

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 708, Amending the 2015 Budget for Uncompleted 2014 Operating and Capital Projects		
DEPARTMENT:	Administrative Services		
PRESENTED BY:	Patti Rader, Interim Administrative Services Director		
ACTION:	<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

Shoreline's budget is adopted on a calendar year basis. Any appropriations that are not expended lapse at the end of each year. Some operating and capital projects that were in progress in 2014 will actually be completed in 2015 due to delays and other unanticipated issues. This results in 2014 expenditures being less than projected and the 2014 ending fund balances being greater than projected. In order to provide adequate budget resources to complete the projects initiated in 2014, additional budget authorization is needed for 2015. This is accomplished by re-appropriating a portion of the 2014 ending fund balance for expenditures in 2015, sometimes known as a carryover. In some cases grants or other dedicated revenue is associated with a project. For those projects the revenue sources will be identified and added to the 2015 budget. Ordinance No. 708, which is attached to this staff report as Attachment A, re-appropriates \$5,401,870 for various projects that need to continue in 2015. On April 6, Council discussed proposed Ordinance No. 708 and did not express any concerns.

FINANCIAL IMPACT:

In total, proposed Ordinance No. 708 would amend the City's budget by increasing it roughly \$5.4 million. This would bring the total 2015 budget to approximately \$78.0 million. The amendment includes nearly \$3.7 million of revenue from grants and other funding sources and the use of approximately \$1.7 million in available fund balance. After including the preliminary results of 2014 and the proposed use of fund balance, the City's available 2015 fund balance is expected to be lower than the projected fund balance in the 2015 budget book by approximately \$0.7 million.

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 708, amending the 2015 budget for uncompleted 2014 operating and capital projects.

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

BACKGROUND

Shoreline's budget is adopted on a calendar year basis. Any appropriations that are not expended lapse at the end of each year. In some cases, projects are initiated in one year, but do not get completed until the following year. This is not always known when planning the next budget cycle and therefore the unexpended funds from one year become part of the fund balance carried into the next year. It is necessary to take the portion of the fund balance actually needed to complete the projects and re-appropriate those dollars for expenditure in the current year.

DISCUSSION

Ordinance No. 708 would re-appropriate just over \$5.4 million from 2014 to 2015 for several operating and capital projects. Among other reasons, re-appropriations often happen for very large projects, projects started later in a calendar year, and projects that experience unforeseen delays. Only the amount necessary to complete the project is actually re-appropriated into the succeeding year. Although most projects are capital in nature, some of these projects relate to operations. Attachment B to this staff report provides a table that summarizes the re-appropriation requests by fund.

ALTERNATIVES ANALYZED

Alternative 1: Take no action

If the Council chooses to not approve this budget amendment either the projects that were initiated in 2014 would not be completed or to complete the projects, monies that were budgeted for 2015 programs would need to be redirected for the completion of projects already in progress. In the case of capital projects, there would not be sufficient budget authority to complete ongoing projects.

Alternative 2: Approve Ordinance No. 708 (Recommended)

Approval of proposed Ordinance No. 708 will provide the budget authority for the completion of projects that were initiated in 2014 without negatively impacting the programs and projects that are to be provided in 2015. Also the budget amendment will result in accurately reflecting the anticipated expenditures in the City's operating and capital funds.

FINANCIAL IMPACT

The following tables summarize the budget amendment request for each of the affected City funds and the impact that this has on the City's reserve levels. In total, Ordinance No. 708 would amend the City's budget by increasing it roughly \$5.4 million. This would bring the total 2015 budget to roughly \$78.0 million. The amendment includes nearly \$3.7 million of revenue from grants and other funding sources and the use of approximately \$1.7 million in available fund balance. After the effect of these changes, the City's available 2015 fund balance is expected to be lower than the projected fund balance in the 2015 budget book by approximately \$0.7 million.

Fund	2015 Current Budget (A)	Carryover Amount (B)	Amended 2015 Budget (C) (A + B)	Total Change in Budget (D) (C - A)
General Fund	\$37,208,641	\$396,357	\$37,604,998	\$396,357
Street Fund	\$1,483,163	\$52,438	\$1,535,601	\$52,438
Federal Criminal Forfeiture Fund	\$282,945	\$251,413	\$534,358	\$251,413
General Capital Fund	\$1,732,520	\$1,715,399	\$3,447,919	\$1,715,399
City Facilities-Major Maintenance Fund	\$334,500	\$14,025	\$348,525	\$14,025
Roads Capital Fund	\$21,132,883	\$2,498,406	\$23,631,289	\$2,498,406
Surface Water Utility Fund	\$5,479,524	\$333,410	\$5,812,934	\$333,410
Equipment Replacement Fund	\$814,292	\$140,422	\$954,714	\$140,422
All Other Funds	\$4,166,623		\$4,166,623	
Total	\$72,635,091	\$5,401,870	\$78,036,961	\$5,401,870

Fund	Projected 2015 Beginning Fund Balance (A)	Actual 2015 Beginning Fund Balance (B)	Total Carryovers Request (C)	Revenue Adjustments (D)	Resulting 2015 Available Beginning Fund Balance (E) (B - C + D)	Amount Over/(Under) Projected Beginning Fund Balance (F) (E - A)
General Fund	\$10,467,519	\$11,863,010	\$396,357	\$131,938	\$11,598,591	\$1,131,072
Street Fund	\$817,697	\$992,805	\$52,438		\$940,367	\$122,670
Federal Criminal Forfeiture Fund	\$1,581,808	\$1,766,234	\$251,413		\$1,514,821	(\$66,987)
General Capital Fund	\$2,262,518	\$2,690,078	\$1,715,399	\$1,579,948	\$2,554,627	\$292,109
City Facility Major Maintenance Fund	\$234,495	\$229,020	\$14,025		\$214,995	(\$19,500)
Roads Capital Fund	\$5,943,192	\$3,937,477	\$2,498,406	\$2,044,403	\$3,483,474	(\$2,459,718)
Surface Water Utility Fund	\$1,980,454	\$2,782,638	\$333,410		\$2,449,228	\$468,774
Equipment Replacement Fund	\$2,393,136	\$2,388,898	\$140,422		\$2,248,476	(\$144,660)
Total	\$25,680,819	\$26,650,160	\$5,401,870	\$3,756,289	\$25,004,579	(\$676,240)

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 708, amending the 2015 budget for uncompleted 2014 operating and capital projects.

ATTACHMENTS

Attachment A: Ordinance No. 708

Attachment B: 2015 Re-appropriations by Fund Detail

ORDINANCE NO. 708

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 699 BY INCREASING THE APPROPRIATION IN THE GENERAL FUND, STREET FUND, FEDERAL CRIMINAL FORFEITURES FUND, GENERAL CAPITAL FUND, CITY FACILITIES MAJOR MAINTENANCE FUND, ROADS CAPITAL FUND, SURFACE WATER UTILITY FUND, AND EQUIPMENT REPLACEMENT FUND.

WHEREAS, the 2015 Budget was adopted in Ordinance No. 699; and

WHEREAS, the 2015–2020 Capital Improvement Plan was adopted in Ordinance No. 699; and

WHEREAS, the 2015 Budget has assumed completion of specific capital improvement projects in 2014; and

WHEREAS, some of these capital projects were not completed and need to be continued and completed in 2015; and

WHEREAS, various projects were included in the City’s 2014 operating budget and were not completed during 2014; and

WHEREAS, due to these 2014 projects not being completed, the 2014 ending fund balance and the 2015 beginning fund balance for the General Fund, General Capital Fund, City Facilities Major Maintenance Fund, Roads Capital Fund, Surface Water Utility Fund, and Equipment Replacement Fund is greater than budgeted; and

WHEREAS, the City wishes to appropriate a portion of these greater than budgeted beginning fund balances in 2015 to complete 2014 work and to include additional projects that were unknown needs when the 2015 budget was adopted; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.00.075 to include all revenues and expenditures for each fund in the adopted budget; and

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. 699, the 2015 Final Budget, by increasing the appropriation for the General Fund by \$396,357; for the Street Fund by \$52,438; for the Federal Criminal Forfeiture Fund by \$251,413; for the General Capital Fund by \$1,715,399; for the City Facilities Major Maintenance Fund by \$14,025; for the Roads Capital Fund by \$2,498,406; for the Surface Water Utility Fund by \$333,410; for the Equipment Replacement Fund by \$140,422; and, by increasing the Total Funds appropriation to \$78,036,961, as follows:

	<u>Current Appropriation</u>	<u>Revised Appropriation</u>
General Fund	\$37,208,641	\$37,604,998
Street Fund	1,483,163	1,535,601
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	13,800	
Public Arts Fund	54,408	
Federal Drug Enforcement Forfeiture Fund	65,750	
Property Tax Equalization Fund	\$0	
Federal Criminal Forfeiture Fund	282,945	534,358
Revenue Stabilization Fund	\$0	
Unltd Tax GO Bond 2006	1,712,175	
Limited Tax GO Bond 2009	1,663,217	
Limited Tax GO Bond 2013	260,823	
General Capital Fund	1,732,520	3,447,919
City Facility-Major Maintenance Fund	334,500	348,525
Roads Capital Fund	21,132,883	23,631,289
Surface Water Capital Fund	5,479,524	5,812,934
Vehicle Operations/Maintenance Fund	278,950	
Equipment Replacement Fund	814,292	954,714
Unemployment Fund	17,500	
Total Funds	<u>\$72,635,091</u>	<u>\$78,036,961</u>

Section 3. 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 APRIL 20, 2015

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Publication Date:

Effective Date:

Fund	Dept/Program	Project/Item	Carryover Amount	Carryover Revenue	Justification
General Fund					
	ASD - Financial Operations	Financial System Implementation	\$9,332		Final Phase in 2015
	IT Operations	Email Archiving Software	\$49,000		Project continues in 2015
	IT Operations	Replacement of tape backup system	\$5,420		Project continues in 2015
	IT Operations	Purchase and installation of two Skype cameras	\$3,727		Finalize installation
	ASD - Facilities	Installation of pool door.	\$3,364		Finalize installation
	Police Traffic Enforcement	Purchase of 5 radar units	\$9,935	\$9,935	DOJ Byrne Memorial Grant; Complete purchase
	Emergency Management	Staffing, Equipment, Travel in support of program	\$34,448	\$34,448	EMPG Grant continues until 8/31/2015
	Parks Administration	US Dept of Agriculture - Forest Service Grant	\$2,000	\$2,000	Continue development of Urban Forest Strategic Plan
	Parks Administration	King Conservation District Grant	\$18,004	\$18,004	Park Habitat Restoration
	Parks - Aquatics	Purchase of pool vacuum	\$4,361		Complete purchase
	Parks - Teen/Youth Dev.	Raikes Foundation Teen Training	\$5,034		Use remainder of funding from the Raikes Foundation
	PCD - City Planning	145th St Station Subarea Plan support	\$70,529		Continue development of 145th St Station Subarea Plan
	PCD - City Planning	185th St Station Subarea Plan support	\$2,055		Continue development of 185th St Station Subarea Plan
	PCD - City Planning	Point Wells SEPA documents.	\$8,000		Point Wells
	PCD - City Planning	Dept of Commerce EPA National Estuary Grant	\$23,075	\$23,075	Evaluate how Landscape Conservation and Local Infrastructure Program can be implemented
	PCD - Building & Inspections	Completion of the geologic hazards section of the critical areas code update	\$12,992		Project continues in 2015
	PW - Environmental Services	Coordinated Prevention Grant	\$44,476	\$44,476	Support Wastemobile and residential recycling programs
	PW - Engineering	Consultant support on plan review	\$11,588		Work continues in 2015
	PW - Engineering	Development of cost estimating tool	\$25,000		Project continues in 2015
	PW - Traffic Services	King County work order to repair damaged guard rail	\$43,503		Project continues in 2015
	PW - Traffic Services	Development of a traffic management center	\$10,514		Project continues in 2015
		Total General Fund	\$396,357	\$131,938	
Street Fund					
	Street Operations	Purchase of cargo trailer	\$4,676		Complete purchase
	Street Operations	Purchase of 3/4 Ton Heavy Duty Pickup (Street Operations portion of replacement cost of VN#110)	\$1,578		Complete purchase
	Street Operations	Replacement of existing sign truck (Street Operations portion of replacement cost of VN#116)	\$46,184		Complete purchase
		Total Street Fund	\$52,438		
Federal Criminal Forfeiture Fund					
	Federal Criminal Forfeiture	Transfer to General Capital Fund for Police Station	\$251,413		Work delayed into 2015
		Total Federal Treasury Forfeiture Fund	\$251,413	\$0	

Fund	Dept/Program	Project/Item	Carryover Amount	Carryover Revenue	Justification
General Capital Fund					
		Police Station	\$1,579,948	\$1,579,948	Work delayed into 2015
		North Maintenance Facility	\$6,351		Complete work in 2015
		Parks Repair & Replacement	\$33,677		Continue work in 2015
		Saltwater Park Pedestrian Bridge Repair	\$6,885		Continue project in 2015
		Trail Corridors	\$82,903		Complete work in 2015
		Echo Lake Park Improvements	\$5,635		Complete project in 2015
		Total General Capital Fund	\$1,715,399	\$1,579,948	
City Facilities-Major Maintenance Fund					
		Pool Long-Term Maintenance	\$9,025		Continue work in 2015
		Police Station Long-Term Maintenance	\$5,000		Work delayed into 2015
		Total City Facilities-Major Maintenance Fund	\$14,025		
Roads Capital Fund					
		Curb Ramp, Gutter & Sidewalk Program	\$106,989		Continue work in 2015
		10th Ave NW Bridge - KPFF engineering services	\$11,210		Continue project in 2015
		Route Development Plan for the 145th Corridor - Safety Improvements	\$162,555	\$90,020	Continue work in 2015
		Einstein Safe Routes to School	\$102,195	\$97,914	Complete project in 2015
		NE 195th Separated Trail	\$62,219	\$43,551	Continue project in 2015
		Interurban Trail/Burke Gilman Connectors	\$707		Continue project in 2015
		Aurora Ave. N 145th - 192nd Safety Improvements	\$72,509	\$46,782	Complete work in 2015
		Annual Roads Safety Maintenance - Transmap Corporation	\$713,886	\$500,000	Continue work in 2015
		Aurora Ave. N. 195th - 205th	\$1,266,136	\$1,266,136	Continue work in 2015
		Total Roads Capital Fund	\$2,498,406	\$2,044,403	
Surface Water Utility Fund					
		Surface Water Management - Fence Replacement	\$59,767		Work delayed into 2015
		Purchase of 3/4 Ton Heavy Duty Pickup (Surface Water (Roads) portion of replacement cost of VN#110)	\$1,052		Complete purchase in 2015
		SWM Green Works Projects	\$30,692		Continue work in 2015
		Goheen Revetment Repair	\$10,173		Continue project in 2015
		Stormwater Pipe Replacement	\$146,415		Continue work in 2015
		Ballinger Creek Drainage Study	\$40,311		Complete project in 2015
		McAleer Creek Basin Plan	\$45,000		Complete project in 2015
		Total Surface Water Utility Fund	\$333,410		

Fund	Dept/Program	Project/Item	Carryover Amount	Carryover Revenue	Justification
Equipment Replacement Fund					
	Equipment Replacement-Vehicles/Heavy Equipment	Purchase of a Chipper Box	\$7,658		Complete purchase in 2015
	Equipment Replacement-Vehicles/Heavy Equipment	Chipper Box Operating and Safety Improvements and other equipment purchases	\$5,511		Complete purchase in 2015
	Equipment Replacement-Vehicles/Heavy Equipment	Purchase of 3/4 Ton Heavy Duty Pickup (Equipment Replacement Fund portion of replacement cost of VN#110)	\$27,781		Complete purchase in 2015
	Equipment Replacement-Vehicles/Heavy Equipment	Replacement of existing sign truck (Equipment Replacement Fund portion of replacement cost of VN#116)	\$33,816		Complete purchase in 2015
	Equipment Replacement-Vehicles/Heavy Equipment	Asphalt Patching Machine (aka Hotbox for Street Operations)	\$65,656		Complete purchase in 2015
Total Equipment Replacement Fund			\$140,422		
TOTAL CARRYOVER REQUESTS			\$5,401,870	\$3,756,289	