



SNOHOMISH CITY COUNCIL STAFF REPORT

Date: May 7, 2024

Agenda Section: CONSENT ITEMS

From: Alisha Hendren, Finance Director

Subject: AMEND 2023-2024 Biennial Budget for Fund Transfers - ADOPT Ordinance 2486

SUMMARY: Council will be asked to adopt Ordinance 2486 for a second amendment to the 2023-2024 Biennial Budget to allow for fund transfers.

BACKGROUND & ANALYSIS: During the 2023 year-end financial reporting process, there were several adjustments found to be necessary that deviates from the amended budget Ordinance 2474, approved by Council on November 21, 2023. These adjustments relate to "governmental fund accounting" and the need to reflect interfund transfers more visibly, as well as adjustments to break out Fund 506 from Funds 505 and 501 (Fleet Replacement, Fleet Maintenance, and Facilities), and minor adjustments to revenues and expenditures for items that should have been included in the budget or removed from the budget last fall.

In addition, as the Washington State Auditor's Office conducted the audit on the 2022 financial statements, there were adjustments needed to revise year end balances for 2022. This results in a change in the beginning fund balances previously stated in the 2023-2024 amended budget Ordinance 2474. It is necessary to amend Ordinance 2474 to reflect the aligned budget impacts for 2023 as, as the ordinance is included in the 2023 financial statements footnotes that will be submitted to the State Auditor's Office this May.

The changes proposed to the amended budget Ordinance 2486 are as follows:

- \$4.2M budgeted interfund transfers, increasing both budgeted revenues and expenditures, with a net \$0 impact to total ending fund balances.
- \$766k in grant revenue received in 2023 not included in biennial budget for reimbursement grants from 2022 and prior year expenses (\$24k in Fund 001, \$665k in Fund 130, and \$78k in Fund 404).
- \$169k reallocation from Ordinance 2474 for Funds 501, 505 and 506, with a net \$0 impact to total ending fund balances.
- \$448k reduction to Stormwater (Fund 404) revenue due to interfund allocations.
- \$21.7k reduction to Information Services (Fund 502) revenue for unnecessary ARPA allocation.
- \$26.4k increase to General fund (Fund 101) expenditures to include the Arts & Culture budget in the amended fund balance.
- \$851k reduction to the 2023 beginning fund balance resulting from 2022 fiscal audit.
- \$1.3M to continue design progress on the Public Safety and Civic Services Campus, based on Council's contract approval last month.

As the City progresses through 2024, it is expected that a final 2023-2024 budget amendment will be brought to Council in the second half of 2024, for Council's authorization to capture necessary fund changes that occurred throughout the current fiscal year.

FISCAL IMPACT: Once adopted, the amendment to the 2023-2024 budget will provide a more accurate budget-to-actuals analysis and financial reporting and allow the City to continue to complete impactful community projects.

SUGGESTED COUNCIL ACTION: Motion to ADOPT Ordinance 2486 amending the 2023-2024 Biennial Budget for fund transfers.

REFERENCE(S):

[2023-2024 Adopted Budget per Ordinance 2458, approved by Council November 15, 2022](#)

[Amendment to the 2023-2024 Adopted Budget per Ordinance 2474, approved by Council November 21, 2023](#)

COUNCIL GOAL(S): City Infrastructure, City Services

ATTACHMENT(S):

Ordinance 2486

**CITY OF SNOHOMISH
Snohomish, Washington**

ORDINANCE 2486

AN ORDINANCE AMENDING THE BIENNIAL BUDGET FOR THE CITY OF SNOHOMISH, WASHINGTON FOR THE YEARS 2023-2024 AS SET FORTH IN ORDINANCE 2458 AND ORDINANCE 2474 AND SETTING FORTH IN SUMMARY FORM THE TOTALS OF ESTIMATED BEGINNING FUND BALANCES, REVENUES, AND APPROPRIATIONS FOR EACH SEPARATE FUND, AND ENDING FUND BALANCES FOR ALL SUCH FUNDS COMBINED; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, the Snohomish City Council adopted the 2023-2024 biennial budget pursuant to Ordinance 2458; and

WHEREAS, the Snohomish City Council adopted an amendment to the 2023-2024 biennial budget pursuant to Ordinance 2474; and

WHEREAS, the City has experienced changes in revenues, expenditures, and capital projects during the year 2023-2024 which necessitates revisions to the Council approved 2023-2024 biennial budget;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SNOHOMISH, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. In accordance with the provisions of Chapter 35A.34 RCW, the budget of the City of Snohomish for the 2023-2024 biennium, as adopted in Ordinance 2458, is hereby amended to reflect changes to the totals of budgeted revenues and expenditures for each separate fund, set forth in summary form, as shown below:

Budget Summary By Fund					
Fund	Fund Name	Amended Beginning Fund Balance	2023-2024 Amended Revenue Budget	2023-2024 Amended Expenditure Budget	2023-2024 Amended Ending Fund Balance
001	General	6,563,221.38	\$ 22,498,715	\$ 26,681,781	\$ 2,380,156
102	Streets	565,540.21	\$ 2,843,892	\$ 3,409,432	\$ 0
104	Park Impact Fee	926,697.84	\$ 251,500	\$ 932,600	\$ 245,598
107	Visitor Promotion	79,579.89	\$ 20,200	\$ 20,000	\$ 79,780
108	PBIA	6,387.04	\$ 56,843	\$ 38,000	\$ 25,230
125	Traffic Impact Fee	549,864.25	\$ 226,000	\$ 548,700	\$ 227,164
130	Transportation Benefit District	5,316,942.34	\$ 3,613,607	\$ 1,962,127	\$ 6,968,422
140	Snohomish Rescue Plan	2,381,052.21	\$ 250,000	\$ 2,631,052	\$ 0
150	Behavioral Health & Housing	519,729.64	\$ 915,000	\$ 40,000	\$ 1,394,730
205	Debt Service	21,447.57	\$ 123,575	\$ 123,200	\$ 21,823
305	Real Estate Excise Tax	1,147,078.26	\$ 1,195,980	\$ 2,157,455	\$ 185,603
310	Municipal Capital Projects	1,213,221.85	\$ 7,364,750	\$ 8,105,770	\$ 472,202
311	Street Capital Projects	1,597,560.98	\$ 4,414,485	\$ 4,662,305	\$ 1,349,741
401	Water Utility	6,225,816.65	\$ 5,873,838	\$ 10,211,731	\$ 1,887,924
402	Wastewater Utility	10,845,829.67	\$ 11,198,000	\$ 20,335,296	\$ 1,708,534
403	Solid Waste	178,507.88	\$ -	\$ -	\$ 178,508
404	Stormwater Utility	6,350,391.32	\$ 3,252,455	\$ 6,225,554	\$ 3,377,292
501	Fleet & Facilities	471,533.83	\$ 1,441,100	\$ 1,362,555	\$ 550,079
502	Information Services	702,343.77	\$ 1,354,970	\$ 1,449,954	\$ 607,360
503	Self-insurance	893.82	\$ -	\$ -	\$ 894
505	Equipment Replacement	325,617.84	\$ 1,074,437	\$ 1,109,497	\$ 290,558
506	Fleet Maintenance & Operations	325,617.84	\$ 849,260	\$ 1,174,850	\$ 28
	Fund Totals	\$ 46,314,876	\$ 68,818,607	\$ 93,181,859	\$ 21,951,624

Section 2. Except as set forth above, all other provisions of Ordinance 2458 and Ordinance 2474 shall remain in full force, unchanged.

Section 3. **Effective date.** This ordinance shall become effective 5 days following publication of a summary consisting of the title of this Ordinance.

Section 4. **Severability.** If any section, clause, phrase, or term of this ordinance is held for any reason to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance, and the remaining portions shall be in full force and effect.

ADOPTED by the City Council and **APPROVED** by the Mayor this 7th day of May, 2024.

CITY OF SNOHOMISH

By _____
Linda Redmon, Mayor

ATTEST:

APPROVED AS TO FORM:

By _____
Brandi Whitson, City Clerk

By _____
Emily Guildner, City Attorney

Publication Date: _____

Effective Date: _____