



Legislation Details (With Text)

File #: 2004-0513 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 11/1/2004 **In control:** Operating Budget Committee

On agenda: 1/23/2006 **Final action:** 7/10/2006

Enactment date: **Enactment #:** 15545

Title: AN ORDINANCE authorizing biennial budgeting; amending Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020 and Ordinance 12045, Section 23, as amended, and K.C.C. 4.04.040 and adding a new section to K.C.C. chapter 4.04.

Sponsors: Larry Gossett, Jane Hague, Dow Constantine, David W. Irons, Carolyn Edmonds, Larry Phillips

Indexes: Budget

Code sections: 4.04 -, 4.04.020 -, 4.04.040 -

Attachments: 1. 15545.pdf, 2. 2004-0513 Attachment 3 to 6-28-06 Staff Report.pdf, 3. 2004-0513 Revised Staff Report 6-28-06.doc, 4. 2004-0513 Staff Report 1-26-05, 5. 2004-0513 Staff Report 6-28-06.doc

Date	Ver.	Action By	Action	Result
7/10/2006	2	Metropolitan King County Council	Hearing Held	
7/10/2006	2	Metropolitan King County Council	Passed	Pass
6/28/2006	1	Operating Budget Committee	Amended	Pass
6/28/2006	2	Operating Budget Committee	Recommended Do Pass Substitute	Pass
1/23/2006	1	Metropolitan King County Council	Reintroduced	
1/26/2005	1	Budget and Fiscal Management Committee	Deferred	
1/18/2005	1	Metropolitan King County Council	Reintroduced	
11/1/2004	1	Metropolitan King County Council	Introduced and Referred	

Clerk 06/30/2006

AN ORDINANCE authorizing biennial budgeting; amending Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020 and Ordinance 12045, Section 23, as amended, and K.C.C. 4.04.040 and adding a new section to K.C.C. chapter 4.04.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

NEW SECTION. SECTION 1. There is hereby added to K.C.C. chapter 4.04 a new section to read as follows:

In accordance with Section 405 of the King County Charter and in lieu of adopting an annual budget,

the council shall adopt a biennial budget for such county funds as the council may determine. For these funds there shall be a midbiennium review and modification for the second year of the biennium. The council may adopt additional and emergency appropriations ordinances for any such fund or funds in the same manner and subject to the same conditions as otherwise provided in the charter.

SECTION 2. Ordinance 12076, Section 2, as amended, and K.C.C. 4.04.020 are each hereby amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

A. "Acquisition of right of way" or "land acquisition" means funds budgeted for the purchase of property rights, excluding county force charges of the facilities management division.

B. "Adopted" means approval by council motion or ordinance.

C. "Agency" means ~~((every))~~ a county office, ~~((every))~~ officer, ~~((every))~~ institution~~((;))~~ whether educational, correctional or other, ~~((and every))~~ department, division, board ~~((and))~~ or commission, except as otherwise provided in this chapter.

D. "Allocation" means a part of a lump sum appropriation that is designated for expenditure by either a specific organization unit or for specific purposes, or both.

E. "Allotment" means a part of an appropriation that may be encumbered or expended during an allotment period.

F. "Allotment period" means a period of less than a fiscal year in length during which an allotment is effective.

G. "Allotment plan" means a fiscal management plan that divides a county agency's program element budget into quarterly increments, reflecting the cyclical or seasonal pattern of expenditures, for the purpose of identifying over and under expenditures throughout the year.

H. "Appropriations" means an authorization granted by the council to make expenditures and to incur

obligations for specific purposes.

~~((H-))~~ I. "Appropriation ordinance" means the ordinance that establishes the legal level of appropriation for a fiscal year or biennium.

~~((H-))~~ J. "Art" means funds budgeted for the one percent for art program under K.C.C. chapter 4.40 or as otherwise provided by ordinance for a public art program.

~~((J-))~~ K. "Budget" means a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures.

~~((K-))~~ L. "Budget document" means a formal, written, comprehensive financial program presented by the executive to the council, including an electronic database with revenues and expenditures for all county agencies at the lowest organization levels and all summary levels provided in the general ledger system, balanced to the financial plans and the appropriation ordinance, fee ordinances, motions related to proposed levy rates to comply with chapter 36.40 RCW and cost-of-living adjustment ordinance proposed by the executive.

M. "Budget message" means a formal oral presentation by the executive to the council that explains the budget in terms of goals to be accomplished and how the budget relates to the Comprehensive Plan.

~~((L-))~~ N. "Capital improvement plan" means a plan that establishes the capital improvements required to implement an approved operational master plan. This plan should extend over a minimum period of six years to define long-range capital improvement requirements and the annual capital improvements budget for a user agency.

1. The capital improvement plan shall include the following elements, where applicable:
 - a. general program requirements that define the development scope for specific sites or facilities;
 - b. general space and construction standards;
 - c. prototype floor plans and prototype facility designs for standard improvements;
 - d. space requirements based on the adopted county space plan;

e. initial, and life-cycle cost, of alternative facilities and locations including lease and lease/purchase approaches;

f. approximate location of planned capital improvements;

g. general scope and estimated cost of infrastructure;

h. a schedule, that extends over a minimum of six years, for the implementation of projects included in capital improvement plans, based on overall user agency priorities and projected available revenue;

2. The user agency shall prepare the elements of the plan in subsection L.1. a, d, f and h of this section. The implementing agency shall prepare the elements of this plan in subsection L.1. b, c, e and g of this section.

3. The six-year budget schedule included in the capital improvement plan shall be updated annually in conjunction with the capital budget adoption process.

~~((M.))~~ O. "Capital project" means a project with a scope that includes one or more of the following elements, all related to a capital asset: acquisition of either a site or existing structure, or both; program or site master planning; design and environmental analysis; construction; major equipment acquisition; reconstruction; demolition; or major alteration. "Capital project" includes a: project program plan; scope; budget by task; and schedule. The project budget, conceptual design, detailed design, environmental studies and construction elements of a project shall be prepared or managed by the implementing agency.

~~((N.))~~ P. "CIP" means capital improvement program.

~~((O.))~~ Q. "CIP exceptions notification" means, except for major maintenance reserve fund, roads, solid waste, surface water management and wastewater CIP projects, a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, which describes changes to an adopted CIP project's scope or schedule, or both, or total project cost and, with the exception of schedule changes, shall be sent in advance of any action. For major maintenance reserve fund CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair

of the budget and fiscal management committee, or its successor committee, that describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For road CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the transportation committee, or its successor committee, that describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action. For wastewater, solid waste and surface water management CIP projects, "exceptions notification" means a letter filed with the clerk of the council for distribution to the chair of the budget and fiscal management committee, or its successor committee, and to the chair of the utilities committee, or its successor committee, which describes changes of fifteen percent or more to an adopted CIP project's scope or schedule, or both, or total project costs and, with the exception of schedule changes, shall be sent in advance of any action.

~~((P-))~~ R. "Construction" means funds budgeted for CIP project construction including contract construction, contract inspection and testing and, as appropriate, construction tasks performed by county forces.

~~((Q-))~~ S. "Contingency" means funds budgeted for unanticipated CIP project costs associated with any other project activities.

~~((R-))~~ T. "Contracted design" or "preliminary engineering" means funds budgeted for activities of a contract nature associated with all CIP project phases through bid advertising. Included are contracts for feasibility studies, planning, studies, preliminary design, construction drawings, bid specifications and on-site inspections.

~~((S-))~~ U. "Cost elements" means CIP budgeting activities related to construction, contracted design, preliminary engineering, acquisition of right of way, equipment and furnishings, contingency, artistic furnishings, county force design, county force right of way, project administration or other activities as provided by the council.

~~((T-))~~ V. "Council" means the metropolitan King County council.

~~((U-))~~ W. "County force design" means funds budgeted for CIP project design or design review by county personnel.

~~((V-))~~ X. "County force right of way" means funds budgeted for real property costs associated with CIP land acquisition.

~~((W-))~~ Y. "Deficit" means the excess of expenditures over revenues during an accounting period, or an accumulation of such excesses over a period of years.

~~((X-))~~ Z. "Director" means the director of the office of management and budget.

~~((Y-))~~ AA. "Equipment and furnishings" means all costs for the purchase of equipment and furnishings associated with CIP project construction.

~~((Z-))~~ BB. "Executive" means the King County executive, as defined by Article 3 of the King County Charter.

~~((AA-))~~ CC. "Expenditures" means, where the accounts are kept on the accrual basis or the modified accrual basis, the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays. Where the accounts are kept on the cash basis, "expenditures" means actual cash disbursements for these purposes.

~~((BB-))~~ DD. "Financial plan" means a summary by fund of planned revenues and expenditures, reserves and undesignated fund balance.

~~((CC-))~~ EE. "Fiscal period" means a calendar year or a biennium.

FF. "Fund" an independent fiscal and accounting entity with a self-balancing set of accounts recording either cash or other resources, or both, together with related liabilities, obligations, reserves and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

~~((DD-))~~ GG. "Fund balance" means the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, before the end of a fiscal period, it represents the excess of the fund assets and estimated revenues for the period over its liabilities, reserves and appropriations for the fiscal period.

~~((EE-))~~ HH. "General facility major maintenance emergent need contingency project" means an appropriation to provide contingent budget authority for emergent needs within major maintenance reserve fund CIP projects.

~~((FF-))~~ II. "Implementing agency" means the appropriate department and division responsible for the administration of CIP projects.

~~((GG-))~~ JJ. "Lapse" of an appropriation means an automatic termination of a appropriation.

~~((HH-))~~ KK. Major maintenance reserve fund CIP project" means any major maintenance reserve fund CIP project that is allocated in the adopted six-year major maintenance reserve fund CIP and is appropriated at the major maintenance reserve fund level in accordance with K.C.C. 4.04.265.

~~((H-))~~ LL. "Major widening project" means any roads CIP project adding at least one through lane in each direction.

~~((JJ-))~~ MM. "Object of expenditure" means a grouping of expenditures on the basis of goods and services purchased, such as salary and wages.

~~((KK-))~~ NN. "Open space non-bond fund project" means an open space project that is allocated in the adopted six-year open space CIP and is appropriated at the open space non-bond fund number 3522 level in accordance with K.C.C. 4.04.300.

~~((LL-))~~ OO. "Operational master plan" means a comprehensive plan for an agency setting forth how the organization will operate now and in the future. An operational master plan shall include the analysis of alternatives and their life cycle costs to accomplish defined goals and objectives, performance measures, projected workload, needed resources, implementation schedules and general cost estimates. The operational

master plan shall also address how the organization would respond in the future to changed conditions.

~~((MM.))~~ PP. "Program" means the definition of resources and efforts committed to satisfying a public need. The extent to which the public need is satisfied is measured by the effectiveness of the process in fulfilling the needs as expressed in explicit objectives.

~~((NN.))~~ QQ. "Project administration" means funds budgeted for all county costs associated with administering design and construction contracts on CIP projects.

~~((OO.))~~ RR. "Project program plan" means a plan, primarily in written narrative form, that describes the overall development concept and scope of work for a building, group of buildings or other facilities at a particular site. The complexity of the project program plan will vary based upon the size and difficulty of the program for a particular site. When the plan includes projects that are phased over time, each phase shall have an updated project program plan prepared by the user agency before project implementation. The project program plan shall be prepared by the user agency with assistance from the implementing agency. The program plan describes the user agency program requirements for a specific building or site; provides the basis for these requirements; and identifies when funds for the implementation of the capital projects will be provided. The program plan shall elaborate on the general program information provided in the operational master plan and the capital improvement plan. The plan shall also describe user agency programs, how these programs would fit and function on the site, and the general recommendation of the user agency regarding the appearance of the building or site. This plan shall indicate when a site master plan is required for a project.

~~((PP.))~~ SS. "Public need" means those public services found to be required to maintain the health, safety and well-being of the general citizenry.

~~((QQ.))~~ TT. "Quarterly management and budget report" means a report prepared quarterly by the director for major operating and capital funds, that:

1. Presents executive revisions to the adopted financial plan or plans;
2. Identifies significant deviations in agency workload from approved levels;

3. Identifies potential future supplemental appropriations with a brief discussion of the rationale for each potential supplemental;
4. Identifies significant variances in revenue estimates;
5. Reports information for each appropriation unit on the number of filled and vacant full-time equivalent and term-limited temporary positions and the number of temporary employees;
6. Includes the budget allotment plan information required under K.C.C. 4.04.060; and
7. Describes progress towards transitioning potential annexation areas to cities.

~~((RR.))~~ UU. "Reappropriation" means authorization granted by the council to expend the appropriation for the previous fiscal year for capital programs only.

~~((SS.))~~ VV. "Regulations" means the policies, standards and requirements, stated in writing, designed to carry out the purposes of this chapter, as issued by the executive and having the force and effect of law.

~~((TT.))~~ WW. "Revenue" means the addition to assets that does not increase any liability, does not represent the recovery of an expenditure, does not represent the cancellation of certain liabilities on a decrease in assets and does not represent a contribution to fund capital in enterprise and intragovernmental service funds.

~~((UU.))~~ XX. "Roads CIP project" means roads capital projects that are allocated in the adopted six-year roads CIP and are appropriated at the roads CIP fund level in accordance with K.C.C. 4.04.270.

~~((VV.))~~ YY. "Scope change" means, except for major maintenance reserve fund, roads, solid waste, surface water management and wastewater CIP projects, that a CIP project's total project cost increases by ten percent or by fifty thousand dollars, whichever is less. For major maintenance reserve fund, roads, solid waste, surface water management or wastewater CIP projects, "scope change" means the total project cost increases by fifteen percent.

~~((WW.))~~ ZZ. "Site master plan" means a plan prepared by the implementing agency, with input from the user agency, that describes, illustrates and defines the capital improvements required to provide user agency program elements.

1. The site master plan shall include preliminary information regarding, at a minimum:
 - a. site analysis, including environmental constraints;
 - b. layout, illustration and description of all capital improvements;
 - c. project scopes and budgets;
 - d. project phasing; and
 - e. operating and maintenance requirements.

2. The site master plan shall be approved by the user agency and the implementing agency before submittal to the executive and council for approval.

~~((XX-))~~ AAA. "Solid waste CIP project" means a solid waste project that is allocated in the adopted six-year solid waste CIP and is appropriated at the solid waste CIP fund level in accordance with K.C.C. 4.04.273.

~~((YY-))~~ BBB. "Surface water management CIP project" means a surface water management project that is allocated in the adopted six-year surface water management CIP and is appropriated at the surface water management CIP fund level in accordance with K.C.C. 4.04.275.

~~((ZZ-))~~ CCC. "User agency" means the appropriate department, division, office or section to be served by any proposed CIP project.

~~((AAA-))~~ DDD. "Wastewater asset management projects" means the wastewater capital projects identified and intended by the wastewater treatment division to extend and optimize the useful life of wastewater treatment assets, including facilities, structures, pipelines and equipment.

~~((BBB-))~~ EEE. "Wastewater CIP project" means wastewater capital projects that are allocated in the adopted six-year wastewater CIP and are appropriated at the wastewater CIP fund level in accordance with K.C.C. 4.04.280.

SECTION 3. Ordinance 12045, Section 23, as amended, and K.C.C. 4.04.040 are each hereby amended to read as follows:

- A. The council and executive shall execute the following responsibilities (~~(outlined below)~~) in order to

accomplish the preparation and distribution of the budget and budget document.

1.a. At least two hundred forty-five days before the end of the fiscal period, the council shall notify the executive by motion of those funds to be budgeted on an annual basis and those to be budgeted on a biennial basis.

b. At least one hundred thirty-five days before the end of the fiscal period, all agencies shall submit to the executive information necessary to prepare the budget.

~~((b-))~~ c. Before presentation to the council, the executive may provide for hearings on all agency requests for expenditures and revenues to enable the executive to make determinations as to the need, value or usefulness of activities or programs requested by agencies. The executive may require the attendance of proper agency officials at such hearings~~((;))~~ and it shall be ~~((their))~~ the duty of those officials to disclose such information as may be required to enable the executive to arrive at final determinations.

~~((e-))~~ d. The executive shall prepare and present an annual or a biennial budget and budget message to the council no later than seventy-five days before the end of the fiscal year or biennium. Copies of the budget and budget message shall be delivered to the clerk of the council and each councilmember.

~~((d-))~~ e. The executive shall prepare and present a proposed appropriation ordinance not later than seventy-five days before the end of the fiscal year or biennium. The proposed appropriation ordinance shall specify by any combination of fund, program, project and agency as determined by the council the expenditure levels for the ensuing budget year or biennium.

~~((e))~~ f. Before the public hearing on the budget, the budget message and supporting tables shall be furnished to any interested person upon request~~((;))~~ and copies of the budget shall be furnished for a reasonable fee as established by ordinance and shall be available for public inspection in the office of the clerk of the council and on the Internet.

~~((f-))~~ g. Seven days before the presentation of the ~~((annual))~~ proposed budget and budget message to the council, the director shall submit to the council copies of all agency and departmental budget requests and

departmental and divisional work programs.

2.a. The council shall review the proposed appropriation ordinance and shall make any changes or additions it deems necessary except the council shall not change the form of the proposed appropriation ordinance submitted by the executive.

b. The council shall then announce and subsequently hold a public hearing or hearings as it deems necessary.

c. Upon completion of the budget hearings, the council shall by ordinance adopt an appropriation ordinance granting authority to make expenditures and to incur obligations, and the council may attach an accompanying statement specifying legislative intent.

3. The director shall be responsible for the printing and distribution of the executive proposed budget and final adopted budget.

B.1.a. Within thirty days after adoption of the appropriation ordinance, all agencies shall submit to the executive a statement of proposed expenditures at such times and in such a form as may be required by the executive, provided that the council is not required to submit an allotment. The statement of proposed expenditures shall include requested allotments of appropriations for the ensuing fiscal period for the department or agency concerned by ~~((either))~~ program, project, object of expenditure or combination thereof and for such periods as may be specified by the executive.

The executive shall review the requested allotments in light of the department's or agency's plan of work ~~((s))~~ and may revise or alter requested allotments. The aggregate of the allotments for any department or agency shall not exceed the total of appropriations available to the department or agency concerned for the fiscal period.

b. If at any time during the fiscal period the executive ascertains that available revenues for the applicable period will be less than the respective appropriations, the executive shall revise the allotments of departments or agencies funded from such revenue sources to prevent the making of expenditures in excess of

revenues. ~~((To the same end, t))~~ The executive is also authorized to assign to, and to remove from, a reserve status any portion of a department or agency appropriation which in the executive's discretion is not needed for the allotment. No expenditure shall be made from any portion of an appropriation ~~((which))~~ that has been assigned to a reserve status except as provided in this section.

2. The executive shall periodically review any pay and classification plans, and changes ~~((thereunder))~~ made to those plans, for fiscal impact~~((;))~~ and shall recommend to the council any changes to such plans~~((; provided, that))~~. However, none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by ordinance relating to the fixing of qualification requirements for recruitment, appointment, promotion or reclassification of employees of any agency.

3. During the last quarter of the fiscal year, the council when requested by the executive may adopt an ordinance to transfer appropriations between agencies~~((; but))~~. However, a capital project shall not be abandoned thereby unless its abandonment is recommended by the department or agency responsible for planning.

4.a. Unless otherwise provided by ~~((the))~~ an appropriation ordinance~~((s))~~ and as set forth ~~((herein))~~ in this section, all unexpended and unencumbered appropriations in the current expense appropriation ordinances shall lapse at the end of the fiscal period. As used in this subsection, "current expense appropriations" include all non~~((-))~~capital budget appropriations.

b. ~~((A portion of any such appropriations may be carried forward into the subsequent fiscal year as part of a savings incentive program administered by the director and calculated as follows:~~

~~((1) The amount to be carried forward shall be one-half of the unexpended and unencumbered current expense appropriations which exceed underexpenditure requirements established for the year by the director, and exceed any loss of grant, contract or similar revenues, which are dedicated to fund the activities supported by the applicable appropriations. These amounts must result from efficiencies and other management measures; and~~

~~(2) The calculated amount shall exclude appropriations requested in the subsequent fiscal year to pay for goods or services planned to be purchased during the current fiscal year, but neither delivered nor paid for during the current fiscal year.~~

~~e. Amounts carried forward as set forth in this subsection shall be expended to improve productivity and service quality. Authorized uses include, but are not limited to, the acquisition of equipment, testing new service delivery systems and training, so long as such uses do not create recurring, annual obligations beyond minor equipment maintenance costs and are consistent with any applicable county automation standards and plans.~~

~~d. By May 1st of each year, the executive shall submit to the council a report describing the amount of savings each agency has carried forward from the prior fiscal year.~~

~~e.) An appropriation in the capital budget appropriations authorization shall be canceled at the end of the fiscal year or biennium, unless the executive submits to the council the report of the final year end reconciliation of expenditures for all capital projects on or before March 1((st)) of the year following the year of the appropriation, and each year thereafter in which the appropriation remains open.~~

~~((5. There is hereby created the current expense opportunity fund. Contributions to the fund shall be made pursuant to the formula contained in this subsection, or by direct appropriation.~~

~~a. The amount deposited in the current expense opportunity fund shall be one-half of the unexpended and unencumbered current expense appropriations which exceed underexpenditure requirements established for th year by the office of financial management, and exceed any loss of grant, contract or similar revenues, which are dedicated to fund the activities supported by the applicable appropriations. The calculated amount shall exclude appropriations requested in the subsequent fiscal ((year)) period to pay for goods or services planned to be purchased during the current fiscal ((year)) period, but neither delivered nor paid for during the current fiscal ((year)) period. The funds deposited in the current expense opportunity fund shall be equal to the funds made available to the savings incentive program.~~

~~b. The executive may recommend, subject to appropriation, the expenditure of the current expense opportunity funds in the ((annual)) biennial budget submittal or in supplemental spending requests.~~

6-)) 5.a. Except as otherwise provided in this subsection B.((6))5. of this section, no agency shall expend or contract to expend any money or incur any liability in excess of the amounts appropriated. Any contract made in violation of this section shall be null and void; any officer, agent or employee of the county knowingly responsible under such a contract shall be personally liable to anyone damaged by this action. The council when requested to do so by the executive may adopt an ordinance permitting the county to enter into contracts requiring the payment of funds from appropriations of subsequent fiscal years, except that the executive may enter into grant contracts, as provided under subsection B.((7)) 6. of this section.

b. The term of a lease or agreement for real or personal property shall not extend beyond the end of a calendar year unless:

(1) funding for the entire term of that lease or agreement is included in a capital appropriation ordinance (~~((provided that any lease or agreement longer than a cumulative total of two years shall require council approval))~~), though any lease or agreement for real property longer than a cumulative total of two years shall require council approval by ordinance; ((or))

(2) such a lease or agreement includes a cancellation clause under which the lease or agreement may be unilaterally terminated for convenience by the county and costs associated with such termination for convenience, if any, shall not exceed the appropriation for the year in which termination is effected (~~((provided that any decision to continue to the lease or agreement beyond a cumulative total of two years shall require council approval))~~), though any decision to continue any lease or agreement for real property beyond a cumulative total of two years shall require council approval by ordinance; or

(3) such a lease or agreement is authorized by ordinance for such periods and under such terms as the county council shall deem appropriate.

c. Real property shall not be leased to the county for more than one year unless it is included in a

capital appropriation ordinance.

d. Nothing in this section shall prevent the making of contracts or the spending of money for capital improvements, ~~((not))~~ or the making of contracts of lease or for service for a period exceeding the fiscal period in which such a contract is made, when such a contract is permitted by law.

~~((7-))~~ 6. The executive may enter into contracts to implement grants awarded to the county before the appropriation of grant funds, including appropriations that must be made in future years, if the council has received prior notice of the grant application and if either of the following conditions are met: all of the funds to be appropriated under the

contract will be from the granting agency; or all financial obligations of the county under the contract are subject to appropriation.