

# 2019-2020 Biennial Budget

October 15, 2018

Presented by

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# Presentation Agenda

- 2019-2020 Biennial Budget presentation
  - Context for the work we do
    - Principles & Priorities
  - City Manager Recommendations
- Budget Highlights
- Budget Process & Schedule



# Budget Principles

- Budget a reflection of Community & Council priorities
  - Supports work legally required
  - Supports work to further the goals of the City's Comprehensive Plan and Vision 2029
  - Supports work linked to Council & Organizational Goals
- Financial Sustainability
  - 10-Year Forecast and multi-year balanced budgets
  - City's First Biennial Budget
- Built on City's Financial Policies
  - One-time revenues support one-time expenses
    - Revenue generated through unique circumstances



# 2019-20 Budget Priorities

**The Council's priorities as outlined in your 2018-2020 goals and in Vision 2029.**

**Goal 1:** Strengthen Shoreline's economic climate and opportunities

**Goal 2:** Improve Shoreline's infrastructure to continue the delivery of highly-valued public service

**Goal 3:** Continue preparation for regional mass transit in Shoreline

**Goal 4:** Expand the City's focus on equity and inclusion to enhance opportunities for community engagement

**Goal 5:** Promote and enhance the City's safe community and neighborhood programs and initiatives



# 2019-20 Budget Priorities

## ORGANIZATIONAL GOALS

**Delivery of Public Services:** Continue to make Shoreline a desirable place to live and invest by providing public services that are valued by our community.

**Organizational Strength:** Enhance the effectiveness of our organization through development of employee skills and knowledge.

**Fiscal Sustainability:** Secure and sustain long-term financial sustainability to ensure delivery of public services to our community.

**Achieve Council Goals:** Complete action steps included in the adopted City Council Goals.



# 2019-2020 Biennial Budget

- \$171.155 M Balanced Budget
  - \$99.706 M Operating Budget Appropriations
- Fund Balance (Reserves):
  - Revenue Stabilization Fund: \$5.825 M
  - General Fund: \$9.034 M (\$5.284 M Required)
- Bond Rating AA+ (S&P “Stable”)
- 23 yrs Unmodified Financial Statement Audit Opinions
- 20 years of GFOA Budget Awards

# 2019-2020 External Factors

- Electricity Cost Increases by SCL
  - Street lights, signals and facilities
  - \$120,000/year
- State Legislative Changes in Prevailing Wage Methodology



# 2019-2020 Recommendations

## Personnel Related:

- Cost of Living Adjustment:
  - 2019 - 2.95% increase
  - 2020 - Estimated to be 2.20%
- In-House Unified Landscape Division
  - Previously contracted services for streets, medians and parks
  - 7.0 Regular FTEs + Seasonal Extra-Help
- Specialized Recreation Program
  - Conversion of extra-help to 3 Regular Part-Time Positions



Seasonal Support for Fleet & Facilities



# 2019-2020 Recommendations

- **Service/Program Recommendations:**
  - Increased human service contributions
    - City's General Fund Allocation grown by nearly 60% since 2016
      - Nearly \$800,000 for the 2019-2020 Biennium
    - Goal of 1% of General Fund Operating Budget by 2022
  - Diversity & Inclusion
    - Enhanced funding for translation services
    - Parks ADA Assessment and Transition Plan
    - Expanded Outreach and Engagement (Shoreline Community Bridge Pilot Program)
    - Micro-grants Pilot Program
  - Residential Development
    - Residential Housing Choices, Townhouse Design Standards
  - Infrastructure & Environmental Management
    - Pavement Marking & Guardrail Repair
    - Green City Partnership (Forterra matching grant)
  - Continuous Improvement and Organizational Development



# 2019-2024

## Capital Improvement Program

- Reductions in projected Real Estate Excise Tax (REET) revenue
- Implementation of Master Plans
- Sound Transit Mitigation (Sidewalks)
- Development Funded Projects



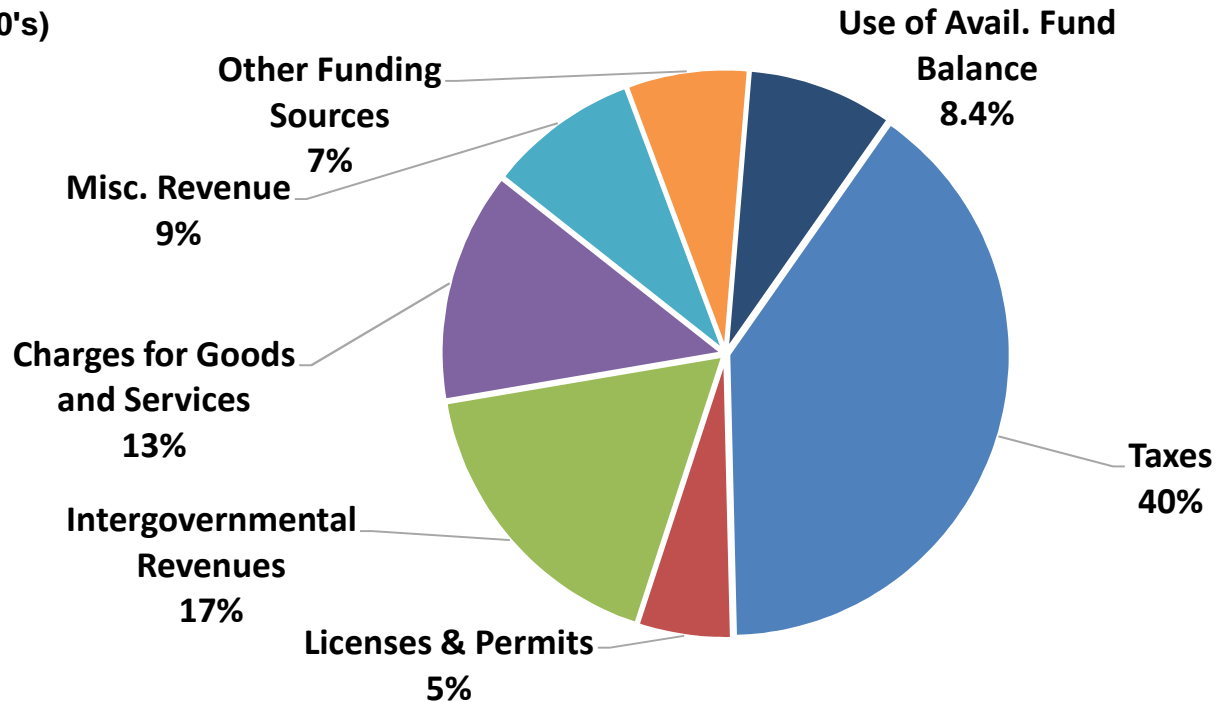
# 2019-2020 Budget Highlights



# Where Will the Money Come From?

## Total Budget: \$174.737 Million

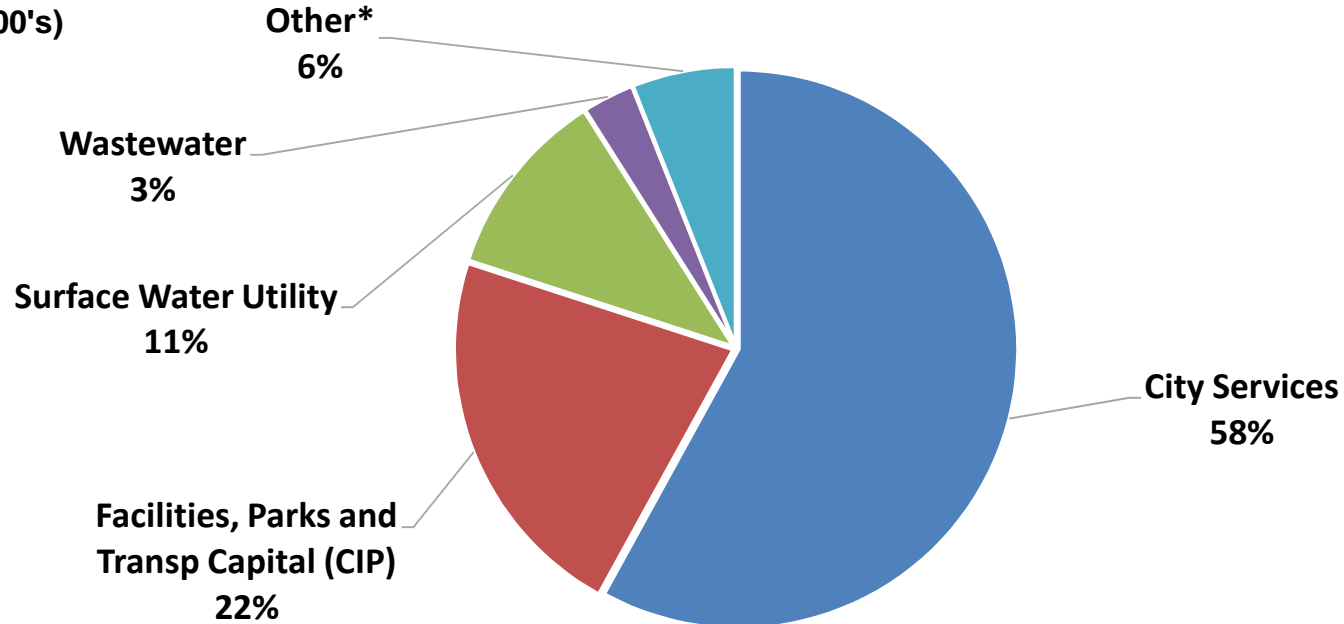
(\$ in '000's)



# Where Will the Money Go?

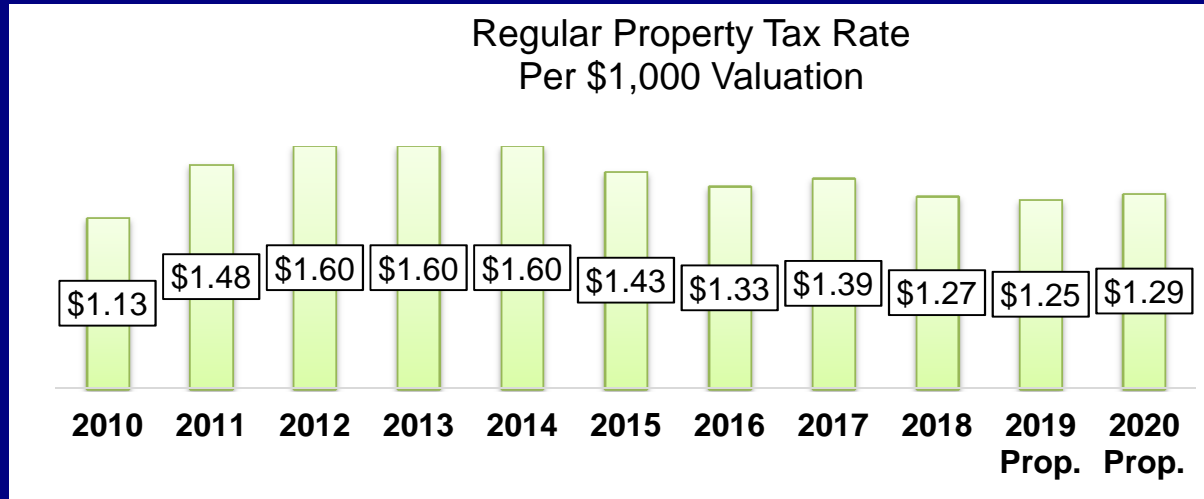
## Total Budget: \$171.155 Million

(\$ in '000's)



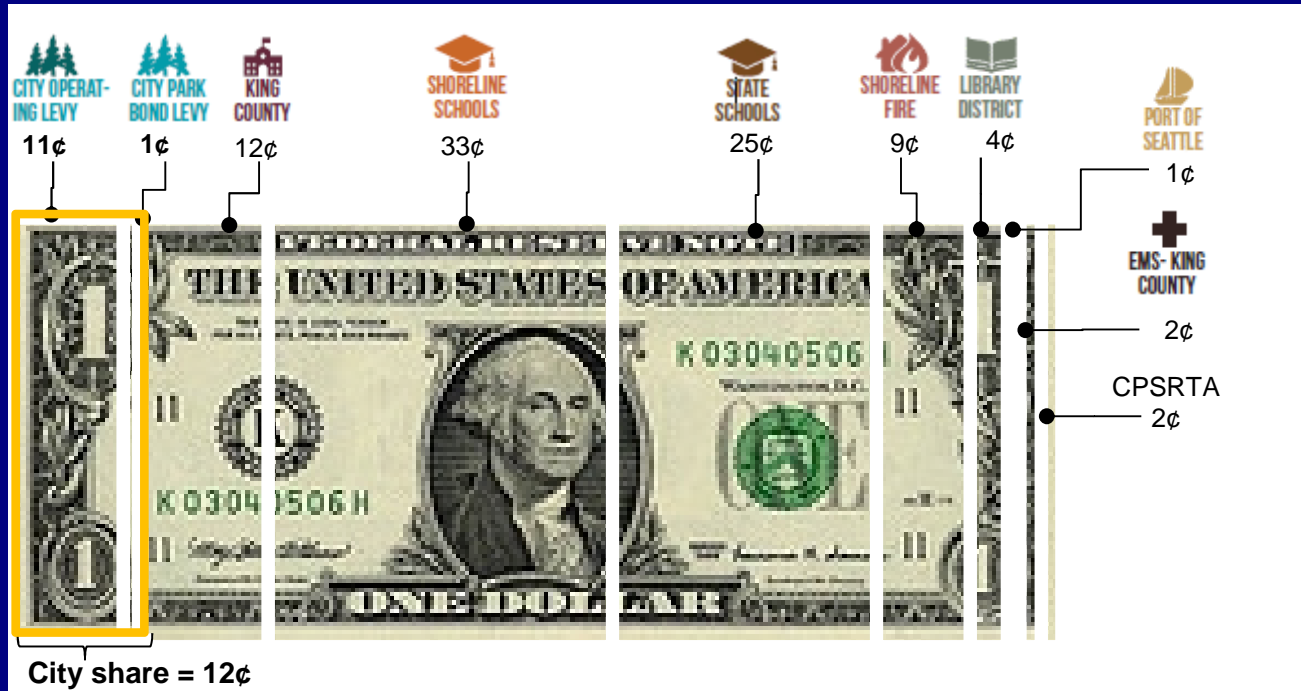
# Property Tax – Regular Levy

- 2019-2020 Budget - \$26.969 M

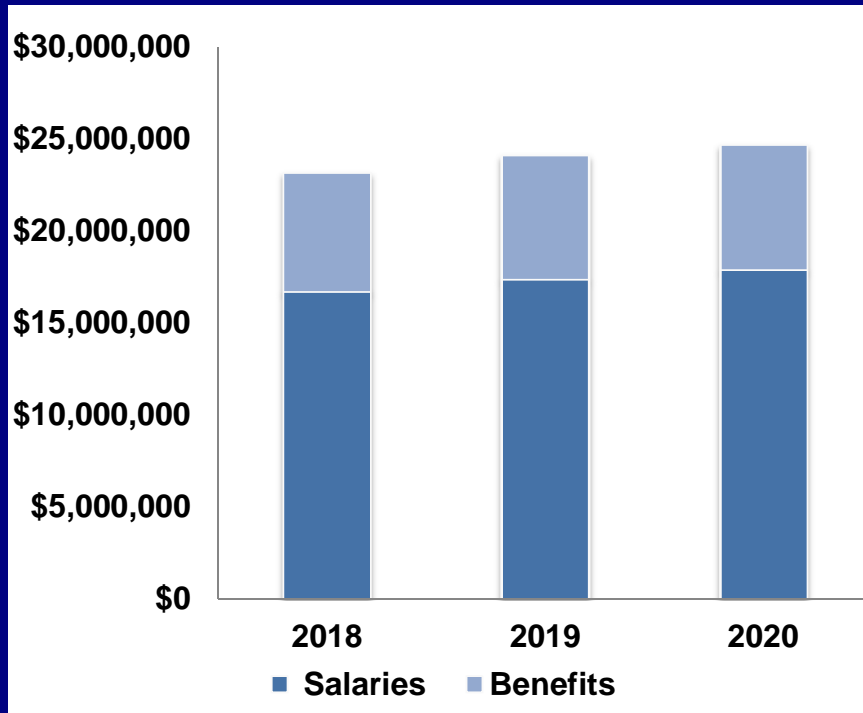


# 2018 Property Tax Levy Allocation

- Who levies taxes for Shoreline property owners
- How is \$1 divided up?



# 2019-20 Personnel Cost Changes

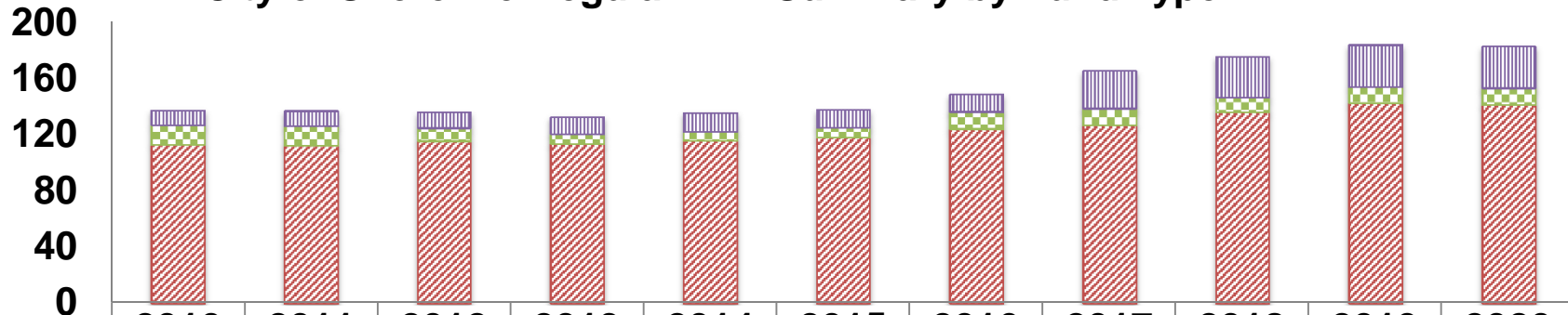


- Personnel (Unified Landscaping & EH Conversion): \$0.747M
- City's Compensation Policy
  - Maintains Median Position of City's Market Cities
  - Cost of Living Adjustment
    - 2.95% for 2019
    - 2.20% for 2020
- Health Premium and State Retirement System Rate Increase



# 2010-2020 Regular FTE Summary

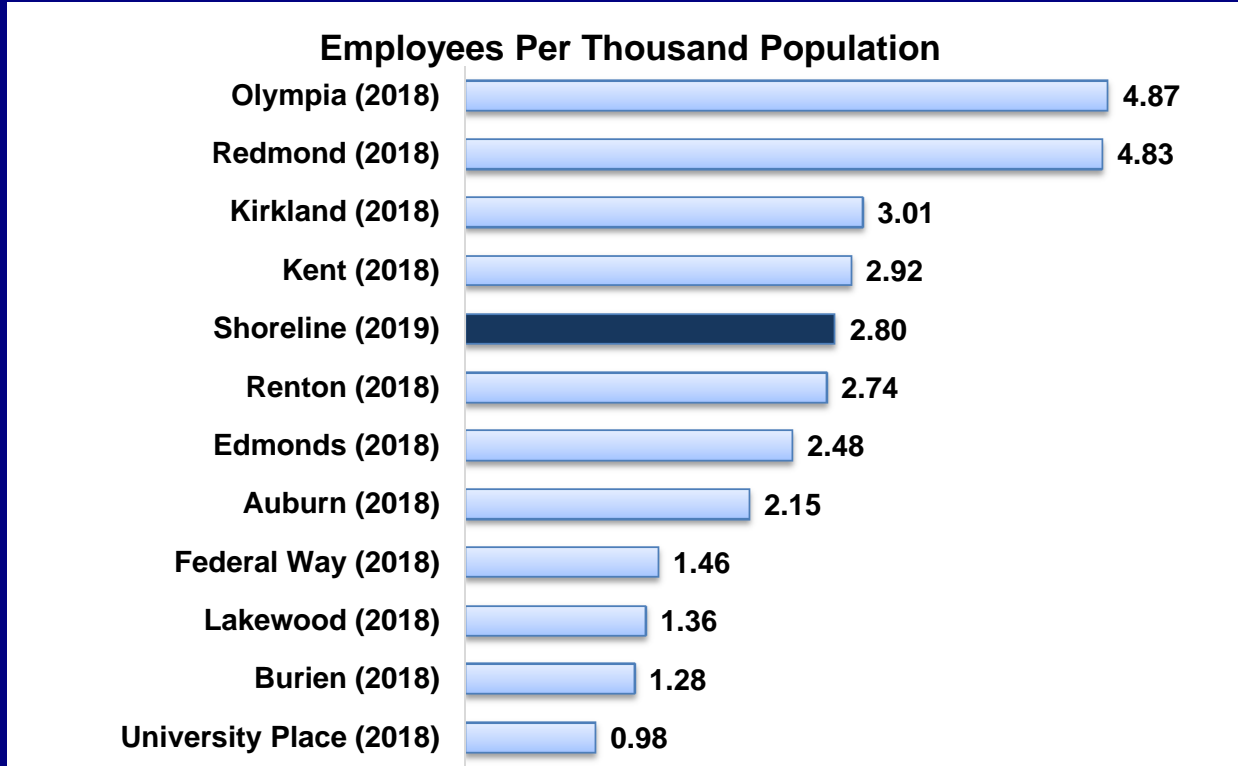
City of Shoreline Regular FTE Summary by Fund Type



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Utilities</b>	10.71	10.86	11.12	12.00	13.70	12.55	12.62	26.69	29.05	29.91	29.61
<b>Capital</b>	14.00	13.65	9.39	7.11	6.24	7.11	12.09	11.91	10.41	11.64	12.04
<b>Operating</b>	112.62	112.27	115.37	113.45	115.62	117.94	124.02	126.58	135.99	142.23	141.00
<b>Total</b>	137.33	136.78	135.88	132.56	135.56	137.60	148.73	165.18	175.45	183.78	182.65
<b>Staffing for Sound Transit Lynnwood Link Extension Project</b>							4.00	3.75	4.75	4.12	2.50
<b>Net FTE</b>	137.33	136.78	135.88	132.56	135.56	137.60	144.73	161.43	170.70	179.66	180.15

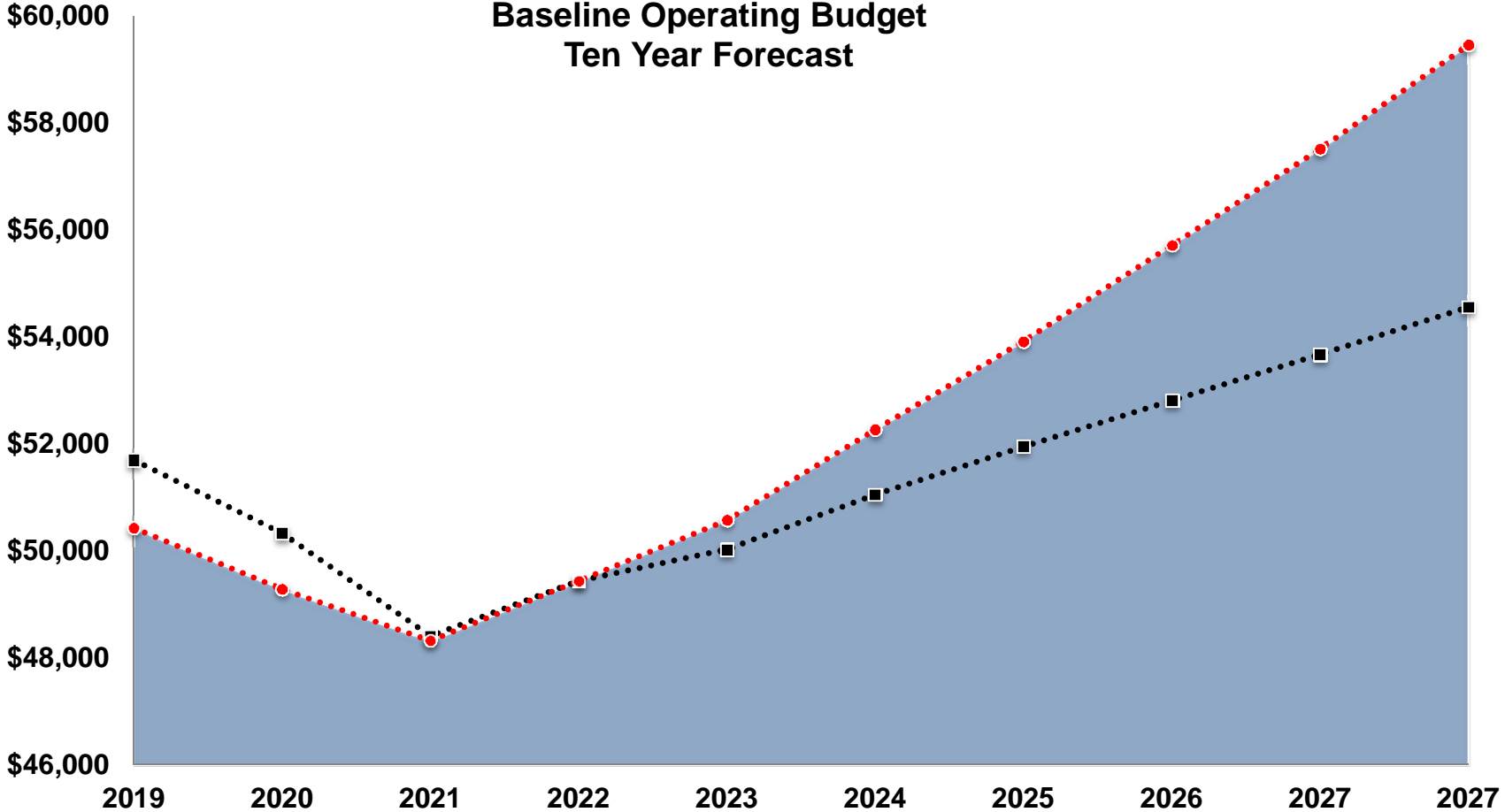
# Comparison of 2018 City Staffing Levels

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



# Baseline Operating Budget Ten Year Forecast

Thousands



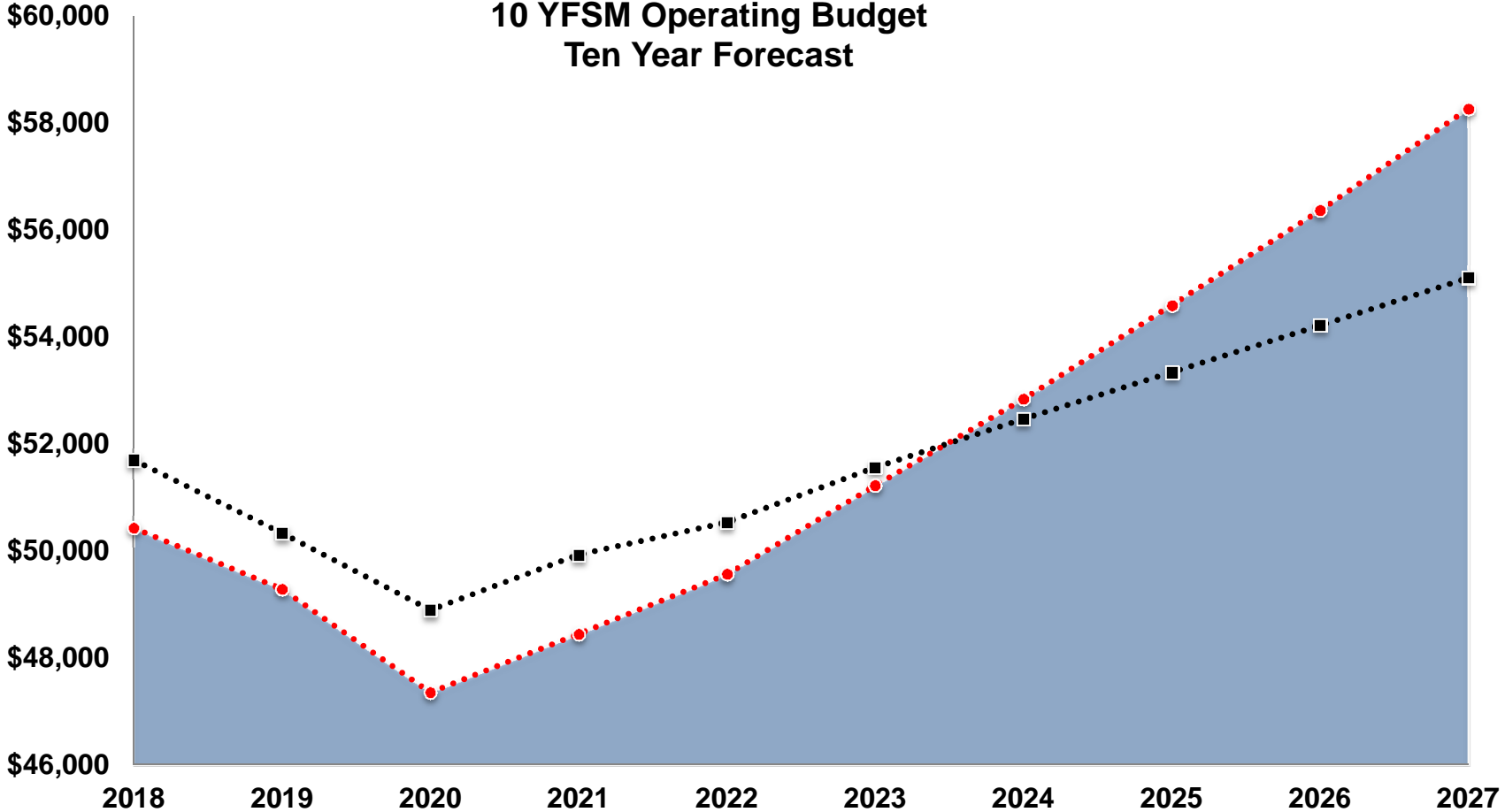
BASELINE

PROJECTED REVENUES

PROJECTED EXPENDITURES

# 10 YFSM Operating Budget Ten Year Forecast

Thousands



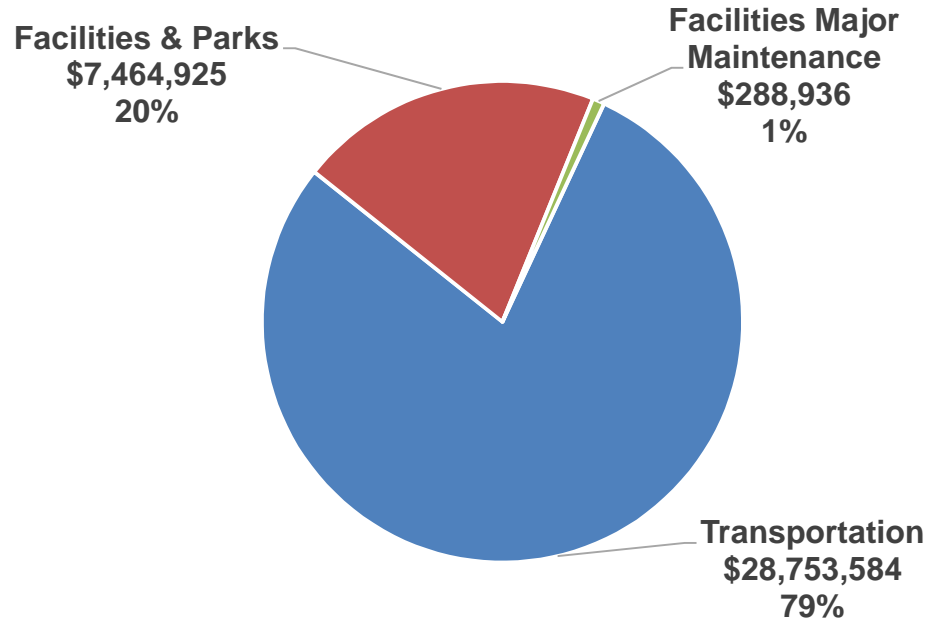
■ BASELINE

●-●-● PROJECTED REVENUES

●-●-● PROJECTED EXPENDITURES

# 2019-2020 Capital Improvement Program \$43.580 Million

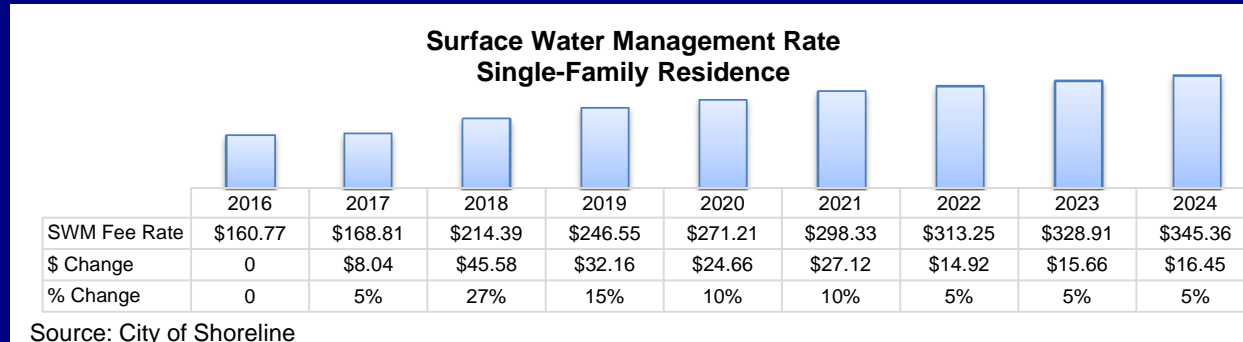
(\$ in '000's)



# Surface Water Utility

2019-20 Budget - \$19.1 million

Supports Operating and Capital Costs to implement the Proactive Management Strategy approved in the 2018 SWMP



# Wastewater Utility

- 2019-20 Budget \$4.92 million
  - Includes Operating Costs
  - Allocation of City Overhead
  - Excludes Capital Projects & Treatment Costs
    - Remain with Ronald Wastewater District Board

# Budget Process & Schedule



# Budget & CIP Review Schedule

- ✓ September 17 Preliminary View of the 2019-2020 Biennial Budget and the 2019-2024 Capital Improvement Plan
- ➔ October 15 Transmittal of 2019-2020 Proposed Biennial Budget and Proposed 2019-2024 CIP
- October 22 Review of Department Budgets
- October 29 Continued Review of Department Budgets, Utility Budgets and 2019-2024 CIP
- November 5 Public Hearings on Property Tax Levy & Revenue Sources and Proposed 2019-2020 Biennial Budget and 2019-2024 CIP
- November 19 Public Hearing on Proposed 2019-2020 Biennial Budget and 2019-2024 CIP; Final Discussion; Adoption of 2019-2020 Biennial Budget, Fee Schedule, 2019-2020 CIP, and Adoption of 2019 & 2020 Property Tax Levies

# Budget Workshop Review Schedule

<b>October 22</b>	<b>October 29</b>	<b>November 5</b>	<b>November 19</b>
<b>City Council</b>	<b>Public Works</b>	<b>Public Hearing</b>	<b>Public Hearing</b>
<b>City Manager</b>	<b>Capital Improvement Plan</b>	<b>2019 &amp; 2020 Property Tax Levies</b>	<b>2019-2020 Proposed Budget</b>
<b>Community Services</b>	<b>Surface Water Utility</b>	<b>2019-2020 Revenue Sources</b>	<b>2019-2024 CIP</b>
<b>Administrative Services &amp; Citywide</b>	<b>Wastewater Utility</b>		<b>2019-2020 Salary Schedule</b>
<b>City Attorney</b>	<b>Other Funds</b>		<b>2019-2020 Fee Schedule</b>
<b>Human Resources</b>			
<b>Police</b>			
<b>Criminal Justice (Jail &amp; Court)</b>			
<b>Parks, Recreation &amp; Cultural Services</b>			
<b>Planning &amp; Community Development</b>			

# Budget Information

- The Biennium 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

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



# Conclusion

- 2019-2020 Proposed Biennial 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