

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 744 - Budget Amendment for 2016
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
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:

On April 11, staff presented proposed Ordinance No. 744 (Attachment A) to Council to amend the 2016 budget by increasing appropriations and the number of full-time equivalent (FTE) positions. Tonight's action would adopt proposed Ordinance No. 744.

FINANCIAL IMPACT:

Proposed Ordinance No. 744 increases 2016 appropriations for various operating programs and capital projects by \$1,112,712, increases revenues by \$157,529, increases transfers between funds by \$58,303, and uses available fund balance totaling \$955,183. Proposed Ordinance No. 744 also zeroes out the \$1,035,644 in appropriations and revenues for the Transportation Benefit District Fund. The net impact of Ordinance No. 744 is an increase in 2016 appropriations totaling \$77,068 and decrease in resources totaling \$819,812. The adjusted 2016 fund balance, net of 2015 carryovers, for the affected funds is \$2.983 million higher than that projected in the 2016 budget book. After the effect of these changes, the City's 2016 fund balance is \$2.086 million higher than that projected in the 2016 budget book. The following programs in the operating budget will be impacted by this amendment:

General Fund: \$632,930

- ASD / Information Technology: \$238,004
- ASD / IT Equipment Replacement: \$17,000
- ASD / Facilities: \$4,634
- Citywide / Non-departmental: \$17,252
- Police /Traffic Services: \$10,314
- PRCS / Administration: (\$15,000)
- PRCS / Parks Operations: \$36,000
- PRCS / Teen & Youth Development Program: \$4,865 (Increase of 0.125 FTE Recreation Specialist II)
- Public Works / Environmental Services: \$50,000
- Staffing for Sound Transit Lynnwood Link Extension Project (ASD/PW/PCD): \$211,558 (Increase of 1.00 FTE Sr. Planner and 1.00 FTE Engineer II)
- Transfers Out: \$58,303

Street Fund: \$12,591

- Public Works / Street Operations: \$12,591

Transportation Benefit District Fund: (\$1,035,644)

- Transportation Benefit District / Admin Key: (\$1,035,644)

Equipment Replacement Fund: \$157,798

- Equipment Replacement: \$157,798

The following projects in the capital budget will be impacted by this amendment:

General Capital Fund: \$6,000

- KC Levy Trail Projects: \$6,000

City Facilities Major Maintenance Fund: \$89,670

- Roof Replacement and Major Repairs: \$89,670

Roads Capital Fund: \$0 (FTE Increase only)

- N 175th Street (Stone Way to I-5) Capital Project: \$0 (Increase of 1.00 FTE Engineer II – Capital Projects)

The following programs/projects in the utility budget will be impacted by this amendment:

Surface Water Management: \$70,000

- Surface Water Management - \$70,000

Surface Water Capital: \$143,723

- Surface Water Small Projects: \$135,723
- Lyon (Ballinger) Creek Basin Plan: \$4,000
- McAleer Creek Basin Plan: \$4,000

Staff has updated the 10 Year Financial Sustainability Model to reflect the impact this budget amendment will have on the current budget and the forecast.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 744, amending the 2016 budget and increasing the number of approved full-time equivalent (FTE) positions.

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

INTRODUCTION

On April 11, staff presented proposed Ordinance No. 744 (Attachment A) to Council to amend the 2016 budget by increasing appropriations and the number of full-time equivalent (FTE) positions. The staff report for the April 11 discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport041116-9b.pdf>.

BACKGROUND

The detail of the proposed budget amendments is as follows, and is also outlined in Attachment B to this staff report.

General Fund

Cityworks Implementation for Parks Operations and Ronald Wastewater District:

The 2016 appropriation will increase by a total of \$238,004 for the Information Technology Division of the Administrative Services Department and decrease by a total of \$15,000 for the Administration Division of the Parks, Recreation and Cultural Services Department. The net increase requested by staff in 2016 totals \$223,004.

The implementation of Cityworks for the Parks Operations Division of the Parks, Recreation and Cultural Services Department (Parks) is included in the Strategic Technology Plan for a 2017 implementation. As part of the Assumption Transition Committee of Elected Officials (CEO) process, the Ronald Wastewater District (RWD) discussed and subsequently appropriated funding in its 2016 budget for the implementation of Cityworks. Woolpert, the City's Cityworks implementer, can link implementation for Parks and RWD together at this time. The implementation of RWD on the City's Cityworks system will provide RWD with a much needed replacement of its aging database that is no longer supported by the vendor. RWD has agreed to implement its assets in a separate area on the City's Cityworks system. A significant benefit of this approach is the elimination of work to consolidate assets upon the City's assumption of RWD. To that end, this approach will result in significant cost savings by reducing the number of trips the consultant will need to make to our organizations and focusing on the configuration of the system once for two groups as opposed to two separate configurations.

The City will need to amend its contract with Cityworks to include licensing for RWD at a total of \$16,425, which will be reimbursed by RWD. The City will need to amend its contract with Woolpert to provide consulting services for the implementation at a total of \$153,579 and up to \$8,000 of travel expenses (to be invoiced based on actual expenses), with RWD reimbursing the City for 50% of the actual cost.

The City will also have to contract out for approximately seven months of technical support for \$60,000 to update GIS inventory, provide support for implementation, develop workflows to support work processes, train staff on processes, and configure mobile devices.

The 2016 budget includes \$50,000 in the PRCS Administration budget identified for the Parks asset inventory. In addition to the savings discussed above, \$15,000 of this budget item can be redirected toward the Cityworks project. If the Cityworks item discussed above is not moved forward, this item in the PRCS Administration budget will need to remain funded at \$50,000. The net increase requested by staff in 2016 totals \$223,004. The 2017 proposed budget would have included this funding request, but it is now recommended to move this work to 2016.

ASD / IT Equipment Replacement:

The 2016 appropriation for this program will increase by a total of \$17,000 to replace the control panel (located in the Council Chambers) and the capture device used for recording council meetings for cable TV. The control panel is not working reliably and is over two years past its normal replacement cycle. The device that records the Council meetings for cable TV is also past its normal replacement cycle and has been failing intermittently.

ASD / Facilities:

The 2016 appropriation for this program will increase by a total of \$4,634 to replace several small, but important, tools that were stolen from the City Facility's van in July 2015. These tools are stored in the Facility's van so they can be transported to make repairs in various City facilities including the 14 park restrooms.

Citywide / Non-departmental:

The 2016 appropriation for this program will increase by a total of \$17,252 to pay for a Fire Benefit Charge implemented by the Shoreline Fire Department. In August 2015, voters authorized the Shoreline Fire Department to impose a Fire Benefit Charge (FBC) on improvements to real property. City property is exempt from taxes levied on properties. The Shoreline Fire Department assured City staff that the City would be exempt; however, because the FBC is a fee for a service/benefit and not a tax, the City will have to pay the FBC. There are 11 properties that include improvements (e.g., City Hall, Highland Plaza, etc.) that were charged the FBC for a total of \$17,289. The 2016 budget includes \$41,093 for fees associated with City-owned properties, such as noxious weed fees, King County Conservation District fees, and surface water fees. With the FBC and other fees added together, the 2016 total charge is \$58,345. Staff is requesting \$17,252 in additional appropriations for the difference created by the addition of the FBC. Staff is continuing its discussion with the Shoreline Fire Department regarding the FBC.

Police / Traffic Enforcement:

The 2016 appropriation for this program will increase by a total of \$10,314 to purchase police equipment. Funding for this amendment will come from a grant from the Byrne/JAG Program.

Parks, Recreation and Cultural Services (PRCS) / Parks Operations:

Vactoring:

The 2016 appropriation for this program will increase by a total of \$11,000 for the vactoring of catch basins within City parks, parking lots, and open spaces as requested by the Public Works Surface Water Management program to meet the requirements of the City's National Pollution Discharge Elimination System (NPDES) permit.

Emergency/Hazardous Tree Removal:

The 2016 appropriation for this program will increase by a total of \$25,000 for emergency and hazardous tree removal. On March 8 PRCS staff were contacted by a resident about a tree in Innis Arden Reserve Park that was leaning on another tree adjacent to a home. Staff investigated and determined the tree needed to be removed as quickly as possible since the tree root ball was exposed, thereby no longer securing the tree in the ground, and the tree was leaning directly over the adjacent home. Given the size of the tree and its location on a steep slope the removal was beyond staff's ability. Staff's tree maintenance contractor (Best Tree) was asked to inspect the tree and provide a bid for removal. The removal was a complicated process requiring a 175-ton crane to lift workers to the top of the tree, remove it in sections and drop the tree sections to the ground. The work was completed on Saturday, March 12. Furthermore, with the recent windstorm on March 13, a number of trees in the right-of-way have become critically hazardous and will need removal.

Parks, Recreation and Cultural Services (PRCS) / Teen & Youth Development Program:

The 2016 appropriation for this program will increase by a total of \$4,865 and the number of approved FTEs will be increased by 0.125 for the Recreation Specialist II position in order to expand the Hang Time program for middle school students currently held at Kellogg Middle School into Einstein Middle School. This is intended to be an ongoing change starting in August 2016. There are offsetting savings from payments to the YMCA.

In early March the Shoreline School District (SSD) approached the YMCA and PRCS about expanding this program due to its success at Kellogg Middle School. The Hang Time program has offered after school activities to students for almost 20 years. It has been a successful partnership between the City, YMCA, and SSD. The SSD believes expanding this program into Einstein Middle School will fill a gap where there is not a comprehensive after school program. The YMCA and SSD have agreed to participate in an expanded program. The requested funding allows an increase of 0.125 FTE of the aforementioned position and additional extra help support for the program hours, which provides the City's participation in this partnership to serve Shoreline's youth.

The total net cost of this request in 2016 equals \$4,865, comprised of \$4,498 to increase the Recreation Specialist II to 1.00 FTE, \$2,867 in extra help costs, and an offset of \$2,500 in the form of a reduction in payments to the YMCA. The estimated net cost increase of this program expansion for 2017 totals \$10,106, and is comprised of \$9,184 related to the FTE increase, \$5,922 in extra help costs, and an offset of \$5,000 in the form of a reduction in payments to the YMCA.

Public Works / Environmental Services:

The 2016 appropriation for this program will increase by a total of \$50,000 to implement the new solid waste contract and new mandatory collection requirement, which includes, but is not limited to, the development of educational material, an open house event, and consultant services. These services need to be provided to facilitate a smooth contract implementation process that enhances customer understanding of their new service and requirements. Funding for this amendment will come from a reimbursement of \$50,000 from the selected solid waste service provider.

Staffing for Sound Transit Lynnwood Link Extension Project:

The 2016 appropriation will increase by a total of \$211,558, comprised of \$22,528 for the Information Technology and Facilities divisions of the Administrative Services Department, \$89,018 for the Planning & Community Development Department, and \$100,012 for the Public Works Department.

Sound Transit is expected to begin final design of the Lynnwood Link Extension (LLE) project in late-April or early-May. The City and Sound Transit are negotiating a multi-year agreement with regard to its development, design, construction and permitting phases. It is anticipated that the cost for these positions will be funded through a staffing agreement between the City and Sound Transit. In order to meet the turn-around times requested by Sound Transit additional staffing is required. Sound Transit has provided funding for supplemental staffing to other jurisdictions that have Sound Transit light rail facilities being built. Given the lead time needed to recruit and hire staff, the City Manager recommends adding these positions at this time, recognizing that a negotiated agreement with Sound Transit will come at a later date.

At this time staff is requesting that the 2016 budget be amended by increasing the number of approved FTEs for the Planning and Community Development Department by one (1.00 FTE Senior Planner) and the Public Works Department by one (1.00 FTE Engineer II). The appropriations for 2016 will be placed in the appropriate departments' budgets, as follows:

- Administrative Services Department – Information Technology and Facilities: \$22,528 for start-up costs (i.e., computer, phone, cubicle setup, etc.).
- Planning & Community Development: \$89,018 for salaries, benefits, and staff support of a Senior Planner position (1.00 FTE).
- Public Works: \$100,012 for salaries, benefits, and staff support of an Engineer II (1.00 FTE).

General Fund Transfers Out:

The 2016 appropriation will increase by a total of \$58,303 as a transfer from the General Fund to the City Facilities-Major Maintenance Fund that is needed to fully establish the Roof Replacement and Major Repairs project. There are four City facilities that are experiencing roof leaks; City Hall (CH), Richmond Highlands Community Center (RHCC), Shoreline Pool (Pool) and Highland Plaza (current location of Jersey's). This request will fund the investigation and/or repair of the CH green roof and a 30'x5' roof section at the Pool, as well as the investigation of options to repair the Highland Plaza roof and severity of the leaks in the RHCC roof.

Revenues:

General Fund revenues will be increased by \$157,529, as follows:

- The Ronald Wastewater District will reimburse the City for 100% of the costs, or \$16,425, of the licenses needed to implement Cityworks, and 50% of the costs, or up to \$80,790, for the consulting services with Woolpert for the implementation and Woolpert's travel costs.
- A grant from the Byrne/JAG program will provide \$10,314 for the purchase of police equipment; and,

- The new solid waste service provider will provide \$50,000 to implement the new solid waste contract and new mandatory collection requirement.

Impact on the General Fund's Fund Balance:

Ordinance No. 744 proposes using \$475,401 of available fund balance to fund the proposed items that do not have a dedicated revenue source.

Street Fund

Public Works / Street Operations:

The 2016 appropriation for this program will increase by a total of \$12,591 to purchase the replacement the current Vehicle #134 with a heavy duty multi-purpose vehicle with a "hook-and-go" feature. The balance of the appropriations to complete this purchase is in the Equipment Replacement Fund. The 2015 appropriation to purchase the new vehicle was not sufficient primarily due to the increased cost of the required hydraulic system.

Impact on the Street Fund's Fund Balance:

Ordinance No. 744 proposes using \$12,591 of available fund balance to fund this amendment.

Transportation Benefit District (TBD) Fund

Transportation Benefit District / Admin Key:

The 2016 appropriation and revenues for this program will each decrease by a total of \$1,035,644 as a result of the assumption of the TBD through Council action (Ordinance No. 726). In 2016, staff learned that the City is able to account for the revenues and expenditures associated with the TBD directly within the Roads Capital Fund, thereby eliminating the need to maintain a separate TBD Fund. As the appropriation and offsetting revenue from TBD vehicle license fees for the Annual Road Surface Maintenance Program are already budgeted within the Roads Capital Fund, this amendment serves to reduce the City's total appropriations without adversely impacting existing 2016 appropriations.

Impact on the Transportation Benefit District Fund's Fund Balance:

Ordinance No. 744 will have no effect on available fund balance to fund this amendment.

Equipment Replacement Fund

Equipment Replacement:

The 2016 appropriation for this program will increase by a total of \$157,798 to purchase the replacement the current Vehicle #134 with a heavy duty multi-purpose vehicle with a "hook-and-go" feature. The balance of the appropriations to complete this purchase is in the Street Fund. The 2015 appropriation to purchase the new vehicle was not sufficient primarily due to the increased cost of the required hydraulic system.

Impact on the Equipment Replacement Fund's Fund Balance:

Ordinance No. 744 proposes using \$157,798 of available fund balance to fund this amendment.

General Capital Fund

KC Levy Trail Projects:

The 2016 appropriation for this project will increase by a total of \$6,000 to include additional KC Levy Trail funding received in 2015 than was projected and programmed in 2016. This project will provide for environmental vegetation management and minor trail repair.

Impact on the General Capital Fund's Fund Balance:

Ordinance No. 744 proposes programming \$6,000 of additional KC Levy Trail funding received in 2015 to fund this amendment.

City Facilities-Major Maintenance Fund

Roof Replacement and Major Repairs:

The 2016 appropriation for this project will increase by a total of \$89,670 to add the Roof Replacement and Major Repairs project to the 2016 Capital Improvement Program. There are four City facilities that are experiencing roof leaks; City Hall (CH), Richmond Highlands Community Center (RHCC), Shoreline Pool (Pool) and Highland Plaza (Jersey's). This project will include investigation and/or repair of the CH green roof and a 30'x5' roof section at the Pool, as well as the investigation of options to repair the Highland Plaza roof and severity of the leaks in the RHCC roof. Additional support for this project will be provided by the General Fund in the amount of \$58,303 as discussed above.

Facility roofs leaks, if not repaired in a timely manner, can lead to extensive damage to interior walls, floors, furniture, and other mechanical systems and appliances. It is critical to have repairs completed to prevent interruptions to business operations and maintain a safe and reliable facility for the community. Roof conditions are not always apparent. In the future it is recommended that the Facilities program conduct an annual review of all City building roofs to identify the needs to be addressed by this new CIP project in the future.

Resources:

City Facilities-Major Maintenance Fund resources will be increased by \$58,303 from a General Fund transfer.

Impact on the City Facilities-Major Maintenance Fund's Fund Balance:

Ordinance No. 744 proposes reprogramming \$31,367 of available fund balance to fund this amendment.

Roads Capital Fund

N 175th Street (Stone Way to I-5):

The 2016 appropriation for this project will not change as this request will amend the 2016 budget by increasing the number of approved FTEs for the Public Works Department by one (1.00 FTE Engineer II – Capital Projects) in order to be able to deliver this project. The 2016-2021 CIP includes funding the mobility and safety improvements to users of the N 175th Street corridor. Federal Surface Transportation Program funds are the primary source of revenue for this project. The City received notice on March 2, 2016 that the King County Project Evaluation Committee has completed its review related to the allocation of returned federal funding and has finalized the distribution of these funds. The City's funding request for \$3,546,500 is on the adopted contingency list. The 2016-2021 CIP already reflects the use of \$2,305,225 in 2016 and \$1,241,275 in 2017 for this project.

Impact on the Roads Capital Fund's Fund Balance:

Ordinance No. 744 will have no effect on available fund balance to fund this amendment as funding is already included in the 2016-2021 CIP.

Surface Water Utility Fund

Surface Water Management:

The 2016 appropriation for this program will increase by a total of \$70,000 to fund professional services to help the City address drainage assessment, engineering and planning needs. The Surface Water Engineer II is focused on the development and delivery of CIP project and does not have capacity to address a backlog of 60 identified drainage issues. This funding will support the Surface Water Engineering and On-Call Services firm in assessing and developing designs. Specific tasks include:

- Assess and develop design and construction documents to eliminate ponding of water on the right-of-way at N 179th and 1st Avenue NE; estimated cost: \$20,000;
- Assess and develop design and construction documents to collect and redirect right-of-way water from entering two private properties located at N 149th and Westminster to an infiltration pond in the right-of-way; estimated cost: \$20,000;
- Assess and develop design and construction documents to eliminate water from two public catch basins contributing to flooding of private property located at 1847 N 183rd St.; estimated cost: \$20,000; and,
- Review backlog of unassigned work and develop criteria for prioritizing the remaining unassigned backlog of drainage issues; provide staff with a prioritized list to address high to low priority projects and which should be contracted out from those that may be accomplished in-house; estimated cost: \$10,000.

Staff anticipates bringing to Council a 2017 budget request for a higher level of professional services funding that will be used to continue to address the backlog of drainage work through the services provided by the current Surface Water Engineering and On-Call Services firm.

Surface Water Small Projects:

The 2016 appropriation for this project will increase by a total of \$135,723 so that previous pre-design and design efforts for Surface Water Small Works sites can be further developed to final design and constructed in 2016 without adversely impacting existing 2016 appropriations. Work to be funded by this amendment represents a continuation of previous efforts which were not completed due to workload issues. Such work includes the Surface Waters Small Project bid package #7639 currently in development, which is approximately 75% complete. There are sufficient funds available in the Surface Water Utility Fund that can be reprogrammed due to operating and other capital project savings that occurred during 2015.

Lyon (Ballinger) Creek Basin Plan:

The 2016 appropriation for this project will increase by a total of \$4,000 to fund the final actions of the basin plan, which included a summary presentation and discussion of basin plan results for City Council. The basin plan final report was completed in 2015. No further work for this basin plan is expected at this time.

The summary presentation and discussion of basin plan results took place during the City Council meeting on February 8, 2016. The total to-date expenses for this work are approximately \$2,000. The remaining \$2,000 of the proposed budget amendment will likely not be needed but represent a contingency amount in the event that any additional final basin plan-related tasks arise in 2016. There are sufficient funds available in the Surface Water Utility Fund that can be reprogrammed due to operating and other capital project savings that occurred during 2015.

McAleer Creek Basin Plan:

The 2016 appropriation for this project will increase by a total of \$4,000 to fund the final actions of the basin plan, which included a summary presentation and discussion of basin plan results for City Council. The basin plan final report was completed in 2015. No further work for this basin plan is expected at this time.

The summary presentation and discussion of basin plan results took place during the City Council meeting on February 8, 2016. The total to-date expenses for this work are approximately \$2,000. The remaining \$2,000 of the proposed budget amendment will likely not be needed but represent a contingency amount in the event that any additional final basin plan-related tasks arise in 2016. There are sufficient funds available in the Surface Water Utility Fund that can be reprogrammed due to operating and other capital project savings that occurred during 2015.

Impact on the Surface Water Utility Fund's Fund Balance:

Ordinance No. 744 proposes using \$213,723 of available fund balance to fund this amendment.

FINANCIAL IMPACT

Proposed Ordinance No. 744 increases 2016 appropriations for various operating programs and capital projects by \$1,112,712, increases revenues by \$157,529, increases transfers between funds by \$58,303, and uses available fund balance totaling \$955,183. Proposed Ordinance No. 744 also zeroes out the \$1,035,644 in

appropriations and revenues for the Transportation Benefit District Fund. The net impact of Ordinance No. 744 is an increase in 2016 appropriations totaling \$77,068 and decrease in resources totaling \$819,812. The following table summarizes the impact of this budget amendment and the resulting 2016 appropriation for each of the affected funds.

Fund	2016 Current Budget (A)	Budget Amendment (B)	Amended 2016 Budget (C) (A + B)
General Fund	\$43,808,217	\$632,930	\$44,441,147
Street Fund	\$1,701,182	\$12,591	\$1,713,773
Transportation Benefit District Fund	\$1,035,644	(\$1,035,644)	\$0
General Capital Fund	\$9,135,524	\$6,000	\$9,141,524
City Facilities-Major Maintenance Fund	\$777,084	\$89,670	\$866,754
Surface Water Utility Fund	\$7,142,470	\$213,723	\$7,356,193
Equipment Replacement Fund	\$299,602	\$157,798	\$457,400
All Other Funds	\$24,866,923	\$0	\$24,866,923
Total	\$88,766,646	\$77,068	\$88,843,714

The following table summarizes the impact on available fund balance in each of the affected funds. The adjusted 2016 fund balance, net of 2015 carryovers, is \$2.983 million higher than that projected in the 2016 budget book. After the effect of these changes, the City's 2016 fund balance is \$2.086 million higher than that projected in the 2016 budget book.

Fund	Proj. 2016 Beg. Fund Balance (A)	2016 Adj. Fund Balance (Adj. for Carryover) (B)	Total Amendment Request (C)	Total Resources Adjustment (D)	2016 Adj. Fund Balance (Adj. for Amendment) (E) (B - C + D)	Var. from Proj. 2016 Beg. Fund Balance (F) (E - A)
General Fund	\$9,645,545	\$11,459,631	\$632,930	\$157,529	\$10,984,230	\$1,338,685
Street Fund	\$888,977	\$994,548	\$12,591	\$0	\$981,957	\$92,980
Transportation Benefit District Fund	\$0	\$0	(\$1,035,644)	(\$1,035,644)	\$0	\$0
General Capital Fund	\$2,515,749	\$2,839,129	\$6,000	\$0	\$2,833,129	\$317,380
City Facilities-Major Maintenance Fund	\$35,944	\$66,217	\$89,670	\$58,303	\$34,850	(\$1,094)
Surface Water Utility Fund	\$1,510,129	\$2,111,634	\$213,723	\$0	\$1,897,911	\$387,782
Equipment Replacement Fund	\$1,988,194	\$2,096,035	\$157,798	\$0	\$1,938,237	(\$49,957)
Total	\$16,584,538	\$19,567,194	\$77,068	(\$819,812)	\$18,670,314	\$2,085,776

Impact on the Ten Year Financial Sustainability Model (10 YFSM):

The 10 YFSM has been updated (Attachment C) to include all of the proposed items in the General Fund and Street Fund that will require ongoing funding. This includes the requested increase for the Fire Benefit Charge, vactoring services to meet the requirements of the City's NPDES permit, the 0.125 FTE increase of the Recreation

Specialist II position and extra help support to expand the Hang Time program for middle school students into Einstein Middle School, and staffing for the Sound Transit Lynnwood Link Extension (LLE) Project. For the period of 2017 through 2026, this amendment results in additional expenditures totaling \$2,158,505, which is comprised of the following:

- \$175,000 for the Fire Benefit Charge;
- \$110,000 for vactoring services in City park facilities;
- \$112,438 for the 0.125 FTE increase of the Recreation Specialist II position;
- \$75,546 for extra help support of the expanded Hang Time program; and,
- (\$50,000) to the YMCA contract to redirect some of the City's support of the expanded Hang Time program.
- \$1,735,521 for staffing for the Sound Transit Lynnwood Link Extension Project for the period of 2017-2022 (six years).

As noted earlier, Sound Transit has agreed, in writing, to provide funding through an Interlocal Agreement (ILA), which is currently being negotiated. A projection for the amount of funding the City may receive through the project period of 2017-2022 is included in this forecast at a total of \$1,735,521.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 744, amending the 2016 budget and increasing the number of approved full-time equivalent (FTE) positions.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 744

Attachment B: Budget Amendment Detail

Attachment C: 10 Year Financial Sustainability Model – Updated with Proposed Amendment Impacts

ORDINANCE NO. 744

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 728 BY INCREASING THE APPROPRIATION IN THE GENERAL FUND, STREET FUND, GENERAL CAPITAL FUND, CITY FACILITIES-MAJOR MAINTENANCE FUND, SURFACE WATER UTILITY FUND, AND EQUIPMENT REPLACEMENT FUND, AND DECREASING THE APPROPRIATION IN THE TRANSPORTATION BENEFIT DISTRICT FUND

WHEREAS, the 2016 Budget was adopted by Ordinance No. 728 and amended by Ordinance No. 740 and Ordinance No. 743; and

WHEREAS, additional needs that were unknown at the time the 2016 Budget was adopted have occurred; and

WHEREAS, subsequent to the enactment of Ordinance No. 740, it was determined that additional personnel were needed in order to delivery the programs and projects approved in the 2016 budget and 2016-2021 CIP; and

WHEREAS, the 2016 Annual Budget needs to be amended to increase the number of full-time equivalent employees for the Parks, Recreation and Cultural Services, Planning & Community Development, and Public Works departments to fulfill these needs; 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 1 of Ordinance No. 743, *Amendment*, by increasing the appropriation for the General Fund by \$632,930; for the Street Fund by \$12,591; for the General Capital Fund by \$6,000; for the City Facilities-Major Fund by \$89,670; for the Surface Water Utility Fund by \$213,723; for the Equipment Replacement Fund by \$157,798; by decreasing the appropriation for the Transportation Benefit District Fund by \$1,035,644; and by increasing the Total Funds appropriation to \$88,843,714, as follows:

	Current Appropriation	Revised Appropriation
General Fund	\$43,808,217	\$44,441,147
Street Fund	1,701,182	1,713,773
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	168,243	
Public Arts Fund	84,216	
Federal Drug Enforcement Forfeiture Fund	263,000	

	Current Appropriation	Revised Appropriation
Transportation Benefit District Fund	1,035,644	0
Property Tax Equalization Fund	691,313	
Federal Criminal Forfeiture Fund	2,802,444	
Transportation Impact Fees Fund	359,775	
Revenue Stabilization Fund	\$0	
Unltd Tax GO Bond 2006	1,710,375	
Limited Tax GO Bond 2009	1,663,417	
Limited Tax GO Bond 2013	260,948	
General Capital Fund	9,135,524	9,141,524
City Facility-Major Maintenance Fund	777,084	866,754
Roads Capital Fund	16,474,476	
Surface Water Capital Fund	7,142,470	7,356,193
Vehicle Operations/Maintenance Fund	271,216	
Equipment Replacement Fund	299,602	457,400
Unemployment Fund	17,500	
Total Funds	\$88,766,646	\$88,843,714

Section 2. 2016 Budget Amended. The 2016 Final Budget for the City of Shoreline, as enacted by Ordinance No. 728 and amended by Ordinance No. 740 and Ordinance No. 743, is amended to increase the number of full-time equivalent employees (FTE) for the Parks, Recreation and Cultural Services Department from 30.475 to 30.60, for the Planning & Community Development Department from 22.000 to 23.000, and for the Public Works Department from 42.000 to 44.000. All references to total FTEs for the City and the Public Works Department shall be amended to reflect this increase.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 4. 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 25, 2016

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

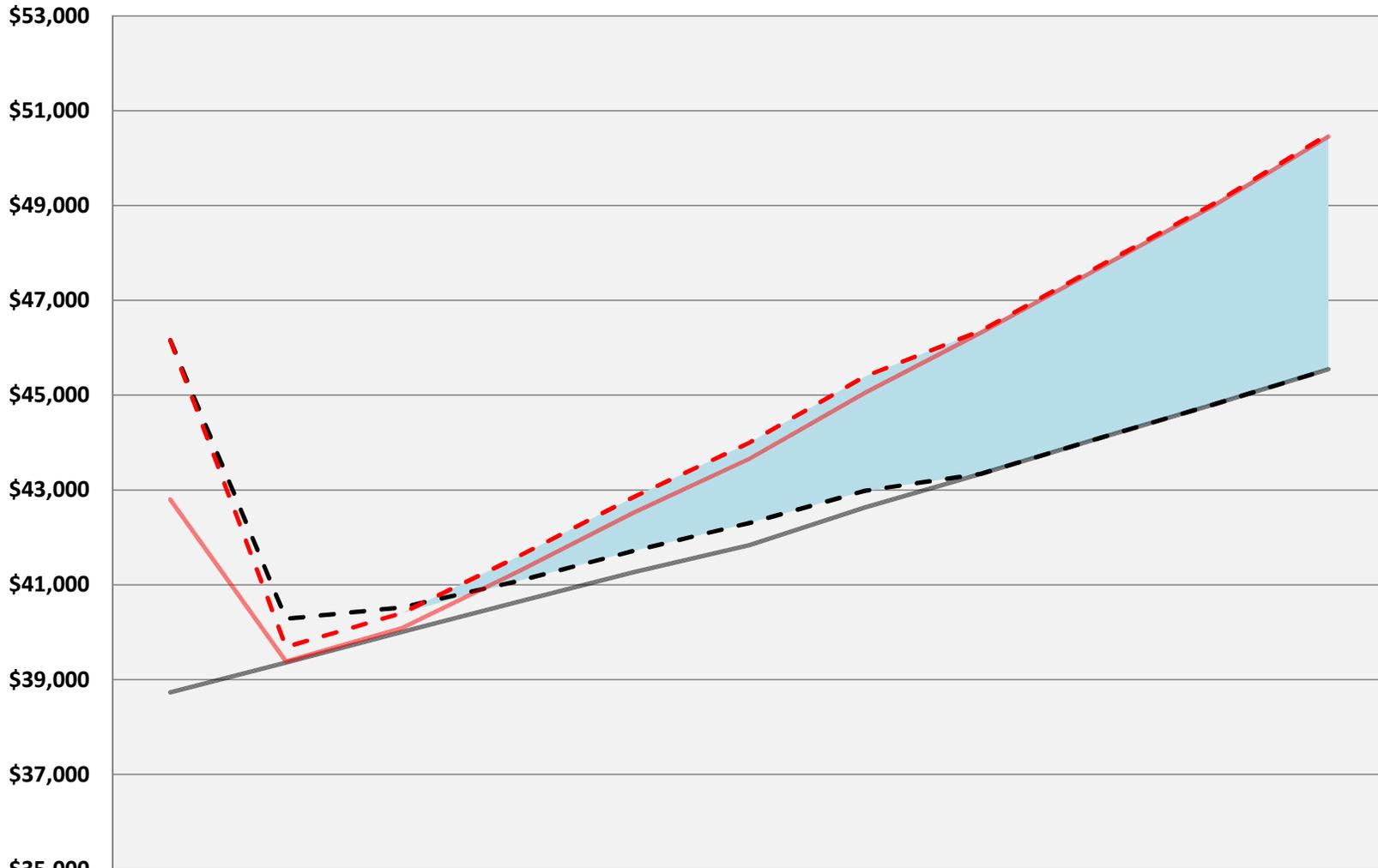
Margaret King
City Attorney

Publication Date: _____, 2016
Effective Date: _____, 2016

Fund	Dept/Program	Project/Item	Budget Amendment Amount	Budget Amendment Revenue
General Fund				
	General Fund Admin Key	Roof Replacement and Major Repairs	\$58,303	
	ASD / IT Strategic Plan & Advrsy Svc	Cityworks license	\$16,425	\$16,425
	ASD / IT Strategic Plan & Advrsy Svc	Contract Engineering Technician - Asset Management	\$60,000	
	ASD / IT Strategic Plan & Advrsy Svc	Woolpert, LLC Contract Amendment	\$161,579	\$80,790
	ASD / IT Equipment Replacement	AV Equipment Repairs/Replacement	\$17,000	
	ASD / Facilities	Replacement of small tools stolen July 2015	\$4,634	
	Citywide / Non-departmental	Fire Benefit Charge	\$17,252	
	Police / Traffic Enforcement	Purchase of equipment with FY14 Byrne/JAG Program funds.	\$10,314	\$10,314
	PRCS / Parks Administration	Reduce Asset Inventory for PRCS to partially offset cost of contracting the Engineering Technician in 1602013.	(\$15,000)	
	PRCS / Parks Operations	Vactoring Services to meet NPDES requirements.	\$11,000	
	PRCS / Parks Operations	Emergency/Hazardous Tree Removal	\$25,000	
	PRCS / Teen & Youth Development Program	0.125 FTE Increase for Recreation Specialist II to expand Hang-Time to Einstein Middle School	\$4,498	
	PRCS / Teen & Youth Development Program	Extra Help increase for Hang Time at Einstein	\$2,867	
	PRCS / Teen & Youth Development Program	Reduction in Grant to other agency due to increase in Hang Time at Einstein Middle School	(\$2,500)	
	PW / Environmental Services	2016 Solid Waste Contract Services	\$50,000	\$50,000
	ASD-IT,ASD-Facilities, PW-Transportation Planning, PCD - City Planning	Sound Transit Staffing and Support (1.000 FTE Sr. Planner and 1.000 FTE Engineer II)	\$211,558	
		Total General Fund	\$632,930	\$157,529
Street Fund				
	Street Operations	Additional funds to purchase VN#134 (Heavy Duty multi-purpose vehicle w/ Hook & Go)	\$12,591	
		Total Street Fund	\$12,591	\$0
Transportation Benefit District Fund				
	Trans Bene Dist_Admin Key	Elimination of TBD Fund	(\$1,035,644)	(\$1,035,644)
		Total Street Fund	(\$1,035,644)	(\$1,035,644)
General Capital Fund				
	KC Levy Trail Projects	KC Levy Trail Projects (Increase in budget for EarthCorps Contract #8428).	\$6,000	
		Total General Capital Fund	\$6,000	\$0
City Facilities Major Maint.				
	Roof Replacement and Major Repairs	Roof Replacement and Major Repairs	\$89,670	\$58,303
		Total General Capital Fund	\$89,670	\$58,303
Roads Capital Fund				
	CIP	Increase of 1.00 FTE Engineer II - Capital Projects for N 175th Street (Stone Way to I-5) project	\$126,735	
	CIP	N 175th Street (Stone Way to I-5) project Professional Services reduced to shift costs of 1.00 FTE Engineer II - Capital Projects	(\$126,735)	
		Total Roads Capital Fund	\$0	\$0
Surface Water Utility Fund				
	Surface Water Management	Prof. Svcs. for drainage assessment, engineering and planning needs.	\$70,000	
	CIP	Surface Water Small Projects	\$135,723	
	CIP	Lyon (Ballinger) Creek Basin Plan	\$4,000	
	CIP	McAleer Creek Basin Plan	\$4,000	
		Total Surface Water Utility Fund	\$213,723	\$0
Equipment Replacement				
	Equipment Replacement-Vehicles/Heavy Equipment	Purchase VN#134 (Heavy Duty multi-purpose vehicle w/ Hook & Go)	\$157,798	\$0
		Total General Capital Fund	\$157,798	\$0
		TOTAL BUDGET AMENDMENT REQUESTS	\$77,068	(\$819,812)

OPERATING BUDGET TEN YEAR FORECAST (\$ IN '000'S)

Attachment C



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
ANNUAL SURP/(GAP)	-	593	123	(514)	(618)	(557)	(725)	(602)	(602)	(613)	(721)
CUMULATIVE (GAP)	-	-	-	(514)	(1,132)	(1,690)	(2,414)	(3,016)	(3,619)	(4,232)	(4,952)
VARIANCE BASE	46,155	39,690	40,399	41,591	42,850	43,994	45,397	46,359	47,696	49,028	50,499
CURRENT RESOURCES	38,731	39,359	40,005	40,638	41,264	41,836	42,629	43,343	44,078	44,796	45,547
SCENARIO RESOURCES	46,155	40,283	40,523	41,077	41,718	42,305	42,983	43,343	44,078	44,796	45,547
CURRENT EXPENDITURES	42,799	39,385	40,087	41,271	42,522	43,659	45,054	46,317	47,654	48,985	50,455
SCENARIO EXPENDITURES	46,155	39,690	40,399	41,591	42,850	43,994	45,397	46,359	47,696	49,028	50,499