

2016 Proposed Budget

October 12, 2015

Presented by

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Presentation Agenda

- 2016 Budget presentation
 - Context for the work we do
 - 2016 Budget, Council Goals, City Workplan
 - City Manager Recommendations
- 2016 Budget Highlights
- Budget Process & Schedule

2016 Budget Presentation





2016 Proposed Budget

- Budget allocates financial and staffing resources
 - Must balance using available resources
- Delivery of Public Service and Organizational Goals
 - Exceptional Public Service
 - Organizational Strength
 - Fiscal Sustainability
 - Achieve Council Goals

2016 Proposed Budget

- \$77.916 M Balanced Budget
 - \$43.511 M Operating Budget
- Fund Balance:
 - Revenue Stabilization Fund: \$5.1 M (\$4.6 M Required)
 - General Fund: \$4.8 M (\$4.0 M Required)
 - Property Tax Equalization Fund: \$0.7 M (\$0 Required)
- Bond Rating AA+ (S&P “Stable”)
- 19 yrs Unqualified Financial Statement Audit Opinions
- 16 years of GFOA Budget Awards

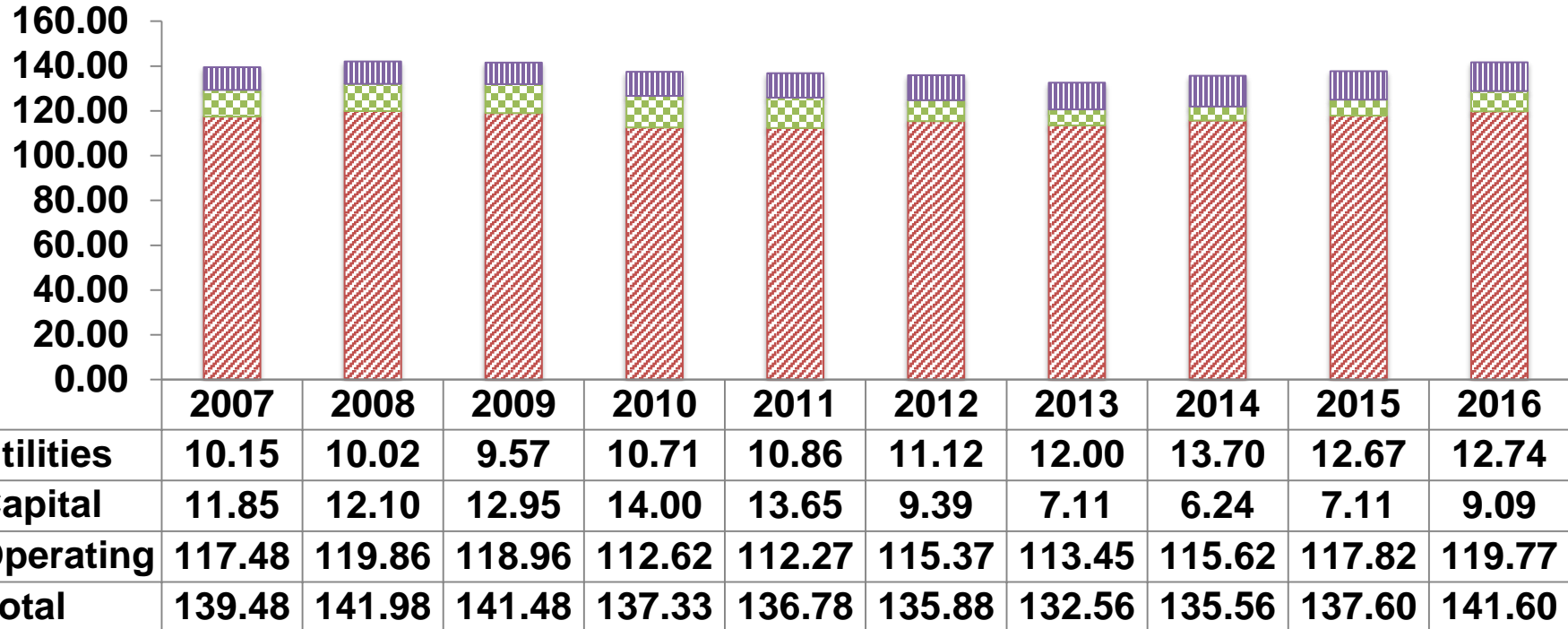


One-Time Operating Budget Contributions to Capital Funds

Capital Fund Project Title	General Fund
General Capital Fund	
Police Station at City Hall	\$1,000,000
Shoreline Pool Long-Term Maintenance	\$600,000
Roads Capital Fund	
185 th Corridor Study	\$600,000
Grant Match Funding	\$200,000
Westminster and 155 th Improvements	\$250,000
Totals	\$2,650,000

2007-2016 Regular FTE Summary

City of Shoreline FTE Summary by Fund Type



Operating Budget Supplemental Requests

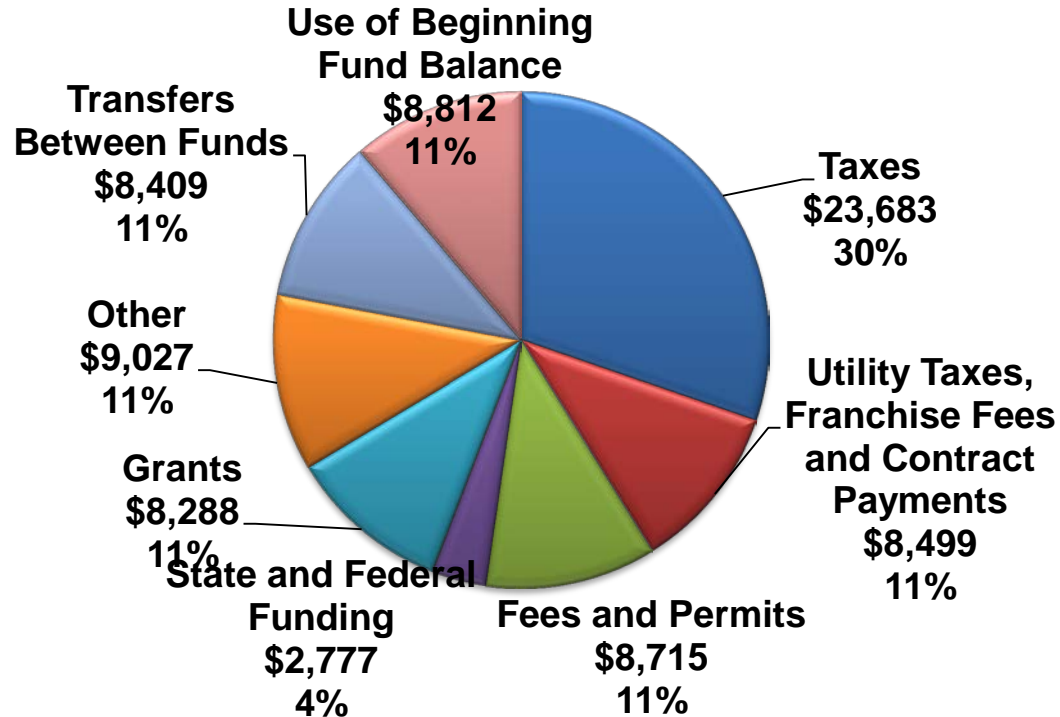
Category	One-Time	On-Going	Available Revenue/ Expenditure Reductions	Ongoing Net Cost
Implementation of Council Goals	\$393,327	\$36,200	\$5,000	\$31,200
Maint. of City Assets and Operational Efficiencies	114,545	0	0	0
Technology Investments	699,890	7,960	0	\$7,960
Budget Neutral	900	68,061	70,350	(\$2,289)
Personnel Requests	20,180	238,152	0	\$266,212
Totals	\$1,228,842	\$350,373	\$75,350	\$275,023
Use of Fund Balance	\$1,228,842	% of Operating Budget		0.7%

2016 Budget Highlights

Where Will the Money Come From?

Total Budget: \$78.210 Million

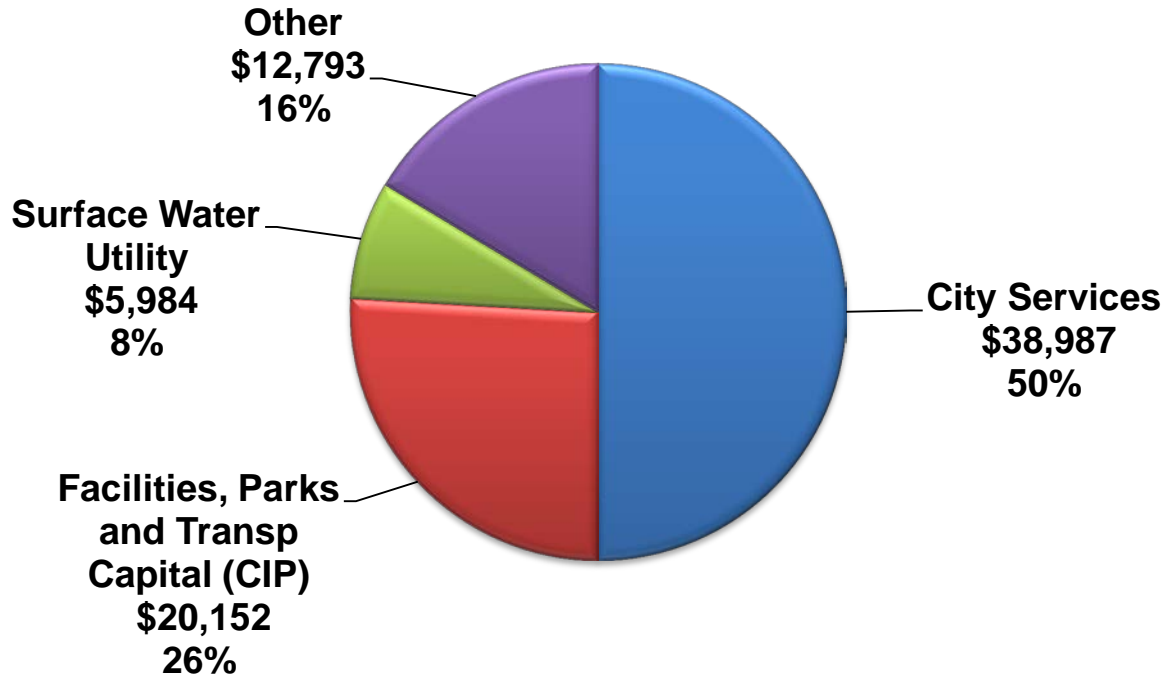
(\$ in '000's)



Where Will the Money Go?

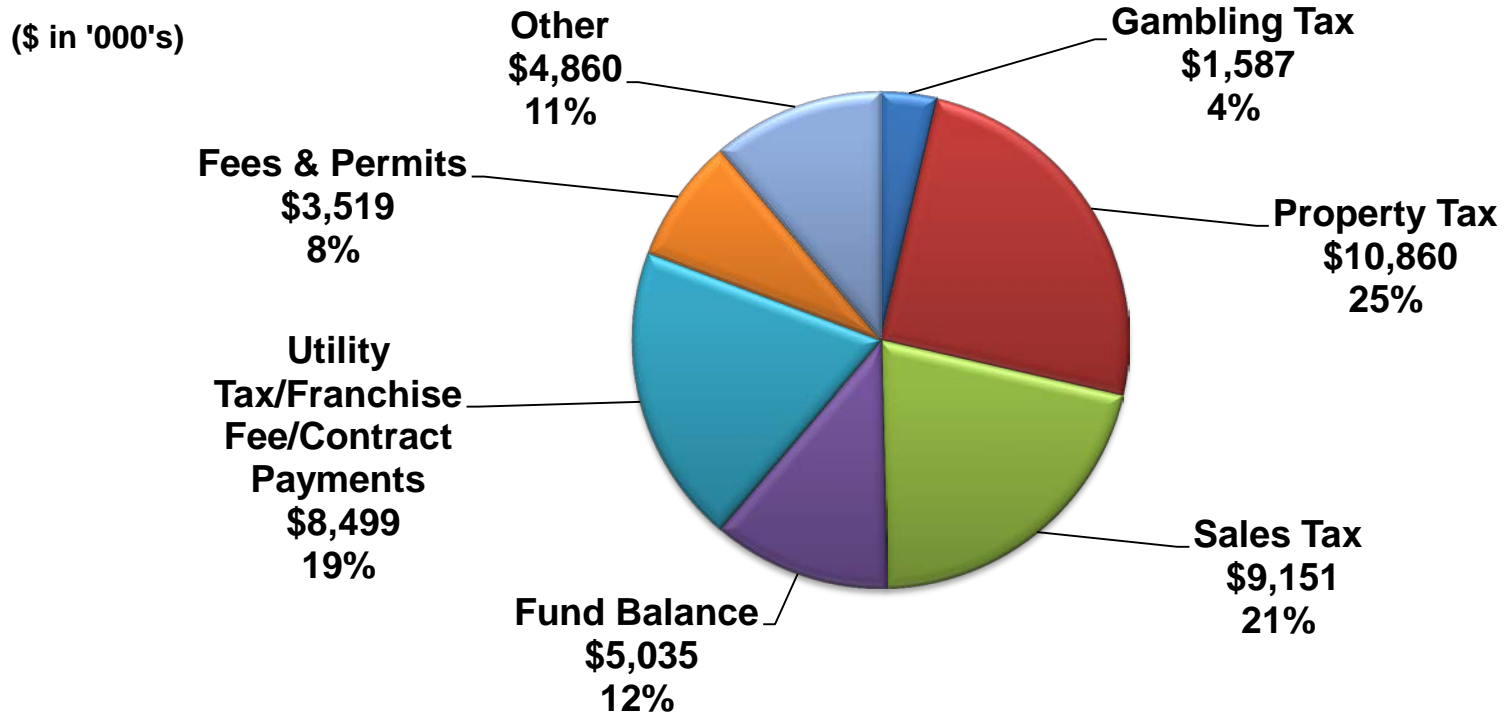
Total Budget: \$77.916 Million

(\$ in '000's)



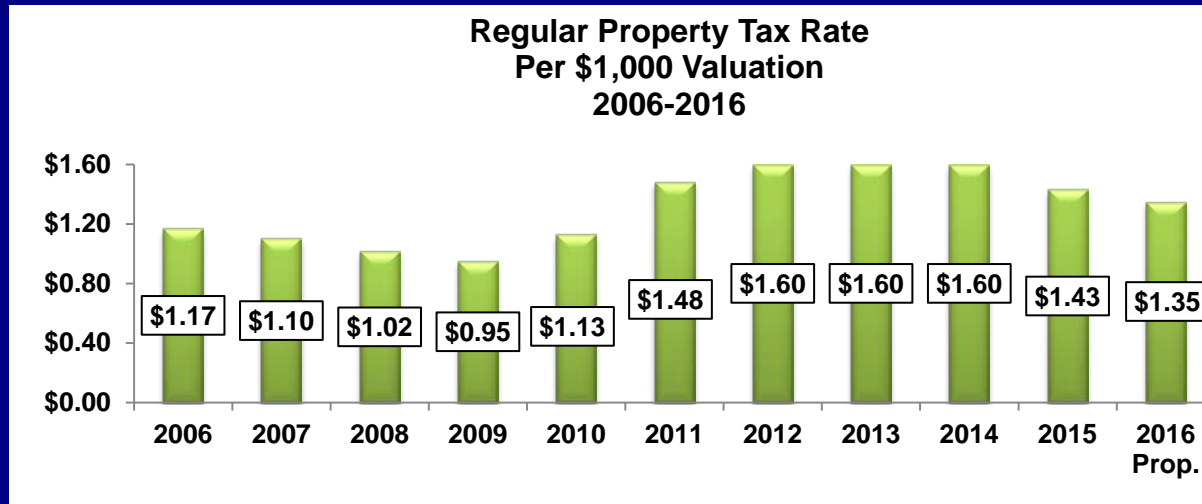
Operating Budget Resources

\$43.511 Million

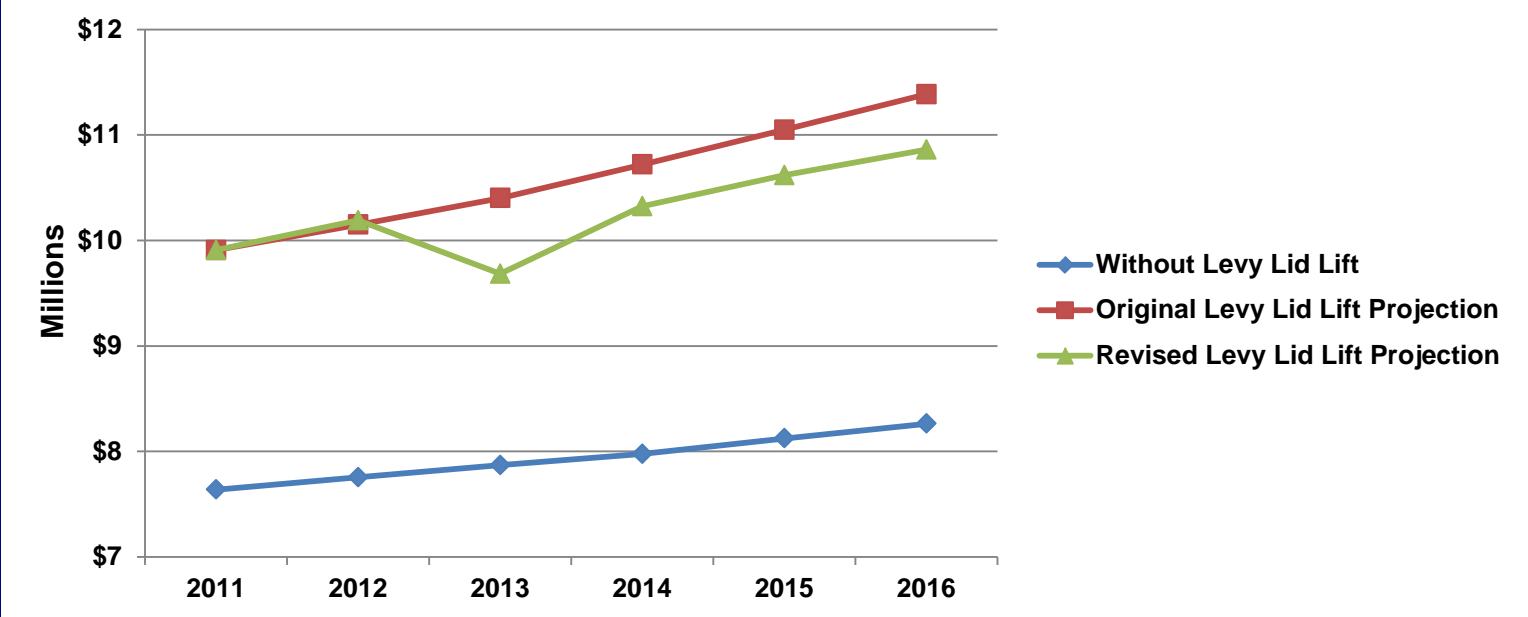


Property Tax – Regular Levy

- 2016 Budget - \$10.860 M
- 30.6% of the Operating Budget Resources
- Prop 1 allows levy growth by CPI + new construction
2016 CPI: 1.61%; New Construction: \$51.0 M



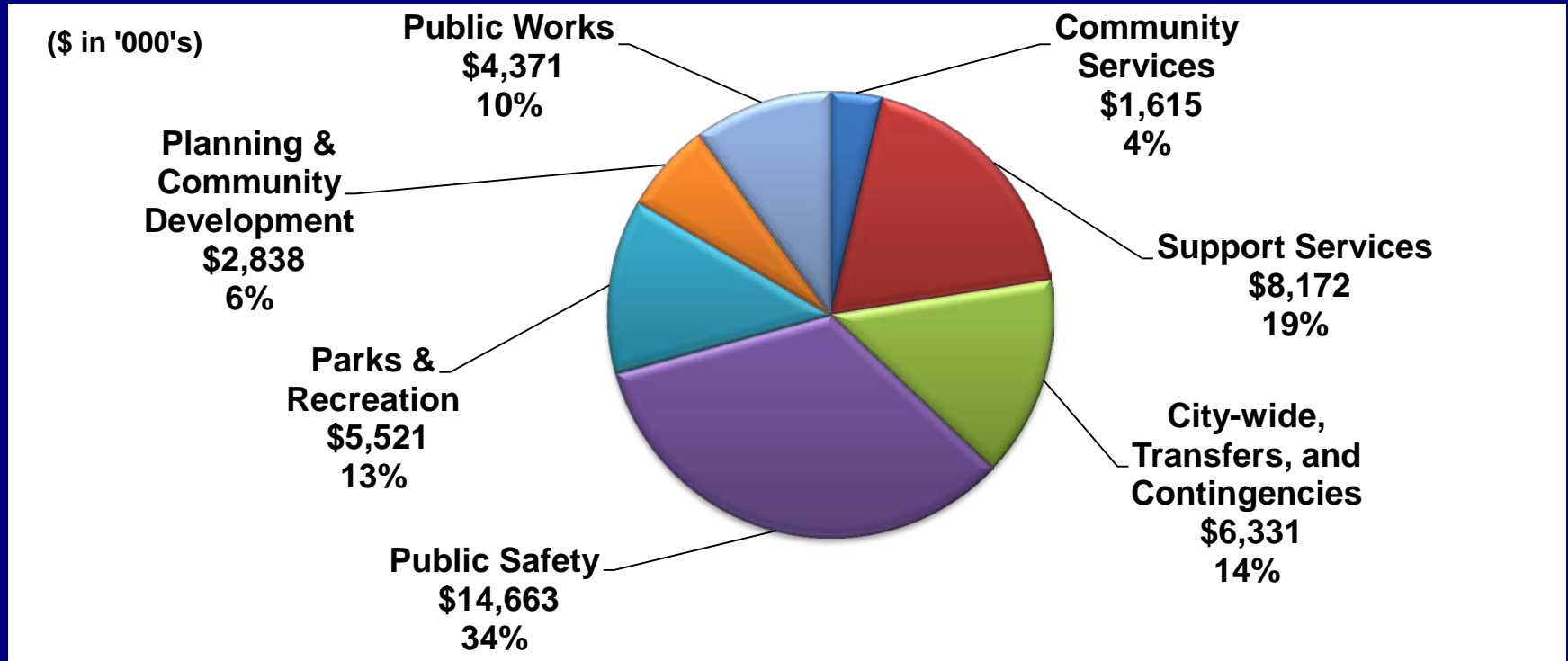
Property Tax



Total Levy Over 6 Years	Collections	Average Rate
Without Levy Lid Lift	\$47,621,631	\$1.19237
Original Levy Lid Lift Projection	\$63,612,476	\$1.35765
Revised Levy Lid Lift Projection	\$61,584,427	\$1.50970

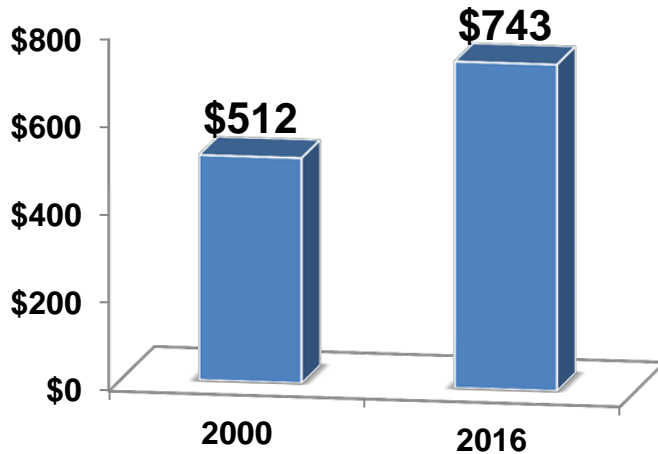
Operating Budget Expenditures by Function

\$43.511 Million

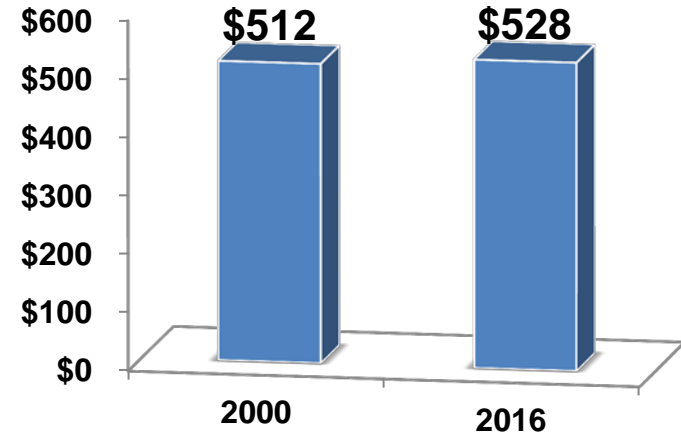


Operating Budget Cost to Provide Services Per Capita

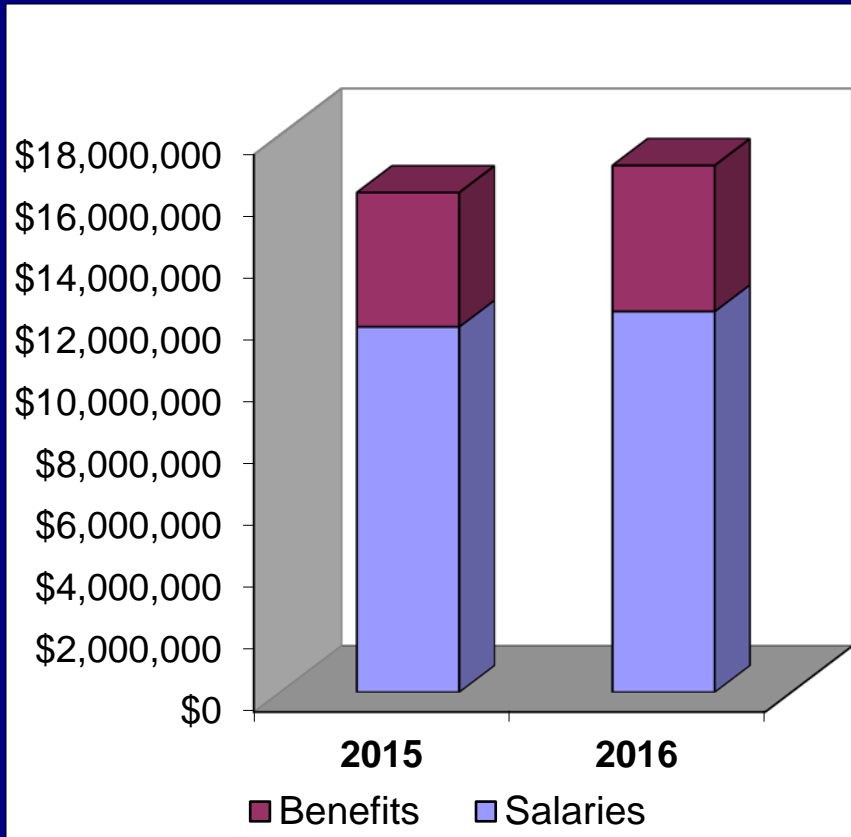
Actual



**Inflation Adjusted
(2000 as Base)**



2016 Personnel Cost Changes

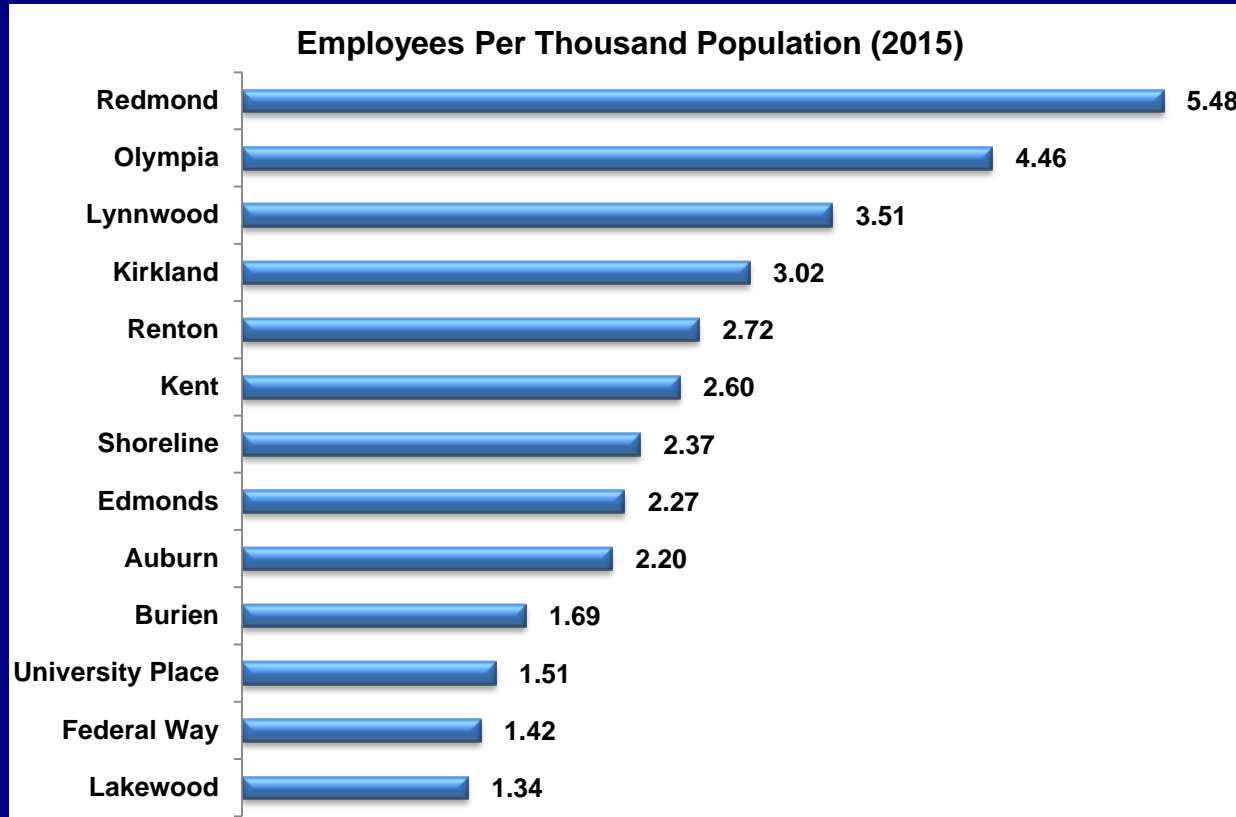


Citywide Budget

- 5.4% Increase
 - 2.8% Increase w/o new positions/reclasses
- 2016 FTEs per 1,000
Population = 2.60

Comparison of City Staffing Levels

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



Recommended Fee Changes

- Development Fees
- Traffic Impact Fees
- License and Public Records Fee
- Parks and Recreation Fees
- Surface Water Utility – 4.0% Scheduled Increase

Improving Financial Condition

- 10 Year Financial Sustainability Plan accepted June 16, 2014
 - Intended to strengthen the economic base
 - Includes 7 strategies to improve City's financial position
 - Staff report available at:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport061614-8a.pdf>



10 YFSP Strategies & Targets

- Reduce expenditure growth rate by 0.2% over time
 - Overall reduction of 0.4%
 - Forecast Growth: 3.1%
 - Without One-Time Spending: 2.7%
 - Without New Positions/Reclasses: 2.1%
 - Some Notable Exceptions:
 - Salaries & Benefits: 4.9% Growth for operating (3.8% Forecast)
 - Without New Positions/Reclasses: 3.2% Growth
 - Police: 4.2% Growth (3.5% Forecast)
 - Net with new revenue 3.4%
 - Jail: 37.5% Growth (3.0% Forecast)

10 YFSP Strategies & Targets

- Achieve the development of an additional 160 units of multi-family residential housing and 7,500 sf of retail redevelopment annually,
 - Increased multi-family unit count by 97 in 2014 and 132 in 2015;
 - Adding 7,154 sf of new retail space in 2015
- Research ways to increase investment returns by 100 basis points (1%).
 - Achieved in 2015 through laddering strategy
- Perform a study that will evaluate higher cost recovery percentages for an appropriate combination of fee based programs.
 - Parks Cost Recovery Study Complete
 - Permit & Inspection Cost Recovery Study in progress

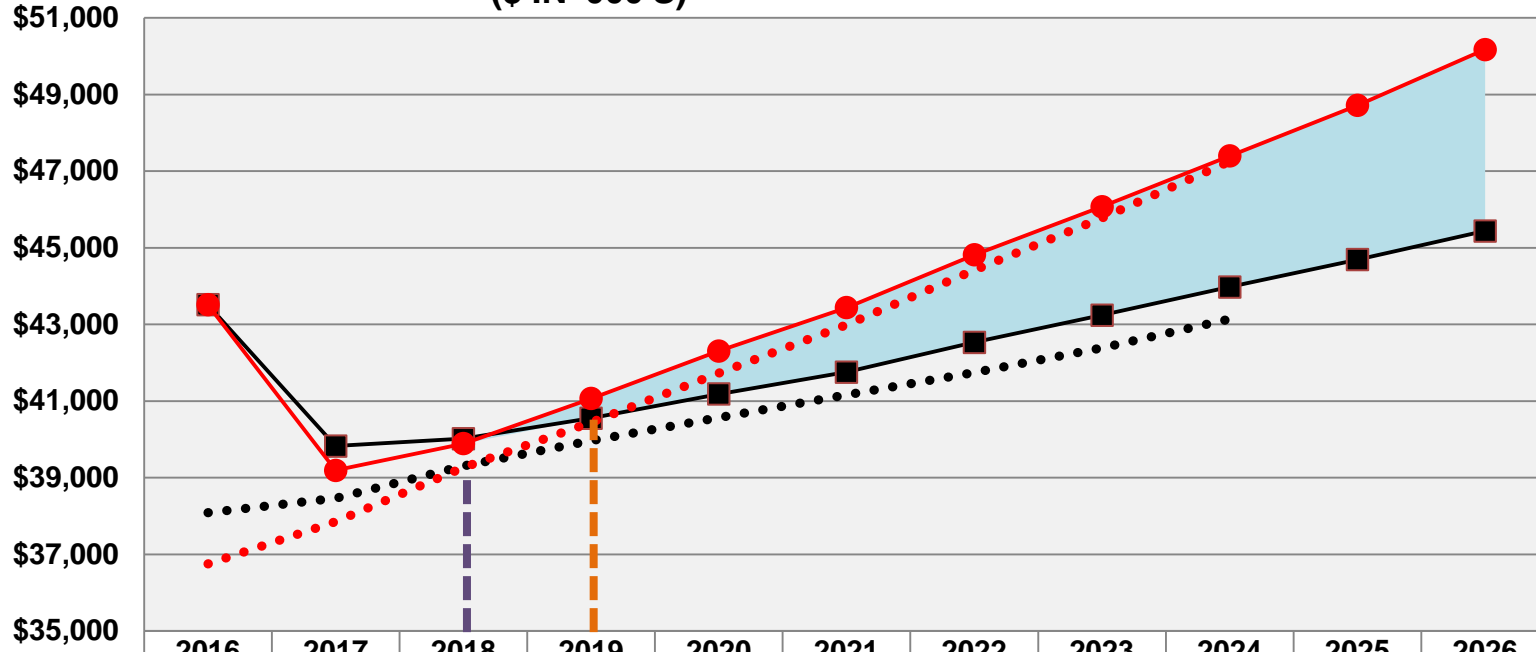
10 YFSP Strategies & Targets

- Engage the business community in a discussion regarding the possible future implementation of a Business and Occupation (B&O) Tax.
 - Planned for 2016
- Engage Shoreline residents in a discussion regarding the possibility of renewing the property tax levy lid lift.
 - Planned for 2016

10 YEAR FINANCIAL SUSTAINABILITY MODEL

OPERATING BUDGET TEN YEAR FORECAST

(\$ IN '000'S)

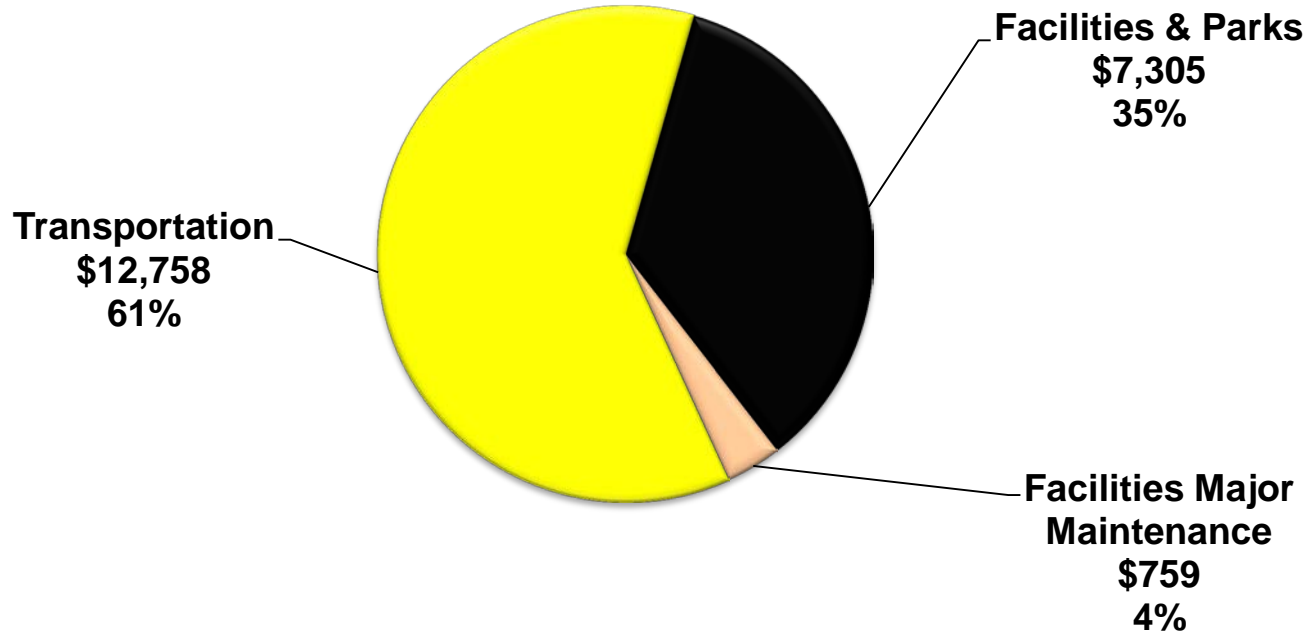


	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
ANNUAL SURP/(GAP)	0	633	132	(511)	(614)	(555)	(606)	(543)	(593)	(603)	(708)
CUMULATIVE (GAP)	0	0	0	(511)	(1,125)	(1,680)	(2,286)	(2,829)	(3,422)	(4,026)	(4,734)
VARIANCE BASE	43,511	39,192	39,887	41,064	42,307	43,436	44,817	46,072	47,397	48,716	50,171
10YFSP REVENUES	38,088	38,461	39,308	39,965	40,564	41,159	41,745	42,391	43,142		
NEW BASE REVENUES	43,511	39,825	40,019	40,553	41,182	41,756	42,531	43,242	43,975	44,690	45,437
10YFSP EXPENDITURES	36,752	37,851	39,262	40,442	41,727	42,989	44,415	45,776	47,253		
SCENARIO EXPENDITURES	43,511	39,192	39,887	41,064	42,307	43,436	44,817	46,072	47,397	48,716	50,171

2016 Capital Improvement Plan

\$20.822 Million

(\$ in '000's)

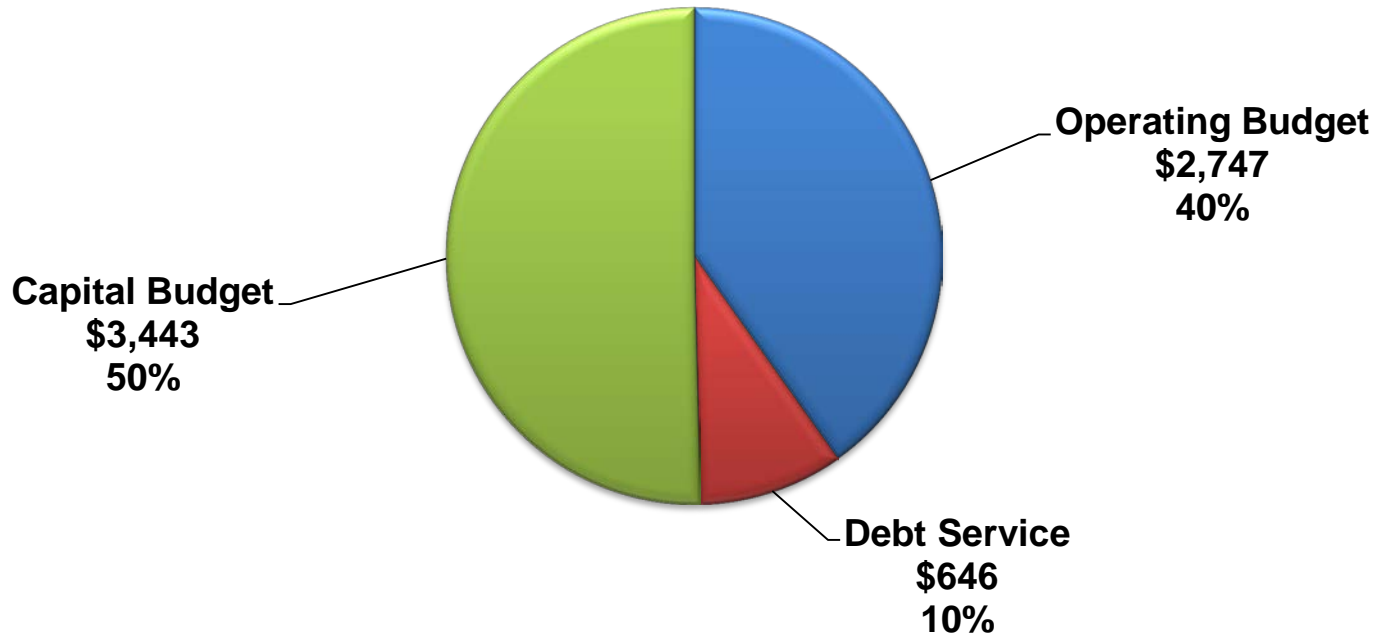


Surface Water Utility Resources

- Revenues \$6.7 M – up \$0.98 M
 - \$541K increase in grant funding
 - \$428K increase in Surface Water Revenues due to:
 - 4.0% rate increase
 - Sunset of Education Fee Credit on July 1, 2015
 - Phasing out of the Commercial Credit program (50% in 2016; Eliminated in 2017)

Surface Water Utility Expenses \$6.836 Million

(\$ in '000's)



Budget Process & Schedule

2016 Budget & CIP Review Schedule

- October 12 Transmittal of 2016 Proposed Budget and 2016-2021 CIP
- October 19 Review of Department Budgets
- October 26 Continued Review of Department Budgets and Review of 2016-2021 CIP
- November 2 Public Hearing on 2016 Proposed Budget and 2016-2021 CIP
- November 9 Public Hearing on 2016 Property Tax Levy & Revenue Sources
- November 16 Final Discussion of the 2016 Proposed Budget and 2016-2021 CIP
- November 23 Adoption of 2016 Budget, Adoption of 2016 Property Tax Levy, and Adoption of 2016-2021 CIP

Budget Workshop Review Schedule

October 19	October 26	November 2	November 9
City Council	Public Works	Public Hearing	Public Hearing
City Manager	Capital Improvement Plan	2016 Budget	2016 Property Tax Levy
Community Services	Surface Water Utility	2016-2021 CIP	2016 Revenue Sources
Administrative Services & Citywide	Other Funds		2016 Salary Schedule
City Attorney			2016 Fee Schedule
Human Resources			
Police			
Criminal Justice (Jail & Court)			
Parks, Recreation & Cultural Services			
Planning & Community Development			

2016 Budget Information

- The 2016 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

- 2016 Budget Books Available for Review at:
 - Shoreline Library, Richmond Beach Library, City Hall
- 2016 Budget Books on CD Available for purchase at City Hall

Conclusion

- 2016 Proposed Budget
 - Supports Council Goals / Community Vision
 - Does not satisfy all community needs / desires
 - Maintains reserves / strong fund balances
 - Maintains / improves parks, roads, drainage systems
 - Provides service levels that continue to benefit the entire Shoreline community

Questions / Comments