

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



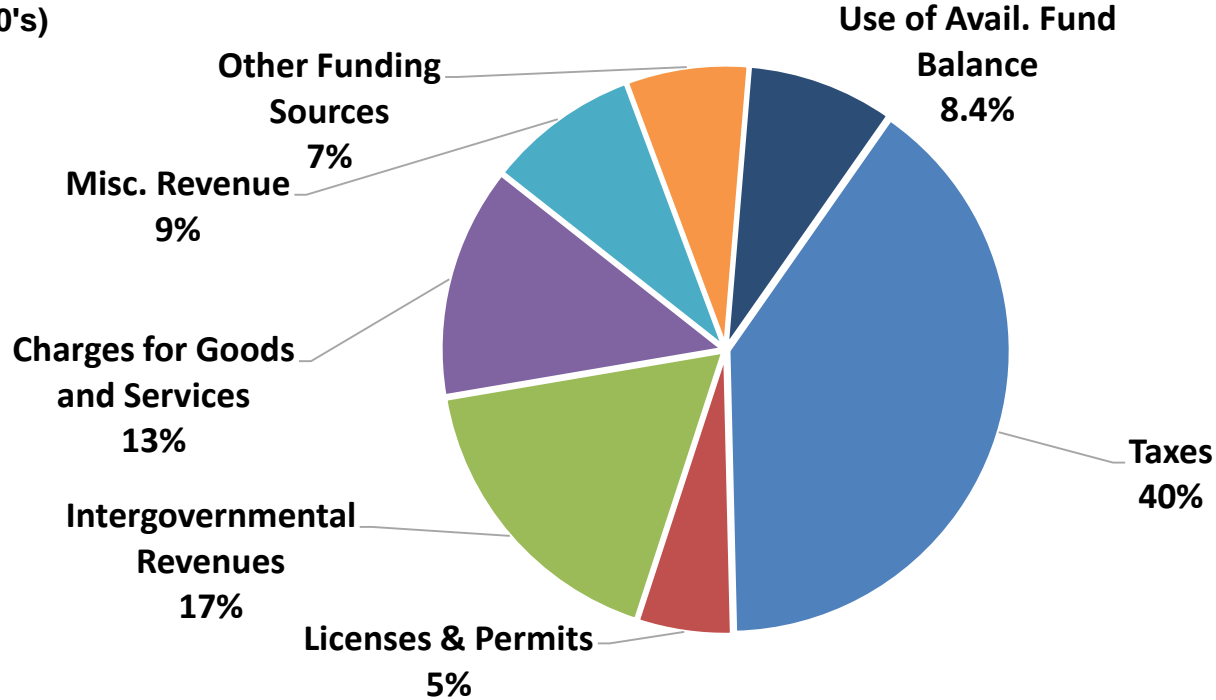
2019-2020 Budget Highlights



Where Will the Money Come From?

Total Budget: \$174.737 Million

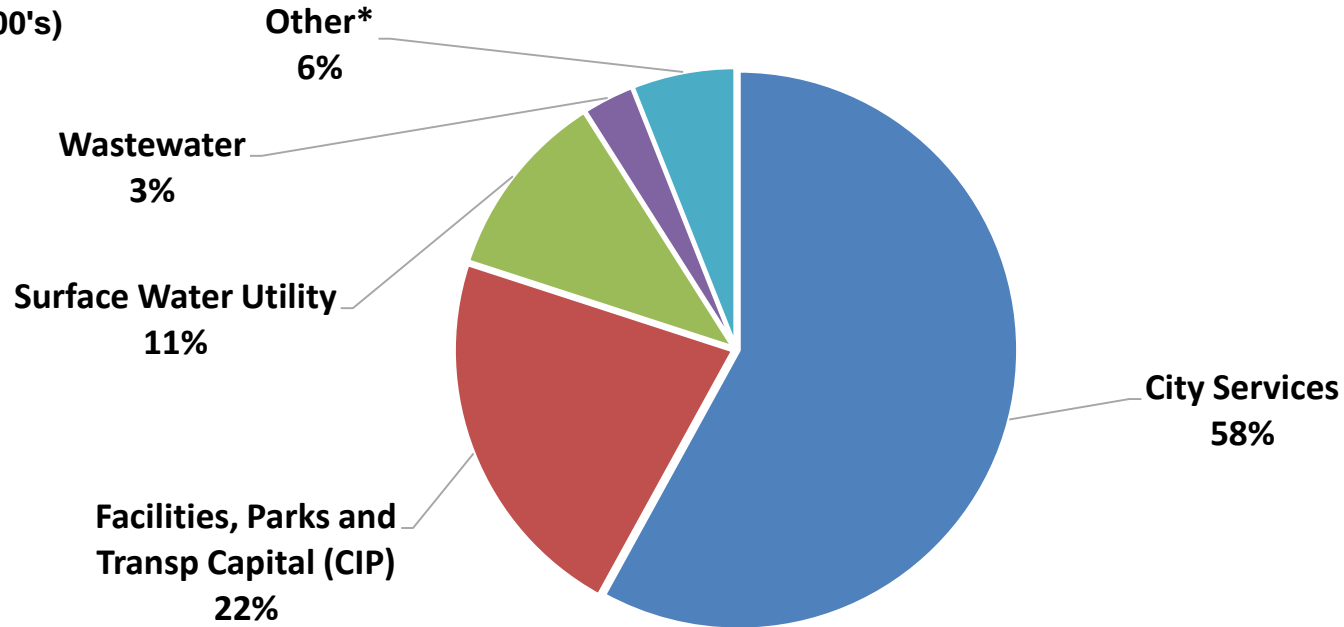
(\$ in '000's)



Where Will the Money Go?

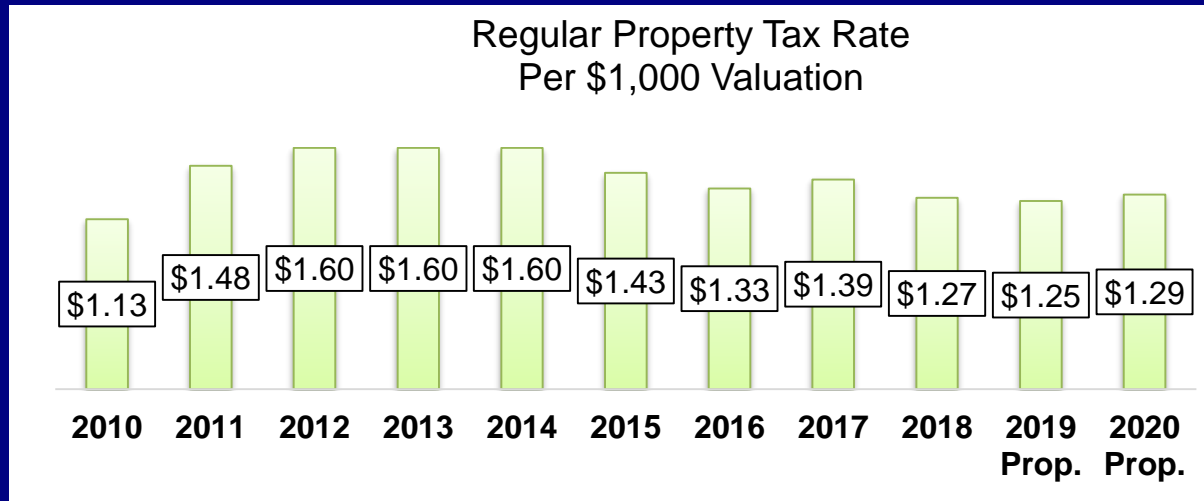
Total Budget: \$171.155 Million

(\$ in '000's)



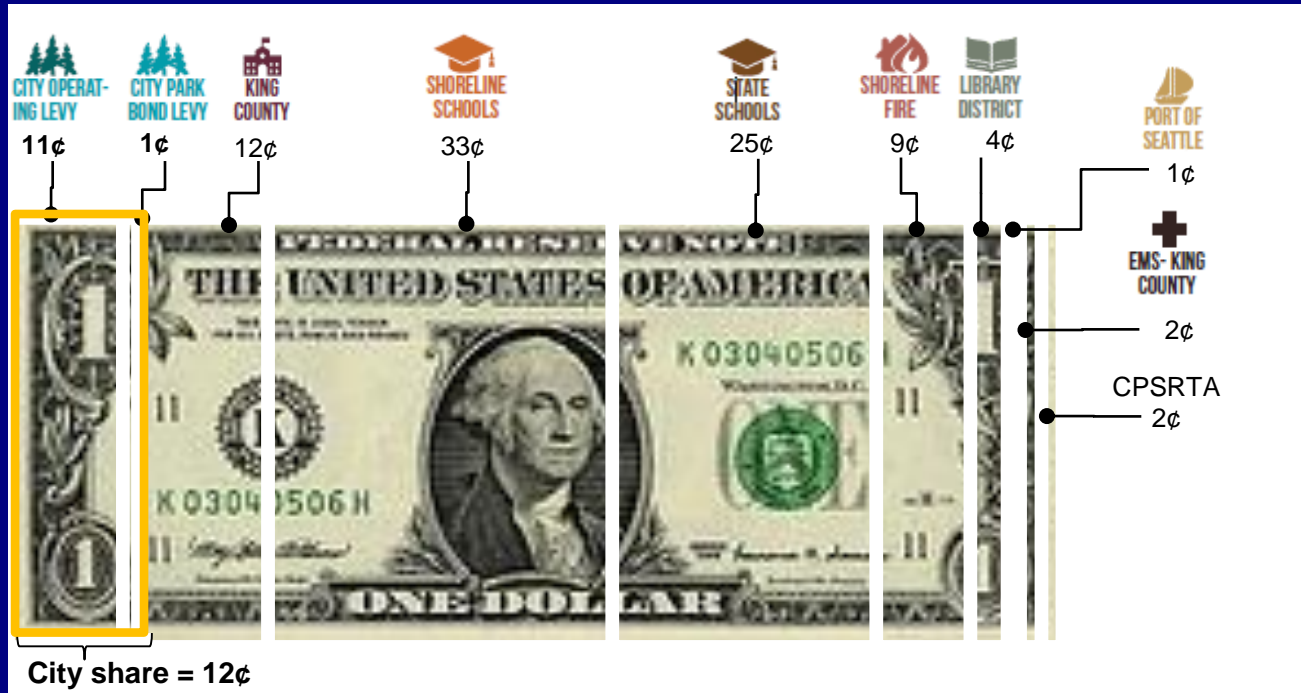
Property Tax – Regular Levy

- 2019-2020 Budget - \$26.969 M

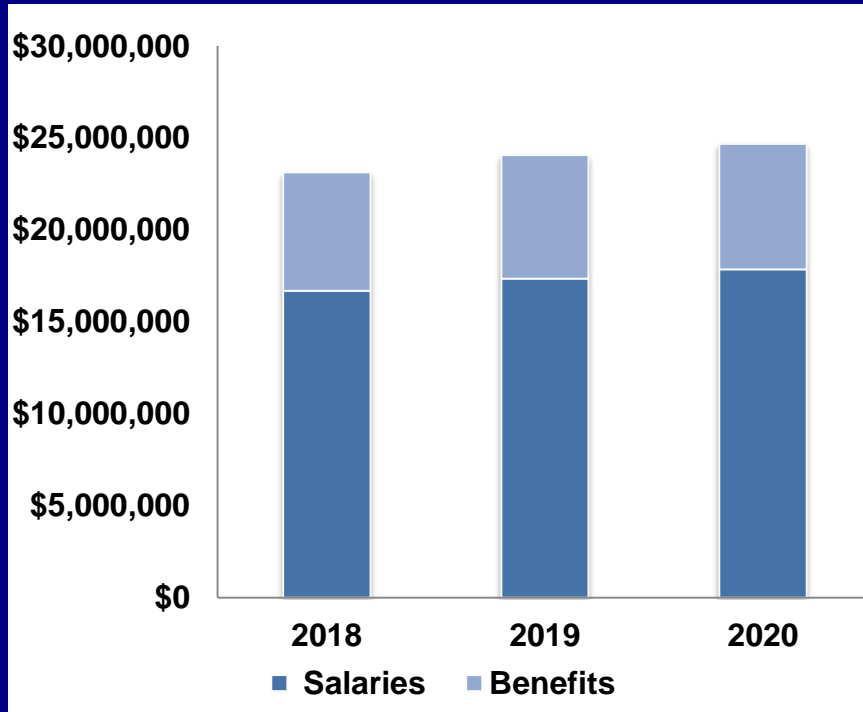


2018 Property Tax Levy Allocation

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



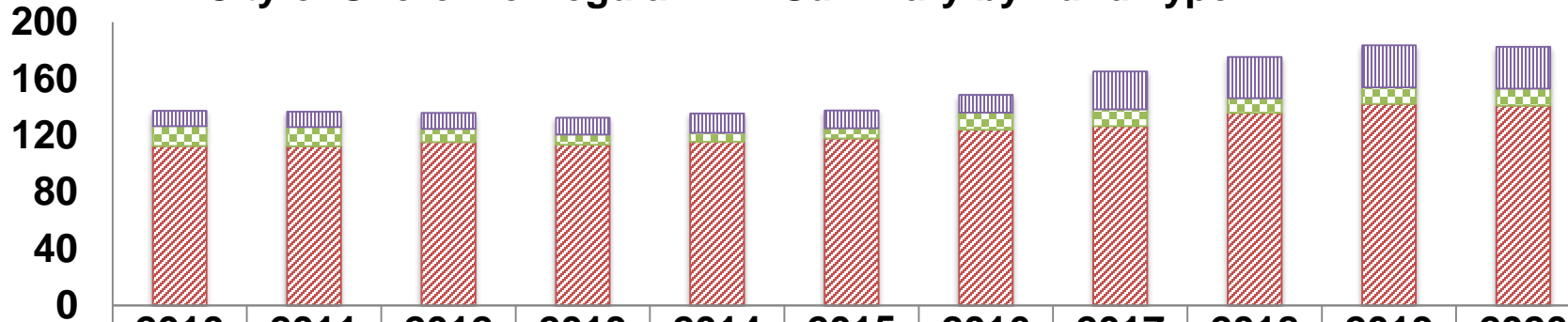
2019-20 Personnel Cost Changes



- 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



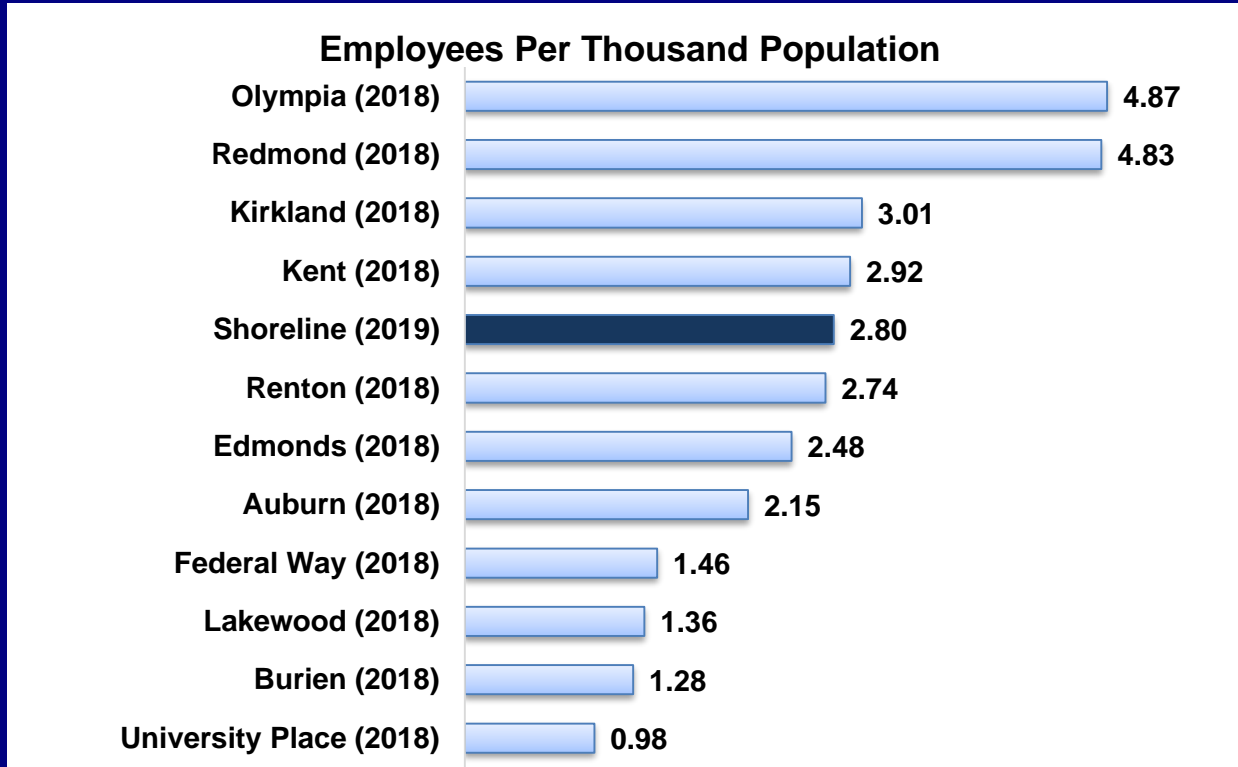
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Utilities	10.71	10.86	11.12	12.00	13.70	12.55	12.62	26.69	29.05	29.91	29.61
Capital	14.00	13.65	9.39	7.11	6.24	7.11	12.09	11.91	10.41	11.64	12.04
Operating	112.62	112.27	115.37	113.45	115.62	117.94	124.02	126.58	135.99	142.23	141.00
Total	137.33	136.78	135.88	132.56	135.56	137.60	148.73	165.18	175.45	183.78	182.65

Staffing for Sound Transit Lynnwood Link Extension Project							4.00	3.75	4.75	4.12	2.50
--	--	--	--	--	--	--	------	------	------	------	------

Net FTE	137.33	136.78	135.88	132.56	135.56	137.60	144.73	161.43	170.70	179.66	180.15
---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

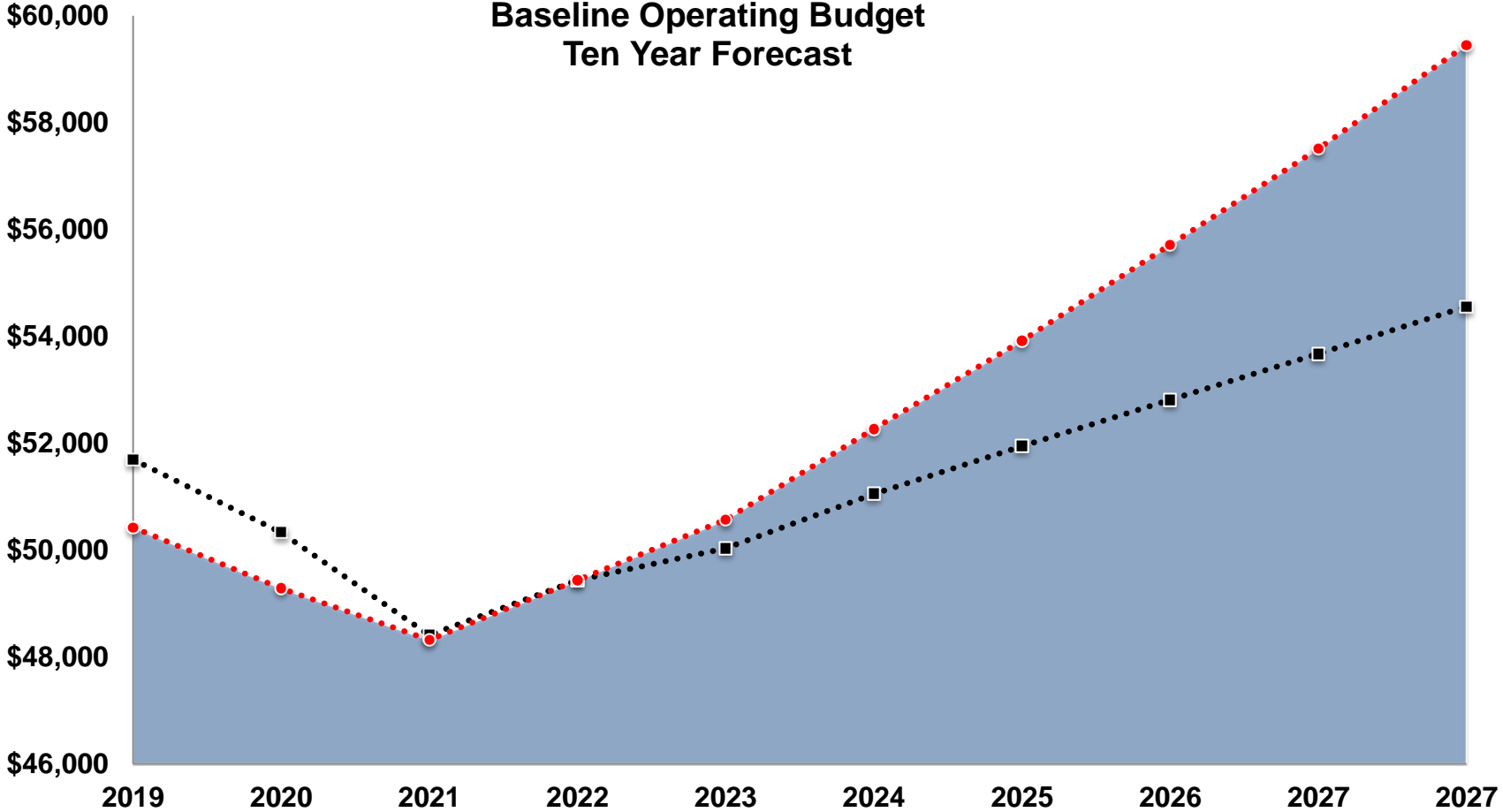
Comparison of 2018 City Staffing Levels

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



Baseline Operating Budget Ten Year Forecast

Thousands



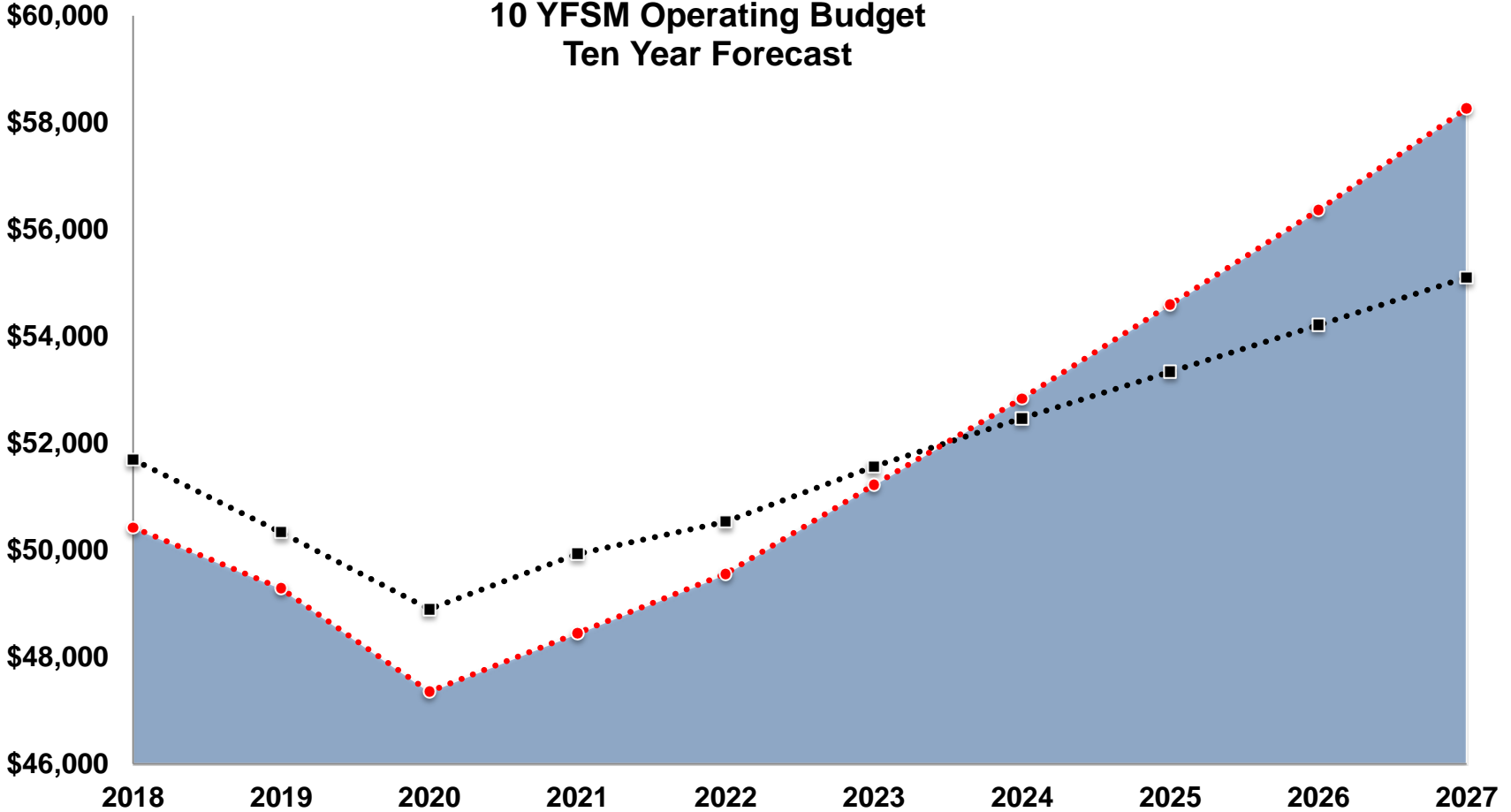
■ BASELINE

●-■-● PROJECTED REVENUES

●-●-● PROJECTED EXPENDITURES

10 YFSM Operating Budget Ten Year Forecast

Thousands



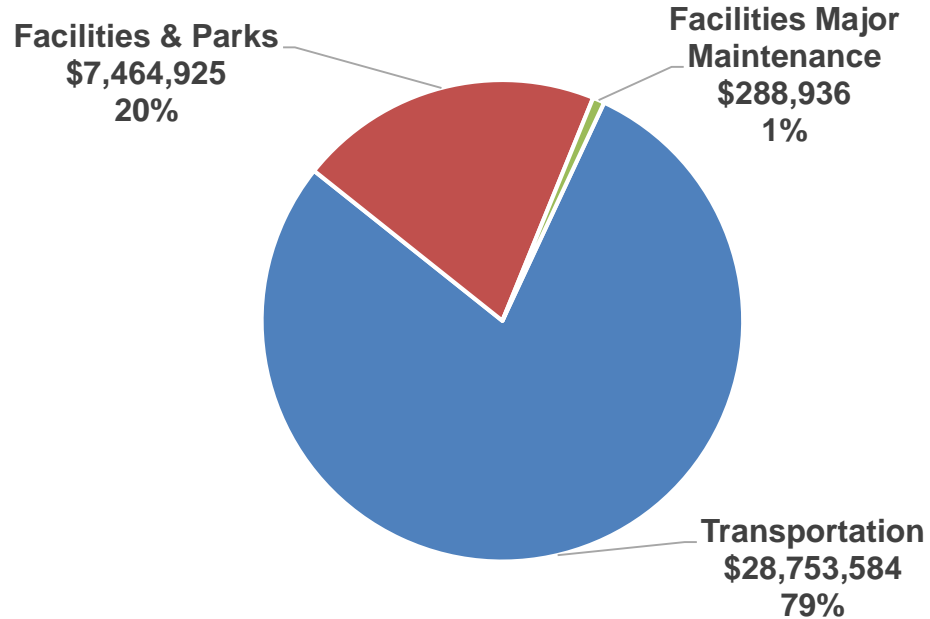
■ BASELINE

●-■-● PROJECTED REVENUES

●-●-● PROJECTED EXPENDITURES

2019-2020 Capital Improvement Program \$43.580 Million

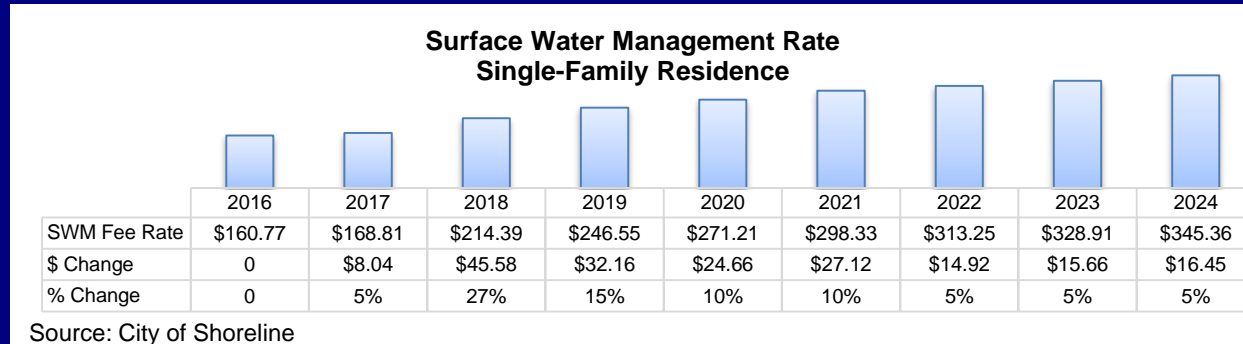
(\$ in '000's)



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

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

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