

CITY OF SHORELINE CURRENTS

November 2007 Vol. 9 No. 9

SPECIAL 2008 BUDGET ISSUE

Shoreline's finances rated "strong"

Inside:

Capital Improvements



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The Shoreline City Council adopted the 2008-2013 Capital Improvement Program this summer.

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By Robert Olander Shoreline City Manager

The City of Shoreline's budget adoption process began with the presentation of the 2008 Proposed Budget to the City Council on October 15. The budget is balanced as required by state law and the City continues to be financially stable.

Shoreline's annual budget is the City's plan for allocating resources to a variety of programs necessary to keep the community safe, enhance the quality of life and maintain and develop quality facilities, parks, roads and storm drainage systems.

Shoreline's proposed 2008 budget is \$93.9 million, which is \$1.7 million or 1.8% more than the current 2007 budget.

The 2008 budget directs resources to services that support the City Council Goals and Workplans identified in the "Shoreline Strategic Directions" for 2007-08. As directed by the City Council, the budget places primary emphasis on maintaining current services, investing in capital projects to enhance the facilities, transportation, surface water and environmental systems

throughout the City, and implementing programs to enhance the economic development, environmental health and sustainability and human service programs within our community.

The City of Shoreline has maintained an excellent financial condition since incorporation through conservative financial planning, efficient management, restraint from using budget savings as a way to fund ongoing

See 2008 page 2

Schedule

Nov. 5 at 7:30 p.m.
Public Hearing & Department Reviews

Nov. 19 at 6:30 p.m.
Public Hearing on Revenue Sources & 2008 Property Tax Levy

Nov. 26 at 7:30 p.m.
Adoption of 2008 Budget & Property Tax Levy

All meetings are held on Mondays in the Mt. Rainier Room of the Shoreline Conference Center, 18560 1st Avenue NE. Call the Agenda Line at (206) 546-2190 or check online at www.cityofshoreline.com for updates to and details about Council meeting agendas.



2008 Proposed Budget *from page 1*

operations and modest budget increases. Shoreline's financially responsible practices have made it one of only five Washington cities receiving Standard & Poor's (S&P) highest financial management rating of "strong."

As our long-term forecasts have predicted for a number of years, we are reaching the point where the cost of providing basic services to the Shoreline community will be greater than the available resources. In light of this, our focus over the last few years has been on cost containment, expenditure reductions and improving service efficiencies. We have been very successful in this effort.

Yet even with these reductions and efficiencies it is appar-

ent that the City can not continue providing the same level of service without additional revenue sources in the future. The community has expressed a desire to maintain, and in some cases increase, the level of services the City provides. Some areas where a higher level of service is desired include environmental sustainability, human services, code enforcement, traffic services, public safety and parks.

This year the City Council took steps to close projected budget gaps for 2008 and 2009 by approving baseline budget reductions and implementing an increase in cable utility tax and phasing in the Seattle City Light contract payment on electric distribution revenues.

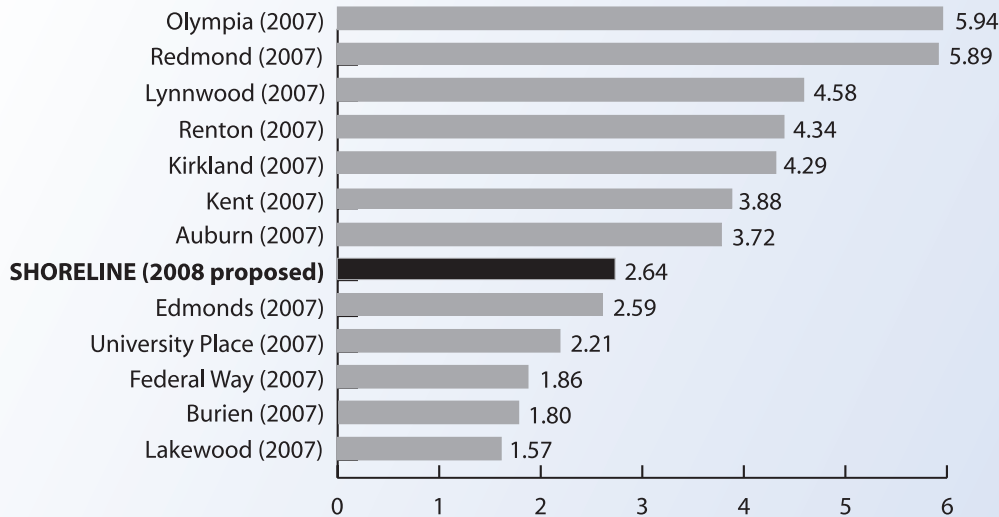
But these newly adjusted

revenue sources can only maintain the existing level of service through 2009. Beyond 2009 it will be a challenge to meet the community's desire to maintain current services much less increase service levels.

To help the City determine the best way to meet these coming challenges, we will be asking a broad-based community advisory committee to explore options that would allow the City to maintain its quality of services and financial stability. See the story on page 3 for more details.

We are very confident, given our past conservative financial planning and spending policies, that together we will develop a long-term financial strategic plan that will support the future vision and growth of our community.

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 140.5 full-time equivalent employees and a population of about 53,000, Shoreline has 2.64 employees per 1,000 residents, well below average for other local cities.

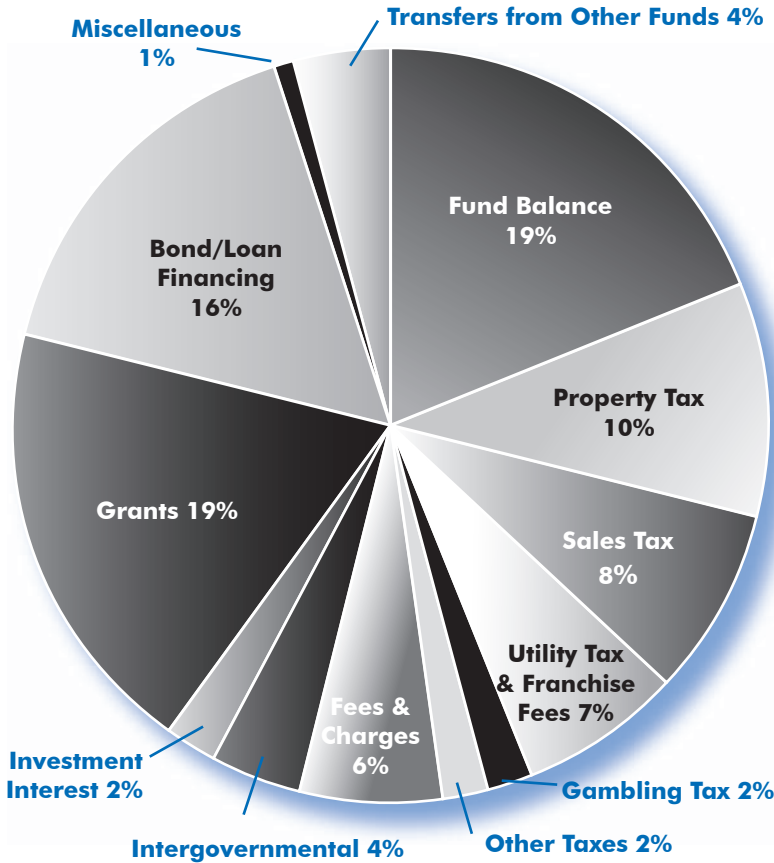
Note: This chart does not include police, fire, utility or special program personnel.

2007-2008 City Council Goals

Each year, the City Council develops a list of goals that guide the City's work. Below are some of the strategies planned for 2008 to meet these goals.

- 1: Complete the projects approved in the 2006 Parks Bond.**
 - Improvements at Richmond Beach Saltwater Park and Cromwell Park.
 - Improvements to current trail corridors throughout the City.
- 2: Implement the Economic Development Strategic Plan.**
 - Complete a planning charrette for Briarcrest commercial areas.
 - Continue to provide business services through Community Capital Development.
 - Develop additional programs with the Economic Development Advisory Council.
- 3: Implement an affordable Civic Center/City Hall project.**
 - Start construction of the new City Hall.
- 4: Complete the Aurora improvements from 165th to 205th Streets including, but not limited to, sidewalks, drainage and transit.**
 - Continue planning, design, and right-of-way acquisition processes through 2008.
- 5: Develop a comprehensive housing strategy.**
 - Affordable Housing Committee will bring recommendations to the City Council.
- 6: Create an "environmentally sustainable community."**
 - Initiate Ballinger Special Study Area Plan.
 - Implement the Mayor's Climate Protection Agreement.
 - Complete and implement the Forest Management Plan.
- 7: Provide safe and affordable transportation options to support land use plans including walking, bicycling, transit and vehicular options.**
 - Improve existing trail corridors throughout the City.
 - Continue to implement the City's priority sidewalk program and work with neighborhoods on Neighborhood Traffic Action Plans.
- 8: Develop a Fircrest master plan in partnership with the State.**
 - Work with the State to complete the Fircrest master plan.
- 9: Increase emergency preparedness training and education.**
 - Continue to conduct table top and field earthquake preparedness drills.
 - Implement priority elements of the Hazard Mitigation Plan.
 - Continue to offer emergency preparedness training.
- 10: Increase opportunities for all residents, including our youth, to get more involved in neighborhood and improvement programs.**
 - Continue neighborhood and environmental mini-grant programs.
 - Enhance City website features to make information more accessible.

Where Shoreline's revenue comes from



In 2008, the City of Shoreline projects it will receive \$71.9 million in revenue from a variety of sources. Approximately 34% of that comes from taxes. The largest sources are property, sales and utility tax. The 2008 Budget includes the use of fund balance totaling \$17.9 million. This primarily represents monies that have been saved to use for specific capital improvements.

Shoreline property tax

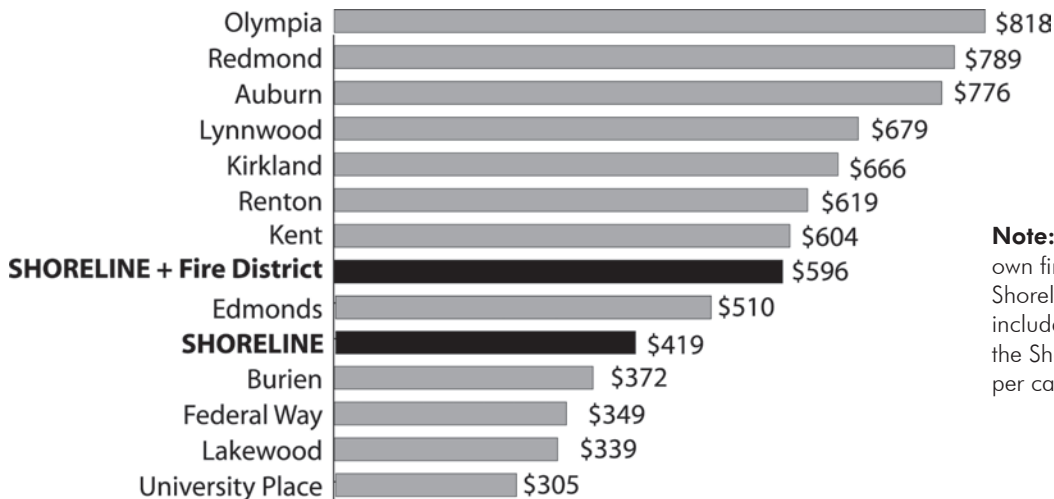
Property tax revenue for 2008 is projected at \$7,236,228 and represents 25.2% of the General Fund operating revenues. The 2007 property tax is \$7,066,510, which is 26.4% of adopted General Fund operating revenues.

The estimated property tax levy rate proposed for 2008 is \$1.068 per \$1,000 of assessed value, a reduction from this year's rate of \$1.10 per \$1,000 of assessed values. The primary reason for the decrease in the property tax rate is that the assessed values of

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 2005. During that year, the City of Shoreline collected \$419 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 \$596.

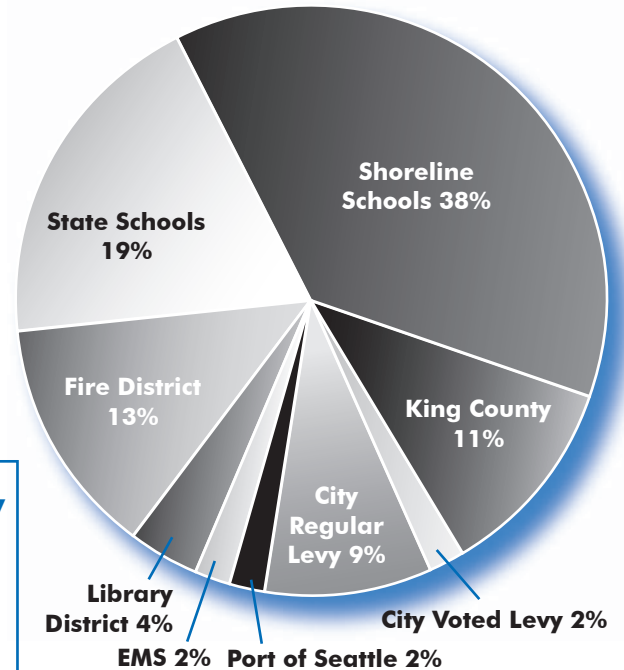
City of Shoreline property taxes *from page 4*

property in the City has increased, while collections are limited to a 1% increase due to the passage of Initiative 747.

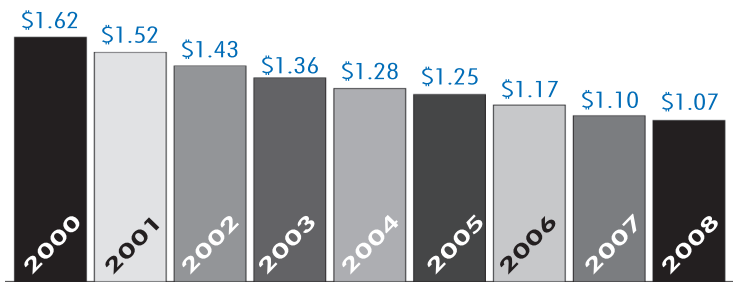
This property tax levy rate information is for the City's general levy. In May 2006, Shoreline voters authorized the issuance of \$18.795 million in general obligation bonds to fund park projects and open space acquisition. Property owners will be assessed a separate levy rate for the repayment of these bonds. Assuming that the average value of a home in Shoreline is \$349,545, this levy rate is estimated to be \$0.26 per \$1,000 of assessed value or \$91 per year for an average – value house.

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.

Shoreline residents' 2007 property tax allocations



2000-2008 City of Shoreline Property Tax Levy Rate in dollars per \$1,000 assessed value



As you can see in the pie chart above, the City of Shoreline is only one of the agencies that collects property taxes from local residents.

Impact of the City's property tax on typical Shoreline homeowner

2007	Change	2008
Home Value \$336,100	\$13,445 = 4%	Home Value \$349,545
Regular Tax Levy Rate \$1.10	(\$0.03) = -3%	Regular Tax Levy Rate \$1.07
Total Regular Levy Paid to City \$369.71	\$4.30 = 1%	Total Regular Levy Paid to City \$374.01
Voted Bond Tax Levy Rate \$0.28	(\$0.02) = -7%	Voted Bond Tax Levy Rate \$0.26
Total Voted Levy Paid to City \$94.11	(\$3.23) = -3%	Total Voted Levy Paid to City \$90.88
Total Tax Paid to City \$462.06	\$2.83 = 1%	Total Tax Paid to City \$464.89

How the City of Shoreline spends its money

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

Capital Projects restore, improve and expand publicly-owned assets such as roads, sidewalks, trails, drainage systems, parks and buildings.

Support Services

- City Council • City administration • Strategic planning • Legal services • Communications • Records management

Public Safety

- Patrol services/call response • Traffic enforcement & accident investigation • Criminal investigation • Neighborhood Police Centers • Prosecuting Attorney • Domestic violence assistance • Public Defender • Municipal Court • Jail services

Parks & Recreation

- Parks and open space maintenance • Recreation programs • Cultural services

Planning & Community Development

- Code enforcement • Economic development • Permitting • Zoning • Comprehensive Plan

Public Works

- Street & right-of-way maintenance • Drainage & water quality maintenance & monitoring • Traffic management • Recycling events

City-wide & Contingencies

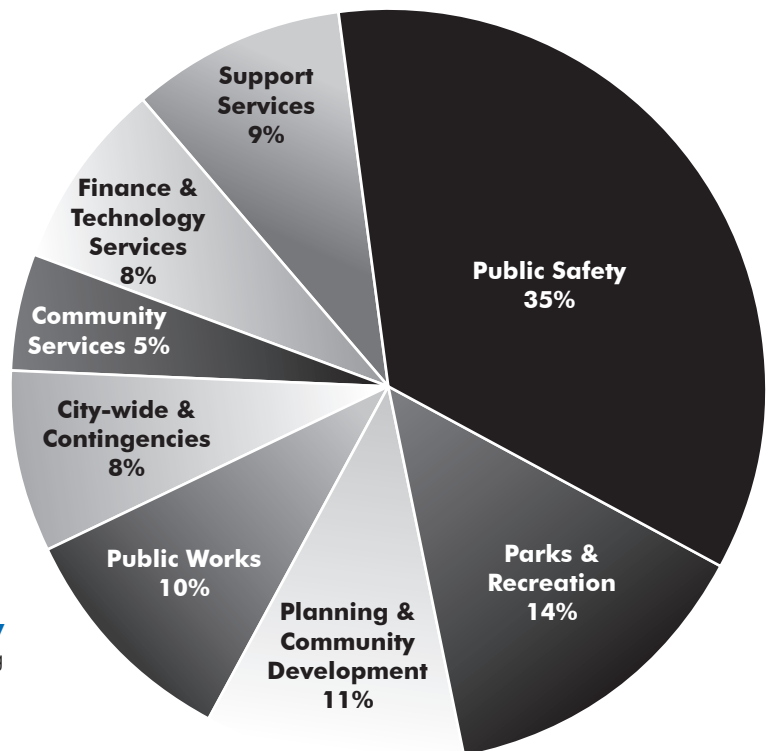
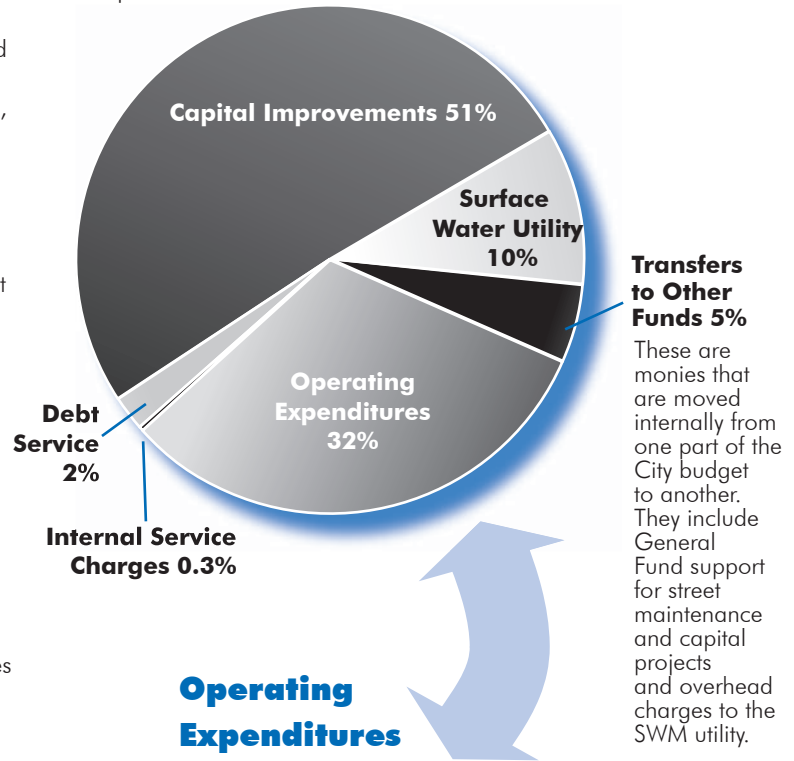
- Election services • Voter registration • Liability & property insurance • Equipment and vehicle maintenance, operations and replacement

Community Services

- Customer Response Team • Emergency management planning • Human Service • Neighborhoods

Finance & Information Technology

- State Audit • Budget & financial reporting • Accounts payable/receivable & payroll • Purchasing • Grant writing • Maintaining network, computer & telephone systems • Implementing technology improvements



Shoreline's 2008-2013 Capital Improvement Program

The City Council adopted the six-year, 2008-2013 Capital Improvement Program (CIP) in July 2007. The total 2008-2013 CIP is \$172.2 million with \$56.4 million in the 2008 budget for capital improvements.

The CIP covers projects over \$10,000 and includes buildings, land acquisition, park facilities, road and transportation projects, and drainage system improvements. Much of the capital improvement activity is funded through contributions from the General Fund, Real Estate Excise Tax (REET), federal grants and Public Works Trust Fund Loans.

CIP highlights

- **City Hall** is the most significant project scheduled for construction in 2008. Total construction and development costs are budgeted at \$19.2 million. Since the project is currently in the pre-design phase it is likely that the actual construction costs could increase as final parking options and building size decisions are made.

- The 2008-2013 CIP includes \$1.6 million for the systematic **repair and replacement of existing park items** such as benches, tables, fences, paths and playground equipment. This amount is approximately half of what would be needed to fully fund all features of existing parks at their optimum life cycle replacement schedule.

- CIP **park projects funded by the bond issue**

passed by voters in May 2006 include the installation of artificial turf at Twin Ponds soccer fields, improvements to Richmond Beach Saltwater, Cromwell and Hamlin parks, new pedestrian walkways and trail corridors, creation of an off-leash dog park and improvements to tennis courts and baseball fields. Total improvement costs included in the 2008-2013 CIP are approximately \$8.7 million.

- Annual preservation projects for **roads, sidewalks and traffic small works projects** are funded at an annual average of \$1.2 million.

- The 2008-2013 CIP includes \$4.3 million for **walkways and sidewalks** on priority City routes. With an annual allocation of about \$600,000, the City can only provide full funding through 2009. Beginning in 2010, alternative funding resources will be required as City resources can only support approximately 50% of the annual allocation.

- The most significant transportation project in the 2008-2013 CIP is the **Aurora Corridor Project, N 165th to N 205th Streets**. Planning, design, environmental assessment and right-of-way acquisition will continue throughout 2008 with construction expected to start in



The photo above shows the intersection at N 152nd Street and Aurora looking south. The City of Shoreline celebrated the completion of its first mile of Aurora from N 145th to N 165th Streets earlier this year. Planning and design is already underway to improve the next two miles from N 165th to N 205th Streets.

2009. The total estimated cost for this project is \$93.4 million, with \$83 million being funded through grants and other agency participation.

- The 2008 budget provides for the continuation of the **Neighborhood Traffic Safety Program** with an average of \$216,500 funded annually for capital improvements and \$40,000 funded within the operating budget for increased police traffic enforcement.

- In 2005 the City Council adopted the first **surface water** utility master plan including a 20-year operating and capital improvement plan for the utility. The capital projects for the first six to seven years of the plan are included in the 2008-2013 CIP and focus on improvements that support flood protection, water quality, stream rehabilitation and habitat enhancement.

Who, what, where in the City of Shoreline

City of Shoreline

Shoreline City Hall
17544 Midvale Ave. N., Suite 100
Shoreline, WA 98133-4921
(206) 546-1700
Fax (206) 546-7868
www.cityofshoreline.com

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

Spartan Recreation Center
18560 1st Avenue NE
Shoreline, WA 98155
(206) 418-3383

Shoreline Pool
19030 1st Ave. NE
Shoreline, WA 98155
(206) 362-1307

City Council

Mayor Bob Ransom
Deputy Mayor Maggie Fimia
Rich Gustafson
Ron Hansen
Keith McGlashan
Cindy Ryu
Janet Way

Meeting Location
Shoreline Conference Center
18560 First Ave. NE
Mt. Rainier Room
Agenda Line: (206) 546-2190

Study Sessions
First & third Mondays 6:30 p.m.
Business Meetings
Second & fourth Mondays 7:30 p.m.

Televised City Council Meetings
Cable Channel 21
Tuesday noon and 8 p.m.
Wednesday through Sunday
6 a.m., noon and 8 p.m.
Also on www.cityofshoreline.com

Shoreline Police

Emergency: 911

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

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

Eastside Neighborhood Police Center
Officer Sue Sherwood
521 NE 165th St.
Shoreline, WA 98155
(206) 363-8424



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