



**COUNCIL DINNER MEETING
AGENDA
ROOM 104
September 9, 2013
5:30 p.m.**

<u>Agenda Item</u>
Executive Session (5:30 p.m.)
Ten Year Financial Sustainability Plan (5:50 p.m.) <ul style="list-style-type: none">· Draft Schedule (Attached)<ul style="list-style-type: none">- Does Council want to proceed with the proposed schedule?- Some councilmembers have asked if it should be delayed for new City Manager· Council Sub-Committee<ul style="list-style-type: none">- Mayor McGlashan, Deputy Mayor Eggen and Councilmembers Salomon & Winstead have expressed interest in serving on the sub-committee. The sub-committee should be less than quorum so staff recommends keeping the sub-committee to three Councilmembers.
2014 Supplemental Budget Requests (6:05 – 6:50 p.m.) <ul style="list-style-type: none">· Staff Report (Attached)<ul style="list-style-type: none">- Opportunity for Council to review budget requests from departments.
Adjourn (6:50 p.m.)

Staff Attending:

Julie Underwood, City Manager

Debbie Tarry, Assistant City Manager

Bob Hartwig, Administrative Services Manager

Dick Deal, Parks Director

Mark Relph, Public Works Director

Tentative Timeline for Council Review

10-YEAR FINANCIAL SUSTAINABILITY PLAN

<u>Date</u>	<u>Agenda topic</u>
Mon, Sept. 23 <i>Committee Meeting*</i>	Context and Background: Review Vision 2029, challenges to our sustainability, prioritized services (quality of life services and core services)
Mon, Oct. 7 <i>Committee Meeting*</i>	Financial Scenarios: Review assumptions of four different scenarios and their financial projections
Mon, Oct. 21 <i>Committee Meeting*</i>	Strategies for Sustainability: Review short and long-term strategies
Mon. Oct. 28 <i>Council Dinner Meeting</i>	Provide the Council with an update of the 10-Year Plan, including timeline, context, scenarios and projections
Mon, Nov. 4 <i>Committee Meeting*</i>	Continue discussion of strategies and begin discussion of a recommendation for a preferred alternative
Mon, Nov. 18 <i>Committee Meeting*</i>	Continue discussion of a recommendation for a preferred alternative and future public outreach process
Mon, Dec. 9 <i>Council Meeting</i>	Provide a study session on the 10-Year Plan (determine if another study session is needed)
Mon., Jan. 13 or 20 <i>Council Meeting</i>	Council final review and adoption

**All meetings would start at 5:30pm; dinner will be available starting at 5:15pm.*

**OPERATING BUDGET FORECAST
SIX YEAR FORECAST**

	2014 Projected Budget	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Beginning Operating Funds Fund Balance	\$ 10,085,381	\$ 9,098,930	\$ 9,340,297	\$ 9,343,245	\$ 8,500,945	\$ 7,040,424
Revenues:						
Taxes						
Property	9,814,237	10,289,208	10,617,374	10,794,460	10,967,598	11,135,493
Sales and Use	7,963,532	8,277,472	8,581,547	8,893,314	9,191,661	9,494,293
Gambling	1,612,228	1,458,425	1,458,425	1,454,664	1,446,425	1,446,425
Utility	4,067,354	4,200,432	4,288,601	4,377,964	4,468,479	4,560,847
Other	7,200	7,200	7,200	7,200	7,200	7,200
Franchise/Utility Contract Payments	4,262,499	4,400,266	4,496,505	4,592,267	4,699,102	4,808,257
Licenses and Permits	1,388,700	1,178,825	1,164,320	1,132,051	1,044,557	1,022,822
Intergovernmental	2,126,174	1,980,382	1,962,193	1,944,704	1,928,148	1,912,592
Charges for Services	1,388,696	1,434,335	1,462,980	1,491,130	1,519,494	1,548,315
Fines and Forfeitures	604,000	604,000	604,000	604,000	604,000	604,000
Interest Income	35,000	72,438	159,753	255,601	270,197	217,755
Miscellaneous Revenues	571,624	578,317	582,518	586,646	590,806	595,033
Total Revenue	33,841,244	34,481,300	35,385,416	36,134,001	36,737,667	37,353,031
Operating Expenditures:						
Salaries & Benefits	13,359,762	13,962,082	14,346,912	14,861,094	15,484,838	16,155,236
Supplies	703,668	638,117	631,736	631,736	631,736	631,736
Services & Charges	5,812,623	5,602,918	5,702,464	5,795,106	5,950,653	6,047,421
Intergovernmental	13,187,485	13,786,783	14,105,431	14,575,846	15,061,674	15,563,799
Interfund	367,980	374,829	375,369	379,605	383,894	388,271
Budgeted Contingency	174,852	-	-	-	-	-
Capital Outlay	207,536	-	-	-	-	-
Total Operating Expenditures	33,813,906	34,364,729	35,161,912	36,243,387	37,512,795	38,786,463
Revenue Over (Under) Expenditures	27,338	116,571	223,504	(109,385)	(775,128)	(1,433,431)
Other Financing Sources (Uses):						
Operating Transfers In	1,664,821	2,348,233	1,991,554	1,588,263	1,696,280	1,704,465
Transfers Out	2,678,610	2,223,437	2,212,111	2,321,177	2,381,674	2,391,371
Gain / (Use) of Operating Funds Fund Balance	(986,451)	241,367	2,947	(842,300)	(1,460,521)	(2,120,337)
Ending Operating Funds Fund Balance	\$ 9,098,930	\$ 9,340,297	\$ 9,343,245	\$ 8,500,945	\$ 7,040,424	\$ 4,920,086
Required Operating Funds Fund Balance	\$ 4,115,615	\$ 4,128,801	\$ 4,139,470	\$ 4,151,924	\$ 4,161,392	\$ 4,168,338
Over (Under) Required Operating Funds Fund Balance	\$ 4,983,315	\$ 5,211,496	\$ 5,203,775	\$ 4,349,021	\$ 2,879,032	\$ 751,749
Assumptions:						
Inflation		4.11%	2.50%	2.41%	2.38%	2.37%
Annual Revenue Growth		1.89%	2.62%	2.12%	1.67%	1.68%
Annual Regular Levy Assessed Value Change		8.05%	4.07%	2.98%	2.99%	3.15%
Annual Sales & Use Tax Change		4.40%	4.49%	4.03%	3.76%	3.59%
General Fees & Licenses Increases		3.29%	2.00%	1.92%	1.90%	1.90%
Investment Interest Rate		0.60%	1.55%	2.68%	3.20%	3.20%
Building Permit Charge		1.76%	-2.78%	-5.39%	-14.06%	-4.79%
Revenue Collection		100.00%	100.00%	100.00%	100.00%	100.00%
PERS Employer Contribution Rate		9.44%	9.69%	9.69%	10.56%	11.59%
Health Benefit Escalator		7.50%	7.50%	7.50%	7.50%	7.50%
Regular Salary Escalator		4.30%	2.85%	2.76%	2.74%	2.73%
Police Contract Escalator		3.50%	3.50%	3.50%	3.50%	3.50%
Expenditure Percentage		100.00%	99.00%	99.00%	99.00%	99.00%
Annual Expenditure Growth		1.63%	2.32%	3.08%	3.50%	3.40%
Contribution to / (Refund From) Revenue Stabilization Fund	\$ -	\$ 11,019	\$ 121,187	\$ 82,294	\$ 92,089	\$ 92,089
New Maintenance Costs for Completed Capital Projects	\$ 141,514	\$ 218,166	\$ 288,743	\$ 271,719	\$ 276,981	\$ 276,981
Property Tax Equalization Funds Used	\$ 775,909	\$ 411,211	\$ -	\$ -	\$ -	\$ -

Council Meeting Date: September 9, 2013

CITY COUNCIL DINNER MEETING AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	2014 Supplemental Budget Requests		
DEPARTMENT:	Administrative Services Department		
PRESENTED BY:	Robert Hartwig, Administrative Services Director		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The City Council will be considering the 2014 Budget over the next several weeks. In preparing the City Manager's recommended 2014 Budget, staff identified a number of needs that would enable staff to more fully serve the Shoreline community and advance Council goals. The City's limited financial resources required that the City Manager further evaluate those requests to prioritize and ultimately determine which items should be included in the 2014 Budget to be submitted to Council in October. The purpose of tonight's Dinner Meeting discussion is for Council to be aware of the issues/needs that departments have identified as part of the budget process as many of those needs will not be included in the proposed budget. Tonight the City Manager is also providing a preliminary list of the supplemental budget requests that she is intending to recommend be funded in the 2014 Budget.

BACKGROUND:

Assumptions/Major Initiatives

In preparing for tonight's discussion, the City Council should be aware of some of the underlying assumptions for the 2014 Preliminary Budget. The major assumptions include a 4% increase in property tax revenue, a 2.5% increase in sales tax revenue, a cost of living adjustment of 1.26%, a 0% increase in health related benefits, and the annualized cost of the increase in the employer state pension contribution rate to 9.21% which became effective on September 1, 2013. Staff is also assuming the permanent loss of funding from the state shared liquor excise tax. With these assumptions, staff is planning to present a balanced budget to the City Council in October.

In addition to the base budget assumptions, Council should be aware of potential federal and state actions that could impact future City budgets.

- *Affordable Healthcare Act:* The City Council should consider the eventual impacts of the Affordable Healthcare Act. This is expected to impact costs for the City of Shoreline beginning with the 2015 Budget. The Act as currently written will require the City to provide health benefits to certain qualifying temporary employees. Specifically, staff will need to evaluate how it affects our decisions regarding hiring non-seasonal extra-help employees. Staff will be

evaluating the impacts and potential policy recommendations during the first six months of 2014.

- *Long-term financial sustainability.* There is the potential that State shared revenues other than liquor excise taxes (see below) may also be reduced or eliminated over time. Staff will also need to look at long-term financial sustainability in reference to economic development and any future property tax levy lid lift renewal.

State Shared Liquor Revenues

As the City Council is aware, the State's legislators have, over the past few years, reduced the amount of liquor revenues historically shared with the cities. To respond to the potential permanent loss of liquor excise taxes, staff is proposing the following reductions. We believe that this source of revenue can no longer be relied upon and as a result, the proposed 2014 Budget removes this revenue source.

In order to accomplish a balanced 2014 Budget, the following changes are recommended. All items will reduce the General Fund's on-going costs.

<u>Item</u>	<u>Amount</u>
<i>East Side Store Front Lease</i> The west-side store front relocated to City Hall when the lease expired. This consolidates all community policing services into City Hall.	\$ 14,999
<i>Reduction in General Fund Allocation to the General Capital Fund</i> The General Fund allocation will be replaced with King County Parks Levy funding to maintain repair/replacement project activity at current levels. The King County levy funding can be used for maintenance purposes.	30,000
<i>Irrigation Maintenance – Public Works</i> Contractual irrigation maintenance within the right-of-way will instead be performed by existing Parks Maintenance staff.	20,000
<i>Street Sweeping</i> 100% of street sweeping operations will occur within the Surface Water Utility. This amount represents the amount previously funded by the General Fund. The Surface Water Utility had previously paid only a portion of the street sweeping costs.	<u>65,201</u>
Total	\$ <u>130,200</u>

2006 Park Bond Projects

As Council is aware the 2006 Park Bond provided for the acquisition of open space properties, such as South Woods, and enhancement of many of the City's parks and recreational facilities. Voters were asked to approve a capital bond, but there was no

corresponding request for long-term funding of related maintenance and operational costs. At the time, staff anticipated minimal operational impact, but in reality the City has experienced additional on-going operational costs such as those related to the maintenance of Kruckeberg Botanical Garden. This has created an increased level of expenditures with no offsetting revenue source and is part of the reason for the reduced service levels and transfers of services described throughout this staff report and related attachments.

One-Time and Ongoing Supplemental Requests

As the City Council is aware, the City ended 2012 with an increase of Fund Balance in the General Fund. The increase was approximately \$3.6 million. Of this amount \$3.3 million was the result of four factors.

- 1) Tax revenues (primarily sales and gambling tax) exceeded budget by \$0.9 million (a favorable variance). The local economy recovered quickly in the last six months of 2012. This was not anticipated when the budget was adopted in November, 2011.
- 2) License and permit revenues (primarily building and right of way permits along with plan check fees) exceeded budget by \$0.7 million (a favorable variance). This was primarily the result of several large construction projects that were not expected when the budget was originally adopted, particularly the Brightwater project and the North City Family Apartments combined with an increased level of permit activity associated with the economic upturn discussed above.
- 3) Expenditures for general government services were \$1.2 million under budget (a favorable variance). This was the result of position vacancies and contingencies that were not spent.
- 4) Public safety expenditures were \$0.5 million under budget. Factors for this variance included lower than budgeted jail costs combined with an internal audit in King County that resulted in savings for the City relating to health and other benefits for the Police Department.

When fund balance increases are realized, staff makes recommendations regarding what part of those savings should be used to fund one-time supplemental budget changes in future years' budgets. Care must be taken with recommendations of this nature. There is no guarantee that one-time favorable variances will occur again in the future. As a result staff does not believe that we should rely on this one-time source of revenue to fund ongoing operations.

In addition to one-time requests, for the first time in several years the City Manager accepted staffing and other ongoing requests from departments as part of the 2014 Budget process. A few of these items are considered high enough priorities to recommend for funding. However, in order to balance the budget many of these items required adjustments in other areas so that ongoing funding would be available in future years.

Attachment A to this staff report provides the one-time and ongoing budget requests that are recommended for 2014 funding, along with sources of funding for the ongoing items. Attachment B lists additional one-time and ongoing requests that were received, but will not be recommended for funding. Attachment C provides a brief explanation of each of the requests listed in Attachments A and B. As Council will see, there is pent up demand for both one-time and ongoing services as a result of several years of recessionary conditions.

Although many of the requests that will not be funded have merit, staff believes that it is important to retain some of the one-time savings for future years. In the case of ongoing requests, staff believes that additional ongoing revenues are needed to support ongoing expenditure requests, and these ongoing revenues are simply not available at this time.

RESOURCE/FINANCIAL IMPACT:

If accepted by the City Council, one-time requests would use \$1,069,781 of the one-time General Fund budget savings. New ongoing requests total \$270,438 in the General Fund. Staff is recommending \$131,005 in reductions to offset part of these requests, leaving a net increase of \$139,433. One-time requests in other funds total \$107,452, with another \$201,534 in ongoing requests.

In addition, it should be noted that original budget projections included an ongoing increase in the City's health benefit costs estimated at \$40,000. Within the last few weeks AWC stated that they will be pursuing a "self-funded" health benefit plan. This is expected to result in a 0% increase in medical premiums in 2014. As a result, the City's base budget before new on-going requests was \$40,000 less than originally projected.

The final financial impact of the supplemental budget requests will depend on whether the City Council adopts none, some, or all of the City Manager's recommendations.

RECOMMENDATION

Staff recommends that Council review the list of proposed one-time and ongoing supplemental budget recommendations. This is a discussion item only and no Council action is requested during tonight's discussion.

Approved By: City Manager **JU** City Attorney **IS**

ATTACHMENTS

Attachment A – One-time and Ongoing Supplemental 2014 Budget Requests
Recommended for Funding

Attachment B – One-time and Ongoing Supplemental 2014 Budget Requests Not
Recommended for Funding

Attachment C – Description of One-time and Ongoing Supplemental 2014 Budget
Requests

One-time and Ongoing Supplemental 2014 Budget Requests Recommended for Funding

Item #	Recommended for Funding		Cost		Total
	Department	Item	One-Time	On-going	Cost
1	ASD - IT Operations	MS Windows 7/8 Software Licenses	50,000		50,000
2	ASD - IT Operations	Server & Computer Replacement catch up	50,000		50,000
3	ASD - IT GIS	Extra Help - GIS Technicians	49,032		49,032
4	City Council	Microphone System	11,951		11,951
5	City Council Contingency	Council Salary Increases		16,500	16,500
6	CMO - Economic Development	Planned Action for Aurora Square CRA	125,000		125,000
7	CMO - City Manager's	Utility Related activities	25,000		25,000
8	CSD - Neighborhoods	Public Notice and Postage	4,000		4,000
9	CMO - City Manager's Office	Everbridge Mass Communication System	15,930		15,930
10	CDS - Neighborhoods	Neighborhoods USA Conference - Eugene, OR	2,580		2,580
11	To Roads Capital Fund	Grant Matching Funding/CRA	300,000		300,000
12	Parks Operations	1 FTE Parks Maint. Worker II - Xtra Help reduction		85,790	85,790
13	Parks Operations	Eliminate Parks Gate Closing		(16,000)	(16,000)
14	Parks Operations	Reduction of Extra Help Salaries & Benefits		(59,000)	(59,000)
15	Parks Operations	Irrigation Reduction		(15,000)	(15,000)
16	Parks General Programs	Implement a \$1 per transaction fee for credit/debit card transactions under \$33		(1,500)	(1,500)
17	GF - Admin Key	Reduce Transfer to General Capital (KC Levy replacement)		(20,000)	(20,000)
18	PCD - City Planning	SEPA Analysis for Point Wells	8,000		8,000
19	PCD - City Planning	145th Street Station Subarea Plan	180,000		180,000
20	PW - Engineering	Professional Services		10,000	10,000
21	PW - Traffic Services	Street Lighting Program		3,000	3,000
22	PW - Right-of-Way	Extra Help (1,040 hours - 0.5 FTE equivalent) Construction Inspector	36,100		36,100
23	PW - Traffic Services/Street Operations	1 FTE Eng Technician for Asset Management	3,600	92,338	95,938
24	PW - Street Operations	Management Analyst Reclass to Sr. Analyst		3,130	3,130
25	PW - Street Operations	Replace & Upgrade Sign Truck (VN#116)	46,184	13,800	59,984
26	PW - Street Operations	Replacement and Upgrade (VN#110)	2,630	3,780	6,410
27	PW - Street Operations	Skid Steer Tractor & Trailer with attachments	134,138	19,000	153,138
28	PW - Street Operations	Eliminate Skid Steer Rental		(12,755)	(12,755)
29	PW - Street Operations	Sidewalk Grinder, Drums, Cart, Vacuum & Trailer	25,636	3,100	28,736
30	PW - Street Operations	Slope Mowing Elimination		(6,750)	(6,750)
31	ASD - Citywide Non-Departmental	Vacation Buyout increase		20,000	20,000
TOTAL Recommended Requests for General & Street Fund			1,069,781	139,433	1,209,214
32	PW - SW Roads	Management Analyst Reclass to Sr. Analyst		5,813	5,813
33	PW - SW Roads	Street Sweeper M&O and Replacement to SW		13,823	13,823
34	PW - SW Roads	Replacement and Upgrade (VN#110)	1,052	2,520	3,572
35	PW - SW Roads	PW Maint Worker II 60% to SW		51,378	51,378
TOTAL Recommended Requests for Surface Water Utility			1,052	73,534	74,586
36	CIP Various	1 FTE Capital Project Manager II	6,400	128,000	134,400
TOTAL Recommended Requests for Capital Funds			6,400	128,000	134,400
37	PW -	Water Comprehensive Plan	100,000		100,000
TOTAL Recommended Requests for Future Water Utility Fund			100,000	-	100,000

**Other One-time and Ongoing Supplemental 2014 Budget Requests Received,
but Not Recommended for Funding**

Item #	NOT Recommended for Funding		<u>Cost</u>		Total
	Department	Item	One-Time	On-going	Cost
38	PW - Street Operations	Pavement Management System	165,000		165,000
39	PW - Engineering	ADA Transition Plan Development - Professional Services	49,000		49,000
40	PW - Engineering	Estimating Tool Development - Professional Services	41,000		41,000
41	PW - Street Operations	Extra Help - Sidewalk Grinder Operator		22,014	22,014
42	ASD - Web Development	SharePoint Portal Implementation	70,000	2,580	72,580
43	PW/ASD - Fleet	Replacement Backhoe VN#206	14,466	1,800	16,266
44	ASD - Purchasing	0.25 FTE increase Buyer		17,873	17,873
45	CSD - All Programs	Reclassification of AA II position		2,941	2,941
46	Human Resources	1 FTE Human Resource Analyst	6,139	96,976	103,115
47	Human Resources	0.50 FTE Administrative Assitant I	5,389	34,746	40,135
48	PC&D	Assitant Planner - 1 FTE	1,411	87,463	88,874
49	PC&D	Administrative Assitant III - 1 FTE	1,400	81,289	82,689
50	PW - Various	1 FTE Admin. Assitant II	5,500	48,424	53,924
51	Parks - General Programs	Increase AAI position by 0.50 FTE - Xtra Help reduction		25,305	25,305
52	Parks Operations	1 FTE Parks Maintenance Worker II - Tree Care & Urban Forestry Practices		85,790	85,790
53	Parks Operations	1 FTE Parks Maintenance Worker I - Xtra Help reduction		75,000	75,000
54	PW - Street Ops/SW Roads	1 FTE Maintenance Worker II (Sweeper Operator)		49,100	49,100
55	ASD - Facilities	Brugger's Bog M&O		8,000	8,000
56	CMO - Economic Development	Jazz Walk Funding		2,000	2,000
57	CMO - Economic Development	Small Business Services		10,000	10,000
58	Parks Operations	Increase Kruckeberg funding		5,000	5,000
59	Criminal Justice	Public Defense - Public Defender at Arraignment		26,000	26,000
60	PW/ASD - Fleet	Retain VN#124 International Truck		3,900	3,900
Not Recommended for Funding for General Fund			359,305	686,201	1,045,506
61	PW - SW Roads	Retain VN#124 International Truck		2,600	2,600
62	PW - SW Roads	1 FTE Maintenance Worker II (Sweeper Operator)		32,733	32,733
63	PW - SW Roads	Replacement Backhoe VN#206	11,645	1,200	12,845
Not Recommended for Funding for Surface Water Utility			11,645	36,533	48,178

Attachment C

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
1	Software Licenses Extended support for Windows XP ends in April 2014. The system must be replaced and the package currently available offers both Windows 7 and Windows 8 for one price. Preserves system stability and functionality.	\$ 50,000
2	Computer Equipment Additional servers and computer equipment needed so that the City can remain on a five year hardware replacement cycle.	50,000
3	Extra Help – GIS Technicians 2080 hours of temporary help to add City assets to the City's Graphical Information System (GIS) to be integrated with the new asset management software. Allows the City to issue service requests and track work order activity for individual assets such as roads, sidewalks, traffic signals and signs, facilities, and fleet.	49,032
4	Council Chamber Microphone System A new microphone system in the Council Chambers that allows mics to be queued and timed would provide more efficient meeting management for Council, Board and Commission meetings. The system would improve sound quality of live meetings and video recordings.	11,951
5	Council Salary Contingency This amount is requested to fund potential Council salary increases.	16,500
6	Planned action for Aurora Square CRA Allows the City to hire traffic, engineering, and project management consultants to help guide a City-initiated Planned Action for the Aurora Square CRA. A redeveloped Aurora Square would help strengthen the City's economic base.	125,000
7	City Manager Professional Services Discretionary funding for potential utility related activities.	25,000

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
8	Postage and Publications This request will specifically fund direct public outreach needed to implement the Council's goal of enhancing public safety. Outreach will include crime prevention messaging, safe neighborhoods, and safe community programming.	\$ 4,000
9	Software Licenses Provides the City with Everbridge communication and mass notification services software.	15,930
10	Council of Neighborhood Representative Conference The Neighborhoods USA annual conference is in Eugene, Oregon in 2014. This funds attendance at the conference for Council of Neighborhoods members. Conferences are held this close to Shoreline approximately once every five years.	2,580
11	Transfer to Roads Capital Fund This transfer would provide funding for grant matching or CRA opportunities that might develop. It would allow the City to take advantage of these opportunities as they occur.	300,000
12- 14	1.0 FTE Parks Maintenance Worker II This combination of three items funds a Parks Maintenance Worker II position by reducing Parks Extra Help positions. In addition, the Police Department will begin closing park gates at night during routine patrol activities. Provides for a person with a stronger skill set, better training, lower staff turnover, and ability to work at a more advanced level. The remaining \$10,790 will come from reductions in other line items.	10,790
15	Parks Irrigation This will reduce summer irrigation of City Parks to achieve budget savings in order to accomplish other ongoing needs.	(15,000)
16	Credit Card Fees This represents the budgetary effect of charging a \$1 fee on small transactions paid for using credit or debit cards.	(1,500)

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
17	General Fund Allocation to the General Capital Fund This replaces a portion of the transfer with King County Parks Levy money and is in addition to the amount referenced in the Liquor Revenue discussion in the staff report.	\$ (20,000)
18-	Professional Services	188,000
19	SEPA analysis for Pt. Wells (\$8,000) plus 145 th St. Station subarea plan for light rail (\$180,000). Overall purpose is to improve Shoreline's utility, transportation, and environmental infrastructure.	
20	Professional Services When the Engineering Division was created in prior years, no provision was made for obtaining outside professional services. Provides for small needs such as reviewing legal descriptions, construction estimates for lawsuits, developing tools and systems improving efficiency and quality of work products.	10,000
21	Street Lighting This represents the annual electrical costs to the City of adding 10 new street lights each year. Lights would be placed on existing electrical poles.	3,000
22	Extra Help – Right of Way Provides for a 0.5 FTE temporary construction inspector for right of way permit activity. Needed due to increased construction activity, quality control considerations, condition assessments of sidewalks, etc. Improves construction quality and infrastructure longevity. 2014 revenue projections include increased right-of-way revenue.	36,100
23	1.0 FTE Engineering Technician The position will create and manage the infrastructure inventory for the Traffic and Streets Divisions within the Public Works Department so that these divisions can implement asset management system including service request, work order and condition assessment of road and street assets. The asset management software will require a full time staff person to maintain GIS information in the data base. This proposal includes \$3,600 in one-time equipment costs.	95,938

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
24	Reclassify Management Analyst to Sr. Management Analyst This is the General Fund portion. This position will be expanded to include highly technical support for the water and sewer utilities. Also see item 32.	\$ 3,130
25-	Vehicles	235,513
29	Costs to replace, upgrade, and purchase various pieces of equipment. This amount includes \$208,588 in one-time costs and \$39,680 in ongoing costs, offset by \$12,755 in ongoing savings. The largest portion of this relates to a skid steer tractor and trailer (\$140,383). This replaces a rented unit (5 months/yr) and allows for 1,400 sq ft of high quality asphalt repairs per day. Also see item 34.	
30	Slope Mowing Reduce the level of slope mowing from two times to one time per year. Also see item 41.	(6,750)
31	Vacation Buyout Based on historical buyout amounts, the amount budgeted needs to increase by \$20,000 per year.	<u>20,000</u>
Total General and Street Fund Requests Recommended (Includes \$139,433 in ongoing costs.)		\$ <u><u>1,209,214</u></u>

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Recommended for Funding</i>		
SURFACE WATER FUND		
32	Reclassify Management Analyst to Sr. Management Analyst This is the Surface Water Fund portion. Also see item 24.	\$ 5,813
33	Maintenance and Operations Street sweeping operations moved 100% to the Surface Water Fund. This portion was originally budgeted in the General Fund for the street sweeper replacement (see the Liquor Revenue discussion in the Staff Report).	13,823
34	Vehicles Replacement and upgrade of VN#110. Also see items 25-29.	3,572
35	Salaries and Benefits Movement of a Public Works Maintenance Worker II from the General Fund to the Surface Water Fund. This moves street sweeping operations 100% to the Surface Water Fund (see the Liquor Revenue discussion in the Staff Report).	<u>51,378</u>
	Total Surface Water Fund Requests Recommended (Includes \$73,534 in ongoing costs.)	\$ <u>74,586</u>
CAPITAL PROJECTS FUNDS		
36	1.0 FTE Capital Project Manager II This position replaces one of the three positions eliminated over the past few years during the economic downturn. Needed due to the backlog of projects and success in obtaining grant revenues. (Includes \$128,000 in ongoing costs.)	\$ <u>134,400</u>

Attachment C (Continued)

Description of One-time and Ongoing
Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Recommended for Funding</i>		
FUTURE WATER UTILITY FUND		
37	Professional Services The Water Utility Fund will be created next year in order to accumulate costs related to starting the City's Water Utility. Initially a water comprehensive plan is needed before the City can proceed with other items related to the future acquisition of SPU's assets located within the City of Shoreline. This study will be funded through an interfund loan at the appropriate time.	\$ <u>100,000</u>
TOTAL ITEMS RECOMMENDED FOR FUNDING (ALL FUNDS) (Includes \$340,967 in ongoing costs.)		\$ <u>1,518,200</u>

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Not Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
38	Software Pavement management system software. The last survey of the condition of City streets was in 2009. This software would permit a complete survey every four years with annual updates conducted by City staff. The City Manager is recommending searching for a lower cost alternative that integrates with the asset management system.	\$ 165,000
39	Americans with Disabilities Act (ADA) transition plan and estimating tool development. Needed to begin development of an ADA Transition Plan based on ADA legislation. The City Manager recommends a more modest approach using in-house resources.	49,000
40	Professional Services Development of an estimating tool for City projects. Assists with developing the City's CIP and grant applications. The City Manager recommends that we continue to use in-house resources to prepare estimates.	41,000
41	Extra Help – Sidewalk Grinding Seasonal help to grind heaving sidewalks. In combination with the grinder requested in item 29 (\$28,736), this extra help would mitigate potential trip hazards, improve walk-ability of City sidewalks, and enhance public safety. The City Manager recommends reducing slope mowing to one time per year (also see item 30) and using existing staff to perform sidewalk grinding.	22,014
42	Software SharePoint portal software to replace current software no longer supported. The City Manager recommends deferring this purchase due to other more pressing information technology needs and to consider as part of the development of the Technology Strategic Plan.	72,580

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Not Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
43	Vehicles Replacement of the Public Works backhoe (VN#206). General Fund portion. This proposal shifts the existing backhoe to Parks & Recreation. VN#206 is scheduled for replacement in 2015. The two departments will continue to share the vehicle in 2014. Also see Item 63.	\$ 16,266
44-	Salaries and Benefits	624,746
54	Various staffing requests including: Increase Buyer position from 0.75 FTE to 1.0 FTE (ASD). Reclassify Administrative Assistant II position (CSD). 1.0 FTE Human Resource Analyst. 0.5 FTE Human Resource Administrative Analyst I. 1.0 FTE Assistant Planner. 1.0 FTE Administrative Assistant III (PCD). 1.0 FTE Administrative Assistant II (PW). Replace extra help with 0.5 FTE Administrative Assistant I (PR). 1.0 FTE Parks Maintenance Worker II – Trees. 1.0 FTE Parks Maintenance Worker I. 1.0 FTE Maintenance Worker II (PW) – Sweeper Operator. General Fund portion. Also see Item 62. These positions have not been funded because of higher priorities and lack of sustainable revenue sources. As can be seen, there is a perceived need throughout the City for additional administrative and maintenance help.	
55	Maintenance and Operations Estimated cost to operate the Brugger's Bog Maintenance Facility. This amount is not needed while the facility is being constructed, and has been deferred to the 2015 Budget request.	8,000
56-	Increased funding for the Jazz Walk (\$2,000), small business	17,000
58	services (\$10,000) and Kruckeberg (\$5,000). The City already provides significant funding for these areas. These requests for additional funding have no offsetting sustainable revenue source.	

Attachment C (Continued)

Description of One-time and Ongoing Supplemental 2014 Budget Requests

<u>Item</u>	<u>Description</u>	<u>Amount</u>
<i>Not Recommended for Funding</i>		
GENERAL AND STREET FUNDS		
59	Professional Services Provides for a public defender at arraignment for indigent defendants. Included based on Council interest in adhering to industry best practices.	\$ 26,000
60	Repairs and Maintenance Costs associated with retaining VN#124 (International Truck) in the fleet. General Fund portion. This vehicle is scheduled for replacement. Retaining the old vehicle increases costs with no offsetting sustainable revenue source. Also see Item 61.	<u>3,900</u>
Total General and Street Fund Requests Not Recommended (Includes \$686,201 in ongoing costs)		\$ <u>1,045,506</u>
SURFACE WATER FUND		
61	Repairs and Maintenance Costs associated with retaining VN#124 (International Truck) in the fleet. Surface Water Fund portion. Also see Item 60.	\$ 2,600
62	1.0 FTE Maintenance Worker II (PW) – Sweeper Operator. Surface Water Fund portion. Also see Item 54.	32,733
63	Vehicles Replacement of backhoe (VN#206). Surface Water Fund portion. Also see Item 43.	<u>12,845</u>
Total Surface Water Fund Requests Not Recommended (Includes \$36,533 in ongoing costs)		\$ <u>48,178</u>
TOTAL ITEMS NOT RECOMMENDED FOR FUNDING (ALL FUNDS) (Includes \$722,734 in ongoing costs)		\$ <u>1,094,684</u>