

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adopting Ordinance No. 794 - Budget Amendment for 2017 to Include Additional Personnel for the Light Rail Stations, City Planning, Building & Inspections, and Engineering Programs

DEPARTMENT: CMO/PCD/PW/ASD

PRESENTED BY: Juniper Nammi, Sound Transit Project Manager
Rachael Markle, Planning and Community Development Director
Tricia Juhnke, City Engineer
Rick Kirkwood, Budget Supervisor

ACTION: Ordinance Resolution Motion
 Discussion Public Hearing

PROBLEM/ISSUE STATEMENT:

Sound Transit (ST) currently plans to submit building permit applications for the Lynnwood Link Extension (LLE) in the fourth quarter of 2017. Permitting for Shoreline School District's (SSD) bond projects will occur between 2017 and 2019. The SSD has already submitted two school remodel applications and plans to submit permit applications for three new schools and another major remodel between 2017 and 2019. The SSD is interested in expedited review of all permit applications. Shoreline Community College has stated it will be submitting permit applications for a campus dormitory in October 2017. And, developers of the North City Post Office site redevelopment are targeting for permit application submittal in November 2017. Existing and planned permitting levels exceed staff capacity to meet customer expectations.

RESOURCE/FINANCIAL IMPACT:

Additional personnel requires that the 2017 budget be amended by increasing the General Fund by \$174,139 and the total FTE count by 3.25 in order to perform the required permit application reviews and inspections.

This proposed budget amendment also has the effect of recognizing the receipt of development revenues related to non-light rail station projects in the General Fund in 2017 totaling over \$700,000. The following table summarizes the impact of this budget amendment and the resulting 2017 appropriation for the General Fund:

Fund	2017 Current Budget (A)	Budget Amendment (B)	Amended 2017 Budget (C) (A + B)
General Fund	\$48,016,220	\$174,139	\$48,190,359
All Other Funds	60,256,976	0	60,256,976

Fund	2017 Current Budget (A)	Budget Amendment (B)	Amended 2017 Budget (C) (A + B)
Total	\$108,273,196	\$174,139	\$108,447,335

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 794.

Approved By: City Manager ***DT*** City Attorney ***JA-T***

INTRODUCTION

The City is expecting a large number of significant public and private development projects to be submitted for permit application review in late 2017, in addition to the already known review requirements for the ST LLE project. In an effort to most effectively meet the expedited permit application review services requested for these projects, City staff recommends amending the budget for an additional 3.25 FTE across three departments.

BACKGROUND

Sound Transit Lynnwood Link Extension

ST began final design of the LLE project in April 2016 and recently passed 60 percent design for the project. ST currently plans to complete 90 percent design by Fall 2017 and to submit land use and building permit applications between now and early 2018. The City through 3.50 currently staffed ST funded positions, other regular City personnel, and consultant services has been providing over-the-shoulder and milestone reviews of the Final Design submittals, and is now preparing to provide expedited permit application processing.

ST and City staff negotiated an Expedited Permitting and Reimbursement Agreement (ST Staffing Agreement) and Sound Transit will reimburse the City for \$2,000,000 worth of staffing and permit cost required for the expedited review and permitting. The ST Staffing Agreement was approved by Council on July 25, 2016. The staff report for this item is available at the following link:

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

Approximately \$500,000 of the ST Staffing Agreement amount has been expended to date.

Remodel and Construction Permit Applications

The City is facing a period of increasing new development resulting in a greater volume and complexity of permit applications received annually. On February 14, 2017, SSD received approval for a school construction bond measure that includes funding for rebuilding three schools and three significant remodel projects to be submitted for permit application approvals between 2017 and 2019. The permits for North City Elementary were issued on July 25, 2017 and a portion of the Aldercrest Annex remodel is currently under permit application review. The SSD has requested that permit applications for the Meridian Park Early Learning Center, which is to be submitted in September 2017, be issued within eight (8) weeks of submittal. This expected turn-around time is shorter than typical expedited review timeframe.

In addition, Shoreline Community College is planning a dormitory project to be submitted for permit application review later this year and at least one significant private development project is expected for application review before the end of the year. Attachment B to this staff report provides a list of the SSD projects and other planned

development projects projected for application submittal in 2017 and 2018, including high level schedule and cost information.

To effectively provide for staff based on the expected increase, on August 7, 2017, staff presented proposed Ordinance No. 794 (Attachment A) to the City Council. The staff report for this Council discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport080717-9c.pdf>.

The City Council provided direction to staff to bring Ordinance No. 794 back for Council adoption on September 11, 2017. The Council was generally supportive of proposed Ordinance No. 794 with an assurance from staff that quarterly updates be provided and are to include permit related financial and performance data. Staff reported that they are able to provide accurate data on permit application counts and revenue and that they are still working to configure the City's new permit tracking system (TRAKiT) to more precisely track permit application processing times by permit type. This information will allow City Council and management to make timely staffing decisions in concert with local development activity levels.

DISCUSSION

Expenditures:

Proposed Ordinance No. 794 (Attachment A) provides for a budget amendment that increases the number of approved FTEs by 3.25 and appropriations by \$174,139, comprised of salaries and benefits totaling \$93,952, operating budget support totaling \$4,509, position start-up costs (i.e., computer, phone, etc.) totaling \$8,678, and consultant support totaling \$67,000, across three departments to support the one-time expedited permit application review services anticipated starting in the fourth quarter of 2017 through 2019, as follows:

- Authorization to increase the existing 0.50 FTE to 0.75 FTE for the Administrative Assistant II for the Light Rail Stations program in the City Manager's Office (no appropriation increase needed, as this is just a line-item transfer between professional services and salaries/benefits);
- Authorization to fill and increase appropriations for a 1.00 FTE Senior Planner (Term-Limited (2017-2019)) for the City Planning program in the Planning & Community Development Department (0.50 FTE) and Light Rail Stations program in the City Manager's Office (0.50 FTE);
- Authorization to fill and increase appropriations for a 1.00 FTE Plans Examiner II for the Building & Inspections program in the Planning & Community Development Department; and,
- Authorization to fill and increase appropriations for a 1.00 FTE Development Review Engineer II for engineering review in the Public Works Department.
- Increase appropriations by \$67,000 for professional services to provide consulting support for the Planning & Community Development Department (\$50,000) and Public Works Department (\$17,000).

This budget amendment is presented in order to meet the requested permitting timelines and to maintain the existing level of service provided by existing staff in the Light Rail Stations, City Planning, Building & Inspections, and Engineering Review programs by increasing the staffing capacity to address these ST, SSD, and Community College requests. ST and the City have already entered into a staff agreement and, SSD has similarly agreed to fund the review of permit applications through an agreement with the City. Other anticipated permitting applications would provide revenue to fund the PCD and PW positions through permit fees.

Resources: Proposed Ordinance No. 794 includes the receipt of one time and significant permit development revenues in the General Fund in 2017 totaling \$700,000. The net effect is the provision of fund balance in the amount of \$525,861, which will be used to fund the positions supporting non-light rail station projects in 2018 in addition to additional development revenue projected to be received in 2018.

2017 One Time Revenue Estimates

Project	Estimated Permit Fee
North City Elementary School Remodel	\$49,934.80
Aldercrest Annex Remodel	\$83,902.15
Meridian Park Early Learning Center Remodel	\$187,860.00 ¹
Shoreline Community College Dormitory	\$208,600.00 ²
North City Post Office Redevelopment	\$208,600.00 ²

Total Estimated One Time 2017 Revenue \$738,896.95

¹ Includes fee for expedited review.

² Valuations have not yet been provided to the City. Therefore the permit fees cannot be precisely estimated. The estimates are based on valuations of \$31,000,000.

RESOURCE/FINANCIAL IMPACT

Additional personnel requires that the 2017 budget be amended by increasing the General Fund by \$174,139 and the total FTE count by 3.25 in order to perform the required permit application reviews and inspections.

This proposed budget amendment also has the effect of recognizing the receipt of development revenues related to non-light rail station projects in the General Fund in 2017 totaling over \$700,000. The following table summarizes the impact of this budget amendment and the resulting 2017 appropriation for the General Fund:

Fund	2017 Current Budget (A)	Budget Amendment (B)	Amended 2017 Budget (C) (A + B)
General Fund	\$48,016,220	\$174,139	\$48,190,359
All Other Funds	60,256,976	0	60,256,976
Total	\$108,273,196	\$174,139	\$108,447,335

RECOMMENDATION

Staff recommends that Council adopt Ordinance No. 794.

ATTACHMENTS

Attachment A: Ordinance No. 794

Attachment B: Shoreline School District and Other Anticipated Projects

ORDINANCE NO. 794

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING THE 2017 FINAL BUDGET, INCLUDING GENERAL FUND AND THE 2017 BUDGETED POSITIONS AND FTE LIST OF THE 2017 FINAL BUDGET.

WHEREAS, the 2017 Final Budget for the City of Shoreline was adopted by Ordinance No. 758 and subsequently amended by Ordinance Nos. 773, 774, 777, 778, 779, and 783; and

WHEREAS, additional staffing needs that were unknown at the time the 2017 Final Budget was adopted have occurred; and

WHEREAS, additional staff is needed within the City Manager’s Office, the Planning and Community Development Department, and the Public Works Department to accommodate increased development activity, including Sound Transit’s Lynnwood Link Extension and the Shoreline School District’s remodel and new construction projects; and

WHEREAS, additional staff would include a combined plans examiner/inspector, a senior planner, a development review engineer, and an administrative assistant; and

WHEREAS, the 2017 Final Budget, which includes the appropriations from the General Fund and a listing of budgeted employee positions and employee allocation by department, needs to be amended to reflect the additional full-time equivalent employees, as well as their salary and benefit costs and operating budget support to fulfill these needs;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment – 2017 Final Budget. The City of Shoreline hereby amends the 2017 Final Budget, as adopted by Ordinance No. 758 and amended by Ordinance Nos. 773, 774, 777, 778, 779, and 783 by increasing the appropriations for the General Fund by \$174,139 and by increasing the Total Funds appropriation to \$108,447,335, as follows:

	Current Appropriation	Revised Appropriation
General Fund	\$48,016,220	\$48,190,359
Street Fund	1,721,485	
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	214,043	
Municipal Art Fund	96,203	
Federal Drug Enforcement Forfeiture Fund	300,397	
Property Tax Equalization Fund	500,799	

	Current Appropriation	Revised Appropriation
Federal Criminal Forfeiture Fund	803,220	
Transportation Impact Fees Fund	221,400	
Revenue Stabilization Fund	0	
Unltd Tax GO Bond 2006	1,710,375	
Limited Tax GO Bond 2009	1,662,817	
Limited Tax GO Bond 2013	260,948	
General Capital Fund	9,147,892	
City Facility-Major Maintenance Fund	96,000	
Roads Capital Fund	17,897,364	
Surface Water Capital Fund	6,241,652	
Wastewater Utility Fund	18,109,971	
Vehicle Operations/Maintenance Fund	453,123	
Equipment Replacement Fund	701,787	
Unemployment Fund	17,500	
Total Funds	\$108,273,196	\$108,447,335

Section 2. Amendment – City of Shoreline Regular FTE Count. The City of Shoreline hereby amends the 2017 Final Budget to increase the number of full-time equivalent employees (FTE) for the City Manager’s Office by 0.75 FTEs; the Planning and Community Development Developer by 1.50 FTEs; and the Public Works Department by 1.0 FTE; resulting in a total increase of 3.25 FTEs for the City. All reference to total FTEs for the City and the FTEs by department shall be amended to reflect these increases.

Section 3. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this ordinance or its application to any person or situation.

Section 5. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 11, 2017

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____, 2017

Effective Date: _____, 2017

School District & Other Anticipated Permit Submittals for 2017/2018			
Project	Valuation	Project Phase	Projected Permit Submittal Date
North City Elementary	6,600,000	Building Permit/Inspection	Issued 7/25/17
Aldcrest Elementary 2800 NE 200 th Street Permit No. 127275	11,000,000	Building Permit	2/15/2017
Meridian Park Early Learning Center		Early Work	8/1/2017
	18,400,000	Building Permit	9/1/2017
Parkwood Elementary 1815 N 155 th Street		Conditional Use Permit	10/1/2017
		Early Work	8/1/2018
	21,300,000	Building Permit	2/1/2018
Einstein Middle School 19343 3 rd Avenue NW		Conditional Use Permit	1/1/2018
	52,400,000	Early Work	5/1/2018
		Building Permit	8/1/2018
Kellogg Middle School 16045 25 th Avenue NE		Conditional Use Permit	1/1/2017
	52,400,000	Early Work	5/1/2018
		Building Permit	8/1/2018
North City Water District Maintenance Yard		Special Use Permit	Public Hearing 8/1/2018
		Early Work	2/1/2018
	5,300,000	Building Permit	4/1/2018
Shoreline Community College Dormitory	Not yet reported	Building Permit	10/1/2018