

2008 Proposed Budget

October 15, 2007

Presented by City Manager

Bob Olander

Presentation Agenda

- ***Budget Process & Schedule***
- ***2008 Budget Highlights and Comparisons***
- ***2008 Major Operating and Capital Budget Changes***
- ***Long-Range Financial Planning***

Budget Process & Schedule

Key Events in 2008 Budget Development Process

- ***Council Planning Retreat (January & April)***
- ***2008-2013 Capital Improvement Plan Adoption (July)***
- ***Department Budget Development (June-August)***
- ***Long-term Forecast & 2008 Budget Update to Council (September)***
- ***City Manager develops Proposed 2008 City Budget (September - October)***
- ***Presentation of Proposed 2008 City Budget to Council - October***

2008 Budget Review and Adoption Schedule

October 15 - Transmittal of Proposed 2008 Budget

October 22 - Department Presentations & Budget Workshop

November 5 - Public Hearing, Department Presentations & Budget Review Workshop

November 19- Public Hearing on 2008 Revenues & Budget Review Workshop

November 26- Adoption of 2008 Budget & Adoption of 2008 Property Tax Levy

Budget Workshop Review Schedule

<u>October 22</u>	<u>November 5</u>	<u>November 19</u>
City Council	Criminal Justice (Jail)	2008 Fee Schedule
City Manager	Planning & Development Services	2008 Salary Survey
Economic Development	Public Works	
Community Services	Capital Improvement Plan (2008)	
City Clerk		
City Attorney		
Finance & City-Wide		
Human Resources		
Police		
Parks, Recreation & Cultural Services		
Budget Document Pages		
Pages 95-192;199-220	Pages 193-198; 221-264;291-314	Pages 325-345

Guiding Principles in the 2008 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**

2008 Budget Highlights & Comparisons

2008 Budget Highlights

- *City's current financial position is excellent*
- *Balanced and totals \$93.9 Million*
- *Maintains current services*
- *Provides \$467,500 in one-time funding requests for projects and equipment*
- *Incorporates 2008 activity of the 2008-2013 Capital Improvement Plan*

2008 Budget Highlights

- ***Operating Budget***

- Totals \$33.4 Million

- ***5.4% Increase from 2007 Operating Budget***

- ***2008 General Fund Budget Totals \$30.8 Million***

- 6.1% increase from 2007 Budget, without 2006 carryovers, it is a 7.0% increase from 2007 Budget

- ***Surface Water Utility Budget***

- Totals \$10.5 Million

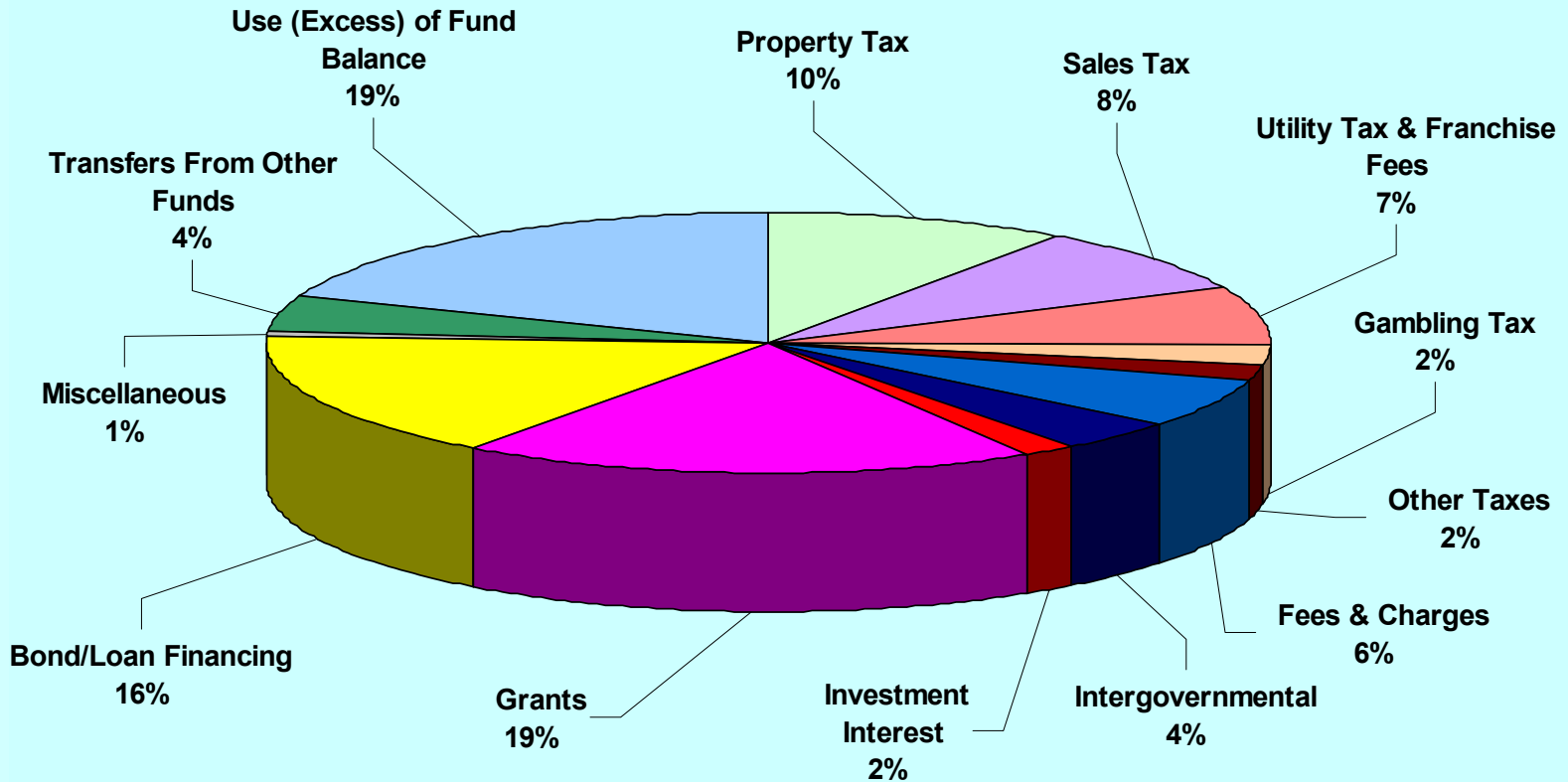
- ***\$7.1 Million for capital improvements***

- ***Capital Budget***

- Totals \$47.9 Million

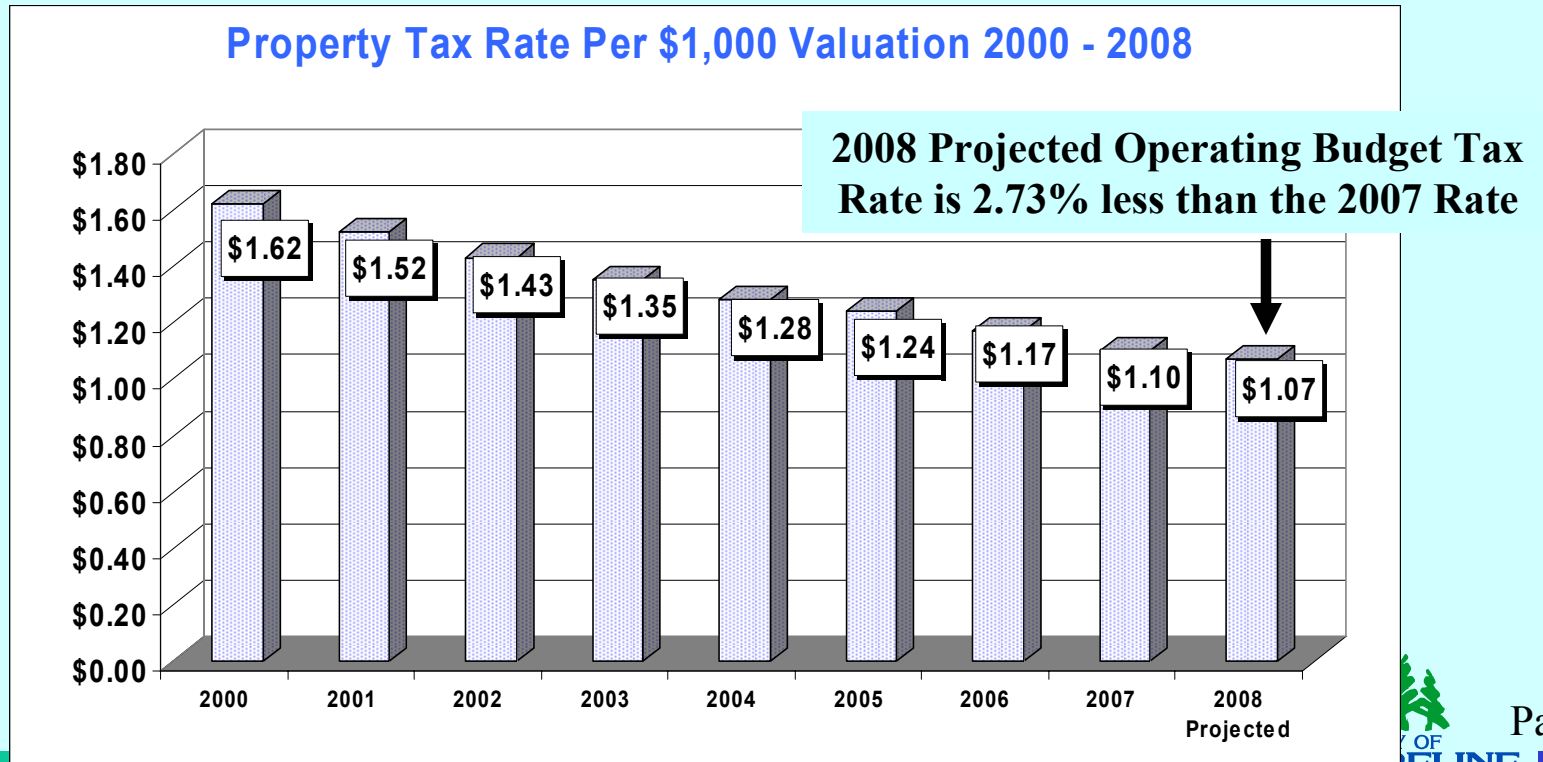
Where Will the Money Come From?

2008 City Resources By Category \$93,928,230



Property Tax

- *2008 Budget - \$7.2 Million*
- *Largest Operating Budget Revenue Source*
- *Preliminary 2008 Operating Budget Property Tax Rate*
 - \$1.07 per \$1,000 Assessed Valuation

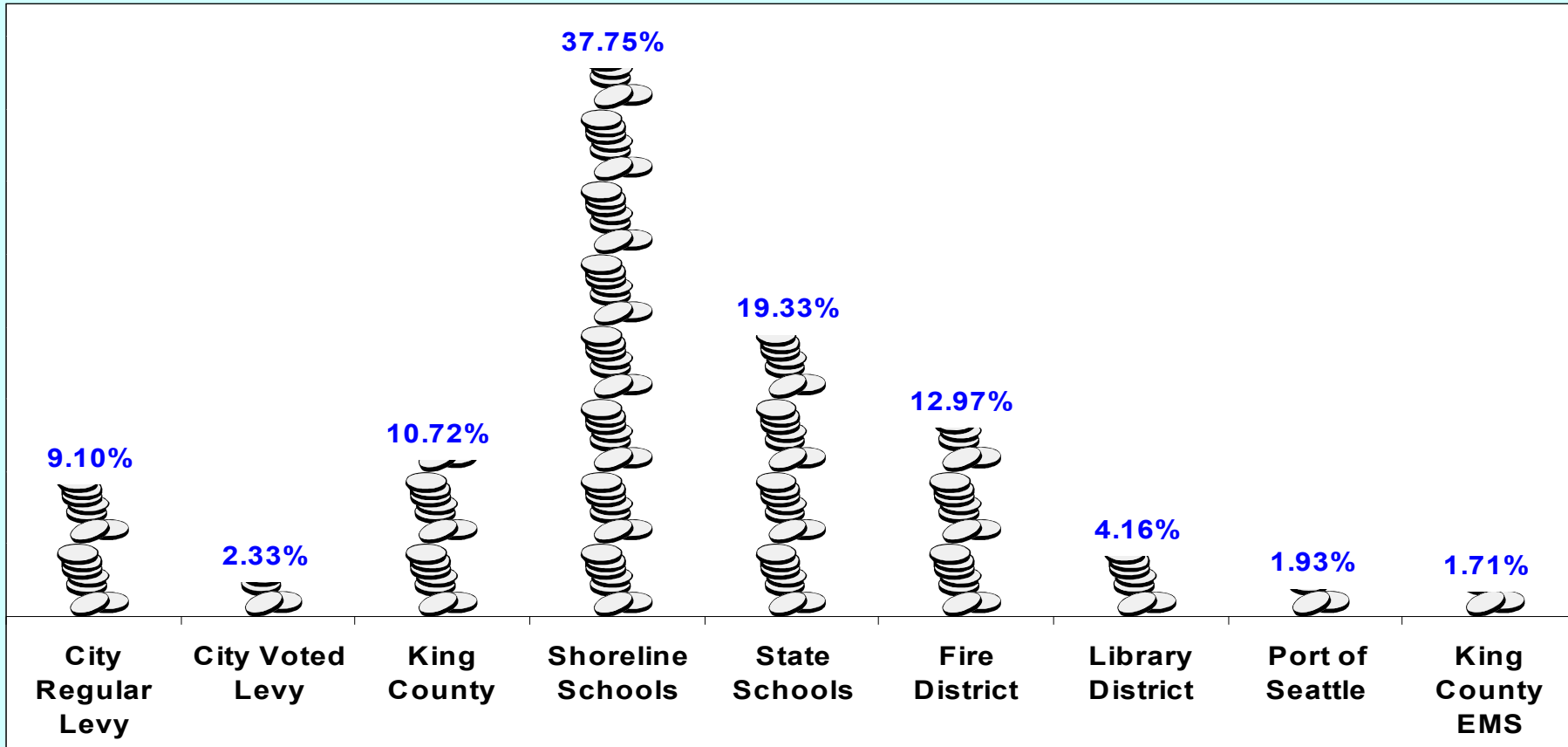


2006 Parks Bond Issue Special Property Tax Levy

- ***15 Year Repayment Period: 2007 – 2021***
- ***Average annual levy will be \$1,750,000***
 - Annual levy rate will vary based on assessed valuation
- ***2008 Projected Levy Rate - \$0.26 per \$1,000 AV***
 - 2007 Levy Rate was \$0.28 per \$1,000 AV

Homeowner with an average home value of \$350,000 will pay approximately \$91 for the special levy

How Much Property Tax Does a Shoreline Property Owner Pay in 2007 and Where Does It Go?



Rate	\$1.09	\$0.28	\$1.29	\$4.54	\$2.33	\$1.56	\$0.50	\$0.23	\$0.21
	\$368	\$94	\$433	\$1,526	\$782	\$524	\$168	\$ 78	\$ 69

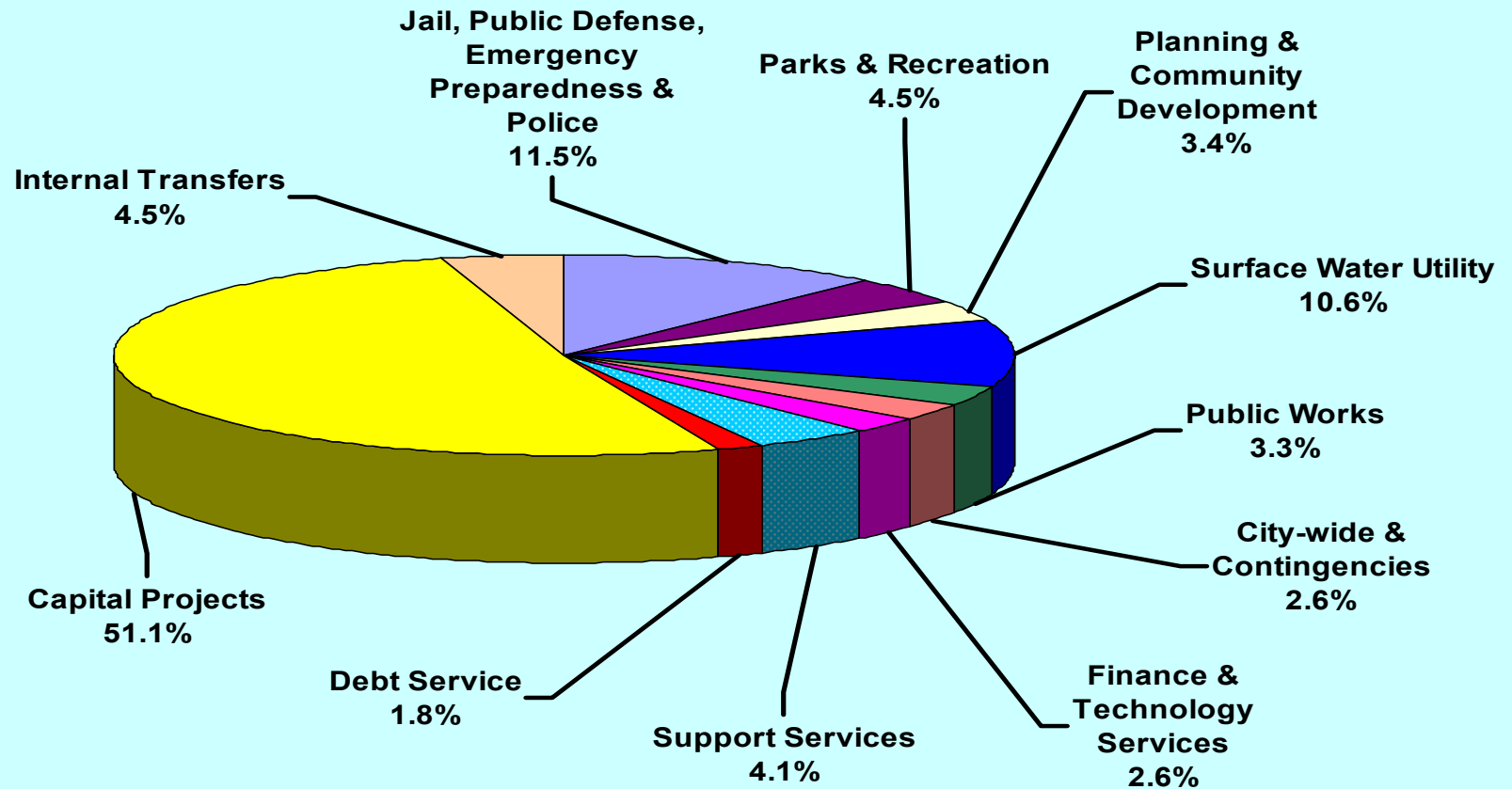
Annual Tax on Home Value of \$336,000

Total Levy Rate = \$12.03 Total Tax = \$4,043

Where Will The Money Go?

2008 City Expenditures by Category

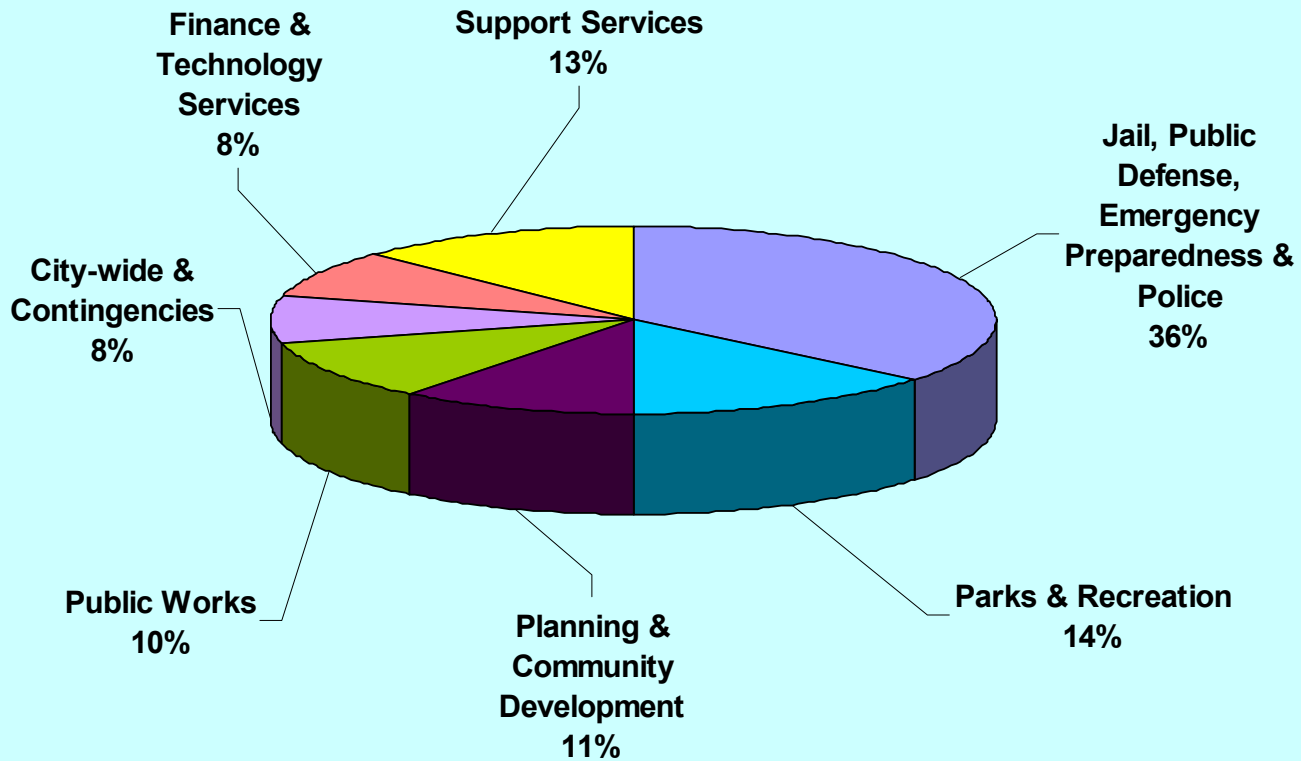
\$93,928,230



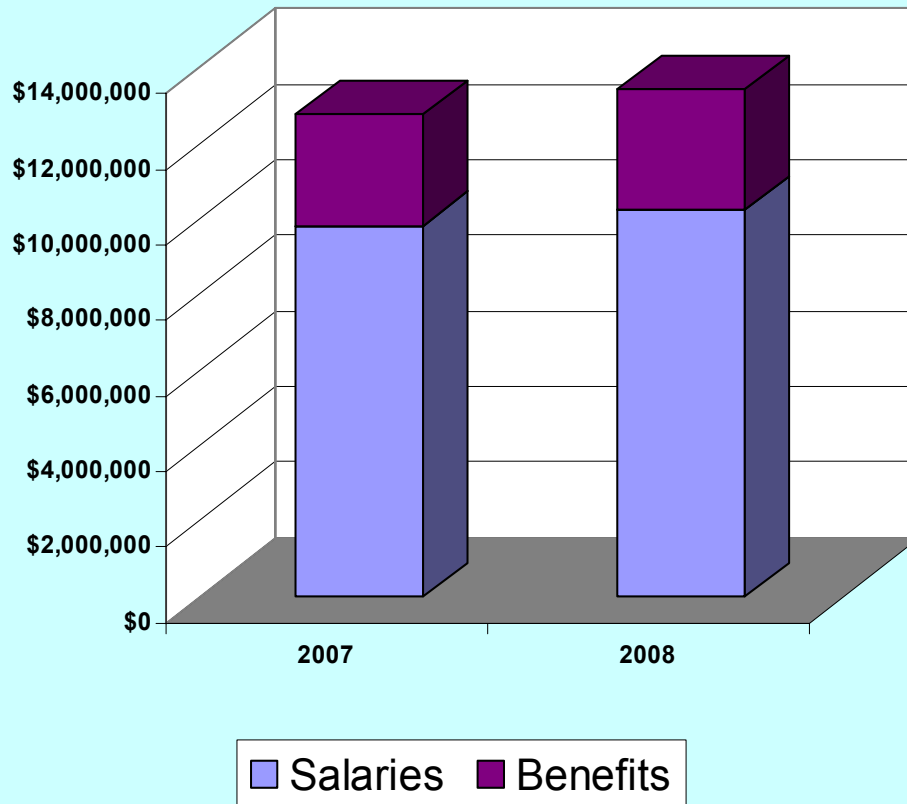
2008 Operating and Capital Budget Highlights

Operating Budget by Function

\$30.2 Million



2008 Personnel Cost Changes



Two New Part-Time Positions

- 0.5 FTE Community Services Administrative Asst.
- 0.5 FTE Specialized Recreation – Rec. Assistant

Salaries

\$418,058 (4.25%) more than 2007

- Market Rate Adjustment \$290,565
- Merit Increases \$166,209

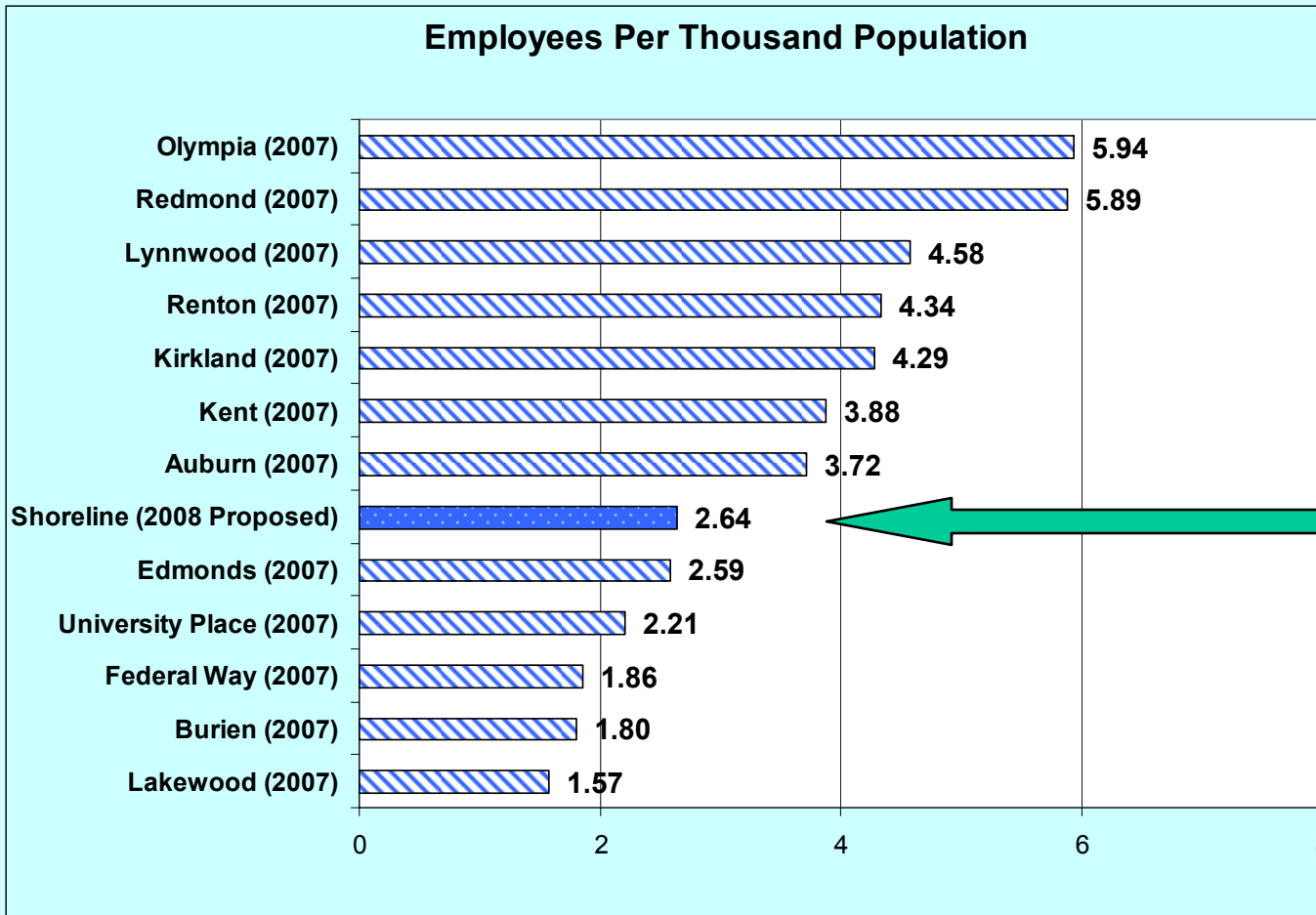
Benefits

\$254,110 (8.6%) more than 2007

- Health Insurance \$83,632 or 5.46%
- PERS Rate increase \$159,063 or 30.5%

Comparison of City Staffing Levels

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



**In 2008
Shoreline
would have
2.64
Employees
Per 1,000
Residents**

Major Operating Budget Changes

- ***Public Safety***
 - Police Contract - \$476,993 (5.7%)
 - *Full year of the Street Crime Officer*
 - *Personnel cost increases at King County*
 - *Increase in the City's share of activity based cost allocations (i.e., Fraud & Forgery Unit)*
 - Jail Contract - \$74,800 (6.1%)
 - *Jail increase at the lowest level in several years*
- ***Human Service Funding***
 - \$18,000 in additional funding for the Senior Center
 - \$25,000 for utility assistance for low-income residents

Recommended One-Time Funding Totals \$467,500

- ***Financial software upgrade - \$101,500***
- ***Digital aerial photography and mapping - \$75,000***
- ***Kruckeberg Garden Operational Funding - \$45,000***
 - First year of three year operating agreement
- ***Metal storage building for Park Maintenance- \$40,000***
- ***Spartan Recreation Center Weight Room Equipment - \$40,000***
- ***Parks Field Maintenance Equipment - \$56,000***
- ***Construction Inspection Services - \$35,000***
- ***Southeast Shoreline Subarea Plan - \$75,000***

Budgeted Contingencies

- ***Reserve Policy Requirements***
 - Operational budget contingency - \$550,000
 - Budgeted insurance contingencies \$255,000
- ***Salary Survey \$55,155***
 - Final Recommendation will come to City Council during budget process
- ***City Assumption of Street Lights from Seattle City Light \$124,885***
 - Seattle City Light still finalizing inventory

Recommended Revenue & Fee Changes

- ***Land Use & Non-Building Permit Fees***
 - Inflationary Adjustment
 - Hourly Rate increase from \$132.25 to \$137.00
- ***Recreation Fees***
 - Inflationary Adjustments
- ***Surface Water Utility Rate Increase***
 - Per the Surface Water Master Plan
 - ***Annual Single Family Home Rate increases from \$120 to \$124***
 - Rate Review in 2008

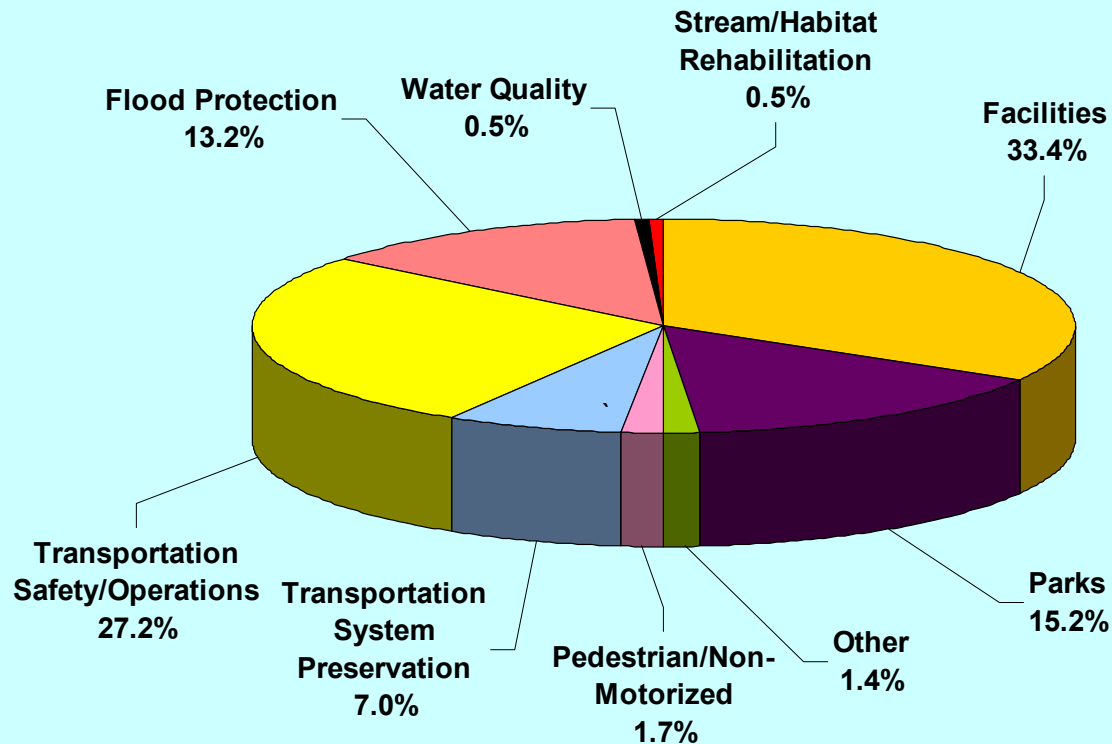
Spartan Recreation Center



2008 Capital Improvement Plan

\$56.1 Million

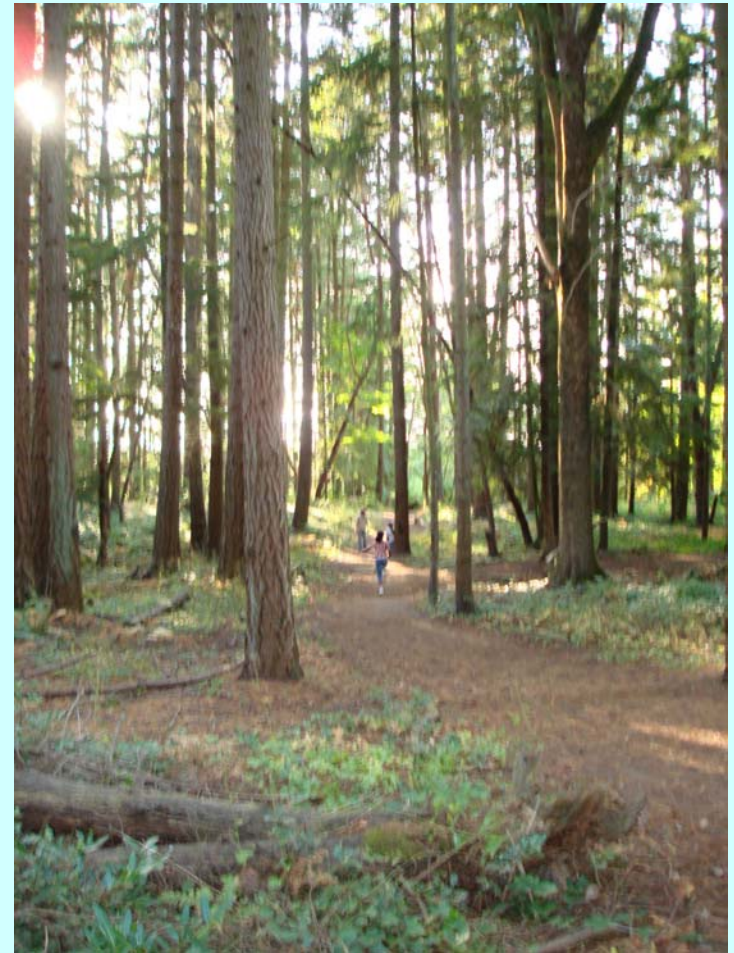
(Includes Capital Funds and the Capital Portion of the Surface Water Utility Fund)



2008 Major Capital Projects

Southwoods

- ***Facilities & Parks***
 - Civic Center - \$18.7 Million
 - ***City Hall Construction***
 - Park Projects - \$8.37 Million
 - ***Acquisition of properties, park improvements, trail and pedestrian pathways***



2008 Major Capital Projects

- **Transportation**

- Pedestrian/Non-Motorized Improvements - \$942,000

- Annual preservation of roads, bridges & traffic signals - \$3.9 million

- Safety/Operations Improvements - \$557,000

- Aurora Improvements (165th – 205th) - \$14.7 Million

- *Planning, design and right-of-way acquisition*

Interurban Trail 2007



Shoreline Street Overlay 2007



2008 Major Capital Projects

- ***Surface Water Projects***
 - Surface Water Master Plan Implementation
 - ***Flood Protection Projects - \$7.4 Million***
 - Boeing Creek Park, East Boeing Creek Drainage, 167th & Whitman, 148th Street Near Linden Ave, Pan Terra Pond, Cromwell Park Wetland and Pond, and Ronald Bog South
 - ***Water Quality Facilities - \$288,000***
 - Darnell Park and Cromwell Park Wetpond
 - ***Stream Rehabilitation/Habitat Enhancement - \$263,000***



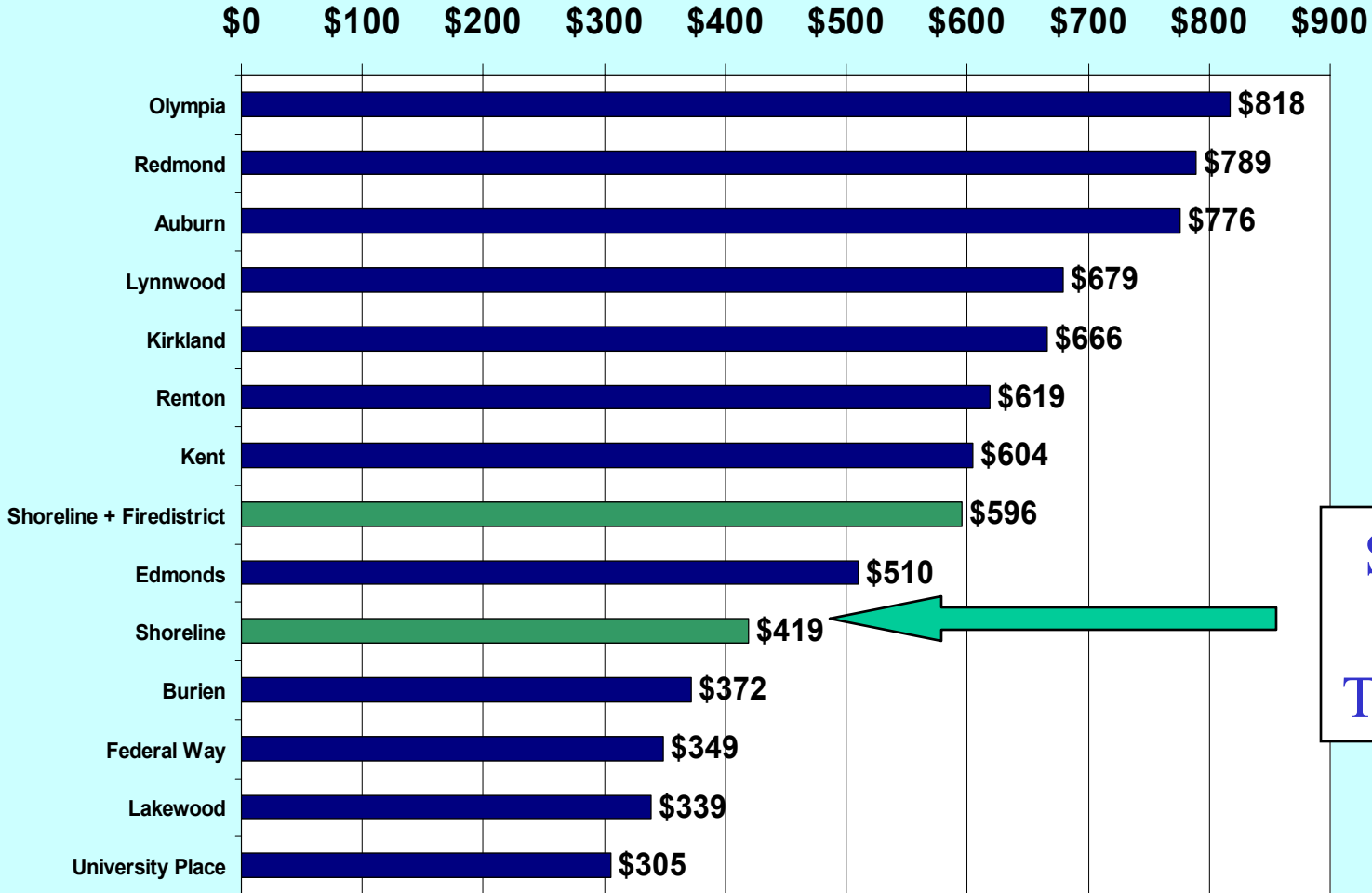
North Pond 5/21/2007

Long-Range Financial Planning

Fiscal Capacity Constraints

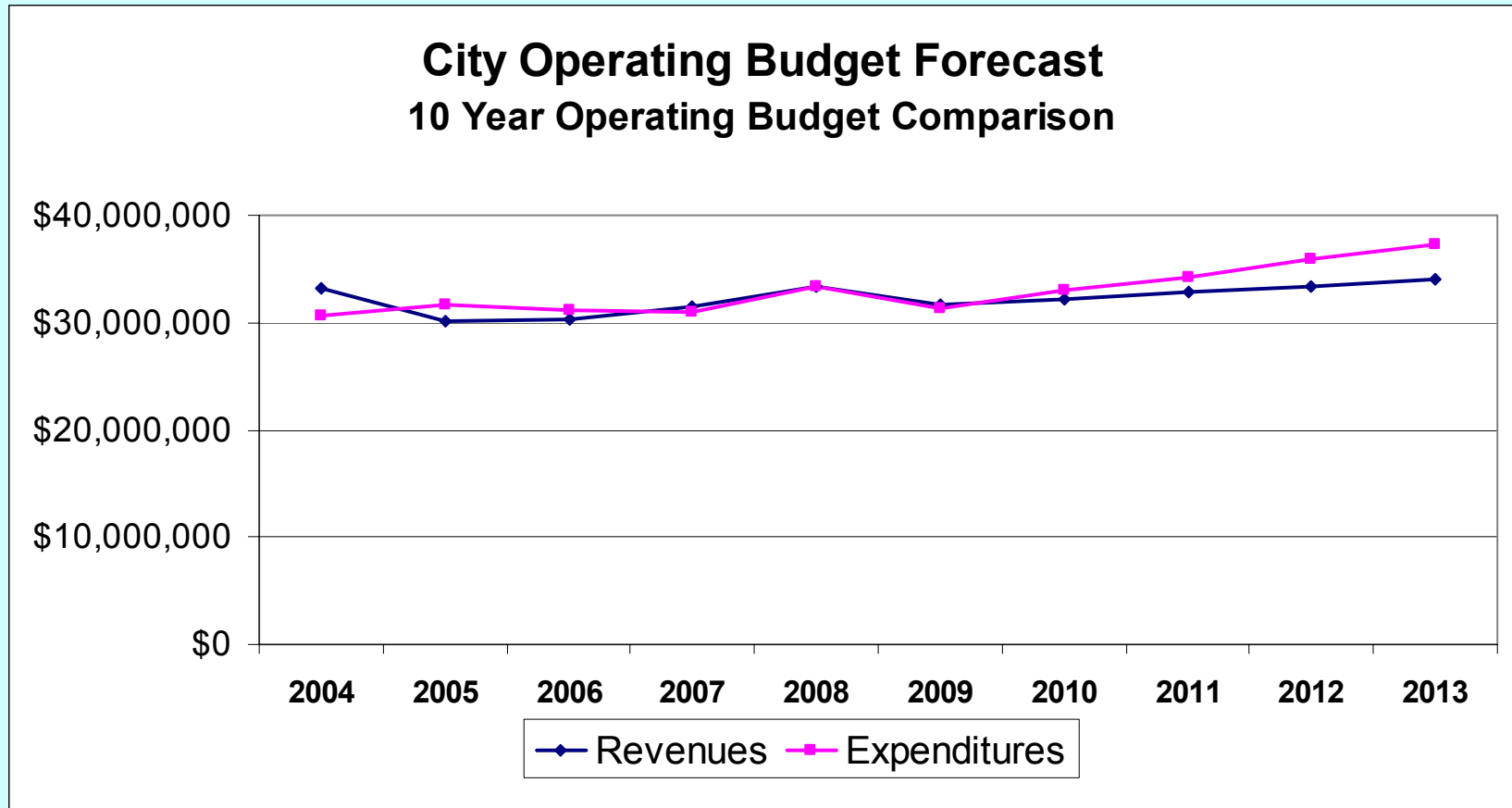
Per Capita Comparison

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



Shoreline's
Per Capita
Tax Revenue

Operating Budget Long-Term Forecast



Conclusion

- ***2008 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

2008 City of Shoreline Budget Information

- The 2008 Proposed Budget will be available on-line at the City of Shoreline Website at **<http://www.cityofshoreline.com>**
- 2008 Budget Books Available For Review at:
 - Shoreline Library, Richmond Beach Library, both Neighborhood Police Centers and at City Hall
- 2008 Budget Books or CD Available for purchase at City Hall:
 - Books - \$27
 - CD - \$2