



**Business of the City Council
City of Gig Harbor, WA**

Subject: First reading of ordinance amending the 2021 budget

Proposed Council Action: Return for second reading

Dept. Origin: Finance

Prepared by: David Rodenbach, Finance Director

For Agenda of: October 25, 2021

Exhibits: Ordinance

Concurred by Mayor:

Approved by City Administrator

Approved as to form by City Atty:

Approved by Finance Director

Initial & Date

10-22-21 KK

10/22/21

e-mail

10/22/21

Expenditure Required	See below	Amount Budgeted	0	Appropriation Required	See below
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INFORMATION / BACKGROUND

As the 2021 fiscal year comes to a close, it is evident that the Non-departmental and Municipal Court departments of the general fund will require budget amendments prior to year-end.

The non-departmental budget amendment is required in order for the city to distribute \$500,000 in ARPA funds which were received in July 2021, to the GHP FISH food bank capital campaign. The Municipal Court amendment is needed to provide expenditure authority through the end of the year. It appears salaries were under budgeted due to transposition error. This is a \$27,000 increase.

The 2021 budget is proposed to be amended as follows:

	<u>Original Budget</u>	<u>Amended Budget</u>
Non-departmental	\$7,218,103	\$7,718,103
Municipal Court	\$479,900	\$506,900
Ending fund balance	\$1,949,367	\$1,422,367

FISCAL CONSIDERATION

The proposed budget amendment transfers \$527,000 from budgeted ending fund balance into the Administration Departmental budget. While the budgeted ending fund balance is \$1,422,367, the actual 2021 ending fund balance is expected to be \$5,644,104. This reason for the increase is several years of expenditures below budget and revenues exceeding budget. Over the last three years, expenditures were 8%, 12%, 10% under budget for 2019 through 2021, while revenues for the same period were 99%, 105% and 122% of budget

RECOMMENDATION / MOTION

Return for adoption at second reading.

ORDINANCE 1473

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING THE 2021 GENERAL FUND NONDEPARTMENTAL BUDGET; AMENDING THE 2021 GENERAL FUND MUNICIPAL COURT BUDGET; PROVIDING FOR SEVERABILITY AND ESTABLISHING AND EFFECTIVE DATE.

WHEREAS, on March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law; and

WHEREAS, ARPA is a \$1.9 trillion package that includes direct relief to states, counties, cities, and towns as well as public utilities, libraries, and transit agencies; and

WHEREAS, the city received ARPA funds in July 2021; and

WHEREAS, ARPA funds can be used by local governments to provide assistance to households, small businesses, and nonprofits related to the negative economic impacts of COVID-19; and

WHEREAS, the Gig Harbor Peninsula FISH Food Bank provides an essential service to provide food and sustenance to residents of Gig Harbor who have been negatively affected by the economic impacts of COVID-19; and

WHEREAS, the Gig Harbor Peninsula FISH Food Bank is building a new facility so it can continue to provide and enhance this essential service; and

WHEREAS, the city desires to contribute five hundred thousand dollars and zero cents (\$500,000.00) to the Gig Harbor Peninsula FISH Food Bank to help it continue to provide and enhance this essential service; and

WHEREAS, an adjustment to the 2021 annual appropriation of the General Fund Non-Departmental budget is necessary in order to accomplish the donation; and

WHEREAS, an adjustment to the 2021 annual appropriation of the General Fund Municipal Court budget is necessary to conduct city business due a transposition error in the 2021 Budget;

NOW THEREFORE, the City Council of the City of Gig Harbor, Washington, do ordain as follows:

Section 1. The 2021 Budget shall be amended as follows:

Fund/Department	Original Appropriation	Amended Appropriation
001-Non-Departmental	\$7,218,103	\$7,718,103

003-Municipal Court	\$479,900	\$506,900
001-Ending Fund Balance	\$1,949,367	\$1,422,367

Section 2. The Gig Harbor City Council finds that it is in the best interests of the City to increase appropriations as shown above and directs the Finance Director to amend the budget as shown above.

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, clause or phrase of this ordinance.

Section 4. Correction of Errors. The City Clerk and codifiers of the ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 5. Effective Date. This ordinance shall take effect and be in full force five (5) days after passage and publication of an approved summary consisting of the title.

ADOPTED by the Council of the City of Gig Harbor at a regular meeting thereof, held this 8th day of November, 2021.

Kit Kuhn
Mayor

Approved as to form:

Attest:

Daniel Kenny
City Attorney

Joshua Stecker
Interim City Clerk

PUBLICATION DATE: 11/11/21
EFFECTIVE DATE: 11/16/21