

2009 Proposed Budget

October 13, 2008

Presented by

City Manager, Bob Olander

Finance Director, Debbie Tarry



Presentation Agenda

- Budget Process & Schedule
- 2009 Budget Highlights and Comparisons
- 2009 Major Operating and Capital Budget Changes
- Long-Range Financial Planning



Budget Process & Schedule



Key Events in 2009 Budget Development Process

- Council Planning Retreat (April)
- 2009-2014 Capital Improvement Plan Adoption (July)
- Department Budget Development (June-August)
- Council Update on Long-term Forecast & 2009 Budget (September)
- City Manager Develops Proposed 2009 City Budget (September - October)
- Presentation of Proposed 2009 City Budget to Council (October)



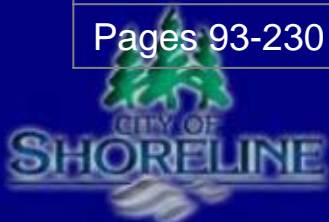
2009 Budget Review and Adoption Schedule

- October 13 - Transmittal of Proposed 2009 Budget
- October 20 - Department Presentations & Budget Workshop
- October 27 - Public Hearing, Department Presentations & Budget Review Workshop
- November 3 - Budget Review Workshop – Fee Schedules and Salary Survey
- November 17- Public Hearing on 2009 Revenues & Budget Review Workshop
- November 24- Adoption of 2009 Budget & Adoption of 2009 Property Tax Levy



Budget Workshop Review Schedule

October 20	October 27	November 3
City Council	Planning & Development Services	2009 Fee Schedule
City Manager	Public Works	2009 Salary Survey
City Clerk	Capital Improvement Plan (2009)	
Community Services		
City Attorney		
Finance & Citywide		
Human Resources		
Police		
Criminal Justice (Jail & Court)		
Parks, Recreation & Cultural Services		
Budget Document Pages		
Pages 93-230	Pages 231-276 and 301-328	Pages 339-358



Guiding Principles in the 2009 Proposed Budget

Shoreline will continue to be a place where people want to live and work by allocating our resources to these strategic objectives:

- Safe and attractive neighborhoods and business districts
- Quality services, facilities, and infrastructure
- Safe, healthy and sustainable environment
- Governmental excellence
- Economic vitality and financial stability
- Human services
- Effective citizen communication and engagement

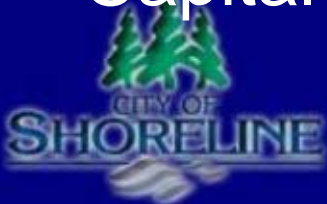


2009 Budget Highlights & Comparisons



2009 Budget Highlights

- City's current financial position is sound
 - 2009 Budget maintains reserves required by adopted financial policies
- Maintains current services and supports Council goals
 - Maintains human service funding at level approved by the City Council
 - Does not add new personnel or new services
- Balanced and totals \$104.1 Million
- 1% increase over 2008 Budget
- Incorporates 2009 activity of the 2009-2014 Capital Improvement Plan



Where Will the Money Go?

2009 Proposed Budget

Total \$104.1 Million

Surface Water
Utility

4.4% (\$4.6
million)

Operating
33.8% (\$35.1
million)

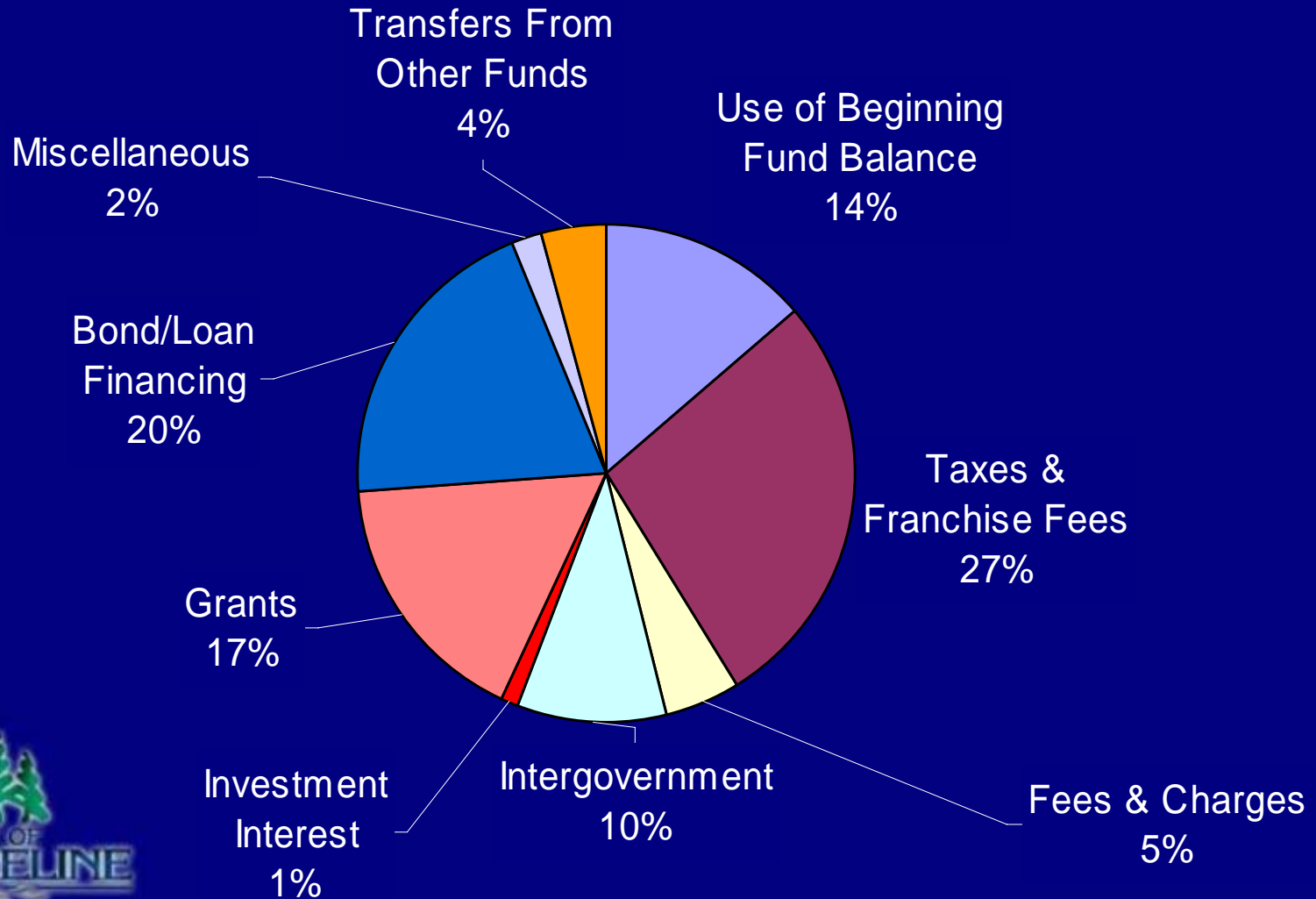
Internal Service
0.5% (\$0.5
million)

Capital
59.7% (\$62.2
million)

Debt Service
1.6% (\$1.7
million)

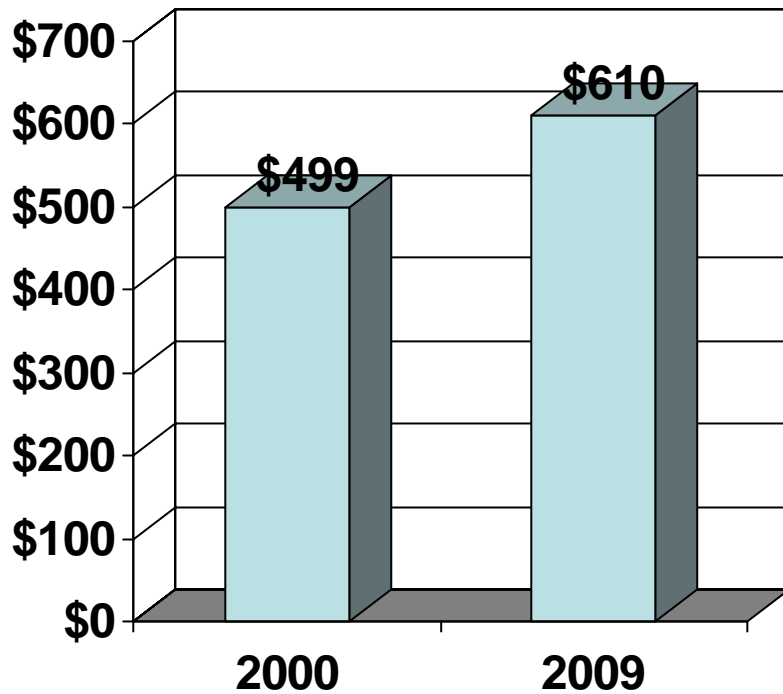


Where Will the Money Come From?

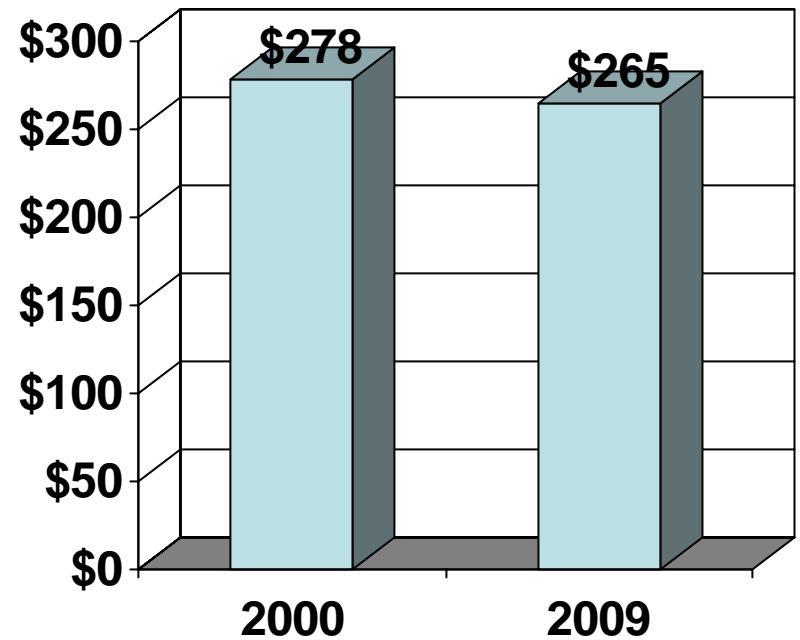


Value for Your City Tax Dollar Cost to Provide Services Per Capita

Real Dollars



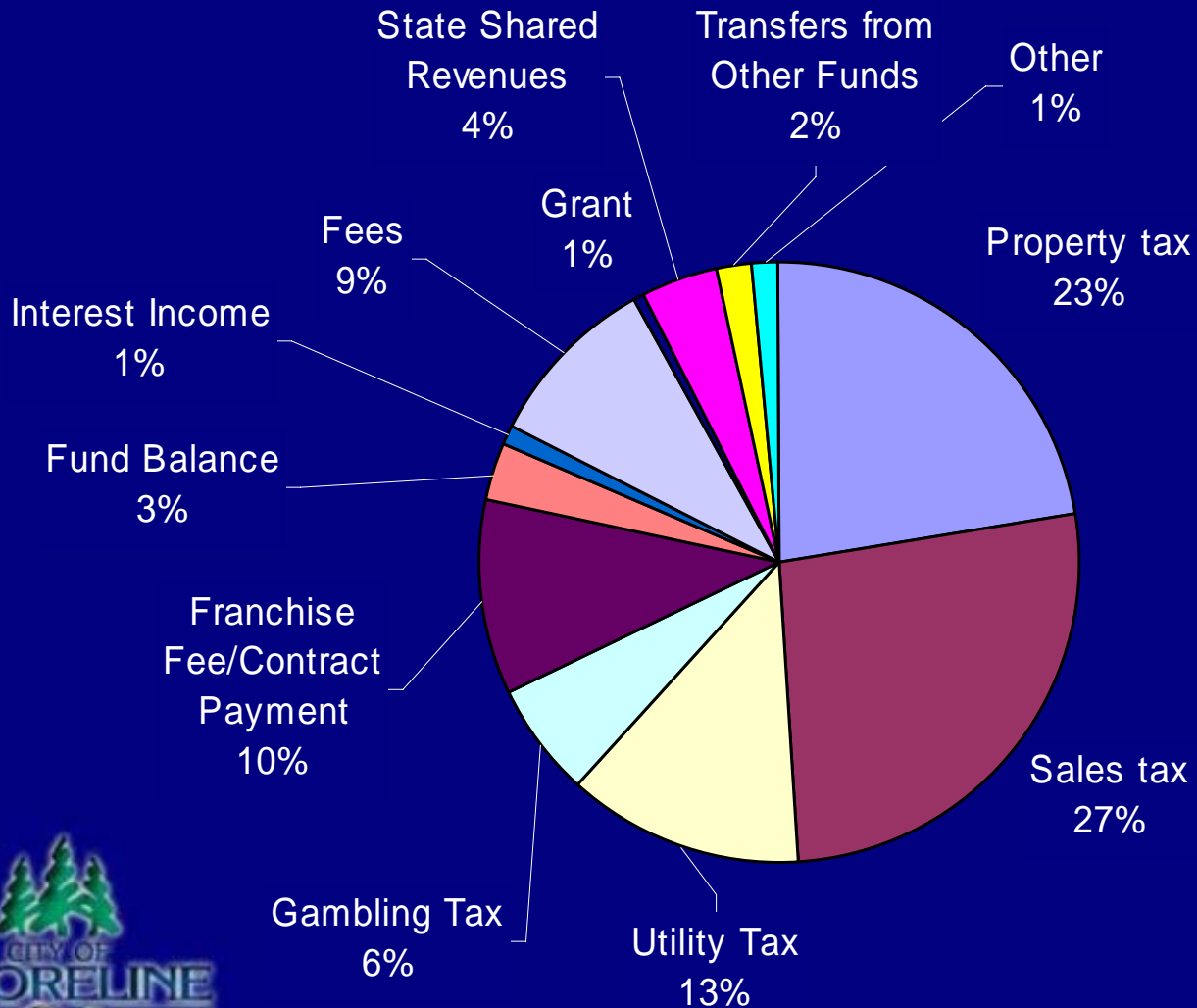
Constant Dollars (Adjusted for Inflation)



2009 Operating and Capital Budget Highlights



Operating Budget Resources \$32.8 Million

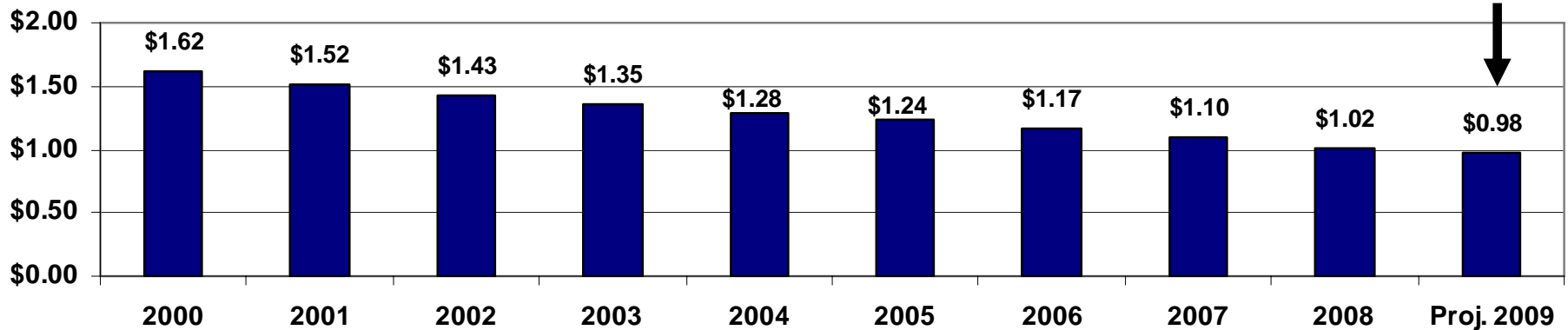


Property Tax

- 2009 Budget - \$7.4 Million
- 23% of Operating Budget Revenue Sources
- Preliminary 2009 Regular Levy Tax Rate
 - \$0.98 per \$1,000 Assessed Valuation

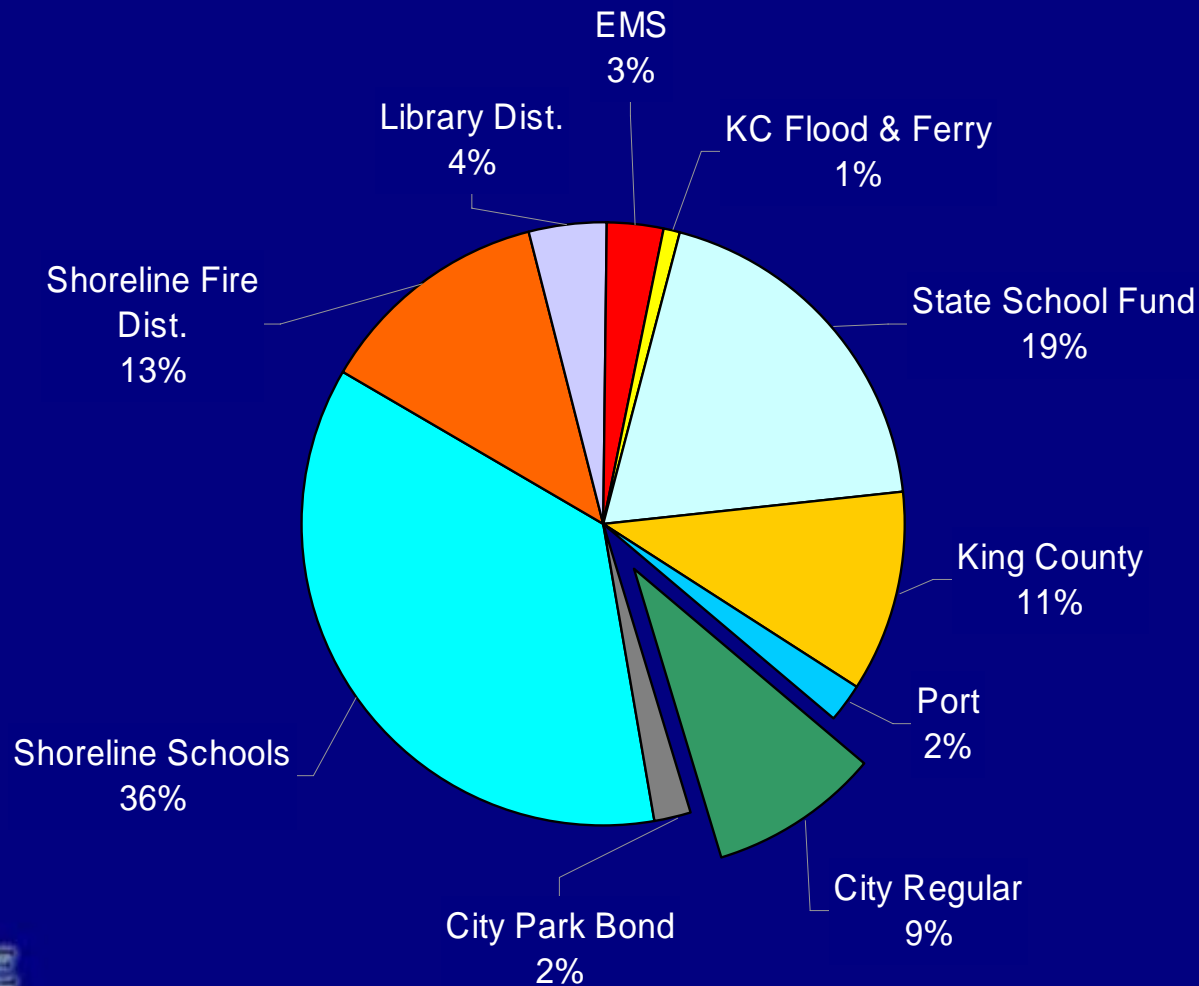
Property Tax Rate
Per \$1,000 Valuation
2000-2009

2009 Projected Regular Levy Tax Rate
is 4% less than the 2008 Rate



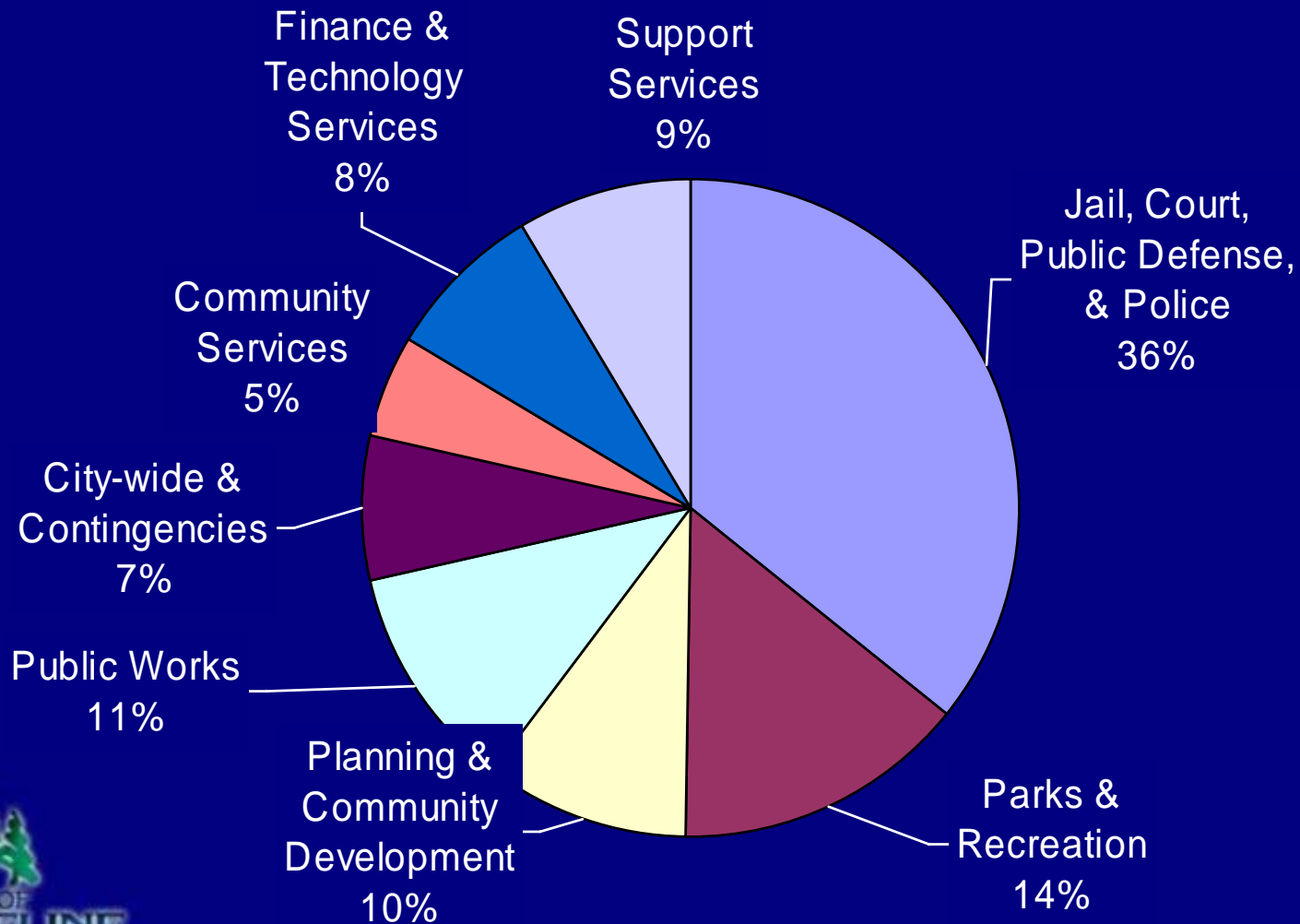
2008 Property Tax Collection by Agency

Total Rate = \$11.31 per \$1,000 AV



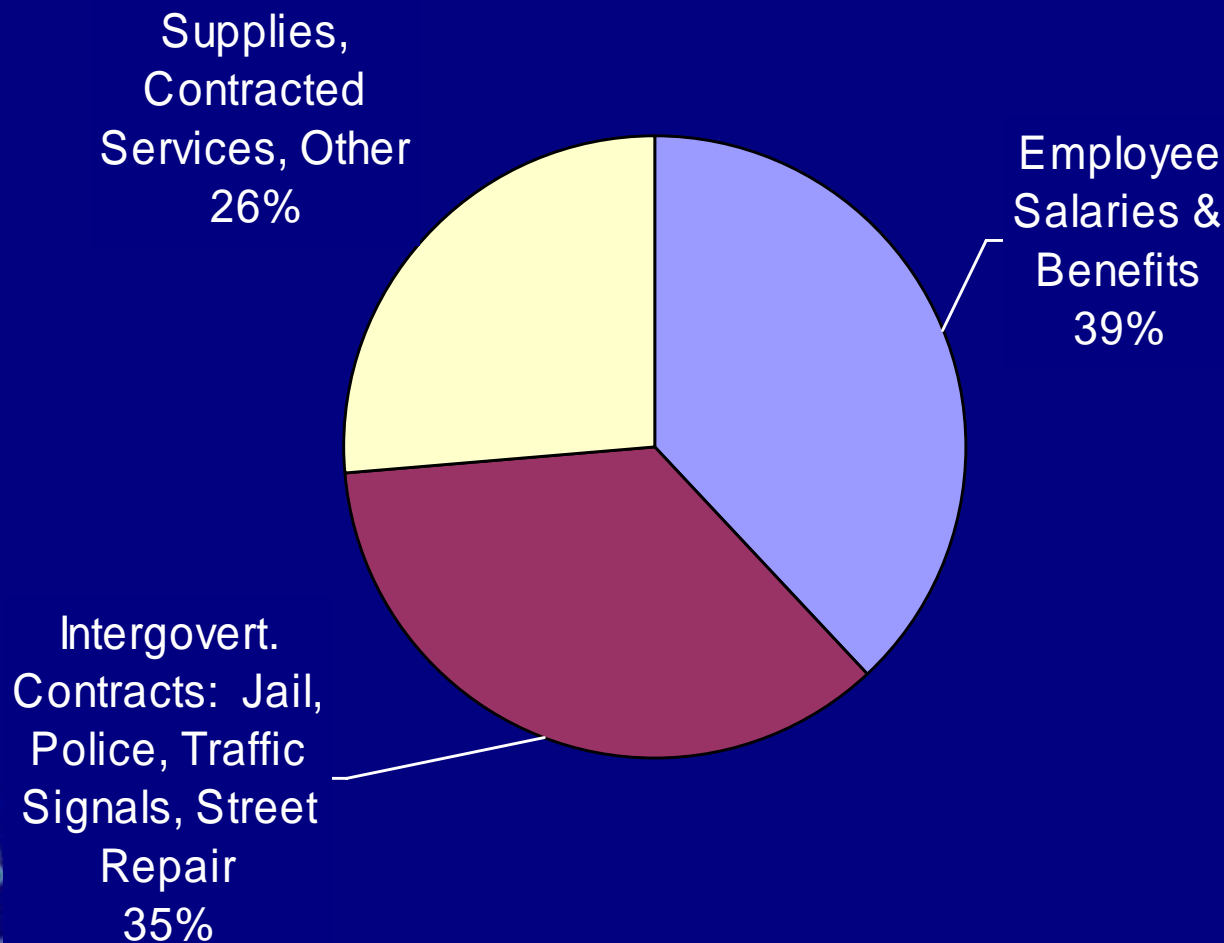
Operating Budget by Function

\$32 Million

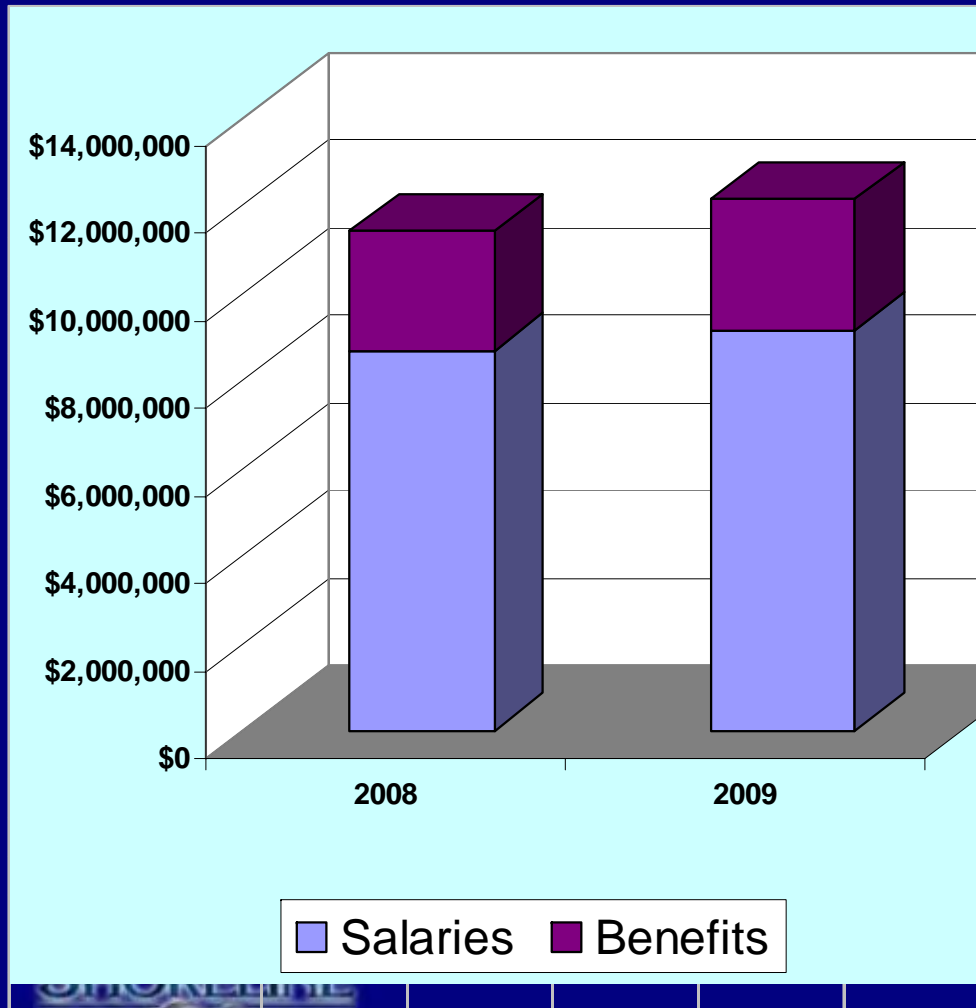


Operating Budget by Object

\$32 Million



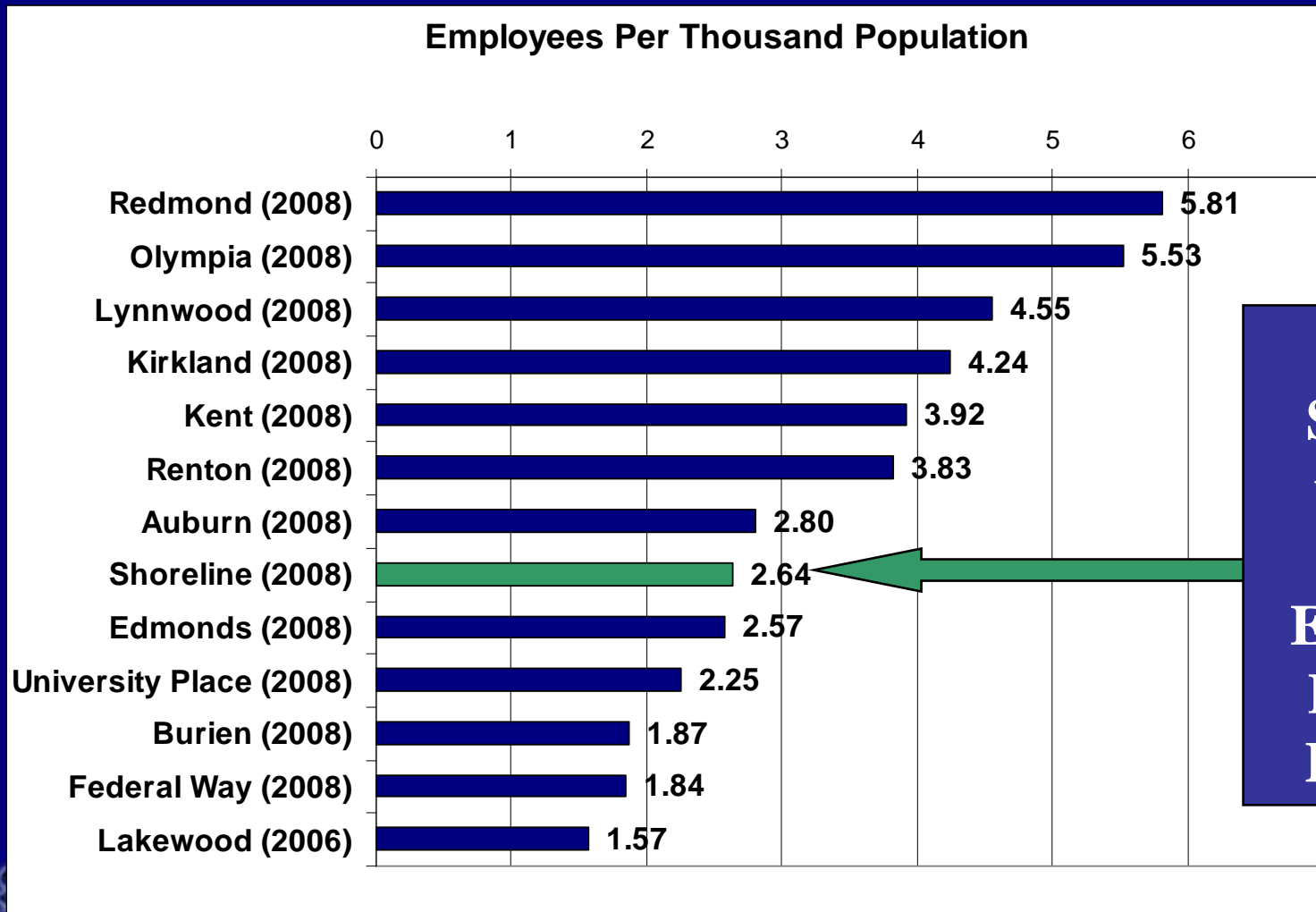
2009 Personnel Cost Changes



- Position Changes
 - 0.50 FTE Reduction from 2008 to 2009
- Salary Changes
 - \$645,000 (6.3%) more than 2008
 - Cost of Living – 5.22%
 - Merit Increases
 - Extra-Help Increase in Recreation (\$50,000)
- Benefit Changes
 - \$305,000 (9.5%) more than 2008
 - Health Insurance \$129,884 or 8% (May be lower)
 - PERS Rate increase \$130,000 or 19%

Comparison of City Staffing Levels

(Excludes Police, Fire, Utilities, Special Business Enterprises)



**In 2009
Shoreline
will have
2.64
Employees
Per 1,000
Residents**

Major Operating Budget Changes

- Public Safety
 - Police Contract - \$700,000 (7.0%)
 - Personnel cost increases at King County
 - Settlement of union contract for 2008-2010
 - » 5% annual COLA – retro to 1/1/08
 - Support Services may end up being lower due to King County Budget reductions
 - Possibility of \$250,000 in cost reductions
- Human Service Funding
 - Implements adopted 2009-2010 Human Services Funding Allocation
 - Maintains from 2008
 - \$18,000 in additional funding for the Senior Center
 - \$25,000 for utility assistance for low-income residents



Recommended One-Time Funding Totals \$178,750

- Phase II - Financial software upgrade - \$62,000
- Senior Center - \$18,000
- Human and Youth Services Policy Plans - \$40,000
- Council of Neighborhoods Conference - \$3,750
- Development of Design Review Process - \$25,000
- Vehicle for Construction Inspector Supervisor - \$30,000



Budgeted Contingencies

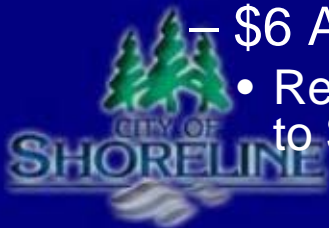
- Reserve Policy Requirements
 - Operational budget contingency - \$550,000
 - Budgeted insurance contingencies \$255,000
- Salary Survey \$30,000
 - Final Recommendation will come to City Council during budget process (November 3)
- City Hall Move - \$78,000



Recommended Revenue & Fee Changes

Spartan Recreation Center

- Land Use & Non-Building Permit Fees
 - Inflationary Adjustment
 - Hourly Rate increase from \$137 to \$144
- Recreation Fees
 - Inflationary Adjustments
 - Summer Program Adjustments
 - Increase of \$10,000 in scholarship funding
- Surface Water Utility Rate Increase
 - \$6 Annual Increase
 - Residential Home from \$124 to \$130

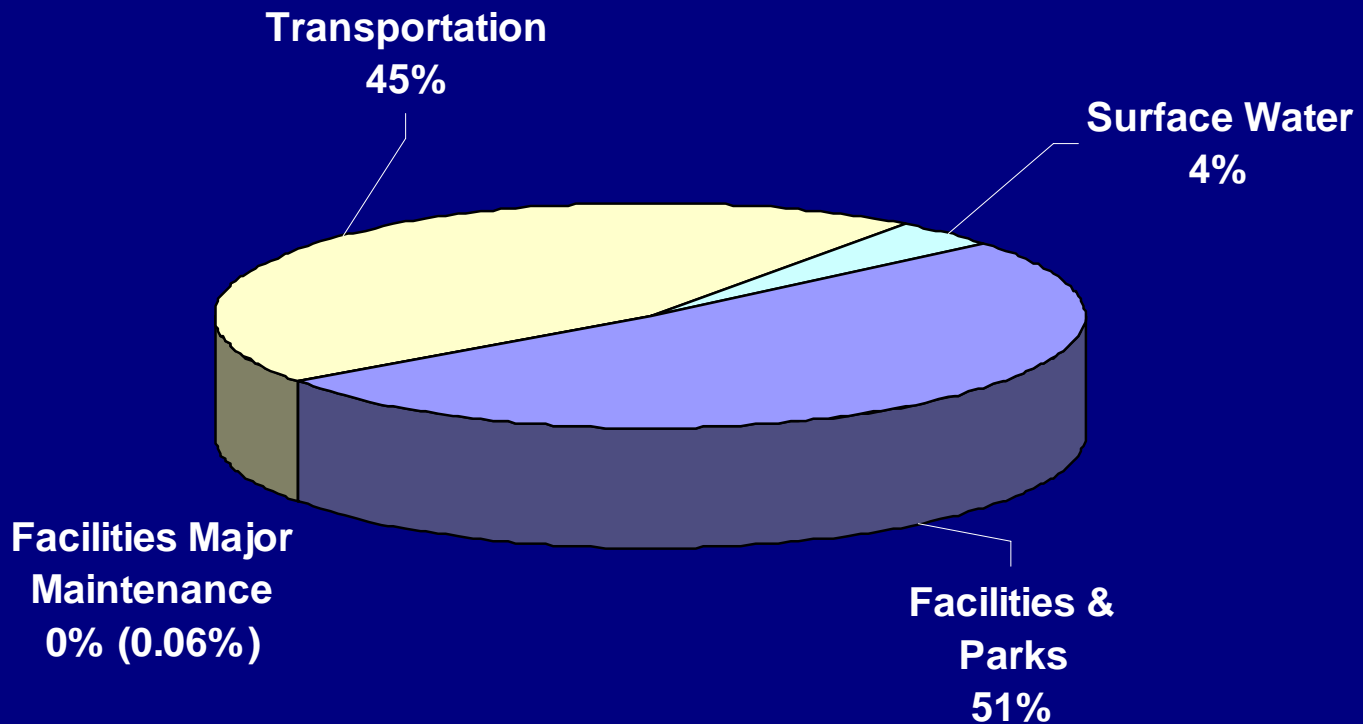


2009 Capital Improvement Plan

\$65 Million

(Includes Capital Funds and the Capital Portion of the Surface Water Utility Fund)

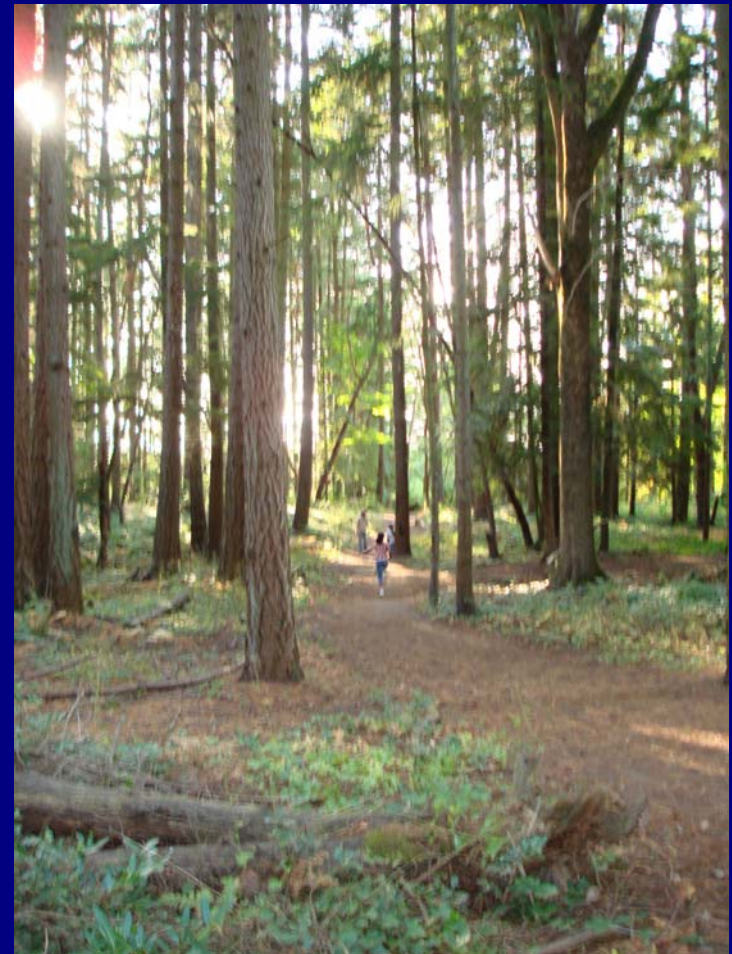
2009 CIP Funding By Project Type



2009 Major Capital Projects

Southwoods

- Facilities & Parks
 - City Hall - \$28.9 Million
 - City Hall Construction
 - Park Projects - \$4.6 Million
 - Cromwell Park Imp.
 - Hamlin Park Imp.
 - Trail Corridors
 - Kruckeberg Garden Imp.



2009 Major Capital Projects

- Transportation
 - Sidewalks & Small Projects - \$965,000
 - Annual preservation of roads, bridges & traffic signals - \$2.6 million
 - Safety/Operations Improvements - \$645,000
 - Aurora Improvements (165th – 205th) - \$24.5 Million
- Start Construction



Interurban Trail 2007

Shoreline Street Overlay 2007



2009 Major Capital Projects

- Surface Water Projects
 - Flood Protection Projects - \$1.5 Million
 - Cromwell Park, East Boeing Creek, Thornton Creek Basin Plan
 - Stream Rehabilitation/Habitat Enhancement - \$267,000
 - Green Streets Initiative



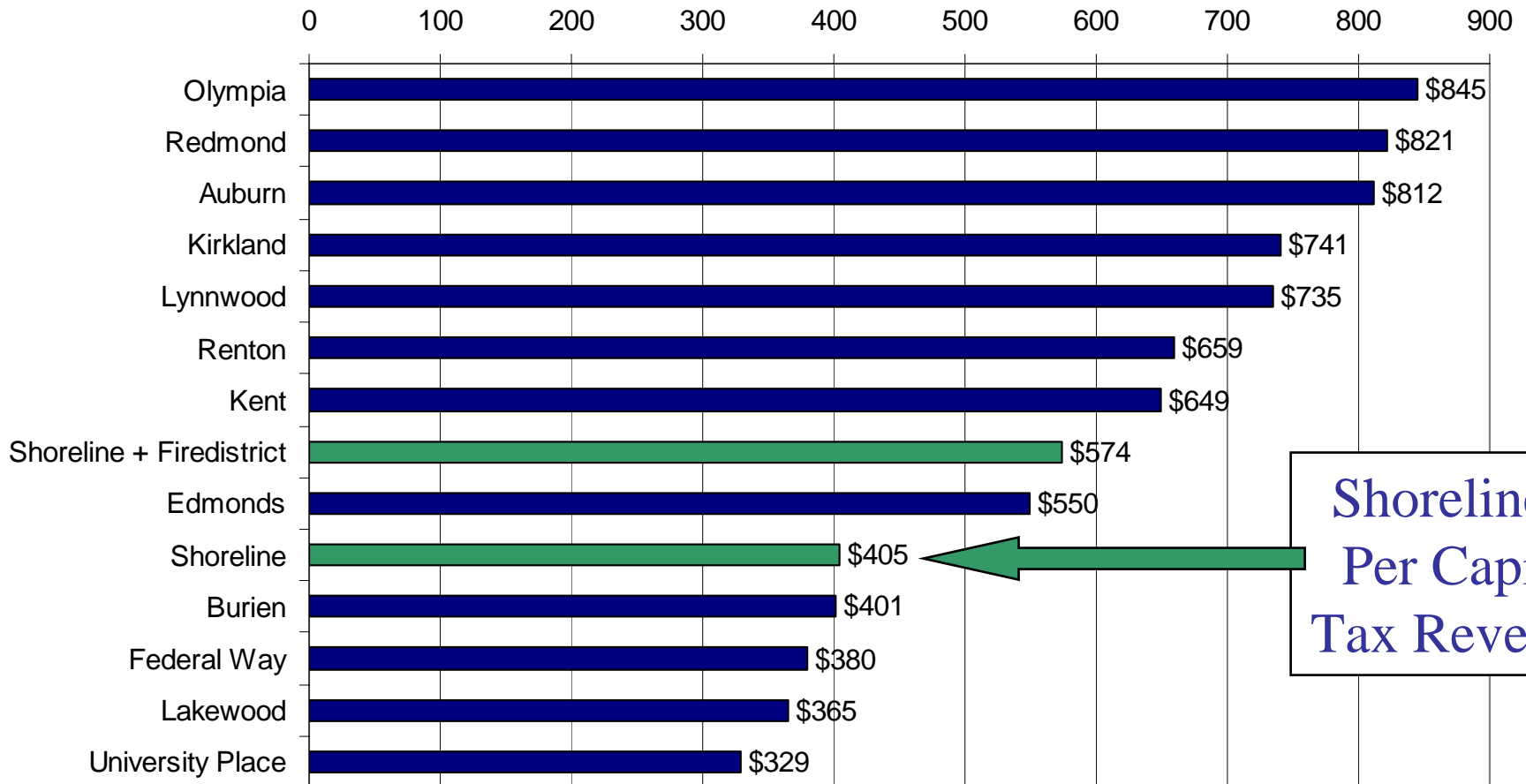
Long-Range Financial Planning



Fiscal Capacity Constraints

Per Capita Comparison

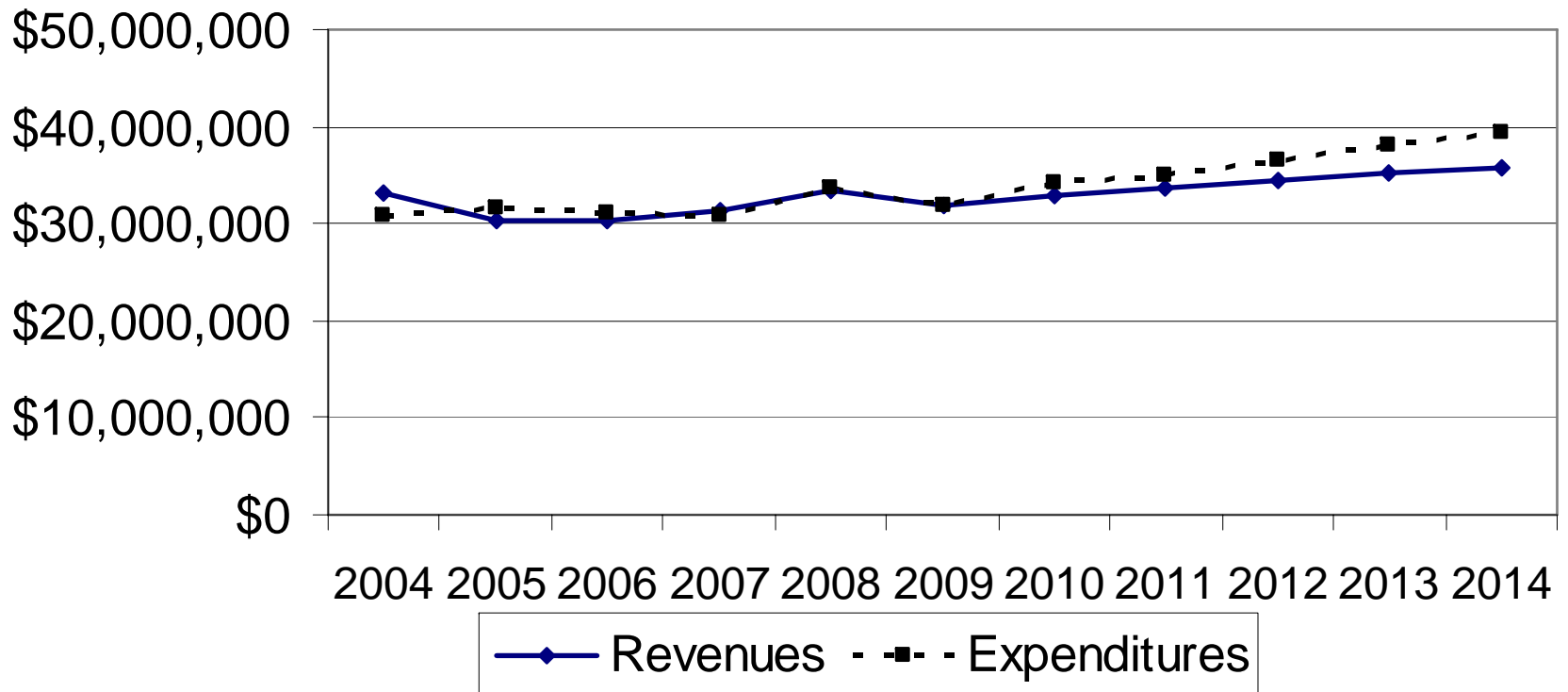
(Property, Sales, B&O, Utility and Gambling Taxes, Franchise Fees)



Shoreline's
Per Capita
Tax Revenue

Operating Budget Long-Term Forecast

City Operating Budget Forecast 10 Year Operating Budget Comparison



Conclusion

- 2009 Proposed Budget
 - Supports City's Vision and Council Goals
 - Maintains a focus for strong long-term financial stability
 - Takes into account the City's fiscal capacity constraints
 - Complies with adopted budget and fiscal policies
 - Maintains Reserves within Policy Guidelines
 - Provides resources to maintain and improve the City's parks, roads and drainage systems
 - Provides service levels that benefit the Shoreline Community



2009 City of Shoreline Budget Information

- The 2009 Proposed Budget will be available on-line at the City of Shoreline Website at <http://www.cityofshoreline.com>
- 2009 Budget Books Available For Review at:
 - Shoreline Library, Richmond Beach Library, both Neighborhood Police Centers and at City Hall
- 2009 Budget Books or CD Available for purchase at City Hall: Books - \$27 or CD - \$2

