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**CITY OF LYNNWOOD
ORDINANCE**

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**AN ORDINANCE AMENDING ORDINANCE 2300, ESTABLISHING A
TWO-YEAR FISCAL BIENIUM BUDGET CALENDAR OF THE
SEQUENTIAL EVENTS OF THE BUDGET PROCESS; REQUIRING
REPORTS AND INFORMATION TO BE PROVIDED; ESTABLISHING
DATES AND TIME PERIODS FOR PUBLIC HEARINGS; REQUIRING THE
PREPARATION OF CERTAIN TYPES OF BUDGETS AND THE
MANDATORY CONTENTS THEREOF, PREPARATION OF NECESSARY
FINANCIAL ESTIMATES AND INFORMATION; AND SETTING
DEADLINES FOR BUDGET AMENDMENTS**

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WHEREAS, RCW Chapter 35A.11 authorizes the City Council to organize and regulate internal city operations and processes, and to define the functions, duties, and authority of city staff; and

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WHEREAS, RCW Chapter 35A.33 establishes that it is the duty and responsibility of the City Council to adopt annual operating and capital budgets; and

WHEREAS, clear and definite budget procedures and timeframes for the preparation of budgets, reports, estimates of revenue and expenses, and other necessary information, expedite the business of the city; and

WHEREAS, accurate, timely and up-to-date budget and financial information allow decision makers to make informed choices to accomplish city goals, objectives, and outcomes, for the best interests of our city; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD DOES
HEREBY ORDAIN:**

Section 1. **New Chapter.** There shall be added to the Lynnwood Municipal Code a new chapter 2.72 entitled "City Budget Process Act". Each section set forth herein is a new section and shall comprise chapter 2.72 of the code.

Section 2. **Policy.** It is hereby declared to be the policy of the City of Lynnwood that a Two-Year Fiscal Biennium Budget and Planning Calendar consistent with the provisions of this Act shall be adopted each year by resolution of the City Council.

Section 3. **Annual Budget and Planning Calendar.** The City Council shall adopt on or before July 31, 2002, and then continuing thereafter on or before January 31st of each year commencing in 2004, an Biennial Budget and Planning Calendar in the form of a resolution which shall set out the specific calendar dates for this act as they may occur for each given year. The City Council may at any time by a scheduling motion add, delete or move activity dates for work sessions, business meetings, special meetings, or public hearings or meetings, originally scheduled in the Biennial Budget and Planning Calendar resolution. Each approved scheduling

1 motion shall be attached to the annual calendar resolution as an addendum. However, in no event
2 shall the annual resolution or any scheduling motion change the sequence of the budget process
3 events as established by this Act.
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5 Section 4. **Early Budget Hearing.** There shall be a public budget hearing in June of
6 each even numbered year to be scheduled by the Council. The results of the vision, mission,
7 goals, objectives and outcomes work under Section 4 of Ordinance 2299 shall be made available
8 to the public prior to this hearing. The primary purpose of this hearing is to hear from citizens,
9 members of city advisory bodies, or others, about suggestions and proposals for consideration
10 early in the city budgeting process.
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12 Section 5. **City Council Suggestions & Proposals.** The City Council may, on or before
13 June 30th of each even numbered year commencing in 2002, propose individually or collectively,
14 any items, programs or services to be included in, or removed from, the city budget which will
15 assist in the accomplishment of existing or proposed, city and department goals, objectives, and
16 outcomes, and which should be consistent with existing or proposed performance measurement
17 targets, information, and results. The primary purpose of this Council activity is for the
18 administration to receive suggestions and proposals for consideration early in the city budgeting
19 process. This section does not modify, prevent, or in any way limit the authority or privilege of
20 any Councilmember to later submit amendments to the annual budget according to the
21 provisions of this Act.
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23 Section 6. **Mid-Year Financial Review.** On or before August 1st of each year
24 commencing in 2000, the Finance Director shall present to the Council a "Mid-Year" financial
25 report, together with such other additional information or factors as may be needed (such as
26 recent state, county or federal legislative action), to clearly assess: (a) the financial condition of
27 the city; (b) the financial status of the current budget year; (c) what appears to be the financial
28 projections for the next fiscal year; and (d) what, if any, substantial impact(s) on revenue and/or
29 expenditures may be foreseen.
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32 Section 7. **Proposed Preliminary Budget.** The proposed preliminary budget for the
33 ensuing fiscal biennium shall be prepared by the Mayor, and shall be delivered to the City
34 Council, between September 8th and September 15th of each even numbered year commencing in
35 2000. The department requests which compromise the preliminary budget do not need to be
36 balanced into one budget because they are expressions of various estimates and projections of
37 programs and service of each department for the next budget year. The required information to
38 be included in each proposed preliminary budget shall be as follows:
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- 40 A. The revenue section shall set forth in comparative and tabular form for each fund:
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42 1. Actual receipts for the last completed fiscal biennium by year and by each
43 revenue source;
44 2. Estimated receipts for the current fiscal biennium by year and by revenue
45 source;
46 3. Estimated receipts for the ensuing fiscal biennium by year and the amount
47 expected from each revenue source;

- 4. Estimated receipt of ad valorem taxes; and
- 5. The unexpended balance for each fund estimated to be available at the close of the current fiscal biennium.

B. The revenue section shall also contain a separate listing of each revenue source comparing the total expected receipts for the current biennium to the total estimated receipts for the ensuing fiscal biennium, by year.

C. The expenditure section shall set forth in comparative and tabular form for each fund and every department operating within each fund:

- 1. Actual expenditures for the last completed fiscal biennium by year;
- 2. Appropriations for the current fiscal biennium by year;
- 3. Estimated expenditures for the ensuing fiscal biennium by year; and
- 4. For each proposed full-time or part-time employee, the annual salary (without benefits) for that employee, together with the exact personnel classification title of the employee's position, and any other working title or position designation, if any.

D. Each department shall submit directly to the City Council, as a specific section of the proposed preliminary budget, a narrative and descriptive summary of differences and changes between the current biennium's appropriations and the proposed preliminary budget. Such summary shall be in a form annually reviewed and approved by the City Council.

E. Commencing in 2002, each department shall submit performance measurement information for all of its programs and services.

Section 8. **Review of Budget Hearing & Work Session Dates.** The dates set forth in the Annual Budget and Planning Calendar resolution for the October through December timeframe, should be reviewed by the Council on or before September 15th of even numbered years to determine if any changes or adjustments are needed to be made by a scheduling motion, to ensure adequate time for notice of any changes or adjustments to the public and media.

Section 9. **Proposed Annual Budget and Planning Calendar.** A proposed Annual Budget and Planning Calendar for the same budget biennium as the proposed preliminary budget, shall be prepared by the Mayor and delivered to the City Council between September 8th and October 1st of each odd numbered year commencing in 2003.

Section 10. **October Hearings and Consideration of Departmental Budget Submissions.** The City Council shall between October 1st and third Wednesday of October of even numbered years, hold hearings and conduct work sessions to inquire into the programs and services, and financial information contained in the proposed preliminary budget. On the first Monday of October of even numbered years, a videotaped public budget hearing shall be held for the purpose of department heads presenting their respective departmental budget requests based upon the proposed preliminary budget.

1 Section 11. **October Budget Estimates-Revenue & Expenditures.** On or before the
2 third Wednesday of October of even numbered years the Finance Director shall prepare and
3 certify to the City Council the best available revenue and expenditure estimates for the next
4 fiscal biennium and the best available estimates of current end-of-biennium unexpended funds.
5 The regular monthly financial report shall also be distributed on the same date.
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7 Section 12. **Mayor's Preliminary Budget and Message.** The Mayor shall, between the
8 third Wednesday of October and not less than sixty (60) days before the beginning of the next
9 fiscal biennium, file with the City Clerk and immediately forward to the City Council a
10 preliminary budget together with a budget message in accordance with RCW 35A.34.080. The
11 Mayor shall prepare and deliver to the City Council, inserts or such other documentation as
12 necessary to explain and show in detail the Mayor's recommendations contained in the
13 preliminary budget. The preliminary budget shall be certified by both the Mayor, and the
14 Finance Director, that all changes, amendments or other revisions known to them, or known to
15 each department, are contained within the preliminary budget as filed.
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17 Section 13. **Motion to Adopt the Preliminary Budget.** On the second Monday of
18 November of even numbered years, a motion to adopt the preliminary budget as filed with the
19 City Clerk shall be in order under the "New Business" portion of the City Council agenda. No
20 vote on the budget shall be taken at that meeting. The motion to adopt the budget shall
21 automatically be continued to the first date for consideration, amendment and adoption of the
22 budget as set forth in the Annual Budget and Planning Calendar resolution as may be amended.
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24 Section 14. **November-December Hearings and Work Sessions on the Preliminary**
25 **Budget.** The City Council shall between the second Monday in November and the second
26 Monday in December of even numbered years hold hearings and conduct work sessions to
27 inquire into the programs and services, and financial information contained in the preliminary
28 budget Notice of the one (1) public hearing specifically required by state law after filing the
29 preliminary budget shall be published for the public and media on the date set forth in the
30 Biennial Budget and Planning Calendar resolution as may be amended.
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32 Section 15. **November Budget Estimates-Revenue & Expenditures.** On or before the
33 second Monday of November of even numbered years the Finance Director shall prepare and
34 certify to the City Council the best available revenue and expenditure estimates for the next
35 budget year, and estimates of current end-of-year unexpended funds. Any changes from the
36 October estimates shall be highlighted for review and discussion. The regular monthly financial
37 report shall be due on the third Wednesday of November.
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39 Section 16. **Due Date for "New" Mayor Amendments.** All amendments proposed by
40 the administration after the filing of the preliminary budget shall be (1) in written form; (2) shall
41 come with an analysis of the merits and financial impact of the amendment; and (3) shall include
42 a complete explanation of why the amendment was not included in the preliminary budget; and
43 such amendments shall be due to the City Council on or before the third (3rd) Monday in
44 November of even numbered years. Each of these amendments to be considered shall require a
45 two-thirds "threshold" vote before they may be before the Council for approval in the budget.
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1 Section 17. **Due Date for Councilmember Amendments.** All amendments to the
2 preliminary budget as proposed by a Councilmember shall be (1) in written form; and (2) due to
3 the Financial Director on or before the fourth (4th) Monday in November of even numbered
4 years. An oral amendment or a written amendment submitted by any Councilmember, or as
5 requested by the Mayor, and which is not clearly within the scope of an amendment submitted
6 under this section shall be subject to a point of order by any one (1) Councilmember. The
7 presiding officer shall rule out of order any amendment; (1) that has not been submitted for
8 review under this section; and (2) which is not clearly within the scope of another amendment
9 which was timely submitted pursuant to this section; and (3) which is then under actual
10 consideration for action by the Council. A majority of the Council may override such a ruling by
11 the presiding officer.
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13 Section 18. **Administration Analysis and Response to Councilmember Proposed**
14 **Amendments.** The administration shall complete and provide to the Council by the first (1st)
15 Monday in December of even numbered years an analysis and response, if any, regarding
16 amendments proposed by Councilmembers.
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18 Section 19. **Final Decision on the Annual Budget.** The biennial budget shall begin to
19 be considered for amendment, adoption and other appropriate action by the City Council on the
20 second Monday of December of even numbered years, and consideration may continue, if
21 necessary on the immediately following Wednesday, or thereafter at such other times as the
22 Council by scheduling motion may direct.
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24 Section 20. Mid-biennial Review. A review of the mid-biennial budget shall commence
25 no sooner than eight months after the start nor later than twelve months after the start of the
26 biennium. The Mayor shall prepare the proposed budget modification and shall provide for
27 publication of notice of hearings consistent with publication of notices for adoption of other city
28 ordinances. The Mayor shall distribute the proposed modification to members of the city council,
29 with copies available to the public at city hall. Public hearings on the proposed budget
30 modification shall be conducted at least two weeks prior to the adoption of the ordinance
31 modifying the biennial budget.
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34 EFFECTIVE DATE. This Ordinance shall be effective five (5) days after publication.
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36 ADOPTED by the City Council of the City of Lynnwood, Washington, at its regular
37 meeting held the ____ day of _____.

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39 SIGNED AND APPROVED by the Mayor of the City of Lynnwood, Washington, this
40 ____ day of _____.

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42 _____
43 Mike McKinnon, Mayor

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45 Attested to by:
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47 _____

1 Michael Bailey,
2 Finance Director

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4 Approved as to Form:

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6 _____
7 Greg Rubstello
8 City Attorney

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