

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Ordinance No. 757 - Budget Amendment for 2016		
<b>DEPARTMENT:</b>	Administrative Services		
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor		
<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:**

During the course of the year, changes to the adopted budget are identified. A final budget amendment to formally adopt these changes is a routine procedure that occurs at approximately this time each year. Proposed Ordinance No. 757 (Attachment A) provides for this budget amendment.

**FINANCIAL IMPACT:**

Proposed Ordinance No. 757 totals \$132,904, and increases both revenues and expenditures with a net effect on the bottom line of \$65,433, as follows:

**General Fund: \$97,500**

- City Manager’s Office – Economic Development (grant funded): \$54,500
- Contingency for Demolition on Molver Property: \$43,000

**Street Fund: \$0**

- Convert savings from the upgrade of the Sign Truck (VN#116) to a transfer out to the Equipment Replacement Fund to complete two purchases: \$0

**State Drug Enforcement Forfeiture Fund: \$14,853**

- Police Training: \$14,853

**Equipment Replacement Fund: \$7,580**

- Copier Lease: \$7,580
- Recognize transfer in from the Street Fund to complete purchase of a cracksealer (VN#232) and pickup replacing VN#122: \$12,971

**RECOMMENDATION**

No action is required by the City Council. This will be an opportunity for the City Council to ask specific questions and provide staff direction about proposed Ordinance No. 757. Adoption of proposed Ordinance No. 757 is scheduled for the November 21, 2016 City Council meeting.

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

## INTRODUCTION

During the course of the year changes to the adopted budget are identified. Council is made aware of changes throughout the year in Staff Reports and Council discussion.

## DISCUSSION

### **Budget Amendment Detail:**

#### **General Fund: \$97,500**

**Revenues:** General Fund revenues will be increased by \$54,500 for an Economic Development Partnership Program grant from the Port of Seattle.

**City Manager's Office – Economic Development:** The 2016 appropriation will be increased by \$54,500 as the City is partnering with the Port of Seattle to create a Request for Expressions of Interest (RFEI) Prospectus to attract public and private investment partners for a Shoreline Media Campus. The RFEI Prospectus will describe how an investor can purchase an individual studio that combines the effects of agglomeration and scale economies to offer a relatively low-cost of entry with the practical flexibility and resources of a shared campus. Funding comes from a grant awarded through the Port of Seattle's Economic Development Partnership Program.

**Citywide – Contingencies:** The 2016 appropriation will be increased by \$43,000 to cover the cost of demolishing the house on the Molver property, which was acquired per the acquisition agreement authorized by the City Council on July 13, 2015. Funding comes from available fund balance.

#### **Street Fund: \$0**

**Street Operations:** The 2016 appropriation will not change. An appropriation to upgrade the Sign Truck (VN#116) experienced savings and this request converts those savings to a transfer out to the Equipment Replacement Fund to complete the purchase of a Crack Sealer (VN#232) and pickup replacing VN#122.

#### **State Drug Enforcement Forfeiture Fund: \$14,853**

**Police:** The 2016 appropriation will be increased by \$14,853 so the Special Emphasis Team may attend the California Narcotics Officers Training annual conference this year. Funding comes from available fund balance.

#### **Equipment Replacement Fund: \$7,580**

**Copiers Lease:** The 2016 appropriation will be increased by \$7,580 to cover the cost of leasing eleven copiers.

**Vehicle and Equipment Replacement:** The original appropriation for the purchase of a new Crack Sealer totals \$57,614 but the cost totals \$65,283 leaving a gap of \$7,670. The original appropriation to replace VN#122 totals \$22,712 but the cost to purchase a 2017 Ford ½ Ton Pickup totals \$28,013 leaving a gap of \$5,301. Transferring the

savings from the Street Fund originally appropriated for the upgrade of the Sign Truck (VN#116) will allow for these two purchases to be completed without adversely affecting the original total appropriation for vehicle and equipment replacement.

**FINANCIAL IMPACT**

Proposed Ordinance No. 757 totals \$132,904, and increases both revenues and expenditures with a net effect on the bottom line of \$65,433.

**SUMMARY OF BUDGET AMENDMENT**

The following table summarizes the budget amendments for each fund and the resulting 2016 appropriation for each of the affected funds.

Fund	Current Budget	Budget Amendment Request	Amended Budget
General Fund	\$44,609,822	\$97,500	\$44,707,322
Street Fund	\$1,713,773	\$0	\$1,713,773
Code Abatement Fund	\$100,000	\$0	\$100,000
State Drug Forfeiture Fund	\$168,243	\$14,853	\$183,096
Public Arts Fund	\$84,216	\$0	\$84,216
Federal Drug Forfeiture Fund	\$263,000	\$0	\$263,000
Property Tax Equalization Fund	\$691,313	\$0	\$691,313
Federal Criminal Forfeiture Fund	\$2,802,444	\$0	\$2,802,444
Transportation Impact Fees Fund	\$359,775	\$0	\$359,775
Revenue Stabilization Fund	\$0	\$0	\$0
Unltd Tax GO Bond 2006	\$1,710,375	\$0	\$1,710,375
Limited Tax GO Bond 2009	\$1,663,417	\$0	\$1,663,417
Limited Tax GO Bond 2013	\$260,948	\$0	\$260,948
General Capital Fund	\$9,141,524	\$0	\$9,141,524
City Facility-Major Maintenance Fund	\$866,754	\$0	\$866,754
Roads Capital Fund	\$16,474,476	\$0	\$16,474,476
Surface Water Utility Fund	\$7,356,193	\$0	\$7,356,193
Vehicle Operations/Maintenance Fund	\$271,216	\$0	\$271,216
Equipment Replacement Fund	\$483,768	\$20,551	\$504,319
Unemployment Fund	\$17,500	\$0	\$17,500
<b>Total Funds</b>	<b>\$89,038,757</b>	<b>\$132,904</b>	<b>\$89,171,661</b>

**RECOMMENDATION**

No action is required by the City Council. This will be an opportunity for the City Council to ask specific questions and provide staff direction about proposed Ordinance No. 757. Adoption of proposed Ordinance No. 757 is scheduled for the November 21, 2016 City Council meeting.

**ATTACHMENTS**

Attachment A: Ordinance No. 757, Amending the 2016 Budget  
Exhibit 1: 2016 Budget Amendment Detail

**ORDINANCE NO. 757****AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 728 BY INCREASING THE APPROPRIATIONS IN THE GENERAL FUND, STATE DRUG ENFORCEMENT FORFEITURE FUND, AND EQUIPMENT REPLACEMENT FUND.**

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, Ordinance No. 749, and Ordinance No. 753; 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;

WHEREAS, a new grant has been awarded to the City not anticipated when the 2016 budget was adopted by Council and should be appropriated to these funds with these increases, and,

WHEREAS, amendments are required in the General Fund, State Drug Enforcement Forfeiture Fund, and Equipment Replacement Fund; and

**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. 753, *Summary of Revenues and Expenditures* and the 2016 Current Budget, by increasing the Total Funds appropriation to \$89,171,661 as follows:

	Current Appropriation	Revised Appropriation
General Fund	<del>\$44,609,822</del>	\$44,707,322
Street Fund	1,713,773	
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	<del>168,243</del>	183,096
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	

	Current Appropriation	Revised Appropriation
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	
Equipment Replacement Fund	483,768	504,319
Unemployment Fund	17,500	
Total Funds	\$89,038,757	\$89,171,661

**Section 2. 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 3. 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 NOVEMBER 21, 2016**

\_\_\_\_\_  
Christopher Roberts, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Publication Date: \_\_\_\_\_, 2016

Effective Date: \_\_\_\_\_, 2016

Item	Fund	Orgkey	Object	Amount	Revenue Source	Revenue Object	Amount	Fund Balance 3080000	Total Resources	Explanation
<b>General Fund</b>										
<b>City Manager's Office - Economic Development</b>										
		2506046	5410000	\$45,000	Port of Seattle Economic Development Partnership Program Grant		\$45,000		\$45,000	Request for Expressions of Interest Prospectus.
		2506046	5430000	\$3,000	Port of Seattle Economic Development Partnership Program Grant		\$3,000		\$3,000	Request for Expressions of Interest Prospectus.
		2506046	5493000	\$6,500	Port of Seattle Economic Development Partnership Program Grant		\$6,500		\$6,500	Request for Expressions of Interest Prospectus.
		GR273800								
<b>Citywide - Contingencies</b>										
		1700022	5992000	\$43,000				\$43,000	\$43,000	Demolition of structure on Molver property.
<b>Total General Fund</b>	<b>001</b>			<b>\$97,500</b>			<b>\$54,500</b>	<b>\$43,000</b>	<b>\$97,500</b>	
<b>Street Fund</b>										
<b>Street Operations</b>										
		2709054	5640000	-\$12,971				-\$12,970	-\$12,971	Savings from upgrade of VN#116 (Sign Truck) will be reallocated to other purchases.
		2709054	5970000	\$12,971				\$12,970	\$12,971	Add'l funds to purchase VN#232 (Crack Sealer) and replacement for VN#122 (Ford 1/2 Ton Pickup).
<b>Total Street Fund</b>	<b>101</b>			<b>\$0</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>State Drug Enforcement Forfeiture Fund</b>										
<b>Public Safety State Seizure Program</b>										
		2005134	5430000	\$14,853				\$14,853	\$14,853	California Narcotics Officers Training Annual Conference.
<b>Total State Drug Enforcement Forfeiture Fund</b>	<b>108</b>			<b>\$14,853</b>			<b>\$0</b>	<b>\$14,853</b>	<b>\$14,853</b>	
<b>Equipment Replacement Fund</b>										
<b>Equipment Replacement - Municipal Equipment, Technical</b>										
		1608155	5450000	\$7,580				\$7,580	\$7,580	Copiers Lease.
<b>Equipment Replacement - Municipal Vehicles/Equipment</b>										
		1608114	5640000	\$7,670	Transfer in from Street Fund	3970000	\$7,670		\$7,670	Add'l funds to purchase VN#232 (Crack Sealer).
		1608114	5640000	\$5,301	Transfer in from Street Fund	3970000	\$5,301		\$5,301	Add'l funds to purchase replacement for VN#122 (Ford 1/2 Ton Pickup).
<b>Total Equipment Replacement Fund</b>	<b>503</b>			<b>\$20,551</b>			<b>\$12,971</b>	<b>\$7,580</b>	<b>\$20,551</b>	
<b>Total Amendments</b>				<b>\$132,904</b>			<b>\$67,471</b>	<b>\$65,433</b>	<b>\$132,904</b>	