

FINANCIAL SUSTAINABILITY

10 Year Financial Sustainability Plan
Business Outreach



Agenda

- Welcome & Introductions

 - Workshop Objectives

- Background Presentation

 - Overview of City Services

 - Financial Sustainability

 - Best Practices

 - History

 - The City's 10 Year Financial Sustainability Plan

- Survey Results

- Discussion

Allegra Calder

BERK Consulting

Sara Lane & Rick Kirkwood

City of Shoreline

Jennifer Tippins, BERK

Allegra Calder

FINANCIAL SUSTAINABILITY BEST PRACTICES

- Long range financial forecast
- Support ongoing costs with ongoing revenues
- Support one-time costs with one-time revenues
- Balance budget required by State law

Shoreline Police

- 51 uniformed officers
- Attended 52 neighborhood crime prevention meetings
- Handled over 28,000 police contacts, dispatched calls, and on-views
- Priority emergency call response averaged 3.92 minutes
- Partner with Business Community to enhance communication

2017 Net Cost: \$9.93 million





Street Operations

- 410 miles of City streets
- 10,949 street signs
- 60 miles of ROW landscaping
- 32 traffic circles
- 5 ROW beautification sites
- Plus City and community event support



2017 Net Cost: \$442,000

Environmental Services

- Collaboration on Business Recycling
- Recology Storefront – education and recycling resources



Traffic and Transportation Planning Services

- Answered 377 service requests
- Completed 173 traffic counts
- Completed 5 neighborhood traffic safety projects
- 19 active residential areas in Neighborhood Traffic Safety Program

2017 Net Cost: \$1.48 million



Permitting, Inspection, Planning & Code Enforcement

- Total permit applications handled 2,210
- Customers assisted 4,958
- Total Inspections Performed 4,519
- Zoning Reviews, Land Use, Tree & Sign approvals 638
- Light Rail Station Area Planning

2017 Net Cost: \$1.5 Million



24-Hour Customer Response Team

- Percentage of abandoned vehicles tagged within 24 hours of notification – 92% in 2016
- Number of service requests for parking/abandoned vehicles – 846 in 2016
- Support police, Shoreline Fire, and public works crews during emergencies

2017 Net Cost: \$537,000



Economic Development

- Liaison to the Business Community
- Support for Shoreline Farmers' Market
- Liaison to SCC
- Shoreline Film Office
- SIFF – Seattle International Film Festival
- Theater Under the Stars
- Business License Program
- Promotional Campaign

2017 Net Cost: \$329,000





Events

- Celebrate Shoreline
- Hamlin Haunt
- Holiday Crafts Market
- Swingin' Summer Eve
- Noontime concert series
- Monster Mash Dash
- Santa Breakfast



2017 Net Cost: \$316,000

Emergency Management

- 5 new community response volunteers trained Spring 2017
- 6 trainings held annually for emergency planning and preparedness
- 3 disaster-related drills held annually
- City of Shoreline Comprehensive Emergency Management Plan completed in 2015

2017 Net Cost: \$203,000



Criminal Justice:

- Jails
- Courts
- Public Defender

2017 Net Cost: \$2.6 million





Park Maintenance

- 32 parks
- 14 restrooms
- 15 playgrounds
- 15 baseball fields
- 10 soccer fields
- 15 tennis courts
- 5 picnic shelters
- 3 off-leash dog areas
- 1 swimming pool
- 2 recreation centers
- 1 skate park
- Kruckeberg Botanic Garden
- City Hall campus
- Interurban Trail
- Miles of park trails

2017 Net Cost:\$1.87 million

Aquatics and Recreation Programs:

- 30,900 Drop-in visits to the Shoreline Pool
- Recreation Centers open 7,205 Hours
- 3,729 hours of teen and youth development programming
- 3,986 hours of aquatics instruction

2017 Net Cost:\$1.65 million



Neighborhoods

- Funded five neighborhood mini-grant projects
- Supported neighborhood associations with 'signature' events
- Organized meetings between neighborhood associations and City staff

2017 Net Cost: \$183,000



Community Partners

- Shoreline Historical Museum
- Shoreline-Lake Forest Park Senior Center
- Shoreline-Lake Forest Park Arts Council
- Kruckeberg Botanic Garden Foundation
- Shoreline School District

2017 Net Cost: \$356,000



Human Services

- Support 15 agencies offering 28 different programs, including:
 - housing and counseling serving homeless
 - food and utility assistance
 - family support centers
 - support for victims of domestic violence
- Serve approximately 10,000 Shoreline residents every year

2017 Net Cost: \$326,000





City works with partners to address homelessness

On December 14, 2015, the Council passed a resolution supporting King County's declaration of emergency due to homelessness. While the issue of homelessness in the Puget Sound Region is not new, it has been on the rise in recent years. To this end, on November 2, 2015, King County and the City of Seattle declared states of emergency.

The extent of homelessness and those at risk of homelessness in Shoreline can be seen through data that comes from schools and service providers, and from anecdotal data provided by the City's Parks, Recreation and Cultural Services Department. Since 2010, the number of Shoreline School District students who self-identify as homeless has almost tripled, rising from 134 in the 2010-11 school year



145th Corridor update

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Regional Animal Services of King County



Other Services

- Elections
- Intergovernmental relations
- Communications:
 - Currents
 - Citizen Survey
 - Alert Shoreline
 - Social Media
 - Public Website
- Public Records Requests
- Pet Licensing/ Animal Control
- Business Licensing
- Public Meeting Management

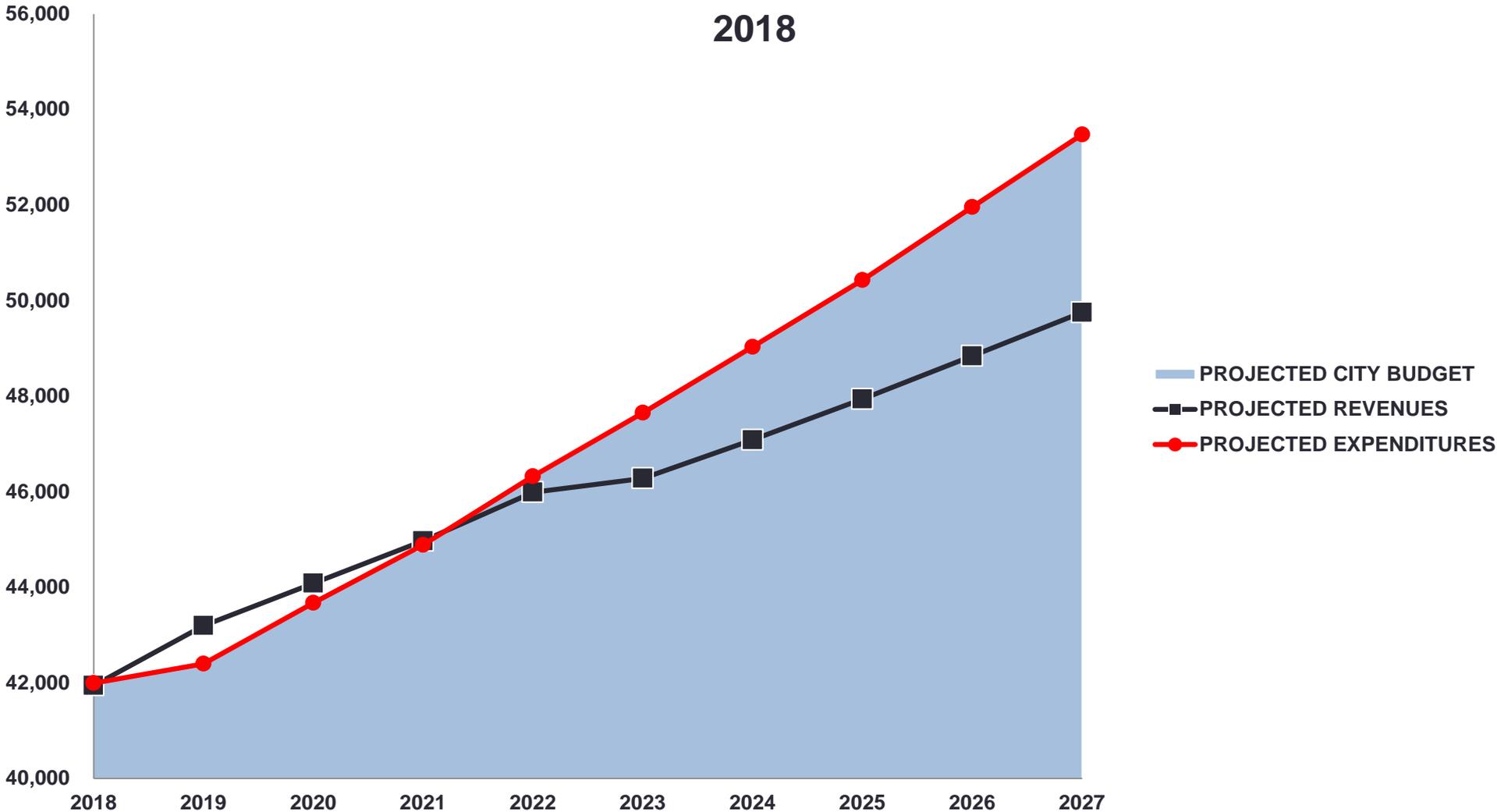
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- Support ongoing costs with ongoing revenues
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- Balance budget required by State law

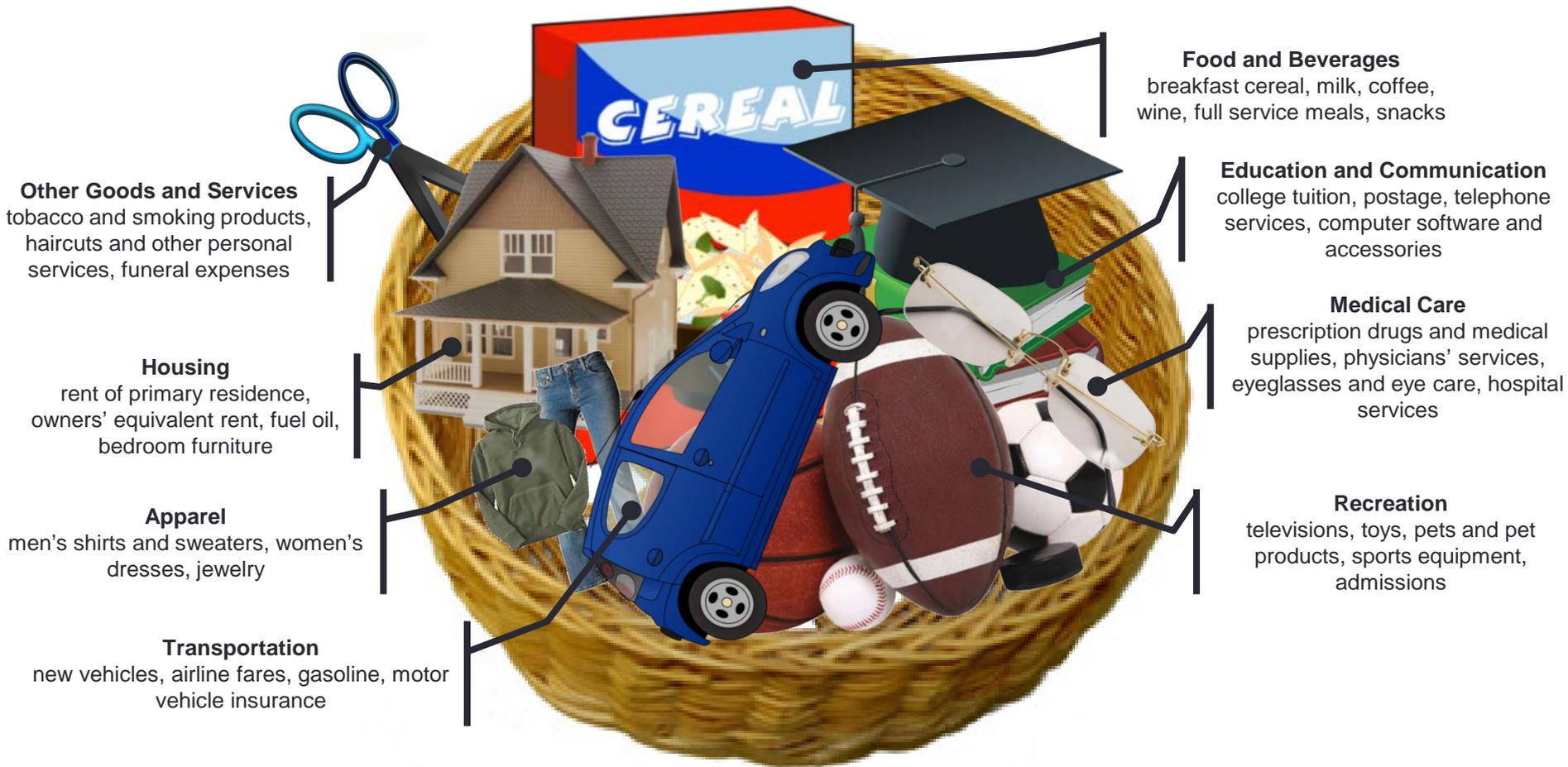
THE STRUCTURAL CHALLENGE

10-Year Financial Sustainability Model Forecast

2018



CPI Market Basket: What goods and services do people purchase?



City's Basket: What goods and services does the City purchase?

Right-of-Way & Bridge Maintenance
mowing, weeding, landscaping, bridge repairs

Road Maintenance Supplies
street signs, concrete, asphalt, rock, salt, guardrails, marking paint

Criminal Justice
district court (King Co.), public defender, prosecuting attorney, jail housing (King Co., SCORE, Yakima Co.)

Gasoline & Diesel
purchased from the Shoreline School District and King Co.



Landscaping & Parks Maintenance
preserve safe, well maintained parks, playgrounds, playfields, restrooms, athletic fields

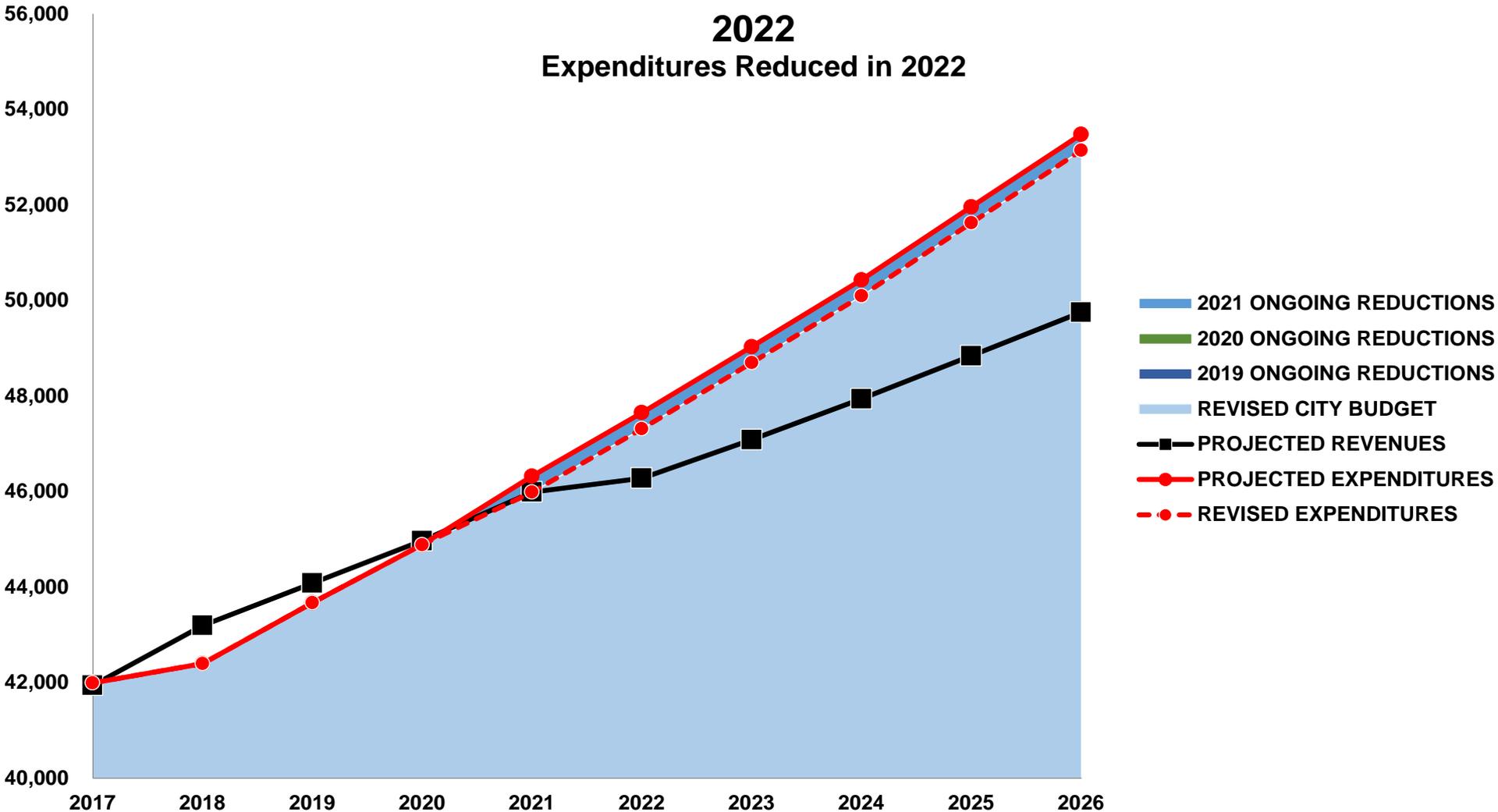
Police Services
neighborhood police patrols, traffic enforcement in school zones and neighborhoods, School Resource Officer program

Recreation Programs
for youth, families, and seniors typically provided by a contracted instructor

Personnel Salaries & Benefits
to provide many of the services our citizens want

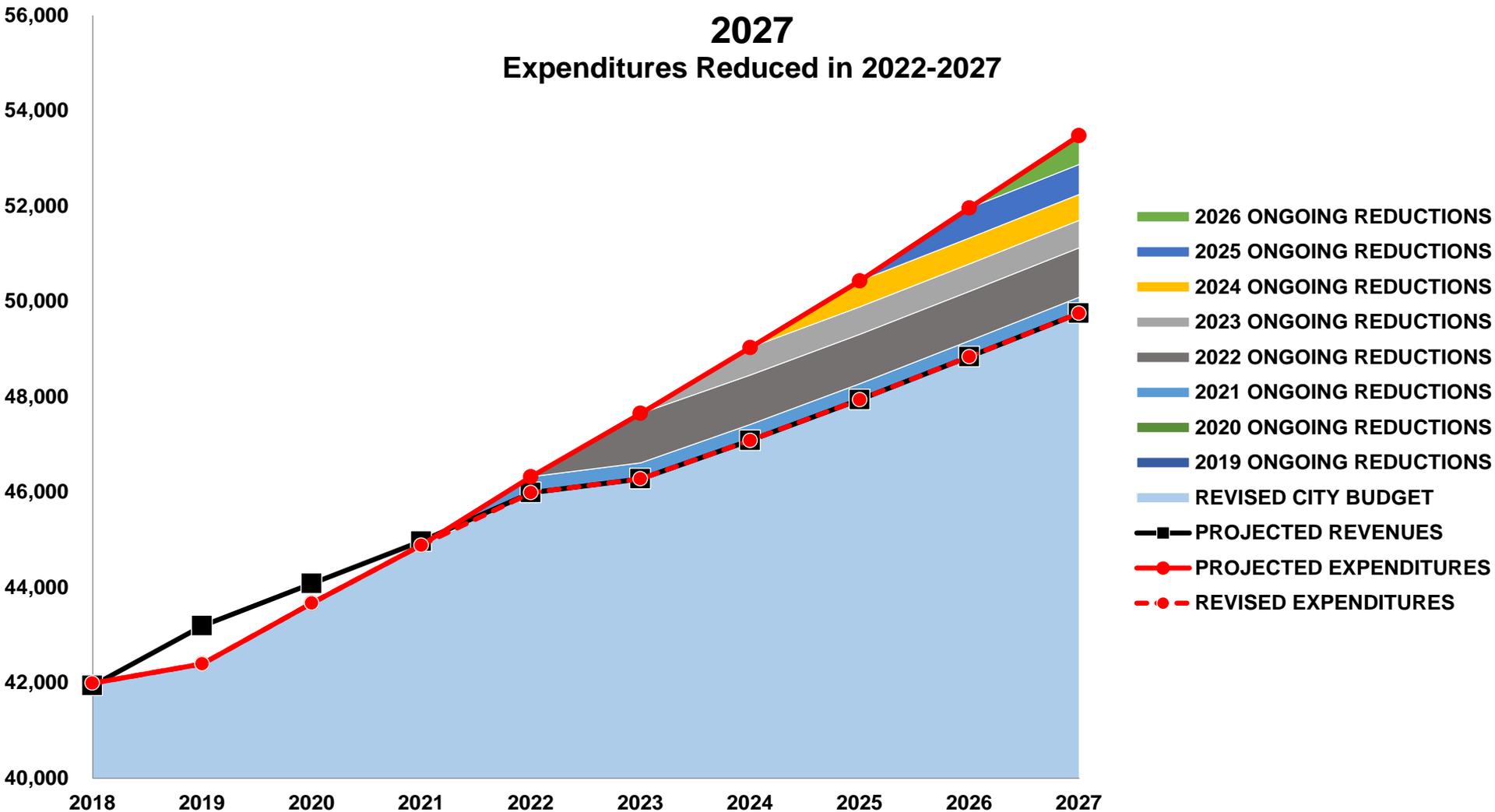
Budget Forecast

2022
Expenditures Reduced in 2022



Budget Forecast

2027
Expenditures Reduced in 2022-2027



IMPLEMENTING FINANCIAL SUSTAINABILITY

- Long range financial forecast
- Support ongoing costs with ongoing revenues
- Support one-time costs with one-time revenues
- Balance budget required by State law

History of Financial Sustainability Efforts

- 2008: Citizen's Committee on Financial Sustainability
- 2010: Original Levy Lid Lift Vote
- 2014: Council Sub-Committee developed 10YFSP
- 2016: Financial Sustainability Citizen Advisory Committee
- 2016: Levy Lid Lift Renewal Vote

The screenshot shows the City of Shoreline website. The header includes navigation links for Jobs, Council, Bids and RFPs, Maps, Parks & Rec, and Contact Us, along with a search bar and a 'GO' button. The main navigation menu includes Home, Community, Business, Government, Emergency, and I want to... The left sidebar lists various services under 'Administrative Services', with 'Ten Year Financial Sustainability Project' highlighted. The main content area displays the title 'Ten Year Financial Sustainability Project' and an 'Overview & History' section. The 'Overview & History' section includes a paragraph about the project's purpose and a list of actions taken by the Subcommittee. A 'Contact' box for Sara S. Lane, Administrative Services Director, is also visible.

Jobs | Council | Bids and RFPs | Maps | Parks & Rec | Contact Us | Search... GO

CITY OF SHORELINE
Home | Community | Business | Government | Emergency | I want to...

Government » Departments » Administrative Services

Ten Year Financial Sustainability Project

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Overview & History

As a result of past actions on the part of the State Legislature and Washington's voters, Washington's governments share a common problem: revenues grow slower than the costs of providing services. Shoreline's City Council is concerned that existing revenues may not grow enough to maintain current service levels.

To address this problem, the City Council adopted a goal and formed a Subcommittee to develop a 10-Year Financial Sustainability Plan (10 YFSP). The purpose of the 10 YFSP is to strengthen Shoreline's economic base by identifying options to balance revenues with costs.

Staff developed a financial model for revenues. They also developed a model for Shoreline's core and quality-of-life services (costs). The model confirmed that costs for existing services could exceed revenues within the next 10 years. Over six meetings during the first quarter of 2014, the Subcommittee has:

- Discussed the challenges to sustainability;
- Analyzed the City's financial forecast, base scenario, and various economic development, revenue and expenditure strategies;
- Reviewed the City's core and quality-of-life-services;
- Developed preferred alternative strategies; and,
- Finalized recommended alternative strategies for the City Council to consider.

Contact
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Administrative Services
Director
(206) 801-2301
slane@shorelinewa.gov

<http://www.shorelinewa.gov/government/departments/administrative-services/ten-year-financial-sustainability-project>

10 YFSP Development

Various strategies discussed by City Council Subcommittee
(<http://www.shorelinewa.gov/home/showdocument?id=16962>)

- Cost Containment Options
- Economic Development Strategies
- Cost Recovery
- Revenue Options Discussed
 - Property Tax
 - Sales Tax
 - Gas Tax
 - Utility Revenues
 - Gambling Tax
 - Business and Occupation (Gross Receipts) Tax
 - Additional Revenue Generating Business License Fee
 - Expansion of the \$20 Transportation Benefit District Fee

10 Year Financial Sustainability

- The Plan

- ❑ *Strategy 1*: Economic Development
- ❑ *Strategy 2*: Reduce cost growth rate
- ❑ *Strategy 3*: Increase investment returns
- ❑ *Strategy 4*: Evaluate fees and cost recovery
- ❑ *Strategy 5*: Replace GF support of Roads Capital Fund
- ❑ *Strategy 6*: Possible implementation of a B&O Tax
- ❑ *Strategy 7*: Levy Lid Lift renewal

<http://www.shorelinewa.gov/government/departments/administrative-services/ten-year-financial-sustainability-project>

10 YFSP Implementation

- ✓ *Strategy 1*: Economic Development
- ✓ *Strategy 2*: Reduce cost growth rate
- ✓ *Strategy 3*: Increase investment returns
- ✓ *Strategy 4*: Evaluate fees and cost recovery
- ❑ *Strategy 5*: Replace GF support of Roads Capital Fund
- ❑ ***Strategy 6*: Possible implementation of a B&O Tax**
- ✓ *Strategy 7*: Levy Lid Lift renewal

<http://www.shorelinewa.gov/government/departments/administrative-services/ten-year-financial-sustainability-project>

STRATEGY 6- OPTIONS TO CONSIDER

- Expand Revenue-Generating Business License Fee Based on Square Footage and/or Employees
- Gross Receipts Tax
Options for implementation

BUSINESS OUTREACH SURVEY RESULTS

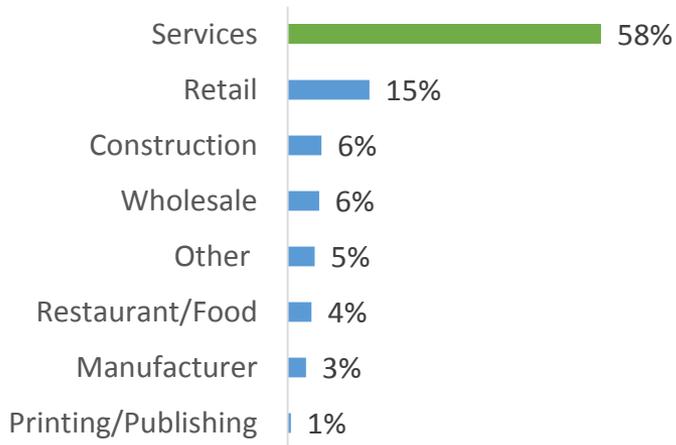
Who did we hear from?

75%

of respondents

Have a business located in Shoreline

Business Sectors Represented



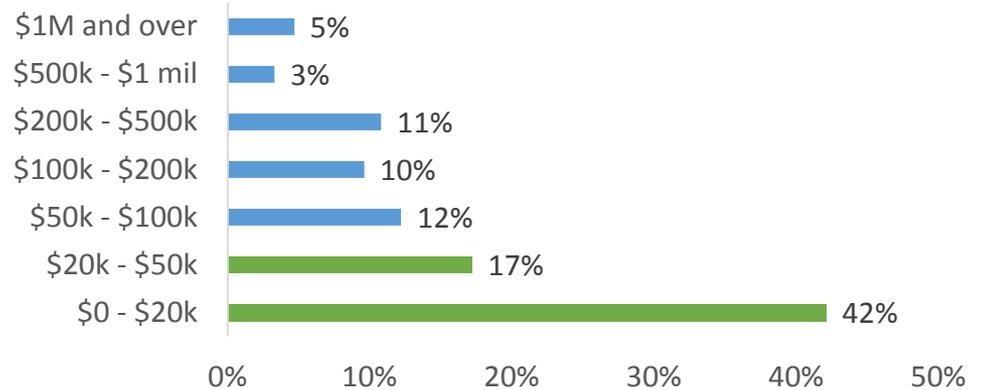
80%

of respondents

Don't pay taxes to other cities

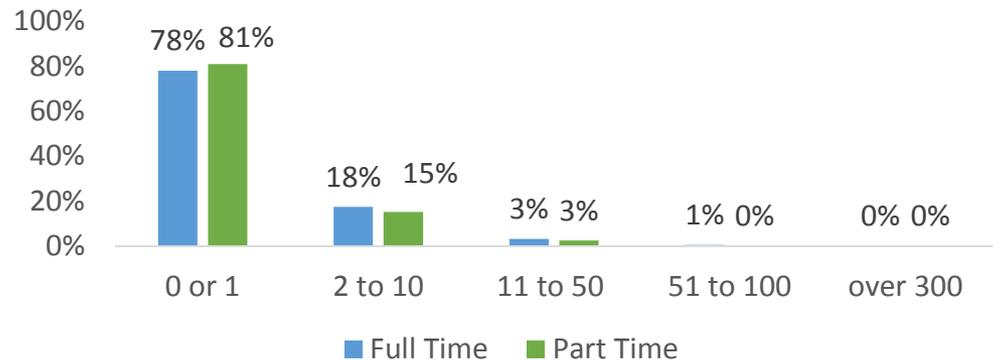
More than half of respondents earn less than \$50,000 annually

Annual Gross Receipts/Revenues N=361



80% of respondents have 0 to 1 full- or part-time employees

Number of Employees



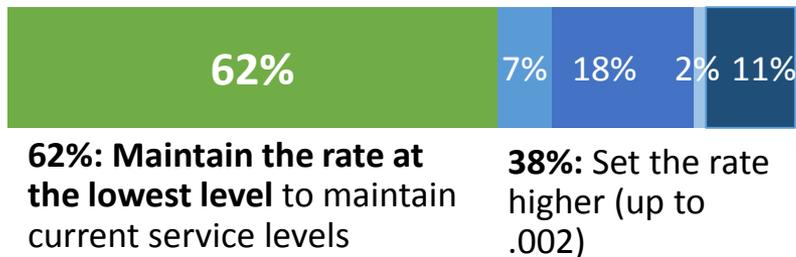
What were their preferences?

The majority of respondents preferred the tax calculation be simple.

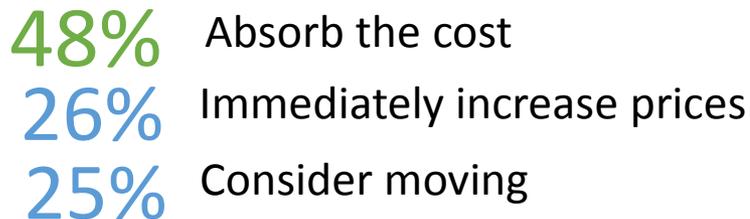
It is important to me that the tax calculation...



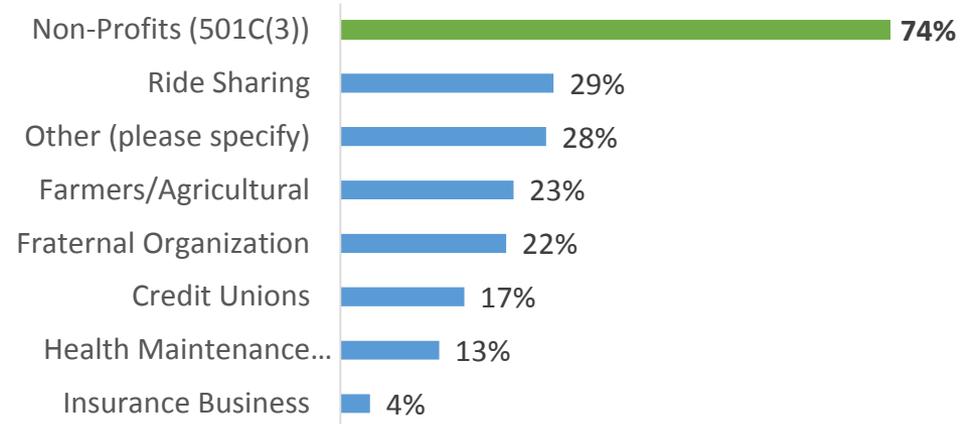
Rate preferences



If the City were to impose a B&O tax rate of .001, my business would...



Preferences for activities that should be exempt from taxation:



Which services provided by the City are most important to you as a business?



FINANCIAL SUSTAINABILITY

Discussion