

2019-2020 Council Budget Question Matrix

<u>Date of Request</u>	<u>Item</u>	<u>Question</u>	<u>Response</u>
9/17/2018	4	Would like to see an analysis of wage compression due to the minimum wage impact on extra help versus regular employees? Why are we increasing COLA from our historic 90% in 2020 and onward? (SALOMON)	Please see response below the matrix.
10/1/2018	9	As I mentioned to Debbie recently, it looks like [Greater Seattle Partners (GSP)] is continuing the kind of economic development (attracting large employers) that does not benefit our community, and in fact drives up demand for housing which hurts affordability, plus puts further strain on our transportation and environmental infrastructure. I do not support continued investment in this style of regional economic development. I would rather use our staff to focus on the local opportunities. Please let me know if staff planned any investment in the upcoming biennial budget, and if so, the appropriate method for me to pull that out. (HALL)	<p>On April 16, 2018, the City Council discussed the Regional Economic Development Initiative. Bob Drewel came to speak on behalf of the new alliance which is now called Greater Seattle Partners (GSP). Mr. Drewel shared that the Greater Seattle Partners is the first public-private partnership created to advance economic growth and competitiveness for the Puget Sound region. It will focus on attracting new investment, promoting international trade and growing existing industry clusters by:</p> <ul style="list-style-type: none"> •aggressively marketing the Puget Sound region; •recruiting targeted business and trade focused on region's assets; •using sophisticated analytics and data to tell region's competitive story; and •engaging leadership and funding from both the public and the private sector. <p>In April the Council authorized the City Manager to redirect funds that were budgeted for the Economic Development Council of Seattle and King County (EDC) so that the City could contribute \$2,500 towards the start-up of the GSP. This was part of an effort to raise \$50,000, of the \$500,000 start-up contribution from the public sector, from Sound City Association members. The 2019-2020 budget includes \$10,000 in anticipated membership fees for the organization (\$5,000/year). The organization has hired a new Executive Director, who started in August 2018, and is currently in the planning stages including plans to conduct a listening tour. Staff has requested a meeting with the Executive Director to get a better sense of their vision and plans for the commission. Although the 2019-20 budget includes budget to support membership for the Seattle-King Economic Development Commission the City is not obligated to continue with this membership. Staff recommends maintaining the budget but delaying payment for membership until we have further information about the direction and plan for GSP, with the intent to join only if the vision and direction benefits the City of Shoreline and furthers our economic development objectives. If Council desires to remove this from the budget an amendment can be made the night of the budget adoption to remove the \$10,000 from the 2019-2020 budget for the purpose of Greater Seattle Partners membership.</p>
10/22/2018	12	For the one-time deep cleaning of permeable pavement, how many square feet will be cleaned for the \$10,200? (SALOMON)	The City of Shoreline's park system has 18,188 square feet of permeable surface. The current maintenance plan for this surfacing, as recommended by the Surface Water Utility Division, includes a one-time deep cleaning. Examples include the ADA pathway at City Hall and the path adjacent to South Woods Park.
10/22/2018	13	For the performance measures citing average weeks to first review/approve permits, how does our average compare to other jurisdictions' review time and targets? (ROBERTS)	Please see response below the matrix.
10/22/2018	11	Provide a comparison of professional services in the City Attorney's office. (SCULLY)	OPEN ITEM
10/15/2018	10	Can you provide us some historical information (maybe past 5 to 10 years) on (1) how much extra help we used in the various programs each year and (2) each of the budget actions we have taken to shift from extra help to regular positions including how many positions and extra help hours were changed. (HALL)	OPEN ITEM

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9/17/2018	1 What is leading to the 11% increase in Liquor Excise Tax? (MCGLASHAN)	<p>Liquor revenues have two separate distributions. There is a state shared distribution from the liquor revolving account for licensing fees, commonly referred to as "liquor profits", and a distribution from the liquor excise tax account that represents a portion of the excise tax collected on liquor sales. The statewide total distribution from liquor profits is the same each year, while the total distribution for liquor excise taxes varies depending on liquor sales.</p> <p>Liquor revenue distributions have seen a lot of changes over the past several years. State legislation in 2012 created a permanent diversion of \$10 million per year (\$2.5 million per quarter) of city and county money from the liquor excise tax fund to the state general fund. The legislature also changed the share of liquor excise taxes remitted to cities and counties from 35% in the 2013-2015 state budget to 22.5% in 2015-2017 and back again to 35% in the current 2017-2019 biennium. These fluctuations have made long term forecasting of this state shared revenue a challenge.</p> <p>The Washington State Economic and Revenue Forecast Council's (ERFC) June 2018 forecast projects a 14% increase in liquor excise tax collections after the aforementioned deductions in 2020 as compared to the 2017 level, thereby resulting in increased distributions to cities. Municipal Research and Services Center's (MRSC) forecast accounts for changes in population when deriving the per capita amount Shoreline uses for its forecast, which is anticipated to increase 8% during this period. Applying the per capita amount to Shoreline's population forecast results in the City's estimated receipts in 2020 being 11% more than the 2017 level as Councilmember McGlashan noted in his question.</p>
9/17/2018	2 What's new in the Green Cities Partnership program with Foreterra that we do not already do? (CHANG)	<p>The Green Cities Partnership will complete Forest Assessments for Parks that don't have them such as Paramount Open Space, North City, Northcrest, etc. and update them for parks that were done more than a decade ago. The Forest Assessment will then be used to create a 20-year, prioritized plan for addressing the health of the urban forest. The 2014 Urban Forest Strategic Plan anticipated this would be needed. Finally the Green Cities Partnership will help establish a partnership/volunteer outreach and engagement plan. Currently, our forest restoration efforts are focused on forested areas selected by volunteers and we have no clear priority to our restoration efforts. This one-time funding will provide us with additional information about the health of Shoreline's forests and a long-term work plan for prioritizing our efforts.</p>
9/17/2018	3 Why are we reducing our General Fund contribution to the Roads Capital Fund when we are showing adequate reserves? (ROBERTS)	<p>During discussions about the imposition of the Vehicle License Fee for Sidewalk Maintenance and potential replacement of the General Fund Contribution to Roads Capital Fund, Council decided that the contribution from General Fund to Roads Capital would be reviewed during the budget process to determine whether to maintain or reduce the contribution for each budget. The proposed budget includes full funding for 2019 and partial funding for 2020 using fund balance. There is adequate fund balance to fully fund 2020 in the budget however there are competing priorities for that fund balance. The CIP currently has a number of underfunded and unfunded projects including 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 as well as several Facilities needs including the City Maintenance Facility. Recognizing the competing priorities for fund balance, staff proposed the reduced funding. Council can certainly recommend a change during budget deliberations.</p>

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9/17/2018	5 What are the metrics being used to increase by an extra officer in 2020? (SCULLY/HALL)	<p>Over the last several years the Shoreline Police Department has had a steady increase in dispatched calls for service (DCFS). In 2010 there were 10,981 DCFS; DCFS have increased to 16,308 in 2017; a 49% increase in workload. A K9 officer was added in 2018, prior to that the last time an officer was added to Shoreline police staffing was 2007.</p> <p>In addition to DCFS, Shoreline officers initiate on-view contacts. Last year officers initiated 14,758 on-views, for a total of 31,066 police related contacts in 2017. Shoreline currently has 50 commissioned staff assigned to the City; 34 are assigned to patrol as a patrol sergeant or officer. They cover 10 hour shifts, 24/7, 365 days a year. The increase in workload (DCFS) has equated to a decrease in the average response time to an emergency call for service. In 2012 it was (3.39) minutes to a priority-x call, 2013 was (3.42) minutes and 2014 was (3.92) minutes. In 2017 the average response time to a priority-x call was 4.37 minutes.</p> <p>There are a number of factors when trying to determine the proper staffing ratio. Officer per thousand population is a simple formula that is often used. It's not a good indicator if a City has the proper police staffing; it seemed to work for Shoreline in 2012, 2013 and 2014, the response time to a priority-x call was less than 4 minutes. That number is getting closer to 5 minutes as the workload has increased. In 2016 it was (4.68) minutes in 2017 it was (4.37) minutes. At this point it makes sense to consider adding staffing as the population has increased that typically equals an increase in workload. There is a high expectation of police service in Shoreline; from crime prevention to perception of safety and the expectation of police addressing quality of life issues, homelessness, mental illness and other social services.</p> <p>A much more in depth analysis would be necessary to figure out the proper police staffing ratio for Shoreline. It would need to factor in report writing time, travel time for prisoner transports, available time necessary for on-view activity, workload, arrests, training, a 24/7 operation, minimum staffing, work schedules, relief factor and many other variables. The City of Sammamish is currently having BERK strategy/analysis/communication do a police services study for them.</p>
9/17/2018	6 Why is so much extra help hours needed in the landscaping proposal? Should any of these be FTEs? (SCULLY)	<p>In April the Council authorized the City Manager to redirect funds that were budgeted for the Economic Development Council of Seattle and King County (EDC) so that the City could contribute \$2,500 towards the start-up of the GSP. This was part of an effort to raise \$50,000, of the \$500,000 start-up contribution from the public sector, from Sound City Association members. The 2019-2020 budget includes \$10,000 in anticipated membership fees for the organization (\$5,000/year). The organization has hired a new Executive Director, who started in August 2018, and is currently in the planning stages including plans to conduct a listening tour. Staff has requested a meeting with the Executive Director to get a better sense of their vision and plans for the commission. Although the 2019-20 budget includes budget to support membership for the Seattle-King Economic Development Commission the City is not obligated to continue with this membership. Staff recommends maintaining the budget but delaying payment for membership until we have further information about the direction and plan for GSP, with the intent to join only if the vision and direction benefits the City of Shoreline and furthers our economic development objectives. If Council desires to remove this from the budget an amendment can be made the night of the budget adoption to remove the \$10,000 from the 2019-2020 budget for the purpose of Greater Seattle Partners membership.</p>

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9/17/2018	7 Why is so much extra help hours needed in the Fleet & Facilities proposal? Should this be a FTE? (SCULLY)	<p>The preliminary budget includes the addition of \$17,500 extra help in 2019, with \$10,500 continuing in 2020 and beyond. This additional support will provide approximately 500 hours of extra help in 2019 and 300 in 2020 and beyond. Extra help will enable Fleet and Facilities to return to desired service levels ensuring that staff are able to maintain the City's investment in its assets and meet professional safety guidelines for maintenance of vehicles and facilities. The impact of the Police at City Hall, Wastewater vehicles maintenance /administration and other major projects in 2018 have created a backlog of work that needs to be addressed in 2019. Providing a lower level of on-going extra help support will allow us to hire part-time support during the summer months when projects and vacations impact the ability to maintain service levels. The hours identified as necessary at this time are not of the level to warrant an ongoing part-time .50 FTE. However, the additional capacity will also ensure that Fleet and Facilities is able to better manage work using CityWorks which enables us to monitor workload and service levels to recognize when the ongoing need reaches a level that supports an ongoing FTE request.</p>
9/17/2018	8 What's the reasoning of getting our own ariel photography for \$50,000 versus using other available sources? (SCULLY)	<p>There are strict technical standards that are applied to aerials for public sector use. Some of the technical standards are as follows: the sun angle, the time of year, the color balance, the resolution of the imagery, the amount of image overlap, the surface accuracy, and the altitude of the capture vehicle. City staff has investigated alternatives for acquiring aerial data, but have not found any outside sources which meet these criteria. Google, for instance, utilizes a number of different capture methods from planes, satellites, even drones for the primary vehicle and with each there will be changes to the image quality. Google does not make claims of accuracy or merchantability for their product. If their aerial is offset 5-10 feet from reality, the stakes are very low. The City relies on the accuracy of the imagery we use to make business decisions on a daily basis, making alternative data sources inappropriate for our use. We also must be able to reproduce that imagery and provide it to the public, something often limited or prohibited using other on-demand sources.</p> <p>Based on these requirements, the City needs to have oversight of the method and quality of aerial photography. Historically we have been participants in a larger regional aerial project which has greatly reduced the cost to each participant. However, over the last few years that coalition has broken down, first as it grew too large and cumbersome, and then as organizations changed their cycle time on imagery collection. We are hopeful that we will be able to work with adjacent organizations (e.g. Shoreline Fire District, Seattle City light, Seattle Public Utilities, Lake Forest Park, City of Seattle) with each additional participant reducing the overall cost, but there is no guarantee that these organizations will be able to participate over the next two years, or that we will agree on a project. If a coalition can be established, any savings would be returned to the general fund. Otherwise, given funding approval, the City will need to identify an appropriate firm to perform this work without partners.</p>

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4. Would like to see an analysis of wage compression due to the minimum wage impact on extra help versus regular employees? Why are we increasing COLA from our historic 90% in 2020 and onward? (Salomon)

In 2015, the Council directed staff to conduct a compensation study and an outside consultant was engaged for the purpose. The study identified in broad terms, that the City's compensation plan should:

- Ensure that the City has the ability to attract and retain well-qualified employees
- Provide a defensible and rational basis for compensating employees
- Allow flexibility and adaptability for making City-wide compensation decisions based on changing market conditions
- Recognize the City's responsibility as a public agency in establishing a pay plan that is consistent with public practices
- Ensure that the City's compensation practices are competitive and consistent with those of comparable employers

The City's comparable labor market for the study, and going forward, were Bellevue, Bothell, Burien, Edmonds, Everett, Kenmore, Kirkland, Lynnwood, Marysville, Redmond, Renton, Sammamish, and Seattle. The results of the 2015 Study showed that overall Shoreline's salary compensation was approximately 3.9% below the median. The Council directed that the Shoreline Salary Schedule be set at the median of the comparable cities effective January 1, 2016.

Historically the City's compensation practice has been to apply a cost of living adjustment (COLA), equal to 90% of the June-to-June Seattle/Tacoma CPI-U, to the City's Salary Schedule effective each year on January 1. This is approved through the City's budget process. The use of 90% of CPI was thought to be at the median of COLA adjustments approved by the City's labor market survey agencies; therefore, keeping Shoreline's salary compensation at the median of the comparable cities.

Since the Compensation Study two things have occurred that are the basis for the City Manager's recommendation to transition the COLA adjustment to 100% of the Seattle/Tacoma CPI-U by 2021.

1. In 2016 voters approved Initiative 1433 which increases the state minimum wage from \$9.47 to \$13.50 by 2020. Beginning January 1, 2021, the minimum wage will be adjusted for inflation annually at 100% of the CPI-W.
2. In January 2018, Shoreline's Salary Schedule, overall, was -2.62% below the median for a variety of reasons. Twelve of our 13 comparable cities provided increases in excess of CPI, 1 of the 13 was less than CPI.

Impact of Initiative 1433 Minimum Wage Increases

The 2020 Washington State Minimum Wage will be 42.6% higher than the 2016 minimum wage. From 2016 to 2020 the City's regular salary schedule will have increased by approximately 9.8% as a result of applying 90% of the CPI. Range 34 is the first range in the City's regular position salary schedule that has an active job classification. In 2016, the differential between the minimum wage (\$9.47/hr) and step 1 of range 34 (\$22.21) was 57%. In 2020, the differential is projected to be 44.6%. (Minimum wage - \$13.50/hr; Range 34 Step 1 - \$24.38/hr). Starting in 2021 minimum wage will increase by 100% of CPI. Using range 34, step 1 as an example, if the City increases its salary ranges by 90% of CPI each year thereafter the differential between minimum wage and the range 34, step 1, will decrease by approximately 0.2% annually. This may be a small change per year, but there will be compounding impacts over time.

Shoreline's Position to Market Median

In January 2018, Shoreline's Salary Schedule overall was -2.62% below the median of our comparable cities for a variety of reasons. Based on research by the Human Resources Director, she found that 12 of our 13 comparable cities provided increases in excess of CPI, 1 of the 13 was less than CPI. Contributing circumstances include any combination of the following:

- COLA based on different CPI measures (W vs. U, 100% vs. 90%, annual vs. June index, a blend of market comparables and CPI)
- Labor union settlements, some of which have "floors and ceilings" in lieu of CPI (such as no less than 2% and no more than 5%) or "across the board" market adjustments in addition to CPI, or covering more than one year in a 'catch up' provision following non-settlement,
- Compensation studies and job reclassifications.

The following table summarizes the findings:

Jurisdiction	No of Available Benchmark Positions	Total of Increases for last 2 years (2017 + 2018 increase)
Marysville	24	14.47%
Bothell	24	10.64%
Kenmore	12	9.40%
Burien	17	8.32%
Lynnwood	23	7.19%
Everett	29	6.44%
Renton	32	5.95%
Bellevue	33	5.05%
Seattle	27	4.85%
Edmonds	20	4.69%
Redmond	31	4.56%
Sammamish	27	4.41%
90% CPI-U (Shoreline)	<i>Western Region</i>	4.32%
Kirkland	35	2.97%

Each year the City reviews 1/3 of the benchmark classifications for market. If a classification is found to be more than 5% below or above the market median, then a change is recommended through the budget process. Given the three year rotation, classifications that may be within the 5% differential range, meaning no adjustment recommended, may be within market the year they are reviewed, but can fall out of market the following year but not be reviewed again for an additional two years.

Recommendation

Based on the analysis reflected above, the City Manager has recommended that the City's compensation practice be modified to use 100% of CPI for establishing the annual COLA effective January 1, 2021. The Proposed 2019-2020 Budget recommends a 90% CPI COLA for 2019 and then a 95% CPI COLA for 2020 as a transition. The difference in cost between a 90% CPI COLA in 2020 and a 95% CPI COLA is approximately \$16,200 across all City funds (includes utility funds).

13. For the performance measures citing average weeks to first review/approve permits, how does our average compare to other jurisdictions' review time and targets? (ROBERTS)

"Average weeks to first review" refers to the amount of time in weeks it takes the City to complete the first review of a permit application and issue the applicant a review letter. This time period begins the day a complete application is submitted to the City. There are many factors that influence how long the first review takes, but delays related to the applicant are not generally a factor during first review. Factors that influence the length of time it takes the City to complete the first review include: quality of the items submitted by the applicant as part of the permit application; number and type of permits under review when the application is submitted; complexity of the project; the availability of all review staff to complete the first review; and the total number of permits and revisions submitted for intake at the same time.

"Average weeks to approve permits" refers to the amount of time in weeks it takes the City to approve a permit for issuance from the date a complete application is submitted. The same factors noted above influence the number of weeks it takes the City to approve a permit with one addition. After first review, the applicant contributes to the amount of time it takes to finish reviews and approve the permit. The applicant is responsible for correcting plans and submitting revisions in response to comments relayed from staff via review letters. The applicant is also responsible for making sure that responses are complete and accurate to limit the number of review cycles needed for a permit. This time, which the applicant controls is also factored into the number of weeks it takes the City to approve a permit.

The 2019-20 Budget anticipates an increase in the total number of permits to be submitted over the number of permits submitted in 2018. The 2019-20 Budget does not include any requests for additional resources to assist with the delivery of permits, with the exception of \$20,000 annually for extra help to assist with permit intake related to the addition of wastewater permitting to the list of permits accepted by the City. Assistance with permit intake could reduce the "average weeks to first review" by days and therefore approval but is mainly intended to reduce the wait time for customers submitting permits at the permit counter. With the same resources, we do not anticipate being able to reduce the amount of time it takes on average to process permits. In order to set realistic expectations for customers PCD is projecting a slight increase in the average number of weeks it will take for first review and subsequently approval of permits.

However, staff continues to work on streamlining processes to gain efficiencies by:

- Working with IT to launch on line permitting for customers;
- Training staff to review plans electronically;
- Updating permit checklists;
- Offering express permitting for simple single-family or commercial permits with a 1-3 day turnaround;
- Processing paperless mechanical and plumbing permits saving time at intake and inspections
- Use of mobile devices for inspectors to enter inspection results and manage workloads;
- Providing automated inspection notification of results to the customer as they occur;
- Online inspection request scheduling at the permit customers' convenience (24/7);
- Conducting quarterly Developer Stakeholder meetings to receive feedback from and collaborate with local developers on ways to improve processes and development standards;
- Using revenue backed contracts to maintain the current level of service for first reviews;
- Offering for an extra fee expedited permitting which generally reduces the number of weeks for first review by half. This service uses contractors or overtime; and
- Participating in a cross departmental "Process Walk" as part of this year's final Continuous Improvement project.

Staff did find statistics from a few jurisdictions on permit review times. These jurisdictions have also been through a LEAN or similar process for permitting. As described above, permitting is the subject of the next Process Walk for City staff.

Jurisdiction	Permit Type & Goal	Time Period & Outcome
Kitsap County	Residential	2018
	Average Days to Approval or Notification of Required Corrections	30 days
	Average days to approve resubmittal	15
	Average days to approve revisions	30
	Total Permits in Review	91
Tacoma	Commercial	2018
	Goal of issuing 60 % of permits in 8 weeks or less	Currently achieving this goal 21% of the time
	Goal of completing first review cycle in 28 days or less	Currently meeting that goal
	Goal of completing review of permits in two or less cycles	Currently meeting that goal
	Residential	
	Goal of issuing 60% of permits in two weeks or less	Currently achieving this goal 37% of the time
	Goal of completing first review cycle in less than 7 days	Currently first review is taking on average 9 days
	Goal of completing review of permits in two or less cycles	Currently meeting that goal
Oak Harbor	Residential	2015-2016
	Percent of single family home permits issued within two weeks	95-100%