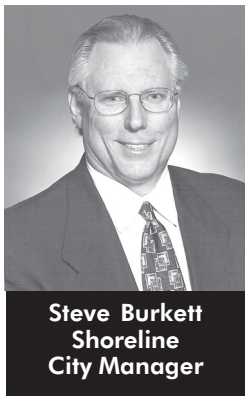


CITY OF SHORELINE CURRENTS

November 2004 Vol. 6 No. 6

SPECIAL 2005 BUDGET ISSUE

Shoreline's conservative approach maintains sound finances in slow economy



Shoreline's annual budget is the City's plan for allocating resources to programs that will keep the community safe, enhance the quality of life and maintain and develop community assets such as facilities, parks, roads and storm drainage. On Oct. 25, I presented the 2005 Proposed Budget to the City Council. The City's 2005 proposed budget is balanced in all funds and totals \$77.4 million.

My goal in preparing this budget is to continue to allocate our resources to services that support the 2004-2005 Council Work Plan and the Community Vision, Values and Critical Success Factors. Consistent with Council direction and input, the budget emphasizes maintaining current services, investing in capital projects to improve the facility, transportation and surface water systems throughout the City and enhancing economic development within our community.

As you know, the Puget Sound regional economy was severely affected by the recent recession. Most local economists agree that the worst is behind us

and that the Puget Sound region is recovering more quickly than expected. The latest economic projections indicate that the region's employment may return to pre-recession levels by 2006.

Despite the downturn in the economy, the City of Shoreline has been able to maintain the services it provides to the community at consistent levels and is in an ex-

[See City's Future page 2](#)

Inside:

Capital Improvements 3

Revenue & Property Taxes 4

How the City Spends its Money 6



2005 City Council Budget Schedule

City Council meetings are held in the Mt. Rainier Room of the Shoreline Conference Center, 18560 First Ave. N. For more information, call the Agenda Line at (206) 546-2190.

Monday, Nov. 8 at 7:30 p.m.
Department Budget Reviews & Public
Hearing on Revenue Sources &
Property Tax Levy

Monday, Nov. 15 at 6:30 p.m.
Budget Review Workshop

Monday, Nov. 22 at 7:30 p.m.
Adoption of 2005 Budget & 2005
Property Tax Levy

Long-range planning: maintaining a healthy financial position into the future *from page 1*

cellent financial position. This is because the City Council has traditionally focused on long-term financial health and adopted conservative budget practices.

One of the City Council's financial policies that helped the City through the recession is maintaining a minimum reserve of 10% of operating revenues. This has provided a cushion against emergencies and allowed the City to set aside money for one-time expenditures such as City Hall. At the end of 2005, the City's general reserves are projected to total \$7.1 million or 28% of projected General Fund operating revenues.

The City Council has also said that resources greater than budget estimates (reserves) will be considered "one-time" resources and will not be used to fund ongoing services. This means the City doesn't start new programs and create new staff positions for

services it is not sure it can afford into the future. These funds are instead set aside to invest in capital improvements.

The City's employee ratio remains low compared with other local cities (see chart below) while the level of satisfaction with City services remains solid, as demonstrated by the 2004 Citizen Satisfaction Survey.

Since incorporation, the City has dedicated resources to upgrading and improving the deteriorating infrastructure it inherited from King County. The early years as a City were devoted to making as many small fixes and improvements as possible to repair roads and provide immediate relief from flooding while planning larger projects that would have a greater impact.

Now these larger projects are under construction or will be soon. We are seeing the impact of

this on the budget as our capital budget is growing and we are using the reserves that have been set aside for this purpose.

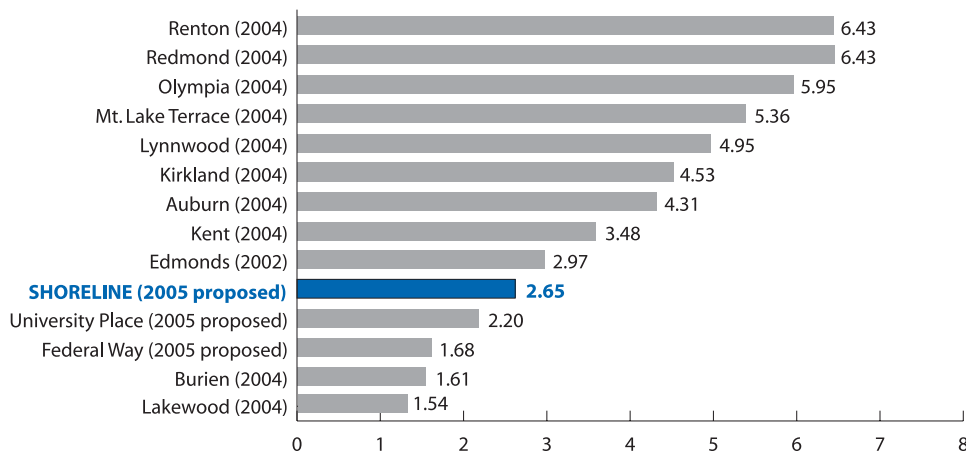
As a primarily residential community, Shoreline is challenged by its fiscal capacity compared to other cities that have larger retail centers. Yet conservative financial planning and constantly striving to do more with less allows Shoreline to provide a broad range of City services while keeping our per capita tax collections lower than many other local cities (see chart on page 4).

Although we have been able to maintain our service levels — and in some cases even improve them — our long-range forecasts continue to indicate that this may become more challenging in the future. Revenue growth is anticipated to be lower than projected inflation levels for the next several years.

In anticipation of these challenges, the City has begun meeting with community members to ask what services they believe should receive high priority in the future, and how and at what level these services will be funded. Over the coming year you can expect to hear more about this long-range financial planning process and I hope when opportunities arise, you will participate. Your input will help ensure the City maintains its sound financial position while continuing to make Shoreline the best place to live, work and play.

Comparing employees per capita

One of the ways to measure a city's efficiency is to look at how many staff members a city has per 1,000 residents. With 140 full-time equivalent employees and a population of nearly 53,000, the City of Shoreline has 2.65 employees per 1,000 residents, well below average for comparative local cities.



This chart does not include police, fire, utility or special program personnel.

Major Capital Improvement Projects head to construction in 2005

The City Council adopted the 2005-2010 Capital Improvement Program (CIP) totaling \$130.6 million in July. The total CIP budget for 2005 is \$41.8 million.

The CIP covers projects over \$10,000 and includes road and transportation projects, drainage system improvements, park facilities, buildings and land acquisition. Much of the capital improvement activity is funded through transfers from the General Fund, Real Estate Excise Tax (REET), grants and Public Works Trust Fund loans.



Above is an illustration of the design concept for the Aurora Corridor Project, N. 145th to 165th Streets, set to begin construction in 2005.

The CIP budget for 2005 is approximately \$156,000 greater than the anticipated 2005 expenditures in the adopted 2005-2010 CIP. The biggest portion of the increase is for major work at the City's pool and police station totalling \$124,000.

Following are highlights from the 2005-2010 CIP:

- The **Aurora Corridor Project**, N. 145th-165th Streets,

totals \$25 million with \$10.2 million funded in 2005. Of the total \$25 million, approximately \$21.7 million is funded through grants and money from other agencies. Construction is scheduled to begin in 2005.

- Planning and design work is scheduled to start on the Aurora Corridor Project, N. 165th – 205th Streets, in 2005. The total estimated cost for this project is \$60 million, with \$49 million funded through grants and money from other agencies. The 2005 budget includes \$1.2 million for planning and design work in 2005.

- The **Interurban Trail** project totals \$11.4 million with \$5 million funded in 2005. Approximately 74%, \$8.5 million, of the project will be funded through grants and money from other agencies. During 2004, several sections of the trail were completed,

with the north central segment and pedestrian bridges crossing at Aurora and 155th to be completed in 2005. When completed, the Interurban Trail will run north-south through the center of Shoreline, providing a scenic pathway for non-motorized transportation.

- The City has set aside money over the past several years to build a **City Hall**. Similar to buying a home that you will even-

2004-2005 City Council Work Plan

Goal No. 1

Work toward completing the Aurora Corridor and Interurban Trail projects

Goal No. 2

Enhance our program for safe and friendly streets

Goal No. 3

Update elements of the Comprehensive Plan including environmental, surface water, transportation, and parks and open space

Goal No. 4

Work with Bond Advisory Committee to fund capital projects

Goal No. 5

Implement an active economic improvement plan

Goal No. 6

Implement the city hall project

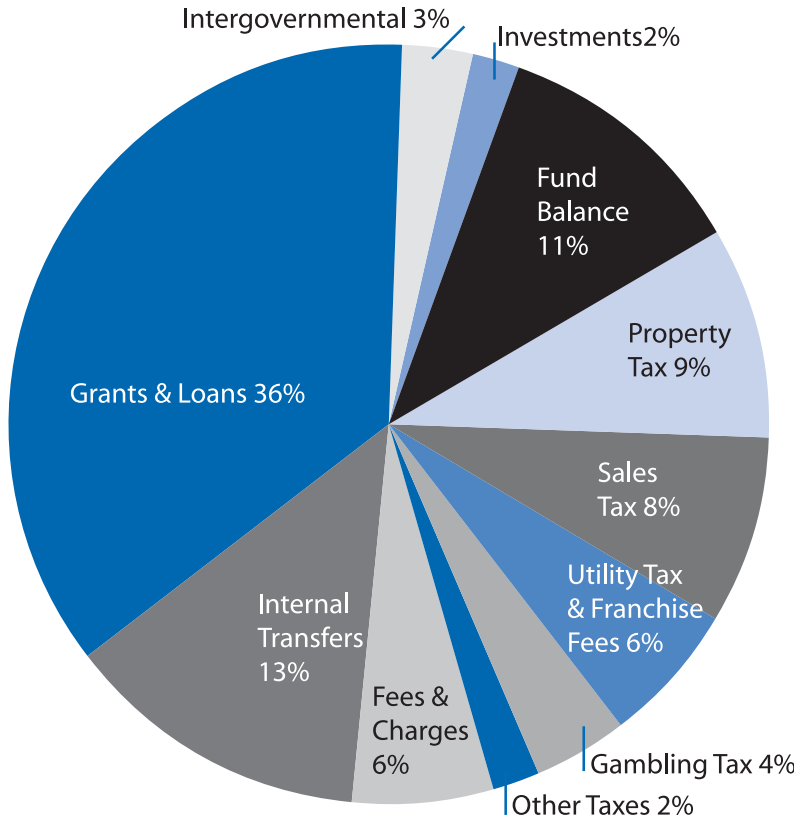
Goal No. 7

Review and consider improvements in code enforcement standards

Goal No. 8

Develop and adopt policies to enhance public participation in city government

Where Shoreline's revenue comes from



Note: Internal Transfers are monies that are moved internally from one part of the City budget to another. They are not true revenues, but the City is required to report them this way.

In 2005, the City of Shoreline projects it will receive \$77.4 million in revenue from a variety of sources. Approximately 29% of that comes from taxes. The largest sources are property, sales and utility taxes.

Shoreline property tax

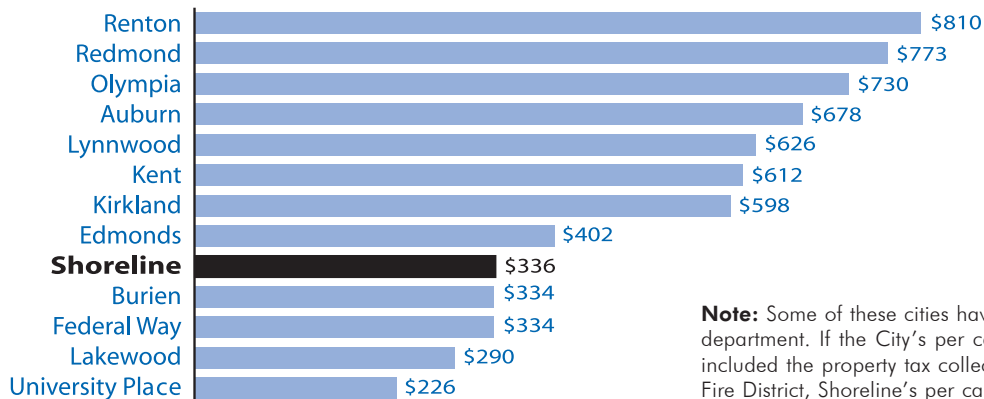
Property tax revenue for 2005 is budgeted at \$6.81 million and represents 28% of the General Fund operating revenues. The 2004 budgeted property tax is \$6.69 million, which is 29.7% of the adopted General Fund operating revenues.

This 1.9% increase over the 2004 budget is a result of new construction and a one-percent recommended levy increase. The one-percent levy increase is the maximum annual growth allowed since passage of Initiative 747. I-747 requires voter approval for any property tax levy increases in

See Property Tax page 5

Comparing Shoreline tax collections

One way to compare cities is by the amount of tax collected per capita. To determine this figure, the total tax collected is divided by the number of residents. The most recent comparable data for all cities is from 2002. During that year, the City of Shoreline collected \$336 per capita from property tax, sales tax, utility tax, utility franchise fees and gambling tax.



Note: Some of these cities have their own fire department. If the City's per capita tax collections included the property tax collected by the Shoreline Fire District, Shoreline's per capita tax would be \$480.

City of Shoreline property taxes *from page 4*

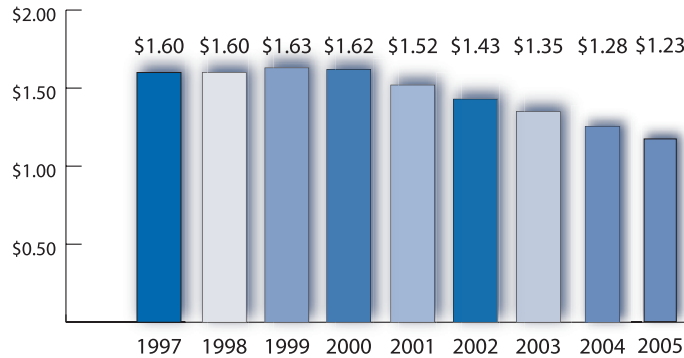
excess of one-percent.

The tax levy rate proposed for 2005 is estimated at \$1.23 per \$1,000 valuation, a nearly 3.9% reduction from this year's rate of \$1.28 per \$1,000 of assessed value. And this year's levy rate was 3.8% less than the 2003 rate (\$1.35). The primary reason for the decrease in rate is that the assessed value of property in the City has increased.

The assessed value for 2005 is estimated to be 5.6% more than the current level. The value for new construction for 2005 is estimated at \$35 million. The 2005 Proposed Budget includes the increases from the 1% levy increase, new construction and previous years' refunds.

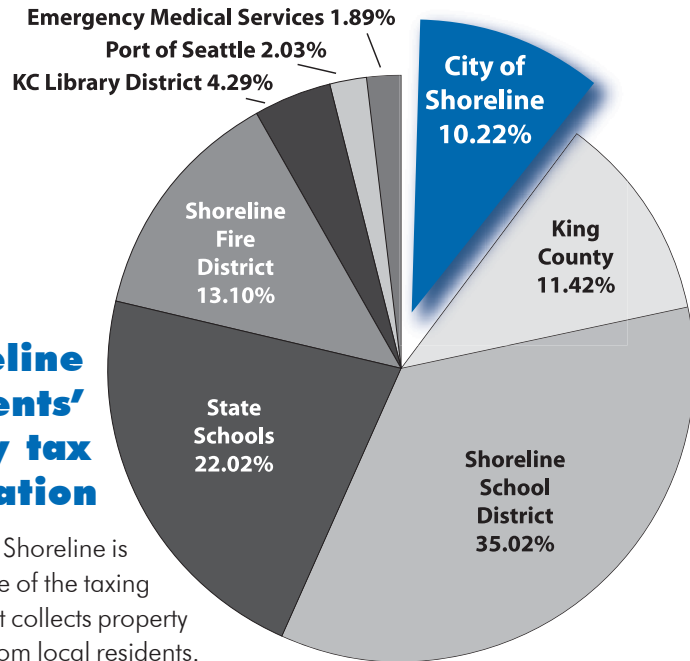
The charts on these pages provide a historical perspective of the City's property tax rate and a breakdown of City of Shoreline property taxes.

1997-2005 City of Shoreline Property Tax Levy Rate in dollars per \$1,000 assessed value



Shoreline residents' 2004 property tax allocation

The City of Shoreline is only one of the taxing agencies that collects property taxes from local residents.



Impact of property tax on typical City of Shoreline homeowner

Year	Home Value	City's Levy Rate	Annual Property Tax Paid to the City
2004	\$273,500	\$1.28 Per \$1,000 of Value	\$350.08
2005	\$287,175	\$1.23 Per \$1,000 of Value	\$353.23
Increase/Decrease	5%	-4%	\$3.15

How the City of Shoreline spends its money

The City provides a variety of services to the Shoreline community. The chart below illustrates how the City spends its resources and what services are provided.

Planning & Community Development

• Code enforcement • Economic development • Permitting • Zoning • Comprehensive Plan & Master Plan development

Finance & Technology

• Accounts payable & receivable • Contract & grant administration • Budget & financial reporting • Payroll • Maintaining City computer & telephone system • Implementing technology improvements • Purchasing • State Audit

Jail, Public Defense & Police

• Patrol services/call response • Traffic enforcement • Criminal investigation • Accident investigation • Community storefronts • Prosecuting Attorney • Domestic violence assistance • Emergency planning • Public Defender • Municipal Court • Jail services

Parks & Recreation

• Parks maintenance • Recreation programs • Cultural services

Public Works

• Capital project management • Street & right-of-way maintenance • Drainage & water quality maintenance & monitoring • Street tree program • Recycling events

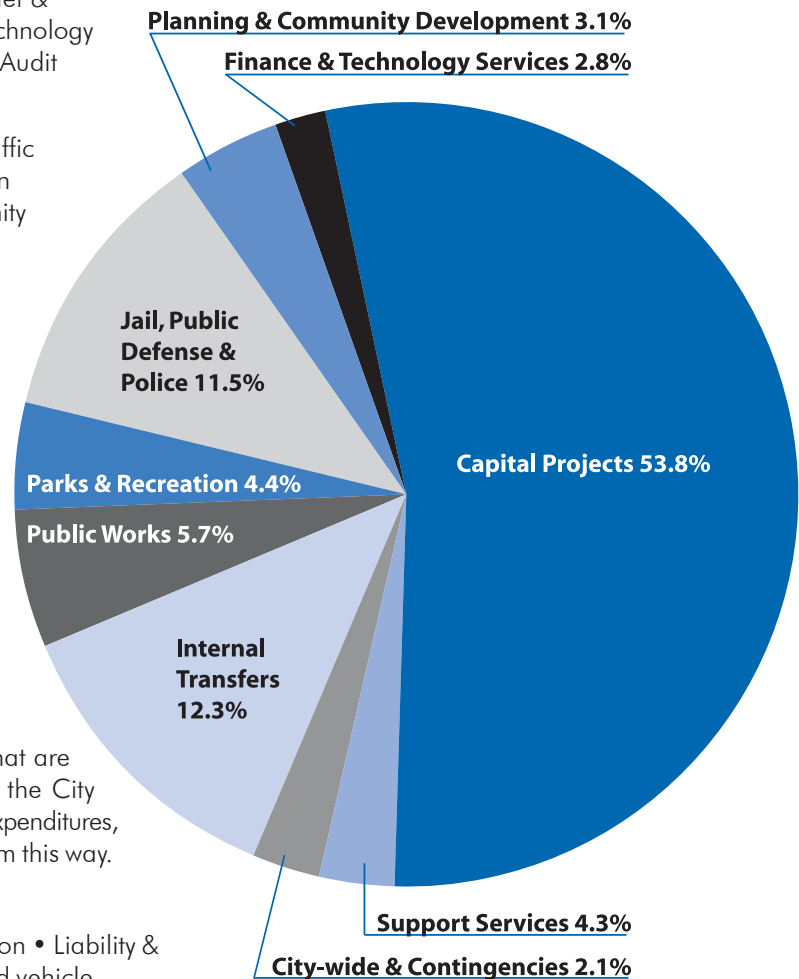
Internal Transfers are monies that are moved internally from one part of the City budget to another. They are not true expenditures, but the City is required to report them this way.

City-Wide & Contingencies

• Election services • Voter registration • Liability & property insurance • Equipment and vehicle maintenance, operations and replacement

Support Services

• City Council • Customer Response Team • City administration • Strategic planning • Legal services • Communications • Neighborhoods & Mini-Grants • Records management • Human services



Capital Projects restore, improve and expand publicly-owned assets such as roads, sidewalks, trails, drainage systems, parks and buildings. A major City focus since incorporation has been to improve Shoreline's deteriorating infrastructure by investing in capital projects. Some of the major capital projects the City is working on include the Aurora Corridor Project, Interurban Trail, Third Avenue Drainage Improvements, Ronald Bog Drainage Improvements and City Hall.

Capital Improvement Program *from page 3*

tually pay off versus renting indefinitely, building a City Hall is a long-term investment for the City. The preliminary estimated cost for a City Hall is \$20 million, with \$14.1 million budgeted in 2005.

- For over 20 years, homes and streets in the area between 3rd Ave. NW and 6th Ave. NW and Richmond Beach Road and N. 180th St. have flooded during even moderate rain storms. The City has been working on a plan to solve this long-standing problem. With financing through a 0.5% Public Works Trust Fund loan secured, construction on the **3rd Avenue NW Drainage Improvement Project** begins this year and is scheduled to be complete in 2006. The project is expected to total \$3.5 million with \$1.5 million funded in 2005. Repayment of the 0.5% Public Works Trust Fund loan will come from surface water fees.

- The **Ronald Bog Drainage Improvement Project** will also provide relief to a number of

homes that have been experiencing flooding since long before incorporation. The project is expected to total \$5.4 million, with \$400,000 funded in 2005 and completion scheduled for 2007. This project is also funded with a 0.5% Public Works Trust Fund loan with repayment from surface water fees.

- One of the City's priorities since incorporation has been to bring its **roads and sidewalks** up to an acceptable level by investing in repairs and replacements each year. Annual preservation projects for roads, sidewalks, and traffic small works projects are funded at \$1 million in 2005.

- **Spartan Gym** renovations will be completed through a joint agreement with the Shoreline School District. The total expected cost is \$783,000. The partnership between the City and School District allows the two agencies to provide a valuable community facility at less cost to taxpayers.



Shoreline celebrated the opening of the second completed section of the Interurban Trail in June.

- Another area of focus for the City has been to bring its **parks** up to an acceptable standard. To ensure upgrades and improvements are done with a long-range goal in mind, Shoreline develops master plans for parks. Master plans reflect community and park property needs as well as what the City can afford. Two parks are slated for master planning in 2005: Cromwell Park and Richmond Beach Saltwater Park.

- A total of \$355,000 was provided in the CIP for construction of **City gateways**, with \$103,000 allocated in 2005 for construction of the Dayton Triangle Gateway.

- The 2005 CIP budget provides for the continuation of the **Neighborhood Traffic Safety Program** with approximately \$161,000 funded for capital improvements and \$50,000 funded for increased police traffic enforcement.



The Third Ave. NW Drainage Improvement Project includes a new stormwater conveyance pipeline and modifications to the Boeing Creek Stormwater Facility, above, to relieve long-standing flooding problems affecting approximately 20 homes.

Who, what, where in the City of Shoreline

City of Shoreline

Shoreline City Hall
17544 Midvale Avenue N.
Shoreline, WA 98133-4921
(206) 546-1700
Fax (206) 546-7868

City Hall Annex
Home of Planning and
Development Services and Public
Works Departments
Highland Plaza
1110 N. 175th St., Suite 105
Shoreline, WA 98133

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City Council

City Councilmembers
Mayor Ron Hansen
Deputy Mayor Scott Jepsen
John Chang
Maggie Fimia
Paul Grace
Rich Gustafson
Bob Ransom

Meeting Location
Shoreline Conference Center
18560 First Ave. NE
Mt. Rainier Room

Workshop Meetings
First and third Mondays
beginning at 6:30 p.m.

Regular Meetings
Second and fourth Mondays
beginning at 7:30 p.m.

Agenda Line
(206) 546-2190

Televised City Council Meetings
Cable Channel 21
Tuesdays noon and 8 p.m.
Wednesday through Sunday
6 a.m., noon and 8 p.m.

Shoreline Police

Emergency: 911

Shoreline Police Station
Chief Tony Burt
1206 N. 185th St.
Shoreline, WA 98133
(206) 546-6730

Westside Neighborhood Police Ctr.
Officer Leona Obstler
624 NW Richmond Beach Road
Shoreline, WA 98177
(206) 546-3636

Eastside Neighborhood Police Ctr.
Officer Angela Holland
521 NE 165th St.
Shoreline, WA 98155
(206) 363-8424

Review the Budget

Shoreline's 2005 Proposed Bud-
get is available for review at City
Hall, Shoreline Police Station, both
Neighborhood Police Centers,
Shoreline Library (342 NE 175th
St.) and Richmond Beach Library
(19601 21st Ave. NW).



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