

ORDINANCE NO. 816

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, ESTABLISHING A BIENNIAL BUDGET BEGINNING JANUARY 1, 2019, FOR THE 2019-2020 BUDGET BIENNIUM, AND ADDING A NEW CHAPTER 3.02 BIENNIAL BUDGET TO TITLE 3 OF THE SHORELINE MUNICIPAL CODE AND AMENDING OTHER SECTIONS OF TITLE 3 TO REFLECT THE NEW BIENNIAL BUDGET.

WHEREAS, the City of Shoreline currently prepares and manages its budget on an annual basis; and

WHEREAS, pursuant to RCW 35A.34, the Municipal Biennial Budget Act, the Washington State Legislature has authorized the City to establish, by ordinance, a biennial budget and to provide the means for modification of such budget in lieu of the annual budget; and

WHEREAS, the development and adoption of a budget by the City is a lengthy and intense process subject to limited amounts of available time which reduces opportunities for deliberating other issues of importance by the City Council; and

WHEREAS, biennial budgeting will provide an opportunity for better long-range and strategic financial planning and consolidation of efforts invested in the budget development and approval process, thereby improving services to the citizens of Shoreline; and

WHEREAS, RCW 35A.34.040 provides that an ordinance establishing the two-year fiscal biennium budget for the City of Shoreline must be adopted at least six months prior to the commencement of the fiscal biennium; and

WHEREAS, various sections of Shoreline Municipal Code Title 3 reference an annual budget and, therefore, establishment of a biennial budget requires housekeeping amendments to ensure consistency in the municipal code; and

WHEREAS, the City Council finds that it is in the best interests of the City of Shoreline to utilize a fiscal biennium budget beginning January 1, 2019;

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

Section 1. Biennial Budget Established – Amendment to Title 3 Revenue and Finance. A new Chapter 3.02 *Biennial Budget*, is added to Title 3 establishing a two-year biennium budget beginning January 1, 2019, as set forth below:

Chapter 3.02 BIENNIAL BUDGET

Sections:

3.02.010 Two-year fiscal biennium budget established.

3.02.015 Adoption procedures for two-year biennium budget preparation.

3.02.020 Mid-biennial review and modification.

3.02.010 Two-year fiscal biennium budget established.

Pursuant to RCW 35A.34.040, the city council hereby establishes for the City of Shoreline a two-year fiscal biennium budget beginning with the two-year biennium which commences on January 1, 2019.

3.02.015 Adoption procedures for two-year biennium budget preparation.

The 2019-2020 biennial budget and all subsequent budgets shall be prepared, considered, and adopted according to the provisions of this chapter and Chapter 35A.34 RCW, as presently constituted or as hereinafter amended, which is hereby adopted by reference.

3.02.020 Mid-biennial review and modification.

- A. Pursuant to RCW 35A.34.130, the city council hereby provides for a mid-biennial review and modification of the fiscal biennium budget.
- B. No sooner than eight months after the start of the first year of the fiscal biennium, nor later than the first regularly scheduled city council meeting in November of the first year of each fiscal biennium, if appropriate, the city manager shall prepare a proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other City ordinances. The city manager shall distribute such proposed budget modification to the members of the city council, which shall become a public record and copies shall be made available to the public upon request.
- C. A public hearing regarding the modification shall be advertised at least once and shall be held at a City Council meeting no later than the first Monday in December and may be continued from time-to-time. At the public hearing or thereafter, the city council may consider a proposed ordinance to adopt such modification as it deems appropriate. The ordinance adopting the modification shall be subject to the provisions of RCW 35A.34.120.
- D. A complete copy of the budget modification as adopted shall be transmitted to the state auditor and the Association of Washington Cities.

Section 2. Housekeeping Amendments to SMC Title 3. The following sections of Title 3 are amended as provided:

A. SMC 3.01.820 Annual adjustments is amended as follows:

Increases of the fees contained in the fee schedules in this chapter shall be calculated on an annual basis by January 1st of each year by the average for the period that includes the last six months of the previous budget year and the first six months of the current budget year of the Seattle-Tacoma-Bremerton Consumer Price Index for all urban consumers (CPI-U), unless the Shoreline Municipal Code calls for the use of another index/other indices, the fee is set by another agency, or specific circumstances apply to the calculation of the fee. The appropriate adjustment shall be calculated ~~each year~~ and included in the city manager's proposed biennium budget and any necessary modifications shall be presented during the mid-biennium review. The city manager may choose to not include the calculated adjustments in the city manager's proposed biennium budget or mid-biennium review and the city council may choose to not include the calculated adjustments in the adopted biennium budget or modification presented during the mid-biennium review for select user fees in any individual budget year without impacting the full force of this section for subsequent budget years. The annual adjustments to the fees in this chapter shall be rounded as appropriate to ensure efficient administration of fee collection.

B. SMC 3.32.010 Imposed is amended as follows:

There is levied and shall be collected from every person a tax for the act or privilege of engaging in utility occupation activities as defined in SMC 3.32.030. Such tax shall be measured by the application of rates against the gross proceeds of sales from customers within the city. The tax provided for in this chapter shall be known as the "utility tax," and is levied upon the privilege of conducting the business of manufacturing or distributing natural gas, telephone, cellular telephone, cable television, or solid waste collection business within the city of Shoreline. This tax is also levied upon any public or private operator of any municipal domestic water distribution and supply system or municipal domestic sewer system as a public utility. All revenues collected pursuant to this chapter shall be deposited into the general fund and shall be used for the funding of general city services or capital projects as the city council shall direct through its ~~annual~~ budget process

C. SMC 3.40.080 Budget and tax levy is amended as follows:

From time to time hereafter for the purpose of maintaining the local improvement guaranty fund, the city shall at the time of making its ~~annual~~ budget and tax levy provide for the levy of a sum sufficient, with other resources of the fund, to meet the financial requirements of such fund; provided, that the levy in any one year shall not exceed five percent of the outstanding obligations guaranteed by the fund.

D. SMC 3.70.130 Review and adjustment of rates is amended as follows:

- A. The fees and rates set forth in the rate study may be reviewed and adjusted by the council as it deems necessary and appropriate in conjunction with the ~~annual~~

budget process so that adjustments, if any, will be effective at the first of the calendar year subsequent to budget period under review.

- B. ~~Annually, and prior to the first day of January,~~ Consistent with SMC 3.01.820, the director shall adjust the fees by the same percentage changes as in the most recent annual change of the Construction Cost Index published in the Engineering News-Record (ENR) for the Seattle area.

E. 3.75.030(B) Capital improvement plan, rate schedule, and annual report is amended as follows:

Rate Schedule. No later than September 1st of each year, the fire department shall submit to the city's administrative services department any modification to the impact fee rate from the prior year. The city shall review the proposed rates for possible adoption or modification in conjunction with the city's budget.

F. SMC 3.80.130 Review and adjustment of rates is amended as follows:

- A. The fees and rates set forth in the rate study may be reviewed and adjusted by the council as it deems necessary and appropriate in conjunction with the ~~annual~~ budget process so that adjustments, if any, will be effective at the first of the calendar year subsequent to budget period under review.
- B. ~~Annually, and prior to the first day of January,~~ Consistent with SMC 3.01.820, the director shall adjust the fees at a rate adjusted in accordance with the Washington Department of Transportation's Construction Cost Indices (CCI). The city shall utilize a three-year CCI average, using the three most recent calendar years' CCI available data, to determine adjustments to the impact fees.

Section 3. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 5. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. The ordinance shall take effect and be in full force five days after passage and publication.

PASSED BY THE CITY COUNCIL ON MARCH 26, 2018



Mayor Will Hall

ATTEST:



Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:



Margaret King
City Attorney

Publication Date: March 29, 2018
Effective Date: April 3, 2018