



Memorandum

Date: 10/3/2023
Meeting of: City Council

File No. AM No. 23-136
Type: Consent Item

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

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Finance Manager
Finance	Marissa Flynn	Senior Financial Analyst

TITLE:

Approval of the 2023-2024 Budget Adjustment #2

- a. Ordinance No. 3130: An Ordinance of the City Council of the City of Redmond, Washington, Amending Ordinance No. 3110 by Making Adjustments to the City's 2023-2024 Biennial Budget, in Exhibit 1

OVERVIEW STATEMENT:

Adoption of an Ordinance amending Ordinance No. 3110 and XXXX by making adjustments to the City's 2023-2024 Biennial Budget to recognize new and increased revenue sources, appropriate funds for projects and programs previously approved by the Council, and make minor corrections identified throughout the biennium.

General Fund (100): \$966,750

(a) Port of Seattle Economic Development Grant - \$120,000

On May 17, 2022, Council accepted a grant from the Port of Seattle to support 100 + small businesses impacted by COVID-19. The program initiated in Spring of 2020, was to learn about small business challenges, concerns, and solutions around impacts due to redevelopment and potential displacement. The grant was not expended in 2022 and must be carried forward into 2023.

(b) Bureau of Justice Assistance (BJA) Body-worn Camera Grant - \$170,000

On April 5, 2022, Council accepted the (BJA) grant to aid in the purchase and implementation of the body-worn camera program. The grant includes a 1:1 match which is already budgeted in the Police Department's Professional Standards division. This grant was not expended in 2022 and must be carried forward to 2023.

(c) Sound Transit Fire Training - \$580,000

On February 27, 2023, the Mayor signed a joint agreement with Bellevue, Mercer Island, and Sound Transit for Sound Transit to provide funding to the cities for training and equipment related to Sound Transit operations.

The intent of this agreement is to fund 5-7 years of training and equipment purchases.

(d) EMT Class Instructors - \$30,650

Redmond Fire Department staff instructed EMT Classes for the Bellevue Fire Department which is fully reimbursed by the City of Bellevue. The revenue needs to be recognized to support the training expenditures.

(e) Monticello Street Sweeping - \$65,000

Targeted street sweeping was budgeted in the Stormwater Management Fund (405) to improve water quality in the Monticello Basin. It has been determined that the best approach to complete the work is through utilization of the City's Streets division which is budgeted in the General Fund (100). This change requires the street sweeping budget to be moved from Fund 405 to Fund 100 as well as a transfer from Fund 405 to Fund 100 to provide the funding.

(f) Transfer and Interfund Overhead Clean-Up - \$1,100

Each biennium the City budgets inter-fund overhead charges to ensure that departments and funds pay for the appropriate overhead expenditures. This item is a housekeeping adjustment to ensure that budgeted overhead revenue match budgeted overhead expenditures and impacts the General Fund (\$1,100 increase), General Government Maintenance Fund (\$19,590 increase), Fleet Fund (\$12,552 increase), and Insurance Claims & Reserves Fund (\$1,100 decrease). The net impact of this adjustment is an increase to the City's revenue budget of \$32,242.

Transportation Major Maintenance Fund (096): \$(2,500,000)

(g) NE 70th Street Improvements (Redmond Way to 180th Ave NE) Project - \$(2,500,000)

The NE 70th at 180th project and an associated grant were budgeted in the Transportation Maintenance Project Fund (096) and need to be moved to the Transportation Capital Investment Program Fund (316). The budget impact is at the fund level and there is no net increase to the Citywide or project budget.

General Government Major Maintenance Fund (099): \$569,590

(f) Transfer and Interfund Overhead Clean-Up - \$19,590

Each biennium the City budgets inter-fund overhead charges to ensure that departments and funds pay for the appropriate overhead expenditures. This item is a housekeeping adjustment to ensure that budgeted overhead revenue match budgeted overhead expenditures. See item (f) in the General Fund (100) for more information.

(h) High Performing Buildings Project - \$550,000

The High Performing Buildings project was budgeted in the General Government Capital Investment Program Fund (319). However, it was discovered that this work cannot be capitalized and must be moved to the General Government Major Maintenance Fund (099). The budget impact is at the fund level and there is no net increase to the Citywide budget.

Parks Capital Improvement Program Fund (315): \$39,401

(i) King County Easement for Lake Hills - \$39,401

The King County Wastewater Treatment Division plans to construct the Lake Hills Trunk (LHT) Sewer Upgrade Project to replace the existing regional sewer line serving Redmond and Bellevue for over 50 years. King County needs to locate a portion of the line on City property on the east side of the Sammamish River within the

Sammamish River Trail between Redmond Way and the Redmond Central Connector and has offered to pay the City \$39,401 for a 2,734 sq. ft. utility easement. Council authorized sale of the easement on June 20, 2023.

Transportation Capital Investment Program Fund (316): \$4,270,000

(g) NE 70th Street Improvements (Redmond Way to 180th Ave NE) Project - \$2,500,000

Project expenditures and grant revenue currently budgeted in the Transportation Major Maintenance Fund (096) will be moved to the Transportation Capital Investment Program Fund (316). See item (h) in the Transportation Capital Investment Program Fund for more information.

(j) Transportation Improvement Board (TIB) Bel-Red Road Buffered Bike Lanes Grant - \$650,000

On June 20, 2023, Council accepted the TIB grant to supplant local funds allocated in the current budget with the goal of creating a safer bicycle facility on Bel-Red Road that connects to West Lake Sammamish Parkway and is a key route to a city center and light rail. The local match required is 22% and is already budgeted in the CIP.

(k) 132nd Signal Improvement Project - \$1,120,000

In 2021 Microsoft contributed to the 132nd Signal Improvement project which the City receipted into the Transportation Major Maintenance Fund (096). In 2023-2024 the project expenditures were appropriately budgeted in the Transportation Capital Investment Program Fund (316) so Microsoft's contribution must be moved to Fund 316 as well. The budget impact is at the fund level and there is no net increase to the Citywide budget.

General Government Capital Investment Program Fund (319): \$(550,000)

(h) High Performing Buildings Project - \$(550,000)

The High Performing Buildings project was budgeted in the General Government Capital Investment Program Fund (319). However, it was discovered that this work cannot be capitalized and must be moved to the General Government Major Maintenance Fund (099). The budget impact is at the fund level and there is no net increase to the Citywide budget.

Stormwater Management Fund (405): \$181,000

(l) Stormwater Capacity Grant- \$25,000

On March 15, 2022, Council accepted a grant from the Washington State Department of Ecology in the amount of \$50,000 to support the Municipal Stormwater Permit implementation. The Department of Ecology has offered an amendment to the earlier grant award in the amount of \$25,000. No match is required by the City.

(m) NE 40th Street Trunk Project Monitoring - \$156,000

The NE 40th Street Trunk Monitoring project requires post-completion monitoring, which is funded by the Community Facility District (2016-1), costing \$78,000 per year. The addition requires a budgeted transfer from the Community Facilities District (2016-1) Fund (362) to the Stormwater Management Fund (405).

Fleet Maintenance Fund (501): \$12,552

(f) Transfer and Interfund Overhead Clean-Up - \$12,552

Each biennium the City budgets inter-fund overhead charges to ensure that departments and funds pay for the appropriate overhead expenditures. This item is a housekeeping adjustment to ensure that budgeted overhead revenue match budgeted overhead expenditures. See item (f) in the General Fund (100) section for more

information.

Insurance Claims and Reserves Fund (510): \$(1,000)

(f) Transfer and Interfund Overhead Clean-Up - \$(1,000)

Each biennium the City budgets inter-fund overhead charges to ensure that departments and funds pay for the appropriate overhead expenditures. This item is a housekeeping adjustment to ensure that budgeted overhead revenue match budgeted overhead expenditures. See item (f) in the General Fund (100) section for more information.

Information Technology Fund (520): \$150,000

(n) Tyler Cashiering Software Subscription - \$90,000

Tyler cashiering is the receipting platform used for all payments the City receives aside from payments for Parks programs and rentals, and development-related permits. Subscription for this was originally terminated because the project team believed it would be replaced by another solution. The City was unable to identify and implement another suitable solution and will need to continue using Tyler Cashiering for the time being. The subscription will be funded from the non-departmental budget.

(o) Electronic Business Machines - \$60,000

To implement business process changes made during the D365 system implementation monthly payments for copier leases have been centralized within the Technology and Information Services (TIS) Department. The change requires a budgeted transfer from Fund 100 to Fund 520. The budget impact is at the fund level and there is no net increase to the Citywide budget.

☒ **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 to account for Council decisions and corrections to the existing budget.

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:
\$3,138,293

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
9/12/2023	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

Proposed Upcoming Contact(s)

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

Time Constraints:
All budget adjustments for the 2023-2024 biennium must be approved no later than December 31, 2024.

ANTICIPATED RESULT IF NOT APPROVED:

The adopted budget would not align City financial records with decisions made and corrections between budgeted funds.

ATTACHMENTS:

Attachment A: Ordinance: 2023-2024 Budget Adjustment #2

Exhibit 1: Summary of 2023-2024 Budget Adjustments #1-2