

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adoption of Ordinance No. 565, Amending the 2009 Budget for Operating Funds & Capital projects
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

During the course of the year, the City received grants and other revenues that should be included in the 2009 appropriations along with their corresponding expenditures. These new revenue sources were not anticipated when the 2009 budget was developed and adopted by Council. Other operating programs need to be adjusted for unanticipated expenditures.

FINANCIAL IMPACT:

The following programs will be impacted by this amendment:

General Fund - \$56,098

- Parks Operations - \$56,098

Limited GO Bond 1999 Fund - \$262,203

- Limited GO Bond 1999 Fund - \$262,203

General Capital Fund - \$367,145

- Hamlin Park Improvements - \$29,942
- City Hall/Civic Center Project - \$75,000
- Transfers Out - \$262,203

Unemployment Fund - \$25,000

- Unemployment - \$25,000

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 565, amending the 2009 budget.

Approved By:

City Manager 

City Attorney 

INTRODUCTION

During the course of the year, the City received grants and other revenues that should be included in the 2009 appropriations along with their corresponding expenditures. These new revenue sources were not anticipated when the 2009 budget was developed and adopted by Council. Other operating programs need to be adjusted for unanticipated expenditures. In addition, staff is requesting to use available fund balance in the General Fund to cover the cost of insurance deductibles related to parks repairs as a result of vandalism. Staff is also requesting to use available fund balance in the General Capital Fund to use collected real estate excise tax to transfer to the Limited Tax GO Bond 2009 Fund for the debt service interest payment. Staff is also requesting to use \$25,000 of fund balance in the Unemployment Fund to cover unanticipated costs of unemployment claims.

BACKGROUND

Budget Amendment Detail

General Fund

Revenues: General Fund revenues will be increased by \$43,098. This reflects the amount of insurance recovery that we expect to receive to cover a portion of the repairs resulting from three incidents of vandalism at Shoreline Soccer Fields A and B, Upper Hamlin Park and Richmond Beach Saltwater Park. The use of General Fund fund balance is increased by \$15,000 to cover the City's deductible for the three incidents.

Parks Operations: The 2009 appropriation for this program will be increased by \$58,098. Insurance recoveries and fund balance will be used to cover the cost to make repairs at Shoreline Soccer Fields A and B, Upper Hamlin Park and Richmond Beach Saltwater Park caused by vandalism.

Limited Tax GO Bond 2009

Revenues in this fund will be increased by \$262,203 to include a transfer in from the General Capital Fund. This transfer will represent the amount of 2009 real estate excise tax collections required for the 2009 debt service interest payment.

Limited Tax GO Bond 2009: A 2009 appropriation of \$262,203 will be established for the 2009 debt service interest payment.

General Capital Fund

Revenue will increase by \$104,942 due to the award of an Energy Efficiency and Conservation Block Grant (EECBG) from the U.S. Department of Energy totaling \$75,000 and a reimbursement from the Shoreline School District totaling \$29,942 for work to be completed as part of the City's construction contract for the Hamlin Park improvements.

Hamlin Park Improvements: The project budget will be increased by \$29,942. The City uses the north side of Shoreline School District property as pedestrian and maintenance access to the ball fields at Hamlin Park. The pathway/maintenance road has drainage problems that affect the lower Hamlin Park playfields. The School District has requested that the City make repairs and correct the drainage problem as part of the current construction contract for the Hamlin Park improvements. The District has agreed to reimburse the City for the full cost of the repairs.

City Hall/Civic Center Project: The project will increase by \$75,000 to include additional proceeds from the EECBG grant. The funds will be used to install additional solar panels on the Civic Center parking garage.

General Capital Transfers Out: The budget will be increased by \$262,203 to represent a transfer of real estate excise tax to the Limited Tax GO Bond 2009 Fund for the 2009 debt service interest payment.

Unemployment Fund

Fund balance of \$25,000 will be used to cover the additional expense for unemployment compensation for 2009. This will bring the total 2009 appropriation to \$35,000.

Impact to Non Capital Funds

The revisions to the 2009 operating budgets result in an increase to the General Fund budget of \$58,098, an increase to the Limited Tax GO Bonds 2009 Fund budget of \$262,203, and an increase of \$25,000 in the Unemployment Fund.

The fund balance in the General Fund will decrease by \$15,000. The fund balance will remain the same in the Limited Tax GO Bonds 2009 Fund. The fund balance will decrease by \$25,000 in the Unemployment Fund.

Impact to the Capital Funds

The appropriation in the General Capital Fund will increase by \$367,145. The fund balance will decrease by \$262,203 in the General Capital Fund.

SUMMARY

The following table summarizes the budget amendments to each fund and the resulting 2009 appropriations for each of the affected funds.

Fund	Current Budget	Budget Amendment Request	Amended Budget
General Fund	\$32,263,109	\$58,098	\$32,321,207
Street Fund	\$2,594,553	\$0	\$2,594,553
Code Abatement Fund	\$100,000	\$0	\$100,000
State Drug Forfeiture Fund	\$56,500	\$0	\$56,500
Federal Drug Forfeiture Fund	\$30,000	\$0	\$30,000
Public Arts Fund	\$114,500	\$0	\$114,500
Revenue Stabilization Fund	\$594,959	\$0	\$594,959
Unltd Tax GO Bond	\$1,676,850	\$0	\$1,676,850
Limited Tax GO Bond 2009		\$262,203	\$262,203
General Capital Fund	\$36,477,286	\$367,145	\$36,844,431
City Facility-Major Maint. Fund	\$55,953	\$0	\$55,953
Roads Capital Fund	\$41,189,313	\$0	\$41,189,313
Surface Water Utility Fund	\$7,102,926	\$0	\$7,102,926
Vehicle Operations/Maintenance Fund	\$172,959	\$0	\$172,959
Equipment Replacement Fund	\$365,204	\$0	\$365,204
Unemployment Fund	\$10,000	\$25,000	\$35,000
Total	\$122,804,112	\$712,446	\$123,516,558

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 565, amending the 2009 budget.

ATTACHMENTS

Attachment A: Ordinance 565, Amending the 2009 Budget
Exhibit 1: Amendment Detail

ORDINANCE NO. 565

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING ORDINANCE 538 BY INCREASING THE APPROPRIATION IN
THE GENERAL, LIMITED TAX GO BOND 2009, GENERAL CAPITAL, AND
UNEMPLOYMENT FUNDS.**

WHEREAS, the 2009 Budget was adopted by Ordinance 528 and amended by Ordinances 537, 538, and 554; and

WHEREAS, the City has received a Energy Efficiency and Conservation Block grant from the U.S. Department of Energy to be used for the construction of energy saving improvements in the City Hall and

WHEREAS, the City expects to receive insurance recoveries for damages at various City parks due to vandalism; and

WHEREAS, Council authorized the use of real estate excise taxes for the debt service payments for the City Hall bonds; and

WHEREAS, the City is required to make the first debt service interest payment in December of 2009; and

WHEREAS, the Shoreline School District has agreed to reimburse the City for additional construction work to repair drainage problems near Hamlin Park; and

WHEREAS, the City has identified unanticipated expenses in the General Fund and the Unemployment Fund and has sufficient fund balances available to meet these expenses; 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 2 of Ordinance No. 538, *Summary of Revenues and Expenditures*, by increasing the appropriation from the General Fund by \$58,098, by increasing the appropriation for the Limited Tax GO Bond 2009 Fund by \$262,203 , by increasing the appropriation in the General Capital Fund by \$367,145, and by increasing the appropriation of the Unemployment Fund by \$25,000 and by increasing the Total Funds appropriation to \$123,516,558 as follows:

General Fund	\$32,263,109	\$32,321,207
Street Fund	2,594,553	
Code Abatement Fund	100,000	
State Drug Forfeiture Fund	56,500	
Federal Drug Forfeiture Fund	30,000	

Public Arts Fund	114,500	
Revenue Stabilization Fund	594,959	
Unltd Tax GO Bond	1,676,850	
Limited Tax GO Bond 2009	0	262,203
General Capital Fund	36,477,286	36,844,431
City Facility-Major Maintenance Fund	55,953	
Roads Capital Fund	41,189,313	
Surface Water Utility Fund	7,102,926	
Vehicle Operations/Maintenance Fund	172,959	
Equipment Replacement Fund	365,204	
Unemployment Fund	10,000	35,000
Total Funds	<u>\$122,804,112</u>	<u>\$123,516,558</u>

Section 2. Amending the 2009 Budget. The 2009 Budget is amended as set forth in Exhibit 1 and increases the Total Funds appropriation to \$123,516,558.

Section 3. 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 NOVEMBER 23, 2009.

Mayor Cindy Ryu

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Publication Date:

Effective Date:

July 13, 2009 Budget Amendment Detail

Item	Fund	Orgkey	Object	Amount	Revenue Source	Revenue Object	Amount	Fund Balance 3080000	Total Resources	Explanation
General Fund										
Parks Operations	001	2409038	5480000	\$ 58,098	Insurance Recovery	3952000	\$ 43,098	\$ 15,000	\$ 58,098	Repairs due to Vandalism at Soccer Fields A&B, Upper Hamlin Park and Richmond Beach Saltwater Park
Total General Fund				<u>\$ 58,098</u>			<u>\$ 43,098</u>	<u>\$ 15,000</u>	<u>\$ 58,098</u>	
Limited Tax GO Bond 2009										
Limited Tax GO Bond 2009	211	2110000	5831000	\$ 261,203	Transfer from General Capital Fund	3970000	\$ 262,203	\$ -	\$ 262,203	2009 Debt Service interest payment
			5851000	<u>\$ 1,000</u>						
Total Limited Tax GO Bond 2009				<u>\$ 262,203</u>			<u>\$ 262,203</u>	<u>\$ -</u>	<u>\$ 262,203</u>	
General Capital Fund										
Hamlin Park Improvements	301	2820236	5630000	\$ 29,942	Shoreline School District	3371000	\$ 29,942	\$ -	\$ 29,942	Add storm drainage facilities for School District to current Hamlin construction contract
City Hall/Civic Center	301	2819148	5650000	\$ 75,000	EECBG	3392142	\$ 75,000	\$ -	\$ 75,000	Grant will fund additional solar panels
City Hall/Civic Center	301	3010000	5970000	\$ 262,203				\$ 262,203	\$ 262,203	Transfer proceeds from real estate excise tax for City Hall debt service interest payment
Total General Capital Fund				<u>\$ 367,145</u>			<u>\$ 104,942</u>	<u>\$ 262,203</u>	<u>\$ 367,145</u>	
Unemployment Fund										
Unemployment Fund Operations	505	1608115	5510000	\$ 25,000				\$ 25,000	\$ 25,000	
Total Unemployment Fund				<u>\$ 25,000</u>			<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	
TOTAL AMENDMENTS				<u>\$ 712,446</u>			<u>\$ 410,243</u>	<u>\$ 302,203</u>	<u>\$ 712,446</u>	

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