tax Levy:

The King County Assessor's Office has not yet released preliminary assessed valuation (AV) for the City, but staff is estimating an increase of 4.8% based on available information. This increase will allow the City to take advantage of the provision in Proposition 1 to increase the property tax levy by the June-to-June percentage change

in the CPI-U index, which equals 3.28%. With the inclusion of new construction AV estimated at \$48.107 million, the resulting estimated 2019 property tax levy would be \$13.302 million while the projected levy rate would decline from the current levy rate of \$1.26752 to an estimated \$1.24694 per \$1,000 of assessed valuation. The preliminary estimate for City property taxes that will be collected in 2019 totals \$13,301,684, assumes a 100% collection rate, and is \$457,000, or 3.6%, more than the projected 2018 tax collections.

2020 Property Tax Levy:

It is anticipated the City will be able to take advantage of the provision in Proposition 1 to increase the property tax levy by the June-to-June percentage change in the CPI-U index, which is forecast at 2.32%. With the inclusion of new construction AV forecast at \$45.732 million, the resulting estimated 2020 property tax levy would be \$13.667 million, which is \$365,000, or 2.8%, more than the estimated 2019 tax collections.

2019-20 General Fund Operating Revenues:

- *Sales Tax Revenue:* Projected revenue of \$9.003 million in 2019 reflects an increase over the 2018 budget by \$599,000, or 7.1%. Projected revenue of \$9.319 million in 2020 reflects increases over the 2019 budget of \$291,000, or 3.2%.
- *Business & Occupation Tax Revenue:* The Business & Occupation Tax adopted by the City Council in December 2017 will become effective January 1, 2019. It is estimated revenue will total \$1.033 million in 2019 and \$1.065 million in 2020.
- *Criminal Justice Sales Tax Revenue:* Projected revenue of \$1.641 million reflects increases over the 2018 budget and revised projection by \$71,000, or 4.5%, and \$61,000, or 3.9%, respectively. The projection for this revenue source is based on taxable sales and population estimates for King County.
- *Utilities Taxes, Franchise Fees and Seattle City Light (SCL) Contract Revenue:* Projected revenue of \$9.008 million reflects increases over the 2018 budget and revised projection by \$57,000, or 0.6%, and \$267,000, or 3.1%, respectively. The increase in Storm Drainage Utility Tax, largely as a result of the Surface Water Utility's 27% rate increase, is offset by forecast year-over-year decreases in receipts from natural gas, cable and telecommunications receipts. It is anticipated that receipts from SCL will increase commensurate with adopted rate increases for 2019 and 2020 of 5.8% and 5.4%, respectively.
- *Gambling Taxes:* Staff projects that gambling taxes from card room and pull-tab activity will remain steady at the 2018 level of \$1.587 million.
- *Development Revenue:* Base 2019 development revenues are expected to increase over 2018 base budget amounts by \$271,000, or 15.7%, as a result of an increase in the base level of development activity. Base 2020 development revenues are expected to increase 8.4% over 2019 amounts. In 2019, budgeted development

revenues include \$464,000 in one-time revenues largely from the Shoreline School District's projects.

- *Liquor Excise Tax:* Staff projects, based on the most recent per capita estimates, that the City will receive \$278,000 in 2018, which is 4.9% more than 2017 receipts, \$287,000 in 2019, which is an increase of 3.0% over the 2018 revised projection, and \$294,000 in 2020, which is an increase of 2.8% over the 2019 projection.

2019-20 Operating Budget One Time Resources:

- *Street Fund:* The Gas Tax does not provide sufficient resources for our streets crews to perform the services that the citizens expect from our existing transportation network; therefore, the General Fund provides the Street Fund a subsidy to ensure resources are available. As was noted above, the Street Fund is projected to end 2018 with a fund balance of \$408,000, which will be well above the minimum required balance of \$259,000.

Fee Schedules

- *Fee Schedules:* Generally, fees included in the fee schedules are increased from the current year's level by the June-to-June percentage change of the Seattle / Tacoma / Bellevue Consumer Price Index-All Urban Consumer (CPI-U; link to historical table: https://www.bls.gov/regions/west/data/consumerpriceindex_seattle_table.pdf). Unless otherwise discussed below, many fees presented in the 2019 proposed schedule will be increased by 3.28% and fees presented in the 2020 proposed schedule will be increased by the forecast change of 2.32%. The text in the fee schedules may have changed with deletions shown as ~~strikethrough~~ and additions shown as **bold**.
- *Business License Fee:* The fee schedule for initial business registrations will incorporate *FileLocal's* standard proration approach, under which the fee for initial applications for a City-issued license filed between January 1 and June 30 will be set at \$40 and those filed between July 1 and December 31 will be set at \$20. The license issued under either application will expire at the end of the calendar year.
- *Park, Aquatic and Recreation Fees:* The Parks, Recreation and Cultural Services (PRCS) Department performed a comprehensive cost recovery evaluation in 2015 identifying cost recovery objectives for the various PRCS fees. Since that time PRCS performs cost recovery evaluation on a subset of their fees annually to ensure that fees continue to meet identified objectives and stay competitive in the market. Fees not evaluated each year are adjusted by CPI-U as described above. One addition to the fee schedule beginning in 2019 is 3.01.300(E)(5), a \$1 fee for a visitor at the Shoreline Pool that only uses the shower. This fee is being added to bring the schedule for Aquatics Drop-In Fees in alignment with the fee charged in 3.01.300(D)(1) for a visitor at the Spartan Recreation Center that only uses the shower.

- *Impact Fees:* When adopted in November 2014, Ordinance No. 690 included an escalator of the Transportation Impact Fees using the Washington State Department of Transportation's Construction Cost Index (WSDOT CCI). WSDOT no longer maintains this CCI and instead has moved to a new CCI model that uses a different methodology. Unfortunately the new CCI is not published in a manner that makes it readily available. Park Impact Fees are adjusted by the same percentage changes in the most recent annual change of the CCI published in the Engineering News-Record (ENR) for the Seattle area. Staff will bring to the City Council an amendment to the Shoreline Municipal Code 3.80.130(B) to make consistent the use of the ENR CCI for Transportation Impact Fees and Park Impact Fees. Application of the ENR CCI to the Transportation Impact Fees and Park Impact Fees results in a year-over-year increases of 2.8% each for 2019 and 2020.
- *Vehicle Impound Fees:* The intent of the impound ordinance codified in Shoreline Municipal Code (SMC) 10.05.030, MTO amendments, was to reduce Driving While License Suspended (DWLS) violations by taking the vehicle away from the violator and ensuring their license, registration and insurance was in order before release. The climate has changed and through discussion between the Shoreline Police Department (PD), City Manager and City Council, the ordinance is viewed as punitive and charging the administrative fee in SMC 3.01.230, Vehicle impound fees, only serves to deepen the financial burden for a large group of individuals with a license suspended resulting from the individuals' inability to pay the fine(s). The Courts have established payment plans and relicensing programs for eligible individuals to address this issue. There is no longer a need for the City of Shoreline to be involved with most impounds as Shoreline PD has established other ways to address DWLS offenders, such as finding a driver with a valid license or parking the vehicle legally. In the event a vehicle needs to be impounded, the owner of the vehicle will need to pay impound and storage fees to the tow company and comply with the Revised Code of Washington (RCW) when releasing the vehicle from impound but there is no longer any need for the City of Shoreline to also charge the administrative fee in SMC 3.01.230. The City Manager recommends striking this fee from the fee schedule in the 2019-20 budget.
- *Surface Water Management Rates:* The City Council provided direction to staff to pursue the Proactive Management Strategy for the 2018 Surface Water Master Plan update. The 2019 and 2020 Surface Water Management fees reflect the financial impacts of the Proactive Management Strategy as was presented to the City Council in development of the 2018 Surface Water Master Plan.

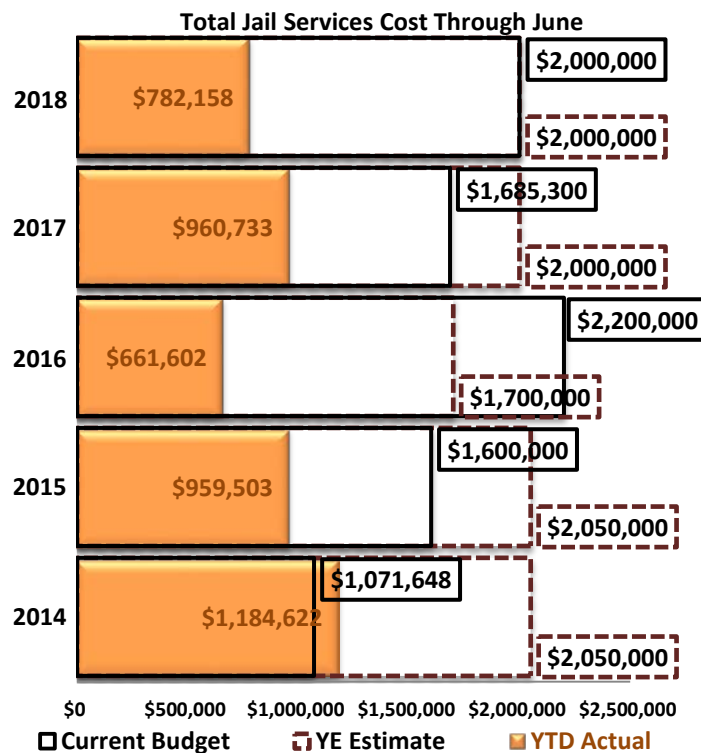
Major Contracted Programs

- *Jail Activity:* Projections for the 2019-20 proposed preliminary budget, along with future forecasts, are based on activity trends over the last couple of years, the number of guaranteed beds at the South Correctional Entity (SCORE), and an inflation rate factor outlined in the interlocal agreement (ILA) with King County.

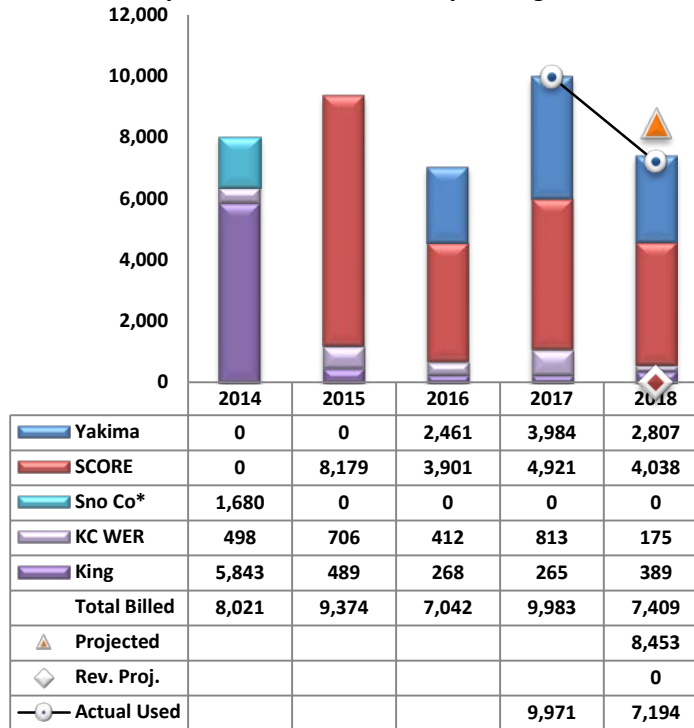
Beginning in 2016, inmates serving a sentence longer than three days are being housed at Yakima County Jail. The current contract with SCORE is being continued as the City's primary booking facility. In 2018, projected jail housing days and costs are estimated to be in line with the activity level originally budgeted at 19,000 housing days as shown in the table below:

Facility	Activity	%	Cost	%
King County Housing	875	4.6%	\$164,789	8.7%
King County Work Release	1,500	7.9%	\$209,655	11.0%
SCORE	11,150	58.7%	\$1,212,943	63.8%
Yakima	5,475	28.8%	\$314,744	16.5%
Total Jail Services	19,000	100.0%	\$1,902,131	100.0%

For the first half of 2018, the City's jail services costs were less than those for 2017 by 18.6% but more than those for 2016 by 18.2%. The number of billed jail beds is less than the year-to-date projection and year-ago level by 14.4% and 21.1%, respectively. With that, jail days cost is less than the year-to-date budget projection and year-ago level by 10.9% and 10.5%, respectively. What is unknown is the potential impact a new judge will have on the number of jail days in 2019 and beyond.



Jail Days & Work Release Activity Through June



A significant portion of the savings can also be attributed to transferring a portion of the City’s sentenced jail population to the Yakima County Jail. The daily cost for housing inmates at Yakima is roughly half that for SCORE. Transferring sentenced inmates to Yakima and using 2,806 beds through June, or an average of 15.5 beds per day, saved \$311,000 in housing costs.

While the use of jail services from SCORE will be maximized by housing inmates being held pre-disposition that are not eligible for work release, the overall projected cost, including housing, medical, booking, etc. of \$2.000 million will still result in a decrease of 9.1% from the 2016 adopted budget.

- Police Contract:** The 2019-2020 budget includes the addition of one officer in 2020. The City has been under its target ratio of 1 officer per 1,000 residents for some time. Public safety and keeping crime rates low in Shoreline continue to be a priority for the community and council. The addition of a K9 Unit in 2018 helped to address this issue but is not sufficient. The addition of two additional officers in 2019 would increase the ratio to 0.99 per 1,000 residents. However, given the current financial forecast, the City Manager is proposing to add one officer in 2020.

Negotiations for the King County Sheriff’s Office (KCSO) guild contract are currently underway for the contract that will affect 2019 and 2020. As the level of COLA for 2019 and 2020 is not known, staff projects that the 2019 police services contract will total \$12.304 million, which is 4.3% more than the 2018 police services contract and the 2020 police services contract will total \$12.798 million, which is 4.0% more than the 2019 police services contract. The first detailed estimate will be provided by KCSO in late September or early October. For future years (2021 onward), staff has assumed an annual escalator of 3.5%.

2019 – 2024 Capital Improvement Plan (CIP)

The 2019-20 proposed budget will include the proposed 2019-2024 Capital Improvement Plan (CIP). Its development included staff’s review of the current 2018-2023 CIP, City Council direction, the City’s various master plans, and projected available revenues. As Council is aware, there are limited capital funds available for the many capital needs of the City. It is worth noting that a master plan is complete for Parks, Recreation and Open Space and underway for Transportation. These will impact programming of future capital projects. New projects recommended in the CIP are funded through a combination of increased revenues, grants, and, in some instances, General Fund contributions. Attachment C to this staff report provides the fund summaries for all four capital funds.

2019 – 2028 10 Year Financial Sustainability Model Operating Budget Projections

The City Council reviewed and accepted the Ten Year Financial Sustainability Plan (10 YFSP) on June 16, 2014. The Ten Year Financial Sustainability Model (10 YFSM) has since been utilized in presenting the long-term financial projections for the 2015, 2016, 2017, and 2018 proposed budgets, as well as amendments to those budgets. It will now be utilized in presenting the City first biennium budget (2019-20) and the following three biennia. In staff’s opinion, the model is having the effect on budget planning that was desired by the Council as the Administrative Services Department is monitoring the City’s progress in relation to the Financial Sustainability Model. Staff has recently updated the model as part of the 2019-20 budget process. The 2019-20 preliminary budget projects a surplus of \$2.445 million.

Below is a comparison of the September 2018 forecast and the September 2017 forecast projected operating budget surplus/(gap) for each year of the next five biennia:

Projected Surplus / (Gap)	2019 Proposed	2020 Proposed	2021 Forecast	2022 Forecast	2023 Forecast
Sept. 2017	2,260,682	247,128	(196,519)	(327,467)	(140,030)
Sept. 2018	1,339,980	1,104,687	93,477	6,884	(530,472)
Change	(920,702)	857,559	289,996	334,351	(390,442)

Projected Surplus / (Gap)	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Sept. 2017	(504,555)	(765,959)	(661,053)	(797,602)	(797,717)
Sept. 2018	(680,642)	(753,909)	(931,323)	(939,539)	(1,061,497)
Change	(176,087)	12,050	(270,270)	(141,937)	(263,780)

The update for the budget process includes incorporating changes to the projected revenue and expenditure forecast based upon updated economic indicators and actual experience. The forecast presented in this report presents the forecast at 100% for revenues and expenditures.

In the model presented with the 10 YFSP in June 2014, potential gaps were noted beginning in 2018. In the April 2017 model, potential gaps were noted beginning in 2019. The September 2017 update projected budget gaps pushed out to 2020 as a result of implementing several of the strategies adopted in the 10YFSP. The September 2018 update projects budget gaps pushed out to 2023 as a result of implementing the Business & Occupation Tax strategy adopted in the 10YFSP.

Long-Term Budget Trends and Assumptions in the 10YFSP Model:

Below are some of the major assumptions used in the most recent projections:

- *Property Tax:* As was noted above, the preliminary 2019 property tax levy is anticipated to increase from the 2018 levy by \$0.457 million, or 3.6% due to a recommended 3.28% inflationary increase in the levy plus new construction. The City’s assessed valuation is currently estimated to increase by 4.8% in 2019, decrease by 1.1% in 2020, and increase by between 2.3% and 3.8% for 2021 to 2028.

The levy lid lift approved by Shoreline voters limits the growth in the annual property tax levy to the rate of inflation plus new construction. Once the levy lid lift expires in 2022, the annual levy will only be allowed to grow by new construction plus the statutory 1.0% limit. As a result of the information above, property tax revenue is forecast to increase by 3.6% in 2019 and 2.7% in 2020, with average increases of 1.8% for 2021-2028. Below is a comparison of the September 2018 forecast as compared to the September 2017 forecast:

Projection	2019 Proposed	2020 Proposed	2021 Forecast	2022 Forecast	2023 Forecast
Sept. 2017	12,759,858	13,112,277	13,455,727	13,802,778	14,157,267
Sept. 2018	13,301,684	13,666,865	14,049,064	14,425,226	14,636,839
Change	541,826	554,588	593,337	622,448	479,572

Projection	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Sept. 2017	14,352,374	14,549,638	14,749,555	14,949,148	15,147,281
Sept. 2018	14,851,722	15,070,555	15,290,084	15,509,418	15,730,365
Change	499,348	520,917	540,529	560,270	583,084

- *Sales Tax:* The projection for sales tax for 2019 and 2020 has increased from the previous 2018 forecast based upon the updated retail sales growth assumptions for the Puget Sound area and Shoreline’s recent experience by 7.1% and 5.3%, respectively. Shoreline assumes that taxable sales will increase at 75% of the growth assumptions for the Puget Sound region, in keeping with past forecasting practices. Below is a comparison of the September 2018 forecast to the September 2017 forecast:

Projection	2019 Proposed	2020 Proposed	2021 Forecast	2022 Forecast	2023 Forecast
Sept. 2017	8,428,191	8,853,591	9,176,229	9,499,130	9,821,654
Sept. 2018	9,027,566	9,319,003	9,557,493	9,851,890	10,170,318
Change	599,375	465,412	381,264	352,760	348,664

Projection	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Sept. 2017	10,163,744	10,518,966	10,884,689	11,262,802	11,652,994
Sept. 2018	10,495,186	10,826,579	11,163,228	11,512,801	11,873,603
Change	331,442	307,613	278,539	249,999	220,609

- *Gambling Tax:* Staff has assumed no growth in future years in tax collections so a baseline of \$1.587 million is projected.
- *Market Adjustment (Cost of Living Adjustment) and Step Increases:* Cost of living adjustments and step increases are projected to increase salaries and wages by an average of 3.0% for 2021 through 2028. The salary forecast assumes 20% of employees will receive an annual step increase in 2021 through 2028.
- *Health Benefits:* Costs are projected with an annual escalator of 6.5% for all health benefits which includes medical, dental, life and long term disability coverage for 2021 through 2028. The projected increase for 2019 is 8.0%.
- *Public Employee Retirement System (PERS) Contribution Rates:* PERS contribution rates have decreased from those included in the September 2017 forecast at 12.92% to 12.87%. The changes to the personnel compliment discussed above also have an impact on PERS contributions. The change in the forecast for PERS contributions is reflected in the following table:

Projection	2019 Proposed	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast
Sept. 2017	1,460,511	1,512,591	1,556,562	1,600,986	1,598,317
Sept. 2018	1,595,454	1,635,904	1,677,766	1,668,479	1,686,081
Change	134,943	123,313	121,204	67,493	87,764

Projection	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Sept. 2017	1,548,218	1,655,731	1,704,371	1,754,662	1,806,542
Sept. 2018	1,769,692	1,822,757	1,877,972	1,935,329	1,994,558
Change	221,474	167,026	173,601	180,667	188,016

Projected Operating (General and Street Funds) Budget Ending Fund Balance:

As noted above, while the 2018 amended budget anticipated the use of \$6.763 million of fund balance; current estimates anticipate the use of only \$3.714 million. The General Fund is projected to end 2018 with \$12.285 million of fund balance, which will be well above the minimum required balance of \$4.093 million. The Street Fund is projected to end 2018 with \$408,000, which will be well above the minimum required balance of \$259,000.

The preliminary operating budget proposes programming fund balance for the following items:

- Operational Contingency and Insurance Reserve, which are not typically used during the year,
- One-time supplemental requests described earlier in this report (funded by savings from 2018); and,
- One-time capital contributions as reflected in the proposed 2019-2024 CIP fund summaries.

The programmed use of fund balance is anticipated to be offset by the projected surplus of \$2.445 million. Historically the City collects more revenues and expends less than the budgeted appropriations. The General Fund is projected to end 2019 and 2020 with \$11.718 million and \$12.117 million of fund balance, respectively, which will be well above the minimum required balance of \$4.139 million and \$4.145 million, respectively. The Street Fund is projected to end both 2019 and 2020 with \$408,000 which is above the minimum required balance of \$254,000 and \$260,000, respectively.

Revenue Stabilization Fund:

The City's Revenue Stabilization Fund was created as a reserve to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods. The City's reserve policy establishes that the balance of the fund equal 30% of economically sensitive revenues. The fund balance at the end of 2018 is projected to be \$5.151 million. The General Fund will be required to transfer funds to the Revenue Stabilization Fund in 2019 and 2020 in the amount of \$314,000 and \$360,000, respectively. Long range projections indicate that the General Fund will need to transfer between \$48,000 and \$154,000 per year between 2021 and 2028.

Long-Term Financial Assumptions:

Staff will continue to monitor revenue and expenditure trends to identify any change in the assumptions for projecting the budget over the next ten years. Attachment B has a table summarizing the current budget projections and the base assumptions.

Financial Impact of Sound Transit Lynnwood Link Extension

The City Council approved the agreement for the Expedited Permitting and Reimbursement Agreement with Sound Transit for the Lynnwood Link Project (commonly referred to as the Staffing Agreement). The expenditures and revenues associated with this agreement are incorporated into the budget and projected to be equal, having a net zero impact on the City's net position. The Staffing Agreement only applies to the design and permitting stage of the project and does not address staffing for the actual construction stage of the project or other items or issues identified in the term sheet. Staff is currently negotiating additional agreements to address the costs and mitigation associated with future phases of the Lynnwood Link Project. Given the timing of the work, future agreements will likely continue to be presented to the City Council independent of the budget process and incorporated by budget amendments; however, the 10 YFSM revenue assumptions include revenue and associated costs from Sound Transit through 2022.

SUMMARY

It is projected that 2018 operating budget expenditures, excluding transfers between the General and Street funds, of \$48.014 million will be less than the current budgeted expenditures by \$2.356 million. While this indicates a need to use \$3.714 million of the \$6.763 million of budgeted fund balance, staff does not anticipate using any of the budgeted operational contingency or insurance reserve. The General Fund is projected to end 2018 with \$12.285 million of fund balance, which will be well above the minimum required balance of \$4.093 million. The Street Fund is projected to end 2018 with \$408,000, which will be well above the minimum required balance of \$259,000.

In addition to the one-time supplemental requests totaling \$3.286 million discussed in this report, the 2019-20 preliminary proposed budget also includes \$2.284 million from fund balance for the Operational Contingency and Insurance Reserve. Including these items would bring the total use of fund balance to \$5.570 million.

As the City Council is aware, the City tends to budget revenues slightly under actual results, and expenditures slightly above actual results. As a result staff anticipates that actual use of fund balance will ultimately be less than that budgeted. While these results cannot occur indefinitely, staff will continue to work to address projected budget gaps using and updating the 10 YFSM developed per the 10 YFSP.

Staff believes that the proposed 2019-2024 CIP reflects the priorities of the Council; however, there are a number of projects that are considered to be 'underfunded'. In addition other projects, although important, have not been funded in the proposed CIP.

Please remember that the numbers presented in this report are in many cases still based on rough estimates. More details will come in over the next few weeks, refining some of the numbers discussed this evening. Ultimately the City Manager will transmit the 2019-20 Proposed Budget and 2019-2024 CIP to the City Council on October 15.

RECOMMENDATION

No action is required by the City Council. This item is for informational purposes and to provide the City Council with preliminary 2019-20 budget information. Staff anticipates that the City Council may provide additional direction to the City Manager as a result of this overview.

ATTACHMENTS

Attachment A: Second Quarter Financial Report

Attachment B: 10 Year Financial Sustainability Model Operating Budget Ten Year Forecast

Attachment C: 2019-2024 Capital Improvement Plan Fund Summaries



2018 SECOND QUARTER FINANCIAL REPORT

PERFORMANCE AT A GLANCE

GENERAL FUND REVENUES	COMPARED TO 2018 BUDGET	COMPARED TO 2017 ACTUAL	REFERENCE
PROPERTY TAX REVENUE	◀NEUTRAL▶	▲ POSITIVE ▲	PAGE 5
SALES TAX REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 6, 7
UTILITY TAX, FRANCHISE FEE & CONTRACT PAYMENT REVENUE	◀NEUTRAL▶	▲ POSITIVE ▲	PAGE 9
DEVELOPMENT REVENUE	▼ NEGATIVE ▼	▲ POSITIVE ▲	PAGE 10
PARKS AND RECREATION REVENUE	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 11
INVESTMENT INCOME	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 12, 18, 19
NON-GENERAL FUND REVENUES			
FUEL TAX	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 13
REAL ESTATE EXCISE TAX	▲ POSITIVE ▲	▼ NEGATIVE ▼	PAGE 16
SURFACE WATER FEES	▲ POSITIVE ▲	▲ POSITIVE ▲	PAGE 17

Key to revenue trend indicators:

▲ POSITIVE ▲ = Positive variance of >+2% compared to prior year actual.

◀NEUTRAL▶ = Variance of -1% to +2% compared to prior year actual.

● WARNING ● = Negative variance of -1% to -4% compared to prior year actual.

▼ NEGATIVE ▼ = Negative variance of >-4% compared to prior year actual.

This report reflects revenue collections and expenditures through June 30, 2018. The above table reflects differences when compared to the current budget's projection and the prior year's actual.

- General Fund receipts are 5.1% more than the year-ago level. Compared to the 2018 Budget, Development Revenue shows a negative due to the deferral of permit revenue from the Shoreline School District projects that will be posted later this year. Expenditures are 7.0% more than the year-ago level with departmental expenditures and operating transfers out more than the year-ago level by 4.2% and 73.0%, respectively. See pages 3-12 for details.
- Street Fund receipts are 4.6% less than the year-ago level. The General Fund is withholding its support until the Street Fund has a need. Expenditures, including transfers out, are 66.0% more than the year-ago level largely due to a one-time transfer of \$630,645, which was planned for in the 2018 Final Budget, of fund balance in excess of the Street Fund's minimum required balance of \$254,700 back to the General Fund. The City Manager intends to set these monies aside in reserve for future improvements for a maintenance facility. Fuel Tax revenue receipts are 4.2% more than the year-ago level. See page 13 for details.
- Surface Water Utility (SWM) Fund receipts are 50.6% more than the year-ago level. Storm drainage fees are 46.3% more than the year-ago level. Surface Water Utility operations expended 27.6% of the Operating Budget, which is 19.1% more than the year-ago level. Capital projects expended 32.2% of the Capital Budget, which is 1.8% less than the year-ago level. See page 17 for details.
- Real Estate Excise Tax revenue receipts are 6.5% less than the year-ago level. See page 16 for details.



2018 SECOND QUARTER FINANCIAL REPORT

ALL FUNDS FINANCIAL OVERVIEW

RESOURCES

Fund	2018 Current Budgeted Revenues	2018 Second Quarter Actual	2018 % of Current Budget	2017 Current Budgeted Revenues	2017 Second Quarter Actual	2017 % of Current Budget	2018 v. 2017 \$ Change	2018 v. 2017 % Change
General Fund	\$43,004,250	\$18,563,261	43.2%	\$40,457,949	\$17,660,901	43.7%	\$902,360	5.1%
Street Fund	1,296,037	625,717	48.3%	1,276,822	591,234	46.3%	34,483	5.8%
Code Abatement Fund	80,550	2,406	3.0%	80,550	207,648	257.8%	(205,242)	-98.8%
State Drug Enforcement Fund	18,243	2,638	14.5%	18,243	1,643	9.0%	995	60.6%
Public Arts Fund	5,000	2,109	42.2%	8,000	1,094	13.7%	1,015	92.8%
Federal Drug Enforcement Fund	13,000	438	3.4%	13,200	1,162	8.8%	(724)	-62.3%
Property Tax Equalization Fund	0	0	0.0%	0	1,148	0.0%	(1,148)	-100.0%
Federal Crime Forfeitures Fund	0	0	0.0%	201,500	3,160	1.6%	(3,160)	-100.0%
Transportation Impact Fee	200,000	591,350	295.7%	200,000	198,635	99.3%	392,716	197.7%
Park Impact Fee	50,000	10,440	20.9%	0	0	0.0%	10,440	0.0%
Unltd Tax GO Bond Fund	1,680,742	884,883	52.6%	1,700,000	894,465	52.6%	(9,582)	-1.1%
Limited Tax GO Bond 2009 Fund	320,000	180,474	56.4%	353,254	179,876	50.9%	598	0.3%
General Capital Fund*	3,694,755	969,878	26.3%	3,411,952	1,110,555	32.5%	(140,677)	-12.7%
City Facility-Major Maint. Fund*	883	682	77.3%	12	243	2022.0%	440	181.2%
Roads Capital Fund*	13,133,964	1,333,172	10.2%	13,148,193	2,059,481	15.7%	(726,309)	-35.3%
Surface Water Utility Fund*	10,624,200	3,072,330	28.9%	4,697,023	2,085,418	44.4%	986,912	47.3%
Wastewater Utility Fund	2,297,901	2,027	0.1%	0	0	0.0%	2,027	0.0%
Vehicle Operations/ Maint. Fund	503,786	426,118	84.6%	438,123	442,383	101.0%	(16,264)	-3.7%
Equipment Replacement Fund	511,327	442,582	86.6%	443,487	395,204	89.1%	47,377	12.0%
Unemployment Fund	0	447	0.0%	0	272	0.0%	175	64.3%
Total Budgeted Revenue	\$77,434,638	\$27,110,953	35.0%	\$66,448,308	\$25,834,521	38.9%	\$1,276,432	4.9%
Transfers In	7,503,327	3,680,441	49.1%	8,960,208	2,497,233	27.9%	1,183,208	47.4%
Budgeted Use of Fund Balance	12,964,930	0	0.0%	16,017,863	0	0.0%	0	0.0%
Total Budgeted Resources	\$97,902,895	\$30,791,394	31.5%	\$91,426,379	\$28,331,754	31.0%	\$2,459,640	8.7%

EXPENDITURES

Fund	2018 Current Budgeted Expenditures	2018 Second Quarter Actual	% of Current Budget	2017 Current Budgeted Expenditures	2017 Second Quarter Actual	2017 % of Current Budget	2018 v. 2017 \$ Change	2018 v. 2017 % Change
General Fund	\$45,210,942	\$16,882,181	37.3%	\$42,910,758	\$16,205,596	37.8%	\$676,585	4.2%
Street Fund	1,447,258	626,322	43.3%	1,404,314	704,838	50.2%	(78,516)	-11.1%
Code Abatement Fund	130,000	0	0.0%	100,000	0	0.0%	0	0.0%
State Drug Enforcement Fund	18,243	2,155	11.8%	19,043	226	1.2%	1,929	852.9%
Public Arts Fund	195,246	20,882	10.7%	96,203	25,990	27.0%	(5,108)	-19.7%
Federal Drug Enforcement Fund	58,000	46,473	80.1%	58,000	0	0.0%	46,473	0.0%
Unltd Tax GO Bond Fund	1,697,925	42,962	2.5%	1,710,375	50,843	3.0%	(7,881)	-15.5%
Limited Tax GO Bond 2009 Fund	1,661,417	551,959	33.2%	1,662,817	563,009	33.9%	(11,050)	-2.0%
Limited Tax GO Bond 2013 Fund	260,635	57,563	22.1%	260,948	60,188	23.1%	(2,625)	-4.4%
General Capital Fund	6,343,370	2,624,858	41.4%	8,438,164	472,832	5.6%	2,152,026	455.1%
City Facility-Major Maint. Fund	153,213	30,042	19.6%	96,000	39,348	41.0%	(9,305)	-23.6%
Roads Capital Fund	17,953,835	1,679,063	9.4%	17,832,628	1,843,039	10.3%	(163,976)	-8.9%
Surface Water Utility Fund	6,887,425	1,977,093	28.7%	5,585,578	1,737,631	31.1%	239,462	13.8%
Wastewater Utility Fund	2,297,901	947,224	41.2%	0	0	0.0%	947,224	0.0%
Vehicle Operations/ Maint. Fund	523,786	161,179	30.8%	453,123	196,596	43.4%	(35,418)	-18.0%
Equipment Replacement Fund	336,844	232,180	68.9%	701,787	345,754	49.3%	(113,574)	-32.8%
Unemployment Fund	17,500	2,931	16.7%	17,500	2,358	13.5%	573	24.3%
Total Departmental Expenditures	\$85,193,540	\$25,885,068	30.4%	\$81,347,238	\$22,248,247	27.3%	\$3,636,821	16.3%
Operating Transfers Out	7,505,657	3,680,441	49.0%	8,815,987	2,497,233	28.3%	1,183,208	47.4%
Total Expenditures	\$92,699,197	\$29,565,509	31.9%	\$90,163,225	\$24,745,480	27.4%	\$4,820,029	19.5%



2018 SECOND QUARTER FINANCIAL REPORT

GENERAL FUND REVENUE OVERVIEW

General Fund Resource	2018 Current Budget	2018 Actual	% of 2018 Current Budget	2017 Current Budget	2017 Actual	% of 2017 Current Budget	2018 v. 2017 \$ Change	2018 v. 2017 % Change
Property Tax	\$12,759,858	\$6,708,188	52.6%	\$12,531,317	\$6,468,840	51.6%	\$239,348	3.7%
Sales Tax	8,428,191	3,686,332	43.7%	7,969,800	3,415,859	42.9%	270,473	7.9%
Local Criminal Justice	1,570,543	783,029	49.9%	1,476,779	731,169	49.5%	51,860	7.1%
Utility Tax, Franchise Fee & Contract Payments	8,951,694	3,430,289	38.3%	8,727,109	3,348,373	38.4%	81,916	2.4%
Gambling Tax Revenue	1,587,425	380,684	24.0%	1,587,425	379,663	23.9%	1,021	0.3%
Development Revenue	3,009,528	1,362,669	45.3%	1,673,778	1,329,493	79.4%	33,176	2.5%
Park and Recreation Revenue	1,770,687	823,455	46.5%	1,752,317	787,834	45.0%	35,621	4.5%
Intergovernmental Revenue	2,459,756	769,541	31.3%	2,496,401	601,053	24.1%	168,488	28.0%
Grant Revenue	1,166,308	56,133	4.8%	708,705	74,944	10.6%	(18,811)	-25.1%
Fines and Licenses	601,275	108,953	18.1%	650,225	118,627	18.2%	(9,674)	-8.2%
Miscellaneous Revenue	628,385	299,788	47.7%	813,493	328,953	40.4%	(29,165)	-8.9%
Interest Income	70,600	154,200	218.4%	70,600	76,094	107.8%	78,107	102.6%
Total Revenues	\$43,004,250	\$18,563,261	43.2%	\$40,457,949	\$17,660,901	43.7%	\$902,360	5.1%
Budgeted Fund Balance	6,173,934	0	0.0%	7,118,073	0	0.0%	0	0.0%
Operating Transfers In	1,833,395	1,294,400	70.6%	1,675,308	1,015,943	60.6%	278,457	27.4%
Total Resources	\$51,011,579	\$19,857,660	38.9%	\$49,251,330	\$18,676,844	37.9%	\$1,180,816	6.3%

GENERAL FUND EXPENDITURE OVERVIEW

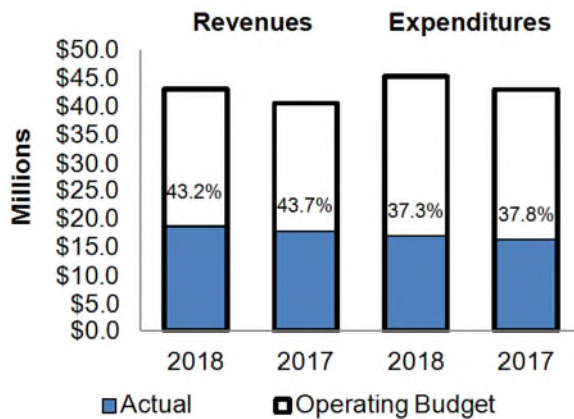
Department	2018 Current Budget	2018 Actual	% of 2018 Current Budget	2017 Current Budget	2017 Actual	% of 2017 Current Budget	2018 v. 2017 \$ Change	2018 v. 2017 % Change
City Council	\$248,652	\$122,925	49.4%	\$240,592	\$127,594	53.0%	(\$4,669)	-3.7%
City Manager's Office ¹	4,050,035	1,415,924	35.0%	3,769,429	1,403,308	37.2%	12,617	0.9%
City Attorney	861,437	351,291	40.8%	825,590	371,417	45.0%	(20,126)	-5.4%
Community Services ²	1,763,734	799,288	45.3%	1,637,107	734,938	44.9%	64,350	8.8%
Administrative Services ³	6,275,393	2,280,526	36.3%	5,799,316	2,024,744	34.9%	255,782	12.6%
Citywide	2,041,864	718,755	35.2%	2,344,510	715,777	30.5%	2,977	0.4%
Human Resources	499,237	220,021	44.1%	471,496	214,285	45.4%	5,735	2.7%
Police	12,346,618	4,576,817	37.1%	12,141,260	4,448,027	36.6%	128,789	2.9%
Criminal Justice	3,133,059	798,335	25.5%	3,068,384	919,658	30.0%	(121,323)	-13.2%
Parks	7,085,250	2,721,719	38.4%	6,290,917	2,509,545	39.9%	212,174	8.5%
Planning & Community Development	3,614,283	1,481,218	41.0%	3,070,587	1,345,814	43.8%	135,404	10.1%
Public Works	3,291,380	1,395,362	42.4%	3,251,570	1,390,487	42.8%	4,875	0.4%
Departmental Expenditures	\$45,210,942	\$16,882,181	37.3%	\$42,910,758	\$16,205,596	37.8%	\$676,585	4.2%
Operating Transfers Out	4,202,736	1,199,460	28.5%	5,105,462	693,360	13.6%	506,100	73.0%
Total Expenditures	\$49,413,678	\$18,081,641	36.6%	\$48,016,220	\$16,898,956	35.2%	\$1,182,685	7.0%

1. City Manager's Office includes City Clerk, Communications, Intergovernmental Relations, Economic Development, Property Management and Light Rail Stations.
 2. Community Services includes Neighborhoods, Customer Response Team, Emergency Management Planning, and Human Services.
 3. Administrative Services includes Finance, Budget, Purchasing, Information Technology, and Fleet & Facilities.



2018 SECOND QUARTER FINANCIAL REPORT

GENERAL FUND FINANCIAL OVERVIEW



General Fund	Resources	Expenditures
2018 Current Budget	\$51,011,579	\$49,413,678
Budgeted Use of Fund Balance	6,173,934	N/A
Budgeted Transfers	1,833,395	4,202,736
Operating Budget	\$43,004,250	\$45,210,942
Operating Receipts/Expenditures	\$18,563,261	\$16,882,181
% of Budgeted Revenues/Expenditures	43.2%	37.3%
2017 Current Budget	\$49,251,330	\$48,016,220
Budgeted Use of Fund Balance	7,118,073	N/A
Budgeted Transfers	1,675,308	5,105,462
Operating Budget	\$40,457,949	\$42,910,758
Operating Receipts/Expenditures	\$17,660,901	\$16,205,596
% of Budgeted Revenues/Expenditures	43.7%	37.8%
2018 v. 2017 \$ Change	\$902,360	\$676,585
2018 v. 2017 % Change	5.1%	4.2%

The Current Budget reflects the planned use of Fund Balance for one-time investments and transfers in from other funds as provided in the City's financial policies. Operating Receipts/Expenditures reflects revenues deposited in the fund and expenditures to provide services accounted for within that fund.

Revenues

General Fund revenue received reflects a year-over-year increase of 5.1%. The following pages present a detailed analysis of various General Fund revenue sources. The following are highlights comparing 2018 to 2017 for the General Fund:

- Property tax receipts are 3.7% more than those for 2017.
- Sales tax receipts, which reflect activity from December 2017 through April 2018, are more than the budget's year-to-date projection by 8.2% and 2017 collections by 7.9%.
- Intergovernmental Revenue receipts are 28.0% more than the year-ago level. Receipts from sources other than Sound Transit reimbursements total \$561,659 and are 15.7% more than the year-ago level due to the receipt of additional marijuana excise tax.
- Utility Tax, Franchise Fee and Contract Payment receipts are more than the budget projection and year-to-date year-ago level by 1.5% and 2.4%, respectively.
- Local development activity in 2018, in terms of the number of building permits pulled for new construction and remodels, is less than the year-ago level; however, the value is \$43.8 million more. Additionally, some permit revenue from the Shoreline School District projects has been deferred but will be posted later this year.

Expenditures

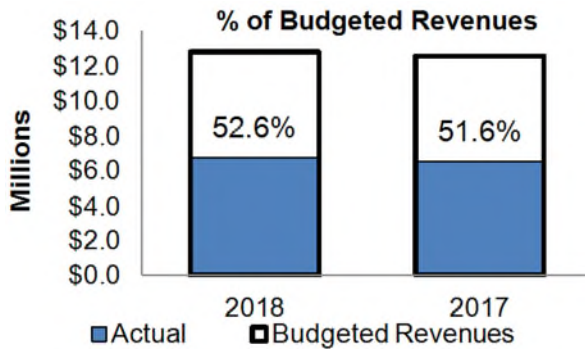
Departments spent \$16.882 million, or 37.3%, of the Operating Budget. This level of expenditures is 4.2% more than the year-ago level. The General Fund transferred \$1.2 million, or 28.5%, of its budgeted support to other funds. This level is 73.0% more than the year-ago level, largely due to timing of support needed for capital projects.

Total expenditures, including transfers out, representing expenditure of 36.6% of the Current Budget, are 7.0% more than the year-ago level.

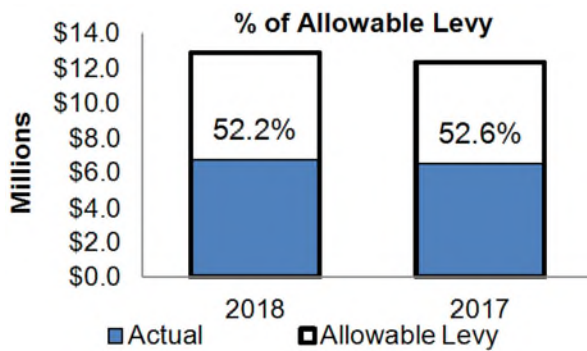


2018 SECOND QUARTER FINANCIAL REPORT

PROPERTY TAX



2018 Current Budget	\$12,759,858
2018 Second Quarter Actual Revenue	\$6,708,188
2018 % of Current Budget Received	52.6%
2017 Current Budget	\$12,531,317
2017 Second Quarter Actual Revenue	\$6,468,840
2017 % of Current Budget Received	51.6%
2018 v. 2017 \$ Change	\$239,348
2018 v. 2017 % Change	3.7%

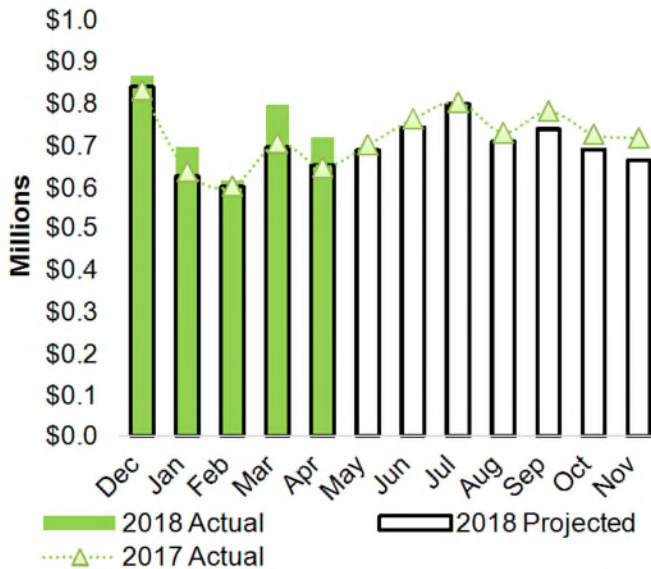


Property tax payments are due to King County in April and October. The County then must remit the City's portion resulting in the majority of collections occurring in the second and fourth quarters. Receipts for 2018 and 2017 as a percentage of the budgeted projection are both at 52.6%. In terms of the allowable levy, which in many cases is different than the budgeted projection, receipts for 2018 and 2017 are 52.2% and 52.6%, respectively, which indicates that collections are on track with historical trends.



2018 SECOND QUARTER FINANCIAL REPORT

SALES TAX



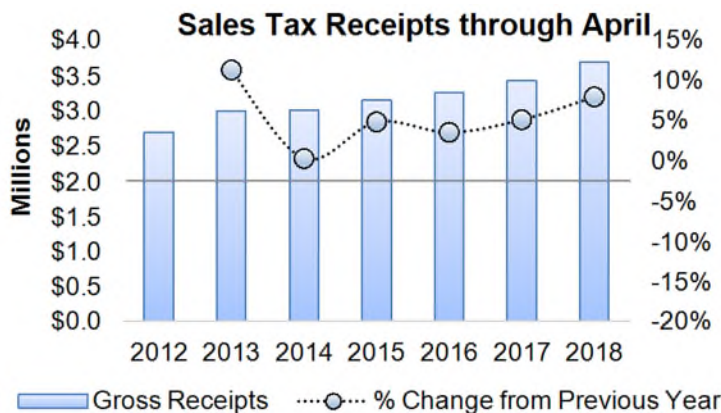
2018 Current Budget **\$8,428,191**

Sales tax revenue: December - April

Sales Activity	2017	2018
December	\$830,653	\$864,879
January	635,543	694,368
February	\$600,093	\$613,044
March	703,715	796,123
April	\$645,855	\$717,917
Year to date	\$3,415,859	\$3,686,332
\$ Change		\$270,473
% Change		7.9%

The tax rate for the first quarter of 2017 was 9.5%, with the City's portion accounting for 0.85% of the rate. The Regional Transit Authority Tax increased the sales tax rate by 0.5% to 10.0% on April 1, 2017 to expand and improve transit facilities in King, Pierce, and Snohomish Counties. The City's portion remains at 0.85%.

Sales Tax receipts, which reflect activity from December 2017 through April 2018, are more than the budget's year-to-date projection by \$278,136, or 8.2%, and 2017 collections by \$270,473, or 7.9%. The following chart and table reflects a comparison of sales tax receipts by year:



Year	Second Quarter Actual Revenue	% Change from Previous Year
2012	\$2,686,899	
2013	\$2,989,414	11.3%
2014	\$2,996,802	0.2%
2015	\$3,140,737	4.8%
2016	\$3,250,780	3.5%
2017	\$3,415,859	5.1%
2018	\$3,686,332	7.9%

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 of 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.

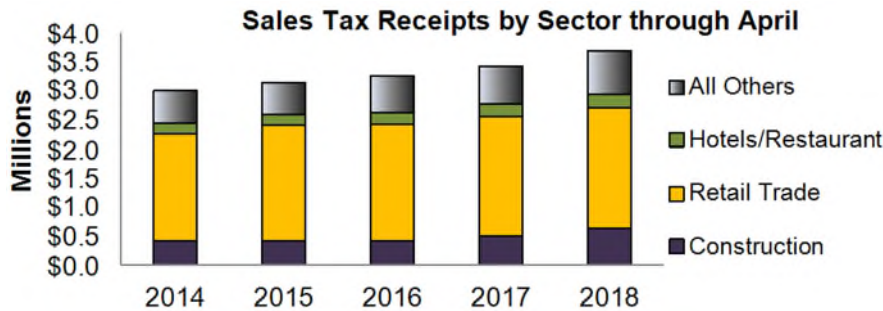
Receipts from the Construction sector are more than the year-ago level by 25.2%.



2018 SECOND QUARTER FINANCIAL REPORT

SALES TAX (CONTINUED)

SALES TAX BY PRIMARY CATEGORY: DECEMBER – APRIL



Sector	2014	2015	2016	2017	2018
Construction	\$426,346	\$417,634	\$422,412	\$509,563	\$637,849
\$ Change		(\$8,712)	\$4,778	\$87,151	\$128,286
% Change		-2.0%	1.1%	20.6%	25.2%
Retail Trade	\$1,836,766	\$1,984,114	\$2,002,154	\$2,042,360	\$2,069,432
\$ Change		\$147,348	\$18,040	\$40,206	\$27,072
% Change		8.0%	0.9%	2.0%	1.3%
Hotels/Restaurant	\$177,728	\$189,333	\$202,095	\$216,791	\$224,193
\$ Change		\$11,605	\$12,762	\$14,696	\$7,402
% Change		6.5%	6.7%	7.3%	3.4%
All Others	\$555,962	\$549,656	\$624,119	\$647,145	\$754,858
\$ Change		(\$6,306)	\$74,463	\$23,026	\$107,713
% Change		-1.1%	13.5%	3.7%	16.6%
Total Revenue	\$2,996,802	\$3,140,737	\$3,250,780	\$3,415,859	\$3,686,332
\$ Change		\$143,934	\$110,043	\$165,079	\$270,473
% Change		4.8%	3.5%	5.1%	7.9%

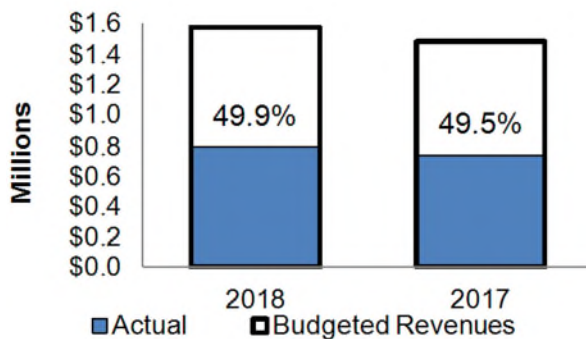
SALES TAX BY RETAIL TRADE CATEGORY: DECEMBER – APRIL

Retail Trade	2015 Dec- April	2016 Dec- April	2016v.2015 \$ Change	2017 Dec- April	2017v.2016 \$ Change	2018 Dec- April	2018v.2017 \$ Change
Motor Veh. & Parts Dealer	\$544,247	\$571,770	\$27,523	\$595,026	\$23,256	\$552,861	(\$42,165)
Furn. & Home Furnishings	22,164	25,683	3,520	29,673	3,990	33,294	3,621
Electronics and Appliances	44,337	49,951	5,614	41,743	(8,208)	44,938	3,195
Building Material & Garden	318,992	296,002	(22,989)	311,940	15,938	320,515	8,574
Food & Beverage Stores	110,241	146,054	35,813	117,802	(28,251)	124,202	6,400
Health & Personal Care	83,629	95,253	11,623	100,746	5,493	104,639	3,893
Gasoline Stations	30,729	28,190	(2,539)	29,555	1,365	27,468	(2,086)
Clothing & Accessories	24,800	30,785	5,985	35,963	5,178	39,945	3,982
Sporting Goods, Hobby	37,418	32,572	(4,845)	35,725	3,153	37,429	1,704
General Merch. Stores	587,343	525,543	(61,799)	519,709	(5,834)	528,066	8,357
Misc. Store Retailers	98,635	101,422	2,787	117,213	15,791	181,036	63,823
Nonstore Retailers	81,582	98,929	17,347	107,266	8,336	75,040	(32,225)
Total Retail Trade	\$1,984,114	\$2,002,154	\$18,039	\$2,042,360	\$40,206	\$2,069,432	\$27,073



2018 SECOND QUARTER FINANCIAL REPORT

LOCAL CRIMINAL JUSTICE TAX



2018 Current Budget	\$1,570,543
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2018 Second Quarter Actual Revenue	\$783,029
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2018 % of Current Budget Received	49.9%
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2017 Current Budget	\$1,476,779
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2017 Second Quarter Actual Revenue	\$731,169
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2017 % of Current Budget Received	49.5%
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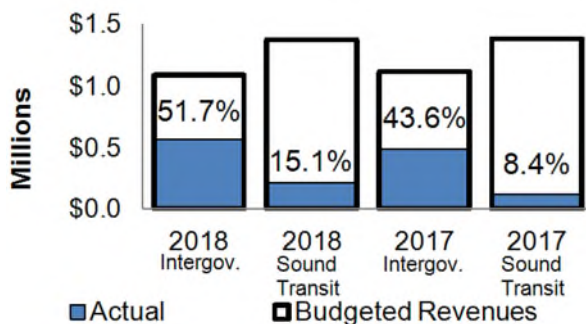
2018 v. 2017 \$ Change	\$51,860
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2018 v. 2017 % Change	7.1%
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Local Criminal Justice Sales Tax receipts are 7.1% more than the year-ago level. Thus far this year 49.9% of the amount budgeted has been received as compared to 49.5% received during the same period last year. Receipts are 4.3% more than the year-to-date budget 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.

INTERGOVERNMENTAL REVENUE



2018 Current Budget	\$2,459,756
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2018 Second Quarter Actual Revenue	\$769,541
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2018 % of Current Budget Received	31.3%
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2017 Current Budget	\$2,496,401
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2017 Second Quarter Actual Revenue	\$601,053
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2017 % of Current Budget Received	24.1%
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2018 v. 2017 \$ Change	\$168,488
------------------------	-----------

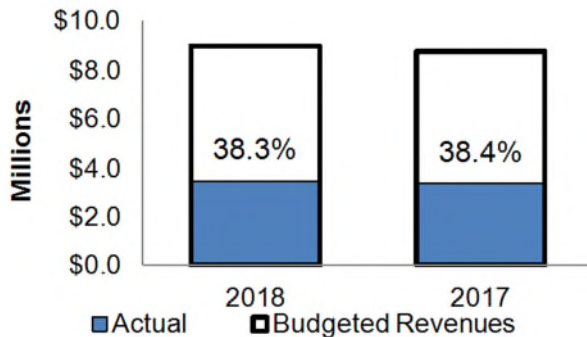
2018 v. 2017 % Change	28.0%
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Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, liquor excise tax, liquor board profits, and reimbursement from Sound Transit per the Expedited Permitting and Reimbursement Agreement. The first bill to Sound Transit was paid in the fourth quarter of 2016 and the balance of the reimbursement is anticipated to be received in 2018 as work on the project continues. Total receipts are 28.0% more than the year-ago level. Receipts from sources other than Sound Transit reimbursements total \$561,659 and are 15.7% more than the year-ago level due to the receipt of additional marijuana excise tax.



2018 SECOND QUARTER FINANCIAL REPORT

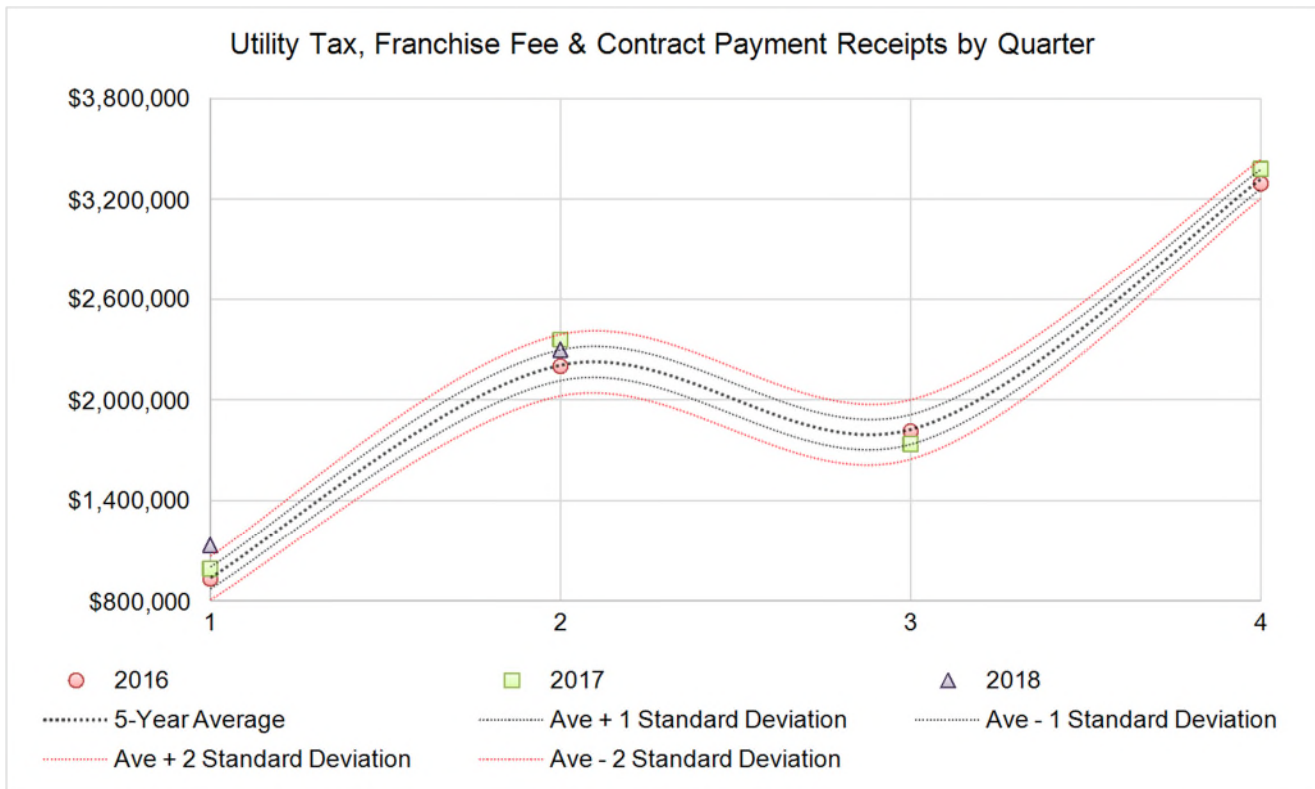
UTILITY TAX, FRANCHISE FEE & CONTRACT PAYMENTS



2018 Current Budget	\$8,951,694
2018 Second Quarter Actual Revenue	\$3,430,289
2018 % of Current Budget Received	38.3%
2017 Current Budget	\$8,727,109
2017 Second Quarter Actual Revenue	\$3,348,373
2017 % of Current Budget Received	38.4%
2018 v. 2017 \$ Change	\$81,916
2018 v. 2017 % Change	2.4%

The City's agreement with Seattle City Light imposes a six percent contract fee on total electrical revenues. The City levies a utility tax of 6% on natural gas, garbage, cable, telecommunications, and storm drainage services along with a franchise fee of 6% on water and 5% on cable services. Activity through the second quarter presented in this report does not reflect second quarter payments for the garbage utility tax and water and cable franchise fees. Second quarter payments for these items are typically received in late July.

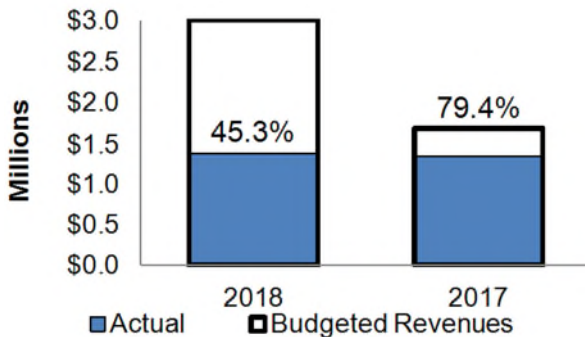
Overall Utility Tax, Franchise Fee and Contract Payment receipts are more than the year-to-date budget projection and year-ago level by 1.5% and 2.4%, respectively. The chart below shows the five-year average plus or minus one- and two-standard deviations. It is projected that Second Quarter receipts would total between \$804,352 and \$1,065,593.



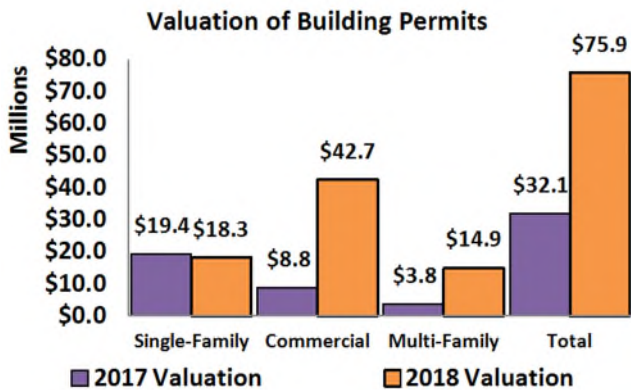


2018 SECOND QUARTER FINANCIAL REPORT

DEVELOPMENT REVENUE



2018 Current Budget	\$3,009,528
2018 Second Quarter Actual Revenue	\$1,362,669
2018 % of Current Budget Received	45.3%
2017 Current Budget	\$1,673,778
2017 Second Quarter Actual Revenue	\$1,329,493
2017 % of Current Budget Received	79.4%
2018 v. 2017 \$ Change	\$33,176
2018 v. 2017 % Change	2.5%

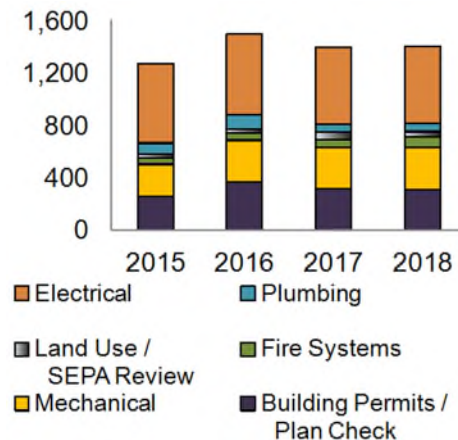


Development revenue receipts exhibit a year-over-year increase of 2.5% and are more than the budget projection by 4.8%. This is largely due to the deferral of permit revenue from the Shoreline School District projects that will be posted later this year.

Local development activity in 2018, in terms of the number of building permits pulled for new construction and remodels, is less than the year-ago level. In 2018, sixteen fewer permits have been issued for new single-family residences, with a value that is \$1.2 million less, as compared to the year-ago level. Twelve more permits have been issued for commercial / multi-family construction (new and remodels), with a value that is \$45.0 million more than the year-ago level.

Valuation of 189 building permits for new construction and remodels totals \$75.9 million and is comprised of 24.1% residential and 75.9% commercial / multi-family valuation. In 2017 valuation of 193 permits totaled \$32.1 million and was comprised of 60.6% residential and 39.4% commercial / multi-family construction.

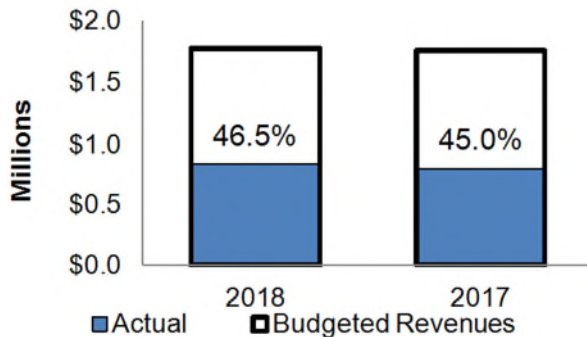
PERMIT TYPE	2015	2016	2017	2018	# Change	% Change
Building Permits / Plan Check	256	369	313	304	(65)	-17.6%
Mechanical	245	315	316	325	10	3.2%
Fire Systems	46	54	57	83	29	53.7%
Land Use / SEPA Review	28	33	57	38	5	15.2%
Plumbing	87	110	62	63	(47)	-42.7%
Electrical	603	609	584	583	(26)	-4.3%
Total	1265	1490	1389	1396	-94	-6.3%





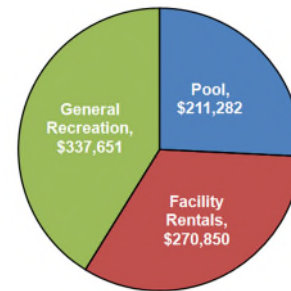
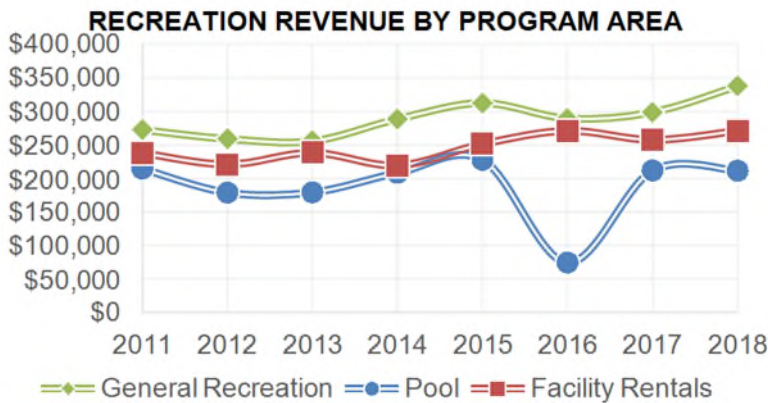
2018 SECOND QUARTER FINANCIAL REPORT

PARKS AND RECREATION REVENUE



2018 Current Budget	\$1,770,687
2018 Second Quarter Actual Revenue	\$823,455
2018 % of Current Budget Received	46.5%
2017 Current Budget	\$1,752,317
2017 Second Quarter Actual Revenue	\$787,834
2017 % of Current Budget Received	45.0%
2018 v. 2017 \$ Change	\$35,621
2018 v. 2017 % Change	4.5%

Parks and Recreation revenue receipts are 4.5% more than the year-ago level with receipts for general recreation programs and facility rentals more than the year-ago level by 13.1% and 5.2%, respectively. Receipts for the Shoreline Pool are 0.3% less than the year-ago level.



Recreation Revenue by Program Area*: January - June

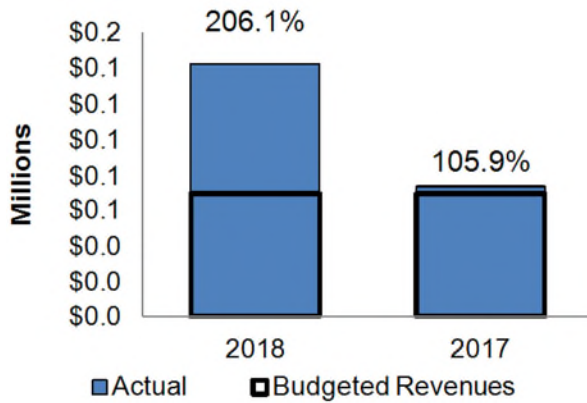
Year	General Recreation*	Gen Rec % of Total	Pool	Pool % of Total	Facility Rentals	Fac Rent % of Total	Total Revenue
2012	\$258,745	39.3%	\$178,782	27.2%	\$220,772	33.5%	\$658,299
2013	\$255,506	38.0%	\$179,073	26.6%	\$238,188	35.4%	\$672,767
2014	\$288,416	40.3%	\$208,075	29.1%	\$219,223	30.6%	\$715,714
2015	\$312,339	39.5%	\$227,675	28.8%	\$251,264	31.8%	\$791,279
2016	\$289,210	45.6%	\$74,527	11.7%	\$270,906	42.7%	\$634,643
2017	\$298,524	38.9%	\$211,814	27.6%	\$257,397	33.5%	\$767,735
2018	\$337,651	41.2%	\$211,282	25.8%	\$270,850	33.0%	\$819,783

* Excludes non-program revenue such as cell tower rental fees and special event sponsorships.



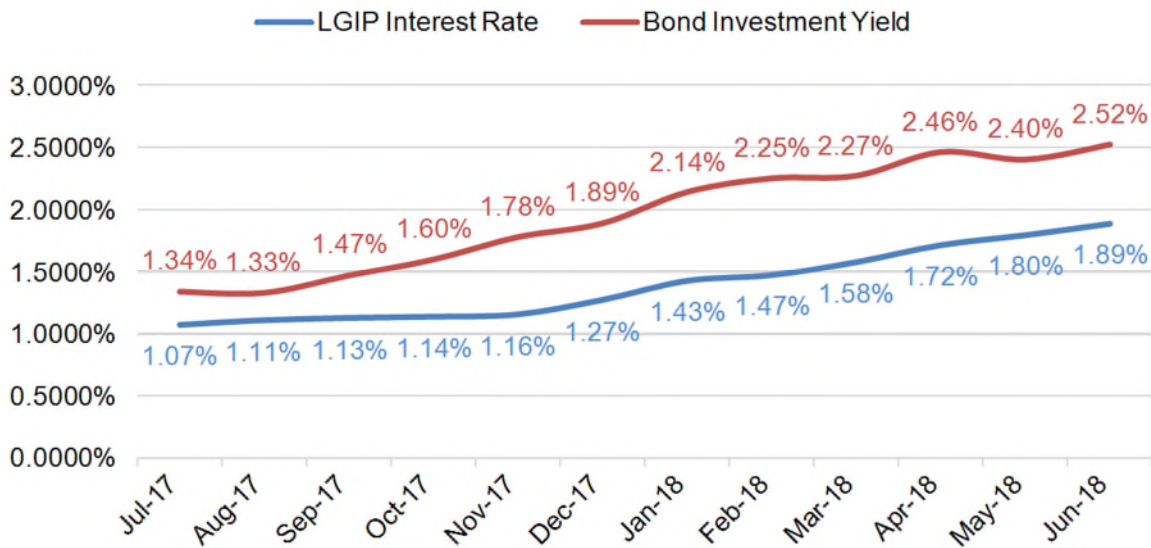
2018 SECOND QUARTER FINANCIAL REPORT

INVESTMENT INCOME



2018 Current Budget		\$69,000
2018 Second Quarter Actual Revenue		\$142,231
2018 % of Current Budget Received		206.1%
2017 Current Budget		\$69,000
2017 Second Quarter Actual Revenue		\$73,093
2017 % of Current Budget Received		105.9%
2018 v. 2017 \$ Change		\$69,138
2018 v. 2017 % Change		94.6%

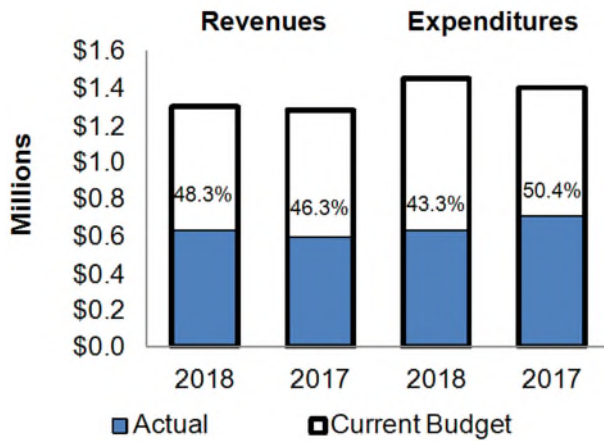
Investment earnings are more than the year-ago level by 94.6% as a result of rising interest rates. The City's investment policy adheres to strict standards as prescribed by federal law, state statutes, and local ordinances, and allows the City to develop an investment model to maximize its investment returns with the primary objectives of safety and liquidity.





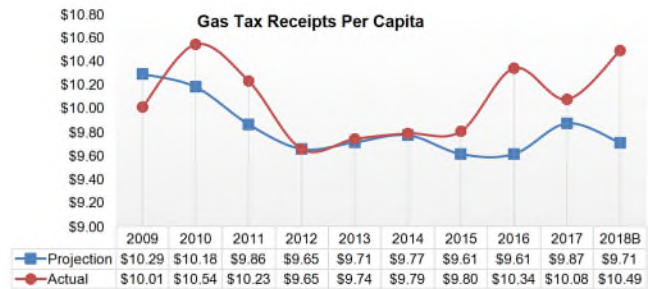
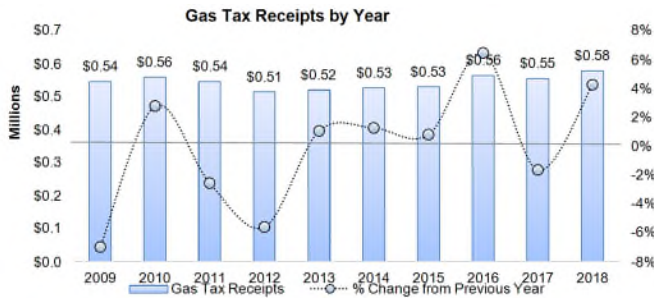
2018 SECOND QUARTER FINANCIAL REPORT

STREET FUND



Street Fund	Resources	Expenditures
2018 Current Budget	\$2,376,815	\$2,376,815
Budgeted Use of Fund Balance	588,738	N/A
Budgeted Transfers	492,040	929,557
Operating Budget	\$1,296,037	\$1,447,258
Operating Receipts/Expenditures	\$625,717	\$626,322
% of Budgeted Revenues/Expenditures	48.3%	43.3%
2017 Current Budget	\$1,721,485	\$1,721,485
Budgeted Use of Fund Balance	200,260	N/A
Budgeted Transfers	244,403	324,003
Operating Budget	\$1,276,822	\$1,397,482
Operating Receipts/Expenditures	\$591,234	\$704,838
% of Budgeted Revenues/Expenditures	46.3%	50.4%
2018 v. 2017 \$ Change	\$34,483	(\$78,516)
2018 v. 2017 % Change	5.8%	-11.1%

Total receipts, excluding transfers in, are 5.8% more than the year-ago level. 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. Fuel Tax revenue receipts are 4.2% more than the year-ago level.

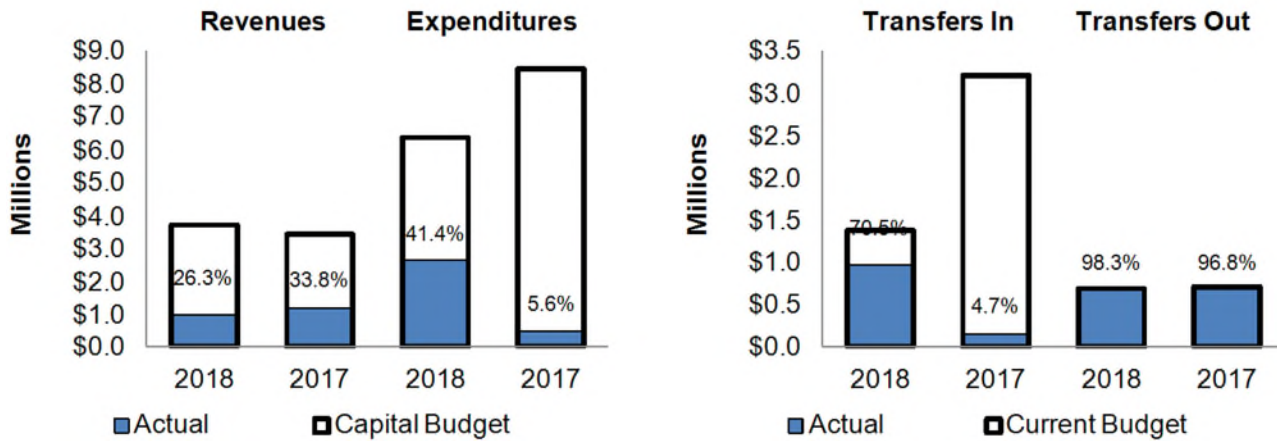


Operating expenditures, excluding transfers out, are 11.1% less than the year-ago level. Expenditures, including transfers out, are 66.0% more than the year-ago level. This is largely attributable to a one-time transfer of \$630,645, which was planned for in the 2018 Final Budget, to transfer fund balance in excess of the Street Fund's minimum required balance of \$254,700 back to the General Fund. The City Manager intends to set these monies aside in reserve for future improvements to a maintenance facility. Factoring out the one-time transfer, expenditures would have been 13.1% more than the year-ago level.



2018 SECOND QUARTER FINANCIAL REPORT

GENERAL CAPITAL FUND



General Capital Fund	Resources	Expenditures
2018 Current Budget	\$7,029,417	\$7,029,417
Budgeted Use of Fund Balance	1,961,260	N/A
Budgeted Transfers	1,373,402	686,047
Capital Budget	\$3,694,755	\$6,343,370
Capital Receipts/Expenditures	\$969,878	\$2,624,858
% of Budgeted Revenues/Expenditures	26.3%	41.4%
2017 Current Budget	\$9,147,892	\$9,147,892
Budgeted Use of Fund Balance	2,532,527	N/A
Budgeted Transfers	3,203,413	709,728
Capital Budget	\$3,411,952	\$8,438,164
Capital Receipts/Expenditures	\$1,154,713	\$472,832
% of Budgeted Revenues/Expenditures	33.8%	5.6%
2018 v. 2017 \$ Change	(\$184,835)	\$2,152,026
2018 v. 2017 % Change	-16.0%	455.1%

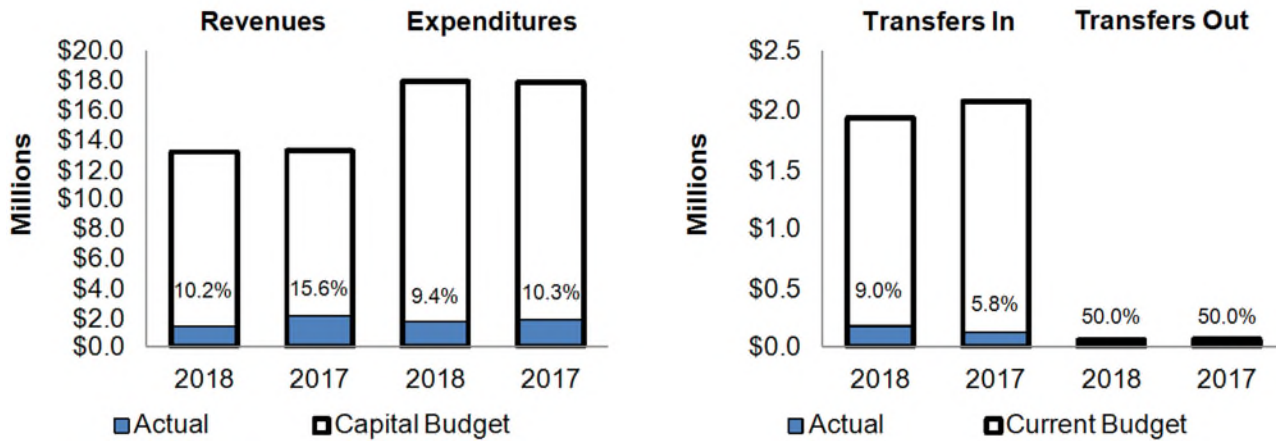
Revenue receipts are 16.0% less than the year-ago level. The year-over-year change in Transfers In is mainly attributable to transfers in totaling \$943,637 from the General Fund in support of the Police Station at City Hall project. Transfers Out are comprised of transfers to the General Fund for overhead and the Limited Tax General Obligation Bond Fund for City Hall debt service payments.

Capital Budget expenditures are 455.1% more than the year-ago level. Capital expenditures are impacted by the timing of construction schedules.



2018 SECOND QUARTER FINANCIAL REPORT

ROADS CAPITAL FUND



Roads Capital Fund	Resources	Expenditures
2018 Current Budget	\$18,011,029	\$17,953,835
Budgeted Use of Fund Balance	2,947,954	N/A
Budgeted Transfers	1,929,111	57,194
Capital Budget	\$13,133,964	\$17,896,641
Capital Receipts/Expenditures	\$1,333,172	\$1,679,063
% of Budgeted Revenues/Expenditures	10.2%	9.4%
2017 Current Budget	\$17,897,364	\$17,897,364
Budgeted Use of Fund Balance	2,606,630	N/A
Budgeted Transfers	2,069,801	64,736
Capital Budget	\$13,220,933	\$17,832,628
Capital Receipts/Expenditures	\$2,056,885	\$1,843,039
% of Budgeted Revenues/Expenditures	15.6%	10.3%
2018 v. 2017 \$ Change	(\$723,713)	(\$163,976)
2018 v. 2017 % Change	-35.2%	-8.9%

Revenue receipts are 35.2% less than the year-ago level. Capital projects expended 8.9% less than the year-ago level. Capital expenditures are impacted by the timing of construction schedules. Activity in Roads Capital Fund projects typically increase in the third quarter of the year. Related expenditures will be reflected in the 2018 Third Quarter Financial Report.

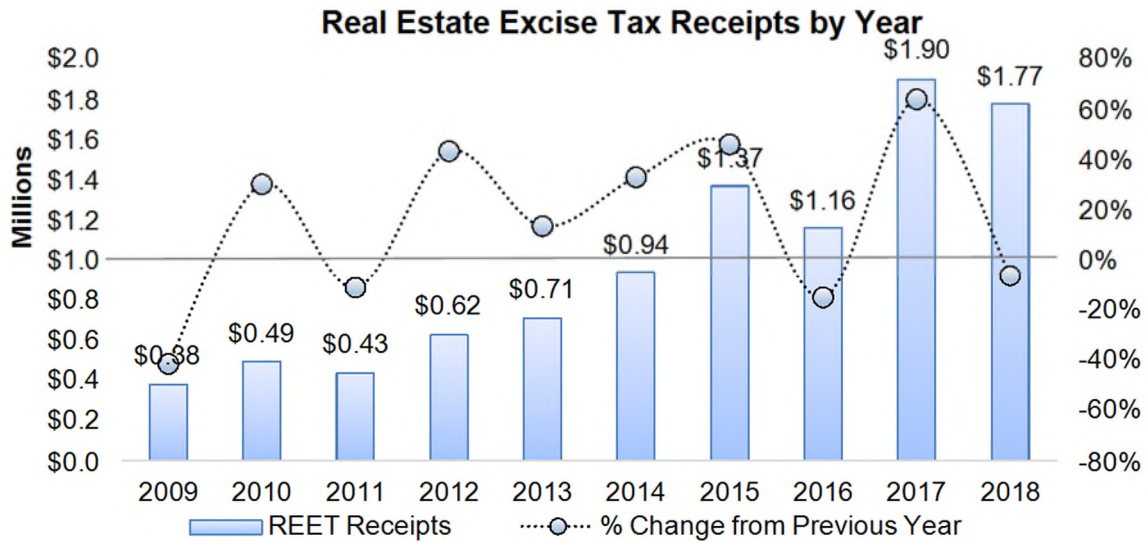
The 2018 budget includes one-time transfers from the General Fund in support of the following capital projects listed in the table below. Funds are transferred from the General Fund as expenditures are incurred by the projects; therefore, the transfer of the balance of the amount spent year-to-date, up to the amount of General Fund support budgeted, will be reflected in the 2018 Third Quarter Financial Report.

Project	Current Budget	Amount Spent YTD	Budgeted General Fund Support	GF Support Transferred
Trail Along the Rail	\$339,002	\$6,975	\$213,030	\$3,854
147 th /148 th Non-Motorized Bridge	\$499,945	\$1,833	\$349,945	\$1,328
160 th and Greenwood/Innis Arden	\$105,000	\$0	\$105,000	\$0
185 th Corridor Study	\$515,691	\$465	\$515,691	\$432
Westminster and 155 th Improvements	\$482,017	\$269,047	\$273,436	\$91,849



2018 SECOND QUARTER FINANCIAL REPORT

REAL ESTATE EXCISE TAX

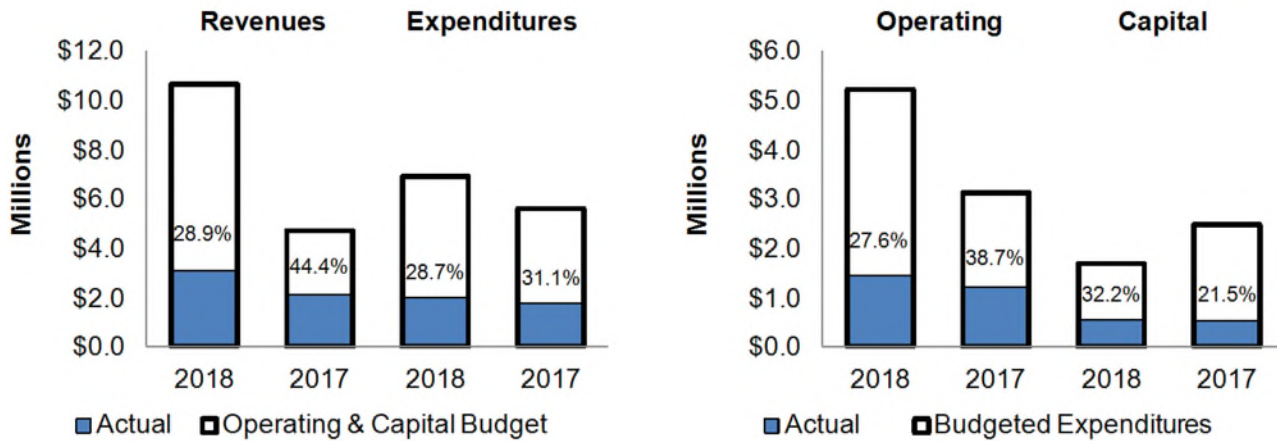


Real Estate Excise Tax (REET) revenue receipts, in the amount of \$1,772,765 are \$122,934, or 6.5%, less than the year-ago level. The number of transactions are down 1.6% as compared to the year-ago level. Of these transactions, fifty-five had a value that is greater than \$1 million and accounted for 33.3% of the valuation/taxes. That is, 11.2% of transactions through the second quarter of 2018 accounted for 33.3% of the valuation/taxes.



2018 SECOND QUARTER FINANCIAL REPORT

SURFACE WATER UTILITY FUND



Surface Water Utility Fund	Resources	Expenditures
2018 Current Budget	\$10,959,748	\$7,597,735
Budgeted Use of Fund Balance	267,059	N/A
Budgeted Transfers	68,489	710,310
Operating & Capital Budget	\$10,624,200	\$6,887,425
Oper. & Capital Receipts/Expenditures	\$3,072,330	\$1,977,093
% of Budgeted Revenues/Expenditures	28.9%	28.7%
2017 Current Budget	\$6,241,652	\$6,241,652
Budgeted Use of Fund Balance	1,544,629	N/A
Budgeted Transfers	0	656,074
Operating & Capital Budget	\$4,697,023	\$5,585,578
Oper. & Capital Receipts/Expenditures	\$2,085,418	\$1,737,631
% of Budgeted Revenues/Expenditures	44.4%	31.1%
2018 v. 2017 \$ Change	\$986,912	\$239,462
2018 v. 2017 % Change	47.3%	13.8%

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

Revenue receipts are 47.3% more than the year-ago level. SWM ongoing revenues include storm drainage fees and investment interest earnings. Storm Drainage Fees totaled \$3,027,196 and are 46.3% more than the year-ago level.

Expenditures, including transfers out, are 13.8% more than the year-ago level. Surface Water Utility operations expended 27.6% of the Operating Budget, which is 19.1% more than the year-ago level. Capital projects, excluding transfers out, expended 32.2% of the Capital Budget, which is 1.8% less than the year-ago level. Capital expenditures are impacted by the timing of construction schedules.



2018 SECOND QUARTER FINANCIAL REPORT

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 (LGIP), which had been the City's primary mode of investment prior to adopting our Investment Policy. As of June 30, 2018, the City's investment portfolio, excluding the LGIP had a current weighted average rate of return of 1.7382%. This is slightly less than 1.8863%, the rate of return of the LGIP.

Total annual investment interest earnings through June 30, 2018 were \$252,590 which is 133% of \$190,050 (2018's total budgeted investment earnings). The better than expected investment earning is a reflection that the economy is doing well and it helped to push interest rates up steadily. For example, the interest rate for the LGIP on January 1, 2018 was 1.2894% and on June 30, 2018 it was 1.8863%. Because the LGIP holds primarily short term investments they will generally exceed our returns in a rising rate market. Our laddered portfolio will generally allow us to have higher returns over the long run.

As of June 30, 2018, the City's investment portfolio had a fair value of nearly \$39.12 million. Approximately 66% of the investment portfolio was held in U.S. government instrumentality securities, and 34% was held in the LGIP. The City's investment portfolio valued at cost as of June 30, 2018 was slightly over \$39.26 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 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 LGIP to allow for immediate cash liquidation if needed.



2018 SECOND QUARTER FINANCIAL REPORT

LGIP Cash and Investment Balances

Investment Type	CUSIP #	BROKER	Settlement Date	Maturity Date	Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 6/30/18
TREASURY 0.875	912828TH3	PiperJaffray Financial	06/22/18	07/31/19	1,000,000	983,580	2.3854%	170	983,750
FHLMC 1.2	3134G3ZK9	Northw estern Time Value	07/10/17	07/30/18	2,000,000	1,998,500	1.2716%	294	1,998,794
FICO STRIP PRIN SER D-P	31771KAH0	Investment Time Value	09/29/15	08/03/18	1,500,000	1,456,388	1.0400%	40,505	1,496,892
FFCB 1.09	3133EFL6	Investment	09/29/15	09/28/18	500,000	500,000	1.0900%	(1,063)	498,937
FFCB 1.375	3133EFSW8	Alamo Capital	12/21/15	12/21/18	1,000,000	999,000	1.3750%	(2,720)	996,280
FHLB 1.18	3134G8L80	PiperJaffray Financial	11/10/17	02/19/19	2,000,000	1,988,820	1.6243%	(2,382)	1,986,438
FNMA 1.250	3136G3EA9	Northw estern	03/29/16	03/29/19	1,000,000	999,500	1.2500%	(7,205)	992,295
FHLB 2.25	3130AEG5	PiperJaffray	05/04/18	05/03/19	1,000,000	1,000,000	2.2500%	(489)	999,511
FHLB 4.375	3133XTY Y6	PiperJaffray	05/02/18	06/14/19	1,000,000	1,022,530	2.3174%	(4,622)	1,017,908
FFCB 1.18	3133EGPD1	PiperJaffray	11/08/17	08/01/19	2,000,000	1,983,300	1.6712%	(16,566)	1,966,734
FHLB 1.55	3130ACJ88	1st Empire	11/02/17	09/27/19	2,000,000	1,996,626	1.6400%	(18,758)	1,977,868
FNMA 1.250	3136G4AP8	PiperJaffray	12/31/16	09/30/19	2,000,000	2,000,000	1.2500%	(29,354)	1,970,646
FNMA 1.0	3135G0R39	PiperJaffray	04/25/18	10/24/19	2,000,000	1,958,980	2.4054%	2,914	1,961,894
FHLB 1.375	3130AA3R7	PiperJaffray	06/27/18	11/15/19	1,000,000	985,140	2.4054%	(103)	985,037
FHLMC 1.0	3134GBEB4	1st Empire Multi-Bank	03/31/17	03/27/20	1,000,000	999,700	1.7000%	(13,398)	986,302
FHLMC 1.75	3134GBYR7	Security	07/27/17	07/27/20	1,000,000	1,000,350	1.7145%	(18,288)	982,062
FNMA 1.875	3136G4QF3	Investment Time Value	10/30/17	10/30/20	2,000,000	1,999,680	1.8805%	(36,456)	1,963,224
FHLB 2	3030ACU36	Investment Financial	12/11/17	12/11/20	1,000,000	997,684	2.0800%	(15,443)	982,241
FHLB 2.125	3130ACZD9	Northw estern	12/29/17	12/29/20	1,000,000	1,000,000	2.1250%	(13,807)	986,193
Sub Total - Investments					\$ 26,000,000	\$ 25,869,778		\$ (136,772)	\$ 25,733,006
State Investment Pool						13,389,994	1.8863%		13,389,994
Total LGIP + Investments					\$ 39,259,772			\$ (136,772)	\$ 39,123,000

Portfolio Diversification

Instrument Type	Percentage	Amount at Cost	Amount at Market Value
FFCB	8.8%	\$ 3,482,300	\$ 3,461,951
FHLB	22.8%	8,990,800	8,935,196
FHLMC	10.1%	3,998,550	3,967,158
FNMA	17.6%	6,958,160	6,888,059
FICO STRIP PRIN SER D-P	3.8%	1,456,388	1,496,892
Treasury	2.5%	983,580	983,750
State Investment Pool	34.2%	13,389,994	13,389,994
Total LGIP + Investments	100%	\$ 39,259,772	\$ 39,123,000

Broker	Percentage	Amount at Cost	Amount at Market Value
Alamo Capital	2.5%	\$ 999,000	\$ 996,280
Financial Northw estern	10.2%	3,998,000	3,977,282
1st Empire	7.6%	2,996,326	2,964,170
Time Value Investment	12.6%	4,953,752	4,941,294
PiperJaffray	30.4%	11,922,350	11,871,918
Multi-Bank Security	2.5%	1,000,350	982,062
State Investment Pool	34.1%	13,389,994	13,389,994
Total LGIP + Investments	100%	\$ 39,259,772	\$ 39,123,000

Investments by Fund

Fund	Investments at Cost as of 6/30/2018	LGIP State Investment Pool as of 6/30/2018	Total LGIP + Investments at Cost by Fund as of 6/30/2018	Unrec Gain/(Loss) as of 6/30/2018	Total Market			
					Value of Investments by Fund as of 6/30/2018	2018 Budgeted Investment Earnings	2018 Actual Investment Earnings	Over/(Under) Budget
001 General	\$ 10,098,561	\$ 5,226,936	\$ 15,325,497	\$ (53,390)	\$ 15,272,107	\$ 69,000	\$ 142,231	\$ 73,231
101 Street	176,999	91,614	268,613	(936)	267,677	2,500	4,937	2,437
107 Code Abatement	246,581	127,628	374,209	(1,304)	372,905	550	2,406	1,856
108 Asset Seizure	38,005.14	19,671.16	57,676.31	(200.93)	57,475	-	1,505	1,505
109 Public Arts	198,027	102,497	300,525	(1,047)	299,478	-	2,019	2,019
112 Fed Drug Enforcement	8,982	4,649	13,631	(47)	13,583	200	438	238
117 Transportation Impact Mitigation	1,838,955	951,829	2,790,784	(9,722)	2,781,062	1,500	13,718	12,218
190 Revenue Stabilization	3,394,183	1,756,803	5,150,986	(17,945)	5,133,041	-	-	-
301 General Capital	1,719,861	890,186	2,610,047	(9,093)	2,600,954	35,987	10,128	(25,859)
312 City Fac-Mjr Maint	92,348	47,799	140,147	(488)	139,659	883	682	(201)
330 Roads Capital	3,418,928	1,769,611	5,188,539	(18,076)	5,170,463	29,656	35,496	5,840
331 Trans Bene Dist	721,461	373,423	1,094,884	(3,814)	1,091,069	-	5,833	5,833
401 Surface Water Utility Fund	1,650,045	854,050	2,504,096	(8,724)	2,495,372	41,774	13,412	(28,362)
405 Wastew ater Fund	374,959	194,076	569,035	(1,982)	567,052	-	2,027	2,027
501 Vehicle Oper/Maint	199,098	103,051	302,149	(1,053)	301,097	-	1,833	1,833
503 Equip Dep Replace	1,651,595	854,853	2,506,447	(8,732)	2,497,716	8,000	15,477	7,477
505 Unemployment	41,188	21,319	62,507	(218)	62,289	-	447	447
Total Investments	\$ 25,869,778	\$ 13,389,994	\$ 39,259,772	\$ (136,772)	\$ 39,123,000	\$ 190,050	\$ 252,590	\$ 62,540

10 YEAR FINANCIAL SUSTAINABILITY MODEL

OPERATING BUDGET
TEN YEAR FORECAST

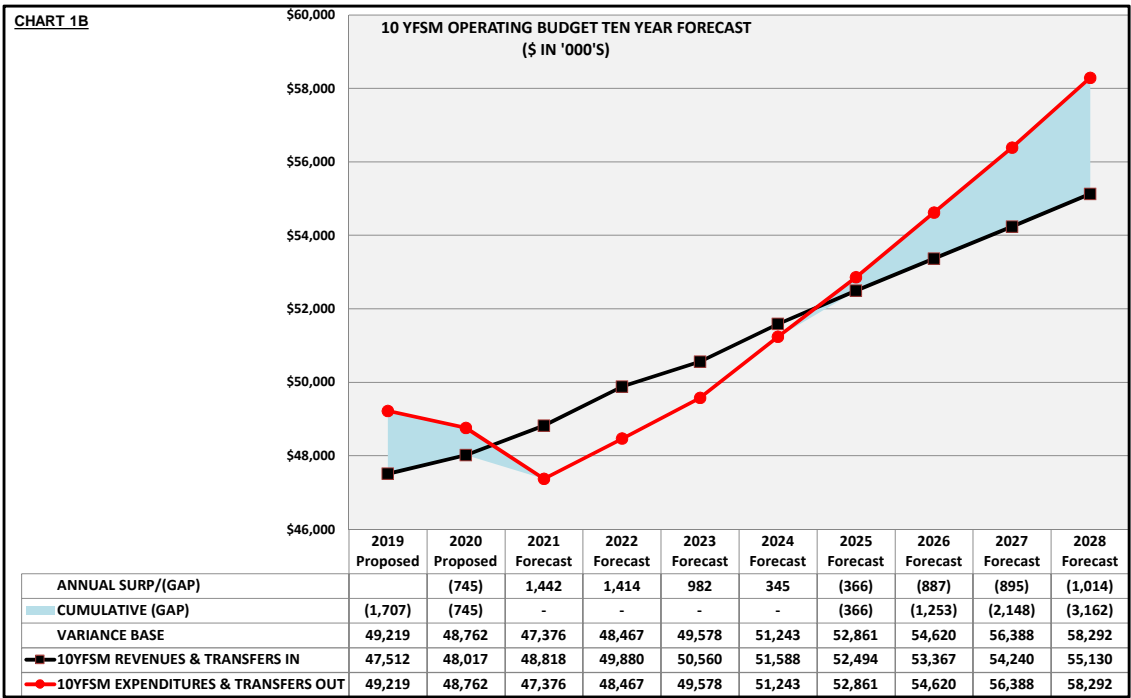
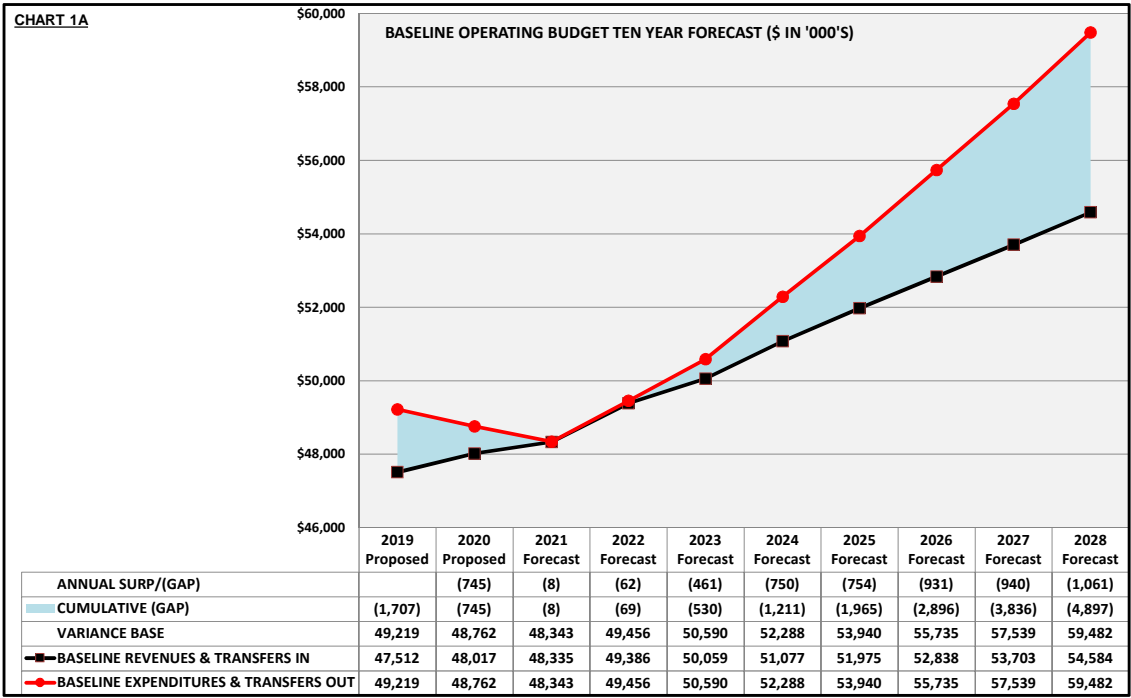
	2019 Proposed	2020 Proposed	2021 Forecast	2022 Forecast	2023 Forecast
Baseline Model:					
Beginning Operating Funds Fund Balance	\$12,692,514	\$12,125,270	\$12,524,791	\$12,517,009	\$12,447,634
Baseline Revenues:					
Taxes					
Property	13,301,684	13,666,865	14,049,064	14,425,226	14,636,839
Sales and Use	10,668,958	11,021,779	11,310,422	11,662,224	12,044,110
Business and Occupation	1,033,000	1,064,819	1,097,089	1,130,882	1,167,434
Gambling	1,587,425	1,587,425	1,587,425	1,587,425	1,587,425
Utility	3,828,373	3,878,130	3,967,675	4,035,910	4,104,723
Other	7,200	7,200	7,200	7,200	7,200
Franchise/Utility Contract Payments	5,179,900	5,369,100	5,527,700	5,697,852	5,875,670
Licenses and Permits	2,886,213	2,587,918	2,402,816	2,383,291	2,422,949
Intergovernmental	3,915,040	3,494,120	2,946,363	2,939,993	2,625,993
Charges for Services	1,734,396	1,758,221	1,791,478	1,823,421	1,854,924
Fines and Forfeitures	404,000	404,000	404,000	404,000	404,000
Interest Income	73,100	73,100	96,004	107,896	105,884
Miscellaneous Revenues	895,232	898,252	904,857	911,200	917,456
Total Baseline Revenue	45,514,521	45,810,929	46,092,093	47,116,520	47,754,607
Baseline Operating Expenditures:					
Salaries & Benefits	18,586,662	18,980,631	19,597,450	19,883,668	20,231,967
Supplies	1,088,691	955,860	927,144	927,144	945,144
Services & Charges	8,532,919	7,953,150	7,904,547	8,210,967	8,520,178
Intergovernmental	15,775,365	16,272,554	16,734,521	17,220,144	17,722,371
Interfund	721,258	689,155	697,116	704,797	712,406
Budgeted Contingency	1,534,585	1,524,883	224,000	224,000	224,000
Capital Outlay	503,762	30,000	-	-	-
Total Baseline Operating Expenditures	46,743,242	46,406,233	46,084,777	47,170,720	48,356,067
Baseline Revenue Over (Under) Expenditures	(1,228,721)	(595,304)	7,316	(54,201)	(601,460)
Baseline Other Financing Sources (Uses):					
Operating Transfers In	1,997,901	2,206,235	2,242,706	2,269,785	2,304,512
Transfers Out	2,475,863	2,356,188	2,257,804	2,284,959	2,233,525
Gain / (Use) of Operating Funds Fund Balance	(1,706,683)	(745,257)	(7,782)	(69,375)	(530,472)
Baseline Ending Operating Funds Fund Balance	\$10,985,832	\$11,380,013	\$12,517,009	\$12,447,634	\$11,917,162
Required Operating Funds Fund Balance	\$4,393,456	\$4,404,682	\$4,410,875	\$4,431,941	\$4,445,292
Over (Under) Required Operating Funds Fund Balance	\$6,592,376	\$6,975,331	\$8,106,135	\$8,015,693	\$7,471,870
10 YFSM:					
Beginning Operating Funds Fund Balance	\$12,692,514	\$12,125,270	\$12,524,791	\$12,517,009	\$12,447,634
Total 10YFSM Revenues & Transfers In	47,512,422	48,017,164	48,818,146	49,880,167	50,559,710
Total 10YFSM Operating Expenditures & Transfers Out	49,219,105	48,762,421	47,375,729	48,466,566	49,577,799
Gain / (Use) of Operating Funds Fund Balance	(1,706,683)	(745,257)	1,442,417	1,413,601	981,911
10YFSM Ending Operating Funds Fund Balance	\$10,985,832	\$11,380,013	\$13,967,209	\$13,930,611	\$13,429,545
Required Operating Funds Fund Balance	\$4,393,456	\$4,404,682	\$4,410,875	\$4,431,941	\$4,445,292
Over (Under) Required Operating Funds Fund Balance	\$6,592,376	\$6,975,331	\$9,556,334	\$9,498,669	\$8,984,253
Assumptions:					
Inflation	0.00%	2.32%	2.36%	2.23%	2.16%
Annual Revenue Growth	#REF!	0.65%	0.61%	2.22%	1.35%
Annual Regular Levy Assessed Value Change	#REF!	-0.64%	2.77%	3.49%	3.84%
Annual Sales & Use Tax Change	3.35%	3.05%	3.19%	3.16%	3.34%
General Fees & Licenses Increases	0.00%	1.85%	1.89%	1.78%	1.73%
Investment Interest Rate	2.63%	2.70%	2.80%	2.90%	2.90%
Building Permit Charge	-16.39%	-11.52%	-2.17%	-1.25%	1.83%
Revenue Collection (Baseline)	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue Collection (10YFSM)	100.00%	100.00%	101.00%	101.00%	101.00%
PERS Employer Contribution Rate	12.87%	12.87%	12.92%	12.92%	12.92%
Health Benefit Escalator	8.00%	0.00%	6.50%	6.50%	6.50%
Regular Salary Escalator	1.00%	3.09%	3.16%	3.03%	2.96%
Police Contract Escalator	3.50%	3.50%	3.50%	3.50%	3.50%
Expenditure Percentage (Baseline)	100.00%	100.00%	100.00%	100.00%	100.00%
Expenditure Percentage (10YFSM)	100.00%	100.00%	98.00%	98.00%	98.00%
Annual Expenditure Growth	#REF!	-0.72%	-0.69%	2.36%	2.51%
Contribution to / (Refund From) Revenue Stabilization Fund	\$313,752	\$360,049	\$47,587	\$128,479	\$153,462
New Maintenance Costs for Completed Capital Projects	\$120,474	\$120,519	\$120,519	\$120,519	\$120,519

10 YEAR FINANCIAL SUSTAINABILITY MODEL

OPERATING BUDGET
TEN YEAR FORECAST

	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast
Baseline Model:					
Beginning Operating Funds Fund Balance	\$11,917,162	\$10,706,048	\$8,741,025	\$5,844,679	\$2,008,794
Baseline Revenues:					
Taxes					
Property	14,851,722	15,070,555	15,290,084	15,509,418	15,730,365
Sales and Use	12,432,777	12,830,606	13,233,170	13,653,626	14,087,014
Business and Occupation	1,204,725	1,242,765	1,281,409	1,321,535	1,362,951
Gambling	1,587,425	1,587,425	1,587,425	1,587,425	1,587,425
Utility	4,175,668	4,249,391	4,325,959	4,405,367	4,487,316
Other	7,200	7,200	7,200	7,200	7,200
Franchise/Utility Contract Payments	6,065,767	6,185,920	6,309,834	6,437,396	6,567,935
Licenses and Permits	2,441,433	2,398,501	2,336,994	2,272,879	2,226,930
Intergovernmental	2,646,317	2,667,217	2,688,697	2,710,738	2,733,218
Charges for Services	1,887,061	1,920,251	1,954,496	1,989,743	2,025,724
Fines and Forfeitures	404,000	404,000	404,000	404,000	404,000
Interest Income	90,500	65,677	6,726	(80,165)	(195,241)
Miscellaneous Revenues	923,838	930,430	937,231	944,230	951,376
Total Baseline Revenue	48,718,433	49,559,937	50,363,225	51,163,392	51,976,213
Baseline Operating Expenditures:					
Salaries & Benefits	20,996,556	21,745,919	22,533,949	23,362,058	24,229,207
Supplies	927,144	927,144	927,144	927,144	927,144
Services & Charges	8,895,531	9,203,447	9,587,687	9,922,272	10,331,991
Intergovernmental	18,242,267	18,783,032	19,343,079	19,923,056	20,523,541
Interfund	720,201	728,285	736,663	745,323	754,203
Budgeted Contingency	224,000	224,000	224,000	224,000	224,000
Capital Outlay	-	-	-	-	-
Total Baseline Operating Expenditures	50,005,698	51,611,828	53,352,522	55,103,853	56,990,086
Baseline Revenue Over (Under) Expenditures	(1,287,265)	(2,051,890)	(2,989,298)	(3,940,461)	(5,013,873)
Baseline Other Financing Sources (Uses):					
Operating Transfers In	2,358,898	2,414,758	2,475,254	2,539,382	2,607,945
Transfers Out	2,282,747	2,327,891	2,382,303	2,434,806	2,491,454
Gain / (Use) of Operating Funds Fund Balance	(1,211,114)	(1,965,023)	(2,896,346)	(3,835,885)	(4,897,382)
Baseline Ending Operating Funds Fund Balance	\$10,706,048	\$8,741,025	\$5,844,679	\$2,008,794	(\$2,888,588)
Required Operating Funds Fund Balance	\$4,465,168	\$4,482,606	\$4,499,304	\$4,515,961	\$4,532,891
Over (Under) Required Operating Funds Fund Balance	\$6,240,879	\$4,258,419	\$1,345,375	(\$2,507,167)	(\$7,421,479)
10 YFSM:					
Beginning Operating Funds Fund Balance	\$11,917,162	\$10,706,048	\$8,741,025	\$5,844,679	\$2,008,794
Total 10YFSM Revenues & Transfers In	51,588,104	52,494,443	53,366,863	54,239,802	55,130,000
Total 10YFSM Operating Expenditures & Transfers Out	51,242,676	52,860,924	54,620,128	56,387,886	58,291,909
Gain / (Use) of Operating Funds Fund Balance	345,428	(366,481)	(1,253,265)	(2,148,084)	(3,161,909)
10YFSM Ending Operating Funds Fund Balance	\$12,262,590	\$10,339,566	\$7,487,760	\$3,696,595	(\$1,153,115)
Required Operating Funds Fund Balance	\$4,465,168	\$4,482,606	\$4,499,304	\$4,515,961	\$4,532,891
Over (Under) Required Operating Funds Fund Balance	\$7,797,422	\$5,856,960	\$2,988,456	(\$819,366)	(\$5,686,006)
Assumptions:					
Inflation	2.17%	2.20%	2.23%	2.25%	2.25%
Annual Revenue Growth	#REF!	1.73%	1.62%	1.59%	1.59%
Annual Regular Levy Assessed Value Change	#REF!	4.23%	3.93%	3.55%	0.00%
Annual Sales & Use Tax Change	3.35%	3.37%	3.32%	3.38%	3.38%
General Fees & Licenses Increases	1.73%	1.76%	1.78%	1.80%	1.80%
Investment Interest Rate	2.90%	3.00%	3.00%	3.00%	3.00%
Building Permit Charge	0.70%	-2.44%	-3.48%	-3.75%	-3.75%
Revenue Collection (Baseline)	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue Collection (10YFSM)	101.00%	101.00%	101.00%	101.00%	101.00%
PERS Employer Contribution Rate	12.92%	12.92%	12.92%	12.92%	12.92%
Health Benefit Escalator	6.50%	6.50%	6.50%	6.50%	6.50%
Regular Salary Escalator	2.97%	3.00%	3.03%	3.05%	3.05%
Police Contract Escalator	3.50%	3.50%	3.50%	3.50%	3.50%
Expenditure Percentage (Baseline)	100.00%	100.00%	100.00%	100.00%	100.00%
Expenditure Percentage (10YFSM)	98.00%	98.00%	98.00%	98.00%	98.00%
Annual Expenditure Growth	#REF!	3.21%	3.37%	3.28%	3.42%
Contribution to / (Refund From) Revenue Stabilization Fund	\$147,374	\$130,827	\$121,457	\$122,141	\$122,141
New Maintenance Costs for Completed Capital Projects	\$120,519	\$120,519	\$120,519	\$120,519	\$120,519

10 YEAR FINANCIAL SUSTAINABILITY MODEL
OPERATING BUDGET
TEN YEAR FORECAST



City of Shoreline 2018 - 2023 Capital Improvement Plan
 Program Summary
 General Capital Fund

	PRIOR-YRS	2018CB	2018E	2019E	2020E	2021E	2022E	2023E	2024E	6-YEAR TOTAL	TOTAL PROJECT
PROJECT EXPENDITURES											
<u>PARKS MAINTENANCE PROJECTS</u>											
BOEING CREEK-SHOREVIEW PARK TRAIL R&R	-	-	-	250,000	1,642,000	-	-	-	-	1,892,000	1,892,000
KING COUNTY, TRAILS AND OPEN SPACE REPLACEMENT LEVY	71,099	85,000	46,250	-	-	-	-	-	-	-	117,349
KRUCKEBERG ENV ED CENTER (RESIDENCE STABILIZATION)	-	-	-	-	265,000	-	-	-	-	265,000	265,000
PARK ECOLOGICAL RESTORATION PROGRAM	81,760	80,000	102,868	80,000	-	-	-	-	-	80,000	264,628
PARKS REPAIR AND REPLACEMENT	2,591,969	270,087	270,087	250,528	263,054	265,816	275,000	275,000	275,000	1,604,398	4,466,454
PLAYGROUND REPLACEMENT	-	-	-	500,000	500,000	-	-	-	-	1,000,000	1,000,000
RB SALTWATER PARK FIRE SUPPRESSION LINE	-	-	-	-	-	-	-	-	25,000	25,000	25,000
TURF & LIGHTING REPAIR AND REPLACEMENT	1,366,912	1,827,000	1,608,123	60,135	-	-	25,000	1,100,000	-	1,185,135	4,160,170
<u>FACILITIES PROJECTS</u>											
CITY MAINTENANCE FACILITY	3,336,125	524,960	170,000	330,000	24,960	-	-	-	-	354,960	3,861,085
<u>PARKS DEVELOPMENT PROJECTS</u>											
COMMUNITY & AQUATICS CENTER	-	200,000	25,075,000	730,200	730,200	30,730,200	20,930,200	730,200	730,200	54,581,200	79,656,200
OUTDOOR MULTI-USE SPORT COURT	-	75,000	-	-	75,000	-	-	-	-	75,000	75,000
PARKS FACILITIES RECREATION AMENITIES PLAN	30,677	125,000	148,311	185,000	-	-	-	-	-	185,000	363,988
<u>PROJECTS TO BE COMPLETED IN CURRENT YEAR (2018)</u>											
PARKS, RECREATION AND OPEN SPACE UPDATE	72,502	-	1,500	-	-	-	-	-	-	-	74,002
POLICE STATION AT CITY HALL	6,004,369	2,933,012	2,933,012	-	-	-	-	-	-	-	8,937,381
PROS PLAN IMPLEMENTATION	-	118,311	20,000	-	-	-	-	-	-	-	20,000
<u>NON-PROJECT SPECIFIC</u>											
GENERAL CAPITAL ENGINEERING	847,915	105,000	105,000	85,000	85,000	85,000	85,000	85,000	85,000	510,000	1,462,915
COST ALLOCATION CHARGES	-	23,501	23,501	30,000	30,000	30,000	30,000	30,000	30,000	180,000	203,501
CITY HALL DEBT SERVICE PAYMENT	-	662,546	662,546	677,546	663,250	683,250	663,782	683,782	664,770	4,036,380	4,698,926
TOTAL EXPENDITURES	14,403,327	7,029,417	31,166,198	3,178,409	4,278,464	31,794,266	22,008,982	2,903,982	1,809,970	65,974,073	111,543,598
REVENUES											
REAL ESTATE EXCISE TAX	-	1,368,768	1,497,870	1,164,953	1,168,119	1,222,681	1,276,164	1,351,129	1,432,939	7,615,984	
SOCCER FIELD RENTAL CONTRIBUTION	-	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	780,000	
INVESTMENT INTEREST	-	35,987	35,987	1,497	2,046	260	7,715	16,187	2,405	30,110	
SALE OF CURRENT POLICE STATION	-	2,100,000	2,100,000	-	-	-	-	-	-	-	
RENT REVENUE - STORAGE COURT	-	-	-	730,200	730,200	730,200	730,200	730,200	730,200	4,381,200	
FUTURE FUNDING	-	-	-	-	1,907,000	30,000,000	20,200,000	-	-	52,107,000	
LIMITED TAX GO BAN 2018	-	-	24,800,000	-	-	-	-	-	-	-	
GENERAL FUND CONTRIBUTION	-	793,505	793,505	150,000	150,000	50,000	50,000	50,000	50,000	500,000	
PARK IMPACT FEES	-	50,000	-	125,000	50,000	-	-	-	-	175,000	
DEPARTMENT OF NATURAL RESOURCES	-	-	8,750	-	-	-	-	-	-	-	
KC - 4CULTURE DEV.AUTH.	-	-	-	-	-	-	-	-	-	-	
KC TRAIL LEVY FUNDING RENEWAL	-	120,000	120,000	120,000	-	-	-	-	-	120,000	
KING CONSERVATION DISTRICT GRANT	-	45,000	20,368	45,000	-	-	-	-	-	45,000	
RECREATION & CONSERVATION OFFICE	-	-	-	-	-	-	-	-	-	-	
REMEDATION MITIGATION CLAIMS	-	-	-	-	-	-	-	-	-	-	
STATE AND FEDERAL DRUG FORFEITURE FUND	-	399,897	399,897	-	-	-	-	-	-	-	
TREASURY SEIZURE FUND	-	-	-	-	-	-	-	-	-	-	
TREASURY SEIZURE FUND - POTENTIAL	-	-	-	-	-	-	-	-	-	-	
YOUTH & AMATEUR SPORTS GRANT	-	25,000	-	-	25,000	-	-	-	-	25,000	
TOTAL REVENUES		5,068,157	29,906,377	2,466,650	4,162,365	32,133,140	22,394,078	2,277,516	2,345,544	65,779,294	
BEGINNING FUND BALANCE											
TOTAL REVENUES			29,906,377	2,466,650	4,162,365	32,133,140	22,394,078	2,277,516	2,345,544	65,779,294	
RESTRICTED AMOUNT FOR TURF REPLACEMENT									130,000	130,000	
RESTRICTED AMOUNT FOR COMMUNITY & AQUATIC CENTER											
TOTAL EXPENDITURES			31,166,198	3,178,409	4,278,464	31,794,266	22,008,982	2,903,982	1,809,970	65,974,073	
ENDING FUND BALANCE	2,099,479		839,658	127,899	11,801	350,675	735,771	109,305	514,879	514,879	
IMPACT ON OPERATING BUDGET											

City of Shoreline 2018 - 2023 Capital Improvement Plan
 Program Summary
 City Facility Major Maintenance Fund

	PRIOR-YRS	2018CB	2018E	2019E	2020E	2021E	2022E	2023E	2024E	6-YEAR TOTAL	TOTAL PROJECT
PROJECT EXPENDITURES											
<u>GENERAL FACILITIES</u>											
CITY HALL LONG-TERM MAINTENANCE	32,000	10,000	72,000	77,904	44,182	108,400	40,000	100,000	100,000	470,486	574,486
CITY HALL PARKING GARAGE LONG-TERM MAINTENANCE	119,349	-	7,311	-	-	-	24,192	-	-	24,192	150,852
DUCT CLEANING	10,000	33,900	-	4,000	13,350	10,000	13,350	10,000	-	50,700	60,700
<u>PARKS FACILITIES</u>											
PARKS RESTROOMS LONG-TERM MAINTENANCE	26,884	-	58,000	30,000	-	-	-	-	-	30,000	114,884
SHORELINE POOL LONG-TERM MAINTENANCE	1,150,218	20,000	22,731	20,000	20,000	20,000	20,000	20,000	20,000	120,000	1,292,949
RICHMOND HIGHLANDS COMMUNITY CENTER LONG-TERM MAINTENANCE	266,720	80,313	18,000	35,000	40,000	-	-	-	-	75,000	359,720
SPARTAN RECREATION CENTER	15,563	9,000	3,700	-	4,500	-	-	-	-	4,500	23,763
TOTAL EXPENDITURES	1,620,734	153,213	181,742	166,904	122,032	138,400	97,542	130,000	120,000	774,878	2,577,354
REVENUES											
GENERAL FUND OPERATING TRANSFER		124,032	124,032	124,032	124,032	124,032	124,032	124,032	124,032	744,192	
<u>FUTURE FUNDING</u>											
SHORELINE SCHOOL DISTRICT				-	-	-	-	-	-	-	
INVESTMENT INTEREST		883	883	435	192	312	3	585	467	1,994	
TOTAL REVENUES		124,915	124,915	124,467	124,224	124,344	124,035	124,617	124,499	746,186	
BEGINNING FUND BALANCE											
TOTAL REVENUES			111,244	54,417	11,980	14,172	116	26,608	21,226	54,417	
TOTAL EXPENDITURES			181,742	166,904	122,032	138,400	97,542	130,000	120,000	774,878	
ENDING FUND BALANCE	111,244		54,417	11,980	14,172	116	26,608	21,226	25,725	25,725	
IMPACT ON OPERATING BUDGET			-	-	-	-	-	-	-		

City of Shoreline 2018 - 2023 Capital Improvement Plan
 Program Summary
 Roads Capital Fund

	PRIOR-YRS	2018CB	2018E	2019E	2020E	2021E	2022E	2023E	2024E	6-YEAR TOTAL	TOTAL PROJECT
PROJECT EXPENDITURES											
REPAIR AND REPLACEMENT											
Pedestrian / Non-Motorized Projects											
SIDEWALK REHABILITATION PROGRAM	-	-	-	775,017	982,517	906,000	906,000	830,000	830,000	5,229,534	5,229,534
System Preservation Projects											
ANNUAL ROAD SURFACE MAINTENANCE PROGRAM	15,248,343	2,300,000	842,000	2,690,000	1,710,000	1,506,000	1,849,000	830,000	1,350,000	9,935,000	26,025,343
AURORA MEDIAN RETROFITS	-	-	-	-	-	-	-	-	-	-	-
TRAFFIC SIGNAL REHABILITATION PROGRAM	1,597,063	213,758	153,758	187,628	134,010	140,711	147,746	152,178	156,744	919,017	2,669,838
CAPACITY CONSTRUCTION											
Pedestrian / Non-Motorized Projects											
147TH/148TH NON-MOTORIZED BRIDGE	54	499,945	499,945	-	-	-	-	-	-	-	499,999
1ST AVE NE (N 145TH TO N 155TH)	-	-	-	-	-	-	-	2,540,000	-	2,540,000	2,540,000
5TH AVE NE (N 175TH TO N 182ND)	-	-	-	-	-	3,000,000	-	-	-	3,000,000	3,000,000
WTSC SCHOOL ZONE FLASHERS	-	-	10,000	117,488	-	-	-	-	-	117,488	127,488
COMPLETE STREETS- PED/BIKE GAPS	-	250,000	280,000	5,000	-	-	-	-	-	5,000	285,000
TRAIL ALONG THE RAIL	80,997	339,002	35,000	304,003	-	-	-	-	-	304,003	420,000
Safety / Operations Projects											
145TH CORRIDOR - 99TH TO I5	268,001	5,222,081	931,999	1,200,000	500,000	5,500,000	6,495,953	9,000,000	10,080,000	32,775,953	33,975,953
145TH AND I5 INTERCHANGE	179,916	4,320,084	1,320,084	2,800,000	2,200,000	8,000,000	9,999,999	2,200,000	-	25,199,999	26,699,999
160TH AND GREENWOOD/INNIS ARDEN INTERSECTION	-	105,000	105,000	-	-	-	-	-	-	-	105,000
185TH CORRIDOR STUDY	17,495	515,691	125,000	382,505	8,186	-	-	-	-	390,691	533,186
N 175TH ST - STONE AVE N TO I5	-	1,640,000	1,640,000	2,460,000	-	-	-	-	-	2,460,000	4,100,000
MERIDIAN AVE N & N 155TH ST SIGNAL IMPROV	105,050	498,270	57,870	481,085	-	-	-	-	-	481,085	644,005
TRAFFIC SAFETY IMPROVEMENTS	1,793,167	280,566	280,566	163,814	167,005	175,355	184,123	193,329	199,129	1,082,755	3,156,489
WESTMINSTER AND 155TH IMPROVEMENTS	26,565	482,017	502,017	200,000	5,040,000	-	-	-	-	5,240,000	5,768,582
PROJECTS TO BE COMPLETED IN CURRENT YEAR (2018)											
AURORA AVENUE NORTH 192ND - 205TH	41,370,291	-	-	-	-	-	-	-	-	-	41,370,291
BIKE SYSTEM IMPLEMENTATION	637,290	4,788	17,334	-	-	-	-	-	-	-	654,624
EINSTEIN SAFE ROUTE TO SCHOOL	668,607	-	-	-	-	-	-	-	-	-	668,607
CURB RAMP, GUTTER AND SIDEWALK MAINTENANCE PROGRAM	2,450,277	207,020	207,020	-	-	-	-	-	-	-	2,657,297
ECHO LAKE SAFE ROUTES TO SCHOOL	577,722	21,946	21,946	-	-	-	-	-	-	-	599,668
RICHMOND BEACH RE-CHANNELIZATION	29,270	330,000	332,666	-	-	-	-	-	-	-	361,936
RADAR SPEED SIGNS	19,426	127,716	137,716	-	-	-	-	-	-	-	157,142
INTERURBAN TRAIL/BURKE-GILMAN CONNECTORS	482,650	36,898	19,980	-	-	-	-	-	-	-	502,630
NON-PROJECT SPECIFIC											
ROADS CAPITAL ENGINEERING	2,456,632	454,053	454,053	385,000	395,000	405,000	415,000	415,000	415,000	2,430,000	5,340,685
TRANSPORTATION MASTER PLAN UPDATE	125,626	105,000	75,000	105,000	369,374	-	-	-	-	474,374	675,000
COST ALLOCATION CHARGES	-	57,194	57,194	55,000	50,000	50,000	50,000	50,000	50,000	305,000	362,194
TOTAL EXPENDITURES	68,134,443	18,011,029	8,106,148	12,311,540	11,556,092	19,683,066	20,047,821	16,210,508	13,080,873	92,889,899	169,130,490
REVENUES											
REAL ESTATE EXCISE TAX	-	1,368,768	1,497,870	1,164,953	1,168,119	1,222,681	1,276,164	1,351,129	1,432,939	7,615,984	-
INVESTMENT INTEREST	-	29,656	29,656	40,857	48,553	44,348	29,160	6,261	4,345	173,525	-
GENERAL FUND CONTRIBUTION	-	1,707,270	1,529,240	428,198	250,168	173,651	173,651	97,651	97,651	1,220,970	-
OTHER ONE-TIME TRANSFERS IN	-	441	441	-	-	-	-	-	-	-	-
CMAQ	-	-	-	-	-	-	-	-	-	-	-
CONNECTING WASHINGTON	-	-	-	1,000,000	1,000,000	9,000,000	11,000,000	2,300,000	700,000	25,000,000	-
FEDERAL - STP	-	9,767,287	3,384,677	5,298,900	1,470,500	2,000,000	2,499,999	260,000	-	11,529,399	-
FTA - RAPID RIDE	-	-	-	-	-	-	-	-	-	-	-
FUTURE FUNDING	-	-	-	200,000	2,920,000	3,142,000	2,618,000	8,698,377	9,240,000	26,818,377	-
GRANTS FROM PRIVATE SOURCES	-	-	-	-	-	2,000,000	-	2,000,000	-	4,000,000	-
HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)	-	423,493	110,574	411,468	-	-	-	-	-	411,468	-
PRIVATE DONATIONS	-	-	-	-	2,120,000	-	-	-	-	2,120,000	-
SAFE ROUTES TO SCHOOL	-	35,582	35,582	-	-	-	-	-	-	-	-
TRANSPORTATION IMPROVEMENT BOARD	-	250,000	250,000	-	-	-	-	-	-	-	-
TRANSPORTATION BENEFIT DISTRICT	-	1,222,280	830,000	1,452,500	1,660,000	1,660,000	1,660,000	1,660,000	1,660,000	9,752,500	-
TRANSPORTATION IMPACT FEES	-	221,400	221,400	332,100	-	-	-	-	-	332,100	-
WSDOT - PEDESTRIAN & BICYCLE SAFETY PROGRAM	-	36,898	19,980	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	15,063,075	7,909,420	10,328,976	10,637,340	19,242,680	19,256,973	16,373,418	13,134,935	88,974,324	-
BEGINNING FUND BALANCE	-	5,421,170	5,107,151	3,034,588	2,015,836	1,325,450	284,603	197,513	1,576	5,107,151	-
TOTAL REVENUES	-	15,063,075	7,909,420	10,328,976	10,637,340	19,242,680	19,256,973	16,373,418	13,134,935	88,974,324	-
TOTAL EXPENDITURES	-	15,063,075	7,909,420	10,328,976	10,637,340	19,242,680	19,256,973	16,373,418	13,134,935	88,974,324	-
RESTRICTED AMOUNT FOR GRANT MATCHING	-	117,291	90,000	100,000	250,000	250,000	250,000	250,000	250,000	1,190,000	-
ENDING FUND BALANCE	5,421,170	5,107,151	3,034,588	2,015,836	1,325,450	284,603	197,513	1,576	1,576	-	-
IMPACT ON OPERATING BUDGET	-	-	2,510	2,510	2,510	2,510	2,510	2,510	2,510	-	-

City of Shoreline 2018 - 2023 Capital Improvement Plan
 Program Summary
 Surface Water Utility Fund

	PRIOR-YRS	2018CB	2018E	2019E	2020E	2021E	2022E	2023E	2024E	6-YEAR TOTAL	TOTAL PROJECT
	PROPOSED UTILITY RATE INCREASE			15.0%	10.0%	10.0%	5.0%	5.0%	5.0%		
	SWM RATE RESIDENTIAL SF HOME ANNUAL FEE		\$214.39	\$246.55	\$271.21	\$298.33	\$313.25	\$328.91	\$345.36		
PROJECT EXPENDITURES											
CAPACITY											
6TH AVE NE AND NE 200TH ST FLOOD REDUCTION PROJECT	-	-	-	-	-	24,761	-	-	-	24,761	24,761
10TH AVE NE DRAINAGE IMPROVEMENTS	3,198	-	-	281,377	258,518	-	-	1,570,179	-	2,110,074	2,113,272
18TH AVENUE NW AND NW 204TH DRAINAGE SYSTEM CONNECTION	-	-	-	-	-	16,883	-	-	-	16,883	16,883
25TH AVE NE DITCH IMPROV BETWEEN NE 177TH AND 178TH STREET	-	-	-	-	-	158,697	-	-	-	158,697	158,697
25TH AVE NE FLOOD REDUCTION IMPROVEMENTS	460,626	147,381	147,381	502,367	54,636	56,275	348,328	2,089,592	1,789,726	4,840,924	5,448,931
HERON CREEK CULVERT CROSSING AT SPRINGDALE CT NW	-	-	-	-	-	-	130,998	134,928	773,591	1,039,517	1,039,517
LACK OF SYSTEM AND PONDING ON 20TH AVENUE NW	-	-	-	-	-	91,166	-	-	-	91,166	91,166
NE 148TH INFILTRATION FACILITIES	90,486	-	10,000	20,000	411,070	11,593	11,593	-	-	454,256	554,742
NW 195TH PLACE AND RICHMOND BEACH DRIVE FLOODING	-	-	-	-	-	-	432,989	445,978	-	878,967	878,967
NW 197TH PL AND 15TH AVE NW FLOODING	-	-	-	-	-	7,879	-	-	-	7,879	7,879
SPRINGDALE CT. NW & RIDGEFIELD RD DRAINAGE IMPROV	-	-	-	-	-	-	315,902	325,379	930,399	1,571,680	1,571,680
STABILIZE NW 16TH PLACE STORM DRAINAGE IN RESERVE M	-	-	-	-	-	-	-	33,433	-	33,433	33,433
REPAIR AND REPLACEMENT											
HIDDEN LAKE DAM REMOVAL	241,759	267,800	398,030	315,040	1,396,989	22,510	23,185	23,881	1,817,000	3,598,605	4,238,394
NE 177TH STREET DRAINAGE IMPROVEMENTS	-	-	-	-	-	10,130	-	-	175,872	186,002	186,002
NW 196TH PL & 21ST AVE. NW INFRASTRUCTURE IMPROVEMENTS	-	-	-	-	-	93,417	-	-	-	93,417	93,417
PUMP STATION 26 IMPROVEMENTS	-	117,420	50,000	176,693	109,273	-	-	-	-	285,965	335,965
PUMP STATION 30 UPGRADES	-	92,700	50,000	42,700	-	-	-	-	-	42,700	92,700
PUMP STATION MISCELLANEOUS IMPROVEMENTS	-	199,820	30,000	169,820	587,887	-	-	-	-	757,707	787,707
STORMWATER PIPE REPLACEMENT PROGRAM	1,220,901	76,416	76,416	477,409	327,821	1,272,272	463,750	1,743,157	-	4,284,409	5,581,726
SURFACE WATER SMALL PROJECTS	2,615,122	309,000	613,808	318,270	327,818	562,754	579,637	597,026	-	2,385,505	5,614,435
OTHER											
12TH AVE NE INFILTRATION POND RETROFITS	-	-	-	-	-	42,769	-	-	-	42,769	42,769
BOEING CREEK RESTORATION PROJECT	50,082	-	-	-	-	56,275	-	-	-	56,275	106,357
CLIMATE IMPACTS AND RESILIENCY STUDY	-	-	-	84,872	-	-	-	-	-	84,872	84,872
SURFACE WATER MASTER PLAN	718,671	-	60,000	-	-	-	289,819	298,513	-	588,332	1,367,003
STORM CREEK EROSION MANAGEMENT STUDY	-	82,400	82,400	-	-	-	-	-	-	-	82,400
SYSTEM CAPACITY MODELING STUDY	-	-	-	318,270	-	-	-	-	-	318,270	318,270
PROJECTS TO BE COMPLETED IN CURRENT YEAR (2018)											
THORNTON CREEK BASIN CONDITION ASSESSMENT	10,986	-	120,000	-	-	-	-	-	-	-	130,986
GOHEEN REVETMENT REPAIR	436,805	-	-	-	-	-	-	-	-	-	436,805
BOEING CREEK REGIONAL STORMWATER FACILITY STUDY	119,021	134,146	164,146	-	-	-	-	-	-	-	283,167
PUGET SOUND DRAINAGES BASIN PLAN	436,623	-	-	-	-	-	-	-	-	-	436,623
NON-PROJECT SPECIFIC											
SURFACE WATER CAPITAL ENGINEERING	2,596,924	196,833	196,833	202,738	208,820	215,085	221,537	228,183	-	1,076,363	3,870,120
COST ALLOCATION CHARGES	1,206,672	199,959	199,959	212,137	218,501	225,056	231,807	238,762	245,925	1,372,188	2,778,819
TOTAL CAPITAL EXPENDITURES	5,575,784	1,823,875	2,198,973	3,121,693	3,901,333	2,867,522	3,049,545	7,729,011	5,732,513	26,401,616	38,808,465
REVENUES											
INVESTMENT INTEREST	-	14,451	14,451	14,451	75,455	68,801	296,103	277,143	161,299	893,252	
DOE STORMWATER PRE-CONSTRUCTION GRANT	-	-	-	125,000	125,000	-	-	-	-	250,000	
KING COUNTY FLOOD ZONE DISTRICT OPPORTUNITY	110,898	110,898	110,898	110,898	110,898	110,898	110,898	110,898	110,898	665,388	
KING COUNTY FLOOD REDUCTION GRANT	-	-	150,000	520,469	-	-	-	-	-	520,469	
WA STATE STORMWATER FINANCIAL ASSISTANCE PROGRAM	-	-	-	-	290,625	-	-	-	-	290,625	
FUTURE FUNDING - BONDS	-	4,700,000	4,700,000	-	-	11,850,000	-	-	-	11,850,000	
TOTAL CAPITAL REVENUES		4,825,349	4,975,349	770,818	601,978	12,029,699	407,001	388,041	272,197	14,469,734	
BEGINNING FUND BALANCE											
TOTAL CAPITAL REVENUES		4,975,349	770,818	601,978	12,029,699	407,001	388,041	272,197	14,469,734		
TOTAL CAPITAL EXPENDITURES			2,198,973	3,121,693	3,901,333	2,867,522	3,049,545	7,729,011	5,732,513	26,401,616	
SURFACE WATER FEES			5,703,954	6,689,119	7,355,474	8,085,118	8,497,011	8,924,602	9,370,832	48,922,156	
OPERATING GRANTS & OTHER REVENUE	163,386	163,386	-	-	-	-	-	-	-	-	
PUBLIC WORKS DEBT SERVICE PAYMENT	333,005	333,005	331,372	329,740	328,107	-	-	-	-	989,219	
AMOUNT RESTRICTED - LOAN MAINTENANCE FACILITY DEBT SERVICE	119,086	119,086	119,086	119,086	119,086	119,086	119,086	119,086	119,086	714,516	
NEW DEBT SERVICE	377,376	-	377,376	377,376	377,376	1,328,845	1,328,845	1,328,845	1,328,845	6,070,132	
STORMWATER PIPE REPL DEBT SERVICE PAYMENT	158,351	158,351	158,352	158,352	158,352	158,352	158,352	158,352	158,352	950,112	
TOTAL DEBT SERVICE	987,818	610,442	986,186	984,554	1,934,390	1,606,283	1,606,283	1,606,283	1,606,283	8,723,979	
TOTAL OPERATING EXPENDITURES		4,786,042	5,163,418	4,415,710	4,660,193	4,980,981	5,110,041	5,242,958	5,242,958	29,652,841	
ENDING FUND BALANCE	2,909,744		5,779,601	4,715,949	3,127,322	13,459,246	12,597,389	7,331,780	4,393,055		
MINIMUM REQUIRED RESERVE (20% OF OPERATING REVENUES)			1,173,468	1,337,824	1,471,095	1,617,024	1,699,402	1,784,920	1,874,166		
VARIANCE ABOVE MINIMUM REQUIRED RESERVE			4,606,133	3,378,126	1,656,227	11,842,222	10,897,987	5,546,860	2,518,889		
SURFACE WATER MASTER PLAN FUND BALANCE TARGETS:											
MINIMUM OPERATING EXPENDITURE TARGET (120 DAYS)			1,697,562	1,451,740	1,532,118	1,637,583	1,680,013	1,723,712	1,723,712		
MINIMUM CAPITAL EXPENDITURE TARGET (2% OF ASSETS)			430,802	493,236	571,263	628,613	689,604	844,184	958,834		
MINIMUM DEBT SERVICE TARGET (ONE NEW DEBT SERVICE PAYMENT)			-	377,376	377,376	1,328,845	1,328,845	1,328,845	1,328,845		
SURFACE WATER MASTER PLAN FUND BALANCE TARGET			2,128,364	2,322,352	2,480,757	3,595,041	3,698,462	3,896,741	4,011,392		
VARIANCE ABOVE/(BELOW) MINIMUM FUND BALANCE TARGET:			3,651,240	859,597	646,565	9,864,205	8,898,927	3,435,039	381,664		
IMPACT ON OPERATING BUDGET											