

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2006 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Steve Burkett, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2006 proposed budget to the City Council no later than November 2, 2005. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 17. 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 2006 Proposed Budget totals \$78,936,984. The following table is a summary of the proposed budget by fund:

Fund	Beginning Fund Balance	2006 Proposed Budget		Ending Fund Balance	2005 Current Budget Expenditures	05 - '06 % Change
		Revenue	Expenditures			
Operating Funds:						
General Fund	7,815,669	27,097,636	28,943,488	5,969,817	30,986,451	-6.6%
General Reserve	2,140,189	38,350	0	2,178,539	0	n/a
Streets	527,103	2,469,877	2,469,877	527,103	2,374,833	4.0%
Surface Water Management	2,896,882	2,779,067	4,982,116	693,833	2,898,600	71.9%
Code Abatement	86,095	102,500	100,000	88,595	100,000	0.0%
Asset Seizure	25,558	23,500	23,000	26,058	23,000	0.0%
Sub-Total Operating Funds	13,491,497	32,510,930	36,518,481	9,483,946	36,382,884	0.4%
Internal Service Funds:						
Equipment Replacement	1,353,649	299,308	138,180	1,514,777	189,636	-27.1%
Public Art Fund	406,518	33,892	0	440,410	193,995	-100.0%
Unemployment	72,154	10,450	10,000	72,604	10,000	0.0%
Vehicle Operations & Maintenance	52,139	88,717	88,717	52,139	71,824	23.5%
Sub-Total Internal Service Funds	1,884,460	432,367	236,897	2,079,930	465,455	-49.1%
Capital Funds:						
Arterial Streets	17,370	0	0	17,370	353,358	-100.0%
General Capital	7,871,969	13,383,259	13,728,930	7,526,298	17,195,000	-20.2%
City Facility-Major Maintenance Fund	156,000	74,680	60,000	170,680	124,000	-51.6%
Roads Capital	10,007,750	23,290,590	26,987,116	6,311,224	33,203,548	-18.7%
Surface Water Capital	2,543,666	3,311,667	1,405,560	4,449,773	3,477,626	-59.6%
Sub-Total Capital Funds	20,596,755	40,060,196	42,181,606	18,475,345	54,353,532	-22.4%
Total City Budget	35,972,712	73,003,493	78,936,984	30,039,221	91,201,871	-13.4%

The City's operating fund expenditures total \$36,518,481 for 2006 and this represents 46% of the total budget. The City's 2006 capital expenditures total \$42,181,606, which represents the majority of the remaining 54% of the City's proposed expenditures. Total 2006 projected expenditures represent a 13.4% decrease from those budgeted in 2005. Operating expenditures are projected to increase by .4% (\$135,597) and capital

expenditures are projected to decrease by 22.4% (\$12.2 million). The capital fund expenditures are projected to decrease primarily as a result of the completion of the Interurban Trail and the majority of the construction costs for the North City/15th Avenue improvements occurring in 2005. The proposed 2006 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 24
Dept. Presentations & Budget Review Workshop	November 7
Public Hearing on Revenue Sources & Property Tax	November 14
Budget Review Workshop	November 21
Adoption of 2006 Budget & 2006 Property Tax Levy	November 28

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the Proposed 2006 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

