

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 333, Amending the 2003 Budget for Capital projects and Funding Supplemental 2003 Requests
DEPARTMENT:	Finance
PRESENTED BY:	Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

As part of the development of the 2004 – 2009 Capital Improvement Plan (CIP), capital projects currently underway were reviewed and their projected 2003 expenditures and revenues updated. In some cases, projects have been accelerated or some cost estimates have been increased. In order to provide adequate budget resources to complete the work scheduled to occur during 2003, additional budget authorization is needed. These increases were factored into the long-range funding forecasts for the capital funds in the 2004 – 2009 CIP.

The 2003 budgets will be amended for the following capital projects:

General Capital Fund

- Additional reserves for City Hall Project - \$1,800,000

Roads Capital Fund

- Annual Road Surface Maintenance - \$99,087
- Richmond Beach Over-crossing - \$155,596
- Dayton Avenue North @ N. 175th Retaining Wall - \$31,000

Surface Water Capital Fund

- Ronald Bog Drainage Improvements - \$424,367
- Surface Water Comprehensive Plan - \$41,000

There are also some adjustments that need to be made to the City's 2003 operating budget as a result of unanticipated revenues due to the receipt of a grant from Seattle City Light and additional sales tax collected as a result of ongoing auditing efforts. The following operating programs will be impacted by the amendment:

General Fund

- Finance/Budget & Financial Planning - \$23,000 (Offset by increased sales tax revenue from audit efforts)

Street Fund

- Street Operations - \$42,000

ALTERNATIVES ANALYZED:**Alternative 1: Take no action.**

If the Council chose to not approve this budget amendment, either the work scheduled to be completed on these capital and operating projects would not be completed as planned or to complete the projects, monies that were budgeted for other capital or operating projects in 2003 would need to be redirected.

Alternative 2: Approve Ordinance No. 333 (Recommended)

Approval of Ordinance No. 333 will provide the budget authority for the completion of projects as planned in the CIP without negatively impacting other capital projects. Also the budget amendment will result in accurately reflecting the anticipated expenditures in the City's capital funds. The City's operating budget will accurately reflect anticipated costs associated with additional grant resources and sales tax audit processes.

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.

	Current 2003 Available Beginning Fund Balance	Budget Amendment Request	Revenue Adjustments	Resulting 2003 Available Beginning Fund Balance
	(B)	(C)	(D)	(E) (B - C-D)
Fund				
General Fund	\$8,296,671	\$1,922,087	\$115,000	\$6,489,584
Street Fund	600,449	\$41,691	\$41,691	600,449
General Capital Fund	3,545,865		\$1,800,000	\$5,345,865
Roads Capital Fund	13,614,361	\$289,683	\$258,683	13,583,361
Surface Water Capital	2,402,491	\$465,367	\$351,800	\$2,288,924
Total				

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 333, amending the 2003 budget.

Approved By:

City Manager

City Attorney

INTRODUCTION

During the development of the six-year CIP, the current year status of each capital project was reviewed. If a project is being accelerated or if costs have increased from those projected in the prior CIP, the project's current year budget needs to be amended to include sufficient budget authority for the project. During the development of the 2004 – 2009 CIP, it was determined that several projects would require additional funding.

BACKGROUND

Budget Amendments for Capital Projects

General Capital Fund

General Capital Revenues: Revenues will be increased by \$1,800,000 to represent an additional contribution from the General Fund. This additional contribution will increase the General Capital Fund's fund balance. This funding will be used in the future for the City Hall project. This funding became available as a result of General Fund savings from 2002.

Roads Capital Fund

Roads Capital Revenues: Revenues will be increased by \$99,087 to reflect an increase in the amount of contribution from the General Fund. This funding will be used for the Annual Road Surface Maintenance Program. Grant and private funding related to the Richmond Beach Over-crossing project will also be added by a total of \$155,596.

Annual Road Surface Maintenance Program: An additional appropriation of \$99,087 will bring the program back up to its prior level of annual funding of \$700,000. Funding was reduced to \$500,000 after the passage of I-776. The increase in funding is supported by an increase in the contribution from the General Fund. Earlier this year, \$100,913 was carried forward from 2002 for this project, increasing the total 2003 project budget to \$600,913.

Richmond Beach Over-crossing: The 2003 budget for this project is being increased by \$155,596. The cost of pre-design has increased from the 2003 - 2008 CIP. This increase is being funded from a Highway Bridge Replacement and Rehabilitation Program (HBRRP) grant, private funding from the Burlington Northern Santa Fe Railroad (BNSF) and other grants that are being pursued. Based on our ability to obtain the grants that the City is seeking, this amendment should not require any additional City funding.

Dayton Avenue North @ N. 175th Retaining Wall: In the prior CIP, the 2003 budget only included funding for pre-design work. This project will continue beyond pre-design, with design work in 2003 and construction beginning in 2004. Therefore, the 2003 budget is being increased by \$31,000 to fund design work that will occur this year.

Surface Water Capital Fund

Surface Water Capital Revenues: Revenues will be increased by \$351,800 to include additional funding from a Public Works Trust Fund loan from the State for the Ronald Bog Drainage Improvements project.

Ronald Bog Drainage Improvements: The 2003 appropriation for this project will be increased by \$424,367. The construction component of this project has been accelerated. Short-term improvements will be completed ahead of schedule during 2003. The majority of the additional appropriation will be funded by the Public Works Trust Fund Loan.

Surface Water Comprehensive Plan: Funding will be increased for this project by \$41,000. The plan has been accelerated to coincide with the Transportation Master Plan and the Parks Recreation and Open Space Plan.

Impact to the Capital Funds

The revisions to the 2003 capital project budgets result in an increase to the Roads Capital Fund budget of \$285,683 and an increase to the Surface Water Capital Fund budget of \$465,367. The fund balances in the General Capital Fund will increase by \$1,800,000, the Roads Capital Fund will decrease by \$31,000 and the Surface Water Capital Fund will decrease by \$113,567.

Budget Amendments for Operating Programs

General Fund

Revenues: General Fund revenues will be increased by \$115,000. This reflects additional sales tax that will be collected during the year as a result of on-going auditing.

Transfers Out: The General Fund transfer to the General Capital Fund will be increased by \$1,800,000 to fund the City Hall project in future years. This funding became available as a result of 2002 savings. The General Fund transfer to the Roads Capital Fund will be increased by \$99,087 to increase the 2003 appropriation for the Annual Roads Surface Maintenance to its pre-I-776 level of \$700,000. This will also be funded through savings from 2002.

Finance/Budget & Financial Planning: The 2003 appropriation for this program will be increased by \$23,000. This increase will fund the cost of the sales tax audit program.

Street Fund

Street Fund Revenues: Revenues will be increased by \$41,691 to reflect a grant from Seattle City Light's (SCL) Energy Smart program. SCL is reimbursing the City for the cost to replace existing traffic signals with light emitting diodes (LED) units. The new units will also reduce the on-going electricity costs for the signals.

Street Operations: Funding for this program is being increased by \$41,691. This funding represents the cost to install the new LED units in current traffic signals.

ALTERNATIVES ANALYZED:

Alternative 1: Take no action.

If the Council chose to not approve this budget amendment, either the work scheduled to be completed on these capital and operating projects would not be completed as planned or to complete the projects, monies that were budgeted for other capital or operating projects in 2003 would need to be redirected.

Alternative 2: Approve Ordinance No. 333 (Recommended)

Approval of Ordinance No. 333 will provide the budget authority for the completion of projects as planned in the CIP without negatively impacting other capital projects. Also the budget amendment will result in accurately reflecting the anticipated expenditures in the City's capital funds. The City's operating budget will accurately reflect anticipated costs associated with additional grant resources and sales tax audit processes.

SUMMARY

The following table summarizes the budget amendments to each fund and the resulting 2003 appropriations for each of the affected funds.

	Current Budget	Budget Amendment Request	Amended Budget
Fund			
General Fund	\$ 26,626,418	\$1,922,087	\$28,548,505
Street Fund	\$2,967,040	\$41,691	\$3,008,731
General Capital Fund	\$2,689,698		\$2,689,698
Roads Capital Fund	\$9,602,055	\$289,683	\$9,891,738
Surface Water Capital	\$1,181,463	\$465,367	\$1,646,830

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 333, amending the 2003 budget.

ATTACHMENTS

Attachment A; Ordinance 333, Amending the 2003 Budget

ORDINANCE NO. 333

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 315, BY INCREASING THE APPROPRIATION FOR THE GENERAL FUND AND CITY STREET FUND TO REFLECT UNANTICIPATED GRANTS AND OTHER REVENUES; INCREASING THE APPROPRIATION FOR THE GENERAL CAPITAL FUND, THE ROADS CAPITAL FUND AND THE SURFACE WATER CAPITAL FUNDS TO COMPLETE THE 2003 PORTION OF CAPITAL PROJECT WORK AS APPROVED IN THE 2004-2009 CAPITAL IMPROVEMENT PLAN;

WHEREAS, the 2003 Final Budget for the City of Shoreline Budget was adopted by Ordinance No. 315, Section 1 (hereafter "2003 Budget"); and

WHEREAS, the 2004 – 2009 Capital Improvement Program included changes to project work schedules for several capital projects in 2003 which require additional appropriations; and

WHEREAS, there are additional grants and private funding sources and sufficient fund balance available to fund the accelerated project work; and

WHEREAS, the City has received a grant from the Seattle City Light Energy Smart Program and additional revenue as a result of tax audits; 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 2003 Budget Summary. The City hereby amends Section 1 of Ordinance No. 315 by increasing the appropriation for the General Fund by \$1,922,087 to \$28,548,505; for the Street Fund by \$41,691 to \$3,008,731; for the Roads Capital Fund by \$289,683 to \$9,891,738; and for the Surface Water Capital Fund by \$465,367 to \$1,646,830 for a total City appropriation of \$51,257,796.

General Fund	\$26,626,418	\$28,548,505
Street Fund	2,967,040	3,008,731
Arterial Street Fund	358,905	
Surface Water Management Fund	2,910,882	
General Reserve Fund	0	
Development Services Fund	1,859,545	
Code Abatement Fund	100,000	

Asset Seizure	29,851	
Public Arts Fund	0	
General Capital Fund	2,689,698	
Roads Capital Fund	9,602,055	9,891,738
Surface Water Capital Fund	1,181,463	1,646,830
Vehicle Operations/Maintenance Fund	55,000	
Equipment Replacement Fund	148,111	
Unemployment Fund	10,000	
Total Funds	\$48,538,968	\$51,257,796

Section 2. Appropriation for the General Fund. The 2003 Budget beginning fund balance for the General Fund is decreased by \$1,807,087. 2003 budgeted revenues are increased by \$115,000 and the 2003 budgeted expenditures are increased by \$1,922,087 for a total fund appropriation of \$28,548,505.

Section 3. Appropriation for the Street Fund . 2003 budgeted revenues for the Street Fund are increased by \$41,691 and the 2003 budgeted expenditures are increased by \$41,691 for a total fund appropriation of \$3,008,731.

Section 4. Appropriation for the General Capital Fund. The fund balance for the General Capital Fund is increased by \$1,800,000 to \$5,345,865. No change is made to the 2003 appropriation for this fund.

Section 5 Appropriation for the Roads Capital Fund. The 2003 budgeted revenues for the Roads Capital fund are increased by \$258,683 and the 2003 budgeted expenditures are increased by \$289,683 for a total fund appropriation of \$9,891,738. The fund balance will be reduced by \$31,000

Section 6. Appropriation for the Surface Water Capital Fund. The 2003 Budgeted revenues for the Surface Water Capital Fund are increased by \$351,800. 2003 budgeted expenditures are increased by \$465,367 for a total fund appropriation of \$2,288,924. The fund balance will be reduced by \$113,567.

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 JULY 21 2003.

Mayor Scott Jepsen

ATTEST:

APPROVED AS TO FORM:

Sharon Mattioli
City Clerk

Ian Sievers
City Attorney

Date of Publication: July 24, 2003
Effective Date: July 29, 2003