

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Transmittal of the 2017 Proposed Budget and 2017-2022 Capital Improvement Plan
DEPARTMENT:	Administrative Services Department
PRESENTED BY:	Sara Lane, Administrative Services Director 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:

The City Manager is required to submit the 2017 Proposed Budget to the City Council no later than November 1, 2016. Tonight's presentation will introduce the 2017 Proposed Budget document to the Council, provide policy background concerning its development, highlight key budget issues, highlight the proposed 2017 work plan, and propose a budget review process and schedule. Council will receive hard or electronic copies of the 2017 proposed budget following tonight's meeting. The proposed 2017-2022 Capital Improvement Plan is attached to this staff report as Attachment A.

RESOURCE/FINANCIAL IMPACT:

The City's 2017 Proposed Budget is balanced in all funds and totals \$86.352 million. Proposed appropriations for the Operating Funds total \$49.588 million, which account for 57.4% of the total budget. The 2017 proposed budget assumes passage of Proposition 1, maintenance and operations levy to maintain basic public safety, parks & recreation, and community services. Proposed appropriations for the Debt Service Funds total \$3.634 million, which account for 4.2% of the total budget. Proposed appropriations for the Capital Service Funds total \$25.816 million, which account for 29.9% 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 \$6.245 million, which account for 7.2% of the total budget. This includes Surface Water activities relating to both operating and capital projects. The 2017 proposed budget does not include revenues and expenditures for the Ronald Wastewater District, which will be assumed by the City on October 23, 2017. The Ronald Wastewater budget will be incorporated into the City's budget by amendment in the spring of 2017 after the Ronald Wastewater District adopts its annual budget later this year.

The remaining portion of the 2017 Proposed Budget comprises the City's Internal Service Funds. Proposed appropriations for Internal Service Funds total \$1.069 million, which account for 1.3% of the total budget.

The 2017 budget is \$2.687 million, or 3.0%, less than the 2016 current budget (2016 Adopted Budget plus all budget amendments, including re-appropriations from 2015, which have been adopted by the City Council through September 2016). The decrease can be linked to the following changes: a \$0.888 million decrease in the City's capital budget, a \$1.143 million decrease in the Surface Water Utility budget, a \$2.232 million decrease in interfund transfers, and a \$1.548 million increase to the City's operating budget. The main reasons for the difference in the capital budget are a \$0.406 million increase in Roads Capital Fund projects, a \$0.523 million decrease in General Capital Fund projects, and a \$0.771 million decrease in City Facilities -Major Maintenance Fund projects.

The 2017 Proposed Budget includes adequate reserve levels to meet all adopted budget policies. The 2017 Proposed Budget Summary (Attachment B) summarizes the 2017 Proposed Budget and provides a comparison to the 2016 current budget by fund.

PROPOSED BUDGET SCHEDULE:

The proposed schedule for 2017 budget review includes:

Date	Action
<u>October 10</u>	Transmittal of 2017 Proposed Budget and 2017-2022 CIP
<u>October 17</u>	Review of Department Budgets
<u>October 24</u>	Continued Review of Department Budgets and Review of 2017-2022 CIP
<u>November 7</u>	Public Hearing on 2017 Proposed Budget and 2017-2022 CIP
<u>November 14</u>	Public Hearing on 2017 Property Tax Levy & Revenue Sources Final Discussion of the 2017 Proposed Budget and 2017-2022 CIP
<u>November 21</u>	Adoption of the 2017 Budget, Fee Schedule and 2017-2022 CIP, and adoption of the 2017 Property Tax Levy

RECOMMENDATION

This item is for discussion purposes only. Staff is seeking Council input regarding the proposed 2017 budget process and any key questions or issues that Council wants staff to address as part of the process.

ATTACHMENTS:

- Attachment A: 2017 – 2022 Capital Improvement Plan
- Attachment B: 2017 Proposed Budget Summary

Approved By: City Manager **DT**

City Attorney **MK**

City of Shoreline 2017 - 2022 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Total 2017-2022
EXPENDITURES							
Fund							
Project							
General Capital							
Parks Projects							
Ballinger Neighborhood Parks	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
King County, Trails And Open Space Replacement Levy	\$0	\$110,000	\$110,000	\$0	\$0	\$0	\$220,000
Park At Town Center	\$0	\$50,000	\$200,000	\$0	\$0	\$0	\$250,000
Park Ecological Restoration Program	\$60,000	\$0	\$0	\$0	\$0	\$0	\$60,000
Parks Repair And Replacement	\$227,236	\$238,597	\$250,528	\$263,054	\$265,816	\$275,000	\$1,520,231
Parks, Recreation And Open Space Update	\$30,000	\$0	\$0	\$0	\$0	\$0	\$30,000
Regional Trail Signage	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
Ridgecrest Park Master Plan	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Turf & Lighting Repair And Replacement	\$1,700,000	\$290,000	\$0	\$0	\$0	\$0	\$1,990,000
Facilities Projects							
North Maintenance Facility	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Police Station At City Hall	\$5,531,779	\$215,000	\$0	\$0	\$0	\$0	\$5,746,779
Recreation Facilities Exterior Security Lighting	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
Non-Project Specific							
General Capital Engineering	\$105,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$530,000
Cost Allocation Charges	\$45,782	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$195,782
City Hall Debt Service Payment	\$663,946	\$662,546	\$677,546	\$663,250	\$663,250	\$663,782	\$3,994,320
General Capital Fund Total	\$8,618,743	\$1,831,143	\$1,353,074	\$1,041,304	\$1,044,066	\$1,053,782	\$14,942,112
City Facilities - Major Maintenance							
General Facilities Projects							
City Hall Long-Term Maintenance	\$32,000	\$10,000	\$77,904	\$84,182	\$68,400	\$40,000	\$312,486
City Hall Parking Garage Long-Term Maintenance	\$0	\$0	\$16,128	\$0	\$0	\$0	\$16,128
Duct Cleaning	\$10,000	\$33,900	\$10,000	\$13,350	\$10,000	\$13,350	\$90,600
Parks Projects							
Parks Restrooms Long-Term Maintenance	\$19,000	\$0	\$0	\$0	\$25,632	\$10,682	\$55,314
Shoreline Pool Long-Term Maintenance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$120,000
Richmond Highlands Community Center Long-Term Maintenance	\$15,000	\$74,613	\$0	\$2,000	\$0	\$40,000	\$131,613
Spartan Recreation Center	\$0	\$9,000	\$0	\$4,500	\$0	\$0	\$13,500
City Facilities - Major Maintenance Fund Total	\$96,000	\$147,513	\$124,032	\$124,032	\$124,032	\$124,032	\$739,641

City of Shoreline 2017 - 2022 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Total 2017-2022
EXPENDITURES							
Fund							
<i>Project</i>							
Roads Capital Fund							
<i>Pedestrian / Non-Motorized Projects</i>							
Traffic Safety Improvements	\$157,881	\$160,775	\$163,814	\$167,005	\$175,355	\$184,123	\$1,008,953
147th/148th Non-Motorized Bridge	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
25th Ave. Ne Sidewalks	\$0	\$112,000	\$483,000	\$0	\$0	\$0	\$595,000
Bike System Implementation	\$585,725	\$0	\$0	\$0	\$0	\$0	\$585,725
Echo Lake Safe Routes To School	\$405,000	\$5,624	\$0	\$0	\$0	\$0	\$410,624
Interurban Trail/Burke-Gilman Connectors	\$436,017	\$0	\$0	\$0	\$0	\$0	\$436,017
Trail Along The Rail	\$275,000	\$0	\$0	\$0	\$0	\$0	\$275,000
<i>System Preservation Projects</i>							
Annual Road Surface Maintenance Program	\$2,592,145	\$2,200,137	\$1,110,000	\$843,000	\$1,120,000	\$1,250,000	\$9,115,282
Curb Ramp, Gutter And Sidewalk Maintenance Program	\$190,000	\$190,000	\$190,000	\$200,000	\$200,000	\$200,000	\$1,170,000
Traffic Signal Rehabilitation Program	\$115,763	\$121,551	\$127,628	\$134,010	\$140,711	\$147,746	\$787,409
<i>Safety / Operations Projects</i>							
145th Corridor - 99th To I5	\$4,253,657	\$1,437,281	\$0	\$0	\$0	\$0	\$5,690,938
145th and I5 Interchange	\$3,375,000	\$1,125,000	\$0	\$0	\$0	\$0	\$4,500,000
160th and Greenwood/Innis Arden Intersection	\$125,000	\$0	\$0	\$0	\$0	\$0	\$125,000
185th Corridor Study	\$500,000	\$135,000	\$0	\$0	\$0	\$0	\$635,000
Aurora Avenue North 192nd - 205th	\$208,630	\$0	\$0	\$0	\$0	\$0	\$208,630
Aurora Led Light Conversion	\$0	\$215,000	\$0	\$0	\$0	\$0	\$215,000
Aurora Median Retrofits	\$0	\$0	\$0	\$175,000	\$0	\$0	\$175,000
Meridian Ave N & N 155th St Signal Improv	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
N 175th St - Stone Ave N to I5	\$1,640,000	\$2,460,000	\$0	\$0	\$0	\$0	\$4,100,000
Radar Speed Signs	\$95,456	\$0	\$0	\$0	\$0	\$0	\$95,456
Richmond Beach Re-Channelization	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
Westminster And 155th Improvements	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
<i>Non-Project Specific</i>							
General Fund Cost Allocation Overhead Charge	\$64,736	\$64,736	\$50,000	\$50,000	\$50,000	\$50,000	\$329,472
Transportation Master Plan Update	\$200,000	\$100,000	\$0	\$0	\$0	\$0	\$300,000
Roads Capital Engineering	\$360,000	\$370,000	\$385,000	\$395,000	\$405,000	\$415,000	\$2,330,000
Roads Capital Fund Total	\$16,880,010	\$8,697,104	\$2,509,442	\$1,964,015	\$2,091,066	\$2,246,869	\$34,388,506

City of Shoreline 2017 - 2022 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Total 2017-2022
EXPENDITURES							
Fund							
<i>Project</i>							
Surface Water Capital							
<i>Capacity</i>							
10th Ave NE Drainage Improvements	\$250,000	\$0	\$0	\$0	\$600,000	\$30,000	\$880,000
25th Ave. NE Flood Reduction Improvements	\$615,000	\$370,000	\$2,817,853	\$0	\$0	\$0	\$3,802,853
Boeing Creek Regional Stormwater Facility Study	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
NE 148th Infiltration Facilities	\$11,701	\$365,000	\$0	\$0	\$0	\$0	\$376,701
<i>Repair and Replacement</i>							
Goheen Revetment Repair	\$11,500	\$6,000	\$6,000	\$6,000	\$0	\$0	\$29,500
Hidden Lake Dam Removal	\$30,085	\$160,000	\$70,000	\$850,000	\$0	\$0	\$1,110,085
Boeing Creek Restoration Project	\$79,000	\$0	\$0	\$0	\$0	\$0	\$79,000
Stormwater Pipe Replacement Program	\$235,000	\$40,000	\$400,000	\$50,000	\$520,000	\$50,000	\$1,295,000
Surface Water Small Projects	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
<i>Other</i>							
Surface Water Master Plan	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Thornton Creek Basin Condition Assessment	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$300,000
<i>Non-Project Specific</i>							
General Fund Cost Allocation Overhead Charge	\$204,105	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,204,105
Surface Water Capital Engineering	\$182,000	\$191,100	\$200,655	\$210,688	\$221,222	\$232,283	\$1,237,948
Public Works Debt Service Payment	\$344,431	\$335,902	\$334,269	\$332,637	\$332,637	\$332,637	\$2,012,513
Maintenance Facility Debt Service	\$119,086	\$119,086	\$119,086	\$119,086	\$119,086	\$119,086	\$714,516
Stormwater Pipe Replacement Program - Debt Service	\$182,391	\$182,391	\$364,783	\$364,783	\$364,783	\$364,783	\$1,823,914
Surface Water Capital Fund Total	\$3,214,299	\$2,119,479	\$4,512,646	\$2,133,194	\$2,357,728	\$1,328,789	\$15,666,135
TOTAL EXPENDITURES	\$28,809,052	\$12,795,239	\$8,499,194	\$5,262,545	\$5,616,892	\$4,753,472	\$65,736,394

City of Shoreline 2017 - 2022 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2017	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Total 2017-2022
RESOURCES							
General Fund Contribution	\$3,606,996	\$456,844	\$418,854	\$415,970	\$413,435	\$410,956	\$5,723,055
State and Federal Forfeiture Fund Contribution to General Cap Fund	\$437,397	\$0	\$0	\$0	\$0	\$0	\$437,397
Treasury Seizure Fund Contribution to General Cap Fund	\$785,151	\$0	\$0	\$0	\$0	\$0	\$785,151
Transportation Benefit District	\$1,497,359	\$858,327	\$780,000	\$780,000	\$780,000	\$780,000	\$5,475,686
Transportation Impact Fees	\$221,400	\$332,100	\$0	\$0	\$0	\$0	\$553,500
Real Estate Excise Tax - 1st Quarter Percent	\$1,195,965	\$1,261,315	\$1,286,415	\$1,393,487	\$1,446,024	\$1,537,797	\$8,121,003
Real Estate Excise Tax - 2nd Quarter Percent	\$1,195,965	\$1,261,315	\$1,286,415	\$1,393,487	\$1,446,024	\$1,537,797	\$8,121,003
Soccer Field Rental Contribution	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$780,000
Surface Water Fees	\$1,509,661	\$1,355,542	\$1,543,269	\$1,742,026	\$1,950,761	\$2,171,719	\$10,272,979
Investment Interest Income	\$139,463	\$91,153	\$73,782	\$58,739	\$83,039	\$106,700	\$552,876
King County Flood Zone District Opportunity Fund	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$665,388
Recreation & Conservation Office	\$250,000	\$145,000	\$200,000	\$0	\$0	\$0	\$595,000
Grants - Awarded	\$10,024,610	\$5,190,014	\$0	\$0	\$0	\$0	\$15,214,624
<i>Future Grants</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Future Financing</i>	\$1,800,000	\$0	\$2,000,000	\$0	\$0	\$0	\$3,800,000
King County Voter Approved Trail Funding	\$110,000	\$110,000	\$110,000	\$0	\$0	\$0	\$330,000
Use / (Gain) of Accumulated Fund Balance	\$5,794,187	\$1,492,731	\$559,561	(\$762,062)	(\$743,289)	(\$2,032,395)	\$4,308,732
TOTAL RESOURCES	\$28,809,052	\$12,795,239	\$8,499,194	\$5,262,545	\$5,616,892	\$4,753,472	\$65,736,394

2017 Proposed Budget Summary

Fund	2017 Proposed Budget				2016 Current Budget Expenditures	2016-2017 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance		
Operating Funds:						
General Fund	\$ 10,000,797	\$ 41,092,089	\$ 45,968,252	\$ 5,124,634	\$ 44,609,822	3.05%
Revenue Stabilization Fund	5,150,777	0	0	5,150,777	0	n/a
Property Tax Equalization Fund	500,799	0	500,799	0	691,313	-27.56%
Street Fund	864,649	1,521,225	1,718,950	666,924	1,713,773	0.30%
Code Abatement	170,023	80,550	100,000	150,573	100,000	0.00%
State Drug Enforcement Forfeiture Fund	210,653	18,243	214,043	14,853	168,243	27.22%
Federal Drug Enforcement Forfeiture Fund	315,230	13,200	300,397	28,033	263,000	14.22%
Federal Criminal Forfeiture Fund	818,800	201,500	785,151	235,149	2,802,444	-71.98%
Sub-Total Operating Funds	\$ 18,031,728	\$ 42,926,807	\$ 49,587,592	\$ 11,370,943	\$ 50,348,595	-1.51%
Debt Service Funds:						
2006 General Obligation Bond	\$ 14,831	\$ 1,700,000	\$ 1,710,375	\$ 4,456	\$ 1,710,375	0.00%
2009 General Obligation Bond	3,957	1,662,817	1,662,817	3,957	1,663,417	-0.04%
2013 General Obligation Bond	237	260,948	260,948	237	260,948	0.00%
Sub-Total Debt Service Funds	\$ 19,025	\$ 3,623,765	\$ 3,634,140	\$ 8,650	\$ 3,634,740	-0.02%
Capital Funds:						
General Capital	\$ 2,399,144	\$ 6,597,296	\$ 8,618,743	\$ 377,697	\$ 9,141,524	-5.72%
City Facility-Major Maintenance Fund	830	124,044	96,000	28,874	866,754	-88.92%
Roads Capital	4,112,638	14,331,192	16,880,010	1,563,820	16,474,476	2.46%
Traffic Impact Fees Fund	454,780	200,000	221,400	433,380	359,775	-38.46%
Sub-Total Capital Funds	\$ 6,967,392	\$ 21,252,532	\$ 25,816,153	\$ 2,403,771	\$ 26,842,529	-3.82%
Enterprise Funds:						
Surface Water Utility Fund	\$ 2,848,599	\$ 4,993,487	\$ 6,245,453	\$ 1,596,633	\$ 7,356,193	-15.10%
Sub-Total Enterprise Funds	\$ 2,848,599	\$ 4,993,487	\$ 6,245,453	\$ 1,596,633	\$ 7,356,193	-15.10%
Internal Service Funds:						
Equipment Replacement	\$ 2,232,000	\$ 443,487	\$ 511,387	\$ 2,164,100	\$ 483,768	5.71%
Public Art Fund	99,689	8,000	86,580	21,109	84,216	2.81%
Unemployment	65,953	0	17,500	48,453	17,500	0.00%
Vehicle Operations & Maintenance	242,906	438,123	453,123	227,906	271,216	67.07%
Sub-Total Internal Service Funds	\$ 2,640,548	\$ 889,610	\$ 1,068,590	\$ 2,461,568	\$ 856,700	24.73%
Total City Budget	\$ 30,507,292	\$ 73,686,201	\$ 86,351,928	\$ 17,841,565	\$ 89,038,757	-3.02%