

**Community Priorities  
Long-Range Financial Planning  
Citizens Advisory Committee**

Interim Report  
September 15, 2008

# Committee Purpose

- Develop a recommendation to the City Council on the long-term strategy to provide community services and the funding mechanisms to provide those services.
- City Council appointed 18 citizens on March 3, 2008

# Community Advisory Committee Members

- Gary Batch
- Keirdwyn Cataldo
- Walt Hagen
- Carolyn Hope
- Renee Pitra
- Paul Sutphen
- Bill Bear
- Bill Clements\*
- Paul Herrick
- Dick Pahre\*
- Mary Lynn Potter
- Shari Tracey
- Gloria Bryce
- Kathie Crozier\*
- Bill Hickey
- Rebecca Partman\*
- Rick Stephens\*
- Hiller West\*

\* - Subcommittee Member

# Current Status

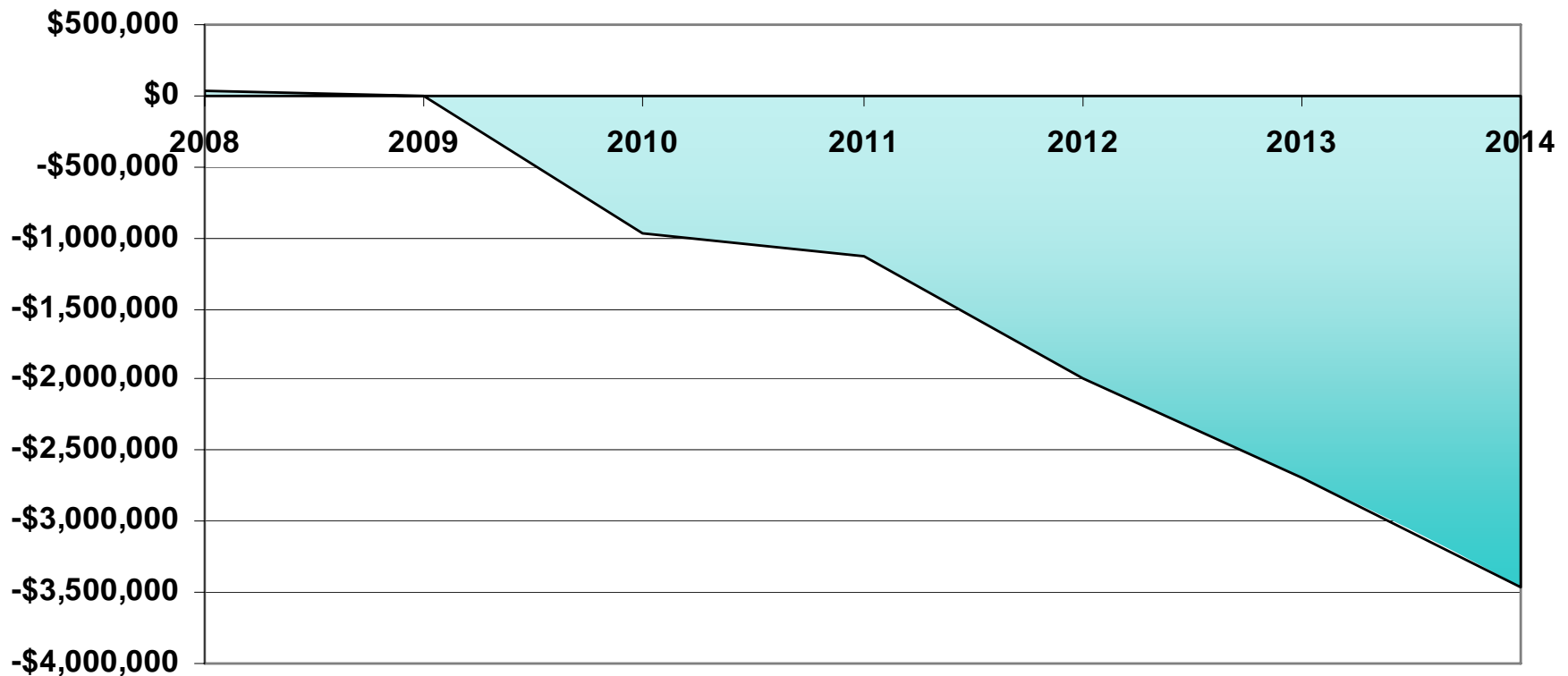
- Have met 9 times since their appointment
- Reviewed and studied a vast amount of information
  - 2004 & 2006 Citizen Survey Results
  - Budget & Long-Range Financial Projections
  - City Comparative Data
- Developed preliminary recommendations and next steps

# Projected Situation

- Six year financial planning horizon
  - Incorporates “known” or “anticipated” revenue expenditure changes
    - Examples
      - Completion of park improvements that require on-going maintenance
      - Changes as a result of contract obligations (i.e, Police contract cost increases)
      - Changes in revenue stream (i.e., Increases in fees, changes anticipated with economic cycles)
    - Other than these “known” changes, forecasts assume a “status-quo” level of service
      - No new personnel
      - No new services or changes to service levels

# Projected Situation

## Annual Budget Surplus (Gap) 2008-2014



# Long-Term Projected Budget Gap Summary

<b>Year</b>	<b>Projected Budget Gap</b>
<b>2010</b>	<b>\$1 Million</b>
<b>2011</b>	<b>\$1.1 Million</b>
<b>2012</b>	<b>\$2 Million</b>
<b>2013</b>	<b>\$2.7 Million</b>
<b>2014</b>	<b>\$3.5 Million</b>

# Preliminary Recommendations by Committee

- The Shoreline community does not desire a significant reduction in City services
- Focus Areas
  - Efficiencies
  - Maintaining Current Services
  - Expanding Service Levels



# Efficiencies

- **What's Already Been Done**
  - Important to inform citizens about what's already been done
- **Sustained Commitment to Efficiencies**
  - Important to keep looking for ways and demonstrating responsible financial stewardship of taxpayer dollars
- **Efficiencies if Asking for More**
  - If going to citizens for additional revenues, they need to know what's been done already and what's being done now to assure efficiencies

# Priority Areas for Efficiencies

- **Criminal Justice**
  - Explore opportunities to limit or reduce future expenditure growth
- **Cost-Benefit Analysis Comparisons**
  - Help Shoreline citizens understand revenues received by the City versus other jurisdictions
  - Work with other jurisdictions to make sure there is value to Shoreline
- **Maximize Technology for Communications**
  - Use technology opportunities (web, on-line systems, list serves, etc.) to reduce printing/postage costs
- **On-going Budget Review**
  - Continue to look for areas of savings and efficiencies

# Maintaining Current Services

- In the future alternative or additional revenues will be required to provide resources to fund current service levels

# Alternative Revenue Sources Considered

- Transportation Benefit District
- Property Tax Levy Lift
- Business & Occupation Tax
- Gambling/Card Room Tax Increase
- Business License – Revenue Generating
- Utility Tax Rate Increase

# Preferred Funding Options for Current Levels of Service

- **Transportation Benefit District**
  - **\$20 Vehicle License Fee (+\$600k generated annually)**
  - Councilmanic authority
  - Consensus that non-voted fee is first place for additional funding
  - Funds key priority (transportation and infrastructure maintenance)
  - Consistent with sustainability value of City
  - Easy to explain - replacing revenues lost from I-695 passed on a State-wide basis, but did not pass in Shoreline
  - Be clear with citizens about what it's funding
  - Question - What are other communities doing?

# Preferred Funding Options for Current Levels of Service

- **Property Tax Levy Lid Lift**
- **Every 10 cents generates \$722,000**
  - Overall, group is open to option, not necessarily unanimous yet, but all agree more information needed
  - Questions to be answered before moving forward:
    - Economic conditions at time of vote?
    - Reliable polling research on viability, options, levels?
    - Not to compete with school district, other measures?
    - Impacts to homeowners and businesses
  - Opportunity to designate funds for public priorities, critical services, consistent with city values
  - Best opportunity to close future projected gaps

# Other Revenue Options That Had Less Consensus

- Business & Occupation Tax
  - Generate up to \$1 million
- Gambling/Card Room Tax Increase
  - Each 1% Increase = \$190,000
  - Concerns regarding impact on existing casinos

# Other Revenue Options That Had Less Consensus

- Revenue Generating Business License
  - Revenue generation dependent on fee
- Utility Tax Rate Increase – Each 1% Increase
  - Natural Gas = \$175,000
  - Telephone = \$292,000
  - Surface Water = \$30,000
  - Some utilities require voter approval



# Expanding Service Levels

- Sidewalks/Pavement Maintenance
- Traffic Signal Coordination
- Volunteer Coordination
  - Leverage city resources, evaluate cost-effectiveness
- Economic Development
  - Support Local Businesses and Attracting New Businesses
- Senior Services

# Top Additional Priorities Funding Options for Consideration

- **Transportation Benefit District – Voted Components**
  - Use voted capacity
    - Vehicle License Fee > than \$20
    - Sales Tax
  - Traffic signal coordination
  - Other transportation needs?
- **Levy Lid Lift – Above Level for Existing Services**
  - Designate for priorities

# Next Steps

- Additional Information (Fall 2008)
  - Providing additional tools for the committee
  - Getting perspectives of what is happening in other communities
- Community Outreach (Winter 2008/2009)
  - Developing effective ways to communicate information to the public
  - Getting feedback for developing final recommendations
- Final Recommendation to the City Council (March/April 2009)