



TRANSMITTAL LETTER



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October 15, 2018

Total Budget: \$171.155 million

Operating Budget: \$99.706 million

Capital Budget: \$36.507 million

Utility Budget: \$24.011 million

Other Budgets: \$10.931 million

General Reserves: \$14.859 million

**General Fund Ending Fund
Balance: \$9.034 million**

Population: 55,730

AA+ Bond Rating

**S&P Financial Management
Rating of "Stable"**

**23 years of Unqualified (clean)
Audit Opinions**

**GFOA Budget Award for 20
consecutive years**

**92% of residents believe that
Shoreline is an excellent or good
place to live**

Honorable Mayor Hall and Members of the City Council
Residents and Stakeholders of the City of Shoreline

Dear Mayor Hall and City Councilmembers:

We are pleased to present the City's 2019-2020 Proposed Biennial Budget. This budget represents the results of thoughtful direction provided by the City Council along with the dedicated efforts of the Department Directors and City staff members. The 2019-2020 Proposed Biennial Budget is scheduled for City Council review during several upcoming meetings in October and November 2018 and will be presented for final adoption on November 19, 2018.

The City's budget is used as a planning and policy document, estimating future City revenues and expenditures and allocating resources to accomplish community and Council priorities. It serves to guide the City's operations and capital programs from a fiscal perspective for the upcoming year. The budget is prepared on a fund by fund basis. Each fund accounts for different services and activities.

Shoreline adheres to generally accepted accounting principles (GAAP) applicable to governments. Shoreline uses proprietary funds to account for the surface water utility and wastewater operations in addition to certain internal service activities (fleet, equipment, and unemployment management activities). Other activities are recorded in governmental funds (General Fund, Capital Services Funds, Debt Service Funds, etc.). All City funds are included in the 2019-2020 Proposed Biennial Budget and each fund is described in more detail at the beginning of each fund section.

SUMMARY OF THE 2019-2020 PROPOSED BIENNIAL BUDGET

Council Goals and Community Priorities

As a planning and policy document, one fundamental purpose of the City's budget is to allocate resources that support the community's vision and priorities. The 2018 Shoreline citizen

survey reported that 92% of residents believe that Shoreline is an excellent or good place to live and 66% of residents trust that the City is spending their tax dollars responsibly.

Each year the City Council reviews and adopts its goals with action steps identifying the most important items for the City to accomplish over the next 18 to 24 months. The 2019-2020 Proposed Biennial Budget allocates resources that staff members use to successfully accomplish these key goals. Following is a list of the Council's 2018-2020 goals that contain funding in the 2019-2020 Proposed Biennial Budget. The City Council's 2018-2020 Council Goals and Workplan is provided as an attachment to this letter.

2018-2020 Council Goals: For more information about these goals, please click on the links below:

- ❖ **Goal 1:** [Strengthen Shoreline's economic climate and opportunities](#)
- ❖ **Goal 2:** [Improve Shoreline's infrastructure to continue the delivery of highly-valued public service](#)
- ❖ **Goal 3:** [Continue preparation for regional mass transit in Shoreline](#)
- ❖ **Goal 4:** [Expand the City's focus on equity and inclusion to enhance opportunities for community engagement](#)
- ❖ **Goal 5:** [Promote and enhance the City's safe community and neighborhood programs and initiatives](#)

Delivery of Public Services and Organizational Goals

Although much emphasis is placed on the accomplishment of City Council goals, the primary focus of the City's budget is to provide resources to deliver highly valued public services to the Shoreline community. This is the mission of the City organization. The 2018 citizen survey reflects a 69% satisfaction in the overall quality of City services with only 7% of residents being dissatisfied. 83% of respondents were satisfied with the quality of parks, programs, and facilities, and 77% with the quality of police services. The 2019-2020 Proposed Biennial Budget includes the allocation of resources to support these key organizational goals:

ORGANIZATIONAL GOALS

Delivery of Public Services: Continue to make Shoreline a desirable place to live and invest by providing public services that are valued by our community.

Organizational Strength: Enhance the effectiveness of our organization through development of employee skills and knowledge.

Fiscal Sustainability: Secure and sustain long-term financial sustainability to ensure delivery of public services to our community.

Achieve Council Goals: Complete action steps included in the adopted City Council Goals.

2019-2020 Proposed Biennial Budget Highlights

OPPORTUNITIES

Shoreline has benefitted from a healthy economy and strong development activity for the past several years. That, along with the implementation of the 10 Year Financial Sustainability Plan, is allowing the City to respond to growing demands and maintain service levels even amid some significant cost increases over this coming biennium. With this as our foundation, our focus for 2019-2020 is to maintain what we have and meet our commitment to the community with services that directly impact them. The implementation of a Business & Occupation Tax, Strategy 6 of the 10 Year Financial Sustainability Plan, will provide a reliable ongoing revenue stream necessary to sustain funding of basic municipal services and to buffer the impacts of increases in the areas of electricity and landscaping that are outside the City's control and well beyond inflation. With this added revenue stream the City forecasts modest surpluses through 2022, when the current Property Tax Levy Lid Lift expires. Assuming renewal of the levy lid lift, the forecast is balanced through 2026.

The addition of a \$20 Vehicle License Fee, dedicated to the repair of the City's aging sidewalk system, provides a dedicated ongoing revenue stream that allows us to meet the requirements of the American's with Disabilities Act, improve accessibility and equity for everyone in our community.

Part of maintaining the public infrastructure is fulfilling the City's commitment for a safe community. In the 2018 Citizen Satisfaction Survey the Overall quality of police services was the highest ranked service that should receive emphasis over the next two years. As Council is aware, the 2018 Budget included a new K9 Unit, which was the first increase in police staffing since 2007. The 2019-2020 Proposed Biennial Budget includes the addition of another officer in 2020. This will bring the City's police officer to population ratio to 0.90. Even with this additional officer we will still be slightly behind our target ratio of 1 officer per 1,000 residents. However, given the impact on the financial forecast we are only proposing one additional officer in 2020.

CHALLENGES

A major ongoing challenge for the City is financial sustainability in an environment where one of our major revenue sources, Property Tax, growth is limited to 1%, which is well below annual inflation. Currently voters have approved a levy lid lift that allows the City to increase property taxes at the rate of inflation (Seattle CPI) through 2022. The current levy will expire at the end of 2022, at which time the City Council will need to determine if it will again ask voters to support allowing annual property tax levy increases at a rate greater than the 1% limit. The risk that voters may not be supportive of a levy renewal amidst other taxing pressures is always a consideration. This, coupled with regional cost drivers that cause costs to consistently grow faster than inflation along with unknown impacts of global economic trade disputes, encourage a continued conservative approach to budgeting that has been incorporated into this budget.

Another challenge is community support for projects and services beyond our current level of service. In November, voters will decide whether they support an increase to the local sales and use tax rate to fund the City's Sidewalk Program – primarily the construction of new sidewalks. The Parks Funding Advisory Committee is beginning its work to identify options for funding the Parks Recreation and Open Space Plan (PROS) adopted in 2017. The focus of that group will be around funding to replace and expand the City's aquatics and community center and funding of park property acquisitions and improvements.

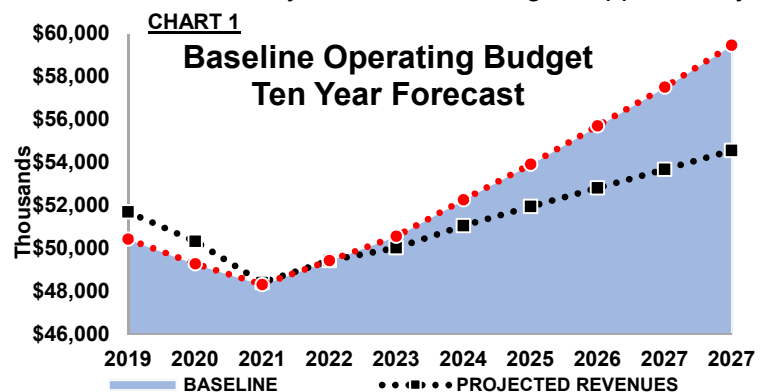
As always, local governments must be on watch for potential threats because of State and Federal legislation that may shift funding burdens to local governments through elimination of grant funding or shared allocation changes, increase costs through tax policy decisions, or impose unfunded mandates through regulatory actions. A good example of this occurring during this year with the legislative change made to prevailing wages for contract landscape workers, doubling the cost of contracting for this basic service.

In addition to funding options for sidewalk expansion and the PROS plan two other significant areas with capital demand are currently underfunded:

- **Transportation:** Several transportation improvement projects located along N. 145th Street, N. 175th Street, N. 160th Street, N. 185th Street, and Westminster Way N. & N. 155th Street are not fully funded. While the 2019-2024 CIP makes significant investment in the City's transportation system and takes advantage of granting opportunities, the need still outpaces the available resources.
- **Facilities:** In 2017, staff began the work of creating a long-range facilities maintenance plan. The plan will be completed in 2019-2020 but clearly indicates the current level of capital investment in the City's facilities is grossly underfunded. While planning is underway for long-deferred improvements to the City's maintenance facilities, funding for those improvements has not been identified.

10 Year Financial Forecast – Long Range Sustainability

Shoreline's staff and City Council have proactively worked to address the challenges to long-term financial sustainability of City operations to sustain City services that the public values. In 2014, the City engaged in a comprehensive process to plan for long term financial sustainability. The City Council adopted the 10-Year Financial Sustainability Plan (10 YFSP) at its June 16, 2014 Council Meeting. The 10 YFSP includes seven strategies to improve the City's ongoing financial position and uses the 10 Year Financial Sustainability Model (10 YFSM) to evaluate the impact of funding choices in the long-term to ensure fiscal sustainability. All seven strategies approved by Council have been implemented at this time. One strategy, replacing the General Fund Contribution to Roads Capital Fund, is being deployed as needed to ensure we can meet both critical operational and capital needs. As such the need for contributions to Roads Capital fund will be evaluated each budget cycle and adjusted to best achieve the many competing goals using fund balance.

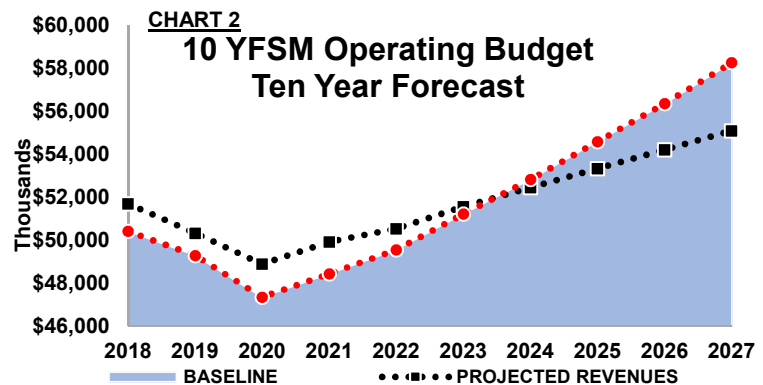


The updated 10 YFSM, reflected in Chart 1, includes all revenues and expenditures in the proposed budget. Based upon this update the gap between revenues and expenditures is currently projected to occur in 2023.

The model is having the effect on budget planning that was desired by the Council as the Administrative Services Department is monitoring the City's progress in relation to the Financial

Sustainability Model. The 2019-2020 Proposed Biennial Budget projects a use of fund balance of \$4.347 million.

Chart 2 adjusts the third through tenth years to reflect the fact that, historically, the City tends to collect revenues at 101% of the budgeted amounts and tends to expend money at 98% of the budgeted amounts.



2019-2020 PROPOSED BIENNIAL BUDGET OVERVIEW

The City maintains fully funded reserves that meet or exceed City policies. The City’s Revenue Stabilization Fund (“rainy day reserve”) is projected to total \$5.151 million at the end of 2018 and with required transfers in 2019 and 2020, \$5.825 million at the end of the 2019-2020 biennium. This meets the 30% minimum established by the City Council. The 2019-2020 Proposed Biennial Budget also provides a General Fund ending fund balance of \$9.034 million as well as an operational contingency of just over \$1 million. This exceeds the City Council’s minimum policy requirement of \$4.1 million. The City’s total undesignated general reserves are estimated to total \$14.859 million at the end of 2019-2020.

As a result of the Council’s strong financial policies, diligent financial management, and conservative budget planning, the City continues to maintain its AA+ bond rating and a Standard & Poor’s (S&P) financial management rating of “stable.” The City has a record of 23 consecutive unmodified (clean) Audit Opinions and has received 20 consecutive Distinguished Budget Presentation Awards from the Government Finance Officers Association.

REVENUES

Budgeted 2019-2020 revenues for all funds total \$147.805* million. This is a biennium-over-biennium increase of \$14.099 million (8.7%) from the Current Budget. This is the net result of changes to various funds as noted in the following discussion:

- Operating Funds’ revenues are budgeted at \$88.711* million. This is a 6.4% increase over the Current Budget. This is primarily the result of increases in projected property tax and sales tax collections and the implementation of a B&O Tax in 2019.
- Debt Service Funds’ revenues are budgeted at \$4.030* million. This is a 5.0% increase from the Current Budget. These funds are budgeted so that revenues are approximately equal to actual debt service principal and interest payments each year. The City repays the 2006 General Obligation Bond Fund (Parks Bonds) through an excess property tax levy. A new Bond Fund has been created for the Parks Bond Anticipation Notes that will be issued before the end of 2018. Interest payments for these bonds will be primarily supported by income from the properties until development of the facility is started.

- Capital Funds' revenues are budgeted at \$29.953* million. This is a 41.3% increase from the Current Budget. The primary reason for the change was the planned issuance of debt to support the purchase of property for a future Aquatics and Community Center in 2018 as well as significant projected slowdowns in REET collections. The 2019-20 biennium includes additional revenues from the council approved \$20 increase in the Vehicle License Fee by \$20 effective in 2019 to be dedicated to fund the Sidewalk Rehabilitation Program.
- Surface Water Utility Fund revenues are budgeted at \$15.419* million, inclusive of Surface Water Fees at \$14.045 million (+42.4%) representing a 2.7% decrease from the Current Budget. This change continues the implementation of the 2017 Surface Water Master Plan's Proactive Management Strategy included in the 2018 Surface Water Master Plan. The annual increase for a single family residential home in 2019 through 2024 are \$32, \$25, \$27, \$15, \$16, \$16, respectively.
- Wastewater Fund is budgeted at \$4.925 million. Fiscal Year 2018 is the first full year the City operated the Wastewater Utility on behalf of Ronald Wastewater District. Therefore, comparing the 2019 budget to the 2018 budget rather than a comparison of the biennia, we see a 0.2% decrease. The decrease is the result of reductions as a result of adjusting budgets and allocations after the first year of operations which resulted in decreases, offset by increases in personnel related costs such as cost-of-living adjustment (COLA) and benefits discussed elsewhere in this letter.
- Internal Service Funds' revenues are budgeted at \$2.019* million, a 39.0% increase over the Current Budget. This increase is primarily driven by the addition of vehicles and equipment necessary to support the addition of a unified landscape maintenance unit in Public Works.

*Note: *Amounts shown exclude interfund transfers and use of fund balance.*

EXPENDITURES – OVERVIEW

Budgeted 2019-2020 expenditures for all funds total \$171.155 million. This is a \$13.433 million (7.3%) decrease from the Current Budget (2017 actual plus 2018 Adopted Budgets as amended, including re-appropriations from 2017, which have been adopted by the City Council through September 2018). The decrease can be linked to the following changes:

- \$7.964 million increase in the City's Enterprise Funds;
- \$25.466 million decrease in the City's Capital Funds; and,
- \$3.228 million increase in the Operating Funds.
- General Fund and Street Fund expenditures, commonly referred to as the City's Operating Budget, are budgeted at \$99.706 million. This is a \$5.656 million, or 6.0%, increase from the Current Budget. While there is a decrease in the amount of one-time projects such as replacement of the finance and human resources software system with planned completion in 2019 and contributions to capital projects being less in the proposed budget than in the last two budgets combined, there are increases resulting from the staffing of the unified landscape maintenance service discussed later in this letter.. The 2019-2020 Proposed Operating Budget is balanced and complies with the City's adopted budget and financial policies.

- Debt Service Fund expenditures are budgeted at \$8.690 million. This is a \$1.246, or 16.7%, increase from the Current Budget. The increase is due to the issuance of the 2018 bond anticipation notes to acquire properties for the Parks, Recreation and Open Space Plan.
- Capital Fund expenditures are budgeted at \$36.844 million. This is a \$25.466, or 40.9%, decrease from the Current Budget primarily as a result of a decrease in General Capital Funds in 2019-20. These expenditures include transfers from the Transportation Impact Fees Fund and Park Impact Fees Fund that support capital projects in the Roads Capital Fund and General Capital Fund, respectively.
- The Surface Water Utility Fund expenditures are budgeted at \$19.086 million. This is a \$0.429, or 2.7%, decrease from the Current Budget and is discussed in another section of this transmittal letter.
- The Wastewater Fund expenditures are budgeted at \$4.925 million. Fiscal Year 2018 is the first full year the City operated the Wastewater Utility on behalf of Ronald Wastewater District. Therefore, comparing the 2019 budget to the 2018 budget rather than a comparison of the biennia, we see a 0.2% decrease due to the changes in operating model as discussed earlier.
- Internal Service Funds expenditures are budgeted at \$1.507 million. This is a \$0.404, or 21.2%, decrease from the Current Budget. Compared to the Current Biennium, fewer vehicles are up for replacement, and less work on public art projects is slated to occur.

EXPENDITURES – STAFFING

The City continues to work to align staff positions with long term community service expectations, City Council goals, and the City's ongoing work plan. As such, the 2019-2020 Proposed Biennial Budget increases the net number of full-time equivalent (FTE) positions in the City's personnel complement from the 2018 total by 9.45 FTE. This number reflects the following, which is also discussed in more detail below or elsewhere in this transmittal letter:

- Addition of 7.00 FTEs to establish an in-house Unified Landscape Maintenance Service;
- Conversion of on-going extra help personnel in the City's Specialized Recreation Program to three regular part-time positions for a total of 1.95 FTEs fulfilling City Manager and City Council desires to eliminate use of extra-help for regular, on-going work that meets the requirements for being a regular employee position; and
- Changes to FTEs according to staffing needs during phases of various priority projects, some with dedicated funding, including elimination of limited-term positions as terms come to an end.

Conversion of Extra-Help to Regular Positions: The functions of the Specialized Recreation Program, which includes the CHOICES day program and events and trips for adults with disabilities, currently operates with a benefitted Recreation Specialist II supported by four extra-help positions. The extra-help positions provide on-going service and provide supervision to vulnerable population participants, at times without the direct oversight of a regular, benefitted staff person due to programmatic needs on trips and current staffing structure. Therefore, the 2019-2020 Proposed Biennial Budget includes the conversion of three extra-help positions to three regular part-time, benefitted Recreation Specialist I positions, comprised of two positions at 0.60 FTE and one position at 0.75 FTE. One extra-help position will be retained with

responsibilities and hours modified from the current structure to deliver services that are not ongoing in nature. The net cost increase of this conversion in the General Fund is \$176,000.

Staffing of Unified Landscape Maintenance Service (2019-20; General Fund: \$635,000 one-time and \$373,000 net ongoing; Street Fund: \$150,000 one-time and \$143,000 net ongoing; Surface Water Utility Fund: \$37,000 one-time with ongoing absorbed in base budget): The right-of-way (ROW) and park landscape maintenance services have traditionally been provided through private contracts. Contractor turnover, gaps in service, and the resulting expenditure of extra staff time to develop bid documents, rebid, let contracts, and contract oversight to ensure contract adherence, and bringing new contractors or sub-contractors up to speed is preventing the City from receiving a consistent level of service and displacing valuable staff time for other work.

Since 2014 there have been five separate ROW landscape maintenance contracts with three different contractors. Two of the contracts were full maintenance and three, including the current contract, are limited scope and duration contracts to address gaps in service due to early contract terminations. This constant turnover of contractors has negatively impacted both the quantity and quality of ROW service provided to the City.

In addition to these performance issues, State Law changes to prevailing wage calculations more than doubled the prevailing wages that contractors must pay landscape maintenance workers, effective August 31, 2018. It is estimated the change in prevailing wage would increase the costs of the City's contracts beginning in the 2019-20 biennium by at least \$900,000.

With a poor performance record of outsourcing ROW landscape maintenance services and the estimated \$900,000 increase in ongoing costs, the City Manager is recommending that the City create an in-house unified landscape/grounds maintenance crew. The 2019-2020 Proposed Biennial Budget includes \$785,000 in one-time costs and \$516,000 in ongoing costs to implement this program in phases with the hiring of staff as reflected in the table below, as well as a full year of park landscape maintenance contract and acquisition of vehicles and equipment in 2019. It is estimated the fully implemented program would increase the ongoing cost of this service in the General Fund and Street Fund beginning in the 2021-22 biennium by \$746,000, which is \$154,000 less than the impact of the change in prevailing wage. The Surface Water Utility Fund's costs have been absorbed within its base budget. Funding for this program will be split generally 50% in the General Fund, 40% in the Street Fund and 10% in the Surface Water Utility Fund.

Positions Necessary for Specific Projects: The following positions have been or are needed to accomplish specific projects. While not all of positions are term-limited, should the future demand for these positions diminish and supporting revenue not be available, the positions would be eliminated.

- *Financial System Replacement Backfill:* The 2019-2020 Proposed Biennial Budget reflects the elimination of the Staff Accountant Term-Limited position in 2020. It also reflects the elimination of a temporary 0.37FTE increase of our Finance Technician needed for the upgrade.
- *Light Rail Project:* The 2019-2020 Proposed Biennial Budget reflects the following changes to positions permitting and coordinating the Lynnwood Link Extension Light Rail Project. Most are term-limited positions. Funding is provided via an agreement with Sound Transit:
 - Administrative Assistant II: Reduced from 0.75 FTE in 2019 to 0.50 FTE in 2020.

- Senior Planner: Reduced from 1.00 FTE to 0.375 FTE in 2019 and eliminated in 2020.
- Senior Planner (3-year term limited): This position was added in September 2017 as a 1.00 FTE to support the Light Rail Project and Planning and Community Development Department. In 2019 the support this position provides to the Light Rail Project will be reduced to 0.75 FTE and in 2020 it will be reduced to 0.50 FTE. The balance of the FTE will support the Planning and Community Development Department.
- Development Review Engineer II: Included at 1.00 FTE in 2019 and eliminated in 2020.

The 2019-2020 Proposed Biennial Budget does not reflect the positions related to the construction of light rail facilities. This will be a future discussion item brought to the City Council at a later date.

- **Wastewater Staff Reallocation:** The Wastewater budget includes changes in allocation of staff that support the Wastewater operations to better reflect the support provided including the allocation of permit counter staff function and inspection management oversight and reduction of other oversight and support. The net change in allocation was 0.02 FTE increase.

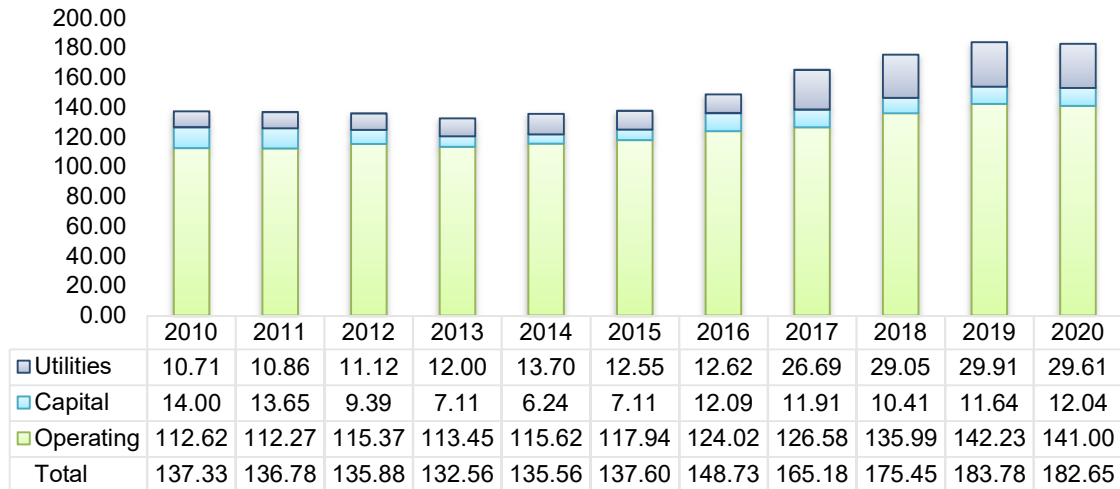
The history of the City's personnel compliment is shown in the *City of Shoreline Regular FTE Summary* table below.

City of Shoreline Regular FTE Summary

Department	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Prop.	2020 Prop.	2019 Changes	2020 Changes
City Manager ^{b,d,g}	9.50	8.75	8.75	13.00	13.00	13.00	17.00	16.75	23.50	22.88	21.25	(0.63)	(1.63)
City Clerk	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Services ^{a,g}	8.68	8.68	10.18	8.68	8.68	8.68	8.68	8.68	4.78	4.78	4.78	0.00	0.00
City Attorney	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Administrative Services ^{c,e,f}	18.50	18.70	21.20	21.20	21.20	21.45	21.45	21.45	25.65	25.65	25.65	0.00	0.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00
Police	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Community Development ^{d,g}	24.35	24.35	20.45	20.00	20.00	21.00	22.00	23.00	23.00	22.82	23.32	(0.18)	0.50
Parks, Recreation & Cultural Services	27.30	27.30	27.80	27.68	28.68	29.48	30.60	31.30	32.48	34.63	34.53	2.15	(0.10)
Public Works ^b	28.29	28.14	30.38	24.00	24.30	25.45	30.38	31.31	31.00	37.12	37.52	6.12	0.40
Surface Water Utility	10.71	10.86	11.12	12.00	13.70	12.55	12.62	12.69	14.92	15.76	15.46	0.84	(0.30)
Wastewater Utility	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14.00	14.13	14.15	14.15	0.02	0.00
Total FTE	137.33	136.78	135.88	132.56	135.56	137.60	148.73	165.18	175.45	183.78	182.65	8.33	(1.13)
Staffing for Sound Transit Lynnwood Link Extension Project ^c							4.00	3.75	4.75	4.12	2.50	(0.63)	(1.25)
Net FTE	137.33	136.78	135.88	132.56	135.56	137.60	144.73	161.43	170.70	179.66	180.15		0.12

- a. Includes 0.50 FTE funded by the Emergency Management Program Grant since 2008
b. Reflects shift of staffing for ST Lynnwood Link Extension Project from Public Works to City Manager's Office since 2016
c. Excludes term-limited 1.00 FTE IT Projects Manager for 2016 - December 2018
d. Excludes term-limited 1.00 FTE Senior Planner for 2017 - 2019; excludes 0.50 FTE in 2020.
e. Excludes term-limited 1.00 FTE Staff Accountant for 2018-2019
f. Excludes term-limited 0.37 FTE increase for Finance Technician for 2017 - 2020
g. Reflects shift of staffing for Code Enforcement & Customer Response Team to City Manager's Office since 2018

City of Shoreline Regular FTE Summary by Fund Type



In 2019-2020, Shoreline will have 2.7 FTEs per 1,000 population for non-utility personnel.

EXPENDITURES – POLICE CONTRACT ONGOING PROGRAM CHANGE

The City Manager is recommending inclusion of an additional police officer in 2020. The costs (\$202,000) is included in the proposed budget. The City has had a general target ratio of 1 officer per 1,000 residents for some time. This position will bring the projected ratio to 0.90 officers per 1,000 residents. Public safety and keeping crime rates low in Shoreline continue to be a priority for the community and City Council. Improving the Quality of Police Services was ranked as the number 1 priority by 34% of respondents to the 2018 Citizen Satisfaction Survey.

Shoreline Police Department serves a population of 55,730 residents. The department currently has 50 commissioned staff and 3 non-commissioned staff. There are 23 officers and 1 K9 team assigned to patrol. Over the past decade the City has seen a steady increase in calls for service, workload and expectations of the police. The effect has been a consistent increase in response times to emergency calls and an increase in workload.

In 2013 the number of dispatched calls for service was 13,139. Dispatched calls for service have steadily increased every year and in 2017 were at 16,308, a 24% increase over the five-year period. The 2017 Police Services Report showed that calls increased by approximately 2.6% (412 calls) from 2016-to-2017. After reviewing the data for the first half of 2018, DCFS are on track to increase again in 2018. This has resulted in DCFS per Patrol Officer going from 375 in 2013 to 466 in 2017. Assuming that DCFS per Patrol Officer grow at 3% per year, the average annual growth for the last five years has been just under 5%, will grow to approximately 17,800 by 2020. Assuming a growth of two Patrol Officers (2018 and the proposed additional officer in 2020) the DCFS per Patrol Officer would increase to 481. Given that there are already 65 single-family homes and 813 multi-family units scheduled to be constructed and occupied between 2018 and 2020, the projected increase in DCFS is further supported and may even be understated.

Police response times to a dispatched call for service have increased the past five years as well. Emergency calls for priority-X averaged 3.42 minutes in 2013 and 4.37 minutes in 2017. In the same time frame priority-1 calls have increased from 6.48 minutes to 6.98 and priority-2 calls

have increased from 9.51 minutes to 10.70. Monitoring the workload (DCFS) and response times throughout the remainder of 2018 and 2019 will be critical in making sure that projected police staffing levels are adequate.

In addition to handling dispatched calls for service, there's an expectation that Shoreline police officers will be proactive to prevent crime, the fear of crime and spend time focusing on Council Goals. In 2017 Shoreline officer's self-initiated 14,758 contacts for a total of 31,066 police related contacts in 2017. It averages 1,350 details per patrol officer each year, the K9 unit was not part of the 2017 staffing.

As the population increases, there are increased demands on City services, including the police. The City has been unable to maintain its goal of 1 officer per thousand resident's ratio. The addition of a K9 Unit in 2018 helped to address this issue but is not sufficient. The addition of two additional officers would increase the ratio to 0.99 per 1,000 residents. However, given the current financial forecast, the City Manager is proposing to add one officer in 2020. The planned delay until 2020 allows for flexibility as we evaluate the actual performance of revenue and expenditure forecasts in the first year of the biennium and police staffing workloads.

Finally, there are several cost pressures on the cost of police services. These include negotiations for the King County Sheriff's Office (KCSO) guild contract are currently underway for the contract that will affect 2019 and 2020, cost sharing for new mandated crime software and de-escalation training and insurance cost increases that are common in the first year of the biennium. Based on projected increases for COLA for 2019 and 2020 staff projects that the 2019 police services contract will total \$12.5 million, which is 5.5% more than the 2018 police services contract and the 2020 police services contract will total \$12.798 million, which is 4.0% more than the 2019 police services contract. For future years (2021 onward), staff has assumed an annual escalator of 3.5%.

EXPENDITURES – ADDITIONAL ONGOING PROGRAM COSTS

Other significant changes in 2019-2020 costs include the following:

- Salary increases include:
 - \$242,000 increase for anticipated step increases for eligible employees per the City's compensation plan;
 - \$782,000 increase from 2.95% cost of living adjustment in 2019 based on 90% of the June-to-June change in CPI-U and an estimated 2.2% COLA for 2020 based on 95% of the forecasted change in CPI-U for 2020. The increase in the change is to align the City's compensation policy with State changes in the minimum wage that adjust minimum wage by 100% of CPI annually beginning in 2021 and closer alignment with the salary changes of the City's comparable market.
- Electricity Costs – As mentioned earlier in this letter there have been significant increases in electricity costs for the City. There cost increases, totaling almost \$120,000 annually or \$240,000 for the biennium, are primarily a result of increased rates charged by Seattle City Light for electricity used in City facilities, traffic signals and street lights.
- Durable Pavement Marking (Thermoplastic) Maintenance: King County has historically provided the majority of City traffic control device maintenance including durable pavement markings (thermoplastic). Over the last 3 years, County priorities have changed, and as a result King County has not been consistently or reliably providing durable pavement marking maintenance, installation or removal for the City. The 2019 budget includes \$60,000 one-time and \$207,400 ongoing funding to achieve basic maintenance of durable pavement markings (thermoplastic).

EXPENDITURES – ONE-TIME FUNDING SUMMARY

One-time and ongoing supplemental requests are proposed only after analyzing the impacts that they might have on the 10 YFSM as discussed above. Supplemental requests to support Council priorities that are included in the 2019-2020 proposed operating budget are summarized below:

Category	One-Time	% of Operating Budget
Implementation of Council Goals	\$436,900	
City Asset Maintenance	319,300	
Efficiency & Effectiveness	932,100	
Technology Investments	403,100	
Contingency and Transfer to Revenue Stabilization Fund	916,100	
Capital Support	1,453,600	
Total	\$4,461,100	
Use of Fund Balance	\$4,461,100	4.5%

One-time supplemental requests are funded from the use of available fund balance at the end of 2018. Ongoing items are funded from ongoing revenues.

EXPENDITURES – CAPITAL OUTLAY

The 2019-2020 Proposed Biennial Budget for the General Capital, City Facilities-Major Maintenance and Roads Capital funds totals \$36.507 million. Significant projects making up this total include:

• Westminster and 155 th Improvements	\$5.2M
• 145 th and I5 Interchange	5.0
• Road Surface Maintenance Program	4.4
• 175 th - Stone Ave to I5	3.6
• 1 st Ave NE (N 145 th to N 155 th)	2.5
• Boeing Creek-Shoreview Park Trail R&R	1.9
• Sidewalk Rehabilitation	1.8
• 145th Corridor- 99 to I5	1.7
• Pros Plan Implementation – Aquatics & Community Center	1.5
• Playground Replacement	1.0
• Meridian Ave N & N 155 th St Signal Improvements	0.5
• Parks Repair & Replacement	0.5
• 185 th Corridor Study	0.4
• 5 th Ave NE (N 175 th to N 182 nd)	0.4
• Traffic Signal Rehabilitation	0.3
• Traffic Safety Improvements	0.3
• Trail Along the Rail	0.3
• 14 Other Projects	5.2
Total	\$36.5M

SURFACE WATER UTILITY FUND

The City has greatly improved its ability to discharge quality water to Puget Sound during normal flow, low flow, and storm flow events through the development of a comprehensive surface water management system. The system is comprised of a complex array of drainage ditches, detention structures, lift stations, underground collection and transmission pipes, etc. that are owned and maintained by the City and managed using an enterprise fund – the Surface Water Utility Fund. Before incorporation storm events often resulted in flooding conditions throughout large areas that became the City of Shoreline. Since incorporation, and with enhancements to this system, the City's efforts have minimized flooding to localized and rare occurrences.

In 2016, the City began the update of the 2011 Surface Water Master Plan (SWMP), which is scheduled for adoption in November 2018. The SWMP provides a long range plan for the Surface Water Utility to ensure the viability of the surface water management program in the future. In 2017, Council considered three levels of service, minimal, proactive, and optimal and directed staff to evaluate and propose a plan and rates that support a proactive strategy for the utility. Both the costs and associated revenues, including a residential rate increase of approximately \$32 in 2019 and \$25 in 2020 included in the budget support the Proactive Management Strategy.

With the rate increase necessary to support the proactive strategy and bond proceeds to fund capital projects in 2019-2020, the Surface Water Utility billings along with other sources are budgeted to generate almost \$15.419 million. This is a \$0.429 million (2.7%) decrease from the Current Budget. As an enterprise fund, the Surface Water Utility Fund expends money for both operating and capital needs. This makes the Surface Water Utility unique from other City operations.

The 2019-2020 Proposed Biennial Budget appropriates \$19.086 million in expenditures. Of this total, \$12.013 million are operating expenditures, \$7.073 million are capital expenditures, and \$1.826 million are debt service expenditures. The operating budget reflects a \$3.209 million increase from the Current Budget. Capital expenditures reflect a \$2.954 million increase from the Current Budget. The difference between revenues and expenditures will be maintained in fund balance to fund capital projects.

In addition to the capital and operating activities noted above, this fund also pays for debt service. Unlike the governmental funds, surface water debt related activity occurs directly in the Surface Water Fund. In 2019-2020, this fund is expected to pay approximately \$1.826 million towards debt service principal and interest.

WASTEWATER FUND

In 2002, the City and Ronald Wastewater District (RWD) entered into an agreement to unify sewer services with City operations through assumption of the RWD by the City of Shoreline effective October 23, 2017. In mid-2017 the RWD Board of Commissioners and the City mutually agreed to extend the assumption date. In 2017 RWD executed a Services Agreement with the City to operate the utility on the behalf of RWD. Effective October 23, 2017 the City of Shoreline began to operate and maintain the sewer utility. Under the contract the RWD Board of Commissioners maintain responsibility for addressing policy matters, setting rates and managing capital improvements for the utility. The budget for the City was developed based on the personnel and maintenance and operation costs necessary to operate the utility. The decrease

in expenditures for 2019 as compared to 2018 is attributable to adjustments made following the first year of operations offset by personnel cost increases addressed in other parts of this letter.

Financial Sustainability

The City has long been aware of the need for financial sustainability. Accepted in 2014, the 10 YFSP takes into account earlier Citizen Advisory Committee recommendations regarding the need to continue to deliver services efficiently and cost effectively. Efficiencies, cost savings and other cost avoidance strategies identified as a result of these efforts include:

- In 2018, City staff improved processes surrounding contract routing, leave reporting, quarterly financial report creation and numerous processes related to our management of City assets including enhanced access to data for improved decision making. These process changes, create some capacity to address new and emerging issues and result in cost avoidance for the City. We changed cell phone providers, resulting in hard dollar cost savings of \$30,000 per year and improved processes related to grant billing in order to ensure we are meeting federal reporting requirements. Our permit team has implemented online inspection scheduling and continues to work to improve processes and utilize their new Permitting system to provide online permit application and payment and electronic review of permits with full implementation anticipated during the 2019-2020 biennium. Many process changes, large and small, have been implemented and more are scheduled for future implementation.
- The City continues to proactively monitor all of its major contracts. Jail usage and costs have historically been volatile and the City proactively seeks lower cost alternatives to delivering this mandated service. The City added Yakima Jail to SCORE and King County Jail as an option for housing prisoners in 2017. This saved over \$465,000 in 2017 and is projected to save over \$300K in 2018 when compared with using only King County and SCORE. The strategic use of jail contracts for cost savings allowed the City to show a decrease of 9.2% from the 2016 adopted budget.
- In late 2018 the City will be upgrading its Financial and Human Resources system that will support more automation of routine processes.
- The City has achieved the target to increase investment returns by 100 basis points.
- The 10 YFSP targets growth at 7,500 SF of retail redevelopment and 160 new MFU annually. Since adoption of the 10YFSP, the City added 7,154 square feet of new retail space in 2015, 8,835 in 2016, and 11,903 in 2017 and 429 in 2018 year-to-date. We increased multi-family unit (MFU) count by 97 in 2014, 132 in 2015, added 12 beds to a facility in 2016, added 199 new units in 2017 and 72 in 2018 year-to-date. Additionally, we saw the remodel of 26,878 SF of retail space in 2014, 6,411 SF in 2015, 24,643 SF in 2016, 6,937 in 2017 and 1,608 in 2018 year-to-date. Office space added in 2018 YTD is 22,452 square feet.

As noted earlier in this letter, all strategies of the 10 YFSP are now in use. City staff will continue to support and encourages continuous improvement at all levels of the organization. Focusing on reducing waste, improving customer experience and improving administrative ease result in greater capacity, cost avoidance and cost savings. We continue to seek out partnerships, efficiencies and monitor the newly implemented strategies outlined in the 10 YFSP during 2019-2020 and beyond.

Outlook

City staff members are proud to present a balanced 2019-2020 Proposed Biennial Budget. The City's budget maintains basic services, addresses and balances community priorities including seeking to return our public safety ratio to the target of one officer per 1,000 residents and begins to address repair of the City's sidewalk system. It furthers action to achieve City Council goals, long term financial sustainability, and the City's ambitious work plan.

The State of Washington, like cities, faces the challenge of the cost of service delivery rising faster than revenue growth and pressures from other levels of government. Additionally, they have had to address the financial challenges as a result of the Washington Supreme Court decision requiring changes in the State's level of funding for basic education. In its efforts to protect potentially underrepresented workforce, legislative changes had unintended consequences relating to prevailing wage for some workers. These factors continue to cause instability in the State's budget with resulting downstream impacts at the local level. State balancing efforts shifted the property tax burden throughout the state, with a resulting significant impact to Shoreline property owners. It is likely that future State budget and legislative efforts will continue to have a negative impact on local government budgets, particularly related to state shared revenues and continued actions to fund basic education. The State Legislature has previously closed its gaps in part by reducing amounts traditionally remitted to local jurisdictions, although they have been slowly restoring portions of these revenues.

As in the past, we will continue to exercise our fiduciary responsibility to Shoreline's residents and we will proactively address these issues by making any budget adjustments necessary as a result of future State or Federal legislative actions or changes in the economy.

In addition to the targets established in the 10 YFSP, we continue to strive to attract economic development investment in the City. In 2018 the City has continued partnership with Sound Transit to develop plans for our Light Rail Stations and is reviewing a significant level of permitting requests for Sound Transit, Shoreline School District, and private development.

The 2019-2020 Proposed Biennial Budget continues the City's efforts in economic development through multifaceted placemaking efforts and support of small businesses in partnership with Shoreline Community College and the Small Business Administration. With new ownership developing plans for critical properties in the Community Renewal Area, staff continue to work with property owners to further the City's vision for this critical economic hub. Economic development improves the City's future financial sustainability and helps the City realize many of its Vision 2029 goals.

Financial sustainability includes investing in infrastructure improvements. By attending to our infrastructure today, the City avoids much costlier deferred maintenance problems in the future. As stated earlier the City will deliver \$43.580 million in capital improvements (including surface water capital projects) in 2019-2020. Long term plans include another \$144.237 million over the following four years. We recognize that even at this level funding for the construction of new and maintenance of existing facilities and infrastructure, with the exception of the Surface Water Utility, is underfunded.

Conclusion

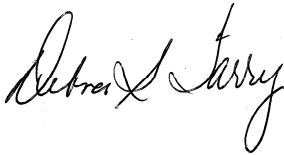
We believe that the 2019-2020 Proposed Biennial Budget maintains basic services and strives to address priority capital investment needs for the coming two years. It also addresses the top

operating priorities of the City Council and the Shoreline community as supported by the 2018 Community Survey. This budget incorporates the creation of unified landscape maintenance unit to avoid higher costs and improves our ability to prevent and respond to crime through the additional of a police officer. It invests in projects to help our Surface Water Utility achieve its desired proactive maintenance strategy and supports the continued development of light rail stations and supporting infrastructure, Shoreline School District projects, and initiates the Sidewalk Rehabilitation Program.

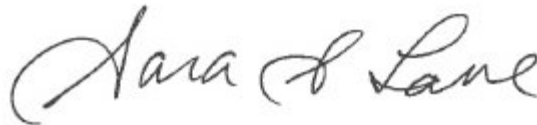
Finally, it is important to acknowledge the contributions of everyone involved in this year's budget process. We would like to express our appreciation to individuals who worked to provide realistic budget requests and to develop ways to meet City Council and community priorities.

It is also appropriate to thank several members of the Administrative Services Department for their tireless efforts to produce the 2019-2020 Proposed Biennial Budget, while still performing day-to-day duties and keeping up with workflow demands. Special thanks go to Rick Kirkwood, Grant Raupp, and Sharon Oshima for their assistance in preparing this budget. Finally, many thanks are needed to the City Council for providing policy direction to the City of Shoreline over the years.

Respectfully submitted,



Debbie Tarry
City Manager



Sara S. Lane
Administrative Services Director

Attachment: 2018-2020 City Council Goals & Workplan

2018-2020 City Council Goals and Work Plan

The Council is committed to fulfilling the community's long-term vision – Vision 2029 – and being a sustainable city in all respects:

- Sustainable neighborhoods—ensuring they are safe and attractive;
- Sustainable environment—preserving our environmental assets and enhancing our built environment so that it protects our natural resources; and
- Sustainable services—supporting quality services, facilities and infrastructure.

The City Council holds an annual Strategic Planning Workshop to monitor progress and determine priorities and action steps necessary to advance Vision 2029. This workplan, which is aimed at improving the City's ability to fulfill the community's vision, is then reflected in department work plans, the City's budget, capital improvement plan, and through special initiatives.

Goal 1: Strengthen Shoreline's economic climate and opportunities

Robust private investment and economic opportunities help achieve Council Goals by enhancing the local economy, providing jobs and housing choices, and supporting the public services and lifestyle amenities that the community desires and expects.

ACTION STEPS:

1. Implement the Community Renewal Plan for Shoreline Place, including a review of recommendations for a regional stormwater detention/retention system and construction of intersection improvements at N 155th Street and Westminster Way N
2. Enhance the attractiveness of Shoreline as a place for private investment, including investment by small and medium sized developments, by ensuring that the permit process is predictable, timely and competitive, and by constantly evaluating and improving the quality of regulations for the City and other local permitting organizations
3. Continue to implement the 10-year Financial Sustainability Plan strategies to achieve sufficient fiscal capacity to fund and maintain priority public services, facilities, and infrastructure, with specific focus on implementing a Business and Occupation tax and replacing the General Fund support of the Roads Capital Fund with another dedicated funding source
4. Continue to foster innovative, community-supported place-making efforts that help create diverse communities with a mix of residential and commercial uses and promote economic development
5. Encourage affordable housing development in Shoreline, including continued promotion of the Property Tax Exemption program, partnership with King County in the development of affordable housing on the City's property at Aurora Avenue and N 198th Street, and identify opportunities for integration of affordable housing at the future community and aquatic center facility
6. Facilitate collaboration with and between members of the business community in order to remove barriers to starting and growing businesses, increase commerce and profitability, and to identify appropriate new industries for Shoreline

Goal 2: Improve Shoreline's infrastructure to continue the delivery of highly-valued public services

Shoreline inherited an aging infrastructure system when it incorporated in 1995. The City has identified needed improvements to strengthen its municipal infrastructure to maintain public services the community expects through its 20-year planning documents, including the Comprehensive Plan, Surface Water Master Plan, Transportation Master Plan and Parks, Recreation and Open Space Master Plan. Improvements are not limited to infrastructure investments. The City is also interested in improving coordination, planning, and overall information sharing among all service providers. As capital improvements are made, it is important to include efforts that will enhance Shoreline's natural environment, ultimately having a positive impact on the Puget Sound region.

ACTION STEPS:

1. Identify and advocate for funding, including grant opportunities, to support construction of new and maintenance of existing sidewalks and other non-motorized facilities
2. Implement the Parks, Recreation, and Open Spaces Plan, including development of a strategy for a new community and aquatic center and priority park improvements and acquisitions
3. Continue to Implement the Urban Forest Strategic Plan
4. Implement the 2018-2020 Priority Environmental Strategies, including achievement of citywide Salmon-Safe certification, consideration of expanding green building mandates, and appointment of a stakeholder committee to evaluate and develop a recommendation on the implementation of recommendations from the Climate Action Analysis for the 185th Street Station Subarea
5. Continue to implement a comprehensive asset management system, including asset inventory, condition assessment and lifecycle/risk analysis, for the City's streets, facilities, trees, parks, and utilities
6. Evaluate alternatives for City maintenance facility needs
7. Implement the Surface Water Master Plan with a focus on completing the 2018-2019 small projects, completing the design of pump station improvements and improving education and outreach about the Plan
8. Update the Transportation Master Plan (TMP) Pedestrian System Plan and sidewalk prioritization process and move the Master Street Plan from the TMP to Title 12 of the Shoreline Municipal Code
9. Initiate environmental review and design for the N 175th Street Corridor Project from Interstate-5 to Stone Avenue N

Goal 3: Continue preparation for regional mass transit in Shoreline

In 2008, Shoreline voters supported the Sound Transit 2 (ST2) funding package with 61%, and in 2016, Shoreline voters supported the Sound Transit 3 (ST3) package with 59%. Our community looks forward to increasing mobility options and reducing environmental impacts through public transit services. The ST2 light rail extension from Northgate to Lynnwood includes investment in two stations in Shoreline, which are planned to open in 2024. The ST3 package includes funding for corridor improvements and Bus Rapid Transit service along State Route 523 (N 145th Street) from Bothell Way connecting to the 145th Street Light Rail Station. Engaging our community in planning for the two Shoreline light rail stations and improved transportation options and infrastructure along N 145th Street in Shoreline continues to be an important Council priority.

ACTION STEPS:

1. Work with the City of Seattle, King County, Sound Transit, the Washington State Department of Transportation, and federal agencies on a plan that will improve safety and efficiency for all users of 145th Street, including a design for the 145th Street and Interstate-5 interchange, design of the 145th Street corridor west of the Interstate-5 interchange, and coordination with Sound Transit for design and construction of 145th Street improvements from Highway 522 to Interstate-5 as part of ST3
2. Work collaboratively with Sound Transit to review and permit the Lynnwood Link Extension Project, including over the shoulder review of architectural, engineering and construction plans of the light rail stations, garages and associated facilities, review of Sound Transit's Special Use Permit, and providing comment on the design in accordance with the Council-adopted Guiding Principles for Light Rail Station Design
3. Partner with Sound Transit in hosting local public meetings for the In-Progress 90% and 90% design milestones to support identification of anticipated impacts to Shoreline neighborhoods from future construction and operation of the Lynnwood Link Extension and work proactively with Sound Transit to develop plans to minimize, manage, and mitigate these impacts, including construction management planning and neighborhood traffic impact management
4. Conduct the 185th Street Corridor Study between Aurora Avenue N and 10th Avenue NE to identify multi-modal transportation improvements necessary to support growth associated with the 185th Street Station Subarea Plan and the Sound Transit Light Rail Station

5. Continue to coordinate design elements of the Trail Along the Rail, 148th Street Non-Motorized Bridge and 3rd Avenue NE Woonerf projects with Sound Transit and seek funding through federal, state and regional opportunities to complete the designs and construction of these projects

Goal 4: Expand the City's focus on equity and inclusion to enhance opportunities for community engagement

The Council values all residents and believes they are an important part of the Shoreline community, including those who have been historically marginalized and underrepresented. The Council believes it is important to improve inclusion, equity, and participation among all members of the Shoreline community in the development and implementation of policies and programs in a meaningful and impactful way.

ACTION STEPS:

1. Implement the City's Diversity and Inclusion Program
2. Continue to engage in efforts to address homelessness on a regional and local level
3. Ensure continued compliance with federal and state anti-discrimination laws, including Title VI of the Civil Rights Act, the Civil Rights Restoration Act, Title II of the Americans with Disabilities Act, and Washington's Law Against Discrimination, so as to ensure all Shoreline residents benefit from the City's programs and activities
4. Conduct community meetings with residents to discuss current issues, City policy and other changes that may impact the community
5. Continue to build relationships that support community policing with all members of the Shoreline community
6. Continue to use technology and social media to expand reach in the broader community and to solicit input and ideas on City business, events and policy issues
7. Improve the accessibility of the City's website and the information contained within by working to conform to Web Content Accessibility Guidelines (WCAG) 2.0 Level AA

Goal 5: Promote and enhance the City's safe community and neighborhood programs and initiatives

Maintaining a safe community is the City's highest priority. The 2016 Citizen Survey reflected that 93% of respondents felt safe in their neighborhood during the day and 80% had an overall feeling of safety in Shoreline. These results are reflective of statistics from medium-sized cities across the United States, and the former measure was a slight increase from previous citizen surveys conducted by the City. The City is continuing a concentrated workplan to enhance our public safety communication and crime prevention efforts to ensure that our residents and businesses continue to find Shoreline a safe place to live, work, and play.

ACTION STEPS:

1. Use data driven policing to address crime trends and quality of life concerns in a timely manner.
2. Continue quarterly meetings of the City's cross-department safe community team to address public safety problems and implement solutions
3. Continue the partnership between the Parks Department and Police, focusing on park and trail safety through Crime Prevention Through Environmental Design (CPTED), Problem Solving Projects (PSPs) and police emphasis to improve safety and the feeling of safety
4. Continue to partner with Shoreline schools and the Shoreline Fire Department to implement best practice school safety measures
5. Continue to address traffic issues and concerns in school zones and neighborhoods using the City's speed differential map and citizen traffic complaints
6. Continue to coordinate efforts between the Community Outreach Problem Solving (COPS) officer and the City's Neighborhoods Program to work on crime prevention education and outreach
7. Conduct trainings, and community programs to promote personal safety, awareness and response

8. Continue to implement the Risk Analysis De-escalation And Referral (RADAR) program to create a systematic policing approach to deal with mental illness in the community
9. Engage in an analysis with service providers to identify what services and processes exist to connect those experiencing homelessness and/or opioid addiction with supportive services and identify gaps that may exist.