

# Ten Year Financial Sustainability Project

Public Open House

Shoreline City Hall

May 14, 2014



# Tonight's Agenda

- Convene 6:30
- Introduction 6:35
- Presentation and Discussion 6:40
- Subcommittee Recommendations 7:10
- Financial Model 7:20
- Audience Questions 7:40
- Final Comments/Discussion 8:10
- Adjourn 8:30

# Introduction

Debbie Tarry  
City Manager





# Discussion Questions



What City services do you use?

What City services do you most value?

What services would you maintain and what services would you change?

# Presentation



# 10-Year Financial Sustainability Project

- 2012 – Council concern
- 2013-15 – Council Goal 1
  - Action Step 3

# History

- Comprehensive Housing Strategy (January 2008)
- Vision 2029 (2009)
- Community Priorities/Long-Range Financial Planning (2009)
- Investing in Our Future (2009)
- 2012-17 Economic Development Plan (2012)
- Citizen Satisfaction Survey (2012)
- Comprehensive Plan Update (2012)
- 2013-15 City Council Goals & Workplan (2013)

# Consistency

- Consistent themes
  - Housing diversity
  - Maintain services
  - Economic development



## Discussion Questions



Do you think Shoreline should offer more housing options?

What kind of economic development would you like to see in the community?

# Process

- Developed base model / base scenario
- Evaluated / prioritized services (Core v. QOL)
- Economic Development, Revenue, Expenditure Strategies
- 6 Council Subcommittee meetings (1/13 – 3/31)
- 2 City Council updates (2/24, 3/17)
- Open House (tonight)
- City Council action (scheduled for 6/16)

**2014**

# Subcommittee Meetings

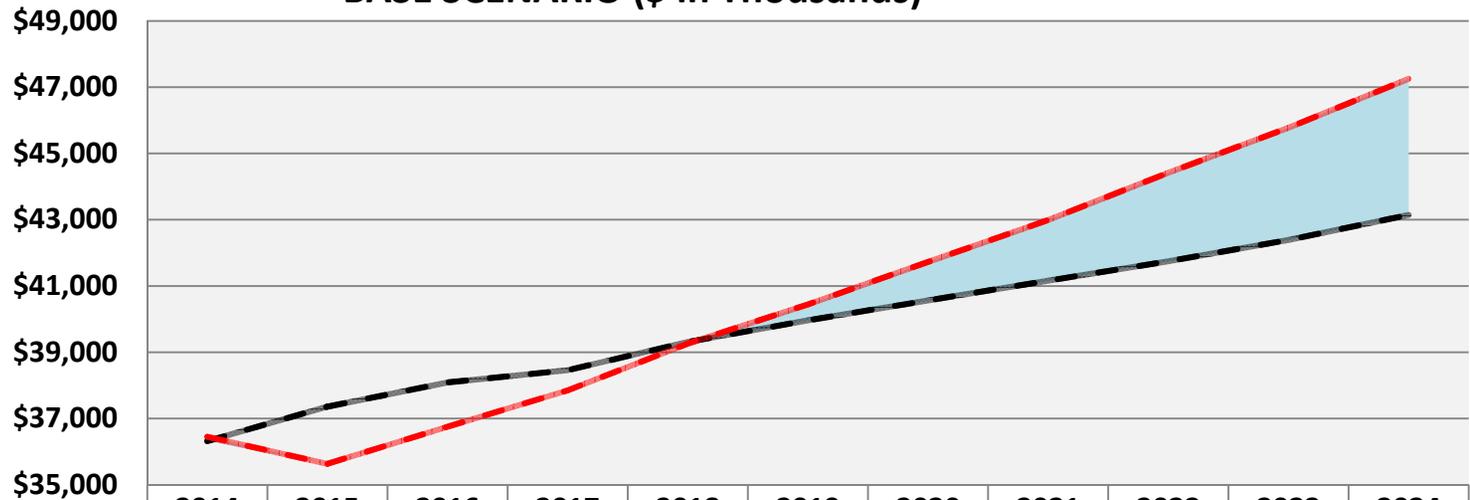
1st January 13	2nd January 28	3rd February 10	4th February 24	5th March 1	6th March 31
Introduced the Process					
	Economic Development & Revenue Strategies				
		Expenditure Strategies			
			Weighed Alternative Strategies		
				Developed Preferred Alternatives	
					Finalized Recommended Alternatives

# Problem / Challenges

- Revenue growth constrained
- Residents support current service levels
- Development opportunities limited



### BASE SCENARIO (\$ in Thousands)

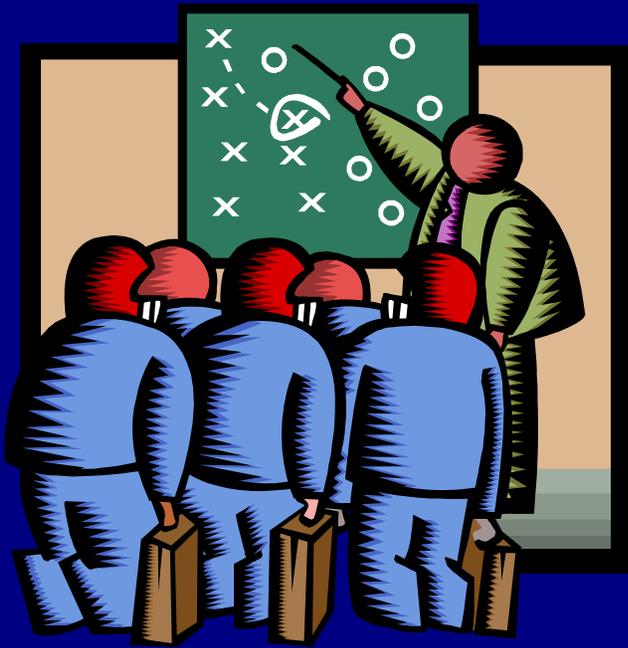


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>ANNUAL SURP/(GAP)</b>	(133)	1,727	1,336	610	45	(477)	(686)	(667)	(839)	(715)	(726)
<b>CUMULATIVE (GAP)</b>	(133)	-	-	-	-	(477)	(1,163)	(1,830)	(2,670)	(3,385)	(4,111)
<b>VARIANCE BASE</b>	36,450	35,633	36,752	37,851	39,262	40,442	41,727	42,989	44,415	45,776	47,253
<b>BASE REVENUE</b>	36,317	37,360	38,088	38,461	39,308	39,965	40,564	41,159	41,745	42,391	43,142
<b>SCENARIO REVENUES</b>	36,317	37,360	38,088	38,461	39,308	39,965	40,564	41,159	41,745	42,391	43,142
<b>BASE EXPENDITURES</b>	36,450	35,633	36,752	37,851	39,262	40,442	41,727	42,989	44,415	45,776	47,253
<b>SCENARIO EXPENDITURES</b>	36,450	35,633	36,752	37,851	39,262	40,442	41,727	42,989	44,415	45,776	47,253

#### Assumptions:

1. Revenues projected at 101%. Expenditures projected at 98%.

# Subcommittee Expectations



- Develop preferred alternative strategies
- Use strategies in annual budget process
- Close potential gaps before they occur
- Keep the budget balanced
- Maintain required reserves



## Discussion Question



Do you agree with the Subcommittee's expectations?

# Strategies & Targets

As we discuss the Subcommittee's Strategies and Targets we will be stopping to ask the same basic questions in each area:

Are the targets too high, too low, or just right?

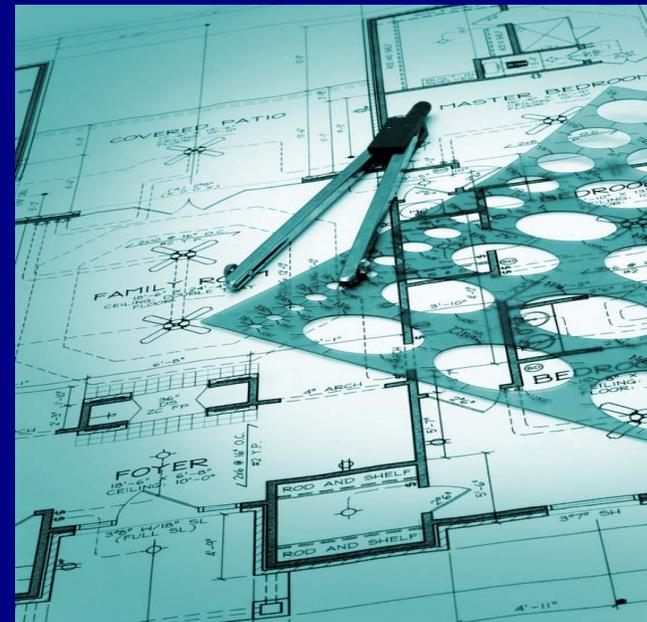
Please keep these questions in mind



# Economic Development



- Single Family Residential (SFR) Growth
- Multi-Family Residential (MFR) Growth
- Commercial Growth
  - Retail Business Growth
  - Non-Retail Business Growth
- Combination



## Subcommittee Analysis: Economic Development

- Single Family growth capacity
- Multi-Family growth capacity
- Commercial growth – redevelopment
- Combination



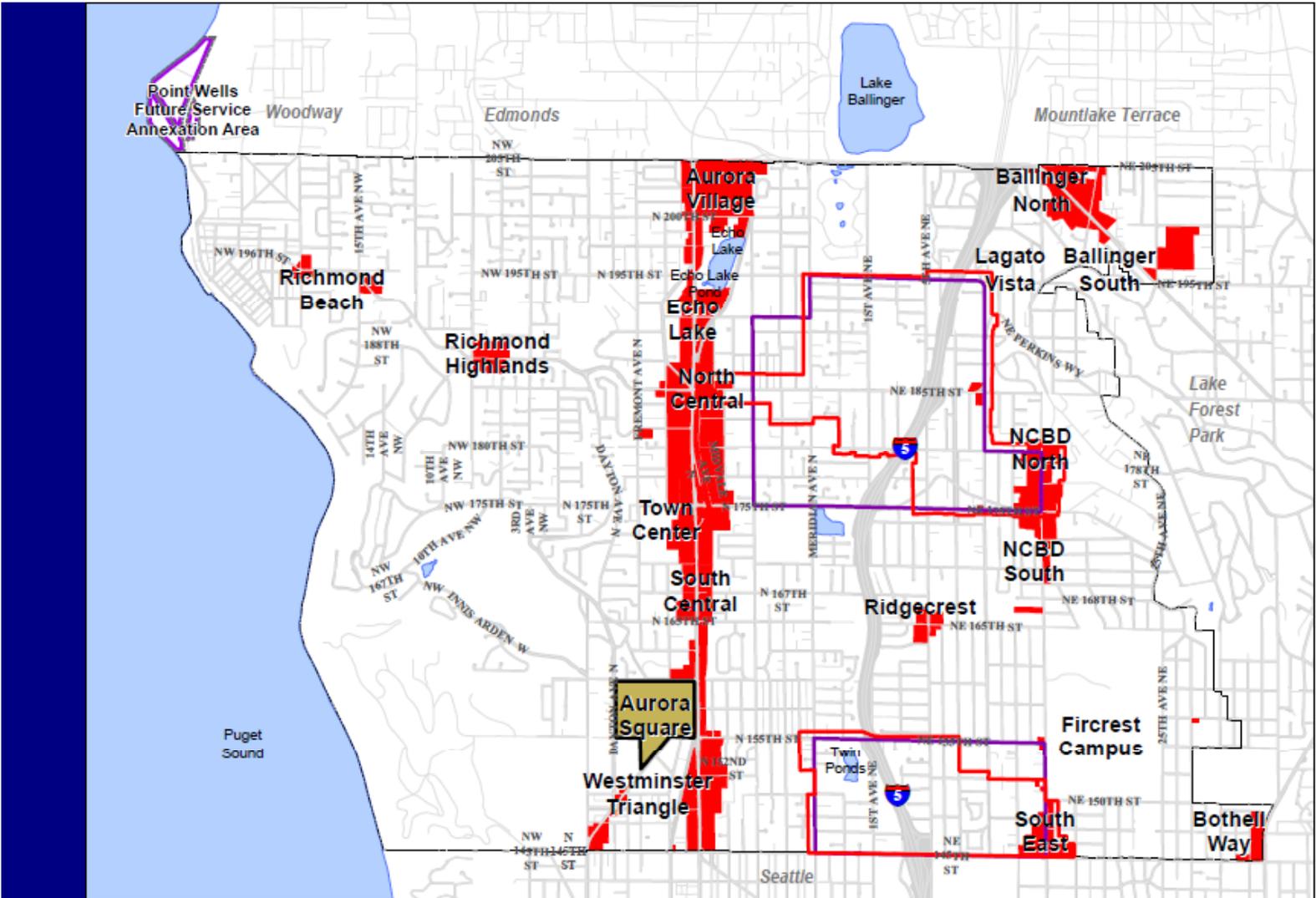
City of Shoreline  
COMPREHENSIVE PLAN

- Community Renewal Area
- Commercially Zoned
- Land Use Study Area
- Mobility Study Area

The map illustrates the commercial districts available for development in the City of Shoreline.

0 500 1,000 2,000 Feet  
This map is not an official map. No warranty is made concerning the accuracy, currency, or completeness of data depicted on this map.

Commercial Districts

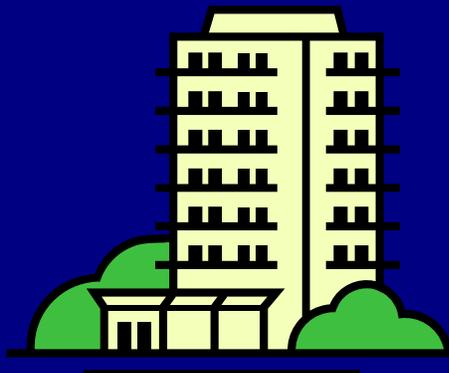




# Subcommittee Targets: Economic Development



- Increased growth is possible
  - 160 units of additional MFR per year
  - 7,500 sq ft of additional retail redevelopment per year





# Discussion Questions



- Do you think the Subcommittee's economic development target is too high? too low? about right?
- Why?



# Revenues



- Property Tax
- Sales Tax
- Gas Tax
- Utility Taxes / Franchise Fees
- Gambling Tax
- Cost Recovery (Fees)
- Business & Occupation Tax
- Business License Fee
- Transportation Benefit District (TBD) Fee



# Subcommittee Analysis: Revenues

## Not Considering

- Increased Utility Taxes / Franchise Fees
- Increased Gambling Tax
- Revenue-generating Business License Fee

# Subcommittee Analysis: Revenues (Cont'd)

## Further Consideration

- Increased Fees
- Long-term strategies for Property, Sales, & Gas Taxes
- Transportation Benefit District Fee increase
- Property Tax Levy Lid Lift renewal
- Business & Occupation Tax



# Subcommittee Targets: Revenues



- Increase investment earnings
- Increase fees
- Explore B&O Tax
- Consider renewal of levy lid lift



# Discussion Questions



- Do you think the Subcommittee's revenue targets are too much? too little? about right?
- Why?

# Expenditures

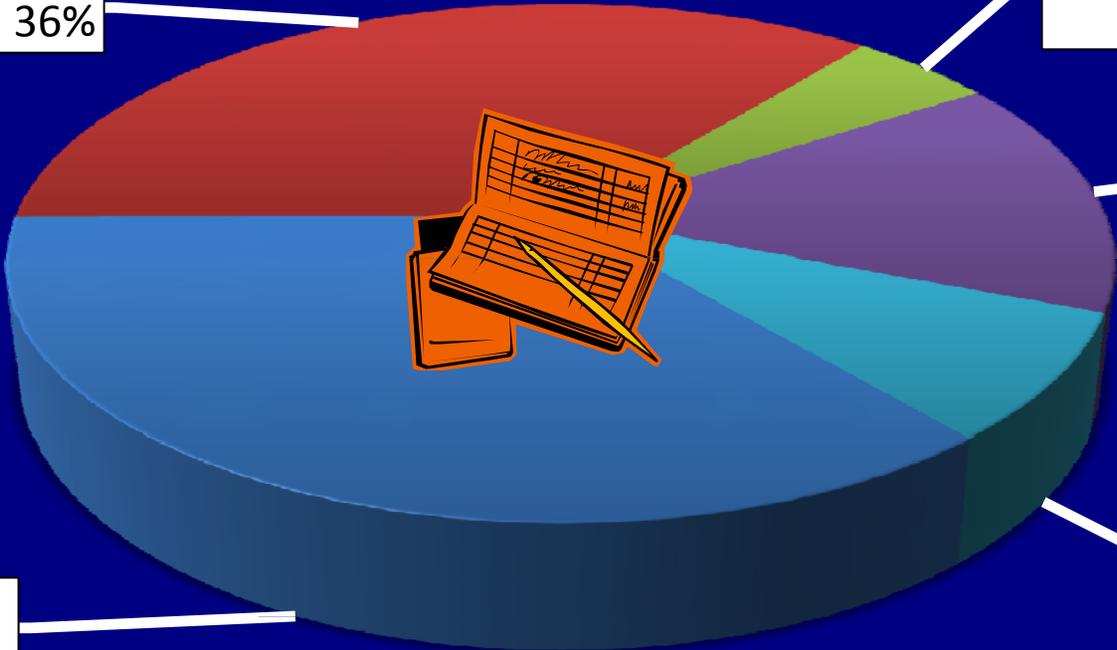
Public Safety, 36%

Transfers to Other Funds, 5%

Services & Charges, 15%

Salaries and Benefits, 36%

All Other, 8%



# Subcommittee Analysis: Expenditures

- Salaries and Benefits
- Public Safety
- Services and Charges
- Transfers to Other Funds
- Other



## Subcommittee Targets: Expenditures



- Reduce expenditure growth 0.2% per year
- Identify new source for street maintenance



# Discussion Questions



- Do you think the Subcommittee's expenditure targets are too much? too little? about right?
- Why?

# Subcommittee Recommendations

- Recommendations (First year impacted)
  - MFR and retail economic development
  - Reduce expenditure growth – 0.2% per year
  - Increase investment returns – 1.0% per year
  - Study fee increases
  - Identify new source for street maintenance
  - Discuss new B&O Tax with business community
  - Discuss levy lid lift renewal

# Modeling the Options

- Base Scenario
- Various options

# Base Scenario

- Baseline forecast
- Revenues – 101% of Budget
- Expenditures – 98% of Budget

# Model Demonstration





## Discussion Question



Is there an option you would like to see modeled that has not been discussed tonight?

# Questions

## Final Comments / Feedback

[http://shorelinewa.gov/government/departments/  
administrative-services/ten-year-sustainability-plan](http://shorelinewa.gov/government/departments/administrative-services/ten-year-sustainability-plan)

