

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Ordinance No. 753 - Budget Amendment for 2016 to Include Additional Personnel Authorized in Sound Transit Staffing Agreement for the Public Works Department
DEPARTMENT:	Administrative Services
PRESENTED BY:	Rick Kirkwood, Budget Supervisor
ACTION:	<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:

Sound Transit began final design of the Lynnwood Link Extension (LLE) project in April. In an effort to streamline the project, Sound Transit sought an over the shoulder and milestone review of the Final Design submittals, as well as an expedited permitting process from the City of Shoreline. In April, staff presented to Council the need for additional staffing to meet the turn-around times requested by Sound Transit. Council approved that request recognizing that a negotiated agreement with Sound Transit would come at a later date.

Sound Transit and City staff have negotiated an Expedited Permitting and Reimbursement Agreement (Staffing Agreement) where Sound Transit will reimburse the City for the staffing and permit cost required for the expedited review and permitting for an estimated amount of \$2,000,000, which was approved by Council on July 25, 2016.

At this time staff is requesting, through Proposed Ordinance No. 753, that the 2016 budget be amended by:

- Increasing the number of approved FTEs for the Public Works Department by two (1.0 FTE Engineer II – Development Review and 1.00 FTE Administrative Assistant II);
- Recognizing \$398,717 in revenue from Sound Transit for costs that will be incurred in 2016;
- Reducing the budgeted use of General Fund fund balance by \$190,364; and
- Adjusting expenditure appropriations by \$168,675.

RESOURCE/FINANCIAL IMPACT:

Proposed Ordinance No. 753 has the net effect of increasing 2016 General Fund appropriations for various operating programs by \$168,675, as follows:

- ASD / Information Technology: \$5,936
- Planning & Community Development / City Planning: -\$7,338

- Public Works / Transportation Planning: \$35,472
- Public Works / Engineering: \$134,605

Proposed Ordinance No. 753 also has the effect of increasing General Fund revenues by \$398,717, and reducing the budgeted use of General Fund fund balance by \$190,364 for a net effect of increasing General Fund resources of \$208,353.

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for Council to ask specific questions and provide staff direction. Adoption of proposed Ordinance No. 753 is scheduled for August 15, 2016.

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

BACKGROUND

Sound Transit began final design of the Lynnwood Link Extension (LLE) project in April. In an effort to streamline the project, Sound Transit sought an over the shoulder and milestone review of the Final Design submittals, as well as an expedited permitting process. In April, staff presented to Council the need for additional staffing to meet the turn-around times requested by Sound Transit because the City could not engage in such a process with its current level of staffing.

Given the lead time needed to recruit and hire staff, Council approved Ordinance No. 744, which increased the number of approved full-time equivalent (FTE) positions 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), recognizing that a negotiated agreement with Sound Transit will come at a later date (staff report available here:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport042516-7d.pdf>).

Sound Transit and City staff have negotiated an Expedited Permitting and Reimbursement Agreement (Staffing Agreement) where Sound Transit will reimburse the City for the staffing and permit cost required for the expedited review and permitting for an estimated amount of \$2,000,000. The Staffing Agreement was approved by Council on July 25, 2016 (staff report available here:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport072516-7e.pdf>).

DISCUSSION

At this time staff is requesting, through Proposed Ordinance No. 753, that the 2016 budget be amended by increasing the number of approved FTEs for the Public Works Department by two (1.0 FTE Engineer II – Development Review and 1.00 FTE Administrative Assistant II) and adjusting expenditure appropriations by \$245,459, as follows:

- Authorization to fill and increases appropriations to pay for two FTEs for the Public Works Department (1.00 FTE Engineer II – Development Review and 1.00 FTE Administrative Assistant II) totaling \$67,147, as well as and operating budget support totaling \$4,736 for a total of \$71,883;
- Increase appropriations to pay for start-up costs (i.e., computer, phone, cell phone, etc.) totaling \$5,936; and
- Increase appropriations for professional services to provide consulting support for the Planning & Community Development Department (\$28,600) and Public Works Department (\$139,040) for a total of \$167,640.

Proposed Ordinance No. 753 also recognizes \$398,717 in revenue from Sound Transit for costs that will be incurred in 2016, comprised of the two positions added through this amendment; the two positions added through Ordinance No. 744 adopted in April; existing staff that has been and/or will be working on the project; consultant costs; and, support costs.

The positions added through proposed Ordinance No. 744 are anticipated to be vacant from April 25 through July 31. Recognizing the revenue for the time the two positions are anticipated to be filled and support costs (\$53,080 for the 1.00 FTE Senior Planner; \$59,166 for the 1.00 FTE Engineer II; and \$1,334 for support costs) and reducing appropriations for the time the positions were vacant (\$35,938 in Planning and Community Development for the 1.00 FTE Senior Planner and \$40,846 in Public Works for the 1.00 FTE Engineer II) affords the opportunity to reduce the budgeted use of General Fund fund balance by \$190,364.

Expenditures:

Proposed Ordinance No. 753 has the net effect of increasing 2016 General Fund expenditure appropriations for various operating programs by \$168,675, as follows:

- ASD / Information Technology: \$5,936
- Planning & Community Development / City Planning: -\$7,338
- Public Works / Transportation Planning: \$35,472
- Public Works / Engineering: \$134,605

Resources:

Proposed Ordinance No. 753 has the effect of increasing General Fund revenues by \$398,717, as the staffing agreement provides for a mechanism for Sound Transit to reimburse the City for costs incurred related to the project, and reducing the budgeted use of General Fund fund balance by \$190,364. The net effect is an increase in General Fund resources of \$208,353.

Impact on the General Fund's Fund Balance:

Ordinance No. 744 proposed using \$211,558 of fund balance for the Engineer II (1.00 FTE) and Senior Planner (1.00 FTE) that were added with a projected start date of April 25, 2016. Proposed Ordinance No. 753 reduces the budgeted use of fund balance by \$190,364 as the revenue received from Sound Transit will reimburse the City for personnel and support costs incurred related to these positions from the time they are anticipated to be filled (August 1) and the expenditure appropriations for the time the positions are vacant will not be needed.

RESOURCE/FINANCIAL IMPACT

Proposed Ordinance No. 753 has the net effect of increasing 2016 General Fund expenditure appropriations for various operating programs by \$168,675, as follows:

- ASD / Information Technology: \$5,936
- Planning & Community Development / City Planning: -\$7,338
- Public Works / Transportation Planning: \$35,472
- Public Works / Engineering: \$134,605

Proposed Ordinance No. 753 also has the effect of increasing General Fund revenues by \$398,717, and reducing the budgeted use of General Fund fund balance by \$190,364 for a net effect of increasing General Fund resources of \$208,353.

The following table summarizes the impact of this budget amendment and the resulting 2016 appropriation for the General Fund.

Fund	2016 Current Budget (A)	Budget Amendment (B)	Amended 2016 Budget (C) (A + B)
General Fund	\$44,441,147	\$168,675	\$44,609,822
All Other Funds	\$44,428,935	\$0	\$44,428,935
Total	\$88,870,082	\$168,675	\$89,038,757

RECOMMENDATION

No action is required by the City Council. This meeting will provide an opportunity for Council to ask specific questions and provide staff direction. Adoption of proposed Ordinance No. 753 is scheduled for August 15, 2016.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 753

ORDINANCE NO. 753**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY OF SHORELINE FOR THE YEAR 2016 TO INCLUDE ADDITIONAL PERSONNEL FOR THE PUBLIC WORKS DEPARTMENT.**

WHEREAS, as required by the Revised Code of Washington (RCW), Chapter 35A.33, on November 23, 2015, the City adopted the 2016 Annual Budget through the enactment of Ordinance No. 728 and amended by Ordinance No. 740, Ordinance No. 743, Ordinance No. 744, and Ordinance No. 749; and

WHEREAS, subsequent to the enactment of Ordinance No. 744, it was determined that additional personnel were needed in order to deliver the review of the Final Design submittals and expedited permitting process requested by Sound Transit; and

WHEREAS, the 2016 Annual Budget needs to be amended to increase the number of full-time equivalent employees for the Public Works Department to fulfill this need; 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. 749, Amendment, by increasing the appropriation for the General Fund by \$168,675 and by increasing the Total Funds appropriation to \$89,038,757, as follows:

	Current Appropriation	Revised Appropriation
General Fund	\$44,441,147	\$44,609,822
Street Fund	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	
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	9,141,524	
City Facility-Major Maintenance Fund	866,754	
Roads Capital Fund	16,474,476	
Surface Water Capital Fund	7,356,193	
Vehicle Operations/Maintenance Fund	271,216	

	Current Appropriation	Revised Appropriation
Equipment Replacement Fund	483,768	
Unemployment Fund	17,500	
Total Funds	\$88,870,082	\$89,038,757

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, Ordinance No. 743, Ordinance No. 744, and Ordinance No. 749, is amended to increase the number of full-time equivalent employees (FTE) for the Public Works Department from 44 FTEs to 46 FTEs. 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 five days from publication.

ADOPTED BY THE CITY COUNCIL ON August 15, 2016.

Christopher Roberts, Mayor

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____, 2016

Effective Date: _____, 2016