

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2011 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Robert Olander, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2011 proposed budget to the City Council no later than November 2, 2010. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 18. 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 2011 Proposed Budget totals \$69,887,750. The following table is a summary of the proposed budget by fund:

	2011 Proposed Budget			2010 Current		
Fund	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	10-11 % Change
Operating Funds:						
General Fund	4,429,915	\$ 32,100,171	\$ 32,905,171	\$ 3,624,915	\$ 31,475,722	5%
Revenue Stabilization Fund	4,925,357	605,000	605,000	4,925,357	980,000	(38%)
Property Tax Equalization Fund	0	787,000	0	787,000	0	
Streets	774,530	2,422,531	2,572,769	624,292	2,569,287	0%
Code Abatement	152,591	80,550	100,000	133,141	100,000	0%
State Drug Enforcement Forfeiture Fund	1,941	5,000	5,000	1,941	16,500	(70%)
Federal Drug Enforcement Forfeiture Fund	808	5,050	5,000	858	25,000	(80%)
Sub-Total Operating Funds	10,285,142	36,005,302	36,192,940	10,097,504	35,166,509	3%
Internal Service Funds:						
Equipment Replacement	1,688,955	253,719	134,199	1,808,475	279,694	(52%)
Public Art Fund	219,461	1,050	36,200	184,311	108,340	(67%)
Unemployment	28,518	10,150	15,000	23,668	30,000	(50%)
Vehicle Operations & Maintenance	43,528	176,813	191,563	28,778	163,467	17%
Sub-Total Internal Service Funds	1,980,462	441,732	376,962	2,045,232	581,501	(35%)
Debt Service Funds:						
2006 General Obligation Bond	266,032	1,700,000	1,695,050	270,982	1,681,850	1%
2009 General Obligation Bond	0	1,662,267	1,662,267	0	1,530,417	9%
Sub-Total Debt Service Funds	266,032	3,362,267	3,357,317	270,982	3,212,267	5%
Enterprise Funds:						
Surface Water Utility Fund	3,110,357	3,264,770	5,064,945	1,310,182	6,039,528	(16%)
Sub-Total Enterprise Funds	3,110,357	3,264,770	5,064,945	1,310,182	6,039,528	(16%)
Capital Funds:						
General Capital	2,317,962	1,255,416	3,193,140	380,238	8,694,081	(63%)
City Facility-Major Maintenance Fund	172,613	57,497	162,750	67,360	104,000	56%
Roads Capital	5,031,203	17,931,591	21,539,696	1,423,098	42,509,984	(49%)
Sub-Total Capital Funds	7,521,778	19,244,504	24,895,586	1,870,696	51,308,065	(51%)
Total City Budget	\$ 23,163,771	\$ 62,318,575	\$ 69,887,750	\$ 15,594,596	\$ 96,307,870	(27%)

The City's operating fund expenditures total \$36,192,940 for 2011 and this represents 52% of the total budget. The City's debt service expenditures total \$3,357,317 and represent 5% of the total budget. The City's 2011 capital expenditures total \$24,895,586, which represents 36% of the City's proposed expenditures. The Surface Water Utility Fund makes up the enterprise category and is 7% 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 2011 projected expenditures represent a 27% decrease from those budgeted in 2010. Operating expenditures are projected to decrease by 3% (\$1,026,431) and capital expenditures are projected to decrease by 51% (\$26.4 million). The capital fund expenditures are projected to decrease primarily as a result of the completion of the City Hall parking structure, projects funded with proceeds from the parks bond issue, and a significant portion of the Aurora Avenue Improvements from 165th to 185th. 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 2011 Budget	October 18
Department Budget Review	October 25
Public Hearing on Proposed 2011 Budget & Continued Department Budget Review	November 1
Public Hearing on Revenue Sources, 2011 Property Tax Levy & Review of City Compensation Policy	November 8
Public Hearing on Proposed 2011 Budget & Continued Budget Discussion	November 15
Adoption of 2011 Property Tax Levy	November 22
Adoption of 2011 Budget	November 22

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the 2011 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

