

2013-2014 BIENNIAL BUDGET OVERVIEW

November 13, 2012

2013-2014 Budget Calendar

- ✓ May: City Council Visioning and Goal setting
- ✓ June 18: Macro Budget Workshop
- ✓ June: Established Biennial Budget Direction
- ✓ July-Aug: Staff budget preparation
- ✓ Sept: City Mgr reviews Dept. Requests
- ✓ Oct: City Council budget workshops (4) providing further direction on the budget
- Nov: Property Tax public hearing and 2013 levy rate determination; Public Hearing on Budget and 1st opportunity to adopt the 2013-2014 Biennial Budget as Final
- Dec: Final Budget adoption must occur by 31st

General Fund 2013-2014 Revenue Budget

- **General Fund (GF) Revenue Assumptions:**
 - Property Tax levied at 1% increase per year
-Dependent on final Assessed Valuation(AV) from King County with Statutory \$3.10/1000 AV cap
 - Sales Tax increases at a 2.5% avg. growth rate
 - Development revenues related to Sound Transit permitting/review shift from 2012 to 2013-2014
 - Transfer \$920k/yr. of Construction Sales Tax to GF

General Fund 2013-2014 Expenditure Budget

- **General Fund (GF) Expense Assumptions:**
 - No new FTE's are budgeted.
 - Funding for Human Services programs continued at 1.5% of General Fund expenditures
 - Total Base Budget (Including Personnel) increases at an average annual rate = 3%
- **Major General Fund Expense Drivers:**
 1. King County Sheriff's Contract (\$8.4M in 2012) increases 2.4% (approx. \$200k) per year.
 2. SCORE increases approx. \$300k in 2013 due to avg. daily population going from 7 to 16 (workload experience factor).
 - These 2 items = approx 1.5% of the 3% budgeted

All Funds 2013-2014 Budget

• Personnel Budget (Salary & Benefits)

Includes:

- Contractual cost of living, increased employee medical cost sharing and wage related items in accordance with the AFSCME collective bargaining agreement authorized by Council in Sept. 2012
- City Manager recommended package for Non-Represented personnel as outlined in detail at Oct 12th Budget Workshop including increased employee medical cost sharing.

NOTE: Pay/Benefit factors by Work Group were reviewed in detail at the Oct 12th Council Budget Workshop

All Funds 2013-2014 Budget

• Other Budget Initiatives/Programs:

1. Organizational Development Program
2. Contains resources needed to implement the Sound Transit development agreement that was signed in 2012.
3. Implements Decision Cards that were authorized by Council at the Oct. 20th Budget Workshop
4. Contains the first 2 years of the 6 year 2013-2018 Capital Improvement Plan
 - As reviewed in detail at the Oct 19th Budget Workshop
 - Scheduled to adopt a Resolution on 11/28/12

2013-2014 BUDGET GENERAL FUND SUMMARY

	2013	2014	TOTAL
Beginning Balance	\$ 9,112,074	\$ 8,328,750	\$ 9,112,074
Revenues	30,913,171	32,241,062	63,154,233
Expenditures	<u>(31,696,495)</u>	<u>(32,240,445)</u>	<u>(63,936,940)</u>
Ending Balance	\$ 8,328,750	\$ 8,329,367	\$ 8,329,367

3 months Operating Reserve restriction = \$8,060,111, leaving an unrestricted ending balance of \$269,256; EXCLUDES any additional fiscal impacts of a future IAFF agreement until authorized by Council.

2013-2014 BUDGET ALL FUNDS SUMMARY

	2013	2014	TOTAL
Beginning Balance	\$ 50,966,974	\$ 40,864,892	\$ 50,966,974
Revenues	49,784,099	57,330,750	107,114,849
Expenditures	<u>(59,886,181)</u>	<u>(62,857,058)</u>	<u>(122,743,239)</u>
Ending Balance	\$ 40,864,892	\$ 35,338,584	\$ 35,338,584

Ending Balances – All FUNDS (\$'s Rounded to Millions)

FUND	TOTAL BUDGET
General	\$8.3
Street	\$7.5
Contingency Reserve	\$0.8
Port ILA	\$1.1
Transit Planning	\$0.0
Hotel/Motel	\$6.5
Building Management	\$2.0
Des Moines Creek ILA	\$1.1
Capital Improvements	\$0.4
Fire Equip. Reserve	\$0.5
Municipal Facilities CIP	\$0.6
Transportation CIP	\$2.3
Light Rail Stn Areas CIP	\$0.1
SWM Utility	\$1.8
SWM Construction	\$1.4
Equipment Rental	\$0.7
TOTAL	\$35.3

Net of
\$269,256k
after
Operating
Reserve
Restriction*

Dedicated and/or
Restricted Funding

*3 months Operating Reserve is estimated to grow to \$8.06 Million
(This is a \$486k increase from 2012 to the 2014 budget period)

2013-2014 BUDGET Council Action

- Tonight is the first opportunity to adopt the 2013-2014 Budget.