AGENDA

DES MOINES CITY COUNCIL
BUDGET RETREAT
City Council Chambers
21630 11th Avenue S, Des Moines, Washington

August 12, 2017 – 9:00 a.m. – 2:00 p.m.

CALL TO ORDER

OPENING COMMENTS

SUSTAINABILITY

PRESENTATIONS

- **SUCCESSION PLANNING**

PROPOSED PRELIMINARY BUDGET

ADJOURNMENT

CITY COUNCIL BUDGET RETREAT

August 12, 2017

City Manager Opening Comments

Staff Presentation *(Format-this is both a report format including narrative and power point)*

- Principle-the overarching principle of our budget discussions will be to establish (which we have done) and maintain a sustainable budget that balances structural expenditures with structural revenue.
- Today, we will review:
  - where we have been
  - where we are
  - where we are heading
- We will discuss the preliminary 2018 budget in terms of:
  - sustainability
  - succession planning, and
  - the organizational impacts of these strategic requirements

<u>Council Questions, Feedback, Discussion, and Direction</u>

Reflections on the Past

Where we have been…..

- In 2014 the State Auditor issued a finding based on:
  - The precarious situation the City was in
    - based on the gap between structural expenditures (greater) and structural revenue (lesser)
    - the use of one-time money to cover the gap
  - Danger of relying on one time money
    - one time, uncertain and unpredictable
- No long term plan to address this dangerous position.

Reflections on the Past (2)

Where we have been…..

- Two years ago today: August 2015 Budget Retreat (2016 Budget).
- When we started the budget process, the outlook for the City was to be bankrupt in 2017.
- Essentially the dangerous strategy of utilizing one time money to balance structural commitments in the budget had come home to roost.
- As the Council reviewed the 2016 budget:
  - Radical new revenue increases
  - Extreme and painful expenditure reductions
  - First 5-year Budget Forecast

In early 2016:

- Furloughs were instituted to address the cash flow situation identified in 2015.
- The City underwent a transition in leadership:
  - New City Council leadership – Mayor Pina and Deputy Mayor Pennington
  - I was given responsibility to prepare the budget for 2017
- Perhaps most importantly – we started to focus on the **revenue side of the equation**
  - All possible revenue generation options were being explored
  - Enough cannot be said about the leadership of Mayor Pina and the entire City Council in addressing the City's revenue structure
  - Red Light Running – Automated Enforcement
- We established, based on City Council concurrence, that the overarching structure for our budget was to become and remain sustainable.

This time last year….

- Employee morale was significantly impacted.
- Police Department was seriously understaffed.
- A few other notable dynamics we faced last year:
  - The Marina was overrun by Pokemon gamers
  - The City was in the recruitment process for new City Manager
- But the tides had begun to turn based on decisive actions by City Leadership.

This time last year (2)….

- On the more positive side:
  - Economic Development Initiatives were taking root
  - Panattoni was awarded the Federal Aviation Administration new regional headquarters to be built at Des Moines Creek Business Park
  - City had successfully negotiated new Franchise Agreements
  - The negative cash flow situation had been resolved
  - Furloughs were canceled at last year's budget retreat

Transition to Sustainability - 2016

- The City successfully applied for the Metro Community Connections Pilot program to provide service from the Angle Lake Light Rail station through the Business Park (and FAA facility) to the downtown and Marina.
- The City received an Economic Development grant from the Port of Seattle to review Marina development options.
- With new leadership at the City, the City Manager held a senior staff retreat to begin the process of reorganizing our governmental structure to implement City Council policy and City services centered on functionality.

  Some of those changes:

  - City Attorney & COO
  - PW and CD reorganizations: Community Development Director & Public Works Director

Transition to Sustainability - 2017 Budget

- We hired a legislative advocate to support our legislative agenda in Olympia.
- We hired a communications consultant to provide recommendations on the City's communications effectiveness and strategy going forward.
- We authorized new Police Officer Positions.
- We created a Sustainable Paving Program.
- City Council adopted a 2017 structurally sustainable budget.
  - No one-time Revenue!

Transition to Sustainability in 2017

Where we are….

- Today you will hear about our proposed budget and the twin dynamics of sustainability and succession planning.
- Before we start that portion of this presentation let us recount where we are today in 2017:
  - Staff reorganization and this relates to our succession planning we will discuss shortly.
  - All labor contracts have been negotiated and are completed with the exception of formalizing the general employees compensation.
    - The value of completing these agreements is that it establishes the financial responsibility of the City – thereby allowing the City to make accurate budget projections based on future commitments.
  - Police department has added 4 new faces on Patrol.
    - Has successfully underwent a change in leadership at the Commander level.
    - Commander Bohl has moved up to the new Assistant Chief position.
    - A new detective position has been authorized to enhance participation on regional law enforcement activities and on the Violent Crimes Task Force.

Transition to Sustainability in 2017 (2)

Where we are…..

- An interdepartmental strategy culminated in development of the Pacific Ridge Strategic Plan involving Code Enforcement, Public Works, Legal and Police.
  - New crime analytics software is aiding PD in crime analysis
- Significant economic development activity is occurring at the Des Moines Creek Business Park and adjacent properties.
- City staff are actively engaged in emergency management planning.
- City is capitalizing on opportunities to receive potential investment from the Port of Seattle based on stronger relationships.
- At the same time, we are actively challenging the Airport to mitigate impacts from aircraft operations.

Sustainable Budget

Where we are going…..

- In 2018 we will continue to emphasize the revenue side of the equation.
- We will continue to work hard to hold the line on expenditures with typical increases in certain areas, including increasing or restoring the percentage of FTE's in some areas.
- Several important revenue sources have been put into place:
  - Paid Parking at the Marina (bulkhead replacement, law enforcement, and emergency management)
  - Franchise agreements with local utility districts
  - Red light photo enforcement (proceeds used to fund public safety)
- Additionally, there is an ongoing increase in some of the structural revenue sources as a result of the Business Park going into increased operation and other developments.
- We established a Development Fund 105 to protect and smooth out impacts from macro-economic phenomenon reflective of both growth and potential contraction in the economy.

Succession Planning

- Every organization must plan for the future and be able to respond instantly if someone wins the lotto or is planning on separation.
- We are planning by reorganizing and creating opportunities within our work force.
  - This aids the succession planning process
  - It also helps create incentives for talented employees to stay at the City
- This succession planning process also informs our budget planning.

Review of Department Succession Plans (2)

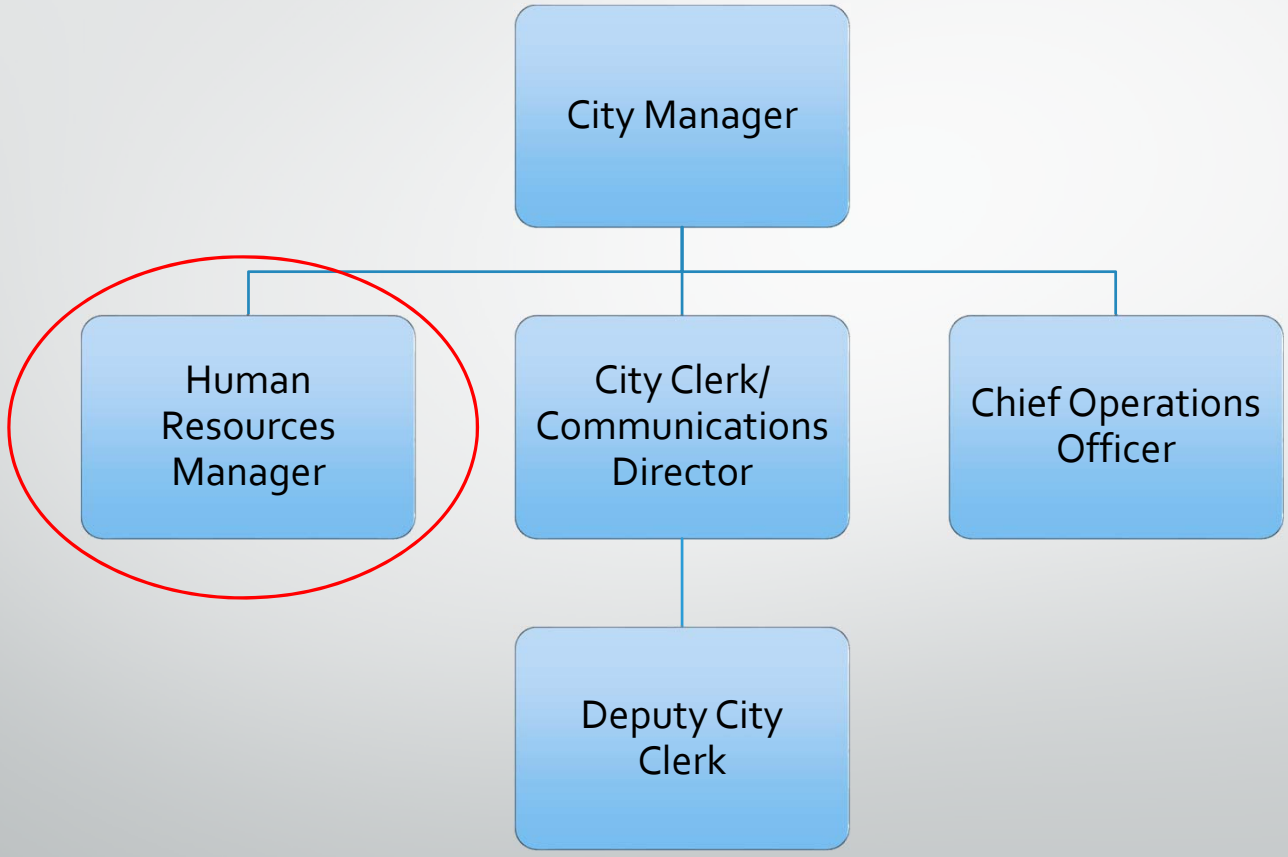
- City Manager's Office
- Police Department
- City Attorney's Office
- Municipal Court
- Finance & Technology Services
- Public Works
- Community Development
- Parks, Recreation, and Senior Services (ppt)
- Marina

We will continue to work on these and present more at the City Council Planning Retreat in November.

Review of Department Succession Plans

- City Manager's Office:
  - By sharing leadership and providing an inclusive process, either Tim or Dan are prepared to step up into this role until City Council is able to decide the appropriate hiring process.
  - We recently hired a Deputy City Clerk so that this important function would remain intact.
  - Creating the COO enabled operational continuity from a comprehensive perspective and establishes an institutional antidote to "silos".
  - Communications Director.
  - Human Resources Manager.

City Manager's Office

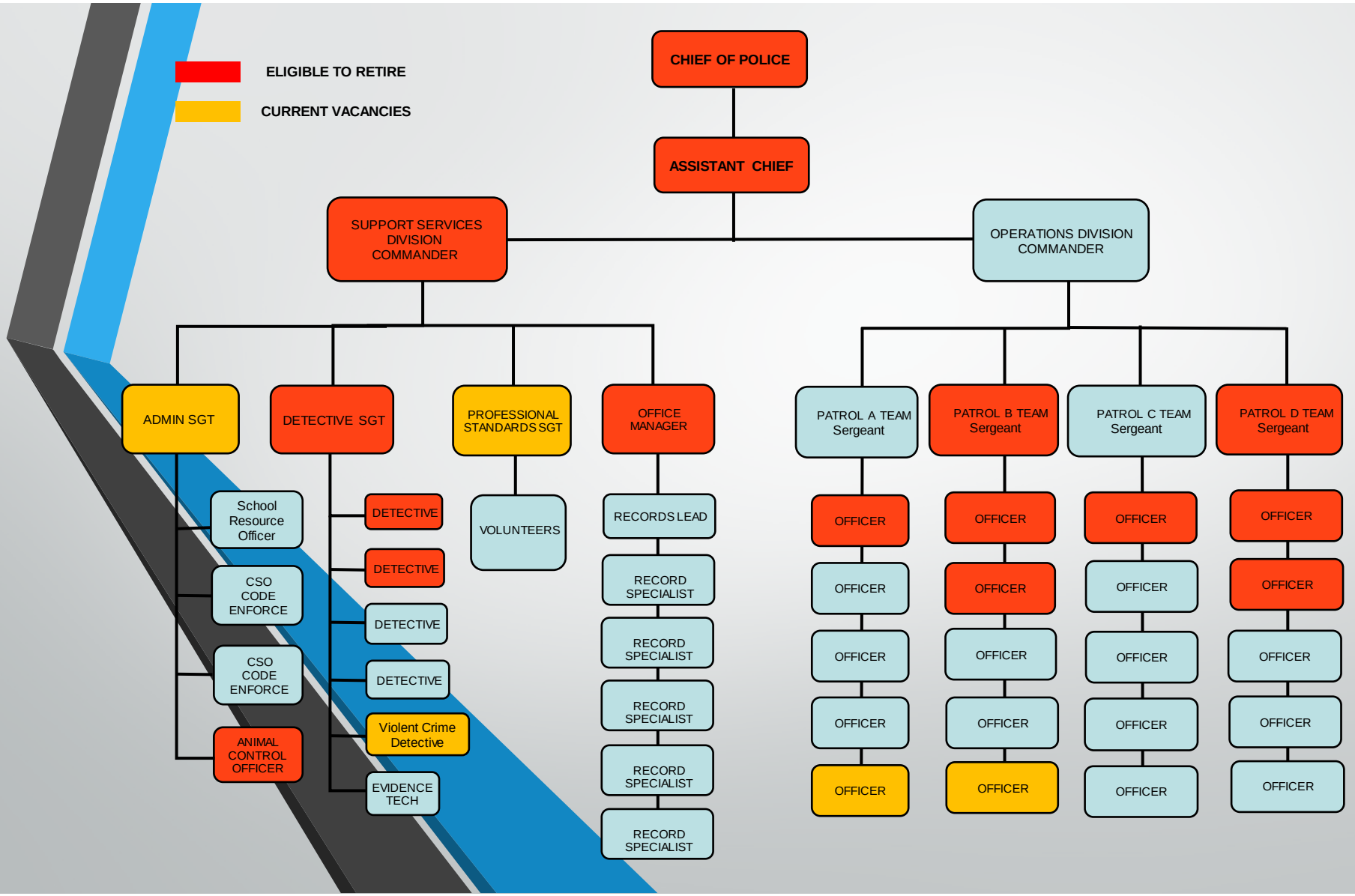


Des Moines Police Department

Succession Plan

Attrition Issue - Next 3-5 Years

- 16 or 35% of Department Staff eligible to retire.
- This includes 14 or 40% of our Commission Staff eligible to retire.


ELIGIBLE TO RETIRE
CURRENT VACANCIES
CHIEF OF POLICE
ASSISTANT CHIEF
SUPPORT SERVICES DIVISION COMMANDER
OPERATIONS DIVISION COMMANDER
ADMIN SGT
DETECTIVE SGT
PROFESSIONAL STANDARDS SGT
OFFICE MANAGER
School Resource Officer
CSO CODE ENFORCE
CSO CODE ENFORCE
ANIMAL CONTROL OFFICER
DETECTIVE
DETECTIVE
DETECTIVE
DETECTIVE
Violent Crime Detective
EVIDENCE TECH
VOLUNTEERS
RECORDS LEAD
RECORD SPECIALIST
RECORD SPECIALIST
RECORD SPECIALIST
RECORD SPECIALIST
RECORD SPECIALIST
PATROL A TEAM Sergeant
PATROL B TEAM Sergeant
PATROL C TEAM Sergeant
PATROL D TEAM Sergeant
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SUCCESSION PLAN

Priority need to hire additional officers:

- Instituted a police hiring incentive program.
- Working with Civil Service Commission to streamline our hiring process without lowering our standards.
- Early talks about increasing allocated FTE's due to projected attrition issue.
- Providing additional opportunities for professional growth to maintain current staff.

SUCCESSION PLAN

Chief / Assistant Chief Succession

- Continue to coach and mentor Commanders on internal functions of organization.
- Allow Commanders to serve in the Acting Chief role during absence of Chief and Assistant Chief.
- Encourage to seek professional development courses to advance to executive level of the organization.

SUCCESSION PLAN

<u>Commander Succession</u>

- Fill vacant Admin / Professional Standards Sergeant Positions.
- Sergeants serve in Acting Commander role.
- Encourage to seek advanced professional development courses to advance to command level of the organization.

SUCCESSION PLAN

Sergeant Succession

- Currently have Sergeant Promotional Eligibility List.
- Patrol Sergeants mentor our officers and allow to serve in Acting Sergeant role.
- Encourage to seek advanced professional development courses to move into this first level supervision role.

SUCCESSION PLAN

Office Manager Succession

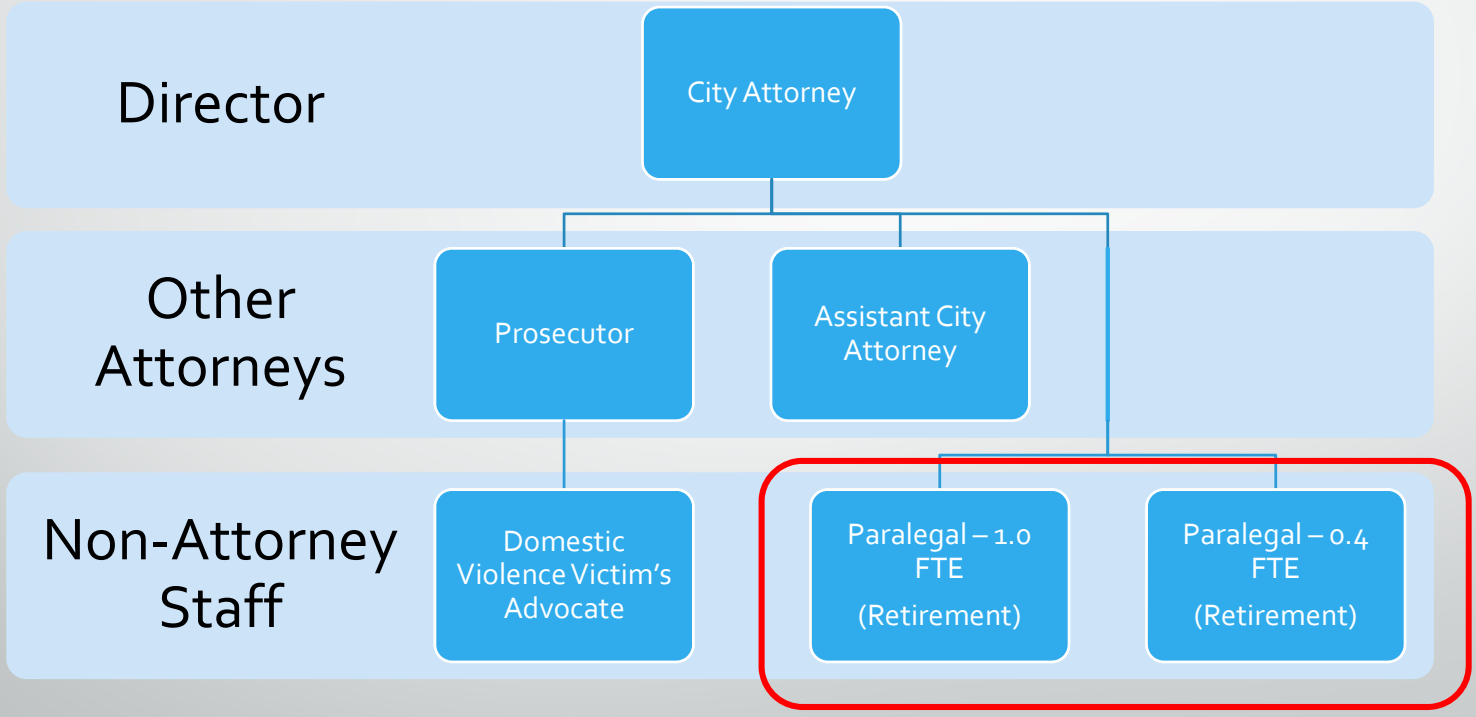
- Eliminated Police Admin Assistant and created Records Specialist Lead position.
- Office Manager will mentor Records Lead to handle day to day operations of Records Unit.
- Records Lead will begin to take over System Administrator on many of our records computer systems.
- Encourage new Records Lead to seek advanced professional development courses to move into the Office Manager role.

SUCCESSION PLAN

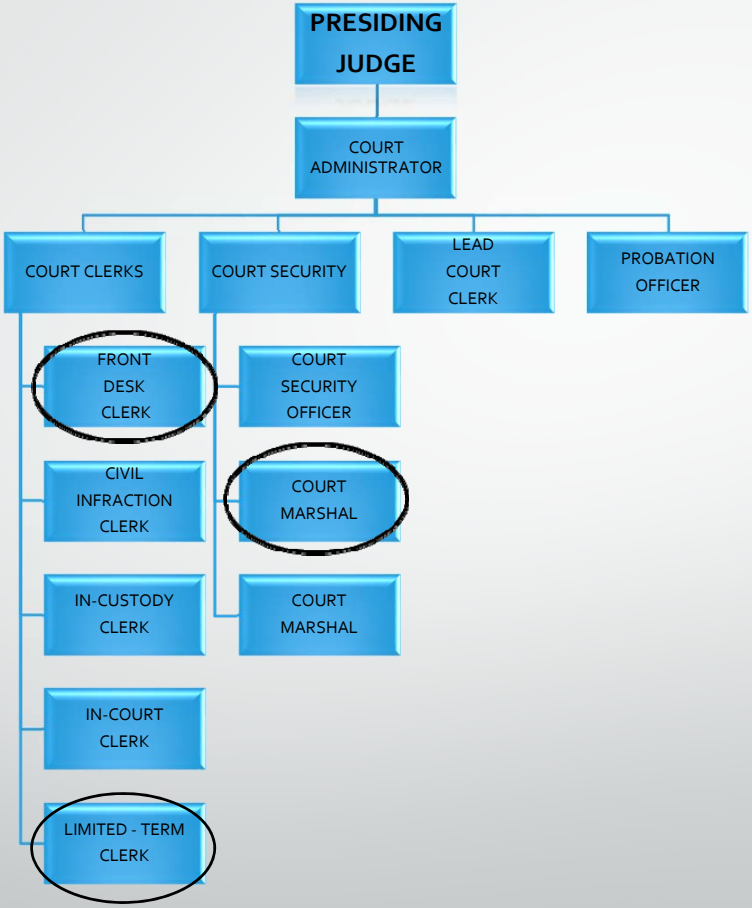
<u>Animal Control Succession</u>

- No plan to backfill Animal Control position with current staff.
- Current CSO been through Animal Control Academy and serves a back-up animal control officer.
- When required Patrol Officers may respond to animal control calls for service.

Legal Department – Projected Turnover



CITY OF DES MOINES JUDICIAL



=Anticipated Turnover 3-5 yrs.

MUNICIPAL COURT EMPLOYEE TURNOVER TIMELINE

1-3 Years

- December 2019- Court Marshal Retiring

3-5 Years

- December 2020- Court Clerk Retiring

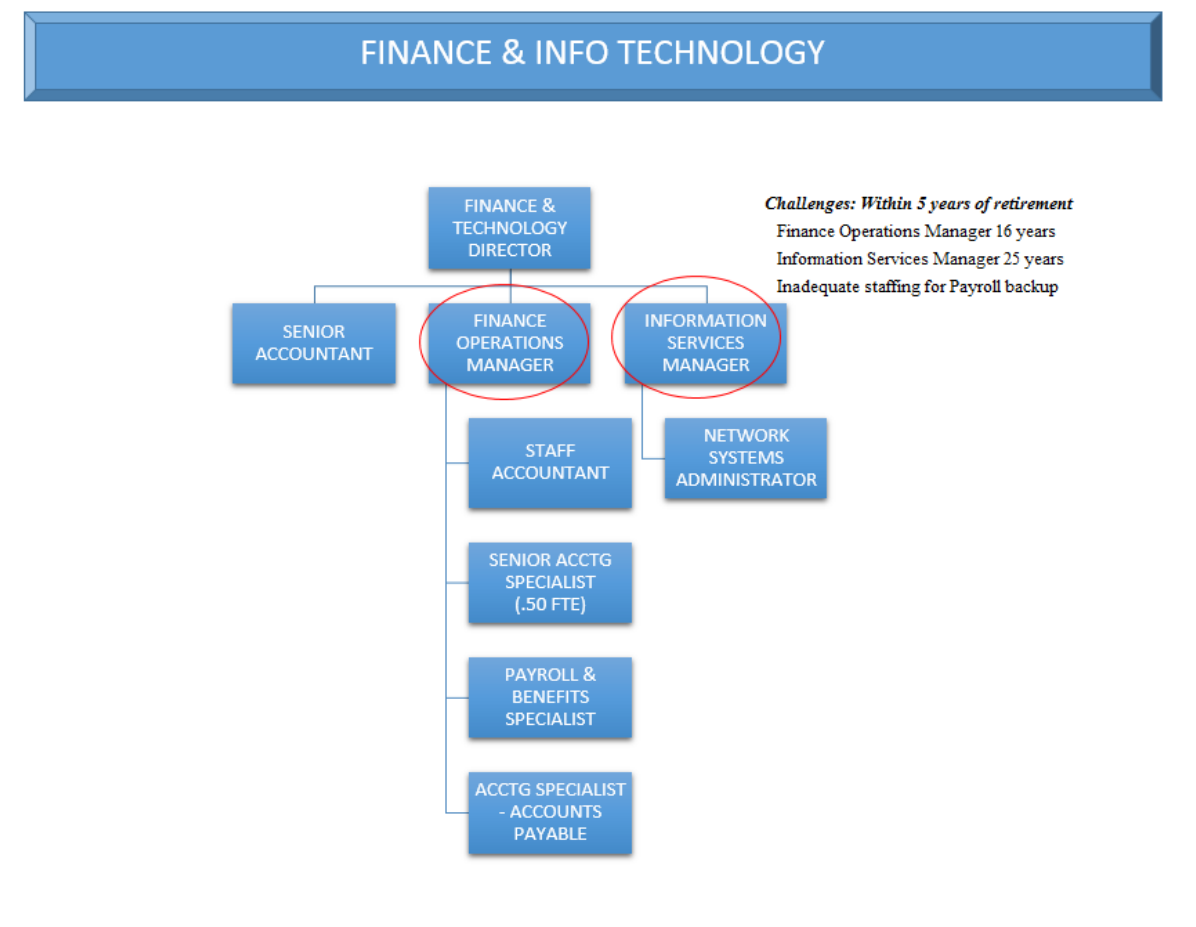
5-7 Years

- June 2023- Court Security Officer Retiring

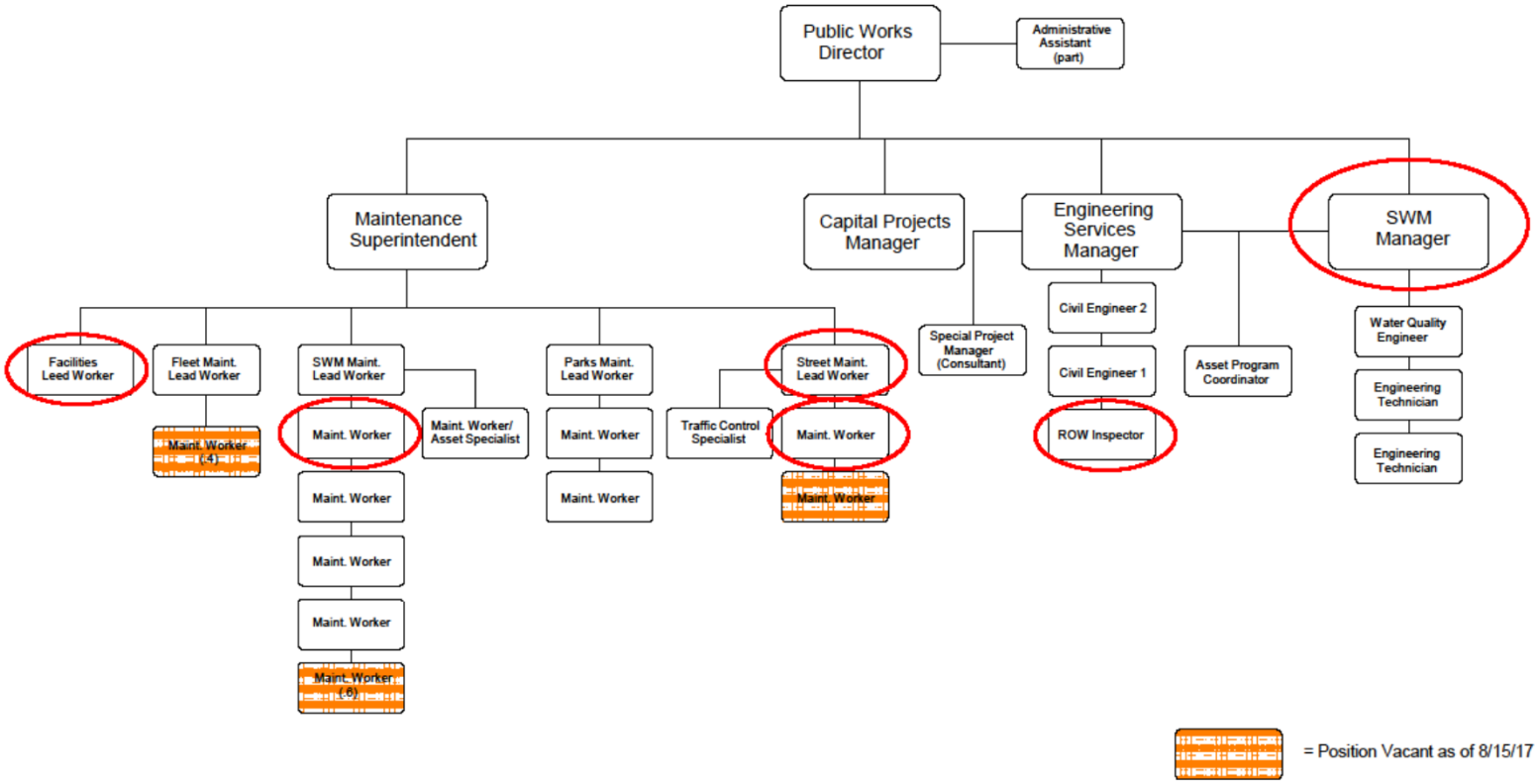
7-10 Years

- 2027-2029-Lead Court Clerk Retiring
- December 2027- Court Administrator Retiring

Finance & Technology Services



PUBLIC WORKS DEPARTMENT

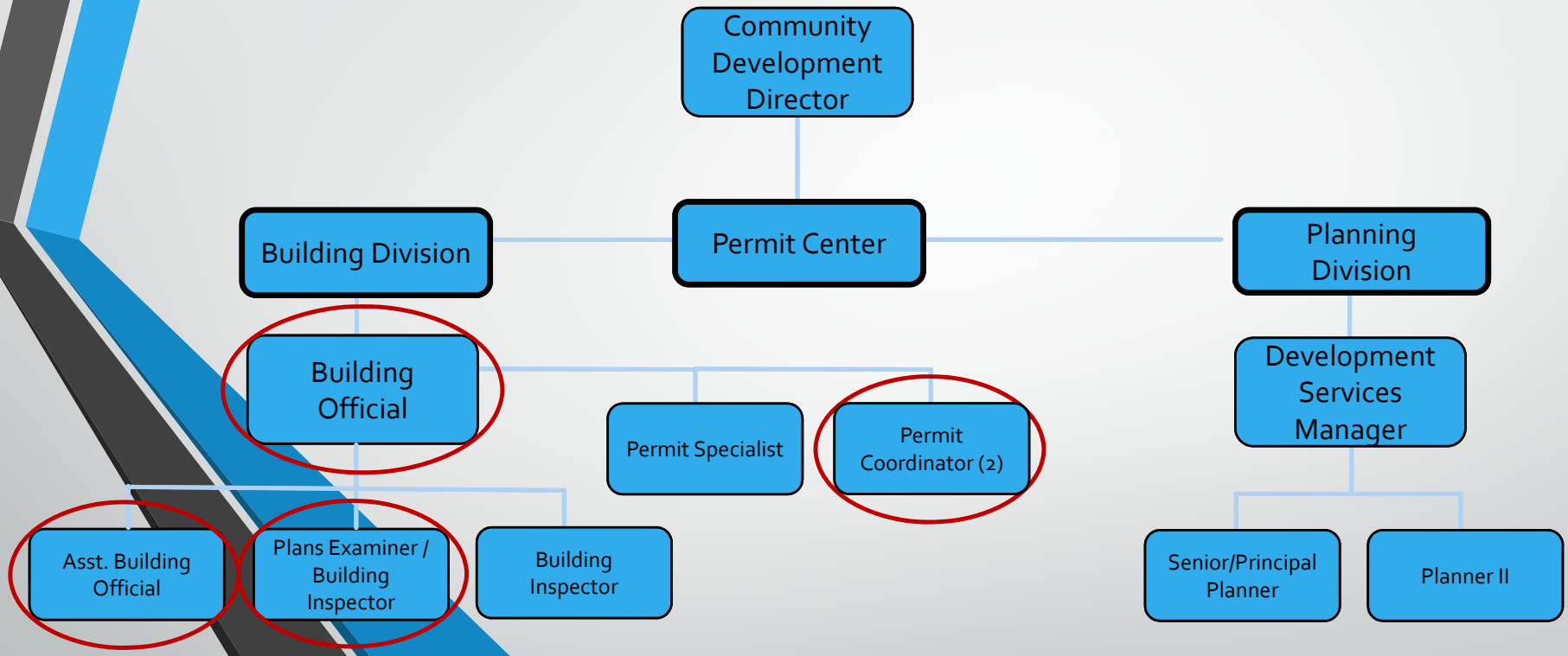


Public Works Department

- **<u>Succession Planning Steps to Date:</u>**
  - **Public Works Director appointment (Dec 2016) – Dan B. to COO.**
  - **Transportation Manager appointment (Dec 2016).**
  - **SWM Maintenance Lead (June 2017) – Dave M. retirement:**
    - Other promotions: Asset Program Coordinator, Traffic Control Specialist, SWM Maintenance Specialist

- **<u>Challenges and Struggles:</u>**
  - **Significant Capital Program:**
    - North Bulkhead, 216th Segment 3, Barnes Creek Trail, S. 223rd Overlay, 24th Ave S Sidewalk…
    - Project Coordination – Sound Transit, SR 509 Extension
  - **Unprecedented Development Activity:**
    - Commercial - DMCBP IV, Wesley Homes, Des Moines Elementary, Waterview Crossing…
    - Residential – Pinnacles, Highline View Estates, Pacific Heights….

Community Development Department



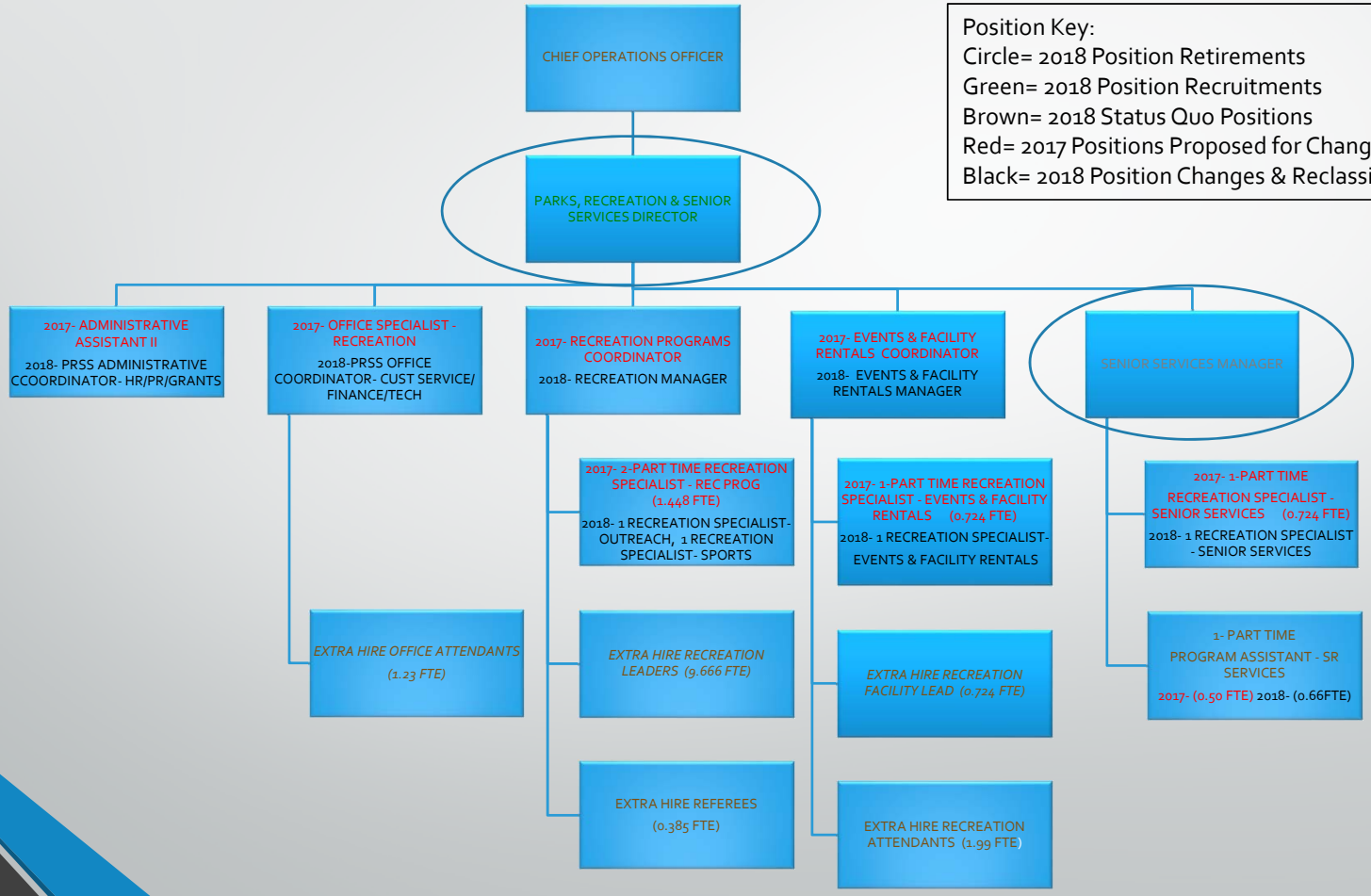
Community Development Succession Planning

Challenges:

- High permit volumes, complex projects.
- Permit Center - September retirement:
  - Permit Coordinator
- Building Division – three to five year retirements:
  - Building Official
  - Assistant Building Official
  - Plans Examiner/Building Inspector
- Planning Division:
  - Leadership development

2018 Parks, Recreation and Senior Services Succession/Sustainability Plan

Position Key:
Circle= 2018 Position Retirements
Green= 2018 Position Recruitments
Brown= 2018 Status Quo Positions
Red= 2017 Positions Proposed for Changes
Black= 2018 Position Changes & Reclassifications



Parks, Recreation and Senior Services Department

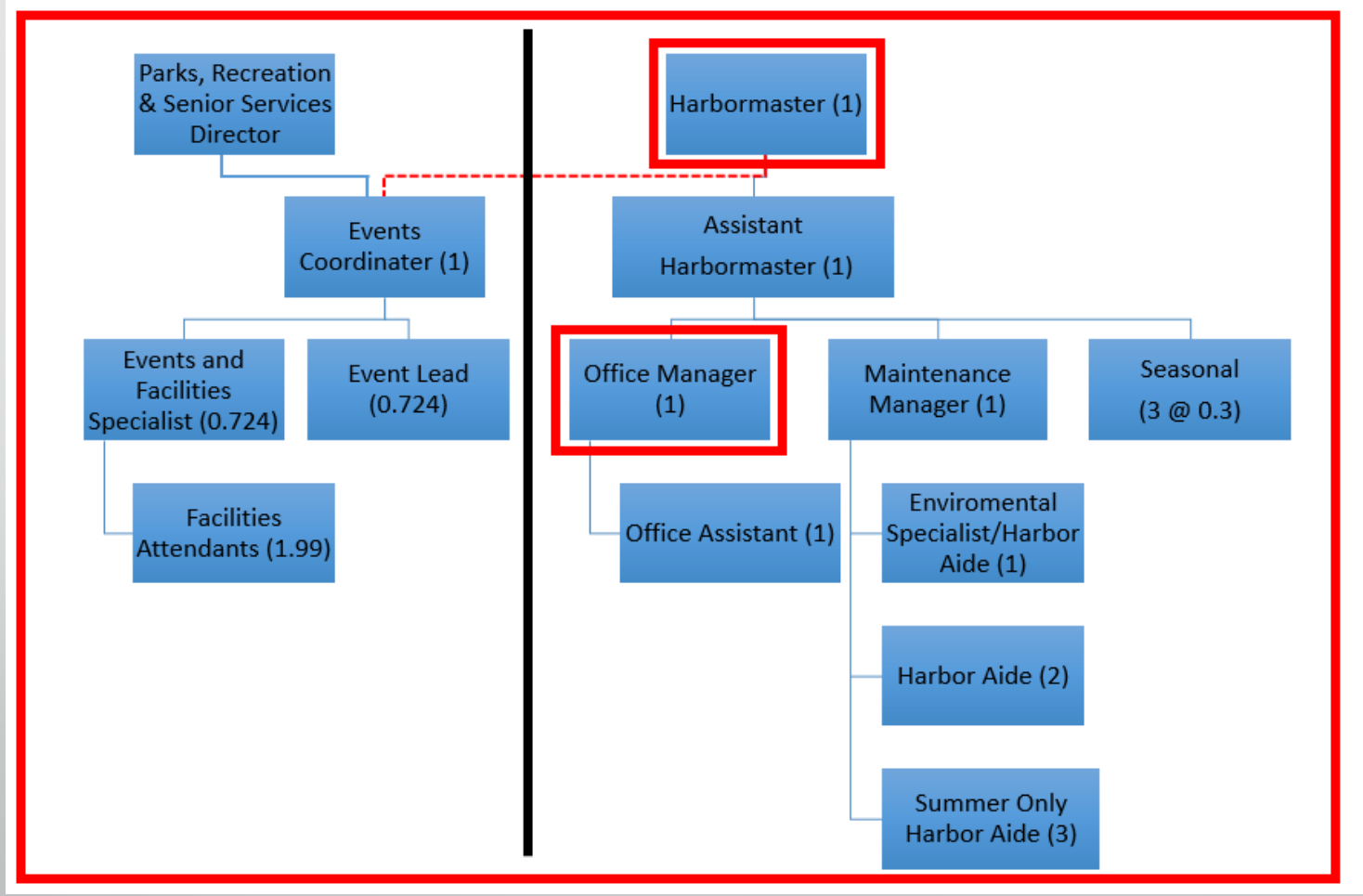
<u>Succession Planning Steps to Date:</u>

- Parks Recreation and Senior Services Director (2018) Retirement after 24 years of service:
  - Recruitment in 2018
  - No mid level managers for department succession and sustainability
- Senior Services Manager (June 2018) – Retirement after 22 years of services:
  - Recruitment in 2018
  - Senior Services Specialist hours increased from 0.724 RPT to 1FTE in 2017

<u>Challenges and Struggles:</u>

- Significant past budget cuts have resulted in inadequate staffing levels in all Department areas:
  - No mid-level managers in Recreation or Facilities and Events program areas
  - One Deep Staffing- Full-time Recreation and Facility & Events Coordinators do not have back up for program emergencies and changes, vacation, illness & staff transitions
  - Reliance on Part-Timers- Recreation and Facility & Events positions without benefits.072 RPTs -29 hrs./week maximum
  - Unreliable Workforce- 100 Extra Hire transitional positions paid minimum wage, regulatory limitations
- Significant Park Capital Program (2017-2020):
  - Eight Citywide Park Play Area Projects- Design & Development. Multiple grant sources to manage
  - Park Property Acquisition & Development. Multiple grant sources to manage
  - No professional parks planning and grants development staff for department succession and sustainability

MARINA


Parks, Recreation & Senior Services Director
Events Coordinater (1)
Events and Facilities Specialist (0.724)
Event Lead (0.724)
Facilities Attendants (1.99)
Harbormaster (1)
Assistant Harbormaster (1)
Office Manager (1)
Maintenance Manager (1)
Seasonal (3 @ 0.3)
Office Assistant (1)
Enviromental Specialist/Harbor Aide (1)
Harbor Aide (2)
Summer Only Harbor Aide (3)

Marina

- ANTICIPATED RETIREMENTS IN 2018:
  - HARBORMASTER
  - OFFICE MANAGER
- CONTINUNITY PLANNING CHALLENGES:
  - PROJECTS
    - NORTH BULKHEAD, FISHING PIER & PUBLIC SPACE
    - DREDGING
- MASTER PLANNING & DECISIONS THAT WILL IMPACT THE FUTURE OF THE MARINA:
  - DOCK REPLACEMENT & SLIP MIX
  - REDEVELOPMENT ON THE MARINA FLOOR
- OPPORTUNITIES.
- CURRENTLY THE FACILITIES & EVENTS DIVISION IS CO-LOCATED WITH MARINA STAFF.
- CLOSE COOPERATION BETWEEN STAFFS IS NEEDED FOR THE SUCCESS OF THE FACILTY RENTALS AND EVENTS IN THE MARINA AND BEACH PARK.
- THERE MAY BE SOME EFFICIENCIES IF THESE UNITS WERE COMBINED IN ONE REPORTING STRUCTURE.

Review of Department Succession Plans (3)

What is important here is to see that some of the budget planning we are doing is to implement succession planning and maintenance of institutional knowledge.

This exercise enhances department discipline to plan for the long term.

Risk

- We can control and manage expenditures.
- We do not have the same control over revenue:
  - State of Washington distribution of local resources
  - Interest rate increases
  - The impacts of the national & international economy (+/-)
  - New or modified legislation

2017 Budget Revisions

The next set of slides summarizes 2017 budget revisions that:

- Address succession planning that is structurally sustainable
- Responsive and adaptive to changing conditions (currently positive)
- Increases expenditures and resources in percentage of existing FTE's

Summary of 2017 Budget Revisions

Changes already included in the 2017 Budget as Amended May 2017:

(1.00) Economic Develop Dir/Asst. City Mgr.
1.00 Chief Executive Officer

(1.00) Executive Secretary/HR Technician
1.00 Deputy City Clerk

(1.00) Associate Transportation Engineer
1.00 Public Works Director

(1.00) Permit Coordinator
1.00 Community Development Director

(1.00) Community Development Office Asst.
1.00 Permit Specialist

0.40 Domestic Violence Advocate
1.00 24 mo. Limited Term – Asst. Police Chief (Mid 2017-End 2019)
1.00 30 mo. Limited Term - Court Clerk (Mid 2017-End 2019)
0.40 6 mo. Limited Term - Court Clerk (Mid 2017 Only)
PRSS Summer Extra Hires (FTE, Grades, & Rates in response to Minimum Wage Law)
2.8 Total change in FTE

Summary of 2017 Budget Revisions (2)

2017 Sustainable changes to be included in the November Budget Adjustment:

Public Safety

	Detective - Task Force One Time (Vehicle Purchase 2018)
1.00	Detective - Task Force On Going (Personnel/training/Vehicle)
	Police Records Clerk Upgrades (5 FTE's)
(1.00)	Administrative Asst.-PD
1.00	Lead Police Records Specialist
(0.70)	Probation Officer
1.00	Probation Officer
(0.70)	Court Security Officer
1.00	Court Security Officer
(0.15)	Court Marshal
0.23	Court Marshal
(0.40)	Domestic Violence Advocate
0.43	Domestic Violence Advocate
1.71	Total change in FTE

Summary of 2017 Budget Revisions (3)

2017 Sustainable changes to be included in the November Budget Adjustment:

Parks, Recreation, and Senior Services

(0.72) Senior Service (Recreation Specialist)

1.00 Senior Service (Recreation Specialist)

(1.00) Recreation Coordinator

1.00 Recreation Manager

(1.00) Recreation Office Specialist

1.00 Office Manager I

(0.72) Recreation Specialist-Sports

1.00 Recreation Specialist-Sports

(0.72) Recreation Specialist-BASP/Breaks/Camps

1.00 Recreation Specialist-BASP/Breaks/Camps

.84 Total change in FTE

Summary of 2017 Budget Revisions (4)

2017 Sustainable changes to be included in the November Budget Adjustment:

Miscellaneous Departments

(1.00) SWM Engineering Aide

1.00 Asset Management Program Coordinator

(1.00) City Clerk

1.00 City Clerk/Communication Director

Network Administrator Upgrade

Technology Services Manager Upgrade

Finance Manager Upgrade

(0.60) SWM Maintenance Worker

0.50 Facilities Maintenance Assistant

0.10 Assistant Mechanic (now 0.5 from 0.4)

Summary of 2017 Budget Revisions (5)

2017 Sustainable changes to be included in the November Budget Adjustment:

Development Fund (Fund 105)

Building Official Upgrade

Senior Planner Upgrade

1.00 Building Inspector- Add Position

1.00 Planning Assistant - Add Position

2.00 Total change in FTE

2018 Department Requests and Programs

- Most new FTE's requests have been substantially approved – most to occur October 2017.
- Most new on-going expenses (modest) have been substantially approved.
- 2018 new on-going sustainable programs:
  - Join regional SWAT.
  - Create new Emergency Management Services (EMS) program and join regional EMS team.

2018 Preliminary Budget Discussion

- Budgets & Forecasts - Dunyele
  - Red Light Running Photo Enforcement – City Manager
  - Development Activity - Dan & Susan
  - Parks, Recreation and Senior Services – Dan
  - Public Safety Recap - Michael

2017-2022
BUDGETS & FORECASTS

August 12, 2017 Council Budget Retreat

BUDGETS & FORECASTS

- PART 1 – GENERAL FUND
- PART 2 – DEVELOPMENT FUND
- PART 3 – (SELECT) SPECIAL REVENUE FUNDS
- PART 4 – (MAJOR) REVENUE GRAPHS - YEAR TO DATE (JULY)
- PART 5 – PARKS, RECREATION AND SENIOR SERVICES (PRSS)
- PART 6 – PUBLIC SAFETY

PART 1

GENERAL FUND

GENERAL FUND -
ON-GOING ACTIVITIES

2017-2022 GENERAL FUND							
	ADJ BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
Revenues	21,038,000	21,631,000	21,621,000	21,868,000	22,221,000	22,589,000	22,885,000
Expenditures	(20,397,000)	(20,572,000)	(21,256,000)	(21,412,000)	(22,018,000)	(22,644,000)	(23,026,000)
Net Activity ("Profit/Loss")	641,000	1,059,000	365,000	456,000	203,000	(55,000)	(141,000)
ON-GOING CHANGES TO STATUS QUO							
Reduced Expenditures- Future Savings			-	200,000	200,000	200,000	200,000
Total Annual Impact		-	-	200,000	200,000	200,000	200,000
REMAINING SUSTAINABLE		1,059,000	365,000	656,000	403,000	145,000	59,000

GENERAL FUND -
ONE TIME ACTIVITIES

2017-2022 GENERAL FUND

	ADJ BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
ONE-TIME ACTIVITIES							
Revenues							
Red Light Running (>$1.5m)	*485,000*	*1,188,700*	*1,000,000*	*159,000*			
All Other One Time Revenues	*727,000*	859,000					
Expenditures							
2017 One Time Expenditures	(900,000)	(1,383,000)					
Temp Asst Police Chief	*(133,000)*	(133,000)	*(195,000)*	*(96,000)*			
Temp Court Clerk	*(49,000)*	(49,000)	*(72,000)*	*(63,000)*			
Transfer Out - Traffic Calming Signs			*(150,000)*				
EMS Radios - Public Works			*(25,000)*				
Police Radio Replacements			*(55,000)*				
SWAT Gear/Equipment			*(12,000)*				
Transfer Out - Abatement Fund "Seed Money"			*(30,000)*				
Police Dept Security CIP (REET 1 to Bulkhead)			*(138,000)*				
Court Security CIP (REET 1 to Bulkhead)			*(176,000)*				
Police Dept HVAC CIP (Save One Time Sales Tax)				*(277,000)*			
Transfer Out - N Bulkhead			*(1,000,000)*	*(500,000)*			
Legislative Lobbiest			(10,000)				
Metro Pilot Program Consultant			(15,000)				
Communciation Consultant			(15,000)				
Communication Software			(10,000)				
Parks Deep Tine Aereator			(27,000)				
Transfer Out - Parking/Event Signs			(50,000)				
Transfer Out - Economic Development CIPs			(500,000)				
Total One Time Activities	130,000	482,700	(1,480,000)	(777,000)	-	-	-

GENERAL FUND – **RESERVES**

2017-2022 GENERAL FUND

	ADJ BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
Revenues	21,038,000	21,631,000	21,621,000	21,868,000	22,221,000	22,589,000	22,885,000
Expenditures	(20,397,000)	(20,572,000)	(21,256,000)	(21,412,000)	(22,018,000)	(22,644,000)	(23,026,000)
Net Activity ("Profit/Loss")	641,000	1,059,000	365,000	456,000	203,000	(55,000)	(141,000)
ON-GOING CHANGES TO STATUS QUO							
Reduced Expenditures- Future Savings			-	200,000	200,000	200,000	200,000
Total Annual Impact		-	-	200,000	200,000	200,000	200,000
REMAINING SUSTAINABLE		1,059,000	365,000	656,000	403,000	145,000	59,000
Total One Time Activities	130,000	482,700	(1,480,000)	(777,000)	-	-	-
ENDING RESERVE	3,704,000	4,475,000	3,360,000	3,239,000	3,642,000	3,787,000	3,846,000
Required Reserve Calculation							
5% Stabilization	1,051,900	1,081,550	1,081,050	1,093,400	1,111,050	1,129,450	1,144,250
7% Regular	1,427,790	1,440,040	1,487,920	1,498,840	1,541,260	1,585,080	1,611,820
Combined Target Reserve	***2,479,690***	***2,521,590***	***2,568,970***	***2,592,240***	***2,652,310***	***2,714,530***	***2,756,070***
GFOA Target of 60 days	***3,399,500***	***3,428,667***	***3,542,667***	***3,568,667***	***3,669,667***	***3,774,000***	***3,837,667***
Reserve (shortfall) surplus	304,500	1,046,333	(182,667)	(329,667)	(27,667)	13,000	8,333

GENERAL FUND – REVENUE TRENDS RED LIGHT RUNNING REVENUES

- Two primary elements:
  - Structural On-Going (Sustainable) Revenue
  - One-Time Revenue
  - July to date there are seven months of actual revenue collections:
    - Note: lag time – "Actuals" represent the month revenue is deposited to the city's bank account.
  - "Anticipated Revenues" are more than "Budget/Forecast Revenues"

RED LIGHT RUNNING REVENUES
Budget & Assumptions

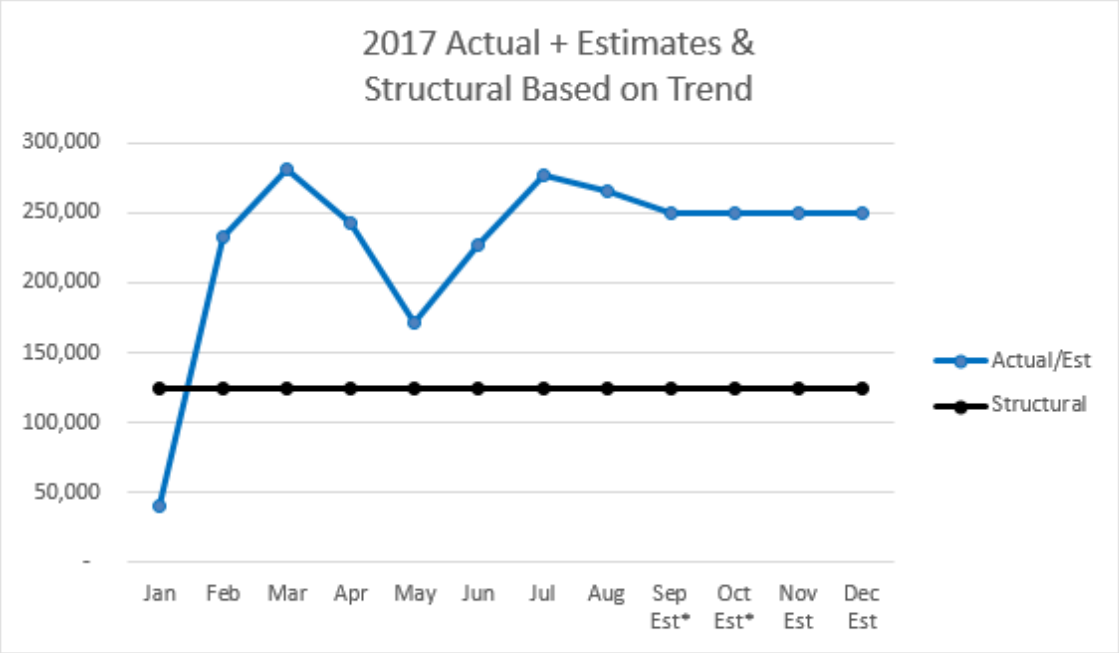
- Adjusted Budget Estimate in May was $1.9 million for 2017.
- We are on pace to reach nearly $2.7 million for 2017.
- In order to budget conservatively, Structural On-Going Revenue is assumed to be $125,000 per month ($1.5 million/year) while the Anticipated Revenues are likely to be significantly more.

GENERAL FUND – REVENUE TRENDS
2017 RED LIGHT RUNNING REVENUES
(Continued)

	Actual/Est	Structural
Jan	41,052	125,000
Feb	232,138	125,000
Mar	281,581	125,000
Apr	242,435	125,000
May	172,049	125,000
Jun	227,114	125,000
Jul	277,287	125,000
Aug	264,954	125,000
Sep Est*	250,000	125,000
Oct Est*	250,000	125,000
Nov Est	250,000	125,000
Dec Est	250,000	125,000
	2,738,610	1,500,000

Monthly average of actuals excluding January: 242,508

** Before final budget adoption we will have actual revenue numbers available.*



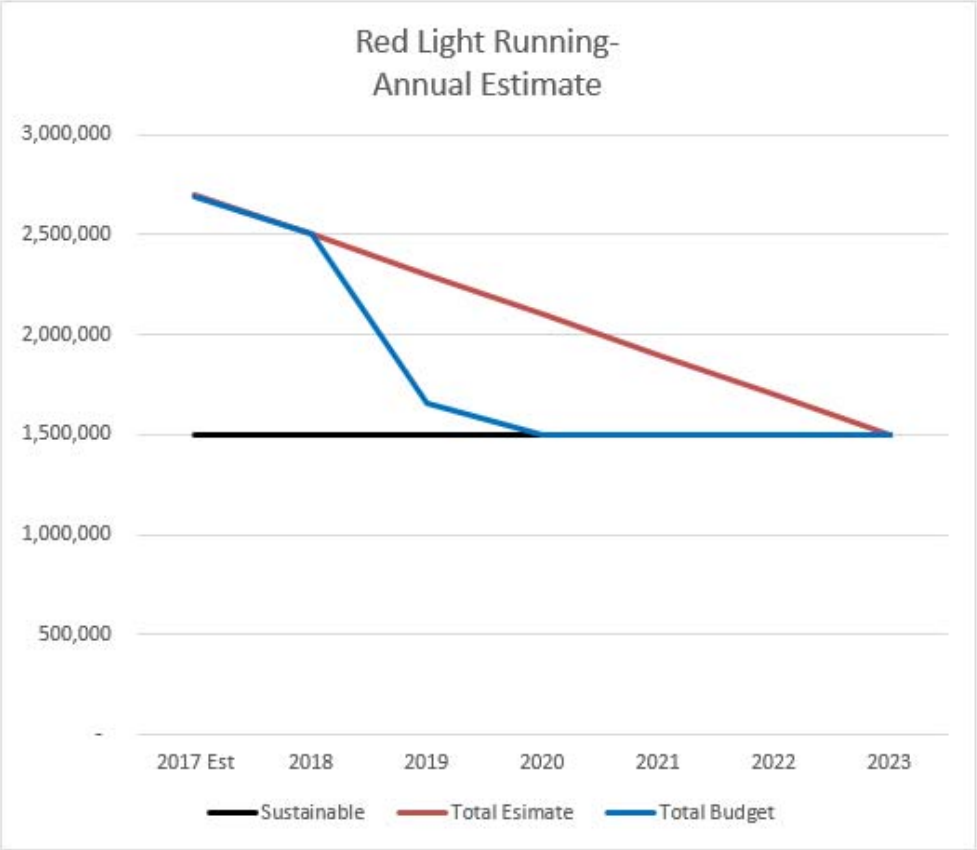
2017-2023 RED LIGHT RUNNING REVENUES

ANTICIPATED

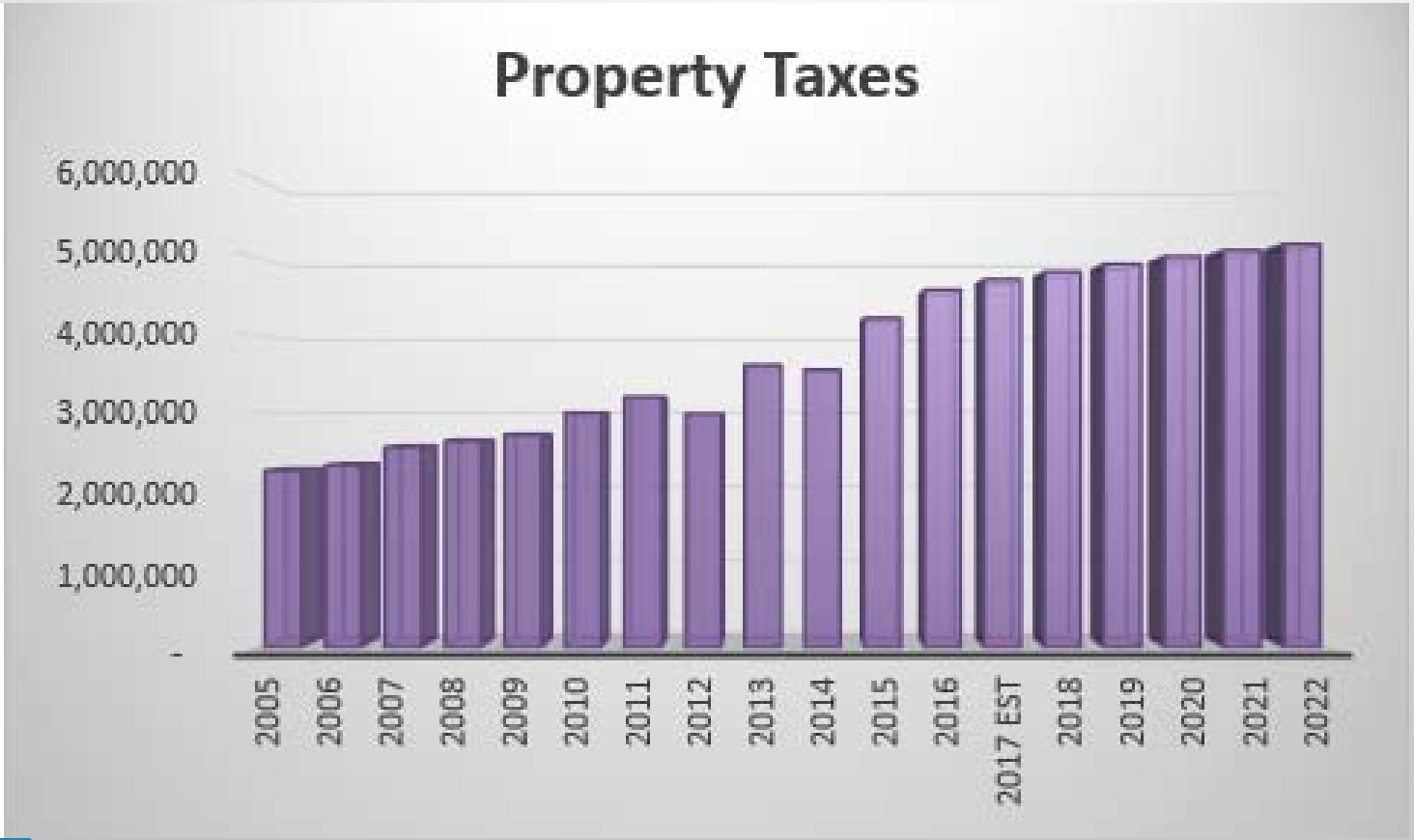
	Structural On-Going	One-Time	Total
2017	1,500,000	1,200,000	2,700,000
2018	1,500,000	1,000,000	2,500,000
2019	1,500,000	800,000	2,300,000
2020	1,500,000	600,000	2,100,000
2021	1,500,000	400,000	1,900,000
2022	1,500,000	200,000	1,700,000
2023	1,500,000	-	1,500,000

BUDGET/FORECAST

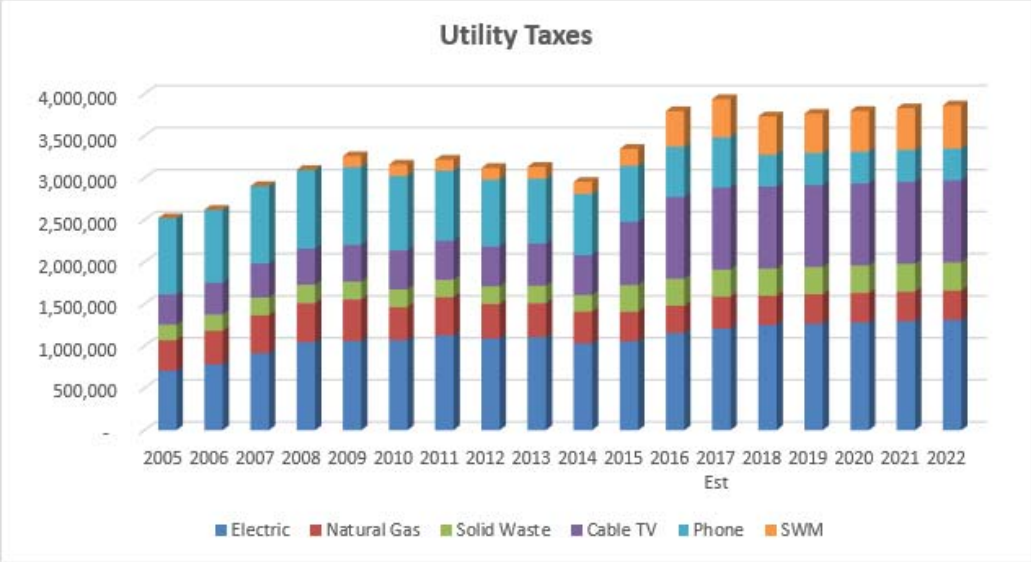
	Structural On-Going	One-Time	Total
2017	1,500,000	1,188,700	2,688,700
2018	1,500,000	1,000,000	2,500,000
2019	1,500,000	159,000	1,659,000
2020	1,500,000		1,500,000
2021	1,500,000		1,500,000
2022	1,500,000		1,500,000
2023	1,500,000		1,500,000

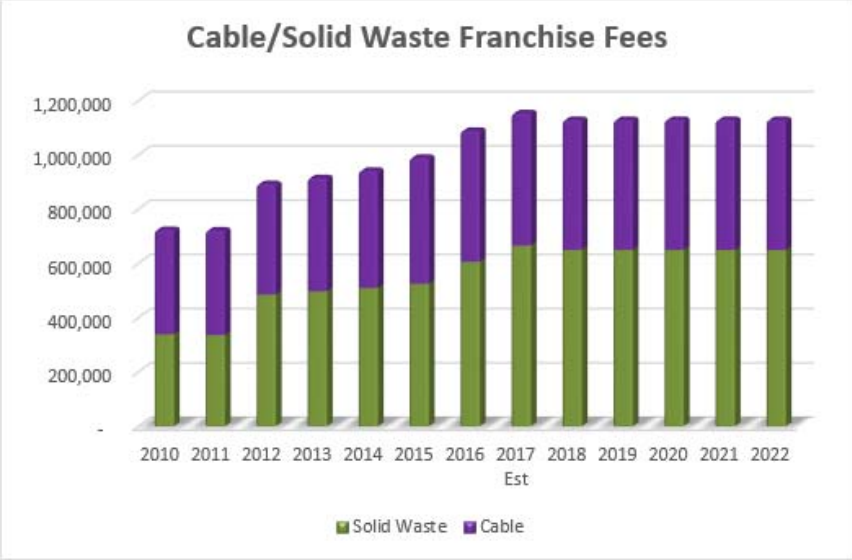


GENERAL FUND – REVENUES TRENDS



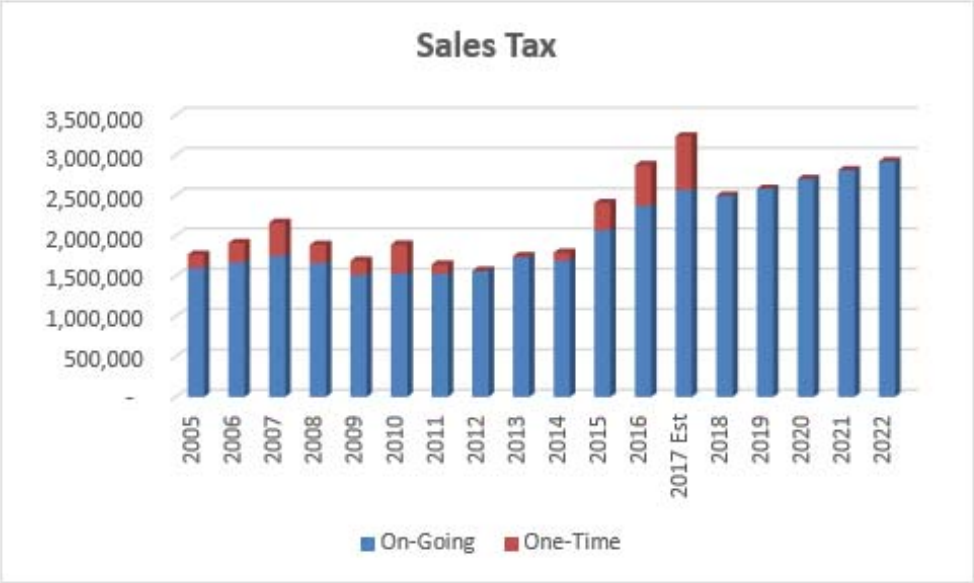
GENERAL FUND FORECAST – REVENUE TRENDS

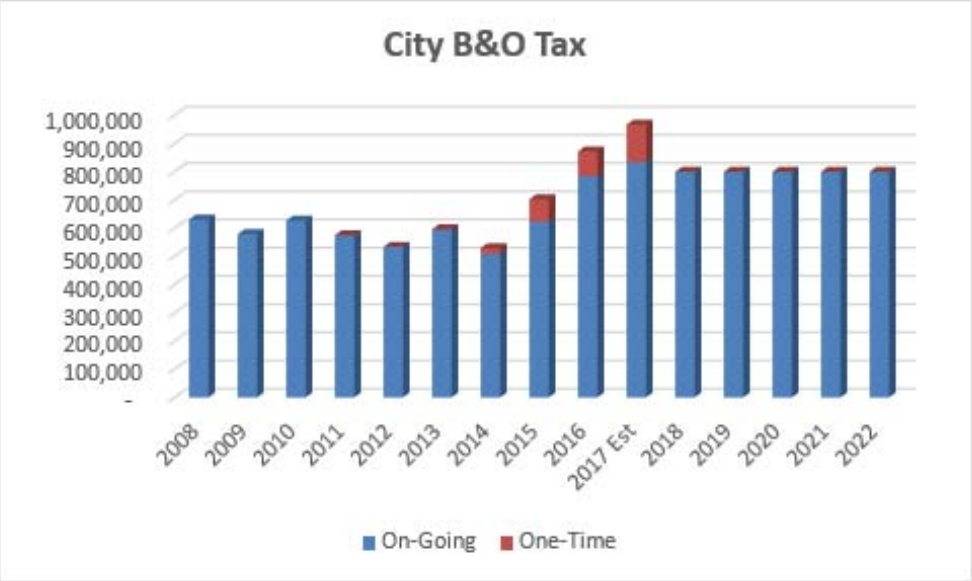




2018 & Future down due to lawsuit settlement declaring telephone roaming charges as not subject to city B&O tax.

GENERAL FUND FORECAST – REVENUE TRENDS

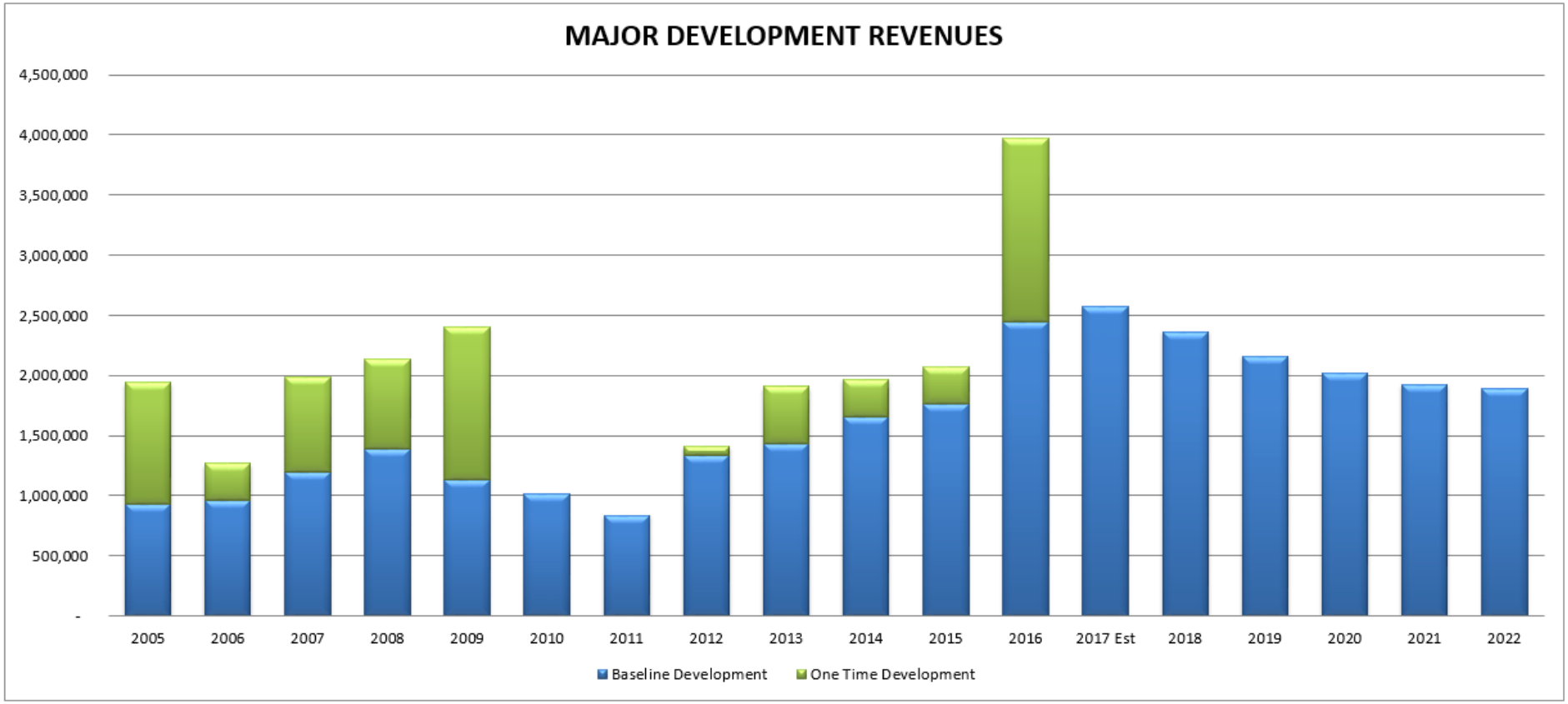




PART 2

DEVELOPMENT FUND

DEVELOPMENT FUND – **REVENUE TRENDS**



DEVELOPMENT FUND –

NO "ONE-TIME" PROJECTS INCLUDED IN REVENUE FORECAST YEARS

2017-2022 DEVELOPMENT FUND FINANCIAL FORECAST

	BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
BEGIN RESERVE	1,508,000	1,508,000	1,869,000	1,812,000	1,457,000	893,000	177,000
Revenues	1,962,000	2,576,000	2,368,000	2,167,000	2,017,000	1,919,000	1,891,000
Expenditures	(2,187,000)	(2,215,000)	(2,425,000)	(2,522,000)	(2,581,000)	(2,635,000)	(2,688,000)
Net Activity ("Profit/Loss")	(225,000)	361,000	(57,000)	(355,000)	(564,000)	(716,000)	(797,000)
ENDING RESERVE	1,283,000	1,869,000	1,812,000	1,457,000	893,000	177,000	(620,000)

Current Projects
Fees Already Paid – Still Providing Permit Services

Under Construction or Review	Description
Des Moines Creek Business Park	Phase II: GSA building
Des Moines Creek Business Park	Phase III: 349,000 sq. ft. and 238,000 sq. ft.
Highline Place Phase I	Mixed Use
Adriana Mixed Use Project	Mixed use
Waterview Crossing	Mixed use (three buildings)

Under Construction or Review	Description
Wesley Homes Phase IA	15 units, 9 cottages
Wesley Homes Phase IB	Brownstones/Cottages
Pacific Heights	PUD - 77 lots
BeBe Nails	Commercial
Interim School – Olympic	Remodel (high school)
Comfort Inn	Commercial (hotel)

Known Future One-Time Projects: Revenue

Project	Year	Valuation	Fee Estimate (excludes impact and fire fees)
Des Moines Creek Business Park Phase IV (Furney/Ono)	2017-2018	$27 M	$275,000
Waterview Crossing (6 buildings)	2017-2018	$41.4 M	$483,000
Wesley Homes Phase II	2018	$42.5 M	$427,000
Des Moines Elementary School	2018	$38 M	$382,000
Total		**$148.9 M**	**$1,567,000**

- Fees are not included in the budget.
- Resources are not included in the budget.

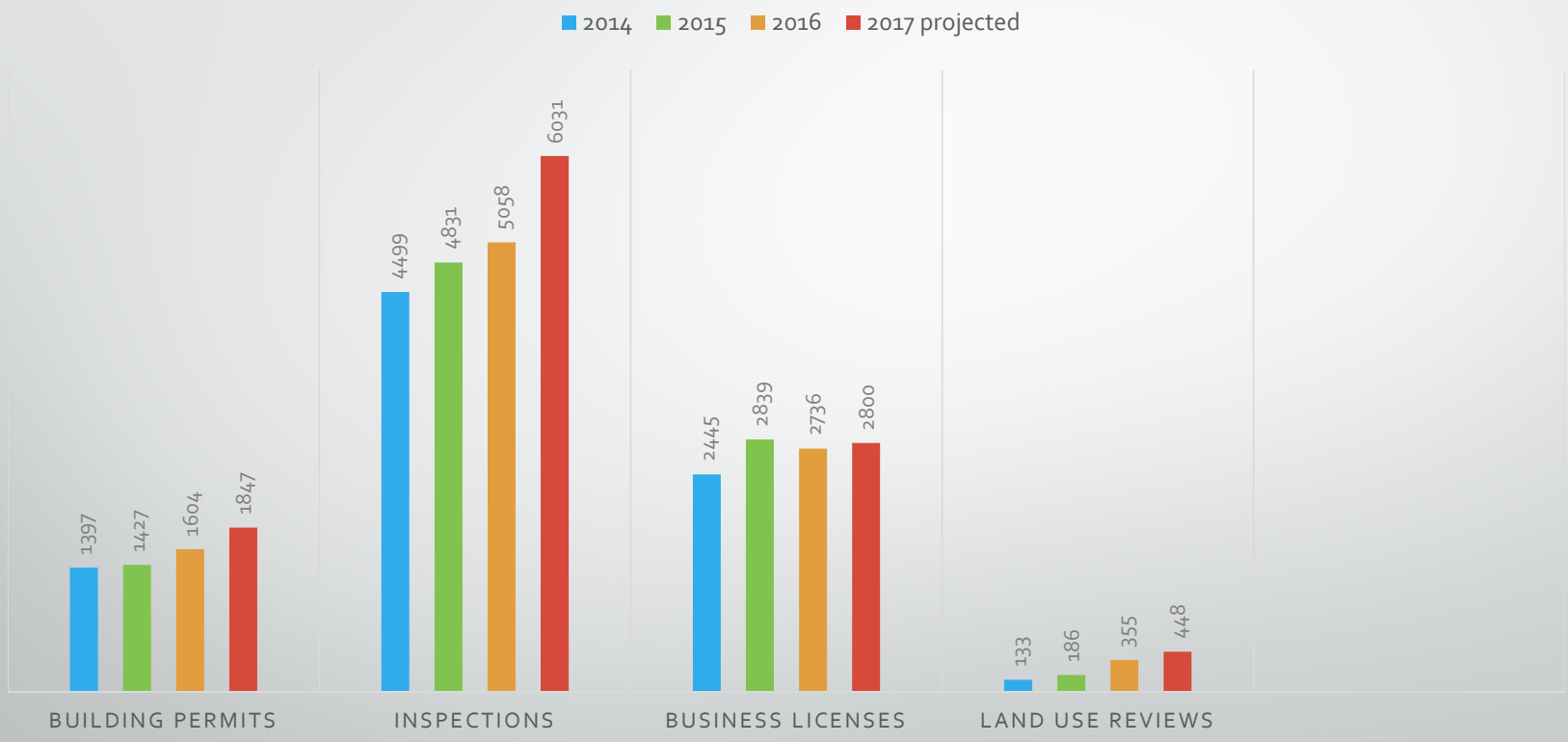
Anticipated 2017- 2018 Projects

Development Name	Description
Highline College	Building 26
Highline Place Phase II	Mixed Use
Des Moines Theatre	Building permit
Seascape	Building permit
Marina 87	Mixed Use
Local 242 North Site	Mixed Use

Development Name	Description
Bay Villa	Mixed Use
Des Moines Mixed Use	Mixed Use
Marina Re-development	Mixed Use
Woodmont Mixed Use	Mixed Use
Sound Transit	Light Rail

- Subdivision/short subdivision lots recorded or in review - 210

Permitting Activity



Community Development Workload

- Provide front counter service.
- Meet permitting timelines.
- Service workload, reviews and inspections.
- Provide continuity and training for future.
- Sustainability:
  - Projected revenue strong, high activity levels
  - High confidence level

2017 vs 2018 Budget at a Glance

General Fund & Development Fund Budget information in the format of the monthly financial report is included as Attachment 1 for your future reference.

PART 3

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

2017-2022 STREET O&M FUND FINANCIAL FORECAST

	BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
Revenues	1,636,400	1,660,125	1,685,000	1,672,735	1,707,850	1,693,190	1,723,100
Expenditures	(1,742,400)	(1,733,715)	(1,561,500)	(1,527,100)	(1,562,200)	(1,568,000)	(1,619,400)
Net Activity ("Profit/Loss")	(106,000)	(73,590)	123,500	145,635	145,650	125,190	103,700
Ending Fund Balance	457,270	489,700	613,200	758,835	904,485	1,029,675	1,133,375

2017-2022 STREET PAVING FUND FINANCIAL FORECAST

	BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
Revenues	1,025,100	1,314,025	1,125,000	1,131,500	1,138,100	1,144,700	1,151,400
Expenditures	(106,100)	(208,370)	(1,178,000)	(925,000)	(925,000)	(925,000)	(925,000)
Net Activity ("Profit/Loss")	919,000	1,105,655	(53,000)	206,500	213,100	219,700	226,400
Ending Fund Balance	1,131,145	1,317,800	1,264,800	1,471,300	1,684,400	1,904,100	2,130,500

SPECIAL REVENUE FUND

2017-2022 REDONDO ZONE FINANCIAL FORECAST

	BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
Revenues	109,645	113,840	60,870	65,870	65,870	65,870	68,870
Expenditures	(113,845)	(110,050)	(69,850)	(78,900)	(145,400)	(78,220)	(79,260)
Net Activity ("Profit/Loss")	(4,200)	3,790	(8,980)	(13,030)	(79,530)	(12,350)	(10,390)
Ending Fund Balance	14,555	22,545	13,565	535	(78,995)	(91,345)	(101,735)

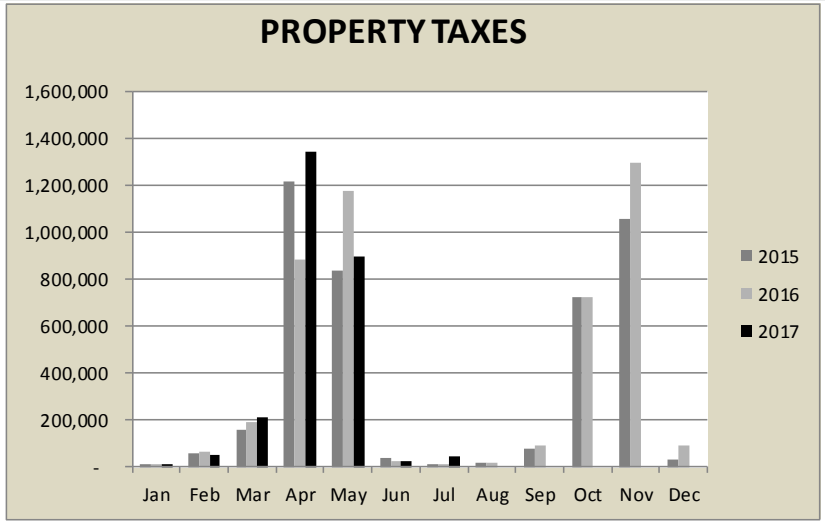
2017-2022 WATERFRONT ZONE FINANCIAL FORECAST

	BUDGET 2017	REVISED EST 2017	BUDGET 2018	FORECAST 2019	2020	2021	2022
Revenues	300,000	106,185	276,000	276,000	276,000	276,000	276,000
Expenditures	(253,800)	(89,795)	(153,900)	(149,100)	(150,300)	(151,550)	(152,785)
Net Activity ("Profit/Loss")	46,200	16,390	122,100	126,900	125,700	124,450	123,215
Ending Fund Balance	46,200	16,400	138,500	265,400	391,100	515,550	638,765

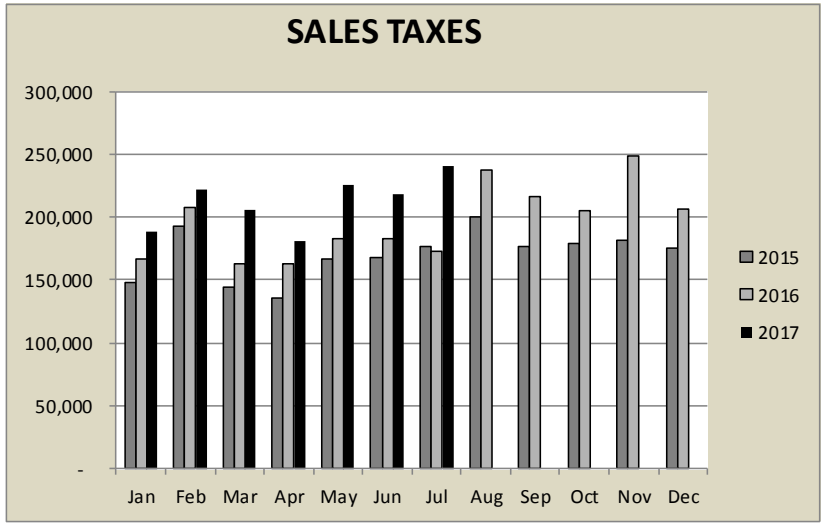
PART 4

REVENUE GRAPHS TO DATE (JULY)

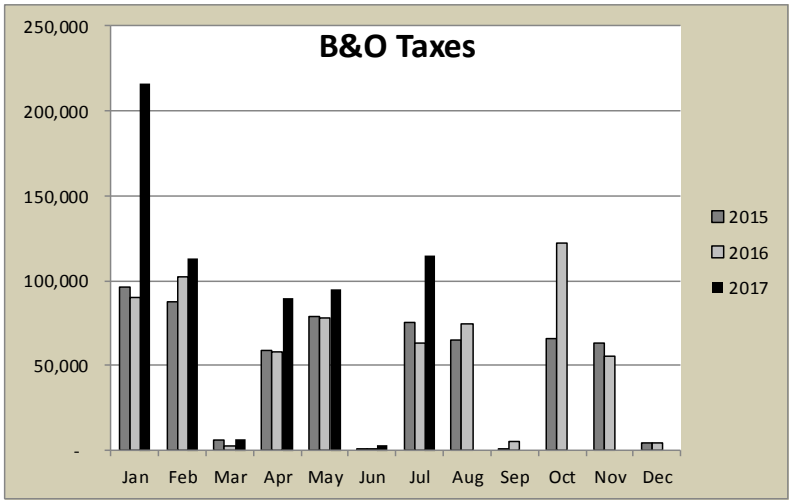
2017 YTD Compared to 2016 YTD:			218,791	9.3%
	2017	**2016**	**2015**	**PY YTD**
Jan	10,191	9,718	7,766	0.2%
Feb	52,372	62,078	55,462	1.6%
Mar	207,664	192,691	159,802	5.8%
Apr	1,341,941	884,255	1,214,531	25.2%
May	892,976	1,172,679	834,623	50.8%
June	22,136	24,323	34,134	51.4%
Jul	**45,386**	**8,130**	**12,380**	**51.5%**
Aug		19,914	15,762	52.0%
Sep		87,561	76,908	53.9%
Oct		721,023	723,002	69.7%
Nov		1,292,382	1,054,756	98.0%
Dec		92,696	29,206	100.0%
Totals	**2,572,665**	**4,567,450**	**4,218,332**	
2017 YTD Compared to Annual Budget:			**4,572,060**	**56.3%**



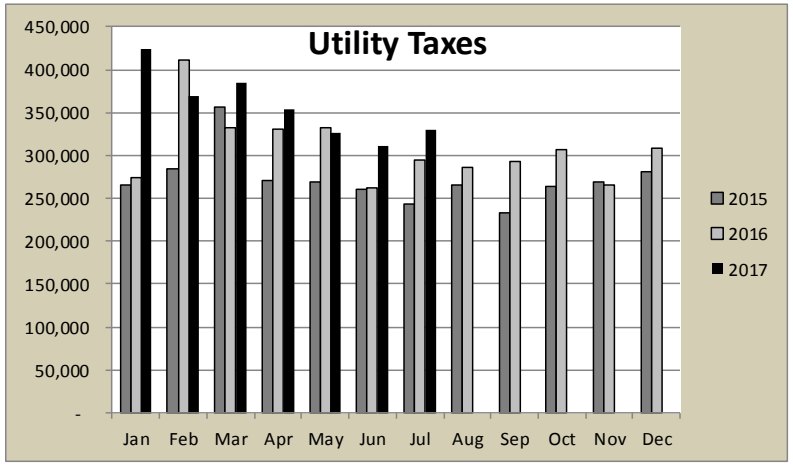
2017 YTD Compared to 2016 YTD:			244,982	19.8%
	2017	**2016**	**2015**	**PY YTD**
Jan	188,813	166,482	148,542	7.1%
Feb	222,214	207,580	192,640	15.9%
Mar	206,184	162,512	144,525	22.8%
Apr	180,327	162,783	135,180	29.7%
May	225,772	183,308	166,575	37.5%
Jun	218,517	182,542	167,671	45.3%
Jul	**240,702**	**172,341**	**176,608**	**52.6%**
Aug		236,926	200,510	62.7%
Sep		216,225	176,594	71.9%
Oct		205,441	178,690	80.7%
Nov		248,392	181,241	91.2%
Dec		206,295	174,869	100.0%
Totals	**1,482,530**	**2,350,827**	**2,043,645**	
2017 YTD Compared to Annual Budget:			**2,244,019**	**66.1%**



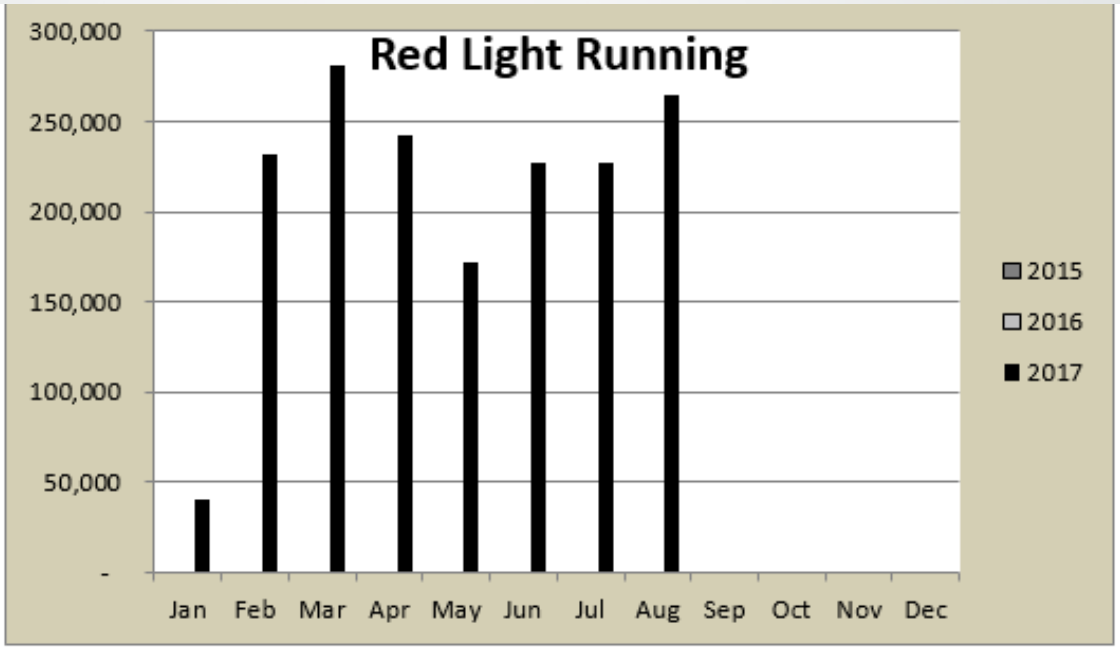
2017 YTD Compared to 2016 YTD:			241,078	60.9%
	2017	**2016**	**2015**	**PY YTD**
Jan	216,324	89,942	95,787	13.7%
Feb	112,795	101,825	87,424	29.2%
Mar	6,291	3,106	6,095	29.6%
Apr	89,260	58,292	58,723	38.5%
May	94,829	78,035	78,674	50.3%
Jun	3,205	1,262	745	50.5%
Jul	**114,496**	**63,661**	**75,441**	**60.2%**
Aug		74,863	64,797	71.6%
Sep		5,211	1,192	72.4%
Oct		122,095	66,238	91.0%
Nov		55,292	63,614	99.4%
Dec		4,217	4,699	100.0%
Totals	**637,201**	**657,801**	**603,429**	
2017 YTD Compared to Annual Budget:			**784,182**	**81.3%**



2017 YTD Compared to 2016 YTD:			264,714	11.8%
	2017	**2016**	**2015**	**PY YTD**
Jan	424,753	273,337	264,911	7.4%
Feb	369,100	410,967	284,340	18.5%
Mar	384,143	332,039	357,130	27.5%
Apr	354,597	329,815	270,479	36.4%
May	326,610	333,168	269,809	45.4%
Jun	311,295	262,684	260,950	52.6%
Jul	**330,214**	**293,988**	**243,353**	**60.5%**
Aug		286,311	265,630	68.3%
Sep		292,324	233,833	76.2%
Oct		306,464	263,509	84.5%
Nov		266,326	269,275	91.7%
Dec		308,003	281,830	100.0%
Totals	**2,500,712**	**3,695,425**	**3,265,049**	
2017 YTD Compared to Annual Budget:			3,870,139	64.6%

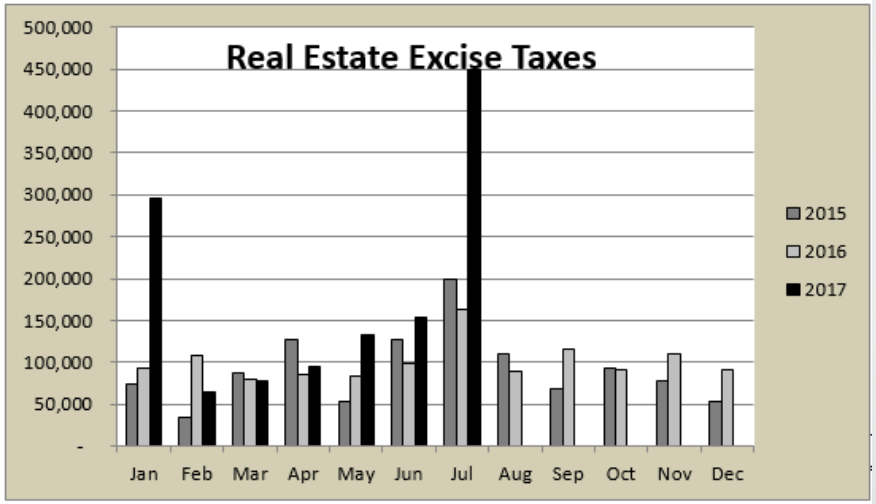


2017 YTD Compared to 2016 YTD:			1,688,581	
	2017	**2016**	**2015**	**PY YTD**
Jan	41,052			0.0%
Feb	232,138			0.0%
Mar	281,581			0.0%
Apr	242,435			0.0%
May	172,019			0.0%
Jun	227,114			0.0%
Jul	**227,288**			**0.0%**
Aug	264,954			0.0%
Sep				0.0%
Oct				0.0%
Nov				0.0%
Dec				0.0%
Totals	**1,688,581**	**-**	**-**	
2017 YTD Compared to Annual Budget:			1,985,000	85.1%

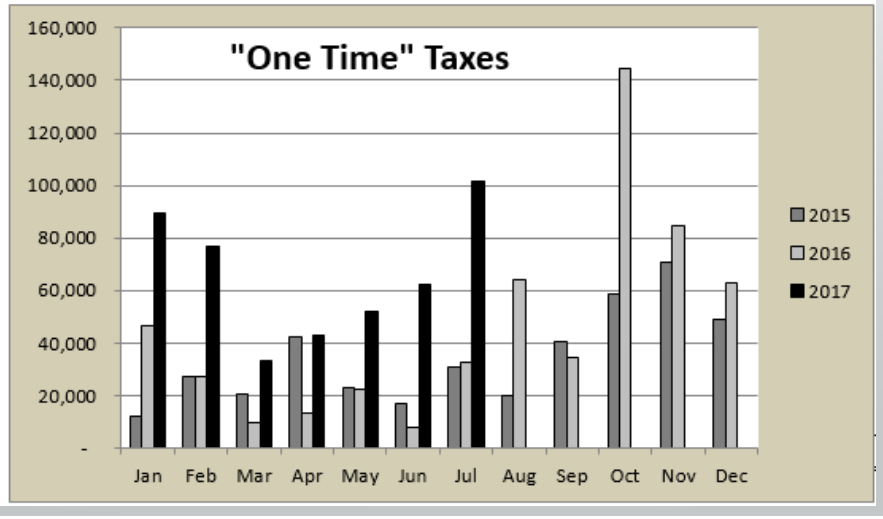


CIP Revenues: Not Available for O&M costs.

2017 YTD Compared to Annual Budget:			552,165	77.0%
	2017	**2016**	**2015**	**PY YTD**
Jan	296,469	93,909	74,382	7.7%
Feb	64,190	109,153	33,884	16.7%
Mar	78,233	80,623	88,020	23.3%
Apr	95,642	86,005	127,450	30.4%
May	132,598	84,072	53,190	37.3%
Jun	152,999	99,166	127,038	45.5%
Jul	**448,867**	**163,905**	**199,170**	**59.0%**
Aug		90,084	110,322	66.4%
Sep		116,119	68,647	75.9%
Oct		91,603	93,478	83.4%
Nov		109,682	78,694	92.5%
Dec		91,594	53,220	100.0%
Totals	**1,268,998**	**1,215,915**	**1,107,495**	
2017 YTD Compared to Annual Budget:			800,000	158.6%



2017 YTD Compared to 2016 YTD:			299,016	287.8%
	2017	**2016**	**2015**	**PY YTD**
Jan	89,266	46,556	12,359	3.8%
Feb	76,783	27,195	27,114	6.1%
Mar	33,370	9,428	20,850	6.8%
Apr	42,775	13,465	42,498	7.9%
May	52,185	22,165	22,862	9.8%
Jun	62,293	7,770	17,170	10.4%
Jul	**101,589**	**32,666**	**31,104**	**13.1%**
Aug	-	64,376	20,237	18.4%
Sep	-	34,407	40,336	21.2%
Oct	-	144,643	58,538	33.1%
Nov	-	84,923	71,022	40.1%
Dec	-	62,874	49,216	45.3%
Totals	**458,261**	**550,468**	**413,306**	



PART 5

PARKS, RECREATION AND SENIOR SERVICES (PRSS)

PRSS PROGRAMS

- Parks Management & Community Relations.
- Arts.
- Senior & Human Services.
- Recreation:
  - Before & After School
  - Pre-School
  - Breaks & Summer Camp
  - Sports
  - Events & Activities
  - Field Rentals
- Beach Park Facility Rentals.

PRSS Budget

- The following information is for PRSS Programs only:
  - The 2018 Budget also contains $920,000 in funding for Park Maintenance.
- This time last year, only summary level financial information was available for decision making.
- This year, revenues and costs are also available at the Program level.

PRSS (Combined) History & Forecast

FUND 001 PRSS SUMMARY	2014 Actual	2015 Actual	2016 Actual	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	1,240,393	1,209,547	1,565,822	1,525,927	1,363,959	1,456,944	1,485,654	1,518,132	1,551,581	1,586,036
Expenditures	1,785,246	1,961,776	1,889,646	2,545,149	2,607,729	2,671,248	2,683,129	2,704,775	2,816,935	2,857,155
Net Activity	(544,853)	(752,229)	(323,824)	(1,019,222)	(1,243,770)	(1,214,304)	(1,197,475)	(1,186,643)	(1,265,354)	(1,271,119)

	2017 BUDGET	Revised 2017	2018 BUDGET	2019	2020	2021	2022
General Fund Admin Chargeback	304,939	304,939	216,553	219,801	223,098	226,445	229,841

PRSS EXPENDITURES	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 REVISED	2018 BUDGET	FORECAST 2019	FORECAST 2020	FORECAST 2021	FORECAST 2022
Total PARKS & COMMUNITY RELATIONS	290,649	354,765	298,714	210,174	206,947	218,553	222,952	226,892	232,376	237,660
Total SENIOR SERVICES	328,101	330,899	254,441	393,245	426,242	494,892	459,595	456,137	476,404	476,167
Total HUMAN SOCIAL SERVICES	78,737	87,002	87,114	91,344	91,344	100,000	100,000	100,000	100,000	100,000
Total ARTS PROGRAM	41,850	46,236	49,119	57,221	52,752	54,221	55,274	56,168	57,297	58,475
Total RECREATION PROGRAMS	722,130	763,887	836,081	1,255,288	1,287,980	1,276,732	1,307,569	1,312,311	1,388,097	1,410,748
Total BEACH PARK FACILITY RENTALS	323,779	378,987	364,177	537,877	542,464	526,850	537,739	553,267	562,761	574,105
TOTAL PRSS	1,785,246	1,961,776	1,889,646	2,545,149	2,607,729	2,671,248	2,683,129	2,704,775	2,816,935	2,857,155

- Revenues: Currently includes a 3% overall annual increase in Recreation fees and no increase in Facility Rental and Senior Services fees.
- Total 2018 tax subsidy for Parks and PRSS Programs = $2,134,304
  - $920,000 for Parks Maintenance + $1,214,304 for PRSS Programs

Parks Management & Community Relations

PARKS & COMMUNITY RELATIONS	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	2,825	7,375	6,500	6,500	6,500	6,500	6,500
Expenditures	210,174	206,947	218,553	222,952	226,892	232,376	237,660
Net Activity	(207,349)	(199,572)	(212,053)	(216,452)	(220,392)	(225,876)	(231,160)

PARKS & COMMUNITY RELATIONS

Park land acquisition, design and development
Grant applications and management
Bench and Banner programs

Community Relations & Committees*

Community information & inquiries
Rec N Roll magazine development
Muncipal Facilities Committee support
Lodging Tax Advisory Committee
Landmarks Commission
Seattle Southside Regional Tourism Authority
Des DesMoines / Main Street
Des DesMoines / Farmers Market
Legacy Foundation correspondence & event support
Legacy Foundation/ (physical office) customer service

** Arts Commission, H&H Services & Sr. Services Committees are reported in other budgets.*

ARTS PROGRAM

ARTS PROGRAMS	Budget 2017	Revised 2017	Budget 2018	*Forecast 2019*	*Forecast 2020*	*Forecast 2021*	*Forecast 2022*
Revenues	17,000	16,671	12,500	9,500	9,500	9,500	9,500
Expenditures	57,221	52,752	54,221	55,274	56,168	57,297	58,475
Net Activity	(40,221)	(36,081)	(41,721)	(45,774)	(46,668)	(47,797)	(48,975)

- Staff time is charged based on actual hours worked (and not a fixed % of FTEs).

SENIOR & HUMAN SERVICES

SENIOR & HHS - SUMMARY	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	126,405	104,730	104,814	104,994	104,994	104,994	104,994
Expenditures	484,589	517,586	594,892	559,595	556,137	576,404	576,167
Net Activity	(358,184)	(412,856)	(490,078)	(454,601)	(451,143)	(471,410)	(471,173)

SS & HHS - DETAIL SENIOR SERVICES	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	126,405	104,730	104,814	104,994	104,994	104,994	104,994
Expenditures	393,245	426,242	494,892	459,595	456,137	476,404	476,167
Net Activity	(266,840)	(321,512)	(390,078)	(354,601)	(351,143)	(371,410)	(371,173)

HEALTH & HUMAN SERVICES	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	0	0	0	0	0	0	0
Expenditures	91,344	91,344	100,000	100,000	100,000	100,000	100,000
Net Activity	(91,344)	(91,344)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)

Recreation - Combined

RECREATION -SUMMARY	Budget 2017	Revised 2017	Budget 2018	*Forecast 2019*	*Forecast 2020*	*Forecast 2021*	*Forecast 2022*
Revenues	1,082,349	969,096	1,059,047	1,090,577	1,123,055	1,156,504	1,190,959
Expenditures	1,255,288	1,287,980	1,276,732	1,307,569	1,312,311	1,388,097	1,410,748
Net Activity	(172,939)	(318,884)	(217,685)	(216,992)	(189,256)	(231,593)	(219,789)

- Recreation Programs:
  - Before & After School
  - Pre-School
  - Breaks & Summer Camp
  - Sports
  - Events & Activities
  - Field Rentals

- Financial Analysis Improvement.
  - This time last year….
  - Shall we raise all recreation programs 20% to break even?
  - Perhaps not… We can now look at program level information.

Recreation Programs- Definitions

- "**Direct Expenditures**" – Costs specifically identifiable to a single program (i.e. Recreation Leaders personnel costs, supply costs, trip fees, rent, etc.).

- "**Allocated Expenditures**" – Costs benefitting more than one program (i.e. Recreation Manager & other full time personnel costs, office & software costs, building maintenance costs, % of Director, % of Admin Asst. II and other General Fund Admin costs).

Recreation – Camps

RECREATION - DETAIL BEFORE & AFTER SCHOOL	Budget 2017	Revised 2017	Budget 2018	*Forecast* 2019	*Forecast* 2020	*Forecast* 2021	*Forecast* 2022
Revenues	455,097	483,961	498,520	513,476	528,880	544,746	561,088
Direct Expenditures	167,485	167,485	170,802	176,044	183,323	185,713	187,059
Allocated Expenditures	235,331	223,333	242,820	248,000	241,927	264,759	270,481
Net Activity	52,281	93,143	84,898	89,432	103,630	94,274	103,548

PRESCHOOL	Budget 2017	Revised 2017	Budget 2018	*Forecast* 2019	*Forecast* 2020	*Forecast* 2021	*Forecast* 2022
Revenues	21,000	21,000	21,630	22,279	22,947	23,635	24,344
Direct Expenditures	53,253	52,253	54,461	56,227	59,695	60,059	60,432
Allocated Expenditures	71,312	72,043	80,940	82,667	80,642	88,253	90,160
Net Activity	(103,565)	(103,296)	(113,771)	(116,615)	(117,390)	(124,677)	(126,248)

SUMMER/BREAK	Budget 2017	Revised 2017	Budget 2018	*Forecast* 2019	*Forecast* 2020	*Forecast* 2021	*Forecast* 2022
Revenues	333,085	249,104	288,400	297,052	305,964	315,143	324,597
Direct Expenditures	225,354	230,354	164,896	170,013	178,581	180,340	181,790
Allocated Expenditures	313,774	309,784	235,461	240,485	234,596	256,736	262,284
Net Activity	(206,043)	(291,034)	(111,957)	(113,446)	(107,213)	(121,933)	(119,477)

Recreation – Sports, Events, Field Rentals

RECREATION - DETAIL SPORTS	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	151,453	123,673	150,814	155,338	159,999	164,799	169,743
Direct Expenditures	46,302	52,506	83,074	84,635	86,618	87,506	88,413
Allocated Expenditures	64,181	72,043	117,731	120,243	117,298	128,368	131,142
Net Activity	40,970	(876)	(49,991)	(49,540)	(43,917)	(51,075)	(49,812)

ACTIVITIES/CLASSES/EVENTS	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	80,953	54,889	56,541	58,237	59,984	59,984	63,637
Direct Expenditures	17,215	18,579	40,020	40,898	42,153	42,743	43,352
Allocated Expenditures	21,394	21,613	58,865	60,121	58,649	64,184	65,571
Net Activity	42,344	14,697	(42,344)	(42,782)	(40,818)	(46,943)	(45,286)

FIELD RENTALS	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	25,061	17,508	16,480	16,974	17,483	18,007	18,007
Direct Expenditures	0	11,800	1,000	1,015	1,030	1,045	1,061
Allocated Expenditures	0	14,409	0	0	0	0	0
Net Activity	25,061	(8,701)	15,480	15,959	16,453	16,962	16,946

- FIELD RENTALS – "Work in Progress" as time is not being reported separately on timesheets yet…

Recreation Programs

RECREATION -SUMMARY	Budget 2017	Revised 2017	Budget 2018	*Forecast 2019*	*Forecast 2020*	*Forecast 2021*	*Forecast 2022*
Revenues	1,082,349	969,096	1,059,047	1,090,577	1,123,055	1,156,504	1,190,959
Expenditures	1,255,288	1,287,980	1,276,732	1,307,569	1,312,311	1,388,097	1,410,748
Net Activity	(172,939)	(318,884)	(217,685)	(216,992)	(189,256)	(231,593)	(219,789)

- Staff will be preparing a expenditure neutral proposal at the program level.
  - Or slightly higher revenue
- This proposal and other options will be discussed with Council this fall.

Recreation Programs Scholarships

- CITY

City Recreation Scholarship Funds on hand Jan 1, 2017	$16,632
Scholarships used Jan-June 2017	(1,786)
City Recreation Scholarship Funds on hand August 1, 2017	$14,846

- LEGACY FOUNDATION AWARD (None used to date) $10,000

Total Available Scholarships **$24,846**

Beach Park Facility Rentals

- Rental revenue and O&M costs for Field House, Sr. Activity Center & Wooton Park are included in other budgets.
  - Relatively minor ($36,000)
- Rentals arrangements are made by BP Facility Rental Staff.

Beach Park Rentals

BEACH PARK RENTALS - SUMMARY	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	297,348	266,087	274,083	274,083	274,083	274,083	274,083
Expenditures	537,877	542,464	526,850	537,739	553,267	562,761	574,105
Net Activity	(240,529)	(276,377)	(252,767)	(263,656)	(279,184)	(288,678)	(300,022)

BEACH PARK RENTAL- DETAIL	Budget 2017	Revised 2017	Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenues	297,348	266,087	274,083	274,083	274,083	274,083	274,083
Personnel Costs	250,069	254,656	264,193	272,636	290,004	295,838	303,824
Supplies & Service Costs	115,664	115,664	111,780	112,223	108,304	109,805	110,922
Utilities, Repairs & GF Admin Costs	172,144	172,144	150,877	152,880	154,959	157,118	159,359
Net Activity	(240,529)	(276,377)	(252,767)	(263,656)	(279,184)	(288,678)	(300,022)

- Revenue Goals:
  - 1ST Met – To cover direct personnel costs.
  - 2nd In process – Raise additional $110,000 per year to cover variable operating costs.
  - 3rd Future – Raise additional $150,000 per year to cover fixed facility & GF Admin costs.
- Approaches to Achieve Goals:
  - Keep rates at full competitive market rates
  - Increase utilization of existing facilities
  - Explore new revenue opportunities

PART 6

PUBLIC SAFETY

Public Safety Enhancements

- Decreased calls for service results in redeployment of existing resources:
  - Pacific Ridge Strategic Plan: Interdepartmental strategy involving Code Enforcement, Public Works, Legal and Police
    - Including City Attorney Nuisance Vegetation Ordinance and Reduction in calls from high risk properties
  - Paid Parking at the Marina
- Added tools that resulted in enhanced operational efficiency and public safety:
  - New crime analytics software is aiding PD in crime analysis
  - Red Light Running – Automated Enforcement
  - Added funding for the Abatement Fund
  - New Ordinances for abating nuisance properties
  - Added funding for Traffic Calming Devices
- Emergency Management and Preparedness:
  - Creation of new EMS program and joined regional EMS team.
  - Participation in FEMA training and exercises
  - North bulkhead replacement – significant investments
  - Replacing outdated Communications Equipment

Public Safety Enhancements

- Restructuring and Reorganizations:
  - Has successfully underwent a change in leadership at the PD Commander level
  - Commander Bohl has moved up to the new Assistant Chief position
- Funded new police officer positions in 2017:
  - Hired 3 new officers on Patrol
- Regional Partnerships and participation:
  - A new detective position for the Violent Crimes Task Force
  - Joining SWAT

Public Safety Enhancements

- Security Improvements:
  - Court Security Staffing
  - Facility Improvements at Court and PD

CONCLUSION –

We have come a long way…

FROM: Unstainable budget using One-Time revenues and no plan

GENERAL FUND

2014- $ 677,000

CONCLUSION –

We have come a long way…

TO: A Sustainable, heathy budget, based on a 5 year plan, that addresses our near term succession needs without using One-Time Tax revenues.

GENERAL FUND + DEVELOPMENT FUND

2014- $ 677,000

2017 - $4,475,000 + $1,869,000 = $6,344,000

Next Steps:
BUDGET PREPARATION CALENDAR

• City Manager files Preliminary Budget & Budget Message	Oct 12, 2017
• Public Hearing on Preliminary O&M and Capital Budgets	Oct 26, 2017
• Public Hearing on Preliminary Budget (continued if needed)	Nov 2, 2017
• Public Hearing on Revenue Sources & Property Tax levy	Nov 9, 2017
• Public Hearing on Final O&M and Capital Budgets	Nov 9, 2017
• Public Hearing on Revised 2017 O&M and Capital Budgets	Nov 9, 2017

Attachment 1
Budget at a Glance

Attachment 1: BUDGET AT A GLANCE

GENERAL FUND 001

	2017 ADJ BUDGET ANNUAL 12 MONTHS			2017 REVISED BUDGET ANNUAL 12 MONTHS			2018 BUDGET ANNUAL 12 MONTHS				
	REVENUES	EXPENDITURES	NET	REVENUES	EXPENDITURES	NET	REVENUES	%	EXPENDITURES	%	NET
BEGINNING FUND BALANCE			**2,933,039**			**2,883,644**					**4,475,000**
Unrestricted Revenues											
Unrestricted Taxes	11,650,919		11,650,919	12,223,457		12,223,457	12,117,000	99%			
One Time Sales/B&O Taxes	199,420		199,420	797,893		797,893	-	0%			
Unrestricted Franchise Fees	1,090,440		1,090,440	1,154,937		1,154,937	1,130,000	98%			
State/City Assistance	90,000		90,000	115,938		115,938	90,000	78%			
Miscellaneous	41,650		41,650	46,610		46,610	21,000	45%			
Transfer In	-		-	-		-					
Total Unrestricted Revenues	13,072,429		13,072,429	14,338,835		14,338,835	13,358,000	93%			13,358,000
Policy & Support Services											
Support Services Chargebacks	2,381,924		2,381,924	2,381,927		2,381,927	2,620,190	110%			2,620,190
City Council		91,989	(91,989)		76,155	(76,155)	-		95,148	125%	(95,148)
City Manager	26,357	1,212,929	(1,186,572)	61,533	1,258,187	(1,196,654)	-	0%	1,178,058	94%	(1,178,058)
Financial Services	51,356	1,009,598	(958,242)	51,420	1,021,533	(970,113)	70,000		1,017,660	100%	(947,660)
Technology Services	835,118	792,022	43,096	834,216	837,147	(2,931)	758,527	91%	715,713	85%	42,814
Legal (Civil)		298,332	(298,332)	20,427	320,456	(300,029)	-		315,537	98%	(315,537)
Bldg & Facility Maint		351,603	(351,603)		352,341	(352,341)			394,665	112%	(394,665)
Total Policy & Support Services	3,294,755	3,756,473	(461,718)	3,349,523	3,865,819	(516,296)	3,448,717	103%	3,716,781	96%	(268,064)
Public Safety Services											
Restricted - Public Safety	3,377,340		3,377,340	4,163,406		4,163,406	3,866,000	93%			3,866,000
Court	121,110	1,187,392	(1,066,282)	120,860	1,223,349	(1,102,489)	115,005	95%	1,287,728	105%	(1,172,723)
Probation	69,143	172,116	(102,973)	72,974	190,161	(117,187)	72,500	99%	224,938	118%	(152,438)
EMS/Fire/Jail/Public Defenders	4,358	756,312	(751,954)	4,536	737,845	(733,309)	4,500	99%	949,822	129%	(945,322)
Legal (Prosecution, DV, etc.)	25,000	345,164	(320,164)	33,335	353,831	(320,496)	36,050	108%	377,599	107%	(341,549)
Police	225,905	10,413,423	(10,187,518)	245,934	10,410,940	(10,165,006)	236,300	96%	10,551,167	101%	(10,314,867)
Total Public Safety Services	3,822,856	12,874,407	(9,051,551)	4,641,045	12,916,126	(8,275,081)	4,330,355	93%	13,391,254	104%	(9,060,899)
Community Services											
Planning & Bldg (NonFee Based)		438,678	(438,678)		471,580	(471,580)			698,300	148%	(698,300)
Engineering (NonFee Based)		245,096	(245,096)		239,656	(239,656)			256,360	107%	(256,360)
Subtotal	-	683,774	(683,774)	-	711,236	(711,236)	-		954,660	134%	(954,660)
Park Maintenance	28,403	855,184	(826,781)	34,988	854,751	(819,763)	26,665	76%	946,555	111%	(919,890)
Parks & Community Relations	2,825	210,174	(207,349)	7,375	206,947	(199,572)	6,500	88%	218,553	106%	(212,053)
Arts Program	17,000	57,221	(40,221)	16,671	52,752	(36,081)	104,814	629%	54,221	103%	(490,078)
Senior & Human Services	126,405	484,589	(358,184)	104,730	517,586	(412,856)	12,500	12%	594,892	115%	(41,721)
Recreation Programs	1,082,189	1,255,288	(173,099)	969,096	1,287,980	(318,884)	1,059,047	109%	1,276,732	99%	(217,685)
Beach Park Rentals	297,348	537,877	(240,529)	266,087	542,464	(276,377)	274,083	103%	526,850	97%	(252,767)
Subtotal	1,554,170	3,400,333	(1,846,163)	1,398,947	3,462,480	(2,063,533)	1,483,609	106%	3,617,803	104%	(2,134,194)
Total Community Services	1,554,170	4,084,107	(2,529,937)	1,398,947	4,173,716	(2,774,769)	1,483,609	106%	4,572,463	110%	(3,088,854)
Transfers Out											
Operating Subsidies		64,440	(64,440)		269,000	(269,000)			30,000	11%	(30,000)
Debt Service		64,440	(64,440)		11,440	(11,440)			11,440	100%	(11,440)
Capital Projects		700,000	(700,000)		900,893	(900,893)			2,014,000	224%	(2,014,000)
Total Transfers	-	828,880	(828,880)	-	1,181,333	(1,181,333)	-		2,055,440		(2,055,440)
TOTAL GENERAL FUND	**21,744,210**	**21,543,867**	**200,343**	**23,728,350**	**22,136,994**	**1,591,356**	**22,620,681**	**95%**	**23,735,938**	**107%**	**(1,115,257)**
ENDING FUND BALANCE			**3,133,382**			**4,475,000**					**3,359,743**
2 month ON-GOING expenditures target = min Ending Fund Balance						*3,428,667*					*3,542,667*

SPECIAL REVENUE FUND 105 (DEVELOPMENT - FEE BASED)

	2017 ADJ BUDGET ANNUAL 12 MONTHS			2017 REVISED BUDGET ANNUAL 12 MONTHS			2018 BUDGET ANNUAL 12 MONTHS				
	REVENUES	EXPENDITURES	NET	REVENUES	EXPENDITURES	NET	REVENUES**	%*	EXPENDITURES	%*	NET
BEGINNING FUND BALANCE			**1,507,686**			**1,507,686**					**1,868,569**
Community Services (PBPW Fee Based)											
Interest Earnings				5,217		5,217	5,000	0%			5,000
Planning (Fee Based)	479,000	458,795	20,205	301,264	486,538	(185,274)	268,000	89%	681,330	140%	(413,330)
Recycle Grant	53,000	50,318	2,682	44,359	50,449	(6,090)	44,360	100%	50,844	101%	(6,484)
Building & Permits (Fee Based)	948,145	791,592	156,553	1,608,361	712,961	895,400	1,547,650	96%	753,834	106%	793,816
Minor Home Repair Grant	25,000	25,000	-	31,625	25,011	6,614	32,000	101%	25,577	102%	6,423
Engineering (Fee Based)	457,570	861,373	(403,803)	585,130	940,114	(354,984)	471,000	80%	913,467	97%	(442,467)
TOTAL PBPW Fee Based	**1,962,715**	**2,187,078**	**(224,363)**	**2,575,956**	**2,215,073**	**360,883**	**2,368,010**	92%	**2,425,052**	109%	**(57,042)**
ENDING FUND BALANCE			**1,283,323**			**1,868,569**					**1,811,527**

Attachment 2
Draft Committee Work Programs

Municipal Facilities Committee
Potential 2018 Work Program Items

<u>January</u>
- Confirm 2018 MFC Work Program
- Marina & Beach Park Paid Parking- Implementation Plan Discussion
- Lodging Tax Signage Project- Update
- Draft Park Code-Title 19- Discussion
- 2017-2019 Play Equipment Replacement Community Funding Plan- Discussion
- Court Security Improvements – Scope Discussion
- Police Security Improvements – Scope Discussion
- Building Access System – Scope Discussion

<u>February</u>
- Marina DNR Lease Update- Discussion
- North Marina/Beach Park Project Development- Discussion
    - New Breakwater & Floats
    - Public Fishing Pier Renovations
    - New restroom and extension of Promenade
    - North Bulkhead & Beach Park Bulkhead
- 2018 CIP Project Updates
- Marina Dynamic Messaging Signs -- Discussion

<u>March</u>
- 2018 CIP Project Updates Facility Repair and Replacement Needs – Fund 506
- Carmen Scott Heritage Trail Improvement Project- Update

<u>April</u>
- North Marina Project Development Funding Plan- Discussion
- Facility Repair and Replacement Needs – Fund 506
- Redondo Paid Parking- Implementation Plan Discussion
- Court Security Improvements
- Police Security Improvements
- Building Access System

<u>May</u>
- 2019 Budget Review (MCI, Marina, and Fund 506)- Discussion
- Barnes Creek Trail Design- Update
- DDM- Main Street Community Landmarks Survey- Discussion
- Facility Repair and Replacement Needs – Fund 506

<u>June</u>
- 2019 Budget Review (MCI, Marina, and Fund 506)- Continued Discussion
- 2018 CIP Project Update
- Facility Repair and Replacement Needs – Fund 506

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July

August

- North Marina Project Development- Continued Discussion

September
- 2018 CIP Project Update

October
- Follow Up Items

November
- Draft 2019 MFC Work Program

December
- 2018 CIP Project Update

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Finance and Economic Development Committee
Work Program Items for 2017-2018
Updated July 2017

Underway 2017

- SEPA thresholds and categorical exemptions – Council in September 2017
- Title 18 revisions, landscaping buffer flexibility, Sound Transit – Council in fall 2017
- Essential public facilities ordinance - first reading May 2016, passed to a second reading, complete in 2017 to facilitate the development agreement with Sound Transit
- Shoreline Master Program, limited amendment (Wasson House, parks) – consultant work begun
- Wireless small cell ordinance – model ordinance being developed by consultant
- Nuisance abatement – on-going

Identified 2018

- Pacific Ridge, review zoning/comp plan/planned action – south end (PR-R to PR-C?)
- FWLE Development Agreements with ST, Kent, possibly SeaTac, Highline College
- Review Business Park zoning on the south side of South 216th Street
- Port of Seattle development agreement, Master Plan and SEPA review – DMCBP-West
- Institutional Campus (IC) zoning work - Landmark
- Group home regulations
- Commercial land use table
    - medical facilities
    - non-profits
- Code Maintenance
    - Add "intensify of land use" definition back into Title 16
    - Clean-up items
- CAO amendment – add definitions and reference to Ecology manual
- Transit oriented development, Pacific Ridge and KDM Midway Station area
- Repeal the MFTE Code (per direction from committee on 3-9-2017)
- Marina re-development associated policy and code work – scope to be determined
- Marina Master Plan update

Possible additional items

- Marina SEPA planned action
- School impact fees (discussed with Committee May 2016, request received from school district July 2017)
- Fire District impact fees
- CPTED (Crime Prevention through Environmental Design) – potentially extend beyond Marina District and Pacific Ridge (briefly discussed with FEDC)
- Development incentives for tree retention
- Parking in-lieu fee for the Marina District
- Parking code – parking requirements, modifications, lighting requirements (per CPTED/Pacific Ridge Design Guidelines)

- Roof top structures and screening requirements
- Keeping of animals, including bees
- Update of the PUD code
- Update of the subdivision code
- Facilitate the implementation of the Marina District Wayfinding and Signage Program in collaboration with Destination Des Moines, Arts Commission, others (establish signage/kiosk designs, locations and funding)
- Building heights in the area of the QFC site

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2018 DRAFT Environment Committee
Work Program

January 18, 2018

Confirm 2017 Work Program
Service Center NPDES Permit Requirements Follow-up
Poverty Bay Shellfish District Update

February 15, 2017

Marina Master Plan
Port of Seattle Community Ecology Fund
LID Integration – Street Design & Construction Standards

March 15, 2017

SWM Development Fees
CIP Project Updates

April 19, 2018

Water District 54 Comp Plan

May 17, 2018

Poverty Bay Shellfish District Update

June 21, 2018

Draft 2019-2024 SWM CIP
Update on CMP Pipe Replacement Inventory
LID Integration – Street Design & Construction Standards

July 19, 2018

Draft 2019-2024 NPDES Permit - Tentative
NPDES Program Update

August 16, 2018

CIP Project Updates

September 20, 2018

2019 SWM Capital Improvement Budget
2019 Budget Discussions

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October 18, 2018
Poverty Bay Shellfish Downgrade Update

November 15, 2018
TBD

December 20, 201
TBD

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2018 DRAFT PS&T Committee
Work Program

January 4, 2018

2018 PS&T Work Plan
CIP Projects/Grant Selection Review
Final ADA Transition Plan
Crime Prevention-Block Watch Update (PD)
Sound Transit Update

February 1, 2018

Animal Control Update (PD)
Street Standards
Sound Transit Update
SR-509 Update

March 1, 2018

CIP Project Updates
Redondo Paid Parking
2019 Pavement Management Program
Accreditation Update (PD)
Sound Transit Update

April 5, 2018

PSE Street Light Conversion
Code Enforcement Update (PD)
Sound Transit Update
SR-509 Update

May 3, 2018

Draft TIP
CIP Project Updates
Alarm Ordinance (PD)
Sound Transit Update

June 7, 2018

TIP
Pacific Ridge Strategic Plan Update (PD & City Team)
Sound Transit Update
SR-509 Update

July 5, 2018

CIP Project Updates
Investigation Division Update (PD)
Patrol Operations Update (PD)
Sound Transit Update

August 2, 2018

Draft 2019-2024 Transportation CIP Budget
Graffiti Abatement Program (PD)
Sound Transit Update

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September 6, 2018

2019-2024 Transportation CIP Budget
CIP Project Updates
Back to School/SRO Update (PD)
Sound Transit Update

October 4, 2018

Port of Seattle Port Property DMPD Response to calls for Service in New Business Park (PD)
Sound Transit Update

November 1, 2018

CIP Project Updates
Evidence Based Policing/Crime Analytics Progress (PD)
Sound Transit Update

December 6, 2018

Police Risk/Liability Briefing (EVOC, Firearms, Defensive Tactics) (PD)

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