



TO:

City Council

FROM:

John Marchione, Mayor

DATE:

March 6, 2012

SUBJECT: ORDINANCE: 2011-2012 Budget Adjustment

I. RECOMMENDATION:

Adopt the proposed ordinance amending the 2011-2012 Budget. This adjustment is to recognize the reduction in revenues received from Fire District No. 34 and the corresponding decrease in Fire staffing and other expenses.

II. DEPARTMENT CONTACT:

Mike Bailey, Finance and IS Director	425-556-2160
Malisa Files, Deputy Finance Director	425-556-2166
Shannon Olsen, Senior Financial Analyst	425-556-2181

III. DESCRIPTION:

As discussed with the Public Safety Committee on November 22, 2011, and the Public Administration and Finance Committee on February 21, 2012, annual Fire District No. 34 revenue is being reduced by \$619,441 due to reduced property taxes resulting from the annexation of a portion of Fire District No. 34's service area to Kirkland, as well as declining property values. In collaboration with the Fire District No. 34 Commissioners, the Fire Department created an action plan which modified operations and made reductions in staffing to accommodate the change in service area. The operational impacts of these changes include limiting Fire Station No. 13 to Aid Car only response and reducing Fire's minimum staffing level from 25 to 22. As a result, staffing will be reduced by three (3.0) FTE's, which will be accommodated by three existing vacancies within the department.

IV. TIMELINE:

The reduction in revenue and staffing is effective January 1, 2012.

V. FISCAL IMPACT:

Adoption of this ordinance will decrease the City's 2011-2012 Budget by \$619,441 to a total of \$541,073,614, as shown in Exhibit 1. Additionally, this ordinance will reduce overall citywide staffing levels by 3.0 FTEs (from 625.23 to 622.23 FTEs).

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VI. ALTERNATIVES:

- 1. Adopt the ordinance as proposed.
- 2. Adopt the ordinance with modifications recommended by Council.
- 3. Do not adopt the ordinance. The budget will not be adjusted to reflect the decrease in revenue.

VII. LIST OF ATTACHMENTS:

Attachment A:

Ordinance: 2011-2012 Budget Adjustment

Exhibit 1:

Summary of 2011-2012 Budget Adjustments

Michael E. Bailey, Finance and Information Services Director

Date

Approved for Council Agenda

John Marchione, Mayor

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ATTACHMENT A

CITY OF REDMOND ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, AMENDING ORDINANCE NO. 2563, AS AMENDED BY ORDINANCE NOS. 2600 and 2626, BY MAKING ADJUSTMENTS TO THE CITY'S BUDGET, IN EXHIBIT 1

WHEREAS, the Finance Director has identified the need to make certain revisions to the 2011-2012 biennial City budget due to annexation of a portion of Fire District No. 34 into the City of Kirkland; and

WHEREAS, the City Council has reviewed the proposed adjustments to the budget and has determined that they should be made.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 2563 adopting the 2011-2012 biennial budget, passed by the City Council on November 30, 2010, and as amended by Ordinance Nos. 2600 and 2626, is hereby amended to recognize the reduction in revenue received from Fire District No. 34 and a subsequent decrease in Fire Department expenses and staffing by three (3.0) FTEs.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity

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SIGNED BY THE MAYOR:

PUBLISHED:

EFFECTIVE DATE: ORDINANCE NO.:

of any other section, sentence, clause, or phrase of this
ordinance.
Section 3. Effective date. This ordinance shall take
effect five (5) days after passage and publication of an
approved summary thereof consisting of the title.
ADOPTED by the Redmond City Council this day of
, 2012.
CITY OF REDMOND
JOHN MARCHIONE, MAYOR
ATTEST:
AIIESI:
MICHELLE M. MCGEHEE, CMC, CITY CLERK (SEAL)
APPROVED AS TO FORM: OFFICE OF THE CITY ATTORNEY
OFFICE OF THE CITE ATTORNET
By:
FILED WITH THE CITY CLERK: PASSED BY THE CITY COUNCIL:

EXHIBIT 1
Summary of 2011-2012 Budget Adjustments

Fund Number	Fund Name	2011-2012 Adopted Budget (Ord 2563)	Amendment 1 to Budget (Ord 2600)	Amendment 2 to A Budget (Ord 2626)	mendment 3 to Budget (Ord)	Revised 2011-2012 Budget
100	General Fund	145,953,910		1,071,783	(619,441)	146,406,252
011	Arts Activity	652,549		50,000		702,549
012	Parks Maintenance and Operations	3,235,340		15,000		3,250,340
013	Special Events	772,580		75,000		847,580
019	Human Services	1,368,699		24,030		1,392,729
020	Fire Equipment Reserves	4,043,057				4,043,057
021	Operating Reserves	7,586,283				7,586,283
027	Capital Equipment Reserve	5,115,989		129,853		5,245,842
030	Business Tax	9,067,266				9,067,266
035	Fire Levy Fund	6,758,079				6,758,079
036	Police Levy Fund	7,348,043				7,348,043
037	Parks Levy Fund	940,264				940,264
095	Parks CIP Maintenance	0	982,208			982,208
096	Transportation CIP Maintenance	0	7,233,747	96,750		7,330,497
099	General Government CIP Maintenanc	0	2,047,374			2,047,374
110	Recreation Activity	4,513,406				4,613,406
117	Cable Access	1,828,978				1,828,978
118	Operating Grants	3,925,576				3,925,576
122	Advanced Life Support	12,133,394				12,133,394
124	Aid Car Donation	412,907				412,907
125	Real Estate Excise Tax	4,656,000				4,656,000
126	Drug Enforcement	90,970				90,970
131	Hotel Motel Tax	675,938		87,060		762,998
140	Solid Waste and Recycling	1,406,827				1,406,827
230	Excess Levy	808,153				808,153
233	Debt Service	5,301,925				5,301,925
314	Council CIP	1,818,408				1,818,408
315	Parks CIP	17,890,468				17,890,468
316	Transportation CIP	27,241,659		5,329,625		32,571,284
317	Fire CIP	8,249,686				8,249,686
318	Police CIP	873,355				873,355
319	General Government CIP	13,497,811				13,497,811
401	Water/Wastewater Operations	68,855,981				68,855,981
402	Novelty Hill Water/Wastewater Op	13,711,666				13,711,666
403	Water CIP	10,474,814				10,474,814
404	Wastewater CIP	4,448,677				4,448,677
405	Stormwater Management Op	28,016,473				28,016,473
406	Stormwater Management CIP	42,490,352		937,500		43,427,852
407	Novelty Hill Water CIP	5,008,045				5,008,045
408	Novelty Hill Wastewater CIP	4,997,487				4,997,487
501	Fleet Maintenance	8,859,975				8,859,975
510	Insurance Claims and Reserves	2,707,692				2,707,692
511	Medical Self Insurance	22,397,785				22,397,785
512	Worker's Compensation Insurance	2,454,422				2,454,422
520	Information Technology	10,393,459		528,777		10,922,236
	Total	523,084,348	10,263,329	8,345,378	(619,441)	541,073,614

Notes

Ordinance #2563 establishing the 2011-2012 budget was approved by Council on November 30, 2010.

Ordinance #2600 for compliance with GASB 54, City separated existing capital funds into capital construction funds and capital maintenance funds.

Ordinance #2626 to recognize grants, private contributions, reimbursements, and new revenue that have been received and awarded by the City; recognize and appropriate the difference between actual and budgeted beginning fund balances for the Humans Services and Tourism Funds; as well as approve reappropriations for Redmond's Centennial Celebration and technology projects.