

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2012 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Julie Underwood, City Manager
ACTION: _____ Ordinance _____ Resolution _____ Motion
 _____x_____ Discussion _____ Public Hearing

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2012 proposed budget to the City Council no later than November 2, 2011. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 17. The purpose of this presentation will be to introduce the budget document to the Council; provide the policy background concerning its development, and highlight key budget issues and changes from the previous year. Staff will include the proposed budget review schedule.

RESOURCE/FINANCIAL IMPACT: The 2012 Proposed Budget totals \$54,737,441. The following table is a summary of the proposed budget by fund:

Fund	2012 Proposed Budget			2011 Current Budget		10-11 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Expenditures	
Operating Funds:						
General Fund	5,811,436	\$ 32,444,342	\$ 33,783,016	\$ 4,472,762	\$ 33,169,072	2%
Revenue Stabilization Fund	4,925,357	0	0	4,925,357	605,000	(100%)
Property Tax Equalization Fund	787,000	398,000	0	1,185,000	0	n/a
Streets	716,453	2,053,398	2,214,157	555,694	2,552,749	(13%)
Code Abatement	140,090	80,550	100,000	120,640	100,000	0%
State Drug Enforcement Forfeiture Fund	3,203	5,000	5,000	3,203	12,000	(58%)
Federal Drug Enforcement Forfeiture Fund	5,226	5,050	5,050	5,226	18,000	(72%)
Federal Criminal Forfeiture Fund	254,302	0	182,000	72,302	25,000	628%
Sub-Total Operating Funds	12,643,067	34,986,340	36,289,223	11,340,184	36,481,821	(1%)
Internal Service Funds:						
Equipment Replacement	1,803,155	526,654	315,000	2,014,809	134,199	135%
Public Art Fund	284,271	1,050	36,200	249,121	99,416	(64%)
Unemployment	45,886	67,782	89,546	24,122	15,000	497%
Vehicle Operations & Maintenance	47,589	182,250	197,250	32,589	191,563	3%
Sub-Total Internal Service Funds	2,180,901	777,736	637,996	2,320,641	440,178	45%
Debt Service Funds:						
2006 General Obligation Bond	257,177	1,700,000	1,695,050	262,127	1,695,050	0%
2009 General Obligation Bond	300	1,659,067	1,659,067	300	1,662,267	(0%)
Sub-Total Debt Service Funds	257,477	3,359,067	3,354,117	262,427	3,357,317	(0%)
Enterprise Funds:						
Surface Water Utility Fund	2,582,816	3,613,736	5,007,727	1,188,825	5,450,147	(8%)
Sub-Total Enterprise Funds	2,582,816	3,613,736	5,007,727	1,188,825	5,450,147	(8%)
Capital Funds:						
General Capital	1,882,163	1,078,272	1,867,329	1,093,106	4,295,417	(57%)
City Facility-Major Maintenance Fund	124,917	164,857	60,000	229,774	276,303	(78%)
Roads Capital	1,694,614	6,403,645	7,521,049	577,210	34,462,830	(78%)
Sub-Total Capital Funds	3,701,694	7,646,774	9,448,378	1,900,090	39,034,550	(76%)
Total City Budget	\$ 21,365,955	\$ 50,383,653	\$ 54,737,441	\$ 17,012,167	\$ 84,764,013	(35%)

The City's operating budget totals \$36,289,223 for 2012 representing 66% of the total budget. The remaining 2012 budget is comprised of the City's debt service expenditures (\$3,354,117, 6% of the total budget), capital expenditures (\$9,448,378, 17% of the total budget), the Surface Water Utility (\$5,007,727, 9% of the total budget) and internal service funds (\$637,996, 2% of the total budget). Total 2012 projected expenditures represent a 35% decrease from those budgeted in 2011. Operating expenditures are projected to decrease by 1% (\$192,598) and capital expenditures are projected to decrease by 76% (\$29.6 million). The capital fund expenditures are projected to decrease primarily as a result of the completion of projects funded with proceeds from the parks bond issue and a significant portion of the Aurora Avenue Improvements from 165th to 185th and 185th to 192nd. 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 2012 Budget	October 17
Department Budget Reviews	October 24
Department Reviews & Budget Discussion	November 7
Public Hearing on Revenue Sources & 2012 Property Tax Levy	November 14
Final 2012 Budget Discussion	November 21
Adoption of 2012 Property Tax Levy	November 28
Adoption of 2012 Budget	November 28

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the 2012 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 *ju*