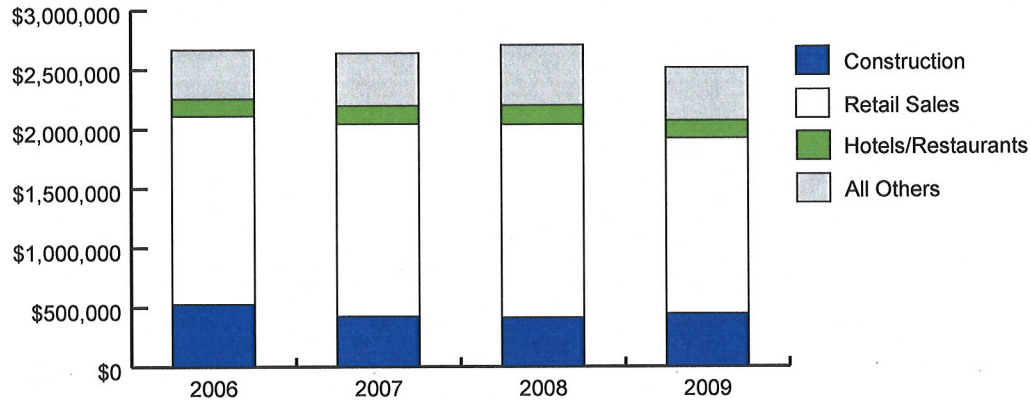


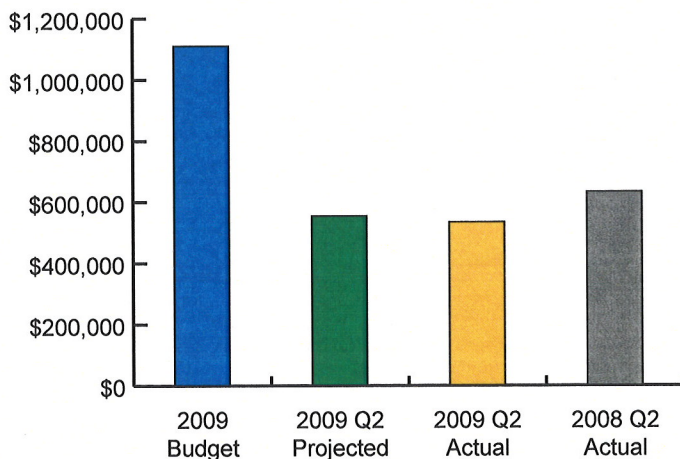
GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX BY CATEGORY



Sector	2006	2007	2008	2009	\$ Variance	% Variance
Construction	\$252,781	\$423,456	\$411,360	\$443,988	\$32,628	7.9%
Retail Sales	\$1,583,127	\$1,616,539	\$1,625,095	\$1,475,705	-\$149,390	-9.19%
Hotel/Restaurant	\$145,016	\$154,807	\$160,092	\$149,311	-\$10,781	-6.7%
All Others						
Total	\$2,394,890	\$2,637,774	\$2,704,973	\$2,514,978	-\$189,995	-7.0%

LOCAL CRIMINAL JUSTICE SALES TAX

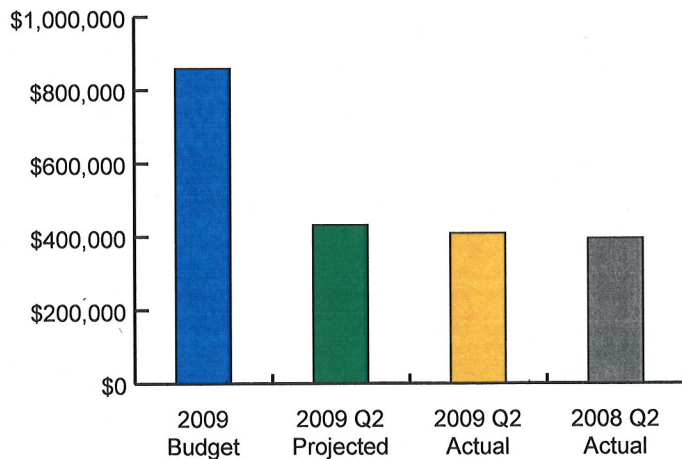


2009 Budget	\$1,109,432
2009 2nd Quarter Projected	\$553,607
2009 2nd Quarter Actual	\$533,505
2nd Quarter \$ Variance	-\$20,102
2nd Quarter % Variance	-3.6%
2008 2nd Quarter Actual	\$632,066
Change from 2008	-18.0%

Projected revenue for 2009 has been lowered from \$1,361,750 to \$1,109,432, a decrease of \$252,318 or 18.53%. Through June, this category is below lowered projections by \$20,102 or 3.6%. As sales tax collections in Shoreline have been adversely affected by the recession so have collections in the rest of King County. We are anticipating that the regional economy will struggle throughout 2009. Local criminal justice sales tax differs from retail sales tax in that the distribution is based on a city's population and sales taxes collected through all of King County.

GENERAL FUND REVENUE ANALYSIS (continued):

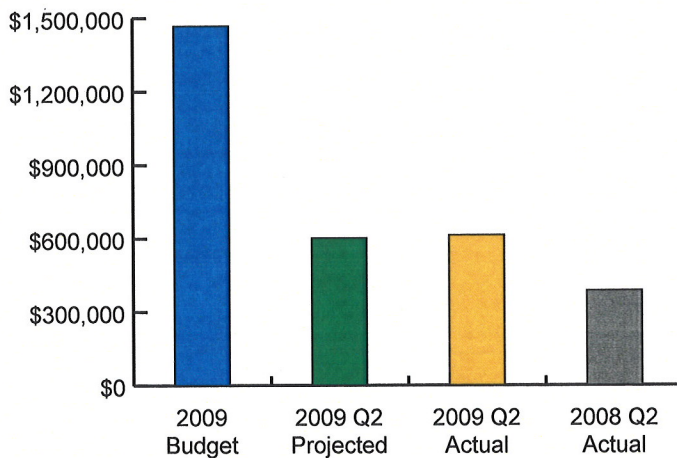
STATE REVENUE



2009 Budget	\$858,240
2009 2nd Quarter Projected	\$431,239
2009 2nd Quarter Actual	\$408,021
2nd Quarter \$ Variance	-\$23,218
2nd Quarter % Variance	-5.38%
2008 2nd Quarter Actual	\$393,808
Change from 2008	3.6%

State Revenues are comprised primarily of funding for criminal justice programs, liquor excise tax, liquor board profits and beginning in 2009 streamline sales tax mitigation. The 2009 actual first half revenue of \$408,021 is \$23,218 or 5.38% below projected revenue of \$431,239. The decline in revenue is the result of less than expected revenue from liquor sales.

ELECTRICAL CONTRACT

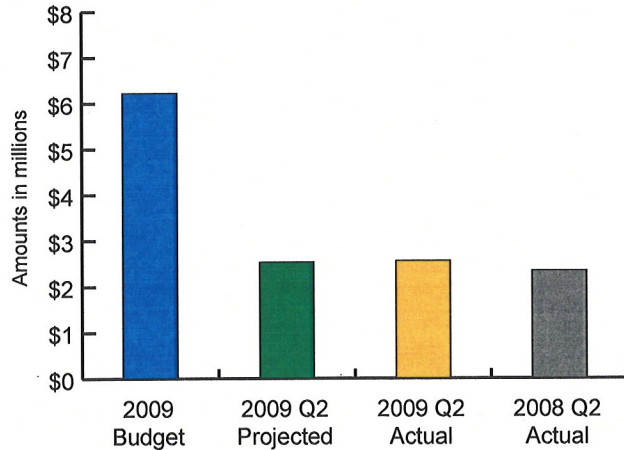


2009 Budget	\$1,467,500
2009 2nd Quarter Projected	\$601,675
2009 2nd Quarter Actual	\$613,098
2nd Quarter \$ Variance	\$11,423
2nd Quarter % Variance	1.9%
2008 2nd Quarter Actual	\$386,398
Change from 2008	37.0%

Seattle City Light contract payment revenue of \$613,098 is over projected revenue of \$601,675 by \$11,423 or 1.9%. Consumption was up earlier in the year during the winter months. The 2009 revenue collections reflect an increase in the contract payment rate from 4.59% to 6.0% of electric distribution revenues effective January 1, 2009.

GENERAL FUND REVENUE ANALYSIS (continued):

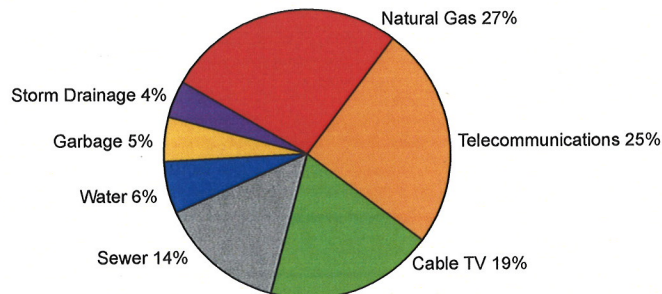
UTILITY TAX AND FRANCHISE FEE



2009 Budget	\$6,219,102
2009 2nd Quarter Projected	\$2,528,724
2009 2nd Quarter Actual	\$2,560,161
2nd Quarter \$ Variance	\$31,437
2nd Quarter % Variance	1.24%
2008 2nd Quarter Actual	\$2,344,689
Change from 2008	9.2%

Utility tax and franchise fee revenue of \$2,560,161 is above projected revenue of \$2,528,724 by \$31,437 or 1.24%. The primary contributors to this increase are as follows:

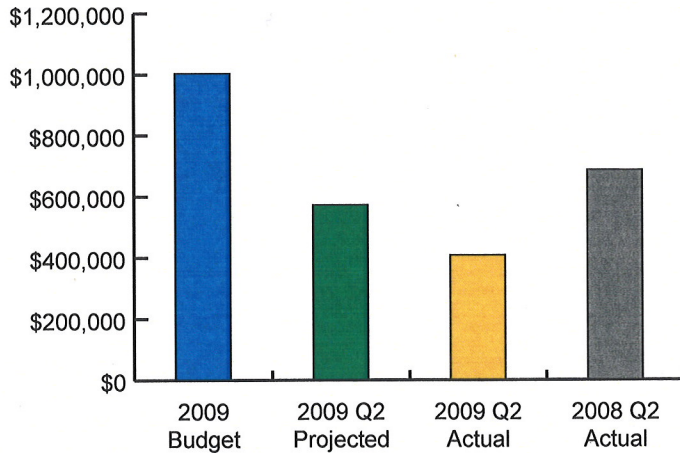
- Natural Gas was \$87,160 or 14.24% above projections as a result of an increase in consumption earlier in the year as a result of colder than average temperatures
- Cable television was \$18,744 or 4.0% above projections
- Telecommunications was below projections by \$79,970 or 11.11%



Revenue Source	2009 Budget	2009 2nd Quarter Projected	2009 2nd Quarter Actual	\$ Variance 2009 Actual v. 2009 Projected	% Variance 2009 Actual v. 2009 Projected	2008 2nd Quarter Actual
Natural gas	\$1,033,581	\$611,880	\$699,040	\$87,160	14.2%	\$605,857
Garbage	\$475,000	\$130,625	\$124,391	-\$6,234	-4.8%	\$44,839
Cable TV	\$1,414,000	\$469,110	\$487,854	\$18,744	4.0%	\$467,347
Telecommunications	\$1,800,000	\$720,000	\$640,030	-\$79,970	-11.1%	\$644,855
Storm Drainage	\$191,000	\$102,949	\$102,224	-\$725	-0.7%	\$94,483
Water	\$610,000	\$146,400	\$158,622	\$12,222	0.0%	\$149,308
Sewer	\$695,521	\$347,761	\$348,000	\$240	0.1%	\$338,000
Utility Tax and Franchise Fee Revenue Subtotal	\$6,219,102	\$2,528,724	\$2,560,161	\$31,437	1.24%	\$2,344,689

GENERAL FUND REVENUE ANALYSIS (continued):

DEVELOPMENT REVENUE

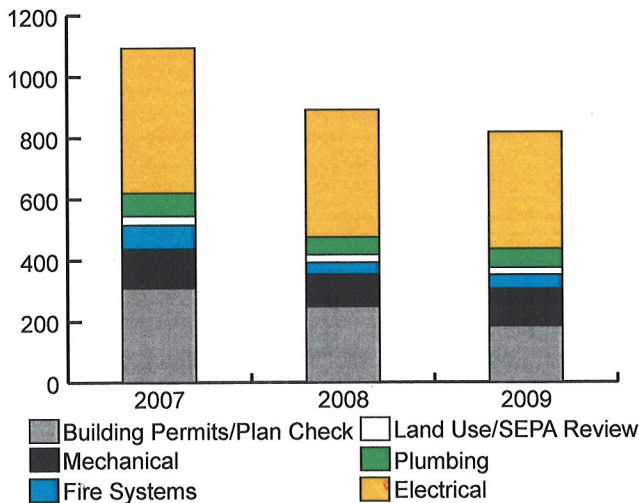


2009 Budget	\$1,002,000
2009 2nd Quarter Projected	\$571,462
2009 2nd Quarter Actual	\$406,810
2nd Quarter \$ Variance	-\$164,652
2nd Quarter % Variance	-28.8%
2008 2nd Quarter Actual	\$684,732
Change from 2008	-68.32%

Permit revenue of \$406,810 is below lowered projected revenue of \$571,462 by \$164,652 or 28.81%. Second quarter permit totals dropped by just 8% or 73 permits from 2008 levels but permit revenue decreased by 68% or \$277,922. The revenue decline is due to a decrease in building permits and plan check fees which fell by 35% or 66 permits compared to 2008. Staff has determined that development revenue will need to be reduced from the current budget of \$1,002,000 to between \$750,000 to \$800,000. Staff will provide further information about this recommended reduction in September to the City Council.

PERMITS BY TYPE

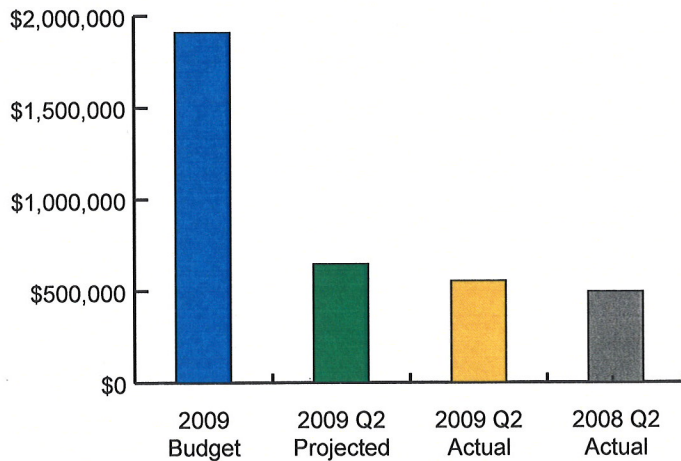
January through June 2007–2009



PERMIT TYPE	2007	2008	2009
Building Permits/Plan Check	308	247	183
Mechanical	128	106	122
Fire Systems	79	39	46
Land Use/SEPA Review	29	25	23
Plumbing	75	58	62
Electrical	474	415	381
Total	1,093	890	817

GENERAL FUND REVENUE ANALYSIS (continued):

GAMBLING TAX REVENUE

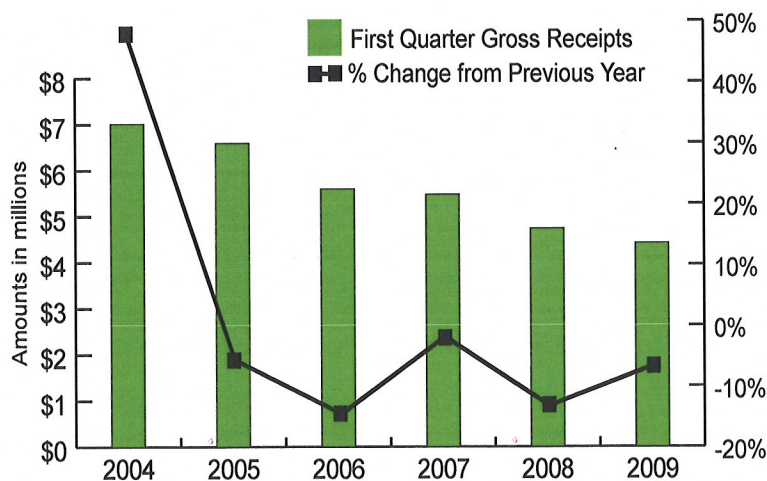


2009 Budget	\$1,908,500
2009 2nd Quarter Projected	\$646,325
2009 2nd Quarter Actual	\$553,107
2nd Quarter \$ Variance	-\$93,218
2nd Quarter % Variance	-14.4%
2008 2nd Quarter Actual	\$494,688
Change from 2008	10.6%

Second quarter gambling revenue totaled \$553,107 which is below projections by \$93,218 or 14.4%. The reason for the decrease is the continuing decline in card game activity which is down by 6.7% from 2008 and when compared to 2004 it is down by 36%. Card room gambling tax makes up 96% of all gambling revenue. Consequently changes in card room activity have significant impacts on gambling revenue. We will be monitoring this revenue closely through out 2009 to determine if actual revenue will be able to meet its target.

Please note that second quarter gambling revenue includes only the first quarter. Due to timing constraints only first quarter tax returns are received by the City before the report deadline.

CARD ROOM RECEIPTS - First Quarter 2004-2008

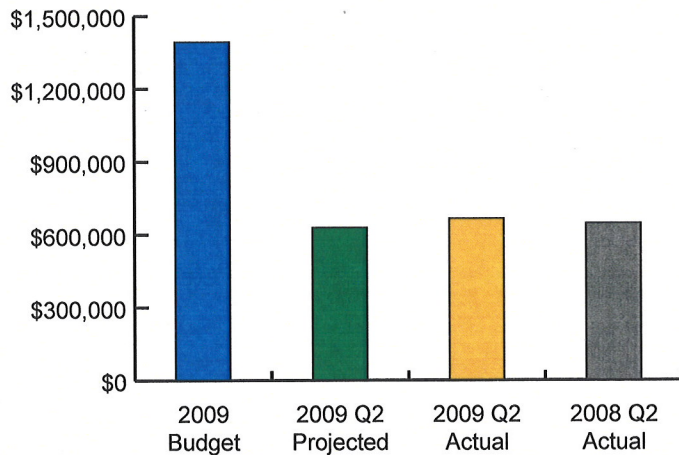


Card Room Gross Receipts
First Quarter 2004-2009

Year		% Change from Previous Year
2004	\$7,008,825	48.1%
2005	\$6,587,011	-6.0%
2006	\$5,596,446	-15.0%
2007	\$5,475,339	-2.2%
2008	\$4,737,431	-13.5%
2009	\$4,420,085	-6.7%

GENERAL FUND REVENUE ANALYSIS (continued):

PARK AND RECREATION REVENUE



2009 Budget	\$1,391,855
2009 2nd Quarter Projected	\$627,428
2009 2nd Quarter Actual	\$663,559
2nd Quarter \$ Variance	\$36,131
2nd Quarter % Variance	5.8%
2008 2nd Quarter Actual	\$644,141
Change from 2008	2.9%

Park revenue of \$663,559 is ahead of projected revenue of \$627,428 by \$36,131 or 5.8%. The stronger than expected revenue is due to almost entirely by an increase in the rental of park facilities. So far through 2009 the Shoreline pool is tracking just at budget and general recreation is tracking at slightly less than projected revenue.

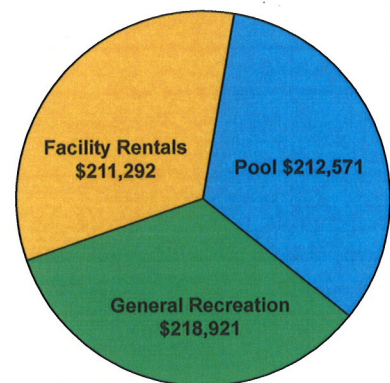
In comparison to 2008, Parks revenue increased by \$19,418 or by 2.9%.

RECREATION REVENUE BY PROGRAM

Revenue by Program: January-June 2009*				
	Pool	General Recreation	Facility Rentals	Total Revenue
2004	\$184,016	\$173,654	\$82,042	\$439,712
2005	\$205,126	\$243,527	\$93,844	\$542,497
2006	\$209,183	\$325,732	\$103,238	\$638,153
2007	\$196,133	\$209,934	\$160,620	\$566,687
2008	\$222,352	\$235,679	\$159,599	\$642,784
2009	\$212,571	\$218,921	\$211,292	\$642,784

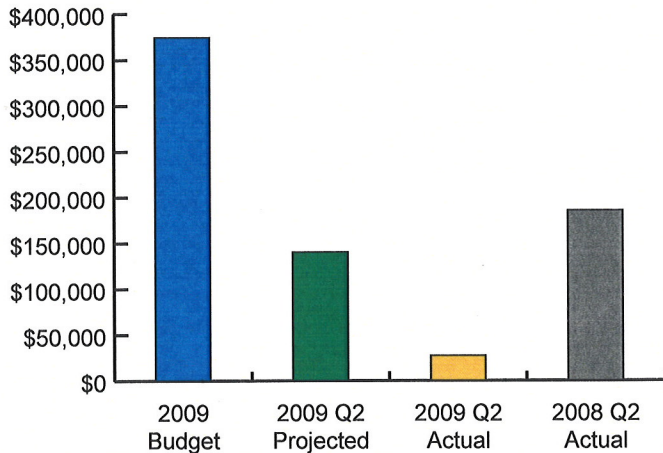
*Excludes non-program revenue such as cell tower rental fees and special event sponsorships.

Second Quarter Revenue by Program



GENERAL FUND REVENUE ANALYSIS (continued):

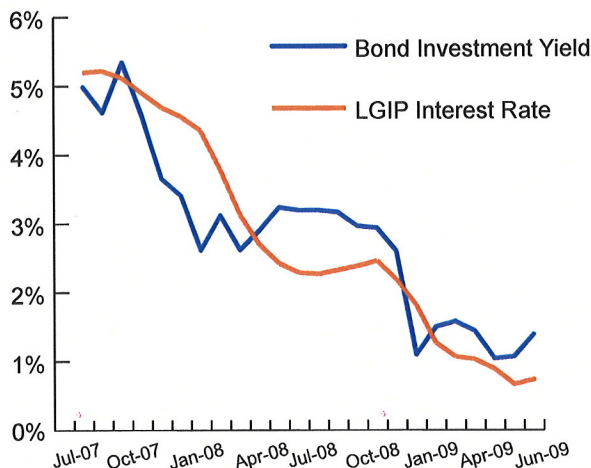
INVESTMENT INCOME



2009 Budget	\$374,000
2009 2nd Quarter Projected	\$140,120
2009 2nd Quarter Actual	\$27,284
2nd Quarter \$ Variance	-\$112,836
2nd Quarter % Variance	-80.5%
2008 2nd Quarter Actual	\$185,261
Change from 2008	-85.3%

Investment interest is behind projected revenue by \$112,836 or 80.5% below projected revenue of \$140,120 due to declining investment rates. General fund receives interest earnings from the revenue stabilization fund.

The Stabilization Fund has an investment balance of \$5.5 million of which \$3.67 million is in longer term investment instruments. At year-end interest generated by these investment instruments is accrued for the portion earned, but not received. During the year we do not make this accrual. For this reason the current General Fund investment interest is understated by approximately \$56,245. If this amount were included in the second quarter investment revenue, revenue collections would have continued to be below projections but by \$56,591 or approximately 40%.



Month	LGIP Interest Rate*	Bond Investment Yield
Jul-07	5.2053%	4.9900%
Aug-07	5.2265%	4.6200%
Sep-07	5.1232%	5.3500%
Oct-07	4.9108%	4.5800%
Nov-07	4.6985%	3.6600%
Dec-07	4.5607%	3.4100%
Jan-08	4.3596%	2.6200%
Feb-08	3.7871%	3.1250%
Mar-08	3.1375%	2.6250%
Apr-08	2.6998%	2.9100%
May-08	2.4281%	3.2400%
Jun-08	2.2933%	3.2000%
Jul-08	2.2758%	3.2000%
Aug-08	2.3328%	3.1700%
Sep-08	2.3892%	2.9700%
Oct-08	2.4652%	2.9400%
Nov-08	2.1903%	2.6000%
Dec-08	1.8183%	1.1000%
Jan-09	1.2669%	1.5000%
Feb-09	1.0689%	1.5800%
Mar-09	1.0301%	1.4400%
Apr-09	0.8905%	1.0400%
May-09	0.6678%	1.0700%
Jun-09	0.7396%	1.3900%
Average	2.8152%	2.8471%

*Local Government Investment Pool