

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Transmittal of the 2018 Proposed Budget and 2018-2023 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 2018 Proposed Budget to the City Council no later than November 1, 2017. Tonight's presentation will introduce the 2018 Proposed Budget document to the Council, provide policy background concerning its development, highlight key budget issues, highlight the proposed 2018 work plan, and propose a budget review process and schedule. Council will receive hard or electronic copies of the 2018 proposed budget following tonight's meeting. The proposed 2018-2023 Capital Improvement Plan is attached to this staff report as Attachment A.

RESOURCE/FINANCIAL IMPACT:

The City's 2018 Proposed Budget is balanced in all funds and totals \$79.939 million. Proposed appropriations for the Operating Funds total \$49.039 million, which account for 61.3% of the total budget. Proposed appropriations for the Debt Service Funds total \$3.620 million, which account for 4.5% of the total budget. Proposed appropriations for the Capital Service Funds total \$16.742 million, which account for 20.9% of the total budget.

The City's Enterprise Funds include the Surface Water and Wastewater utilities. Proposed appropriations for the Surface Water Utility, including activities relating to operations and capital projects, total \$6.926 million, which account for 8.6% of the total budget. Proposed appropriations for the Wastewater Utility total \$2.298 million, which accounts for 2.9% of the total budget. The Ronald Wastewater District (RWD) will retain all revenue and costs associated with interlocal agreements and certain operating contracts. In addition, the RWD Board of Commissioners will be responsible for addressing policy matters, setting rates and managing capital improvements for the Utility. The City's 2018 proposed budget includes revenues and expenditures developed based on the personnel and maintenance and operations costs necessary to operate the RWD under a service contract. RWD will reimburse the City based on annual budgeted costs with annual reconciliation of direct costs.

The remaining portion of the 2018 Proposed Budget comprises the City's Internal Service Funds. Proposed appropriations for Internal Service Funds total \$1.314 million, which account for 1.6% of the total budget.

The 2018 budget is \$28.509 million, or 26.3%, less than the 2017 current budget (2017 Adopted Budget plus all budget amendments, including re-appropriations from 2016, which have been adopted by the City Council through September 2017). The decrease can be linked to the following changes:

- \$15.128 million decrease in the City's Enterprise Funds;
- \$10.620 million decrease in the City's Capital Funds; and,
- \$2.791 million decrease in the Operating Funds.

The large decrease in the City's Enterprise funds is primarily the result of merger of Ronald occurring through a service contract rather than full assumption. In anticipation of the assumption of RWD, the City adopted the full 2017 RWD budget in accordance with GAAP during its April amendment process. However, in mid-2017, the RWD Board and the City mutually agreed to an extension of the Assumption Agreement and executed a Service Contract Agreement. As a result the District maintains ownership of the utility system. The City will be amending its 2017 Budget in November to reflect the costs associated with operating the wastewater utility for ten weeks in 2017 following the October 23 Service Agreement transition date. The main reasons for the difference in the Capital Funds are a \$6.767 million decrease in Roads Capital Fund projects and a \$3.960 million decrease in General Capital Fund projects.

The 2018 Proposed Budget includes adequate reserve levels to meet all adopted budget policies. The 2018 Proposed Budget Summary (Attachment B) summarizes the 2018 Proposed Budget and provides a comparison to the 2017 current budget by fund.

PROPOSED BUDGET SCHEDULE:

The proposed schedule for 2018 budget review includes:

Date	Action
October 9, 2017	Transmittal of 2018 Proposed Budget and 2018-2023 Capital Improvement Plan
October 16, 2017	Review of Department Budgets
October 23, 2017	Continued Review of Department Budgets and Review of 2018-2023 Capital Improvement Plan
November 6, 2017	Public Hearing on 2018 Property Tax Levy & Revenue Sources
November 14, 2017	Public Hearing on 2018 Proposed Budget and 2018-2023 Capital Improvement Plan and Final Discussion of the 2018 Proposed Budget and 2018-2023 Capital Improvement Plan
November 21, 2017	Adoption of the 2018 Budget, Fee Schedule and 2018-2023 Capital Improvement Plan, and adoption of the 2018 Property Tax Levy

RECOMMENDATION

This item is for discussion purposes only. Staff is seeking Council input regarding the proposed 2018 budget process and any key questions or issues that Council wants staff to address as part of the process.

ATTACHMENTS:

Attachment A: 2018 – 2023 Capital Improvement Plan

Attachment B: 2018 Proposed Budget Summary

Approved By: City Manager ***DT***

City Attorney ***JAT***

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
EXPENDITURES							
Fund							
<i>Project Category</i>							
General Capital							
<i>Parks Maintenance Projects</i>							
Boeing Creek-Shoreview Park Trail R&R	\$0	\$250,000	\$1,642,000	\$0	\$0	\$0	\$1,892,000
King County, Trails And Open Space Replacement Levy	\$85,000	\$0	\$0	\$0	\$0	\$0	\$85,000
Kruckeberg Env Ed Center (Residence Stabilization)	\$0	\$265,000	\$0	\$0	\$0	\$0	\$265,000
Park Ecological Restoration Program	\$80,000	\$80,000	\$0	\$0	\$0	\$0	\$160,000
Parks Repair And Replacement	\$238,597	\$250,528	\$263,054	\$265,816	\$275,000	\$275,000	\$1,567,995
Richmond Beach Community Park Wall Repair	\$0	\$0	\$0	\$25,000	\$0	\$1,129,000	\$1,154,000
RB Saltwater Park Fire Suppression Line	\$0	\$0	\$0	\$25,000	\$0	\$466,000	\$491,000
Turf & Lighting Repair And Replacement	\$1,700,000	\$0	\$1,200,000	\$0	\$0	\$0	\$2,900,000
<i>Facilities Projects</i>							
City Maintenance Facility	\$263,000	\$0	\$0	\$0	\$0	\$0	\$263,000
Police Station at City Hall	\$1,711,713	\$0	\$0	\$0	\$0	\$0	\$1,711,713
<i>Parks Development Projects</i>							
Outdoor Multi-Use Sport Court	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Parks Facilities Recreation Amenities Plan	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$250,000
PROS Plan Implementation	\$118,311	\$0	\$0	\$0	\$0	\$0	\$118,311
<i>Non-Project Specific</i>							
General Capital Engineering	\$105,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$530,000
Cost Allocation Charges	\$23,501	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$173,501
City Hall Debt Service Payment	\$662,546	\$677,546	\$663,250	\$683,250	\$663,782	\$663,782	\$4,014,156
General Capital Fund Total	\$5,187,668	\$1,763,074	\$3,883,304	\$1,114,066	\$1,053,782	\$2,648,782	\$15,650,676
City Facilities - Major Maintenance							
<i>General Facilities Projects</i>							
City Hall Long-Term Maintenance	\$10,000	\$77,904	\$84,182	\$68,400	\$40,000	\$0	\$280,486
City Hall Parking Garage Long-Term Maintenance	\$0	\$16,128	\$0	\$0	\$0	\$0	\$16,128
Duct Cleaning	\$33,900	\$10,000	\$13,350	\$10,000	\$13,350	\$10,000	\$90,600
<i>Parks Facilities Projects</i>							
Parks Restrooms Long-Term Maintenance	\$0	\$0	\$0	\$25,632	\$10,682	\$0	\$36,314
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	\$80,313	\$0	\$2,000	\$0	\$40,000	\$0	\$122,313
Spartan Recreation Center	\$9,000	\$0	\$4,500	\$0	\$0	\$0	\$13,500
City Facilities - Major Maintenance Fund Total	\$153,213	\$124,032	\$124,032	\$124,032	\$124,032	\$30,000	\$679,341

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
EXPENDITURES							
Fund							
<i>Project Category</i>							
Roads Capital Fund							
<i>Pedestrian / Non-Motorized Projects</i>							
Traffic Safety Improvements	\$160,775	\$163,814	\$167,005	\$175,355	\$184,123	\$193,329	\$1,044,401
147th/148th Non-Motorized Bridge	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
Echo Lake Safe Routes To School	\$5,624	\$0	\$0	\$0	\$0	\$0	\$5,624
Trail Along The Rail	\$140,972	\$0	\$0	\$0	\$0	\$0	\$140,972
<i>System Preservation Projects</i>							
Annual Road Surface Maintenance Program	\$2,300,000	\$1,120,000	\$2,100,000	\$1,120,000	\$1,900,000	\$1,350,000	\$9,890,000
Aurora Median Retrofits	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000
Curb Ramp, Gutter And Sidewalk Maintenance Program	\$190,000	\$190,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,180,000
Complete Streets- Ped/Bike Gaps	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
Meridian Ave N & N 155th St Signal Improv	\$430,000	\$0	\$0	\$0	\$0	\$0	\$430,000
Traffic Signal Rehabilitation Program	\$121,551	\$127,628	\$134,010	\$140,711	\$147,746	\$155,133	\$826,779
<i>Safety / Operations Projects</i>							
145th Corridor - 99th To I5	\$1,437,281	\$0	\$0	\$0	\$0	\$0	\$1,437,281
145th and I5 Interchange	\$2,500,000	\$500,000	\$7,986,000	\$8,187,000	\$0	\$0	\$19,173,000
160th and Greenwood/Innis Arden Intersection	\$105,000	\$0	\$0	\$0	\$0	\$0	\$105,000
185th Corridor Study	\$375,000	\$0	\$0	\$0	\$0	\$0	\$375,000
N 175th St - Stone Ave N to I5	\$1,640,000	\$2,460,000	\$0	\$0	\$0	\$0	\$4,100,000
Richmond Beach Re-Channelization	\$330,000	\$0	\$0	\$0	\$0	\$0	\$330,000
Radar Speed Signs	\$127,716	\$0	\$0	\$0	\$0	\$0	\$127,716
Westminster And 155th Improvements	\$100,000	\$2,610,000	\$0	\$0	\$0	\$0	\$2,710,000
<i>Non-Project Specific</i>							
General Fund Cost Allocation Overhead Charge	\$57,194	\$55,000	\$50,000	\$50,000	\$50,000	\$50,000	\$312,194
Transportation Master Plan Update	\$105,000	\$400,000	\$50,000	\$0	\$0	\$0	\$555,000
Roads Capital Engineering	\$454,053	\$385,000	\$395,000	\$405,000	\$415,000	\$415,000	\$2,469,053
Roads Capital Fund Total	\$11,130,166	\$8,011,442	\$11,257,015	\$10,278,066	\$2,896,869	\$2,363,462	\$45,937,020

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
EXPENDITURES							
Fund							
<i>Project Category</i>							
Surface Water Capital							
<i>Capacity</i>							
6th Ave NE and NE 200th St Flood Reduction Project	\$0	\$0	\$0	\$24,761	\$0	\$0	\$24,761
10th Ave NE Drainage Improvements	\$0	\$0	\$0	\$281,377	\$258,518	\$1,570,179	\$2,110,074
18th Avenue NW and NW 204th Drainage System Connection	\$0	\$0	\$0	\$16,883	\$0	\$0	\$16,883
25th Ave NE Ditch Improv Between NE 177th and 178th Street	\$0	\$0	\$0	\$158,697	\$0	\$0	\$158,697
25th Ave. NE Flood Reduction Improvements	\$51,500	\$502,367	\$54,636	\$56,275	\$348,328	\$2,089,592	\$3,102,698
Heron Creek Culvert Crossing at Springdale Ct NW	\$0	\$0	\$0	\$0	\$130,998	\$134,928	\$265,926
Lack of System and Ponding on 20th Avenue NW	\$0	\$0	\$0	\$91,166	\$0	\$0	\$91,166
NE 148th Infiltration Facilities	\$0	\$0	\$0	\$431,070	\$11,593	\$0	\$442,663
NW 195th Place and Richmond Beach Drive Flooding	\$0	\$0	\$0	\$0	\$432,989	\$445,978	\$878,967
NW 197th Pl and 15th Ave NW Flooding	\$0	\$0	\$0	\$7,879	\$0	\$0	\$7,879
Springdale Ct. NW & Ridgefield Rd Drainage Improv	\$0	\$0	\$0	\$0	\$315,902	\$325,379	\$641,281
Stabilize NW 16th Place Storm Drainage in Reserve M	\$0	\$0	\$0	\$0	\$0	\$33,433	\$33,433
<i>Repair and Replacement</i>							
Hidden Lake Dam Removal	\$267,800	\$275,834	\$1,657,667	\$22,510	\$23,185	\$23,881	\$2,270,877
NE 177th Street Drainage Improvements	\$0	\$0	\$0	\$10,130	\$0	\$0	\$10,130
NW 196th Pl & 21st Ave. NW Infrastructure Improvements	\$0	\$0	\$0	\$93,417	\$0	\$0	\$93,417
Pump Station 26 Improvements	\$117,420	\$218,545	\$0	\$0	\$0	\$0	\$335,965
Pump Station 30 Upgrades	\$92,700	\$0	\$0	\$0	\$0	\$0	\$92,700
Pump Station Miscellaneous Improvements	\$199,820	\$0	\$587,887	\$0	\$0	\$0	\$787,707
Stormwater Pipe Replacement Program	\$76,416	\$477,409	\$327,821	\$1,272,272	\$463,750	\$1,743,157	\$4,360,825
Surface Water Small Projects	\$309,000	\$318,270	\$327,818	\$562,754	\$579,637	\$597,026	\$2,694,505
<i>Other</i>							
12th Ave NE Infiltration Pond Retrofits	\$0	\$0	\$0	\$42,769	\$0	\$0	\$42,769
Boeing Creek Regional Stormwater Facility Study	\$22,937	\$64,430	\$0	\$0	\$0	\$0	\$87,367
Boeing Creek Restoration Project	\$0	\$0	\$0	\$56,275	\$0	\$0	\$56,275
Climate Impacts and Resiliency Study	\$0	\$84,872	\$0	\$0	\$0	\$0	\$84,872
Storm Creek Erosion Management Study	\$82,400	\$0	\$0	\$0	\$0	\$0	\$82,400
Surface Water Master Plan	\$0	\$0	\$0	\$0	\$289,819	\$298,513	\$588,332
System Capacity Modeling Study	\$0	\$318,270	\$0	\$0	\$0	\$0	\$318,270
<i>Non-Project Specific</i>							
General Fund Cost Allocation Overhead Charge	\$199,959	\$212,137	\$218,501	\$225,056	\$231,807	\$238,762	\$1,326,222
Surface Water Capital Engineering	\$196,833	\$202,738	\$208,820	\$215,085	\$221,537	\$228,183	\$1,273,196
Surface Water Capital Fund Total	\$1,616,785	\$2,674,872	\$3,383,150	\$3,568,376	\$3,308,063	\$7,729,011	\$22,280,257
TOTAL EXPENDITURES	\$18,087,832	\$12,573,420	\$18,647,501	\$15,084,540	\$7,382,746	\$12,771,255	\$84,547,294

City of Shoreline 2018 - 2023 Capital Improvement Plan
PROGRAM SUMMARY

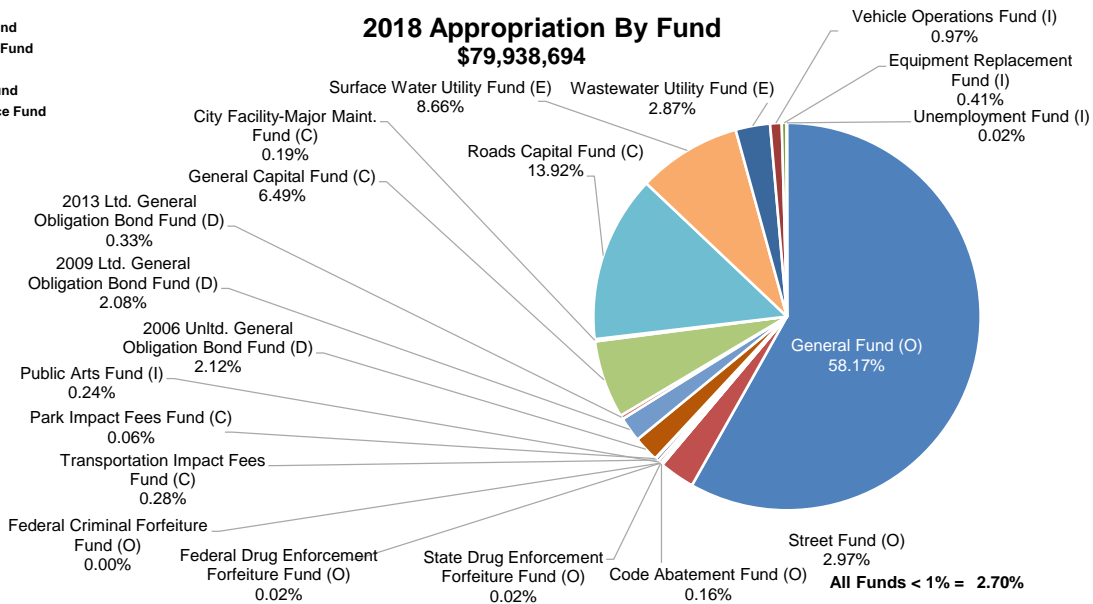
	Proposed 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022	Proposed 2023	Total 2018-2023
RESOURCES							
General Fund Contribution	\$2,625,705	\$418,854	\$415,970	\$413,435	\$410,956	\$410,956	\$4,695,876
Transportation Benefit District	\$1,222,279	\$830,000	\$830,000	\$830,000	\$830,000	\$830,000	\$5,372,279
Transportation Impact Fees	\$221,400	\$332,100	\$0	\$0	\$0	\$0	\$553,500
Park Impact Fees	\$50,000	\$125,000	\$0	\$0	\$0	\$0	\$175,000
Real Estate Excise Tax - 1st Quarter Percent	\$1,368,768	\$1,449,263	\$1,529,005	\$1,609,641	\$1,692,370	\$1,779,363	\$9,428,410
Real Estate Excise Tax - 2nd Quarter Percent	\$1,368,768	\$1,449,263	\$1,529,005	\$1,609,641	\$1,692,370	\$1,779,363	\$9,428,410
Soccer Field Rental Contribution	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$780,000
Surface Water Fees	\$1,042,615	\$1,758,572	\$2,138,309	\$2,504,849	\$2,757,940	\$3,026,684	\$13,228,969
Investment Interest Income	\$80,977	\$122,179	\$115,744	\$43,031	\$272,495	\$240,111	\$874,538
King County Flood Zone District Opportunity Fund	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$110,898	\$665,388
Recreation & Conservation Office	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grants - Awarded	\$6,121,362	\$2,543,369	\$7,986,000	\$8,727,625	\$0	\$0	\$25,378,356
Future Financing	\$4,700,000	\$0	\$0	\$11,850,000	\$0	\$0	\$16,550,000
Future Funding	\$0	\$265,000	\$1,642,000	\$0	\$0	\$0	\$1,907,000
Remediation Mitigation Claims	\$0	\$0	\$0	\$0	\$0	\$0	\$0
King County Voter Approved Trail Funding	\$120,000	\$120,000	\$0	\$0	\$0	\$0	\$240,000
Private Donations	\$0	\$1,630,000	\$0	\$0	\$0	\$0	\$1,630,000
Use / (Gain) of Accumulated Fund Balance	(\$1,074,940)	\$1,288,922	\$2,220,570	(\$12,744,580)	(\$514,283)	\$4,463,880	(\$6,360,432)
TOTAL RESOURCES	\$18,087,832	\$12,573,420	\$18,647,501	\$15,084,540	\$7,382,746	\$12,771,255	\$84,547,294

City of Shoreline
2018 All Funds Resources/Expenditures Summary

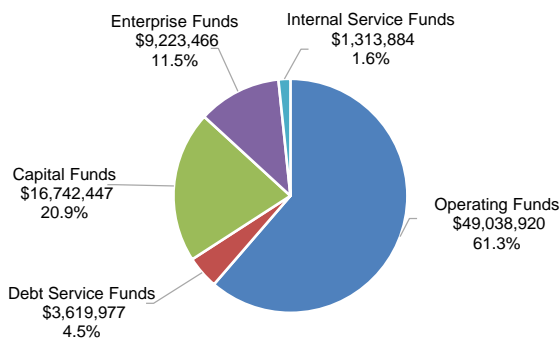
Fund	Beginning Fund Balance (A)	2018 Revenue (B)	2018 Transfers In (C)	2018 Total Resources (A+B+C=D)	2018 Expenditures (E)	2018 Transfers Out (F)	2018 Total Expenditures (E+F=G)	Ending Fund Balance (D-G=H)	Total 2018 Appropriation
General Fund (O)	\$ 11,393,659	\$ 41,916,898	\$ 1,833,395	\$ 55,143,952	\$ 42,314,411	\$ 4,186,451	\$ 46,500,862	\$ 8,643,090	\$ 46,500,862
Street Fund (O)	853,662	1,296,037	492,040	2,641,739	1,449,588	927,227	2,376,815	264,924	2,376,815
Revenue Stabilization Fund (O)	5,150,777	-	-	5,150,777	-	-	-	5,150,777	-
Property Tax Equalization Fund (O)	-	-	-	-	-	-	-	-	-
Code Abatement Fund (O)	275,035	80,550	-	355,585	130,000	-	130,000	225,585	130,000
State Drug Enforcement Forfeiture Fund (O)	12,033	18,243	-	30,276	18,243	-	18,243	12,033	18,243
Federal Drug Enforcement Forfeiture Fund (O)	22,426	13,000	-	35,426	13,000	-	13,000	22,426	13,000
Federal Criminal Forfeiture Fund (O)	1,500	-	-	1,500	-	-	-	1,500	-
Public Arts Fund (I)	295,696	5,000	-	300,696	195,246	-	195,246	105,450	195,246
Transportation Impact Fees Fund (C)	1,401,065	200,000	-	1,601,065	-	221,400	221,400	1,379,665	221,400
Park Impact Fees Fund (C)	-	50,000	-	50,000	-	50,000	50,000	-	50,000
2006 Unltd. General Obligation Bond Fund (D)	4,320	1,697,925	-	1,702,245	1,697,925	-	1,697,925	4,320	1,697,925
2009 Ltd. General Obligation Bond Fund (D)	41	320,000	1,341,417	1,661,458	1,661,417	-	1,661,417	41	1,661,417
2013 Ltd. General Obligation Bond Fund (D)	67	-	260,635	260,702	260,635	-	260,635	67	260,635
General Capital Fund (C)	1,991,622	1,594,755	1,701,505	5,287,882	4,501,621	686,047	5,187,668	100,214	5,187,668
City Facility-Major Maint. Fund (C)	110,398	883	124,032	235,313	153,213	-	153,213	82,100	153,213
Roads Capital Fund (C)	4,766,651	8,672,066	1,202,009	14,640,726	11,072,972	57,194	11,130,166	3,510,560	11,130,166
Surface Water Utility Fund (E)	1,798,398	10,257,415	-	12,055,813	6,215,255	710,310	6,925,565	5,130,248	6,925,565
Wastewater Utility Fund (E)	-	2,297,901	-	2,297,901	2,297,901	-	2,297,901	-	2,297,901
Vehicle Operations Fund (I)	268,516	503,786	-	772,302	523,786	248,516	772,302	-	772,302
Equipment Replacement Fund (I)	3,253,765	508,997	63,623	3,826,385	328,836	-	328,836	3,497,549	328,836
Unemployment Fund (I)	58,363	-	-	58,363	17,500	-	17,500	40,863	17,500
Total City Funds	\$ 31,657,994	\$ 69,433,456	\$ 7,018,656	\$ 108,110,106	\$ 72,851,549	\$ 7,087,145	\$ 79,938,694	\$ 28,171,412	\$ 79,938,694

(O): Operating Fund
(D): Debt Service Fund
(C): Capital Fund
(E): Enterprise Fund
(I): Internal Service Fund

2018 Appropriation By Fund
\$79,938,694



2018 Appropriation By Fund Type
\$79,938,694



2018 Appropriation By Service Type
\$79,938,694

