

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Council Discussion on 2017 Proposed Budget and 2017-2022 Capital Improvement Plan (CIP)
DEPARTMENT:	Administrative Services
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 checked="" type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The City Manager presented the 2017 Proposed Budget to the City Council on October 10. The 2017 Proposed Budget and 2017-2022 Capital Improvement Plan (CIP) book can be found on the City's website (<http://cityofshoreline.com/home/showdocument?id=29187>) 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 17 and October 24. A presentation of the 2017-2022 CIP was also made on October 24.

Tonight the City Council will hold a public hearing on the 2017 Proposed Budget and 2017-2022 CIP. Following the public hearing, the City Council will have an opportunity to continue their discussion of the 2017 Proposed Budget and 2017-2022 CIP. A second public hearing on the 2017 Proposed Budget will be held on November 14 with special emphasis on revenue sources, including the property tax levy.

RESOURCE/FINANCIAL IMPACT:

The City's 2017 Proposed Budget as presented to the City Council on October 10, is balanced in all funds and totals \$86.352 million. The 2017 Proposed Budget included a \$148,000 rebate expenditure in the City's Surface Water Utility Fund, which approximated a 50% credit of the Surface Water Utility fees assessed to the Shoreline School District. Staff is recommending that this rebate expenditure be removed from the 2017 Proposed Budget and that Council reinstate the Surface Water Utility Education Fee Credit (EFC) program for public schools in 2017. Making this change will require an amendment to both the resources and appropriations for the Surface Water Utility Fund. This will be further discussed with Council on November 14 as part of the revenue discussion.

Proposed appropriations for the Operating Funds total \$49.588 million, which account for 57.4% of the total budget. 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 Funds total \$25.595 million, which account for 29.6% of the total budget. The 2017 Proposed Budget also includes appropriations for the Transportation Impact Fees Fund, which was created with adoption of the 2015 budget. Proposed appropriations for the

Transportation Impact Fees Fund total \$0.221 million, which account for 0.3% of the total budget.

At this time, the City's only Enterprise Fund is the Surface Water Utility. Proposed appropriations for the Surface Water Utility, including those for operating expenditures and those for capital projects, total \$6.245 million, which account for 7.2% of the total budget.

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

The 2017 Proposed Budget is \$2.687 million, or 3.0%, less than the 2016 current budget as exhibited in the 2017 Proposed Budget Summary (Attachment A). The 2017 Proposed Budget includes adequate reserve levels to meet all adopted budget policies.

Staff presented the proposed 2017-2022 CIP to the City Council on October 24. The proposed 2017-2022 CIP is balanced as required by the Growth Management Act and totals \$65.736 million. Of this six year amount, the 2017 total is \$28.809 million. Detailed information about projects can be found in pages 284 through 399 of the 2017 Proposed Budget and 2017-2022 Capital Improvement Plan book. The proposal by fund is as follows:

Capital Fund	2017 Budget	2018 Est.	2019 Est.	2020 Est.	2021 Est.	2022 Est.	Total
Facilities & Parks	8,618,743	1,831,143	1,353,074	1,041,304	1,044,066	1,053,782	14,942,112
Facilities Major Maintenance	96,000	147,513	124,032	124,032	124,032	124,032	739,641
Transportation	16,880,010	8,697,104	2,509,442	1,964,015	2,091,066	2,246,869	34,388,506
Surface Water Utility	3,214,299	2,119,479	4,512,646	2,133,194	2,357,728	1,328,789	15,666,135
CIP Total by Year	28,809,052	12,795,239	8,499,194	5,262,545	5,616,892	4,753,472	65,736,394

Attachment B to this staff report is the proposed 2017-2022 Capital Improvement Plan summary of projects.

RECOMMENDATION

Staff recommends that Council conduct the public hearing to take public comment on the 2017 Proposed Budget and 2017-2022 CIP. Staff also recommends that the City Council continue discussion on the 2017 Proposed Budget and provide input to staff.

ATTACHMENTS:

Attachment A: 2017 Proposed Budget Summary

Attachment B: 2017-2022 Capital Improvement Plan Program Summary

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

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%

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
<u>Future Grants</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Future Financing</u>	\$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