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CMO	10/7	**20. Is there prioritization of the list of new and one time expenditures from our initial budget discussions in September? (ROBERTS)**	OPEN ITEM
CMO	10/7	**19. Does the proposed budget include COLAs for extra help employees? (ROBERTS)**	OPEN ITEM
ASD	10/7	**18. Over the past five years, how many consultants have been hired by the City per year and in aggregate, how much has the City spent on consulting services per year? If it makes sense, I would appreciate a breakdown between the operating budget and other budgets on those costs. (ROBERTS)**	OPEN ITEM
ASD	10/7	**17. Over the past five years, how much of the growth in operating expenditures has been due to step increases, health care costs, Cola, etc., versus one-time expenses versus new programs and new personnel? What are the breakdowns per year? (ROBERTS)**	OPEN ITEM
ASD	10/7	**16. What I would like to see is a chart of the past five years or so of the (for operating expenses):** **Beginning fund balance** **Budgeted ending fund balance**	OPEN ITEM

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		Actual ending fund balance **Budgeted Percentage change of budget expenditures** **Actual percentage change of budget expenditures** **(ROBERTS)**	
PW	9/21	15. Can we install permanent speed signs at Meridian Park School and along 8th NW?	**Permanent speed signs are approximately $20k. Traffic Services has worked with residents around Meridian Park School and agrees a permanent speed sign is appropriate and beneficial at this location. These signs are programmed in the 2016 Budget. As for 8th Ave NW, Traffic Services would like to work with the neighborhood to make sure this is the appropriate/best solution for this location. After that process, the project can be prioritized within the other needs**.
ASD	9/21	14. Why are we using a consultant to study a potential B&O Tax? (Roberts)	The Council adopted the 10 Year Financial Sustainability Plan in 2014. One strategy identified in the plan was to engage the Business Community in a discussion regarding the possible implementation of a business and occupation tax. This request supports consulting services to facilitate those discussions.
ASD	9/21	13. Why are GIS and Computer Support being requested as extra help if the work is ongoing? Should they be included as .5 FTE? (Roberts)	Staff recognizes that the GIS and Computer Support services supported by the Extra Help budget are ongoing services to meet current workload requirements; however, we recognize that some of the staff currently employed by Ronald Wastewater District might be able to fill these roles, particularly GIS, and are hesitant to add new regular FTE positions until we have fully evaluated the opportunities that the assumption might provide and are comfortable with the impact to the City's 10 Year Financial Sustainability Plan.
Parks	9/21	12. How much is the net revenue loss and replacement for pool closures? We should track this as a cost of operation. (SALOMON)	Historically, the annual pool revenue assumptions have accounted for the annual pool maintenance closure and are considered a part of the cost of pool operations. The pool maintenance closure is typically 2 weeks in mid-February. For 2016 the pool closure will be much longer (February 22 – June 6). We have estimated a 2016 revenue loss of $167,000 and decrease in expenditures of $77,000 for a net loss of $90,000. These decreases were reflected in the preliminary budget revenues and

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			expenditures presented to Council on 9/21, and will be reflected in the proposed budget.
ASD/ HR	9/21	11. Why are health benefits increasing at 9.7%? What can we do to reduce this cost? Can you provide dollar amounts for the 9.7 percent increase? Health Benefits: Costs are projected with an annual escalator of 6.5% for all health benefits which includes medical, dental, life and long term disability coverage for 2017 through 2025. The projected increase for 2016 is 9.7%. (SALOMON)	The year-over-year increase of 9.7% reported on the presentation is calculated by comparing the budgeted costs in the operating budget for health insurance premiums for 2016 of $1,981,864 to 2015 of $1,807,063. This is not directly driven by an increase in the medical rates as discussed below. Other major factors consist of the final results of: • Employees' benefit selections; • Turnover in staff, which can result in a change in the amount budgeted for benefits (e.g., When the City developed its 2015 budget, Employee A waived medical insurance coverage so the City budgeted the lowest allotment of $957/month. Employee A terminated employment with the City at some point in 2015 and the position was filled Employee B. Employee B is now receiving full family coverage so in 2016 the City will be budgeting the highest allotment of $1,848/month.); and, • Additions/deletions from the personnel complement (e.g., in 2016 budgeted costs for health insurance premiums in the operating budget increased due to the addition of 3.00 regular FTES, 1.00 term-limited FTE, 0.50 FTE Administrative Assistant 2 in Emergency Management, and one-time 0.20 FTE Capital Projects Manager 2 shifted from capital to the General Fund). Although actual rate increases won't be announced until early October, the AWC Employee Benefits Trust provided early projections for 2016 as follows. We have every reason to believe actual rate increases will be consistent with these projections. Medical: Regence medical is expected to increase 5 – 5.5 %. 58% of regular employees are enrolled in this plan. Group Health claims have been higher than trend and therefore are expected increase is 9-10%. 18% of regular employees are enrolled in this plan. Note that 23% of regular employees waive medical insurance.

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			Dental: Willamette Dental is expected to increase 5%. 13% of city employees are enrolled in this plan. No increase is expected for Delta Dental. Vision: No increase is expected. Current cost containment measures include Wellness, Consumerism Awareness and achievement of the WellCity award which provides a 2% premium discount.
ASD/ PD	9/21	10. If police had a 2 percent cola why is there an additional 1.3 percent increase in contract amount for a total increase of 3.3 percent? (SALOMON)	**Updated 10/2/2015: The projected 2016 contract with King County Sheriff's Office (KCSO) for police services is $11.4 million, which is an increase of 4.2% as compared to the 2015 contract. The cost of dedicated personnel will increase 2.9% largely due to the 2.0% COLA for captains, sergeants, and officers, 2.25% COLA for the Police Chief and civilian staff, as well as a 3.5% increase in benefit costs and 2.4% increase in overtime costs. The cost of shared police services (e.g., Communications, Hostage Negotiation Team, SWAT) will increase 7.6%. Most of this increase is due to a 13.2% increase in Shoreline's dispatched calls for service from 2013 to 2014, which is 23.2% of the overall increase for all agencies. The City's allocation of cost for the 911 Call Center is based on this single year percentage change of calls for service and Shoreline's share of the calls going through the Call Center has increased. King County overhead will increase 10.3%. Prior to 2015 KCSO did not pass along any training costs to its contract partners for normal attrition. In 2015, KCSO began sharing the cost of three officer adds, with the intent of increasing the shared amount each year until the appropriate number (yet to be determined) has been reached. In 2016, the chargeable pool size was increased from three to nine officers. Cities are also sharing in the cost of adding six positions to implement the National Incident-Based Reporting System. Another item that increased in 2015 is legal costs. In 2016 the amount of shared legal costs has been increased to more closely approximate the KCSO's actual legal expenses incurred.**
PW	9/21	9. I am concerned about increasing the TIF fee after we just implemented it. It's	**As mentioned in the 2016 Preliminary Budget staff report, the ordinance was written with an automatic escalator. Per the current ordinance this would result in a 34.98%**

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		already quite a cost for some. What does per trip mean in this context? (SALOMON) Transportation Impact Fees: When adopted in November 2014, the Ordinance included an escalator for transportation impact fees using the Washington State Department of Transportation's Construction Cost Index (WSDOT CCI). The current WSDOT CCI has the fees increasing by 34.98% from $6,124.77 per trip to $8,267.18 per trip. (SALOMON)	**increase or the cost per trip would increase from $6,124.77 to $8,267.18. Recognizing this is a steep increase, particularly in the first year of implementation, staff reviewed other alternatives and has recommended using a 3-year average of WSDOT CCI. This results in a per trip cost of $6,804.62. A code amendment will be needed for this proposed method. Council provided consensus that this is a more appropriate method to implement increases for Traffic Impact Fees.**
PW	9/21	8. Please breakdown the following design costs. I don't understand why design is so expensive. Roads Capital Fund: o 185 Street Corridor Study ($0.6 million) o Design of Westminster Way and N 155th Street Improvements ($0.3 million) (SALOMON)	**Design is a critical component to the development and implementation of projects. At this point, detailed estimates have not been developed on either project but based on other projects and past experience we believe that these are good professional cost estimates. Here are a few other details:** **• 185th Corridor Study budget is based on the similarity to the 145th Corridor Plan in that it will create a vision for the Corridor based on the subarea plan and Sound Transit. Extensive Public Involvement will be needed along with detailed traffic analysis and other engineering activities.** **• Westminster and 155th is needed to support future development and future grant opportunities. In order to provide accurate and valuable information this design will include survey, traffic modeling, establishment of curb lines, access points, etc. The intersection at 155th will be reconfigured as will the entrance to Westminster and the non-motorized use of the bridges. In addition, there will be public outreach and involvement on the alignment options and/or possibilities. The $300,000 proposed in the budget will start the design process and enable staff to be in a better position to assess grant opportunities and inform potential developers of**

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			required improvements.
Parks	9/21	7. Re: tree maintenance: Would this go funding to tree removal? What exactly does maintenance mean in this context? I previously stated my concern with removing trees on 155th because it creates a nice boulevard feel and suggested we find alternative to removal in addressing sidewalk buckling. Would this fund tree removal on 155th? (SALOMON)	This funding would be used for tree removal only after the tree is deemed hazardous by a certified arborist. Hazardous trees are those that are damaged, diseased, or otherwise unhealthy and have a significant likelihood of falling or losing branches that would harm people or property. Maintenance in this context means removing the tree or trimming branches to remove the hazard. This funding would not be used to remove trees to address sidewalk buckling. This funding would not be for tree removal on 155th unless a tree fit the hazardous tree definition.
ASD	9/21	6. Re: Computerized Permit and Customer Service System Replacement ($500,000): This is a huge cost. Can you itemize the costs and explain the problems with the current system? I feel the council needs to discuss this in more detail given the cost. (SALOMON)	The current Computerized Permit and Customer Service System (Infor's Hansen system) was installed in 2000, and does not meet current business needs. Through the years, many manual process adjustments were made in order to compensate for system deficiencies. Listed below are some of the issues that staff has encountered with the current system that affect both customer service and staff efficiency: 1. No ability for customers to submit permit applications or plans for review electronically. 2. Is very cumbersome to use and training new staff is difficult. Some examples of system inefficiencies that add time and effort to everyday tasks include: a. Inability to quickly find properties and permits. b. Screens with too many fields that are not needed or fields that are needed but not displayed. c. Inefficient methods for entering contractors. d. Lack of integration with GIS – staff is required to move back and forth between the permit system and GIS maps. e. Excessive steps to track review time and log permit activity. f. No easy mechanism to add standard notes to a permit card or comment letter.

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			g. Does not provide a way to produce a comment letter, and a separate system is used for this purpose.
			3. Does not support long range planning activities such as code amendments, subarea planning and CRA planning.
			4. Does not provide the flexibility for fees that are needed by the City.
			5. Is very difficult to pull information out of the system to satisfy public disclosure requests.
			The current system is becoming obsolete from a technology perspective.
			1. The City will not be able to move to new versions of the workstation operating system.
			2. The City will be unable to adopt new versions of other supporting software.
			In response to the above issues, as well as the 2014 – 2016 Council Goal – Goal 1, Action step 2 ('Implement efforts to make the permit process predictable, timely and competitive including the implementation of a new permit software system and enhancing the partnership with other permitting agencies'), a replacement of the permitting system was included in the 2014 – 2016 Strategic Technology Plan. The City requested a quotation from Infor to upgrade the current software to a version with the added functionality to address the issues listed above.
			1. The cost quoted was $417,173.10
			2. The software did not meet all of the City's required functional elements.
			In 2015, staff initiated a full RFP process to identify a replacement for the Hansen system. Infor chose not to respond. Staff has just completed on-site demonstrations with three vendors who were identified as the best fit for replacing this aging system.
			1. Costs for the three systems ranged from $284K (with a total 5 year cost of $743K) to $617K (with a total 5 year cost of $737K)
			2. The system that best meets the needs of the City is $407K (with a total 5 year

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			cost of $580K). The following is a breakdown of costs (note that staff has not finalized project scope, so these costs are subject to change when scope is finalized and the vendor submits their 'best and final offer'):
			   o Licenses - $197K
			   o Implementation $170K
			   o Maintenance - $40K
			
			The replacement cost was anticipated and included in the IT Strategic Technology Plan. An estimate of $450K for the Computerized Permit System and $75K for the Customer Service System was included in the plan for a total budget of $525K. The 2016 budget request includes a portion of the term limited IT Project Manager. Based on the current status of the project, staff believes that the project will be completed well within that estimate.

ASD	9/21	5. Regarding LiDAR: Doesn't FEMA do this? Would this be done for Point Wells if we spend this money? (SALOMON)	FEMA does not perform its own data collection. The United States Geological Survey (USGS) leads the GIS data collection effort for FEMA. The LiDAR assessment for which 2016 funding is requested is organized by the Puget Sound LiDAR Consortium, which coordinates the LiDAR efforts for local, state and federal organizations in our region. USGS is a member of this consortium. Point Wells will be included in the proposed data collection effort.
ASD	9/21	4. Is our intent with the LiDAR request to join in the regional collaboration to bring our costs down? What is the schedule for that? And what other sources might there be, perhaps even free to the city, for LiDAR, perhaps through the state landslide hazard assessment project, King County, or others? (HALL)	The City is joining 28 other cities and special purpose districts in sharing the cost of this project. King County is leading this project. The total cost of this assessment is $500,000. The City of Shoreline has been asked to contribute $5,033 (1%) to this effort. It is anticipated that this work will be completed by the end of 2016. We will use the data collected through this assessment to assist the City with several core business processes, including:

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			• Mapping historic landslides • 3D modeling of the urban landscape • Flood modeling • Tree canopy analysis
CMO	9/21	3. I would like to learn how other farmers markets are funded, and in particular, which ones in our area are funded at what levels by local governments. (HALL)	We evaluated two comparable cities for Farmers Market funding, Renton and Auburn. They have different models than the City of Shoreline which is directly funding an outside organization, the Shoreline Farmers Market Association. Both Auburn and Renton now run the Farmers Market themselves. According to Julie Krueger, the Arts and Events Manager at the City of Auburn, the City runs the Farmers Market directly with expenses of about $45,500 and revenues of about $22,500, meaning that the City is subsidizing the market for $23,000 each year. Renton, on the other hand, started out with a similar model to ours a decade ago, but in a multi-year process slowly brought the operation completely into City Hall. They now operate the Market as a self-sufficient separate budget category with a fund account to be used in case of a rainy day. The City devotes 0.75 of a full time employee to the Market (0.75 x $64,000 all-in cost), plus hires seasonal help and pays for supplies. All in all, Renton spends about $80,000/year on the market, but this year will brings in over that amount in revenues. That level of revenue was surprising to me, but I discovered that the revenue is significantly bolstered by three grants of $15,000 each plus other smaller grants and sponsorships that amount to approximately $60,000/year. Both the City of Renton and the City of Auburn, then, received between $22,000 - 25,000 in vendors fees for the year. According to Brendan Lemkin, our Shoreline market director, Seattle Farmers Markets

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			are operated by 3 different non-profit umbrella organizations including the Neighborhood Farmers Market Alliance, Seattle Farmers Market Association and the Pike Place Market Foundation. These have been around for decades and don't quite scale with the independent model we are operating but we frequently look to them for advice and best practices for business operations.
ASD/ PW	9/14	2. Right of Way Maintenance Contract - (SALOMON) • Could we look at alternatives to landscape in these areas to reduce costs? Highlight the alternatives being considered • Why did we only have two responses to the Landscape contract?	Yes, staff could look at alternatives to reduce right of way landscaping maintenance costs. Converting landscaped areas to hardscape is one lower cost option staff is considering. Types of hardscaping include stamped concrete, colored asphalt, decorative pavers and they come in pervious and impervious varieties. In addition, there may be other lower cost options to consider such as using chemicals, modifying the contract work tasks, and/or using City staff to complete all or part of the work. The City Manager has already requested Park and Public Works staff to prepare a comparative analysis of the above options and bring it to the City Council as part of a larger policy discussion around City landscape maintenance. This will take a few months to complete. In the last bidding process we had to rebid. In the initial bidding process we received four responses. Staff rejected all four bids because two low bids were deemed as non-responsive and the other two bids were too high. In the second process only the two lowest bidders from the initial bid responded. A reduction in the number of bidders is not unusual in a rebid situation. Additionally, the work is complex; it requires traffic control in one of the most used roadways in Shoreline, Aurora Avenue North. The fact that there is complex traffic control required further reduces the likelihood that smaller business will respond to the bid.
ASD	9/14	1. Can REET be used as grant match? Does it help the general fund or is it a net zero impact? (HALL)	REET 1 and 2 funds may only be used for capital purposes and for projects that are in the City's capital improvement plan. Therefore REET funds may be used for a matching portion of a grant as long as the project meets the requirements of RCW 82.46.010 (REET 1. See below.) and RCW 82.46.035 (REET 2. See below.).

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			There are several transfers from the General Fund to support the CIP in both the Gen Cap and Roads Funds (where REET revenues are located). However, currently all REET revenues are allocated to CIP projects, as the proposed 2016-2021 CIP was developed with forecasted increase in REET collections. If there is a positive variance in 2015 actual receipts, we can do a one-time reduction in General Fund transfers out for scheduled projects. REET 1 has two components which must be met: • RCW 82.46.010 (2) requires that the capital projects be included in the capital improvement plan. And… • That it is one of the projects listed in RCW 82.46.010 (6) which states: Those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities… REET 2 defines the projects allowed in RCW 82.46.035 (5), which states: "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

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