

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: 2006 Proposed Budget Public Hearing & Department Presentations
DEPARTMENT: City Manager
PRESENTED BY: Steve Burkett, City Manager

PROBLEM/ISSUE STATEMENT: The City Manager presented the 2006 Proposed Budget to the City Council on October 17, 2005. Tonight's agenda includes a public hearing on the proposed budget and an opportunity for department directors to review their budget proposals with the City Council. The focus of the public hearing is to provide an opportunity for the public to comment on the proposed budget and the focus of the departmental presentations will be on any significant changes between the department's 2005 budget and the 2006 proposed budget.

The proposed 2006 budget has been made available to the public and is available at the City Hall, Shoreline Police Station, Neighborhood Police Centers, Shoreline Library and Richmond Beach Library. In addition the October issue of the Currents is a special 2006 Budget issue that has been sent to all residents within the City.

The department presentations will focus on those departments with significant budget and/or service level changes. This will serve to expedite the budget review process and make the best use of the Council Meeting time. Although this is the case, all Department Directors will be available to answer questions. Those departments with planned presentations include:

October 24

Human Services
City Attorney
Finance & Information Services
Police

November 7

Criminal Justice (Jail)
Parks & Recreation
Planning & Dev. Services
Economic Development

November 14


Public Works

Tonight we plan to complete department review through the Police Department. Future budget workshops are planned for November 7, November 14, and November 21. Attachment A to this staff report is a suggested schedule for topics that will be covered at each of these workshops. On November 14th, a second public hearing on the budget will be held, with special emphasis on revenue sources and the 2005 property tax levy. The budget is scheduled for adoption on November 28.

FINANCIAL IMPACT: The 2006 Proposed Budget totals \$78,936,984.

RECOMMENDATION

No action is required by the City Council. The public hearing is an opportunity for public comment on the budget. Department presentations will be for informational purposes and provide an opportunity for Council to ask specific questions regarding proposed department budgets.

Approved By: City Manager  City Attorney _____

ATTACHMENTS:

Attachment A: Proposed Budget Review Schedule

ATTACHMENT A

2006 Proposed Budget Review Schedule

October 24	November 7	November 14
City Council City Manager City Clerk Comm & Intergovt Relations Human Services City Attorney Finance Human Resources Customer Response Team Police	Criminal Justice Parks & Recreation Planning & Development Services Economic Development	Public Works City Reserves 2006 Salary Schedule 2006 Fee Schedule

INTRODUCTION

The presentation for the public hearing will provide a broad overview of the proposed 2006 budget. Department presentations will focus on any substantial changes from 2005 to 2006.

DISCUSSION

The 2006 proposed budget is the overall plan for allocating City resources to the programs necessary to keep the community safe, enhance the quality of life, and maintain and develop the City's infrastructure. The proposed budget totals \$78,936,984.

The most significant changes from 2005 included in the 2006 proposed budget include:

- *Property Tax:* The projected 2006 property tax levy rate is \$1.21 per \$1,000 assessed valuation. This is a 3.2% reduction from the 2005 tax rate. The budgeted property tax levy, 99% of the projected levy, is \$6,935,415, a 1.8% increase compared to 2005.
- *Economic Development Enhancements:* The 2006 budget recommends that the City continue development of a Small Business Impact program. The recommended program is to contract with Community Capital Development (CCD) and the Environmental Cooperative of South Seattle (ECOSS) to provide small business support services.

Currently the CCD operates from south Seattle to Everett, with the exception of Shoreline and North County. Setting up operations in Shoreline establishes a continuum of the CCD service territory, thereby allowing a more efficient distribution of its funds, including the King County block grant allocation. The 2006 proposed CCD City funding is \$75,000. CCD will provide another \$15,000 per year, on average, of staff resources, plus assemble a minimum private capital loan fund of \$500,000 for micro and small business loans. The CCD program is anticipated to be a 3 year commitment with City contributions being \$50,000 and \$25,000 in 2007 and 2008 respectively.

ECOSS provides three major program elements: environmental extension service, multi-cultural outreach team, and community-building projects. The focus of the ECOSS program in Shoreline will be to provide business outreach and communications; provide technical assistance to businesses to achieve growth, cost savings and improved operations or use of "clean technologies" in ways that are environmentally sustainable; and, provide creative problem-solving on property issues related to cleanup of soil and water contamination, storm water quality and volume flow issues, air quality issues, and property transfer. The 2006 proposed budget includes \$20,000 for this program. It is anticipated that the City would continue to fund this program in 2007 and 2008.

The costs for these programs would be paid for with the anticipated revenues received from an implementation of a business license/registration program.

- *City Streetlight Program:* The City currently pays for some streetlights and neighborhoods pay for some. In order to improve equity amongst all neighborhoods, the 2006 budget proposed that the City assume responsibility for all existing street lights. The projected annual cost for this is estimated at \$77,000.
- *Use of 2005 Budget Surplus:* It is anticipated that the City will end 2005 with General Fund revenues exceeding General Fund expenditures by \$1.3 million. The 2006 budget recommends that this money be allocated as follows:
 - \$635,000 to the City's General Capital Fund to be appropriated during the 2007-2012 Capital Improvement Program process.
 - \$450,000 to fund the rehabilitation of at least six of the City's traffic signals.
 - \$62,000 for the acquisition of a handicapped accessible van for use in the City's recreation programs
 - \$99,000 for anticipated election costs for the proposed 2006 Park & Recreation bond issue
 - \$50,000 for an urban forestry assessment
 - \$19,000 for one-time costs related to the addition of 4.5 personnel positions
- *Human Service Funding:* The 2006 proposed budget maintains the level of funding allocated in 2005. Originally the City Council included \$62,000 in the 2005 budget as "one-time", but the 2006 budget recommends that this level of funding be included on an on-going basis. In addition to this recommendation, the 2006 budget allocates an additional \$21,000 of general fund monies be allocated to Human Service funding in anticipation to a reduction in federal funding (CDBG grant).
- *New Staff Positions:* The 2006 proposed recommends an increase to the City's regular employee full-time equivalents (FTE's) by a net 4.5 FTEs. The addition of these positions puts the City's employee to each 1,000 residents ratio at 2.6. This is still significantly lower than most of the City's comparable cities. The proposed position changes include:
 - Converting a contracted Network Specialist position to a regular employee position. This results in a net budget savings of \$30,000 to the City's General Fund.
 - The addition of a Parks Maintenance Worker and a Parks & Recreation Project Coordinator
 - The addition of a .5 FTE Technical Assistant in the Permit Services program for implementation of an on-site electrical permit program. This will allow permit applicants to get their electrical permits at the time they are getting other required building permits.
 - Increasing the Assistant City Attorney from a .75 FTE to a 1.0 FTE
 - Converting an existing extra-help recreation assistant to a regular .5 FTE position.
 - The addition of an Engineer Technician in the City's Surface Water program

- The elimination of a .75 FTE Domestic Violence Victim Coordinator position. This position was vacated in 20095 and the Prosecutor's Office has agreed to provide this service through a contract agreement.
- *Fee Changes:* The 2006 budget includes inflationary increases to most of the City's fees. In 2005 the City Council adopted the City's Surface Water Utility Master Plan. Based on the maintenance and capital levels of service recommended and adopted in the plan, the City's surface water utility rate is projected to increase by approximately 8.8%. This would mean that the current \$102 annual residential rate will increase to \$111 in 2006.

In addition to the major changes identified above, the City Council will have an opportunity to review each of the City's department budgets. Formal presentations will not be made by all departments as the department presentations will focus on those departments with significant budget and/or service level changes. This will serve to expedite the budget review process and make the best use of the Council Meeting time. Although this is the case, all Department Directors will be available to answer questions. Those departments with planned presentations include:

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November 14

Public Works

SUMMARY

The 2006 proposed budget is balanced and totals \$78.9 million. The City Council will have four workshops to review the proposed budget. The public will have an opportunity to speak to the Council about the budget at each of the Council meetings as part of either public comment or during the two formal budget public hearings held on October 24 and November 14.

RECOMMENDATION

No action is required by the City Council. The public hearing is an opportunity for public comment on the budget. Department presentations will be for informational purposes and provide an opportunity for Council to ask specific questions regarding proposed department budgets.