



TO: Elizabeth Pauli, City Manager
FROM: Katie Johnston, Budget Officer, Office of Management and Budget
 Andy Cherullo, Director, Department of Finance
COPY: City Council and City Clerk
SUBJECT: Ordinance - 2021-2022 Biennial Budget Amendment - November 9, 2021
DATE: October 29, 2021

SUMMARY AND PURPOSE:

Modifying the 2021-2022 Biennial Budget as outlined in the attached exhibits. Modifications generally recognize new revenues, budget for resolutions already passed by the City Council, adjust for changes that have occurred over the course of the biennium, and make corrections to the adopted budget.

BACKGROUND:

This Department’s Recommendation is Based On: Compliance with RCW 35.34.130 which provides that the legislative body of the City will meet no sooner than eight months after the start nor later than the conclusion of the first year of the fiscal biennium for the purpose of a mid-biennial review and modification of the biennial budget. The Mid-Biennial Modification Ordinance will increase and/or decrease expenditure budgets (appropriations) and revenues to align them with more recent conditions and projections. Modifications are based on the current actual and projected revenues and expenditures, including expenditures for unforeseen and unanticipated conditions.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Departments submitted budget proposals with equity impacts in mind. The Office of Management and Budget and the City Manager’s Office evaluated proposals accordingly.

ALTERNATIVES:

Per RCW 35.34.130, the City must perform a mid-biennial review and modification of the budget. The City Council could decline to appropriate the requested adjustments. This action could result in some funds lacking legal authority to spend new revenues or adapt to changing circumstances.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Adopt Modification Ordinance	Increase spending authority will allow City departments to pursue initiatives important to the community.	City departments will be legally required to spend within pre-existing budget authority.
2. Do not adopt Modification Ordinance	-	City departments will be legally required to spend within pre-existing budget authority.



STAFF/SPONSOR RECOMMENDATION:

Staff recommends the adoption of the Operating Modification Ordinance in order to address budget corrections, allow departments to spend additional revenues, and begin new projects for the community.

FISCAL IMPACT:

The 2021-2022 Biennial Budget will be amended as set forth in Exhibit "A" and explained in narrative form in Exhibit "B".

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. Multiple – See Exhibit "A"			
TOTAL			

What Funding is being used to support the expense? See Exhibit "B"

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City's FTE/personnel counts?

YES, PLEASE EXPLAIN BELOW

Passage of this legislation authorizes FTE hiring across the organization.

ATTACHMENTS:

- Exhibit A – Operating Budget Modification by Fund
- Exhibit B – Operating Budget Modification Narrative Explanation