

The background of the entire page is a photograph of a park. In the foreground, there is a paved asphalt path that curves to the right. To the left of the path is a landscaped area with green grass, small trees, and bushes. In the middle ground, there is a large green lawn where several people are walking. In the background, there are tall evergreen trees and utility poles with power lines. A body of water is visible on the left side of the image.

2006 Budget In Brief

Shoreline, Washington

January 1, 2006 - December 31, 2006

(Photo: Interurban Trail at Echo Lake Park)



2006 Budget-in-Brief

**Ron Hansen, Mayor
Scott Jepsen, Deputy Mayor
John Chang, Councilmember
Maggie Fimia, Councilmember
Paul Grace, Councilmember
Rich Gustafson, Councilmember
Robert Ransom, Councilmember**

**Steve Burkett, City Manager
Debbie Tarry, Finance Director**

*Prepared by the Finance Department
For Fiscal Year January 1, 2006 - December 31, 2006*

For more detail, copies of the 2006 Budgets are available on the City's web site, at City Hall, both Neighborhood Police Centers, Shoreline Library and Richmond Beach Library



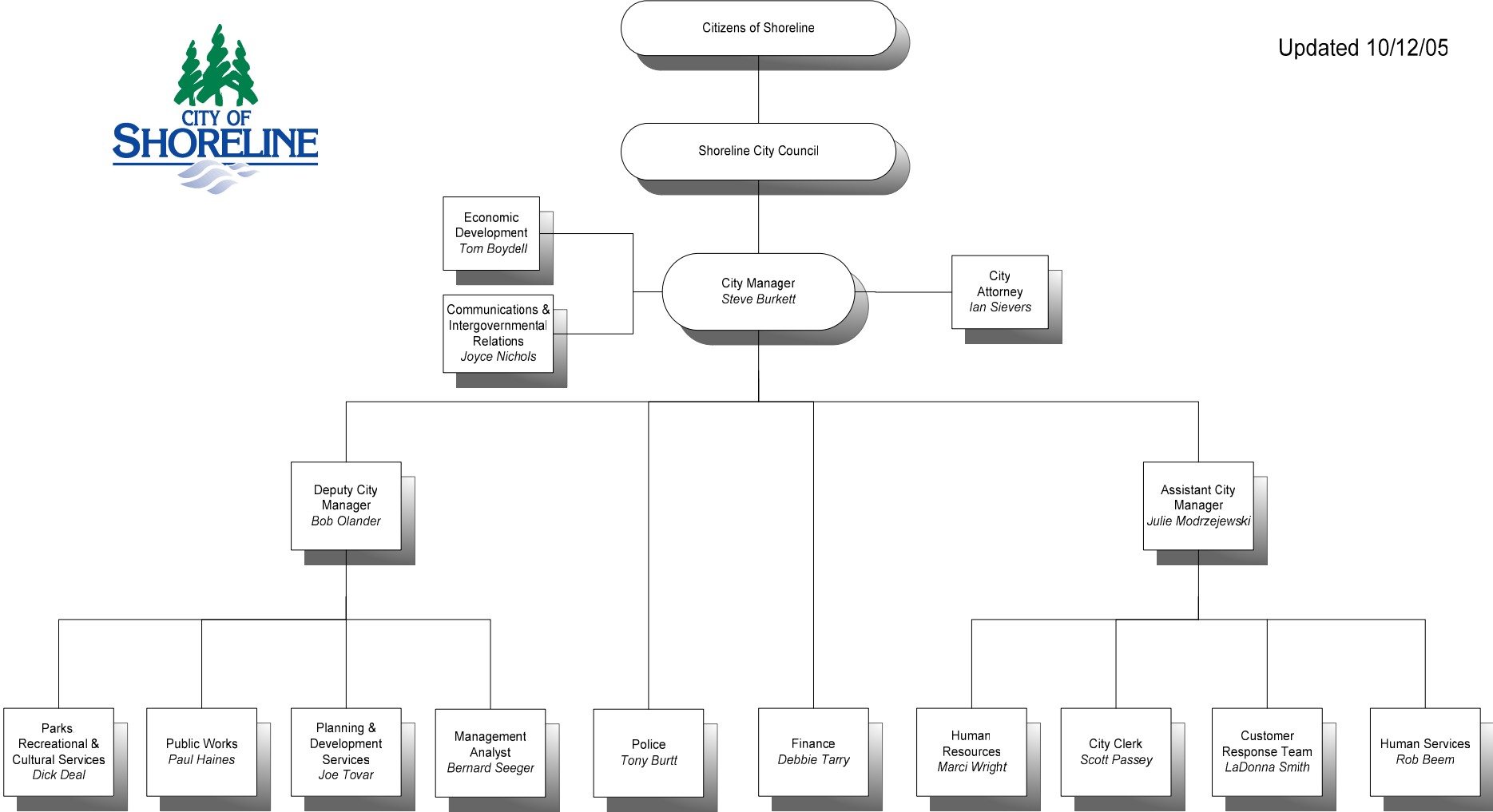
2006 Budget-in-Brief

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CITY ORGANIZATIONAL CHART



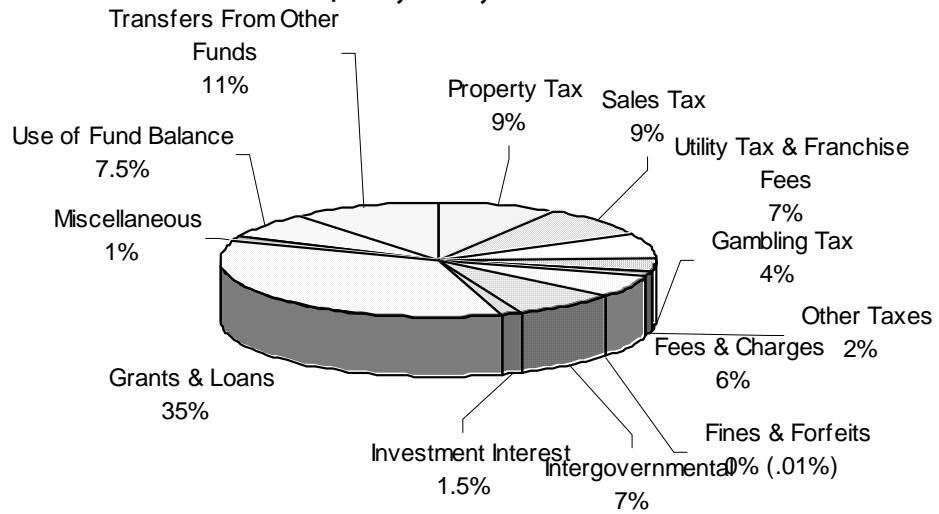
Updated 10/12/05



The City Budget

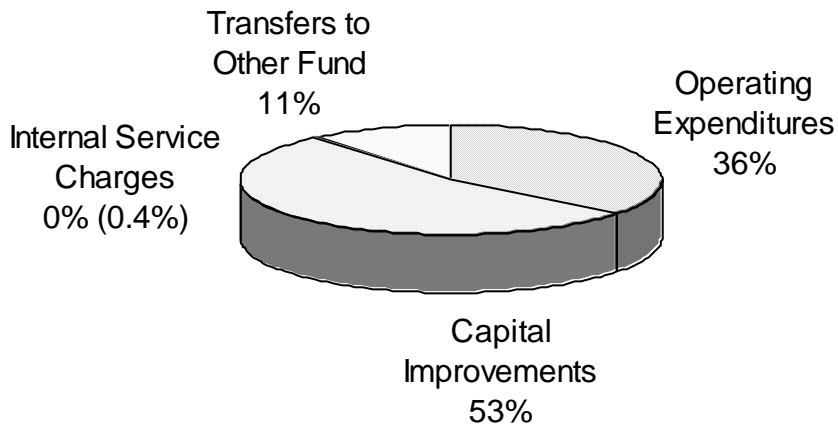
Where the money will come from

2006 City Resources By Category \$78,936,984



How will the money be spent

2006 City Expenditures by Category \$78,936,984





October 17, 2005

Honorable Mayor, City Council, and Shoreline Residents:

I am pleased to present the 2006 Proposed Budget. This document presents the overall plan for allocating the resources of the City to a variety of programs necessary to keep the community safe, enhance the quality of life, and maintain and develop facilities, parks, roads, and storm drainage.

As we have discussed numerous times, the City of Shoreline is in excellent financial condition. This condition has intentionally been obtained as a result of the prudent financial policies adopted by the City Council and the implementation of those policies with fiscally constrained budgets. Even through the recent recession that hit the Puget Sound Region particularly hard, the City was able to maintain service levels as a result of cost efficiencies gained by staff and cost reductions related to policy changes, such as the health benefit policy change made in 2003. Although we have been able to maintain our service levels, and in some cases able to improve service levels, our long-range forecasts indicate that this may become more challenging in the future, as revenue growth is anticipated to be below the projected inflation levels for the next several years.

In preparing this budget, it was my goal to continue to allocate our resources to provide services that support the Community Vision, Values and Critical Success Factors, and 2005-2006 Council Work Plan. Consistent with Council direction and input, the budget places primary emphasis on maintaining current services, investing in capital projects to enhance the facility, transportation, and surface water systems throughout the City, and implementing a program to enhance economic development within our community.

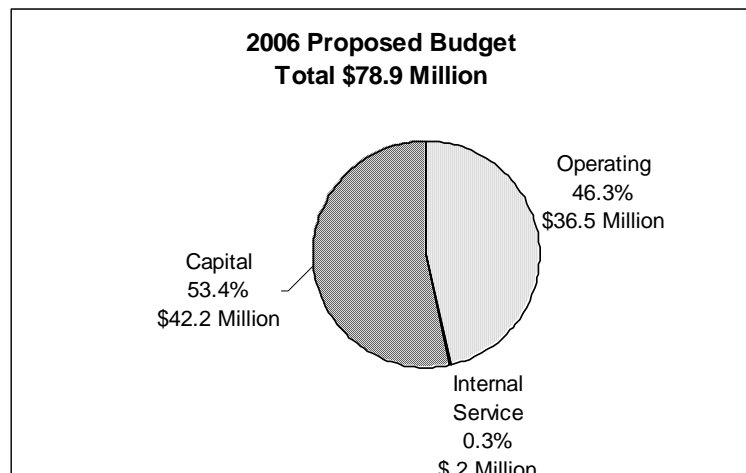
Budget Highlights

The City's 2006 proposed budget is balanced in all funds and totals \$78.9 million. The 2006 proposed budget is \$12.3 million or 13.4% less than the 2005 Budget. This is primarily a result of the 2006 capital budget being \$12.2 million less than the 2005 capital budget. The decrease in capital expenditures is a result of the completion of the Interurban Trail and the majority of the construction costs related to the North City Business District/15th Avenue improvements occurring in 2005. The Aurora Avenue improvements, Interurban Trail Pedestrian crossing, and City Hall remain the most significant capital projects to occur in 2006.

The table below summarizes the 2006 budget and provides a comparison to the 2005 current budget by fund. The 2005 budgeted expenditures represent the adopted budget and any budget amendments, such as reappropriations, that have occurred in 2005 through September 2005.

Fund	2006 Proposed Budget			2005 Current Budget		05 - '06 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Expenditures	
Operating Funds:						
General Fund	7,815,669	27,097,636	28,943,488	5,969,817	30,986,451	-6.6%
General Reserve	2,140,189	38,350	0	2,178,539	0	n/a
Streets	527,103	2,469,877	2,469,877	527,103	2,374,833	4.0%
Surface Water Management	2,896,882	2,779,067	4,982,116	693,833	2,898,600	71.9%
Code Abatement	86,095	102,500	100,000	88,595	100,000	0.0%
Asset Seizure	25,558	23,500	23,000	26,058	23,000	0.0%
Sub-Total Operating Funds	13,491,497	32,510,930	36,518,481	9,483,946	36,382,884	0.4%
Internal Service Funds:						
Equipment Replacement	1,353,649	299,308	138,180	1,514,777	189,636	-27.1%
Public Art Fund	406,518	33,892	0	440,410	193,995	-100.0%
Unemployment	72,154	10,450	10,000	72,604	10,000	0.0%
Vehicle Operations & Maintenance	52,139	88,717	88,717	52,139	71,824	23.5%
Sub-Total Internal Service Funds	1,884,460	432,367	236,897	2,079,930	465,455	-49.1%
Capital Funds:						
Arterial Streets	17,370	0	0	17,370	353,358	-100.0%
General Capital	7,871,969	13,383,259	13,728,930	7,526,298	17,195,000	-20.2%
City Facility-Major Maintenance Fund	156,000	74,680	60,000	170,680	124,000	-51.6%
Roads Capital	10,007,750	23,290,590	26,987,116	6,311,224	33,203,548	-18.7%
Surface Water Capital	2,543,666	3,311,667	1,405,560	4,449,773	3,477,626	-59.6%
Sub-Total Capital Funds	20,596,755	40,060,196	42,181,606	18,475,345	54,353,532	-22.4%
Total City Budget	35,972,712	73,003,493	78,936,984	30,039,221	91,201,871	-13.4%

The budget can be divided into three parts: Operating, Internal Service and Capital. The City's operating budget represents the cost of providing services to the Shoreline Community on a day-to-day basis. The capital budget represents the cost of making improvements to the City's facilities, parks, transportation, and surface water systems. Internal service funds represent transfers between funds (Vehicle Operations, Equipment Replacement, and Unemployment) to fund maintenance and replacement of City equipment and unemployment claims.



The 2006 operating budget supports current service levels along with some minor on-going service enhancements and one-time special projects. The operating budget totals \$36.5 million. The City's operating expenditures increased by \$135,597 or .4%, when compared to the 2005 budget.

The 2005 operating budget included a \$4 million transfer from the General Fund to the General Capital Fund for the City Hall project. This transfer was possible because revenues exceeded expenditures for the past four years in the General Fund resulting in annual surpluses. As these surpluses were considered one time savings, the City's financial policies dictate that the savings should be expended for one-time expenditures. Currently staff is estimating that the General Fund will end 2005 with a \$1.3 million surplus. I have proposed in the 2006 budget that we treat those savings as one-time and allocate

approximately 50% (\$652,000) to the General Capital Fund for future appropriation and the remaining has been allocated for one-time projects discussed in more detail later in this letter.

The preceding table reflects a 6.6% decrease in the General Fund budget for 2006 with revenues equaling proposed expenditures. When comparing the 2006 budget to the 2005 budget, it is important to remember that the 2005 budget includes a \$4 million transfer for City Hall and approximately \$613,000 in carry-over appropriations from 2004. If these items were eliminated from the 2005 budget and the \$1.3 million in one-time appropriations were eliminated from the 2006 budget, the 2006 General Fund budget increased by 4.4%, \$1.2 million when compared to 2005.

Prior to finalizing the proposed 2006 General Fund budget, the 2006 General Fund revenues exceeded proposed expenditures by \$236,000. Even though this was the case, I am not recommending that we program these monies into on-going expenditure commitments. My recommendation is primarily focused on our long-term financial forecast in which we are anticipating budget gaps in future years. As a result, I have recommended that \$180,000 be programmed as a contingency expenditure for future Washington State Public Employee Retirement employer contribution rate increases and the remaining \$56,000 be transferred to the General Capital Fund for one-time expenditures. The \$56,000 should be appropriated during the 2007-2012 Capital Improvement Program update which will occur during 2006. As a result of my recommendation, the 2006 General Fund budget has revenues equalling expenditures.

From 2005 to 2006 the City's capital expenditures are projected to decrease by \$12.2 million, or 22.4%. The capital budget includes resources that are allocated for completion of projects that enhance the City's facilities, parks, transportation, and surface water management systems.

Major changes within the City's 2006 budget include the following:

- ◆ **Personnel Costs:** The 2006 budget includes an increase of \$717,800, 6.6%, in personnel costs. This table summarizes the changes with a more detailed explanation following.

	2005 Budget	New Positions	Position Elimination	Extra-Help Budget Increases	Vacation Buy-Out	Step Increases	Market Adjustment	Retirement, L&I and Health Premium Changes	2006 Budget	% Change
Salaries	8,624,203	234,757	(34,800)	58,759	50,000	103,600	150,534		9,187,053	6.5%
Benefits	2,325,715	72,170		17,302		7,038	10,219	48,242	2,480,686	6.7%
Sub-Total	10,949,918	306,928	(34,800)	76,061	50,000	110,638	160,753	48,242	11,667,739	6.6%
Budget Reductions/New Revenues		(128,385)		(65,696)					(194,081)	
Net Budget Impact	10,949,918	178,543	(34,800)	10,365	50,000	110,638	160,753	48,242	11,473,658	4.8%

- ◆ The major changes in personnel costs include a combination of the following:
 - Salaries and wages are increasing by \$562,968 or 6.5% in 2006. Increases to salaries and wages include:
 - New employee positions account for nearly 50% of the increase in salary wage costs. (\$235,000, net impact of \$113,100): The proposed 2006 budget includes

a recommendation to increase the City's regular employee full time equivalents (FTE's) by a net 4.5 FTEs. The proposed position changes include:

- Increasing the Assistant City Attorney from a .75 FTE to a 1.0 FTE (\$17,700)
- Converting a contracted Network Specialist position to a regular employee position. This results in a net savings to the General Fund. (\$54,300, net budget savings of \$29,900)
- The addition of a Parks Maintenance Worker II and a Parks & Recreation Project Coordinator (\$97,400)
- The addition of a .5 FTE Technical Assistant in the Permit Services program. This position is needed to implement the proposed electrical permit program. The cost of the position will be offset by the revenue generated from this program. (\$19,700, net budget impact of \$0)
- The addition of a Engineer Technician in the Surface Water program. (\$45,700)
- Elimination of a .75 FTE Domestic Violence Victim Coordinator position. This position was vacated and the Prosecutor's Office has agreed to provide this service through a contract agreement. This will be a more effective and cost efficient method to provide this service. (Transfer from salaries to intergovernmental services of \$34,800)
- Excluding the changes in FTEs, regular salaries would have increased by \$363,900 (4.2%) from 2005 to 2006. Other salary changes include:
 - A recommended new vacation buy-out program for regular employees (\$50,000).
 - Market salary adjustments and budgeted step increases. The budget includes an overall 2.28% market adjustment for all regular personnel classifications (\$151,000) and anticipated step increases for eligible employees (\$103,600); and
 - Increase of budgeted extra-help (\$58,800) primarily related to the expanded summer recreation and aquatic programs. These costs are off-set by program revenue.
- Projected benefit cost increases (\$155,000) are related primarily to the following:
 - Proposed position changes discussed in the previous section account for nearly one-half of the increased benefit costs (\$72,000).
 - Health benefit costs are projected to increase by \$48,700, 3.7%. This is substantially lower than the annual goal of keeping health benefit cost increases to 7.5% or lower.
 - Increases in the employer contribution to the City's Social Security program and Medicare, for existing positions, will increase by \$17,300 as a result of the recommended market adjustment and anticipated salary step increases.
 - Increases in rates for workers compensation will result in an increase of \$9,900 cost for labor and industry premiums.
 - The Washington State Retirement (PERS) employer contribution rate will go from 2.44% to 3.69% effective July 1, 2006. It is projected that the contribution rate will continue to increase over the next several years. Although this is the case, the 2006 budget actually reflects lower retirement contribution costs (\$10,400) than in the 2005 adopted budget. The 2005 budget included a projected increase from a 1.38% to 5.26% effective July 1, 2005. During the 2005 legislative session, the legislature passed a much lower rate (2.44%) resulting in savings in the City's 2005 budget. The legislature set the July 1, 2006, rate during the 2005 legislative session.
- The City's compensation policy establishes salary ranges that are set at the median of the City's comparable organizations. In 2004 a survey for one-half of the City's

personnel classifications was completed. As was discussed with the Council at that time, the remaining classifications were surveyed in 2005. Based on the findings of this survey, the 2006 proposed budget includes \$64,000 in contingency to cover the anticipated salary schedule changes. One of the recommended changes that I am proposing to the City's compensation policy for 2006, is that the City's director positions be placed in a salary range that conforms with our market policy, but that the salary range only have a formal minimum and maximum salary, as opposed to steps within the salary range. Directors will be eligible for salary changes based strictly on performance. For this reason, you will see that the salary schedule for directors has been segregated from the other salary schedules to show a minimum salary and a maximum salary.

- ◆ **Police Contract:** Overall, the City's cost for police services is projected to increase by \$272,300 (3.5%) when comparing the estimated 2006 cost to the City's 2005 budget. This is primarily a result of increased personnel costs within the King County contract and an increase in the City's share of activity based cost allocations such as the 911 Communications Center.

The contract with King County provides that the Sheriff's Office give an estimate of the 2006 costs by September 2005, and then reconcile this cost with the budget adopted by the County in March of 2006. Whichever cost is less is the amount that the City will actually pay. As a result of this process, it is not unusual that the City's budget may be slightly different from the actual annual contract with King County. This is the case in 2005. The amount budgeted for 2005 was more than the actual contract obligation for 2005, resulting in budget savings. The budget savings estimated for 2005 is \$76,000.

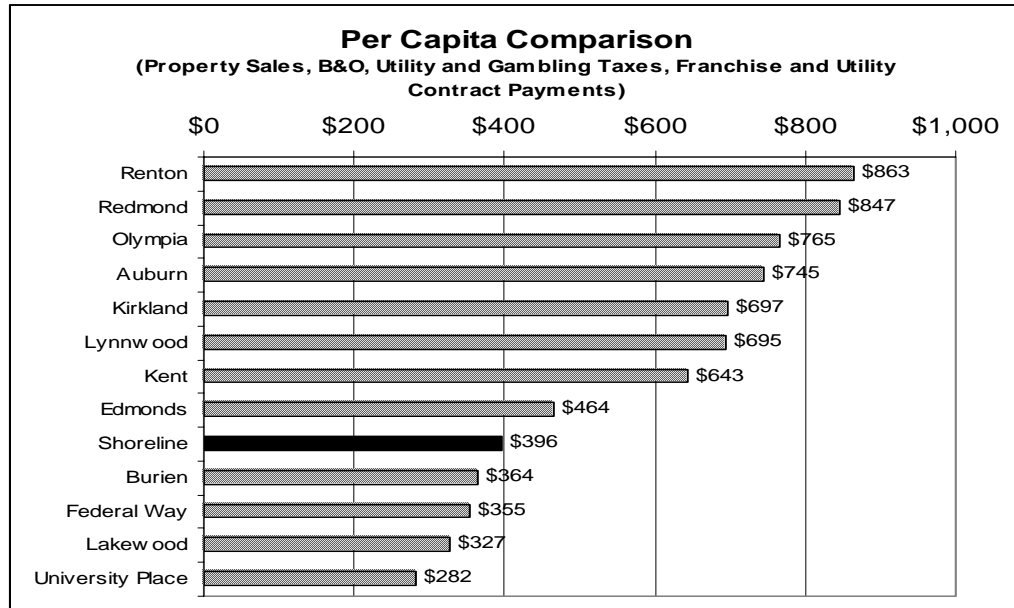
- ◆ **Jail:** The City's jail costs are expected to decrease by approximately \$26,000, 3%, in 2006. This is primarily related to the shift in usage from King County to Yakima County.
- ◆ **Economic Development Enhancements:** The proposed 2006 budget includes a recommendation to enhance our economic development efforts with a focus on small businesses. As the Council is aware, the Economic Development Task Force has been meeting and will be bringing a formal recommendation to the Council later in 2005. Based on their preliminary discussions and the recommendation from our Economic Development Program Manager, we have implemented two pilot programs in 2005 with Community Capital Development and Environmental Cooperative of South Seattle to assist small businesses. In the 2006 budget, I am recommending that we contract with Community Capital Development and the Environmental Cooperative of South Seattle to establish an on-going program to assist our small businesses. In 2006 the cost for these programs is estimated at \$95,000. I am recommending that we fund these programs with the anticipated revenues that will be received by the implementation of a business registration/license program in 2006. Of course the actual implementation of this program in 2006 is dependent on the outcome of the pilot programs in 2005.
- ◆ **Human Service Funding:** The 2006 budget includes an \$83,000 increase in the base General Fund budget for human service agencies. The Council may recall that the 2005 budget included a one-time increase of \$62,000 in human service funding. I am proposing that the City treat this as an on-going commitment along with an increase of \$21,000 to offset anticipated reductions to the Community Development Block Grant program by the federal government.
- ◆ **2005 Base Budget Adjustments:** The 2005 budget contains approximately \$5 million in either one-time expenditures or 2004 carry-over expenditures. The most significant item was a \$4 million dollar transfer from the General Fund to the General Capital Fund for City Hall. These items were removed while preparing the 2006 base budget.

- ◆ **City Streetlight Program:** As the Council is aware, the City currently pays for some streetlights and neighborhoods pay for some. In order to improve equity amongst all neighborhoods, the 2006 budget proposes that the City assume responsibility for all existing street lights. The projected annual cost for this is estimated at \$77,000.
- ◆ **Budgeted Contingency Expenditures:** The 2006 budget includes two main types of budgeted contingencies: operational and insurance contingency and other anticipated cost increases. These contingency accounts total \$838,000. The largest contingency is the operational and insurance contingency. Per the City's financial policies, these contingencies total \$505,000 and are funded by allocating a portion of the existing General Fund Balance. Other budgeted contingencies include a contingency for future PERS contribution increases in the amount of \$180,000. This would be approximately enough to offset a 2% increase. Since the future increases will be on-going costs, reserving \$180,000 as a contingency only serves as a way to prevent these monies from being programmed into other on-going obligations. The City Council could allocate the \$180,000 for one-time expenditures in 2006. The remaining contingencies represent approximately \$64,000 for the anticipated salary changes related to the 2005 salary survey and other costs that have not been finalized at this time.
- ◆ **Use of Operating Reserves:** The 2006 operating budget includes \$1.3 million in one-time resource allocations from the anticipated 2005 General Fund budget surplus. The largest is the allocation of \$635,400 to the General Capital fund. These funds will be allocated to specific capital projects during the 2007-2012 Capital Improvement update that will occur in 2006. Other one-time allocations include \$450,000 to fund the City's traffic signal rehabilitation program for years 2006-2008, \$62,000 for a handicapped accessible van for the recreation program, \$99,000 for election costs for the proposed park and recreation bond, \$50,000 to fund an urban forestry assessment, and \$19,500 related to one-time costs for the proposed new personnel positions.
- ◆ **Utility Costs:** The City's utility costs are estimated to increase by approximately \$62,000. This is primarily a result of telephone and natural gas rate increases and increased sewer usage charges.
- ◆ **Fee Changes:** The 2006 budget reflects the policy adopted by the City Council in 2000 to adjust development and recreation fees by the CPI-U for Seattle which is estimated at 2.8%. The 2006 fee schedule also includes a proposed \$9 annual increase in the City's surface water utility rate, bringing the annual residential rate to \$111. This rate adjustment was included in the surface water master plan adopted by the City Council in 2005. Future surface water utility rate increases are estimated at \$6 per year for the next five years, and then a rate increase of .65% over the assumed rate of inflation annually.
- ◆ **Capital Programs:** The City's 2006 capital budget reflects the first year of the City's adopted 2006-2011 capital improvement program (CIP). Two minor changes from the adopted capital improvement program are the proposed allocation of an additional \$114,500 funding for the curb ramp and sidewalk repair program from available CDBG funds and \$150,000 proposed to be spent for the rehabilitation of two City traffic signals in 2006.

More detailed information regarding changes within the 2006 budget can be found in the individual department sections of the budget.

Fiscal Capacity

As a City, we are challenged by our limited fiscal capacity. We are primarily a residential community, with 87% of our City assessed valuation in residential properties. We also have low sales tax revenue per capita, \$108, as compared to many other jurisdictions of a similar population. This is especially true with those jurisdictions that have much larger retail centers within their communities. The following chart shows a comparison of tax per capita with comparable cities:



Some of these jurisdictions operate their own fire departments. If the City of Shoreline per capita tax collections included the Fire District's property tax collections, the per capita tax collections would be \$541, still significantly below many of the other jurisdictions.

Given this, we have been very conservative and prudent in our financial planning.

The City currently does not have any outstanding general obligation debt, which many other jurisdictions have. This table provides a comparison of the per capita general obligation debt of other cities.

Entity	2005 Outstanding GO Bonds	2005 Per Capita
Auburn	\$ 6,754,000	\$ 142.28
Burien	\$ 2,970,000	\$ 95.68
Edmonds	\$ 26,966,042	\$ 676.52
Federal Way	\$ 30,802,892	\$ 359.01
Kent	\$ 71,631,199	\$ 843.51
Kirkland	\$ 25,000,000	\$ 546.57
Lakewood	\$ -	\$ -
Lynnwood	\$ 10,330,693	\$ 296.60
Olympia	\$ 3,650,000	\$ 84.24
Redmond	\$ 7,697,432	\$ 161.71
Renton	\$ 30,518,153	\$ 536.91
Shoreline	\$ -	\$ -
University Place	\$ 8,660,000	\$ 279.54

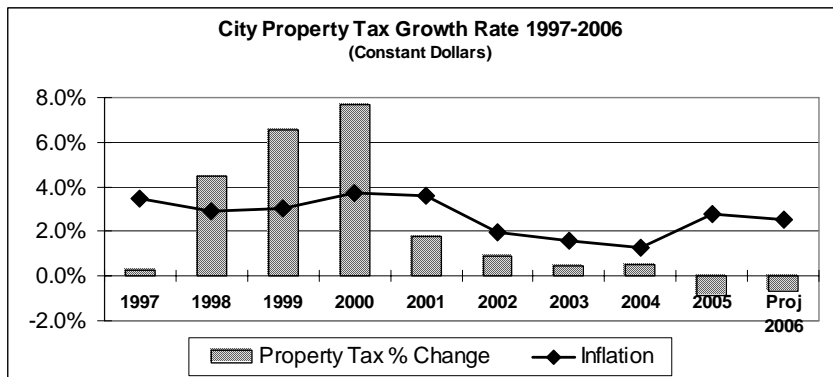
Economic Outlook & Revenue Growth

The nation and the Puget Sound region saw a dramatic economic decline in 2001. The Puget Sound region lost 82,000 jobs, five percent of its employment, during the recession. In mid 2003 it appears that the region started its recovery and by the second quarter of 2005, the region recouped 71,000 of the 82,000 jobs lost during the recession. At this rate, it is projected that the region will return to pre-recession employment levels by the end of the year. Regional economists are now projecting that the region will create 205,000 jobs between 2005 and 2010, a significant change from the first half of the decade in which there was basically no change.

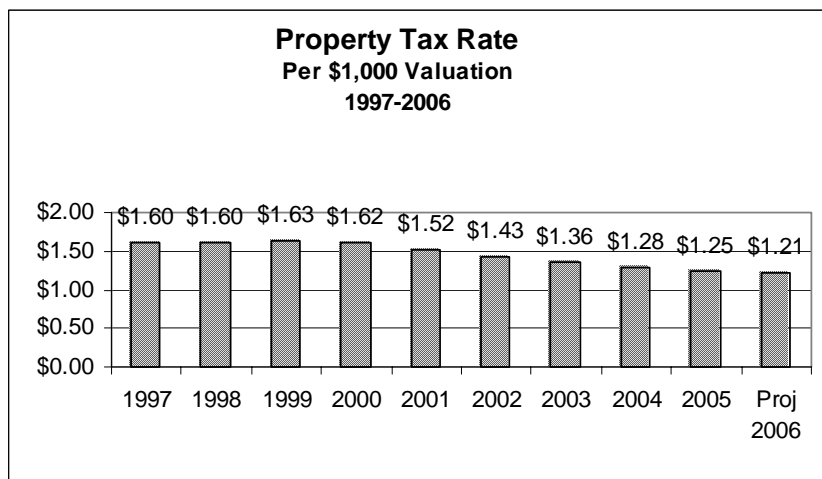
Annual personal income growth over the next several years is projected to exceed 5.5 percent, closely matching the national forecasts. Housing permits are projected to increase by 7.2% in 2006 and then drop to a more modest 1.7% level in 2007. Retail sales are projected to grow in excess of 5 percent annually for the next several years.

Although the economic outlook for the Puget Sound region is very positive, we remain conservative in our revenue forecasting. Overall, the City's operating revenues are projected to increase by 5.2% when comparing the 2006 proposed budget to the 2005 budget. When comparing the 2006 proposed budget to the 2005 projected operating revenue collections, the 2006 operating revenues grow by 1%, \$332,000. The 2005 projected operating revenue collections include some one-time revenues, such as back payment from Seattle Public Utilities for incorrect water utility contract payments (\$111,000) and construction related sales tax.

Property taxes represent 21% of the City's operating revenue. The City's property tax collections are projected to increase by 1.8% over 2005 collections to a total of \$6.9 million for 2006. This amount includes a 1% property tax levy increase, with an additional 0.8% of property tax revenue generated from new construction valued at approximately \$36.8



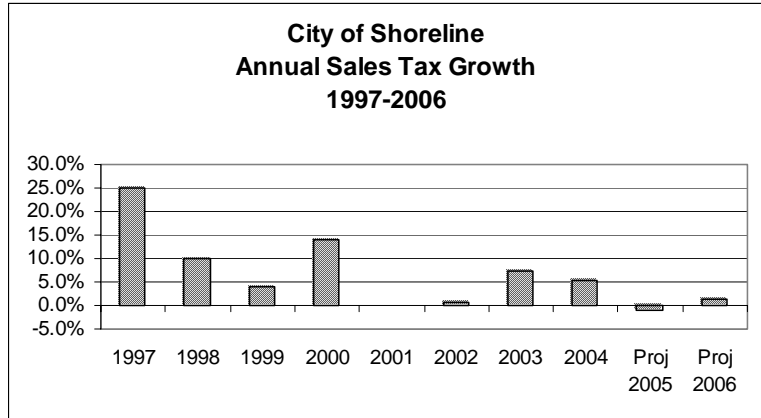
million. The 1% levy increase is the annual limit allowed by I-747, approved by Washington State voters in 2002. Although the 2006 budget provides for increased property tax revenues on a real basis, when adjusted for inflation and presented on a constant dollar basis, the City has had property tax revenue growth below inflation since 2001, and increases will not provide positive buying power in 2005 or 2006.



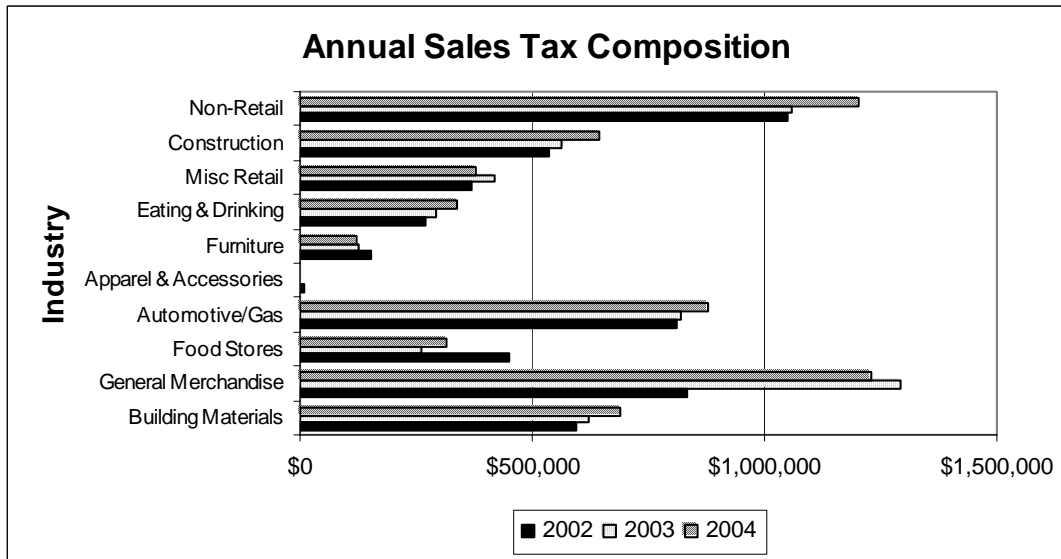
As a result of assessed valuation increases outpacing the increase in property tax levy over the last several years, the City's property tax rate has fallen every year since 2000. The estimated property tax levy rate for 2006 is \$1.21 per \$1,000 assessed valuation, a reduction from the 2005 rate of \$1.25. Statutorily, the City could levy up to

a maximum property tax rate of \$1.60 per \$1,000 assessed valuation. *The owner of a home valued at \$289,000 in 2005 could expect the City portion of their property tax to increase by approximately \$4 in 2006.*

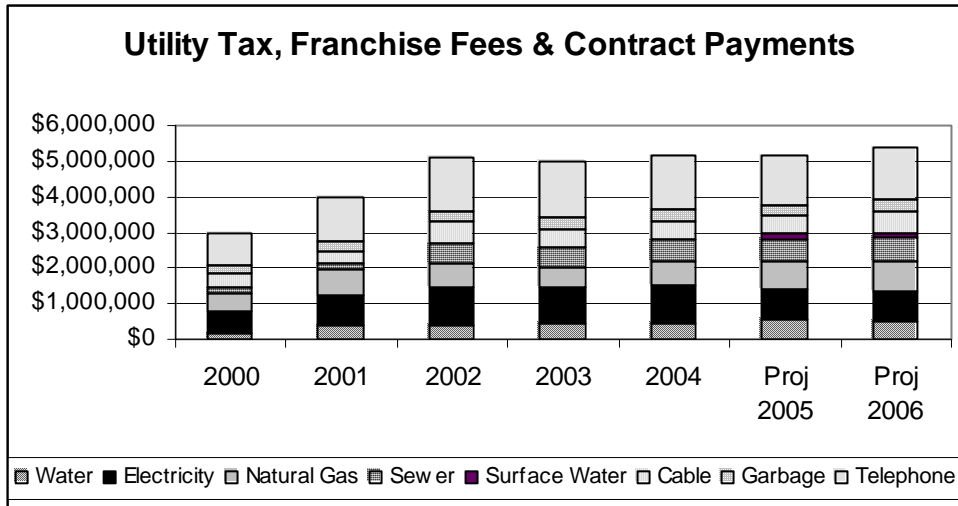
General sales tax, the second largest revenue source for City operations, totals \$5.785 million for 2006. Since 2001 the City's annual sales tax growth has averaged 2.3% on a real dollar basis. The City continues to be conservative in its sales tax projections. The projected 2006 sales tax collections are estimated to increase by 5% as compared to the 2005 budget and 1.5% compared to actual 2005 collections.



Shoreline's tax base consists largely of basic consumer goods, and therefore our sales tax collections have been fairly consistent over the last few years. Automobiles are the most significant luxury item in the Shoreline sales tax base, and these sales will need to be monitored throughout 2006. In 2004 sales tax from service industries grew by 13%, construction related sales tax grew by 14%, while retail based sales tax only grew by 3.1%.



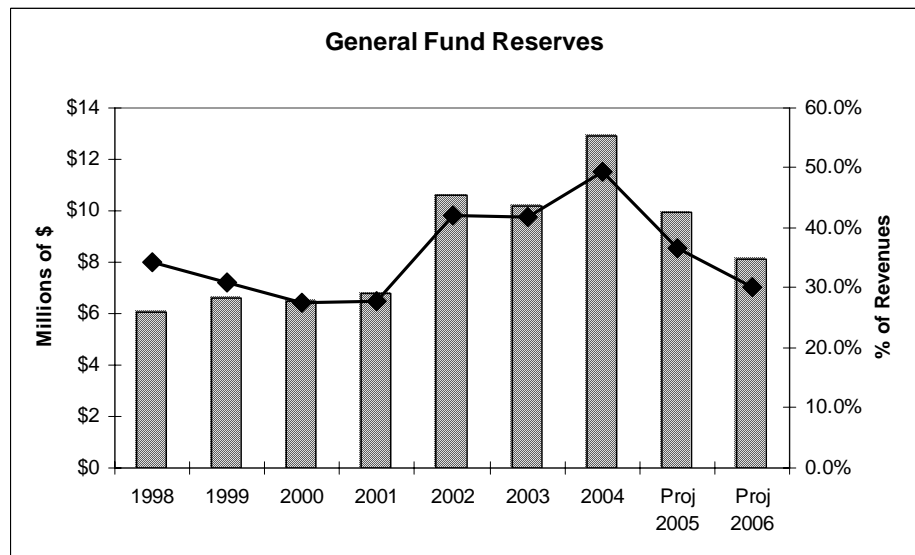
Utility taxes, franchise fees, and contract payments from utility providers are the third largest source of revenue for the City's operating budget. These revenues are projected to increase by approximately 4% when compared to projected 2005 collections. The most significant increases are projected to be from telephone, cable, and natural gas utilities. The increases from telephone and cable are primarily related to usage increases,



while increases from natural gas are a result of rate increases over the last two years. At this time we are not aware of any change anticipated in electric rates charged by Seattle City Light (SCL) and therefore we are projecting flat revenues from the contract payment made by SCL between 2005 and 2006. Other franchise fees and utility tax sources will remain relatively flat.

Reserves

The City saves a portion of its operating revenues as fund balance or "reserves". These funds are used to continue providing services when the economy weakens, to cover one-time expenditure needs and to meet unforeseen emergencies. To demonstrate prudent financial management, the City Council adopted a policy of maintaining general reserves (General Fund and General Reserve Fund) at 10% of operating revenues. At the end of 2006, the City's general reserves are projected to total \$8.1 million or 30% of projected General Fund operating revenues.



The City's general reserves will be in excess of the required 10% policy levels, and will be at the level maintained prior to 2002.

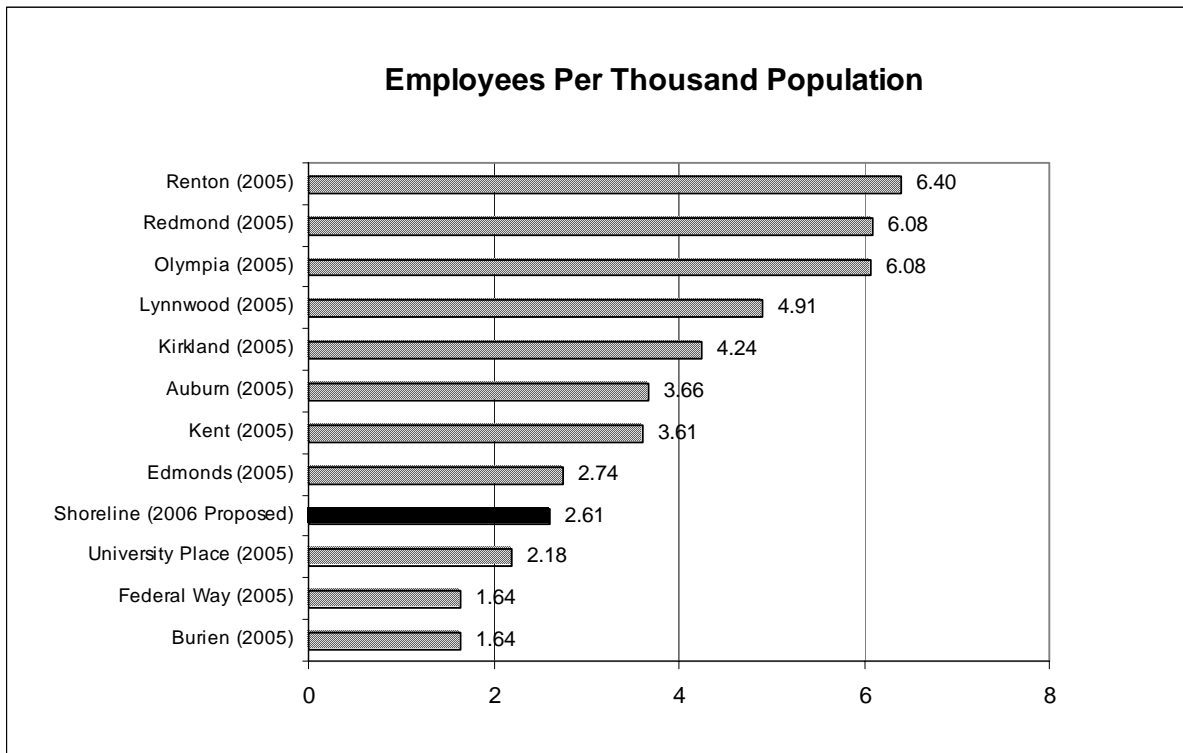
State of Washington and King County Impacts

In 2001 the State Legislature eliminated the Motor Vehicle Excise Tax backfill monies to cities. Shoreline was eligible for approximately \$1.5 million in backfill funds. The Legislature failed to identify an on-going revenue source for the backfill funds, and therefore the City received \$148,000 in 2003, \$55,000 in 2004, and only \$37,000 in 2005. These monies were treated as one-time revenues.

The City has been working with other jurisdictions and conducting its own studies to determine the most appropriate way to provide court services. A short term agreement was reached with King County to extend the City's court contract although at increased cost which will result in the City losing approximately \$48,000 in fine revenue in 2006.

Staffing

The 2006 budget provides funding for 144.2 regular full-time equivalent (FTE) positions. Of these, 4.75 FTEs represent new positions: a Parks Maintenance Worker, a Parks and Recreation Project Coordinator, a Computer Network Specialist, an Engineering Technician for the Surface Water utility, a .5 FTE Technical Assistant for the Electrical Permitting program, and an increase in the .75 FTE Assistant City Attorney to a 1.0 FTE. The 2006 proposed budget also includes the elimination of a .75 FTE Domestic Violence Victim Coordinator, since this service will be provided through the Prosecuting Attorney's contract in 2006. The City's 2006 ratio of employees per 1,000 population is 2.6. As the graph below depicts, a comparison of staffing to population still shows the City of Shoreline staffing levels significantly below comparable cities. These ratios have been adjusted to **exclude** fire, police, special program and utility personnel from comparable cities.



One-Time Expenditures

The 2006 operating budget includes \$1.3 million in one-time expenditures, excluding any monies budgeted for contingencies. These monies come from the anticipated General Fund

budget surplus for 2005. I am proposing that this surplus be allocated by transferring \$632,000 to the General Capital Fund for future appropriation; \$450,000 to fund three years of a traffic signal rehabilitation program; \$99,000 for anticipated election costs related to the proposed Park and Recreation bond issue; \$50,000 for an urban forestry assessment, \$62,000 for a handicap accessible van for the City's recreation program, and \$19,500 for one-time related costs to the proposed new personnel positions.

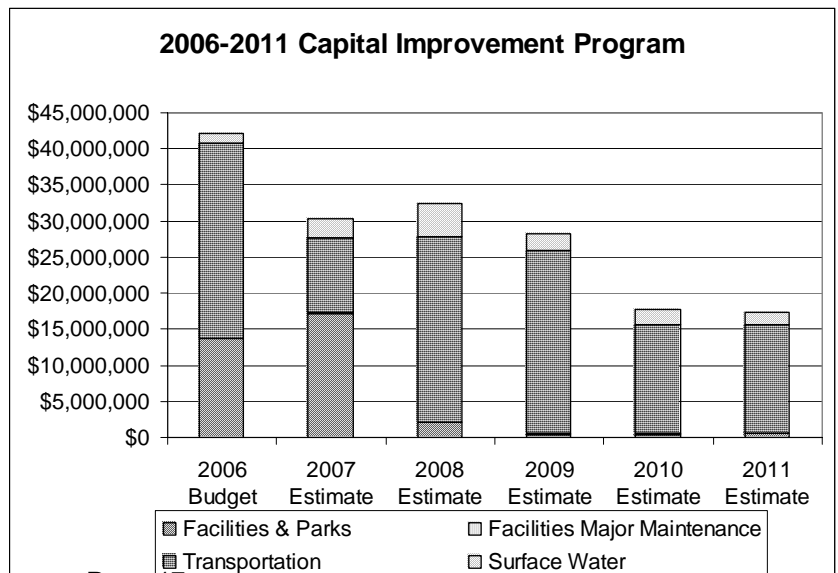
Capital Budget

The City Council adopted the 2006-2011 Capital Improvement Program (CIP) in July of this year. The total CIP budget for 2006 is \$42.2 million. The total 2006-2011 CIP is \$168.3 million. The 2006 budget is approximately \$12.2 million, 22.4%, less than the 2005 capital budget. The proposed 2006 budget differs from the 2006 program in the adopted CIP by \$93,400. The primary differences are related to the following:

- ◆ *Traffic Signal Rehabilitation:* I am recommending that we allocate \$450,000 from the 2005 General Fund surplus to the Roads Capital Fund for the purpose of funding the traffic signal rehabilitation program for three years. The estimated cost to rehabilitate one traffic signal is \$75,000. The City currently has 40 traffic signals. The technology and parts in the current signals are old and it is more difficult to find parts to keep them in working order.
- ◆ *Allocation of .5 FTE of Maintenance Worker to the Parks Repair and Rehabilitation Program:* Approximately 50% of the proposed new Park Maintenance Worker will be charged to the Parks Repair and Rehabilitation program. This is the approximate amount of internal staff allocation necessary to help with the repair and replacement of park facilities and fixtures.
- ◆ *General Services Overhead:* Since the adoption of the 2006-2011 CIP, staff has been able to update the City's overhead allocation model that charges service delivery activities for general support services such as Finance, City Council, City Attorney, etc. This update resulted in slightly different costs from those estimated in the 2006-2011 CIP.
- ◆ *Engineering:* Final calculation of staff time allocated to capital projects was slightly higher than estimated in the 2006-2011 CIP.

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.

This chart provides a breakdown of the allocation of capital dollars for 2006 through 2014. The change in capital dollars can vary significantly from year to year based on available resources to complete projects and the impact of completed capital projects on the City's operating budget.



Following are highlights from the 2006-2011 CIP projects that are either in progress or will be completed in 2006. Additional information on the CIP may be found in the Capital Improvement Program section of this budget document.

- ◆ The 2006-2011 CIP includes funding for the acquisition of a City Hall. The current estimated project cost is \$20 million. This is a preliminary estimate, as the project is still in the early planning stages. It is anticipated that a property acquisition agreement will be completed in 2005, with design beginning in 2006 and construction beginning in early 2007.
- ◆ City gateways and community signage program. A total of \$400,000 was provided in the CIP for construction of City gateway sites and significant City signs at points of entry and public facilities, with \$100,000 allocated for 2006.
- ◆ Parks Repair & Maintenance Program. The 2006-2011 CIP includes \$1.4 million for the systematic repair and replacement of major components of existing parks. These items may include benches, tables, fences, paths, and playground equipment. This funding is approximately 50% of the amount needed to fully fund all features of existing parks at their optimum life cycle replacement schedule.
- ◆ Initiate Master Plans for Richmond Beach Saltwater Park, Twin Ponds, Ronald Bog Park and Cromwell Park. Total cost for developing the master plans is estimated at \$304,000. Funding for project implementation is not included in the 2006-2011 CIP.
- ◆ Replacement of the Richmond Beach Saltwater Park Bridge is included in the CIP at an estimated cost of \$1.7 million
- ◆ The 2006-2011 CIP includes several projects in which the funding will depend on a future bond issue, negotiations with current owners, and/or receiving future grants along with City funds. These projects include the installation of artificial turf on some of the City's soccer fields and acquisition of open space properties.
- ◆ Annual preservation projects for roads, sidewalks, and traffic small works projects are funded at an average of \$1 million.
- ◆ The 2006-2011 CIP includes \$5.4 million for the construction of pedestrian walkways and sidewalks on priority City routes.
- ◆ The most significant transportation projects continue to be the Interurban Trail Pedestrian Crossing and Aurora Corridor.
 - The Interurban Trail Pedestrian Crossing project totals \$5.8 million with \$4.7 million funded in 2006. Approximately 70%, \$4 million, of the project is projected to be funded through grants and other agency participation. During 2005 many of the sections of the trail were completed, with the north central segment to be completed in 2007.
 - The Aurora Corridor, 145th-165th project, totals \$26.7 million with the expectation that \$9.2 million will be funded in 2005 and \$10.6 million in 2006. Of the total \$26.7 million, approximately \$23.5 million will be funded through grants and other agency participation, with the remaining \$3.2 million funded from City resources.
 - Planning and design work start on the second phase of the Aurora Corridor project, 165th – 205th, in 2005 and will continue through 2006. The total estimated cost for this project is \$68.4 million, with \$58.4 million being funded through grants and other agency participation. The 2006 budget includes \$478,000 for planning and design work in 2006.
- ◆ The 2006 budget provides for the continuation of the Neighborhood Traffic Safety Program with approximately \$130,000 funded annually for capital improvements and \$50,000 funded within the operating budget for increased police traffic enforcement.

- ◆ In 2005 the City Council adopted the first surface water utility master plan. This plan included a recommended 20 year operating and capital improvement plan for the utility. The capital projects for the first 6 years of the plan are included in the 2006-2011 CIP. These projects focus on the desired level of service for flood protection, water quality, stream rehabilitation and habitat enhancement.

More detailed information about the projects within the City's 2006-2011 CIP can be obtained with a copy of the Adopted 2006-2011 CIP.

Other Budget Issues

One initiative that will be up for voter approval in the November state-wide election is I-912. This initiative proposes the elimination of the motor vehicle fuel tax that was approved by the State Legislature during the 2005 legislative session. This fuel tax represents a 9.5 cent per gallon gas tax increase that will be phased in over the next 3 years. The gas tax, as adopted by the State Legislature, would provide approximately \$240,000 annually to fund local transportation projects and approximately \$10 million for the 165th-205th Aurora improvements. If the initiative is passed this funding would not be available. If this were the case, the City would need to find alternative funding to maintain its road preservation program and alternative grants for the Aurora project.

In 2005 the City of Shoreline and several other cities that have a franchise agreement with Seattle City Light (SCL) were sued by a group of City of Seattle rate payers. The claim of the rate payers is that a contract payment made by SCL to the cities is not legal. Currently the City receives approximately \$850,000 a year from SCL as provided in the City's franchise agreement. It is anticipated that it will take time for this issue to be resolved through the court system.

In 2006 the City will present the voters with a \$15.1 million Park and Recreation bond issue. This will be the first voted bond issue that the City has pursued. The proceeds from this bond issue will be used to acquire open space, make improvements to existing park facilities, and develop some new parks or park features.

Performance, Results and Outcomes

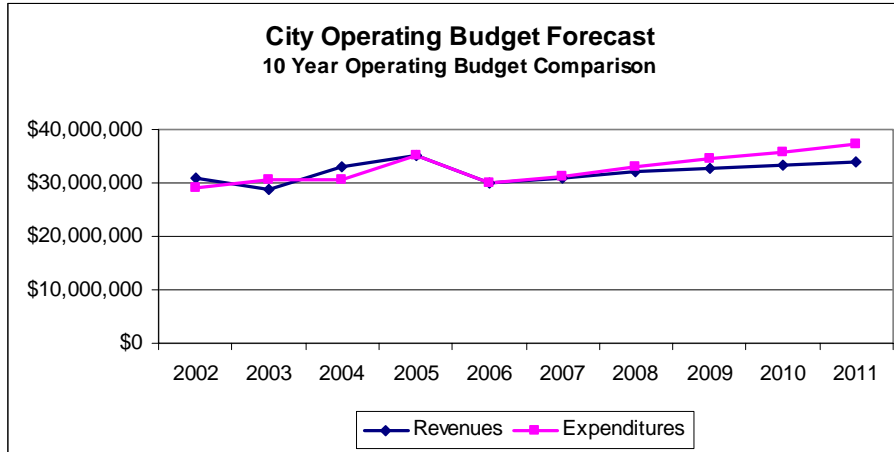
Our organization has continued to focus on performance and results. This year the budget includes a Performance, Results, Outcomes (PRO) card which reflects an update of the City's strategic plan along with our highest level performance measures. I plan to use this tool to help communicate with the Shoreline community how we are doing as an organization in meeting the community's needs.

In addition to the PRO card, the department budgets include service program summaries along with key performance measures and results of those measures for the last 3 years. In 2006, staff plans to develop a performance report that will highlight the status of these measures for the services that the City provides.

Our Financial Condition and Future Challenges

The City's current financial condition is excellent. Over the last five years, the City's revenue collections have exceeded expenditures as a result of conservative financial planning, efficient management, restraint from using budget savings as a way to fund on-going operations and modest budget increases. The City is well positioned to respond to changes in the economy, but at the same time, a prolonged decline in revenues would require the City to re-evaluate its service levels in order to maintain a strong financial position.

Although the City reviews the long-term position of all funds, the primary focus is on the long-term financial position of the City's operating budget. The City is entering a time period in which annual expenditure growth is projected to outpace annual revenue growth, therefore resulting in future budget gaps between annual operating revenues and



expenditures. Based on the assumptions that the City uses in its long-term financial planning, the previous graph depicts the projected budget gaps between annual operating revenues and expenditures in the future.

The City's budget policies and state law dictate that the operating budget must be balanced on an annual basis with on-going revenue sources, unless a policy decision is made to use reserves in an emergency or as a one-time event. One of the advantages of doing long-term financial planning is that we can anticipate the need to either reduce expenditures, increase revenues, or do both. It also allows us to anticipate the need for future policy changes.

In light of the long-term forecasts, our focus over the last few years has been on cost containment, expenditure reductions and improving service efficiencies and I believe we have been very successful in this effort. Some of our successes include:

- In 2003 an employee group developed an alternative health benefit policy. As a result of this policy change, the City's health benefit costs in 2006 are \$313,000 less than would have been budgeted under the previous policy.
- We have reduced annual jail costs by \$135,000 through an interlocal agreement with other cities to use the Yakima County jail for some misdemeanants.
- We have changed the way we pay for Police Department canine services by purchasing this on a call-out basis instead of having a dedicated unit. This has resulted in annual savings of \$100,000.
- Departments absorbed \$167,000 in baseline budget reductions in 2005.
- During 2004 we initiated a dialogue with you, the Council, and our community regarding City service priorities. We continued this effort in 2005 with public sessions focused on both the operating budget and the City's long-term capital needs.

In 2004 I provided the Council with a recommendation that I believe helps us plan for a stable financial future. My recommendation is summarized in the following table:

Action	Effective Year		
	2005	2006	2007
Reduce department base budgets by 1% and review low priority services for elimination			
Implement a utility tax on our surface water utility			
Increase recreation fees by approximately 10% and enhance the City's scholarship program			
Implement a revenue generating regulatory business license program			
Seattle City Light utility contract payment (6%) on the distribution portion of the electric utility fees			
Property tax levy lid lift			

I am recommending that we proceed with a business license/registration program in 2006, but that we dedicate the revenue proceeds to cover the cost of implementing and maintaining the business license program and designate any excess revenues to be used to fund the City's economic development program. At this time, I am not recommending that we pursue an increase in Seattle City Light contract payment in 2006.

We will continue to monitor our expenditure and revenue trends. As we see the economy continuing to improve, we will monitor how this may change our long-term forecast. As always we will continue to look for ways to make our service delivery to residents as efficient as possible. In the future, it is likely that we may need to pursue either a property tax levy lid lift or other alternative revenue source to maintain and/or enhance service levels. Lastly, we will continue to seek input from our community so that we can provide you with feedback on the needs and desires of our community.

I am very confident, given our past conservative financial planning and spending policies that we will develop a long-term financial strategic plan that will support our City vision of making Shoreline the best place to live, learn, work and play.

Conclusion

This budget is an effort to comprehensively address the City's service and capital investment needs for 2006. It is a budget that continues to provide current service levels, but it does not satisfy all the demands placed on the City. The 2006 proposed budget addresses the top priorities identified by the Council and the Shoreline community. It does this through conservative revenue estimates and modest expenditure growth.

In presenting the budget to the Council, I would like to acknowledge and express appreciation to the City Leadership Team and their staff for their willingness to submit realistic budget requests and develop alternatives to meet the Council priorities. I would also like to thank the Finance Department for its assistance in preparing this budget. Finally, I would like to thank you, the Council, for the policy direction you have provided for service delivery to our community.

Respectfully submitted,

Steven C. Burkett
City Manager

City Budget Summary

Listed below are the resources and expenditures for all City funds. City Resources shows all revenue by category. City Expenditures lists the operating uses by department and functional area. The Operating Budget represents expenses necessary to run the City government on a daily basis. Contingencies represent funding that set aside for potential or unforeseen expenditures that may occur. Capital Improvements are the purchase land, construction of a building, major street construction or reconstruction, or drainage system improvements. Transfers to Other Funds represent transfers of appropriations from one City fund to another City fund for services or the transfer of funds for capital purposes from the operating funds to the capital funds. Revenue and expenditures are recorded in both funds. Ending Fund Balance represents the reserves that are available to the City at the end of any given year. These reserves represent both reserves for unanticipated events and reserves designated for future capital purposes.

	2004	2005 Current Actual	2005 Budget	2005 Projected	2006 Proposed Budget	\$ Change From 2005 Budget	% Change from 2005 Budget
Resources:							
Beginning Fund Balance	41,160,152		38,500,057	44,810,016	35,972,706	(2,527,351)	-6.6%
Revenues:							
Property Tax	6,714,399		6,814,672	6,814,672	6,935,415	120,743	1.8%
Sales Tax	6,798,535		6,540,000	6,740,000	6,886,187	346,187	5.3%
Utility Tax & Franchise Fees	5,132,665		5,101,857	5,617,743	5,386,000	284,143	5.6%
Gambling Tax	3,321,060		2,982,500	2,982,500	2,930,500	(52,000)	-1.7%
Other Taxes	2,023,780		1,403,400	2,186,526	1,428,848	25,448	1.8%
Fees & Charges	4,380,437		4,513,422	4,735,530	5,006,653	493,231	10.9%
Fines & Forfeits	127,917		111,000	91,465	11,000	(100,000)	-90.1%
Intergovernmental	1,994,377		4,284,343	7,087,150	5,855,865	1,571,522	36.7%
Investment Interest	851,635		850,125	712,300	1,195,388	345,263	40.6%
Grants & Loans	6,139,190		31,627,146	11,920,245	27,820,016	(3,807,130)	-12.0%
Miscellaneous	349,077		569,476	352,414	905,971	336,495	59.1%
Sub-Total Revenues	37,833,072		64,797,941	49,240,545	64,361,843	(436,098)	-0.7%
Transfers From Other Funds	7,239,729		9,856,138	9,867,138	8,641,650	(1,214,488)	-12.3%
Total Revenues	45,072,801		74,654,079	59,107,683	73,003,493	(1,650,586)	-2.2%
Total Resources	86,232,953		113,154,136	103,917,699	108,976,199	(4,177,937)	-3.7%
Uses:							
Operating Expenditures:							
City Council	163,784		162,969	168,718	167,738	4,769	2.9%
City Manager	620,438		709,278	705,576	728,545	19,267	2.7%
City Clerk	320,170		361,482	353,349	386,840	25,358	7.0%
Community & Govt. Relations	472,999		568,178	551,575	559,979	(8,199)	-1.4%
Human Services	453,325		599,980	583,414	567,025	(32,955)	-5.5%
City Attorney	414,970		491,086	488,684	515,549	24,463	5.0%
Finance	3,000,927		3,259,983	3,167,929	3,219,881	(40,102)	-1.2%
Human Resources	340,294		368,463	358,015	365,041	(3,422)	-0.9%
Customer Response Team	380,971		402,436	377,347	403,909	1,473	0.4%
Police	7,299,588		7,825,882	7,731,472	8,098,357	272,475	3.5%
Criminal Justice	924,993		1,007,000	952,000	973,104	(33,896)	-3.4%
Parks & Recreation	2,794,532		3,511,447	3,476,922	3,842,807	331,360	9.4%
Planning & Development Services	1,994,862		2,393,262	2,313,710	2,361,082	(32,180)	-1.3%
Economic Development	77,066		168,580	186,984	274,150	105,570	62.6%
Public Works	4,416,937		4,810,752	4,817,345	4,748,732	(62,020)	-1.3%
Contingencies	-		505,000	-	844,778	339,778	67.3%
Subtotal Operating Expenditures	23,675,856		27,145,778	26,233,040	28,057,517	911,739	3.4%
Internal Service Charges	237,817		239,202	248,823	277,176	37,974	15.9%
Capital Improvements	10,269,534		53,970,031	31,913,271	41,994,533		
Transfers to Other Funds	7,239,730		9,846,860	9,549,860	8,607,758	(1,239,102)	-12.6%
Total Expenditures	41,422,937		91,201,871	67,944,994	78,936,984	(12,264,887)	-13.4%
Ending Fund Balance	44,810,016		21,952,265	35,972,705	30,039,215	8,086,950	36.8%
Use (Excess) of Fund Balance	(3,649,864)		16,547,792	8,837,311	5,933,491	(10,614,301)	-64.1%

*The difference between transfers in and transfers out represents the transfer of monies from the City's capital funds to the Public Arts Fund. The expenditure of these funds is incorporated within the project costs as opposed to being shown as an operating transfer.

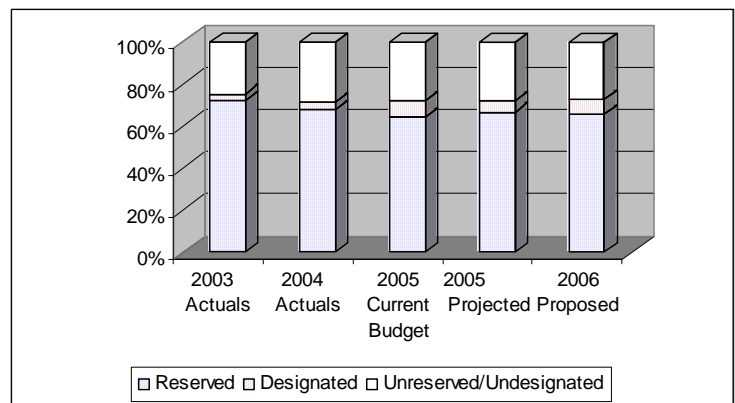
Ending Fund Balances

The following table and graph illustrate the City's ending fund balances between 2002 and 2005. The fund balances are segregated into three major components: unreserved/undesignated, reserved, and designated.

	2003	2004	2005	2005	2006
	Actuals	Actuals	Current Budget	Projected	Proposed
Reserved:					
General Capital Fund	7,337,406	7,980,092	5,206,771	7,871,969	7,526,298
City Facility -Major Maintenance Fund	-	-	120,000	156,000	170,680
Roads Capital Fund	15,394,028	15,236,389	4,709,294	10,007,750	6,311,224
Surface Water Capital Fund	3,503,597	3,244,311	785,184	2,543,666	4,449,773
Development Services Fund	422,167	409,247	397,308	-	-
Street Fund	677,763	618,678	383,949	527,103	527,103
Arterial Street Fund	15,164	15,535	14,397	17,370	17,370
Surface Water Management Fund	2,399,475	2,986,290	2,444,412	2,896,882	693,833
Subtotal Reserved	29,749,600	30,490,542	14,061,315	24,020,740	19,696,281
Designated:					
Equipment Replacement Fund	995,186	1,168,020	1,203,784	1,353,649	1,514,777
Vehicle Maintenance & Operations	61,366	52,602	45,538	52,134	52,134
Unemployment Fund	67,130	72,154	48,380	72,154	72,604
Code Abatement Fund	48,313	38,321	66,113	86,095	88,595
Asset Seizure Fund	17,157	20,335	17,179	25,558	26,058
Public Art Fund	23,438	61,040	362,546	406,518	440,410
Subtotal Designated	1,212,590	1,412,472	1,743,540	1,996,108	2,194,578
Unreserved/Undesignated:					
General Fund	8,428,580	10,936,006	4,040,946	7,815,669	5,969,817
General Reserve	1,769,382	1,970,996	2,106,464	2,140,189	2,178,539
Subtotal Unreserved/Undesignated	10,197,962	12,907,002	6,147,410	9,955,858	8,148,356
	41,160,152	44,810,016	21,952,265	35,972,706	30,039,215

Unreserved/Undesignated Fund Balances

The unreserved/undesignated fund balance is the balance of net financial resources that are available for discretionary appropriations. The 2006 Proposed Budget estimates unreserved/undesignated fund balance of \$8,148,356 at the end of 2006.



Reserved Ending Fund Balances

The second component of ending fund balance is those funds reserved for a specific purpose. These funds are not available for appropriation because they are legally restricted. These reserves primarily represent monies allocated for capital and specific maintenance purposes. The reserved fund balances are estimated to be \$19,696,281 at the end of 2006.

Designated Ending Fund Balances

The third component of ending fund balances, totaling \$2,194,578 in 2006, is those moneys that have been earmarked for specific purposes (equipment replacement, unemployment, etc.). Although designated for specific purposes, there is the ability to appropriate some of these funds for other purposes since the original source of the funds was general revenues from the General Fund.

Change in Ending Fund Balance 2006 Proposed Budget Compared to 2005 Projected

	2005 Projected Ending Fund Balance	2006 Proposed Ending Fund Balance	Change in Fund Balance	% Change
General Fund	\$ 7,815,669	\$ 5,969,817	\$ (1,845,852)	-24%
Street Fund	527,103	527,103	-	0%
Arterial Street Fund	17,370	17,370	-	0%
Surface Water Management Fund	2,896,882	693,833	(2,203,049)	-76%
General Reserve Fund	2,140,189	2,178,539	38,350	2%
Code Abatement Fund	86,095	88,595	2,500	3%
Asset Seizure Fund	25,558	26,058	500	2%
Public Art Fund	406,518	440,410	33,892	8%
General Capital Fund	7,871,969	7,526,298	(345,671)	-4%
City Facility -Major Maintenance Fund	156,000	170,680	14,680	9%
Roads Capital Fund	10,007,750	6,311,224	(3,696,526)	-37%
Surface Water Capital Fund	2,543,666	4,449,773	1,906,107	75%
Vehicle Operations Fund	52,134	52,134	-	0%
Equipment Replacement Fund	1,353,649	1,514,777	161,128	12%
Unemployment Fund	72,154	72,604	450	1%
	\$ 35,972,706	\$ 30,039,215	\$ (5,933,491)	-16%

Explanation of Changes in Fund Balance Greater Than 10%

General Fund - The 2006 proposed ending fund balance is \$1,845,852 less than the projected 2005 ending fund balance. The 2006 budget includes \$505,000 in operational and insurance contingencies that uses the remaining portion of the fund balance. Another \$1,340,852 of fund balance has been earmarked for one-time projects. These projects include startup equipment and vehicles for a new Park & Recreation Project Coordinator and a Parks Maintenance Worker, purchase of a new handicapped accessible van, the Green Street Tree Initiative, Traffic Signal Rehabilitation Program, bond election costs, Urban Forestry Assessment and funding for capital projects in the General Capital Fund.

Surface Water Management – The 2006 proposed ending balance is \$2,203,049 less than the projected 2005 ending fund balance. This is due in part to a transfer of \$2,400,000 to the Surface Water Capital Fund to providing funding for various projects over the next six years.

Roads Capital Fund – The 2006 proposed ending balance is \$3,696,526 less than the projected 2005 ending balance. The majority of the fund balance being appropriated will be used for the Interurban Trail Pedestrian Crossing, the North Central Segment of the Interurban Trail, the North City Business District Improvements, and the Dayton Avenue Retaining Wall project. These funds have been set aside in prior years to be used for future transportation improvement projects.

Surface Water Capital Fund – The 2006 proposed ending balance is \$1,906,107 more than the projected 2005 ending balance. This is due to the transfer from the Surface Water Capital fund totaling \$2,400,000 to be used for future surface water capital projects. During 2006 existing fund balance will also be used to fund these projects.

Equipment Replacement Fund – The 2006 proposed ending fund balance is \$161,128 more than the projected 2005 ending fund balance. This represents the continued collection of replacement funds to be used to future purchases of equipment.

City of Shoreline - 2006 FTE Summary

Department											2006
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Changes
City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.0	7.0	0.0
City Manager	9.00	10.00	10.00	9.00	6.00	6.00	6.00	6.00	6.0	6.0	0.0
City Clerk	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	3.8	3.8	0.0
Economic Development						1.00	1.00	1.00	1.0	1.0	0.0
Communications & Inter-Governmental Relations	3.00	3.00	2.00	2.50	3.50	3.50	3.00	3.50	3.5	3.5	0.0
Health and Human Services	2.00	2.00	2.00	2.00	2.00	2.00	0.00	1.80	1.8	1.8	0.0
City Attorney	1.00	1.00	1.00	1.00	1.00	1.00	2.50	3.50	3.5	3.0	(0.5)
Customer Response Team	0.00	0.00	0.00	0.00	5.00	5.00	5.00	5.00	5.0	5.0	0.0
Finance / Information Services	12.00	12.00	12.00	14.00	16.63	17.13	17.13	17.33	16.8	17.8	1.0
Human Resources	2.00	2.00	2.00	2.50	2.50	2.50	3.00	3.00	3.0	3.0	0.0
Police	0.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.0	2.0	0.0
Planning and Development Services	20.00	24.00	25.00	27.00	28.50	26.00	25.90	25.90	26.9	27.5	0.6
Parks, Recreation & Cultural Services	12.50	16.50	13.00	17.12	21.65	22.02	24.52	23.30	23.3	25.8	2.5
Public Works	10.00	15.00	22.00	28.00	27.50	30.00	33.10	35.60	36.1	37.0	0.9
Total FTE	81.50	96.50	100.00	114.12	126.28	128.15	133.15	138.93	139.7	144.2	4.5

Explanation of 2006 Changes in FTE

City Attorney

The Domestic Violence position was eliminated and the service moved to Prosecuting Attorney as a contracted service.

Finance

A contracted Network Specialist is being converted to a regular employee position.

PRCS

A new Park and Recreation Project Coordinator was added for 2006 to perform analysis, design and development of Parks projects.

The proposed budget includes the conversion of an extra-help position to a regular part-time position. This accounts for a .5 FTE change.

A new Park Maintenance Worker II was added for 2006 to support the completion of the annual repair and maintenance of fixtures and facilities within the City's park system. This position is split between the General Fund and the General Capital Fund.

Planning & Development Services

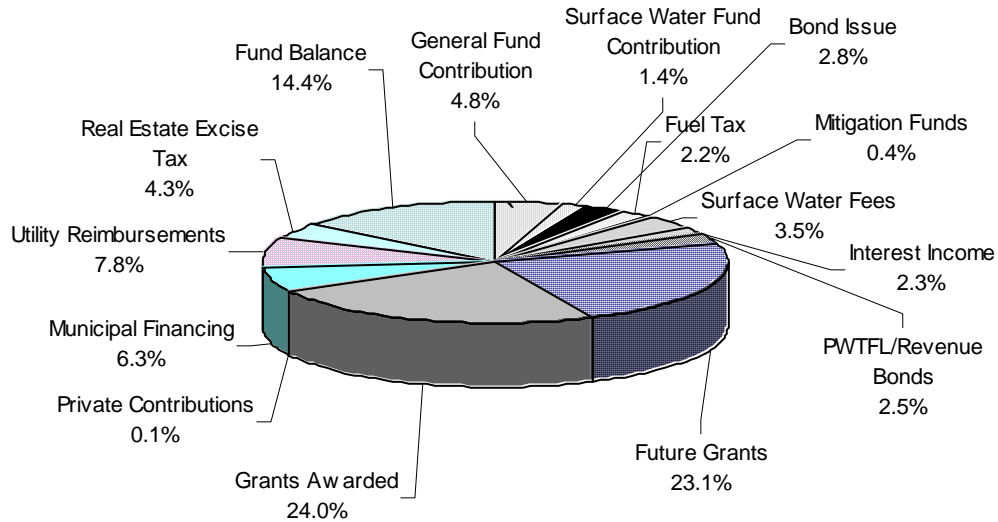
To support PADS new electrical permitting service, a .5 Technical Assistant is required to handle and process the expected 451 new permits

Public Works

A new Surface Water Engineering Technician in the Surface Water Management Fund was added in 2006 to perform regulatory compliance work.

2006-2011 Capital Resources by Category

\$168.2 Million



2006-2011 Capital Projects by Category

\$168.2 Million

