

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2010 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Robert Olander, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2010 proposed budget to the City Council no later than November 2, 2009. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 12. 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 2010 Proposed Budget totals \$84,101,780. The following table is a summary of the proposed budget by fund:

	2010 Proposed Budget			2009 Current Budget		
Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	09 - 10 % Change
Operating Funds:						
General Fund	4,401,016	\$ 29,872,920	\$ 30,814,064	\$ 3,459,872	\$ 32,263,106	-4.5%
Revenue Stabilization Fund	5,530,399	0	980,000	4,550,399	594,959	64.7%
Streets	905,678	2,442,270	2,484,659	863,289	2,594,553	-4.2%
Code Abatement	221,779	82,100	100,000	203,879	100,000	0.0%
State Drug Enforcement Forfeiture Fund	17,402	16,500	16,500	17,402	56,500	-70.8%
Federal Drug Enforcement Forfeiture Fund	5,067	25,000	25,000	5,067	30,000	-16.7%
Sub-Total Operating Funds	11,081,341	32,438,790	34,420,223	9,099,908	35,639,118	-3.4%
Internal Service Funds:						
Equipment Replacement	1,947,380	134,310	100,000	1,981,690	365,204	-72.6%
Public Art Fund	86,907	1,000	35,000	52,907	114,500	-69.4%
Unemployment	58,286	11,000	30,000	39,286	10,000	200.0%
Vehicle Operations & Maintenance	33,132	146,645	163,467	16,310	172,959	-5.5%
Sub-Total Internal Service Funds	2,125,705	292,955	328,467	2,090,193	662,663	-50.4%
Debt Service Funds:						
2006 General Obligation Bond	259,594	1,700,000	1,681,850	277,744	1,676,850	0.3%
2009 General Obligation Bond	0	1,273,646	1,273,646	0	0	n/a
Sub-Total Debt Service Funds	259,594	2,973,646	2,955,496	277,744	1,676,850	76.3%
Enterprise Funds:						
Surface Water Utility Fund	3,668,893	3,266,717	4,893,489	2,042,121	7,102,927	-31.1%
Sub-Total Enterprise Funds	3,668,893	3,266,717	4,893,489	2,042,121	7,102,927	-31.1%
Capital Funds:						
General Capital	5,962,881	1,646,967	6,209,132	1,400,716	36,477,288	-83.0%
City Facility-Major Maintenance Fund	181,096	49,326	104,000	126,422	55,953	85.9%
Roads Capital	5,390,898	32,129,124	35,193,973	2,326,049	41,189,313	-14.6%
Sub-Total Capital Funds	11,534,875	33,825,417	41,507,105	3,853,187	77,722,554	-46.6%
Total City Budget	\$ 28,670,408	\$ 72,797,525	\$ 84,104,780	\$ 17,363,153	\$ 122,804,112	-31.5%

The City's operating fund expenditures total \$34,420,223 for 2010 and this represents 41% of the total budget. The City's debt service expenditures total \$2,955,496 and represent 3.5% of the total budget. The City's 2010 capital expenditures total \$41,507,105, which represents 49% of the City's proposed expenditures. The Surface Water Utility Fund makes up the enterprise category and is 6% of the total. This includes all surface water related activities including operations and capital projects. Proposed expenditures for internal services are less than 1% of the City total. Total 2010 projected expenditures represent a 31.5% decrease from those budgeted in 2009. Operating expenditures are projected to decrease by 3% (\$1,218,895) and capital expenditures are projected to decrease by 47% (\$36.2 million). The capital fund expenditures are projected to decrease primarily as a result of the completion of the City Hall project and projects funded with proceeds from the parks bond issue. The budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes:

Transmittal of Proposed 2010 Budget	October 12
Department Budget Review	October 19
Public Hearing on Proposed 2010 Budget & Continued Department Budget Review	October 26
Public Hearing on Revenue Sources & 2010 Property Tax Levy	November 2
Adoption of 2010 Property Tax Levy	November 23
Adoption of 2010 Budget	November 23

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the 2010 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

