

CITY OF SHORELINE CURRENTS

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Investing in Shoreline's future: 2010 balanced budget continues essential programs and services

by Robert Olander
Shoreline City Manager

Shoreline's 2010 Proposed Budget is balanced and allocates \$84 million to invest in services that make our community a great place to live. We had to make some tough choices, but we are proud of our work in balancing the budget and setting a course to keep our community one that our residents and businesses expect and deserve.

Our ability to keep essential services intact is due to the solid financial policies that have been adopted by the Council in years past. Our City leaders had the foresight to create a "rainy day" reserve, which sets aside money in a savings account to be used during economic downturns to keep operations going. The balance of the fund was 30% of our economically-sensitive revenues (e.g., sales tax, development revenue, investment interests) or about \$6.2 million. Staff has recommended that we use \$1.6 million of that reserve during 2009 and 2010. When the economy recovers, we will restore the reserve funds spent.

The 2010 Budget is 32% (\$38.7 million) less than the current 2009 Budget. The reduction is largely the result of the completion of major capital projects. Even so, our 2010 operating budget totals \$34.4 million and is 3.4% lower than the 2009 Budget.

Operating budget highlights:

Property Tax Levy: The City Council will maintain the same property tax levy in 2010 as in 2009—a 0% increase—other than any new taxes collected as a result of new construction. Taxpayers pay approximately 10% of their total property tax bill to the City and should not see a major change in taxes paid for 2010 (see story on page 4).

Personnel Costs: The City's personnel costs will decrease by 3.6%, \$517,865, from 2009 to 2010. We're controlling costs by eliminating three positions and reducing seasonal and temporary positions. The City's required contribution to the State of Washington retirement system for employees was also reduced and City employees will not receive a cost of living adjustment (COLA) for 2010.

Police Contract: The 2010 King County contract for police services is expected to increase by 4.5% to a total of \$9.7 million.

Expenditure Reductions: Every department had to make reductions to balance the budget. Departments reduced their budgets by nearly \$500,000 in 2009. This included the elimination of seasonal and temporary staffing, a 20% reduction in training, eliminating funding for major facility maintenance, and reductions in contracted services

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SPECIAL BUDGET ISSUE

Budget Summary

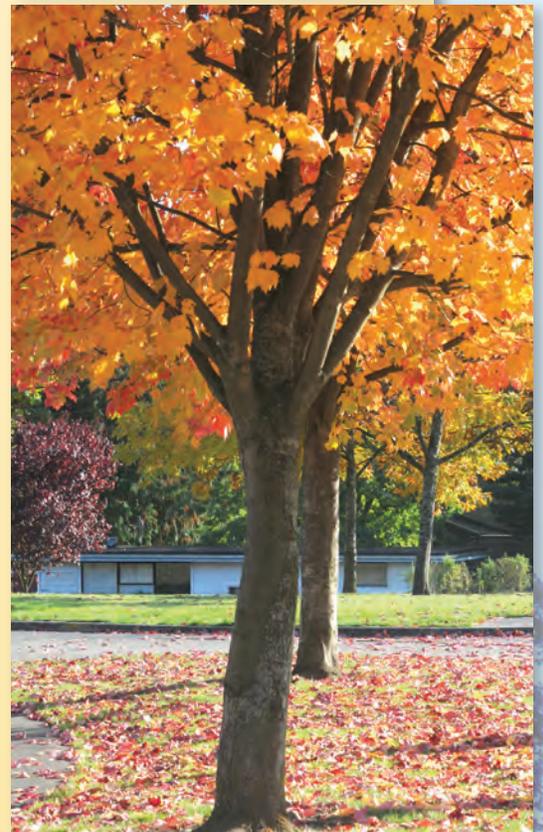
Operating Budget	\$34,420,223
Surface Water Utility	\$4,893,489
Capital Budget	\$41,507,105
Bond Debt Service	\$2,955,496

Adoption of Budget and Property Tax Levy

Monday, Nov. 23, 7:30 p.m.

Shoreline City Council Meeting
Mt. Rainier Room, Shoreline Center
18560 1st Avenue NE

Call the Agenda Line at (206) 801-2236
or check online for more details.



continued from page 1

and operating supplies. In 2010 departments reduced their base budgets by another \$250,000. Information technology improvements, contracted services, overtime and advertising were reduced, the Sister City Program was suspended and the planned replacement of major equipment and vehicles was delayed.

While Shoreline's 2010 Proposed Budget is balanced through cuts and savings from the "rainy day" reserve, we cannot continue to fund ongoing operations this way and put off long-term maintenance and replacement. Even after recovery from the current recession, our long-term financial projections have indicated that the declining revenues cannot continue to support the services that make Shoreline a great community.

The primary cause of the gap is that while property tax increases are limited to 1% a year (in 2010 this is 0%), the costs of necessary resources such as fuel, police services, asphalt and labor are rising at a much faster rate.

To address this, starting in 2003 we focused on service and budget efficiencies. In 2007 the City Council adopted phased-in revenue increases from the cable utility tax and the Seattle City Light contract payment. In 2008, the Council appointed an 18-member Citizen Advisory Committee (CAC) to help

develop a long-term financial strategy.

After working for more than a year, the Committee presented its final recommendations to the Council in April. Their recommendations were considered in planning the 2010 Proposed Budget.

Committee recommendations :

1. Sustain the commitment to efficiencies. Maximize budget savings and technology efficiencies and invest and partner in economic development opportunities.
2. Keep services that preserve the quality of life that Shoreline residents and businesses value and deserve.
3. Adopt the Transportation Benefit District (\$20 vehicle license fee) in 2009 and in 2010 (or later) ask the voters to reaffirm their investments in Shoreline.
4. If service reductions are necessary, preserve the quality of core services such as public safety and keep services that provide the greatest benefits to the community as a whole.
5. Expand communication and outreach to better inform residents and taxpayers about Shoreline services, resources and needs.

For more information about the committee, visit the Finance Department on Shoreline's website.

City Council Goals 2009-2010

Goal No. 1

Implement the adopted Community Vision by updating the Comprehensive Plan and key development regulations in partnership with residents, neighborhoods and businesses

Goal No. 2

Provide safe, efficient and effective infrastructure to support our land use, transportation and surface water plans

Goal No. 3

Implement the Economic Development Strategic Plan

Goal No. 4

Create an "environmentally sustainable community"

Goal No. 5

Complete the projects approved with the 2006 Parks Bond

Goal No. 6

Construct the Civic Center/City Hall project

Goal No. 7

Construct the Aurora Improvements from 165th to 205th Streets

Goal No. 8

Develop a Fircrest Master Plan in partnership with the State

Goal No. 9

Develop a "healthy city" strategy to ensure the community's access to needed human services

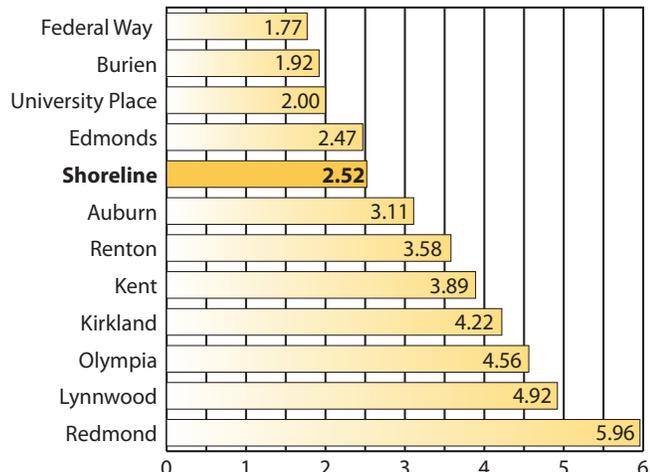
Goal No. 10

Provide enhanced opportunities for effective citizen communication and engagement

Controlling costs: Comparing city staffing

The 2010 Budget provides funding for 137 regular full-time equivalent (FTE) positions, excluding City Councilmembers. This reflects a net drop of three (3) FTE positions when compared to 2009. As the chart depicts, a comparison of staffing to population shows Shoreline's staffing levels below the median of comparable cities. These ratios exclude fire, police, utilities and special program personnel from the comparable cities to provide a more accurate comparison with Shoreline.

Number of City Employees Per Thousand Population



Quality of life: How does Shoreline compare?

Shoreline ranks nearly 10 percentage points above the average, indicating that residents enjoy a high quality of life.

When resources are scarce, we like to ask the question, "How does Shoreline compare with others?" When reviewing the City's budget, we use benchmarks to identify efficiencies. Benchmarks compare one city's data with another city or several cities. This issue of *Currents* has many examples of benchmarks.

It's also helpful to review and compare satisfaction levels of our residents. One of the most significant ratings that the City Council and staff examines is whether our residents believe Shoreline is an excellent or good place to live.

It's especially meaningful when outside sources affirm that Shoreline is a great place to live. In its July 2008 issue, *Seattle* magazine ranked 110 of the best-known Seattle neighborhoods and surrounding cities on quality of life criteria. Shoreline was ranked first.

We believe these results are no accident. Shoreline has a history of coming together to make good things happen. Nearly 15 years ago residents incorporated as a City so they could receive better, even exceptional, services for their tax dollar. The City has worked hard to meet residents' expectations and 14 years after incorporation Shore-

line families, neighborhoods and businesses have much of which to be proud.

Shoreline's budget is aimed at protecting the quality of services that Shoreline families, neighborhoods and businesses want and deserve.

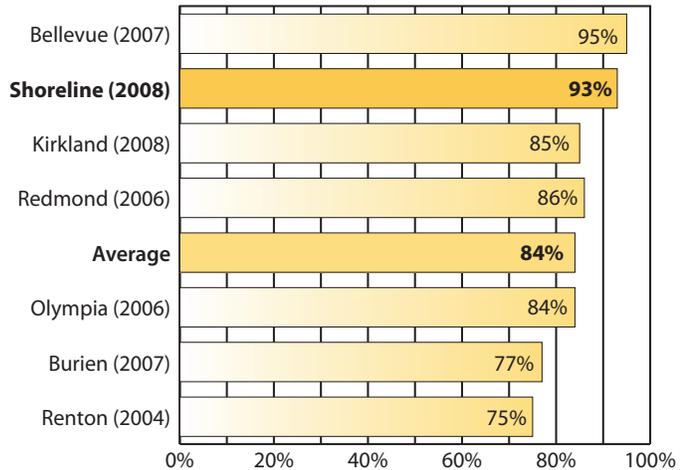
Since incorporating, your investment has resulted in:

- Making residents feel safe by increasing police protection in the community
- Improving direct, local access to services (permits, recreation programs, long-range planning)
- Adding quick, responsive operational services (responding to the sinkhole at 6th Avenue NW and 175th Street, annual snow/ice removal)
- Creating more safe places to walk or

bike (first mile of the Aurora Corridor Project, three miles of the Interurban Trail, sidewalks near schools and on major streets)

- Increasing open space and protecting our environment (South Woods, Hamlin addition, Kruckeberg Botanic Garden)
- Improving recreational and athletic opportunities (Shorewood, Paramount, Connie King Skate Park, Twin Ponds, Shoreline Fields A & B)
- Keeping homes safe from flooding (3rd Avenue NW Project, 10th Avenue NW Project)
- Investing in infrastructure to encourage economic development and investment (North City Business District, first mile of Aurora Avenue)
- Caring for our most vulnerable residents (funding the Senior Center, Center for Human Services, Hopelink Food Bank)
- Sustaining our quality of life through partnerships (Neighborhood groups, Shoreline School District, Shoreline Historical Museum, Shoreline-Lake Forest Park Arts Council)

% of residents rating city as an excellent or good place to live



Shoreline's 10%: 2010 property taxes

In 2010 a typical homeowner will pay approximately 10% of their total property tax bill, which is approximately \$472 for the average home, to the City of Shoreline. The charts on these pages provide a historical perspective of the City's property tax rate and a breakdown of Shoreline property taxes.

Many homeowners will see a significant reduction in the assessed value of their home this year. The City estimates that assessed values in Shoreline will fall by at least 15% for 2010. However, this does not mean significant drops in property taxes for 2010. In some cases property owners may pay less but they could also pay the same or more taxes in 2010 than in 2009.

People are often more familiar with rate-based property taxes where taxes go up and down with property values. However, Washington State is one of only two states that do not have rate-based property tax; Washington's property tax is levy-based.

This means a taxing district is allowed to collect a specified total dollar amount (the levy) per year. (In Washington, this amount is limited to a 1% in-

Impact of the City's Property Tax on Typical Shoreline Homeowner

2009	CHANGE	2010
Home Value \$407,300	\$59,100 = -15%	Home Value \$348,200
Regular Tax Levy Rate \$0.95	\$0.16 = 17%	Regular Tax Levy Rate \$1.11
Total Regular Levy Paid to City \$387	0%	Total Regular Levy Paid to City \$387
Voted Bond Tax Levy Rate \$0.21	\$0.04 = 19%	Voted Bond Tax Levy Rate \$0.25
Total Voted Levy Paid to City \$86	0%	Total Voted Levy Paid to City \$86
Total Tax Paid to City \$472	0%	Total Tax Paid to City \$472

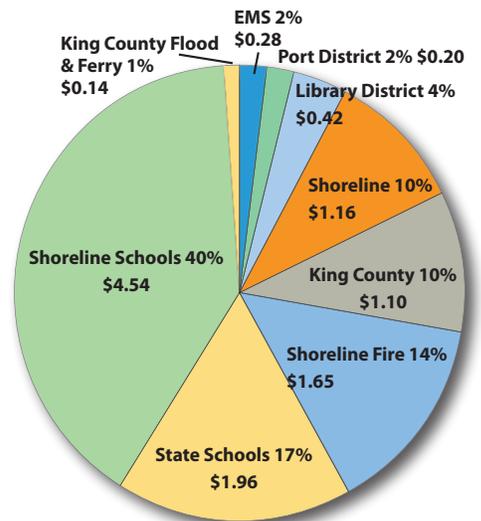
crease from one year to the next unless voters approve a larger increase.) The county assessor calculates the tax rate by dividing the levy by the total value of all property within the jurisdiction. The tax rate is typically expressed in dollars per \$1,000 of assessed value.

So if the total value of property within a jurisdiction falls, the rate would increase to raise the same amount of money. This is the situation with Shoreline's tax rates between 2009 and 2010.

In response to the recession, the City is not intending to increase the levy. The City of Shoreline's 2010 property tax levy is projected at \$7.5 million, basically the same as that assessed in 2009.

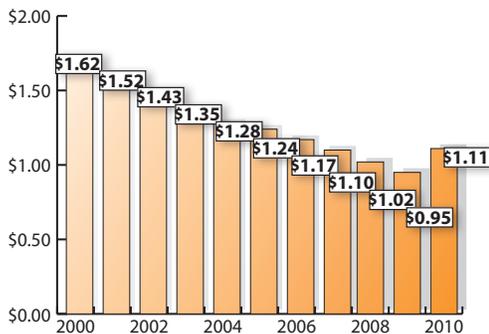
The estimated regular property tax levy rate for 2010 is \$1.11 per \$1,000 of assessed value, an increase from this year's \$0.95 per \$1,000 assessed value. The increase in rate is a result of the decrease in assessed value, as explained above. Homeowners may pay the same, more or less tax based on the assessed value of their property and whether it stayed the same or changed.

Shoreline Residents' 2009 Property Tax Allocations



One piece of land may fall under the jurisdiction of as many as 10 separate taxing districts, each with its own levy rate. For example, Shoreline taxpayers pay nine different taxing districts as shown above.

City of Shoreline Property Tax Rate Per \$1,000 Valuation 2000-2010



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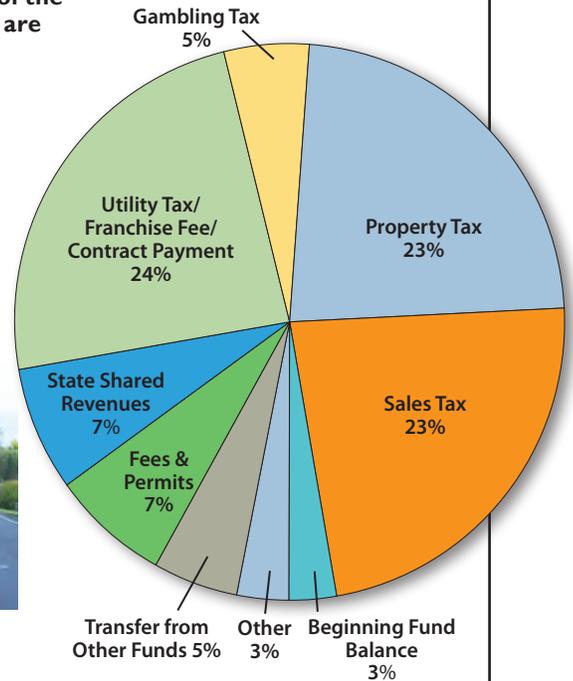
Building our community: Where Shoreline's revenue comes from

In 2010 Shoreline projects it will receive \$72.8 million in revenue from a variety of sources. The City's Capital Program is primarily funded with grants and the use of fund balance (project reserves carried from one year to the next).

The City's operating budget totals \$34.4 million, of which 75% of the funding comes from taxes and franchise fees. The largest sources are utility, property, and sales taxes.



Operating Budget



continued from page 4

The City's regular property tax levy provides resources to fund services to the Shoreline community. Not increasing the 2010 levy presents challenges since the City's costs are increasing.

In May 2006, Shoreline voters approved \$18.795 million in general obligation bonds to fund park projects and open space acquisition. Property owners are assessed a separate levy rate of the repayment of these bonds, which is estimated to \$0.25 per \$1,000 of assessed value or \$86 per year for an average valued home.

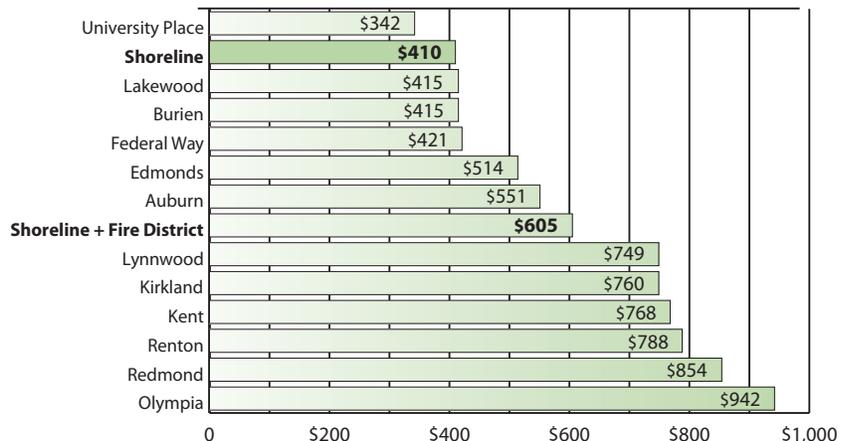
For more information about Shoreline property taxes visit www.shorelinewa.gov or contact Shoreline Finance Director Debbie Tarry at (206) 801-2301, dtarry@shorelinewa.gov.

Doing more with less: Comparing 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 graph reflects data for 2008. During 2008 the City of Shoreline collected \$410 per capita from property, sales, gambling and utility taxes, and franchise fees.

Per Capita Revenue Collection Comparison

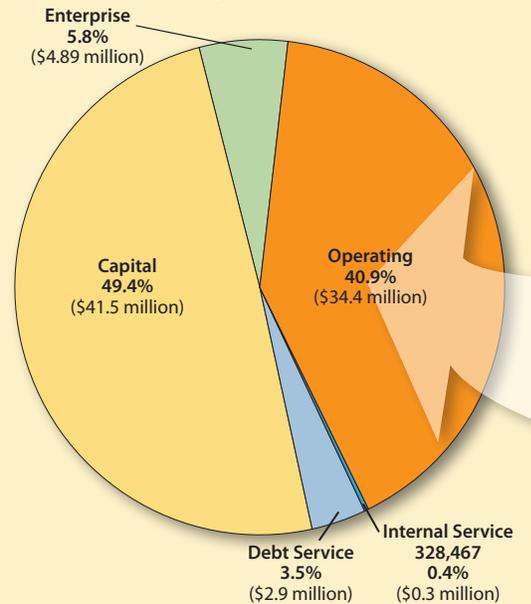
Property, Sales, B&O, Utility and Gambling Taxes, Franchise Fees



Your resources at work for you

The City's 2010 Budget totals \$84.1 million. Nearly 50%, \$41.5 million, represents the City's capital budget. Examples of capital projects scheduled for 2010 include improvements to Aurora Avenue N from 165th to 185th, street pavement maintenance and improvements to both Cromwell and Hamlin parks. Approximately 41%, \$34.4 million, of the total budget is spent to provide a variety of services to Shoreline residents and businesses like the ones pictured here.

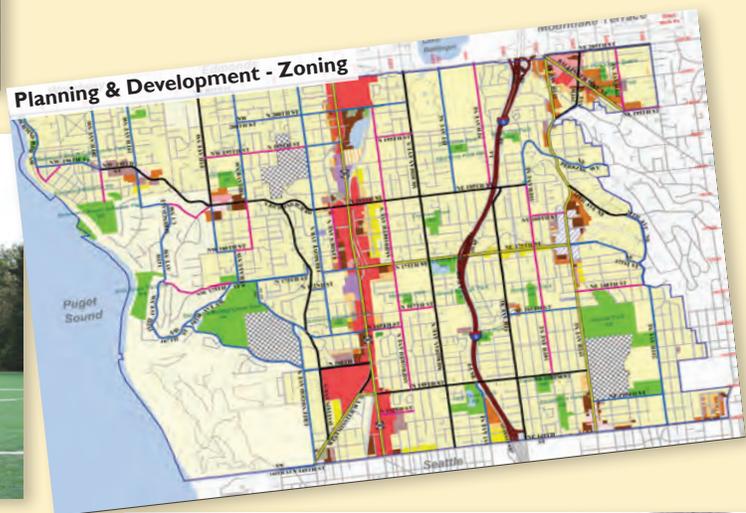
2010 Proposed Budget Total \$84.1 Million



Street Maintenance



Field maintenance

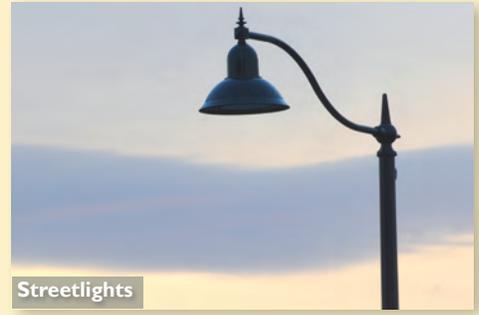
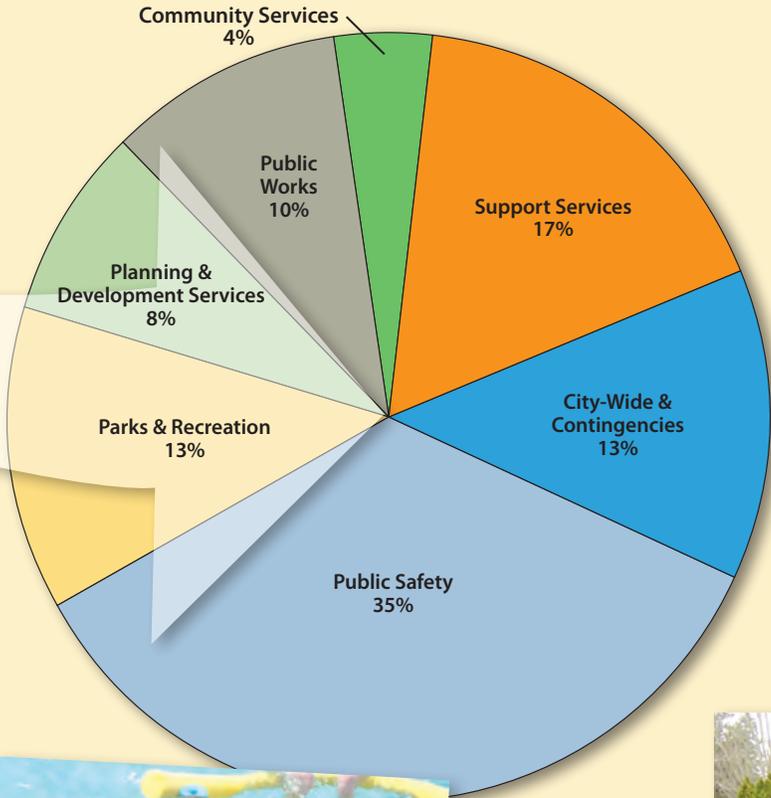


Emergency Response



Recreation Programs - Camp Shoreline

**2010 Operating Budget
Total \$34.4 million**



Streetlights



Environmental education



Give Graffiti the Brush Off Program



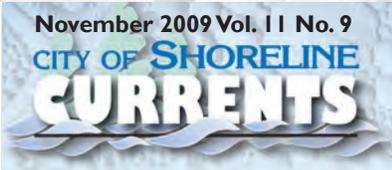
Shoreline Pool



Crime prevention - Police Auto Club Program



Road Overlay Program



Currents is produced by the Communications Program,
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Editing, writing and design: Susan Will,
 Julie Underwood, Debbie Tarry, Patti Raider,
 Tami Beaumont, Sheila Edwards and Tavia Tan.
Photos: Adam Buchanan and Parks, Recreation
 and Cultural Services and Public Works staff.

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Shoreline City Council

For all Council members	(206) 801-2200	council@shorelinewa.gov
Mayor Cindy Ryu	(206) 801-2201	cryu@shorelinewa.gov
Deputy Mayor Terry Scott	(206) 801-2202	tscott@shorelinewa.gov
Chris Eggen	(206) 801-2206	ceggen@shorelinewa.gov
Ron Hansen	(206) 801-2205	rhansen@shorelinewa.gov
Doris McConnell	(206) 801-2204	dmccconnell@shorelinewa.gov
Keith McGlashan	(206) 801-2203	kmcglashan@shorelinewa.gov
Janet Way	(206) 801-2207	jway@shorelinewa.gov

Meeting Location
 Shoreline Conference Center, 18560 1st Avenue NE
 Agenda Line: (206) 801-2236

Study Sessions: Mt. Rainier Room, first & third Mondays 6:30 p.m.
 Business Meetings: Mt. Rainier Room, second & fourth Mondays 7:30 p.m.

Televised City Council Meeting
 Comcast Cable Channel 21 & Verizon Cable Channel 37
 Tuesday noon & 8:00 p.m., Wednesday - Sunday 6:00 a.m., noon & 8:00 p.m.
 Meetings are available online at www.shorelinewa.gov



City of Shoreline
 17500 Midvale Avenue N, Shoreline 98133
 (206) 801-2700 Fax (206) 546-7868
www.shorelinewa.gov

Spartan Recreation Center
 18560 1st Avenue NE, Shoreline 98155
 (206) 801-2600 Fax (206) 801-2600

Shoreline Pool
 19030 1st Avenue NE, Shoreline 98155
 (206) 801-2650 Fax (206) 801-2650

Kruckeberg Botanic Garden
 20312 15th Avenue NW, Shoreline 98177
 (206) 546-1281

Departments & Programs

City Manager's Office	(206) 801-2213
Code Violations	(206) 801-2700
General Info (CRT)	(206) 801-2700
Human Services	(206) 801-2251
Jobs	(206) 801-2243
Neighborhoods & Volunteers	(206) 801-2253
Parks and Recreation	(206) 801-2600
Permits, Zoning & Land Use	(206) 801-2500
Public Works	(206) 801-2400
Projects & Engineering	(206) 801-2470
Recycling	(206) 801-2450
Street Maintenance	(206) 801-2440
Traffic Services	(206) 801-2430

Shoreline Police

Emergency: 911

Shoreline Police Station
 Chief Dan Pingrey
 1206 N 185th Street
 Shoreline, WA 98133
 (206) 801-2710

Eastside Police Neighborhood Center
 Officer Greg McKinney
 521 NE 165th Street
 Shoreline, WA 98155
 (206) 363-8424

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

Popular Numbers

Arts Council	(206) 417-4645
CleanScapes	(206) 763-4444
Comcast	(877) 824-2288
Historical Museum	(206) 542-7111
KC District Court	(206) 205-9200
KC Libraries	
Richmond Beach Shoreline	(206) 546-3522
Puget Sound Energy	(206) 362-7550
Qwest	(888) 225-5773
Ronald Wastewater	(800) 244-1111
School District	(206) 546-2494
Seattle City Light	(206) 367-6111
Seattle Public Utilities	(206) 625-3000
Senior Center	(206) 684-5900
Shoreline Center	(206) 365-1536
Shoreline Fire	(206) 368-4122
Shoreline Water	(206) 533-6500
Transfer Station	(206) 362-8100
Verizon	(206) 296-4466
	(800) 483-4100