

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Ordinance No. 700, Final Budget Amendment for 2014
DEPARTMENT:	Administrative Services
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:

During the course of the year, the City received grants and other revenues that should be included in the 2014 budget along with the corresponding expenditures. These new revenue sources were not anticipated when the 2014 budget was developed and adopted by Council in November 2013. A budget amendment is needed to appropriate these unanticipated grants and to account for unexpected expenditures. Proposed Ordinance No. 700 (Attachment A) provides for this budget amendment.

FINANCIAL IMPACT:

Proposed Ordinance No. 700 totals \$407,817, and increases both revenues and expenditures. The increase in expenditures is offset by the increase in revenues totaling \$118,983 and the use of available fund balance totaling \$288,834. The following programs will be impacted by this amendment:

General Fund - \$407,817

- Parks, Recreation and Cultural Services - Administration - \$28,004
- Planning and Community Development – City Planning - \$42,060
- Community Services – Emergency Management Planning - \$48,919
- Transfers Out for Debt Service - \$288,834

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for Council to ask specific questions and provide staff direction. Adoption of proposed Ordinance No. 700 is scheduled for December 8, 2014.

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

DISCUSSION

During the course of the year, the City received grants and other revenues that should be included in the 2014 budget along with the corresponding expenditures. These new revenue sources were not anticipated when the 2014 budget was developed and adopted by Council. The detail of these budget amendments is as follows, and is also outlined in Exhibit 1 to this staff report.

Revenues – Grant Funding: General Fund revenues will be increased by \$118,983. This includes an Urban Forestry Grant from the Washington State Department of Natural Resources (DNR) totaling \$10,000; a grant from the King Conservation District totaling \$18,004; a grant from the Environmental Protection Agency (EPA) National Estuary Grant totaling \$42,060; and an Emergency Management Performance (EMP) grant from the U.S. Department of Homeland Security totaling \$48,919.

Parks, Recreation and Cultural Services - Administration: The 2014 appropriation for this program will be increased by \$10,000 to use the proceeds from an Urban Forestry Grant received from the Washington State DNR to be used to implement Phase 1 of the Urban Forestry Strategic Plan. This program's appropriation will be increased by an additional \$18,004 to use funding from a grant from the King Conservation District to be used for park restoration work. The total change in appropriation for this program will be \$28,004.

Planning and Community Development - City Planning: The 2014 appropriation for this program will be increased by \$42,060 to use a grant from the EPA National Estuary Program administered by the Washington State Department of Commerce to conduct a study and analysis of the potential for new development and redevelopment as a result of the implementation of the Landscape Conservation and Local Infrastructure Program (LCLIP) and to estimate any potential for new revenue to be generated as a result of the development.

Community Services – Emergency Management Planning: The 2014 appropriation will be increased by \$48,919 to use EMP grant funding to purchase software for a badging system and enhancements at the Emergency Operations Center (\$6,000); to fund a consultant to update the City's Comprehensive Emergency Management Plan (\$1,801); to fund 50% of an Administrative Assistant to support program activities (\$39,618); and for staff training (\$1,500).

Transfers Out for Debt Service: The 2014 appropriation is being increased by \$288,834 for two purposes: 1) to include a transfer of \$260,823 to Fund 221 - Limited Tax General Obligation Bond 2013 Debt Service Fund for the principal and interest payments on the debt issued in 2013 for the North Maintenance Facility and 2) to increased the transfer to Fund 211- Limited Tax General Obligation Bond 2009 by \$28,011 to provide additional funding for debt service payments. The second item is due to the federal government's continued sequestration problems. Sequestration results in lower Build America Bonds subsidy payments. Funding for the transfer to Fund 221 comes from the interfund loan between the Surface Water Utility Fund and the General Fund approved by Council on November 10, 2014. Funding for the Transfer to Fund 211 comes from available fund balance.

FINANCIAL IMPACT

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- Community Services – Emergency Management Planning - \$48,919
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The following table summarizes the budget amendments for each fund and the resulting 2014 appropriation for each of the affected funds.

Fund	Current Budget	Budget Amendment Request	Amended Budget
General Fund	\$36,843,013	\$407,817	\$37,250,830
Street Fund	\$1,999,037	\$0	\$1,999,037
Code Abatement Fund	\$100,000	\$0	\$100,000
State Drug Forfeiture Fund	\$13,800	\$0	\$13,800
Federal Drug Forfeiture Fund	\$55,051	\$0	\$55,051
Public Arts Fund	\$20,750	\$0	\$20,750
Revenue Stabilization Fund	\$0	\$0	\$0
Federal Treasury Forfeitures Fund	\$316,310	\$0	\$316,310
Unltd Tax GO Bond 2006	\$1,709,050	\$0	\$1,709,050
Limited Tax GO Bond 2009	\$1,662,567	\$0	\$1,662,567
Limited Tax GO Bond 2013	\$260,823	\$0	\$260,823
General Capital Fund	\$4,878,471	\$0	\$4,878,471
City Facility-Major Maint. Fund	\$90,000	\$0	\$90,000
Roads Capital Fund	\$23,603,999	\$0	\$23,603,999
Surface Water Utility Fund	\$5,602,951	\$0	\$5,602,951
Vehicle Operations/Maintenance Fund	\$245,273	\$0	\$245,273
Equipment Replacement Fund	\$127,253	\$0	\$127,253
Unemployment Fund	\$17,500	\$0	\$17,500
Total	\$77,545,848	\$407,817	\$77,953,665

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for Council to ask specific questions and provide staff direction. Adoption of proposed Ordinance No. 700 is scheduled for December 8, 2014.

ATTACHMENTS

- Attachment A: Proposed Ordinance No. 700
- Exhibit 1: Budget Amendment Detail

ORDINANCE NO. 700**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 678 BY INCREASING THE APPROPRIATION IN THE GENERAL FUND.**

WHEREAS, the 2014 Budget was adopted by Ordinance No. 678 and amended by Ordinance Nos. 685 and 691; and

WHEREAS, new grants have been awarded to the City not anticipated when the 2014 budget was adopted by Council and should be appropriated to the General Fund; and

WHEREAS, the City issued Limited General Obligation Bonds in 2013 for the purchase of and improvements to the North Maintenance Facility; and

WHEREAS, Council approved Resolution No. 366 authorizing an interfund loan from the Surface Water Utility Fund and the General Fund for the North Maintenance Facility Debt Service; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment. The City hereby amends Section 2 of Ordinance No. 678, *Summary of Revenues and Expenditures*, by increasing the appropriation for the General Fund by \$407,817, and by increasing the Total Funds appropriation to \$77,953,665 as follows:

	<u>Current Appropriation</u>	<u>Revised Appropriation</u>
General Fund	\$36,843,013	\$37,250,830
Street Fund	1,999,037	
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	13,800	
Public Arts Fund	55,051	
Federal Drug Enforcement Forfeiture Fund	20,750	
Property Tax Equalization Fund	\$0	
Federal Criminal Forfeiture Fund	316,310	
Revenue Stabilization Fund	\$0	
Unltd Tax GO Bond 2006	1,709,050	
Limited Tax GO Bond 2009	1,662,567	
Limited Tax GO Bond 2013	260,823	
General Capital Fund	4,878,471	

City Facility-Major Maintenance Fund	90,000	
Roads Capital Fund	23,603,999	
Surface Water Capital Fund	5,602,951	
Vehicle Operations/Maintenance Fund	245,273	
Equipment Replacement Fund	127,253	
Unemployment Fund	17,500	
Total Funds	\$77,545,848	\$77,953,665

Section 2. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

PASSED BY THE CITY COUNCIL ON DECEMBER 8, 2014

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Publication Date: _____, 2014

Effective Date: _____, 2014

Item	Fund	Orgkey	Object	Amount	Revenue Source	Revenue Object	Amount	Fund Balance 3080000	Total Resources	Explanation
General Fund										
Parks Administration		2408037	5410000	\$ 10,000	WA State DNR Urban Forestry Grant	3331066	\$ 10,000		\$ 10,000	Phase 1 Implementation of the Urban Forestry Strategic Plan
		GR262120	0201							
		2408037	5410000	\$ 18,004	King Conservation District Grant	3378400	\$ 18,004		\$ 18,004	Park Habitat Restoration
Total Parks Administration				\$ 28,004			\$ 28,004		\$ 28,004	
City Planning		2506137	5410000	\$ 42,060	Dept of Commerce EPA Natl Estuary Grant	3336612	\$ 42,060		\$ 42,060	Evaluate how LCLIP can be implemented
Community Services-Emergency Management Planning		2005062	5110000	\$ 39,618	Emergency Management Performance Grant	3319701	\$ 39,618		\$ 39,618	Administrative Asst. program support
		GR267219	0101							
		2005062	5360000	\$ 6,000			\$ 6,000		\$ 6,000	Software for badging system, EOC enhancement
		GR267219	9044							
		2005062	5410000	\$ 1,801			\$ 1,801		\$ 1,801	Comprehensive Emergency Management Plan Update
		GR267219	9041							
		2005062	5430000	\$ 1,500			\$ 1,500		\$ 1,500	Travel to various Emergency Mgmt trainings
		GR267219	9043							
Total Emergency Management Planning				\$ 48,919			\$ 48,919		\$ 48,919	
General Fund Admin. Key - Transfers Out		0010000	5970004	\$ 260,823				\$ 260,823	\$ 260,823	Use proceeds of interfund loan to transfer to Debt Service Fund for North Maintenance Facility
		0010000	5970004	\$ 28,011				\$ 28,011	\$ 28,011	Additional support to offset reduction in Build America Bonds Subsidy due to continued sequestration
Total General Fund Admin. Key - Transfers Out				\$ 288,834			\$ -	\$ 288,834	\$ 288,834	
Total General Fund	001			\$ 407,817			\$ 118,983	\$ 288,834	\$ 407,817	
Total Amendments				\$ 407,817			\$ 118,983	\$ 288,834	\$ 407,817	