

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussion of Ordinance No. 816 - Establishing a Biennial Budget Process
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

At the City Council Dinner Meeting on November 14, 2016, the City Council provided direction to staff regarding policy areas that it was interested in discussing at its Strategic Planning Workshop in March 2017. One of these areas was biennial, or two-year, budgeting. Since that discussion, staff has continued to explore this option. A biennial budget provides an opportunity to widen the budget planning horizon from a twelve-month window to a twenty-four-month window and allow more long-term thinking to be a part of the financial planning that the budget represents and reduces some workload associated with the annual budget process.

The most urgent requirement in order to move to a biennial budget is that the City Council must adopt an ordinance at least six months prior to the start of the fiscal biennium. The Revised Code of Washington (RCW) requires that biennial budgets run from an odd year through an even year. The next biennial budget period is 2019-2020. That means that if the City Council wishes to establish a biennial budget for the 2019-2020 biennium, it must adopt an ordinance no later than June 30, 2018 stating the City of Shoreline will prepare a biennial budget for the budget period 2019-2020.

Tonight, Council will discuss proposed Ordinance No. 816 (Attachment A), which would establish a biennial budget in Shoreline for the budget period 2019-2020.

**RECOMMENDATION**

No action is required by the City Council this evening. This item provides the City Council with background on Shoreline's current budget process and what the City Council could come to expect from a biennial budgeting process. However, staff recommends that the City Council consider the policy issues presented with weight given to implementing a biennial budget using a two-year appropriation in the budget ordinance and provide staff direction about proposed Ordinance No. 816. Adoption of proposed Ordinance No. 816 is scheduled for the March 26, 2018 City Council meeting.

Approved By:            City Manager **DT**

City Attorney **MK**

## **BACKGROUND**

At the City Council dinner meeting on November 14, 2016 and Strategic Planning Workshop on March 3, 2017, the City Council provided direction to staff to explore moving to a biennial budgeting process. This staff report serves to provide some background on Shoreline's current budget process and what the City Council could come to expect from a biennial budgeting process. Shoreline is required to comply with certain state mandated budget provisions contained in Chapter 35A.33 of the Revised Code of Washington (RCW).

### **Current Budget Process**

***Budget Development:*** Work on Shoreline's budget starts at least six months before the next year starts, guided by City Council Goals and an updated financial forecast. Departments develop estimates for revenue and expenditures for the current year and formulate their estimates for the following budget year. The following budget year relies on organization priorities, City Council goals, and infrastructure condition and maintenance needs. The City Council receives an early preview of the proposed budget in September, during which time it provides feedback that guides the proposed budget delivered to the City Council in October. The City Council holds at least two public hearings and at least four public deliberations on the budget.

***Budget Adoption:*** The City Council adopts the budget on a calendar year basis, typically the Monday before Thanksgiving. The City's budget appropriations are adopted at the fund level with each Department managing their operations based on the revenue and expenditure estimates developed for its Department budget. Expenditures during the twelve-month window may not legally exceed the total appropriations within any specific fund. Any appropriations that are not expended lapse at year-end unless approved as a carryover amendment for the following year's budget.

***Budget Amendments:*** Because work on Shoreline's budget process typically culminates in its adoption more than one month before the next year starts there may be unanticipated needs that arise within the following few months that will require additional budget authority in the next year. There may also be instances where some operating programs and capital projects were delayed and need to be completed in the next year. Any revisions that change the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council.

The City Council is typically presented two different types of budget amendments to address changes identified since adoption of the current year's budget. The first typically occurs in April and is commonly referred to as a carryover, which re-appropriates unspent funds from the previous year for the payment of expenditures incurred or completion of projects so the current year's existing appropriations will not be negatively impacted. The second type of budget amendment provides for new grant or other revenue sources or for program developments and new opportunities that occur outside of the timing of the typical budget process. While these types of amendments can be presented at any time in the year staff strives to consolidate them in April and November whenever possible.

## **Biennial Budgeting Authority and Process**

In 1985, the Washington State Legislature adopted the Municipal Biennial Budget Act, permitting all cities in Washington State to establish a biennial, or two-year, budget. The legislative authority for cities is found in RCW 35A.34. The most urgent requirement is that in order to move to a biennial budget, the City Council must adopt an ordinance at least six months prior to the start of the fiscal biennium. The RCW requires that biennial budgets run from an odd year through an even year. The next biennial budget period is 2019-2020. That means that if the City Council wishes to establish a biennial budget before 2019, it must adopt proposed Ordinance No. 816 no later than June 30, 2018, stating the City of Shoreline will prepare a biennial budget for the budget period 2019-2020. Once Shoreline begins using a biennial budget, it can choose to revert back to an annual budget, by ordinance, at the end of a biennium if it wishes to do so.

## **DISCUSSION**

The required steps for an annual budget's and a biennial budget's process are very similar. One distinction is the requirement in RCW 35A.34.130 for a "mid-biennium review and modification". This review and modification is to start no sooner than September 1 of the first year of the biennium and be completed by the end of the year. The purpose of this review is to "tune up" the budget or make larger changes if needed to adjust for unforeseen changes in revenues or expenditures. This "mid-biennium budget review" process would replace the annual budget process in that year, resulting in significant time savings for the City Council and staff. Public hearings are required if any modifications to the adopted budget are proposed.

### **Form of Biennial Budgets**

There are several ways to approach biennial budgeting, including:

1. Adopting only the first year and "endorsing" the second;
2. Adopting two annual budgets; or,
3. Adopting a true biennial amount and then setting up the "spending rules" for each year in a number of different ways.

The greatest benefits of biennial budgeting are achieved with Option #3, eliminating the need for carryover processes during the biennium.

More than 50 cities and several counties have worked with some form of biennial budgets since the legislature created this alternative (Attachment B). The majority of cities use a two-year appropriation in their budget ordinance (or resolution).

***Biennial Budget Form Staff Recommendation:*** If Council wishes to move forward with a biennial budget, staff recommends that the City use a true biennial budget (Option #3) with separate years shown as "estimated allocations" in the budget book and adopting budget ordinance but provide authority to department heads to spend entire appropriation in year 1. Displaying estimated allocations in this fashion will aid monitoring and allow the Administrative Services Director to understand the timing for cash flow purposes and operating programs/services and/or capital projects to be delivered in year 1, if possible, within that cash flow.

## **Reasons for Using a Biennial Budget**

Advocates of biennial budgets point to the following advantages of transitioning from an annual to a biennial budget cycle:

**Better use of Staff Time:** The most common reason cited for using a twenty-four-month appropriation is to consolidate the amount of effort invested by the City Council and staff in preparing, developing the budget, and reviewing various documents. While forecasting for twenty-four months takes more time than twelve months, it does not take significantly more and therefore the time savings derived from the simplified “mid-biennium budget review” process in the first year of the biennium results in significant time savings. Staff time not spent in budget development can be invested in strategic planning, special project analysis, performance measurement, and delivering work plan goals. Many organizations have also noted that a biennial budget helps make additional time available to the City Council to strategically address financial and operational issues.

For example, in 2015 and early 2016, the Parks, Recreation and Cultural Services Department developed a Cost Recovery and Fee Setting Framework and the Planning and Community Development Department conducted a Permitting and Inspection Cost of Service and Cost Recovery Study. In late 2016 through 2017, the Public Works Department engaged in a Surface Water Master Plan Update. Having an “off-budget” year (that is the year during which staff would typically be doing an annual budget, but do not need to because of the biennial budget) will enable staff to refine these types of strategic plans.

**Longer Perspective:** As was noted above, another advantage is the longer perspective afforded to the organization in its budgetary planning. Proponents of biennial budget cycles contend that reduced City Council time spent preparing, reviewing, and approving annual budgets affords more focused time for improved financial management and departmental oversight while encouraging policymakers to make financial decisions over longer timeframes. Since the timeline is extended from one year to two, budgeting can be better coordinated with capital improvements, fleet management changes, or other major expenditures.

The National Advisory Council on State and Local Budgeting recommends long-range planning as one of the five essential features of good budgeting<sup>1</sup>. Shoreline subscribes to a philosophy of multi-year financial planning as a best practice. While the 10 Year Financial Sustainability Plan and updated forecasts in the 10 Year Financial Sustainability Model do not take the form of an appropriation in an ordinance, they help provide focus to guide the formal budgeting process. Biennial budgeting would require that departments forecast expenditures and revenues up to twenty-eight months in advance. This also provides longer time horizons to department heads and policymakers as they allocate resources across programs and anticipate future needs.

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<sup>1</sup> “A good budget process is characterized by several essential features. A good budget process: incorporates a long-term perspective, establishes linkages to broad organizational goals, focuses budget decisions on results and outcomes, involves and promotes effective communication with stakeholders, and provide incentives to government management and employees.” P. 3 *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting*. 1998.

To that end, the City Council may find a biennial budget more transparent on full program costs when a new program may only incur some of the costs in the first year.

### **Reasons against Using a Biennial Budget**

Of the cities that have used the multi-year approach, few have reverted back to a traditional one-year budget. Their reasons are as follows:

***Loss of Control:*** Some City Councils have expressed concerns about a loss of control over budgeted expenditures. While there are no clear examples of serious budget problems attributed to biennial budgeting, loss of control has been cited as a concern, and several cities have cited it as a reason for reverting back to an annual budget. It is important to remember that the City Council will always have the choice to revert back to an annual budget, by ordinance, at the end of a biennium. Another consideration to keep in mind is that the City has the ability to structure its process in ways that can minimize this risk.

***Difficulty in Forecasting:*** It is difficult to forecast revenues and variable expenditures for the next twelve to eighteen months in an annual budget process. A two-year budget will require all the estimates be done for a twenty-four-month period. Forecasts for sales tax, medical benefit costs, changes in pay for staff, and many other variables can be derailed by changes in the economy, in federal and local laws, and other changes. At some point Shoreline will likely experience the cumulative effect in the second year of receiving revenues lower than forecast in the first year. While budget deficits may be larger in scale when looking at a two-year period and, therefore, inherently more difficult to resolve, the reality is that the City will have a longer period of time to address any deficits. The key will be to continue our policy of regular revenue monitoring, with appropriate response to that monitoring, as well as long-term forecasting.

As with the annual budget process, if the City's regular monitoring reveals significant variations from the forecast, the City Manager may direct the use of "spending rules" in a number of different ways. For example, in "normal times" the City Manager may allow department heads to have lots of flexibility in spending their budget. In "difficult times" the City Manager may direct staff to more closely monitor and/or limit expenditures and only make funds remaining from year 1 available for year 2 expenditures with the approval of the City Manager. There are many options for managing the economic cycle in both annual and biennial budgets.

***Failure to Realize Anticipated Time Savings:*** Depending on the strength of restrictions or willingness to avoid making significant technical or policy changes in the off-year, biennial budgeting may not lead to appreciable time savings for the City Council and staff. Some cities that have reverted back and forth between annual and biennial budgeting note that they were not able to manage the "mid-biennium budget review" process in order to achieve the anticipated time savings. Significant discipline is required in creating and executing the process to ensure that the "mid-biennium budget review" remains a review rather than another full budget process.

### **Proposed Ordinance No. 816 and Next Steps**

Staff has engaged in thoughtful planning and process review to ensure the initial implementation of biennial budgeting will result in the monitoring and reporting needs of

the City Council and staff. The next steps to establish a biennial budget process, following adoption of Proposed Ordinance No. 816, would be a major work plan item that staff in Administrative Services Department are prepared to undertake.

In the past, staff was not able to recommend biennial budgeting due to limited ability to properly setup the City's financial software system. The City is undertaking a major upgrade to our Financial and Human Resources system in 2018. As part of this project, staff have assessed its ability to support biennial budgeting. The system configuration changes will require time and testing prior to beginning the budget process in June. Additionally, staff will need to work with Departments to implement procedural changes necessary to move from annual to biennial budgeting. Both of these practical requirements necessitate the adoption of proposed Ordinance No 816 in the near term should Council desire to move to biennial budgeting.

Tonight, Council will discuss proposed Ordinance No. 816 (Attachment A), which would establish a biennial budget in Shoreline for the budget period 2019-2020. Adoption of proposed Ordinance No. 816 is scheduled for the March 26, 2018 City Council meeting.

### **RECOMMENDATION**

No action is required by the City Council. This item provides the City Council with background on Shoreline's current budget process and what the City Council could come to expect from a biennial budgeting process. However, staff recommends that the City Council consider the policy issues presented with weight given to implementing a biennial budget using a two-year appropriation in the budget ordinance and provide staff direction about proposed Ordinance No. 816. Adoption of proposed Ordinance No. 816 is scheduled for the March 26, 2018 City Council meeting.

### **ATTACHMENTS**

Attachment A: Proposed Ordinance No. 816

Attachment B: List of Washington Cities and Counties That Do Biennial Budgeting

**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 to be effective as of January 1<sup>st</sup> of the following year. 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:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jessica Simulcik Smith  
City Clerk

\_\_\_\_\_  
Margaret King  
City Attorney

Publication Date: \_\_\_\_\_, 2018  
Effective Date: \_\_\_\_\_, 2018

**Attachment B: List of Washington Cities and Counties That Do Biennial Budgeting**

<u>Cities</u>	<u>Started / Ended</u>	<u>Form</u>	<u>Comments</u>
<b>Auburn</b>	2009-2010	Two one-year budgets	
<b>Bainbridge Island</b>	2009-2010	Appropriation for one-year	"Endorsed" budget for second year.
<b>Battle Ground</b>	2009-2010	Appropriation for two years	Expenditures restricted each year to administrative allocations in budget document.
<b>Bellevue</b>	1997-1998	Appropriation for two years	Each year shown separately in budget document. Like flexibility of two years, but monitor departments annually.
<b>Bonney Lake</b>	2007-2008	Appropriations for two years	Separate years shown as "Estimated Allocations" in budget ordinance. Department heads restricted to those amounts.
<b>Bothell</b>	2003-2004	Appropriation for two years	"True biennial budget - department heads have full authority to spend in any way they see fit..."
<b>Bremerton</b>	Ended in 2002		New finance director hired late.
<b>Burien</b>	2009-2010	Appropriation for two years	Each year shown separately in budget document and year 1 spending is restricted, but may carryover to year 2.
<b>Federal Way</b>	1997-1998	Two one-year budgets	
<b>Hoquiam</b>	2009-2010	Appropriation for two years	Budget document contains two-year appropriation. Their department heads are "good" with budgets and don't overspend.
<b>Kelso</b>	2013-2014	Two one-year budgets	
<b>Kenmore</b>	2013-2014	Appropriation for two years	True biennial budget. Planned amounts for each year shown in budget, "but department heads can spend entire appropriation in year 1."
<b>Kennewick</b>	1995-1996	Appropriation for two years	Two-year total shown in budget document. Basic policy is no limitations on how much can be spent in any one year.
<b>Kirkland</b>	2005-2006	Appropriation for two years	Two-year total shown in budget document. Departments create budgets for each year, but can go over. Usually can carry forward unspent funds from year 1.
<b>Lake Forest Park</b>	2007-2008	Two one-year budgets	
<b>Lakewood</b>	2011-2012	Appropriation for two years	Each year shown separately in budget document and department heads are restricted to those amounts. Previously had biennial budget for 2003-2004 and 2005-2006.
<u>Cities</u>	<u>Started / Ended</u>	<u>Form</u>	<u>Comments</u>
<b>Longview</b>	1997-1998	Appropriation for two years	Each year shown separately in budget document for planning purposes. Departments only need to "stay within biennial appropriation".

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<b>Lynnwood</b>	2003-2004	Appropriation for two years	Each year shown separately in budget document.
<b>Marysville</b>	Started: Unknown Ended: Unknown		Council felt it lost control.
<b>Mercer Island</b>	1991-1992	Appropriation for two years	Each year shown separately in budget document and department heads are restricted to those amounts.
<b>Mill Creek</b>	1997-1998	Appropriation for two years	Budget document shows biennial amount. "No first year guidelines. We expect them to do right thing."
<b>Monroe</b>	Started: 1991-1992 Ended: 1993		Huge growth made second year hard to forecast.
<b>Mountlake Terrace</b>	2003-2004	Two one-year budgets	
<b>Normandy Park</b>	1999-2000	Two one-year budgets	
<b>Oak Harbor</b>	1989-1990	Two one-year budgets	
<b>Ocean Shores</b>	2003-2004	Two one-year budgets	
<b>Olympia</b>	Started: Mid-80s Ended: Mid-80s		New city manager.
<b>Port Angeles</b>	Started: 1987-1988 Ended: 1993		Did not save enough time.
<b>Redmond</b>	1997-1998	Appropriation for two years	Gives complete latitude to departments to spend for biennium, monitoring and offering counsel when needed, which is not very often.
<b>Renton</b>	2011-2012	Two one-year budgets	Previously had biennial budget for 1999-2000 biennium only.
<b>Sammamish</b>	2007-2008	Appropriation for two years	Separate years shown for "Reference" in budget ordinance. Departments restricted to those amounts, but will work with one that wants to spend more in year 1.
<b>Cities</b>	<b>Started / Ended</b>	<b>Form</b>	<b>Comments</b>
<b>SeaTac</b>	2013-2014	Appropriation for two years	Separate years shown for "Reference" in budget ordinance. Departments do have flexibility, but they are tracked on annual amounts.
<b>Seattle</b>	1997-1998	Appropriation for one year	"Endorsed" budget for second year.

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<b>Steilacoom</b>	1995-1996	Appropriation for two years	Each year shown separately in budget document and department heads are restricted to those amounts.
<b>Sumner</b>	2009-2010	Appropriation for two years	Two year total shown in budget document and department heads "have generous discretion in managing appropriations."
<b>Tacoma</b>	1991-1992	Appropriation for two years	
<b>Toppenish</b>	Started: 1987-1988 Ended: 1989		
<b>Tukwila</b>	2009-2010	Appropriation for two years	Each year shown separately in budget document and department heads are restricted to those amounts.
<b>Tumwater</b>	2011-2012	Appropriation for two years	Each year shown separately in budget so finance director knows timing for cash flow purposes. No penalty for overspending year 1.
<b>University Place</b>	1999-2000	Two one-year budgets	
<b>Vancouver</b>	1985-1986	Appropriation for two years	Each year shown separately in budget document and department heads are restricted to those amounts.
<b>Walla Walla</b>	2009-2010	Appropriation for two years	Each year shown separately in budget document and department heads are restricted to those amounts.
<b>Woodinville</b>	2005-2006	Appropriation for two years	Each year shown separately in budget document. Can carryover year 1 savings.
<b>Counties</b>	<b>Started / Ended</b>	<b>Form</b>	<b>Comments</b>
<b>Benton County</b>	2011-2012	Appropriation for two years	"Line item budgeting."
<b>Clark County</b>	1999-2000	Appropriation for two years	Manages its budget at the category level. "100s" and "200s" (salaries and benefits) may not be moved to other categories and require a transfer.
<b>Cowlitz County</b>	2002-2003	Two one-year budgets	
<b>Counties</b>	<b>Started / Ended</b>	<b>Form</b>	<b>Comments</b>
<b>King</b>	2013-2014		Started using biennial budget for some departments.
<b>Kitsap County</b>	2003-2004	Two one-year budgets	
<b>Whatcom</b>	2005-2006	Two one-year budgets	

Source: MRSC Budget Suggestions 2014: "Biennial Budgets in Washington's Cities and Counties – Revisited" by Mike Bailey