

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adoption of Ordinance 456 to amend the 2006 budget and Ordinance 457 to amend the 2007 budget to add appropriations for the Unlimited Tax General Obligation Bond-2006 Fund (UTGO Bond-2006 Fund)
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry, Finance Director

PROBLEM/ISSUE STATEMENT:

On November 27, 2006 the City Council adopted Ordinance 447 which included amendments to the 2006 budget. On November 29, 2006 the City Council adopted Ordinance 454 which provided for the issuance of \$18,795,000 par value Unlimited Tax General Obligation Bonds. An amendment to the 2006 budget is required to cover the cost of some expenses related to the bond election that occurred on May 16, 2006 and expenses related to the issuance of the bonds. Bond issuance costs include items such as the underwriter discount, financial advisor, bond counsel, rating agency fee, disclosure counsel, advertising, and bond bid costs.

The 2007 budget must also be amended to account for the debt service payments and the property tax levy that will be collected to make these payments. These costs were not fully known until after the issuance and settlement of the bonds on December 13, 2006.

FINANCIAL IMPACT:

Ordinance No. 456 will create an appropriation of \$199,498 in the UTGO Bond-2006 Fund in the 2006 budget. These funds were received when the bond sale was completed on December 13, 2006. These proceeds will be used to pay for a portion of the costs associated with the special election and for bond issuance costs including the financial advisor, bond counsel, rating agency fee and related costs, disclosure counsel as allowed. Ordinance 457 will create an appropriation of \$1,636,228 in the 2007 budget. In 2007, the City will begin to receive proceeds from the voter-approved excess property tax levy. In 2007 this levy will total \$1,800,000. The City will need to pay a total of \$1,636,228 in debt service costs during 2007.

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 456, amending the 2006 budget and Ordinance 457, amending the 2007 budget.

Approved By:

City Manager 

City Attorney 

ATTACHMENTS

Attachment A – Ordinance 456, amending the 2006 Budget

Attachment B – Ordinance 457, amending the 2007 Budget

ORDINANCE NO. 456

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 447, BY ESTABLISHING AN APPROPRIATION FOR THE UNLIMITED TAX GENERAL OBLIGATION BOND-2006 FUND (UTGO BOND-2006 FUND, TO APPROPRIATE FUNDS FOR EXPENSES RELATED TO THE BOND ELECTION AND ISSUANCE OF THE BONDS

WHEREAS, the 2006 Budget was adopted in Ordinance 404 and amended by Ordinances No. 414, 420, 443 and 447; and

WHEREAS, Ordinance 454 provided for the issuance, specifying the maturities, interest rates, terms and covenants of \$18,795,000 par value of Unlimited Tax General Obligation Bonds, 2006, authorized by the qualified voters of the City; and

WHEREAS, Ordinance 454 established Fund 201 – Unlimited Tax General Obligation Bond- 2006 Fund; and

WHEREAS, the City of Shoreline must make payments of costs associated with the bond election and sale;

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

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

Section 1. Amendment. The City hereby amends Section 1 of Ordinance No. 447 and the 2006 Annual Budget, by increasing the appropriation from the UTGO Bond-2006 Fund by \$199,498 for a UTGO Bond-2006 Fund appropriation of \$199,498; and by increasing the Total Funds appropriation to \$100,753,250 as follows:

General Fund	\$29,982,403	
Street Fund	2,582,151	
Arterial Street Fund	0	
Surface Water Management Fund	5,162,967	
General Reserve Fund	0	
Code Abatement Fund	100,000	
Asset Seizure Fund	23,000	
Public Arts Fund	115,775	
UTGO Bond-2006 Fund	0	199,198
General Capital Fund	\$24,608,489	
City Facility-Major Maintenance Fund	60,000	
Roads Capital Fund	\$35,867,498	

Surface Water Capital Fund	1,762,072	
Vehicle Operations/Maintenance Fund	96,217	
Equipment Replacement Fund	163,180	
Unemployment Fund	30,000	
Total Funds	<u>\$100,553,752</u>	\$100,753,250

Section 2. Amending the 2006 Budget. The 2006 Budget is amended to include the following appropriations:

A. Appropriation of New Revenue

- Proceeds from sale of Unlimited Tax General Obligation Bonds to be used for election and bond issuance costs.

Section 3. 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 JANUARY 8, 2007

Mayor Robert L. Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Publication Date:
Effective Date:

ORDINANCE NO. 457

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 449, BY ESTABLISHING AN APPROPRIATION FOR THE UNLIMITED TAX GENERAL OBLIGATION BOND-2006 FUND (UTGO BOND-2006 FUND), TO APPROPRIATE FUNDS FOR DEBT SERVICE EXPENSES

WHEREAS, the 2007 Budget was adopted in Ordinance 449; and

WHEREAS, the final debt service schedule was not known at the time that the 2007 Budget was adopted; and

WHEREAS, Ordinance 454 provided for the payment of principal and interest on the Bonds; and

WHEREAS, the City of Shoreline is required by RCW 35A.33.075 to include all revenues and expenditures for each fund in the adopted budget;

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

Section 1. Amendment. The City hereby amends Section 1 of Ordinance No. 449 and the 2007 Annual Budget, by establishing the appropriation for the UTGO Bond-2006 Fund of \$1,636,228; and by increasing the Total Funds appropriation to \$69,808,753 as follows:

General Fund	28,373,336	
Street Fund	2,422,087	
General Reserve Fund	0	
Code Abatement Fund	100,000	
Asset Seizure Fund	23,500	
Public Arts Fund	0	
UTGO Bond-2006 Fund	0	\$1,636,228
General Capital Fund	23,691,223	
City Facility-Major Maintenance Fund	110,000	
Roads Capital Fund	7,233,434	
Surface Water Utility Fund	5,968,957	
Vehicle Operations/Maintenance Fund	139,988	
Equipment Replacement Fund	100,000	
Unemployment Fund	10,000	
Total Funds	<u>\$68,172,525</u>	\$69,808,753

Section 2. Amending the 2007 Budget. The 2007 Annual Budget is amended to include the following appropriations:

A. Appropriation of New Revenue

- Voter-approved excess tax levy totaling \$1,800,000 to be used for principal and interest bonds

Section 3. 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 JANUARY 8, 2007

Mayor Robert L. Ransom

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Publication Date:
Effective Date: