



**Project title:** An Ordinance approving the appropriations of the 2019 revised City of Everett Budget and amending Ordinance No. 3667-19.

**City Council Agenda Item Cover Sheet**

**Council Bill #**  
.....

**Consideration:** Ordinance

**Project:** 2019 Budget Amendment #2

**Agenda dates requested:**  
09/11/19

**Partner/Supplier :**  
.....

**Location:**  
.....

Briefing  X  
Proposed action  
Consent  
Action  
Ordinance  X  
Public hearing

**Preceding action:** September 4, 2019 Budget Committee

**Fund:** Multiple

..... Yes  X ..... No

**Fiscal summary statement:**

The proposed ordinance amends the City of Everett 2019 Operating Budget as follows:

- General Government amendments increase revenue by \$179,211, expenditures by \$182,735, and decrease ending fund balance by \$3,524
- Non-General Government amendments increase revenue by \$151,000, increase expenditures by \$8,046,090 and decrease ending fund balances by \$7,895,090

**Budget amendment:**  
.....  X Yes ..... No

**PowerPoint presentation:**  
.....  X Yes ..... No

**Project summary statement:**

This budget amendment revises the 2019 budget for projects and information that have arisen since the previous budget amendment, which was adopted April 3, 2019.

**Attachments:**  
Amendment

**Department(s) involved:**  
Finance

**Contact person:**  
Susy Haugen

**Phone number:**  
425-257-8612

**Email:**  
Shaugen@everettwa.gov

**Recommendation (exact action requested of Council):**

Adopt an Ordinance approving the appropriations of the 2019 revised City of Everett Budget and amending Ordinance No. 3667-19.

**Initialed by:**

.....  
Department head  
  
Administration

.....  
Council President



**ORDINANCE NO.** \_\_\_\_\_

An **ORDINANCE** approving the appropriations of the 2019 revised City of Everett budget and amending Ordinance No. 3667-19.

**WHEREAS,**

The City Council has reviewed the amended budget appropriations and information which was made available; and approves the appropriation of local, state, and federal funds and the increase or decrease from previously approved programs within the 2019 Budget.

**NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:**

**Section 1.** Ordinance No. 3667-19 is hereby amended by the amendments shown on Attachment A, which is incorporated by reference. The amendments shall be made to the 2019 Budget with a total increased appropriation amount of \$8,228,825.

	<u>Beginning Fund Balance and 2019 Revenues</u>	<u>Expenditures</u>	<u>Ending Fund Balance</u>
2019 Previously Amended Budget	\$ 629,541,434	\$ 438,582,459	\$ 190,958,975
Budget Amendment #2	330,211	8,228,825	(7,898,614)
2019 Amended Budget	\$ 629,871,645	\$ 446,811,284	\$ 183,060,361

**Section 2.** The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

**Section 5.** The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

**Section 6.** The enactment of this Ordinance shall not affect any case, proceeding, appeal or other

matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

\_\_\_\_\_  
Cassie Franklin, Mayor

ATTEST:

\_\_\_\_\_  
Sharon Fuller, City Clerk

PASSED: \_\_\_\_\_

VALID: \_\_\_\_\_

PUBLISHED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

## 2019 BUDGET ADJUSTMENTS for Budget Amendment # 2

### General Government Amendments

			Increase/(Decrease)		
Fund	Description	Revenues	Expenditures	Ending Fund Balance	
GGA-6	Police	Boating Safety Grant	21,975	21,975	-
GGA-7	Fire	Fire Engine Collision/Insurance Recovery	10,000	13,524	(3,524)
GGA-8	Cultural Arts	Lodging Tax Grants for Sorticulture & 4th of July	65,000	65,000	-
GGA-9	Non-Departmental/Parks	Lodging Tax Grant for Jetty Island Days	82,236	82,236	-
GGA-10	Non-Departmental	Labor Adjustment - slow roll allocation		1,656,000	(1,656,000)
GGA-10	Police	Labor Adjustment - slow roll allocation		(1,511,000)	1,511,000
GGA-10	Fire	Labor Adjustment - slow roll allocation		(50,000)	50,000
GGA-10	Parks & Recreation	Labor Adjustment - slow roll allocation		(70,000)	70,000
GGA-10	Library	Labor Adjustment - slow roll allocation		(25,000)	25,000
<b>Total General Government Amendments</b>			<b>179,211</b>	<b>182,735</b>	<b>(3,524)</b>

### Non-General Government Amendments

			Increase/(Decrease)		
Fund	Description	Revenues	Expenditures	Ending Fund Balance	
NGA-11	Motor Vehicle Repl Fund	Vehicle replacements		291,750	(291,750)
NGA-12	CIP 3	Parks Capital Projects		3,818,191	(3,818,191)
NGA-13	CIP 1	General Gov't Capital Projects		545,000	(545,000)
NGA-14	CIP 4	General Gov't Capital Projects		236,782	(236,782)
NGA-15	Criminal Justice	Grant for Safe Streets Program	28,000	28,000	-
NGA-16	Criminal Justice	New Boathouse Facility	100,000	272,500	(172,500)
NGA-17	Reserve for Parks	Installment Payment to YMCA		1,250,000	(1,250,000)
NGA-18	Reserve for Parks	Transfer PEG Fees to New Fund 155		798,800	(798,800)
NGA-19	Senior Center Reserve	Fitness Room	23,000	55,067	(32,067)
NGA-20	Everpark Garage	Structural Repairs		750,000	(750,000)
<b>Total Non-General Government Amendments</b>			<b>151,000</b>	<b>8,046,090</b>	<b>(7,895,090)</b>
<b>Total</b>			<b>330,211</b>	<b>8,228,825</b>	<b>(7,898,614)</b>

**2019  
Budget Adjustments  
Tally Sheet**

Department		Code	Rev	Exp	FB	
GGA-6	Police	Amendment - Boating Safety Grant	031A		21,975	
GGA-6	General Fund	Amendment - Boating Safety Grant	002A	21,975		

The Police Department has been awarded a \$21,975 grant from the Washington State Parks and Recreation Commission. The award is to reimburse costs of on-the-water patrols and boating education classes. The application and program approval establishes the framework between the Commission and the EPD for accomplishing the patrols, classes, and special emphasis enforcement. The goals of the activities are to reduce injury from boating incidents and to promote a safe and enjoyable boating environment for all users.

Council approved application and acceptance of this grant at the April 10, 2019, Council meeting.

Increase grant revenue	002	3336702400			21,975
Increase overtime budget	031	5220000120		21,975	

Department		Code	Rev	Exp	FB
GGA-7	Fire	Amendment - Fire Engine Collision/Ins. Recovery	032A	13,524	
GGA-7	General Fund	Amendment - Fire Engine Collision/Ins. Recovery	002A	10,000	(3,524)

This amendment increases the Fire Department's budget for expenses related to a fire engine accident. The expenses of \$13,524 are partially offset by an insurance recovery of \$10,000.

Increase insurance recovery proceeds	002	3989500032			10,000
Increase repairs & maintenance	032	5600000480		9,607	
Increase overtime	032	5600000120		3,917	
Decrease ending fund balance	009	5980000490			3,524

Department		Code	Rev	Exp	FB
GGA-8	Municipal Arts	Amendment - Sorticulture and 4th of July	112A	65,000	65,000

This amendment increases the Municipal Arts budget for hotel/motel tax grants awarded by the Lodging Tax Advisory Committee. Grants were awarded for Sorticulture in the amount of \$35,000 and for 4th of July events in the amount of \$30,000.

Increase transfers in from hotel/motel tax grants	112	3971000303			35,000
Increase transfers in from hotel/motel tax grants	112	3971000306			30,000
Increase professional services - Sorticulture	112	5103303410		35,000	
Increase professional services - 4th of July	112	5103306410		30,000	

**2019  
Budget Adjustments  
Tally Sheet**

Department		Code	Rev	Exp	FB
GGA-9	Park	Amendment - Jetty Island Days	101A		
	Gen Gov Non Dept	Amendment - Jetty Island Days	009A	82,236	82,236

Per 2019 budget development discussions, if the Lodging Tax Advisory Committee awarded Jetty Island Days funding for 2019, property tax funding for the event would be reduced and transferred to fund the LEOFF1 Police and Fire pensions.

Decrease property tax allocation	101	3111010010		82,236	
Increase transfer in from hotel/motel tax grants	101	3970000138			82,236
Increase general fund property tax	002	3111002000			82,236
Increase Police & Fire pension contributions	009	517263x211		82,236	

Department		Code	Rev	Exp	FB
GGA-10	Gen Gov Non Dept	Amendment - Labor Adjustment (allocate slow roll)	009A	1,656,000	
GGA-10	Police	Amendment - Labor Adjustment (allocate slow roll)	031A	(1,511,000)	
GGA-10	Fire	Amendment - Labor Adjustment (allocate slow roll)	032A	(50,000)	
GGA-10	Parks & Recreation	Amendment - Labor Adjustment (allocate slow roll)	101A	(70,000)	
GGA-10	Library	Amendment - Labor Adjustment (allocate slow roll)	110A	(25,000)	

This amendment proposes to lock in department labor under expenditures in the amount of \$1,656,000. This amount will be allocated to the General Government Non-Departmental fund to offset the 2019 budgeted personnel slow roll assumption.

Increase Gen Gov Non-departmental budget (offset to slow roll)	009	5000068110		1,656,000	
Decrease Police labor	031	5xx0000110			1,511,000
Decrease Fire labor	032	5200000110			35,000
Decrease Fire labor	032	5300000110			15,000
Decrease Parks & Rec labor	101	5301000000110			50,000
Decrease Parks & Rec labor	101	5211000000110			20,000
Decrease Library labor	110	5240000110			25,000

**2019  
Budget Adjustments  
Tally Sheet**

	Department	Code	Rev	Exp	FB	
NGA-11	Motor Vehicle Repl Fund	Amendment - Vehicle & Equip. Purchases	126A		291,750	(291,750)

This amendment increases the vehicle and equipment expenditure budget in Fund 126-MVD for the following:

Police - replace a totaled patrol car and complete the upfit of a police truck - \$80,000  
 Fire - additional funds for ladder truck replacement - \$105,600  
 Streets - replace paver machine - \$106,150

Increase vehicle expenditures - Police	126	5200031640	80,000	
Increase vehicle expenditures - Fire	126	5200032640	105,600	
Increase vehicle expenditures - Streets	126	5200120640	106,150	
Decrease ending fund balance	126	5980000490		291,750

	Department	Code	Rev	Exp	FB	
NGA-12	CIP 3	Amendment - CIP 3 projects	154A		3,818,191	(3,818,191)

This amendment increases the CIP 3 expenditure budget for the following projects:

\$3,700,000 for the Phil Johnson Ballfields Renovation project, as approved by Ordinance 3677-19  
 \$118,191 for the City's share of the Jetty Landing Restroom Improvement project, as approved by Council on 8/28/2019

Increase CIP 3 transfers out	154	5354010550	3,700,000	
Increase CIP 3 intergovernmental service expenditures	154	5101003411	118,191	
Decrease ending fund balance	154	5990000490		3,818,191

	Department	Code	Rev	Exp	FB	
NGA-13	CIP 1	Amendment - CIP 1 projects	162A		545,000	(545,000)

This amendment increases the CIP 1 expenditure budget for the following projects:

\$110,000 for the Fire Training building main floor remodel as approved by Ordinance 3661-19  
 \$ 20,000 for the Fire Training building exterior masonry renovation as approved by Ordinance 3662-19  
 \$415,000 for the South Precinct roof replacement as approved by Ordinance 3691-19

Increase CIP 1 transfers out	162	5500000550	545,000	
Decrease ending fund balance	162	5500999490		545,000

**2019  
Budget Adjustments  
Tally Sheet**

Department	Code	Rev	Exp	FB
NGA-14 CIP 4 Amendment - CIP 4 projects	162A		236,782	(236,782)

This amendment increases the CIP 4 expenditure budget for the following:

\$206,095 for Downtown Streetscape Phase 3 as approved by Ordinance 3681-19  
\$ 30,687 for expenses associated with the sale of land at 2702 and 2710 Rucker, approved by Council on 7/17/2019

Increase CIP 4 transfers out	162	5625230550	206,095	
Increase professional services expenditures	162	5625990410	30,687	
Decrease ending fund balance	162	5620999490		236,782

Department	Code	Rev	Exp	FB
NGA-15 Criminal Justice Amendment - Grant for Safe Streets programs	156A	28,000	28,000	

The City of Everett has collaborated with the North Sound Accountable Communities of Health (NSACH) to support innovation in providing health care services to the Medicaid population. In July 2018, the NSACH provided an initial payment to all partners for work done to support the NSACH goals, which included a \$28,000 payment to the City. The Community Development Director, in partnership with the Everett Police Department, determined the best use of these funds would be to supplement the Safe Streets Flex fund. The flex fund is used for transportation, food, and shelter for individuals working with the police embedded social workers. This population is the same as the target population for Medicaid transformation and is consistent with the goals of the NSACH to address the healthcare needs of the Medicaid population.

Increase grant revenue	156	3339301025		28,000
Increase expenditures	156	5250000494	28,000	

Department	Code	Rev	Exp	FB
NGA-16 Criminal Justice Amendment - Boathouse Facility	156A	100,000	272,500	(172,500)

The Police Department needs a boathouse to provide a semi-secure location for the storage of public safety vessel Marine 2, which does not have a secure cabin area. The cabin contains approximately \$100,000 worth of specialized equipment and electronics. A boathouse will provide a secure location that will prevent unauthorized people from immediate access to the boat as well as provide protection from inclement weather, which causes wear and tear to the vessel and decreases the life of the boat.

The estimated cost of the boathouse facility is \$230,000. The original 2019 budget included a set aside of \$57,500 for this project from the Vessel Registration Funds (VRF). This amendment proposes to increase the VRF contribution by \$42,500 and fund the balance of \$130,000 from the main Criminal Justice Fund.

Increase transfers out of VRF	156	5460000550	42,500	
Decrease ending fund balance	156	5980046999		42,500
Increase transfer in to main Criminal Justice Fund	156	3976001162		100,000
Increase capital outlay	156	5300499640	230,000	
Decrease ending fund balance	156	5980000999		130,000

ATTACHMENT A



**2019  
Budget Adjustments  
Tally Sheet**

	Department		Code	Rev	Exp	FB
NGA-17	Reserve for Parks	Amendment - Installment Payment to YMCA	148A		1,250,000	(1,250,000)

The City entered into an agreement with the YMCA of Snohomish County on June 7, 2018, to cooperatively provide recreational opportunities to the residents of Everett. Everett residents will have access to the new YMCA aquatics facility for a user fee determined by the City. The City will also build a park on the site donated by the YMCA. In exchange for the rights granted to the City under the Access Agreement, the City will make four installment payments totaling \$2,500,000 to the YMCA per the schedule (\$1,250,000 in 2019, \$500,000 in 2020 and 2021, and \$250,000 in 2022).

This budget request is for the first installment payment of \$1,250,000 due to the YMCA on the date of access for Everett residents, which is scheduled for December 1, 2019.

Increase capital outlay	148	5500323000610		1,250,000	
Decrease ending fund balance	148	5990000000323			1,250,000

	Department		Code	Rev	Exp	FB
NGA-18	Reserve for Parks	Amendment - Transfer PEG Fees to New Fund	148A		798,800	(798,800)

This amendment provides the budget authority to transfer the balance of the PEG fees from Fund 148 - Reserve for Parks to the newly created Fund 155 - General Government Special Projects. Fund 155, as approved by Council at the August 21, 2019, Council meeting, was created to segregate financial transactions associated with special projects and/or restricted funds.

Increase transfers out	148	5000000019550		798,800	
Decrease ending fund balance	148	5990000000019			798,800

	Department		Code	Rev	Exp	FB
NGA-19	Senior Center Reserve	Amendment - Fitness Room	149A	23,000	55,067	(32,067)

This amendment increases the Senior Center reserve budget by \$55,067 to fund the fitness room project. This project includes installing eight pieces of equipment, along with weights, in the sunroom at the Senior Center.

Increase grant revenue	149	3370700027			23,000
Increase capital outlay	149	5700000640		55,067	
Decrease ending fund balance	149	5980000490			32,067

	Department		Code	Rev	Exp	FB
NGA-20	Everpark Garage	Amendment - Everpark Garage Structural Repairs	430A		750,000	(750,000)

This amendment increases Fund 430 - Everpark Garage budget by \$750,000 to fund the garage structural repairs project. Council approved award of the construction contract at the August 28, 2019, Council meeting.

Increase capital outlay	430	5010000650		750,000	
Decrease ending fund balance	430	5980000999			750,000