

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2007 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Robert Olander, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2007 proposed budget to the City Council no later than November 2, 2006. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 16. 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 2007 Proposed Budget totals \$68,206,170. The following table is a summary of the proposed budget by fund:

Fund	Beginning Fund Balance	2007 Proposed Budget		Ending Fund Balance	2006 Current Budget Expenditures	06 - '07 % Change
		Revenue	Expenditures			
Operating Funds:						
General Fund	\$ 7,394,350	\$ 27,775,480	\$ 28,426,981	\$ 6,742,849	\$ 29,398,166	-3.3%
General Reserve	2,282,647	58,546	0	2,341,193	0	n/a
Streets	795,244	2,302,087	2,422,087	675,244	2,559,651	-5.4%
Code Abatement	68,128	82,500	100,000	50,628	100,000	0.0%
Asset Seizure	33,831	23,500	23,500	33,831	23,000	2.2%
Sub-Total Operating Funds	10,574,200	30,242,113	30,972,568	9,843,745	32,080,817	-3.5%
Internal Service Funds:						
Equipment Replacement	1,470,072	315,569	100,000	1,685,641	138,180	-27.6%
Public Art Fund	212,240	0	0	212,240	115,775	-100.0%
Unemployment	72,258	10,500	10,000	72,758	10,000	0.0%
Vehicle Operations & Maintenance	59,637	139,988	139,988	59,637	88,717	57.8%
Sub-Total Internal Service Funds	1,814,207	466,057	249,988	2,030,276	352,672	-29.1%
Enterprise Funds:						
Surface Water Utility Fund	6,363,913	5,339,508	5,948,957	5,754,464	3,682,346	61.6%
Sub-Total Enterprise Funds	6,363,913	5,339,508	5,948,957	5,754,464	3,682,346	61.6%
Capital Funds:						
General Capital	12,232,990	14,930,580	23,691,223	3,472,347	18,951,460	25.0%
City Facility-Major Maintenance Fund	177,152	77,972	110,000	145,124	60,000	83.3%
Roads Capital	7,885,027	5,883,505	7,233,434	6,535,098	34,488,919	-79.0%
Sub-Total Capital Funds	20,295,169	20,892,057	31,034,657	10,152,569	53,500,379	-42.0%
Total City Budget	\$ 39,047,489	\$ 56,939,735	\$ 68,206,170	\$ 27,781,054	\$ 89,616,214	-23.9%

The City's operating fund expenditures total \$30,972,568 for 2007 and this represents 45% of the total budget. The City's 2007 capital expenditures total \$31,034,657, which represents 46% of the City's proposed expenditures. The Surface Water Utility Fund makes up the enterprise category and is 9% of the total. This includes all surface water related activities including operations and capital projects. Prior to 2006, these activities were separated and included in the Operating and Capital Funds. Proposed expenditures for internal services are equal to less than 1% of the City total. Total 2007 projected expenditures represent a 23.9% decrease from those budgeted in 2006. Operating expenditures are projected to decrease by 3.5% (\$1.1 million) and capital expenditures are projected to decrease by 42% (\$22.5 million). The capital fund expenditures are projected to decrease primarily as a result of the completion of the Aurora Corridor Improvements 145th – 165th project and the majority of the North City/15th Avenue improvements. The proposed 2007 budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes:

Transmittal of Proposed 2007 Budget	October 16
Public Hearing & Department Budget Review	October 23
Public Hearing on Revenue Sources & 2007 Property Tax Levy	November 6
Budget Review Workshop	November 13
Budget Review Workshop (If Necessary)	November 20
Adoption of 2007 Property Tax Levy	November 27
Adoption of 2007 Budget	November 27

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the Proposed 2007 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

