



## City Council

### Approval of Amendment to Ordinance 6998 (Operating Budget Quarterly Adjustment)

**Agenda Date:** 4/19/2016  
**Agenda Item Number:** 4.D  
**File Number:** 16-0428

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

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#### **Title**

Approval of Amendment to Ordinance 6998 (Operating Budget Quarterly Adjustment)

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve amending Ordinance 6998 on second reading.

#### **Report**

##### **Issue:**

Whether to amend Ordinance 6998, the Operating Budget quarterly adjustment.

##### **Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

##### **Presenter(s):**

Dean Walz, Fiscal Services Director

##### **Background and Analysis:**

The background and analysis have not changed from first to second reading.

To change the budget the Council must approve a new ordinance amending the budget. Generally, budgetary amendments are made quarterly. On occasion a budget change needs to be made between the quarterly updates and a separate ordinance will come before the Council. These ordinances do not officially amend the budget ordinance, but does provide authorization to expend funds. The attached ordinance reflects ordinances which may have been adopted relating to the budget since the last quarterly update, and other proposed changes to the budget.

No separate ordinances were passed since the adoption of Ordinance 6998 relating to the Operating Budget.

##### Budget Items Not Previously Presented to the Council:

- 1) Appropriation of \$398,913 within the General Fund for additional cost of living increases of 1% for AFSCME, IUOE, Fire unions, and independent employees and a 2% increase for the Police Guild. 2016 cost of living increases were based on the percent of increase in sales tax in 2015 over 2014. The 2016 budget included a 2% cost of living increase for the above employee groups and 3% for the Fire Union. Labor contracts required a cost of living increase of 3% or 4% if sales tax increased between 5% and 6% in 2015 over 2014. The sales tax increase in 2015 was 5.32%. The appropriation is funded from additional sales tax projected to be received in 2016. The original 2016 budget was based on a 4% increase in sales tax in 2015.
- 2) Appropriation of \$36,551 to fund energy efficiency programs. Funding provided by energy conservation rebates.
- 3) Appropriation of \$84,347 for an additional FTE approved by the Council December 15, 2015. This approval was made too late in the year to add the funding to the original 2016 budget. Funding provided by development fee revenue.
- 4) Appropriation of \$2,330 for purchase of TASER cartridges & batteries. Funding provided by proceeds of the sale of old equipment.
- 5) Appropriation of \$1,000 for equipment for the Kids Canopy Climb program. Funding provided by a PARC grant, a pass-through grant from the Nisqually Tribe.
- 6) Appropriation of \$5,000 for the Ambassador at the Artesian Commons. Funding provided by a donation from the Nisqually Tribe.
- 7) Appropriation of \$15,285 within the Water/Sewer Bond Redemption Fund. The original 2016 budget was short by the amount. Funding is from fund balance.
- 8) Appropriation of \$10,000 for police training. Funding provided by a donation from the Nisqually Tribe.
- 9) Appropriation of 2,500 for the Recreation Scholarship Special Account. Funding provided by private donations to the Account.
- 10) Appropriation of \$588,207 to the Parking Fund. In late 2015 the Council created a separate Parking Fund. Previously, parking was part of the General Fund. In creating the new Fund the Council also closed the Parking Special Account that funded parking improvement and moved those monies into the new Parking Fund. This appropriation budgets the money transferred from the Parking Special Account into the new Parking Fund.
- 11) Adjustment to cancel \$173,000 of appropriations remained in the old Parking Special Account.
- 12) Appropriation of \$1,600,000 of General Fund, fund balance for various needs. This is fund balance in excess of the operating reserve. These are items approved by the Council on March 22, 2016.

\$ 50,000	Americans with Disabilities program
\$300,000	Implementation of Downtown strategy and Comp Plan
\$150,000	Hazard Trees
\$200,000	East Bay erosion design and permitting
\$ 50,000	Sidewalk repairs
\$ 35,000	Artesian Commons ranger and well host
\$ 50,000	Canoe Journey support costs
\$ 70,000	Emergency Preparedness
\$ 75,000	Community and Economic Revitalization Committee
\$225,000	Blighted property acquisition
\$ 50,000	Police MCT's
\$345,000	Downtown Sanitation Pilot

- 13) Appropriation of \$394,000 within the Fleet (Equipment Rental) Fund for fuel to be sold to the various departments. This is due to an accounting change whereby the sales will be recorded a sales (revenue) by the Fleet Fund and also an expense representing cost of fuel sold. Previously, the various departments made the purchase directly from inventory.
- 14) Appropriation of \$225,000 within the Building Demo/Nuisance Abatement Special Account for blighted property acquisition. This is funded by a transfer from the General Fund, see also item 12 above.

**Neighborhood/Community Interests (if known):**

None noted.

**Options:**

- 1) Approve ordinance amending ordinance 6998.
- 2) Do not approve the amending ordinance. The budget items not previously presented to the Council would not be authorized.

**Financial Impact:**

Total increase appropriations by \$3,190,133. Funding for these appropriations noted above.