

CITY OF SHORELINE CURRENTS

October 2004 Vol. 6 No. 5

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, Oct. 25 at 7:30 p.m.
**Proposed 2005 Budget
Transmittal**

Monday, Nov. 1 at 6:30 p.m.
**Public Hearing & Department
Budget Reviews**

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**

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Shoreline kicks off the 2005 budget process this month

Fall means back to school, watching football and raking leaves for many of us. And here at the City of Shoreline, fall is budget season.

Shoreline has many interesting things going on throughout the year and budgeting may not be as exciting as some of them, but I encourage you to take a little time to learn more about how your City dollars are spent and how you can participate in the budget process. After all, these are your tax dollars at work.

In Shoreline's 2004 Citizen Satisfaction Survey, we gathered valuable information about what people thought and knew about City issues. When we asked people how well they thought the City of Shoreline manages city government finances, 48% said average to excellent, 12% said below average or poor and 40% said they did not know.

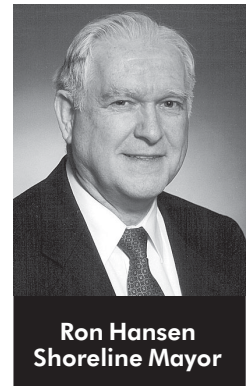
We believe that 40% of our residents not knowing how the City is managing finances is too many. We want you to understand how the process works and how we manage your tax dollars. So we are devoting a good portion of this issue of *Currents* to explaining some budget basics before we get

into the actual budget process.

Historically, the Shoreline City Council has adopted conservative budget policies to keep us in sound financial shape. What this means is that we have not overextended ourselves by starting programs that we weren't sure we could continue to fund year-to-year. One way we do this is by only using stable revenue sources to fund ongoing programs and using less stable revenues for one-time expenditures.

We have also maintained healthy reserves. This not only provides a cushion for lean times, but has allowed us to save money for projects such as the Skateboard Park and improvements to Shoreview Park. It has also allowed us to save for a project that will in turn save us money in the long run: building a city hall.

Investing in our own city hall is in line with the Council's con-



Ron Hansen
Shoreline Mayor

See **2005 Budget** next page

2005 Budget Process *continued from page 1*

servative financial planning. Each budget year, the City Council has set aside money toward the cost of a city hall. We've done this in much the same way you save money to buy a home. After an initial investment, the City will pay less each month to own a city hall

than it now pays in rent. It is the same sound financial position individuals achieve when they buy their own home rather than rent. You have something you own for the money you are spending each month. It is an investment in an asset the community owns.

Another priority is continually looking for ways to do more with less. By making adjustments in how we do business and provide services, we have been able to find significant cost savings without affecting service levels. Just a few examples from last year's budget include:

- An employee group proposed a new health benefits policy with an estimated savings of \$160,000 for 2004 and beyond.
- The City reduced the cost of jail services in 2004 by \$105,000 through an interlocal agreement with other cities that created cost effective alternatives.
- By changing the way the City pays for canine services, the Police department saved nearly \$100,000 in 2004.
- The City rebid its janitorial services contract and used the money saved to increase maintenance of City rights-of-way.

The bottom line is that the Council's conservative budgeting and careful planning over the years have protected Shoreline from many of the service and staff cuts that our neighboring government agencies have had to make during the economic downturn.

I encourage you to take the time to learn more about Shoreline's budget process including how the property tax levy works, what regulations guide the process and how you can be involved. I look forward to hearing from you about the 2005 Proposed Budget.

City of Shoreline Trivia Quiz

Test your "City Smarts" or just learn a few interesting facts about your City in this short quiz.

1. In what year did Shoreline become a City?

- A. 1921 B. 1952 C. 1872 D. 1995

2. The sales tax rate in the City of Shoreline is 8.8 cents per dollar. If you make a \$10 purchase, you pay 88 cents in sales tax. How much of that 88 cents goes to the City of Shoreline?

- A. 30 cents B. 52 cents C. 8 ½ cents D. 12 cents

3. How much does it cost per person per day in Shoreline to provide daily City government services such as police, park maintenance, street maintenance and right-of-way landscaping?

- A. \$5.46 B. \$3.27 C. \$2.78 D. \$1.41

4. How many miles of streets are there in Shoreline?

- A. 191 miles B. 377 miles C. 106 miles D. 486 miles

5. In the 2004 Citizen Survey what percentage of residents said they feel "safe" or "very safe" in their neighborhood during the day?

- A. 72% B. 97% C. 52% D. 84%

6. New York City has a population density of 70,000 people per square mile. What is the population density of the City of Shoreline per square mile?

- A. 8,614 B. 4,703 C. 5,027 D. 3,234

Answers on page 7

How city budgets work: keeping it balanced

Washington state law requires cities to adopt a balanced budget by December 31 for the following calendar year. Deficit spending is not allowed.

Based on the goals the City Council sets at its annual retreat, staff prepares and presents a proposed budget for Council review. The City Council holds a series of meetings to discuss the proposed budget, gather feedback from the community and may make changes or adjustments to address community priorities.

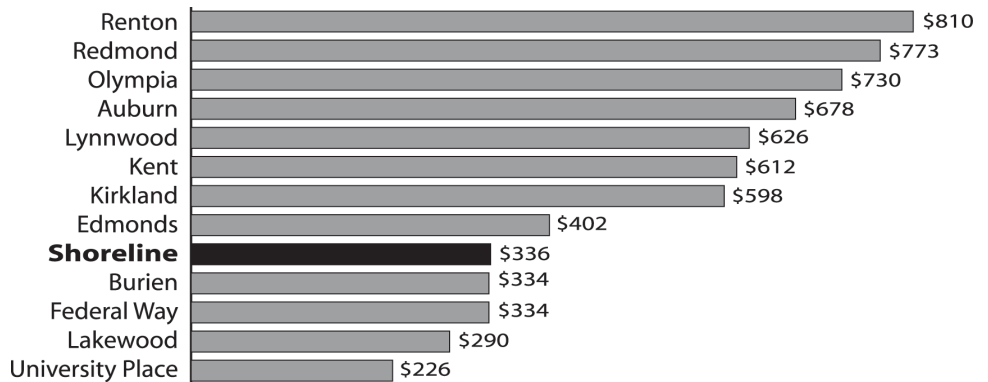
The final stage is a public hearing and Council adoption of the budget. During this process, the Council also holds a public hearing and adopts the property tax levy for the coming year.

While many of us are familiar with at least the theory of budgeting, a city budget has requirements and regulations that are different from a household or even a private business budget. There are laws governing how certain revenues can be spent, on how tax rates are set and on how funds are distributed. Also, by state law, a City cannot overspend the budget – which is much different than a private business or personal budget.

One example of the regulations governing Shoreline's finances is that certain taxes the City receives, such as the real estate excise tax (REET) and gas tax, must be used for capital projects only and cannot be used for daily operations. Other funding sources such as grants are even more specifically earmarked for the particu-

2002 Tax Per Capita (Property, Sales, B&O, Utility and Gambling Taxes)

The graph below shows how Shoreline ranks among comparable Puget Sound cities in the amount of total taxes it collects divided by the number of residents.



lar projects for which they were awarded. In most cases these dollars cannot be moved to another project.

Shoreline's operating budget funds the daily operation of the City and the services it provides. Shoreline's capital budget is based on the City's Six-Year Capital Improvement Program, which is reviewed and adopted in July each year. Shoreline's operating budget consists of the general fund (which pays for the majority of daily, ongoing services), the street fund and the permit fund.

The street fund accounts for most of the day-to-day maintenance activities related to our City streets and traffic services. The permit fund gets revenue from permit fees and finances the permit program. The general fund contributes to both programs since it costs more to provide these services than any dedicated revenues, such as permit fees or vehicle related revenues.

The general fund is what

Shoreline uses to pay for all the other services provided by the City, from parks programs to police services and land use planning to environmental studies.

But where does this money come from?

Revenue Sources

Shoreline's main sources of revenue for the general fund are the property tax, gambling tax, sales tax and utility tax/franchise fees.

Property Tax

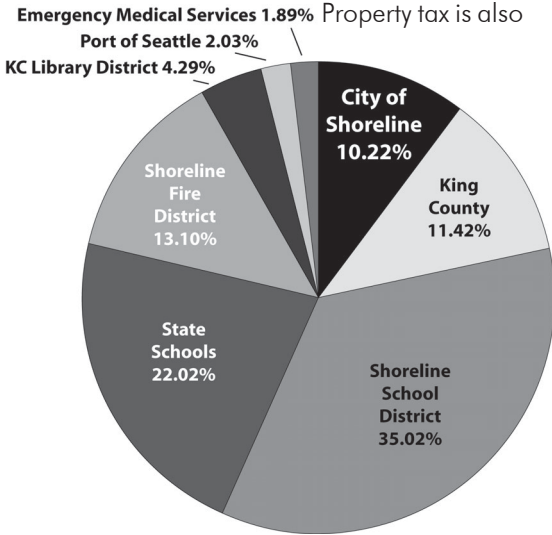
Shoreline receives approximately 10.22% of the property taxes paid by Shoreline residents. See the story on the next page for more details on how the City sets the property tax rate and what agencies share the property taxes paid by Shoreline residents.

Property tax revenue accounts for approximately 26% of the general fund. Our property tax collec-

See **City budget** on page 5

Learn more about Shoreline property taxes

While the City of Shoreline relies on a variety of revenue sources to pay for City services, the one people talk about the most is property tax.



Property tax is also

collected on new commercial and residential buildings constructed this year.

Once the levy is adopted, the assessor's office figures the property tax rate. Since the rate is applied to each \$1,000 of assessed property value, the assessor's office first divides the total assessed value of property in Shoreline by \$1,000, then divides the levy by that number to get the rate.

The City only budgets for 99% of the property tax levy to account for unpaid property taxes. What you may notice about the property tax rate is that as assessed values

go up, the property tax rate goes down. The City does not receive additional property tax as a result of home values increasing.

In 2004, Shoreline property owners paid \$12.52 per \$1,000 of assessed property value. The City of Shoreline receives about 10.8% of that or \$1.28. The rest is divided among the other taxing districts such as State Schools, King County, Shoreline School District, Shoreline Fire District, King County Library District, Port of Seattle and King County Emergency Medical Services (as shown on the pie chart at left).

Shoreline's largest revenue source, accounting for approximately 26% of the general fund.

Each year, the City Council adopts the property tax levy for the following year. The levy is the total dollar amount the City can collect in property taxes. By law that amount is restricted to a 1% increase from the previous year not including property taxes on new construction.

Since the Council can pass this levy without voter approval, it is considered a "regular" levy. Taxing districts can also ask voters to approve "special" levies. The City of Shoreline does not have any special levies at this time.

In 2004, Shoreline's property tax levy was \$6,770,058 and the total levy for 2005 is expected to be \$6,883,507. This is more than a 1% increase. The difference represents the property tax Shore-

2004 King County Property Taxes

Based on 2004 information provided by King County Assessor's Office

City	Average Home Value	Total Property Tax Rate Per \$1,000 AV	Property Tax Paid by Average Home Owner
Hunts Point	\$3,085,100	\$7.23	\$22,305.27
Sammamish	\$429,600	\$11.40	\$4,897.44
Woodinville	\$329,200	\$12.50	\$4,115.00
Lake Forest Park	\$339,800	\$11.99	\$4,074.20
Issaquah	\$362,100	\$10.41	\$3,769.46
Kirkland	\$374,600	\$10.03	\$3,757.24
Unincorp. King County	\$284,600	\$12.43	\$3,537.58
Bothell	\$289,000	\$12.01	\$3,470.89
Shoreline	\$273,500	\$12.52	\$3,424.22*
Burien	\$243,700	\$12.05	\$2,936.59
Kent	\$221,100	\$12.87	\$2,845.56
Renton	\$233,500	\$11.50	\$2,685.25
Federal Way	\$217,900	\$12.21	\$2,660.56
Auburn	\$189,400	\$13.44	\$2,545.54
Skykomish	\$97,400	\$7.66	\$746.08

* Of the \$3,424.22 the average Shoreline homeowner pays in property taxes, \$350 comes to the City of Shoreline.

City budget *continued from page 3*

tions can not grow by more than 1% per year without voter approval (excluding the value of new construction).

Gambling Tax

The City of Shoreline assesses gambling taxes on mini-casino card rooms, pull tabs, bingo and amusement games. Gambling tax revenues account for approximately 10% of general fund revenue.

Utility Tax/Franchise Fee

Shoreline assesses a 6% utility tax/franchise fee on the following utility services: cable, cellular phone, telephone, pager, natural gas, electricity, water, wastewater and solid waste. These revenues account for approximately 19% of the general fund resources.

Sales Tax

The tax rate in the City of Shoreline is the state allowable 8.8% with an additional .5% tax on food and beverages sold in restaurants, bars and taverns. For every \$100 spent on retail goods, there is a sales tax of \$8.80. Of that amount, \$6.50 goes to Washington State, \$0.85 goes to the City of Shoreline, \$0.15 goes to King County, \$0.60 goes to the Metro Transit District, \$0.40 goes to the Regional Transit Authority, \$0.20 goes to the King County Public Transportation Benefit Area and \$0.10 goes to King County Criminal Justice programs. Sales tax accounts for approximately 21% of general fund revenue.

These four revenue sources provide more than three-quarters of the resources for day-to-day services to our community. One of the City's challenges is that revenues on a per capita basis,

used for providing day-to-day services, when adjusted for inflation are actually lower in 2004 than in 1999 and the gap between revenues and the cost of services is expected to grow in the coming years.

To address this concern, the City of Shoreline is developing a long-range financial plan. One important component of creating

this plan is to gather community input. Shoreline is holding a series of focused meetings to ask community members to help prioritize City services and goals. This will ensure that Shoreline's long-range financial plan not only prepares the City for limited resources in the future, but that we respond to community needs appropriately.

Glossary of budget terms

ASSESSED VALUE: The estimated value placed on real and personal property by the County Assessor as the basis for levying property taxes.

BALANCED BUDGET: A budget in which planned expenditures do not exceed projected funds available. Shoreline is required to adopt a balanced budget under state law.

GENERAL FUND: This fund is used to pay the expenses and liabilities of the City's general services and programs that are not separately accounted for in special revenue funds.

GRANTS: Funds provided to or by the City for special purposes or programs, usually requiring a competitive application process.

LEVEL OF SERVICE: Used generally to define existing services, programs, and facilities provided by the City. Level of service in any given activity may be increased, decreased, or remain the same, depending on the needs, alternatives, and available resources.

OPERATING BUDGET: The annual appropriation to maintain City services to the public.

PROPERTY TAX LEVY: Charge levied by a government to finance services provided for the common benefit.

PROPERTY TAX RATE: The rate at which taxes, special assessments or service charges are imposed. For example, the real and personal property tax levy is the rate at which property is taxed per \$1,000 of assessed value. The rate is determined by calculating the ratio of the maximum amount of property tax revenue allowable under state law and the total assessed value within the taxing district.

RESERVES: The funds set aside by the City as a savings account for future emergencies.

REVENUES: Income received by the City to support programs or services to the community. It includes such items as taxes, fees, user charges, fines, forfeits, interest income and miscellaneous revenue.

Capital improvement projects updates

Shoreline's 2005-2010 Capital Improvement Program (CIP) is a multi-year plan for capital expenditures needed to restore, improve and expand the City's infrastructure, which includes roads, sidewalks, trails, drainage, parks, and buildings owned and/or maintained by the City.



The 3rd Ave. NW Drainage improvement project will provide relief to over 20 homes and local streets from flooding such as occurred during the Oct. 20, 2003, storm.

The plan identifies projects and funding for improvements over the next six years and is updated annually to reflect ongoing changes and additions.

The 2005-2010 CIP totals \$130 million, with \$25 million in General Capital Projects, \$97 million in Roads Capital Projects, and \$9 million in Surface Water Capital Projects.

Following are a few updates:

Interurban Trail – Last month, the City Council awarded the construction contract for the South Central segment (N. 160th to N. 175th Streets) and the North Segment B (N. 200th to 205th

Streets) to Paul Brothers, Inc., the same company that constructed the South Segment of the Trail earlier this year. Paul Brothers' bid was approximately \$29,000 less than the engineering estimate. Construction on the two segments is scheduled to begin this month and be completed this spring.

Design for the final North Central segment of the Trail is now under way. Construction of this segment is dependent on future grant funding.

Staff also met with the landscape architect and artist last month to discuss concrete patterning for the Pedestrian Bridge Segment and Bicycle Crossing. Construction of this portion of the Interurban Trail project is scheduled for 2005-2006 to coincide with construction of the Aurora Corridor Project.

3rd Ave. NW Drainage Improvements - At its Sept. 27 meeting, the City Council awarded the construction contract to Thomco Construction, Inc. Construction is scheduled to begin in late October, weather permitting.

In response to concerns raised at a recent neighborhood meeting, the City plans to fill in ditches on the east side of 3rd Ave. NW and place gravel in the shoulder area for parking. Residents are circulating a petition to install a traffic circle at the intersection of 185th and 3rd Ave. NW. If the required 60 percent of

neighborhood signatures is met, that project should also move forward.

City staff is working with King County to coordinate the City's modifications to the Boeing Creek Stormwater Facility with improvements to the County's Boeing Creek Trunk Sewer Upgrades. The goal is to coordinate construction of these projects (scheduled for spring 2005) to minimize disruption and impact on the surrounding neighborhoods.

Gateways - Design concepts for the third City Gateway, at the intersection of Westminster, Dayton and N. 150th St., were presented at a Sept. 15 Gateway Charrette. Another meeting is scheduled this fall to select a final design to recommend to the City Council.

North City Project - At its Aug. 23 meeting, the Shoreline City Council declined awarding the construction bid for the North City Project. Due to increasing costs for materials and labor, bids were approximately \$800,000 over the engineer's estimate. City staff is looking at options to present to the City Council for its consideration.

The 2005-2010 Capital Improvement Program is available to download from the City's Web site, www.cityofshoreline.com, and is also available on CD by calling Beau Sinkler at (206) 546-0790. Copies are available for review at: City Hall, the Shoreline Police Station and the Neighborhood Police Centers (see addresses on page 8).

Comp Plan Update/Master Plans moving ahead

The City began reviewing its Comprehensive Plan and developing master plans for transportation, surface water, and parks, recreation and open spaces in fall 2003. A major component of this project was gathering suggestions and comments from the community, both in writing and at public

meetings, and incorporating them into the plans.

In late September, the Shoreline Planning Commission held a public hearing spanning three nights to take comments before developing a recommendation to the City Council. The City Council is tentatively scheduled to hold

another public hearing before considering adoption.

For more information about the Comprehensive Plan Update/Master Plans Project, visit www.cityofshoreline.com or call Shoreline Planner Andrea Spencer at (206) 546-1418.

Answers to City trivia quiz

1: D-1995 The City of Shoreline became a city in 1995. Prior to that time, Shoreline was an island of unincorporated King County. The qualities that originally brought people here remain today including classic Puget Sound beauty, convenience of suburban living near urban centers, excellent schools and overall outstanding quality of life. In the City's 2004 Citizen Satisfaction Survey, 87% of respondents rated Shoreline as an "excellent" or "good" place to live, work and raise children.

2: C - 8 ½ cents The City keeps 8.5 cents out of each 88 cents collected in sales taxes. The remainder of the 88 cents goes to the following entities: State (65 cents), Metro Transit (6 cents), Sound Transit (4 cents), King County (1.5 cents), King County Public Transportation Benefit Area (2 cents) and King County Criminal Justice (1 cent).

3: D - \$1.41 For the cost of a cup of coffee each day, residents receive an array of local government services including: 24 hour-a-day police services, maintenance of 25 City parks, recreation programs, street maintenance and repair, planning and development services, emergency management, recycling programs, code enforcement, traffic signal maintenance, arterial street lights, social service contributions, crime investigation, criminal justice services, neighborhood support and improvements, 24 hour-a-day customer response team, a City pool and athletic fields.

4: A - 191 miles Shoreline has 191 miles of streets—36 miles of arterials; 148 miles of residential streets; 4 miles of state roads; and 3 miles of interstate highway.

5: B - 97% In the City's 2004 Citizen Satisfaction Survey, 97% of respondents said they feel "very safe" or "safe" in their neighborhood during the day, and 69% said they feel "very safe" or "safe" in their neighborhood at night. Shoreline has one of the lowest crime rates in King County.

6: B - 4,703 Shoreline has a population density of 4,703 people per square mile and a total population of approximately 53,000. To compare, New York City has a population density that is almost 1500% greater!

Awesome Autumn Events

The City of Shoreline is offering several fun-filled family events to usher in the fall and winter seasons. For more information about Shoreline events or parks and recreation programs, call (206) 418-3383, or visit www.cityofshoreline.com/parks.

Hamlin Halloween Haunt Friday, Oct. 22, 6-8:30 p.m. Hamlin Park, 16006 15th Ave. NE

Enjoy spooky songs and tales told around a campfire, hayrides, games and face painting at this free event. Dress warmly and bring a flashlight and roasting stick for marshmallows.

Halloween Happenings Thursday, Oct. 28, 10:30 a.m. Shoreline Library, 345 NE 175th St.

Happy Halloween stories, song and activities for children ages 3-6. Costumes are welcome at this free event.

Halloween Costume Carnival Friday, Oct. 29, 9 a.m.-1 p.m. Spartan Gym, 18560 1st Ave. NE

Halloween festivities at the indoor playground. Come in costume and join the costume parade. Games and hands-on art projects are offered for \$2 per child.

Halloween Party Sunday, Oct. 31, 5-7 p.m. Central Market, 15505 Westminster Way

Come in costume for trick-or-treating, hayrides, candy, games and entertainment.

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 Department
and Public Works Department
Highland Plaza
1110 N. 175th St., Suite 105
Shoreline, WA 98133

CURRENTS

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Alternate formats
available upon request.

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
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

City of Shoreline Web site

Information about meetings,
projects and programs is
now available online.

www.cityofshoreline.com



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