



## CITY COUNCIL SPECIAL MEETING AGENDA

June 23, 2014

7:00 p.m.

PAGE NO.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. CORRESPONDENCE FOR THE RECORD
  - a. Letter Dated May 9, 2014, from Rt. Rev. Gregory H. Rickel, Episcopal Diocese of Olympia, and Washington Chapter Leader Kate Beck, Moms Demand Action for Gun Sense in America. 3.
  - b. Email Dated June 13, 2014, from Attorney Joseph A. Breidenbach Regarding David Yeats / Burien Route #102. 7.
  - c. Email Dated June 17, 2014, from Gary Bills Regarding "A Place for Pets." 9.
5. BUSINESS ITEM
  - a. Approve Proclamation Recognizing the White Center Jubilee Days Event. 11.
6. DISCUSSION ITEMS
  - a. City Council Team Building Activity.
  - b. Discussion of Draft Economic Development Goals and Actions. 13.
  - c. Presentation and Discussion of the 2015-2020 Financial Forecast. 31.
7. ADJOURNMENT

### COUNCILMEMBERS

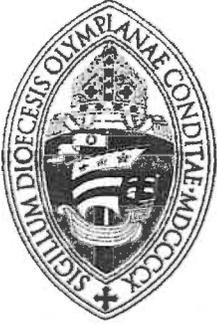
Lucy Krakowiak, Mayor  
Lauren Berkowitz

Bob Edgar, Deputy Mayor  
Gerald F. Robison  
Nancy Tosta

Stephen Armstrong  
Debi Wagner

City Hall, 400 SW 152<sup>nd</sup> Street, 1<sup>st</sup> Floor





# The *Episcopal* Diocese of Olympia

The Episcopal Church in Western Washington

www.ecww.org

**The Rt. Rev. Gregory H. Rickel**  
Bishop of Olympia  
grickei@ecww.org

May 9, 2014

The Honorable Lucy Krakowiak  
400 SW 152nd Street  
Suite 300  
Burien, WA 98166

RECEIVED

MAY 14 2014

City of Burien

Dear Mayor Krakowiak,

We are writing to urge you to join twenty other Washington mayors, including Seattle Mayor Ed Murray, to become a member of the largest gun violence prevention advocacy organization in the nation, Mayors Against Illegal Guns.

Mayors Against Illegal Guns, a program of Everytown for Gun Safety, is a national bipartisan coalition of mayors from 44 states dedicated to making America's communities safer by cracking down on illegal guns. Participating mayors are united in the belief that support for the Second Amendment goes hand-in-hand with saving lives by keeping guns out of the hands of criminals and others who should not have them.

The mayors advocate for common-sense public safety policies that will save lives and give law enforcement the tools they need to reduce gun violence. Their top national legislative priority is advocating for comprehensive and enforceable background checks. It's a life-saving policy that is supported by nine out of ten Americans.

As a member of Mayors Against Illegal Guns, you will have opportunities to meet and share ideas with mayors from around the country, exploring strategies that have helped mayors reduce gun crime in their communities. You will also be sending an important message to your constituents and fellow mayors that Burien stands with so many other towns and cities in supporting proven gun violence prevention policies that save lives.

This vast network of mayors (and its more than 1.5 million grassroots supporters) is further bolstered by its partnerships with other national organizations such as Moms Demand Action For Gun Sense in America, a network of more than 145,000 moms, and Faiths United To Prevent Gun Violence, a coalition of more than 50 national faith denominations and groups. With over a thousand current and former coalition members, Mayors Against Illegal Guns is formidable. When you add moms and faith leaders, they're unstoppable.

CPTR: 6/23/14  
cc: Chief Kimerer

1551 Tenth Avenue East | Seattle, Washington 98102  
206 325 4200 telephone | 206 325 4631 fax | 800 488 4978 wa | online at [www.ecww.org](http://www.ecww.org)

There are no membership fees or other obligations, and joining is as simple as signing the Statement of Principles provided with this letter and faxing it to (917) 410-6932 or emailing it to [mayors@everytown.org](mailto:mayors@everytown.org).

For more information about the coalition's activities, please visit <http://demandaction.org> or contact Cyrus Garrett, the Coalition Coordinator at (646) 324-8212 or [cgarrett@everytown.org](mailto:cgarrett@everytown.org).

We look forward to working with you to make our communities safer.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory H. Rickel".

The Rt. Rev. Gregory H. Rickel  
Episcopal Diocese of Olympia

A handwritten signature in black ink, appearing to read "Kate Beck".

Ms. Kate Beck  
Washington Chapter Leader  
Moms Demand Action For Gun Sense in America



# MAYORS AGAINST ILLEGAL GUNS

## STATEMENT OF PRINCIPLES

Whereas: 30,000 Americans across the country are killed every year as a result of gun violence – including 12,000 who are murdered – destroying families and communities in big cities and small towns; and

Whereas: As Mayors, we are duty-bound to do everything in our power to protect our residents, especially our children, from harm, and there is no greater threat to public safety than the threat of illegal guns;

Now, therefore, we resolve to work together to find innovative new ways to advance the following principles:

**PUNISH** – to the maximum extent of the law – criminals who possess, use, and traffic in illegal guns.

**TARGET** and hold accountable irresponsible gun dealers who break the law by knowingly selling guns to straw purchasers.

**EXTEND** background check requirements to all gun sales, including the private sales that take place online and at gun shows.

**OPPOSE** all federal efforts to restrict cities' right to access, use, and share trace data that is so essential to effective enforcement, or to interfere with the ability of the Bureau of

Alcohol, Tobacco, Firearms and Explosives to combat illegal gun trafficking.

**KEEP** lethal, military-style weapons and high-capacity ammunition magazines off our streets.

**WORK** to develop and use technologies that aid in the detection and tracing of illegal guns.

**SUPPORT** all local, state, and federal legislation that targets illegal guns; coordinate legislative, enforcement, and litigation strategies; and share information and best practices.

**INVITE** other cities to join us in this new national effort.

TO JOIN MAYORS AGAINST ILLEGAL GUNS, please print and sign the statement below, and send a scanned copy to [mayors@everytown.org](mailto:mayors@everytown.org) or fax it to (917) 410-6932.

<b>MAYOR'S SIGNATURE</b>	<b>DATE</b>	<b>MAYOR'S NAME - please print</b>
<b>MAYOR'S OFFICE ADDRESS</b>		<b>CITY, STATE, ZIP</b>
<b>MAYOR'S TELEPHONE</b>		<b>MAYOR'S EMAIL ADDRESS</b>
facebook.com/ <b>MAYOR'S FACEBOOK URL</b>		@ <b>MAYOR'S TWITTER HANDLE</b>
<b>STAFF CONTACT NAME</b>		<b>STAFF MEMBER'S TELEPHONE</b>
<b>STAFF TITLE</b>		<b>STAFF EMAIL</b>
<b>MAYORAL TERM - MM/YYYY to MM/YYYY</b>		<b>ELECTED AS - e.g. Rep., Dem., Ind., non-partisan</b>



**Monica Lusk**

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**Subject:** FW: David Yeats / Burien Route # 103

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**From:** Erika Melroy [<mailto:EMelroy@recology.com>]  
**Sent:** Wednesday, June 18, 2014 8:29 AM  
**To:** Nhan Nguyen; Maiya Andrews  
**Subject:** FW: David Yeats / Burien Route # 103

Hi Nhan and Maiya,  
Just thought you'd like to see this email from a constituent. Made our day!  
Erika

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**From:** DUI Joe [<mailto:dui joe@gmail.com>]  
**Sent:** Friday, June 13, 2014 10:12 AM  
**To:** Recology CleanScapes Burien; Joe  
**Subject:** David Yeats / Burien Route # 103

**Sole Practitioner ~ WSBA #7582**  
**Law Office of**  
**JOSEPH A. BREIDENBACH**  
**149 SW 154TH \* BURIEN, WA 98166-2315 \* (206) 246-3333**

Joe Ogden  
Recology/CleanScapes  
117 South Main Street #300  
Seattle, WA 98104

[Burien@cleanscapes.com](mailto:Burien@cleanscapes.com)  
206-767.3322

Regarding: Driver David Yeats on Route 103 at 16631 Sylvester Road, Burien, WA

Dear Mr. Ogden:

I want to draw something to your company's attention. I do not know if you are the appropriate person to receive this information but if you are not, I would appreciate it if you would forward it to the appropriate person/people.

About 8:20 AM this morning some noise in my front yard caught my attention and I looked out the window. I saw your driver pulling my garbage can from near my front steps, down the driveway, and put it into position where it could be picked up. As I was watching, he also he bent down and picked up some trash laying on the street and put it into the garbage can before he got back into his truck to pick up my garbage can. After that he continued on his route down Sylvester Road S. W.

Later, I was walking out to my car to leave for work when I saw the same truck coming back up Sylvester Road, picking up garbage cans on the other side of the street. I

CFTR: 6/23/14

waived down the driver to thank him for a job well done. I also wanted to get his name so that I could identify him so that I could write this letter to you to give him the recognition that I think that he deserves.

I know that this might seem like a small thing. I do not know what your rules are for your drivers but what I do know is this: Mr. Yeats had absolutely no reason to think that anyone was watching him nor did he have any reason to think that anyone would ever notice his extra effort.

I really appreciate him and people like him. Mr. Yeats makes the world a better place.

Sincerely,

Joseph A. Breidenbach

Copy sent via U. S. P. S. to both Joe Ogden and to at  
Recology/CleanScapes  
117 South Main Street #300  
Seattle, WA 98104

**Monica Lusk**

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**From:** Public Council Inbox  
**Sent:** Wednesday, June 18, 2014 7:39 AM  
**To:** 'gary'  
**Cc:** Nhan Nguyen  
**Subject:** RE: A Place for Pets

Mr. Bills,

Thank you for writing the City Council to express your concerns. Your email will be included in a future Council agenda packet as Correspondence for the Record.

Sincerely,

Monica Lusk  
City Clerk  
City of Burien  
(206) 248-5517  
[monical@burienwa.gov](mailto:monical@burienwa.gov)  
[www.burienwa.gov](http://www.burienwa.gov)

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**PUBLIC RECORDS DISCLOSURE:** This e-mail is a public record of the City of Burien and is subject to public disclosure, unless lawfully exempt

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**From:** gary [<mailto:gerb704@clear.net>]  
**Sent:** Tuesday, June 17, 2014 7:43 PM  
**To:** Public Council Inbox  
**Subject:** A Place for Pets

To the Council,

It has come to my attention that *A Place for Pets* in Burien is selling kittens that have not been neutered. They do NOT include a voucher to get the kittens neutered after purchase.

To my thinking, this is irresponsible. Burien already has enough problems with feral cats and unwanted litters without having a store compounding the problem. I understand that they charge eighty-five dollars for each kitten. For this amount, they could certainly see that the kitten is neutered.

Gary Bills  
110 SW 118th Place  
Burien, Wa. 98146

CFTR: 6/23/14

CC: Nhan Nguyen, Management Analyst





**PROCLAMATION  
OF THE CITY OF BURIEN  
Washington**

**A PROCLAMATION OF THE BURIEN CITY COUNCIL OF THE CITY OF BURIEN,  
WASHINGTON RECOGNIZING**

**THE WHITE CENTER JUBILEE DAYS EVENT**

WHEREAS, the White Center Jubilee Days, a Seattle Seafair-sanctioned community event, started 91 years ago in 1923 in White Center, Washington; and

WHEREAS, the White Center Jubilee Days is an opportunity for everyone to eat, drink, dance, shop, golf and enjoy numerous family-friendly events.

WHEREAS, the White Center Jubilee Days has been well-attended by residents and businesses from Burien, Seattle and King County.

WHEREAS, this year, the White Center Jubilee Days will take place from July 12-20 with a Fireworks Show on July 16<sup>th</sup>, a Parade on July 19<sup>th</sup>, and Street Fair on July 19<sup>th</sup> and 20<sup>th</sup>, among other activities.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BURIEN, WASHINGTON, DOES  
HEREBY ASK ALL BURIEN RESIDENTS TO JOIN TOGETHER TO RECOGNIZING

**THE WHITE CENTER JUBILEE DAYS EVENT**

as a fun, family-friendly, community-oriented event and encourages all residents and businesses to attend.

Dated this 23<sup>rd</sup> day of June, 2014.

Mayor Lucy Krakowiak

Deputy Mayor Bob Edgar	Councilmember Stephen Armstrong
Councilmember Lauren Berkowitz	Councilmember Gerald Robison
Councilmember Nancy Tosta	Councilmember Debi Wagner

City of Burien

Mayor



**CITY OF BURIEN  
AGENDA BILL**

<b>Agenda Subject:</b> Discussion of Draft Economic Development Goals and Actions		<b>Meeting Date:</b> June 23, 2014
<b>Department:</b> City Manager	<b>Attachments:</b> 1) Goals and Actions. 2) Vision. 3) Staff Observations. 4) Next Steps.	<b>Fund Source:</b> N/A <b>Activity Cost:</b> \$0 <b>Amount Budgeted:</b> \$0 <b>Unencumbered Budget Authority:</b> \$0
<b>Contact:</b> Dan Trimble, Economic Development Manager		
<b>Telephone:</b> (206) 248-5528		
<b>Adopted Work Plan Priority:</b> Yes No <input checked="" type="checkbox"/> X	<b>Work Plan Item Description:</b>	
<b>PURPOSE/REQUIRED ACTION:</b>		
The purpose of this agenda item is for the City Council to discuss Economic Development Goals and Actions for the 2015-2016 budget cycle and beyond.		
<b>BACKGROUND (Include prior Council action &amp; discussion):</b>		
The Council completed the Economic Development Strategic Plan process on June 9, 2014 and initiated a new effort to define the City's Economic Development Goals and Actions for the 2015-2016 budget cycle and beyond. All Council members submitted Goals and Actions to staff. Staff has compiled and organized the submitted items into a single list of Goals and Actions (Attachment 1).		
Staff has also included for the discussion the Economic Development Vision from the previous planning process Attachment 2) and several staff observations (Attachment 3) for consideration.		
The draft list of next steps related to this effort is included as Attachment 4. This includes the Economic Development Dialog on September 27, 2014.		
<b>OPTIONS (Including fiscal impacts):</b> N/A		
<b>Administrative Recommendation:</b> Discuss Draft Economic Development Goals and Actions, and provide direction to Staff as appropriate.		
<b>Advisory Board Recommendation:</b> None.		
<b>Suggested Motion:</b> None.		
Submitted by: Dan Trimble Administration 		City Manager 
<b>Today's Date:</b> June 18, 2014	<b>File Code:</b> R:\CC\Agenda Bill 2014\062314cm-1 EconDevGoals.docx	



## **Economic Development Goals and Actions**

### **Goal A: Attract and retain businesses through an active business retention and recruitment program**

1. Action: Fill vacant storefronts in town square (Continue to pressure fed level for reduction of price, actively recruit, finish interior).
2. Action: Capitalize on proximity to SeaTac airport, the City of Seattle, and available open space capacity for more & diverse business opportunities.
3. Action: Profile Burien's businesses – types, number of employees, average revenue and for those that have left/failed – the reasons why.
4. Action: Develop a business retention and recruitment plan that addresses the following:
  - What kinds of information do we need to help Burien retain and recruit businesses?
  - What can the city do to help Burien businesses prosper?
  - What would entice businesses to locate in Burien?
  - What kinds of businesses would citizens like to see in Burien?
  - What kinds of businesses would entice regional consumers to visit and shop in Burien?

### **Goal B: Improve the branding and marketing of Burien, including our businesses and many natural assets**

1. Action: Developing a Burien Brand (What amenities or theme can Burien leverage?).
2. Action: Market Seahurst Park as a destination.
3. Action: Help existing business to prosper (newsletter, joint advertising, and partner more with Discover Burien).
4. Action: Support a Shop Burien campaign. Find out why 53% of people living in Burien regularly shop elsewhere (what do we need to supply the needs of the community) compared to other cities at 20%.
5. Action: Survey the community to understand why they shop elsewhere and what would help them shop in Burien (do this with representation from a wide cross-section of residents).
6. Action: Work with Discover Burien to amplify marketing and branding opportunities. Explore holding public markets on Sunday and invite local restaurants to provide a food court.

**Goal C: Balance support for businesses with support for the workers who make those businesses possible as employees and who support for the consumer base**

1. Action: Evaluate and implement best practices for ensuring Burien is home to a strong workforce with a high standard of living.
2. Action: Consider recruitment and retention of labor, and consider the context of neighboring cities that have implemented more favorable labor practices than our current practices.

**Goal D: Improve multi-modal transportation availability and choices**

1. Action: In response to significant citizen concern for the safety of pedestrians and recent transit cuts, the city will make increasing its pedestrian, bike, mass transit, and other non-automobile modes of transit among our highest priorities. The city will also attempt to address inequities within the current available options.

**Goal E: Explore opportunities for and enhance engagement and ownership in economic activities within Burien (e.g., cooperatives, value chains) that create more types of wealth and increase livelihoods**

1. Action: Clarify potential role of the city in promoting such efforts.

**Goal F: Improve the quality of life in Burien and restore Burien's image as a family friendly/business friendly community**

1. Action: Improve Public Safety.
2. Action: In response to significant citizen concern regarding animal control and animal care issues, the city will create a task force group to study and recommend policy around animal issues, including but not limited to CARES, animal control patrols, and stray cats.
3. Action: Use potential workforce to clean up Burien and help on work-crews.
4. Action: Survey and find out what families especially children living in Burien want for recreation/entertainment opportunities. There is nothing for a teenager to do in Burien on a Friday night for instance except go bowling.
5. Action: Encourage development of more middle and high end housing options.
6. Action: Enhance Burien's appeal to attract more business.
7. Action: Expand support and assistance to small businesses.
8. Action: Remove impediments to development.
9. Action: Make it easy to start a business and become more friendly and supportive of existing businesses/property owners/developers.

**Goal G: Pursue major developments that have a positive, large-scale impact on Burien's economic base**

1. Action: Explore all options for attracting a hotel to Burien, including co-location with conference, training, or performing arts facility. Identify sites, constraints, opportunities, and needed resources.
2. Action: Build out the Northeast Redevelopment Area with industrial/commercial development.
3. Action: Attract R&D firms, hi-tech manufacturing in the Northeast Redevelopment Area.
4. Action: Work in the Downtown area to promote infill developments, fill storefronts, pursue new development (multi-story buildings), and expanded existing businesses.
5. Action: Pursue major developments on the east side of First Ave, such as hotel or office.

**Goal H: Identify, support, and expand Burien's base of small businesses that contribute to the culture, diversity, and resiliency of our community, with a focus on businesses related to the arts and foods**

(These areas of emphasis recognize the existing basis in these sectors and the opportunity they provide for Burien to attract attention – and revenue, as well as grow green. These don't preclude other sectors such as health, auto, education, or tourist services, which already exist or are nascent).

1. Action: Identify city-owned vacant and under-utilized land that might potentially support art or food related sources of revenue and determine constraints, opportunities, and needed resources to take action.
2. Action: Identify ways to encourage and promote such businesses, such as incentives, training, special zoning districts (Arts, Food, Business, Tourist, etc), etc. Consider these options across all neighborhoods/corridors in Burien.
3. Action: Consider partnerships with the Skills Center and Highline Community College Small Business programs to identify opportunities to train and develop small-business entrepreneurs.
4. Action: Work with the Soundside Alliance, the SWKCC, and others regional organizations to leverage action throughout all Highline communities.



## Vision for Economic Development in Burien

Burien's citizens enjoy the benefits of both a small town setting and quick connections to regional and international business centers.

Burien's downtown and neighborhood centers are social, walkable, and safe. It has small-town sense of community while offering urban attractions typically only available in cities several times its size. The thriving downtown has international offerings of food and local arts that reflect its diverse and creative population.

Burien is a hub and a jumping-out point. Its central location in the Seattle-Tacoma metropolitan area and access to the region's major highways gives its citizens unsurpassed connections to business, recreational, cultural, and shopping opportunities. Many of its residents work in several business clusters: logistics, high-tech, wellness services, creative services, and international commerce. With Sea-Tac airport only five minutes away, others are able to work around the world without giving up the beauty of the environment and lifestyle in the Northwest.



## **Staff Observations**

### **Vision, Goals, and Actions**

During the previous Economic Development Strategic Planning process a Vision for Economic Development in Burien was drafted. That draft Vision is included in this packet as Attachment 2. This draft text could serve as the Vision for the current process, a placeholder during the current discussion of Goals and Actions, or could be replaced and modified as an additional part of this discussion. Staff has included a couple of examples from other cities that demonstrate the way the Vision, Goals, and Actions work together in their planning documents.

### **Previous process**

The previous planning process included some Actions that might have some relevance to the current Goals that are being discussed. For example:

#### **I.2 Evaluate parking in downtown**

The City should initiate a parking study that identifies current on-and-off street parking supply and demand, core parking challenges, and strategies and tools to reduce parking barriers to revitalization. Explore establishing a Parking and Business Improvement District.

Other Actions do not have a clear fit under the current set of Goals, but do have a connection to the draft Vision. For Example:

#### **IC.2 Create relationships at the state level and with other partners**

Burien could explore greater international connections by getting involved with trade and economic development oriented State agencies or organizations.

Staff is not recommending a wholesale inclusion of the proposed Actions from the previous effort. However, if the Council feels that some of these Actions are relevant to the current effort, then these could be considered as part of the current Goals and Actions effort.

### **Work Plan and Resources**

Another important consideration is the existing work plan elements that may still be in process during the 2015-2016 time frame as well as the day to day or on-going activities of staff that may not be included in the Goals and Actions document.

Given the short time frame in which these new Goals and Actions have been drafted, Staff has not had the opportunity to fully analyze them in regards to potential implementation time frame, staff resource allocation, or additional budget expenditures. Staff recommends that we proceed to do so as part of the 2015-2016 budget development process.

Finally, staff also suggests that the Council consider identifying priority actions under each goal, possibly a top two. This would be a helpful tool to focus resource allocation and program analysis and development as we complete the budget process and move into implementation.

## **Example from the City of University Place**

# Vision, Mission and Goals

## Vision

University Place has a vibrant and sustainable economy that encourages business growth, meets residents needs and supports quality services, parks, schools and community assets.

## Mission Statement

Grow and develop the City's business districts to create a liveable and economically vital community.

## Goals and Action Strategies

### Goal 1 - Retain existing businesses and assist in their development and expansion.

#### Action Strategies

- I. Provide business support and technical assistance
- II. Continue commercial redevelopment focused in targeted areas
- III. Leverage regional and other local Economic Development efforts

### Goal 2 - Market and promote University Place businesses, events, schools, arts and other community assets.

#### Action Strategies

- I. Continue to brand University Place as a tourism, shopping and recreation destination
- II. Continue to assist in marketing the Town Center project

### Goal 3 - Create a competitive business environment for current and future businesses.

#### Action Strategies

- I. Search for funding opportunities and advocate for the improvement of parks, streets, sidewalks and other basic infrastructure as resources permit
- II. Promote, review and propose business-related policies and practices that enhance business development
- III. Develop educational materials and continue to educate businesses about the permitting process and other business-related policies
- IV. Help businesses navigate the business development process by offering technical review committees, consultation with staff, and other assistance as appropriate
- V. Continue dialogue with business leaders and professional organizations regarding the local business environment

## **Example from the City of Shoreline**

Please note that this is a long-term, comprehensive strategy. The “7 Strategies” contain 34 identified actions. Implementation of these actions, however, will be subject to practical limitations, including resources and market factors.

### 1.) General Government, Outreach & Communications

#### Actions:

- Explore ways to leverage the City’s capital investments in transportation and other infrastructure facilities, especially Aurora Avenue, to support and encourage private reinvestment in commercial areas and the achievement of public goals. These investments benefit businesses in that they tie these areas together, they make both these areas and the main travel corridors more attractive, and they make the system function better. Promote a culture whereby city staff persons have good information about and an understanding of businesses’ needs. Encourage businesses and government together to plan adequately for various circulation, parking and access issues.
- Identify, establish and measure performance criteria.
- Continue to improve dialogue with businesses regarding improvements to the City’s permit system and ordinances impacting businesses.
- Continue to develop knowledge of local businesses, commercial and retail properties, development, and related community issues through various ways. These ways include proactive outreach to businesses and property owners.
- Enhance city-wide knowledge and discussion about the economy and the role of city-community partnerships.
- Develop knowledge of successful economic development strategies and actions undertaken by other cities.
- Develop a business registry/licensing system (a) to build a database of information about local businesses and properties and (b) to raise revenue to support the economic development program.

**2.) Major Investments, Recruitment & Attraction**

**Actions:**

- **Focus on Priority Sites**
  - A.) **Encourage redevelopment of Aurora Square/Westminster Triangle as a destination shopping or village center type development.**
  - B.) **Facilitate redevelopment planning of the Ronald Place-adjacent properties so that various development scenarios can take shape, with an increase to the success and sales activity of the businesses/properties. The City role may include right-of-way acquisition, street vacation, and road realignment.**
  - C.) **Undertake City investments and regulatory actions that will better implement the vision of the Central Subarea Vision Plan, particularly along Midvale Avenue. Look for ways to better encourage and leverage private investment that includes elements of the Vision Plan, such as multi-story buildings, mixed use developments and parking structures.**
  - D.) **Encourage jurisdictions to explore co-location or relocation of facilities in order to preserve tax-base opportunities and improve services. For example, encourage the Shoreline School District to explore the feasibility of relocating Shorewood High School to a new site if that would result in higher quality educational facilities, resolution of traffic and parking problems, and a more proactive relationship between the public schools and Shoreline Community College that would leverage their respective resources. In the event that the idea proves feasible, then support the School District and other civic leadership to explore the potential for productive commercial reuse of the current school property as a city center.**
- **Develop Resources:**
  - A.) **Identify resources to advise the City, assist in negotiations and dialogue with property owners and developers.**
  - B.) **Research and, if practical, develop different financial tools, grants, or approaches to partnership that might assist economic development. Review the existing or formulate new development incentives where appropriate to support priority development areas and designated Planned Action areas.**
- **Work on New "Areas of Opportunity":**
  - A.) **Work with innovative commercial developers, land owners, and brokers to identify and encourage investment in different areas of the City where new development might best occur.**
  - B.) **Future "areas of opportunity" may include the Aurora Park & Ride, Ballinger Way, or other sizeable public or private parcels. Streamline permits or city processes for commercial, retail and mixed-use development in these targeted areas to implement plans effectively.**



**Next Steps**

**July 14** – Additional meeting to discuss and refine Goals and Actions

**July 25 or September 12** – BEDP input on Goals and Actions

**September 27** – Economic Development Dialog Event

**October** – Additional meeting to conclude Goals and Actions discussion

**December** – 2015-2016 Budget adoption reflecting Goals and Actions



**CITY OF BURIEN  
AGENDA BILL**

<b>Agenda Subject:</b> Presentation and Discussion of the 2015-2020 Financial Forecast		<b>Meeting Date:</b> June 23, 2014
<b>Department:</b> Finance Department	<b>Attachments:</b> <a href="#">2015-2020 Financial Forecast PowerPoint Presentation</a>	<b>Fund Source:</b> N/A
<b>Contact:</b> Kim Krause, Finance Director		<b>Activity Cost:</b> N/A
<b>Telephone:</b> (206) 439-3150		<b>Amount Budgeted:</b> N/A <b>Unencumbered Budget Authority:</b> N/A
<p><b>PURPOSE/REQUIRED ACTION:</b> The purpose of this agenda item is to present and discuss the 2015-2020 financial forecast for the City's operating funds.</p> <p><b>BACKGROUND (Include prior Council action &amp; discussion):</b> Every two years on the even-numbered year, the City adopts a biennial budget. As a prelude to the biennial budget process, staff prepares a six-year forecast of the City's operating funds.</p> <p>The attached forecast includes the operating funds of the City. There are three primary operating funds that will be discussed in greater detail than the others – the General Fund, the Street Fund and the Surface Water Management Fund. The other funds included in the forecast are Public Works Reserve, Equipment Replacement Reserve, Art in Public Places, Capital Projects Reserve, Transportation Benefit District, Debt Service and Local Improvement District Guarentee.</p> <p>A follow-up meeting on July 14, 2014 has been proposed to continue discussion and receive Council direction on goals to consider during the 2015-16 budget preparation.</p>		
<b>Administrative Recommendation:</b> N/A		
<b>Suggested Motion:</b> N/A		
<b>Submitted by:</b> Kim Krause, Finance Director Administration 		<b>City Manager</b> 
<b>Today's Date:</b> June 18, 2014		<b>File Code:</b> <a href="#">\\File\records\CC\Agenda Bill 2014\062314ad-1 2015-2020 Financial Forecast.docx</a>



City of Burlen  
General Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars in Thousands)

The General Fund is the general operating fund of the City. It accounts for all financial resources and transactions except those required by State law or Council policy to be accounted for in another fund.

Fund	2014 Revised		2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
	2013 Actual	Budget								
General	Beginning Fund Balance		\$ 6,446	\$ 6,026	\$ 7,858	\$ 7,548	\$ 6,814	\$ 5,774	\$ 4,417	\$ 2,692
	Revenue	Property Tax	\$ 5,685	\$ 5,811	\$ 6,000	\$ 6,150	\$ 6,302	\$ 6,460	\$ 6,524	\$ 6,590
		Sales Tax*	6,816	6,590	7,275	7,455	7,679	7,909	8,146	8,031
		Business & Occupation Tax	570	563	570	570	576	581	587	593
		Utility Tax	2,882	2,895	2,805	2,850	2,936	3,024	3,114	3,208
		Gambling Tax	558	540	440	440	440	440	440	440
		Licenses, Permits & Franchise	1,502	1,280	1,455	1,465	1,509	1,554	1,601	1,649
		Intergovernmental	1,966	1,835	1,770	1,805	1,859	1,915	1,972	2,032
		Fees for Service	993	964	972	977	997	1,016	1,037	1,058
		Fine & Forfeitures	267	200	200	200	204	208	212	216
		Miscellaneous**	289	160	162	164	167	171	174	178
	Revenue Subtotal		\$ 21,526	\$ 20,838	\$ 21,649	\$ 22,076	\$ 22,668	\$ 23,278	\$ 23,808	\$ 23,993
	Other Financing Sources - Line of Credit		2,371	-	-	-	-	-	-	-
	Revenue Total		\$ 23,897	\$ 20,838	\$ 21,649	\$ 22,076	\$ 22,668	\$ 23,278	\$ 23,808	\$ 23,993
	Transfers In from Street and SWM funds (GIS)		\$ 75	\$ 75	\$ 100	\$ 100	\$ 100	\$ 100	\$ 110	\$ 110
	Expense	Salaries	\$ 3,574	\$ 3,919	\$ 4,023	\$ 4,184	\$ 4,351	\$ 4,525	\$ 4,707	\$ 4,895
		Benefits	1,270	1,435	1,544	1,668	1,801	1,945	2,101	2,269
		Supplies	183	192	197	202	207	212	217	222
		Services	3,533	3,923	3,821	3,917	4,014	4,115	4,218	4,323
		Intergovernmental	229	123	126	129	132	135	139	142
		Jail & District Court Services	764	779	798	818	839	860	881	903
		Police Contract	9,890	10,427	11,045	11,487	11,946	12,424	12,921	13,438
		Capital Outlay	2,423	18	50	51	53	54	55	57
	Expense Total		\$ 21,866	\$ 20,815	\$ 21,604	\$ 22,455	\$ 23,343	\$ 24,270	\$ 25,238	\$ 26,249
	Transfers out to Debt Service and Equipment Replacement		\$ 366	\$ 426	\$ 455	\$ 455	\$ 465	\$ 465	\$ 405	\$ 405
	Net Impact to Fund Balance		\$ 1,740	\$ (328)	\$ (310)	\$ (734)	\$ (1,040)	\$ (1,357)	\$ (1,725)	\$ (2,551)
	Ending Fund Balance		\$ 8,186	\$ 5,698	\$ 7,548	\$ 6,814	\$ 5,774	\$ 4,417	\$ 2,692	\$ 140
	Required 15% Ending Fund Balance (effective 1/1/14)		\$ 2,153	\$ 3,126	\$ 3,247	\$ 3,311	\$ 3,400	\$ 3,492	\$ 3,571	\$ 3,599
	Discretionary available / (deficit) fund balance		\$ 6,033	\$ 2,572	\$ 4,301	\$ 3,503	\$ 2,374	\$ 925	\$ (880)	\$ (3,459)

\*Includes .1% additional annexation sales tax credit from the State - expires in June 2020

\*\*2014 Revised Budget excludes interfund loan of \$2.7 million as the loan was not issued in 2013

City of Burien  
Street Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars In Thousands)

The Street Fund is required by State law to account for dedicated state-shared Motor Vehicle Fuel Tax that must be expended for street-related costs. These funds are used for street maintenance and transportation capital projects.

Fund			2014 Revised							
	2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
Street	<b>Beginning Fund Balance</b>		\$ 423	\$ 488	\$ 982	\$ 886	\$ 741	\$ 582	\$ 431	\$ 286
	<b>Revenue</b>									
		Solid Waste Utility Tax	\$ 394	\$ 350	\$ 325	\$ 330	\$ 340	\$ 350	\$ 361	\$ 371
		Parking Tax	158	150	170	170	173	177	180	184
		Business license fees	291	290	290	290	299	311	323	336
		Solid Waste Franchise Fees	227	475	685	700	711	721	732	743
		Motor vehicle fuel tax	1,146	984	985	985	1,015	1,055	1,103	1,152
		Miscellaneous	2	-	1	1	1	1	1	1
		<b>Revenue Total</b>	\$ 2,217	\$ 2,249	\$ 2,456	\$ 2,476	\$ 2,538	\$ 2,615	\$ 2,700	\$ 2,788
		<b>Transfers In</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>Expense</b>								
		Salaries	\$ 456	\$ 525	\$ 546	\$ 574	\$ 602	\$ 627	\$ 652	\$ 678
		Benefits	170	178	206	222	240	259	280	302
		Supplies	145	123	177	182	186	191	196	201
		Services	396	468	479	491	504	516	529	542
		Intergovernmental	196	325	333	341	350	359	368	377
		Capital Outlay	-	40	50	50	50	50	55	55
		<b>Expense Total</b>	\$ 1,363	\$ 1,659	\$ 1,792	\$ 1,860	\$ 1,932	\$ 2,002	\$ 2,079	\$ 2,155
		<b>Transfers to ER&amp;R, Debt Service Transportation CIP and General Fund</b>	\$ 330	\$ 555	\$ 760	\$ 760	\$ 765	\$ 765	\$ 765	\$ 765
		<b>Ending Fund Balance</b>	\$ 947	\$ 523	\$ 886	\$ 741	\$ 582	\$ 431	\$ 286	\$ 154
	<b>Required 5% ending fund balance</b>	\$ 111	\$ 112	\$ 123	\$ 124	\$ 127	\$ 131	\$ 135	\$ 139	
	<b>Discretionary available / (deficit) fund balance</b>	\$ 836	\$ 410	\$ 763	\$ 618	\$ 455	\$ 300	\$ 151	\$ 15	

City of Burien  
Surface Water Management Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars in Thousands)

The Surface Water Management Fund accounts for maintenance and capital improvements to the City's storm and surface water drainage system. This program is funded by fees collected from residential and commercial property owners.

Fund			2014 Revised							
	2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
SWM	<b>Beginning balance</b>		\$ 664	\$ 632	\$ 695	\$ 456	\$ 181	\$ 213	\$ 198	\$ 184
	<b>Revenue</b>									
		Fees for service	\$ 2,840	\$ 2,808	\$ 3,145	\$ 3,210	\$ 3,274	\$ 3,340	\$ 3,406	\$ 3,475
		Intergovernmental	306	45	-	-	-	-	-	-
		Miscellaneous	10	2	10	10	10	10	10	10
	<b>Revenue Total</b>		\$ 3,155	\$ 2,855	\$ 3,155	\$ 3,220	\$ 3,285	\$ 3,350	\$ 3,417	\$ 3,485
	<b>Transfers in</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Expense</b>									
		Salaries	\$ 630	\$ 771	\$ 813	\$ 862	\$ 914	\$ 969	\$ 1,017	\$ 1,058
		Benefits	242	320	351	379	410	442	478	516
		Supplies	95	117	120	123	126	129	132	136
		Services	213	490	502	515	527	541	554	568
		Intergovernmental	268	360	369	378	388	397	407	417
		Capital Outlay	368	-	50	50	50	50	50	50
		Debt Service	6	5	88	88	87	87	87	86
<b>Expense Total</b>		\$ 1,822	\$ 2,062	\$ 2,294	\$ 2,395	\$ 2,502	\$ 2,615	\$ 2,726	\$ 2,831	
<b>Transfers to SWM CIP and General Fund</b>		\$ 800	\$ 1,295	\$ 1,100	\$ 1,100	\$ 750	\$ 750	\$ 705	\$ 655	
<b>Ending Fund Balance</b>		\$ 1,197	\$ 129	\$ 456	\$ 181	\$ 213	\$ 198	\$ 184	\$ 183	
<b>Required 5% ending fund balance</b>		\$ 158	\$ 143	\$ 158	\$ 161	\$ 164	\$ 168	\$ 171	\$ 174	
<b>Discretionary available / (deficit) fund balance</b>		\$ 1,039	\$ (14)	\$ 298	\$ 20	\$ 49	\$ 31	\$ 13	\$ 8	

City of Burlen  
Public Works Reserve Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars in Thousands)

The Public Works Reserve Fund is utilized to accumulate funds for Capital Improvement Program projects. All funds are transferred to the Debt Service Fund.

Fund			2014 Revised							
	2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
Public Works Reserve	<b>Beginning Fund Balance</b>		\$ 381	\$ 239	\$ 71	\$ 72	\$ 78	\$ 94	\$ 91	\$ 92
	Revenue	Real Estate Excise Tax	\$ 1,133	\$ 1,002	\$ 970	\$ 990	\$ 1,030	\$ 1,081	\$ 1,135	\$ 1,192
		Fees for service	38	15	15	15	15	15	15	15
		Miscellaneous	1	1	1	1	1	1	1	1
	<b>Revenue Total</b>		\$ 1,172	\$ 1,018	\$ 986	\$ 1,006	\$ 1,046	\$ 1,097	\$ 1,151	\$ 1,208
	<b>Transfers In</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Transfers to Debt Service</b>		\$ 1,300	\$ 1,200	\$ 985	\$ 1,000	\$ 1,030	\$ 1,100	\$ 1,150	\$ 1,200
<b>Discretionary available / (deficit) fund balance</b>		\$ 253	\$ 57	\$ 72	\$ 78	\$ 94	\$ 91	\$ 92	\$ 100	

City of Burlen  
Equipment Replacement Reserve Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars in Thousands)

The Equipment Replacement Reserve Fund provides funds for the orderly replacement of City assets with a value over \$1,000 and an estimated service life of three or more years.

Fund			2014 Revised							
	2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
Equipment Replacement Reserve	<b>Beginning Fund Balance</b>		\$ 519	\$ 569	\$ 634	\$ 314	\$ (6)	\$ (426)	\$ (596)	\$ (551)
	Revenue	Miscellaneous	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>Revenue Total</b>		\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Transfers from General and Street</b>		\$ 250	\$ 265	\$ 230	\$ 230	\$ 230	\$ 230	\$ 245	\$ 245
	Expense	Supplies	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Capital Outlay	72	200	550	550	650	400	200	200
	<b>Expense Total</b>		\$ 82	\$ 200	\$ 550	\$ 550	\$ 650	\$ 400	\$ 200	\$ 200
<b>Transfers Out</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Discretionary available / (deficit) fund balance</b>		\$ 688	\$ 634	\$ 314	\$ (6)	\$ (426)	\$ (596)	\$ (551)	\$ (506)	

City of Burien  
 Art in Public Places Fund  
 2015 through 2020 Financial Forecast  
 June 23, 2014  
 (Dollars in Thousands)

The Art in Public Places Fund accounts for contributions, donations and commissions on sales of art displayed in public places. It also receives an annual contribution from the City's Capital Improvement Program of an amount equal to 1% of the City's share of construction contract costs for City owned buildings and parks.

Fund		2014 Revised							
		2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.
Art in Public Places	<b>Beginning Fund Balance</b>	\$ 33	\$ 26	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
	Revenue								
	Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Revenue Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers from Parks CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Expense Total</b>	\$ 3	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Discretionary available / (deficit) fund balance</b>	\$ 30	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)

City of Burien  
 Capital Projects Reserve Fund  
 2015 through 2020 Financial Forecast  
 June 23, 2014  
 (Dollars in Thousands)

The Capital Projects Reserve Fund was established to accumulate a portion of property tax revenues for a new Senior and Community Center.

Fund		2014 Revised							
		2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.
Capital Project Reserve	<b>Beginning Fund Balance</b>	\$ 670	\$ 156	\$ 297	\$ 313	\$ 399	\$ 500	\$ 694	\$ 970
	Revenue								
	Property tax	\$ 624	\$ 674	\$ 665	\$ 685	\$ 700	\$ 718	\$ 725	\$ 732
	Interest	1	1	1	1	1	1	1	1
	<b>Revenue Total</b>	\$ 625	\$ 675	\$ 666	\$ 686	\$ 701	\$ 719	\$ 726	\$ 733
	Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Transfers to Debt Service and CIP Funds	\$ 1,184	\$ 534	\$ 650	\$ 600	\$ 600	\$ 525	\$ 450	\$ 400
	<b>Discretionary available / (deficit) fund balance</b>	\$ 111	\$ 297	\$ 313	\$ 399	\$ 500	\$ 694	\$ 970	\$ 1,303

City of Burlen  
Transportation Benefit District Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars in Thousands)

The Capital Projects Reserve Fund was established to accumulate a portion of the monies from the City's property taxes for a new Senior and Community Center.

Fund			2014 Revised							
	2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
Transportation Benefit District	<b>Beginning Fund Balance</b>		\$ 24	\$ 4	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31
	Revenue	TBD Vehicle Fee	\$ 352	\$ 325	\$ 355	\$ 355	\$ 355	\$ 355	\$ 360	\$ 360
		Interest	-	-	-	-	-	-	-	-
	<b>Revenue Total</b>		\$ 352	\$ 325	\$ 355	\$ 355	\$ 355	\$ 355	\$ 360	\$ 360
	<b>Transfers in</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Transfers to Debt Service Fund</b>		\$ 345	\$ 325	\$ 355	\$ 355	\$ 355	\$ 355	\$ 360	\$ 360
	<b>Discretionary available / (deficit) fund balance</b>		\$ 31	\$ 4	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31	\$ 31

City of Burlen  
Debt Service Fund  
2015 through 2020 Financial Forecast  
June 23, 2014  
(Dollars in Thousands)

The Debt Service Fund accumulates funds through transfers from other City funds in an amount sufficient to pay principal and interest on the City's outstanding bonds and Public Works Trust Fund Loans.

Fund			2014 Revised							
	2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.		
Debt Service	<b>Beginning Fund Balance</b>		\$ 105	\$ 50	\$ 55	\$ 71	\$ 48	\$ 55	\$ 66	\$ 60
	Revenue	Fees for service	\$ 158	\$ 158	\$ 167	\$ 167	\$ 167	\$ 167	\$ 163	\$ 158
		LID assessments	101	80	80	80	80	80	80	80
		Interest	-	-	-	-	-	-	-	-
	<b>Revenue Total</b>		\$ 259	\$ 238	\$ 247	\$ 247	\$ 247	\$ 247	\$ 243	\$ 238
	Transfers in	General	\$ 216	\$ 276	\$ 275	\$ 275	\$ 275	\$ 275	\$ 215	\$ 215
		Public Works Reserve	1,300	1,200	985	1,000	1,030	1,100	1,150	1,200
		Street and TBD (Overlay)	600	600	615	615	615	615	615	615
		Capital Projects Reserve	284	434	650	600	600	525	450	400
	<b>Transfers in Total</b>		\$ 2,400	\$ 2,510	\$ 2,525	\$ 2,490	\$ 2,520	\$ 2,515	\$ 2,430	\$ 2,430
Expense	Debt service payments	\$ 2,699	\$ 2,758	\$ 2,756	\$ 2,760	\$ 2,760	\$ 2,752	\$ 2,679	\$ 2,666	
<b>Expense Total</b>		\$ 2,699	\$ 2,758	\$ 2,756	\$ 2,760	\$ 2,760	\$ 2,752	\$ 2,679	\$ 2,666	
<b>Transfers out</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Discretionary available / (deficit) fund balance</b>		\$ 65	\$ 40	\$ 71	\$ 48	\$ 55	\$ 66	\$ 60	\$ 62	

City of Burlen  
 LID Guaranty Fund  
 2015 through 2020 Financial Forecast  
 June 23, 2014  
 (Dollars in Thousands)

The Local Improvement District Guaranty Fund is required by State law to maintain a balance of not less than 10% of the outstanding Local Improvement District bonds. These funds were provided through a loan from the Street Fund; any amount in excess of the needs of the Local Improvement District Guaranty Fund are returned to the Street Fund.

Fund		2013 Actual	14 Revised Bud	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.
LID Guaranty	<b>Beginning Fund Balance</b>	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165
	<b>Transfers In</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Transfers out</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Ending Fund Balance</b>	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165	\$ 165





# 2015-20 Financial Forecast

City Council Briefing  
June 23, 2014



## Forecasting Assumptions

1. Six-year financial planning tool
2. These are forecasts – not recommended budgets
3. Assumes current service levels
4. Estimates will continue to be refined and updated
5. Estimates are conservative: Revenues are understated and Expenditures are overstated

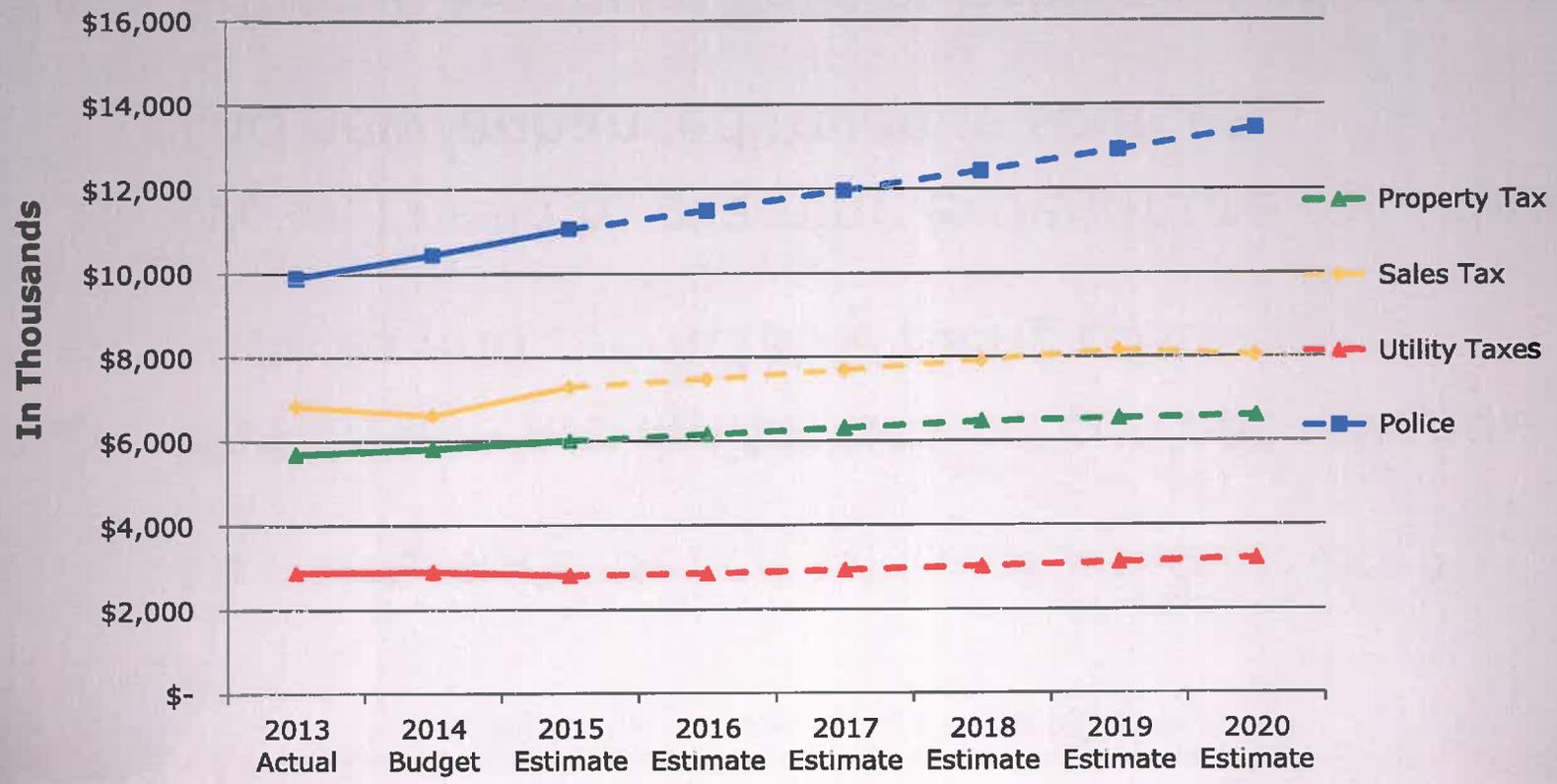


## Key Takeaways

1. Our structural deficit will worsen over time.
2. The drivers are limitations on current revenue sources and predictable rising costs.
3. We will need to examine expenditure reductions and new/enhanced revenue sources.
4. Adopted Financial Policies provide guidance and goals. Staff will help develop options and criteria for decision-making.



# Example: Major Tax Revenues vs. Police Cost



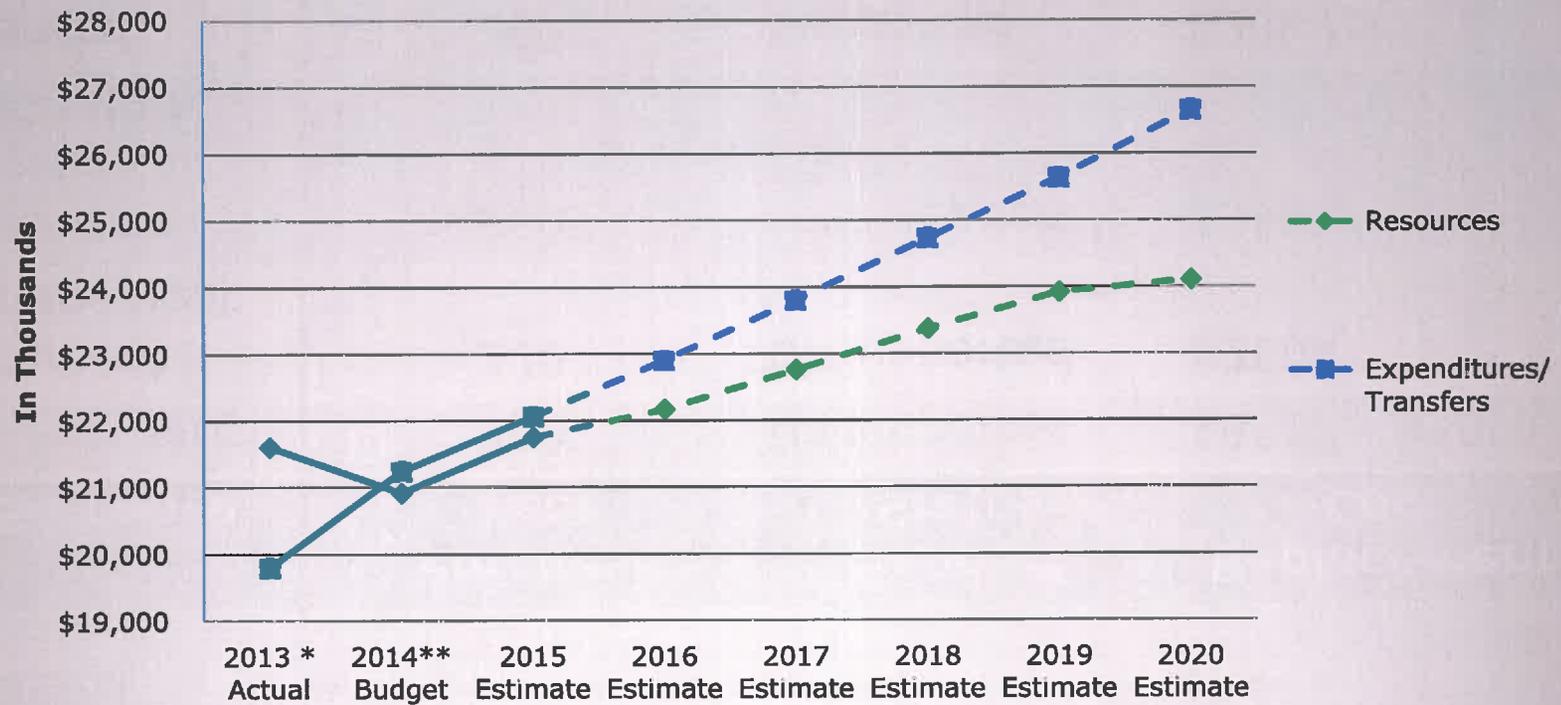


## Example: General Fund Technology Needs

Software	Purchase Year	Support Status	Replacement Cost
Building permit	2001	Unsupported	\$350k - \$500k
Document management	2007	Unsupported	\$250k
Recreation program registration	2007	Lose support in 2017	\$250k
Financial	2002	Supported	\$20k for upgrade; \$300k new



# General Fund Forecast



\* 2013 excludes line of credit and NERA property purchase

\*\*2014 Budget excludes interfund loan repayment since it was not issued



## General Fund Forecast: Property Taxes

- In 2012, our Assessed Valuation (AV) dropped 8.8%, causing the City to hit its property tax cap of \$1.60 per \$1,000 in AV. As a result, 2012 property tax revenues dropped \$414,000
- In 2013, AV dropped 5.2%, so revenue dropped another \$345,000, or a total of \$1.1 million over the two year period
- In 2014, AV grew by 2.7% for a revenue rebound of \$171,000
- **If assessed valuation continues to grow at 2.5% per year, the City will return to 2011 property tax revenue levels in 2018**



# General Fund Projection Assumptions

- Current expenditure levels
- City continues to levy property taxes at the rate of \$1.60 until 2018
- After 2018, City Council would levy the allowed 1% property tax increase
- Sales tax grows at the 15-year average rate of 3%
- Loss of annexation sales tax credit in July 2020



# General Fund Reserves

- General Fund Reserve Policy
  - In 2013, City Council increased minimum fund balance from 10% to 15%
  - Financial policy goal is 20% by the year 2022
  - Current reserves year-end 2013 = 35.8%
  - Financial policy discussion will include decision on adding 1-5% toward 20% goal
- Reserves are forecast to be insufficient starting in 2019



## General Fund 2013-14 Expenditure Reductions

- Eliminated five positions for Savings of \$1,059,000
  - IT Manager (2013), Right of Way Inspector, Planner, Government Relations Manager & Emergency Operations Coordinator eliminated (all in 2012)
    - Note: added two positions in Public Works – largely funded by Street and SWM
- Reduced employee benefits by \$138,000 and other contract services by \$300,000
- Staff to review current budget for additional savings



## Criteria to Consider for New Revenue

- Stability/predictability of revenue stream
- Impact to local economy
- Progressive vs. regressive/equity
- Provides adequate funding for future needs
- Maximum flexibility
- Public acceptance
- Ease of administration



## General Fund Revenue Options

- Increase Seattle City Light franchise fee from 4% to 6% - \$425,000 additional revenue
  - Normally requires 1 year notice to Seattle City Light
- Increase B&O Tax rate from .05% – State maximum without voter approval is .2%
  - Annual revenue = \$570,000 - \$1.7 million per year
- Impose franchise fees on the water and sewer districts – 6% fee = \$840,000 annually

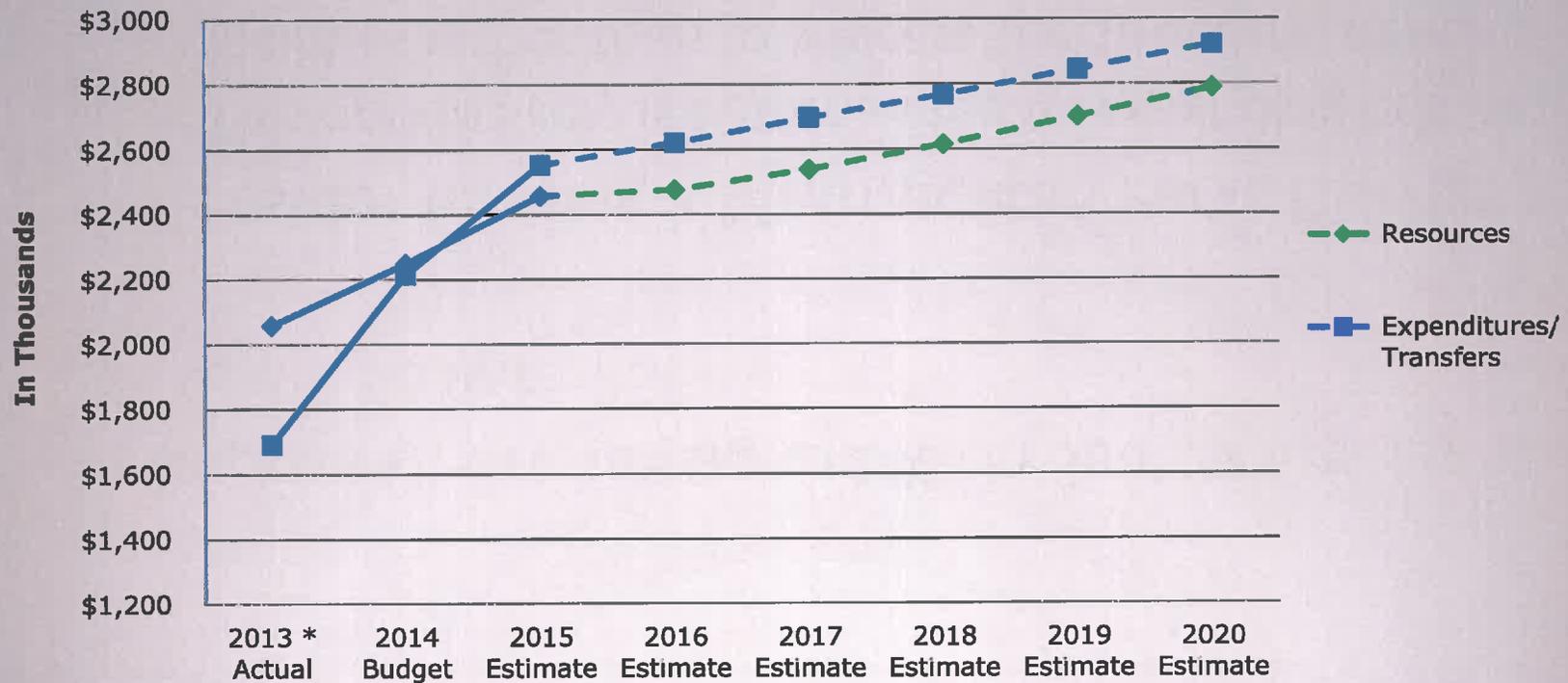


## General Fund Additional Revenue Tools

- Impose Utility Tax up to 6% on Seattle City Light (as we do with PSE)
- Consider forming a Metropolitan Parks District
  - This option likely is better suited to expanding our facilities rather than to address the structural deficit



# Street Fund Forecast



\* 2013 excludes one-time revenues of \$158,000



## Street Fund Forecast

- In 2013, parking tax rates for airport parking were increased from \$1 to \$3 per transaction (additional \$100,000 in revenue)
- In 2014, the Recology CleanScapes contract took effect with increased franchise fees to fund overlay projects
- 2015 – 2020 transfers include \$400,000 annually for overlay - study underway to determine adequate annual funding
- Includes additional \$50,000 per year for sign replacement



## Revenue Options Street Fund

- Implement remaining \$10 vehicle license fee (Transportation Benefit District) = \$355,000 per year
- Increase Business License Fees – current fees range from \$30-\$175 annually
  - Doubling fees = \$290,000 annually



# Surface Water Management Fund

- Implemented 12% rate increase in 2013
- Drainage Master Plan recommends implementing second 12% rate increase to fund capital improvement projects (current residential rate = \$137.01 per year)
- 12% rate increase = \$335,000
- Proposed 2015 residential rate = \$153.45 per year



# Recap

1. Structural deficit needs to be addressed.
2. Staff can help the Council examine expenditure reductions and new/enhanced revenue sources.
3. No silver bullet, but a combination of options will likely be needed to reach our adopted financial policy goals.



## Next Steps

Action	Timeline
Schedule follow-up discussion	July 14 proposed
Financial Policies Discussion	August 18
1 <sup>st</sup> Public Hearing on Budget	August 18
Preliminary Operating Budget Presentation	September 22
Preliminary CIP Budget Presentation	October 6
Human Services/Arts Grants Funding Discussion	October 6
Second Public Hearing/Continued Budget Discussion	October 20
Continued Budget Discussion	October 27
Budget Ordinance/Property Tax Levy/SWM Rates Discussion	November 3
Budget Ordinance/Property Tax Levy/SWM Rates Adoption	November 17



# Questions?