



Memorandum

DATE: November 17, 2014

TO: City Councilmembers

FROM: Debbie Tarry, City Manager

RE: 2015 Budget Adoption

CC: City Leadership Team

Council is scheduled to adopt the 2015 Budget on Monday, November 24. Attached you will find the final version of the Budget Questions Matrix. Also this memorandum provides a summary of the proposed amendments that I have received to date and my recommendations for Council's consideration.

PROPOSED BUDGET AMENDMENTS

To date staff has received the following amendments from Councilmember Salomon. There have not been any additional amendments received beyond those shared during the budget discussion on November 10. If Council wants to include any of these proposed amendments in the 2015 adopted budget, then on Monday evening a Councilmember will need to move the amendment for Council's consideration.

General Fund

1. *Eliminate \$10,000 proposed funding for Shoreline's 20th Year Anniversary (Salomon).* This funding would be used to enhance celebration event programming and promotional materials in 2015 in recognition of Shoreline's 20th Birthday.
Staff Recommendation: *Neutral.* If Council does not desire any additional promotion or emphasis on celebration of Shoreline's 20th anniversary of incorporation, then this funding is not necessary. Based on the emphasis of Council during Shoreline's 10th anniversary of incorporation, staff anticipated that Council may want to include some base level funding for celebrating the 20th anniversary. Staff has not started to program this funding for 2015, as staff believed it to be more prudent to wait until the 2015 budget was approved.
2. *Eliminate the \$79,808 (salary and benefit cost) funding for the new Assistant Planner position (Salomon).*

Staff Recommendation: *Not Adopt.* As reflected in Question No. 1 in the attached Budget Question Matrix, the City's permit activity has substantially increased since hitting a low point in 2010. During the recession years, when permit activity was on the decline, Planning Department staffing was reduced by a total of five full-time positions. Some positions were not refilled when vacated and two positions were laid off, an Associate Planner and a Senior Planner at the end of 2011. Given the recovery of activity levels and the Council's focus of economic development, it is necessary to add at least one position, the Assistant Planner, to the current staffing to maintain response times to permit applicants and support the other work that must occur in the department. Some of this work has expanded over the years without the addition of staff (i.e., review of new business/home occupation and liquor licenses, tree exemption/evaluation reviews, impact fees) along with increased numbers of walk-in customers, and building and land use permitting activity. As activity and revenue has increased since 2010, and staffing has not changed, the City's completion time from application submittal to permit issuance has increased for single family new construction by 53%. In 2012 the completion cycle was an average of 34 days. This average cycle increased to 52 days in 2013 and is estimated to be approximately the same in 2014. Although this position alone may not bring the processing time back to 2012 levels, it will help move the trend towards fewer days to completion.

Prior to the layoffs in 2011, the City had four planners devoted to long-range planning and an Assistant Director assigned to some special long-range planning projects. The City currently has two planners devoted to the City's long-range planning program. Often, given the workload, the Director and Planning Manager have to lend a hand in addressing long-range planning work. Long-range planning includes many ongoing functions not limited to, but including:

- City's Sustainability Program
- Forever Green Indicators and Website Management
- Point Wells
- GMA Updates – in 2015 the Critical Areas Update is due
- On-Going Light Rail Station Items:
 - Sub-Area Plans
 - Interlocal Agreement Development for Planning & Permitting of the Stations with Sound Transit
 - Further refinement and development of tools/programs adopted in the development regulations such as Affordable Housing, Development Agreements, etc.
- Annual Comprehensive Plan and Development Code amendments
- Economic Development Support – CRA Planned Action; Consultation with developers and real estate professionals
- SEPA Review for City Projects
- Planning Commission management & support
- PSRC Data Requests – Forecast tools, regional plan updates
- Updating King County Buildable Lands Reports

- Land Use Permitting – Master Development Plans; Rezones; Critical Area Reasonable Use Permits; Special Use Permits; Temporary Use Permits; Code Interpretations; Administrative Orders

If Council does not approve this position, then customers should expect that the completion cycle for permits will continue to get longer and there will be other long-range planning items that will have to be delayed.

3. *Eliminate the on-call plan check services. This is a net reduction in the budget of \$25,000 as there is a proposed expenditure of \$50,000 with \$25,000 in off-setting direct revenue. (Salomon).*

Staff Recommendation: *Not Adopt.* The on-call services are for the review of building and project plan submittals with compliance with the City’s building, development, and engineering requirements. The budgeted on-call services are considered contingency to meet the need for requests for expedited review, fluctuations in activity levels that require additional resources for plan reviews, or impacts when staffing levels fluctuate as a result of illness or other issues. The City has three Plans Examiners and two Development Review Engineers. The Plans Examiners focus on building structure and other closely related development regulation requirements, while the Development Review Engineers are responsible for reviewing private development engineering specifications, estimates, and other documents for completeness and accuracy in addition to conducting inspections of work-in-progress and ensuring projects are completed in compliance with applicable codes, regulations and standards. Often this is related to the City’s street and drainage requirements. Approximately \$25,000 of the proposed contingency is for applicants that may request expedited services and are willing to pay double the permit rate for this service. Since the applicant would be required to pay the additional fee, the budget includes \$25,000 in off-setting revenue. Elimination of the proposed contingency funds would eliminate flexibility in meeting the needs of staff and development customers and could cause increased delay in the processing of permit applications. Having the funds authorized in the budget allows staff to be in a position to respond, rather than having to delay processes to seek additional budget authorization at the time an issue may arise. If there is no need to use the funds, then they will not be spent.

4. *Eliminate the \$115,000 included in the 2018 CIP in the City’s General Capital Fund for development of a pool master plan (Salomon).* This item is for a master planning effort to determine the future aquatic program and capital needs of the City. Previous analysis of the pool has focused on the condition and maintenance needs for the existing pool. This item would look at the long-term strategy of the City to address aquatic needs of the community including analysis of sites and potential new aquatic facility to replace the existing pool. It is anticipated that this would include involving key stakeholders including the Shoreline School District and potentially other regional partners.

Staff Recommendation: *Not Adopt.* The Shoreline Pool was built in 1971 with an estimated life expectancy of 40-50 years. The facility is 43 years old and the intent of

the recently completed 2014 Shoreline Pool assessment was to investigate the short term maintenance needs of the current facility, plus evaluate the facility's systems for what it will require to keep the pool operational longer term. All mechanical, structural, and electrical systems were evaluated for health and safety in the assessment. We now have detailed data that will guide us in the wise use of the limited maintenance funds we have available to maintain the pool. Short term the pool can remain viable with limited repairs, but long term very expensive structure and equipment upgrades will be necessary. The current CIP reflects the short term needs identified for maintenance work to keep on-going pool operations for the next five to ten years. This is all in an attempt to mitigate unanticipated emergency shut downs that are both costly, and affect City and School District programming and City revenues.

In 2018 the CIP includes \$115,000 for a study to evaluate the community's future aquatics service needs, knowing that eventually the existing pool will need to be replaced. Our community has changed dramatically since the existing pool was built in 1971 and this process will assess our aquatic needs to help determine the type and size of facilities the community will need, and explore the best locations to consider for such a facility. Undoubtedly the community will change more in the future than it has in the past, and this study will be valuable in assessing and planning for those future needs. The pool study in 2018 will guide us in better meeting the future aquatic needs of Shoreline.

5. *Increase appropriations in the Surface Water Utility Fund by \$10,000 for stormwater engineering analysis of converting ditches to bio-infiltration swales (Salomon).*

Staff Recommendation: *Not Adopt.* Previous responses to Councilmember Salomon's questions regarding this item are included in Questions No. 50 and 92 on the Budget Questions Matrix. The original question came as a result of the unfunded items on page 387 of the proposed budget: 1,775 feet of roadside ditches in Storm Creek Basin (\$400,000) and conversion of approximately 1,300 linear feet of existing stormwater conveyance system in the Seattle City Light right-of-way along the Interurban Trail (\$745,000). Although the Intent of the proposed budget amendment is to enhance the opportunity for improved environmental benefit, a single study will not provide the data to quantify the benefit of conversion of ditches to low impact development improvements such as bio-infiltration swales. Additionally \$10,000 will not fund any significant conversion program. As the response to Question No. 92 references, the recent Thornton Creek Basin study identified another 160,000 linear feet of potential drainage to bio-swale conversion opportunities. This could cost millions of dollars, which is not currently funded in the current surface water utility rate structure.

It is staff's recommendation that if the Council has interest in enhancing the surface water utility's LID program, that as part of the 2016 budget process, staff could report on the outcomes of the Thornton Creek LID study and projects and the potential for expanding the program. This would need to be discussed in conjunction with the corresponding fee requirement to support the expanded program. This would also

allow time for staff to complete the basin plans for McAleer Creek and Lyons Creek basins, which will identify the maintenance and capital needs for those two basins. This will allow Council to see more of a complete picture of the competing capital needs of the utility and decide how best to allocate resources.