

## **CITY COUNCIL AGENDA ITEM**

### **CITY OF SHORELINE, WASHINGTON**

<b>AGENDA TITLE:</b>	2016 Proposed Budget and 2016-2021 CIP Final Workshop		
<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 presented the 2016 Proposed Budget to the City Council on October 12, 2015. The budget document and CIP can be found on the City's website at <http://www.cityofshoreline.com/home/showdocument?id=22237>, at Shoreline City Hall, the Shoreline Police Station, and the Shoreline and Richmond Beach libraries. The City Council received department presentations on October 19 and 26; received a presentation of the 2016-2021 CIP on October 26; held a public hearing on the 2016 proposed budget and 2016-2021 CIP on November 2; and, held a public hearing on the 2016 Proposed Budget with special emphasis on 2016 revenue sources, including the 2016 property tax levy on November 9.

As was noted in the November 9 staff report, the 2016 Proposed Budget as presented on October 12 does not reflect the full impact of the Compensation and Classification Study as recommended by the City's consultant, Ralph Andersen and Associates on November 2 during the Dinner Meeting, the awarding of three grants, and the assumption of the Shoreline Transportation Benefit District.

With regard to additional grants the City will receive, the City was notified in October that it will receive three grants in 2016. As a result of receiving a Department of Ecology Waste 2 Resources Coordinated Prevention Grant (CPG) the General Fund appropriation has been increased \$20,878 for the Environmental Services Division of Public Works. This funding will cover residential recycling events to collect hard to recycle items from single- and multi-family residents. As a result of receiving two King Conservation District grants the General Capital Fund appropriation has been increased \$36,323 for a new Park Ecological Restoration project that will help implement the City of Shoreline's Urban Forestry Strategic Plan. One grant will support performing a vegetation study at Twin Ponds Park and the other will support restoration efforts at Richmond Beach Saltwater Park.

With regard to the assumption of the Transportation Benefit District, the Transportation Benefit District appropriations totaling \$1,035,644 will now be reflected in the 2016

Proposed Budget. The net impact of these changes is an increase of \$1,510,770 from the 2016 Proposed Budget as presented on October 12.

The funding and appropriations for these items are now included in the 2016 Proposed Budget and reflected in Table 1 below. They will also be included in the budget adoption ordinance that will be presented to Council on November 23.

### **Proposed Budget Amendments**

Council will be providing individual proposals to Budget Amendments to the City Manager by November 10. We will review and discuss proposed amendments at the November 16 meeting. To date, the City Manager has received a request from Councilmember Salomon to increase human service funding on a one-time basis by \$48,850. This would be to make the following allocations:

- Center for Human Services - \$3,250 for Chrome Books to use in the Ballinger Homes OST program.
- Hopelink - \$15,000 for Rental Assistance.
- Hopelink - \$4,600 for Utility Assistance.
- Shoreline-Lake Forest Park Senior Center - \$16,000 to fill expiring grant and for use in supporting current programming.
- Shoreline-Lake Forest Park Senior Center - \$10,000 to fill catering gap.

Councilmember Salomon proposes funding these increases by making the following adjustments to the 2016 Proposed Budget:

- Reduce Promoting Shoreline allocation by \$11,850 (balance of \$28,150)
- Delay Microfilming of Payroll Records to a future year - \$17,000
- Reduce PW Consulting Services contingency by \$20,000 (balance of \$30,000)

Staff is comfortable that the reduction in the Promoting Shoreline allocation for 2016 will not significantly deter this work effort, given that we anticipate dollars won't be fully expended from the 2015 contract and could be carried forward into 2016. The City will need to microfilm payroll records to comply with State law, although this does not have to happen in 2016. In essence Council will be delaying this obligation to a future year. The original request from the Public Works Department was for \$100,000 for potential consultant support. The City Manager's proposed budget reduced this to \$50,000. This funding is to meet emerging issues that come up throughout the year. Historically these have included things like analysis related to the water system acquisition from SPU, road configuration analysis (i.e., 155<sup>th</sup> intersection), Sound Transit, etc. Additional reduction in funding for Public Works consulting services will result in staff having a smaller available budget to respond to needs. Once the \$30,000 is expended then staff would need to approach the Council for additional budget or deny the request. .

Staff will provide Council with any additional amendments received from Councilmembers by Monday, November 16.

Tonight's final budget workshop will provide an opportunity for the Council to provide direction to staff prior to scheduled adoption of the 2016 property tax levy, 2016 Proposed Budget, and the 2016-2021 CIP on November 23.

## Responses to City Council Questions:

As part of the City Council's fiduciary responsibilities to citizens, businesses, and other taxpayers, the Mayor and Council have asked a number of questions throughout this budget process. Answers to those questions have been provided in the Budget Questions Matrix.

## RESOURCE/FINANCIAL IMPACT:

The 2016 Proposed Budget totals \$79,426,436, is balanced, and includes adequate reserve levels to meet all adopted budget policies.

**TABLE 1**

BLE 1

	2016 Proposed Budget			2015 Current		
	Beginning			Ending	Budget	2015-2016
Fund	Fund Balance	Revenue	Expenditures	Fund Balance	Expenditures	%Change
Operating Funds:						
General Fund	9,645,545	\$ 37,285,579	\$ 42,109,114	\$ 4,822,010	\$ 38,152,434	10.37%
Revenue Stabilization Fund	5,150,777	0	0	5,150,777	0	n/a
Property Tax Equalization Fund	1,189,995	0	691,313	498,682	0	n/a
Street Fund	888,977	1,442,468	1,631,411	700,034	1,569,007	3.98%
Transportation Benefit District	429,582	780,060	1,035,644	173,998	796,300	30.06%
Traffic Impact Fees Fund	200,000	200,000	359,775	40,225	0	n/a
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	18,291,805	40,813,600	47,514,601	11,590,804	41,231,649	15.24%
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	6,488,271	7,341,725	1,662,295	3,492,919	110.19%
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%
Sub-Total Capital Funds	5,544,861	18,535,780	20,858,362	3,222,279	27,590,733	-24.40%
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	\$ 27,752,190	\$ 70,466,297	\$ 79,426,436	\$ 18,792,051	\$ 79,945,103	-0.65%

## RECOMMENDATION

No action is required by the City Council. This item is for discussion purposes only. Staff anticipates that Council may provide additional budget direction to the City Manager as a result of this review.

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