

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Council Discussion on 2016 Proposed Budget and 2016-2021 Capital Improvement Plan (CIP)
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input checked="" type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City Manager presented the 2016 Proposed Budget to the City Council on October 12. The budget document can be found on the City's website (<http://shorelinewa.gov/home/showdocument?id=22237>) and is available to the public at City Hall, the Shoreline Police Station, and the Shoreline and Richmond Beach libraries. Department budget presentations were provided to the Council on October 19 and October 26. A presentation of the 2016-2021 Proposed CIP was also made on October 26.

Tonight the Council will hold a public hearing on the proposed budget and 2016 – 2021 CIP. Following the public hearing, the Council will have an opportunity to continue their discussion of the 2016 Proposed Budget and 2016-2021 CIP. A second public hearing on the 2016 proposed budget will be held on November 9 with special emphasis on the 2016 revenue sources including the 2016 property tax levy, and the City's 2016 salary and fee schedules.

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 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

Fund	2016 Proposed Budget			2015 Current		2015-2016 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	
Operating Funds:						
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%
Debt Service Funds:						
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%
Capital Funds:						
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%
Enterprise Funds:						
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%
Internal Service Funds:						
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%
Total City Budget	\$ 27,322,608	\$ 69,398,366	\$ 77,915,666	\$ 18,805,308	\$ 79,148,803	-1.56%

Staff presented the proposed 2016-2021 CIP to the City Council on October 26. The proposed CIP is balanced as required by the Growth Management Act and totals \$56.622 million. Of this six year amount, the 2016 total is \$24.265 million. Detailed information about projects can be found in pages 304 through 411 of the 2016 Proposed Budget book. The proposal by fund is as follows:

Capital Fund	2016 Budget	2017 Est.	2018 Est.	2019 Est.	2020 Est.	2021 Est.	Total
Facilities & Parks	7,305,402	2,831,182	1,306,143	1,238,074	926,304	929,066	14,536,171
Facilities Major Maintenance	758,500	96,000	129,000	114,000	106,500	130,000	1,334,000
Transportation	12,758,137	7,090,445	1,912,326	2,006,442	2,031,015	2,046,015	27,844,380
Surface Water Utility	3,442,961	3,101,500	1,226,000	1,441,000	1,576,000	2,120,000	12,907,461
CIP Total by Year	24,265,000	13,119,127	4,573,469	4,799,516	4,639,819	5,225,081	56,622,012

Attachment A to this staff report is the proposed 2016-2021 Capital Improvement Plan summary of projects.

RECOMMENDATION

Staff recommends that Council conduct the public hearing to take public comment on the 2016 Proposed Budget and 2016 - 2021 Proposed CIP. Staff also recommends that Council continue discussion on the 2016 Proposed Budget and provide input to staff.

ATTACHMENTS:

Attachment A – 2016-2021 Capital Improvement Plan Program Summary

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

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
EXPENDITURES							
Fund							
Project							
General Capital							
Parks Projects							
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
Facilities Projects							
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
Non-Project Specific							
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
General Capital Fund Total	\$7,305,402	\$2,831,182	\$1,306,143	\$1,238,074	\$926,304	\$929,066	\$14,536,171
City Facilities - Major Maintenance							
General Facilities							
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
Parks Facilities							
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
City Facilities - Major Maintenance Fund Total	\$758,500	\$96,000	\$129,000	\$114,000	\$106,500	\$130,000	\$1,334,000

City of Shoreline 2016 - 2021 Capital Improvement Plan
PROGRAM SUMMARY

EXPENDITURES	Proposed 2016	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Total 2016-2021
Fund							
Project							
Roads Capital Fund							
Pedestrian / Non-Motorized Projects							
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
System Preservation Projects							
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
Safety / Operations Projects							
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
Non-Project Specific							
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
Roads Capital Fund Total	\$12,758,137	\$7,090,445	\$1,912,326	\$2,006,442	\$2,031,015	\$2,046,015	\$27,844,380

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
EXPENDITURES							
Fund							
Project							
Surface Water Capital							
Capacity							
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
Repair and Replacement							
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
Other							
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
Non-Project Specific							
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
Surface Water Capital Fund Total	\$3,442,961	\$3,101,500	\$1,226,000	\$1,441,000	\$1,576,000	\$2,120,000	\$12,907,461
TOTAL EXPENDITURES	\$24,265,000	\$13,119,127	\$4,573,469	\$4,799,516	\$4,639,819	\$5,225,081	\$56,622,012

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
RESOURCES							
Fund							
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
TOTAL RESOURCES	\$24,265,000	\$13,119,127	\$4,573,469	\$4,799,516	\$4,639,819	\$5,225,081	\$56,622,012