



Interoffice Memorandum

To: City Council
From: Jamie Thomas, Finance Director
CC: Nancy Backus, Mayor
Date: March 9, 2022
Re: Ordinance #6850 – 2021-2022 Budget Amendment #5

The City's biennial 2021-2022 budget was approved by Council as two one-year appropriations. Budget Amendments #1, #2, and #3, amended the budget for calendar year 2021. Budget Amendment #4, which was adopted in November 2021, amended the 2022 budget

This amendment will be the fifth budget amendment for the biennium and the second budget amendment for calendar year 2022. The purpose of this amendment is to 1) realign significant revenue sources; 2) carry forward remaining 2021 budget authority for identified programs and costs that were budgeted in 2021 but not completed; 3) adjust capital project budgets as needed; and 4) add budget authority for new programs and other expected changes in 2022.

This budget amendment includes three requests to convert the status of existing, authorized positions:

1. Convert Part-Time Museum Curator to Limited Term (LTE)	\$ 57,900
2. Convert Senior Accounting Specialist LTE to Senior Accountant FTE	0
3. Convert Cemetery Maintenance Worker LTE to Full Time Employee (FTE)	0

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 revenue adjustments total \$9.8 million and include:

• Receive American Rescue Plan Act (ARPA) revenues	\$7,375,600
• Proceeds from the sale of Fire Station #31 to the Valley Regional Fire Authority	2,029,800
• State Dept. of Commerce grant for transit-oriented development	250,000
• Association of Washington Cities grant for summer programs for children	230,700
• King County and interlocal grants for Mill Creek property acquisitions	166,100
• Community Development Block Grants	163,200
• State Dept. of Commerce grant for Housing Action Plan implementation	100,000
• Reduced interagency grant for the Jacobsen Tree Farm project (cp2020)	– 500,000

Carry forward unspent expenditure spending authority from 2021: This amendment enables the completion of various contracts in 2022 by carrying forward unspent resources at the end of 2021. Note that carry forwards in capital funds are not included in this budget amendment due to the adoption of multi-year capital budgeting, as approved in Ordinance No. 6682.

Total requested carry forwards equal \$2.4 million. Significant items requested to be carried forward include:

• Community Development Block Grants from prior years	\$ 643,000
• IT Fund costs for hardware, software, and professional services	255,000
• Professional services for water rights mitigation plan	230,000
• SCADA system upgrade	300,000
• Roof replacement for the Arts & Culture Center	150,000
• Veterans, Seniors, and Human Services levy for the Senior Center	114,500
• Auburn Community Resource Center (ACRC) design	88,800

Adjust capital project budgets. These requests represent changes to project budgets, excluding unspent capital project budgets from 2021 that are automatically carried forward into 2022.

Total requested adjustments to capital projects net to a reduction of \$1.4 million. Significant project adjustments included in this budget amendment include:

• Reduced budget and Parks fees for the Jacobsen Tree Farm project (cp2020)	– \$2,581,600
• Correct budget for North Airport Stormwater Improvements (cp2118)	– 300,000
• Paving gravel roads (cp2125) – ARPA-funded	636,866
• Increase budgets for Sewer and Stormwater comprehensive plans	280,000
• Increase budget for 2 nd Street Reconstruction project – fee-supported (cp2003)	225,000
• Auburn Way South Roundabout Improvement – ARPA-funded (cp1622)	150,000
• 124 th Avenue Streets Improvements	100,000
• Arterial Pedestrian and Bike Safety project	100,000

Add budget authority for new programs and other expected changes in 2022. These include requests for increased funding for existing programs and funding requests for new projects or programs. New requests, which total \$4.1 million, include:

• Retention and hiring bonuses from new Police CBA (ARPA-funded)	\$ 825,000
• COLA increase and deferred compensation from new Police CBA	645,000
• Mitigation of negative economic impacts of COVID (ARPA-funded)	500,000
• Housing and Essential Needs (HEN) vouchers (ARPA-funded)	250,000
• Comprehensive Plan framework and element upgrades	250,000
• Golf Course clubhouse repairs (covered by insurance)	150,000
• Increased funding for City Hall elevator modernization project	133,000
• Increased funding for the Diversity, Equity & Inclusion (DEI) program	124,500

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

Table 1: 2022 Budget as Amended

2022 Amended Budget	\$ 346,904,128
Budget Amendment #5 (Ord # 6850)	<u>13,580,486</u>
2022 Budget as Amended	\$ 360,484,614

Attachments:

- ❖ Ordinance # 6850
- ❖ Schedule “A” – Summary of 2022 Budget Adjustments by Fund
- ❖ Schedule “B” – 2022 Appropriations by Fund