

# 2013 Proposed Budget

October 15, 2012

Presented by

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Administrative Services Director, Robert Hartwig



# Presentation Agenda

- 2013 Budget Presentation
  - 2013 Budget and Council Goals
  - City Manager Recommendations
  - 2013 Budget Highlights
- Budget Process & Schedule



# 2013 Proposed Budget

- \$67.0 M Balanced Budget
- Financial Reserves: \$5.2 M (\$4.2 M required)
- General Fund Balance: \$6.1 M (\$4.4 M required)
- Bond Rating AA+ (S&P “Strong”)
- 17 yrs of Unqualified Audit Opinions



# 2013 BUDGET PRESENTATION



# Updated Look

- Transmittal Letter
  - Focus on Council Goals and Community Priorities
  - 2013 Accomplishments in one place
- 2013 Budget Highlights in Executive Summary
- Made department sections easier to read

# 2013 Budget Highlights

- Balanced and totals \$67.0 M
  - 3.6% (\$2.3 M) increase from current 2012 Budget
  - Main reason: \$4.1 M capital budget increase
  - Maintains strong reserves
- \$36.7 M Operating Budget
  - 1.3% (\$0.5 M) decrease from current 2012 budget
  - General & Street Funds 1.2% (\$0.4 M) below current 2012 budget



# 2013 Budget Highlights

- Reflects Council Goals / Community Priorities
  - Transmittal Letter – Pages 33 – 34
- Budget Realities
  - Must balance using available resources
  - Proposition No. 1 (2010) stabilized Property Taxes
    - No provision for new / enhanced services
  - New services mean reallocating available resources



# Guiding Principles

*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





# Council Goals and 2013 Budget

- **Goal 1: Strengthen Shoreline's economic base.**
  - **Aurora Square Master Planning (\$25,000 one-time)**
    - Promotes partnership with private sector
    - Redevelops Aurora Square
  - **Business mini-grant pilot program (\$10,000 one-time)**
    - Provides small grants to shopping areas
    - Used to enhance shopping / dining experiences



# Council Goals and 2013 Budget

- **Goal 2: Improve Shoreline's utility, transportation, and environmental infrastructure.**
  - Move **GIS** to the “**Cloud**” (\$1,325 one-time, \$2,475 ongoing)



# Council Goals and 2013 Budget

- **Goal 3: Prepare for two Shoreline light rail stations.**
  - **Light Rail Station Area Planning (\$250,000 one-time)**
    - Creates plan and regulations
    - Help transition from single-family to transit-oriented area
    - Location: 185<sup>th</sup> and I-5



# Council Goals and 2013 Budget

- **Goal 4: Enhance openness and opportunities for community engagement.**
  - **Communication Assistant (No budget effect)**
    - Increase from 0.75 FTE to 1.00 FTE
    - Addresses communication program needs
    - Funded by reducing related professional services
  - **Website upgrade (\$16,380 one-time)**
    - Enhances mobile features / abilities
  - **Permitting system upgrade (\$90,000 one-time)**
    - Online access for citizens
    - \$47,000 one-time in 2013; \$43,000 carryover from 2011
  - **Farmer's Market Sponsorship (\$5,000 ongoing)**



# Other 2013 Staffing Recommendations

- Animal Control (No budget effect)
  - Council continued King County contract
  - Eliminated 1.50 FTE
- Recreation Assistants (No budget effect)
  - Assistant I increased 0.30 FTE
  - Assistant II decreased 0.28 FTE

# Other 2013 Staffing Recommendations

- Aurora Avenue Staffing (No budget effect)
  - Eliminated 1.50 FTE
    - Capital Project Manager decreased 1.00 FTE
    - Capital Project Technician decreased 0.50 FTE
  - Positions are currently vacant
  - Project nearing completion
  - Savings reallocated to other project expenditures

# Other 2013 Staffing Recommendations

- Reclassify Associate Traffic Engineer to Engineer II – Traffic (No budget effect)
  - Reduces related professional services costs

# Changes in Staffing 2008 - 2013

Year	Budgeted FTES	Net Change	Changes	
2008	141.40			
2009	140.98	(0.42)		
2010	137.03	(3.95)		
2011	136.28	(0.75)		
2012	135.38	(0.90)	Eliminated positions: <ul style="list-style-type: none"> <li>• PW Capital Project Manager</li> <li>• PW Admin. Asst. II</li> <li>• AS Admin. Asst. I (0.50)</li> <li>• AS Network Administrator</li> <li>• P &amp; CD Senior Planner</li> <li>• P &amp; CD Associate Planner</li> </ul>	Other: <ul style="list-style-type: none"> <li>* + 0.10 P&amp;CD Asst. Director</li> <li>* - 0.50 Capital Project Tech.</li> </ul> Add: <ul style="list-style-type: none"> <li>* City Engineer</li> <li>* Facilities Maint. Worker</li> <li>* 0.50 Recreation Asst.</li> <li>* Surface Water Tech.</li> <li>* Animal Control (1.50)</li> </ul>
2013	132.20	(3.18)	Eliminated positions: <ul style="list-style-type: none"> <li>• 1.50 Animal Control officer</li> <li>• 0.60 P&amp;CD Associate Planner</li> <li>• 0.50 Capital Project Technician</li> <li>• 1.00 Capital Project Manager II</li> </ul>	Other: <ul style="list-style-type: none"> <li>* + 0.25 Communications Assistant</li> <li>* +0.30 Recreation Assistant I</li> <li>* -0.28 Recreation Assistant II</li> <li>* +0.15 P&amp;CD Administrative Assistant III</li> </ul>
Cumulative Total		(9.20)	6.5% Reduction since 2008	



# Equipment Purchases

- Public Works Hotbox (\$62,000)
- Parks Chevrolet ½ Ton Pickup (\$20,000)

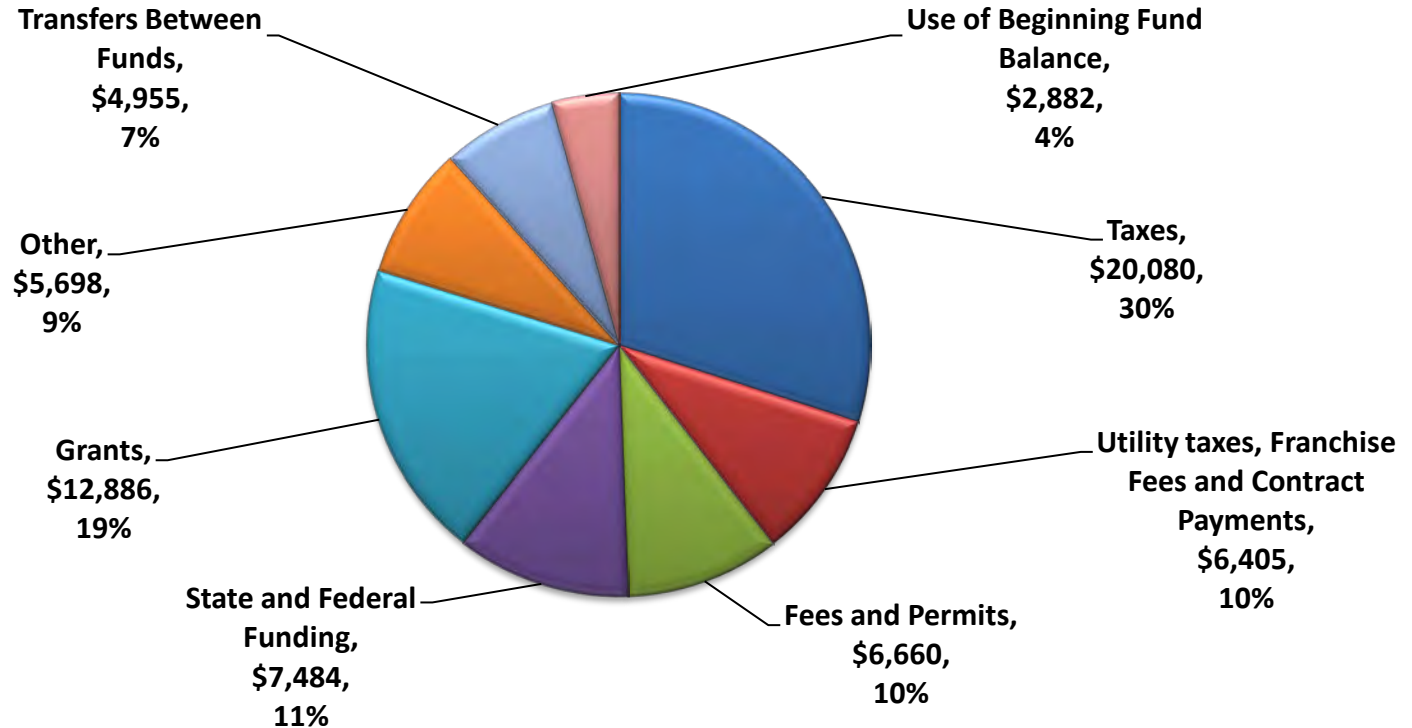
# 2013 Budget Highlights & Comparisons



# Where Will the Money Come From?

## Total Budget: \$67.0 Million

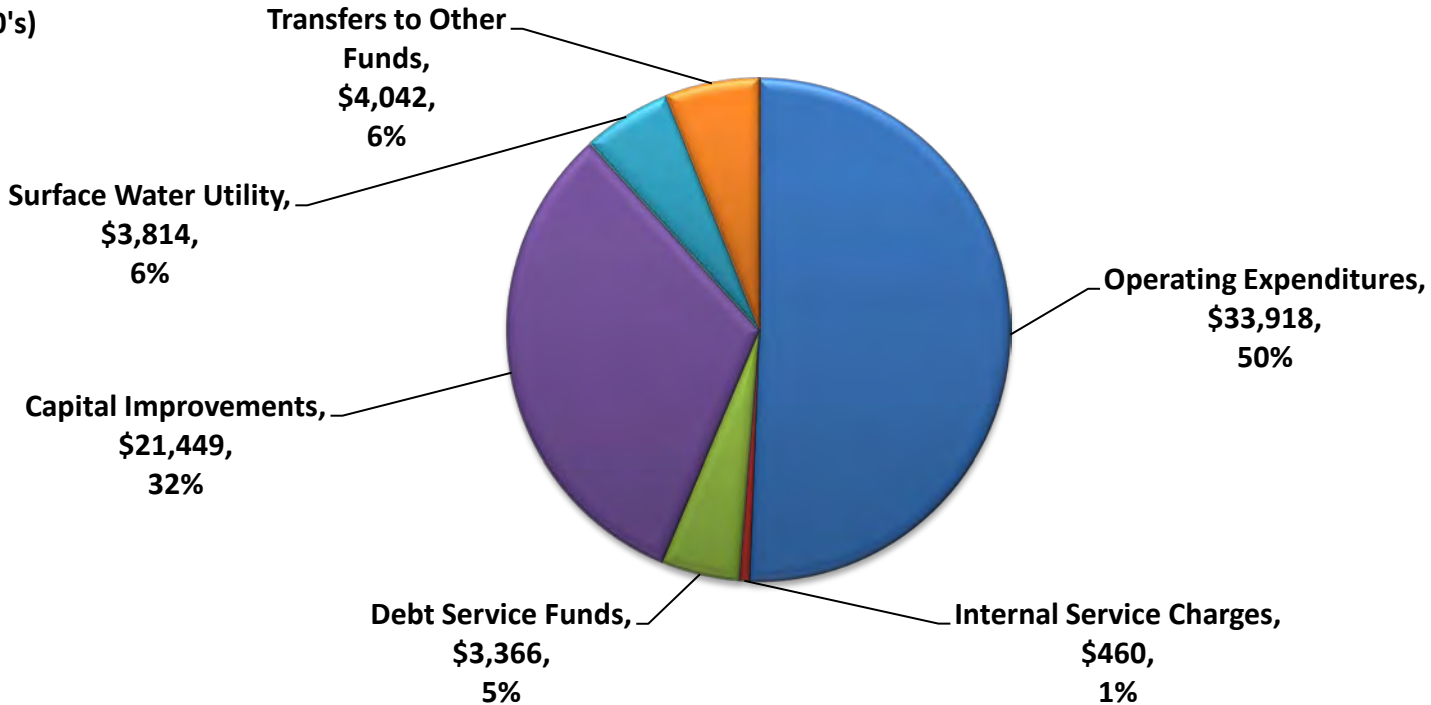
(\$ in '000's)



# Where Will the Money Go?

## Total Budget: \$67.0 Million

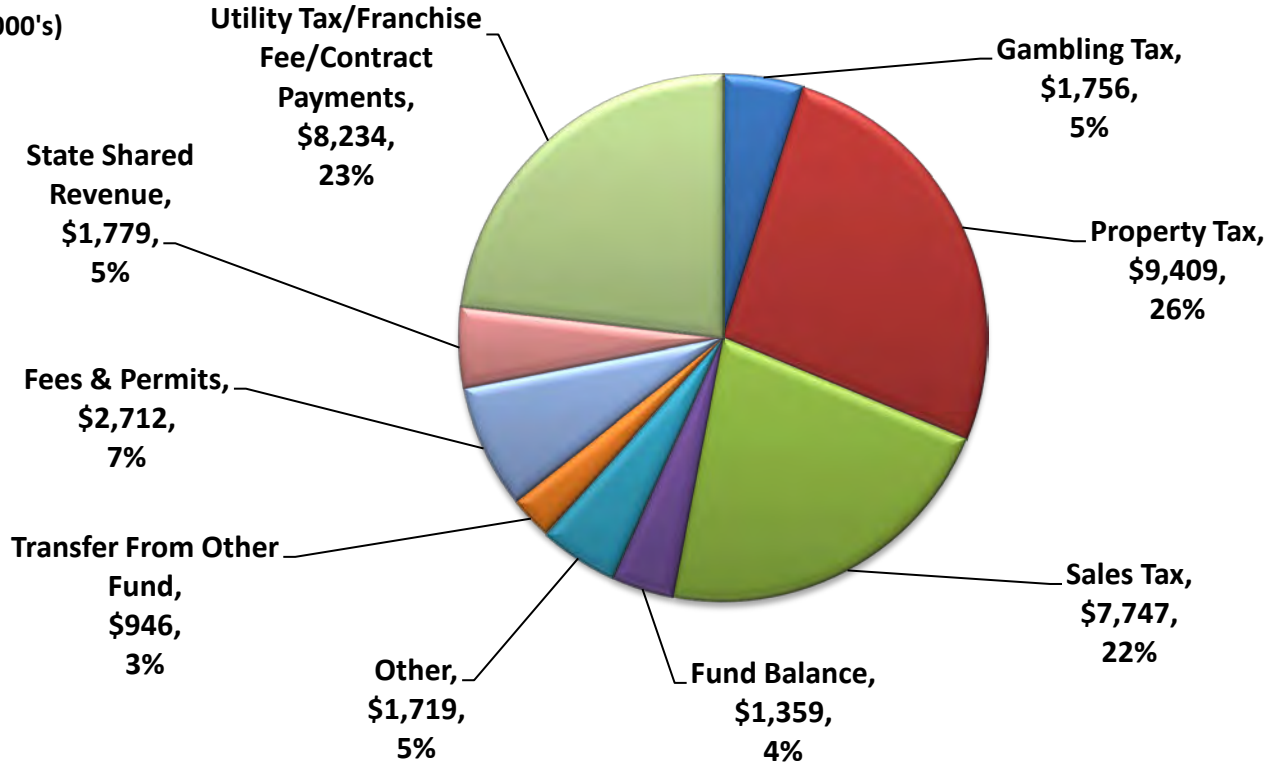
(\$ in '000's)



# Operating Budget Resources

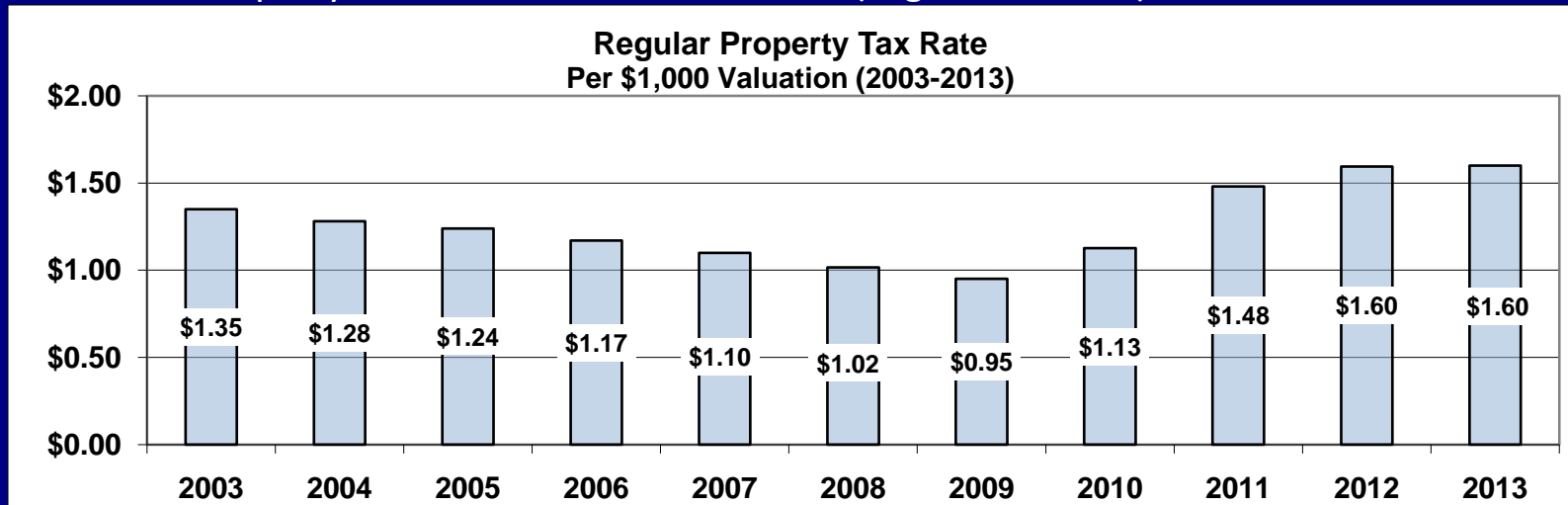
## \$35.7 Million

(\$ in '000's)



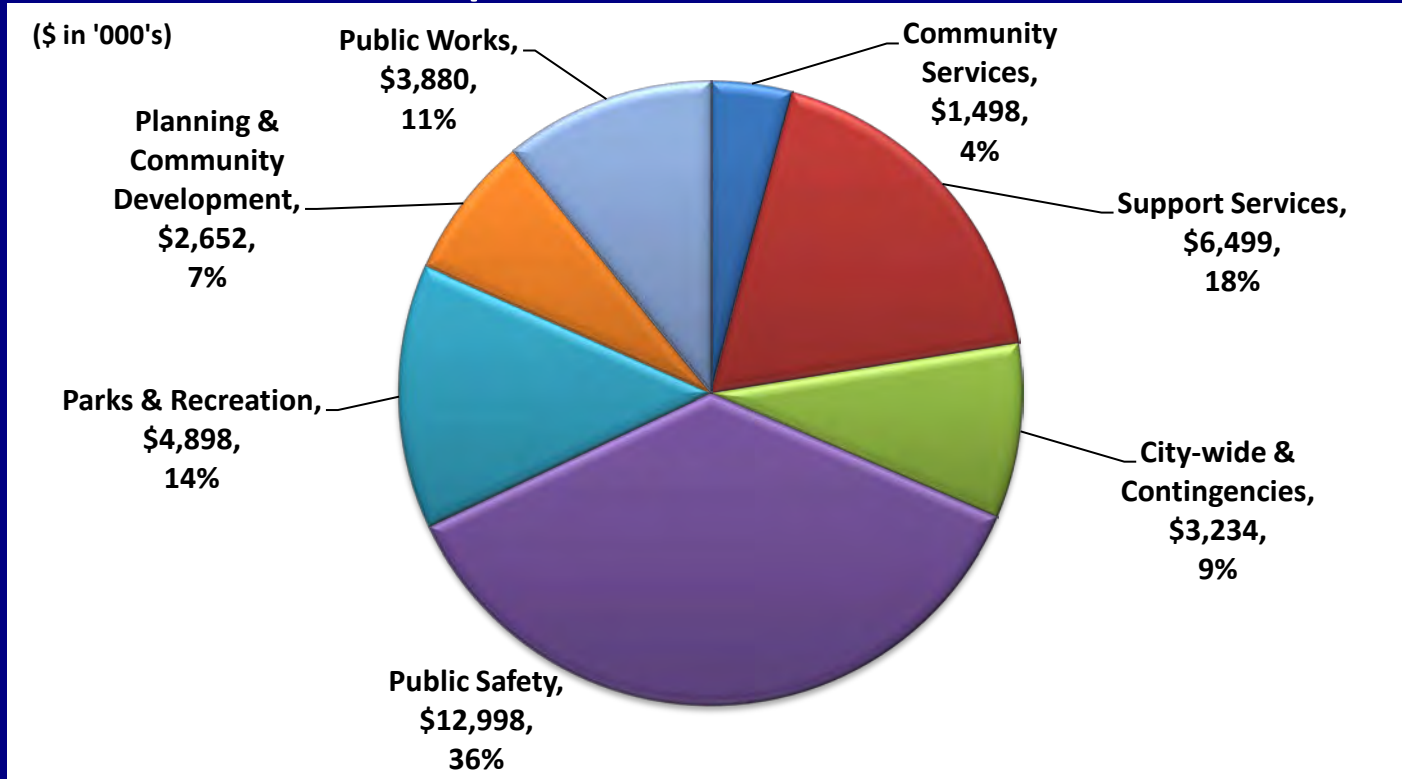
# Property Tax – Regular Levy

- 2013 Budget - \$9.4 M
- 25.8% of the Operating Budget Revenue Sources
- Proposition 1 allows for inflation through 2016
  - 2013 CPI: 2.7% , AV down 6.7%
  - 2013 Property Tax Rate = \$1.60 / \$1,000 AV (Legal Maximum)



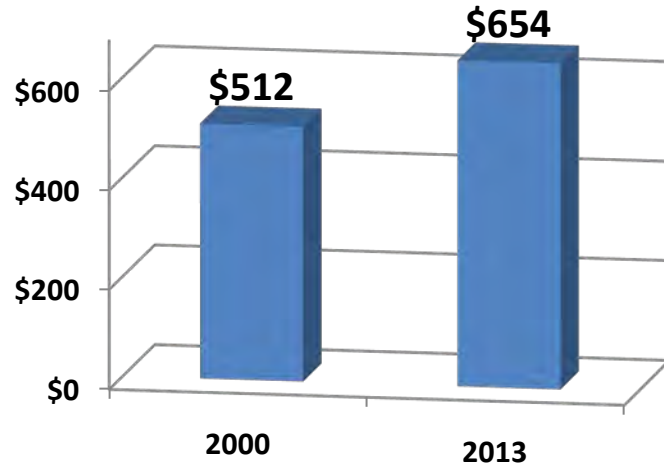
# Operating Budget by Function

## \$35.7 Million

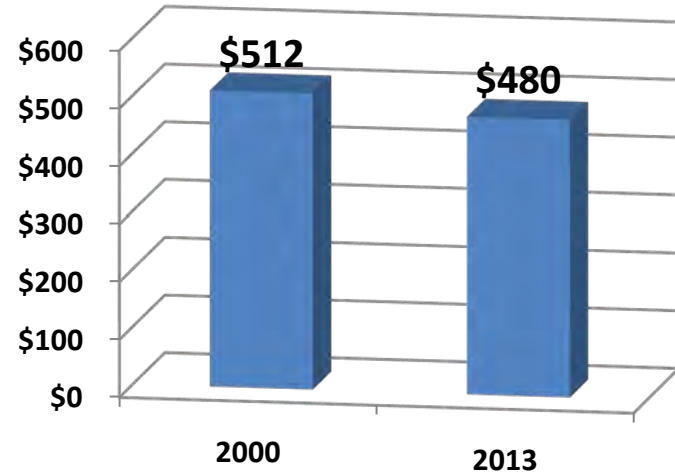


# Value for Your City Tax Dollar Cost to Provide Services Per Capita

**Actual**

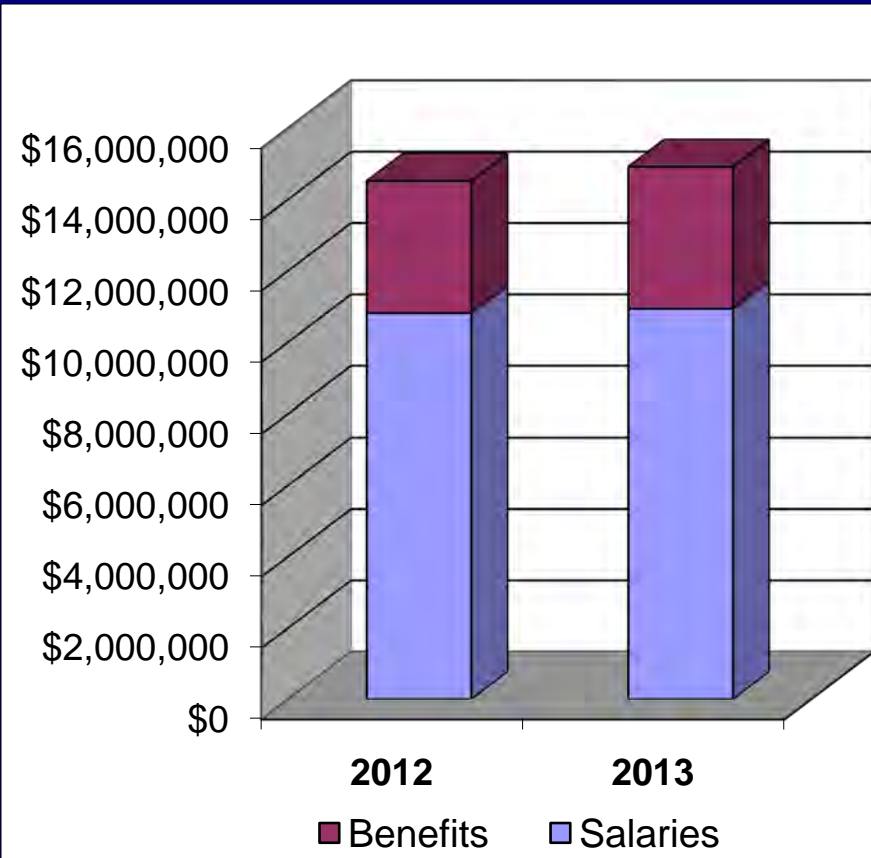


**Inflation Adjusted**





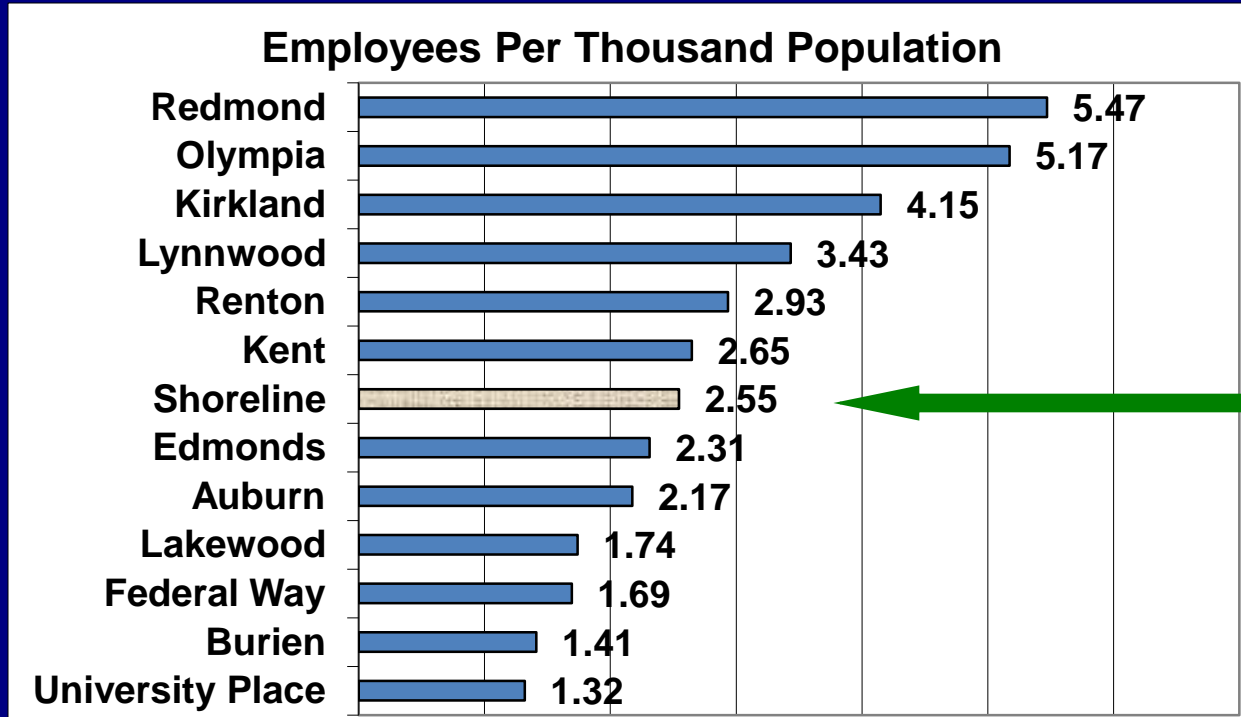
# 2013 Personnel Cost Changes



- Total Compensation Change
  - **-2.7 % Increase from 2012 to 2013**
- Salary Changes
  - **-\$128,851 (1.2%) more than 2012**
  - **-2.43% Cost of Living Increase**
- Benefit Changes
  - **\$269,538 (7.3%) more than 2012**
  - **PERS, L&I, Health Benefits**
  - **2013 health benefit costs up 7.3%**

# Comparison of City Staffing Levels

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



**In 2013  
Shoreline  
will have  
2.55  
Employees  
Per 1,000  
Residents**

# Operating Budget Highlights

- Public Safety
  - Police Contract - \$10.4 M
    - \$138,000 (1.4%) increase over 2012 Contract
    - Guild (labor) negotiations in progress
    - Budget includes 2.5% increase (negotiation contingency)
  - Jail - \$1.0 M
    - \$120,000 (10.4%) decrease from 2012 budget
      - 99% of jail day activity now in Snohomish County Jail



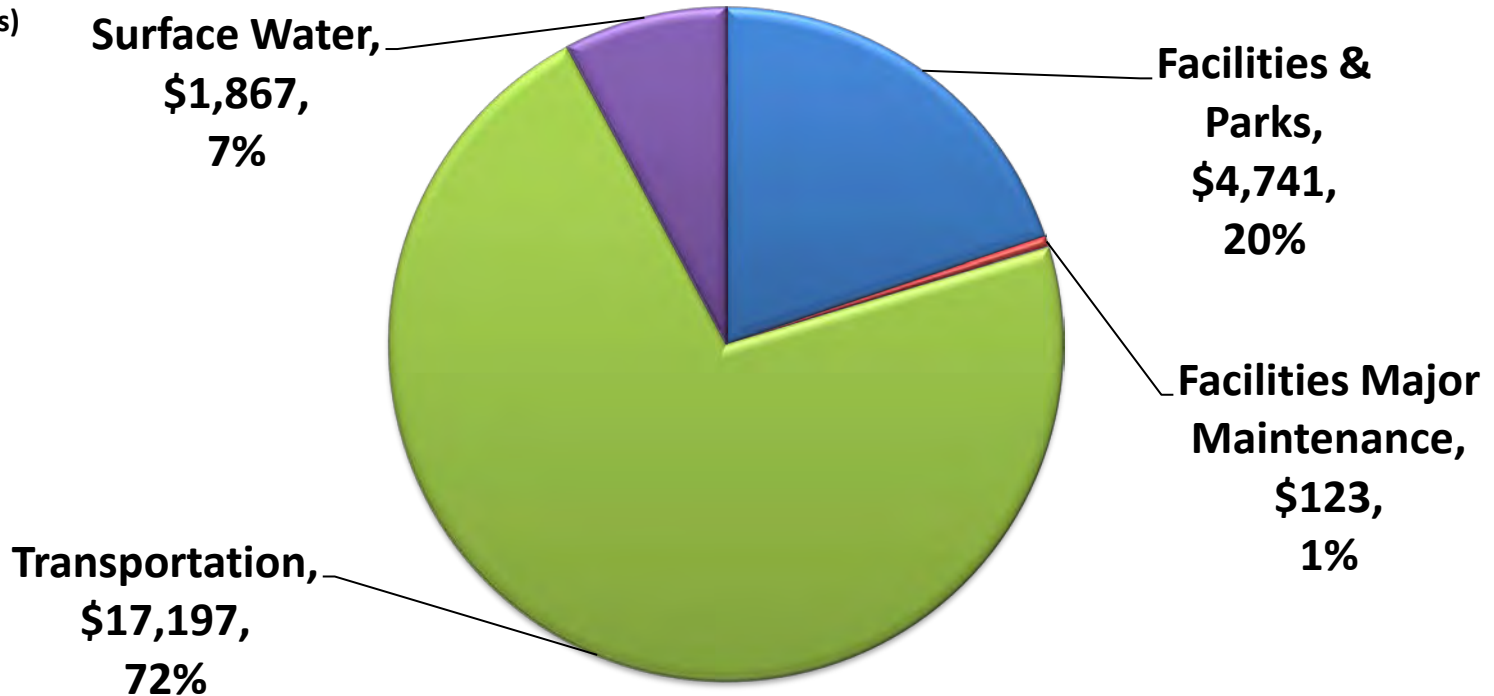
# Recommended Fee Changes

- Development Fees – Inflation 2.7%
  - Hourly rate increase from \$149.50 to \$153.50
- License and Public Records Fee – 2.7% increase
- Cleanscapes (Garbage)
  - 2.85% (Preliminary – Contractual formula)
- Parks and Recreation Fee – 2.7% increase for some
- Surface Water Utility Rate – 3.0% Increase
  - Residential Rate from \$133 annually to \$137 (\$4 annual increase)



# 2013 Capital Improvement Plan

(\$ in '000's)



# 2013 Major Capital Projects

- Facilities & Parks
  - Maintenance Facility Acquisition  
\$3.0 M
  - Parks Projects - \$0.8 M
    - Echo Lake Park
    - Parks Repair & Replacement
    - Sunset School Park
    - Trail Corridors



# 2013 Major Capital Projects

- Transportation
  - Small Projects - \$1.3 M
  - Annual preservation of roads, bridges & traffic signals - \$1.9 M
  - Safety/Operations Improvements - \$0.3 M
  - Aurora Avenue North (192<sup>nd</sup> – 205<sup>th</sup>) - \$14.4 M



# 2013 Major Capital Projects

- Surface Water Projects
  - Storm Water Pipe Replacement - \$0.3 M
  - Green Works and North Fork Thornton Creek LID Stormwater Retrofit - \$0.8 M
  - Small Projects (Under \$0.2 M each) - \$0.6 M





# Budget Process & Schedule



# 2013 Budget Review and Adoption Schedule

- October 15 - Transmittal of Proposed 2013 Budget
- October 22 - Department Presentations & Budget Workshop
- November 5 - Continued Department Presentations and Budget Review Workshop; Capital Projects Review
- November 13 - Public Hearing on 2013 Budget & Revenues, 2013 – 2018 CIP, 2013 Property Tax Levy & 2013 Fee Schedule, Salary Schedules
- November 19- Public Hearing & Final Budget Review Workshop
- November 26- Adoption of 2013 Budget, Adoption of 2013 Property Tax Levy, & Adoption of the 2013-2018 CIP

# Budget Workshop Review Schedule

October 22	November 5	November 13
City Council	Public Works	Public Hearing
City Manager	Capital Improvement Plan (2013)	2013 Property Tax Levy
Community Services		2013 Revenue Sources
Administrative Services & Citywide		2013 Salary Schedule
City Attorney		2013 Fee Schedule
Human Resources		
Police		
Criminal Justice (Jail & Court)		
Parks, Recreation & Cultural Services		
Planning & Community Development		
<b><i>Budget Document Pages</i></b>		
<b><i>Pages 105-236</i></b>	<b><i>Pages 239-256 and 283-432</i></b>	<b><i>Pages 61-84 and 445-466</i></b>

# 2013 Budget Information

- The 2013 Proposed Budget will be available on-line at the City of Shoreline Website at:

**<http://www.shorelinewa.gov>**

Click on Budget & CIP Policies under the Government tab

- 2013 Budget Books Available For Review at:
  - Shoreline Library, Richmond Beach Library, both Neighborhood Police Centers and at City Hall
- 2013 Budget Books on CD Available for purchase at City Hall for \$2



# Conclusion

- 2013 Proposed Budget
  - Supports Council Goals / Community Vision
  - Does not satisfy all community needs
  - Maintains reserves / strong fund balance
  - Maintains / improves parks, roads, drainage systems
  - Provides service levels that continue to benefit the entire Shoreline community



# Questions / Comments

