

2016 Proposed Budget

Public Hearing

Emphasis on Revenue Sources



2016 Budget Information

- The 2016 Proposed Budget is 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

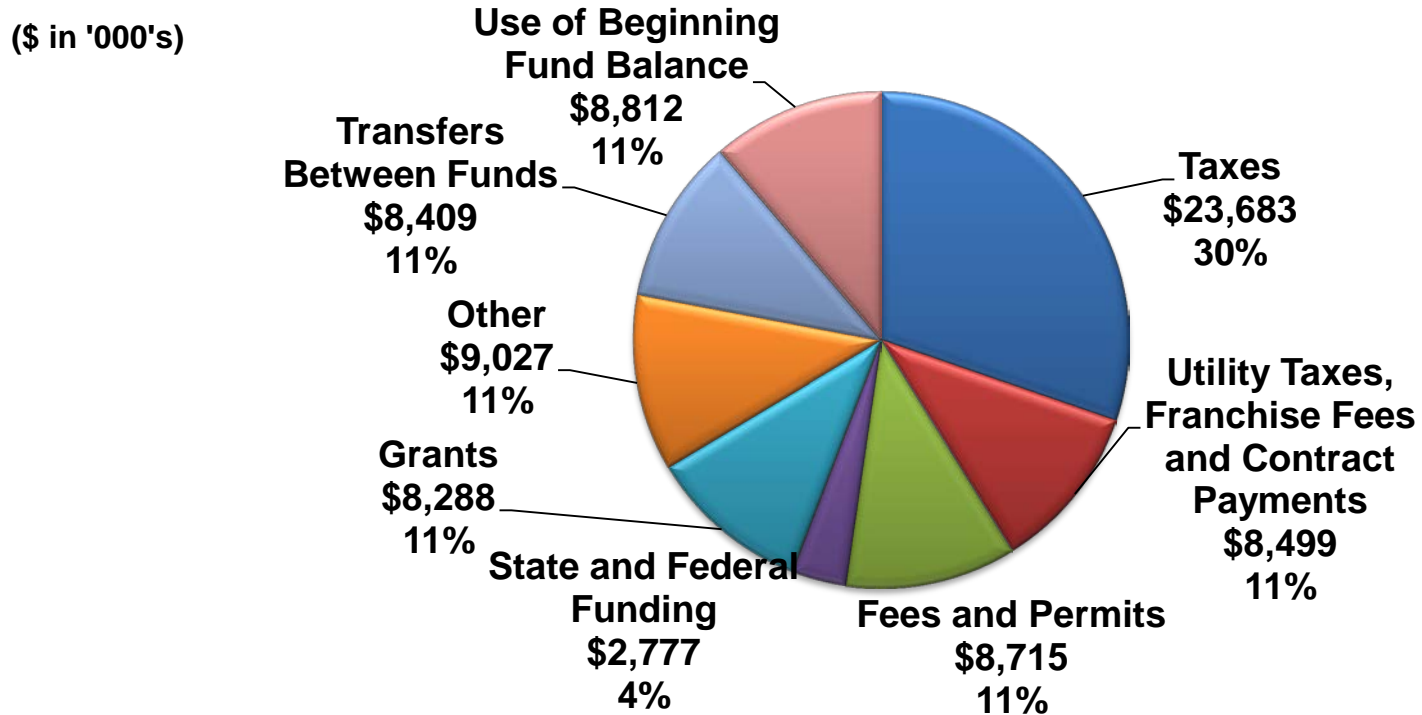
2016 Budget & CIP Review Schedule

- 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

2016 Revenues

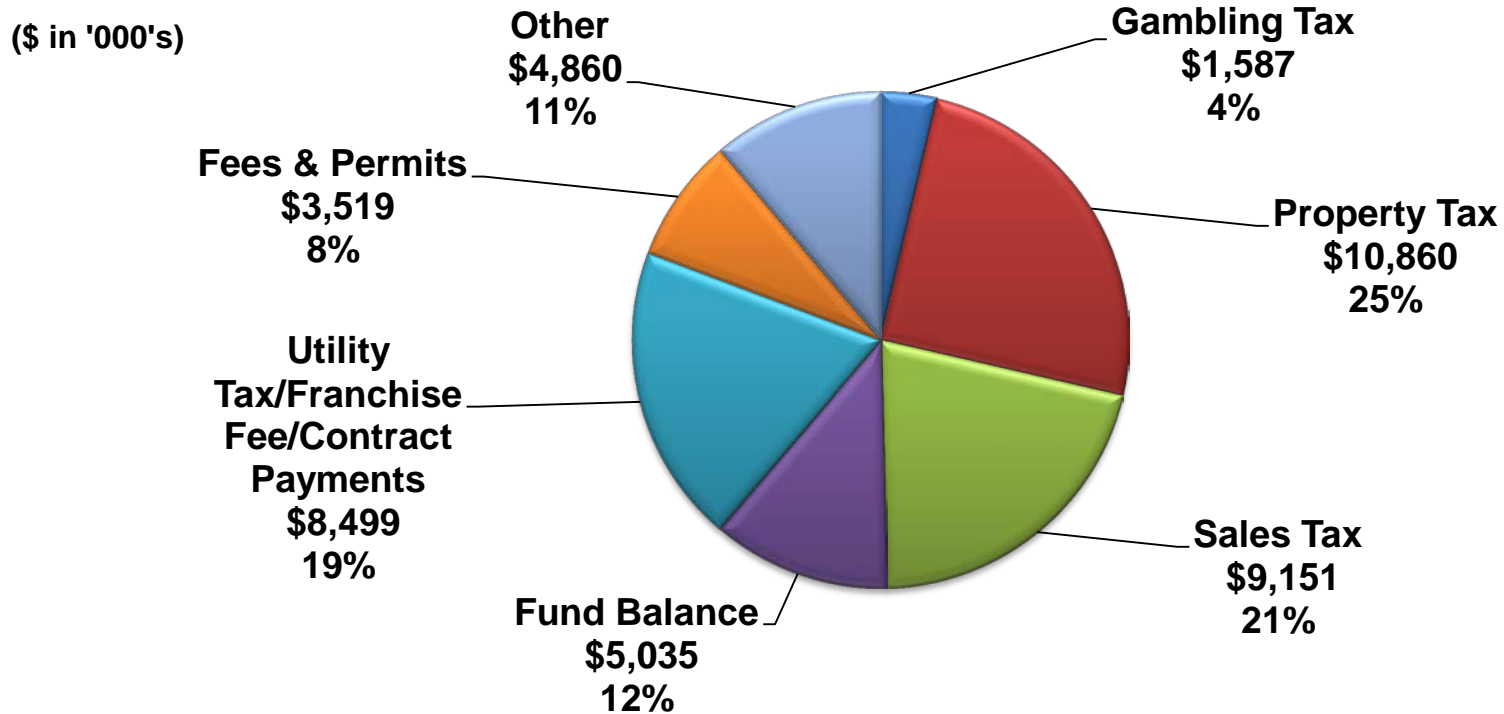
Where Will the Money Come From?

Total Budget: \$78.210 Million



Operating Budget Resources

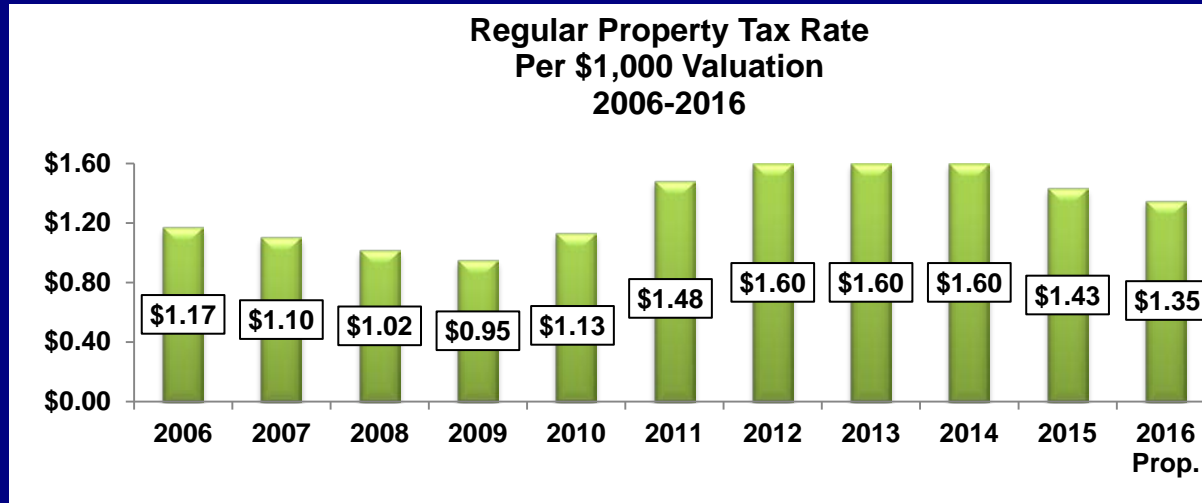
\$43.511 Million



Property Tax – Regular Levy

(Pages 73-74)

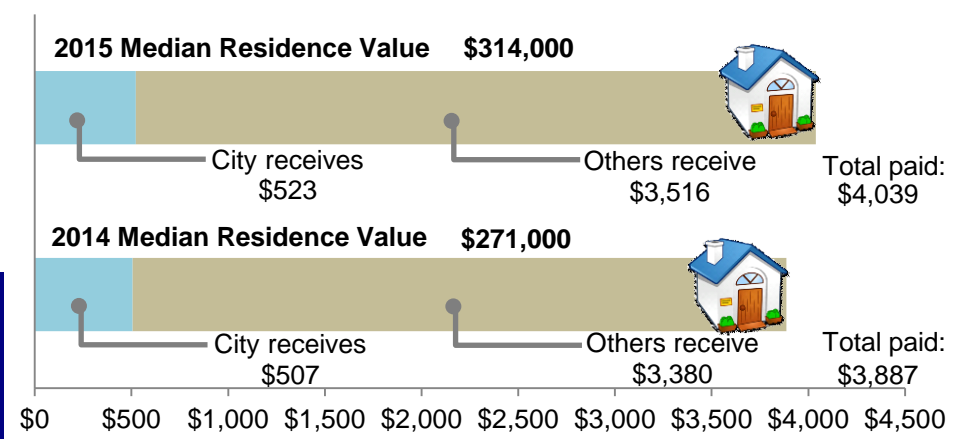
- 2016 Budget - \$10.860 M
- 30.6% of General Fund operating revenues
- Prop 1 allows levy growth by CPI + new construction
2016 CPI: 1.61%; New Construction: \$51.0 M



General Fund
Operating Revenues
30.6%

Property Tax - 2015 Levy

(Pages 73-74)



Sales Tax

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1. \$10 Spent



1. For each \$10 Spent
2. 95 cents of Sales Tax generated
3. Shoreline gets 8.5 cents of that Sales Tax



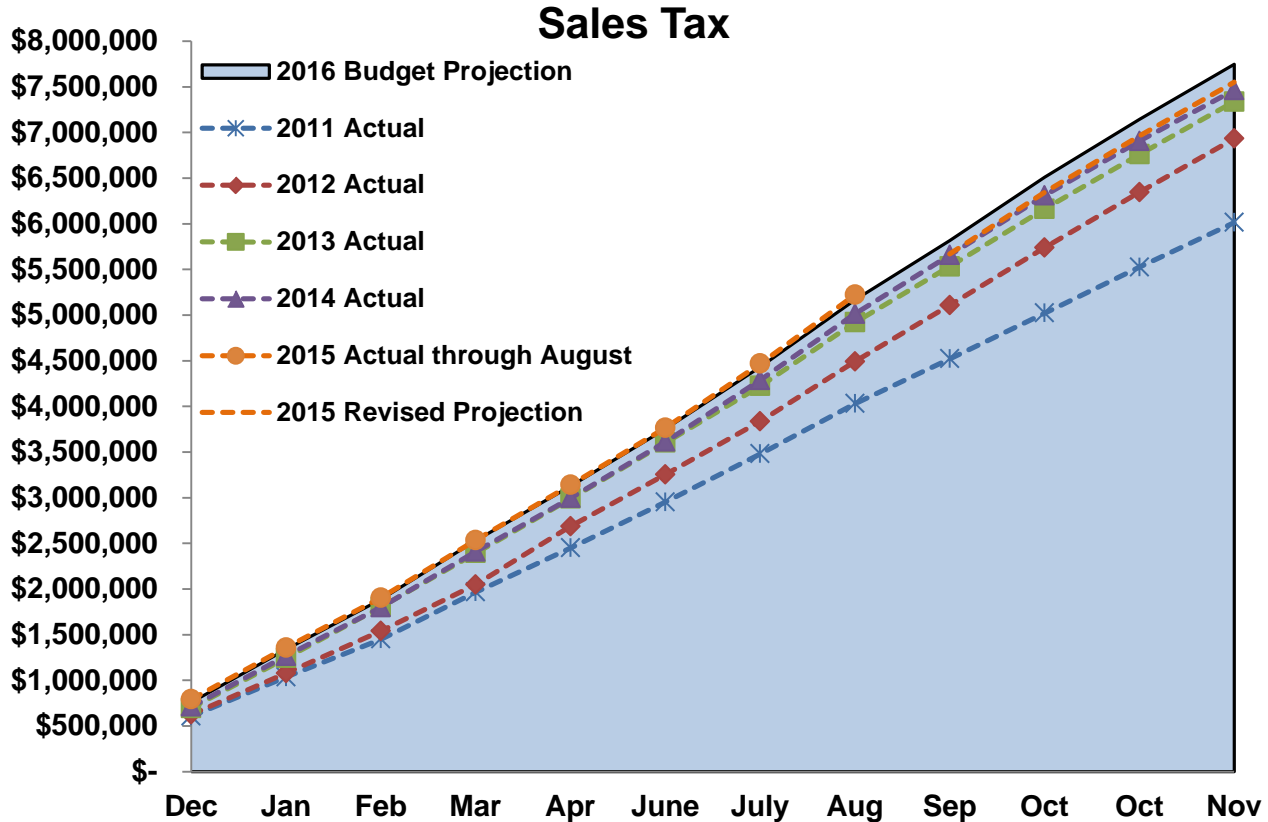
2. Sales Tax Collected



3. Shoreline's Share

Sales Tax

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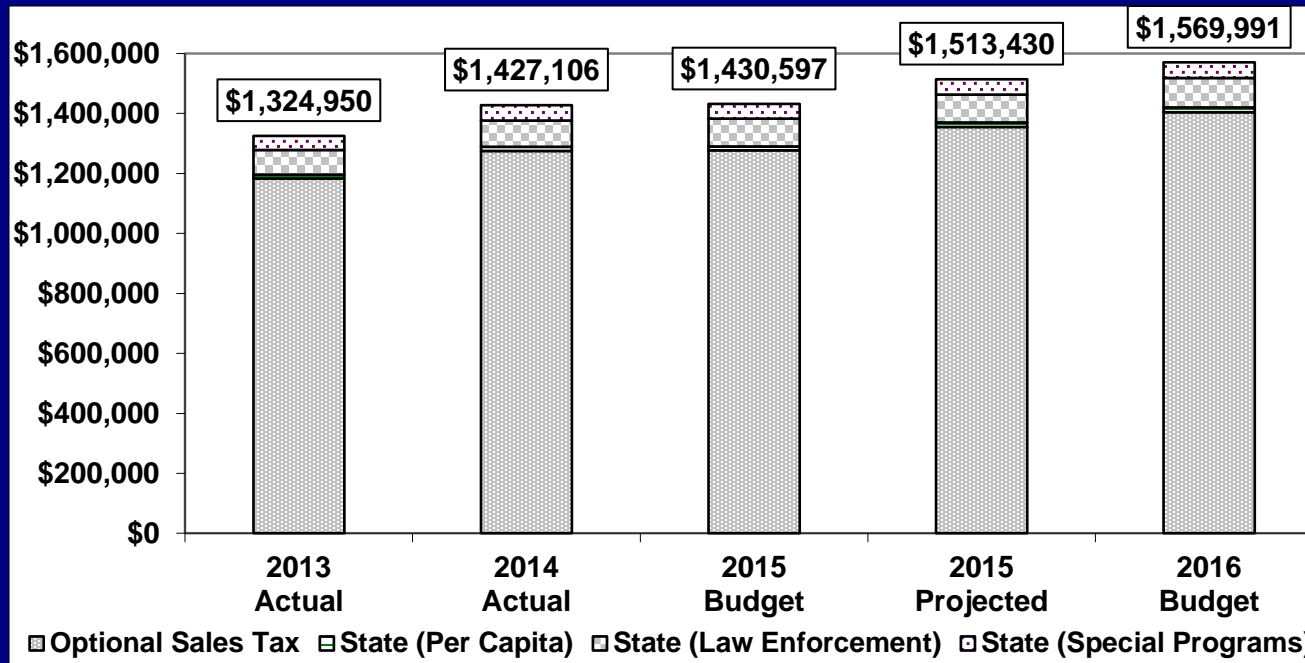
Year	Total
2016 Budget	\$7,747,700
2015 Projected	\$7,552,351
2014 Actual	\$7,462,887
2013 Actual	\$7,336,806
2012 Actual	\$6,932,876
2011 Actual	\$6,014,243

**General Fund
Operating Revenues
21.8%**

Criminal Justice Funding

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- Two dedicated sources: optional County sales tax of 0.1% and State criminal justice funding

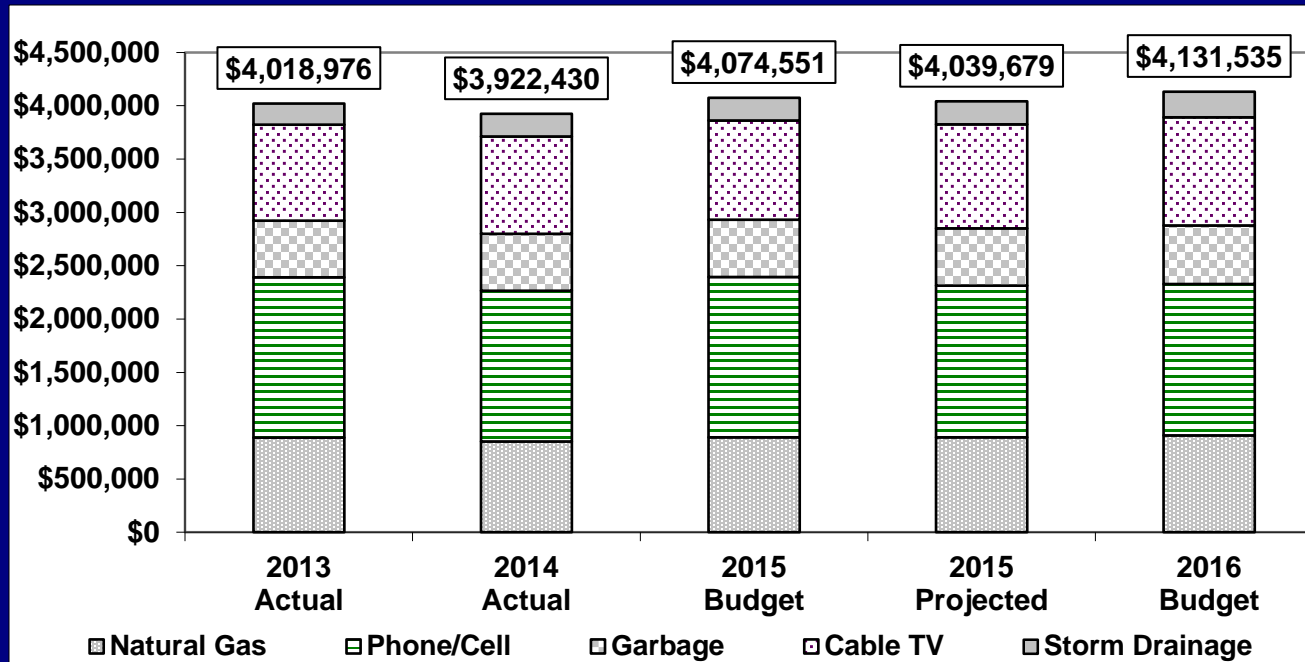


General Fund
Operating Revenues
3.9%

Utility Taxes

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- Natural Gas, Telephone, Garbage, Cable TV, and Storm Drainage Service providers pay tax of 6%

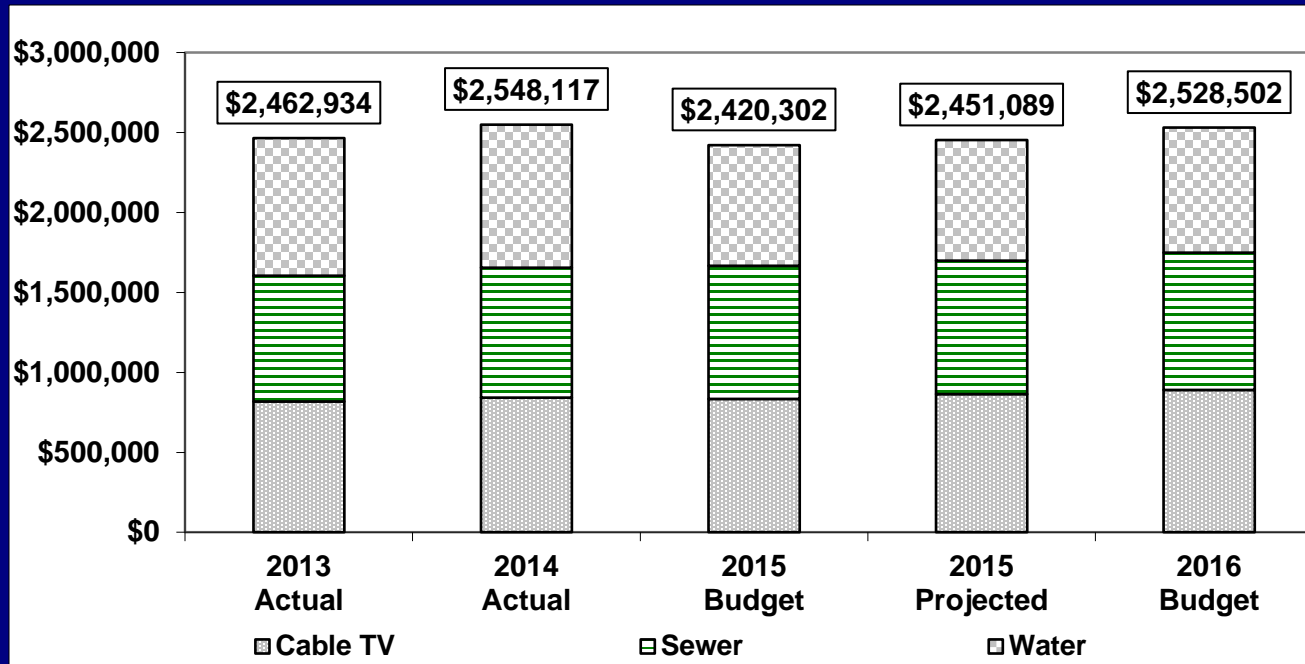


General Fund
Operating Revenues
11.6%

Franchise Fees – Cable, Sewer, Water

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- Water and Sewer Providers pay fee of 6.0%
- Cable TV providers pay fee of 5.0%

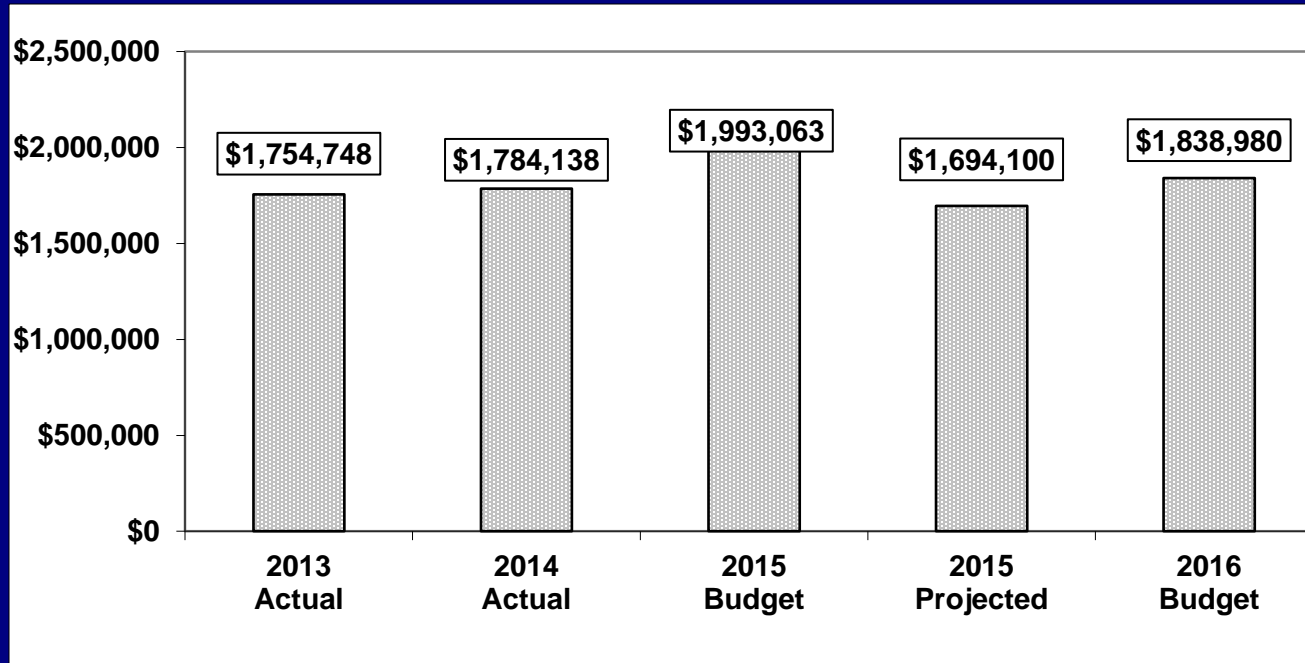


General Fund
Operating Revenues
7.1%

Franchise Fees – Electricity

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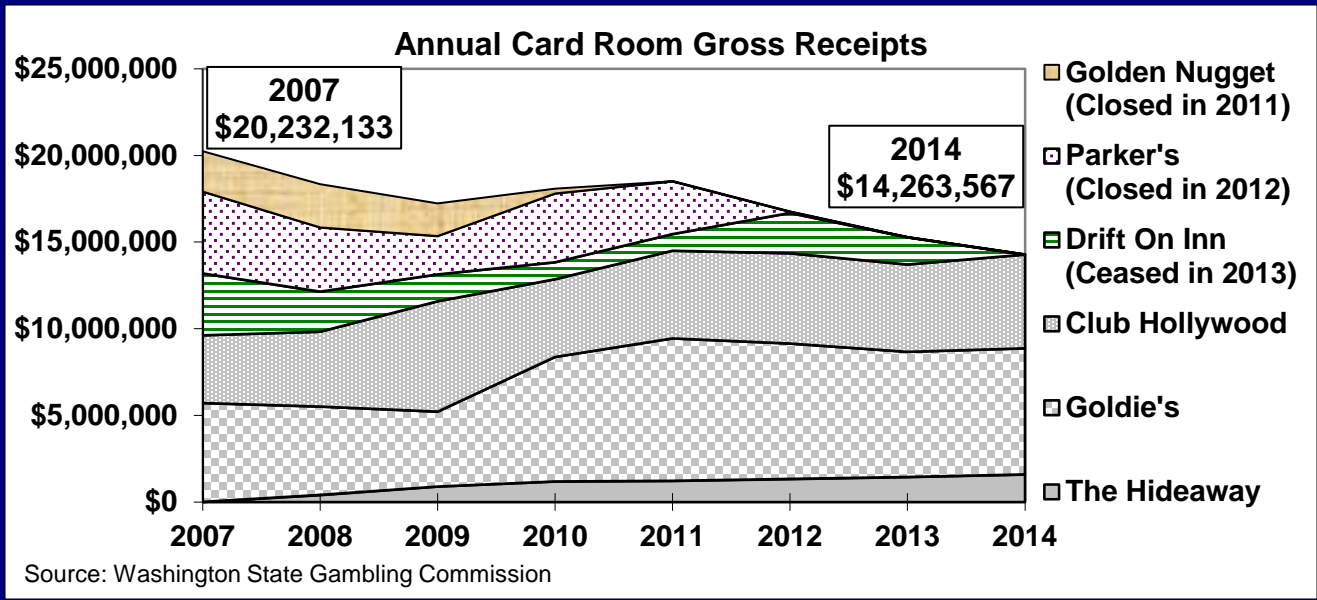
- Seattle City Light pays 6% Contract Fee on electrical revenues



General Fund
Operating Revenues
5.2%

Gambling Tax

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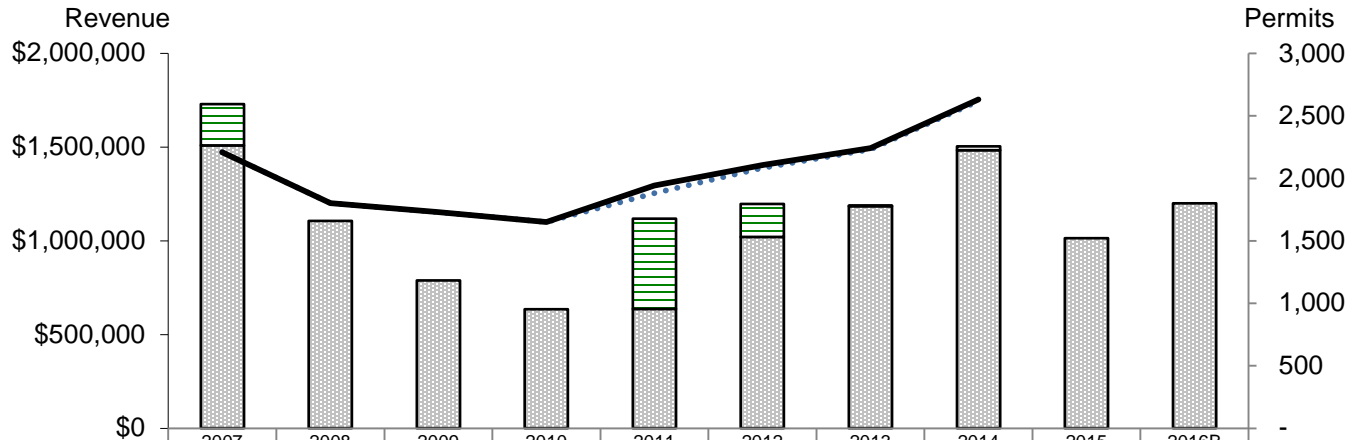
Revenue Source	2013 Actual	2014 Actual	2015 Projected	2016 Budget
Card Rooms Tax	\$1,522,502	\$1,423,357	\$1,469,900	\$1,475,000
Note Payments	\$191,132	\$78,658	\$0	\$0

**General Fund
Operating Revenues
4.5%**

Development Fees

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- For development permits, inspections and reviews

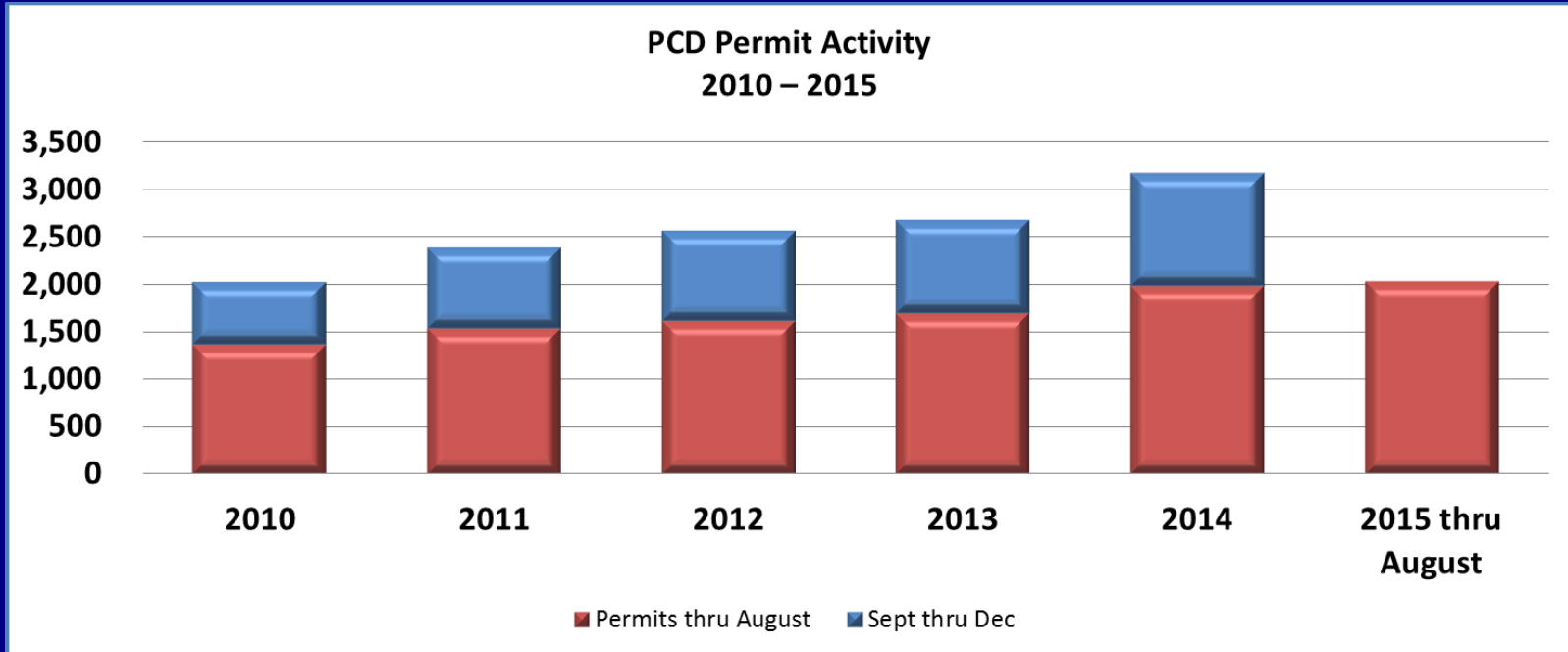


	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016B
Total Revenue	\$1,728,525	\$1,106,373	\$788,777	\$633,990	\$1,118,093	\$1,195,854	\$1,188,103	\$1,503,170	\$1,013,750	\$1,200,000
Revenue (One-Time)	\$220,000	\$-	\$-	\$-	\$481,250	\$176,311	\$4,132	\$20,819	\$-	\$-
Revenue (Base)	\$1,508,525	\$1,106,373	\$788,777	\$633,990	\$636,843	\$1,019,543	\$1,183,971	\$1,482,351	\$1,013,750	\$1,200,000
Permits (One-Time)	-	-	-	-	62	22	11	13		
Permits (Base)	2,208	1,801	1,729	1,651	1,880	2,084	2,232	2,618		
Total Permits	2,208	1,801	1,729	1,651	1,942	2,106	2,243	2,631		

Permit Categories: Building, Plan Check, Plumbing, Electrical, Mechanical, Land Use/SEPA, Fire System, MF Tax Exemption, Interfund

**General Fund
Operating Revenues
3.4%**

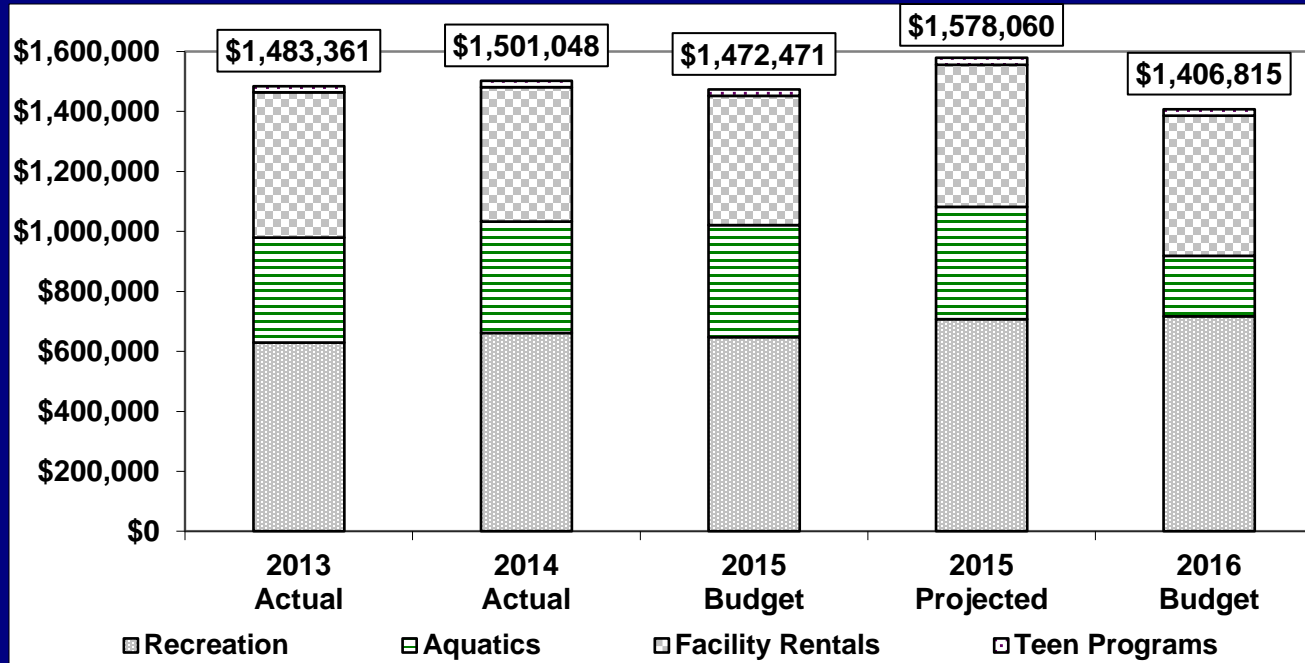
Permit Activity



Recreation Fees

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- For participation in classes; programs; swimming lessons; pool admission; and, facility rentals

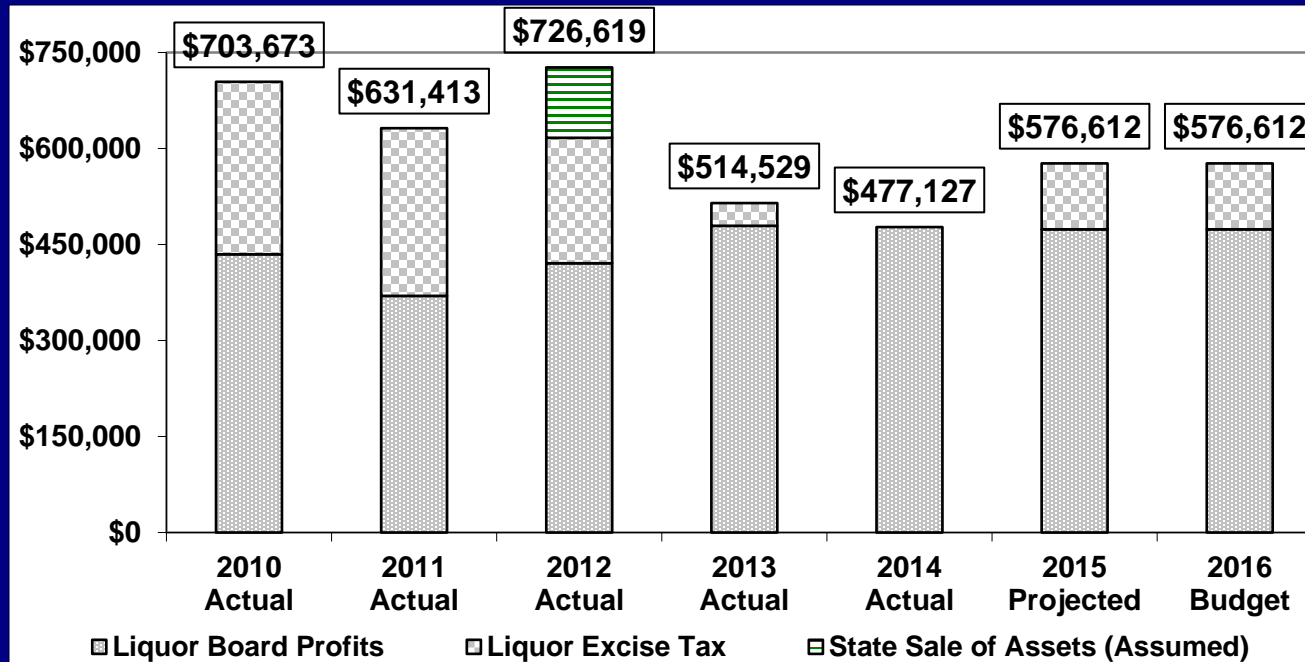


General Fund
Operating Revenues
4.0%

Liquor Excise Tax & Board Profits

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- Changes due to Initiative 1183 (2011), ESHB 2823, and State 2015-2017 budget

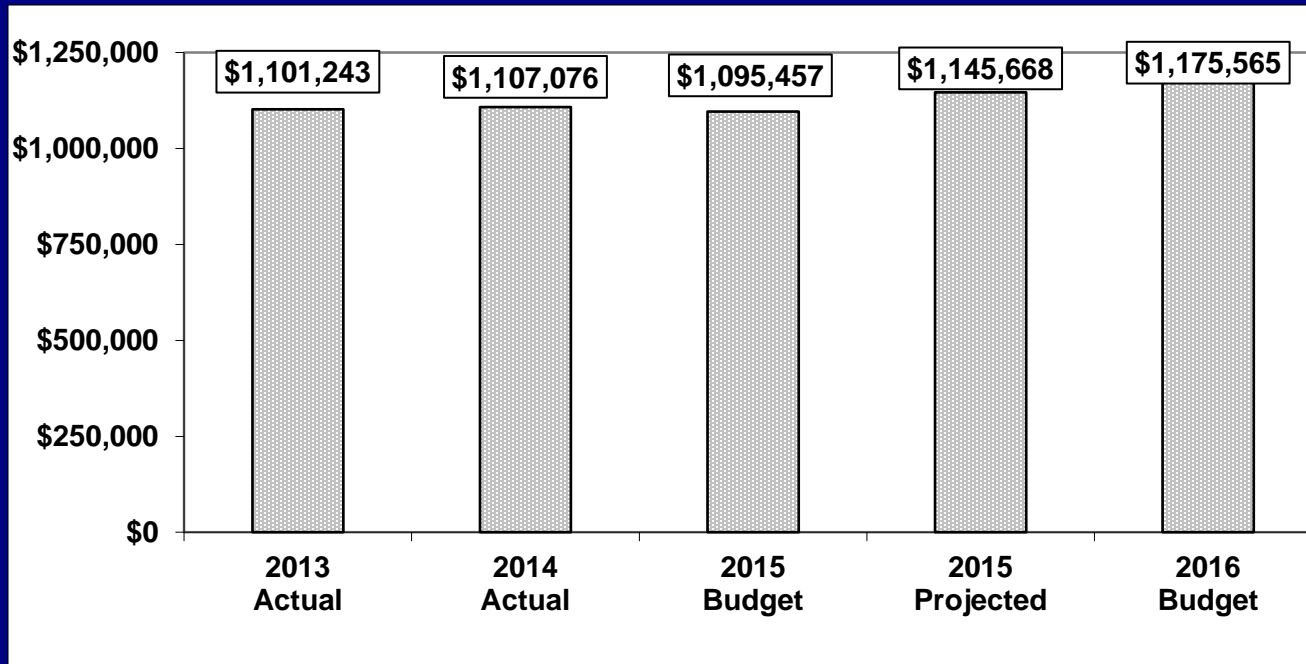


General Fund
Operating Revenues
2.0%

Fuel Tax

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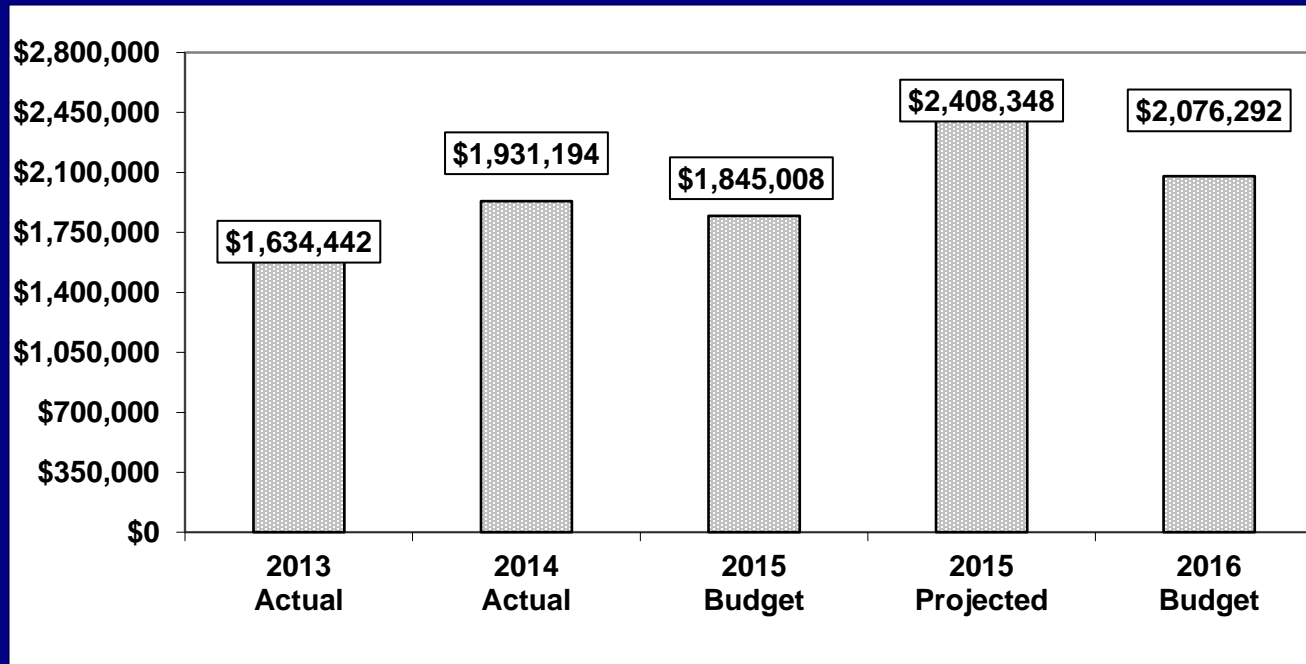
- State collected gasoline and diesel fuel tax is shared with cities and towns on a per capita basis



Real Estate Excise Tax

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- Used for projects in the Comprehensive Plan, specific public works projects, and debt service

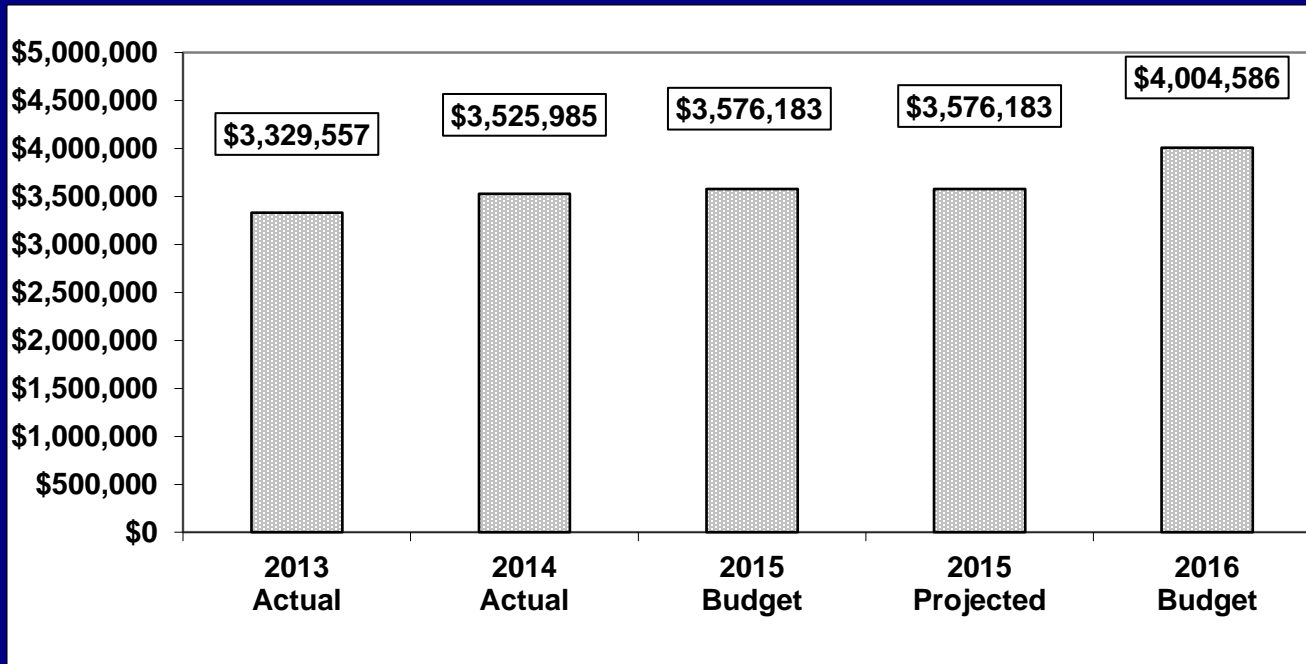


Surface Water Utility Fund

Surface Water Management Fee

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- Used to fund Surface Water operations, capital expenditures, and debt services.



Recommended Fee Changes

Recommended Fee Increases

(Staff Report Attachment A)

- Development Fees – Inflation
- License and Public Records Fee - Inflation
- Surface Water Utility – 4.0% Scheduled Increase
- Solid Waste Rate Schedule – Inflation, fuel, labor
- Traffic Impact Fees
- Parks and Recreation Fees

Recommended Fee Change

(Staff Report Attachment A)

Recreation Fees

- Evaluated cost recovery percentages
- Culminated in implementation of Cost Recovery and Fee Setting Framework
- Targeted implementation of PRCS Department Cost Recovery Study

Community Benefit	Community/Individual	Individual/Community	Mostly Individual	Highly Individual
0-30% Cost Recovery	20-50% Cost Recovery	40-70% Cost Recovery	60-90% Cost Recovery	80-110% Cost Recovery
<u>Drop-in</u> – Pre-school <u>Drop-in</u> – Youth and Teen <u>Open space</u> <u>Parks</u> <u>Playgrounds</u>	<u>Class</u> – Pre school <u>Class</u> – Specialized Recreation <u>Class</u> – Youth and Teen <u>Drop-in</u> – Family <u>Event</u> – Public, No charge <u>Rental</u> – Public, No charge	<u>Camps</u> – Specialized Recreation <u>Camps</u> – Teen Development <u>Class</u> – Adult <u>Drop-in</u> – Adult <u>Community Garden Plot</u>	<u>Camps</u> - General Purpose Children’s Camps <u>Class</u> – Specialized training <u>Rental</u> – Youth	<u>Rental</u> – Indoor, Private <u>Rental</u> – Outdoor, Private <u>Rental</u> – Fields, Private <u>Rental</u> – Picnic Shelter

Recommended Fee Change

(Staff Report Attachment A)

Transportation Impact Fees

- Recommend 3-year avg of WSDOT CCI
- Recommended fee increase 11.1%

Public Comments

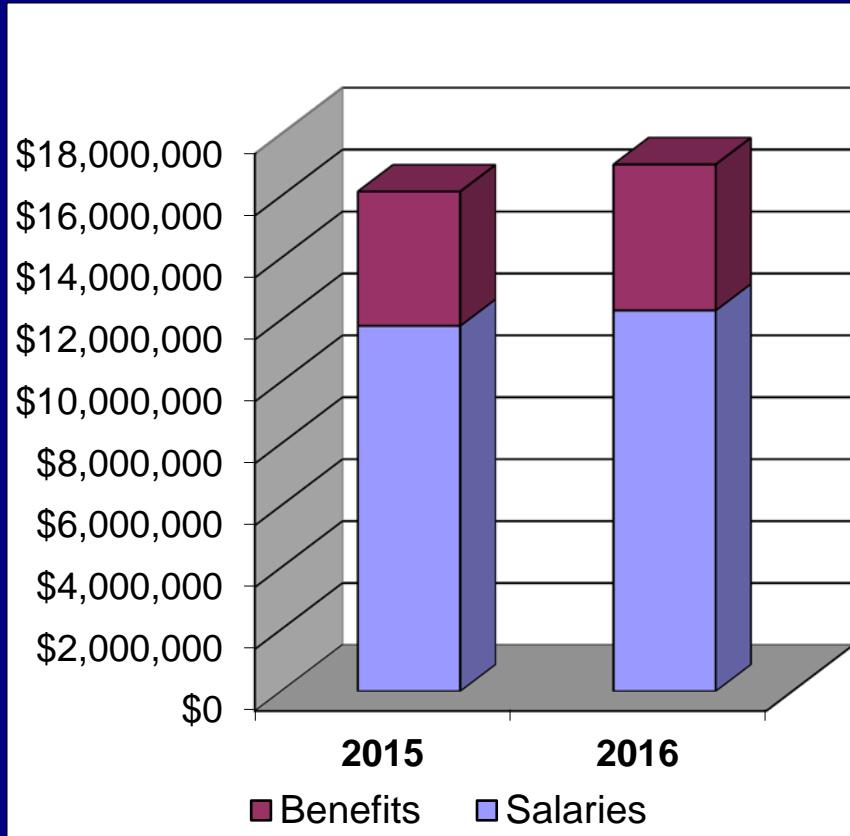
2016 Proposed Budget

Compensation Review

Compensation Review

- Compensation Topics in 2016 Budget
 - Cost of Living Adjustment
 - Compensation and Classification Study
 - New Position Requests

2016 Personnel Cost Changes



- Total Compensation Change
 - Including Impact of Compensation and Classification Study
 - 8.4% Increase from 2015 to 2016
 - 2.8% Increase without new positions

Cost of Living Increase History

Year	%
2016 (Proposed)	1.45%
2015	1.79%
2014	1.26%
2013	2.43%
2012*	1.00%
2011	0.00%
2010	0.00%
2009	5.22%
2008	3.15%

*Exception to Practice
50% of CPI

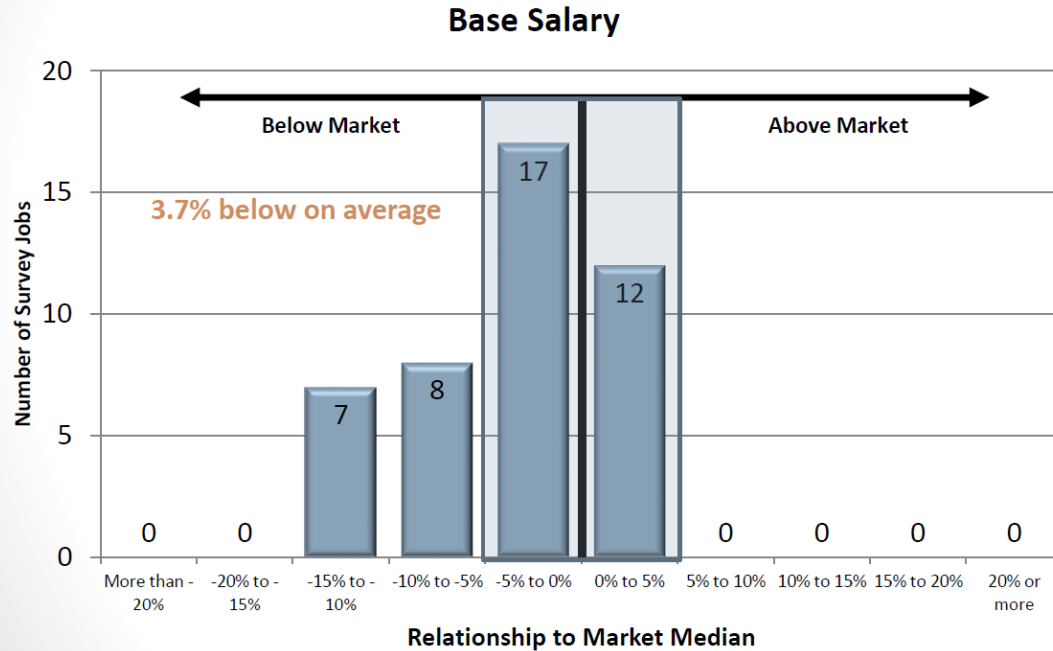
2015 Compensation & Classification Study

Foundation for Compensation Plan

- Classification Study Results
 - Job descriptions
 - Position allocations
- Labor market
 - 13 survey agencies, salary and benefit data
 - Benefit analysis does not show significant difference with market
 - Focus on middle market position (median/50th percentile)
- Identification of benchmark job classifications
 - Salary range determined by market data
- Internal relationship analysis
 - Vertical and horizontal relationships
 - Consideration of compensable factors
 - Expertise, Decision Making, Resources, Contacts, Working Conditions

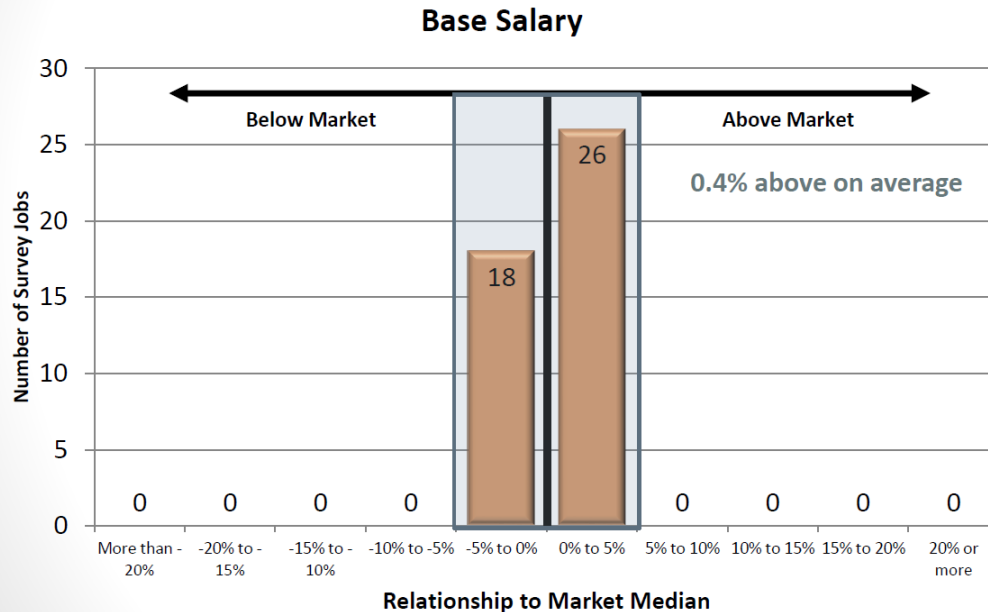
2015 Compensation & Classification Study

Market Summary – 44 Benchmark Jobs



2015 Compensation & Classification Study

Market Summary – 44 Benchmarks; New Ranges



2016 Budget

- Recommended Personnel Changes
 - 1.00 FTE Information Technology Project Manager (3-Year Term Limited)
 - 1.00 FTE Administrative Assistant
 - 1.00 FTE Technical Assistant
 - 1.00 FTE Capital Projects Manger 2
 - 1.00 FTE Administrative Assistant 2

2016 General Reserves

2016 Projected Reserves (\$ in '000's)	Ending Fund Balance	Required
General Fund	\$4,801	\$3,966
Revenue Stabilization Fund	5,151	4,600
Property Tax Equalization Fund	<u>458</u>	<u>0</u>
Total General Reserves	<u><u>\$10,410</u></u>	<u><u>\$8,566</u></u>

Council Questions / Comments