

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Transmittal of the 2016 Proposed Budget
<b>DEPARTMENT:</b>	Administrative Services Department
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director
<b>ACTION:</b>	<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 2016 proposed budget to the City Council no later than November 1, 2015. Tonight's presentation will introduce the 2016 proposed budget document to the Council, provide policy background concerning its development, highlight key budget issues, highlight the proposed 2016 work plan, and propose a budget review process and schedule. Council will receive hard or electronic copies of the 2016 proposed budget following tonight's meeting. The proposed 2016-2021 Capital Improvement Plan is attached to this staff report as Attachment A.

**RESOURCE/FINANCIAL IMPACT:**

The City's 2016 proposed budget is balanced in all funds and totals \$77.916 million. Proposed appropriations for the Operating Funds total \$45.680 million in expenditure appropriations for 2015, which account for 58.6% of the total budget. Proposed appropriations for the Debt Service Funds total \$3.635 million, which account for 4.7% of the total budget. Proposed appropriations for the Capital Service Funds total \$20.822 million, which account for 26.7% of the total budget. The 2016 proposed budget also includes appropriations for the Traffic Impact Fees Fund, which was created with adoption of the 2015 budget. Proposed appropriations for the Traffic Impact Fees Fund total \$0.360 million, which account for 0.4% of the total budget.

At this time, the City's only Enterprise Fund is the Surface Water Utility. Proposed appropriation's for the Surface Water Utility total \$6.836 million, which account for 8.8% of the total budget. This includes Surface Water activities relating to both operating and capital projects.

The remaining portion of the 2016 Proposed Budget comprises the City's Internal Service Funds. Proposed appropriations for Internal Service Funds total \$0.583 million, which account for 0.8% of the total budget.

The 2016 budget is \$1.2 million, or 1.6%, less than the current 2015 Budget (2015 Adopted Budget plus all subsequent changes). This decrease can be linked to the following changes from 2015 to 2016: a \$6.4 million decrease in the City's capital budget and \$5.2 million increase to the City's operating budget. The main reasons for the year-over-year decrease in the capital funds are a \$10.9 million decrease in Roads Capital Fund projects, a \$3.8 million increase in General Capital Fund projects, and a \$0.4 million increase in City Facilities / Major Maintenance Fund projects.

The proposed 2016 budget includes adequate reserve levels to meet all adopted budget policies.

Table 1 below summarizes the 2016 proposed budget and provides a comparison to the 2015 budget by fund. The 2015 budgeted expenditures represent the adopted budget and any budget amendments, such as re-appropriations, that have been adopted by the City Council through September 2015.

**TABLE 1 – 2016 Proposed Budget Summary**

Fund	2016 Proposed Budget			2015 Current		2015-2016 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	
<b>Operating Funds:</b>						
General Fund	9,645,545	\$ 37,034,031	\$ 41,878,507	\$ 4,801,069	\$ 38,152,434	9.77%
Revenue Stabilization Fund	5,150,777	0	0	5,150,777	0	n/a
Property Tax Equalization Fund	1,189,995	0	481,584	708,411	0	n/a
Streets	888,977	1,442,468	1,632,944	698,501	1,569,007	4.07%
Code Abatement	172,052	80,550	100,000	152,602	100,000	0.00%
State Drug Enforcement Forfeiture Fund	202,402	18,243	168,243	52,402	13,800	1119.15%
Federal Drug Enforcement Forfeiture Fund	234,874	28,200	263,000	74	65,750	300.00%
Federal Criminal Forfeiture Fund	177,601	978,500	1,156,101	0	534,358	116.35%
Sub-Total Operating Funds	17,662,223	39,581,992	45,680,379	11,563,836	40,435,349	12.97%
<b>Debt Service Funds:</b>						
2006 General Obligation Bond	17,965	1,700,000	1,710,375	7,590	1,712,175	-0.11%
2009 General Obligation Bond	1,798	1,663,417	1,663,417	1,798	1,663,217	0.01%
2013 General Obligation Bond	0	260,948	260,948	0	260,823	0.05%
Sub-Total Debt Service Funds	19,763	3,624,365	3,634,740	9,388	3,636,215	-0.04%
<b>Capital Funds:</b>						
General Capital	2,515,749	6,451,948	7,305,402	1,662,295	3,492,919	109.15%
City Facility-Major Maintenance Fund	35,944	724,481	758,500	1,925	348,525	117.63%
Roads Capital	2,993,168	11,323,028	12,758,137	1,558,059	23,749,289	-46.28%
Traffic Impact Fees Fund	200,000	200,000	359,775	40,225	0	n/a
Sub-Total Capital Funds	5,744,861	18,699,457	21,181,814	3,262,504	27,590,733	-23.23%
<b>Enterprise Funds:</b>						
Surface Water Utility Fund	1,510,129	6,724,986	6,835,663	1,399,452	6,180,934	10.59%
Sub-Total Enterprise Funds	1,510,129	6,724,986	6,835,663	1,399,452	6,180,934	10.59%
<b>Internal Service Funds:</b>						
Equipment Replacement	1,988,194	504,850	210,138	2,282,906	954,714	-77.99%
Public Art Fund	199,616	6,500	84,216	121,900	54,408	54.79%
Unemployment	68,800	0	17,500	51,300	17,500	0.00%
Vehicle Operations & Maintenance	129,022	256,216	271,216	114,022	278,950	-2.77%
Sub-Total Internal Service Funds	2,385,632	767,566	583,070	2,570,128	1,305,572	-55.34%
<b>Total City Budget</b>	<b>\$ 27,322,608</b>	<b>\$ 69,398,366</b>	<b>\$ 77,915,666</b>	<b>\$ 18,805,308</b>	<b>\$ 79,148,803</b>	<b>-1.56%</b>

**PROPOSED BUDGET SCHEDULE:**

The proposed schedule for 2016 budget review includes:

<b>Date</b>	<b>Action</b>
<u>October 12</u>	<ul style="list-style-type: none"><li>• Transmittal of 2016 Proposed Budget and 2016-2021 CIP</li></ul>
<u>October 19</u>	<ul style="list-style-type: none"><li>• Review of Department Budgets</li></ul>
<u>October 26</u>	<ul style="list-style-type: none"><li>• Continued Review of Department Budgets and Review of 2016-2021 CIP</li></ul>
<u>November 2</u>	<ul style="list-style-type: none"><li>• Public Hearing on 2016 Proposed Budget and 2016-2021 CIP</li></ul>
<u>November 9</u>	<ul style="list-style-type: none"><li>• Public Hearing on 2016 Property Tax Levy &amp; Revenue Sources</li></ul>
<u>November 16</u>	<ul style="list-style-type: none"><li>• Final Discussion of the 2016 Proposed Budget and 2016-2021 CIP</li></ul>
<u>November 23</u>	<ul style="list-style-type: none"><li>• Adoption of the 2016 Budget, Fee Schedule and 2016-2021 CIP, and Adoption of the 2016 Property Tax Levy</li></ul>

**RECOMMENDATION**

This item is for discussion purposes only. Staff is seeking Council input regarding the proposed 2016 budget process and any key questions or issues that Council wants staff to address as part of the process.

**ATTACHMENTS:**

Attachment A: 2016 – 2021 Capital Improvement Plan

Approved By:            City Manager     *DT*                            City Attorney

City of Shoreline 2016 - 2021 Capital Improvement Plan  
PROGRAM SUMMARY

Attachment A

	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
<b>EXPENDITURES</b>							
<b>Fund</b>							
<b>Project</b>							
<b>General Capital</b>							
<b>Parks Projects</b>							
Ballinger Neighborhood Parks	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000
King County, Trails And Open Space Replacement Levy	\$30,000	\$110,000	\$110,000	\$110,000	\$0	\$0	\$360,000
Park At Town Center	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Parks Repair And Replacement	\$216,415	\$227,236	\$238,597	\$250,528	\$263,054	\$265,816	\$1,461,646
Parks, Recreation And Open Space Update	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Regional Trail Signage	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
Turf & Lighting Repair And Replacement	\$152,500	\$1,700,000	\$145,000	\$0	\$0	\$0	\$1,997,500
<b>Facilities Projects</b>							
North Maintenance Facility	\$567,912	\$0	\$0	\$0	\$0	\$0	\$567,912
Police Station At City Hall	\$5,339,961	\$20,000	\$0	\$0	\$0	\$0	\$5,359,961
Pool & Recreation Facility Master Planning	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Recreation Facilities Exterior Security Lighting	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000
<b>Non-Project Specific</b>							
General Capital Engineering	\$80,091	\$85,000	\$0	\$0	\$0	\$0	\$165,091
Cost Allocation Charges	\$23,977	\$0	\$0	\$0	\$0	\$0	\$23,977
City Hall Debt Service Payment	\$664,546	\$663,946	\$662,546	\$677,546	\$663,250	\$663,250	\$3,995,084
<b>General Capital Fund Total</b>	<b>\$7,305,402</b>	<b>\$2,831,182</b>	<b>\$1,306,143</b>	<b>\$1,238,074</b>	<b>\$926,304</b>	<b>\$929,066</b>	<b>\$14,536,171</b>
<b>City Facilities - Major Maintenance</b>							
<b>General Facilities</b>							
Police Station Long-Term Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Hall Long-Term Maintenance	\$0	\$42,000	\$20,000	\$84,000	\$80,000	\$80,000	\$306,000
City Hall Parking Garage Long-Term Maintenance	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000
<b>Parks Facilities</b>							
Parks Restrooms Long-Term Maintenance	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000
Shoreline Pool Long-Term Maintenance	\$750,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$850,000
Richmond Highlands Community Center Long-Term Maintenance	\$2,000	\$15,000	\$80,000	\$0	\$2,000	\$0	\$99,000
Spartan Recreation Center	\$6,500	\$19,000	\$9,000	\$0	\$4,500	\$0	\$39,000
<b>City Facilities - Major Maintenance Fund Total</b>	<b>\$758,500</b>	<b>\$96,000</b>	<b>\$129,000</b>	<b>\$114,000</b>	<b>\$106,500</b>	<b>\$130,000</b>	<b>\$1,334,000</b>

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<b>EXPENDITURES</b>							
<b>Fund</b>							
<b>Project</b>							
<b>Roads Capital Fund</b>							
<b>Pedestrian / Non-Motorized Projects</b>							
Bike System Implementation	\$632,725	\$0	\$0	\$0	\$0	\$0	\$632,725
Traffic Safety Improvements	\$155,125	\$157,881	\$160,775	\$163,814	\$167,005	\$167,005	\$971,605
25th Ave. NE Sidewalks	\$60,000	\$510,000	\$25,000	\$0	\$0	\$0	\$595,000
Echo Lake Safe Routes To School	\$483,000	\$12,500	\$0	\$0	\$0	\$0	\$495,500
Einstein Safe Route To School	\$4,566	\$0	\$0	\$0	\$0	\$0	\$4,566
Interurban Trail/Burke-Gilman Connectors	\$386,000	\$0	\$0	\$0	\$0	\$0	\$386,000
<b>System Preservation Projects</b>							
Annual Road Surface Maintenance Program	\$2,214,984	\$1,000,000	\$1,100,000	\$1,200,000	\$1,200,000	\$1,200,000	\$7,914,984
Curb Ramp, Gutter And Sidewalk Maintenance Program	\$152,517	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,152,517
Traffic Signal Rehabilitation Program	\$110,250	\$115,763	\$121,551	\$127,628	\$134,010	\$134,010	\$743,212
10th Avenue NW Bridge	\$370,000	\$0	\$0	\$0	\$0	\$0	\$370,000
<b>Safety / Operations Projects</b>							
145th Corridor Study	\$128,884	\$0	\$0	\$0	\$0	\$0	\$128,884
145th Corridor - 99th to I5	\$2,447,977	\$2,447,977	\$0	\$0	\$0	\$0	\$4,895,954
185th Corridor Study	\$600,000	\$0	\$0	\$0	\$0	\$0	\$600,000
Aurora Avenue North 192nd - 205th	\$1,537,152	\$26,324	\$0	\$0	\$0	\$0	\$1,563,476
Meridian Ave N & N 155th St Signal Improv	\$58,929	\$300,000	\$0	\$0	\$0	\$0	\$358,929
N 175th St - Stone Ave N to I5	\$2,665,000	\$1,435,000	\$0	\$0	\$0	\$0	\$4,100,000
Radar Speed Signs	\$120,456	\$0	\$0	\$0	\$0	\$0	\$120,456
Richmond Beach Re-Channelization	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Westminster and 155th Improvements	\$250,000	\$200,000	\$0	\$0	\$0	\$0	\$450,000
<b>Non-Project Specific</b>							
General Fund Cost Allocation Overhead Charge	\$64,767	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$314,767
Transportation Master Plan Update	\$100,000	\$200,000	\$0	\$0	\$0	\$0	\$300,000
Roads Capital Engineering	\$215,805	\$235,000	\$255,000	\$265,000	\$280,000	\$295,000	\$1,545,805
<b>Roads Capital Fund Total</b>	<b>\$12,758,137</b>	<b>\$7,090,445</b>	<b>\$1,912,326</b>	<b>\$2,006,442</b>	<b>\$2,031,015</b>	<b>\$2,046,015</b>	<b>\$27,844,380</b>

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PROGRAM SUMMARY

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<b>EXPENDITURES</b>							
<b>Fund</b>							
<b>Project</b>							
<b>Surface Water Capital</b>							
<b>Capacity</b>							
10Th Ave Ne Drainage Improvements	\$250,000	\$0	\$0	\$600,000	\$30,000	\$30,000	\$910,000
25th Ave. NE Flood Reduction Improvements	\$880,000	\$2,470,000	\$795,000	\$0	\$0	\$0	\$4,145,000
Boeing Creek Regional Stormwater Facility Study	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
NE 148th Infiltration Facilities	\$367,500	\$0	\$0	\$0	\$0	\$0	\$367,500
<b>Repair and Replacement</b>							
Goheen Revetment Repair	\$17,000	\$11,500	\$6,000	\$6,000	\$6,000	\$0	\$46,500
Hidden Lake Dam Removal	\$20,000	\$0	\$0	\$0	\$1,000,000	\$0	\$1,020,000
Stormwater Pipe Replacement Program	\$580,000	\$200,000	\$0	\$500,000	\$200,000	\$1,740,000	\$3,220,000
Surface Water Small Projects	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
<b>Other</b>							
Puget Sound Drainages Basin Plan	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Surface Water Master Plan	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Thornton Creek Basin Condition Assessment	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0	\$300,000
<b>Non-Project Specific</b>							
General Fund Cost Allocation Overhead Charge	\$190,448	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$940,448
Surface Water Capital Engineering	\$158,013	\$170,000	\$175,000	\$185,000	\$190,000	\$200,000	\$1,078,013
<b>Surface Water Capital Fund Total</b>	<b>\$3,442,961</b>	<b>\$3,101,500</b>	<b>\$1,226,000</b>	<b>\$1,441,000</b>	<b>\$1,576,000</b>	<b>\$2,120,000</b>	<b>\$12,907,461</b>
<b>TOTAL EXPENDITURES</b>	<b>\$24,265,000</b>	<b>\$13,119,127</b>	<b>\$4,573,469</b>	<b>\$4,799,516</b>	<b>\$4,639,819</b>	<b>\$5,225,081</b>	<b>\$56,622,012</b>

City of Shoreline 2016 - 2021 Capital Improvement Plan  
PROGRAM SUMMARY

	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
<b>RESOURCES</b>							
<b>Fund</b>							
General Fund Contribution	\$3,078,211	\$878,211	\$428,211	\$428,211	\$428,211	\$428,211	\$5,669,266
State and Federal Forfeiture Fund Contribution to General Cap Fund	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Treasury Seizure Fund Contribution to General Cap Fund	\$1,156,101	\$0	\$0	\$0	\$0	\$0	\$1,156,101
Transportation Benefit District	\$1,031,824	\$780,000	\$780,000	\$780,000	\$780,000	\$780,000	\$4,931,824
Transportation Impact Fees	\$359,775	\$193,725	\$0	\$0	\$0	\$0	\$553,500
Real Estate Excise Tax - 1st Quarter Percent	\$1,038,146	\$1,056,334	\$1,088,772	\$1,161,160	\$1,235,930	\$1,303,238	\$6,883,580
Real Estate Excise Tax - 2nd Quarter Percent	\$1,038,146	\$1,056,334	\$1,088,772	\$1,161,160	\$1,235,930	\$1,303,238	\$6,883,580
Soccer Field Rental Contribution	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$780,000
Surface Water Fees	\$661,884	\$589,923	\$1,080,551	\$1,390,368	\$1,592,153	\$1,803,940	\$7,118,819
Investment Interest Income	\$88,187	\$101,679	\$45,034	\$54,570	\$73,073	\$98,380	\$460,924
King County Flood Zone District Opportunity Fund	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$665,388
Grants - Awarded	\$8,092,314	\$3,668,996	\$0	\$0	\$0	\$0	\$11,761,310
<i>Future Grants</i>	\$0	\$250,000	\$75,000	\$200,000	\$0	\$0	\$525,000
<i>Future Financing</i>	\$4,536,317	\$2,000,000	\$0	\$0	\$0	\$0	\$6,536,317
King County Voter Approved Trail Funding	\$110,000	\$110,000	\$110,000	\$110,000	\$0	\$0	\$440,000
Gain / (Use) of Accumulated Fund Balance	\$2,433,197	\$2,193,027	(\$363,769)	(\$726,852)	(\$946,376)	(\$732,824)	\$1,856,403
<b>TOTAL RESOURCES</b>	<b>\$24,265,000</b>	<b>\$13,119,127</b>	<b>\$4,573,469</b>	<b>\$4,799,516</b>	<b>\$4,639,819</b>	<b>\$5,225,081</b>	<b>\$56,622,012</b>