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2021-2022 Preliminary Budget Update

September 14, 2020

Sara Lane, Administrative Services
Director



Purpose

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- 2020: Provide preliminary estimates
- 2021-2022: Preview Proposed Budget
- Presentation of the City Manager's Proposed 2021-2022 Budget scheduled on October 12

Budget Priorities

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The Council's priorities as outlined in your 2020-2022 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 inclusion to enhance opportunities for community engagement
- Goal 5:** Promote and enhance the City's safe community and neighborhood programs and initiatives



Budget Priorities

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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 2019-2020 Projected Results

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August 2020 Forecast	2019-2020 Budget	2019 Actual	2020 Est.	2019-2020 Proj.	Proj. vs. Budget
Revenues	\$96.253M	\$48.698M	\$46.947M	\$95.645M	(\$0.608M)
Transfers In	\$2.705M	\$1.232M	\$1.473M	\$2.705M	\$0.000M
Expenditures	(\$95.165M)	(\$41.225M)	(\$45.509M)	(\$86.734M)	\$8.431M
Transfers Out	(\$10.600M)	(\$3.819M)	(\$6.870M)	(\$10.689M)	(\$0.089M)
Provision/(Use) of FB	(\$6.807M)	\$4.886M	(\$3.959M)	\$0.927M	\$7.734M
(Use) of GF to balance SF			<u>(\$0.559M)</u>	<u>(\$0.559M)</u>	<u>(\$0.559M)</u>
Est. Provision/(Use) of FB			<u>(\$4.518M)</u>	<u>\$0.368M</u>	<u>\$7.175M</u>

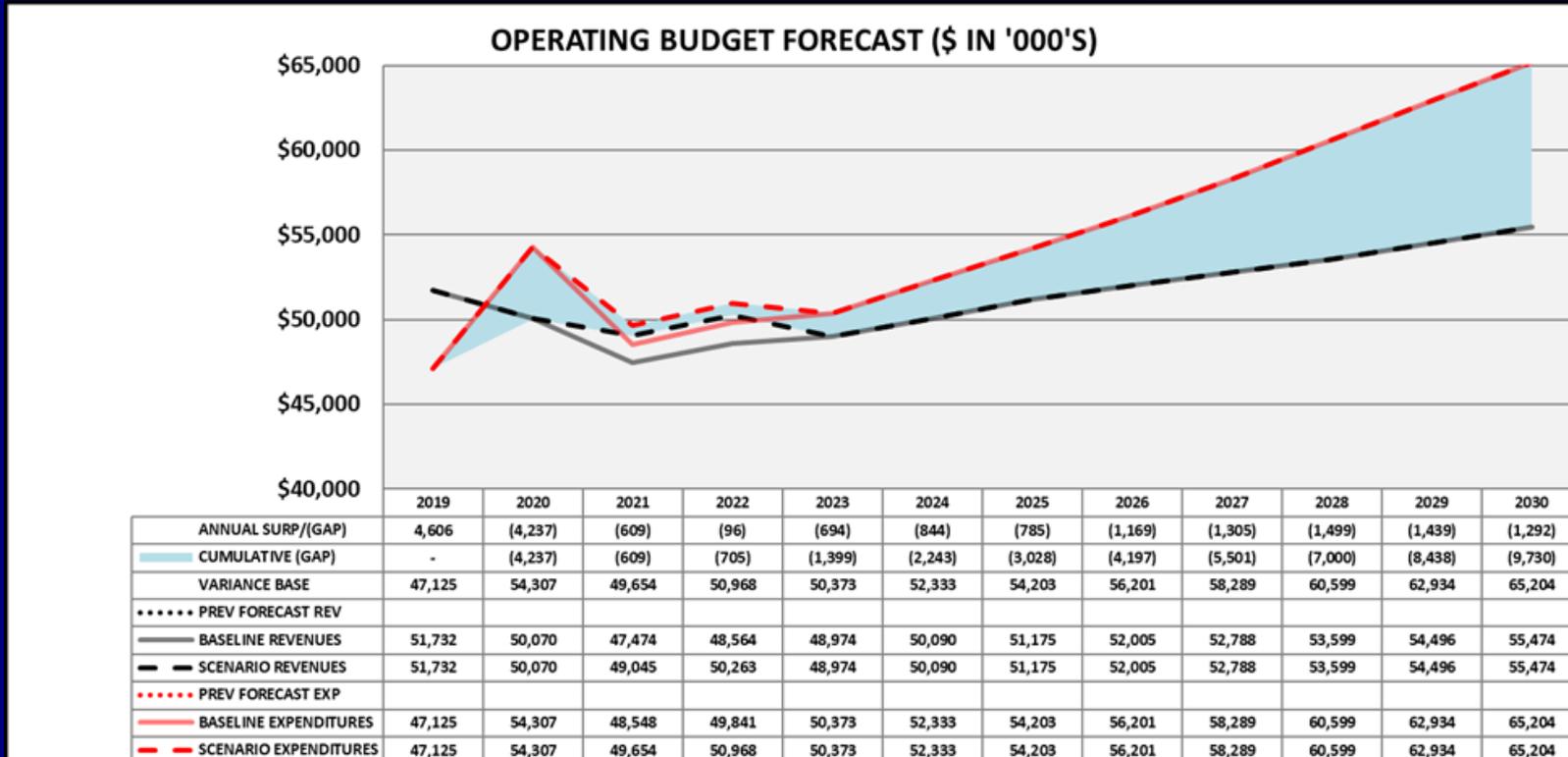
General Fund 2019-2020 Projected Results

2021 Projected General Fund Beginning Fund Balance	\$18.185M
Less Required General Fund Operating Reserve:	
Cash Flow Reserve	(3.000M)
Budget (Operating) Contingency	(0.880M)
Insurance Reserve	(0.255M)
Less Designated for City Maintenance Facility	(4.888M)
Less Designated for Retirement of Bond Anticipation Note	(\$0.000M)
Unassigned and Undesignated Beginning Fund Balance	\$9.162M

General Fund 10 YFSM

w/out Reserve Support or Levy Lid Lift

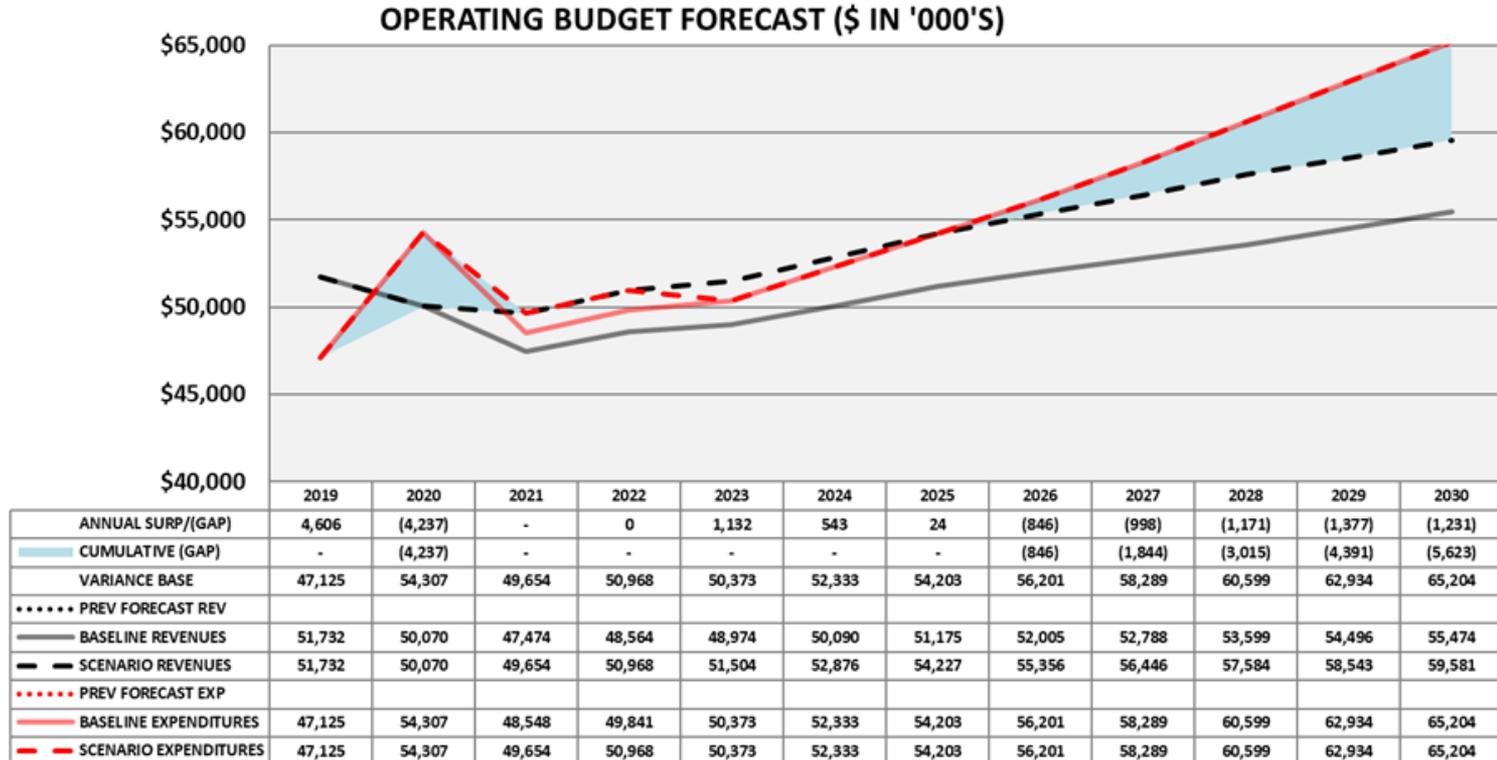
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General Fund 10 YFSM

w/ Reserve in 2021-2022 and Levy Lid Lift

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FTE Impacts

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- Total FTE Count 190.7
- Decrease of 4.2 FTE over the Biennium
 - Closure of Shoreline Pool -5.0
 - Project Related Reductions -1.7
 - Capital Project Related Increases +2.0
 - Housing & Human Services +0.5
 - 4.2
- 3 vacant positions are being held open

Salaries and Benefits

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- 2021 Cost of Living Adjustment: 0.87%
 - Reflects 100% of CPI-U
 - Estimated to be 1.73% in 2022
- Extra Help Salary Table Adjustment



Investments

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- Supplemental requests limited due to economic uncertainty:
 - Implementation of Council Goals
 - Address highest priority emerging issues and delivery of priority public services
 - Critical Technology Investments
- One-Time General Fund Support to Capital Improvement Program

Operating Revenue

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- 2021-2022 Forecast: \$96.038M
- Forecast Assumptions:
 - Property Tax: ↑ 4.6% | Levy Rate ↓ to \$1.22 over Biennium
 - Sales Tax: ↓ 7.5% over 2019-2020
 - Utility Taxes/Franchise Fees: ↓ 5.5%
 - Criminal Justice Sales Tax: ↓ 0.5%
 - Liquor Excise Tax: ↓ 0.1%

Fee Schedules

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- Generally increase by June-to-June percentage change of the CPI-U: 0.87%
- Schedules with Other Changes:
 - Recreation Fees
 - Impact Fees
 - Damage Restitution Administrative Fee

Key CIP Issues

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- Reduction in forecast for Real Estate Excise Tax (REET) impacts General Capital Fund and Roads Capital Fund
- Removed Vehicle License Fees
- Federal Grants supporting a number of transportation projects (Design/Right-of-way Acq.)

2021-2026 CIP

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New Projects and Significant Changes

- General Capital
 - Removed Recreation and Aquatics Center
 - Removed Boeing Creek and Shoreview Park Trail Repair and Replacement
 - New PROS Plan Property Acquisition
- Facilities Major Maintenance
 - Increased budget to meet long term maintenance need



2021-2026 CIP

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New Projects and Significant Changes (Con't)

- Roads Capital
 - Reduced Annual Road Surface Maint and Sidewalk Rehabilitation
 - Added New Sidewalk Program projects and program
- Surface Water Capital
 - Combined and consolidated several projects



Budget & CIP Review

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- October 12 Transmittal of Proposed Biennial Budget and CIP
- October 19 Review of Department Budgets
- October 26 Continued Review of Department Budgets and Review of CIP
- November 2 Public Hearing on Property Tax Levy & Revenue Sources
Public Hearing on Proposed Biennial Budget
- November 9 Public Hearing on Proposed Biennial Budget and CIP
- November 16 Adoption of 2021-2022 Budget, Adoption of 2021 Property Tax Levy, and Adoption of 2021-2026 CIP

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Questions?

