



**Financial Sustainability Citizen Advisory  
Committee Charter**

Accepted March 24, 2022

## Background

**Core Revenues:** Property taxes and sales taxes are for Shoreline, like most other cities and counties, the two largest revenue streams that fund much of the City’s operations. Shoreline also generates a significant amount of business & occupation (B&O) and utility tax revenues. Sales tax revenues fluctuate depending upon local economic activity. Growth of property tax revenues are restricted by state law. In November 2001, Washington State voters passed Initiative 747 limiting the increase in the City’s levy by the lower of the Implicit Price Deflator (IPD) or 1%. One exception to these limits is to seek a voter approved Levy Lid Lift (LLL). The LLL requires a simple majority (50% plus one) for passage and allows Cities to tie properties tax increases to an index. A voter approved LLL is valid for six years at which time voters need to reconsider the proposition. In addition to the annual growth limit, Shoreline’s rate cannot exceed \$1.60 per \$1,000 assessed valuation (AV).

**10 Year Financial Sustainability Plan:** On June 16, 2014, after a comprehensive two-year evaluation and Council engagement process and in fulfillment of a Council Goal, City Council approved a 10 Year Financial Sustainability Plan (10YFSP) for the City’s General and Street Funds. The staff report is available at the following link: <https://www.shorelinewa.gov/home/showdocument?id=19755>. The 10 YFSP was developed to strengthen Shoreline’s economic base by prioritizing seven strategies (or tools) for the City to use to maintain financial resiliency and sustain existing services. This effort is supported by the creation of a 10 Year Financial Sustainability Model (10YFSM). The 10YFSM models the impacts of all ongoing revenues and expenditures to forecast financial sustainability over a ten-year horizon. At this time, all of the strategies identified in the 10YFSP are in use. More background and an update to the plan is included on pp. 58-66 of the 2021-2022 Proposed Biennial Budget Book at: <https://www.shorelinewa.gov/home/showpublisheddocument/49800/637382783374100000>.

### Shoreline’s Levy Lid Lift History:

- In the November 2010 General Election, 56.5% of Shoreline voters approved Shoreline Proposition No. 1, the City’s first LLL as a six-year maintenance and operations levy for basic public safety, parks, recreation, and community services that set the levy rate for 2011 at \$1.48 per \$1,000 AV and allowed the lid for 2012-2016 to be “lifted” each year by the June-to-June percentage increase of the Consumer Price Index for All Urban Consumers for the Seattle/Tacoma/Bellevue Area (CPI-U).
- Prior to Council’s consideration of placing a measure to renew the LLL on the November 2016 General Election ballot, the City Manager formed a Financial Sustainability Citizen Advisory Committee (FSCAC). The FSCAC reviewed the strategies of the 10YFSP with a particular focus on providing input to the City Manager as the City prepared to put a measure on the ballot to renew the LLL. More information about the FSCAC is available on the City’s website at: <https://www.shorelinewa.gov/government/departments/administrative-services/ten-year-financial-sustainability-project/financial-sustainability-citizen-advisory-committee>.

In the November 2016 General Election, 66.5% of Shoreline voters approved Shoreline Proposition No. 1 that set the levy rate for 2017 at \$1.39 per \$1,000 AV and allowed the lid for 2018-2022 to be “lifted” each year by the June-to-June percentage increase of the CPI-U.

- The levy lid for 2018-2022 was lifted by the June-to-June percentage change of the CPI-U as shown in the following table:

2018	2019	2020	2021	2022
2.99%	3.28%	2.29%	0.87%	5.52%

## **Committee Purpose**

The primary goal of the Financial Sustainability Advisory Committee (FSAC-22) is to provide input to the City Manager as the City prepares to put a measure on the ballot to replace the 2016 Property Tax Levy Lid Lift that supports maintenance and operations levy for basic public safety, parks, recreation, and community services. The current levy lid lift expires in 2022. As part of the 10YFSP, Council recommended that staff engage residents and interested stakeholders every six years in a discussion prior to its consideration of placing a measure on the ballot.

FSAC-22 will learn about current City services and finances, as well as the City's 10YFSP. The committee will help evaluate alternatives and consider whether the City should seek replacement of the 2016 levy lid lift on the November 2022 General Election ballot. The Committee will complete its work by issuing a recommendation to the City Manager regarding the replacement of the City's LLL.

The scope of FSAC-22 will focus on operational services and funding since funding for capital improvements and utilities are addressed through their own separate planning processes.

### **FSAC-22's Ground Rules:**

FSAC-22 consists of members from a cross section of Shoreline and various interest groups including the Council of Neighborhoods, human services organizations, and the business community.

City staff will provide background and information throughout the process but are not considered FSAC-22 members. The City has engaged Allegra Calder, an independent consultant, to facilitate the meetings and help FSAC-22 draft its recommendations to the City Manager.

FSAC-22 members will represent a broad range of Shoreline residents and interested stakeholders. Using the information presented it will make a recommendation to the City Manager regarding the replacement of the 2016 Levy Lid Lift.

1. Each member of FSAC-22 is an equal participant in the process and has equal opportunity to voice opinions and contribute ideas.
2. FSAC-22 members may solicit input from others, but it is understood that each member speaks for themselves. FSAC-22 members that are members of a community organization are encouraged to periodically update their respective groups about FSAC-22's progress.
3. FSAC-22 members accept the responsibility to come to the virtual meetings prepared for the discussions, explore the issues and consider alternatives that best serve the community.
4. FSAC-22 members recognize the legitimacy of the interests, concerns and goals of others, whether or not we agree with them. We commit to treating each other, and those who attend our meetings, with respect, civility, and courtesy.
5. FSAC-22 members will make a special effort to listen carefully, ask pertinent questions and educate ourselves about the interests and needs that must be addressed in a constructive problem-solving atmosphere.
6. In view of the specific scope of the project and limited amount of time available, FSAC-22 members will make a concerted effort to focus on the topics under discussion.
7. Each FSAC-22 member commits to attending all virtual meetings as possible. Alternates are not being designated in this process. If a member must miss a meeting, they may ask a fellow member to represent

their interests and positions at that meeting and are responsible for reviewing the recording of that meeting. The member may also submit written comments that will be distributed to the others.

**The Facilitator's Role and Responsibilities:**

8. Facilitator Calder's role is to manage the process by keeping discussions focused, ensuring that all points of view are heard, and conducting the meetings according to the spirit of these ground rules. With no stake in the substantive outcome, they are obligated to remain neutral on the issues.
9. The facilitator will write drafts of the FSAC-22's recommendations. Once the final version has been reviewed and approved by the members, the facilitator will ensure that it is provided to the City Manager as presented.

**The Roles and Responsibilities of Guests:**

10. Interested and affected parties or individuals who are not on FSAC-22 are welcome to listen in to the meetings. Public comment can be submitted in writing.

**Agreements and Recommendations:**

11. FSAC-22 is expected to represent a wide range of interests, perspectives, and opinions. Decisions on recommendations will be made by consensus, meaning all members can support the recommendations.
12. If FSAC-22 members find they cannot live with an emerging recommendation of the entire group, they are obligated to make their concerns known, and the rest of the group is obligated to listen with an interest in resolving them. Everyone is expected to try to address the concerns, including asking the concerned party (parties) to clarify the underlying interests or about other dynamics that could be interfering with an agreement. All parties are obligated to try to find an alternative that meets the interests of the concerned party (parties) as well as their own.
13. If it is not possible to reach consensus on particular recommendations, the range of opinions will be documented and included in FSAC-22's report.

## Committee Work plan

Date	Time	Draft Agenda Topics	Time (min.)
3/10/2022	6:00 – 8:00 pm	Introductions (Icebreaker)	20
		Why are we here (Background/Charter)	20
		Budget Highlights	30
		Break	10
		2020 Resident Satisfaction Survey Overview	20
		Next Steps	10
		Wrap-Up	10
3/24/2022	6:00 – 8:00 pm	Recap/Intro	10
		Services:	
		• Police	45
		• Planning & Community Development	20
		• Break	10
		• Economic Development	25
Wrap-Up	10		
4/7/2022	6:00 – 8:00 pm	Recap/Intro	10
		Services:	
		• Parks, Recreation, Cultural and Community Services	45
		• Break	10
		• Public Works	25
		• Support Services/Recap of Revenue Options	20
		Wrap-Up Post-meeting survey about services	10
4/21/2022	6:00 – 8:00 pm	Recap/Intro	10
		Findings and Tentative Recommendations	40
		Break	10
		Draft Recommendations to City Manager	50
		Wrap-Up	10
5/5/2022	6:00 – 8:00 pm	Recap/Intro	10
		Draft Recommendations to City Manager	50
		Break	10
		Draft Recommendations to City Manager	40
		Wrap-Up	10
5/19/2022	6:00 – 8:00 pm	Recap/Intro	10
		Draft Recommendations to City Manager	50
		Break	10
		Finalize Recommendations to City Manager	40
		Wrap-Up	10

## FSAC-22 Members

NAME LAST	NAME FIRST	Neighborhood
Sam	Stimpson	Ridgecrest
Robin	McClelland	Richmond Highlands
Lincoln	Ferris	Richmond Highlands
John	Thielke	Richmond Beach
James	McCurdy	Richmond Beach
Linda	Tsai	Richmond Beach

<b>NAME LAST</b>	<b>NAME FIRST</b>	<b>Neighborhood</b>
Mary Ellen	Stone	Richmond Beach
Jonathan	Malo	Parkwood
Sierra	Ranier	North City
Cindy	Tran	Meridian Park
Joseph	Smith Jr	Meridian Park
Lisa	Brock	Hillwood
Suzan	Shayler	Highland Terrace