



## Interoffice Memorandum

**To:** City Council  
**From:** Jamie Thomas, Finance Director  
**CC:** Nancy Backus, Mayor  
**Date:** March 24, 2020  
**Re:** Ordinance #6764 – 2019-2020 Budget Amendment #6

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The City's biennial 2019-2020 budget was approved by Council as two one-year appropriations. Budget Amendments #1, #2, #3, and #4 amended the budget for calendar year 2019. Budget Amendment #5, which was adopted in November 2019, amended the 2020 budget

This amendment will be the sixth budget amendment for the biennium and the second budget amendment for calendar year 2020. The purpose of this amendment is to 1) realign significant revenue sources; 2) carry forward remaining 2019 budget authority for identified programs and costs that were budgeted in 2019 but not completed; 3) adjust capital project budgets as needed; and 4) add budget authority for new programs and other expected changes in 2020.

**Realign Significant Revenue Sources.** This category recognizes changes to revenue budgets to more closely align with expected collections as well as new grant revenues. Total general fund revenue adjustments equal a net increase of \$19,200 and include:

- Reduce telephone utility tax revenues to reflect a historical decline (-\$275,200)
- 2020 King County Veterans, Seniors and Human Services levy (\$202,400)
- Recognize new revenue due to the renegotiation of the Iron Horse Casino promissory note (\$57,000)
- Other grants (\$35,000)

**Carry forward unspent expenditure spending authority from 2019:** This amendment enables the completion of various contracts in 2020 by carrying forward unspent resources at the end of 2019. Note that carry forwards in capital funds are not included in this budget amendment due to the adoption of multi-year capital budget, as approved in Ordinance No. 6682. Total requested carry forwards equal \$2,017,740.

Significant items requested to be carried forward include:

- General Fund – Grant funding to increase residential housing capacity (\$200,000);
- General Fund – Funding for the Façade Improvement program (\$130,000);
- General Fund – Budget for homelessness response (\$129,300);
- General Fund – Funding for Inclusive Auburn program (\$108,400);
- Fund 328 – Budget for the purchase of the Auburn Avenue Theater (\$647,050); and
- Fund 431 – Funds for the Large Diameter Pipe Assessment project (\$790,300).

**Adjust capital project budgets.** These requests represent changes to project budgets, excluding unspent capital project budgets from 2019 that are automatically carried forward into 2020.

Total requested adjustments to capital projects equal \$3,801,640. Significant project adjustments included in this budget amendment include:

- Fund 105 – 2<sup>nd</sup> St SE Preservation (cp2003), funded by state transportation grants (\$590,250)
- Fund 105 – Lea Hill Bridge Deck Preservation (cp2007), funded by federal grants (\$547,850)
- Fund 105 – 3<sup>rd</sup> St SW Bridge Deck Preservation (cp2006), funded by federal grants (\$523,540)
- Fund 102 – M St SE Sidewalk Improvements (cp2012), funded by state transportation grants (\$450,000)
- Fund 460 – Acquisition of property for Lea Hill Pump Station replacement (\$400,000)
- Fund 460 – Loop dead end main (cp1619) for 104<sup>th</sup> Ave Park development (\$300,000)
- Fund 461 – Sewer Pump Station Electrical Improvements (cp1812) (\$950,000)

**Add budget authority for new programs and other expected changes in 2020.** These include requests for increased funding for existing programs and funding requests for new projects or programs. New requests include:

- General Fund – Remove non-departmental contra-expenditure (\$2,000,000)
- General Fund – Adjust Parks budget to reflect new state minimum wage for “intermittent” employees (\$85,900)
- Fund 119 – Align budget with 2020 Community Development Block Grant award (\$289,780)
- Fund 560 – Unscheduled purchase of two Police cars, funded by insurance recoveries (\$109,000)

The following table summarizes the current and revised budget as a result of this amendment.

**Table 1: 2020 Budget as Amended**

2020 Amended Budget	\$ 349,792,293
Budget Amendment #6 (Ord #6764)	<u>5,916,660</u>
2020 Budget as Amended	\$ 355,708,953

Attachments:

- ❖ Ordinance # 6764
- ❖ Schedule “A” – Summary of 2020 Budget Adjustments by Fund
- ❖ Schedule “B” – 2020 Appropriations by Fund