

## CITY COUNCIL AGENDA ITEM

### CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Transmittal of 2008 Proposed Budget  
**DEPARTMENT:** City Manager's Office  
**PRESENTED BY:** Robert Olander, City Manager

**PROBLEM/ISSUE STATEMENT:** The City Manager is required to submit the 2008 proposed budget to the City Council no later than November 2, 2007. The proposed budget is currently under development and will be completed and transmitted to the City Council on October 15. 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 2008 Proposed Budget totals \$93,928,230. The following table is a summary of the proposed budget by fund:

Fund	2008 Proposed Budget			2007 Current		07 - '08 % Change
	Beginning Fund Balance	Revenue	Expenditures	Ending Fund Balance	Budget Expenditures	
<b>Operating Funds:</b>						
General Fund	\$ 3,808,270	\$ 29,993,789	\$ 30,798,789	\$ 3,003,270	\$ 29,016,399	6.1%
Revenue Stabilization Fund	6,246,114	96,000	0	6,342,114	0	n/a
Streets	998,590	2,376,347	2,481,912	893,025	2,556,529	-2.9%
Code Abatement	151,256	87,500	100,000	138,756	100,000	0.0%
Asset Seizure	40,464	21,500	21,500	40,464	23,500	-8.5%
Sub-Total Operating Funds	11,244,694	32,575,136	33,402,201	10,417,629	31,696,428	5.4%
<b>Internal Service Funds:</b>						
Equipment Replacement	1,684,411	308,984	166,750	1,826,645	100,000	66.8%
Public Art Fund	240,254	3,645	168,645	75,254	84,000	100.8%
Unemployment	64,823	8,000	10,000	62,823	10,000	0.0%
Vehicle Operations & Maintenance	61,159	115,049	115,049	61,159	139,988	-17.8%
Sub-Total Internal Service Funds	2,050,647	435,678	460,444	2,025,881	333,988	37.9%
<b>Debt Services Funds:</b>						
General Obligation Bond	174,370	1,780,000	1,662,475	291,895	1,636,228	1.6%
Sub-Total Debt Services Funds	174,370	1,780,000	1,662,475	291,895	1,636,228	1.6%
<b>Enterprise Funds:</b>						
Surface Water Utility Fund	8,552,955	5,958,384	10,483,799	4,027,540	6,742,785	55.5%
Sub-Total Enterprise Funds	8,552,955	5,958,384	10,483,799	4,027,540	6,742,785	55.5%
<b>Capital Funds:</b>						
General Capital	15,012,013	15,729,679	27,408,490	3,333,202	35,349,846	-22.5%
City Facility-Major Maintenance Fund	306,120	35,852	40,000	301,972	110,000	-63.6%
Roads Capital	5,626,702	19,525,080	20,470,821	4,680,961	16,358,554	25.1%
Sub-Total Capital Funds	20,944,835	35,290,611	47,919,311	8,316,135	51,818,400	-7.5%
<b>Total City Budget</b>	<b>\$ 42,967,501</b>	<b>\$ 76,039,809</b>	<b>\$ 93,928,230</b>	<b>\$ 25,079,080</b>	<b>\$ 92,227,829</b>	<b>1.8%</b>

The City's operating fund expenditures total \$33,402,201 for 2008 and this represents 36% of the total budget. The City's debt service expenditures total \$1,662,475 and represent 2% of the total budget. The City's 2008 capital expenditures total \$47,919,311, which represents 51% of the City's proposed expenditures. The Surface Water Utility Fund makes up the enterprise category and is 11% of the total. This includes all surface water related activities including operations and capital projects. Proposed expenditures for internal services are equal to less than 1% of the City total. Total 2008 projected expenditures represent a 1.8% increase from those budgeted in 2007. Operating expenditures are projected to increase by 5.4% (\$1.8 million) and capital expenditures are projected to decrease by 7.5% (\$3.9 million). The capital fund expenditures are projected to decrease primarily as a result of the purchase of several open space properties during 2007 that were included in the bond issue. The budget is balanced and includes adequate reserve levels to meet all adopted budget policies.

The proposed schedule for budget review includes:

Transmittal of Proposed 2008 Budget	October 15
Department Budget Review	October 22
Public Hearing on Proposed 2008 Budget & Continued Department Budget Review	November 5
Public Hearing on Revenue Sources & 2007 Property Tax Levy	November 19
Adoption of 2008 Property Tax Levy	November 26
Adoption of 2008 Budget	November 26

#### **RECOMMENDATION**

This item is for discussion purposes only. Council discussion regarding the proposed process to review and adopt the Proposed 2008 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

