

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Transmittal of 2003 Proposed Budget
DEPARTMENT: City Manager's Office
PRESENTED BY: Steve Burkett, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager is required to submit the 2003 proposed budget to the City Council no later than November 1, 2002. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 21. The purpose of this presentation will be to introduce the budget document to the 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 2003 Proposed Budget totals \$ 44,539,730. The following table is a summary of the proposed budget by fund:

Fund	Beginning Fund Balance	2003 Proposed Budget		Ending Fund Balance	2002 Amended	02 - '03 % Change
		Revenue	Expenditures		Budget Expenditures	
Operating Funds:						
General Fund	6,044,020	24,344,972	25,790,325	4,598,667	27,018,730	-4.5%
General Reserve	1,601,729	167,370	0	1,769,099	0	n/a
Streets	469,567	2,829,220	2,926,874	371,913	3,585,011	-18.4%
Surface Water Management	2,135,490	2,528,888	2,734,438	1,929,940	2,345,524	16.6%
Development Services	370,559	1,754,470	1,859,545	265,484	1,914,731	-2.9%
Unemployment	61,406	10,000	10,000	61,406	8,259	21.1%
Code Abatement	85,030	100,000	100,000	85,030	100,000	0.0%
Public Art Fund	0	40,465	0	40,465	0	
Asset Seizure	28,522	23,650	23,650	28,522	25,000	-5.4%
Sub-Total Operating Funds	10,796,323	31,799,035	33,444,832	9,150,526	34,997,255	-4.4%
Internal Service Funds:						
Equipment Replacement	848,349	290,062	148,111	990,300	275,000	-46.1%
Vehicle Operations & Maintenance	62,807	41,500	55,000	49,307	70,000	-21.4%
Sub-Total Internal Service Funds	911,156	331,562	203,111	1,039,607	345,000	-41.1%
Capital Funds:						
Arterial Streets	0	358,905	358,905	0	369,042	-2.7%
General Capital	3,854,938	2,041,017	1,925,120	3,970,835	3,313,260	-41.9%
Roads Capital	12,934,167	5,473,945	7,642,012	10,766,100	4,242,649	80.1%

Surface Water Capital	2,285,406	1,411,224	965,750	2,730,880	645,038	49.7%
Sub-Total Capital Funds	19,074,511	9,285,091	10,891,787	17,467,815	8,569,989	27.1%
Total City Budget	30,781,990	41,415,688	44,539,730	27,657,948	43,912,244	1.4%

The City's operating funds expenditures total \$33,444,832 for 2003 and this represents 75% of the total budget. The City's 2003 capital expenditures total \$10,891,787 which is the remaining 25% of the City's proposed expenditures. Total 2003 projected expenditures represent a 1.4% increase from those budgeted in 2002. While operating expenditures are projected to decrease, capital expenditures are projected to increase. The overall decrease in projected operating fund expenditures is 4.4%, while the capital fund expenditures are projected to increase by 27.1%. The proposed 2003 budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes:

Budget Public Hearing & Department Presentations	October 28
Budget Review Workshop	November 4
Public Hearing on Revenue Sources & Property Tax	November 12
Budget Review Workshop	November 18
Adoption of 2003 Budget & 2003 Property Tax Levy	November 25

RECOMMENDATION

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the Proposed 2003 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 