

2025-2026 Preliminary Budget Update

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Purpose

- 2024: Q2 & Preliminary estimates
- 2025-2026: Preview Proposed Budget

Budget Priorities

The Council's priorities as outlined in your 2024-2026 goals and in Vision 2029.

- Goal 1: Strengthen Shoreline's economic climate and opportunities
- Goal 2: Manage and develop the City's infrastructure, steward the natural environment and address climate impacts
- Goal 3: Prepare 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, broader community connections, 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 2023-2024 Year End Projections

General Fund 2023-2024 Year End Projections					
August 2024 Forecast	2023-2024 Budget	2023 Actual	2024 Year -End Estimate	2023-2024 Projected Total	2023 - 2024 Projected Vs. 2023 - 2024 Budget
+ Revenues	\$120.868M	\$64.835M	\$62.894M	\$127.729M	\$6.861M
+ Transfers In	\$5.254M	\$2.463M	\$2.791M	\$5.254M	\$0.000M
- Expenditures	(\$118.131M)	(\$49.990M)	(\$62.371M)	(\$112.361M)	\$5.770M
- Transfers Out	(\$19.662M)	(\$7.626M)	(\$12.063M)	(\$19.662M)	\$0.000M
= Provision/(Use) of FB	(\$11.671M)	\$9.682M	(\$8.722M)	\$0.960M	\$12.631M

General Fund 2025-2026 Projected Results

Intended Use of General Fund Reserves	
GF Estimated Ending Fund Balance -December 31, 2024	58.002M
Less Required General Fund Operating Reserve:	
Cash Flow Reserve	3.000M
Budget (Operating) Contingency	1.293M
Insurance Reserve	0.255M
Less 23-24 Budgeted Fund Transfers Not in Estimates	5.990M
Less 2025-2026 Transfer to Revenue Stabilization Fund	1.027M
Less One-Time Support for Park Bond Projects	5.096M
Less Potential Net Interfund Loan/Contribution for West Side Transformation Project	9.692M
Less Designated/Assigned One-Time Support for City Maintenance Facility (including additional 5.2 million)	12.582M
Less Assigned for One-Time Outlays through 2025-2026 Biennial Budget Adoption	8.666M
2026 GF Unassigned and Undesignated Ending Fund Balance	10.501M



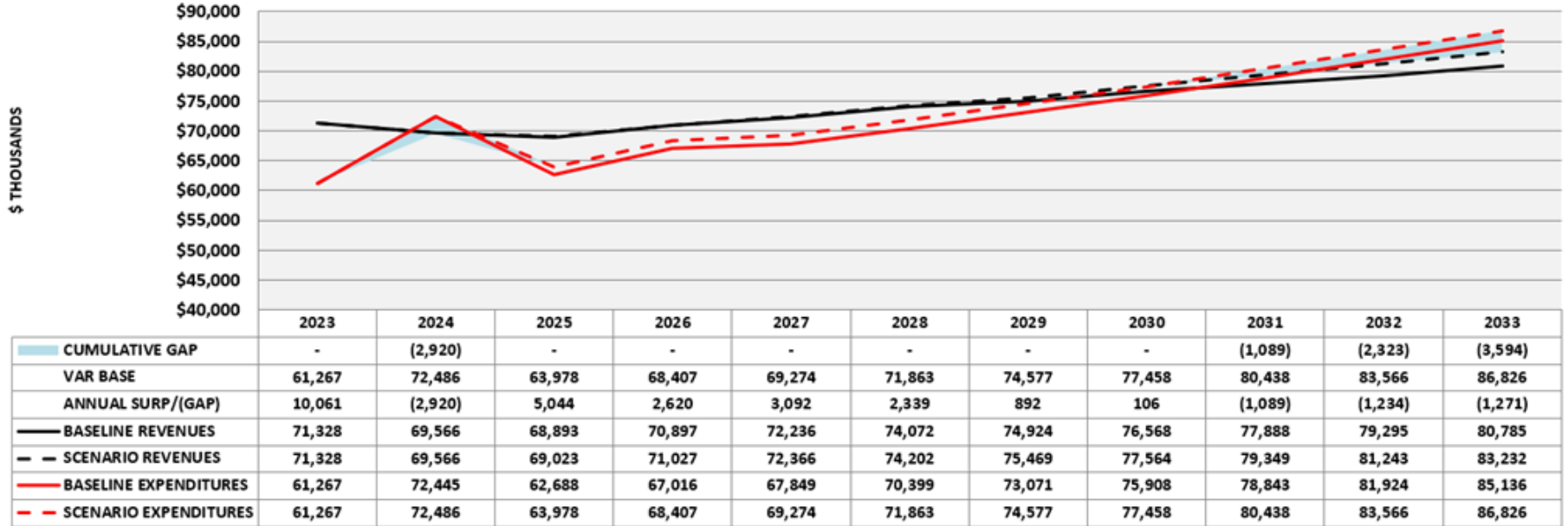
Operating Revenue

Forecast Assumptions:

- Property Tax: 2025 Estimated Rate @ 1.60 and 5% AV Growth
- Sales Tax: 6.5% decline for 2025 | 2.1% growth for 2026
- B & O Tax: No growth for 2025 | 1.9% growth for 2026
- Utility Tax/Franchise: 3.7% growth for 2025 and 2026

General Fund 10 YFSM w/ Supplementals

OPERATING BUDGET FORECAST - IN \$ THOUSANDS



2025 – 2026 Supplemental Investments Categories

- Maintain What We Have
- Ensure a Stable Foundation
- Prepare for the Future
- Address Council & Operational Priorities



Maintain What We Have

Ongoing Investments:

- Park Bond Improvement Support
- Grounds Maintenance Worker
- Recreation Specialist
- 2025-2026 Vehicle Replacements
- Grounds Maintenance Dump Truck
- Salary Survey Contingency



Maintain What We Have (Cont.)

One Time Investments:

- Tree Maintenance
- Land Banked Parks Properties Conservation & Maintenance
- Transfer to Revenue Stabilization Fund
- Mental Health Services for Youth
- Support for Events
- Echo Lake Mural
- Aurora Avenue Landscape Bed Improvements
- Park Landscape Bed Improvements



Ensure a Stable Foundation

Ongoing Investments:

- IT System Analyst Support
- Staff Accountant

One Time Investments:

- Financial Statement Prep Consulting
- IT Enterprise System, Network Support & Equip Replacement
- Web Project Support & City Hall Reconfiguration/PC Laptops
- IT Operations Copier Leases
- HR/Finance Software Market Analysis
- IT GIS Analyst

Permit Cost Recovery



Prepare for the Future

One-time Investments:

- Aquatics Facilities Planning
- Tree Code Update
- Subarea Planning
- Development Code Modernization
- Senior Planner



Address Council & Operational Priorities

Ongoing & One-time Investments:

- Human Services Plan
- Climate Action Plan/SWM Master Plan Implementation

One-time Investments:

- Organizational Priorities



FTE Impacts

Fund	2024	Net Additions		
		FTE	LTE	Total
General Fund	155.76	4.80	2.10	162.66
Street Fund	9.72	0.15	-	9.87
Public Arts Fund	0.50	-	-	0.50
General Capital Fund	2.95	-	-	2.95
City Facilities Major Main. Fund	-	-	-	-
Roads Capital Fund	13.36	0.40	-	13.76
Surface Water Utility	18.33	2.15	-	20.48
Wastewater Utility	20.75	0.25	-	21.00
Total	221.38	7.75	2.10	231.23



Fee Schedules

- General increase by June-to-June percentage change of the CPI-U: 3.83%
- Impact fees increase by June-to-June percentage change of the CCI: 2.1%
- Schedules with Other Changes:
 - Park Rental and Recreation Fees
 - Surface Water Management Rates
 - Wastewater Utility Fees

Key CIP Issues

- Maintain the forecast for Real Estate Excise Tax (REET) which is relatively flat from last forecast
- City Maintenance Facility (5.2M GF, 1M Gen Cap, 1M Roads Cap)



2025-2030 CIP Key Elements

General Capital (New Projects)

- Parks Minimum Amenities
- Playground Replacements
- Facility Technology Improvements
- Facility Security Improvements
- Miyawaki Forest



2023-2028 CIP Key Elements (cont.)

Roads Capital (New Projects)

- 28th Ave NE Bikeway
- 30th Ave NE Sidewalks
- Aurora Decorative Street Lights
- Eastside Off Corridor Bike Network
- Meridian Ave Bike Lanes (175th – 200th)
- Trail Along the Rail Master Study



Utility Funds-Surface Water

- Surface Water Management Utility
 - The 2025-2030 CIP is based on the Surface Water Master Plan (SWMP) currently being finalized.
- New added Projects
 - Boeing Creek Basin Retrofit Studies
 - Citywide Stream Characterization & Habit Study
 - Echo Lake Algae Management
 - Greenworks Program
 - Light Rail Station Area System Improvements
 - N 149th Street/Evanston Ave N Bioretention Retrofits
 - NE 175th Street/10th Ave NE Flood Reduction
 - Serpentine Gravity Line



Utility Funds-Waste Water

Wastewater Utility (New Projects)

- 147th Street & 3rd Ave Sewer Relocate
- Linden Facility Technology Improvements
- Linden Facility Security Improvements

Budget & CIP Review Schedule

- October 14 Transmittal of Proposed Biennial Budget and CIP
- October 21 Review of Department Budgets
- October 28 Continued Review of Department Budgets and Review of CIP
- November 4 Public Hearing on Property Tax Levy & Revenue Sources
Public Hearing on Proposed Biennial Budget
- November 18 Public Hearing on Proposed Biennial Budget and CIP
- November 18 Action on Setting the 2025 Regular and Excess Property Tax Levies, 2025 Fee Schedule, 2025 Impact Fee Schedule, 2023-2024 Biennial Budget Amendment – Amending Ordinance No. 1006
- November 18 Adoption of 2025-2026 Budget, Adoption of 2025 Salary Schedules, and Adoption of 2025-2030 CIP



Questions?

