## STAFF REPORT

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| **Agenda Item:** | 12 | **Name:** | Lise Kaye |
| **Proposed No**.: | 2015-0476 | **Date:** | November 12, 2015 |

**SUBJECT**

AN ORDINANCE relating to expenditure of moneys in excess of appropriations; amending Ordinance 17929, Section 20, as amended, and K.C.C. 4A.100.070; and declaring an emergency.

**SUMMARY**

As a part of the revisions made to the budget provisions of the King County Code (KCC), which occurred when those provisions were migrated from Title 4 to Title 4A, an unintended effect resulted: the potential that if a project were included in an adopted six- year capital improvement program (CIP), an executive agency could contractually bind the County for the full amount of a project's estimated CIP amount, even if the Council had yet to appropriate any money Proposed Ordinance 2015-0476 would amend KCC to eliminate this unintended effect.

**BACKGROUND**

Many departments and divisions within King County adopt CIPs that estimate the costs of multi-year capital projects over a 6 year period. A CIP is a planning tools used by wastewater treatment, solid waste disposal, building development and redevelopment, airport operations, surface water management, park and trail development, and transportation to project both the timing and moneys needed for capital funded projects. Council-approved CIPs satisfy various statutory requirements to state receive funding (e.g. roads) or comply with the Growth Management Act.

The current KCC 4A.100.070 D.2.c. could be interpreted to convert what has always been merely planning document, a CIP, into a potential basis by which an executive agency could contractually bind the County even absent Council appropriation.[[1]](#footnote-1)

**ANALYSIS**

K.C.C. 4A.100.070.D.2.c. could be interpreted to allow executive agencies to contractually bind the county to pay contractors moneys in amounts beyond the adopted budget biennium. thus, an executive agency could be authorized to contract for the full cost of a six-year capital project in the absence of an appropriation for that full amount. If executive agencies contracted for capital projects in the absence of corresponding appropriations, a result could be that the Council would be required to disappropriate funding from projects already underway to avoid a budget imbalance.

Proposed Ordinance 2015-0476 would eliminate this unintended effect. The proposed ordinance declares an emergency, so that any CIPs already adopted as part of this mid biennial review could not be used as a basis by which executive agencies contract in excess of appropriations for projects included in such CIPs.

**ATTACHMENTS**

1. Proposed Ordinance 2015-0476

1. K.C.C. 4A.100.070.D.2.c. An agency may contract to expend money in excess of existing appropriations when … (t)he contract commits the county to expend funds beyond the biennium and the contract is for a capital improvement project as authorized in a capital improvement program adopted by ordinance… [↑](#footnote-ref-1)