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City Council

Approval of an Ordinance Amending Ordinance 7268 (Operating, Special and Capital Budgets) - 2021 First Quarter Budget Amendment

Agenda Date: 6/8/2021
Agenda Item Number: 4.I
File Number: 21-0491

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of an Ordinance Amending Ordinance 7268 (Operating, Special and Capital Budgets) -
2021 First Quarter Budget Amendment

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the proposed Ordinance that amends Ordinance 7268 on second reading.

Report

Issue:

Whether to amend Ordinance 7268 on second reading.

Staff Contact:

Nanci Lien, Finance Director, 360.753.8465

Presenter(s):

None - Consent Calendar item

Background and Analysis:

Background and analysis ahs not changed from first to second reading.

City Council may revise the City's Operating and Capital Budgets by approving an ordinance. Generally, budget amendments are presented quarterly to Council for review and approval, however, may be made at any time during the year. The amended ordinances appropriate funds and provide authorization to expend the funds.

The attached ordinance includes recommended amendments to the 2021 Operating Funds, Special Funds, and Capital Funds for: 1) Department requested carry-forward appropriations; and 2) Department requests for budget amendments for the 1st Quarter in 2021.

- 1) Department requested carry-forward appropriations include appropriations and associated transfers representing 2020 obligations for purchase orders and contracts not completed in 2020, as well as capital project-related appropriations. These appropriations total \$40,184,421.
- 2) Department requests for budget amendments for 1st Quarter in 2021 represent new budget adjustments and associated transfers departments requested for 2021. These appropriations total \$6,025,989.

Department requests for budget amendments for the 1st Quarter in 2021 are summarized below.

City Manager's Office

- \$1,230 in appropriations for an adjustment to the 2021 JASCOM budget that was higher than projected. Funding from General Fund fund balance.
- \$43,500 in appropriations for transfer to the Parking, Business Improvement Area (PBIA) fund. At the January 19, 2021, City Council meeting, Council passed a resolution to supplement the PBIA's 2021 budget with year-end reserves to temporarily reduce the annual assessment rates for 2021. Funding from General Fund Council Goals and Opportunities budget capacity.
- \$2,671,665 in appropriations to transfer the Economic Development Reserve balance out of the Capital Improvements Fund into the Special Accounts Control Fund for Economic Recovery. This is an administrative adjustment to ensure that all fund reserves in the capital funds are for capital purposes. Funding from Capital Improvements Fund fund balance.
- \$170,239 in appropriations for future City property repairs. Funding from the Insurance Trust Fund 2020 carryover fund balance.

Community Planning & Development

- \$23,000 in appropriations for expenditures related to the Neighborhood Matching Grant program. This is an annual grant program that was omitted during the 2021 budget process. Funding from General Fund fund balance.

Parks, Arts & Recreation

- \$5,315 in appropriations for expenditures to the Municipal Arts Fund to be used for arts at Woodruff Sports Center. Funding from Capital Improvements Fund reserves.
- \$5,579 in appropriations for expenditures to the Municipal Arts Fund to be used for arts at LBA Wall. Funding from Capital Improvements Fund reserves.
- \$315,425 in capital appropriations for the Armory Creative Campus project. Funding from the

Parks allocation of the Voted Utility Tax.

- \$13,650 in appropriation for temporary FTE increase (from .75 to 1.0 FTE) for project management of the Armory Creative Campus Project Council authorized on April 13, 2021. Funding from Capital Improvements Fund reserves.
- Reduction of \$6,269 in appropriations for completed Lions Park Sprayground project. As project is completed, remaining RCO grant has been closed.

Police Department

- \$14,600 in operating appropriations for vehicle maintenance costs related to new fleet addition negotiated in labor contract. Funding from General Fund fund balance.
- \$66,000 in capital appropriations for vehicle acquisition related to new fleet addition negotiated in labor contract. Funding from General Fund fund balance.

Public Works Operating Funds

- General Services - \$12,000 in appropriations for supplies for cleaning the downtown restroom (Portland Loo at the Artisan Well). Funding to come from Parks' appropriations.
- Facilities - \$75,000 in appropriations for Olympia Center HVAC renewal (maintenance). Funding from Building Repair and Maintenance Fund fund reserves.
- Drinking Water - \$11,065 in appropriations for supplies to install the base and sculpture for east side of West Bay for the Heron sculpture. Funding is from a transfer from the Municipal Arts Fund.
- \$11,065 in appropriations for installation of the Heron Sculpture on east side of West Bay. Funding from Municipal Arts Fund fund balance.
- Drinking Water - \$80,000 in appropriations to correct an administrative data entry error. Funding is from Drinking Water Fund fund balance.
- Drinking Water - \$35,000 in appropriations to upgrade the Bush Street tank fencing. Funding is from Water Capital Improvement Fund fund balance.
- Equipment Rental - \$2,140,000 in appropriations to correct an administrative data entry error. Original proposed budget was accidentally overwritten during data entry. Funding is from Equipment Rental Fund fund balance.

Neighborhood/Community Interests (if known):

The City's 2021 Operating Budget originally appropriated \$167.6 million, which includes General Fund appropriations of \$88.1 million. Several of this budget adjustment provide funding for projects

related specifically to neighborhood and the community.

Options:

1. Approve ordinance amending ordinance 7268. This provides staff with budget capacity to proceed with initiatives approved by Council.
2. Do not approve the amending ordinance; staff will not have authorization to expend the funds.
3. Ask staff to amend the ordinance and bring it back for approval at a later date.

Financial Impact:

Operating Funds - total increase in appropriations of \$4,004,159; Special Funds - total increase in appropriations of \$4,737,491; and Capital Funds - total increase in appropriations of \$37,468,760. Funding sources of funding are noted above.

Attachments:

Ordinance