

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adoption of Ordinance No. 402, Amending the 2005 Budget for Operating Funds & Capital projects
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

As part of the development of the 2006 – 2011 Capital Improvement Plan (CIP), capital projects currently underway were reviewed and their projected 2005 expenditures and revenues updated. In some cases projects have been accelerated from their original schedule and were started in 2005. In order to provide adequate budget resources to complete the work scheduled to occur during 2005, additional budget authorization is needed. These increases were factored into the long-range funding forecasts for the capital funds in the 2006 – 2011 CIP.

The 2005 budgets will be amended for the following capital projects:

General Capital Fund

- Boeing Creek Park Improvements - \$53,000
- Soccer Field Upgrades – \$47,500

Roads Capital Fund

- North 180th Street & Aurora Pedestrian Improvements - \$128,000
- Aurora Avenue North – 145th – 165th Utility Improvements - \$2,345,508
- Interurban Trail - \$28,686

Surface Water Capital Fund

- Boeing Creek Stormwater Project - \$100,000
- Pan Terra Pond - \$71,000
- Thornton Creek Corridor - \$216,000

During the development of the 2006 proposed budget, the operating budgets for the current year were reviewed and year-end projections developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that some appropriations needed to be amended as a result of unanticipated revenues from grants and unanticipated expenditures. Since adoption of the 2005 budget, the City has been awarded a grant from the state to support the Commute Trip Reduction program. Other operating programs need to be adjusted to reflect unanticipated revenues and expenditures. The following operating programs will be impacted by the amendment:

General Fund

- Commute Trip Reduction Program- \$16,100

Street Fund

- Right-of-way Program - \$10,500

Vehicle Operations/Maintenance Fund

- Fuel - \$7,500

Equipment Replacement Fund

- Muni-Equipment -Technical Replacement - \$25,584
- Muni-Vehicles/Heavy Equipment Replacement - \$10,500

Unemployment Fund

- Intergovernmental Services - \$11,400

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 programs would not be completed as planned or to complete the projects, monies that were budgeted for other capital or operating programs in 2005 would need to be redirected.

Alternative 2: Approve Ordinance No. 402 (Recommended)

Approval of Ordinance No. 402 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 other expenditures.

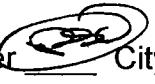

FINANCIAL IMPACT:

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 2005 Available Beginning Fund Balance	Budget Amendment Request	Revenue Adjustments	Resulting 2005 Available Beginning Fund Balance
Fund	(B)	(C)	(D)	(E) (B - C-D)
General Fund	\$10,408,787	\$16,100	\$16,100	\$10,408,787
Street Fund	\$523,801	\$10,500	\$10,500	\$523,801
General Capital Fund	\$6,734,782	\$100,500	\$53,000	\$6,687,282
Roads Capital Fund	\$13,869,421	\$2,502,194	\$2,464,194	\$13,831,421
Surface Water Capital	\$5,441,536	\$387,000	\$100,000	\$5,154,536
Vehicle Operations/Maintenance Fund	\$67,469	\$7,500		\$59,969
Equipment Replacement Fund	\$1,168,020	\$36,084		\$1,131,936
Unemployment Fund	\$37,743	\$11,400		\$26,343
Total		\$3,071,278	\$2,643,794	

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 402, amending the 2005 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. It was determined that some capital projects would require additional funding authorization.

During the development of the 2005 proposed budget, the operating budgets for the current year were reviewed and year-end projections developed for both revenues and expenditures to determine if there would be any potential savings at year-end that could be used in the subsequent year. During this process, it was determined that some appropriations needed to be amended as a result of unanticipated revenues from grants and unanticipated expenditures.

BACKGROUND

Budget Amendments for Capital Projects

General Capital Fund

General Capital Revenues: The use of fund balance will be increased by \$47,500 to begin the Soccer Field Upgrades project in 2005. Revenues are being increased by \$53,000 to include a portion of the King County funding that was received as mitigation for the Hidden Lake project to support the Boeing Creek Park Improvements.

Boeing Creek Park Improvements: An appropriation of \$53,000 will be used to support design work that will occur in 2005. This work will be funded by mitigation funds received from King County. This project was not included in the adopted 2005 budget but was added to the Adopted 2006-2011 CIP and was programmed to begin this year.

Soccer Field Upgrades: An appropriation of \$47,500 will be used to support design work that will occur in 2005. This project was not included in the adopted 2005 budget but was added to the Adopted 2006-2011. The project is scheduled for completion in the third quarter of 2006. In order to meet this schedule it was necessary to begin design work in 2005.

Roads Capital Fund

Roads Capital Revenues: The use of fund balance will be increased by \$38,000. This funding will be used to complete pedestrian improvements at N. 180th & Aurora Avenue. Revenues are being increased by \$2,464,194. They include the addition of a Hazard Elimination System (HES) grant totaling \$90,000; an increase in an Congestion Mitigation Air Quality (CMAQ) grant of \$28,686; and reimbursements from Seattle City Light of \$1,899,225, \$441,283 from Seattle Public Utilities and \$5,000 from Ronald Wastewater District for utility work on the Aurora – 145th to 165th Utility Improvement project.

North 180th Street & Aurora Avenue Pedestrian Improvements: An appropriation of \$128,000 to complete the project. This project was not included in the adopted 2005 budget but was added to the Adopted 2006-2011 CIP and was programmed to be

completed in 2005. This project is partially funded by an HES grant of \$90,000. The remainder of the costs is supported by available fund balance.

Aurora Avenue – 145th to 165th Utility Improvements: An appropriation of \$2,345,508 to complete the 2005 portion of the project. The project is being funded by reimbursements from the participating utilities. The City will receive reimbursements totaling \$1,899,225 from Seattle City Light, \$441,283 from Seattle Public Utilities-Water, and \$5,000 from Ronald Wastewater District. This project was not included in the adopted 2005 budget since agreements had not been finalized with the utilities. This project was included in the adopted 2006-2011 CIP.

Interurban Trail: An additional appropriation of \$28,686 to complete the North B segment of the Trail which runs from North 200th Street to North 205th Street. This is funded by a CMAQ grant.

Surface Water Capital Fund

Surface Water Capital Revenues: The use of fund balance will be increased by \$287,000. Revenues will be increased by \$100,000 to include a portion of the King County mitigation for the Hidden Lake project.

Boeing Creek Storm Water Project: An appropriation of \$100,000 to begin the design work. This project was not included in the adopted 2005 budget, but was included in the adopted 2006-2011 CIP. This work will be funded by the Hidden Lake mitigation funds received from King County.

Pan Terra Pond: An appropriation of \$71,000 to begin the design work. This project was not included in the adopted 2005 budget, but was included in the adopted 2006-2011 CIP. Available fund balance will be used for this work.

Thornton Creek Corridor: An appropriation of \$216,000 to begin the design work. This project was not included in the adopted 2005 budget, but was included in the adopted 2006-2011 CIP. Available fund balance will be used for this work.

Impact to the Capital Funds

The revisions to the 2005 capital project budgets result in an increase to the General Capital Fund budget of \$100,500, Roads Capital Fund budget of \$2,502,194 and an increase to the Surface Water Capital Fund budget of \$387,000. The fund balances in the General Capital Fund will decrease by \$47,500, Roads Capital Fund will decrease by \$38,000 and the Surface Water Capital Fund will decrease by \$287,000.

Budget Amendments for Operating Programs

General Fund

Revenues: General Fund revenues will be increased by \$16,100. This reflects an additional grant in support of the Commute Trip Reduction program in the amount of \$16,100.

Commute Trip Reduction: The 2005 appropriation for this program will be increased by \$16,100. This will allow the City to provide information and incentives to businesses and organizations within the City to increase the number of participants in the program.

Street Fund

Revenues from right-of-way permits and fees will be increased by \$10,500 to reflect actual receipts due to an increased level of activity. The professional services budget will be increased to reflect the use of supplemental staff to support the increased workload.

Vehicle Operations/Maintenance Fund

Fund balance totaling \$7,500 will be appropriated to cover unanticipated fuel costs.

Equipment Replacement Fund

Fund balance of \$25,584 will be used to support the purchase of network server. These funds were originally appropriated in 2004 and should have been carried forward into 2005 earlier this year in the annual re-appropriation budget amendment. Another \$10,500 of fund balance will be used to purchase a replacement vehicle for the parks maintenance program. This vehicle was originally scheduled to be replaced in 2006. Sufficient funds have already been collected on an annual basis for the replacement of this vehicle.

Unemployment Fund

Fund balance totaling \$11,400 will be appropriated to cover unanticipated claims.

Impact to the Operating Funds

The revisions to the 2005 operating budgets result in an increase to the General Fund budget of \$16,100, an increase to the Street Fund budget of \$10,500, an increase of \$7,500 for Vehicle Operations/Maintenance Fund, an increase of \$36,084 for the Equipment Replacement Fund and an increase of \$11,400 for the Unemployment Fund. The fund balance in the General Fund and the Street Fund will not change. The fund balances will decrease in the Vehicle Operations/Maintenance Fund by \$7,500, by \$36,084 in the Equipment Replacement Fund and by \$11,400 in the Unemployment Fund.

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 programs would not be completed as planned or to complete the projects, monies that were budgeted for other capital or operating programs in 2005 would need to be redirected.

Alternative 2: Approve Ordinance No. 402 (Recommended)

Approval of Ordinance No. 402 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 other expenditures.

SUMMARY

The following table summarizes the budget amendments to each fund and the resulting 2006 appropriations for each of the affected funds.

Fund	Current Budget	Budget Amendment Request	Amended Budget
General Fund	\$30,986,451	\$16,100	\$31,002,551
Street Fund	\$2,374,833	\$10,500	\$2,385,333
General Capital Fund	\$17,195,000	\$100,500	\$17,295,500
Roads Capital Fund	\$33,413,548	\$2,502,194	\$35,915,742
Surface Water Capital	\$3,477,626	\$387,000	\$3,864,626
Vehicle Operations/Maintenance Fund	\$71,824	\$7,500	\$79,324
Equipment Replacement Fund	\$189,636	\$36,084	\$225,720
Unemployment Fund	\$10,000	\$11,400	\$21,400

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 402, amending the 2005 budget.

ATTACHMENTS

- Attachment A: Ordinance 402, Amending the 2005 Budget
- Attachment B: Amendment Detail

ORDINANCE NO. 402

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 401, BY INCREASING THE APPROPRIATION FOR THE GENERAL FUND, THE STREET FUND, THE VEHICLE OPERATIONS/MAINTENANCE FUND, THE EQUIPMENT REPLACEMENT FUND AND THE UNEMPLOYMENT FUND DUE TO UNANTICIPATED GRANT AWARDS, REVENUES, AND EXPENDITURES; BY INCREASING THE APPROPRIATION IN THE GENERAL CAPITAL FUND, ROADS CAPITAL FUND AND THE SURFACE WATER CAPITAL FUNDS TO COMPLETE THE 2005 PORTION OF CAPITAL PROJECT WORK AS APPROVED IN THE 2006-2011 CAPITAL IMPROVEMENT PLAN;

WHEREAS, the 2005 Budget was adopted in Ordinance 366 and amended by Ordinances Nos. 376, 377, 381 and 401; and

WHEREAS, the 2006 – 2011 Capital Improvement Program included changes to project work schedules for capital projects in 2005 which require additional appropriations; and

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

WHEREAS, the City has received a grant for the Commute Trip Reduction Program; 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 2005 Budget Summary. The City hereby amends Section 1 of Ordinance No. 401 by increasing the appropriation for the General Fund by \$16,100 to \$31,002,551; for the Street Fund by \$10,500 to \$2,385,333; for the General Capital Fund by \$100,500 to \$17,295,500; for the Roads Capital Fund by \$2,502,194 to \$35,915,742; for the Surface Water Capital Fund by \$387,000 to \$3,864,626; for the Vehicle Operations/Maintenance Fund by \$7,500 to \$79,324; and for the Equipment Replacement Fund by \$36,084 to \$225,720 and for the Unemployment Fund by \$11,400 to a total of \$21,400 for a total City appropriation of \$94,483,149.

General Fund	\$30,986,451	\$31,002,551
Street Fund	2,374,833	2,385,333

Arterial Street Fund	353,358	
Surface Water Management Fund	2,898,600	
General Reserve Fund	0	
Code Abatement Fund	100,000	
Asset Seizure	23,000	
Public Arts Fund	193,995	
General Capital Fund	17,195,000	17,295,500
City Facility-Major Maintenance Fund	124,000	
Roads Capital Fund	33,413,548	35,915,742
Surface Water Capital Fund	3,477,626	3,864,626
Vehicle Operations/Maintenance Fund	71,824	79,324
Equipment Replacement Fund	189,636	225,720
Unemployment Fund	10,000	21,400
Total Funds	\$91,411,871	\$94,483,149

Section 2. Amending the 2005 Budget. The 2005 Budget is amended to include the following appropriations:

A. Appropriation of New Revenue

- Commute Trip Reduction grant of \$16,100 to be used in the Commute Trip Reduction program
- Right-of-way fee revenue of \$10,500 to be used in the Right-of-way program
- King County Mitigation funding of \$53,000 related to the Hidden Lake Project to be used for the Boeing Creek Park Improvements design work
- Hazardous Elimination System grant of \$90,000 for pedestrian improvements at the North 180th Street & Aurora Avenue intersection
- Reimbursements of \$1,899,225 from Seattle City Light, \$441,283 from Seattle Public Utilities-Water, and \$5,000 from Ronald Wastewater Utility for utility improvements on Aurora Avenue from 145th Street to 165th Street
- Congestion Mitigation Grant of \$28,686 to be used to complete the North B section of the Interurban Trail
- King County Mitigation funding of \$100,000 for work on the Boeing Creek Stormwater project

B. Appropriation of Fund Balance

- \$47,500 in the General Capital Fund to begin the design work for the Soccer Fields Upgrade project
- \$38,000 in the Roads Capital Fund for the pedestrian improvements at the North 180th Street and Aurora Avenue intersection
- \$287,000 to begin work on the Pan Terra Pond and Thornton Creek Corridor projects

- \$7,500 in the Vehicle Operations Fund to cover unanticipated increase in fuel costs
- \$36,084 in fund balance in the Equipment Replacement Fund to purchase a network server and field truck for parks maintenance activities
- \$11,400 in the Unemployment Fund to cover unanticipated charges

Section 3. 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 4. 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 NOVEMBER 28, 2005.

Mayor Ron Hansen

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication: December 1, 2005

Effective Date: December 6, 2005

Fund	Fund Title	Program	Orgkey	Object	Title	Amount	Explanation
001	General Fund	Commute Trip Reduction	2506058	3340380	CTR Grant	\$16,100	New grant
					Total Revenue	\$16,100	
				5510000	Intergovernmental Services	\$16,100	Grant related expenditures
					Total Expenditures	\$16,100	
				General Fund Total Revenue	\$16,100		
				General Fund Total Expenditures	\$16,100		
101	Street Fund	Right-of-Way	2709153	3224001	Right of Way Fees/Permits	\$10,500	Additional Revenue
					Total Revenue	\$10,500	
			2709153	5410000	Professional Services	\$10,500	Supplemental Professional Services to meet workload demand
					Total Expenditures	\$10,500	
				Street Fund Total Revenue	\$10,500		
				Street Fund Total Expenditures	\$10,500		
301	General Capital Fund	Boeing Creek Park Improvements	2820218		King County Mitigation Funding	\$53,000	New Project Funding
					Total Revenue	\$53,000	
				5410000	Professional Services-Design	\$53,000	New Project
					Total Expenditures	\$53,000	
			2820216		Fund Balance	\$47,500	
					Total Revenue	\$47,500	
				5410000	Professional Services-Design	\$47,500	New Project
					Total Expenditures	\$47,500	
				General Capital Fund Total Revenue	\$100,500		
				General Capital Fund Total Expenditures	\$100,500		
330	Roads Capital Fund	N. 180th & Aurora Ped. Improvements	2914212	3080000	Budgeted Fund Balance	\$38,000	
					HES Grant	\$90,000	
					Total Revenue	\$128,000	
			2914212	5410000	Professional Services	\$15,000	Expedited Project
			2914212	5630000	Other Improvements	\$113,000	
					Total Expenditures	\$128,000	

Fund	Fund Title	Program	Amendment Detail	Orgkey	Object	Title	Amount	Explanation
		Aurora 145th-165th Utility Improvements		2999213		SCL Utility Reimbursement	\$1,899,225	Not included in original budget
						SPU Utility Reimbursement	\$441,283	
						Ronald Wastewater Utility Reimbursement	\$5,000	
						Total Revenue	\$2,345,508	
						Other Improvements	\$2,345,508	Not included in original budget
						Total Expenditures	\$2,345,508	
		Interurban Trail				CMAQ Grant	\$28,686	Additional Grant Funds
						Total Revenue	\$28,686	
						Other Improvements	\$28,686	Grant Related Expenditures
						Total Expenditures	\$28,686	
		Roads Capital Fund Total Revenue					\$2,502,194	
		Roads Capital Fund Total Expenditures					\$2,502,194	
340	Surface Water Capital Fund	Boeing Creek Stormwater Project		3017214		King County Mitigation Funding	\$100,000	
						Total Revenue	\$100,000	
						5410000 Professional Services	\$100,000	Expedited Project
						Total Expenditures	\$100,000	
		Pan Terra Pond		3017229		Budgeted Fund Balance	\$71,000	Use Fund Balance
						Total Revenue	\$71,000	
						5410000 Professional Services	\$71,000	Expedited Project
						Total Expenditures	\$71,000	
		Thornton Creek Corridor		3017217		Budgeted Fund Balance	\$216,000	Use Fund Balance
						Total Revenue	\$216,000	
						5410000 Professional Services	\$216,000	Expedited Project
						Total Expenditures	\$216,000	
		Surface Water Capital Fund Total Revenue					\$387,000	
		Surface Water Capital Fund Total Expenditures					\$387,000	

Fund	Fund Title	Program	Orgkey	Object	Title	Amount	Explanation
501	Vehicle Operations Fund		5010000	3080000	Budgeted Fund Balance	\$7,500	Use Fund Balance
					Total Revenue	<u>\$7,500</u>	
			2709113	5321000	Fuel	\$7,500	Rising Fuel Costs
					Total Expenditures	<u>\$7,500</u>	
503	Equipment Replacement Fund	Muni-Equipment - Technical Replacement	5030000	3080000	Budgeted Fund Balance	\$25,584	Use Fund Balance
					Total Revenue	<u>\$25,584</u>	
				5464000	Machinery & Equipment	\$25,584	Carryover Amendment
					Total Expenditures	<u>\$25,584</u>	
							Should have been included in
			5030000	3080000	Budgeted Fund Balance	\$10,500	
					Total Revenue	<u>\$10,500</u>	
				5464000	Machinery & Equipment	\$10,500	Expedited Purchase
					Total Expenditures	<u>\$10,500</u>	
505	Unemployment Fund	Equipment Replacement Fund Total Revenue				\$36,084	
		Equipment Replacement Fund Total Expenditures				<u>\$36,084</u>	
			5050000	3080000	Budgeted Fund Balance	\$11,400	Use Fund Balance
					Total Revenue	<u>\$11,400</u>	
			1608115	5510000	Intergovernmental Svcs	\$11,400	To cover unanticipated costs
					Total Expenditures	<u>\$11,400</u>	
					Unemployment Fund Total Revenue	\$11,400	
					Unemployment Fund Total Expenditures	<u>\$11,400</u>	
					TOTAL CHANGE IN REVENUE APPROPRIATION	<u>\$3,071,278</u>	
					TOTAL CHANGE IN EXPENDITURE APPROPRIATION	<u>\$3,071,278</u>	

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