2019-2020 Biennial Budget

October 15, 2018
Presented by
Debbie Tarry, City Manager
Sara Lane, Administrative Services Director
Rick Kirkwood, Budget Supervisor
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)

- Other Funding Sources: 7%
- Misc. Revenue: 9%
- Charges for Goods and Services: 13%
- Intergovernmental Revenues: 17%
- Licenses & Permits: 5%
- Taxes: 40%

Use of Avail. Fund Balance: 8.4%
Where Will the Money Go?

Total Budget: $171.155 Million

City Services 58%
Facilities, Parks and Transp Capital (CIP) 22%
Surface Water Utility 11%
Wastewater 3%
Other* 6%

($) 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?

City share = 12¢
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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Utilities</th>
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**Staffing for Sound Transit Lynnwood Link Extension Project**

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**Net FTE**

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<td>2020</td>
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Comparison of 2018 City Staffing Levels
(Excludes Police, Fire, Utilities, Special Business Enterprises)

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<th>City</th>
<th>Employees Per Thousand Population</th>
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<td>Redmond (2018)</td>
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<td>Kirkland (2018)</td>
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<td>Kent (2018)</td>
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<td>Shoreline (2019)</td>
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<td>Burien (2018)</td>
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<td>University Place (2018)</td>
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Baseline Operating Budget
Ten Year Forecast

Thousands

2019 2020 2021 2022 2023 2024 2025 2026 2027 2027

BASELINE PROJECTED REVENUES PROJECTED EXPENDITURES
2019-2020 Capital Improvement Program
$43.580 Million

($ in '000's)

- Transportation: $28,753,584 (79%)
- Facilities & Parks: $7,464,925 (20%)
- Facilities Major Maintenance: $288,936 (1%)
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 & CIP Review Schedule

- September 17: Preliminary View of the 2019-2020 Biennial Budget and the 2019-2024 Capital Improvement Plan
- October 22: Review of Department Budgets
- October 29: Continued Review of Department Budgets, Utility Budgets and 2019-2024 CIP
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<th>Date</th>
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<td>2019-2020 Salary Schedule</td>
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<td>Criminal Justice (Jail &amp; Court)</td>
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<td>Parks, Recreation &amp; Cultural Services</td>
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<td>Planning &amp; Community Development</td>
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Budget Information

• The Biennium Budget will be available on-line at the City of Shoreline Website at:
  
  [http://www.shorelinewa.gov](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