

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 691, Amending the 2014 Budget by Increasing the Appropriation in the Limited Tax General Obligation Bond Fund 2013
DEPARTMENT:	Administrative Services
PRESENTED BY:	Robert Hartwig, Administrative Service Director
ACTION:	<input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

The City issued a Limited Tax General Obligation (LTGO) Bond on August 21, 2013 to provide funding for the purchase and improvements of the City's North Maintenance (Brugger's Bog) Facility. When the 2014 proposed budget was developed, the 2014 debt service payments were included in the Surface Water Utility Fund budget since the utility was a major benefactor of the maintenance facility and planned to participate in the repayment of the debt. However, since the bond that was issued is a LTGO Bond, it is an obligation of the City's governmental funds and therefore debt service payments should be made from the City's General Obligation Bond Fund. The Surface Water Utility is participating in the debt repayment in 2014 by paying for its share of the debt repayment and by loaning money to the general government for its share of the repayment.

Proposed Ordinance No. 691 amends Section 2 of Ordinance No. 678, the ordinance that adopted the 2014 budget, by increasing the appropriation for the Limited Tax General Obligation Bond Fund 2013 by \$260,823 for the 2014 debt service payments. The ordinance does not however reduce the Surface Water Utility debt service payment of \$260,823, it merely reflects the proper accounting treatment of this transaction in accordance with generally accepted accounting principles (GAAP).

Given that the first debt service payment is occurring on the same date as this discussion, staff recommends that Council waive their rules and adopt proposed Ordinance No. 691 with just two readings of the proposed ordinance.

FINANCIAL IMPACT:

On June 1 the City is required to make an interest payment of \$103,979, and on December 1, the City is required to make another interest payment of \$66,844 and a principal payment of \$90,000. This equates to a total 2014 debt service payment of \$260,823. Proposed Ordinance No. 691 will establish a 2014 appropriation in the Limited Tax General Obligation Bond Fund 2013 of \$260,823 to provide funding for the required 2014 debt service payments.

RECOMMENDATION

Staff recommends that Council waive Council Rule 3.5 and approve Ordinance No. 691, amending the 2014 budget.

Approved by: City Manager ***DT*** City Attorney ***IS***

ATTACHMENTS:

Attachment A: Proposed Ordinance No. 691

ORDINANCE NO. 691**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AMENDING ORDINANCE NO. 678 BY INCREASING THE APPROPRIATION IN THE LIMITED TAX GENERAL OBLIGATION BOND FUND 2013.**

WHEREAS, the 2014 Budget was adopted by Ordinance No. 678 and amended by Ordinance No. 685; and

WHEREAS, the City issued a Limited Tax General Obligation Bond (LTGO) on August 21, 2013; and

WHEREAS, the City is required to make the first debt service interest payment on this LTGO Bond in June of 2014; and

WHEREAS, an interest and principal payment is also required in December of 2014; and

WHEREAS, the 2014 adopted budget does not contain an appropriation for the required debt service for the LTGO Bond 2013; 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 2 of Ordinance No. 678, *Summary of Revenues and Expenditures*, by increasing the appropriation for the Limited Tax General Obligation Bond Fund 2013 by \$260,823 and by increasing the Total Funds appropriation to \$77,545,848 as follows:

	<u>Current Appropriation</u>	<u>Revised Appropriation</u>
General Fund	\$36,843,013	
Street Fund	1,999,037	
Code Abatement Fund	100,000	
State Drug Enforcement Forfeiture Fund	13,800	
Public Arts Fund	55,051	
Federal Drug Enforcement Forfeiture Fund	20,750	

Property Tax Equalization Fund	\$0	
Federal Criminal Forfeiture Fund	316,310	
Revenue Stabilization Fund	\$0	
Unltd Tax GO Bond 2006	1,709,050	
Limited Tax GO Bond 2009	1,662,567	
Limited Tax GO Bond 2013	\$0	260,823
General Capital Fund	4,878,471	
City Facility-Major Maintenance Fund	90,000	
Roads Capital Fund	23,603,999	
Surface Water Capital Fund	5,602,951	
Vehicle Operations/Maintenance Fund	245,273	
Equipment Replacement Fund	127,253	
Unemployment Fund	17,500	
Total Funds	\$77,285,025	\$77,545,848

Section 2. 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 JUNE 2, 2014

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik Smith
City Clerk

Ian Sievers
City Attorney

Publication Date:
Effective Date: