

## CITY COUNCIL AGENDA ITEM

### CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Transmittal of 2002 Proposed Budget
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	Steve Burkett, City Manager

**PROBLEM/ISSUE STATEMENT:** The City Manager is required to submit the 2002 proposed budget to the City Council no later than November 2, 2001. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 22. The purpose of this presentation will be to introduce the budget document to your Council, provide the policy background concerning its development, highlight key budget issues and changes from the previous year, propose a budget review process and schedule, and to answer any questions you may have at this time.

**FINANCIAL IMPACT:** The 2002 Proposed Budget totals \$48,590,322. The following table is a summary of the proposed budget by fund:

Fund	2002 Proposed Budget			2001 Amended		
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	01 - '02 % Change
<b>Operating Funds:</b>						
General Fund	5,332,420	25,213,287	26,569,882	3,975,825	26,396,933	0.7%
General Reserve	1,421,766	257,550	0	1,679,316	0	n/a
Streets	670,082	2,873,727	3,161,431	382,377	3,855,006	-18.0%
Surface Water Management	2,001,076	2,167,907	2,248,130	1,920,853	3,244,376	-30.7%
Development Services	638,595	1,893,346	1,912,731	619,210	1,773,380	7.9%
Equipment Replacement	518,409	195,043	275,000	438,452	275,000	0.0%
Vehicle Operations & Maintenance	91,767	70,567	70,000	92,334	70,000	0.0%
Unemployment	82,319	10,753	8,259	84,813	8,259	0.0%
Code Abatement	102,632	104,000	100,000	106,632	100,000	0.0%
Asset Seizure	16,302	23,855	25,000	15,157	0	n/a
Sub-Total Operating Funds	10,875,368	32,810,035	34,370,433	9,314,970	35,722,954	-3.8%
<b>Capital Funds:</b>						
Arterial Streets	8,222	360,821	369,042	0	455,955	-19.1%
General Capital	2,425,382	1,899,425	2,120,278	2,204,529	6,470,034	-67.2%
Roads Capital	12,206,065	8,129,926	9,440,569	10,895,422	16,338,076	-42.2%
Surface Water Capital	1,623,209	1,509,496	2,290,000	842,705	4,818,100	-52.5%
Sub-Total Capital Funds	16,262,878	11,899,668	14,219,890	13,942,656	28,082,165	-49.4%
<b>Total City Budget</b>	<b>27,138,246</b>	<b>44,709,702</b>	<b>48,590,322</b>	<b>23,257,626</b>	<b>63,805,119</b>	<b>-23.8%</b>

The City's operating funds expenditures total \$34,370,433 for 2002 and this represents 71% of the total budget. The City's 2002 capital expenditures total \$14,219,890 which is the remaining 29% of the City's proposed expenditures. Total 2002 projected expenditures represent a 23.8% decrease from those budgeted in 2001. The overall decrease in projected operating fund expenditures is 3.8%, while the capital fund expenditures are projected to decrease by 49.4%. The proposed 2002 budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes budget workshops on November 5<sup>th</sup> and 13<sup>th</sup>, with a third workshop on November 19<sup>th</sup> available if needed. The required public hearing on the 2002 proposed property tax levy is proposed for November 13<sup>th</sup> with discussion regarding adoption that evening following the hearing. Council could take action to adopt the budget on December 10<sup>th</sup>.

#### **RECOMMENDATION**

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the Proposed 2002 City Budget and any key questions or issues that Council may wish staff to address as part of that process is desired.

Approved By:

City Manager 