

October 23, 2017

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

2017-2018 Mid-Biennium Budget Calendar

STAFF CONTACTS

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Finance Department

POLICY ISSUES

RCWs 35A.34.130 and 35A.34.230:

State law requires that a mid-biennium budget review be completed between August 31 and the end of the first year of the biennium and that a public hearing be held on the mid-biennium review. Council action on the City's 2018 property tax levy is also required by State law in conjunction with the Budget update. In addition, in accordance with labor agreements, Cost of Living Adjustment (COLA) is updated to reflect the final COLA amounts.

DIRECTION NEEDED FROM COUNCIL

ACTION



DIRECTION



INFORMATION ONLY



Tonight is the first of several discussions. Staff will provide the calendar and process overview as a reminder of the upcoming mid-biennium discussions. Future sessions will include a Development Services rate discussion and overall mid-biennium operating and capital adjustments.

BACKGROUND/ANALYSIS

Background

Ordinance 6333 adopted the 2017-2018 Budget on December 5, 2016. As per RCW 35A.34, Council reviews and modifies the adopted 2-year budget part way through the first year. As is prior practice, mid-biennium adjustments include updates to personnel to adjust to final rates for the second year of the biennium and other adjustments, as needed, for known events. The budget is a fiscal plan and changes to it are typical.

This is the first of several Study Sessions with Council action tentatively scheduled for November 27. The mid-biennium budget update provides an opportunity for modifications to the amended 2017-2018 operating budget and 2017-2023 capital investment program (CIP) plan.

Mid-Biennium Proposed Calendar

The proposed timetable for the mid-biennium budget update is as follows:

- | | |
|--|-------------|
| • Mid-Bi Calendar and Process | October 23 |
| • Development Services rates | November 6 |
| • General Fund forecast, operating and capital funds and any Council Follow-up requested information from prior study sessions | November 13 |
| • Council Follow-up (if needed) | November 20 |
| • Mid-Bi Public Hearing (Regular Session) | November 20 |
| • Proposed Mid-Bi Budget Adoption | November 27 |

Mid-Biennium Council Required Actions

There are several actions that will be required to adopt the 2017-2018 budget modifications:

- 2018 Property Tax Levy Ordinance: Adopt 2018 property tax levies (RCW 35A.23.230 and RCW 84.55.092).
- 2018 Property Tax Banked Capacity Resolution: Preserve the full levy amount available to the City.
- Development Services Fee Ordinance: Set the Development Services 2018 rates.
- 2017-2018 Mid-Bi Budget Ordinance: This is the “umbrella” budget ordinance which includes appropriation approval by Fund, 2018 pay plans, and summarizations of grants and donations accepted that are less than \$90,000.

As a note, Council will not be required to adopt 2018 Utilities rates as they were adopted with the 2017-2018 Adopted Budget via Ordinances 6329, 6330, and 6331 on December 5, 2016.

Upcoming Discussions

Development Services Update:

On November 6, Development Services staff will present for Council consideration and discussion routine adjustments to the 2018 Development services fee ordinance for all Development Services functions, including building, land use, fire, transportation, and utilities plan review and inspection. Rates are adjusted annually to ensure that fees keep pace with the cost of providing services, and to sustain adequate resources to meet demand through the development cycle. Staff will also present results of an outside consultant study of the Development Services financial model conducted over the past year that provided a comprehensive review of the City’s development fee policies, cost recovery objectives, fee structures, and allocation methodologies.

Other Fund Changes:

The mid-biennium budget update will be limited in nature; primarily technical changes at the fund level. Adjustments include routine updates to personnel rates including the actual CPI-W released on July 14 for 2018 cost of living, pension, Municipal Employees Benefit Trust (MEBT), and others as well as technical corrections and corrections of errors. Staff will present all changes by fund on November 13 for Council consideration and discussion, including the General Fund forecast and all changes to the operating and capital funds. Since the mid-biennium will be limited by design, there may be other adjustments that Council wishes to consider.

OPTIONS

N/A

RECOMMENDATION

N/A

ATTACHMENT(S)

N/A

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A