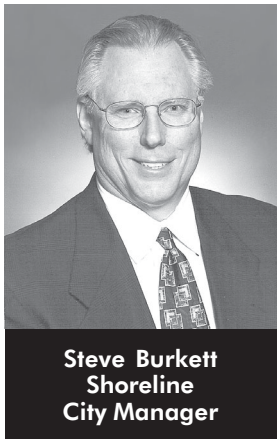


CITY OF SHORELINE CURRENTS

October 2005 Vol. 7 No. 7

SPECIAL 2006 BUDGET ISSUE

Shoreline's financial position continues strong



Shoreline's annual budget is the overall plan for allocating City resources to programs necessary to keep the community safe, enhance the quality of life, and maintain and develop the City's infrastructure. I presented the 2006 Proposed Budget, balanced in all funds and totaling \$78.9 million, to the City Council on Oct. 17.

The proposed budget allocates City resources to services that support the Community Vision, Values and Critical Success Factors as well as the 2005-2006 Council Work Plan. As directed by Council, the budget places primary emphasis on maintaining current services, enhancing economic development and investing in capital projects to enhance the City's facility, transportation and surface water systems.

As Shoreline celebrates our tenth year, the City continues to be in an excellent financial position. Prudent financial policies adopted by the City Council and implemented with conservative budgeting over the years have helped the City meet the many challenges we have faced.

One of those challenges was

the aging and deteriorating roads, drainage systems, parks and facilities inherited from King County. The City has made much-needed investments in these systems over the years to bring them up to acceptable standards.

The City has also set aside money and successfully competed for grants and state and federal funding to make larger improvements that benefit the entire community. Many of these larger

[See City's Position page 2](#)

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2006 City Council Budget Schedule

City Council meetings are held in the Mt. Rainier Room of the Shoreline Conference Center, 18560 First Ave. N. For more information, call the Agenda Line at (206) 546-2190.

Monday, Nov. 7 at 6:30 p.m.
Department Budget Reviews

Monday, Nov. 14 at 7:30 p.m.
Budget Review Workshop & Public
Hearing on Revenue Sources &
Property Tax Levy

Monday, Nov. 21 at 6:30 p.m.
Budget Review Workshop

Monday, Nov. 28 at 7:30 p.m.
Adoption of 2006 Budget & 2006
Property Tax Levy

Shoreline's financial position from page 1

projects such as the Aurora Corridor Project, North City and the Interurban Trail are now under construction.

Another challenge has been Shoreline's limited ability to raise funds. As a mostly residential community, Shoreline lacks a large commercial center to bring in sales and property taxes. This means we have lower per capita tax collections than similar cities (see chart on page 4). One way the City addressed this was by growing slowly, budgeting according to conservative forecasts and constantly looking for ways to do more with less. One of the results is that Shoreline has one of the lowest employee ratios compared with other Puget Sound cities of our size (see chart below).

Even through the recent recession that hit the Puget Sound region particularly hard, Shoreline was able to maintain – and, in some cases, even improve – the

services it provides to residents. A key reason Shoreline provides quality services while maintaining a low employee ratio is the quality of our employees and Shoreline's organizational culture. The results of our latest employee survey bear this out (see story on page 3).

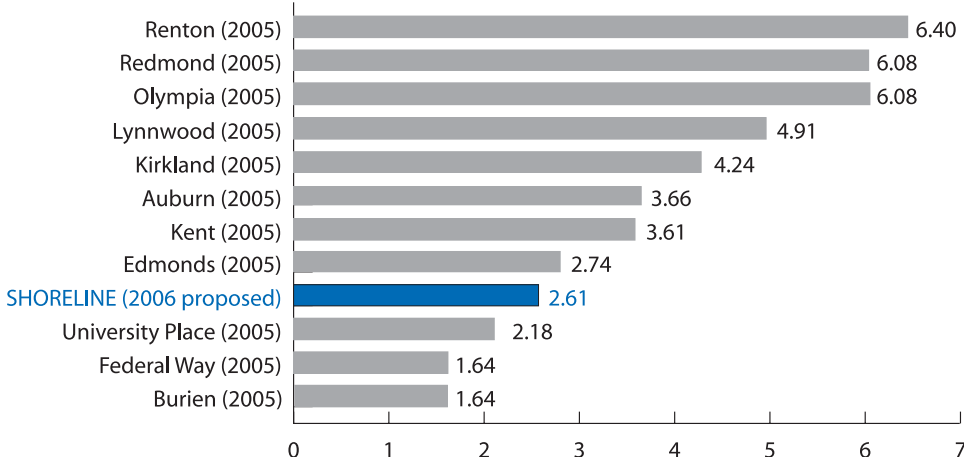
Even with very conservative budgeting, the City is entering a time period in which the growth of annual expenditures is expected to outpace the growth of annual revenue. We do long-range financial planning so we can anticipate challenges and address them before they become problems. We will continue to monitor and adjust our forecasts as conditions such as the economy change while looking for new ways to make our service delivery to residents even more efficient.

Shoreline was named "Best Place to Live" earlier this year by Seattle Magazine for its schools, parks and neighborhoods. Given

our past, I am confident that the City of Shoreline and its residents will meet the challenges ahead. Shoreline will be the "Best Place to Live" for many years to come.

Comparing employees per capita

One of the ways to measure a city's efficiency is to look at how many staff members it has per 1,000 residents. With 144 full-time equivalent employees and a population of more than 53,000, Shoreline has 2.61 employees per 1,000 residents, well below average for comparative local cities.



This chart does not include police, fire, utility or special program personnel.

2005-2006 City Council Work Plan

Goal No. 1

Work toward completing the Aurora Corridor Project

Goal No. 2

Complete the Interurban Trail Project

Goal No. 3

Enhance our program for safe and friendly streets

Goal No. 4

Implement an active economic improvement plan

Goal No. 5

Implement the city hall project

Goal No. 6

Review and consider improvements in code enforcement standards

Goal No. 7

Develop a plan for acquiring priority park, open space, critical area and surface water property

Employee satisfaction is critical to success

One of the critical success factors in the City's strategic plan is a professional and committed work force. This recognizes the important role good employees play in efficiently providing high-quality services to residents.

Shoreline believes that to achieve this, the organizational culture needs the following characteristics:

- Employees understand the mission and goals of the organization and how those relate to their job;
- Employees at all levels feel individually responsible for the results and the quality of the services provided;
- Employees are well trained and are committed to providing excellent customer service; and
- A spirit of trust, respect and open communication within the organization.

Shoreline uses employee surveys to measure how well the City is meeting these goals. This year Shoreline conducted its second employee survey and 90% of the employees participated. Every question except two showed an increase in employee satisfaction. Some of the highlights of what employees said include:

- 99% said they have a clear understanding of how their job fits with the mission of the City.
- 98% said they believe employees are willing to give extra to get the job done and to be responsive.
- 98% said they believe their department head communicates the importance of customer service.
- 97% said they believe the organization treats employees with

respect.

- 94% said they trust the information that the City Manager provides.

"I am very pleased with the results of the survey, but it is no time to rest on our laurels," says

City Manager Steve Burkett. "Now that we have raised the bar, our goal is to maintain and strengthen our organizational culture to better serve our community."

Low income utility tax exemptions available

Did you know that if you are participating in Seattle City Light's rate assistance program, you also qualify for the City of Shoreline's utility tax exemption program?

When Shoreline began collecting utility taxes in 2000, it also developed a program to exempt low-income families from paying taxes on natural gas and garbage service. Shoreline linked qualifying for its tax exemptions to Seattle City Light's rate assistance program because SCL provides service to the entire City and already had an established system for qualifying.

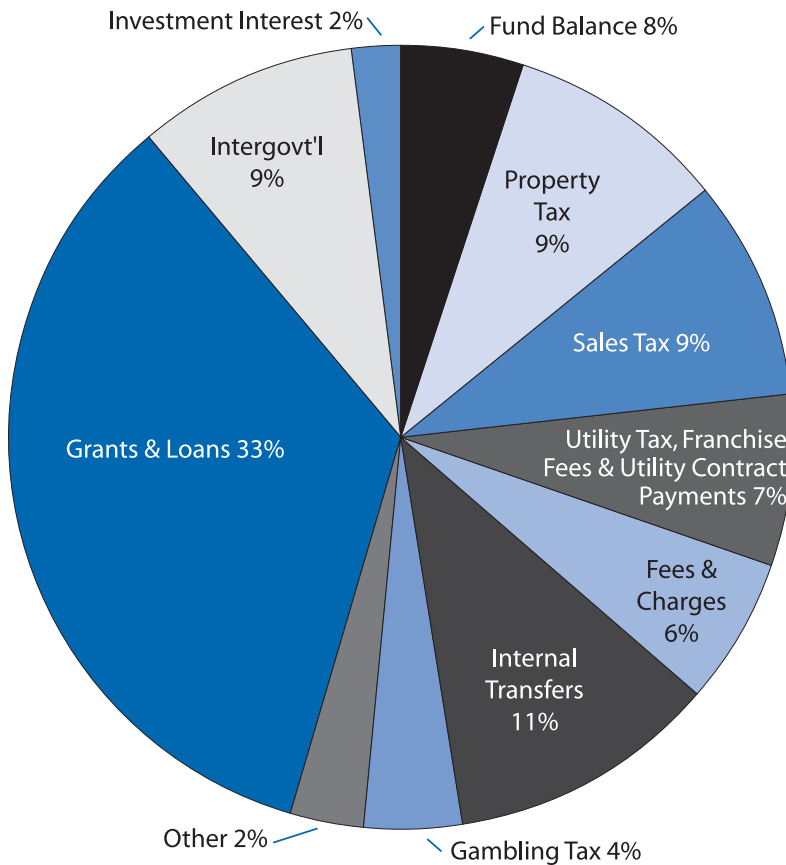
The Seattle City Light residential rate assistance program provides a 50% discount for income-eligible families, those 65 and older and persons with disabilities. Applicants must meet three requirements:

- Household income guidelines
 - Low-income customers with household income at or below 200% of the federal poverty level, which is around \$ for a four-person household in XXXX.
 - Seniors and disabled at or below 70% of the state median level, which is around \$ for a one-person household in XXXX.
- Applicant may not be a resident of federally subsidized housing.
- The residential Seattle City Light bill must be in the applicant's name.

For more information about Seattle City Light's rate assistance program, call Seattle Mayor's Office for Senior Citizens at (206) 684-0500 or Seattle Human Services Department at (206) 784-0268.

If you are currently participating in the Seattle City Light program (there will be a "RES" or "RLS" rate code on your electric bill) and would like to participate in the City's utility tax exemption program, call the Shoreline Customer Response Team at (206) 546-1700 for information on how to sign up.

Where Shoreline's revenue comes from



Note: Internal Transfers are monies that are moved internally from one part of the City budget to another. They are not true revenues, but the City is required to report them this way.

In 2006, the City of Shoreline projects it will receive \$78.9 million in revenue from a variety of sources. Approximately 25% of that comes from taxes. The largest sources are property, sales and utility taxes.

Shoreline property tax

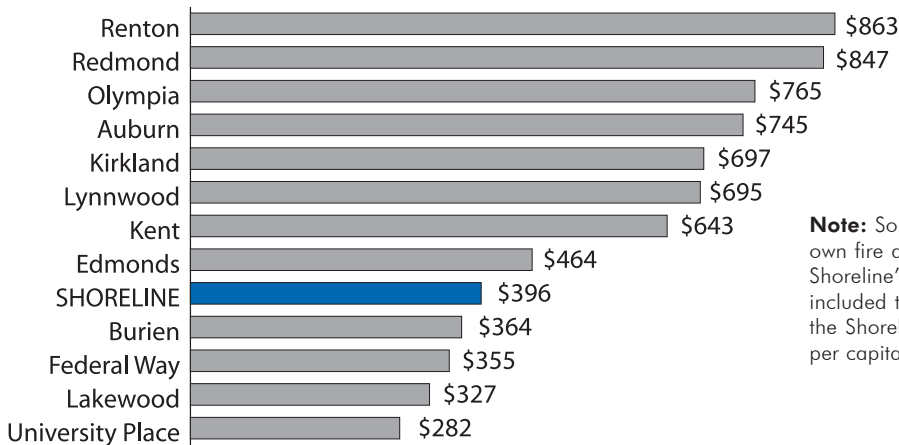
Property tax revenue for 2006 is budgeted at \$6.9 million and represents 27% of the General Fund operating revenues. The 2005 budgeted property tax is \$6.81 million, which is 28% of the adopted General Fund operating revenues.

This 1.8% increase over the 2005 budget is a result of new construction and a 1% recommended levy increase. The 1% levy increase is the maximum annual growth allowed since passage of Initiative 747. I-747 requires voter

See Property Tax page 5

Comparing Shoreline tax collections

One way to compare cities is by the amount of tax collected per capita. To determine this figure, the total tax collected is divided by the number of residents. The most recent available comparable data for all cities is from 2003. During that year, the City of Shoreline collected \$396 per capita from property, sales, gambling and utility taxes, utility franchise fees and utility contract payments.



Note: Some of these cities have their own fire department. If the City of Shoreline's per capita tax collection included the property tax collected by the Shoreline Fire District, Shoreline's per capita tax would be \$541.

City of Shoreline property taxes *from page 4*

approval for any property tax levy increases in excess of 1%.

The tax levy rate proposed for 2006 is \$1.21 per \$1,000 valuation, a nearly 3% reduction from this year's rate of \$1.25 per \$1,000 of assessed value. And this year's levy rate was 2.3% less than the 2004 rate of \$1.28. The primary reason for the decrease in the property tax rate is that the assessed value of property in the City has increased.

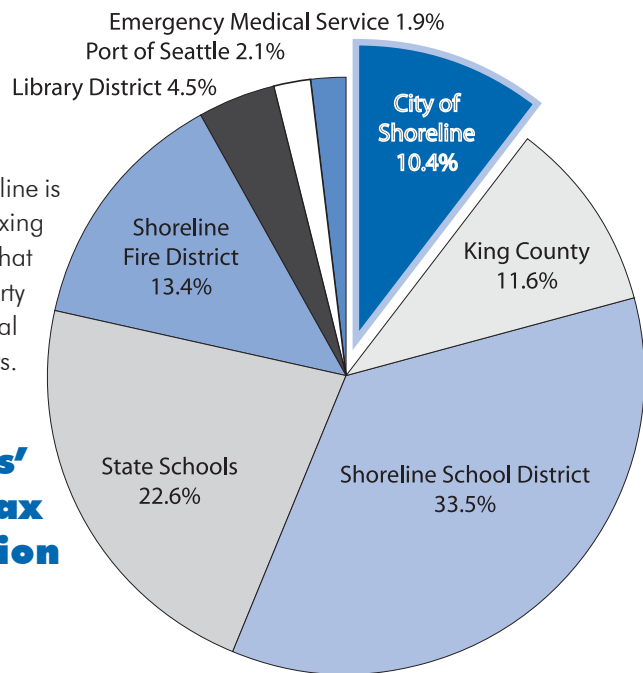
The assessed value for 2006 is estimated to be 4% more than the current level. The value of new construction for 2006 is estimated at \$36.8 million. The 2006 Proposed Budget includes the increases from the 1% levy increase, new construction and previous years' refunds.

The charts on these pages provide a historical perspective of the City's property tax rate and a breakdown of City of Shoreline property taxes.

1997-2006 City of Shoreline Property Tax Levy Rate in dollars per \$1,000 assessed value



The City of Shoreline is only one of the taxing agencies that collects property taxes from local residents.



Shoreline residents' 2005 property tax allocation

Impact of property tax on typical City of Shoreline homeowner

	Year	Home Value	City's Levy Rate	Annual Property Tax Paid to the City
	2005	\$289,000	\$1.25 Per \$1,000 of Value	\$359.68
	2006	\$300,000	\$1.21 Per \$1,000 of Value	\$363.68
Increase/Decrease		+4%	-3%	+\$4.00
		increase in home value	reduction in levy rate	difference in property tax paid to the City from 2005 to 2006

How the City of Shoreline spends its money

The City provides a variety of services to the Shoreline community. The chart below illustrates how the City spends its resources and what services are provided.

Planning & Community Development

• Code enforcement • Economic development • Permitting • Zoning • Comprehensive Plan & Master Plan development

Finance & Technology

• Accounts payable & receivable • Contract & grant administration • Budget & financial reporting
• Payroll • Maintaining City computer & telephone system • Implementing technology improvements • Purchasing • State Audit

Jail, Public Defense & Police

• Patrol services/call response • Traffic enforcement • Criminal investigation
• Accident investigation • Neighborhood Police Centers • Prosecuting Attorney
• Domestic violence assistance
• Emergency planning • Public Defender • Municipal Court • Jail services

Parks & Recreation

• Parks maintenance • Recreation programs • Cultural services

Public Works

• Capital project management
• Street & right-of-way maintenance
• Drainage & water quality maintenance & monitoring • Street tree program • Recycling events

Internal Transfers are monies that are moved internally from one part of the City budget to another. They are not true expenditures, but the City is required to report them this way.

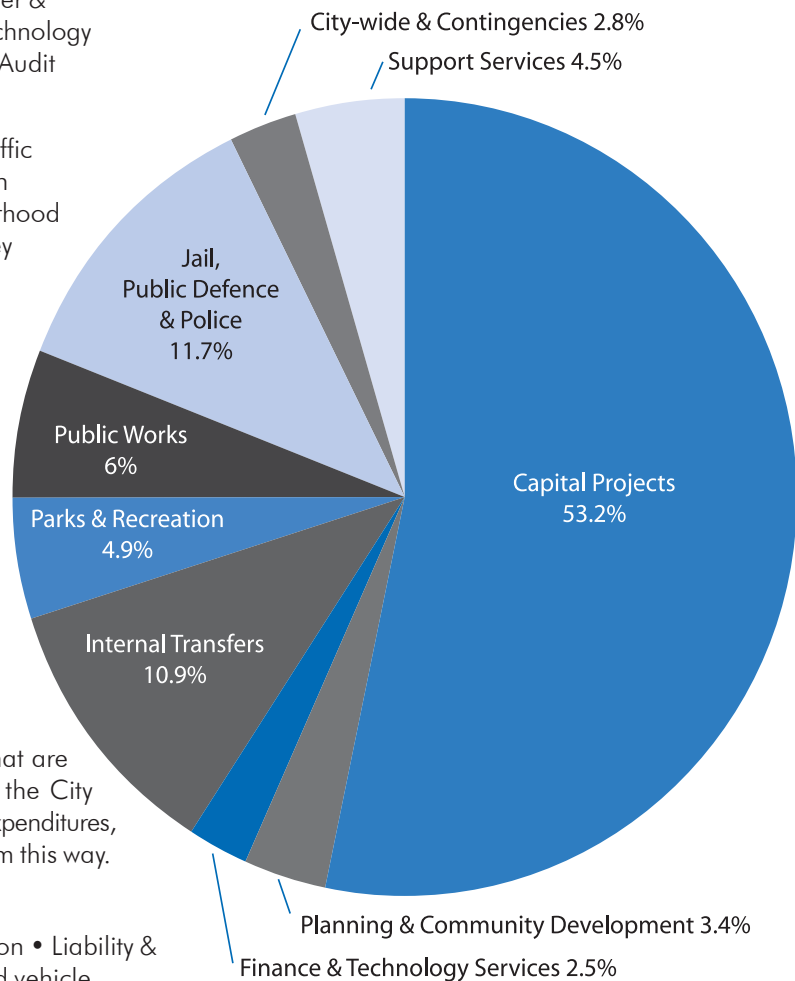
City-Wide & Contingencies

• Election services • Voter registration • Liability & property insurance • Equipment and vehicle maintenance, operations and replacement

Support Services

• City Council • Customer Response Team
• City administration • Strategic planning
• Legal services • Communications
• Neighborhoods • Records management • Human services

Capital Projects restore, improve and expand publicly-owned assets such as roads, sidewalks, trails, drainage systems, parks and buildings. A major City focus since incorporation has been to improve Shoreline's deteriorating infrastructure by investing in capital projects. Some of the major capital projects the City is working on include the Aurora Corridor Project, Interurban Trail, North City, City Hall and surface water improvements.



2006-2011 Capital Improvement Program

The City Council adopted the 2006-2011 Capital Improvement Program (CIP) totaling \$168.3 million in July. The total CIP budget for 2006 is \$42.2 million.

The CIP covers projects over \$10,000 including buildings, land acquisition, park facilities, drainage improvements and road, sidewalk and transportation projects. Many of the capital improvements are funded through transfers from the General Fund, Real Estate Excise Tax (REET), state and federal funds and Public Works Trust Fund loans.

The proposed 2006 CIP budget differs from the amount adopted in July by \$93,400. The difference is primarily related to the estimates for overhead costs being updated and the addition of a proposed traffic signal rehabilitation program.

The proposed CIP budget recommends allocating \$450,000 from the 2005 General Fund reserve to the Roads Capital Fund for a three-year traffic signal rehabilitation program. The estimated cost to rehabilitate one traffic signal with updated technology is \$75,000. Shoreline currently has 40 traffic signals, many of which are old. This makes it difficult to find parts to keep them in working order so the City needs to start investing in the new technology.

Following are a few highlights from the 2006-2011 CIP:

Interurban Trail

The Interurban Trail Bridges Project totals \$5.8 million with \$4.7 million funded in 2006. Approximately 70% or \$4 million is

funded through grants and other agency participation. All sections of the Interurban Trail are complete except the bridges which will be built in 2006 and the north central segment which will be built in 2007.



Above is an illustration of the Interurban Trail bridge that will cross Aurora between N. 155th and N. 160th Streets, looking north.

Aurora Corridor Project

The Aurora Corridor Project, N. 145th to N. 165th Streets, totals \$26.7 million with approximately \$23.5 million funded through grants and state and federal funds which brings the local share to \$3.2 million. Construction began this year and is scheduled to be complete by the end of 2006.

The Aurora Corridor Project, N. 165th to N. 205th Streets, is estimated to cost \$68.4 million with \$58.4 million to be funded through grants and state and federal funds. Planning began this year and will continue through 2006.

City Hall

The 2006-2011 CIP includes funding to build a City Hall. The current preliminary estimated project cost is \$20 million. A property acquisition agreement is expected to be completed this year

with design planned for 2006 and construction in 2007.

Sidewalks

The 2006-2011 CIP includes \$5.4 million to construct sidewalks and walkways on priority routes over the next six years.

Preservation Projects

Annual preservation projects for roads, sidewalks and smaller traffic projects are funded at an average of \$1 million per year.

Park Amenity Replacement/Repair

The 2006-2011 CIP includes \$1.4 million for the systematic repair and replacement of park items such as benches, tables, fences, paths and playground equipment.

Who, what, where in the City of Shoreline

City of Shoreline

Shoreline City Hall

17544 Midvale Avenue N.
Shoreline, WA 98133-4921
(206) 546-1700
Fax (206) 546-7868

City Hall Annex

Home of Planning and
Development Services and Public
Works Departments
Highland Plaza
1110 N. 175th St., Suite 105
Shoreline, WA 98133

CURRENTS

October 2005 Vol. 7 No. 7

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available upon request.

City Council

City Councilmembers

Mayor Ron Hansen
Deputy Mayor Scott Jepsen
John Chang
Maggie Fimia
Paul Grace
Rich Gustafson
Bob Ransom

Meeting Location

Shoreline Conference Center
18560 First Ave. NE
Mt. Rainier Room

Workshop Meetings

First and third Mondays
beginning at 6:30 p.m.

Regular Meetings

Second and fourth Mondays
beginning at 7:30 p.m.

Agenda Line

(206) 546-2190

Televised City Council Meetings

Cable Channel 21
Tuesdays noon and 8 p.m.
Wednesday through Sunday
6 a.m., noon and 8 p.m.

Shoreline Police

Emergency: 911

Shoreline Police Station

Chief Tony Burt
1206 N. 185th St.
Shoreline, WA 98133
(206) 546-6730

Westside Neighborhood Police Ctr.

Officer Leona Obstler
624 NW Richmond Beach Road
Shoreline, WA 98177
(206) 546-3636

Eastside Neighborhood Police Ctr.

Officer Deneese Elfenson
521 NE 165th St.
Shoreline, WA 98155
(206) 363-8424

Review the Budget

Shoreline's 2006 Proposed Bud-
get is available for review at City
Hall, Shoreline Police Station, both
Neighborhood Police Centers,
Shoreline Library (342 NE 175th
St.) and Richmond Beach Library
(19601 21st Ave. NW).



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