# AGENDA

## SHORELINE CITY COUNCIL STUDY SESSION

Monday, April 16, 2007
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

| | | Page | Estimated Time |
|---|---|---|---|
| **1.** | **CALL TO ORDER** | | 6:30 |
| **2.** | **FLAG SALUTE/ROLL CALL** | | |
| | (a) Proclamation of "Earth Day" | 1 | |
| **3.** | **CITY MANAGER'S REPORT AND FUTURE AGENDAS** | | |
| **4.** | **COMMUNITY PRESENTATION** | | |
| | (a) Cascade Bicycle Club | 3 | |
| **5.** | **GENERAL PUBLIC COMMENT** | | 7:00 |

*This is an opportunity for the public to address the Council on topics other than those listed on the agenda, and which are not of a quasi-judicial nature. The public may comment for up to three minutes; the Public Comment under Item 5 will be limited to a maximum period of 30 minutes. The public may also comment for up to three minutes on agenda items following each staff report. The total public comment period on each agenda item is limited to 20 minutes. In all cases, speakers are asked to come to the front of the room to have their comments recorded. Speakers should clearly state their name and city of residence.*

| | | | |
|---|---|---|---|
| **6.** | **STUDY ITEMS** | | |
| | (a) Comprehensive Housing Strategy Citizen Advisory Committee Update | 11 | 7:20 |
| | (b) Proposed Environmental Grant Program | 13 | 7:50 |
| | (c) 2006 Final Financial Report | 23 | 8:20 |
| | (d) Jail Booking Alternative | 53 | 9:00 |
| **7.** | **ADJOURNMENT** | | 9:30 |

*The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 546-8919 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 546-2190 or see the web page at www.cityofshoreline.com. Council meetings are shown on Comcast Cable Services Channel 21 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://cityofshoreline.com/cityhall/citycouncil/index.cfm.*

**Council Meeting Date: April 16, 2007** **Agenda Item: 2(a)**

# CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

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|---|---|
| **AGENDA TITLE:** | Proclamation of "Earth Day" |
| **DEPARTMENT:** | CMO/CCK |
| **PRESENTED BY:** | Scott Passey, City Clerk |

**PROBLEM/ISSUE STATEMENT:**

This proclamation recognizes April 22, 2007 as Earth Day in the City of Shoreline. It calls upon City residents to celebrate this special occasion and commit to accomplishing positive change in our relationship with the natural environment.

Representatives of Central Market and Homewaters Project will be at the meeting to accept the proclamation.

## RECOMMENDATION

No action is required.

Approved By: City Manager ____ City Attorney ___

CITY OF SHORELINE

# PROCLAMATION

WHEREAS, a healthy natural environment is the foundation of a vigorous society and a robust economy; and

WHEREAS, our global environment is being damaged by activities that threaten human health and the earth's ability to sustain a diverse community of life; and

WHEREAS, community members of all ages can help reverse environmental degradation and contribute to building a healthy society through the wise use and protection of our all our resources, including our air, water, energy and natural habitat; and

WHEREAS, there are economic, environmental, and social reasons to educate about the consumer choices and actions that make a difference; and

WHEREAS, Earth Day offers citizens and businesses an unprecedented opportunity to commit to building a healthy planet and flourishing communities;

NOW, THEREFORE, I, Bob Ransom, Mayor of the City of Shoreline, on behalf of the Shoreline City Council, do hereby proclaim April 22, 2007 as

# EARTH DAY

in the City of Shoreline and call upon all residents and businesses to celebrate this special observance and commit to accomplishing dramatic change in our relationship with the natural environment.

_____

Robert L. Ransom, Mayor

**Council Meeting Date:** April 16, 2007 **Agenda Item:** 4(a)

# CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

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|---|---|
| **AGENDA TITLE:** | Community Group Presentation: Cascade Bicycle Club |
| **DEPARTMENT:** | City Council |
| **PREPARED BY:** | Julie Modrzejewski, Assistant City Manager |
| **PRESENTED BY:** | David Hiller, Advocacy Director |

**ISSUE STATEMENT:**

The Cascade Bicycle Club will provide to the Council and community a presentation on the principles and implementation of "complete streets" policies. Providing the presentation this evening is David Hiller, Advocacy Director.

**BACKGROUND:**

In 2006 the Council amended their Rules of Procedure to include an agenda item titled, "Community Group Presentation," which is made available by request at the second study session of each month (Section 5.4.B). Attached are presentation guidelines (attachment A).

In order for the presentation to be scheduled on the Council agenda planner, two Councilmembers must sponsor the presentation. Councilmember Rich Gustafson and Councilmember Keith McGlashan are the two sponsoring Councilmembers as per the attached request form (attachment B). The Cascade Bicycle Club is the fifth community group presentation scheduled and presented.

**RECOMMENDATION**

No action is required.

Approved By: City Manager ___ City Attorney ___

**ATTACHMENT A**

Shoreline City Council Community Group Presentations Guidelines

**ATTACHMENT B**

Cascade Bicycle Club Request Form

CITY OF SHORELINE

# SHORELINE CITY COUNCIL
# COMMUNITY GROUP PRESENTATIONS GUIDELINES

*Under the Shoreline City Council's Rules of Procedure, Section 5.4: Study Sessions….*

The Council shall make available at its study session of each month, a ***Community Group Presentation***. The order of business shall omit Council Reports and include Community Presentations following the Consent Calendar. The intent of the presentations is to provide a means for nonprofit organizations to inform the Council, staff and public about their initiatives or efforts in the community to address a specific problem or need. The presentations are available to individuals who are affiliated with a registered nonprofit organization. In order to schedule the presentation, two Councilmembers under rule 3.2 B must sponsor the request. The presentations shall be limited to 30 minutes with approximately 15 minutes for the presentation and 15 minutes for questions. Guidelines for presentations include:

1. Each organization or agency must complete a request form and submit it to the Shoreline City Council Office. The form shall be available on the web, from the City Clerk's Office and also published in the agenda packet.
2. For planning purposes, the presentation must be scheduled on the agenda planner at least four (4) weeks in advance of the meeting date requested.
3. Information and sources used in the presentation should be available in hard copy or electronically for reference.
4. Up to three (3) members of the organization are invited to participate.
5. The presentation must support the adopted position/policy of the organization.
6. The presentation should be more than a general promotion of the organization. The information presented should be about specific initiatives/programs or planning that the organization is doing which is relevant to Shoreline citizens and government.
7. Presentations shall not include:
    i. Discussion of ballot measures or candidates.
    ii. Issues of a partisan or religious nature.
    iii. Negative statements or information about other organizations, agencies or individuals.
    iv. Commercial solicitations or endorsements.
8. Organizations which may have alternative, controversial positions or information will be scheduled at the next study session.

**Please complete the attached form. For questions regarding scheduling Community Presentations, contact Julie Modrzejewski, Assistant City Manager, at (206) 546-8978**

**Attachment B**

# REQUEST TO APPEAR BEFORE THE SHORELINE CITY COUNCIL

Date Request Submitted: 3/12/07

Council Study Session Date Requested: April 16, 2007

Name: David Hiller

Title or Position: Advocacy Director

Nonprofit Organization: Cascade Bicycle Club Registration #:

Address: PO Box 15165 Seattle, WA 98115

Email Address: david.hiller@cascadebicycleclub.org

Phone Number: 206-522-9479 Fax Number: 206-522-2407

Topic: Summary overview of the presentation you wish to make and statement of action you wish Council and/or the community to take if relevant. Attach additional sheets if necessary.

I and fellow Cascade Bicycle Club staffer Patrick McGrath would be pleased to give to the Council a presentation on the principles and implementation of "complete streets" policies. Cascade Bicycle Club was instrumental in the passage of such policies in Seattle and Kirkland.

*I have received and read Council rule 5.4-Community Presentations and affirm that my presentation will comply with this rule.*

Signature of Requestor:

(1) Sponsoring Councilmember:

(2) Sponsoring Councilmember:

This form must be returned to the Shoreline City Council Office 4 weeks prior to the City Council study session meeting date requested. For confirmation, staff from the Council Office will contact you to discuss arrangements. Please send this form to:

Shoreline City Council
17544 Midvale Avenue North
Shoreline, WA 98133-4921
Fax: (206) 546-2200 or Email: Council@ci.shoreline.wa.us

The City of Shoreline will not discriminate against qualified individuals with disabilities in the City's services, programs or activities. The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at (206) 546-8919 in advance for more information.

## ELEMENTS OF COMPLETE STREETS POLICIES

1. The Principle

- Complete streets are designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and transit riders of all ages and abilities must be able to safely move along and across a complete street.
- Creating complete streets means changing the policies and practices of transportation agencies.
- A complete streets policy ensures that the entire right of way is routinely designed and operated to enable safe access for all users.
- Transportation agencies must ensure that all road projects result in a complete street appropriate to local context and needs.

2. Elements of a Good Complete Streets Policy

A good complete streets policy:

- Specifies that 'all users' includes pedestrians, bicyclists, transit vehicles and users, and motorists, of all ages and abilities.
- Aims to create a comprehensive, integrated, connected network.
- Recognizes the need for flexibility: that all streets are different and user needs will be balanced.
- Is adoptable by all agencies to cover all roads.
- Applies to both new and retrofit projects, including design, planning, maintenance, and operations, for the entire right of way.
- Makes any exceptions specific and sets a clear procedure that requires high-level approval of exceptions.
- Directs the use of the latest and best design standards.

- Directs that complete streets solutions fit in with context of the community.
- Establishes performance standards with measurable outcomes.

2.5 Implementation
An effective complete streets policy should prompt transportation agencies to:

- Restructure their procedures to accommodate all users on every project.
- Re-write their design manuals to encompass the safety of all users.
- Re-train planners and engineers in balancing the needs of diverse users.
- Create new data collection procedures to track how well the streets are serving all users.

## Sample Policies

Many Thunderhead leaders and agencies have asked for sample complete streets policy language. Such samples are difficult to craft, as every jurisdiction has unique needs. A solid complete streets policy should:

a. require accommodation as a routine part of all road design,

b. set a clear procedure for specific exceptions that requires formal, high-level approval, and

c. direct agencies to use the best available design standards and guidelines.

For more details, see "Elements of a Complete Streets Policy" (above and on the complete streets web site). Links to a variety of existing policies can be found in the appendices of this Guide and on the complete streets website; finding a policy close by can be an effective starting point. Also see the Complete Streets Policy Checklist (Appendix F).

## Starting with the US DOT Design Guidance

Since 2000, most of the strong complete streets policies have been modeled after the USDOT Design Guidance: Accommodating Bicycle and Pedestrian Travel (see Appendix E, Example 1) which includes a solid policy statement that can, and has been, adapted for a number of different formats and holds credibility with transportation agencies. Here are some ways it can be improved upon.

- Add a compelling case statement at the top. See Appendix E, Example 2, the introductory text to the MORPC Bicycle and Pedestrian Planning Policy. We suggest using the phrase 'complete streets' instead of 'routine accommodation.'
- Make sure you use stronger "shall be established" or "shall be included" language. Do not allow your agency, as some have done, to borrow the weaker points and very weak "consider" language from TEA-21.
- Look at eliminating a specific percentage for excessive cost, or specify that the percentage covers the entire project, as opposed to a single road segment. The 20 percent, oft-used figure for excessive cost has been disputed in some cases.

- Elevate two important points that are somewhat buried in item 4 of the USDOT Design Guidance:
  - that 'scarcity of need' should be considered in terms of future, rather than current use, and
  - that exceptions should be approved at 'a senior level' and build on this by requiring the agency to justify not accommodating bicyclists and pedestrians through a detailed process.
- Add language to clarify the need to accommodate transit vehicles, transit users, as well as people with disabilities. To date, only a few policies include transit, and none follow the format of the Design Guidance.
- Consider adding language on measurement of progress toward creating complete streets.

# *Policy Examples*

### *Example 1: United States Department of Transportation Design Guidance (Accommodating Bicycle and Pedestrian Travel)*

1. Bicycle and pedestrian ways shall be established in new construction and reconstruction projects in all urbanized areas unless one or more of three conditions are met:

   - Bicyclists and pedestrians are prohibited by law from using the roadway. In this instance, a greater effort may be necessary to accommodate bicyclists and pedestrians elsewhere within the right of way or within the same transportation corridor.
   - The cost of establishing bikeways or walkways would be excessively disproportionate to the need or probable use. Excessively disproportionate is defined as exceeding twenty percent of the cost of the larger transportation project.
   - Where scarcity of population or other factors indicate an absence of need. For example, the Portland Pedestrian Guide requires "all construction of new public streets" to include sidewalk improvements on both sides, unless the street is a cul-de-sac with four or fewer dwellings or the street has severe topographic or natural resource constraints.

2. In rural areas, paved shoulders should be included in all new construction and reconstruction projects on roadways used by more than 1,000 vehicles per day, as in States such as Wisconsin. Paved shoulders have safety and operational advantages for all road users in addition to providing a place for bicyclists and pedestrians to operate.

   Rumble strips are not recommended where shoulders are used by bicyclists unless there is a minimum clear path of four feet in which a bicycle may safely operate.

3. Sidewalks, shared use paths, street crossings (including over-and undercrossings), pedestrian signals, signs, street furniture, transit stops and facilities, and all connecting pathways shall be

designed, constructed, operated and maintained so that all pedestrians, including people with disabilities, can travel safely and independently.

4. The design and development of the transportation infrastructure shall improve conditions for bicycling and walking through the following additional steps:

   - Planning projects for the long-term. Transportation facilities are long-term investments that remain in place for many years. The design and construction of new facilities that meet the criteria in item 1) above should anticipate likely future demand for bicycling and walking facilities and not preclude the provision of future improvements. For example, a bridge that is likely to remain in place for 50 years, might be built with sufficient width for safe bicycle and pedestrian use in anticipation that facilities will be available at either end of the bridge even if that is not currently the case.
   - Addressing the need for bicyclists and pedestrians to cross corridors as well as travel along them. Even where bicyclists and pedestrians may not commonly use a particular travel corridor that is being improved or constructed, they will likely need to be able to cross that corridor safely and conveniently. Therefore, the design of intersections and interchanges shall accommodate bicyclists and pedestrians in a manner that is safe, accessible and convenient.
   - Getting exceptions approved at a senior level. Exceptions for the non-inclusion of bikeways and walkways shall be approved by a senior manager and be documented with supporting data that indicates the basis for the decision.
   - Designing facilities to the best currently available standards and guidelines. The design of facilities for bicyclists and pedestrians should follow design guidelines and standards that are commonly used, such as the AASHTO Guide for the Development of Bicycle Facilities, AASHTO's A Policy on Geometric Design of Highways and Streets, and the ITE recommended practice Design and Safety of Pedestrian Facilities.

**Council Meeting Date:** April 16, 2007 **Agenda Item:** 6(a)

# CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

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|---|---|
| **AGENDA TITLE:** | Comprehensive Housing Strategy (CHS) Committee Update |
| **DEPARTMENT:** | Planning and Development Services |
| **PRESENTED BY:** | Steven Cohn, Senior Planner<br>Rob Beem, Community Services Division Manager |

**PROBLEM/ISSUE STATEMENT:**

The City Council appointed the CHS Citizen Advisory Committee in Fall, 2006. The CHS Committee was charged with developing policy level recommendations to the Council that will fulfill Council's Goal #5: Develop a Comprehensive Housing Strategy.

The major objectives of the strategy are to:

- Create a work plan and citizen involvement process
- Finalize alternative strategies
- Complete draft plan
- Review and adopt final strategies

The Committee held its first meeting in December, 2006 and has been meeting twice monthly since then. The work is projected to continue through June of this year

When the Council established the CHS Committee there was an expectation that the Council would be updated as the Committee progressed with its work. . The end of the first quarter is an opportune time for this update. Mr. Sid Kuboi, Chair and Mr. Terry Scott, Vice Chair of the Committee will bring the Council up-to-date on the Committee's work, and discuss the process and schedule for developing recommendations.

## RECOMMENDATION

This is a Council update. No action is required.

**ATTACHMENT:**

A. List of Committee members

Approved By: City Manager ____ City Attorney ___

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**Council Meeting Date:** April 16, 2007 **Agenda Item:** 6(b)

# CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

| | |
|---|---|
| **AGENDA TITLE:** | Environmental Mini-Grant Program |
| **DEPARTMENT:** | PW/SWES |
| **PRESENTED BY:** | JS/RC |

**PROBLEM/ISSUE STATEMENT:**

In December 2006, Council allocated funds to establish an Environmental Mini-Grant Program that would assist in the implementation of Council Goal #6 to create an environmentally sustainable community. The intent of Council Goal #6 is to provide management and stewardship of natural resources and environmental assets, in order to preserve, restore and enhance their value for the present and future generations. To equitably distribute funds for projects that provide a measurable benefit to the Shoreline community, an application process, timeline and information packet were developed.

**FINANCIAL IMPACT:**

A total of $35,000 is available in 2007 for the Environmental Mini-Grant Program. The City's Surface Water Management fund is contributing $20,000; Community & Intergovernmental Relations transferred $10,000; and Environmental Services is contributing $5,000. These fund changes were approved by Council as part of the 2006 budget process.

## RECOMMENDATION

No action is required. Staff is seeking Council concurrence and support for the Environmental Mini-Grant Program.

Approved By: City Manager ___ City Attorney ___

## INTRODUCTION

In December 2006, the Shoreline City Council allocated funds to implement an Environmental Mini-Grant program to help meet Council Goal #6 to create an environmentally sustainable community. The intent of Council Goal #6 is to provide management and stewardship of natural resources and environmental assets to preserve, restore, and enhance their value for the present and future generations.

## DISCUSSION

The Environmental Mini-Grant Program's goals are the following:

- Increase personal awareness and individual responsibility for the stewardship of natural resources and the environment
- Create partnerships among community groups, businesses and the City that promote a sustainable community environment in Shoreline
- Implement local projects that contribute to regional initiatives that enhance and protect the environment

Grants up to $5,000 per application will be awarded to individuals, community groups, and business owners on a first-come, first-served basis for projects on private or public property which provide a public benefit to the community.

Projects on private property must demonstrate a measurable and mutual benefit to the environment and the community.

Matching funds or volunteer hours are required for 20% of eligible project expenses.

Four projects which address surface water quality & quantity issues, and three projects, including education, which improve general environmental quality of life in the community will be awarded annually.

Individual and group applicants are eligible for only one award per year.

It is envisioned that proposals will be reviewed and approved by the Operations Evaluation Team established by the Public Works Director.

Projects are to be completed during the calendar year that funds are awarded.

See Attachments A, B and C for additional details.

## RECOMMENDATION

No action is required. Staff is seeking Council concurrence and support for the Environmental Mini-Grant Program.

**ATTACHMENTS**

A: Environmental Mini-Grant Program
B: Environmental Mini-Grant Idea Proposal
C: Environmental Mini-Grant Application

CITY OF SHORELINE

# Environmental Mini-Grant Program

## Program Overview

In December 2006, the Shoreline City Council allocated funds to implement an Environmental Mini-Grant program to help meet Council Goal #6 to create an environmentally sustainable community. The intent of Council Goal #6 is to provide management and stewardship of natural resources and environmental assets to preserve, restore, and enhance their value for the present and future generations.

Grants up to $5,000 per application will be awarded to individuals, community groups, and business owners on a first-come, first-served basis for projects on private or public property which provide a public benefit to the community. Projects on private property must demonstrate a measurable and mutual benefit to the environment and the community. Matching funds or volunteer hours are required for 20% of eligible project expenses. Four projects which address surface water quality & quantity issues, and three projects, including education, which improve general environmental quality of life in the community will be awarded annually. Individual and group applicants are eligible for only one award per year. Projects are to be completed during the calendar year that funds are awarded.

## Program Goals

- Increase personal awareness and individual responsibility for the stewardship of natural resources and the environment
- Create partnerships among community groups, businesses and the City that promote a sustainable community environment in Shoreline
- Implement local projects that contribute to regional initiatives that enhance and protect the environment

## Proposal Criteria

Proposals will be evaluated primarily on the following criteria:

- **Criteria 1. Create an environmentally sustainable community.**
  To meet this criteria, proposals should address management and stewardship of natural resources and environmental assets to preserve, restore, and enhance their value for the present and future generations. Examples include:
  a. Improve energy efficiency
  b. Reduce solid waste
  c. Maximize recycling and reuse of resources

d. Educate the public, professional associations, schools, business and/or industry about best management practices and personal stewardship of Shoreline's natural resources.

- **Criteria 2. Climate protection agreement/Kyoto protocol**
  To meet this criteria, proposals must address methods of addressing climate change, global warming or the Kyoto protocol. Examples include:
  a. Reduce dependence on fossil fuels
  b. Accelerate development of clean, economical energy resources and fuel efficient technologies such as waste to energy, wind and solar energy, and conservation programs
  c. Plant trees to increase shading and absorb $CO_2$
  d. Educate the public, schools, professional associations, business and/or industry about reducing global warming pollution and simple, cost-effective changes that can be implemented

- **Criteria 3. Surface water quality**
  To meet this criteria, proposals must provide a water quality benefit, such as the following:
  a. Provide flood protection from stormwater impacts
  b. Protect water quality
  c. Preserve stream habitat for aquatic species
  d. Educate and develop a stewardship ethic in the public, businesses and/or schools

- **Criteria 4: Land use policy**
  To meet this criteria, proposals shall address environmentally-related elements of the City's Comprehensive Plan or other land use policies of the City. Examples include:
  a. Restore habitat
  b. Provide protection for local streams, wetlands, steep slopes, and fish and wildlife habitat areas
  c. Educate the public, businesses and schools

<u>Grant Process</u>

1. Complete an Idea Proposal form and submit it to the Environmental Programs Coordinator. Within two weeks of receipt of the Proposal, you will be notified if your project is feasible.
2. If the project is feasible, complete the Environmental Mini-Grant Application, if your Proposal is feasible. Start tracking volunteer hours committed to the project, including time spent to complete the application.
3. Return the completed Application to the Shoreline City Hall in person, or mail it to the address below, no later than June 30, of the current year.

   Environmental Programs Coordinator
   City of Shoreline
   17544 Midvale Ave. N.
   Shoreline, WA 98133

The Application must contain a complete explanation of the project, including scope of work, timeline for completion, match source(s), and any necessary permits or authorizations required to complete the project.

4. During the month after the application is received, the Public Works Department's Evaluation Team will review the proposal, collect any additional information needed, and evaluate the project.
5. The City will notify the applicant in writing whether or not an award has been made.
6. After approval of a Mini-Grant project by the City, the Environmental Programs Coordinator will provide the Mini-Grant Project Coordinator more detailed information regarding the payment of providers and vendors.
7. Applicants proposing Mini-Grant projects that present risk to the applicant or the City will be required to obtain liability insurance. The City Attorney will review Mini-Grant proposals to determine whether liability insurance will be required.

If you have any questions, please contact Rika Cecil at (206) 546-0460 or rcecil@ci.shoreline.wa.us.

CITY OF SHORELINE

Environmental Mini-Grant
Idea Proposal

Date: _____

To: Environmental Programs Coordinator
City of Shoreline
17544 Midvale Ave. N.
Shoreline, WA 98133

From: (organization) _____

(contact name) _____

(address) _____

(telephone) _____ (email) _____

**Summary of Idea:** *Describe the project, location, & if it's on public or private property.*

_____

_____

_____

_____

**Timeline:** *Approximately when do you plan on starting and completing this project?*

_____

**Budget:** *Using general, approximate amounts, how much do you anticipate this project will cost? How much do you anticipate requesting in mini-grant funds?*

_____

**Maintenance:** *Will the project require on-going maintenance? How will it be accomplished?*

_____

_____

CITY OF SHORELINE

# Environmental Mini-Grant Application

| *For Office Use Only* | Date Received by City: _____ |
|---|---|

1. Name of person / organization / business: _____

   Project Coordinator's Name: _____

   Address: _____

   Telephone: _____ email: _____

2. What is the environmental need identified and the goal of the project:

_____

_____

3. Briefly describe your project:

_____

_____

_____

_____

_____

4. Where will the project be done: public property ____

   private property ____

   If the project is on private property, what is the project's measurable benefit to the public?

_____

_____

5. What is the project start date: _____ Completion date: _____

6. Project work plan *(briefly describe each project activity and when it will occur)*

| Activity | Projected date of completion |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |

7. Are any permits or letters of permission required for this project. If so, please list & attach.

_____

8. Anticipated items and budget required for project: *(attach any quotes for items or services)*

| Item | Source/vendor | Estimated cost |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

9. Project match *(indicate how you will arrive at your 20% match for this project, e.g. services, labor, materials or money. The value of one general volunteer hour is $10; one volunteer hour of technical/professional services is $20)*

| Match item | Estimated value |
|---|---|
| *example: Volunteer labor 60 hours X $10/hr* | *$600* |
| | |
| | |
| | |

Estimated Total Value of Match: _____

10. If you will be using volunteers for non-technical services, please describe how you will secure their participation in the project.

_____

_____

_____

11. Will your project require on-going maintenance or repair? If so, how will it be provided? Note: If the Mini-Grant project has been installed on private property, or on property owned by another public entity, such as the School District, King County, or Seattle City Light, the applicant will work with the property owner to develop and implement a maintenance plan.

_____

_____

_____

_____

Submitted by: _____ _____

Print Name Signature of Applicant

*For Office Use Only*

Date Approved: _____ Amount Approved: $_____

Comments: _____

_____

_____

**Council Meeting Date: April 16, 2007** **Agenda Item: 6(c)**

# CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

| | |
|---|---|
| **AGENDA TITLE:** | 2006 Fourth Quarter Financial Report |
| **DEPARTMENT:** | Finance |
| **PRESENTED BY:** | Debbie Tarry, Finance Director |

**PROBLEM/ISSUE STATEMENT:**
Attached is the 2006 fourth quarter financial report. This report summarizes the financial activities during 2006 for all City funds. It is provided to keep the Council informed of the financial issues and the financial position of the City. The Executive Summary section of the report provides a high level overview. More detailed information on specific revenue and expenditures is provided following the Executive Summary.

**FINANCIAL IMPACT:**
The table on page 2 provides a summary of the financial results for all City funds for 2006.

## RECOMMENDATION

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

Approved By: City Manager ___ City Attorney ___

**ATTACHMENTS**
Attachment A – 2006 Fourth Quarter Financial Report

| Revenues | | | | | | Expenditures | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund | 2006 Budget | 2006 Projected | 2006 Actuals | Variance Actuals v. Projected | % Variance | 2006 Budget | 2006 Projected | 2006 Actuals | 2006 Carryovers | Variance Actuals v. Projected | % Variance |
| General Fund | $29,982,403 | $27,026,611 | $27,759,897 | $733,286 | 2.7% | $29,980,663 | $29,317,268 | $28,813,988 | $398,158 | -$105,122 | -0.4% |
| Streets | $2,582,151 | $2,530,230 | $2,604,567 | $74,337 | 2.9% | $2,583,023 | $2,513,556 | $2,302,169 | $134,442 | -$76,945 | -3.1% |
| SWM Utility Fund | $9,028,097 | $3,885,297 | $3,362,009 | -$523,288 | -13.5% | $6,925,911 | $3,069,833 | $1,944,059 | $747,828 | -$377,946 | -12.3% |
| General Capital | $24,683,489 | $23,078,761 | $23,160,431 | $81,670 | 0.4% | $24,608,489 | $22,946,342 | $11,493,904 | $11,458,623 | $6,185 | 0.0% |
| Roads Capital | $35,867,497 | $28,121,540 | $21,999,448 | -$6,122,092 | -21.8% | $35,867,498 | $33,386,861 | $24,459,963 | $8,464,515 | -$462,383 | -1.4% |
| General Reserve Fund | $38,350 | $122,301 | $114,516 | -$7,785 | -6.4% | $0 | $0 | $0 | $0 | $0 | 0.0% |
| Code Abatement Fund | $102,500 | $49,212 | $55,858 | $6,646 | 13.5% | $100,000 | $100,000 | $2,325 | $0 | -$97,675 | -97.7% |
| Asset Seizure Fund | $23,500 | $18,803 | $5,674 | -$13,129 | -69.8% | $23,000 | $6,694 | $9,152 | $0 | $2,458 | 36.7% |
| Unltd Tax GO Bond Fund | $199,498 | $0 | $59,717 | $59,717 | 100.0% | $199,498 | $0 | $0 | $0 | $0 | 0.0% |
| Public Arts Fund | $149,667 | $49,148 | $33,458 | -$15,690 | -31.9% | $115,775 | $115,775 | $72,072 | $0 | -$43,703 | 0.0% |
| Vehicle Operations Fund | $96,217 | $100,782 | $99,095 | -$1,687 | -1.7% | $96,217 | $88,717 | $93,081 | $0 | $4,364 | 4.9% |
| Facility - Major Maintenance Fund | $74,680 | $76,429 | $80,265 | $3,836 | 5.0% | $60,000 | $60,000 | $51,913 | $0 | -$8,087 | -13.5% |
| Equipment Replacement Fund | $324,308 | $336,810 | $364,967 | $28,157 | 8.4% | $163,180 | $118,000 | $132,666 | $0 | $14,666 | 12.4% |
| Unemployment | $30,450 | $32,300 | $13,319 | -$18,981 | -58.8% | $30,000 | $30,000 | $20,603 | $0 | -$9,397 | -31.3% |
| Totals | $103,182,807 | $85,428,224 | $79,713,221 | -$5,715,003 | -6.7% | $100,753,254 | $91,753,046 | $69,395,895 | $21,203,566 | -$1,153,585 | -1.3% |

Attachment A

CITY OF SHORELINE

# 2006 Year End Financial Report

Prepared by the Finance Department

*For*

*Fiscal Year January 1, 2006 – December 31, 2006*

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# EXECUTIVE SUMMARY

## General Fund

2006 actual General Fund revenue totaled $27,759,897 which was greater than 2006 projected revenue of $27,026,611 by $733,286 or 2.7%. This is a decrease of 0.08% over total 2005 revenues of $27,779,704, primarily a result of lower gambling tax collections. The 2006 variance in actual revenue collections compared to projections can primarily be attributed to better than expected revenue from property tax of $107,739, natural gas utility tax revenue of $104,535, telecommunications utility tax revenue of $171,575 and investment interest of $150,673. These revenue sources make up 73% of the revenue over projections. As staff was preparing the 2007 revenue budget we were aware of the upward trends of these revenue sources and took these trends into account when projecting 2007 revenue estimates.

The 2006 actual expenditures were $28,813,988 and the 2006 carryovers were $398,158 for a total 2006 expenditure of $29,212,146. This is $105,122 or 0.36% below projected expenditures of $29,317,268.

The net result of revenues exceeding projections by $733,286 and expenditures being $105,122 below projections is $838,408 in one-time savings. This money can remain in the General Fund reserves or can be allocated for one-time expenditures.

## Street Fund

Actual revenues for 2006 were $2,604,567, just $74,337 or 2.94% above projected revenue. Right-of-way fee revenue was above projections by $42,334 or 37.98% due to increased activity. Fuel tax collections were below projections by $7,206. Interest earnings were above projections by $16,283.

The 2006 actual expenditures were $2,302,169 and the 2006 carryovers were $134,442 for a total 2006 expenditure of $2,436,611. This is $211,387 or 12% below projected expenditures of $2,513,556.

The 2006 ending fund balance is $946,524. This includes all revenue and expenditure activity and the requested carryovers. This is $134,442 greater than was originally projected.

## Surface Water Utility Fund

Actual revenues for 2006 were $3,362,009 this was $523,288 or 13.47% less than projected revenue of $3,885,297. Storm drainage fees were $29,846 (-1.19%) less than projected. The primary difference between actual and projected revenues is that the amount of Public Works Trust Fund Loan (PWTFL) used was $287,906 less than anticipated. This PWTFL is for the Ronald Bog Drainage Improvements.

The 2006 actual expenditures were $1, 944,059 and the 2006 carryovers were $747,828 for a total 2006 expenditure of $2,691,887. This is $1,125,774 or 36.67%

below projected expenditures of $3,069,833. Reasons for the difference between actual and projected expenditures include the following:

- The repayment of PWTFL principal ($319,344) is budgeted for management purposes, but for accounting purposes the expenditure is reduced to zero at the end of the year.
- Expenditures for intergovernmental services for drainage services were approximately $110,000 less than anticipated.
- The Midvale Ave. Drainage project ($127,000) has been rolled into the East Boeing Creek Drainage, and therefore the East Boeing Creek Drainage budget is sufficient to complete the project.
- General Engineering is under projections by approximately $95,000 primarily due to salary and benefit savings.

The projected 2006 ending fund balance is $6,526,879. This includes all revenue and expenditure activity and the requested carryovers. This is $439,522 more in fund balance than was originally projected.

## Capital Improvement Funds

### General Capital

Actual revenues for 2006 were $23,160,431 this is $81,670 or 0.4% above projected revenues of $23,078,761. Real Estate Excise Tax (REET) collections were $432,681 above projections. Grant revenue was below projections by $568,508 due to the timing of completion of projects. Investment earnings were over projections by $97,999. The excess REET collections will be used to off-set the purchase of the Kimm property for future civic center expansion.

The 2006 actual expenditures were $11,493,904 and the 2006 carryovers were $11,458,623 for a total 2006 expenditure of $22,952,527. This is only $6,185 over projected expenditures of $22,946,342.

The projected 2006 ending fund balance is $13,421,089. This includes all revenue and expenditure activity and the requested carryovers. This is $1,188,099 more in fund balance than was originally projected, primarily as a result of the excess REET collections and delay in some projects. The General Capital ending fund balance includes $6.3 million for City Hall.

The City has seen substantial growth in REET revenue since 2004. This is reflective of the "hot" real estate market and high number of home purchases that has occurred during this time period. This trend has been experienced throughout most of the United States until 2006, when sales nationally began to slow dramatically. Locally, we have seen a gradual slow down, but values have remained high. In 2006 we saw the number of transactions decrease from 2005 by 11.6% to 2,164 sales. Total value of the real estate sales decreased by 7.1% to $545,032,417.

### Roads Capital

Actual revenues for 2006 were $21,999,448. This is $6,122,092 or 21.8% below projected revenues of $28,121,540. This revenue decrease is due primarily to grant revenue not being received as projected since roads projects were not completed as scheduled. However, these grants are expected to be received in 2007 as the project work continues. Staff has requested that $5,703,306 in grant revenue be carried over into 2007. REET collections were $182,681 ahead of projections for the same reason that REET collections exceeded projections in the General Capital Fund. Investment earnings were below projections by $281,269 due to the delay in grant revenues. Fuel tax revenue was $64,554 below projections as consumption decreased.

The 2006 actual expenditures were $24,459,963 and the 2006 carryovers were $8,464,515 for a total 2006 expenditure of $32,924,478. This is $462,383 or only 1.4% below projected expenditures of $33,386,861. The projected 2006 ending fund balance is $10,689,850. This includes all revenue and expenditure activity and the requested carryovers. This is $2,761,209 more in fund balance than was originally projected.

## All Funds Summary

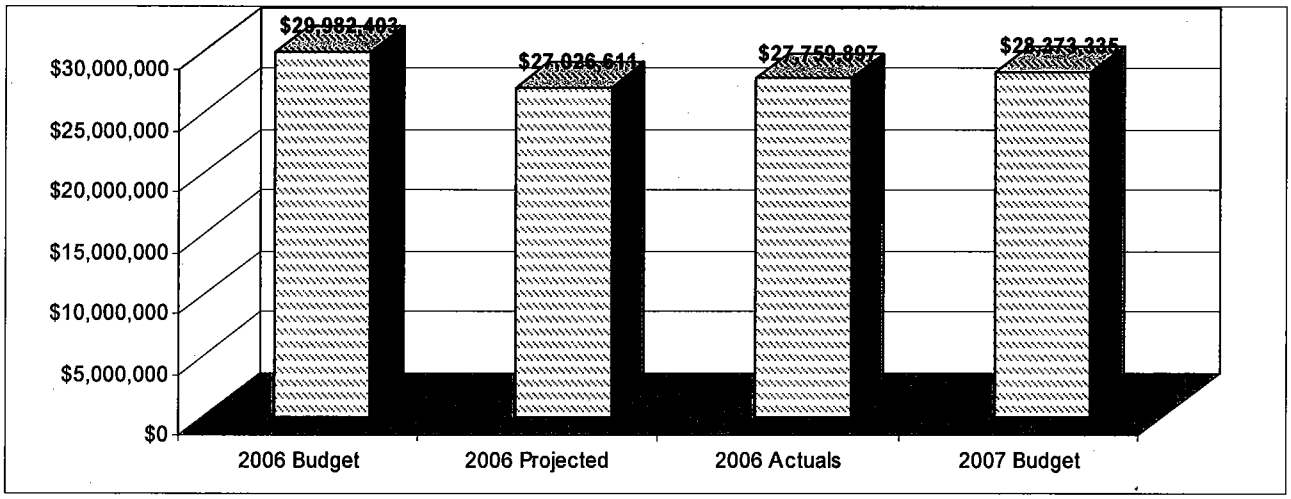
The following table provides a summary of the financial results for all City funds for 2006 and includes the 2006 carryover. The second chart shows the estimated ending fund balances or 2006:

| | Revenues | | | | | Expenditures | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund | 2006 Budget | 2006 Projected | 2006 Actuals | Variance Actuals v. Projected | % Variance | 2006 Budget | 2006 Projected | 2006 Actuals | 2006 Carryovers | Variance Actuals v. Projected | % Variance |
| General Fund | $29,982,403 | $27,026,611 | $27,759,897 | $733,286 | 2.7% | $29,980,663 | $29,317,268 | $28,813,988 | $398,158 | -$105,122 | -0.4% |
| Streets | $2,582,151 | $2,530,230 | $2,604,567 | $74,337 | 2.9% | $2,583,023 | $2,513,556 | $2,302,169 | $134,442 | -$76,945 | -3.1% |
| SWM Utility Fund | $9,028,097 | $3,885,297 | $3,362,009 | -$523,288 | -13.5% | $6,925,911 | $3,069,833 | $1,944,059 | $747,828 | -$377,946 | -12.3% |
| General Capital | $24,683,489 | $23,078,761 | $23,160,431 | $81,670 | 0.4% | $24,608,489 | $22,946,342 | $11,493,904 | $11,458,623 | $6,185 | 0.0% |
| Roads Capital | $35,867,497 | $28,121,540 | $21,999,448 | -$6,122,092 | -21.8% | $35,867,498 | $33,386,861 | $24,459,963 | $8,464,515 | -$462,383 | -1.4% |
| General Reserve Fund | $38,350 | $122,301 | $114,516 | -$7,785 | -6.4% | $0 | $0 | $0 | $0 | $0 | 0.0% |
| Code Abatement Fund | $102,500 | $49,212 | $55,858 | $6,646 | 13.5% | $100,000 | $100,000 | $2,325 | $0 | -$97,675 | -97.7% |
| Asset Seizure Fund | $23,500 | $18,803 | $5,674 | -$13,129 | -69.8% | $23,000 | $6,694 | $9,152 | $0 | $2,458 | 36.7% |
| Unltd Tax GO Bond Fund | $199,498 | $0 | $59,717 | $59,717 | 100.0% | $199,498 | $0 | $0 | $0 | $0 | 0.0% |
| Public Arts Fund | $149,667 | $49,148 | $33,458 | -$15,690 | -31.9% | $115,775 | $115,775 | $72,072 | $0 | -$43,703 | 0.0% |
| Vehicle Operations Fund | $96,217 | $100,782 | $99,095 | -$1,687 | -1.7% | $96,217 | $88,717 | $93,081 | $0 | $4,364 | 4.9% |
| Facility - Major Maintenance Fund | $74,680 | $76,429 | $80,265 | $3,836 | 5.0% | $60,000 | $60,000 | $51,913 | $0 | -$8,087 | -13.5% |
| Equipment Replacement Fund | $324,308 | $336,810 | $364,967 | $28,157 | 8.4% | $163,180 | $118,000 | $132,666 | $0 | $14,666 | 12.4% |
| Unemployment | $30,450 | $32,300 | $13,319 | -$18,981 | -58.8% | $30,000 | $30,000 | $20,603 | $0 | -$9,397 | -31.3% |
| Totals | $103,182,807 | $85,428,224 | $79,713,221 | -$5,715,003 | -6.7% | $100,753,254 | $91,753,046 | $69,395,895 | $21,203,566 | -$1,153,585 | -1.3% |

## Fund Balance Overview

| All City Funds | 2006 Beginning Fund Balance | 2006 Actual Revenue | 2006 Actual Expenditures | Ending Fund Balance | Net Carryovers | 2006 Projected Ending Fund Balance |
|---|---|---|---|---|---|---|
| General Fund | $9,685,010 | $27,759,897 | $28,813,988 | $8,630,919 | $148,794 | $8,482,125 |
| Streets | $778,568 | $2,604,567 | $2,302,169 | $1,080,966 | $134,442 | $946,524 |
| SWM Utility Fund | $5,548,451 | $3,362,009 | $1,944,059 | $6,966,401 | $439,522 | $6,526,879 |
| General Capital | $12,100,573 | $23,160,431 | $11,493,904 | $23,767,100 | $10,346,011 | $13,421,089 |
| Roads Capital | $13,150,365 | $21,999,448 | $24,459,963 | $10,689,850 | $2,761,209 | $7,928,641 |
| General Reserve Fund | $2,160,346 | $114,516 | $0 | $2,274,862 | $0 | $2,274,862 |
| Code Abatement Fund | $118,916 | $55,858 | $2,325 | $172,449 | $0 | $172,449 |
| Asset Seizure Fund | $21,722 | $5,674 | $9,152 | $18,244 | $0 | $18,244 |
| Unltd Tax GO Bond Fund | $0 | $59,717 | $0 | $59,717 | $0 | $59,717 |
| Public Arts Fund | $278,867 | $33,458 | $72,072 | $240,253 | $0 | $240,253 |
| Vehicle Operations Fund | $47,572 | $99,095 | $93,081 | $53,586 | $0 | $53,586 |
| Facility - Major Maintenance Fund | $160,723 | $80,265 | $51,913 | $189,075 | $0 | $189,075 |
| Equipment Replacement Fund | $1,251,262 | $364,967 | $132,666 | $1,483,563 | $0 | $1,483,563 |
| Unemployment | $69,958 | $13,319 | $20,603 | $62,674 | $0 | $62,674 |
| Totals | $45,372,333 | $79,713,221 | $69,395,895 | $55,689,659 | $13,829,978 | $41,859,681 |

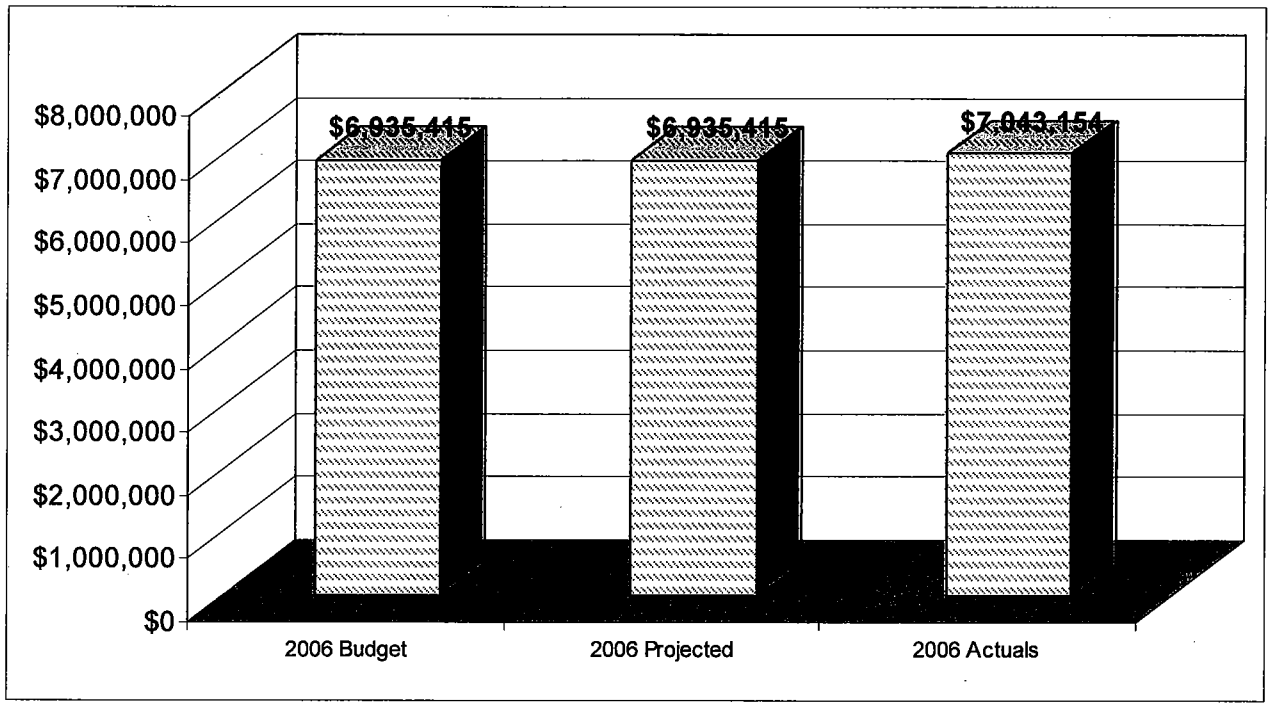
## General Fund Revenue



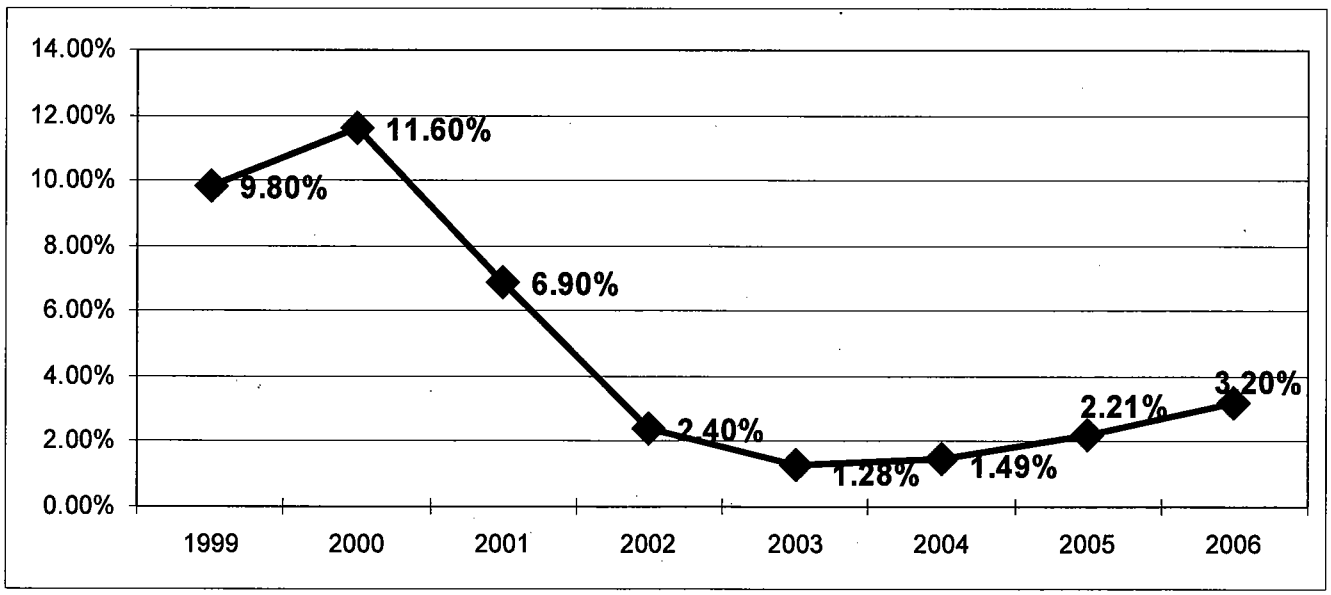

2006 actual General Fund revenue totaled $27,759,897 which was greater than 2006 projected revenue of $27,026,611 by $733,286 or 2.7%. This is a decrease of 0.08% over total 2005 revenues of $27,779,704, primarily a result of lower gambling tax collections. The 2006 variance in actual revenue collections compared to projections can primarily be attributed to better than expected revenue from property tax of $107,739, natural gas utility tax revenue of $104,535, telecommunications utility tax revenue of $171,575 and investment interest of $150,673. These revenue sources make up 73% of the revenue over projections. As staff was preparing the 2007 revenue budget we were aware of the upward trends of these revenue sources and took these trends into account. The table below compares budget, projected, and actual general fund revenue collections for 2006. Specific details about these revenues can be found later in this report.

| Revenue Source | 2006 Budget | 2006 Projected | 2006 Actuals | $$ Variance Actuals v. Projected | % Variance | 2007 Budget |
|---|---|---|---|---|---|---|
| **Budgeted Fund Balance** | $2,562,577 | $0 | $0 | NA | NA | $671,500 |
| **Property Tax** | $6,935,415 | $6,935,415 | $7,043,154 | $107,739 | 1.6% | $7,066,510 |
| **Sales Tax** | $5,785,500 | $6,086,402 | $6,091,513 | $5,111 | 0.1% | $6,250,000 |
| **Criminal Justice Sale Tax** | $1,100,687 | $1,150,687 | $1,189,798 | $39,111 | 3.4% | $1,224,500 |
| ***Utility Tax/Franchise Fee Category*** | | | | | | |
| **Natural Gas Utility Tax** | $850,000 | $850,000 | $954,535 | $104,535 | 12.3% | $1,045,000 |
| **Sanitation Utility Tax** | $331,000 | $331,000 | $329,312 | -$1,688 | -0.5% | $340,000 |
| **Cable TV Utility Tax** | $96,000 | $96,000 | $98,883 | $2,883 | 3.0% | $98,000 |
| **Telephone/Cell Utility Tax** | $1,480,000 | $1,480,000 | $1,651,575 | $171,575 | 11.6% | $1,555,000 |
| **Water Franchise Fee** | $500,000 | $610,000 | $663,417 | $53,417 | 8.8% | $565,000 |
| **Sewer Franchise Fee** | $636,500 | $636,500 | $640,000 | $3,500 | 0.5% | $655,595 |
| **Storm Drainage Utility Tax** | $162,500 | $162,500 | $158,956 | -$3,544 | -2.2% | $177,000 |
| **Cable TV Franchise Fee** | $480,000 | $529,767 | $535,502 | $5,735 | 1.1% | $533,767 |
| ***Utility Tax/Franchise Fee Subtotal*** | $4,536,000 | $4,695,767 | $5,032,180 | $336,413 | 7.2% | $4,969,362 |
| **Electricity Contract Payment** | $850,000 | $1,000,000 | $1,032,436 | $32,436 | 3.2% | $1,000,000 |
| **Gambling Tax** | $2,930,500 | $2,053,800 | $2,020,244 | -$33,556 | -1.6% | $2,134,500 |
| **State Revenue** | $720,593 | $676,283 | $692,255 | $15,972 | 2.4% | $744,304 |
| **Permit Revenue** | $1,305,155 | $1,278,742 | $1,347,050 | $68,308 | 5.3% | $1,293,935 |
| **Parks & Recreation Revenue** | $950,828 | $1,064,027 | $1,098,256 | $34,229 | 3.2% | $1,128,506 |
| **Fines & Licenses** | $35,530 | $37,381 | $39,720 | $2,339 | 6.3% | $34,530 |
| **Grants** | $361,252 | $298,333 | $221,545 | -$76,788 | -25.7% | $231,316 |
| **Investment Interest** | $320,000 | $320,000 | $470,673 | $150,673 | 47.1% | $411,355 |
| **Miscellaneous Revenue** | $384,525 | $225,933 | $277,232 | $51,299 | 22.7% | $166,570 |
| **Transfers-In** | $1,203,841 | $1,203,841 | $1,203,841 | $0 | 0.0% | $1,046,447 |
| **Total General Fund Revenue** | $29,982,403 | $27,026,611 | $27,759,897 | $733,286 | 2.7% | $28,373,335 |

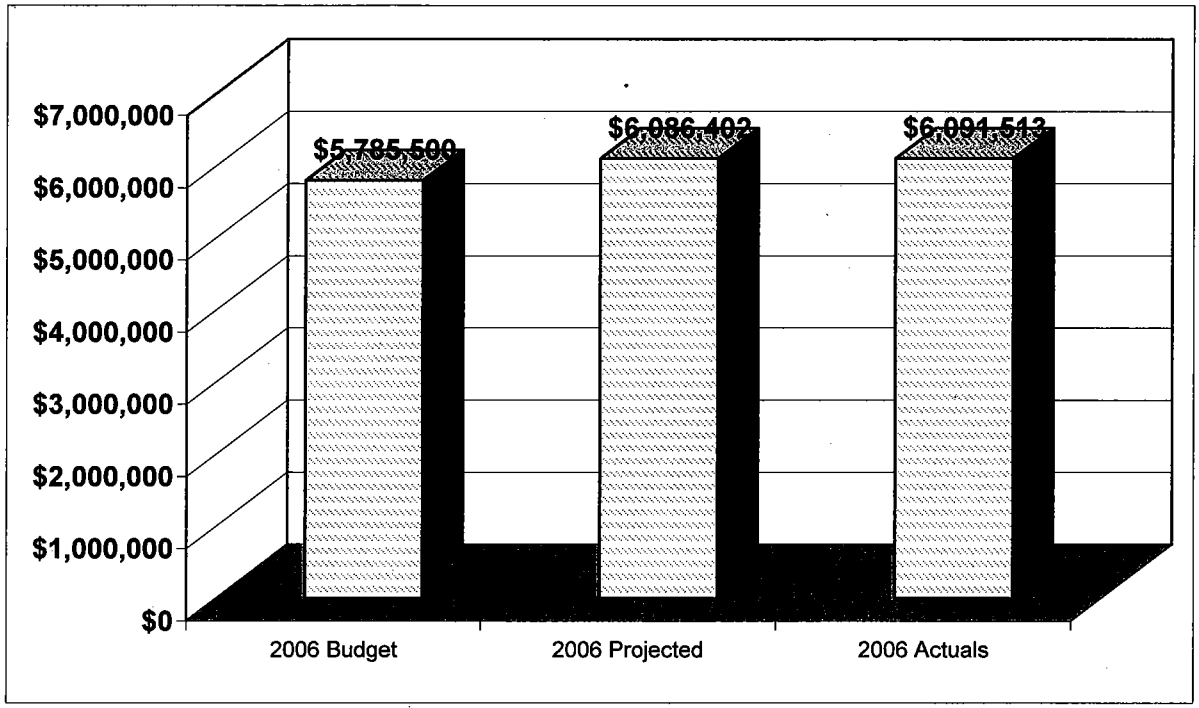
## Property Tax Revenue



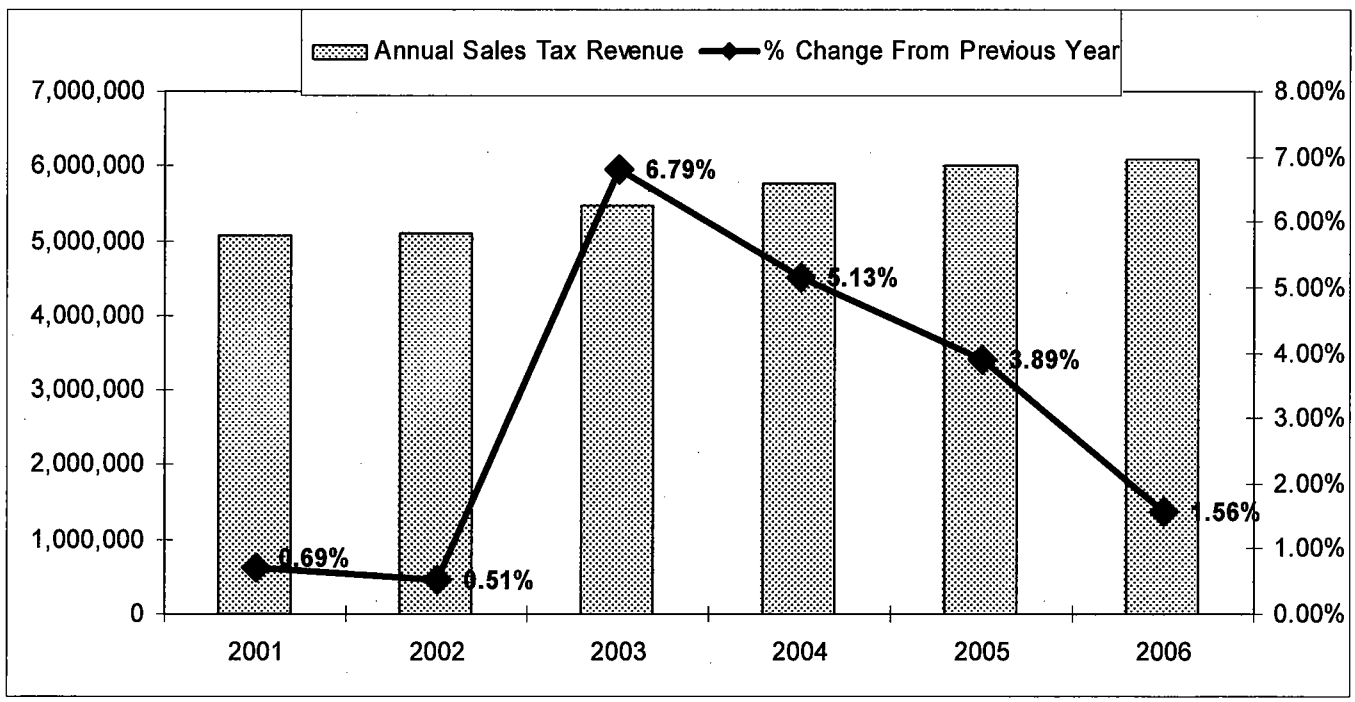

Property tax collections of $7,043,154 were above projections by $107,739 or 1.55%. This is an increase of $220,283 or 3.2% over 2005 collections. The graph below highlights the annual percentage change in property tax revenue since 1999. The trend line for this revenue is showing a small but consistent increase that begins in 2004. This increase is due to greater than expected payments from delinquent accounts and an overall decrease in the number of late and/or delinquent accounts. Historically property tax revenue was budgeted assuming a 2.0% rate of delinquent accounts; in 2007 a 1% rate has been used.



## Sales Tax Revenue




Sales tax revenue came in at $6,091,513, which is only a $5,111 or 0.1% increase over adjusted 2006 projections of $6,086,402. 2006 revenue is $95,068 or 1.56% above 2005 collections. The chart immediately shows sales tax revenue changes from 2001 – 2006. As the graph illustrates the rate of sales tax growth has decreased steadily since 2003.

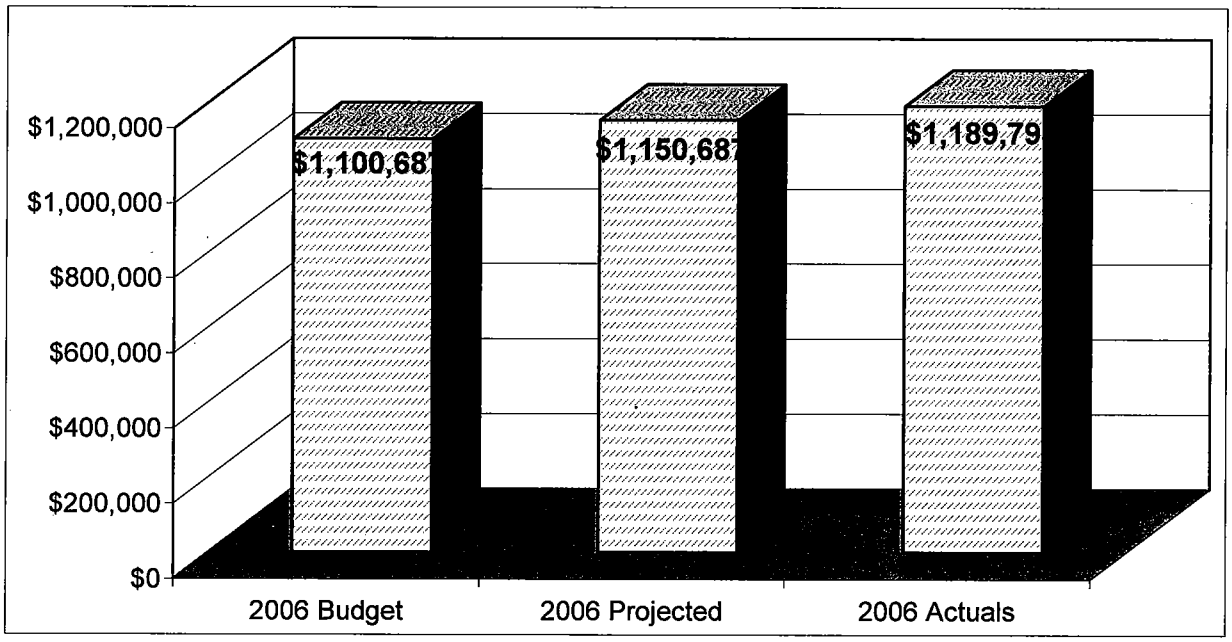


It is important to analyze sales tax growth by primary business sector to determine if the sales tax growth is a result of increased retail sales, growth in construction, growth in services or a combination. Growth in a single sector, such as construction, could indicate revenue that should be considered one-time growth. On the other hand, growth in retail related sales could indicate a growing demand in on-going sales. In looking at the change in sales tax revenue from 2005 to 2006 by business industry it appears the primary source of growth was related to retail trade. This table shows a comparison of the various business sector retail sales tax collections for 2005 and 2006.

The growth in retail trade of $132,182 or 3.48% is the primary reason for the City's 1.56% sales tax increase over 2005. Decreases in construction related sales tax activity of $8,150 or 1.01%, information/telecommunications of $37,733 or 16.67%, and other services of $20,379 or 11.4% temper the modest retail trade revenue increase. It is worth noting that of the 21 business sectors identified only seven sectors show a negative variance from 2005.

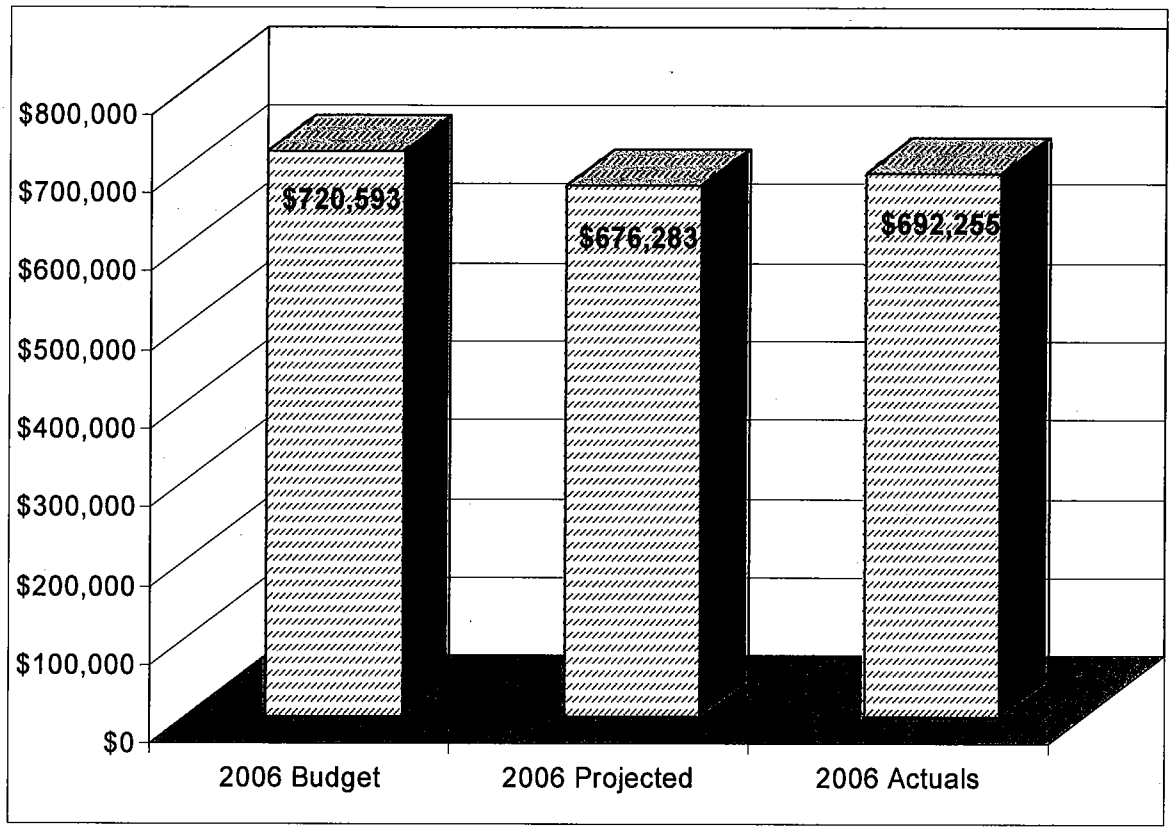
| Business Sector (Business Type) | 2005 | 2006 | $$ Variance 2005 v. 2006 | % Change |
|---|---|---|---|---|
| Retail Trade | $3,800,650 | $3,932,832 | $132,182 | 3.48% |
| Construction | $806,931 | $798,781 | -$8,150 | -1.01% |
| Accommodation and Food Services | $352,711 | $358,175 | $5,464 | 1.55% |
| Information/Telecommunications | $226,378 | $188,645 | -$37,733 | -16.67% |
| Real Estate, Rental, Leasing (Car Rentals, Consumer Rentals and Video Rentals) | $133,184 | $162,006 | $28,822 | 21.64% |
| Other Services (auto repair/maintenance, equipment repair/maintenance, laundry services, beauty salons and cemeteries) | $178,826 | $158,447 | -$20,379 | -11.40% |
| Wholesale Trade (computer equipment and other commercial equipment) | $121,176 | $131,253 | $10,077 | 8.32% |
| Arts, Entertain, Recreation (fitness clubs, golf courses, casinos and sports facilities) | $99,850 | $100,788 | $938 | 0.94% |
| Administrative and Support Services (landscaping services, janitorial, carpet cleaning and travel agencies) | $93,601 | $69,482 | -$24,119 | -25.77% |
| Manufacturing | $37,218 | $40,585 | $3,367 | 9.05% |
| Prof, Sci, Technical Svcs (computer programming, management consultants and veterinary services) | $65,371 | $34,593 | -$30,778 | -47.08% |
| Unknown (non-classifiable) | $16,371 | $34,457 | $18,086 | 110.47% |
| Finance and Insurance | $26,066 | $27,376 | $1,310 | 5.03% |
| Transportation and Warehousing | $7,668 | $16,794 | $9,126 | 119.02% |
| Health Care Social Assistance | $11,049 | $13,205 | $2,156 | 19.52% |
| Public Administration | $8,419 | $12,153 | $3,734 | 44.36% |
| Educational Services | $7,942 | $9,441 | $1,499 | 18.87% |
| Agriculture, Forestry, Fishing | $1,325 | $1,242 | -$83 | -6.28% |
| Mining | $754 | $926 | $172 | 22.81% |
| Company Management | $76 | $213 | $137 | 180.14% |
| Utilities | $879 | $118 | -$761 | -86.57% |
| Totals | $5,996,445 | $6,091,513 | $95,068 | 1.56% |

## Criminal Justice Sales Tax Revenue




Local criminal justice sales tax collections of $1,189,798 are above projected revenue of $1,150,687 by $39,111 or 3.4%. This is an increase over 2005 of $77,814 or 7.0%. This shows an increased level of retail sales within King County as a whole. This category differs from sales tax because it represents sales tax collected throughout King County and consequently does not necessarily reflect the sales tax experience within Shoreline. This tax is distributed based on city population.

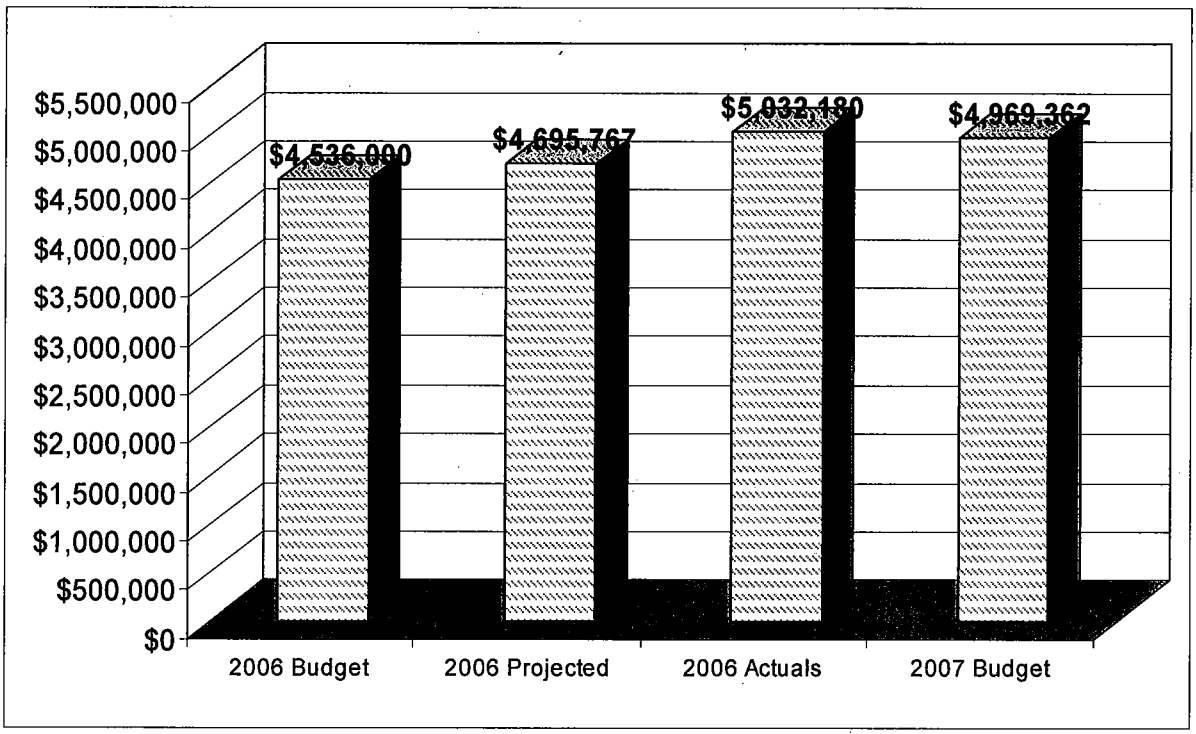
## State Shared Revenue




State Revenues of $692,255 are just slightly above projected revenue of $676,283. This is a decrease from the amount of revenue received during 2005 by $59,524 or 7.92%. This decrease is a result of two things: 2005 was the last year the City received I-695 local government assist revenue a loss of $36,900 and a $33,439 decrease in Liquor Board Profit revenue. Revenues from this category have decreased slightly over the past few years as the level of state support for criminal justice programs has also declined.

This category includes leasehold excise tax, criminal justice funds, liquor board profits and liquor excise tax.

## Utility Tax and Franchise Fee Revenue



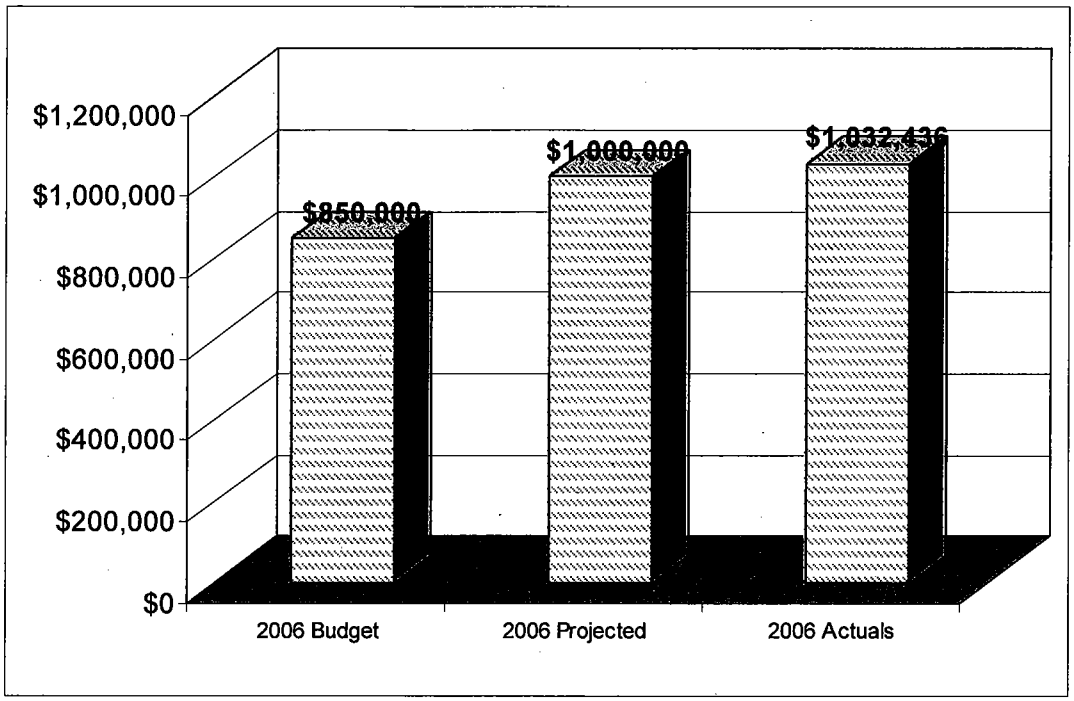

Utility tax and franchise fee revenue of $5,032,180 exceeded projected revenue of $4,695,767 by $336,413 or 7.2%. This is an increase over 2005 by $265,256 or 5.6%. The increase in actual revenue collections as compared to projected revenue for 2006 is due to the following:

- Cellular and Telephone revenue exceeded projections by $171,575 or 11.6%.
- Natural Gas revenue was up from projections by $104,535 or 12.3% due in part to a rate increase that went into effect in October of 2006.

The table immediately below lists all of the City's utility revenue producers and revenue activity for 2006.

| Revenue Source | 2005 Actuals | 2006 Budget | 2006 Projected | 2006 Actuals | $$ Variance Actuals v. Projected | % Variance | 2007 Budget |
|---|---|---|---|---|---|---|---|
| Natural Gas Utility Tax | $837,334 | $850,000 | $850,000 | $954,535 | $104,535 | 12.3% | $1,045,000 |
| Sanitation Utility Tax | $325,538 | $331,000 | $331,000 | $329,312 | -$1,688 | -0.5% | $340,000 |
| Cable TV Utility Tax | $90,029 | $96,000 | $96,000 | $98,883 | $2,883 | 3.0% | $98,000 |
| Telephone/Cell Utility Tax | $1,649,406 | $1,480,000 | $1,480,000 | $1,651,575 | $171,575 | 11.6% | $1,555,000 |
| Water Franchise Fee | $610,943 | $500,000 | $610,000 | $663,417 | $53,417 | 8.8% | $565,000 |
| Sewer Franchise Fee | $621,000 | $636,500 | $636,500 | $640,000 | $3,500 | 0.5% | $655,595 |
| Storm Drainage Utility Tax | $145,749 | $162,500 | $162,500 | $158,956 | -$3,544 | -2.2% | $177,000 |
| Cable TV Franchise Fee | $486,925 | $480,000 | $529,767 | $535,502 | $5,735 | 1.1% | $533,767 |
| Utility Tax/Franchise Fee Subtotal | $4,766,924 | $4,536,000 | $4,695,767 | $5,032,180 | $336,413 | 7.2% | $4,969,362 |

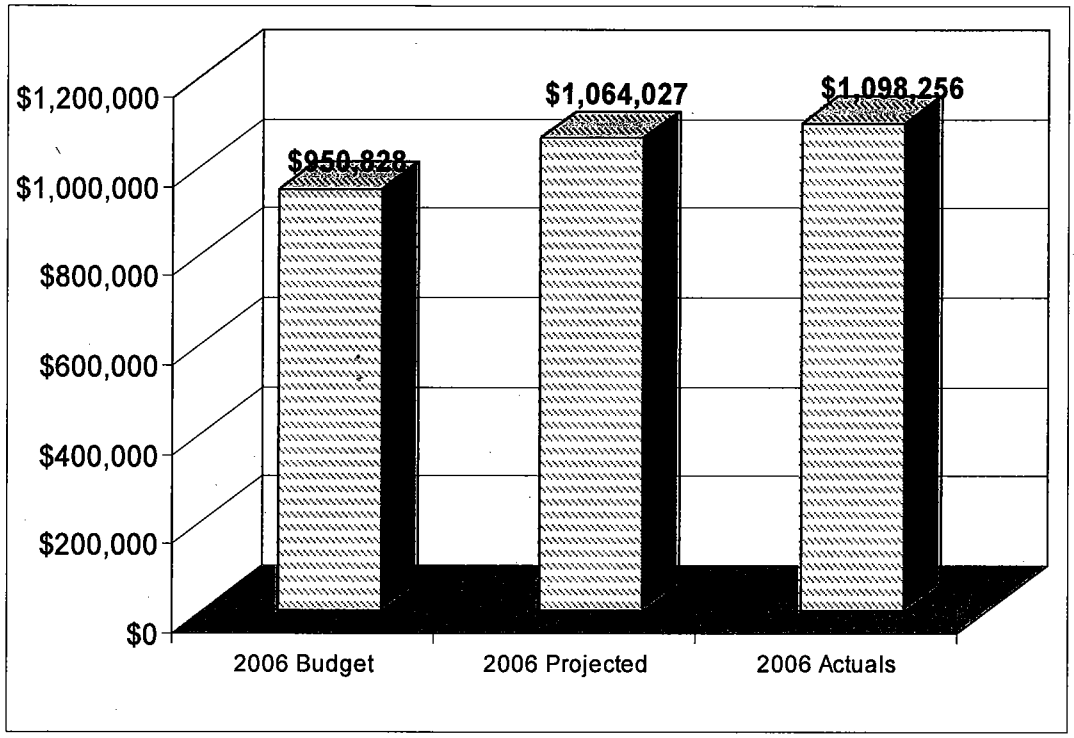
## Electricity Contract Payment




The City has an agreement with Seattle City Light that provides for the payment of 6% of the revenue earned from the power portion of electric revenues from Shoreline rate payers. Electric rates are composed of power costs and distribution costs. The power costs represent approximately 65% of the electric rate revenues.

Total collections in 2006 of $1,032,436 exceeded projections of $1,000,000 by $32,436 or 3.2%. Total collections in 2005 were $1,032,547 and it is anticipated that revenue from this source will remain flat through 2007. At the time that the 2006 Budget was adopted, we anticipated SCL to reduce electricity rates. This did not occur and therefore the projected revenue was increased in mid-year.

## Parks and Recreation Fee Revenue



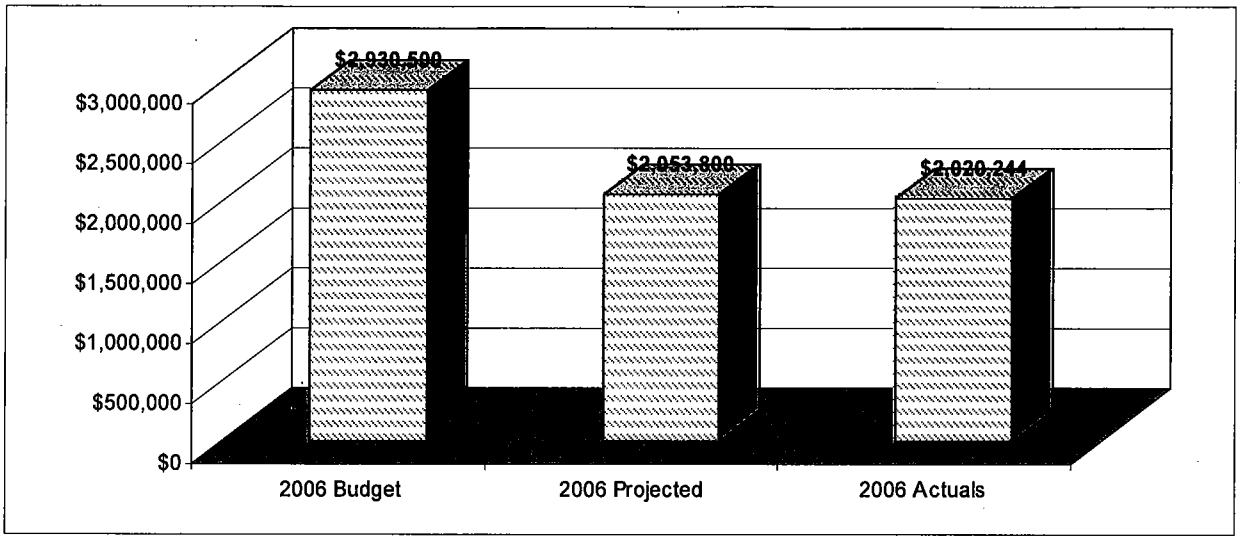

Parks' revenue collections of $1,098,256 exceeded projected revenue of $1,064,027 by $34,229 or 3.22%. 2006 revenue exceeded 2005 revenue by $153,317 or 16.23%.

This category includes revenue generated by the Shoreline pool, general recreation classes and programs which includes all preschool, youth and adult programming, athletic field and facility rentals, teen programming and activities, Spartan Gym drop-in and monthly passes and vending machine and merchandise sales.

The difference in actual revenue collections compared to projections is primarily a result of the following:

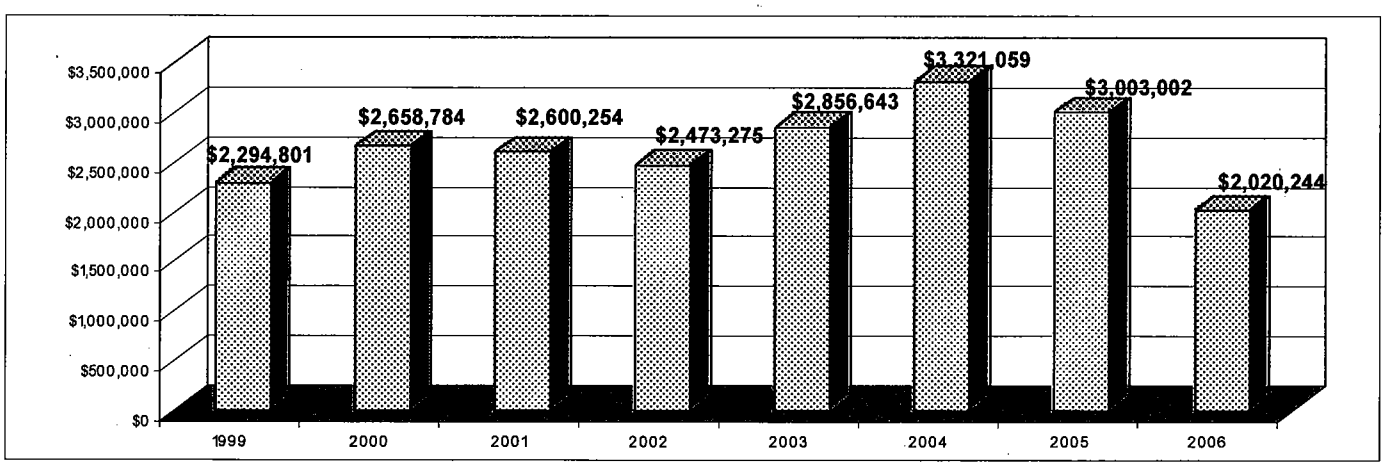
- General recreation revenues (revenue generated from class and sport fees) totaled $499,742 in 2006. Projected revenue in this category was $489,134 and the original 2006 budget totaled $363,700. At the same time that revenue growth occurred, the use of the City's scholarship program increased, with $31,826 in scholarships provided in 2006.
- Park facility rental revenue totaled $240,027 in 2006 and exceeded projected revenue by $25,327 or 11.80%.
- Aquatic related revenue totaled $358,487 which was only $436 greater than projections.

## Gambling Tax Revenue

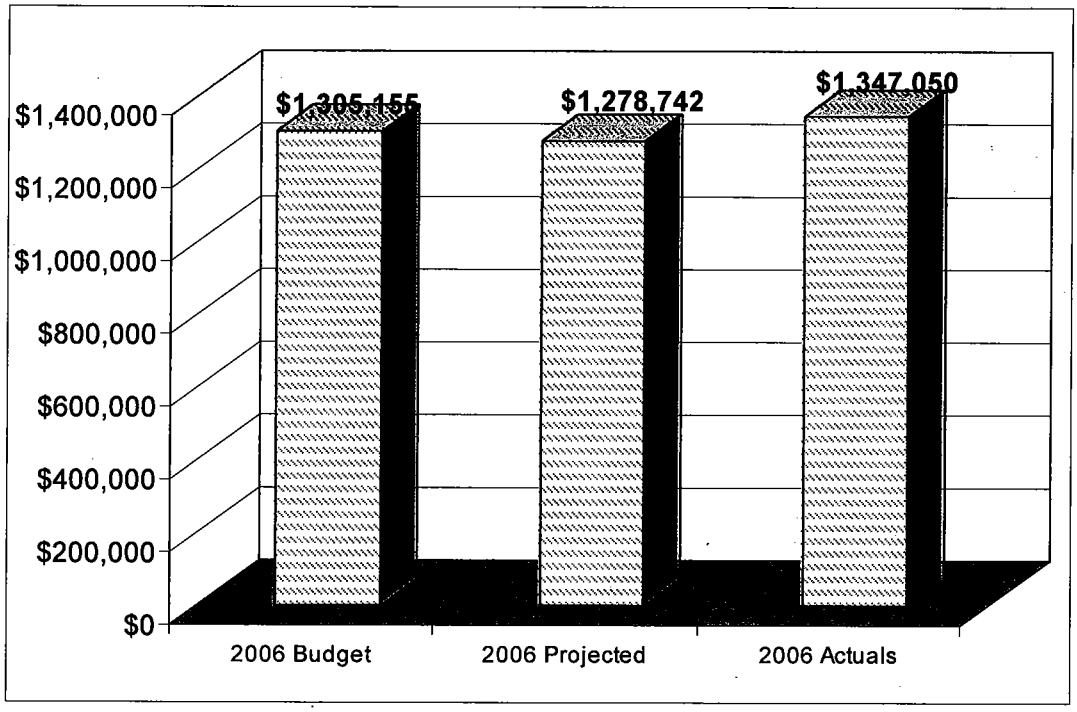



Gambling tax revenue of $2,020,244 was $33,556 or 1.63% below projected revenue. Revenue has been adversely affected by a 17.49% reduction in card game activity. The drop in activity levels can be attributed to the smoking ban, competition from tribal casinos and the affects of the Aurora Corridor construction. In addition to the drop in activity levels the reduction in the card room tax rate from 10% to 7% was in effect for the third and fourth quarter of 2006, which resulted in a $321,129 drop in revenue. Pull tab and bingo revenue have also decreased on an annual basis; pull-tab revenue by 40% since 2005 and bingo revenue by 70%. (The City's only bingo hall closed in 2006) The card room tax rate is scheduled to move back to 10% on April 1, 2007.

Gambling tax revenue is generated from three primary sources: card rooms, pull tabs, and bingo. The following table compares the revenue collections from each of these sources for 2004 through 2006. Overall gambling tax revenue from all three sources decreased by $982,760 or 32.73% from 2005. The table immediately below highlights gambling revenue trends over the past eight years.

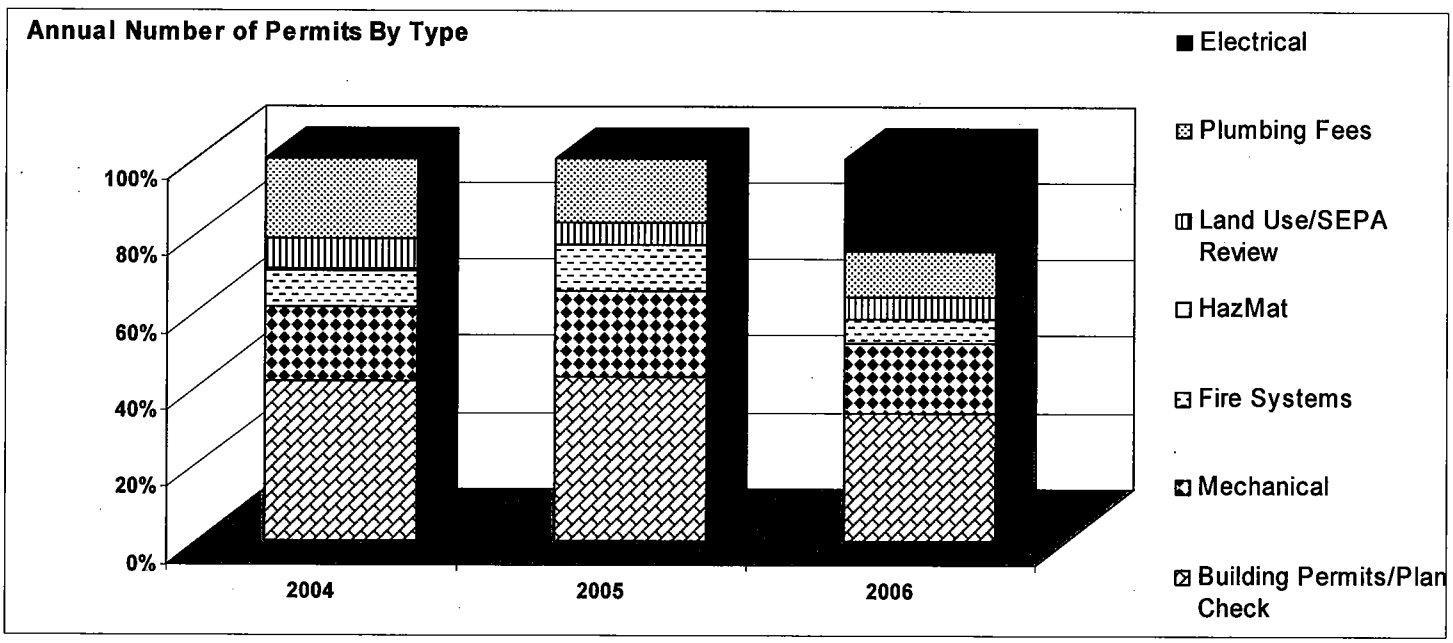


## Permit Revenue

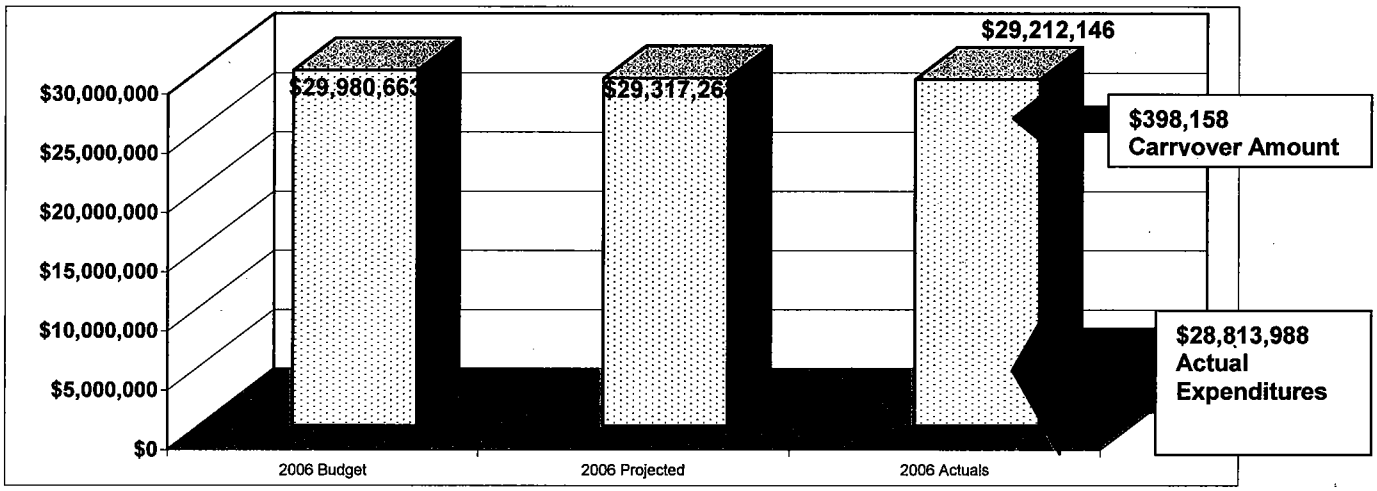



Permit revenue of $1,347,050 was $68,308 or 5.34% above projected revenue. 2006 revenue just slightly exceeded 2005 revenue by $8,023 or 0.60%.

The number of permits issued in 2006 increased by 248 or 19.68% over 2005. At the same time permit revenue increased by only $8,023 or 0.60%. The reason for this variance is that the City began issuing electrical permits in August of 2006 (364 Electrical Permits were issued in 2006) and this permit type generates only $14 per permit. Essentially the City serves as a pass through agent for the State Department of Labor & Industries, which requires minimal City staff time to process.



## General Fund Expenditures




The 2006 actual expenditures were $28,813,988 and the 2006 carryovers were $398,158 for a total 2006 expenditure of $29,212,146. This is $105,122 or 0.36% below projected expenditures of $29,317,268. The following table displays the 2006 expenditure results of each department within the General Fund including carryovers.

| Department | 2006 Current Budget | 2006 Projected | 2006 Actual Expenditures | 2006 Carryover | Actual Expenditures + Carryovers | $$ Variance | % Variance |
|---|---|---|---|---|---|---|---|
| City Council | $167,738 | $173,123 | $176,254 | $0 | $176,254 | $3,131 | 1.81% |
| City Manager's Office | $945,814 | $879,464 | $810,597 | $83,131 | $893,728 | $14,264 | 1.62% |
| City Clerks Office | $387,158 | $371,393 | $355,094 | $0 | $355,094 | -$16,299 | -4.39% |
| C&IR | $582,164 | $560,082 | $530,603 | $13,653 | $544,256 | -$15,826 | -2.83% |
| City Attorney | $427,267 | $400,040 | $427,949 | $0 | $427,949 | $27,909 | 6.98% |
| Human Services | $587,208 | $576,397 | $553,387 | $7,130 | $560,517 | -$15,880 | -2.76% |
| Finance | $2,392,028 | $2,382,568 | $2,326,814 | $0 | $2,326,814 | -$55,754 | -2.34% |
| Citywide | $1,530,974 | $1,002,660 | $1,018,749 | $0 | $1,018,749 | $16,089 | 1.60% |
| Human Resources | $370,328 | $369,218 | $354,183 | $0 | $354,183 | -$15,035 | -4.07% |
| Jail Services | $839,000 | $1,200,300 | $1,222,637 | $0 | $1,222,637 | $22,337 | 1.86% |
| District Court Contract | $0 | $0 | $21,968 | $0 | $21,968 | $21,968 | 0.00% |
| Prosecuting Attorney | $153,000 | $153,000 | $153,250 | $0 | $153,250 | $250 | 0.16% |
| Public Defense | $134,104 | $148,100 | $141,645 | $0 | $141,645 | -$6,455 | -4.36% |
| Police | $8,096,426 | $7,994,168 | $7,983,657 | $0 | $7,983,657 | -$10,511 | -0.13% |
| Parks | $3,989,755 | $3,872,473 | $3,720,326 | $90,396 | $3,810,722 | -$61,751 | -1.59% |
| Economic Development | $294,521 | $296,205 | $225,984 | $31,707 | $257,691 | -$38,514 | -13.00% |
| PADS | $2,436,799 | $2,290,797 | $2,153,088 | $0 | $2,153,088 | -$137,709 | -6.01% |
| CRT | $425,446 | $420,267 | $410,907 | $2,500 | $413,407 | -$6,860 | -1.63% |
| Public Works | $1,612,073 | $1,609,995 | $1,373,300 | $169,641 | $1,542,941 | -$67,054 | -4.16% |
| Department Totals | $25,371,801 | $24,700,250 | $23,960,394 | $398,158 | $24,358,552 | -$341,698 | -1.38% |
| General Transfers Out | $4,608,862 | $4,617,018 | $4,853,594 | $0 | $4,853,594 | $236,576 | 5.12% |
| General Fund Total | $29,980,663 | $29,317,268 | $28,813,988 | $398,158 | $29,212,146 | -$105,122 | -0.36% |

City Attorney has exceeded projections by $27,909 or 6.98% due to additional need to contract Professional Legal Services.

City Clerks Office is under projections by $16,299 or 4.39% primarily as a result of fewer hearing examiner services needed, only 2 hearings out of 10 budgeted.

Communications & Government Relations (C&IR) is under projections by $15,826 or 2.83% due to savings in printing and contracted services including the cost of the citizen survey.

Economic Development is under projections by $38,514 or 13% primarily due to the 6-month delay on the beginning date of the Community Capital Development contract.

Finance is under projections by $55,754 or 2.34% primarily as a result of one of the budget analyst positions remaining unfilled for six months.

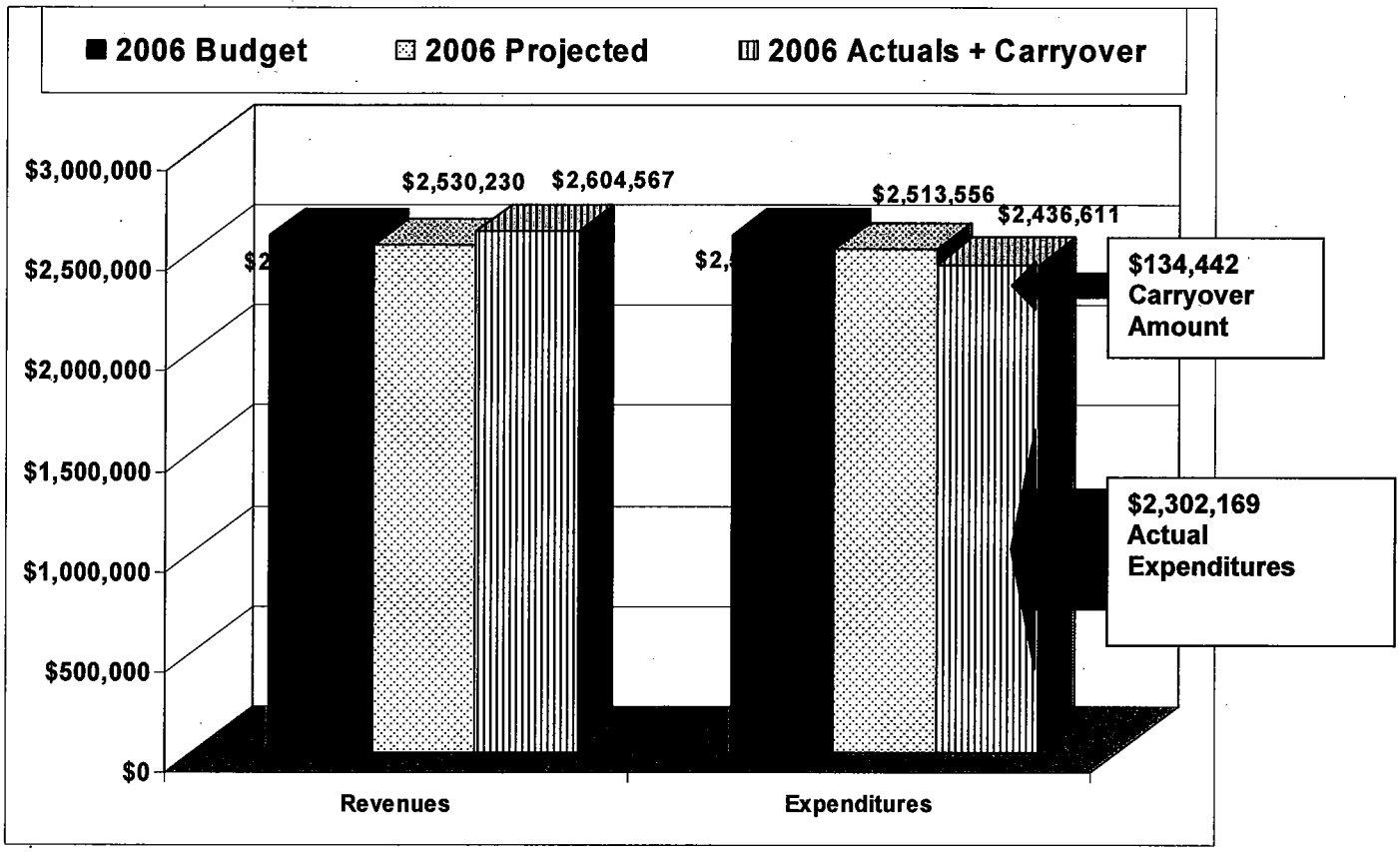
Human Resources is under projections by $15,035 or 4.07% due to savings in advertising and professional services.

Jail Services has exceeded projections by $22,337 or 1.86% and has exceeded original budget of $839,000 by $383,637 or 45.73% due to increasing jail activity.

Planning & Development Services is under projections by $137,709 or 3.01%, the primary contributing factor to this is staff vacancies. The two Development Review Engineer positions were each vacant during for a period of time in 2006.

Public Works is under spent by $67,054 or 4.16%, the primary factor to this was the purchase of the City Hall Annex property resulting in operating, rental & lease savings.

## Street Fund

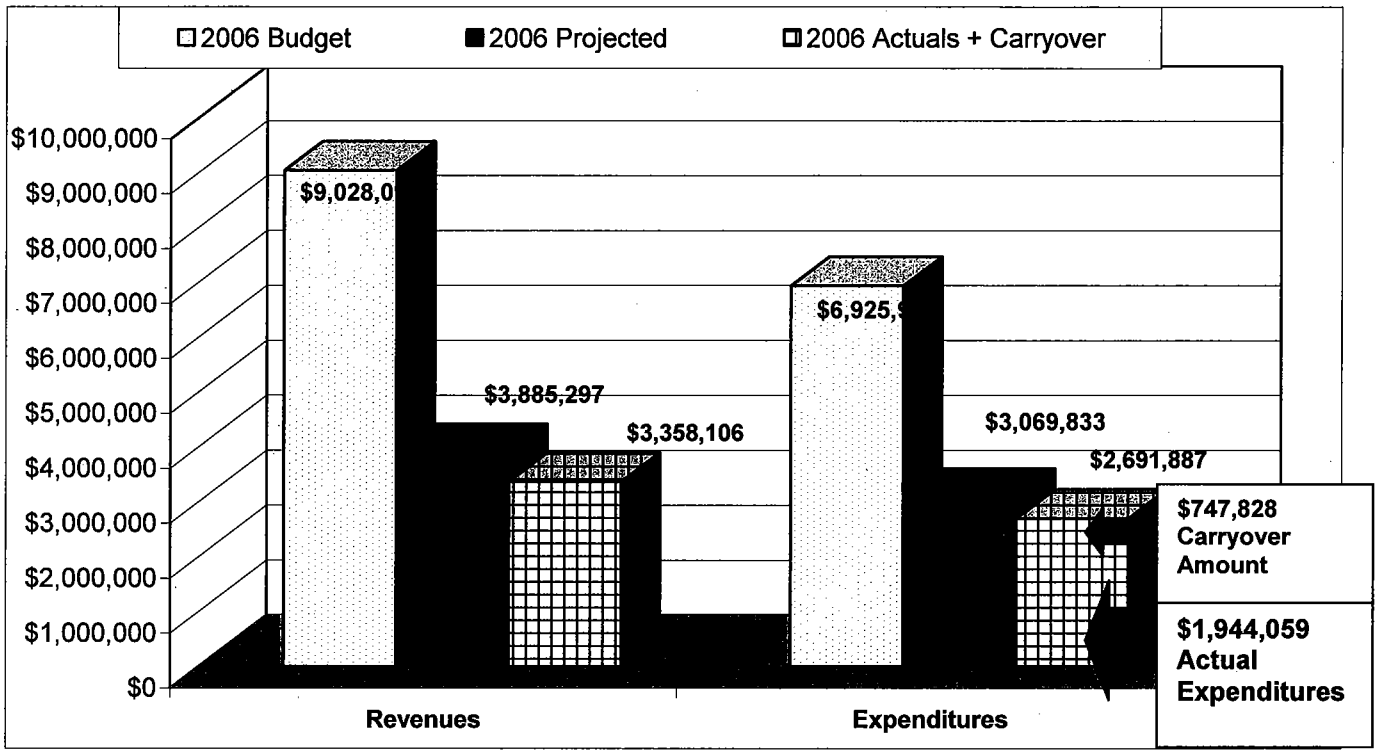



Actual revenues for 2006 were $2,604,567, just $74,337 or 2.94% above projected revenue. Right-of-way fee revenue was above projections by $42,334 or 37.98% due to increased activity. Fuel tax collections were below projections by $7,206. Interest earnings were above projections by $16,283.34

The 2006 actual expenditures were $2,302,169 and the 2006 carryovers were $134,442 for a total 2006 expenditure of $2,436,611. This is $211,387 or 12% below projected expenditures of $2,513,556.

The 2006 ending fund balance is $946,524. This includes all revenue and expenditure activity and the requested carryovers. This is $134,442 greater than was originally projected.

## Surface Water Utility Fund




Actual revenues for 2006 were $3,362,009 this was $523,288 or 13.47% less than projected revenue of $3,885,297. Storm drainage fees were $29,846 (-1.19%) less than projected. The primary difference between actual and projected revenues is that the amount of Public Works Trust Fund Loan (PWTFL) used was $287,906 less than anticipated. This PWTFL is for the Ronald Bog Drainage Improvements.

The original 2006 budgeted expenditures included transfers between the Surface Water Management Fund and the Surface Water Capital Fund. During 2006 these two funds were combined to properly account for the surface water activity in an enterprise fund, eliminating the need for the inter-fund transfers. This is the primary reason for the large variances between budget and projected revenues and expenditures.

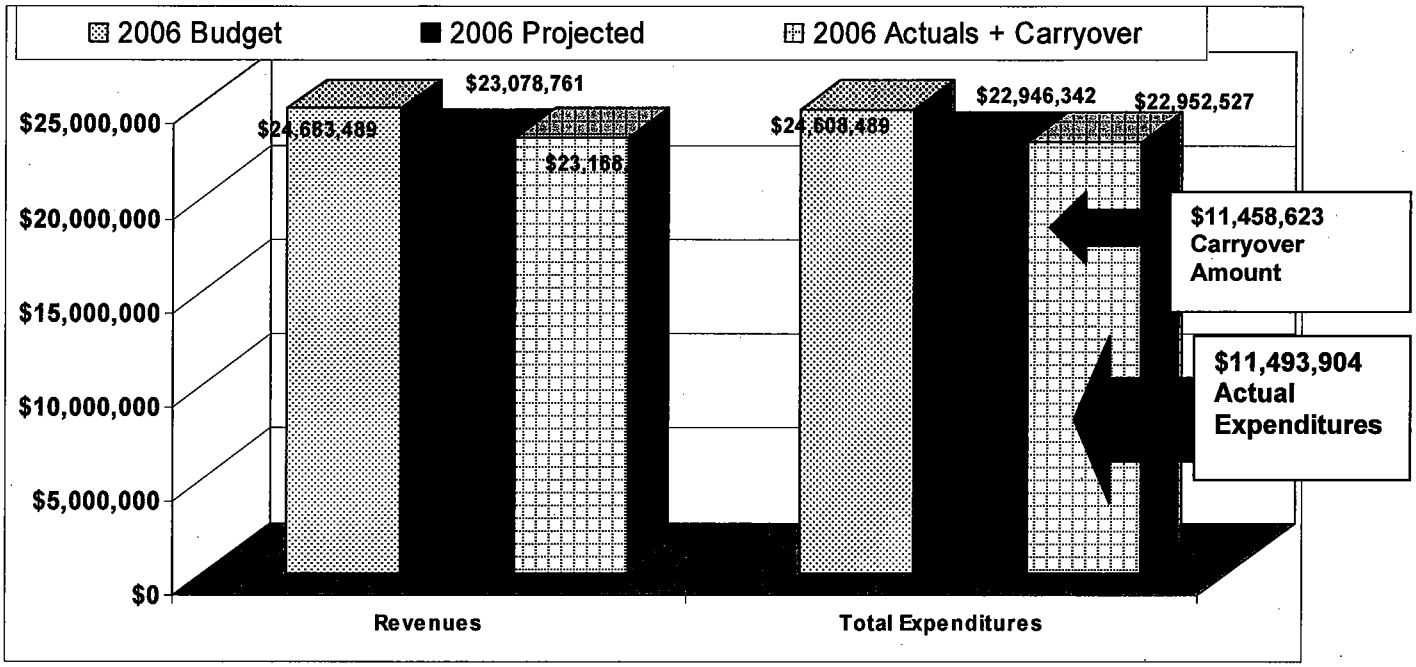
The 2006 actual expenditures were $1, 944,059 and the 2006 carryovers were $747,828 for a total 2006 expenditure of $2,691,887. This is $1,125,774 or 36.67% below projected expenditures of $3,069,833. Reasons for the difference between actual and projected expenditures include the following:

- The repayment of PWTFL principal ($319,344) is budgeted for management purposes, but for accounting purposes the expenditure is reduced to zero at the end of the year.
- Expenditures for intergovernmental services for drainage services were approximately $110,000 less than anticipated.

- The Midvale Ave. Drainage project ($127,000) has been rolled into the East Boeing Creek Drainage, and therefore the East Boeing Creek Drainage budget is sufficient to complete the project.
- General Engineering is under projections by approximately $95,000 primarily due to salary and benefit savings.

The projected 2006 ending fund balance is $6,526,879. This includes all revenue and expenditure activity and the requested carryovers. This is $439,522 more in fund balance than was originally projected.

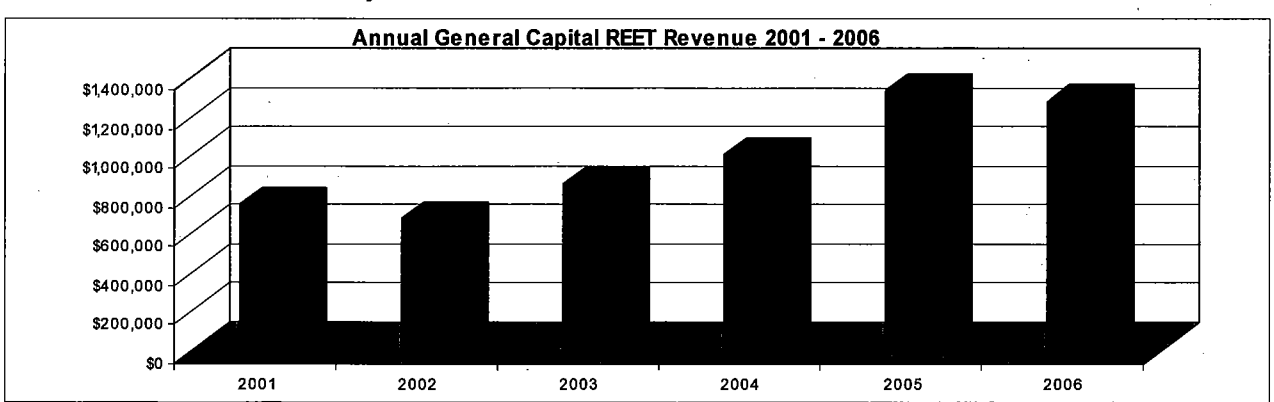
## General Capital Fund



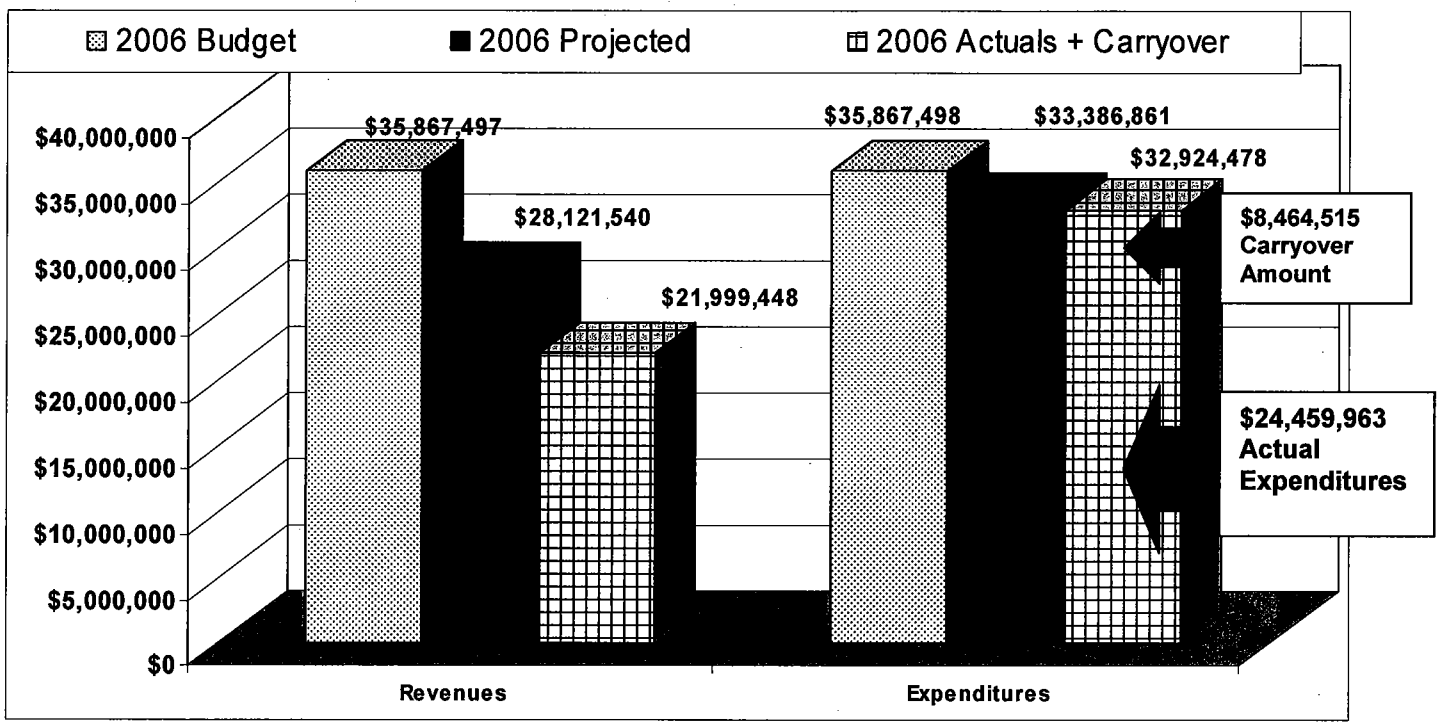

Actual revenues for 2006 were $23,160,431 this is $81,670 or 0.4% above projected revenues of $23,078,761. Real Estate Excise Tax (REET) collections were $432,681 above projections. Grant revenue was below projections by $568,508 due to the timing of completion of projects. Investment earnings were over projections by $97,999.

The 2006 actual expenditures were $11,493,904 and the 2006 carryovers were $11,458,623 for a total 2006 expenditure of $22,952,527. This is only $6,185 over projected expenditures of $22,946,342. The projected 2006 ending fund balance is $13,421,089. This includes all revenue and expenditure activity and the requested carryovers. This is $1,188,099 more in fund balance than was originally projected. The General Capital ending fund balance includes $6.3 million for City Hall.

The City has seen substantial growth in REET revenue since 2004. This is reflective of the "hot" real estate market and high number of home purchases that has occurred during this time period. This trend has been experienced throughout most of the United States until 2006, when sales nationally began to slow dramatically. Locally, we have seen a gradual slow down, but values have remained high. In 2006 we saw the number of transactions decreased from 2005 by 11.6% to 2,164 sales. Total value of the real estate sales decreased by 7.1% to $545,032,417.

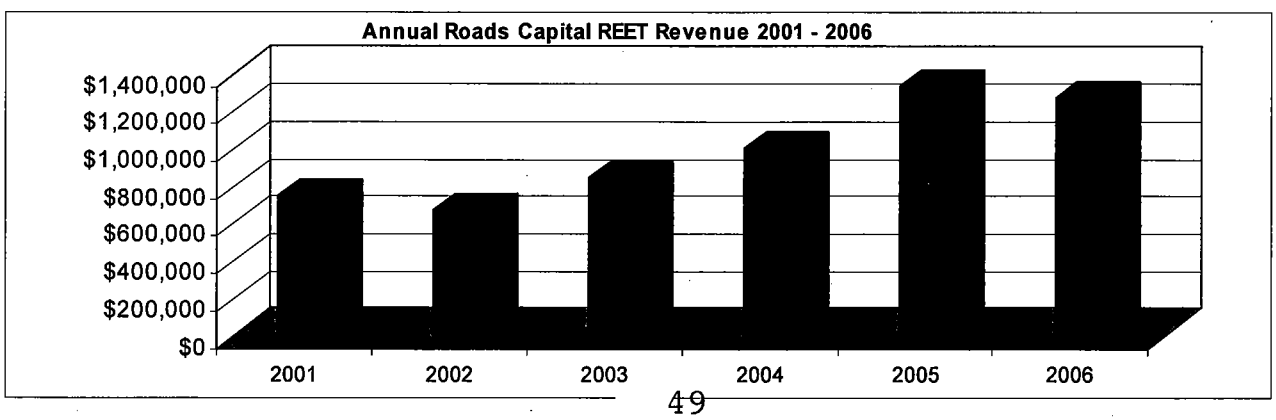


## Roads Capital Fund




Actual revenues for 2006 were $21,999,448. This is $6,122,092 or 21.8% below projected revenues of $28,121,540. This revenue decrease is due primarily to grant revenue not being received as projected since roads projects were not completed as scheduled. However, these grants are expected to be received in 2007 as the project work continues. Staff has requested that $5,703,306 in grant revenue be carried over into 2007. REET collections were $182,681 ahead of projections for the same reason that REET collections exceeded projections in the General Capital Fund. Investment earnings were below projections by $281,269 due to the delay in grant revenues. Fuel tax revenue was $64,554 below projections as consumption decreased.

The 2006 actual expenditures were $24,459,963 and the 2006 carryovers were $8,464,515 for a total 2006 expenditure of $32,924,478. This is $462,383 or only 1.4% below projected expenditures of $33,386,861. The projected 2006 ending fund balance is $10,689,850. This includes all revenue and expenditure activity and the requested carryovers. This is $2,761,209 more in fund balance than was originally projected.



# City of Shoreline

Investment Report
December 31, 2006

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 annual average of the Washington State Local Government Investment Pool, which had been the City's primary mode of investment prior to adopting our Investment Policy. As of December 31, 2006, the City's investment portfolio, excluding the State Investment Pool, had a weighted average rate of return of 4.52%. This is less than the 2006 average rate of return from the State Investment Pool of 4.89% by 37 basis points. Total investment interest earnings for 2006 were $2,084,716, $909,328 greater than budgeted.

Throughout 2006 investment interest rates continued to increase. In January 2006 the State Investment Pool rate of return was 4.22%. By December 2006 the State Investment Pool rate of return rose to 5.2%.

As of December 31, 2006, the City's investment portfolio had a fair value of $55,019,593. Approximately 44% of the investment portfolio was held in U.S. government instrumentality securities and 56% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of December 31, 2006, was $55,030,623. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City holds all of its investments until the scheduled maturity date, and therefore when the investments mature the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool to allow for immediate cash liquidation if needed. Investments within the State Pool can be liquidated on any given day with no penalty.

The City continued to implement a ladder philosophy in its investment portfolio throughout 2006 as maturities were matched with our future cash flow projections. A laddered portfolio approach helps assure that the City will, in the long run, receive a market average rate of return.

The following page provides a summary of the City's investment portfolio as of December 31, 2006.

**LGIP Cash and Investment Balances**
**December 31, 2006**

| Instrument Type | Settlement Date | Maturity Date | Investment Cost | Yield To Maturity | Market Value 12/31/2006 | Unrealized Gain/(Loss) as of 12/31/06 |
|---|---|---|---|---|---|---|
| FHLMC (Freddie Mac) | 01/05/06 | 02/15/07 | 3,956,800 | 4.6300% | 3,992,560 | 35,760 |
| FNMA (Fannie Mae) | 05/27/05 | 05/16/07 | 2,499,000 | 4.0610% | 2,489,850 | (9,150) |
| FHLB (Fed Home Loan Bank) | 05/24/05 | 05/24/07 | 2,000,000 | 3.2500% | 2,000,000 | 0 |
| FHLB (Fed Home Loan Bank) | 07/25/05 | 07/13/07 | 1,990,200 | 4.2620% | 1,986,260 | (3,940) |
| FHLB (Fed Home Loan Bank) | 07/27/05 | 07/27/07 | 2,000,000 | 3.7650% | 1,998,048 | (1,952) |
| FHLMC (Freddie Mac) | 01/05/06 | 10/05/07 | 1,994,600 | 4.7840% | 1,990,700 | (3,900) |
| FHLB (Fed Home Loan Bank) | 01/05/06 | 11/21/07 | 2,003,400 | 4.7930% | 1,995,620 | (7,780) |
| FHLB (Fed Home Loan Bank) | 01/06/06 | 01/28/08 | 4,000,000 | 4.8990% | 3,988,750 | (11,250) |
| FHLB (Fed Home Loan Bank) | 10/03/06 | 10/02/08 | 2,003,200 | 5.2070% | 1,999,380 | (3,820) |
| FNMA (Fannie Mae) | 12/15/06 | 11/20/08 | 1,000,000 | 5.2450% | 998,440 | (1,560) |
| FHLB (Fed Home Loan Bank) | 12/26/06 | 12/26/08 | 1,000,000 | 5.1000% | 996,563 | (3,438) |
| State Investment Pool | | | 30,583,423 | 5.2134% | 30,583,423 | 0 |
| ***Sub Total*** | | | **55,030,623** | | **55,019,593** | **(11,030)** |

| | |
|---|---|
| Average Maturity Excluding the State Investment Pool (days) | 686 |
| Weighted Average Yield to Maturity Excluding the State Pool | 4.5198% |
| Average Yield to Maturity State Investment Pool | 4.8865% |
| Basis Points in Exess (Below) Benchmark | (37) |

*Note: Yield to Maturity for the State Investment Pool is a 12 month average.*

Portfolio Diversification

| Instrument Type | Percentage | Amount at Market Value | Amount at Cost | Broker | Percentage | Amount at Cost |
|---|---|---|---|---|---|---|
| Certificate of Deposit | 0% | 0 | 0 | Bank of America | 28% | 15,447,200 |
| FHLMC (Freddie Mac) | 11% | 5,983,260 | 5,951,400 | Piper Jaffray | 16% | 9,000,000 |
| FNMA (Fannie Mae) | 6% | 3,488,290 | 3,499,000 | Gilford Securities | 0% | 0 |
| FHLB (Fed Home Loan Bank | 27% | 14,964,621 | 14,996,800 | Shorebank | 0% | 0 |
| State Investment Pool | 56% | 30,583,423 | 30,583,423 | State Investment Pool | 56% | 30,583,423 |
| **Total Investments** | **100%** | **55,019,693** | | **Total Investments** | **100%** | **55,030,623** |

Investments by Fund

| Fund | Investments at Fair Value as 12/31/06 | State Investment Pool as of 12/31/06 | Total Investments by Fund as of 12/31/06 | Investment Earnings Budget 2006 | Investment Earnings Actual 2006 | Over/(Under) Budget |
|---|---|---|---|---|---|---|
| 001 General | 5,776,632 | 3,705,780 | 9,482,411 | 300,000 | 443,891 | 143,891 |
| 101 Street | 792,262 | 303,127 | 1,095,390 | 22,000 | 44,043 | 22,043 |
| 104 Reserve | 1,782,884 | 464,823 | 2,247,707 | - | 114,515 | 114,515 |
| 107 Code Abatement | 54,000 | 91,605 | 145,605 | 2,500 | 6,968 | 4,468 |
| 108 Asset Seizure | 8,681 | 9,413 | 18,095 | 500 | 1,047 | 547 |
| 109 Public Arts | 85,810 | 151,423 | 237,233 | - | 17,772 | 17,772 |
| 301 General Capital | 5,495,390 | 19,056,812 | 24,552,202 | 225,847 | 631,738 | 405,891 |
| 312 City Fac-Mjr Maint | 69,848 | 119,065 | 188,913 | 4,680 | 10,264 | 5,584 |
| 330 Roads Capital | 4,256,465 | 1,552,269 | 5,808,734 | 388,875 | 242,388 | (146,487) |
| 401 SWM-Enterprise | 4,969,474 | 4,679,851 | 9,649,325 | 214,286 | 482,137 | 267,851 |
| 501 Vehicle Oper/Maint | 23,017 | 382,247 | 405,264 | 1,250 | 12,479 | 11,229 |
| 503 Equip Dep Replace | 1,095,008 | 30,238 | 1,125,247 | 15,000 | 74,156 | 59,156 |
| 505 Unemployment | 26,698 | 36,769 | 63,468 | 450 | 3,319 | 2,869 |
| **Total Investments** | **24,436,171** | **30,583,423** | **55,019,593** | **1,175,388** | **2,084,716** | **909,328** |

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**Council Meeting Date:** April 16th, 2007 **Agenda Item: 6(d)**

# CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

| | |
|---|---|
| **AGENDA TITLE:** | Jail Booking Alternative |
| **DEPARTMENT:** | City Manager's Office |
| **PRESENTED BY:** | Robert Olander, City Manager, Bernard Seeger, Management Analyst |

**PROBLEM/ISSUE STATEMENT.** The City of Shoreline currently uses King County jail as its primary booking facility for misdemeanant and felony offenders. The City is responsible for paying for misdemeanant bookings and jail maintenance days, while King County pays for all felony sentencing and jail costs. King County fees in 2006 were relatively high at $186.42 per booking and $97.59 per jail day. For 2007, these rates were inflated by 5.8%, providing new booking and maintenance day costs of $197.21 and $103.25 respectively.

Given these numbers, the total cost of continuing to use King County as our primary booking facility is estimated to be $609,544 for 2007. Opportunities for significant savings may be available by examining an alternative booking and jail holding facility.

**FINANCIAL IMPACT.** Implementing this change will result in a direct budgetary savings of $176,320 to the City, however, after hiring an additional officer at the cost of $136,590, it would reduce the overall savings to approximately $39,000.

**RECOMMENDATION**. Change the City's primary booking facility from King County Correctional Facility to the Issaquah City Jail and hire 1 additional police officer. This position will help off set the added transport hours and allow the department to add an officer to the Street Crimes unit. Shifting 12 bookings per week from KC to Issaquah is estimated to save the City $176,320 per year in sentencing costs, effectively funding the new officer while leaving the City almost $50,000 in general fund revenue.

Approved By: City Manager ___ City Attorney ___

## INTRODUCTION/BACKGROUND

The City currently uses three facilities to house its misdemeanant criminals: the King County Correctional Facility, the Yakima County Department of Corrections facility, and the City of Issaquah Jail, King County is the most expensive. While the City has been effective in meeting its contractual requirements for Yakima and shifting many of the longer sentenced prisoners to serve their time in this facility, it continues to book all its prisoners into King County at a significantly greater cost than it would cost for Issaquah.

## DISCUSSION

In 2006, Shoreline booked 785 prisoners or 15.1 prisoners per week into the King County Jail. Using this weekly average as an estimate of future bookings, this translates into an estimated 2007 booking cost of $154,804 (15.1 x $197.21/booking x 52). The City's average daily jail population (ADP) in King County for the last quarter of 2006 as a result of these bookings was 12.1. Using this ADP as an estimate of future ADPs, this creates an estimated 2007 jail maintenance expense of $454,740 (12.1 ADP x $103.25/day x 365). The total sentencing costs of using King County as our primary booking facility will be $609,544 in 2007 based on these booking and maintenance costs.

## ISSAQUAH ALTERNATIVE

Currently, Issaquah charges a daily jail maintenance rate of $70.00 and they do not charge a booking fee. The Issaquah City Jail has adequate facilities to provide booking and short term jail stay facilities for up to 15 Shoreline misdemeanants per day.

Given the capacity of Issaquah and its significant discount in sentencing costs, the City see significant budgetary cost savings with the increased use of this facility. However, before the City can successfully shift prisoners from King County to Issaquah, some legal and administrative matters must be addressed.

Per state law, all newly booked prisoners must appear before a judge at a "first appearance" (bail) hearing within 24 hours (excepting Sunday) of being taken into custody. These first appearances are now all handled downtown at the King County jail, with James Schlozthauer PS providing mandatory public defense services through a City Contract for services.

If the City is to shift bookings from KC to Issaquah it would conduct its 1st Appearance hearings at the King County Issaquah District Court. Doing so would require the execution of a second public defender contract and engaging the Issaquah Jail for transportation services between the Jail and the Court. While we do not plan on revising the existing PD contract with Mr. Schozthauer, should this program be successful and cause the anticipated reduction in his workload, we expect to re-negotiate his contract and ultimately offset the additional costs incurred for the new PD at the Issaquah District Court. Finally, initial coordination has been made with the King County Issaquah District Court to process these 1st appearance cases. A pending bill in the legislature may also require the prosecutor to attend the first appearance. This could add an additional $10,000 to the cost calculations.

In conducting the budget and work load impacts, we have assumed we can shift 12 of the 15.1 prisoners from King County to Issaquah. We are not using 15.1 or 100% of King County bookings for two reasons. First, not all warranted arrests are made within Shoreline's city limits by Shoreline police officers and as a result, if an arrest is made by a police officer in another jurisdiction, it is typically left to that jurisdiction's police department to determine in which jail facility the prisoner will be booked. If for

instance a Shoreline-warranted misdemeanant is picked up by the Seattle Police Department, it's almost certain they will take this misdemeanant to the downtown King County jail facility to be booked, and the City has no authority to direct otherwise. Secondly, prisoners with mental health and unique medical problems will not be accepted into the Issaquah facility and be required to be booked into King County.

Below is the financial and workload impact analysis of shifting twelve (12) Shoreline misdemeanant prisoners into the Issaquah Jail facility and adding 1 officer to the police department to assist with the increased workload.

Assumptions:

1. The City will book twelve (12) prisoners into Issaquah per week.
2. An ADP of 10.3 will be used for Issaquah based on the current ratio of King County bookings (15.1) to ADP (12.1).
3. The City will be billed an estimated $10,000/year for first appearance public defense services; based on conversations with local public defense firms potentially willing to provide this service at the Issaquah District Court. First appearance public defense services are not provided under the City's current In-custody public defense contract, as those services are only provided for at the King County jail.
4. These bookings will require 6 trips per week between the Issaquah Jail and the Issaquah District Court.
5. The full cost of an additional officer is $136,590/year in 2007.

Cost Calculations:

Based on these assumptions, the total annual direct costs at the Issaquah jail facility would be $263,302 (10.3 ADP x $70.00/day x 365) plus $16,380 (6 trips/week x $35.00/hour x 1.5hr/trip x 52 weeks) for transportation plus $10,000 for first appearance public defense services plus $10,000 for first appearance prosecutor services. The remaining direct costs would be to King County for $131,950 {Booking fees - $101,752 (2.7 ADP x $103.25/day x 365) + Jail maintenance fees - $31,790 (3.1 bookings/week x $197.21 /booking x 52 weeks)}. Sentencing costs between the two (2) facilities would total $431,632. When compared to the $609,544 for booking solely at King County, this is a significant cost savings. However, there are other indirect consequences associated with utilizing Issaquah that need to be considered in this discussion.

The additional time spent by Shoreline officers in driving to Issaquah for booking as opposed to the downtown King County facility is an indirect cost. The increased travel time is estimated at an additional 40 minutes per booking trip over the current 60 minute round trip estimate to King County. This difference results in 8 additional travel hours per week, which would not be available for patrol activity and would reduce back-up availability for emergency situations while the officer is out of town. To address this shortfall, Staff recommends the City hire an additional officer to supplement the Police Department's operations.

Financial Impact Summary:

| | |
|---|---|
| 2007 King County Booking Costs | $154,804 |
| 2007 King County Jail Costs | $454,740 |
| **2007 King County (No Change) Total** | **$609,544** |
| | |
| **KC to Issaquah Shift Costs (12 bookings per week)** | |
| Issaquah booking costs | $0 |
| Issaquah jail costs | $263,302 |
| King County booking costs | $31,790 |
| King County jail costs | $101,752 |
| First appearance transportation costs | $16,380 |
| First appearance public defense costs | $10,000 |
| First appearance prosecutor costs | $10,000 |
| 1 Additional Deputy costs | $136,590 |
| **Total** | **$569,814** |
| | |
| **Estimated Budgetary Benefit** | **$39,730** |

## OPTIONS

1. Take no action. This would allow the police department to continue the more expedient process of booking into King County however it would result in an expected jail budget of approximately $1.25 million (including the fees for Yakima) and of course would not free up funds to make changes in police staffing.
2. Change the City's primary booking facility from King County Correctional Facility to the Issaquah City Jail and hire 1 additional police officer to address the greater transportation demands on the police department.

## RECOMMENDATION

Change the City's primary booking facility from King County Correctional Facility to the Issaquah City Jail and hire 1 additional police officer. This position will help off set the added transport hours and allow the department to add an officer to the Street Crimes unit. Shifting 12 bookings per week from KC to Issaquah is estimated to save the City $176,320 per year in sentencing costs, effectively funding the new officer while leaving the City almost $40,000 in general fund revenue.