

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Transmittal of 2014 Proposed Budget
DEPARTMENT:	Administrative Services Department
PRESENTED BY:	Bob 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 Manager is required to submit the 2014 proposed budget to the City Council no later than November 1, 2013. The proposed budget is currently under development. It will be completed and presented to the City Council at the October 14 City Council Meeting. Tonight's presentation will introduce the budget document to the Council, provide policy background concerning its development, highlight key budget issues, highlight the proposed 2014 work plan, and propose a budget review process and schedule.

RESOURCE/FINANCIAL IMPACT:

The 2014 Proposed Budget totals \$71,900,115. The City's budget is divided into several different subgroups. The Operating Funds propose a total of \$37,895,370 in expenditure appropriations for 2014. This accounts for 52.71% of the total budget. Appropriations for Debt Service Funds expenditures total \$3,371,617 or 4.69% of the budget. Capital Service Funds appropriations account for \$25,036,383, representing 34.82% of the City's proposed expenditures.

The City's only Enterprise Fund is the Surface Water Utility. The proposed budget appropriation for the Surface Water Utility expenditures is \$5,222,967 or 7.26% of the City's total budget. This includes Surface Water activities relating to both operations and capital projects.

The remaining portion of the 2014 Proposed Budget comprises the City's Internal Service Funds. Appropriations proposed for Internal Service expenditures are \$373,778 or 0.52% of the City's total budget. The following table provides a summary of the 2014 budget by subgroup and fund:

Fund	2014 Proposed Budget			2013 Current		
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	13-14 % Change
Operating Funds:						
General Fund	9,390,143	\$ 34,142,054	\$ 35,506,938	\$ 8,025,259	\$ 34,877,598	2%
Revenue Stabilization Fund	5,151,397	0	0	5,151,397	0	n/a
Property Tax Equalization Fund	1,189,150	0	0	1,189,150	0	n/a
Streets	695,237	1,815,589	1,999,037	511,789	2,217,696	(10%)
Code Abatement	154,370	80,550	100,000	134,920	100,000	0%
State Drug Enforcement Forfeiture Fund	140,016	13,800	13,800	140,016	13,800	0%
Federal Drug Enforcement Forfeiture Fund	154,205	20,750	20,750	154,205	20,750	0%
Federal Criminal Forfeiture Fund	1,717,137	79,845	254,845	1,542,137	147,000	73%
Sub-Total Operating Funds	18,591,655	36,152,588	37,895,370	16,848,873	37,376,844	1%
Debt Service Funds:						
2006 General Obligation Bond	38,317	1,710,000	1,709,050	39,267	1,705,050	0%
2009 General Obligation Bond	302	1,662,567	1,662,567	302	1,660,567	0%
Sub-Total Debt Service Funds	38,619	3,372,567	3,371,617	39,569	3,365,617	0%
Capital Funds:						
General Capital	2,132,126	2,511,380	4,113,532	529,974	5,974,435	(31%)
City Facility-Major Maintenance Fund	151,060	75,392	50,000	176,452	218,797	(77%)
Roads Capital	2,882,527	20,911,929	20,872,851	2,921,605	20,410,625	2%
Sub-Total Capital Funds	5,165,713	23,498,701	25,036,383	3,628,031	26,603,857	(6%)
Enterprise Funds:						
Surface Water Utility Fund	2,603,478	3,711,164	5,222,967	1,091,675	5,208,387	0%
Sub-Total Enterprise Funds	2,603,478	3,711,164	5,222,967	1,091,675	5,208,387	0%
Internal Service Funds:						
Equipment Replacement	2,172,266	275,010	61,597	2,385,679	244,090	(75%)
Public Art Fund	203,606	500	49,408	154,698	70,000	(29%)
Unemployment	56,376	17,500	17,500	56,376	17,500	0%
Vehicle Operations & Maintenance	50,117	230,523	245,273	35,367	213,635	15%
Sub-Total Internal Service Funds	2,482,365	523,533	373,778	2,632,120	545,225	(31%)
Total City Budget	\$ 28,881,830	\$ 67,258,553	\$ 71,900,115	\$ 24,240,268	\$ 73,099,930	(2%)

Overall the proposed 2014 budget of \$71,900,115 is \$1,199,815 (1.64%) less than the amount budgeted in 2013. Operating expenditures are projected to increase by \$518,526 (1.39%) and capital expenditures are projected to decrease by \$1,567,474 (5.89%). The proposed 2014 budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

CITY WORKPLAN:

In addition to the 2014 Proposed Budget, staff is also providing the 2013-2015 City Workplan as part of this year's budget submittal. The City Workplan provides an overview of the major work tasks that the City hopes to accomplish in the coming years. The workplan is a reflection of the proposed budget, as the budget provides the funding and resources necessary to accomplish all of the projects, initiatives and tasks set forth in the plan.

The Plan encompasses work tasks that stem from the Council Goal's, community priorities, and organizational goals. What is not included in the workplan is a description of all of the 'daily work' City staff accomplishes to keep Shoreline safe, enjoyable, and sustainable, such as daily police patrols, ongoing park maintenance, and building permit review. Thus, while the work plan will utilize many of the requested resources in the 2014 Proposed Budget, it is only a partial reflection of the funding priorities laid out in

the budget. A diagram showing the relationship between the budget and the City's workplan is attached to this staff report as Attachment A, and the 2013-2015 City Workplan is attached as Attachment B.

PROPOSED BUDGET SCHEDULE:

The proposed schedule for budget review includes:

Date	Action
October 14	<ul style="list-style-type: none">· Transmittal of Proposed 2014 Budget
October 21	<ul style="list-style-type: none">· Department Budget Reviews – City Council, City Manager's Office, Community Services, Administrative Services, City Attorney, Human Resources, Police, Criminal Justice, PR&CS, and P&CD
October 28	<ul style="list-style-type: none">· Department Budget Review – Public Works· Surface Water Utility Operating and Capital Budget Review· Capital Projects Review and Budget Discussion· Brief Discussion of Other Funds
November 4	<ul style="list-style-type: none">· Public Hearing on 2014 Budget and 2014 – 2019 CIP· Salary Survey, Interfund Transfer and Debt Service Fund Reviews
November 18	<ul style="list-style-type: none">· Public Hearing on Revenue Sources and 2014 Property Tax Levy· Final 2014 Budget Discussion
November 25	<ul style="list-style-type: none">· Adoption of 2014 Budget, CIP and Property Tax Levy

RECOMMENDATION

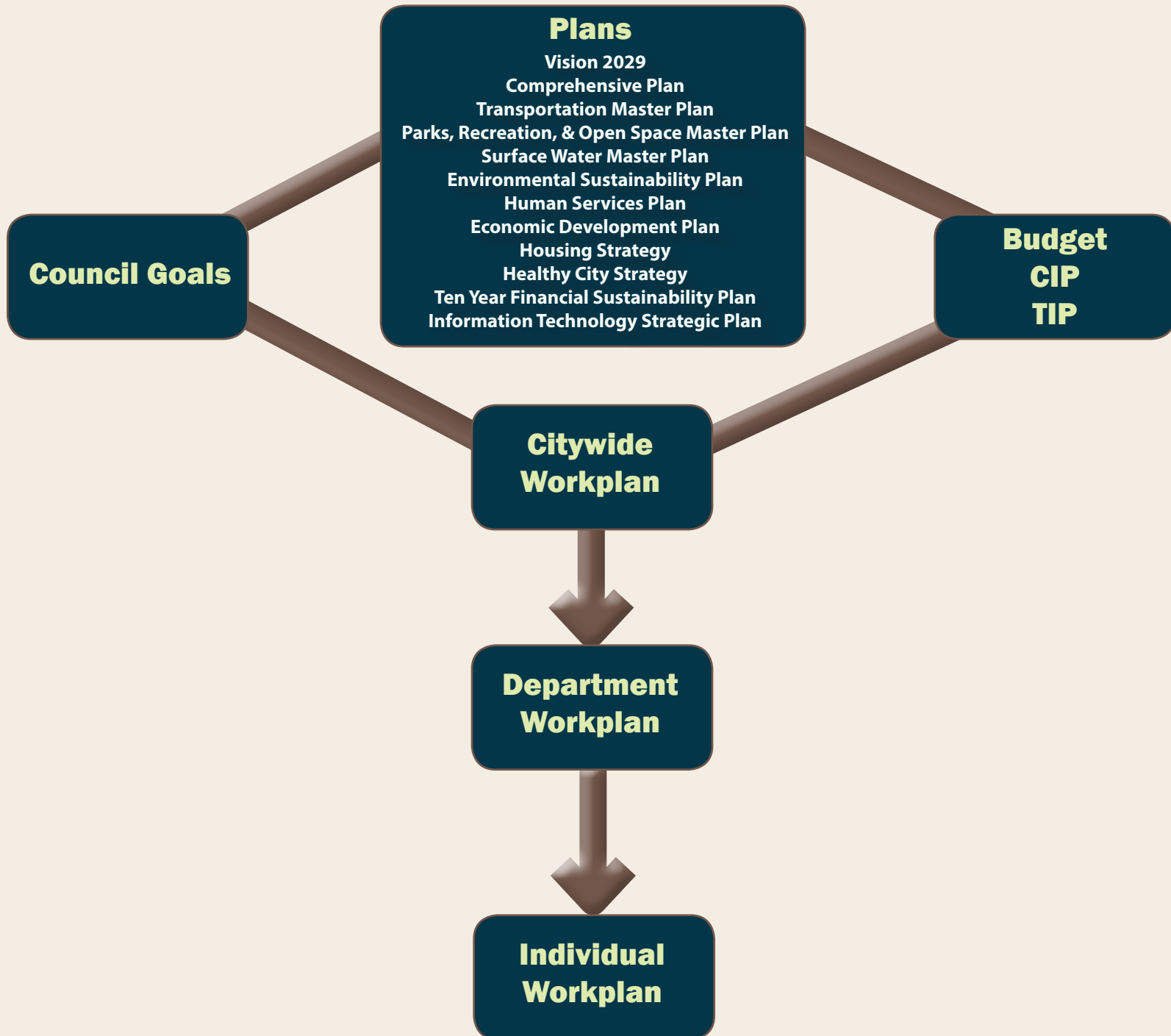
This item is for discussion purposes only. Staff is seeking Council input regarding the proposed 2014 budget process and any key questions or issues that Council wants staff to address as part of the process.

ATTACHMENTS:

Attachment A: Budget-Workplan Relationship Diagram

Attachment B: 2013-2015 City Workplan

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



2013-2015 City Workplan

Council Goal 1: Strengthen Shoreline's economic base

Action Step	'13	'14	'15
1. Adopt and implement a Community Renewal Plan for Aurora Square. <ul style="list-style-type: none"> ▫ Aurora Square CRA Due Diligence ▫ Aurora Square CRA Planning Commission process ▫ Aurora Square CRA Public Process • Aurora Square CRA Projects/Funding <ul style="list-style-type: none"> - Westminster Street Vacation - SEPA Planned Action - Sewer Energy System 			
2. Implement efforts to make the permit process predictable, timely and competitive including the implementation of a new permit software system. <ul style="list-style-type: none"> ▫ Commercial zone review ▫ Demolition permit process improvement • Annual update of the Development Review Manual • Review of zoning parameters for process improvement & standardization • Permit software review & implementation 			
3. Develop a 10-year Financial Sustainability Plan to achieve sufficient fiscal capacity to fund priority public and quality of life services, facilities and infrastructure. <ul style="list-style-type: none"> ▫ ASD develop preliminary data ▫ Internal City department service review • Develop and analyze economic development and other financial scenarios • Council sub-committee process • Council process and adoption 			
4. Develop and implement marketing strategies to promote Shoreline as a progressive and desirable community for new residents, investors, and businesses. <ul style="list-style-type: none"> • Rebranding Aurora Square CRA 			
5. Support local businesses through implementation of the business mini-grant program, promotion efforts such as grand openings, and by evaluating the competitiveness of regulations <ul style="list-style-type: none"> • Implement business-mini grant program • Analyze the cost of development with other neighboring cities • Analyze the competitiveness of development regulations 			
6. Collaborate with the Shoreline Community College to launch the Shoreline Film Office <ul style="list-style-type: none"> ▫ Office launched May 9, 2013 			

2013-2015 City Workplan

Council Goal No. 2: Improve Shoreline's utility, transportation, and environmental infrastructure

Action Step	'13	'14	'15
1. Construct the Aurora Corridor Improvements from N 192 nd to N 205 th Street.			
↳ Right-of-Way Acquisitions			
• Bid process			
• Construction			
2. Identify funding strategies to implement the City's transportation master plan including construction of new non-motorized improvements.			
• Grant match policy			
• Complete evaluation of impact fees for potential adoption			
3. Execute the Shoreline/Seattle Public Utility's water system Acquisition Agreement and develop a multi-year implementation plan for creating the City's water utility.			
• Negotiate an acquisition agreement with Seattle Public Utilities			
• Agreement adoption process with Seattle City Council			
• Develop workplan for utility transition			
• Development of Water Comprehensive Plan			
4. Develop a plan to merge the Ronald Wastewater District into City operations as outlined in the 2002 Interlocal Operating Agreement.			
• Study to evaluate rate/tax payer savings for consolidated utility operations			
• Implement transition plans for consolidation			
5. Work with the City of Seattle, King County and Washington State Department of Transportation on a plan that will improve safety, efficiency and modes of transportation for all users of 145 th Street.			
• Council authorization to move forward			
• Staff research and negotiation			
• Council action			
6. Review the City's Environmental Sustainability Strategy and Climate Action Plan and develop an urban tree management strategy			
↳ Council adoption of Climate Action Plan			
↳ Review Earth Corps holly strategy			
↳ Receive Tree City USA Designation			
• Completion of tree inventory through grant funding			
• Development & adoption of urban tree strategy			

Action Step	'13	'14	'15
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Council Goal No. 2 Continued

7. Prepare for the consolidation of utilities by acquiring and developing the Brugger’s Bog Maintenance Facility and implementing a comprehensive asset management system.

- Acquire Brugger Bog Maintenance Facility
 - Fuel System Activation
 - Phase 1 Master Site Plan
 - Construction of Phase 1 improvements
- Implement Asset Management System
 - Implement Surface Water Asset Management
 - Complete city assessment for other asset categories
 - Implement Roads/Traffic/Facilities/Fleet Asset Management
 - Implement Parks Asset Management
 - Prepare for Utility Asset Management implementation

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2013-2015 City Workplan

Council Goal No. 3: Prepare for two Shoreline light rail stations

Action Step	'13	'14	'15
1. Adopt phase 1 of the subarea plans (boundary maps) for the two light rail station areas. <ul style="list-style-type: none"> Complete study-area boundary maps for 185th and 145th stations 			
2. Participate as a Cooperating Agency in Sound Transit's environmental process by providing early and continuous input into the development of the environmental impact statement (EIS). <ul style="list-style-type: none"> DEIS Review & Preferred Alternative FEIS Review 			
3. Work with Sound Transit to evaluate the redevelopment potential of large parcels in the light rail station areas. <ul style="list-style-type: none"> Surplus property strategy 			
4. Engage the community in an education and outreach plan to help residents and businesses prepare for the addition of new light rail stations and service. <ul style="list-style-type: none"> Station Area Framework Policies Community Outreach/TOC Meetings/Station Area Workshop 185th Station Subarea Plan <ul style="list-style-type: none"> Environmental Document Participation Public Participation Process <ul style="list-style-type: none"> Visioning Design Existing Conditions Data Collection & Market Analysis Connecting Corridors Study (PC) Alternatives Analysis Final Station Area Plan 145th Station Subarea Plan <ul style="list-style-type: none"> Environmental Document Participation Public Participation Process <ul style="list-style-type: none"> Visioning Design Existing Conditions Data Collection & Market Analysis Connecting Corridors Study (PC) Alternatives Analysis Final Station Area Plan 			
5. Develop a multi-modal transportation strategy to deliver people to the future light rail stations, as an alternative to single occupancy vehicles <ul style="list-style-type: none"> Transit Service Integration (Shoreline Policy Development) 			

2013-2015 City Workplan

Council Goal No. 4: Enhance openness and opportunities for community engagement

Action Step	'13	'14	'15
1. Communicate and provide opportunities for public input on key policies and initiatives, including safe community initiatives, the Point Wells Transportation Corridor Study, and other City projects. <ul style="list-style-type: none"> ▫ State of the City Breakfast • Point Wells Transportation Corridor Study • Community Housing Options Forum • City website Focus Group to review for ease of use and as an information tool 			
2. Continue to support neighborhood associations and volunteer initiatives and to host community forums and workshops. <ul style="list-style-type: none"> ▫ Facilitate Vision, Mission and Values Council of Neighborhoods Process ▫ Volunteer Soiree recognition event ▫ Volunteer protocols updated and training provided to all departments • Host Safe Community and Crime Prevention Fair • Encourage reactivation of North City Neighborhood Association 			
3. Develop a workplan to make more documents available online and to improve the website's ease of use. <ul style="list-style-type: none"> ▫ Make Council Dinner Meeting agendas and documents available on-line • Review department web pages for ease of use <ul style="list-style-type: none"> ▫ Police <ul style="list-style-type: none"> - Planning & Community Development - Parks & Recreation - Public Works 			
4. Advance public engagement with implementation of the City's e311 system, online town hall forums, online service requests, survey tools and social media platforms. <ul style="list-style-type: none"> ▫ Implement Granicus Public Participation Suite – Speak Up Shoreline ▫ Activate on-line development permit lookup • Implement mobile website upgrade • Launch Parks & Recreation mobile application • Implement e311 System integrated with asset management system 			
5. Enhance the City's crime prevention and safe community communication programs including implementation of an E-Alert system and expanding the City's Neighborhood Block Watch Program <ul style="list-style-type: none"> ▫ Implement Alert Shoreline (Everbridge E-Alert) • Establish new "Shoreline Watch" program 			

2013-2015 City Workplan

Council Goal No. 5: Promote and enhance the City's safe community and neighborhood programs and initiatives

Action Step	'13	'14	'15
1. Initiate a City cross-department safe community team to resolve issues and develop proactive programs related to traffic, code enforcement, and crime prevention efforts. <ul style="list-style-type: none"> ▫ Establish cross-department teams, establish work plans, and regular meetings <ul style="list-style-type: none"> • Develop chronic nuisance property ordinance & present for potential Council adoption • Implement process improvements for code enforcement citation program 			
2. Initiate a joint Parks and Police effort to maintain safe parks by addressing resident concerns through crime prevention through environmental design (CPTED). <ul style="list-style-type: none"> • Identify parks and conduct CPTED review • Conduct problem solving review for all parks during summer activity • Trail monitoring and problem solving for Interurban Trail • Implement security improvement with police for gate and restroom closures 			
3. Continue to work with the Shoreline schools, Emergency Management Council, Shoreline Fire Department and other stakeholders to keep school safety policies up to date and consistent with best practices. <ul style="list-style-type: none"> ▫ Police ASAP training with schools ▫ Update the District's Lockdown/Lockout policy and provide training • Implement a unified emergency communication protocol 			
4. Enhance safety and security for seniors by meeting directly with senior groups to discuss criminal activity and deceptive scams that target the senior population. <ul style="list-style-type: none"> ▫ Provide education and training for senior volunteers ▫ Survey Blakely apartment residents • Implement active Senior Outreach program & coordinate with Senior Center 			
5. Complete the police station feasibility study to determine if operational efficiencies can be gained between City and police operations, police neighborhood storefronts, and police volunteers <ul style="list-style-type: none"> ▫ Complete facility needs assessment and site options analysis ▫ Develop preferred alternative for Council recommendation • Consolidate police storefront operations at City Hall • Implement Phase I City Hall renovations (build out 3rd floor) • Implement Phase II improvements (construct 1st floor for Police) 			
6. Continue the efforts of the Traffic Action Plans and the Neighborhood Traffic Safety Programs to address neighborhood traffic safety concerns. <ul style="list-style-type: none"> ▫ Implement on-line traffic complaint system on Police web page • Develop annual traffic safety evaluation report • Complete Aurora connections review 			

2013-2015 City Workplan

Priority Community Issues: Priority issues that have potential long-term Shoreline community impact and support adopted Council policies.

Action Step	'13	'14	'15
1. Address issues related to proposed development of Point Wells site located within Snohomish County. <ul style="list-style-type: none"> • Keep Shoreline community informed of status and City process • Monitor legal proceedings including the Washington Supreme Court and GMHB • Participate and monitor the Snohomish County EIS process • Implement Transportation Corridor Study Agreement • Complete negotiations with BSRE for municipal agreement • Develop financial impact model • Negotiate annexation agreement with Snohomish County • Adopt related TMP and Comprehensive Plan amendments 			
2. Monitor and address potential local impacts related to the Cherry Pointe coal train proposal. <ul style="list-style-type: none"> ▫ Sponsor community AWC webcast sessions ▫ Facilitate Council discussion and action regarding coal train proposal ▫ Review and respond to the EIS scoping • Monitor and respond to DEIS 			
3. Consider adoption of a ban on single use plastic shopping bags to support the City's sustainability plan. <ul style="list-style-type: none"> ▫ Conduct business survey ▫ Council review and adoption of bag ban policy • Implementation and communication of policy to Shoreline community and businesses • On-going enforcement of policy 			
4. Negotiate and adopt new Seattle City Light Franchise Agreement. <ul style="list-style-type: none"> • Negotiate franchise renewal with SCL specifically addressing vegetation management, undergrounding, and other terms of the agreement • Council review and adoption of new franchise 			
5. Continue to deliver daily municipal services to the Shoreline community <ul style="list-style-type: none"> • The majority of City employees and resources are focused on the provision of daily services to Shoreline residents, businesses, and potential investors 			

2013-2015 City Workplan

Organizational Performance and Capacity Building Projects: Priority projects that are intended to enhance organizational performance and strengthen the organization for long-term success.

Action Step	'13	'14	'15
1. Implement a new on-line performance evaluation system that provides regular feedback for employees and integrates Council Goals, City workplan, individual work plan goals and projects, and professional development goals for each employee. <ul style="list-style-type: none"> ▫ Selection and set-up of on-line software (Halogen) <ul style="list-style-type: none"> • Identify supervisor/manager/director competencies and provide training • Implement goal setting process for departments and employees • Do system set-up for first annual performance evaluations • Complete first annual performance evaluations 			
2. Adopt and implement 2014-2016 Technology Strategic Plan. <ul style="list-style-type: none"> • Establish a cross-department Technology Strategic Plan Advisory Committee • Develop plan that addresses long-term organizational needs and Council priorities • Adopt plan and implement plan with 2015 Budget adoption 			
3. Implement software upgrades and technology projects that improve organizational efficiency. <ul style="list-style-type: none"> ▫ Complete upgrade of City's financial system (IFAS 7.9) <ul style="list-style-type: none"> • Implement time-card online • Upgrade Windows operating system to version with on-going Microsoft support • Complete hardware replacement per equipment replacement schedule 			
4. Review City's health benefit policies and other personnel practices in light of the implementation of the Federal Affordable Care Act (ACA). <ul style="list-style-type: none"> • Review regulations of the ACA to determine potential impacts on City operations • Establish cross-department employee team to review policies and evaluate alternatives • Review temporary and extra-help employee practices and make recommendations to bring practices in line with the ACA and City's policy regarding health care benefits • Council review and adoption of any changes to the City's health benefit policies 			