

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 583, Amending the 2010 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 2010 appropriations along with their corresponding expenditures. These new revenue sources were not anticipated when the 2010 budget was developed and adopted by Council. Capital projects were also reviewed as the 2011 – 2016 Capital Improvement Plan (CIP) was developed. The adopted 2011 – 2016 CIP contained some adjustments to capital projects underway in 2010. Other operating programs need to be adjusted for unanticipated expenditures.

FINANCIAL IMPACT:

The following programs will be impacted by this amendment:

General Fund - \$26,259

- Planning & Development Services Long Range Planning - \$10,000
- Community Services Emergency Management Planning - \$145,858
- Transfers Out – (\$129,599)

Street Fund - \$54,106

- Street Operations - \$54,106

Limited Tax GO Bond 2009 Fund - \$256,771

- Limited Tax GO Bond 2009 - \$256,771

General Capital Fund - \$50,000

- Hamlin Maintenance Facility Improvements - \$50,000

Roads Capital Fund – (\$35,000)

- Curb Ramps, Gutter and Sidewalk Program – (\$35,000)

Surface Water Utility Fund - \$137,000

- Green (Shore) Streets Initiative - \$35,000
- Transfers Out - \$102,000

Equipment Replacement Fund - \$34,570

- Equipment Replacement Vehicles and Heavy Equipment - \$34,570

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 583, amending the 2010 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 2010 appropriations along with their corresponding expenditures. These new revenue sources were not anticipated when the 2010 budget was developed and adopted by Council. Capital projects were also reviewed as the 2011 – 2016 Capital Improvement Plan (CIP) was developed. The adopted 2011 – 2016 CIP contained some adjustments to capital projects underway in 2010. In the General Capital Fund, a new project – Hamlin Maintenance Facility Improvements was approved that will take place in 2010. In the Roads Capital Fund, the Curb Ramps, Gutter and Sidewalk program needs to be adjusted and in the Surface Water Utility Fund, the 2010 projected Transfers Out and the Green (Shore) Streets Initiative need to be adjusted. Other operating programs need to be amended for unanticipated expenditures. In addition, staff is requesting to use available fund balance in the Street Fund to cover the cost of electricity for streetlights. Staff is also requesting to use available fund balance in the Equipment Replacement Fund to replace Equipment No. 233 a chipper used by the Parks Maintenance staff.

BACKGROUND

Budget Amendment Detail

General Fund

Revenues: General Fund revenues will be increased by \$155,858. This includes a Community Forestry Assistance grant from the U. S. Department of Agriculture for \$10,000 and an Emergency Management Performance (EMP) grant from the U. S. Department of Homeland Security totaling \$145,858. The use of General Fund fund balance is reduced by \$129,599 to lower the General Fund transfer to the Limited Tax GO Bond Fund 2009 since the amount of funding required from the General Fund is less than budgeted due to the Build America Bonds Subsidy (BABS) for the City Hall debt service interest payments.

Planning & Development Services Long Range Planning: The 2010 appropriation for this program will be increased by \$10,000. The Community Forestry Assistance grant will be used to fund a baseline study of the City's urban tree canopy.

Community Services Emergency Management Planning: The 2010 appropriation for this program will be increased by \$145,858 from the EMP grant to fund a Vista employee; electrical work at the Emergency Operations Center (EOC); GIS projects; overtime for fire district staff to participate in the October 6, 2010 drill; purchase of EOC equipment; a cover for the emergency generator; and the installation of a fiber optic line necessary for connectivity from the City's main frame computer to the Shoreline Police and Shoreline Fire District Headquarters including the EOC.

General Fund Transfers Out: The 2010 appropriation will be reduced by \$129,599 since the transfer out required to fund a portion of the debt service interest for City Hall can be reduced.

The net impact to the General Fund 2010 expenditure appropriation is an increase of \$26,259.

Street Fund

Revenues: The use of fund balance will be increased by \$54,106.

Street Operations: The 2010 appropriation will be increased by \$54,106 to cover an unanticipated increase in the cost of electricity for streetlights due to rate increases enacted by Seattle City Light. A rate increase of 13.8% became effective on January 1 and a surcharge of 4.5% on May 1.

Limited Tax GO Bond 2009 Fund

Revenues: Revenues in this fund will be increased by \$256,771 to include a Build America Bond Subsidy (BABS) totaling \$386,370 and the Transfer In from the General Fund will be reduced by \$129,599.

Limited Tax GO Bond 2009: The 2010 appropriation will be increased by \$256,771 to include the 2010 debt service interest payment to be made from the BABS. This reflects the interest cost that is actually paid by the federal government in the form of a subsidy. Accounting principles require that we reflect this subsidy as both revenue and expenditure.

General Capital Fund

Revenues: The use of fund balance will be increased by \$25,000 and the Transfer In will be increased by \$25,000 to include the Transfer In from the Street Fund.

Hamlin Maintenance Facility Improvements: This is a new 2010 project totaling \$50,000 that was included in Adopted 2011 – 2016 CIP which will add a utility room to the existing restroom and create a heated enclosure to house the street sweeper.

Roads Capital Fund

Revenues: The use of CDBG funds is being reduced by \$35,000. Last year, Council reprogrammed the use of \$43,711 in CDBG funds to be used for the 2010 Curb Ramp, Gutter and Sidewalk Program and \$149,581 of CDBG funds to be used for the Green (Shore) Streets Initiative. Since the awarded contract for the 2010 Curb Ramp, Gutter and Sidewalk project was less than anticipated, staff would like to use the unneeded CDBG funds for the Green (Shore) Streets Initiative project as the bids for this project were slightly higher than anticipated.

Curb Ramps, Gutter and Sidewalk Program: Since the bid for the 2010 program was less than originally projected, the budget is being reduced to reflect the projected savings.

Surface Water Utility Fund

Revenues: The use of fund balance will be increased by \$102,000 and the use of CDBG funds will be increased by \$35,000 to be used by the Green (Shore) Streets Initiative.

Green (Shore) Streets Initiative: This project is being increased by \$35,000 due to higher than expected construction costs. The increase will be funded with CDBG monies.

Transfers Out: The appropriation will be increased by \$102,000 to increase the Transfer Out to the Roads Capital Fund for drainage work occurring as a part of the Aurora Avenue Corridor Improvements project. This was originally planned to be transferred during 2011, but the work is occurring in 2010.

Equipment Replacement Fund

Revenues: The use of fund balance will be increased by \$34,570.

Equipment Replacement Vehicles and Heavy Equipment: The appropriation will be increased by \$34,570 to fund the replacement of Vehicle No. 203 the chipper used by Parks Maintenance staff. The chipper was scheduled to be replaced in 2011, but required major repairs and since sufficient funds had been collected for the replacement of this piece of equipment, staff determined that it was best to replace now.

SUMMARY

The following table summarizes the budget amendments to each fund and the resulting 2010 appropriations for each of the affected funds.

Fund	Current Budget	Budget Amendment Request	Amended Budget
General Fund	\$31,449,463	\$26,259	\$31,475,722
Street Fund	\$2,515,181	\$54,106	\$2,569,287
Code Abatement Fund	\$100,000	\$0	\$100,000
State Drug Forfeiture Fund	\$16,500	\$0	\$16,500
Federal Drug Forfeiture Fund	\$25,000	\$0	\$25,000
Public Arts Fund	\$108,340	\$0	\$108,340
Revenue Stabilization Fund	\$980,000	\$0	\$980,000
Unltd Tax GO Bond 2006	\$1,681,850	\$0	\$1,681,850
Limited Tax GO Bond 2009	\$1,273,646	\$256,771	\$1,530,417
General Capital Fund	\$8,644,081	\$50,000	\$8,694,081
City Facility-Major Maint. Fund	\$104,000	\$0	\$104,000
Roads Capital Fund	\$42,544,984	(\$35,000)	\$42,509,984
Surface Water Utility Fund	\$5,902,528	\$137,000	\$6,039,528
Vehicle Operations/Maintenance Fund	\$163,467	\$0	\$163,467
Equipment Replacement Fund	\$245,124	\$34,570	\$279,694
Unemployment Fund	\$30,000	\$0	\$30,000
Total	\$95,784,164	\$523,706	\$96,307,870

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 583, amending the 2010 budget.

ATTACHMENTS

Attachment A: Ordinance 583, Amending the 2010 Budget
Exhibit 1: Amendment Detail

ORDINANCE NO. 583

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING ORDINANCE 563 BY INCREASING THE
APPROPRIATION IN THE GENERAL, STREET, LIMITED TAX GO
BOND 2009, GENERAL CAPITAL, SURFACE WATER UTILITY, AND
EQUIPMENT REPLACEMENT FUNDS AND REDUCING THE
APPROPRIATION IN THE ROADS CAPITAL FUND**

WHEREAS, the 2010 Budget was adopted by Ordinance 563; and amended by Ordinances No. 567 and 574

WHEREAS, the City has received a Community Forestry Assistance grant from the U.S. Department of Agriculture; and

WHEREAS, the City plans to use the grant to develop a baseline study of the City's urban tree canopy; and

WHEREAS, the City has received a Emergency Management Performance grant from the U.S. Department of Homeland Security; and

WHEREAS, the City will use the grant for various improvements to the City's Emergency Operations Center and for emergency preparedness activities ; and

WHEREAS, the City has received a Build America Bonds Subsidy (BABS) award; and

WHEREAS, the City will use the BABS award to cover a portion of the interest expense related to the City Hall debt service ; and

WHEREAS, the 2011 – 2016 Capital Improvement Plan was adopted by Council on June 28, 2010 and included adjustments to capital projects; and

WHEREAS, the City has identified unanticipated expenses in the Street Fund and the Equipment Replacement 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. 563, *Summary of Revenues and Expenditures*, by increasing the appropriation from the General Fund by \$26,259, by increasing the appropriation in the Street Fund by \$54,106, by increasing the appropriation in the Limited Tax GO Bond 2009 Fund by \$256,771, by increasing the appropriation in the General Capital Fund by \$50,000, by increasing the appropriation in the Surface Water Utility Fund by \$137,000, by increasing the appropriation in the Equipment

Replacement Fund by \$34,570, by decreasing the appropriation in the Roads Capital Fund by \$35,000 and by increasing the Total Funds appropriation to \$96,307,870 as follows:

General Fund	\$31,449,463	\$31,475,722
Street Fund	2,515,181	2,569,287
Reserve Stabilization Fund	980,000	
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	16,500	
Federal Drug Enforcement Forfeiture Fund	25,000	
Public Arts Fund	108,340	
2006 Unlimited Tax General Obligation Bond Fund	1,681,850	
2009 Limited Tax General Obligation Bond Fund	1,273,646	1,530,417
General Capital Fund	8,644,081	8,694,081
City Facility-Major Maintenance Fund	104,000	
Roads Capital Fund	42,544,984	42,509,984
Surface Water Utility Fund	5,902,528	6,039,528
Vehicle Operations/Maintenance Fund	163,467	
Equipment Replacement Fund	245,124	279,694
Unemployment Fund	30,000	
Total Funds	\$95,784,164	96,307,870

Section 2. Amending the 2010 Budget. The 2010 Budget is amended as set forth in Exhibit 1 and increases the Total Funds appropriation to \$96,307,870.

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.

ADOPTED BY THE CITY COUNCIL ON SEPTEMBER 13, 2010.

Mayor

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication:
Effective Date:

September 13, 2010 Budget Amendment Detail

Item	Fund	Orgkey	Object	Amount	Revenue Source	Revenue Object	Amount	Fund Balance 3080000	Total Resources	Explanation
General Fund										
Planning & Development Services - Long Range Planning	001	2506137	5410000	\$ 10,000	Community Forestry Assistance Grant	3331060	\$ 10,000	\$ -	\$ 10,000	Urban Tree Canopy Baseline Study
		OP257320	9041							
Community Services-Emergency Management Planning										
		2005062	5410000	\$ 26,593	Emergency Management Performance Grant	3319701	\$ 26,593	\$ -	\$ 26,593	Vista Volunteer, electrical work for Emergency Operations Center (EOC), and GIS projects
		OP251219	9041							
		2005062	5510000	\$ 2,000	Emergency Management Performance Grant	3319701	\$ 2,000	\$ -	\$ 2,000	Overtime for fire staff to participate in October 6, 2010 drill
		OP251219	9041							
		2005062	5350000	\$ 44,175	Emergency Management Performance Grant	3319701	\$ 44,175	\$ -	\$ 44,175	EOC equipment, cover for generator and other emergency equipment
		OP251219	9044							
Total Emergency Management Planning										
		2005062	5630000	\$ 73,090	Emergency Management Performance Grant	3319701	\$ 73,090	\$ -	\$ 73,090	Installation of a fiber optic line necessary for connectivity from City's main frame computer to the Shoreline Police and Shoreline Fire District Headquarters including the EOC.
		OP251219	9045							
Total Emergency Management Planning				\$ 145,858			\$ 145,858	\$ -	\$ 145,858	
Transfers Out										
		0010000	5970000	\$ (129,599)			\$ -	\$ (129,599)	\$ (129,599)	Reduce the amount of General Fund subsidy required for City Hall Debt Service
Total General Fund				\$ 26,259			\$ 155,858	\$ (129,599)	\$ 26,259	
Street Fund										
Street Operations	101	2709054	5471001	\$ 54,106			\$ -	\$ 54,106	\$ 54,106	Increase funding for streetlight electricity due to rate increases by Seattle City Light
Total Street Fund				\$ 54,106			\$ -	\$ 54,106	\$ 54,106	

September 13, 2010 Budget Amendment Detail

Item	Fund	Orgkey	Object	Amount	Revenue Source	Revenue Object	Amount	Fund Balance 3080000	Total Resources	Explanation
Limited Tax GO Bond - 2009 Fund										
	211	2110000	5831000	\$ 256,771	Build America Bonds Subsidy					
					Transfer in From General Fund	3322120	\$ 386,370	\$	\$ 386,370	City Hall debt service interest covered by Build America Bonds subsidy
						3970000	\$ (129,599)	\$	\$ (129,599)	
Total Limited Tax GO Bond - 2009 Fund				\$ 256,771			\$ 256,771	\$ -	\$ 256,771	
General Capital Fund										
Hamlin Maintenance Facility Improvements	301	2821286	5630000	\$ 50,000	Transfer in From Street Fund					
		GN257000	0610			3970000	\$ 25,000	\$ 25,000	\$ 50,000	Add a utility room to existing restrooms and create a heated enclosure to house the street sweeper
Total General Capital Fund				\$ 50,000			\$ 25,000	\$ 25,000	\$ 50,000	
Roads Capital Fund										
Curb Ramp, Gutter and Sidewalk Program	330	2914096	5630000	\$ (35,000)	Community Development Block Grant (CDBG)					
		ST100612	0601			3331000	\$ (35,000)	\$	\$ (35,000)	Bids lower than projected, will use savings in CDBG funds for Green Streets project in Surface Water Utility Fund
Total Roads Capital Fund				\$ (35,000)			\$ (35,000)	\$ -	\$ (35,000)	
Surface Water Utility Fund										
Green (Shore) Streets Initiative	401	3018250	5630000	\$ 35,000	Community Development Block Grant (CDBG)					
		SW253200	0601			3331000	\$ 35,000	\$	\$ 35,000	Bids higher than anticipated will use CDBG funds reprogrammed from Curb Ramp, Gutter & Sidewalk Program
Transfers Out	401	4010000	5970000	\$ 102,000				\$ 102,000	\$ 102,000	Increase Transfer Out to Aurora Corridor Improvements project for drainage related work
Total Surface Water Utility Fund				\$ 137,000			\$ 35,000	\$ 102,000	\$ 137,000	
Equipment Replacement Fund										
Equipment Replacement/Vehicles and Heavy Equipment	503	1608114	5640000	\$ 34,570				\$	\$ 34,570	Replacement of Equipment No. 203 Chipper
Total Equipment Replacement Fund				\$ 34,570			\$ -	\$ 34,570	\$ 34,570	
Total Amendments				\$ 523,706			\$ 437,629	\$ 86,077	\$ 523,706	

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