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EXECUTIVE OFFICE

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COUNTY COUNCIL
SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 86- 033

RELATING TO BUDGET PROCEDURES; AND REPEALING
SNOHOMISH COUNTY CODE CHAPTER 4.26
AND ADOPTING A NEW CHAPTER 4.26

BE IT ORDAINED:

SECTION 1. Snohomish County Code Chapter 4.26, last amended by Ordinance 84-146, is hereby repealed.

New Section SECTION 2. A new chapter is added to Snohomish County Code Title 4 as follows:

Chapter 4.26
BUDGET PROCEDURES

Sections:

- 4.26.010 Definitions.
- 4.26.020 Contents, form of budget.
- 4.26.021 Supplemental information
- 4.26.022 Executive's proposed budget, updating
- 4.26.023 Interim financial reports
- 4.26.024 Capital improvement plan
- 4.26.030 Estimates to be filed by County officials.
- 4.26.040 Road and bridge estimates--Estimates of future bond expenditures.
- 4.26.050 Forms of estimates.
- 4.26.060 Preliminary budget prepared by Executive.
- 4.26.070 Revision by Council.
- 4.26.080 Hearing on preliminary budget, notice.

- 4.26.090 Hearing on final budget.
- 4.26.100 Final budget to be fixed.
- 4.26.110 Budget adopted by Council and subsequent transfers.
- 4.26.120 Vacancies, reclassifications.
- 4.26.130 Budget transfers.
- 4.26.140 Severability.
- 4.26.150 Effective date.

4.26.010 Definitions. The following terms as used in this chapter shall have the meanings indicated below unless a different meaning is clearly indicated by the context.

(1) "Adjusted estimated expenditures" shall mean the estimated appropriations as formally adopted by the Council in the annual budget pursuant to Section 4.26.110 and as may be subsequently adjusted by emergency and supplemental appropriations or budget transfers.

(2) "Agency" shall mean a major division of County government which may be composed of one or more organizational units;

(3) "Appropriation" shall mean monies approved by the Council for expenditure through adoption of an ordinance;

(4) "Appropriation Unit" shall mean that level of reporting of objects of expenditure which sub-totals a group of related objects of expenditure. This term is used in conjunction with the County's heirarchical chart of accounts and corresponds with the sub-object level of detail specified in the BARS manual.

(5) "Basic sub-account level" shall mean that level of detail specified by the Budget Accounting and Reporting System (BARS) manual which identifies a broad service or group of services having a related purpose. This level of detail is found in the third digit of the BARS account code for expenditures;

(6) "Budget transfer" shall mean a shift of appropriations from one appropriation unit to another after adoption by the Council of the annual budget;

(7) "Capital outlay" or "capital purchase" shall mean an expenditure which results in the acquisition of or addition to fixed assets;

(8) "Current expense fund" shall mean the fund to which all taxes, fees, fines and other financial resources not required to be accounted for in another fund are credited;

(9) "Fixed asset" shall mean an asset which is intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment. Fixed assets do not include long-term investments and other non-current assets;

(10) "FTE" shall mean the fractional equivalent of one full time employee working on the basis of a forty (40) hour work week for one (1) calendar year.

(11) "Fund" shall mean a fiscal and accounting entity with a self-balancing set of accounts in which resources and liabilities are segregated for the purpose of carrying out specific activities or objectives;

(12) "Organizational Unit" shall mean the programmatic divisions within agencies of County government. Organizational units are represented by the 7th, 8th, 9th and 10th digits of the County's heirarchical chart of accounts;

(13) "Proprietary fund" shall mean any enterprise or internal service fund of the County supported in whole or in part by user fees;

(14) "Sub-account level of detail" shall mean the level of revenue reporting specified by the Budget Accounting and Reporting System (BARS) manual found in the third digit of the BARS account code for revenues which details the source of revenues within each basic revenue account;

(15) "Object of expenditure" shall mean the greatest amount of detail in expenditure reporting specified by the

15, 16, 17, and 18th digits of the County's heirarchical chart of accounting;

(16) "Unreserved, undesignated fund balance" shall mean those contingency funds required pursuant to sections 6.70 and 6.80 of the County Charter from which emergency appropriations may be made by the Council;

4.26.020 Contents, form of budget.

(1) The 1987 and all subsequent preliminary budgets submitted by the Executive to the Council pursuant to Snohomish County Charter Sections 6.20 and 6.30, as well as the amended and final budget documents, shall contain the following information by fund for each organizational unit of the County organizational structure as it existed at the time of the 1986 budget adoption and as such structure is amended from time to time:

(A) A computer generated columnar listing in comparative form of estimated organizational unit expenditures for the budget year, actual expenditures for the previous year, six months actual expenditures for the current year including all contracts or other obligations against current appropriations, and the adjusted estimated expenditures for the current year. Such listing of expenditures shall be coded and classified by account in accordance with the Budget Accounting and Reporting System (BARS) prescribed by the office of the state auditor. Expenditure accounts within all funds except the County road fund shall be listed at the appropriation unit level of detail which shall be the level of detail formally adopted by the Council upon adoption of the final budget. Expenditure accounts of the County road fund shall be listed at the basic sub-account level of detail which shall be the level of detail formally adopted by Council in the final budget for this fund. The expenditures which are required to be listed under this section shall be subtotaled within each of the organizational sub-units of the budget.

(B) A computer-generated columnar listing in comparative form of revenues that are estimated to be generated by each organizational unit for the budget year, actual revenues generated in the preceding year, estimated revenues for the current year and actual revenue for the first six months of the current year. Such listing of revenues shall be coded and classified by account in accordance with the BARS manual. Revenue accounts shall be listed at the sub-account level of detail. Any revenues or other financial resources including but not limited to fund balance, debt proceeds, fund contributions and operating transfers which are not generated by or directly connected with a specific organizational unit shall be listed within the general or non-departmental section of the fund budget.

4.26.021 Supplemental information. The following supplemental information shall be included within the preliminary and final budget documents:

(1) A summary listing for each organizational unit within the current expense fund of proposed appropriations and all resources including revenues from all sources, and any anticipated surplus or deficit.

(2) A general description of budgeted program highlights for the coming year for each organizational unit.

(3) The following information shall be presented in a manner which is consistent with the functional division of each organizational unit's budget:

(A) An organizational chart, which shall indicate any changes in the various organizational units accompanied by a chart to reflect any anticipated reorganization,

(B) A general statement of the functions performed by each organizational unit in sufficient detail to be understood by County citizens,

(C) A statement of goals and objectives of each organizational unit for the coming year,

(D) Performance indicators or measurable objectives by organizational unit, and

(E) Narrative statements showing budget appropriation highlights including major purpose of expenditures, and a comparison of the current year and the coming year's budgets.

(4) A comparative listing of full time or part time positions within each organizational unit. The listing shall include, for every regular position filled during any part of the current year or expected to be filled during any part of the budget year, the following information:

(A) Position title.

(B) Position number.

(C) Number of FTEs authorized in the current year.

(D) Number of FTE's for which authorization is proposed in the budget year,

(E) Current monthly salary,

(F) Proposed monthly salary,

(G) Current pay range and step,

(H) Proposed pay range and step at the end of the budget year,

(I) The annual appropriation for the current year, and

(J) The annual appropriation proposed for the budget year.

(5) For each organizational unit, a capital budget identifying the total amount of appropriation being requested for items of capital outlay and the corresponding sources of funding or financing methods which have been identified to purchase such items. The specific items of capital outlay that are expected to be acquired listed in descending order of priority as well as the corresponding

estimated purchase prices shall also be identified and be presented in a supplemental listing for each organization within the current expense fund, all cumulative reserve funds and all proprietary funds.

(6) A summarized listing for each fund which identifies all resources and respective individual amounts that are estimated to be received or utilized in order to finance the proposed appropriations during the budget year. This listing shall include but not be limited to reserved fund balance, if any, subsidiary revenue accounts, debt financing, fund contributions, operating transfers in, and interfund distributions.

(7) A listing for each organizational unit which identifies all employee reclassifications which have been included in the Executive's proposed budget and the fiscal impact of those reclassifications.

(8) A listing of all budget transfers from the reserve for County operations account for the current year to date.

(9) The final budget document shall contain a copy of the annual budget appropriation ordinance. The ordinance shall contain a summary, for information purposes, of appropriations by fund and organizational unit.

4.26.022--Executive's proposed budget-updating. The Executive shall prepare his proposed budgets so that each such budgets can be kept current by substituting pages, and shall be responsible for preparing substitute pages, which reflect amendments according to directions received from the Council and distribute them to the Council and to officers, organizational units, and agencies affected by any change in the budget.

4.26.023-- Interim financial reports.

(1) The Executive, through the Finance Department, shall establish a financial reporting system which records in a timely manner revenues received, and encumbrances and expenditures made. The Executive shall submit to the Council, no later than 15 days after the end of each month and at any other time requested by the Council, a written report by fund which shall list estimated revenues as seasonally adjusted, actual revenues and expenditures to

date, and the amounts appropriated for the total year for all governmental funds, and operating statements for proprietary funds. Such reports shall contain revenue and expense accounts that are consistent with those required under Sections 4.26.021(6) and 4.26.020(1)(A) so that actual results can be compared with the estimates contained in the budget.

(2) The Executive shall submit to the Council no later than 15 days after the end of each month a report of assets, liabilities and fund balances for the current expense fund. The fund balance shall be segregated as to reserved and unreserved - designated and undesignated.

(3) This section shall not preclude the Council from requesting such other financial information from the Executive as it deems necessary for making fiscal decisions. The Council shall specify the format and level of detail of all such reports.

4.26.024 Capital improvement plan. The Executive shall prepare a capital improvement plan for the next six fiscal years pursuant to charter section 6.30.

4.26.030 - Estimates to be filed by County officials. On or before August 1 of each year, each County official elected or appointed to administer an organizational unit of the County shall submit to the Executive detailed and itemized estimates both of the anticipated revenues from sources other than taxation and all expenditures requested by such officials for the ensuing fiscal year. Such estimates shall include but not be limited to all capital purchases and personnel changes proposed during the budget year.

4.26.040 - Road and bridge estimates--Estimates of future bond expenditures. The Executive on or before September 1 each year shall submit to the Council a detailed statement showing all new road and bridge construction to be financed from the County road fund, and from bond issues theretofore issued, if any, for the ensuing fiscal year, together with the cost thereof as computed by the director of the public works department or for construction for which a special engineer is in charge, then by such engineer, and such engineer shall prepare such estimates of cost for the Executive. The Executive shall also submit a similar

statement showing the road and bridge maintenance program, as nearly as can be estimated.

The Executive shall also submit to the Council detailed estimates of all expenditures for construction or improvement purposes proposed to be made from the proceeds of bonds or warrants not yet authorized.

4.26.050 Forms of estimates. The estimates required by this chapter shall be submitted on forms provided by the Executive and classified according to the Budget Accounting and Reporting System (BARS) Manual established by the division of municipal corporations of the state auditor's office. The Executive shall also prepare the estimates for interest and debt redemption requirements and any other estimates the preparation of which properly falls within the duties of his office.

Each official shall file his estimates within the time and in the manner specified by the Executive.

4.26.060 Preliminary budget prepared by Executive. Upon receipt of the estimates, the Executive shall prepare, through the Department of Budget and Finance, the County budget which shall set forth the complete financial program of the County for the ensuing fiscal year, showing the expenditure program and the sources of revenue by which it is to be financed as required by this chapter.

4.26.070 Revision by Council. On or before October 1st each year, the Executive shall submit those ordinances required by Snohomish County Charter Section 6.20 and the proposed budget as required by Snohomish County Code Chapter 4.26 to the Council. The Council shall thereupon consider the budget in detail and make any revisions or additions it deems advisable, which revisions the Executive shall incorporate in the final budget document.

4.26.080 Hearing on preliminary budget, notice. By the first business day after October 31 in each year, the Council should set a date for a hearing on the preliminary budget. The notice of public hearing should state that the Council has completed and placed on file the preliminary budget for the County for the ensuing fiscal year, including appropriations and taxes and other revenues, and designating

the time and place of such hearing and stating that any taxpayer may appear and be heard for or against any part of the budget. Copies of the preliminary budget shall be available for inspection and purchase. The hearing may be continued from time to time until concluded. The officials in charge of the several offices, agencies, services and institutions shall, at the time the estimate for their respective offices, agencies, services or institutions are under consideration, be called in and appear before such hearing by the Council at the request of any taxpayer and may be questioned concerning such estimates by the Councilmembers or any taxpayer present.

4.26.090--Hearing on final budget. Upon completion of its consideration of the preliminary budget, the Council shall introduce a final budget ordinance and set the public hearing thereon. The public hearing shall be no later than December 1 each year. A copy of the proposed budget ordinance shall be furnished any citizen upon request.

4.26.100 Final budget to be fixed. Upon the conclusion of the budget hearing, the Council shall fix and determine each appropriation and the estimated revenues of the budget at the level of detail required by this chapter and shall by ordinance adopt the budget as so finally determined and enter the same in detail in the official minutes of the Council. A copy of the budget shall be forwarded to the division of municipal corporations of the state auditor's office. The budget ordinance shall specify that the budget is adopted at the appropriation unit level of detail for expenditures, except as otherwise provided for the County road fund in section 4.26.020(1)(A), and incorporate by reference that level of detail which shall be binding upon all County officials and employees subject to the budget transfer authority of this ordinance.

4.26.110 Budget adopted by Council and subsequent transfers. The estimates of revenues and appropriations itemized and classified as required by this chapter and as finally fixed and adopted in detail by the Council shall constitute the annual budget for the ensuing year, subject to the limitations contained in this chapter and other applicable provisions of the charter, County code and state law; and the Council and every other County official shall be limited in the making of expenditures or the incurring of liabilities to the amount of such detailed appropriations,

provided, that transfers or revisions within appropriation units, emergency and supplemental appropriations from the unreserved undesignated fund balance, and cancellations of appropriations may be made as provided by this chapter and as otherwise provided by law.

4.26.120 Vacancies, reclassifications. (1) No County official, agency head, or other County employee shall, without review and approval of the Executive:

(A) Fill a vacancy in any position provided in the then current budget for any reason, including lay-off, discharge, resignation, transfer, retirement, promotion or demotion. This requirement shall not extend to filling temporary positions or vacancies caused by leave authorized by the personnel code or applicable union contract.

(B) Reclassify any position or otherwise perform any act which increases the salary or other benefit of any position.

(2) Before approving or disapproving the filling, or reclassifying of any position or increasing salary or other benefits of any position as provided in subsection (1) above, the Executive shall hold a conference or informal hearing with the official, employee or employee representative requesting such action, and decide whether or not the needs and financial ability of the County justify such action. In considering such a request, the Executive shall not consider the identity of any individual who might be directly affected by such action.

(3) Any official or employee who undertakes any action contrary to subsection (1) above shall be personally liable to the County for any increased costs to the County as a result of such action.

(4) This section shall not apply to any action approved by the Council, which shall have the sole authority to create new positions not provided in the then current budget, action with respect to a position exempted from such control by Amendment 21, Washington Constitution, or action to fill any vacancy in positions covered by Section 3.40 or Section 7.20(2), (3), or (5) of the Snohomish County Charter.

(5) Nothing in this section shall affect the terms and conditions contained in any labor contract or control contained in any state statute.

4.26.130 Budget transfers.

(1) All budget transfers of appropriations made to all administrative and appointive Executive organizational units, and elected Executive organizational units upon the request of the elected official involved shall require Executive approval; and provided further, that the Council shall also review and may by motion approve, disapprove or defer action on the budget transfers enumerated in subsection (4) of this section.

(2) The following budget transfers may be approved by the Executive without prior submission to and review by the Council:

(A) Budget transfers which increase employee salaries pursuant to the merit pay plan or career path, implement reclassifications or correct clerical errors; or

(B) Budget transfers within organizational units except as provided in subsection (4)(A) of this section; or

(C) Budget transfers from the Executive miscellaneous non-departmental account Executive contingency.

(3) The Executive shall notify the Council not less than once a month of budget transfers approved by him. Such notification shall include a listing which identifies the specific funds, agencies, organizational units, account codes, and amounts involved in the transfer.

(4) Council review shall be required for requests for:

(A) Budget transfers within organizational units which involve transferring monies appropriated for appropriation units of salaries and wages, personnel benefits or capital outlay to or from any other appropriation units of expenditures in excess of \$500; or

(B) Budget transfers which create new salaried positions, except to facilitate coding changes of currently authorized positions; or

(C) Budget transfers which establish new programs, projects or functions or delete ongoing projects, programs or functions; or

(D) Budget transfers between organizations within an agency which cumulatively by appropriation unit exceed \$1,000 (except for transfers related to the pending grant organization); or

(E) Budget transfers involving the non-departmental section of the current expense fund, except as provided in subsection (2)(C) of this section.

(5) Each budget transfer request submitted to the Council for review shall be accompanied by the following information:

(A) A written narrative which explains in detail why the budget transfer is necessary.

(B) Identification in writing of the specific funds, agencies, organizations and account codes and titles that are affected and the corresponding amount being transferred. The budget administrator shall affix his signature to this analysis thereby indicating prior review.

(C) For each of the appropriation units involved in the transfer, the following information shall be provided:

1. Original appropriation amount,
2. Adjusted appropriation amount,
3. Year-to-date expenditures,
4. Unencumbered balance,
5. Projected expenditures for the remainder of the year.

(D) Worksheets, analytical schedules or other documents which support projections and estimates that have been made.

(E) A list of assumptions (if applicable).

(F) Such other information or documentation as the Council may from time to time require or as may be required by the charter, state statutes or other applicable laws and codes.

(6) All requests for Council review of budget transfers pursuant to this section shall be submitted to the clerk of the Council. If within five working days after the date of receipt of the budget transfer request the Council has not adopted a motion to defer or disapprove the budget transfer request, it shall be deemed approved. If Council has by motion deferred action on a budget transfer request, the budget transfer shall be deemed approved unless the Council by motion disapproves the request within ten working days of its adoption of the motion to defer. The Council may by motion act to approve any budget transfer request prior to the expiration of the time period for action thereon provided for in this subsection.

(7) All actions by the Council to approve, disapprove or defer budget transfer requests pursuant to this section shall be taken at a public meeting and shall be by motion requiring the affirmative vote of a majority of the Council. All such actions shall be effective on the date of adoption of the motion. The chairman of the Council shall affix his signature thereto.

(8) This section shall apply only to transfers of funds previously appropriated in the current annual budget. Supplemental, emergency, additional capital budget and all other appropriations shall be approved by ordinance after notice and a public hearing.

4.26.900 Severability. The provisions of this chapter shall be effective in all cases unless otherwise provided for by state or federal law. The provisions of this chapter are separate and severable. The invalidity of any clause,

sentence, paragraph, subdivisions, section, or portion of this chapter or the invalidity of the application thereof to any person or circumstances shall not affect the validity of the remainder of this chapter, or the validity of its application to other persons or circumstances.

4.26.910---Effective date. This chapter shall become effective on (June 1, 1986.)

PASSED this 23rd day of April, 1986.

SNOHOMISH COUNTY COUNCIL
SNOHOMISH COUNTY, WASHINGTON

Bruce [Signature]
CHAIRMAN

ATTEST:

Sheila McCallister
asst. CLERK OF THE COUNCIL

APPROVED this 25th day of April, 1986.

[Signature]
JOHN MARTINIS
Deputy Executive
SNOHOMISH COUNTY EXECUTIVE

Approved as to form:
Gordon V. [Signature]
Deputy Pros. Atty.