
Council Meeting Date: April 8, 2002

Agenda Item: 2(a)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Legislative Report by Representative Ruth Kagi DEPARTMENT: City Manager PRESENTED BY: Representative Ruth Kagi

PROBLEM/ISSUE STATEMENT:

Ruth Kagi is one of the 32nd State Legislative District's Representatives in the House of Representatives. She has requested time on the City Council's agenda to provide the Council with a report concerning the actions of the 2002 legislative session. She will provide an oral report to Council and respond to questions from Councilmembers.

RECOMMENDATION

No action is required. This report is only for informational purposes.

Approved By: City Manager LB City Attorney N/A

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CITY OF SHORELINE

SHORELINE CITY COUNCIL SUMMARY MINUTES OF SPECIAL JOINT MEETING WITH THE SHORELINE PLANNING COMMISSION

Monday, March 18, 2002
6:30 p.m.

Shoreline Conference Center
Mt. Rainier Room

Shoreline City Council

PRESENT: Mayor Jepsen, Deputy Mayor Grossman, Councilmembers Chang, Gustafson, Hansen, Montgomery and Ransom

ABSENT: None

Shoreline Planning Commission

PRESENT: Chair Gabbert, Vice Chair Doennebrink, Commissioners Harris, Marx, McAuliffe, McClelland, and Monroe

ABSENT: Commissioners Doering and Maloney

1. CALL TO ORDER

The meeting was called to order at 6:35 p.m. by Mayor Jepsen, who presided.

2. FLAG SALUTE/ROLL CALL

Upon roll call by the Deputy City Clerk, all Councilmembers were present with the exceptions of Councilmembers Gustafson and Montgomery, who arrived shortly thereafter, and Commissioners Doering and Maloney.

(a) Presentation to Outgoing Planning Commissioners

Mayor Jepsen thanked Planning Commissioners Marx, Maloney, McAuliffe, and Monroe for their service and presented them with certificates of appreciation.

Councilmember Gustafson arrived at 6:42 p.m.

3. JOINT WORKSHOP ITEM

(a) Proposed Process to Review and Amend the Comprehensive Plan and Development Code for Compliance with the Growth

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Management Act (GMA) with Specific Emphasis on Environmental Regulations

Planning and Development Services Director Tim Stewart explained that a recent change in State law extends the deadline from September 2002 to 2004 for the City to complete a major update to the Comprehensive Plan. He said the City's update will be less difficult than those of other cities because the City adopted its Comprehensive Plan in 1998, and the City has undertaken annual reviews. He said staff will present an amended recommendation to Council regarding the major update.

Continuing, Mr. Stewart explained the staff suggestion to proceed to update the environmental chapters of the Comprehensive Plan on a time schedule ending in December. He said staff can build on previous work to improve City processes, and he noted that the City has a contract with the State, including \$42,000 in State funding, to update the environmental chapters before the end of the year. He introduced Anna Kolousek, Assistant Director, Planning and Development Services, as the project manager.

Ms. Kolousek said State law requires that City critical area regulations include the best available science and that the City document that the regulations are appropriate for the resources the City intends them to protect. She explained that staff proposes to meet goal four in the City Council 2001-2002 Work Plan ("Develop a water quality and environmental program to comply with state and federal regulations for 2002") and to address the requirements of the GMA and the Endangered Species Act (ESA). She said this combined approach will save the City time and expense and create a better understanding of environmental impacts. She said staff will use the Inventory and Characterization of Stream and Wetland Resources prepared by consultant Tetra Tech/KMC. In addition to greater certainty about necessary environmental protection and better understanding of the kinds of development the City can allow in critical areas, she noted the goal to reduce the time and costs to developers of applying for projects that comply with the amended regulations.

Ms. Kolousek said the City will hire a consultant and then complete four steps to prepare the amended regulations:

- Technical analysis (including evaluation of the environmental element of the Comprehensive Plan, the Development Code and City regulations concerning critical areas, storm water and clearing and grading)—staff will evaluate current information about the GMA and the ESA, the Tetra/KCM stream and wetland inventory and City procedures and consider ongoing studies and ESA response efforts throughout the region and the planning efforts of the Watershed Resource Inventory Area (WRIA) 8;
- Update Comprehensive Plan policies and Development Code regulations—staff will insure that the proposed amendments comply with the most current State and federal requirements;
- Streamline permit processing and environmental reviews; and

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- Public input and public review—staff will solicit public input during review of all draft documents, during the environmental review of the documents and during Planning Commission public hearings of the proposed amendments.

Mayor Jepsen acknowledged the proposal to review and update the Comprehensive Plan for consistency with State law and new environmental information. He noted that Council recently amended the Development Code, and he expressed concern about reconsidering it. Ms. Kolousek reiterated that staff will reconsider the Comprehensive Plan in light of changes in best available science and the ESA listing of Puget Sound salmon species. She commented that the resulting changes may be very minor. She indicated that staff consideration of the Development Code will focus on critical areas regulations. She explained the need to clarify the implementation and application of the regulations.

In response to Mayor Jepsen, Mr. Stewart confirmed that staff does not intend to reconsider the entire Development Code. He explained that staff and the Planning Commission deferred consideration of most of the environmental elements of the Development Code during the recent review and amendment process.

Chair Gabbert referred to the statement in the letter from Holly Gadbaw, Senior Planner at the State Department of Community, Trade, and Economic Development, that City "regulations recommend that when buffers are averaged, the smallest buffer can be less than 10 feet" (page 15 of the Council packet). Mr. Stewart noted urban creeks throughout Shoreline. He acknowledged the availability of scientific information about rural streams and creeks. He asserted the challenge of finding the best available science for highly denigrated (e.g., piped, encroached upon, relocated, channelized) urban creeks.

Chair Gabbert said a 50-foot minimum stream buffer would be unreasonable in Shoreline. He stated the need to modify the recommended buffer widths in Ms. Gadbaw's letter. Mr. Stewart said the determination of the function and value of water resources, and of how to best protect and enhance those functions and values, may be more important than arbitrary buffer dimensions.

In response to Chair Gabbert, Ms. Kolousek said expertise in wetland biology will be one of the qualifications of the consultant the City hires to assist with the review and amendment process.

Councilmember Ransom said the recommended buffer widths in Ms. Gadbaw's letter (page 15 of the Council packet) pose concerns for projects in Shoreline. He noted the Aegis Assisted Living project on 1st Avenue NE south of NE 155th Street and the City proposal to open a stream channel south of Ronald Bog. He said Council and the Planning Commission must consider the issue of buffer widths very carefully. He noted Ms. Gadbaw's reference to the Department of Ecology publication Wetland Buffers: Use and Effectiveness, which "concludes that buffers of less than 50 feet are generally ineffective."

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Mayor Jepsen said Council must determine whether City regulation of stream buffers should be flexible. He encouraged staff and the Planning Commission to consider the issue to determine what makes sense in Shoreline's urban environment.

Commissioner McClelland asked if the City has a mapping system for critical areas in Shoreline. She then asked about the objectives of City environmental regulations. She mentioned that the City of Bellevue and other municipalities have adopted regulations to protect and enhance environmental resources in urban settings. Mr. Stewart said the critical areas maps that the City inherited from King County are incomplete and inaccurate. He referred to the Inventory and Characterization of Stream and Wetland Resources as the base of information the City needs to establish the goals of its environmental regulations. Noting that Boeing Creek differs in character from Thornton Creek, he advocated a basin-by-basin approach to both environmental regulation and storm water management.

Commissioner McClelland asserted that mapping, classifying and protecting critical areas will establish a balance between the natural and built environments in Shoreline.

Councilmember Gustafson asserted the importance of the stream inventory as the basis of the review and amendment process. He went on to note that comments on the Draft WRIA 8 Near-term Action Agenda for Salmon Habitat Conservation are due March 31. Ms. Kolousek commented that staff is reviewing the document carefully, that it addresses water quality more than land use and that the City's Comprehensive Plan is in line with the draft document.

Councilmember Gustafson questioned the timeline for issuance of new growth targets. Mr. Stewart explained that the King County Growth Management Planning Council will review the allocation of growth targets this spring or early this summer and make a recommendation to the County Council. He said the Suburban Cities Association will communicate the allocation adopted by the County Council, and cities will vote on ultimate ratification later this summer or early this fall.

Commissioner Marx encouraged the City to continue working on the review and amendment process during the interim before the stream inventory becomes available.

Commissioner Monroe said the 4(d) rule of the ESA, which prohibits "takings" of listed species, does not differentiate between urban and rural areas.

Deputy Mayor Grossman asserted the inexactitude of the best available science and the role of politics in determining criteria such as stream buffer widths. He noted that without a complete stream inventory the City does not have a baseline from which to determine "takings." He noted his understanding that a 15-foot buffer of natural vegetation is more useful for protecting fish than a 50-foot buffer of fertilized grass treated with pesticide. Asserting the complexity of the issue of environmental protections, he advocated a focus on establishing a good process to insure the

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representation of the values of Shoreline residents and to provide flexibility. He noted the goal over time to improve the environment.

Summarizing, Mayor Jepsen identified steps supported by Council: 1) completion of the stream inventory to provide necessary information; 2) review of GMA policies (including optional provisions that the City chose to include in the Comprehensive Plan) and preparation of updates to the Comprehensive Plan; 3) preparation of regulations that balance environmental protection with the recognition of Shoreline as an urban area. He requested an updated schedule for the project.

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At 7:25 p.m., Mayor Jepsen declared a five-minute recess, and the Planning Commission left the meeting.

Councilmember Montgomery arrived at 7:30 p.m.

4. CITY MANAGER'S REPORT AND FUTURE AGENDAS

Community and Government Relations Manager Joyce Nichols summarized State budgetary and legislative activities affecting Shoreline. She began by explaining that the City of Shoreline will receive \$148,000, rather than \$1.5 million, in funding to backfill revenues lost when Initiative 695 (I-695) passed. She cautioned that the Governor may veto even this reduced funding.

Ms. Nichols described the State Legislature's nine-percent gas-tax increase proposal, which will go before the voters in November. She said the \$7.7 billion in resulting revenue includes \$10 million for the Aurora Corridor Project. She went on to describe the regional transportation bill that allows King, Pierce, and Snohomish Counties to form a regional transportation board to raise taxes for transportation projects.

Ms. Nichols stated that proposed changes to video poker and electronic pull-tab taxes were defeated. She said the City needs to watch for future State attempts to increase its gambling revenues, which may come at the expense of local revenues.

Continuing, Ms. Nichols reported that the proposed County utility tax and the "Brightwater Bill" (opposing the siting of the sewage treatment plant at the Unocal site in Edmonds) also did not pass. She described House Bill 2902, which allows municipal electric utilities to include the cost of street lights in their rate base, and which the Legislature approved. She concluded by noting the extension of the GMA timeline discussed earlier in the meeting.

Mr. Burkett mentioned the Grand Reopening of the Richmond Highlands Recreation Center March 23.

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Mr. Stewart discussed the building permit and the variance to engineering standards the City issued for the Safeway expansion project at Aurora Avenue N and N 155th Street. He explained that the project included the relocation of one utility pole. He said undergrounding would have necessitated undergrounding of the transmission line to the south of the project as well, or it would have required Safeway to run the transmission line down one pole, underground a few hundred feet and then up the next pole. He asserted that the variance was more logical.

Mayor Jepsen said he intends to discuss the last paragraph of Les and Adeline Nelson's March 18 letter (in which they "request that the Council recommend and require that a hearing examiner be engaged as provided for by Chapter 2.15 of the City Municipal Code") with Mr. Stewart.

5. COUNCIL REPORTS

Councilmember Ransom said he participated on the Human Development Policy Committee during the recent National League of Cities (NLC) Congressional City Conference. He said Congressional staff perceived homeland security and welfare reform as priority issues. He said the federal government is cutting the transportation budget by 27 percent to refocus funding on homeland security.

Continuing, Councilmember Ransom said Councilmembers met with Representative George Nethercutt, with Senator Patty Murray and with staff to Senator Maria Cantwell. He noted legislators' support for allowing access from the First NE Transfer Station to Interstate 5 via the Metro bus base ramps. He said Council also requested \$17 million for the Aurora Corridor Project and \$5 million for the Interurban Trail (including \$3 million for the overpass of Aurora Avenue).

Councilmember Chang described his participation at the NLC Congressional City Conference, with mayors and councilmembers from other cities across the country, as a tremendous educational experience.

Councilmember Gustafson mentioned "Securing America's Future," a NLC position paper on six issues: 1) homeland security; 2) sustaining federal support for critical municipal programs; 3) protecting local revenue and taxing authority; 4) insuring racial justice and equality; 5) investing in children; and 6) balancing international trade agreements with local authority.

Mayor Jepsen mentioned his participation on the Community and Economic Development Steering Committee during the NLC Congressional City Conference. He said the committee has identified three priority items for study: 1) block grant funding; 2) federal economic development initiatives; and 3) updating policy language on housing. He noted the March 19 North End Mayors meeting. He said he met earlier in the evening with American Legion representatives about the organization's Poppy Day in May.

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Councilmember Ransom mentioned the availability of federal funds for training welfare recipients. He suggested City participation as an employer-trainer.

6. PUBLIC COMMENT

(a) Les Nelson, Shoreline, asserted the inadequacy of the City staff response to his February 24 letter regarding the variance to engineering standards the City issued for the Safeway expansion project at Aurora Avenue N and N 155th Street. He submitted a new letter to Council, including a photocopy of the March 6 letter from City staff with his handwritten comments. He requested that Council involve the Hearing Examiner in the review and resolution of the issue.

(b) Daniel Mann, Shoreline, said federal environmental law requires consideration of the socio-economic impacts of projects receiving federal funds. He advocated that the City show the same concern about jobs and about business revenues, accessibility and competitiveness as about wildlife. He noted a lack of polling of Aurora Avenue businesses about the impacts of the Aurora Corridor Project.

Mayor Jepsen reiterated his intent to discuss Shoreline Municipal Code 2.15 with Mr. Stewart in response to Mr. Nelson.

Councilmember Hansen advocated an amendment to the Development Code to require the City to notify surrounding property owners whenever "the footprint of a commercial building changes."

In response to Mayor Jepsen, Mr. Burkett confirmed that the City will be reviewing the socio-economic impacts of the Aurora Corridor Project as part of the draft Environmental Impact Statement (EIS). He said the law requires the City to identify impacts and to consider them in its decision-making process. Mayor Jepsen said the public will have the opportunity to comment on the adequacy of the draft EIS. He explained that the City must respond to public comments in the final EIS.

Mr. Burkett explained that City response to Federal Highway Administration comments delayed finalization of the draft EIS. He said staff expects to prepare the final EIS for a decision by Council this summer.

Councilmember Hansen noted considerable public input on the scoping aspect of the Aurora Corridor Project.

7. WORKSHOP ITEMS

(a) Discussion of Emergency Funding Recommendations

Wendy Barry, Director, Parks, Recreation and Cultural Services, and Rob Beem, Assistant Director, Parks, Recreation and Cultural Services, reviewed the staff report. Mr. Beem discussed the criteria used to review the applications for emergency funding:

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- Level of financial need;
- Funding that will act as a bridge; and
- One-time investments that reduce ongoing operational costs.

Mr. Beem said the Shoreline-Lake Forest Park Arts Council funding application addresses the emergency funding criteria by meeting a non-continuing need and by reducing ongoing operational costs by purchasing a photocopier. He said the Shoreline Historical Museum funding application is for ongoing, operational costs and does not successfully address any of the emergency funding criteria.

Mayor Jepsen invited public comment.

(1) Beratta Gomillion spoke as Executive Director of the Center for Human Services (CHS). She thanked Council for the opportunity to apply for emergency funding. She advocated Council approval of the Emergency Allocations Committee funding recommendation for the CHS.

(2) Victoria Stiles spoke as Director of the Shoreline Historical Museum. She thanked Council for ongoing City support of the historical museum. She noted increased use of museum services and rising operational costs (e.g., for janitorial services).

Councilmember Ransom said Council intended the funding to address emergency service needs, including youth and cultural services. He noted that the funding criteria that the Emergency Allocations Committee followed focused completely on social services. He said Council must either allocate \$14,000 more in funding or reduce the human services program allocations recommended by the committee to meet the emergency requests of the Shoreline Historical Museum and the Shoreline-Lake Forest Park Arts Council. He indicated that City funding to the historical museum and the arts council has not kept pace with the cost of living. He encouraged Council to consider a balance of human services and cultural services funding and to provide some funding to the arts council and the museum.

Mayor Jepsen asked Scott Keeny, who participated on the Emergency Allocations Committee, to discuss committee deliberations about the balance of human and cultural services funding.

Mayor Gustafson asked where the historical museum and the arts council would have fallen as committee priorities.

Mr. Keeny said the Emergency Allocations Committee did not review the cultural services program requests and was advised not to include them in the process of allocating the \$100,000 in one-time funding. Ms. Barry said this was consistent with Council direction in January.

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In response to Mayor Jepsen, Mr. Keeny said the committee reviewed all of the applications for emergency human services funding, considered the reasons for the requests, compared them to the direction Council provided staff about funding and determined its funding recommendations.

Mayor Jepsen questioned cuts in Community Development Block Grant (CDBG) funds which resulted in less funding for the Emergency Feeding Program and Hopelink/Shelter during the second year of the City biennial human services funding cycle. Mr. Beem explained that the King County CDBG Consortium Joint Recommendations Committee, in which the City participates, awards funds to member cities in proportion to the size of their low-income populations. He said the distribution of low-income households changed, and the City's share of funds changed as a result. Mayor Jepsen advocated reconsideration of becoming an entitlement city for CDBG funding.

In response to Councilmember Gustafson, Mr. Beem advised that the consortium receives and distributes all CDBG funds to the member cities. He reiterated that the distribution of funds varies with annual changes in estimates of the number of low-income residents. He noted that the City allocation has decreased the past two years.

Mayor Jepsen polled the Council to determine that three Councilmembers supported funding the Shoreline Historical Museum request and that four supported funding the Shoreline-Lake Forest Park Arts Council request. Abstaining, Councilmember Hansen left the Council table during the vote and the subsequent discussion.

Mayor Jepsen recommended that Council group the two cultural services requests and determine whether to allocate an additional \$14,000 in funding.

Councilmember Montgomery acknowledged the requests for funding as "very real needs." She went on to reference Ms. Nichols' summary of the 2002 State Legislative Session and the City loss of \$1.35 million in I-695 backfill funding. She asked what Council intends not to fund in the future in order to fund the requests under consideration.

Councilmember Ransom said the City currently has sufficient reserves. Councilmember Montgomery commented that the State has made the same assertion and that State reserves are dwindling rapidly. She expressed concern about increasing City expenditures given that the City has yet to address its declining revenues.

Deputy Mayor Grossman suggested that Council approve the Emergency Allocations Committee recommendation and cover the cultural services programs requests. He expressed concern that the historical museum has applied for one-time funding for an ongoing operational expense. He asserted that the arts council and the historical museum are important components of the community. He noted previous Council discussion about using jail contract savings to increase human and cultural services funding.

Councilmember Chang agreed with Deputy Mayor Grossman.

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Councilmember Gustafson expressed his inclination to agree with Deputy Mayor Grossman. He acknowledged "that next year's going to be a tough decision," but he stressed that Council is discussing one-time emergency funding.

Councilmember Montgomery reiterated her concern about additional spending in the face of declining revenues.

Councilmember Ransom supported the suggestion to allocate an additional \$14,000 to cover the cultural services programs requests.

Noting four Councilmembers in favor of allocating an additional \$14,000, Mayor Jepsen advised staff to revise the proposal for Council approval at its April 8 meeting. He suggested that staff include the proposal on the meeting consent calendar.

(b) 2001 Year-End Final Report

Mr. Burkett said the City is in a much better financial position than other jurisdictions. He acknowledged his responsibility to monitor City finances as the current budget year continues and as staff and Council prepare the next annual budget.

Finance Director Debbie Tarry reviewed the 2001 Fourth Quarter Financial Report. She noted the following reasons for caution about future General Fund revenues: the .6 percent growth in sales tax revenue between 2000 and 2001 was the lowest in City history; 2001 gambling tax revenues were three percent lower than those in 2000; and the City will lose at least \$1.35 million in I-695 backfill funding. She noted the need to evaluate ongoing Surface Water Management (SWM) operations and capital needs.

Summarizing, Ms. Tarry said 2001 City financial results were better than staff projections. She noted that reserves exceed policy levels and that the City is in a good financial position. In addition to the loss of I-695 backfill funding, she pointed to the following challenges for 2003: the Puget Sound area recession; and the projection of ongoing expenditure growth outpacing ongoing revenue growth.

In response to Councilmember Chang, Ms. Tarry said staff established the 2001 Proposed City Budget by late September 2000; Council adopted the budget in December 2000; and staff updated revenue and expenditure projections during the middle of 2001.

Councilmember Chang acknowledged the loss of I-695 backfill funding and the declining growth in sales tax revenue. He asked about other areas of declining revenue. Ms. Tarry noted potential reduction of federal grants for police services and the potential continued decline of building permit revenues. She mentioned the possibility of reductions in other State and federal grant funding.

Comparing actual revenues and expenditures, Mayor Jepsen said the City under-spent its revenues in 2001 by approximately \$1.4 million. Noting that the City will carry forward

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\$535,000 in activity not accomplished during 2001, he estimated a positive budget balance of approximately \$900,000. Ms. Tarry confirmed this assessment.

In response to Councilmember Ransom, Ms. Tarry said utility tax revenue alone does not offset the sales tax equalization revenue the City lost after passage of I-695. She agreed that franchise fee and utility tax revenues combined offset lost sales tax equalization revenue. She confirmed that the City lost approximately \$3 million in sales tax equalization funding.

Responding again to Councilmember Ransom, Ms. Tarry attributed the decline in parks and recreation revenue during 2001 to the closure of the Shoreline Pool and other park facilities. She acknowledged that these revenues will increase in 2002, but she noted that expenditures, related to reopened facilities, will also increase.

In response to Councilmember Ransom, Ms. Tarry said staff projects a long-term increase in property tax revenue of two percent—one percent property tax levy increase and one percent from new construction. Ms. Tarry noted that staff will reassess the revenue to determine the effect of declining development activity.

Mayor Jepsen commented that City implementation of the utility tax "to stay whole," precluded the City from using it, as many other cities do, to fund capital projects.

In response to Councilmember Ransom, Ms. Tarry confirmed that the City does not receive any revenue from the Shoreline Water District. She said the City is negotiating a franchise agreement with the district. She advised that the City will soon receive the first franchise fee payment from the Ronald Waste Water District. Mr. Burkett clarified that the payment applies to customers the wastewater district assumed from Seattle Public Utilities. He said City staff is undertaking negotiations with the waste water district on an agreement under which the district will pay six percent of gross revenues for its other customers.

In response to Mayor Jepsen, Ms. Tarry confirmed the staff intent to retain the \$900,000 fund balance from the 2001 budget in the General Fund rather than allocate it to capital.

(c) Continued Discussion of Revisions and Updates to the Capital Improvement Program

Mr. Burkett said Mayor Jepsen has expressed interest since the February 19 Council meeting in "putting a top priority on" the North City Business District Improvements Project and the Interurban Trail Project.

Mayor Jepsen advocated that the City consolidate the south, south-central and north segments of the Interurban Trail Project and proceed more aggressively than staff proposed February 19. Noting that Council will consider an amended Capital Improvement Program (CIP) budget April 8, he recommended that the budget fully fund

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the Interurban Trail, excepting the central segment (which is under consideration as part of the Central Shoreline Subarea Plan) and the bridge over Aurora Avenue.

In response to Councilmember Ransom, Mr. Burkett said staff will prepare a CIP budget for Council consideration on April 8 that includes the south, south-central and north segments of the Interurban Trail and that shows the status of fully funding those three phases with available funds. He explained that staff will pursue grant funding for the bridge over Aurora Avenue and to supplement local funding for the central segment of the trail.

Councilmember Ransom said the City put the total cost of the Aurora Corridor Project at \$85 million during discussions with U.S. legislators in Washington, D.C.. He noted previous total cost estimates of \$75 million. He asked if the City is now anticipating additional costs. Mr. Burkett explained that the \$85 million cost estimate resulted from the recent review of the Aurora Corridor Project for the updated CIP. He noted that this included more conservative, realistic cost estimates.

Interim Public Works Director Art Maronek said staff estimated the total project cost in 2001 dollars, without inflating it over time. In response to Councilmember Ransom, he confirmed that the cost of the project will be even larger in 2003 or 2004 when the City begins construction of the first phase. He said this will be particularly true of the second phase from 165th Street to 205th Street, which the City has not started.

Mayor Jepsen asked if Council supported his proposal to consolidate and fund the south, south-central and north segments of the Interurban Trail Project in the upcoming CIP amendment. He acknowledged that Council will not be able to commit to proceed until it reviews the budget.

Councilmember Gustafson supported Mayor Jepsen's recommendation. He went on to advocate that staff include a connection with the I-5 overpass at 195th Street in future plans for the Interurban Trail Project. He stated the importance of this connection to link the Interurban Trail with the Burke-Gilman Trail. He expressed concern about losing track of this connection. Mr. Burkett said the connection is not included in the scope of the current project that is estimated to cost \$8 million. Councilmember Gustafson advocated that the City include the connection in the project vision and planning, thereby making it possible to address it subsequently.

Councilmember Montgomery supported Mayor Jepsen's recommendation as a means of determining the cost of funding the Interurban Trail Project. She commented that Council will need to discuss the feasibility of the project once the cost information is available.

Mr. Burkett said he is comfortable that staff can prepare a reasonable plan for consolidating and funding the south, south-central and north segments of the Interurban Trail Project. He noted a funding shortfall related to the central segment and the bridge over Aurora Avenue. He expressed confidence that staff can prepare a proposal, using

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City funding and grant funding the City has already received, for the consolidated three segments.

Mayor Jepsen explained that the goal of allocating funding for the consolidated segments is to proceed as quickly and efficiently as possible with design and construction.

Continuing, Mayor Jepsen asserted that the North City Business District Improvements Project, like the Interurban Trail Project, can proceed more quickly than staff proposed February 19. He said Council has a very different perspective on the North City project than staff. He advocated that the City focus on the subarea addressed during the North City design charrette and that the City fund and proceed with the proposed improvements.

Mr. Burkett said staff has issued a request for proposals (RFP) for the design contract for the North City Business District Improvements Project. He anticipated that staff will return to Council by the end of April for review and approval of the project scope and of a contract for project pre-design and design.

Mayor Jepsen asserted that the City has already completed the pre-design for the North City Business District Improvements Project.

Councilmember Ransom questioned the definition of pre-design. Mr. Burkett acknowledged that the term means different things to different people. Mr. Maronek listed five phases typically associated with public works projects: 1) feasibility analysis; 2) pre-design; 3) design; 4) construction; and 5) construction management. He said some City pre-design reports appear to be planning-level, conceptual documents. He noted the need for feasibility analysis of projects previously designated to have completed pre-design. He suggested that, in the future, the City insure the completion of feasibility analysis before adopting a pre-design report.

Councilmember Gustafson questioned the length of time necessary for pre-design and design. He said the 2001-2006 CIP included project timelines with construction beginning in 2001 and 2002. He noted that timelines for the same projects now show construction beginning in 2004 and 2005 with two to three years of pre-design and design. He agreed with Mayor Jepsen that he would like to see some City projects proceed more quickly, with construction beginning before 2004.

Mr. Burkett said staff would also like projects to proceed more quickly. Referring to the February 19 staff presentation, he reiterated that some of the project schedules that staff presented to Council in the past were not realistic. He said staff extensively reanalyzed the five major City capital projects to determine realistic timeframes. He noted that the Gray & Osborne, Inc. "Example Project Schedule" showed three to four years of pre-design and design prior to construction. He highlighted environmental review and right-of-way acquisition as time-consuming tasks.

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Deputy Mayor Grossman expressed frustration that the City has invested \$500,000 on a \$5 million project and is still not ready to prepare construction drawings. He supported Mayor Jepsen's recommendation to proceed more quickly. He advocated that the City proceed as quickly as reasonably possible.

Mayor Jepsen asserted that the timelines that staff has presented are "far too conservative." He said it will not take nine months to prepare construction drawings.

Referring to the February 19 Council meeting, Councilmember Gustafson asked about Public Works Trust Fund deadlines. Mr. Burkett explained that the City applied for and received loan commitments for the Ronald Bog and 3rd Avenue NW Drainage Improvements Projects. He said the City must now request extensions of the related deadlines. He went on to stress the importance of determining the adequacy of SWM revenues to cover loan repayments, system operating costs and the rehabilitation and renovation of the 30-50-year-old system.

In response to Councilmember Gustafson, Mr. Burkett said poor weather has delayed the reopening of Shoreview Park. Ms. Barry explained that the turf on the new Little League ball field will not be ready for use until the spring of 2003. She mentioned efforts City staff has taken to stop groups and individuals from jumping fences to use the field prematurely. She confirmed that the rest of the park will reopen soon.

8. CONTINUED PUBLIC COMMENT

(a) Les Nelson, Shoreline, questioned the process for a City response to the letter he submitted earlier in the meeting. He noted his understanding that Councilmember Hansen directed staff to amend the Development Code to require notification of surrounding property owners of a change in the footprint of a commercial building. He recommended that change of a commercial building footprint "toward a residential area" trigger notification.

Councilmember Hansen said he, alone, cannot direct staff to amend the Development Code. He clarified that this requires a majority of Councilmembers.

(b) Dale Wright, Shoreline, commended City staff and consultants for the "down-to-earth, practical and pragmatic" preliminary design concepts that they presented during the March 5th and 6th Central Shoreline Design Charrette. He said staff and consultants listened and responded to the concerns of adjacent residents and businesses by making specific changes to the preliminary design. He advocated that the Aurora business community show its good faith to the Shoreline community by cooperating with and supporting the implementation of the plan for the Aurora Corridor.

Mayor Jepsen said he and Deputy Mayor Grossman will consult staff and prepare a response to Mr. Nelson's letter.

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In response to Mayor Jepsen, Mr. Burkett said staff will present the results of the Central Shoreline Design Charrette at the April 15 joint workshop meeting of Council and the Planning Commission.

Councilmember Ransom supported Council consideration of an amendment to the Development Code to reduce the size of commercial building modifications requiring City notification of surrounding property owners. Mayor Jepsen said he will talk with staff about the next available opportunity to consider such an amendment.

9. ADJOURNMENT

At 9:56 p.m., Mayor Jepsen declared the meeting adjourned.

Carol Shenk
Deputy City Clerk

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SUMMARY MINUTES OF DINNER MEETING

Monday, March 25, 2002
6:00 p.m.

Shoreline Conference Center
Highlander Room

PRESENT: Mayor Jepsen, Councilmembers Chang, Gustafson, and Hansen

ABSENT: Deputy Mayor Grossman and Councilmembers Montgomery

STAFF: Steve Burkett, City Manager; Larry Bauman, Assistant City Manager; Joyce Nichols, Community and Government Relations Manager; and Susan Will, Communications Specialist

GUESTS: Hal Beumel, Shoreline School District; Colin Jones and Dale Brookie, Northwest Architects

The meeting convened at 6:15 p.m. All Councilmembers were present with the exception of Deputy Mayor Grossman and Councilmember Montgomery.

Steve Burkett, City Manager, introduced the Shoreline School District Project Manager for the Aldercrest project, Hal Beumel.

Mr. Beumel, in turn, introduced the two architects working on the project, Colin Jones and Dale Brookie. Mr. Jones described the Aldercrest project site and the topography, access, surrounding uses and existing development. He also described potential uses for the site, noting that mixed uses are possible. He said that two different development schemes are being considered (one short term and one long term).

Mr. Brookie described a development scheme that could include recreational uses, a performing arts theater and school uses.

Mr. Jones explained that an alternate scheme has an outdoor amphitheater and fewer parking spaces. This design could be preliminary, providing an opportunity for the more intensive design to be constructed at a later date.

Councilmembers asked questions and discussed the options and issues regarding the 27-acre site.

Responding to Councilmember Gustafson, Mr. Beumel described the School District's plans for the property. He said the District would want to retain ownership in order to be prepared for potential future school uses.

DRAFT

March 25, 2002

Councilmember Hansen expressed concerns about traffic generated by parking for as many as 650 cars and the potential impacts on the neighboring residential areas.

Mr. Jones pointed out that traffic would be handled by arterial streets, not residential streets.

Mayor Jepsen commented that he would like to ask the committee working on this project to describe in words what the project goals are. He also wondered what District program elements are being considered and what they would cost.

Councilmembers further discussed potential uses, costs and phases.

At the conclusion of this discussion Larry Bauman, Assistant City Manager, and Joyce Nichols, Community and Government Relations Manager, introduced a review of the City's new website.

Susan Will, Communications Specialist, demonstrated the City web site improvements with the use of an on-line computer and projector. She toured through recreation, planning and other pages on the web site.

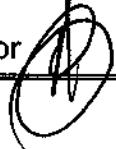
At 7:20 p.m., Mayor Jepsen declared the meeting adjourned.

Larry Bauman, Assistant City Manager

Council Meeting Date: April 8, 2002

Agenda Item: 7(b)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Expenses and Payroll as of March 22, 2002
DEPARTMENT: Finance
PRESENTED BY: Al Juarez, Financial Operations Supervisor 

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to approve expenses formally at the meeting. The following claims expenses have been reviewed by C. Robert Morseburg, Auditor on contract to review all payment vouchers.

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$528,706.66 specified in the following detail:

Payroll and benefits for March 03 through March 16 in the amount of \$288,346.42 paid with check/voucher numbers 2961, 6777-6841, 120001-120134 and benefit checks 12350-12361.

The following claims examined by C. Robert Morseburg paid on March 22, 2002:

Expenses in the amount of \$76,839.90 paid on Expense Register dated 03/19/2002 with the following claim checks: 12256-12289 and

Expenses in the amount of \$4,945.68 paid on Expense Register dated 03/20/2002 with the following claim checks: 12290-12297 and

Expenses in the amount of \$122,019.25 paid on Expense Register dated 03/21/2002 with the following claim checks: 12298-12326 and

Expenses in the amount of \$4,396.62 paid on Expense Register dated 03/21/2002 with the following claim checks: 12327-12329 and

Expenses in the amount of \$10,231.42 paid on Expense Register dated 03/22/2002 with the following claim checks: 12330-12339 and

Expenses in the amount of \$21,927.37 paid on Expense Register dated 03/22/2002 with the following claim checks: 12340-12349.

Approved By: City Manager _____ City Attorney _____

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 302, Amending Shoreline Municipal Code Section 2.60 - Purchasing
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

In June 2001 the Council amended the City's procurement policies for the acquisition of goods and services, via Ordinance No. 252, which created section 2.60 of the Shoreline Municipal Code. Since that time, staff has identified some areas of the adopted policies that should be amended to facilitate more efficient procurement processes. The primary areas that have been identified include:

- The limitation of delegation of purchasing authority to the City Manager and Department Directors.
- The amendment and change order policy is difficult to understand and has caused some confusion among staff in its implementation.
- The policies are silent in respect to on-call contracts and their related task orders.
- The acquisition of Architectural and Engineering (A&E) services policy is rigid in its requirement to utilize a Request for Qualification (RFQ) process when a contract is expected to exceed \$50,000.

The proposed changes in the attached ordinance address each of these areas.

ALTERNATIVES ANALYZED:

There are basically two alternatives.

Alternative 1: Take no action.

This alternative will not provide for any improvements to the current policies and procedures and may result in inefficient procurement processes. In some cases this may delay the procurement of an item or service.

Alternative 2: Revise the Procurement Policies. (Recommended)

Amend the adopted procurement policies to allow for more efficient procurement processes.

FINANCIAL IMPACT:

There is no financial impact to the City for amending the procurement policies.

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 302, amending Section 2.60 of the Shoreline Municipal Code.

Approved By: City Manager BS City Attorney [Signature]

INTRODUCTION

During the last eight months staff has been following the procurement policies that were adopted in June 2001. Based on this experience, staff has identified four primary areas where the policies could be amended to allow for more efficient purchasing processes. The attached ordinance provides for these amendments and staff is recommending that the Council approve Ordinance No. 302 to amend the existing procurement policies. The amended policies continue to comply with all legal requirements and maintain sound business practices.

BACKGROUND

In year 2000, City staff identified a major impediment to completing projects and implementing programs to be the lack of written purchasing procedures and the lack of clear purchasing policies. During the fall and winter of 2000 – 2001 the Finance Director and Purchasing Officer facilitated the review of existing purchasing policies and procedures with representatives from all City departments. The resulting work products included the adoption of revised procurement policies, the creation of the City's purchasing handbook, and city-wide purchasing training.

As staff has implemented the adopted purchasing policies, there have been opportunities to identify areas where the policies could be amended to allow for more efficient processes. Those areas and the justification for modifying the existing policies include:

1. Limited ability to delegate purchasing authority throughout the City organization.

The adopted policies restrict the approval for the acquisition of goods and services to either the City Manager or Department Directors. In some cases this has delayed the approval of contracts or contract amendments/change orders that had adequate budget, were not controversial, or were time sensitive. The attached ordinance provides a new general provision (SMC 2.60.040, Section F) that would allow the City Manager to delegate purchasing authority to City staff. This will provide the needed flexibility to delegate sufficient authority throughout the organization to efficiently respond to contract needs and changes. The City Manager is not required to delegate authority, but may as he considers appropriate. This change does not change the current purchasing authority limits that exist for the City Manager position (Goods –\$100,000 or less; Public Works Projects - \$200,000 or less; Services - \$50,000 or less).

2. Unclear direction on the approval of contract amendments and change orders.

The approval authority of contract amendments and change orders in the adopted policies is difficult for staff to understand. The attached ordinance (SMC 2.60.040, Section D) clarifies the language and provides for a standard dollar amount for contract amendments/change orders that can be administratively approved.

The current policies limit administrative approval, in excess of the purchase authority limits, to 20% of the contract or \$50,000, whichever is less. This creates some confusion since there are different purchasing authority limits for goods and services. The revised policies attempt to clarify this by stating that the City Manager (or designee) can administratively approve up to \$50,000 in contract

amendments/change orders beyond the purchasing limits provided in the policies. The policies continue to provide the ability to override this limit by allowing the City Council, as recommended by the City Manager, to extend this limit upon award of a particular contract.

A minor revision is to allow the administrative approval of contract amendments that **only** extend the expiration date of the contract.

3. Lack of guidance for task orders related to on-call contracts.

The adopted policies were silent on task orders related to on-call contracts. The purpose of on-call contracts is to award a contract to a service provider with an overall dollar limit and then utilize that contract to complete a number of sub-tasks. The procurement process to acquire an on-call contract is the same process that is identified for obtaining professional, architectural, or engineering services.

The recommendation in the revised policies (SMC 2.60.070, Section C) is to limit the individual task orders within the on-call contracts to \$50,000 or less. The reason for this is that the purchasing policies would allow for the administrative award of contracts less than \$50,000, and therefore, there is no reason why a task order of \$50,000 or less shouldn't be awarded administratively. This will support the purpose for on-call contracts, to expedite the award of small projects.

4. Provide more flexibility in the method used to acquire contracts, in excess of \$50,000, for Architectural and Engineering (A&E) services.

The recommended change is to give the City Manager the authority to allow staff to select a consultant from the A&E roster, when certain criteria are met, when the contract is estimated to exceed \$50,000. The current policies require that a Request for Qualification (RFQ) process be completed when the contract is estimated to exceed \$50,000.

The Revised Code of Washington (RCW) Section 39.80.030 provides that:

"Each agency shall publish in advance that agency's requirements for professional services. The announcement shall state concisely the general scope and nature of the project or work for which the services are required and the address of a representative of the agency who may provide further details. An agency may comply with this section by:

- Publishing an announcement on each occasion when professional services provided by a consultant are required by the agency; or
- Announcing generally to the public its projected requirement for any category or type of profession services."

The City currently advertises, on an annual basis, its anticipated need for A&E services in "general terms". This means that we do not advertise for specific projects, but rather the anticipated general needs of the City based on the projects within the Capital Improvement Program. This advertisement asks for firms to submit their qualifications if they would like to be placed on the City's A&E roster.

For contracts less than \$50,000, staff members can select from the A&E roster the most qualified firms. When a contract is expected to exceed \$50,000, current policy requires that a RFQ process be followed. Staff then makes a selection of the most qualified consultant from the firms responding to the RFQ. This provides the opportunity for staff to get the best consultant to perform the needed services for a specific project. At the same time, because of the time needed to develop the RFQ and advertise, it may take an additional 3 - 4 weeks beyond simply evaluating the consultants on the A&E roster.

Since state law allows the use of a roster and/or the use of specific RFQs without limitation to cost, I am recommending that we amend the City policies to provide additional flexibility, and yet maintain sound business practices. The recommended change is to give the City Manager the authority to allow staff to evaluate qualified consultants from the A&E roster, when certain criteria are met, when the contract is estimated to exceed \$50,000.

The revised policies (SMC 2.60.070, Section D) cite the following criteria that the City Manager may consider when authorizing staff to award a contract exceeding \$50,000 from the City's A&E roster:

- If it is in the best interest of the City to expedite the acquisition of services; or
- It can be demonstrated that there are a sufficient number of consultants on the A&E roster that have the qualifications to perform the "Scope of Work"; or
- A consultant on the City's roster has previously provided satisfactory service to the City, has previously provided services related to the specific project, and has the qualifications to perform the "Scope of Work".

As the City's business practices continue to mature we will continually look for ways to develop more efficient processes that may result in future policy modifications.

ALTERNATIVES ANALYSIS

There are basically two alternatives.

Alternative 1: Take no action.

This alternative will not provide for any improvements to the current policies and procedures and may result in inefficient procurement processes. In some cases this may delay the procurement of an item or service, resulting in delays in project schedules.

Alternative 2: Revise the Procurement Policies. (Recommended)

Amend the adopted procurement policies to allow for more efficient procurement processes.

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 302, amending Section 2.60 of the Shoreline Municipal Code.

ATTACHMENTS

Attachment A – Ordinance No. 302, amending Section 2.60 of the Shoreline Municipal
Code

ORDINANCE NO. 302

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, ADOPTING REVISED PURCHASING PROCEDURES FOR THE PROCUREMENT OF GOODS AND SERVICES AND AMENDING CHAPTER 2.60 OF THE SHORELINE MUNICIPAL CODE

WHEREAS, the City Council adopted an ordinance regulating the procurement of goods and services in conformance with state law and recommended business practices; and

WHEREAS, there is a desire to amend the adopted ordinance to facilitate more effective procurement procedures; and

WHEREAS, the revised procedures require revisions to the Shoreline Municipal Code.

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

Section 1. Amendment. SMC 2.60.030 *Definitions*, is hereby amended to include a new section "L" to read as follows:

2.60.030 DEFINITIONS

L. On Call Contract: An on-call contract is a contract that is awarded with general provisions for the services to be rendered. As services are to be rendered, specific task orders are initiated that are to be completed by the contracting firm.

Section 2. Amendment. SMC 2.60.040, *General Provisions*, Amendments and Change Orders, section D. is hereby amended to include a new section "D.1.c", and new section "D.2", to read as follows:

2.60.040 GENERAL PROVISIONS

D. Amendments and Change Orders.

1. Amendments or change orders to contracts which result in a final contract amount in excess of purchase limits identified in this chapter may be administratively approved if the changes are:
 - a. Within the scope of the project or purchase;
 - b. Executed in writing;
 - c. The amount in excess of the City Manager's purchase limits will not exceed \$50,000. ~~The amount in excess of purchase limits is no greater than 20% of the~~

~~contract price or \$50,000, whichever is less. The City Manager may authorize Department Directors to approve increases in excess of Director's purchase limits up to 20% over the contract price or \$25,000, whichever is less.~~

2. Contact amendments that are strictly a change in contract expiration date may be administratively approved.
3. ~~2.~~The value of all change orders will be aggregated, and when any single amendment or combination of change orders on the same project or purchase exceeds the limit under subsection 1 (c) the change must be approved by the City Council, except:
 - a. For service contracts to accomplish an ongoing City program rather than a discrete project, the aggregation of administrative change orders shall be recalculated after each contract year; and
 - b. Where the size of the contract makes it probable that administrative change order authority will be quickly exhausted, the City Council may, upon recommendation of the City Manager, extend the aggregate limits of subsection 1(c) upon award of the particular contract.

Section 3. Amendment. SMC 2.60.040, *General Provisions*, is hereby amended to include a new subsection "F", to read as follows:

- F. Signature Authority.** The City Manager may delegate the signature authority provided in this chapter to other City employees as deemed appropriate.

Section 4. Amendment. SMC 2.60.050, *Purchase of Materials, Supplies or Equipment*, subsection A, is hereby amended to read as follows:

- A. Purchasing Limitations: Purchase limitations apply to the cost of individual items or the sum of the same items purchased at the same time to fulfill a specific business need, which are not part of a public works project as defined by RCW 39.040.010 and these policies. Cost is inclusive of sales tax, delivery charges and any related miscellaneous charges. The City Manager may authorize the acquisition of materials, supplies or equipment with a cost of \$100,000 or less.
1. Purchases equal to or less than \$5,000
Purchases of materials, supplies, or equipment, where the cost is \$5,000 or less, do not require any informal or formal competitive quotes or purchase orders. Departments are allowed to make these purchases administratively in accordance with procedures adopted and approved by the Finance Director and the City Manager. ~~The City Manager may delegate authority to Department Directors to execute these purchases.~~
 2. Purchases greater than \$5,000 but less than \$25,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$5,000, but less than \$25,000 require that the City make every effort to obtain a

minimum of three informal competitive quotes. ~~The City Manager may delegate authority to Department Directors to execute these purchases.~~

3. Purchases greater than \$25,000 but less than \$50,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$25,000, but less than \$50,000 require that the City obtain a minimum of three written informal competitive quotes (excludes telephone quotes) in accordance with procedures adopted and approved by the Finance Director and City Manager. ~~The City Manager shall authorize these purchases.~~
4. Purchases greater than \$50,000 but less than or equal to \$100,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$50,000, but less than or equal to \$100,000 require that the City follow formal competitive bidding processes. ~~The City Manager shall authorize these purchases.~~
5. Purchases greater than \$100,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$100,000 require that the City follow formal competitive bidding processes. The City Council shall authorize these purchases based on the results of the formal competitive bidding process and City staff recommendations.

Section 5. Amendment. SMC 2.60.050, *Purchase of Materials, Supplies or Equipment*, section C, is hereby amended to read as follows:

C. Informal Competitive Quotes

1. A City representative shall make an effort to contact at least three vendors. The number of vendors contacted may be reduced if the item being sought is only available from a smaller number of vendors. When fewer than three quotes are requested or if there are fewer than three replies, an explanation shall be placed in the procurement file.
2. Whenever possible, quotes will be solicited on a lump sum or fixed unit price basis.
3. At the time quotes are solicited, the City representative shall not inform a vendor of any other vendor's quote.
4. A written record shall be made by the City representative of each vendor's quote on the materials, supplies, or equipment, and of any conditions imposed on the quote by such vendor.
5. All of the quotes shall be collected and presented at the same time to the City Manager or designee ~~Department Director~~ as appropriate for consideration, determination of the lowest responsible vendor and award of purchase.

6. Whenever there is a reason to believe that the lowest acceptable quote is not the best price obtainable, all quotes may be rejected and the City may obtain new quotes or enter into direct negotiations to achieve the best possible price. In this case, the Purchasing Officer or his/her designee shall document, in writing, the basis upon which the determination was made for the award.

Section 6. Amendment. SMC 2.60.060 *Public Works Projects*, is hereby amended to add a new section "B" and amend the subsequent section "C" to read as follows:

2.60.060 PUBLIC WORKS PROJECTS

- A. Purchasing Procedures. Public works contracts shall follow bid requirements applicable to code cities with a population in excess of 20,000, as set forth in RCW 35.22.620. Cost for a public works project includes all amounts paid for materials, supplies, equipment, and labor on the construction of that project which is inclusive of sales tax, unless exempted by law.
- B. Purchasing Limitations: The City Manager may authorize the purchase and execution of public works project contracts in the amount of \$200,000 or less.
- ~~B.C.~~ Competitive Bids. "Craft" or "trade" means a recognized construction trade or occupation for which minimum wage categories are established by the Department of Labor and Industries of the State of Washington in the locality of the City's projects or purchases.
 1. Projects with a reasonably anticipated price equal to or less than \$20,000 for a single craft or \$35,000 for multiple crafts, do not require the use of competitive quotes or bids. Departments are allowed to make these purchases administratively in accordance with procedures adopted and approved by the Finance Director and the City Manager. ~~The City Manager may delegate authority to Department Directors to authorize these purchases and execute the related contract.~~ All purchases require a purchase order and executed contract.
 2. Projects with a reasonably anticipated price of \$20,000 for a single craft or \$35,000 for multiple crafts up to \$100,000 shall either use the small works roster or a Formal Competitive Bid procurement process detailed in 2.60.050 Section D. ~~The City Manager may delegate authority to Department Directors to execute these purchases and execute the related contract.~~ All purchases require a purchase order and executed contract.
 3. Projects with a cost in excess of \$100,000 up to \$200,000 shall either use the small works roster or a Formal Competitive Bid procurement process. ~~The City Manager may authorize these purchases and execute the related contract.~~ All purchases require a purchase order and executed contract.

4. Projects with a cost in excess of \$200,000 require a formal competitive bid process. The City Council shall authorize these purchases and provide authority for the City Manager to execute the related contract. All purchases require a purchase order and executed contract.

[Remaining sub-sections are renumbered C D, E, and D F]

Section 7. Amendment. SMC 2.60.070 *Services*, section A, is hereby amended to read as follows:

- A. Purchasing Limitations. Purchase limitations apply to the cost related to the acquisition of services to fill a specific business need. Cost is inclusive of any required sales tax and related expenses.
 - ~~1. Contracts to purchase services equal to \$25,000 or less may be executed by Department Directors at the discretion of the City Manager.~~
 1. Contracts or task orders under an on-call agreement to purchase services greater than \$25,000, but equal to or less than \$50,000 may be executed by the City Manager or his/her designee.
 2. Contracts to purchase services greater than \$50,000 shall be authorized by the City Council.

Section 8. Amendment. SMC 2.60.070 *Services*, a new section "C" is hereby added to read as follows:

- C. On-Call Service Contracts. On-call service contracts will be procured with the processes identified in Section D. Individual task orders of on-call service contracts shall not exceed \$50,000.

[Remaining sub-section C is renumbered as D]

Section 9. Amendment. SMC 2.60.070 *Services*, section D.1.c is hereby added to read as follows:

- c. Contracts greater than \$50,000. Contracts that have an estimated cost in excess of \$50,000 must use a formal Request for Qualification (RFQ) PROCESS. The development of a RFQ along with the property public notification shall be made in accordance with procedures adopted by the Finance Department in the best interest of the City. Provided, however that the City Manager may in the following circumstances waive the RFQ process for contracts greater than \$50,000, and allow the acquisition of services from the City's Architectural, Landscape Architectural and Engineering Service Roster:
 - i. It is deemed in the best interest of the City to expedite the acquisition of services; or

- ii. It can be demonstrated that there are sufficient consultants on the roster that possess the required qualifications to perform the "Scope of Work"; or
- iii. A consultant on the City's roster has previously provided satisfactory service to the City, has previously provided services related to the specific project, and has the qualifications to perform the Scope of Work.

Section 10. 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 11. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five (5) days after publication.

PASSED BY THE CITY COUNCIL ON April 8, 2002.

Mayor Scott Jepsen

ATTEST:

APPROVED AS TO FORM:

Sharon Mattioli
City Clerk

Ian Sievers
City Attorney

Date of Publication: April 11, 2002
Effective Date: April 16, 2002

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Emergency Funding for Human and Cultural Services
DEPARTMENT: Parks, Recreation, and Cultural Services
PRESENTED BY: Wendy Barry, Director
Rob Beem, Assistant Director

PROBLEM/ISSUE STATEMENT:

At the March 18, 2002 workshop meeting, staff presented recommendations for emergency human and cultural services funding. Staff brought forward human services emergency funding recommendations from the citizen Emergency Allocations Committee that totaled \$100,000. Also presented at this meeting were two applications received from cultural service programs for Council's review.

After discussion and public comment, Council found consensus to move forward with the human services funding as recommended by the Committee and to also fund the cultural services applications at their full requested amounts.

FINANCIAL IMPACT:

Within the 2002 Annual Budget, Council allocated \$100,000 in emergency funding. However, at the March 18, 2002 Council workshop meeting, the Council decided to fund human and cultural services programs at \$114,000. The additional \$14,000 is budgeted from the year end fund balance by Ordinance 305 on tonight's agenda.

RECOMMENDATION

Based on the City Council's consensus reached at the March 18th workshop meeting, it is recommended that Council approve the revised emergency funding allocations for both human service and cultural services programs as listed below and instruct the City Manager to implement amendments to current contracts to reflect these additional emergency funds. In order to implement these recommendations, staff recommends that Council also approve the revised Community Development Block Grant projects as listed in Attachment B.

Program	Council Consensus
Center for Human Services	\$ 43,500
Congregate Meals	\$ 2,500
Emergency Feeding Program	\$ 2,000
Hopelink/Emergency Services	\$ 34,000
Hopelink/Shelter	\$ 2,000

Shoreline/LFP Senior Center	\$ 16,000
Shoreline Historical Museum	\$ 9,000
Shoreline/LFP Arts Council	\$ 5,000
Total	\$114,000

Approved By: City Manager LB City Attorney [Signature]

INTRODUCTION

As designated in the 2002 Annual Budget, Staff brought forward recommendations to allocate emergency human service and cultural services funds at the March 18, 2002 meeting. The recommendations included \$100,000 in recommended human services projects and 2 cultural services applications, as requested by Council. Council found consensus to move forward with those recommendation and to also fund the 2 cultural services applications at their requested levels.

BACKGROUND

During the 2002 budget process, Council indicated a desire to provide one-time emergency funding to currently contracted programs through the Parks, Recreation and Cultural Services Department. At the January 22, 2002 Council meeting, staff presented a process for the allocation of these funds. At that time, Council reaffirmed the inclusion of cultural services in the request for emergency funding applications. Staff was given direction at this meeting to have a citizen committee review and make recommendations for human services emergency applications. For cultural services programs, staff was directed to receive applications and bring them back to Council at the same time as the human services emergency funding recommendations were presented. Staff solicited applications from both currently contracted human service programs and currently contracted cultural service programs.

Applications were received from twelve of the seventeen human service programs currently funded. The total requested was \$223,347. The Committee met on February 11, 2002 to review, discuss, and recommend human service projects for emergency funding.

Applications for emergency funding were also solicited from currently funded cultural service programs. Those programs are:

- Shoreline Historical Museum
- Shoreline/Lake Forest Park Arts Council

Both contracted programs submitted applications for a total of \$14,000 (Shoreline Historical Museum, \$9,000 and Shoreline/Lake Forest Park Arts Council, \$5,000).

At the March 18, 2002 workshop meeting, staff presented the recommendations for emergency human services funding from the Committee and staff also brought forth the 2 applications for emergency cultural services funding.

Council reviewed and discussed the recommendations and the 2 applications for cultural services funding.

DISCUSSION

The following chart shows the emergency funding applicants and the consensus that the Council developed.

Emergency Funding Applications	Current Funding	Emergency Request	Council Consensus
Camp Fire/Youth Volunteer Corp	\$ 8,000	\$ 17,000	\$ 0
Children's Response Center	\$ 5,000	\$ 1,250	\$ 0
Center for Human Services	\$ 92,447	\$ 71,296	\$ 43,500
Congregate Meals	\$ 2,500	\$ 2,500	\$ 2,500
Crisis Clinic	\$ 8,020	\$ 10,000	\$ 0
Emergency Feeding Program	\$ 5,500	\$ 6,000	\$ 2,000
Hopelink/Emergency Services	\$ 18,000	\$ 60,000	\$ 34,000
Hopelink/Shelter	\$ 6,852	\$ 2,000	\$ 2,000
KC Sexual Assault Resource Center	\$ 4,000	\$ 4,715	\$ 0
New Beginnings for Battered Women	\$ 26,203	\$ 17,586	\$ 0
Shoreline/LFP Senior Center	\$ 67,329	\$ 16,000	\$ 16,000
Shoreline/Lake Forest Park Arts Council	\$ 61,123	\$ 5,000	\$ 5,000
Shoreline Historical Museum	\$ 52,500	\$ 9,000	\$ 9,000
TeenHope	\$ 15,000	\$ 15,000	\$ 0
Totals	\$ 372,474	\$ 238,347	\$114,000

Further discussion on the programs that applied for funding can be found in Attachment A.

RECOMMENDATION

Based on the City Council's consensus reached at the March 18th workshop meeting, it is recommended that Council approve the revised emergency funding allocations for both human service and cultural services programs as listed below and instruct the City Manager to implement amendments to current contracts to reflect these additional emergency funds. In order to implement these recommendations, staff recommends that Council also approve the revised Community Development Block Grant projects as listed in Attachment B.

Program	Emergency Funding
Center for Human Services	\$ 43,500
Congregate Meals	\$ 2,500
Emergency Feeding Program	\$ 2,000
Hopelink/Emergency Services	\$ 34,000
Hopelink/Shelter	\$ 2,000
Shoreline/LFP Senior Center	\$ 16,000
Shoreline Historical Museum	\$ 9,000
Shoreline/LFP Arts Council	\$ 5,000
Total	\$114,000

Attachment: Attachment A: Emergency Funding Discussion
Attachment B: Revised Community Development Block Grant Projects

ATTACHMENT A

EMERGENCY FUNDING DISCUSSION

Criteria for Emergency Funding

- ◆ *Level of financial need.* Rising insurance and benefits costs, loss of program funding from another source, loss in fundraising revenue, changes in vendor rates, increased request for services.
- ◆ *Funding that will act as a bridge.* Agencies will show that this emergency funding will either transition to other funding sources or allow them to undertake an orderly reduction or closeout of service.
- ◆ *One-time investments that reduce ongoing operational costs.* A new computer, phone system or capital repair may allow an agency to operate more efficiently.

Council Consensus for Emergency Funding *Projects are listed in alphabetical order.*

1. The Center for Human Services

CHS provides information and referral services, family support, family counseling and substance abuse services.

2001 funding: \$93,947

2002 funding: \$92,447 (\$1,500 loss of CDBG funding)

Requested: \$71,296

Council Consensus: \$43,500

Emergency funding would be used to fill the following need(s):

- Staff has not received an increase in their wages (cost of living or merit) since January 1, 2001. With the current financial situation, one is not planned for 2002 or 2003. Part of the emergency funding would meet this need by providing retention incentives for staff. The retention of staff is key to the success of their programs. This retention incentive would be available to staff you work at least 20 hours a week, for more than three months. That number is currently 32 persons, and their final benefit amount will depend on their hours worked. For full time employees this will equate to approximately \$1000 after tax.
- Costs for benefits for staff have increased 22%. This funding will allow CHS to continue to provide competitive benefits while searching for other insurance providers or additional funding. A competitive benefits package is also key to retaining staff.

Key Point(s) of Committee's deliberations:

- The Committee felt that the retention bonus for staff was an unique way to raise the level of compensation for employees without creating additional budgetary concerns in the years to come.
- CHS provides a core set of services to Shoreline residents that need to be maintained.

2. Congregate Meals/Senior Services of King County

Provides hot, nutritious meals 5 days a week and nutrition counseling at Shoreline/Lake Forest Park Senior Center.

2001 funding: \$2,500

2002 funding: \$2,500

Requested: \$2,500

Council Consensus: \$2,500

Emergency funding would be used to fill the following need(s):

- To increase the level of support provided to each meal by \$0.25. The number of meals provided continues to increase each year.

Key Point(s) of Committee's deliberations:

- This program shows good leverage for other funding.
- The program is effective.

3. Emergency Feeding Program

Provides an emergency response to the nutritional needs of people in crisis hunger situations and resource counseling.

2001 funding: \$6,500

2002 funding: \$5,500 (\$1,000 loss of CDBG funding)

Requested: \$6,000

Council Consensus: \$2,000

Emergency funding would be used to fill the following need(s):

- To back fill the \$1,000 reduction because the City of Shoreline's CDBG allocation for 2002 was less than estimated.
- Due to a reduction in donations, program is currently operating at a loss.

Key Point(s) of Committee's deliberations:

- This funding will fill the need left by the loss of CDBG.
- Program fills a need in the community (food) for residents who may also be affected by the economic downturn.

4. Hopelink/Emergency Services

Provides low-income Shoreline residents basic and emergency needs including food, financial assistance, shelter, as well as information and referral.

2001 funding: \$18,000

2002 funding: \$18,000

Requested: \$60,000 (\$10,000 for direct financial assistance, \$50,000 for relocation assistance)

Council Consensus: \$34,000 (\$10,000 for direct financial assistance, \$24,000 for relocation assistance)

Emergency funding would be used to fill the following need(s):

- Hopelink has to be out of their current location (Fircrest Campus) by April. This ultimatum comes after many months of changing information. \$40,000 would assist in finding a suitable location in Shoreline and making any improvements necessary to the space.
- Hopelink has seen an increase in the amount of requests for emergency services in the last 5 months. The \$10,000 would be available to directly assist Shoreline residents.

Key Point(s) of Committee's deliberations:

- Hopelink fills a critical need for human services in Shoreline and their presence here should be maintained.
- Direct financial assistance will help Shoreline residents who may be affected by the economic downturn (meeting an emergency need).
- The agency would be required to relocate within Shoreline.

5. Hopelink/Shelter

Provision of nine units of emergency shelter in Kenmore Shelter; case management services; and first months rent payments for homeless families.

2001 funding: \$8,000

2002 funding: \$6,852 (\$1,148 loss of CDBG funding)

Requested: \$2,000

Council Consensus: \$2,000

Emergency funding would be used to fill the following need(s):

- To back fill the \$1,158 reduction because the City of Shoreline's CDBG allocation for 2002 was less than estimated.

Key Point(s) of Committee's deliberations:

- This funding will fill the need left by the loss of CDBG.
- Program fills critical need in the community (shelter) for residents who may also be affected by the economic downturn.

6. Shoreline/Lake Forest Park Senior Center

Program provides nutrition, recreation & socialization, educational classes; financial & legal counseling; in home assistance; community events, and volunteer opportunities.

2001 funding: \$67,329

2002 funding: \$67,329

Requested: \$16,000

Council Consensus: \$16,000

Emergency funding would be used to fill the following need(s):

- For reduction in funds from King County for the Adult Day Health Program. This program provides supervised care and activities for frail and otherwise homebound elderly and disabled citizens. The service benefits the client by providing socialization and activity and benefits caregivers by giving them a respite from being on call 24 hours a day.

Key point(s) of Committee's deliberations:

- This is a critical service to Shoreline residents.

7. The Shoreline Historical Museum

The Shoreline Historical Museum provides a variety of programs and events relating to the history of Shoreline.

2001 funding: \$50,000

2002 funding: \$52,500

Requested: \$9,000

Council Consensus: \$9,000

Emergency funding would be used to fill the following need(s):

- To purchase janitorial services.

8. Shoreline/Lake Forest Park Arts Council

The Arts Council coordinates and sponsors performances, exhibitions and a variety of other arts programs, activities and events in the greater Shoreline community.

2001 funding: \$56,424

2002 funding: \$61,123

Requested: \$5,000

Council Consensus: \$5,000

Emergency funding would be used to fill the following need(s):

- Funding would allow the purchase of new copy machine, reducing costs and increasing staff efficiency. Arts Council staff have indicated that they spend approximately \$2,000 a year on printing costs at Kinko's.

Projects Not Council Consensus for Funding

9. Camp Fire Boys and Girls/Youth Volunteer Corp

Recruits and provides Shoreline youth with volunteer project opportunities.

2001 funding: \$8,000

2002 funding: \$8,000 (funding is part of the Goal 4-Youth Services package, does not compete for funding)

Requested: \$17,000

Council Consensus: \$0

Emergency funding would be used to fill the following need(s):

- To offset Camp Fire's support of the program.

Key Point(s) of Committee's deliberations:

- Unsure on how this funding will directly benefit Shoreline.
- High level of funding requested for services identified.

10. Children's Response Center

Provides comprehensive sexual assault services, with both direct client and community oriented services offered.

2001 funding: \$5,000

2002 funding: \$5,000

Requested: \$1,250

Council Consensus: \$0

Emergency funding would be used to fill the following need(s):

- To offset a donation made to the Center for Human Services (for space).
- For transportation costs of staff from main office in Bellevue to Center for Human Services (local site)

Key Point(s) of Committee's deliberations:

- Does not meet criteria for emergency funding.

11. Crisis Clinic/Telephone Services

Provides the 24 hour Crisis Line (immediate help for people in crisis) and the Community Information Line (information and referral, Monday through Friday 8am to 6pm).

2001 funding: \$5,000

2002 funding: \$5,000

Requested: \$10,000
Council Consensus: \$0

Emergency funding would be used to fill the following need(s):

- To retain an additional Crisis Line Supervisor on the weekends due to increased level of calls.

Key Point(s) of Committee's deliberations:

- Not emergent need.
- High cost compared to Shoreline benefit.

12. King County Sexual Assault Resource Center

Provide the following services: crisis intervention or information and referral, legal advocacy, and prevention education.

2001 funding: \$4,000

2002 funding: \$4,000

Requested: \$4,175
Council Consensus: \$0

Emergency funding would be used to fill the following need(s):

- For personnel, due to increased need seen for Education Department.

Key Point(s) of Committee's deliberations:

- Not emergent need; rather would be an expansion of current services.

13. New Beginnings for Battered Women and Their Children

Provides a variety of DV services including counseling, legal advocacy, shelter, and crisis line.

2001 funding: \$26,203

2002 funding: \$26,203 (a contracted services that does not compete for funding)

Requested: \$17,586
Council Consensus: \$0

Emergency funding would be used to fill the following need(s):

- For various costs, due to reduction in contracted funding.
- Are not filling 4 vacant positions until funding stabilizes.

Key point(s) of Committee's deliberations:

- No demonstrated Shoreline need.

14. TeenHope

Provides safe shelter, all basic necessities, counseling, case-management, transportation and referrals for homeless teens. The Mediation Program recruits, trains, and supervises teams of mediators to work with families in crisis.

2001 funding: \$15,000

2002 funding: \$15,000

Requested: \$15,000

Council Consensus: \$0

Emergency funding would be used to fill the following need(s):

- For personnel costs, due to continuing unstable funding.

Key point(s) of Committee's deliberations:

- Program has an ongoing financial need that these emergency funds cannot solve.

ATTACHMENT B

REVISED COMMUNITY DEVELOPMENT BLOCK GRANT PROJECTS

In order to implement the Emergency Funding for human service projects, adjustments are needed to the amount of Community Development Block Grant funds spent on particular projects. By moving \$4,000 of the Center for Human Services CDBG contract for Anger Management Services to Emergency Feeding Program and Hopelink – Shelter, this allows the City to implement the emergency funding while staying aligned with federal regulations. The result is no net change in the programs or agencies funded through the regular funding process or the emergency funding process as approved by Council.

Project	Current Amount		Revised Amount	
	CDBG	General Fund	CDBG	General Fund
Center for Human Services-Anger Management*	\$9,409		\$5,409	\$4,000
Emergency Feeding Program	\$5,500		\$7,500	
Hopelink-Shelter	\$6,852		\$8,852	

*This only represents the contract for Anger Management Services, does not represent the other General Fund contract the City has with the Center for Human Services.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adoption of Ordinance No. 304, Amending the 2002 Budget for Uncompleted 2001 Capital and Operating Projects, Revising the 2002 Capital Budget, and Funding Supplemental 2002 Requests
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

In July 2001, as part of the 2002 budget development, departments projected their actual year end expenditures for year 2001. The actual year end results differ somewhat from those projections, as some projects that were in progress in year 2001 are actually going to be completed in year 2002. This results in year 2001 expenditures being less than projected and the 2001 ending fund balance being greater than projected. This is true for both capital and operating projects. In order to provide adequate budget resources to complete the projects initiated in 2001, additional budget authorization is needed for 2002. This results in reappropriating a portion of the 2001 ending fund balance for expenditures in 2002.

In addition to the reappropriation requests, Ordinance No. 304, amending the 2002 budget (Attachment A) includes the following:

- Changes in the capital funds for 2002 as a result of the review of the Capital Improvement Program (CIP) that was shared with the City Council on February 19, 2001. As staff shared in February, this budget amendment contains the adjustments to the 2002 capital budget. The six-year CIP will be modified this summer, as staff will continue to revise the six-year project plans as the 2003-2008 CIP is prepared. This summer staff will bring a recommended 2003-2008 CIP to the Council for adoption. The 2003-2008 CIP will incorporate the changes in project schedules and cost estimates that were presented in February along with any refinement of those estimates.
- A budget amendment for the additional \$14,000 that the City Council desires to provide for janitorial services at the Museum and a copier for the Arts Council
- A budget amendment for \$21,500 for the acquisition of the Pym property.

Attachment B to this staff report provides a listing of all the recommended budget changes contained in Ordinance No. 304.

ALTERNATIVES ANALYZED:

Alternative 1: Take no action.

If the Council chose not to approve this budget amendment either the projects that were initiated in 2001 would not be completed or to complete the projects, monies that were budgeted for 2002 programs would need to be redirected for the completion of projects

already in progress. Failure to adopt the budget ordinance would also result in the budgeted expenditures being greater than anticipated or needed for the Roads Capital and Surface Water Capital funds.

Alternative 2: Approve Ordinance No. 304 (Recommended)

Approval of ordinance no. 304 will provide the budget authority for the completion of projects that were initiated in 2001 without negatively impacting the programs and projects that are to be provided in year 2002. Also the budget amendment will result in accurately reflecting the anticipated expenditures in the City's capital funds.

FINANCIAL IMPACT:

The following table summarizes the budget amendment request for each of the affected City funds and the impact that this has on the City's reserve levels.

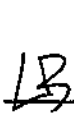
	Projected 2002 Beginning Fund Balance	Actual 2002 Beginning Fund Balance	Budget Amendment Request	Revenue Adjustments	Resulting 2002 Available Beginning Fund Balance	Amount Over/(Under) Projected Beginning Fund Balance
Fund	(A)	(B)	(C)	(D)	(E) (B - C - D)	(F) (A - E)
General Fund	5,288,645	6,704,223	621,273	0	6,082,950	794,305
Street Fund	670,082	1,189,477	285,322	0	904,155	234,073
Development Services	638,595	546,480	2,000	0	544,480	(94,115)
Surface Water Management	2,001,076	2,314,525	97,394	35,000	2,252,131	251,055
General Capital Fund	2,425,382	4,451,735	1,269,295	(30,000)	3,152,440	727,058
Roads Capital Fund	12,206,065	14,156,175	(5,513,920)	(3,700,992)	15,969,103	3,763,038
Surface Water Capital	1,623,209	2,371,430	(1,644,962)	(1,418,780)	2,597,612	974,403

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 304, amending the 2002 budget.

Approved By:

City Manager

 City Attorney 

INTRODUCTION

Annually the City reviews the financial results of the prior year and identifies any expenditures that were anticipated to occur in the previous year, but which will actually occur in the current year. We have completed our review of the 2001 activity and have identified \$2.8 million of 2001 expenditures that will actually occur in 2002. Since the expenditures did not occur in 2001, the City started 2002 with reserves (fund balance) in excess of projections. These expenditures were not included in the 2002 Budget adopted by the City Council in December 2001, and therefore staff recommends the 2002 budget be amended to provide adequate budget authority for the expenditures in 2002. In most cases the funding source is from fund balance.

In February the City Council reviewed the 2002-2007 Capital Improvement Program (CIP) and the recommended changes by City staff. The changes in the CIP include a revision of project schedules to more accurately reflect the time necessary to move through all phases of each project and revisions in cost to account for inflation and more accurate design and construction expenditures. This review resulted in an overall decrease in capital expenditures for 2002, as many of the projects originally anticipated to be under construction in 2002 will be in pre-design and design phases. This merely delays the construction costs to later years.

In addition the Council has already authorized additional expenditures in the amount of \$14,000 to provide additional assistance to the Museum and the Arts Council, and \$21,500 for the purchase the Pym Property.

BACKGROUND

Reappropriations

It is often difficult to fully project the status of a project. In some cases, projects are initiated in one year, but do not get completed until the following year. This is not always known when planning the next budget cycle and therefore the unexpended funds from one year become part of the fund balance carried into the next year. It is necessary to take the portion of the fund balance actually needed to complete the projects and reappropriate those dollars for expenditure.

There are projects that were not completed in 2001 as projected, and a resulting under-expenditure occurred in both operating and capital funds. This under-expenditure was highlighted on March 18, 2002, as part of the 2001 Year End Financial Report. The beginning fund balances in these funds for 2002 are higher than budgeted, except for the Development Services Fund, due to the under-expenditures in 2001. The proposed ordinance reappropriates available fund balances from these funds to complete these projects.

A key example of this exists in the technology plan. The 2001 technology plan budget was set expecting certain projects, such as the Payroll/HR software acquisition phase, to be completed and paid in year 2001. The actual results of 2001 were that, the Council authorized the signing of a contract with Bi-Tech to acquire software, but the contract negotiations were not complete until early 2002. The acquisition payments will be made in 2002, but budget authority must be transferred from year 2001 and reappropriated for expenditure in 2002. All of the technology plan projects included in

the reappropriation requests reflect projects that were authorized in the 2001-2003 Technology Plan.

Other similarities exist with other operating and capital projects. The following table summarizes the reappropriation requests for each affected fund.

Fund	Department	Project	Amount
General Fund	IS/Tech Plan	Tech Plan - Hansen PO	\$20,900
		Tech Plan - Bi-Tech Dupllicate Servicer	\$4,000
		Tech Plan - Park & Recreation Software	\$14,118
		Tech Plan - Payroll & HR Project	\$100,000
		Tech Plan - Customer Service Enhancement	\$64,000
		Tech Plan - Permit Recelpting/Billing Integration/Wireless	\$59,100
		Tech Plan - Security Assessment	\$26,000
		Tech Plan - Technology Standards	\$20,000
		Tech Plan - Web Site Enhancement	\$60,000
		Tech Plan - System Integration	\$100,000
	C&GR/Neighborhoods	Neighborhood Mini Grants	\$30,000
		Community Survey	\$13,755
	City Clerk	Microfilming Contract	\$1,400
	Parks, Rec & Cultural Serv.	Court Advocate for Domestic Violence	\$9,000
	City Manager's Office	Central Sub-Area Plan	\$6,650
	Development Planning	Central Sub-Area Plan	\$32,000
	Development Planning	TOD Master Plan	\$12,893
	Development Planning	Economic Development for Westminister	\$4,497
	Development Planning	Westminister/Aurora Square Redevelopment	\$12,372
	Planning On-Going Prog	Furniture for Office	\$1,588
	PW/Facilities	Park Door Rplacements	\$15,000
	Total General Fund		\$607,273
Street Fund	PW/Street Operations	Sidewalk Repair Program	\$165,822
	PW/Street Operations	Street Light and Infrastructure Analysis	\$119,500
	Total Street Fund		\$285,322
Development Services Fund	Permits	Metcalf Townhomes review	\$2,000
	Total Development Services Fund		\$2,000
Surface Water Mgmt. Fund	PW/SWM Operations	Hidden Lake Biological Evaluation	\$10,817
	PW/SWM Operations	Stream Inventory Project	\$86,577
	Total Surface Water Mgmt. Fund		\$97,394
General Capital Fund	PW/CIP	Richmond Beach Saltwater Park Beach Erosion	\$42,438
	PW/CIP	Park Improvements and Upgrade - Spartan Gym	\$50,000
	PW/CIP	Neighborhood Park Repairs	\$15,300
	PW/CIP	Paramount School Park	\$13,284
	PW/CIP	Shoreview Park	\$928,570
	PW/CIP	Richmond Highlands Community Center	\$179,037
	Total General Capital Fund		\$1,228,629

Fund	Dept/Program	Project/Item	Carryover Amount
Roads Capital Fund	PW/CIP	Interurban Trail	\$8,785
	PW/CIP	Curb Ramp Program	\$83,255
	PW/CIP	Sidewalk Repair Program	\$165,822
	PW/CIP	Richmond Beach Overcrossing	\$18,408
	PW/CIP	Neighborhood Traffic Safety Program	\$49,481
	PW/CIP	15th Ave/NE 165th St Traffic Signal	\$57,235
	PW/CIP	North City Business District Improvements	\$68,000
	PW/CIP	175th Street Sidewalks NE/S of Meridian Ave Intersection	\$36,000
	PW/CIP	1st Avenue NE Sidewalks	\$22,500
Total Roads Capital Fund			\$509,486
Surface Water Capital Fund	PW/CIP	Surface Water Improvement-Small Projects	\$41,038
		Drainage Improve - 3rd Ave NW	\$14,000
Total Surface Water Capital Fund			\$55,038
GRAND TOTAL			\$2,785,142

CIP Revisions

On February 19, 2002, staff presented to the City Council revisions to the adopted 2002-2007 CIP. The revisions included a thorough review of the City's top five projects (Aurora Ave., Interurban Trail, North City, 3rd Avenue Drainage, and Ronald Bog) and an update of project schedules and cost estimates for other projects in the CIP. The projected six-year CIP revenues and expenditures table, following the format that was provided on February 19, 2002, is included with this staff report as Attachment C. The tables have been modified slightly since the February 19 Council meeting as a result of additional information that has been provided since that time.

As staff shared in February, this budget amendment contains the adjustments to the 2002 capital budget as a result of the CIP review. Staff will continue to revise the six-year project plans as the 2003-2008 CIP is prepared. This summer staff will bring a recommended 2003-2008 CIP to the Council for adoption. The 2003-2008 CIP will incorporate the changes in project schedules and cost estimates that were presented in February along with any refinement of those estimates.

Although this budget amendment only makes adjustments to the 2002 budget, two of the major projects (Interurban Trail and North City) deserve a brief discussion on the current six-year projections.

Interurban Trail: The Interurban Trail has funding for three sections (South, South Central and North), and these sections have been programmed for completion in the six year CIP. Currently the six year projections include \$1.7 million of City funds and \$2.7 million of grants that have been awarded for the Interurban Trail. In addition to the \$2.7 million of grant funds scheduled for 2002-2007, the City has previously received \$550,000 in grant funding for this project. The Central Section of the trail is the one remaining section of the project that remains unfunded, as no grants have been awarded towards this section. The bridge is not currently programmed into the six-year

CIP, except for the \$50,000 that is included in the recommended 2002 expenditures to complete a study on bridge options. The City has been awarded a \$534,000 grant to be used towards the design of a pedestrian bridge.

North City: The updated six-year CIP includes \$4 million of City funds dedicated towards the North City project. This combined with the monies previously spent on the project, total \$4.2 million allocated to the project. The 2002 expenditures include \$340,000 for the completion of pre-design work.

CIP 2002 Budget Revision Summary: The revisions to the 2002 CIP expenditures result in an increase to the General Capital Fund budget of \$19,166, a decrease to the Roads Capital Fund budget of \$6,023,406, and a decrease to the Surface Water Capital Fund budget of \$1,700,000. The following table summarizes the 2002 CIP revisions recommended in February:

Fund	Project/Item	2002 Adopted Budget	2002 CIP Revision	2002 Amended Budget
General Capital Fund	City Hall	\$100,000		\$100,000
	Hamlin Park Equipment Storage Building	\$165,000	(\$19,000)	\$146,000
	City Gateways	\$50,000		\$50,000
	Richmond Beach Saltwater Park	\$115,000	(\$115,000)	\$0
	Richmond Beach Saltwater Park Beach Erosion	\$0	\$9,500	\$9,500
	Park Improvements and Upgrade - Spartan Gym	\$630,000		\$630,000
	Neighborhood Park Repairs	\$60,000		\$60,000
	Paramount School Park	\$375,000	\$151,275	\$526,275
	Cromwell Park	\$43,000	(\$43,000)	\$0
	Shoreview Park	\$0		\$0
	Parks Master Plan	\$30,000	\$1,000	\$31,000
	Richmond Highlands Community Center	\$0	\$59,000	\$59,000
	Swimming Pool Improvements	\$10,000	(\$169)	\$9,831
	Shoreline Community College Sports Fields	\$30,000	(\$30,000)	\$0
	Paramount Open Space	\$60,000	\$12,000	\$72,000
	General Engineering	\$169,526		\$169,526
	Contingency	\$192,753	(\$6,440)	\$186,313
	Total General Capital Fund	\$2,030,279	\$19,166	\$2,049,445
Roads Capital Fund	Interurban Trail	\$2,658,000	(\$2,433,000)	\$225,000
	Feasibility Study Interurban Trail Pedestrian Bridge	\$0	\$50,000	\$50,000
	Curb Ramp Program	\$100,000		\$100,000
	Annual Pedestrian Improvements Program	\$393,000	(\$393,000)	\$0
	Annual Overlay Program	\$700,000		\$700,000
	Sidewalk Repair Program	\$100,000		\$100,000
	Richmond Beach Overcrossing	\$35,000	(\$10,000)	\$25,000
	Transportation Improvements CIP Project Formulation	\$40,000		\$40,000
	Neighborhood Traffic Safety Program	\$160,000		\$160,000
	Aurora Ave. North Corridor - 145th to N. 205th	\$3,035,000	(\$1,710,000)	\$1,325,000
	15th Ave/NE 165th St Traffic Signal	\$0		\$0
	15th Ave. NE Access and Safety Improvements	\$83,000	(\$83,000)	\$0
	15th Ave NE Pedestrian Crosswalks	\$225,000	(\$225,000)	\$0
	North City Business District Improvements	\$1,386,044	(\$1,046,044)	\$340,000
	175th Street Sidewalks NE/S of Meridian Ave Intersection	\$191,175	(\$40,890)	\$150,285
	1st Avenue NE Sidewalks	\$134,350	\$55,855	\$190,205
	Richmond Beach Road @ 3rd Ave	\$0	\$11,673	\$11,673

Fund	Project/Item	2002 Adopted Budget	2002 CIP Revision	2002 Amended Budget
	Contingency	\$200,000	(\$200,000)	\$0
Total Roads Capital Fund		\$9,440,569	(\$6,023,406)	\$3,417,163

Surface Water Capital Fund	Surface Water Improvement-Small Projects	\$50,000	(\$50,000)	\$0
	Surface Water Project Formulation	\$30,000	\$10,000	\$40,000
	Ronald Bog Drainage Improvements	\$415,000	(\$65,000)	\$350,000
	Drainage Improve - 3rd Ave NW	\$1,570,000	(\$1,395,000)	\$175,000
	Stream Rehabilitation/Habitat Enhancement	\$25,000		\$25,000
	Contingency	\$200,000	(\$200,000)	\$0
Total Surface Water Capital Fund		\$2,290,000	(\$1,700,000)	\$590,000

Other Budget Amendments

On March 25, 2002, the Council authorized the acquisition of the Pym property. The estimated acquisition cost for this property and required signage is \$21,500. The budget amendment includes a \$21,500 increase in the General Capital Fund appropriations for this purpose.

On March 18, 2002, the Council indicated that they would like to increase the General Fund appropriations by \$14,000 for the purpose of providing \$5,000 to the Arts Council for the acquisition of a copier and \$9,000 to the Museum for janitorial services. This is a one-time emergency funding appropriation. The budget amendment includes an additional \$14,000 appropriation in the General Fund for these purposes.

ALTERNATIVES ANALYSIS

Alternative 1: Take no action.

If the Council chose not to approve this budget amendment either the projects that were initiated in 2001 would not be completed or to complete the projects, monies that were budgeted for 2002 programs would need to be redirected for the completion of projects already in progress. Failure to adopt the budget ordinance would also result in the budgeted expenditures being greater than anticipated or needed for the Roads Capital and Surface Water Capital funds.

Alternative 2: Approve Ordinance No. 304 (Recommended)

Approval of ordinance no. 304 will provide the budget authority for the completion of projects that were initiated in 2001 without negatively impacting the programs and projects that are to be provided in year 2002. Also the budget amendment will result in accurately reflecting the anticipated expenditures in the City's capital funds.

SUMMARY

The following table summarizes the budget amendments to each fund and the resulting 2002 appropriations for each of the affected funds.

	Adopted Budget	Budget Amendment Request	Amended Budget
Fund			
General Fund	26,397,457	621,273	27,018,730
Street Fund	3,299,689	285,322	3,585,011
Development Services	1,912,731	2,000	1,914,731
Surface Water Management	2,248,130	97,394	2,345,524
General Capital Fund	2,030,279	1,269,295	3,299,574
Roads Capital Fund	9,440,569	(5,513,920)	3,926,649
Surface Water Capital	2,290,000	(1,644,962)	645,038

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 304, amending the 2002 budget.

ATTACHMENTS

Attachment A: Ordinance 304, Amending the 2002 Budget
Attachment B: Budget Amendment Detail by Fund and Program
Attachment C: Revised 2002-2007 CIP Financial Tables

ATTACHMENT A

ORDINANCE NO. 304

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 298, BY INCREASING THE APPROPRIATION FOR THE GENERAL FUND, CITY STREET FUND, DEVELOPMENT SERVICES FUND, AND SURFACE WATER MANAGEMENT FUND FOR COMPLETION OF OPERATING PROJECTS AND CONTRACTS; INCREASING THE APPROPRIATION FOR THE GENERAL CAPITAL FUND TO COMPLETE CAPITAL PROJECTS; AND DECREASING THE APPROPRIATIONS IN THE ROADS CAPITAL AND SURFACE WATER CAPITAL FUNDS AS A RESULT OF CHANGED PROJECT SCHEDULES.

WHEREAS, the 2002 Final Budget for the City of Shoreline Budget was adopted by Ordinance No. 294, Section 1 (hereafter "2002 Budget"); and

WHEREAS, the 2002 – 2007 Capital Improvement Program was adopted in Ordinance 295; and

WHEREAS, the 2002 Budget was amended by Ordinance No. 298; and

WHEREAS, the 2002 Budget had assumed the completion of specific capital improvement projects in 2001; and

WHEREAS, some of these 2001 capital projects were not able to be completed and need to be continued and completed in 2002; and

WHEREAS, due to these 2001 projects not being completed as projected, the 2001 ending fund balance and the 2002 beginning fund balance for the General Capital Fund is greater than budgeted; and

WHEREAS, the City wishes to appropriate a portion of these greater than budgeted beginning fund balances in 2002 to complete 2001 capital projects; and

WHEREAS, various projects were included in the City's operating funds 2001 budget and were not completed during 2001; and

WHEREAS, due to these projects not being completed as projected, the 2001 ending fund balances and the 2002 beginning fund balances for the General Fund, Street Fund, Development Services Fund and the Surface Water Management Fund are greater than budgeted; and

WHEREAS, the project schedules for Capital Improvement Projects included in the Roads Capital and Surface Water Capital funds have been revised and therefore the expenditures appropriations within these funds can be reduced for 2002; 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;

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

Section 1. Amendment to the 2002 Budget Summary. The City hereby amends Section 1 of Ordinance No. 298 by increasing the appropriation for the General Fund by \$621,273 to \$27,018,730; for the Street Fund by \$285,322 to \$3,585,011; for the Development Service Fund by \$2,000 to \$1,914,731; for the Surface Water Management Fund by \$97,394 to \$2,345,524; and for the General Capital Fund by \$1,269,295 to \$3,299,574. The City hereby amends Section 1 of Ordinance No. 298, as amended, the 2002 Annual Budget by decreasing the appropriation for the Roads Capital Fund by \$5,513,920 to \$3,926,649 and for the Surface Water Capital Fund by \$1,644,962 to \$645,038; and by decreasing the Total Funds appropriation to \$43,582,557 as follows:

General Fund	26,397,457	27,018,730
Development Services Fund	1,912,731	1,914,731
Street Fund	3,299,689	3,585,011
Arterial Street Fund	369,042	
Surface Water Management Fund	2,248,130	2,345,524
General Capital Fund	2,030,278	3,299,574
Roads Capital Fund	9,440,569	3,926,649
Surface Water Capital Fund	2,290,000	645,038
General Reserve Fund	0	
Equipment Replacement Fund	275,000	
Vehicle Operations/Maintenance Fund	70,000	
Unemployment Fund	8,259	
Code Abatement Fund	100,000	
Asset Seizure	25,000	
Total Funds	48,466,155	43,582,557

Section 2. Budget Amendment to Complete General Fund Operating Projects. The 2002 Budget beginning fund balance for the General Fund is increased by \$621,273 and the City Manager is authorized to expense these funds for projects as follows:

Project Name	Additional Appropriation
1. Information Services/Tech Plan	468,118
2. Neighborhood Mini Grants	30,000

3. Community Survey	13,755
4. Microfilming	1,400
5. Court Advocate for Domestic Violence	9,000
6. Central Sub-Area Plan	38,650
7. TOD Master Plan	12,893
8. Economic Development Plan for Westminister	16,869
9. Janitorial Services – Museum	9,000
10. Copier – Arts Council	5,000
11. Furniture – Planning Front Office	1,588
12. Park Door Replacement	15,000
Total Additional Appropriation	\$621,273

This ordinance does not change the General Fund budgeted ending fund balance of \$4,104,475.

Section 3. Budget Amendment to Complete Street Fund Operating Projects. The 2002 Budget beginning fund balance for the Street Fund is increased by \$285,322 and the City Manager is authorized to expense these funds for projects as follows:

Project Name	Additional Appropriation
1. Sidewalk Repair Program	165,822
2. Street Light Inventory Project	119,500
Total Additional Appropriation	\$285,322

This ordinance does not change the Street Fund budgeted ending fund balance of \$382,378.

Section 4. Budget Amendment to Complete Surface Water Management Fund Operating Projects. The 2002 Budget beginning fund balance for the Surface Water Management Fund is increased by \$62,394, estimated revenues are increased by \$35,000, and the City Manager is authorized to expense these funds for projects as follows:

Project Name	Additional Appropriation
1. Hidden Lake Biological Evaluation	10,817
2. Stream Inventory Project	86,577
Total Additional Appropriation	\$97,394

This ordinance does not change the Surface Water Management Fund budgeted ending fund balance of \$1,920,853.

Section 5 Budget Amendment to Complete Development Services Fund Operating Projects. The 2002 Budget beginning fund balance for the Development Services Fund is increased by \$2,000 and the City Manager is authorized to expense these funds for projects as follows:

Project Name	Additional Appropriation
1. Metcalf Townhomes Review	2,000
Total Additional Appropriation	\$2,000

This ordinance does not change the Development Services Fund budgeted ending fund balance of \$619,210.

Section 6. Budget Amendment to Complete General Capital Fund Improvement Projects. The 2002 Budget beginning fund balance for the General Capital Fund is increased by \$1,269,295 and The City Manager is authorized to expense these funds for capital improvement projects as follows:

Project Name	Change in Appropriation
1. Hamlin Park Equipment Storage Building	\$ (19,000)
2. Richmond Beach Saltwater Park	(115,000)
3. Richmond Beach Saltwater Park Beach Erosion	51,938
4. Spartan Gym	50,000
5. Neighborhood Park Repairs	15,300
6. Paramount School Park	164,559
7. Cromwell Park	(43,000)
8. Shoreview Park	928,570
9. Parks Master Plan	1,000
10. Richmond Highlands Community Center	238,037
11. Swimming Pool Improvements	(169)
12. Shoreline Community College Sports Fields	(30,000)
13. Paramount Open Space	12,000
14. Pym Property	21,500
15. Contingency	(6,440)
Total Change in Appropriation	\$ 1,269,295

This ordinance does not change the General Capital Fund budgeted ending fund balance of \$2,294,529.

Section 7. Budget Amendment to Complete Roads Capital Fund Improvement Projects. The City Manager is hereby authorized to decrease appropriations in the Roads Capital Fund by \$5,513,920, decrease estimated revenues by \$3,700,992, increase the budgeted beginning fund balance by \$509,486 and increase the budgeted ending fund balance by \$2,322,414 and is authorized to adjust the expected 2002 expenditures for roads capital improvement projects as follows:

Project Name	Change in Appropriation
1. Interurban Trail	(2,424,215)
2. Feasibility Study Interurban Trail Pedestrian Bridge	50,000
3. Curb Ramp Program	83,255
4. Annual Pedestrian Improvements	(393,000)
5. Sidewalk Repair Program	165,822
6. Richmond Beach Overcrossing	8,408
7. Neighborhood Traffic Safety program	49,481
8. Aurora Avenue	(1,710,000)
9. 15 th Ave. NE/165 th St Traffic Signal	57,235
10. 15 th Ave. NE Access and Safety Improvements	(83,000)
11. 15 th Ave NE Pedestrian Crosswalks	(225,000)
12. North City Business District Improvements	(978,044)
13. 175 th Street Sidewalks NE/Meridian Intersection	(4,890)
14. 1 st Ave. NE Sidewalks	78,355
15. Richmond Beach Road @ 3 rd Ave	11,673
16. Contingency	(200,000)
Total Change in Appropriation	(5,513,920)

This ordinance will increase the budgeted ending fund balance for the Roads Capital Fund to \$13,117,836.

Section 8. Budget Amendment to Complete Surface Water Capital Fund Projects. The 2002 Budget appropriation in the Surface Water Capital Fund is decreased by \$1,644,962, the beginning fund balance for the Surface Water Capital Fund is increased by \$55,038, estimated revenues are decreased by \$1,418,780 and the budgeted ending fund balance is increased by \$281,220. The City Manager is authorized to adjust the expected 2002 expenditures for surface water capital improvement projects as follows:

Project Name	Change in Appropriation
1. Surface Water Improvement-Small Projects	(8,962)
2. Surface Water Project Formulation	10,000
3. Ronald Bog Drainage Improvements	(65,000)
4. Drainage Improvement-3 rd Ave. N.W.	(1,381,000)
5. Contingency	(200,000)
Total Change in Appropriation	\$ (1,644,962)

This ordinance increases the Surface Water Capital Fund budgeted ending fund balance to \$1,123,925.

Section 9. 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 10. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City and the ordinance shall take effect and be in full force five (5) days after the date of publication.

PASSED BY THE CITY COUNCIL ON APRIL 8, 2002.

Mayor Scott Jepsen

ATTEST:

APPROVED AS TO FORM:

Sharon Mattioli, CMC
City Clerk

Ian Sievers
City Attorney

Date of Publication:

Effective Date:

ATTACHMENT B **Budget Amendment Detail**

General Fund	Dept/Program	Project/Item	2002 Adopted Budget	CIP Revision	2002 Budget Amendment	Carryover	Amended Budget	Revenue Source	Notes
IS/Tech Plan	Tech Plan - Hansen PO	Tech Plan - Bi-Tech Duplicate Server	\$20,900			\$20,900	\$20,900	Fund Balance	PO #010850 - Hansen Technologies
		Tech Plan - Park & Recreation Software	\$4,000			\$4,000	\$4,000	Fund Balance	PO #010667 - Nick Sam
		Tech Plan - Payroll & HR Project	\$14,118			\$14,118	\$14,118	Fund Balance	PO #010717 - Moss Adams Advisory Services
	Tech Plan - Customer Service Enhancement		\$100,000			\$100,000	\$100,000	Fund Balance	Amount in 2001 budget not spent until 2002
		Tech Plan - Permit Receipting/Billing	\$64,000			\$64,000	\$64,000	Fund Balance	Amount in 2001 budget not spent until 2002
		Tech Plan - Security Assessment	\$59,100			\$59,100	\$59,100	Fund Balance	Amount in 2001 budget not spent until 2002
		Tech Plan - Technology Standards	\$26,000			\$26,000	\$26,000	Fund Balance	Amount in 2001 budget not spent until 2002
	Tech Plan - Web Site Enhancement	\$20,000			\$20,000	\$20,000	Fund Balance	Amount in 2001 budget not spent until 2002	
	Tech Plan - System Integration	\$60,000			\$60,000	\$60,000	Fund Balance	Amount in 2001 budget not spent until 2002	
	Sub-Total	\$100,000			\$100,000	\$100,000	Fund Balance	Amount in 2001 budget not spent until 2002	
C&GR/Neighborhoods	Neighborhood Mini Grants		\$30,000			\$30,000	Fund Balance	Six Neighborhood Mini-Grants approved but unspent as of December 31, 2001.	
	Community Survey		\$13,755			\$13,755	Fund Balance	Contract #1649 - Carolyn Browne Associates	
City Clerk	Microfilming Contract		\$1,400			\$1,400	Fund Balance	Contract #1647 - State Treasurer's Office	
	Parks, Rec & Cultural Serv.	Court Advocate for Domestic Violence Museum/Arts Council	\$9,000		\$14,000	\$9,000	Fund Balance	Contract #142 - King County Prosecutor	
City Manager's Office	Central Sub-Area Plan		\$6,650			\$6,650	Fund Balance	Arts Council Copier/Museum Janitorial Service	
	Development Planning	Central Sub-Area Plan	\$32,000			\$32,000	Fund Balance	Contract #S010052 - Lennertz Coyle & Assoc.	
Development Planning	TOD Master Plan		\$12,893			\$12,893	Fund Balance	Contract #S010032 - Merritt & Pardini	
	Economic Development for Westminster		\$4,497			\$4,497	Fund Balance	Contract #S010058 - Edward Starkie Consulting	
Development Planning	Westminister/Aurora Square Redevelopment		\$12,372			\$12,372	Fund Balance	Contract # 1685 - OTAX, Inc.	
	Sub-Total		\$81,762			\$81,762			
Planning On-Going Prog	Furniture for Office		\$1,588			\$1,588	Fund Balance	Choices NW	
	PW/Facilities	Park Door Replacement	\$15,000			\$15,000	Fund Balance	Doors at Echo Lake, Hillwood, Twin Ponds, Richmond Highlands, Hamlin Upper & Lower	
Total General Fund			\$26,397,457	\$0	\$14,000	\$607,273	\$27,018,730	\$	

ATTACHMENT B **Budget Amendment Detail**

Fund	Department	Program	2002 Adopted Budget	2002 Budget Amendment	Current Amount	Extended Budget	Revenue Source	Revenue Amount	Justification
Street Fund	PW/Street Operations	Sidewalk Repair Program			\$165,822	\$165,822	Fund Balance	\$	- These funds would be used in 2002 to pay for sidewalk repair work delayed in 2001 - Program is budgeted in Roads Capital Fund for 2002
	PW/Street Operations	Street Light and Infrastructure Analysis			\$119,500	\$119,500	Fund Balance		- Project was delayed until 2002
		Total Street Fund	\$3,299,689		\$285,322	\$3,585,011		\$	
					\$2,000	\$2,000	Fund Balance	\$	Continuation of Metcalf Townhomes review and report. City placed on hold.
Planning & Development Services Fund	Permits	Metcalf Townhomes review			\$2,000	\$2,000	Fund Balance	\$	
	Development				\$2,000	\$1,914,731		\$	
Surface Water Fund	PW/SWM Operations	Hidden Lake Biological Evaluation			\$10,817	\$10,817	Fund Balance	\$	- Contract #1612 Sheldon & Associates
	PW/SWM Operations	Stream Inventory Project			\$86,577	\$86,577		\$	Contract #1330 Tetra Tech - Funding from Ronald Waste Water
		Total Mgmt. Fund	\$2,248,130		\$97,394	\$2,345,524		\$	35,000

ATTACHMENT B **Budget Amendment Detail**

Fund	Department	Project	2002 Adopted Budget	2003 Adopted Budget	2003 Amendment	2003 Total	Revenue Source	Revenue Amount	Notes
General Capital Fund	PW/CIP	City Hall	\$100,000			\$100,000		\$	No Change
	PW/CIP	Hamlin Park Equipment Storage Building	\$165,000	-\$19,000		\$146,000			Revised estimate to construct building
	PW/CIP	City Gateways	\$50,000			\$50,000			No Change
	PW/CIP	Richmond Beach Saltwater Park	\$115,000	-\$115,000		\$0			Project Delayed to 2003
	PW/CIP	Richmond Beach Saltwater Park Beach Erosion	\$0	\$9,500		\$9,500	\$42,438	\$51,938 Fund Balance	Funds remaining from 2001 would be used to pay for remaining work related to Lot 8.
	PW/CIP	Park Improvements and Upgrade - Spartan Gym	\$630,000			\$630,000	\$50,000	\$680,000 Fund Balance	Funds remaining from 2001 will be carried forward to complete Spartan Gym renovations in 2002.
	PW/CIP	Neighborhood Park Repairs	\$60,000			\$60,000	\$15,300	\$75,300 Fund Balance	Funds remaining from 2001 will be used to pay for unfinished work in 2002.
	PW/CIP	Paramount School Park	\$375,000	\$151,275		\$526,275	\$13,284	\$539,559 Fund Balance	Funds remaining from 2001 will be used to pay for unfinished work in 2002.
	PW/CIP	Cromwell Park	\$43,000	-\$43,000		\$0		\$0 Fund Balance	Project delayed until 2003.
	PW/CIP	Shoreview Park	\$0			\$0	\$928,570	\$928,570 Fund Balance	Funds remaining from 2001 will be carried forward to complete park improvements in 2002.
	PW/CIP	Parks Master Plan	\$30,000	\$1,000		\$31,000		\$31,000 Fund Balance	Anticipated inflationary increase in cost.
	PW/CIP	Richmond Highlands Community Center	\$0	\$59,000		\$59,000	\$179,037	\$238,037 Fund Balance	Anticipated inflationary increase in cost.
	PW/CIP	Swimming Pool Improvements	\$10,000	-\$169		\$9,831		\$9,831 Fund Balance	Anticipated actual cost.
	PW/CIP	Shoreline Community College Sports Fields	\$30,000	-\$30,000		\$0		(30,000)	Project delayed until 2003.
	PW/CIP	Paramount Open Space	\$60,000	\$12,000		\$72,000			Reflects anticipated cost based on CIP revisions.
	PW/CIP	General Engineering	\$169,526			\$169,526			No Change
	PW/CIP	Pym Property	\$0	\$21,500		\$21,500			Authorized 3/25/02
	PW/CIP	Contingency	\$192,753	-\$6,440		\$186,313			Based on Policy
	General Capital		\$2,030,279	\$19,166		\$2,049,445	\$1,228,629	\$3,278,074	
	Total Fund								(\$30,000)

ATTACHMENT B

Fund	Paperwork Status	Project Item	2002 Adopted Budget Amount	CIP Study Amount	2002 Budget Amount	Amended Budget Amount	Source	Revenue Amount	Status
Roads Capital Fund	PW/CIP	Interurban Trail	\$2,658,000	-\$2,433,000	\$9,785	\$233,785		\$	(2,384,551) Design work for South Segment to be completed.
	PW/CIP	Feasibility Study Interurban Trail Pedestrian Bridge	\$0	\$50,000		\$50,000	Fund Balance	-	
	PW/CIP	Curb Ramp Program	\$100,000		\$93,255	\$183,255	Fund Balance	-	Funds remaining from 2001 would be used to pay for project completion in 2002.
	PW/CIP	Annual Pedestrian Improvements Program	\$393,000	-\$393,000		\$0		(300,000)	Project eliminated as a result of lack of grant funding.
	PW/CIP	Annual Overlay Program	\$700,000			\$700,000		-	No Change
	PW/CIP	Sidewalk Repair Program	\$100,000		\$165,822	\$265,822	Fund Balance	-	Funds remaining from 2001 will be used for work delayed until 2002. In 2001 monies budgeted in the Street Fund
	PW/CIP	Richmond Beach Overcrossing	\$35,000	-\$10,000	\$18,408	\$43,408	Fund Balance	20,000	Funds remaining from 2001 will be used for work delayed until 2002.
	PW/CIP	Transportation Improvements CIP Project Formulation	\$40,000			\$40,000		-	No Change
	PW/CIP	Neighborhood Traffic Safety Program	\$160,000		\$49,481	\$209,481		-	Funds remaining from 2001 will be used for work to be completed in 2002.
	PW/CIP	Aurora Ave. North Corridor - 145th to N. 205th	\$3,035,000	-\$1,710,000		\$1,325,000		(1,048,784)	Revised schedules limits activity to design for 2002.
	PW/CIP	15th Ave/NE 165th St Traffic Signal	\$0		\$57,235	\$57,235		-	Funds remaining from 2001 will be used for work to be completed in 2002.
	PW/CIP	15th Ave. NE Access and Safety Improvements	\$83,000	-\$83,000		\$0		-	Pre-design phase combined with North City Business District pre-design phases.
	PW/CIP	15th Ave NE Pedestrian Crosswalks	\$225,000	-\$225,000		\$0		(184,000)	Pre-design phase combined with North City Business District pre-design phases.
	PW/CIP	North City Business District Improvements	\$1,386,044	-\$1,046,044	\$88,000	\$408,000		(52,000)	Pre-design phase to be completed in 2002
	PW/CIP	175th Street Sidewalks NE/S of Meridian Ave Intersection	\$191,175	-\$40,880		\$186,285		(26,288)	Project to be completed in 2002 to meet grant requirements.
	PW/CIP	1st Avenue NE Sidewalks	\$134,350	\$55,855	\$22,500	\$212,705		(460)	Project to be completed in 2002 to meet grant requirements.
	PW/CIP	Richmond Beach Road @ 3rd Ave	\$0	\$11,673		\$11,673		-	
	PW/CIP	Contingency	\$200,000	-\$200,000		\$0		275,071	Contingency within projects should be adequate.
Roads Capital Total Fund			\$9,440,569	-\$6,023,406	\$0	\$509,488		(\$3,700,992)	

Reappropriation Worksheet.xls/amendment Detal

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ATTACHMENT B

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ATTACHMENT C

City of Shoreline 2002 - 2007 Capital Improvement Plan Summary Expenditures General Capital Fund

Project	Revised 2002	Revised 2003	Revised 2004	Revised 2005	Revised 2006	Revised 2007	Revised 2002 thru 2007
Facilities Projects							
City Hall	\$100,000	\$15,234,000	\$100,000	\$100,000	\$100,000	\$100,000	\$15,734,000
Hamlin Park Equipment Storage Building	\$146,000						\$146,000
City Gateways	\$50,000						\$50,000
Parks Projects							
Richmond Beach Saltwater Park - Orig Est.	\$9,500	\$72,257					\$0
Richmond Beach Saltwater Park Beach Erosion			\$62,000				\$81,757
Richmond Beach Saltwater Park Master Plan			\$78,000				\$1,641,000
Parks Equipment				\$85,400	\$93,600	\$1,400,000	\$78,000
Park Improvements and Upgrades Program	\$630,000						\$630,000
Neighborhood Parks Repair and Replacement	\$60,000	\$75,000	\$45,000	\$55,000	\$60,000	\$60,000	\$355,000
Ronald Bog Park				\$44,375	\$26,625		\$71,000
Twin Ponds Park					\$38,125	\$22,875	\$61,000
Paramount School Park	\$526,275						\$526,275
Cromwell Park	\$0	\$34,941	\$67,659	\$32,400	\$296,000	\$74,000	\$505,000
Parks Master Plan	\$31,000						\$31,000
Recreation Facilities Projects							
Richmond Highlands Community Center	\$59,000						\$59,000
Swimming Pool Improvements	\$9,831						\$9,831
Shoreline Community College Sports Fields		\$31,000					\$31,000
Open Space Projects							
Paramount Open Space	\$72,000	\$74,000					\$146,000
General:							
General Engineering	\$169,526	\$174,105	\$178,823	\$183,681	\$188,686	\$193,840	\$1,088,661
General Capital Contingency	\$186,313	\$200,000	\$53,148	\$50,086	\$80,304	\$185,072	\$754,922
Reserve for Future Projects:							
City Gateways		\$100,000	\$100,000	\$100,000			\$300,000
Total Expenditures by Year	\$2,049,445	\$15,995,303	\$684,639	\$650,942	\$883,340	\$2,035,787	\$22,299,446

ATTACHMENT C

City of Shoreline 2002 - 2007 Capital Improvement Plan Summary Expenditures General Capital Fund

Project	Revised 2002	Revised 2003	Revised 2004	Revised 2005	Revised 2006	Revised 2007	Revised 2002 thru 2007
Revenue							
General Revenue							
Real Estate Excise Tax (1st Qtr)	\$601,596	\$601,596	\$601,596	\$601,596	\$601,596	\$601,596	\$3,609,576
Interest Income	\$121,269	\$112,268	\$64,696	\$82,779	\$89,451	\$84,836	\$555,299
General Fund Support	\$1,146,560	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,646,560
Subtotal	\$1,869,425	\$813,864	\$766,292	\$784,375	\$791,047	\$786,432	\$5,811,435
Grant Revenue							
Ronald Bog - PSMP Program							\$0
Subtotal	\$0	\$30,000	\$30,000	\$0	\$0	\$0	\$60,000
Other Revenue							
Donation - Mariners							\$0
Ronald Bog Trust Fund Loan (Cromwell Park)			\$250,000				\$250,000
Bond Financing		\$14,200,000					\$14,200,000
Subtotal	\$0	\$14,200,000	\$250,000	\$0	\$0	\$0	\$14,450,000
Total Revenue by Year	\$1,869,425	\$15,043,864	\$1,046,292	\$784,375	\$791,047	\$786,432	\$20,321,435
Beginning Fund Balance	\$2,425,382	\$2,245,362	\$1,293,923	\$1,655,585	\$1,789,018	\$1,696,726	\$2,425,382
Total Revenues	\$1,869,425	\$15,043,864	\$1,046,292	\$784,375	\$791,047	\$786,432	\$20,321,435
Total Expenditures	\$2,049,445	\$15,995,303	\$684,630	\$650,942	\$883,340	\$2,035,787	\$22,299,446
Ending Fund Balance	\$2,245,362	\$1,293,923	\$1,655,585	\$1,789,018	\$1,696,726	\$447,371	\$447,371

ATTACHMENT C

City of Shoreline 2002 - 2007 Capital Improvement Plan Summary Expenditures Roads Capital Fund

Project	Revised 2002	Revised 2003	Revised 2004	Revised 2005	Revised 2006	Revised 2007	Revised 2002 thru 2007
Pedestrian / Non-Motorized Projects							
Interurban Trail	\$0	\$0					\$0
Interurban Trail South Segment	\$225,000	\$1,100,000					\$1,325,000
Feasibility Study Interurban Trail Pedestrian Bridge	\$50,000						\$50,000
Curb Ramps Program	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
System Preservation Projects							
Annual Overlay Program	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$4,200,000
Annual Sidewalk Repair Program	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
Richmond Beach Overcrossing 167AOX	\$25,000	\$75,000	\$52,273	\$339,870	\$1,302,857		\$1,795,000
Safety / Operations Projects							
Transportation Improvements CIP Project Formulation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$240,000
Neighborhood Traffic Safety Program	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$960,000
Aurora Avenue North - N. 145th to N. 165th	\$1,325,000	\$1,678,160	\$1,490,000	\$14,590,000	\$9,124,500		\$28,207,660
Aurora Corridor Project - N. 165th to N. 205th			\$1,036,500	\$1,077,900	\$717,130	\$745,810	\$3,577,340
15th Avenue NE Access and Safety Improvements			\$70,000	\$1,457,143	\$242,857		\$1,770,000
North City Business District Improvements	\$340,000	\$594,000	\$2,823,000	\$281,091	\$68,000		\$3,757,000
15th Avenue NE Pedestrian Crosswalks			\$15,909				\$365,000
175th Street Sidewalks NE/S of Meridian Ave Intersection	\$150,285						\$150,285
1st Avenue N.E. Sidewalks	\$190,205						\$190,205
Richmond Beach Road @ 3rd Ave.	\$11,673						\$11,673
Reserve For Future Projects							
Interurban Trail							
North City Business District Improvements						\$3,086,822	\$3,086,822
Aurora Avenue North 165th-172nd Pre-Design/Design				\$282,004		\$1,253,660	\$282,004
Total Expenditures by Year	\$3,417,163	\$4,547,160	\$6,587,682	\$19,128,008	\$12,555,344	\$6,186,292	\$52,421,649

ATTACHMENT C

City of Shoreline 2002 - 2007 Capital Improvement Plan Summary Expenditures Roads Capital Fund

Project	Revised 2002	Revised 2003	Revised 2004	Revised 2005	Revised 2006	Revised 2007	Revised 2002 thru 2007
Revenue							
General Revenue							
Real Estate Excise Tax (2nd Qtr)	\$619,644	\$619,644	\$619,644	\$619,644	\$619,644	\$619,644	\$3,717,864
Interest Income	\$705,374	\$751,210	\$732,700	\$589,761	\$304,363	\$31,320	\$3,114,728
General Fund Support	\$1,297,466	\$1,398,471	\$1,441,110	\$1,433,602	\$1,425,944	\$1,418,133	\$8,414,726
Arterial Street Fund - Fuel Tax	\$369,042	\$368,037	\$375,398	\$382,906	\$390,564	\$398,375	\$2,284,322
Subtotal	\$2,991,526	\$3,137,362	\$3,168,852	\$3,025,913	\$2,740,515	\$2,467,472	\$17,531,640
Grant Revenue							
Interurban Trail - TEA-21 Federal		\$523,579				\$581,155	\$1,104,734
Interurban Trail - ISTEAD		\$456,000				\$744,000	\$1,200,000
Aurora - TEA-21 Federal							\$0
Aurora Federal - System Preservation Program	\$939,500			\$4,989,000			\$939,500
Aurora Federal Demo Program							\$4,989,000
Aurora Statewide Competitive Program - TIB-SCP	\$136,736			\$4,260,280	\$3,307,245		\$3,307,245
Aurora State Funding - TIB-TTP					\$70,000		\$70,000
Aurora Pedestrian Facilities Program - PFP					\$90,000		\$90,000
Aurora - Hazardous Elimination System - HES					\$358,565		\$358,565
Aurora - Next Section 50% Grant			\$518,250	\$538,950		\$999,735	\$2,415,500
175th & Meridian - PSMP	\$126,652						\$126,652
1st Ave. Sidewalks - PSMP	\$119,480						\$119,480
Interurban - IAC						\$303,607	\$303,607
Richmond Beach Overcrossing - HBRRP			\$41,818	\$271,896	\$418,166		\$811,880
Aurora - METRO-KC	\$20,000	\$60,000				\$500,000	\$500,000
Interurban - King County						\$129,533	\$129,533
Richmond Beach Overcrossing - Private Funding							\$110,000
15th Ave. Pedestrian Crosswalks - HES				\$184,000			\$184,000
15th Ave. - PFP				\$150,000			\$150,000
North City - PSMP							\$52,000
Subtotal	\$1,342,368	\$1,091,579	\$560,068	\$10,394,126	\$4,353,976	\$3,258,030	\$21,000,147
Total Revenue	\$4,333,894	\$4,228,941	\$3,728,920	\$13,420,039	\$7,094,491	\$5,725,502	\$38,531,787
Beginning Fund Balance	\$14,107,478	\$15,024,209	\$14,705,990	\$11,847,228	\$6,139,259	\$678,405	\$14,107,478
Total Revenues	\$4,333,894	\$4,228,941	\$3,728,920	\$13,420,039	\$7,094,491	\$5,725,502	\$38,531,787
Total Expenditures	\$3,417,163	\$4,547,160	\$6,587,682	\$19,128,008	\$12,555,344	\$6,186,292	\$52,421,649
Ending Fund Balance	\$15,024,209	\$14,705,990	\$11,847,228	\$6,139,259	\$678,405	\$217,615	\$217,615

ATTACHMENT C

City of Shoreline 2002 - 2007 Capital Improvement Plan Summary Expenditures Surface Water Capital Fund

Project	Revised 2002	Revised 2003	Revised 2004	Revised 2005	Revised 2006	Revised 2007	Revised 2002 thru 2007
Conveyance and Treatment Projects							
SWM CIP Project Formulation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$240,000
Ronald Bog Drainage Improvements	\$350,000	\$159,000	\$1,267,667	\$1,933,333	\$1,760,000	\$440,000	\$5,910,000
3rd Avenue NW Drainage Improvements	\$175,000	\$175,000	\$153,846	\$96,154	\$0	\$0	\$600,000
Stream Rehabilitation / Habitat Enhancement							
Stream Rehab / Habitat Enhancement Program	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$150,000
Total Expenditures by Year	\$590,000	\$399,000	\$1,486,513	\$2,094,487	\$1,825,000	\$505,000	\$6,900,000
Revenue							
General Revenue							
SWM Fund - SWM Fees	\$90,716	\$683,024	\$0	\$0	\$0	\$0	\$773,740
SWM Fee Increase	\$0	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,000,000
Subtotal	\$90,716	\$1,083,024	\$400,000	\$400,000	\$400,000	\$400,000	\$2,773,740
Other Revenue							
3rd Ave PW Trust Fund Loan*	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ronald Bog Trust Fund Loan*	\$0	\$0	\$2,994,400	\$0	\$0	\$202,775	\$3,197,175
Subtotal	\$0	\$0	\$2,994,400	\$0	\$0	\$202,775	\$3,197,175
Total Revenue	\$90,716	\$1,083,024	\$3,394,400	\$400,000	\$400,000	\$602,775	\$5,970,915
Beginning Fund Balance	\$1,623,209	\$1,123,925	\$1,807,949	\$3,715,836	\$2,021,349	\$596,349	\$1,623,209
Total Revenues	\$90,716	\$1,083,024	\$3,394,400	\$400,000	\$400,000	\$602,775	\$5,970,915
Total Expenditures	\$590,000	\$399,000	\$1,486,513	\$2,094,487	\$1,825,000	\$505,000	\$6,900,000
Ending Fund Balance	\$1,123,925	\$1,807,949	\$3,715,836	\$2,021,349	\$596,349	\$694,124	\$694,124

*Assumes loan close-out period will be extended

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Proposed 2003/2004 Human Services and Community Development Block Grant Allocations Process
DEPARTMENT:	Parks, Recreation and Cultural Services
PRESENTED BY:	Wendy Barry, Director Rob Beem, Assistant Director

PROBLEM/ISSUE STATEMENT:

Prior to each round of funding allocations, the City identifies priorities and sets the parameters to guide agencies in developing their applications for Health and Human Services funding. Human services funding (both City General Fund and Community Development Block Grant) is allocated on a biennial basis, while capital funding (CDBG only) is allocated on a yearly basis. Our first two-year funding process was implemented for the 2001 and 2002 funding years. As in the past, the City's process is keyed to King County's requirements for the Community Development Block Grant Consortium.

As in years' past, staff recommends that a citizen ad-hoc committee be convened to review project applications and to recommend a funding plan to the City Council. This committee's recommendations will be brought to Council in early September.

FINANCIAL IMPACT:

The amounts of funding estimated to be available are based on this year's current budget level funding. All of these amounts for 2003 and 2004, however, are subject to change based on federal appropriations and upon the funds available for the City's budget during these years. The amounts listed do not include the \$100,000 in one-time emergency funding for human services contained in the 2002 budget. Thus funding will be as follows:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
HS/General Fund	\$ 158,000	\$158,000	\$ 158,000
Youth Services Policy	\$ 25,000	\$ 25,000	\$ 25,000
CDBG/Public Services	\$ 55,900	\$ 55,900	\$ 55,900
Sub Total All Services	\$ 238,900	\$238,900	\$ 238,900
CDBG/Capital	\$ 108,000**	\$ 65,000	\$ 65,000
CDBG/ Home Repair*	\$ 155,000	\$155,000	\$ 155,000
CDBG/ Administration**	\$ 44,800	\$ 44,800	\$ 44,800

*Not included in competitive process

**Higher amount due to recaptured funds from a prior year project that was cancelled.

RECOMMENDATION

Staff recommends that Council approve the human services allocation process as outlined, including the estimated amount of funding to be available, and direct the City Manager to certify with King County the City's intent to use CDBG funds in the amounts and categories estimated. Categories and recommendations are as follows:

	<u>2003</u>	<u>2004</u>
HS/General Fund	\$158,000	\$158,000
Youth Services Policy	\$ 25,000	\$ 25,000
CDBG/Public Services	<u>\$ 55,900</u>	<u>\$ 55,900</u>
Sub Total All Services	\$238,900	\$238,900
CDBG/Capital	\$ 65,000	\$ 65,000
CDBG/ Home Repair	\$155,000	\$155,000
CDBG/ Administration	\$ 44,800	\$ 44,800

New estimates for CDBG funding will not be available from King County until mid-April. If these estimates differ from the recommendations, it is the City's intent to use the maximum amounts available for CDBG Administration and CDBG Public Services, to fund the CDBG Home Repair Program at \$155,000 and to use the remainder for the CDBG Capital program.

Approved By:

City Manager LB

City Attorney 

INTRODUCTION

As we enter this funding cycle the City needs to establish parameters around how much funding is available and what particular priorities will guide funding allocations. Also, the City must certify to King County the estimated categorical amounts for CDBG funding that we will use for 2003. Council's approval of the estimated amounts serves this purpose.

BACKGROUND

Parameters around how much funding is available and what particular priorities will guide funding allocations provides needed guidance to agencies seeking the City's support. This staff report addresses three specific topics that come together to shape the HS allocation process.

1. Priorities for allocation of HS Funding
2. Amounts of funding estimated to be available for allocation
3. Process for selecting members of the Human Services Advisory Committee

Priorities for Health and Human Services Funding

The City's Human Services Strategy includes 15 Desired Outcomes (see below). All applications for funding are screened to ensure that the programs they support address this prioritized list of goals for City involvement. We recommend that Council approve these Desired Outcomes as a guide for this funding process.

Human Services Strategy – Desired Outcomes

1. More youth involved in structured, positive activities during non-school hours.
2. Reduce delinquency, violence, and crime.
3. More young people more skilled and prepared.
4. Reduce substance abuse.
5. Reduce child abuse and neglect.
6. More people have adequate food, shelter, and clothing.
7. More youth have contact with caring adults.
8. Preserve the independence and quality of life for seniors.
9. More community members work together to solve problems.
10. Increase affordable childcare.
11. Increase affordable housing.
12. Increase employment.
13. Reduce teen pregnancy.
14. Reduce domestic and dating violence.
15. Increase overall levels of academic, vocational, and self-improvement learning for people of all ages, to ensure employability and personal growth.

Priorities for Capital Projects

The City uses a portion of its Community Development Block Grant to fund capital development projects. CDBG capital development funds may be used to address a wide range of City and non-profit needs. In Shoreline as well as other communities in King County, CDBG funds have been used to support housing development, repairs

and modifications to human service agencies' facilities and for City sponsored projects such as curb ramps or sidewalks which address the needs of specific target populations. These populations are typically low and moderate-income individuals and families and persons with disabilities. Each of these types of capital projects varies significantly in terms of benefit, complexity and readiness.

While the Desired Outcomes give adequate guidance for the use of General Fund and CDBG Public Services funding, they are not specific enough to provide the same level of guidance for capital funding. During the last funding process, Council approved a set of Capital Priorities to be used in the allocation of CDBG Capital funds. The Capital Priorities were approved in 2000 and were used in the 2001 and 2002 CDBG Capital allocation processes. Staff recommends that Council reaffirm these priorities for use in the 2003 CDBG Capital Allocations process.

Priorities for Capital Projects

1. Housing development
2. Repairs to human service agency facilities
3. City projects addressing the needs of specific populations

Funding Available

Funding for this allocation process is a blend of City General Funds and the City's share of the Community Development Block Grant. Typically at this point in the funding cycle, staff estimates the total funds available based on past year's funding levels. These levels are subject to change as a result of the Federal appropriation for the CDBG and as a result of the City's annual budget.

The total 2002 General Fund HS allocation is \$183,000, which includes \$158,000 in funds for a variety of services and \$25,000 in Youth Services Policy funds that were added in the last funding process to address priorities contained in the Youth Services Policy that was adopted by Council in January 2000. This funding does not include 2002 budget's \$100,000 in Emergency Human Services Funding.

The total CDBG allocation for 2002 is approximately \$323,000 (which does not include an additional \$40,000 reclaimed from a cancelled capital project and was re-allocated for 2002). CDBG funding supports four separate activities: Public Services (Human Services), Housing Repair, Capital Projects and Administration. Staff proposes to maintain a status quo in regards to the distribution of the CDBG funds into the separate activities. The funding amounts for CDBG/Administration and CDBG/Public Services represent the highest amounts allowed for these categories. Funding at the recommended level for CDBG/Home Repair (managed on our behalf by King County) is intended to allow Shoreline to serve between 10 and 15 homeowners.

Our estimates of available funding are as follows:

	<u>2002</u>	<u>2003</u>	<u>2003</u>
HS/General Fund	\$ 158,000	\$158,000	\$ 158,000
Youth Services Policy	\$ 25,000	\$ 25,000	\$ 25,000
CDBG/Public Services	\$ 55,900	\$ 55,900	\$ 55,900

Sub Total All Services	\$ 238,900	\$238,900	\$ 238,900
CDBG/Capital	\$ 108,000**	\$ 65,000	\$ 65,000
CDBG/ Home Repair*	\$ 155,000	\$155,000	\$ 120,000
CDBG/ Administration*	\$ 44,800	\$ 44,800	\$ 44,800

*Not included in competitive process

**Higher amount due to recaptured funds from a prior year project that was cancelled

Appointment of the HS Advisory Committee

In order to retain the connection between this Committee and Council, staff recommends that the Mayor and Deputy Mayor review and appoint members. Staff would work with Council, to generate applicants for the Committee beginning in early May. The list of candidates would be reviewed and appointed by the Mayor and Deputy Mayor in early June.

Process Schedule

Applications Available/Workshop	4/30
Solicit Applications for HS Committee	5/3
Committee Applications Due	5/28
Funding Applications Due	6/7
HS Advisory Committee Meetings	July
Recommendation completed by	8/9
Council Hearing/Review/Action	9/10
CDBG Plan due to King County	9/24

ALTERNATIVES ANALYSIS

There are a few constants to consider in the allocation process. The City has committed to being a participant in the King County Consortium through 2003. Also, King County requires that the City submitted projects to be funded by September 24, 2002. The County also requires that the City certify estimated amounts of CDBG categories by May. The schedule and amounts indicated for the allocations process has been developed with those requirements in mind.

The City is bound by federal regulations and County information in regards to the amounts available for CDBG Public Services and CDBG Planning & Administration. Those categories have statutory ceilings that the King County Consortium must abide by. The City has always used the maximum available in Public Services and Planning & Administration. Amounts available in these categories, as well as the overall City allocation of CDBG funds has been declining in the past 3 years. Because of the tenuous climate for human service programs, staff recommends continuing to use all available CDBG Public Service funding for human services. There is no limit on the level of funding for CDBG Home Repair or CDBG Capital Projects. Staff has recommended Home Repair at \$155,000 and Capital Project at \$65,000. This recommendation is based on past funding levels and provides approximately 10-15 homeowners with assistance each year. This allows for a substantial impact on Shoreline's housing stock at the same time supporting local capital projects.

SUMMARY

For the second time, the HS Allocations process will cover a two-year, 2003-2004, funding cycle. The City will allocate an estimated \$238,900 for services and \$65,000 for capital projects in each year of the cycle (as in the previous two-year cycle, CDBG Capital allocations will be developed each year). As in the past the Desired Outcomes will serve as a guide for the City's funding priorities. Capital projects will also be evaluated based on the degree that they meet the City's Priorities for Capital Projects.

The City will form an HS Advisory Committee to develop a recommendation for Council as to the allocation of these funds. The Mayor and Deputy Mayor will make appointments to this Committee.

RECOMMENDATION

Staff recommends that Council approve the human services allocation process as outlined, including the estimated amount of funding to be available, and direct the City Manager to certify with King County the City's intent to use CDBG funds in the amounts and categories estimated. Categories and recommendations are as follows:

	<u>2003</u>	<u>2004</u>
HS/General Fund	\$158,000	\$158,000
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New estimates for CDBG funding will not be available from King County until mid-April. If these estimates differ from the recommendations, it is the City's intent to use the maximum amounts available for CDBG Administration and CDBG Public Services, to fund the CDBG Home Repair Program at \$155,000 and to use the remainder for the CDBG Capital program.