

# 2023-2024 Preliminary Budget Update

September 19, 2022

Sara Lane, Administrative Services Director

Tricia Juhnke, City Engineer



# Purpose

- 2022: Provide preliminary estimates
- 2023-2024: Preview Proposed Budget
- Transmittal of City Manager's Proposed 2021-2022 Budget planned for October 10

# Budget Priorities

**The Council's priorities as outlined in your 2022-2024 goals and in Vision 2029.**

- Goal 1: Strengthen Shoreline's economic climate and opportunities
- Goal 2: Continue to deliver highly-valued public services through management of the City's infrastructure and stewardship of the natural environment
- Goal 3: Continue preparation for regional mass transit in Shoreline
- Goal 4: Expand the City's focus on equity and social justice and work to become an Anti-Racist community
- Goal 5: Promote and enhance community safety, healthy neighborhoods, and a coordinated response to homelessness and individuals in behavioral health crisis



# 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.



# General Fund 2021-2022 Year End Projections

August 2022 Forecast	2021-2022 Budget	2021 Actual	2022 Year -End Estimate	2021-2022 Projected Total	2021-2022 Projected Vs. 2021-2022 Budget
+ Revenues	\$100.662M	\$58.963M	\$49.802M	\$108.765M	\$8.102M
+ Transfers In	\$3.802M	\$1.774M	\$2.028M	\$3.802M	\$0.000M
- Expenditures	(\$93.477M)	(\$40.867M)	(\$47.854M)	(\$88.721M)	\$4.756M
- Transfers Out	(\$16.351M)	(\$7.572M)	(\$7.967M)	(\$15.538M)	\$.813M
= Provision/(Use) of FB	<b>(\$13.102M)</b>	<b>\$12.299M</b>	<b>(\$3.991M)</b>	<b>\$8.308M</b>	<b>\$21.410M</b>

# General Fund 2021-2022 Projected Results

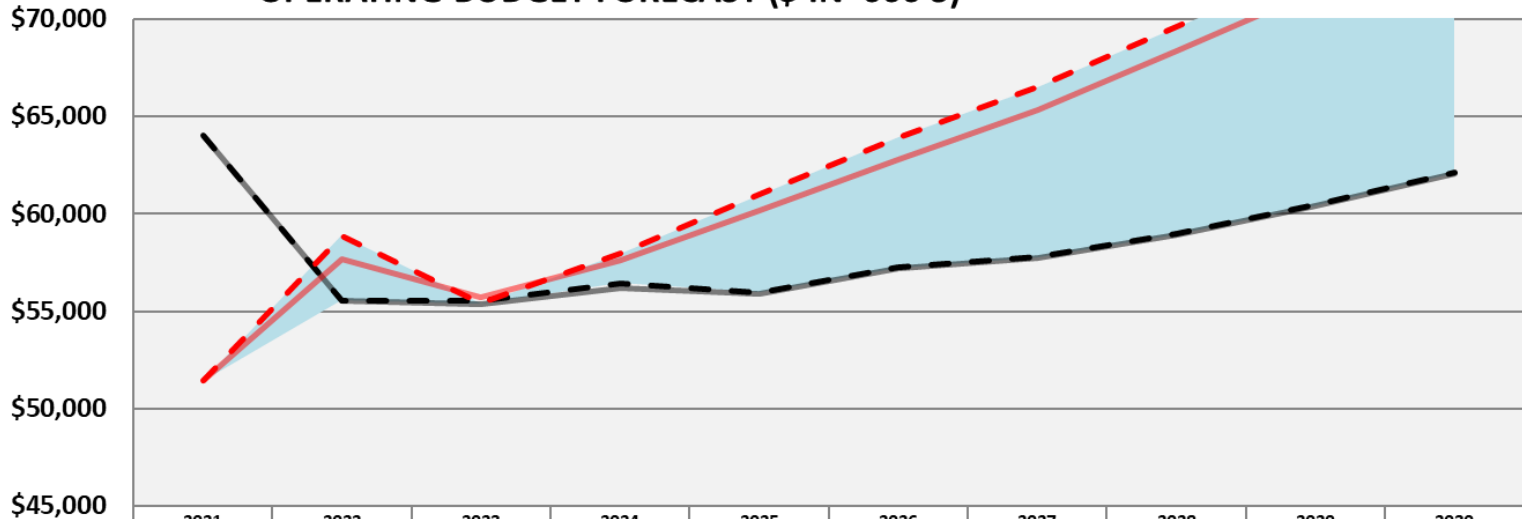
<b>2023 Projected General Fund Beginning Fund Balance</b>	<b>\$35.6M</b>
Less Required General Fund Operating Reserve:	
Cash Flow Reserve	(3.000M)
Budget (Operating) Contingency	(0.994M)
Insurance Reserve	(0.255M)
Less Designated for City Maintenance Facility	(9.000M)
Less Designated for ARPA Projects	(\$1.900M)
Less Designated for Park Bond Contribution	(\$3.400M)
Unassigned and Undesignated Beginning Fund Balance	\$17.100M



# General Fund 10 YFSM w/out Levy Lid Lift

Zoom Video

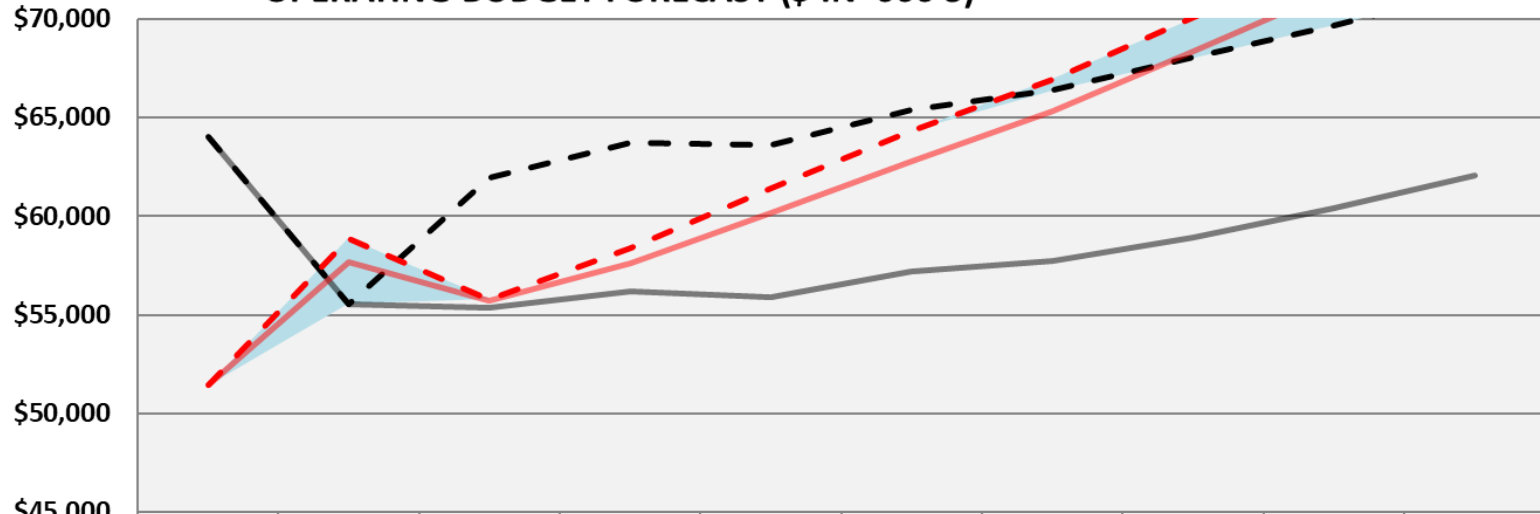
## OPERATING BUDGET FORECAST (\$ IN '000'S)



	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ANNUAL SURP/(GAP)	12,640	(3,332)	160	(1,505)	(3,529)	(1,641)	(2,038)	(1,910)	(1,619)	(1,273)
CUMULATIVE (GAP)	-	(3,332)	-	(1,505)	(5,034)	(6,675)	(8,713)	(10,623)	(12,242)	(13,514)
VARIANCE BASE	51,412	58,872	55,402	57,951	60,987	63,908	66,488	69,592	72,674	75,618
PREV FORECAST REV										
BASELINE REVENUES	64,052	55,540	55,371	56,186	55,900	57,178	57,719	58,912	60,374	62,044
SCENARIO REVENUES	64,052	55,540	55,562	56,447	55,953	57,233	57,775	58,969	60,432	62,104
PREV FORECAST EXP										
BASELINE EXPENDITURES	51,412	57,667	55,685	57,596	60,173	62,760	65,305	68,373	71,418	74,324
SCENARIO EXPENDITURES	51,412	58,872	55,402	57,951	60,987	63,908	66,488	69,592	72,674	75,618

# General Fund 10 YFSM w/ Levy Lid Lift

OPERATING BUDGET FORECAST (\$ IN '000'S)



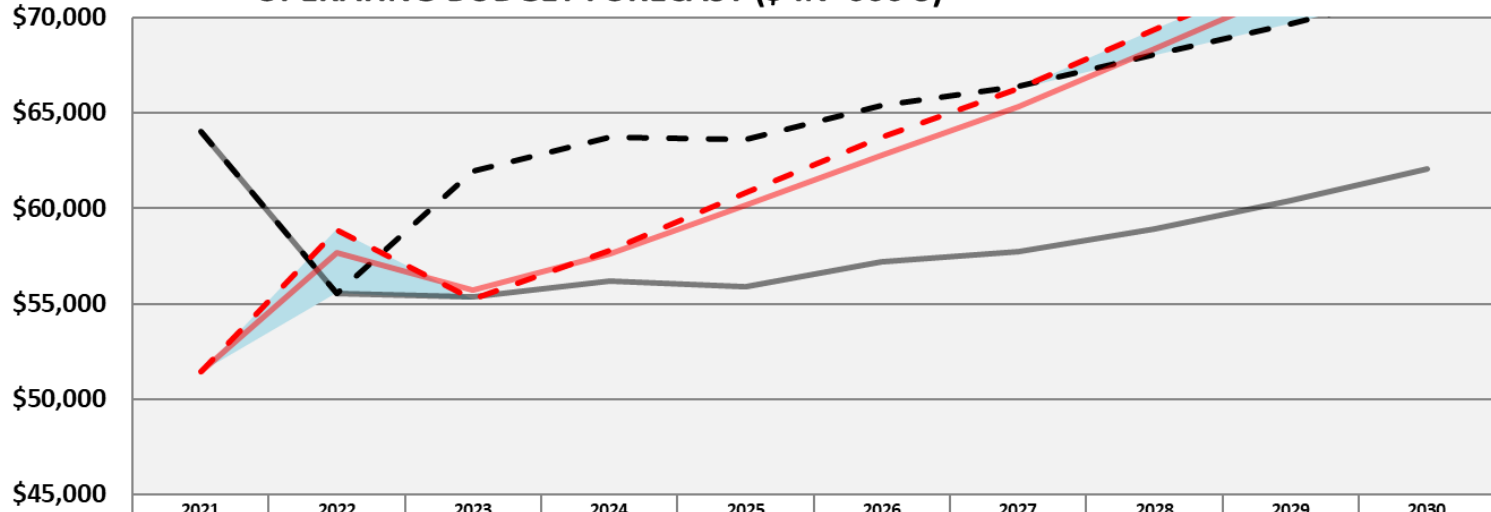
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ANNUAL SURP/(GAP)	12,640	(3,332)	6,165	5,343	2,215	1,014	(577)	(1,443)	(1,489)	(1,144)
CUMULATIVE (GAP)	-	(3,332)	-	-	-	-	(577)	(2,020)	(3,509)	(4,653)
VARIANCE BASE	51,412	58,872	55,786	58,359	61,411	64,348	66,946	70,070	73,171	76,136
PREV FORECAST REV										
BASELINE REVENUES	64,052	55,540	55,371	56,186	55,900	57,178	57,719	58,912	60,374	62,044
SCENARIO REVENUES	64,052	55,540	61,951	63,702	63,626	65,362	66,370	68,050	69,662	71,483
PREV FORECAST EXP										
BASELINE EXPENDITURES	51,412	57,667	55,685	57,596	60,173	62,760	65,305	68,373	71,418	74,324
SCENARIO EXPENDITURES	51,412	58,872	55,786	58,359	61,411	64,348	66,946	70,070	73,171	76,136



# General Fund 10 YFSM w/ Levy Lid Lift

## – Expenditures @ 99%

OPERATING BUDGET FORECAST (\$ IN '000'S)



	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ANNUAL SURP/(GAP)	12,640	(3,332)	6,723	5,927	2,829	1,657	93	(1,319)	(1,458)	(1,115)
CUMULATIVE (GAP)	-	(3,332)	-	-	-	-	-	(1,319)	(2,777)	(3,891)
VARIANCE BASE	51,412	58,872	55,229	57,775	60,797	63,705	66,277	69,369	72,439	75,374
..... PREV FORECAST REV										
— BASELINE REVENUES	64,052	55,540	55,371	56,186	55,900	57,178	57,719	58,912	60,374	62,044
- - SCENARIO REVENUES	64,052	55,540	61,951	63,702	63,626	65,362	66,370	68,050	69,662	71,483
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— BASELINE EXPENDITURES	51,412	57,667	55,685	57,596	60,173	62,760	65,305	68,373	71,418	74,324
- - SCENARIO EXPENDITURES	51,412	58,872	55,229	57,775	60,797	63,705	66,277	69,369	72,439	75,374

# 2023 – 2024 Investments

- Operating Supplemental requests limited due to economic and LLL uncertainty:
  - Implementation of Council Goals
  - Address highest priority emerging issues and delivery of priority public services
  - Critical Technology Investments

# Ongoing Investments

- Expansion of RADAR Program
- Parking Enforcement Program
- Pay for Boards & Commissions
- Parks Maintenance Worker

# One-Time Investments

- Major Update of the Comprehensive Plan
- Strategic Technology Plan Implementation
- Implementation of Transportation Master Plan
  - Concurrency and Traffic Impact Fee Update
  - Street Typologies
  - Mobility Hubs

# Utility Operational Investments

- SWM Business Inspection Source Control
- WW Condition Assessment Program
- Online Payment Portal

# FTE Impacts

- Total FTE Count 208.48
- Increase of 1.79 FTE over the Biennium
  - Temp Rec Specialist -0.50
  - ST Project Staff -1.96
  - + Staff Accountant (WW) +0.25
  - + Parks Maintenance Worker +1.0
  - + IT Functional Analyst +1.0
  - + Parking Enforcement +2.0

# Operating Revenue

- 2021-2022 Forecast: \$96.038M
- Forecast Assumptions:
  - Property Tax:
    - with LLL – Rate @ \$1.29 and 17% AV Growth
    - without LLL – 1% growth | Levy Rate drops to \$0.98 per \$1000AV
  - Sales Tax: 1.6% growth for 2023 | 4.2% growth for 2024
  - Utility Tax/Franchise: 1.2% growth for 2023 | 4.2% growth for 2024
  - Criminal Justice ST: 14% growth for 2023 | 3.8% growth for 2024
  - Liquor Excise Tax: 4.0%
  - B & O Tax: 7% growth for 2023 | 2.3% growth for 2024



# Fee Schedules

- Generally increase by June-to-June percentage change of the CPI-U: 10.14%
- Schedules with Other Changes:
  - Wastewater Rates/Fees - FCS Group Rate Study
  - Impact Fees
  - Recreation Fees





# Key CIP Issues

- Maintain the forecast for Real Estate Excise Tax (REET) which represents modest increase
- Programming Bond Revenues for:
  - Sidewalk Rehabilitation and Annual Road Surface Maint.
  - Sidewalk Expansion
  - Parks Bond Projects
  - Surface Water Projects



# 2023-2028 CIP

## New Projects and Significant Changes

- General Capital
  - Added Parks Bond Projects
    - Complete Design and Construction for 8 major projects
    - Design for newly acquired Park Property in 2024
    - Anticipates General Fund Contribution of \$3.4 million
  - Urban Forestry Program Expansion .5 FTE support
  - City Maintenance Facility
    - Completion of Ballinger Facility in 2023
    - \$12M General Fund Designated | Cost estimated at \$50M
- Facilities Major Maintenance
  - First planned use of new reserves in 2028



# 2023-2028 CIP

## New Projects and Significant Changes (Cont.)

- Roads Capital
  - Grants supporting several projects
  - 145th corridor phase 1 and 145th interchange begin construction 2023
  - Funding gaps for 148th bridge and NE 175th Corridor
  - Added New Sidewalk Program projects and program
  - 1% for Arts - \$1.71M for 2023-2028



# Utility Funds

- Surface Water Management Utility
  - Continuing implementation of Proactive Strategy
- Wastewater Utility
  - Rate Study/Funding Plan for WW Master Plan developed by RWD before transition
  - First 6-year CIP

# Budget & CIP Review Schedule

- October 10 Transmittal of Proposed Biennial Budget and CIP
- October 17 Review of Department Budgets
- October 24 Continued Review of Department Budgets and  
Review of CIP
- November 7 Public Hearing on Property Tax Levy & Revenue Sources  
Public Hearing on Proposed Biennial Budget
- November 14 Public Hearing on Proposed Biennial Budget and CIP
- November 21 Adoption of 2023-2024 Budget, Adoption of 2023  
Property Tax Levy, and Adoption of 2023-2028 CIP

# Questions?

