

## CITY COUNCIL STUDY SESSION

Mid-Biennium Budget proposed timeline and process overview.

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## DIRECTION NEEDED FROM COUNCIL

### 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.

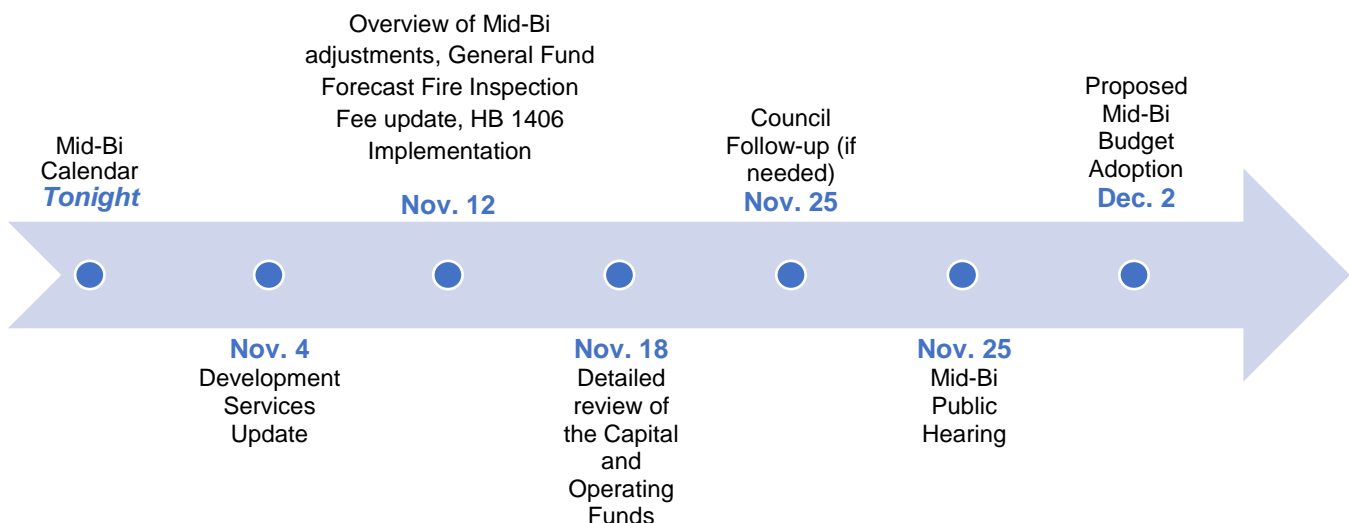
## RECOMMENDATION

N/A

## BACKGROUND & ANALYSIS

Ordinance 6445 adopted the 2019-2020 budget and the 2019-2025 Capital Investment Program (CIP) on December 3, 2018. The mid-biennium budget update provides an opportunity for modifications to the 2019-2020 operating budget and 2019-2025 CIP plan in accordance with RCW 35A.34.130. As is prior practice, mid-biennium changes include adjustments to personnel for updated cost of living and other impacts, adjustments to fund budgets for updated fiscal information, corrections of errors, adjustments for impacts related to recently passed state legislation, and other adjustments as needed. Since the mid-biennium is generally limited by design, there may be other adjustments that Council wishes to consider. The budget is a fiscal plan and changes to it are typical.

Tonight, staff will review the proposed timeline for the mid-biennium budget update. This will be the first of several meetings with the council to discuss, consider, and provide direction for the adoption of the 2019-2020 Mid-Biennium Operating Budget and the 2019-2025 CIP plan.



## **Upcoming Discussions**

### November 4: Development Services Update

Development Services staff will present for Council consideration, discussion and direction adjustments to the 2020 Development Services fee ordinance for all Development Services functions, including building, land use, fire, transportation, survey and utilities plan review and inspection. Rates are adjusted annually to ensure that fees reflect the cost of providing services, and to sustain adequate resources to meet demand through the development cycle.

### November 12: Overview of Mid-Bi adjustments, General Fund Forecast Fire Inspection Fee update, HB 1406 Implementation

Staff will provide for Council consideration, discussion and direction an update to the General Fund forecast, and an overview of all other fund changes, including operating and capital revenues and expenditures. In addition, in response to Council request at the adoption of the 2019-2020 budget on December 3, 2018, staff will present an update to the Fire Inspection Fee for Council review and direction. Finally, staff will review the impacts of state House Bill 1406 which provides for a sales tax credit against the state for affordable housing and the needed Council actions to receive the funding.

### November 18: CIP Plan Update and Mid-Bi Operating Adjustments

Staff will present for Council consideration, discussion, and direction detail review of changes to all operating funds and the CIP, including revenues and expenditures.

### November 25: Council Follow-up and Public Hearing

The November 25 study session will be reserved for any Council follow-up or Council considerations that have not been addressed previously. In addition, the mid-biennium budget public hearing will also be held.

### December 2: Tentatively Scheduled Mid-Biennium Budget Adoption

Depending on Council direction, tentative action on the mid-biennium is scheduled for December 2. There are several actions that will be required to adopt the 2019-2020 mid-biennium update:

- Development Services Fee Ordinance: Set the Development Services 2020 rates.
- Fire Inspection Fee Ordinance: Set the Fire Inspection 2020 rates.
- 2020 Property Tax Levy Ordinance: Adopt 2020 property tax levy (RCW 35A.23.230 and RCW 84.55.092).
- 2020 Property Tax Banked Capacity Resolution: Preserve the full levy amount available to the City.
- 2019-2020 Mid-Bi Budget Ordinance: "Umbrella" budget ordinance that includes appropriation approval by Fund, 2020 pay plans and summarizations of grants and donations accepted that are less than \$90,000.
- Any other action as directed by Council.

Council will not be required to adopt the 2020 Utilities rates as they were included with the 2019-2020 Adopted Budget via Ordinances 6440, 6441 and 6442 on December 3, 2018.

As with prior Mid-Biennium discussions, staff will monitor Council questions, and provide a “Memory Bank” in future packets as needed.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

RCW 35A.34.130: State law requires that a mid-biennium budget review be completed between September 1 and the end of the first year of the biennium and that a public hearing be held on the mid-biennium review.

RCW 35A.34.230: Council action on the City’s 2020 property tax levy is required by State law in conjunction with the Budget update. RCW 84.55.092 protects the future levy capacity for tax levies below the level that otherwise could be imposed.

In addition, in accordance with labor agreements, Cost of Living (COLA) is updated to reflect the final COLA amounts.

### **Fiscal Impact**

There is no fiscal impact associated with this item.

## **OPTIONS**

N/A

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

N/A

## **AVAILABLE IN COUNCIL LIBRARY**

N/A