



Memorandum

Date: 11/15/2022  
Meeting of: City Council

File No. AM No. 22-178  
Type: Consent Item

TO: Members of the City Council  
FROM: Mayor Angela Birney  
DEPARTMENT DIRECTOR CONTACT(S):

Finance	Chip Corder	425-556-2189
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DEPARTMENT STAFF:

Finance	Haritha Narra	Financial Planning Manager
Finance	Marissa Flynn	Senior Financial Analyst

TITLE:  
Adoption of an Ordinance for a 2021-2022 Budget Adjustment

- a. Ordinance No. 3099: An Ordinance of the City Council of the City of Redmond, Washington, Amending Ordinance Nos. 3026, 3041, 3042, 3045, 3046, 3047, 3048, 3049, 3050, 3051, 3069, and 3076 by Making Adjustments to the City’s 2021-2022 Biennial Budget, in Exhibit 1

OVERVIEW STATEMENT:

The purpose of this budget adjustment is to formally recognize \$29.8M of new and increased revenue sources, increase the budget for projects and programs previously approved by the Council, increase the budget for a new City need, and make minor corrections identified throughout the biennium.

New and Increased Revenue:

- **Microsoft Vaccination Site - \$701,990**
  - The City has been reimbursed for Police and Fire Department overtime incurred while staffing the Microsoft Vaccination site beginning in 2021. This adjustment will increase both revenue and expenditure budgets in the General Fund.
- **Traffic Operations Knock Downs - \$57,742**
  - When traffic signals are hit and knocked down by motorists, insurance recoveries are accumulated in the City’s Risk Insurance Fund. This adjustment recognizes budget for these reimbursements, transfers the revenue to the General Fund, and increases the Traffic Operations budget where repairs and replacements of the damaged equipment were charged.
- **Fire Station 16 FEMA Grant - \$1,796,436**
  - The City was awarded a Federal Emergency Management Agency (FEMA) grant, which was accepted by Council on April 19, 2022, to aid in seismic upgrades to Fire Station 16. This adjustment will increase both revenue and expenditure budgets in the General Government CIP Fund.

- **90th Street Paving Grant - \$146,000**
  - The City was awarded a Puget Sound Regional Council grant, which was accepted by Council on July 6, 2021, to aid in the 90<sup>th</sup> Street Paving project. This adjustment will increase the revenue and ending fund balance budgets in the Transportation Maintenance Projects Fund.
- **Willow Run/Facebook Building X - \$100,000**
  - The City is part of a three-party contract with Willow Run, LLC and Aegis Engineering for technical review and inspection of performance-based elements for a new high-rise building. The contract's maximum payout amount was increased by \$100,000, which was accepted by Council on March 1, 2022, in order to accommodate unanticipated technical challenges related to the complex nature of the performance-based design. All costs incurred by the City are fully reimbursed by Willows Run, LLC. This adjustment will increase both revenue and expenditure budgets in the General Fund.
- **Transit Oriented Development and Implementation (TODI) Grant - \$115,000**
  - The City has been awarded a grant by the Washington State Department of Commerce, which was accepted by Council on April 29, 2022, to facilitate the adoption and implementation of transit-oriented development. This adjustment will increase both revenue and expenditure budgets in the General Fund.
- **Community Development Block Grant (CDBG) - Coronavirus Funds - \$392,857**
  - HUD's Office of Community Planning and Development (CPD) has allocated a third round of Community Development Block Grant- Coronavirus funds (CDBG-CV3) to the City. Council approved the funding allocations for this program on May 18, 2021. This adjustment will increase both revenue and expenditure budgets in the General Fund.
- **Body-Worn Cameras Grant - \$170,000**
  - The City has been awarded a grant by the Department of Justice to aid in the implementation and expansion of body-worn camera programs, which was accepted by Council on April 5, 2022. This adjustment will increase both revenue and expenditure budgets in the General Fund.
- **Economic Development Grant - \$120,000**
  - The City has been awarded an Economic Development grant by the Port of Seattle, which was accepted by Council on May 17, 2022. This adjustment will increase both revenue and expenditure budgets in the General Fund.
- **Cable Access Fees - \$34,584**
  - The City renegotiated its Cable Franchise Agreement with Comcast Cable Company, resulting in an expected increase in revenue. Council approved this agreement on July 6, 2021. This adjustment will increase both revenue and expenditure budgets in the Cable Access Fund.

**Existing Projects and Programs:**

- **Redmond Senior & Community Center Debt Service - \$350,375**
  - The City issued Limited Tax General Obligation Bonds totaling \$16,600,000, approved by Council on April 5, 2022, resulting in a scheduled interest payment in 2022. This adjustment will provide for a budgeted transfer from the Parks CIP Fund to the Debt Service Fund and an increase in both revenue and expenditure budgets in the Debt Service Fund.

- **City Hall Bond Refunding - \$18,850,000**
  - The City refunded Limited Tax General Obligation Refunding Bonds (2013) approved by Council on August 17, 2021, resulting in an inflow of funds from the new debt issuance and an outflow of funds to pay off the 2013 bonds. This adjustment will increase both revenue and expenditure budgets in the Debt Service Fund.
- **Electric Vehicle (EV) Charging - \$596,400**
  - The City proposed a project to upgrade electrical services at two City facilities to facilitate the installation of EV charging stations. The project was approved by Council on October 19, 2021. This adjustment will provide for a budgeted transfer from the REET Fund to the General Government CIP Fund in the amount of \$556,400 as well as a transfer from the Development Agreement Fund to the General Government CIP Fund in the amount of \$40,000 as this portion is to be funded by Microsoft.
- **Events Program Coordinator - \$159,390**
  - The Events Program Coordinator (1.00 FTE) was one of eight positions restored during the 2021-2022 biennium, following reductions made in response to the COVID-19 pandemic in 2020. These restorations were approved by Council on April 6, 2021. This adjustment provides one-time funding for the position from the Salary and Benefit Contingency through December 31, 2022 and will include a transfer from the General Fund to the Community Events Fund.
- **Risk Insurance Premiums - \$1,135,000**
  - The City became a member of the Cities Insurance Association of Washington (CIAW) through an interlocal agreement which was approved by Council on October 4, 2022. This adjustment provides for a budgeted transfer from the General Fund to the Risk Insurance Fund to accommodate the increase in insurance premiums for the 2021-2022 biennium. Budgeted sales tax will be increased to fund the transfer.

**New Items:**

- **Workers Compensation - \$1,300,000**
  - The Workers Compensation Fund has seen a rise in the number of claims as well as an increase in the cost of claims. This adjustment will provide for a budgeted transfer from the General Fund to the Workers Compensation Fund to fully cover the cost of claims in the 2021-2022 biennium as well as provide needed funding for claims that will likely be settled in the 2023-2024 biennium. Budgeted sales tax will be increased to fund the transfer.

**Corrections:**

- **Senior Center ADA - \$500,000**
  - During budget deliberations for the 2021-2022 biennium, Council chose to budget a \$400,000 transfer from the Real Estate Excise Tax (REET) Fund to the Transportation CIP Fund for the Americans with Disabilities Act (ADA) program as well as a \$100,000 transfer from the Recreation Analysis project in the Parks Maintenance Projects Fund to provide partial funding for the Senior Center Analysis project in the Parks CIP Fund. These changes were made in the 2021-2022 budget document but were inadvertently excluded from the total adopted budget in the ordinance. This adjustment aligns the 2021-2022 budget ordinance with Council's original intent.
- **Fire Stations 14 and 18 Seismic Retrofits - \$350,000**

- Seismic retrofits at Fire Stations 14 and 18 are Fire District 34 projects which are managed by the City. The City determined that the District is not contractually obligated to pay for certain project costs, so this adjustment will provide for a budgeted transfer from the REET Fund to the General Government CIP Fund to cover the amount for which the City is responsible.
- **Parks Property Tax - \$437,653**
  - In 2018 the annual transfer of property tax revenue from the General Fund to the Parks Levy and Parks Maintenance & Operations Funds was inadvertently under-budgeted. This adjustment corrects this error by providing for a one-time budgeted transfer from the General Fund to the Parks Levy and Parks Maintenance & Operations Funds in the amount of \$217,730 and \$219,923 respectively.

**Additional Background Information/Description of Proposal Attached**

**REQUESTED ACTION:**

- Receive Information                       Provide Direction                       Approve

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**  
Fiscal Policies
- **Required:**  
RCW 35A.33.120 Funds-Limitations on expenditures-Transfers and adjustments.
- **Council Request:**  
N/A
- **Other Key Facts:**  
N/A

**OUTCOMES:**

This budget adjustment is necessary to align City financial records with decisions made by the Council.

**COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:**

- **Timeline (previous or planned):**  
N/A
- **Outreach Methods and Results:**  
N/A
- **Feedback Summary:**  
N/A

**BUDGET IMPACT:**

**Total Cost:**  
\$29,806,169

**Approved in current biennial budget:**                       Yes                       No                       N/A

**Budget Offer Number:**

N/A

**Budget Priority:**

N/A

**Other budget impacts or additional costs:**     Yes             No             N/A

**If yes, explain:**

N/A

**Funding source(s):**

N/A

**Budget/Funding Constraints:**

N/A

Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
N/A	N/A	N/A

**Proposed Upcoming Contact(s)**

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

**Time Constraints:**

All budget adjustments for the 2021-2022 biennium must be approved no later than December 31, 2022.

**ANTICIPATED RESULT IF NOT APPROVED:**

Multiple funds would end the biennium over-budget.

**ATTACHMENTS:**

Attachment A: Ordinance: 2021-2022 Budget Adjustment #12-30  
Exhibit 1: Summary of 2021-2022 Budget Adjustments