

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: 2011 Proposed Budget Public Hearing, Department Presentations and Budget Workshop

DEPARTMENT: City Manager's Office

PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT: The City Manager presented the 2011 proposed budget to the City Council on October 18, 2010 and department presentations began that night. Tonight's agenda includes a public hearing on the 2011 proposed budget and continues the department presentations which includes the review of the Public Works department budget and the capital funds budget. Tonight staff from Public Works will be available to answer City Council questions.

FINANCIAL IMPACT: The 2011 Proposed Budget totals \$69,887,750. The following table is a summary of the proposed budget by fund:

Fund	2011 Proposed Budget			2010 Current Budget		10-11 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	
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	n/a
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 nearly 52% of the total budget. The City's debt service expenditures total \$3,357,317 and represent nearly 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 increase by 3% (\$1,026,431). Capital expenditures are projected to decrease by 27% (\$26.4 million). The capital fund expenditures are projected to decrease primarily as a result of the completion of the City Hall garage, completion of projects funded with proceeds from the parks bond issue, and substantial work being accomplished on the Aurora 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	November 8
Public Hearing on Proposed 2011 Budget	November 15
Adoption of 2010 Property Tax Levy	November 22
Adoption of 2010 Budget	November 22

The 2011 proposed budget is balanced and totals nearly \$69.9 million. The City Council will have four workshops to review the proposed budget. The public will have an opportunity to speak to the Council about the budget at each of the Council meetings as part of either public comment or during the three formal public hearings held tonight and on November 8 and November 15. The City Council is scheduled to adopt the 2011 budget on 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

