

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adoption of Ordinance No. 525, Amending the 2008 Budget for Operating Funds & Capital projects
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

During the development of the 2009 proposed budget, the operating budgets for the current year were reviewed and year-end projections were developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that 2008 appropriations needed to be amended as a result of unanticipated revenues from grants and unanticipated expenditure requirements. Since the adoption of the 2008 budget, the City has been awarded grants to support the Emergency Management and City Clerk programs. Other operating programs need to be adjusted to reflect expenditures that have been authorized by Council, but have not been officially adopted in the form of a budget amendment and unanticipated expenditures. The Transfers Out appropriation from the General Fund to the General Capital Fund is being increased to provide additional funding anticipated 2008 budget savings to fund the City Hall/Civic Center project. Due to anticipated savings in the Street Operations program, the General Fund Transfer to the Street Fund is being reduced and the savings will be transferred to the General Capital Fund to also support the City Hall/Civic Center project.

The following operating programs will be impacted by the amendment:

General Fund - \$1,000,764

- City Clerk/WA State Records Grant- \$29,598
- Emergency Management/EMPG Grant - \$35,114
- Highland Park Center - \$34,800
- District Court - \$88,252
- Public Works Facilities - \$13,000
- General Fund Transfer Out to General Capital Fund (City Hall/Civic Center) - \$839,000
- General Fund Transfers Out to Street Fund- (\$39,000)

Street Fund -

- Street Operations - \$2,865

Asset Seizure Fund

- State Seizures - \$24,000

General Capital Fund

- City Hall/Civic Center Project - \$194,460

Vehicle Operations/Maintenance Fund

- Vehicle Maintenance – \$20,000

Equipment Replacement Fund

- Upgrade of Customer Response Team Vehicle - \$11,000

FINANCIAL IMPACT:

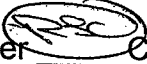
The following table summarizes the budget amendment request for each of the affected City funds and the impact that this has on the City's reserve levels.

	Current 2008 Available Beginning Fund Balance	Budget Amendment Request	Revenue Adjustments	Resulting 2008 Available Beginning Fund Balance
Fund	(B)	(C)	(D)	(E) (B - C+D)
General Fund	\$3,016,844	\$1,000,764	\$99,512	\$2,115,592
Street Fund	\$835,139	\$2,868	(\$39,000)	\$793,271
Asset Seizures Fund	\$24,623	\$24,000	\$24,000	\$24,623
General Capital Fund	\$3,859,111	\$194,460	\$194,460	\$3,859,111
Vehicle Operations Fund	\$71,079	\$20,000	\$0	\$51,079
Equipment Replacement Fund	\$1,643,684	\$3,338	\$3,338	\$1,643,684
Total	\$9,450,480	\$1,245,430	\$282,310	\$8,487,360

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 525, amending the 2008 budget.

Approved By:

City Manager 

City Attorney 

INTRODUCTION

During the development of the 2009 proposed budget, the operating budgets for the current year were reviewed and year-end projections were developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that 2008 appropriations needed to be amended as a result of unanticipated revenues from grants and additional expenditures approved by Council earlier in the year. A capital project is also requesting additional funding.

BACKGROUND

Budget Amendments for Operating Programs

General Fund

Revenues: General Fund revenues will be increased by \$99,512. This reflects an Emergency Management Performance Grant (EMPG) from the Washington State Military Department and the Department of Homeland Security totaling \$35,114, a Washington State Records Grant totaling \$29,598 and proceeds from the lease of the Highland Park Center property totaling \$34,800. Fund balance of \$901,252 will be used to support the remaining increases in the appropriation.

Emergency Management Planning: The 2008 appropriation for this program will be increased by \$35,114. Funding from the EMPG grant will be used for volunteer time and a computer, emergency management software and upgrades to the Emergency Operations Center.

City Clerk: Increase appropriation by \$29,598 to reflect the award of a grant which will be used for the archiving of City records.

District Court: Increase appropriation by \$88,252 to cover the cost of services for 2007 as included in the final reconciliation.

Public Works-Facilities: Increase appropriation by \$13,000 to cover the cost of removing and disposal of a tank that was located at Hamlin.

Highland Park Center: Increase the appropriation by \$34,800 to cover the cost of electrical work. This cost will be offset by lease revenue.

Operating Transfers Out: Increase the appropriation for the transfer to the General Capital Fund by \$839,000 to provide additional one-time funding for the construction of City Hall and reduce the transfer to the Street Fund by \$39,000.

Street Fund

Revenues in this fund will be decrease by \$39,000 as the transfer from the General Fund is reduced based on anticipated savings in the Street Maintenance program. Fund balance of \$41,868 will also be used to support the increased funding for the streetlights.

Street Maintenance: Funding for repairs and maintenance will be reduced by \$30,500 and funding for operating supplies will be reduced by \$8,500. Funding for streetlights will be increased by \$41,868.

Asset Seizure Fund

Revenue will increase by \$24,000 as the City received proceeds from a seizure. This funding will be used to purchase equipment (\$15,000) and provide training opportunities for police staff (\$9,000).

General Capital Fund

Revenue will increase by \$194,460 due to the award of a grant from the King County Conservation District (KCCD).

City Hall/Civic Center Project: The project will increase by \$194,460 to include the proceeds from the KCCD grant which will be used to construct water quality and natural habitat features such as rain gardens, a green roof, a demonstration native plant garden, a water collection and re-use system, and river rock with native vegetation.

Vehicle Maintenance & Operations Fund

Fund balance of \$20,000 will be appropriated to be used to fund repairs of City vehicles (\$10,000) and to cover the increase cost of fuel (\$10,000).

Equipment Replacement Fund

Revenues will increase by \$11,000 from interfund charges for services. This revenue will cover the cost of upgrading a Customer Response Team vehicle.

Impact to the Operating Funds

The revisions to the 2008 operating budgets result in an increase to the General Fund budget of \$1,000,764, an increase to the Street Fund budget of \$2,868, and an increase of \$24,000 for the Asset Seizure Fund. The fund balance in the General Fund will decrease by \$901,252. The fund balance in the Street Fund will decrease by \$2,868. The fund balance will decrease in the Vehicle Operations & Maintenance Fund by \$20,000, but will remain the same in the Equipment Replacement Fund.

Impact to the Capital Funds

The fund balance in the General Capital Fund will not change.

SUMMARY

The following table summarizes the budget amendments to each fund and the resulting 2008 appropriations for each of the affected funds.

Fund	Current Budget	Budget Amendment Request	Amended Budget
General Fund	\$32,631,036	\$1,000,764	\$33,631,800
Street Fund	\$2,741,170	\$2,868	\$2,744,038
Code Abatement Fund	\$100,000	\$0	\$100,000
Asset Seizure Fund	\$21,500	\$24,000	\$45,500
Public Arts Fund	\$168,645	\$0	\$168,645
General Capital Fund	\$30,438,421	\$194,460	\$30,632,881
City Facility-Major Maint. Fund	\$61,000	\$0	\$61,000
Roads Capital Fund	\$23,012,286	\$0	\$23,012,286
Surface Water Utility Fund	\$11,814,854	\$0	\$11,814,854
Vehicle Operations Fund	\$115,049	\$20,000	\$135,049
Equipment Replacement Fund	\$241,750	\$3,338	\$245,088
Unemployment Fund	\$10,000	\$0	\$10,000
Unltd Tax GO Bond	\$1,662,475	\$0	\$1,662,475
Total	\$103,018,186	\$1,245,430	\$104,263,616

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 525, amending the 2008 budget.

ATTACHMENTS

Attachment A: Ordinance 525, Amending the 2008 Budget
Exhibit 1: Amendment Detail

ORDINANCE NO. 525

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 486, ORDINANCE NOS. 498, 506, AND 510 BY INCREASING THE APPROPRIATION FOR THE CITY GENERAL FUND, STREET FUND, ASSET SEIZURE FUND, GENERAL CAPITAL FUND, VEHICLE OPERATIONS/MAINTENANCE FUND, AND THE EQUIPMENT REPLACEMENT FUND ;

WHEREAS, the 2008 Budget was adopted in Ordinance 486 and amended by Ordinances No. 498, 506, and 510; and

WHEREAS, the City has received grants to support the Emergency Management and City Clerk programs; and

WHEREAS, the City has received a grant to support the City Hall/Civic Center project; and

WHEREAS, the City has received rental income from the Highland Park Center which has been designated to be used to fund electrical repairs; and

WHEREAS, the City has received asset seizure funds to be appropriated in the Asset Seizure Fund; and

WHEREAS, the City has projecting savings from the year 2008 in the General Fund that are available to fund the construction of a City Hall/Civic Center; and

WHEREAS, there are sufficient funds within the fund balance of the General Fund, Street Fund, and Vehicle Operations/Maintenance Fund; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment. The City hereby amends Section 1 of Ordinance No. 486 and the 2008 Annual Budget, by increasing the appropriation for the General Fund by \$1,000,764 for a total appropriation of \$33,631,800; for the Street Fund by \$2,868 for a total appropriation of \$2,744,038; for the Asset Seizure Fund by \$24,000 for a total appropriation of \$45,500; for the General Capital Fund by \$194,460 for a total appropriation of \$31,277,421; for the Vehicle Maintenance/Operations Fund by \$20,000 for a total appropriation of \$135,049; for the Equipment Replacement Fund by \$3,338 for a total appropriation of \$245,088 and by increasing the Total Funds appropriation to \$104,255,616 as follows:

General Fund	\$32,631,036	\$33,631,800
Street Fund	\$2,741,170	\$2,744,038

Attachment A

Code Abatement Fund	\$100,000	
Asset Seizure Fund	\$21,500	\$45,500
Public Arts Fund	\$168,645	
General Capital Fund	\$30,438,421	\$30,632,881
City Facility-Major Maintenance Fund	\$61,000	
Roads Capital Fund	\$23,012,286	
Surface Water Capital Fund	\$11,806,854	
Vehicle Operations/Maintenance Fund	\$115,049	\$135,049
Equipment Replacement Fund	\$241,750	\$245,088
Unlimited Tax GO Bond	\$1,662,475	
Unemployment Fund	\$10,000	
Total Funds	\$103,010,186	\$104,255,616

Section 2. Amending the 2008 Budget. The 2008 Budget is amended as set forth in Exhibit 1 and increases the Total Funds appropriation to \$104,907,818.

Section 3. Amending the 2009-2014 CIP. The total project budget for the City Hall/Civic Center project will increase by \$194,460 to a total of \$37,606,379.

Section 4. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

PASSED BY THE CITY COUNCIL ON OCTOBER 13, 2008

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Publication Date:
Effective Date:

Exhibit 1 October 13, 2008 Budget Amendment Detail

Item	Revenue Source			Fund		Explanation
	Fund	Orgkey	Object	Amount	Balance	Total
General Fund						
Transfer to Street Fund					3080000	Resources
Transfer to General Capital Fund	001	0001000	5970000	\$ (39,000)	\$ (39,000)	Reduce Transfer, savings to be used for transfer to City Hall Project
Transfer to General Capital Fund	001	0001000	5970000	\$ 39,000	\$ 39,000	Savings from reduced transfer to the Street Fund
City Clerk	001	0001000	5970000	\$ 800,000	\$ 800,000	Estimated end of year savings to be used for City Hall project
Emergency Management	001	1200000	5510000	\$ 29,598	\$ 29,598	Archival of backlog of City records
Performance Grant	001	2005062	5350000	\$ 3,000	\$ 3,000	Laptop for volunteer
District Court	001	2005062	5410000	\$ 32,114	\$ 32,114	Funding for volunteer, EOC software and EOC improvements
Public Works - Facilities	001	2104028	5510000	\$ 88,252	\$ 88,252	2007 Reconciliation
Highland Park Center	001	2712053	5410000	\$ 13,000	\$ 13,000	Tank Removal/Disposal at Hamlin
	001	2712255	5480000	\$ 34,800	\$ 34,800	Electrical work
Total General Fund				\$ 1,000,764	\$ 99,512	\$ 901,252 \$ 1,000,764
Street Fund						
Transfer from the General Fund	101	1010000			\$ (39,000)	
Street Operations	101	2709054	5480000	\$ (30,500)	\$ -	Savings in Repairs & Maintenance
Street Operations	101	2709054	5320000	\$ (8,500)	\$ -	Savings in Operating Supplies
Street Operations	101	2709168	5471001	\$ 41,868	\$ 41,868	Utility Streetlights
Total Street Fund				\$ 2,868	\$ (39,000)	\$ 41,868 \$ 2,868
Asset Seizure Fund						
State Asset Seizure	108	2005134	5350000	\$ 15,000	\$ 15,000	Revenue from new seizure will be used for equipment and training
	108	2005134	5430000	\$ 4,000	\$ 4,000	
	108	2005134	5494000	\$ 5,000	\$ 5,000	
Total Asset Seizure Fund				\$ 24,000	\$ -	\$ 24,000
General Capital Fund						
City Hall/Civic Center	301	2819148	5620000	\$ 194,460	TBD	King County Cohservation District Grant
Total General Capital Fund				\$ 194,460	\$ 194,460	\$ 194,460
Vehicle Maintenance & Operations Fund						
Vehicle Maintenance	501	2709113	5480000	\$ 10,000	\$ 10,000	Repairs & Maintenance
	501	2709113	5321000	\$ 10,000	\$ 10,000	Fuel
Total Vehicle Maintenance & Operations Fund				\$ 20,000	\$ -	\$ 20,000
Equipment Replacement Fund						
Municipal Vehicle Replacement	503	1608114	5640000	\$ 3,338	Interfund Charges	Upgrade of Vehicle # ???
Total Equipment Replacement Fund				\$ 3,338	\$ 3,338	\$ 3,338
TOTAL AMENDMENTS				\$ 1,245,430	\$ 282,310	\$ 963,120 \$ 1,245,430

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General Capital Fund	\$3,859,111	\$194,460	\$194,460	\$3,859,111
Vehicle Operations Fund	\$71,079	\$20,000	\$0	\$51,079
Equipment Replacement Fund	\$1,643,684	\$3,338	\$3,338	\$1,643,684
Total	\$9,450,480	\$1,245,430	\$282,310	\$8,487,360

\$963,120

963120

\$8,487,360

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