

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2004 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Steve Burkett, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2004 proposed budget to the City Council no later than November 1, 2003. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 20. The purpose of this presentation will be to introduce the budget document to the Council, provide the policy background concerning its development, highlight key budget issues and changes from the previous year, propose a budget review process and schedule, and to answer any questions you may have at this time.

FINANCIAL IMPACT: The 2004 Proposed Budget totals \$58,290,172. The following table is a summary of the proposed budget by fund:

Fund	Beginning	2004 Proposed Budget		Ending	2003 Current	03 - '04 % Change
	Fund Balance	Revenue	Expenditures	Fund Balance	Budget Expenditures	
Operating Funds:						
General Fund	6,147,150	24,777,451	25,212,198	5,712,403	28,548,505	-11.7%
General Reserve	1,769,099	172,889	0	1,941,988	0	n/a
Streets	551,895	2,342,844	2,446,336	448,403	3,008,731	-18.7%
Surface Water Management	1,972,470	2,537,192	1,822,806	2,686,856	2,910,882	-37.4%
Development Services	318,158	1,718,661	1,765,366	271,453	1,859,545	-5.1%
Code Abatement	48,166	100,000	100,000	48,166	100,000	0.0%
Asset Seizure	20,025	23,000	23,000	20,025	29,851	-23.0%
Sub-Total Operating Funds	10,826,963	31,672,037	31,369,706	11,129,294	36,457,514	-14.0%
Internal Service Funds:						
Equipment Replacement	972,229	292,105	180,050	1,084,284	148,111	21.6%
Public Art Fund	0	183,250	0	183,250	0	n/a
Unemployment	64,584	10,000	10,000	64,584	10,000	0.0%
Vehicle Operations & Maintenance	57,707	54,465	55,300	56,872	55,000	0.5%
Sub-Total Internal Service Funds	1,094,520	539,820	245,350	1,388,990	213,111	15.1%
Capital Funds:						
Arterial Streets	0	348,546	348,546	0	358,905	-2.9%
General Capital	5,633,377	8,985,050	13,935,853	682,574	2,689,698	418.1%
Roads Capital	12,194,117	7,223,315	10,788,377	8,629,055	9,887,738	9.1%
Surface Water Capital	3,605,642	698,358	1,602,340	2,701,660	1,646,830	-2.7%
Sub-Total Capital Funds	21,433,136	17,255,269	26,675,116	12,013,289	14,583,171	82.9%
Total City Budget	33,354,619	49,467,126	58,290,172	24,531,573	51,253,796	13.7%

The City's operating fund expenditures total \$31,369,706 for 2004 and this represents 54% of the total budget. The City's 2004 capital expenditures total \$26,675,116 which represents the majority of the remaining 46% of the City's proposed expenditures. Total 2004 projected expenditures represent a 13.7% increase from those budgeted in 2003.

While operating expenditures are projected to decrease by 14% (\$4.8 million), capital expenditures are projected to increase by 83% (\$12.1 million). The overall decrease in projected 2004 operating fund expenditures are projected to decrease primarily because the 2003 amended budget includes approximately \$4.1 million of one-time expenditures. The capital fund expenditures are projected to increase primarily as a result of the City Hall project that is currently projected to begin in 2004. The proposed 2003 budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes:

Budget Public Hearing & Department Presentations	October 27
Budget Review Workshop	November 3
Public Hearing on Revenue Sources & Property Tax	November 10
Budget Review Workshop	November 17
Adoption of 2003 Budget & 2004 Property Tax Levy	November 24

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the Proposed 2004 City Budget and any key questions or issues that Council may wish staff to address as part of that process is desired.

Approved By: City Manager 