

## Notes from May 15<sup>th</sup> Meeting

- **Completion of Budget and Finance Presentation**

Debbie completed the Budget and Finance Presentation sections on Property Taxes and Other Revenues.
- **Recap on Finance Steps Taken by City in Recent Years**
  - 2003 – Modified Employee Health Benefit Policy
    - Average Annual Savings = \$200,000
  - Joint City Agreement for Jail Alternatives
    - Difference for 2008 = \$293,000
  - Taken Some Services In-House
    - Street Sweeping in 2007 (Better Service/Lower Cost) = \$58,000 annually
  - Change How we Deliver/Purchase Services
    - Canine Unit = \$100,000 annually
    - Telephone System = \$100,000 annually
  - Baseline Budget Cuts
    - 2005 = \$167,000 and 2007 = \$262,000
  - Revenue Enhancements – 2007 through 2009
    - Cable Utility Tax Increase from 1% to 5%
    - Seattle City Light Electricity Contract Payment
- **Budget Gap – Task at Hand**

Shoreline faces an Operations budget gap over the next five years, if it maintains its current programs and levels of service – approx. \$1m. in 2010; \$2.5m in 2012 and \$3.5m in 2014.
- **Budget/Levels of Service Options**

The group initiated discussion about the various options worth exploring further to address the budget shortfall and plan for the future of Shoreline. While there were clear differences of opinions and priorities expressed by the group, there was general consensus that 3 options should be pursued further by the group. This was just the beginning of the discussion and other options may emerge. The 3 options are not considered mutually exclusive by the group.

  - **EFFICIENCIES**

**Review of Services, Steps Taken, Identify Additional Efficiencies**

*In general, the group recommended this option be explored further, noting it will be particularly important to communicate this information with citizens as other financial options are considered to close the budget gap.*
  - **MAINTAIN CURRENT LEVELS OF SERVICE**

**Funding/Service Options if City Maintains Current Levels of Service**

*The group wants to explore the options available if the City were to maintain the current programs and levels of services. The group expressed interest in understanding finance options available.*

- **ADDITIONAL SERVICES, LONG-TERM INVESTMENTS**  
**Options if City were to expand Programs/Investments, long-term**

*The group expressed interest in continuing its review of city programs and services and wants to consider the options for additional investments as they look ahead over the next 5-10 years. The group would like to explore all 3 of these options at this time.*

*Some members of the group requested the City staff summarize the additional pressing/urgent needs that may be anticipated over the next 5-10 years that would not be covered by the existing levels of funding and services. As follow up, this information will be presented at the next meeting.*

- **Additional Comments**

- Differences expressed by the group are reflective of differences of opinion in the community.
- Pivotal time to look at the future of the city
- Efficiencies should be considered, particularly if citizens may be asked to help close a budget gap or make additional investments
- Good job by the city stretching its dollars
- It's been helpful better understanding what's provided by City versus contracts with other agencies.
- It's been helpful better understanding what the city receives in taxes versus other local/state governments and agencies
- Concerns expressed about attitudes and treatment by police
- Public safety was noted as a major city expense and there was a question about whether city had explored options – Debbie reported yes, and the in-house option was considerably more expensive. She shared comparisons with other cities.

- Concerns expressed about the Aurora project – some concerned about cost overruns, value for investment, not helping relieve congestion, incomplete.
- Others expressed appreciation for the Aurora project, its value to the community, safety, better use, appeal of corridor through the city, strong value in leveraging local dollars with the significant state/federal dollars.
- Some discussion on City Hall and questions about funding sources and the cost/benefit of the project.
  - Cost/benefit analysis of original City Hall concept showed that after 8 to 10 years the cost of continuing to lease space would exceed the annual cost to own a facility. This analysis was completed when the project was estimated between \$20 and \$25 million.
  - The current project reflects additional features as a result of the public process held during 2007 and includes a two-story parking garage, adequate space for future growth, meeting rooms for community, “living” roof educational area, terraced landscaping for community event opportunities (concerts, etc.). All of these features provided for more public access and provided more connection with the Community’s priority for sustainability. As a result of these enhancements the pay-off period will be substantially longer.
- Would like to consider possibility of increased revenues from business development.
- Observation – the portion of overall taxes the City receives is relatively small and the amount has actually gone down over the last 10 years when adjusted for inflation.