

ORDINANCE NO. 108

**AN ORDINANCE OF THE CITY OF SHORELINE,
WASHINGTON, CREATING A GENERAL RESERVE FUND AND
ADOPTING THE ANNUAL BUDGET OF THE CITY OF
SHORELINE FOR THE YEAR 1997.**

WHEREAS, State law, Chapter 35A.33 RCW, requires the City to adopt an annual budget and provides procedures for the filing of a proposed budget, deliberations, public hearings, and final fixing of the budget; and

WHEREAS, a proposed budget for the fiscal year 1997 has been prepared and filed, a public hearing has been held for the purposes of fixing the final budget, and the City Council has deliberated and has made adjustments and changes deemed necessary and proper; and

WHEREAS, State law, Chapter 35A.37.010 RCW, provides the City with the authority to establish special purpose funds for the segregation, budgeting, expenditure, and accounting for moneys received for special purposes; and

WHEREAS, the City Council believes it to be in the best interest of the public health, safety and welfare to establish a General Reserve fund; NOW, THEREFORE

**THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON,
DO ORDAIN AS FOLLOWS:**

Section 1. Creation of General Reserve Fund. There is created a fund to be known as the "General Reserve Fund", to provide for unanticipated expenditures or a temporary cushion for revenue shortfalls of a non-recurring nature pursuant to the City's Financial Policies.

Section 2. 1997 Budget Adoption. The 1997 budget for the City of Shoreline for the period January 1, 1997 through December 31, 1997 as determined in the 1997 Proposed Budget, and as revised by the City Council, and as set forth in Exhibit A ("City of Shoreline 1997 Budget Summary") is hereby adopted.

Section 3. Summary of Revenues and Expenditures. The budget sets forth totals of estimated revenues and estimated expenditures of each separate fund, and the aggregate totals for all such funds, as summarized below:

| | |
|----------------------|---------------|
| General Fund | \$ 18,113,223 |
| Special Revenue Fund | 1,817,385 |
| Street Fund | 1,598,697 |

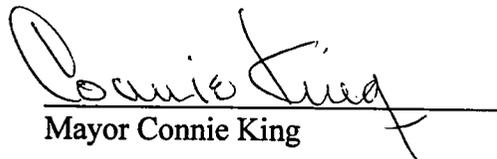
| | |
|----------------------------------|----------------------|
| Arterial Street Fund | 464,325 |
| Surface Water Management Fund | 3,709,529 |
| Special Capital Improvement Fund | 7,716,443 |
| General Reserve Fund | 1,275,739 |
| Asset Depreciation Fund | 180,000 |
| Equipment Rental Fund | 108,466 |
| Unemployment Fund | 20,000 |
| Advance Travel Fund | 5,000 |
| Agency Fund | 228,400 |
| Total Funds | <u>\$ 35,237,207</u> |

Section 4. Copies of Budget to be Filed. The City Clerk is directed to transmit a complete copy of the final budget as adopted to the division of municipal corporations in the Office of State Auditor and to the Association of Washington Cities as required by RCW 35A.33.075.

Section 5. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 6. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City and shall take effect and be in full force January 1, 1997.

PASSED BY THE CITY COUNCIL ON DECEMBER 16, 1996.


 Mayor Connie King

ATTEST:

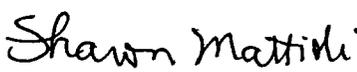

 Sharon Mattioli, City Clerk

EXHIBIT A



City of
Shoreline
1997 Budget
Summary

December 16, 1996



City of Shoreline 1997 Budget Summary

| | <u>Page</u> |
|--|-------------|
| 1. 1997 General Fund Expenditure Summary by Service Area | 1. |
| 2. 1997 General Fund Expenditure Summary Chart | 3. |
| 3. All Funds Resource/Expense Summary | 4. |
| 4. General Fund | 5. |
| 5. Special Revenue Fund | 6. |
| 6. Street Fund | 7. |
| 7. Arterial Street Fund | 8. |
| 8. Surface Water Fund | 9. |
| 9. Special Capital Improvement Fund | 10. |
| 10. General Reserve Fund | 11. |
| 11. Asset Depreciation Fund | 12. |
| 12. Equipment Rental Fund | 13. |
| 13. Unemployment Fund | 14. |
| 14. Advance Travel Fund | 15. |
| 15. Agency Fund | 16. |

1997 General Fund Expenditure Summary by Service Area

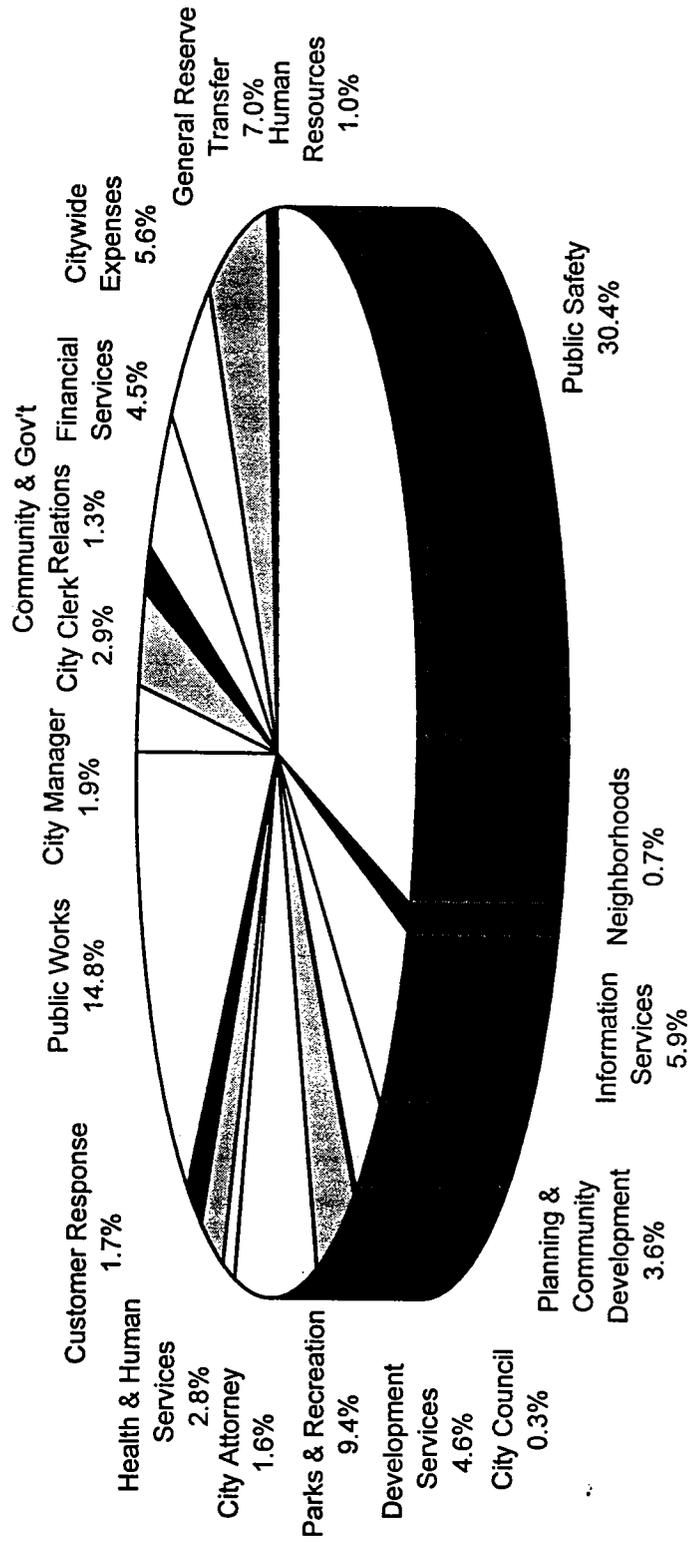
| | 1996 Revised Budget | 1997 Proposed | Council Adjustments | 1997 Adopted Budget | % of Total Budget | 1997 Adopted versus 1996 Revised |
|-------------------------------------|---------------------------|----------------------|------------------------|---------------------------|-------------------------|--|
| City Council | \$ 75,458 | \$ 55,800 | \$ 4,558 (1) | \$ 60,358 | 0.3% | (\$ 15,100) |
| City Manager | 394,196 | 354,813 | (7,000) (2) | 347,813 | 1.9% | (46,383) |
| City Clerk | 471,985 | 549,655 | (32,425) (3) | 517,230 | 2.9% | 45,245 |
| City Attorney | 322,094 | 290,621 | (8,625) (4) | 281,996 | 1.6% | (40,098) |
| Community & Government Relations | 127,733 | 237,676 | 0 | 237,676 | 1.3% | 109,943 |
| Financial Services | 535,677 | 846,984 | (40,643) (5) | 806,341 | 4.5% | 270,664 |
| Citywide Expenses | 1,759,326 | 907,984 | 97,000 (6) | 1,004,984 | 5.5% | (754,342) |
| General Reserve Transfer | 0 | 1,089,140 | 186,599 (7) | 1,275,739 | 7.0% | 1,275,739 |
| Human Resources | 144,326 | 200,012 | (15,000) (8) | 185,012 | 1.0% | 40,686 |
| Information Services | 1,733,863 | 1,128,824 | (68,441) (9) | 1,060,383 | 5.9% | (673,480) |
| Public Safety | 4,983,313 | 5,510,423 | 0 | 5,510,423 | 30.4% | 527,110 |
| Neighborhoods | 175,597 | 128,261 | 0 | 128,261 | 0.7% | (47,336) |
| Planning & Community Development | 609,297 | 648,457 | 0 | 648,457 | 3.6% | 39,160 |
| Development Services | 811,166 | 833,953 | 0 | 833,953 | 4.6% | 22,787 |
| Parks & Recreation | 1,440,772 | 1,615,293 | 87,000 (10) | 1,702,293 | 9.4% | 261,521 |
| Health & Human Services | 424,578 | 520,950 | (7,500) (11) | 513,450 | 2.8% | 88,872 |
| Customer Response | 238,805 | 317,325 | (5,000) (12) | 312,325 | 1.7% | 73,520 |
| Public Works | 1,732,033 | 2,701,530 | (15,000) (13) | 2,686,530 | 14.8% | 954,497 |
| Total | \$ 15,980,219 | \$ 17,937,700 | \$ 175,523 | \$ 18,113,223 | 100% | \$ 2,133,006 |

1997 General Fund Expenditure Summary by Service Area

Notes on Adjustments

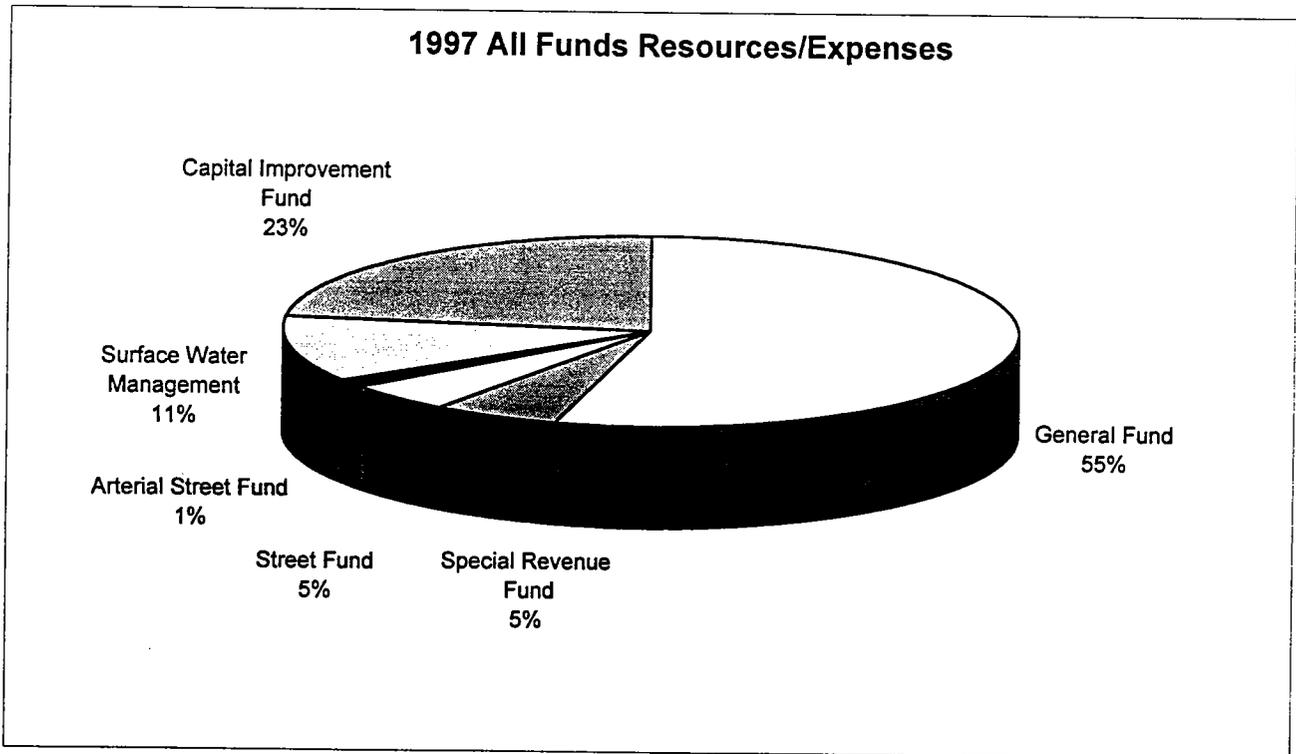
| | Expenditures | Resources | Explanation of Changes to Proposed Budget |
|------------------------------|--------------|-----------|--|
| (1) City Council | \$ 2,158 | | Funds for Councilmembers Social Security replacement |
| | 2,400 | | Funds for professional service contract to audit vouchers |
| (2) City Manager | (7,000) | | Reduce professional services for utility franchises and consultant help |
| (3) City Clerk | (11,200) | | Remove funds for support of Council Committees |
| | (19,000) | 3,150 | Reduce estimate for Hearing Examiner Expense from 18 to 9 hearings in 1997 |
| | (10,850) | | Capture appeal revenue from Hearing Examiner Function |
| | 8,625 | | Reduce by half the funds for student interns |
| (4) City Attorney | (8,625) | | Transfer furniture and computer workstation from City Attorney budget |
| (5) Finance | (40,643) | | Transfer furniture and computer workstation to City Clerk's budget |
| (6) Citywide | (150,000) | | Eliminate new Buyer position |
| | (3,000) | | Remove Council Discretionary Account |
| | 250,000 | | Reduce funds for fax machine cleaning & maintenance |
| | | | Increase Operational Contingency to \$400,000 |
| (7) General Reserve Transfer | 186,599 | | Increase General Fund Reserve to 10% of discretionary revenue |
| (8) Human Resources | (15,000) | | Reduce advertising budget due to fewer new positions |
| (9) Information Services | (56,441) | | Reduce Information Services by 5% (Technology Reserve) |
| | (12,000) | | Eliminate van for multiple locations |
| (10) Parks & Recreation | 50,000 | | Add funds for Shoreline Arts Council |
| | 50,000 | | Add funds for Shoreline Historical Museum |
| | (13,000) | | Reduce funds for Bike Patrol based on 1996 experience |
| (11) Human Services | (7,500) | | Correct Human Services Director salary |
| (12) Customer Response Team | (5,000) | | Reduce professional services for computer and printer maintenance |
| (13) Public Works | (15,000) | | Reduce repairs and maintenance for Police Station and City Hall |
| | | 12,754 | Pay for new Project Manager solely from non-General Funds |
| | | (150,536) | Remove transfer for Surface Water Debt Service |
| General Fund Revenue | | 310,155 | Increase General Fund beginning fund balance through partial funding of Police Station out of 1996 capital dollars |
| Total Adjustments \$ | 175,523 \$ | 175,523 | |

City of Shoreline - 1997 General Fund Expenditure Summary Chart



**City of Shoreline
1997 All Funds
Resource/Expense Summary**

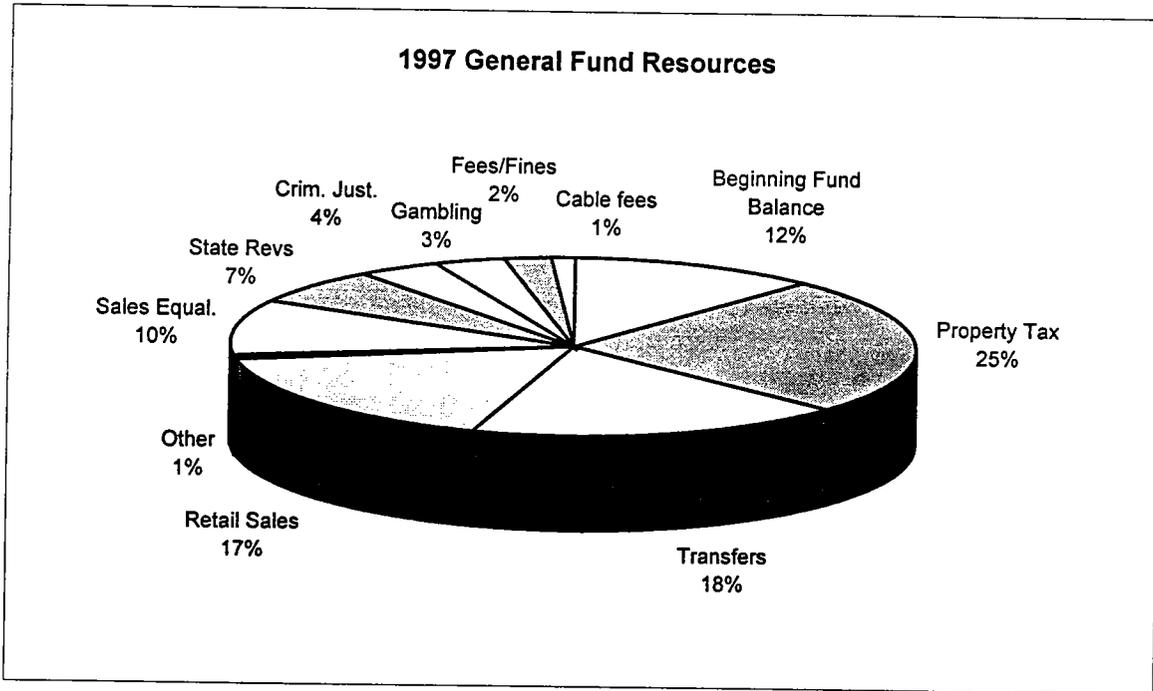
| <u>Primary Revenue Funds</u> | Beginning Fund Balance | 1997 Revenues | 1997 Total Resources | 1997 Expenditures | Ending Fund Balance | Total 1997 Appropriation |
|------------------------------|---------------------------|----------------------|-------------------------|----------------------|------------------------|-----------------------------|
| General Fund | \$ 2,104,522 | \$ 16,008,701 | \$ 18,113,223 | \$ 18,113,223 | \$ 0 | \$ 18,113,223 |
| Special Revenue Fund | 294,447 | 1,522,938 | 1,817,385 | 1,385,099 | 432,286 | 1,817,385 |
| Street Fund | 476,942 | 1,121,754 | 1,598,696 | 1,138,527 | 460,170 | 1,598,697 |
| Arterial Street Fund | 104,271 | 360,054 | 464,325 | 369,204 | 95,121 | 464,325 |
| Surface Water Management | 1,795,229 | 1,914,300 | 3,709,529 | 1,003,118 | 2,706,411 | 3,709,529 |
| Capital Improvement Fund | 5,129,839 | 2,586,604 | 7,716,443 | 410,000 | 7,306,443 | 7,716,443 |
| <u>Transfer Funds</u> | | | | | | |
| General Reserve Fund | \$ 0 | \$ 1,275,739 | \$ 1,275,739 | \$ 0 | \$ 1,275,739 | \$ 1,275,739 |
| Asset Depreciation Fund | 30,000 | 150,000 | 180,000 | 0 | 180,000 | 180,000 |
| Equipment Rental Fund | 13,400 | 95,066 | 108,466 | 95,066 | 13,400 | 108,466 |
| Unemployment Fund | 5,000 | 15,000 | 20,000 | 0 | 20,000 | 20,000 |
| Advance Travel Fund | 0 | 5,000 | 5,000 | 5,000 | 0 | 5,000 |
| Agency Fund | 0 | 228,400 | 228,400 | 228,400 | 0 | 228,400 |
| Total City Funds | \$ 9,953,650 | \$ 25,283,556 | \$ 35,237,206 | \$ 22,747,637 | \$ 12,489,569 | \$ 35,237,207 |



City of Shoreline 1997 General Fund

The General Fund is used to pay the expenses and liabilities of the City associated with general service functions. The primary sources of revenue are general purpose State and local taxes. Property tax and sales tax combined provide approximately 54% of the General Fund Revenue base.

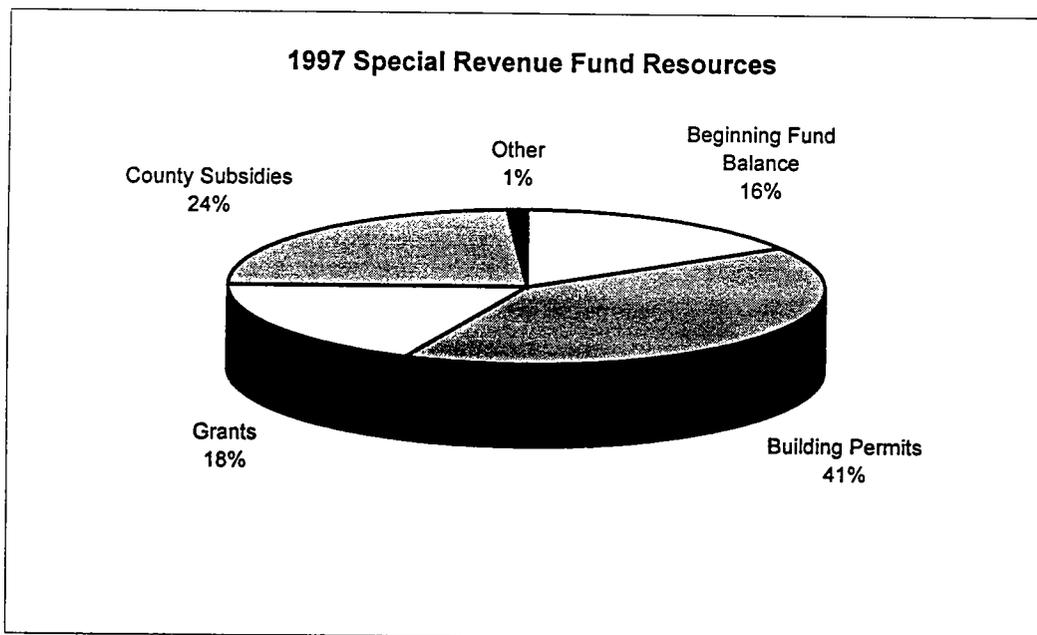
| | |
|---------------------------------|-----------------------------|
| Beginning Fund Balance | \$ 2,104,522 |
| 1997 Revenues | <u>16,008,701</u> |
| Total Resources | <u>\$ 18,113,223</u> |
| | |
| Expenditures | <u>\$ 18,113,223</u> |
| Ending Fund Balance | <u>\$ 0</u> |
| | |
| Total 1997 Appropriation | <u><u>\$ 18,113,223</u></u> |



City of Shoreline 1997 Special Revenue Fund

The purpose of this Fund is to maintain accounts for special revenue sources which need to be tracked separately, expended for specified purposes, and carried over at years end. Included in this fund, are Development Services permit fees, grant resources, and County subsidies for parks and pool operations. The beginning fund balance is comprised of a portion of 1996 Development Services fees, which are held in reserve for 1997-1998 services associated with multi-year construction permits. This permit revenue must be deferred until the year that services are provided.

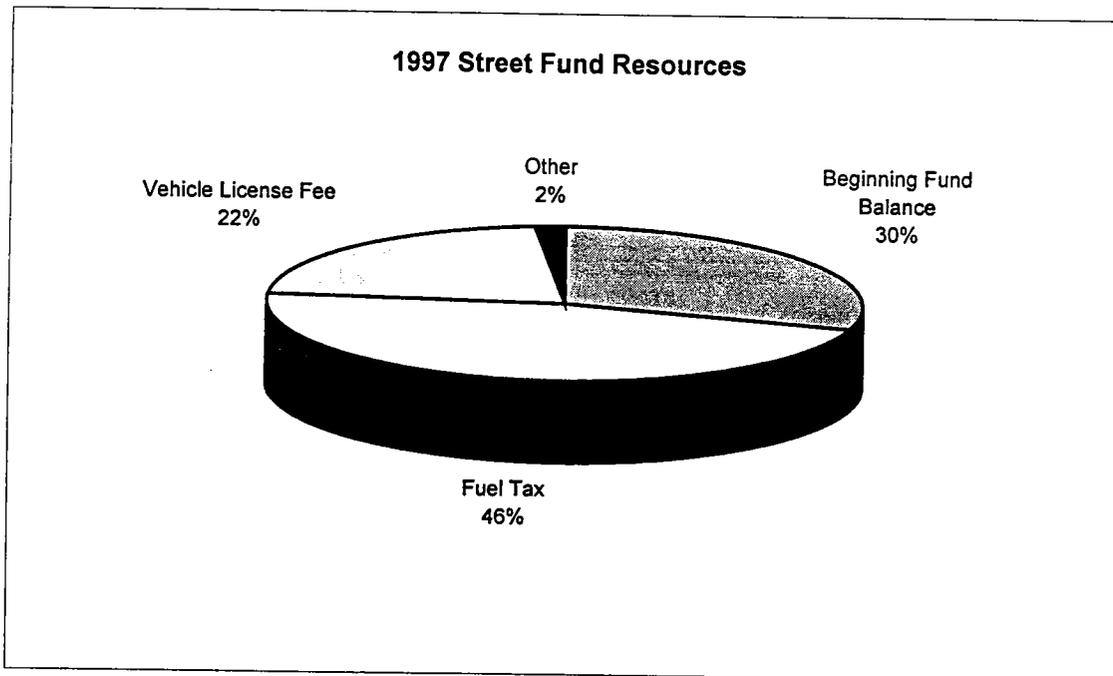
| | | |
|---------------------------------|----|-----------|
| Beginning Fund Balance | \$ | 294,447 |
| Revenues | | 1,522,938 |
| Total Resources | \$ | 1,817,385 |
| | | |
| Expenditures | \$ | 1,385,099 |
| Ending Fund Balance | \$ | 432,286 |
| | | |
| Total 1997 Appropriation | \$ | 1,817,385 |



City of Shoreline 1997 Street Fund

Street Funds are used to support roads and transportation programs. Fuel tax and vehicle license fees are the two sources of ongoing support for these programs. In 1997, the Street Fund will be used to support the County roads maintenance contract as well as an assessment of the City's road conditions. The results of the assessment will be used to prioritize roads operational and capital projects.

| | |
|---------------------------------|----------------------------|
| Beginning Fund Balance | \$ 476,942 |
| Revenues | <u>1,121,754</u> |
| Total Resources | <u>\$ 1,598,696</u> |
| | |
| Expenditures | <u>\$ 1,138,527</u> |
| Ending Fund Balance | <u><u>\$ 460,170</u></u> |
| | |
| Total 1997 Appropriation | <u><u>\$ 1,598,697</u></u> |

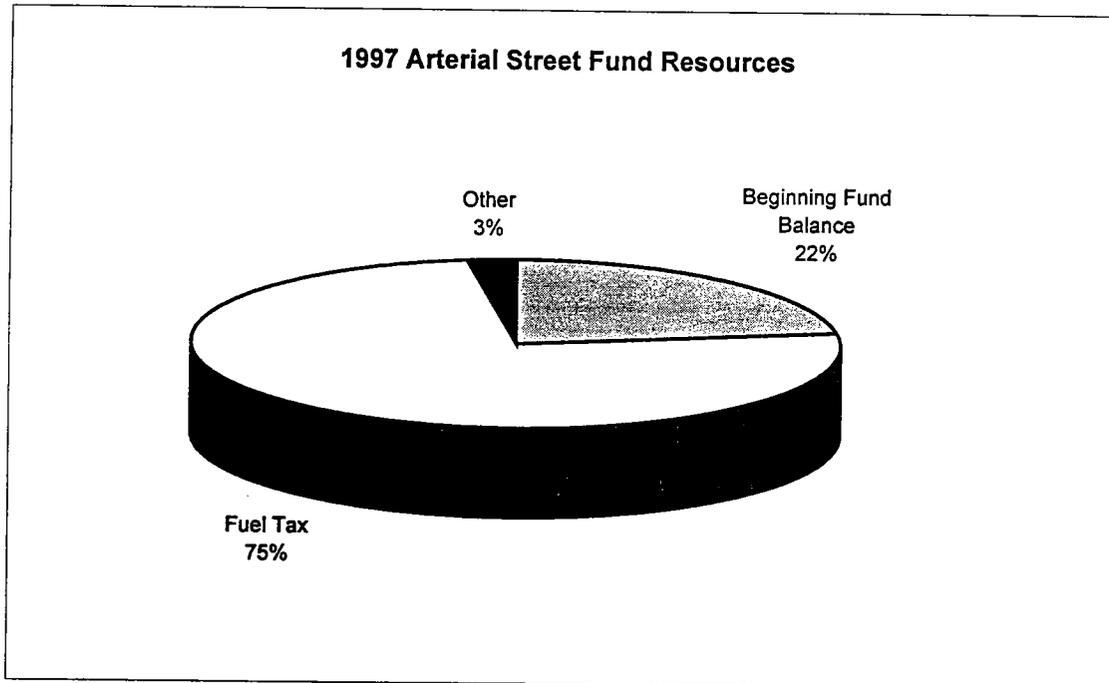


City of Shoreline

1997 Arterial Street Fund

Arterial Street Funds are used to support roads and transportation programs. Fuel tax provides the primary source of support for this Fund. These funds support a portion of the County roads maintenance contract and the 1997 Roads Conditions Assessment.

| | |
|---------------------------------|-------------------|
| Beginning Fund Balance | \$ 104,271 |
| Revenues | 360,054 |
| Total Resources | \$ 464,325 |
| | |
| Expenditures | \$ 369,204 |
| Ending Fund Balance | \$ 95,121 |
| | |
| Total 1997 Appropriation | \$ 464,325 |



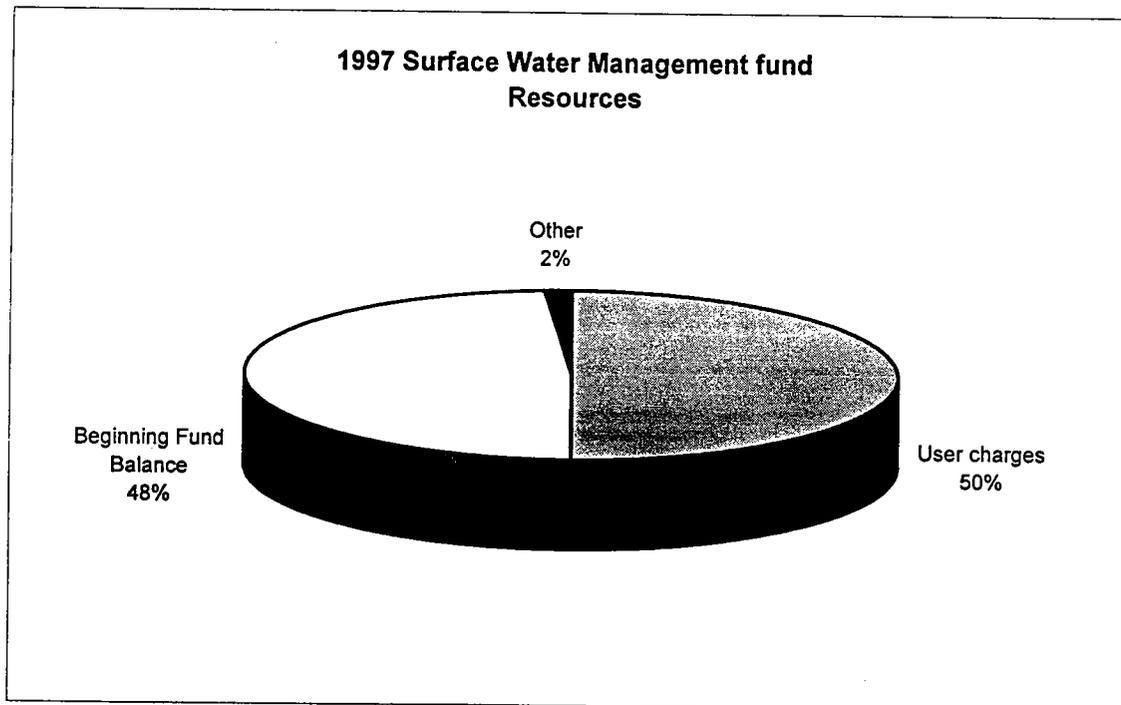
City of Shoreline 1997 Surface Water Fund

The Surface Water Management Fund is used to support the City drainage program. In 1997, these funds will be used to support the drainage program, as well as an assessment of the City's drainage needs. The results of this assessment will be used to prioritize operational and capital drainage projects.

| | |
|-------------------------------|---------------------|
| Beginning Fund Balance | \$ 1,795,229 |
| Revenues | 1,914,300 |
| Total Resources | <u>\$ 3,709,529</u> |

| | |
|----------------------------|---------------------|
| Expenditures | 1,003,118 |
| Ending Fund Balance | <u>\$ 2,706,411</u> |

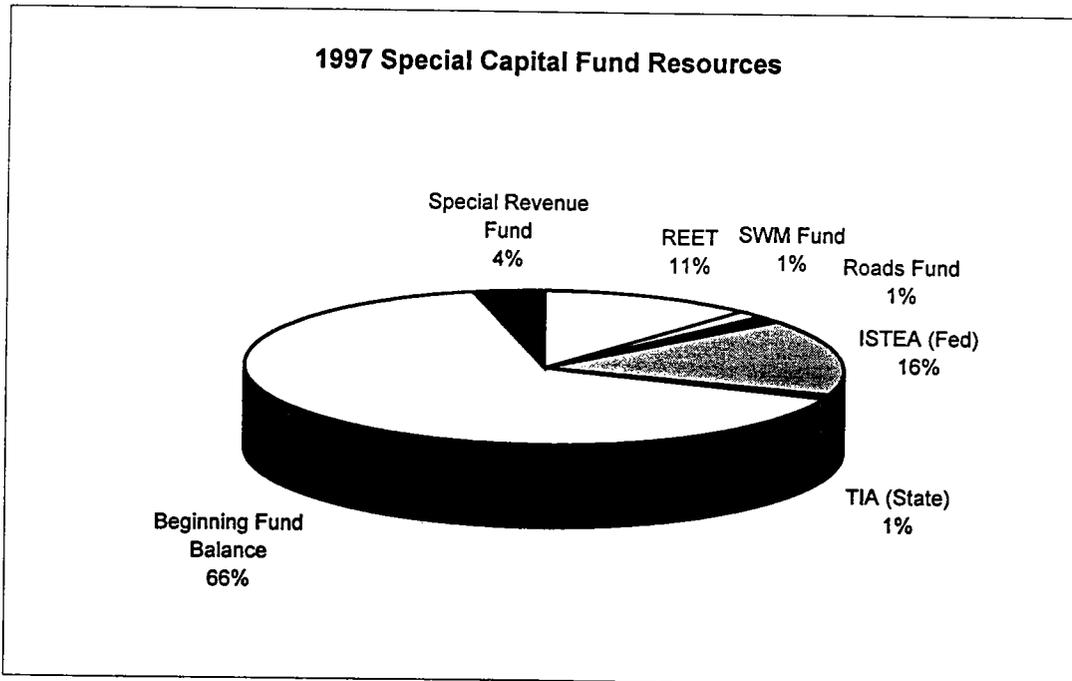
| | |
|---------------------------------|---------------------|
| Total 1997 Appropriation | <u>\$ 3,709,529</u> |
|---------------------------------|---------------------|



City of Shoreline 1997 Special Capital Improvement Fund

The Capital Improvement Fund receives resources which are designated specifically for capital purposes. The primary source of dedicated revenue is Real Estate Excise Tax (REET). Other revenue sources include: Street, Arterial Street and Surface Water Management Fund transfers; a Special Revenue Fund transfer; dedicated Federal ISTEAs; and dedicated State TIA funding. The beginning balance is comprised of 1996 REET funds and of King County Road Fund transfers associated with the transfer of several capital roads projects. For a complete discussion of the 1997 Capital Program, refer to the Capital Program Report.

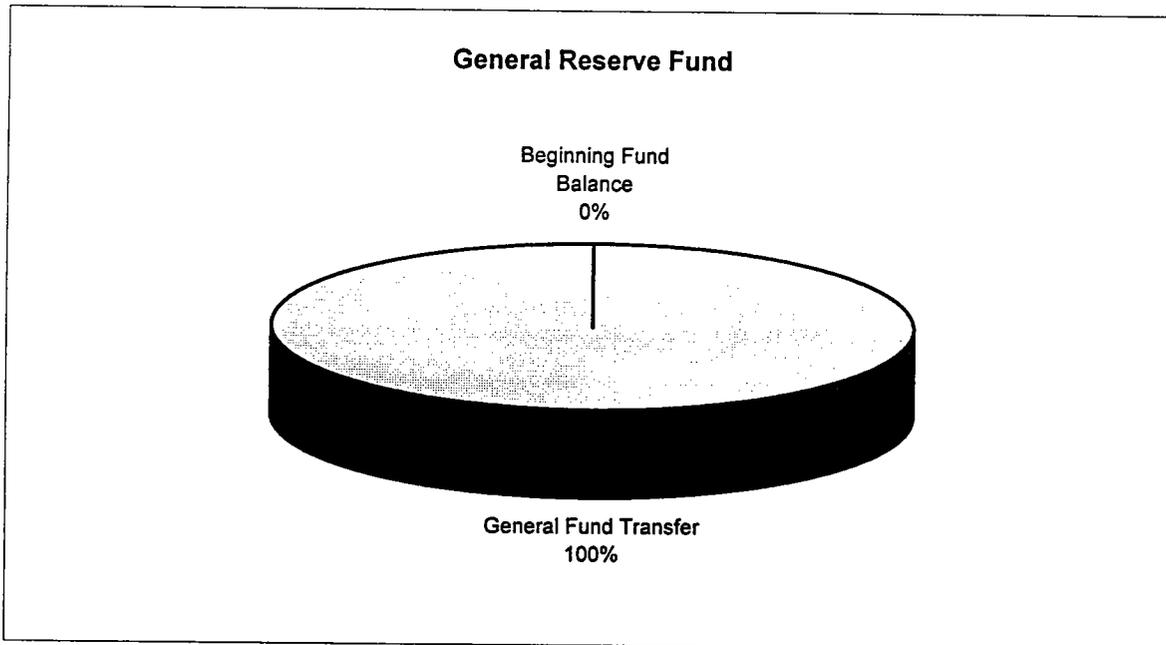
| | |
|---------------------------------|--------------|
| Beginning Fund Balance | \$ 5,129,839 |
| Revenues | 2,586,604 |
| Total Resources | \$ 7,716,443 |
| | |
| Expenditures | 410,000 |
| Ending Fund Balance | \$ 7,306,443 |
| | |
| Total 1997 Appropriation | \$ 7,716,443 |



City of Shoreline 1997 General Reserve Fund

The purpose of this Fund is to maintain reserves to provide for temporary financing of unforeseen needs of an emergency nature, adverse changes in the economic environment, and to facilitate the orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. The amount transferred to the Reserve Fund is an amount that, when added to the end of the year General Fund balance, will provide a total at least equal to ten percent of the discretionary General Fund revenue for the current year.

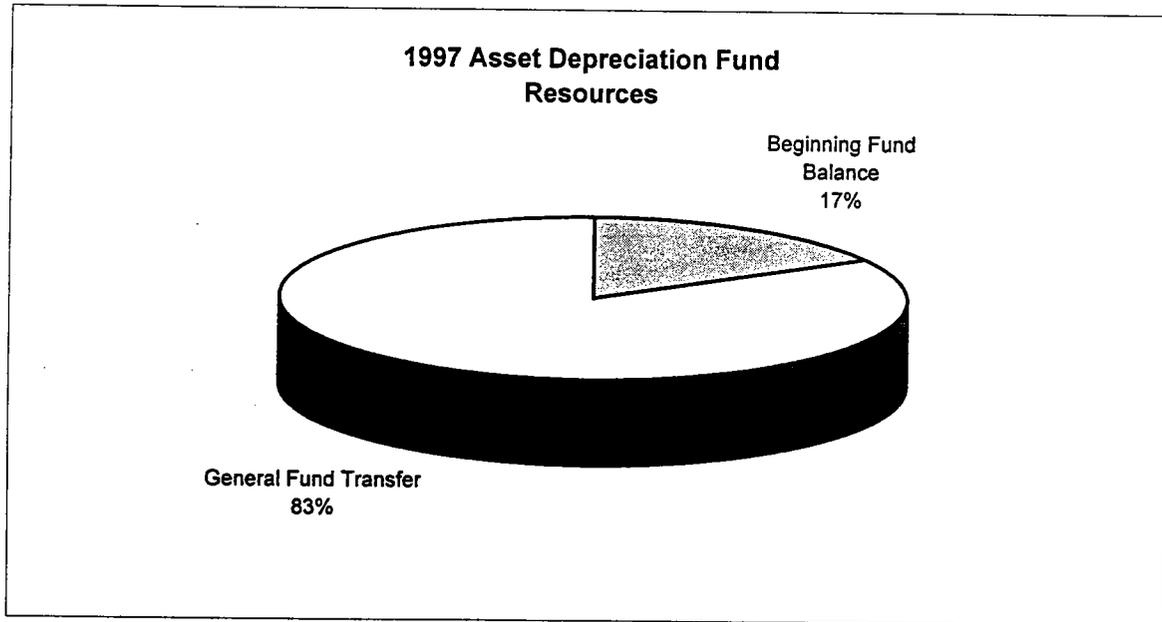
| | | |
|---------------------------------|----|------------------|
| Beginning Fund Balance | \$ | 0 |
| Revenues | | 1,275,739 |
| Total Resources | \$ | <u>1,275,739</u> |
| Expenditures | \$ | 0 |
| Ending Fund Balance | \$ | <u>1,275,739</u> |
| Total 1997 Appropriation | \$ | <u>1,275,739</u> |



City of Shoreline 1997 Asset Depreciation Fund

The Asset Depreciation Fund is used to account for the future replacement of all City personal property, with the exception of vehicles. This includes replacement of computers, information servers, other equipment and furniture. An annual allocation is made from the General Fund, in the Citywide budget, to support this purpose.

| | | |
|---------------------------------|----|----------------|
| Beginning Fund Balance | \$ | 30,000 |
| Revenues | | 150,000 |
| Total Resources | \$ | <u>180,000</u> |
| Expenditures | | <u>0</u> |
| Ending Fund Balance | \$ | <u>180,000</u> |
| Total 1997 Appropriation | \$ | <u>180,000</u> |

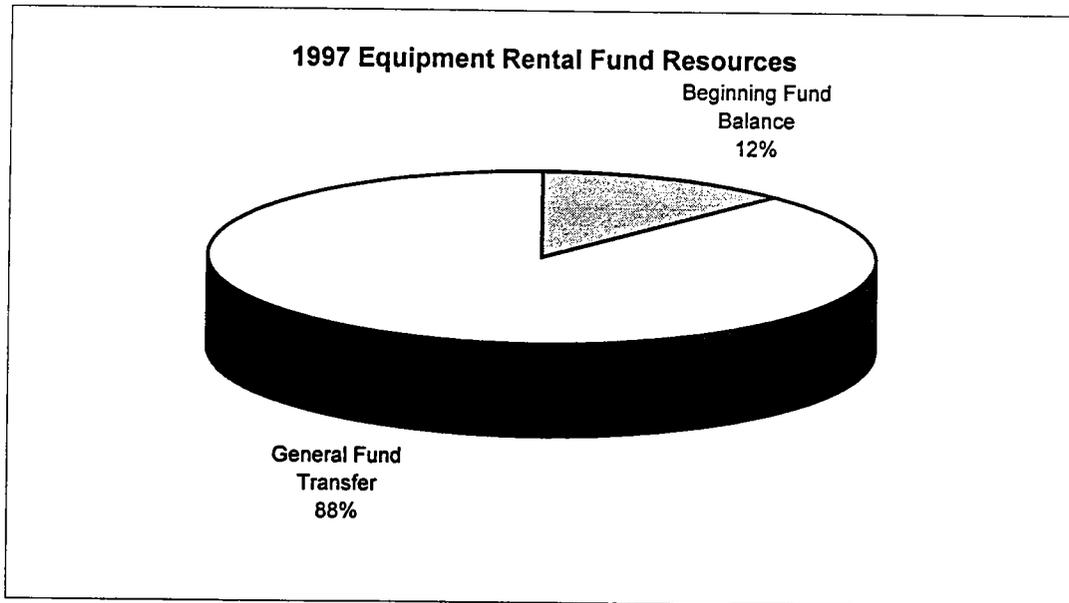


City of Shoreline

1997 Equipment Rental Fund

The Equipment Rental Fund is used to account for the costs of leasing, maintaining and replacing City vehicles and auxiliary equipment. An annual allocation from the General Fund is made to support this purpose.

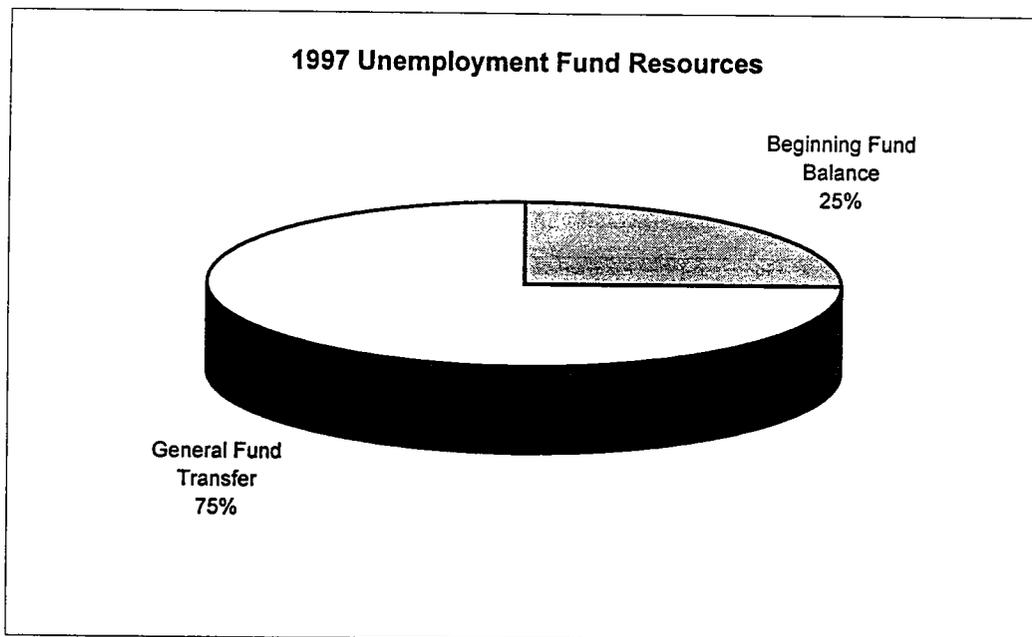
| | | |
|---------------------------------|----|-----------------------|
| Beginning Fund Balance | \$ | 13,400 |
| Revenues | | <u>95,066</u> |
| Total Resources | \$ | <u>108,466</u> |
| | | |
| Expenditures | \$ | <u>95,066</u> |
| Ending Fund Balance | \$ | <u><u>13,400</u></u> |
| | | |
| 1997 Total Appropriation | \$ | <u><u>108,466</u></u> |



City of Shoreline 1997 Unemployment Fund

An annual allocation is made to this Fund in lieu of making contributions to State unemployment insurance. These funds will be used to pay unemployment benefits to qualified City employees after they leave City employment.

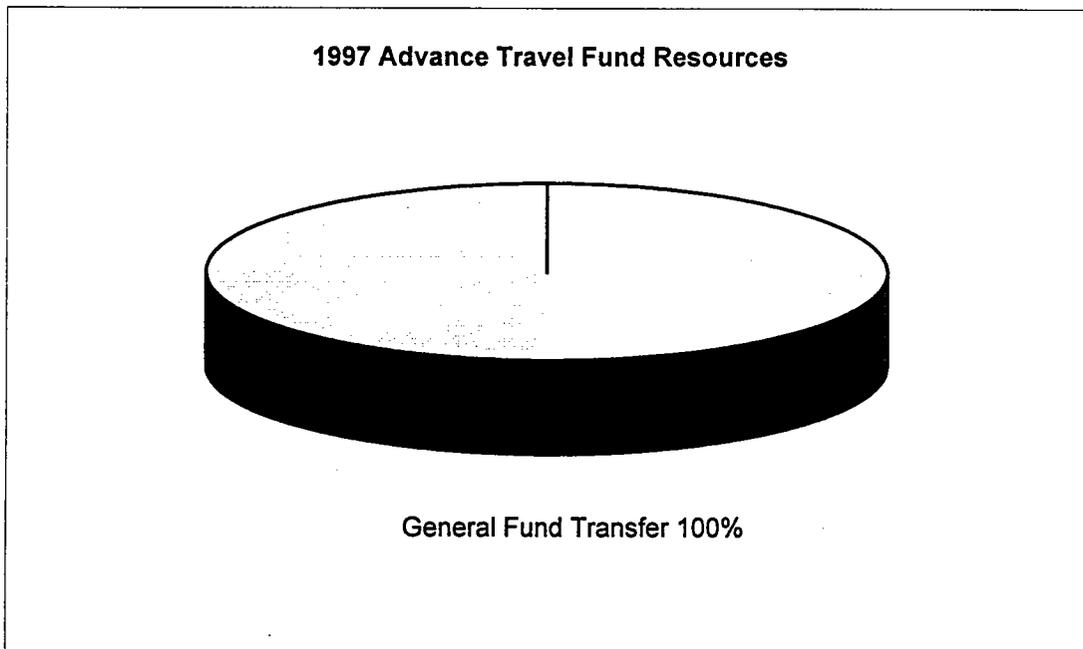
| | |
|---------------------------------|------------------|
| Beginning Fund Balance | \$ 5,000 |
| Revenues | 15,000 |
| Total Resources | \$ 20,000 |
| | |
| Expenditures | \$ 0 |
| Ending Fund Balance | \$ 20,000 |
| | |
| 1997 Total Appropriation | \$ 20,000 |



City of Shoreline 1997 Advance Travel Fund

The purpose of this Fund is to reduce the financial burden of paying for reimbursable costs out of personal resources, by providing staff who are traveling on City business with some resources in advance. Distributions are based on estimates of per diem costs.

| | | |
|---------------------------------|-----------|---------------------|
| Beginning Fund Balance | \$ | 0 |
| Revenues | | <u>5,000</u> |
| Total Revenues | \$ | <u>5,000</u> |
| | | |
| Expenditures | \$ | <u>5,000</u> |
| Ending Fund Balance | \$ | <u><u>0</u></u> |
| | | |
| 1997 Total Appropriation | \$ | <u><u>5,000</u></u> |



City of Shoreline 1997 Agency Fund

In some instances, the City is liable for making payments to other agencies based on fees collected. The purpose of this Fund is to track and set aside these type of fees. The Fund includes accounts for Hazardous Material Fees, which go to the Fire District; District Court Fees, a portion of which goes to the State; Deferred Compensation Payments, which are paid to our private providers; and other similar fees.

| | |
|---------------------------------|--------------------------|
| Beginning Fund Balance | \$ 0 |
| Revenues | 228,400 |
| Total Revenues | <u>\$ 228,400</u> |
| Expenditures | <u>\$ 228,400</u> |
| Ending Fund Balance | <u><u>\$ 0</u></u> |
| 1997 Total Appropriation | <u><u>\$ 228,400</u></u> |

