

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Community Priorities/Long-Range Financial Planning Advisory Committee
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

On October 22, 2007, the City Council directed staff to establish a Long-Range Financial Planning Advisory Committee. The attached memorandum (Attachment A), reviewed by Council at the October 22 Workshop Dinner Meeting, provided the guidance for establishing the committee. The Council recommended that staff proceed with recruiting applicants at-large, as opposed to specifically selecting applicants from organizations that currently received direct funding from the City. Applications were solicited starting in early December through January 25, 2008. The City received 36 applications for this advisory committee.

BACKGROUND:

During the April 2007 City Council retreat staff and Council discussed establishing a community advisory committee to develop recommendations to the City Council regarding the City's long-term financial strategy.

Since incorporation Council has focused City resources towards improvements to roads, parks, surface water, and pedestrian infrastructure. We have developed a level of City services that has resulted in 92% of our residents feeling safe in their neighborhoods during the day and 83% of residents responding to the citizen survey rating their overall quality of life in Shoreline as excellent or good. This has been done by allocating City resources in a very efficient and fiscally conservative manner. Until recently the City had not issued any debt to make improvements, but rather used locally generated revenues and grants. Operating services, such as public safety, parks, zoning, and many others were provided within existing resources and when those were not adequate the staff and City Council focused on service efficiencies and base budget reductions to balance its budget.

During this time period the City Council continued to focus on the City's long-term financial health and stability. In 2006 it became apparent that to continue to provide the services our community values, additional resources would be required in 2008 and beyond. In 2007 the City Council authorized base budget reductions of \$78,000, an increase in the cable utility tax rate, and authorized the City Manager to notify Seattle City Light (SCL) that we would phase in the SCL contract payment on the distribution portion of electric revenues during 2008 and 2009. These steps were taken to close projected budget gaps for 2008 and 2009. Beyond that time period the City is projected

to have on-going budget gaps, as revenues continue to grow at an overall slower pace than what is necessary to maintain even the current level of basic services.

The City Council has committed to developing a strategy to address the community's long-term service needs and a financial plan to meet those needs. This includes appointing a Community Priorities/Long-Range Financial Planning Advisory Committee.

Staff advertised that the City was taking applications for this committee starting in early December with announcements in Currents, the Enterprise, and the City's website. In addition to this staff contacted citizens who had participated on the ABC Team (Aurora), the Comprehensive Housing Committee, the public service prioritization exercises in 2005, the Parks Bond Advisory Committee, and interested individuals by word of mouth, mail, and e-mail. The original closing date was January 18th, but this was extended to January 25th, to allow for more time for applicants to submit materials. The City received 36 applications.

The City Manager reviewed the 36 applications received and recommends that the City Council confirm the appointments of those recommended in Attachment B. In addition staff recommends that the City continue to seek a representative from the Shoreline School District (staff has talked with the School District and they intend to appoint a staff person to participate in this committee). The recommended list of appointees is based on a desire for balance of many different areas including: gender, representation from different neighborhoods throughout the City, participation in City committees, and length of residency in Shoreline. Only one of the recommended appointees is not a resident of Shoreline, but does own a business in Shoreline. Attachment C is a complete list of applicants. The applications are available in the City Council Office for Council review. Attachment D is a map of the residential/business locations of the applicants recommended for appointment. This is provided to the Council to demonstrate the balance of representation throughout the City. The only neighborhoods not directly represented are Ballinger and the Highlands.

Staff is recommending the appointment of 19 applicants in Attachment B with two remaining positions to be filled, making a committee of 20. Originally staff had suggested a committee of 24 to 28 participants, but believes that a slightly smaller committee will allow for more productive participation and easier facilitation. Staff anticipates other public meetings in which community members at-large will have an opportunity to provide input.

FINANCIAL IMPACT:

Staff has hired NW Public Affairs to assist in the facilitation of the committee and the process. The contract is \$30,000 for these services.

RECOMMENDATION:

The City Manager recommends that the City Council confirm the appointments of the 19 individuals listed in Attachment B.

Approved By: City Manager  City Attorney _____

ATTACHMENTS

Attachment A - October 12, 2007 Memorandum to City Council

Attachment B – List of recommended appointees

Attachment C – List of applicants

Attachment D – Map of residential/business locations of recommended appointees



ATTACHMENT A

DATE: **October 12, 2007**

TO: **City Councilmembers**

FROM: **Debbie Tarry, Finance Director**

RE: **Long-Range Financial Planning**

CC: **Leadership Team**
 Patti Rader, Finance Manager

During the April 2007 City Council retreat staff and Council discussed establishing a community advisory committee to develop recommendations to the City Council regarding the City's long-term financial strategy. As Council is aware, during the last twelve years of incorporation we have focused City resources towards improvements to the City's roads, parks, surface water, and pedestrian infrastructure. We have developed a level of City services that has resulted in 92% of our residents feeling safe in their neighborhoods during the day and 83% of residents responding to the City survey rating their overall quality of life in Shoreline as excellent or good. This has been done by allocating City resources in a very efficient and fiscally conservative manner. Until recently the City had not issued any debt to make improvements, but rather used locally generated revenues and grants. Operating services, such as public safety, parks, zoning, and many others were provided within existing resources and when those were not adequate the staff and City Council focused on service efficiencies and base budget reductions to balance its budget.

During this time period the City Council continued to focus on the City's long-term financial health and stability. In 2006 it became apparent that to continue to provide the services our community values that additional resources would be required in 2008 and beyond. In 2007 the City Council authorized an increase in the cable utility tax rate and authorized the City Manager to notify Seattle City Light (SCL) that we would phase in the SCL contract payment on the distribution portion of electric revenues during 2008 and 2009. Beyond that time period the City is projected to have on-going budget gaps, as revenues continue to grow at an overall slower pace than what is necessary to maintain even the current level of basic services.

The City Council has committed to developing a strategy to address the community's long-term service needs and a financial plan to meet those needs. The attached draft work plan recommends a process and schedule to develop the long-term plan.

Alternatives

The Council could decide how to address the long-term financial needs of the City without the involvement of a community advisory group, but this would not be in line with the City's strategic objective of effective citizen communication and engagement. Also it is likely that options for either increasing revenues through voter approval or decreasing critical services will need community understanding and support.

Another option could be to just "wait and see" if the projections change to the point that the budget gaps do not occur or that they are delayed. Although we will continue to monitor our long-term projections, it is unlikely, or probably even remote, that the projections will change significantly. Our revenue and expenditure trends are fairly consistent and for the most part not subject to large swings upward or downwards. By waiting the Council would only put off the decision making process and would most likely have to make decisions in crisis mode, rather than in the planning mode that has served the Council well for the last twelve years.

Financial Impact

Staff is working with NW Public Affairs, a firm that specializes in assisting cities with public processes, to determine the cost for our scope of services, but we estimate that the cost will not exceed \$30,000 for their work. Additional costs may be incurred for community surveys depending on the recommendation developed by the Citizens Advisory Committee. There are funds in the 2007 budget to initiate this process and staff has included funds within the 2008 budget to cover the majority of the contract costs.

Recommendation

Staff recommends that the City Council review and discuss the attached work plan and schedule and provide further direction to staff.

COMMUNITY ADVISORY COMMITTEE PROCESS

Establish a Shoreline Community Advisory Committee to review and make recommendations to the City Council regarding the long-term strategy to provide City services and the funding of those services.

Problem Statement

The City Council and the community have identified a vision of the City that includes safe neighborhoods, active partnerships, diverse culture, quality businesses, natural resources, and responsive government. This can be accomplished if the City provides services that promote the following:

- Safe and attractive neighborhoods and business districts
- Quality services, facilities, and infrastructure
- Safe, healthy and sustainable environment
- Government excellence
- Economic vitality and financial stability
- Human services
- Effective citizen communication and engagement

The City's long-term financial forecasts indicate that by 2010 the City's current resources will not be adequate to continue to provide the services that are currently being provided to the Shoreline community.

Project Goal

The overall goal of the Community Advisory Committee (SCAC) will be to develop a recommendation to the City Council on the long-term strategy to provide community services and the funding mechanisms to provide those services.

Project Steps

1. *Establish the SCAC (October – November 2007):* Staff recommends that the committee be limited to 24 to 28 members. The committee should include representatives from major stakeholder groups along with some positions that are at-large from the community and selected through an application process. Some of the major stakeholder groups should include the Senior Center, Museum, Art Council, Chamber of Commerce, Forward Shoreline, Shoreline Community College, Shoreline School District, City Commissions and Boards, other City advisory committees, Human Service Agencies, Neighborhood Councils, Special Districts and the business community.
2. *Service Level and City Financing Educational Phase (November 2007 – February 2008):* The goal of this phase will be to provide information to the SCAC on current City services and finances and to identify unmet community

service levels. Staff will utilize existing information within the City budget, information gained from the Community prioritization exercise completed in 2004-2005, citizen survey results, and information gathered from the major stakeholders.

3. *Review and Analysis (March – May 2008)*: The goal of this phase will be to have the SCAC refine the list of City services and list of unmet service needs and look at financing options for those services. This may include identifying services that the SCAC recommends be maintained at current service levels, increased to meet unmet demand, reduced to shift funding to more critical services, or eliminated as the service is a lower priority and projected funding is not adequate. Staff will review proposed service level recommendations against long-range financial forecasts and identify which service levels can be funded through available City revenues. Staff can provide information to the SCAC on revenue sources available to provide services, analyze potential impacts of reduced service levels, or information on service delivery alternatives. The SCAC may explore additional efficiencies that could be achieved by the City in its service delivery. At this stage it may be necessary to complete additional community survey work to gather information from residents and businesses on any proposed service level or revenue changes.
4. *City Council Review (June-July 2008)*: At this stage the City Council receives the advice and research from the Advisory Committee. The goal is for the City Council to discuss and decide on which, if any, service levels to adjust and or revenue sources to submit to the voters in order to support the services identified by the committee. The Council would need to determine, based on recommendations from the Advisory Committee, of the timing of possible ballot measures. Several key factors in the decision matrix are:
 - Public opinion
 - Local and regional economy
 - Competing tax measures
 - Timing
 - Key constituencies and stakeholders
 - Active community support for campaign and fundraising
 - Adequate time for ballot campaign
 - Possible opposition
 - Strong City Council support
5. *Election Strategy and Campaigns (If Council chooses to pursue based on a recommendation from the SCAC)*: At this phase the election strategy and campaign is turned over to citizen volunteers. Under Public Disclosure Commission rules, City involvement is limited to drafting the ballot title and providing strictly factual information to the electorate. The ballot title, however, crucial in that most measures fail due to voter confusion. In general, at least four to five months lead-time is needed for a good citizen campaign. As with any election, a strong core of active volunteers is needed to raise funds and run the campaign.

Communication

Throughout the process the City Council will be briefed by staff and the Advisory Committee to ensure that the project is meeting the objectives of the City Council. A communications plan will also be developed to inform the public, neighborhood councils, citizen groups and stakeholders about the process and how to provide input.

Advisory Committee

It is recommended that the committee be limited to 24 to 28 members. The committee should include representatives from major stakeholder groups along with some positions that are at-large from the community and selected through an application process. Some of the major stakeholder groups should include the Senior Center, Museum, Art Council, Chamber of Commerce, Forward Shoreline, Shoreline Community College, Shoreline School District, City Commissions and Boards, other City advisory committees, Human Service Agencies, Neighborhood Councils, Special Districts and the business community.

Roles and Responsibilities

The City Manager will appoint the members of the SCAC with City Council confirmation. The City Council will set the charter and parameters for the SCAC, receive the final recommendations on possible service level changes and funding scenarios. The SCAC may also provide recommendations to the City Council on voted issues, timing, and amounts. The SCAC will receive input from staff, consultants, public survey results, and provide recommendations to the City Council. Staff will provide information to the SCAC, staff the SCAC, manage consultants and surveys, and ensure good communications to and from the public during this process.

ATTACHMENT B

COMMUNITY PRIORITIES/LONG-RANGE FINANCIAL PLANNING CITY MANAGER RECOMMENDED APPOINTMENTS

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
Gretchen Atkinson		X	Meridian Park	ABC Team; Celebrate Shoreline	North City Business Association
Gary Batch		X	Ridgecrest		Shoreline Chamber; Small Business - Financial Planning
William Bear	X		Briarcrest	Briarcrest Neighborhood Association	Sustainable Shoreline; Shoreline Community Care Director; Director of Non- Profit
Gloria Bryce		X	Highland Terrace	Highland Terrace Fremont Trail Neighborhood Grant	Shoreline-LFP Arts Council; Former Museum Board Member
Wade Carter			Not a Shoreline Resident		Shoreline Chamber; Owner of Carter Subaru
Keirdwyn Cataldo	X		Highland Terrace	CERT; Housing Strategy CAC	Shoreline Fire Dept CAC
William Clements		X	Richmond Beach	Richmond Beach Community Council; Parks, Recreation & Cultural Services Board; Co-Chair parks Bond Campaign	Business Owner outside of Shoreline
Ron Greeley		X	Richmond Beach	CERT; Human Services Advisory Committee; Council of Neighborhoods	Shoreline Fire Dept CAC; Shoreline Water District CAC
Patricia Hale		X	Ridgecrest	Council of Neighborhoods;	Physical Education Teacher at Shoreline School District

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
				Police Volunteer; Parks, Recreation & Cultural Services Board	
Carolyn Mayer	X		Ridgecrest	ABC Team; Trails Advisory Committee	Transportation/Environmental Planner for Pertteet Inc.
Richard (Dick) Pahre		X	Innis Arden		Board of CityBank, Eden Bioscience Corporation and Seattle Goodwill; Retired – was partner at Moss Adams; Certified Public Accountant
Rebecca Partman		X	Hillwood	ABC Team	Former small business owner – currently small business consultant
William Pierron	X		Ridgecrest		Ridgecrest Elementary School PTA; Attorney who is currently a stay-at-home Dad
Renee Pitra	X		Hillwood		Business Owner/CEO of a multi-state business; Previous experience with the Boys & Girls Club
Marcie Riedinger		X	Echo Lake		Shoreline YMCA Board; Shoreline Friends of the Library Board; Retired – Shoreline community College Event and Facility Coordinator
Paul Sutphen		X	Richmond Highlands		Certified Public Accountant
Shari Tracey		X	Echo Lake	Co-Chair Parks Bond Campaign Committee; ABC Team; Parks, Recreation & Cultural Services Board	Legislative Aide/Office manager to King County Councilmember Bob Ferguson
Jim Weber		X	Parkwood		Senior Engineer w/ King County Wastewater

Name	Resident < 10 Yr	Resident > 10 Yr	Neighborhood	Previous City Involvement	Other
					Treatment Division; Formerly Senior Manager of Sound Transit's Light Rail Program
Hiller West	X		Ridgecrest		Planning Director for City of Monroe

ATTACHMENT C

APPLICANTS TO THE COMMUNITY PRIORITIES/LONG-RANGE FINANCIAL PLANNING COMMITTEE

(Those with asterisk are recommended for appointment)

Gretchen Atkinson*
Gary Batch*
William Bear*
Gloria Bryce*
Martin Bunes
Wade Carter*
Keirdwyn Cataldo*
William Clements*
Kathie Crozier
Brian Doennebrink
Arthur Ellis
Ron Greeley*
Walter Hagen
Charlotte Haines
Patricia Hale*
David Harris
Paul Herrick
William Hickey
Robin McClelland
Carolyn Mayer*
Keith Miles
Richard (Dick) Pahre*
Rebecca Partman*
Virginia Paulsen
William Pierron*
Renee Pitra*
Mary Lynn Potter
Marcie Riedinger*
Robert Ransom
Tim Shriner
Rick Stephens
Dwight Stevens
Paul Sulphen*
Shari Tracey*
Jim Weber*
Hiller West*

Finance Advisory Committee

! Non-resident
Shoreline Resident

0 495 990 1,980 2,970 3,960 Feet
1 inch equals 0.568182 miles



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