

**CITY OF BURIEN
AGENDA BILL**

| | | |
|--|---|--|
| Agenda Subject: Adoption of Ordinance No. 558 amending the 2011-2012 Biennial Budget | | Meeting Date: November 28, 2011 |
| Department: Finance Department | Attachments: 1. Ordinance 558 2. Presentation 3. Budget Memo 4. CIP Summary 5. Financial Policies | Fund Source: N/A Activity Cost: N/A Amount Budgeted: N/A Unencumbered Budget Authority: N/A |
| Contact: Kim Krause, Finance Director | | |
| Telephone: (206) 439-3150 | | |
| Adopted Work Plan Priority: Yes No X | Description: N/A | |
| <p>PURPOSE/REQUIRED ACTION: The purpose of this agenda item is to discuss and potentially adopt the amendments to the 2011-2012 Biennial Budget.</p> <p>BACKGROUND (Include prior Council action & discussion): On November 29, 2010 the Council adopted the 2011-12 Biennial Budget (Ordinance #547). Council has not adopted any modifications to that budget.</p> <p>By law, the Council must review and make applicable adjustments to the biennial budget, between the eighth month and the end of the first year. The mid-biennium review only addresses items that need budgetary changes. Those adjustments are included in Ordinance 558. The Council conducted a public hearing and discussed these changes on November 14, 2011. A second public hearing was held prior to tonight's discussion and potential action on this agenda bill.</p> <p>As reviewed with Council on November 14, 2011, there are two policy changes included in this budget amendment. In 2004, Council approved allocating 80% of the Property Tax revenues to the General Fund and 20% to the Capital Projects Reserve Fund. The amount allocated to the Capital Projects Reserve Fund grows by 1% annually. Due to the expected reduction in property taxes, staff recommends changing the allocation to 90% to the General Fund and 10% to the Capital Projects Reserve Fund. The amount allocated to the Capital Projects Reserve Fund will continue to grow by 1% annually. The second policy change relates to how Fund Balance is categorized at the end of each year. This change is required by Government Accounting Standards Board Statement Number 54 and is included in the attached policies.</p> <p>If Council decides to continue discussion of the 2011-2012 Mid-Biennial Budget Review and Update, action on this matter may be extended to any date prior to January 1, 2012.</p> | | |
| Administrative Recommendation: Adopt Ordinance # 558, amending the 2011-2012 Biennial Budget. | | |
| Committee Recommendation: N/A | | |
| Advisory Board Recommendation: N/A | | |
| Suggested Motion: Move to adopt Ordinance # 558 amending the 2011-2012 Biennial Budget. | | |
| Submitted by: Kim Krause, Finance Director | | |
| Administration _____ | City Manager _____ | |
| Today's Date: November 22, 2011 | File Code: \\File01\records\CC\Agenda Bill 2011\112811ad-4 Mid-biennial Budget Modification.docx | |



CITY OF BURIEN, WASHINGTON

ORDINANCE NO. 558

AN ORDINANCE OF THE CITY OF BURIEN, WASHINGTON, AMENDING THE 2011-2012 BIENNIAL BUDGET OF THE CITY OF BURIEN, WASHINGTON TO ADJUST REVENUES AND APPROPRIATE EXPENDITURES TO THE CITY FUNDS FOR 2011 AND 2012

WHEREAS, the City of Burien adopted the 2011-2012 Biennial Budget by Ordinance No. 547; and

WHEREAS, on August 1, 2011, the City of Burien adopted Ordinance No. 553 providing for the issuance of a long term general obligation bonds; and

WHEREAS, the City of Burien will receive additional revenue and incur additional debt service expense associated with these bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BURIEN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The 2011-2012 Adopted Budget for the City of Burien for the period January 1, 2011 through December 31, 2012 is hereby amended as shown in Exhibit A and B.

Section 2. 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 pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 28th DAY OF NOVEMBER, 2011, AND SIGNED IN AUTHENTICATION OF ITS PASSAGE THIS 28th DAY OF NOVEMBER, 2011.

CITY OF BURIEN

Joan McGilton, Mayor

ATTEST/AUTHENTICATED:

Monica Lusk, City Clerk

Approved as to form:

Craig D. Knutson, City Attorney

Filed with the City Clerk:
Passed by the City Council:
Ordinance No.
Date of Publication:

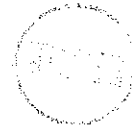


Exhibit A

The following exhibit illustrates the revised revenue and expenditure totals for all funds and brings current the totals for each fund previously reported in Ordinance No. 547:

| | | | | |
|---|--|--|--|--|
| City of Burien | | | | |
| 2011-12 Revised Budget - All Funds | | | | |

| Operating Funds - Resources | Beginning Fund Balance | Revenues | Transfers In | Total Resources |
|---|-------------------------------|----------------------------|---------------------|------------------------|
| General | \$ 3,418,177 | \$ 41,050,599 | \$ 314,000 | \$ 44,782,776 |
| Street | 452,143 | 3,061,275 | - | 3,513,418 |
| Surface Water Management | 266,381 | 4,905,000 | - | 5,171,381 |
| Public Works Reserve | 408,620 | 1,285,000 | - | 1,693,620 |
| Equipment Reserve | 297,851 | - | 450,000 | 747,851 |
| Art in Public Places | 52,341 | 400 | 10,000 | 62,741 |
| Capital Projects Reserve | 790,882 | 1,872,441 | - | 2,663,323 |
| Transportation Benefit District | - | 577,700 | - | 577,700 |
| Debt Service | 13,686 | 566,328 | 4,405,700 | 4,985,714 |
| LID Reserve | 165,000 | - | - | 165,000 |
| Capital Project Funds - Resources | Beginning Fund Balance | Changes to Revenues | Transfers In | Total Resources |
| Town Square Capital Projects | 10,298 | - | 22,120 | 32,418 |
| Parks and General Government Capital Projects | 740,080 | 7,241,482 | 100,000 | 8,081,562 |
| Transportation Capital Projects | 3,607,015 | 15,736,887 | 1,503,855 | 20,847,757 |
| Surface Water Management Capital Projects | 680,308 | - | 1,600,000 | 2,280,308 |
| Total Resources | \$ 10,902,782 | \$ 76,297,112 | \$ 8,405,675 | \$ 95,605,569 |

| Operating Funds - Uses | Expenditures | Transfers Out | Ending Fund Balance | Total Uses |
|---|----------------------|----------------------|----------------------------|----------------------|
| General | \$ 41,081,873 | \$ 545,000 | \$ 3,155,903 | \$ 44,782,776 |
| Street | 3,042,398 | 447,000 | 24,020 | 3,513,418 |
| Surface Water Management | 3,177,416 | 1,857,000 | 136,965 | 5,171,381 |
| Public Works Reserve | - | 1,612,000 | 81,620 | 1,693,620 |
| Equipment Reserve | 400,000 | - | 347,851 | 747,851 |
| Art in Public Places | 14,000 | - | 48,741 | 62,741 |
| Capital Projects Reserve | - | 1,953,120 | 710,203 | 2,663,323 |
| Transportation Benefit District | - | 577,700 | - | 577,700 |
| Debt Service | 4,905,768 | - | 79,946 | 4,985,714 |
| LID Reserve | - | - | 165,000 | 165,000 |
| Capital Project Funds - Uses | Expenditures | Transfers Out | Ending Fund Balance | Total Uses |
| Town Square Capital Projects | 32,418 | - | - | 32,418 |
| Parks and General Government Capital Projects | 7,840,290 | 10,000 | 231,272 | 8,081,562 |
| Transportation Capital Projects | 19,173,803 | - | 1,673,954 | 20,847,757 |
| Surface Water Management Capital Projects | 790,000 | 1,403,855 | 86,453 | 2,280,308 |
| Total Uses | \$ 80,457,966 | \$ 8,405,675 | \$ 6,741,928 | \$ 95,605,569 |

Exhibit B

The following illustrates the changes made in each fund, not the totals per fund.

| City of Burien Changes to the 2011-2012 Budget -- All Funds | | | | |
|--|---|------------------------|----------------------------|----------------------------------|
| | Changes to Beginning Fund Balance | Changes to Revenues | Changes to Transfers In | Changes to Total Resources |
| Operating Funds - Resources | | | | |
| General | \$ 879,017 | \$ (335,292) | \$ - | \$ 543,725 |
| Street | (871,440) | (78,725) | - | (950,165) |
| Surface Water Management | 97,858 | 32,000 | - | 129,858 |
| Public Works Reserve | 297,929 | (250,000) | - | 47,929 |
| Equipment Reserve | 22,112 | - | (100,000) | (77,888) |
| Art in Public Places | (228) | - | - | (228) |
| Capital Projects Reserve | (385,622) | (553,338) | - | (938,960) |
| Transportation Benefit District | - | - | - | - |
| Debt Service | (53,434) | 238,000 | 782,000 | 966,566 |
| LID Reserve | - | - | - | - |
| Capital Project Funds - Resources | | | | |
| | Changes to Beginning Fund Balance | Changes to Revenues | Changes to Transfers In | Changes to Total Resources |
| Town Square Capital Projects | 10,298 | - | 22,120 | 32,418 |
| Parks and General Government Capital Projects | (434,550) | 325,482 | 100,000 | (9,068) |
| Transportation Capital Projects | (1,872,638) | 2,650,671 | (187,145) | 590,888 |
| Surface Water Management Capital Projects | (1,167,466) | - | 200,000 | (967,466) |
| Total Resources | \$ (3,478,164) | \$ 2,028,798 | \$ 816,975 | \$ (632,391) |

| | Changes to Expenditures | Changes to Transfers Out | Changes to Ending Fund Balance | Changes to Total Uses |
|---|----------------------------|-----------------------------|--------------------------------------|--------------------------|
| Operating Funds - Uses | | | | |
| General | \$ 889,263 | \$ - | \$ (345,538) | \$ 543,725 |
| Street | (345,980) | (468,000) | (136,185) | (950,165) |
| Surface Water Management | (42,184) | 200,000 | (27,958) | 129,858 |
| Public Works Reserve | - | - | 47,929 | 47,929 |
| Equipment Reserve | - | - | (77,888) | (77,888) |
| Art In Public Places | - | - | (228) | (228) |
| Capital Projects Reserve | - | 1,022,120 | (1,961,080) | (938,960) |
| Transportation Benefit District | - | - | - | - |
| Debt Service | 948,750 | - | 17,816 | 966,566 |
| LID Reserve | - | - | - | - |
| Capital Project Funds - Uses | | | | |
| | Changes to Expenditures | Changes to Transfers Out | Changes to Ending Fund Balance | Changes to Total Uses |
| Town Square Capital Projects | 32,418 | - | - | 32,418 |
| Parks and General Government Capital Projects | (117,710) | - | 108,642 | (9,068) |
| Transportation Capital Projects | (1,063,268) | - | 1,654,156 | 590,888 |
| Surface Water Management Capital Projects | (355,000) | 62,855 | (675,321) | (967,466) |
| Total Uses | \$ (53,711) | \$ 816,975 | \$ (1,395,655) | \$ (632,391) |

Exhibit C

Ordinance No. 558 amends the 2011-2012 Adopted Budget in the following funds:

GENERAL FUND 001

Beginning Fund Balance: An increase of \$879,017 was recognized when the books were closed for 2010.

Revenues: A net decrease of \$335,292. Due to a 9.23% decrease in the City's assessed valuation, property taxes are projected to be \$467,000 less than budgeted for 2012. This budget amendment reflects a policy change to allocate 90% of Property Taxes to the General Fund and 10% to the Capital Projects Reserve Fund. The net result is an \$86,000 increase in the General Fund. Other adjustments include an \$84,323 increase in Sales Taxes due to higher than anticipated Criminal Justice receipts. Utility Taxes have been adjusted downward by \$1,418,415. Of this amount, \$421,275 is Solid Waste Franchise Fees transferred to the Street Fund to maintain operations. The balance of \$997,140 is the result of less than anticipated receipts. As reported to Council earlier, the City is in the process of conducting a utility tax audit. Seattle City Light Intergovernmental revenues are also being audited, as those projections are \$300,000 less than anticipated in the adopted budget. Gambling Excise Tax reflects a \$50,000 increase and Permit revenue reflects a \$500,000 increase, primarily due to a couple of large construction projects and the new pet licensing program. Liquor Tax and Profits reflects an increase of \$180,000, primarily due to underestimating after annexation in 2010. Recreation Revenues have been increased by \$80,000 to reflect the current year activity. Revenues for the Red Light Camera Program, \$402,800 (after adjustments), are being transferred from the Street Fund to the General Fund as all of the ancillary expenses related to the program are recorded in the General Fund.

Expenditures: A net increase of \$889,263. This includes a reduction in employee salaries and benefits (\$211,287) and the King County Sheriff's Contract (\$200,000) for the 2010 reconciliation. Offsetting this decrease, the Red Light Camera expenditures have been adjusted and transferred from the Street Fund to the General Fund (\$428,800). There is a corresponding increase in revenues. Other expenditure adjustments include additional funds for litigation attorney fees (\$125,000); South Correctional Entity (SCORE) jail startup expenses (\$216,750); miscellaneous annexation costs (\$100,000); an increase in District Court costs due to the change made in the split of court revenues in 2010 and 2011 (\$356,000); and other miscellaneous services such as the newsletter, voter registration, utilities and miscellaneous professional services (\$74,000).

Ending Fund Balance: A decrease of \$345,538 reflects the net changes of the adjustments noted above.

STREET FUND 101

Beginning Fund Balance: The beginning Fund Balance was \$871,440 lower than projected during the 2011-12 budget process.

Revenues: A net decrease of \$78,725. This decrease is attributed to moving the Red Light Camera revenue to the General Fund (\$500,000) because all of the ancillary expenses related to the program are recorded in the General Fund. In addition, \$421,275 in Solid Waste Franchise Fees were moved from the General Fund to the Street Fund to maintain operations.

Expenditures: A net decrease of \$345,980. This decrease is the result of reducing expenditures for salaries and benefits (\$45,980); moving the Red Light Camera program from the Street Fund to the General Fund (\$360,000); reducing non-county street maintenance (\$85,000); neighborhood traffic control/calming expenses (\$20,000); miscellaneous professional services (\$45,000) and janitorial services (\$24,000). These reductions are offset by increases in fuel and small tools/equipment (\$68,000); repairs and maintenance (\$60,000); operating rentals and leases (\$28,000); King County services (\$25,000); and capital equipment needed for the new crews (\$53,000).

Transfers Out: A decrease of \$468,000. This decrease is the result of eliminating the transfer to the Equipment Reserve Fund (\$100,000); eliminating the contribution to the Transportation CIP Fund (\$50,000); and eliminating the 2012 transfer to the Debt Service Fund (\$318,000).

Ending Fund Balance: A decrease of \$136,185 reflects the net changes of the adjustments noted above.

SURFACE WATER MANAGEMENT FUND 104

Beginning Fund Balance: An increase of \$97,858 was recognized when the books were closed for 2010.

Revenues: An increase of \$32,000. This is an inflationary increase for SWM Fees.

Expenditures: A decrease of \$42,184. This decrease is attributed to reducing expenditures for salaries and benefits (30,684), professional services (\$120,500) and janitorial services (\$24,000). These reductions are offset by increases in fuel (\$58,000) and King County services (\$75,000).

Transfers Out: An increase of \$200,000 to the Surface Water Management CIP Fund.

Ending Fund Balance: A decrease of \$27,958 reflects the net changes of the adjustments noted above.

PUBLIC WORKS RESERVE FUND 106

Beginning Fund Balance: An increase of \$297,929 was recognized when the books were closed for 2010.

Revenues: A decrease of \$250,000. This decrease is attributed to real estate excise tax revenue being lower than anticipated when the budget was prepared.

Transfers Out: A net increase of \$0. Although the net change is \$0, there are two adjustments included. The transfer to the Debt Service Fund was increased by \$300,000 to fund half of the 2012 debt service for 2010 overlay bond issue. This transfer is offset by eliminating the transfer to the Transportation CIP Fund (\$300,000).

Ending Fund Balance: An increase of \$47,929 reflects the net changes of the adjustments noted above.

EQUIPMENT RESERVE FUND 107

Beginning Fund Balance: An increase of \$22,112 was recognized when the books were closed for 2010.

Transfers In: A decrease of \$100,000 is due to the elimination of the Street Fund transfer.

Ending Fund Balance: A decrease of \$77,888 reflects the net changes of the adjustments noted above.

CAPITAL PROJECTS RESERVE FUND 115

Beginning Fund Balance: The Beginning Fund Balance was \$385,622 lower than anticipated when the 2011-12 Adopted Budget was prepared.

Revenue: A decrease of \$553,338 is due to a 9.23% decrease in assessed valuation. This budget amendment reflects a policy change to allocate 90% of Property Taxes to the General Fund and 10% to the Capital Projects Reserve Fund. The decrease of \$553,338 is the result of lowering the allocation to the Capital Projects Reserve Fund from 20% to 10%.

Transfers Out: An increase of \$1,022,120 is the result of transferring an additional \$800,000 to the Debt Service Fund to fund the debt service for the bonds issued in 2011; an additional \$22,120 to the Town Square CIP Fund for expenses to close out the project; an additional \$100,000 to the Parks and General Government CIP Fund for some additional office space in City Hall; and an additional \$100,000 to the Transportation CIP Fund for the Sylvester Road Bridge project.

Ending Fund Balance: A decrease of \$1,961,080 reflects the net changes of the adjustments noted above.

ART IN PUBLIC PLACES FUND 113

Beginning Fund Balance: A decrease of \$228 was recognized when the books were closed for 2010.

Ending Fund Balance: A decrease of \$228 reflects the net changes of the adjustment noted above.

DEBT SERVICE FUND 201

Beginning Fund Balance: A decrease of \$53,434 was recognized when the books were closed for 2010.

Revenues: An increase of \$238,000 reflects the subsidy from the federal government for the interest expense on 2010 overlay bond issue (Build Across America Bond Program). In the original budget, the subsidy was netted against the debt service expenditures. There is a corresponding increase in the expenditure budget.

Transfers In: An increase of \$782,000. This is the net result of eliminating the transfer from the Street Fund (\$318,000); increasing the transfer from the Public Works Reserve Fund (\$300,000); and increasing the transfer from the Capital Projects Reserve Fund (\$800,000) to fund the debt service for the bonds issued in 2011 and cover the reduction in the beginning fund balance.

Expenditures: An increase of \$948,750 reflects the addition of the debt service for the 2011 bond issue (\$710,750) and an increase in the interest expense budget (\$238,000) for the amount subsidized by the federal government for the 2010 overlay bonds. This amount is offset by an increase in the revenue budget.

Ending Fund Balance: An increase of \$17,816 reflects the net changes of the adjustments noted above.

TOWN SQUARE CAPITAL PROJECT FUND 314

Beginning Fund Balance: An increase of \$10,298 was recognized when the books were closed for 2010.

Transfers In: An increase of \$22,120 from the Capital Projects Reserve Fund for project closeout expenditures.

Expenditures: An increase of \$32,418 for costs incurred to close out the project.

PARKS & GENERAL GOVERNMENT CAPITAL PROJECT FUND 317

Beginning Fund Balance: A decrease of \$434,550 was recognized when the books were closed for 2010.

Revenue: An increase of \$325,482 reflects the addition of CDBG funding for the Community Center Roof Replacement project (\$154,000) and additional funding from the Army Corps of Engineers and other grants for the Seahurst Park project (\$302,007). These increases are offset by the elimination of County grant funding for miscellaneous parks projects (\$120,000); a reduction in Parks Levy funding (\$10,000) and a slight reduction in CDBG funding for Puget Sound Park (\$525).

Transfers In: An increase of \$100,000 reflects a transfer from the Capital Projects Reserve Fund to add some additional office space in City Hall.

Expenditures: A decrease of \$117,710. This decrease reflects a reduction in costs for the Seahurst Park project (\$208,061) and a reduction in miscellaneous park facility restoration projects (\$170,000). These reductions are offset by the addition of the Burien Community Center Roof Replacement Project (\$160,351) and remodeling to add offices in City Hall (\$100,000).

Ending Fund Balance: An increase of \$108,642 reflects the net changes of the adjustments noted above.

TRANSPORTATION CAPITAL PROJECT FUND 318

Beginning Fund Balance: The Beginning Fund Balance was \$1,872,638 lower than projected during the 2011-12 budget process.

Revenue: An increase of \$2,650,671. This increase is the result of recognizing the 2011 bond proceeds (\$6,864,953) to fund the 1st Avenue South Phase I Project and settlement costs. Funding for the 1st Avenue South Phase II project has been adjusted to reflect current construction estimates: increase in State TIB funding (\$702,700) and a decrease in utility conversion costs (\$3,343,589). Grant funding for the S/SW 136th Street Sidewalk Improvements (\$1,006,500) and 8th Avenue South Safe Routes to Schools (\$425,000) is not available and has been eliminated. Funding for the King County Intelligent Traffic System was adjusted downward by

\$324,465 to reflect the actual agreement with King County. Other miscellaneous grant revenues and impact fees were increased by \$182,572.

Transfers In: A decrease of \$187,145. Transfers from the Street Fund (\$50,000) and Public Works Reserve Fund (\$300,000) were eliminated. Those reductions were offset by the addition of a transfer from the Capital Projects Reserve Fund for the Sylvester Road Bridge project (\$100,000) and an increase in the transfer from the Surface Water Management Capital Project Fund for various projects (\$62,855).

Expenditures: A decrease of \$1,063,268. Included in this adjustment is reduced funding for 1st Avenue South Phase II (\$1,682,774) to reflect current construction estimates and reduced funding for Intelligent Traffic System to reflect the actual agreement with King County (\$296,220). Offsetting these reductions is the addition of two new projects approved by Council earlier in the year: 1st Avenue South Phase I completion (\$1,212,267) and the Sylvester Road Bridge (\$100,000). Funds have been added to the following project budgets: Hazel Valley Elementary Sidewalk (\$261,045), Street Overlay (\$2,277,913), Transportation Master Plan (\$25,000); Ambaum Pedestrian Safety (\$64,572) and NERA (\$500). Three projects have been reclassified as unfunded: 4th Avenue SW/SW 148th Street Intersection (\$1,252,071), 8th Avenue Safe Routes to Schools (\$625,000), and S/SW 136th Sidewalk Improvement Project (\$1,148,500).

Ending Fund Balance: An increase of \$1,654,156 reflects the net changes of the adjustments noted above.

SURFACE WATER MANAGEMENT CAPITAL PROJECT FUND 319

Beginning Fund Balance: The Beginning Fund Balance was \$1,167,466 lower than projected during the 2011-12 budget process.

Transfers In: An increase of \$200,000 reflects additional funding from the Surface Water Management Fund.

Expenditures: A decrease of \$355,000 is attributed to the shifting of the 8th to 9th Avenue SW project to the Hazel Valley Sidewalk project (Transportation Capital Project Fund); the elimination of the 22nd Avenue Drainage Systems Improvement Projects (\$200,000); and a reduction in funding for Residential Drainage Improvements (\$170,000). These reductions are offset by an increase of \$15,000 for the Drainage Master Plan.

Transfers Out: An increase of \$62,855 to the Transportation Capital Project Fund.

Ending Fund Balance: A reduction of \$675,321 reflects the net changes of the adjustments noted above.

Mid-Biennial Budget Review

Finance Department

November 14, 2011

Mid-Biennial Review

- Required by Law to review the Biennial Budget during the last 4 months of the 1st year in the Biennium
- Ord. #547 adopted the 2-year appropriations
- Mid-Biennial review only includes items that need budgetary changes

Decision Making

- Tonight
 - Open 1st Public Hearing – required by law
 - Review 2011-12 Existing Budget and Proposed Amendments
 - Discuss Decision Points for 2012
 - Policy Change to Reallocate 90% of Property Taxes to General Fund/10% to Capital Projects Reserve Fund
 - Policy adopted in 2004 allocated 80% of Property Taxes to General Fund and 20% to Capital Projects Reserve Fund
 - » Maintain 1% annual increase of amount allocated to Capital Projects Reserve Fund
 - Property Tax Levy
 - Capital Improvement Program Updates

Next Meeting

- Open and Close 2nd Public Hearing
- Adopt 2012 Property Tax Levy
- Adopt 2011-12 Amended Biennial Budget
- Adopt 11/14/11 Financial Policy Revisions

2012 Property Tax Levy

- Due to a 9.23% projected decrease in assessed valuation, the City can only levy the statutory limit of \$1.60
- Draft Ordinance #557

2012 Budget Highlights

- Use 8% of General Fund Fund Balance over 2 year period (\$262,000)
- 2% Cost of Living adjustment eliminated – savings of \$110,000
- 2 General Fund positions eliminated – savings of \$187,000
- 1 new Maintenance Worker II position added in Public Works – \$68,000 (SWM Fund)
 - Reduced from 4 new positions in Adopted Budget

2011-12 GENERAL FUND REVENUE SUMMARY

| | 2011 Adopted Budget | 2011 Budget Revisions | 2011 Revised Budget | 2012 Adopted Budget | 2012 Budget Revisions | 2012 Revised Budget |
|--|---------------------------|-----------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|
| General Fund Revenue | | | | | | |
| Property Tax | 5,800,000 | - | 5,800,000 | 5,893,000 | 86,000 | 5,979,000 |
| Sales Taxes | 5,844,714 | 110,000 | 5,954,714 | 5,996,677 | (25,677) | 5,971,000 |
| Business & Occupation Tax | 548,910 | - | 548,910 | 563,182 | - | 563,182 |
| Utility Taxes | 3,520,535 | (650,000) | 2,870,535 | 3,714,164 | (768,415) | 2,945,749 |
| Gambling Excise Tax | 575,000 | 50,000 | 625,000 | 575,000 | - | 575,000 |
| Total Taxes | 16,289,159 | (490,000) | 15,799,159 | 16,742,023 | (708,092) | 16,033,931 |
| Franchise Fees | 565,326 | - | 565,326 | 580,024 | - | 580,024 |
| Permits | 451,248 | 300,000 | 751,248 | 463,167 | 200,000 | 663,167 |
| Total Licenses & Permits | 1,016,574 | 300,000 | 1,316,574 | 1,043,191 | 200,000 | 1,243,191 |
| Federal Grants | - | - | - | - | - | - |
| State Grants | 50,000 | - | 50,000 | 50,000 | - | 50,000 |
| State - Criminal Justice | 255,000 | - | 255,000 | 262,000 | - | 262,000 |
| DUI Programs | 10,000 | - | 10,000 | 10,000 | - | 10,000 |
| Liquor Tax and Profits | 454,000 | 110,000 | 564,000 | 465,804 | 70,000 | 535,804 |
| Intergovernmental Services | 301,500 | - | 301,500 | 201,500 | - | 201,500 |
| Intergovernmental - Seattle City Light | 831,000 | (150,000) | 681,000 | 831,000 | (150,000) | 681,000 |
| Total Intergovernmental | 1,901,500 | (40,000) | 1,861,500 | 1,820,304 | (80,000) | 1,740,304 |
| Planning & Building Fees | 350,000 | - | 350,000 | 359,100 | - | 359,100 |
| Parks & Recreation Charges | 629,300 | - | 629,300 | 638,740 | 80,000 | 718,740 |
| Total Charges for Services | 979,300 | - | 979,300 | 997,840 | 80,000 | 1,077,840 |
| Fines and Forfeitures | 230,000 | 232,800 | 462,800 | 240,000 | 170,000 | 410,000 |
| Miscellaneous | 63,000 | - | 63,000 | 63,000 | - | 63,000 |
| Total Fines & Miscellaneous | 293,000 | 232,800 | 525,800 | 303,000 | 170,000 | 473,000 |
| Total Revenues | 20,479,533 | 2,800 | 20,482,333 | 20,906,358 | (338,092) | 20,568,266 |
| Total Transfers In | 155,000 | - | 155,000 | 159,000 | - | 159,000 |
| Total Revenues & Transfers | 20,634,533 | 2,800 | 20,637,333 | 21,065,358 | (338,092) | 20,727,266 |

2011-12 GENERAL FUND EXPENDITURE SUMMARY – BY DEPARTMENT

| Expenditures by Department | 2011 | | 2011 | | 2012 | | 2012 | |
|---|-------------------|------------------|-------------------|-------------------|------------------|-------------------|------|--|
| | Adopted Budget | Budget Revisions | Revised Budget | Adopted Budget | Budget Revisions | Revised Budget | | |
| City Council | 199,100 | - | 199,100 | 201,400 | 8,000 | 209,400 | | |
| City Manager | 1,361,948 | 19,000 | 1,380,948 | 1,398,201 | (48,940) | 1,349,261 | | |
| Human Resources | 166,695 | - | 166,695 | 172,966 | (2,595) | 170,371 | | |
| Finance & Administrative Services | 2,652,405 | 591,800 | 3,244,205 | 2,410,024 | 503,030 | 2,913,054 | | |
| Legal | 1,176,287 | - | 1,176,287 | 910,166 | 120,500 | 1,030,666 | | |
| Police | 9,786,700 | (200,000) | 9,586,700 | 10,134,700 | - | 10,134,700 | | |
| Public Works | 556,599 | 25,000 | 581,599 | 567,387 | (54,065) | 513,322 | | |
| Community Development | 1,505,856 | 6,500 | 1,512,356 | 1,469,905 | (65,415) | 1,404,490 | | |
| Parks, Recreation & Cultural Services | 2,768,821 | 10,000 | 2,778,821 | 2,753,450 | (23,552) | 2,729,898 | | |
| Subtotal Department Expenditures | 20,174,411 | 452,300 | 20,626,711 | 20,018,199 | 436,963 | 20,455,162 | | |
| Total Transfers Out | 188,000 | - | 188,000 | 357,000 | - | 357,000 | | |
| Total Expenditures & Transfers | 20,362,411 | 452,300 | 20,814,711 | 20,375,199 | 436,963 | 20,812,162 | | |

2011-12 GENERAL FUND EXPENDITURE SUMMARY – BY LINE ITEM

| Expenditure | 2011 | | 2011 | | 2012 | | 2012 | | 2012 | |
|---|-------------------|------------------|-------------------|-------------------|------------------|-------------------|----------------|------------------|----------------|--|
| | Adopted Budget | Budget Revisions | Revised Budget | Adopted Budget | Budget Revisions | Revised Budget | Adopted Budget | Budget Revisions | Revised Budget | |
| Salaries | 3,868,809 | 35,000 | 3,903,809 | 3,919,230 | (195,425) | 3,723,805 | | | | |
| Benefits | 1,319,662 | - | 1,319,662 | 1,398,910 | (50,862) | 1,348,048 | | | | |
| Total Salaries & Benefits | 5,188,471 | 35,000 | 5,223,471 | 5,318,140 | (246,287) | 5,071,853 | | | | |
| Total Supplies | 167,315 | - | 167,315 | 167,890 | - | 167,890 | | | | |
| Professional Contract Services | 3,060,465 | 508,300 | 3,568,765 | 2,582,965 | 436,500 | 3,019,465 | | | | |
| Communications | 106,339 | - | 106,339 | 107,364 | - | 107,364 | | | | |
| Travel/Meals/Mileage | 38,700 | - | 38,700 | 38,900 | - | 38,900 | | | | |
| Advertising | 23,000 | - | 23,000 | 23,500 | - | 23,500 | | | | |
| Operating Rents & Leases | 63,450 | - | 63,450 | 63,450 | - | 63,450 | | | | |
| Insurance | 182,537 | - | 182,537 | 190,000 | - | 190,000 | | | | |
| Utility Services | 206,000 | - | 206,000 | 206,000 | 15,000 | 221,000 | | | | |
| Repairs & Maintenance | 62,200 | - | 62,200 | 62,200 | - | 62,200 | | | | |
| Dues & Memberships | 117,110 | - | 117,110 | 119,110 | 8,000 | 127,110 | | | | |
| Printing & Binding | 78,016 | - | 78,016 | 78,091 | - | 78,091 | | | | |
| Registration & Training | 51,100 | - | 51,100 | 51,100 | - | 51,100 | | | | |
| Subscriptions & Publications | 38,507 | - | 38,507 | 39,107 | - | 39,107 | | | | |
| Other Miscellaneous | 61,082 | - | 61,082 | 63,182 | - | 63,182 | | | | |
| Total Other Services & Charges | 4,088,506 | 508,300 | 4,596,806 | 3,624,969 | 459,500 | 4,084,469 | | | | |
| Total Intergovernmental Services | 10,657,500 | (91,000) | 10,566,500 | 10,892,700 | 223,750 | 11,116,450 | | | | |
| Total Capital Outlay | 72,619 | - | 72,619 | 14,500 | - | 14,500 | | | | |
| Total Expenditures | 20,174,411 | 452,300 | 20,626,711 | 20,018,199 | 436,963 | 20,455,162 | | | | |
| Total Transfers Out | 188,000 | - | 188,000 | 357,000 | - | 357,000 | | | | |
| Total Expenditures & Transfers | 20,362,411 | 452,300 | 20,814,711 | 20,375,199 | 436,963 | 20,812,162 | | | | |

2011-12 OPERATING FUNDS REVENUE SUMMARY

| OTHER OPERATING FUND REVENUES | 2011 | 2011 | 2011 | 2012 | 2012 | 2012 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Street Fund | Adopted Budget | Budget Revisions | Revised Budget | Adopted Budget | Budget Revisions | Revised Budget |
| Motor Vehicle Fuel Tax | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ 1,075,000 | \$ - | \$ 1,075,000 |
| Business Licenses | 275,000 | - | 275,000 | 290,000 | - | 290,000 |
| Red Light Enforcement | 250,000 | (250,000) | - | 250,000 | (250,000) | - |
| Franchise Taxes | - | 205,000 | 205,000 | - | 216,275 | 216,275 |
| Total Street Fund | \$ 1,525,000 | \$ (45,000) | \$ 1,480,000 | \$ 1,615,000 | \$ (33,725) | \$ 1,581,275 |
| Surface Water Management Fund | | | | | | |
| SWM Drainage Fees | \$ 2,415,000 | \$ - | \$ 2,415,000 | \$ 2,450,000 | \$ 32,000 | \$ 2,482,000 |
| Miscellaneous | 4,000 | - | 4,000 | 4,000 | - | 4,000 |
| Total SWM Fund | \$ 2,419,000 | \$ - | \$ 2,419,000 | \$ 2,454,000 | \$ 32,000 | \$ 2,486,000 |
| Public Works Reserve Fund | | | | | | |
| Real Estate Excise Tax | \$ 700,000 | \$ (100,000) | \$ 600,000 | \$ 800,000 | \$ (150,000) | \$ 650,000 |
| Other Revenues | 17,000 | - | 17,000 | 18,000 | - | 18,000 |
| Total PWR Fund | \$ 717,000 | \$ (100,000) | \$ 617,000 | \$ 818,000 | \$ (150,000) | \$ 668,000 |
| Equipment Reserve Fund | | | | | | |
| Transfers In | \$ 270,000 | \$ (50,000) | \$ 220,000 | \$ 280,000 | \$ (50,000) | \$ 230,000 |
| Total ERR Fund | \$ 270,000 | \$ (50,000) | \$ 220,000 | \$ 280,000 | \$ (50,000) | \$ 230,000 |
| Art in Public Places Fund | | | | | | |
| Other Revenues | \$ 200 | \$ - | \$ 200 | \$ 200 | \$ - | \$ 200 |
| Transfers In | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Total APP Fund | \$ 5,200 | \$ - | \$ 5,200 | \$ 5,200 | \$ - | \$ 5,200 |
| Capital Projects Reserve | | | | | | |
| Property Taxes | \$ 1,205,661 | \$ - | \$ 1,205,661 | \$ 1,217,718 | \$ (553,338) | \$ 664,380 |
| Other Revenues | 1,200 | - | 1,200 | 1,200 | - | 1,200 |
| Total CPR Fund | \$ 1,206,861 | \$ - | \$ 1,206,861 | \$ 1,218,918 | \$ (553,338) | \$ 665,580 |
| Transportation Benefit District Fund | | | | | | |
| Property Taxes | \$ 275,000 | \$ - | \$ 275,000 | \$ 300,000 | \$ - | \$ 300,000 |
| Other Revenues | 1,200 | - | 1,200 | 1,500 | - | 1,500 |
| Total TBD Fund | \$ 276,200 | \$ - | \$ 276,200 | \$ 301,500 | \$ - | \$ 301,500 |
| Debt Service Fund | | | | | | |
| Other Revenues | \$ 164,164 | \$ 119,000 | \$ 283,164 | \$ 164,164 | \$ 119,000 | \$ 283,164 |
| Transfers In | 1,694,200 | 300,000 | 1,994,200 | 1,929,500 | 482,000 | 2,411,500 |
| Total Debt Service Fund | \$ 1,858,364 | \$ 419,000 | \$ 2,277,364 | \$ 2,093,664 | \$ 601,000 | \$ 2,694,664 |

2011-12 OPERATING FUNDS EXPENDITURE SUMMARY

| OTHER OPERATING FUND EXPENDITURES | 2011 | | 2011 | | 2012 | | 2012 | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------|------------------|
| Street Fund | Adopted Budget | Budget Revisions | Revised Budget | Adopted Budget | Budget Revisions | Revised Budget | Adopted Budget | Budget Revisions |
| Public Works | \$ 1,702,467 | \$ (193,000) | \$ 1,509,467 | \$ 1,685,911 | \$ (152,980) | \$ 1,532,931 | | |
| Transfers Out | 467,500 | (100,000) | 367,500 | 447,500 | (368,000) | 79,500 | | |
| Total Street Fund | \$ 2,169,967 | \$ (293,000) | \$ 1,876,967 | \$ 2,133,411 | \$ (520,980) | \$ 1,612,431 | | |
| Surface Water Management Fund | | | | | | | | |
| Public Works | \$ 1,565,431 | \$ (49,500) | \$ 1,515,931 | \$ 1,654,169 | \$ 7,316 | \$ 1,661,485 | | |
| Transfers Out | 827,500 | 200,000 | 1,027,500 | 829,500 | - | 829,500 | | |
| Total SWM Fund | \$ 2,392,931 | \$ 150,500 | \$ 2,543,431 | \$ 2,483,669 | \$ 7,316 | \$ 2,490,985 | | |
| Public Works Reserve Fund | | | | | | | | |
| Transfers Out | \$ 809,000 | \$ 100,000 | \$ 909,000 | \$ 803,000 | \$ (100,000) | \$ 703,000 | | |
| Total PWR Fund | \$ 809,000 | \$ 100,000 | \$ 909,000 | \$ 803,000 | \$ (100,000) | \$ 703,000 | | |
| Equipment Reserve Fund | | | | | | | | |
| Finance Department | \$ 200,000 | \$ - | \$ 200,000 | \$ 200,000 | \$ - | \$ 200,000 | | |
| Total ERR Fund | \$ 200,000 | \$ - | \$ 200,000 | \$ 200,000 | \$ - | \$ 200,000 | | |
| Art in Public Places Fund | | | | | | | | |
| Parks Department | \$ 6,000 | \$ - | \$ 6,000 | \$ 8,000 | \$ - | \$ 8,000 | | |
| Total APP Fund | \$ 6,000 | \$ - | \$ 6,000 | \$ 8,000 | \$ - | \$ 8,000 | | |
| Capital Projects Reserve | | | | | | | | |
| Transfers Out | \$ 451,000 | \$ 272,120 | \$ 723,120 | \$ 480,000 | \$ 750,000 | \$ 1,230,000 | | |
| Total CPR Fund | \$ 451,000 | \$ 272,120 | \$ 723,120 | \$ 480,000 | \$ 750,000 | \$ 1,230,000 | | |
| Transportation Benefit District Fund | | | | | | | | |
| Transfers Out | \$ 276,200 | \$ - | \$ 276,200 | \$ 301,500 | \$ - | \$ 301,500 | | |
| Total TBD Fund | \$ 276,200 | \$ - | \$ 276,200 | \$ 301,500 | \$ - | \$ 301,500 | | |
| Debt Service Fund | | | | | | | | |
| Finance Department | \$ 1,919,922 | \$ 280,500 | \$ 2,200,422 | \$ 2,037,096 | \$ 668,250 | \$ 2,705,346 | | |
| Total Debt Service Fund | \$ 1,919,922 | \$ 280,500 | \$ 2,200,422 | \$ 2,037,096 | \$ 668,250 | \$ 2,705,346 | | |

2011-12 General Fund Revenue Amendments

| Description | Amendment |
|---|--------------------|
| Revise Property Tax split to 90% General Fund and 10% Capital Projects Reserve Fund | \$86,000 |
| Increase Sales Tax Revenues to reflect current year activity | \$84,323 |
| Decrease Utility Tax Revenues to reflect actual results | (\$997,140) |
| Transfer Solid Waste Franchise Fees to Street Fund | (\$421,275) |
| Increase Gambling Taxes to reflect current year activity | \$50,000 |
| Increase Permit revenue to reflect current year activity | \$500,000 |
| Increase Liquor Tax and Profits to reflect current year activity | \$180,000 |
| Decrease Seattle City Light revenues to reflect actual results | (\$300,000) |
| Increase Park & Recreation charges to reflect current year activity | \$80,000 |
| Transfer Red Light Camera Fines from Street Fund | \$402,800 |
| Total General Fund Revenue Adjustments | (\$335,292) |

2011-12 General Fund Expenditure Amendments

| Description | Amendment |
|--|------------------|
| Reduce Salaries and Benefits | (\$211,287) |
| Increase Red Light Camera Professional Services | \$428,800 |
| Increase SCORE Jail Startup Expenses | \$216,750 |
| Increase District Court Costs | \$356,000 |
| Increase Litigation Attorney Fees | \$125,000 |
| Add Miscellaneous Expenses for Annexation | \$100,000 |
| Increase Miscellaneous Services (voter registration, newsletter, utilities, memberships) | \$74,000 |
| Decrease King County Sheriff's Contract | (\$200,000) |
| Total General Fund Expenditure Adjustments | \$889,263 |

Other Funds Changes

| Fund | Description | Impact on Resources | Impact on Uses |
|--------------------|---|---------------------|--------------------|
| Street Fund | Red Light Camera | (\$500,000) | (\$360,000) |
| Street Fund | Transfer Solid Waste Franchise Fees from General Fund | \$421,275 | - |
| Street Fund | Decrease in Salaries and Benefits | | (\$45,980) |
| Street Fund | Increase Services and Supplies | | \$60,000 |
| Street Fund | Decrease Transfers Out | | (\$468,000) |
| Street Fund | Total Adjustments | (\$78,725) | (\$813,980) |
| | | | |
| SWM Fund | Inflationary Adjustment for SWM Fees | \$32,000 | |
| SWM Fund | Decrease in Salaries and Benefits | | (\$30,684) |
| SWM Fund | Decrease Services and Supplies | | (\$11,500) |
| SWM Fund | Increase Transfers Out | | \$200,000 |
| SWM Fund | Total Adjustments | \$32,000 | \$157,816 |

Other Funds Changes

| Fund | Description | Impact on Resources | Impact on Uses |
|-------------------------------|---|---------------------|----------------|
| Public Works Reserve | Decrease Real Estate Excise Tax Revenues | (\$250,000) | |
| Equipment Reserve Fund | Reduce Transfers In | (\$100,000) | - |
| Capital Projects Reserve Fund | Reduce Property Tax Revenues due to revision of split with General Fund | (\$553,338) | |
| Capital Projects Reserve Fund | Increase Transfers Out | | \$1,022,120 |
| Debt Service Fund | Add Federal Government Subsidy for Interest Expense (2010 Overlay Bonds) | \$238,000 | |
| Debt Service Fund | Increase Transfers In to Fund New Debt Service | \$782,000 | |
| Debt Service Fund | Increase Debt Service Expense for Interest Expense Subsidized by Federal Government and 2011 Bond Issue | | \$948,750 |

CIP UPDATES

- **New Projects:**
 - Town Square - \$32,418 to close out project
 - Burien Community Center Roof Replacement - \$160,351, primarily CDBG funding
 - City Hall Remodeling to add Office Space - \$100,000
 - Completion of 1st Avenue South Phase I - \$1,212,267
 - Contingency Funds for Sylvester Road Bridge - \$100,000
- **Seahurst Park and 1st Avenue South Phase II – Revised Funding to reflect current construction estimates**
- **Projects Moved to Unfunded:**
 - 4th Avenue SW/SW 148th Street Intersection - \$1,252,071
 - 8th Avenue Safe Routes to Schools Project - \$625,000
 - S/SW 136th Street Sidewalk Improvements - \$1,148,500

Conclusion

- Next meeting November 28, 2011
 - 2nd Public Hearing
 - Adopt 2012 Property Tax Levy
 - Adopt 2011-12 Amended Biennial Budget
- Questions?

City of Burien 2011-2012 Mid-Biennial Budget Update

November 14, 2011

Honorable Mayor, Members of the City Council, and Residents of Burien:

This brief memo is designed to provide a high-level summary of some of the changes incorporated into the 2011-12 Mid-Biennium Budget Review and Update.

The preliminary assessed valuation for 2012 shows a 9.23% decrease. This has a significant impact on General Fund revenues as the City cannot maintain this revenue source and stay under the \$1.60 statutory limit for property taxes. Our 2012 property taxes will be about \$467,000 less than 2011. To maintain our services, we are recommending a policy change in the property tax allocation. In 2004, Council approved allocating 80% of the property taxes to the General Fund and 20% to the Capital Projects Reserve Fund. This budget amendment reduces the allocation to the Capital Projects Reserve Fund to 10%, while maintaining the existing policy of increasing those funds by 1% annually.

We have made significant reductions in our estimates for Utility Taxes as they did not grow as expected. As previously reported to Council, we have contracted with a consultant to audit those revenues. That audit is still in the early stages.

The original 2011-12 Adopted Budget included a 2% COLA for employees as a placeholder. We are not moving forward with any COLA for 2012, resulting in a savings of approximately \$110,000. Two positions have been eliminated for a savings of \$187,000. We are adding one maintenance person in Public Works, which is less than the four positions approved in the Adopted Budget. In addition, we are recommending a change to our health insurance benefits that will save an additional \$69,000. This reduction is not reflected in the proposed amendments, as it has not been presented for Council approval.

Overall, our General Fund is healthy. Although this budget proposes using \$262,000 of fund balance (approximately 8%) over the two-year biennium, the ending fund balance is in excess of \$3 million, well above our minimum balance of 10 percent.

As you know, the Governor's budget proposal could also have significant impacts on our revenue sources. We will address that issue if the legislature shows support for those proposals.

The details of the existing budget and proposed changes are included in the attached documents.

Sincerely,

Mike Martin
City Manager

2012 - 2017 Capital Improvement Program

TOWN SQUARE

Total Project Expenditures

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Future | 2012-2017 Six-Year CIP |
|------------------------|--------------------|-------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------|
| Town Square Open Space | 32,418 | - | 32,418 | - | - | - | - | - | - | - | - |
| Total Projects | \$ 32,418 | \$ - | \$ 32,418 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Total Project Funding

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Future | 2012-2017 Six-Year CIP |
|--------------------------------------|--------------------|------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------|
| Town Square CIP | 10,298 | 10,298 | - | - | - | - | - | - | - | - | - |
| Capital Projects Reserve | 22,120 | - | 22,120 | - | - | - | - | - | - | - | - |
| Total Project Funding Sources | \$ 32,418 | \$ 10,298 | \$ 22,120 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**2012 - 2017 Capital Improvement Program
PARKS & GENERAL GOVERNMENT**

Total Project Expenditures

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-2017 Six-Year CIP |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|------------------|------------------|------------------|------------------------|
| Burien Comm. Center - Roof Replacement | \$ 1,685,009 | \$ 1,524,658 | \$ 6,351 | \$ 154,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 154,000 |
| City Facilities Upgrade | 100,000 | - | 100,000 | - | - | - | - | - | - | - |
| Parks, Recreation, Open Space (PROS) Plan | 75,000 | - | 75,000 | - | - | - | - | - | - | - |
| Parks Facilities | 726,448 | - | - | 150,000 | 120,000 | 456,448 | - | - | - | 726,448 |
| Puget Sound Park Improvements | 150,000 | - | - | 150,000 | - | - | - | - | - | 150,000 |
| Seahurst Park - North Shoreline* | 9,977,527 | 872,588 | 1,612,957 | 5,491,982 | 2,000,000 | - | - | - | - | 7,491,982 |
| Strategic Information Systems | 359,560 | 9,560 | - | 100,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 350,000 |
| Total Projects - Funded | \$ 11,073,544 | \$ 2,406,806 | \$ 1,794,308 | \$ 6,045,982 | \$ 170,000 | \$ 506,448 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 6,872,430 |
| Total Projects - Unfunded* | \$ 2,000,000 | \$ - | \$ - | \$ - | \$ 2,000,000 | \$ - | \$ - | \$ - | \$ - | \$ 2,000,000 |

Total Project Funding

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-2017 Six-Year CIP |
|---|----------------------|---------------------|---------------------|---------------------|-------------------|-------------------|------------------|------------------|------------------|------------------------|
| Parks CIP Fund Balance | \$ 1,519,601 | \$ 577,144 | \$ 75,000 | \$ 557,457 | \$ 110,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 867,457 |
| Capital Projects Reserve | 100,000 | - | 100,000 | - | - | - | - | - | - | - |
| King County Parks Levy | 456,448 | 176,448 | 70,000 | 70,000 | 70,000 | 70,000 | - | - | - | 210,000 |
| Banked Property Tax | 1,000,000 | 1,000,000 | - | - | - | - | - | - | - | - |
| Subtotal Local Funds | \$ 3,076,049 | \$ 1,753,592 | \$ 245,000 | \$ 627,457 | \$ 180,000 | \$ 120,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 1,077,457 |
| Grant | 7,724,020 | 836,013 | 1,612,957 | 5,215,050 | 60,000 | - | - | - | - | 5,275,050 |
| CDBG | 273,475 | - | - | 273,475 | - | - | - | - | - | 273,475 |
| <i>Unfunded</i> | 2,000,000 | - | - | - | 2,000,000 | - | - | - | - | 2,000,000 |
| TOTAL ALL PROJECTS (less unfunded) | \$ 11,073,544 | \$ 2,589,605 | \$ 1,857,957 | \$ 6,115,982 | \$ 240,000 | \$ 120,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 6,625,982 |

2012 - 2017 Capital Improvement Program
TRANSPORTATION

Total Project Expenditures

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-2017 Six-Year CIP |
|--|--------------------|---------------|---------------|------------|--------------|------------|------------|---------------|---------------|------------------------|
| 1st Ave S, Phase 1 (SW 146th St. to SW 163rd Place)* | \$ 31,091,374 | \$ 29,879,107 | \$ 1,212,267 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1st Ave S, Phase 2 (SW 140th St. to SW 146th St.) | 9,202,295 | 1,385,069 | 7,817,226 | - | - | - | - | - | - | - |
| 4th Ave SW/SW 148th St. Intersection-Funded | 388,038 | 10,038 | - | - | 378,000 | - | - | - | - | 378,000 |
| 4th Ave SW/SW 148th St. Intersection-Unfunded* | 911,962 | - | - | - | 911,962 | - | - | - | - | 911,962 |
| 16th Ave SW Intelligent Traffic System Project | 204,000 | 220 | 203,780 | - | - | - | - | - | - | - |
| Arbaum Blvd SW Pedestrian Safety | 91,000 | 26,428 | 64,572 | - | - | - | - | - | - | - |
| Citywide Traffic Intersections | 300,000 | - | - | - | 300,000 | - | - | - | - | 300,000 |
| Hazel Valley Safe Sidewalk Improvements | 1,006,500 | 8,955 | 115,000 | 882,545 | - | - | - | - | - | 882,545 |
| NERA Transportation Improvements* | 13,000,867 | 367 | 500 | - | - | - | - | - | 13,000,000 | 13,000,000 |
| S. 136th St. Sidewalk Improvements* | 1,300,000 | 91,847 | - | - | 1,208,153 | - | - | - | - | 1,208,153 |
| SR 518/Des Moines Memorial Dr. Interchange* | 15,000,000 | - | - | - | - | - | - | 15,000,000 | - | 15,000,000 |
| Street Overlay Program | 12,712,000 | 1,709,087 | 8,570,913 | 32,000 | - | 600,000 | 600,000 | 600,000 | 600,000 | 2,432,000 |
| Sylvester Bridge Replacement | 100,000 | - | 100,000 | - | - | - | - | - | - | - |
| Transportation Master Plan | 175,000 | - | 175,000 | - | - | - | - | - | - | - |
| Total Projects - Funded | \$ 55,362,921 | \$ 33,111,118 | \$ 18,259,258 | \$ 914,545 | \$ 678,000 | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 3,992,545 |
| Total Projects - Unfunded* | \$ 30,120,115 | \$ - | \$ - | \$ - | \$ 2,120,115 | \$ - | \$ - | \$ 15,000,000 | \$ 13,000,000 | \$ 30,120,115 |

Total Project Funding

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-2017 Six-Year CIP |
|---|--------------------|---------------|---------------|------------|------------|------------|------------|------------|------------|------------------------|
| Transportation CIP | \$ 9,711,103 | \$ 6,390,358 | \$ 888,745 | \$ 32,000 | \$ - | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 2,432,000 |
| Capital Projects Reserve | 100,000 | - | 100,000 | - | - | - | - | - | - | - |
| Impact/Mitigation Fees | 503,000 | 125,000 | 378,000 | - | - | - | - | - | - | - |
| Private/Utilities | 12,386,722 | 10,030,311 | 2,356,411 | - | - | - | - | - | - | - |
| Grants/CDBG | 10,867,558 | 3,730,035 | 6,434,878 | 402,645 | 300,000 | - | - | - | - | 702,645 |
| Bonds - Street Overlay & 1st Ave S | 15,464,953 | 8,600,000 | 6,864,953 | - | - | - | - | - | - | - |
| PWTF Loan and Interest | 2,000,000 | 2,000,000 | - | - | - | - | - | - | - | - |
| SWM CIP | 4,329,585 | 2,925,730 | 1,000,000 | 403,855 | - | - | - | - | - | 403,855 |
| Unfunded | 30,120,115 | - | - | - | 2,120,115 | - | - | 15,000,000 | 13,000,000 | 30,120,115 |
| Total Project Funding Sources less unfunded | \$ 55,362,921 | \$ 33,801,434 | \$ 18,022,987 | \$ 838,500 | \$ 300,000 | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 600,000 | \$ 3,538,500 |

**2012 - 2017 Capital Improvement Program
SURFACE WATER MANAGEMENT**

Total Project Expenditures

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-2017 Six-year CIP |
|---|---------------------|------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------------|
| SW 158th St @ 4th SW Culvert/Headwall Repair | \$ 120,000 | \$ - | \$ - | \$ 120,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 120,000 |
| Drainage Master Plan | 140,000 | - | 140,000 | - | - | - | - | - | - | - |
| Hermes Depression Pump Station Reconstruction | 200,000 | - | 30,000 | 170,000 | - | - | - | - | - | 170,000 |
| NPDES Monitoring Program | 101,986 | 1,986 | - | 100,000 | - | - | - | - | - | 100,000 |
| NERA Drainage Improvements - Funded | 1,001,139 | 1,139 | - | - | 1,000,000 | - | - | - | - | 1,000,000 |
| NERA Drainage Improvements - Unfunded* | 4,730,000 | - | - | - | 4,730,000 | - | - | - | - | 4,730,000 |
| Residential Drainage Imp. Program (RDIP) | 1,419,382 | 84,256 | 30,000 | 200,000 | 200,000 | 210,000 | 220,500 | 231,525 | 243,101 | 1,305,126 |
| Total Projects - Funded | \$ 2,982,507 | \$ 87,381 | \$ 200,000 | \$ 590,000 | \$ 1,200,000 | \$ 210,000 | \$ 220,500 | \$ 231,525 | \$ 243,101 | \$ 2,695,126 |
| Total Projects - Unfunded* | \$ 4,730,000 | \$ - | \$ - | \$ - | \$ 4,730,000 | \$ - | \$ - | \$ - | \$ - | \$ 4,730,000 |

Total Project Funding

| | Total Project Cost | Prior Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2012-2017 Six-year CIP |
|---------------------------------------|---------------------|------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------------|
| Surface Water Mgmt CIP | \$ 1,982,507 | \$ 87,381 | \$ 200,000 | \$ 590,000 | \$ 200,000 | \$ 210,000 | \$ 220,500 | \$ 231,525 | \$ 243,101 | \$ 1,695,126 |
| Grants | 1,000,000 | - | - | - | 1,000,000 | - | - | - | - | 1,000,000 |
| Unfunded | 4,730,000 | - | - | - | 4,730,000 | - | - | - | - | 4,730,000 |
| Total Projects (less unfunded) | \$ 2,982,507 | \$ 87,381 | \$ 200,000 | \$ 590,000 | \$ 1,200,000 | \$ 210,000 | \$ 220,500 | \$ 231,525 | \$ 243,101 | \$ 2,695,126 |

CITY OF BURIEN FINANCIAL POLICIES

The City's Financial Policies are intended to serve as a Council-approved set of values and expectations for Council Members, City staff, citizens and other interested parties who may do business with the City. The use of the term "City" refers to all City officials and staff who are responsible for the activities to carry out these policies. The policies describe expectations for financial planning, budgeting, accounting, reporting and other management practices. They have been prepared to assure prudent financial management and responsible stewardship of the City's financial and physical resources.

A. City Funds

The City shall utilize "governmental fund accounting" as the organizational structure for its financial activities. The following funds have been established for budgeting, accounting and reporting.

OPERATING FUNDS

1. The *General Fund* is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund.
2. The *Street Fund* is required by state law to account for dedicated state-shared gas tax revenue, The City's business license fee revenue is also deposited in this fund. Monies in the Street Fund are used for street maintenance and transportation capital projects.
3. The *Surface Water Management Fund* accounts for the maintenance and capital improvements to the City's storm and surface water drainage system. Revenues come from fees collected from residential and commercial property owners.

RESERVE FUNDS

1. The *Equipment Replacement Reserve Fund* provides monies for the orderly replacement of City assets with a value over \$1,000 and with an estimated service life of three or more years. All monies come from the City's Operating Funds (General, Street, and Surface Water Management).
2. The *Public Works Reserve Fund* is utilized to accumulate monies for future Capital Improvement Program projects. Funding sources include the Real Estate Excise Tax (REET), Park Mitigation Fees, and transfers from the General Fund.
3. The *Capital Project Reserve* was established to accumulate monies from the City's annual property tax levy for future Capital Improvement Program projects.

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4. The *Art in Public Places Fund* accounts for contributions, donations and commissions on sales of art displayed in public places along with 1% of construction contracts for City owned buildings, transit centers and parks.
5. The *Local Improvement District (LID) Guaranty Fund* is required by State law to maintain a balance of not less than 10% of the City's outstanding LID assessments. All monies in the Fund come from the Street Fund; any monies in excess of the needs of the LID Guaranty Fund are returned to the Street Fund.

DEBT SERVICE FUND

1. The City maintains a single *Debt Service Fund* to account for the resources necessary to pay principal and interest when due on the City's outstanding General Obligation Bonds, Local Improvement District Bonds, and Public Works Trust Fund Loans.

CAPITAL IMPROVEMENT PROGRAM FUNDS

Four Capital Improvement Program Funds have been established to account for the revenues and expenditures associated with the following Capital Improvement Program project areas:

1. Parks and General Government;
2. Town Square;
3. Transportation; and
4. Surface Water Management.

B. Resource Planning

1. To assure stability and continuity in City services, the City will prepare and update on a biennial basis a six-year Financial Forecast for all City Funds. This biennial planning process will enable citizens, staff, advisory committees, and the City Council to discuss current and future programs, service levels, and capital facility needs.
2. The relationship between the Operating and Capital Budgets will be incorporated into the Financial Forecasts and Budgets. Maintenance and operating costs associated with new Capital Improvement Program projects shall be disclosed in the Capital Budget when projects are being considered and included in the Operating Budget when the projects are complete.
3. The City Manager shall develop on a biennial basis a Financial Planning calendar that will provide for the timely update of the six-year Financial Forecasts for all City Funds along with the biennial process to develop, review, and adopt the City's Operating and Capital Budgets.
4. The City's Operating and Capital Budgets will implement City Council adopted goals and policies, long-range plans, and service choices for the community.

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5. The City will use "prudent revenue and expenditure assumptions" in the development of the six-year Financial Forecasts, Operating and Capital Budgets. Revenue and expenditure estimates shall be conservative to generally produce variances from budget estimates in the 3% to 5% range for overall fund revenues and 3% to 5% range for overall fund expenditures.
6. One-time resources shall be identified and shall be used to support one-time expenditures. Ongoing expenditure programs shall only be supported by ongoing resources.
7. Where estimated expenditures and fund balances exceed estimated resources for any Financial Forecast, potential options to bring the six-year Financial Forecasts into balance shall be included as an integral part of the Budget process.

C. Fund Balance and Reserve Levels

Budgeted fund balances shall be established at a minimum of 10% of budgeted recurring revenue for the General Fund and 5% of budgeted recurring revenues for the Street and Surface Water Management Funds.

The City hereby establishes and will maintain reservations of Fund Balance, as defined in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Policy shall only apply to the City's governmental funds. Fund Balance shall be composed of the following five categories:

1. Non-Spendable Fund Balance – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the principal of an endowment fund).
2. Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Restrictions may only be changed or lifted with the consent of the resource providers.
3. Committed Fund Balance – Amounts that can be used only for the specific purposes determined by formal action of the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.
4. Assigned Fund Balance – Amounts the City intends to use for a specific purpose.
5. Unassigned Fund Balance – The residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are the portion of fund balance that is not obligated or specifically designated and is available for any purpose.

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2. General Fund Budget shall maintain a minimum Fund Balance of 10% of budgeted General Fund recurring revenue.

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The Finance Director shall have the authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the City Council.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first.

When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts shall be reduced first, followed by assigned amounts and then unassigned amounts.

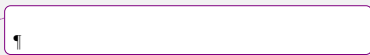
D. Resource Allocation

The City Council has established the following allocations for designated revenues:

1. Not less than 1% of annual General Fund expenditures will be for Human Services programs.

E. Accounting, Budget, and Financial Practice Policies

1. The City will maintain an accounting and financial reporting system that fully meets professional standards, state accounting requirements, and standards used by debt rating agencies.
2. Financial procedures shall be developed to assure appropriate controls are in place to protect City assets and to provide for the development of timely financial reporting.
3. Procurement policies and procedures shall be developed and periodically updated as needed to meet legal requirements and assure effective and competitive purchasing practices.
4. The City will strive to maintain at least an "A1" bond rating from Moody's Investor Services.
5. The Finance Director shall provide to the City Council not less than quarterly a Financial Status Report for all City Funds. This Report will include comparisons of actual revenue and expenditure performance to the respective Budget estimates. Where revenue collections are, or are anticipated to be significantly less than Budget estimates, and/or, where expenditures are, or are anticipated to be significantly greater than Budget estimates, the Finance Director shall include recommendations for possible adjustments or actions.
6. In accordance with state law, the City Manager is authorized to transfer budgeted amounts within any fund; however, any revisions that alter the total expenditure authority (appropriation) of a fund or change the number of authorized employee positions, the pay classification system, hours, or other conditions of employment, must be approved by the City Council.



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7. Staff shall provide for a periodic evaluation of the City's Fund and fee structure to provide for service delivery and/or cost recovery enhancements.

F. Revenue Policies

1. To minimize the impact of cyclical economic downturns on City General Fund revenues and services, the City will attempt to diversify its economic base.
2. Where the City has authority to establish and change fees and charges, all such fees and charges shall be adjusted annually for inflation, based on the change in the Implicit Price Deflator (IPD) for State and Local Government Consumption Expenditures and Gross Investment for the twelve month period ending June 30, or other applicable index or measure.
3. The City will establish cost recovery policies for fee supported services which consider the relative public/private benefits received from the services being provided and/or the desirability of providing access to services for specialized populations. These policies will determine the percentage of full service costs to be recovered through fees. The level of cost recovery may be adjusted to ensure that rates are current, equitable, and competitive and cover that percentage of the total cost deemed appropriate. Staff shall submit periodic financial reports to the Council on the progress in meeting the policies.
4. Grant revenue will be included in the City's Financial Forecasts and Budgets when it is probable the City will receive the grant award.
5. Property taxes levied for general government operations will be at least 1% more than levied in the prior year plus the amount received as a result of new construction. Effective with the 2012 Property Tax Levy, 90% of the Property Taxes will be allocated to the General Fund and 10% will be allocated to the Capital Projects Reserve Fund. Property taxes set aside in the Capital Projects Reserve Fund will grow at 1% per year beginning in 2013.

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G. Capital Improvement Program Policies

1. The City will plan for capital improvements over a multi-year period. The Capital Improvement Program will directly relate to the City's long-range plans and policies. When capital improvements are being planned, maintenance & operating costs will be estimated and identified within the City's Financial Forecasts. When the capital projects are complete, monies will be included in the City's Operating Budget to provide for maintenance and operating costs.
2. To maintain the City's physical assets, a current inventory will be maintained of all of the City assets, and their condition, maintenance and estimated replacement costs. The City

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shall maintain an Equipment Replacement Reserve Fund through cash reserves set aside each year to provide for the timely and orderly replacement of assets. The Equipment Replacement Reserve Fund shall be included in the update of the City's Financial Forecasts.

3. The City will maintain an "Art in Public Places Fund" for the purpose of providing funds for capital improvement projects funded wholly or in part by the City of Burien for construction or remodeling of government owned public buildings, transit centers and parks.
4. A capital project is defined as a project of a nonrecurring nature with a cost of \$25,000 or more and estimated service life of at least 10 years including major renovations of existing facilities. Routine maintenance of existing facilities, however, should not be included in capital requests.
5. The Adopted Capital Facilities Element of the Burien Comprehensive Plan provides guidance regarding the development of the City's Capital Improvement Program.
6. For each Fund of the Capital Improvement Program (Parks and General Government, Town Square, Transportation, and Surface Water Management), funding sources will be identified so that it will be clear what local funds, grant funds, and other revenue sources are supporting each program.
7. The City will use Community Development Block Grant capital funds for eligible capital projects that are included in the City's adopted Capital Improvement Program. The funds will only be spent on eligible projects that benefit low and moderate income individuals as defined in the Community Development Block Grant regulations.

H. Debt Policies

1. When evaluating the use of councilmanic debt and the associated debt service obligations, a financial feasibility analysis will be performed including the City's ability to make debt service payments, taking into account revenue fluctuations associated with periodic economic cycles.
2. Voted and councilmanic debt will be used prudently in a manner to avoid any adverse impact on the City's credit rating.
3. The City will establish appropriate procedures to assure compliance with its bond covenants and all other applicable federal, state, and local laws, policies or regulations.
4. Debt may be used on a limited basis for specific short-term cash flow needs. Debt will not be used to fund long-term revenue shortages. For major capital projects with long-term useful lives (normally 20 years or more) and where costs exceed short-term cash flows, debt may be used provided there is sufficient discretionary revenue within the

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Financial Forecasts Plan to service the debt without disrupting the City's existing service delivery programs.

I. Investment Policies

1. The City will follow state law and the following criteria in priority order when investing City monies:
 - a. Preserve capital through prudent financial investments;
 - b. Maintain sufficient liquidity so that monies are available when needed; and
 - c. Achieve the best available rate of return.
2. The City will provide the appropriate accounting and reporting for any private donations or monies held in trust by the City.

J. Financial Management and Organizational Review Policies

1. The City Manager will periodically review the City's organizational structure to assure that it is responsive to current conditions; and service duplication within the organization and with other local government jurisdictions is eliminated. Periodic performance audits may be used to assess organizational costs and effectiveness. Periodic budget reviews shall be made to examine departmental and/or program line-item costs.
2. The City Manager will periodically evaluate the City's administrative and direct service delivery systems to determine whether a service should be provided by the City, by agreement with a qualified and or competitively priced private or public contractor, or eliminated due to changes in community needs and expectations.
3. The City Council will adopt, through the biennial Budget, service levels, a work program, and performance standards that reflect City revenues, community expectations and legal requirements. The City is committed to examining how it provides services so that service levels and performance standards are met or exceeded at the least cost to the public.
4. The City's compensation structure (salaries and benefits) will be reviewed at least every three years. The City's compensation structure shall be competitive with that of comparable public sector employers in the relevant recruiting or market area. The criteria for reviewing employee salaries and benefits will also include internal comparability for similar jobs and the City's ability to pay. If relevant private sector comparisons are available, they will be considered.
5. The City will, within available resources, maintain the productivity of staff through a supportive working environment, which includes appropriate equipment, supplies, materials, and professional staff development.

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6. The City will evaluate its use of intergovernmental service contracts to prevent duplication of services and to assure an effective and efficient service delivery system to the community.
7. The City adopts biennial budgets at the start of every odd-numbered year. The biennial budget provides a two-year expenditure appropriation with side-by-side one-year budget displays. To avoid overspending the two-year appropriation too quickly, departments are held to single-year budgets and are generally not able to commit funds from the second year of the biennium before it begins.

K. Contract Approval Authority

The approval authority for execution of City contracts is as follows:

1. The City Manager will have authority to sign contracts up to \$25,000.
2. The City Manager will have authority to sign contracts over \$25,000 for equipment, goods, and services that are included in the Adopted Budget.
3. Contracts that exceed Adopted Budget spending authority must be placed on the Council agenda for discussion and approval.
4. Contracts over \$25,000 for initiatives not included in the Adopted Budget must be placed on the Council agenda for discussion and approval.
5. All capital projects in which there is a material change in scope must be placed on the Council agenda for discussion and approval.

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