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Title: 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.

Sponsors: Joe McDermott

Indexes:

Code sections:

Attachments: 1. Ordinance 18176.pdf, 2. 2015-0476 SR CIP amendment km plus lk.docx

Date	Ver.	Action By	Action	Result
11/23/2015	1	Metropolitan King County Council	Hearing Held	
11/23/2015	1	Metropolitan King County Council	Passed	Pass
11/12/2015	1	Budget and Fiscal Management Committee	Recommended Do Pass Consent	Pass
11/9/2015	1	Metropolitan King County Council	Introduced and Referred	

Clerk 11/04/2015

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.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings:

A. K.C.C. 4A.100.070.D.2.c. conveys contracting authority to the executive to expend funds beyond the adopted budget biennium if the contract is for a capital improvement project as authorized in a capital improvement program adopted by ordinance.

B. Proposed Ordinance 2015-0422 would adopt a six-year transportation capital improvement program as a planning document for 2016 through 2021.

C. K.C.C. 4A.100.070.D.2.c. could have the unintended consequence of authorizing an executive agency to contract for the full amount of a six-year capital project in the absence of an appropriation for that full amount.

D. If executive agencies contracted for the full amount of six-year capital projects in the absence of appropriations for the full amount for those projects, insufficient fiscal support of the county government could result. In the event of a shortfall in appropriation, the county could be facing an imbalanced capital budget. To correct for the imbalance, support of existing public institutions could be jeopardized since monies already appropriated to those institutions could be disappropriated to then be redirected to those capital projects with executed contracts that exceed their appropriation.

SECTION 2. Ordinance 17929, Section 20, as amended, and K.C.C. 4A.100.070 are hereby amended to read as follows:

A.1. Any departments or agencies, except the council, with unanticipated expenditures shall submit to the executive a statement of unanticipated expenditures. The statement shall specify any request for supplemental appropriation by program, project, object of expenditure or any combination thereof. The executive shall review the requests in accordance with the department's or agency's work plan and determine whether to submit a supplemental appropriation request.

2. If during the fiscal period the executive determines that revenues will be less than the expenditure amounts included in the appropriations ordinance, the executive shall revise the expenditures of departments or agencies funded from those revenue sources to prevent the making of expenditures in excess of revenues. If the executive determines that the fund has unrestricted reserves, the executive may use these reserves to avoid making expenditure reductions; however, the use of reserves may not reduce the fund balances below target reserve amounts. If the use of reserves exceeds five percent of the total appropriation, the council shall be notified in the quarterly management and budget report. An expenditure shall not be made from any portion of an appropriation that has been assigned to a reserve status except as provided in this section.

B. All unexpended appropriations in noncapital appropriation ordinances lapse at the end of the fiscal period.

C. The executive may transfer appropriation authority from an emergent need contingency project to support a cost increase for a capital project in the same fund in accordance with the procedures in K.C.C.

4A.100.080.

D.1. Except as provided in this subsection, an agency shall not expend or contract to expend any money in excess of amounts appropriated. A contract made in violation of this subsection is null and void. An officer, agent or employee of the county knowingly responsible for such a contract is personally liable to anyone, including the county, damaged by his or her action.

2. An agency may contract to expend money in excess of existing appropriations when:

a. ~~((F))~~the contract commits the county to expend funds beyond the biennium and the contract includes a cancellation clause that provides:

i. the contract may be unilaterally terminated by the county for lack of appropriation; and

ii. ~~((F))~~the costs associated with such a termination, if any, shall not exceed the appropriation for the biennium in which termination occurs;

b. ~~((F))~~the contract commits the county to expend funds beyond the biennium and the council, at the request of the executive, adopts an ordinance permitting the county to enter into the contract;

c. ~~((The 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;~~

~~d. (F))~~the contract implements a grant 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; or

~~((e-))~~ d. ~~((F))~~ the contract is an emergency contract as authorized by K.C.C. 2.93.080.

3. In accordance with Section 495 of the King County Charter, real property shall not be leased to the county for more than one year unless it is included in a capital budget appropriation ordinance.

4.a. Any lease or license for the possession or use of real property by the county with a term, including any potential options, extensions or renewals, longer than five years must be approved by the council before execution by the executive.

b. Any decision to extend a lease or license for the possession or use of real property by the county beyond a cumulative total of five years, whether memorialized through an option, extension, amendment, or new lease or license, must be approved by the council before execution by the executive.

c. Any lease or license for the possession or use of real property by the county that requires more than fifty thousand dollars in tenant improvement or other alterations to the real property for the benefit of the county must be approved by the council before execution by the executive.

E. A capital project budget and phases of a capital project shall be prepared by the user agency. The capital project shall be managed by the implementing agency.

F. Ongoing review of capital projects for which moneys have been appropriated shall be coordinated by the office of performance, strategy and budget or its successor. For capital projects involving more than one agency, representatives from the agencies shall consult with the office of performance, strategy and budget or its successor. The office of performance, strategy and budget shall review capital projects for compliance with scope, budget and schedule.

SECTION 3. The county council finds as a fact and declares that an emergency exists and that this ordinance is necessary for the immediate preservation of public peace, health or safety or for the support of county government and its existing public institutions.