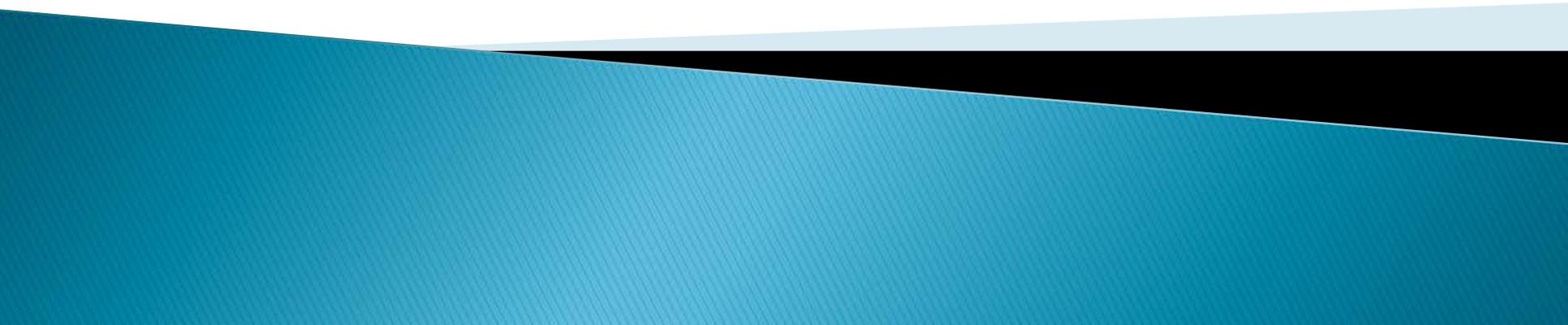


**City of Shoreline  
Financial Sustainability  
Citizen Advisory Committee**

February 11, 2016



Financial Sustainability  
Citizen Advisory Committee  
February 11, 2016

Agenda:

- ▶ Welcome
- ▶ Introduction: Why are we here
- ▶ City of Shoreline: Background
- ▶ Introductions
- ▶ Charter Review: Roles & Responsibilities
- ▶ Police Services Overview
- ▶ Community Services Overview

Presenter:

Jesse Salomon  
Debbie Tarry  
Sara Lane  
Jim Reid  
  
Shawn Ledford  
Rob Beem

At least one 10 minute break will be provided at an appropriate stopping point.

# 2016 FSCAC Meetings

February  
11th

February  
25th

March  
10th

March  
24th

April  
14th

April  
28th

May  
12th

May  
26th

**Introduce the  
Process**

**Department Service Overviews**

**Funding & Revenue Options**

**2014 Citizen Survey &  
Service Delivery  
Options**

**Draft Recommendation  
to City Manager**

**Review  
Polling  
Results**

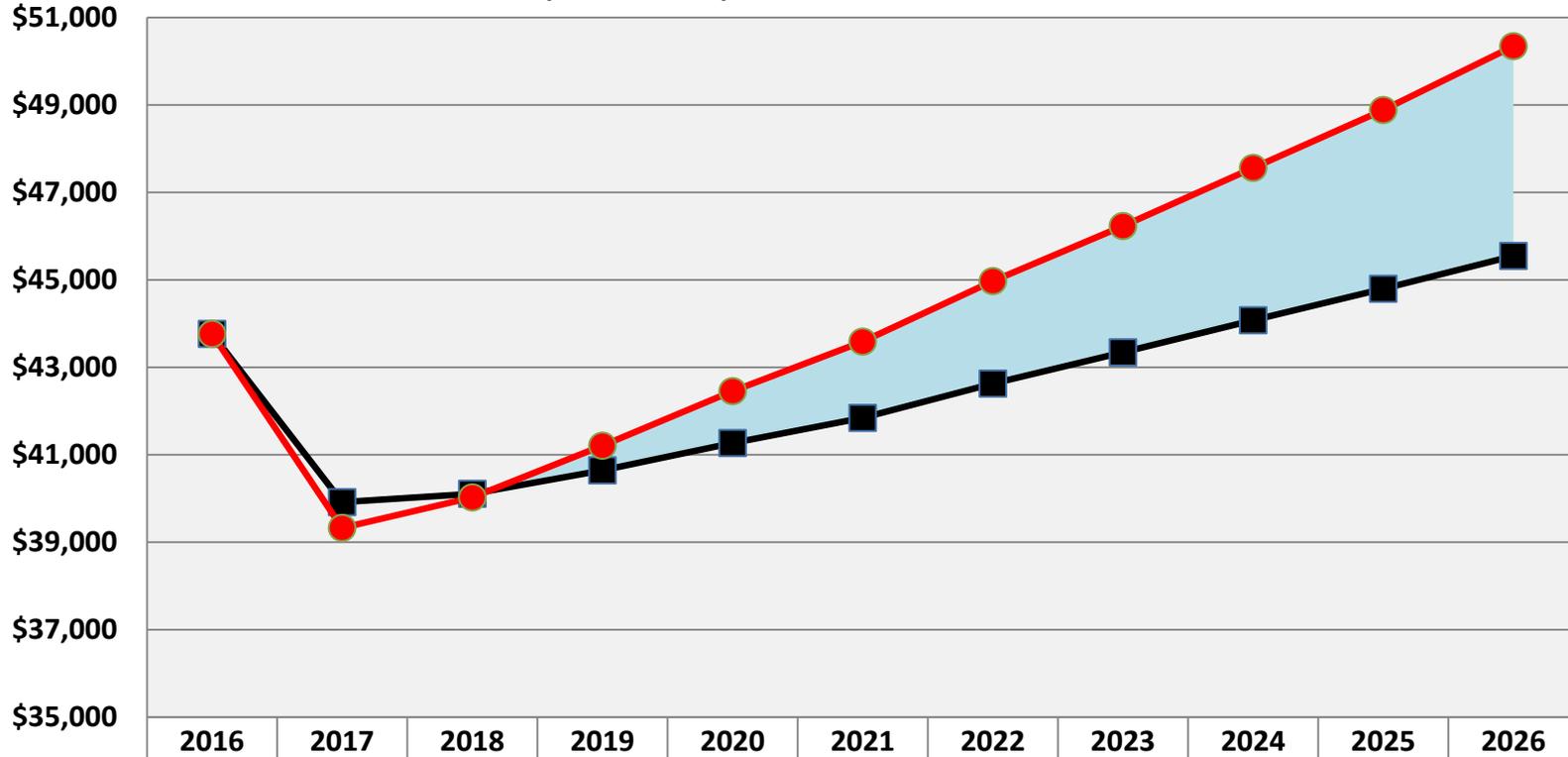
**Finalize Recommendation**

# Welcome

- ▶ Councilmember Jesse Salomon

# Why are we here?

10 YFSM OPERATING BUDGET TEN YEAR FORECAST  
(\$ IN '000'S)



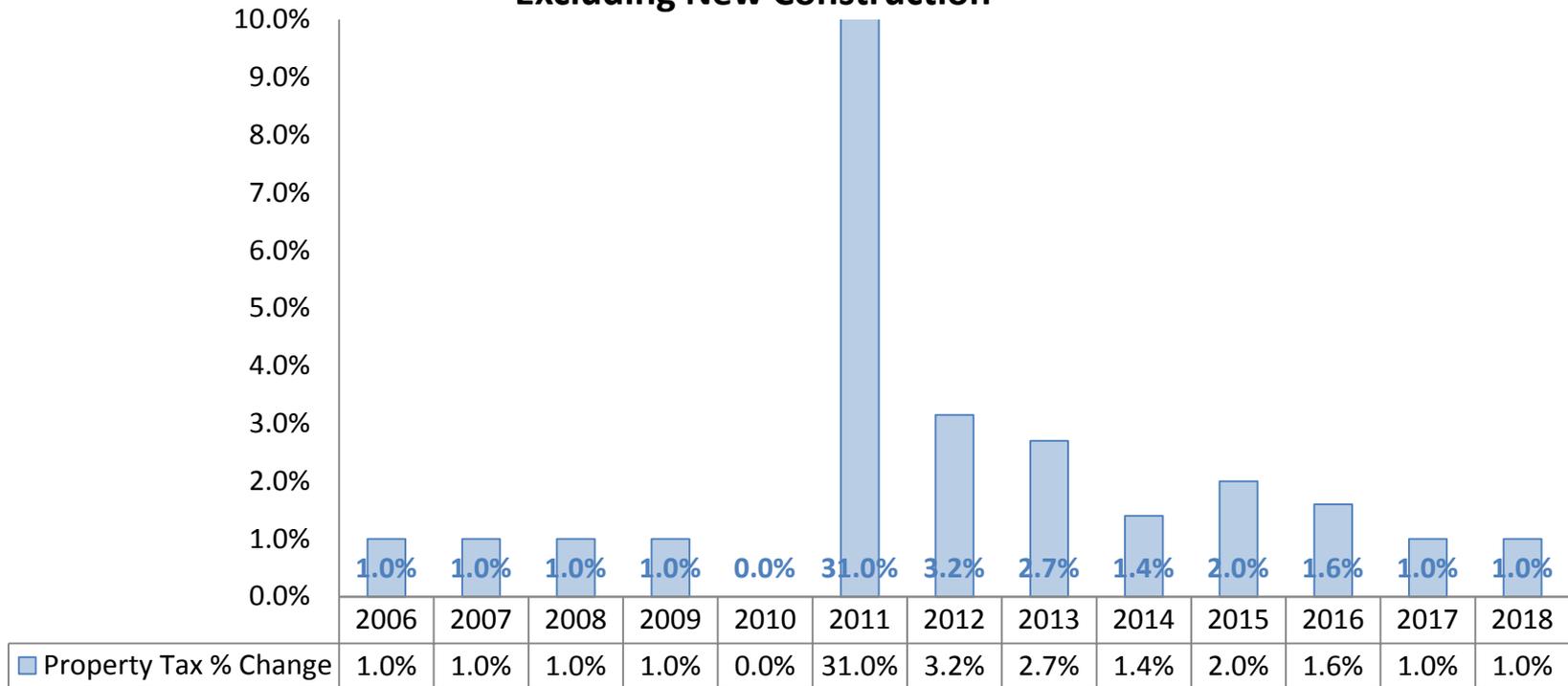
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
ANNUAL SURP/(GAP)	0	589	83	(564)	(619)	(559)	(601)	(543)	(595)	(605)	(709)
CUMULATIVE (GAP)	0	0	0	(564)	(1,183)	(1,743)	(2,344)	(2,887)	(3,482)	(4,087)	(4,796)
VARIANCE BASE	43,765	39,326	40,024	41,206	42,453	43,586	44,973	46,230	47,560	48,883	50,343
NEW BASE RESOURCES	43,765	39,915	40,108	40,642	41,269	41,843	42,629	43,343	44,078	44,796	45,547
NEW BASE EXPENDITURES	43,765	39,326	40,024	41,206	42,453	43,586	44,973	46,230	47,560	48,883	50,343

# Property Tax and State Law

- ▶ Annual Levy Increase limited to lower of:
  - 1% or Implicit Price Deflator
  - UNLESS:
    - Voters approve a higher increase
- ▶ 2010 Shoreline Voters approved:
  - Annual Levy increases linked to Consumer Price Index (CPI): Inflation
  - Reset Levy Rate to \$1.48/\$1,000 Assessed Value
- ▶ Levy is good for six years – so expires end of 2016
- ▶ November 2016 likely asking Shoreline voters to renew Levy

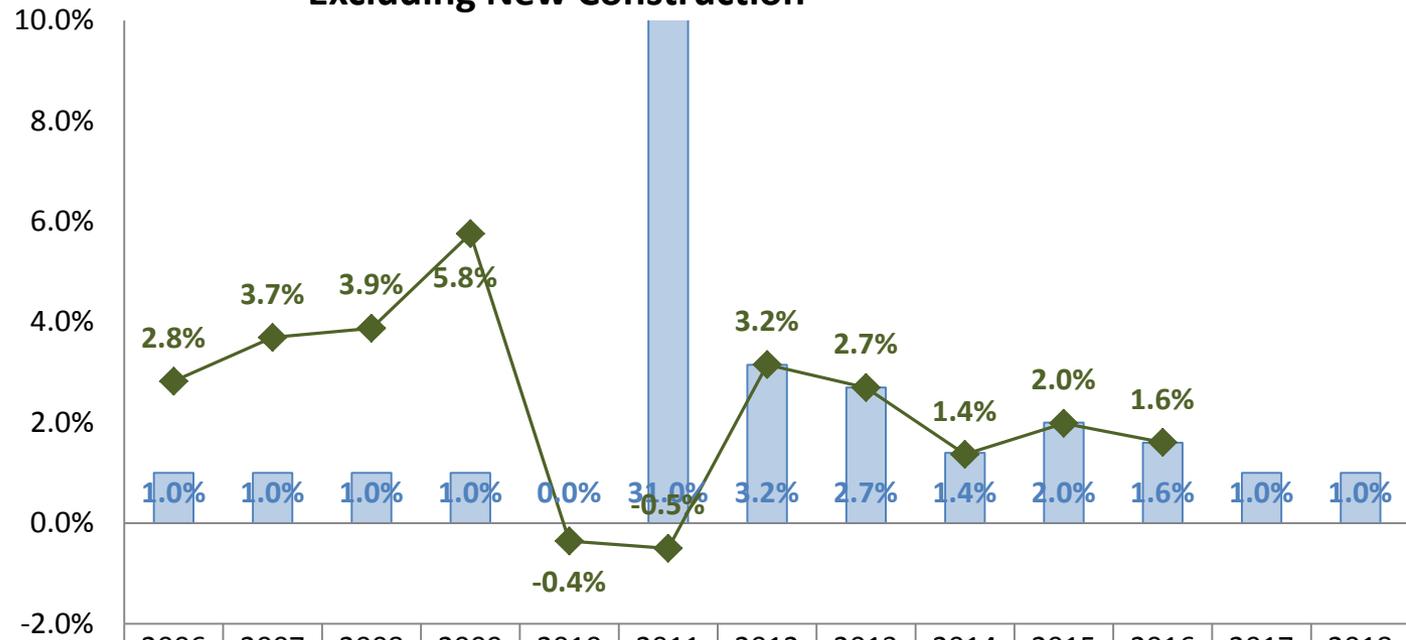
# How did we get here?

**City Property Tax Growth Rate 2006-2016  
Excluding New Construction**



# How did we get here?

**City Property Tax Growth Rate 2006-2016**  
**Excluding New Construction**



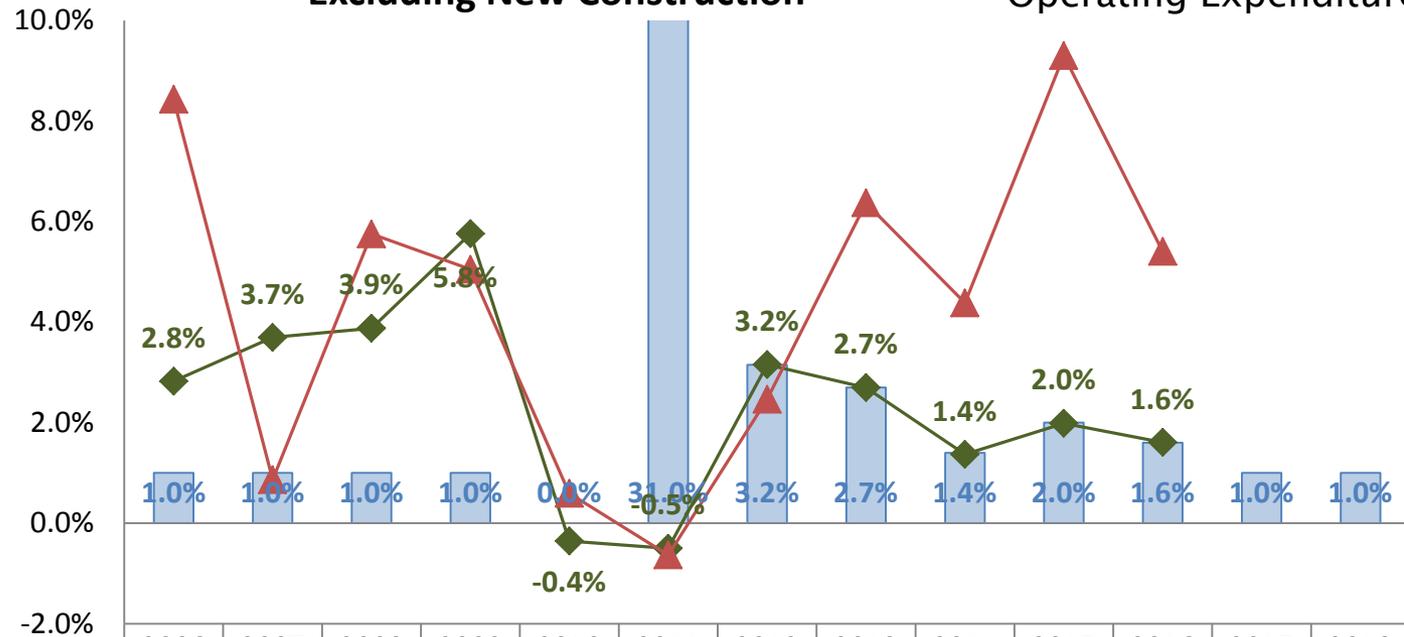
Property Tax % Change	1.0%	1.0%	1.0%	1.0%	0.0%	31.0%	3.2%	2.7%	1.4%	2.0%	1.6%	1.0%	1.0%
Inflation % Change	2.8%	3.7%	3.9%	5.8%	-0.4%	-0.5%	3.2%	2.7%	1.4%	2.0%	1.6%		

# How did we get here?

Annualized Growth since 2011:

- Property Tax Levy: 1.4%
- Inflation: 1.8%
- Police Contract: 2.5%
- Landscaping: 5.9%
- Street Lights: 6.6%
- Jail Cost Per Day: 10.5%
- Operating Expenditures: 4.2%

**City Property Tax Growth Rate 2006-2016**  
Excluding New Construction



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Property Tax % Change	1.0%	1.0%	1.0%	1.0%	0.0%	31.0%	3.2%	2.7%	1.4%	2.0%	1.6%	1.0%	1.0%
Inflation % Change	2.8%	3.7%	3.9%	5.8%	-0.4%	-0.5%	3.2%	2.7%	1.4%	2.0%	1.6%		
Expenditure Growth Rate	8.4%	0.9%	5.8%	5.1%	0.6%	-0.6%	2.5%	6.4%	4.4%	9.3%	5.4%		

# City of Shoreline: a bit of Background

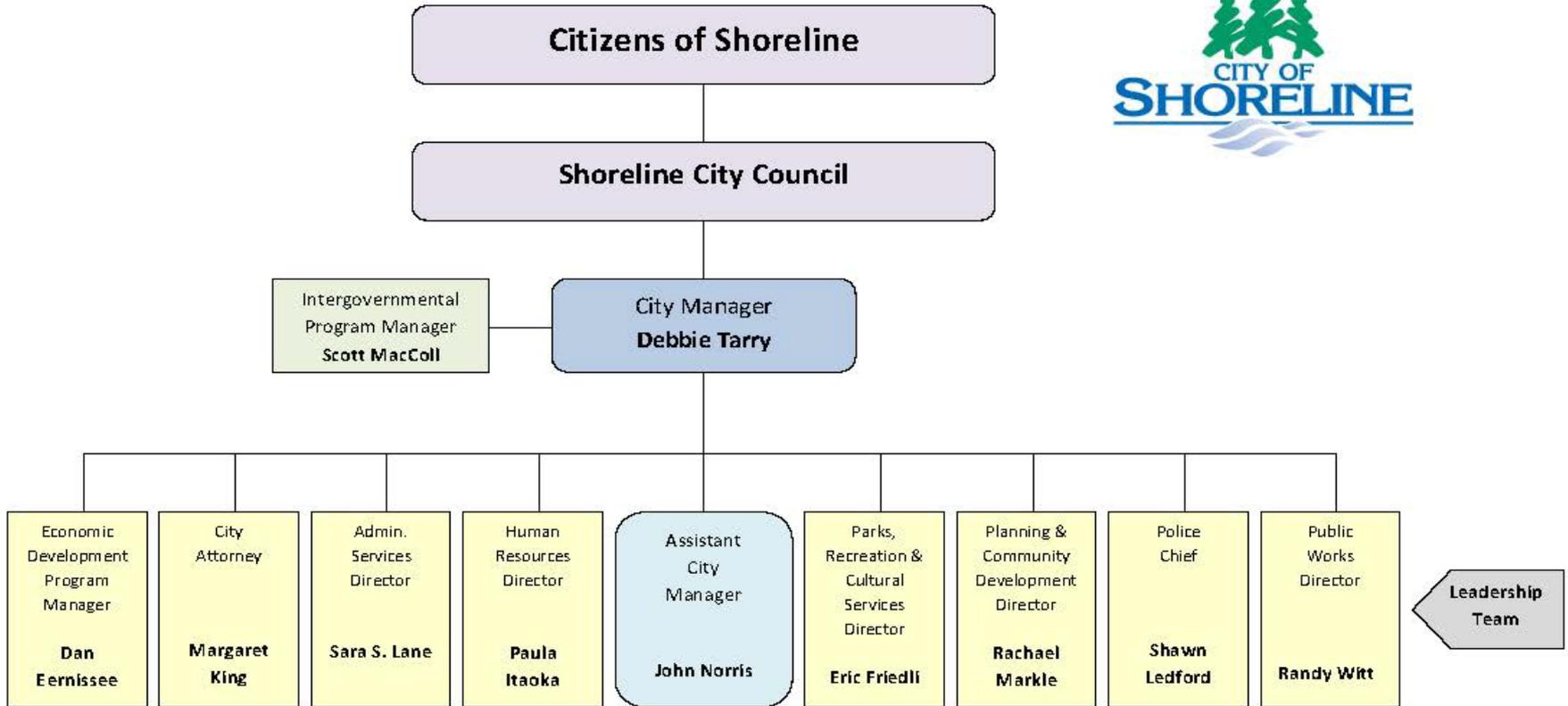
- ▶ Incorporated in late 1995 with a population of 45,927<sup>a</sup>
- ▶ 2015 Population of 54,500<sup>b</sup>
- ▶ 11.7 Square Miles
- ▶ 20<sup>th</sup> largest city in Washington; 8<sup>th</sup> largest in King County

- a. Office of Financial Management Intercensal Estimate ([http://www.ofm.wa.gov/pop/april1/hseries/ofm\\_april1\\_intercensal\\_estimates\\_1990-2000.xlsx](http://www.ofm.wa.gov/pop/april1/hseries/ofm_april1_intercensal_estimates_1990-2000.xlsx))
- b. Office of Financial Management April 1, 2015 Population of Cities, Towns and Counties ([http://www.ofm.wa.gov/pop/april1/ofm\\_april1\\_population\\_final.pdf](http://www.ofm.wa.gov/pop/april1/ofm_april1_population_final.pdf))

# Executive Management

- ▶ City Council: Policy, Direction, Priorities
    - 7 Member Council
  - ▶ City Manager: Manage Operations
    - Appointed City Manager January 2014 after serving as interim
    - Assistant City Manager (2011–2013)
    - Finance Director (2000–2011)
  - ▶ Department Directors
- 

# Organizational Structure



# The Strategic Planning Cycle





# 2015-2017 City Council Goals

The Council is committed to fulfilling the community's long-term vision - *Vision 2029* - and being a sustainable city in all respects:

**Sustainable neighborhoods**—ensuring they are safe and attractive;

**Sustainable environment**—preserving our environmental assets and enhancing our built environment so that it protects our natural resources; and

**Sustainable services**—supporting quality services, facilities and infrastructure.

**Goal 1: Strengthen Shoreline's economic base to maintain the public services that the community expects**

**Goal 2: Improve Shoreline's utility, transportation, and environmental infrastructure**

**Goal 3: Prepare for two Shoreline light rail stations**

**Goal 4: Enhance openness and opportunities for community engagement**

**Goal 5: Promote and enhance the City's safe community and neighborhood programs and initiatives**



# ORGANIZATIONAL GOALS

**Delivery of Public Services:** Continue to make Shoreline a desirable place to live and invest by providing public services that are valued by our community.

**Organizational Strength:** Enhance the effectiveness of our organization through development of employee skills and knowledge.

**Fiscal Sustainability:** Secure and sustain long-term financial sustainability to ensure delivery of public services to our community.

**Achieve Council Goals:** Complete action steps included in the adopted City Council Goals.



# Long-Term Financial Sustainability

## A longstanding Council Priority

### ▶ History:

- 2008–2009: Community Priorities Long-Range Financial Planning Citizens Advisory Committee Recommendations
  - Ensure Efficient Operations – Technology/Process
  - Recommended Levy Lid Lift to support maintaining service levels
  - Committee’s Final Report  
<http://www.shorelinewa.gov/Home/ShowDocument?id=3772>
- 2012–2014: 10 Year Financial Sustainability Plan
  - 7 Prioritized Strategies approved by Council
  - Supports long-term financial sustainability
  - Website  
<http://cityofshoreline.com/government/departments/administrative-services/ten-year-financial-sustainability-project>

# Long-Term Financial Sustainability

## A longstanding Council Goal

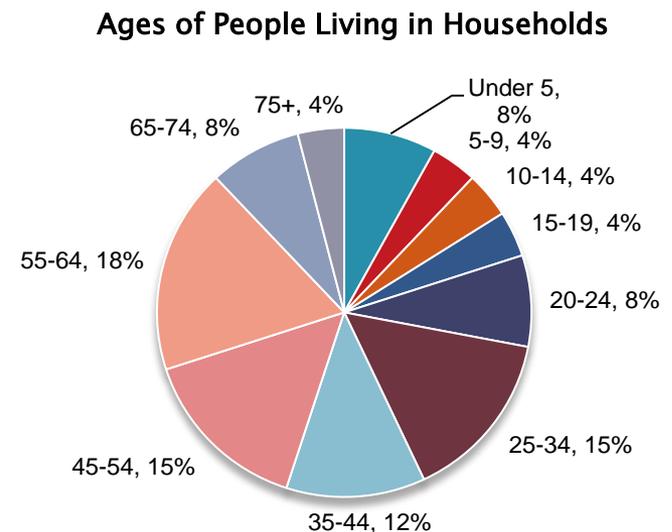
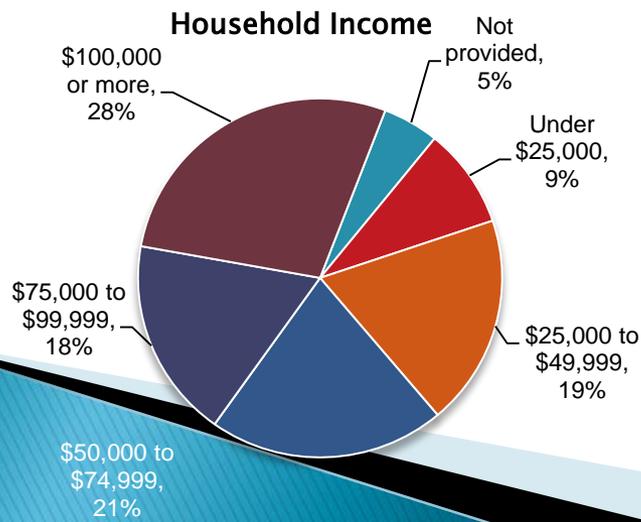
### ▶ History:

- 2014: Council Approved 10YFSP
- 2014–2015: Focus on first four strategy targets
  - *Target 1:* Economic Development
  - *Target 2:* Reducing the expenditure growth rate
  - *Target 3:* Increasing investment returns
  - *Target 4:* Evaluating possible fee and cost recovery rate increases
- 2016: Focus on final three strategies
  - *Strategy 5:* Replace General Fund support of the Roads Capital Fund
  - *Strategy 6:* Engage business community about possible future implementation of Business & Occupation Tax
  - *Strategy 7:* Engage community regarding Levy Lid Lift renewal



# Shoreline Residents are:

- ▶ Well Educated
- ▶ Diverse in age and ethnicity
- ▶ Diverse in socio-economic standing
  - Over 50% households have moderate to high income categories
  - 25% of households earn less than 200% of poverty

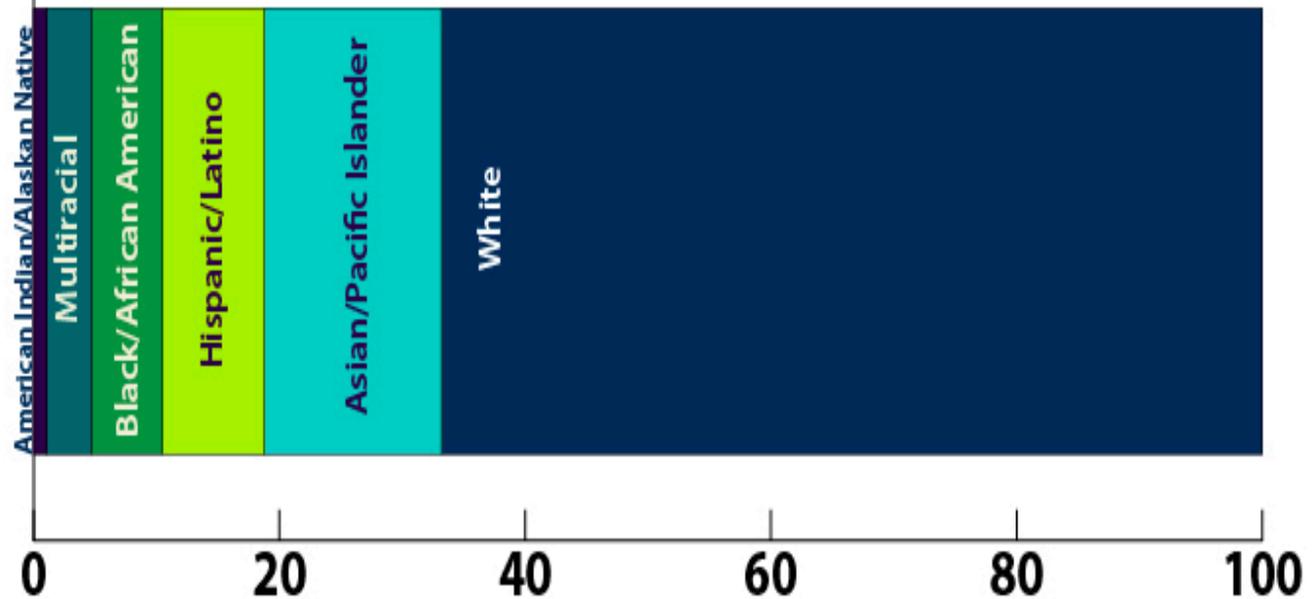


# DEMOGRAPHICS 2013

**SEATTLE**



**SHORELINE**



# DEMOGRAPHICS 2013

## SHORELINE SCHOOL DISTRICT



## SHORELINE FULL POPULATION



0 20 40 60 80 100

# Basic Operating Services:

- ▶ Parks & Recreation
- ▶ Street & Road Maintenance
- ▶ Communications
- ▶ Neighborhood Support
- ▶ Code Enforcement
- ▶ Emergency Management
- ▶ Planning, Permitting & Community Development
- ▶ Police Protection: Contract with King County
- ▶ Criminal Justice: Jail and Prosecuting Attorney Contract Services
- ▶ Economic Development
- ▶ Transportation Services
- ▶ Surface Water Management
- ▶ Community Services
- ▶ Human Services

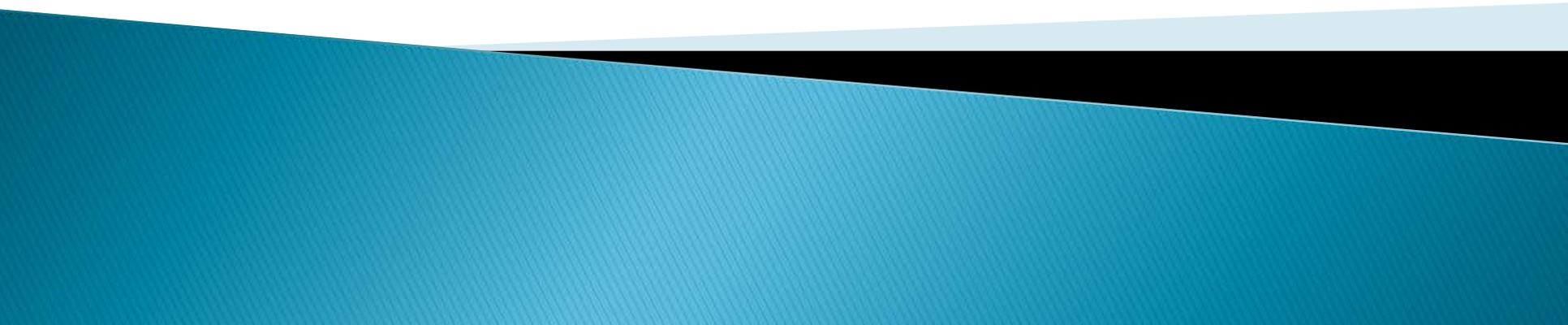
# City Partners

## ▶ Our Partners and Special Districts:

- Fire District No. 4 of King County: Shoreline Fire Department
- Utility Providers:
  - Seattle Public Utilities (Water)
  - North City Water District (Water)
  - Ronald Wastewater District (Sewer)
  - Seattle City Light (Electricity)
- Shoreline School District
- King County Library District
  - Shoreline Library
  - Richmond Beach Library
- King County Court
- Shoreline Museum
- Human Services Agencies
- Kruckeberg Botanic Garden Foundation



**Questions?**



# Financial Sustainability Citizen Advisory Committee

Jim Reid– Facilitator

- ▶ Introductions
- ▶ Charter Review

