City of

Seattle, Washington

2012 Adopted Budget

Ordinance 123758

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City of Seattle
2012 Adopted Budget

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City of Seattle

2012 Adopted Budget

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Reader's Guide

This reader's guide describes the structure of the 2012 Adopted Budget Book and outlines its contents. The format of the 2012 Adopted Budget Book is new this year. It is designed to present budget information in a more accessible and transparent manner – the way the decision makers considers the various proposals. It is designed to help citizens, media, and City officials more easily understand and participate in budget deliberations.

A companion document, the 2012-2017 Adopted Capital Improvement Program (CIP), identifies expenditures and fund sources associated with the development and rehabilitation of major City facilities, such as streets, parks, utilities, and buildings, over the next six years. The CIP also shows the City's financial contribution to projects owned and operated by other jurisdictions or institutions. The CIP fulfills the budgeting and financing requirements of the Capital Facilities Element of Seattle's Comprehensive Plan by providing detailed information on the capacity impact of new and improved capital facilities.

Seattle budgets on a modified biennial basis. See the "Budget Process" section for details.

The 2012 Adopted Budget

This document is a detailed record of the adopted spending plan for 2012 from what the Mayor originally proposed in September 2011 through what the City Council adopts in November 2011. It contains the following elements:

- **Executive Summary** – A narrative describing the current economy, highlighting key factors relevant in developing the budget document, and how the document addresses the Mayor and Council's priorities;

- **Summary Tables** – a set of tables that inventory and summarize expected revenues and spending for 2012;

- **General Subfund Revenue Overview** – a narrative describing the City's General Subfund revenues, or those revenues available to support general government purposes, and the factors affecting the level of resources available to support City spending;

- **Selected Financial Policies** – a description of the policies that govern the City's approach to revenue estimation, debt management, expenditure projections, maintenance of fund balances, and other financial responsibilities;

- **Budget Process** – a description of the processes by which the 2012 Adopted Budget and 2012-2017 Adopted CIP were developed;

- **Departmental Budgets** – City department-level descriptions of significant policy and program changes from the 2011 Adopted Budget, the services provided, and the spending levels adopted to attain these results;

Reader's Guide

- **Appendix** – an array of supporting documents to the 2012 Adopted Budget including:

  Summary of Position and Full-Time Equivalent (FTE) Changes by Department: This table provides a summary of total position and FTE changes by department for 2010, 2011, and 2012. Position counts for a department may exceed FTE counts as position counts tally part-time positions as discrete items.

  Fund Financial Plans: A six-year financial plan is included for major City funds. The six-year financial plans include information about fund revenues, expenditures, reserves and fund balances, covering the following milestones: 2010 actual results, 2011 adopted, 2011 revised, 2012 adopted, and projections for 2013 – 2015. These funds allow the reader to see trends for major City funds.

  Cost Allocation Tables: These tables provide information about how the City allocates internal service costs (i.e. overhead provided by City agencies to other City agencies) to customer agencies.

  Statements of Legislative Intent (SLI): This section describes the Statements of Legislative Intent (SLIs) adopted by the City Council. SLIs provide specific direction to departments on various work plan items for 2012.

  Glossary: The glossary provides definitions of terms specific to governmental budgeting that are used throughout the budget book.

  Statistics: This table provides high-level statistical information about the City of Seattle, including demographic data and historical budget data by department.

Departmental Budget Pages: A Closer Look

The budget presentations for individual City departments (including offices, boards, and commissions) constitute the heart of this document. They are organized alphabetically within seven functional clusters:

- Arts, Culture, & Recreation;
- Health & Human Services;
- Neighborhoods & Development;
- Public Safety;
- Utilities & Transportation;
- Administration; and
- Funds, Subfunds, and Other.

Each cluster, with the exception of the last, comprises several departments sharing a related functional focus, as shown on the organizational chart following this reader's guide. Departments are composed of one or more budget control levels, which in turn may be composed of one or more programs. Budget control levels are the level at which the City Council makes appropriations.

The cluster "Funds, Subfunds, and Other" comprises General Fund Subfunds that do not appear in the context of department chapters, including the General Subfund Fund Table, General Subfund Revenue Table, Cumulative Reserve Subfund, Emergency Subfund, Revenue Stabilization Account, Judgment and Claims Subfund, and Parking Garage Fund. A summary of the City's general obligation debt is also included in this section.

As indicated, the Adopted Budget appropriations are presented in this document by department, budget control level, and program. At the department level, the reader will also see references to the underlying fund sources (General Subfund and Other) for the department's budgeted resources. The City accounts for all of its revenues and expenditures according to a system of funds and subfunds. In general, funds or subfunds are established to account for specific revenues and permitted expenditures associated with those revenues. For example, the City's share of Motor Vehicle Fuel taxes must be spent on road-related transportation activities and projects, and are accounted for in a subfund in the Transportation Fund. Other revenues without statutory restrictions, such as sales and property taxes (except voter-approved property taxes), are available for general purposes and are accounted for in the City's General Subfund. For many departments, such as the Seattle Department of Transportation, several funds and subfunds, including the General Subfund, provide the resources and account for the expenditures of the department. For several other departments, the General Subfund is the sole source of available resources.

Budget Presentations

Most department-level budget presentations begin with information on how to contact the department, as well as a snapshot of the department's budget control level budget structure. The department-level budget presentation then goes on to provide a general overview of the department's responsibilities and functions within City government, as well as a summary of the department's overall budget. A narrative description of the issues impacting the department's 2012 adopted budget then follows. The next section of the department-level budget presentation provides a numerical and descriptive summary of all of the incremental budget changes included in the 2012 adopted budget, along with a discussion of the anticipated operational and service-level changes that will result. The department-level budget presentation concludes with summary level tables that describe the department's overall expenditures and revenues by account type as well as by budget control level and program. All department, budget control, and program level budget presentations include a table summarizing historical and adopted expenditures, as well as adopted appropriations for 2012. The actual historical expenditures are displayed for informational purposes only.

A list of all position changes adopted in the budget has been compiled in a separate document entitled, "Position Modifications in the 2012 Adopted Budget." Position modifications include abrogations, additions, reclassifications, and status changes (such as a change from part-time to full-time status), as well as adjustments to departmental head counts that result from transfers of positions between departments.

Reader's Guide

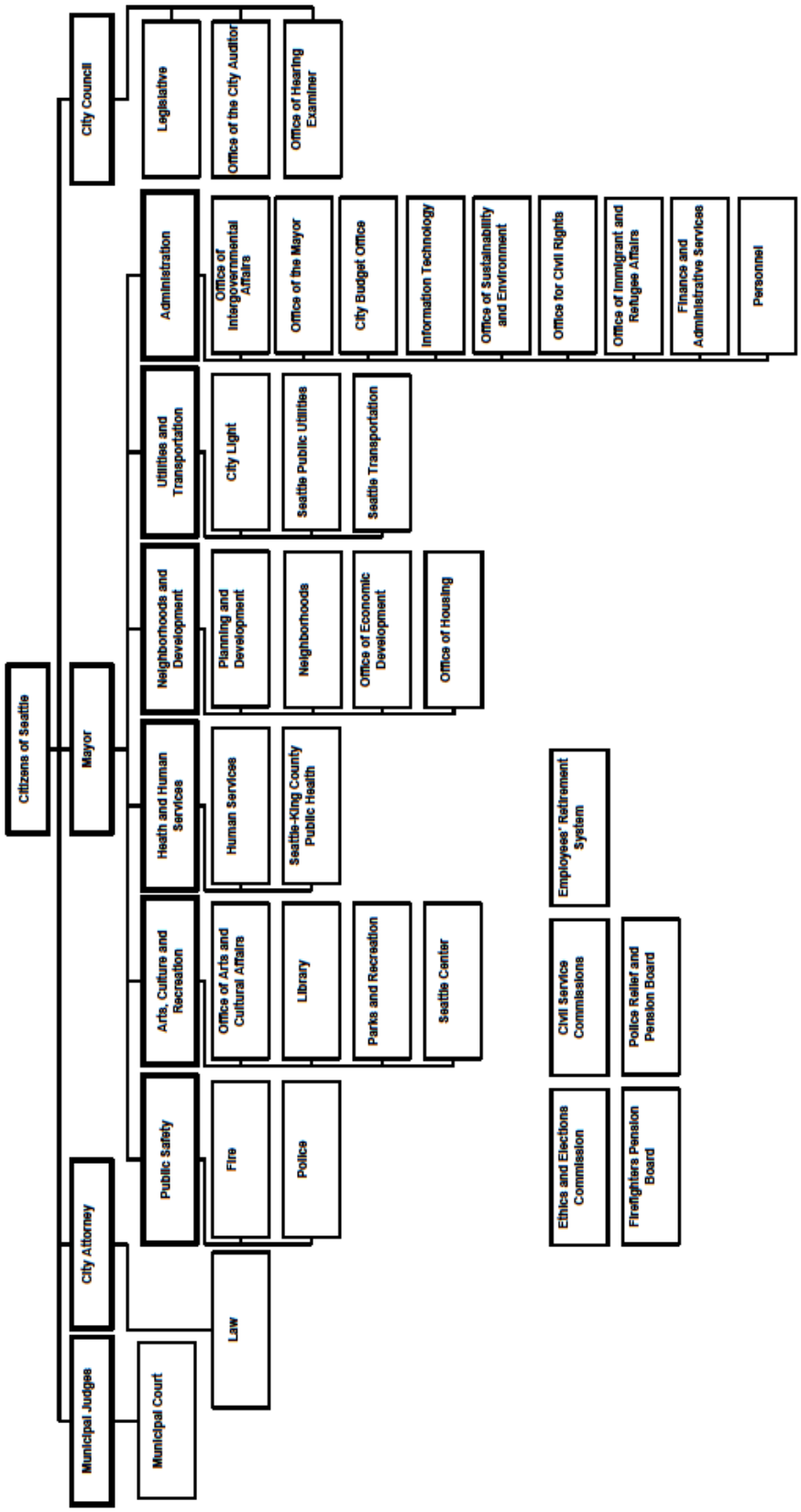
For information purposes only, an estimate of the number of staff positions to be funded under the Adopted Budget appears in the departmental sections of the document at each of the three levels of detail: department, budget control, and program. These figures refer to regular, permanent staff positions (as opposed to temporary or intermittent positions) and are expressed in terms of full-time equivalent employees (FTEs). In addition to changes that occur as part of the budget document, changes may be authorized by the City Council or the Personnel Director throughout the year, and these changes may not be reflected in the estimate of staff positions presented for 2012.

Where relevant, departmental sections close with additional pieces of information: a statement of actual or projected revenues for the years 2010 through 2012; a statement of fund balance; and a statement of 2012 appropriations to support capital projects appearing in the 2012-2017 CIP. Explicit discussions of the operating and maintenance costs associated with new capital expenditures appear in the 2012-2017 Adopted Capital Improvement Program document.

2012-2017 Adopted Capital Improvement Program

Every year during the annual budget process, the City adopts a six-year Capital Improvement Program (CIP) which outlines anticipated investments over that timeframe. The 2012-2017 Adopted CIP Book totals about $4.3 billion for six years and includes approximately 617 individual projects. About $2.6 billion of the six-year total, or 61%, consists of utility projects that are managed by Seattle City Light (SCL) and Seattle Public Utilities (SPU), and mostly are funded by utility rates. Approximately $1.3 billion (31%) is in Seattle Department of Transportation (SDOT) over the six year period. The remaining departments (Parks and Recreation, Finance and Administrative Services, Seattle Center, Seattle Public Library, and Department of Information Technology) account for approximately $363 million, or 8% of the six-year CIP. Summaries of spending plans by department and details of individual project spending are contained in each department section in the 2012-2017 Adopted CIP Book. In addition, the 2012 Adopted Budget Book summarizes capital project appropriations required in 2012 at the end of department sections for those departments with a capital program. These appropriations are consistent with the broader detail contained in the 2012-2017 Adopted CIP Book.

City Organizational Chart



2012 Adopted Budget - Executive Summary

On November 21, 2011, the Seattle City Council passed unanimously the 2012 Adopted Budget. The purpose of the Adopted Budget Executive Summary is to document the significant changes the Council made to the 2012 Proposed Budget. This summary is intended to complement and provide an update to the 2012 Proposed Budget Executive Summary, which describes the major themes and trends for the 2012 budget.[1] While including a number of notable changes, the budget adopted by the Council largely reflects the themes and changes that were originally proposed by Mayor Mike McGinn when he transmitted his recommended budget to the Council on September 26, 2011.

Budget Outlook – Major Highlights

Seattle's economy is stronger than the state and national economies.

Setting the Stage: As is traditionally the case, the 2012 Proposed Budget was balanced based on the August revenue forecast, which relied on economic data through July. Through July, the City's General Fund revenues were largely stable and tracking to forecast. Unfortunately, this started to change with the unprecedented events of August 2011. The Federal debt ceiling debate and Standard & Poor's downgrade of the U.S. sovereign debt credit rating significantly undermined confidence in the economy. The stock market tumbled in August, wiping out the gains achieved in the first half of 2011. Stock market jitters were further exacerbated by concerns over the European debt crisis. This turmoil and uncertainty were reflected in weaker than anticipated economic data.

All of these events unfolded as the Proposed Budget was being finalized, and there were not enough data points at the time to accurately inform a revised forecast. As such, the Proposed Budget set aside a $3.4 million reserve to act as a cushion in the event that the November revenue forecast – the forecast that traditionally informs the adopted budget – resulted in less revenue for the General Fund.

The November Revenue Forecast: The November revenue forecast presented the City with a mix of good and bad news. On the good news front, the local economy exhibited strength relative to what was being seen nationally. Employment growth in the Puget Sound region was exceeding the national and statewide averages. 2011 employment growth through November was 2.1% in the Seattle metro area (King and Snohomish Counties) as compared to 1.5% for the state and 1.1% nationally. As a reflection of this relative strength, sales tax revenues, which represent 17.4% of General Fund revenues, were trending modestly ahead of forecast for 2011. While not immunizing the City to the impact of the recent economic turmoil, this does help buffer the impacts to General Fund revenues, particularly in the short-run.

The bad news is that the November forecast for future revenue growth was more pessimistic than the August forecast. As a result of the economic shocks in August, the forecasted growth rates for gross domestic product (GDP) and employment

[1] The 2012 Proposed Budget Executive Summary can be found immediately following the Adopted Budget Executive Summary. Additional details are also provided in the departmental budget pages that make up the bulk of the 2012 Adopted Budget Book.

were lowered. This translated into a negative $4.3 million cumulative impact on General Fund revenues over two years (2011 and 2012). The $3.4 million reserve set aside in the Proposed Budget goes a long way in addressing this new gap. The remaining $900,000 gap was closed through a variety of other budget changes adopted by the Council. The most substantive of these changes, as well as other policy changes, are described below.

Significant Programmatic Changes

The City's 2012 Adopted Budget totals $3.9 billion. In adopting the 2012 budget, Council made a series of changes with a cumulative impact of approximately $4.4 million. This section describes the most substantive of these changes. Other changes are described in the departmental budget pages of the 2012 Adopted Budget Book.

The City's 2012 Adopted Budget totals $3.9 billion.

Transforming How the City Does Business: The 2012 Proposed Budget recommended a number of changes in how the City delivers services in order to achieve budget savings while preserving – and in some cases increasing – the level of funding for direct services. Council, in adopting the 2012 Budget, supported a number of these changes, including the new long-term jail contract with King County; how the City will allocate Parks' community center hours for 2012; and the merger of the administrative staff supporting the Civil Service Commission and the Public Safety Civil Service Commission.[2] However, Council made some notable changes to the community granting consolidation and the merger of the Office of Housing and the Office of Economic Development that had been included in the 2012 Proposed Budget. In addition, the Council, in adopting the 2012 Budget also created a new City office – the Office of Immigrant and Refugee Affairs (OIRA).

- **Community Granting Consolidation:** The 2012 Proposed Budget recommended the consolidation of the administrative components of several of the City's community granting functions into a single operational unit in order to generate savings and maintain the amount of grant dollars available to the community. Under the Mayor's proposal, the administrative tasks associated with the Department of Information and Technology's (DoIT) Technology Matching Fund; the Office of Economic Development's (OED) 'Only in Seattle' grants; and Seattle Public Utilities (SPU) Waste Prevention and Recycling grant programs would have been merged into the City's Neighborhood Matching Fund grant program[3]. Council did not approve this change. As a result, the administration of these various granting programs will remain largely as was the case in 2011. Although, no formal

[2] For details on these changes, please see the 2012 Proposed Budget Executive Summary.

[3] For additional details on the original proposal, please refer to the 2012 Proposed Budget Executive Summary.

consolidation of these functions will occur in 2012, Council did note that departments could still consider exploring opportunities for better coordination of granting functions on an informal basis. While the savings originally identified as part of this proposal were not realized, Council did increase the amount of dollars available for the community granting programs to distribute.

- **Merging the Office of Housing and the Office of Economic Development:** The 2012 Proposed Budget recommended the merger of the Office of Housing (OH) and the Office of Economic Development (OED) into a new department – the Department of Housing and Economic Development (HED). The goal of the merger had been to align two functions that are critical to creating thriving communities – access to affordable housing and access to jobs – while at the same time generating operational savings that could be used to help balance the budget and be reinvested into more direct service investments for the community.[4] After evaluating this proposal, Council decided not to approve the merger and retain OH and OED as separate entities. Instead, the Council plan achieves approximately the same level of savings as was assumed in the Proposed Budget by eliminating additional positions in each department, and maintains the one-time investments of approximately $210,000 in the Multi-Family Production and Preservation program that was added in the Proposed Budget.[5]

The 2012 Adopted Budget increases the City's investment in low-income housing.

- **Creating a New Office of Immigrant and Refugee Affairs:** Council created a new office – the Office of Immigrant and Refugee Affairs (OIRA) – as part of the 2012 Adopted Budget. This office, which will be supported by two new staff positions, will address issues important to Seattle's immigrant and refugee communities and coordinate the City's activities that support these communities. The mission of OIRA will be to facilitate the successful integration of immigrants and refugees into Seattle's civic, economic and cultural life; to celebrate diverse cultures of immigrants and refugees and their contributions to Seattle; and to advocate on behalf of immigrants and refugees. In order to advance this mission, OIRA will also provide staff support to the Seattle Immigrant and Refugee Commission, which is dedicated to strengthening opportunities for and improving City access to immigrant and refugee communities. Creation of OIRA presents an opportunity to bring the staffing and coordination of the Commission's work in alignment with the new Office.

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[4] For additional details on the original proposal, please refer to the 2012 Proposed Budget Executive Summary.

[5] For additional details about the Council changes in this area, please refer to the Department of Housing and Economic Development, the Office of Housing, and the Office of Economic Development departmental budget pages in the 2012 Adopted Budget Book.

Public Safety: The budgets for the City of Seattle's public safety functions were largely adopted as proposed. The notable exceptions are the elimination of $130,287 in funding that would have enhanced the Seattle Police Department's (SPD) 'hot spot' policing efforts. 'Hot spots' are areas with disproportionate incidents of crime. The additional resources would have allowed SPD to enhance its efforts in addressing criminal activity in 'hot spots' by enhancing SPD's data analysis capabilities, as well, as its ability to coordinate services across multiple departments that could help address the underlying factors contributing to the increased crime. Council supported these goals but judged that SPD could address this work without additional resources, and requested SPD to do so.

The 2012 Adopted Budget increases the City's investment in homeless services.

The second notable change in the public safety program area was the addition of increased funding to support the Law Department's precinct liaison program. Precinct liaisons are attorneys who work closely with police officers and SPD leadership to address a variety of community and neighborhood public safety problems. The positions provide day-to-day legal advice to police officers and help develop proactive strategies to enhance public safety at the neighborhood level. The 2012 Adopted Budget establishes four additional positions that are solely dedicated to precinct liaison work. Previous funding for these positions had been reallocated to other functions by the Law Department.

Human Services Department: In adopting the 2012 Budget, Council added resources to allow the Human Services Department (HSD) to expand services to a number of populations in need. Funding was restored for the Lettuce Link program, which distributed vegetable seeds and gardening information to families relying on food banks. Council provided new, one-time funding to expand the City's efforts in providing shelter and housing services for homeless families with children. Council also provided additional funding to expand the Nurse Family Partnership program, a free, voluntary program that partners first-time, low-income mothers with nurses who make home visits from pregnancy through the first two-years of a child's life. And, finally, Council increased funding to support medical and dental care services for uninsured Seattle residents.

Seattle Department of Transportation: The 2012 Adopted Budget makes two significant budget changes related to the work of the Seattle Department of Transportation.

In 2011, the City sold a property known as 'the Rubble Yard' to the State of Washington for $19.8 million. The original proposed budget included uses for this one-time revenue, including street surface repair, winter storm readiness, neighborhood traffic control, and freight spot improvements. Council made several changes to the planned uses of these funds in the Adopted Budget. Rubble Yard funding was reduced in two areas: planning for high capacity transit (a $700,000 reduction), and winter storm emergency response (a $150,000 reduction in Rubble Yard funds and another $350,000 reduction in General Fund). Council then added Rubble Yard funding to three projects:

- Implementation of a new pedestrian safety project at the intersection of Rainier Avenue S and 23rd Avenue S ($317,000);
- Initial work on the transformation of Fauntleroy Way SW into a green boulevard ($250,000); and
- Updating the 2007 Bicycle Master Plan, considering tools such as neighborhood greenways and cycle tracks ($250,000).

The second significant budget change is Council's creation of a $350,000 reserve in Finance General to fund capital improvements for the 3rd Avenue downtown corridor. This action is taken to address on-going transportation challenges and quality-of-life issues in the corridor; and to plan for and mitigate the potential impacts of King County Metro's decision to end the downtown Free Ride Area.

The 2012 Adopted Budget sets aside funds to make capital improvements to downtown Seattle's 3rd Avenue corridor.

Seattle Public Utilities: The City Council adopted the proposed Seattle Public Utilities (SPU) budget and proposed Water Utility rates with certain changes. In the Solid Waste Utility, the City Council expanded litter collection along Third Avenue in the downtown core, funded by an additional 4.5% increase in tonnage tax rates. In the Water Utility, the City Council removed vacant positions and consultant funding and made other technical changes to save roughly $550,000 annually. The Council also formally approved $15 million in capital and operating savings proposed by the Executive that had not yet been incorporated into the proposed Water Rates for 2012-2014. As a result, the final Water system rates adopted for 2012 were 0.6% lower than those proposed in July 2011. In 2012, the average residential customer will see Water bills increase by 7.1% or $2.25 per month. Finally, Council changed the eligibility threshold for emergency financial assistance related to delinquent SPU water, wastewater and solid waste bills from 125% of the federal poverty level to 70% of state median income. This change doubled the number of customers eligible for assistance.

Seattle City Employees Retirement System: In October 2011, the Board of Administration for the Seattle City Employees' Retirement System adopted a change to the interest rate paid on new contributions. This action, taken after the 2012 Proposed Budget was transmitted but in time for incorporation into the 2012 Adopted Budget, lowers the actuarially recommended employer contribution rate from 11.27% of regular payroll, as assumed in the 2012 Proposed Budget, to the updated rate of 11.01%, saving the General Fund $480,000 and other funds $910,000 in 2012.

This rate is in accordance with the new City policy adopted in 2011 to set the contribution rate at the actuarially determined full annual funding level. The combined employer and employee contribution rate in 2012 is 21.04%, compared with 16.06% in 2010. The changes result in an increase of approximately $30 million annually to support the Retirement System relative to 2010 levels. Moreover, the policy established in 2011 reflects the City's commitment to meet its future pension obligations through a sound and prudent funding approach.

Projections indicate that the City faces additional budget challenges for 2013.

Looking Ahead

As required by law, the 2012 Adopted Budget is balanced. However, the City's revenue streams remain vulnerable to continued economic uncertainty – especially as it relates to economic challenges in Europe and to City revenue sources received from the State and Federal governments. The City of Seattle is prepared – as it has throughout the economic challenges over the past five years – to monitor its budget very closely and to quickly respond as economic circumstances change.

Based on current projections, the City's General Fund faces a $42 million shortfall for 2013.

General Fund Balancing - *thousands of dollars*	**2011**	**2012**	**2013**	**2014**
Beginning Unreserved Fund Balance*	$2,512	$5,596	$28	$0
Revenues	$889,161	$919,738	$936,133	$969,500
Expenditures and Reserve Changes	($886,077)	($925,306)	($977,909)	($1,015,516)
Future Reductions Needed				
TOTAL	**$5,596**	**$28**	**($41,749)**	**($46,017)**

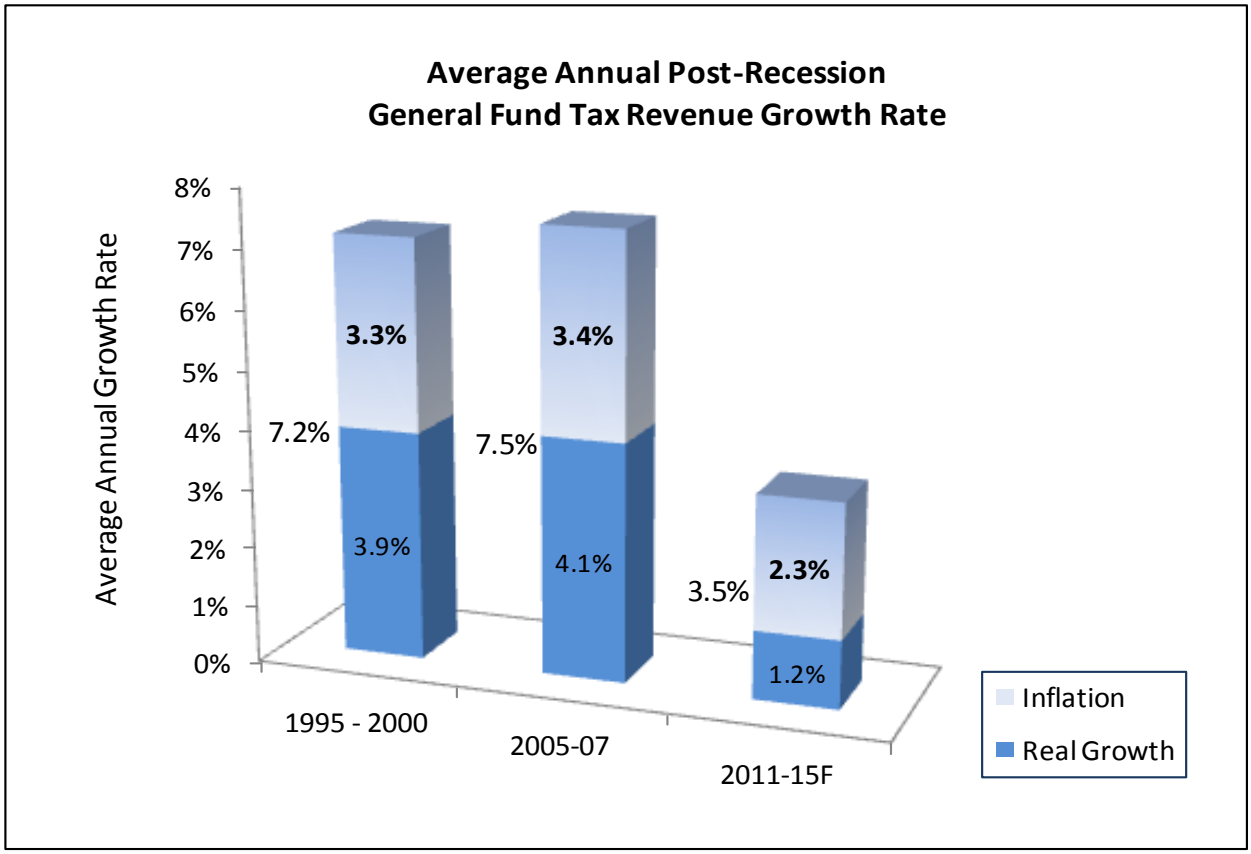
* 2014 beginning unreserved fund balance assumes no impact from the 2013 shortfall.

As a result of these anticipated challenges, it is essential that all City departments continue to identify operational efficiencies in order to address these future challenges.

2012 Proposed Budget - Executive Summary

This section describes the 2012 Proposed Budget as transmitted to the City Council by the Mayor in September 2011. It describes at a high level the decision making process used by the Mayor and the outcomes of that process. While most of the recommendations in the Mayor's Proposed Budget remain in the Adopted Budget, a few of the proposals described here were altered by the City Council as it adopted the budget. Those changes are described in the previous section – the Executive Summary to the Adopted Budget.

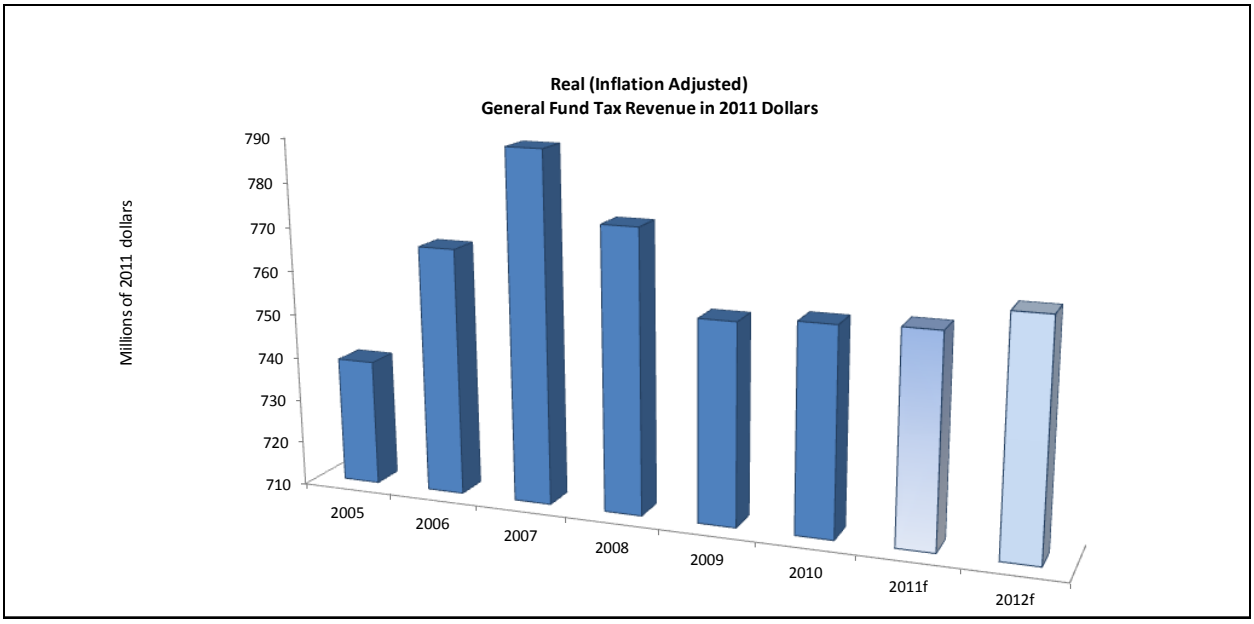
The 2012 Proposed Budget totals $3.9 billion, including the City's $910 million General Fund. Three years after the start of the Great Recession and two years following its lackadaisical conclusion, the City of Seattle continues to adjust to a new economic reality – one marked by weak economic and revenue growth relative to other post-recessionary periods.



While growing, the rate of General Subfund revenue growth is not sufficient to maintain existing services and respond to emergent needs.[1] The revenue situation is compounded by the fact that the Federal government and the State of Washington are also dealing with their own budget challenges. While federal and state funding on a percentage basis is relatively insignificant when compared to the City's overall budget, the City does rely on funding from these entities for a number of important services, including the Community Development Block Grant (CDBG) program. As its own budget

[1]For additional details about the economic and revenue forecast, please refer to the Revenue Overview section of the 2012 Proposed Budget Book.

pressures persist, the City has limited opportunities to backfill the loss of these other revenue sources and to respond to emergent expenditure pressures without making other tough choices. This becomes readily apparent when comparing tax revenue growth rates before and after the Great Recession. In the period between 2005 and 2007, General Fund tax revenues (property, sales, business & occupation, and utility taxes) grew at an average annual rate of 7.5%. In sharp contrast, in the period between 2008 and 2010, General Fund tax revenues grew at a meager 0.3% on an average annual basis. On an inflation-adjusted basis in 2011 dollars, 2012 General Subfund tax revenues are approximately $27 million below the peak in 2007 and still below 2006 levels.



2012 is the second year of the 2011-2012 biennium and the 2012 Proposed Budget presented here reflects changes to the 2012 Endorsed Budget, which was adopted by the City Council in November 2010. The 2012 Proposed General Fund Budget is 1.3% smaller ($12 million) than the 2012 Endorsed Budget. As a result of revenue changes at the local, state, and federal levels, including reduced parking meter revenues as a result of changes the City adopted in early 2011, increases in retirement costs, higher-than-anticipated COLA and inflation rates, and other cost drivers, the 2012 Proposed Budget projects a $25 million gap between General Fund revenues and expenditures. This gap is partially mitigated by a better-than-expected 2011 year-end fund balance. Taken together, the 2012 Proposed Budget closes an $18 million shortfall for the General Fund for 2012.

Across all funds, the 2012 Proposed Budget eliminates 155 FTEs, 96 of which are filled. Of the 96 FTEs, 82.4 FTEs will be laid off and 13.4 FTEs will see a reduction in hours. The budget also adds 43 new FTEs, for a total net reduction of 112 FTEs. Reductions in management-level positions, in an effort to streamline spans of control, continue to be a focus for the City of Seattle. Of the net positions eliminated, 19 FTEs, or 17%, are senior level positions (executives, managers and strategic advisors). Considering that senior level positions make up only 8.9% of the City workforce, a disproportionate number of the eliminated positions are from the management ranks. Since Mayor McGinn took office in 2010, the management ranks in the City of Seattle have shrunk by 110 FTEs.

Based on the current forecast, 2012 represents the fourth consecutive year that the City of Seattle's General Fund is facing budget reductions. And, projections suggest that these challenges will persist beyond 2012 as a result of continued economic weakness. Based on current assumptions, the deficit for 2013 is $32.8 million and $39.2 million for 2014. This budget trajectory makes it difficult to continue to preserve funding for direct services. After four years, it is clear the City can no longer rely on the hope that future revenue growth will return to historic growth rates in order to sustain City services and respond to emergent needs. For 2012, the City is at a crossroads.

- The City can continue making incremental reductions on the margins and run the real risk of degrading the quality of the services provided, or

- The City can take these persistent budget challenges as an opportunity to closely examine *how* the City does business and develop creative new ways of delivering services to preserve programs that are so important to the community.

The 2012 Proposed Budget reflects a concerted effort to reform, reorganize and reinvent how the City does business.

In developing the 2012 Proposed Budget, Mayor Mike McGinn emphasized the latter approach. The 2012 Proposed Budget reflects a concerted effort to *reform, reorganize and reinvent how the City does business*. This is by no means an "all cuts budget." Rather, the 2012 Proposed Budget is an exercise in priorities. *It makes strategic reductions in areas where the City can transform its operations or where outcome data show that the City is achieving its performance objectives and preserves and/or redirects funding to other priority areas. While much of the savings resulting from the Mayor's efforts to reform, reorganize and reinvent are used to balance the budget, Mayor McGinn's 2012 Proposed Budget strategically reinvests some of the savings in select priorities – including areas key to the long-term financial health of the City.*

The 2012 Proposed Budget reflects a number of basic principles, including the preservation of direct services to the greatest extent possible. It is a budget that takes a long-term view – even if it means some modest near-term challenges – making investments that better position the City to maneuver through these turbulent times. And, it places a strong emphasis on social justice impacts and geographic equity.

In terms of services, the 2012 Proposed Budget:

- Maintains the current firefighting strength and preserves companies assigned to neighborhood fire stations.
- Supports funding levels allowing the Seattle Police Department to continue meeting the goals of the Neighborhood Policing Plan and preserves funding for Victim Advocates and Crime Prevention Coordinators.

- Preserves funding and 2011 hours of operation for the Central Library and all 26 branches of The Seattle Public Library and preserves the Library's collections budget at the 2012 Endorsed Budget level.
- Retains lifeguards on city beaches, keeps all swimming pools open, and maintains 2011 service levels for wading pools.
- Maintains 2011 funding levels for Human Services contracts, including General Fund backfill to compensate for reduced federal Community Development Block Grant (CDBG) funding.
- Preserves funding in the City's community granting programs and maintains an overall increase in the low-income housing production and preservation assistance program over prior years.
- Preserves investments in youth and job training programs.

The 2012 Proposed Budget preserves 2011 operating hours for The Seattle Public

In terms of ensuring the City's long-term financial health, the 2012 Proposed Budget provides funding to take care of what the City has and increase its fiscal reserves. Just as individuals and businesses set some of their income aside for unexpected emergencies and to maintain their homes, buildings, and other assets, the 2012 Proposed Budget recognizes Seattle must do the same. As the City starts to recover from the Great Recession, the 2012 Proposed Budget:

- Uses select one-time revenue sources to increase the City's commitment to maintaining its physical assets.
- Sets a new course for fiscal discipline by allocating a portion of revenues off the top to invest in the City's main savings account – the Rainy Day Fund – to better position the City to weather future financial storms.
- Ensures long-term financial obligations are squarely met by stabilizing the City's strained pension fund.
- Leverages community partnerships to preserve services.
- Makes strategic investments in programs that will support future economic growth, including adding resources to the Department of Planning and Development (DPD) to more quickly process job-creating construction activity.

But the question remains – how does the City close a $18 million budget gap in the 2012 Proposed Budget while preserving resources for these priorities? Quite simply, the 2012 Proposed Budget captures much of its savings by transforming how the City does business; using outcome metrics to guide investment decisions; controlling labor costs; and strategically leveraging revenues.

Transforming How the City Does Business

The key to preserving direct services in the face of the City's ongoing budget challenges is looking for new ways to deliver services. It has been apparent for some time the City can no longer afford business as usual. Sensible changes to the way the City delivers services generates substantial savings that help close the budget gap. Some of the changes include:

- A new long-term jail contract.
- Consolidating community granting programs.
- Merging the Office of Housing and the Office of Economic Development into the Department of Housing and Economic Development.
- Transforming the community center staffing model.
- Consolidating the administrative offices of the Public Safety Civil Service Commission and the Civil Service Commission.
- Realizing additional efficiencies from the 2010 creation of the consolidated Department of Finance and Administrative Services.

New long-term jail contract saves the City $5.3 million in 2012.

A New Long-Term Jail Contract Saves the City Money: The 2012 Proposed Budget recognizes $6 million in jail costs savings – a direct benefit to the General Fund. A large majority of this savings is achieved as a direct result of a new, long -term Jail contract with King County. Despite the City of Seattle's proximity to the King County Correctional Facility, located in downtown Seattle across the street from the Seattle Justice Center, the 2012 Endorsed Budget assumed the City would house its misdemeanant jail inmates at a variety of jail facilities throughout King and Snohomish counties. This plan was driven by King County's assumption that its Department of Adult and Juvenile Detention would not have sufficient space to provide the City of Seattle the number of jail beds it needed in both the near- and long-term. However, King County has seen its jail population decrease in recent years and its current population projections suggest that it will have sufficient space for City of Seattle inmates through at least 2020. But, this still came at a high price to the City of Seattle. The cost to book and house inmates in the King County Correctional Facility was significantly more expensive than other jail facilities in the region. And, more importantly, the County could not guarantee the City that it would have capacity over the long-term (beyond 2020) to house its inmates. Faced with this possibility, the City understood that it might have to build its own jail to meet its needs beyond 2020 – a costly and time-consuming proposition (it takes an estimated 4-to-6 years to site and build a jail) – or find another facility with sufficient capacity over the long-term.

Having Seattle inmates housed at the King County Correctional Facility is important to Mayor McGinn – both from a geographic and operational convenience perspective and because King County and the City of Seattle have traditionally shared similar values around issues such as alternatives to incarceration and other forms of treatment designed to break the cycle of recidivism. So in early 2011, Mayor McGinn instructed staff from the City Budget Office to approach King County about potential terms of a new jail contract that would result in lower near-term costs and certainty about the long-term housing needs of the City's inmates. The Mayor had two key objectives in mind:

- Long-term certainty: The City sought a contract that would provide a clearly defined rate path and certainty that the City's long-term capacity needs would be met.

- Commitment to expand if necessary: The City prefers to not have to build its own jail. The Mayor sought a contract that would provide a commitment that the County would expand jail capacity if space becomes an issue, with City paying its defined fair share of the costs.

The City and the County successfully negotiated a long-term contract that runs through 2030. This agreement meets the City's objectives, cements a long-term partnership between the City and County, and offers both jurisdictions fiscal relief in these challenging budget times. The agreement provides revenue certainty for the County and lowers the City's booking costs, defines parameters for future rate increases and inmate population growth, and sets equitable cost terms if jail expansion is required. In the short-run, the new contract will save the City $5.3 million in 2012 on jail costs. The primary components of these savings are:

Lower jail population trends save the City $700,000 in 2012.

- **Reduced booking fee.** The booking fee – a charge the City pays each time it books inmates into the jail – is significantly reduced in the new jail contract ($95 instead of $329), saving the City $2.6 million annually.
- **Avoided transportation costs.** The City had been expecting to spend $1.2 million in 2012 to transport pretrial inmates to and from more distant jail facilities. The new contract provides the City with sufficient space at the King County jail allowing Seattle to avoid these transportation costs.
- **Additional savings.** An additional $1.5 million miscellaneous contract savings.

In addition to these 2012 savings, the new jail contract also allows the City to avoid future capital costs. The City estimated it could cost as much as $200 million to site and build a new jail. Under the terms of the new contract, if the County needs to build more jail capacity, the City would only be responsible for its fair share of these costs, which the contract defines as the City's jail population relative to the total jail population at King County. Using today's dollars, that cost is estimated at $6 million.

Finally, the City will save another $700,000 in jail costs in 2012 as a result of jail population trending lower than was originally anticipated when the 2012 Endorsed Budget was approved.

Merging Community Granting Functions to Preserve Grant Dollars Out-the-Door: The 2012 Proposed Budget also includes recommendations to merge the administration of many of the City's community granting functions into a single operational unit to preserve the amount of grant dollars available to the community. Currently, the City has five community granting functions operating out of five different departments:

- Department of Information Technology's (DoIT) Technology Matching Fund;
- Office of Economic Development's "Only in Seattle";
- Seattle Public Utilities' (SPU) Waste Prevention and Recycling Grants;

- Department of Neighborhood's (DON) Neighborhood Matching Fund (NMF); and
- Office of Cultural Affairs (OACA) Civic Partnership programs.

Collectively, these programs issue $6.1 million in community grants at a cost of a nearly $1.5 million more to administer the grants, translating into a 24% overhead rate (most nonprofits aim to get their administrative costs under 15%). For 2012, grant administration functions in DoIT, OED, SPU and DON will be consolidated within a new Community Granting Unit in DON. This unit will receive and process grant applications, administer grant funding, and monitor compliance with grant requirements. Meanwhile, the home departments for the grant funds will continue providing subject-matter policy expertise during the review of the grant applications and participating in the award decision-making process. External advisory bodies who have traditionally offered input on the selection process, such as District Councils, the City Neighborhood Council, the Citizens' Telecommunications and Technology Advisory Board (CTTAB), and the Seattle Arts Commission, will also remain involved as key partners.

Grant consolidation allows the City to maintain $6.1 million of grant awards and decrease overhead costs from $1.5 million in 2011 to $1.1 million in 2012.

While OACA's Civic Partnership programs are not part of the consolidation, the directors of DON and OACA have committed to closely collaborate on the administration of these granting programs and OACA. Collectively, these efforts will allow the City in the 2012 Proposed Budget to save more than $350,000 and reduce total grant administration costs to $1.1 million. This savings not only provides relief to the General Fund, but also preserves funding for community grants for 2012, maintaining the total awards of $6.1 million and reducing the administrative overhead load from 24% to 18.7%. This new consolidated model also sets a potential path for additional efficiencies in the future, potentially including other City award programs, such as the Seattle Youth Violence Prevention Initiative (SYVPI), Parks Opportunity grants, and the Seattle Department of Transportation's (SDOT) Neighborhood Street Fund program. Because each of these programs operates differently from the community granting functions (e.g., SYVPI is a much more targeted granting program than the community grant programs, and the Parks and SDOT programs involve the City doing the work to make the investment), it was not appropriate at this time to include these in the consolidation, though there may be opportunities in the future.

Creating a Consolidated Department of Housing & Economic Development: In addition to recommending consolidation of many of the City's granting functions within DON, the 2012 Proposed Budget also merges the Office of Economic Development and the Office of Housing into a new unit – the Department of Housing and Economic Development (HED). Integrating these functions achieves a number of objectives:

- Aligns and integrates two functions critical to developing healthy communities. The heart of every vibrant community is access to affordable housing and centers of employment.

- Capitalizes on similarities between the two functions. Both offices provide seed funding and financing tools critical to improving the well-being of individuals and supporting the building blocks of a healthy community – affordable housing and access to jobs.
- Provides managerial and administrative savings that relieve the strained General Fund and increase investments in housing programs.

As a single organization, HED will invest in and promote the development and preservation of safe and affordable housing, and help to create a vibrant economy by promoting access to economic opportunities for all of Seattle's diverse communities. The Department will accomplish this by funding affordable workforce housing, supporting renters and homeowners, as well as supportive housing that help vulnerable people achieve stability and move along a path toward self-sufficiency. This work will stimulate housing development, allowing families to thrive and neighborhoods to provide a full range of housing choices and opportunities.

The new Department of Housing and Economic Development will allow for increased investments in affordable housing programs.

The Department will also continue to support economic development that is financially, environmentally, and socially sustainable; and provide services that capitalize on Seattle's established economic activity, particularly in the areas of manufacturing and maritime industries, film and music, healthcare, and clean technology. These services are designed to support the establishment of new businesses, retention and growth of existing businesses, and attraction of new businesses; increase the number of low-income adults who obtain the skills necessary to meet industry's needs for qualified workers; and advance policies, practices, and partnerships that lead to sustainable economic growth with shared prosperity. Among other things, the creation of HED will allow for greater collaboration among housing and economic development policy and programs to build strong communities and to help residents achieve self-sufficiency, with services ranging from housing to employment assistance. The merger will strengthen the linkages between the two offices and allow the new department to build on past successes in promoting place-based development that provides essential housing and employment opportunities targeting Seattle's lower-income residents. Specific examples of past successes include building a new transitional housing facility with 78 new beds to help the Compass Center in Pioneer Square recover from the Nisqually Earthquake, and financing the Chubby and Tubby project in Southeast Seattle, resulting in 68 units of new workforce housing and 5,000 square feet of new commercial space.

This merger generates $338,000 in managerial and administrative savings, $310,000 of which accrues to the General Fund. Reflecting the Mayor's strong commitment to affordable housing, $210,000 of this General Fund savings will be rededicated to direct housing programs with an emphasis on programs targeting low-income renters who are squeezed more than ever as a result of diminishing apartment vacancy rates and the increased rents that follow.

The money will increase funding in the Multi-Family Production and Preservation program, allowing future development of 4-5 low-income rental units, and helping mitigate CDBG funding reductions in this program area.

Transforming the Community Center Staffing Model to Serve More People: Community centers are an important resource, providing residents of all ages with opportunities to stay active and to get involved. Parks spent the early months of 2011 working in partnership with the Mayor and the City Council to develop a new model for managing and operating the City's 26 community centers in an environment of constrained financial resources. Parks sought input from a variety of stakeholders and relied on community center usage and other data points to inform its recommendations. What results from this collaborative effort is a new model for managing and operating Seattle's community centers in a way that maximizes access for people in a geographically equitable way.

By focusing operating hours where demand is greatest, the new community center model will allow the City to serve more people in 2012.

Community centers in 2012 will be managed in five geographic teams – northeast, northwest, central, southeast, and southwest – with five community centers in each geographic area.[2] Community centers in each geographic area will offer varying levels of service, with at least one center in each area offering Level 1 service. Level 1 centers will be open for up to 70 hours per week, an increase from the current 51 hours per week. Level 2a community centers will be open 45 hours per week, a slight reduction from the current 51 hours per week and Level 2b centers will be open for 25 hours per week. The service level designations were determined by analyzing a variety of metrics, including: the number of users, amount of programming, number of childcare scholarships, rental revenues, and the physical size of each facility. Because the centers with the highest usage patterns are designated as level 1 centers and will offer more hours for public access, this new model will allow Parks to serve at least as many people – and potentially more – as are served under the existing community center model.[3]

The geographic model for operating community centers will provide Parks with an opportunity to streamline its management and staffing of community centers. This new approach results in the reduction of 13.63 FTEs and saves Parks $784,000. Parks also expects $446,000 in additional revenues based on new revenue-sharing agreements with the City's long-time partner, the Associated Recreation Council (ARC), the non-profit responsible for programming at community centers. Taken together, this model provides $1.23 million in General Fund budget relief.

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[2]The Southwest Community Center is not included in the geographic team structure as it will operate as a Teen Life Center, Swimming Pool, and rental facility.

[3]In response to the continuing need for budget reductions and direction from the City Council, Parks staff conducted an inclusive, data-driven analysis and process to examine alternative models for staffing and operating the centers. The results of this effort are the 2012 community center staffing and management model in the 2012 Proposed Budget. For more details, visit this website: http://seattle.gov/parks/centers/operations.htm

Consolidating Civil Service Commission and Public Safety Civil Service Commission Offices: The City maintains two quasi-judicial bodies to act as a third party in disputes over the application of Personnel Rules. The two Commissions are each overseen by a three-person panel – one member appointed by the Mayor, one member appointed by the City Council and one member elected by employees. Up until now, each Commission was supported by separate administrative offices. Each office had its own Executive Director and the Civil Service Commission also had one support staff. Through a collaborative effort between the Commission Chairs and the City Budget Office, a new consolidated staffing model is proposed for 2012. Rather than maintain two administrative offices with two Executive Directors, the CSC and the PSCSC will be supported by a single administrative office, staffed by one Executive Director and 1.6 FTE support staff positions. This change allows the City to eliminate 0.2 FTE and save over $50,000. It also allows for a better alignment of workload to position title. The existing governance structure of the CSC and the PSCSC will remain intact.

The creation of the Department of Finance & Administrative Services has generated $1.6 million in savings in labor costs.

Recent Successes with Consolidation: The departmental/operational consolidations and realignments recommended in the 2012 Proposed Budget follow Mayor McGinn's successful merger of the former Department of Executive Administration (DEA) and the former Fleets & Facilities Department (FFD) into the Department of Finance & Administrative Services (FAS) in 2010. The creation of this unified department has allowed for greater utilization of resources; better integration of the City's financial and accounting policies, procedures and systems; and improved efficiencies in the provision of customer services. And, the merger continues to yield results. Prior to the reorganization, there were 565 FTEs in DEA and FFD. Including changes proposed in the 2012 budget, but not counting the transfer of the 17.5 FTE associated with the Neighborhood Payment and Information Service Centers, FAS will manage the workload of the two previous departments with 504 FTEs, down 11%. Many of these reductions have been made possible by streamlining administrative functions. Compared with costs prior to the departmental reorganization, the 2012 Proposed Budget funds 17 fewer positions for FAS administrative functions (a reduction of 31%), saving $1.6 million in labor costs. Examples of these efficiencies include the elimination of one of two human resources directors and one department director.

Measuring for Results

As the City's resources become more constrained, it is essential the City assess whether its investments are achieving the intended outcomes. The 2012 Proposed Budget starts building a foundation for systematically measuring and assessing the outcomes of City investments. Where such measures already exist, outcome metrics were instrumental in informing how to prioritize and align budget dollars in the 2012 Proposed Budget.

Exceeding Neighborhood Policing Public Safety Performance Outcomes: In 2007, the City adopted the Neighborhood Policing Plan (NPP), which provides the Seattle Police Department with a framework for deploying patrol staff to meet the City's public safety objectives. The plan sets three goals:

- To respond to high-priority emergency calls in an average of seven minutes or less - a commonly accepted response time for police forces in larger cities.
- To allow patrol officers to do more proactive policing (30% of officer time) to help resolve the underlying conditions that create violations of law and/or public order.
- To deploy 10 additional "back-up" police vehicles citywide. These cars (two in each precinct) provide better area coverage and improve backup capability, enhancing officer safety.

Police response time to 911 calls has improved 12.5% since 2008.

The Neighborhood Policing Plan called for adding 105 officers over the course of five years, beginning in 2008, to meet these performance objectives. The original plan contemplated the addition of 105 officers from 2008 through 2012 to meet these performance objectives. Because of the City's budget challenges, hiring at SPD was put on hold in 2010. The pause has delayed the hiring of 20 to 21 new NPP officers that were scheduled to be added in each year from 2010 through 2012. It has also affected regular maintenance hiring, which would have replaced another 26 officers by the end of 2011. However, through prudent management of staff resources, SPD has successfully exceeded these public safety outcomes with its existing contingent of sworn officers.

	NPP Goal	Actual Results Through June	As Compared to the NPP Goal
Priority 1 Call Response Time Average	7 minutes or less	6.3 minutes	**Exceeding Goal**
Proactive Time Available	30% of On-Duty Time	34% of On-Duty Time	**Exceeding Goal**
Increased Number of Backup Vehicles	10 Units Citywide	10 Units Citywide	**Meeting Goal**[4]

[4]SPD lacks a direct measure of units free. However indirect evidence is available: out-of-district dispatch of cars occurs less than 8% of the time, which contrasts to 15-30% of out-of-district dispatch prior to NPP implementation. The Department feels that this is evidence that it is meeting the standard most of the time.

Since 2008, SPD has improved its response time to Priority 1 (911) calls by 12.5% and its response time to Priority 2 calls by 8%. Moreover, crime rates are at historic lows. The number of major crimes fell 7.4% in 2009, fell another 5.8% in 2010. Violent crimes in particular have seen dramatic decreases. In 2010, violent crimes fell 9%. Homicides are down 34% since 2008. These trends seem to be continuing. Through midyear 2011, major crimes are down citywide by 11% when compared with the first six months of 2010. Through June of 2011, violent crime is down 1% compared with the same time period in 2010, with homicides, rapes and robberies trending down. Property crimes are down 12% across the city at midyear 2011, when compared with the same time period in 2010.

SPD has achieved these positive public safety outcomes even as the size of the police force has slowly decreased. SPD began 2011 over-staffed by 12 officers relative to budget as a result of aggressive hiring at the end of 2009 and lower-than-normal attrition rates in 2010 due to the weak economy.

Crime rates are at historic lows, with response times exceeding performance objectives.

As 2011 has progressed, SPD saw attrition rates return to near normal levels (approximately 36 per year). But because SPD started the year overstaffed relative to budget, it has not hired to replace departing officers, continuing the hiring pause that began in 2010. As a result, SPD expects to end 2011 with 1,301 sworn officers, or 26 below the level assumed in the 2011 Adopted Budget.

With this background in mind, the 2012 Proposed Budget reduces funding to SPD by $2.4 million to reflect the smaller police force that will result from holding the 26 sworn position vacancies anticipated by the end of 2011. While decisions to reduce the size of the police force are always difficult, the City's ongoing General Fund budget challenges, combined with the fact that SPD is exceeding its public safety performance measures, indicate this is a viable budget decision. As attrition continues to occur in 2012 beyond the 2011 levels, the 2012 Proposed Budget assumes SPD will resume maintenance hiring of sworn officers in 2012 to maintain a police force of 1,301.

Through its flexible and adaptive approach to allocating staff resources, SPD is putting officers where they are needed most to fight and, more importantly, prevent crime. For 2011, a minimum of 545 sworn officers have been assigned to 911 patrol functions. This is slightly above the staffing level of 542 in January 2010 and slightly below the all-time high of 556 achieved in the summer of 2010. In addition, SPD has dedicated more officers to on-the-ground proactive police work, including foot beats, bike squads and other proactive units that contribute greatly to improved public safety in city neighborhoods, especially downtown.

	Increased Staffing Levels in 2011
Foot Beats	6 officers
Bike Squad	8 officers
Mounted Unit	3 officers
Neighborhood Corrections Initiative	1 officer
Seattle Center Patrols	1 officer

For 2012, SPD will continue to closely monitor the NPP outcome measures and will adjust the deployment of sworn officers to 911 patrol functions from lower-priority areas to meet the NPP outcome metrics. SPD would look to redeploy officers from areas such as desk clerks, federal task forces and investigative units.

The City successfully achieved the stated outcome of 1 to 2 open spaces per block face in the four neighborhoods where parking meter rates were increased in

Parking Meter Outcome Metrics Inform Application of City's On-Street Paid Parking Program for 2012: As part of the 2011 budget process, the City adopted a policy objective of using parking meter rates to encourage sufficient turnover of metered parking spaces to provide an average of one-to-two open parking space per block face throughout the day. Parking meter rates were adjusted in the 2011 Adopted Budget with the goal of achieving this outcome. Rates were increased in four of the City's 23 parking districts and were reduced in 11. A data collection effort in June of 2011 indicates that parking occupancy fell in the four areas where parking rates were increased, allowing the City to achieve the goal of one-to-two open spaces per block face. However, in the 11 areas where the meter rate was lowered, the results were mixed – parking occupancy rates increased in some areas, but in a majority of areas occupancy rates actually fell, suggesting that lowering the price is not the influential factor in determining parking patterns in these neighborhoods.

In addition to the June 2011 data collection effort, SDOT also conducted a comprehensive Performance-Based Parking Pricing Study, to inform parking meter recommendations for the 2012 budget. The study also included a public engagement component involving a sounding board of stakeholders to help shape and define the recommendations. Additional information about this study can be found at: http://www.seattle.gov/transportation/parking/docs/SDOT_PbPP_FinRpt.pdf

Based on the findings of the study, the 2012 Proposed Budget includes the following adjustments to the City's parking meter program. In addition to adjusting hourly rates in some neighborhood parking areas, SDOT will also delineate parking rate boundaries on a more granular level, such as adjusting geographic boundaries to divide some parking areas into smaller areas, and extend authorized time-limits in certain locations with the stated goal of achieving one-to-two open parking spaced per block face. The refined parking management tools are particularly warranted in neighborhoods in which lowering rates in 2011 did not

generate increased parking demand. In 2012, 13 neighborhoods will have rate, boundary, and/or time limit changes, under SDOT's proposal. These proposed changes are described in more detail below. Additional information about specific neighborhood changes is available at: http://www.seattle.gov/transportation/parking/paidparking.htm

Based on the data, some neighborhoods will see parking meter rate decreases in 2012 and two-hour metered parking time limits will be extended in some neighborhoods.

- *Geographic Boundaries Changes:* The University District, Ballard, South Lake Union, Belltown, Pioneer Square, Capitol Hill, and Uptown geographic boundaries will be adjusted to delineate higher- and lower-demand areas within each neighborhood. These changes will result in a more precise application of the data-driven policy objectives because rates can be set on a more granular level. In some cases, the boundaries between neighborhoods or sub-neighborhoods will be moved. In others, differentiation will be made between the neighborhood core and outer areas with lower measured demand. Following the policy objectives, rates will be applied so that lower-demand areas have a lower parking rate than higher-demand areas in each neighborhood. In some cases, lower-demand areas will also have extended time limits.

- *Rate Changes:* Rate adjustments in 2012 will be made in six neighborhoods in the context of the geographic boundary changes previously described and the policy objective of achieving one to two open spaces per block-face. The lower-demand areas in Pioneer Square and Capitol Hill will see rate decreases in 2012. Higher-demand areas in the University District, Ballard, and Belltown South will see 2012 rate increases. Most long-term areas in South Lake Union will be priced at $1.50 compared to $1.25 in 2011. All other rates will remain the unchanged in 2012.

- *Time Limits Changes:* Extended time limits will be applied in locations where measured occupancy levels are below the policy objective. Four-hour parking will be available in Denny Triangle North, Roosevelt, and parts of the University District, Ballard, Belltown and Uptown. Uptown Triangle, Westlake Avenue North, and some additional spaces in South Lake Union will not have a daily time limit. In some cases, time limits are extended in lieu of lowering rates because, based on the June 2011 data collection, further rate decreases are not likely to generate parking demand. Extending time limits in these areas is expected to increase parking demand and support businesses that require longer stays by their customers. Longer-term paid parking has been successful in South Lake Union, where there is strong demand compared to short-term parking, and parts of downtown near the Waterfront, where a small pilot has been implemented. Paid parking hours will be extended from 6 to 8 p.m. in Denny Triangle South.

The City will implement a pay-by-cellphone program in 2012.

- *Three-Hour Time Limits After 5 p.m.:* As an added service enhancement in neighborhoods where paid parking was extended to 8 p.m., time limits after 5 p.m. will be changed from two to three hours in 2012. This will give evening visitors to restaurants, theaters, and clubs an opportunity to purchase more time. Time will continue to be limited to two hours in these locations before 5 p.m. SDOT will monitor parking occupancy and turnover in these neighborhoods to ensure people are still able to find sufficient on-street parking in the evenings.

- *Pay-By-Cell:* The 2012 Proposed Budget includes funding to implement a new pay-by-cell program, which will enable parking payments through cell phones and mobile devices. Pay-by-cell will be a payment option in pay-by-cell areas. Payment through SDOT's existing pay stations will continue to be available. While requiring relatively little infrastructure investment, the new payment method is expected to provide additional convenience for customers and a variety of other practical benefits that help make Seattle more visitor-friendly. With pay-by-cell, parkers call a phone number or use a mobile smartphone application to set up an account that is linked to vehicle license plates. When reaching a pay-by-cell area, the parker logs on or calls into that account and purchases the needed parking time. With a smartphone, the typical application also allows the parker to remotely extend their time up to the time limit, and to be alerted before paid time expires. Parking Enforcement Officers will have access to real-time payment information. The program is expected to begin in the summer of 2012.

Taken together, the recommended 2012 Proposed Budget changes to the City's paid parking program, following on the rate changes made in early 2011, and including the 2011-2012 loss of parking spaces in the Pioneer Square neighborhood as a result of the Alaskan Way Viaduct replacement project, will result in a $7.48 million *decrease* in revenues to the City relative to the 2012 Endorsed Budget.

Expanded Use of Outcomes to Increase Effectiveness of City Investments: Through an analysis conducted as part of Mayor McGinn's Youth and Family Initiative (YFI), the City identified more than $85 million a year being spent on 130 programs to support youth and families in nine departments. While these programs can document how many individuals they serve, they cannot document whether that translates into achieving the intended outcomes. The 2012 Proposed Budget reflects the Mayor's commitment to increasing the effectiveness of City investments. The City Budget Office, working collaboratively with the Human Services Department, the Office for Education, and the Department of Neighborhoods, is launching a prototype to design and implement steps to increase the effectiveness of City investments in producing higher achievement in third grade reading levels, given that third grade reading is a key measure in determining the chance of high school graduation. The prototype will begin in the fall of 2011 and

focus initially on at least some clear rise in achievement in the 2011-2012 school year. The prototype will include programs, such as the Human Service Department's Family Center Services and the Neighborhood Matching Fund, along with investments from the 2011 Families and Education Levy beginning in 2012 (if approved by voters).

The prototype is seen as a part of the design process for a larger outcome-based budget assessment by the City. The initial project will test key assumptions and forge paths for a high level of interagency collaboration. And it builds energy and learning through early action. This work will not only provide the City with the information needed to understand the effectiveness of City investments, it will also form the foundation of a broader outcome-based budgeting approach that the City will incorporate into other program areas over the long-term.

The 2010 agreement with the Coalition of City Labor Unions has saved the City $12.2 million over two years.

Proactively Managing Labor Costs

The cost of salaries and benefits remains a significant cost driver for the City of Seattle. More than 65 percent of General Fund costs are for direct salary and benefits. Controlling these costs in order to preserve direct services remains a priority for Mayor McGinn. The 2012 Proposed Budget reflects the results of a number of these ongoing efforts.

Reaping the Continued Benefits of the 2010 Coalition of City Labor Unions Agreement: In the fall of 2010, the City successfully concluded negotiations with the Coalition of City Labor Unions on an agreement that removed the long-standing 2% floor on Cost of Living Adjustments (COLA). Because of a low inflationary environment, as reflected in the Consumer Price Index (CPI-W), this resulted in a COLA rate of 0.6% in the 2011 budget, saving the City $5.7 million, $2.3 million of which accrued to the General Fund. The inflation rates remain low for the 2012 budget, with the CPI-W rate at 1.8%, allowing the City to avoid $6.5 million in cumulative COLA costs for 2012, $2.6 million of which are avoided General Fund costs. Over 2011 and 2012, this agreement has saved the City $12.2 million.

Proactively Managing Healthcare Costs: As with most employers, healthcare costs are a significant cost driver for the City of Seattle. In fact, total City healthcare costs (medical, dental and vision) have roughly doubled from $74 million in 2001 to $143 million in 2010. The General Fund typically covers approximately half of these costs. But, there is some good news to report. Healthcare costs are holding steady for 2011 at the 2010 level of $143 million, as a result of a drop in overall enrollment in the program and as a result of temporarily elevated increases in 2009. This results in a lower-than-anticipated base from which 2012 costs grow. For 2012, this translates into $6.2 million in total savings from the 2012 Endorsed Budget, including $3.3 million in savings for the General Fund.

But, the City is not resting on its laurels. Understanding that healthcare cost growth is likely to return to historic levels over the long-term, the City

recognizes that additional strategies are needed to control these costs. With the Mayor's support, in 2011 the City Budget Office formed a Healthcare Management Interdepartmental Team (IDT) to evaluate the City's healthcare plans and develop a longer-term set of strategic healthcare policies. The IDT has representatives from Council staff, the Department of Finance and Administrative Services, and the Personnel Department.

The IDT identified a series of changes in how the City administers its healthcare plans that will reduce costs, without reducing actual healthcare benefits . Three discrete changes will be implemented as part of the 2012 Proposed Budget:

The City's healthcare costs in 2012 are $6.2 million lower than what was assumed in the 2012 Endorsed Budget.

- **Eliminate Purchase of "Stop-Loss" Insurance:** The City purchases stop-loss insurance to reduce the City's exposure to large health care claims of $250,000 or more per individual that are incurred as part of Aetna, the City's self-insured medical plan. The cost of stop-loss insurance has been rising significantly over the past couple of years. The IDT determined that this risk could be addressed in a more cost-effective manner by establishing an internal reserve within the Health Care Fund, rather than continuing to pay an external service provider a premium to manage this risk for the City.

- **Self-Insure the City's Washington Dental Service Plan:** The IDT also determined that self-insuring the City's Washington Dental Service (WDS) plan would allow the City to save money while still maintaining the same level of dental benefits. The cost savings comes from eliminating the need to pay a State premium tax of approximately $200,000 per year, as well as risk charges levied by WDS.

- **Establish a New Forecast Variance Reserve Within the Healthcare Subfund:** The IDT identified the need to establish a new "Forecast Variance Reserve" (FVR) of $5.4 million to account for the volatility, compared to forecast, of self-insured Medical/Pharmacy and Dental claims and to address the risk assumed by eliminating stop-loss insurance.

These recommendations have been approved by the City's Healthcare Committee (HC2), which is composed of City representatives and signatory unions of the Coalition of City Unions. Because of the need to fund the FVR in 2012 to support the policy changes, no significant cost savings will be realized in 2012 as a result of this new approach. However, beginning in 2013, the City estimates that it will save $1 million to $4 million annually.

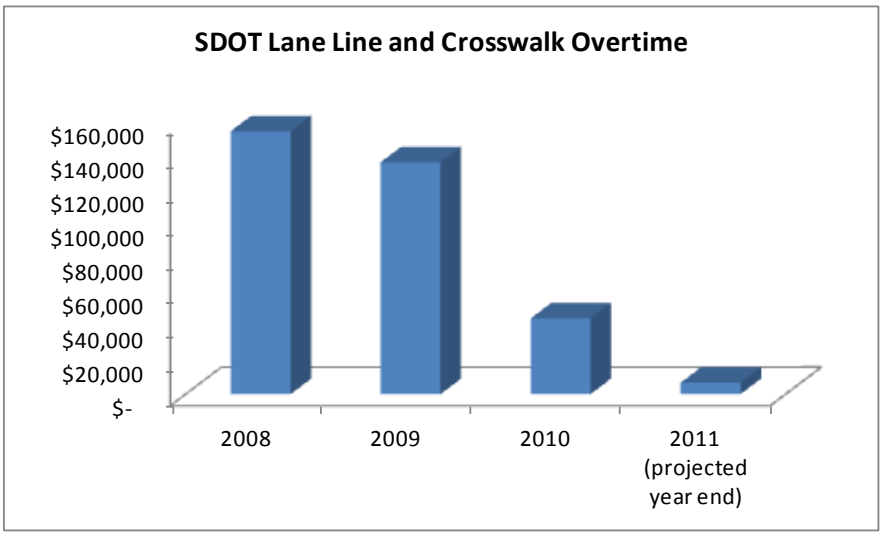
In 2012, the IDT will continue to work to pursue efficiencies within the healthcare plan, and will work with the Coalition of City Unions to evaluate and implement additional changes as part of the 2013 rate setting process.

Working with Labor to Reduce Overtime Costs: As departmental budgets are reduced as a result of the City's ongoing budget challenges, it becomes more important than ever to ensure that the dollars that remain are spent judiciously. One area of opportunity is the use of overtime. Both SDOT and Seattle Public Utilities (SPU) have made strides – working closely with the City's labor partners – in bringing down overtime costs.

SDOT has reduced street marking overtime use by 95% by adjusting work schedules.

- **SDOT Street Markings:** Traffic maintenance crews are responsible for street markings (e.g., lane lines and crosswalks painted on the street pavement). Because traffic volumes are typically lower on the weekends, SDOT has traditionally targeted the weekends as the most effective time to do this work. A crew can complete almost twice as many lane miles on a weekend day than a weekday. Moreover, SDOT typically concentrates this work in the summer months when there is less rain. But, this system has traditionally come at a high cost because crews worked a Monday through Friday schedule and were paid on overtime to do the street marking work on the weekends.

  Working collaboratively with Local 1239, SDOT has implemented new work schedules that have allowed the Department to eliminate nearly all overtime costs for street markings. Traffic maintenance crews that are dedicated to street markings now work alternate schedules during the summer months to allow for seven-day-a-week coverage. One set of traffic maintenance crews works a Tuesday through Saturday schedule, while another set works a Sunday through Thursday schedule. The results of this change are significant. In 2008, SDOT spent approximately $155,000 on overtime for lane lines and crosswalk markings. For 2011, SDOT projections indicate it will spend approximately $7,000, a 95% reduction in overtime use. As SDOT struggles with declining Gas Tax and General Fund resources, savings such as these go a long way in preserving funding for other services.



- **SPU:** SPU is equally concerned about controlling overtime costs and has established similar partnerships with its labor unions to bring down overtime costs in its Water and Drainage & Wastewater Utilities. Working in partnership with its labor unions, SPU developed a 2011 budget for Water Utility overtime that is roughly 28%, or $428,000, lower than 2010 actual expenses. Drainage and Wastewater overtime is expected to be reduced by about $330,000, or 21%, in 2011 as compared to 2010. Further reductions are anticipated in 2012.

Leveraging Revenue Sources to Invest in City-Owned Assets

Seattle will invest $1.9 million for new roofs for community buildings.

In spite of the City's continued General Fund budget constraints, the 2012 Proposed Budget leverages a number of revenue sources to invest in the maintenance, preservation and upgrade of City-owned facilities. Asset preservation investments have suffered in recent years as a result of the economy and weakness in the City's Real Estate Excise Tax (REET) revenues. The 2012 Proposed Budget capitalizes on non-REET revenues to renew its commitment to asset preservation.

Investing One-Time Insurance Proceeds Into Roof Replacements at City-Owned Community Buildings: For more than 30 years, the City has leased City-owned facilities to non-profit service providers in various neighborhoods around the city. This program allows service providers to occupy City-owned properties at low- or no-cash rent with the value of the services they provide to the community accepted by the City as a major portion of rent. As there are virtually no rent revenues collected, the cost of maintaining these facilities has traditionally been funded by General Fund and REET revenues. Some of these buildings are more than 100 years old, with the newest built in 1959. The lack of dedicated funds for these repairs has led the facilities to fall into disrepair. The poor condition of the roofs is a source of particular concern, as water infiltration rapidly leads to structural problems. An insurance settlement from a 2010 fire at the largely unoccupied City-owned Sunny Jim warehouse allows FAS to fund $1.9 million worth of new roofs at six of the facilities. The groups using these buildings provide much needed services to the community and include senior centers in Ballard, Greenwood and the Central area; a home for teen mothers; food bank and meal programs; and youth programs. This investment in maintenance work will extend the life of these buildings and allow the non -profit service providers to continue to occupy the buildings and serve the community. Following is a list of the buildings that will receive new roofs in 2012:

- Central Area Motivation Program (CAMP)
- Central Area Senior Center
- Northwest Senior Center in Ballard
- Southeast Health Clinic
- South Park Community Service Center
- Teen Mother Center

The 2012 Proposed Budget reinvests $10 million in Parks Levy savings into Parks asset preservation projects.

Reinvesting 2008 Parks Levy Savings into Parks Asset Preservation: Parks manages a 6,200-acre park system composed of 430 developed parks, featuring 185 athletic fields, 130 children's play areas, 11 off-leash areas, nine swimming beaches, 18 fishing piers, four golf courses, and 25 miles of boulevards. Other facilities include 151 outdoor tennis courts, 26 community centers, eight indoor and two outdoor swimming pools, 22 wading pools, eight spray features, 17 miles of paved trails, and more. This vast system has significant asset preservation needs. In fact, Parks' current Asset Management Plan identifies $232 million in asset preservation needs over the next six years. Unfortunately, the City's Cumulative Reserve Subfund (CRS), which is funded primarily through REET revenues, the traditional source of funding for Parks asset preservation activities, has suffered in the aftermath of the housing bust of the Great Recession. For 2012, Parks will receive $13.8 million in CRS funding, which is down sharply from the $21 million and $22 million it received respectively in 2007 and 2008 at the height of the housing boom. The 2012 funding levels are more reflective of the amounts Parks received in the 2000 – 2006 timeframe.

Meanwhile, the advantageous bidding climate has meant that the costs of projects contemplated in the 2008 Parks Levy have come in lower than expected, freeing up money that had been designated for those projects. Parks, with the backing of the Mayor and the Council, worked closely with the Parks Levy Oversight Committee in 2011 to reach agreement to redirect $9.8 million of this savings into 17 Parks asset preservation projects for 2012. The projects include:

- Ballard Community Center Roof Replacement
- Beacon Hill Playground Comfort Station Renovation
- Comfort Station Renovations- 2008 Parks Levy (sites to be determined)
- Evers Pool Roof Repairs
- Fairmount Park Playground Comfort Station Renovation
- Fairmount Park Playground Fence Replacement
- Garfield Community Center Roof Replacement
- Green Lake Bathhouse Roof Replacement
- Lower Woodland Playfield Tennis Court Lights Replacement
- Loyal Heights Boiler and Electrical System Replacement
- Madrona Playground Shelterhouse Restrooms Renovation
- Matthews Beach Park Bathhouse Renovation
- Queen Anne Pool Plaster Liner Replacement
- Rainier Beach Playfield Play Area Renovation
- Rainier Beach Playfield Tennis Courts and Lighting Replacement
- Seward Park Water System Replacement
- Van Asselt Community Center Gym Roof Replacement

Absent the Parks Levy funds, these projects would not have been funded in 2012.

The 2012 Proposed Budget leverages future rent revenue to upgrade Magnuson Park Building 30.

Leveraging Future Building Rent Revenue to Renovate Magnuson Park's Building 30: Magnuson Park's Building 30, a 1930s hangar remaining from the old Sand Point Naval Air Station, is an important community asset. It houses offices for Parks and a number of nonprofit tenants, including the Friends of the Library, and is the site of the very popular Friends of the Library semiannual book sale, an important source of revenue for The Seattle Public Library. In 2010, the DPD and the Seattle Fire Department restricted the use of the facility because the building is not up to code. The 2012 Proposed Budget commits $5.5 million in bond financing to renovate the west wing and hangar to bring the facility up to code and allow for expanded facility rental opportunities. The revenue generated by Building 30 after the improvements are made will cover 60% of the $641,000 annual debt service payments on the bonds, starting in 2013. The General Fund will cover the remaining 40%, or approximately $260,000, depending on how actual Building 30 revenues perform. The interest-only debt service payment in 2012 is estimated at $212,000, and will be covered by the General Fund.

Allocating SDOT Revenues to Meet Basic Needs: For 2012, SDOT has two important revenue sources that are helpful in partially mitigating weakness in its base revenues (i.e., General Fund and Gas Tax). The first is $6.8 million in revenue from the $20 Vehicle License Fee (VLF) approved by the Seattle Transportation Benefit District in late 2010. SDOT, working collaboratively with the Citizens Transportation Advisory Committee III, the Mayor's Office and the Council, developed a plan, as reflected in the 2012 Proposed Budget, to add significant funding – compared to 2011 – for pavement restoration, sidewalk safety, transit corridors and bicycle improvements. Some of the revenues are used to prevent reductions that would have otherwise been required to balance the SDOT budget, including core transportation services, such as street cleaning, landscape maintenance, and emergency responses capabilities. These latter investments are responsible for preserving 19 SDOT FTEs that perform this work and that would have been at risk absent this important revenue source.

The second revenue source that plays an important role in balancing SDOT's budget is the proceeds from the sale of the Rubble Yard property to the Washington State Department of Transportation in mid-2011. The City allocated $3 million of the $19.8 million total proceeds in 2011 to support critical surface street repair needs. In addition to allowing the City to expand surface street repair activities, the funds also helped to preserve 10 FTEs and delayed the abrogation of 11 additional FTEs. The 2012 Proposed Budget recommends using additional Rubble Yard proceeds in 2012 and 2013 to continue this commitment. It also invests some of the proceeds to improve the City's preparedness for winter storms, including the installation of temperature sensors on seven bridges to enhance the City's capabilities to prevent and respond to the traffic snarling resulting from iced bridge surfaces during the cold winter months. This investment is particularly important as the winter of 2011-2012 is projected to be colder and wetter than normal. Finally, the Rubble Yard proceeds are allocated in the 2012 Proposed Budget to preserving SDOT core services, such as street

cleaning, bridge painting, neighborhood traffic control, and freight spot improvements; high-capacity transit planning; the Mercer West project; and the relocation of the former Rubble Yard operations to a new location. The Proposed Budget allocates a total of $6.7 million from Rubble Yard proceeds in 2012, with the balance of the unallocated proceeds proposed to be allocated in future years. Plans for the Rubble Yard proceeds are described in greater detail in the SDOT section of the 2012 Proposed Budget Book.

Other Revenue Assumptions: The 2012 Proposed Budget also assumes an increase in the parking infraction rate as approved and implemented by the Seattle Municipal Court. Beginning in October 2011, the overtime meter parking infraction rate will increase from $39 to $44. The new infraction rate will put Seattle's rate above smaller Washington cities, but below some other larger cities, such as Chicago, San Francisco, Los Angeles or New York. This change will generate $2.13 million in revenue for the General Fund in 2012.

Rubble Yard proceeds will enhance Seattle's winter storm preparedness.

The 2012 Proposed Budget assumes passage of the $231 million, seven-year Families and Education Levy, resulting in a doubling of the City's investments in outcome-based programs that:

- Improve children's readiness for school;
- Enhance students' academic achievement and reduce the academic achievement gap;
- Decrease students' dropout rate and increase graduation rate from high school; and
- Prepare students for college and/or careers after high school (new goal established with 2011 Levy).

The November 2011 election will also seek approval from Seattle voters to raise the Vehicle License Fee (VLF) by $60. If approved by Seattle voters, the funds would support expanded investments in asset preservation activities, in transit, and bike and pedestrian facilities. These funds are not built into the 2012 Proposed Budget, but will be added to the budget by City Council action in November if this measure is approved. If approved, funds will be added in accordance with the specifications of the Seattle Transportation Benefit District's Resolution 5, which can be found at:http://www.seattle.gov/stbd/legislation_policies.htm

Planning for the Future: Strengthening the City's Financial Management Practices

Mayor McGinn places a high priority on the City's long-term financial health – especially in these economically challenging times. In addition to looking for new ways of doing City business in order to preserve direct services, the Mayor also recognizes the importance of ensuring the City adopts policies and practices to put itself on more stable financial footing – even if it means making difficult short-term decisions. This is another central theme of the 2012 Proposed Budget.

The City of Seattle has earned a reputation for strong financial management, as reflected in its AAA bond rating – the highest bond rating available awarded by all three of the major bond rating agencies: Standard & Poor's, Moody's and Fitch. This top rating keeps the City's borrowing costs low, which is essential to preserving the size of the City's capital program. But, the rating agencies have been taking a closer look at the health of the City's reserves and retirement fund of late and have signaled these areas are in need of some improvements if the City expects to retain these ratings.

Rating agencies aside, addressing these areas is critical to the City's long-term financial stability. If the City does not have sufficient reserves, its ability to weather financial storms is limited, potentially resulting in disruptions in service. Just as with one's personal finances, the City maintains savings accounts to fall back on in times of financial distress. Likewise, the City's vulnerability increases if it fails to set aside sufficient resources to protect itself from unforeseen circumstances.

The proposed Rainy Day Fund enhancements will build in a level of fiscal discipline that will protect the City from future revenue disruptions.

Similarly, the City is legally obligated to meet its retirement pension obligations. While the City could certainly choose to delay contributions required to meet this obligation over time – and many governments have done this –it will be required to make these payments eventually. Delaying contributions simply compounds the problem and jeopardizes the City's ability to maintain services in the future. In other words, the challenge for the 2012 budget is not only how to balance the budget in the short-run, but also how to better position the City for financial stability over the long-term.

Enhancing the City's Rainy Day Fund Policies to Prepare the City to Weather Future Storms: The City maintains a Rainy Day Fund – a savings account of sorts – to protect City services following an unexpected decline in revenues. The Rainy Day Fund reached its peak funding levels in 2008, when it was valued at $30.2 million, or 4% of General Fund tax revenues. At the onset of the Great Recession, the City relied heavily on the Rainy Day Fund, drawing it down to $10.5 million by the time the 2010 budget was adopted. Since that time, Mayor McGinn recommended, and the Council approved, a small contribution to the Rainy Day Fund, bringing its current value to $11.2 million, or about 1.5% of General Fund tax revenues.

In these fragile economic times, this is not a lot of protection in the event of another unexpected downturn in revenues. In fact, Fitch Ratings noted about the City of Seattle in February 2011:

> *The city's strong reserve policies and practices are a key credit strength given the cyclicality of the regional economy;* ***maintaining designated reserves at least at the current level with a view to rebuilding as economic recovery takes hold is key for retaining the highest credit quality****.*

The Mayor takes this very seriously. While the existing policies have served the City well up to now, they are not reflective of the current economic reality and make it difficult for the City, in an automatic and programmed way, to increase the value of the Rainy Day Fund to the levels that would serve to better protect the City. The existing policies provide two Rainy Day funding mechanisms:

1. Transfers to the fund by ordinance
2. Automatic transfer of actual tax revenues that are in excess of the last official revenue forecast.[5]

Unfortunately, the lukewarm recovery from the Great Recession, and the dampening effect it has on the City's current and forecasted future tax revenue growth, means it is unlikely the City will exceed the revenue forecasts by amounts large enough to replenish the Rainy Day Fund any time in the near future. In fact, in the last two years, actual tax revenue growth has ended below forecast –$3.2 million below in 2009 and $3.6 million below in 2010. And, with tax revenue growth forecast at a meager 3.4% average annual rate through 2015, hope of replenishing the Fund with revenue booms is unlikely.

The 2012 Proposed Budget contributes $1.95 million to the Rainy Day Fund.

As a result, the Mayor transmitted legislation to the City Council in July that would enhance the City's Rainy Day Fund policies and update them to reflect the new economic reality. Specifically, the legislation updates the policies as follows:

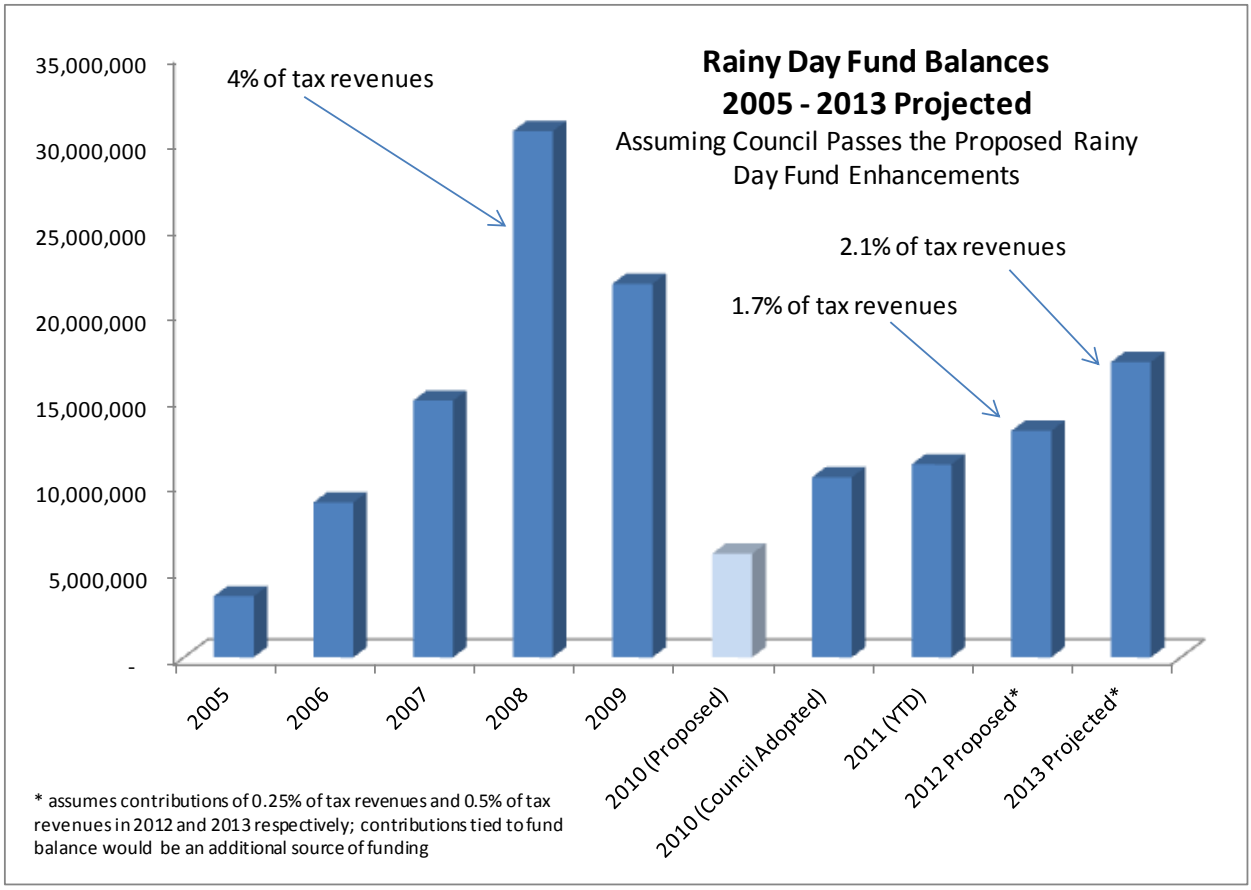
1. Retain the ability to make transfers to the fund by ordinance.
2. Replace the actual revenues in excess of forecast with a mechanism that would automatically shift 50% of unanticipated excess General Subfund year-end balance to the Rainy Day Fund.
3. Create a new policy that would automatically sweep a percentage of forecasted tax revenues at the outset of the budget process to the Rainy Day Fund, starting with 0.25% of tax revenues for 2012 and ramping up to 0.50% of tax revenues for 2013 and beyond.
4. Suspend the funding mechanisms when tax revenue growth is negative.
5. Require out-year financial projections be evaluated when developing plans to draw down the Rainy Day Fund.
6. Maintain the existing policy that caps the value of the Rainy Day Fund at 5% of tax revenues.[6]

For additional background on the Rainy Day Fund and the Rainy Day Fund policy enhancements, please refer to: http://www.seattle.gov/financedepartment/documents/RainyDayFundPresentation-FINAL.pdf

[5] Seattle Municipal Code 5.80.020 (B)

[6] For 2011, would be equivalent to $37.5 million.

The 2012 Proposed Budget assumes that the Council adopts these policies and makes a $1.95 million contribution to the Rainy Day Fund for 2012. Assuming the Council adopts these policies, the projected contribution for 2013 would be approximately $4 million. These contributions would bring the value of the Rainy Day Fund up to 1.7% and 2.1% of tax revenues in 2012 and 2013 respectively. Below is a summary of the recent history of the Rainy Day Fund.



Stabilizing the City's Strained Pension Fund: When Mayor McGinn took office, he inherited a troubled pension fund – the Seattle City Employee Retirement System (SCERS). The financial market crash of 2008 left the fund with a relatively large unfunded liability and insufficient plans to address these challenges. The City of Seattle is one of the only cities in the State of Washington that runs its own pension system – most others participate in the Washington State systems.

Prior to 2008, the City consistently funded SCERS at or above the actuarially recommended level of 80%. However, the erosion of the financial markets left the pension with an unfunded liability of $1 billion and a funding ratio of only 62% at the beginning of 2010. The City had plans to partially address the funding shortfall by increasing the contribution rates of both the participating employees and the City contribution. Over two years (2011 and 2012) the contribution rates for each would increase from 8.03% to 10.03%. But this still left an unfunded liability of $695 million and a funding ratio of only 74%.

The 2012 Proposed Budget includes provisions that will allow the City to increase its annual contributions to SCERS to the full actuarially recommended level. This plan involves a number of

structural changes to the way the Funds' assets are valued over time – in keeping with industry standards and best practices – and adjustments to the financial contributions to the Fund over time. The City's out-year financial plans assume that the City continues to fully fund anticipated annual required contributions as will be actuarially determined.

Investing in the Future: In addition to making investments that enhance the City's financial management practices, the 2012 Proposed Budget also makes several key investments designed to promote the health of the City's revenues. The first example of this is some modest staffing increases in DPD. Construction activity can be an important driver of job creation and economic activity, which in turn impacts City revenues. Before construction activity can begin, permits must be obtained from DPD, so it is in the City's interest that DPD be positioned to efficiently process permit applications. While still struggling to recover from the Great Recession, Seattle has been the center of the resurgence of construction activity in the region and DPD is playing a key role in ensuring that permits are issued in a timely manner. These efforts are paying off – 85% of apartments under construction in the King-Snohomish County region are in Seattle, for a total of 3,000 apartment units, and 90% of all apartment units in the pipeline in the King-Snohomish County region are in Seattle. To build on these gains, the 2012 Proposed Budget adds resources to DPD to process green building permits. Seattle's first Living Building Pilot Program, the Bullitt Foundation's Cascadia Center, is projected to create 94 construction jobs and 141 direct permanent jobs.

The 2012 Proposed Budget adds funding to DPD to process job-creating green building permits.

With an eye toward the budget challenges anticipated for 2013 and beyond, the 2012 Proposed Budget also invests $50,000 from the Volunteer Park Conservatory fund balance to engage in a study to develop options for operating this community asset in a more financially self-sustaining manner.

Non-General Fund Budgets

In preparing the 2011 budget, the City not only faced significant challenges in its General Fund, but also many of its budgets supported primarily by non-General Fund resources, including: DPD, Seattle City Light (SCL), SPU, and SDOT. The picture for 2012 is markedly different. DPD is seeing permit activity pick up slightly, and its budget has stabilized as a result. On the heels of a relatively wet winter and spring, SCL's wholesale power revenues held up, resulting in stability that is allowing SCL to continue to assume the same basic rate and budget parameters in the 2012 Endorsed Budget. SPU is seeing similar stability in its Solid Waste and Drainage and Wastewater revenues. These revenues have been largely consistent with forecasts prepared in 2010 for the 2011-2012 rate-setting process, a process which shored up these utilities' fiscal condition in the face of challenging economic circumstances. Similarly, proposed 2012-2014 water rates remedy the overly optimistic forecasts that underlay the 2009-2011 water rates, which were prepared in 2008 before the start of the Great Recession. The new rates for 2012

-2014 propose a combination of expenditure reductions and revenue increases that protect the Water Fund's high bond ratings, ensuring that SPU can continue to borrow at the lowest possible costs, benefitting the utility and the customers it serves.

Unfortunately, SDOT has not seen the same level of stability as these other non-General Fund departments. SDOT is supported by several funding sources, including bonds, federal, state and local grants, state and regional partnership agreements, Bridging the Gap property tax levy, commercial parking tax, fees for service, real estate excise taxes, street vacations, Gas Tax, and an annual allocation from the City's General Fund.

The 2012 Proposed Budget closes a $10 million gap in SDOT.

Following the trend of recent years, the amount of revenue from many of these sources continues to decrease in 2012. General Fund budget pressures in 2012 and future years require that SDOT make budget reductions. SDOT is also experiencing funding decreases from other sources. Taken together with the General Fund reductions, SDOT's 2012 Proposed Budget closes a $10 million gap. Other specific revenue shortfalls include:

- Gas Tax continues a steady decline that began in 2007. For 2012 SDOT expects to receive $1 million less than was assumed in the 2012 Endorsed Budget.
- Reimbursable revenues in the 2012 Proposed Budget are projected to be $2.8 million less than what was assumed in the 2012 Endorsed Budget. Most of this revenue is generated by utility cut restoration work, which has plummeted as a result of continued economic weakness. At its peak in 2008, utility cut restoration work represented $10.6 million in inflation-adjusted dollars. For 2012, SDOT now projects only $4.1 million in revenues from this source.
- Street Use revenues tell a similar story. The 2012 Proposed Budget projects a $2.5 million decrease from the 2012 Endorsed Budget. This represents a 31% decrease from the 2008 peak.

SDOT addresses these shortfalls through a combination of staff reductions, both line staff and at the planning and management ranks; through the use of alternate revenues sources, including some proceeds from the sale of the Rubble Yard property; the allocation of the proceeds from the $20 Vehicle License Fee approved in 2010; and some service level reductions. The SDOT budget is explained in further detail in the later pages of the 2012 Proposed Budget Book.

Looking Ahead

As is typically the case, the 2012 Proposed Budget is based on the August revenue forecast, which uses data through July as its foundation. This forecast shows that the General Fund, through the first half of 2011, was continuing to see revenue stability that first started taking hold late in the fall of 2010. Unfortunately, the

picture has changed substantially since July. Confidence in the economy began eroding again in August on the heels of the federal debt ceiling debate in Washington, D.C., and the decision by Standard & Poor's to downgrade the U.S. sovereign debt, not to mention ongoing concerns about European debt. As the month of August unfolded, stock prices around the world dropped, wiping out the gains achieved in the first half of 2011 and economists nationally and around the world started lowering their expectations for growth in the latter half of 2011 and into 2012. The prospect of a double-dip recession, while still less than 50%, is higher today than it was just a few months ago. The economy, although growing at an extremely slow pace, is still very fragile.

The economy remains fragile. The 2012 Proposed Budget sets aside a reserve in preparation for potential revenue weakness.

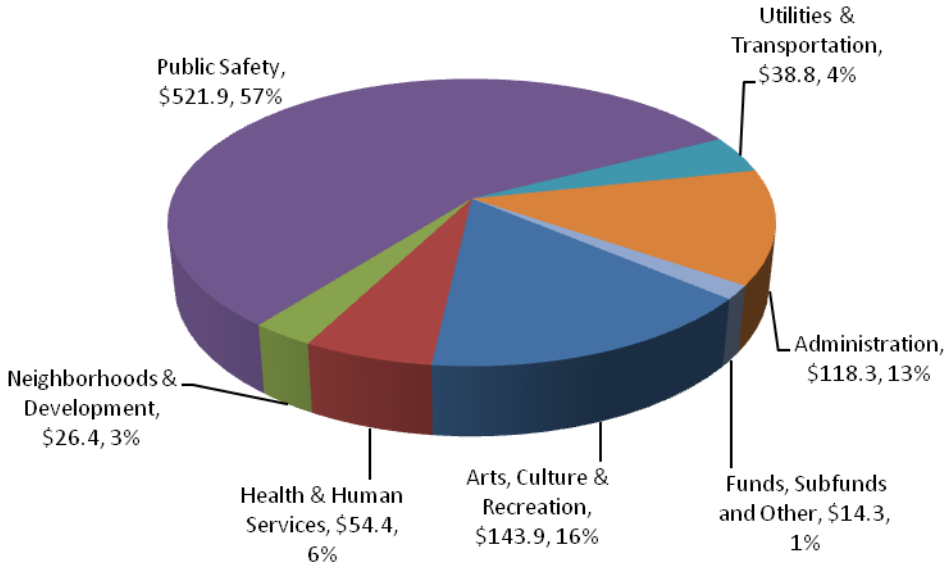
With this backdrop in mind, the City of Seattle's revenue forecasting team is anticipating a modest downward revision in revenues when the General Fund forecast is updated in early November – the timing of the next official forecast. While too soon to balance to this lower forecast, the 2012 Proposed Budget does include provisions to respond to a moderate deterioration in revenues. The City Budget Office has been, and will continue working with Council staff to address additional budget challenges that are likely to result from the November forecast. As a signal of this commitment, the 2012 Proposed Budget includes a $3.4 million reserve to respond to additional erosion in General Fund revenues.

Additional downward revisions in revenues based on the November revenue forecast also have the potential of further exacerbating the projected $32.8 million General Fund Budget gap for 2013. Additional reductions in federal and state funding, as these entities address their own budget challenges, could also increase the scope of the City's budget pressures.

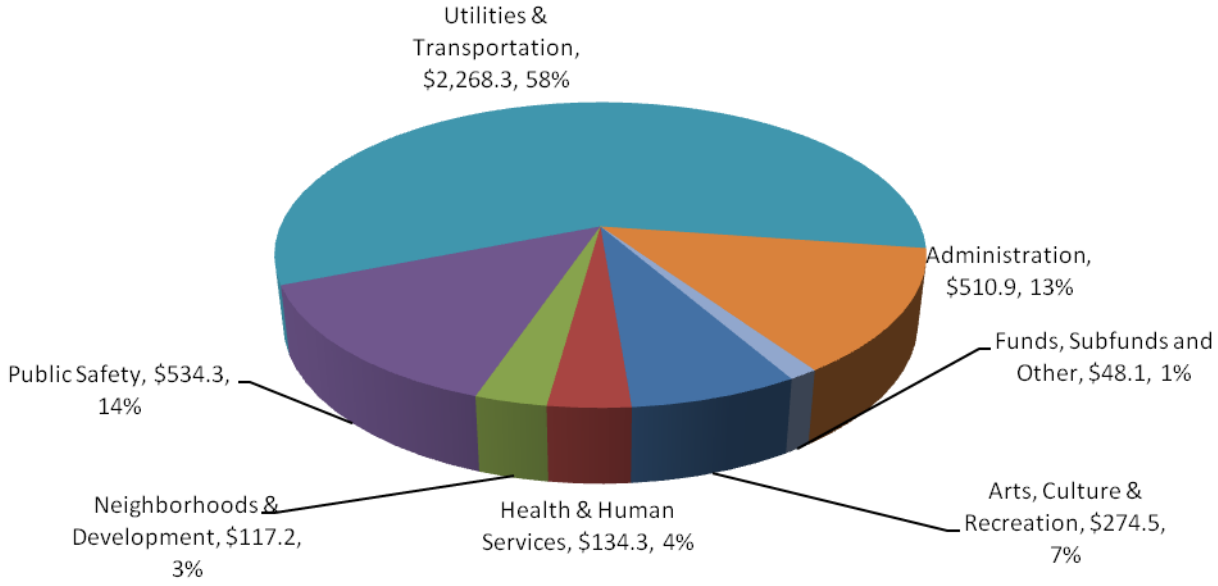
In this environment, it is more important than ever that the City take a longer-term view in evaluating the impact of near-term budget decisions. It is equally important for the executive and legislative branches to continue to build on many of the successful partnerships that are resulting in tangible budget savings for the 2012 Proposed Budget by identifying additional opportunities to transform how the City delivers services for 2013 and beyond.

Summary Charts and Tables

2012 Adopted General Fund Expenditures - $917.9 Million
(in millions of dollars)



2012 Adopted Expenditures - All Funds, $3.9 Billion
(in millions of dollars)



RESOURCES SUMMARY BY SOURCE
(in thousands of dollars)*

TOTAL CITY RESOURCES

Revenue Source	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Taxes, Levies & Bonds	1,087,541	1,077,121	1,086,905	1,127,488	1,014,692
Licenses, Permits, Fines & Fees	145,112	172,419	152,438	176,004	161,392
Interest Earnings	11,519	11,110	13,489	17,346	13,236
Revenue from Other Public Entities	192,041	184,050	206,149	208,508	151,041
Service Charges & Reimbursements	1,225,227	1,306,603	1,315,577	1,408,981	1,386,351
All Else	506,705	536,830	536,338	571,862	574,087
Total: Revenue & Other Financing Sources	**$3,168,145**	**$3,288,133**	**$3,310,896**	**$3,510,188**	**$3,300,800**
Interfund Transfers	523,425	606,782	595,667	549,102	608,197
Balance	298,478	324,824	328,145	304,449	306,287
Total, City Resources	**$3,990,048**	**$4,219,739**	**$4,234,708**	**$4,363,740**	**$4,215,284**

*Totals may not add due to rounding. Total city resources do not equal total city expenditures due to some inter-fund transfers not accounted for in the expenditures table.

Summary Charts and Tables

EXPENDITURE SUMMARY

(in thousands of dollars)

Department	2011 Adopted General Subfund	2011 Adopted Total Funds	2012 Endorsed General Subfund	2012 Endorsed Total Funds	2012 Adopted General Subfund	2012 Adopted Total Funds
Arts, Culture & Recreation						
Office of Arts and Cultural Affairs[1]	0	7,116	0	7,290	0	7,373
The Seattle Public Library[2]	47,519	50,373	48,850	52,212	49,545	53,587
Department of Parks and Recreation	80,057	166,567	84,136	157,229	81,464	175,239
Seattle Center	13,229	38,334	13,305	38,046	12,876	38,340
SubTotal	**140,805**	**262,390**	**146,291**	**254,778**	**143,884**	**274,539**
Health & Human Services						
Educational and Developmental Services Levy	0	17,887	0	17,931	0	19,471
Human Services Department	51,963	136,920	52,122	140,705	54,352	114,870
SubTotal	**51,963**	**154,807**	**52,122**	**158,636**	**54,352**	**134,340**
Neighborhoods & Development						
Office of Economic Development	6,339	6,339	5,875	10,879	5,865	9,957
Office of Housing	520	39,739	629	41,603	86	40,472
Department of Neighborhoods	10,167	10,167	10,411	10,411	8,464	8,464
Neighborhood Matching Subfund	2,939	3,249	2,995	3,309	2,779	3,093
Pike Place Market Levy	0	20,660	0	4,156	0	4,102
Department of Planning and Development	9,120	50,277	9,301	51,046	9,196	51,093
SubTotal	**29,086**	**130,431**	**29,211**	**121,403**	**26,390**	**117,180**
Public Safety						
Criminal Justice Contracted Services	24,375	24,375	27,742	27,742	22,742	22,742
Fire Facilities Fund	0	5,874	0	9,232	0	9,232
Firemen's Pension	17,759	20,143	19,919	20,785	18,875	20,189
Law Department	18,369	18,369	18,850	18,850	19,189	19,189
Municipal Jail	0	0	0	0	0	1,000
Police Relief and Pension	22,255	23,028	22,191	22,331	21,312	22,185
Public Safety Civil Service Commission	149	149	152	152	0	0
Seattle Fire Department	158,587	158,587	162,014	162,014	160,957	160,957
Seattle Municipal Court	26,107	26,107	26,585	26,585	26,638	26,638
Seattle Police Department	249,295	249,295	254,911	254,911	252,217	252,217
SubTotal	**516,897**	**525,928**	**532,364**	**542,603**	**521,931**	**534,350**
Utilities & Transportation						
Seattle City Light	0	1,073,167	0	1,140,876	0	1,135,550
Seattle Public Utilities	1,224	822,902	1,254	851,458	1,205	819,238
Seattle Transportation	38,914	306,398	40,023	309,635	37,636	310,651
Seattle Streetcar	0	612	0	629	0	878
Central Waterfront Improvement	0	0	0	0	0	2,000
SubTotal	**40,138**	**2,203,078**	**41,277**	**2,302,598**	**38,841**	**2,268,316**

Summary Charts and Tables

Department	2011 Adopted General Subfund	2011 Adopted Total Funds	2012 Endorsed General Subfund	2012 Endorsed Total Funds	2012 Adopted General Subfund	2012 Adopted Total Funds
Administration						
Civil Service Commission[3]	233	233	238	238	0	0
Civil Service Commissions[3]	0	0	0	0	344	344
City Budget Office	4,012	4,012	4,132	4,132	4,031	4,031
Department of Information Technology	4,274	48,918	4,338	48,938	4,150	49,151
Employees' Retirement System	0	11,760	0	11,894	0	12,257
Ethics and Elections Commission	687	687	655	655	760	760
Finance General	38,551	38,551	40,804	40,804	51,872	51,872
Finance and Administrative Services[2][4]	20,866	162,166	21,112	185,800	21,751	172,881
Legislative Department	11,542	11,542	11,866	11,866	11,771	11,771
Office of City Auditor	1,072	1,072	1,098	1,098	1,251	1,251
Office of Hearing Examiner	571	571	585	585	608	608
Office of Immigrant and Refugee Affairs	0	0	0	0	238	238
Office of Intergovernmental Relations	2,016	2,016	2,071	2,071	2,091	2,091
Office of Sustainability and Environment	1,267	1,267	1,308	1,308	1,821	1,821
Office of the Mayor	3,456	3,456	3,516	3,516	3,498	3,498
Personnel Compensation Trust Subfunds	0	188,191	0	200,771	0	184,192
Personnel Department	11,549	11,549	11,620	11,620	11,531	11,531
Seattle Office for Civil Rights	2,226	2,226	2,248	2,248	2,566	2,566
SubTotal	**102,321**	**488,216**	**105,591**	**527,544**	**118,282**	**510,862**
Funds, Subfunds and Other						
Bonds Debt Service[5]	11,152	32,392	13,677	32,227	13,092	20,065
Cumulative Reserve Subfund[6]	0	23,986	0	2,135	0	2,105
Fiscal Reserve Subfunds	0	750	0	100	0	0
Judgment/Claims Subfund	1,191	26,435	1,191	17,830	1,191	17,830
Parking Garage Fund	0	7,842	0	8,093	0	8,093
SubTotal	**12,343**	**91,405**	**14,868**	**60,385**	**14,283**	**48,093**
Grand Total*	**893,551**	**3,856,255**	**921,724**	**3,967,947**	**917,962**	**3,887,680**

*Totals may not add due to rounding

Notes:

(1) Includes a dedicated amount based on receipts from Admission Tax.
(2) Includes General Subfund subsidy to Capital Improvement Projects.
(3) Under the reorganization plan of several City functions, the Office of Economic Development and Office of Housing were proposed as the Department of Housing and Economic Development in the 2012 Proposed Budget; subsequently, this was rejected by Council in the 2012 Adopted Budget. The consolidation of the Public Safety Civil Service Commission and Civil Service Commission was adopted by City Council as Civil Service Commissions.
(4) The amounts in the "Total Funds" column include appropriations from the Asset Preservation Subfund.
(5) The amounts in the "Total Funds" column reflect the combination of the General Subfund Limited Tax General Obligation (LTGO) bond debt obligation and the Unlimited Tax General Obligation (UTGO) bond debt obligation. Resources to pay LTGO debt payments from non-General Subfund sources are appropriated directly in operating funds.
(6) This amount does not include the capital appropriations from Cumulative Reserve Subfund (CRS) that are in the department budgets and excludes the double appropriations from the Department of Transportation. Note that in previous presentations of this table, the CRS support to departments were included in this line.

General Subfund Revenue Overview

City Revenue Sources

City Revenue Sources and Fund Accounting System

The City of Seattle expends $3.9 billion (Adopted 2012) annually on services and programs for Seattle residents. State law authorizes the City to raise revenues to support these expenditures. There are four main sources of revenues. First, taxes, license fees, and fines support activities typically associated with City government, such as police and fire services, parks, and libraries. Second, certain City activities are partially or completely supported by fees for services, regulatory fees, or dedicated property tax levies. Examples of City activities funded in-whole or in-part with fees include certain facilities at the Seattle Center, recreational facilities, and building inspections. Third, City utility services (electricity, water, drainage and wastewater, and solid waste) are supported by charges to customers for services provided. Finally, grant revenues from private, state, or federal agencies support a variety of City services, including social services, street and bridge repair, and targeted police services.

The City accounts for all revenues and expenditures within a system of accounting entities called "funds" or "subfunds." The City maintains dozens of funds and subfunds. The use of multiple funds is necessary to ensure compliance with state budget and accounting rules, and is desirable to promote accountability for specific projects or activities. For example**,** the City of Seattle has a legal obligation to ensure revenues from utility use charges are spent on costs specifically associated with providing utility services. As a result, each of the City-operated utilities has its own fund. For similar reasons, expenditures of revenues from the City's Families and Education Property Tax Levy are accounted for in the Educational and Development Services Fund. As a matter of policy, several City departments have separate funds or subfunds. For example, the operating revenues and expenditures for the City's parks are accounted for in the Park and Recreation Fund. The City also maintains separate funds for debt service and capital projects, as well as pension trust funds, including the Employees' Retirement Fund, the Firefighters Pension Fund, and the Police Relief and Pension Fund. The City holds these funds in a trustee capacity, or as an agent, for current and former City employees.

The City's primary fund is the General Fund. The majority of resources for services typically associated with the City, such as police and fire or libraries and parks are received into and spent from one of two subfunds of the City's General Fund: the General Subfund for operating resources (comparable to the "General Fund" in budgets prior to 1996) and the Cumulative Reserve Subfund for capital resources.

All City revenue sources are directly or indirectly affected by the performance of the local, regional, national, and even international economies. For example, revenue collections from sales, business and occupation, and utility taxes, which together account for 56.2% of General Subfund revenue, fluctuate significantly as economic conditions affecting personal income, construction, wholesale and retail sales, and other factors in the Puget Sound region, change. The following sections describe the current outlook for the local and national economies, and present greater detail on forecasts for revenues supporting the General Subfund, Cumulative Reserve Subfund, and the Transportation Fund.

Revenue Overview

The National and Local Economy, December 2011

National Economic Conditions and Outlook

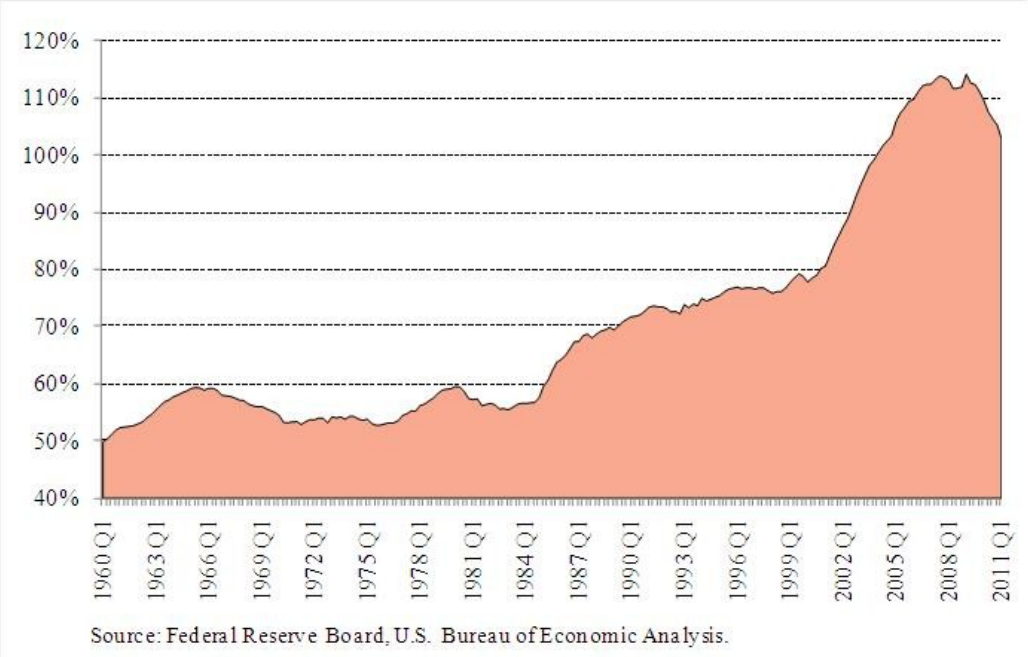
A look back at the roots of the great recession. The great recession officially ended in June 2009, which means the recovery is now two and a half years old. The current recovery is proving to be very different from most recoveries; growth has been unusually weak and whenever the economy has shifted into a higher gear it has been unable to sustain its momentum. Periods of healthy growth have inevitably been followed by periods of stagnation. With economists continuing to puzzle over the future direction of the economy, some insight into the future can be gained by looking back in time and reviewing the events that brought about the worst downturn since the Great Depression.

We can trace the roots of the current recession back to the early 1980s when, in reaction to the high inflation of the 1970s, investors developed a preference for assets, such as stocks and real estate, because they were less vulnerable to erosion by inflation than other types of investments. The early 1980s was also when the federal government began running large budget deficits on an ongoing basis, which has resulted in a buildup in federal government debt. Lastly, the movement to deregulate financial markets got its start in the early 1980s.

The early 1980s ushered in a 25-year period characterized by stable economic conditions and low inflation that is sometimes called the "great moderation." Inflation was low in part because the integration of China and other developing countries into the world economy helped to hold down the price of goods and, to a lesser extent, services. With inflation under control, the Federal Reserve was able to keep interest rates at relatively low levels. In addition, a surplus of savings in many developing countries provided a large pool of money available for investment.

A stable economy made investors feel confident and optimistic, which, combined with an abundance of cheap money, led to excessive borrowing and risk taking and a huge buildup in U.S. household debt (see Figure 1). A lot of the borrowed money was used to purchase assets, which pushed up the price of those assets and eventually led to the buildup of asset bubbles. These bubbles included the housing bubble of the late 1980s, the stock market bubble of the late 1990s, and, biggest of all, the housing bubble of 1998-2006. During the 2000-10 decade, there were also bubbles in energy, food, and other commodities, as well as housing bubbles in numerous countries across the globe.

Figure 1. U.S. Household Debt as a Share of Personal Income



With asset prices rising, Americans cut back on saving and increased their spending, driving the expansion of the world economy. Eventually housing prices rose to a level that could not be sustained, even with exotic mortgage products, and prices began to fall. The collapse of the housing bubble triggered the financial crisis which, in turn, precipitated the worldwide recession. While the housing bubble was the trigger for the downturn, many economists believe the root cause of the financial crisis was the large imbalances in savings and borrowing that had built up between nations.

The preceding review of the roots of the recession has a number of implications for the recovery:

- The problems developed over a 25-year time period, so the return to normalcy will not occur quickly.
- The roots of the downturn are global in nature, which means policy changes are needed in many nations to bring the world economy back into balance.
- The 2007-09 recession was unlike other postwar recessions, so we do not have a roadmap for recovery.
- To have a sustained recovery, the federal government must get its budget deficit under control.
- Consumer spending will be restrained by the need to reduce debt and increase savings.

The recession ended in June 2009, 18 months after it started, making it the longest recession in the post war period. By most measures the recession was the worst since the Great Depression. Real Gross Domestic Product (GDP) declined by 5.1% over a period of six quarters, 8.8 million jobs, representing 6.3% of total jobs, were lost, and the unemployment rate rose to a peak of 10.1%.

Revenue Overview

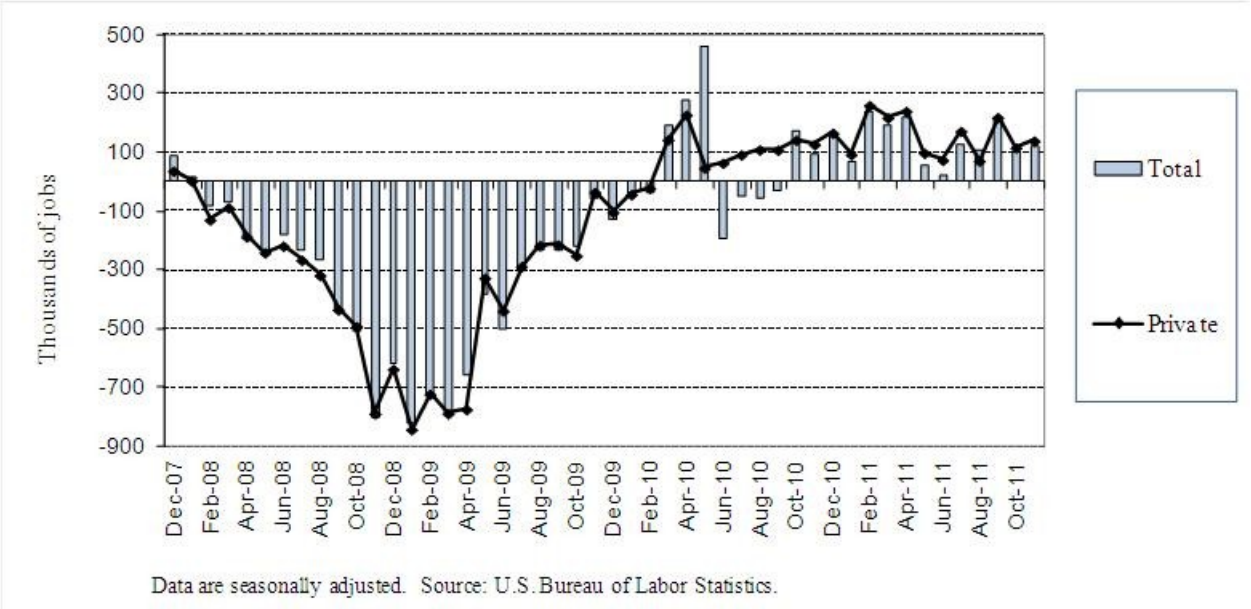
The recovery has been weak and uneven thus far. In its early stages, the recovery received a boost from inventory rebuilding and a buildup in fiscal stimulus spending. However, in the second quarter of 2010, the economy lost momentum as inventory rebuilding slowed and stimulus spending began to plateau. Also weighing on the economy in the second quarter was the emergence of the European financial crisis, in particular the Greek sovereign debt crisis. This increased volatility in the financial markets and reduced growth prospects for Eurozone countries and, consequently, export prospects for U.S. firms.

The economy picked up speed again in the fourth quarter of 2010 and early 2011. However, popular uprisings in several Middle East nations disrupted oil supplies beginning in February 2011, causing a sharp increase in gasoline prices, which, along with increases in food prices, squeezed consumers and dampened consumer spending. An earthquake and tsunami that hit Japan in early March damaged Japan's economy and disrupted the supply chains of global manufacturers, which caused a slowdown in U.S. manufacturing production, particularly of autos. The rise in food and energy prices and the manufacturing slowdown, along with ongoing Eurozone debt troubles, caused the economy to slow. Real GDP, which expanded at an average rate of 3.0% in 2010, slowed to a 0.8% annual rate in the first half of 2011.

The weakened economy was then subjected to the debt ceiling standoff, in which Congress delayed raising the nation's debt ceiling until the U.S. was on the brink of default. This had a deeply unsettling effect, which was reflected in a steep drop in consumer confidence, a sharp drop in the stock market in late July and early August, and rising fears of a double-dip recession. The economy has rebounded somewhat since then. There were modest improvements in the labor market and the manufacturing sector in October and November, and GDP grew by 2.0% in the third quarter, an improvement from the first half of the year. Although conditions have improved in the U.S., the Eurozone situation has deteriorated further, with debt refinancing problems spreading to Italy and interest rates on sovereign debt continuing to rise.

The ups and downs of the recovery are reflected in the employment statistics. With public sector employment figures distorted by 2010 Census-related hiring and layoffs, trends can be discerned best by focusing on private sector employment. After an initial burst of growth in March and April of 2010, private sector employment growth slowed abruptly, then slowly increased over time until accelerating in February – April 2011. It then slowed again in May and June, but has picked up in recent months (see Figure 2). Over the past five months (July – November), the economy has created an average of 144,000 private sector jobs per month.

Figure 2. Monthly Change in U.S. Employment



National forecasters anticipate that the recovery will remain sluggish. History tells us that recessions caused by financial crises are followed by weak recoveries, and thus far the current recovery is unfolding as expected. Despite the improvements in the financial markets, credit remains tight and consumers are under stress due to large declines in wealth, increases in energy and food prices, a weak job market, and sluggish income growth. In addition, the housing market, which is weighed down by foreclosures and underwater mortgages, has yet to exhibit any signs of recovering.

Current expectations are for stronger growth in the fourth quarter, but then a slowing in 2012 caused by a contracting fiscal policy and fallout from the Eurozone financial crisis. Growth is then expected to pick up in 2013 and 2014. The risk of a double-dip recession remains elevated, although it's not so much that the recovery would implode on its own, but rather that the economy is growing so slowly that a shock – even a weak one – could push it into recession.

Puget Sound Region Economic Conditions and Outlook

The region's recession was similar in severity to the national downturn. The impact of national recessions on the Puget Sound Region's economy varies depending on the national recession's characteristics. For example, the 2001 recession was much more severe regionally than nationally, in part because the recession coincided with a steep drop in air travel as a result of the September 11, 2001 terrorist attack. This caused a sharp falloff in the demand for commercial airliners, which led to substantial layoffs at Boeing. On the other hand, the region's economy performed better than the national economy during the 1990-91 national recession, in part because Boeing employment held steady during the recession.

The impact of the 2007-09 recession on the local economy has been similar in severity to its impact on the national economy. While job loss was higher locally, the region's unemployment rate did not rise as high as the national rate and the region's housing market has performed somewhat better than the nation's.

Revenue Overview

During the 2007-09 recession, the Seattle metro area (King and Snohomish Counties) had a peak-to-trough loss of 117,300 jobs, a 7.9% decline. The 7.9% decline exceeded both the national decline of 6.3% and the metro area's 6.8% job loss during the 2001-03 recession. Locally, the most severe job losses were in construction, manufacturing outside of aerospace, and finance. The only major industries to see a significant increase in employment during the downturn were education and health services.

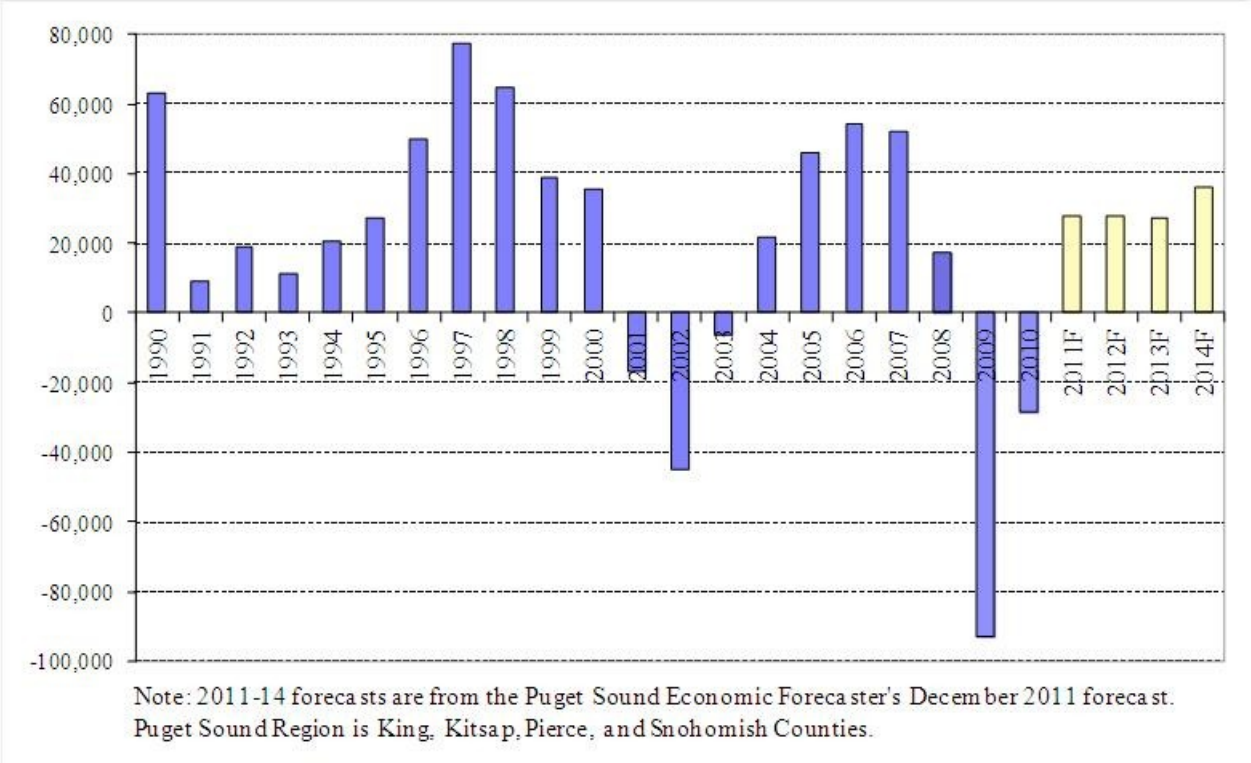
Interestingly, although the region's rate of job loss exceeded that of the nation, the local unemployment rate peaked at 9.4%, significantly below the national peak of 10.1%. One reason is that the region entered the recession with a significantly lower unemployment rate than the nation. The increase in the unemployment rate from pre-recession lows to recession highs was similar for the region and the nation.

Like the nation, the region has suffered through a housing boom and bust over the past ten years, but the housing downturn has been less severe here than nationally. Through the third quarter of 2011, single-family home prices in the region had fallen by 29.2% from their peak four years earlier, compared to a 33.0% peak-to-trough drop nationally, as measured by the Case-Shiller housing price index. In addition, local rates of foreclosure have been lower than national rates.

Thus far the recovery has been stronger locally than nationally. The Seattle metro area has rebounded from the recession more strongly than the nation. Through October, Seattle metro area (King and Snohomish Co.) employment was up 2.8% from its post-recession low in February 2010, compared to a 1.8% gain in U.S. employment over the same period. Areas of strength in the local economy include aerospace, software publishing, professional, scientific, and technical services, health services, and mail order and internet retail. Boeing, which has a backlog of over 3,000 planes on order, is phasing in a series of production increases for its 737, 777, and 787 models in 2011-14. The 787 has been certified by the FAA to carry passengers, work on the Air Force tanker is ramping up, and a redesign of the 737 that will add new fuel efficient engines has been approved recently by Boeing's board. Amazon, which is in the process of moving into its new South Lake Union office complex, has been hiring aggressively.

Despite a relatively healthy start, the region's recovery is expected to be weak by historical standards. The Puget Sound Economic Forecaster expects employment to increase by 1.6% in 2011 and then grow at between 1.5% and 2.1% per year over the next five years. This is a much slower rate of growth than is typical during recoveries, and is lower than the 2.5% average annual growth rate posted over the past 40 years (which includes periods of recession). Housing will recover more slowly than the rest of the economy, with housing starts not expected to move comfortably above recession levels until 2016.

Figure 3. Annual Change in Puget Sound Region Employment



Consumer Price Inflation

Inflation has returned after disappearing during the recession. During the mid-2000s, consumer prices rose steadily, driven in large part by a relentless rise in oil prices from a low of just above $20 per barrel in early 2002 to a peak of $147 per barrel in July of 2008. As oil prices peaked, so did the consumer price index (CPI), with the July 2008 U.S. CPI-U rising to 5.6% measured on a year-over-year basis – its highest level in 17 years. Since then, the worst economic downturn in 80 years pushed inflation rates down to levels not seen since the 1950s. The annual growth rate of the U.S. CPI-U fell to -0.4% in 2009, the first time in 54 years that consumer prices have declined on an annual basis. Prices rebounded in 2010, with the annual CPI-U posting a 1.6% gain. The core CPI, which excludes the volatile food and energy components, remained positive throughout the recession.

Local inflation trends have largely followed national trends, because commodity prices and national economic conditions have a major effect on local prices. The growth rate of the Seattle CPI-U peaked at 4.2% in 2008, and then dropped to 0.6% in 2009 and 0.3% in 2010. Inflation has accelerated in 2011, driven by a rise in prices for energy and other commodities. For the first three quarters of 2011, the Seattle CPI-U was up 2.4% from the same period in 2010, and the Seattle CPI-W, which is more sensitive to energy price movements, was up 2.9%.

With energy prices falling, inflation is expected to moderate. In the short-term, inflationary pressures are expected to ease, as the weakness of the global economy puts downward pressure on the prices of commodities, goods, and services. With unemployment expected to remain elevated, wage pressures will remain subdued. Going forward, the CPI is expected to average near 2%.

Revenue Overview

Figure 4 presents historical data and forecasts of inflation for the U.S. and the Seattle metropolitan area through 2014. The forecasts are for the CPI-W, which measures price changes for urban wage earners and clerical workers (the CPI-U measures price changes for all urban consumers). The specific growth rate measures shown in Figure 4 are used as the bases of cost-of-living adjustments in City of Seattle wage agreements.

Figure 4. Consumer Price Index Forecast

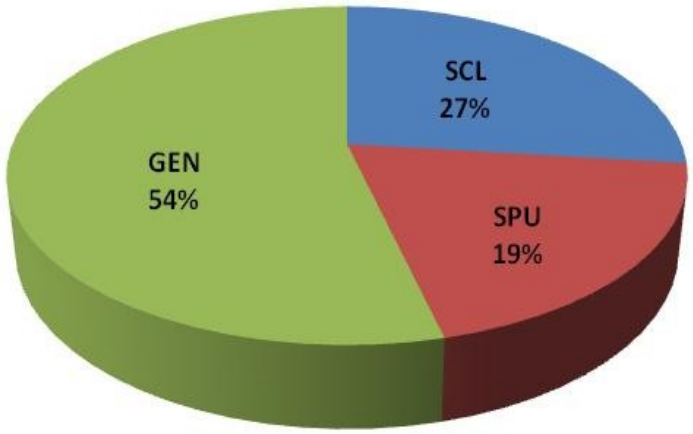
	Seattle CPI-W (June-June growth rate)	**Seattle CPI-W** (growth rate for 12 months ending in June)
2011 (actual)	3.7%	1.8%
2012	2.0%	2.7%
2013	2.2%	2.1%
2014	2.3%	2.2%

Source: U.S. Bureau of Labor Statistics, City of Seattle.

City Revenues

The City of Seattle projects total revenues of approximately $3.9 billion in 2012. As figure 5 shows, approximately 46% of these revenues are associated with the City's utility services, Seattle City Light, and Seattle Public Utilities' Water, Drainage and Wastewater, and Solid Waste divisions. The remaining 54% are associated with general government services, such as police, fire, parks, and libraries. Money obtained from debt issuance is included in the total numbers as are interdepartmental transfers. The following sections describe forecasts for revenue supporting the City's primary operating fund, the General Subfund, its primary capital subfund, the Cumulative Reserve Subfund, as well as specific revenues supporting the City's Bridging the Gap Transportation program in the Transportation Fund.

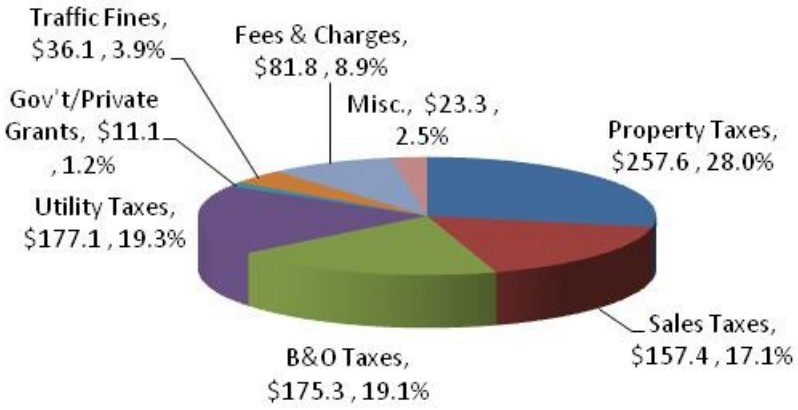
Figure 5. Total City Revenue by Use – Adopted 2012 $3.9 Billion



General Subfund Revenue Forecasts

Expenses paid from the General Subfund are supported primarily by taxes. As Figure 6 illustrates, the most significant revenue source is the property tax, which accounts for 28%, followed by utility taxes, the Business and Occupation (B&O) tax, and sales taxes.

Figure 6. 2012 Adopted General Subfund Revenue Forecast by Source - $919.7M



Revenue Overview

In 2010, general government revenue into the General Subfund totaled approximately $915.9 million. General Subfund revenue is projected to be $889.2 million in 2011 and $919.7 million in 2012. It is important to note that 2010 revenues were artificially high due to contributions from the Revenue Stabilization Account, or "Rainy Day Fund," in the amount of $11.3 million as well as some pass-through revenues that are not appropriated in adopted budgets. Also in 2010, the former Department of Executive Administration (DEA) merged with the former Fleets & Facilities Department (FFD), along with various other City functions, to form the Department of Finance and Administrative Services (FAS). This merger resulted in DEA associated revenues, which formerly accrued to the General Subfund to support work administered by the former DEA, now going directly to FAS's operating fund.

Figure 7 shows General Subfund actual revenues for 2010, adopted and revised revenues for 2011, as well as the endorsed and adopted revenues for 2012. The severity of the national recession, which technically ended in the summer of 2009, has continued to mute the City's tax revenues with a paltry 0.5% growth in 2010, followed by 2.5% and 2.9% in 2011 and 2012. The main cause of the slower growth rates are the B&O and sales taxes. While expanding, these revenue sources are changing

very slowly from year to year. The economic downturn, while led by real estate, has also severely constrained consumer behavior, with record job losses and stubbornly high unemployment rates. This is most evident in the declining sales tax base. Construction activity has also declined, which is another source of pressure on sales tax receipts.

Utility tax receipts from both private and public utilities have held up fairly well through the recession and the following period of expansion. Public utilities have seen a number of general rate increases as well as the creation of revenue stabilization accounts. These rate increases have led to higher tax revenues to the City which have served to counteract the muted growth rates in sales and B&O tax receipts. Recent cold weather has also had a positive impact on tax revenues from both City Light and natural gas purveyors.

On-street parking and parking enforcement continue to be a focus for 2011 and 2012 as the City has accelerated its transition to a data-driven, performance based approach to managing on-street parking and implemented a scofflaw booting program to improve payment compliance on parking citations. On net, changes implemented in 2011 and adopted for 2012 are expected to increase on-street parking revenues over 2010, but given rate reductions in several areas relative to the 2011 Adopted and 2012 Endorsed Budgets and the anticipated loss of parking spaces beginning in October 2011 due to construction activity related to the Alaskan Way Viaduct replacement project, significant downward revisions from the 2011 Adopted and 2012 Endorsed Budgets are projected. Revenues from the scofflaw booting program are expected to perform roughly as anticipated in the previous budget projection. The 2012 Adopted Budget recognizes the Seattle Municipal Court's recommendation to increase various parking fines by $5.00, as well as two camera enforcement initiatives. The first is to increase the City's red light camera program by adding 6 locations. The second is to add fixed, speed detection cameras in 4 school zones in an effort to reduce speeds and the likelihood of vehicle-pedestrian accidents.

Voters also approved in November 2011 renewal of the City's Families and Education property tax levy lid-lift. The renewal is for 7 years (2012-2018) with authority to collect up to $231.5 million. The previous levy was also for 7 years (2005-2011) and a total authorized collection amount of $116.78 million.

Significant change in City revenue accounting in 2009. The City Charter requires that the general government support to the Park and Recreation Fund (PRF) be no less than 10% of certain City taxes and fees. Until fiscal year 2009, City treasury and accounting staff would directly deposit into the PRF 10% of these revenues as they were paid by taxpayers. The remaining 90% were deposited into the General Subfund or other operating funds as specified by ordinance. In addition to these resources, City budgets would provide additional General Subfund support to the PRF in amounts which greatly exceeded the 10% amount deposited in the PRF from these taxes and fees.

Beginning in 2009, City staff deposited 100% of the revenue from these taxes and fees directly into the General Subfund or other funds as appropriate. This has greatly simplified City accounting. The General Subfund support to the PRF is increased by an amount equal to PRF revenue from these taxes. For 2011 and 2012, General Subfund support to the Parks and Recreation department will be $78.1 million and $81.3 million. These contributions are well above the $37.5 and $39.5 million that would accrue to parks under the previous 10% accounting approach.

Figure 7. General Subfund Revenue, 2010 – 2012*
(in thousands of dollars)

Revenue Source	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
General Property Tax [(1)]	213,969	218,491	216,748	221,869	223,269
Property Tax - Medic One Levy	36,462	35,164	35,338	35,083	34,355
Retail Sales Tax	133,740	137,118	142,803	143,695	144,924
Retail Sales Tax - Criminal Justice Levy	11,601	12,353	12,274	13,313	12,457
B&O Tax (100%)	158,213	166,636	167,583	176,711	175,344
Utilities Business Tax - Telephone (100%)	32,778	32,868	28,740	33,150	29,721
Utilities Business Tax - City Light (100%)	38,106	41,414	40,880	42,976	42,565
Utilities Business Tax - SWU & priv.garb. (100%)	12,504	13,471	13,383	14,023	13,402
Utilities Business Tax - City Water (100%)	29,455	23,989	23,413	26,592	25,705
Utilities Business Tax - DWU (100%)	29,177	33,049	32,501	34,479	34,077
Utilities Business Tax - Natural Gas (100%)	13,086	12,345	14,506	13,259	13,930
Utilities Business Tax - Other Private (100%)	16,543	16,731	17,207	17,275	17,675
Admission Tax	6,623	5,759	6,036	5,920	5,302
Other Tax	5,366	4,870	4,562	5,070	4,820
Total Taxes	**737,622**	**754,257**	**755,976**	**783,416**	**777,545**
Licenses and Permits	14,244	12,035	11,656	11,982	11,763
Parking Meters/Meter Hoods	27,547	36,502	30,628	41,067	33,524
Court Fines (100%)	29,847	34,148	30,964	34,170	36,080
Interest Income	1,647	1,539	1,315	2,576	1,288
Revenue from Other Public Entities [(2)]	26,601	11,230	11,271	10,802	11,059
Service Charges & Reimbursements [(3)]	54,648	35,903	34,368	36,633	36,542
Total: Revenue and Other Financing Sources	**892,156**	**885,614**	**876,177**	**920,646**	**907,801**
All Else	1,742	1,992	3,187	1,986	2,130
Interfund Transfers [(4)]	22,033	9,809	9,796	663	9,807
Total, General Subfund	**915,930**	**897,416**	**889,161**	**923,295**	**919,738**

NOTES:

(1) Includes property tax levied for the Firemen's Pension Fund per RCW 41.16.060.

(2) Included in 2010 Actual figures are the pass-through revenues that are not appropriated in adopted budgets.

(3) In 2010, the former Dept. of Executive Administration and the former Fleets and Facilities Dept. merged into the Dept. of Finance and Administrative Services. The FAS operating fund now collects DEA's charges that formerly accrued to the General Subfund.

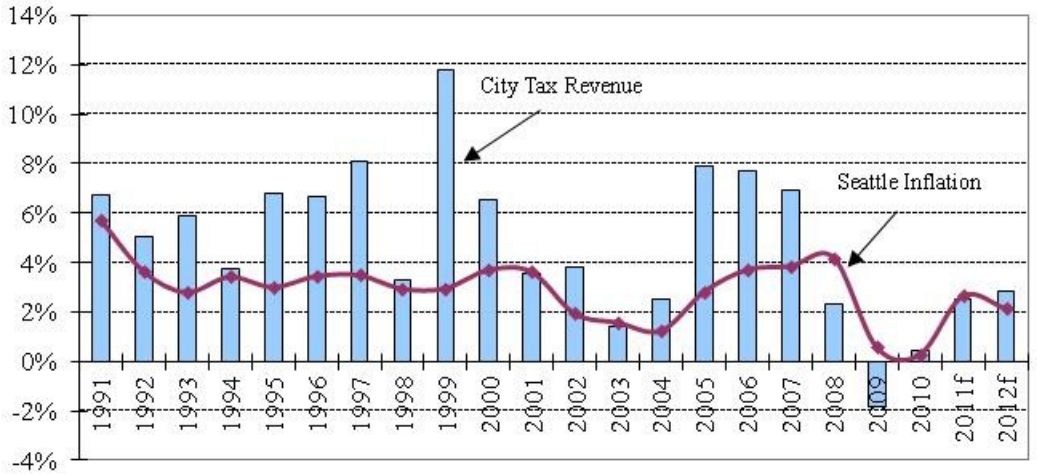
(4) 2010 interfund transfers include the use of Revenue Stabilization Fund funds, otherwise known as the "Rainy-Day" Fund. The 2011 amount includes the $8.5 million loan from the Museum of History and Industry. The 2012 adopted amount includes an $8.1 million transfer from SDOT for the sale of the rubble yard.

* In the past, 10% of certain tax and fee revenues were shown as revenue to the Parks and Recreation Fund and 90% as General Subfund. As of 2009, 100% of these revenues (depicted as "100%" in the table) are deposited into the General Subfund. General Subfund support to the Parks and Recreation Fund is well above the value of 10% of these revenues. This table shows all figures for all years using the new approach.

Revenue Overview

Figure 8 illustrates tax revenue growth outpacing inflation for most of the 1990s and 2000, before the 2001-2003 local recession took hold. Slow growth posted in 2001 is also attributable to Initiative 747, which reduced the statutory annual growth limit for property tax revenues from 6.0% to 1.0%, beginning in 2002. Economic growth starting in 2004 led to very strong revenue growth in 2005 through 2007, staying well above inflation. The tax revenue growth was outmatched by inflation in 2008 and 2009. The Seattle rate of inflation fell to near zero in 2009 and 2010, but tax revenue growth was negative by almost 2% in 2009. Inflation is forecast to be muted, a little above 2% in both 2011 and 2012. Tax revenue growth is forecast to be equally muted with average annual tax growth to be 2.8% in both years.

Figure 8. City of Seattle Tax Revenue Growth, 1991-2012



Property Tax

Property tax is levied primarily on real property owned by individuals and businesses. Real property consists of land and permanent structures, such as houses, offices, and other buildings. In addition, property tax is levied on various types of personal property, primarily business machinery and equipment. The total amount of property taxes imposed by a taxing jurisdiction is approved by ordinance. This approved levy amount is then divided across the assessed value (AV) of all property in the jurisdiction to determine the tax rate. In accordance with the Washington State Constitution and state law, property taxes paid by a property owner are determined by a taxing district's single uniform rate, which is calculated as the rate per $1,000 of assessed value, applied to the value of a given property. Figure 9 shows the different jurisdictions whose rates make up the total property tax rate imposed on Seattle property owners. The King County Assessor determines the value of properties, which is intended to generally reflect 100% of the property's market value.

For the first time in 14 years, total assessed value in the City of Seattle fell in 2010 by approximately 10.3 %. AV fell again in 2011 by 2.9%. The last significant decrease was in 1984 when assessed value dropped by 3.6%. As levy amounts increase or remain constant and as AV falls, tax rates rise. Consequently, in 2010 and 2011, the total property tax rate from all jurisdictions paid by Seattle property owners increased from $7.97 to $9.04 and $9.65 respectively per thousand dollars of AV. For an owner of a home with an AV of $453,300 (the average AV for residences in Seattle), the 2011 tax obligation was approximately $4,380. This compares to a 2010 obligation of approximately $4,055. The City of Seattle's total 2011 tax rate was roughly one-third of the total rate at $3.06, which results in an annual tax obligation of approximately $1,387 for the average valued home. The obligation amount in 2010 was approximately $1,312.

Figure 9 illustrates the components of the City's 2011 property tax: the non-voted General Purpose levy (61%); the six voter-approved levies for specific purposes (34%), known as lid lifts because the voters authorize taxation above the statutory lid or limit; and the levy to pay debt service on voter-approved bonds (5%). The City's nine-year transportation lid lift will generate approximately $40.5 million in 2011, and $41.2 million in 2012. These revenues are accounted for in the Transportation Fund and are discussed later in this section. On November 8, 2011 voters approved the renewal of the Families and Education levy, with a first year 2012 levy amount of $32,101,000.

Statutory growth limits and new construction. The annual growth in property tax revenue is restricted by state statute in two ways. First, state law limits growth in the amount of tax revenue a jurisdiction can collect, currently the lesser of 1% or the national measure of the Implicit Price Deflator. Previously, beginning in 1973, state law limited the annual growth of the City's regular levy (i.e., General Purpose plus voted lid lifts) to 6%. In November 2001, voters statewide approved Initiative 747, which changed the 6% limit to the lesser of 1% or the Implicit Price Deflator, effective for the 2002 collection year. On November 8, 2007, Initiative 747 was found unconstitutional by the state Supreme Court. However, the Governor and state legislature, in a special session on November 29, 2007, reenacted Initiative 747. Second, state law caps the maximum tax rate a jurisdiction can impose. For the City of Seattle, this cap is $3.60 per $1,000 of assessed value and covers the City's general purpose levy, including Fire Pension, and lid lifts. The City tax rate has been well below this cap for many years.

New Construction - In addition to the allowed maximum 1% revenue growth, state law permits the City to increase its regular levy in the current year by an amount equivalent to the previous year's tax rate times the value of property constructed or remodeled within the last year, as determined by the assessor.

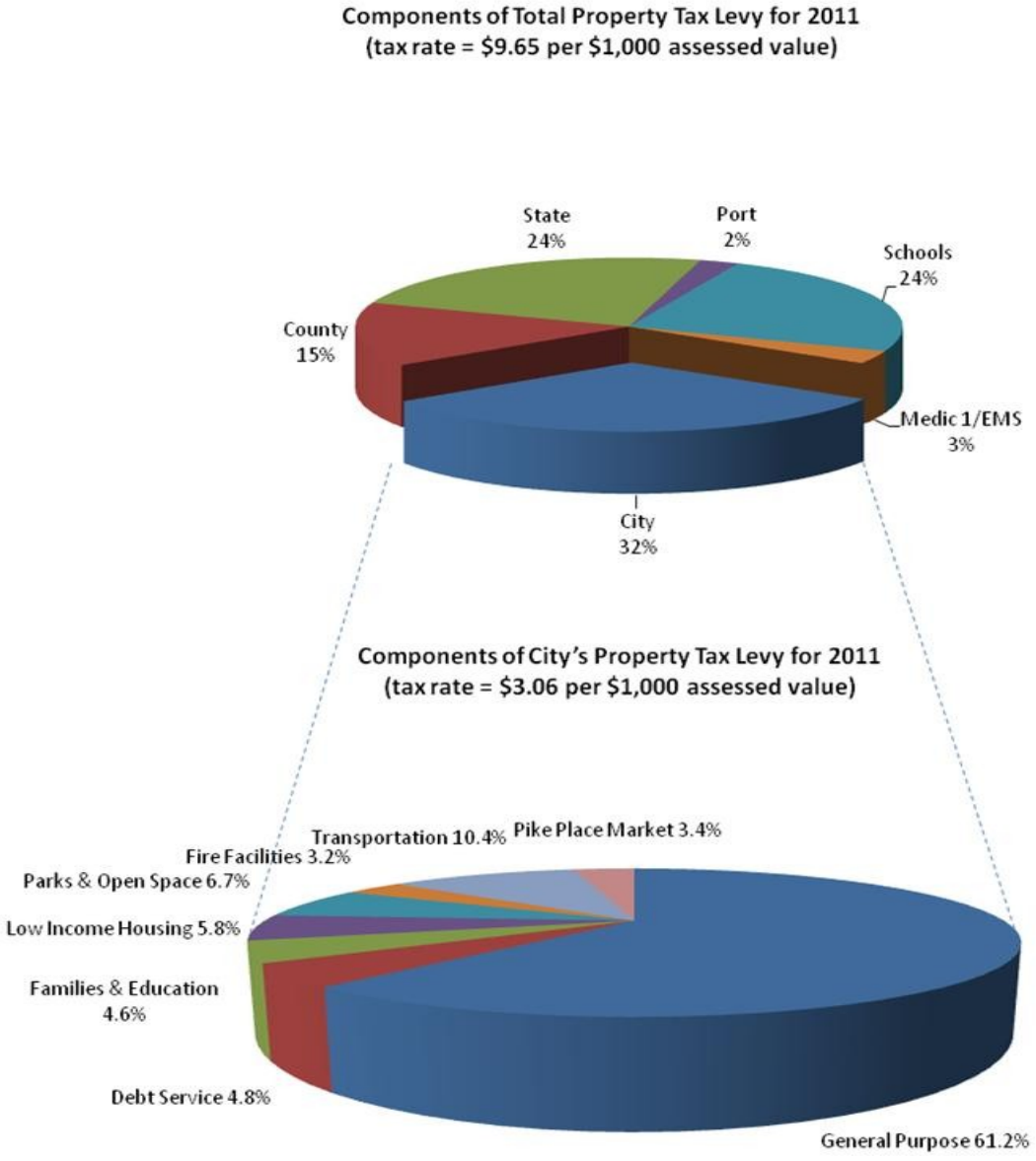
The 2012 Adopted Budget assumes 1% growth plus new construction. Between 1999 and 2010 annual new construction revenues exceeded $2 million, with rapid increases between 2005 ($2.9 million) and 2008 ($6.64 million). New construction revenue for the 2009 tax collection year remained high at $6.38 million, before succumbing to economic realities and falling 35% in 2010 to $4.11 million. Assessed new construction value in Seattle fell an additional 61% between 2010 and 2011, with 2011 revenue falling to $1.95 million -- below the $2 million floor for the first time since 1998. The forecast for 2012 reflects further low levels of new construction activity and revenues of $2.32 million.

The forecast for the General Subfund (General Purpose) portion of the City's property tax is $216.7 million in 2011 and $223.3 million in 2012.

Revenue Overview

Medic 1/Emergency Medical Services. In November 2007, King County voters approved a six-year renewal (2008-2013) of the Medic 1/EMS levy. The approved starting rate was $0.30 per thousand dollars of assessed value, and the rate had begun to decline in 2009 as assessed valuation increased. In 2010, however, assessed valuations of property in King County began to decline (-11.6 percent), driving the Medic 1/EMS tax rate back to its authorized limit of $0.30 per thousand dollars of assessed value. Assessed values decreased further in 2011 (-3.4 percent), and are projected to decrease again in 2012, leading Seattle's Medic 1/EMS revenues to decrease by a projected 3.0 % in 2011, and 2.8% in 2012, to $35.3 million and $34.3 million, respectively.

Figure 9.



Retail Sales and Use Tax

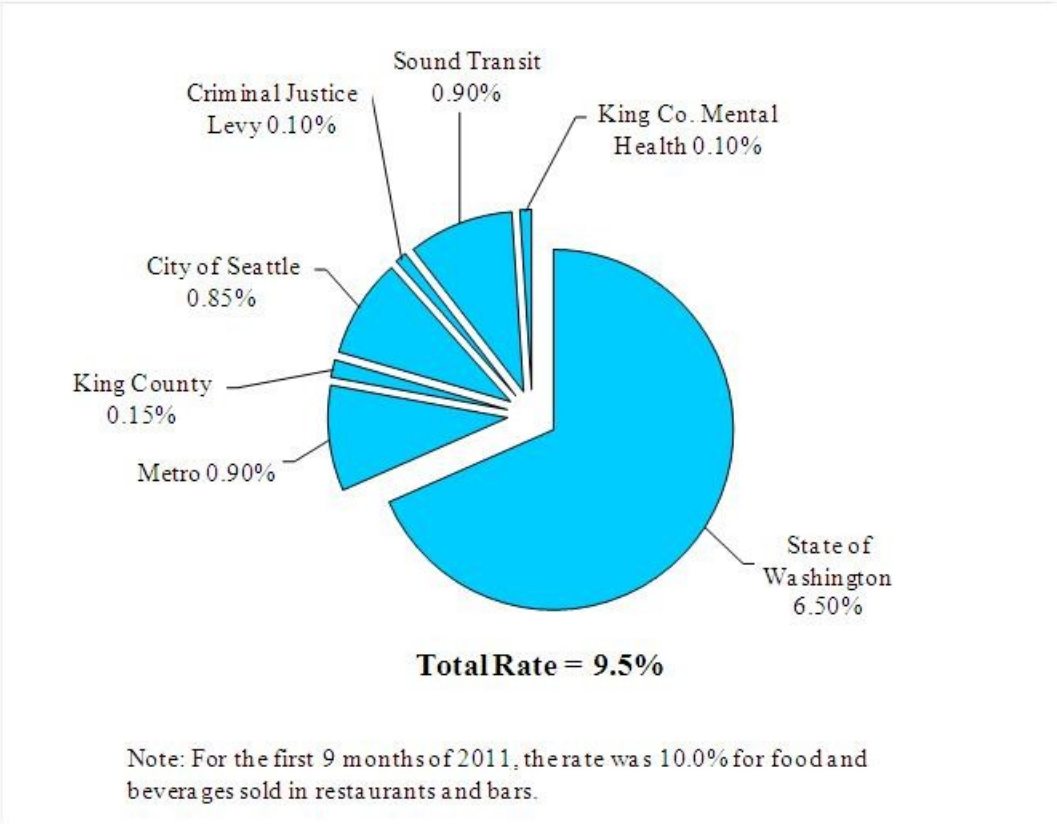
The retail sales and use tax (sales tax) is imposed on the sale of most goods and certain services in Seattle. The tax is collected from consumers by businesses that, in turn, remit the tax to the state. The state provides the City with its share of these revenues on a monthly basis.

The sales tax rate in Seattle is 9.5% for all taxable transactions. The rate was increased from 9.0% on April 1, 2009, following voter approval of a 0.5% rate increase to pay for an expansion of the region's Sound Transit light rail system. That vote increased the sales tax rate for Sound Transit from 0.4% to 0.9%.

Prior to October 1, 2011, the sales tax rate in Seattle had included an additional 0.5% tax on the sale of food and beverages in restaurants, taverns, and bars. This tax was imposed throughout King County in January 1996 to help pay for the construction of a new professional baseball stadium in Seattle. The tax expired because the stadium construction bonds have been paid off.

The basic sales tax rate of 9.5% is a composite of separate rates for several jurisdictions as shown in Figure 10. The City of Seattle's portion of the overall rate is 0.85%. In addition, Seattle receives a share of the revenue collected by the King County Criminal Justice Levy.

Figure 10. Sales and Use Tax Rates in Seattle, 2011



Revenue Overview

Washington State implemented destination based sales taxation on July 1, 2008. On July 1, 2008, Washington brought its sales tax procedures into conformance with the Streamlined Sales and Use Tax Agreement (SSUTA), a cooperative effort of 44 states, the District of Columbia, local governments, and the business community, to develop a uniform set of procedures for sales tax collection and administration that can be implemented by all states. Conformance with SSUTA has had two major impacts on local government sales tax revenue.

- Over 1,000 remote sellers agreed to begin collecting taxes on remote sales made to customers in Washington once the state was in conformance with SSUTA. This has increased both state and local sales tax revenue.

- When a retail sale involves a delivery to a customer, SSUTA requires that the sales tax be paid to the jurisdiction in which the delivery is made. This is called destination based sourcing. Prior to 2008, Washington used origin based sourcing, i.e., allocating the sales tax to the jurisdiction <u>from</u> which the delivery was made. The change from origin based sourcing to destination based sourcing has resulted in a reallocation of sales tax revenue among local jurisdictions

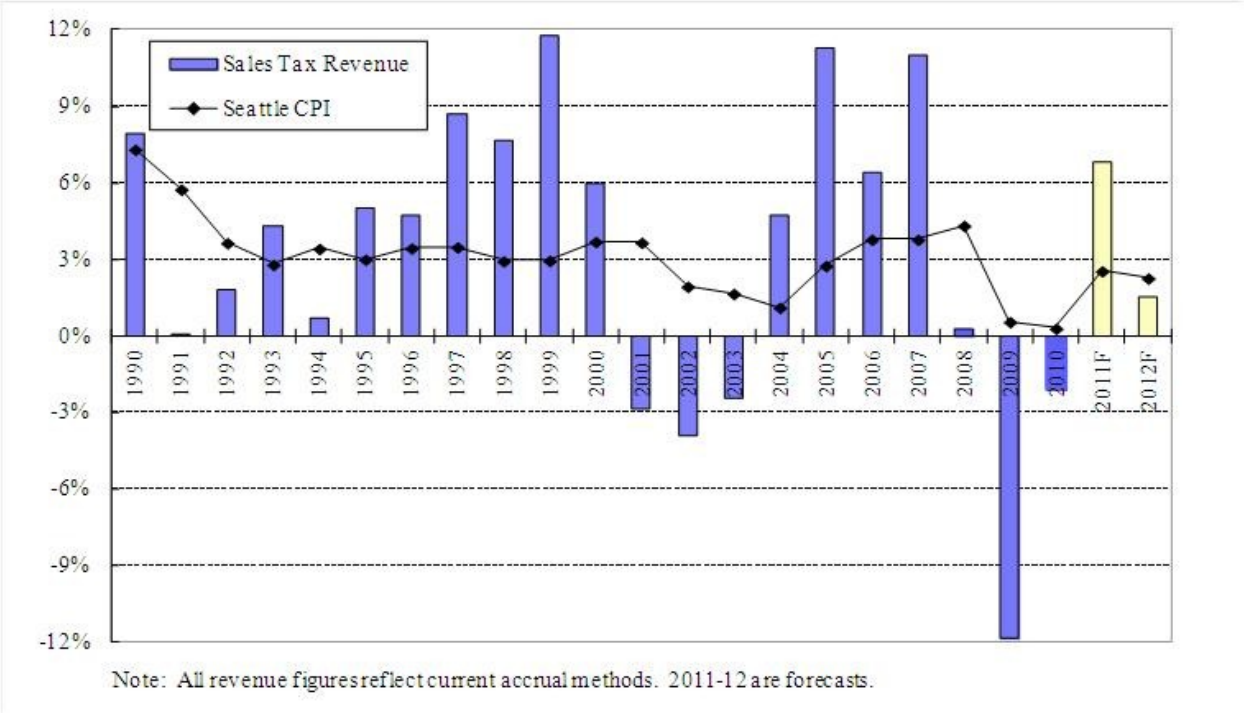
As a result of the changes the state made to comply with SSUTA, Seattle has seen a modest increase in its sales tax revenue according to estimates by the Washington Department of Revenue.

Sales tax revenue has grown and contracted with the region's economy. Seattle's sales tax base grew rapidly in the late 1990s, driven by a strong national economy, expansion at Boeing in 1996-97, and the stock market and technology booms. Growth began to slow in 2000, when the stock market bubble burst and technology firms began to falter. The slowdown continued into 2001 and 2002, and the year-over-year change in revenue was negative for ten consecutive quarters beginning with first quarter 2001. The economy began to recover in 2004, which was followed by three very strong years (2005-07), during which taxable sales grew at an average rate of 9.8%, led by construction's 21.0% growth rate.

With the onset of the national recession, growth began to slow in the first quarter of 2008, continued slowing in the second and third quarters, and then collapsed in the fourth quarter as the financial crisis reached its peak. Seattle's real (inflation adjusted) sales tax base declined by 8.6% in the fourth quarter of 2008, a rate of decline unprecedented during the previous 35 years. The decline continued at a more moderate pace until the fourth quarter of 2009, by which time the real decline in the tax base from 2008 Q1 had reached 19.0%.

Construction, which led the pre-recession build-up in the sales tax base, also led the decline. During the four year period 2004 Q1 – 2008 Q1, taxable sales for construction more than doubled (112.2% increase). In the following three years sales declined by 41.7%, erasing 79 percent of the build-up of the previous four years. Other industries posting the steep declines in taxable sales during the recession were manufacturing, finance and insurance, and, in the retail sector, building materials and garden supplies.

Figure 11. Annual Growth of Retail Sales Tax Revenue



Retail sales tax revenue is forecast to increase by 6.8% in 2011 and 1.5% in 2012. Thanks to an expanding economy, sales tax revenue is growing again, with a 6.8% gain forecast for this year and a 1.5% increase expected in 2012. The 2011 growth rate is boosted by revenue from the state's tax amnesty program, and the low growth rate in 2012 reflects a fall back from the amnesty inflated 2011 level. The sales tax base, which is not affected by the amnesty, is expected to grow 4.9% in 2011 and 3.4% in 2012. Industries that have helped to lead the recovery include wholesale trade, accommodations and food services, motor vehicles and parts, and professional, scientific, and technical services.

The state's amnesty program, which was in effect between February 1 and April 30, 2011, offered taxpayers a temporary tax amnesty that waived penalty and interest payments on certain unpaid business taxes, including the sales tax. The amnesty program generated an estimated $2.6 million in additional sales tax revenue for the City of Seattle. In addition, the City also saw its criminal justice sales tax receipts increase by approximately $250,000 as a result of the amnesty.

Business and Occupation Tax

Prior to January 1, 2008, the Business and Occupation (B&O) tax was levied by the City on the gross receipts of most business activity occurring in Seattle. Under some conditions, gross receipts of Seattle businesses were excluded from the tax if the receipts were earned from providing products or services outside of Seattle.

On January 1, 2008, new state mandated procedures for the allocation and apportionment of B&O income took effect. These procedures were expected to reduce Seattle's B&O tax revenue by $22.3 million in 2008. On January 1, 2008, the City imposed a square footage business tax to recoup the

$22.3 million by taxing a portion of the floor area of businesses that received a tax reduction as a result of the new allocation and apportionment procedures. The new tax was structured so that no business would pay more under the new combined gross receipts and square footage business tax than it did under the pre-2008 gross receipts B&O tax.

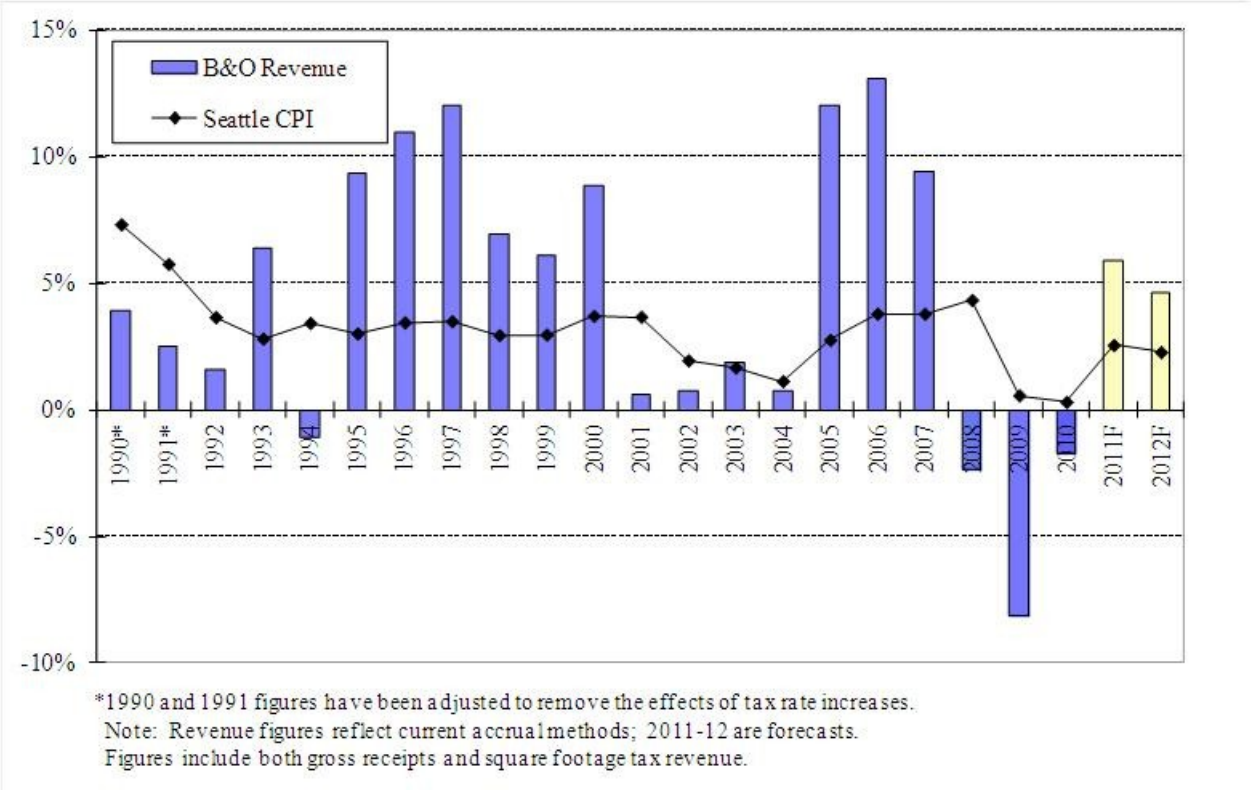
The City levies the gross receipts portion of the B&O tax at different rates on different types of business activity, as indicated in Figure 16 at the end of this section. Most business activity, including manufacturing, retailing, wholesaling, and printing and publishing, is subject to a tax of 0.215% on gross receipts. Services and transporting freight for hire are taxed at a rate of 0.415%. The square footage business tax also has two tax rates. In 2011, the rate for business floor space, which includes office, retail, and production space, is 41 cents per square foot per quarter. Other floor space, which includes warehouse, dining, and exercise space, is taxed at a rate of 14 cents per square foot per quarter. The floor area tax rates are adjusted annually for inflation. The B&O tax has a small business threshold of $100,000; i.e., businesses with taxable gross receipts below $100,000 are exempt from the tax.

Other things being equal, the B&O tax base is more stable than the retail sales tax base. The B&O base is broader than the sales tax base, is less reliant on the construction and retail trade sectors, and is more dependent upon the service sector (most services are not subject to the sales tax). Included in the forecast of B&O tax revenue are projections of tax refund and audit payments, and estimates of tax penalty and interest payments for past-due tax obligations.

B&O revenue grew rapidly from 2005 through 2007, then succumbed to the recession in 2008. Beginning in 1995, the City made a concerted effort to administer the B&O tax more efficiently, educate taxpayers, and enforce tax regulations. As a result of these efforts, unlicensed businesses were added to the tax rolls, businesses began reporting their taxable income more accurately, and audit and delinquency collections increased significantly – all of which helped to increase B&O receipts beginning in 1996. In 2000, B&O revenue was boosted by changes the state of Washington made in the way it taxes financial institutions. These changes affected the local tax liabilities of financial institutions.

When the region's economy slipped into recession in early 2001, B&O revenue growth slowed abruptly, and remained below 2% for four successive years (see Figure 12). Revenue growth then accelerated sharply in 2005 and averaged 11.5% over the three year period 2005-07. The upswing was led by strong growth in construction, services, finance, insurance, and real estate. The years of plenty ended in 2008, which started out with a healthy 8.3% year-over-year increase in revenue from current economic activity in the first quarter, and ended with a 7.0% year-over-year decline in the fourth quarter. For the year, revenue was down 2.3% from 2007 levels, but 2009 saw the full force of the recession with an 8.2% drop from 2008. The decline was led by construction, manufacturing, wholesale trade, and finance & insurance. Revenue continued to decline in 2010, but at a much more modest 1.7% rate.

Figure 12. Annual Growth of B&O Tax Revenue



Following three years of decline, B&O revenue is forecast to increase in 2011. The B&O tax base hit bottom in the second quarter of 2010 and has been expanding since then. In the first half of 2011, the base grew by a healthy 7.6% on a year-over-year basis, led by health services, professional, scientific, and technical services, manufacturing, and wholesale trade. The forecast expects growth to continue as the economy expands, yielding revenue increases of 5.9% in 2011 and 4.6% in 2012.

Utility Business Tax - Private Utilities

The City levies a tax on the gross income derived from sales of utility services by privately owned utilities within Seattle. These services include telephone, steam, cable communications, natural gas, and refuse collection for businesses.

Cold weather leads to increases in natural gas tax revenues. The City levies a 6% utility business tax on gross sales of natural gas. The bulk of revenue from this tax is received from Puget Sound Energy (PSE). PSE's natural gas rates are approved by the Washington Utilities and Transportation Commission (WUTC). Another smaller tax is levied on consumers of gas delivered by private brokers. It is also assessed at 6% on gross sales.

The last three years have seen global energy prices whipsaw between record highs and record lows. Natural gas prices reached a high of $13 per million British Thermal Units (BTUs) in July 2008, and then fell to $2.51/mBTU in September 2009. Prices have been in the $4.0 to $5.0/mBTU range for 2011 and are expected to stay there through 2012. The Puget Sound area's winter and spring in 2011 were

particularly cold due to effects from La Nina. This long cold snap has led to larger than expected revenues from natural gas taxes; 17% higher than the Adopted 2011 forecast.

Telecommunications industry continues to change. The utility business tax is levied on the gross income of telecommunication firms at a rate of 6%. After extraordinary growth over several consecutive years in the late 1990s, telecommunication tax revenue growth halted completely in 2002, and began declining in the fourth quarter of that year. A variety of forces – the lackluster economy, industry restructuring, and heightened competition – all served to force prices downward and reduce gross revenues. Additionally, recent technological changes, particularly Voice-over Internet Protocol (VoIP), which enables local and long-distance calling through broadband Internet connections, contribute to the uncertainties in this revenue stream.

All sectors of the industry have been affected to varying degrees by the recession as well as changes in consumer habits. Wireless revenues have been a source of growth as more and more consumers shift to cellular phones as their primary voice option. This growth has come at the expense of traditional telecom providers, from whom the City has seen steady declines in tax receipts. The recent proliferation of smartphones has been a double-edged sword for the City's tax base. While new smartphone users have added to the wireless tax revenue base, the increased use of data and Internet services which are not taxable have caused unexpected declines in the revenue streams. As more and more wireless phone users are using the devices for data transmission instead of voice or text applications, and telecom companies change their rate plans to respond to this consumer behavior, the City will continue to see tax revenue declines. The total telecom tax stream is expected to show -12.3% and 3.4% growth in 2011 and 2012, respectively. 2011 will be negative because of 2010's artificially high receipts from audit payments and as a result of some wireless companies changing their revenue accounting practices to reflect the increased use of non-taxable data services.

Cable tax revenue shows positive growth. The City has franchise agreements with cable television companies operating in Seattle. Under the current agreements, the City levies a 10% utility tax on the gross subscriber revenues of cable TV operators, which accounts for about 90% of the operators' total revenue. The City also collects B&O taxes on miscellaneous revenues not subject to the utility tax. The imposition of a 4.2% franchise fee makes funds available for cable-related public access purposes. This franchise fee, which is deposited in the City's Cable TV Franchise Fee Subfund, increased from 3.5% in June 2006.

Cable revenues have been growing steadily and are expected to continue to do so. Average annual growth for 2011 and 2012 is expected to be 3.2% and 3.4% respectively, ahead of inflation. Amid growing competition from satellite TV, the cable industry has increased its services including additional channels, pay-per-view options, and digital reception, in order to remain competitive, and the increased tax revenues suggest that strategy is working.

Utility Business Tax - Public Utilities

The City levies a tax on most revenue from retail sales collected by City-owned utilities (Seattle City Light and Seattle Public Utilities). Tax rates range from a State-capped 6% on City Light up to a current 15.54% on the City Water Utility. There are no planned tax rate changes; therefore the revenues from the utilities are projected to remain fairly stable, with the exception of those utilities with changes in rate structure.

Rate changes expected in 2012. City Light sells excess power on the wholesale energy market. City Light energy production, almost exclusively hydro power, competes with natural gas in the wholesale market. Due to severe declines in natural gas prices in 2009, and lower than anticipated water levels in 2010, City Light experiences some financial turmoil. Since then water levels have rebounded and natural gas prices have risen enough for City Light to better compete in the wholesale market. A rate increase of 13.8% took effect January 1, 2010, leading to an increase in City Light tax revenues. The City Council also authorized the creation of a rate stabilization fund for the utility. This required an initial 4.5% surcharge that took effect in May of 2010 and then was deactivated in January of 2011. Rates were also increased by 4.3% and were effective January 1, 2011. Similarly, rates will be 3.2% higher in 2012 than 2011. Tax revenues that accrue to the General Subfund will have annual increases of 7.3% and 4.1% in 2011 and 2012, respectively.

Water retail rate increases for 2012. Seattle Public Utilities' Water Utility rates increased by 18.4% in 2009 and then by 9.9% in 2010. In addition to these general rate increases, there was a 10.2% surcharge as a result of a court decision stipulating that Water Utility ratepayers must be refunded from the General Subfund for fire hydrant costs previously paid for through Water Utility rates. This refund was paid for through an increase in the Water Utility tax rate to 19.87% from 15.54%. On January 1, 2011, the surcharge expired and the tax rate is once again 15.54%. A retail rate increase of 13.7% was approved for 2011 and SPU had a water retail rate increase for 2012, leading to a tax revenue growth rate of 9.8% in 2012.

Drainage and Wastewater rate increases mean higher tax revenue growth. As part of the 2011-2012 drainage and wastewater rate study, rate increases have been proposed for both 2011 and 2012. Wastewater rates increased by 14.5% in 2011 and are expected to increase by 3.9% in 2012. Drainage rates increased by 13.1% in 2011 and are set to increase by 11.4% in 2012. Tax receipts from these two utilities will grow by 11.4% and 4.8% in 2011 and 2012, respectively.

Higher Solid Waste rates mean higher tax revenue growth. The utility tax rate on both City of Seattle and commercial solid waste service is currently 11.5%. The Solid Waste Utility has been given approval for average rate increases of 6.0% and 3.5% in 2011 and 2012, respectively. This will lead to tax revenue growth rates of 5.7% and 4.5% in the same years.

Admission Tax

The City imposes a 5% tax on admission charges to most Seattle entertainment events, the maximum allowed by state statute. This revenue source is highly sensitive to swings in attendance at athletic events. It is also dependent on economic conditions, as people's ability and desire to spend money on entertainment is influenced by the general prosperity in the region.

Admission tax receipts have been stable and not severely affected by the economy. There have been some changes to the tax base and to the uses of the tax proceeds. 20% of admission tax revenues, excluding men's professional basketball, were dedicated to programs supported by the Office of Arts and Cultural Affairs (OACA). For 2010, the Mayor and Council agreed to increase this contribution to 75% based on the actual admission tax receipts from two years prior. As a result, OACA is fully funded by the admission tax, except for money received from the 1% for Arts program. The forecasts in Figure 7 for admission taxes reflect the full amount of tax revenue. The Office of Arts and Cultural Affairs section of this document provides further detail on the Office's use of Arts Account revenue from the admission tax and the implementation of this change.

Revenue Overview

A notable change for 2012 is the temporary closure of Husky Stadium for the University of Washington's football season. During the 2012 season the Huskies will play at Century Link Field. The City cannot collect admissions tax from events at Century Link because those revenues are used to pay down the debt on that facility. This will result in a one-year loss of admission-tax revenue of around $900,000.

Parking Meters/Traffic Permits

In spring 2004, the City of Seattle began replacing traditional parking meters with pay stations in various areas throughout the city. Pay stations are parking payment devices offering the public more convenient payment options, including credit cards and debit cards, for hourly on-street parking. Pay station technology also allows the City to adopt different pricing, time limit, and other management parameters on different blocks throughout the city. In the same period, the City has increased the number of parking spaces in the street right-of-way subject to fees and collected more data to measure occupancy, turn over, and other characteristics of on-street parking. The overall objective of these efforts is to provide a more data-driven, outcome based management and price setting approach in pursuit of the expressed policy goals of 1 to 2 open spaces per block-face, reduced congestion, support of business districts, etc.

One element of the performance based parking management program is greater use of the price signal to achieve management objectives. In 2007, SDOT extended pay station control over 2,160 previously non-paid spaces in the South Lake Union area. Under an experimental approach, multiple rates were implemented categorically for these spaces and were to be adjusted periodically to consistently achieve a desired occupancy rate in the area. This approach was extended citywide in 2009 with a three-tiered rate program, with rates varying according to parking demand by area of the city. Accompanying this change in policy, the maximum allowable hourly rate was increased from $1.50 per hour to $2.50 per hour to allow for rate setting flexibility. The 2011 Adopted Budget included a further increase in the maximum allowable hourly rate from $2.50 to $4.00 per hour and an extension of paid evening parking hours from 6 p.m. to 8 p.m. in 7 neighborhoods with high evening use rates. As implemented in 2011, based on measured occupancy throughout the day, SDOT moved from its 3 tiered rate approach to more finely adapted rates by individual neighborhood. Between January and March 2011, on-street parking rates were increased in 4 neighborhoods and decreased in 11 neighborhoods relative to the 2011 Adopted Budget assumptions. The 2012 Adopted Budget goes further, assuming rates are set by neighborhood and where appropriate by sub-neighborhood areas. It also proposes changes to time limits (from 2 to 4 hours) in various neighborhoods and sub-areas.

The Department of Transportation's budget section provides further details of the 2012 adopted changes to the parking management program. Each of the prescribed rate changes implemented in 2011 and adopted for 2012 increase or decrease revenues relative to the 2011 Adopted and 2012 Endorsed rate assumptions. Other changes, such as extending evening paid parking hours from 6 p.m. to 8 p.m. or increasing time limits from 2 to 4 hours are projected to increase revenues. Beginning in October 2011, construction activity related to the Alaskan Way Viaduct replacement project will begin eliminating several blocks of on-street parking in the Pioneer Square area. Altogether, these changes result in significant downward revisions in expected on-street parking revenues from $35.1 million to

$29.4 million in 2011 and $39.6 million to $32.2 million in 2012 between the 2011 Adopted – 2012 Endorsed Budgets to the current 2012 Adopted Budget.

Street Use and Traffic Permits. At $1.83 million, revenues for 2010 ended 18.9 % lower than 2009 actual revenues for traffic-related permit fees, such as meter hood service, commercial vehicle load zone, truck overload, gross weight, and other permits. This decline is in response to declining economic activity, primarily construction activity, requiring permits. The 2012 Adopted Budget assumes continued lower levels of permit activity, but includes a rate increase for Commercial Vehicle Load Zone permits to reflect the increased cost of on-street parking. Total revenues for this category are projected to be $1.98 million in 2011 and $2.18 million in 2012.

Court Fines

Historically, between 70% and 85% of fine and forfeiture revenues collected by the Seattle Municipal Court are from parking citations and fines resulting from enforcement efforts by Seattle Police Department parking enforcement and traffic officers. An additional 8% to 10% comes from traffic tickets. Trends indicated decreases in parking citation volume through 2006. This was in part due to enforcement and compliance changes stemming from the parking pay station technology. However, beginning in 2007 citation volume increased, in part due to changes in enforcement technology and strategies, but also to the addition of three Parking Enforcement Officers (PEOs) authorized as part of the South Lake Union parking pay station extension (described above in the Parking Meter section).

Demand for parking enforcement has also grown with changes in neighborhood development, parking design changes, and enforcement programs in other parts of the city. The City has established several new Restricted Parking Zones (RPZs), especially around the new light-rail train stations through the Rainier Valley. In response, an additional 8 new PEOs were authorized in 2009, 7 in 2010, and 4 in 2011. Two of the four PEOs in 2011 were dedicated to enforcement activities related to the City's scofflaw boot program, which began July 5, 2011. The boot program utilizes mobile license plate recognition cameras and an immobilizing boot device that is attached to scofflaw vehicles, or those with 4 or more outstanding parking citations in collections.

In 2009, the City received $27.2 million in court fines and forfeitures, including $4.7 million from the expanded red light camera enforcement program, which grew from 6 camera locations to 18 in the last quarter of 2008 and to nearly 30 total locations in early 2009. Revenues in 2010 were $29.8 million with approximately $4.8 million from red light camera enforcement. Revenues in 2011 are projected at $30.9 million with $4.66 million from red light cameras. The 2012 Adopted Budget assumes addition of 6 more camera locations, which is anticipated to generate approximately $700,000 in 2012. It also assumes approximately $657,000 in additional 2012 revenues from citations generated by fixed cameras placed in school zones as part of an effort to reduce traffic speeds and the likelihood of car-pedestrian accidents in and near the city's schools. Finally, the 2012 Adopted Budget incorporates the Court recommended $5.00 increase in parking fine amounts and an additional attorney in the City Attorney's Office to staff contested infraction cases. With the added enforcement, program changes, and rate changes, total fines and forfeitures revenues are projected at $36.0 million in 2012. These totals include an anticipated $5.8 million from red light and school-zone speed enforcement cameras.

Revenue Overview

Interest Income

Through investment of the City's cash pool in accordance with state law and the City's own financial policies, the General Subfund receives interest and investment earnings on cash balances attributable to several of the City's funds or subfunds that are affiliated with general government activities. Many other City funds are independent, retaining their own interest and investment earnings. Interest and investment income to the General Subfund varies widely, subject to significant fluctuations in cash balances and changes in earnings rates dictated by economic and financial market conditions.

After several years of short-term interest rates ranging between 3% and 5%, short-term interest rates fell significantly beginning in 2008, dropping to 0.5% and below by the 4th quarter of 2008. These rates have remained low in 2009-2011 and are projected to remain low through 2012. Medium and long-term rates have declined significantly as well during this same time period, and may take equally as long to recover. Expectations for earnings rates and uncertainty over institutional response to economic and financial conditions have led the City to move its investment portfolio into shorter-term securities, as previously held securities matured. The annual yield for 2010 was 1.06%, with projected 2012 Adopted Budget yields of 0.79% in 2011, and 0.74% in 2012. Current estimates for General Subfund interest and investment earnings are $1.31 million in 2011, and $1.28 million in 2012.

Revenue from Other Public Entities

Washington State shares revenues with Seattle. The State of Washington distributes a portion of tax and fee revenue directly to cities. Specifically, portions of revenues from the State General Fund, liquor receipts (both profits and excise taxes), and motor vehicle fuel excise taxes, are allocated directly to cities. Revenues from motor vehicle fuel excise taxes are dedicated to street maintenance expenditures and are deposited into the City's Transportation Fund. Revenues from the other taxes are deposited into the City's General Subfund.

The State's budget leads to small declines in Criminal Justice revenues. The City receives funding from the State for criminal justice programs. The State provides these distributions out of its General Fund. These revenues are allocated on the basis of population and crime rates relative to statewide averages. For the 2012 and 2013 state budgets, these distributions were cut by 3.4% in each year, leading to small declines in the revenue stream for Seattle.

A new initiative could lead to increased liquor revenues. In recent years the City's share of Liquor Board profits has stabilized to around $4 million a year. These are funds recorded as net income for the liquor board in its operation of liquor sales in the State of Washington. 40% of these funds are distributed quarterly to cities and towns on the basis of population. Liquor excise taxes, which are levied on the sale of liquor, have stabilized to providing Seattle almost $3.0 million a year. In the 2012-2013 State Budget, the distributions were cut by 3.4%, which will lead to small declines in these state-shared revenues. Also, there is a new initiative that seeks to remove the state from its monopoly on sales of spirits that passed in November of 2011. This initiative will likely result in increased revenues to the City from new license fees and taxes that will be assessed on private retailers and wholesalers. The impact could range between $2 million and $4.5 million a year.

Service Charges and Reimbursements

Internal service charges reflect current administrative structure. In 1993, the City Council adopted a resolution directing the City to allocate a portion of central service expenses of the General Subfund to City utilities and certain other departments not supported by the General Subfund. The intent is to allocate a fair share of the costs of centralized general government services to the budgets of departments supported by revenues that are largely self-determined. These allocations are executed in the form of payments to the General Subfund from these independently supported departments. The former Department of Executive Administration (DEA) has merged with the former Fleets & Facilities Department (FFD) into the Department of Finance and Administrative Services (FAS). This means that central service charges that accrued to the General Subfund to support the former DEA's work now go directly to FAS's operating fund. More details about these cost allocations and methods are detailed in the Cost Allocation section of this budget.

Interfund Transfers

Interfund transfers. Occasionally, transfers from departments to the General Subfund take place to pay for specific programs that would ordinarily be executed by a general government department or to capture existing unreserved fund balances. A detailed list of these transfers is included in the General Subfund revenue table found in the Funds, Subfunds, and Other section.

In ratifying the 2012 Budget, it is the intent of the City Council and the Mayor to authorize the transfer of unencumbered, unreserved fund balances from the funds listed in the General Subfund revenue table to the General Subfund.

Cumulative Reserve Subfund – Real Estate Excise Tax

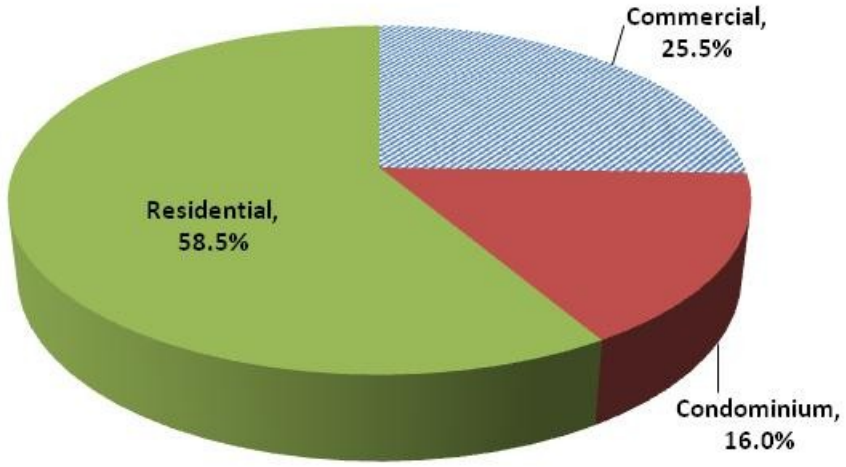
The Cumulative Reserve Subfund resources are used primarily for the maintenance and development of City general government capital facilities. These purposes are supported mainly by revenues from the Real Estate Excise Tax (REET), but also, to a lesser degree, by the proceeds from certain property sales and rents, street vacation revenues, General Subfund transfers, and interest earnings on subfund balances.

The REET is levied by the City at a rate of 0.5% on sales of real estate measured by the full selling price. Because the tax is levied on transactions, the amount of revenue that the City receives from REET is determined by both the volume and value of transactions.

Over time, 58.5% of the City's REET tax base has come from the sale of residential properties, which include single-family homes, duplexes, and triplexes. Commercial sales, which include apartments with four units or more, account for 25.5% of the tax base, and condominiums constitute the remaining 16.0% (see Figure 13).

Revenue Overview

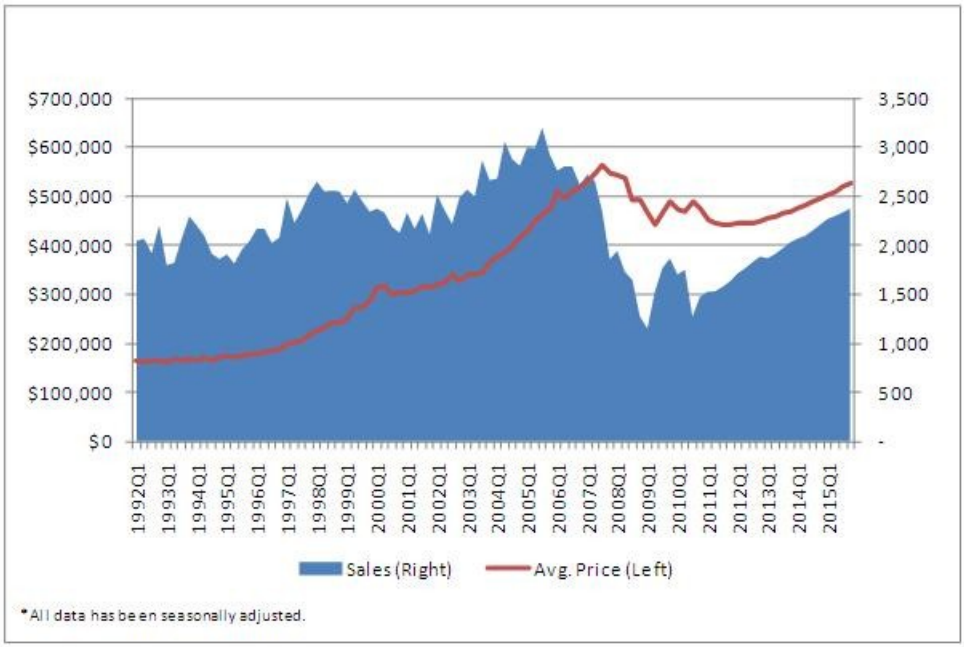
Figure 13. Value of Seattle Real Estate Transactions by Property Type, 1982 - 2010



REET revenue growth continues to be volatile. The value of Seattle real estate transactions (the REET tax base) increased at an average annual rate of 13.1% between 1982 and 2007, a period when Seattle area inflation averaged only 3.4% per year. Growth was particularly strong during the recent boom years, fuelled by low interest rates and a growing economy. 2008 saw the national property bust that started in late 2005 come to Seattle. The REET tax base declined 50.7% from 2007 to 2008, and continued to decline by 23.4% into 2009. The decline has been felt across all three real estate categories. 2010 saw small growth of 3.7% over 2009. 2011 has shown improving numbers especially in the commercial market with a number of large downtown office buildings changing hands. This is expected to provide a robust 19.8% growth in REET over 2010. Growth in 2012 is forecast to be flat; at -0.6%.

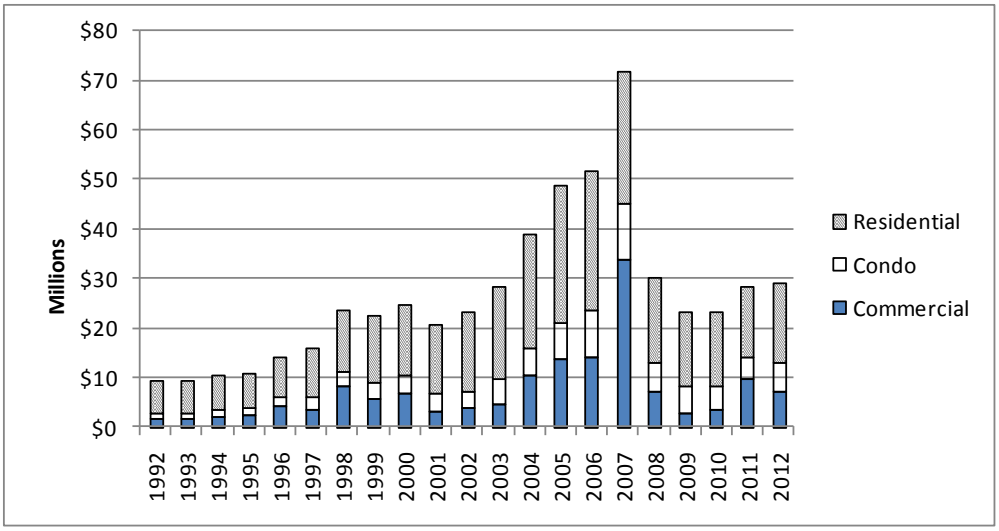
The volatility of REET is reflected by the fact that despite a 9.4% average annual growth rate, the REET tax base declined in eight years during the period 1982 – 2009. This volatility is largely the result of changes in sales volumes, which are sensitive to shifts in economic conditions and movements in interest rates; average prices tend to be more stable over time. That price stability has been severely compromised in this downturn as Seattle area prices for residential properties have fallen 28.4% from their peak, according to the Case/Shiller Home Price Index. Commercial activity tends to be more volatile than the residential market, in part because the sale of a handful of expensive properties can result in significant swings in the value of commercial sales from one year to the next, as was seen in both 2007 and more recently 2011.

Figure 14. Seattle Single-family Home Sales



REET revenue from the residential market appears to have stabilized. It appears that Seattle home sales hit bottom in the early part of 2009, and prices reached their lowest point later that summer (see Figure 14). There was a brief uptick in home sales during the last half of 2009 through the first half of 2010. This was a direct result of the new homebuyer tax credits which incentivized home purchases. Once this credit expired, sales fell back to previous levels. Single-family home prices in Seattle are not expected to show appreciable signs of growth until 2014. The condo market has also stagnated during the downturn and is not expected to move much over the next few years. Any volatility in the REET revenue stream will be due to fluctuations in the commercial property market.

Figure 15. REET Revenues



Transportation Fund – Bridging the Gap Revenue Sources

The Transportation Fund is the primary operating fund whose resources support the management, maintenance, design, and construction of the city's transportation infrastructure. The fund receives revenues and resources from a variety of sources: General Subfund transfers, distributions from the State's Motor Vehicle Fuel tax, state and federal grants, service charges, user fees, bond proceeds, and several other sources more fully presented in the Transportation Department section of this budget document. In September 2006, the City and the voters of Seattle approved the nine-year Phase One of the 20-year Bridging the Gap program aimed at overcoming the City's maintenance backlog and making improvements to the bicycle, pedestrian, bridge, and roadway infrastructure. The foundation of the program was establishing three additional revenue sources: a levy lid lift (Ordinance 122232), a commercial parking tax (Ordinance 122192), and a business transportation, or employee hours tax (Ordinance 122191).

The transportation lid lift is a nine-year levy authorized under RCW 84.55.050 to be collected from 2007 through 2015. The lid lift provides a stable revenue stream that raised $39.6 million in 2010 and is projected to raise $39.9 million in 2011 and $40.6 million in 2012.

The commercial parking tax is a tax on the act or privilege of parking a motor vehicle in a commercial parking lot within the city that is operated by a commercial parking business. The tax rate was initially established at 5% effective July 1, 2007. The rate increased on July 1, 2008 to 7.5%, and then to 10% in 2009. The tax yielded $24.1 million in 2010. The commercial parking tax rate increased to 12.5 % January 1, 2011. The 2012 Adopted Budget projection combines this rate increase with economic and tax base growth assumptions and results in an estimated additional $5.3 million in 2011, raising the total forecast to $29.4 million. Commercial Parking Tax revenue in 2012 is estimated at $30.7 million. As noted, the original 10% commercial parking tax was established as part of the Bridging the Gap transportation program. These additional revenues from the 2.5% increase are authorized to fund a variety of transportation purposes, which are described in the Department of Transportation's section of this budget.

The business transportation tax (or employee hours tax) was a tax levied and collected from every firm for the act or privilege of engaging in business activities within the city of Seattle. The amount of the tax was based on the number of hours worked in Seattle or, alternatively, on a full-time equivalent employee basis. The tax rate per hour was $0.01302, which is equivalent to $25 per full-time employee working at least 1,920 hours annually. Several exemptions and deductions were provided in the authorizing ordinance. Most notably, a deduction was offered for those employees who regularly commuted to work by means other than driving a motor vehicle alone. The tax raised $4.8 million in 2008 and $5.9 million in 2009. The tax was eliminated effective in 2010. This decision was supported by the performance of the commercial parking tax, the difficult economic situation facing businesses, and the costs to businesses and the City of administering the tax.

Figure 16. Seattle City Tax Rates

	2007	2008	2009	2010	2011
Property Taxes (Dollars per $1,000 of Assessed Value)					
General Property Tax	$1.88	$1.70	$1.55	$1.78	$1.87
Families & Education	0.16	0.14	0.12	0.14	0.14
Seattle Center/Parks Comm. Ctr.	0.01				
Parks and Open Space	0.26	0.18	0.18	0.20	0.20
Low Income Housing	0.04	0.03	0.03	0.17	0.17
Fire Facilities	0.20	0.17	0.15	0.09	0.10
Transportation	0.35	0.31	0.27	0.31	0.32
Pike Place Market			0.09	0.10	0.10
Emergency Medical Services	0.21	0.30	0.27	0.30	0.30
Low Income Housing (Special Levy)	0.08	0.07	0.06		
City Excess GO Bond	0.25	0.17	0.13	.014	0.15
Retail Sales and Use Tax	0.85%	0.85%	0.85%	0.85%	0.85%
Business and Occupation Tax					
Retail/Wholesale	0.215%	0.215%	0.215%	0.215%	0.215%
Manufacturing/Extracting	0.215%	0.215%	0.215%	0.215%	0.215%
Printing/Publishing	0.215%	0.215%	0.215%	0.215%	0.215%
Service, other	0.415%	0.415%	0.415%	0.415%	0.415%
International Finance	0.415%	0.415%	0.415%	0.150%	0.150%
City of Seattle Public Utility Business Taxes					
City Light	6.00%	6.00%	6.00%	6.00%	6.00%
City Water	15.54%	15.54%	19.87%	19.87%*	15.54%
City Drainage	11.50%	11.50%	11.50%	11.50%	11.50%
City Wastewater	12.00%	12.00%	12.00%	12.00%	12.00%
City Solid Waste	11.50%	11.50%	11.50%	11.50%	11.50%
City of Seattle Private Utility B&O Tax Rates					
Cable Communications (not franchise fee)	10.00%	10.00%	10.00%	10.00%	10.00%
Telephone	6.00%	6.00%	6.00%	6.00%	6.00%
Natural Gas	6.00%	6.00%	6.00%	6.00%	6.00%
Steam	6.00%	6.00%	6.00%	6.00%	6.00%
Commercial Solid Waste	11.50%	11.50%	11.50%	11.50%	11.50%
Franchise Fees					
Cable Franchise Fee	4.20%	4.20%	4.20%	4.20%	4.20%
Admission and Gambling Taxes					
Admissions tax	5.00%	5.00%	5.00%	5.00%	5.00%
Amusement Games (less prizes)	2.00%	2.00%	2.00%	2.00%	2.00%
Bingo (less prizes)	10.00%	10.00%	10.00%	10.00%	10.00%
Punchcards/Pulltabs	5.00%	5.00%	5.00%	5.00%	5.00%

*The 19.87% rate was effective March 31, 2009, and includes a temporary surcharge to respond to a court decision. This surcharge expired on December 31, 2010.

Selected Financial Policies

The Revised Code of Washington (RCW) establishes a number of baseline policies that govern how the City of Seattle develops its budget. Below is a summary of the key policies. For additional information about these policies, please refer to RCW Chapter 35.32A.

- The Mayor is required to submit the proposed budget to the City Council no later than ninety days prior to the beginning of the ensuing fiscal year.

- The City Council is required to adopt the budget no later than thirty days prior to the beginning of the ensuing fiscal year. Seattle's fiscal year is the calendar year, January – December.

- The budget proposed by the Mayor and adopted by the City Council must be based on revenue estimates for the ensuing fiscal year that take into account revenue collection experience of the current and prior fiscal years and shall only include revenue sources previously established by law. Estimated revenues may include unencumbered fund balances. Estimated expenditures included in the budget proposed by the Mayor and adopted by the City Council may, in no event, exceed estimated revenues, although the Mayor may recommend expenditures that exceed current revenue estimates when accompanied by proposed legislation that would, if approved by the Council, raise at least an equivalent amount of additional revenue.

- Expenditure allowances enacted by the Council in the budget constitute the budget appropriations for the ensuing fiscal year. The City Council may, adjust these budget appropriations up or down during the fiscal year within available revenues by ordinance.

- The City of Seattle is authorized under State law to enact biennial budgets.[1]

In addition, through a series of Resolutions and Ordinances, the City has adopted a number of financial policies that are designed to protect the City's financial interests and provide a framework and guidelines for the City's financial practices. For additional information about these policies, please refer to the City of Seattle website: http://www.seattle.gov/financedepartment/financial_policies.htm.

Debt Policies

- The City of Seattle seeks to maintain the highest possible credit ratings for all categories of short- and long-term General Obligation debt that can be achieved without compromising delivery of basic City services and achievement of adopted City policy objectives.

- The City will reserve $100 million of legal limited tax (councilmanic) general obligation debt capacity, or 12% of the total legal limit, whichever is larger, for emergencies. The 12% reserve is now significantly greater than $100 million.

- Except in emergencies, net debt service paid from the General Subfund will not exceed 9% of the total General Fund budget. In the long run, the City will seek to keep net debt service at 7% or less of the General Fund budget.

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[1] Currently the City does not officially adopt a biennial budget, but instead adopts the budget for first year and endorses the budget for the second year of each biennium. During the mid-biennium the second year endorsed budget is modified and then adopted.

Selected Financial Policies

General Fund Fund Balance and Reserve Policies

- At the beginning of each year, sufficient funds shall be appropriated to the Emergency Subfund so that its balance equals 37.5 cents per thousand dollars of assessed value, which is the maximum amount allowed by state law.

- Annual contributions of 0.50% of forecasted tax revenues are automatically made to the Revenue Stabilization Account of the Cumulative Reserve Subfund (commonly referred to as the "Rainy Day Fund").[2] In addition, 50% of any unanticipated excess General Subfund fund balance at year's end is automatically contributed to the Rainy Day Fund. These automatic contributions are temporarily suspended when the forecasted nominal tax growth rate is negative or when the total value of the Rainy Day Fund exceeds 5% of total tax revenues. In addition to the automatic contributions, the City may also make contributions to the Rainy Day Fund via ordinance. Expenditures from the Rainy Day Fund require the approval of a majority of the members of the Seattle City Council and must be informed by the evaluation of out-year financial projections.

Other Citywide Policies

- As part of the Mayor's budget proposal, the Executive develops a revenue estimate that is based on the best available economic data and forecasts.

- The City intends to adopt rates, fees, and cost allocation charges no more often than biennially. The rate, fee, or allocation charge structures may include changes to take effect at specified dates during or beyond the biennium. Other changes may still be needed in the case of emergencies or other unanticipated events.

- In general, the City will strive to pay for general government current operating expenditures with current revenues, but may use fund balance or other resources to meet these expenditures. Revenues and expenditures will be monitored throughout the year.

- In compliance with State law, no City fund whose purpose is restricted by state or local law shall be used for purposes outside of these restrictions.

- Working capital for the General Fund and operating funds should be maintained at sufficient levels so that timing lags between revenues and expenditures are normally covered without any fund incurring negative cash balances for greater than 90 days. Exceptions to this policy

[2] The 0.50% contribution is lowered to 0.25% of forecasted tax revenues for 2012 and any year immediately following the suspension of contributions as a result of negative nominal tax revenue growth.

City of Seattle Budget Process

Budget Process

Washington state law requires cities with populations greater than 300,000, such as Seattle, to adopt balanced budgets by December 2 of each year for the fiscal year beginning January 1. The adopted budget appropriates funds and establishes legal expenditure limits for the upcoming fiscal year.

Washington state law also allows cities to adopt biennial budgets. In 1993, the City ran a pilot test on the concept of biennial budgeting for six selected departments. In 1995, the City moved from an annual to a modified biennial budget. Under this approach, the City Council formally adopts the budget for the first year of the biennium and endorses, but does not appropriate, the budget for the second year. The second year budget is based on the City Council endorsement and is formally adopted by the City Council after a midbiennial review.

Budgetary Basis

The City budgets on a modified accrual basis. Property taxes, sales taxes, business and occupation taxes, and other taxpayer-assessed revenues due for the current year are considered measurable and available and, therefore, as revenues, even though a portion of the taxes may be collected in the subsequent year. Licenses, fines, penalties, and miscellaneous revenues are recorded as revenues when they are received in cash since this is when they can be accurately measured. Investment earnings are accrued as earned.

Expenditures are considered a liability when they are incurred. Interest on long-term debt, judgments and claims, workers' compensation, and compensated absences are considered a liability when they are paid.

Budget Preparation

Executive preparation of the budget generally begins in February and concludes no later than October 2 with the Mayor's submittal to the City Council of proposed operating and capital improvement program (CIP) budgets. Operating budget preparation is based on the establishment of a current services or "baseline" budget. Current services is defined as continuing programs and services the City provided in the previous year, in addition to previous commitments that will affect costs in the next year or two (when developing the two-year biennial budgets), such as the voter-approved levy for new park facilities, as well as labor agreements and changes in health care, insurance, and cost-of-living-adjustments for City employees. At the outset of a new biennium, current services budgets are established for both the first and second years. For the midbiennium budget process, the Executive may define the current services budget as the second year budget endorsed by the City Council the previous November, or re-determine current service levels. For example, the 2010 Adopted Budget was used as the basis for the 2011-2012 Proposed Budget.

Budget Process

During the budget preparation period, the Department of Finance and Administrative Services (FAS), working in conjunction with the City Budget Office (CBO), makes two General Fund revenue forecasts, one in April and one in August. Both are used to determine whether the City's projected revenues are sufficient to meet the projected costs of the current services budget. The revenue estimates must be based on the prior 12 months of experience. Proposed expenditures cannot exceed the reasonably anticipated and legally authorized revenues for the year unless the Mayor proposes new revenues. In that case, proposed legislation to authorize the new revenues must be submitted to the City Council with the proposed budget.

In May, departments prepared and submitted Budget Issue Papers (BIPs) to CBO for mayoral consideration. The Mayor's Office reviewed and provided direction to departments on the BIPs to be included in the department's budget submittal in early June. In early July, CBO received departmental operating budget and CIP submittals, including all position changes. Mayoral review and evaluation of department submittals took place during the month of August. CBO, in conjunction with individual departments, then finalized the operation and CIP budgets.

The process culminates in the proposed operating budget and CIP. Seattle's budget and CIP also allocate Community Development Block Grant funding. Although this federally funded program has unique timetables and requirements, Seattle coordinates it with the annual budget and CIP processes to improve preparation and budget allocation decisions, and streamline budget execution.

In late September, the Mayor submits the proposed budget and CIP to the City Council. In addition to the budget documents, CBO prepares supporting legislation and other related documents.

Budget Adoption

After the Mayor submits the proposed budget and CIP, the City Council conducts public hearings. The City Council also holds committee meetings in open session to discuss budget requests with department representatives and CBO staff. Councilmembers then recommend specific budget actions for consideration by their colleagues. After completing the public hearing and deliberative processes, and after making changes to the Mayor's proposed budget, the City Council adopts the budget in late November through an ordinance passed by majority vote. The Mayor can choose to approve the Council's budget, veto it, or let it become law without mayoral signature. The Mayor must veto the entire budget or none of it. There is no line-item veto in Seattle. Copies of budget documents are available for public inspection at the CBO offices, at the Seattle Public Library, and on the Internet at http://www.seattle.gov/budgetoffice.

During the budget review process, the City Council may choose to explain its budget actions further by developing statements of legislative intent and budget guidance statements for future budget action. Intent statements state the Council's expectations in making budget decisions and generally require affected departments to report back to the City Council on results. A chart summarizing the City's budget process schedule is provided at the end of this section.

Legal Budget Control

The adopted budget generally makes appropriations for operating expenses at the budget control level within departments, unless the expenditure is from one of the General Fund reserve accounts, or is for a specific project or activity budgeted in the General Subfund category called Finance General. These projects and activities are budgeted individually. Capital projects programmed in the CIP are appropriated in the budget at the program or project level. Grant-funded activities are controlled as prescribed by law and federal or state regulations.

Budget Execution

Within the legally adopted budget authorizations, more detailed allocations, as approved by CBO, are recorded in the City's accounting system, called SUMMIT, at the lowest levels of each department's organizational structure and in detailed expenditure accounts. Throughout the budget year, CBO monitors revenue and spending performance against the budget to protect the financial stability of the City.

Budget Amendment

A majority of the City Council may, by ordinance, eliminate, decrease, or re-appropriate any unexpended appropriations during the year. The City Council, generally with a three-fourths vote, may also increase appropriations from available money to meet necessary expenditures that were not foreseeable earlier. Additional unforeseeable appropriations related to settlement of claims, emergency conditions, or laws enacted since passage of the annual operating budget ordinance require approval by a two-thirds vote of the City Council.

The Budget Director may approve, without ordinance, appropriation transfers within a department or agency of up to 10%, and with no more than $500,000 of the appropriation authority for the particular budget control level or, where appropriate, line item, being increased. In addition, no transfers can reduce the appropriation authority of a budget control level by more than 25%.

In accordance with Washington state law, any unexpended appropriations for operating or ordinary maintenance expenditures automatically lapse at the close of the fiscal year, except for any appropriation continued by ordinance. Unexpended appropriations for capital outlays remaining at the close of the fiscal year are carried forward to the following year, except for any appropriation abandoned by ordinance.

Budget Process Diagram—2012 Adopted Budget

PHASE I – Budget Submittal Preparation

FEBRUARY-MARCH

CBO provides departments with the general structure, conventions and schedule for the-2012 Budget

MARCH - APRIL

CBO prepares revenue projections for 2012

APRIL

CBO issues budget and CIP development instructions to departments

MAY

Departments submit Budget Issue Papers (BIPs) to describe how they will arrive at their budget targets

MAY-JUNE

Mayor's Office and CBO review the BIPs and provide feedback to departments

JULY

Departments submit budget and CIP proposals to CBO based on Mayoral direction

PHASE II – Proposed Budget Preparation

JULY-AUGUST

The Mayor's Office and CBO review department budget and CIP proposals

AUGUST-SEPTEMBER

Mayor's Office makes final decisions on the Proposed Budget and CIP

SEPTEMBER

Mayor presents the Proposed Budget and CIP to City Council

PHASE III – Adopted Budget Preparation

SEPTEMBER-OCTOBER

Council develops a list of issues for review during October and November

OCTOBER-NOVEMBER

Council reviews Proposed Budget and CIP in detail

Budget and CIP revisions developed, as are Statements of Legislative Intent

NOVEMBER-DECEMBER

Council adopts operating budget and CIP

Arts, Culture, and Recreation

2008 Parks Levy

2008 Parks Levy by Budget Control Level

2008 Parks Levy Overview

In November 2008, Seattle voters approved the 2008 Parks and Green Spaces Levy (2008 Parks Levy), a $145.5 million, six-year Levy lid lift for park and recreation purposes. A 16-member Citizen Oversight Committee reviews expenditures, advises on allocations for upcoming budget years, makes recommendations on Opportunity Fund expenditures, and performs other duties.

The 2008 Parks Levy Fund chapter of the budget is an administrative tool for summarizing the approved uses of the Levy. Proceeds from the 2008 Parks Levy are used mainly to support property acquisition, as well as capital expansion, development, and renovation of Department of Parks and Recreation (DPR) facilities. In addition, the Levy funds three projects in the Seattle Department of Transportation Capital Improvement Program (CIP), including the West Duwamish Trail Development, Burke Gilman Trail Extension, and the Lake to Bay Trail (Potlatch) Development, which is part of the Thomas Street Pedestrian Overpass project. This single budget control level reflects SDOT's trail projects funded by the Levy.

DPR's appropriations for the 2008 Parks Levy are more specifically described in the 2012-2017 Adopted CIP document.

2008 Parks Levy

The annual cost to property owners for this Levy is approximately $0.20 per $1,000 assessed value. DPR manages the 2008 Parks Levy Fund and the majority of the levy funded projects. With these Levy resources, the City will acquire new neighborhood park and green spaces; develop new and existing parks, playgrounds, trails, boulevards, playfields, and cultural facilities; and perform environmental restoration at various DPR properties. The 2008 Parks Levy also includes a development opportunity fund for citizen-initiated projects called the Opportunity Fund.

The 2008 Parks Levy is structured to fund the following major functions:

- **Park and Green Space Acquisition:** The Levy provides $36 million for neighborhood park and green space acquisitions. To date, DPR has appropriated over $13.7 million for property acquisitions.

- **Park Development Projects:** The Levy provides $87 million for 59 named park development projects. To date, $55.2 million has been appropriated for 54 development projects.

- **Environmental Projects:** The Levy provides $8 million for environmental projects, including forest and stream restoration, community garden and P-Patch development, and expanded shoreline access. To date, DPR has appropriated over $6 million for environmental projects.

- **Opportunity Fund:** The Levy provides $15 million for citizen-initiated park projects to be recommended by the Levy Oversight Committee. In 2011, the Oversight Committee recommended that two acquisition and 17 development projects be funded. DPR has appropriated $10.6 million for these projects.

Budget Overview

The 2008 Parks Levy, as approved by Seattle voters, requires the Parks Levy Oversight Committee to make recommendations as to how Levy dollars are allocated each year. For the 2012 Adopted Budget, the Levy Oversight Committee makes the following recommendations:

Investing Inflation Savings in Asset Preservation. Inflation costs on Levy-supported projects have been lower than anticipated when the Levy was approved in 2008, resulting in unprogrammed levy dollars. In mid-2011, at the suggestion of the Parks Department and with the support of the Mayor and the City Council, the Levy Oversight Committee recommended allocating $9.8 million of levy inflation savings to the Opportunity Fund to fund 17 major maintenance projects beginning in 2012. These projects include:

- Ballard Community Center Roof Replacement
- Beacon Hill Playground Comfort Station Renovation
- Comfort Station Renovations - 2008 Parks Levy (sites to be determined)
- Evers Pool Roof Repairs
- Fairmount Park Playground Comfort Station Renovation

- Fairmount Park Playground Fence Replacement
- Garfield Community Center Roof Replacement
- Green Lake Bathhouse Roof Replacement
- Lower Woodland Playfield Tennis Court Lights Replacement
- Loyal Heights Boiler And Electrical System Replacement
- Madrona Playground Shelterhouse Restrooms Renovation
- Matthews Beach Park Bathhouse Renovation
- Queen Anne Pool Plaster Liner Replacement
- Rainier Beach Playfield Play Area Renovation
- Rainier Beach Playfield Tennis Courts and Lighting Replacement
- Seward Park Water System Replacement
- Van Asselt Community Center Gym Roof Replacement

As the City continues to face challenges in the General Fund and in the availability of Real Estate Excise Tax (REET) dollars as a result of the weak economy, investments in parks major maintenance projects have not kept pace. As a result, the recommendation of the Levy Oversight Committee allows the City to continue making critical investments in these important assets.

Bell Street Park Boulevard Project. The Levy Oversight Committee also recommends transferring $3.5 million from the Acquisition Category to the Development Category to support the Bell Street Park Boulevard Project. This project will transform Bell Street between 1st Avenue and 5th Avenue into a park boulevard and new park space for the Belltown neighborhood. The new park boulevard will provide usable park space while continuing to provide one traffic lane and reduced parking.

Trail Development Projects. The Seattle Department of Transportation (SDOT) manages the three trail development projects identified in the Levy including Belltown/Queen Anne Connections, Lake Union Ship Canal, and Mountains to Sounds Greenway. Before SDOT can spend Levy dollars, the funds must be appropriated to that Department. In order to do this, the Levy budget includes a single Budget Control Level (BCL) for this purpose. The three trail projects were fully funded in 2010, and are anticipated to be completed by the end of 2013.

The following tables describe anticipated revenues and appropriations to the 2008 Parks Levy Fund for 2012 and 2013. As is typical with many capital programs, appropriations for the individual projects are made up-front and resulting expenditures span several years after the budget authority is approved. This front-loaded pattern of appropriations creates the temporary appearance of a large negative fund balance in the early years of the Levy period. However, the Fund's cash balance is projected to remain positive throughout the life of the Levy. Fund balance estimates are computed using values for anticipated capital expenditures, rather than budgeted capital expenditures.

City Council Provisos

There are no Council provisos.

Expenditure Overview

The 2012-2017 Adopted Capital Improvement Program (CIP) includes all of the projects being funded with levy dollars in 2012. It also reflects changes made from the 2011-2016 Adopted CIP.

Revenue Overview

2012 Estimated Revenues for the 2008 Parks Levy Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
461110	Inv Earn-Residual Cash	204,740	100,000	50,000	200,000
	Total Inv Earn-Residual Cash	**204,740**	**100,000**	**50,000**	**200,000**
479010	Private Capital Fee/Contr/Grnt	281,170	0	0	0
	Total Private Capital Fee/Contr/Grnt	**281,170**	**0**	**0**	**0**
437321	Proceeds County-wide Tax Levy	300,000	0	0	0
	Total Proceeds County-wide Tax Levy	**300,000**	**0**	**0**	**0**
411100	Real & Personal Property	24,000,154	24,098,000	24,174,000	24,174,000
	Total Real & Personal Property	**24,000,154**	**24,098,000**	**24,174,000**	**24,174,000**
461320	Unreald Gns/Losses-Inv GA	(35,504)	0	0	0
	Total Unreald Gns/Losses-Inv GA	**(35,504)**	**0**	**0**	**0**
Total Revenues		**24,750,560**	**24,198,000**	**24,224,000**	**24,374,000**
379100	Use of (Contribution to) Fund Balance	3,136,000	(5,975,000)	(9,611,000)	(6,053,000)
	Total Use of (Contribution to) Fund Balance	**3,136,000**	**(5,975,000)**	**(9,611,000)**	**(6,053,000)**
Total Resources		**27,886,560**	**18,223,000**	**14,613,000**	**18,321,000**

Appropriations by Budget Control Level (BCL)

Support to Multi-Purpose Trails Budget Control Level

The purpose of the Support to Multi-Purpose Trails Budget Control Level (BCL) is to appropriate funds from the 2008 Parks Levy Fund to the Transportation Operating Fund to support specific trail projects. This BCL is funded by the 2008 Parks Levy Fund (Fund 33860).

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Support to Multi-Purpose Trails	155,000	0	0	0

Fund Table

2008 Parks Levy Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**0**	**0**	**24,750,560**	**24,198,000**	**30,803,636**
Plus: Actual and Estimated Revenue	24,750,560	24,198,000	24,276,076	24,224,000	24,374,000
Less: Capital Improvements	0	18,223,000	18,223,000	14,613,000	18,321,000
Ending Fund Balance			**30,803,636**	**33,809,000**	**36,856,636**

Office of Arts and Cultural Affairs

Vincent Kitch, Director

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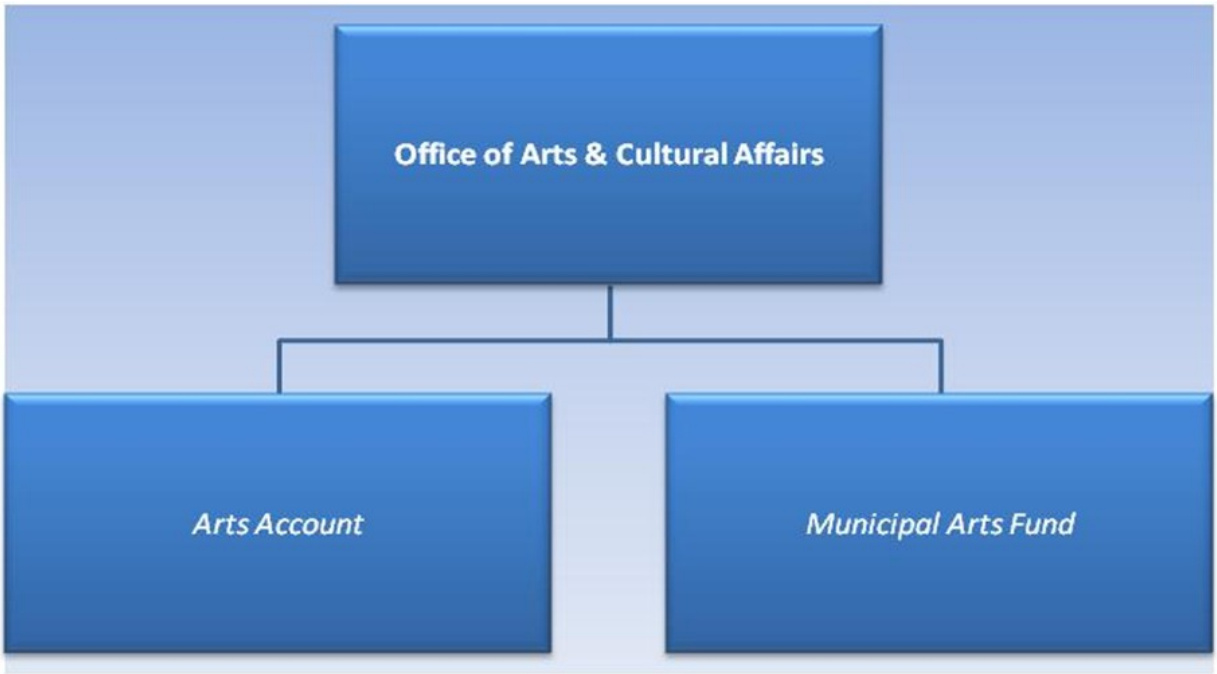
Department by Budget Control Level



Department Overview

The mission of the Office of Arts and Cultural Affairs (OACA) is to promote the value of arts and culture in communities throughout Seattle. The Office promotes Seattle as a cultural destination and invests in Seattle's arts and cultural sector to ensure the city has a wide range of high-quality programs, exhibits, and public art. The Office has four programs: Public Art; Cultural Partnerships; Community Development and Outreach; and Administrative Services. These programs are supported by two funding sources: the Arts Account, which is fully funded through an allocation of 75% of the City's admission tax revenues, a General Fund revenue source; and the Municipal Arts Fund (MAF), which is primarily supported by the One Percent for Arts program.

- The Public Art Program integrates artists and the ideas of artists in the design of City facilities, manages the City's portable artworks collection, and incorporates art in public spaces throughout Seattle. This program is funded through the One Percent for Art program, which by ordinance requires eligible City capital projects to contribute one percent of their budgets to the Municipal Arts Fund for the commission, purchase, and installation of public artworks.

Office of Arts and Cultural Affairs

- The Cultural Partnerships Program invests in cultural organizations, youth arts programs, individual artists, and community groups to increase residents' access to arts and culture, and to promote a healthy cultural sector in the city. The Cultural Partnerships Program offers technical assistance and provides grants to arts and cultural organizations throughout the city.

- The Community Development and Outreach Program works to ensure greater community access to arts and culture through annual forums and award programs, by showcasing community arts exhibits and performances at City Hall, and by developing communication materials to promote Seattle as a "creative capital."

- The Administrative Services Program provides executive management and support services for the Office; supports the Seattle Arts Commission, a 16-member advisory board, which advises the Office, the Mayor, and the City Council on arts programs and policy; and promotes the role of the arts in economic development, arts education for young people, and cultural tourism.

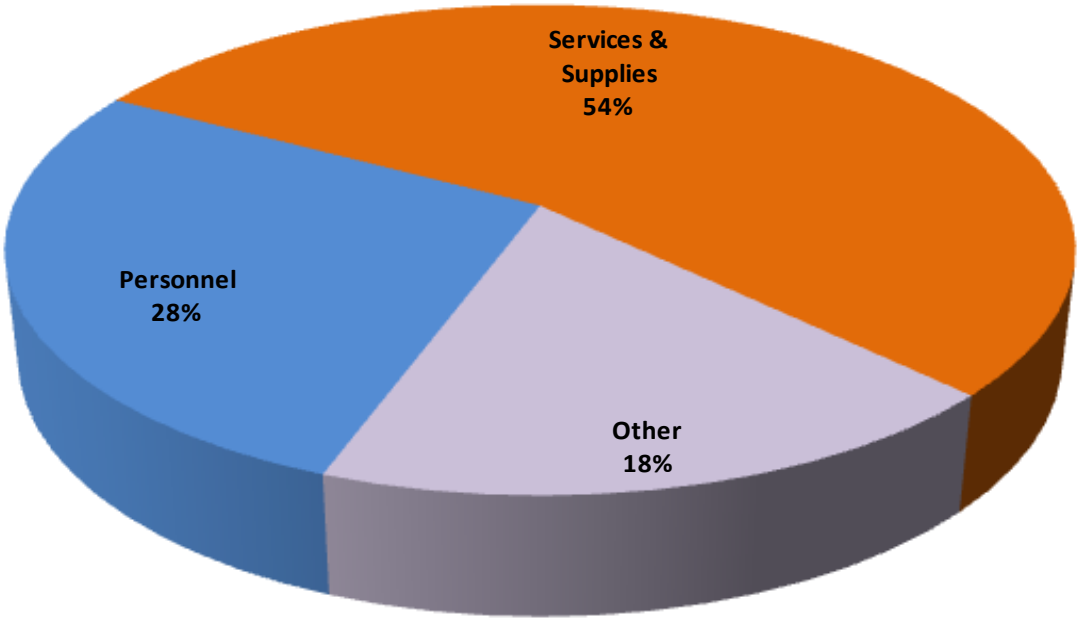
Prior to 2010, funding for Cultural Partnerships, Community Development and Outreach, and Administrative Services came from a combination of the General Subfund and the Arts Account, a fund that was designated specifically for arts programming and was established in order to reinvest a portion of the City's Admission Tax revenues in arts and culture. In 2010, direct General Fund support was eliminated and the percentage of the Admission Tax revenue, which was previously deposited into the General Fund, allocated to support OACA was increased from 20% to 75%.

Budget Snapshot

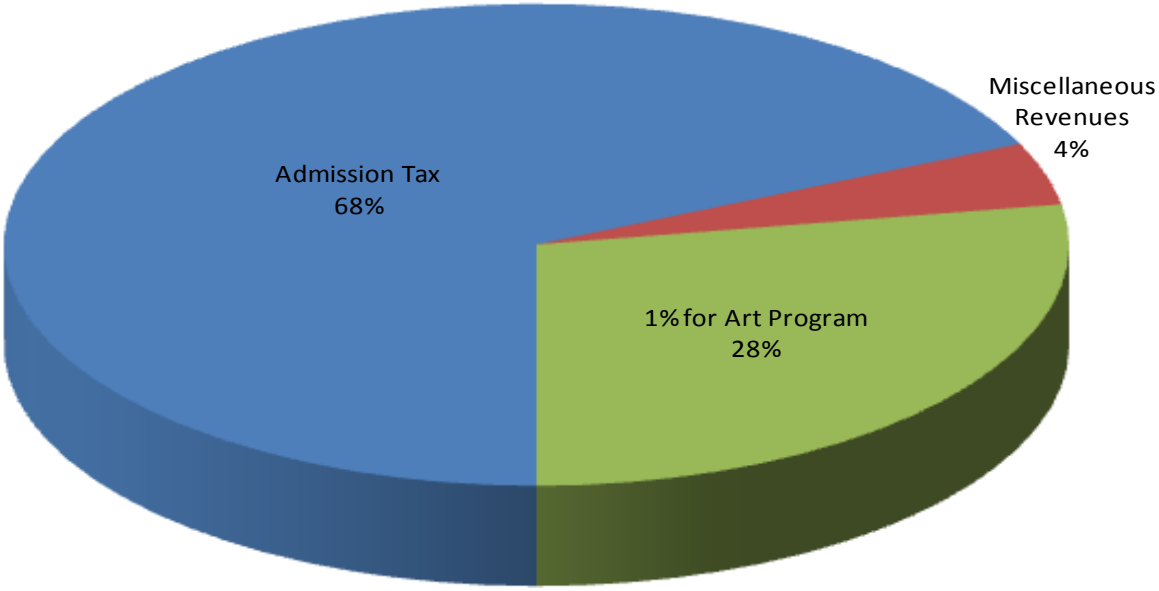
Office of Arts & Cultural Affairs	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$6,101,216	$6,887,864	$7,358,335	$7,291,560
Total Revenues	**$6,101,216**	**$6,887,864**	**$7,358,335**	**$7,291,560**
Use of (Contribution to) Fund Balance	($310,503)	$228,570	($68,556)	$81,673
Total Resources	**$5,790,713**	**$7,116,434**	**$7,289,779**	**$7,373,233**
Total Expenditures	**$5,790,644**	**$7,116,435**	**$7,289,779**	**$7,373,233**
Full-Time Equivalent * Total	23.10	20.60	20.60	19.85

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

Admission tax revenues in the Arts Account have risen in recent years and will peak at approximately $5.0 million in 2012, compared to $4.2 million in 2011 and $3.9 million in 2010. The 2012 revenues are based on the 2010 actual receipts of Admission Tax, so there is no volatility in 2012 in anticipating the level of revenue that will be received by the Fund. The forecast beyond 2012 anticipates consecutive years of declining revenues.

The 2012 Adopted Arts Account Budget was developed with a commitment to preserving arts programming. The 2012 Adopted Budget funds all Arts programs in the 2012 Endorsed Budget, adds funding to the Civic Partners program, and establishes a new one-time program, "Arts Mean Business," that is focused on stimulating arts-related jobs. This new program is funded in part through higher than expected revenues, and in part through savings from staffing and operational efficiencies.

The 2012 Adopted Budget also takes steps to begin funding an 8% operating reserve. The operating reserve is being established in response to Council Ordinance 123460 with the primary goal being to limit the impact of the volatility of Admission Tax revenues on arts programming. The 8% reserve was fully funded in the 2012 Proposed Budget; however, funding was diverted from the reserve to support additional Arts programs as part of the Council changes to arrive at the Adopted Budget. Per policy adopted by the Council, the reserve will be fully funded by January 1, 2015.

The Department of Parks and Recreation (DPR) will continue to receive Admission Tax funding through 2012 to support arts programming, including the Downtown Parks Arts Programming, the Outdoor Neighborhood Parks Activation projects, and the Langston Hughes Performing Arts Center operations. This is the second and final year that Parks will receive Admission Tax support through the Arts Account, and the funding amounts conform with policies adopted by the Council in 2010.

The 2012 Adopted Municipal Arts Fund Budget has also been updated to reflect the 2012 estimated revenues that will be collected from departments for their 1% Public Art eligible capital projects.

City Council Changes

During the City Council's review of the 2012 Budget, the Council increased expenditure authority in the Arts Account budget by redirecting $233,000 of the $380,000 Arts Account operating reserve, and $67,000 in undesignated fund balance also in the Arts Account, for a total of $300,000. These funds restore an undesignated, non-programmatic reduction of $90,000 in the Proposed Budget that the Department would have achieved through operational efficiencies and reductions to program management staff in the Cultural Partnerships Program; provide $10,000 to develop outreach materials and programs that support arts and cultural tourism; restore $50,000 to OACA's cultural partnerships programs, specifically in the Civic Partners award program; and provide $150,000 for OACA's capital projects program, as authorized under Seattle Municipal Code Section 5.40.120.

Incremental Budget Changes

Office of Arts and Cultural Affairs

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$7,289,779	20.60
2012 Proposed Changes			
	Arts One-Time Jobs Programs	$250,000	0.00
	Operational Efficiencies	($160,492)	(0.75)
	Technical Adjustments	($302,400)	0.00
Total Changes		**($212,892)**	**(0.75)**
2012 Proposed Budget		**$7,076,887**	**19.85**
Council Adjustments to Proposed Budget			
	Use of Fund Balance	$300,000	0.00
	Adjust Employer Contribution Rate to SCERS	($3,654)	0.00
Total Adjustments		**$296,346**	**0.00**
2012 Adopted Budget		**$7,373,233**	**19.85**

New Program: Arts Mean Business - $250,000. This change creates a one-time competitive funding program, "Arts Mean Business," aimed at creating and sustaining jobs in the arts sector. The program has three parts: providing direct investments to support jobs in the local arts community; supporting dynamic training opportunities to help the broader arts sector implement practices leading to greater economic resiliency; and convening the City's arts leaders and creative thinkers to develop new approaches in arts entrepreneurship, innovative arts practices, and greener ways of doing business.

Operational Efficiencies - ($160,492) / (0.75) FTE. This change abrogates a 0.75 FTE Arts Program Specialist. The position became vacant in 2011 and workload reassignments and other efficiencies have allowed staff to absorb the work with minimal impact to services. In addition, this change also reduced $90,000 in non-program expenditures in the Proposed Budget with the intent that the Office would achieve this level of savings through reductions identified as the result of an ongoing evaluation of operations. However, the $90,000 reduction is restored as part of the Adopted Budget process through use of available fund balance in the Arts Account.

Technical Adjustments - ($302,400). Technical adjustments in the 2012 Adopted Budget include a salary adjustment, expenses related to the one-time replacement of computers, a one-time increase in the transfer amount to DPR to support arts programming, and other adjustments including citywide changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

Office of Arts and Cultural Affairs

City Council Changes to the 2012 Proposed Budget

Use of Fund Balance – $300,000 - This Council change redirects $233,000 of the $380,000 Arts Account operating reserve proposed as part of the Proposed Budget, and redirects an additional $67,000 undesignated fund balance to fund the following items in the Arts Account budget. This change restores $90,000 in undesignated non-programmatic cuts to be realized through operational efficiencies and reductions to program management staff in the Cultural Partnerships Program; provides $10,000 to develop outreach materials and programs that support arts and cultural tourism; restores $50,000 to OACA's cultural partnerships programs, specifically in the Civic Partners award program; and provides $150,000 for OACA's capital projects program as authorized under Seattle Municipal Code Section 5.40.120. These changes result in a balance of approximately $150,000 in the operating reserve for 2012.

Adjust Employer Contribution Rate to SCERS – ($3,654). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the

City Council Provisos

The City Council adopted the following budget provisos:

- *Of the appropriation in the 2012 budget for the Office of Arts and Cultural Affairs' Arts Account BCL, $10,000 is appropriated solely for the purpose of funding outreach materials and programs highlighting arts and cultural venues and activities, and may be spent for no other purpose.*

- *Of the appropriation in the 2012 budget for the Office of Arts and Cultural Affairs Arts Account BCL, $150,000 is appropriated solely for the purpose of funding arts and cultural facilities capital projects, as authorized by Seattle Municipal Code Section 5.40.120, and may be spent for no other purpose. None of the money so appropriated may be expended until the Executive has executed contracts that include public benefits to be provided by the arts and cultural facility capital projects to be funded.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Arts Account Budget Control Level					
Administrative Services - AT		516,962	342,609	348,962	384,164
Community Development and Outreach - AT		449,653	1,471,780	1,495,373	1,622,272
Cultural Partnerships - AT		2,980,188	2,608,686	2,657,102	3,043,100
Arts Account Budget Control Level	**VA140**	**3,946,803**	**4,423,075**	**4,501,437**	**5,049,535**
Municipal Arts Fund Budget Control Level	**2VMAO**	**1,843,841**	**2,693,359**	**2,788,342**	**2,323,698**
Department Total		**5,790,644**	**7,116,435**	**7,289,779**	**7,373,233**
Department Full-time Equivalents Total*		**23.10**	**20.60**	**20.60**	**19.85**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Arts Account (00140)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	Interfund Transfers	3,761,449	4,176,143	4,769,464	4,967,327
	Total Admission Tax	**3,761,449**	**4,176,143**	**4,769,464**	**4,967,327**
431110	ARRA Federal Grant	145,417	0	0	0
	Total Federal Grants	**145,417**	**0**	**0**	**0**
461110	Interest Earnings	7,538	10,000	12,000	12,000
469990	Miscellaneous Revenues	69	0	0	0
	Total Miscellaneous Revenues	**7,607**	**10,000**	**12,000**	**12,000**
Total Revenues		**3,914,473**	**4,186,143**	**4,781,464**	**4,979,327**
379100	Use of (Contribution To) Fund Balance	32,399	236,932	(280,027)	70,208
	Total Use of Fund Balance	**32,399**	**236,932**	**(280,027)**	**70,208**
Total Resources		**3,946,872**	**4,423,075**	**4,501,437**	**5,049,535**

Office of Arts and Cultural Affairs

2012 Estimated Revenues for the Municipal Arts Fund (62600)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
541190	Interfund Transfers (1% for Art)	1,903,198	2,407,357	2,282,507	2,017,869
	Total 1% for Art Program	**1,903,198**	**2,407,357**	**2,282,507**	**2,017,869**
441990	Public Art Management Fees	185,864	185,864	185,864	185,864
461110	Interest Earnings	46,881	100,000	100,000	100,000
469990	Miscellaneous Revenues	50,800	8,500	8,500	8,500
	Total Miscellaneous Revenues	**283,545**	**294,364**	**294,364**	**294,364**
	Total Revenues	**2,186,743**	**2,701,721**	**2,576,871**	**2,312,233**
379100	Use of (Contribution To) Fund Balance	(342,902)	(8,362)	211,471	11,465
	Total Use of Fund Balance	**(342,902)**	**(8,362)**	**211,471**	**11,465**
	Total Resources	**1,843,841**	**2,693,359**	**2,788,342**	**2,323,698**

Appropriations by Budget Control Level (BCL) and Program

Arts Account Budget Control Level

The purpose of the Arts Account Budget Control Level (BCL) is to invest in Seattle's arts and cultural community to keep artists living and working in Seattle, to build community through arts and cultural events, and to increase arts opportunities for youth. The BCL appropriates the Office's admission tax set-aside, which is 75% of the City's total Admission Tax revenues.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administrative Services - AT	516,962	342,609	348,962	384,164
Community Development and Outreach - AT	449,653	1,471,780	1,495,373	1,622,272
Cultural Partnerships - AT	2,980,188	2,608,686	2,657,102	3,043,100
Total	**3,946,803**	**4,423,075**	**4,501,437**	**5,049,535**
Full-time Equivalents Total *	13.00	10.50	10.50	9.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Administrative Services – AT Program

The purpose of the Administrative Services Program is to provide executive management and support services to the Office and to support the Seattle Arts Commission, a 15-member advisory board that advises the Office, the Mayor, and the City Council on arts programs and policy.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administrative Services - AT	516,962	342,609	348,962	384,164
Full-time Equivalents Total	5.50	3.50	3.50	3.50

Community Development and Outreach – AT Program

The purpose of the Community Development and Outreach Program is to promote arts and culture through arts award programs, cultural events, City Hall exhibits and performances, and communication materials that recognize Seattle as a "creative capital."

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development and Outreach - AT	449,653	1,471,780	1,495,373	1,622,272
Full-time Equivalents Total	3.00	2.50	2.50	2.50

Appropriations by Budget Control Level (BCL) and Program

Cultural Partnerships – AT Program

The purpose of the Cultural Partnerships Program is to invest in arts and culture. The program increases Seattle residents' access to arts and cultural opportunities, provides arts opportunities for youth, and enhances the economic vitality of Seattle's arts and cultural community by investing in arts organizations and emerging artists.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Cultural Partnerships - AT	2,980,188	2,608,686	2,657,102	3,043,100
Full-time Equivalents Total	4.50	4.50	4.50	3.75

Municipal Arts Fund Budget Control Level

The purpose of the Municipal Arts Fund Budget Control Level (BCL) is to fund the Public Art program which develops engaging art pieces and programs for City facilities, and maintains the City's existing art collection. The BCL appropriates revenues from the Municipal Arts Fund (MAF), of which most come from the City's One Percent for Art program, a program that invests one percent of eligible capital funds in public art.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Municipal Arts Fund	1,843,841	2,693,359	2,788,342	2,323,698
Full-time Equivalents Total*	10.10	10.10	10.10	10.10

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Tables

Arts Account (00140)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**748,672**	**296,465**	**715,515**	**59,533**	**219,626**
Accounting and Technical Adjustments	(827)	0	0	0	0
Plus: Actual and Estimated Revenue	3,914,473	4,186,143	4,186,143	4,781,464	4,979,327
Less: Actual and Budgeted Expenditures	3,946,803	4,423,075	4,682,032	4,501,437	5,049,535
Ending Fund Balance	**715,515**	**59,533**	**219,626**	**339,560**	**149,418**
Continuing Appropriations	409,153	0	0	0	0
Operating Reserve	0	0	0	0	149,418
Total Reserves	**409,153**	**0**	**0**	**0**	**149,418**
Ending Unreserved Fund Balance	**306,362**	**59,533**	**219,626**	**339,560**	**0**

Office of Arts and Cultural Affairs

Municipal Arts Fund (62600)

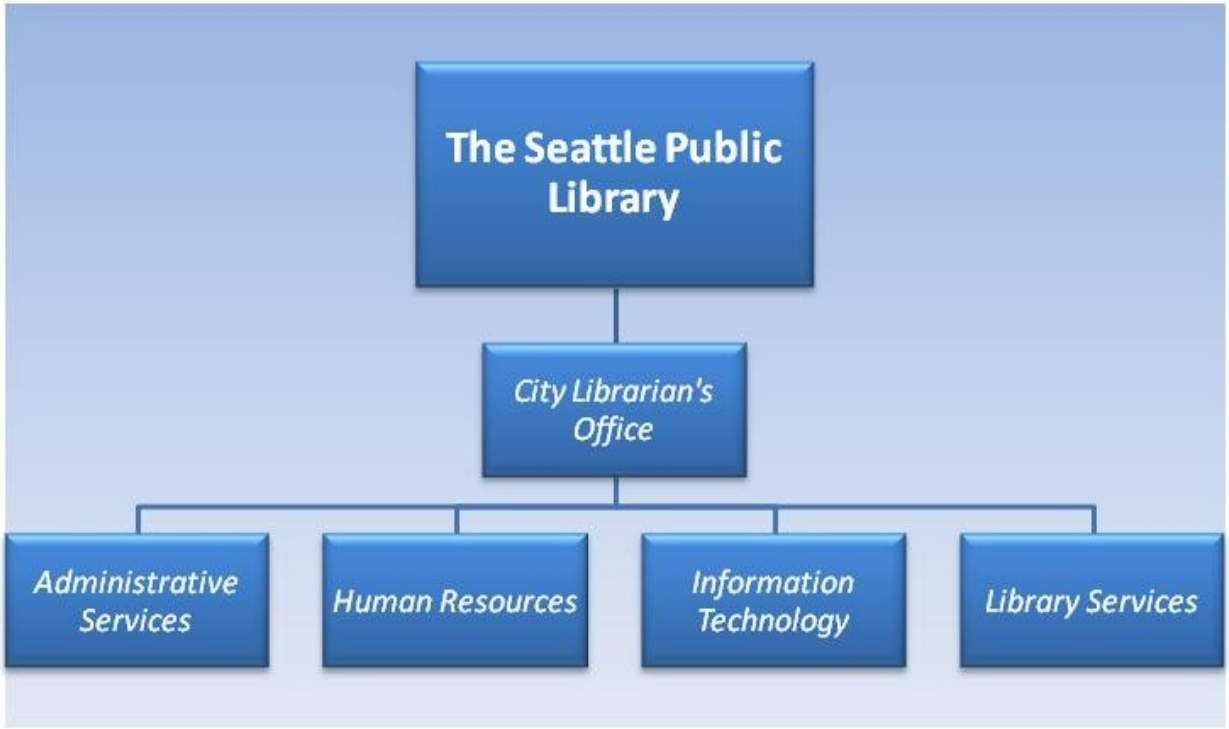
	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**5,444,925**	**5,536,390**	**5,782,171**	**5,544,752**	**4,198,645**
Accounting and Technical Adjustments	(5,656)	0	0	0	0
Plus: Actual and Estimated Revenue	2,186,743	2,701,721	2,561,300	2,576,871	2,312,233
Less: Actual and Budgeted Expenditures	1,843,841	2,693,359	4,144,826	2,788,342	2,323,698
Ending Fund Balance	**5,782,171**	**5,544,752**	**4,198,645**	**5,333,281**	**4,187,180**
Continuing Appropriations	725,585	0	0	0	0
Total Reserves	**725,585**	**0**	**0**	**0**	**0**
Ending Unreserved Fund Balance	**5,056,586**	**5,544,752**	**4,198,645**	**5,333,281**	**4,187,180**

The Seattle Public Library

Marcellus Turner, City Librarian

Information Line: (206) 386-4636
http://www.spl.org/

Department by Program



Department Overview

The Seattle Public Library, founded in 1891, includes the Central Library, 26 neighborhood libraries, the Center for the Book, and a robust "virtual library" available on a 24/7 basis through the Library's web site. The Central Library provides system wide services including borrower services, outreach and public information, specialized services for children, teens, and adults as well as immigrant and refugee populations, and public education and programming. The neighborhood branches provide library services, materials, and programs close to where people live, go to school, and work, and serve as a focal point for community involvement and lifelong learning.

The Library is governed by a five-member citizen Board of Trustees, who are appointed by the Mayor and confirmed by the City Council. Board members serve five-year terms and meet monthly. The Revised Code of Washington (RCW 27.12.240) and the City Charter (Article XII, Section 5) grant the Board of Trustees "exclusive control of library expenditures for library purposes." The Library Board adopts an annual operation plan in December after the City Council approves the Library's budget appropriation.

The Seattle Public Library

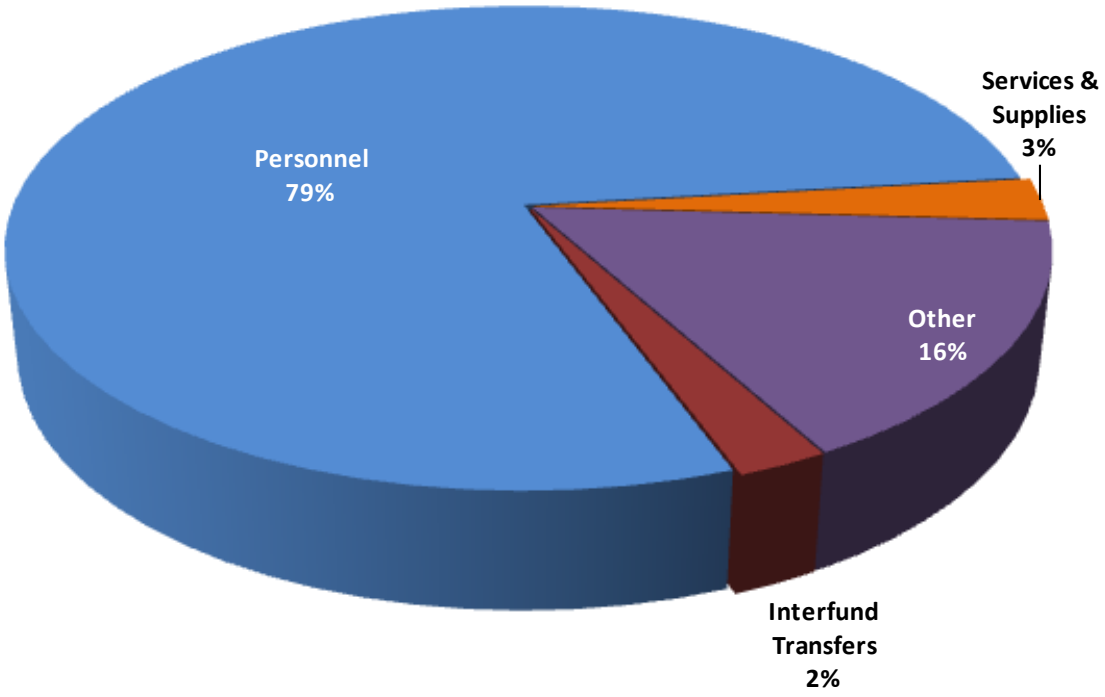
Almost 7 million people visited The Seattle Public Library in-person in 2010, and another 7 million visited virtually through the Library's catalog and web site. As the center of Seattle's information network, the Library provides a vast array of resources and services to the public (2010 usage noted), including:

- print and electronic books, media, magazines, newspapers (11.4 million items checked out);
- assisted information services in-person, virtual, and telephone (over one million responses);
- on-site internet access and classes (1.6 million patron internet sessions);
- CDs, DVDs, books on tape, and downloadable materials (233,000 downloads);
- sheet music and small practice rooms;
- electronic databases (441,000 users);
- an extensive multilingual collection;
- English as a Second Language (ESL) and literacy services;
- outreach and accessible services and resources for people with disabilities or special needs;
- almost 6,000 literary and other programs and activities attended by 938,000 children, teens, and adults;
- Homework Help (6,300 students assisted in-person at branches and 9,300 on-line sessions);
- podcasts of public programs (299,000 downloads);
- 23 neighborhood meeting rooms (5,100 meetings of external groups);
- a large Central Library auditorium and 12 meeting rooms (nearly 471 meetings of external groups with a total of 21,300 participants);
- Quick Information Center telephone reference service (386-INFO).

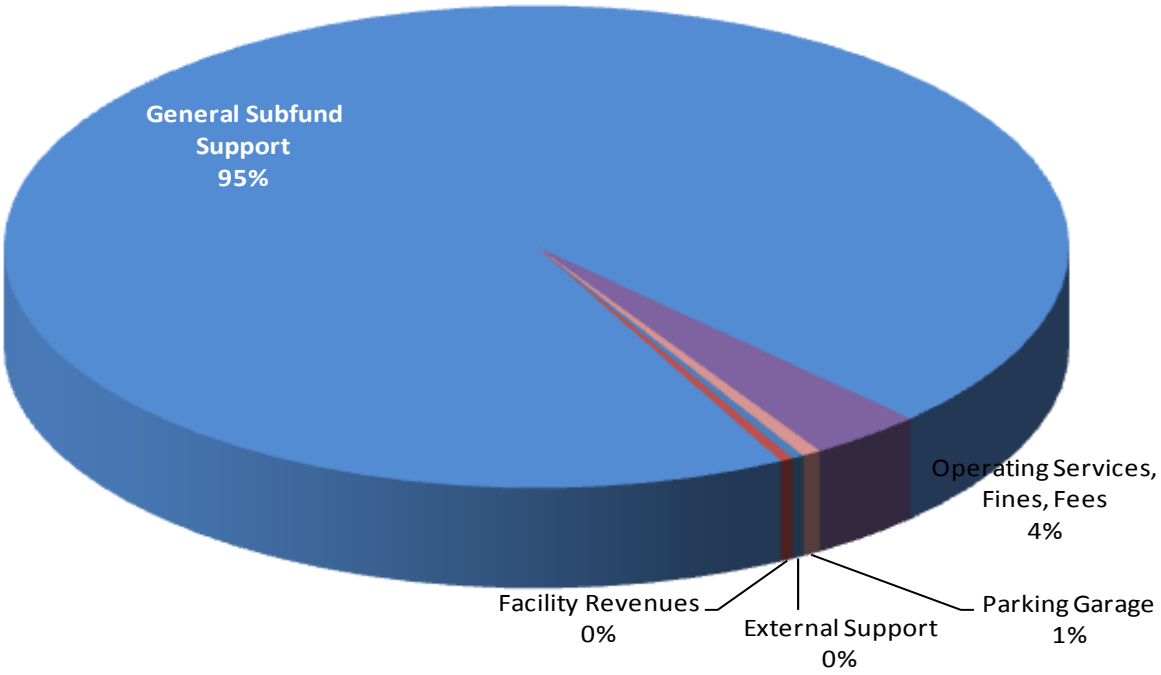
Budget Snapshot

Seattle Public Library	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$48,032,188	$47,299,078	$48,630,097	$49,324,620
Other Revenues	$2,034,734	$2,853,730	$2,762,240	$2,479,014
Total Revenues	**$50,066,922**	**$50,152,808**	**$51,392,337**	**$51,803,634**
Use of (Contribution to) Fund Balance	($309,551)	$0	$0	$0
Total Resources	**$49,757,371**	**$50,152,808**	**$51,392,337**	**$51,803,634**
Total Expenditures	**$49,757,371**	**$50,152,808**	**$51,392,338**	**$51,803,634**

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



The Seattle Public Library

Budget Overview

Approximately 95% of the Library's operations are supported by revenues from the City's General Fund. Although the General Fund was facing financial pressures in 2012, preserving services at The Seattle Public Library was a high priority for the Mayor. As a result, no new service reductions are being made to the Library system. In fact, the 2012 Adopted Budget provides an overall increase in funding for the Library.

As in previous years, the Library will close the entire system for one week in 2012, a budget savings step also taken in 2009, 2010, and 2011. This temporary closure results in savings for the Library through a salary reduction to Library employees. The Library anticipates again scheduling the closure just before the Labor Day holiday as this time period has a lower patron utilization, allowing the Library to minimize impacts to patrons. As with previous closures, the Library will manage public information and education to prepare patrons for the closure.

About 5%, or $2.5 million, of the Library's operations are supported by other revenue sources. In 2011, the Event Services program was transferred from the Library Bunn Fund to Administrative Services. At the time, it was assumed this transfer would be fully supported by non-General Fund revenues through a combination of space rental revenues and increased fine and fee revenues. The actual experience has shown that revenues did not increase enough in 2011 to fully cover the costs of supporting this program. As a result, the Library will be reducing some of its non-General Fund expenses, including a $70,000 reduction in labor expenses and a $156,000 reduction in non-labor costs, in order to balance to the revised revenue assumptions. These expenditure reductions will not result in any service reductions to the public.

The Library's 2012 Adopted Budget also includes a number of technical adjustments including adjusting the personnel budget to reflect the total number of work hours per year and increasing the budget for central rate charges to reflect the actual expenses. All of these changes will help better align the Library's budget with the expenses it will actually incur and the revenues it will receive.

Finally, the 2012 Adopted CIP Budget for the Library includes funding to replace and upgrade the high-speed data infrastructure that delivers local-area-network and Internet services to computers at all 26 branch libraries and the Central Library. This data infrastructure provides network switching and routing equipment, improving bandwidth capacity for the Library's heavily-used technology. Library computers hosted 1.6 million public onsite Internet sessions in 2010. This funding represents the second phase of a 2011-2012 purchase of switching and routing equipment. Phase 1 was funded through a combination of existing General Fund resources in the Library's 2011 operating budget and private funds. Phase 2 is being financed through the issuance of bonds. The debt service on the 2012 bond issuance will be paid out of existing resources in the Library's operating budget.

City Council Changes

During the City Council's budget review process, the Council adjusted the employer contribution rate to the Seattle City Employees' Retirement System (SCERS). This adjustment reduced appropriations across departments, including the Library.

Incremental Budget Changes

Seattle Public Library

		2012 Dollar Amount
2012 Endorsed Budget		**$51,392,338**
2012 Proposed Changes		
	Library Personnel Budget Alignment	$126,000
	Central Services Cost Pressures	$117,000
	Non-General Fund Adjustments	($226,240)
	Technical Adjustments	$468,109
Total Changes		**$484,869**
2012 Proposed Budget		**$51,877,206**
Council Adjustments to Proposed Budget		
	Adjust Employer Contribution Rate to SCERS	($73,572)
Total Adjustments		**($73,572)**
2012 Adopted Budget		**$51,803,634**

Library Personnel Budget Alignment – $126,000. This adjustment will increase funding to allow the budget to be based on a 2,088 hour work year. In the past, the personnel budget has been funded on the assumption of a 2,080 hour work year for full-time employees. In reality, most years contain 2,088 paid hours per FTE.

Central Services Cost Pressures - $117,000. Over the last several years, the Library's budget for some of the central rate charges has shifted out of alignment with the actual charges for information technology services and for fleets and facilities charges. This change will better align the Library's budget with the expenses it will actually incur in 2012 for technology and facility services.

Non-General Fund Adjustments - ($226,240). This expenditure reduction will bring Library's non-General Fund expenses in line with its expected revenues. About 5% (or $2.5 million) of the Library's operations are supported by other revenue sources that are in addition to the General Fund support. In 2011, the Event Services program was transferred from the Library Bunn Fund to Administrative Services. At the time, it was assumed this transfer would be fully supported by non-General Fund revenues through a combination of space rental revenues and increased fine and fee revenues. The actual experience has shown that revenues did not increase enough in 2011 to fully cover the costs of supporting this program. As a result, the Library will be reducing some of its non-General Fund expenses, including a $70,000 reduction in labor expenses and a $156,000 reduction in

non-labor costs, in order to balance to the revised revenue assumptions. These expenditure reductions will not result in any service reductions to the public.

In addition, during the 2011-2012 budget process, the Library's non-General Fund revenues were assumed to increase at the same rate as inflation. However, the revenue generated from library fines and fees typically stays relatively flat and does not increase from year to year (unless a fine or fee increase is implemented). As a result, a separate adjustment will shift $55,000 of revenue from non-General Fund revenues to the General Fund. There will be no effect on budgeted expenditures.

Technical Adjustments - $468,109. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Library's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($73,572). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administrative Services					
Administrative Services Director		323,069	748,036	770,588	775,166
Facilities Maintenance and Materials Distribution Services		5,672,769	5,763,275	5,947,655	6,066,279
Finance Services		1,460,547	1,482,392	1,510,408	1,415,868
Safety and Security Services		989,270	1,077,850	1,109,494	1,118,405
Administrative Services	**B1ADM**	**8,445,655**	**9,071,553**	**9,338,145**	**9,375,717**
City Librarian's Office					
City Librarian		431,276	419,074	431,016	436,068
Communications		801,031	566,826	586,060	594,003
City Librarian's	**B2CTL**	**1,232,306**	**985,900**	**1,017,077**	**1,030,071**
Human Resources	**B5HRS**	**1,115,329**	**1,017,651**	**1,031,126**	**1,037,672**
Information Technology	**B3CTS**	**2,858,163**	**3,220,932**	**3,216,298**	**3,241,948**
Library Services					
Central Library Services		11,800,470	11,375,246	11,749,053	11,867,226
Neighborhood Libraries		16,290,343	16,470,968	17,040,971	17,225,694
Technical and Collection Services		8,015,105	8,010,557	7,999,668	8,025,309
Library Services	**B4PUB**	**36,105,918**	**35,856,772**	**36,789,693**	**37,118,226**
Department Total		**49,757,371**	**50,152,808**	**51,392,338**	**51,803,634**

Revenue Overview

2012 Estimated Revenues for the Library Fund (10410)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
542810	Cable Franchise	190,000	190,000	190,000	190,000
	Total External Support	**190,000**	**190,000**	**190,000**	**190,000**
462400	Space Rentals	0	400,000	412,000	150,000
469112	Sale of fixed Assets	62,218	50,000	50,000	50,000
	Total Facility Revenues	**62,218**	**450,000**	**462,000**	**200,000**
587001	General Subfund Support	48,032,188	47,299,078	48,630,097	49,324,620
	Total General Subfund Support	**48,032,188**	**47,299,078**	**48,630,097**	**49,324,620**
441610	Copy Services	51,039	75,000	75,000	60,000
441610	Pay for Print	148,498	159,000	159,000	159,000
459700	Fines and Fees	1,299,321	1,673,730	1,570,240	1,564,014
462800	Coffee Cart	4,010	3,000	3,000	3,000
469990	Misc. Revenue	4,889	3,000	3,000	3,000
	Total Operating Services, Fines, Fees	**1,507,757**	**1,913,730**	**1,810,240**	**1,789,014**
462300	Parking Revenue	274,759	300,000	300,000	300,000
	Total Parking Garage	**274,759**	**300,000**	**300,000**	**300,000**
Total Revenues		**50,066,922**	**50,152,808**	**51,392,337**	**51,803,634**
379100	Use of (Contribution To) Fund Balance	(309,551)	0	0	0
	Total Use of Fund Balance	**(309,551)**	**0**	**0**	**0**
Total Resources		**49,757,371**	**50,152,808**	**51,392,337**	**51,803,634**

Appropriations by Program

Administrative Services

The purpose of the Administrative Services Program is to support the delivery of library services to the public.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administrative Services Director	323,069	748,036	770,588	775,166
Facilities Maintenance and Materials Distribution Services	5,672,769	5,763,275	5,947,655	6,066,279
Finance Services	1,460,547	1,482,392	1,510,408	1,415,868
Safety and Security Services	989,270	1,077,850	1,109,494	1,118,405
Total	**8,445,655**	**9,071,553**	**9,338,145**	**9,375,717**

Administrative Services Director Program

The purpose of the Administrative Services Director Program is to administer the financial, facilities, materials distribution, event services, and safety and security operations of the Library system so that library services are provided effectively and efficiently.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administrative Services Director	323,069	748,036	770,588	775,166

Facilities Maintenance and Materials Distribution Services Program

The purpose of the Facilities Maintenance and Materials Distribution Services Program is to manage the Library's materials distribution system and maintain buildings and grounds so that library services are delivered in clean and comfortable environments, and materials are readily available to patrons.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Facilities Maintenance and Materials Distribution Services	5,672,769	5,763,275	5,947,655	6,066,279

Finance Services Program

The purpose of the Finance Services Program is to provide accurate financial, purchasing, and budget services to, and on behalf of, the Library so that it is accountable for maximizing its resources in carrying out its mission.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance Services	1,460,547	1,482,392	1,510,408	1,415,868

Appropriations by Program

Safety and Security Services Program

The purpose of the Safety and Security Services Program is to provide safety and security services so that library services are delivered in a safe and comfortable atmosphere.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Safety and Security Services	989,270	1,077,850	1,109,494	1,118,405

City Librarian's Office

The purpose of the City Librarian's Office is to provide leadership for the Library in the implementation of policies and strategic directions set by the Library Board of Trustees.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Librarian	431,276	419,074	431,016	436,068
Communications	801,031	566,826	586,060	594,003
Total	**1,232,306**	**985,900**	**1,017,077**	**1,030,071**

City Librarian Program

The purpose of the City Librarian's Office is to provide leadership for the Library in implementing the policies and strategic direction set by the Library Board of Trustees, and in securing the necessary financial resources to operate the Library in an effective and efficient manner. The City Librarian's Office serves as the primary link between the community and the Library, and integrates community needs and expectations with Library resources and policies.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Librarian	431,276	419,074	431,016	436,068

Communications Program

The purpose of the Communications Program is to ensure that the public and Library staff are fully informed about Library operations, which includes 6,000 annual public programs. The office contributes to the Library's web site, a 24/7 portal to library services, and provides timely and accurate information through a variety of other methods.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications	801,031	566,826	586,060	594,003

Appropriations by Program

Human Resources

The purpose of Human Resources is to provide responsive and equitable services, including human resources policy development, recruitment, classification and compensation, payroll, labor and employee relations, volunteer services, and staff training services so that the Library maintains a productive and well-supported work force.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Human Resources	1,115,329	1,017,651	1,031,126	1,037,672

Information Technology

The purpose of Information Technology is to provide quality data processing infrastructure and services so that Library patrons and staff have free and easy access to a vast array of productivity tools, ideas, information, and knowledge.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Information Technology	2,858,163	3,220,932	3,216,298	3,241,948

Library Services

The purpose of the Library Services Division is to provide services, materials, and programs that benefit and are valued by Library patrons. Library Services provides technical and collection services in order to provide information access and Library materials to all patrons.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Central Library Services	11,800,470	11,375,246	11,749,053	11,867,226
Neighborhood Libraries	16,290,343	16,470,968	17,040,971	17,225,694
Technical and Collection Services	8,015,105	8,010,557	7,999,668	8,025,309
Total	**36,105,918**	**35,856,772**	**36,789,693**	**37,118,226**

Appropriations by Program

Central Library Services Program

The purpose of the Central Library Services Division is to operate the Central Library and to provide systemwide services including borrower services, outreach services, specialized services for children, teens and adults as well as immigrant and refugee populations; and event services, and public education and programming. Central Library Services also provides in-depth information, extensive books and materials, and service coordination to patrons and staff at branches so they have access to more extensive resources than would otherwise be available at a single branch.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Central Library Services	11,800,470	11,375,246	11,749,053	11,867,226

Neighborhood Libraries Program

The purpose of Neighborhood Libraries is to provide services, materials, and programs close to where people live and work to support independent learning, cultural enrichment, recreational reading, and community involvement.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Libraries	16,290,343	16,470,968	17,040,971	17,225,694

Technical and Collection Services Program

The purpose of Technical and Collection Services is to make library books, materials, databases, downloadable materials, and the library catalog available to patrons.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technical and Collection Services	8,015,105	8,010,557	7,999,668	8,025,309

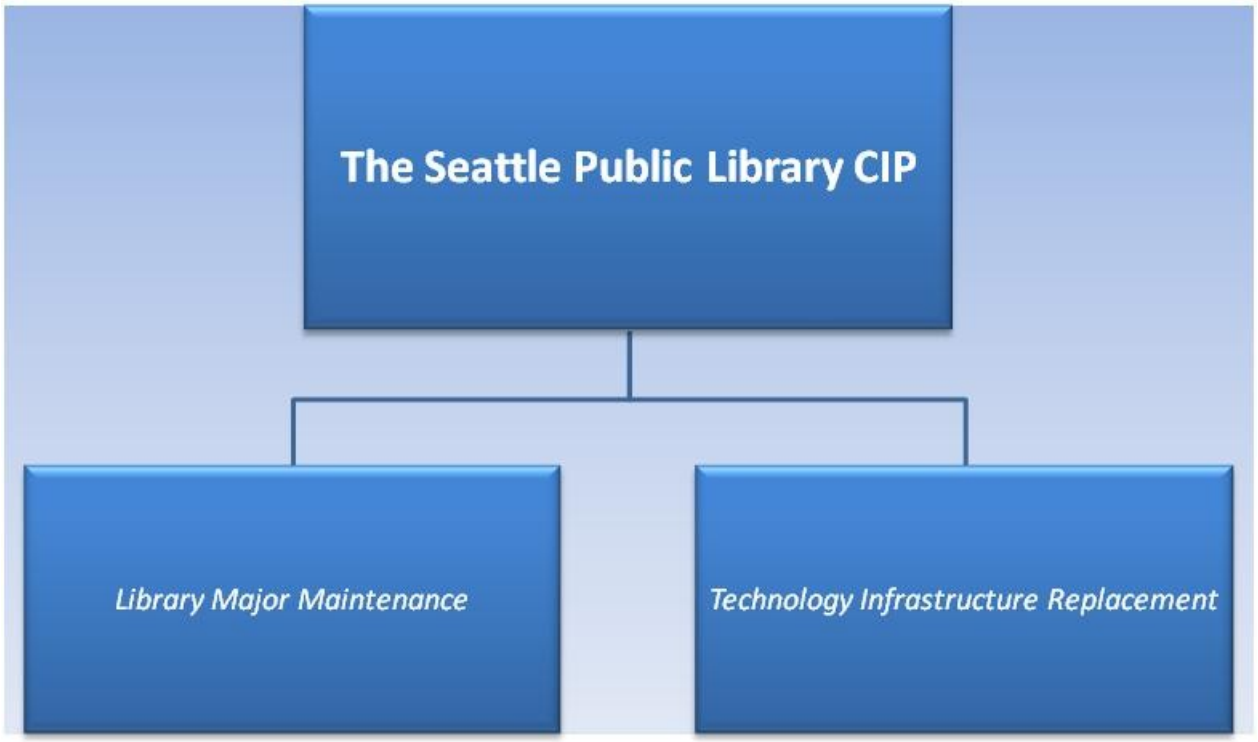
Library Fund Table

Library Fund (10410)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**623,315**	**333,514**	**926,046**	**333,514**	**473,316**
Accounting and Technical Adjustments	(6,820)	0	0	0	0
Plus: Actual and Estimated Revenue	50,066,922	50,152,808	49,550,078	51,392,337	51,803,634
Less: Actual and Budgeted Expenditures	49,757,371	50,152,808	50,002,808	51,392,338	51,803,634
Ending Fund Balance	**926,046**	**333,514**	**473,316**	**333,513**	**473,315**
Continuing Appropriations	372,106		372,106		372,106
Total Reserves	**372,106**	**0**	**372,106**	**0**	**372,106**
Ending Unreserved Fund Balance	**553,940**	**333,514**	**101,210**	**333,513**	**101,209**

The Seattle Public Library
Capital Improvement Program

Capital Improvement Program (CIP)



Capital Improvement Program Highlights

The Seattle Public Library's facilities include 26 branch libraries and the Central Library, as well as a storage facility and leased shops space. In 2008, the Library completed the final building projects of a system wide capital program, known as "Libraries for All" (LFA). As a result of this $291 million program, which was funded by a combination of public and private sources, Seattle has a new Central Library and four new branch libraries at Delridge, International District/Chinatown, Northgate, and South Park. In addition, each of the 22 branch libraries that were in the system as of 1998 was renovated, expanded, or replaced. The LFA program increased the amount of physical space that the Library maintains by 80% to a total of over 600,000 square feet.

Library buildings are some of the most intensively-used public facilities in Seattle. The Central Library hosts approximately 2 million visitors annually, and library branches see another 5 million visitors. Even the quietest branch has more than 70,000 people walk through the door each year. The Library's historic landmark buildings have unique features such as brick facades, slate roofs, and other details, and it is important to use designs and materials consistent with their landmark status – all factors that increase major maintenance costs. The Central Library poses a different set of challenges. A building of its size, complexity, and intensity of use requires significant annual major maintenance to preserve core functionality and continually improve building efficiency.

In this post-LFA era, the Library's CIP budget is devoted primarily to asset preservation. The 2012 Adopted CIP budget includes $600,000 in Real Estate Excise Tax (REET I) funding and $220,000 in General Fund for a total capital budget of $820,000. The Library's 2012 Adopted CIP budget also includes a new Technology Infrastructure Replacement Project for the purchase of technology switching and routing equipment.

Additionally, the 2012 Proposed Budget included $2 million in a reserve in the Finance and Administrative Services (FAS) CIP budget for Americans with Disabilities Act (ADA) improvements. FAS then conducted a Citywide prioritization process to allocate the funds among the four implementing departments: Parks and Recreation, Seattle Center, Seattle Public Library, and FAS. Among other criteria, the process aimed to identify the highest-use facilities and those where ADA work could be done at the same time as other planned remodeling.

Using the results of the Citywide prioritization process, the Council Adopted Budget reallocates the $2 million of funding to the four departments based on the prioritization process. Funding of $207,000 is appropriated to the ADA Improvements – Library in order to update or modify various facilities for compliance with the standards contained in ADA.

Asset Preservation

The overriding priority of the Library's capital program is extending the useful life of the buildings as long as possible. In the branch libraries, work in 2012 will primarily focus on building envelope maintenance, including phase two of exterior beam tip repairs at the Ballard Library, and door and window replacements which were not part of the remodel scope at some libraries. The Library has allocated approximately $430,000 of its 2012 CIP budget for branch library asset preservation. At the Central Library, 2012 asset preservation work will focus on flooring systems, casework, and building envelope repairs, with an anticipated allocation of $80,000.

Library Operational Efficiency, Environmental Sustainability, and Public Service Improvements

Major maintenance work carried out under this priority supports:

- efforts to maximize environmental sustainability and reduce maintenance and utility costs at Library buildings;
- implementation of new service models to help the library reduce operating costs while minimizing impact to the public; and
- efforts to better tailor services to neighborhood needs and rapidly evolving changes in how people access and use information.

At the Central Library, the 2012 CIP work will focus on mechanical system improvements, in an ongoing effort to fully realize the building's energy efficiency potential (reducing long-term operating costs to alleviate unfunded utility cost increases) and improve air pressurization. Additional work will include phased improvements to the security system and limited functional modification items. The Library

The Seattle Public Library

has allocated $200,000 to fund these improvements at the Central Library in 2012. If funds are available (due to the actual cost of work being less than estimated levels), the Library will undertake mechanical system improvements in the branches as well. A total of $30,000 for technical planning and analysis will guide all these efforts.

Safety and Security of Public and Staff

Repairs and building improvements that enhance the safety of library buildings are the third main priority guiding the Library's decision-making regarding allocation of its limited capital resources. The Library has allocated $80,000 for security improvements at the Central Library.

Technology

The Library's 2012 Proposed Adopted CIP budget also includes a new Technology Infrastructure Replacement Project which appropriates $756,000 in 2012 for the purchase of technology switching and routing equipment. It is financed by the issuance of general obligation bonds. The debt service on this purchase will be paid out of existing resources in the Library's operating fund.

More information on the Seattle Public Library's CIP can be found in the 2012-2017 CIP online here: http://www.seattle.gov/financedepartment/12proposedbudget/default.htm

Capital Improvement Program Appropriations

The Seattle Public Library

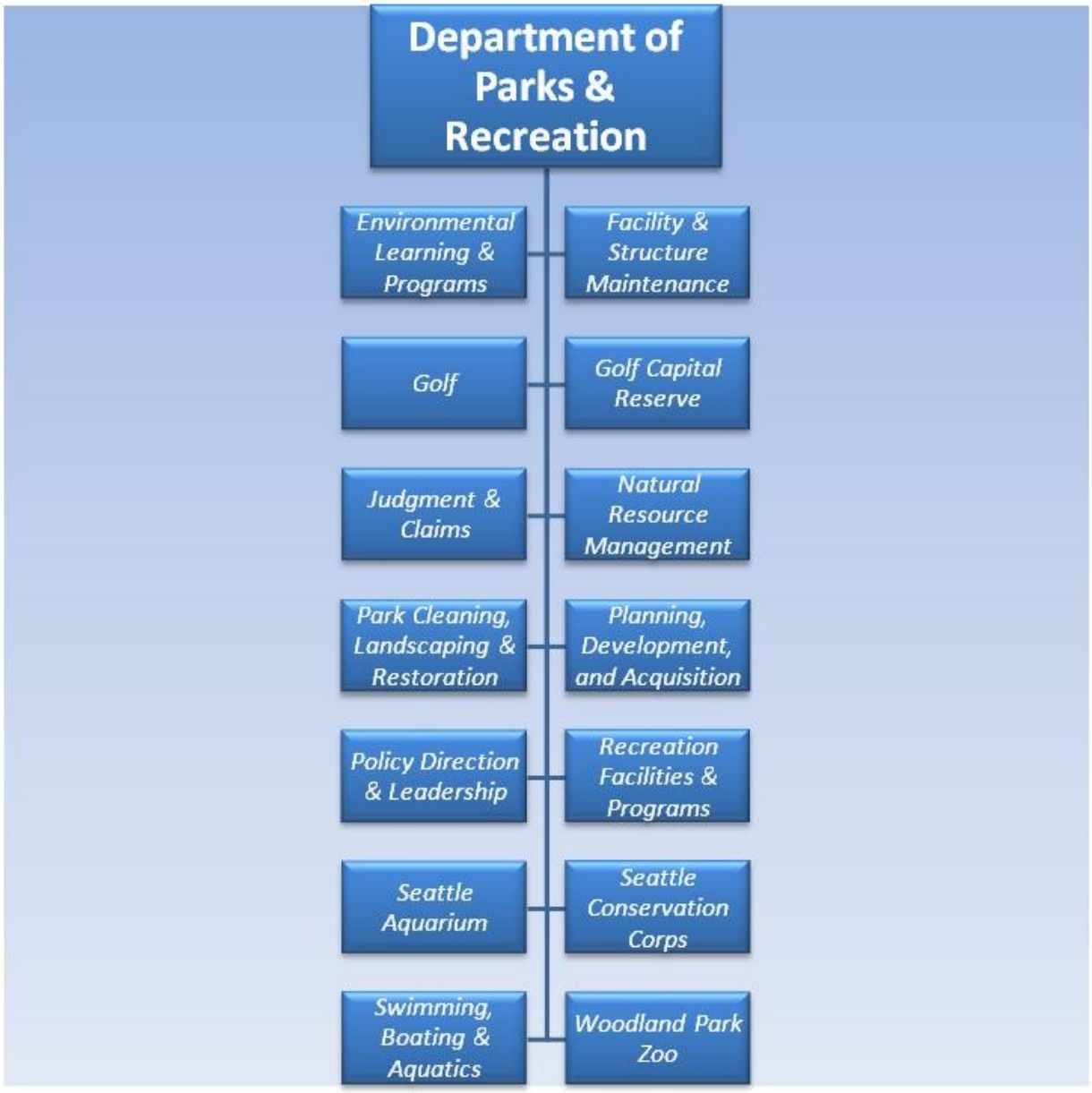
	2012 Endorsed	2012 Adopted
ADA Improvements - Library: B301112		
Cumulative Reserve Subfund - REET I Subaccount (00163)	0	207,000
Subtotal	**0**	**207,000**
Library Major Maintenance: B301111		
Cumulative Reserve Subfund - REET I Subaccount (00163)	600,000	600,000
General Subfund	220,000	220,000
Subtotal	**820,000**	**820,000**
Technology Infrastructure Replacement: B35600		
2012 Multipurpose LTGO Bond Fund	0	756,000
Subtotal	**0**	**756,000**
Total Capital Improvement Program Appropriation	**820,000**	**1,783,000**

Department of Parks and Recreation

Christopher Williams, Acting Superintendent

Information Line: (206) 684-4075
http://www.seattle.gov/parks

Department by Budget Control Level



Department Overview

The Department of Parks and Recreation (DPR) works with all residents to be good stewards of the environment, and to provide safe, welcoming opportunities to play, learn, contemplate, and build community.

DPR manages a 6,200-acre park system comprised of 430 developed parks, featuring 185 athletic fields, 130 children's play areas, 11 off-leash areas, nine swimming beaches, 18 fishing piers, four golf courses, and 25 miles of boulevards. Other facilities include 151 outdoor tennis courts, 26 community centers, eight indoor and two outdoor swimming pools, 22 wading pools, eight spray features, 17 miles of paved trails, and more. The Woodland Park Zoological Society operates the zoo with City financial support and the Seattle Aquarium Society operates the City-owned Seattle Aquarium. Hundreds of thousands of residents and visitors use Parks and Recreation facilities to pursue their passions from soccer to pottery, kite flying to golf, swimming to community celebrations, or to sit in quiet reflection.

Department employees work hard to develop partnerships with park neighbors, volunteer groups, non-profit agencies, local businesses, and the Seattle School District to effectively respond to increasing requests for use of Seattle's park and recreation facilities. Perhaps the most significant partnership is with the Associated Recreation Council (ARC) which provides childcare and recreation programs at Park -owned facilities, including community centers and small craft centers. ARC, a non-profit organization, also supports and manages the recreation advisory councils. These advisory councils are made up of volunteer community members who advise Parks' staff on recreation programming at community centers and other facilities. This collaborative relationship with ARC enables the Department to consistently offer quality childcare and a wide range of recreation programs to the public.

Funding for new parks facilities has historically come from voter-approved levies, County, State, or Federal matching grants, tax-exempt borrowing, and City real estate excise tax revenue. In 1999, Seattle voters approved a renewal of the 1991 Seattle Center and Community Centers Levy, continuing DPR's commitment to renovate and expand facilities and provide new recreation centers. The 1999 Levy totaled $72 million spread over eight years; DPR received half of the total funding to build and/or renovate nine community centers. One year later, Seattle voters approved the 2000 Neighborhood Parks, Green Spaces, Trails and Zoo Levy (2000 Parks Levy), which enabled the Department to complete more than 100 park acquisition and development projects, improve maintenance, enhance environmental programs and practices, and expand recreation opportunities for youth and seniors. The remaining projects to be completed as part of the 2000 Parks Levy include the First Hill Park acquisition; development of First Hill, Crown Hill, and University Heights Parks; the Magnuson Park Wetlands-Shoreponds restoration; and three trails projects managed by the Seattle Department of Transportation.

In 2008, Seattle voters approved the 2008 Parks and Green Spaces Levy (2008 Parks Levy), which provides $145.5 million for improving and expanding the city's parks and green spaces. This 2008 Levy provides for acquisition of new parks and green spaces; development and improvements of various parks; renovation of cultural facilities; and funding for an environmental category which includes the Green Seattle Partnership, community gardens, trails, and improved shoreline access at street ends.

While the Seattle voters have consistently chosen to expand their parks and recreation system, the money available to operate the Parks system is constrained. Parks relies heavily on the General Fund for financial support. In fact, the 2012 Adopted Budget for Parks is $121 million, $81 million of which – or 67% – comes from the General Fund. The remaining $40 million comes from user fees, rental charges, and payments from capital funds for the time staff spend working on capital projects. The cost of operating a growing Parks system exceeds the availability of General Fund resources, requiring the Department to make some difficult choices. Nonetheless, Parks continues to look for creative opportunities to redefine how it does business in order to preserve access for the community.

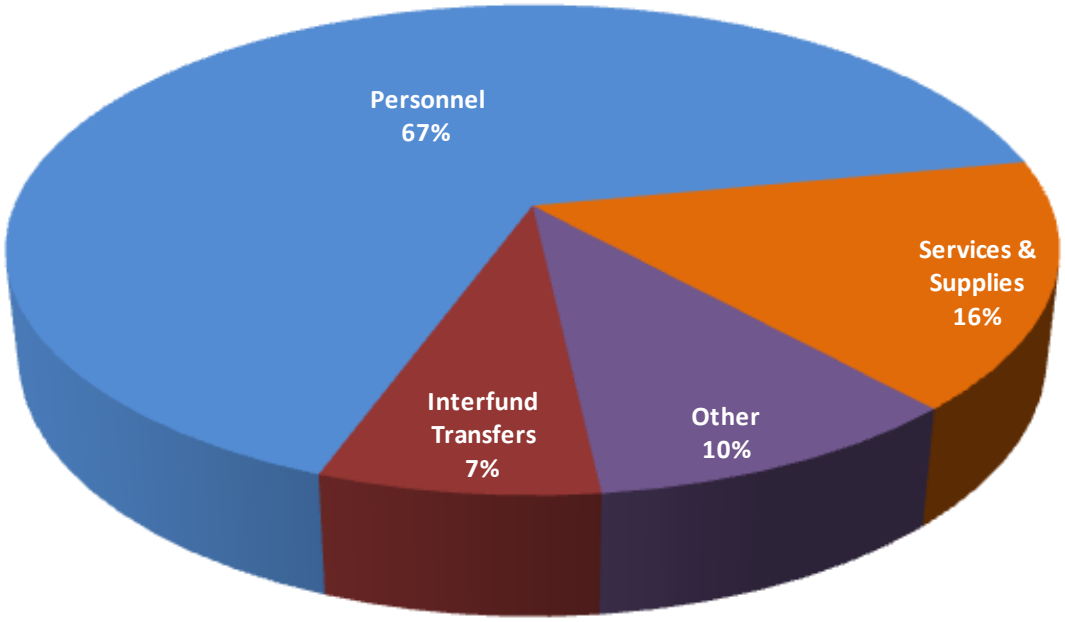
Budget Snapshot

Department of Parks & Recreation	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$82,574,576	$80,056,503	$84,135,811	$81,463,581
Other Revenues	$40,875,222	$40,430,133	$41,074,648	$39,856,186
Total Revenues	**$123,449,798**	**$120,486,636**	**$125,210,459**	**$121,319,767**
Use of (Contribution to) Fund Balance	($2,569,408)	$1,237,500	($40,000)	$1,636,645
Total Resources	**$120,880,390**	**$121,724,136**	**$125,170,459**	**$122,956,412**
Total Expenditures	**$120,880,390**	**$121,724,136**	**$125,170,459**	**$122,956,412**
Full-Time Equivalent * Total	1,002.49	890.89	889.27	863.09

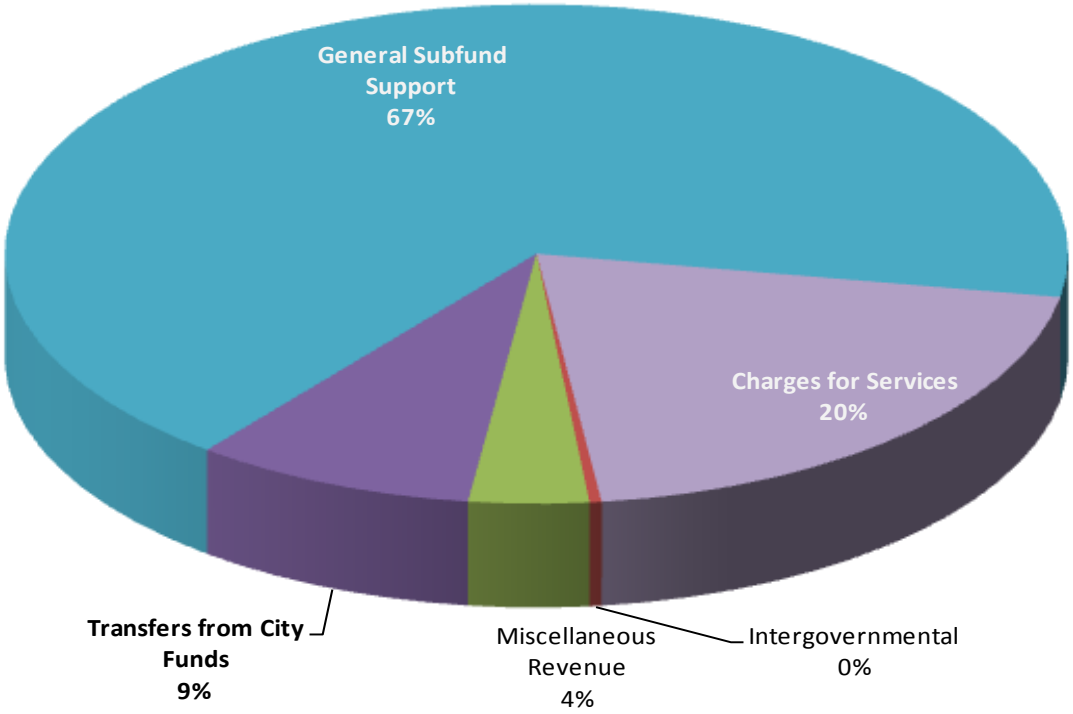
**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Department of Parks and Recreation

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

General Fund budget pressures in 2012 and future years require that the Department of Parks and Recreation (DPR) make budget reductions. The Adopted Budget for DPR reflects both General Fund expenditure reductions and enhanced revenues in order to close the gap. In developing its budget for 2012, DPR sought wherever possible to protect access to facilities and maintain its assets. The Department engaged in an extensive process, involving input from the community, the City Council, and the Executive, to establish a new model for managing community centers that ensures continued access and geographic equity. The Department also takes advantage of revenue opportunities and efficiencies to address the City's budget challenges.

In doing this, the 2012 Adopted Budget maintains investments in public safety resources for downtown parks, funding for all City-funded swimming pools, lifeguards on all of the City's public beaches, 2011 funding levels for wading pools, and keeps all community centers open (the Rainier Beach Community Center and pool will reopen in 2013 following a closure for reconstruction).

Maintaining Access to Community Centers:

The 2012 Adopted Budget implements the recommendations of the Community Center Advisory Team (CCAT). The work of CCAT, which includes representation of community center stakeholders, the City Council, and Executive branch, was formed in 2011 to respond to a City Council requirement that Parks re-examine its community center model. Specifically, CCAT was charged with exploring:

1. Increased partnerships for management and operations of the City's community centers
2. Increased partnerships for planning and fundraising activities at the City's community centers
3. Alternate management, operational, and staffing models for the City's community centers. CCAT met twice a month from late January through early June. Working with Parks staff, the group familiarized itself with the current community center operations and alternate service delivery models used by other jurisdictions to inform the final recommendations.

The top recommendations chosen by DPR with input from CCAT are reflected in the 2012 Adopted Budget including:

1. **Creation of Geographic Teams:** Under this recommendation, community centers are clustered into five geographic groups (Northeast, Northwest, Central, Southeast, and Southwest), with each team managed and programmed in a coordinated fashion, with partially or fully restored hours at the current limited use community center sites (Alki, Ballard, Green Lake, Laurelhurst, and Queen Anne).
2. **Creation of Service Level Designations:** Under this recommendation, the geographic teams are further delineated by three service levels/hours of operation, based on criteria including physical facilities, current use, and demographics. Public hours and staffing depend on the service level designation. Level 1 service centers will be open up to 70 hours per week, Level 2a centers up to 45 hours per week, and Level 2b centers up to 25 hours per week

3. **Increase PAR Fee:** The City contracts with the Associated Recreation Council (ARC) for the provision of recreation programs at community centers. The revenues are shared with the City currently retaining 3.25% of gross participant fee (PAR fee) revenue from ARC. The recommendation increases the PAR fee from 3.25% to 4% in 2012, resulting in additional revenue to the City.

4. **Non-Seattle-Resident Surcharge:** This recommendation pilots a non-Seattle-resident fee program at the Amy Yee Tennis Center. The fee for those living outside of Seattle will be 10% higher than for those living in Seattle. This option may be expanded in the future depending on implementation issues.

Based on these recommendations, the Department will implement a new community center management model for 2012. The proposed changes are based on a data-driven approach that required staff to research, compile, and interpret a significant amount of community center usage statistics to get a base level understanding of current operations. Using this data, DPR created a ranking system by which each center was placed in a service level category (1, 2a, or 2b) that represented varying ranges of public operating hours. Criteria such as number of users, number of programs, number of childcare scholarships, rental revenues, and physical size of each facility were used to determine how centers are staffed and programmed. This means that the service level category reflects a range of public hours based on actual usage and programming data.

The final community center model groups 25 of the 26 community centers into five geographical teams (Northeast, Northwest, Central, Southeast, and Southwest), each with five centers offering different service levels. The Southwest Community Center becomes a teen center only. Level 1 centers are open for up to 70 hours per week, which is above the current average of 51 hours/week for a standard center. Each geographic team has at least one Level 1 community center. Level 2a centers are open up to 45 hours per week, and Level 2b centers are open up to 25 hours per week. This range of public hours allows for greater programming flexibility. If one center is being used less, Parks may decrease hours at that center and increase hours at another center that is being used more.

While the total number of public hours per week across all centers decreases from 1,238 in 2011 to a maximum of approximately 1,095 hours in 2012, the allocation of more hours to more heavily used community centers will maximize the number of people served. In fact, Parks estimates that under this model they will be able to serve at least the same number of people in 2012 as they did in 2011 – and potentially more.

The new management model also allows for the more efficient use of community center staff. As a result, the Department is making significant changes to the community center management structure. Because staff will be deployed proportionately to the use of each center and can be redeployed as community needs change, the Department is able to decrease 13.63 FTE in 2012 and save $784,000.

With the addition of the ARC revenues, the new approach to community centers provides the General Fund with $1.23 million in relief for 2012 while minimizing service reductions, creating the flexibility needed to respond to rapidly changing community needs, and ensuring geographic and racial and social justice equity throughout the city.

Leveraging Alternate Revenue Sources:

In order to preserve direct services and alleviate General Fund pressures, DPR also seeks opportunities to enhance and make strategic use of revenues and other funding sources. Parks does this in a variety of ways, including continuing to leverage Admissions Tax dollars to support arts programming in parks; use of fund balances; and modest and targeted fee increases. In 2012, the Department will also evaluate alternative funding options for parks operations to help lessen its reliance on the General Fund, which accounts for two thirds of DPR's total annual revenues. The combination of new investments funded with two park levies, and budget reductions taken over the past four years has limited the Department's ability to keep pace with an expanded parks and recreation system. Since the City's ongoing financial difficulties make it unlikely that increased General Fund support will be available in 2013 and beyond, the Department will explore alternative revenue sources.

Admissions Tax to Support Arts Programming in Parks: The 2012 Adopted Budget continues to assume the use of Admissions Tax dollars to support arts programming in parks, including downtown parks arts programming, outdoor neighborhood parks activation projects, and Langston Hughes Performing Arts Center (LHPAC) operations. For 2012, $1.14 million in Admissions Tax revenues are dedicated to these programs, as compared to $934,000 in 2011. The main reason for this increase is the reopening of the newly renovated LHPAC facility. This approach is consistent with the parameters adopted by the City Council in Ordinance 123460 and ensures the continuation of programming that provides a wide variety of arts experiences to the public throughout the City while relieving pressure on the General Fund. These programs include concerts, art installations, street performers, ballroom dancing, performing arts training, and music exploration opportunities. These innovative programs are designed to serve all ages and all ethnic groups, and to make City parks creative, fun community spaces. They particularly emphasize youth involvement and the transformation of young lives through participation in creating art. They also emphasize activation of open space to create safe and vibrant gathering areas for neighborhoods. The use of Admissions Tax to support LHPAC is intended to end after 2012, and a strategy for continued future operations will be explored next year. Parks will consider opportunities for public/private partnerships, expanded use, and alternative management models for LHPAC. These findings may be proposed as part of the 2013-2014 budget.

Use of Conservatory Fund Balance: As the City's General Fund budget challenges continue, Parks is planning on making strategic use of existing fund balance in the Conservatory Reserve of the Parks and Recreation Fund in order to develop options for transitioning the Conservatory towards a self-sufficient funding model for 2013. Parks will dedicate $50,000 in 2012 to hire a consultant to develop a long-term financial and operational model for the Conservatory. The 2012 Adopted Budget makes use of the remaining $109,000 fund balance to support on-going Conservatory operating costs, thereby saving General Fund resources.

Other Use of Fund Balance: Also to alleviate General Fund budget pressures, DPR relies on $1.64 million in Parks Fund balance to balance its budget. Parks has a tradition of efficiently managing costs and has been able to accumulate additional fund balance beyond its $500,000 fund balance target over the past couple of years. Parks has strategically used these reserves over the past three years to help balance its budget, thereby reducing the need for scarce General Fund resources.

Department of Parks and Recreation

New Fees: For 2012, Parks is proposing several new fees in order to preserve direct services. All fees proposed in the 2012 Adopted Budget comply with DPR's existing fees and charges policies. These policies require that revenues from fees and charges be used exclusively to support Parks facilities; that they be based on the cost of providing the service; and that a higher percentage cost is recovered for services where the benefits of the service accrue primarily to the individual and a lower percentage is recovered where the community as a whole also benefits. In addition to ensuring that the fees comply with these policies, the Department has also analyzed comparable fees charged by other public agencies and recreation service providers.

The fee changes in 2012 include a new pilot user fee at the Amy Yee Tennis Center for users who reside outside of the city of Seattle. These individuals will be charged an additional amount over current user fees. In addition, DPR increases the participant fee (PAR fee) for recreation services. DPR contracts with the Associated Recreation Council (ARC) for the provision of public recreation and childcare services and the administration of the community center advisory councils. The Par fee is established annually in DPR's fees and charges ordinance and is specified as a percentage of the revenues ARC generates from childcare, sports, and recreation programs. In the 2012 Adopted Budget, the Par fee increases from 3.25% to 4% which will generate an estimated $47,000 in additional revenues.

Paid Parking Pilot at South Lake Union Park: The City Council, in adopting the 2011 budget, instructed Parks to analyze the viability of instituting a paid parking program in parks. In March 2011, Parks presented the City Council's Parks and Seattle Center Committee with a preliminary report on paid parking, which offered multiple options for proceeding with a paid parking program. Based on this report, the City Council directed Parks to submit a pilot program for paid parking at Lake Union Park. This direction came as a result of preliminary analysis that showed Lake Union Park to be the most appropriate park for requiring paid parking due to the following factors: the lot is heavily used by local workers parking all day for free, limiting its use by park visitors; all parking on surrounding streets is metered; and costs for parking enforcement are minimal as it is within an area frequently patrolled by parking enforcement officers.

The parking rate will be consistent with the surrounding street parking fee, and the proposed time limit is two hours. The time limit may change to be consistent with surrounding street parking if the Department determines that this change would not decrease parking demand in the park. Total first year revenues net one time installation costs for two pay stations are expected to be approximately $45,000. In 2013 and beyond, the parking program will generate about $59,000 annually. The Department plans to evaluate the program later next year and consider expansion options.

Staffing Changes:

Parks is also protecting the provision of direct services by identifying staffing efficiencies for 2012. The Department approached staffing reductions with the goal of reducing positions that provide duplicative services and those in program areas that could be better aligned with required workloads. Parks looked broadly across all divisions and reduced positions in several different program areas resulting in a savings of approximately $1 million. These reductions were chosen based on their relatively minimal impacts on direct services being provided to the public.

The Department evaluated key administrative functions, and found savings through the abrogation of three positions. A full time position is abrogated in the Accounting Division. While the reduction may increase the amount of time needed to perform work, such as processing invoices and conducting audits, the Department will redistribute workloads to minimize the reduction impacts. Parks also abrogates one administrative position supporting Magnuson Park, working on partnerships and requests for proposals. In 2011, the Department consolidated all of the partnership work under the Superintendent's Office to allow for a more focused and cohesive approach on partnership strategies. This change created some redundancies in areas where this work was still being done. This reduction achieves savings without any significant public impacts.

A third position reduction is possible based on the realignment of staff responsibilities at the Langston Hughes Performing Arts Center (LHPAC). This change eliminates the need for a recreation position and provides $132,000 in budget savings. This reduction, along with the increased admissions tax eliminates all General Fund support for the LHPAC in 2012.

Based on the overall slowdown in the Department's capital program over the past few years, positions are reduced in the Planning and Development Division. This Division ramped up when the 2008 Parks Levy was approved and when larger amounts of capital funds were available for projects. With the majority of the Levy projects complete and reduced levels of capital funding available, the Department is able to make commensurate reductions in program staff with no impacts on services for a total savings of $667,000.

The 2012 Adopted Budget also includes staffing changes to address the unallocated management reduction target assumed in the 2012 Endorsed Budget. DPR abrogates a Strategic Advisor position and reduces two other management level positions to meet this target. The loss of the Strategic Advisor position reduces the Department's ability to perform policy analysis, coordination of the Strategic Action Plan, and research and coordination of special projects. The two management positions being reduced work in the Planning and Development division, and this reduction is appropriate based on slowed capital work planned for 2012 and beyond.

Leveraging Partnerships and Investing in Parks Assets:

The 2012 Adopted Budget recognizes that investing in the City's Parks assets, even in times of financial challenge is a critical priority. This commitment is reflected in two important investments:

- Working with the Parks Levy Oversight Committee to redirect inflation savings in the 2008 Parks Levy to critical parks asset preservation investments.
- Leveraging private dollars by investing in the renovation of Building 30 at Magnuson Park.

Asset Preservation Investments: Capital maintenance is a vital component of Parks' Capital Improvement Program (CIP). However, weakness in the real estate market over the past couple of years has severely depressed the City's Real Estate Excise Tax (REET) revenues, a key source of funding for asset preservation in the City. As a result, the funding for Parks' capital maintenance has been inadequate to keep pace with the growth and aging of the system.

Department of Parks and Recreation

The 2012 Adopted Budget reverses this trend and reflects a significant increase in the amount of asset preservation activities planned for next year made possible by a reallocation of unanticipated savings in the 2008 Parks Levy. Of the total $18.4 million budgeted in 2012 for Parks for asset preservation activities, the Levy provides $9.8 million to cover 17 asset preservation projects that would have been unfunded otherwise. The Department worked with the Parks Levy Oversight Committee on alternate ways to spend the unanticipated savings in the Levy, and the Committee agreed that investing these dollars into asset preservation activities made sense. For more details on this plan, please refer to the 2008 Parks Levy section of the budget book.

Magnuson Park Building 30: Approximately $5.5 million in bond funding for the renovation of Building 30 at Magnuson Park is included in the 2012-2017 Adopted Capital Improvement Program with funding for annual debt service included in Parks' 2012 operating budget. The project will renovate the west wing and hangar sections of the facility to bring it into compliance with current building code requirements so that it can be utilized as a rental facility, including the very popular Friends of the Library book sale, revenues from which help support the City's library system.

Building 30 is a large structure remaining from the old Sand Point Naval Air Station. Originally built in the late 1930's, it consists of east and west office wings and a central space that was an airplane hangar. The east wing is used for Parks offices and non-profit tenants, including Friends of the Library. The west wing is unoccupied. The hangar has only been used for certain special events on a limited basis (e.g., Friends of the Library Book Sale, Arboretum Plant Sale). Only four special permits will be allowed in 2012.

Restoring the west wing and allowing for expanded use of the hangar as a public space requires a certificate of occupancy from the Department of Planning and Development (DPD). Parks is still working with DPD on the level of improvements needed to bring the building into compliance to enable higher use and generate more revenues. The revenue generated by Building 30 after the improvements are made is anticipated to cover 60% of the $641,000 annual debt service, starting in 2013. The General Fund will cover the remaining 40%, or approximately $260,000, depending on how actual Building 30 revenues perform. The interest only debt service payment in 2012 is estimated at $212,000, and will be covered by the General Fund.

City Council Changes

During the City Council's budget review process, additional funding for community centers was added to the Parks budget. To support the new approach to how community centers will be managed, City Council provided $100,000 to DPR to provide enhanced public hours at select high need community centers in 2012. The allocation of the funds will be based on how the community centers perform under this new model and where the greatest demand may be.

In addition, City Council provided funds to purchase and install infrared thermal imaging counters ("people counters") at all community centers. The department does not have the ability to capture reliable and consistent data regarding the use of community centers. The absence of this data has made it difficult to determine how community centers should be staffed. The people counters will allow the Department to start collecting consistent and reliable usage data in 2012 that can be used to measure and evaluate the new operating model in future years.

Incremental Budget Changes

Department of Parks and Recreation

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$125,170,459**	**889.27**
2012 Proposed Changes			
	New Model for Community Centers	($872,577)	(14.63)
	Langston Hughes Funding Model	($131,717)	(1.00)
	Long Term Financial Strategy for Volunteer Park Conservatory	$50,000	0.00
	Increase in Recreation Fees	$0	0.00
	New Non-Resident Fee for Recreation Programs	$0	0.00
	Increase in Athletic Field Revenues	($274,500)	0.00
	New Parking Fee Revenue at Lake Union Park	$13,803	0.00
	Align Seattle Conservation Corp Budget	($250,195)	0.00
	Maintenance Staffing Changes	$0	6.90
	Capital Program Staff Reductions	($667,190)	(7.20)
	Management Reductions	($50,995)	(1.75)
	Miscellaneous Staffing Reductions	($192,305)	(2.50)
	Transfer of Special Event Coordination	($156,872)	(2.00)
	Reduced Financial Support for the Parks Foundation	($35,000)	0.00
	Facility Maintenance Savings	($285,683)	0.00
		$212,000	0.00
	Increase General Fund Support for Building 30 Debt Service		
	Utility Increases	$90,110	0.00
	Use of Parks Fund Balance	$0	0.00
	Technical Adjustments	$161,305	(4.00)
Total Changes		**($2,389,816)**	**(26.18)**
2012 Proposed Budget		**$122,780,643**	**863.09**
Council Adjustments to Proposed Budget			
	Increase Community Center Hours	$100,000	0.00
	Add Funds for Infrared Cameras at Community Centers	$205,000	0.00
	Retirement Adjustment	($129,231)	0.00
Total Adjustments		**$175,769**	**0.00**
2012 Adopted Budget		**$122,956,412**	**863.09**

Department of Parks and Recreation

New Model for Community Centers - ($872,577) / (14.63) FTE. The 2012 Adopted Budget reflects the reorganization of the community centers to create a more efficient service delivery model and to achieve budget savings. The total savings is approximately $1.23 million, which includes $784,000 in expenditure reductions and $446,000 in increased revenues from the Associated Recreation Council (ARC), the organization providing childcare and recreation programming at community centers.

The expenditure reductions are based mostly on the staffing changes resulting from the reorganization. The net impact of the changes is a reduction of 13.63 FTE, which includes a range of recreation and maintenance positions. The reorganization reduces community center staff from 109.13 FTE in 2011 to 95.50 in 2012.

To implement this new community center model, the Department also makes a change in executive level management within the Recreation Division. One of the two existing Manager 2 positions overseeing the centers is abrogated, and the remaining Manager 2 is assigned a matrix management role within the Recreation Division, taking on a range of department initiatives. The Department transfers in a vacant Manager 2 position pocket from the Aquarium and reclassifies it to a Manager 3 position. The Manager 3 will be responsible for all 26 community centers. This change saves $109,000, and unifies the executive management function to allow for the cohesive oversight of all community centers. This new staffing structure streamlines the overall community center management structure and creates the most flexible programming options possible while achieving General Fund savings.

A related change in community centers involves the consolidation of the Delridge Neighborhood Service Center (DNSC) formerly in the Department of Neighborhoods (DON) and Parks' Southwest Community Center (SWCC). Under the new community center management model, SWCC will function as a Teen Life Center, swimming pool, and rental facility only. The DNSC will be relocated to a room in the SWCC and the current rental of space at SWCC for the Europa Kids pre-school is expected to continue. The co-location of SWCC and DNSC provides easier access to services for more customers and will create operating efficiencies with the service center staff processing rentals for the SWCC. The one time consolidation costs in 2012 are $45,000. DON will pay annual rent to DPR of $25,000 in 2012 and then $20,000 starting in 2013. The first year rent is slightly higher to help offset some of the relocation costs.

Langston Hughes Funding Model - ($131,717) / (1.00) FTE. In prior years, the Langston Hughes Performing Arts Center (LHPAC) was supported through a mix of Admissions Tax revenue, program revenue (facility rentals and ticket sales), and General Fund. In 2012, Parks eliminates the GF support in 2012 by reducing one position and increasing the amount of Admissions Tax being provided to the facility. This change results in minimal impacts to the public and will not change the number of performances and other activities provided by LHPAC. The change is also in compliance with Ordinance 123460, which dictates how much Admissions Tax can be devoted to Parks programs.

Long Term Financial Strategy for Volunteer Park Conservatory - $50,000. The total annual cost to operate the Conservatory is approximately $350,000, with the General Fund subsidizing about $330,000, and donations covering the rest. The budget primarily covers the costs of five gardener positions working at the Conservatory. The facility has accumulated approximately $209,000 in fund balance over the past few years, and DPR will use this to offset General Fund support in 2012. Of this amount, $159,000 will help fund the gardener positions, and Parks will use the remaining $50,000 to support the Conservatory's development of a long-term self-sustaining financial strategy.

Increase in Recreation Fees - $0. This change increases the participation fee (PAR) assessed on recreation programs from 3.25% to 4%, and decreases the PAR fee for Life Long Learning programs from 10% to 4% to make PAR fees consistent across all applicable recreation services. The PAR fee covers a portion of the City's costs to maintain the physical space and for staffing support for ARC classes. This change does not decrease expenditure authority in 2012. Rather, this adjustment swaps a like amount of General Fund support for ARC revenues, with the change reflected on the revenue side of the budget. This change was recommended by the Department with input from the Community Center Advisory Team (CCAT) as one of the additional options to reduce General Fund support for community centers without reducing hours or services. ARC agrees with the change.

New Non-Seattle Resident Fee for Recreation Programs - $0. The Department, with input from CCAT, also recommended piloting a new non-Seattle resident user fee at the Amy Yee Tennis Center. Starting in 2012, those living outside the city of Seattle will pay a 10% higher usage fee for tennis programs at the center. The estimated annual revenues are approximately $5,200. This change does not decrease expenditure authority in 2012. Rather, the adjustment swaps a like amount of General Fund support for Park revenues, with the change reflected on the revenue side of the budget. Seattle residents contribute more to the operating costs of Parks facilities through City taxes, and this new fee helps ensure that non-residents pay a more equitable portion of the costs to provide Parks services. If the Department is able to mitigate first year implementation issues with reasonable strategies, the non-resident fees may be expanded to other recreation facilities in future years.

Increase in Athletic Field Revenues - ($274,500). Parks is projecting an increase of $75,000 in higher athletic field revenues in 2012. The Department is experiencing greater usage of the fields as a result of the conversion of play fields from grass to synthetic turf. Overall, revenues are slightly higher than projected as a result of increased usage. This change does not decrease expenditure authority in 2012. Rather, the adjustment swaps a like amount of General Fund support for ARC revenues, with the change reflected on the revenue side of the budget. This change also includes an adjustment to the Golf budget to reflect the elimination of the West Seattle driving range project from the Golf Master Plan.

New Parking Fee Revenue at Lake Union Park - $13,803. A pilot parking fee program begins in 2012 at South Lake Union Park. The proposal will offer park visitors better access to the parking at Lake Union Park, which is now largely used by commuters who leave their vehicles in the park all day. This increase represents the one-time installation costs of the pilot project at Lake Union Park. The program is expected to generate $45,000 in revenues in 2012 and $59,000 in 2013 and beyond.

Align Seattle Conservation Corps Budget - ($250,195). The Department reduces the Seattle Conservation Corps budget to better match actual program expenditures and revenues. The Corps provides employment opportunities and access to housing for homeless individuals, and is a revenue backed program with support from contracting agencies both internal and external to the City. Since 2008, the Corps budget has not been fully spent each year, and this change right-sizes the program to better reflect actual spending patterns and needs. Parks does not anticipate that this budget adjustment will impact the Corps' operations or result in race and social justice impacts.

Maintenance Staffing Changes - $0 / 6.9 FTE. As part of the staffing strategy to manage new facilities costs resulting from the 2008 Parks Levy, the Department converts intermittent facility maintenance staff into permanent positions equaling 6.9 FTE. Existing funds are used to fully cover the position conversions. Converting positions to permanent positions allows for a more stable and well trained work force to preserve and maintain parks and recreation facilities.

Department of Parks and Recreation

Capital Program Staff Reductions - ($667,190) / (7.20) FTE. Parks is able to reduce five permanent capital related positions to part time and abrogate six other positions. This reduction is appropriate given the lower volume of capital projects planned in 2012 and beyond, and there are no anticipated service level impacts on the public.

As part of the strategy to bring staffing levels in line with actual capital spending, Parks also reduces one of two CIP-supported environmental analyst senior positions from 1.0 FTE to 0.75 FTE commensurate with reduced CIP funding. The positions support indoor and outdoor hazardous waste remediation. The Department's intent was to fund the positions with non-General Fund revenue on an ongoing basis. However, over the past few years, the volume of CIP-related work has not been sufficient to fully fund the positions, thus requiring this FTE change. Similar to the above changes, this reduction will have no impact on the public.

Management Reductions - ($50,995) / (1.75) FTE. The 2012 Adopted Budget set an unallocated cut for Parks designed to reflect management staffing efficiencies. To meet this target, DPR reduces a 1.0 FTE Manager 2 Parks and Facility Maintenance position in the Major Maintenance Section to 0.5 FTE and reduces a 1.0 FTE Strategic Advisor in the Planning and Development Division to .75 FTE. These positions support the Department's capital improvement program, which has a smaller workload now than in past years. There are no service level impacts associated with these reductions.

Parks also abrogates 1.0 FTE Strategic Advisor 2 in the Policy Direction and Leadership Division. This position has historically performed policy analysis, budget development and monitoring, and performed planning and research for the Superintendent's Division. The workload will be shared among existing staff and a lower level of planning and research work will be accomplished. This administrative reduction is internal to the Department and will not impact the public, nor reduce services currently being provided.

Miscellaneous Staffing Reductions - ($192,305) / (2.50) FTE. Parks achieves budget savings through the elimination of positions across several different divisions. The Department abrogates one full time Accounting Tech II position in the Accounting Unit, one part-time Parks Concession Coordinator position at Magnuson Park, and one full time Truck Driver position. These reductions may slow down the Department's work in these areas, but the Department shifts the work associated with these positions to existing staff to minimize impacts on direct services.

Transfer of Special Event Coordination - ($156,872) / (2.0) FTE. The 2012 Adopted Budget reflects a change in the administration of Citywide special events, such as SeaFair. A Manager 1 position responsible for coordination of Citywide special events will transfer from Parks to the Office of Economic Development (OED) in order to take better advantage of the linkages between special events and the promotion of economic development in the city of Seattle. In addition, the administrative position supporting the Manager also transfers to OED.

Reduced Financial Support for the Parks Foundation – ($35,000). This proposal reduces the amount of funding provided to the Seattle Parks Foundation. The Foundation is an independent nonprofit organization working with public and private partners to conserve, improve, and expand city parks, green spaces, and programs. The Foundation recognizes the City's financial challenges and will endeavor to fund raise or find other financial alternatives to balance the loss of City funds. They do not anticipate any significant impacts from this reduction.

Facility Maintenance Savings – ($285,683). DPR reduces $150,000 in materials and supplies for facility maintenance and realizes $136,000 of General Fund savings because of delays in anticipated completion dates of several 2008 Parks Levy projects.

Increase General Fund Support for Building 30 Debt Service – $212,000. The 2012 Adopted Budget and the 2012-2017 Adopted Capital Improvement Program (CIP) include funding for the first phase of improvements to Building 30 at Magnuson Park. The total cost to fully renovate the building is approximately $9 million, and Parks is using a phased approach that will meet the Department of Planning and Development's code requirements. The exact scope of work to be undertaken with an initial $5.5 million in funding is still being determined. Improvements may include exiting upgrades, unreinforced masonry seismic upgrades, fire suppression sprinklers and fire alarm systems in the hangar and west wing, lighting, heating and ventilation upgrades, an elevator, ADA toilet rooms, and related work, depending on permitting requirements. Water service, natural gas systems, and primary electrical services to the building may also be upgraded to support the building renovations. The Department anticipates that the existing tenants will be able to remain in the building during construction, thus eliminating any potential relocation issues.

In its current condition, the majority of Building 30 is unusable by the community. However, the building has the potential to provide exceptional public space to new and existing tenants like Friends of the Library. The initial capital investment in the first phase of improvements is the first step in transforming Building 30. In turn, the revenues generated by increased usage will help offset the costs of the capital investment over time; all while providing tremendous benefits to arts and cultural organizations.

Utility Increases – $90,110. Due to unforeseen increases in several utility costs, including natural gas, drainage, electricity, and sewer, the 2012 Adopted Budget increases the utility budget for DPR. The Department practices strict conservation efforts in parks and recreation facilities, however, the unanticipated rate increases have created funding pressures that the Department was not able to manage without additional General Fund support.

Use of Parks Fund Balance – $0. The Department has accumulated a healthy fund balance over the past several years and will use $1.65 million to offset General Fund support in 2012. This change does not decrease expenditure authority in 2012. Rather, this adjustment swaps Parks Fund balance with General Fund, which means the change is reflected on the revenue side of the budget.

Technical Adjustments – $161,305 / (4.0) FTE. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in DPR's service delivery. The Department adjusts revenue and expense budgets between or within Budget Control Levels (BCLs) to better reflect actual spending patterns. The technical adjustments also include the elimination of the Golf Capital Reserve BCL; the transferring of several lines of businesses to different BCLs to more accurately represent where program dollars are being spent; and the reclassification of several positions that were approved outside of the budget process.

The 2012 Adopted Budget makes two changes to the Aquarium BCL including the abrogation of the three positions that transferred over to the Seattle Aquarium Society (SEAS) in 2011 per the agreement between the City and SEAS to transfer all City funded Aquarium staff to SEAS over a five- year period starting in 2010. It also removes the Aquarium debt service from the operating budget as the debt will be paid through the capital budget.

Department of Parks and Recreation

City Council Changes to the 2012 Proposed Budget

Increase Community Center Hours - $100,000. Funding is added to pay for additional hours at community centers in 2012. The intent of the funding is to bridge the transition into the new service model by allowing for approximately 5-10 extra public hours at a handful of community centers. The centers will be chosen based on demand and may include those in neighborhoods with public safety issues or those where additional hours may leverage investments from a third party. The Department will determine how actual hours will be allocated.

Add Funds for Infrared Cameras at Community Centers - $205,000. The Department will install infrared thermal imaging counters at 25 community centers in 2012, which will allow Parks to more easily count the number of people using community centers. The people counters were tested at the Northgate Community Center in 2011, and the data collected proved useful enough to warrant funding the installation of cameras at all community centers. Each of the 25 community centers includes from one to three public entrances, and counters will be installed at each entrance for a total of approximately 47 counters. The hard cost for the systems is estimated at $205,000, which includes a 10% contingency for unanticipated costs. The usage data captured by the counters will allow resources to be used more effectively and efficiently deployed to meet the needs of the community.

Retirement Adjustment – ($129,231). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Environmental Learning and Programs Budget Control Level	K430A	3,654,360	3,518,159	3,670,733	3,747,150
Facility and Structure Maintenance Budget Control Level	K320A	12,497,853	12,958,173	13,470,326	13,616,591
Finance and Administration Budget Control Level	K390A	6,985,391	8,832,740	8,160,756	7,885,329
Golf Budget Control Level	K400A	8,422,381	9,017,500	9,677,101	9,417,669
Golf Capital Reserve Budget Control Level	K410A	824,182	435,000	11,000	0
Judgment and Claims Budget Control Level	K380A	1,641,680	1,143,365	1,143,365	1,143,365
Natural Resources Management Budget Control Level	K430B	6,168,522	6,318,281	6,478,633	6,599,106
Park Cleaning, Landscaping, and Restoration Budget Control Level	K320B	23,428,658	24,665,543	26,140,276	26,356,978
Planning, Development, and Acquisition Budget Control Level	K370C	6,002,960	6,714,198	6,872,003	6,250,827
Policy Direction and Leadership Budget Control Level	K390B	3,747,100	3,734,284	3,726,009	5,000,018
Recreation Facilities and Programs Budget Control Level	K310D	22,332,859	21,828,100	22,762,157	21,042,061
Seattle Aquarium Budget Control Level	K350A	7,848,771	4,713,222	4,822,436	3,875,585
Seattle Conservation Corps Budget Control Level	K320C	3,264,383	4,073,257	4,152,111	3,913,185
Swimming, Boating, and Aquatics Budget Control Level	K310C	7,698,654	7,288,617	7,495,826	7,520,821
Woodland Park Zoo Budget Control Level	K350B	6,362,637	6,483,698	6,587,726	6,587,726
Department Total		**120,880,390**	**121,724,136**	**125,170,459**	**122,956,412**
Department Full-time Equivalents Total*		**1,002.49**	**890.89**	**889.27**	**863.09**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Park and Recreation Fund (10200)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
441710	Sales of Merchandise	154,676	5,000	5,000	24,884
441990	Miscellaneous Charges and Fees	293,947	1,109,329	1,109,329	259,026
443870	Resource Recovery Revenues	3,308,641	1,328,688	1,296,113	4,848,042
447300	Recreational Activity Fees	9,523,353	19,739,273	20,058,457	10,040,351
447350	Recreation Shared Revenues - ARC	347,758	0	0	817,565
447400	Event Admission Fees	0	0	0	0
447450	Recreation Admission Fees	1,814,492	0	0	1,790,256
447500	Exhibit Admission Fees	3,971,906	4,988,151	5,097,381	274,972
447550	Athletic Facility Fees	1,793,246	0	0	2,325,867
447600	Program Fees	2,479,548	0	0	2,455,336
462300	Parking Fees	0	59,900	59,900	104,792
469990	Miscellaneous Revenue	134,216	113,101	113,101	161,771
543970	Charges to Other City Departments	1,170,229	270,590	270,590	278,890
569990	Miscellaneous Revenue	119,303	1,020,391	1,037,608	1,207,041
	Total Charges for Services	**25,111,315**	**28,634,423**	**29,047,479**	**24,588,793**
587001	General Subfund Support	82,574,576	80,056,503	84,135,811	81,463,581
	Total General Subfund Support	**82,574,576**	**80,056,503**	**84,135,811**	**81,463,581**
433010	Federal Grants	238,552	0	0	0
434010	State Grants	8,733	0	0	0
437010	Interlocal Grants	0	0	0	0
439090	Private Contributions	1,019,385	441,400	441,400	441,400
	Total Intergovernmental	**1,266,670**	**441,400**	**441,400**	**441,400**
462400	ST Space Facilities Rentals	3,976,122	372,420	392,420	3,467,684
462500	LT Space/Facilities Leases	1,187,030	42,874	42,874	495,680
462800	Concession Proceeds	80,587	637,143	637,143	80,000
462900	Rents and Use Charges	320,308	223,349	223,349	378,979
469100	Salvage Sales	9,271	0	0	0
469400	Judgments & Settlements	18,605	0	0	0
469970	Telephone Commission Revenue	1,297	3,183	3,183	1,300
	Total Miscellaneous Revenue	**5,593,220**	**1,278,969**	**1,298,969**	**4,423,643**
587165	Transfer from Neighborhood Matching Subfund	98,164	0	0	0
587637	Transfer from Donations Fund	42,565	0	0	209,000
587900	Transfers from CRS & Parks Levy	8,763,288	10,075,341	10,286,800	10,193,350
	Total Transfers from City Funds	**8,904,017**	**10,075,341**	**10,286,800**	**10,402,350**
Total Revenues		**123,449,798**	**120,486,636**	**125,210,459**	**121,319,767**
379100	Use of Fund Balance	(2,569,408)	1,237,500	(40,000)	1,636,645
	Total Use of Fund Balance	**(2,569,408)**	**1,237,500**	**(40,000)**	**1,636,645**
Total Resources		**120,880,390**	**121,724,136**	**125,170,459**	**122,956,412**

Appropriations by Budget Control Level (BCL)

Environmental Learning and Programs Budget Control Level

The purpose of the Environmental Learning and Programs Budget Control Level (BCL) is to deliver and manage environmental stewardship programs and the City's environmental education centers at Discovery Park, Carkeek Park, Seward Park, and Camp Long. The programs are designed to encourage Seattle residents to take actions that respect the rights of all living things and environments, and to contribute to healthy and livable communities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Environmental Learning and Programs	3,654,360	3,518,159	3,670,733	3,747,150
Full-time Equivalents Total*	33.94	32.44	32.44	32.19

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Facility and Structure Maintenance Budget Control Level

The purpose of the Facility and Structure Maintenance Budget Control Level (BCL) is to repair and maintain park buildings and infrastructure so that park users can have structurally sound and attractive parks and recreational facilities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Facility and Structure Maintenance	12,497,853	12,958,173	13,470,326	13,616,591
Full-time Equivalents Total*	117.25	110.74	108.74	108.24

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Finance and Administration Budget Control Level

The purpose of the Finance and Administration Budget Control Level (BCL) is to provide the financial, technological, and business development support necessary to provide effective delivery of the Department's services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance and Administration	6,985,391	8,832,740	8,160,756	7,885,329
Full-time Equivalents Total*	57.00	54.00	54.00	52.50

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Appropriations by Budget Control Level (BCL)

Golf Budget Control Level

The purpose of the Golf Budget Control Level (BCL) is to efficiently manage the City's four golf courses at Jackson, Jefferson, West Seattle, and Interbay to provide top-quality public golf courses that maximize earned revenues.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Golf	8,422,381	9,017,500	9,677,101	9,417,669
Full-time Equivalents Total*	25.00	25.00	25.00	25.00

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Golf Capital Reserve Budget Control Level

The purpose of the Golf Capital Reserve Budget Control Level (BCL) is to transfer resources from the Parks and Recreation Fund to the Cumulative Reserve Subfund to provide for previously identified Golf Program capital projects. There are no staff and no program services delivered through this program.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Golf Capital Reserve	824,182	435,000	11,000	0

Judgment and Claims Budget Control Level

The Judgment and Claims Budget Control Level (BCL) pays for judgments, settlements, claims, and other eligible expenses associated with legal claims and suits against the City. Premiums are based on average percentage of Judgment/Claims expenses incurred by the Department over the previous five years.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment and Claims	1,641,680	1,143,365	1,143,365	1,143,365

Natural Resources Management Budget Control Level

The purpose of the Natural Resources Management Budget Control Level (BCL) is to provide cost efficient and centralized management for the living assets of the Department of Parks and Recreation. Direct management responsibilities include greenhouses, nurseries, the Volunteer Park Conservatory, landscape and urban forest restoration programs, sport field turf management, water conservation programs, pesticide reduction and wildlife management, and heavy equipment support for departmental operations and capital projects.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Natural Resources Management	6,168,522	6,318,281	6,478,633	6,599,106
Full-time Equivalents Total*	62.74	58.74	58.74	56.74

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Park Cleaning, Landscaping, and Restoration Budget Control Level

The purpose of the Park Cleaning, Landscaping, and Restoration Budget Control Level (BCL) is to provide custodial, landscape, and forest maintenance and restoration services in an environmentally sound fashion to provide park users with safe, useable, and attractive park areas.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Park Cleaning, Landscaping, and Restoration	23,428,658	24,665,543	26,140,276	26,356,978
Full-time Equivalents Total*	230.67	203.84	203.84	211.74

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Planning, Development, and Acquisition Budget Control Level

The purpose of the Planning, Development, and Acquisition Budget Control Level (BCL) is to acquire, plan, design, and develop new park facilities, and make improvements to existing park facilities to benefit the public. This effort includes providing engineering and other technical services to solve maintenance and operational problems. This BCL also preserves open spaces through a combination of direct purchases, transfers, and consolidations of City-owned lands and resolution of property encroachment issues.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Planning, Development, and Acquisition	6,002,960	6,714,198	6,872,003	6,250,827
Full-time Equivalents Total*	57.60	53.60	53.60	45.90

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Policy Direction and Leadership Budget Control Level

The purpose of the Policy Direction and Leadership Budget Control Level is to provide policy guidance within the Department and outreach to the community on policies that enable the Department to offer outstanding parks and recreation opportunities to Seattle residents and our guests. It also provides leadership in establishing new partnerships or strengthening existing ones in order to expand recreation services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Policy Direction and Leadership	3,747,100	3,734,284	3,726,009	5,000,018
Full-time Equivalents Total*	24.50	23.50	23.50	30.25

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Recreation Facilities and Programs Budget Control Level

The purpose of the Recreation Facilities and Programs Budget Control Level (BCL) is to manage and staff the City's neighborhood community centers and Citywide recreation facilities and programs, which allow Seattle residents to enjoy a variety of social, athletic, cultural, and recreational activities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Recreation Facilities and Programs	22,332,859	21,828,100	22,762,157	21,042,061
Full-time Equivalents Total*	238.29	207.41	207.79	182.41

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Aquarium Budget Control Level

The purpose of the Seattle Aquarium Budget Control Level (BCL) is to provide exhibits and environmental educational opportunities that expand knowledge of, inspire interest in, and encourage stewardship of the aquatic wildlife and habitats of Puget Sound and the Pacific Northwest.

Summary

In December, 2009, Ordinance 123205 authorized the Department of Parks and Recreation to enter into an agreement with the Seattle Aquarium Society (SEAS) whereby SEAS began to operate and maintain the Aquarium on July 1, 2010. During a 5-year transition period, Aquarium employees may opt to remain City employees. The appropriation in this BCL is used for payment of salary and benefits for these City employees that work at the Aquarium. SEAS fully reimburses DPR for these expenses.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Seattle Aquarium	7,848,771	4,713,222	4,822,436	3,875,585
Full-time Equivalents Total*	73.25	50.50	50.50	47.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Conservation Corps Budget Control Level

The purpose of the Seattle Conservation Corps Budget Control Level (BCL) is to provide training, counseling, and employment to homeless and unemployed people so that they acquire skills and experience leading to long-term employment and stability.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Seattle Conservation Corps	3,264,383	4,073,257	4,152,111	3,913,185
Full-time Equivalents Total*	20.35	19.55	19.55	19.55

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Swimming, Boating, and Aquatics Budget Control Level

The purpose of the Swimming, Boating, and Aquatics Budget Control Level (BCL) is to provide a variety of structured and unstructured water-related programs and classes so participants can enjoy and develop skills in a range of aquatic activities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Swimming, Boating, and Aquatics	7,698,654	7,288,617	7,495,826	7,520,821
Full-time Equivalents Total*	61.90	51.57	51.57	51.57

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Woodland Park Zoo Budget Control Level

The purpose of the Woodland Park Zoo Budget Control Level is to provide care for animals and offer exhibits, educational programs, and appealing visitor amenities so Seattle residents and visitors have the opportunity to enjoy and learn about animals and wildlife conservation.

Summary

In December 2001, the City of Seattle, by Ordinance 120697, established an agreement with the non-profit Woodland Park Zoological Society to operate and manage the Woodland Park Zoo beginning in March 2002. The Department's budget includes the City's support for Zoo operations.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Woodland Park Zoo	6,362,637	6,483,698	6,587,726	6,587,726

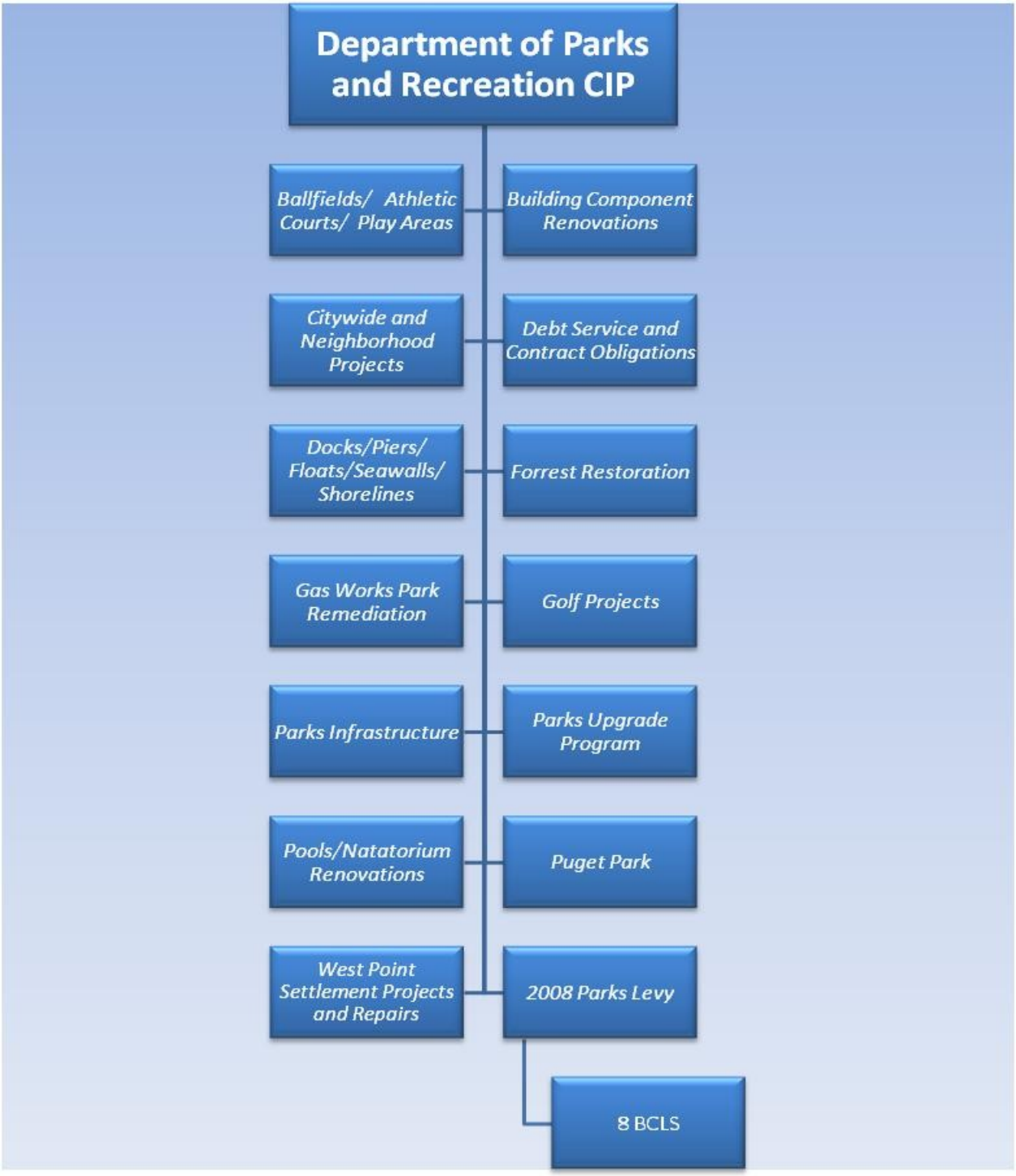
Fund Table

Park and Recreation Fund (10200)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**5,541,191**	**2,629,754**	**8,110,599**	**1,352,254**	**3,784,320**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	123,449,798	120,486,636	118,233,724	125,210,459	121,319,767
Less: Actual and Budgeted Expenditures	120,880,390	121,724,136	122,520,003	125,170,459	122,956,412
Less: Capital Improvements	0	40,000	40,000	40,000	0
Ending Fund Balance	**8,110,599**	**1,352,254**	**3,784,320**	**1,352,254**	**2,147,675**
Transfer to Golf Capital Reserve	0	0	0	0	0
Westbridge Debt	829,300	829,300	829,300	829,300	829,300
Total Reserves	**829,300**	**829,300**	**829,300**	**829,300**	**829,300**
Ending Unreserved Fund Balance	**7,281,299**	**522,954**	**2,955,020**	**522,954**	**1,318,375**

Department of Parks and Recreation
Capital Improvement Program

Capital Improvement Program (CIP) by Budget Control Level



Department of Parks and Recreation

Capital Improvement Program Highlights

The 2012 CIP reflects a wide range of projects. With $52 million appropriated in 2012, Parks will continue to have a robust capital improvement program, despite the economic downturn. The 2008 Parks Levy provides $18 million of this funding, in addition to the $86 million appropriated from the Levy in Parks CIP from 2009 through 2011. The Cumulative Reserve Subfund (CRS) appropriation for the Department is $13.8 million in 2012, of which $11.5 million is REET funding for capital projects.

Capital maintenance is a vital component of Parks' Capital Improvement Program, with $18.4 million funded in 2012. Of this amount, $9.8 million is for 17 major maintenance projects funded by the 2008 Parks Levy, reallocating funding originally planned to cover inflation for Levy projects. This funding addresses basic infrastructure across the Parks system, such as electrical system replacement, environmental remediation, landscape restoration, irrigation system replacement, and replacing major roof and HVAC systems. Work at the Seattle Aquarium will continue to address Pier 60 corrosion and pier piling problems.

Of the 59 development projects funded by the 2008 Levy, 54 will be in progress through 2012, and 22 will have been completed by the end of 2011. Most of these projects are play area renovations and neighborhood park developments. In 2012, implementation will continue for the environmental projects; restoration of forests, trails, wetlands, and shorelines; and development for P-Patches and shoreline access.

Restoration of the Capehart site at Discovery Park will continue in 2012. Park development continues for reservoir lids at Jefferson Park, Maple Leaf, and West Seattle. Construction of the new Rainier Beach Community Center and Pool is expected to be completed in 2013. Also in 2012, the City will continue implementation of the Golf Master Plan which will provide major improvements at three City-owned golf courses (Jackson, Jefferson, and West Seattle), including building replacements, driving ranges, cart path improvements, and course and landscaping renovation. Future revenue from the golf courses will cover associated debt service payments. These improvements will be phased over six or more years.

One remaining 2000 Pro Parks Levy acquisition remains to be completed in 2012, and acquisition of new neighborhood parks and green spaces continues with 2008 Parks Levy funding.

The 2012-2017 Adopted CIP includes approximately $5.5 million of bond funding for the first phase of improvements to Building 30 at Magnuson Park. The project will renovate the facility to start phased compliance with current building code requirements so that the west wing can be leased and the hanger can be used for more events. After these improvements, increased revenue from the building will pay for 60% of the $641,000 annual debt service with the General Fund paying the rest.

Additional information on the Parks CIP can be found in the 2012-2017 Adopted CIP online here: http://www.seattle.gov/financedepartment/12proposedbudget/default.htm

City Council Changes

The 2012 Proposed Budget included $2 million in a reserve in the Finance and Administrative Services (FAS) CIP budget for Americans with Disabilities Act (ADA) improvements. FAS then conducted a City-wide prioritization process to allocate the funds among the four implementing departments: Parks and Recreation, Seattle Center, Seattle Public Library, and FAS. Among other criteria, the process aimed to identify the highest-use facilities and those where ADA work could be done at the same time as other planned remodeling.

Using the results of the Citywide prioritization process, the Council Adopted Budget reallocates the $2 million of funding to the four departments based on the prioritization process. Funding of $581,000 is appropriated to the Building Component Renovations Budget Control Level in order to update or modify various facilities for compliance with the standards contained in ADA.

The 2012 Proposed Budget also included a new General Fund appropriation of $485,000 to support the Municipal Energy Efficiency Program. Due to a more favorable update to the REET forecast in October 2011, Council changed the funding source for MEEP projects from General Fund to REET II and CRS. Future energy utility rebate revenues will back the CRS appropriation. This change is cost neutral and will not impact DPR's ability to complete the projects planned for 2012 and 2013.

Capital Improvement Program Appropriations

Budget Control Level	2012 Endorsed	2012 Adopted
Ballfields/Athletic Courts/Play Areas: K72445		
Cumulative Reserve Subfund - REET II Subaccount (00161)	200,000	200,000
Subtotal	**200,000**	**200,000**
Building Component Renovations: K72444		
2012 Multipurpose LTGO Bond Fund	0	12,240,000
Cumulative Reserve Subfund - REET I Subaccount (00163)	1,470,000	256,000
Cumulative Reserve Subfund - REET II Subaccount (00161)	1,533,000	3,651,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	140,000	500,000
Subtotal	**3,143,000**	**16,647,000**
Citywide and Neighborhood Projects: K72449		
Cumulative Reserve Subfund - REET I Subaccount (00163)	325,000	0
Cumulative Reserve Subfund - REET II Subaccount (00161)	630,000	1,034,000
Subtotal	**955,000**	**1,034,000**
Debt Service and Contract Obligation: K72440		
Cumulative Reserve Subfund - REET I Subaccount (00163)	814,000	814,000
Cumulative Reserve Subfund - REET II Subaccount (00161)	1,644,000	1,644,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	1,095,000	1,095,000
Park and Recreation Fund (10200)	40,000	0
Subtotal	**3,593,000**	**3,553,000**
Docks/Piers/Floats/Seawalls/Shorelines: K72447		
Beach Maintenance Trust Fund	25,000	25,000
Cumulative Reserve Subfund - REET II Subaccount (00161)	2,596,000	2,596,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	75,000	45,000
Subtotal	**2,696,000**	**2,666,000**
Forest Restoration: K72442		
Cumulative Reserve Subfund - REET II Subaccount (00161)	2,081,000	864,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	95,000	95,000
Subtotal	**2,176,000**	**959,000**
Gas Works Park Remediation: K72582		
Cumulative Reserve Subfund - REET II Subaccount (00161)	0	70,000
Gasworks Park Contamination Remediation Fund	20,000	20,000
Subtotal	**20,000**	**90,000**
Golf Projects: K72253		
2012 Multipurpose LTGO Bond Fund	2,146,000	6,003,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	440,000	435,000
Golf Subfund	882,000	0
Subtotal	**3,468,000**	**6,438,000**

Department of Parks and Recreation

Budget Control Level	2012 Endorsed	2012 Adopted
Opportunity Fund Development: K720041		
2008 Parks Levy Fund	0	10,008,000
Subtotal	**0**	**10,008,000**
Parks Infrastructure: K72441		
Cumulative Reserve Subfund - REET I Subaccount (00163)	120,000	0
Cumulative Reserve Subfund - REET II Subaccount (00161)	567,000	687,000
Subtotal	**687,000**	**687,000**
Parks Upgrade Program: K72861		
Cumulative Reserve Subfund - REET II Subaccount (00161)	508,000	508,000
Subtotal	**508,000**	**508,000**
Pools/Natatorium Renovations: K72446		
Cumulative Reserve Subfund - REET II Subaccount (00161)	0	140,000
Subtotal	**0**	**140,000**
Puget Park: K72127		
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	0	230,000
Subtotal	**0**	**230,000**
West Point Settlement Projects: K72982		
Shoreline Park Improvement Fund	0	810,000
Subtotal	**0**	**810,000**
2008 Parks Levy		
2008 Parks Levy- Cultural Facilities: K720021		
2008 Parks Levy Fund	4,500,000	0
Subtotal	**4,500,000**	**0**
2008 Parks Levy- Forest & Stream Restoration: K720030		
2008 Parks Levy Fund	100,000	100,000
Subtotal	**100,000**	**100,000**
2008 Parks Levy- Green Space Acquisition: K720011		
2008 Parks Levy Fund	750,000	750,000
Subtotal	**750,000**	**750,000**
2008 Parks Levy- Major Parks: K720023		
2008 Parks Levy Fund	1,018,000	1,018,000
Subtotal	**1,018,000**	**1,018,000**
2008 Parks Levy- Neighborhood Park Acquisition: K720010		
2008 Parks Levy Fund	1,800,000	0
Subtotal	**1,800,000**	**0**

Department of Parks and Recreation

Budget Control Level	2012 Endorsed	2012 Adopted
2008 Parks Levy- Neighborhood Parks and Playgrounds: K720020		
2008 Parks Levy Fund	6,370,000	6,370,000
Subtotal	**6,370,000**	**6,370,000**
2008 Parks Levy- Shoreline Access: K720032		
2008 Parks Levy Fund	75,000	75,000
Subtotal	**75,000**	**75,000**
Total Capital Improvement Program Appropriation	**32,059,000**	**52,283,000**

Seattle Center

Robert Nellams, Director

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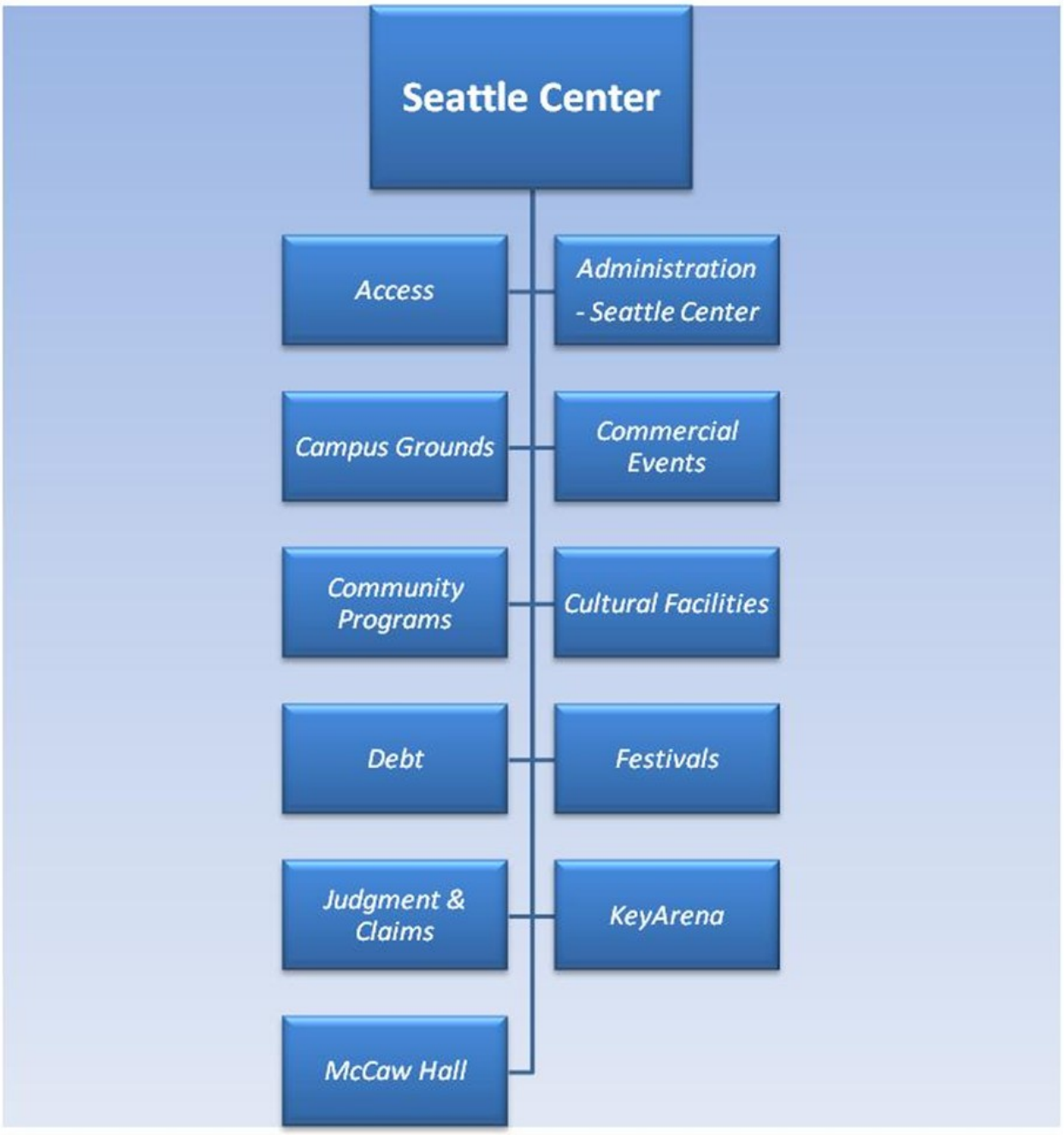
http://www.seattlecenter.com/

Department by Budget Control Level



Seattle Center

Department Overview

Seattle Center is home to cultural and education organizations, sports teams, festivals, community programs, including cultural and community celebrations, and entertainment facilities. Millions of people visit the 74-acre Seattle Center campus annually. Consistently rated as one of the City's top attractions, Seattle Center is a premier urban park whose mission is to delight and inspire the human spirit, and to bring people together as a rich and varied community.

The history of Seattle Center dates back to a time well before the organization existed as a City department in its current form. Prior to the 1850's, the land on which Seattle Center sits was a part of a Native American trail which was later homesteaded by the David Denny family and eventually donated to the City of Seattle. In 1927, the new Civic Auditorium, now Marion Oliver McCaw Hall, and Arena were constructed with funding from a levy and a contribution from a local business owner. In 1939, a large military Armory, now the Center House, was constructed. In 1948, the Memorial Stadium was built, with the Memorial Wall added in 1952. Finally, in 1962, the community pulled together these facilities and added new structures to host the Seattle World's Fair/Century 21 Exposition. At the conclusion of the Fair, the City took ownership of most of the remaining facilities and campus grounds to create Seattle Center. Since its creation in 1963, the Center has nurtured artistry and creativity by providing a home for and technical assistance to a wide variety of arts and cultural organizations. These tenants play a critical role in the arts and cultural landscape of the region.

In 2012, Seattle will celebrate the 50th Anniversary of one of the most significant events in the history of Seattle and the Pacific Northwest region -- the 1962 Seattle World's Fair/Century 21 Exposition. The Fair was a turning point in the City's history, bringing Seattle to the attention of the world as an emerging center of innovation and culture. In 2012, Seattle Center, in partnership with the Seattle Center Foundation and a broad array of partners from the public, private, and non-profit sectors, will host a six-month celebration of the 1962 World's Fair, spanning the exact dates of the Fair, April 21 to October 21.

The Department is financed by a combination of tax dollars from the City's General Fund and revenue earned from commercial operations. Major sources of commercial revenues include charges to private clients for facility rentals, parking fees, long term leases to nonprofit organizations, sponsorships, and monorail fares.

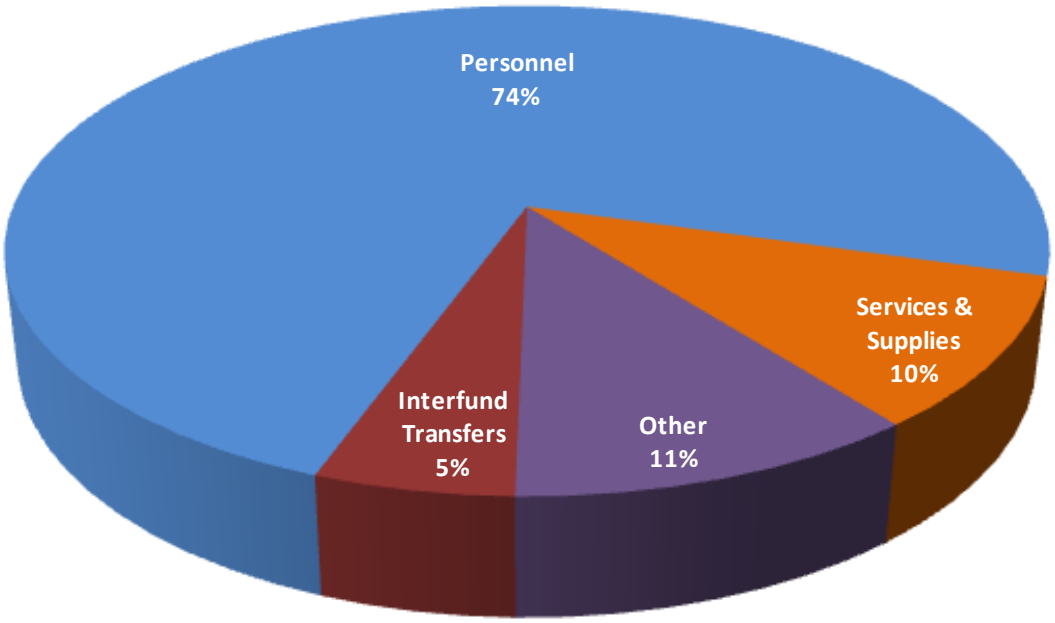
Due to its heavy reliance on commercial revenues, Seattle Center faces many of the same financial challenges confronting other businesses. Consumer preferences, fluctuating demand, and competition for customer discretionary spending all influence the financial performance of the Department. Over the next biennium, the Department will face financial pressures in several areas including market competition with competing facilities, financial challenges of long term, nonprofit tenants on campus, and balancing the mix of public and private uses on the campus.

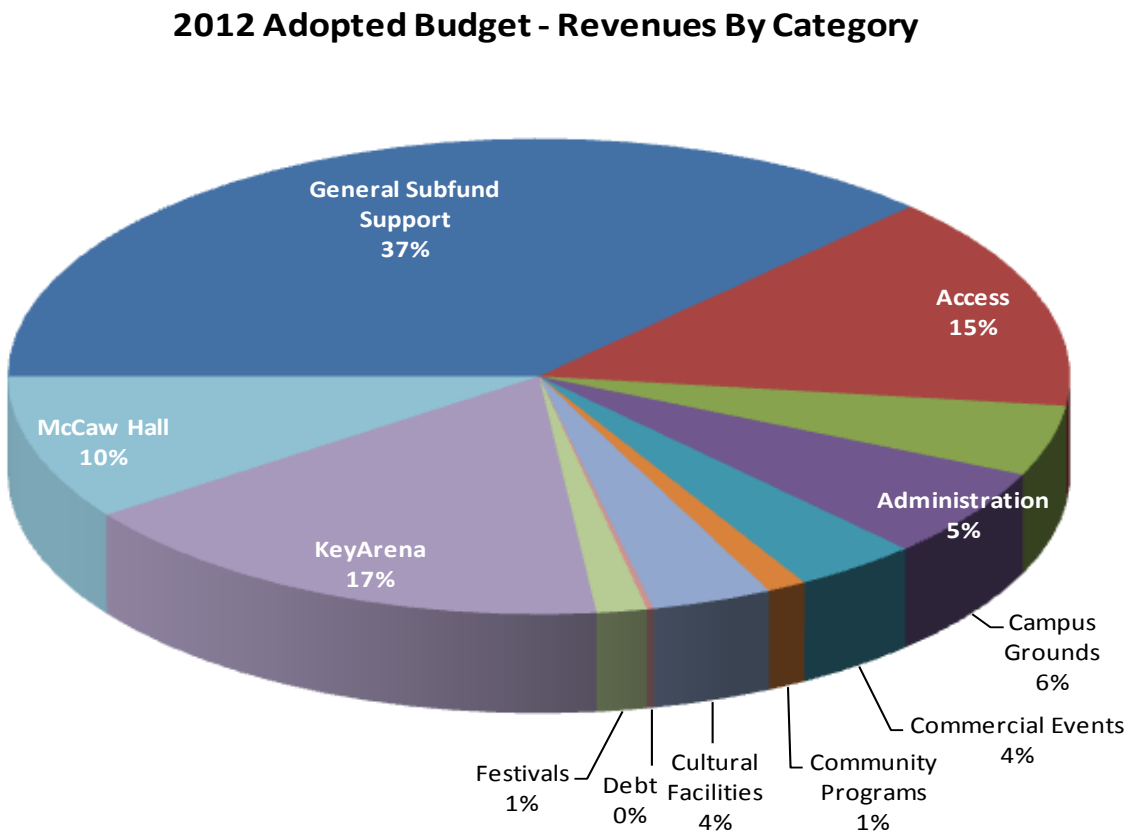
Budget Snapshot

Seattle Center	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$12,883,065	$13,229,236	$13,305,083	$12,875,760
Other Revenues	$21,275,043	$20,748,633	$21,533,146	$21,610,515
Total Revenues	**$34,158,108**	**$33,977,869**	**$34,838,229**	**$34,486,275**
Use of (Contribution to) Fund Balance	($688,019)	$0	$0	($24,147)
Total Resources	**$33,470,089**	**$33,977,869**	**$34,838,229**	**$34,462,128**
Total Expenditures	**$33,470,089**	**$33,977,869**	**$34,838,229**	**$34,462,128**
Full-Time Equivalent * Total	257.77	245.12	245.12	245.12

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category





Budget Overview

General Fund budget pressures in 2012 and future years require that Seattle Center make budget reductions. The Department focused its reductions on operational and administrative cuts across its programs. The Seattle Center 2012 Adopted Budget reflects a $428,000 reduction from the Department's 2012 Endorsed Budget.

The economic challenges that led to General Fund shortfalls have also impacted other areas of Seattle Center's revenues. The Department has more than 75 sources of earned revenue, with the largest being parking fees, facility rentals, programming at McCaw Hall, and sales of tickets and suites at Key Arena. Long-term facility leases are another large source of revenue and primarily consist of theaters, museums, and other arts groups, often referred to as "resident tenants." It is this group that has experienced the most significant reductions in revenues, brought on by the recent downturn in the national and local economies, as the discretionary income of arts patrons and donated income from funders contracted. As a result, a number of resident tenants have been unable to pay the full amount of their contractual lease payments. To address the shortfall in lease payments, legislation was passed in 2011 which provided a loan to Seattle Center from the City's cash pool through 2012. This loan will allow the Department to maintain a positive fund balance in the short-term while working with resident tenants to reach longer-term solutions. Possible solutions include restructuring leases, setting up payment plans, and in some cases forgiving portions of the accumulated debt, or implementing other operational changes.

Not all revenues have suffered during this downturn in the economy. Event bookings at KeyArena have continued to grow after hitting a low point in 2009 after the departure of the Seattle SuperSonics. Along with steady growth in bookings and more diverse programming, additional changes, including a restructured KeyArena management team, a new concessionaire, and an improved ticketing arrangement, have further enhanced revenues. McCaw Hall continues to have consistent event bookings and attendance. In addition to attracting new concerts and events, the building's primary users, Pacific Northwest Ballet and Seattle Opera, continue to draw large audiences for their productions. Lastly, parking revenues continue to increase after last year's adjustment to rates. Another minor adjustment will be made to the rate structure for 2012, and the trend of strong revenues in this area is expected to continue.

In regard to the need for expenditure reductions, the Department approached the 2012 Adopted Budget with the purpose of meeting General Fund reduction goals while preserving direct services to the greatest extent possible. To achieve this goal, reduction strategies focused on administrative and operational efficiencies that resulted in minimal service level impacts. Examples of reductions include: cuts to supplies, services, and maintenance costs; a fleet re-alignment; janitorial scheduling adjustments; marketing reductions; and a parking rate change. Targeting these efficiency savings allows the Department to maintain the funding and staffing levels needed for programming.

Visitors to Seattle Center will continue to have access to a vast array of events and performances, with the only major programming change being the loss of the Giant Magnet Festival (formerly the Seattle International Children's Festival), which will close its doors after 25 years due to scheduling and transportation challenges for the public schools which provided much of the festival's audience. In addition to the usual programming, special activities related to the 50th Anniversary of the 1962 World's Fair will make 2012 a special year at the Center. A full six-month celebration from April 21 to October 21 will bring new partnerships and programming to Seattle Center, with a focus on issues of regional innovation and leadership, including sustainability, global health, science and technology, learning, commerce and innovation, and civic action. Conferences, speakers, forums, a themed movie and lecture series, special concerts, interactive exhibits, demonstrations, and temporary art installations are expected to increase the number of visitors to the campus.

Structural changes are underway on the campus as well, and will continue into 2012. The Chihuly Garden and Glass exhibition broke ground in August 2011 and is expected to open in time for the 50th Anniversary celebration. The exhibit will include an indoor pavilion with gallery spaces, a publicly accessible cafe with an outdoor patio and seating area, a retail/bookstore space, a 50-seat theater/lecture hall along with a lobby/ticketing area, and an outdoor garden featuring glass pieces interspersed among the landscaping. An upgrade of the Center House Food Court also began in 2011. The revamped Center House will open its doors during the spring of 2012 with changes that include an open west-facing deck with a dining area, enlarged windows and doors, new food vendors, and a reconfigured south entrance. In addition to the structural changes at the Center House Food Court, management changes are also underway that the Department anticipates will bring new energy to the food court. A contract was signed with Levy Restaurants, an experienced food service management organization, to both manage the food court and provide plans for its future development.

Seattle Center

The City has also reached an agreement with local radio station KEXP for lease of the upper Northwest Rooms. Although a final date for their arrival has not yet been determined, Seattle Center is looking forward to welcoming KEXP as early as 2013.

City Council Changes

During the City Council's budget review process, the Council adjusted the employer contribution rate to the Seattle City Employees' Retirement System (SCERS). This adjustment reduced appropriations across departments, including the Seattle Center.

Incremental Budget Changes

Seattle Center

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$34,838,229	245.12
2012 Proposed Changes			
	Operational Efficiencies	($213,000)	0.00
	Administrative Savings	($45,000)	0.00
	Program Reductions	($170,000)	0.00
	Technical Adjustments	$89,696	0.00
Total Changes		**($338,304)**	**0.00**
2012 Proposed Budget		**$34,499,926**	**245.12**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($37,798)	0.00
Total Adjustments		**($37,798)**	**0.00**
2012 Adopted Budget		**$34,462,128**	**245.12**

Operational Efficiencies - ($213,000). Operational efficiencies were achieved through reductions in several areas. The Department will make their fleet more efficient by replacing 13 gas-powered carts with electric carts. These new carts are both less expensive and less costly to operate and maintain, and are expected to meet the needs of the Department. Other reductions were taken in the supplies and services budget. The use and purchase of paper, postage, and general office supplies will be reduced, as will contingency funding for other office equipment and consulting work will be reduced. Maintenance reductions will also be taken. Budgets for supplies, parts, and materials in the trades and labor shops will be reduced by approximately 10%. In addition, savings will be realized in the area of janitorial services through scheduling adjustments. Through the reprioritization and redistribution of work, minimal impacts are anticipated to services and the overall appearance of Seattle Center.

Administrative Savings - ($45,000). Administrative savings will be realized by delaying hiring by 30 days when a position is vacated. Normal practice is to move immediately to fill vacant positions. Additional savings will be realized by a temporary reduction (through 2012 only) of the marketing budget for McCaw Hall and other campus facilities. No long-term impacts are expected to Seattle Center's operations with these temporary reductions.

Program Reductions - ($170,000). After 25 years in operation, the annual Giant Magnet Festival (formerly the Seattle International Children's Festival) will close its doors. Seattle Center contributed $130,000 to the event in 2011, and will reduce the budget by this amount in 2012. Although the vast majority of Seattle Center programming will remain intact, an additional $40,000 of General Fund will be saved by eliminating several smaller programs, including a campus rotating arts exhibit, the summer fitness programs, an expanded component of the Seafair Torchlight parade called "the Taste of Torchlight," and the Martin Luther King Day celebration. An important part of the analysis in selecting program reductions was the goal of minimizing the impact to visitors. Although Seattle Center will be unable to provide the programming outlined above beginning in 2012, similar programs do exist within the City in which interested patrons can participate.

Technical Adjustments - $89,696. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in Seattle Center's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. In addition, parking rates on the campus will be adjusted to align more accurately with customer use.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($37,798). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Seattle Center

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Access Budget Control Level	SC670	1,056,894	1,102,651	1,129,817	1,135,412
Administration-SC Budget Control Level	SC690	6,894,638	6,963,311	7,031,213	6,920,926
Campus Grounds Budget Control Level	SC600	11,763,067	11,542,598	11,657,280	11,560,165
Commercial Events Budget Control Level	SC640	700,122	922,826	945,139	942,407
Community Programs Budget Control Level	SC620	2,089,907	1,979,208	2,070,340	2,037,462
Cultural Facilities Budget Control Level	SC630	242,212	147,941	212,440	212,848
Debt Budget Control Level	SC680	136,350	139,194	135,994	135,994
Festivals Budget Control Level	SC610	750,344	822,595	843,436	715,490
Judgment and Claims Budget Control Level	SC710	607,968	931,564	931,564	931,564
KeyArena Budget Control Level	SC660	5,594,007	5,489,518	5,809,060	5,800,596
McCaw Hall Budget Control Level	SC650	3,634,579	3,936,463	4,071,945	4,069,262
Department Total		33,470,089	33,977,869	34,838,229	34,462,128
Department Full-time Equivalents Total*		257.77	245.12	245.12	245.12

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Seattle Center Fund (11410)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
462300	Parking	4,223,384	4,392,314	4,551,944	4,601,944
462800	Monorail	380,896	450,000	450,000	450,000
	Total Access	**4,604,280**	**4,842,314**	**5,001,944**	**5,051,944**
441960	Seattle Center Fund	152,912	100,000	100,000	100,000
462900	Administration	11,439	7,500	7,000	7,000
481500	Lease Settlement	1,492,000	0	0	0
541490	CIP	1,121,748	1,521,010	1,550,085	1,550,085
	Total Administration	**2,778,099**	**1,628,510**	**1,657,085**	**1,657,085**
462500	Leases - Campus Grounds	705,839	1,242,208	1,269,326	1,207,432
462800	Amusement Park Concessions	186,404	0	0	0
462800	Center House Concessions	841,119	879,539	901,899	901,899
	Total Campus Grounds	**1,733,362**	**2,121,747**	**2,171,225**	**2,109,331**
462400	Campus Commercial Events	1,202,432	1,274,821	1,301,664	1,301,664
	Total Commercial Events	**1,202,432**	**1,274,821**	**1,301,664**	**1,301,664**
439090	Campus Sponsorships	2,500	350,000	350,000	350,000
441960	Seattle Center Productions	73,212	60,000	60,800	60,800
	Total Community Programs	**75,712**	**410,000**	**410,800**	**410,800**
462500	Leases - Cultural Facilities	1,310,399	1,349,173	1,360,556	1,265,362
	Total Cultural Facilities	**1,310,399**	**1,349,173**	**1,360,556**	**1,265,362**
462500	McCaw Hall Tenant Use Fees - Debt	68,596	69,597	67,997	67,997
	Total Debt	**68,596**	**69,597**	**67,997**	**67,997**
441960	Festivals	622,790	518,744	528,079	528,079
	Total Festivals	**622,790**	**518,744**	**528,079**	**528,079**
587001	General Fund - McCaw Hall	520,754	528,931	538,981	538,981
587001	General Fund - McCaw Hall Debt	68,175	69,597	67,997	67,997
587001	General Subfund Support	11,686,168	11,699,144	11,766,541	11,337,218
587001	Judgment and Claims Allocation	607,968	931,564	931,564	931,564
	Total General Subfund Support	**12,883,065**	**13,229,236**	**13,305,083**	**12,875,760**

2012 Estimated Revenues for the Seattle Center Fund (11410) - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
441710	KeyArena Miscellaneous	58,203	94,735	115,366	115,366
441960	KeyArena Reimbursables	1,992,173	1,569,683	1,711,414	1,711,414
462400	KeyArena Premium Seating	188,971	320,000	380,000	380,000
462400	KeyArena Rent	1,252,941	1,322,722	1,354,418	1,354,418
462800	KeyArena Concessions	529,156	504,854	504,854	604,854
462800	KeyArena Sponsorship	300,000	300,000	300,000	0
462800	KeyArena Ticketing	1,295,833	1,153,396	1,283,363	1,640,451
	Total KeyArena	**5,617,277**	**5,265,390**	**5,649,415**	**5,806,503**
441960	McCaw Hall Reimbursables	1,254,831	1,338,006	1,350,661	1,350,661
462400	McCaw Hall Rent	334,159	397,400	426,677	426,677
462500	McCaw Hall Tenant Use Fees	1,227,091	1,023,383	1,089,069	1,116,438
462800	McCaw Hall Catering & Concessions	294,571	335,000	335,000	335,000
462800	McCaw Hall Miscellaneous	151,445	174,548	182,974	182,974
	Total McCaw Hall	**3,262,097**	**3,268,337**	**3,384,381**	**3,411,750**
	Total Revenues	**34,158,108**	**33,977,869**	**34,838,229**	**34,486,275**
379100	Use of (Contribution To) Fund Balance	(688,019)	0	0	(24,147)
	Total Use of Fund Balance	**(688,019)**	**0**	**0**	**(24,147)**
	Total Resources	**33,470,089**	**33,977,869**	**34,838,229**	**34,462,128**

Appropriations by Budget Control Level (BCL)

Access Budget Control Level

The purpose of the Access Budget Control Level is to provide the services needed to assist visitors in coming to and traveling from the campus, while reducing congestion in adjoining neighborhoods. Program services include operating parking services, maintaining parking garages, managing the Seattle Center Monorail, and encouraging use of alternate modes of transportation.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Access	1,056,894	1,102,651	1,129,817	1,135,412
Full-time Equivalents Total*	11.23	11.23	11.23	11.23

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Administration-SC Budget Control Level

The purpose of the Administration Budget Control Level is to provide the financial, human resource, technology, and business support necessary to provide effective delivery of the department's services. Program services include administrative oversight and support to all other department programs, financial management of the Department's operating funds, and management of the department's Capital Improvement Program.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration-SC	6,894,638	6,963,311	7,031,213	6,920,926
Full-time Equivalents Total*	27.11	22.61	22.61	22.61

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Campus Grounds Budget Control Level

The purpose of the Campus Grounds Budget Control Level is to provide gathering spaces and open-air venues in the City's urban core. The grounds knit together the whole of the campus and are Seattle Center's biggest asset. Program services include landscape maintenance, security patrols and lighting, litter and garbage removal, recycling operations, hard surface and site amenities maintenance, and management of revenues associated with leasing outdoor spaces.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Campus Grounds	11,763,067	11,542,598	11,657,280	11,560,165
Full-time Equivalents Total*	84.37	78.97	78.97	78.97

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Appropriations by Budget Control Level (BCL)

Commercial Events Budget Control Level

The purpose of the Commercial Events Budget Control Level is to provide the spaces and services needed to host a wide variety of commercial events, both for profit and not for profit, sponsored and produced by private and community promoters.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Commercial Events	700,122	922,826	945,139	942,407
Full-time Equivalents Total*	7.48	7.48	7.48	7.48

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Community Programs Budget Control Level

The purpose of the Community Programs Budget Control Level is to produce free and low-cost programs that connect diverse cultures, create learning opportunities, honor community traditions, and nurture artistry and creativity.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Programs	2,089,907	1,979,208	2,070,340	2,037,462
Full-time Equivalents Total*	13.63	11.88	11.88	11.88

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Cultural Facilities Budget Control Level

The purpose of the Cultural Facilities Budget Control Level is to provide spaces for performing arts and cultural organizations to exhibit, perform, entertain, and create learning opportunities for diverse local, national, and international audiences.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Cultural Facilities	242,212	147,941	212,440	212,848
Full-time Equivalents Total*	3.26	3.26	3.26	3.26

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Debt Budget Control Level

The purpose of the Debt Budget Control Level is to provide payments and collect associated revenues related to the debt service for McCaw Hall.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt	136,350	139,194	135,994	135,994

Festivals Budget Control Level

The purpose of the Festivals Budget Control Level is to provide a place for the community to hold major festival celebrations. This program includes the revenue and expenses related to the Northwest Folklife Festival, Bite of Seattle, and Bumbershoot events.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Festivals	750,344	822,595	843,436	715,490
Full-time Equivalents Total*	8.72	8.72	8.72	8.72

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Judgment and Claims Budget Control Level

The Judgment/Claims Budget Control Level pays for judgments, settlements, claims, and other eligible expenses associated with legal claims and suits against the City. Premiums are based on average percentage of Judgment/Claims expenses incurred by the Department over the previous five years.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment and Claims	607,968	931,564	931,564	931,564

Appropriations by Budget Control Level (BCL)

KeyArena Budget Control Level

The purpose of the KeyArena Budget Control Level is to manage and operate the KeyArena as the premier entertainment venue in the Seattle region. Included in this category are all operations related to sports teams playing in the arena, along with concerts, family shows, and private meetings.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
KeyArena	5,594,007	5,489,518	5,809,060	5,800,596
Full-time Equivalents Total*	66.99	65.99	65.99	65.99

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

McCaw Hall Budget Control Level

The McCaw Hall Budget Control Level includes funds for the operation and maintenance of the McCaw Hall as the premier performing arts venue in the Seattle region. In cooperation with Seattle Opera and Pacific Northwest Ballet, Seattle Center manages and operates McCaw Hall as the home of the Opera and Ballet. The Seattle International Film Festival also holds its annual festival and many other film screenings in this facility.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
McCaw Hall	3,634,579	3,936,463	4,071,945	4,069,262
Full-time Equivalents Total*	34.98	34.98	34.98	34.98

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Tables

Seattle Center Fund (11410)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**1,207,549**	**1,207,549**	**1,873,402**	**1,207,549**	**1,873,402**
Accounting and Technical Adjustments	(22,166)	0	0	0	0
Plus: Actual and Estimated Revenue	34,158,108	33,977,869	33,713,869	34,838,229	34,486,275
Less: Actual and Budgeted Expenditures	33,470,089	33,977,869	33,713,869	34,838,229	34,462,128
Ending Fund Balance	**1,873,402**	**1,207,549**	**1,873,402**	**1,207,549**	**1,897,549**
McCaw Hall Reserves	987,000	843,000	1,037,000	843,000	1,087,000
Inventories	259,000	272,000	259,000	272,000	259,000
Total Reserves	**1,246,000**	**1,115,000**	**1,296,000**	**1,115,000**	**1,346,000**
Ending Unreserved Fund Balance	**627,402**	**92,549**	**577,402**	**92,549**	**551,549**

Seattle Center

McCaw Hall Capital Reserve Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**100,000**	**341,000**	**447,000**	**0**	**694,000**
Plus: Actual and Estimated Revenue	400,000	400,000	400,000	400,000	400,000
Less: Capital Improvements	53,000	741,000	153,000	400,000	1,078,000
Ending Fund Balance	**447,000**	**0**	**694,000**	**0**	**16,000**

KeyArena Settlement Proceeds Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**3,907,000**	**820,000**	**1,015,000**	**0**	**683,000**
Plus: Actual and Estimated Revenue	0	0	0	0	0
Less: Actual and Budgeted Expenditures	1,492,000	0	0	0	0
Less: Capital Improvements	1,400,000	820,000	332,000	0	683,000
Ending Fund Balance	**1,015,000**	**0**	**683,000**	**0**	**0**

Seattle Center
Capital Improvement Program

Capital Improvement Program (CIP) by Budget Control Level

Capital Improvement Program Highlights

Seattle Center's 2012-2017 Capital Improvement Program (CIP) is at the heart of Seattle Center's vision to be the premier urban park. Seattle Center's CIP repairs, renovates, and redevelops the facilities and grounds of Seattle Center's 74-acre campus to provide a safe and welcoming place for millions of visitors and 5,000 events each year. In 2012, Seattle Center continues implementation of the Seattle Center Century 21 Master Plan. Adopted by the City Council in August 2008, the Century 21 Master Plan will guide development of the Seattle Center campus over the next 20 years.

Seattle Center

The 2012-2017 CIP includes funding for renovation of the Center House food court to support increased revenues and realize the first phase of implementation of the vision for Center House in the Seattle Center Century 21 Master Plan. Funding is also included for asset preservation investments in Seattle Center's two largest public assembly facilities, KeyArena and McCaw Hall, as well as for campus open space and the Seattle Center Monorail.

The costs of managing Seattle Center's CIP, including project management and administration, are presented in Seattle Center's operating budget. These costs are offset by revenues to the Seattle Center Fund from the funding sources of the CIP projects.

Funding for Seattle Center's 2012-2017 Adopted CIP comes primarily from the Cumulative Reserve Subfund, property sale proceeds, federal grant funds, and private sources.

More information and background on Seattle Center's CIP can be found in the 2012-2017 Adopted CIP online here: http://www.seattle.gov/financedepartment/12adoptedbudget/default.htm

City Council Changes

The 2012 Proposed Budget included $2 million in a reserve in the Finance and Administrative Services (FAS) CIP budget for Americans with Disabilities Act (ADA) improvements. FAS then conducted a Citywide prioritization process to allocate the funds among the four implementing departments: Parks and Recreation, Seattle Center, Seattle Public Library and FAS. Among other criteria, the process aimed to identify the highest-use facilities and those where ADA work could be done at the same time as other planned remodeling.

Using the results of the Citywide prioritization process, the Council Adopted Budget reallocates the $2 million of funding to the four departments based on the prioritization process. Funding of $721,000 is appropriated to the Campuswide Improvements and Repairs Budget Control Level in order to update or modify various facilities for compliance with the standards contained in ADA.

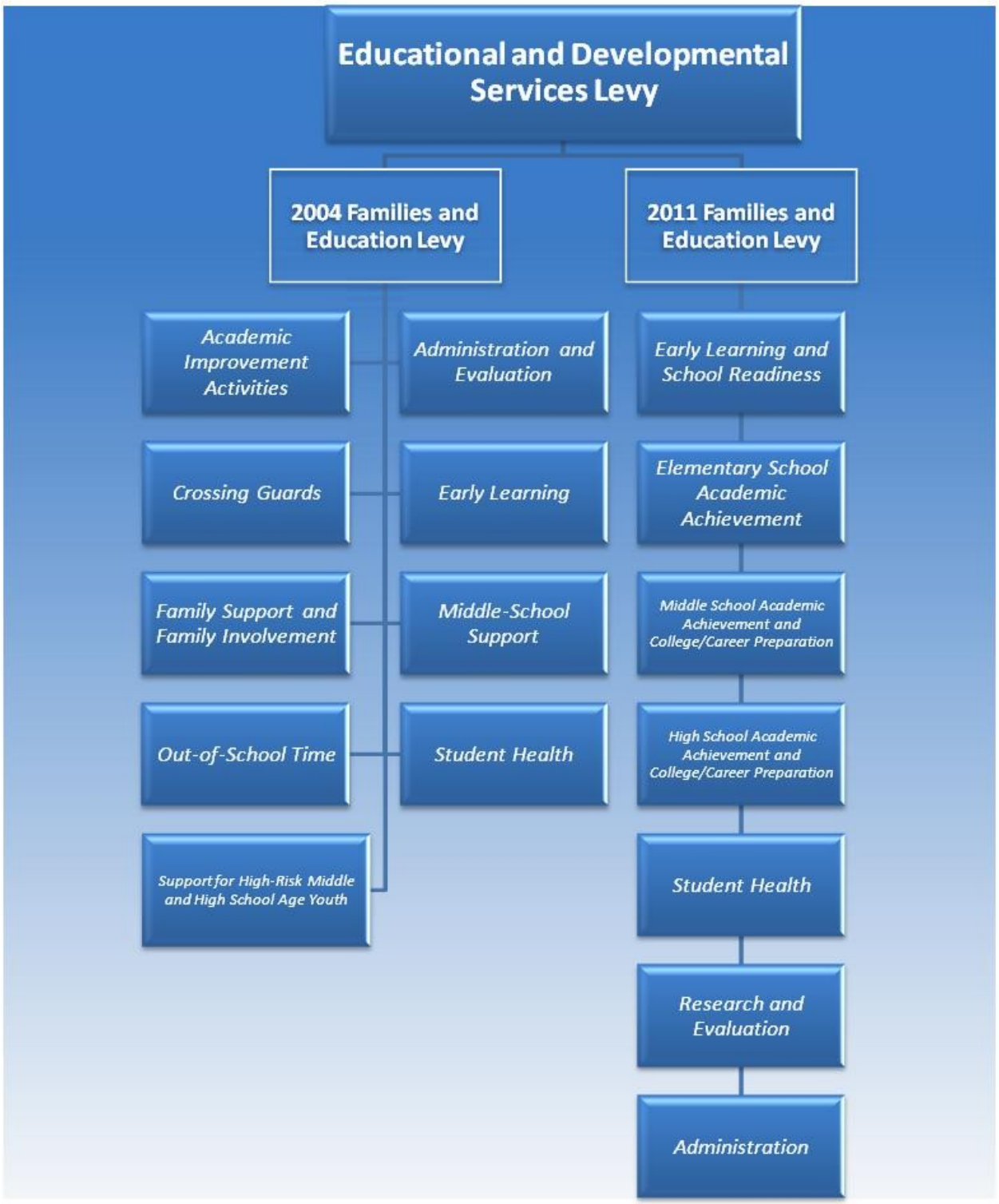
Capital Improvement Program Appropriations

Budget Control Level	2012 Endorsed	2012 Adopted
Campuswide Improvements and Repairs: S03P01		
Cumulative Reserve Subfund - REET I Subaccount (00163)	193,000	914,000
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	30,000	30,000
Subtotal	**223,000**	**944,000**
Center House Rehabilitation: S9113		
Cumulative Reserve Subfund - REET I Subaccount (00163)	432,000	381,000
Subtotal	**432,000**	**381,000**
Facility Infrastructure Renovation and Repair: S03P02		
Cumulative Reserve Subfund - REET I Subaccount (00163)	784,000	784,000
Subtotal	**784,000**	**784,000**
McCaw Hall Maintenance Fund: S0303		
McCaw Hall Capital Reserve	400,000	400,000
Subtotal	**400,000**	**400,000**
Monorail Improvements: S9403		
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	1,319,000	1,319,000
Subtotal	**1,319,000**	**1,319,000**
Public Gathering Space Improvements: S9902		
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	50,000	50,000
Subtotal	**50,000**	**50,000**
Total Capital Improvement Program Appropriation	**3,208,000**	**3,878,000**

Health and Human Services

Educational and Developmental Services Levy

Educational and Developmental Services Levy by Budget Control Level



Educational and Developmental Services Levy Overview

Department of Neighborhoods' Office for Education (OFE) staff administers the Educational and Developmental Services Levy, otherwise known as the Families and Education Levy. At its core, this Office is responsible for developing the City's education policy and investment strategy to help children succeed in school, strengthen school-community connections, and increase access to high-quality programs supporting academic achievement. In addition to OFE, implementing departments include the Human Services Department and the Department of Parks and Recreation. OFE is responsible for building linkages between the City of Seattle, the Seattle Public School District, and other organizations to ensure successful Levy implementation.

Levy investments are made in programs that improve academic achievement. To that end, each program undergoes ongoing program evaluation to ensure it delivers on specific targeted outcomes intended to improve academic achievement. OFE publishes annual reports detailing program targets adopted by the Levy Oversight Committee (LOC) and program results.

2004 Families and Education Levy

The 2004 Families and Education Levy, approved by voters in 2004, levies $116 million from 2005-2011. Funding from the Levy is provided through the 2011-2012 school year (until mid-2012) and supports school- and community-based programming that helps ensure Seattle's children and youth enter school ready to learn, have access to high-quality early care and out-of-school time programs, achieve academically, and graduate from high school. This programming also helps to strengthen parent, school, and community partnerships that support children and youth.

The 2004 Families and Education Levy focuses resources on improving the academic achievement of Seattle Public School students. Highlights of the Levy's accomplishments since 2005 and through the 2009-2010 school year include the following:

- Over 1,600 children in Southeast and Southwest Seattle have entered kindergarten ready to succeed, with approximately 4,000 children provided preschool support.
- More than 1,500 elementary school students have met standards for the first time.
- Over 2,500 middle school students met standard who had not done so previously. Significant improvements have been seen at Mercer, Denny, and Madison Middle Schools where levy funding has been concentrated and consistent.
- Increasing numbers of 9th grade students at Franklin, West Seattle, and Chief Sealth are promoting on time to 10th grade – a key indicator of high school graduation.
- Physical and mental health services were provided to over 40,000 students.
- More than 20,000 children and youth participated in levy-funded out-of-school activities.
- Parent and family engagement and support were provided to at least 12,000 students' families.
- Academic support and interventions were provided to more than 19,000 students.

2011 Families and Education Levy

In November 2011, Seattle voters approved the $231 million Levy renewal (the 2011 Families and Education Levy) for the period of 2012-2018. The 2011 Families and Education Levy continues to invest in early learning, elementary, middle school, high school, and health programs to achieve four goals:

- Improve children's readiness for school;
- Enhance students' academic achievement and reduce the academic achievement gap;
- Decrease students' dropout rate and increase graduation from high school; and
- Prepare students for college and/or careers after high school. (New goal established with 2011 Levy).

The 2011 Levy program highlights include the following:

- Early learning services will be provided with significant enhancements to many more children at risk. This includes proposals to improve the quality of in-home friend, family, and neighbor care.
- The successful model of extended learning time, social/emotional supports, and after-school activities used at the middle schools will be continued and replicated in the elementary schools serving the greatest number of students at risk.
- Schools will adopt a model of preparing all students for college or career starting in middle school and continuing on through high school.
- Summer school will be funded to prevent learning loss at all grade levels.
- Successful programs, such as the school-based health centers, will continue.

These efforts are aligned with the goals of Seattle Public Schools and the Community Center for Education Results Initiative to double the number of students who enroll in post-secondary programs after high school and achieve a career credential.

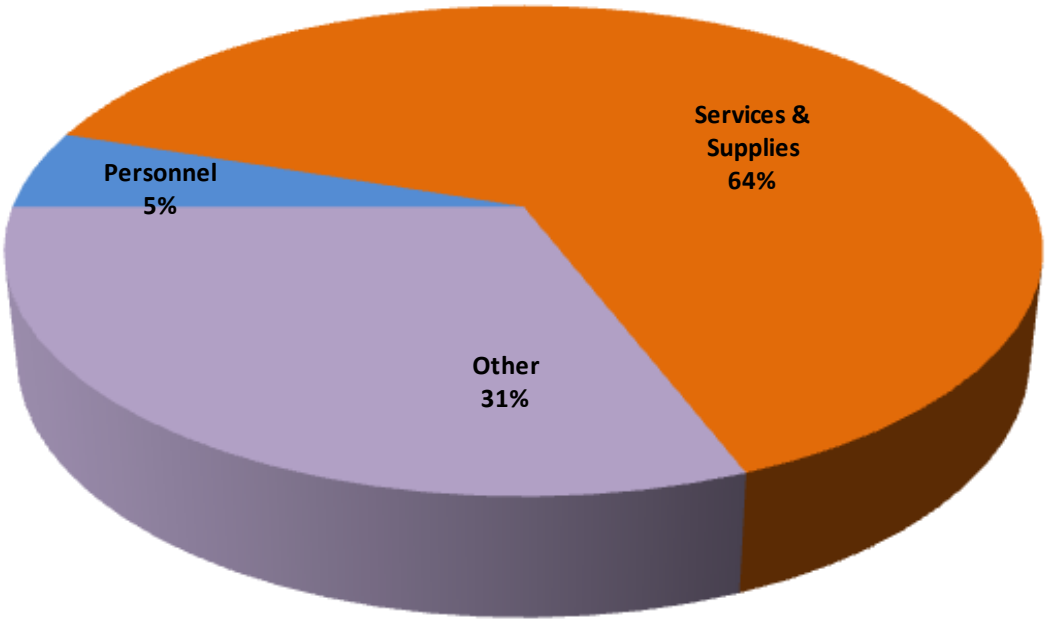
Educational and Developmental Services Levy

Budget Snapshot

Educational & Developmental Services Levy	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$16,882,925	$16,866,660	$6,617,544	$32,540,936
Total Revenues	**$16,882,925**	**$16,866,660**	**$6,617,544**	**$32,540,936**
Use of (Contribution to) Fund Balance	$1,406,951	$1,020,566	$11,312,967	($13,070,291)
Total Resources	**$18,289,876**	**$17,887,226**	**$17,930,511**	**$19,470,645**
Total Expenditures	**$18,289,876**	**$17,887,226**	**$17,930,511**	**$19,470,645**
Full-Time Equivalent * Total	-	-	-	8.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The 2004 Families and Education Levy will expire at the end of 2011, with funding available through the 2011-2012 school year. As such, 2004 Levy programs show a decrease in budget from the 2011 Adopted Budget to the 2012 Adopted Budget. In 2012, OFE proposes to continue the programmatic changes made by the Levy Oversight Committee in 2007 to invest more heavily in low performing middle schools in SE and SW Seattle by transferring Levy dollars from the Out of School Time (OST) Program to the Middle School Support (MSSP) program. All other aspects of the Levy's OST and MSSP programs remain unchanged.

The 2011 Families and Education Levy approved by Seattle voters substantially increases the overall funding available to support children and their families, both in and out of school, in an effort to help all Seattle's children succeed academically. Outlined below is an overview of the five key program areas that were recommended by the 2011 Families and Education Levy Advisory Committee, and that are funded in the new levy:

1. **Early Learning and School Readiness:** Includes funding for up to 736 Step Ahead pre-school slots annually for 4-year olds once the program is fully established; professional development and health screenings for Step Ahead, Early Childhood Education and Assistance Program (ECEAP), Head Start, Comprehensive Childcare Program (CCCP), and Family Friend & Neighbor (FFN) sites; home visitation for 2-3 year olds (160 families annually); and support for families and 300 children entering kindergarten each year.

2. **Elementary School Academic Achievement:** Includes funding for extended learning time and out-of-school time initially at 4 schools and ramping up to 23 schools; summer learning for up to 875 students once the program is fully established; and family support for both high-risk elementary students and refugee/immigrant and Native American families/students.

3. **Middle School Academic Achievement and College/Career Preparation:** Includes funding for extended learning time and out-of-school time; social, emotional, and behavioral support, college and career planning at 5 schools, case management for college and career planning for up to 600 students once the program is fully ramped up; summer learning for up to 1300 students once the program is fully implemented; and funding for out-of-school time transportation and sports.

4. **High School Academic Achievement and College/Career Preparation**: Includes funding for extended learning time; social, emotional, and behavioral support for ninth graders at 5 schools, college and career planning at 5 schools, case management for college and career planning for up to 800 students once the program is fully established; college readiness assessments for all 10th graders in Seattle Public Schools; and summer learning for up to 500 students once the program is fully implemented.

5. **Student Health**: Continues funding for school-based health centers (SBHCs) and nursing services at 5 middle schools and 10 high schools; continues the SBHC, nursing, and family engagement services at the Seattle World School; provides funding for health care, mental health interventions and community referrals for up to 555 students at 14 sites once the program is

fully ramped up; implements a quality control system for mental health providers; provides dental services for 16 schools; and includes funding for school-based primary care and mental health services for up to 11 schools once the program is fully implemented.

6. **Administration, and Research and Evaluation:** Provides funding for staff in the Office of Education that is fully funded by the Levy to provide oversight, administration, and strategic direction for the above referenced programs. These staff members are responsible for building strong partnerships with Seattle Public Schools, community funders, and community providers in order to ensure successful program development and implementation. As part of this program, the levy funds ongoing research and evaluation driven by the use of data to make continuous program improvements. This provides a strong accountability structure for the 2011 Levy programs, including a data-sharing agreement with SPS and performance-based contracts tied to achieving specific indicator and outcome goals.

The program areas described above represent the investment areas critical for children to achieve the educational milestones that will put them on a successful path from pre-school to post-secondary attainment. New Budget Control Levels (BCLs) are created in the 2012 Adopted Budget to mirror these program areas. To manage the expected increase in contracts and overall enhanced level of funding, administrative and program staff support has been expanded by 1.5 FTE as part of the 2012 Adopted Budget.

The 2012 Adopted Budget reflects level of expenditure described in the 2011 Families and Education Levy financial plan approved by City Council in Ordinance 123567. The 2011 Levy can legally collect property taxes in the amount of $231.6 million over 7 years, from 2012-2018. In the first year, 2012, the amount levied is $32.1 million. This amount is then inflated by 1% annually through 2018. The City expects to collect approximately $230.6 million over 7 years. In addition, over the life of the 2011 levy, the Fund is expected to earn $4.9 million from interest earnings on the fund balance, resulting in a combined total revenue estimate of $235.5 million. The 2011 Levy program implementation plan expands program service delivery levels during each successive year of the Levy to include a growing number of schools and children. Due to limitations of 1% annual growth in levy amounts imposed by law, and to fund the expanded program levels in the latter years of the Levy, the funding strategy under-appropriates the revenues collected in the early years of the Levy, and holds these funds in reserve within the City's Educational and Development Services Fund (displayed at the end of this section). These reserves will be used to fund the higher program and administration expenses planned for in the final years of implementation. For example, the 2012 Adopted Levy Budget appropriates only $7.6 million of the $32 million in total revenues expected to be collected in that year. The difference, $24.3 million, will be reserved to fund the anticipated increased costs in the out years.

Incremental Budget Changes

Educational and Developmental Services Levy

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$17,930,511**	**0.00**
2012 Proposed Changes			
	Establishing 2011 Levy Program Funding and Staffing	$1,540,134	2.50
	2004 Levy Budget Neutral Funding Shifts	$0	0.00
	Position Transfer from DON to EdLevy	$0	6.50
Total Changes		**$1,540,134**	**9.00**
2012 Proposed Budget		**$19,470,645**	**9.00**
Council Adjustments to Proposed Budget			
	Technical Change to Abrogate Position	$0	(1.00)
Total Adjustments		**$0**	**(1.00)**
2012 Adopted Budget		**$19,470,645**	**8.00**

Establish 2011 Levy Program Funding and Staffing - $1,540,134 / 2.50 FTE. The 2012 Adopted Budget removes the $6 million placeholder included in the 2012 Endorsed Budget and replaces this amount with a $7.54 million budget that is aligned with the 2011 Levy funding plan approved by City Council. In addition, there is an increase of 1.5 FTE in 2012. This increase reflects the addition of a 1.0 FTE Grants and Contracts Spec., Sr. position, and the increase of an existing 0.5 FTE Strategic Advisor 2, Exempt position level to 1.0 FTE. These two positions will provide additional support to meet increased administrative demands of the new Levy. In addition, a 1.0 FTE Strategic Advisor 2 , Exempt position was added in the 2012 Proposed Budget to help manage the Families and Education Levy's (FEL) early learning and elementary investments. However, the position was also added to FEL in the first quarter supplemental process in 2011. To avoid duplication, this position was subsequently removed as part of a technical change in the Adopted Budget process as described below.

2004 Levy Budget Neutral Funding Shifts - $0. A funding shift of $247,000 within the 2004 Families and Education Levy is made from the Out of School Time (OST) program to the Middle School Support (MSSP) program. The anticipated outcome of this change is that more students will meet the State's Measurements of Student Progress (MSP) standards, consistently participate in Community Learning Centers, and show improved school attendance. This change is being done to implement a decision made by the Levy Oversight Committee to invest more resources in underperforming middle schools in SE and SW Seattle.

Educational and Developmental Services Levy

Position Transfer from DON to Ed Levy - $0 / 6.50 FTE. As part of the 2012 Endorsed Budget, the positions funded by the Levy were recognized as part of the Department of Neighborhoods (DON) budget, rather than the Educational and Developmental Services Levy budget. To align the staff with the budget in the 2012 Adopted Budget, a transfer of all of the Levy positions (6.5 FTE) is being made, and the FTE count now appears as part as of the budget pages that follow for the Educational and Developmental Services Levy.

City Council Changes to the 2012 Proposed Budget

Technical Change to Abrogate Position - $0 / (1.00) FTE. The 2012 Adopted Budget includes a technical change to abrogate a 1.0 FTE Strategic Advisor 2 position that was added in the 2011 first quarter supplemental and the 2012 Proposed Budget. The inclusion of this position in the 2011 supplemental made it unnecessary to also include the position in the 2012 Budget. This is a technical change only, and the Strategic Advisor position will be maintained in 2012 as a result of the prior supplemental action.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
2004 Education Levy					
Academic Improvement Activities Budget Control Level	IL900	126,497	55,000	150,000	150,000
Administration and Evaluation Budget Control Level	IL700	851,818	746,719	505,797	505,797
Crossing Guards Budget Control Level	IL600	264,112	0	0	0
Early Learning Budget Control Level	IL100	4,251,812	4,209,435	2,518,341	2,518,341
Family Support and Family Involvement Budget Control Level	IL200	3,017,794	3,082,852	2,096,493	2,096,493
Middle School Support Budget Control Level	IL800	1,484,298	1,420,322	743,596	990,443
Out-of-School Time Budget Control Level	IL400	2,975,175	2,963,348	2,237,519	1,990,672
Student Health Budget Control Level	IL500	4,022,175	4,082,508	2,776,310	2,776,310
Support for High-Risk Middle and High School Age Youth Budget Control Level	IL300	1,296,195	1,327,042	902,455	902,455
Total 2004 Education Levy		18,289,876	17,887,226	11,930,511	11,930,512
2011 Families and Education Levy					
2011 Families and Education Levy Budget Control Level	IL100-11	0	0	6,000,000	0
Administration Budget Control Level	IL702	0	0	0	409,396
Early Learning and School Readiness Budget Control Level	IL102	0	0	0	1,706,007
Elementary School Academic Achievement Budget Control Level	IL202	0	0	0	1,394,262
High School Academic Achievement and College/Career Preparation Budget Control Level	IL402	0	0	0	831,386
Middle School Academic Achievement and College/Career Preparation Budget Control Level	IL302	0	0	0	1,421,180
Research and Evaluation Budget Control Level	IL602	0	0	0	66,667
Student Health Budget Control Level	IL502	0	0	0	1,711,236
Total 2011 Families and Education Levy		0	0	6,000,000	7,540,133
Department Total		**18,289,876**	**17,887,226**	**17,930,511**	**19,470,645**
Department Full-time Equivalents Total*		**0.00**	**0.00**	**0.00**	**8.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Educational and Developmental Services Levy

Revenue Overview

2012 Estimated Revenues for the 2011 Families and Education Levy (17857)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
411100	Taxes, Levies & Bonds	0	0	6,000,000	31,659,216
461110	Interest Earnings	0	0	0	264,175
	Total Levy Programs	**0**	**0**	**6,000,000**	**31,923,391**
Total Revenues		**0**	**0**	**6,000,000**	**31,923,391**
379100	Use of (Contribution To) Fund Balance	0	0	0	(24,383,258)
	Total Levy Programs	**0**	**0**	**0**	**(24,383,258)**
Total Resources		**0**	**0**	**6,000,000**	**7,540,133**

2012 Estimated Revenues for the Educational & Developmental Services Fund (17856)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
411100	Taxes, Levies & Bonds	16,574,853	16,620,000	349,000	349,000
437010	Interlocal Grants	170,454	0	0	0
461110	Interest Earnings	137,618	246,660	268,544	268,544
	Total Levy Programs	**16,882,925**	**16,866,660**	**617,544**	**617,544**
Total Revenues		**16,882,925**	**16,866,660**	**617,544**	**617,544**
379100	Use of (Contribution To) Fund Balance	1,406,951	1,020,566	11,312,967	11,312,967
	Total Levy Programs	**1,406,951**	**1,020,566**	**11,312,967**	**11,312,967**
Total Resources		**18,289,876**	**17,887,226**	**11,930,511**	**11,930,511**

Appropriations by Budget Control Level (BCL)

2004 Families and Education Levy

Academic Improvement Activities Budget Control Level

The purpose of the Academic Improvement Activities Budget Control Level is to provide resources and technical support for improving academic performance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Academic Improvement Activities	126,497	55,000	150,000	150,000

Administration and Evaluation Budget Control Level

The purpose of the Administration and Evaluation Budget Control Level is to see that Levy funds are used effectively and achieve their intended goals.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration and Evaluation	851,818	746,719	505,797	505,797
Full-time Equivalents Total*	0.00	0.00	0.00	8.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Crossing Guards Budget Control Level

The purpose of the Crossing Guards Budget Control Level is to provide safe transit corridors for students.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Crossing Guards	264,112	0	0	0

Early Learning Budget Control Level

The purpose of the Early Learning Budget Control Level is to increase access for low-income families to higher quality and more extensive educational child care, and to expand the number of current early childhood education programs to allow children to enter Seattle's schools ready to learn.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Early Learning	4,251,812	4,209,435	2,518,341	2,518,341

Appropriations by Budget Control Level (BCL)

Family Support and Family Involvement Budget Control Level

The purpose of the Family Support and Family Involvement Budget Control Level is to provide culturally relevant family support services and community resources in schools, and to create authentic partnerships among schools, parents, and communities.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Family Support and Family Involvement	3,017,794	3,082,852	2,096,493	2,096,493

Middle School Support Budget Control Level

The purpose of the Middle School Support Budget Control Level is to provide early intervention services to middle school students to improve their ability to achieve academically and to complete school.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Middle School Support	1,484,298	1,420,322	743,596	990,443

Out-of-School Time Budget Control Level

The purpose of the Out-of-School Time Budget Control Level is to provide safe and academically focused after-school programs for middle and elementary school students.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Out-of-School Time	2,975,175	2,963,348	2,237,519	1,990,672

Student Health Budget Control Level

The purpose of the Student Health Budget Control Level is to maintain the existing infrastructure of school-based health services to reduce health-related barriers to learning and academic achievement.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Student Health	4,022,175	4,082,508	2,776,310	2,776,310

Appropriations by Budget Control Level (BCL)

Support for High-Risk Middle and High School Age Youth Budget Control Level

The purpose of the Support for High-Risk Middle and High School Age Youth Budget Control Level is to provide intensive services to middle and high school age youth to reduce risk factors that affect their ability to achieve academically and complete school.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Support for High-Risk Middle and High School Age Youth	1,296,195	1,327,042	902,455	902,455

2011 Families and Education Levy

2011 Families and Education Levy Budget Control Level

The 2011 Families and Education Levy Budget Control Level provides a placeholder for resources associated with the 2011 Levy, and is replaced in the 2012 Adopted Budget with Budget Control Levels that describe the activities associated with that Levy.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
2011 Families and Education Levy	0	0	6,000,000	0

Administration Budget Control Level

The purpose of the Administration Budget Control Level is to ensure that funds are invested effectively to achieve the Levy's goals of school readiness, academic achievement, reduced dropout rates and increased graduation rates, and student preparedness for college and/or careers after high school.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	0	0	0	409,396

Early Learning and School Readiness Budget Control Level

The purpose of the Early Learning and School Readiness Budget Control Level is to ensure that children enter Seattle's schools ready to learn by increasing access for low-income families to higher quality and more extensive educational child care, and expanding the number of current early childhood education programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Early Learning and School Readiness	0	0	0	1,706,007

Appropriations by Budget Control Level (BCL)

Elementary School Academic Achievement Budget Control Level

The purpose of the Elementary School Academic Achievement Budget Control Level is to improve Seattle's elementary school-aged children's ability to achieve academically by investing in quality academic support programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Elementary School Academic Achievement	0	0	0	1,394,262

High School Academic Achievement and College/Career Preparation Budget Control Level

The purpose of the High School Academic Achievement and College/Career Preparation Budget Control Level is to improve Seattle's high school-aged chilren's ability to achieve academically, complete school, and be prepared for college and/or careers after high school by investing in quality academic support programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
High School Academic Achievement and College/Career Preparation	0	0	0	831,386

Middle School Academic Achievement and College/Career Preparation Budget Control Level

The purpose of the Middle School Academic Achievement and College/Career Preparation Budget Control Level is improve Seattle's middle school-aged children's ability to achieve academically, complete school, and be prepared for college and/or careers after high school by investing in quality academic support programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Middle School Academic Achievement and College/Career Preparation	0	0	0	1,421,180

Appropriations by Budget Control Level (BCL)

Research and Evaluation Budget Control Level

The purpose of the Research and Evaluation Budget Control Level is to provide research and evaluation of Levy programs to ensure that the City is effectively investing in programs that achieve the Levy's goals of school readiness, academic achievement, reduced dropout rates and increased graduation rates, and student preparedness for college and/or careers after high school.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Research and Evaluation	0	0	0	66,667

Student Health Budget Control Level

The purpose of the Student Health Budget Control Level is to reduce health-related barriers to learning so that students can achieve academically, complete school, and be prepared for college and/or careers after high school by investing in school-based health programs located at Seattle Public Schools.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Student Health	0	0	0	1,711,236

Fund Tables

Educational & Developmental Services Fund (17856)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**16,591,038**	**12,441,883**	**15,165,700**	**11,421,317**	**13,730,392**
Accounting and Technical Adjustments	(18,387)	0	0	0	0
Plus: Actual and Estimated Revenue	16,882,925	16,866,660	17,117,000	617,544	617,544
Less: Actual and Budgeted Expenditures	18,289,876	17,887,226	18,552,308	11,930,511	11,930,512
Ending Fund Balance	**15,165,700**	**11,421,317**	**13,730,392**	**108,350**	**2,417,424**
Total Reserves	**0**	**0**	**0**	**0**	**0**
Ending Unreserved Fund Balance	**15,165,700**	**11,421,317**	**13,730,392**	**108,350**	**2,417,424**

2011 Families and Education Levy (17857)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**0**	**0**	**0**	**0**	**0**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	0	0	0	6,000,000	31,923,391
Less: Actual and Budgeted Expenditures	0	0	0	6,000,000	7,540,133
Ending Fund Balance	**0**	**0**	**0**	**0**	**24,383,258**

Human Services Department

Dannette R. Smith, Director

Information Line: (206) 386-1001
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Department by Budget Control Level

Human Services Department

Department Overview

The mission of the Human Services Department (HSD) is to connect people with resources and solutions during times of need so we can all live, learn, work, and take part in strong, healthy communities. HSD contracts with more than 230 community-based human service providers and administers programs to ensure Seattle residents have food and shelter, productive education and job opportunities, adequate health care, opportunities to gain social and economic independence and success, and many more of life's basic necessities. HSD staff are committed to working with the community to provide appropriate, culturally relevant services.

In late 2010, work began on a new HSD Strategic Plan, "Healthy Communities, Healthy Families," which identified a set of goals and actions that would position HSD to better serve clients and strengthen the City's overall service delivery system. The strategic plan includes four key goals:

- Create a Proactive, Seamless Service System;
- Strengthen and Expand Partnerships;
- Engage and Partner with the Community; and
- Use Data-Driven Design and Evaluation.

In 2011, the Department organizational structure was changed to support the new Strategic Plan. The realignment defines departmental results and measures, clarifies organizational functions and structure, links fiscal management with contracts development and monitoring and program delivery, and builds in a continuous quality improvement process based on data collection and analysis. These changes provide HSD with an organizational structure that is responsive, fluid, and sustainable, with a strong linkage between programs and the fiscal and contracting processes that support effective service delivery. The Department now consists of the following Divisions:

- Leadership and Administration;
- Youth and Family Empowerment;
- Community Support and Self-Sufficiency;
- Transitional Living and Support; and
- Aging and Disability Services.

The divisions of Domestic Violence and Sexual Assault Prevention, Early Learning and Family Support, and Youth Development and Achievement that were reflected in the 2012 Endorsed Budget are reorganized into two new divisions: Community Support and Self-Sufficiency, which encompasses all of HSD's programs that assist individuals and families as they work towards self-sufficiency, and the Youth and Family Empowerment Division, which takes a holistic approach to providing services for children and youth birth to age 25 as well as their families. In 2012, HSD's Budget Control Levels (BCLs) are adjusted to reflect the realignment, as follows:

- The Self-Sufficiency BCL budget is moved to the new Community Support and Self-Sufficiency BCL under a new program titled "Mayor's Office for Senior Citizens."
- The Domestic and Sexual Violence Prevention BCL budget is moved to the new "Community Support and Self-Sufficiency BCL" and appears as a new program.
- The Early Learning and Family Support BCL budget is now included in the new Youth and Family Empowerment BCL and the Community Support and Self-Sufficiency BCL.

- The Youth Development and Achievement BCL is moved to the new Youth and Family Empowerment BCL.
- The Emergency and Transitional Services BCL is renamed "Transitional Living and Support."
- The Community Facilities BCL is moved to the Transitional Living and Support BCL and appears as a new program.
- The Area Agency on Aging BCL is renamed "Aging and Disability Services – Area Agency on Aging."

HSD's work is funded by a variety of revenue sources, including federal, state and interlocal grants, and the City of Seattle General Fund. General Fund contributions leverage significant grant revenues to benefit Seattle residents. As a result, external grants represent approximately 63% of HSD's revenue, while General Fund represents 37%.

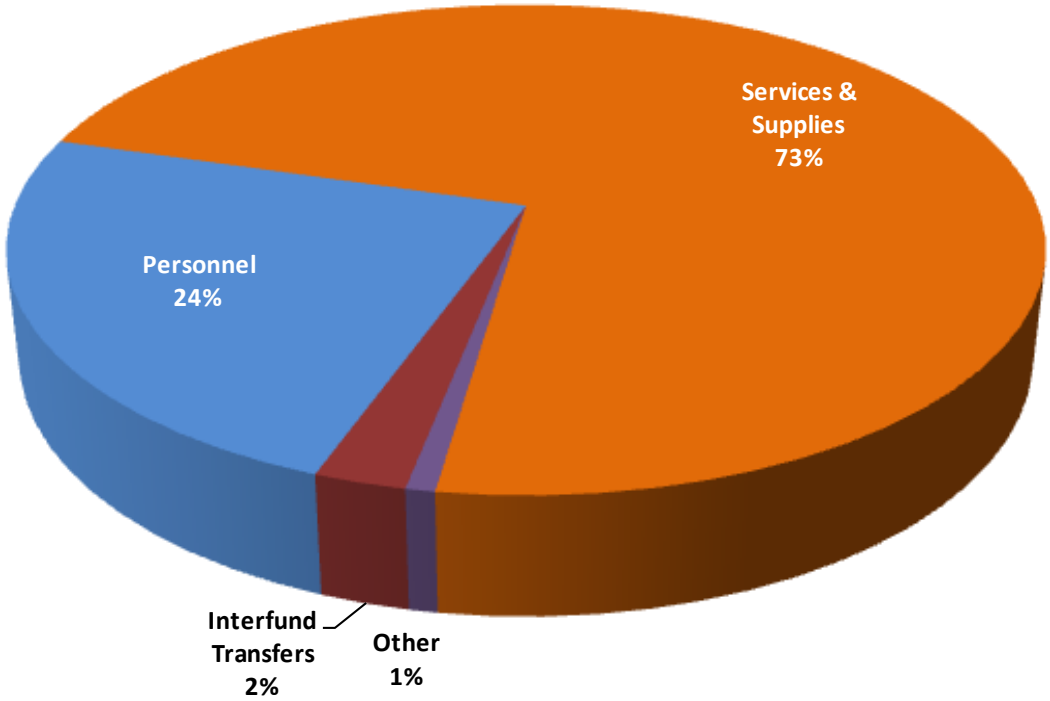
Budget Snapshot

Human Services Department	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$52,273,866	$51,962,950	$52,121,676	$54,352,239
Other Revenues	$69,032,349	$89,268,547	$87,118,674	$59,057,061
Total Revenues	**$121,306,215**	**$141,231,497**	**$139,240,350**	**$113,409,300**
Use of (Contribution to) Fund Balance	$260,279	$1,563,418	$1,465,101	$1,460,554
Total Resources	**$121,566,494**	**$142,794,915**	**$140,705,451**	**$114,869,854**
Total Expenditures	**$121,566,494**	**$142,794,915**	**$140,705,451**	**$114,869,854**
Full-Time Equivalent * Total	326.35	322.60	323.10	316.10

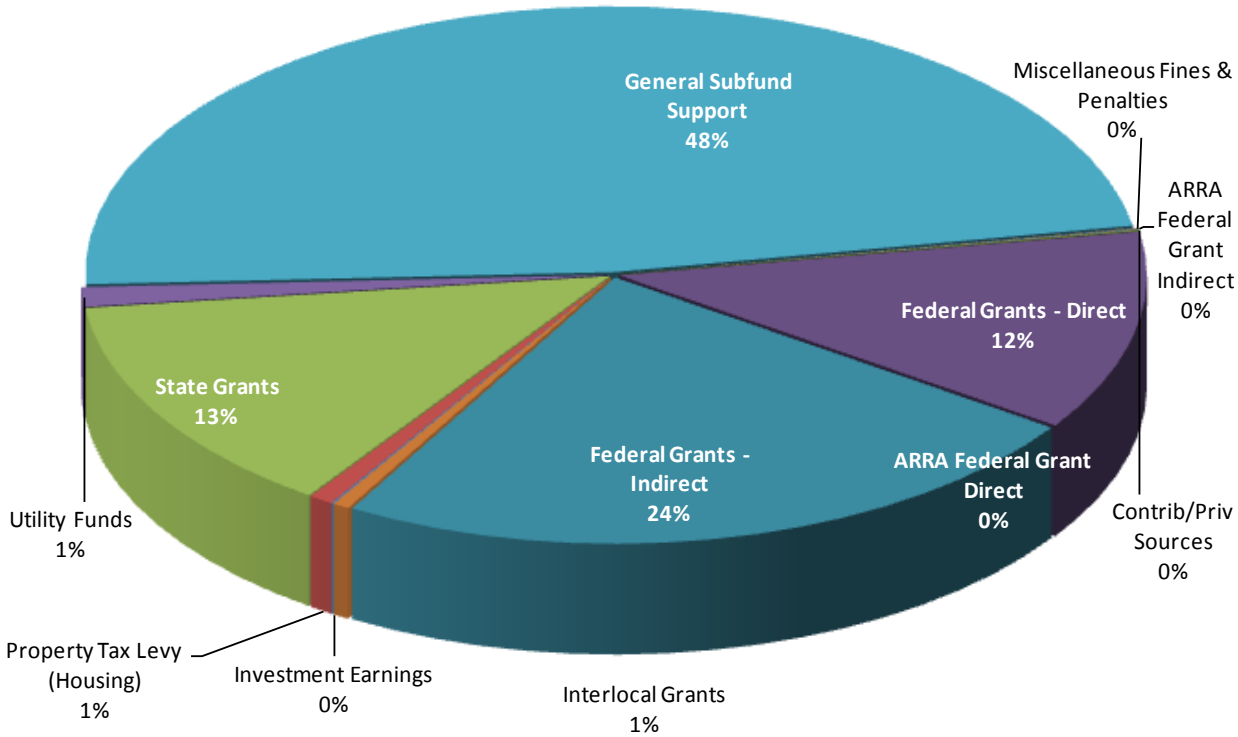
**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Human Services Department

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

The General Fund is continuing to experience pressures in 2012 and in future years, requiring reductions to General Fund supported functions. However, given the priority of funding direct services to those in most need, the 2012 Adopted Budget for the Human Services Department preserves nearly all direct services to the community in 2012. This is particularly important in this time frame as the local economy is moving slowly through the recovery process, and many individuals are experiencing the continued need for direct human services. In fact, General Fund support for HSD increases by $2.23 million in the 2012 Adopted Budget as compared to the 2012 Endorsed Budget.

Although not a new adjustment, the 2012 Adopted Budget reflects action taken in the 2012 Endorsed Budget that eliminates inflationary increases for contracted agencies and community partners. In 2012, the reduction represents a substantial savings of $1.37 million. While the City recognizes that the Inflationary reduction may diminish the ability of agencies to respond to increases in their own internal costs, this change helps preserve direct services to the greatest extent possible.

The Human Services Department approached the 2012 Adopted Budget by identifying efficiencies and administrative savings that do not impact direct programs. These adjustments require workloads to be prioritized and absorbed by other remaining positions in the Department. Other savings are realized by shifting costs to non-General Fund sources. A number of these reductions continue cuts that were implemented in midyear 2011, including the abrogation of 1.5 FTE in grant and contract administration positions and 0.5 FTE in administrative support.

At the same time, the Adopted Budget increasingly recognizes the ongoing costs of the Department as part of its operating budget. Certain costs in HSD's ongoing base operations, such as higher-than-planned facilities charges and expenses for homeless shelters, winter response, and outreach programs, are not included in the 2012 Endorsed Budget and were managed by the Department in previous years by savings that accrued in other areas. The 2012 Adopted Budget supports these costs with an increased investment of General Fund. The budget for the Safe Harbors program, which is the web-based Homeless Management Information System that is used by the City, King County, and United Way, is increased to match a higher level of base costs in the 2012 Budget. The costs for the City to administer Safe Harbors increased in late 2010 as the result of HSD's decision to increase staff capacity to improve the overall service delivery of the program. Recognizing these costs in the Adopted Budget allows the programs to continue at the current levels of service and provides a more complete representation of HSD's ongoing expenditures.

The Adopted Budget includes new community organizing funding to support efforts to build civic engagement and leadership from within Seattle's communities of color, including immigrants and refugees. The funding will be allocated through HSD's request for information process for Policy Advocacy and Technical Assistance.

While the 2012 Adopted Budget preserves and increases General Fund support for HSD, the Department is experiencing reductions in State and Federal funding. The 2012 Adopted Budget recognizes impacts from changes in State funding in the Aging and Disability Services Division. Beginning in October 2011, pass-through funding for home care program health plan reimbursements is redirected to home care agencies and is no longer administered by HSD, resulting in a significant budget reduction to HSD but no impact on direct services, as it was a change to the method of payment.

Human Services Department

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A loss in funding for the State Senior Citizens Services Act (SCSA) is mitigated through administrative reductions in the Aging and Disability Services Division.

As described in the "Department Overview" Section above, the Human Services Department budget is supported in large part by non-General Fund revenues that are provided by a broad set of local, state and federal sources. One key source of funding is the Community Development Block Grant (CDBG) entitlement to the City. In 2011, the City received a 17% reduction in entitlement to the anticipated award level. The City reduced its planned expenditures for CDBG, and is providing General Fund support to maintain the planned levels of spending for CBDG-funded public services, including homeless shelters. In 2012, the City is anticipating a further 5% reduction in the CDBG entitlement. Despite these funding pressures, the 2012 Adopted Budget preserves HSD funding for nearly all direct services and contracts with community partners who deliver services and programs.

Finally, a series of technical adjustments makes inflation and benefit changes, miscellaneous department technical adjustments, and budget-neutral transfers related to HSD's division realignment.

City Council Changes

During the City Council's review process, the Council increased General Fund support for several Public Health Services and Transitional Living and Support programs. Funding was provided to restore the reduction proposed to the Lettuce Link program for distributing vegetable seeds and gardening information to families. One-time support was added to provide a series of additional shelter and housing services for homeless families with children. Additional funding supports an expansion of the Nurse Family Partnership program, a free, voluntary program that partners first-time moms with nurse home visitors providing valuable knowledge and support throughout pregnancy and until their babies reach two years of age. And, funding is added to support medical and dental services for uninsured Seattle residents by community health care clinics.

Incremental Budget Changes

Human Services Department

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$140,705,451**	**323.10**
2012 Proposed Changes			
	Early Learning and Child Care Professional Development Reduction	($261,000)	0.00
	Lettuce Link Program Reduction	($17,000)	0.00
	Staffing and Efficiency Reductions	($43,470)	(4.00)
	Support for Unbudgeted Requirements	$200,925	0.00
	Increased Commitment to Safe Harbors	$136,895	0.00
	Community Organizing Support	$120,000	0.00
	Immigrant and Refugee Youth Program	$150,000	0.00
	Reductions for State Funding in Aging and Disability Services	($26,400,900)	(0.50)
	Community Development Block Grant Funding Impacts	($179,514)	(1.00)
	Technical Adjustments	($668,338)	(2.50)
Total Changes		**($26,962,402)**	**(8.00)**
2012 Proposed Budget		**$113,743,050**	**315.10**
Council Adjustments to Proposed Budget			
	Lettuce Link Program	$17,000	0.00
	Funding for Homeless Families with Children	$435,000	0.00
	Nurse Family Partnership	$478,000	0.00
	Medical and Dental Services for Uninsured Residents	$250,000	0.00
	Adjust Employer Contribution Rate to SCERS	($53,196)	0.00
	Technical Adjusments	$0	1.00
Total Adjustments		**$1,126,804**	**1.00**
2012 Adopted Budget		**$114,869,854**	**316.10**

Early Learning and Child Care Professional Development Reduction - ($261,000). Professional development funding for early learning and child care programs is reduced by $261,000 with minimal impact on the Seattle Early Education Collaborative (SEEC), the Early Childhood Education and Assistance Program (ECEAP), and the Comprehensive Child Care Program. The reduction will result in less technical assistance funding and coach hours for well-performing programs, with remaining funds targeting programs that do not meet the City's quality standards. Paid teacher release time for training will be reduced from 13 days to 2 days. This reduction continues a change that was initiated midyear 2011.

Human Services Department

Lettuce Link Program Reduction - ($17,000). This change reduces support for the Lettuce Link program for distributing vegetable seeds and gardening information to families seeking help at area food banks by $17,000. This reduction would not have a direct impact because these services do not meet clients' immediate need for food. The contract funds dedicated to providing much needed infant and toddler items such as diapers, formula, food, and other essential items to area food banks would have remained in HSD's budget. This reduction is restored by Council changes, as described below.

Staffing and Efficiency Reductions – ($43,470) / (4.0) FTE. An unspecified reduction of $200,000 was included in the Department's 2012 Endorsed Budget with the intent that HSD identify efficiencies in contracting processes. The 2012 Adopted Budget identifies three reductions to meet this target, including savings from a vacant Planning & Development Specialist, II; savings from a vacant half-time Senior Grants & Contract Specialist; and savings from unencumbered contracts in the Leadership and Administration Division. HSD is implementing a new approach to funding, assessment, and contracting practices which will allow the reductions to occur without service impacts, and ultimately result in more effective funding and contracting systems. This reduction continues changes that were initiated midyear 2011.

Also continuing from midyear 2011, the 2012 Adopted Budget captures savings from reduced administrative staff and funding shifts with no impact to service or program delivery. A full-time Administrative Specialist position is reduced to 0.5 FTE in the Community Support and Self-Sufficiency division, resulting in General Fund savings of $15,470. Additionally, $28,000 in salary costs are reallocated to non-General Fund sources. The 2012 Adopted Budget also abrogates an unfunded Senior Grants & Contracts Specialist position that was funded by the State New Citizen Initiative program, which ended in November 2010, and a vacant and unfunded Grants & Contracts Specialist position in the Mayor's Office for Senior Citizens (MOSC), for which work has been absorbed by staff in the Aging and Disability Services Planning and Administration section since late 2010.

Support for Unbudgeted Requirements – $200,925. HSD's 2012 Adopted Budget is increased to recognize several costs that are ongoing and part of HSD's base operations but were either unbudgeted or under-budgeted in 2011, as follows: $57,000 will support ongoing expenses related to winter weather response; $45,388 will support staff expenses for HSD's ongoing encampment outreach program; $69,737 will support new lease costs for the Central Building; and $29,000 will support lease and utility costs for the Roy Street Shelter, which is operating on property owned by Seattle City Light. All of this is supported by an increased investment of General Fund support for HSD.

Increased Commitment to Safe Harbors – $136,895. The Safe Harbors budget is increased by $136,895 and aligned with a higher level of base costs. The increase is supported, in-part, by additional General Fund resources along with funding from King County and the United Way of King County. In 2011, HSD addressed operational challenges with the Safe Harbors program by adding position capacity. Safe Harbors is King County's Web-based Homeless Management Information System (HMIS) used to measure the extent of homelessness in the community and is required by funders at the local, state, and federal levels. The changes improved the functional capacity and technical assistance provided to participating community agencies. As a result, data integrity, data entry, and reporting quality have been strengthened.

Community Organizing Support – $120,000. The Budget includes $120,000 of General Fund support for community organizing to develop leadership from within communities of color and among refugees and immigrants. Primary objectives of this program include developing leadership, building diverse coalitions by bringing people together to participate in civic activities, and assisting communities in establishing and running mutual aid associations. Funds will be allocated through HSD's Request for Information (RFI) process for Policy Advocacy and Technical Assistance to achieve the highest outcomes and measurable progress towards the development of leadership from within communities of color and engagement in civic processes.

Immigrant and Refugee Youth Program – $150,000. $150,000 specified for the Immigrant and Refugee Youth Program is transferred from Finance General Reserves to HSD for program implementation in 2012. HSD will combine the new funding with $315,000 of existing Immigrant and Refugee Family Support funds to provide holistic services that address the unique and challenging needs of immigrant and refugee youth, 15 to 20 years of age. The program is an integrated family-based approach to job readiness training for recently arrived youth from low income families with limited English skills.

Reductions in State Funding for Aging and Disability Services – ($26.40 million) / (0.50) FTE. The pass-through funding methodology from the State Department of Social and Health Services (DSHS) has changed so that health plan reimbursements for home care agencies are incorporated into the home care agency unit rate and are no longer administered by HSD. As a result, HSD's budget is reduced by $26.25 million without impacting the services provided by the Aging and Disability Services Division.

Legislative funding for the State Senior Citizens Services Act (SCSA) and the "core services contract," which provides funding for contract management activity related to Medicaid Services, was reduced by 5% for the biennial budget, resulting in a $150,000 reduction in 2012. To mitigate the loss of State funding, two administrative positions are funded at 50% of their full costs and one of those positions is reduced by 0.5 FTE. Additionally, the State legislature extended previous cuts of 3% in the Case Management Program rate and a 10% reduction for in-home care hours, accompanied by an adjusted client/case manager ratio. The Department is working to mitigate the impact on clients and case managers.

CDBG Funding Impacts – ($179,514) / (1.0) FTE. Due to the anticipated reduction in the CDBG entitlement in 2012, this proposal recognizes a set of administrative efficiencies to CDBG-funded administration in HSD, including the abrogation of 1.0 FTE Projects and Funding Agreement Coordinator. Although the City must reduce approximately $875,000 in CDBG funding for homeless shelters due to the cap on allowable public services funded based on the estimated entitlement level, an equivalent increase in General Fund is provided in order to preserve these important direct services.

Technical Adjustments - ($668,338) / (2.50) FTE. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in HSDs service delivery. Departmental technical adjustments include changes in grant revenue, corrections to allocations between divisions, and corrections to allocation for benefits. The Proposed Budget abrogated two vacant sunsetting positions, a Counselor and a Planning and Development Specialist II. The Planning and Development Specialist II is restored by Council changes, as described below. A third position, Human Services Coordinator, is reduced to 0.5 FTE. Citywide technical

adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and employment costs.

City Council Changes to the 2012 Proposed Budget

Lettuce Link Program - $17,000. The Council restored a proposed reduction of $17,000 for the Lettuce Link program, which distributes vegetable seeds and gardening information to families seeking help at area food banks.

Funding for Homeless Families with Children - $435,000. One-time General Fund support is added to HSD's budget to provide a series of additional shelter and housing services for homeless individuals and families with children. The Adopted Budget adds $150,000 for additional support for homeless families through the Shelter and Transitional Housing Program, allowing at least 13 additional families to be served in 2012; $150,000 for additional support for the Rapid Re-Housing Program to assist homeless families with children, allowing at least 17 additional families to be served in 2012; and $20,000 to implement a Safe Parking Pilot Program that will provide case management services and other operational costs for 3 to 5 homeless individuals or families to live in their vehicles in a church parking lot.

The Adopted Budget also adds $75,000 to support an Opportunity Fund for faith-based communities by providing one-time capital funding for improvements to their facilities in order to provide shelter and other services for homeless individuals and families. Finally, the Adopted Budget adds $40,000 for additional support for the Emergency Services Program for Families, which provides emergency interim -shelter vouchers and case management services to help families move off the streets. The increase will allow this program to assist an additional 17 families.

Nurse Family Partnership - $478,000. The Adopted Budget increases support for the Nurse Family Partnership, a national evidence-based program that helps break the cycle of poverty by working with first time low-income mothers to improve their pregnancy outcomes, their child's health and development, and the economic self-sufficiency of their family. The expansion will phase in 4 additional nurses in 2012 to bring the total nurse staffing to 10.75 FTE and increase the number of mothers/babies served from 26% to 42% of those in Seattle who are eligible.

Medical and Dental Services for Uninsured Residents - $250,000. The Adopted Budget adds support for medical and dental services for uninsured Seattle residents provided by community health care clinics operated by Public Health-Seattle King County, Harborview Medical Center's Pioneer Square Clinic, and non-profit community health care clinics. The additional funding is added in recognition of the increasing number of uninsured individuals in Seattle.

Adjust Employer Contribution Rate to SCERS – ($53,196). The Adopted Budget makes an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

Technical Adjustments – 1.0 FTE. The Adopted Budget restores a Planning and Development Specialist II position that was set to sunset in 2012. The position has been extended due to additional funding. The abrogation was inadvertently included as a technical adjustment in the Proposed Budget.

City Council Provisos

The City Council adopted the following budget proviso:

- *Of the appropriation in the 2012 budget for the Department of Human Services (HSD) Transitional Living and Support BCL, $33,000 is appropriated solely for Solid Ground Washington Lettuce Link contract and may be spent for no other purpose.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CDBG - Human Services Department Budget Control Level					
Homeless Intervention		6,176,097	4,642,920	4,642,920	3,833,569
Leadership and Corporate Services		305,686	1,231,871	1,231,871	987,825
CDBG - Human Services Department Budget Control Level	**6HSD10**	**6,481,784**	**5,874,791**	**5,874,791**	**4,821,394**
Aging and Disability Services					
Aging and Disability Services - Area Agency on Aging Budget Control Level					
Healthy Aging		7,751,844	7,665,003	7,645,669	7,649,738
Home-Based Care		29,018,662	48,142,262	48,418,641	22,454,674
Planning and Coordination		2,322,657	2,667,130	2,711,378	2,672,986
Aging and Disability Services - Area Agency on Aging Budget Control Level	**H60AD**	**39,093,162**	**58,474,395**	**58,775,687**	**32,777,398**
Self-Sufficiency Budget Control Level	**H60SS**	**1,976,016**	**1,810,293**	**1,849,139**	**0**
Total Aging and Disability Services		**41,069,179**	**60,284,688**	**60,624,827**	**32,777,398**

Human Services Department

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Support and Self-Sufficiency					
Community Support and Self Sufficiency Budget Control Level					
Access to Benefits		0	0	0	1,532,927
Community Based Family Support		0	0	0	5,299,174
Domestic Violence and Sexual Assault Prevention		0	0	0	4,403,992
Mayor's Office for Senior Citizens		0	0	0	614,196
Community Support and Self Sufficiency Budget Control Level	**H90CS**	**0**	**0**	**0**	**11,850,290**
Total Community Support and Self Sufficiency		**0**	**0**	**0**	**11,850,290**
Domestic Violence and Sexual Assault Prevention					
Domestic and Sexual Violence Prevention Budget Control Level	**H40DV**	**4,646,379**	**4,583,174**	**4,238,453**	**0**
Total Domestic Violence and Sexual Assault Prevention		**4,646,379**	**4,583,174**	**4,238,453**	**0**
Early Learning and Family Support					
Early Learning and Family Support Budget Control Level	**H80EL**	**13,947,073**	**13,673,237**	**13,429,846**	**0**
Total Early Learning and Family Support		**13,947,073**	**13,673,237**	**13,429,846**	**0**
Leadership and Administration					
Leadership and Administration Budget Control Level					
Financial Management		1,469,688	2,116,956	2,186,778	2,081,855
Human Resources		3,213,689	674,850	675,834	673,163
Information Technology		632,248	1,608,339	1,518,824	1,503,386
Leadership		2,149,718	3,339,114	2,938,614	3,027,234
Leadership and Administration Budget Control Level	**H50LA**	**7,465,342**	**7,739,260**	**7,320,050**	**7,285,638**
Total Leadership and Administration		**7,465,342**	**7,739,260**	**7,320,050**	**7,285,638**
Public Health Services					
Public Health Services Budget Control Level					
Alcohol and Other Drugs		1,338,592	1,451,172	1,451,172	1,451,172
Asthma		128,697	128,697	128,697	128,697
Family Support Services		539,816	539,816	539,816	1,017,816
Health Care Access		260,791	260,791	260,791	260,791

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Health Care for the Homeless		1,530,874	1,530,874	1,530,874	1,530,874
HIV/AIDS		941,061	821,101	821,101	821,101
Oral Health		125,119	125,119	125,119	125,119
Primary Care: Medical and Dental		6,284,074	6,284,074	6,284,074	6,534,074
Public Health Services Budget Control Level	**H70PH**	**11,149,023**	**11,141,644**	**11,141,644**	**11,869,644**
Total Public Health Services		**11,149,023**	**11,141,644**	**11,141,644**	**11,869,644**
Transitional Living and Support					
Community Facilities Budget Control Level	**H30CF**	**639,265**	**591,063**	**593,708**	**0**
Transitional Living and Support Budget Control Level					
Community Facilities		0	0	0	593,949
Emergency and Transitional Services		25,730,604	28,430,476	26,856,831	28,226,395
Transitional Living and Support Budget Control Level	**H30ET**	**25,730,604**	**28,430,476**	**26,856,831**	**28,820,344**
Total Transitional Living and Support		**26,369,869**	**29,021,539**	**27,450,539**	**28,820,344**
Youth and Family Empowerment					
Youth and Family Empowerment Budget Control Level					
Early Learning and Family Support		0	0	0	6,142,476
Youth Services		0	0	0	11,302,670
Youth and Family Empowerment Budget Control Level	**H20YF**	**0**	**0**	**0**	**17,445,145**
Total Youth and Family Empowerment		**0**	**0**	**0**	**17,445,145**
Youth Development and Achievement					
Youth Development and Achievement Budget Control Level	**H20YD**	**10,437,845**	**10,476,580**	**10,625,301**	**0**
Total Youth Development and Achievement		**10,437,845**	**10,476,580**	**10,625,301**	**0**
Department Total		**121,566,494**	**142,794,915**	**140,705,451**	**114,869,854**
Department Full-time Equivalents Total*		**326.35**	**322.60**	**323.10**	**316.10**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Community Development Block Grant Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	US Dept of Housing & Urban Development (HUD) / Community Development Block Grant (CDBG)	6,481,783	5,874,791	5,874,791	4,821,394
	Total Federal Grants - Indirect	**6,481,783**	**5,874,791**	**5,874,791**	**4,821,394**
Total Revenues		**6,481,783**	**5,874,791**	**5,874,791**	**4,821,394**

2012 Estimated Revenues for the Human Services Operating Fund (16200)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
431110	US Dept of Health & Human Services / ARRA: Strengthening Communities Fund	4,421	125,000	0	0
431110	US Dept of Housing & Urban Development (HUD) / ARRA CDBG	0	0	0	0
431110	US Dept of Housing & Urban Development (HUD) / ARRA Homeless Prevention & Rapid Rehousing Program	1,876,845	2,209,738	0	0
431110	US Dept of Justice (DOJ) / Office of Justice /ARRA BYRNE Prostitution Youth Advocate	41,104	80,549	0	68,000
	Total ARRA Federal Grant Direct	**1,922,370**	**2,415,287**	**0**	**68,000**
433110	King County / ARRA - purchasing of fresh local produce, making healthy food more affordable	35,305	0	0	0
433110	King County Public Health / Communities Putting Prevention to Work (CPPW)	23,547	43,851	9,444	9,444

2012 Estimated Revenues for the Human Services Operating Fund (16200) – continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433110	National Telecommunications & Info Administration for transition to digital TV	21,226	0	0	0
433110	WA Dept of Social & Health Services (DSHS) / Administration on Aging (AoA) - ARRA Aging Congregate Nutrition Service	208,350	0	0	0
433110	WA Dept of Social & Health Services (DSHS) / Adminstration on Aging (AoA) - ARRA Aging Home Delivered Nutrition Services	117,703	0	0	0
433110	WA Dept of Social & Health Services (DSHS) / ARRA US Dept of Labor (DOL) - Title V Recovery Act Fund	50,410	0	0	0
433110	Workforce Development Council (WDC) / ARRA SYEP Federal Stimulus	99,893	0	0	0
	Total ARRA Federal Grant Indirect	**556,434**	**43,851**	**9,444**	**9,444**
439090	City of Seattle / Cable Television Franchise Subfund	150,000	0	0	0
439090	Seattle Neighborhood Group 4H	0	8,750	0	0
439090	United Way / United Way	65,799	160,179	91,800	91,800
461320	Miscellaneous Revenue	(7,202)	0	0	0
	Total Contrib/Priv Sources	**208,597**	**168,929**	**91,800**	**91,800**
431010	US Department of Education (DOE) / Upward Bound	407,461	415,088	415,088	402,220
431010	US Dept of Education (DOE) / Seattle Early Reading First (SERF)	964,694	427,288	0	0
431010	US Dept of Housing & Urban Development (HUD) / Emergency Shelter Grants Program (ESGP)	588,202	579,707	579,707	579,707
431010	US Dept of Housing & Urban Development (HUD) / Housing Opportunities for People with AIDS (HOPWA) Grant	1,661,005	1,706,000	1,706,000	1,706,000
431010	US Dept of Housing & Urban Development (HUD) / McKinney Grant	8,923,250	10,828,749	10,828,749	10,828,929
431010	US Dept of Justice (DOJ) / Disability Svcs - Domestic Violence (DV) Education, training, and enhanced services to end violence against and abuse of women with disabilities	285,075	0	0	0

2012 Estimated Revenues for the Human Services Operating Fund (16200) – continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
431010	US Dept of Justice (DOJ) / Domestic Violence (DV) Transitional Housing	106,265	0	0	95,430
431010	US Dept of Justice (DOJ) / Grants to Encourage Arrest Policies (GEAP)	207,280	284,682	0	181,045
431010	US Dept of Justice (DOJ) / Justice Assistance Grant (JAG)	15,000	0	0	0
	Total Federal Grants - Direct	**13,158,232**	**14,241,514**	**13,529,544**	**13,793,331**
433010	King County / Safe Harbors McKinney Grant I	276,715	296,737	296,737	286,625
433010	King County / Safe Harbors McKinney Grant III	171,039	97,375	97,375	97,375
433010	King County Public Health / Admin Match: Family Support Workers	41,691	52,373	0	0
433010	King County Public Health / Homeless Flu Convalescence	14,553	0	0	0
433010	King County Superior Court / Juvenile Accountability Incentive Block Grant (JAIBG)	33,528	29,356	29,356	29,356
433010	Nation Telecommunications & Info Administration for transition to digital TV	(21,226)	0	0	0
433010	University of WA / CDC-Program to Encourage Active, Rewarding Lives for seniors (PEARLS) dissemination	25,097	0	0	0
433010	US Dept of Housing & Urban Development (HUD) / Seattle Housing Authority (SHA) Client Case Management	373,000	373,000	373,000	373,000
433010	WA Dept of Social & Health Services (DSHS) / Administration on Aging (AoA) - Care Consultation Services for Veteran Directed home services	8,160	80,000	80,000	80,000
433010	WA Dept of Social & Health Services (DSHS) / Administration on Aging (AoA) - Nursing Home Diversion	422,486	0	0	0
433010	WA Dept of Social & Health Services (DSHS) / Administration on Aging (AoA) - Nutritional Services Incentive Program (NSIP)	441,458	505,000	505,000	505,000
433010	WA Dept of Social & Health Services (DSHS) / Administration on Aging (AoA)-Alzheimer's Disease Supportive Services	133,339	0	0	0

2012 Estimated Revenues for the Human Services Operating Fund (16200) – continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	WA Dept of Social & Health Services (DSHS) / Federal-for Medicare beneficiary outreach and assistance	16,080	0	0	0
433010	WA Dept of Social & Health Services (DSHS) / Older Americans Act (OAA) - Elder Abuse Prevention	22,435	21,977	21,977	21,977
433010	WA Dept of Social & Health Services (DSHS) / Title III-B - Older Americans Act (OAA) Supportive Services	2,538,817	2,360,496	2,407,706	2,407,706
433010	WA Dept of Social & Health Services (DSHS) / Title III-C-1 - Older Americans Act (OAA) Congregate meals	1,587,321	1,721,721	1,756,155	1,774,070
433010	WA Dept of Social & Health Services (DSHS) / Title III-C-2 - Older Americans Act (OAA) Home delivered meals	852,065	859,332	876,519	876,519
433010	WA Dept of Social & Health Services (DSHS) / Title III-D - Older Americans Act (OAA) Health promotion	111,789	112,882	115,140	115,140
433010	WA Dept of Social & Health Services (DSHS) / Title III-E - Older Americans Act (OAA) National Family Caregiver	773,431	782,318	797,964	797,964
433010	WA Dept of Social & Health Services (DSHS) / Title V - Appropriation Act (Senior Employment)	89,068	0	0	0
433010	WA Dept of Social & Health Services (DSHS) / Title V - Older Americans Act (OAA) Senior Employment	396,975	425,834	362,454	362,553
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Home Care Workers' Health Care Insurance- BHP	9,665,472	26,250,000	26,250,000	0
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Local Care Management	622,107	750,000	750,000	750,000
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Medicaid Administrative Claiming	1,002,202	1,118,235	1,118,235	1,118,235
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Medicaid Case Mgmt	6,638,004	7,090,151	7,373,096	7,373,096
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Medicaid Home Care Worker Orientation for IP	43,320	0	0	0
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Medicaid Home Care Worker Training Wages	543,622	2,138,796	2,138,796	2,138,796

2012 Estimated Revenues for the Human Services Operating Fund (16200) – continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Medicaid Intensive Chronic Case Management	0	200,000	200,000	200,000
433010	WA Dept of Social & Health Services (DSHS) / Title XIX - Medicaid Nurse Delegation	1,989	11,427	11,427	11,427
433010	WA Dept of Social & Health Services (DSHS) / Title XIX Day Health Admin - Senior Day Facility	3,600	0	0	0
433010	WA Dept of Social & Health Services (DSHS) / US Dept of Agriculture (USDA) / Senior Farmers Market Nutrition	24,736	165,000	165,000	165,000
433010	WA Office of Superintendent of Public Instruction (OSPI) / Child and Adult Care Food Program	1,190,965	1,184,443	1,188,890	1,170,924
433010	WA Office of Superintendent of Public Instruction (OSPI) / Quality Incentive Program	94,982	59,495	59,495	0
433010	WA Office of Superintendent of Public Instruction (OSPI) / Summer Sack Lunch Supplement	0	14,845	14,845	0
433010	WA Office of Superintendent of Public Instruction (OSPI)/ Summer Food Service Program	400,296	526,280	526,317	525,634
433010	Within Reach / Food Stamp Education Grant	143	0	0	43,571
433010	Workforce Development Council (WDC) / Workforce Investment Act	913,881	875,157	875,157	897,676
	Total Federal Grants - Indirect	**29,453,141**	**48,102,230**	**48,390,641**	**22,121,644**
587001	General Subfund Support	52,273,866	51,962,950	52,121,676	54,352,239
	Total General Subfund Support	**52,273,866**	**51,962,950**	**52,121,676**	**54,352,239**
437010	Families and Education Levy / Performance Funds	0	316,841	193,691	117,805
437010	Gates Foundation / Safe Harbors Grant	0	0	0	71,000
437010	King County / KC McKinney Consultant Share	125	0	0	0
437010	King County / Human Services Levy - Program to Encourage Active Rewarding Lives for Seniors (PEARLS)	94,276	112,000	0	0
437010	King County / King County Safe Harbors	0	0	0	195,000
437010	King County / Levy funds for Veteran Case Management	94,276	112,000	0	0

2012 Estimated Revenues for the Human Services Operating Fund (16200) – continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
437010	King County / Mental Illness & Drug Dependency (MIDD)	55,615	100,000	100,000	0
437010	King County / Safe Harbors Levy	378,161	397,000	397,000	96,217
437010	National Council on Aging-Provide education, I&A to enroll Seniors for medication saving benefits	4,833	0	0	0
437010	Seattle Housing Authority (SHA) / New Citizen Initiative	25,000	25,000	25,000	25,000
437010	United Way / Safe Harbors Grant	0	0	0	75,000
437010	Walmart Foundation / Summer Nutrition Grant	0	0	0	0
	Total Interlocal Grants	**652,286**	**1,062,841**	**715,691**	**580,022**
461110	WA Dept of Social & Health Services (DSHS) / Interest - State Cash Advance	65,386	62,400	62,400	80,000
	Total Investment Earnings	**65,386**	**62,400**	**62,400**	**80,000**
459900	Sex Industry Victims Fund / Care and Treatment for Sex Industry Workers	50,631	25,000	25,000	25,000
	Total Miscellaneous Fines & Penalties	**50,631**	**25,000**	**25,000**	**25,000**
541490	City of Seattle Office of Housing (OH) / Housing Levy	0	0	849,600	849,600
	Total Property Tax Levy (Housing)	**0**	**0**	**849,600**	**849,600**
434010	WA Dept of Community, Trade & Economic Dev (CTED) / Homeless Data Collection	148,248	143,932	143,932	125,000
434010	WA Dept of Early Learning (DEL) / Early Childhood Education Assistance Program (ECEAP)	2,161,607	2,187,900	2,187,900	2,189,975
434010	WA Dept of Social & Health Services (DSHS) / Care Workers Insurance	22,197	71,865	73,302	73,302
434010	WA Dept of Social & Health Services (DSHS) / Family Caregivers	1,777,349	1,739,666	1,739,666	2,139,666
434010	WA Dept of Social & Health Services (DSHS) / Kinship Care Navigator	76,531	84,785	84,785	84,785
434010	WA Dept of Social & Health Services (DSHS) / Kinship Care Support	182,575	233,200	233,200	233,200
434010	WA Dept of Social & Health Services (DSHS) / Kinship Child Program	39,310	40,000	40,000	40,000
434010	WA Dept of Social & Health Services (DSHS) / Office of Refugee & Immigrant Administration (ORIA) - New Citizenship Initiative (NCI)	1,240,326	1,136,060	1,136,060	0

2012 Estimated Revenues for the Human Services Operating Fund (16200) – continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
434010	WA Dept of Social & Health Services (DSHS) / Prescription Drugs Information & Assistance	16,463	17,560	17,560	17,560
434010	WA Dept of Social & Health Services (DSHS) / Respite Home Care Workers' Health Care Insurance & Training	84,001	136,789	150,468	150,468
434010	WA Dept of Social & Health Services (DSHS) / Senior Citizens Service Act	2,138,215	2,255,007	2,255,004	2,098,984
434010	WA Dept of Social & Health Services (DSHS) / Title XIX Local Care Management - State Portion	622,107	750,000	750,000	750,000
434010	WA Dept of Social & Health Services (DSHS) / Title XIX Medicaid Case Mgmt - State Portion	6,638,004	7,090,150	7,373,096	7,373,096
	Total State Grants	**15,146,934**	**15,886,914**	**16,184,973**	**15,276,036**
541490	City of Seattle / Utility Rate Assistance	890,834	917,675	917,675	917,675
541490	City of Seattle / Water Conservation Pilot Project	35,566	44,000	44,000	0
541490	Seattle City Light (SCL) / Credit Liaison (Project Share)	362,544	374,018	374,018	374,018
541490	Seattle Public Utilities (SPU) / Water Energy Assistance Program	47,611	49,097	49,097	49,097
	Total Utility Funds	**1,336,555**	**1,384,790**	**1,384,790**	**1,340,790**
	Total Revenues	**114,824,432**	**135,356,706**	**133,365,559**	**108,587,906**
379100	Fund Balance	232,020	868,418	920,101	915,554
379100	Fund Balance - Accumulated Child Care Bonus Funds	28,259	500,000	500,000	500,000
379100	Fund Balance - Accumulated HOME funds	0	150,000	0	0
379100	Fund Balance - Accumulated Sex Industry Victim's Fund	0	45,000	45,000	45,000
	Total Total Use of Fund Balance	**260,279**	**1,563,418**	**1,465,101**	**1,460,554**
	Total Resources	**115,084,711**	**136,920,124**	**134,830,660**	**110,048,460**

Appropriations by Budget Control Level (BCL) and Program

CDBG - Human Services Department Budget Control Level

The purpose of the Community Development Block Grant (CDBG) - Human Services Department Budget Control Level is to find and fund solutions for human needs so low-income, vulnerable residents in greater Seattle can live and thrive.

Additional Information: HSD contracts with community-based human service providers and administers programs to see that residents of Seattle and King County have access to homeless shelters, transitional housing, and other emergency services. The federal CDBG program provides a major source of funding for community development programs affecting Seattle's low- and moderate-income households and neighborhoods. The City of Seattle makes these investments so all families and individuals can meet their basic needs, share in economic prosperity, and participate in building a safe, healthy, educated, just, and caring community. Policies and priorities for distributing CDBG funds to community-based organizations are set out in the City's Consolidated Plan for Housing and Community Development, which is coordinated by the Human Services Department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeless Intervention	6,176,097	4,642,920	4,642,920	3,833,569
Leadership and Corporate Services	305,686	1,231,871	1,231,871	987,825
Total	**6,481,784**	**5,874,791**	**5,874,791**	**4,821,394**

Homeless Intervention Program

The purpose of the Homeless Intervention Program is to provide homeless intervention and prevention services to low-income and homeless people so they can become self-sufficient. CDBG funds support the City's continuum-of-care model by providing a number of emergency and stabilization programs including, but not limited to, emergency shelter and transitional housing for homeless single men, women, and families; hygiene services; housing counseling; and rent assistance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeless Intervention	6,176,097	4,642,920	4,642,920	3,833,569

Leadership and Corporate Services Program

The purpose of the Leadership and Corporate Services Program is to provide administration, planning, and technical assistance to City departments and community-based organizations to implement CDBG-funded programs efficiently and effectively. CDBG funds support the City's planning and grant administration functions to ensure compliance with all applicable federal regulations.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Leadership and Corporate Services	305,686	1,231,871	1,231,871	987,825

Appropriations by Budget Control Level (BCL) and Program

Aging and Disability Services

Aging and Disability Services - Area Agency on Aging Budget Control Level

The purpose of the Aging and Disability Services - Area Agency on Aging Budget Control Level is to provide a network of community support that improves choice, promotes independence, and enhances the quality of life for older people and adults with disabilities.

Additional Information: The Aging and Disability Services Division of the Seattle Human Services Department also functions as the Area Agency on Aging of the Seattle-King County region, an entity which is sponsored by the City of Seattle, King County and United Way of King County. For more information, visit: http://www.seattle.gov/humanservices/seniorsdisabled/areaagency.htm.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Healthy Aging	7,751,844	7,665,003	7,645,669	7,649,738
Home-Based Care	29,018,662	48,142,262	48,418,641	22,454,674
Planning and Coordination	2,322,657	2,667,130	2,711,378	2,672,986
Total	**39,093,162**	**58,474,395**	**58,775,687**	**32,777,398**
Full-time Equivalents Total *	152.25	153.25	149.25	147.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Healthy Aging Program

The purpose of the Healthy Aging Program is to provide a variety of community services that help senior adults in King County improve and maintain their health, independence, and quality of life.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Healthy Aging	7,751,844	7,665,003	7,645,669	7,649,738

Home-Based Care Program

The purpose of the Home-Based Care Program is to provide an array of home-based services to elders and adults with disabilities in King County so that they can remain in their homes longer than they would without these services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Home-Based Care	29,018,662	48,142,262	48,418,641	22,454,674
Full-time Equivalents Total	126.75	126.75	123.75	122.75

Appropriations by Budget Control Level (BCL) and Program

Planning and Coordination Program

The purpose of the Planning and Coordination Program is to provide leadership, advocacy, fund and system development, planning and coordination, and contract services to the King County aging-support network so that systems and services for elderly and disabled individuals are as available, accountable, and as effective as possible.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Planning and Coordination	2,322,657	2,667,130	2,711,378	2,672,986
Full-time Equivalents Total	25.50	26.50	25.50	25.00

Self-Sufficiency Budget Control Level

The purpose of the Self-Sufficiency Budget Control Level is to provide utility and other discount programs and employment opportunities for seniors and adults with disabilities to improve their ability to remain economically independent.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Self-Sufficiency	1,976,016	1,810,293	1,849,139	0
Full-time Equivalents Total*	22.50	22.50	22.50	0.00

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Appropriations by Budget Control Level (BCL) and Program

Community Support and Self-Sufficiency

Community Support and Self Sufficiency Budget Control Level

The purpose of the Community Support and Self-Sufficiency Budget Control Level (BCL) is to provide Seattle families with nutrition assistance, citizenship assistance, access to public benefits, and other family support resources so that families can maintain or achieve economic self-sufficiency and children will gain the necessary skills and assets to be healthy, successful in school, and contributing members of the community. The BCL also supports the City's response to domestic violence and sexual assault prevention programs.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Access to Benefits	0	0	0	1,532,927
Community Based Family Support	0	0	0	5,299,174
Domestic Violence and Sexual Assault Prevention	0	0	0	4,403,992
Mayor's Office for Senior Citizens	0	0	0	614,196
Total	**0**	**0**	**0**	**11,850,290**
Full-time Equivalents Total *	0.00	0.00	0.00	36.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Access to Benefits Program

The purpose of the Access to Benefits Program is to support the PeoplePoint initiative, which connects people with low and moderate incomes to public benefit programs, and the Utility Discount Program.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Access to Benefits	0	0	0	1,532,927
Full-time Equivalents Total	0.00	0.00	0.00	15.50

Community Based Family Support Program

The purpose of the Community Based Family Support Program is to provide Seattle families with resources such as child care subsidies, meal programs, citizenship services, and family centers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Based Family Support	0	0	0	5,299,174
Full-time Equivalents Total	0.00	0.00	0.00	8.50

Appropriations by Budget Control Level (BCL) and Program

Domestic Violence and Sexual Assault Prevention Program

The purpose of the Domestic Violence and Sexual Assault Prevention Program is to provide leadership and coordination of City and community strategies, education, and training to improve response to, and prevention of, violence against women and children.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Domestic Violence and Sexual Assault Prevention	0	0	0	4,403,992
Full-time Equivalents Total	0.00	0.00	0.00	3.50

Mayor's Office for Senior Citizens Program

The purpose of the Mayor's Office for Senior Citizens Program is to provide utility and other discount programs and employment opportunities for seniors and adults with disabilities to improve their ability to remain economically independent.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Mayor's Office for Senior Citizens	0	0	0	614,196
Full-time Equivalents Total	0.00	0.00	0.00	8.50

Domestic Violence and Sexual Assault Prevention

Domestic and Sexual Violence Prevention Budget Control Level

The purpose of the Domestic and Sexual Violence Prevention Budget Control Level is to provide leadership and coordination of City and community strategies, education, and training to improve response to, and prevention of, violence against women and children.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Domestic and Sexual Violence Prevention	4,646,379	4,583,174	4,238,453	0
Full-time Equivalents Total*	5.00	4.50	4.50	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Early Learning and Family Support

Early Learning and Family Support Budget Control Level

The purpose of the Early Learning and Family Support Budget Control Level is to provide children and families access to affordable, culturally relevant, high-quality care and education, out-of-school time activities, citizenship assistance, advocacy, leadership development, and other family support resources, so that parents can maintain or achieve economic self-sufficiency and children will gain the necessary skills and assets to be healthy, successful in school, and contributing members of the community.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Early Learning and Family Support	13,947,073	13,673,237	13,429,846	0
Full-time Equivalents Total*	34.50	33.00	35.00	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Leadership and Administration

Leadership and Administration Budget Control Level

The purpose of the Leadership and Administration Budget Control Level is to provide leadership and support to the Human Services Department, the City of Seattle, and the community, with the goal of seeing that human services are responsive to community needs, are delivered through effective and accountable systems, economic disparity is decreased, and racism and other oppressions are dismantled.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Financial Management	1,469,688	2,116,956	2,186,778	2,081,855
Human Resources	3,213,689	674,850	675,834	673,163
Information Technology	632,248	1,608,339	1,518,824	1,503,386
Leadership	2,149,718	3,339,114	2,938,614	3,027,234
Total	**7,465,342**	**7,739,260**	**7,320,050**	**7,285,638**
Full-time Equivalents Total *	59.35	56.10	56.10	53.60

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Financial Management Program

The purpose of the Financial Management Program is to provide budget, accounting, and financial reporting systems and services so that the Department can effectively conduct business.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Financial Management	1,469,688	2,116,956	2,186,778	2,081,855
Full-time Equivalents Total	18.25	17.75	17.00	17.00

Human Resources Program

The purpose of the Human Resources Program is to provide personnel services, systems, and solutions to the Department so that it can effectively conduct business.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Human Resources	3,213,689	674,850	675,834	673,163
Full-time Equivalents Total	6.00	5.75	5.75	5.75

Information Technology Program

The purpose of the Information Technology Program is to provide technical systems and solutions to Department management and employees so they can effectively conduct departmental business.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Information Technology	632,248	1,608,339	1,518,824	1,503,386
Full-time Equivalents Total	12.60	11.10	10.10	10.10

Leadership Program

The purpose of the Leadership Program is to provide vision, direction, planning, and coordination to the Department, other City departments, and the community. Its mission is also to develop, strengthen, and expand collaborative relationships with HSD's community partners so that the City's human services are responsive to community needs, supportive of community initiatives, and are delivered through efficient and effective systems.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Leadership	2,149,718	3,339,114	2,938,614	3,027,234
Full-time Equivalents Total	22.50	21.50	23.25	20.75

Appropriations by Budget Control Level (BCL) and Program

Public Health Services

Public Health Services Budget Control Level

The purpose of the Public Health Services Budget Control Level is to provide funds for the following public health services and programs: primary care medical, dental, and specialty services, and access to health insurance for at-risk and vulnerable populations; health care for teens in Seattle's public schools; health care for homeless individuals and families; HIV/AIDS prevention and care programs; programs to provide access to chemical and dependency services; programs to reduce the disparities in health among the Seattle population; and public health nursing care home visits to give mothers and babies a healthy start in life.

Additional Information: Beginning in 2005, all funding previously directed to Public Health - Seattle and King County was moved to the Human Services Department (HSD). To reduce administrative costs and see that its public health investments are consistent with City policy direction, the City enters into outcome-based contracts with community-based agencies, Public Health, and the King County Department of Community and Human Services for services. HSD advises the City on public health policy, manages health-related contracts, and serves as a regional liaison to Public Health - Seattle and King County.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Alcohol and Other Drugs	1,338,592	1,451,172	1,451,172	1,451,172
Asthma	128,697	128,697	128,697	128,697
Family Support Services	539,816	539,816	539,816	1,017,816
Health Care Access	260,791	260,791	260,791	260,791
Health Care for the Homeless	1,530,874	1,530,874	1,530,874	1,530,874
HIV/AIDS	941,061	821,101	821,101	821,101
Oral Health	125,119	125,119	125,119	125,119
Primary Care: Medical and Dental	6,284,074	6,284,074	6,284,074	6,534,074
Total	**11,149,023**	**11,141,644**	**11,141,644**	**11,869,644**

Alcohol and Other Drugs Program

The purpose of the Alcohol and Other Drugs Program is to provide funding, program development assistance, and educational resources and training to Seattle residents to promote primary alcohol/drug use prevention and outreach to help people enter treatment. Three programs operated by the King County Department of Community and Human Services - Chemical Dependency Interventions for High Utilizers, Emergency Services Patrol, and Youth Engagement Program - are supported by this funding. Also, methadone vouchers are provided through Public Health - Seattle and King County to opiate-dependent city residents.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Alcohol and Other Drugs	1,338,592	1,451,172	1,451,172	1,451,172

Appropriations by Budget Control Level (BCL) and Program

Asthma Program

The purpose of the Asthma Program is to control asthma by providing in-home indoor air testing and education, case management services, and community-based assessment and intervention to promote well-being and reduce the health risks of asthma.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Asthma	128,697	128,697	128,697	128,697

Family Support Services Program

The purpose of the Family Support Services Program is to provide assessment, education, skills-building, and support to pregnant women and families with children, so babies are born with the best opportunity to grow and thrive, the effects of health problems are minimized, and children receive the care and nurturing they need to become functional adults.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Family Support Services	539,816	539,816	539,816	1,017,816

Health Care Access Program

The purpose of the Health Care Access Program is to provide outreach, medical application assistance, linkage to community services and resources, coordination of care, and targeted interventions to uninsured, underserved, high-risk pregnant and parenting women and other high-risk individuals and families to minimize health disparities.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Health Care Access	260,791	260,791	260,791	260,791

Health Care for the Homeless Program

The purpose of the Health Care for the Homeless Program is to improve access to quality health care through screening, prevention, Medicaid enrollment, case management for people with chronic substance-abuse problems or with complex health and social problems, training, technical assistance, and support to shelters and homeless service sites.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Health Care for the Homeless	1,530,874	1,530,874	1,530,874	1,530,874

Appropriations by Budget Control Level (BCL) and Program

HIV/AIDS Program
The purpose of the HIV/AIDS Program is to work with community partners to assess, prevent, and manage HIV infection in Seattle to stop the spread of HIV and improve the health of people living with HIV. This program area includes support for HIV/AIDS case management services and needle exchange.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
HIV/AIDS	941,061	821,101	821,101	821,101

Oral Health Program The purpose of the Oral Health Program is to provide prevention and clinical dental services to high-risk children to prevent dental disease and improve oral health.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Oral Health	125,119	125,119	125,119	125,119

Medical and Dental Program
The purpose of the Primary Care: Medical and Dental Program is to provide access to high-quality medical, dental, and access services delivered by community-based health care safety net partners to improve the health status of low-income, uninsured residents of Seattle.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Primary Care: Medical and Dental	6,284,074	6,284,074	6,284,074	6,534,074

Transitional Living and Support

Community Facilities Budget Control Level

The purpose of the Community Facilities Budget Control Level is to provide technical assistance and capital funding to community-based human service organizations to help the organizations plan and develop facility projects to improve the quality, capacity, and efficiency of service delivery.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Facilities	639,265	591,063	593,708	0
Full-time Equivalents Total*	8.50	8.50	8.50	0.00

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Appropriations by Budget Control Level (BCL) and Program

Transitional Living and Support Budget Control Level

The purpose of the Transitional Living and Support Budget Control Level (formerly Emergency and Transitional Services) is to provide resources and services to Seattle's low-income and homeless residents, work to prevent and end homelessness, and reduce hunger by funding shelter, housing, food and meal programs for individuals and families with very low-incomes.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Facilities	0	0	0	593,949
Emergency and Transitional Services	25,730,604	28,430,476	26,856,831	28,226,395
Total	**25,730,604**	**28,430,476**	**26,856,831**	**28,820,344**
Full-time Equivalents Total *	17.75	18.75	20.50	27.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Community Facilities Program

The purpose of the Community Facilities Program is to provide technical assistance and capital funding to community-based human service organizations to help the organizations plan and develop facility projects and improve the quality, capacity, and efficiency of service delivery.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Facilities	0	0	0	593,949
Full-time Equivalents Total	0.00	0.00	0.00	7.50

Emergency and Transitional Services Program

The purpose of the Emergency and Transitional Services Program is to provide emergency and transitional services and permanent housing to homeless and low-income people in Seattle, so they have access to nutritious food and a path to stable, permanent housing.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Emergency and Transitional Services	25,730,604	28,430,476	26,856,831	28,226,395
Full-time Equivalents Total	17.75	18.75	20.50	19.50

Appropriations by Budget Control Level (BCL) and Program

Youth and Family Empowerment

Youth and Family Empowerment Budget Control Level

The purpose of the Youth and Family Empowerment Budget Control Level is to provide children, youth and families with the skills, knowledge, and support they need to live healthy and productive lives, including access to affordable, culturally relevant, high-quality child care and pre-school education, out-of-school time activities, nutrition assistance, and programs designed to help youth succeed academically, learn job and life skills, and develop alternatives to criminal activity, violence, and homelessness.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Early Learning and Family Support	0	0	0	6,142,476
Youth Services	0	0	0	11,302,670
Total	**0**	**0**	**0**	**17,445,145**
Full-time Equivalents Total *	0.00	0.00	0.00	51.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Early Learning and Family Support Program

The purpose of the Early Learning and Family Support Program is to provide children and families access to affordable, culturally relevant, high-quality care and education, out-of-school time activities, citizenship assistance, advocacy, leadership development, and other family support resources, so that parents can maintain or achieve economic self-sufficiency and children will gain the necessary skills and assets to be healthy, successful in school, and contributing members of the community.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Early Learning and Family Support	0	0	0	6,142,476
Full-time Equivalents Total	0.00	0.00	0.00	25.00

Youth Services Program

The purpose of the Youth Services Program is to provide youth and young adults direct services, designed to help them succeed academically, learn job and life skills, and develop alternatives to criminal activity, violence, and homelessness.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Youth Services	0	0	0	11,302,670
Full-time Equivalents Total	0.00	0.00	0.00	26.75

Appropriations by Budget Control Level (BCL) and Program

Youth Development and Achievement

Youth Development and Achievement Budget Control Level

The purpose of the Youth Development and Achievement Budget Control Level is to provide services to youth to support their developmental needs and facilitate their ability to gain the skills and assets necessary to grow into healthy, successful adults and contributing members of the community.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Youth Development and Achievement	10,437,845	10,476,580	10,625,301	0
Full-time Equivalents Total*	26.50	26.00	26.75	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Tables

Human Services Operating Fund (16200)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**6,698,535**	**5,169,051**	**6,438,257**	**3,605,633**	**4,275,178**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	114,824,432	135,356,706	135,007,045	133,365,559	108,587,906
Less: Actual and Budgeted Expenditures	115,084,710	136,920,124	137,170,124	134,830,660	110,048,460
Ending Fund Balance	**6,438,257**	**3,605,633**	**4,275,178**	**2,140,532**	**2,814,624**
Less: Manditory Reserve for Child Care Bonus Funds	2,407,114	1,724,661	1,907,000	1,224,661	1,407,000
Less: Other Manditory Restrictions	2,699,000	1,663,429	1,683,000	698,328	1,150,000
Less: Reserve for Cash Flow Blance	200,000	200,000	200,000	200,000	200,000
Total Reserves	**5,306,114**	**3,588,090**	**3,790,000**	**2,122,989**	**2,757,000**
Ending Unreserved Fund Balance	**1,132,143**	**17,543**	**485,178**	**17,543**	**57,624**

Neighborhoods and Development

Department of Housing and Economic Development

Kristi Beattie, Senior Policy Advisor

Information Line: (206) 684-5266

Department Overview

The Department of Housing and Economic Development (HED) was established as a new department in the 2012 Proposed Budget as part of the Mayor's reorganization of City government to increase the efficiency of City operations and preserve direct services. The formation of HED would have combined the functions of the Office of Housing (OH), the Office of Economic Development (OED), and retained the Office of Film and Music as part of this new organizational structure. However, after evaluating this proposal, the City Council chose not to move forward with the merger and instead the 2012 Adopted Budget eliminates HED and retains OH and OED as separate Offices. This budget section describes the Proposed Budget for HED and the Council action to eliminate HED in the 2012 Adopted Budget. Subsequent changes made by Council in developing the 2012 Adopted Budget for OH and OED are described in the respective Adopted Budget sections for OH and OED.

As a single organization, HED was established to invest in and promote the development and preservation of safe and affordable housing, and to create a vibrant economy by promoting access to economic opportunities for all of Seattle's diverse communities. This consolidation provided an opportunity to bring together the City's investments in housing and economic development, both of which are key priority areas for the City and play an important role in the overall health of Seattle's economy. Among other things, the creation of HED was designed to foster greater collaboration on developing policy and programs promoting low-income housing and economic development in order to build strong communities and to support citizens towards self-sufficiency. Specific examples of past collaborative successes between these two departments include building a new transitional housing facility with 78 new beds to help the Compass Center in Pioneer Square recover from the Nisqually Earthquake and financing the Chubby and Tubby project in Southeast Seattle resulting in 68 units of new workforce housing and 5,000 square feet of new commercial space.

The new HED budget was proposed to be organized into the following five program areas to meet these objectives. These program areas are now reflected in the respective Adopted Budget sections for OED and OH:

The **Multi-Family Production and Preservation Program** would have invested in the community by making long-term, low-interest loans to developers to develop or preserve affordable multi-family rental housing. OH monitors the housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition.

Department of Housing and Economic Development

The **Homeownership and Sustainability Program** would have provided funding, including loans and grants, to low-income and low-to-moderate income Seattle residents. These include loans by OH to first-time homebuyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

The **Community Development Program** would have provided strategic planning, program development, and disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents. In particular, this OH program is shifting focus in 2011-2012 to more sustainable community building strategies and partnership building activities. As part of the consolidation, this program was intended to provide a framework for the City's place-based community development work in key neighborhoods that will benefit from a coordinated, inter-departmental cooperation to achieve long-term development goals.

The **Business Services Program** would have provided direct services to businesses and supports a healthy business environment that empowers businesses to develop, grow, and succeed. The three key service areas include providing assistance by OED in navigating government services, facilitating access to capital and building management expertise, and investing in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.

The **Administration and Management Program** would have provided centralized leadership, coordination, technology, contracting, and financial management services to HED programs and capital projects.

The HED budget was to be supported in large part by non-General Subfund revenues, including the 2009 Housing Levy and Community Development Block Grant (CDBG). In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling $145 million for 2010-2016. The 2012 Proposed Budget for HED was developed to be consistent with the Administration and Financial (A&F) Plan for the Housing Levy approved by the City Council in Ordinance 123281. The renewed Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. The federal CDBG program also provides a major source of funding for housing and for community development programs affecting Seattle's low- and moderate-income households and neighborhoods. Policies and priorities for distributing CDBG funds to community-based organizations are set out in the City's 2009-2012 Consolidated Plan for Housing and Community Development, which is coordinated by the Human Services Department. These revenues, as well as other local, state and federal revenues, are now reflected within the respective budgets for OH and OED.

Budget Snapshot

Housing & Economic Development	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$0	$0	$0	$0
Total Revenues	**$0**	**$0**	**$0**	**$0**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$0**	**$0**	**$0**	**$0**
Total Expenditures	**$0**	**$0**	**$0**	**$0**
Full-Time Equivalent * Total	-	-	-	-

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Budget Overview

The City continues to face General Subfund pressures in 2012 and beyond, requiring a re-evaluation of the ways in which it is organized to deliver services. In 2011, the Mayor initiated a process to evaluate whether the City could increase effectiveness of service delivery and achieve internal efficiencies by changing or modifying the organizational structure of City departments. The departments involved in the review included the Department of Neighborhoods, the Office of Arts and Cultural Affairs, the Office of Housing, the Office of Economic Development, the Office of Sustainability and Environment, and the Department of Planning and Development. The goals of this review process included preserving and potentially expanding direct funding, including community grant awards; and streamlining service delivery and improving operational and management efficiency. The process included participation by the directors of the individual offices, as well as the City Budget Office, the Mayor's Office, and input by the City Council.

As one result of this review, the 2012 Proposed Budget reorganized the Office of Housing and the Office of Economic Development into a single department, the Department of Housing and Economic Development (HED). The HED 2012 Proposed Budget totaled approximately $51 million, of which approximately $6 million was funded by General Subfund, and approximately $45 million was funded by other funds including proceeds from the Housing Levy, federal, state and local grant sources. Integrating these functions was intended to achieve a number of objectives, including:

- Aligning and integrating two functions that are critical to developing healthy communities, recognizing that the start of every vibrant community is access to affordable housing and centers of employment;
- Capitalizing on similarities between the two functions. Both offices are responsible for providing seed funding and financing tools to critical elements of a healthy community – housing and business development; and

- Providing managerial and administrative savings that provide relief to the strained General Fund and allow for increased investments in housing programs.

However, following evaluation as part of the 2012 Adopted Budget process, the City Council decided not to implement this consolidation, and as a result, the Office of Housing and the Office of Economic Development are retained as two separate Offices in the 2012 Adopted Budget. The following describes the changes included in the 2012 Proposed Budget in developing HED.

The creation of HED generated $338,000 in savings relating to the consolidation of OH and OED, of which $310,000 accrued to the General Fund. Of this amount, $210,000 was reinvested into direct housing program dollars to support the future development of 4-5 low-income rental units to mitigate the reduction of CDBG funding for this program area. These savings were identified by retaining the director of the Office of Housing as an advisor to HED for the first half of 2012 to facilitate a smooth transition of the housing-related programs into the new organizational structure. A vacant Executive 2 position in the former Office of Housing, previously filled as the deputy director position, was proposed to provide additional capacity in overseeing the implementation of housing-related programs, as well as to provide leadership to guide the City's investments in the 2009 Housing Levy. Further, proposed savings were realized by reducing one administrative staff position, one of the two communications positions among the two former offices, and through an unspecified General Subfund reduction of $100,000 to be achieved during 2012 as a result of realizing additional efficiencies. As part of the Adopted Budget process, the Council identified alternative changes in OED and OH to maintain the same total level of investment into low-income housing production and preservation. These alternative changes are described in the Council changes section within the OED and OH budgets.

The 2012 Proposed Budget proposed moving the award administration for the *Only in Seattle* program from HED to the Department of Neighborhoods' Community Granting Division within the Neighborhood Matching Subfund (NMF) as part of a consolidation of the administration of citywide grants. The Proposed Budget included the transfer of one position from HED to the Community Granting Division in NMF with the intent to increase overall efficiency in the grant administration process and preserve direct grant funds. While the City Council decided not to centralize the City's community granting programs in 2012, the 2012 Adopted Budget maintains the transfer of this position from OED to DON to support the administration and implementation of the Neighborhood Matching Fund grant award programs. This change is described in the Council changes section of the OED Adopted Budget.

To better align programs across City departments, the Proposed Budget transferred a position and related funding from Department of Neighborhoods to HED to centralize the workload associated with South Park Action Agenda. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to comprehensively improve the quality of life through neighborhood infrastructure, business development, and public safety enhancements.

In addition, the Citywide Parks Special Events function, including two positions and the related funding, was proposed to be transferred to HED. Special Events staff administers citywide special events such as protests, rallies, marathons, and marches, as well as other annual events like Seafair. These changes are maintained in 2012, and are described in the Council changes section of the OED Adopted Budget.

The Proposed Budget for HED proposed adjusting the purpose of the Community Development Program in 2012 to increasingly focus on place-based community development. In addition to work already being done by the staff in this program, which includes Multi-Family Tax Exemption policy review and transit-oriented development, this program was also to serve as the basis for the City's place-based community development work in key neighborhoods to provide coordinated, inter-departmental cooperation to achieve long-term development goals. HED was positioned to support place-based community development by offering numerous funding tools including the Housing Levy, federal Section 108 and Community Development Float loans, the Rainier Valley Community Development Loan Fund, *Only in Seattle*, small business lending and technical support, Business Improvement Area (BIA) start-up support, and the neighborhood business district grant program. In lieu of the formation of HED, place-based community development will continue through the work of interdepartmental teams.

The Federal government is dealing with its own budget challenges. In 2011, the City received a 17% reduction in entitlement to the anticipated award level, and the City reduced its planned expenditures for CDBG in 2011 as a result. In 2012, the City is anticipating a further reduction in the CDBG entitlement level. The 2012 CDBG Adopted Budgets for OH and OED are described in the OED and OH Adopted Budget sections.

City Council Changes

During the City Council's review process, the Council reversed the actions taken to consolidate OH and OED into one department by eliminating HED and re-establishing OH and OED as separate offices in the 2012 Adopted Budget. The Council implemented a set of alternative budget reductions that are described in the OH and OED budget pages.

Incremental Budget Changes

Department of Housing and Economic Development

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$0**	**0.00**
2012 Proposed Changes			
	OH and OED Department Reorganization	$52,481,619	60.50
	Program Consolidation	($337,738)	(2.00)
	Increase Multi-Family Housing Program Support	$210,641	0.00
	Funding for Seattle Convention and Visitors Bureau	($50,000)	0.00
	Community Granting Awards Program Consolidation in DON	($113,210)	(1.00)
	Operational Efficiencies / Reduced Costs	($96,124)	0.00
	Staffing Support to Promote Economic Development	$262,366	3.00
	Community Development Block Grant (CDBG) Funding Impacts	($1,698,340)	0.00
	Increase HomeWise Weatherization & Energy Effiency Staff	$0	1.00
	Technical Adjustments	($209,515)	0.00
Total Changes		**$50,449,700**	**61.50**
2012 Proposed Budget		**$50,449,700**	**61.50**
Council Adjustments to Proposed Budget			
	Reversal of Department Consolidation	$ (50,449,700)	(61.50)
Total Adjustments		**$ (50,449,700)**	**(61.50)**
2012 Adopted Budget		**$0**	**0.00**

OH and OED Department Reorganization - $52,481,619 / 60.5 FTE. This adjustment brings the 2012 Endorsed Budgets from OH and OED together to create a starting point for the HED 2012 Proposed Budget. The adjustments listed below capture all changes made as part of the Proposed Budget.

Program Consolidation – ($337,738) / (2.0) FTE. In response to a challenging fiscal environment and constrained resources, this proposal implemented the consolidation of the two former Offices into a single department. Efficiencies gained by this consolidation included reducing funding for the Executive 3 position that previously served as the Director of the Office of Housing (OH), abrogating 1.0 FTE Administrative Staff Assistant that previously served the OH Director, and abrogating 1.0 FTE Strategic Advisor 1 position formerly serving as the OH Communications Director. In addition, the 2012 Proposed Budget included a reduction of $100,000 in General Fund to be met through additional reductions identified by the new director in 2012. As part of the Adopted Budget process, the Council identified alternative changes in OED and OH to maintain the same total level of investment into low-income housing production and preservation. These alternative changes are described in the Council changes sections within the OED and OH budgets.

Increase Multi-Family Housing Program Support - $210,641. This proposal increased funding in the Multi-Family Production and Preservation program through an increase in General Fund resources in 2012. The program invests in and promotes the development and preservation of affordable housing. Seattle's rental market continues to see higher demand for rental housing, causing a drop in vacancy rates and resulting increase in rents. Low-income renters have particular difficulty competing for affordable rental units in the type of rental market Seattle is now experiencing. The additional resources support the future development of 4-5 low-income rental units, and help to mitigate the reduction of CDBG funding for this program area. This increase was achieved by reallocating the savings associated with the reduction of positions in the former Office of Housing to three ongoing positions formerly funded by the General Fund and focused solely on economic development in OED. These positions were intended to focus in part on housing related work beginning in 2012 and so were funded by both General Fund and Other Funds in 2012. This increase in funding is maintained in the OH 2012 Adopted Budget, and is reflected in the OH 2012 Adopted Budget.

Funding for Seattle Convention and Visitors Bureau - ($50,000). This proposal eliminated funding for the Seattle Convention and Visitors Bureau. The reduction is mitigated by the development of a Seattle Tourism Improvement Area, an initiative that will allow a $2 per room per night surcharge to guests in hotels with 60 or more rooms in the greater downtown area. It is anticipated that this initiative will raise approximately $5 – $6 million in 2012 to help promote Seattle as a tourist destination, more than offsetting the amount of this reduction. This change is maintained in 2012, and is reflected in the OED 2012 Adopted Budget.

Community Granting Awards Program Consolidation in DON ($113,210) / (1.0) FTE. This proposal transferred out 1.0 FTE Community Development Specialist, Senior to the Department of Neighborhoods' (DON) Community Granting Division within the Neighborhood Matching Subfund (NMF) to consolidate the administration of awards made to communities via HED's *'Only in Seattle'* program developed in the former OED. This position will be co-located with other staff tasked with central administration of the City's community awards in an effort to create administrative efficiencies and streamline award management while at the same time retaining full award funding citywide. Although the citywide grant consolidation is not part of the 2012 Adopted Budget, the position is transferred to DON's Neighborhood Matching Fund program in 2012 to help with implementing the NMF community grant awards, and expanding the program's reach from community and neighborhood groups to the business community. This change is maintained in 2012, and is reflected in the OED 2012 Adopted Budget.

Operational Efficiencies/ Reduced Costs - ($96,124). This proposal captured savings from several changes. The first is the rebidding of City business retention and attraction contracts. In 2010, nearly 500 businesses received on-site visits and consultation from Department staff and/or contracted partners to assist with issues like exploring business growth opportunities, leveraging competitive advantages, connecting to other resources in the region, and identifying issues and trends that impact businesses such as permitting, regulations, and workforce development. The Department plans to review and update the contracts to further improve service delivery, and this reduction of $31,000 is expected to have minimal impact on the services provided. Secondly, the Office of Film and Music will reduce their professional services budget by $15,000 and will reprioritize its business development outreach efforts, and reach out to the private sector for support in creating film and music industry jobs and business growth for the city. Lastly, the Department will reduce approximately $50,000 in funding for supplies and services costs in the areas of travel and training, advertising, printing, and software. These changes are maintained in 2012, and are reflected in the OED and OH 2012 Adopted Budgets.

Department of Housing and Economic Development

Staffing Support to Promote Economic Development - $262,366 / 3.0 FTE. This proposal transferred in an existing Strategic Advisor 2 position and funding from the Department of Neighborhoods to HED to centralize the workload associated with the South Park Action Agenda, as well as to support HED's business district revitalization program and oversee its micro-business assistance program in HED. This proposal also transfers in two existing positions, a Manager 1 and an Administrative Specialist, from the Department of Parks and Recreation to coordinate the administration of citywide special events such as marathons, rallies, and protests, as well as annual events like Seafair. These changes are maintained in the 2012, and are reflected in the OED 2012 Adopted Budget.

Community Development Block Grant (CDBG) Funding Impacts - ($1,698,340). This proposal rebalanced the 2012 CDBG Proposed Budget to be consistent with the anticipated 2012 CDBG entitlement and available program income available to HED. First, this proposal defers the allocation of CDBG funds to the Rainier Valley Community Development Fund (RVCDF) by approximately $1 million in 2012 until 2013 as agreed to by the RVCDF Board of Directors in 2011. This change will not affect the agency's operations in 2012 given that the RVCDF will spend down accumulated CDBG funds in lieu of receiving new CDBG entitlement funds. Second, CDBG funding for Multi-Family Housing Production and Preservation is reduced in 2012 by approximately $685,000. This reduction is mitigated in 2012 by an increase in funding for this purpose through Housing Levy funds over historical levels of funding, and by an increase in General Fund support for this purpose as described above. The Executive will prioritize refunding this line item with CDBG funds in the event that the actual CDBG entitlement is higher than budgeted in 2012. Of note, the remaining $500,000 in funds for Housing Production and Preservation will be restricted and not committed to new capital projects until the actual 2012 entitlement is known. Third, approximately $98,000 in funding for the Homebuyer program is eliminated in the 2012 Proposed Budget. This funding is only a small part of the overall funding for the Homebuyer program, which is funded in large part by the Housing Levy and federal HOME funds, and removing CDBG funds as a fund source achieves administrative efficiencies for this program. Finally, CDBG funding for housing related administration is reduced by $16,000, but is backfilled by with Multi-Family Tax Exemption (MFTE) program revenues in 2012, resulting in a change in fund source only. These changes are maintained in 2012, and are reflected in the OH and OED 2012 Adopted Budgets.

Increase HomeWise Weatherization & Energy Efficiency Staff – $0 / 1.0 FTE. In 2009, the Office of Housing's HomeWise Weatherization and Energy Efficiency program (HomeWise) received ARRA federal stimulus funding, and increased staffing levels by three term-limited positions and a long-term (two-year) out-of-class position. The ARRA grant will expire at the end of 2011. Since 2009, program delivery has become more sophisticated, data-driven, and complex, placing additional demands on the program staff. To accommodate these new demands, the Department proposed to add a Property Rehabilitation Supervisor (PRS) position that will be funded by non-ARRA grant fund sources that support Weatherization programs in the Department. This change is maintained in 2012, and is reflected in the OH 2012 Adopted Budget.

Technical Adjustments - ($209,515). Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in HED's service delivery. These changes were made to central cost allocations, retirement, health care, workers' compensation, and unemployment costs. In addition, the HOME grant expenditure authority for 2012 is reduced by $286,952 to match anticipated revenues. This adjustment aligned expenditure authority to 2011 actual award levels. These changes are maintained in 2012, and are reflected in the OH and OED Adopted Budgets for 2012.

City Council Changes to the 2012 Proposed Budget

Reversal of Department Consolidation – ($50,449,700)/ (61.5) FTE. This adjustment eliminates the 2012 Proposed Budget for HED, and reallocates these positions and funding to the Office of Housing and the Office of Economic Development to serve as the starting point for each of these Offices in the 2012 Adopted Budget. Further adjustments are described in each of the department sections.

City Council Provisos

There are no Council provisos.

Department of Housing and Economic Development

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CDBG - Housing and Economic Development 17810 Budget Control Level					
Community Development		0	0	0	0
Homewise and Homeownership		0	0	0	0
Multi-Family Production and Preservation		0	0	0	0
Strategic Planning, Resource, and Program Development		0	0	0	0
CDBG - Housing and Economic Development 17810 Budget Control Level	**HED03**	**0**	**0**	**0**	**0**
Low Income Housing 16400 Budget Control Level					
Homeownership and Sustainability		0	0	0	0
Multi-Family Production and Preservation		0	0	0	0
Low Income Housing 16400 Budget Control Level	**HED02**	**0**	**0**	**0**	**0**
Housing and Economic Development 16600 Budget Control Level					
Administration and Management		0	0	0	0
Business Services		0	0	0	0
Community Development		0	0	0	0
Homeownership and Sustainability		0	0	0	0
Multi-Family Production and Preservation		0	0	0	0
Housing and Economic Development 16600 Budget Control Level	**HED01**	**0**	**0**	**0**	**0**
Total		**0**	**0**	**0**	**0**
Department Total		**0**	**0**	**0**	**0**
Department Full-time Equivalents Total*		**0.00**	**0.00**	**0.00**	**0.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Office of Housing (16600)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
462900	Other Rents and use charges	0	0	0	0
469990	MacArthur Foundation Grant	0	0	0	0
541490	2010 Non-GF COLA Rollback	0	0	0	0
541490	City Light Administration	0	0	0	0
541490	Contingent Bonus/TDR Administration	0	0	0	0
541490	Interest Earnings	0	0	0	0
541490	Multi-Family Tax Exemption Administration	0	0	0	0
541490	Prior Year Savings	0	0	0	0
541490	Program Income	0	0	0	0
	Total All Else	**0**	**0**	**0**	**0**
587001	General Subfund Support	0	0	0	0
	Total General Subfund Support	**0**	**0**	**0**	**0**
439090	Seattle Investment Fund, LLC - NMTC	0	0	0	0
	Total Revenue from Other Private Entities	**0**	**0**	**0**	**0**
433010	Federal Grants-Weatherization	0	0	0	0
434010	State Grants-Weatherization	0	0	0	0
471010	HOME Administration	0	0	0	0
	Total Revenue from Other Public Entities	**0**	**0**	**0**	**0**
411100	Levy Administration	0	0	0	0
	Total Taxes, Levies & Bonds	**0**	**0**	**0**	**0**
Total Revenues		**0**	**0**	**0**	**0**
379100	Use of (Contribution to) Fund Balance	0	0	0	0
	Total All Else	**0**	**0**	**0**	**0**
Total Resources		**0**	**0**	**0**	**0**

Department of Housing and Economic Development

2012 Estimated Revenues for the Low-Income Housing Fund (16400)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469930	Program Income	0	0	0	0
541490	Local Grants-Weatherization	0	0	0	0
	Total All Else	**0**	**0**	**0**	**0**
445800	MFTE application fees	0	0	0	0
	Total Developer application fees	**0**	**0**	**0**	**0**
587001	General Subfund Support	0	0	0	0
	Total General Subfund Support	**0**	**0**	**0**	**0**
461110	Investment Earnings	0	0	0	0
	Total Interest Earnings	**0**	**0**	**0**	**0**
433010	Federal Grants - Weatherization	0	0	0	0
434010	State Grants - Weatherization	0	0	0	0
471010	Federal Grants-HOME Program	0	0	0	0
	Total Revenue from Other Public Entities	**0**	**0**	**0**	**0**
411100	Property Tax Levy	0	0	0	0
	Total Taxes, Levies & Bonds	**0**	**0**	**0**	**0**
Total Revenues		**0**	**0**	**0**	**0**
379100	Use of (Contribution to) Fund Balance	0	0	0	0
	Total Use of (Contribution to) Fund Balance	**0**	**0**	**0**	**0**
Total Resources		**0**	**0**	**0**	**0**

2012 Estimated Revenues for the Community Development Block Grant Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	US Dept of Housing & Urban Development (HUD) / Community Development Block Grant (CDBG)	0	0	0	0
	Total Federal Grants - Indirect	**0**	**0**	**0**	**0**
Total Revenues		**0**	**0**	**0**	**0**

Appropriations by Budget Control Level (BCL) and Program

CDBG - Housing and Economic Development 17810 Budget Control Level

The purpose of the Community Development Block Grant (CDBG) - Housing and Economic Development 17810 Budget Control Level is to find and fund solutions for human needs so low-income, vulnerable residents in greater Seattle can live and thrive, and to help create and maintain healthy businesses, thriving neighborhoods, and community organizations to contribute to a robust economy that will benefit all Seattle residents and future generations.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development	0	0	0	0
Homewise and Homeownership	0	0	0	0
Multi-Family Production and Preservation	0	0	0	0
Strategic Planning, Resource, and Program Development	0	0	0	0
Total	**0**	**0**	**0**	**0**

Community Development Program

The purpose of the Community Development Program is to provide CDBG funds to support economic and community revitalization efforts in low-income neighborhoods through real estate development, equity loans, and non-profit community-based development organizations.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development	0	0	0	0

Homewise and Homeownership Program

The purpose of the Homewise and Homeownership Program is to provide resources for low- and moderate-income Seattle residents, including seniors, to become homeowners and/or to preserve and improve their current homes. CDBG funds support minor home repairs for low-income elderly or disabled homeowners, home rehabilitation revolving loans to low-income households, technical assistance for program clients, and administrative costs for the City of Seattle's Department of Housing and Economic Development.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homewise and Homeownership	0	0	0	0

Multi-Family Production and Preservation Program

The purpose of the Multi-Family Production and Preservation Program is to acquire, develop, rehabilitate, and maintain affordable multifamily rental housing so the supply of housing for Seattle residents increases and affordability remains sustainable.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation	0	0	0	0

Appropriations by Budget Control Level (BCL) and Program

Strategic Planning, Resource, and Program Development Program

The purpose of the Strategic Planning, Resource, and Program Development Program is to provide policy review/revisions, new and revised housing programs, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Strategic Planning, Resource, and Program Development	0	0	0	0

Low Income Housing 16400 Budget Control Level

The purpose of the Low Income Housing 16400 Budget Control Level is to fund multi-family housing production, and to support homeownership and sustainability.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	0	0	0	0
Multi-Family Production and Preservation	0	0	0	0
Total				

Homeownership and Sustainability Program

The purpose of the Homeownership and Sustainability Program is to provide three types of loans and grants to low-income Seattle residents: loans for first-time home buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	0	0	0	0

Multi-Family Production and Preservation Program

The purpose of the Multi-Family Production and Preservation Program is to acquire, develop, rehabilitate, and maintain affordable multifamily rental housing so the supply of housing for Seattle residents increases and affordability remains sustainable.

The purpose of the Multi-Family Production and Preservation Program is to invest in the community by making long-term, low-interest loans to developers to develop or preserve affordable multi-family rental housing. The Department monitors the affordable housing portfolio to ensure the units remain affordable, serve the intended residents, and the buildings remain in good condition.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation	0	0	0	0

Appropriations by Budget Control Level (BCL) and Program

Housing and Economic Development 16600 Budget Control Level

The purpose of the Housing and Economic Development 16600 Budget Control Level is to fund the Department's administration activities.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration and Management	0	0	0	0
Business Services	0	0	0	0
Community Development	0	0	0	0
Homeownership and Sustainability	0	0	0	0
Multi-Family Production and Preservation	0	0	0	0
Total	**0**	**0**	**0**	**0**

Administration and Management Program

The purpose of the Administrative and Management Program is to provide leadership in fulfilling the Department's mission, to provide support services, and to facilitate communication and interaction with other City departments, external agencies, elected officials, and the public.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration and Management	0	0	0	0

Business Services Program

The purpose of the Business Services Program is to provide direct services to businesses and to support a healthy business environment that empowers businesses to develop, grow, and succeed. The Business Services Program provides assistance navigating government services, facilities access to capital and building management expertise, and invests in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Business Services	0	0	0	0

Community Development Program

The purpose of the Community Development Program is to provide strategic planning, program development, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development	0	0	0	0

Appropriations by Budget Control Level (BCL) and Program

Homeownership and Sustainability Program

The Homeownership and Sustainability Program provides three types of loans and grants to low-income Seattle residents: loans for first-time home-buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	0	0	0	0

Multi-Family Production and Preservation Program

The Multi-Family Production and Preservation – 16600 Program invests in the community by making long-term, low-interest loans to developers to develop or preserve affordable multi-family rental housing. The Department monitors the affordable housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition.

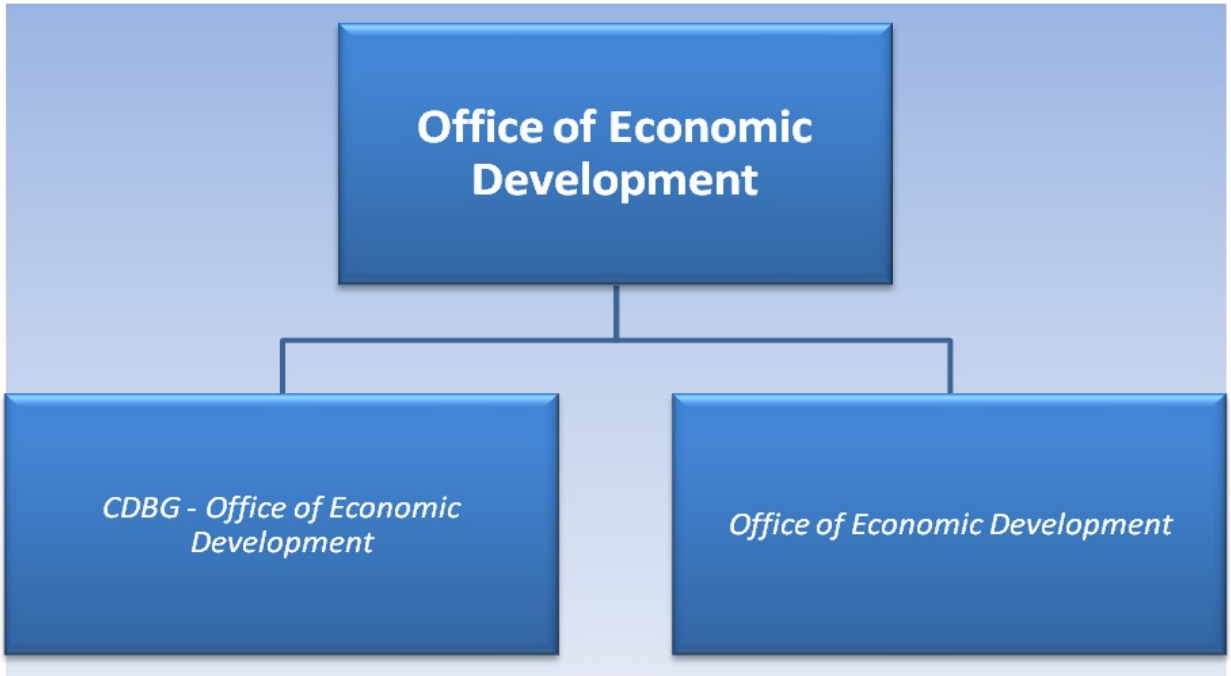
Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation	0	0	0	0

Office of Economic Development

Stephen H. Johnson, Director

Information Line: (206) 684-8090
http://www.seattle.gov/EconomicDevelopment

Department by Budget Control Level



Department Overview

The Office of Economic Development (OED) helps create a vibrant economy by promoting access to economic opportunities for all of Seattle's diverse communities. OED supports economic development that is financially, environmentally, and socially sustainable. The core services OED provides capitalize on Seattle's established economic activity, particularly in the areas of manufacturing and maritime industries, film and music, healthcare, and clean technology. To accomplish this mission, the Office delivers services designed to:

- Support the establishment of new businesses, retention and growth of existing businesses, and attraction of new businesses;
- Increase the number of low-income adults who obtain the skills necessary to meet industry's needs for qualified workers; and
- Advance policies, practices, and partnerships that lead to sustainable economic growth with shared prosperity.

Office of Economic Development

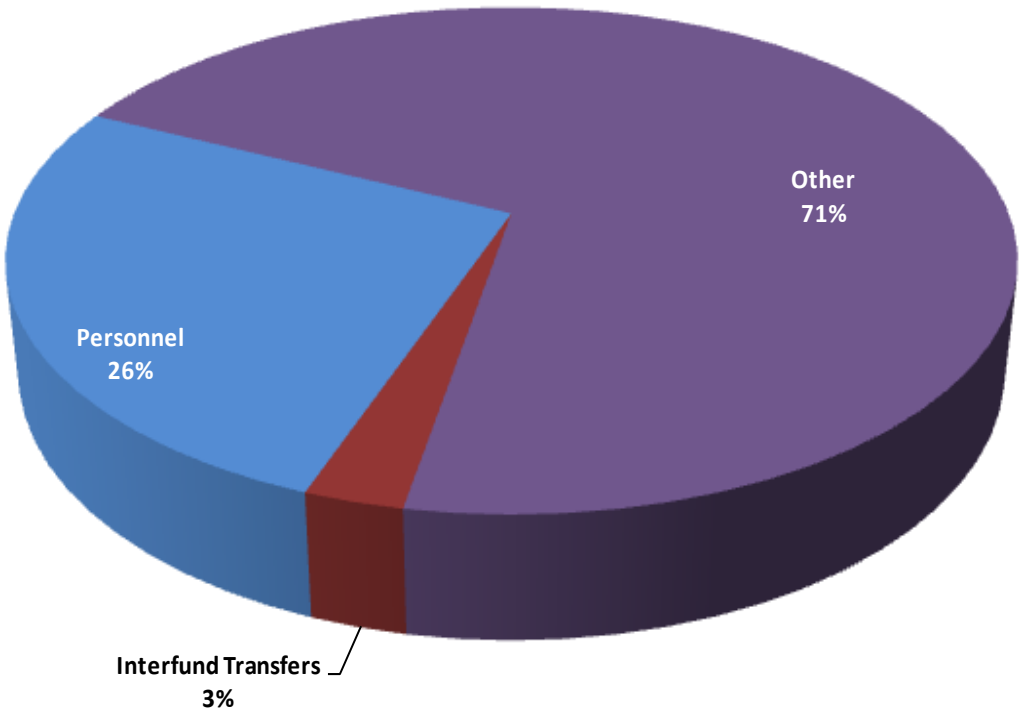
In addition to these services, OED manages a key financing program using federal funds called the New Markets Tax Credit (NMTC) program. Through this program, the Department manages a $51 million allocation of NMTCs that leverages low-cost financing for business and real estate projects in economically distressed areas.

Budget Snapshot

Office of Economic Development	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$6,429,546	$6,338,820	$5,875,168	$5,865,474
Other Revenues	$3,053,226	$5,003,675	$5,003,675	$4,091,175
Total Revenues	**$9,482,772**	**$11,342,495**	**$10,878,843**	**$9,956,649**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$9,482,772**	**$11,342,495**	**$10,878,843**	**$9,956,649**
Total Expenditures	**$9,482,772**	**$11,342,495**	**$10,878,843**	**$9,956,649**
Full-Time Equivalent * Total	20.00	22.00	22.00	24.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The Department of Housing and Economic Development (HED) was established as a new department in the 2012 Proposed Budget as part of the Mayor's reorganization of City government to increase the efficiency of City operations and preserve direct services. The formation of HED would have combined the functions of the Office of Housing (OH), the Office of Economic Development (OED), and retained the Office of Film and Music as part of this new organizational structure. However, after evaluating this proposal, the City Council chose not to move forward with the departments' merger and instead the 2012 Adopted Budget retains OH and OED as separate offices. The following describes the Council action to reverse the merger and reestablish OED, as well as a number of other changes made to the OED budget as part of the Adopted Budget.

The City continues to face General Subfund pressures in 2012 and beyond, requiring a re-evaluation of the ways in which it is organized to deliver services. OED's 2012 Adopted Budget includes a number of budget reductions and operational efficiencies to assist in balancing the General Fund. These changes include reducing the Finance Manager position from full-time to half-time, and increasingly relying on other existing staff in OED and support from the Office of Housing to accomplish this work. OED is also working with its funding partners to realize greater contract outcomes by reviewing and updating City business retention and attraction contracts to further improve service delivery. In addition, the development of a Seattle Tourism Improvement Area provides regional funding to support tourism that mitigates a reduction by OED in this area.

Office of Economic Development

The 2012 Adopted Budget centralizes two new work areas in OED. While these changes do not result in savings Citywide, the changes are made in order to capitalize on synergies and efficiencies by aligning staff with similar functions in the same department. Beginning in 2012, a position is transferred from the Department of Neighborhoods (DON) to support the workload associated with the South Park Action Agenda, as well as support OED's business district revitalization program and oversee its micro-business assistance program. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to improve the South Park community. In 2012, OED will also house the Citywide Special Events function as the result of the transfer of two staff positions from the Department of Parks and Recreation (DPR) to OED. This staff coordinates the administration of city-wide special events such as marathons, rallies, and protests, as well as annual events like Seafair. By being part of OED, staff will have the opportunity to share resources and strengthen the linkages between the promotion of special events and the promotion of economic development.

The Federal government is dealing with its own budget challenges. In 2011, the City received a 17% reduction in entitlement to the anticipated award level, and the City reduced its planned expenditures for CDBG in 2011 as a result. In 2012, the City is anticipating a further reduction in the CDBG entitlement level. Despite these funding pressures, the 2012 CDBG budget preserves direct programs to the greatest extent possible. In developing the 2012 Budget, OED developed an agreement with the Rainier Valley Community Development Fund (RVCDF) to delay City payment of CDBG funds to the RVCDF from 2012 to 2013. The availability of existing CDBG reserves by the RVCDF ensures the program activity levels are not affected by this change in 2012.

Incremental Budget Changes

Office of Economic Development

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$10,878,843**	**22.00**
2012 Proposed Changes			
	OED and OH Department Reorganization	($10,878,843)	(22.00)
Total Changes		**($10,878,843)**	**(22.00)**
2012 Proposed Budget		**$0**	**0.00**
Council Adjustments to Proposed Budget			
	Reversal of OH and OED Department Reorganization	$10,878,843	22.00
	Funding for Seattle Convention and Visitors Bureau	($50,000)	0.00
	Community Granting Awards Program Consolidation in DON	($113,210)	(1.00)
	Operational Efficiencies/ Reduced Costs	($92,042)	0.00
	Staffing Support to Promote Economic Development	$262,366	3.00
	Community Development Block Grant (CDBG) Funding Impacts	($912,500)	0.00
	Technical Adjustments	($16,808)	0.00
Total Adjustments		**$9,956,649**	**24.00**
2012 Adopted Budget		**$9,956,649**	**24.00**

OED and OH Department Reorganization – ($10,878,843) / (22.0) FTE. In the 2012 Proposed Budget, the entire 2012 Endorsed Budget for the Office of Economic Development was transferred to the new Department of Housing and Economic Development (HED) as part of a reorganization of City government.

City Council Changes to the 2012 Proposed Budget

Reversal of OH and OED Department Reorganization – $10,878,843/ 22.0 FTE. This adjustment reestablishes the OED 2012 Endorsed Budget to serve as starting point for the 2012 Adopted Budget.

Funding for Seattle Convention and Visitors Bureau – ($50,000). This change eliminates funding for the Seattle Convention and Visitors Bureau. The reduction is mitigated by the development of a Seattle Tourism Improvement Area, an initiative that will allow a $2 per room per night surcharge to guests in hotels with 60 or more rooms in the greater downtown area. It is anticipated that this initiative will raise approximately $5 – $6 million in 2012 to help promote Seattle as a tourist destination, more than offsetting the amount of this reduction. This change was included in the 2012 Proposed Budget for HED.

Office of Economic Development

Community Granting Awards Program Consolidation in DON - ($113,210) / (1.0) FTE. The Proposed Budget transferred out 1.0 FTE Community Development Specialist, Senior to the Department of Neighborhoods' (DON) Community Granting Division within the Neighborhood Matching Subfund (NMF) to support the consolidation of the administration of awards made to communities via OED's *'Only in Seattle'* program. While the City Council did not move forward with the proposal to centralize Community Granting within NMF, the 2012 Adopted Budget maintains the transfer of this position to DON to support the administration of NMF's community award programs.

Operational Efficiencies/ Reduced Costs - ($92,042). The Adopted Budget reduces $31,000 in funding related to business retention and attraction activities in 2012. OED is making changes to the business retention and attraction contracts to further improve service delivery and outcomes, and as a result of improvements, this reduction is expected to have minimal impact on the services provided. Secondly, the professional services budget for the Office of Film and Music (OFM) is reduced by $15,000. OFM will reprioritize its business development outreach efforts, and seek to leverage private sector support to create film and music industry jobs and business growth for the city. These two changes were included in the Proposed Budget for HED. As part of the changes made by the City Council in reversing the OED and OH department merger, OED's Finance Manager position is reduced from full to half-time starting at the end of the first quarter in 2012 for a savings in 2012 of $46,000. This reduction will be mitigated by increased involvement by other OED staff and support from the Office of Housing. This position reduction will be implemented in a separate ordinance action in 2012.

Staffing Support to Promote Economic Development - $262,366 / 3.0 FTE. This change transfers in to OED an existing Strategic Advisor 2 position and funding from the Department of Neighborhoods to centralize the workload associated with the South Park Action Agenda, as well as to support OED's business district revitalization program and oversee its micro-business assistance program. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to improve the South Park community. This position supports the development and implementation of business district revitalization programs in several neighborhoods, including South Park. This proposal also transfers in two existing positions, a Manager 1 and an Administrative Specialist, from the Department of Parks and Recreation to coordinate the administration of citywide special events such as marathons, rallies, and protests, as well as annual events like Seafair. As part of OED, staff share resources and strengthen the linkages between the promotion of special events and the promotion of economic development. This change was included in the 2012 Proposed Budget for HED.

Community Development Block Grant (CDBG) Funding Impacts - ($912,500). This change rebalances the 2012 CDBG Adopted Budget to be consistent with the anticipated 2012 CDBG entitlement and available program income. This change defers the allocation of CDBG funds to the Rainier Valley Community Development Fund (RVCDF) by approximately $1 million in 2012 until 2013 as agreed to by the RVCDF Board of Directors in 2011. This change will not affect the agency's operations in 2012 given that the RVCDF will spend down accumulated CDBG funds in lieu of receiving new CDBG entitlement funds. This change was included in the 2012 Proposed Budget for HED.

Technical Adjustments - ($16,808). Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in OED's service delivery. These changes were made to central cost allocations, retirement, health care, workers' compensation, and unemployment costs. These changes were included in the 2012 Proposed Budget for HED.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CDBG - Office of Economic Development Budget Control Level	**6XD10**	**3,053,226**	**5,003,675**	**5,003,675**	**4,091,175**
Office of Economic Development Budget Control Level					
Business Services		5,128,311	5,102,316	4,603,112	4,617,220
Economic Development Leadership		608,724	576,385	593,469	611,022
Finance and Operations		692,511	660,119	678,587	637,232
Office of Economic Development Budget Control Level	**X1D00**	**6,429,546**	**6,338,820**	**5,875,168**	**5,865,474**
Department Total		**9,482,772**	**11,342,495**	**10,878,843**	**9,956,649**
Department Full-time Equivalents Total*		**20.00**	**22.00**	**22.00**	**24.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Community Development Block Grant Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	Community Development Block Grant	3,053,226	5,003,675	5,003,675	4,091,175
	Total Revenue from Other Public Entities	**3,053,226**	**5,003,675**	**5,003,675**	**4,091,175**
Total Revenues		**3,053,226**	**5,003,675**	**5,003,675**	**4,091,175**

Appropriations by Budget Control Level (BCL) and Program

CDBG - Office of Economic Development Budget Control Level

The purpose of the Economic Development Program is to provide operating, grant, loan, and project management support to neighborhood business districts and community-based development organizations, as well as for special projects, so Seattle has thriving neighborhoods and broadly-shared prosperity.

CDBG funds support economic and community revitalization efforts in low-income neighborhoods through real estate development, equity loans, and non-profit community-based development organizations.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Economic Development	3,053,226	5,003,675	5,003,675	4,091,175

Office of Economic Development Budget Control Level

The purpose of the Office of Economic Development Budget Control Level is to provide vital services to individual businesses and economic development leadership to support a strong local economy, thriving neighborhood business districts, and broadly-shared prosperity.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Business Services	5,128,311	5,102,316	4,603,112	4,617,220
Economic Development Leadership	608,724	576,385	593,469	611,022
Finance and Operations	692,511	660,119	678,587	637,232
Total	**6,429,546**	**6,338,820**	**5,875,168**	**5,865,474**
Full-time Equivalents Total *	20.00	22.00	22.00	24.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Business Services Program

The purpose of the Business Services Program is to provide direct services to businesses and to support a healthy business environment that empowers businesses to develop, grow, and succeed. The Business Services Program provides assistance navigating government services, facilities access to capital and building management expertise, and invests in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Business Services	5,128,311	5,102,316	4,603,112	4,617,220
Full-time Equivalents Total	13.00	15.00	15.00	16.00

Economic Development Leadership Program

The purpose of the Economic Development Leadership Program is to lead the creation of the City of Seattle's economic agenda. The Economic Development Leadership Program develops targeted areas of focus for OED and relevant City and community partners; convenes a broad range of the businesses in the community to make informed decisions on economic policies; and strengthens the alignment of city, regional, state, and federal economic development activities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Economic Development Leadership	608,724	576,385	593,469	611,022
Full-time Equivalents Total	4.00	4.00	4.00	5.00

Finance and Operations Program

The purpose of the Finance and Operations Program is to provide leadership over daily office operations and financial, administrative, and human resource services to effectively accomplish OED's mission and goals.

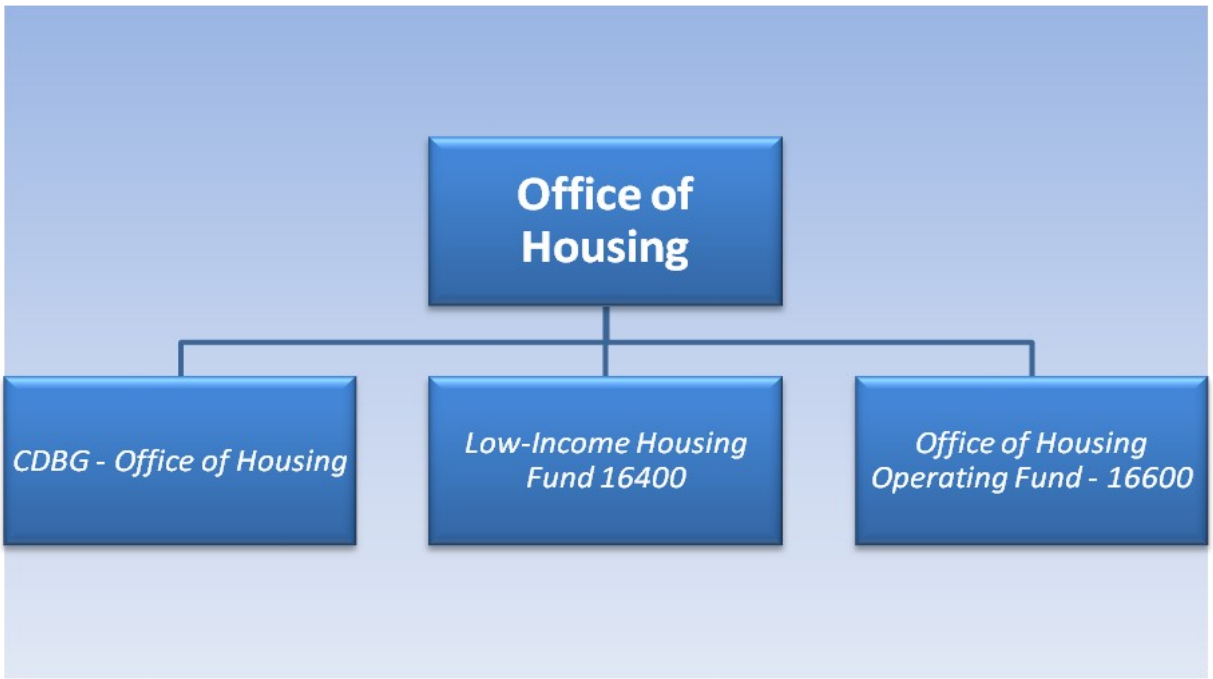
Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance and Operations	692,511	660,119	678,587	637,232
Full-time Equivalents Total	3.00	3.00	3.00	3.00

Office of Housing

Rick Hooper, Director

Information Line: (206) 684-0721
http://www.seattle.gov/housing/

Department by Budget Control Level



Department Overview

The mission of the Office of Housing (OH) is to invest in and promote the development and preservation of housing so that all Seattle residents have access to safe, decent, and affordable housing. To accomplish this mission, OH has four programs reflected in the budget: the Multi-Family Production and Preservation Program; Homeownership and Sustainability Program; Community Development Program; and the Administration and Management Program.

The Multi-Family Production and Preservation Program invests in the community by making long-term, low-interest loans to developers to develop or preserve affordable multi-family rental housing. OH monitors the housing portfolio to ensure the units remain affordable and serve the intended residents, and the buildings remain in good condition.

The Homeownership and Sustainability Program provides funding, including loans and grants, to low-income and low-to-moderate income Seattle residents. These include loans to first-time homebuyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Office of Housing

The Planning, Resource, and Program Development Program provides strategic policy review and development, development of high level program changes needed to better react to changing City needs and objectives, program development, and disposition of vacant land for redevelopment purposes to increase housing opportunities for Seattle residents. This program is shifting focus in 2011-2012 to more sustainable community building strategies and partnership building activities.

The Administration and Management Program provides centralized leadership, coordination, technology, contracting, and financial management services to OH programs and capital projects.

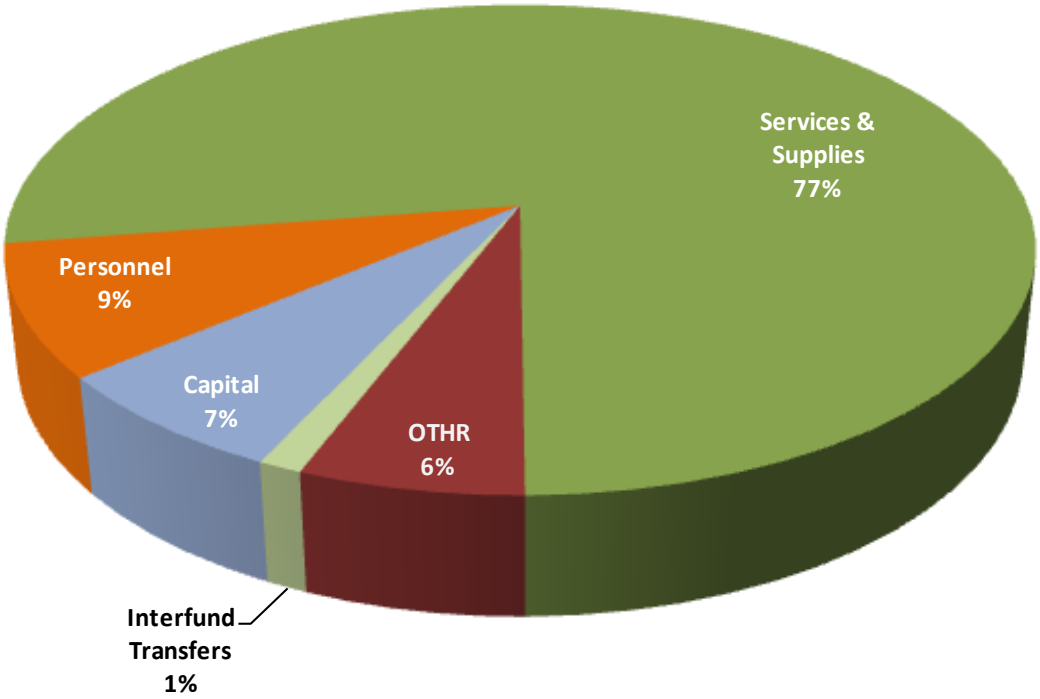
In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling $145 million for 2010 - 2016. The 2012 Adopted Budget is consistent with the Administration and Financial Plan approved by the City Council in Ordinance 123281. The renewed Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. In addition, other key funding sources to support low-income housing activities through the Office of Housing are federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income.

Budget Snapshot

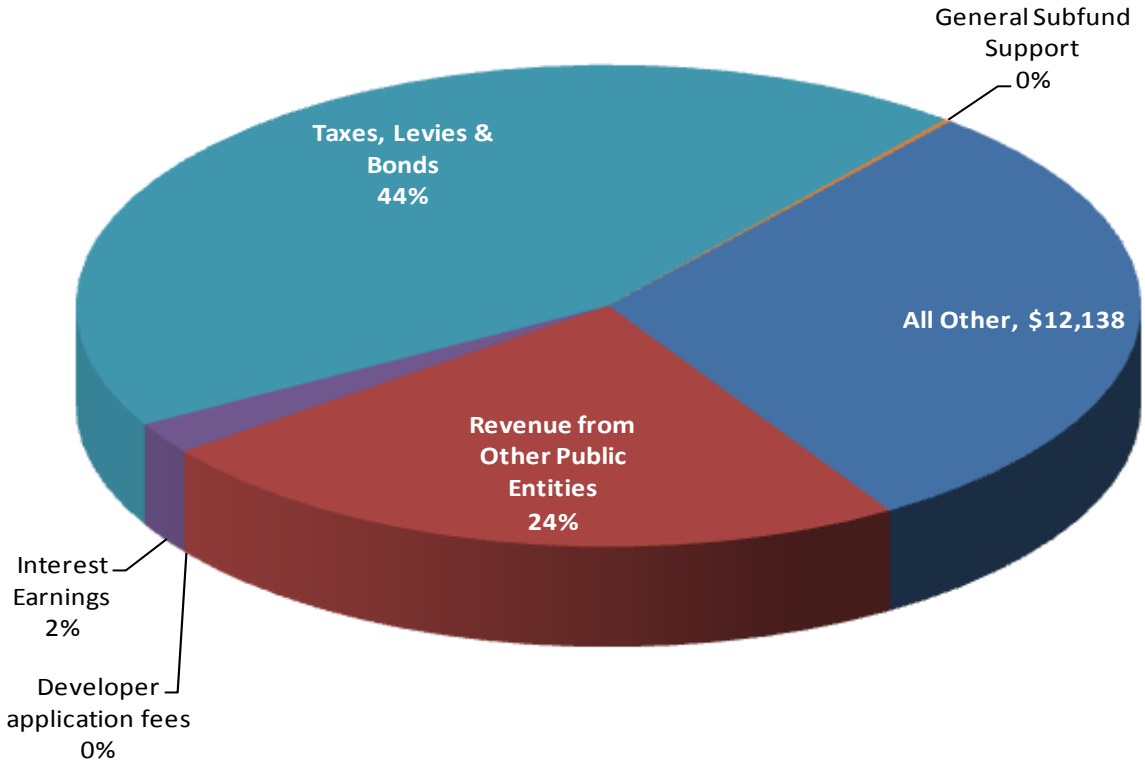
Office of Housing	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$4,128,008	$520,490	$629,422	$85,934
Other Revenues	$46,413,712	$41,980,632	$40,973,354	$41,034,481
Total Revenues	**$50,541,720**	**$42,501,122**	**$41,602,776**	**$41,120,415**
Use of (Contribution to) Fund Balance	($325,747)	$0	$0	($648,692)
Total Resources	**$50,215,973**	**$42,501,122**	**$41,602,776**	**$40,471,723**
Total Expenditures	**$50,215,980**	**$42,501,121**	**$41,602,776**	**$40,471,723**
Full-Time Equivalent * Total	40.50	38.50	38.50	37.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Office of Housing

Budget Overview

The Department of Housing and Economic Development (HED) was established as a new department in the 2012 Proposed Budget as part of the Mayor's reorganization of City government to increase the efficiency of City operations and preserve direct services. The formation of HED would have combined the functions of the Office of Housing (OH), the Office of Economic Development (OED), and retained the Office of Film and Music as part of this new organizational structure. However, after evaluating this proposal, the City Council chose not to move forward with the merger and instead the 2012 Adopted Budget retains OH and OED as separate Offices. The following describes the Council action to reverse the merger and reestablish OH, and other changes made as part of the OH Adopted Budget.

The City continues to face General Subfund pressures in 2012 and beyond, requiring a re-evaluation of the ways in which it is organized to deliver services. The 2012 Adopted Budget for OH includes reductions to assist in balancing the General Fund, and staffing reductions that allow the City to increase funding for the Multi-Family Production and Preservation program. Specifically, the 2012 Adopted Budget abrogates the vacant Deputy Director position and the Administrative Staff Assistant position that provided executive support to the director. The Adopted Budget also reduces funding for the Strategic Advisor 1 position that provided human resources support to the Office, and reduces an Information Technology Systems Analyst position to half-time. These position reductions will be implemented in a separate ordinance in 2012. OH will receive assistance from the Department of Finance and Administrative Services (FAS) in providing human services to the Office, and from the Department of Information Technology (DOIT) in providing IT services on an as-needed basis.

In 2010, OH began implementing the voter-approved 2009 Housing Levy, totaling $145 million for 2010 - 2016. The 2012 Adopted Budget is consistent with the Administration and Financial Plan for the Housing Levy approved by the City Council in Ordinance 123281. The renewed Housing Levy is expected to produce or preserve 1,850 affordable homes and assist 3,420 households. In addition, other key funding sources to support low-income housing activities through the former Office of Housing are federal grants, developer incentive program revenues, local and state weatherization grants, investment earnings, and loan repayment income.

The Federal government is dealing with its own budget challenges. In 2011, the City received a 17% reduction in entitlement, and the City reduced its planned expenditures for CDBG in 2011 as a result. In 2012, the City is anticipating a further reduction in the CDBG entitlement level. Despite these funding pressures, the 2012 CDBG budget is rebalanced in a way that preserves direct programs to the greatest extent possible, and is consistent with the actions taken in 2011 to rebalance the CDBG budget. Given that the actual 2012 CDBG entitlement will not be known until the first quarter of 2012, OH will not commit 2012 CDBG Multi-Family Housing Production and Preservation funds until the actual 2012 entitlement is known.

Incremental Budget Changes

Office of Housing

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$41,602,776**	**38.50**
2012 Proposed Changes			
	OH and OED Department Reorganization	($41,602,776)	(38.50)
Total Changes		**($41,602,776)**	**(38.50)**
2012 Proposed Budget		**$0**	**0.00**
Council Adjustments to Proposed Budget			
	Reversal of OH and OED Department Reorganization	$41,602,776	38.50
	Management and Staffing Efficiencies	($335,923)	(2.00)
	Operational Efficiencies/ Reduced Costs	($27,224)	0.00
	Increase Multi-Family Housing Program Support	$210,641	0.00
	Community Development Block Grant (CDBG) Funding Impacts	($802,218)	0.00
	Increase HomeWise Weatherization & Energy Efficiency Staff	$0	1.00
	Technical Adjustments	($176,329)	0.00
Total Adjustments		**$40,471,723**	**37.50**
2012 Adopted Budget		**$40,471,723**	**37.50**

OH and OED Department Reorganization - ($41,602,776) / (38.50) FTE. In the 2012 Proposed Budget, the entire 2012 Endorsed Budget for the Office of Housing was transferred to the new Department of Housing and Economic Development (HED) as part of a reorganization of City government.

City Council Changes to the 2012 Proposed Budget

Reversal of OH and OED Department Reorganization - $41,602,776 / 38.50 FTE. This adjustment reestablishes the OH 2012 Endorsed Budget to serve as starting point for the 2012 Adopted Budget.

Management and Staffing Efficiencies - ($335,923) / (3.0) FTE. In response to a challenging fiscal environment and constrained resources, and in an effort to increase resources for housing development and preservation, the Adopted Budget reduces four positions funded in the Housing Operating Fund (16600). The Adopted Budget abrogates 1.0 FTE Executive 2 position that previously served as the Deputy Director, and 1.0 FTE Administrative Staff Assistant that previously provided executive administration services to the OH Director. The Budget also reduces funding for 1.0 FTE Strategic Advisor 1 position that formerly provided human resource support to the Office, and reduces funding for the Information Technology Systems Analyst position to half-time starting in February, 2012. Position

authority for these two positions will be reduced through a separate ordinance action in 2012. These reductions will be mitigated in a variety of ways. The Adopted Budget includes $35,000 to fund salary adjustments for existing staff taking on new bodies of work in the absence of the Deputy Director position. Human resources support will be provided by the Department of Finance and Administrative Services (FAS). Some additional IT support may be provided by the Department of Information Technology (DOIT) on an as-needed basis, and OH staff may find increased wait times in resolving technical issues.

Operational Efficiencies/ Reduced Costs - ($27,224). This change reduces funding for supplies and costs in related to travel and training, advertising, printing, and software. This change was included in the 2012 Proposed Budget for HED.

Increase Multi-Family Housing Program Support - $210,641. As part of the Adopted Budget, $210,641 of the total management and staffing efficiencies savings described above is transferred from the Housing Operating Fund (16600) to the Low Income Housing Fund (16400). This transfer maintains the level of funding that was provided in the 2012 Proposed HED budget for the development and preservation of affordable housing. Seattle's rental market continues to see higher demand for rental housing, causing a drop in vacancy rates and resulting increase in rents. Low-income renters have particular difficulty competing for affordable rental units in the type of rental market Seattle is now experiencing. The additional resources will support the future development of 4-5 low-income rental units, and help to mitigate the reduction of CDBG funding for this program area.

Community Development Block Grant (CDBG) Funding Impacts - ($802,218). This change rebalances the 2012 CDBG Adopted Budget to be consistent with the anticipated 2012 CDBG entitlement and available program income available to OH. First, CDBG funding for Multi-Family Housing Production and Preservation is reduced in 2012 by approximately $685,000. This reduction is mitigated in 2012 by an increase in funding for this purpose through Housing Levy funds over historical levels of funding, and by an increase in support for this purpose through Levy funds previously used to support administrative costs. Of note, the remaining $500,000 in funds for Housing Production and Preservation will be restricted and not committed to new capital projects until the actual 2012 entitlement is known. Second, approximately $98,000 in funding for the Homebuyer program is eliminated in the 2012 Adopted Budget. This funding is only a small part of the overall funding for the Homebuyer program, which is funded in large part by the Housing Levy and federal HOME funds, and removing CDBG funds from this program area achieves administrative efficiencies for this program. Third, CDBG funding for housing-related administration is reduced by approximately $17,000, but is backfilled by Multi-Family Tax Exemption (MFTE) program revenues in 2012, resulting in a change in fund source only. Finally, a technical adjustment reduces appropriation by $10,000 to align 2012 appropriation levels with anticipated levels of program income. These changes were included in the 2012 Proposed Budget for HED.

Increase HomeWise Weatherization & Energy Efficiency Staff – $0 / 1.0 FTE. In 2009, the Office of Housing's HomeWise Weatherization and Energy Efficiency program (HomeWise) received ARRA federal stimulus funding, and increased staffing levels by three term-limited positions and a long-term (two-year) out-of-class position. The ARRA grant will expire at the end of 2011. Since 2009, program delivery has become more sophisticated, data-driven, and complex, placing additional demands on the program staff. To accommodate these new demands, the Adopted Budget adds a Property Rehabilitation Supervisor (PRS) position that will be funded by non-ARRA grant fund sources that support Weatherization programs in the Department. This change was included in the 2012 Proposed Budget for

Technical Adjustments – ($176,329). This change reflects a number of technical adjustments including reducing the HOME grant expenditure authority for 2012 by approximately $287,000 to match anticipated revenues. In addition, this adjustment provides appropriation authority for $17,000 in additional Multi-Family Tax Exemption revenue that is used to backfill a CDBG reduction. Other technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in OH's service delivery. These changes were made to central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Provisos

There are no Council provisos.

Office of Housing

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CDBG - Office of Housing Budget Control Level					
Homeownership and Sustainability		1,436,550	1,420,897	1,420,897	1,188,185
Multi-Family Production and Preservation		2,483,380	1,294,622	1,294,622	741,890
Strategic Planning, Resource, and Program Development		458,053	46,774	46,774	30,000
CDBG - Office of Housing Budget Control Level	**6XZ10**	**4,377,983**	**2,762,293**	**2,762,293**	**1,960,075**
Low-Income Housing Fund 16400 Budget Control Level					
Homeownership and Sustainability - 16400		11,636,619	7,725,501	8,124,394	8,052,098
Multi-Family Production and Preservation - 16400		29,944,826	27,425,181	26,004,691	26,000,676
Low-Income Housing Fund 16400 Budget Control Level	**XZ-R1**	**41,581,445**	**35,150,682**	**34,129,085**	**34,052,774**
Office of Housing Operating Fund 16600 Budget Control Level					
Administration and Management - 16600		1,307,681	1,636,968	1,679,944	1,332,487
Community Development - 16600		450,638	478,132	490,075	551,395
Homeownership and Sustainability - 16600		1,193,346	1,261,131	1,299,179	1,308,270
Multi-Family Production and Preservation - 16600		1,304,886	1,211,916	1,242,200	1,266,721
Office of Housing Operating Fund 16600 Budget Control Level	**XZ600**	**4,256,551**	**4,588,146**	**4,711,398**	**4,458,874**
Department Total		**50,215,980**	**42,501,121**	**41,602,776**	**40,471,723**
Department Full-time Equivalents Total*		**40.50**	**38.50**	**38.50**	**37.50**

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Revenue Overview

2012 Estimated Revenues for the Office of Housing (16600)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
411100	Levy Administration	1,849,561	1,775,351	1,820,496	1,656,317
462900	Other Rents and use charges	27,081	27,000	27,000	27,000
469990	MacArthur Foundation Grant	2,500	13,500	0	0
471010	HOME Administration	459,444	438,473	438,473	406,590
541490	2010 Non-GF COLA Rollback	0	(22,611)	(23,389)	0
541490	City Light Administration	654,731	672,517	689,949	689,949
541490	Contingent Bonus/TDR Administration	150,000	250,000	250,000	1,001,429
541490	Interest Earnings	26,300	4,000	3,000	0
541490	Miscellaneous adjustments	(109,724)	0	0	0
541490	Multi Family Tax Exemption Program Administration	0	0	0	73,024
541490	Prior Year Savings	109,957	121,339	75,000	415,338
541490	Program Income	94,964	4,000	3,000	0
	Total All Else	**3,264,814**	**3,283,569**	**3,283,529**	**4,269,647**
587001	General Subfund Support	560,097	520,490	629,422	39,472
	Total General Subfund Support	**560,097**	**520,490**	**629,422**	**39,472**
433010	Federal Grants-Weatherization	593,706	599,087	613,447	613,447
434010	State Grants-Weatherization	173,315	185,000	185,000	185,000
	Total Revenue from Other Public Entities	**767,021**	**784,087**	**798,447**	**798,447**
Total Revenues		**4,591,932**	**4,588,146**	**4,711,398**	**5,107,566**
379100	Use of (Contribution To) Fund Balance	(335,383)	0	0	(648,692)
	Total Use of Fund Balance	**(335,383)**	**0**	**0**	**(648,692)**
Total Resources		**4,256,549**	**4,588,146**	**4,711,398**	**4,458,874**

2012 Estimated Revenues for the Community Development Block Grant Fund (17810)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
433010	Community Development Block Grant	4,377,983	2,762,293	2,762,293	1,960,075
	Total Revenue from Other Public Entities	**4,377,983**	**2,762,293**	**2,762,293**	**1,960,075**
Total Revenues		**4,377,983**	**2,762,293**	**2,762,293**	**1,960,075**

Office of Housing

2012 Estimated Revenues for the Low-Income Housing Fund (16400)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469930	Program Income	2,711,233	6,422,583	6,502,000	6,502,000
541490	Local Grants-Weatherization	1,137,462	1,536,170	1,582,255	1,582,255
541490	Miscellaneous adjustments	(169,704)	0	0	0
	Total All Else	**3,678,991**	**7,958,753**	**8,084,255**	**8,084,255**
445800	MFTE application fees	106,400	0	0	0
	Total Developer application fees	**106,400**	**0**	**0**	**0**
587001	General Subfund Support	3,567,911	0	0	46,462
	Total General Subfund Support	**3,567,911**	**0**	**0**	**46,462**
461110	Investment Earnings	744,196	1,425,000	876,900	876,900
	Total Interest Earnings	**744,196**	**1,425,000**	**876,900**	**876,900**
433010	Federal Grants - Weatherization	3,830,328	2,250,000	2,500,000	2,500,000
434010	State Grants - Weatherization	605,748	750,000	750,000	750,000
471010	Federal Grants-HOME Program	10,417,066	3,946,263	3,946,263	3,659,311
	Total Revenue from Other Public Entities	**14,853,142**	**6,946,263**	**7,196,263**	**6,909,311**
411100	Property Tax Levy	18,621,165	18,820,667	17,971,667	18,135,846
	Total Taxes, Levies & Bonds	**18,621,165**	**18,820,667**	**17,971,667**	**18,135,846**
Total Revenues		**41,571,805**	**35,150,683**	**34,129,085**	**34,052,774**
379100	Use of (Contribution To) Fund Balance	9,636	0	0	0
	Total Use of Fund Balance	**9,636**	**0**	**0**	**0**
Total Resources		**41,581,441**	**35,150,683**	**34,129,085**	**34,052,774**

Appropriations by Budget Control Level (BCL) and Program

CDBG - Office of Housing Budget Control Level

The purpose of the Community Development Block Grant (CDBG) - Office of Housing Budget Control Level is to provide opportunities for residents to thrive by investing in and promoting the development and preservation of affordable housing.

Summary

The federal CDBG program provides a major source of funding for community development programs affecting Seattle's low- and moderate-income households and neighborhoods. The City of Seattle makes these investments so all families and individuals can meet their basic needs, share in economic prosperity, and participate in building a safe, healthy, educated, just, and caring community. Policies and priorities for distributing CDBG funds to community-based organizations are set out in the City's 2009-2012 Consolidated Plan for Housing and Community Development, which is coordinated by the Human Services Department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	1,436,550	1,420,897	1,420,897	1,188,185
Multi-Family Production and Preservation	2,483,380	1,294,622	1,294,622	741,890
Strategic Planning, Resource, and Program Development	458,053	46,774	46,774	30,000
Total	**4,377,983**	**2,762,293**	**2,762,293**	**1,960,075**

Homeownership and Sustainability Program

The purpose of the Homeownership and Sustainability Program is to provide resources for low- and moderate-income Seattle residents, including seniors, to become homeowners and/or to preserve and improve their current homes. CDBG funds support minor home repairs for low-income elderly or disabled homeowners, home rehabilitation revolving loans to low-income households, technical assistance for program clients, and administrative costs for the City of Seattle's Office of Housing.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability	1,436,550	1,420,897	1,420,897	1,188,185

Multi-Family Production and Preservation Program

The purpose of the Multi-Family Production and Preservation Program is to acquire, develop, rehabilitate, and maintain affordable multifamily rental housing so the supply of housing for Seattle residents increases and affordability remains sustainable.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation	2,483,380	1,294,622	1,294,622	741,890

Appropriations by Budget Control Level (BCL) and Program

Strategic Planning, Resource, and Program Development Program

The purpose of the Strategic Planning, Resource, and Program Development Program is to provide policy review/revisions, new and revised housing programs, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Strategic Planning, Resource, and Program Development	458,053	46,774	46,774	30,000

Low-Income Housing Fund 16400 Budget Control Level

The purpose of the Low-Income Housing Fund 16400 Budget Control Level is to fund multi-family housing production, and to support homeownership and sustainability.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability - 16400	11,636,619	7,725,501	8,124,394	8,052,098
Multi-Family Production and Preservation - 16400	29,944,826	27,425,181	26,004,691	26,000,676
Total	**41,581,445**	**35,150,682**	**34,129,085**	**34,052,774**

Homeownership and Sustainability - 16400 Program

The purpose of the Homeownership and Sustainability - 16400 Program is to provide three types of loans and grants to low-income Seattle residents: loans for first-time home buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability - 16400	11,636,619	7,725,501	8,124,394	8,052,098

Multi-Family Production and Preservation – 16400 Program

The purpose of the Multi-Family Production and Preservation - 16400 Program is to invest in the community by making long-term, low-interest loans to developers to develop or preserve affordable multi-family rental housing. OH monitors the affordable housing portfolio to ensure the units remain affordable, serve the intended residents, and the buildings remain in good condition.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Multi-Family Production and Preservation - 16400	29,944,826	27,425,181	26,004,691	26,000,676

Appropriations by Budget Control Level (BCL) and Program

Office of Housing Operating Fund 16600 Budget Control Level

The purpose of the Office of Housing Operating Fund 16600 Budget Control Level is to fund the Department's administration activities.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration and Management - 16600	1,307,681	1,636,968	1,679,944	1,332,487
Community Development - 16600	450,638	478,132	490,075	551,395
Homeownership and Sustainability - 16600	1,193,346	1,261,131	1,299,179	1,308,270
Multi-Family Production and Preservation - 16600	1,304,886	1,211,916	1,242,200	1,266,721
Total	**4,256,551**	**4,588,146**	**4,711,398**	**4,458,874**
Full-time Equivalents Total *	40.50	38.50	38.50	37.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Administration and Management – 16600 Program

The purpose of the Administration and Management - 16600 Program is to provide centralized leadership, coordination, technology, contracting, and financial management support services to OH programs and capital projects to facilitate the production of affordable housing for Seattle residents.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration and Management - 16600	1,307,681	1,636,968	1,679,944	1,332,487
Full-time Equivalents Total	13.50	13.00	13.00	11.00

Community Development – 16600 Program

The purpose of the Community Development - 16600 Program is to provide strategic planning, program development, and vacant land redevelopment services to increase housing opportunities for Seattle residents.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Development - 16600	450,638	478,132	490,075	551,395
Full-time Equivalents Total	4.00	4.00	4.00	4.00

Homeownership and Sustainability – 16600 Program

The Homeownership and Sustainability - 16600 Program provides three types of loans and grants to low-income Seattle residents: loans for first-time home-buyers, home repair loans to address health and safety and code repairs, and grants to make low-income housing more energy efficient.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Homeownership and Sustainability - 16600	1,193,346	1,261,131	1,299,179	1,308,270
Full-time Equivalents Total	12.00	12.00	12.00	13.00

Office of Housing

Fund Tables

Low-Income Housing Fund (16400)

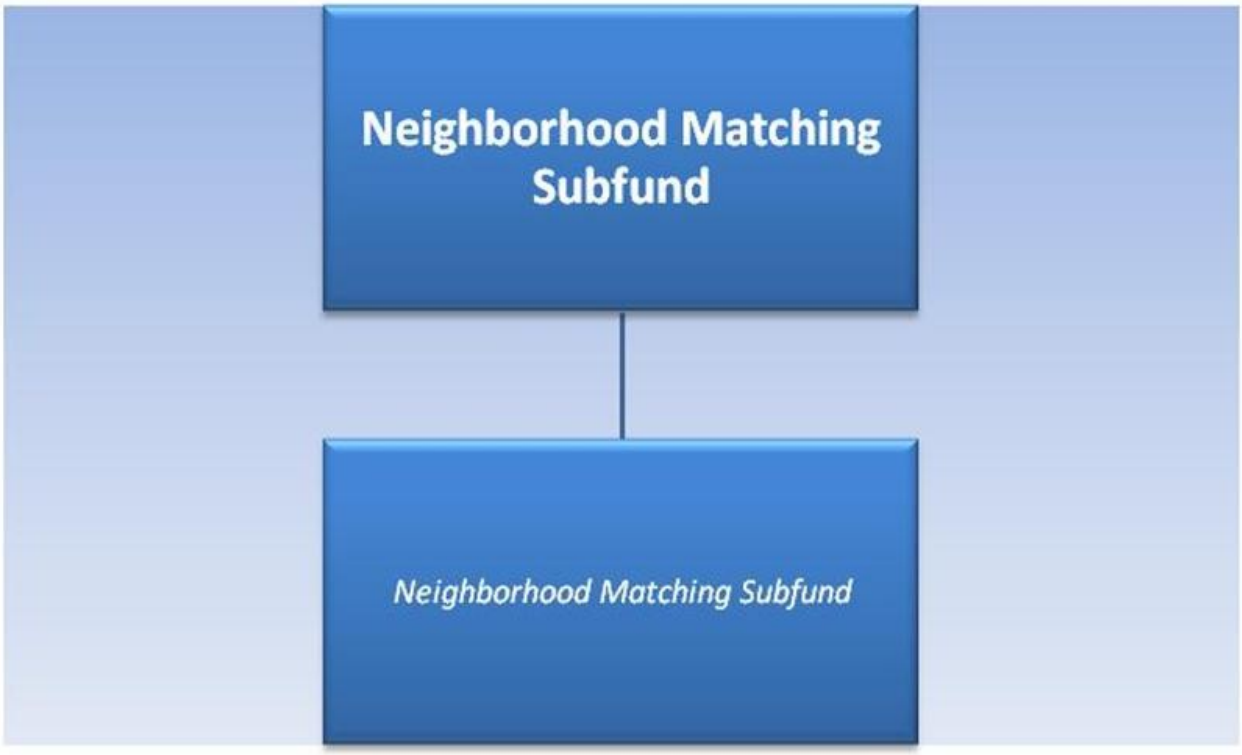
	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**75,159,977**	**75,159,977**	**75,076,588**	**75,159,978**	**74,789,737**
Accounting and Technical Adjustments	(73,749)	0	0	0	0
Plus: Actual and Estimated Revenue	41,571,805	35,150,683	34,863,831	34,129,085	34,052,774
Less: Actual and Budgeted Expenditures	41,581,445	35,150,682	35,150,682	34,129,085	34,052,774
Ending Fund Balance	**75,076,588**	**75,159,978**	**74,789,737**	**75,159,978**	**74,789,737**

Office of Housing (16600)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**366,627**	**366,627**	**702,008**	**366,627**	**1,117,968**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	4,591,932	4,588,146	5,004,106	4,711,398	5,107,566
Less: Actual and Budgeted Expenditures	4,256,551	4,588,146	4,588,146	4,711,398	4,458,874
Ending Fund Balance	**702,008**	**366,627**	**1,117,968**	**366,627**	**1,766,659**
Multi-Family Tax Exemption Admin Reserve				174,750	141,000
Total Reserves	**0**	**0**	**0**	**174,750**	**141,000**
Ending Unreserved Fund Balance	**702,008**	**366,627**	**1,117,968**	**191,877**	**1,625,659**

Neighborhood Matching Subfund

Neighborhood Matching Subfund by Budget Control Level



Neighborhood Matching Subfund Overview

The purpose of the Neighborhood Matching Subfund (NMF) is to provide resources for Seattle's communities to preserve and enhance the city's diverse neighborhoods, and to empower people to make positive contributions to their communities. It is administered by the Department of Neighborhoods (DON). As part of the 2012 Proposed Budget, the Mayor proposed the reorganization of a variety of City government functions, which would have expanded NMF's responsibilities to include the administration of the Department of Information Technology's (DoIT) Technology Matching Fund (TMF) award program, which supports community efforts to close the digital divide and encourage a technology-healthy city; Office of Economic Development's (OED) 'Only in Seattle' Initiative, which fosters neighborhood business districts; and Seattle Public Utilities' (SPU) Waste Prevention and Recycling Grant program, which encourages support for community waste reduction activities. The Proposed Budget would have consolidated the administration of all of these grants into the DON's Community Granting Division. However, the City Council reversed this direction, and OED, SPU, and DoIT will retain administrative oversight of their respective grant programs in the Adopted Budget.

Neighborhood Matching Subfund

The NMF was established in 1988 to support partnerships between the City of Seattle and neighborhood organizations to undertake neighborhood-initiated planning, organizing, and physical improvement projects. The City provides cash that is matched by the community's contribution of volunteer labor, donated materials, and professional services, or cash. Applications are accepted from neighborhood-based organizations of residents or businesses, community-based organizations that advocate for the interests of people of color, and ad-hoc groups of neighbors that form a committee for the purpose of a specific project. The NMF awards are divided into three categories, which include: Large Projects Fund (awards up to $100,000); Small and Simple Projects Fund (awards up to $20,000); and the Small Sparks Fund (awards up to $1,000).

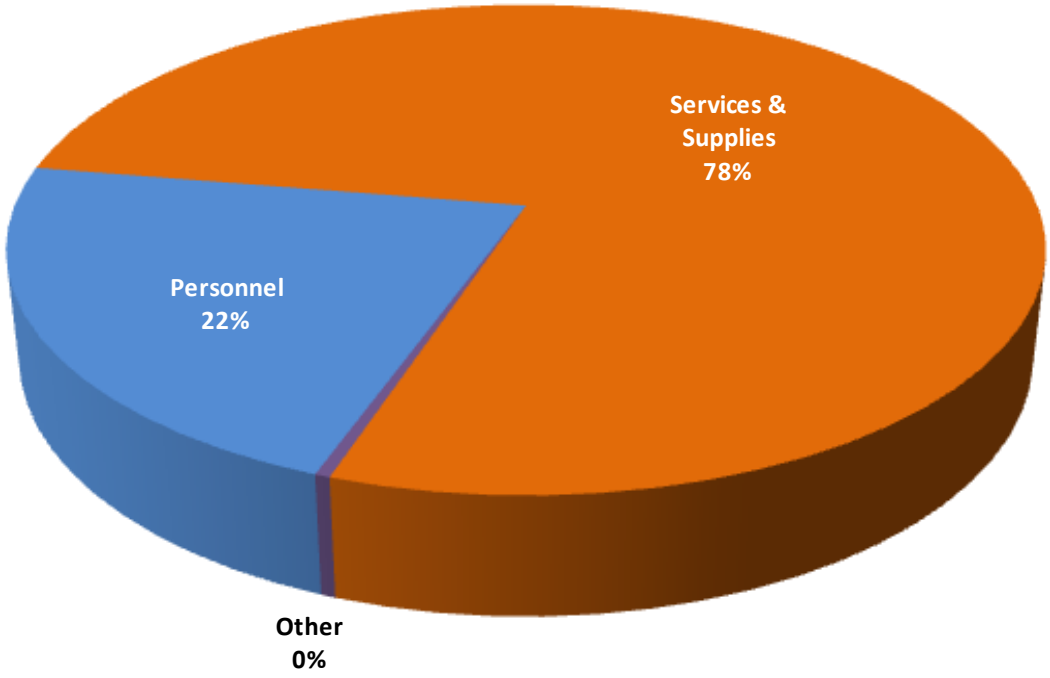
The DON's Community Granting Division provides consultation and technical assistance to community groups seeking grant awards, coordination of the grant application and award process, and monitoring of funded grant projects. The NMF Program is housed in, and staffed by, the Department of Neighborhoods. NMF staff also coordinate with other City departments such as the Department of Parks and Recreation, Seattle Department of Transportation, Seattle Public Utilities, Department of Planning and Development, and others when projects are within the jurisdiction of these departments.

Budget Snapshot

Neighborhood Matching Subfund	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$3,253,265	$2,939,396	$2,995,194	$2,779,022
Other Revenues	$0	$0	$0	$0
Total Revenues	**$3,253,265**	**$2,939,396**	**$2,995,194**	**$2,779,022**
Use of (Contribution to) Fund Balance	($86,123)	$309,362	$313,991	$313,927
Total Resources	**$3,167,142**	**$3,248,758**	**$3,309,185**	**$3,092,949**
Total Expenditures	**$3,167,142**	**$3,248,759**	**$3,309,185**	**$3,092,949**
Full-Time Equivalent * Total	-	-	-	6.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The City continues to face General Subfund pressure in 2012 and beyond, requiring the City to re-evaluate the ways in which it is organized to deliver services. In 2011, the Mayor initiated a process to determine whether the City could achieve operational efficiencies while still preserving direct services by restructuring the City's organizational structures. This effort involved the following departments: Department of Neighborhoods/Neighborhood Matching Subfund, the Office of Arts and Cultural Affairs, the Office of Housing, the Office of Economic Development, and to a lesser extent, the Office of Sustainability and Environment and the Department of Planning and Development. Each of these departments plays a pivotal role in creating healthy and economically vibrant communities. The goals of this review process included preserving and potentially expanding direct program funding, including community grant awards; streamlining service delivery; and improving operational and management efficiency. The process included participation by the directors of the individual offices, as well as the City Budget Office, the Mayor's Office, and input by the City Council.

Community Granting Consolidation

DON, working in conjunction with other City departments, the Mayor's Office, and the City Council, spent much of 2011 exploring options for streamlining the City's community granting functions. The City offers five community granting award programs spread across five departments. These award programs distributed $6.1 million in community awards in 2011. But, the overhead costs for these

programs could be very high, ranging from 13% to 57%. This was not acceptable to the Mayor and he challenged DON and the City Budget Office to develop a plan to reduce these administrative overhead costs; preserve, and potentially increase the grant dollars distributed to the community; and create a more customer-friendly, single-point-of-entry approach for community groups seeking financial support from the City. The 2012 Proposed Budget recommended consolidating the administration of most of these community granting programs into a newly created Community Granting Division in DON. While program expertise and the award funding would have remained in the current 'home' departments, the consolidation would have merged administrative staff and resources from:

- Neighborhood Matching Fund (NMF) community granting program;
- Office of Economic Development's (OED) *Only in Seattle* grant program;
- Department of Information Technology (DoIT) Technology Matching Fund program; and
- Seattle Public Utility's (SPU) Waste Prevention and Recycling grant program.

However, City Council did not support the merger of these administrative functions as proposed by the Mayor and returned that responsibility back to the departments identified above. Although no formal consolidation will occur, the Council noted that their action does not preclude departments from coordinating future grant activities and identifying administrative efficiencies. In addition, the City Auditor has agreed to work with these departments in 2012 to identify best practices and assess the extent to which it is appropriate and desirable for departments to adopt consistent practices and forms regarding grant applications, contracts, reporting requirements, reimbursement rules, etc.

A variety of staffing changes would have been required to implement the consolidation proposed by the Mayor to create efficiencies and provide budget savings. Although the Council did not adopt the consolidation proposal, they did retain a number of the proposed changes in the 2012 Adopted Budget. A vacant project manager position is eliminated in NMF, as well as the reduction in NMF for the portion of the funding for the Director of Planning and Community Building which is eliminated. (40% of this Director position was budgeted within the NMF). One position that was previously dedicated to supporting specific award programs in OED is transferred into NMF. The Proposed Budget transferred a position from DOIT to the NMF. Per changes made by the City Council, this position is transferred back to DOIT. The funding for the new Community Granting Division would have been a combination of General Subfund, Cable Franchise Fees, and SPU's Solid Waste Fund, as the grants staff was expected to administer a variety of award programs; however, in the Adopted Budget funding for NMF staff continues to be solely backed by the General Subfund.

Through administrative efficiencies gained through the proposed consolidation process, $17,000 previously spent to support the DoIT staff would have been redirected back to the Cable Fund. Per changes made by the City Council, this funding is transferred back to DoIT to fund the cost of the restored position. In addition, approximately $8,000 previously used by SPU for administration would have been reduced, providing savings to solid waste rate payers. That funding is returned to SPU to back their administrative costs in the Adopted Budget. The City Council retained the changes proposed to NMF's administration budget that resulted in reductions of approximately $181,000.

In the 2012 Endorsed Budget, position authority for NMF staff resided within DON's budget. To better align the budget and staffing of the Community Granting Division, a transfer of position authority from DON to NMF of five positions is made in the 2012 Adopted Budget.

Incremental Budget Changes

Neighborhood Matching Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$3,309,185**	**0.00**
2012 Proposed Changes			
	Community Awards Program Consolidation	$116,447	7.00
	Streamline Management Oversight	($58,856)	0.00
	Technical Adjustment	($147,370)	0.00
Total Changes		**($89,779)**	**7.00**
2012 Proposed Budget		**$3,219,406**	**7.00**
Council Adjustments to Proposed Budget			
	Reverse Centralization of Community Granting Adr	($124,842)	(1.00)
	Adjust Employer Contribution Rate to SCERS	($1,615)	0.00
Total Adjustments		**($126,457)**	**(1.00)**
2012 Adopted Budget		**$3,092,949**	**6.00**

Community Awards Program Consolidation - $116,447 / 7.0 FTE. In response to a challenging fiscal environment and constrained resources, the Proposed Budget would have centralized administration of the City's community award programs within NMF to preserve funds available for award within the community, create efficiencies, and provide greater access to award programs by community members. To accomplish this, staff from DoIT and the Office of Housing and Economic Development were to be transferred to NMF in the Proposed Budget. DoIT was to transfer their Technology Fund Manager (1.0 FTE Strategic Advisor 1) and would have reimbursed NMF $75,949 towards the cost of the position, and OED was to transfer in 1.0 Community Development Specialist, Sr. and $113,210 to help administer their 'Only in Seattle' Initiative. SPU would have reimbursed NMF $48,893 to fund administration of their Waste Prevention and Recycling Grant program. These staffing transfers are affected by the Council changes described in the next section .

At the same time, an abrogation of 1.0 FTE Planning and Development Specialist II and a reduction in spending of various line items related to NMF program administration are made to achieve a savings of $121,605. In addition, in the 2012 Endorsed Budget, position authority for managing the NMF were recognized as part of DON's budget, rather than the NMF budget. This action aligns the positions with their budget. All of these positions will work in DON's Community Granting Division.

Streamline Management Oversight - ($58,856). NMF achieves budget savings through DON's elimination of a senior management position. Although the Executive 1 position in the Planning and Community Building Division is abrogated, the funding is split between DON (60%) and NMF (40%). This reduction represents NMF's 40% of the position cost. This position has historically provided

oversight for the NMF program, P-Patch Program, Neighborhood Planning, and the District Coordinator Programs. The workload will be shared among existing management staff and the Department Director will take on additional direct reports in these functional areas.

Technical Adjustments - ($147,370). Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in NMF's service delivery. Included within these adjustments is a total reduction of $68,155 for citywide technical adjustments reflecting changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. Departmental technical adjustments include adjusting the allocation of central costs between Budget Control Levels and between NMF and DON to align the budget for expenditures with actual spending patterns.

City Council Changes to the 2012 Proposed Budget

Reverse Centralization of Community Granting Administration - ($124,842) / (1.0) FTE. Funding was removed from the NMF budget for the proposed centralization of coordination and administration of the City's community grant award programs. As such, the transfer of the DoIT Technology Fund Manager (1.0 FTE Strategic Advisor 1) will not occur, and $75,949 is transferred back to DOIT for the cost of the position. Council did retain the OED position transfer of 1.0 Community Development Specialist Senior and $113,210. However, this position will no longer support OED in the administration of their 'Only in Seattle' Initiative. Instead, it will be directed to support existing NMF work. Funding from SPU in the amount of $48,893 to fund administration of their Waste Prevention and Recycling Grant program is returned to SPU.

Adjust Employer Contribution Rate to SCERS - ($1,615). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Matching Fund Budget Control Level					
Community Granting Division		865,714	743,597	768,782	709,546
Large Projects Fund		1,116,016	1,181,954	1,197,504	1,197,504
Small and Simple Projects Fund		1,104,662	1,308,425	1,327,878	1,170,878
Small Sparks Fund		57,622	14,784	15,020	15,020
Tree Fund		23,127	0	0	0
Neighborhood Matching Fund Budget Control Level	**2IN00**	**3,167,142**	**3,248,759**	**3,309,185**	**3,092,949**
Department Total		**3,167,142**	**3,248,759**	**3,309,185**	**3,092,949**
Department Full-time Equivalents Total*		**0.00**	**0.00**	**0.00**	**6.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Neighborhood Matching Subfund (00165)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	Operating Transfer In from Finance General	3,253,265	2,939,396	2,995,194	2,779,022
	Total General Subfund Support	**3,253,265**	**2,939,396**	**2,995,194**	**2,779,022**
Total Revenues		**3,253,265**	**2,939,396**	**2,995,194**	**2,779,022**
379100	Use of (Contribution To) Fund Balance	(86,123)	309,362	313,991	313,927
	Total Use of Fund Balance	**(86,123)**	**309,362**	**313,991**	**313,927**
Total Resources		**3,167,142**	**3,248,758**	**3,309,185**	**3,092,949**

Neighborhood Matching Subfund

Appropriations by Budget Control Level (BCL) and Program

Neighborhood Matching Fund Budget Control Level

The purpose of the Neighborhood Matching Fund Budget Control Level is to support local grassroots projects within neighborhoods and communities. The Neighborhood Matching Fund provides funding to match community contributions of volunteer labor, donated professional services and materials, or cash, to implement community-based self-help projects.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Granting Division	865,714	743,597	768,782	709,546
Large Projects Fund	1,116,016	1,181,954	1,197,504	1,197,504
Small and Simple Projects Fund	1,104,662	1,308,425	1,327,878	1,170,878
Small Sparks Fund	57,622	14,784	15,020	15,020
Tree Fund	23,127	0	0	0
Total	**3,167,142**	**3,248,759**	**3,309,185**	**3,092,949**
Full-time Equivalents Total *	0.00	0.00	0.00	6.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Community Granting Division

The purpose of the Community Granting Division is to administer the community grant awards by providing marketing and outreach to applicant groups; technical assistance and support to community groups for project development and implementation; administrative support coordinating and conducting the application review and award processes; and management and monitoring of funded projects to support high quality and successful completion of projects.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Granting Division	865,714	743,597	768,782	709,546
Full-time Equivalents Total	0.00	0.00	0.00	6.00

Large Projects Fund Program

The purpose of the Large Projects Fund is to provide funding to grassroots organizations initiating community building projects that require up to 12 months to complete and up to $100,000 in Neighborhood Matching Funds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Large Projects Fund	1,116,016	1,181,954	1,197,504	1,197,504

Appropriations by Budget Control Level (BCL) and Program

Small and Simple Projects Fund

The purpose of the Small and Simple Projects Fund is to provide funding for community building projects initiated by grassroots organizations that can be completed in 12 months or less and require up to $20,000 in funding.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Small and Simple Projects Fund	1,104,662	1,308,425	1,327,878	1,170,878

Small Sparks Fund

The purpose of the Small Sparks Fund is to provide one-time awards of up to $1,000 for small community building projects initiated by grassroots organizations. Awards are available to neighborhood organizations with annual operating budgets under $25,000.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Small Sparks Fund	57,622	14,784	15,020	15,020

Tree Fund

The purpose of the Tree Fund Program is to provide trees to neighborhood groups to plant along residential planting strips in exchange for ongoing care and maintenance. Increasing the number of street trees in the city is a central goal of the Urban Forest Management Plan, and supports climate protection.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Tree Fund	23,127	0	0	0

Fund Table

Neighborhood Matching Subfund (00165)

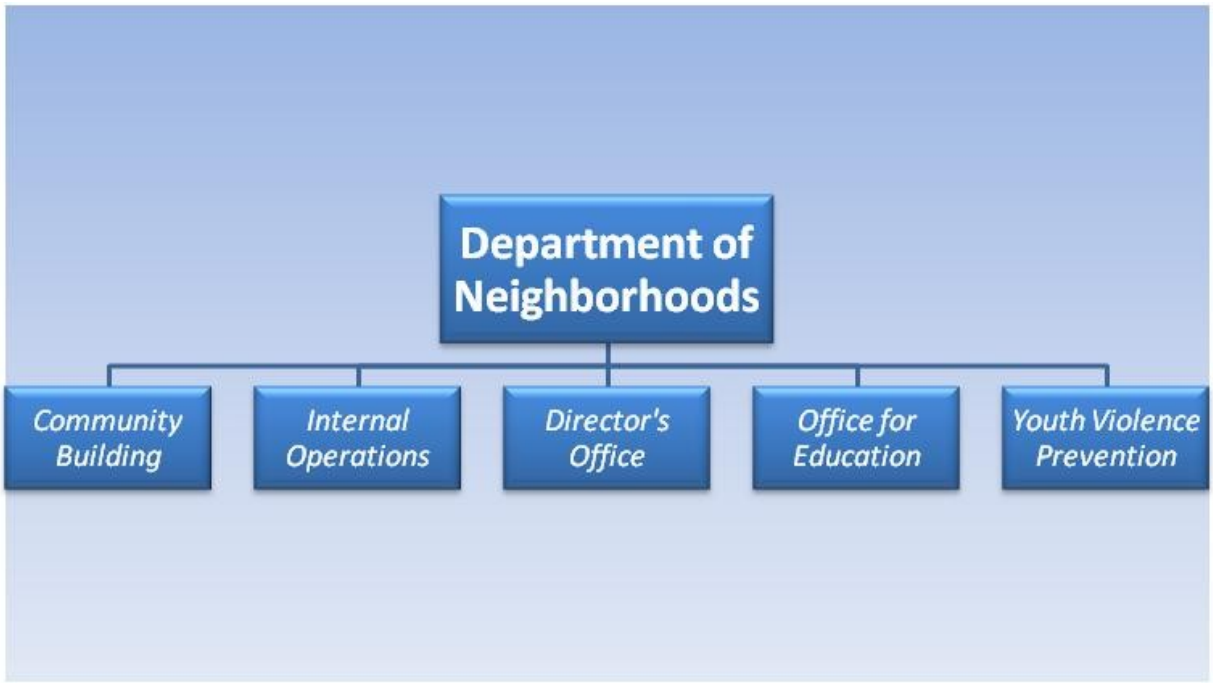
	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**4,197,919**	**3,859,570**	**4,284,042**	**3,550,207**	**4,085,475**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	3,253,265	2,939,396	2,851,396	2,995,194	2,779,022
Less: Actual and Budgeted Expenditures	3,167,142	3,248,759	3,049,963	3,309,185	3,092,949
Ending Fund Balance	**4,284,042**	**3,550,207**	**4,085,475**	**3,236,216**	**3,771,548**
Continuing Appropriations	3,976,000	3,236,218	3,661,000	3,129,985	3,660,000
Total Reserves	**3,976,000**	**3,236,218**	**3,661,000**	**3,129,985**	**3,660,000**
Ending Unreserved Fund Balance	**308,042**	**313,989**	**424,475**	**106,231**	**111,548**

Department of Neighborhoods

Bernie Matsuno, Director

Information Line: (206) 684-0464
http://www.seattle.gov/neighborhoods/

Department by Budget Control Level



Department Overview

The Department of Neighborhoods (DON) works to bring government closer to the residents of Seattle by engaging them in civic participation, helping them become empowered to make positive contributions to their communities, and involving more of Seattle's residents, including communities of color and immigrants, in civic discussions, processes, and opportunities.

As part of their mission, DON also manages the Neighborhood Matching Fund (NMF), which provides grant resources for Seattle's communities to preserve and enhance the City's diverse neighborhoods. The 2012 Adopted Budget realigns some of DON functions in an attempt to strengthen service delivery even in times of budget constraint. The 2012 Adopted Budget shifts the Neighborhood Payment and Information Service Centers (Neighborhood Service Centers) to the Office of Constituent Services (OCS) in the Department of Finance and Administrative Services (FAS). This follows the successful integration of the Customer Service Bureau within FAS in 2010 and aligns the administrative nature of the Neighborhood Service Centers (NSC) with FAS's core lines of business. The Neighborhood District Coordinator program will remain in DON and will continue to use the NSCs as their home-base.

Department of Neighborhoods

In addition, the 2012 Proposed Budget recommended the creation of a new Community Granting Division in DON. The Mayor's proposal was to use existing staff resources from throughout the City to create this new Division to become the central clearing house for the administration of the City's many community granting functions. This consolidation would have streamlined operations by creating a single entry point for community groups to explore opportunities for community granting support. In addition, the efficiencies and administrative overhead savings achieved by this operational change would have allowed the City to preserve – and in some cases even increase – the grant dollars going out the door. However, City Council did not support the implementation of this consolidation as proposed by the Mayor, and it was not included in the Adopted Budget.

DON has five lines of business:

1. The Director's Office provides executive leadership, communications, and operational support for the entire Department.

2. The Community Building Division delivers technical assistance, support services, and programs in neighborhoods to strengthen local communities, engage residents in neighborhood improvement, leverage resources and complete neighborhood-initiative projects. The programs that support this work include the P-Patch Community Gardens, Neighborhood District Coordinators, Major Institutions and Schools, South Park Action Agenda, Historic Preservation, and Neighborhood Planning.

   Also part of the Community Building Division is DON's Community Granting Division, housed in the Neighborhood Matching Subfund (NMF), which provides consultation and technical assistance to community groups seeking City grant awards, coordination of the grant application and award process, and monitoring of funded grant projects. These grant funds are budgeted separately in the NMF budget.

3. The Internal Operations Division provides financial, human resources, office management, and information technology services to Department employees so that they may serve customers efficiently and effectively.

4. The Office for Education (OFE) builds linkages between the City of Seattle and the Seattle Public School District. It administers the Families and Education Levy, provides policy direction to help children succeed in school, strengthens school-community connections, and increases access to high-quality programs that are achieving academic outcomes.

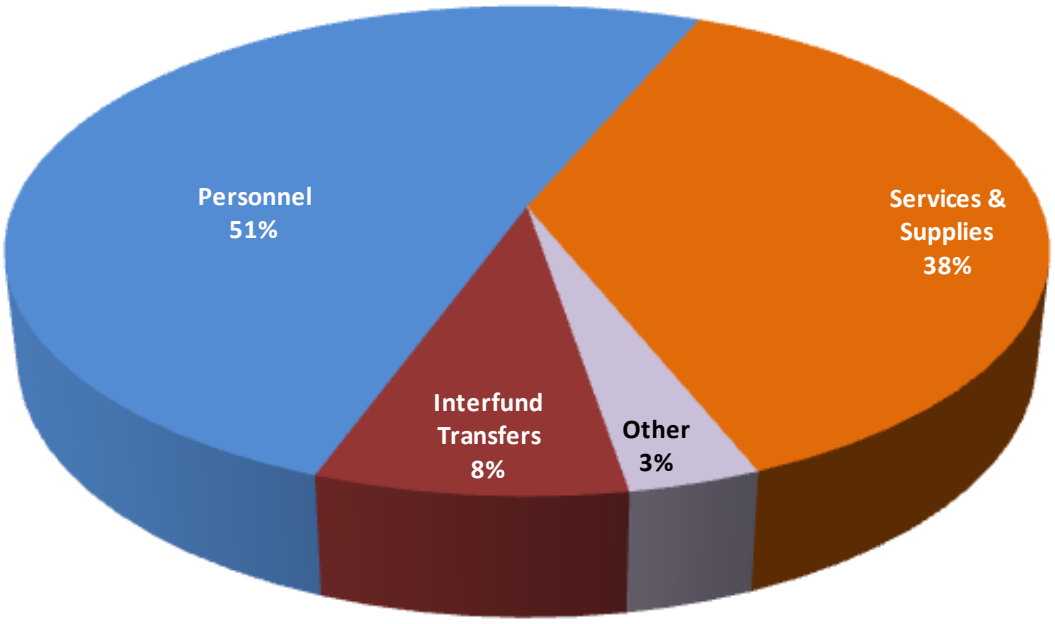
5. The Seattle Youth Violence Prevention Initiative (SYVPI) delivers on its mission to reduce juvenile violent crime through a variety of youth violence prevention programs administered by several departments citywide. These programs include active outreach, counseling, referrals to job training, and individual and group programming. The Office for Education oversees this initiative.

Budget Snapshot

Department of Neighborhoods	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$11,504,709	$10,166,989	$10,410,613	$8,464,055
Other Revenues	$0	$0	$0	$0
Total Revenues	**$11,504,709**	**$10,166,989**	**$10,410,613**	**$8,464,055**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$11,504,709**	**$10,166,989**	**$10,410,613**	**$8,464,055**
Total Expenditures	**$11,504,709**	**$10,166,989**	**$10,410,613**	**$8,464,055**
Full-Time Equivalent * Total	86.50	74.75	74.75	40.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The City continues to face General Subfund pressures in 2012 and beyond, requiring the City to re-evaluate the ways in which it is organized to deliver services. In 2011, the Mayor initiated a process to determine whether the City could achieve operational efficiencies while still preserving direct services by restructuring the City's organizational structures. This effort involved the following departments: Department of Neighborhoods, the Office of Arts and Cultural Affairs, the Office of Housing, the Office of Economic Development, and to a lesser extent, the Office of Sustainability and Environment and the Department of Planning and Development. Each of these departments plays a pivotal role in creating healthy and economically vibrant communities. The goals of this review process included preserving and potentially expanding direct funding, including community grant awards; streamlining service delivery; and improving operational and management efficiency. The process included participation by the directors of the individual offices, as well as the City Budget Office, the Mayor's Office, and input by the City Council.

The 2012 Adopted Budget includes the following changes: the transfer of the Neighborhood Payment & Information Service Center (NSC) operations to the Department of Finance and Administrative Services (FAS); streamlining the management structure within DON; and the transfer of the staffing for the South Park Action Agenda to the Office of Economic Development (OED). The 2012 Proposed Budget also recommended consolidating the administration of most of the City's community award programs under a new Community Granting Division housed within the Neighborhood Matching Fund (NMF) program; however, Council did not implement this program consolidation.

Community Granting Consolidation

DON, working in conjunction with other City departments, the Mayor's Office, and the City Council, spent much of 2011 exploring options for streamlining the City's community granting functions. The City offers five community granting award programs spread across five departments. These award programs distributed $6.1 million in community awards in 2011. But, the overhead costs for these programs could be very high, ranging from 13% to 57%. This was not acceptable to the Mayor, and he challenged DON and the City Budget Office to develop a plan to reduce these administrative overhead costs; preserve, and potentially increase, the grant dollars distributed to the community; and create a more customer-friendly, single-point-of-entry approach for community groups seeking financial support from the City.

The 2012 Proposed Budget recommended consolidating the administration of most of these community granting programs into a newly created Community Granting Division in DON. While program expertise and the award funding would have remained in the current 'home' departments, the consolidation would have merged administrative staff and resources from:

- Neighborhood Matching Fund (NMF) community granting program;
- Office of Housing and Economic Development's (HED) *Only in Seattle* grant program;
- Department of Information Technology (DoIT) Technology Matching Fund program; and
- Seattle Public Utility's (SPU) Waste Prevention and Recycling grant program.

The consolidation would have allowed the City to realize over $366,000 in administrative savings, with DON eliminating one position and saving approximately $122,000, while preserving – and in some cases increasing – the amount of grant dollars available to the public.

However, City Council did not support the merger of these administrative functions as proposed by the Mayor and returned that responsibility back to the departments identified above. Although no formal consolidation will occur, the Council noted that their action does not preclude departments from coordinating future grant activities and identifying administrative efficiencies. In addition, the City Auditor has agreed to work with these departments in 2012 to identify best practices and assess the extent to which it is appropriate and desirable for departments to adopt consistent practices and forms regarding applications, contracts, reporting requirements, reimbursement rules, etc.

DON will continue to look to form functional partnerships with the other City granting units to enable enhanced collaboration and to identify additional improvements that may be possible to the City's grant making processes. This includes working closely with the programs previously identified for consolidation, as well as the Office of Arts and Cultural Affairs and the Seattle Youth Violence Prevention Initiative program. While these granting functions will not be consolidated in 2012, sufficient nexus exists between the programs to warrant focused collaboration in the near term, while the potential for additional integration can be explored in the future. A further discussion of the grant consolidation plans can be found in the NMF section of the budget book.

Neighborhood Payment and Information Service Centers Transfer

In 2011, the Department consolidated the West Seattle Neighborhood Payment and Information Service Center (NSC) into the Delridge NSC to achieve budget savings. The 2012 Adopted Budget co-locates the Delridge NSC within the Southwest Community Center. By using an existing City-owned facility, the Southwest Community Center, instead of relying on leased space, the City can continue providing the important services offered by the NSC, but at a lower cost. These changes provide the City with $113,000 in staffing savings in 2012 and approximately an additional $30,000 in savings in 2013. And, the assistance and support that our Neighborhood Service Center provides to West Seattle residents will remain intact at this new location.

In addition, in an effort to align customer service and bill paying functions within one department, this budget also transfers the entire Neighborhood Payment and Information Service Center function from DON to the Office of Constituent Services in the Department of Finance and Administrative Services (FAS). This follows the successful integration of the Customer Service Bureau into FAS in 2010 and allows FAS to continue to offer a streamlined point of contact for the public in terms of accessing City services. The Neighborhood District Coordinators, which will functionally remain as part of the DON budget, will continue to use the Centers as office space for their work in the community under this new operational structure.

Organizational Staffing Changes

Given the challenging financial circumstances of the City's General Subfund, the Department reviewed all programs to find organizational efficiencies that also allow for budget reductions while at the same time preserving direct services. DON's budget achieves savings by significantly changing the management structure through the abrogation of two Executive level manager positions. The Deputy position

was previously in charge of internal operations, including finance/accounting, human resources/ personnel, information technology, and the Neighborhood Payment & Information Service Center program, while the Director of Planning and Community Building position had historically provided oversight for the NMF program, P-Patch Program, Neighborhood Planning, and the District Coordinator Programs. With these staffing changes, a new management model will shift the workload among the remaining management staff and all management staff will directly report to the Department Director. These changes streamline the management structure, reduce the budget, and still maintain DON's core programs.

Changes that largely maintain direct service programs without full elimination of positions were also executed when possible. As such, the Historic Preservation program staffing levels are incrementally reduced. The 2012 Proposed Budget also recommended slightly reducing staffing for the P-Patch program; however, Council restored funding for this program. Beyond the NSC program transfer, another example of operational change and program alignment comes with the transfer of the staffing of the South Park Action Agenda from DON to OED. Though this change does not produce budget savings, it enhances alignment with the existing work of OED. The Action Agenda is a community-driven partnership between the City and the South Park neighborhood to comprehensively improve the quality of life through neighborhood infrastructure, business development, and public safety enhancements. At this time, about 80% of the improvements identified in the Action Agenda are either underway or completed. With the closure of the South Park Bridge there is a heightened need for focused economic development which will be supported by the position transfer.

Incremental Budget Changes

Department of Neighborhoods

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$10,410,613**	**74.75**
2012 Proposed Changes			
	Management Efficiency Reductions	($144,285)	(2.00)
	Program Efficiency Reductions	($197,199)	(1.50)
	Neighborhood Service Center Operational Efficiencies	($113,000)	(1.00)
	Neighborhood Service Center Transfer to FAS	($1,802,883)	(17.50)
	SYVPI Staffing Change	$95,000	1.00
	Technical Adjustments	$174,577	(13.50)
Total Changes		**($1,987,790)**	**(34.50)**
2012 Proposed Budget		**$8,422,823**	**40.25**
Council Adjustments to Proposed Budget			
	Restore P-Patch Community Garden Program Reductions	$49,000	0.25
	Adjust Employer Contribution Rate to SCERS	($7,768)	0.00
Total Adjustments		**$41,232**	**0.25**
2012 Adopted Budget		**$8,464,055**	**40.50**

Management Efficiency Reductions - ($144,285) / (2.0) FTE. As part of the 2011 Adopted Budget process, DON was directed to identify management efficiencies for implementation in 2012. In response, DON is eliminating two senior management positions, the Deputy Director and the Director of Planning and Community Building. A $100,000 budget reduction for management was already built into the 2012 Endorsed Budget, so the incremental change over this amount is $144,285. The Deputy Director position funding was fully included within DON's budget. However, funding for Director of Planning and Community was split between DON (60%) and NMF (40%). The savings shown here reflect DON's 60% share of the position cost.

Program Efficiency Reductions - ($197,199) / (1.5) FTE. In response to a challenging fiscal environment and constrained resources, this budget proposes to strategically reduce staffing resources in such a way that core programs are sustained. The reductions proposed include the abrogation of a vacant 1.0 FTE Neighborhood District Coordinator and the reduction of a 1.0 FTE Community Development Specialist, Senior to 0.75 FTE within the Landmarks Preservation Board. To accommodate these staffing reductions, program managers are reassigning workloads and staff must prioritize and triage work that most affects the public. In addition, reductions to various non-personnel line items are made in order to increase savings. The Proposed Budget also included the reduction of a 1.0 FTE Garden Coordinator to 0.75 FTE within the P-Patch Community Garden program. Remaining P-Patch

staff would have reduced their work hours in the summer months, when the work load is slowest. The Council restored funding for the P-Patch staff (this change is included in the Council Changes section below).

Neighborhood Service Center Operational Efficiencies - ($113,000) / (1.0) FTE. As part of mid-year budget challenges in 2011, DON consolidated the West Seattle and Delridge Neighborhood Service Centers in 2011 and eliminated two 0.5 FTE Customer Service Representatives. In 2012, these staffing reductions are implemented and further efficiencies are made by relocating the Delridge NSC to City-owned space in the Southwest Community Center. These changes provide the City with $113,000 in savings in 2012 and additional $30,000 in savings in 2013.

Neighborhood Service Center Transfer to FAS - ($1,802,883) / (17.5) FTE. To better align similar City services within the same department, the entire Neighborhood Service Center program is transferred to the Department of Finance and Administrative Services. This transfer will allow for centralized customer service delivery within FAS and will create a single point of contact for the public within the Office of Constituent Services.

SYVPI Staffing Change - $95,000 / 1.0 FTE. Office for Education (OFE) staff has been providing administrative assistance to Seattle Youth Violence Prevention Initiative (SYVPI) since its inception in 2009. With the passage of the 2011 Families & Education Levy in November 2011, Levy funding increases significantly from the 2004 Levy and existing OFE Levy staff no longer have the administrative capacity to support SYVPI. This 1.0 FTE Administrative Staff Assistant position will support the SVYPI Director by preparing and managing approximately 18 annual contracts and providing administrative support with meeting scheduling, preparing for SYVPI public events, updating Web pages, working on the annual community matching award selection and award processes, and other items. Providing this necessary ongoing administrative support will enable the SYVPI Director to directly focus on managing and implementing SYVPI programs.

Technical Changes - $174,577 / (13.5) FTE. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes to the department's service delivery. Departmental technical adjustments include adjusting the allocation of central costs between Budget Control Levels and between NMF and OFE to align the budget for expenditures with actual spending patterns. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. In addition, previously, the positions funded by the current Educational and Developmental Services Levy (Families and Education Levy) and the Neighborhood Matching Subfund resided within separate Department of Neighborhoods Budget Control Levels. To align the staff with the budget, a transfer of all the positions within these departments is being made to improve internal oversight. This budget shows a transfer of 5.0 FTE to the Neighborhood Matching Subfund and 6.5 FTE to the Educational and Developmental Services Levy. This budget also includes a transfer of 1.0 FTE to HED to staff the South Park Action Agenda and reflects the position authority reduction of a vacant 1.0 FTE in the NMF Program, which is detailed in the NMF budget chapter. Similarly, a transfer of $157,000 from NMF and into DON is being made to reflect the alignment of funding for the Seattle Youth Violence Prevention Initiative (SYVPI) grant awards. This change in budgeting was first implemented in the 2011 First Quarter Supplemental ordinance.

City Council Changes to the 2012 Proposed Budget

Restore P-Patch Community Garden Program Reductions - $49,000 / 0.25 FTE. City Council restores $19,000 and FTE authority for the reduction of 0.25 FTE back to a 1.0 FTE Garden Coordinator, restores $18,000 to allow for full staffing of the program year-round, rather than reducing staffing during the summertime, and restores $12,000 funding for non-personnel costs within the P-Patch Community Garden program.

Adjust Employer Contribution Rate to SCERS - ($7,767). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

Reverse Centralization of Community Granting Administration. City Council did not include the changes proposed by the Mayor for the centralization of the City's Community Granting Program Administration. The position and funding changes may be reviewed under the Neighborhood Matching Subfund budget book pages. While the Council did not adopt this program change, they did sustain the staffing transfer from OED to NMF as it was proposed; however, this position will no longer support OED's 'Only In Seattle' Initiative, rather it will focus on supporting NMF grant program administration and implementation.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Building Budget Control Level					
Major Institutions and Schools		203,238	198,822	208,624	207,001
Neighborhood District Coordinators		2,289,670	1,334,875	1,408,909	1,213,049
Neighborhood Matching Fund Administration		0	0	0	0
Neighborhood Planning		0	244,001	250,578	252,311
P-Patch Community Gardens		641,638	650,752	686,591	669,071
South Park Action Agenda		0	141,186	144,944	50,747
Community Building Budget Control Level	**I3300**	**3,134,546**	**2,569,636**	**2,699,647**	**2,392,178**
Customer Service Bureau Budget Control Level	**I3800**	**562,259**	**0**	**0**	**0**
Director's Office Budget Control Level					
Communications		141,291	139,550	142,453	151,572
Executive Leadership		298,203	215,697	201,346	297,809
Historic Preservation		833,462	742,403	777,203	742,611
Director's Office Budget Control Level	**I3100**	**1,272,956**	**1,097,650**	**1,121,003**	**1,191,992**
Internal Operations Budget Control Level					
Internal Operations/Administrative Services		1,485,771	1,499,384	1,507,388	1,503,807
Neighborhood Payment and Information Services		1,753,477	1,895,363	1,960,579	0
Internal Operations Budget Control Level	**I3200**	**3,239,248**	**3,394,747**	**3,467,967**	**1,503,807**
Youth Violence Prevention Budget Control Level	**I4100**	**3,295,699**	**3,104,955**	**3,121,996**	**3,376,079**
Department Total		**11,504,709**	**10,166,989**	**10,410,613**	**8,464,055**
Department Full-time Equivalents Total*		**80.00**	**68.25**	**68.25**	**40.50**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Community Building Budget Control Level

The purpose of the Community Building Budget Control Level is to deliver technical assistance, support services, and programs in neighborhoods to strengthen local communities, engage residents in neighborhood improvement, leverage resources, and complete neighborhood-initiated projects.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Major Institutions and Schools	203,238	198,822	208,624	207,001
Neighborhood District Coordinators	2,289,670	1,334,875	1,408,909	1,213,049
Neighborhood Matching Fund Administration	0	0	0	0
Neighborhood Planning	0	244,001	250,578	252,311
P-Patch Community Gardens	641,638	650,752	686,591	669,071
South Park Action Agenda	0	141,186	144,944	50,747
Total	**3,134,546**	**2,569,636**	**2,699,647**	**2,392,178**
Full-time Equivalents Total *	35.00	29.50	29.50	21.50

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Major Institutions and Schools

The purpose of the Major Institutions and Schools Program is to coordinate community involvement in the development, adoption, and implementation of Major Institution Master Plans, and to facilitate community involvement in school re-use and development.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Major Institutions and Schools	203,238	198,822	208,624	207,001
Full-time Equivalents Total	1.50	1.50	1.50	1.50

Neighborhood District Coordinators

The purpose of the Neighborhood District Coordinators Program is to provide a range of technical assistance and support services for residents and neighborhood groups to develop a sense of partnership among neighborhood residents, businesses, and City government.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood District Coordinators	2,289,670	1,334,875	1,408,909	1,213,049
Full-time Equivalents Total	19.50	12.50	12.50	11.50

Appropriations by Budget Control Level (BCL) and Program

Neighborhood Matching Fund Administration Program

The purpose of the Neighborhood Matching Fund (NMF) Administration Program is to manage the NMF, work with other City departments and agencies involved in NMF projects, and support diverse neighborhood groups engaged in local improvement efforts to leverage private resources, assist neighborhood organizations to become more self-reliant, build effective partnerships between City government and neighborhoods, and complete neighborhood-initiated improvements. Costs for NMF administration are included in the NMF budget, although position authority is displayed here for Department of Neighborhoods' staff who administer the NMF program.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Matching Fund Administration	0	0	0	0
Full-time Equivalents Total	7.00	6.00	6.00	0.00

Neighborhood Planning Program

The purpose of the Neighborhood Planning Program is to lead the inclusive outreach and engagement activities of Neighborhood Planning efforts across the city by working with communities to revise Neighborhood Plans to reflect changes and opportunities presented by new development and major transportation investments, including Light Rail.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Planning	0	244,001	250,578	252,311
Full-time Equivalents Total	0.00	1.50	1.50	1.50

P-Patch Community Gardens Program

The purpose of the P-Patch Community Gardens Program is to provide community gardens, gardening space, and related support to Seattle residents while preserving open space for productive purposes, particularly in high-density communities. The goals of the program are to increase self-reliance among gardeners, and for P-Patch Community Gardens to be focal points for community involvement.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
P-Patch Community Gardens	641,638	650,752	686,591	669,071
Full-time Equivalents Total	7.00	7.00	7.00	7.00

Appropriations by Budget Control Level (BCL) and Program

South Park Action Agenda Program

Prior to the development of the 2012 Budget, the purpose of the South Park Action Agenda Program was to manage the City's community-driven partnership with the South Park neighborhood to achieve targeted environmental, public safety, transportation, economic development, and youth and family service improvements. The function of overseeing the implementation of the Action Agenda is transferred from DON to the Office of Economic Development so that this program's purpose changes to solely support the operation of the South Park Information and Referral Service Center (SPIARC).

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
South Park Action Agenda	0	141,186	144,944	50,747
Full-time Equivalents Total	0.00	1.00	1.00	0.00

Customer Service Bureau Budget Control Level

The purpose of the Customer Service Bureau is to assist Seattle residents in accessing services, to resolve complaints, and to provide appropriate and timely responses from City government.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Service Bureau	562,259	0	0	0
Full-time Equivalents Total*	6.25	0.00	0.00	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Director's Office Budget Control Level

The purpose of the Director's Office Budget Control Level is to provide executive leadership, communications, and operational support for the entire department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications	141,291	139,550	142,453	151,572
Executive Leadership	298,203	215,697	201,346	297,809
Historic Preservation	833,462	742,403	777,203	742,611
Total	**1,272,956**	**1,097,650**	**1,121,003**	**1,191,992**
Full-time Equivalents Total *	10.25	10.25	10.25	10.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Communications Program

The purpose of the Communications Program is to provide printed and electronic information on programs and services offered by the Department, as well as to publicize other opportunities to increase civic participation.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications	141,291	139,550	142,453	151,572
Full-time Equivalents Total	1.00	1.00	1.00	1.00

Executive Leadership Program

The purpose of the Executive Leadership Program is to provide leadership in fulfilling the Department's mission, and to facilitate the Department's communication and interaction with other City departments, external agencies, elected officials, and the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Executive Leadership	298,203	215,697	201,346	297,809
Full-time Equivalents Total	2.00	2.00	2.00	2.00

Historic Preservation Program

The purpose of the Historic Preservation Program is to provide technical assistance, outreach, and education to the general public, owners of historic properties, government agencies, and elected officials to identify, protect, rehabilitate, and re-use historic properties.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Historic Preservation	833,462	742,403	777,203	742,611
Full-time Equivalents Total	7.25	7.25	7.25	7.00

Appropriations by Budget Control Level (BCL) and Program

Internal Operations Budget Control Level

The purpose of the Internal Operations Budget Control Level is to provide financial, human resources, facilities, office management, and information technology services to the Department's employees to serve customers efficiently and effectively.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Internal Operations/Administrative Services	1,485,771	1,499,384	1,507,388	1,503,807
Neighborhood Payment and Information Services	1,753,477	1,895,363	1,960,579	0
Total	**3,239,248**	**3,394,747**	**3,467,967**	**1,503,807**
Full-time Equivalents Total *	27.50	27.50	27.50	7.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Internal Operations/Administrative Services Program

The purpose of the Internal Operations/Administrative Services Program is to manage financial, human resources, facility, administrative, and information technology services to enable Department employees to serve customers efficiently and effectively.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Internal Operations/Administrative Services	1,485,771	1,499,384	1,507,388	1,503,807
Full-time Equivalents Total	10.00	10.00	10.00	7.00

Neighborhood Payment and Information Services Program

The purpose of the Neighborhood Payment and Information Services Program is to accept payment for public services and to provide information and referral services so that customers can access City services where they live and work, and do business with the City more easily.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Payment and Information Services	1,753,477	1,895,363	1,960,579	0
Full-time Equivalents Total	17.50	17.50	17.50	0.00

Appropriations by Budget Control Level (BCL) and Program

Youth Violence Prevention Budget Control Level

The purpose of the Youth Violence Prevention Budget Control Level is to reduce juvenile violent crimes.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Youth Violence Prevention	3,295,699	3,104,955	3,121,996	3,376,079
Full-time Equivalents Total*	1.00	1.00	1.00	2.00

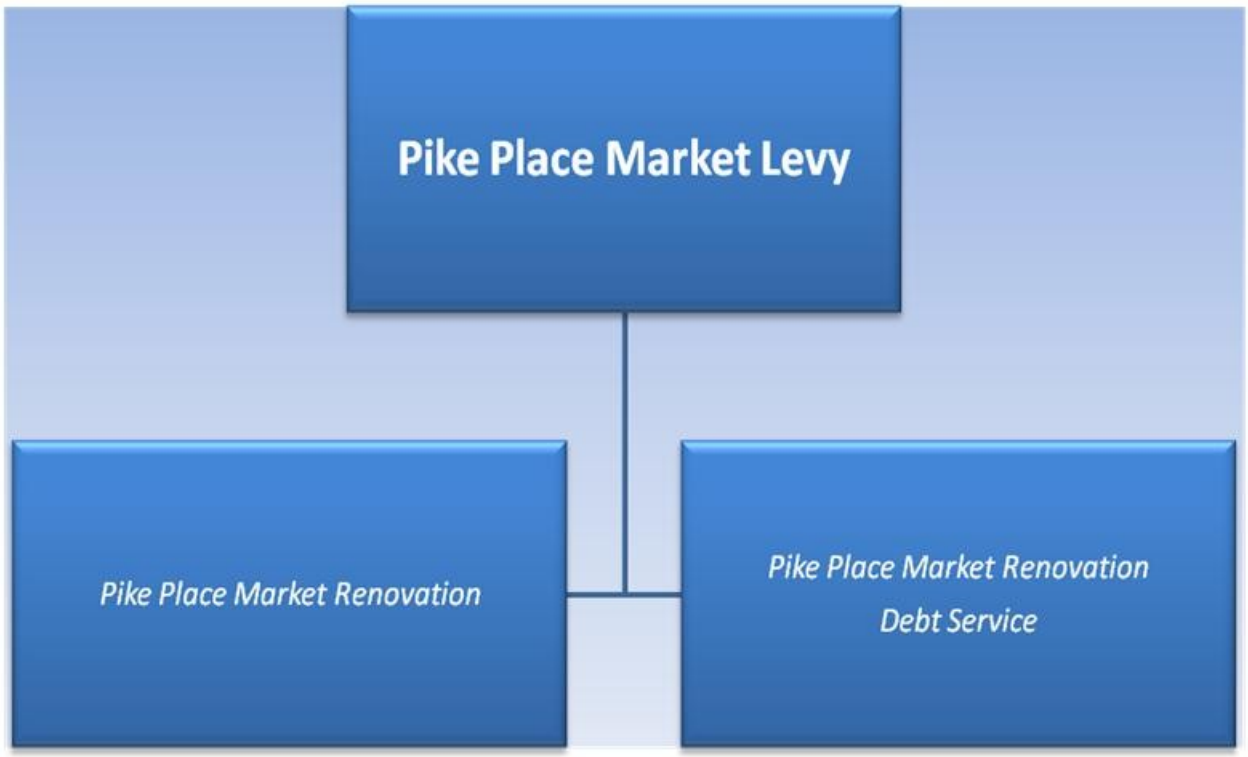
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Pike Place Market Levy

Ben Franz-Knight, Executive Director

Pike Place Market Preservation and Developmental Authority
PDA Information Line: (206) 682-7453
http://www.pikeplacemarket.org/

Pike Place Market Levy by Budget Control Level



Pike Place Market Levy by Budget Control Level

The Pike Place Market Levy, approved by voters in November 2008, collects up to $73 million in additional property taxes over six years for major repairs, infrastructure, and accessibility upgrades to buildings owned by the Pike Place Market Preservation and Development Authority (PDA). The PDA is a nonprofit, public corporation chartered by the City of Seattle. As part of its mission, the PDA is required to preserve, rehabilitate, and protect the Market's buildings.

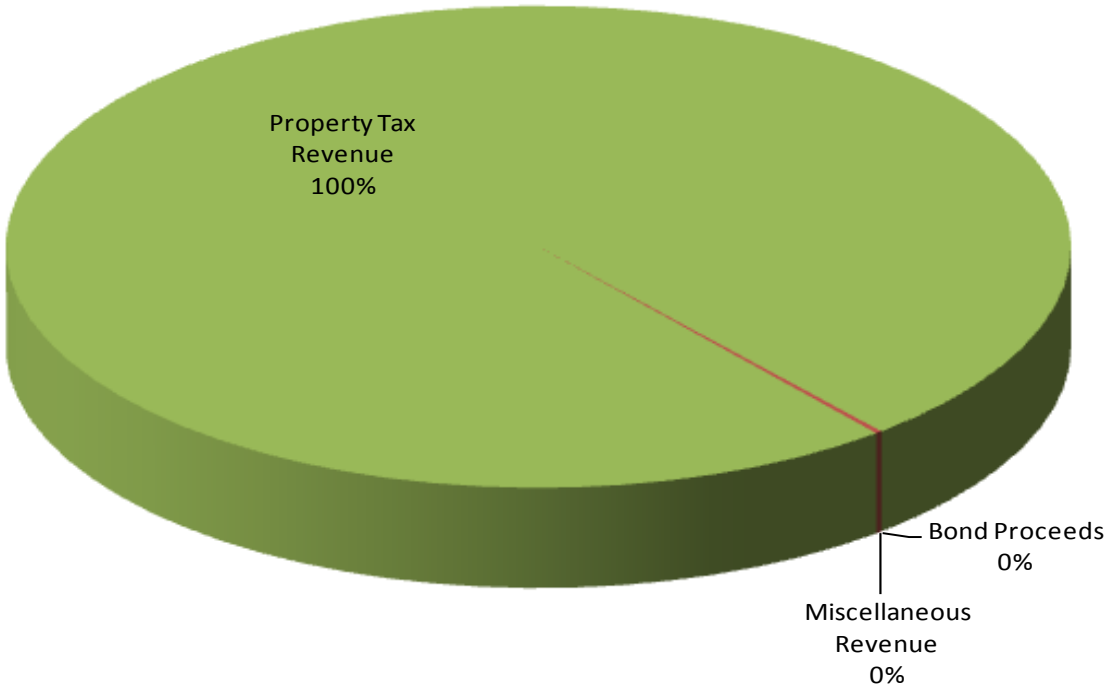
The PDA manages the renovation project. The City receives levy proceeds in the Pike Place Market Renovation Fund established through Ordinance 122737 and provides cash to finance the project according to the PDA's construction schedule, including issuing limited-tax general obligation bonds to meet cash flow needs. The City collects $12.5 million per year in levy proceeds through 2013, and up to $10.5 million in 2014.

Pike Place Market Levy

Budget Snapshot

Pike Place Market Levy	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$17,180,148	$23,174,691	$16,877,000	$12,476,000
Total Revenues	**$17,180,148**	**$23,174,691**	**$16,877,000**	**$12,476,000**
Use of (Contribution to) Fund Balance	$9,211,727	($2,514,260)	($12,721,436)	($8,374,250)
Total Resources	**$26,391,875**	**$20,660,431**	**$4,155,564**	**$4,101,750**
Total Expenditures	**$26,391,877**	**$20,660,431**	**$4,155,564**	**$4,101,750**

2012 Adopted Budget - Revenues By Category



Budget Overview

The Pike Place Market Preservation and Development Authority (PDA) has spent approximately $50.5 million of the $68.6 million of levy funds allocated to the renovation. The project is 74% complete and is within budget and on schedule. The renovation has meant new jobs, employing an estimated 250 workers annually in a variety of trades and industries.

The City issued $11 million of debt in 2011 to meet the project's cash flow needs with no additional bonds to be issued for this project. Debt service on these bonds is paid from levy proceeds. Levy funds will continue to be collected through 2014.

The PDA completed Phase I of the Levy renovation project, which included infrastructure upgrades to the Hillclimb, Leland, and Fairly buildings in June 2010. The PDA substantially completed construction on Phase II, which included major infrastructure repairs and seismic updates to the Corner, Sanitary, Triangle, and First and Pine buildings in July 2011. For 2012, construction on Phase III, which includes renovations to the Economy, Soames Dunn, and Steward buildings, began in August 2011 and will be completed by October 2012.

Incremental Budget Changes

Pike Place Market Levy

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$4,155,564	0.0
2012 Proposed Changes			
	Technical Adjustments	($53,814)	0.0
Total Changes		**($53,814)**	**0.0**
2012 Proposed Budget		**$4,101,750**	**0.0**
Council Adjustments to Proposed Budget		**$0**	**0.0**
2012 Adopted Budget		**$4,101,750**	**0.0**

Technical Adjustments - ($53,814). Technical adjustments in the 2012 Adopted Budget reduce the appropriation for debt service in 2012 due to the City using its cash pool, rather than borrowing externally, to meet the PDA's cash flow needs to complete Phase III of the Pike Place Market Renovation project.

City Council Changes to the 2012 Proposed Budget

The City Council did not make any changes to the 2012 Proposed Budget for the Pike Place Market Levy.

City Council Proviso

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pike Place Market Renovation Budget Control Level					
Bond Proceeds		5,299,513	10,681,691	0	0
Levy Proceeds		18,525,677	6,086,309	0	0
Pike Place Market Renovation Budget Control Level	**PKLVYBC L-01**	**23,825,190**	**16,768,000**	**0**	**0**
Pike Place Market Renovation Debt Service Budget Control Level	**PKLVYBC L-02**	**2,566,687**	**3,892,431**	**4,155,564**	**4,101,750**
Department Total		**26,391,877**	**20,660,431**	**4,155,564**	**4,101,750**

Revenue Overview

2012 Estimated Revenues for the Pike Place Levy (11010)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587355	Pike Place Market Renovation Bond Funds	4,799,596	10,681,691	4,369,000	0
	Total Bond Proceeds	**4,799,596**	**10,681,691**	**4,369,000**	**0**
461110	Inv Earnings - Residual Cash	43,242	(7,000)	8,000	(24,000)
461320	Unreald Gns/Losses-Inv GASB 31	(33,903)	0	0	0
	Total Miscellaneous Revenue	**9,339**	**(7,000)**	**8,000**	**(24,000)**
411100	Real & Personal Property Taxes	12,371,213	12,500,000	12,500,000	12,500,000
	Total Property Tax Revenue	**12,371,213**	**12,500,000**	**12,500,000**	**12,500,000**
	Total Revenues	**17,180,148**	**23,174,691**	**16,877,000**	**12,476,000**
379100	Use of (Contribution To) Fund Balance	9,211,727	(2,514,260)	(12,721,436)	(8,374,250)
	Total Use of Fund Balance	**9,211,727**	**(2,514,260)**	**(12,721,436)**	**(8,374,250)**
	Total Resources	**26,391,875**	**20,660,431**	**4,155,564**	**4,101,750**

Appropriations by Budget Control Level (BCL) and Program

Pike Place Market Renovation Budget Control Level

The purpose of the Pike Place Market Renovation Budget Control Level is to provide appropriation authority for the City's disbursement of funds to the Pike Place Market Preservation and Development Authority (PDA) in compliance with the "Agreement regarding Levy Proceeds by and between the City of Seattle and the Pike Place Market Preservation and Development Authority" related to renovation and improvements to the Pike Place Market.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bond Proceeds	5,299,513	10,681,691	0	0
Levy Proceeds	18,525,677	6,086,309	0	0
Total	**23,825,190**	**16,768,000**	**0**	**0**

Bond Proceeds Program

The purpose of the Bond Proceeds Program is to allow spending of bond proceeds and bond interest earnings to be tracked separately from spending of other revenues in the Pike Place Market Renovation Fund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bond Proceeds	5,299,513	10,681,691	0	0

Levy Proceeds Program

The purpose of the Levy Proceeds Program is to allow spending of levy proceeds and levy interest earnings to be tracked separately from bond proceeds in the Pike Place Market Renovation Fund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Levy Proceeds	18,525,677	6,086,309	0	0

Pike Place Market Renovation Debt Service Budget Control Level

The purpose of the Pike Place Market Renovation Debt Service Budget Control Level is to provide appropriation authority for the City's payment of debt service for debt issued in support of the Pike Place Market Renovation funded by levy proceeds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pike Place Market Renovation Debt Service Program	2,566,687	3,892,431	4,155,564	4,101,750

Fund Table

Pike Place Levy (11010)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**7,198,388**	**(12,977,026)**	**(2,013,514)**	**(10,462,766)**	**500,746**
Accounting and Technical Adjustments	(173)	0	0	0	0
Plus: Actual and Estimated Revenue	17,180,148	23,174,691	23,174,691	16,877,000	12,476,000
Less: Actual and Budgeted Expenditures	26,391,877	20,660,431	20,660,431	4,155,564	4,101,750
Ending Fund Balance	**(2,013,514)**	**(10,462,766)**	**500,746**	**2,258,670**	**8,874,996**
Reserve for Pike Place Market Renovations	0	0	0	0	8,874,996
Total Reserves	**0**	**0**	**0**	**0**	**8,874,996**
Ending Unreserved Fund Balance	**(2,013,514)**	**(10,462,766)**	**500,746**	**2,258,670**	**0**

Department of Planning and Development

Diane Sugimura, Director

Information Line: (206) 684-8600
http://www.seattle.gov/dpd

Department by Budget Control Level

Department Overview

The Department of Planning and Development (DPD) is responsible for both regulatory and long-range planning functions. On the regulatory side, DPD is responsible for developing policies and codes related to public safety, environmental protection, land use, construction, and rental housing, including:

- Environmentally Critical Areas Ordinance (ECA);
- Housing and Building Maintenance Code;
- Just Cause Eviction Ordinance;
- Seattle Building and Residential Codes;
- Seattle Condominium and Cooperative Conversion Ordinances;
- Seattle Electrical Code;
- Seattle Energy Code;

- Seattle Grading Code;
- Seattle Land Use Code;
- Seattle Mechanical Code;
- Seattle Noise Ordinance;
- Seattle Shoreline Master Program;
- Seattle Tenant Relocation Assistance Ordinance;
- Seattle Tree Protection Ordinance;
- State Environmental Policy Act (SEPA); and
- Stormwater Code.

DPD reviews land use and construction-related permits, annually approving more than 29,000 permits and performing approximately 106,000 on-site inspections. The work includes public notice and involvement for Master Use Permits (MUPs); shoreline review; design review; approval of permits for construction, mechanical systems, site development, elevators, electrical installation, boilers, furnaces, refrigeration, signs and billboards; annual inspections of boilers and elevators; and home seismic retrofits.

DPD enforces compliance with community standards for housing, zoning, shorelines, tenant relocation assistance, just cause eviction, vacant buildings, noise, and development-related violation complaints, responding to nearly 7,300 complaints annually.

Long-range physical planning functions are also included in DPD's mission. These planning functions include monitoring and updating the City's Comprehensive Plan, evaluating regional growth management policy, updating the City's Land Use Code, developing sub-area and functional plans, implementing the Comprehensive Plan and neighborhood plans, fostering urban design excellence throughout the city and particularly in Seattle's public spaces, encouraging sustainable development via the City Green Building Team, and staffing the Planning and Design Commissions.

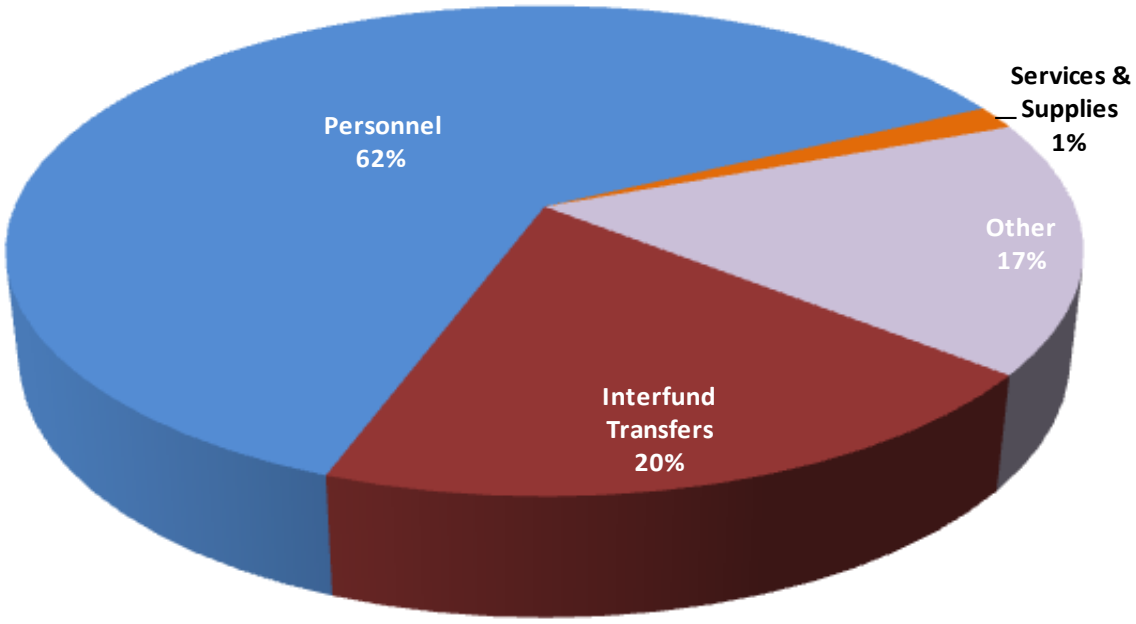
DPD services are funded by a variety of fees and from General Subfund resources. DPD must demonstrate that its fees are set to recover no more than the cost of related services. To provide this accountability, DPD uses cost accounting to measure the full cost of its programs. Each program is allocated a share of departmental administration and other overhead costs to report the full cost and calculate the revenue requirements of the program.

Budget Snapshot

Department of Planning & Development	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$9,727,579	$9,120,445	$9,300,870	$9,195,693
Other Revenues	$31,279,789	$40,426,307	$42,182,704	$42,549,463
Total Revenues	**$41,007,368**	**$49,546,752**	**$51,483,574**	**$51,745,156**
Use of (Contribution to) Fund Balance	$6,817,738	$730,688	($437,385)	($652,234)
Total Resources	**$47,825,106**	**$50,277,440**	**$51,046,189**	**$51,092,922**
Total Expenditures	**$47,825,106**	**$50,277,443**	**$51,046,192**	**$51,092,922**
Full-Time Equivalent * Total	409.00	398.01	398.01	393.26

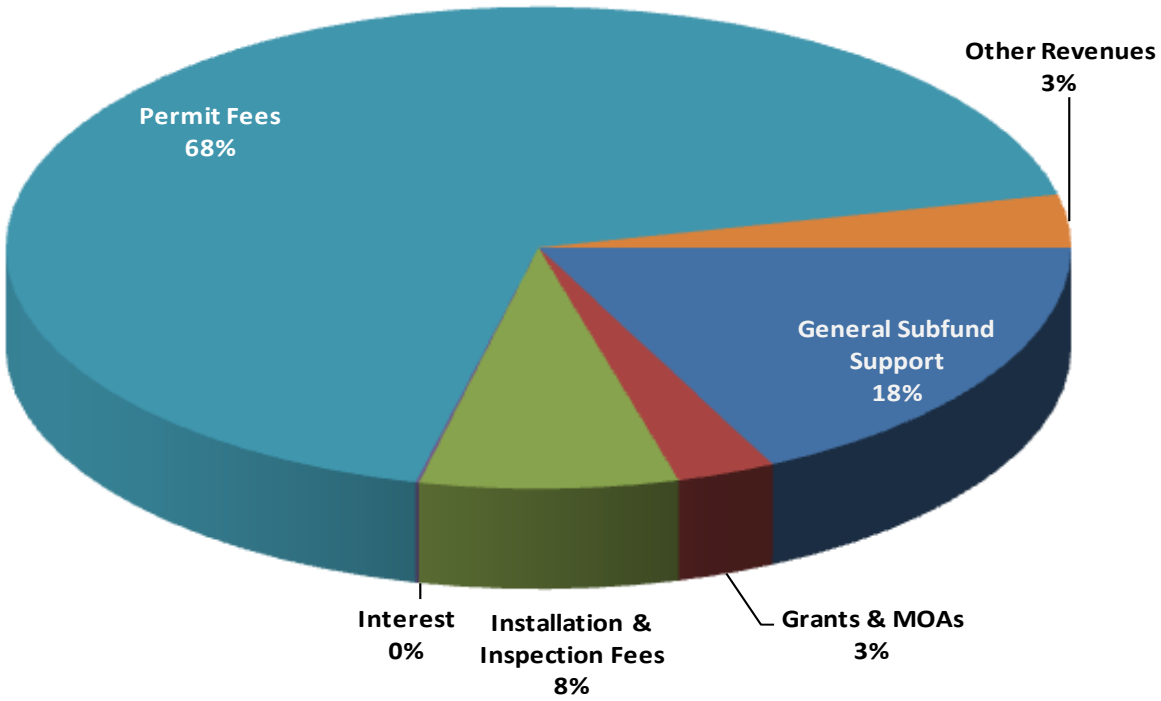
**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Department of Planning and Development

2012 Adopted Budget - Revenues By Category



Budget Overview

The Department of Planning and Development (DPD) is supported by a variety of construction and compliance-related fees, and from General Subfund resources. The recession, both regionally and nationally, has had a significant impact on construction-related activity, which is the Department's primary revenue source. As a result, DPD has implemented significant budget reductions over the past several years to bring expenses in line with revenues. For example, the 2011 Adopted Budget responded to the slowing in regional construction activity and reduced expenditures by eliminating discretionary costs, and abrogating or unfunding 39 regular positions and nearly all term-limited and contingent positions that were added to address peak construction volumes in prior years.

In developing the 2012 Adopted Budget, DPD continued to realign spending with anticipated levels of development fee revenues. In doing so, DPD was able to implement a number of strategic staff reallocations and administrative reductions that will have a minimal impact on direct services.

General Fund budget pressures in 2012 and future years also require that DPD make budget reductions. In response, DPD reviewed all General Fund supported program areas and strategically realigned several functions to implement internal efficiencies with the goal of preserving direct services. Despite these significant fiscal challenges, DPD's 2012 Adopted Budget maintains funding for the Department to continue to meet its regulatory responsibilities, and continues to fund specific planning-related work established in the Planning Division's workplan.

Revenue Recovery

The regional economy is slowly, but steadily, recovering, and the rate of building development growth in the Puget Sound region is significantly stronger than the national rate. An especially bright spot locally is in the apartment market. Apartment vacancy rates have fallen and rents are beginning to rise, spurring construction for increasingly large apartment building projects. For DPD, this growth translates into increased building permit revenues.

While still below historical peak levels, permit revenues are projected to continue to grow for the remainder of 2011 and into 2012. In 2009, permit revenues reached a low point with building permit revenues totaling $12.7 million, down from a peak of $29.2 million in 2007. Since then, revenues have been recovering, with building revenues growing by 18%, to $15.1 million, in 2010, and are expected to generate a total of $17.7 million in 2011. The stabilization of building fee revenues has allowed the Department to maintain a 2012 Adopted Budget that generally continues the 2011 Adopted Budget levels of staffing and service delivery. The 2012 Adopted Budget is developed in accordance with DPD's forecast of 2012 revenues and will be adjusted if needed during 2012.

Strategic Use of Resources

The 2012 Adopted Budget reflects DPD's continued effort to prioritize direct and front-line services. By strategically reallocating staff resources from General Fund-supported program areas into fee-backed functions with greater demand, reducing non-labor expenditures, and prioritizing work plans, the Department is able to maintain, and in some cases restore, staffing and funding for essential services while simultaneously reducing expenditures.

Prior year staff reductions reduced DPD's capacity to provide optimal service delivery to applicants, other customers, and the general public. Examples of the impact on service levels have included longer waits for intake appointments, delays in processing applications, and longer plan and permit review times. DPD has developed a strategy to mitigate these effects in 2012 and beyond. Intake appointment wait times have decreased from nine weeks in the spring of 2011 to the current timeline of two weeks. This was accomplished by reassigning staff resources, approving overtime, hiring temporary staff, and changing how DPD processes certain permits.

In response to a challenging fiscal environment and constrained resources, DPD examined opportunities to change the way it does business and found efficiencies that streamline operations. The 2012 Adopted Budget consolidates the policy development elements of DPD's City Green Building (CGB) Team within the Office of Sustainability and Environment (OSE), and transfers three existing staff from DPD's Planning Services Program (General Fund, permit fee, and utility-funded positions) to fee-supported Operations functions. DPD and OSE will work together in 2012 to evaluate opportunities to move OSE into DPD office space to build on the collaborative efforts already underway. By consolidating the policy development elements of DPD's CGB Team within OSE, OSE will maintain and expand its role in developing and coordinating sustainability policy for the City of Seattle and staff working in overlapping areas will be better aligned.

The 2012 Adopted Budget provides additional funding to provide Green Permitting facilitation services for building projects that meet an advanced level of sustainability. Prioritizing plan review and permit

processing for green development incentivizes compliance with green building standards and energy reduction goals. This in turn creates both direct and indirect jobs relating to the manufacture, transport, and installation of the equipment and materials that are necessary to achieve green building standards. In support of these goals, the City of Seattle maintains its status as a founding member of the Seattle 2030 District, a program to create a high-performance building district in downtown Seattle with the goal of achieving dramatic savings in energy use, climate-changing emissions, and water use. In addition, the City has adopted the Living Building Pilot Program, which establishes design standards for environmentally sound and self-sustaining development. Both of these programs create critical jobs in green design, engineering, and construction. For example, Seattle's first Living Building Pilot Program, the Bullitt Foundation's Cascadia Center, is projected to create 94 construction jobs and 141 direct permanent jobs.

The 2012 Adopted Budget reflects the City's priority to maintain a safe and livable community. Additional funding is provided in 2012 for a new seismic retrofit program that requires retrofits for unreinforced masonry (URM) buildings to mitigate potential losses resulting from earthquakes. One-time funding will be used in 2012 to increase existing staff hours and professional service funds. Previous studies have determined that Seattle has over 800 unreinforced masonry buildings. The objective of the program is to reduce the risk of collapse of these URMs without inadvertently encouraging demolition or vacation of the affected buildings. Once the program is implemented, Seattle will be the first U.S. city outside of California to define and mandate retrofits requirements of URMs.

Incremental Budget Changes

Department of Planning and Development

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$51,046,192**	**398.01**
2012 Proposed Changes			
	Position Changes	($163,148)	(1.00)
	Restoration of Funding for Core Services	$87,250	0.00
	Shoreline Master Plan Adjustments	($14,000)	0.0
	Non-Labor Reductions	($216,478)	0.0
	Transfer of City Green Building Team to Office of Sustainability and Environment	($504,878)	(3.75)
	Green Permitting Facilitation	$51,057	0.00
	Unreinforced Masonry Building Program Enhancements	$67,500	0.00
	Technical Adjustments	$795,667	0.00
Total Changes		**$102,970**	**(4.75)**
2012 Proposed Budget		**$51,149,161**	**393.26**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($56,239)	0.00
Total Adjustments		**($56,239)**	**0.00**
2012 Adopted Budget		**$51,092,922**	**393.26**

Position Changes - ($163,148) / (1.0) FTE. This change abrogates a Strategic Advisor 1 position that was added in the 2011 Adopted Budget to serve as the Sustainable Infrastructure Coordinator position in DPD to identify and resolve cross-department capital infrastructure issues. Instead, this work is being done in 2011 through other resources in the City. This change continues a mid-year 2011 reduction that unfunded the position for 2011. In addition, funding for a 1.0 FTE Housing/Zoning Inspector in the 2012 Endorsed Budget is reduced to 0.5 FTE in 2012. Of note, this position was kept vacant in 2011 as part of the midyear 2011 reduction process, and savings were used to assist in balancing the overall General Subfund budget. By funding this position at part time in 2012, this change maintains DPD's capacity to inspect and enforce certain violation complaints where a non-hazardous condition is reported. Lastly, this change reallocates portions of two Land Use Planner positions and a Public Relations Specialist position from General Fund-supported programs to fee-supported programs to better tie the funding source to the services provided.

Restoration of Funding for Core Services - $87,250. The 2012 Adopted Budget restores ongoing General Fund support for an existing Land Use Planner III position that was unfunded in the 2012 Endorsed

Budget as part of the 2011 Budget process. The position authority was retained for 2012, but no funding was included in the 2012 Endorsed Budget. Beginning in 2012, funding for the Land Use Planner III is provided to fill the position at 0.75 FTE. This change will allow DPD to maintain land use policy development capacity and workload assignments specific to the Neighborhood Planning program.

Shoreline Master Plan Adjustments - ($14,000). The 2012 Adopted Budget reduces planned consultant expenditures associated with the Shoreline Master Program. DPD will still be able to effectively implement this program; however, remaining staff will be limited in their ability to perform additional technical research without the availability of consultant resources.

Non-Labor Reductions - ($216,478). DPD evaluated funding needs for all administrative expenditures to determine which items were essential to include and those that could be forgone. As a result of this evaluation, DPD reduced software purchases and other non-labor expenses throughout the Department.

Transfer of City Green Building Team to Office of Sustainability and Environment - ($504,878)/(3.75) FTE. This change consolidates the policy development elements of DPD's City Green Building (CGB) team with the Office of Sustainability and Environment (OSE), and moves OSE's offices into DPD office space while retaining the organizational structure of the two distinct departments. DPD is transferring CGB staff resources to OSE to continue to focus on strategic policy development for sustainable practices. This consolidation will better align staff with similar scopes of work in OSE, and co-locate OSE and DPD.

Green Permitting Facilitation - $51,057. This change increases a Planning and Development Specialist position that is currently budgeted at 0.50 FTE to full-time in 2012 to expedite plan review and permitting processes for projects that meet established green building standards. These standards are defined in programs such as the Seattle 2030 District and the Living Building Pilot Program. This is important in that it will help stimulate jobs in the local economy by moving green development projects more quickly through the permitting process. Streamlining permit services for projects that meet established green building standards also provides additional incentive for developers to adopt green building as standard practice.

Unreinforced Masonry Building Program Enhancements - $67,500. This change adds resources in 2012 to increase a position that is currently budgeted at 0.50 FTE to full-time, and a consultant-facilitator to develop a regulatory strategy and prepare an outreach strategy for a program to require retrofits for unreinforced masonry (URM) buildings. This position will be responsible for developing the program and drafting legislation establishing URM retrofit requirements for delivery to Council by mid 2013. The consultant will assist in preparing an outreach strategy and leading stakeholder meetings. Seattle has over 800 URM buildings that are at risk in the event of an earthquake. This funding is aimed at reducing the risk of collapse.

Technical Adjustments - $795,667. Technical adjustments in the 2012 Adopted Budget include departmental and Citywide non-programmatic adjustments that do not change DPD's service delivery. Citywide technical changes reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($56,239). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012

City Council Provisos

The City Council adopted the following budget proviso:

- *No more than $150,000 in the 2012 budget for the Department of Planning and Development' Planning BCL may be spent for the 7-year Comprehensive Plan update required by RCW 36.70A.130.*

Department of Planning and Development

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Annual Certification and Inspection Budget Control Level					
Annual Certification & Inspection Overhead Allocations		1,085,375	1,187,558	1,212,107	0
Annual Certification and Inspection		2,697,985	2,780,608	2,837,417	3,979,908
Annual Certification and Inspection Budget Control Level	**U24A0**	**3,783,360**	**3,968,165**	**4,049,524**	**3,979,908**
Code Compliance Budget Control Level					
Code Compliance		3,468,128	3,422,417	3,484,086	4,796,444
Code Compliance Overhead Allocations		1,192,047	1,199,730	1,226,583	0
Code Compliance Budget Control Level	**U2400**	**4,660,174**	**4,622,147**	**4,710,669**	**4,796,445**
Construction Inspections Budget Control Level					
Building Inspections Program		3,271,003	2,821,722	2,874,664	4,352,118
Construction Inspections Overhead Allocations		3,460,140	3,483,029	3,565,666	0
Construction Inspections Unallocated CBA		0	1,798,947	1,798,947	2,220,000
Electrical Inspections		3,384,482	3,317,017	3,382,920	4,339,585
Signs and Billboards		275,974	144,613	147,704	226,203
Site Review and Inspection		1,683,638	1,742,487	1,774,726	2,612,419
Construction Inspections Budget Control Level	**U23A0**	**12,075,238**	**13,307,815**	**13,544,628**	**13,750,325**
Construction Permit Services Budget Control Level					
Applicant Services Center		5,295,457	5,233,865	5,332,372	7,414,021
Construction Permit Services Overhead Allocations		4,322,194	3,309,311	3,376,579	(869,922)
Construction Permit Services Unallocated CBA		0	3,900,000	3,900,000	3,900,000
Construction Plans Administration		3,875,292	2,969,837	3,018,275	4,966,249
Operations Division Management		0	678,662	686,194	869,920
Public Resource Center		1,139,999	1,059,685	1,078,219	1,264,229
Construction Permit Services Budget Control Level	**U2300**	**14,632,942**	**17,151,360**	**17,391,640**	**17,544,497**
Department Leadership Budget Control Level					
Community Relations		0	435,016	442,136	507,566
Department Leadership Overhead Allocations		0	(12,083,156)	(12,354,445)	(12,047,008)
Director's Office		0	746,582	758,534	665,843
Finance and Accounting Services		0	5,834,133	5,999,924	5,850,526
Human Resources		0	322,470	327,682	320,196
Information Technology Services		0	4,744,955	4,826,169	4,702,877
Department Leadership Budget Control Level	**U2500**	**0**	**0**	**1**	**0**

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Land Use Services Budget Control Level					
Land Use Services		3,108,715	2,220,354	2,256,549	3,757,844
Land Use Services Overhead Allocations		1,343,451	1,007,223	1,035,812	(1)
Land Use Services Unallocated CBA		0	500,000	500,000	500,000
Land Use Services Budget Control Level	**U2200**	**4,452,167**	**3,727,576**	**3,792,362**	**4,257,843**
Planning Budget Control Level					
Design Commission		269,746	235,189	237,793	319,574
Planning Commission		380,742	390,968	397,164	545,211
Planning Overhead Allocations		1,792,511	1,896,305	1,937,696	0
Planning Services		4,821,275	4,201,656	4,193,329	4,599,547
Planning Budget Control Level	**U2900**	**7,264,274**	**6,724,118**	**6,765,981**	**5,464,331**
Process Improvements and Technology Budget Control Level	**U2800**	**956,951**	**776,261**	**791,388**	**1,299,573**
Department Total		**47,825,106**	**50,277,443**	**51,046,192**	**51,092,922**
Department Full-time Equivalents Total*		**409.00**	**398.01**	**398.01**	**393.26**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Department of Planning and Development

Revenue Overview

2012 Estimated Revenues for the Planning and Development Fund (15700)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	General Subfund Support	9,727,579	9,120,445	9,300,870	9,195,693
	Total General Subfund Support	**9,727,579**	**9,120,445**	**9,300,870**	**9,195,693**
437010	Grant Revenues	441,981	280,880	162,489	411,845
587900	Green Building Team - SPU & SCL	541,423	587,780	593,658	0
587900	SPU MOA for Side Sewer & Drainage	1,070,363	1,350,000	1,363,500	1,137,262
	Total Grants & MOAs	**2,053,767**	**2,218,660**	**2,119,647**	**1,549,107**
422150	Boiler	1,080,598	1,211,356	1,223,470	1,285,073
422160	Elevator	2,483,752	2,588,996	2,614,886	2,768,776
	Total Installation & Inspection Fees	**3,564,350**	**3,800,352**	**3,838,356**	**4,053,849**
461110	Interest	87,709	100,000	100,000	50,000
	Total Interest	**87,709**	**100,000**	**100,000**	**50,000**
469990	Other Revenues	1,377,862	1,180,755	1,192,561	1,300,437
587116	Cumulative Reserve Fund-REET I - TRAO	60,538	150,000	154,500	154,500
587116	Cumulative Reserve Fund-Unrestricted - Design Commission	278,330	370,383	374,087	302,640
587116	Cumulative Reserve Fund-Unrestricted - TRAO	37,000	74,172	76,397	76,397
	Total Other Revenues	**1,753,730**	**1,775,310**	**1,797,545**	**1,833,974**
422111	Building Development	15,314,026	16,945,042	18,646,334	18,715,753
422115	Land Use	3,723,562	3,664,138	3,700,779	3,655,973
422130	Electrical	3,606,244	4,464,226	4,508,868	4,693,853
443694	Site Review & Development	1,176,401	1,259,600	1,272,196	1,376,954
469990	Contingent Revenues - Unaccessed	0	6,198,979	6,198,979	6,620,000
	Total Permit Fees	**23,820,233**	**32,531,985**	**34,327,156**	**35,062,533**
Total Revenues		**41,007,368**	**49,546,752**	**51,483,574**	**51,745,156**
379100	Use of (Contribution To) Fund Balance	6,817,738	730,688	(437,385)	(652,234)
	Total Use of Fund Balance	**6,817,738**	**730,688**	**(437,385)**	**(652,234)**
Total Resources		**47,825,106**	**50,277,440**	**51,046,189**	**51,092,922**

Appropriations by Budget Control Level (BCL) and Program

Annual Certification and Inspection Budget Control Level

The purpose of the Annual Certification and Inspection Budget Control Level is to provide inspections of mechanical equipment at installation and on an annual or biennial cycle in a fair, reasonable, efficient, and predictable manner. These services are provided so mechanical equipment is substantially maintained to applicable codes, legal requirements and policies, and operated safely. The program also certifies that installers and mechanics are qualified, by validation of work experience and testing of code knowledge, to operate and maintain mechanical equipment. In addition, this budget control level includes a proportionate share of associated departmental administration and other overhead costs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Annual Certification & Inspection Overhead Allocations	1,085,375	1,187,558	1,212,107	0
Annual Certification and Inspection	2,697,985	2,780,608	2,837,417	3,979,908
Total	**3,783,360**	**3,968,165**	**4,049,524**	**3,979,908**
Full-time Equivalents Total *	20.72	23.49	23.49	23.49

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Annual Certification & Inspection Overhead Allocations Program

The purpose of the Annual Certification and Inspection Overhead Allocations Program is to represent the share of departmental administration and other overhead costs that apply to the Annual Certification and Inspection Budget Control Level.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Annual Certification & Inspection Overhead Allocations	1,085,375	1,187,558	1,212,107	0

Annual Certification and Inspection Program

The purpose of the Annual Certification and Inspection Program is to provide inspections of mechanical equipment at installation and on an annual or biennial cycle in a fair, reasonable, efficient, and predictable manner. These services are provided so mechanical equipment is substantially maintained to applicable codes, legal requirements, and policies, and operated safely. The program also certifies that installers and mechanics are qualified, by validation of work experience and testing of code knowledge, to operate and maintain mechanical equipment.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Annual Certification and Inspection	2,697,985	2,780,608	2,837,417	3,979,908
Full-time Equivalents Total	20.72	23.49	23.49	23.49

Appropriations by Budget Control Level (BCL) and Program

Code Compliance Budget Control Level

The purpose of the Code Compliance Budget Control Level is to see that properties and buildings are used and maintained in conformance with code standards, and deterioration of structures and properties is reduced. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Code Compliance	3,468,128	3,422,417	3,484,086	4,796,444
Code Compliance Overhead Allocations	1,192,047	1,199,730	1,226,583	0
Total	**4,660,174**	**4,622,147**	**4,710,669**	**4,796,445**
Full-time Equivalents Total *	32.28	28.79	28.79	28.79

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Code Compliance Program

The purpose of the Code Compliance Program level is to apply code standards in response to reported violations about the use, maintenance and development of real properties and buildings, facilitate compliance by property owners and other responsible parties, pursue enforcement actions against violators through the legal system, reduce the deterioration of structures and properties so that Seattle's housing stock lasts longer, and manage the adoption of administrative rules, public disclosure of documents, and response to claims.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Code Compliance	3,468,128	3,422,417	3,484,086	4,796,444
Full-time Equivalents Total	32.28	28.79	28.79	28.79

Code Compliance Overhead Allocations Program

The purpose of the Code Compliance Overhead Allocations Program is to represent a proportionate share of departmental administration and other overhead costs to report the full cost of the related programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Code Compliance Overhead Allocations	1,192,047	1,199,730	1,226,583	0

Appropriations by Budget Control Level (BCL) and Program

Construction Inspections Budget Control Level

The purpose of the Construction Inspections Budget Control Level is to provide timely on-site inspections of property under development to support substantial compliance with applicable City codes, ordinances, and approved plans. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Building Inspections	3,271,003	2,821,722	2,874,664	4,352,118
Construction Inspections Overhead Allocations	3,460,140	3,483,029	3,565,666	0
Construction Inspections Unallocated CBA	0	1,798,947	1,798,947	2,220,000
Electrical Inspections	3,384,482	3,317,017	3,382,920	4,339,585
Signs and Billboards	275,974	144,613	147,704	226,203
Site Review and Inspection	1,683,638	1,742,487	1,774,726	2,612,419
Total	**12,075,238**	**13,307,815**	**13,544,628**	**13,750,325**
Full-time Equivalents Total *	86.04	75.84	75.84	75.84

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Building Inspections Program

The purpose of the Building Inspections Program is to provide timely on-site inspections of property under development at predetermined stages of construction; work closely with project architects, engineers, developers, contractors, and other City of Seattle departments to approve projects as substantially complying with applicable City codes, ordinances, and approved plans; and to issue final approvals for occupancy.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Building Inspections Program	3,271,003	2,821,722	2,874,664	4,352,118
Full-time Equivalents Total	31.33	30.32	30.32	30.32

Construction Inspections Overhead Allocations Program

The purpose of the Construction Inspections Overhead Allocations Program is to represent the proportionate share of departmental administration and other overhead costs that apply to this budget control level, in order to report the full cost and calculate the revenue requirements of the budget control level and programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Construction Inspections Overhead Allocations	3,460,140	3,483,029	3,565,666	0

Appropriations by Budget Control Level (BCL) and Program

Construction Inspections Unallocated CBA Program

The purpose of the Construction Inspections Unallocated CBA Program is to display the amount of Contingent Budget Authority (CBA) that has not been accessed within the Construction Inspections BCL for construction inspections and electrical inspections with plan review. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent. More information about CBA and its planned use in this budget may be found at the conclusion of the DPD chapter.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Construction Inspections Unallocated CBA	0	1,798,947	1,798,947	2,220,000

Electrical Inspections Program

The purpose of the Electrical Inspections Program is to provide review of proposed electrical installations and on-site inspection of properties under development in a fair, reasonable, efficient, and predictable manner. These services are provided to ensure the electrical installations substantially comply with applicable codes, legal requirements, and approved plans.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Electrical Inspections	3,384,482	3,317,017	3,382,920	4,339,585
Full-time Equivalents Total	29.49	26.09	26.09	26.09

Signs and Billboards Program

The purpose of the Signs and Billboards Program is to provide review of proposed sign installations and on-site inspection of properties under development in a fair, reasonable, efficient, and predictable manner. These services are provided so that sign installations comply with applicable codes, legal requirements, and approved plans.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Signs and Billboards	275,974	144,613	147,704	226,203
Full-time Equivalents Total	2.14	1.25	1.25	1.25

Site Review and Inspection Program

The purpose of the Site Review and Inspection Program is to ensure construction projects comply with grading, drainage, side sewer, and environmentally critical area codes; City of Seattle engineering standard details; and best management practices for erosion control methods to ensure that ground-related impacts of development are mitigated on-site and that sewer and drainage installations on private property are properly installed.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Site Review and Inspection	1,683,638	1,742,487	1,774,726	2,612,419
Full-time Equivalents Total	23.09	18.18	18.18	18.18

Appropriations by Budget Control Level (BCL) and Program

Construction Permit Services Budget Control Level

The purpose of the Construction Permit Services Budget Control Level is to facilitate the review of development plans and processing of permits so that applicants can plan, alter, construct, occupy, and maintain Seattle's buildings and property. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Applicant Services Center	5,295,457	5,233,865	5,332,372	7,414,021
Construction Permit Services Overhead Allocations	4,322,194	3,309,311	3,376,579	-869,922
Construction Permit Services Unallocated CBA	0	3,900,000	3,900,000	3,900,000
Construction Plans Administration	3,875,292	2,969,837	3,018,275	4,966,249
Operations Division Management	0	678,662	686,194	869,920
Public Resource Center	1,139,999	1,059,685	1,078,219	1,264,229
Total	**14,632,942**	**17,151,360**	**17,391,640**	**17,544,497**
Full-time Equivalents Total *	140.85	147.02	147.02	148.92

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Applicant Services Center Program

The purpose of the Applicant Services Center Program is to provide early technical and process assistance to applicants during building design and permit application; screen, accept, and process all land use and construction permit applications; and review and issue simple development plans in a fair, reasonable, and consistent manner to ensure substantial compliance with applicable codes and legal requirements.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Applicant Services Center	5,295,457	5,233,865	5,332,372	7,414,021
Full-time Equivalents Total	72.86	77.98	77.98	77.98

Construction Permit Services Overhead Allocations Program

The purpose of the Construction Permit Services Overhead Allocations Program is to represent the proportionate share of departmental administration and other overhead costs to report the full cost of the related programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Construction Permit Services Overhead Allocations	4,322,194	3,309,311	3,376,579	-869,922

Appropriations by Budget Control Level (BCL) and Program

Construction Permit Services Unallocated CBA Program

The purpose of the Construction Permit Services Unallocated CBA Program is to display the amount of Contingent Budget Authority (CBA) in the Construction Permit Services BCL that has not been accessed for construction plan review and peer review contracts. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent. More information about CBA and its planned use in this budget may be found at the conclusion of the DPD chapter.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Construction Permit Services Unallocated CBA	0	3,900,000	3,900,000	3,900,000

Construction Plans Administration Program

The purpose of the Construction Plans Administration Program is to review development plans and documents for permit applicants in a fair, reasonable, and predictable manner; ensure that the plans substantially comply with applicable codes and legal requirements; incorporate and expand Priority Green permitting within the plan review process; develop and revise technical code regulations at the local, state, and national levels; and provide appropriate support for preparation, mitigation, response, and recovery services for disasters.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Construction Plans Administration	3,875,292	2,969,837	3,018,275	4,966,249
Full-time Equivalents Total	32.78	34.17	34.17	35.07

Operations Division Management Program

The purpose of the Operations Division Management Program is to oversee the functions of four budget control levels: Annual Certification/Inspection, Construction Permit Services, Construction Inspections, and Land Use Services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Operations Division Management	0	678,662	686,194	869,920
Full-time Equivalents Total	19.58	19.59	19.59	20.59

Public Resource Center Program

The purpose of the Public Resource Center Program is to provide the general public and City staff convenient access to complete, accurate information about department regulations and current applications; to provide applicants with a first point of contact; and to preserve, maintain, and provide access to records for department staff and the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Public Resource Center	1,139,999	1,059,685	1,078,219	1,264,229
Full-time Equivalents Total	15.63	15.28	15.28	15.28

Appropriations by Budget Control Level (BCL) and Program

Department Leadership Budget Control Level

The purpose of the Department Leadership Budget Control Level is to develop and implement business strategies to improve the performance of the organization; ensure that managers and staff have the information, tools, and training needed for managing and making decisions; set fees that reflect the cost of services; and maintain a community relations program.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Relations	0	435,016	442,136	507,566
Department Leadership Overhead Allocations	0	-12,083,156	-12,354,445	-12,047,008
Director's Office	0	746,582	758,534	665,843
Finance and Accounting Services	0	5,834,133	5,999,924	5,850,526
Human Resources	0	322,470	327,682	320,196
Information Technology Services	0	4,744,955	4,826,169	4,702,877
Total	**0**	**0**	**0**	**0**
Full-time Equivalents Total *	46.31	49.79	49.79	50.79

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Community Relations Program

The purpose of the Community Relations Program is to provide the general public, stakeholder groups, community leaders, City staff, and news media with complete and accurate information, including informative materials and presentations, to explain DPD's responsibilities, processes, and actions; to ensure DPD's services are clearly understood by applicants and the general public; and to respond to public concerns related to the Department's responsibilities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Relations	0	435,016	442,136	507,566
Full-time Equivalents Total	3.00	3.12	3.12	4.12

Department Leadership Overhead Allocations Program

The purpose of the Department Leadership Overhead Allocations Program is to distribute the proportionate share of departmental administration and other overhead costs that apply to the Department's other budget control levels, in order to report the full cost and calculate the revenue requirements of the related programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Department Leadership Overhead Allocations	0	-12,083,156	-12,354,445	-12,047,008

Appropriations by Budget Control Level (BCL) and Program

Director's Office Program

The purpose of the Director's Office Program is to ensure department management develops and implements business strategies to continually improve the performance of the organization, and to ensure effective working relationships with other City personnel and agencies, the general public, and the development and planning communities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Director's Office	0	746,582	758,534	665,843
Full-time Equivalents Total	4.18	5.34	5.34	5.34

Finance and Accounting Services Program

The purpose of the Finance and Accounting Services Program is to provide financial and accounting services to department management, and develop and maintain financial systems based on program and funding study principles, so that people, tools, and resources are managed effectively with a changing workload and revenue stream.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance and Accounting Services	0	5,834,133	5,999,924	5,850,526
Full-time Equivalents Total	13.25	16.51	16.51	16.51

Human Resources Program

The purpose of the Human Resources Program is to ensure the work environment is safe, and that a competent, talented, and skilled workforce is recruited through a fair and open process, is compensated fairly for work performed, is well trained for jobs, is responsible and accountable for performance, and reflects and values the diversity of the community.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Human Resources	0	322,470	327,682	320,196
Full-time Equivalents Total	5.00	4.14	4.14	4.14

Information Technology Services Program

The purpose of the Information Technology Services Program is to provide information technology solutions, services, and expertise to the Department and other City staff, so that department management and staff have the technology tools and support necessary to meet business objectives.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Information Technology Services	0	4,744,955	4,826,169	4,702,877
Full-time Equivalents Total	20.88	20.68	20.68	20.68

Appropriations by Budget Control Level (BCL) and Program

Land Use Services Budget Control Level

The purpose of the Land Use Services Budget Control Level is to provide land use permitting services to project applicants, City of Seattle departments, public agencies, and residents. These services are intended to allow development proposals to be reviewed in a fair, reasonable, efficient, and predictable manner, and substantially comply with applicable codes, legal requirements, policies, and community design standards. Additionally, this budget control level includes the allocation of a proportionate share of departmental administration and other overhead costs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Land Use Services	3,108,715	2,220,354	2,256,549	3,757,843
Land Use Services Overhead Allocations	1,343,451	1,007,223	1,035,812	0
Land Use Services Unallocated CBA	0	500,000	500,000	500,000
Total	**4,452,167**	**3,727,576**	**3,792,362**	**4,257,843**
Full-time Equivalents Total *	35.84	34.63	34.63	34.63

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Land Use Services Program

The purpose of the Land Use Services Program is to provide land use permitting services to project applicants, City of Seattle departments, public agencies, and residents. Land Use Services staff provide permit process information and regulatory expertise to inform pre-application construction project design. Land Use Services staff also review proposed construction plans as part of a developer's permit application. Staff then facilitate the process to elicit public input on those construction projects before the permit may be granted. These services are intended to ensure that development proposals are reviewed in a fair, reasonable, efficient, and predictable manner, and to ensure that the plans substantially comply with applicable codes, legal requirements, policies, and community design standards.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Land Use Services	3,108,715	2,220,354	2,256,549	3,757,844
Full-time Equivalents Total	35.84	34.63	34.63	34.63

Land Use Services Overhead Allocations Program

The purpose of the Land Use Services Overhead Allocations Program is to represent a proportionate share of departmental administration and other overhead costs that apply to the Land Use Services Budget Control Level, to report the full cost of the related programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Land Use Services Overhead Allocations	1,343,451	1,007,223	1,035,812	0

Appropriations by Budget Control Level (BCL) and Program

Land Use Services Unallocated CBA Program

The purpose of the Land Use Services Unallocated CBA Program is to display the amount of Contingent Budget Authority (CBA) in the Land Use Services BCL that has not been accessed. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent. More information about CBA and its planned use in this budget may be found at the conclusion of the DPD chapter.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Land Use Services Unallocated CBA	0	500,000	500,000	500,000

Planning Budget Control Level

The purpose of the Planning Budget Control Level is to manage growth and development consistent with Seattle's Comprehensive Plan, and to inform and guide decisions for shaping and preserving Seattle so that it remains a vital urban environment. Additionally, the Planning Budget Control Level includes the allocation of a proportionate share of departmental administration and other overhead costs.

Summary

Planning staff do this work by overseeing the Comprehensive Plan, managing zoning and land use policy development, and supporting the core values of community, environmental stewardship, social equity, and economic opportunity. Staff prepares plans for Urban Centers, Urban Villages, transit station areas, and other areas responding to growth or major public investments, and prepare citywide policy and regulatory recommendations addressing issues such as land use, economic development, affordable housing, environmental protection, and urban design. Planning maintains a strong commitment to innovative public outreach and engagement, committing extensive resources to engaging a broad range of Seattle residents and businesses in shaping its policy recommendations. The Planning Budget Control Level includes the staff of the Design Commission and Planning Commission.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Design Commission	269,746	235,189	237,793	319,574
Planning Commission	380,742	390,968	397,164	545,211
Planning Overhead Allocations	1,792,511	1,896,305	1,937,696	0
Planning Services	4,821,275	4,201,656	4,193,329	4,599,547
Total	**7,264,274**	**6,724,118**	**6,765,981**	**5,464,331**
Full-time Equivalents Total *	40.25	33.03	33.03	25.38

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Design Commission Program

The purpose of the Design Commission is to promote civic design excellence in City projects with City funding, and projects related to public land, as well as to promote interdepartmental/interagency coordination. The Seattle Design Commission advises the Mayor, the City Council, and City departments on the design of capital improvements and other projects that shape Seattle's public realm.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Design Commission	269,746	235,189	237,793	319,574
Full-time Equivalents Total	2.00	1.87	1.87	1.87

Appropriations by Budget Control Level (BCL) and Program

Planning Commission Program

The purpose of the Planning Commission is to provide informed citizen advice and assistance to the Mayor, the City Council, and City departments in developing planning policies and carrying out major planning efforts; to seek public comment and participation as a part of this process; and to steward the ongoing development and implementation of Seattle's Comprehensive Plan.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Planning Commission	380,742	390,968	397,164	545,211
Full-time Equivalents Total	3.50	2.62	2.62	2.62

Planning Overhead Allocations Program

The purpose of the Planning Overhead Allocations Program is to represent a proportionate share of departmental administration and other overhead costs that apply to the Planning Budget Control Level to report the full cost of the related programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Planning Overhead Allocations	1,792,511	1,896,305	1,937,696	0

Planning Services Program

The purpose of the Planning Services Program is to develop policies, plans, and regulations that advance Seattle's Comprehensive Plan and growth management strategy. This is done through community-based planning, developing land use policy recommendations, and implementing legislation - activities that support Seattle's neighborhoods; expand job creation and housing choices; protect the environment and reduce environmental hazards; and promote design excellence and sustainability in Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Planning Services	4,821,275	4,201,656	4,193,329	4,599,547
Full-time Equivalents Total	34.75	28.54	28.54	20.89

Process Improvements and Technology Budget Control Level

The purpose of the Process Improvements and Technology Budget Control Level is to allow the department to plan and implement continuous improvements to its business processes, including related staff training and equipment purchases; and to see that the Department's major technology investments are maintained, upgraded, or replaced when necessary.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Process Improvements and Technology	956,951	776,261	791,388	1,299,573
Full-time Equivalents Total*	6.71	5.42	5.42	5.42

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Department of Planning and Development

Fund Table

Planning and Development Fund (15700)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**13,029,700**	**5,737,461**	**3,899,724**	**5,006,770**	**3,869,781**
Accounting and Technical Adjustments	(2,312,238)	0	0	0	0
Plus: Actual and Estimated Revenue	41,007,368	49,546,752	44,889,359	51,483,574	51,745,156
Less: Actual and Budgeted Expenditures	47,825,106	50,277,443	44,919,301	51,046,192	51,092,922
Ending Fund Balance	**3,899,724**	**5,006,770**	**3,869,781**	**5,444,152**	**4,522,015**
					0
Core Staffing and Process Improvements	1,275,645	852,395	1,134,041	758,158	783,104
Total Reserves	**1,275,645**	**852,395**	**1,134,041**	**758,158**	**783,104**
Ending Unreserved Fund Balance	**2,624,079**	**4,154,375**	**2,735,740**	**4,685,994**	**3,738,911**

Public Safety

Criminal Justice Contracted Services

Catherine Cornwall, Senior Policy Advisor

Information Line: (206) 684-8725

Criminal Justice Contracted Services by Budget Control Level

Criminal Justice Contracted Services Overview

Criminal Justice Contracted Services (CJCS) provides funding for both public defense and jail services for individuals arrested, prosecuted, and/or convicted of misdemeanor criminal code violations in Seattle. The contracts for these services are managed by the City Budget Office. The City contracts with three non-profit legal agencies to provide public defense services and with several jurisdictions, including King County, to provide jail services.

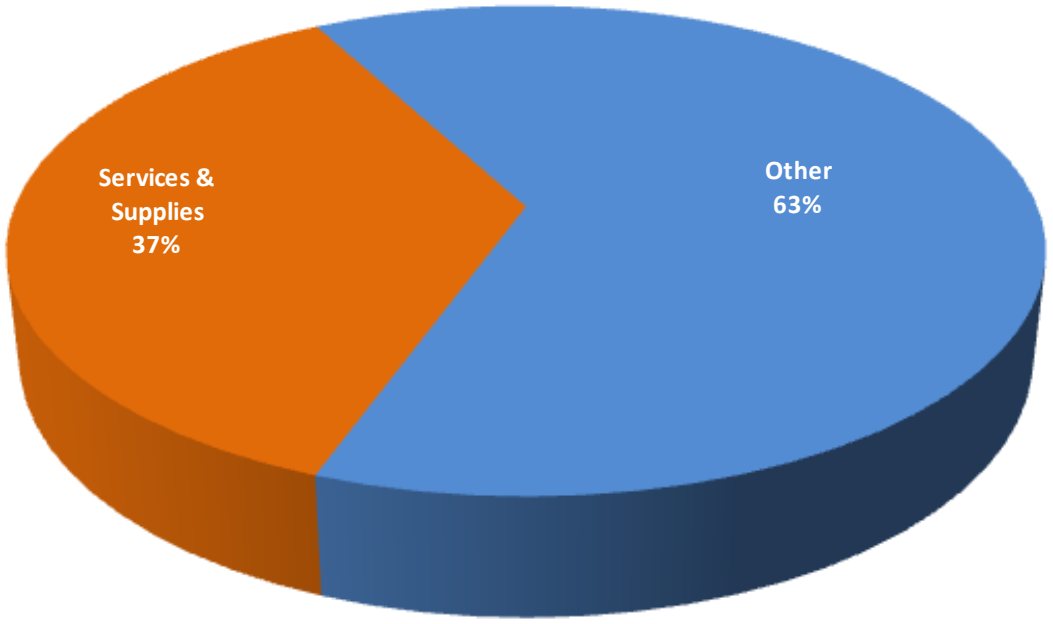
By the end of 2011, there are projected to be approximately 8,500 bookings in the King County Jail for people who are charged with misdemeanor offenses or failed to appear for court hearings. This is down 10% from approximately 9,500 jail bookings in 2010. The projected 2011 bookings will generate close to 82,500 jail days - the equivalent of having 226 people in jail on any given day - which is 17% less than the 2010 average of 271. Through June 2011, on a daily basis, the City averaged 168 people in the King County Jail and 58 people in the Snohomish County Jail.

Criminal Justice Contracted Services

Budget Snapshot

Criminal Justice Contracted Services	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$21,434,045	$24,375,413	$27,742,418	$22,742,418
Other Revenues	$0	$0	$0	$0
Total Revenues	**$21,434,045**	**$24,375,413**	**$27,742,418**	**$22,742,418**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$21,434,045**	**$24,375,413**	**$27,742,418**	**$22,742,418**
Total Expenditures	**$21,434,045**	**$24,375,413**	**$27,742,418**	**$22,742,418**

2012 Adopted Budget - Expenditure by Category



Budget Overview

2012 is the first year of a new interlocal agreement with King County for jail services that will run through 2030. This agreement represents a new long-term, durable partnership between the City of Seattle and King County. It provides certainty by guaranteeing the City access to jail beds at King County through 2030. It also sets the basis for reasonable and predictable fees for services. The City's courts, law enforcement, and attorneys will maintain the significant operational advantage of having the City's pre-trial inmates located in the downtown Seattle location of the County's correctional facility, literally across the street from the City's municipal justice center.

The prior agreement with King County required the City to completely end its use of the County Jail by the end of 2016. Consequently, Seattle had been planning to build its own jail so it would have local jail capacity when the County contract ended. Building a jail would have resulted in significant capital costs of approximately $200 million to the City, as well as ongoing operational impacts and expenses. As a result of this new agreement with King County, Seattle was able to end its jail planning project and avoid these costs.

In addition, because of the new agreement, the City was able to realize significant savings in its jail contracts budget. The 2012 Endorsed Budget assumed that the City would contract with King County – but at the higher rates that were established in the prior agreement. Under this new agreement, the fee that the City pays King County to book a misdemeanor inmate at the County Jail will decrease from $329 to $95. This change will save the City over $2 million annually.

The 2012 Endorsed Budget also assumed that the City would need to create a transport unit to move pre-trial inmates between the County Jail to other jail facilities in the region. Under the new agreement, King County will guarantee Seattle 228 jail beds in 2012 which will be enough to allow Seattle to continue housing all of its pre-trial defendants at the County Jail in downtown Seattle. As a result, the City will not need to fund a transport unit – a savings of over $1.2 million annually from the 2012 Endorsed Budget.

The guaranteed number of jail beds at King County will gradually increase over the term of the contract to 335 jail beds by 2030. The increase is consistent with growth in the City's projected jail population which is projected to grow at a little less than 1% per year. The jail bed guarantee is also the maximum number of beds (or cap) that the County is obligated to provide. If the County has space available, it may provide a greater number of beds but it is under no obligation to do so. As part of the agreement with King County, Seattle has agreed to pay for a minimum number of jail beds at King County beginning with 175 jail beds in 2012 and increasing to 258 jail beds by 2030.

Jail Population is Decreasing

The number of people held in jail on Seattle misdemeanor charges has been steadily decreasing since 1998 – there are 50% fewer people in jail in 2011 than there were in 1998. The 2012 Adopted Budget assumes a decrease from the 2012 Endorsed Budget in the number of people booked into jail and in the average number of people held in jail on any given day, saving the City approximately $700,000.

Criminal Justice Contracted Services

Offsetting Revenues

Finally, as part of the 2002 Interlocal Agreement for Jail Services between King County and the cities in King County, King County agreed to turn over property to the cities that it had originally purchased for an Eastside Justice Center. This property was then sold in 2009 and the proceeds were allocated among all 39 cities in King County. The cities could only use the funds to build or contract for additional jail capacity or for alternatives to jail. The funds could not be used to pay for a city's jail contract costs with King County as the intent was to create jail capacity that was in addition to that at King County. Seattle's share of the proceeds was $4.7 million and was initially used to pay for costs associated with jail planning. Due to the new agreement with King County, the jail planning project has been ended, thereby freeing up these funds. The remaining funds of approximately $3.6 million will be used to help pay for costs associated with the City's contract with Snohomish County for jail services over the next three to four years.

Incremental Budget Changes

Criminal Justice Contracted Services

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$27,742,418**	**0.00**
2012 Proposed Changes			
	Jail Budget Reduction – Contract Savings	($4,300,000)	0.00
	Jail Population Reduction	($700,000)	0.00
	Fund Jail Contract Expenses with Property Proceeds Revenue	$0	0.00
Total Changes		**($5,000,000)**	**0.00**
2012 Proposed Budget		**$22,742,418**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$22,742,418**	**0.00**

Jail Budget Reduction – ($4.3 million). This expenditure reduction is due to the new 2012 – 2030 interlocal agreement with King County. Under this new agreement, the fee that the City pays King County to book a misdemeanor inmate at the County Jail will decrease from $329 to $95, saving the City $2.6 million annually. The 2012 Endorsed Budget also assumed that the City would need a transport unit to move pre-trial inmates between the County Jail to other jail facilities in the region. Under the new agreement, King County will guarantee Seattle 228 jail beds in 2012 – enough to allow Seattle to continue housing all of its pre-trial defendants at the County Jail in downtown Seattle. As a result,

the City will not need to fund a transport unit – a savings of $1.2 million annually. Finally, other efficiencies will generate a savings of approximately $500,000.

Jail Population Reduction – ($700,000). The 2012 Adopted Budget assumes a 9% decrease from the 2012 Endorsed Budget in the number of people booked into jail and a 5% decrease in the average number of people held in jail on any given day.

Fund Jail Contract Expenses with Property Proceeds Revenue. This adjustment replaces $1 million of General Fund revenue with $1 million of revenue from the jail property proceeds to pay for costs related to the City's contract with Snohomish County for jail services. There is no expenditure change. As part of the 2002 Interlocal Agreement for Jail Services between King County and the cities in King County, King County agreed to turn over property to the cities that it had originally purchased for an Eastside Justice Center. This property was then sold in 2009 and the proceeds were allocated among all 39 cities in King County. The cities could only use the funds to build or contract for additional jail capacity or for alternatives to jail. The funds could not be used to pay for a city's jail contract costs with King County as the intent was to create jail capacity that was in addition to that at King County. Seattle's share of the proceeds was $4.7 million and was initially used to pay for costs associated with jail planning. Due to the new agreement with King County, the jail planning project has been ended. The remaining funds of approximately $3.6 million will be used to help pay for costs associated with the City's contract with Snohomish County for jail services over the next three to four years.

City Council Changes to the 2012 Proposed Budget

The City Council did not make any changes to the 2012 CJCS Proposed Budget.

City Council Provisos

There are no Council provisos.

Criminal Justice Contracted Services

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Indigent Defense Services Budget Control Level	**VJ500**	**5,457,111**	**6,043,667**	**6,169,790**	**6,169,790**
Jail Services Budget Control Level	**VJ100**	**15,976,934**	**18,331,746**	**21,572,628**	**16,572,628**
Department Total		**21,434,045**	**24,375,413**	**27,742,418**	**22,742,418**

Appropriations by Budget Control Level

Indigent Defense Services Budget Control Level

The purpose of the Indigent Defense Services Budget Control Level is to secure legal defense services, as required by state law, for indigent people facing criminal charges in Seattle Municipal Court.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Indigent Defense Services	5,457,111	6,043,667	6,169,790	6,169,790

Jail Services Budget Control Level

The purpose of the Jail Services Budget Control Level is to provide for the booking, housing, transporting, and guarding of City inmates. The jail population, for which the City pays, are adults charged with or convicted of misdemeanor crimes alleged to have been committed within the Seattle city limits.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Jail Services	15,976,934	18,331,746	21,572,628	16,572,628

Seattle Fire Department

Gregory M. Dean, Chief

Information Line: (206) 386-1400
http://www.seattle.gov/fire/

Department by Budget Control Level

Department Overview

The Seattle Fire Department (SFD) provides fire protection and prevention, technical rescue, and emergency medical services for the city of Seattle. It deploys engine companies, ladder companies, aid and medic units, and fireboats to mitigate the loss of life and property resulting from fires, medical emergencies, and other disasters. SFD maintains 33 fire stations that are strategically located within six battalions to provide optimal response times to emergencies. Each battalion serves specific geographic areas in the city, the Downtown/Central Area, North and Northeast Seattle, Northwest Seattle, South and Southeast Seattle, and West Seattle.

Emergency medical responses account for approximately 80% of all fire emergency calls in the city of Seattle. In order to respond to the emergency medical demand, all Seattle Firefighters are trained as emergency medical technicians (EMTs) to provide basic emergency medical care, or basic life support.

SFD also staffs seven medic units with two firefighter/paramedics trained to provide more advanced

medical care, or advanced life support. Additionally the Department has four Aid Cars staffed by fire-fighters to provide citywide emergency medical response coverage.

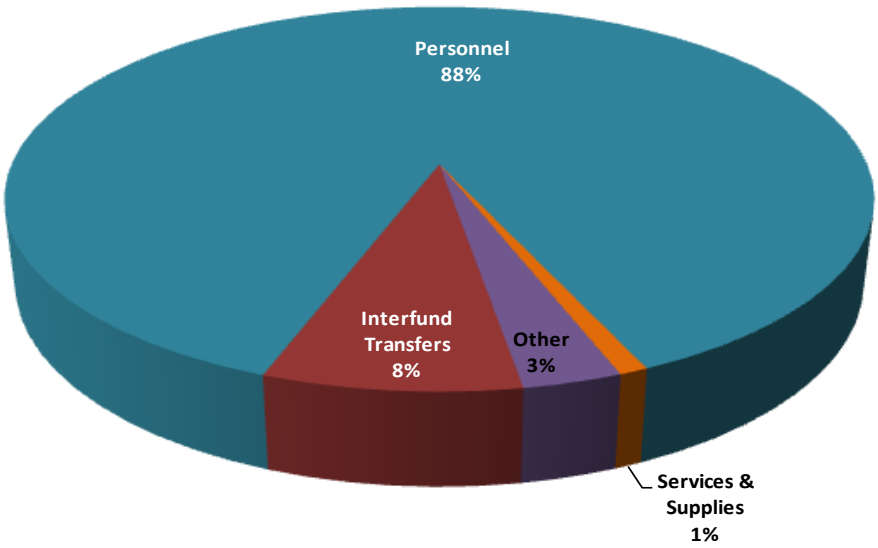
The Department also has hazardous materials, marine, high-angle, and confined-space rescue teams. In addition, SFD officers and firefighters are members of several local and national disaster response teams: FEMA's Urban Search and Rescue Task Force, Metropolitan Medical Response System, and wild land firefighting. SFD's fire prevention efforts include Fire Code enforcement, building inspections, plan reviews of fire and life safety systems, public education and fire safety programs, regulation of hazardous materials storage and processes, and Fire Code regulation at public assemblies.

Budget Snapshot

Seattle Fire Department	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$158,745,831	$158,587,395	$162,013,957	$160,957,439
Other Revenues	$0	$0	$0	$0
Total Revenues	**$158,745,831**	**$158,587,395**	**$162,013,957**	**$160,957,439**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$158,745,831**	**$158,587,395**	**$162,013,957**	**$160,957,439**
Total Expenditures	**$158,745,831**	**$158,587,395**	**$162,013,957**	**$160,957,439**
Full-Time Equivalent * Total	1,155.55	1,151.55	1,151.55	1,152.55

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The Seattle Fire Department's 2012 Adopted Budget reflects the Mayor's commitment to improving public safety even in the midst of the City's on-going General Fund budget constraints. Budget pressures in 2012 and future years have required most General Fund supported departments to make significant reductions. While the Fire Department has made some efficiency reductions, the 2012 Adopted Budget maintains the Department's on-duty strength and makes no operational reductions to companies assigned to neighborhood fire stations.

The impacts of the national recession have forced a large number of major U.S. cities to make significant reductions to Fire Department staffing levels and resource deployments. These reductions have ranged from firefighter layoffs, rotating engine company "brownouts," where an engine company is placed off-line on an intermittent basis, and even fire station closures. In spite of this challenging fiscal environment, the City's commitment to prioritizing front-line services has allowed the Seattle Fire Department to maintain established service levels and to continue to achieve emergency response-related performance goals.

The Mayor has worked closely with SFD to evaluate its progress in meeting the public safety outcome objectives as defined by the National Fire Protection Association (NFPA). Prioritizing emergency response capabilities has allowed SFD to consistently achieve outcomes that are just below the National Fire Protection Association (NFPA) target of 90%. Currently, SFD responds within four minutes for an emergency medical incident 86% of the time. For fire emergencies, SFD is on scene with a minimum of 15 members, a full-alarm assignment of personnel, within eight minutes 85% of the time.

The Fire Department continues to examine the existing fee structure associated with fire prevention services to identify opportunities for greater cost recovery of programs and to identify when business process efficiencies can be realized. In 2011, this effort culminated in a Council ordinance that adjusted fees to a 68% cost recovery rate, a 10% increase over the previous year. Revenue increases from reimbursable services result in a reduction to the General Fund subsidy and lessens the need for cuts to emergency services.

In addition to increasing program cost recovery rates in 2011, the Fire Department implemented significant reductions to its overtime budget for training and discretionary activities, travel expenses, and reduced a number of supervisory-level positions. Furthermore, the Firefighters' Union, Local 27, and Fire Chiefs' Union, Local 2898, agreed to lower the minimum cost of living adjustment from two percent to zero percent, saving the City $4.6 million in 2011. As a result of these primarily administrative reductions, the Fire Department was left with limited options in developing the 2012 Adopted Budget that would not necessitate operational reductions or otherwise decrease on-duty firefighting strength.

The Fire Department continues to examine opportunities to change the way it does business in some areas and to scrutinize its operations to find efficiencies in others. One example of this effort is that the Department, in 2012, will continue a recently implemented change in the way it conducts recruitment activities. The Department will no longer dedicate one position to coordinate recruitment efforts for Seattle Firefighters. In lieu of one dedicated position, SFD will prioritize recruitment efforts and hiring processes with remaining staff resources.

Budget Overview

As another way to provide savings to the City, the 2012 Adopted Budget strategically shifts funding for existing Fire Department IT staff from the City's General Fund to the Cable Franchise Fee Subfund. The Department of Information Technology (DoIT) has identified increased revenues from Cable Franchise Fees that are eligible to support existing City services. SFD staff will continue to manage and develop the content of SFD websites that are viewed by the public. However, these activities will now be covered by increased revenues from Cable Franchise Fees that are eligible to support technological outreach to community members.

Incremental Budget Changes

Seattle Fire Department

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$162,013,957**	**1151.55**
2012 Proposed Changes			
	Eliminate Recruitment Position	($90,960)	(1.00)
	Public Safety Web Staff Funding Shift	($119,933)	0.00
	Emergency 911 Program Funded IT Positions	$219,078	2.00
	Technical Adjustments	($1,050,028)	0.00
Total Changes		**($1,041,843)**	**1.00**
2012 Proposed Budget		**$160,972,114**	**1152.55**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($14,675)	0.00
Total Adjustments		**($14,675)**	**0.00**
2012 Adopted Budget		**$160,957,439**	**1152.55**

Eliminate Recruitment Position – ($90,960) / (1.0) FTE. The Fire Department reviewed all programs to find organizational efficiencies with the goal of preserving direct services. As a result, the department will re-assign a Fire Captain, currently dedicated to providing recruitment services, to take over the Disability Officer responsibilities. The Lieutenant that was filling the role of Disability Officer will be reassigned to fill any vacant Lieutenant position either in Operations or another administrative assignment. This staffing shift will allow SFD to abrogate a position pocket and realize the ongoing salary and benefit savings, without the need for a layoff. However, as a result, SFD will no longer have a dedicated position to coordinate recruitment efforts or the firefighter testing and pre-employment screening process. To preserve these essential hiring processes, the Department will prioritize this work among existing Human Resources staff. In addition, members of the Department's Race and Social Justice Change team will continue to provide recruitment outreach services at job fairs or other community functions, though some overtime hiring will be required. This is a continuation of a reduction first implemented mid-2011.

Public Safety Web Staff Funding Shift – ($119,933). The Fire Department Information Systems program has staff dedicated to managing and developing content for SFD websites that are viewed by the public. The Department of Information Technology (DoIT) has determined that these services qualify for funding from the Cable Franchise Fee Subfund. This proposal shifts funding for the dedicated IT staff from SFD's General Fund to DoIT's Cable Franchise Fee Subfund, and will not impact SFD services.

Emergency 911 Program Funded IT Positions – $219,078 / 2.0 FTE. This proposal adds two IT positions and the associated funding to SFD's Information Systems Program. The Fire Alarm Center's 911 Computer Aided Dispatch System is one of the most complex applications in the City, and these positions are necessary to provide ongoing operation and functioning of the 911 dispatch system. The King County Emergency 911 Program will fully fund the ongoing position costs.

Technical Adjustments – ($1,050,028). Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in SFD's service delivery. Citywide technical changes reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($14,675). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council Provisos.

Seattle Fire Department

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration Budget Control Level					
Communications		5,672,472	5,972,602	5,987,450	5,840,430
Finance		847,938	928,496	952,096	965,181
Human Resources		972,160	1,099,085	1,126,199	1,043,711
Information Systems		3,811,151	3,574,287	3,848,740	3,955,065
Office of the Chief		760,157	875,891	890,831	900,506
Support Services		2,004,818	1,953,332	2,000,779	2,003,772
Administration Budget Control Level	**F1000**	**14,068,696**	**14,403,693**	**14,806,094**	**14,708,664**
Fire Prevention Budget Control Level					
Code Compliance		412,151	445,871	459,315	454,555
Fire Investigation		1,100,262	1,050,971	1,085,473	1,069,494
Hazardous Materials		1,492,485	1,514,457	1,554,170	1,545,138
Office of the Fire Marshal		1,044,031	768,092	787,364	795,705
Public Education		261,144	316,559	323,697	327,871
Regulating Construction		1,911,554	1,863,263	1,917,368	1,905,318
Special Events		471,796	506,253	518,138	509,111
Fire Prevention Budget Control Level	**F5000**	**6,693,425**	**6,465,466**	**6,645,525**	**6,607,193**
Grants & Reimbursables Budget Control Level	**F6000**	**4,865,318**	**1,266,025**	**839,501**	**832,286**
Operations Budget Control Level					
Battalion 2		22,792,440	23,405,284	24,060,481	23,894,732
Battalion 3 - Medic One		13,214,518	11,704,165	12,059,223	11,943,871
Battalion 4		20,130,560	24,038,611	24,127,657	23,957,354
Battalion 5		20,884,075	22,313,349	22,975,651	22,819,283
Battalion 6		18,359,441	20,271,237	20,865,937	20,740,367
Battalion 7		18,227,265	18,027,224	18,543,788	18,442,913
Office of the Operations Chief		16,964,585	14,025,528	14,343,491	14,288,227
Operations Budget Control Level	**F3000**	**130,572,885**	**133,785,398**	**136,976,229**	**136,086,747**
Risk Management Budget Control Level					
Safety and Risk Management		1,006,191	1,075,108	1,097,099	1,085,998
Training and Officer Development		1,539,316	1,591,706	1,649,508	1,636,549
Risk Management Budget Control Level	**F2000**	**2,545,507**	**2,666,814**	**2,746,607**	**2,722,547**
Department Total		**158,745,831**	**158,587,395**	**162,013,957**	**160,957,439**
Department Full-time Equivalents Total*		**1,155.55**	**1,151.55**	**1,151.55**	**1,152.55**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Administration Budget Control Level is to allocate and manage available resources, provide management information, and provide dispatch and communication services needed to achieve the Department's mission.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications	5,672,472	5,972,602	5,987,450	5,840,430
Finance	847,938	928,496	952,096	965,181
Human Resources	972,160	1,099,085	1,126,199	1,043,711
Information Systems	3,811,151	3,574,287	3,848,740	3,955,065
Office of the Chief	760,157	875,891	890,831	900,506
Support Services	2,004,818	1,953,332	2,000,779	2,003,772
Total	**14,068,696**	**14,403,693**	**14,806,094**	**14,708,664**
Full-time Equivalents Total *	87.30	85.30	85.30	86.30

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Communications Program

The purpose of the Communications Program is to manage emergency calls to assure proper dispatch and subsequent safety monitoring of deployed units.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications	5,672,472	5,972,602	5,987,450	5,840,430
Full-time Equivalents Total	32.80	32.80	32.80	32.80

Finance Program

The purpose of the Finance Program is to provide strategic financial planning and management to effectively utilize budgeted funds.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance	847,938	928,496	952,096	965,181
Full-time Equivalents Total	9.50	9.50	9.50	9.50

Appropriations by Budget Control Level (BCL) and Program

Human Resources Program

The purpose of the Human Resources Program is to provide management, advice, and direction in all areas of human resources and labor relations for uniformed and civilian employees. Major areas include: all hiring processes; worker's compensation and all disability and leave programs; EEO including internal investigations, litigation support, Race and Social Justice Initiative support; personnel performance management; all department labor relations functions; and public disclosure.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Human Resources	972,160	1,099,085	1,126,199	1,043,711
Full-time Equivalents Total	9.00	9.00	9.00	8.00

Information Systems Program

The purpose of the Information Systems Program is to provide data and technology to support the Department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Information Systems	3,811,151	3,574,287	3,848,740	3,955,065
Full-time Equivalents Total	17.00	16.00	16.00	18.00

Office of the Chief Program

The purpose of the Office of the Chief Program is to provide strategy, policy, priorities, and leadership to department personnel and advise the Executive on matters of department capabilities in order to ensure delivery of service to Seattle residents.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of the Chief	760,157	875,891	890,831	900,506
Full-time Equivalents Total	6.00	6.00	6.00	6.00

Support Services Program

The purpose of the Support Services Program is to provide the complete range of logistical support necessary to ensure all operational services have the supplies, capital equipment, fleet, and facilities needed to accomplish their objectives.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Support Services	2,004,818	1,953,332	2,000,779	2,003,772
Full-time Equivalents Total	13.00	12.00	12.00	12.00

Appropriations by Budget Control Level (BCL) and Program

Fire Prevention Budget Control Level

The purpose of the Fire Prevention Budget Control Level is to provide Fire Code enforcement to help prevent injury and loss from fire and other hazards.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Code Compliance	412,151	445,871	459,315	454,555
Fire Investigation	1,100,262	1,050,971	1,085,473	1,069,494
Hazardous Materials	1,492,485	1,514,457	1,554,170	1,545,138
Office of the Fire Marshal	1,044,031	768,092	787,364	795,705
Public Education	261,144	316,559	323,697	327,871
Regulating Construction	1,911,554	1,863,263	1,917,368	1,905,318
Special Events	471,796	506,253	518,138	509,111
Total	**6,693,425**	**6,465,466**	**6,645,525**	**6,607,193**
Full-time Equivalents Total *	60.00	54.50	54.50	54.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Code Compliance Program

The purpose of the Code Compliance Program is to provide Fire Code information to the public and resolve code violations that have been identified to reduce fire and hazardous material dangers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Code Compliance	412,151	445,871	459,315	454,555
Full-time Equivalents Total	4.00	4.00	4.00	4.00

Fire Investigation Program

The purpose of the Fire Investigation Program is to determine the origin and cause of fires in order to pursue arson prosecution and identify needed changes to the Fire Code to enhance prevention practices.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Fire Investigation	1,100,262	1,050,971	1,085,473	1,069,494
Full-time Equivalents Total	9.00	9.00	9.00	9.00

Hazardous Materials Program

The purpose of the Hazardous Materials Program is to enforce Fire Code requirements for the safe storage, handling, transport, and use of flammable or combustible liquids and other hazardous materials to reduce the dangers that such materials pose to the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Hazardous Materials	1,492,485	1,514,457	1,554,170	1,545,138
Full-time Equivalents Total	15.00	14.50	14.50	14.50

Appropriations by Budget Control Level (BCL) and Program

Office of the Fire Marshal Program

The purpose of the Office of the Fire Marshal Program is to develop Fire Code enforcement policy, propose code revisions, manage coordination of all prevention programs with other lines of business, and archive inspection and other records to minimize fire and other code-related dangers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of the Fire Marshal	1,044,031	768,092	787,364	795,705
Full-time Equivalents Total	9.00	5.50	5.50	5.50

Public Education Program

The purpose of the Public Education Program is to serve as a fire and injury prevention resource for those who live and work in Seattle to reduce loss of lives and properties from fires.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Public Education	261,144	316,559	323,697	327,871
Full-time Equivalents Total	3.00	3.00	3.00	3.00

Regulating Construction Program

The purpose of the Regulating Construction Program is to provide timely review of building and fire protection system plans and conduct construction site inspections to ensure compliance with Fire Code, safety standards, and approved plans to minimize risk to occupants.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Regulating Construction	1,911,554	1,863,263	1,917,368	1,905,318
Full-time Equivalents Total	17.00	15.50	15.50	15.50

Special Events Program

The purpose of the Special Events Program is to ensure that plans for large public assemblies comply with Fire Codes to provide a safer environment and reduce potential risks to those attending the event.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Special Events	471,796	506,253	518,138	509,111
Full-time Equivalents Total	3.00	3.00	3.00	3.00

Appropriations by Budget Control Level (BCL) and Program

Grants & Reimbursables Budget Control Level

The purpose of the Grants & Reimbursables Budget Control Level (BCL) is to improve financial management of grant and reimbursable funds. In the annual budget process, costs for staff and equipment are fully reflected in the BCLs in which they reside; for example, in the Operations BCL. When reimbursable expenditures are made, the expenses are moved into this BCL to separate reimbursable and non-reimbursable costs, and to ensure the reimbursable costs are effectively managed and monitored.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Grants & Reimbursables	4,865,318	1,266,025	839,501	832,286
Full-time Equivalents Total*	0.00	3.50	3.50	3.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Operations Budget Control Level

The purpose of the Operations Budget Control Level is to provide emergency and disaster response capabilities for fire suppression, emergency medical needs, hazardous materials, weapons of mass destruction, and search and rescue.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 2	22,792,440	23,405,284	24,060,481	23,894,732
Battalion 3 - Medic One	13,214,518	11,704,165	12,059,223	11,943,871
Battalion 4	20,130,560	24,038,611	24,127,657	23,957,354
Battalion 5	20,884,075	22,313,349	22,975,651	22,819,283
Battalion 6	18,359,441	20,271,237	20,865,937	20,740,367
Battalion 7	18,227,265	18,027,224	18,543,788	18,442,913
Office of the Operations Chief	16,964,585	14,025,528	14,343,491	14,288,227
Total	**130,572,885**	**133,785,398**	**136,976,229**	**136,086,747**
Full-time Equivalents Total *	990.25	990.25	990.25	990.25

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Battalion 2 Program

The purpose of each Operations Battalion Program is to provide response services for fire suppression, basic life support, emergency medical care, fire prevention inspections, rescue, hazardous material, and weapons of mass destruction incidents for Seattle residents. Battalion 2 primarily covers central Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 2	22,792,440	23,405,284	24,060,481	23,894,732
Full-time Equivalents Total	195.45	195.45	195.45	195.45

Appropriations by Budget Control Level (BCL) and Program

Battalion 3 - Medic One Program

The purpose of the Battalion 3 - Medic One Program is to provide advanced life support medical services for the safety of Seattle residents.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 3 - Medic One	13,214,518	11,704,165	12,059,223	11,943,871
Full-time Equivalents Total	83.00	83.00	83.00	83.00

Battalion 4 Program

The purpose of each Operations Battalion Program is to provide response services for fire suppression, basic life support, emergency medical care, fire prevention inspections, rescue, hazardous material, and weapons of mass destruction incidents for Seattle residents. Battalion 4 primarily covers northwest Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 4	20,130,560	24,038,611	24,127,657	23,957,354
Full-time Equivalents Total	199.45	199.45	199.45	199.45

Battalion 5 Program

The purpose of each Operations Battalion Program is to provide response services for fire suppression, basic life support, emergency medical care, fire prevention inspections, rescue, hazardous material, and weapons of mass destruction incidents for Seattle residents. Battalion 5 primarily covers southeast Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 5	20,884,075	22,313,349	22,975,651	22,819,283
Full-time Equivalents Total	185.45	185.45	185.45	185.45

Battalion 6 Program

The purpose of each Operations Battalion Program is to provide response services for fire suppression, basic life support, emergency medical care, fire prevention inspections, rescue, hazardous material, and weapons of mass destruction incidents for Seattle residents. Battalion 6 primarily covers northeast Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 6	18,359,441	20,271,237	20,865,937	20,740,367
Full-time Equivalents Total	169.45	169.45	169.45	169.45

Appropriations by Budget Control Level (BCL) and Program

Battalion 7 Program

The purpose of each Operations Battalion Program is to provide response services for fire suppression, basic life support, emergency medical care, fire prevention inspections, rescue, hazardous material, and weapons of mass destruction incidents for Seattle residents. Battalion 7 primarily covers southwest Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Battalion 7	18,227,265	18,027,224	18,543,788	18,442,913
Full-time Equivalents Total	148.45	148.45	148.45	148.45

Office of the Operations Chief Program

The purpose of the Office of the Operations Chief Program is to provide planning, leadership, and tactical support to maximize emergency fire, disaster, and rescue operations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of the Operations Chief	16,964,585	14,025,528	14,343,491	14,288,227
Full-time Equivalents Total	9.00	9.00	9.00	9.00

Risk Management Budget Control Level

The purpose of the Risk Management Budget Control Level is to recruit and train uniformed staff, reduce injuries by identifying and changing practices that place firefighters at greater risk, and providing services to enhance firefighter health and wellness.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Safety and Risk Management	1,006,191	1,075,108	1,097,099	1,085,998
Training and Officer Development	1,539,316	1,591,706	1,649,508	1,636,549
Total	**2,545,507**	**2,666,814**	**2,746,607**	**2,722,547**
Full-time Equivalents Total *	18.00	18.00	18.00	18.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Safety and Risk Management Program

The purpose of the Safety and Risk Management Program is to reduce injuries and health problems by identifying practices that place firefighters at risk during an emergency incident and providing services to enhance firefighter health and wellness.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Safety and Risk Management	1,006,191	1,075,108	1,097,099	1,085,998
Full-time Equivalents Total*	6.00	6.00	6.00	6.00

Appropriations by Budget Control Level (BCL) and Program

Training and Officer Development Program

The purpose of the Training and Officer Development Program is to provide centralized educational and development services for all uniformed members of the department to ensure they have the critical and command skills demanded by their jobs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Training and Officer Development	1,539,316	1,591,706	1,649,508	1,636,549
Full-time Equivalents Total	12.00	12.00	12.00	12.00

Fire Facilities Levy Fund

Fire Facilities Levy Fund by Budget Control Level

Fire Facilities Levy Fund Overview

The 2003 Fire Facilities Levy Fund was created through Ordinance 121230, following voter approval of the Fire Facilities and Emergency Response Levy in November 2003. The Fund receives revenue from property taxes (approximately $167.2 million over the nine-year life of the Levy), grants, certain interfund payments, and other sources. Levy Fund resources are supplemented with other funding sources, such as the City's Cumulative Reserve Subfund and bond proceeds, which are not included in this fund table but are detailed in the Department of Finance and Administrative Services Capital Improvement Program (CIP).

Budget Overview

Projects funded from the Fire Facilities Levy Fund are detailed in the Department of Finance and Administrative Services (FAS) CIP.

The following tables describe anticipated revenues and appropriations to the Fire Facilities Levy Fund for the budget years 2009 through 2012. In the past, the City made appropriations for individual projects up-front and resulting expenditures would span several years after the budget authority was

approved. Starting in 2012, the CIP budget appropriations for projects will equal the anticipated expenditures for that year. This will enable the City to strategically structure its approach to financing, thereby reducing transaction costs, minimizing interest paid, and increasing flexibility with existing resources.

The 2012 Adopted Budget contains no changes from the 2012 Proposed Budget.

City Council Provisos

There are no Council provisos.

Revenue Overview

2012 Estimated Revenues for the 2003 Fire Facilities Subfund (34440)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
431010	Federal Grant Contribution/Grant-Direct	0	0	0	0
	Total Federal Grants	**0**	**0**	**0**	**0**
461110	Interest Earnings	184,430	176,000	0	115,000
485100	Property Sales	0	0	0	1,000,000
	Total Miscellaneous Revenue	**184,430**	**176,000**	**0**	**1,115,000**
411100	Taxes, Levies & Bonds	11,782,295	12,150,000	9,086,000	7,659,000
	Total Property Tax Revenues	**11,782,295**	**12,150,000**	**9,086,000**	**7,659,000**
	Total Revenues	**11,966,725**	**12,326,000**	**9,086,000**	**8,774,000**
379100	Use of (Contribution To) Fund Balance	6,802,596	(5,152,708)	146,000	25,192,270
	Total Use of Fund Balance	**6,802,596**	**(5,152,708)**	**146,000**	**25,192,270**
	Total Resources	**18,769,321**	**7,173,292**	**9,232,000**	**33,966,270**

Fund Tables

Fire Facilities Levy Subfund (34440)

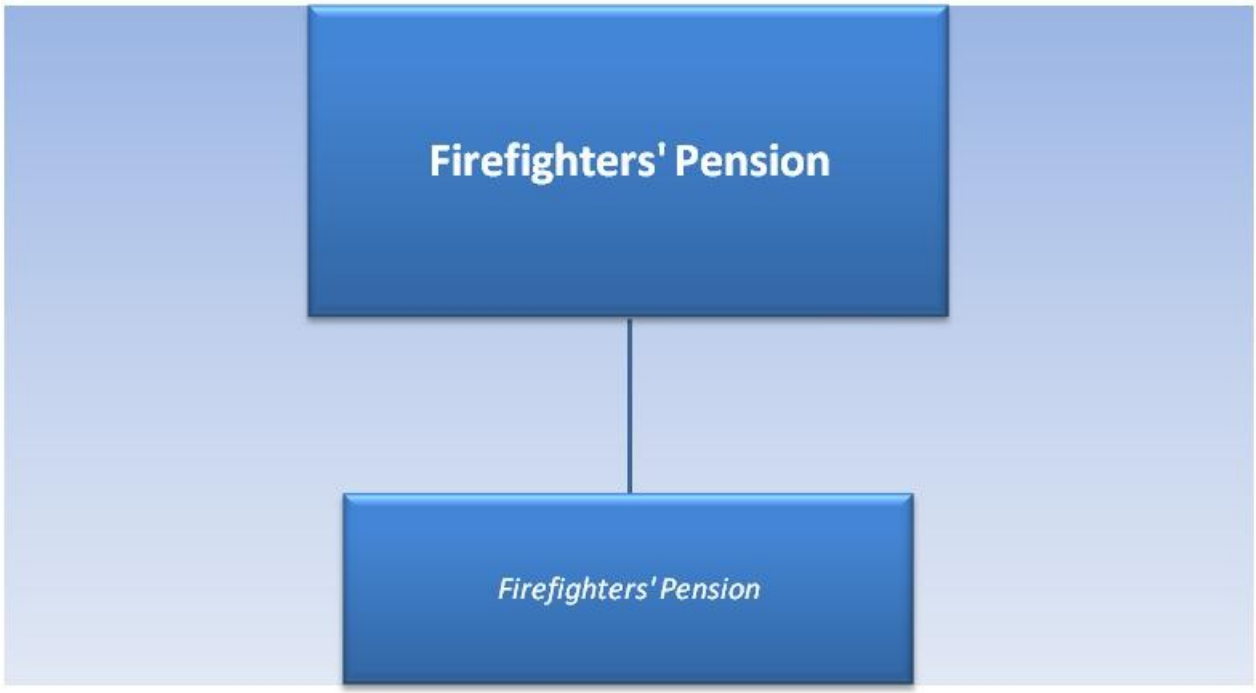
	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**31,244,703**	**22,149,566**	**24,442,107**	**27,302,274**	**32,083,190**
Accounting and Technical Adjustments	(25,000)	0	0	0	0
Plus: Actual and Estimated Revenue	11,966,725	12,326,000	14,816,594	9,086,000	8,774,000
Less: Capital Improvements - 2012 Appropriation				9,232,000	9,232,000
Less: Capital Improvements - Pre-2012 Appropriations	18,744,321	7,173,292	7,175,511		24,734,270
Ending Fund Balance	**24,442,107**	**27,302,274**	**32,083,190**	**27,156,274**	**6,890,920**
Continuing Appropriations	31,383,411	30,084,119	30,569,365	30,084,119	5,835,095
Total Reserves	**31,383,411**	**30,084,119**	**30,569,365**	**30,084,119**	**5,835,095**
Ending Unreserved Fund Balance	**(6,941,304)**	**(2,781,845)**	**1,513,825**	**(2,927,845)**	**1,055,825**

Firefighters' Pension

Steve Brown, Executive Secretary

Information Line: (206) 625-4355
http://www.seattle.gov/firepension

Firefighters' Pension by Budget Control Level



Firefighters' Pension Overview

The Firefighters' Pension Fund provides responsive benefit services to eligible active and retired firefighters. Firefighters eligible for these services are those who, as a result of being hired before October 1, 1977, are members of the Law Enforcement Officers and Fire Fighters Retirement System Plan I (LEOFF I), and those who are pre-LEOFF, that is, those hired before March 1, 1970, the effective date of the Washington Law Enforcement Officers' and Fire Fighters' Retirement System Act. The City of Seattle Firefighters' Pension Fund is responsible for all pre-LEOFF pension benefits and for that portion of the previous municipal firefighter pension benefits that exceed LEOFF Plan I entitlements, including the pension benefits of their lawful beneficiaries, as well as for all medical benefits provided to qualifying active and retired Seattle firefighters. Both the Seattle Firefighters' Pension Fund and the LEOFF Plan I are closed systems and have not accepted new enrollments since October 1, 1977. Seattle firefighters hired after this date are automatically enrolled in the State's LEOFF Plan II, for which the Seattle Firefighters' Pension Fund has no pension or medical benefit obligation.

Firefighters' Pension

The Seattle Firefighters' Pension Board is a five-member quasi-judicial body chaired by the Mayor of Seattle or his/her designee, which formulates policy, rules upon disability applications, and provides oversight of the Firefighters' Pension Fund. Four staff employees of the Board handle all of its operational functions. Staff positions associated with Firefighters' Pension Fund are not reflected in the City's position list.

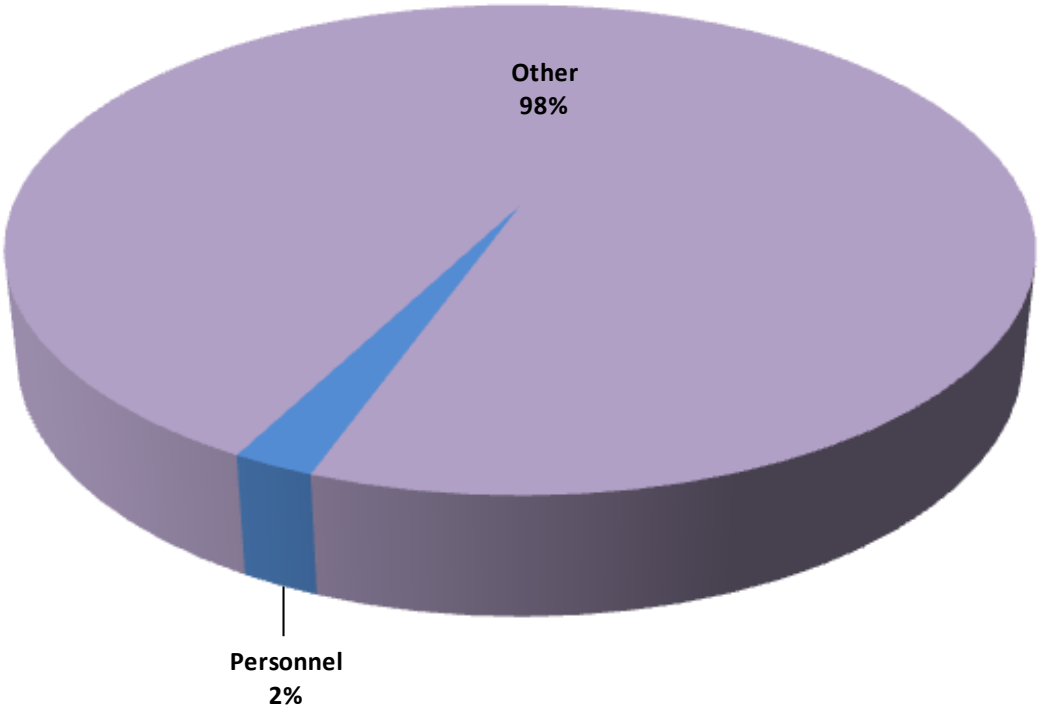
The projections of annual pension and medical benefits, which comprise about 97% of the total annual budget, are based on the forecasts of an independent actuary. The Firefighters' Pension Fund has two statutory funding sources; one from the County's Property Tax, and the other from a State Fire Insurance Premium Tax. These revenues are placed in the City's General Subfund, which funds the Fire Pension Fund's annual budget.

The Firefighters' Pension Fund includes two funds: the Fire Pension Fund, which pays current pension, medical, and death benefits; and the Actuarial Account, which was established by Ordinance 117216 in 1994, and which was designed to pay future pension liabilities of the Fund.

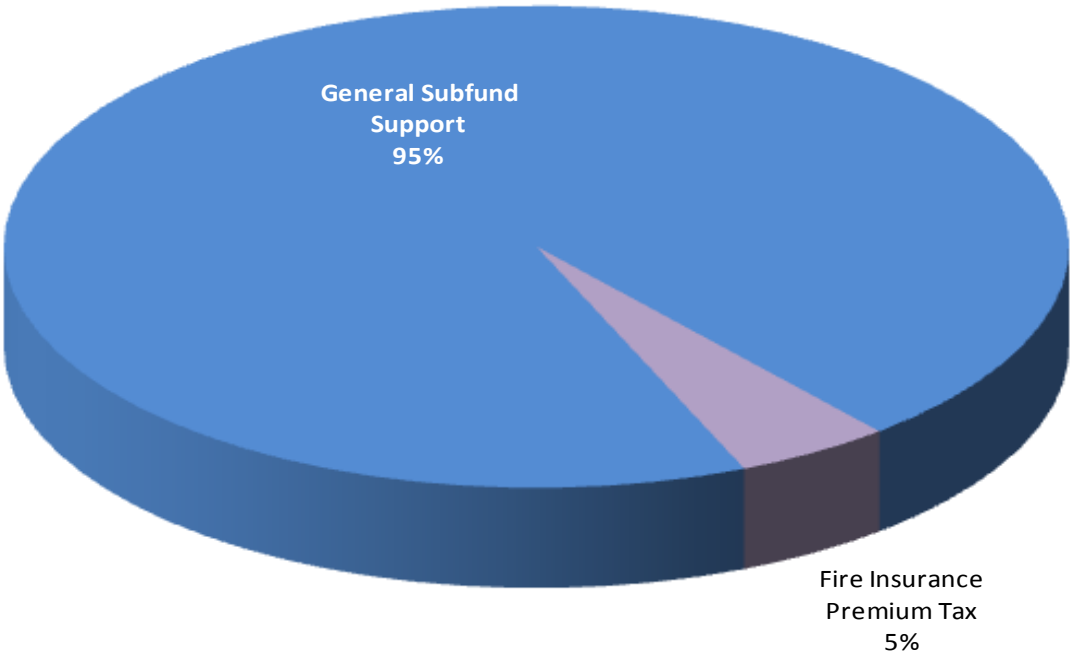
Budget Snapshot

Firefighters' Pension	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$17,530,786	$17,758,532	$19,918,668	$18,874,972
Other Revenues	$866,750	$866,750	$866,750	$939,174
Total Revenues	**$18,397,536**	**$18,625,282**	**$20,785,418**	**$19,814,146**
Use of (Contribution to) Fund Balance	$1,916,678	$1,517,771	$0	$374,651
Total Resources	**$20,314,214**	**$20,143,053**	**$20,785,418**	**$20,188,797**
Total Expenditures	**$20,314,214**	**$20,143,053**	**$20,785,418**	**$20,188,797**
Full-Time Equivalent Total	4.00	4.00	4.00	4.00

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Firefighters' Pension

Budget Overview

The Firefighters Pension Fund receives almost all of its revenue from the City's General Fund. The Fire Pension Fund's expenditures, in turn, are devoted to paying legally mandated pension and medical benefits to eligible active and retired firefighters and (in the case of pension benefits only) their qualified beneficiaries.

The amount of General Fund support required for the Fire Pension Fund in 2012 is about $1,000,000 less than in the 2012 Endorsed Budget. There are two main reasons for the reduction. First, the Fire Pension Fund's projected 2011 year-end balance is larger than forecast in the 2011 Adopted Budget because expenditures for medical benefits have been less than projected through mid-2011. And second, updated actuarially projected expenditures for medical benefits in 2012 are lower than were anticipated in the 2012 Endorsed Budget.

In 2009-2010, in response to fiscal challenges, the City temporarily deferred voluntary planned contributions to the Actuarial Account in the Fire Pension Fund via Ordinance 122859. This deferral was continued in the 2011 Adopted Budget and in the 2012 Endorsed Budget through Ordinance 123459, and no changes to this policy are proposed in the 2012 Adopted Budget. Contributions to the Actuarial Account are assumed to resume in 2013. Recent contribution levels to the Actuarial Account were designed to fully fund, by the end of 2023, all future anticipated pension costs that will be borne by the Fire Pension Fund, in accordance with Ordinance 117216. Deferrals of payments between 2009 and 2012 necessitate either increased payments in years 2013-2023, or an extension of the time required for the fund to reach full funding. In either case, the City will continue to meet its pension liabilities.

Incremental Budget Changes

Firefighters' Pension

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$20,785,418**	**4.00**
2012 Proposed Changes			
	Reduction in Medical Benefit Estimates	($600,000)	0.00
	Technical Adjustments	$3,379	0.00
Total Changes		**($596,621)**	**0.00**
2012 Proposed Budget		**$20,188,797**	**4.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$20,188,797**	**4.00**

Reduction in Medical Benefit Estimate – ($600,000). Expenditures for medical benefits in 2011 and 2012 are projected to be lower than initial estimates based on recent experience and actuarial projections. This results in a projected increase in ending 2011 fund balance in the Firefighters Pension Fund, and a reduction in costs expected for 2012. A portion of this 2011 ending fund balance is available to offset required General Fund contributions in 2012. In recognition of ongoing General Fund fiscal challenges into future years, drawdown of the fund balance will occur over several years.

Technical Adjustments - **$3,379.** This is a technical adjustment to address changes in central rates.

City Council Changes to the 2012 Proposed Budget

The 2012 Adopted Budget contains no changes from the 2012 Proposed Budget.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Firefighters' Pension Budget Control Level					
Administration		666,331	567,339	581,522	584,901
Death Benefits		11,000	15,000	15,000	15,000
Medical Benefits		10,476,590	10,700,000	11,300,000	10,700,000
Pensions		9,160,294	8,860,715	8,888,896	8,888,896
Transfer to Actuarial Account		0	0	0	0
Firefighters' Pension Budget Control Level	**R2F01**	**20,314,214**	**20,143,053**	**20,785,418**	**20,188,797**
Department Total		**20,314,214**	**20,143,053**	**20,785,418**	**20,188,797**
Department Full-time Equivalents Total		**4.00**	**4.00**	**4.00**	**4.00**

Firefighters' Pension

Revenue Overview

2012 Estimated Revenues for the Firefighters Pension Fund (60200)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
436691	Fire Insurance Premium Tax	866,750	866,750	866,750	939,174
	Total Fire Insurance Premium Tax	**866,750**	**866,750**	**866,750**	**939,174**
587001	General Subfund	17,530,786	17,758,532	19,918,668	18,874,972
	Total General Subfund Support	**17,530,786**	**17,758,532**	**19,918,668**	**18,874,972**
	Total Revenues	**18,397,536**	**18,625,282**	**20,785,418**	**19,814,146**
379100	Use of (Contribution To) Fund Balance	1,916,678	1,517,771	0	374,651
	Total Use of Fund Balance	**1,916,678**	**1,517,771**	**0**	**374,651**
	Total Resources	**20,314,214**	**20,143,053**	**20,785,418**	**20,188,797**

Appropriations by Budget Control Level (BCL) and Program

Firefighters' Pension Budget Control Level

The purpose of the Firefighters' Pension Budget Control Level is to provide benefit services to eligible active and retired firefighters and their lawful beneficiaries.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	666,331	567,339	581,522	584,901
Death Benefits	11,000	15,000	15,000	15,000
Medical Benefits	10,476,590	10,700,000	11,300,000	10,700,000
Pensions	9,160,294	8,860,715	8,888,896	8,888,896
Transfer to Actuarial Account	0	0	0	0
Total	**20,314,214**	**20,143,053**	**20,785,418**	**20,188,797**
Full-time Equivalents Total	4.00	4.00	4.00	4.00

Appropriations by Budget Control Level (BCL) and Program

Administration Program

The purpose of the Administration Program is to administer the medical and pension benefits programs for active and retired members.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	666,331	567,339	581,522	584,901
Full-time Equivalents Total	4.00	4.00	4.00	4.00

Death Benefits Program

The purpose of the Death Benefits Program is to disburse benefits and ensure proper documentation of deceased members' death benefits.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Death Benefits	11,000	15,000	15,000	15,000

Medical Benefits Program

The purpose of the Medical Benefits Program is to provide medical benefits to eligible members as prescribed by state law.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Medical Benefits	10,476,590	10,700,000	11,300,000	10,700,000

Pensions Program

The purpose of the Pensions Program is to administer the various facets of the members' pension benefits, which includes the calculation of benefits, the disbursement of funds, and pension counseling for active and retired members.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pensions	9,160,294	8,860,715	8,888,896	8,888,896

Transfer to Actuarial Account Program

The purpose of the Transfer to Actuarial Account Program is to fully fund the actuarial pension liability for the fund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Transfer to Actuarial Account	0	0	0	0

Fund Table

Firefighters Pension Fund (60200)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**13,273,313**	**11,594,347**	**11,385,325**	**10,076,576**	**10,451,227**
Accounting and Technical Adjustments	28,690	0	0	0	0
Plus: Actual and Estimated Revenue	18,397,536	18,625,282	18,661,241	20,785,418	19,814,146
Less: Actual and Budgeted Expenditures	20,314,214	20,143,053	19,595,339	20,785,418	20,188,797
Ending Fund Balance	**11,385,325**	**10,076,576**	**10,451,227**	**10,076,576**	**10,076,576**
Actuarial Account Balance	9,576,576	9,576,576	9,576,576	9,576,576	9,576,576
Contingency Reserve	500,000	500,000	500,000	500,000	500,000
Total Reserves	**10,076,576**	**10,076,576**	**10,076,576**	**10,076,576**	**10,076,576**
Ending Unreserved Fund Balance	**1,308,749**	**0**	**374,651**	**0**	**0**

The Firefighters' Pension Fund is composed of a Contingency Reserve and the Actuarial Account Balance. City Financial Policy specifies a target fund balance of $500,000 in the Contingency Reserve. The 2011 Adopted Budget included legislation that would continue the suspension of transfers into the Actuarial Account for 2011 and 2012. Prior to the 2011 Adopted Budget, these two fund reserves were not shown separately.

Law Department

Peter S. Holmes, City Attorney

Information Line – Civil Division: (206) 684-8200
Information Line – Criminal Division (206) 684-7757
http://www.seattle.gov/law/

Department by Budget Control Level

Department Overview

The Law Department serves as counsel to the City's elected officials and agencies, and as the prosecutor in Seattle Municipal Court. Peter S. Holmes, the Seattle City Attorney, is a nonpartisan elected official.

The Law Department provides legal advice to City officials to help them achieve their goals, represents the City and its officers, employees and agents in litigation, and protects the public health, safety, and welfare of the community by prosecuting violations of City criminal and civil ordinances and state law. The four department divisions are Administration, Civil, Criminal, and Precinct Liaisons.

The Administration Division provides executive leadership, communications, and operational support for the entire department. It is comprised of executives, human resources, finance, media relations, and information technology staff.

Law Department

The Civil Division provides legal counsel and representation to the City's elected and appointed policy-makers in litigation at all levels of county, state, federal courts, and administrative agencies. The Civil Division is organized into the following six specialized areas of practice: Employment, Environmental Protection, Land Use, Government Affairs, Torts, and Utilities & Contracts.

The Criminal Division prosecutes in Seattle Municipal Court infractions and misdemeanor crimes punishable by up to 364 days in jail, provides legal advice to City clients on criminal justice matters, monitors state criminal justice legislation of interest to the City, and participates in criminal justice policy development and management of the criminal justice system. In addition, the Criminal Division operates a Victims of Crime program which assists crime victims in obtaining restitution. The Criminal Division is comprised of a Case Prep Unit, Domestic Violence Unit, Specialty Courts Unit (Mental Health, Community Court, Veterans Court and Infractions Program), and two trial teams.

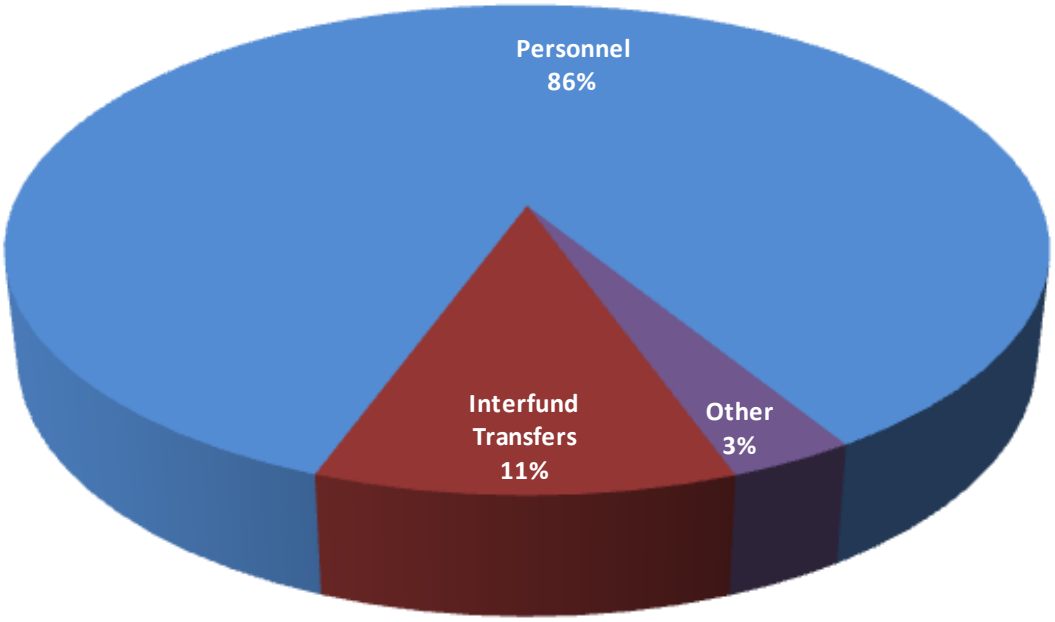
The Precinct Liaison attorneys work in each of the City's five precincts, providing legal advice to police and other City departments. In helping to address a variety of neighborhood and community problems, these attorneys coordinate with the Civil and Criminal divisions to ensure a consistent, thorough, and effective approach to solving issues of concern to the community.

Budget Snapshot

Law Department	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$17,759,595	$18,368,949	$18,850,472	$19,188,666
Other Revenues	$0	$0	$0	$0
Total Revenues	**$17,759,595**	**$18,368,949**	**$18,850,472**	**$19,188,666**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$17,759,595**	**$18,368,949**	**$18,850,472**	**$19,188,666**
Total Expenditures	**$17,759,595**	**$18,368,949**	**$18,850,472**	**$19,188,666**
Full-Time Equivalent * Total	156.10	155.10	155.10	160.60

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years have required the Law Department to make budget reductions. In the 2011 Adopted Budget, the Law Department assisted in balancing the General Fund by making several administrative position cuts, a general reduction of $420,000, and a furlough program that required most employees to take 80 hours of unpaid leave. These are ongoing changes that are reflected in the 2012 Adopted Budget.

The Law Department contributed to the City's 2011 mid-year reduction efforts by capturing salary savings for 8.5 intermittently vacant positions. This contributed over $200,000 to help balance the General Fund.

The 2012 Adopted Budget levies another general reduction of $283,000, which is pro-rated across the Civil and Criminal Divisions. This reduction represents 1.5% of the department's budget, the same level of cuts that the Proposed Budget made to the City's Executive Departments.

The City Attorney has in recent years made budget reductions without realizing a substantive change in the number of Assistant City Attorney (ACA) positions. Additionally, the Department budget since 2005 has increased 41% compared to the Citywide average of 25%. The City Attorney last year cut one ACA in recognition of changes in prosecuting policies, which ended prosecution of low-level Driving While License Suspended (DWLS) cases, and a vacant 0.5 FTE ACA in Mental Health Court. However, these were the only reductions to ACA staffing in the last two years.

Law Department

In 2011 and 2012, the City Attorney proposed a number of staff adds with the intent to create revenue that more than offset the additional expenditures. For example, the 2011 Adopted Budget added two attorney positions and support staff to bring in-house a portion of the police action cases handled by outside counsel.

On an annual basis, the City had been paying to Stafford Frey Cooper approximately $1.8 million to defend in Court its police officers in civil rights actions. The 2011 Adopted Budget assumed that the City would pay $617,000 less for these services as the billing rate for City attorneys is far less than that of Stafford Frey Cooper. After some initial delay in hiring the attorneys, the City Attorney in May of 2011 had all positions on board and started to shift in-house the police action cases. While this is helping to reduce the City's legal costs, Stafford Frey Cooper billings have already exceeded $1.6 million through October of 2011.

The City Attorney requested an additional attorney to increase the capacity of the City to collect debt. The Law Department currently assigns one attorney and one paralegal to work with delinquent accounts that are 60 days past due. These cases have in the last two years doubled and are now creating a significant backlog. To respond to the growing demand, the Department raised the threshold of the cases it handles from $2500 to $5,000 in 2010 and to $10,000 in 2011. The Proposed Budget added a 0.5 FTE City Attorney to address the backlog and endeavor to bring the threshold back to $5,000. The revenue collected on these cases is returned to the referring department. Since the majority of the outstanding revenue is related to the utilities, there is no substantive impact to the General Fund.

The Mayor and City Council have both gone on record supporting the Precinct Liaison Program. The Precinct Liaisons coordinate legal advice to the Seattle Police Department (SPD) and other City agencies in each of the five precincts. Further, the liaisons work with community members to help solve chronic public safety problems related to issues such as noise complaints, liquor licenses, alcohol impact areas, nuisance properties, drug houses, nightclubs, and encampments.

City Council Changes

Council created a new BCL to house a re-engineered Precinct Liaison Program 2.0. Three new Precinct Liaison positions are created in the new BCL. One position is abrogated in the Criminal BCL and the associated funding is transferred to the new Precinct Liaison BCL. These four positions will work in the City's five Police precincts, coordinating legal advice to police and other City departments.

Council added funding and position authority for an attorney to staff the contested infractions calendar in the Seattle Municipal Court. It is assumed that the additional infraction revenue created by this attorney will offset the additional expense.

Council added an unfunded paralegal position to increase the capacity of the City to collect debt. This builds on the funding and authority that was added in the 2012 Proposed Budget. The position will be filled only if the utilities agree to pay for the position. Like the Infractions Attorney, it is assumed that the additional collections revenue created by this position will offset the additional expense. These changes are described in more detail below.

Incremental Budget Changes

Law Department

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$18,850,472**	**155.10**
2012 Proposed Changes			
	Service Delivery Change	$63,129	0.50
	General Reduction	($283,000)	0.00
	Operational Efficiencies	($60,000)	0.00
	Technical Adjustments	$183,024	0.00
Total Changes		**($96,847)**	**0.50**
2012 Proposed Budget		**$18,753,625**	**155.60**
Council Adjustments to Proposed Budget			
	Precinct Liaison Program	$376,000	3.00
	Staffing Infractions Calendar	$85,000	1.00
	Staffing Collections Enforcement	$0	1.00
	Position Transfer to Meet Workload Demands	$0	0.00
	Adjust Employer Contribution Rate to SCERS	($25,959)	0.00
Total Adjustments		**$435,041**	**5.00**
2012 Adopted Budget		**$19,188,666**	**160.60**

Service Delivery/Revenue Backed Change - $63,129. The addition of a 0.5 FTE attorney will allow the Law Department to catch up on the backlog of cases. The majority of cases involve the utilities and other funds, so the revenue collected will not benefit the General Fund. A portion of these position costs will be allocated to the utilities.

General Reduction - ($283,000). To meet reduction targets, the Law Department budget is reduced to assist in balancing the overall General Fund. Specific program reductions will be determined by the Seattle City Attorney.

Miscellaneous Savings and Non-Impact Reductions - ($60,000). To meet General Fund reductions and avoid layoffs or other staff reductions, the Law Department proposed this reduction to the Civil Division budget.

Technical Adjustments - $183,024. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Department's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers compensation, and unemployment costs.

Law Department

City Council Changes to the 2012 Proposed Budget

Precinct Liaison Program - $376,000 / 3.0 FTE. The budget establishes three new positions that are dedicated solely to precinct liaison work. In addition, an existing FTE in the Law Department's Criminal Division is transferred to support the costs of the new Precinct Liaison Program. The total cost of the program is $503,000 for four attorneys.

The precinct liaison attorneys will work closely with police officers and SPD leadership to address a variety of community and neighborhood problems. The positions will provide legal advice on everyday issues faced by officers and help develop proactive strategies to address community and neighborhood problems. The positions will report to the City Attorney.

Staffing Infractions Calendar - $85,000 / 1.0 FTE. A full-time Assistant City Attorney position is created in the Criminal Division to provide dedicated staffing for disputed infraction hearings at the Seattle Municipal Court. The Law Department has been staffing these hearings through a mix of interns, volunteers, and some limited time from City Prosecutors. A full-time Attorney dedicated to these hearings will cost $85,000, but is assumed to generate this incremental amount in fine revenues. Council provisos the associated funding so that it can only be used to staff infraction hearings.

Staffing Collections Enforcement - $0 / 1.0 FTE. An unfunded full-time paralegal position is created in the Law Department's Civil Division to assist in collections enforcement for Seattle City Light and Seattle Public Utilities. This position will pursue additional debt collections with an existing attorney, paralegal and the 0.5 FTE Assistant City Attorney included in the Proposed Budget. The Department will develop with the utilities an agreement to cover the cost of this position, which will be offset by recovered debt revenue. If such agreements are not reached, Council indicated the vacant position will be abrogated in a 2012 quarterly supplemental ordinance.

Position Transfer to Meet Workload Demands - $0 / 0.0 FTE. To better reflect current and projected workloads, one Assistant City Attorney is transferred from the Criminal BCL to the Civil BCL.

Adjust Employer Contribution Rate to SCERS – ($25,959). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

The Council adopted the following budget proviso:

- *Of the appropriation in the 2012 budget for the Law Department's Criminal BCL, $85,000 is appropriated solely for infraction enforcement and may be spent for no other purpose.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration Budget Control Level	J1100	1,445,217	1,658,041	1,705,122	1,718,188
Civil Budget Control Level	J1300	9,614,725	10,358,879	10,626,166	10,677,827
Criminal Budget Control Level	J1500	6,699,653	6,352,029	6,519,185	6,289,652
General Fund Supported BCLs					
Precinct Liaison Attorneys Budget Control Level	J1700	0	0	0	503,000
Total General Fund Supported BCLs		0	0	0	503,000
Department Total		17,759,595	18,368,949	18,850,472	19,188,666
Department Full-time Equivalents Total*		156.10	155.10	155.10	160.60

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Administration Budget Control Level

The purpose of the Administration Budget Control Level is to collectively recruit, train, evaluate, and retain qualified personnel who reflect the community and can effectively complete their assigned tasks, operate and maintain computer systems that enable department personnel to effectively use work-enhancing technology, and promote the financial integrity of the Department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	1,445,217	1,658,041	1,705,122	1,718,188
Full-time Equivalents Total*	11.30	13.30	13.30	13.30

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Appropriations by Budget Control Level (BCL)

Civil Budget Control Level

The purpose of the Civil Budget Control Level is to provide legal advice to the City's policy-makers, and to defend and represent the City, its employees, and officials before a variety of county, state, and federal courts and administrative bodies.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil	9,614,725	10,358,879	10,626,166	10,677,827
Full-time Equivalents Total*	80.80	82.30	82.30	84.80

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Criminal Budget Control Level

The purpose of the Criminal Budget Control Level includes prosecuting ordinance violations and misdemeanor crimes, maintaining case information and preparing effective case files for the court appearances of prosecuting attorneys, and assisting and advocating for victims of domestic violence throughout the court process.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Criminal	6,699,653	6,352,029	6,519,185	6,289,652
Full-time Equivalents Total*	64.00	59.50	59.50	58.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Precinct Liaison Attorneys Budget Control Level

The purpose of this BCL is to support a program where attorneys work in each of the City’s five precincts, providing legal advice to police and other City departments. In helping to address a variety of neighborhood and community problems, the precinct liaison attorneys coordinate with the Civeil and Criminal divisions to ensure a consistent, through, and effective approach.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Precinct Liaison Program	0	0	0	503,000
Full-time Equivalents Total*	0.00	0.00	0.00	4.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Municipal Courts

The Honorable C. Kimi Kondo, Presiding Judge

Information Line: (206) 684-5600
http://www.seattle.gov/courts/

Department by Budget Control Level

Department Overview

The Seattle Municipal Court processes more cases than any other municipal court in the State of Washington. Seattle Municipal Court has concurrent jurisdiction with King County District Court and is authorized by the State of Washington and the Seattle Municipal Code to adjudicate misdemeanors, gross misdemeanors, infractions (e.g., traffic infractions, parking violations, and other infractions), and civil violations related to building and zoning offenses.

The Seattle Municipal Court is committed to excellence in providing fair, accessible, and timely resolution of alleged violations of the Seattle Municipal Code in an atmosphere of respect for the public, employees, and other government entities. The Seattle Municipal Court values and recognizes its employees. The Municipal Court of Seattle is a contributing partner working toward a safe and vital community.

Seattle Municipal Court

By working with community organizations, the Court has increased access for citizens and enhanced compliance with court-ordered conditions. The Court Compliance staff monitors defendant compliance, assesses the treatment needs of defendants, and helps direct defendants to resources that will help them live successfully in the community. The Court continues to leverage additional outside-agency resources with City funds to support defendants through successful completion of court orders. Work crews, community service, the Day Reporting program, and electronic home monitoring are used as alternatives to jail incarceration. The Mental Health Court, established in 1999, is a defendant-based program and is nationally recognized for serving misdemeanant offenders who are mentally ill or developmentally disabled.

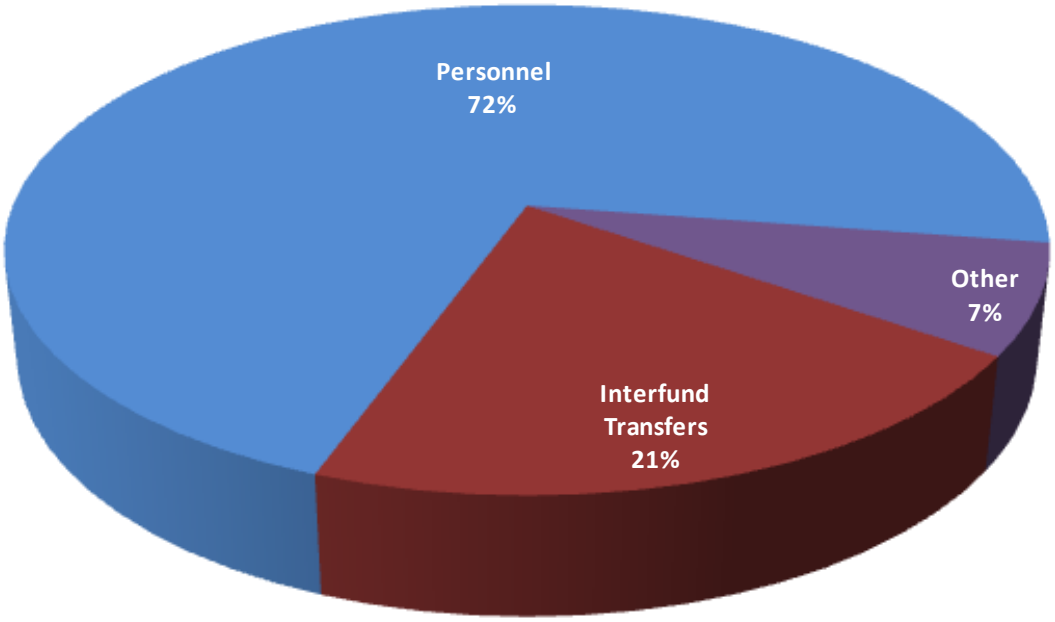
The Court continues to lead judicial administrative reform, working closely with the King County District Court and Superior Court in organizing common court services. Additionally, the Court has expanded its community focus to include both a Community Court and Domestic Violence Court. These specialized courts provide dedicated judicial, staff, and social services support to defendants charged with criminal law violations.

Budget Snapshot

Seattle Municipal Court	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$26,299,686	$26,107,047	$26,584,695	$26,637,689
Other Revenues	$0	$0	$0	$0
Total Revenues	**$26,299,686**	**$26,107,047**	**$26,584,695**	**$26,637,689**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$26,299,686**	**$26,107,047**	**$26,584,695**	**$26,637,689**
Total Expenditures	**$26,299,686**	**$26,107,047**	**$26,584,695**	**$26,637,689**
Full-Time Equivalent * Total	222.10	214.10	214.10	214.10

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years have required the Seattle Municipal Court to make budget reductions. Over the last two years, the Court has assisted in balancing the General Fund with the reduction of over 20 positions, including both Judicial, management, and administrative support positions. The Court has found efficiencies in every service area while continuing to provide critical direct services to the public.

In 2011, the Court participated in Citywide mid-year reductions, contributing more than $700,000 of expenditure savings and new revenues to close the General Fund shortfall. As part of its mid-year reduction efforts, the Court initiated in May 2011 a one-time, two-month collections suspension program. The program allowed individuals to recall from collections their outstanding tickets and pay only the underlying fines and default penalties. The Court and Alliance One, the Court's collection agent, waived all associated interest and collection fees. The program also encouraged people to pay their unpaid parking tickets before the new parking scofflaw program launched on July 1. The program was very successful, resulting in $840,000 in more revenue than is typically collected by Alliance One during this period.

Faced with another round of reductions for the 2012 Adopted Budget, the Court looked for opportunities to address the General Fund shortfall while preserving critical programs and services. A high priority for the Court was to preserve the unique and innovative specialty courts. Of particular importance

are the Mental Health Court and Community Court, which connect defendants with social services and encourage compliance through probation incentives and sanctions for non-compliance. The revenue changes described below were implemented in 2011 and will allow the Court to maintain its specialty services while helping to balance the General Fund in 2012.

The Court implemented four ongoing revenue changes in the mid-year reduction process.

- **A $5 increase in parking penalties.** The Court initially proposed this increase for the 2012 budget, however, since local courts in Washington State have jurisdictions over parking penalties, the Court submitted Local Court Rule change to the State's Administrative Office of the Courts and raised the monetary penalties to be effective September 2011. The City Council passed legislation in September 2011 and amended the Seattle Municipal Code to conform to changes in the corresponding parking infractions; this increase is estimated to provide General Fund revenues of $354,000 in 2011, and $2,127,000 in 2012. The penalties are imposed on violators who park illegally on street/alley, sidewalk, fire lane, load/unload zone, school zone, or fail to pay parking meters. The increased fee helps to further support the City's efforts to discourage illegal parking in Seattle's neighborhoods and business districts. Additionally, the higher penalties may encourage increased parking turnover.

- **A monthly assessment of $10 on administratively monitored probation.** This will generate an additional $15,000 to the General Fund in 2012. The revenue is also expected to increase in subsequent years as new cases are added.

- **An increase in the Deferred Finding Administrative Fee (DFAF) from $122 to $124.** This change will add $15,300 annually to the General Fund. The DFAF allows a defendant a deferred finding as long as they receive no other infractions within a one year period. This fee was increased in 2010, and an inflationary increase in July 2011 of $2 will provide additional revenue while helping to meet the costs of administering the program.

- **A reinstatement of traffic infraction bail.** Traffic violators are eligible to request a deferred finding and pay the above administrative fee if they receive no future infractions within one year. However, a number of violators commit another infraction within one year. The Seattle Municipal Court will now reinstate the original penalty. This change is expected to provide a $25,000 increase to the General Fund.

In 2011, the Court increased a half-time magistrate position in response to the additional Parking Enforcement Officers that were added to the Seattle Police Department. The additional magistrate capacity brings the court back into compliance for speedy trial. The schedule for parking and traffic infractions was 70 to 90 days out when defendants requested a hearing, it is now around 20 days. This new schedule is also expediting penalty revenues to the City since cases are adjudicated faster.

In 2011, the Court implemented the next phase of the Municipal Court Information System (MCIS) improvement project. The first project of this phase will plan, develop, and implement a new MCIS infraction module where cases such as parking, traffic, and red light camera tickets will be prepared, processed, heard, resolved and archived electronically. The project will also move the Court a step closer to its goal of maintaining only electronic records. The second project in this phase is to review

MCIS accounting transaction processes and make required business and technical changes. Funding for this phase of $220,000 was transferred from the State-funded Trial Court Improvement Account (TCIA).

The 2012 Adopted Budget makes one expenditure change by restoring funding for a Probation Counselor II. The Probation Counselor provides intensive supervision to sentenced offenders and provides an alternative to jail for defendants not deemed a threat to public safety. These are defendants who are not likely to succeed under traditional probation programs. They may be homeless, or have a history of failing to comply with the terms of their sentence such as attending treatment or probation hearings. This program provides an alternative to jail and savings to the City's jail costs.

Even with declining budget, the Court will continue its focus on problem-solving justice programs – an approach that helps offenders with the underlying causes for criminal behavior while also holding them accountable for their actions. The problem-solving model strives to balance defendants' needs for assistance with the need to safely protect the community.

Incremental Budget Changes

Seattle Municipal Court

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$26,584,695**	**214.10**
2012 Proposed Changes			
	Restore Post-Sentencing Day Reporting Probation Counselor II Funding	$103,673	0.00
	Technical Adjustments	($15,758)	0.00
Total Changes		**$87,915**	**0.00**
2012 Proposed Budget		**$26,672,610**	**214.10**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($34,921)	0.00
Total Adjustments		**($34,921)**	**0.00**
2012 Adopted Budget		**$26,637,689**	**214.10**

Restore Post-Sentencing Day Reporting Probation Counselor II Funding – $103,673. Funding for this existing position, which was cut in the 2011 Adopted Budget, will be restored. The Court funded the position with salary savings in the first half of 2011 and through a supplemental appropriation in the latter half of 2011.

Technical Adjustments – ($15,758). Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in Seattle Municipal Court's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($34,921). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Court Administration Budget Control Level	M3000	5,866,891	5,861,767	5,941,429	5,913,131
Court Compliance Budget Control Level	M4000	5,284,949	5,025,119	5,118,156	5,214,167
Court Operations Budget Control Level	M2000	15,147,846	15,220,160	15,525,110	15,510,391
Department Total		**26,299,686**	**26,107,047**	**26,584,695**	**26,637,689**
Department Full-time Equivalents Total*		**222.10**	**214.10**	**214.10**	**214.10**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Court Administration Budget Control Level

The purpose of the Court Administration Budget Control Level is to provide administrative controls, develop and provide strategic direction, and provide policy and program development.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Court Administration	5,866,891	5,861,767	5,941,429	5,913,131
Full-time Equivalents Total*	36.00	34.00	34.00	34.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Court Compliance Budget Control Level

The purpose of the Court Compliance Budget Control Level is to help defendants understand the Court's expectations and to assist them in successfully complying with court orders.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Court Compliance	5,284,949	5,025,119	5,118,156	5,214,167
Full-time Equivalents Total*	54.85	41.85	41.85	41.85

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Court Operations Budget Control Level

The purpose of the Court Operations Budget Control Level is to hold hearings and address legal requirements for defendants and others who come before the Court. Some proceedings are held in formal courtrooms and others in magistrate offices, with the goal of providing timely resolution of alleged violations of City ordinances and misdemeanor crimes committed within the Seattle city limits.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Court Operations	15,147,846	15,220,160	15,525,110	15,510,391
Full-time Equivalents Total*	131.25	138.25	138.25	138.25

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Municipal Jail Subfund

Subfund by Budget Control Level

Subfund Overview

The Municipal Jail Subfund was created to receive revenues and pay the costs associated with planning for a new jail.

In 2008, the contract with King County for jail services was set to expire in 2012. At the time, Seattle housed most of its misdemeanor inmates in the King County Correctional Facility. King County stated it would not have room to house any city inmates after 2012 and therefore the affected cities needed to plan for new jail facilities to meet their jail capacity needs. As a result, the cities of Bellevue, Clyde Hill, Kirkland, Redmond, Shoreline, Yarrow Point, and Seattle, as well as King County, entered into agreements to jointly plan for a regional misdemeanor jail facility. Concurrently, the cities continued to pursue efforts with King County to find a regional solution to address the long-term jail capacity needs.

In 2010, however, conditions had significantly changed from 2008. King County and the affected cities adopted an agreement for jail services through 2016. In addition, the cities had more contracting options available than they had in 2008. The need for the cities to build a new jail facility was no longer eminent. As a result, the jail planning process ended in 2010.

Municipal Jail Subfund

Budget Snapshot

Municipal Jail Subfund	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$0	$0	$0	$0
Total Revenues	**$0**	**$0**	**$0**	**$0**
Use of (Contribution to) Fund Balance	$0	$0	$0	$1,000,000
Total Resources	**$0**	**$0**	**$0**	**$1,000,000**
Total Expenditures	**$0**	**$0**	**$0**	**$1,000,000**

Budget Overview

As part of the 2002 Interlocal Agreement (ILA) for Jail Services between King County and the cities in King County, King County agreed to turn over property to the cities that it had originally purchased for an Eastside Justice Center. This property was then sold in 2009 and the proceeds were allocated among all 39 cities in King County. Per the terms of the ILA, the cities could only use the funds to build or contract for additional jail capacity or for alternatives to jail. The funds could not be used to pay for a city's jail contract costs with King County as the intent was to use the funds to create jail capacity that was in addition to that at King County. Seattle's share of the proceeds was $4.7 million and was placed into the Municipal Jail Subfund. The funds were initially used to pay for costs associated with jail planning. Due to the new agreement for jail services with King County, the jail planning project ended in 2010. Approximately $3.6 million of Seattle's share of the proceeds remain. The 2012 Adopted Budget uses these remaining proceeds to offset over three to four years the General Fund costs associated with the City's contract with Snohomish County for jail services.

Incremental Budget Changes

Municipal Jail Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$0**	**0.00**
2012 Proposed Changes			
	Fund Jail Contract Expenses with Property Proceeds Revenue	$1,000,000	0.00
Total Changes		**$1,000,000**	**0.00**
2012 Proposed Budget		**$1,000,000**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$1,000,000**	**0.00**

Fund Jail Contract Expenses with Property Proceeds Revenue – $1,000,000. This adjustment uses $1 million of revenue from the jail property proceeds to offset General Fund costs to pay for the City's contract with Snohomish County for jail services. As part of the 2002 Interlocal Agreement for Jail Services between King County and the cities in King County, King County agreed to turn over property to the cities that it had originally purchased for an Eastside Justice Center. This property was then sold in 2009 and the proceeds were allocated among all 39 cities in King County. The cities could only use the funds to build or contract for additional jail capacity or for alternatives to jail. The funds could not be used to pay for a city's jail contract costs with King County as the intent was to create jail capacity that was in addition to that at King County.

Seattle's share of the proceeds was $4.7 million and was initially used to pay for costs associated with jail planning. Due to the new agreement with King County, the jail planning project ended in 2010. Approximately $3.6 million of Seattle's share of the Jail property proceeds remain. The 2012 Adopted Budget uses these remaining proceeds to offset the General Fund costs associated with the City's contract with Snohomish County for jail services. There should be sufficient funds to support the City's Snohomish County jail costs for three to four years.

City Council Changes to the 2012 Proposed Budget

There are no City Council changes to the 2012 Proposed Budget.

Municipal Jail Subfund

City Council Provisos

The are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Municipal Jail Bond Proceeds Budget Control Level					
Jail Contract Expenses		0	0	0	1,000,000
Municipal Jail Bond Proceeds Budget Control Level	**MUNIJAIL -BCL**	**0**	**0**	**0**	**1,000,000**
Department Total		**0**	**0**	**0**	**1,000,000**

Appropriations by Budget Control Level (BCL)

Municipal Jail Bond Proceeds Budget Control Level

The purpose of the Municipal Jail Bond Proceeds Budget Control Level is to pay capital costs associated with the construction of a new jail.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Jail Contract Expenses	0	0	0	1,000,000
Total	**0**	**0**	**0**	**1,000,000**

Fund Table

Municipal Jail Sub fund

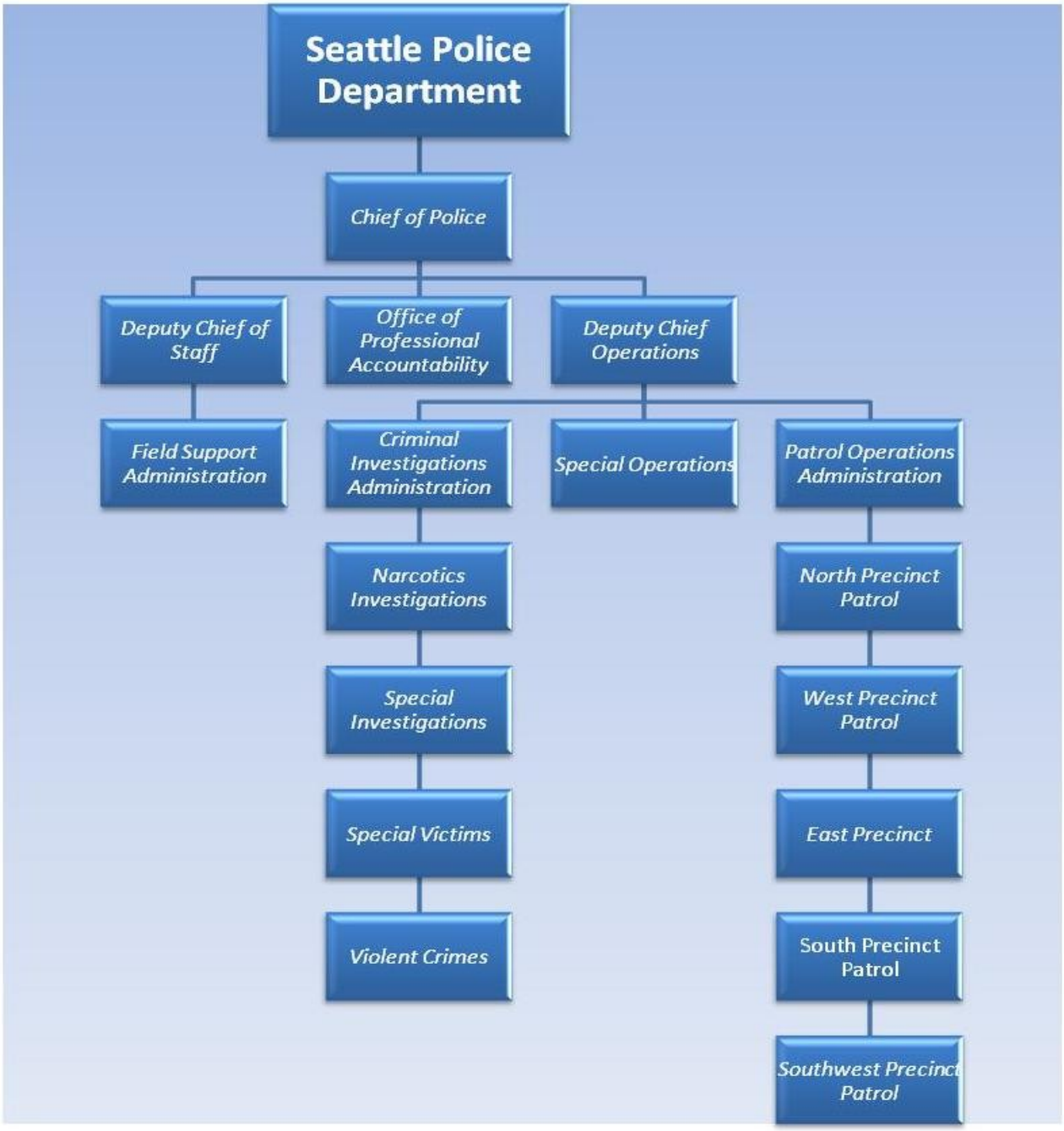
	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**3,742,999**	**0**	**3,609,057**	**0**	**3,609,057**
Accounting and Technical Adjustments	(133,942)	0	0	0	0
Less: Actual and Budgeted Expenditures	0	0	0	0	1,000,000
Ending Fund Balance	**3,609,057**	**0**	**3,609,057**	**0**	**2,609,057**

Seattle Police Department

John Diaz, Chief

Information Line: (206) 684-5577
http://www.seattle.gov/police/

Department by Budget Control Level



Seattle Police Department

Department Overview

The Seattle Police Department (SPD) prevents crime, enforces laws, and supports quality public safety by delivering respectful, professional, and dependable police services. SPD operations are divided into five geographical areas called "precincts." These precincts define East, West, North, South, and Southwest patrol areas, with a police station in each. The Department's organizational model places neighborhood-based emergency response and order-maintenance services at its core, allowing SPD the greatest flexibility in managing public safety. Under this model, neighborhood-based enforcement personnel in each precinct assume responsibility for public safety management, primary crime prevention and law enforcement. Property crimes and crimes involving juveniles are investigated by precinct-based investigators, whereas detectives in centralized units, located at SPD headquarters downtown, conduct follow-up investigations in other types of crimes. SPD also has citywide responsibility for enhancing the City's capacity to plan for, respond to, recover from, and reduce the impacts of a wide range of emergencies and disasters. Other parts of the department function to train, equip, and provide policy guidance, human resources, communications, and technology support to those delivering direct services to the public.

The Neighborhood Policing Plan (NPP), adopted by the City in 2007, provides the framework for how SPD deploys patrol staff to meet the City's public safety policy objectives. The plan seeks to provide faster response times regardless of the time of day, day of week or season of the year; a stronger police presence when responding to calls for service; and a smarter use of patrol resources to focus on persistent problems that can affect quality of life in the city.

NPP aims to address three specific goals:

- To respond to high priority emergency calls in an average of seven minutes or less - a commonly accepted response time for police forces in larger cities.
- To allow patrol officers to do more proactive policing (30% of officer time) to help resolve the underlying conditions that create violations of law and/or public order.
- To deploy 10 additional "back up" police vehicles citywide. These cars (two in each precinct) provide better area coverage and improve back-up capability to enhance officer safety.

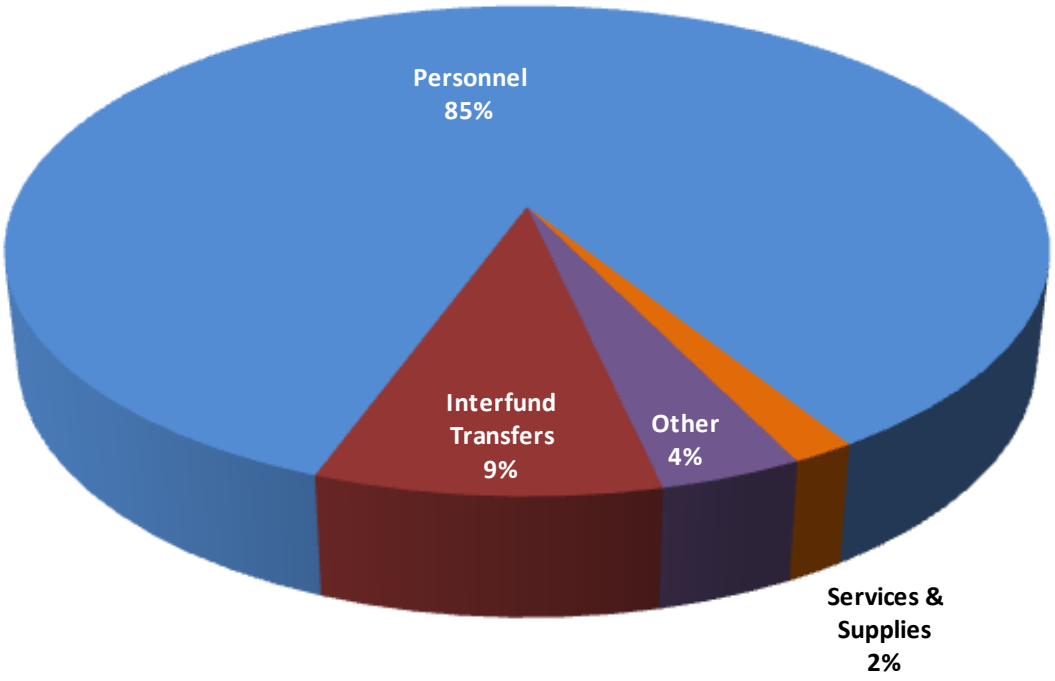
NPP helps to strengthen officers' sense of ownership of the neighborhoods they serve, match workload to demand, and use proactive time in a way that is targeted, measured and enhances the Department's ability to achieve public safety outcomes.

Budget Snapshot

Seattle Police Department	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$252,758,404	$249,294,843	$254,910,857	$252,217,249
Other Revenues	$0	$0	$0	$0
Total Revenues	**$252,758,404**	**$249,294,843**	**$254,910,857**	**$252,217,249**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$252,758,404**	**$249,294,843**	**$254,910,857**	**$252,217,249**
Total Expenditures	**$252,758,404**	**$249,294,843**	**$254,910,857**	**$252,217,249**
Full-Time Equivalent * Total	1,922.25	1,934.85	1,925.85	1,930.85

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Seattle Police Department

Budget Overview

The Seattle Police Department's 2012 Adopted Budget reflects the Mayor's commitment to protecting public safety even in the midst of the City's ongoing General Fund budget constraints. In developing the 2012 budget, the Mayor worked closely with SPD to evaluate its progress in meeting the public safety outcome objectives defined in the Neighborhood Policing Plan (NPP). This outcome-based framework is central in determining how SPD strategically deploys its staffing resources and in guiding resource allocation in the 2012 Adopted Budget.

Meeting NPP Outcomes

Halfway through 2011, SPD is meeting or exceeding all of the outcome objectives identified in the NPP.

	NPP Goal	Actual Results Through June	As Compared to the NPP Goal
Priority 1 Call Response Time	7 minutes or less	6.3 minutes	**Exceeding Goal**
Average Proactive Time Available	30% of On-Duty Time	34% of On-Duty Time	**Exceeding Goal**
Increased Number of Back-Up Vehicles	10 Units Citywide	10 Units Citywide	**Meeting Goal**[1]

Since 2008, SPD has improved its response time to Priority 1 (911) calls by 12.5% and its response time to Priority 2 calls by 8%. Moreover, crime rates are at historic lows. The number of major crimes fell 7.4% in 2009, fell another 5.8% in 2010. Violent crimes in particular have seen dramatic decreases. In 2010, violent crimes fell 9%. Homicides are down 34% since 2008. These trends seem to be continuing. Through midyear, major crimes are down citywide by 11% when compared with the first six months of 2010. Through June of 2011, violent crime is down 1% compared with the same time period in 2010, with homicides, rapes and robberies trending down. Property crimes are down 12% across the City at midyear 2011, when compared with the same time period in 2010.

SPD has achieved these positive public safety outcomes even as the size of the police force has slowly decreased. SPD began 2011 over-staffed by 12 officers relative to budget as a result of aggressive hiring at the end of 2009 and lower-than-normal attrition rates in 2010 due to the weak economy. As 2011 has progressed, SPD saw attrition rates return to near normal levels (approximately 36 per year). But, because SPD started the year overstaffed relative to budget, it has not hired to replace departing officers, continuing the hiring pause that began in 2010. As a result, SPD expects to end 2011 with 1,301 sworn officers, or 26 below the level assumed in the 2011 Adopted Budget.

With this background in mind, the 2012 Adopted Budget reduces funding to SPD by $2.4 million to reflect the smaller police force that will result from holding the 26 sworn position vacancies anticipated

1 SPD lacks a direct measure of units free. However indirect evidence (out-of-district dispatch of cars occurs less than 8% of the time, which contrasts to 15-30% of out-of-district dispatch prior to NPP implementation) is available. The Department feels that this is evidence that it is meeting the standard most of the time.

by the end of 2011. While decisions to reduce the size of the police force are always difficult, the City's ongoing General Fund budget challenges combined with the fact that SPD is exceeding its public safety performance measures indicate that this is a viable budget decision. As attrition continues to occur in 2012 beyond the 2011 levels, the 2012 Adopted Budget assumes SPD will resume maintenance hiring of sworn officers in 2012 with a goal of maintaining a police force of 1,301.

Through its flexible and adaptive approach to allocation of staff resources, SPD is putting officers where they are needed most to fight and, more importantly, prevent crime. For 2011, a minimum of 545 sworn officers have been assigned to 911 patrol functions. This is slightly above the staffing level of 542 in January 2010 and slightly below the all-time high of 556 achieved in the summer of 2010. In addition, SPD has dedicated more officers to on-the-ground proactive police work, including foot beats, bike squads and other proactive units that contribute greatly to improved public safety in City neighborhoods, especially downtown.

	Increased Staffing Levels in 2011
Foot Beats	6 officers
Bike Squad	8 officers
Mounted Unit	3 officers
Neighborhood Corrections Initiative	1 officer
Seattle Center Patrols	1 officer

For 2012, SPD will continue to closely monitor the NPP outcome measures and will adjust the deployment of sworn officers to 911 patrol functions from lower priority areas to meet the NPP outcome metrics. Areas where SPD would look to redeploy officers from include desk clerks, federal task forces and investigative units.

The Neighborhood Policing Plan called for adding 105 officers over the course of five years. In 2010, SPD was forced to put on hold fully implementing the hiring called for in the NPP due to budget constraints. This is not contrary to the plan, as the plan stated "the timeline for implementing the hiring targets will be extended" should economic growth slow. More important than assessing SPD's hiring patterns – which may or may not have an impact on outcomes – the 2012 Adopted Budget highlights that SPD is exceeding the City-adopted performance objectives and recommends allocating scarce resources accordingly.

Management Efficiencies

The 2012 Endorsed Budget adopted by the City Council in 2010 set a management efficiency target of $700,000 for SPD. SPD has addressed this target by vacating three management positions and re-organizing and consolidating the operations of various units.

- **Metro Special Response Captain** – This position was vacated in 2011. It had overseen specialty units such as SWAT, Harbor Patrol, Canine, Crisis Intervention and others. These units are now overseen by the Captain of the Homeland Security Section as the nature of the sections complement each other.

Seattle Police Department

- **CSI Sergeant** – The Proposed Budget would have vacated a Sergeant overseeing the DUI squad and reassigned the six DUI officers. However, the Department will instead vacate the Crime Scene Investigations Sergeant. The CSI team works closely with other units in the Investigations Bureau such as Homicide, Assault, Domestic Violence, and Robbery. Supervisory oversight of the CSI team will be assumed by other Sergeants in the Investigations Bureau.

- **Homicide Detective Sergeant** – In 2008, Seattle experienced 28 homicides. That number fell to 22 in 2009, and 19 in 2010. Through June, 2011 is trending at 57% of 2010. While violent crime will always be given priority, recent statistics reinforce Command Staff's decision to reassign this work to meet the management efficiency target.

Automated Traffic Enforcement

In 2006, Seattle instituted a pilot program to deter red light running by using automated enforcement technology. The original pilot, which involved six red light cameras, proved successful and has grown to 30 cameras dispersed throughout the city. The goal of the program was to decrease the number of right-angle collisions, which are the collision type most closely related to red light running. Based on results from the first six cameras, the program has been successful in reducing red light running by 44% while right angle collisions have declined by 18% in those intersections where the cameras are deployed.

SPD has worked closely with the Seattle Department of Transportation (SDOT) to monitor the program and identify where the cameras have worked, where they have not been as successful as intended, and to identify additional intersections that have safety concerns that can be addressed using automated traffic enforcement. The 2012 Adopted Budget includes funding to increase the number of red light cameras by six, as well as funding to relocate two existing cameras from lower performing locations. This change is expected to net the City $426,000 in additional revenue.

In addition to the red light camera program, the 2012 Adopted Budget includes a pilot program to reduce speeding in school zones. Speed in school zones is a major pedestrian concern. One in ten pedestrians struck by a vehicle travelling 23 mph is likely to be fatally injured. That figure jumps to six in ten when the vehicle is travelling 28 mph. SDOT and SPD have employed multiple strategies to battle this problem, including flashing beacons, signs which inform motorists how fast they are driving, and enforcement using traffic officers. In 2008, SPD also started to utilize a van equipped with radar and cameras that photograph speeders who are then mailed a citation. While each of these have had some positive outcomes, the overall effect has shown to be minimal and not lasting. At the request of SDOT and SPD, four school zones that currently have flashing beacons will also be equipped with automated speed enforcement. The cameras will provide enforcement during school hours when the beacons are flashing. This pilot program is expected to net the City $370,000 in additional revenue from traffic fines.

Community Building Initiative

The 2012 Proposed Budget recommended an initiative that explored the benefits of policing place, rather than people. Recognizing that a disproportionate amount of crime happens in a relatively small percentage of areas, SPD proposed a program in which a Senior Policy Analyst would coordinate efforts by SPD as well as other departments such as Human Services, Transportation, Seattle Public Utilities,

Department of Planning and Development, and City Light to reduce the conditions in certain locations that allow crime to become entrenched. Such efforts would include improvements to street design, lighting, graffiti abatement, and other measures to reduce crime. A recent City Auditor report noted the relationship between physical disorder and crime. By utilizing a multidisciplinary approach to addressing locations with chronic crime problems, SPD hoped to achieve better results than law enforcement alone could provide. Key elements of this approach included:

- **A Place-Specific Focus:** Data would be collected from areas that the Department identified as "hot spots." This data could help the Department to better understand the specific local conditions that make the site inviting to crime.
- **A Community Driven Process:** The Department would convene task forces consisting of parents, educators, property owners, business owners, school officials, transit officials, etc. The task force would help identify not just problems, but root causes supported by data on the specific conditions for that site/street management.
- **Evidence-Based Investigation:** Working with the City's project team, the task force would select a research-based intervention that addressed the specific local conditions for that street/segment. Finally, the task force would work with the project team to collect data to measure the effectiveness of the intervention.

These efforts would help SPD deploy their 911 responders, Community Police Team officers, and Anti-Crime in a more strategic and focused way. The position would also work with the Department's crime analysis experts in measuring the effectiveness of these interventions. Funding for this initiative was eliminated during the City Council review process as the Council maintains that this work should be part of SPD's core work and performed with existing resources.

Preserving Funding for Crime Prevention Coordinators and Victim Advocates

SPD currently has seven Crime Prevention Coordinator positions (CPCs). These positions perform a variety of tasks aimed at decreasing crime through developing, implementing, and coordinating police programs. Their primary responsibility is to develop and maintain the City's Blockwatch Program. Along with sworn officers and other SPD staff, they perform outreach to various communities, provide crime prevention tips, safety and security training, and attend meetings at community councils. Six of these positions were funded by an American Recovery and Reinvestment Act Department of Justice grant that ended in April 2011. At that point, three of those positions were continued with funding provided by a Justice Assistance Grant (JAG) award. The other three positions were vacated. The 2012 Adopted Budget maintains a total of four Crime Prevention Coordinators, three of which are funded by the latest iteration of the Justice Assistance Grant. Position changes are detailed in the Technical Changes section.

SPD currently has seven Victim Advocates. These positions help victims of crime access services addressing their medical, social, and financial needs where appropriate. They also assist victims in suspect lineups, maintaining proper courtroom decorum, and attending important meetings with prosecutors. Victim Advocates help detectives keep victims apprised of the status of investigations. In 2011, the Victim Advocates were funded by an American Recovery and Reinvestment Act Department of Justice grant that ended in April 2011. At that point, three of those positions were continued with funding provided by a Justice Assistance Grant (JAG) award that also funded three CPCs. The other four positions were funded using General Fund dollars. The JAG award in 2012 is not large enough to

maintain the CPCs and Victim Advocates funded in 2011, so all seven Victim Advocates will be funded using General Fund dollars.

Body Mounted Video Pilot

The City is committed to conducting a pilot program to test the use of body mounted video cameras for police officers. The City will negotiate related issues with the Seattle Police Officers Guild, to the extent necessary to implement the pilot program. Negotiations with the Guild are now ongoing. At the resolution of this process, the Mayor expects to launch a pilot that will begin to gauge the durability, quality, utility, and effectiveness of body cameras in everyday field deployment, as well as available systems to store, manage, and retrieve video data, while conforming with the State Privacy Act and State Public Disclosure Laws.

The Department has already organized a project steering committee and drafted a charter and protocols to help guide the process. Additionally, it has tested one camera in simulated police situations at its training facility. After the pilot program is launched, the Department will examine ways in which the cameras can fit into officers' daily work routines and whether the cameras should be extended to all 911 response personnel. Cost estimates for this project will be addressed over the next year.

Incremental Budget Changes

Seattle Police Department

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$254,910,857**	**1925.85**
2012 Proposed Changes			
	Sworn Personnel Savings	($2,434,425)	0.00
	Automated Traffic Enforcement	$560,750	0.00
	Community Building Initiative	$130,287	1.00
	Public Safety Web Staff Funding Shift	($96,661)	0.00
	Technical Adjustments	($638,338)	5.00
Total Changes		**($2,478,387)**	**6.00**
2012 Proposed Budget		**$252,432,470**	**1931.85**
Council Adjustments to Proposed Budget			
	Removal of Community Building Initiative	($130,287)	(1.00)
	Adjust Employer Contribution Rate to SCERS	($84,934)	0.00
Total Adjustments		**($215,221)**	**(1.00)**
2012 Adopted Budget		**$252,217,249**	**1930.85**

Sworn Staffing Changes – ($2,434,425). The 2012 Adopted Budget provides funding to maintain the sworn staffing level of 1,301 SPD anticipates having at the end of 2011. This represents a reduction of 26 sworn positions. The Department is currently meeting the outcomes identified in the Neighborhood Policing Plan and will maintain these standards by prioritizing Priority 1 (911) calls, and to the greatest extent possible, proactive patrol efforts that prevent crime in the first place. To the extent the Department needs to increase the number of officers responding to 911 calls, it will vacate up to 26 positions in functions such as desk clerks, federal task forces, and investigative units.

Automated Traffic Enforcement - $560,750. SPD and SDOT currently manage a red light camera program with 30 cameras at 21 intersections. These cameras have proven to be successful at reducing red light running as well as right angle collisions. The Department will relocate two existing cameras and add an additional six cameras at intersections with high incidents of right angle collisions. This will increase the total number of red light cameras to 36. Additionally, the two departments will work together to implement a pilot project aimed at reducing speeding in school zones. This pilot will incorporate automated speed enforcement at four selected school zones. Combined, these two changes are expected to produce approximately $800,000 in additional net revenue.

Community Building Initiative - $130,287 / 1.0 FTE. SPD will create a new Senior Policy Analyst position to help better police "hot spots," or specific locations which have a disproportionately high rate of crime.

Public Safety Web Staff Funding Shift – ($96,661). The Police Department Information Technology unit has dedicated staff that manage and develop content for the web and other communication viewed by the public. The Department of Information Technology (DoIT) has determined that these services qualify for funding from the Cable Franchise Fee Subfund. This proposal shifts funding for the equivalent of one dedicated IT staff from SPD's General Fund to DoIT's Cable Franchise Fee Subfund, and will not impact SPD services.

Technical Changes – ($638,338) / 5.0 FTE. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in SPD's service delivery. Departmental technical adjustments include five items. First, it adjusts deferred compensation funding to reflect changing patterns in the program. It moves three Victim Advocates funded by a grant in 2011 back to the General Fund. It corrects a technical error that omitted funding for three grant-funded officers. It converts four PEO trainee positions into full-time PEOs. Finally, it abrogates two positions for which there is no longer grant funding available or were scheduled to be abrogated due to lack of work while adding seven for which there is new outside funding. The abrogated positions include a Sergeant position and a Senior Management Systems Analyst position. The new positions include a Maintenance Laborer position that will care for the horses used by Mounted Officers working in the West Precinct, funded by a gift from the Seattle Police Foundation. Also included are three Crime Prevention Coordinator and three Victim Advocate positions. These positions were previously funded by a grant and required new funding to continue. As is mentioned above, the three Victim Advocates are moved to the General Fund and the three Crime Prevention Coordinators are on a new JAG award. Therefore the positions are restored here. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

Seattle Police Department

City Council Changes to the 2012 Proposed Budget

Remove Community Building Initiative – ($130,287) / (1.0) FTE. Funding was elinimated from the SPD budget for the creation of a Senior Policy Analyst position. This position would have helped SPD to better police "hot spots," or specific locations which suffer from a disproportionately high rate of crime.

Adjust Employer Contribution Rate to SCERS – ($84,934). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Chief of Police Budget Control Level	P1000	11,926,077	4,638,669	4,753,414	2,630,088
Criminal Investigations Administration Budget Control Level	P7000	7,267,945	7,240,106	7,400,051	7,654,533
Deputy Chief of Staff Budget Control Level	P1600	23,888,155	24,698,933	24,926,316	25,019,364
Deputy Chief Operations Budget Control Level	P1800	631,385	702,553	717,595	2,394,578
East Precinct Budget Control Level	P6600	20,682,628	22,585,390	23,238,762	22,599,153
Field Support Administration Budget Control Level	P8000	32,900,715	34,101,697	35,179,910	34,558,254
Narcotics Investigations Budget Control Level	P7700	4,501,251	4,259,307	4,341,745	4,792,948
North Precinct Patrol Budget Control Level	P6200	28,688,258	30,933,920	31,757,272	31,041,149
Office of Professional Accountability Budget Control Level	P1300	1,870,354	1,712,655	1,750,347	1,874,266
Patrol Operations Administration Budget Control Level	P6000	1,486,421	1,277,964	1,300,839	1,294,543
South Precinct Patrol Budget Control Level	P6500	16,630,692	16,788,701	17,231,576	16,516,477
Southwest Precinct Patrol Budget Control Level	P6700	13,823,072	14,819,422	15,257,899	14,979,145
Special Investigations Budget Control Level	P7800	4,177,562	4,085,635	4,160,616	4,133,101
Special Operations Budget Control Level	P3400	41,157,354	40,007,549	40,404,799	40,733,160
Special Victims Budget Control Level	P7900	5,740,645	5,798,157	5,962,150	6,176,786
Violent Crimes Investigations Budget Control Level	P7100	9,503,666	6,684,775	6,854,867	6,799,355
West Precinct Patrol Budget Control Level	P6100	27,882,224	28,959,409	29,672,700	29,020,348
Department Total		**252,758,404**	**249,294,843**	**254,910,857**	**252,217,249**
Department Full-time Equivalents Total*		**1,922.25**	**1,934.85**	**1,925.85**	**1,930.85**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Chief of Police Budget Control Level

The purpose of the Chief of Police Program is to lead and direct department employees, provide policy guidance, and oversee relationships with the community, so the department can provide the city with professional, dependable, and respectful public safety services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Chief of Police	11,926,077	4,638,669	4,753,414	2,630,088
Full-time Equivalents Total*	46.50	39.50	39.50	23.50

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Criminal Investigations Administration Budget Control Level

The purpose of the Criminal Investigations Administration Budget Control Level is to direct and support the work of employees in the Criminal Investigations Bureau by providing oversight, policy guidance, and technical support so these employees can execute their job duties effectively and efficiently. The program includes the Internet Crimes against Children and Human Trafficking section and the Crime Gun Initiative analyst.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Criminal Investigations Administration	7,267,945	7,240,106	7,400,051	7,654,533
Full-time Equivalents Total*	76.50	75.50	75.50	77.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Deputy Chief of Staff Budget Control Level

The purpose of the Deputy Chief of Staff Budget Control Level is to oversee the organizational support and legal functions of the Department to help achieve its mission. The Deputy Chief of Staff Budget Control Level includes the Chief of Administration who oversees the Records and Files, Data Center, and Public Request Programs, which had been their own Budget Control Levels in prior budgets. The Deputy Chief of Staff Budget Control Level was known as the Deputy Chief of Administration in previous budgets.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Deputy Chief of Staff	23,888,155	24,698,933	24,926,316	25,019,364
Full-time Equivalents Total*	115.00	114.60	114.60	113.60

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Deputy Chief Operations Budget Control Level

The purpose of the Deputy Chief Operations Budget Control Level is to oversee the operational functions of the Department so the public receives public safety services that are dependable, professional, and respectful. The Deputy Chief Operations Budget Control Level oversees the five Precincts and associated personnel.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Deputy Chief Operations	631,385	702,553	717,595	2,394,578
Full-time Equivalents Total*	3.00	3.00	3.00	17.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

East Precinct Budget Control Level

The purpose of the East Precinct Budget Control Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the East Precinct, so they can be safe in their homes, schools, businesses, and the community at large.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
East Precinct	20,682,628	22,585,390	23,238,762	22,599,153
Full-time Equivalents Total*	185.00	188.00	188.00	188.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Field Support Administration Budget Control Level

The purpose of the Field Support Administration Budget Control Level is to provide policy direction and guidance to the employees and programs in the Department, so they can execute their responsibilities effectively and efficiently. The Field Support Administration Budget Control Level now includes the Communications, Information Technology, and Human Resources Programs, which were separate Budget Control Levels in prior budgets.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Support Administration	32,900,715	34,101,697	35,179,910	34,558,254
Full-time Equivalents Total*	280.25	280.25	280.25	273.25

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Narcotics Investigations Budget Control Level

The purpose of the Narcotics Investigations Budget Control Level is to apply a broad range of professional investigative skills to interdict narcotics activities affecting the community and region to hold offenders involved in these activities accountable and to promote public safety.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Narcotics Investigations	4,501,251	4,259,307	4,341,745	4,792,948
Full-time Equivalents Total*	32.00	32.00	32.00	33.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

North Precinct Patrol Budget Control Level

The purpose of the North Precinct Patrol Budget Control Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the North Precinct, so that they can be safe in their homes, schools, businesses, and the community at large.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
North Precinct Patrol	28,688,258	30,933,920	31,757,272	31,041,149
Full-time Equivalents Total*	249.00	255.00	254.00	256.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Office of Professional Accountability Budget Control Level

The purpose of the Office of Professional Accountability Budget Control Level is to help to provide oversight so that complaints involving department employees are handled in a thorough, professional, and expeditious manner, to retain the trust and confidence of employees and the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Professional Accountability	1,870,354	1,712,655	1,750,347	1,874,266
Full-time Equivalents Total*	13.00	12.00	12.00	13.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Patrol Operations Administration Budget Control Level

The purpose of the Patrol Operations Administration Budget Control Level is to provide oversight and direction to Patrol Operations, including the Department's five precincts, with the goal of ensuring that personnel are properly trained, supervised, and equipped to perform their jobs effectively.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Patrol Operations Administration	1,486,421	1,277,964	1,300,839	1,294,543
Full-time Equivalents Total*	9.00	9.00	9.00	9.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

South Precinct Patrol Budget Control Level

The purpose of the South Precinct Patrol Budget Control Level is to provide the full range of public safety and order maintenance services with the goal of keeping residents of, and visitors to, the South Precinct, safe in their homes, schools, businesses, and the community at large.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
South Precinct Patrol	16,630,692	16,788,701	17,231,576	16,516,477
Full-time Equivalents Total*	135.00	137.00	136.00	137.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Southwest Precinct Patrol Budget Control Level

The purpose of the Southwest Precinct Patrol Budget Control Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the Southwest Precinct, so they can be safe in their homes, schools, businesses, and the community at large.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Southwest Precinct Patrol	13,823,072	14,819,422	15,257,899	14,979,145
Full-time Equivalents Total*	121.00	124.00	123.00	126.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Special Investigations Budget Control Level

The purpose of the Special Investigations Budget Control Level is to apply a broad range of professional investigative and analytical skills toward investigating and interdicting vehicle theft, fraud, forgery, and financial exploitation cases; vice crimes and organized crime activities in the community; and toward identifying and describing crime patterns and trends, with the goals of holding offenders involved in these activities accountable and to provide public safety.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Special Investigations	4,177,562	4,085,635	4,160,616	4,133,101
Full-time Equivalents Total*	31.00	31.00	31.00	31.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Special Operations Budget Control Level

The purpose of the Special Operations Budget Control Level is to deploy specialized response units in emergencies and disasters. The Bureau provides crowd control, special event, search, hostage, crisis, and water-related support to monitor and protect critical infrastructure to protect lives and property, aid the work of uniformed officers and detectives, and ensure the safety of the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Special Operations	41,157,354	40,007,549	40,404,799	40,733,160
Full-time Equivalents Total*	289.00	295.00	295.00	293.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Special Victims Budget Control Level

The purpose of the Special Victims Budget Control Level is to apply a broad range of professional investigative skills to cases involving family violence, sexual assault, child, and elder abuse, and custodial interference with the goals of holding offenders accountable, preventing additional harm to victims, and providing public safety.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Special Victims	5,740,645	5,798,157	5,962,150	6,176,786
Full-time Equivalents Total*	52.00	50.00	47.00	50.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Violent Crimes Investigations Budget Control Level

The purpose of the Violent Crimes Investigations Budget Control Level is to apply a broad range of professional investigative skills and crime scene investigation techniques to homicide, assault, robbery, bias crimes, missing persons, extortion, threat and harassment, and gang-related cases, in order to hold offenders accountable, prevent further harm to victims, and promote public safety.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Violent Crimes Investigations	9,503,666	6,684,775	6,854,867	6,799,355
Full-time Equivalents Total*	52.00	52.00	52.00	52.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

West Precinct Patrol Budget Control Level

The purpose of the West Precinct Patrol Budget Control Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the West Precinct, so that they can be safe in their homes, schools, businesses, and the community at large.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
West Precinct Patrol	27,882,224	28,959,409	29,672,700	29,020,348
Full-time Equivalents Total*	233.00	237.00	234.00	238.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Police Relief and Pension

Dan Oliver, Executive Secretary

Information Line: (206) 386-1286
http://www.seattle.gov/policepension/

Police Relief and Pension by Budget Control Level

Police Relief and Pension Overview

On March 1, 1970, the State of Washington took over the provision of certain police pensions through Revised Code of Washington (RCW) Section 41.26, the Law Enforcement Officers and Fire Fighters (LEOFF) Act Plan I. The City of Seattle Police Relief and Pension Fund is responsible for all pre-LEOFF pension benefits and that portion of the previous municipal police pension benefits that exceed LEOFF Plan I entitlements, including the pension benefits of their lawful beneficiaries, as well as for all medical benefits provided to qualifying active and retired Seattle police officers.

Both the Seattle Police Relief and Pension and LEOFF Plan I are closed systems and have not accepted new enrollments since October 1, 1977. Seattle police officers hired after this date are automatically enrolled in the State's LEOFF Plan II, for which the Seattle Police Pension Fund has no pension nor medical benefit obligation.

Police Relief and Pension

The Seattle Police Pension Board, a seven-member quasi-judicial body chaired by the Mayor of Seattle or his/her designee, formulates policy, rules upon disability applications, and provides oversight of the Police Pension Fund. Three staff employees of the Board handle all of its operational functions. Staff positions associated with Police Relief and Pension are not reflected in the City's position list.

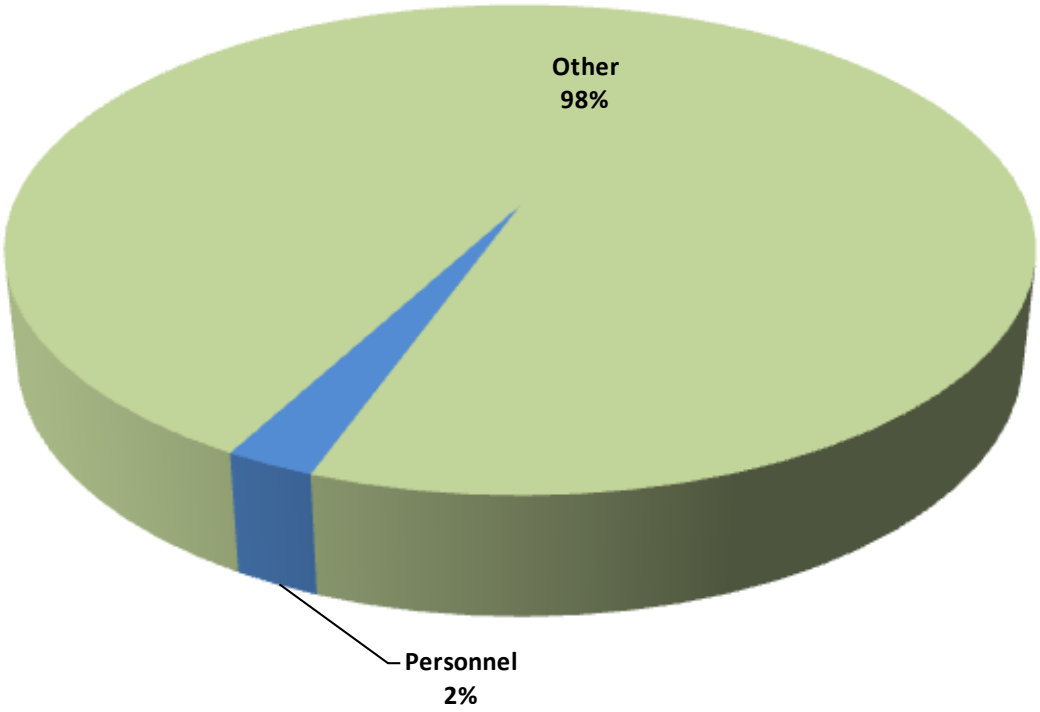
The projections of annual pension and medical benefits, which comprise 98% of the total annual budget, are done by an independent actuary. Although the Police Pension Fund has statutory funding sources, the City's General Subfund provides funding for nearly all of the Pension Fund's annual budget. Proceeds from the Police Auction contribute a small amount toward the annual budget.

Budget Snapshot

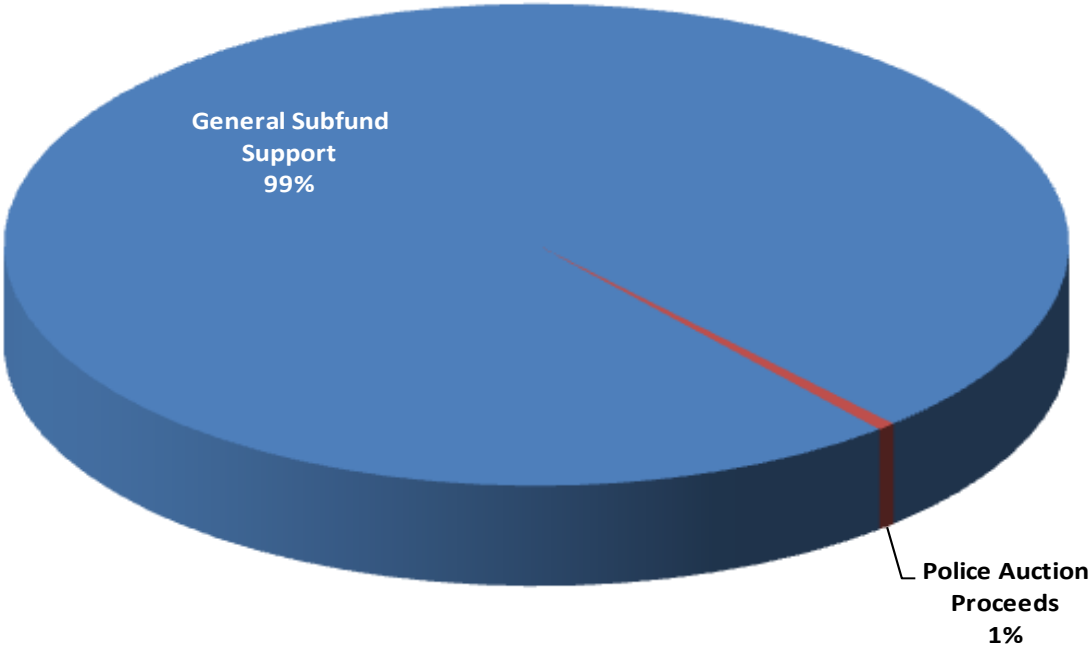
Police Relief & Pension Fund	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$22,302,034	$22,255,382	$22,190,500	$21,312,128
Other Revenues	$113,808	$140,000	$140,000	$120,000
Total Revenues	**$22,415,842**	**$22,395,382**	**$22,330,500**	**$21,432,128**
Use of (Contribution to) Fund Balance	($790,576)	$632,618	$0	$753,216
Total Resources	**$21,625,266**	**$23,028,000**	**$22,330,500**	**$22,185,344**
Total Expenditures	**$21,625,266**	**$23,028,000**	**$22,330,500**	**$22,185,344**
Full-Time Equivalent * Total	3.00	3.00	3.00	3.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Police Relief and Pension

Budget Overview

The Police Relief and Pension Fund receives almost all of its revenue from the City's General Fund. The Police Pension Fund's expenditures, in turn, are devoted to paying legally mandated pension and medical benefits to eligible active and retired police officers and (with respect to pension benefits only) to their qualified beneficiaries.

The amount of General Fund support required for the Police Pension Fund in 2012 is about $878,000 less than in the 2012 Endorsed Budget. There are two main reasons for the reduction. First, the Police Pension Fund's projected 2011 year-end balance is larger than forecast in the 2011 Adopted Budget because expenditures for medical benefits have been less than projected through mid-2011. And second, updated projections of expenditures for medical benefits in 2012 are lower than were anticipated in the 2012 Endorsed Budget.

Given the fiscal challenges anticipated for the General Fund in future years, the 2012 Adopted Budget assumes the draw down of one-time fund balances over several years. This reduces reliance of on-going programs on one-time fund sources, and also preserves resources to sustain critical services in future years when it is anticipated that budget challenges will be more severe than in 2012.

Incremental Budget Changes

Police Relief and Pension

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$22,330,500**	**3.00**
2012 Proposed Changes			
	Administrative Expense True-Up	$102,844	0.00
	Pension Benefit Expenses	$418,000	0.00
	Reduction in 2012 Medical Benefit Estimates	($248,000)	0.00
Total Changes		**$272,844**	**0.00**
2012 Proposed Budget		**$22,603,344**	**3.00**
Council Adjustments to Proposed Budget			
	Reduce Pension Benefit Expenses to 2012 Endorsed Amount	($418,000)	0.00
Total Adjustments		**($418,000)**	**0.00**
2012 Adopted Budget		**$22,185,344**	**3.00**

Administrative Expense True-Up - $102,844. This adjustment increases administrative expenditures to reflect anticipated administrative costs based on experience in previous years. Technical adjustments related to central costs are also included here.

Pension Benefit Expenses - $102,844. The 2012 Proposed Budget included an increase of $418,000, reflecting the anticipated increase of pension benefit expenditures. This item was changed by Council action as described below.

Reduction in 2012 Medical Benefit Estimates – ($248,000). Expenditures for medical benefits in 2011 and 2012 are projected to be lower than initial estimates based on recent experience and actuarial projections. This results in a projected increase in ending 2011 fund balance in the Police Relief and Pension Fund, and a reduction in costs expected for 2012. A portion of this 2011 ending fund balance is available to offset required General Fund contributions in 2012. In recognition of ongoing General Fund fiscal challenges into future years, drawdown of the fund balance will occur over several years.

City Council Changes to the 2012 Proposed Budget

Reduce Pension Benefit Expenses to 2012 Endorsed Amount – ($418,000). City Council reduced pension benefit expenses pending the outcome of labor negotiations with the Seattle Police Officers' Guild.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Police Relief and Pension Budget Control Level					
Administration		521,575	425,000	433,500	536,344
Death Benefits		18,000	15,000	15,000	15,000
Medical Benefits		12,051,575	13,492,000	13,248,000	13,000,000
Pension Benefits		9,034,117	9,096,000	8,634,000	8,634,000
Police Relief and Pension Budget Control Level	**RP604**	**21,625,266**	**23,028,000**	**22,330,500**	**22,185,344**
Department Total		**21,625,266**	**23,028,000**	**22,330,500**	**22,185,344**
Department Full-time Equivalents Total		**3.00**	**3.00**	**3.00**	**3.00**

Revenue Overview

2012 Estimated Revenues for the Police Relief and Pension Fund (60400)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	General Subfund	22,302,034	22,255,382	22,190,500	21,312,128
	Total General Subfund Support	**22,302,034**	**22,255,382**	**22,190,500**	**21,312,128**
469200	Police Auction Proceeds	113,808	140,000	140,000	120,000
	Total Police Auction Proceeds	**113,808**	**140,000**	**140,000**	**120,000**
	Total Revenues	**22,415,842**	**22,395,382**	**22,330,500**	**21,432,128**
379100	Use of (Contribution To) Fund Balance	(790,576)	632,618	0	753,216
	Total Use of Fund Balance	**(790,576)**	**632,618**	**0**	**753,216**
	Total Resources	**21,625,266**	**23,028,000**	**22,330,500**	**22,185,344**

Appropriations by Budget Control Level (BCL) and Program

Police Relief and Pension Budget Control Level

The purpose of the Police Relief and Pension Budget Control Level is to provide responsive benefit services to eligible active-duty and retired Seattle police officers.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	521,575	425,000	433,500	536,344
Death Benefits	18,000	15,000	15,000	15,000
Medical Benefits	12,051,575	13,492,000	13,248,000	13,000,000
Pension Benefits	9,034,117	9,096,000	8,634,000	8,634,000
Total	**21,625,266**	**23,028,000**	**22,330,500**	**22,185,344**
Full-time Equivalents Total	3.00	3.00	3.00	3.00

Police Relief and Pension: Administration

The purpose of the Administration Program is to provide responsive benefit services to eligible active-duty and retired Seattle police officers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	521,575	425,000	433,500	536,344
Full-time Equivalents Total	3.00	3.00	3.00	3.00

Appropriations by Budget Control Level (BCL) and Program

Death Benefits Program

The purpose of the Death Benefits Program is to provide statutory death benefit payments to lawful beneficiaries of eligible former members of the Seattle Police Department.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Death Benefits	18,000	15,000	15,000	15,000

Medical Benefits Program

The purpose of the Medical Benefits Program is to provide medical benefits for eligible active-duty and retired members of the Seattle Police Department.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Medical Benefits	12,051,575	13,492,000	13,248,000	13,000,000

Pension Benefits

The purpose of the Pension Benefits Program is to provide pension benefits for eligible retired members of the Seattle Police Department.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pension Benefits	9,034,117	9,096,000	8,634,000	8,634,000

Police Relief and Pension

Fund Table

Police Relief and Pension Fund (60400)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**279,584**	**1,132,618**	**1,118,965**	**500,000**	**2,621,347**
Accounting and Technical Adjustments	48,805	0	0	0	0
Plus: Actual and Estimated Revenue	22,415,842	22,395,382	22,370,382	22,330,500	21,432,128
Less: Actual and Budgeted Expenditures	21,625,266	23,028,000	20,868,000	22,330,500	22,185,344
Ending Fund Balance	**1,118,965**	**500,000**	**2,621,347**	**500,000**	**1,868,131**
Contingency Reserve	500,000	500,000	500,000	500,000	500,000
Rate Stabilization Reserve	0	0	0	0	1,368,131
Total Reserves	**500,000**	**500,000**	**500,000**	**500,000**	**1,868,131**
Ending Unreserved Fund Balance	**618,965**	**0**	**2,121,347**	**0**	**0**

Public Safety Civil Service Commission

Terry Carroll, Chair of the Commission

Information Line: (206) 684-0334

http://www.seattle.gov/pscsc

Commission Overview

The mission and purpose of the Public Safety Civil Service Commission is to implement, administer, and direct a civil service system for sworn personnel of the Seattle Police Department and uniformed personnel of the Seattle Fire Department. The Commission provides sworn police and uniformed fire employees with a quasi-judicial process for hearings on appeals concerning disciplinary actions, examination and testing, and other related issues.

Budget Snapshot

Police Safety Civil Service Commission	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$131,868	$148,986	$152,340	$0
Other Revenues	$0	$0	$0	$0
Total Revenues	**$131,868**	**$148,986**	**$152,340**	**$0**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$131,868**	**$148,986**	**$152,340**	**$0**
Total Expenditures	**$131,868**	**$148,986**	**$152,340**	**$0**
Full-Time Equivalent Total	1.00	1.00	1.00	0

Budget Overview

The 2012 Adopted Budget consolidates the administrative functions of the Public Safety Civil Service Commission and the Civil Service Commission under a new administrative unit – the Civil Service Commissions – in order to achieve operational efficiencies and cost savings. The workload of the two bodies makes this consolidation a viable option, and results in a net savings of $51,018.

Incremental Budget Changes

Public Safety Civil Service Commission

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$152,340	1.00
201 Proposed Changes			
	PSCSC and CSC Commission staffing consolidation	($152,340)	(1.00)
Total Changes		**($152,340)**	**(1.00)**
2012 Proposed Budget		**$0**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$0**	**0.00**

This program is reorganized in the 2012 Adopted Budget. Administrative staffing and budget are transferred to the new Civil Service Commissions.

City Council Changes to the 2012 Proposed Budget

There are no City Council changes to the 2012 Proposed Budget.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Public Safety Civil Service Commission Budget Control Level	**V1S00**	**131,868**	**148,986**	**152,340**	**0**
Department Total		**131,868**	**148,986**	**152,340**	**0**
Department Full-time Equivalents Total*		**1.00**	**1.00**	**1.00**	**0.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Public Safety Civil Service Commission Budget Control Level

The mission and purpose of the Public Safety Civil Service Commission is to implement, administer, and direct a civil service system for sworn personnel of the Seattle Fire and Police Departments.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Public Safety Civil Service Commission	131,868	148,986	152,340	0
Full-time Equivalents Total*	1.00	1.00	1.00	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Utilities and Transportation

Seattle City Light

Jorge Carrasco, Superintendent

Information Line: (206) 684-3000
http://www.seattle.gov/light/

Department by Budget Control Level

Seattle City Light

Department Overview

Seattle City Light (City Light) was created by the residents of Seattle in 1902 to provide affordable, reliable, and environmentally sound electric power to the City of Seattle and neighboring suburbs. Owned by the community it serves, City Light is a nationally recognized leader in energy efficiency, renewable resource development, and environmental stewardship.

City Light provides electric power to approximately 395,000 residential, business, and industrial customers within a 130 square-mile service area. City Light provides power to the City of Seattle and surrounding jurisdictions, including parts of Shoreline, Burien, Tukwila, SeaTac, Lake Forest Park, Renton, Normandy Park, and areas of unincorporated King County.

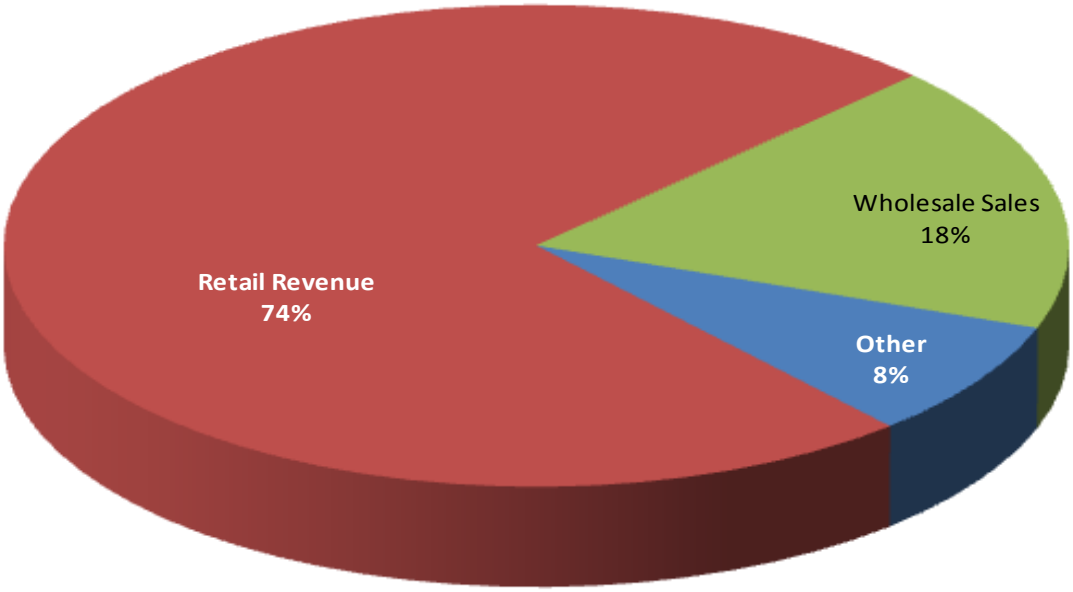
City Light owns about 2,000 megawatts of very low-cost, environmentally-responsible, hydroelectric generation capacity. In an average year, City Light meets about 50% of its load with owned hydroelectric generation and obtains the remainder primarily through the Bonneville Power Administration (BPA). City Light is the nation's tenth largest publicly-owned electric utility in terms of customers served.

Budget Snapshot

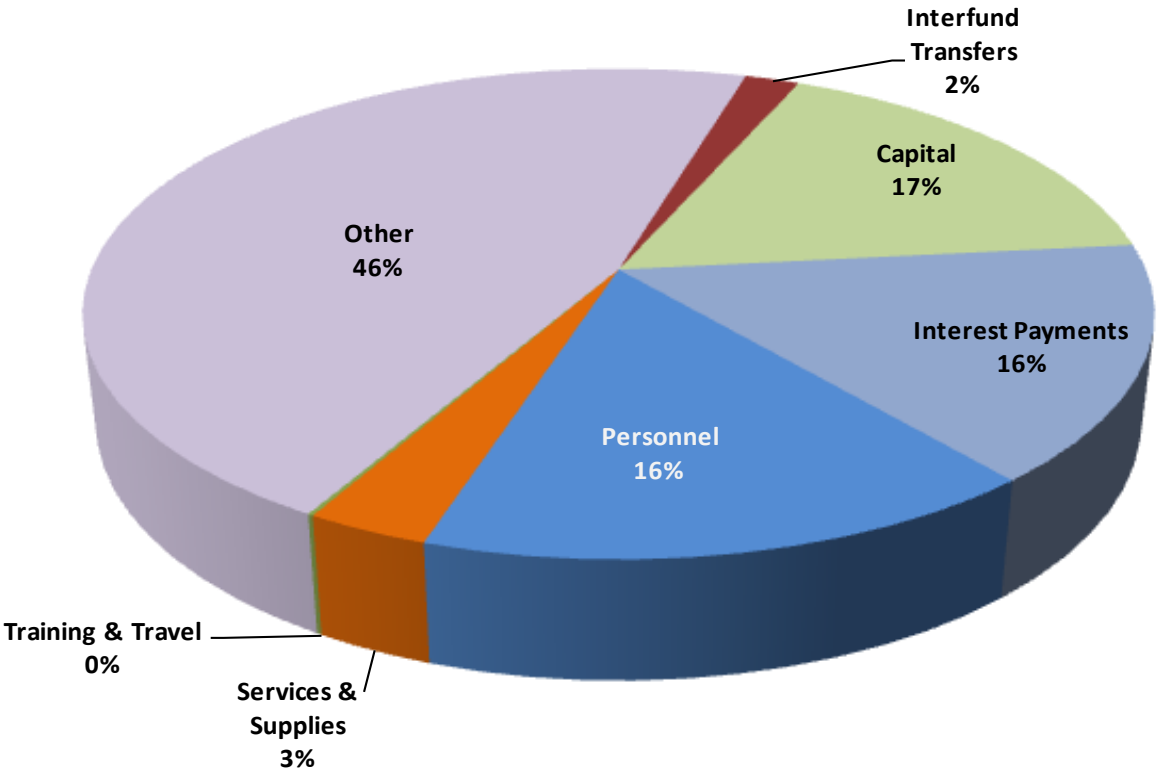
Seattle City Light	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$806,239,085	$879,423,538	$929,966,554	$914,572,258
Total Revenues	**$806,239,085**	**$879,423,538**	**$929,966,554**	**$914,572,258**
Transfers from Construction Fund	$200,903,392	$193,742,967	$210,909,663	$220,977,253
Total Resources	**$1,007,142,477**	**$1,073,166,505**	**$1,140,876,217**	**$1,135,549,511**
Total Expenditures	**$1,007,142,478**	**$1,073,166,505**	**$1,140,876,217**	**$1,135,549,511**
Full-Time Equivalent * Total	1,839.10	1,810.50	1,810.50	1,810.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Revenues By Category



2012 Adopted Budget - Expenditure by Category



Seattle City Light

Budget Overview

The 2012 Adopted Budget is consistent with the previously adopted 3.2% rate increase for January 1, 2012 (Ordinance 123479), and contains only minor changes from the 2012 Endorsed Budget. City Light is currently developing a Strategic Plan to provide greater transparency and insight into Utility issues for elected officials, customers, and the public. The 2012 Adopted Budget maintains City Light's current levels of service, with the expectation that future budgets will be developed in support of the approved Strategic Plan.

In 2009 and 2010, unexpectedly depressed energy prices and unusually low precipitation levels reduced both the value and the amount of surplus energy that City Light could sell on the wholesale market. This unexpected revenue shortfall forced the Utility to cut costs, reduce spending on basic operations, and defer necessary capital investments. In response, City Council and the Mayor undertook a series of actions to help strengthen oversight and the financial management of the Utility:

- The Rate Stabilization Account was created to protect against future fluctuations in wholesale revenues.
- The City Light Review Panel was established to advise elected officials on rate and Utility issues.
- City Light was directed to develop a Strategic Plan with input from the Review Panel and the public.

By identifying key challenges and prioritizing spending for the Utility, the Strategic Plan provides a venue for engaging elected officials, customers, and the public on the future of City Light. In early 2012, the Utility will seek City Council approval of the Strategic Plan and endorsement of a six-year rate path in support of the Plan's initiatives. The endorsed rate path will provide customers with a six-year schedule of anticipated future rates. These actions will help inform and simplify the subsequent year's budget process. If the Strategic Plan is approved, the 2013-2014 Proposed Budget will be developed to pursue the Strategic Plan's objectives within the resource constraints of the endorsed rate path.

City Light intends to revisit the Strategic Plan every two years with the City Light Review Panel and City Council, extending the six-year planning window by two years each time, and refining expectations for the following biennial budget. It is hoped that the Strategic Plan becomes an integral part of the budgeting process by vetting key policy choices facing the Utility and providing a framework for establishing stable and predictable rates. The budget remains the legal authority governing spending and becomes an accountability document between elected officials and Utility management for implementing the Strategic Plan.

With minimal changes from the 2012 Endorsed Budget, the 2012 Adopted Budget continues the Utility's efforts to restore core maintenance activities that had been deferred in recent years, maintain and upgrade critical information technology systems, and respond to the evolving regulatory requirements for the transmission grid and Initiative-937 requirements for conservation and renewable resources. The 2012 Proposed Budget supports the Utility's current levels of service. Proposals for service level improvements and efficiencies will be presented in the context of the Strategic Plan and may impact future budgets.

Wholesale revenue remains a highly volatile source of revenue that is subject to fluctuations resulting from weather and economic variables impacting water levels and the price of energy. To protect against this volatility, the Rate Stabilization Account (RSA) provides a funding reserve that City Light may draw upon to make up the difference between targeted and actual net wholesale revenue on a quarterly basis. As established in Seattle Municipal Code 21.49.086, the RSA target of net wholesale revenue is the simple average of net wholesale revenues realized since 2002, subject to City Council adjustments. For purposes of triggering the use of the RSA, the 2012 net wholesale revenue target is $102.1 million. Any surplus of net wholesale revenue above this target is deposited into the RSA.

As part of the budget action, City Council directed additional surplus utility funds from 2011 into the RSA to reduce the likelihood of triggering a rate surcharge in 2012. Based on current projections, the RSA will begin 2012 fully funded at $139 million. When the balance in the RSA falls below $90 million, a 1.5% surcharge is automatically applied to base rates and used to replenish the account. This surcharge increases to 3.0% if the RSA falls below $80 million, and increases to 4.5% if the RSA falls below $70 million. As the RSA is replenished, the surcharge is reduced accordingly and is eliminated when the RSA reaches $100 million.

To support the capital program and other eligible Utility costs, the 2012 Adopted Budget anticipates a 2012 bond issue of approximately $200 million. The bond issue may also seek to refinance certain existing debt if favorable interest rates provide debt service savings.

The 2012 Adopted Budget includes three structural changes to its Budget Control Levels (BCL) that do not affect the Utility's total appropriations or position count. These changes are intended to provide more transparency and accountability into the budgeting process and include:

- Splitting the Purchased Power BCL into two separate BCLs. The Long-Term Purchased Power BCL provides appropriation authority for long-term power contracts (over 24 months) that provide the Utility's firm load. The Short-Tem Purchased Power BCL provides appropriation authority for managing short-term power contracts (up to 24 months) to address yearly fluctuations in hydro conditions and market conditions. For 2012, the adopted appropriations are $285 million for Long-Term Purchased Power and $67 million for Short-Term Purchased Power.

- Creating a new BCL for consolidating Compliance and Security functions, to be managed by City Light's Compliance Officer. This new BCL allows the Utility to manage and track these functions in response to increasingly complex federal regulations governing the reliability and security of the regional transmission grid. The 2012 Adopted Budget transfers 14 FTE and $2.8 million into the new BCL.

- Splitting the Customer Services and Energy Delivery – CIP BCL into two separate BCLs. The Customer Focused – CIP BCL provides appropriations for service connections, metering, billing, customer-requested work, streetlights, transportation-driven relocations, and other externally driven projects. Transmission and Distribution – CIP BCL provides appropriations for transmission towers and lines, substations, relays, feeders, radial and network distribution lines, and other projects to support the distribution system. For 2012, the adopted appropriations are $71 million for the Customer Focused – CIP BCL and $65 million for the Transmission and Distribution – CIP BCL.

Seattle City Light

In addition, the 2012-2017 Adopted CIP has been reorganized to provide additional summary information and better explain capital spending in terms of power supply, transmission, distribution, externally driven projects, and central Utility projects. These categories align with the revised Capital BCL structure and provide a clear link between CIP project allocations and appropriations in the budget.

City Council Changes

City Council directed additional surplus utility funds into the RSA to reduce the likelihood of rate surcharges in 2012. In addition, Council made technical adjustments to reflect final decisions on central City costs, a portion of which are paid by the Utility.

Incremental Budget Changes

Seattle City Light

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$1,140,876,217**	**1810.50**
2012 Proposed Changes			
	Cedar Falls Environmental Cleanup	$3,900,000	0.00
	Taxes and Suburban Franchise Payments	$913,000	0.00
	Purchased Power Costs	($3,471,377)	0.00
	Capital Program Adjustments	($15,052,306)	0.00
	Accounting Changes for Bond Expenses	$5,037,394	0.00
	Technical Adjustments	$3,568,620	0.00
Total Changes		**($5,104,669)**	**0.00**
2012 Proposed Budget		**$1,135,771,548**	**1810.50**
Council Adjustments to Proposed Budget			
	Technical Adjustments	($222,037)	0.00
Total Adjustments		**($222,037)**	**0.00**
2012 Adopted Budget		**$1,135,549,511**	**1810.50**

Cedar Falls Environmental Cleanup - $3,900,000. This proposal provides resources for environmental cleanup at the Cedar Falls remediation site and a number of superfund sites along the Duwamish River where the Utility is a potentially responsible party for contamination due to land ownership or historic use of property located along these waterways. These costs are offset by revenues from a State Model Toxics Control Act (MTCA) grant for $3,752,659 which was not anticipated in the 2012 Endorsed Budget.

Taxes and Suburban Franchise Payments - $913,000. This adjustment reflects $568,000 in additional taxes, fees, and impact payments to be paid to Oregon, King County, and Pend Oreille County due to recent legislation and operating agreements. An additional $345,000 is due to revised forecasts of payments to suburban cities as part of the Utility's franchise agreements which are fully offset by increased retail revenue from suburban ratepayers.

Purchased Power Costs - ($3,471,377). City Light has opted not to purchase Priest Rapids Meaningful Priority Power, which reduces power costs from the 2012 Endorsed Budget. However, power costs have increased due to an additional allotment of BPA Block power to City Light based on conservation achievements, the earlier than anticipated start of operations at the King County West Point generating plant, and the final pricing for the PacifiCorp Integration Exchange Agreement which delivers power from the Stateline Wind Project. The net result is a reduction in purchased power costs for 2012.

Capital Program Adjustments - ($15,052,306). As part of the strategic planning effort, City Light has revised capital projections to reflect a baseline level of spending on major maintenance, equipment replacement, service connections, and other capital costs. Additional adjustments reflect project scope and schedule changes for major interdepartmental projects, including infrastructure relocations for the Alaskan Way Viaduct, Mercer Corridor, and First Hill Streetcar projects, and support for SPU's Morse Lake Pump project. The result is a net reduction in capital spending for 2012 as compared to anticipated 2012 spending levels in the 2011-2016 Adopted CIP. For a summary of City Light's capital program and more detail on project-level changes, please see the 2012-2017 Adopted CIP document.

Accounting Changes for Bond Expenses - $5,037,394. This adjustment reflects accounting changes in accordance with Governmental Accounting Standards Board (GASB) standards to record federal subsidies and bond underwriter fees as bond expenses paid by the Utility. Previously, City Light accounted for these costs as net of bond proceeds. This is an accounting adjustment only. The increased budgeting expense is offset by recording increased bond revenue.

Technical Adjustments - $3,568,620. Technical adjustments reflect Citywide cost adjustments, inflation adjustments, and internal department budget transfers that do not represent fundamental changes in City Light's service delivery. Citywide cost adjustments reflect changes to health care, transit benefits, retirement, workers' compensation, unemployment costs, rates for DOIT and FAS services, and central cost allocated City departments. Inflation adjustments reflect COLA adjustments required by labor contracts based on observed CPI. Internal transfers include aligning the Real Estate Division under Environmental Affairs (transfer of 8 FTE), creating a Compliance and Security BCL (transfer of 14 FTE), aligning employee assignments to budget (transfer of 2.5 FTE), creating new Capital BCLs to better align with the 2012-2017 Adopted CIP, creating separate Long-term and Short-term Purchased Power BCLs, and correcting a purchased power reduction in the 2012 Endorsed Budget to the correct BCL (transfer of $3.3 million).

Seattle City Light

City Council Changes to the 2012 Proposed Budget

Technical Adjustments - ($222,037). Technical adjustments reflect final City Council decisions on City-wide central costs, including adjustments to the retirement contribution rate and City Auditor costs.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Operations and Maintenance					
Office of Superintendent Budget Control Level	SCL100	2,767,756	2,876,578	2,916,667	2,923,085
Power Supply O&M Budget Control Level	SCL210	59,695,649	63,200,413	66,225,632	62,449,375
Conservation Resources and Environmental Affairs O&M Budget Control Level	SCL220	66,802,073	48,129,846	50,070,070	57,757,071
Distribution Services Budget Control Level	SCL310	63,830,214	68,103,313	71,568,827	71,786,036
Customer Services Budget Control Level	SCL320	26,119,347	27,733,445	28,402,473	26,847,557
Human Resources Budget Control Level	SCL400	5,754,877	6,837,070	6,764,195	6,790,858
Financial Services - O&M Budget Control Level	SCL500	27,719,674	34,981,446	29,155,810	28,988,915

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Compliance and Security Budget Control Level	SCL900	0	0	0	2,825,188
Power Purchase					
Purchased Power Budget Control Level	SCL700	330,209,710	338,995,283	358,635,217	0
Short-Term Purchased Power Budget Control Level	SCL710	0	0	0	67,121,923
Long-Term Purchased Power Budget Control Level	SCL720	0	0	0	284,741,917
General Expense					
General Expenses Budget Control Level	SCL800	64,875,152	68,064,440	71,300,685	76,568,529
Debt Service Budget Control Level	SCL810	118,371,944	142,658,754	173,113,109	178,150,503
Taxes Budget Control Level	SCL820	69,515,761	74,139,040	77,559,239	78,472,239
Capital					
Power Supply & Environmental Affairs - CIP Budget Control Level	SCL250	62,610,279	57,845,507	43,973,100	46,196,214
Customer Focused - CIP Budget Control Level	SCL370	0	0	0	71,268,536
Customer Services and Energy Delivery - CIP Budget Control Level	SCL350	102,467,134	133,139,515	153,217,344	0

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Transmission and Distribution - CIP Budget Control Level	SCL360	0	0	0	64,871,719
Financial Services - CIP Budget Control Level	SCL550	6,402,909	6,461,855	7,973,849	7,789,846
Department Total		**1,007,142,478**	**1,073,166,505**	**1,140,876,217**	**1,135,549,511**
Department Full-time Equivalents Total*		**1,839.10**	**1,810.50**	**1,810.50**	**1,810.50**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the City Light Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
443310	Energy Sales to Customers	613,396,765	648,272,869	688,927,974	671,910,329
443310	Out of System Sales	0	0	0	0
443310	Retail Energy Revenue from Current Diversion, Un-Permitted House Rewires and No Longer Allowing Flat-Rate Billings	0	2,106,000	2,106,000	2,106,000
443310	Seattle Green Power/GreenUp/Community Solar	1,312,407	330,000	385,000	3,130,000
	Total Retail Revenue	**614,709,172**	**650,708,869**	**691,418,974**	**677,146,329**
443310	Sales from Priest Rapids	6,398,276	0	9,500,000	4,917,295
443345	Article 49 Sale to Pend Oreille Country	1,579,287	1,696,984	1,738,071	1,669,835
443345	Basis Sales	972,312	5,712,483	7,289,147	0
443345	Other Power Related Services	13,107,058	14,683,607	7,667,701	7,319,141
443345	Surplus Energy Sales	109,457,304	137,526,911	151,190,694	151,190,694
	Total Wholesale Sales	**131,514,238**	**159,619,985**	**177,385,612**	**165,096,963**
431010	Operating Grants	2,969,721	300,000	115,000	3,867,659
431200	BPA Conservation & Renewables Credit	2,486,316	1,864,737	0	0
431200	BPA Payments for Conservation Deferred	10,303	4,732,690	0	4,926,389
443250	Other O&M Revenue	8,647,827	5,374,846	5,501,958	5,513,826

2012 Estimated Revenues for the City Light Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
443250	Revenue From Damage	1,346,407	1,564,569	1,596,840	1,596,840
443345	BPA Credit for South Fork Tolt	3,382,401	3,462,462	3,382,347	3,637,892
443380	Account Change Fees	1,286,924	1,455,656	1,492,047	1,492,047
443380	Construction & Miscellaneous Charges	1,053	1,135,719	1,161,396	1,161,396
443380	Late Payment Fees	4,309,804	3,706,548	3,794,205	3,794,205
443380	Pole Attachments	1,635,651	2,024,393	2,073,390	2,073,390
443380	Property Rentals	2,761,543	1,289,963	1,320,470	1,320,470
443380	Reconnect Charges	249,554	248,395	254,269	254,269
443380	Transmission Attach. & Cell Sites	1,316,187	2,719,612	2,749,843	2,749,843
443380	Water Heater & Miscellaneous Rentals	160,705	187,680	192,119	192,119
461100	Interest	3,846,132	4,427,862	10,372,915	5,377,885
461100	Sale of Property, Material & Equip.	90,000	2,546,256	2,250,000	2,250,000
462900	North Mountain Substation (Snohomish PUD)	224,955	369,978	377,974	381,414
462900	Transmission Sales	2,728,472	1,819,226	1,853,497	3,063,776
469990	Conservation - Customer Payments	0	0	0	0
473010	Capital Fees and Grants	3,870,585	96,000	101,000	176,352
482000	Contributions in Aid of Construction	17,404,026	26,779,093	19,351,023	25,285,000
482000	Suburban Undergrounding	356,281	691,417	924,094	863,651
541830	Reimbursement for CCSS - O&M	930,829	2,297,581	2,297,581	2,350,543
	Total Other	**60,015,675**	**69,094,684**	**61,161,968**	**72,328,966**
Total Revenues		**806,239,085**	**879,423,538**	**929,966,554**	**914,572,258**
379100	Transfers from Construction Fund	200,903,392	193,742,967	210,909,663	220,977,253
	Total Transfers	**200,903,392**	**193,742,967**	**210,909,663**	**220,977,253**
Total Resources		**1,007,142,477**	**1,073,166,505**	**1,140,876,217**	**1,135,549,511**

Appropriations by Budget Control Level (BCL)

Operations and Maintenance

Office of Superintendent Budget Control Level

The purpose of the Office of the Superintendent Budget Control Level is to provide leadership and broad departmental policy direction to ensure the effective delivery of reliable electric power and maintain the financial health of the utility. The utility's communications and governmental affairs functions are included in this Budget Control Level.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Superintendent	2,767,756	2,876,578	2,916,667	2,923,085
Full-time Equivalents Total*	18.75	18.75	18.75	17.75

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Power Supply O&M Budget Control Level

The purpose of the Power Supply O&M Budget Control Level is to provide clean, safe, economic, efficient, reliable sources of electric power for City Light customers. This Budget Control Level supports the power generation and power marketing operations of the utility. Utility-wide support services such as shops, real estate, fleet, and facility management services are also included in this Budget Control Level.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Power Supply O&M	59,695,649	63,200,413	66,225,632	62,449,375
Full-time Equivalents Total*	286.96	282.96	282.96	274.46

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Conservation Resources and Environmental Affairs O&M Budget Control Level

The purpose of the Conservation Resources and Environmental Affairs O&M Budget Control Level is to design and implement demand-side conservation measures that offset the need for additional generation resources, and to ensure that the utility generates and delivers energy in an environmentally responsible manner. This Budget Control Level also supports the utility's renewable resource development programs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Conservation Resources and Environmental Affairs O&M	66,802,073	48,129,846	50,070,070	57,757,071
Full-time Equivalents Total*	117.00	108.00	108.00	116.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Distribution Services Budget Control Level

The purpose of the Distribution Services Budget Control Level is to provide reliable electricity to customers through cost-effective operation and maintenance of City Light's overhead and underground distribution systems, substations, and transmission systems.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Distribution Services	63,830,214	68,103,313	71,568,827	71,786,036
Full-time Equivalents Total*	597.27	599.27	599.27	594.27

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Customer Services Budget Control Level

The purpose of the Customer Services Budget Control Level is to provide customer services, including metering, billing, account management, and customer information systems.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Services	26,119,347	27,733,445	28,402,473	26,847,557
Full-time Equivalents Total*	213.75	210.75	210.75	203.75

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Human Resources Budget Control Level

The purpose of the Human Resources Budget Control Level is to provide employee and management support services, including safety programs, organizational development, training, personnel, and labor relations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Human Resources	5,754,877	6,837,070	6,764,195	6,790,858
Full-time Equivalents Total*	37.52	35.52	35.52	34.52

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Financial Services - O&M Budget Control Level

The purpose of the Financial Services - O&M Budget Control Level is to manage the utility's financial health through prudent planning, risk mitigation, and provision of information to drive financial discipline. Information technology services are also provided through this Budget Control Level to support systems and applications used throughout the utility.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Financial Services - O&M	27,719,674	34,981,446	29,155,810	28,988,915
Full-time Equivalents Total*	197.50	186.90	186.90	186.90

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Compliance and Security Budget Control Level

The purpose of the Compliance and Security Budget Control Level is to ensure compliance with federal electric reliability standards and secure critical utility infrastructure.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Compliance and Security	0	0	0	2,825,188
Full-time Equivalents Total*	0.00	0.00	0.00	14.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Power Purchase

Purchased Power Budget Control Level

The purpose of the Purchased Power Budget Control Level is to acquire power, transmission, and other services associated with wholesale power purchases in a cost-effective manner to meet the day-to-day electricity needs of City Light's retail customers. In the 2012 Adopted Budget, this Budget Control Level is replaced with the Short-term Purchased Power Budget Control Level and the Long-term Purchased Power Budget Control Level.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Purchased Power	330,209,710	338,995,283	358,635,217	0

Appropriations by Budget Control Level (BCL)

Short-Term Purchased Power Budget Control Level

The purpose of the Short-term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to manage the utility's short-term demand given the variability of hydroelectric power. This Budget Control Level provides appropriations for planned transactions of up to 24 months in advance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Short-Term Purchased Power	0	0	0	67,121,923

Long-Term Purchased Power Budget Control Level

The purpose of the Long-term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to meet the utility's long-term demand for power. This Budget Control Level provides appropriations for planned transactions beyond 24 months in advance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Long-Term Purchased Power	0	0	0	284,741,917

General Expense

General Expenses Budget Control Level

The purpose of the General Expenses Budget Control Level is to provide for the general expenses of the utility that, for the most part, are not directly attributable to a specific organizational unit. These expenditures include insurance, bond issue costs, bond maintenance fees, audit costs, Law Department legal fees, external legal fees, employee benefits (medical and retirement costs), industrial insurance costs, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Expenses	64,875,152	68,064,440	71,300,685	76,568,529

Debt Service Budget Control Level

The purpose of the Debt Service Budget Control Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service - BCL	118,371,944	142,658,754	173,113,109	178,150,503

Appropriations by Budget Control Level (BCL)

Taxes Budget Control Level

The purpose of the Taxes Budget Control Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Control Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Taxes	69,515,761	74,139,040	77,559,239	78,472,239

Capital

Power Supply & Environmental Affairs - CIP Budget Control Level

The purpose of the Power Supply & Environmental Affairs - CIP Budget Control Level is to provide for the capital costs of maintaining the physical generating plant and associated power license and regulatory requirements. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Power Supply & Environmental Affairs - CIP	62,610,279	57,845,507	43,973,100	46,196,214
Full-time Equivalents Total*	73.26	73.26	73.26	73.26

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Customer Focused - CIP Budget Control Level

The purpose of the Customer Focused - CIP Budget Control Level is to provide for the capital costs of customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Focused - CIP	0	0	0	71,268,536
Full-time Equivalents Total*	0.00	0.00	0.00	132.32

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Customer Services and Energy Delivery - CIP Budget Control Level

The purpose of the Customer Services and Energy Delivery - CIP Budget Control Level is to provide for the capital costs of installation, maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, services connections, and meters to meet customer demand. This Budget Control Level's capital program also coordinates the utility's plant improvements with the efforts of other agencies involved in the implementation of large projects such as the Alaskan Way Viaduct and Seawall Replacement, North Downtown redevelopment, and Sound Transit light rail. In the 2012 Adopted Budget, this Budget Control Level is replaced with the Transmission and Distribution - CIP Budget Control Level and the Customer Focused - CIP Budget Control Level.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Services and Energy Delivery - CIP	102,467,134	133,139,515	153,217,344	0
Full-time Equivalents Total*	290.38	288.38	288.38	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Transmission and Distribution - CIP Budget Control Level

The purpose of the Transmission and Distribution - CIP Budget Control Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the utility's transmission and distribution systems. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Transmission and Distribution - CIP	0	0	0	64,871,719
Full-time Equivalents Total*	0.00	0.00	0.00	156.06

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Financial Services - CIP Budget Control Level

The purpose of the Financial Services - CIP Budget Control Level is to provide for the capital costs of rehabilitation and replacement of the utility's financial systems and information technology infrastructure, and the development and implementation of large software applications. This Budget Control Level supports capital projects identified in the Adopted 2012-2017 Capital Improvement Plan.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Financial Services - CIP	6,402,909	6,461,855	7,973,849	7,789,846
Full-time Equivalents Total*	6.71	6.71	6.71	6.71

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Table

City Light Fund - 2012 Adopted Budget - Updated Nov 17, 2011

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Cash Balance	64,334,520	183,548,957	197,132,840	226,025,673	303,937,379
Accounting and Technical Adjustments	333,701,712	236,219,683	301,059,827	202,376,979	174,477,828
Plus: Actual and Estimated Revenue	806,239,086	879,423,538	878,911,217	929,966,554	914,572,258
Less: Actual and Budgeted Expenditures	1,007,142,478	1,073,166,505	1,073,166,505	1,140,876,217	1,135,549,511
Ending Cash Balance	**197,132,840**	**226,025,673**	**303,937,379**	**217,492,989**	**257,437,954**
Less: Reserves Against Cash Balances					
Restricted Accounts*	3,954,122	13,966,061	15,822,821	21,443,089	28,026,748
Contingency Reserve / RSA**	79,265,627	101,102,938	139,000,000	104,036,063	139,000,000
Total Reserves	83,219,750	115,068,999	154,822,821	125,479,153	167,026,748
Ending Unreserved Cash Balance* **	**113,913,090**	**110,956,674**	**149,114,558**	**92,013,837**	**90,411,206**

* Includes Special Deposits, Debt Service Account, and Bond Reserves. Does not include the Construction Account.

** The 2011 Revised column reflects Council's action to transfer anticipated surplus funds into the RSA at the end of 2011, which is projected to bring the RSA to a balance of $139 million. The 2012 Adopted Budget assumes that Net Wholesale Revenue in 2012 will equal the target set by the RSA formula. Therefore, the fund table shows no drawdown of the RSA or revenue from any RSA Surcharge in 2012.

*** Includes All City Light Cash other than Special Deposits, Debt Service Account, and Bond Reserve. Includes the Construction Account.

Seattle Department of Transportation

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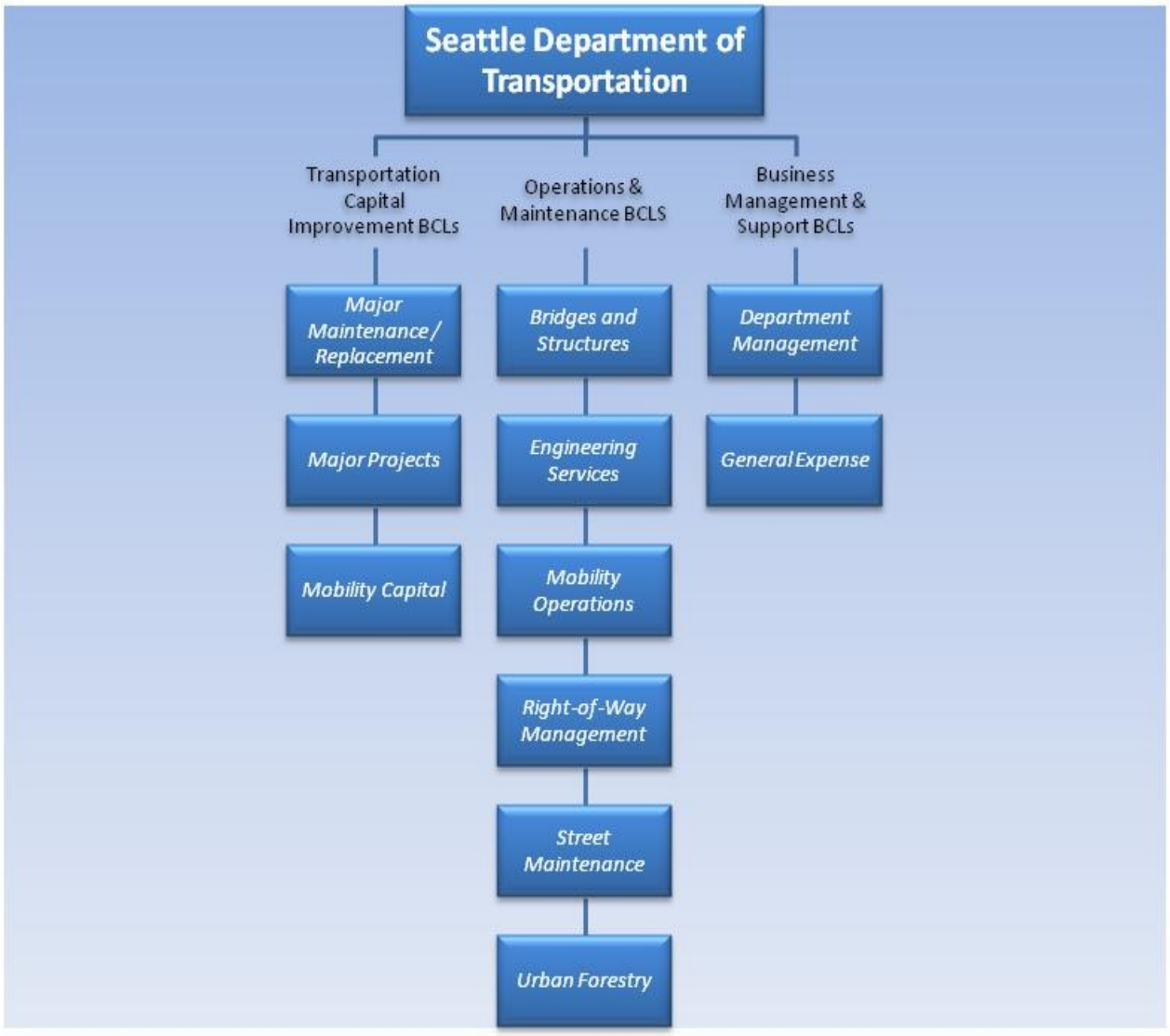
Department by Budget Control Level



Department Overview

The Seattle Department of Transportation (SDOT) develops, maintains, and operates a transportation system that promotes the safe and efficient mobility of people and goods, and enhances the quality of life, environment, and economy of Seattle and the surrounding region.

Department Overview

The major assets of the City's transportation system are 1,540 lane-miles of arterial streets, 2,412 lane-miles of non-arterial streets, 147 bridges, 582 retaining walls, 22 miles of seawalls, 1,045 signalized intersections, 45 miles of bike trails and 223 miles of on-street bicycle facilities, 35,000 street trees, 2,200 pay stations, 300 parking meters, 26,000 curb ramps, and 1.6 million lane markers. The transportation infrastructure is valued at over $13 billion.

The SDOT budget comprises 11 different Budget Control Levels (BCLs) grouped into three Lines of Business (LOBs):

1. The Transportation Capital Improvement Program LOB is responsible for the major maintenance and replacement of SDOT's capital assets, as well as the development and construction of additions to the city's transportation infrastructure. This LOB contains the Major Maintenance/Replacement, Major Projects, and Mobility-Capital BCLs.

2. The Operations and Maintenance LOB handles the day-to-day operations and routine maintenance to keep people and goods moving throughout the city. This LOB includes operation of the city's movable bridges, traffic signals, street cleaning, pothole repairs, permit issuance, tree maintenance, and engineering and transportation planning. The six BCLs in this area are Bridges and Structures, Engineering Services, Mobility-Operations, Right-of-Way Management, Street Maintenance, and Urban Forestry.

3. The Business Management and Support LOB provides policy direction and business support for SDOT. These services are contained in two BCLs. Departmental support is in the Department Management BCL. The General Expense BCL includes debt service, judgment and claims payments, and the allocated City central costs the department pays for overall support services it receives from other departments.

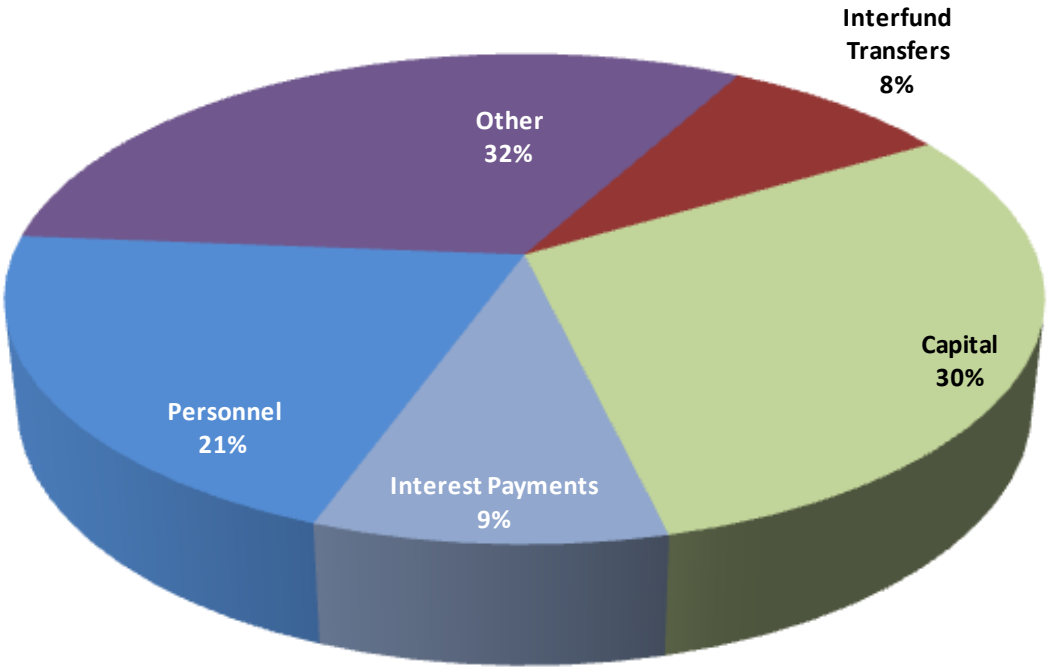
The Capital Improvement Program (CIP) comprises two-thirds of SDOT's budget with the remaining attributable to operations and maintenance and self-supporting enterprise activities such as permits, utility cut restorations, and reimbursable contract work performed at the request of developers and the City's utilities.

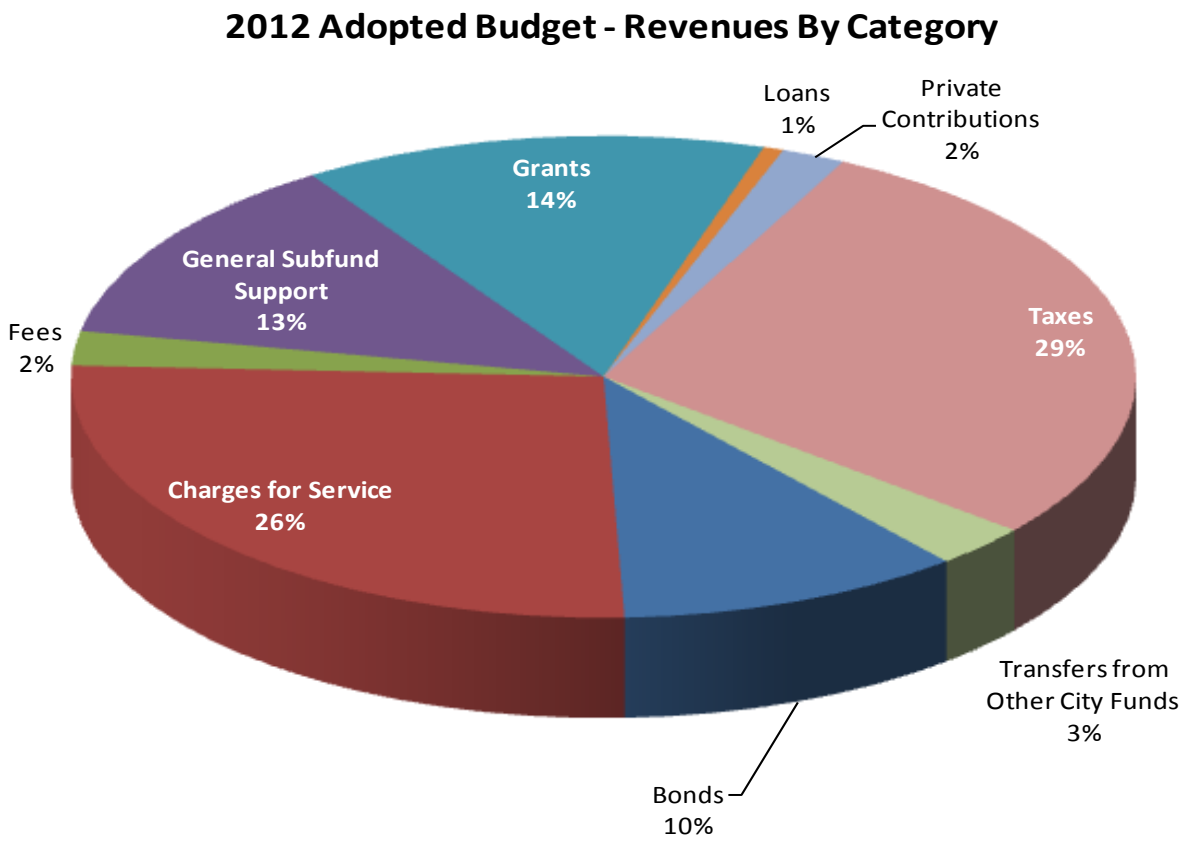
Budget Snapshot

Seattle Department of Transportation	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$37,723,452	$38,913,576	$40,022,537	$37,635,725
Other Revenues	$232,604,287	$263,388,863	$270,289,074	$257,864,217
Total Revenues	**$270,327,739**	**$302,302,439**	**$310,311,611**	**$295,499,942**
Use of (Contribution to) Fund Balance	$9,798	$4,095,371	($676,117)	$15,151,059
Total Resources	**$270,337,537**	**$306,397,810**	**$309,635,494**	**$310,651,001**
Total Expenditures	**$270,337,537**	**$306,397,810**	**$309,635,494**	**$310,651,001**
Full-Time Equivalent * Total	792.00	768.50	768.50	721.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category





Budget Overview

The Seattle Department of Transportation (SDOT) is supported by several funding sources, including bonds, federal, state and local grants, state and regional partnership agreements, Bridging the Gap property tax levy, commercial parking tax, fees for service, real estate excise taxes, street vacations, Gas Tax, and an annual allocation from the City's General Fund. Following the trend of recent years, the amount of revenue from many of these sources continues to decrease in 2012. General Fund budget pressures in 2012 and future years require that SDOT make budget reductions. SDOT is also experiencing funding decreases from other sources. Taken together with the General Fund reductions, SDOT's 2012 Adopted Budget closes a $10 million gap. Other specific revenue shortfalls include:

- Gas Tax continues a steady decline that began in 2007. For 2012, SDOT expects to receive $1 million less than was assumed in the 2012 Endorsed Budget.

- Reimbursable revenues in the 2012 Adopted Budget are projected to be $2.8 million less than what was assumed in the 2012 Endorsed Budget. Most of this revenue is generated by utility cut restoration work, which has plummeted as a result of continued economic weakness. At its peak in 2008, utility cut restoration work represented $10.6 million in inflation-adjusted dollars. For 2012, SDOT now projects only $4.1 million in revenues from this source.

- Street Use revenues tell a similar story. The 2012 Adopted Budget projects a $2.5 million decrease from the 2012 Endorsed Budget. This represents a 31% decrease from the peak in 2008.

Strategic Use of Revenue

This broad mix of revenue allows SDOT some flexibility in addressing the department's budget challenges. The City of Seattle's transportation work is bolstered by the Bridging the Gap funding package passed by voters in 2006, the $20 Vehicle License Fee implemented in 2011, the Commercial Parking Tax, and federal and state grants. Within the constraints of each revenue stream's restrictions, SDOT took a comprehensive approach to the development of the 2012 Adopted Budget and made strategic use of revenues whenever possible in order to preserve funding for core services. This strategic approach helps SDOT preserve several core transportation services, including the major maintenance of capital assets, operation of traffic signals, operation of the City's movable bridges, pothole repairs, street cleaning, and permit issuance, during a year when SDOT's overall funding gap from all sources is approximately $10 million.

A unique revenue source that benefits SDOT's 2012 Adopted Budget is the proceeds from the sale of the City's Rubble Yard property to the State of Washington for $19.8 million. The revenue from the sale was received in 2011, and is an important source of one-time revenue to help address a number of key transportation needs, including street surface repair, winter storm readiness, neighborhood traffic control, and freight spot improvements.

Sustainable Reductions

Though a strategic approach to preserving funding for core services and the availability of the Rubble Yard proceeds help to minimize the reductions necessary to close SDOT's funding shortfalls, the Department still needed to make reductions in order to balance the 2012 Adopted Budget. The budget focuses on long-term solutions that support the department's financial stability beyond 2012, including efforts that will "right-size" the business to better match the reality of the economic climate. One of SDOT's functions is performing work that is generated by other departments or companies on a reimbursable basis. For example, public and private utilities may need to access utility connections below the street in order to provide service to a new building. When this work is complete, the utility may then contract with SDOT to restore the street to its original (and often improved) condition. Restoration expenses are reimbursed by the entity that initiated the project. Because this work is largely driven by construction, and therefore by the overall state of the economy, the frequency of these requests have decreased significantly in 2011 and are expected to remain at a reduced level in 2012. As a result, SDOT is reducing staffing to reflect this lower workload. The majority of these reductions are a continuation of changes that SDOT made in mid-2011.

To the greatest extent possible, the reductions in the 2012 Adopted Budget focus on staffing efficiencies, administrative reductions, and service reductions where the impact is minor or is mitigated by other factors. For staffing reductions, SDOT identified opportunities in which an existing body of work could be divided and shared by other staff members, allowing for abrogations in the areas of office management, grants monitoring, and engineering support with no negative programmatic impact. Other staffing savings were achieved by eliminating vacant positions and by addressing span of control issues. SDOT also found sustainable reductions in non-labor, non-programmatic expenses. These

reductions include deferred software upgrades, software licenses, consultant funding, and other discretionary expenses.

After exhausting these avenues, SDOT filled its remaining budget gap by making difficult programmatic cuts, including the elimination of the "chip seal" pavement preventive maintenance program, reductions to the stairway rehabilitation program, and modest reductions to urban trail and bicycle spot improvements. The chip seal program was selected for elimination because the work program planned for 2012 had already been scaled back so significantly that the elimination of the remainder would not have a major impact. The stairway rehabilitation program cut was selected because SDOT was able to partially mitigate the impact by infusing unspent capital dollars from other projects in 2011. The urban trail and bicycle spot improvements were selected because even with these cuts, funding for various pedestrian and bicycle-related work is still increased from 2011 levels.

On-Street Parking Program

In 2011, SDOT made changes to on-street parking rates to achieve the policy objective of one to two open spaces per block-face on average throughout the day. Rates were increased in four of the city's 23 parking districts and were reduced in 11. Measurements from a June 2011 survey indicate that parking occupancy fell in the four areas where parking rates were increased, achieving the intended effect of one to two open spaces per block-face on average. However, in the 11 areas where the parking rate was lowered, results were mixed; parking occupancy rates increased in some areas, but in the majority of areas, occupancy rates actually fell.

In addition to the June 2011 data collection, SDOT completed a comprehensive Performance-Based Parking Pricing Study to inform the 2012 rate-setting process. The study assisted SDOT in identifying ways to enhance data-driven parking management tools and evaluating various business case options for implementation. As part of the study, SDOT convened an advisory Parking Sounding Board of downtown and neighborhood business district interests and held discussions with national parking experts.

As a result of the additional work done to collect data and analyze performance-based pricing, SDOT is making further refinements to the rate-setting policies and process in 2012. In addition to adjusting hourly rates in some neighborhood parking areas, SDOT will also delineate parking rate boundaries on a more granular level, such as adjusting geographic boundaries to divide some parking areas into smaller areas, and extend authorized time-limits in certain locations. The refined parking management tools are particularly warranted in neighborhoods in which lowering rates in 2011 did not generate increased parking demand. In 2012, 13 neighborhoods will have rate, boundary, and/or time limit changes. These changes are described in more detail below. Additional information about specific neighborhood changes is available at: http://www.seattle.gov/transportation/parking/paidparking.htm.

Geographic Boundaries Changes:
The University District, Ballard, South Lake Union, Belltown, Pioneer Square, Capitol Hill, and Uptown geographic boundaries will be adjusted to delineate higher demand and lower demand areas within each neighborhood. These changes will result in a more precise application of the data-driven policy objectives because rates can be set on a more granular level. In some cases, the boundaries between neighborhoods or sub-neighborhoods will be moved. In others, differentiation will be made between

the neighborhood core and outer areas with lower measured demand. Following the policy objectives, rates will be applied so that lower-demand areas have a lower parking rate than higher-demand areas in each neighborhood. In some cases, lower-demand areas will also have extended time limits.

Rate Changes:
Rate adjustments in 2012 will be made in six neighborhoods in the context of the geographic boundary changes described above and the policy objective of achieving one to two open spaces per block-face. The lower-demand areas in Pioneer Square and Capitol Hill will have a rate decrease compared to 2011 levels. The higher-demand areas in the University District, Ballard, and Belltown South will have a rate increase compared to 2011. Most long-term areas in South Lake Union will be priced at $1.50 per hour compared to $1.25 in 2011. All other rates will remain unchanged in 2012.

Time Limits Changes:
Extended time limits will be applied in locations where measured occupancy levels are low or below the policy objective. Four-hour parking will be available in Denny Triangle North, Roosevelt, and parts of the University District, Ballard, Belltown, and Uptown. Uptown Triangle, Westlake Ave N, and some additional spaces in South Lake Union will not have a daily time limit. In some cases, time limits are extended in lieu of lowering rates because, based the June 2011 data collection, further rate decreases are not likely to generate parking demand. Extending time limits in these areas is expected to increase parking demand and support businesses that require longer stays by their customers. Longer-term paid parking has been successful in South Lake Union, where there is strong demand compared to short-term parking, and parts of Downtown near the Waterfront where a small pilot has been implemented. Paid parking hours will be extended from 6:00 PM to 8:00 PM in Denny Triangle South.

In neighborhoods where paid parking was extended to 8:00 PM in 2011, time limits after 5:00 PM will be changed from two hours to three hours in 2012. This will give evening visitors to restaurants and theaters a choice to purchase more time. Time will continue to be limited to two hours in these locations before 5:00 PM. SDOT will monitor parking occupancy and turnover in these neighborhoods to ensure people are still able to find sufficient on-street parking in the evenings.

Pay By Cell:
The 2012 Adopted Budget includes funding to implement a new program, known as pay-by-cell, which will enable citywide parking payments through cell phones and mobile devices. Pay-by-cell will be a payment option at all locations in which on-street paid parking exists. Payment through SDOT's existing pay stations will continue to be available. While requiring relatively little infrastructure investment, the new payment method is expected to provide additional convenience for customers and a variety of other practical benefits that help make Seattle more visitor-friendly. With pay-by-cell, parkers call a phone number or use a mobile smartphone application to set up an account that is linked to vehicle license plates. When reaching a pay-by-cell area, the parker logs on or calls into that account and purchases the needed parking time. With a smartphone, the typical application also allows the parker to remotely extend their time up to the time limit, and to be alerted before paid time expires. Parking Enforcement Officers will have access to real-time payment information. The program is expected to begin in the summer of 2012.

Revenue Impact:
Taken together, the above parking changes represent an estimated $810,000 of added General Subfund revenue relative to the 2012 Endorsed Budget. Please see the General Subfund Revenue

Seattle Department of Transportation

Overview section for more information and a broader explanation of other factors impacting parking revenues.

Improved Financial Management

In 2012, SDOT is budgeting $200,000 to improve the Department's use of the City's Summit financial management system. Funds may be used to support staffing or consultant services. As part of the City's FinMAP program, an effort led by the Finance and Administration Department to improve the City's overall financial processes, this work will allow SDOT to more closely align its revenues, expenses, and fund sources. This expense will be included in SDOT's indirect cost pool, which will be absorbed in the budgets of the Department's various operating and capital projects and charged to all eligible revenue sources. Therefore, this item does not represent a net increase in SDOT's budget.

Future Needs

Looking to the future, SDOT faces a large backlog of unfunded maintenance needs. Deferred maintenance leads to more costly repairs in the long run, and the City lags far behind industry standards for repair and replacement cycles in many functional areas. With the guidance of the Citizens Transportation Advisory Committee (CTAC 3), and the collaborative efforts of the Executive and City Council, SDOT hopes to continue the conversation of how to adequately address the transportation needs of Seattle's residents in the years to come.

Council Changes

During the City Council's review process, uses of the Rubble Yard proceeds were shifted in the following ways: funding was reduced in SDOT's budget for High Capacity Transit Planning and severe weather emergency response; and funding was added for a Bicycle Master Plan update, the Fauntleroy Way SW Green Boulevard project, and a pedestrian safety project at the intersection of Rainier Avenue S and 23rd Avenue S. For the Rubble Yard proceeds that were proposed to be used in 2013 and 2014, the City Council transferred those funds into a reserve in Finance General.

Incremental Budget Changes

Seattle Department of Transportation

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$309,635,494**	**768.50**
2012 Proposed Changes			
	Right-Sizing Staffing Levels for Reimbursable Work	($2,814,101)	(36.00)
	Allocating $20 Vehicle License Fee Revenues	$1,059,000	0.00
	Rubble Yard Proceeds	$4,290,000	0.00
	On-Street Parking Program Changes	$1,311,389	(1.00)
	Chip Seal Program Elimination	($565,000)	0.00
	Stairway Rehabilitation Reduction	($208,076)	(2.00)
	Bicycle and Pedestrian Spot Improvements Reduction	($311,750)	0.00
	Traffic Signal Staffing Reduction	($777,695)	(5.00)
	Miscellaneous Staffing Reductions	($901,612)	(9.50)
	Fleet Reduction Savings	($28,311)	0.00
	Non-Labor, Non-Programmatic Reductions	($579,496)	0.00
	Revenue Swaps to Save General Fund	($378,483)	(1.00)
	Waterfront Quiet Zone Projects	$1,188,500	0.00
	Cost and Schedule Adjustments to Major Projects	($15,974,767)	0.00
	Technical Adjustments	$8,081,395	0.00
Total Changes		**($6,609,008)**	**(54.50)**
2012 Proposed Budget		**$303,026,486**	**714.00**
Council Adjustments to Proposed Budget			
	High Capacity Transit Planning Reduction	($700,000)	0.00
	Emergency Response Reduction	($500,000)	0.00
	Southeast Pedestrian Safety Project	$317,000	0.00
	Fauntleroy Way SW Green Boulevard	$250,000	0.00
	Bicycle Master Plan Update	$250,000	0.00
	Finance General Transfer	$8,100,000	0.00
	Creation of Placeholder Positions	$0	7.00
	Retirement Adjustment	($92,485)	0.00
Total Adjustments		**$7,624,515**	**7.00**
2012 Adopted Budget		**$310,651,001**	**721.00**

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Right-Sizing Staffing Levels for Reimbursable Work - ($2,814,101) / (36.00) FTE. As a result of significant reductions in reimbursable work, SDOT is adjusting its staffing levels and material expenses to match this decreased workload. These changes include the elimination of two street maintenance crews and related staff in the Traffic division, as well as the reduction of equipment and materials. The majority of these adjustments are a continuation of changes that SDOT made mid-year 2011.

Allocating $20 Vehicle License Fee Revenues - $1,059,000. CTAC 3 was charged with recommending the 2012 allocation of the $20 Vehicle License Fee (VLF), totaling $6.8 million, which was approved in the 2011 Adopted Budget. The changes in this category represent the committee's recommendation, which added significant funding to pavement preservation, sidewalk safety access, transit corridors, and bicycle improvements. In some cases, however, this new funding was off-set by another necessary cut, which the committee recognized when they developed their recommendations. In those cases, the 2012 Adopted Budget moves VLF to the programmatic areas identified by CTAC 3, but also shifts non-VLF funding in order to preserve core transportation services. Without the additional VLF funds, critical SDOT programs such as street cleaning, landscape maintenance, and emergency response – and a corresponding total of 19 FTEs – would have been at risk.

Of the full $6.8 million, all but $179,000 was included in the 2012 Endorsed Budget. The change here represents the programming of the $179,000, plus the reprogramming of $880,000 of VLF funds that are no longer needed in the projects identified in the 2012 Endorsed Budget because other revenue sources will be used to cover those functions. This additional non-VLF revenue allows SDOT to fully implement CTAC 3's recommendations for VLF.

Rubble Yard Proceeds - $4,290,000. The 2011 sale of the City's Rubble Yard property to the State of Washington generated $19.8 million in proceeds to the Transportation Operating Fund. For all uses of Rubble Yard funding, job preservation is a key component. Whenever possible, these funds are being used to keep a skilled workforce that otherwise would have been cut due to other declining revenues. The Mayor and SDOT proposed the following uses for approximately $6.7 million of these funds (as described below, approximately $2.4 million of this total does not represent a net change in SDOT's total budget authority):

Enhanced Paving: In 2011, the Mayor and City Council supported the use of $3 million of the funds to address critical street surface repair needs. The Adopted Budget uses an additional $1.65 million of the funds to continue this work in 2012. The Proposed Budget recommended reserving another $1.65 million for the continuation of enhanced paving in 2013; this reserve is impacted by Council changes described further in this document. SDOT's projections show that other revenue sources may be available to fund this as an ongoing effort beginning in 2014.

- 2012 Adopted Budget: $1,650,000
- Proposed Reserve for Future Years (2013): $1,650,000

Winter Storm Preparedness: The Adopted Budget uses $340,000 for one-time enhancements to the City's snow and ice readiness efforts. This includes the installation of temperature sensors on seven bridges, and the purchase and installation of equipment to make SDOT's response vehicles more effective in clearing the streets. An additional $800,000 was included in the Proposed Budget for SDOT's emergency response needs. Although funding for emergency services was increased in the 2011 Adopted Budget from 2010 levels, the department has often incurred expenses above that higher level due to severe winter weather. The additional funding proposed for 2012 would have raised SDOT's emergency response funding levels to match the actual amount spent in 2009, which was the worst storm year in recent history. With current forecasts predicting severe winter weather in 2012, this funding was proposed to ensure that the City is equipped to recover quickly from winter storms. This component is impacted by Council changes described further in this document.

- 2012 Proposed Budget: $1,140,000; 2012 Adopted Budget: $640,000
- Proposed Reserve for Future Years: $0

Preserving Core Services: Despite SDOT's strategic approach to addressing their budget shortfall, a significant non-General Fund revenue gap remains. Addressing this gap with further cuts would have resulted in major reductions or elimination of core transportation services such as street cleaning, landscape maintenance, bridge painting, neighborhood traffic control, and freight spot improvements. To preserve these critical functions, the 2012 Adopted Budget uses Rubble Yard proceeds. The Proposed Budget also recommended reserving Rubble Yard proceeds to fill this gap in 2013 and 2014. Though these are ongoing services, the revenue gap for funding this work is expected to last for a limited period of time. Economic forecasts indicate that the drivers behind several of SDOT's revenue streams will have improved by 2015. This future reserve is impacted by Council changes described further in this document.

- 2012 Adopted Budget: $2,385,580. This does not represent any additional budget authority, as it supports programming that was included in the 2012 Endorsed Budget. This funding offsets other shortfalls in order to preserve core services.
- Proposed Reserve for Future Years (2013 and 2014): $4,677,298

High Capacity Transit Planning: The Proposed Budget recommended a one-time use of $1.5 million for planning related to high capacity transit in the five corridors identified in the Transit Master Plan. This component is impacted by Council changes described further in this document.

- 2012 Proposed Budget: $1,500,000; 2012 Adopted Budget: $800,000
- Proposed Reserve for Future Years: $0

Mercer Corridor Project - West Phase: In 2013, $2 million of Rubble Yard proceeds will be used for the Mercer Corridor West Phase project. The Mercer West project will convert Mercer Street to a two-way street between Dexter Ave and Elliott Ave West. These improvements will widen the Aurora underpass, extend vital east-west mobility improvements through the corridor, and support traffic flow adjacent to the Alaskan Way Viaduct north end bored tunnel portal.

- 2012 Adopted Budget: $0
- Reserve for Future Years (2013): $2,000,000

Rubble Yard Relocation: The Mayor recommended reserving the remaining $1.8 million for the relocation of the Rubble Yard to its new permanent facility in 2013. This amount represents an initial estimate, and will be refined by SDOT in the coming year. This future reserve is impacted by Council changes described further in this document.

- 2012 Adopted Budget Impact: $0
- Proposed Reserve for Future Years (2013): $1,800,000

Items that are proposed for future years will be formally requested via the 2013 Proposed Budget process.

On-Street Parking Program Changes - $1,311,389 / (1.0) FTE. The budget makes staffing, service delivery and rate changes to the City's On-Street Parking Program in 2012. The 2012 Adopted Budget includes $775,000 to implement on-street parking rate and policy changes described in the SDOT Budget Overview. These implementation costs include pay station programming and graphics, signage, communications, and credit card processing fees. To support the increased complexity of the City's on-street parking program, the 2012 Adopted Budget adds a 1.0 FTE Senior Transportation Planner position to work with neighborhood business districts to communicate and collaborate on the changes to pricing and time-limit changes. Also included is $80,000 to collect annual parking duration data in 10 to 12 areas where time-limit changes will be implemented.

The 2012 Adopted Budget includes $140,500 to implement a pay-by-cell program to enable citywide parking payments through cell phones and mobile devices. The program will be implemented at all locations in which on-street paid parking exists. As an option, parkers will be able to pay for parking by calling a phone number or by using a custom mobile application. A procurement process will begin in early 2012 to select a vendor with the goal of implementation in the summer of 2012. The vendor will be primarily responsible for signage and pay station graphics that provide instructions for using this new payment option. Program costs include $78,000 for monthly service charges, system integration, and public outreach. $63,000 is budgeted for Seattle Police Department Parking Enforcement equipment and data connection costs.

Other staffing changes include the abrogation of two parking positions: one vacant pay station technician and one vacant maintenance laborer, and related savings of $169,733. This cut is necessary to balance SDOT's budget. As a result of these reductions, response times for sign changes or pay station repairs may not be optimal.

Additionally, the budget adds $116,380 in recognition of revenue from Seattle Public Utilities (SPU) to pay for a Maintenance Laborer to work on abating graffiti on pay stations. This is consistent with work done by SDOT and Seattle Public Utilities in 2011 to explore options for improved graffiti control on parking pay stations.

Finally, the Adopted Budget provides $450,000 for the costs associated with repairing or replacing pay station parts that are off-warranty. With its constrained revenues, SDOT is no longer able to absorb these costs within its base budget.

Chip Seal Program Elimination - ($565,000). To balance the General Fund shortfall, the 2012 Adopted Budget includes a small number of difficult programmatic cuts. The "chip seal" preventive maintenance program will be eliminated, which will add to the deferred maintenance backlog for residential non-arterial streets. This change results in savings of $565,000. These funds would have supported up to one mile of chip seal maintenance work. With this reduction, the Department's paving and street repair efforts will focus on arterials.

Stairway Rehabilitation Reduction Total - ($208,076) / (2.0) FTE. The budget reduces funding for two positions related to stairway rehabilitation, leaving $448,000 remaining in the program for 2012. Stairways in the worst condition and which pose the greatest safety risk to the public will continue to be reconstructed. However, there is no longer funding for SDOT to perform systematic stairway inspections throughout the city. SDOT will work from existing assessments, which have identified 237 City stairways that are in fair or poor condition.

Bicycle and Pedestrian Spot Improvements Reduction - ($311,750). Modest reductions are proposed to urban trail spot improvements and the installation of bicycle parking spaces. The 2012 Endorsed Budget provided funding for 15 spot improvements and the installation of 300 new bicycle parking spaces. In the 2012 Adopted Budget, the decreased funding levels reduce these deliverables to 5 spot improvements and 150 new bicycle parking spaces.

Traffic Signal Staffing Reduction - ($777,695) / (5.0) FTE. This cut represents the abrogation of 5.0 FTE related to traffic signals: two work on major maintenance, two on signal timing, and one on the detectors that adjust to allow only the necessary amount of green-light time. As a result of these abrogations, the frequency of signal major maintenance will be slightly reduced, the time for repairing broken detectors will be slightly extended, and each remaining staff person in the signal timing group will be responsible for 265 signals instead of 210.

Miscellaneous Staffing Reductions - ($901,612) / (9.5) FTE. SDOT examined staffing levels throughout the department, and offered proposals that would generate staffing efficiencies with minimal impact on service delivery. Changes in this category include the following:

- Abrogation of three positions in the areas of office management, grants monitoring, and engineering support functions. This work will be distributed among other existing positions.
- Abrogation of three vacant planner positions.
- Elimination of a senior-level position in the Capital Projects and Roadway Structures Division in recognition of span of control concerns. This reduces a layer of reporting for the civil engineers in that division.
- Elimination of one channelization staff, leaving 5.0 FTE remaining to do channelization layout and design work.
- Reduction of a full-time Pavement Manager to 0.5 FTE in order to adjust to the right-sizing staffing changes described earlier.
- Elimination of 1.0 FTE Senior Warehouser position, which is mitigated by the increased efficiencies generated by SDOT's consolidation of warehousing facilities.
- Holding a Commercial Vehicle Enforcement Officer (CVEO) position vacant through 2012, which leaves one remaining CVEO position. This action will limit daily enforcement of trucking laws and regulations, and reduce capacity for night escorts of large vehicles using city streets.
- Salary savings due to temporary vacancies in other positions.

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Fleet Reduction Savings - ($28,311). Based on a Citywide study assessing fleet needs and utilization, SDOT can remove seven vehicles from its fleet without negatively affecting service levels. This results in annual lease savings.

Non-Labor, Non-Programmatic Reductions - ($579,496). To preserve core programs to the greatest extent possible, SDOT identified several non-labor administrative areas for budget reductions. Software enhancements totaling $350,000 in the Street Use division are eliminated. Other items that are reduced include the discretionary budget of the Resource Management and Major Projects divisions; consultant funding related to the SR-520 project; and information technology (IT) professional services, such as software licenses and server support. The budget also eliminates General Fund support for project scoping and cost estimates of neighborhood-based requests for transportation improvements and changes. When possible, this work may be charged to other projects. Most of these reductions were implemented mid-year 2011 and are continued in the 2012 Adopted Budget.

Revenue Swaps to Save General Fund - ($378,483) / (1.0) FTE. Changes in this category represent a total of $1.4 million in General Fund savings and $400,000 in Real Estate Excise Tax (REET) savings. These reductions do not have any service impact as the corresponding work is fully funded by other eligible revenue sources. The $378,000 shown here represents General Fund reductions that are being covered by other static revenues, such as existing grants. The remaining General Fund and REET savings net to zero, as they are replaced by other increased revenues. The position change represents the abrogation of 1.0 FTE in SDOT's Asset Management workgroup, and the freed-up funds are applied to higher priority functions.

Waterfront Quiet Zone Projects - $1,188,500. Using revenue from Street Vacations, SDOT will complete two projects to meet the Federal Railroad Administration required improvements for the Seattle Waterfront Quiet Zone.

Cost and Schedule Adjustments to Capital Projects - ($15,974,767). Capital technical adjustments including budget adjustments in major projects reflect updates to project schedules and spending plans. The implementation of these projects spans multiple years and the 2012 Budget adjustments primarily represent schedule shifts. The overall budgets for Mercer Corridor Project, Linden Avenue North Complete Streets, and the Spokane St. Viaduct did not change in the 2012 Proposed Budget. See the 2012-2017 Adopted Capital Improvement Program for specific funding information.

Technical Adjustments - $8,081,395. Technical adjustments include the recognition of new grant revenue, changes in debt service payments, budget-neutral internal transfers between programs, and Citywide changes to employee costs such as health care, retirement, and unemployment.

City Council Changes to the 2012 Proposed Budget

High Capacity Transit Reduction - ($700,000). The 2012 Proposed Budget included $1.5 million of Rubble Yard proceeds to fund high capacity transit planning. The City Council reduced this funding by $700,000 and placed a proviso on the remaining $800,000 (as stated in the following section).

Emergency Response Reduction - ($500,000). The proposed increase to SDOT's winter storm emergency response efforts was reduced by $500,000. With this action, emergency response is now budgeted to match the five-year expenditure average as opposed to the expenditures incurred in 2009, the worst storm year in recent history.

Southeast Pedestrian Safety Project - $317,000. The City Council added funding to implement a new pedestrian safety project at the intersection of Rainier Avenue S and 23rd Avenue S.

Fauntleroy Way SW Green Boulevard - $250,000. Funding was added to begin work on the transformation of Fauntleroy Way SW into a green boulevard. This project was identified as a high priority in the West Seattle Triangle Streetscape Concept Plan.

Bicycle Master Plan Update - $250,000. The City Council added funding to update the 2007 Bicycle Master Plan. Council intends that tools such as neighborhood greenways and cycle tracks be assessed and considered in the update.

Finance General Transfer - $8,100,000. The 2012 Proposed Budget included $10.1 million of unused Rubble Yard proceeds in SDOT's fund balance, while providing recommended uses for those funds in 2013 and 2014. The City Council transferred $8.1 million of this $10.1 million balance out of SDOT's budget and into a new reserve in Finance General. Specific use of these funds will be determined via the 2013 Budget process.

Creation of Placeholder Positions - $0 / 7.0 FTE. SDOT is evaluating its planned contract work for 2012 to determine if any of that work could be done by SDOT employees who are subject to layoff. In addition, Seattle Public Utilities (SPU) is evaluating its 2012 workplan to determine if there is appropriate work that these employees could perform via a position loan. In the event that such work is identified, the City Council added 7.0 FTE Senior Civil Engineer positions. If any of these positions are filled, they will be paid for with existing resources in SDOT or SPU.

Retirement Adjustment – ($92,485). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

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City Council Provisos

The City Council adopted the following budget provisos:

- *Of the appropriations in the 2012 budget for SDOT's Mobility-Capital BCL, $317,000 is appropriated solely for the Pedestrian Master Plan Implementation project (TC367150) to implement the South East Transportation Study (SETS) Project #22 'Rainier Ave. S. and 23rd Ave. S. (Improve Safety at High Collision Location)' and may be used for no other purpose.*

- *None of the money appropriated in the 2012 budget for SDOT's Major Projects BCL may be spent for physical construction of Mercer Corridor Project West Phase (TC367110) until authorized by future ordinance.*

- *Of the appropriation in the 2012 budget for the Department of Transportation's Street Maintenance BCL, $2.2 million is appropriated solely for emergency response and may be spent for no other purpose.*

- *Of the appropriation in the 2012 budget for the Seattle Department of Transportation's Mobility-Capital BCL, $800,000 is appropriated solely as a reserve for streetcar planning and construction and may be spent for no other purpose. Furthermore, none of the money so appropriated may be spent until authorized by future ordinance. The Council does not intend to authorize the release of these funds until:*

    1. *The Council is satisfied that the First Hill Streetcar can be completed to Occidental Avenue South and Jackson Street without additional funding from the City; and*
    2. *The Council is satisfied with a response from the Executive that:*
        A. *Planning and design for the potential extension to Aloha Street is funded; and*
        B. *That there is a feasible financial plan for construction of the extension to Aloha Street.*

- *Of the appropriation for 2012 for the Seattle Department of Transportation's Mobility-Capital BCL, $250,000 is appropriated solely for the Fauntleroy Way SW Green Boulevard project (TC367200) and may be spent for no other purpose.*

- *None of the money appropriated in the 2012 budget for the Department of Transportation's Mobility-Operations BCL may be spent for the Bicycle Master Plan Update, other than for a scope of work, until authorized by future ordinance. Council anticipates that such authority will not be granted until the Department of Transportation provides a revised, detailed scope of work for Council review and approval that includes creating a comprehensive system plan including greenways and cycle-tracks.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Major Maintenance/Replacement Budget Control Level					
Bridges & Structures		24,571,220	22,992,000	20,058,000	15,032,000
Landslide Mitigation		415,200	350,000	454,000	454,000
Roads		23,446,060	22,831,000	17,333,000	18,732,999
Sidewalk Maintenance		2,616,170	1,748,000	1,814,000	1,814,000
Trails and Bike Paths		4,160,565	4,651,001	4,788,000	5,497,000
Major Maintenance/Replacement Budget Control Level	**19001**	**55,209,214**	**52,572,001**	**44,447,000**	**41,529,999**
Major Projects Budget Control Level					
Alaskan Way Viaduct and Seawall Replacement		11,735,181	21,765,701	29,707,684	16,627,000
First Hill Streetcar		3,212,483	27,249,545	49,370,825	48,623,000
Magnolia Bridge Replacement		3,434	0	0	0
Mercer Corridor		6,624,216	2,252,000	10,854,000	10,854,000
Mercer West		2,492,243	9,037,437	15,055,207	11,173,000
Spokane Street Viaduct		54,146,409	44,526,228	11,815,435	11,815,000
SR-520		178,857	303,068	301,684	259,944
Major Projects Budget Control Level	**19002**	**78,392,824**	**105,133,979**	**117,104,835**	**99,351,944**
Mobility-Capital Budget Control Level					
Corridor & Intersection Improvements		6,806,832	8,405,000	5,023,000	11,660,000
Freight Mobility		6,461,508	645,000	1,111,000	1,823,991
Intelligent Transportation System		4,725,341	7,869	0	0
Neighborhood Enhancements		5,138,307	7,046,000	7,606,000	10,514,001
New Trails and Bike Paths		2,976,533	4,070,000	20,000	15,026
Sidewalks & Pedestrian Facilities		4,666,547	5,917,547	7,117,000	8,041,500
Transit & HOV		12,192,516	6,543,000	230,000	14,427,871
Mobility-Capital Budget Control Level	**19003**	**42,967,584**	**32,634,416**	**21,107,001**	**46,482,389**
Bridges & Structures Budget Control Level					
Bridge Operations		2,592,864	2,661,292	2,769,466	2,877,331
Structures Engineering		805,088	882,557	915,957	774,173
Structures Maintenance		3,827,498	3,981,827	4,122,425	4,069,795
Bridges & Structures Budget Control Level	**17001**	**7,225,450**	**7,525,676**	**7,807,848**	**7,721,299**

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Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Engineering Services Budget Control Level	**17002**	**2,320,942**	**1,891,726**	**1,967,719**	**1,624,523**
Mobility-Operations Budget Control Level					
Commuter Mobility		8,443,735	13,795,646	13,695,642	12,189,550
Neighborhoods		3,221,282	1,930,568	2,069,760	1,848,516
Parking		6,916,238	8,616,255	7,947,103	8,551,055
Signs & Markings		4,456,715	3,979,837	4,135,893	3,827,600
Traffic Signals		7,562,683	8,520,592	8,820,105	8,722,841
Mobility-Operations Budget Control Level	**17003**	**30,600,654**	**36,842,898**	**36,668,502**	**35,139,562**
ROW Management Budget Control Level	**17004**	**9,881,611**	**12,134,526**	**12,536,800**	**11,524,423**
Street Maintenance Budget Control Level					
Emergency Response		1,655,497	1,621,270	1,647,021	2,210,050
Operations Support		3,830,211	5,152,457	5,340,228	4,104,354
Pavement Management		244,325	258,971	266,599	87,193
Street Cleaning		4,168,379	3,661,962	3,963,100	4,438,281
Street Repair		13,120,615	19,365,302	19,914,924	11,179,495
Street Maintenance Budget Control Level	**17005**	**23,019,027**	**30,059,962**	**31,131,873**	**22,019,373**
Urban Forestry Budget Control Level					
Arborist Services		1,370,520	971,598	1,006,039	970,067
Tree & Landscape Maintenance		2,918,045	3,131,657	3,238,578	3,432,561
Urban Forestry Budget Control Level	**17006**	**4,288,564**	**4,103,255**	**4,244,617**	**4,402,628**
Department Management Budget Control Level					
Director's Office		1,154,078	2,957,933	3,039,851	2,840,667
Division Management		10,984,792	11,723,939	12,048,515	13,630,277
Human Resources		790,116	1,151,829	1,192,612	1,237,924
Indirect Cost Recovery - Department Management		(28,513,816)	(27,356,862)	(28,232,282)	(29,072,775)
Public Information		588,236	909,994	940,060	978,700
Resource Management		13,083,931	10,667,458	10,994,505	20,244,148
Revenue Development		591,152	657,894	682,798	709,575
Department Management Budget Control Level	**18001**	**(1,321,511)**	**712,185**	**666,060**	**10,568,517**

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Expense Budget Control Level					
City Central Costs		7,860,166	11,361,817	11,657,439	12,324,795
Debt Service		16,436,882	19,279,045	28,470,943	26,111,350
Indirect Cost Recovery - General Expense		(8,846,481)	(11,361,315)	(11,682,778)	(11,657,438)
Judgment & Claims		2,302,611	3,507,637	3,507,637	3,507,637
General Expense Budget Control Level	**18002**	**17,753,178**	**22,787,184**	**31,953,240**	**30,286,344**
Department Total		**270,337,537**	**306,397,810**	**309,635,494**	**310,651,001**
Department Full-time Equivalents Total*		**792.00**	**768.50**	**768.50**	**721.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Transportation Operating Fund (10310)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
481100	G.O. Bond Proceeds	0	61,686,000	53,554,000	30,977,891
587310	OPER TR IN-2005 Multipurpose Bonds	31	0	0	0
587316	OPER TR IN-FR Transportation Bond Fund	479	0	0	0
587351	OPER TR IN-2007 Multipurpose Bonds	37,907	0	0	0
587352	OPER TR IN-2008 Multipurpose Bonds	8,102,264	0	0	0
587353	OPER TR IN-2009 Multipurpose Bonds	10,210,802	0	0	0
587354	OPER TR IN-2010 Multipurpose Bonds	23,378,117	0	0	0
	Total Bonds	**41,729,600**	**61,686,000**	**53,554,000**	**30,977,891**
422490	Other Street Use & Curb Permit	5,010,412	6,938,241	7,228,421	5,352,435
422990	Other Non-Business Licenses Fees	625,377	805,506	631,830	917,418
442490	Other Protective Inspection	1,088,978	900,234	947,153	959,606
444100	Street Maintenance & Repair Charges	826,038	934,231	305,298	954,366
444900	Other Charges - Transportation	45,794,651	42,912,915	64,090,369	62,754,266
543210	IF Architect/Engineering Services C	0	0	354,000	354,000
544900	IF Other Charges - Transportation	12,512,965	13,411,892	15,273,620	6,602,429
	Total Charges for Service	**65,858,420**	**65,903,019**	**88,830,691**	**77,894,520**
419999	Transportation Benefit District - VLF	0	4,506,994	6,800,000	6,800,000
	Total Fees	**0**	**4,506,994**	**6,800,000**	**6,800,000**
587001	General Fund	37,723,452	38,913,576	40,022,537	37,635,725
	Total General Subfund Support	**37,723,452**	**38,913,576**	**40,022,537**	**37,635,725**
471010	Federal Grants	30,208,425	14,148,801	8,970,059	16,868,153
474010	State Grants	6,698,663	24,435,797	12,013,519	21,389,519
477010	Interlocal Grants	213,332	0	1,425,046	1,425,046
577010	IF Capital Contributions & Grants	0	1,364,550	0	2,000,000
	Total Grants	**37,120,420**	**39,949,148**	**22,408,624**	**41,682,718**
461110	Investment Earnings on Residual Cash Balances	161,692	0	0	0
	Total Interest Earnings	**161,692**	**0**	**0**	**0**
462500	LT Space/Facilities Leases	95,774	0	0	0
	Total Leases	**95,774**	**0**	**0**	**0**
481800	Long-Term Intergovtl Loan Proceeds	0	4,200,000	1,800,000	1,800,000
	Total Loans	**0**	**4,200,000**	**1,800,000**	**1,800,000**
469990	Other Miscellaneous Revenues	564,598	0	0	0
	Total Miscellaneous	**564,598**	**0**	**0**	**0**

2012 Estimated Revenues for the Transportation Operating Fund (10310) - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
441930	Private Reimbursements	0	650,000	5,750,000	5,750,000
	Total Private Contributions	**0**	**650,000**	**5,750,000**	**5,750,000**
485110	Rubble Yard Proceeds	0	0	0	0
	Total Property Sales	**0**	**0**	**0**	**0**
411100	BTG-Property Tax Levy	39,611,574	40,141,000	40,836,000	40,694,000
416310	BTG-Commercial Parking Tax	24,172,892	22,387,240	23,199,897	24,607,623
418800	BTG-Employee Hours Tax	794,677	0	0	0
419997	Commercial Parking Tax - AWV	0	4,941,424	5,120,797	6,151,906
436088	Motor Vehicle Fuel Tax - Street Improvement	12,995,266	13,691,088	13,964,909	12,964,909
	Total Taxes	**77,574,410**	**81,160,752**	**83,121,603**	**84,418,438**
587116	OPER TR IN-FR Cumulative Reserve Subfund - REET II	6,649,386	4,232,950	3,550,000	4,071,000
587116	OPER TR IN-FR Cumulative Reserve Subfund - Street Vacations	1,888,492	300,000	0	1,188,500
587116	OPER TR IN-FR Cumulative Reserve Subfund - Unrestricted	0	0	1,074,156	1,074,150
587118	OPER TR IN-FR Emergency Subfund	31,572	0	0	0
587331	OPER TR IN-FR Park Renov/Improv	131,139	0	0	0
587338	OP TSF IN 2000 Park Levy Fund	633,904	0	0	0
587339	OPER TR IN-FR Denny Triangle	59,540	0	0	0
587410	Oper TR IN-FR Seattle City Light Fund	0	800,000	3,400,000	2,207,000
587624	OPER TR IN-FR General Trust Fund	105,340	0	0	0
	Total Transfers from Other City Funds	**9,499,373**	**5,332,950**	**8,024,156**	**8,540,650**
	Total Revenues	**270,327,739**	**302,302,439**	**310,311,611**	**295,499,942**
379100	Use of (Contribution to) Fund Balance	9,797	4,095,371	(676,117)	15,151,059
	Total Use of Fund Balance	**9,797**	**4,095,371**	**(676,117)**	**15,151,059**
	Total Resources	**270,337,536**	**306,397,810**	**309,635,494**	**310,651,001**

Major Maintenance/Replacement Budget Control Level

The purpose of the Major Maintenance/Replacement Budget Control Level is to provide maintenance and replacement of roads, trails, bike paths, bridges and structures.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bridges & Structures	24,571,220	22,992,000	20,058,000	15,032,000
Landslide Mitigation	415,200	350,000	454,000	454,000
Roads	23,446,060	22,831,000	17,333,000	18,732,999
Sidewalk Maintenance	2,616,170	1,748,000	1,814,000	1,814,000
Trails and Bike Paths	4,160,565	4,651,001	4,788,000	5,497,000
Total	**55,209,214**	**52,572,001**	**44,447,000**	**41,529,999**
Full-time Equivalents Total *	59.00	59.00	59.00	59.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Bridges & Structures Program

The purpose of the Bridges & Structures Program is to provide for safe and efficient use of the city's bridges and structures to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bridges & Structures	24,571,220	22,992,000	20,058,000	15,032,000
Full-time Equivalents Total	21.50	21.50	21.50	21.50

Landslide Mitigation Program

The purpose of the Landslide Mitigation Program is to proactively identify and address potential areas of landslide concerns that affect the right-of-way.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Landslide Mitigation	415,200	350,000	454,000	454,000
Full-time Equivalents Total	2.00	2.00	2.00	2.00

Roads Program

The purpose of the Roads Program is to provide for the safe and efficient use of the city's roadways to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Roads	23,446,060	22,831,000	17,333,000	18,732,999
Full-time Equivalents Total	18.50	18.50	18.50	18.50

Appropriations by Budget Control Level (BCL) and Program

Sidewalk Maintenance Program

The purpose of the Sidewalk Maintenance Program is to maintain and provide safe and efficient use of the city's sidewalks to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Sidewalk Maintenance	2,616,170	1,748,000	1,814,000	1,814,000
Full-time Equivalents Total	6.50	6.50	6.50	6.50

Trails and Bike Paths

The purpose of the Trails and Bike Paths Program is to maintain and provide safe and efficient use of the city's trails and bike paths to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Trails and Bike Paths	4,160,565	4,651,001	4,788,000	5,497,000
Full-time Equivalents Total	10.50	10.50	10.50	10.50

Major Projects Budget Control Level

The purpose of the Major Projects Budget Control Level is to design, manage, and construct improvements to the transportation infrastructure for the benefit of the traveling public including freight, transit, other public agencies, pedestrians, bicyclists, and motorists.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Alaskan Way Viaduct and Seawall Replacement	11,735,181	21,765,701	29,707,684	16,627,000
First Hill Streetcar	3,212,483	27,249,545	49,370,825	48,623,000
Magnolia Bridge Replacement	3,434	0	0	0
Mercer Corridor	6,624,216	2,252,000	10,854,000	10,854,000
Mercer West	2,492,243	9,037,437	15,055,207	11,173,000
Spokane Street Viaduct	54,146,409	44,526,228	11,815,435	11,815,000
SR-520	178,857	303,068	301,684	259,944
Total	**78,392,824**	**105,133,979**	**117,104,835**	**99,351,944**
Full-time Equivalents Total *	34.75	32.75	32.75	32.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Alaskan Way Viaduct and Seawall Replacement

The purpose of the Alaskan Way Viaduct and Seawall Replacement Program is to fund the City's involvement in the replacement of the seismically-vulnerable viaduct and seawall. The Alaskan Way Viaduct is part of State Route 99, which carries one-quarter of the north-south traffic through downtown Seattle and is a major truck route serving the city's industrial areas.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Alaskan Way Viaduct and Seawall Replacement	11,735,181	21,765,701	29,707,684	16,627,000
Full-time Equivalents Total	19.50	18.50	18.50	18.50

First Hill Streetcar Program

The purpose of the First Hill Streetcar Program is to support the First Hill Streetcar project, which connects First Hill employment centers to the regional Link light rail system, including but not limited to the International District/Chinatown Station and Capitol Hill Station at Broadway and John Street.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
First Hill Streetcar	3,212,483	27,249,545	49,370,825	48,623,000

Magnolia Bridge Replacement Program

The purpose of the Magnolia Bridge Replacement Program is to evaluate possible locations and bridge types for the replacement of the Magnolia Bridge, and to ultimately replace the bridge, which was damaged by a landslide in 1997 and the Nisqually earthquake in 2001.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Magnolia Bridge Replacement	3,434	0	0	0

Mercer Corridor Program

The purpose of the Mercer Corridor Program is to use existing street capacity along the Mercer Corridor and South Lake Union more efficiently and enhance all modes of travel, including pedestrian mobility.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Mercer Corridor	6,624,216	2,252,000	10,854,000	10,854,000
Full-time Equivalents Total	8.25	7.25	7.25	7.25

Appropriations by Budget Control Level (BCL) and Program

Mercer West Program

The purpose of the Mercer West Program is to use existing street capacity along the west portion of Mercer Street more efficiently and enhance all modes of travel, including pedestrian mobility, and provide an east/west connection between I-5, State Route 99, and Elliott Ave W.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Mercer West	2,492,243	9,037,437	15,055,207	11,173,000

Spokane Street Viaduct Program

The purpose of the Spokane Street Viaduct Program is to improve the safety of the Spokane Street Viaduct by building a new structure parallel and connected to the existing one and widening the existing viaduct.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Spokane Street Viaduct	54,146,409	44,526,228	11,815,435	11,815,000
Full-time Equivalents Total	6.50	6.50	6.50	6.50

SR-520 Program

The purpose of the SR-520 Program is to provide policy, planning, and technical analysis support and to act as the City's representative in a multi-agency group working on the replacement of the State Route 520 bridge.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
SR-520	178,857	303,068	301,684	259,944
Full-time Equivalents Total	0.50	0.50	0.50	0.50

Mobility-Capital Budget Control Level

The purpose of the Mobility-Capital Budget Control Level is to help maximize the movement of traffic throughout the city by enhancing all modes of transportation including corridor and intersection improvements, transit and HOV improvements, and sidewalk and pedestrian facilities.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Corridor & Intersection Improvements	6,806,832	8,405,000	5,023,000	11,660,000
Freight Mobility	6,461,508	645,000	1,111,000	1,823,991
Intelligent Transportation System	4,725,341	7,869	0	0
Neighborhood Enhancements	5,138,307	7,046,000	7,606,000	10,514,001
New Trails and Bike Paths	2,976,533	4,070,000	20,000	15,026
Sidewalks & Pedestrian Facilities	4,666,547	5,917,547	7,117,000	8,041,500
Transit & HOV	12,192,516	6,543,000	230,000	14,427,871
Total	**42,967,584**	**32,634,416**	**21,107,001**	**46,482,389**
Full-time Equivalents Total *	58.00	63.00	63.00	63.00

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Appropriations by Budget Control Level (BCL) and Program

Corridor & Intersection Improvements Program

The purpose of the Corridor & Intersection Improvements Program is to analyze and make improvements to corridors and intersections to move traffic more efficiently. Examples of projects include signal timing, left turn signals, and street improvements.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Corridor & Intersection Improvements	6,806,832	8,405,000	5,023,000	11,660,000
Full-time Equivalents Total	11.75	11.75	11.75	11.75

Freight Mobility Program

The purpose of the Freight Mobility Program is to help move freight throughout the city in a safe and efficient manner.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Freight Mobility	6,461,508	645,000	1,111,000	1,823,991
Full-time Equivalents Total	1.75	1.75	1.75	1.75

Intelligent Transportation System Program

The purpose of the Intelligent Transportation System (ITS) Program is to fund projects identified in the City's ITS Strategic Plan and ITS Master Plan. Examples of projects include implementation of transit signal priority strategies; installation of closed-circuit television (CCTV) cameras to monitor traffic in key corridors; and development of parking guidance, traveler information, and real-time traffic control systems.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Intelligent Transportation System	4,725,341	7,869	0	0
Full-time Equivalents Total	12.50	12.50	12.50	12.50

Neighborhood Enhancements Program

The purpose of the Neighborhood Enhancements Program is to make safe and convenient neighborhoods by improving sidewalks, traffic circles, streetscape designs, and the installation of pay stations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Enhancements	5,138,307	7,046,000	7,606,000	10,514,001
Full-time Equivalents Total	11.00	11.00	11.00	11.00

Appropriations by Budget Control Level (BCL) and Program

New Trails and Bike Paths

The purpose of the New Trails and Bike Paths Program is to construct new trails and bike paths that connect with existing facilities to let users transverse the city on a dedicated network of trails and paths.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
New Trails and Bike Paths	2,976,533	4,070,000	20,000	15,026
Full-time Equivalents Total	8.25	8.25	8.25	8.25

Sidewalks & Pedestrian Facilities Program

The purpose of the Sidewalks & Pedestrian Facilities Program is to install new facilities that help pedestrians move safely along the city's sidewalks by installing or replacing sidewalks, modifying existing sidewalks for elderly and handicapped accessibility, and increasing pedestrian lighting.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Sidewalks & Pedestrian Facilities	4,666,547	5,917,547	7,117,000	8,041,500
Full-time Equivalents Total	6.75	11.75	11.75	11.75

Transit & HOV Program

The purpose of the Transit & HOV Program is to move more people in less time throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Transit & HOV	12,192,516	6,543,000	230,000	14,427,871
Full-time Equivalents Total	6.00	6.00	6.00	6.00

Operations & Maintenance

Bridges & Structures Budget Control Level

The purpose of the Bridges and Structures Budget Control Level is to maintain the City's bridges and structures which helps provide for the safe and efficient movement of people, goods, and services throughout the city.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bridge Operations	2,592,864	2,661,292	2,769,466	2,877,331
Structures Engineering	805,088	882,557	915,957	774,173
Structures Maintenance	3,827,498	3,981,827	4,122,425	4,069,795
Total	**7,225,450**	**7,525,676**	**7,807,848**	**7,721,299**
Full-time Equivalents Total *	59.50	59.50	59.50	56.50

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Appropriations by Budget Control Level (BCL) and Program

Bridge Operations Program

The purpose of the Bridge Operations Program is to ensure the safe and efficient operation and preventive maintenance for over 180 bridges throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bridge Operations	2,592,864	2,661,292	2,769,466	2,877,331
Full-time Equivalents Total	28.00	28.00	28.00	28.00

Structures Engineering Program

The purpose of the Structures Engineering Program is to provide engineering services on all the bridges and structures within the city to ensure the safety of transportation users as they use or move in proximity to these transportation facilities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Structures Engineering	805,088	882,557	915,957	774,173
Full-time Equivalents Total	6.75	6.75	6.75	5.75

Structures Maintenance Program

The purpose of the Structures Maintenance Program is to provide for the maintenance of all of the city's bridges, roadside structures and stairways.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Structures Maintenance	3,827,498	3,981,827	4,122,425	4,069,795
Full-time Equivalents Total	24.75	24.75	24.75	22.75

Engineering Services Budget Control Level

The purpose of the Engineering Services Budget Control Level is to provide construction management for capital projects, engineering support for street vacations, the scoping of neighborhood projects, and other transportation activities requiring transportation engineering and project management expertise.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Engineering & Operations Support	2,320,942	1,891,726	1,967,719	1,624,523
Full-time Equivalents Total*	17.75	17.75	17.75	24.75

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Appropriations by Budget Control Level (BCL) and Program

Mobility-Operations Budget Control Level

The purpose of the Mobility-Operations Budget Control Level is to promote the safe and efficient operation of all transportation modes in the city. This includes managing the parking, pedestrian, and bicycle infrastructure; implementing neighborhood plans; encouraging alternative modes of transportation; and maintaining and improving signals and the non-electrical transportation management infrastructure.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Commuter Mobility	8,443,735	13,795,646	13,695,642	12,189,550
Neighborhoods	3,221,282	1,930,568	2,069,760	1,848,516
Parking	6,916,238	8,616,255	7,947,103	8,551,055
Signs & Markings	4,456,715	3,979,837	4,135,893	3,827,600
Traffic Signals	7,562,683	8,520,592	8,820,105	8,722,841
Total	**30,600,654**	**36,842,898**	**36,668,502**	**35,139,562**
Full-time Equivalents Total *	169.75	160.25	160.25	140.25

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Commuter Mobility Program

The purpose of the Commuter Mobility Program is to provide a variety of services, including enforcement of City commercial vehicle limits, transit coordination, and planning, to increase mobility and transportation options to the residents of Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Commuter Mobility	8,443,735	13,795,646	13,695,642	12,189,550
Full-time Equivalents Total	48.00	46.00	46.00	44.00

Neighborhoods Program

The purpose of the Neighborhoods Program is to plan and forecast the needs of specific neighborhoods including neighborhood and corridor planning, development of the coordinated transportation plans, traffic control spot improvements and travel forecasting. The program also constructs minor improvements in neighborhoods based on these assessments.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhoods	3,221,282	1,930,568	2,069,760	1,848,516
Full-time Equivalents Total	14.50	14.50	14.50	11.50

Appropriations by Budget Control Level (BCL) and Program

Parking Program

The purpose of the Parking Program is to manage the City's parking resources, maintain and operate pay stations and parking meters for on-street parking, and develop and manage the City's carpool program and Residential Parking Zones for neighborhoods.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Parking	6,916,238	8,616,255	7,947,103	8,551,055
Full-time Equivalents Total	31.75	34.25	34.25	33.25

Signs & Markings Program

The purpose of the Signs & Markings Program is to design, fabricate, and install signage, as well as provide pavement, curb, and crosswalk markings to facilitate the safe movement of vehicles, pedestrians, and bicyclists throughout the city.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Signs & Markings	4,456,715	3,979,837	4,135,893	3,827,600
Full-time Equivalents Total	28.75	26.75	26.75	18.75

Traffic Signals Program

The purpose of the Traffic Signals Program is to operate the Traffic Management Center that monitors traffic movement within the city and to maintain and improve signals and other electrical transportation management infrastructure.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Traffic Signals	7,562,683	8,520,592	8,820,105	8,722,841
Full-time Equivalents Total	46.75	38.75	38.75	32.75

ROW Management Budget Control Level

The purpose of the Right-of-Way (ROW) Management Budget Control Level is to ensure that projects throughout the city meet code specifications for uses of the right-of-way and to provide plan review, utility permit and street use permit issuance, and utility inspection and mapping services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Street Use Permitting & Enforcement	9,881,611	12,134,526	12,536,800	11,524,423
Full-time Equivalents Total*	68.50	66.50	66.50	66.50

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Appropriations by Budget Control Level (BCL) and Program

Street Maintenance Budget Control Level

The purpose of the Street Maintenance Budget Control Level is to maintain the city's roadways and sidewalks. Repair and maintenance of the right-of-way promotes safety, enhances mobility, and protects the environment. Through planned maintenance, cleaning, and spot repairs of streets, alleys, pathways and stairways, Street Maintenance improves the quality of life and business climate in the city.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Emergency Response	1,655,497	1,621,270	1,647,021	2,210,050
Operations Support	3,830,211	5,152,457	5,340,228	4,104,354
Pavement Management	244,325	258,971	266,599	87,193
Street Cleaning	4,168,379	3,661,962	3,963,100	4,438,281
Street Repair	13,120,615	19,365,302	19,914,924	11,179,495
Total	**23,019,027**	**30,059,962**	**31,131,873**	**22,019,373**
Full-time Equivalents Total *	149.00	148.00	148.00	120.50

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Emergency Response Program

The purpose of the Emergency Response Program is to respond to safety and mobility issues such as pavement collapses, severe weather, landslides, and other emergencies to make the right-of-way safe for moving people and goods. This program proactively addresses landslide hazards to keep the right-of-way open and safe.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Emergency Response	1,655,497	1,621,270	1,647,021	2,210,050
Full-time Equivalents Total	2.25	2.25	2.25	2.25

Operations Support Program

The purpose of the Operations Support Program is to provide essential operating support services necessary for the daily operation of SDOT's equipment and field workers dispatched from three field locations in support of street maintenance activities. These functions include warehousing, bulk material supply and management, tool cleaning and repair, equipment maintenance and repair, project accounting and technical support, and crew supervision.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Operations Support	3,830,211	5,152,457	5,340,228	4,104,354
Full-time Equivalents Total	35.25	34.25	34.25	34.25

Pavement Management Program

The purpose of the Pavement Management Program is to assess the condition of asphalt and concrete pavements and establish citywide paving priorities for annual resurfacing and repair programs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pavement Management	244,325	258,971	266,599	87,193
Full-time Equivalents Total	1.25	1.25	1.25	0.75

Street Cleaning Program

The purpose of the Street Cleaning Program is to keep Seattle's streets, improved alleys, stairways and pathways clean, safe and environmentally friendly by conducting sweeping, hand-cleaning, flushing and mowing on a regular schedule.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Street Cleaning	4,168,379	3,661,962	3,963,100	4,438,281
Full-time Equivalents Total	22.25	22.25	22.25	21.25

Street Repair Program

The purpose of the Street Repair Program is to preserve and maintain all streets and adjacent areas such as sidewalks and road shoulders by making spot repairs and conducting annual major maintenance paving and rehabilitation programs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Street Repair	13,120,615	19,365,302	19,914,924	11,179,495
Full-time Equivalents Total	88.00	88.00	88.00	62.00

Urban Forestry Budget Control Level

The purpose of the Urban Forestry Budget Control Level is to administer, maintain, protect and expand the city's urban landscape in the street right-of-way through the maintenance and planting of new trees and landscaping to enhance the environment and aesthetics of the city. The Urban Forestry BCL maintains City-owned trees to improve the safety of the right-of-way for Seattle's residents and visitors.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Arborist Services	1,370,520	971,598	1,006,039	970,067
Tree & Landscape Maintenance	2,918,045	3,131,657	3,238,578	3,432,561
Total	**4,288,564**	**4,103,255**	**4,244,617**	**4,402,628**
Full-time Equivalents Total *	31.25	31.25	31.25	31.25

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Appropriations by Budget Control Level (BCL) and Program

Arborist Services Program

The purpose of the Arborist Services Program is to maintain, protect and preserve city street trees and to regulate privately-owned trees in the right-of-way by developing plans, policies and procedures to govern and improve the care and quality of street trees.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Arborist Services	1,370,520	971,598	1,006,039	970,067
Full-time Equivalents Total	8.75	8.75	8.75	8.75

Tree & Landscape Maintenance Program

The purpose of the Tree & Landscape Maintenance Program is to provide planning, design, construction and construction inspection services for the landscape elements of transportation capital projects, as well as guidance to developers on the preservation of city street trees and landscaped sites during construction of their projects.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Tree & Landscape Maintenance	2,918,045	3,131,657	3,238,578	3,432,561
Full-time Equivalents Total	22.50	22.50	22.50	22.50

Business Management & Support

Department Management Budget Control Level

The purpose of the Department Management Budget Control Level is to provide leadership and operations support services to accomplish the mission and goals of the department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Director's Office	1,154,078	2,957,933	3,039,851	2,840,667
Division Management	10,984,792	11,723,939	12,048,515	13,630,277
Human Resources	790,116	1,151,829	1,192,612	1,237,924
Indirect Cost Recovery - Department Management	(28,513,816)	(27,356,862)	(28,232,282)	(29,072,775)
Public Information	588,236	909,994	940,060	978,700
Resource Management	13,083,931	10,667,458	10,994,505	20,244,148
Revenue Development	591,152	657,894	682,798	709,575
Total	**(1,321,511)**	**712,185**	**666,060**	**10,568,517**
Full-time Equivalents Total *	144.50	130.50	130.50	126.50

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Appropriations by Budget Control Level (BCL) and Program

Director's Office Program

The purpose of the Director's Office Program is to provide overall direction and guidance to accomplish the mission and goals of the department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Director's Office	1,154,078	2,957,933	3,039,851	2,840,667
Full-time Equivalents Total	7.00	6.00	6.00	5.00

Division Management Program

The purpose of the Division Management Program is to provide division leadership and unique transportation technical expertise to accomplish the division's goals and objectives in support of the department's mission.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Division Management	10,984,792	11,723,939	12,048,515	13,630,277
Full-time Equivalents Total	42.00	32.50	32.50	29.50

Human Resources Program

The purpose of the Human Resources Program is to provide employee support services, safety management and other personnel expertise to the department and its employees.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Human Resources	790,116	1,151,829	1,192,612	1,237,924
Full-time Equivalents Total	11.75	9.75	9.75	9.75

Indirect Cost Recovery – Department Management Program

The purpose of the Indirect Cost Recovery - Department Management Program is to allocate departmental indirect costs to all transportation activities and capital projects and equitably recover funding from them to support departmental management and support services essential to the delivery of transportation services to the public.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Indirect Cost Recovery - Department Management	(28,513,816)	(27,356,862)	(28,232,282)	(29,072,775)

Appropriations by Budget Control Level (BCL) and Program

Public Information Program

The purpose of the Public Information Program is to manage all community and media relations and outreach for the department, including all public information requests and inquiries from the City Council and other government agencies. Public Information also maintains the ROADS hotline and the SDOT web site for both residents and department staff.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Public Information	588,236	909,994	940,060	978,700
Full-time Equivalents Total	8.00	7.50	7.50	7.50

Resource Management Program

The purpose of the Resource Management Program is to provide the internal financial, accounting, information technology and office space management support for all SDOT business activities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Resource Management	13,083,931	10,667,458	10,994,505	20,244,148
Full-time Equivalents Total	70.00	69.00	69.00	69.00

Revenue Development Program

The purpose of the Revenue Development Program is to identify funding, grant and partnership opportunities for transportation projects and provide lead coordination for grant applications and reporting requirements.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Revenue Development	591,152	657,894	682,798	709,575
Full-time Equivalents Total	5.75	5.75	5.75	5.75

General Expense Budget Control Level

The purpose of the General Expense Budget Control Level is to account for certain City business expenses necessary to the overall effective and efficient delivery of transportation services. It equitably recovers funding from all transportation funding sources to pay for these indirect cost services. It also includes Judgment and Claims contributions and debt service payments.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Central Costs	7,860,166	11,361,817	11,657,439	12,324,795
Debt Service	16,436,882	19,279,045	28,470,943	26,111,350
Indirect Cost Recovery - General Expense	(8,846,481)	(11,361,315)	(11,682,778)	(11,657,438)
Judgment & Claims	2,302,611	3,507,637	3,507,637	3,507,637
Total	**17,753,178**	**22,787,184**	**31,953,240**	**30,286,344**

Appropriations by Budget Control Level (BCL) and Program

City Central Costs Program

The purpose of the City Central Costs Program is to allocate the City's general services costs to SDOT in a way that benefits the delivery of transportation services to the public.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Central Costs	7,860,166	11,361,817	11,657,439	12,324,795

Debt Service Program

The purpose of the Debt Service Program is to meet principal repayment and interest obligations on debt proceeds that are appropriated in SDOT's budget.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	16,436,882	19,279,045	28,470,943	26,111,350

Indirect Cost Recovery - General Expense Program

The purpose of the Indirect Cost Recovery - General Expense Program is to equitably recover funding from all transportation activities and capital projects to pay for allocated indirect costs for city services that are essential to the delivery of transportation services to the public.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Indirect Cost Recovery - General Expense	(8,846,481)	(11,361,315)	(11,682,778)	(11,657,438)

Judgment & Claims Program

The purpose of the Judgment & Claims Program is to represent SDOT's annual contribution to the City's centralized self-insurance pool from which court judgments and claims against the City are paid.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment & Claims	2,302,611	3,507,637	3,507,637	3,507,637

Fund Table

Transportation Operating Fund (10310)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**34,155,520**	**29,620,644**	**33,136,065**	**25,525,273**	**36,324,539**
Accounting and Technical Adjustments	(1,009,657)	0	0	0	0
Plus: Actual and Estimated Revenue	270,327,739	302,302,439	331,138,728	310,311,611	295,499,942
Less: Actual and Budgeted Expenditures	270,337,537	306,397,810	327,950,254	309,635,494	310,651,001
Ending Fund Balance	**33,136,065**	**25,525,273**	**36,324,539**	**26,201,390**	**21,173,480**
Continuing Appropriations	32,446,057	30,000,000	22,929,902	30,000,000	23,000,000
Reserve from Rubble Yard Proceeds			16,800,000		2,057,420
Total Reserves	**32,446,057**	**30,000,000**	**39,729,902**	**30,000,000**	**25,057,420**
Ending Unreserved Fund Balance	**690,008**	**(4,474,727)**	**(3,405,363)**	**(3,798,610)**	**(3,883,940)**

Note: Through interfund loans from the City's Cash Pool, the Transportation Operating Fund is authorized by Ordinances 122603 and 122641 (as amended) to carry a negative balance of approximately $17.5 million.

Seattle Department of Transportation

Capital Improvement Program

Capital Improvement Program Highlights

The Seattle Department of Transportation (SDOT) is responsible for maintaining, upgrading, and monitoring the use of the city's system of streets, bridges, retaining walls, seawalls, bicycle and pedestrian facilities, and traffic control devices. SDOT's Capital Improvement Program (CIP) outlines the Department's plan for repairing, improving, and adding to this extensive infrastructure. The CIP is financed from a variety of revenue sources that include the City's General Fund and Cumulative Reserve Subfund, state Gas Tax revenues, state and federal grants, Public Works Trust Fund loans, partnerships with private organizations and other public agencies, and bond proceeds.

The 2012-2017 Adopted CIP includes key infrastructure work such as support for the Alaskan Way Viaduct and Seawall Replacement Program, construction on the Mercer Corridor Project – East Phase and the Spokane Street Viaduct, continued work on the major bridge rehabilitation and retrofit projects, continued major maintenance and paving of the City's arterial and non-arterial streets, and implementation of the Pedestrian and Bike Master Plans.

The below information is somewhat technical in nature. However, more detailed information on SDOT's full capital program can be found in the 2012-2017 Adopted CIP online here: http://www.seattle.gov/financedepartment/1217adoptedcip/default.htm

Most capital appropriations for SDOT are included within the Budget Control Level (BCL) appropriations displayed at the start of this chapter. These appropriations are funded by a variety of revenue sources, most of which do not require separate authority to be transferred to the Transportation Operating Fund (TOF). Revenue sources which do require separate authority to transfer to the TOF include the Cumulative Reserve Subfund (CRS) and Limited Tax General Obligation Bond (LTGO) proceeds.

Table 1 provides an informational display of transfers of LTGO bond proceeds to the TOF and the projects to which these proceeds will be allocated. Authority to transfer these funds to the TOF is provided by the various LTGO bond ordinances or other legislation.

CRS appropriations authorized for specific programs are listed in the CRS section of the Adopted Budget. (See the informational Table 2, "2012 Adopted SDOT Cumulative Reserve Subfund Program Detail" for a list of the specific CRS-funded projects by program.) The CRS Debt Service Program requires a separate appropriation outside of SDOT BCLs. Funding for REET Debt is not included within the SDOT BCLs, and is appropriated in the CRS section of the Budget. CRS-Unrestricted funds, backed by a transfer for the King County Proposition 2 Trail and Open Space Levy, are included in SDOT's budget and are also appropriated in the CRS section of the Adopted Budget.

Table 3, entitled “Capital Improvement Budget Control Level Outlay,” shows the portion of the various SDOT appropriations that represent the Department's CIP outlays. Consistent with RCW 35.32A.080, if any portion of these outlays remains unexpended or unencumbered at the close of the fiscal year, that portion shall be held available for the following year, except if abandoned by the City Council by ordinance. A detailed list of all programs and projects in SDOT's CIP can be found in the 2012-2017 Adopted Capital Improvement Program document.

Table 4, entitled “Central Waterfront Improvement Fund Appropriation,” is an informational display of funds appropriated from a new Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP). These funds are appropriated in the Central Waterfront Improvement Fund section of the Adopted Budget. The funding supports costs associated with the design and construction of the Central Waterfront component of the AWVSRP, costs for City administration, and costs eligible for financing by a future Local Improvement District (LID). Legislation accompanying the Adopted Budget creates the Central Waterfront Improvement Fund and authorizes an interfund loan to the Fund. The loan is anticipated to be repaid with funds from the future LID.

Seattle Department of Transportation

Table 1: Bond Transfers to the Transportation Operating Fund – Information Only

	2012 Endorsed	2012 Adopted
Alaskan Way Viaduct & Seawall Replacement: TC366050		
2011 Multipurpose LTGO Bond	22,100,000	0
2012 Multipurpose LTGO Bond	0	5,800,000
Subtotal	**22,100,000**	**5,800,000**
Bridge Rehabilitation and Replacement: TC366850		
2012 Multipurpose LTGO Bond	8,709,000	0
Subtotal	**8,709,000**	**0**
Bridge Seismic Retrofit Phase II: TC365810		
2012 Multipurpose LTGO Bond	1,690,000	3,203,223
Subtotal	**1,690,000**	**3,203,223**
Linden Avenue N Complete Streets: TC366930		
2012 Multipurpose LTGO Bond	4,500,000	5,802,000
Subtotal	**4,500,000**	**5,802,000**
Mercer Corridor Project: TC365500		
2012 Multipurpose LTGO Bond	5,000,000	5,000,000
Subtotal	**5,000,000**	**5,000,000**
Mercer Corridor Project West Phase: TC367110		
2012 Multipurpose LTGO Bond	11,555,000	11,173,000
Subtotal	**11,555,000**	**11,173,000**
Total Bond Proceeds	**53,554,000**	**30,978,223**

Table 2: 2012 Adopted SDOT Cumulative Reserve Subfund Program Detail

Information Only ($1,000s)

Program/Project	Project ID	Sub-Account	2012 Endorsed	2012 Adopted
Bridges & Structures (19001A)			**3,225**	**2,900**
Bridge Painting Program	TC324900	REET II	2,725	2,400
Hazard Mitigation Program - Areaways	TC365480	REET II	288	288
Retaining Wall Repair and Restoration	TC365890	REET II	212	212
Debt Service (18002D) – CRS-U			**1,074**	**1,074**
Trails – debt svc	TG356590	CRS-U	1,074	1,074
Debt Service (18002D) – REET II			**1,833**	**1,529**
Alaskan Way Viaduct & Seawall Replacement - debt svc	TC320060	REET II	1,257	953
Fremont Bridge Approaches - debt svc	TC320060	REET II	110	110
Mercer Corridor - debt svc	TC320060	REET II	466	466
Freight Mobility (19003B)			**0**	**1,189**
Railroad Crossing Signal Improvements	TC367090	Street Vac.	0	1,189
Landslide Mitigation (19001B)			**250**	**250**
Hazard Mitigation Program - Landslide Mitigation Proj.	TC365510	REET II	250	250
Neighborhood Enhancements (19003D)			**0**	**921**
NSF/CRS Neighborhood Program	TC365770	REET II	0	921
Roads (19001C)			**75**	**0**
Arterial Major Maintenance	TC365940	REET II	75	0
Total CRS funding to Transportation			**6,457**	**7,863**

Seattle Department of Transportation

Table 3: Capital Improvement Budget Control Level Outlay

Budget Control Level	2012 Endorsed	2012 Adopted
Major Maintenance/Replacement	44,447,000	41,529,999
Major Projects	117,104,835	99,351,944
Mobility-Capital	21,107,001	46,482,389
Total Capital Improvement Program Outlay	**182,658,835**	**187,364,332**

Table 4: Central Waterfront Improvement Fund Appropriation (Information Only)

Central Waterfront Improvement Fund Support to Transportation Budget Control Level

The purpose of the Central Waterfront Improvement Fund Support to Transportation Budget Control Level is to appropriate funds from the Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Alaskan Way Viaduct and Seawall Replacement project.

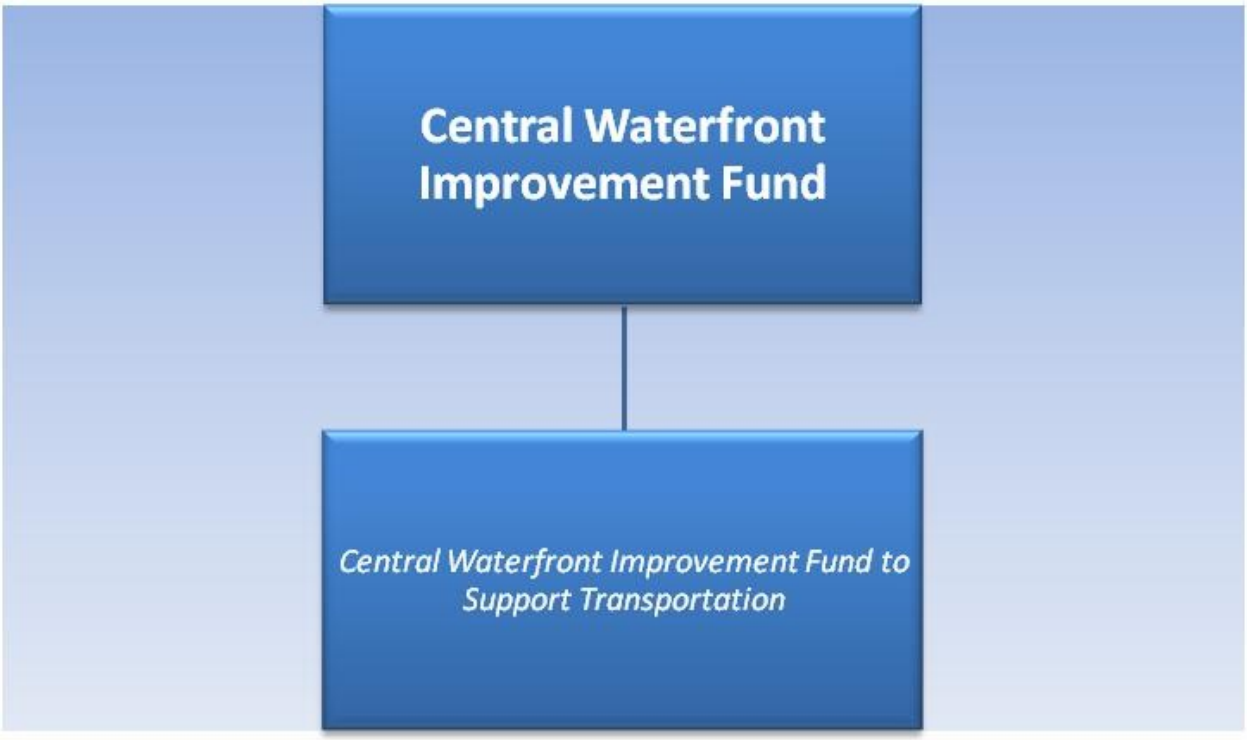
Expenditures	2012 Endorsed	2012 Adopted
Central Waterfront Improvement Fund Support To Transportation BCL	0	2,000,000

Seattle Department of Transportation - Central Waterfront Improvement Fund

Peter Hahn, Director

Information Line: (206) 684-7623
http://www.seattle.gov/transportation/

Central Waterfront Improvement Fund by Budget Control Level



Central Waterfront Improvement Fund Overview

The Central Waterfront Improvement Fund supports certain costs associated with the design and construction of the Central Waterfront component of the Alaskan Way Viaduct and Seawall Replacement Program, related costs for city administration, and costs eligible for financing by a future Local Improvement District (LID). Appropriations are made from the Fund to the Transportation Operating Fund for these purposes.

Seattle Department of Transportation - Central Waterfront Improvement Fund

Budget Overview

The 2012 Adopted Budget includes an interfund loan up to $2.4 million to the Central Waterfront Improvement Fund to support $2,000,000 of capital and $400,000 of future interest costs for the Central Waterfront component of the Alaskan Way Viaduct and Seawall Replacement Program. The loan is anticipated to be repaid with funds from a future Local Improvement District, if formed, and is to be repaid no later than December 31, 2016. It is anticipated that the loan will be amended in future years to support additional costs incurred prior to the formation of the LID. In 2012, the Fund includes a reserve of $50,000 for interest costs related to the loan.

Incremental Budget Changes

Seattle Department of Transportation - Central Waterfront Improvement Fund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$0**	**0.00**
2012 Proposed Changes			
	Central Waterfront Improvement Fund Support to Transportation	$2,000,000	0.00
Total Changes		**$2,000,000**	**0.00**
2012 Proposed Budget		**$2,000,000**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$2,000,000**	**0.00**

Central Waterfront Improvement Fund Support to Transportation - $2,000,000. Legislation accompanying the 2012 Proposed Budget created the Central Waterfront Improvement Fund to support certain costs related to the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP), and authorized an interfund loan to the fund. Funding is appropriated to the Transportation Operating Fund to support pre-construction activities by the Seattle Department of Transportation on the AWVSRP's Central Waterfront component.

City Council Provisos

There are no Council provisos.

Seattle Department of Transportation - Central Waterfront Improvement Fund

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Central Waterfront Improvement Fund Support to Transportation Budget Control Level	**CWIF-CAP**	**0**	**0**	**0**	**2,000,000**
Department Total		**0**	**0**	**0**	**2,000,000**

Revenue Overview

2012 Estimated Revenues for the Central Waterfront Improvement Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
461110	Investment Earnings on Residual Cash Balances	0	0	0	0
	Total Interest Earnings	**0**	**0**	**0**	**0**
	Total Revenues	**0**	**0**	**0**	**0**
379100	Use of Fund Balance	0	0	0	2,000,000
	Total Use of (Contribution To) Fund Balance	**0**	**0**	**0**	**2,000,000**
	Total Resources	**0**	**0**	**0**	**2,000,000**

Appropriations by Budget Control Level (BCL)

Central Waterfront Improvement Fund Support to Transportation Budget Control Level

The purpose of the Central Waterfront Improvement Fund Support to Transportation Program is to appropriate funds from the Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Alaskan Way Viaduct and Seawall Replacement project.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Central Waterfront Improvement Fund Support to Transportation Budget Control Level	0	0	0	2,000,000

Fund Table

Central Waterfront Improvement Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**0**	**0**	**0**	**0**	**0**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	0	0	0	0	0
Less: Actual and Budgeted Expenditures	0	0	0	0	2,000,000
Ending Fund Balance	**0**	**0**	**0**	**0**	**(2,000,000)**
Interest Reserve					50,000
Total Reserves	**0**	**0**	**0**	**0**	**50,000**
Ending Unreserved Fund Balance	**0**	**0**	**0**	**0**	**(2,050,000)**

Through an interfund loan from the City's Cash Pool, the Central Waterfront Improvement Fund will be authorized by proposed legislation accompanying the 2012 Proposed Budget to carry a negative balance of approximately $2.4 million.

Seattle Streetcar

Peter Hahn, Director

Information Line: (206) 684-7623
http://www.seattle.gov/transportation/

Department by Budget Control Level

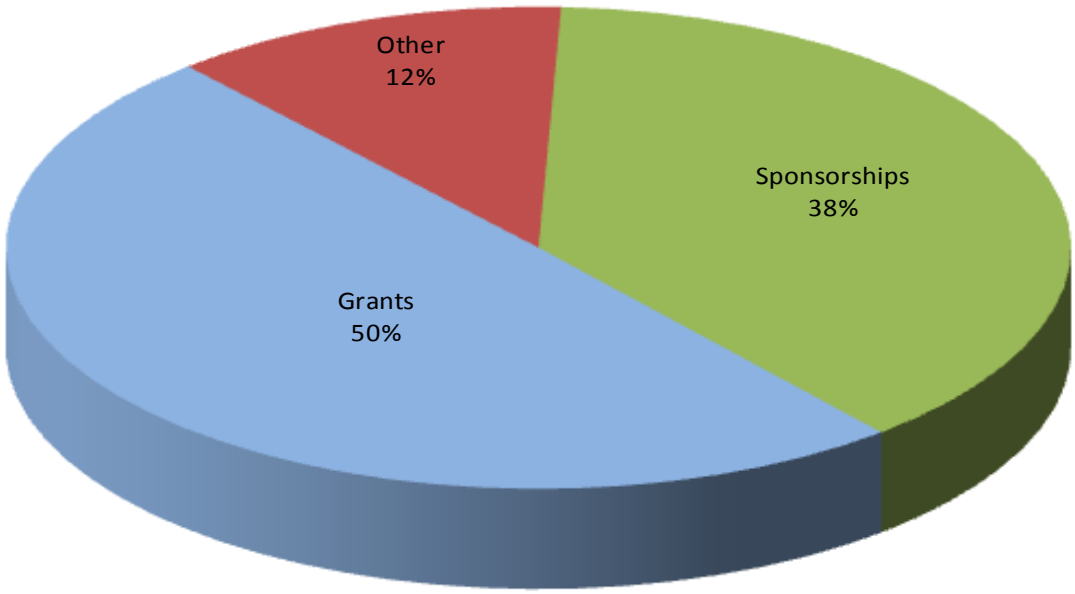
Department Overview

The Seattle Streetcar is part of the Seattle Department of Transportation, with the specific purpose of operating and maintaining the South Lake Union line of the Seattle Streetcar. The South Lake Union line began operation in late 2007. Three modern streetcars serve 11 stops along the 2.6 mile line and connect thousands of people to new homes, jobs, and other public transit systems including Metro buses, Sound Transit buses, light rail, and the Monorail.

Budget Snapshot

Seattle Streetcar	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$414,119	$640,000	$640,000	$785,150
Total Revenues	**$414,119**	**$640,000**	**$640,000**	**$785,150**
Use of (Contribution to) Fund Balance	$223,269	($28,284)	($11,277)	$93,123
Total Resources	**$637,388**	**$611,716**	**$628,723**	**$878,273**
Total Expenditures	**$637,388**	**$611,716**	**$628,723**	**$878,273**

2012 Adopted Budget - Revenues By Category



Budget Overview

The City of Seattle contracts with King County Metro Transit to operate the Seattle Streetcar. King County Metro Transit contributes 75% of the Seattle Streetcar operating costs, and the City pays the remaining 25% to Metro for the operation of the Streetcar. The City relies on the following sources of revenue for its 25% share: farebox recovery from pay stations, Federal Transit Administration grants, sponsorships, and donations. Ridership continues to increase year to year, but not as significantly as forecasted when the Streetcar was first implemented in 2007. Sponsorship revenues have also come in below forecasted levels. Due to these factors, operating cash flow for the Streetcar continues to be slightly negative in 2012 projections. However, current estimates assume positive cash flow for 2013 and beyond. As a result of this negative cash position, the initial start-up period of the Streetcar is supported by an interfund loan that was authorized by the City Council in June 2007 and amended in September 2009. The loan expires in December 2018. The 2012 Adopted Budget includes a small grant-funded increase for one-time modernization expenditures.

In 2011, the City accepted $65,000 in private donations to fund a pilot project that increased service levels to a ten-minute frequency during peak periods. The increased service levels began in June 2011 and will last for one year, through May 2012. The full grant amount was accepted in 2011. Funds needed for the first half of 2012 are carried over from the 2011 budget. Beginning in June 2012, service levels will revert back to 2010 levels unless further external funding is secured. The 2012 Adopted Budget does not assume the receipt of additional private donations to continue increased service levels beyond June 2012.

Incremental Budget Changes

Seattle Streetcar

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$628,723**	**0.00**
2012 Proposed Changes			
	Federal Grant Increase	$249,550	0.00
Total Changes		**$249,550**	**0.00**
2012 Adopted Budget		**$878,273**	**0.00**

Federal Grant Increase - $249,550. The 2012 Adopted Budget increases appropriation authority to reflect the receipt of a one-time Federal Transit Administration grant which will be used for system modernization, including the addition of ORCA card readers.

Seattle Streetcar

City Council Provisos

There are no Council provisos

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Streetcar Operations Budget Control Level	**STCAR-OPER**	**637,388**	**611,716**	**628,723**	**878,273**
Department Total		**637,388**	**611,716**	**628,723**	**878,273**

Revenue Overview

2012 Estimated Revenues for the Streetcar Fund (10810)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
471010	FTA Funds	131,040	190,000	190,000	390,000
	Total Grants	**131,040**	**190,000**	**190,000**	**390,000**
444900	Other Charges - Transportation	86,191	0	0	95,150
544900	IF Other Charges - Transportation	113	0	0	0
	Total Other	**86,304**	**0**	**0**	**95,150**
439090	Sponsorship Revenues	196,775	450,000	450,000	300,000
	Total Sponsorships	**196,775**	**450,000**	**450,000**	**300,000**
Total Revenues		**414,119**	**640,000**	**640,000**	**785,150**
379100	Use of (Contribution To) Fund Balance	223,269	(28,284)	(11,277)	93,123
	Total Use of Fund Balance	**223,269**	**(28,284)**	**(11,277)**	**93,123**
Total Resources		**637,388**	**611,716**	**628,723**	**878,273**

Appropriations by Budget Control Level (BCL)

Streetcar Operations Budget Control Level

The purpose of the Streetcar Operations Budget Control Level is to operate and maintain the South Lake Union line of the Seattle Streetcar.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Streetcar Operations	637,388	611,716	628,723	878,273

Fund Table

Streetcar Fund (10810)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**(3,241,592)**	**(3,023,967)**	**(3,465,169)**	**(2,995,683)**	**(3,459,576)**
Accounting and Technical Adjustments	(308)	0	0	0	0
Plus: Actual and Estimated Revenue	414,119	640,000	691,249	640,000	785,150
Less: Actual and Budgeted Expenditures	637,388	611,716	685,656	628,723	878,273
Pre-Adjustments Fund Balance	**(3,465,169)**	**(2,995,683)**	**(3,459,576)**	**(2,984,406)**	**(3,552,699)**
Interest Expense	0	(46,983)	(50,957)	0	(52,378)
Anticipated Underspend	0	0	0	0	(10,000)
Ending Fund Balance	**(3,465,169)**	**(3,042,666)**	**(3,510,533)**	**(2,984,406)**	**(3,646,034)**

Through an interfund loan from the City's Cash Pool, the Streetcar Fund is authorized by Ordinance 123102 to carry a negative balance of approximately $3.7 million.

Seattle Public Utilities

Ray Hoffman, Director

Information Line: (206) 684-3000
http://www.seattle.gov/util/

Department by Fund and Budget Control Level

Department Overview

Seattle Public Utility's (SPU's) mission is to provide reliable, efficient, and environmentally conscious utility services to enhance the quality of life and livability in all communities SPU serves.

SPU is composed of three major direct-service providing utilities: the Water Utility, the Drainage and Wastewater Utility, and the Solid Waste Utility. All three utilities strive to operate in a cost-effective, innovative, and environmentally responsible manner.

The Water Utility provides more than 1.3 million people with a reliable supply of clean and safe water for drinking and other uses. The system extends from Edmonds to Des Moines and from Puget Sound to Lake Joy near Duvall. SPU retails water in Seattle and adjacent areas, and sells water wholesale to 21 suburban water utilities and two interlocal associations for distribution to their customers. The Water Utility includes 1,800 miles of pipeline, 30 pump stations, 15 treated water reservoirs, three wells, and 104,000 acres in two watersheds.

Seattle Public Utilities

The Drainage and Wastewater Utility collects and conveys sewage and stormwater. The drainage and wastewater system includes approximately 448 miles of sanitary sewers, 968 miles of combined sewers, 460 miles of storm drains, 68 pump stations, 90 permitted combined sewer overflow outfalls, 342 storm drain outfalls, 130 stormwater quality treatment facilities, 145 flow control facilities, and 38 combined sewer overflow control detention tanks and pipes. In addition to traditional infrastructure, SPU regulates, plans, builds and maintains green stormwater infrastructure, an increasingly important option for managing stormwater. Appropriate approaches to managing sewage and stormwater that can carry pollutants into the region's lakes, rivers, and Puget Sound are vital to preserve public health and environmental quality.

The Solid Waste Utility collects and processes recycling, compostables, and residential and commercial garbage. To fulfill this responsibility the City owns two transfer stations, two household hazardous waste facilities, a fleet of trucks and heavy equipment, and two closed landfills. In addition, SPU administers contracts with private contractors who collect household refuse, compostables, and recyclables and deliver the material to the recycling and composting facilities and to disposal stations for its ultimate processing or disposal. The Solid Waste Capital Improvement Plan (CIP) supports the transfer stations, heavy equipment, and post-closure projects on two landfills previously used by the City.

SPU operations and capital programs are funded almost entirely by fees and charges paid by ratepayers who use SPU's solid waste, drainage, wastewater, and drinking water systems. SPU also actively seeks grants to support system maintenance and improvements, and receives reimbursements from other City departments and funds for services provided to those agencies.

Rates adopted in 2010 for the period 2011-2012 inform the 2012 budgets for solid waste and drainage and wastewater included in this document. Because 2012 is the second year in a well-defined two year rate period, the 2012 budgets for these utilities have very little programmatic change.

Water rates, in contrast, were last established in 2008 for the period 2009-2011. New water rates were developed in conjunction with this budget for 2012-2014 to support the operating and capital service levels included in the 2012 Adopted Budget. The Water Utility budget adopted for 2012 therefore has programmatic differences from the 2012 Endorsed Budget. The 2012-2014 Water Rate proposal can be found here: http://www.seattle.gov/util/Services/Water/WaterRates/index.asp.

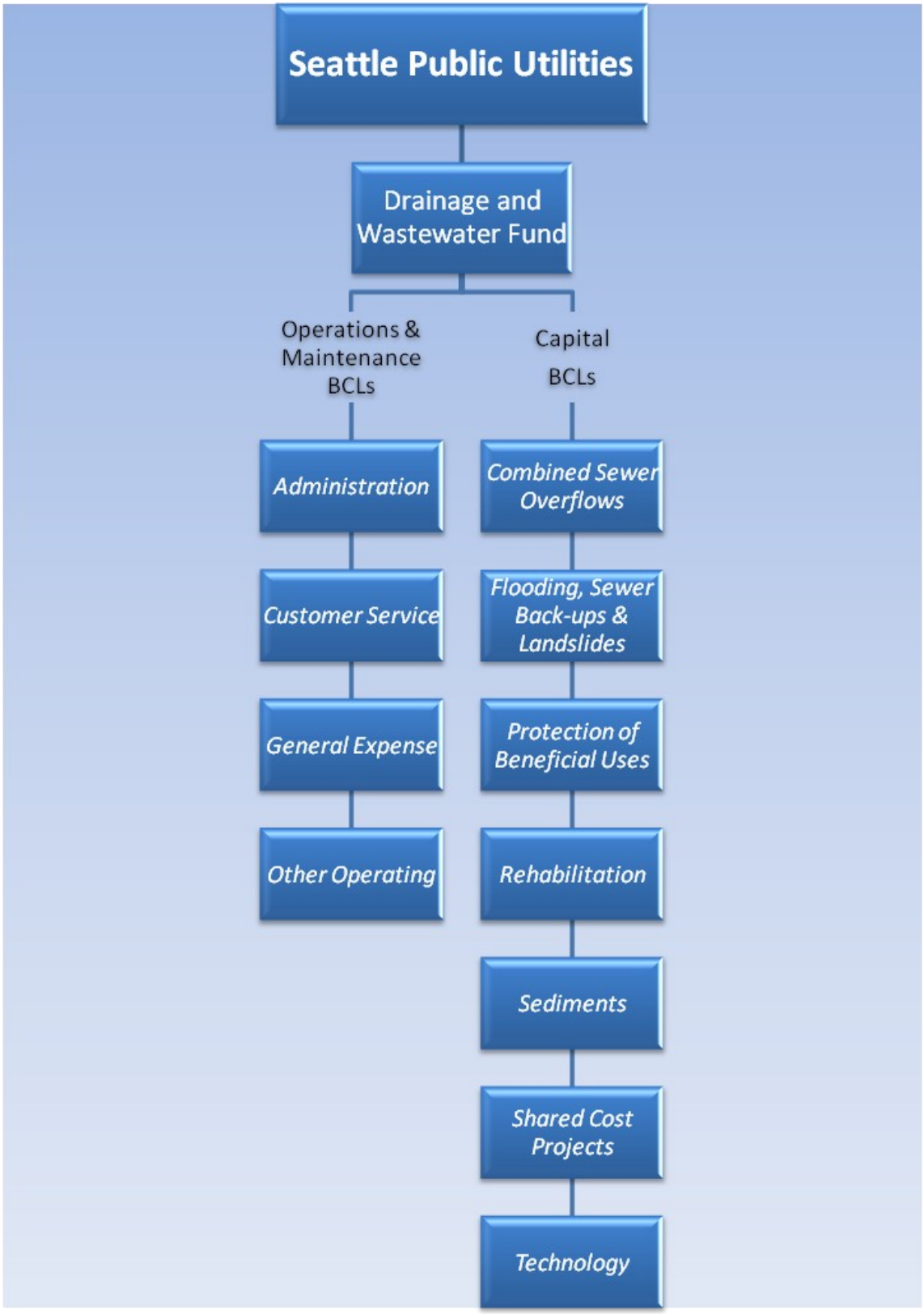
SPU monitors its funds using financial targets and employs these metrics to communicate about the financial health of its utilities with the Mayor and Council, Seattle residents and businesses, and the bond rating agencies. Financial performance metrics include net income; year-end cash balance; the amount of cash versus debt dedicated to the CIP; debt service coverage, which is the amount of cash available to pay annual debt service after day-to-day system expenses are paid; and, for the Drainage and Wastewater Fund, the debt to asset ratio. As a result of strong financial management and a commitment on the part of elected officials to establishing prudent rates, SPU has some of the strongest bond ratings of any utility in the country. SPU's Water and Drainage and Wastewater bonds are rated one notch below the highest rating by both S&P (AA+) and Moody's (Aa1), while Solid Waste bonds, which traditionally are viewed as more risky by ratings agencies, are just slightly lower and still categorized as High Grade High Quality bonds (AA and Aa3 from the two agencies, respectively). These high ratings help SPU sell revenue bonds to fund infrastructure investments at the lowest costs possible. This benefits the utilities and the rate payers they serve.

Budget Snapshot

Seattle Public Utilities	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$1,217,924	$1,224,022	$1,254,236	$1,205,361
Other Revenues	$732,137,315	$804,115,192	$839,065,363	$809,087,980
Total Revenues	**$733,355,239**	**$805,339,214**	**$840,319,599**	**$810,293,341**
Use of (Contribution to) Fund Balance	($1,061,120)	$17,562,785	$11,138,263	$8,944,172
Total Resources	**$732,294,119**	**$822,901,999**	**$851,457,862**	**$819,237,513**
Total Expenditures	**$732,294,119**	**$822,901,999**	**$851,457,862**	**$819,237,513**
Full-Time Equivalent * Total	1,449.25	1,420.75	1,415.75	1,411.05

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here. The 2012 Endorsed FTE total includes 1.0 FTE Office/Maintenance Aide position that was transferred to SPU in 2010 but not yet included in the 2012 Endorsed FTE count that was developed during 2010.*

Drainage & Wastewater Utility by Budget Control Level

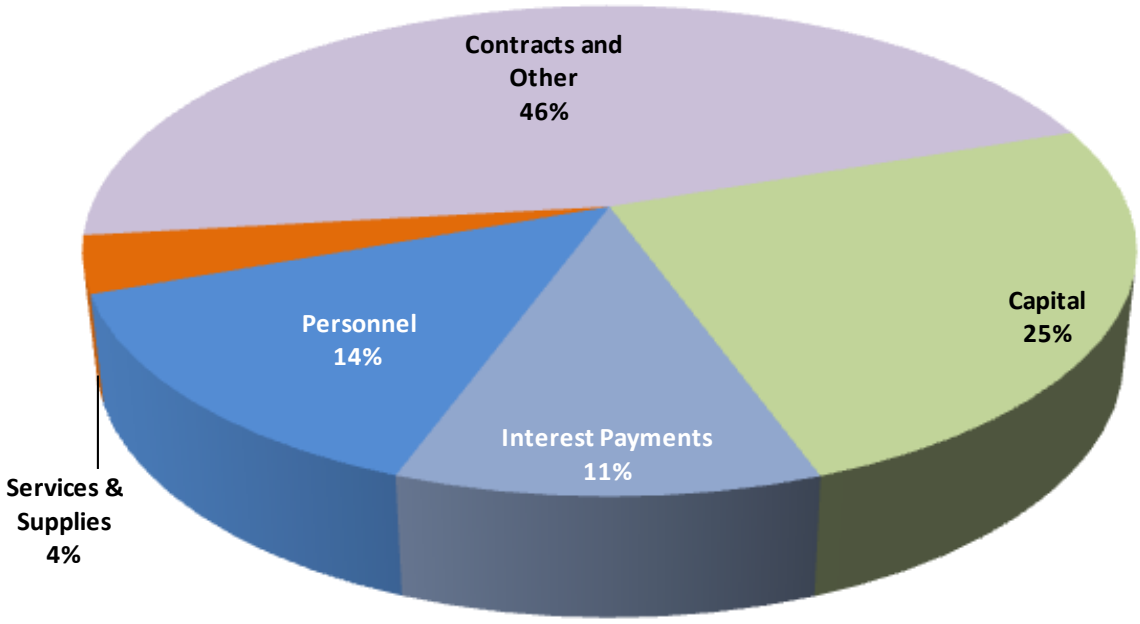


Budget Snapshot

Drainage & Wastewater Utility	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$1,113,601	$1,117,612	$1,145,698	$1,205,361
Other Revenues	$301,269,410	$347,914,064	$364,922,586	$372,292,164
Total Revenues	**$302,383,011**	**$349,031,677**	**$366,068,284**	**$373,497,525**
Use of (Contribution to) Fund Balance	$5,313,092	$9,532,464	$5,877,088	$4,110,750
Total Resources	**$307,696,103**	**$358,564,141**	**$371,945,372**	**$377,608,275**
Total Expenditures	**$307,696,103**	**$358,564,141**	**$371,945,372**	**$377,608,275**
Full-Time Equivalent * Total	543.00	539.50	538.50	536.30

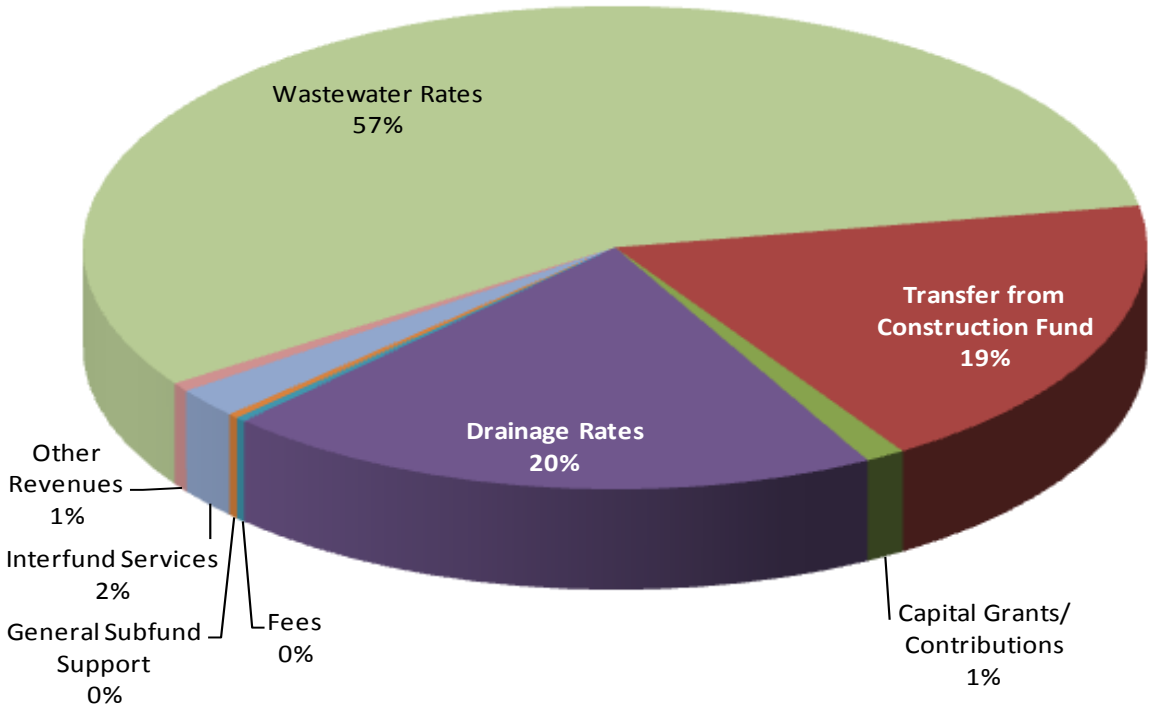
**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Seattle Public Utilities - Drainage & Wastewater Utility

2012 Adopted Budget - Revenues By Category



Budget Overview

The Drainage and Wastewater Utility budget is experiencing growth driven by federal and state regulatory requirements at a time when the Utility's revenues are impacted by the national economic slowdown.

The 2012 budget continues to fund the Utility's major services, including:

- building, operating, and maintaining the drainage and wastewater systems to ensure reliability, regulatory compliance, and public health and safety;
- protecting the environment in the Duwamish, Elliott Bay, Puget Sound, and the greater Seattle area by collecting, treating, and managing wastewater and stormwater run-off; and,
- pursuing leadership in cost-effective conservation and sustainable community living, through infrastructure projects, education, innovation, financial incentives, and rebate programs.

The City's two National Pollutant Discharge Elimination System (NPDES) permits, one for stormwater and one for the combined sewer system, guide many of the expenditures in the Utility. The City of Seattle's most recent NPDES permit for stormwater, granted by the State in 2007, introduced more prescriptive requirements to help to protect local waterways and Puget Sound from damaging pollutants

and excessive runoff. Some of these requirements include business inspections, private stormwater detention facility inspections, detection of illicit connections, and inspections and cleaning of catch basins. These heightened NPDES requirements affect many City departments, and SPU is leading the Citywide coordination effort. In addition, SPU must comply with findings from a 2008 U.S. Environmental Protection Agency (EPA) audit of SPU's wastewater and combined sewer system. These requirements help keep local lakes and rivers clean for recreation and aquatic life, and ensure the sewer and drainage infrastructure's reliability, but they also put upward pressure on drainage and wastewater rates.

To comply with the City's combined sewer permit, the 2012-2017 Adopted CIP continues investments in the combined sewer overflow program, including the Long Term Control Plan and the Windermere, Henderson, and Genesee control projects. Combined Sewer Overflows (CSOs) can spill a mixture of raw sewage and stormwater into local waterways at 92 historic outfalls throughout the city of Seattle, primarily during periods of heavy rain. Although expensive, improving the system to prevent overflows is important. These spills violate water quality standards, raise public health concerns, and contaminate sediment and habitat for endangered species. State and federal law require SPU to achieve control of CSOs by 2025 through a Long Term Control Plan to be completed by 2015.

SPU's Adopted Budget and CIP also address major drainage issues throughout the city, including localized flooding problems in Madison Valley and South Park storm drainage and water quality issues. The CIP provides funding for utility work related to the City's voter-approved Bridging the Gap transportation investments, the Alaskan Way Viaduct/Seawall project, and the Mercer Corridor project.

Several of SPU's approaches to stormwater management have received national attention. Seattle is pioneering green stormwater infrastructure projects, including swales, and relying on this cost-effective approach to reduce overflows from the combined sewer system and to improve the water quality of stormwater runoff. The Adopted Budget and CIP also continue funding for an innovative street sweeping for water quality program begun in 2011, based on analysis that shows street sweeping is one of the most cost-effective means to keep pollutants from entering receiving waters (compared, for example, with building and maintaining detention and treatment facilities).

The Utility's revenue is generated primarily through customer charges on businesses and residents who use the drainage and wastewater infrastructure. To keep rate increases as low as possible, the Drainage and Wastewater Utility's 2011 Adopted and 2012 Endorsed Budget included reductions of $1.9 million and 8.5 FTE. The 2012 Adopted Budget continues these reductions and makes no changes to the rates adopted in 2010 for the period 2011-2012.

The limited policy-related changes in the 2012 Adopted Budget include transfers of existing funding from Seattle City Light and the General Fund to SPU for consolidation of Seattle reLeaf, the City's urban forest program; changes in the funding approach to certain services previously supported by the General Fund; further savings from careful management of the vehicle fleet; and a net increase of $1.2 million in CIP spending. Increasing regulatory emphasis on protecting and improving water quality has resulted in the need for Seattle to make substantial investments in detention, treatment, and green stormwater infrastructure in the coming years. Increased CIP funding is also needed to maintain and improve the existing drainage systems so that residents experience less flooding and fewer sewage backups. These increases are partially offset by decreases to a variety of other projects, including technology projects.

Seattle Public Utilities - Drainage & Wastewater Utility

While there are few policy changes in the 2012 Adopted Budget, there are several technical changes, including shifts of labor and projects from the CIP to the O&M budget to ensure the correct accounting treatment, adjustments to equipment depreciation, and updated estimates for debt service and contracts. These technical changes add $4.46 million to the budget.

With CIP increases of $1.2 million, the Drainage and Wastewater Utility's 2012 Adopted Budget and CIP are $5.7 million or 1.5% higher than the 2012 Endorsed Budget of $371.9 million. In addition, core revenues have been adjusted downward somewhat since the 2012 Endorsed Budget, because revenues from residential accounts are tracking below forecast. Because the 2010 fiscal year ended with more cash on hand than forecast – due to underspending on the CIP and O&M budgets and changes in the timing of certain invoice payments – SPU is able to carry the cash forward and absorb these unanticipated costs while still meeting all financial targets for the Drainage and Wastewater Fund.

No changes are required to drainage and wastewater rates that were adopted in 2010 for 2012. The average residential customer will experience rate increases in 2012 of 11.4% or $2.23 a month in Drainage and 3.9% or $2.08 a month in Wastewater rates, including King County treatment costs that are passed through to Seattle customers.[1] The growth in Seattle's rates is driven by regulatory requirements, and because the Drainage and Wastewater Utility is now absorbing a higher share of overall SPU overhead costs, given the offsetting decline in the size of the Water Utility's CIP.

City Council Changes

During the City Council's review process, position authority for Seattle reLeaf, the City's urban forest program, was reduced from full-time to part-time, consistent with scope and funding levels contemplated in the 2012 Proposed Budget.

Council added Drainage and Wastewater funding for a portion of a new position in the City Auditor's Office. The position will work on utility-related issues, including Drainage and Wastewater issues.

Council also increased the number of people eligible to receive emergency assistance on their utility bills, by changing the eligibility threshold. This change will reduce revenues to the Drainage and Wastewater Utility by about $65,000.

1. Approximately two-thirds of wastewater rates collected by SPU are paid to King County Metro for sewage treatment.

Incremental Budget Changes

Seattle Public Utilities - Drainage and Wastewater Utility

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$371,945,372**	538.50
2012 Proposed Changes			
	Technical Adjustments	$2,575,684	0.00
	Technical - First Hill Street Car	$1,883,100	0.00
	Fleet Reductions - Operating Costs	($3,744)	0.00
	General Fund Reductions and Reallocations	($53,459)	0.00
	Seattle ReLeaf	$130,000	0.00
	Management Efficiencies	$0	(1.00)
	Call Center Efficiencies	$0	(1.00)
	Drainage and Wastewater CIP	$1,399,541	0.00
	Technology CIP	($185,992)	0.00
Total Changes		**$5,745,130**	**(2.00)**
2012 Proposed Budget		**$377,690,502**	**536.50**
Council Adjustments to Proposed Budget			
	Seattle ReLeaf	$0	(0.20)
	Utility Auditing	$19,180	0.00
	Expansion of Low Income Emergency Assistance	$0	0.00
	Adjustment to Employer Contribution Rate to SCERS	($101,407)	0.00
Total Adjustments		**($82,227)**	**(0.20)**
2012 Adopted Budget		**$377,608,275**	**536.30**

Seattle Public Utilities - Drainage & Wastewater Utility

Technical Adjustments - $2,575,684. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Drainage and Wastewater Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; corrections to technical errors included in the 2012 Endorsed Budget; updates to major payments, including debt service and taxes, based on latest revenue forecasts and schedules for the issue of debt; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning.

Technical - First Hill Street Car - $1,883,100. The First Hill Street Car project is an SDOT-led transportation project that will connect major employment centers on First Hill to the regional light rail system stations on Capitol Hill and in the International District, while providing local transit connections between the Broadway, Pike/Pine, First Hill, Yesler Terrace, Little Saigon, and Chinatown/International districts. The project requires SPU to relocate infrastructure including drainage and wastewater facilities, water mains, water services, and hydrants. This work is moving from the Water Fund and Drainage and Wastewater Fund Capital Budget to the Drainage and Wastewater Fund Operating Budget. SPU is not able to capitalize this work based on financial guidelines. SPU's costs will be reimbursed by the project budget and reimbursements are displayed in the Drainage and Wastewater Fund revenue table. Currently no Water CIP betterments have been identified.

Fleet Reductions – Operating Costs - ($3,744). SPU closely manages its fleets and performs annual utilization reviews to identify ways to save money. The 2012 Adopted Budget reduces SPU's light fleet by two vehicles and heavy equipment by four, saving $11,000 in operating costs each year in the department as a whole and $3,744 in the Drainage and Wastewater Utility. There are no service level impacts, as reductions were made possible through careful management of the fleets. In previous budgets – the 2010 Adopted Budget as well as the 2011 Adopted Budget and 2012 Endorsed Budget – SPU reduced 24 light fleet vehicles and 12 pieces of heavy equipment. In addition to operating savings, fleet reductions help SPU forego vehicle replacement costs. The reduction of the four heavy vehicles approved for 2012 allows SPU to avoid future equipment purchases of an estimated $153,000.

General Fund Reductions and Reallocations - ($53,459). SPU receives approximately $1.25 million a year in General Fund resources to support programs and services that benefit the city overall. These services include staffing a hotline for abandoned vehicle complaints; education and outreach dedicated to keeping local water bodies free of pollutants (Restore our Waters); managing and maintaining the City's geographic database (Geographic Information Systems or GIS); and providing a variety of engineering services including maintaining survey records and replacing monuments and markers used by surveyors in city streets.

General Fund budget pressures in 2012 and future years require that SPU make General Fund budget reductions. The budget shifts abandoned vehicles work from the General Fund to the tonnage tax, which is another general purpose revenue source. In addition, General Fund funding for Restore our Waters is eliminated, but all major eligible program activities are continued using Drainage and Wastewater funding. Finally, to correct a technical oversight, funding for appropriate overhead costs is added to the General Fund budgets for SPU's engineering services. The net change in the General Fund is a reduction of $101,000 across all three SPU utilities, which is consistent with the General Fund reduction target of 8% for SPU.

Seattle reLeaf - $130,000. In June, 2011, the Mayor and Council passed legislation to consolidate the City's community tree outreach, education, and planting efforts into a single program—Seattle reLeaf—to be housed in SPU. Seattle reLeaf is consistent with the Urban Forest Management Plan, which calls for a robust public outreach effort by the City to ensure Seattle meets its goal of increasing the city's canopy cover from 23% to 30% by 2030. A robust tree canopy has a number of significant environmental benefits, including storm water management, cleaner air, and greener open spaces. In addition, SPU and the City's Office for Sustainability and Environment (OSE) determined that the program can continue to be run effectively at 80% staff time as opposed to with a full time position, and that program capacity is sufficient to plant 1,000 trees in 2012, thereby making it possible to reduce the program's General Fund funding by $25,000 without affecting direct service levels achieved in prior years. Seattle reLeaf's 2012 budget is $210,000, $80,000 of which is already in SPU's baseline budget, another $80,000 which will be transferred from Seattle City Light to SPU, and $50,000 in General Fund resources that were in OSE's budget in 2011 and are budgeted directly in SPU in 2012. The remaining $25,000 that was in OSE's 2012 Endorsed Budget is approved for reduction to achieve General Fund savings. Council actions during the adoption of the budget modified position authority for this program, as described below.

Management Efficiencies - (1.0) FTE. During the 2011-2012 budget process, the City Council removed $500,000 from SPU's 2012 Endorsed Budget and directed SPU to abrogate managerial and supervisory positions consistent with the $500,000 reduction. In response, SPU's 2012 Adopted Budget eliminates three senior management positions in the department: a vacant Executive 2 in the Drainage and Wastewater Utility; a vacant Strategic Advisor 2, General Government, in the Water Utility; and, a vacant Manager 2, Utilities, in the Solid Waste Utility. There are no dollar changes associated with this item in the 2012 Adopted Budget, since the 2012 Endorsed Budget already included the $500,000 reduction.

The three positions identified create savings of $462,000. However, SPU will work with the City's Personnel Department to reclassify a number of other filled management and supervisory positions to better align position titles with job responsibilities. These reclassifications will take effect in 2012. The salary savings resulting from the reclassifications will make up the difference between the $500,000 cut target and the $462,000 savings outlined above.

Call Center Efficiencies - (1.0) FTE. The Joint Utility Call Center provides customers of SPU and Seattle City Light with customer care and assistance. This item abrogates a vacant 1.0 FTE Utility Account Representative I position in order to provide funding for five reclassifications that will occur outside of the budget process. The reclassified positions will provide additional analytical capacity, training, and management oversight in the Call Center. As a result, the Call Center will be better able to meet performance objectives as established by the Mayor and Council. SPU will report back to the Mayor and City Council on progress in meeting performance objectives during 2012.

Drainage and Wastewater CIP - $1,399,541. The 2012 Adopted Budget for the Drainage and Wastewater CIP – excluding Technology CIP projects – represents an increase of roughly $1.4 million over the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. Additional detail is provided in the 2012-2017 Adopted CIP.

Seattle Public Utilities - Drainage & Wastewater Utility

Technology CIP - ($185,992). The 2012 Adopted Budget reduces Technology CIP spending by 10%, or $1.37 million, compared to the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The Drainage and Wastewater Utility's share of the Technology CIP reduction is 14%, or $185,992, based on the Drainage and Wastewater Utility's share of benefit from these projects. SPU will focus technology spending on the highest priority business needs. These include utility asset management (Maximo Upgrade/Asset Data Initiative), budget and financial management (Budget Planning and Forecasting, Financial Data Mart), customer service improvements (Web Application Redesign, online chat and contact tools), and project delivery (Enterprise Project Management System). Other technology investments will be cancelled or deferred as a result of this reduction, which is part of a set of initiatives intended to contain costs across the utility. For more information on project and BCL changes, please see the 2012-2017 Adopted CIP.

City Council Changes to the 2012 Proposed Budget

Seattle reLeaf - $0/(0.2) FTE. City Council changed the status of the reLeaf program manager position from full-time to part-time. While the Proposed Budget had already reduced the reLeaf program's workplan and the position's funding to correspond to staffing at the 0.8 FTE level, the position remained at full-time. Council preferred to provide authority at the 0.8 FTE level only.

Utility Auditing - $19,180. Council added appropriation authority that will be transferred to the City Auditor's Office to support a portion of a new auditor position. The position will work on utility-related issues, including Drainage and Wastewater issues.

Expansion of Low Income Emergency Assistance – $0. Council roughly doubled the number of people eligible to receive emergency assistance on their wastewater utility bills by raising the income eligibility threshold in Seattle Municipal Code 21.76.065. Because more people are now eligible to receive a once-a-year credit of up to half of their delinquent bills, this change is expected to reduce 2012 revenues to the Drainage and Wastewater Utility by about $65,000. There is no appropriation impact.

Adjustment to Employer Contribution Rate to SCERS – ($101,407). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

The City Council adopted the following budget proviso:

- *Of the appropriation in the 2012 budget for the Seattle Public Utilities' (SPU's) Other Operating BCL, $50,000 is appropriated solely for consultants to assist SPU's field workforce efficiencies work group and may be spent for no other purpose.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Drainage & Wastewater Utility					
Administration Budget Control Level					
Administration		12,141,698	13,918,854	13,706,807	14,759,318
General and Administrative Credit		(8,261,157)	(10,816,551)	(10,922,149)	(9,165,778)
Administration Budget Control Level	**N100B-DW**	**3,880,541**	**3,102,303**	**2,784,658**	**5,593,540**
Combined Sewer Overflows Budget Control Level	**C360B**	**16,996,370**	**17,806,875**	**25,769,534**	**26,887,630**
Customer Service Budget Control Level	**N300B-DW**	**5,976,406**	**7,089,545**	**7,026,865**	**7,425,526**
Flooding, Sewer Back-up, and Landslides Budget Control Level	**C380B**	**14,906,037**	**35,069,776**	**23,240,984**	**24,186,341**
General Expense Budget Control Level					
Debt Service		37,617,908	37,274,252	39,863,112	41,832,081
Other General Expenses		127,120,776	141,157,439	141,232,653	139,567,179
Taxes		32,276,515	36,979,272	38,640,160	38,235,239
General Expense Budget Control Level	**N000B-DW**	**197,015,199**	**215,410,962**	**219,735,925**	**219,634,499**
Other Operating Budget Control Level					
Field Operations		18,532,986	19,895,761	19,854,568	19,550,762
Pre-Capital Planning & Development		1,023,467	1,989,291	2,069,669	1,551,378
Project Delivery		8,134,888	9,348,989	9,407,616	11,093,977
Utility Systems Management		14,986,506	17,879,199	18,442,069	18,921,042
Other Operating Budget Control Level	**N400B-DW**	**42,677,848**	**49,113,240**	**49,773,922**	**51,117,159**
Protection of Beneficial Uses Budget Control Level	**C333B**	**1,863,482**	**2,283,081**	**6,040,474**	**4,799,701**
Rehabilitation Budget Control Level	**C370B**	**9,525,878**	**6,471,519**	**10,526,291**	**12,622,929**
Sediments Budget Control Level	**C350B**	**4,051,291**	**6,350,146**	**5,385,277**	**5,594,648**
Shared Cost Projects Budget Control Level	**C410B-DW**	**8,346,676**	**11,804,290**	**16,660,024**	**14,930,876**
Technology Budget Control Level	**C510B-DW**	**2,456,375**	**4,062,403**	**5,001,418**	**4,815,426**
Total Drainage & Wastewater Utility		**307,696,103**	**358,564,141**	**371,945,372**	**377,608,275**

Revenue Overview

2012 Estimated Revenues for the Drainage and Wastewater Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
408000	Capital Grants and Contributions (excluding donated assets)	3,173,250	4,923,250	3,073,250	4,524,622
	Total Capital Grants/Contributions	**3,173,250**	**4,923,250**	**3,073,250**	**4,524,622**
443610	Drainage Utility Services	58,292,349	67,129,364	74,763,545	75,128,643
	Total Drainage Rates	**58,292,349**	**67,129,364**	**74,763,545**	**75,128,643**
443691	Side Sewer Permit Fees	862,089	862,089	862,089	905,125
443694	Drainage Permit Fees	196,505	196,505	196,505	214,280
	Total Fees	**1,058,594**	**1,058,594**	**1,058,594**	**1,119,405**
543210	GF - Various GIS & Eng Svcs (N4303 & N2418)	955,457	881,305	904,665	1,205,361
705000	General Subfund -- Transfer In -- Restore Our Waters	106,761	183,896	187,574	0
705000	GF Reimbursement of Abandoned Vehicles	51,383	52,411	53,459	0
	Total General Subfund Support	**1,113,601**	**1,117,612**	**1,145,698**	**1,205,361**
437010	Call Center Reimbursement from SCL	1,771,877	1,676,405	1,688,806	1,688,806
443210	GIS CGDB Corporate Support (N2408 and N2418)	788,093	1,148,267	1,171,233	1,171,233
543210	GIS Maps & Publications (N2409 and 2419)	157,619	157,619	157,619	157,619
543210	Parks & Other City Depts. (N4405)	1,126,276	502,112	511,053	511,053
543210	SCL for reLeaf	0	0	0	80,000
543210	SCL Fund (N4403)	235,403	337,525	339,176	339,176
543210	SDOT Fund (N4404)	3,692,608	1,630,363	1,670,771	3,570,771
	Total Interfund Services	**7,771,876**	**5,452,291**	**5,538,659**	**7,518,659**
461110	Build America Bond Interest Income	1,645,000	0	0	1,886,000
469990	Other Operating Revenues	156,452	159,582	162,773	53,349
479010	Operating Grants	300,076	300,076	300,076	315,042
705000	Technical Adjustments	0	960,000	991,400	0
	Total Other Revenues	**2,101,528**	**1,419,658**	**1,454,249**	**2,254,391**
469990	Transfer from Construction Fund	42,216,852	57,418,858	63,425,475	69,859,976
	Total Transfer from Construction Fund	**42,216,852**	**57,418,858**	**63,425,475**	**69,859,976**
443510	Wastewater Utility Services	186,654,961	210,512,050	215,608,814	211,886,469
	Total Wastewater Rates	**186,654,961**	**210,512,050**	**215,608,814**	**211,886,469**

2012 Estimated Revenues for the Drainage and Wastewater Fund - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
	Total Revenues	**302,383,011**	**349,031,677**	**366,068,284**	**373,497,525**
379100	Decrease (Increase) in Working Capital	5,313,092	9,532,464	5,877,088	4,110,750
	Total Decrease (Increase) in Working Capital	**5,313,092**	**9,532,464**	**5,877,088**	**4,110,750**
	Total Resources	**307,696,103**	**358,564,141**	**371,945,372**	**377,608,275**

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Drainage and Wastewater Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities and, more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	12,141,698	13,918,854	13,706,807	14,759,318
General and Administrative Credit	(8,261,157)	(10,816,551)	(10,922,149)	(9,165,778)
Total	**3,880,541**	**3,102,303**	**2,784,658**	**5,593,540**
Full-time Equivalents Total *	62.50	59.75	59.75	59.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Administration Program

The purpose of the Drainage and Wastewater Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities and, more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services to the entire Department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	12,141,698	13,918,854	13,706,807	14,759,318
Full-time Equivalents Total	62.50	59.75	59.75	59.75

General and Administrative Credit Program

The purpose of the Drainage and Wastewater Utility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General and Administrative Credit	(8,261,157)	(10,816,551)	(10,922,149)	(9,165,778)

Appropriations by Budget Control Level (BCL) and Program

Combined Sewer Overflows Budget Control Level

The purpose of the Drainage and Wastewater Utility Combined Sewer Overflow (CSO) Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan and construct large infrastructure systems, smaller retrofits, and green infrastructure for CSO control.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Combined Sewer Overflows	16,996,370	17,806,875	25,769,534	26,887,630
Full-time Equivalents Total*	30.00	30.00	30.00	30.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Customer Service Budget Control Level

The purpose of the Drainage and Wastewater Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Service	5,976,406	7,089,545	7,026,865	7,425,526
Full-time Equivalents Total*	59.00	58.50	57.50	56.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Flooding, Sewer Back-up, and Landslides Budget Control Level

The purpose of the Drainage and Wastewater Utility Flooding, Sewer Back-up, and Landslides Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan, design, and construct systems aimed at preventing or alleviating flooding and sewer backups in the city of Seattle, protecting public health, safety, and property. This program also protects SPU drainage and wastewater infrastructure from landslides, and makes drainage improvements where surface water generated from the City right-of-way contributes to landslides.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Flooding, Sewer Back-up, and Landslides	14,906,037	35,069,776	23,240,984	24,186,341
Full-time Equivalents Total*	25.00	25.00	25.00	25.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

General Expense Budget Control Level

The purpose of the Drainage and Wastewater Utility General Expense Budget Control Level is to appropriate funds to pay the Drainage and Wastewater Utility's general expenses.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	37,617,908	37,274,252	39,863,112	41,832,081
Other General Expenses	127,120,776	141,157,439	141,232,653	139,567,179
Taxes	32,276,515	36,979,272	38,640,160	38,235,239
Total	**197,015,199**	**215,410,962**	**219,735,925**	**219,634,499**
Full-time Equivalents Total *	0.50	0.50	0.50	0.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Debt Service Program

The purpose of the Drainage and Wastewater Utility Debt Service Program is to provide appropriation for debt service on Drainage and Wastewater Utility bonds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	37,617,908	37,274,252	39,863,112	41,832,081

Other General Expenses

The purpose of the Drainage and Wastewater Utility Other General Expenses Program is to appropriate funds for payment to King County Metro for sewage treatment, and the Drainage and Wastewater Fund's share of City central costs, claims, and other general expenses.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Other General Expenses	127,120,776	141,157,439	141,232,653	139,567,179
Full-time Equivalents Total	0.50	0.50	0.50	0.50

Taxes Program

The purpose of the Drainage and Wastewater Utility Taxes Program is to provide appropriation for payment of city and state taxes.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Taxes	32,276,515	36,979,272	38,640,160	38,235,239

Appropriations by Budget Control Level (BCL) and Program

Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Drainage and Wastewater Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Operations	18,532,986	19,895,761	19,854,568	19,550,762
Pre-Capital Planning & Development	1,023,467	1,989,291	2,069,669	1,551,378
Project Delivery	8,134,888	9,348,989	9,407,616	11,093,977
Utility Systems Management	14,986,506	17,879,199	18,442,069	18,921,042
Total	**42,677,848**	**49,113,240**	**49,773,922**	**51,117,159**
Full-time Equivalents Total *	262.00	261.75	261.75	260.55

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Field Operations Program

The purpose of the Drainage and Wastewater Utility Field Operations Program is to operate and maintain drainage and wastewater infrastructure that protects the public's health, and protects and improves the environment.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Operations	18,532,986	19,895,761	19,854,568	19,550,762
Full-time Equivalents Total	106.00	105.25	105.25	105.25

Pre-Capital Planning & Development Program

The purpose of the Drainage and Wastewater Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the drainage and wastewater system. This program will capture all costs associated with a project that need to be expensed during its life-cycle, including any post-construction monitoring and landscape maintenance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pre-Capital Planning & Development	1,023,467	1,989,291	2,069,669	1,551,378

Appropriations by Budget Control Level (BCL) and Program

Project Delivery Program

The purpose of the Drainage and Wastewater Utility Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to Drainage and Wastewater Utility's capital improvement projects and to the managers of drainage and wastewater facilities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Project Delivery	8,134,888	9,348,989	9,407,616	11,093,977
Full-time Equivalents Total	69.00	67.00	67.00	67.00

Utility Systems Management Program

The purpose of the Drainage and Wastewater Utility's Utility Systems Management Program is to ensure that each SPU utility system and associated assets are properly planned, developed, operated, and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Utility Systems Management	14,986,506	17,879,199	18,442,069	18,921,042
Full-time Equivalents Total	87.00	89.50	89.50	88.30

Protection of Beneficial Uses Budget Control Level

The purpose of the Drainage and Wastewater Utility Protection of Beneficial Uses Budget Control Level, a Capital Improvement Program funded by drainage revenues, is to make improvements to the city's drainage system to reduce the harmful effects of stormwater runoff on creeks and receiving waters by improving water quality and protecting or enhancing habitat.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Protection of Beneficial Uses	1,863,482	2,283,081	6,040,474	4,799,701
Full-time Equivalents Total*	15.00	15.00	15.00	15.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Rehabilitation Budget Control Level

The purpose of the Drainage and Wastewater Utility Rehabilitation Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to rehabilitate or replace existing drainage and wastewater assets in kind, to maintain the current functionality of the system.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Rehabilitation	9,525,878	6,471,519	10,526,291	12,622,929
Full-time Equivalents Total*	30.00	30.00	30.00	30.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Sediments Budget Control Level

The purpose of the Drainage and Wastewater Utility Sediments Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to restore and rehabilitate natural resources in or along Seattle's waterways.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Sediments	4,051,291	6,350,146	5,385,277	5,594,648
Full-time Equivalents Total*	7.00	7.00	7.00	7.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Shared Cost Projects Budget Control Level

The purpose of the Drainage and Wastewater Utility Shared Cost Projects Budget Control Level, a Drainage and Wastewater Capital Improvement Program, is to implement the Drainage and Wastewater Utility's share of capital improvement projects that receive funding from multiple SPU funds benefiting the Utility.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Shared Cost Projects	8,346,676	11,804,290	16,660,024	14,930,876
Full-time Equivalents Total*	39.00	39.00	39.00	39.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Technology Budget Control Level

The purpose of the Drainage and Wastewater Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of recent technology advances to increase the Drainage and Wastewater Utility's efficiency and productivity.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technology	2,456,375	4,062,403	5,001,418	4,815,426
Full-time Equivalents Total*	13.00	13.00	13.00	13.00

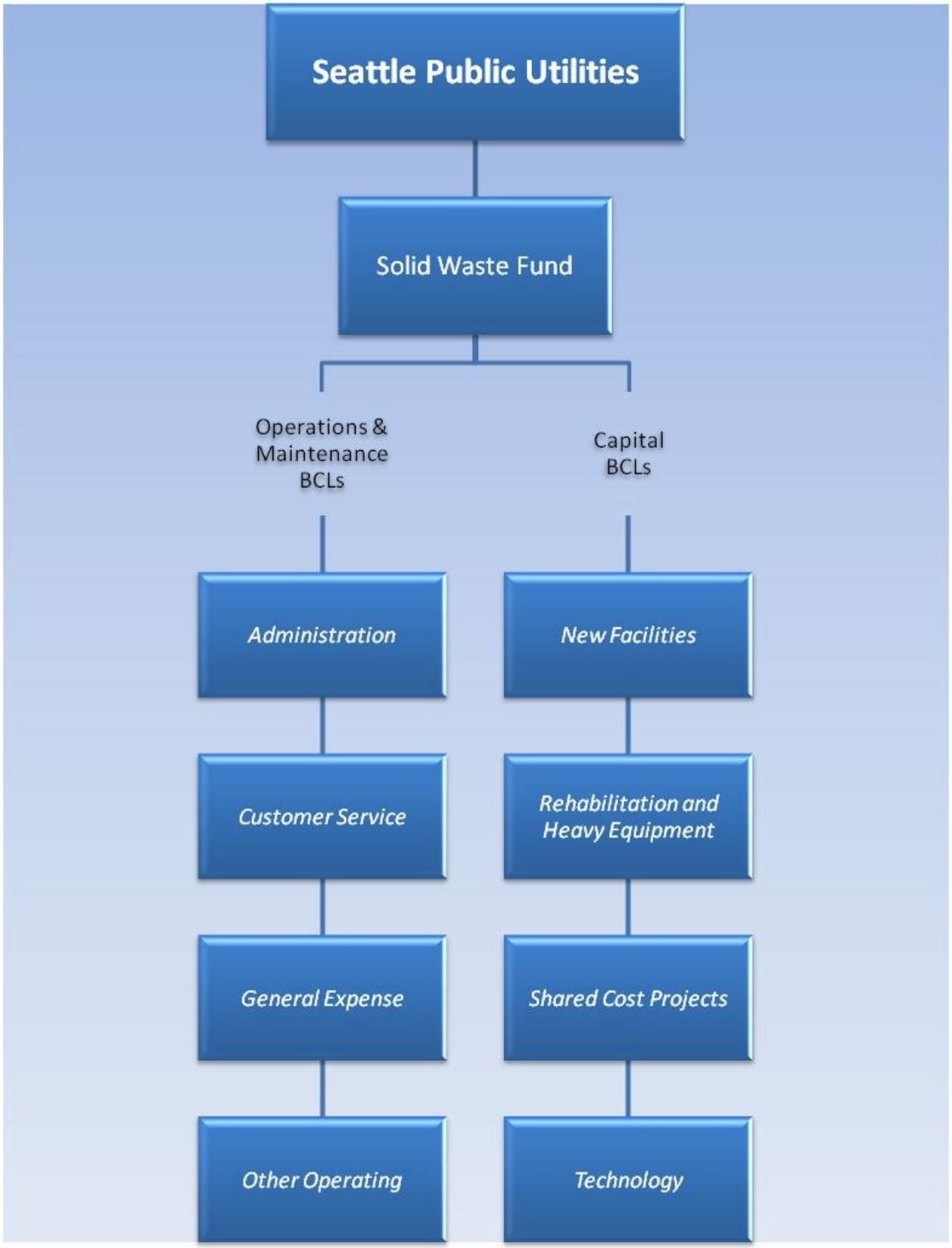
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Table

Drainage & Wastewater Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Operating Cash at End of Previous Year	**23,524,844**	**12,600,733**	**30,255,508**	**10,420,796**	**21,285,158**
Plus: Actual and Estimated Revenue	302,383,011	349,031,677	341,849,768	366,068,284	373,497,525
Less: Actual and Budgeted Expenditures	307,696,103	358,564,141	366,783,753	371,945,372	377,608,275
CIP Accomplishment Assumptions	0	(8,384,809)	(8,986,635)	(9,262,400)	(9,383,755)
Accounting and Technical Adjustments	12,043,753	(1,032,283)	6,977,000	(3,501,609)	(15,858,163)
Ending Operating Cash	**30,255,508**	**10,420,796**	**21,285,158**	**10,304,500**	**10,700,000**

Solid Waste Utility by Budget Control Level



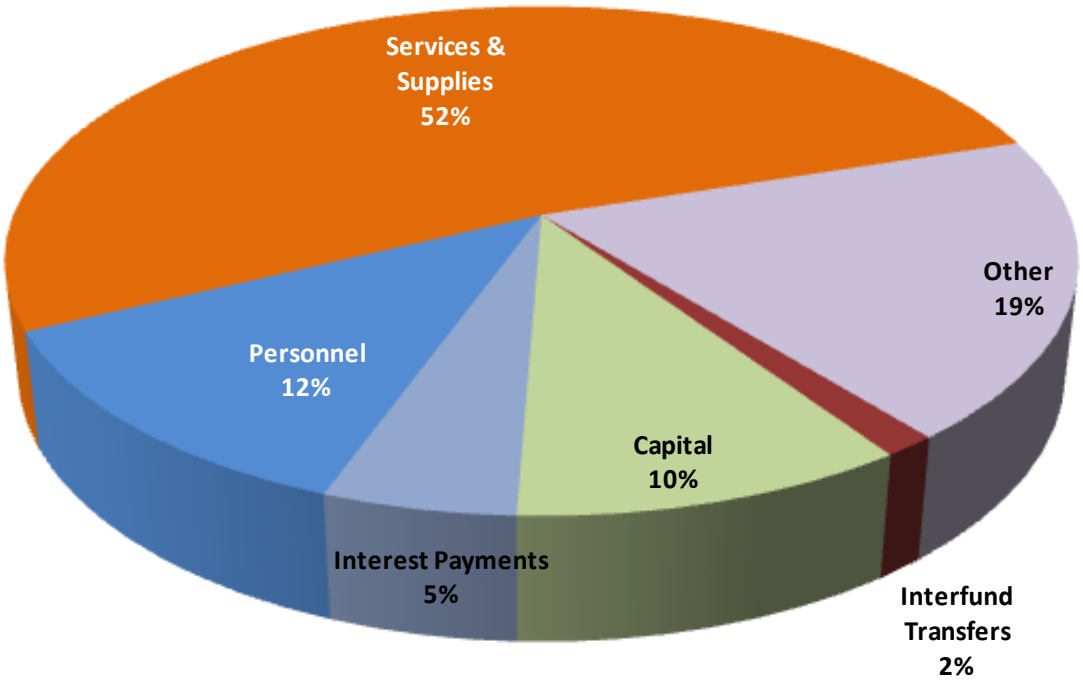
Seattle Public Utilities - Solid Waste Utility

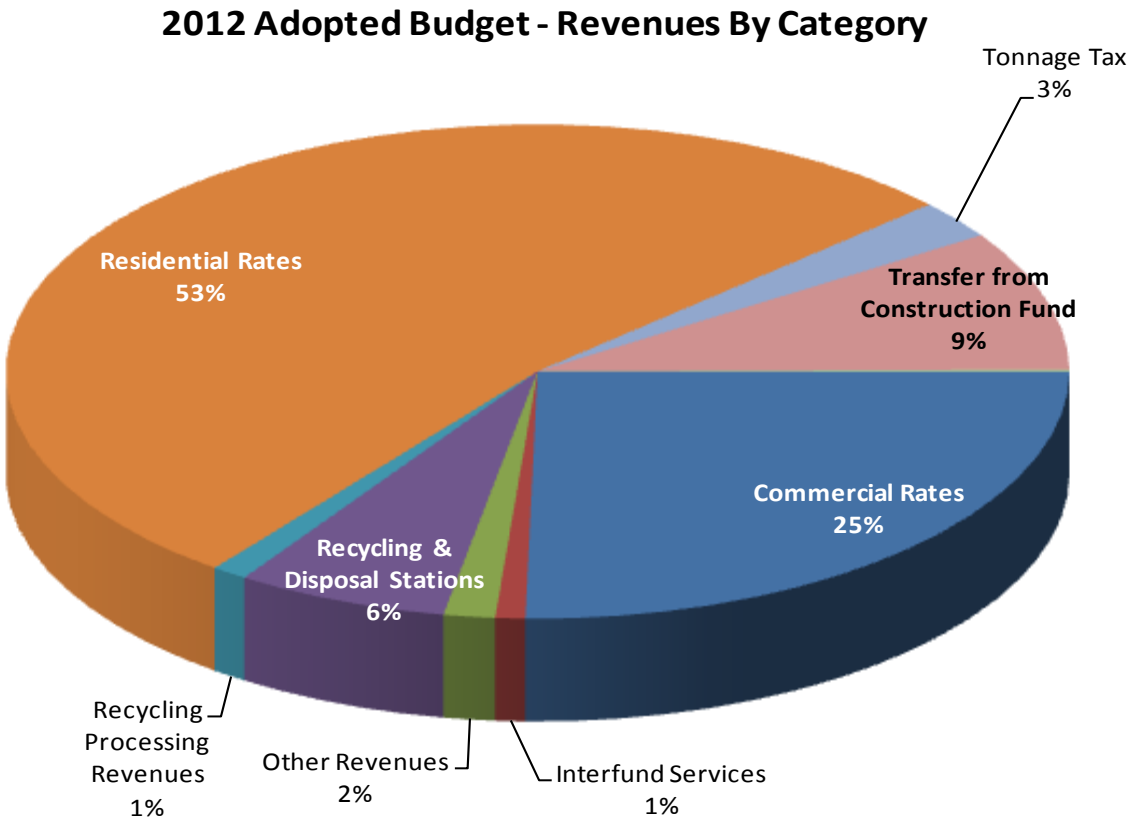
Budget Snapshot

Solid Waste Utility	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$51,383	$52,411	$53,459	$0
Other Revenues	$173,032,819	$187,232,970	$201,239,537	$185,023,160
Total Revenues	**$173,084,202**	**$187,285,381**	**$201,292,996**	**$185,023,160**
Use of (Contribution to) Fund Balance	($3,131,603)	$1,745,639	$4,949,656	($1,957,853)
Total Resources	**$169,952,599**	**$189,031,020**	**$206,242,652**	**$183,065,307**
Total Expenditures	**$169,952,599**	**$189,031,020**	**$206,242,652**	**$183,065,307**
Full-Time Equivalent * Total	217.06	210.06	208.06	205.56

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category





Budget Overview

The Solid Waste Utility:

- collects, processes, and disposes of solid waste from residents and businesses in Seattle to support public health and safety;
- provides customer service, education, and outreach;
- complies with regulatory requirements;
- develops and implements policies and programs that promote recycling, composting, and other waste diversion, to help the City of Seattle meet its goal of diverting 60% of all waste from landfills by 2012 and 70% by 2025; and,
- manages historic landfill sites to ensure protection of human health and the environment, as required by regulation.

The Solid Waste Utility's budget includes funding to rebuild the South and North Transfer Stations. Built in the mid-1960s, both transfer stations have experienced close to half a century of hard industrial use that has worn out the buildings considerably and caused significant increases in ongoing maintenance on electrical and other systems. The current aged stations are not designed for possible future earthquakes, are overcrowded given the current size of Seattle's population, and have limited space for recycling. The new North Transfer Station will likely be completed in 2014. The new South Transfer Station will finish construction in 2012. In fact, roughly $20 million in funding originally programmed

for this project in 2012 was accelerated into 2011 given revised construction phasing for the project, with the result that the 2012 Adopted Budget is significantly lower than the 2012 Endorsed Budget.

The Solid Waste Utility's budget also includes funding for collection, processing, and disposal of the city's waste including recyclables and compostables. After rising for seven straight years, by 2010 Seattle's recycling rate had reached an all-time high of 53.7% overall and 70.3% for single family households. Seattle is among the national leaders in municipal recycling, clearly surpassing the national recycling average of 32.1%. Part of this success is due to the Utility's program to collect compostable waste and food scraps from homes, apartments, and condominiums. Continued policy innovation will be required to meet the City's recycling goals, however, as approximately half of the city's garbage is still made up of recyclable or compostable material, including food waste, paper, and construction materials. SPU will work with the Mayor and Council on policy and program innovations in 2012 to help the City meet these goals.

The Utility's revenue is primarily generated through charges based on the amount of garbage collected from residential and commercial customers. The Solid Waste Utility has been under financial stress since 2008 as a result of the economic downturn, which curbed the volume of waste and recyclables, and caused prices for recyclable materials to dip considerably for several months. To respond to the downturn, various reductions were implemented in the 2010 and 2011 budgets, impacting customer education, community waste prevention grants, and enforcement for recycling requirements. Rate increases were instituted in 2010 for the period 2011-2012, and included increases for the average residential customer of 6.5%, or $2.25 per month, in 2012. The rate increases were driven largely by declining volumes and replacement of the City's two transfer stations, both of which are nearing the end of their useful lives.

The 2012 Adopted Budget is largely consistent with all major policy assumptions in the 2011 Adopted Budget and 2012 Endorsed Budget. The limited policy-related changes include the transfer of resources from SPU to the Seattle Department of Transportation (SDOT) to enhance graffiti removal from parking pay stations; changes in the funding approach to abandoned vehicles response, which was previously supported by the General Fund; and adjustments to balance the Clean City program's expenditures and revenues. The Clean City program is supported by a general purpose tax on garbage transferred within city boundaries, and provides graffiti and illegal dumping clean up, litter collection, above ground rat control, and support to communities who organize to keep their streets clean and litter-free. Revenues have been lower than forecast given tonnage declines, and expenses were above forecast, which required the rebalancing contained in the 2012 Proposed Budget. During its review, City Council increased tonnage taxes further to provide an additional $177,000 in funding for enhanced litter collection services along Third Avenue in the downtown core.

While the 2012 Adopted Budget contains few policy changes, there are several technical changes, including the revised construction phasing on the South Transfer Station, which required roughly $20 million in CIP expenditures to be moved from 2012 into 2011; a reduction in debt service costs due to a favorable bond sale; and reductions in solid waste contracts and revenue estimates due to decreasing tonnages. Overall, the O&M budget approved for 2012 is about $1.5 million lower than the 2012 Endorsed Budget, and core revenues are down by over $3.0 million. The Solid Waste Fund is projected to meet all but one financial target in 2012, net income. The 2013-2014 rate proposal will ensure that all targets are again met in this fund.

City Council Changes

The City Council enhanced litter collection along Third Avenue in the downtown core, funded by an additional 4.5% increase in tonnage tax rates.

Council did not approve a proposed consolidation of grant administration services. To gain efficiencies, the 2012 Proposed Budget would have transferred administration of SPU's Waste Prevention and Recycling Grant program to the Department of Neighborhoods, which manages other City grant programs. However, Council returned the administration of Solid Waste grants to Seattle Public Utilities. This program will continue to be administered by Solid Waste utility staff.

Council added Solid Waste funding to support a portion of a new position in the City Auditor's Office. The position will work on utility-related issues, including Solid Waste issues.

Council also increased the number of people eligible to receive emergency assistance on their utility bills, by changing the eligibility threshold. This change will reduce revenues to the Solid Waste Utility by about $65,000.

Incremental Budget Changes

Seattle Public Utities - Solid Waste Utiity

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$206,242,652**	208.06
2012 Proposed Changes			
	Technical Adjustments	($1,862,859)	0.00
	Clean City Program and Tonnage Taxes	$137,868	(0.50)
	General Fund Changes - Abandoned Vehicles	($53,459)	
	Graffiti Removal for Parking Pay Stations	$0	(1.00)
	Management Efficiencies	$0	(1.00)
	Solid Waste Community Grants Administration	($8,107)	0.00
	Solid Waste CIP	($21,198,621)	0.00
	Technology CIP	($473,371)	0.00
Total Changes		**($23,458,549)**	**(2.50)**
2012 Proposed Budget		**$182,784,103**	**205.56**
Council Adjustments to Proposed Budget			
	Clean City Program, Third Avenue, and Tonnage Taxes	$303,000	0.00
	Solid Waste Community Grants	$8,107	0.00
	Utility Auditing	$9,590	0.00
	Expansion of Low Income Emergency Assistance	$0	0.00
	Adjustment to Employer Contribution Rate to SCERS	($39,493)	0.00
Total Adjustments		**$281,204**	**0.00**
2012 Adopted Budget		**$183,065,307**	**205.56**

Technical Adjustments - ($1,862,859). Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent policy changes in the Solid Waste Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; corrections to technical errors included in the 2012 Endorsed Budget; reductions to major payments, including debt service and taxes, based on the latest revenue forecasts and a favorable bond issue; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning. This item also moves $150,000 that was added by Council for an every-other-week-garbage pilot into 2012, since the funding was not used in 2011. Finally, this item adds $979,000 to reflect the actual costs of providing solid waste containers to customers.

Clean City Program and Tonnage Taxes - $137,868 / (0.5 FTE). The City levies a tax on all tons of garbage transferred through Seattle city limits. By City policy, these revenues are directed to the Clean City Program managed by SPU, which provides graffiti abatement, litter can servicing streetside and in parks, rat control, illegal dumping response, and community services like Adopt-a-Street and Spring Clean. Tonnage tax revenues have come in well below forecast since 2009 due to the region's economic downturn. Expenditures, however, are higher than originally projected for three reasons. First, SPU recently determined that roughly $1.3 million in litter and recycling collection costs had not been included in the Clean City Program costs. Second, abandoned vehicles work is approved to be funded by tonnage taxes rather than the General Fund in 2012. Third, SPU recently determined that it has not been properly applying the indirect overhead costs associated with the Clean City Program to the tonnage tax revenue.

To help balance expenditures and revenues, the 2012 Proposed Budget reduced costs by $360,000 annually. To minimize service level impacts, the proposed reductions were spread across program services, including:

- rat control – reduction of $50,000 to align funding with 2011 service levels;
- collection of litter from receptacles in parks and public places – reduction of $100,000 that will be implemented in part by reducing collection frequency for receptacles that are routinely well below full capacity when serviced, and eliminating service where cans are misused or not within siting criteria;
- illegal dumping investigation – reduction of $120,000 that will eliminate funding for program development intended to incorporate enforcement activities into SPU's illegal dumping program; and,
- removal of enhancements to the City's anti-graffiti program that were added in 2011 but never implemented – reduction of $92,000 and a part-time Public Education Program Specialist position.

The 2012 Proposed Budget also assumed tonnage tax rates would increase by 14% a year between 2012 and 2014, generating additional revenue. SPU is the largest payer of the tonnage tax in the city, and pays about 72% of this tax.

Because most of these proposed actions shifted costs between revenue sources within the same Budget Control Level, there was very little net appropriation change. The 2012 Proposed Budget included $137,868 in new appropriation authority, which was the result of the $360,000 programmatic reduction, an increase of roughly $398,000 associated with SPU's share of the higher tonnage taxes, and approximately $100,000 in new expenses associated with abandoned vehicles that had previously been funded by the General Fund and budgeted in all three SPU utilities. In addition, a half-time position that had been added in 2011 to provide enhanced anti-graffiti services was proposed for abrogation, as that work was never begun. Council actions further modified expenditure levels and tonnage tax rates, as described in the Council Changes section below.

General Fund Changes - Abandoned Vehicles - ($53,549). When Seattle residents seek City help in dealing with vehicles that have been abandoned on City rights of way and properties, they contact SPU's Call Center staff, who log the calls and provide information to the Seattle Police Department. In the 2012 Adopted Budget, funding for abandoned vehicles work is adjusted downward to match actual

expenditure levels, and then transferred from the General Fund to another general purpose revenue source, the tonnage tax. The General Fund reduction is part of SPU's approach to meeting its General Fund reduction target. This item preserves current service levels.

Graffiti Removal for Parking Pay Stations - (1.0) FTE. In the 2011 Adopted Budget, the City Council took several actions related to graffiti control and abatement. These included direction that SPU and SDOT explore transferring resources from SPU to SDOT for improved graffiti control on parking pay stations. In May 2011, SPU recommended the transfer of a filled position to SDOT. SDOT presented a separate recommendation involving the use of an existing vacant SDOT pocket. After consideration, the Executive's proposal to Council included the abrogation of one SPU position and an ongoing payment from SPU to SDOT to support an existing vacant pocket in SDOT. Parking pay stations are viewed by community stakeholders as one of the priority areas for graffiti removal. The City Council accepted the proposal with no modifications.

Management Efficiencies - (1.0) FTE. During the 2011-2012 budget process, the City Council removed $500,000 from SPU's 2012 Endorsed Budget and directed SPU to abrogate managerial and supervisory positions consistent with the $500,000 reduction. In response, SPU's 2012 Adopted Budget eliminates three senior management positions in the department: a vacant Manager 2, Utilities, in the Solid Waste Utility; a vacant Strategic Advisor 2, General Government, in the Water Utility; and, a vacant Executive 2 in the Drainage and Wastewater Utility. There are no dollar changes associated with this item in the 2012 Adopted Budget, since the 2012 Endorsed Budget already included the $500,000 reduction.

The three positions identified create savings of $462,000. However, SPU will work with the City's Personnel Department to reclassify a number of filled management and supervisory positions to better align position titles with job responsibilities. These reclassifications will take effect in 2012. The salary savings resulting from the reclassifications will make up the difference between the $500,000 cut target and the $462,000 savings outlined above.

Solid Waste Community Grants Administration - ($8,107). The Waste Prevention and Recycling Grant program in SPU was created in July 2007 by City Council Resolution 30990 to encourage support for community waste reduction activities. To make the grant program as efficient as possible, the 2012 Proposed Budget transferred administration of the grant to the Department of Neighborhoods' Neighborhood Matching Subfund (NMF), whose staff already administers a wide range of community grants. SPU would have paid NMF $48,893 annually for these services, and another $8,107 that was previously used by SPU for administration would have been reduced, providing savings to solid waste rate payers. The appropriation for the awards made to community will remain within SPU's budget. This item is impacted by Council changes described below.

Solid Waste CIP - ($21,198,621). The 2012 Adopted Budget for the Solid Waste CIP – excluding Technology CIP projects – represents a decrease of roughly $21.2 million from the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The reduction is largely due to the shift of funding from 2012 into 2011 reflecting revised construction phasing for the South Transfer Station. This shift does not change total project costs, just the timing of expenditures. For more information on project level changes, please see the 2012-2017 Adopted CIP.

Technology CIP - ($473,371). The 2012 Adopted Budget reduces Technology CIP spending by 10% or $1.37 million compared to the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The Solid Waste Utility's share of the Technology CIP reduction is 35% or $473,371, based on the Solid Waste Utility's share of benefit from these projects. SPU will focus technology spending on the highest priority business needs. These include utility asset management (Maximo Upgrade/Asset Data Initiative), budget and financial management (Budget Planning and Forecasting, Financial Data Mart), customer service improvements (Web Application Redesign, online chat & contact tools), and project delivery (Enterprise Project Management System). Other technology investments will be cancelled or deferred as a result of this reduction, which is part of a set of initiatives intended to continue containing costs across the utility. For more information on project and BCL changes, please see the 2012-2017 Adopted CIP.

City Council Changes to the 2012 Proposed Budget

Clean City Program, Third Avenue, and Tonnage Taxes - $303,000. Council accepted the expenditure reductions and tonnage tax changes presented in the 2012 Proposed Budget. In addition, Council raised tonnage taxes in 2012 by a further 4.5%, for a total increase of 18.5% in 2012, to provide an increase of $177,000 for enhanced litter collection along Third Avenue in the downtown core. Tonnage tax increases in 2013 and 2014 were set by Council at 13.5% each year. SPU is the largest single payer of the tonnage tax. Therefore, when the City Council raised the tax, they also added appropriation authority to allow SPU to pay its share of the tax increase ($126,000 in 2012).

Solid Waste Community Grants Administration - $8,107. Administration for the Waste Prevention and Recycling Grant program was returned to SPU from the Department of Neighborhoods' Neighborhood Matching Fund and roughly $8,000 in savings that would have been achieved in SPU as a result of the consolidation will no longer be assumed. SPU will continue to administer Solid Waste grants.

Utility Auditing - $9,590. Council added appropriation authority that will be transferred to the City Auditor's Office to support a portion of a new auditor position. The position will work on utility-related issues, including Solid Waste issues.

Expansion of Low Income Emergency Assistance – $0. Council roughly doubled the number of people eligible to receive emergency assistance on their solid waste utility bills by changing the income eligibility threshold in Seattle Municipal Code 21.76.065. Because more people are now eligible to receive a once-a-year credit of up to half of their delinquent bills, this change is expected to reduce 2012 revenues to the Solid Waste Utility by about $65,000. There is no appropriation impact.

Adjustment to Employer Contribution Rate to SCERS – ($39,493). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

The City Council adopted the following budget provisos:

- *Of the appropriation in the 2012 budget for the Seattle Public Utilities' (SPU's) Other Operating BCL, $50,000 is appropriated solely for consultants to assist SPU's field workforce efficiencies work group and may be spent for no other purpose.*
- *Of the appropriation in the 2012 budget for Seattle Public Utilities' Other Operating BCL, $205,000 shall be spent for an every-other-week (EOW) garbage pilot project and may be spent for no other purpose.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Solid Waste Utility					
Administration Budget Control Level					
Administration		5,698,274	6,694,970	6,577,534	6,605,546
General and Administrative Credit		(991,381)	(1,531,564)	(1,637,756)	(1,425,950)
Administration Budget Control Level	**N100B-SW**	**4,706,893**	**5,163,406**	**4,939,778**	**5,179,597**
Customer Service Budget Control Level	**N300B-SW**	**11,369,038**	**12,871,098**	**12,911,309**	**13,310,286**
General Expense Budget Control Level					
Debt Service		5,846,504	7,338,581	10,593,193	9,039,460
Other General Expenses		95,198,531	100,478,376	103,346,324	101,838,996
Taxes		16,698,023	18,123,440	18,692,662	18,789,522
General Expense Budget Control Level	**N000B-SW**	**117,743,057**	**125,940,398**	**132,632,180**	**129,667,978**
New Facilities Budget Control Level	**C230B**	**15,080,561**	**25,710,121**	**35,411,056**	**13,845,159**
Other Operating Budget Control Level					
Field Operations		9,994,973	11,711,008	12,011,224	12,428,380
Pre-Capital Planning & Development		85,931	463,700	472,758	183,036
Project Delivery		568,871	463,424	445,168	836,905
Utility Systems Management		1,921,961	3,170,183	2,715,226	3,016,107
Other Operating Budget Control Level	**N400B-SW**	**12,571,736**	**15,808,315**	**15,644,376**	**16,464,429**
Rehabilitation and Heavy Equipment Budget Control Level	**C240B**	**5,843,097**	**262,140**	**270,504**	**397,000**
Shared Cost Projects Budget Control Level	**C410B-SW**	**1,650,060**	**1,860,260**	**2,295,274**	**2,536,055**
Technology Budget Control Level	**C510B-SW**	**988,156**	**1,415,282**	**2,138,175**	**1,664,804**
Total Solid Waste Utility		**169,952,599**	**189,031,020**	**206,242,652**	**183,065,307**

Revenue Overview

2012 Estimated Revenues for the Solid Waste Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
443710	Commercial Services	45,279,471	48,848,341	48,610,322	46,933,145
	Total Commercial Rates	**45,279,471**	**48,848,341**	**48,610,322**	**46,933,145**
705000	GSF - Transfer In - Aband'd Vehicle Calla	51,383	52,411	53,459	0
	Total General Subfund Support	**51,383**	**52,411**	**53,459**	**0**
705000	Call Center Reimbursement from SCL	1,567,306	1,676,405	1,688,806	1,671,433
	Total Interfund Services	**1,567,306**	**1,676,405**	**1,688,806**	**1,671,433**
408000	Other Nonoperating Revenue	742,214	0	0	0
416457	Transfer Fee	0	0	0	0
437010	Operating Fees, Contributions and Grants	782,406	382,573	0	0
443745	Comm'l Disposal (Longhaul) Charges	416,411	476,360	476,360	470,954
469990	Other Operating Revenue	191,070	0	0	2,135
516456	Landfill Closure Fee	13,525	0	0	0
705000	KC Reimb for Local Hzrd Waste Mgt Prgm	2,067,076	2,418,262	2,418,262	2,418,262
	Total Other Revenues	**4,212,702**	**3,277,195**	**2,894,622**	**2,891,351**
443741	Recycling and Disposal Station Charges	11,979,194	12,752,087	12,827,084	11,943,879
	Total Recycling & Disposal Stations	**11,979,194**	**12,752,087**	**12,827,084**	**11,943,879**
443450	Recycling Processing Revenues	2,941,432	0	0	2,000,000
	Total Recycling Processing Revenues	**2,941,432**	**0**	**0**	**2,000,000**
443710	Residential Services	86,158,616	92,365,820	98,242,623	97,733,848
	Total Residential Rates	**86,158,616**	**92,365,820**	**98,242,623**	**97,733,848**
416458	Transfer Fee - Out City	159,800	0	0	0
516457	Transfer Fee - In City	3,766,372	4,042,780	4,017,254	4,669,514
	Total Tonnage Tax	**3,926,172**	**4,042,780**	**4,017,254**	**4,669,514**
481200	Transfers from Construction Fund	16,967,925	23,505,342	32,384,826	16,945,990
	Total Transfer from Construction Fund	**16,967,925**	**23,505,342**	**32,384,826**	**16,945,990**
466990	Recovery Fees/Yellow Pages	0	765,000	574,000	234,000
	Total Yellow Pages Fees	**0**	**765,000**	**574,000**	**234,000**
Total Revenues		**173,084,202**	**187,285,381**	**201,292,996**	**185,023,160**

2012 Estimated Revenues for the Solid Waste Fund - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
379100	Decrease (Increase) in Working Capital	(3,131,603)	1,745,639	4,949,656	(1,957,853)
	Total Decrease (Increase) in Working Capital	**(3,131,603)**	**1,745,639**	**4,949,656**	**(1,957,853)**
	Total Resources	**169,952,599**	**189,031,020**	**206,242,652**	**183,065,307**

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Solid Waste Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Solid Waste Utility, and to provide core financial, human resource, and information technology services.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	5,698,274	6,694,970	6,577,534	6,605,546
General and Administrative Credit	(991,381)	(1,531,564)	(1,637,756)	(1,425,950)
Total	**4,706,893**	**5,163,406**	**4,939,778**	**5,179,597**
Full-time Equivalents Total *	35.00	31.50	30.50	29.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Administration Program

The purpose of the Solid Waste Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Solid Waste Utility, and to provide core financial, human resource, and information technology services to the entire Department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	5,698,274	6,694,970	6,577,534	6,605,546
Full-time Equivalents Total	35.00	31.50	30.50	29.50

General and Administrative Credit Program

The purpose of the Solid Wast Jtility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General and Administrative Credit	(991,381)	(1,531,564)	(1,637,756)	(1,425,950)

Customer Service Budget Control Level

The purpose of the Solid Waste Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Service	11,369,038	12,871,098	12,911,309	13,310,286
Full-time Equivalents Total*	91.00	88.00	87.00	85.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

General Expense Budget Control Level

The purpose of the Solid Waste Utility General Expense Budget Control Level is to provide appropriation to pay the Solid Waste Utility's general expenses.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	5,846,504	7,338,581	10,593,193	9,039,460
Other General Expenses	95,198,531	100,478,376	103,346,324	101,838,996
Taxes	16,698,023	18,123,440	18,692,662	18,789,522
Total	**117,743,057**	**125,940,398**	**132,632,180**	**129,667,978**

Debt Service Program

The purpose of the Solid Waste Utility Debt Service Program is to appropriate funds for debt service on Solid Waste Utility bonds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	5,846,504	7,338,581	10,593,193	9,039,460

Other General Expenses Program

The purpose of the Solid Waste Utility Other General Expenses Program is to provide appropriation for payments to contractors who collect the city's solid waste, the Solid Waste Fund's share of City central costs, claims, and other general expenses.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Other General Expenses	95,198,531	100,478,376	103,346,324	101,838,996

Taxes Program

The purpose of the Solid Waste Utility Taxes Program is to appropriate funds for payment of city and state taxes.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Taxes	16,698,023	18,123,440	18,692,662	18,789,522

Appropriations by Budget Control Level (BCL) and Program

New Facilities Budget Control Level

The purpose of the Solid Waste Utility New Facilities Budget Control Level, a Capital Improvement Program funded by solid waste revenues, is to design and construct new facilities to enhance solid waste operations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
New Facilities	15,080,561	25,710,121	35,411,056	13,845,159
Full-time Equivalents Total*	9.00	9.00	9.00	9.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Solid Waste Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Operations	9,994,973	11,711,008	12,011,224	12,428,380
Pre-Capital Planning & Development	85,931	463,700	472,758	183,036
Project Delivery	568,871	463,424	445,168	836,905
Utility Systems Management	1,921,961	3,170,183	2,715,226	3,016,107
Total	**12,571,736**	**15,808,315**	**15,644,376**	**16,464,429**
Full-time Equivalents Total *	76.06	75.56	75.56	75.56

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Field Operations Program

The purpose of the Solid Waste Utility Field Operations Program is to operate and maintain the City's solid waste transfer stations and hazardous materials disposal facilities, and to monitor and maintain the City's closed landfills so the public's health is protected and opportunities are provided for reuse and recycling.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Operations	9,994,973	11,711,008	12,011,224	12,428,380
Full-time Equivalents Total	56.00	56.00	56.00	56.00

Appropriations by Budget Control Level (BCL) and Program

Pre-Capital Planning & Development Program

The purpose of the Solid Waste Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the solid waste system. This program will capture all costs associated with a project that needs to be expensed during its life-cycle, including any post-construction monitoring and landscape maintenance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pre-Capital Planning & Development	85,931	463,700	472,758	183,036

Project Delivery Program

The purpose of the Solid Waste Utility Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to Solid Waste Fund capital improvement projects, and to solid waste facility managers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Project Delivery	568,871	463,424	445,168	836,905
Full-time Equivalents Total	1.00	0.00	0.00	0.00

Utility Systems Management Program

The purpose of the Solid Waste Utility's Utility Systems Management Program is to ensure that each SPU utility system and associated assets are properly planned, developed, operated, and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Utility Systems Management	1,921,961	3,170,183	2,715,226	3,016,107
Full-time Equivalents Total	19.06	19.56	19.56	19.56

Rehabilitation and Heavy Equipment Budget Control Level

The purpose of the Solid Waste Utility Rehabilitation and Heavy Equipment Budget Control Level, a Capital Improvement Program funded by solid waste revenues, is to implement projects to repair and rehabilitate the City's solid waste transfer stations and improve management of the City's closed landfills and household hazardous waste sites.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Rehabilitation and Heavy Equipment	5,843,097	262,140	270,504	397,000

Appropriations by Budget Control Level (BCL) and Program

Shared Cost Projects Budget Control Level

The purpose of the Solid Waste Utility Shared Cost Projects Budget Control Level, a Solid Waste Capital Improvement Program, is to implement the Solid Waste Utility's share of capital improvement projects that receive funding from multiple SPU funds and will benefit the Solid Waste Fund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Shared Cost Projects	1,650,060	1,860,260	2,295,274	2,536,055

Technology Budget Control Level

The purpose of the Solid Waste Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of technology to increase the Solid Waste Utility's efficiency and productivity.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technology	988,156	1,415,282	2,138,175	1,664,804
Full-time Equivalents Total*	6.00	6.00	6.00	6.00

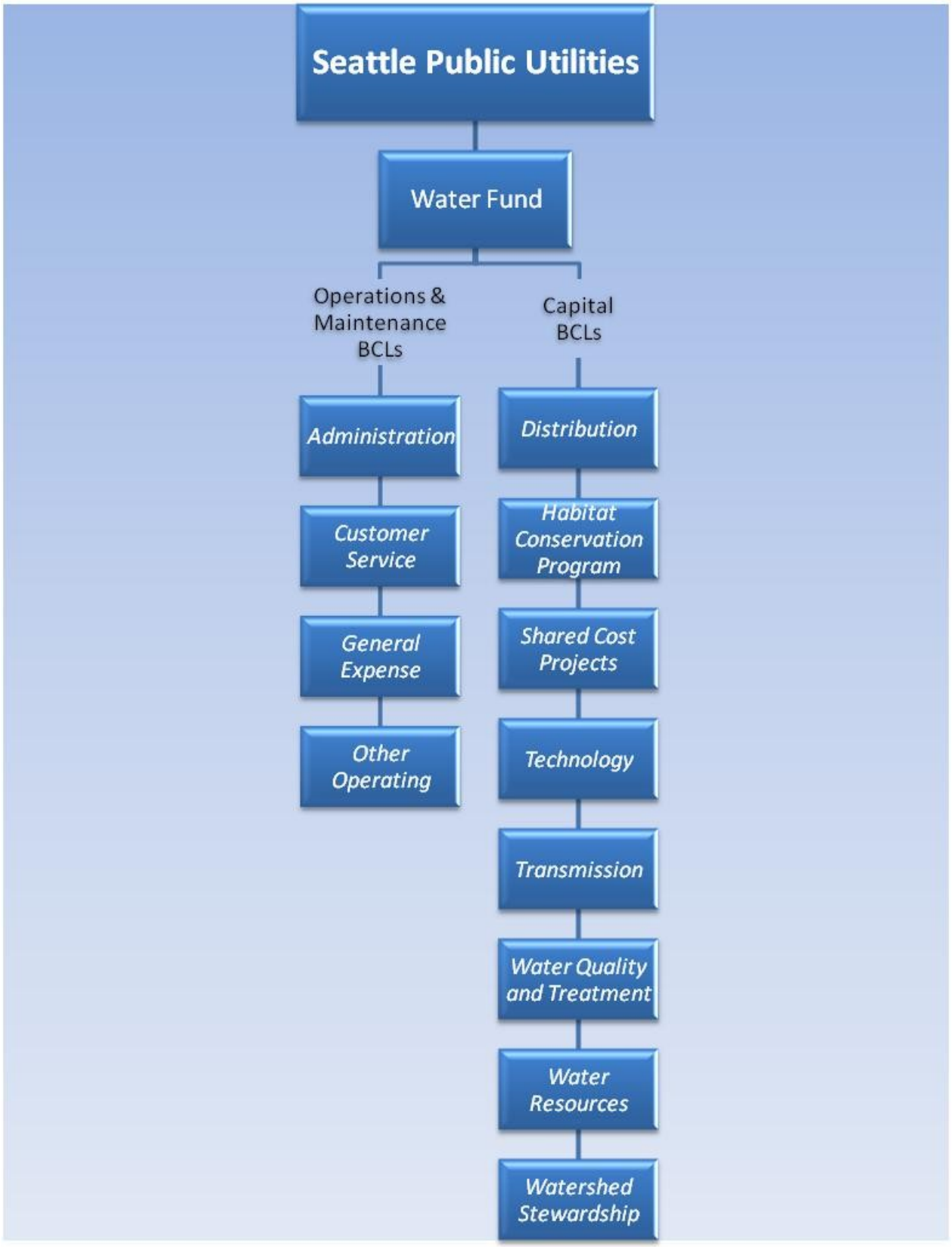
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Table

Solid Waste Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Operating Cash at End of Previous Year	**3,872,213**	**6,954,984**	**10,252,187**	**11,261,906**	**8,203,188**
Plus: Actual and Estimated Revenues	173,084,202	187,285,381	197,014,799	201,292,996	185,023,160
Less: Actual and Budgeted Expenditures	169,952,599	189,031,020	210,299,059	206,242,652	183,065,307
CIP Accomplishment Assumptions	0	(2,924,780)	(4,962,869)	(4,011,501)	(1,844,302)
Accounting and Technical Adjustments	3,248,371	3,127,780	6,272,392	3,439,676	(4,478,992)
Ending Operating Cash	**10,252,187**	**11,261,906**	**8,203,188**	**13,763,428**	**7,526,351**

Water Utility by Budget Control Level

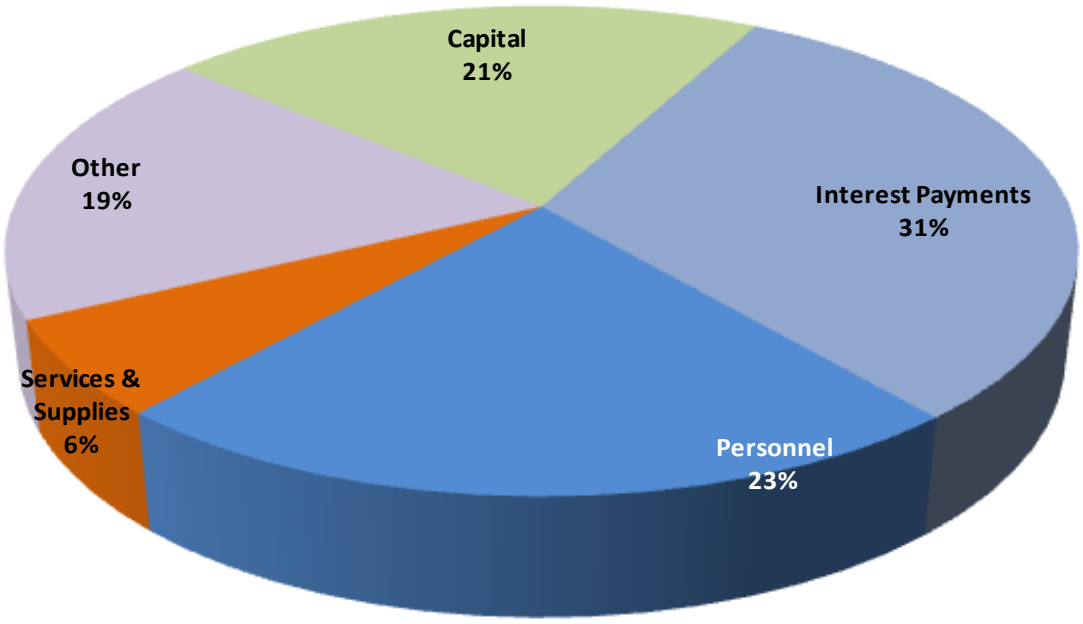


Budget Snapshot

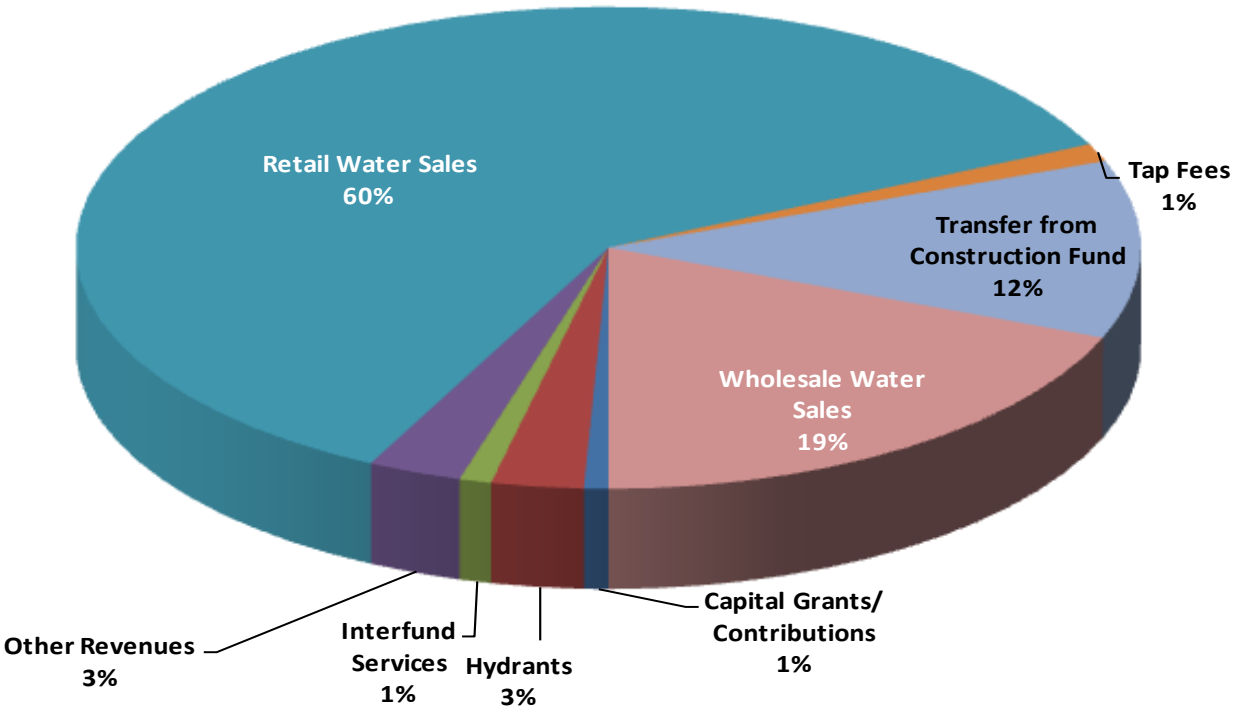
Water Utility	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$52,940	$53,999	$55,079	$0
Other Revenues	$257,835,086	$268,968,157	$272,903,240	$251,772,656
Total Revenues	**$257,888,026**	**$269,022,156**	**$272,958,319**	**$251,772,656**
Use of (Contribution to) Fund Balance	($3,242,609)	$6,284,682	$311,519	$6,791,275
Total Resources	**$254,645,417**	**$275,306,838**	**$273,269,838**	**$258,563,931**
Total Expenditures	**$254,645,417**	**$275,306,838**	**$273,269,838**	**$258,563,931**
Full-Time Equivalent * Total	689.19	671.19	669.19	669.19

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

The Water Utility:

- builds, operates and maintains the City's water utility infrastructure to ensure system reliability and public health and safety;
- protects the environment in the Cedar Watershed by restoring habitats consistent with the City's federal obligations defined in the Cedar River Habitat Conservation Plan; and,
- provides leadership in cost-effective conservation through education and innovation.

Due to successful conservation measures by the Utility and residents throughout the region, water consumption in 2010 was 33% below 1990 levels, despite the area's growing population, and the downward trend is projected to continue. This conservation helps contribute to a sustainable future for the region, but it puts financial pressure on the Utility because fixed costs need to be distributed across fewer units of water sold. In addition, unusually cool and wet summers in 2010 and 2011 reduced water sales below estimates.

The Water Utility is in the second half of a two decade period of investments in major generational assets that respond to regulatory requirements and ensure the uninterrupted supply of pure drinking water. The investments have included new water treatment facilities for the Tolt and Cedar River sources; a second pipeline from the Tolt River source and improvements to the first Tolt pipeline after it burst in 1987; coverings for five open reservoirs in response to state requirements; and investments

to secure the supply of water by reaching an arrangement with the federal government defining the Cedar River Watershed Habitat Conservation Program. Servicing the debt on these large capital projects at a time of declining water consumption presents a financial challenge to the Water Utility.

The Water Utility's revenues come largely from rates charged to retail and wholesale customers. Recent economic conditions have adversely affected Water Utility revenues. Since water rates were last adopted in 2008, the slowdown in the economy has significantly impacted both water sales and new development-related charges (i.e. the fees that developers pay to connect to the water system). Revenues in the Water Fund were a cumulative $56.5 million lower between 2009 and 2011 than forecast in the 2009-2011 rate study, prepared in 2008. To respond to this changing economic climate, SPU abrogated or unfunded 85 FTE across the department in 2010 and 2011, reduced programmatic spending and deferred capital investments, and identified operational efficiencies leading to savings in overtime, fleets, and other central costs.

As a result, the Executive's rate study for 2012-2014 was able to propose base O&M and capital spending for the Water Utility in 2012 that was millions of dollars *lower* than the 2011 amount projected in the 2009-2011 rate study. But rate increases were also required, given debt service on recent capital investments, reductions in demand, reductions in development-related fees, and underlying cost growth in services. Typical monthly residential water bills were proposed to rise by roughly 8% a year between 2012 and 2014, or $2.41 in 2012, $2.68 in 2013, and $2.91 in 2014. The rates strengthen the financial health of the Water Fund and allow SPU to continue providing pure drinking water to Seattle customers at less than a penny a gallon. These rates were modified somewhat during the City Council review process, as described in more detail below.

The 2012 Adopted Budget for the Water Utility continues the reductions implemented in prior years and includes a small amount of new funding for infrastructure maintenance and to decommission the interim fish hatchery on the Cedar River as required by regulators. Also included are reductions in the General Fund-funded abandoned vehicle program, savings from reducing the size of the utility's vehicle fleet, and substantial reductions in 2012 funding for taxes, based on lower sales projections, and debt service, based on the latest schedule for bond sales.

The CIP continues funding for the reservoir undergrounding program, specifically for the completion of the Maple Leaf Reservoir project that began construction in 2009. Capital funding is also provided for the Morse Lake Pump Plant project that will ensure reliable access to water stored in Chester Morse Lake so that enough water can be released into the Cedar River to maintain the supply of fresh drinking water in the region and sustain fish habitats. However, the 2012 expenditures in the 2012-2017 Adopted CIP are roughly $10.9 million lower than expenditures contemplated for 2012 in the Adopted 2011-2016 CIP, due to reductions and deferrals in investments in distribution, transmission, and support to various transportation projects, as described in the 2012-2017 Adopted CIP document.

Overall, the 2012 Adopted Budget for the Water Utility's operations and capital projects is $14.7 million lower than amounts endorsed for 2012 in the 2011-2012 budget.

City Council Changes

During the City Council's review process, changes were made to the proposed 2012-2014 Water Rates that reduced the budget in the Water Utility by $648,000 and lowered rates somewhat. In addition, Council added Water Fund funding to support a portion of a new position in the City Auditor's Office. The position will work on utility-related issues, including Water Utility issues.

Incremental Budget Changes

Seattle Public Utilities - Water Utility

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$273,269,838**	**669.19**
2012 Proposed Changes			
	Technical Adjustments	($3,443,920)	1.00
	Fleet Reductions - Operating Costs	($6,927)	
	Management Efficiencies	$0	(1.00)
	General Fund Changes - Abandoned Vehicles	($55,079)	
	Facilities Maintenance	$178,638	0.00
	Water Main Condition Assessment	$50,000	0.00
	Hatchery Decommissioning	$105,000	0.00
	Water CIP	($10,195,629)	0.00
	Technology CIP	($709,278)	0.00
Total Changes		**($14,077,195)**	**0.00**
2012 Proposed Budget		**$259,192,643**	**669.19**
Council Adjustments to Proposed Budget			
	Water Rates and Budget	($647,892)	0.00
	Utility Auditing	$19,180	0.00
Total Adjustments		**($628,712)**	**0.00**
2012 Adopted Budget		**$258,563,931**	**669.19**

Technical Adjustments - ($3,443,920) / 1.0 FTE. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Water Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; corrections to technical errors included in the 2012 Endorsed

Budget; reductions to major payments including debt service and taxes based on latest revenue forecasts and schedules for the issue of debt; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning. In addition, this action formally proposes the transfer of an Electrical Systems Supervisor from Parks to SPU and reclassifies the position to a Capital Projects Coordinator, reflecting the position's actual duties and assignment for the past 18 months.

Fleet Reductions - Operating Costs - ($6,927). SPU closely manages its fleets and performs annual utilization reviews to identify ways to save money. The 2012 Adopted Budget for SPU reduces SPU's light fleet by two vehicles and heavy equipment by four, saving $11,000 in operating costs each year in the department as a whole and $7,000 in the Water Utility. There are no service level impacts, as reductions were made possible through careful management of the fleets. In previous budgets – the 2010 Adopted as well as the 2011 Adopted and 2012 Endorsed Budget – SPU reduced 24 light fleet vehicles and 12 pieces of heavy equipment. In addition to operating savings, fleet reductions help SPU forego vehicle replacement costs. The reduction of the four heavy vehicles approved for 2012 allows SPU to avoid future equipment purchases of an estimated $153,000.

Management Efficiencies - (1.0) FTE. During the 2011-2012 budget process, the City Council removed $500,000 from SPU's 2012 Endorsed Budget and directed SPU to abrogate managerial and supervisory positions consistent with the $500,000 reduction. In response, SPU's 2012 Adopted Budget eliminates three senior management positions in the department: a vacant Strategic Advisor 2, General Government, in the Water Utility, as well as a vacant Executive 2 in the Drainage and Wastewater Utility, and a vacant Manager 2, Utilities, in the Solid Waste Utility. There are no dollar changes associated with this item in the 2012 Adopted Budget, since the 2012 Endorsed Budget already included the $500,000 reduction.

The three positions identified create savings of $462,000. However, SPU will work with the City's Personnel Department to reclassify a number of filled management and supervisory positions to better align position titles with job responsibilities. These reclassifications will take effect in 2012. The salary savings resulting from the reclassifications will make up the difference between the $500,000 reduction and the $462,000 savings outlined above.

General Fund Changes - Abandoned Vehicles - ($55,079). When Seattle residents seek City help in dealing with vehicles that have been abandoned on City rights of way and properties, they contact SPU's Call Center staff, who log the calls and provide information to the Seattle Police Department. In the 2012 Adopted Budget, funding for abandoned vehicles work is adjusted downward to match actual expenditure levels, and then transferred from the General Fund to another general purpose revenue source, the tonnage tax. The General Fund reduction is part of SPU's approach to meeting its General Fund reduction target. This item preserves current service levels.

Facilities Maintenance - $178,638. This item adds funding to the Water Utility's budget to begin addressing a backlog of deferred maintenance on Water Utility buildings and facilities. SPU has over 100 facility assets built prior to 1955 in regional sites and over 300 facility assets inside the Seattle city limits. Condition assessments of the facilities were completed in 2009, however maintenance has been deferred over the past years as a result of the budget reductions taken by SPU. Deferred maintenance contributes to increased repair and facilities operations costs. This budget therefore includes an allocation to address high priority maintenance issues.

Water Main Condition Assessment - $50,000. This item adds funding to the Water Utility's budget to begin assessments of large water pipes, known as water mains, located in critical areas. When water mains are located under water bodies, highways, large railroad yards, and other critical locations, their failure could cause significant damage. Approximately 58 miles (out of a total of about 1,640 miles) of SPU's direct service area water mains are in critical locations. This pilot program will perform condition assessment on approximately 10 miles of water main to determine the remaining service life. Based on the condition assessment, SPU will implement proactive water main rehabilitation and replacement using SPU's asset management principles. For more discussion of asset management in SPU, please see the 2012-2017 Capital Improvement Program.

Hatchery Decommissioning - $105,000. In partial fulfillment of obligations prescribed by the Landsburg Mitigation Agreement, SPU is constructing a new sockeye salmon hatchery on the Cedar River at Landsburg to replace the Landsburg Interim Sockeye Hatchery. The Shoreline Management and Substantial Development Permit, issued by King County for construction of the new facility, requires construction of a habitat enhancement project on the site of the existing Interim Landsburg Hatchery. Thus the interim hatchery must be decommissioned. The project is expected to include removal of existing temporary facilities, re-establishment of a constructed spring-fed stream through the present interim hatchery site and associated riparian species plantings. The project is expected to cost approximately $330,000 between 2012 and 2013. Although SPU has agreed to the work in the permit with King County, the County will still need to approve the specifics of the project. Cost estimates will be refined as the project proceeds through planning, design, and permitting.

Water CIP - ($10,195,629). The 2012 Adopted Budget for the Water CIP – excluding Technology CIP projects – represents a decrease of $10.2 million from the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. For more information on project level changes, please see the 2012-2017 Adopted CIP.

Technology CIP - ($709,278). The 2012 Adopted Budget reduces technology CIP spending by 10%, or $1.37 million, compared to the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The Water Utility's share of the Technology CIP reduction is 52%, or $709,278, based on the Water Utility's share of benefit from these projects. SPU will focus technology spending on the highest priority business needs. These include utility asset management (Maximo Upgrade/Asset Data Initiative), budget and financial management (Budget Planning and Forecasting, Financial Data Mart), customer service improvements (Web Application Redesign, online chat & contact tools), and project delivery (Enterprise Project Management System). Other technology investments will be cancelled or deferred as a result of this proposal, which is part of a set of initiatives intended to continue restraining costs across the Utility. For more information on project and BCL changes, please see the 2012-2017 Adopted CIP.

Technical note: The Endorsed 2012 FTE count in the Field Operations program in the Water Utility's Other Operating BCL has been restated to reflect an increase of 1.0 FTE. This increase is the result of a transfer of an Office/Maintenance Aide position to SPU that occurred during 2010 but was not yet included in the 2012 Endorsed Budget that was developed during 2010. This is one of a few supported employment pockets in the City of Seattle that are loaned by the Personnel Department to other City Departments to provide a supported employment opportunity. The supported employment pockets are funded by departments with existing resources.

Seattle Public Utilities - Water Utility

City Council Changes to the 2012 Proposed Budget

Water Rates and Budget - ($647,892). The City Council made a variety of changes to the Executive's 2012-2014 Water Rate proposal:

- Council unfunded two vacant positions ($140,000), reduced appropriation authority to reflect final estimates of retirement contributions ($114,000), and reduced consultant funding ($292,000).

- In accordance with the Financial Accounting Standards Board Statement 71, Council approved SPU's request to defer and amortize approximately $10 million of Morse Lake Pump Plant project costs that were not associated with the final project design that was selected in fall 2011 (the floating axial option). These costs will be amortized over 10 years and recovered from future ratepayers. The amortization of $1 million per year of these costs is included in the Council-revised 2012-2014 water rates. This change had no impact on appropriation authority.

- Council changed the eligibility threshold for emergency financial assistance related to delinquent SPU water, wastewater and solid waste bills from 125% of the federal poverty level to 70% of state median income. This change doubled the number of customers eligible for assistance and shifted about $75,000 of Water Fund cost from low income customers to other water rate payers. This change had no impact on appropriation authority.

- Council reduced taxes by $102,000 to reflect that, with lower rates, SPU will earn less money on its water sales, and will therefore owe less in utility taxes.

- Rates were lowered to reflect $1.8 million in operating savings that the Executive identified after submitting the Water Rate proposal. Most of the savings were associated with City central costs including health care and allocations for services from the Departments of Information Technology (DoIT) and Finance and Administrative Services (FAS). Although these savings strategies were not finalized in June 2011 and were therefore not included in the Executive's 2012-2014 Water Rate proposal, the savings were included in the 2012 Proposed Budget. No further budget action is required.

- Rates were lowered to reflect $13.2 million in capital reductions that the Executive identified after submitting the Water Rate proposal. These savings – most of which were associated with selection of the less expensive design alternative for the Morse Lake Pump Plant project (the floating axial option) – were already included in the Executive's 2012 Proposed Budget so no further budget action is required.

As a result of these changes, plus additional adjustments to forecast assumptions approved by Council, the increase in 2012 average system water rates was reduced by approximately 0.6%, from 9.3% in the Executive's June rate proposal, to 8.7% in the adopted 2012-2014 Water Rates.

Utility Auditing - $19,180. Council added appropriation authority that will be transferred to the City Auditor's Office to support a portion of a new auditor position. The position will work on utility-related issues, including Water Utility issues.

City Council Provisos

The City Council adopted the following budget proviso:

- *Of the appropriation in the 2012 budget for the Seattle Public Utilities' (SPU's) Other Operating BCL, $50,000 is appropriated solely for consultants to assist SPU's field workforce efficiencies work group and may be spent for no other purpose.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Water Utility					
Administration Budget Control Level					
Administration		13,991,221	14,043,468	13,981,359	16,243,248
General and Administrative Credit		(7,045,240)	(9,906,163)	(9,912,397)	(7,499,766)
Administration Budget Control Level	**N100B-WU**	**6,945,981**	**4,137,305**	**4,068,962**	**8,743,482**
Customer Service Budget Control Level	**N300B-WU**	**9,062,012**	**10,221,542**	**10,158,605**	**10,010,462**
Distribution Budget Control Level	**C110B**	**17,525,225**	**20,491,716**	**20,819,443**	**15,194,279**
General Expense Budget Control Level					
Debt Service		75,090,949	80,319,400	86,113,751	80,703,111
Other General Expenses		19,555,540	22,141,567	23,292,383	21,665,710
Taxes		36,834,240	32,310,846	36,531,293	34,181,388
General Expense Budget Control Level	**N000B-WU**	**131,480,730**	**134,771,812**	**145,937,427**	**136,550,208**
Habitat Conservation Program Budget Control Level	**C160B**	**5,797,787**	**11,122,687**	**4,236,695**	**4,912,916**
Other Operating Budget Control Level					
Field Operations		20,706,735	23,038,803	22,686,543	23,863,626
Pre-Capital Planning & Development		1,856,873	2,276,203	2,160,390	2,350,479
Project Delivery		4,459,397	5,522,707	5,514,851	5,169,506
Utility Systems Management		14,811,687	16,230,741	16,332,095	16,370,110
Other Operating Budget Control Level	**N400B-WU**	**41,834,692**	**47,068,454**	**46,693,879**	**47,753,721**
Shared Cost Projects Budget Control Level	**C410B-WU**	**10,002,942**	**15,047,995**	**18,481,989**	**14,640,817**

Seattle Public Utilities - Water Utility

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technology Budget Control Level	C510B-WU	3,331,122	4,770,105	6,067,119	5,357,841
Transmission Budget Control Level	C120B	1,016,864	1,688,100	3,024,443	1,343,332
Water Quality & Treatment Budget Control Level	C140B	20,970,305	18,329,399	8,115,120	6,613,000
Water Resources Budget Control Level	C150B	5,812,508	6,516,169	4,769,325	5,616,275
Watershed Stewardship Budget Control Level	C130B	865,251	1,141,554	896,831	1,827,598
Total Water Utility		254,645,417	275,306,838	273,269,838	258,563,931

Revenue Overview

2012 Estimated Revenues for the Water Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
479010	Capital Grants and Contributions	1,605,384	3,142,832	3,143,548	1,853,935
	Total Capital Grants/Contributions	**1,605,384**	**3,142,832**	**3,143,548**	**1,853,935**
705000	GF Reimb Abandoned Vehicles	52,940	53,999	55,079	0
	Total General Subfund Support	**52,940**	**53,999**	**55,079**	**0**
443420	Water Service for Fire Protection	5,958,484	6,658,755	7,390,816	7,051,851
	Total Hydrants	**5,958,484**	**6,658,755**	**7,390,816**	**7,051,851**
543970	Inventory Purchased by SDOT	708,330	740,540	755,351	755,351
705000	Call Center Reimbursement from SCL	1,637,727	1,727,205	1,739,981	1,684,812
	Total Interfund Services	**2,346,057**	**2,467,745**	**2,495,332**	**2,440,163**

2012 Estimated Revenues for the Water Fund - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
408000	Other Non-Operating Revenue	385,003	243,300	246,342	379,386
408000	Reimbursement for NS activities	39,136	180,104	182,355	41,117
437010	Operating Grants	539,643	0	0	0
443450	Facilities Charges	242,420	173,259	346,518	2,199,447
461110	Build America Bond Interest Income	2,194,649	2,135,334	2,135,334	2,135,334
462500	Rentals--Non-City	394,820	391,461	401,247	414,808
469990	Other Operating Revenues	1,874,959	1,897,185	1,944,615	1,993,905
481200	Public Works Loan Proceeds	9,000,000	0	0	0
587000	Op Transfer In - Rev Stab Subfnd – BPA Acct	680,000	80,761	0	0
587000	Op Transfer In - Rev Stab Subfund	3,000,000	1,433,700	0	0
	Total Other Revenues	**18,350,630**	**6,535,104**	**5,256,411**	**7,163,997**
443410	Retail Water Sales	136,442,800	141,204,240	157,282,203	152,537,022
	Total Retail Water Sales	**136,442,800**	**141,204,240**	**157,282,203**	**152,537,022**
443450	Tap Fees	2,854,564	4,000,000	4,050,000	3,037,500
	Total Tap Fees	**2,854,564**	**4,000,000**	**4,050,000**	**3,037,500**
481200	Transfers from Construction Fund	45,446,933	57,759,482	45,612,930	30,114,202
	Total Transfer from Construction Fund	**45,446,933**	**57,759,482**	**45,612,930**	**30,114,202**
443420	Wholesale Water Sales	44,830,234	47,200,000	47,672,000	47,573,986
	Total Wholesale Water Sales	**44,830,234**	**47,200,000**	**47,672,000**	**47,573,986**
Total Revenues		**257,888,026**	**269,022,156**	**272,958,319**	**251,772,656**
379100	Decrease (Increase) in Working Capital	(3,242,609)	6,284,682	311,519	6,791,275
Total Decrease (Increase) in Working Capital		**(3,242,609)**	**6,284,682**	**311,519**	**6,791,275**
Total Resources		**254,645,417**	**275,306,838**	**273,269,838**	**258,563,931**

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Water Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Water Utility, and to provide core financial, human resource, and information technology services.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	13,991,221	14,043,468	13,981,359	16,243,248
General and Administrative Credit	(7,045,240)	(9,906,163)	(9,912,397)	(7,499,766)
Total	**6,945,981**	**4,137,305**	**4,068,962**	**8,743,482**
Full-time Equivalents Total *	99.60	95.60	95.60	96.60

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Administration Program

The purpose of the Water Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Water Utility, and to provide core financial, human resource, and information technology services to the entire Department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	13,991,221	14,043,468	13,981,359	16,243,248
Full-time Equivalents Total	99.60	95.60	95.60	96.60

General and Administrative Credit Program

The purpose of the Water Utility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General and Administrative Credit	(7,045,240)	(9,906,163)	(9,912,397)	(7,499,766)

Customer Service Budget Control Level

The purpose of the Water Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Customer Service	9,062,012	10,221,542	10,158,605	10,010,462
Full-time Equivalents Total*	88.00	85.00	84.00	84.00

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Appropriations by Budget Control Level (BCL) and Program

Distribution Budget Control Level

The purpose of the Water Utility Distribution Budget Control Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's water lines, pump stations, and other facilities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Distribution	17,525,225	20,491,716	20,819,443	15,194,279
Full-time Equivalents Total*	78.00	79.00	79.00	79.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

General Expense Budget Control Level

The purpose of the Water Utility General Expense Budget Control Level is to appropriate funds to pay the Water Utility's general expenses.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	75,090,949	80,319,400	86,113,751	80,703,111
Other General Expenses	19,555,540	22,141,567	23,292,383	21,665,710
Taxes	36,834,240	32,310,846	36,531,293	34,181,388
Total	**131,480,730**	**134,771,812**	**145,937,427**	**136,550,208**

Debt Service Program

The purpose of the Water Utility Debt Service Program is to appropriate funds for debt service on Water Utility bonds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Service	75,090,949	80,319,400	86,113,751	80,703,111

Other General Expenses Program

The purpose of the Water Utility Other General Expenses Program is to appropriate funds for the Water Fund's share of City central costs, claims, and other general expenses.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Other General Expenses	19,555,540	22,141,567	23,292,383	21,665,710

Appropriations by Budget Control Level (BCL) and Program

Taxes Program

The purpose of the Water Utility Taxes Program is to appropriate funds for payment of City and state taxes.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Taxes	36,834,240	32,310,846	36,531,293	34,181,388

Habitat Conservation Program Budget Control Level

The purpose of the Water Utility Habitat Conservation Budget Control Level, a Capital Improvement Program funded by water revenues, is to manage projects directly related to the Cedar River Watershed Habitat Conservation Plan.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Habitat Conservation Program	5,797,787	11,122,687	4,236,695	4,912,916
Full-time Equivalents Total*	15.00	15.00	15.00	15.00

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Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Water Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Operations	20,706,735	23,038,803	22,686,543	23,863,626
Pre-Capital Planning & Development	1,856,873	2,276,203	2,160,390	2,350,479
Project Delivery	4,459,397	5,522,707	5,514,851	5,169,506
Utility Systems Management	14,811,687	16,230,741	16,332,095	16,370,110
Total	**41,834,692**	**47,068,454**	**46,693,879**	**47,753,721**
Full-time Equivalents Total *	291.59	278.59	278.59	277.59

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Field Operations Program

The purpose of the Water Utility Field Operations Program is to operate and maintain the infrastructure that provides the public with an adequate, reliable, and safe supply of high-quality drinking water.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Field Operations	20,706,735	23,038,803	22,686,543	23,863,626
Full-time Equivalents Total	131.00	129.00	128.00	129.00

Appropriations by Budget Control Level (BCL) and Program

Pre-Capital Planning & Development Program

The purpose of the Water Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the water system. This program will capture all costs associated with a project that need to be expensed during the life-cycle of the project, including any post-construction monitoring and landscape maintenance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pre-Capital Planning & Development	1,856,873	2,276,203	2,160,390	2,350,479

Project Delivery Program

The purpose of the Water Utility Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to Water Utility's capital improvement projects and to the managers of water facilities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Project Delivery	4,459,397	5,522,707	5,514,851	5,169,506
Full-time Equivalents Total	26.50	24.50	24.50	24.50

Utility Systems Management Program

The purpose of the Water Utility's Utility Systems Management Program is to assure that each SPU utility system and associated assets are properly planned, developed, operated and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Utility Systems Management	14,811,687	16,230,741	16,332,095	16,370,110
Full-time Equivalents Total	134.09	125.09	126.09	124.09

Shared Cost Projects Budget Control Level

The purpose of the Water Utility Shared Cost Projects Budget Control Level, which is a Water Capital Improvement Program, is to implement the Water Utility's share of capital improvement projects that receive funding from multiple SPU funds.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Shared Cost Projects	10,002,942	15,047,995	18,481,989	14,640,817
Full-time Equivalents Total*	56.00	56.00	56.00	56.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Technology Budget Control Level

The purpose of the Water Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of technology to increase the Water Utility's efficiency and productivity.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technology	3,331,122	4,770,105	6,067,119	5,357,841
Full-time Equivalents Total*	22.00	22.00	22.00	22.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Transmission Budget Control Level

The purpose of the Water Utility Transmission Budget Control Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's large transmission pipelines that bring untreated water to the treatment facilities, and convey water from the treatment facilities to Seattle and its suburban wholesale customers' distribution systems.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Transmission	1,016,864	1,688,100	3,024,443	1,343,332
Full-time Equivalents Total*	5.00	5.00	5.00	5.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Water Quality & Treatment Budget Control Level

The purpose of the Water Utility Water Quality & Treatment Budget Control Level, a Capital Improvement Program funded by water revenues, is to design, construct, and repair water treatment facilities and remaining open-water reservoirs.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Water Quality & Treatment	20,970,305	18,329,399	8,115,120	6,613,000
Full-time Equivalents Total*	14.00	14.00	14.00	14.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Water Resources Budget Control Level

The purpose of the Water Utility Water Resources Budget Control Level, a Capital Improvement Program funded by water revenues, is to manage untreated water to meet anticipated demands at our supply-reliability standard and instream flow requirement, and promote residential and commercial water conservation.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Water Resources	5,812,508	6,516,169	4,769,325	5,616,275
Full-time Equivalents Total*	12.00	12.00	12.00	12.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Watershed Stewardship Budget Control Level

The purpose of the Water Utility Watershed Stewardship Budget Control Level, a Capital Improvement Program funded by water revenues, is to implement projects associated with the natural land, forestry, and fishery resources within the Tolt, Cedar, and Lake Youngs watersheds.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Watershed Stewardship	865,251	1,141,554	896,831	1,827,598
Full-time Equivalents Total*	8.00	8.00	8.00	8.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Water Utility

Fund Table

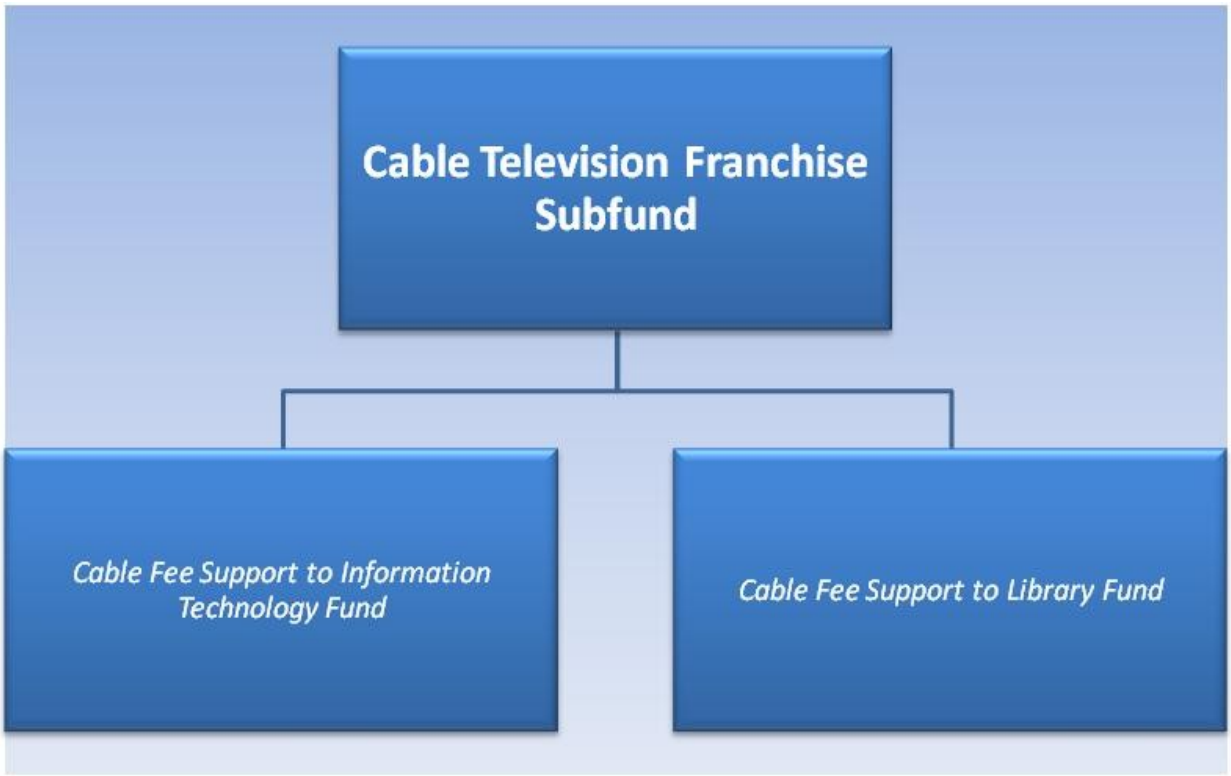
Water Fund

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Operating Cash at End of Previous Year	**8,193,588**	**7,080,178**	**8,433,608**	**7,036,100**	**7,119,558**
Plus: Actual and Estimated Revenue	257,888,026	269,022,156	258,240,079	272,958,319	251,772,656
Less: Actual and Budgeted Expenditures	254,645,417	275,306,838	276,615,687	273,269,838	258,563,931
CIP Accomplishment Assumptions	0	(7,910,772)	(8,043,166)	(6,641,097)	(8,325,909)
Accounting and Technical Adjustments	(3,002,588)	(1,670,170)	9,018,392	(5,988,528)	(1,219,247)
Ending Operating Cash	**8,433,608**	**7,036,100**	**7,119,558**	**7,377,150**	**7,434,945**

Administration

Cable Television Franchise Fund

Cable Television Franchise Subfund by Budget Control Level



Cable Television Franchise Subfund Overview

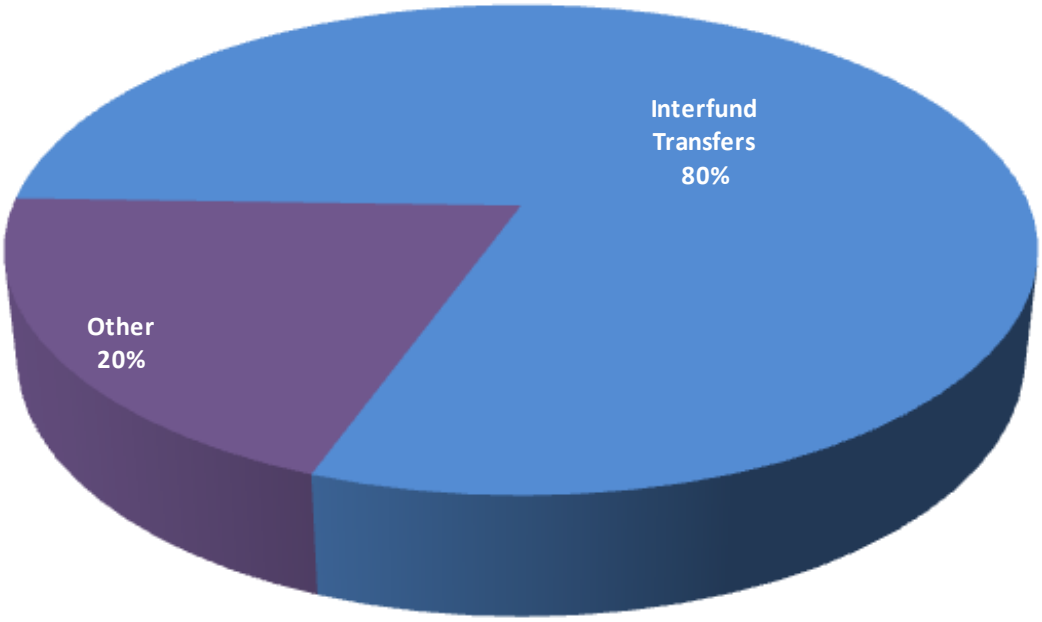
The City of Seattle first entered into cable franchise agreements with TCI beginning in 1996. This agreement included a new franchise fee payable to the City as compensation for cable television providers locating in the public right-of-way. A new franchise with Comcast (formerly TCI) was approved in 2006, and a renewed franchise for Broadstripe (formerly Millennium Digital Media) was approved in 2007. Revenues from the cable franchise fees are deposited into the Cable Television Franchise Subfund (created by Ordinance 118196). Revenues from this fund are transferred to the Department of Information Technology (DoIT) to cover the expenditures supported by this revenue source. Allowable expenditures for cable franchise fee revenues are established in Resolution 30379. Allowable expenditures include costs associated with the administration of the Cable Customer Bill of Rights. In addition, the funds may be used to support the public, education, and government access costs the City is obligated to fund under the terms of its cable franchise agreements; support of the Seattle Channel, including both operations and capital equipment; programs and projects promoting citizen technology literacy and access, including related research, analysis, and evaluation; and use of innovative and interactive technology, including television and the Web, to provide means for citizens to access City services.

Cable Television Franchise Subfund

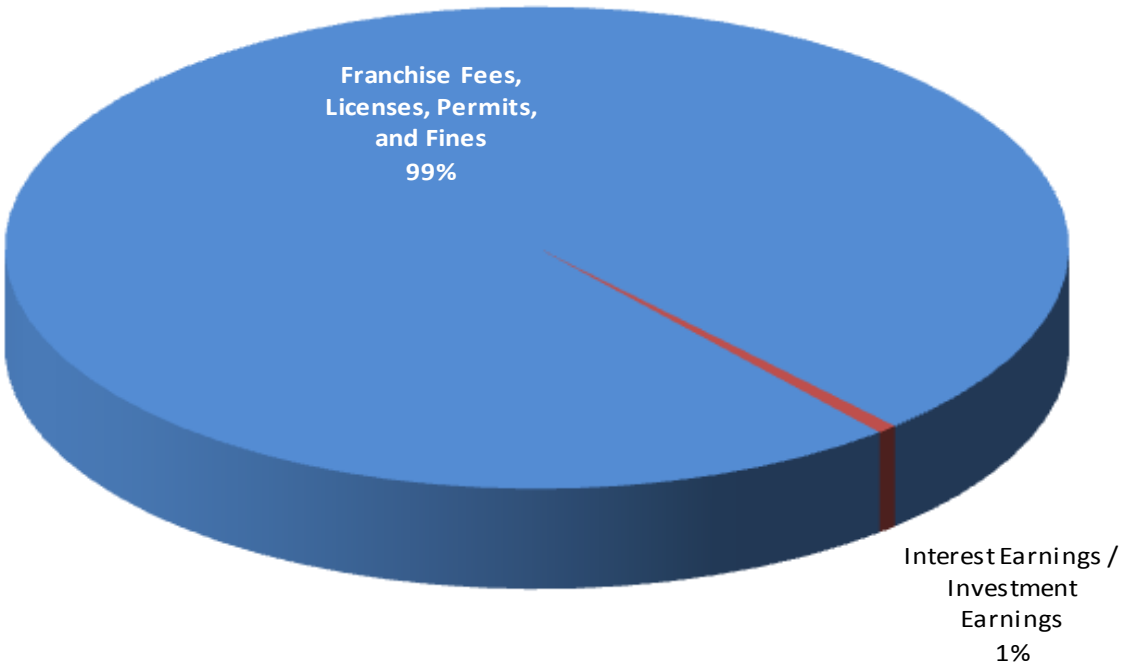
Budget Snapshot

Cable Television Franchise Fund	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$6,938,292	$7,047,559	$7,104,795	$7,477,719
Total Revenues	**$6,938,292**	**$7,047,559**	**$7,104,795**	**$7,477,719**
Use of (Contribution to) Fund Balance	$1,005,348	$503,670	$565,453	$702,944
Total Resources	**$7,943,640**	**$7,551,229**	**$7,670,248**	**$8,180,663**
Total Expenditures	**$7,943,642**	**$7,551,228**	**$7,670,248**	**$8,180,663**

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

Cable Television Franchise Fund (Cable Fund) revenues are generated by franchise fees from cable television providers and these funds support limited activities provided by DoIT. Over the last several years, the Department has used Cable Fund revenues to support additional, qualified technology access programs such as the portion of email support previously funded by the General Fund. The 2012 Adopted Budget continues previous uses of the Cable Fund as well as supporting additional activities such as project management for the Web Team, web application support service to City departments, administrative support for Community Outreach and staffing in the Seattle Fire Department and Seattle Police Department for public safety department web pages.

The Cable Fund recently received a small bump in revenues as Comcast raised its rates on home television service. Aside from this one-time bump, the Fund is only projected to grow minimally in the near future. The Department expects that the Fund will begin to see expenditure pressures as it is called upon to fund major technology overhauls like the upgrade of the Seattle Channel to High Definition. Therefore, the SPD and SFD web positions are not included in the Department's long-term financial plan for this fund. In the future, DoIT may have to propose cuts to existing programming paid for by the Cable Fund in order to keep the fund in balance.

For further details regarding the use of Cable Television Franchise Subfund, please refer to the Department of Information Technology (DoIT) budget.

Cable Television Franchise Subfund

City Council Changes

During the City Council's review process, funding was added from the Cable Fund to the DoIT budget for increasing the Technology Matching Fund grants and funding was restored for the proposed centralization of the City's community grant award programs in the Neighborhood Matching Fund. As such, the transfer of the Technology Fund Manager (1.0 FTE Strategic Advisor 1) from DoIT will not occur and the associated saving will be appropriated to pay for the position.

Incremental Budget Changes

Cable Television Franchise Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$7,670,248**	**0.00**
2012 Proposed Changes			
	Technical Adjustments	$398,065	0.00
Total Changes		**$398,065**	**0.00**
2012 Proposed Budget		**$8,068,313**	**0.00**
Council Adjustments to Proposed Budget			
	Technical Adjustments	$112,350	0.00
Total Adjustments		**$112,350**	**0.00**
2012 Adopted Budget		**$8,180,663**	**0.00**

Technical Adjustments - $398,065. The technical adjustments in the 2012 Proposed Budget for the Cable Fund include changes that are part of the Department of Information Technology (DoIT) budget changes. Please refer to the DoIT budget pages for more detailed information.

City Council Changes to the 2012 Proposed Budget

Technical Adjustments - $112,350. The technical adjustments in the 2012 Adopted Budget for the Cable Fund include changes that are part of the DoIT budget changes. Please refer to the DoIT budget pages for more detailed information.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Cable Fee Support to Information Technology Fund Budget Control Level					
Cable Communications		1,170,900	629,221	654,262	723,260
Community Technology		1,342,188	1,200,253	1,234,204	1,317,207
Finance and Administration		285,636	290,198	310,173	299,689
Seattle Channel/Democracy Portal		2,899,036	2,755,454	2,738,135	2,747,014
Technology Infrastructure		915,702	1,426,432	1,446,555	1,412,146
Technology Leadership		304,956	276,054	294,145	264,980
Web Site Support		835,224	783,615	802,773	1,226,366
Cable Fee Support to Information Technology Fund Budget Control Level	**D160B**	**7,753,642**	**7,361,228**	**7,480,248**	**7,990,663**
Cable Fee Support to Library Fund Budget Control Level	**D160C**	**190,000**	**190,000**	**190,000**	**190,000**
Department Total		**7,943,642**	**7,551,228**	**7,670,248**	**8,180,663**

Cable Television Franchise Subfund

Revenue Overview

2012 Estimated Revenues for the Cable Television Franchise Subfund (00160)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
421911	Franchise Fee Revenues, Licenses, Permits, and Fines	6,902,320	6,986,901	7,053,570	7,431,544
	Total Franchise Fees, Licenses, Permits, and Fines	**6,902,320**	**6,986,901**	**7,053,570**	**7,431,544**
461110	Arts Programming Interest Earnings	16,211	29,002	22,072	19,620
461110	Interest Earnings	19,761	31,656	29,153	26,554
	Total Interest Earnings/Investment Earnings	**35,972**	**60,658**	**51,225**	**46,174**
	Total Revenues	**6,938,292**	**7,047,559**	**7,104,795**	**7,477,718**
379100	Use of (Contribution To) Fund Balance	1,005,348	503,670	565,453	702,944
	Total Resources	**7,943,640**	**7,551,229**	**7,670,248**	**8,180,662**

Appropriations by Budget Control Level (BCL)

Cable Fee Support to Information Technology Fund Budget Control Level

The purpose of the Cable Fee Support to Information Technology Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Department of Information Technology's Information Technology Fund. These resources are used by the Department for a variety of programs consistent with Resolution 30379.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Cable Communications	1,170,900	629,221	654,262	723,260
Community Technology	1,342,188	1,200,253	1,234,204	1,317,207
Finance and Administration	285,636	290,198	310,173	299,689
Seattle Channel/Democracy Portal	2,899,036	2,755,454	2,738,135	2,747,014
Technology Infrastructure	915,702	1,426,432	1,446,555	1,412,146
Technology Leadership	304,956	276,054	294,145	264,980
Web Site Support	835,224	783,615	802,773	1,226,366
Total	**7,753,642**	**7,361,228**	**7,480,248**	**7,990,663**

Cable Fee Support to Library Fund Budget Control Level

The purpose of the Cable Fee Support to Library Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Subfund to the Seattle Public Library's Operating Fund. The Library uses these resources to pay for and maintain computers available to the public.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Citizen Literacy/Access	190,000	190,000	190,000	190,000

Cable Television Franchise Subfund Fund Table

Cable Television Franchise Subfund (00160)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**6,078,612**	**4,779,553**	**5,068,335**	**4,275,884**	**4,697,061**
Accounting and Technical Adjustments	(4,927)	0	0	0	0
Plus: Actual and Estimated Revenue	6,938,292	7,047,559	7,361,954	7,104,795	7,477,718
Less: Actual and Budgeted Expenditures	7,943,642	7,551,228	7,733,228	7,670,248	8,180,663
Ending Fund Balance	**5,068,335**	**4,275,884**	**4,697,061**	**3,710,430**	**3,994,116**
Designation for Cable Programs	2,994,706	2,318,401	2,310,502	1,621,623	1,613,605
Reserves Against Fund Balance	1,791,546	1,732,684	1,759,984	1,750,537	1,827,099
Total Reserves	**4,786,252**	**4,051,085**	**4,070,486**	**3,372,160**	**3,440,704**
Ending Unreserved Fund Balance	**282,083**	**224,799**	**626,575**	**338,270**	**553,412**

Office of City Auditor

David G. Jones, City Auditor

Information Line: (206) 233-3801
http://www.seattle.gov/audit/

Department by Budget Control Level

Department Overview

The City Auditor is Seattle's independent auditor established by the City Charter. The City Auditor is appointed by a majority of the City Council to a four-year term of office.

The Office of City Auditor seeks to promote honest, efficient management, and full accountability throughout City government. It serves the public interest by providing the Mayor, the City Council, and City executive and management staff with accurate information, unbiased analyses, and objective recommendations on how best to use public resources in support of Seattle's citizens.

The Office of City Auditor conducts audits of City programs, departments, grantees, and contracts. Most of the Office's audits are performed in response to specific concerns or requests from City Councilmembers. The City Auditor also independently initiates audits to fulfill the Office's mission. If resources are available, the City Auditor responds to requests from the Mayor, City departments, and citizens.

Office of City Auditor

Through its work, the Office of City Auditor answers the following types of questions:

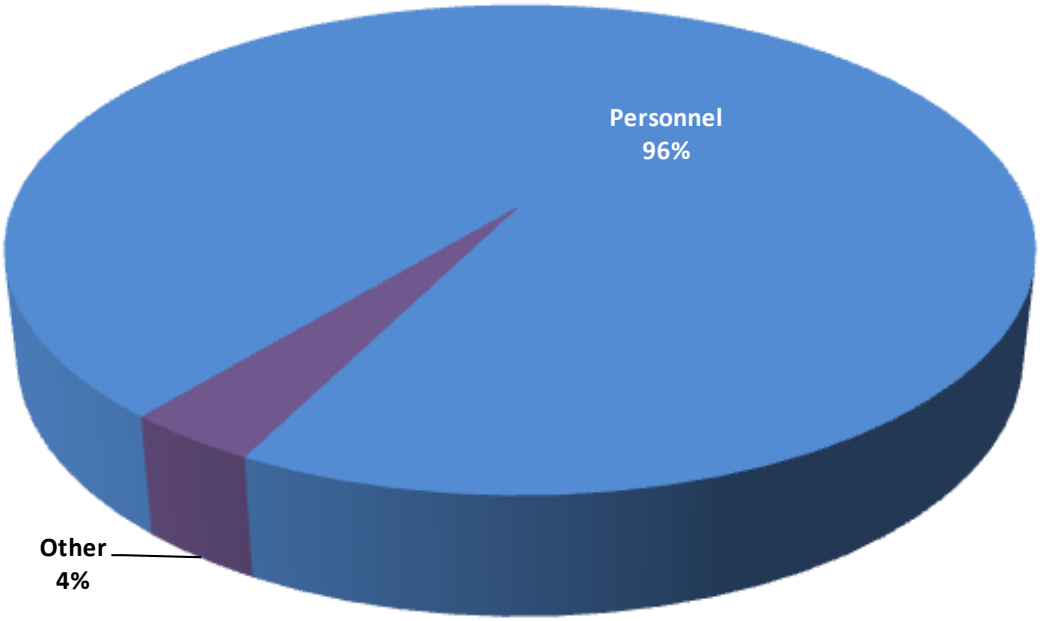
- Are City of Seattle programs being carried out in compliance with applicable laws and regulations, and is accurate data furnished to the City Council and Mayor on these programs?
- Do opportunities exist to eliminate inefficient use of public funds and waste?
- Are programs achieving desired results?
- Are there better ways to achieve program objectives at lower costs?
- Are there ways to improve the quality of service without increasing costs?
- What emerging or key issues should the City Council and Mayor consider?

Budget Snapshot

Office of City Auditor	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$945,110	$1,071,896	$1,098,022	$1,250,544
Other Revenues	$0	$0	$0	$0
Total Revenues	**$945,110**	**$1,071,896**	**$1,098,022**	**$1,250,544**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$945,110**	**$1,071,896**	**$1,098,022**	**$1,250,544**
Total Expenditures	**$945,110**	**$1,071,896**	**$1,098,022**	**$1,250,544**
Full-Time Equivalent * Total	8.00	8.00	8.00	9.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here..*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The Office of City Auditor provides information to the public, Mayor, City Council, and City executive and management staff on City programs and activities. Because over 95% of the Office's budget pays for staff, the available budget reduction options would reduce the level of auditing services that it currently provides.

The Office offers a way for City leaders to assess various public programs objectively to ensure the most efficient and effective service delivery options are being employed. It also offers the public a way to hold the City accountable for how public resources are used. The Office would need to reduce staff to achieve budget savings in 2012, and the value of the services it provides outweighs the relatively small budget savings gained by such a reduction. Therefore, the 2012 Adopted Budget does not reduce the City Auditor's budget.

City Council Changes

During the City Council budget review process, funding was added for a new auditor position. The Office is currently working on six projects. Five other pending projects on topics including Seattle City Light/ Seattle Public Utilities (SPU) Combined Billing Processes and the SPU Residential Solid Waste Revenue Cycle have been delayed because of staffing limitations. The Office also has an additional 15 potential projects in the queue, some of which require specialized expertise on the utilities. This position will create capacity within the Office to take on this work.

Office of City Auditor

Council also adjusted the employer contribution rate to the Seattle City Employees' Retirement System (SCERS). This adjustment reduced appropriations across departments, including the Office of City Auditor.

Incremental Budget Changes

Office of City Auditor

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$1,098,022**	**8.00**
2012 Proposed Changes			
	Technical Adjustments	$17,691	0.00
Total Changes		**$17,691**	**0.00**
2012 Proposed Budget		**$1,115,713**	**8.00**
Council Adjustments to Proposed Budget			
	New Auditor Position	$137,000	1.00
	Retirement Adjustment	($2,169)	0.00
Total Adjustments		**$134,831**	**1.00**
2012 Adopted Budget		**$1,250,544**	**9.00**

Technical Adjustments - $17,691. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the City Auditor's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

New Auditor Position - $137,000/1.0 FTE. A new full time Strategic Advisor - Audit position is added in 2012, increasing the Office from 8 to 9 positions. The position will be funded with $89,050 from City Light and $47,950 from SPU.

Adjust Employer Contribution Rate to SCERS – ($2,169). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of City Auditor Budget Control Level	**VG000**	**945,110**	**1,071,896**	**1,098,022**	**1,250,544**
Department Total		**945,110**	**1,071,896**	**1,098,022**	**1,250,544**
Department Full-time Equivalents Total*		**8.00**	**8.00**	**8.00**	**9.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Office of City Auditor Budget Control Level

The purpose of the Office of City Auditor is to provide unbiased analyses, accurate information, and objective recommendations to assist the City in using public resources equitably, efficiently, and effectively in delivering services to Seattle residents.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of City Auditor	945,110	1,071,896	1,098,022	1,250,544
Full-time Equivalents Total*	8.00	8.00	8.00	9.00

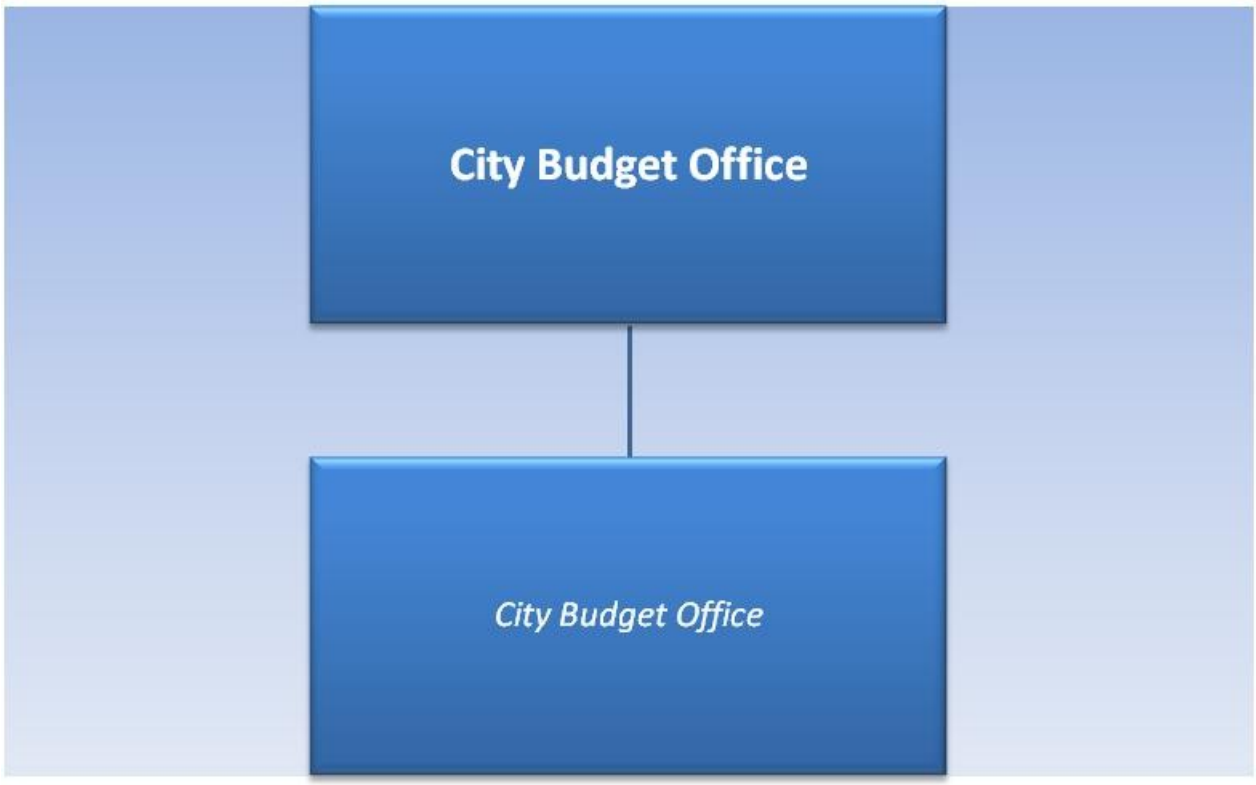
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

City Budget Office

Beth Goldberg, Director

Information Line: (206) 615-1962
http://www.seattle.gov/budgetoffice

Department by Budget Control Level



Department Overview

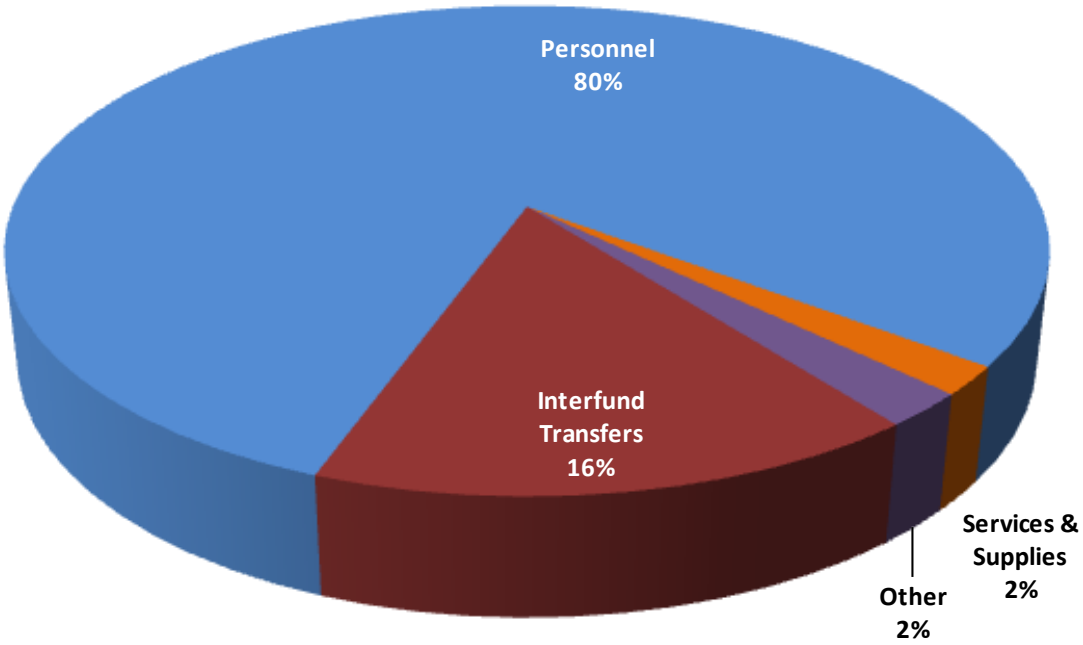
The City Budget Office (CBO) is responsible for developing and monitoring the City's annual budget, carrying out budget-related functions, and overseeing fiscal policy and financial planning activities. CBO provides strategic analysis relating to the use of revenues, debt, long-term issues, and special events. The department also provides technical assistance, training, and support to City departments in performing financial functions.

Budget Snapshot

City Budget Office	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$4,928,175	$4,011,539	$4,131,913	$4,030,780
Other Revenues	$0	$0	$0	$0
Total Revenues	**$4,928,175**	**$4,011,539**	**$4,131,913**	**$4,030,780**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$4,928,175**	**$4,011,539**	**$4,131,913**	**$4,030,780**
Total Expenditures	**$4,928,175**	**$4,011,539**	**$4,131,913**	**$4,030,780**
Full-Time Equivalent * Total	36.00	28.50	28.50	27.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years require that the City Budget Office (CBO) make budget reductions. The 2012 Adopted Budget for CBO reflects the results of prioritizing functions and services as well as the identification of efficiencies in the provision of those services. CBO is responsible for a variety of core functions, and provision of those core services will be sustained. In particular, a focus on increasing budget transparency and accessibility remains, existing capabilities for fiscal oversight and monitoring are retained, and resources needed to execute the annual budget process and related tasks throughout the year are preserved.

The office's ability to respond to lower priority requests for analysis will be somewhat reduced, although CBO will continue to prioritize work as the situation may require.

As part of the Mayor's initiative to deliver better services with limited resources, CBO will be working with HSD, OFE, and DON to pilot an outcome-based program focused on youth education in 2012. This pilot will evaluate how the City can transition from 'funder of programs' to 'investor for results.' The pilot will utilize measurable metrics and will verify the success of an investment. The project began in 2011 and focuses initially on at least some clear rise in achievement in the 2011-2012 school-year. Its focus is third grade reading, a key indicator of high school graduation. This work is intended to help the City transition to more outcome based decision-making, resulting in more effective use of public funds in the long term.

Incremental Budget Changes

City Budget Office

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$4,131,913**	**28.50**
2012 Proposed Changes			
	Prioritization of services and efficiency savings	($89,994)	(1.00)
	Outcome-Based Consulting	$30,000	0.00
	Technical Adjustments	($35,531)	0.00
Total Changes		**($95,526)**	**(1.00)**
2012 Proposed Budget		**$4,036,387**	**27.50**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($5,607)	0.00
Total Adjustments		**($5,607)**	**0.00**
2012 Adopted Budget		**$4,030,780**	**27.50**

Prioritization of Services and Efficiency Savings - ($89,994) / (1.0) FTE. The City Budget Office (CBO) has reprioritized services and identified efficiencies allowing for the elimination of an executive position. In order to accommodate redistributed workloads, CBO will increase funding available to support additional hours for part-time staff, temporary support, or other resources that may be required.

Outcome-Based Consulting - $30,000: CBO will support development of an outcome-based pilot project in the Human Services Department. The project is intended to allow the City to develop practices and procedures to more effectively direct its dollars and create better outcomes for the community.

Technical Adjustments - ($35,531). Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($5,607). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Budget Office Budget Control Level	**CZ000**	**4,928,175**	**4,011,539**	**4,131,913**	**4,030,780**
Department Total		**4,928,175**	**4,011,539**	**4,131,913**	**4,030,780**
Department Full-time Equivalents Total*		**36.00**	**28.50**	**28.50**	**27.50**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

City Budget Office Budget Control Level

The purpose of the City Budget Office Budget Control Level is to develop and monitor the budget, carry out budget-related functions, and oversee fiscal policy and financial planning activities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Budget Office	4,928,175	4,011,539	4,131,913	4,030,780
Full-time Equivalents Total*	36.00	28.50	28.50	27.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Office for Civil Rights

Julie Nelson, Director

Information Line: (206) 684-4500
http://www.seattle.gov/civilrights/

Department by Budget Control Level

Department Overview

The Seattle Office for Civil Rights (SOCR) works to ensure that everyone in Seattle has equal access to housing, employment, public accommodations, contracting, and lending. SOCR investigates and enforces City, state, and federal anti-discrimination laws, and provides public policy recommendations to the Mayor, the City Council, and other City departments. The Office develops and implements policies and programs promoting justice, fairness, and equity. It also administers the Title VI program of the 1964 Civil Rights Act and Title II of the Americans with Disabilities Act, which relates to physical access to governmental facilities, projects, and programs.

Since 2004, the Office has led the City's Race and Social Justice Initiative (RSJI). The Initiative envisions a city where racial disparities have been eliminated and racial equity achieved. RSJI's mission is to end institutionalized racism in City government and to promote multiculturalism and full participation by all city residents.

Seattle Office for Civil Rights

The goals are to:

- end racial disparities internal to the City;
- strengthen the way the City engages the community and provides services; and,
- eliminate race-based disparities in our communities.

SOCR also develops anti-discrimination programs and policies, and enhances awareness through free education and outreach to businesses, community groups, and the general public. The Office works closely with immigrants, people of color, women, lesbian, gay, bisexual, transgender, and queer communities, and people with disabilities and their advocates, to inform them of their rights under the law.

The Office publishes a wide array of printed materials, many of which are translated into other languages.

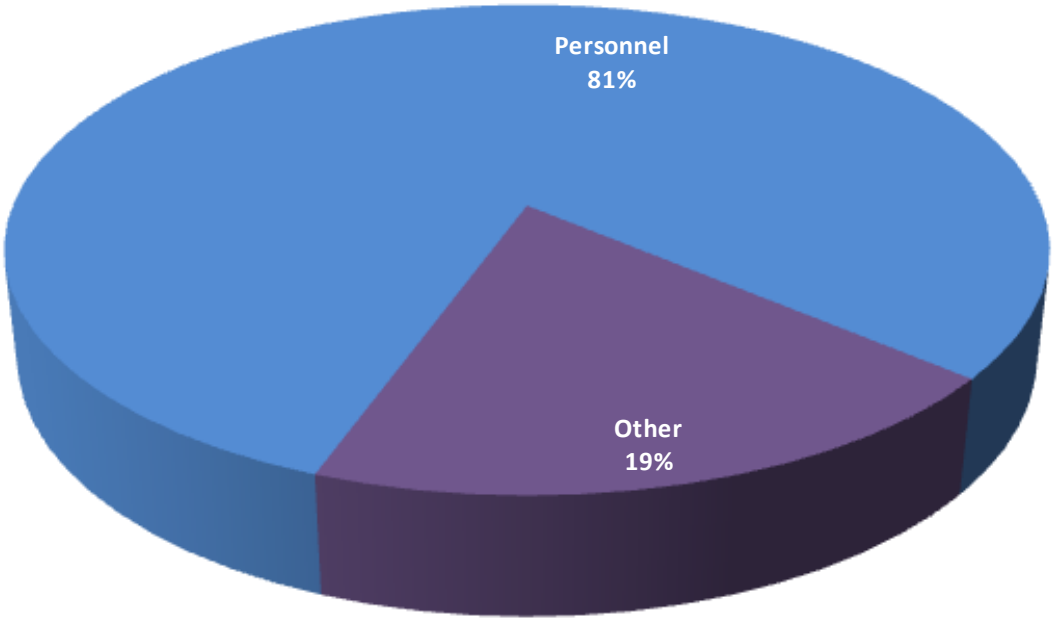
SOCR keeps civil rights issues before the public through articles in the local media and sponsorship of events such as Seattle Human Rights Day. As part of a broad race and social justice movement, SOCR challenges Seattle to eliminate discrimination in all its forms.

SOCR staffs four volunteer commissions - the Human Rights, Women's, the Lesbian, Gay, Bisexual, and Transgender, and People with Disabilities Commissions - which advise the Mayor and the City Council on relevant issues.

Budget Snapshot

Seattle Office for Civil Rights	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$2,321,394	$2,226,035	$2,248,477	$2,566,277
Other Revenues	$0	$0	$0	$0
Total Revenues	**$2,321,394**	**$2,226,035**	**$2,248,477**	**$2,566,277**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$2,321,394**	**$2,226,035**	**$2,248,477**	**$2,566,277**
Total Expenditures	**$2,321,394**	**$2,226,035**	**$2,248,477**	**$2,566,277**
Full-Time Equivalent * Total	22.50	21.50	21.50	22.50

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years require that the Seattle Office for Civil Rights (SOCR) make budget reductions. SOCR reviewed all program areas and in doing so, was able to preserve direct services to the greatest extent possible. The 2012 Adopted Budget provides resources for SOCR's RSJI enforcement and outreach functions, prioritizes staffing to fit division workloads, and enhances funding for RSJI related sponsorship and professional services expenditures.

SOCR's mission to implement and enforce policies promoting the City of Seattle's values of justice, fairness, and equity remains a priority. The 2012 Adopted Budget reflects this commitment by providing additional funding and staff support for implementation and enforcement of the recently passed Paid Sick Leave legislation. Applying criteria defined in the Racial Equity Toolkit to this issue, SOCR, the Women's Commission, and City Council Central Staff identified a clear alignment between enforcing paid sick leave policies and increasing social equity. SOCR staff will create the administrative rules that will guide the processing of potential cases of violation of the Paid Sick Leave legislation.

SOCR works in conjunction with the Equal Employment Opportunity Commission (EEOC) and Housing and Urban Development (HUD) to investigate discrimination in housing and employment cases as well as enforce anti-discrimination laws for the City of Seattle. In order to maintain these partnerships, SOCR has monthly case processing related performance measures that must be met for both EEOC and HUD. As department workloads and case processing schedules were reviewed, the Department prioritized staff reductions to ensure that its ability to meet these performance criteria would be preserved.

Seattle Office for Civil Rights

SOCR will continue to prioritize the Department's work with existing staff resources to account for work plan commitments and high case processing periods, while still maintaining federal performance measures for case resolution timeframes.

Continued support for City's Race and Social Justice Initiative (RSJI) is a priority for the Mayor and the City Council. In addition to working to end institutionalized racism and race-based disparities in City government, the next planned phase of the RSJI is to work with community organizations to promote the Initiative externally. In 2011, SOCR expanded the RSJI focus by providing educational materials and technical support for community partners such as the Race and Social Justice Community Roundtable. The 2012 Proposed Budget reduced this external support, but still would have maintained the City's ability to participate as convener of the Roundtable. Funding for this external support of RSJI was restored during the Council review process.

City Council Changes

The Proposed Budget had reduced the level of staff support from 0.5 FTE to 0.3 FTE for each of the volunteer commissions supported by SOCR. During the City Council's review process, SOCR's General Fund support was increased to restore staff support for the volunteer commissions back to 0.5 FTE per commission. Additional funding was also provided to enhance the City's RSJI related efforts. Finally, staff support for the Immigrant and Refugee Commission is transferred from SOCR to the newly created Office of Immigrant and Refugee Affairs.

Incremental Budget Changes

Office of Civil Rights

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$2,248,477**	**21.50**
2012 Proposed Changes			
	Paid Sick Leave Implementation	$186,000	1.00
	Commission Staffing	($100,141)	(1.20)
	Consultant Contract Reductions	($28,000)	0.00
	Technical Adjustments	$9,030	0.00
Total Changes		**$66,889**	**(0.20)**
2012 Proposed Budget		**$2,315,366**	**21.30**
Council Adjustments to Proposed Budget			
	Restore Funding for Commission Staffing	$52,000	1.20
	Restore Consultant Contract Reductions	$33,000	0.00
	Adjust Employer Contribution Rate to SCERS	($3,089)	0.00
	Technical Corrections	$169,000	0.00
Total Adjustments		**$250,911**	**1.20**
2012 Adopted Budget		**$2,566,277**	**22.50**

Paid Sick Leave Implementation – $186,000 / 1.0 FTE. In response to recently passed legislation establishing minimum standards for the provision of paid sick leave and safe time, this change will add sufficient funding and ongoing staff resources for implementation, outreach, and enforcement of the Paid Sick Leave legislation. In addition, these resources will provide for outreach efforts such as a strategic media outreach plan.

Commission Staffing – ($100,141) / (1.2) FTE. This proposed reduction in Department staffing resources would have resulted in decreased SOCR staff support to the five volunteer commissions, including the Immigrant and Refugee Commission. The five commissions, previously supported with 2.5 FTE of planning and policy support, would have been supported with 1.5 FTE. In addition, less staff resources would have been available for citywide outreach, as well as internal administrative support. This reduction is restored by Council changes, as described below.

Consultant Contract Reductions – ($28,000). This change would reduce external support for sponsoring and convening community training and events and may delay progress towards moving the RSJI externally. The remaining professional services budget of $17,000 would be prioritized for key training and events in 2012. This reduction is restored and increased by Council changes, as described below.

Seattle Office for Civil Rights

Technical Adjustments - $9,030. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in SOCR's service delivery. Citywide technical changes reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Restore Funding for Commission Staffing - $52,000 / 1.2 FTE. Funding is provided to SOCR to increase staff support from 0.3 FTE to 0.5 FTE for each of the four commissions. In addition, unfunded position authority for the position that previously supported the Immigrant and Refugee Commission is restored. Restoration of this position authority will provide SOCR with options in how to best allocate work in support of the four remaining volunteer commissions. Finally, staff support for the Immigrant and Refugee Commission is transferred from SOCR to the newly created Office of Immigrant and Refugee Affairs.

Restore Consultant Contract Reductions - $33,000. Funding is added to restore $28,000 for consultant and professional services that were proposed to be reduced in the 2012 Proposed Budget. In addition, $5,000 is added to allow the City to partner with other organizations and to continue to sponsor Dr. Martin Luther King Jr. Day celebrations.

Adjust Employer Contribution Rate to SCERS - ($3,089). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

Technical Correction - $169,000. Budget for a federal contract for enforcing fair housing and equal opportunity employment was inadvertently omitted from the SOCR budget. SOCR previously accounted for this contract each year in the supplemental budget. For 2012, both the expenditures and grant revenue are added to the SOCR budget as a technical adjustment.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil Rights Budget Control Level	**X1R00**	**2,321,394**	**2,226,035**	**2,248,477**	**2,566,277**
Department Total		**2,321,394**	**2,226,035**	**2,248,477**	**2,566,277**
Department Full-time Equivalents Total*		**22.50**	**21.50**	**21.50**	**22.50**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Civil Rights Budget Control Level

The purpose of the Civil Rights Budget Control Level is to work toward eliminating discrimination in employment, housing, public accommodations, contracting, and lending in Seattle through enforcement and policy and outreach activities. The Office seeks to encourage and promote equal access and opportunity, diverse participation, and social and economic equity. In addition, the Office is responsible for directing the Race and Social Justice Initiative, leading other City departments to design and implement programs which eliminate institutionalized racism.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil Rights	2,321,394	2,226,035	2,248,477	2,566,277
Full-time Equivalents Total*	22.50	21.50	21.50	22.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Civil Service Commission

Steven Jewell, Chair of the Commission

Information Line: (206) 386-1301
http://www.seattle.gov/csc

Civil Service Commission Overview

The Civil Service Commission serves as a quasi-judicial body providing fair and impartial hearings of alleged violations of the City's personnel system. Employees may file appeals with the Commission regarding all final disciplinary actions and alleged violations of the Personnel Ordinance, as well as related rules and policies. The Commission may issue orders to remedy violations and may also make recommendations to the Mayor and City Council regarding the administration of the personnel system.

In addition, the Commission investigates allegations of political patronage to ensure the City's hiring practices are established and carried out in accordance with the merit principles set forth in the City Charter. The Commission conducts public hearings on personnel related issues and may propose changes to Personnel rules, policies, and laws to the Mayor and City Council.

Budget Snapshot

Civil Service Commission	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$224,768	$233,080	$238,421	$0
Other Revenues	$0	$0	$0	$0
Total Revenues	**$224,768**	**$233,080**	**$238,421**	**$0**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$224,768**	**$233,080**	**$238,421**	**$0**
Total Expenditures	**$224,768**	**$233,080**	**$238,421**	**$0**
Full-Time Equivalent * Total	1.80	1.80	1.80	-

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Civil Service Commission

Budget Overview

The 2012 Adopted Budget consolidates the administrative functions of the Civil Service Commission and the Public Safety Civil Service Commission under a new administrative unit – the Civil Service Commissions – in order to achieve operational efficiencies and cost savings. The workload of the two bodies makes this consolidation a viable option, and results in a net savings of $51,018.

Incremental Budget Changes

Civil Service Commission

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$238,421	1.80
2012 Proposed Changes			
	CSC and PSCSC Commission staffing consolidation	($238,421)	(1.80)
Total Changes		**($238,421)**	**(1.80)**
2012 Proposed Budget		**$0**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$0**	**0.00**

CSC and PSCSC Commission Staffing Consolidation - ($238,421) / (1.80) FTE. This program is reorganized in the 2012 Adopted Budget. Administrative staffing and budget are transferred to the new Civil Service Commissions.

City Council Changes to the 2012 Proposed Budget

There are no City Council changes to the 2012 Proposed Budget.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil Service Commission Budget Control Level	V1C00	224,768	233,080	238,421	0
Department Total		**224,768**	**233,080**	**238,421**	**0**
Department Full-time Equivalents Total*		**1.80**	**1.80**	**1.80**	**0.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Civil Service Commission Budget Control Level

The purpose of the Civil Service Commission Budget Control Level is threefold: 1) to provide employees and departments with a quasi-judicial process wherein they can appeal disciplinary actions and alleged violations of the City Charter, personnel code, or other personnel rules; 2) to submit legislation and recommendations to the Mayor and City Council intended to improve the City's personnel system; and 3) to investigate allegations of political patronage so the City's hiring process conforms to the merit system set forth in the City Charter.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil Service Commission	224,768	233,080	238,421	0
Full-time Equivalents Total*	1.80	1.80	1.80	0.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Civil Service Commissions

Executive Director - To Be Determined

Information Line: (206) 386-1301
http://www.seattle.gov/csc

Civil Service Commissions by Budget Control Level

Civil Service Commissions Overview

The Civil Service Commissions (CIV) is the administrative entity serving both the Civil Service Commission (CSC) and the Public Safety Civil Service Commission (PSCSC), quasi-judicial bodies charged with providing fair and impartial hearings of alleged violations of the City's personnel rules. Each Commission is governed by a three-member board, with one member appointed by the Mayor, one appointed by the City Council, and one elected by and representing employees. The term of each Commissioner is three years. Previously each Commission was supported by separate administrative units. The 2012 Adopted Budget presents a new administrative structure, overseen by an Executive Director, selected jointly by the CSC and the PSCSC, and two staff assistant positions. The governance structure of the two Commissions would remain intact.

The ***Civil Service Commission*** provides fair and impartial hearings of alleged violations of the City's personnel rules. Employees may file appeals with the Commission regarding all final disciplinary actions

and alleged violations of the Personnel Ordinance, as well as related rules and policies. The Commission may issue orders to remedy violations and may also make recommendations to the Mayor and City Council regarding the administration of the personnel system.

In addition, the Commission investigates allegations of political patronage to ensure the City's hiring practices are established and carried out in accordance with the merit principles set forth in the City Charter. The Commission conducts public hearings on personnel related issues and may propose changes to Personnel rules, policies, and laws to the Mayor and City Council.

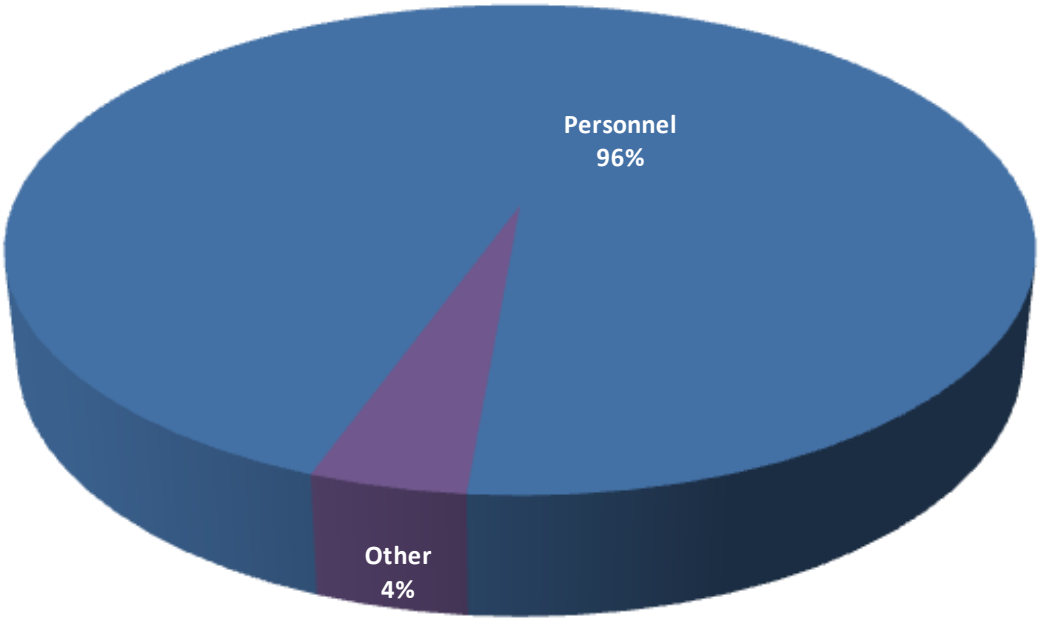
The mission and purpose of the ***Public Safety Civil Service Commission*** is to implement, administer, and direct a civil service system for sworn personnel of the Seattle Police Department and uniformed personnel of the Seattle Fire Department. The Commission provides sworn police and uniformed fire employees with a quasi-judicial process for hearings on appeals concerning disciplinary actions, examination and testing, and other related issues.

Budget Snapshot

Civil Service Commissions	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$344,266
Other Revenues	$0	$0	$0	$0
Total Revenues	**$0**	**$0**	**$0**	**$344,266**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$0**	**$0**	**$0**	**$344,266**
Total Expenditures	**$0**	**$0**	**$0**	**$344,266**
Full-Time Equivalent * Total	-	-	-	2.60

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years have required all departments to identify efficiencies, new ways of doing business, and creative savings. Up to now, the Civil Service Commission (CSC) and the Public Safety Civil Service Commission (PSCSC) had separate administrative offices charged with administering their programs. Each office was staffed with an Executive Director. The CSC also employed an administrative staff assistant.

Based on input from the Chairs of both the CSC and PSCSC it became clear that the workloads of these two bodies could be handled with less staff if the administrative structures were consolidated into a single unit. The new unit will be overseen by an Executive Director and will be supported by 1.6 FTE staff assistants. This results in the reduction of .20 FTE and saves $51,018.

While this reorganization will reduce total staffing levels, services to the Commissions and City employees will not be compromised. This reorganization in no way alters the responsibilities, duties, make-up, or scope of the two Commissions. Rather, this is streamlining the administrative support services the Commissions rely on.

As Executive Director for both Commissions, the incumbent in this position will be jointly appointed by the CSC and the PSCSC, and subject to removal, by both Commissions. The Executive Director's appointment is subject to Council approval. The Proposed Budget suggested that if there were a tied vote regarding appointment or removal, the Mayor be tasked with casting the deciding vote.

Civil Service Commissions

City Council Changes

Council passed legislation to create the Civil Services Commissions with one change by removing the Mayor from casting the deciding vote in the case of a tie in the appointment of the Executive Director.

Incremental Budget Changes

Civil Service Commissions

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$0	0.00
2012 Proposed Changes			
	2012 Endorsed Budget of former CSC and PSCSC	$390,760	2.80
	Reorganization/Operational Efficiences	($66,618)	(0.20)
	Technical Adjustments	$5,085	0.00
Total Changes		**$329,227**	**2.60**
2012 Proposed Budget		**$329,227**	**2.60**
Council Adjustments to Proposed Budget			
	Stipend Adjustment	$15,600	0.00
	Adjust Employer Contribution Rate to SCERS	($561)	0.00
Total Adjustments		**$15,039**	**0.00**
2012 Adopted Budget		**$344,266**	**2.60**

Consolidation of the Former CSC and PSCSC – $390,760 / 2.8 FTE. This change represents the combination of the 2012 Endorsed Budget for CSC and PSCSC and serves as a starting point to make the staffing and funding adjustments creating the Civil Service Commissions (CIV).

Reorganization/Operational Efficiencies – ($66,618) / (0.20 FTE). The 1.0 FTE strategic advisor position in PSCSC and 0.80 FTE strategic advisor position in CSC are abrogated. A new 1.0 FTE Strategic Advisor position is created to perform the program and financial management as well as serve as Executive Director for both Commissions. The administrative staff assistant position from CSC is transferred in and a new 0.60 FTE administrative staff assistant position is added to address the administrative duties related to PSCSC. The net result of this reorganization is an FTE decrease of 0.20 and a dollar savings of $66,618. The savings are generated not only by a decrease in total FTE, but also paying an Administrative Staff Assistant to perform the administrative work previously performed by a Strategic Advisor.

Technical Adjustments – $5,085. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Department's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Stipend Adjustment – $15,600. The 2012 Proposed Budget inadvertently omitted the stipend costs for the PSCSC Commissioners. This change adds those funds to the new department and changes the savings of the reorganization from $66,618 to $51,018.

Adjust Employer Contribution Rate to SCERS – ($561). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil Service Commissions Budget Control Level	V1CIV	0	0	0	344,266
Department Total		0	0	0	344,266
Department Full-time Equivalents Total*		0.00	0.00	0.00	2.60

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Civil Service Commissions Budget Control Level

The purpose of the Civil Service Commissions Budget Control Level is to provide administrative support to the Public Safety Civil Service Commission (PSCSC) and the Civil Service Commission (CSC). The PSCSC provides sworn police and uniformed fire employees with a quasi-judicial process for hearings on appeals concerning disciplinary actions, examination and testing, and other related issues. The CSC directs the civil service system for all other employees of the City. It investigates allegations of political patronage so the City's hiring process conforms to the merit system set forth in the City Charter. These commissions will at times improve the City personnel system by developing legislation for the Mayor and City Council.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Civil Service Commissions	0	0	0	344,266
Full-time Equivalents Total*	0.00	0.00	0.00	2.60

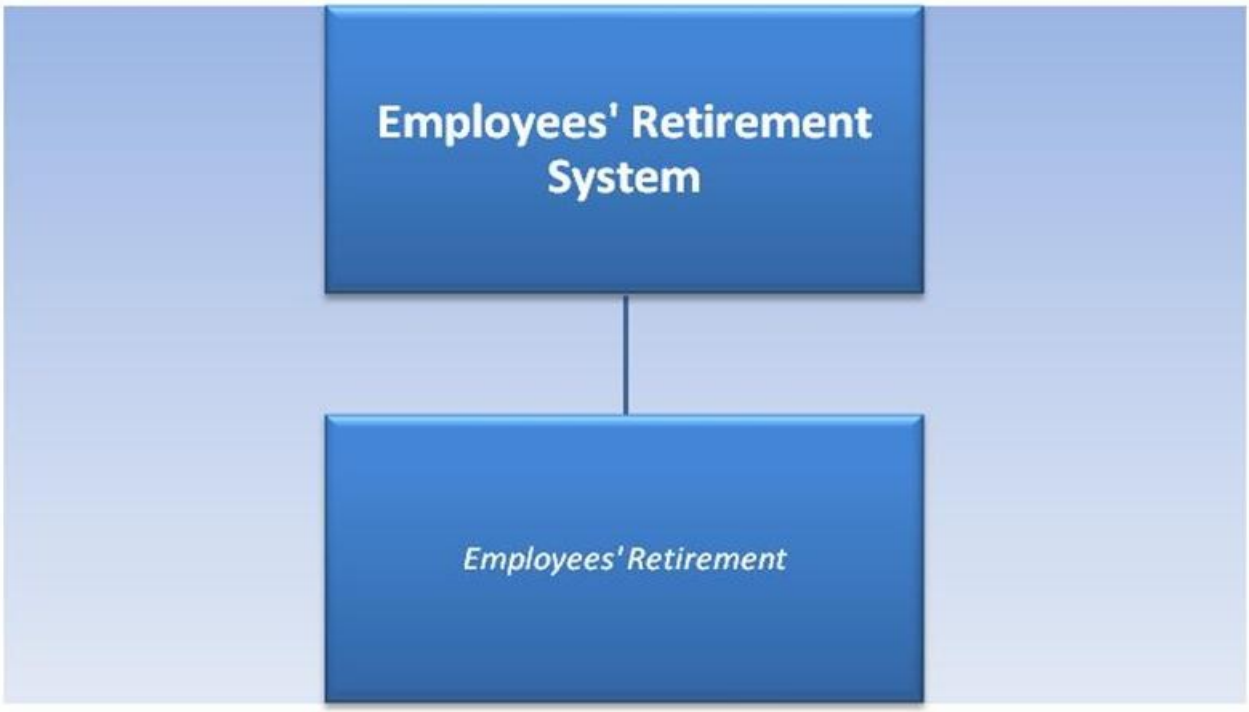
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Employees' Retirement System

Cecelia M. Carter, Executive Director

Information Line: (206) 386-1293
http://www.seattle.gov/retirement

Employees' Retirement System by Budget Control Level



Employees' Retirement Overview

The Employees' Retirement System has two major functions: administration of retirement benefits and management of the assets of the Retirement Fund. Employee and employer contributions, as well as investment earnings, provide funding for the System. Approximately 8,600 active employee members and 5,400 retired employee members participate in the plan. The provisions of the plan are set forth in Chapter 4.36 of the Seattle Municipal Code. The plan is a "defined benefit plan," which means an employee's salary, years of service, and age at the time of retirement are used to determine the amount of retirement benefits. At retirement, members are given a choice of several payment options from which to collect their retirement benefit. The Retirement System is led by a seven-member Board of Administration. The Board is chaired by the chair of the Seattle City Council's Budget Committee. Other members include the City's Director of Finance and Director of Personnel, two elected active employee members, one elected retired member, and one selected by the other board members. The day-to-day operations of the Retirement System are run by an Executive Director who is appointed by the Board.

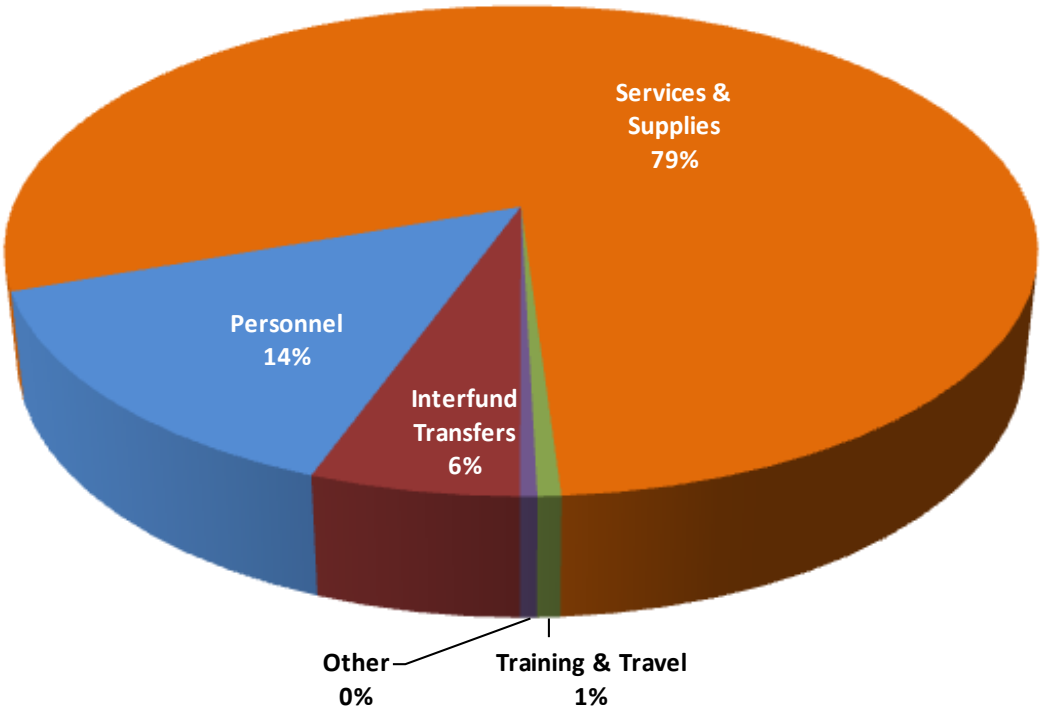
Employees' Retirement System

Budget Snapshot

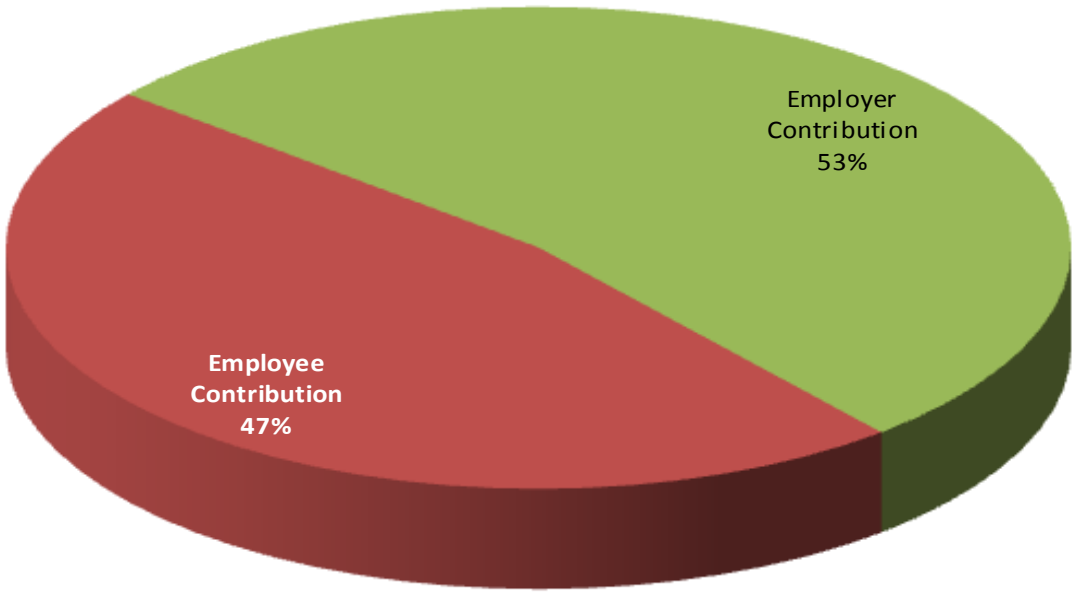
Employees' Retirement System	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$7,822,702	$11,759,692	$11,893,814	$12,257,008
Total Revenues	**$7,822,702**	**$11,759,692**	**$11,893,814**	**$12,257,008**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$7,822,702**	**$11,759,692**	**$11,893,814**	**$12,257,008**
Total Expenditures	**$7,822,703**	**$11,759,692**	**$11,893,813**	**$12,257,008**
Full-Time Equivalent * Total	15.50	15.50	15.50	18.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

Like many other state and local pension funds, the Seattle City Employees' Retirement System (SCERS) faces significant financial challenges. Each year, SCERS receives contributions from the City and active members, and distributes benefits to retirees. For example, in 2010 SCERS received contributions from the City and covered City employees totaling $92 million, while paying out $128 million in benefits and refunds. The difference between contributions coming into the System and benefits and refunds paid out of the System must be covered by investment earnings or existing asset balances.

In years when the economy falters, investment earnings may not meet anticipated levels. During severe downturns the SCERS asset portfolio, as with most other retirement portfolios, may experience investment losses instead of gains. This was experienced in 2008. At the beginning of 2008, SCERS held net assets worth $2.1 billion, which amounted to 92% of the reserves needed to pay all promised retirement benefits. This is considered to be a relatively healthy funding level. In 2010, following sharp, worldwide financial market losses, SCERS net assets fell to $1.6 billion which amounted to only 62% of the reserves necessary to pay promised future benefits.

Given the total size of the SCERS portfolio, the System has ample resources on hand, in addition to future contributions, needed to pay all near-term obligations to retirees. However, the decline in asset value described above must be made up over time in order to ensure full funding of retiree benefits in the long-term.

Employees' Retirement System

This shortfall can be made up in different ways. The easiest way to make up the gap is to have better-than-anticipated investment returns on the SCERS portfolio. This was the case experienced in 2009 and 2010. However, the better performance experienced here was not sufficient to address the shortfall driven by the 2008 losses. Additionally, SCERS cannot rely on better-than-anticipated investment returns every year, as some future years will again yield a lower return.

Therefore, in order to proactively address the system shortfall, the Mayor, City Council, and Retirement Board, working with the City's labor unions, took important steps to increase the volume of contributions paid into the Retirement System.

One: Beginning in 2011, the combined contribution rate paid by the City and by City employees enrolled in the retirement system increased from 16.06% (of covered salaries) to 18.06%, which increased total contributions to the Retirement System by $12 million.

Two: Under the same legislation, passed in 2010, both the City and City employee contribution rates were scheduled to increase from 9.03% to 10.03% in 2012. However, after further actuarial analysis, the Mayor and City Council decided to increase the City's contribution rate from 9.03% to 11.01%, while raising the City employee contribution rate from 9.03% to 10.03% as originally planned. Thus, the 2012 Adopted Budget increases the total contribution rate from 18.06% in 2011 to 21.04% in 2012, which will add about $18 million per year to the Retirement Fund.

Taken together, these contribution rate increases will generate an additional $30 million per year for the Retirement Fund beginning in 2012 relative to 2010 levels. The combined rate of 21.04% is the full actuarially determined contribution rate recommended to meet Retirement System obligations for 2012 and is designed to fully fund the System over 30 years.

In addition to improving the Retirement System's financial strength, the System now employs a common five-year asset smoothing policy under which portfolio gains or losses occurring in each year are recognized evenly over a five-year period, thereby smoothing out volatile year-to-year swings in asset values. This policy results in gradual changes in actuarially recommended contribution rates each year. Current projections indicate that contribution rates will likely increase in 2013, and the City's six-year financial planning practices incorporate these changes into financial projections of future years. An interdepartmental team is currently reviewing possible changes to the Retirement System to ensure its sustainability over the long run.

The 2012 Adopted Budget includes additional staff resources for SCERS in order to assist the principal investment manager in adjusting the Retirement System's portfolio in accordance with the Retirement Board's preferred asset allocation, in the ongoing monitoring of 35-40 private investment managers, and in providing investment analysis for the Board. The System will also undertake the replacement of a crucial, but outmoded database system. As a result, the Retirement System will become less reliant on contracted labor, while safeguarding the System's records, enhancing the Department's ability to provide timely customer service, and improving the flow of information to senior management and the Board of Administration.

Incremental Budget Changes

Employees' Retirement System

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$11,893,813**	**15.50**
2012 Proposed Changes			
	Update Systems and Improve Accountability	$314,375	2.20
	Professional Services	$220,088	0.00
	Miscellaneous Reductions	($168,069)	0.00
Changes Total		**$366,394**	**2.20**
2012 Proposed Budget		**$12,260,207**	**17.70**
Council Adjustments to Proposed Budget			
	Technical Adjustments	($3,199)	0.30
Total Adjustments		**($3,199)**	**0.30**
2012 Adopted Budget		**$12,257,008**	**18.00**

Update Systems and Improve Accountability – $314,375 / 2.20 FTE. The Seattle City Employees' Retirement System (SCERS) will add personnel to assist in the management of 35-40 investment funds and to increase the ability to perform analysis of investment performance and prospects. SCERS will replace an obsolete data system with a new system that will safeguard vital records and facilitate more accurate and timely reporting. Additional staff is also added to help reduce the backlog of employee requests for retirement estimates.

Professional Services - $220,088. Investment fees paid to private investment managers are anticipated to rise due to a projected increase in the market value of SCERS portfolio.

Miscellaneous Reductions – ($168,069). These include reductions in training and travel, interfund charges and central rates, capital expenditure, and other minor items.

City Council Changes to the 2012 Proposed Budget

Technical Changes – ($3,199)/ 0.3 FTE. The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012. The increased savings in employer retirement contributions is offset by an equal reduction in the internal revenues collected. In addition, a technical adjustment increased SCERS FTE total by 0.3 FTE.

Employees' Retirement System

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Employees' Retirement Budget Control Level	**R1E10**	**7,822,703**	**11,759,692**	**11,893,813**	**12,257,008**
Department Total		**7,822,703**	**11,759,692**	**11,893,813**	**12,257,008**
Department Full-time Equivalents Total*		**15.50**	**15.50**	**15.50**	**18.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Employees' Retirement System Fund

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469610	Employee Contribution	3,911,351	5,879,846	5,946,907	5,773,234
569510	Employer Contribution	3,911,351	5,879,846	5,946,907	6,483,774
Total Revenues		**7,822,702**	**11,759,692**	**11,893,814**	**12,257,008**

Appropriations by Budget Control Level (BCL)

Employees' Retirement Budget Control Level

The purpose of the Employees' Retirement Budget Control Level is to manage and administer retirement assets and benefits.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Employees' Retirement	7,822,703	11,759,692	11,893,813	12,257,008
Full-time Equivalents Total*	15.50	15.50	15.50	18.00

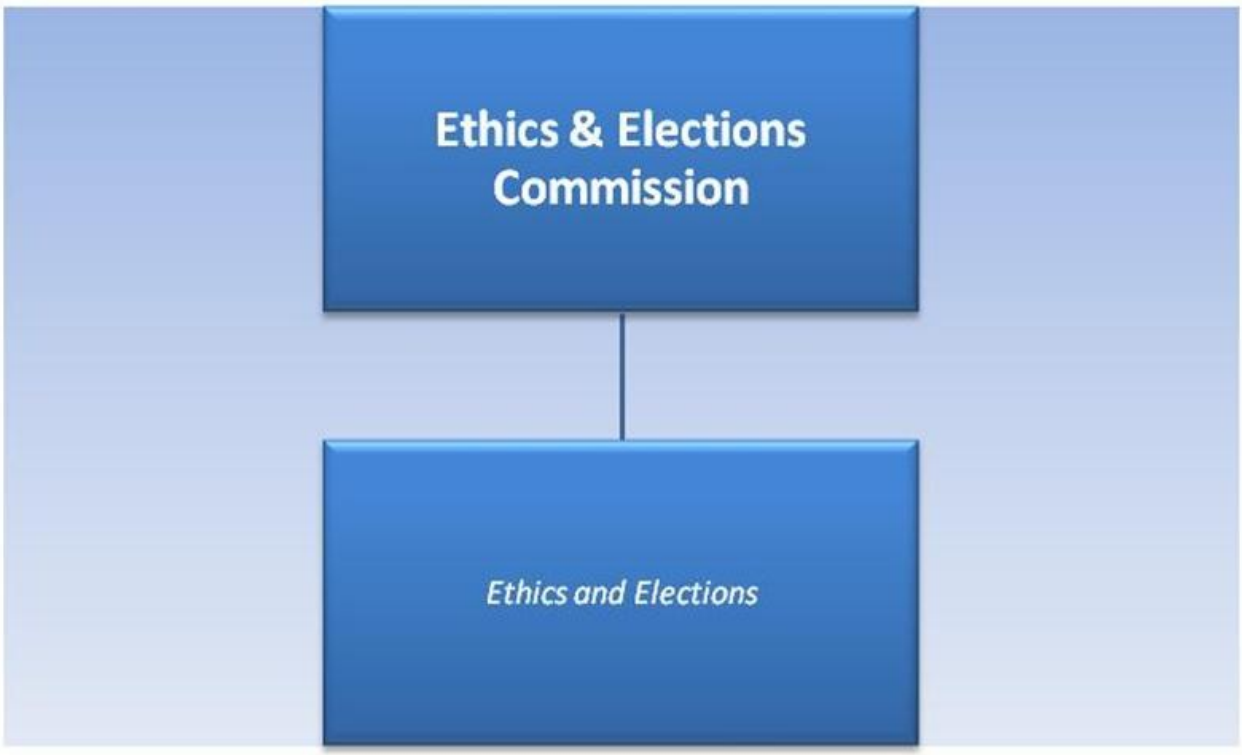
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Ethics and Elections Commission

Wayne Barnett, Executive Director

Information Line: (206) 684-8500
http://www.seattle.gov/ethics/

Ethics and Elections Commission by Budget Control Level



Ethics and Elections Commission Overview

The Seattle Ethics and Elections Commission (SEEC) helps foster public confidence in the integrity of Seattle City government by providing education, training, and enforcement of the City's Ethics Code, Whistleblower Code, and lobbying regulations. The SEEC also promotes informed elections through education, training, and enforcement of the City's Elections Code and Election Pamphlet Code.

In 2011, the SEEC entered into a contract with the Seattle Public Schools to provide an independent and comprehensive ethics and whistleblower protection program to the district. The SEEC's Executive Director is now also serving as the Seattle Public School District's Ethics Officer.

The SEEC conducts ethics training for all City employees on request and through the City's New Employee and New Supervisor Orientation programs. It also provides ethics training information for City employees via the City's intranet site.

Ethics and Election Commission

The SEEC issues advisory opinions regarding interpretations of the Code of Ethics and also investigates and rules upon alleged violations of the Code. Thirty years of formal advisory opinions, organized and searchable by topic, are available on the SEEC's website.

Through the Whistleblower Code, the SEEC helps to protect an employee's right to report improper governmental action and to be free from possible retaliation as a result of such reporting. The SEEC either investigates allegations of improper governmental actions itself or refers allegations to the appropriate agency.

The SEEC fulfills the public's mandate of full campaign disclosure by training every organization required to report contributions and expenditures in proper reporting procedures, auditing every organization that reports, working with those organizations to correct errors, and making all campaign finance information available to the public. Since 1993, the SEEC has made summary reports of campaign financing information available to the public. And since 1995, the SEEC has published campaign financing information on its website.

The SEEC is charged with administering the City's lobbying regulations. The SEEC collects and posts information so that citizens know who is lobbying and how much they are being paid to lobby. The SEEC also enforces compliance with the lobbying regulations.

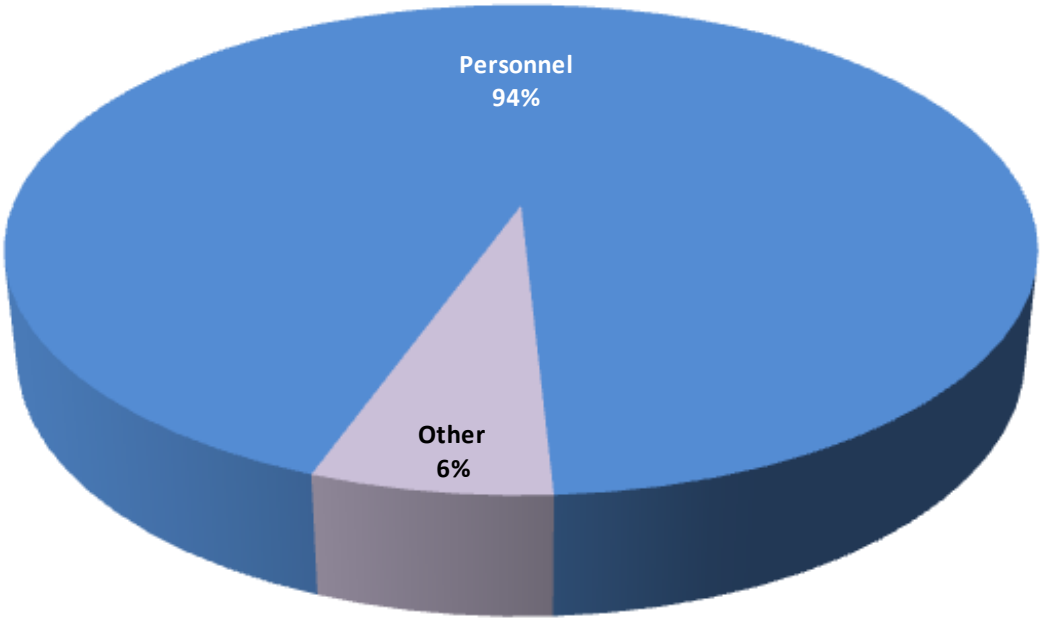
The SEEC produces voters' pamphlets for City elections and ballot measures. It makes these pamphlets available in several languages and produces a video voters' guide with King County in odd-numbered years. The video voters' guide is funded with cable franchise fee revenue.

Budget Snapshot

Ethics & Election Commission	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$591,362	$686,573	$654,946	$759,952
Other Revenues	$0	$0	$0	$0
Total Revenues	**$591,362**	**$686,573**	**$654,946**	**$759,952**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$591,362**	**$686,573**	**$654,946**	**$759,952**
Total Expenditures	**$591,362**	**$686,573**	**$654,946**	**$759,952**
Full-Time Equivalent * Total	5.20	5.20	5.20	5.20

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years require that the Ethics and Elections Commission make budget reductions. The 2012 Adopted Budget for the Ethics and Election Commission reflects administrative reductions in order to close the gap. This agency has historically run a very efficient organization, yet found reductions they can sustain during this economically challenging period while still providing essential services.

The Commission's budget also reflects the additional responsibility of providing ethics and whistle-blower training and investigations to the Seattle Public Schools. This three-year, revenue-backed, interlocal agreement began mid-year 2011 and will expire mid-year 2014.

The 2012 Adopted Budget also includes a series of technical adjustments including inflation, COLA, retirement, health care, workers' compensation, and unemployment.

Incremental Budget Changes

Ethics and Elections Commission

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$654,946	5.20
2012 Proposed Changes			
	Technical Adjustments	$7,158	0.00
	Administrative Savings	($6,419)	0.00
	Operational Savings	($15,779)	0.00
	Seattle School District Contract Servicing	$121,000	1.00
Total Changes		**$105,960**	**1.00**
2012 Proposed Budget		**$760,906**	**6.20**
Council Adjustments to Proposed Budget			
	Seattle School District Contract Position	$0	(1.00)
	Adjust Employer Contribution Rate to SCERS	($954)	0.00
Total Adjustments		**($954)**	**(1.00)**
2012 Adopted Budget		**$759,952**	**5.20**

Technical Adjustments - $7,158. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Ethics and Elections Commission's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

Administrative Savings - ($6,419). These changes reduce the overtime and the professional services accounts. The Ethics and Elections staff have not needed to use overtime funding since 2007. They will continue to closely manage personnel costs. The Commission will also realize savings by deferring redesigns and updates to brochures and websites without compromising effective constituent communication.

Operations Savings - ($15,779). The 2012 Adopted Budget provides a one-time reduction to funding for the publication of the voter's pamphlet. No City of Seattle positions are scheduled for the election ballots in 2012. It is assumed there will be one levy on the primary and the general election ballots. With five City positions on the ballot in 2013, this funding will need to be restored at that time.

Seattle School District Contract Servicing - $121,000 / 1.0 FTE. In 2011, the Ethics and Elections Commission and the Seattle Public Schools (SPS) entered into a three-year agreement where City staff

will provide ethics and whistleblower training and investigation services to SPS. A new investigator position was added in 2011 and a current Senior Training and Education Coordinator increased their hours. Further, existing administrative and overhead expenditures will be allocated to the SPS agreement.

City Council Changes to the 2012 Proposed Budget

Seattle School District Contract Position – (1.0 FTE). The position mentioned above was added mid-year 2011 in a supplemental ordinance and as a result, did not need to be added again in the 2012 budget. This technical correction backs out the duplicate position.

Adjust Employer Contribution Rate to SCERS – ($954). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Ethics and Elections Budget Control Level	V1T00	591,362	686,573	654,946	759,952
Department Total		591,362	686,573	654,946	759,952
Department Full-time Equivalents Total*		5.20	5.20	5.20	5.20

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Ethics and Elections Budget Control Level

The purpose of the Ethics and Elections Budget Control Level is threefold: 1) to audit, investigate, and conduct hearings regarding non-compliance with, or violations of, Commission-administered ordinances; 2) to advise all City officials and employees of their obligations under Commission-administered ordinances; and 3) to publish and broadly distribute information about the City's ethical standards, City election campaigns, campaign financial disclosure statements, and lobbyist disclosure statements.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Ethics and Elections	591,362	686,573	654,946	759,952
Full-time Equivalents Total*	5.20	5.20	5.20	5.20

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Department of Finance and Administrative Services

Fred Podesta, Director

Information Line: (206) 684-0415
http://www.seattle.gov/

Department by Budget Control Level

Department of Finance and Administrative Services

Department Overview

The Department of Finance and Administrative Services (FAS) was created on August 30, 2010, as part of the Mayor's reorganization of City government. FAS combines the functions from the former Fleets and Facilities Department; the former Department of Executive Administration; and the revenue forecasting, debt management, and tax policy functions that were previously performed by the former Department of Finance. It also transfers the Department of Neighborhood's Customer Service Bureau to the newly created "Office of Constituent Services," which is housed within FAS. Among other things, the creation of FAS will allow for greater utilization of resources; better integration of the City's financial and accounting policies, management, procedures, and systems; and improved efficiencies in the provision of customer service.

FAS is one of the most functionally diverse departments within City government. Examples of the Department's responsibilities include: maintaining the database of employee information; building or renovating fire stations; negotiating contracts for items City departments need to purchase; making sure everyone has a chance to compete for City-funded construction projects; operating more than one-hundred City facilities; helping sell property the City no longer needs; managing the City's investments; overseeing the central accounting system; maintaining police patrol cars and fire engines; making sure gas pumps accurately measure out a gallon of gas; regulating the taxicab industry; issuing business licenses, collecting taxes; advocating for animal welfare; finding adoptive homes for animals; and assisting constituents who call (206) 684-CITY (which is the City's Customer Service Bureau hotline where callers can get help solving problems, obtaining information, and resolving complaints).

FAS' budget is split into the following nine functional areas:

- Business Technology, which builds and maintains computer applications that support internal business functions, such as financial management, payroll, and personnel records management.

- Capital Development and Construction Management, which manages the design and construction of City facilities (including upgrading, renovating, or replacing 32 of the City's 33 neighborhood fire stations), as well as renovations, asset preservation projects, tenant improvements, and sustainability/environmental stewardship related to facility design and construction.

- Purchasing and Contracting, which manages rules, bids and contracts for products, supplies, equipment and services; maintains guidelines and procedures for consultant contracting; and administers public works contracting to ensure that all City departments adhere to the City's policy goals related to social equity and environmental stewardship.

- Facility Operations, which manages more than one-hundred facilities, or 2.5 million square feet of public buildings and facilities, including office space, parking garages, police and fire stations, community facilities and maintenance shops; procures leased space for City tenants when needed; plans and acquires new and expanded City facilities; and disposes of surplus City property.

- Financial Services, which receives City revenue and provides Citywide financial services, including debt management, treasury, central accounting (includes producing the Comprehensive Annual Financial Report), City investments, payroll (includes producing paychecks for more than 10,000 current and retired employees), business licensing, tax administration, and risk management (which includes claims settlements).

- Fleets Services, which buys and provides maintenance, motor pool, and fueling services for more than 4,000 vehicles and heavy equipment while supporting environmentally sustainable fleets goals and practices.

- Revenue and Consumer Protection provides a variety of regulatory services (such as overseeing Seattle's taxicab industry) and consumer protection services (such as FAS' Weights and Measures Unit, which tests gas pumps, and supermarket checkout scanners to ensure consumers get what they pay for).

- Seattle Animal Shelter, which promotes public safety, animal welfare, enforces Seattle's laws regarding animals, runs animal sheltering and adoption programs, and manages a spay and neuter clinic, working with more than 4,000 animals a year, from dogs and cats to peacocks and goats.

- Office of Constituent Services, which advocates for service excellence throughout City government, answering more than 50,000 requests from constituents each year.

Internal service operations in FAS are primarily supported through charges to City departments and, in some cases, such as when the City leases space, by private businesses or individuals. FAS also collects certain fees specifically to pay for some of its services, such as the Seattle Animal Shelter Spay and Neuter Clinic, animal licensing, the Weights and Measures program, and for-hire driver licenses. Finally, FAS receives General Fund support from the City to pay for several financial services as well as administration of the City's taxes and business licensing services. This transfer funds the following:

- The smaller General Fund departments' portion of the rate charges (which are paid directly out of Finance General rather than loaded into the small departments' budgets).
- Specific functions that are not part of the rate pool, such as parking meter collection, economics and forecasting, nightlife coordination, and Mutually Offsetting Benefit property maintenance.
- The portion of non-rate pool functions - such as the Seattle Animal Shelter, for-hire driver licenses, or the Weights and Measures program - where revenues fall short of covering operating costs.

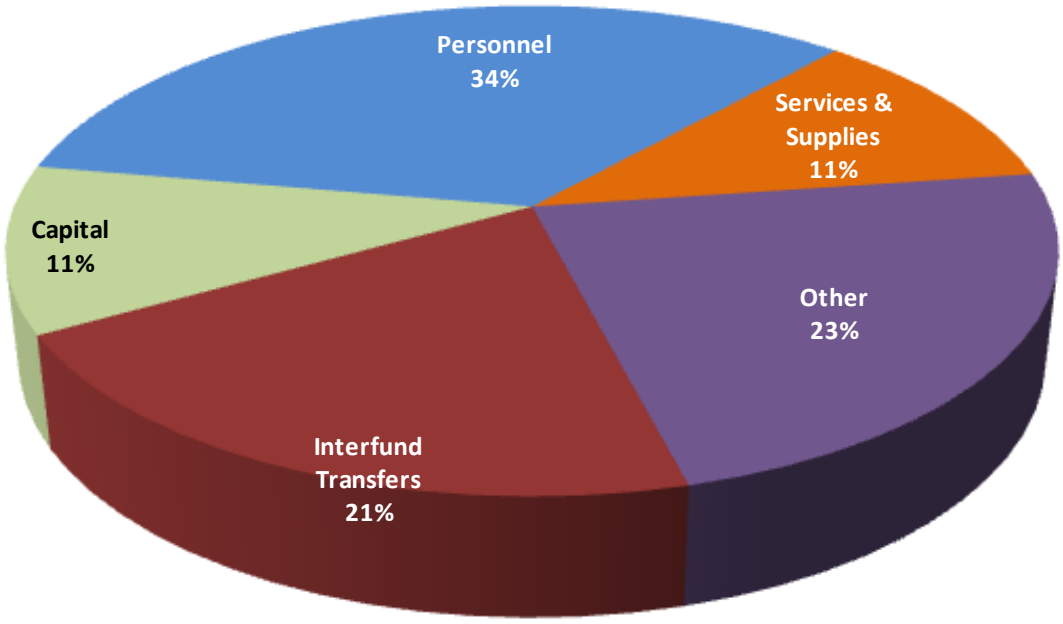
Department of Finance and Administrative Services

Budget Snapshot

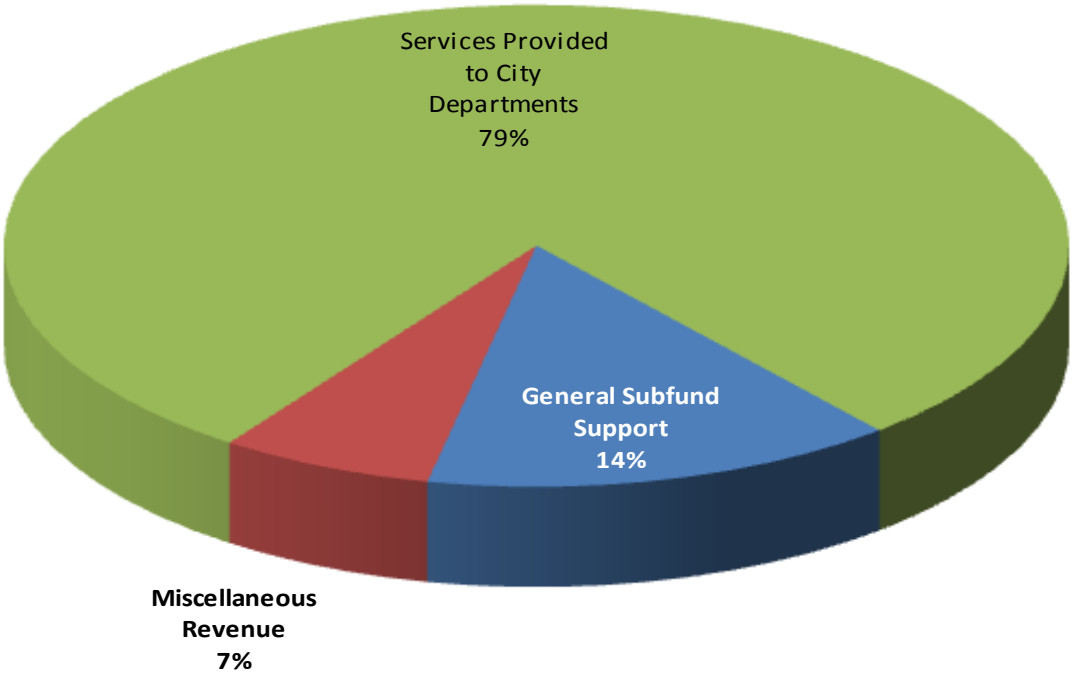
Finance & Administrative Services	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$20,865,695	$21,112,332	$21,332,015
Other Revenues	$0	$124,329,313	$126,674,932	$126,938,602
Total Revenues	**$0**	**$145,195,008**	**$147,787,264**	**$148,270,617**
Use of (Contribution to) Fund Balance	$0	($1,192,289)	$2,951,805	$5,233,266
Total Resources	**$0**	**$144,002,719**	**$150,739,069**	**153,503,883**
Total Expenditures	**$0**	**$144,002,719**	**$150,739,071**	**$153,503,883**
Full-Time Equivalent * Total	-	523.75	523.75	521.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

The 2012 Adopted Budget includes reductions for all General Fund-dependent functions. FAS receives a General Fund transfer to support the general government portions of its operations, which include functions such as constituent affairs, purchasing, contracting, financial services and the City Animal Shelter. In order to address the General Fund shortfall, FAS' 2012 Adopted Budget includes operating reductions that will reduce its reliance on the General Fund and decrease the rates and allocations it charges to General Fund departments. In addition, savings from these changes will also accrue to non-General Government users of FAS services.

After the 2010 consolidation of the Department of Executive Administration and Fleets and Facilities Department into FAS there are opportunities for the new Department to find efficiencies as roles and responsibilities are better defined. The 2012 Adopted Budget reflects the Department's emphasis on core services. The 2012 Adopted Budget preserves those resources necessary for the day-to-day operations of City government, while streamlining all operations to provide funding for a program establishing common financial policies and procedures for the City. Finally, the Department prioritized use of available financial resources, including the use of fund balances, to help meet operational priorities and to offset the City's General Fund shortfall.

Department of Finance and Administrative Services

Management Efficiencies

As part of the 2011 Adopted Budget process, FAS was directed to identify management efficiencies that create $500,000 in savings for the 2012 Adopted Budget. The Department meets this requirement by eliminating a total of four management positions. Efficiencies created in the 2010 consolidation will allow FAS to eliminate two of these positions. In addition, the Vehicle Maintenance program increased span of control by eliminating two management positions and will still provide the same level of service to their customers.

Facility Services & Maintenance

FAS is responsible for the maintenance and asset preservation of many general government facilities, including police precincts, fire stations, office buildings, maintenance shops, and yards. The Department has identified several cost saving measures and efficiencies that can be realized without a direct impact on services. In one such measure, a vacant building engineer position will be eliminated in Facility Operations that will cause some delay in preventive maintenance activities, but will not impact direct services. The Department will also defer some non-essential building maintenance such as window washing at the Seattle Municipal Tower (SMT). Finally, FAS reviewed janitorial staffing levels at the Seattle City Hall and Seattle Justice Center and identified efficiencies that could be accommodated with modest impacts to the building occupants and visiting public.

Right-Sizing Fleets

The City has aggressively reduced its fleet size since the onset of the recession in 2008. Starting in 2009, the City has reduced the size of its fleet by 419 vehicles, which is roughly 10% of the overall size of the fleet. Along with downsizing, FAS has implemented new technologies to make its fleet operation more efficient. For example, implementation of software to better manage the maintenance and repair of its fleet has allowed FAS to save money by closing the South Service Center Warehouse during the night shift and rely on the Charles Street Warehouse for parts. Also, an automated motor pool management system at the SMT and SeaPark garages allows FAS to operate an unstaffed motor pool in a more efficient and cost-effective manner and has resulted in the reduction of 20 passenger vehicles. Vehicle reductions in the fleet allows surplus funds in the fleet capital fund to help meet the FAS' budget reductions and reduces annual lease rates for City departments.

Additionally, the increasing price of fuel continues to be a cost driver for the City, and FAS is introducing electric vehicles in the SMT motor pool to help offset those costs. The introduction of 26 Nissan Leafs will significantly reduce the motor pool's operating costs through the reduction in fuel consumption. Replacing 26 Toyota Prii with electric vehicles is expected to reduce the City's motor pool operating costs from fuel alone by $160,000 over the 10-year lifecycle of the electric vehicles.

New Regulatory Revenues

In 2011, the State of Washington passed legislation allowing the City to enforce regulation of the limousine industry. FAS will include this as part of the responsibilities of the Consumer Protection Division and the additional revenues from the State will fund existing staff for this new body of work.

Transforming How the City Does Business

The increase in use of electronic payments and better pay station technology for paid street parking has led to a decreased need for parking meter collectors. An evaluation of the staffing needs resulted in lower staffing requirements as less cash is used at the parking pay stations and coin-operated parking meters around the city.

The Business Technology Division examined its staffing support for the financial management and human resources information systems and proposed a staffing reduction.

The Seattle Animal Shelter will reduce costs by eliminating a half-time position in the Shelter. The remaining workload will be spread out among the rest of the staff, but will maintain the existing level of animal care and public access to the Shelter five days per week and should not result in any direct service impacts to customers.

Long Term Financial Stability

Over the past two years, FAS has embarked on a series of projects to help address the City's overall financial management requirements. FAS will receive funding in 2012 to facilitate a Citywide Financial Management and Accountability Program (FinMAP) that will establish financial management policies and procedures to standardize the use of the City's Financial System (Summit) and balance the needs of individual departments with Citywide requirements for regulatory reporting, central financial oversight, and fiscal accountability. This program will allow for better financial management and accountability Citywide. Examples of standardized policies and procedures to be provided by FinMAP include, but are not limited to, establishing an approach to monitor and control capital spending within each department as well as for cross-departmental projects; standardizing the process of tracking funding sources; and, creating standards to provide effective monitoring of multi-department capital improvement projects.

Investing in Asset Preservation

For more than 30 years, a program to lease City-owned facilities to not-for-profit service providers has been in existence. This program allows service providers to occupy City-owned properties at low or no cash rent with the services they provide to the community accepted by the City as a major portion of rent. As there are virtually no rent revenues collected, the cost of maintaining these facilities has been funded by General Fund and real estate excise tax revenues. Some of these buildings are more than 100 years old with the newest built in 1959. The lack of dedicated funds for maintenance has led the facilities to fall into disrepair. The poor condition of the roofs is a source of particular concern, as water infiltration rapidly leads to structural problems. An insurance settlement from a fire at the largely unoccupied City-owned Sunny Jim warehouse in 2010 allows FAS to fund new roofs at six of the facilities. The groups using these buildings provide much needed services to the community and include senior centers in Ballard, Greenwood, and the Central area; a home for teen parents; food bank and meal programs; and youth programs. This investment in maintenance work will extend the lives of these buildings and allow the not-for-profit service providers to continue to occupy the buildings and serve the community.

Department of Finance and Administrative Services

Aligning Neighborhood Service Centers with the Office of Constituent Services

As part of a number of efficiency changes associated with the Department of Neighborhoods (DON), the Neighborhood Payment and Information Service (NPIS) centers are moved from DON to FAS. This move centralizes customer service delivery within FAS and will create a streamlined system of contact with the City. In 2011, DON consolidated the West Seattle Neighborhood Service Center (NSC) into the Delridge NSC to deliver the same service more efficiently and achieve budget savings. In 2012, the Delridge NSC is proposed to relocate to the Department of Parks & Recreation's Southwest Community Center. The implementation of the original consolidation in 2011 reduced the number of Customer Service Representatives which is now recognized in the Adopted Budget as a 1.0 FTE abrogation.

City Council Changes

During the City Council's review process, a proviso was placed on a portion of the funding that FAS had designated for roof replacements at City-owned facilities that are leased to not-for-profit service providers. The proviso restricts the full authority needed for the repairs until the conditions of SLI 58-1-A-2 are met. This SLI requires the Department to provide more detailed estimates for repairs needed for major maintenance of the buildings.

Incremental Budget Changes

Department of Finance and Administrative Services

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$150,739,071**	**523.75**
2012 Proposed Changes			
	Management Efficiency	$0	(3.50)
	Facility Services and Maintenance Reductions	($2,043,997)	(5.00)
	Financial Services Funding Swaps and Reductions	($141,799)	0.00
	Fleet Services Efficiencies and Fund Balance Savings	($451,206)	(2.00)
	Regulatory Services Efficiencies and Revenue Enhancement	($53,392)	(0.50)
	Accounting and Business Licensing Efficiencies	($534,328)	(6.00)
	Reduce Parking Meter Collections Staff	($68,994)	(1.00)
	Reduce Business Technology Staffing	($147,088)	(1.00)
	Reduce Animal Shelter Staffing	($43,912)	(0.50)
	Equipment Replacement	$80,000	0.00
	Financial Management and Accountability Program Implementation	$740,000	0.00
	Facility Upgrades	$1,900,000	0.00
	Neighborhood Service Centers Transfer from DON	$1,802,883	17.50
	Technical Adjustments	$1,824,237	0.00
Total Changes		**$2,862,404**	**(2.00)**
2012 Proposed Budget		**$153,601,475**	**521.75**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution to SCERS	($97,592)	0.00
Total Adjustments		**($97,592)**	**0.00**
2012 Adopted Budget		**$153,503,883**	**521.75**

Management Efficiency - $0 / (3.5) FTE. As part of the 2011 Adopted Budget process, FAS was directed to identify management efficiencies for implementation in 2012. In response, FAS is eliminating four management positions, a total of 3.5 FTE, for a $500,000 budget reduction already accounted for in the 2012 Endorsed Budget. A restructuring in the Vehicle Maintenance program allows for the elimination of a manager and a supervisor, increasing span of control efficiencies and allowing the unit to continue providing the same level of service to its customers. In addition, a part-time manager in the Regulatory Enforcement program and an executive are also eliminated due to efficiencies created by the 2010 consolidation of the Department of Executive Administration and Fleets and Facilities Department.

Department of Finance and Administrative Services

Facility Services and Maintenance Reductions – ($2,043,997) / (5.0) FTE. This proposal reduces staffing and budget for maintenance and service to existing facilities. The elimination of a vacant building engineer position will cause some delay in preventive maintenance activities. A reduction in the professional services budget will delay a planned software upgrade to a system that tracks vacant City space and the information will continue to be tracked in the current system. Additionally, FAS examined janitorial staffing levels for Seattle City Hall and Seattle Justice Center and will achieve efficiencies by reducing staff. This will impact the frequency of cleaning in the facilities, but will have minimal impact on visiting public and internal staff. Also, an administrative staff position has been eliminated and the work will be absorbed by existing staff. Due to favorable market conditions there is a cost savings for contracted janitorial staffing and elevator maintenance at the Seattle Municipal Tower (SMT). Further savings will be achieved with reductions in maintenance and engineering services at SMT that should have minimal impact on the operations of the facility and its occupants.

Financial Services Funding Swaps and Reductions – ($141,799). This proposal eliminates funding for the $100,000 contract with the Urban League's Contractor Development and Competitiveness Center due to its closure in 2011. Additionally, the City's banking provider offers a Commercial Credit Program that provides rebates to the City with the use of credit cards, and due to an increased use of credit cards for vendor payments and other charges, the City will receive a rebate resulting in $240,000. This funding will displace an equal amount of General Fund that would otherwise be appropriated to FAS for general government functions. The Financial Services Division is reducing funding for professional services and other non-labor budget items for a $41,799 budget reduction. The 2012 Proposed Budget recommended that City staff that work directly with the Public Development Authorities for the Pike Place Market Levy would have been funded by the Levy for a General Fund savings of $42,240. During the City Council review process it was determined that the Levy proceeds could not be used for this purpose and was removed from the FAS revenue table.

Fleet Services Efficiencies and Fleet Fund Balance Savings – ($451,206) / (2.0) FTE. FAS manages and maintains most City-owned vehicles and equipment. FAS worked with departments to identify and eliminate under-utilized or redundant City owned vehicles. This resulted in a $475,000 rebate of the capital fleet fund balance that was for replacement of the eliminated vehicles. The reduction in the annual lease rates for the reduced vehicles will be captured in department budgets. In another cost saving measure, FAS will close the South Service Center Warehouse at night and rely on the Charles Street Warehouse resulting in a staff reduction. A staff reduction will be made in Fleet Services' administration. The workload will be absorbed by existing Fleets staff. Additionally, non-labor reductions will be made in office and operating supplies, training and travel, dues and memberships, and small equipment purchases.

Regulatory Services Efficiencies and Revenue Enhancement – ($53,392) / (0.50) FTE. This action uses new revenue from the State of Washington for the regulation of the limousine industry, and specifically, for an existing position that will staff this new body of work. A reduction of a License and Standards Inspector from full-time to part-time will have a minimal impact on the division's ability to respond to customer inquiries. Further efficiencies in the division include relinquishing three leased vehicles and instead relying on the City's motor pool for their transportation needs.

Accounting and Business Licensing Efficiencies – ($534,328) / (6.0) FTE. This proposal eliminates an accountant in the Central Accounting division due, in part, to instituting paperless payroll Citywide. Other non-payroll duties of the accountant will be reassigned to existing staff. An accountant who works primarily with the seven Business Improvement Areas will be eliminated and the existing workload will be absorbed by other staff. This may result in an increase in response time to customer inquiries. An additional accountant will be eliminated in Central Accounting and the duties will be absorbed by existing staff.

Efficiencies created in the FAS consolidation resulted in the elimination of a Strategic Advisor and an Accountant position as well as reductions in non-labor accounts in Accounting & Budget. An administrative position will be eliminated in the Business Licensing division. In order to preserve direct customer services, existing customer service representatives will cover the front reception desk.

Reduce Parking Meter Collections Staff – ($68,994) / (1.0) FTE. This proposal eliminates a parking meter collector due to the decreased need for collecting cash proceeds at parking meters around the city. There is a reduced need for this service as more of the coin operated parking meters are being replaced with parking pay stations that take credit and debit cards. The remaining collectors can manage the existing meters and current paid parking collection schedule.

Reduce Business Technology Staffing – ($147,088) / (1.0) FTE. This proposal reduces a position in the Business Technology Division that provides support for the City's internal financial management system and human resources system. This reduction will require the remaining team to cover some tasks and may result in delays in service to internal customers.

Reduce Animal Shelter Staffing – ($43,912) / (0.50) FTE. This proposal will reduce a vacant part-time Animal Control Officer I (ACO) at the Seattle Animal Shelter and the remaining workload will be spread out to the remaining five ACOs who care for animals in the shelter. This will not result in any direct service impacts to customers or animal care and the Shelter hours for public access will not change due to this reduction.

Equipment Replacement – $80,000. This proposal provides funding, through internal rates, to lease a new payment processing unit that processes 11,000 paper payments per day for several City departments. The current unit is at the end of its useful lifecycle and outdated as the vendor will no longer provide support starting in 2012.

Financial Management and Accountability Program Implementation – $740,000. This proposal will provide funding for a Citywide Financial Management and Accountability Program (FinMAP) to establish financial management policies, which standardize the use of the City's Financial System (Summit). This will allow for better financial management and accountability Citywide. The new system will balance the needs of individual departments with Citywide requirements for regulatory reporting, central financial oversight, and fiscal accountability. Some examples of standardized policies and procedures to be provided by FinMAP include: establishing an approach to monitor and control capital spending within each department as well as for cross-departmental projects; standardizing the process of tracking funding sources; and, creating standards to provide effective monitoring of multi-department capital improvement projects.

Department of Finance and Administrative Services

Facility Upgrades – $1,900,000. This proposal adds funding for roof repairs on six separate facilities currently owned by the City and used by not-for-profit service providers. The tenants are: the Central Area Motivation Program, Central Area Senior Center, Northwest Senior Center in Ballard, Southeast Health Clinic, South Park Community Service Center, and the Teen Parent Center. These repairs will be funded by the insurance settlement resulting from the 2010 fire at the City-owned warehouse known as the Sunny Jim site, located near the corner of Airport Way South and South Adams Street.

Neighborhood Service Centers Transfer from DON – $1,802,883 / 17.5 FTE. As part of a number of efficiency changes associated with the Department of Neighborhoods, the Neighborhood Payment and Information Service Centers (NPIS) and positions will be moved from DON to FAS in 2012. This move centralizes customer service delivery within FAS. Prior to this program transfer to FAS a reduction in the number of Service Centers is made within DON's budget. In 2011, DON consolidated the West Seattle Neighborhood Service Center (NSC) into the Delridge NSC to deliver the same service more efficiently and achieve budget savings. In 2012, the Delridge NSC is proposed to relocate to the Department of Parks & Recreation's Southwest Community Center. The implementation of the original consolidation in 2011 reduced the number of Customer Service Representatives which is now recognized in the DON Adopted Budget as a 1.0 FTE abrogation, or the abrogation of two 0.5 FTE.

Accounting Support for VLF - $0. This proposal funds part-time accounting support for existing FAS staff for the collection of the Vehicle License Fee. The position will be funded by the Seattle Department of Transportation with a $54,000 cost savings for the General Fund.

Technical Adjustments – $1,824,237. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in FAS' service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. Additionally, baseline adjustments were made for an increase in the Oracle software license, funding for tax/legal counsel from the Law Department and aligning appropriation to match revenues.

City Council Changes to the 2012 Proposed Budget

Change Funding Source for Staffing on the Pike Place Levy – $0. It was determined that Pike Place Levy funds cannot be used to pay for staff associated with the project. The Department will use unreserved fund balance to cover these costs.

Adjust Employer Contribution Rate to SCERS – ($97,592). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

The City Council adopted the following budget provisos:

- *No more than $500,000 appropriated in the 2012 budget for the Department of Finance and Administrative Services' Facility Services BCL may be spent for replacing roofs of mutual and offsetting benefit properties until authorized by future ordinance. Council anticipates that such authority will not be granted until the first report requested in Statement of Legislative Intent 58-1-A is provided to Council.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Budget and Central Services Budget Control Level	**A1000**	**0**	**5,571,564**	**5,727,137**	**3,930,628**
Business Technology Budget Control Level	**A4520**	**0**	**8,106,289**	**8,262,971**	**10,270,274**
City Purchasing and Contracting Services Budget Control Level					
Contracting Services		0	1,501,304	1,537,379	1,437,935
Purchasing Services		0	1,516,622	1,554,318	1,566,788
City Purchasing and Contracting Services Budget Control Level	**A4540**	**0**	**3,017,925**	**3,091,697**	**3,004,722**
Facility Services Budget Control Level	**A3000**	**0**	**65,355,413**	**65,696,767**	**65,818,736**
Financial Services Budget Control Level					
Accounting		0	3,900,673	3,993,210	4,002,900
Business Licensing and Tax Administration		0	0	0	2,717,005
City Economics and Financial Management		0	1,214,568	1,228,057	1,723,823
Risk Management		0	1,207,270	1,240,689	1,247,371
Treasury		0	3,535,974	3,613,447	3,548,220
Financial Services Budget Control Level	**A4510**	**0**	**9,858,485**	**10,075,403**	**13,239,319**
Fleet Services Budget Control Level					
Vehicle Fueling		0	8,222,523	8,388,436	9,125,684
Vehicle Leasing		0	12,817,874	17,991,601	17,889,586
Vehicle Maintenance		0	18,682,788	18,855,496	18,689,282
Fleet Services Budget Control Level	**A2000**	**0**	**39,723,184**	**45,235,533**	**45,704,553**

Department of Finance and Administrative Services

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment and Claims Budget Control Level	**A4000**	**0**	**361,975**	**361,975**	**361,975**
Office of Constituent Services Budget Control Level					
Neighborhood Payment and Information Services		0	0	0	1,800,344
Office of Constituent Services		0	1,149,727	1,177,340	1,041,859
Office of Constituent Services Budget Control Level	**A6510**	**0**	**1,149,727**	**1,177,340**	**2,842,203**
Revenue and Consumer Protection Budget Control Level					
Consumer Protection		0	781,819	801,987	2,348,202
Revenue and Licensing		0	4,216,499	4,317,622	0
Revenue and Consumer Protection Budget Control Level	**A4530**	**0**	**4,998,318**	**5,119,609**	**2,348,201**
Seattle Animal Shelter Budget Control Level	**A5510**	**0**	**3,004,881**	**3,068,445**	**3,037,926**
Technical Services Budget Control Level					
Capital Development and Construction Management		0	2,854,957	2,922,193	2,945,346
Technical Services Budget Control Level	**A3100**	**0**	**2,854,957**	**2,922,193**	**2,945,346**
Department Total		**0**	**144,002,719**	**150,739,071**	**153,503,883**
Department Full-time Equivalents Total*		**0.00**	**523.75**	**523.75**	**521.75**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Finance and Administrative Services Fund (50300)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	IF Administrative Fees and Charges - Revenue and Licensing	0	3,760,858	3,804,181	0
587001	IF ALLOC Mail Messenger - GF	0	329,510	338,819	344,710
587001	IF ALLOC Real Estate Svc Chrgs - GF	0	413,499	423,980	423,980
587001	IF ALLOC Rent - Bldg/Other Space - GF for Small Departments	0	1,402,630	1,414,469	1,368,136
587001	IF ALLOC Warehousing Charges - GF	0	23,782	24,072	23,465
587001	IF Other Misc Revenue - ADA Coordinator	0	0	0	148,750
587001	IF Other Misc Revenue - Benaroya Passthrough	0	493,435	493,435	0
587001	IF Other Misc Revenue - City Hall Shelter	0	0	0	34,687
587001	IF Other Misc Revenue - Events Management	0	0	0	162,055
587001	IF Other Misc Revenue - GF	0	765,593	500,490	0
587001	IF Other Misc Revenue - MOB	0	0	0	350,000
587001	OPER TR IN-FR GENERAL FUND - Benaroya Concert Hall Passthrough	0	0	0	344,930
587001	OPER TR IN-FR GENERAL FUND - Business Licensing	0	0	0	1,382,743
587001	OPER TR IN-FR GENERAL FUND - Central Accounting	0	2,432,241	2,502,407	2,413,978
587001	OPER TR IN-FR GENERAL FUND - Claims Processing	0	0	0	172,449
587001	OPER TR IN-FR GENERAL FUND - Constituent Services	0	241,595	246,883	186,049
587001	OPER TR IN-FR GENERAL FUND - Consumer Protection	0	647,408	676,345	624,151
587001	OPER TR IN-FR GENERAL FUND - Customer Service Bureau	0	260,322	272,492	239,288
587001	OPER TR IN-FR GENERAL FUND - Debt Management	0	139,007	142,068	112,776
587001	OPER TR IN-FR GENERAL FUND - Economics & Forecasting	0	987,885	1,017,661	461,219
587001	OPER TR IN-FR GENERAL FUND - FAS Applications	0	1,163,402	1,206,888	1,139,858
587001	OPER TR IN-FR GENERAL FUND - Fiscal Policy & Mgmt	0	0	0	778,412
587001	OPER TR IN-FR GENERAL FUND - Garden of Remembrance Passthrough	0	0	0	165,566
587001	OPER TR IN-FR GENERAL FUND - HRIS	0	1,074,538	1,101,012	931,900
587001	OPER TR IN-FR GENERAL FUND - Investments	0	216,834	222,812	218,179
587001	OPER TR IN-FR GENERAL FUND - Neighborhood Service Centers	0	0	0	91,277
587001	OPER TR IN-FR GENERAL FUND - Parking Meter Collections	0	527,889	545,397	525,395

2012 Estimated Revenues for the Finance and Administrative Services Fund (50300) - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	OPER TR IN-FR GENERAL FUND - Purchasing Services	0	452,033	465,981	503,623
587001	OPER TR IN-FR GENERAL FUND - Regulatory Enforcement	0	0	0	632,871
587001	OPER TR IN-FR GENERAL FUND - Remittance Processing	0	128,167	131,653	132,506
587001	OPER TR IN-FR GENERAL FUND - Risk Management	0	414,854	426,745	256,458
587001	OPER TR IN-FR GENERAL FUND - Seattle Animal Shelter	0	2,020,217	2,098,352	2,033,788
587001	OPER TR IN-FR GENERAL FUND - Spay & Neuter Clinic	0	107,144	124,617	230,965
587001	OPER TR IN-FR GENERAL FUND - SUMMIT	0	1,903,264	1,946,888	1,801,699
587001	OPER TR IN-FR GENERAL FUND - Tax Administration	0	0	0	2,199,487
587001	OPER TR IN-FR GENERAL FUND - Technology Capital	0	84,631	86,070	0
587001	OPER TR IN-FR GENERAL FUND - Treasury Operations	0	874,957	898,615	896,665
	Total General Subfund Support	**0**	**20,865,695**	**21,112,332**	**21,332,015**
421600	Professional and Occupational Licenses	0	1,065,800	1,065,800	1,065,800
441930	Cable Reimbursement	0	0	0	86,439
441960	Weights and Measures Fees	0	212,978	212,978	212,978
442300	Animal Licenses	0	950,000	950,000	950,000
442490	Other Protective Inspection Fees	0	36,626	36,626	36,626
443930	Animal Control Fees and Forfeits	0	129,000	129,000	129,000
443936	Spay and Neuter Fees	0	200,000	200,000	200,000
444300	Vehicle and Equipment Repair Charges	0	93,040	95,831	81,578
444500	Fuel Sales	0	53,624	54,696	64,875
444590	Other Protective Inspection Fees	0	0	0	93,275
447800	Training	0	41,000	41,000	41,000
461110	Interest Earnings - Residual Cash	0	280,000	280,000	280,000
462190	Motor Pool	0	1,296	1,335	1,296
462250	Vehicle and Equipment Leases	0	812,510	834,569	808,388
462300	Parking Fees - Private at SeaPark Garage	0	980,257	982,607	982,607
462300	Parking Fees - Private at SMT Garage	0	1,106,066	1,108,716	1,108,716
462500	Bldg/Other Space Rent Charge - Private at AWC	0	884,006	879,872	879,874
462500	Bldg/Other Space Rent Charge - Private at City Hall	0	90,727	92,541	92,541
462500	Bldg/Other Space Rent Charge - Private at SMT	0	1,050,000	1,050,000	1,050,000
462500	Bldg/Other Space Rent Charge - Private Misc	0	166,049	169,370	169,370
469990	Co-locator revenues	0	0	0	3,312

2012 Estimated Revenues for the Finance and Administrative Services Fund (50300) - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469990	Other Miscellaneous Revenues	0	230,191	221,191	212,191
469990	Passport Revenues	0	0	0	370,000
473010	Interlocal Grant	0	0	0	0
562300	IF Parking Fees - SeaPark Garage	0	425,000	425,000	425,000
562300	IF Parking Fees - SMT Garage	0	272,620	272,620	272,620
	Total Miscellaneous Revenue	**0**	**9,080,790**	**9,103,752**	**9,617,486**
541490	CUPS	0	0	0	1,251,855
541490	IF Administrative Fees and Charges - Central Accounting	0	2,027,313	2,085,798	2,011,553
541490	IF Administrative Fees and Charges - Contracting	0	1,392,124	1,434,290	1,420,243
541490	IF Administrative Fees and Charges - Debt Management	0	250,260	255,770	203,035
541490	IF Administrative Fees and Charges - Investments	0	215,537	221,479	216,874
541490	IF Administrative Fees and Charges - Misc. Facility	0	260,000	260,000	260,000
541490	IF Administrative Fees and Charges - Office of Constituent Services	0	920,749	952,778	780,266
541490	IF Administrative Fees and Charges - Purchasing Services	0	1,176,329	1,212,624	1,310,581
541490	IF Administrative Fees and Charges - Remittance Processing	0	774,416	795,479	800,632
541490	IF Administrative Fees and Charges - Revenue and Licensing	0	0	100,000	0
541490	IF Administrative Fees and Charges - Risk Management	0	938,378	965,465	967,845
541490	IF Administrative Fees and Charges - Treasury	0	1,271,651	1,306,033	1,303,199
541830	IF DP - Applications Development - Applications	0	479,431	497,352	469,730
541830	IF DP - Applications Development - HRIS	0	1,025,399	1,050,662	889,285
541830	IF DP - Applications Development - SUMMIT	0	3,360,186	3,437,206	3,180,873
541830	IF DP - Applications Development - Technology Capital	0	70,970	72,176	0
541921	IF Property Management Service Charges	0	100,504	100,504	100,504
541930	IF Custodial/Janitorial/Security	0	46,608	47,684	47,684
542830	IF Mail Messenger Charges	0	134,700	137,000	137,259
542831	IF ALLOC Mail Messenger - Departments	0	244,609	251,547	255,005
543210	IF Architect/Engineering Services - Capital Programs	0	3,311,579	3,414,994	3,486,410
544300	IF Vehicle and Equipment Repair	0	10,858,317	11,184,067	10,925,542
544500	IF Fuel Sales	0	7,909,352	8,067,538	9,316,013
548921	IF ALLOC Warehousing Charges - Departments	0	1,307,496	1,320,535	1,295,511

2012 Estimated Revenues for the Finance and Administrative Services Fund (50300) - continued

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
548922	IF ALLOC Real Estate Svc Chrgs - Departments	0	430,377	441,285	441,285
562150	IF Motor Pool Rental Charges	0	503,092	512,429	512,429
562250	IF Vehicle and Equipment Leases	0	23,056,362	23,617,788	23,516,987
562500	IF Building/Other Space Rental	0	5,551,561	5,674,329	5,497,635
562510	IF ALLOC Rent - Bldg/Other Space	0	47,063,054	47,580,571	46,121,118
569990	IF Other Misc Revenue - Accounting	0	50,169	51,796	25,182
569990	IF Other Misc Revenue - Facilities	0	380,000	380,000	380,000
569990	IF Other Misc Revenue - HCF	0	138,000	142,000	142,000
569990	IF Other Misc Revenue - Transportation Benefits District	0	0	0	54,583
	Total Services Provided to City Departments	**0**	**115,248,523**	**117,571,180**	**117,321,118**
Total Revenues		**0**	**145,195,008**	**147,787,264**	**148,270,619**
379100	Use of (Contribution To) Fund Balance	0	(1,192,289)	2,951,805	5,233,266
	Total Use of (Contribution To) Fund Balance	**0**	**(1,192,289)**	**2,951,805**	**5,233,266**
Total Resources		**0**	**144,002,719**	**150,739,069**	**153,503,885**

Appropriations by Budget Control Level (BCL) and Program

Budget and Central Services Budget Control Level

The purpose of the Budget and Central Services Budget Control Level is to provide executive leadership and a range of planning and support functions, including policy and strategic analysis, budget development and monitoring, financial analysis and reporting, accounting services, information technology services, human resource services, office administration, and central departmental services such as contract review and legislative coordination. These functions promote solid business systems, optimal resource allocation, and compliance with Citywide financial, technology, and personnel policies.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Budget and Central Services	0	5,571,564	5,727,137	3,930,628
Full-time Equivalents Total*	0.00	35.50	35.50	34.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Business Technology Budget Control Level

The purpose of the Business Technology Budget Control Level is to plan, strategize, develop, implement, and maintain information technologies to support the City's business activities.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Business Technology	0	8,106,289	8,262,971	10,270,274
Full-time Equivalents Total*	0.00	42.50	42.50	44.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

City Purchasing and Contracting Services Budget Control Level

The purpose of the City Purchasing and Contracting Services Budget Control Level is to conduct and administer all bids and contracts for Public Works and purchases (products, supplies, equipment, and services) on behalf of City departments.

Additional Information: These work groups conduct the bid process, execute and manage resultant contracts, develop and administer City policy and guidelines, and implement State law and City code. Consultant contract rules, policies and guidelines are also centrally established by these work groups. These work groups develop and implement the City social responsibility policies, and requirements, including women and minority business, environmental purchasing, and prevailing wages. The work groups provide fair, thorough, and responsive service to customers to ensure acquisitions are competitively acquired, timely, and compliant to all law.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Contracting Services	0	1,501,304	1,537,379	1,437,935
Purchasing Services	0	1,516,622	1,554,318	1,566,788
Total	**0**	**3,017,925**	**3,091,697**	**3,004,722**
Full-time Equivalents Total *	0.00	28.00	28.00	27.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Contracting Services Program

The purpose of the Contracting Services Program is to administer the bid, award, execution, and close-out of public works projects for City departments. Staff anticipate and meet customers' contracting needs and provide education throughout the contracting process. This program also maintains the City's guidelines and procedures for consultant contracting.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Contracting Services	0	1,501,304	1,537,379	1,437,935
Full-time Equivalents Total	0.00	13.00	13.00	13.00

Purchasing Services Program

The purpose of the Purchasing Services Program is to provide central oversight for the purchase of goods, products, materials, and routine services obtained by City departments. All purchases for any department that total more than $44,000 per year are centrally managed by Purchasing Services. City Purchasing conducts the bid and acquisition process, executes and manages the contracts, and establishes centralized volume-discount blanket contracts for City department use. This program also develops and manages City guidelines and policies for purchases.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Purchasing Services	0	1,516,622	1,554,318	1,566,788
Full-time Equivalents Total	0.00	15.00	15.00	14.00

Facility Services Budget Control Level

The purpose of the Facility Services Budget Control Level is to manage most of the City's general government facilities, including the downtown civic campus, police precincts, fire stations, shops and yards, and several parking facilities. Functions include property management, environmental analysis, implementation of environmentally sustainable facility investments, facility maintenance and repair, janitorial services, security services, and event scheduling. The Facility Operations team is also responsible for warehouse, real estate, and mail services throughout the City. These functions promote well-managed, clean, safe, and highly efficient buildings and grounds that house City employees and serve the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Facility Services	0	65,355,413	65,696,767	65,818,736
Full-time Equivalents Total*	0.00	92.50	92.50	87.50

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Appropriations by Budget Control Level (BCL) and Program

Financial Services Budget Control Level

The purpose of the Financial Services Budget Control Level (BCL) is to oversee and provide technical support to the financial affairs of the City. This BCL performs a wide range of technical and operating functions, such as economic and fiscal forecasting, debt issuance and management, Citywide payroll processing, investments, risk management tax administration, and revenue and payment processing services. In addition, this BCL develops and implements a variety of City financial policies related to the City's revenues, accounting procedures, and risk mitigation. Finally, the BCL provides oversight and guidance to financial reporting, City retirement programs, and public corporations established by the City.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Accounting	0	3,900,673	3,993,210	4,002,900
Business Licensing and Tax Administration	0	0	0	2,717,005
City Economics and Financial Management	0	1,214,568	1,228,057	1,723,823
Risk Management	0	1,207,270	1,240,689	1,247,371
Treasury	0	3,535,974	3,613,447	3,548,220
Total	**0**	**9,858,485**	**10,075,403**	**13,239,319**
Full-time Equivalents Total *	0.00	79.50	79.50	97.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Accounting Program

The purpose of the Accounting Program is to establish and enforce Citywide accounting policies and procedures, perform certain financial transactions, process the City's payroll, and provide financial reporting, including preparation of the City's Comprehensive Annual Financial Report.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Accounting	0	3,900,673	3,993,210	4,002,900
Full-time Equivalents Total	0.00	33.50	33.50	25.50

Business Licensing and Tax Administration Program

The purpose of the Business Licensing and Tax Administration Program is to license businesses, collect business-related taxes, and administer the Business and Occupation (B&O) Tax, utility taxes, and other taxes levied by the City.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Business Licensing and Tax Administration	0	0	0	2,717,005
Full-time Equivalents Total	0.00	0.00	0.00	25.00

Appropriations by Budget Control Level (BCL) and Program

City Economics and Financial Management Program

The purpose of the City Economics and Financial Management Program is to ensure that the City's financial affairs are consistent with State and Federal laws and policies, City Code, and the City's Adopted Budget. This includes establishing policy for and overseeing City accounting, treasury, risk management, and tax administration functions on behalf of the Director of Finance and Administrative Services. In addition, the Program provides financial oversight of City retirement programs and public corporations established by the City. The Program provides economic and revenue forecasts to City policy makers and administers the City's debt portfolio. Program staff members provide expert financial analysis to elected officials and the City Budget Office to help inform and shape the City's budget.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Economics and Financial Management	0	1,214,568	1,228,057	1,723,823
Full-time Equivalents Total	0.00	8.00	8.00	11.00

Risk Management Program

The purpose of the Risk Management Program is to advise City departments on ways to avoid or reduce losses, provide expert advice on appropriate insurance and indemnification language in contracts, investigate and adjust claims against the City, and to administer all of the City's liability, property insurance policies, and its self-insurance program.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Risk Management	0	1,207,270	1,240,689	1,247,371
Full-time Equivalents Total	0.00	9.00	9.00	9.00

Treasury Program

The purpose of the Treasury Program is to collect and record monies owed to the City and pay the City's expenses. This program also invests temporarily idle City money, administers the Business Improvement Area and Local Improvement District program, and collects and processes parking meter revenues.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Treasury	0	3,535,974	3,613,447	3,548,220
Full-time Equivalents Total	0.00	29.00	29.00	27.00

Appropriations by Budget Control Level (BCL) and Program

Fleet Services Budget Control Level

The purpose of the Fleet Services Budget Control Level is to provide fleet vehicles to City departments; assess and implement environmental initiatives related to both the composition of the City's fleet and the fuels that power it; actively manage and maintain the fleet; procure and distribute fuel; and operate a centralized motor pool. The goal of these functions is to create and support an environmentally responsible and cost-effective Citywide fleet that helps all City departments carry out their work as efficiently as possible.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Vehicle Fueling	0	8,222,523	8,388,436	9,125,684
Vehicle Leasing	0	12,817,874	17,991,601	17,889,586
Vehicle Maintenance	0	18,682,788	18,855,496	18,689,282
Total	**0**	**39,723,184**	**45,235,533**	**45,704,553**
Full-time Equivalents Total *	0.00	131.00	131.00	127.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Vehicle Fueling Program

The purpose of the Vehicle Fueling Program is to procure, store, distribute, and manage various types of fuels, including alternative fuels, for City departments and Seattle and King County Public Health.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Vehicle Fueling	0	8,222,523	8,388,436	9,125,684
Full-time Equivalents Total	0.00	1.00	1.00	1.00

Vehicle Leasing Program

The purpose of the Vehicle Leasing Program is to specify, engineer, purchase, and dispose of vehicles and equipment on behalf of other City departments and local agencies. This program administers the lease program by which these FAS-procured vehicles are provided to City departments and Seattle and King County Public Health. The program also provides motor pool services, and houses fleet administration and environmental stewardship functions.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Vehicle Leasing	0	12,817,874	17,991,601	17,889,586
Full-time Equivalents Total	0.00	11.00	11.00	10.00

Vehicle Maintenance Program

The purpose of the Vehicle Maintenance Program is to provide vehicle and equipment outfitting, preventive maintenance, repairs, parts delivery, and related services in a safe, rapid, and prioritized manner.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Vehicle Maintenance	0	18,682,788	18,855,496	18,689,282
Full-time Equivalents Total	0.00	119.00	119.00	116.00

Appropriations by Budget Control Level (BCL) and Program

Judgment and Claims Budget Control Level

The Judgment and Claims Budget Control Level pays for judgments, settlements, claims, and other eligible expenses associated with legal claims and suits against the City. Premiums are based on average percentage of Judgment/Claims expenses incurred by the Department over the previous five years.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment and Claims	0	361,975	361,975	361,975

Office of Constituent Services Budget Control Level

The purpose of the Office of Constituent Services Budget Control Level (BCL) is to lead City departments to consistently provide services that are easily accessible, responsive, and fair. This includes assistance with a broad range of City services, such as transactions, information requests, and complaint investigations. This BCL includes the City's Customer Service Bureau, the Neighborhood Payment and Information Service Centers, Citywide public disclosure responsibilities, and service-delivery analysts.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Payment and Information Services	0	0	0	1,800,344
Office of Constituent Services	0	1,149,727	1,177,340	1,041,859
Total	**0**	**1,149,727**	**1,177,340**	**2,842,203**
Full-time Equivalents Total *	0.00	11.25	11.25	27.75

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Neighborhood Payment and Information Services Program

The purpose of the Neighborhood Payment and Information Services Program is to accept payment for public services and to provide information and referral services so that customers can access City services where they live and work, and do business with the City more easily.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Neighborhood Payment and Information Services	0	0	0	1,800,344
Full-time Equivalents Total	0.00	0.00	0.00	17.50

Appropriations by Budget Control Level (BCL) and Program

Office of Constituent Services Program

The purpose of the Office of Constituent Services Budget Control Level (BCL) is to lead City departments to consistently provide services that are easily accessible, responsive, and fair. This includes assistance with a broad range of City services, such as transactions, information requests, and complaint investigations. This BCL includes the City's Customer Service Bureau, Citywide public disclosure responsibilities, and service-delivery analysts.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Constituent Services	0	1,149,727	1,177,340	1,041,859
Full-time Equivalents Total	0.00	11.25	11.25	10.25

Revenue and Consumer Protection Budget Control Level

The purpose of the Revenue and Consumer Protection Budget Control Level is to provide regulatory and consumer protection services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Consumer Protection	0	781,819	801,987	2,348,202
Revenue and Licensing	0	4,216,499	4,317,622	0
Total	**0**	**4,998,318**	**5,119,609**	**2,348,201**
Full-time Equivalents Total *	0.00	50.00	50.00	23.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Consumer Protection Program

The purpose of the Consumer Protection Program is to provide Seattle consumers with a fair and well-regulated marketplace. This program includes taxicab inspections and licensing, the weights and measures inspection program, vehicle impound, and consumer complaint investigation.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Consumer Protection	0	781,819	801,987	2,348,202
Full-time Equivalents Total	0.00	8.50	8.50	23.00

Revenue and Licensing Program

The purpose of the Regulatory Enforcement Program is to license and regulate businesses in compliance with applicable law.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Revenue and Licensing	0	4,216,499	4,317,622	0
Full-time Equivalents Total	0.00	41.50	41.50	0.00

Appropriations by Budget Control Level (BCL) and Program

Seattle Animal Shelter Budget Control Level

The purpose of the Seattle Animal Shelter Budget Control Level is to provide animal care, enforcement, and spay and neuter services in Seattle to control pet overpopulation and foster public safety. The Shelter also provides volunteer and foster care programs which enable the citizens of Seattle to donate both time and resources and engage in activities which promote animal welfare in Seattle.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Seattle Animal Shelter	0	3,004,881	3,068,445	3,037,926
Full-time Equivalents Total*	0.00	32.50	32.50	32.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Technical Services Budget Control Level

The purpose of the Technical Services Budget Control Level is to plan and administer FAS' Capital Improvement Program. This division attempts to ensure that the City develops high-quality and environmentally sustainable capital facilities for City staff and functions.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Capital Development and Construction Management	0	2,854,957	2,922,193	2,945,346
Total	**0**	**2,854,957**	**2,922,193**	**2,945,346**
Full-time Equivalents Total *	0.00	21.00	21.00	21.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Table

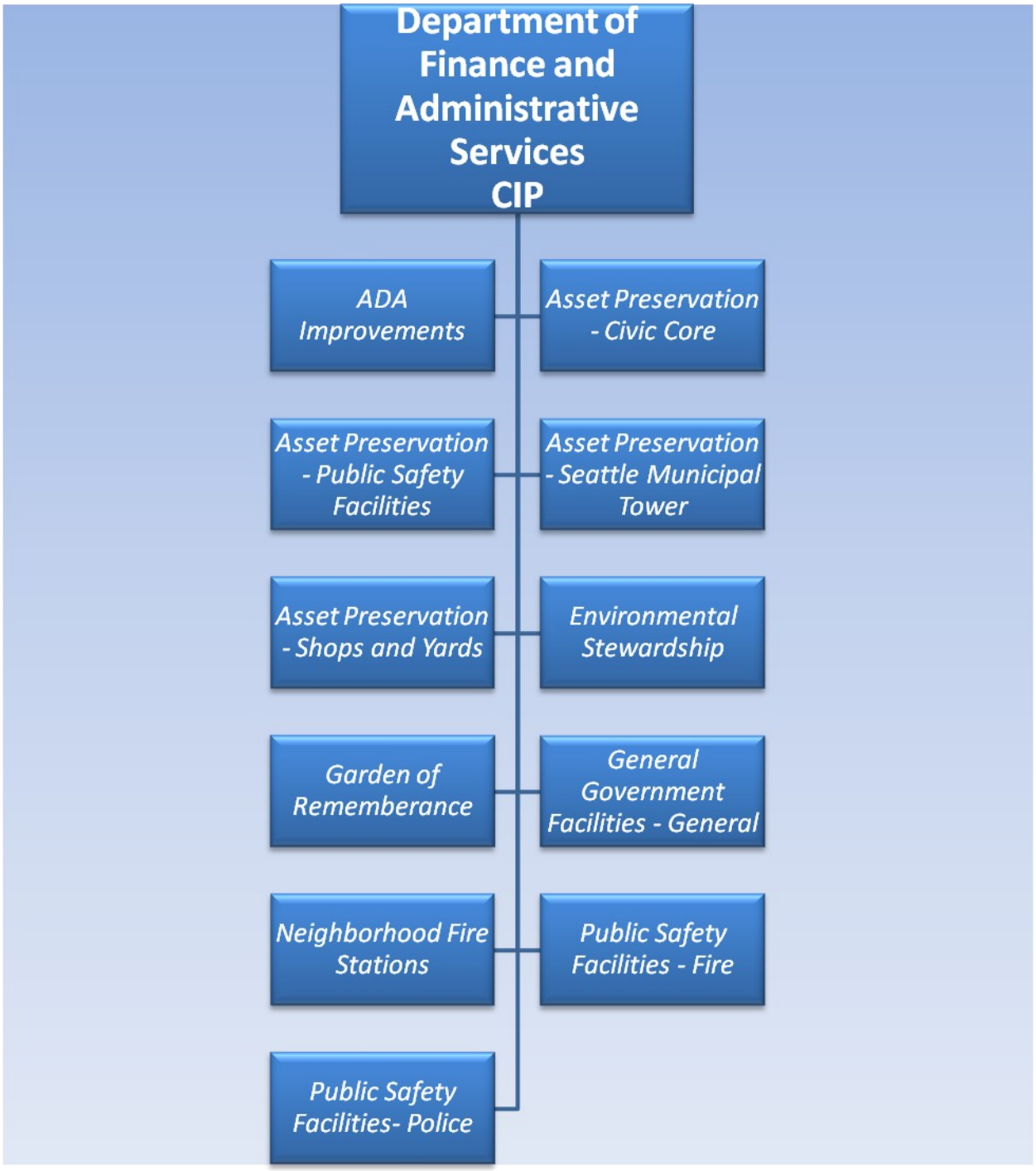
Finance and Administrative Services Fund (50300)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance		**20,162,145**	**20,182,549**	**21,354,434**	**22,522,076**
Accounting and Technical Adjustments		0	0	0	0
Plus: Actual and Estimated Revenue		145,195,008	147,841,009	147,787,264	148,270,619
Plus: Inter-fund Transfer		3,500,000	3,500,000	3,500,000	3,500,000
Less: Actual and Budgeted Expenditures		144,002,719	145,501,482	150,739,071	153,503,883
Less: Capital Improvements		3,500,000	3,500,000	3,500,000	3,500,000
Ending Fund Balance		**21,354,434**	**22,522,076**	**18,402,627**	**17,288,812**
Working Capital - Fleets			712,000		475,000
Total Reserves		**0**	**712,000**	**0**	**475,000**
Ending Unreserved Fund Balance		**21,354,434**	**21,810,076**	**18,402,627**	**16,813,812**

Department of Finance and Administrative Services

Capital Improvement Program

Capital Improvement Program (CIP) by Budget Control Level



Department of Finance and Administrative Services

Capital Improvement Program Highlights

The Finance & Administrative Services Department (FAS) is responsible for building, operating, and maintaining general government facilities and City-wide information systems. The general government facility portfolio encompasses the City's core public safety facilities, including 33 fire stations and waterfront marine operations, 5 police precincts, the police mounted patrol facility, the Harbor Patrol, Seattle Emergency Operations and Fire Alarm Centers, the City's vehicle maintenance shops and other support facilities, and the City's downtown office building portfolio. In addition, FAS maintains core building systems for some of the community-based facilities owned by the City, such as senior centers and community service centers. City-wide information technology systems include the City's financial management system (Summit) and payroll/ human resources information system (HRIS).

The Department's 2012-2017 Adopted Capital Improvement Program (CIP) is FAS' plan for maintaining, renovating, expanding, and replacing its extensive inventory of buildings and technology systems. The Department's CIP is financed by a variety of revenue sources, including the City's General Subfund, the Cumulative Reserve Subfund (including the Unrestricted, REET I, and FAS Asset Preservation subaccounts), voter-approved levy proceeds, general obligation bonds, proceeds from property sales, and grants.

2003 Fire Facilities and Emergency Response Levy Program (FFERP) is a 9-year $167 million property tax levy that voters approved in November 2003. In 2012 FAS will continue to execute the Fire Facilities Levy Program with construction of five neighborhood fire stations plus the Chief Seattle fireboat renovation, and begin or continue design on 13 stations.

The Asset Preservation Program preserves and extends the useful life and operational capacity of existing FAS-managed facilities, and is funded by facility space rent paid by City departments. Examples of 2012-2017 projects planned include replacing aged and leaking roofs and envelope improvements in FAS shops and yards and at public safety facilities. The City's downtown campus buildings projects will include beginning the Seattle Municipal Tower 5-year weatherization program and include exterior roof replacements of 16 separate roofs and sealant work which will use the asset management subfund large project reserve, replacement of the garage sprinkler system at the Municipal Tower, and roof and envelope repairs at the East Precinct and the Haller Lake Campus shops and yard facility.

Work continues with City departments on facility improvements related to improving accessibility, as is consistent with the Americans with Disabilities Act (ADA) and the execution of approved ADA improvement projects in City Hall moves forward. The 2012 Proposed Budget included $2 million in a reserve in the FAS CIP budget for ADA improvements. FAS then conducted a Citywide prioritization process to allocate the funds among the four implementing departments: Parks and Recreation, Seattle Center, Seattle Public Library, and FAS. Among other criteria, the process aimed to identify the highest-use facilities and those where ADA work could be done at the same time as other planned remodeling.

Using the results of the citywide prioritization process, the Council Adopted Budget reallocates the $2 million of funding to the four departments based on the prioritization process. Funding of $491,000 is appropriated in the CIP to the ADA Improvements – FAS Budget Control Level in order to update or modify various facilities for compliance with the standards contained in ADA with an emphasis on priority projects that focus on public access at FAS buildings such as the Seattle Justice Center, City Hall and Seattle Municipal Tower.

FAS continues to execute projects identified by the Municipal Energy Efficiency audits conducted in 2010 which target facility efficiency improvements in several buildings including the Haller Lake Operations Center, Charles Street Operations Center, Airport Way Center, and the Animal Shelter. The upgrade work includes lighting and building controls upgrades, test and balancing, and HVAC improvements.

FAS will address the use, operational planning, test-to-fit and preliminary engineering of two critical facilities, the North Precinct and the City's largest vehicle maintenance and storage yard campus with an update of the Charles Street Master Plan. Regulatory compliance in City fire stations will be addressed through the new capital project correcting one-hour separation violations in fire stations. Critical roof projects will replace failing roofing systems at three fire stations.

Additional information on FAS's CIP can be found in the 2012-2017 Adopted CIP online here: http://www.seattle.gov/financedepartment/1217adoptedcip/default.htm

Capital Improvement Program Appropriations

Budget Control Level	2012 Endorsed	2012 Adopted
ADA Improvements - FAS: A1GM19		
Cumulative Reserve Subfund - REET I Subaccount (00163)	0	491,000
Subtotal	**0**	**491,000**
Asset Preservation - Civic Core: A1AP1		
Cumulative Reserve Subfund, Asset Preservation Subaccount - Fleets and Facilities (00168)	370,000	370,000
Subtotal	**370,000**	**370,000**
Asset Preservation - Public Safety Facilities: A1AP6		
Cumulative Reserve Subfund, Asset Preservation Subaccount - Fleets and Facilities (00168)	550,000	550,000
Subtotal	**550,000**	**550,000**
Asset Preservation - Seattle Municipal Tower: A1AP2		
Cumulative Reserve Subfund, Asset Preservation Subaccount - Fleets and Facilities (00168)	2,150,000	3,650,000
Subtotal	**2,150,000**	**3,650,000**
Asset Preservation - Shops and Yards: A1AP4		
Cumulative Reserve Subfund, Asset Preservation Subaccount - Fleets and Facilities (00168)	650,000	650,000
Subtotal	**650,000**	**650,000**
Environmental Stewardship: A1GM3		
Cumulative Reserve Subfund - REET I Subaccount (00163)	100,000	100,000
Subtotal	**100,000**	**100,000**
Garden of Remembrance: A51647		
Cumulative Reserve Subfund - Unrestricted Subaccount (00164)	24,000	23,000
Subtotal	**24,000**	**23,000**
General Government Facilities - General: A1GM1		
2012 Multipurpose LTGO Bond Fund	4,200,000	0
Cumulative Reserve Subfund - REET I Subaccount (00163)	1,000,000	200,000
Finance and Administrative Services Fund (50300)	3,500,000	3,500,000
General Subfund	0	419,000
Subtotal	**8,700,000**	**4,119,000**

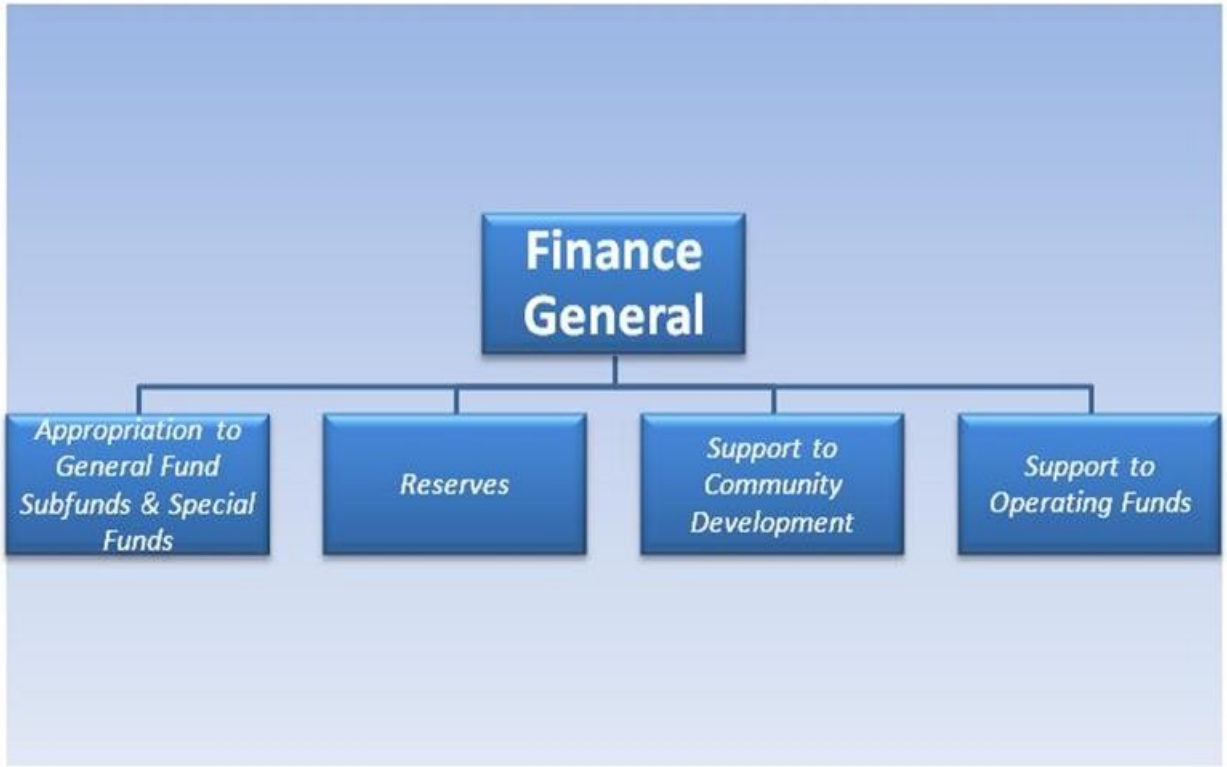
Budget Control Level	2012 Endorsed	2012 Adopted
Neighborhood Fire Stations: A1FL1		
2003 Fire Facilities Subfund (34440)	9,232,000	9,232,001
2013 Multipurpose LTGO Bond Fund	4,054,000	0
2014 Multipurpose LTGO Bond Fund	10,161,000	0
Cumulative Reserve Subfund - REET I Subaccount (00163)	8,302,000	8,302,000
Subtotal	**31,749,000**	**17,534,001**
Public Safety Facilities - Fire: A1PS2		
Cumulative Reserve Subfund - REET I Subaccount (00163)	0	1,022,000
Subtotal	**0**	**1,022,000**
Public Safety Facilities - Police: A1PS1		
Cumulative Reserve Subfund - REET I Subaccount (00163)	0	100,000
Subtotal	**0**	**100,000**
Total Capital Improvement Program Appropriation	**44,293,000**	**28,609,001**

Finance General

Beth Goldberg, Director

Information Line: (206) 615-1962

Finance General by Budget Control Level



Finance General Overview

The mission of Finance General is to allocate General Subfund resources in the form of appropriations to reserve and bond redemption funds, City department operating funds, and certain programs for which there is desire for Council, Mayor, or City Budget Office oversight.

Budget Overview

Finance General is organized into three sections to pay for ongoing City costs, subsidize the operations of City departments, and provide contributions to outside organizations. It is also an area to hold appropriations temporarily until the appropriate managing department is determined, or act as a contingency reserve to respond to unpredictable situations or cover costs that vary with economic conditions.

Finance General

The 2012 Adopted Budget modifies existing programs and adds new programs to reflect a reorganized structure, system improvements, comply with policy changes, provide one-time or term-limited support, and adjust recurring appropriations with updated cost information.

Enhancement to Revenue Stabilization Account Policy

The Mayor's proposed policy changes received City Council concurrence to strengthen the City's Rainy Day Fund (RDF) in order to provide a cushion in the event of unanticipated revenue shortfalls. Specifically, new policy terms promote the ongoing maintenance of the RDF by requiring annual deposits of a portion of anticipated tax revenues. As adopted by the City Council, 0.25% of general tax revenue, or $1.9 million, will be deposited beginning in 2012, followed by deposits of 0.5% each year thereafter, or approximately $4 million. A healthy Rainy Day Fund and Rainy Day Fund policies reinforce the City's commitment to strong financial management and are key to securing the lowest cost of borrowing from bond rating agencies and promoting long term savings. As a result of proactive steps to improve the City's financial position since 2010, Moody's Investor Service has retained Seattle's Aaa/Aa1 bond rating. The policies also contemplate controls to suspend the funding mechanism when tax revenue growth is negative, allowing the City to adapt practices to a variety of economic conditions. More detail on the proposed policy terms can be found in the fiscal reserves section in this document.

Strengthening Relations with Outside Organizations

Two new reserves have been established to provide short-term support to the Seattle Indian Services Commission and to the University of Washington transit pass program.

The Seattle Indian Services Commission (SISC), which is a City-Charter Public Development Authority, provides services to disadvantaged Native American communities. In order to support these public services, $50,000 is appropriated to defray the costs associated with carrying out two planned audits in 2012.

As part of the effort to promote transit programs in the city, a 3-year $1.5 million grant program is initiated in 2012 with a $500,000 contribution to the University of Washington to subsidize student UPASS transit passes. During this three-year period, the University will have the opportunity to move towards a different funding model for the UPASS program. The City's support is not expected to continue beyond 2014.

System Improvements – License and Tax Portal

Planning has begun to build a common license and tax portal which will enable members of the business community to register their businesses, apply for and renew licenses, and file and pay taxes across multiple cities. The portal will be an integral part of licensing and tax simplification in our region, and will be more efficient for cities to administer and for businesses to file taxes across multiple jurisdictions. A reserve of $1.2 million has been proposed to cover the following costs: establishment of a governance structure; comprehensive project planning for the portal implementation including design, development and testing; request for proposal development; and, solicitation and selection for the necessary technology and consulting resources. Part of this cost will be shared with four other Washington cities and reimbursement will be deposited into the General Fund.

Implementation of City's Sick Leave Policy

A new chapter has been added to the Seattle Municipal Code establishing minimum standards for the provision of paid sick and paid safe time, prescribing penalties, remedies, and enforcement procedures, and requesting a post-implementation assessment from the Seattle Office of Civil Rights. A new reserve has been added to cover anticipated fiscal impacts to the City of this ordinance, including direct costs of enforcement and the indirect costs associated with extending paid sick and safe time to certain temporary employees of the City, and to provide for an evaluation of the new provisions. A reserve of $250,000 is anticipated in 2013 to cover these costs and to complete analysis of the study begun in 2012.

Funding Changes Associated with Reorganization of City Departments

The 2012 Proposed Budget recommended that two new programs be established and one eliminated to carry out the funding changes associated with the consolidation of the Office of Housing and the Office of Economic Development. As part of this proposal, the Housing Operating Fund program was eliminated to denote redirection of the General Fund transfer to activities performed by the Office of Housing. Under the consolidation, these activities would have been funded via the operating transfer to the newly created Department of Housing and Economic Development program in the Support to Operating Funds Budget Control Level (BCL). Additionally, this General Fund transfer would have provided for the functions performed in the Office of Economic Development. A second program was added to provide support to the Low Income Housing Fund to fund development and preservation of low income housing. City Council did not adopt this merger and the previous organizational structure was restored. More information on this can be found in the Office of Housing and Economic Development chapter in this document.

City Council Changes

City Council rejected the Office of Housing and Economic Development merger, made cuts and redirected resources to provide funding for capital improvements and for program adds in the departments of Human Services and Parks and Recreation, and set up a reserve for transportation improvements. In addition, Council made technical adjustments to reflect a lower contribution rate to the Seattle Retirement Fund.

Incremental Budget Changes

Finance General

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$375,626,762	0.00
2012 Proposed Changes			
	Support to Operating Funds	$68,505	0.00
	Support to Community Organizations	$550,000	0.00
	One Time or Limited Term Program Support	$3,700,000	0.00
	Technical-Cost Adjustments to Recurring Appropriations	($1,176,206)	0.00
Total Changes		**$3,142,299**	**0.00**
2012 Proposed Budget		**$378,769,061**	**0.00**
Council Adjustments to Proposed Budget			
	Technical Adjustments	($6,243,720)	0.00
	One-Time or Limited Term Program Support	$7,750,000	0.00
	Support to Operating Funds	$465,781	0.00
Council Adjustments to Proposed Budget Total		**$1,972,061**	**0.00**
2012 Adopted Budget		**$380,741,122**	**0.00**

Support to Operating Funds – $68,505. This adjustment reflected the net change in transfers from the General Fund to other City operating funds. In addition to program changes, cost adjustments included revisions for COLA, healthcare, retirement contribution, workers compensation, and unemployment. Two new programs were established in the Support to Operating Funds BCL and one program was eliminated in the Appropriations to General Fund Subfunds and Special Funds BCL to reflect funding changes driven by the proposed consolidation of the Offices of Housing and Economic Development. This proposal is reversed in the Adopted Budget.

Support to Community Organizations – $550,000. $50,000 was added to defray the costs associated with two planned audits of the Seattle Indian Services Commission (SISC) in 2012, thereby preserving SISC funds to continue to support public services in disadvantaged Native American communities. $500,000 was appropriated to provide support to the University of Washington Pass transit program.

One-Time or Limited-Term Program Support – $3,700,000. Two new programs have been created to support the development of the City's License and Tax Portal ($1.2 million) and to assist in the enforcement and analysis of the City's enhanced sick leave policies ($150,000). Additionally, in accordance with the Executive's proposed financial policies, $1.95 million will be transferred to the Rainy Day Fund and $400,000 has been set aside to provide for potential Seattle ballot issues in the primary election. Resources that support food policy work are transferred to the Office of Sustainability and Environment, and resources for the Immigrant and Refugee Youth Program are transferred to the Human Services Department.

Technical-Cost Adjustments to Recurring Appropriations – ($1,176,206). The release of contingency reserves, moving appropriations to the Office of Sustainability and Environment and to the Human Services Department, and updated cost adjustments account for a reduction to Finance General's reserves.

City Council Changes to the 2012 Proposed Budget

Technical Adjustments – ($6,243,720). Retaining the Office of Housing and Office of Economic Development as separate entities removes the need to provide $5,791,650 of General Fund support via a Finance General operating transfer; instead, direct General Fund support is restored to the Office of Economic Development. Technical corrections and cost changes account for a reduction of $452,070.

One-Time or Limited Term Program Support - $7,750,000. $8.1 million of the proceeds from the sale of the property commonly known as "Rubble Yard Property" was placed in Finance General as a reserve for future transportation infrastructure and maintenance programs. This creates the reserve within Finance General rather than in the Transportation Operating Fund and will be used for transportation purposes consistent with Ordinance 123637. A $350,000 reserve was added to fund capital improvements for the 3rd Avenue downtown corridor. This action is taken to address on-going transportation challenges and quality-of-life issues in the corridor; and to plan for and mitigate the potential impacts of Metro's decision to end the downtown Free Ride Area. The recurring reserve to pay for Seattle election expenses was reduced by $700,000 to reflect expectations of only one City election in 2012, rather than two provided for in the Proposed Budget.

Support to Operating Funds - $465,781. Support was increased by nearly $1.2 million to Human Services Department programs covering shelter and transitional housing, medical and dental services for uninsured Seattle residents, and emergency services for families in need. In addition, community center enhancements totaling $305,000 were included for the Department of Parks and Recreation. Offsetting these increases were over $1 million in cuts to the Department of Transportation and to Police Pension, and a reduction in the employer retirement contribution rate from 11.27% to 11.01%.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Appropriation to General Fund Subfunds and Special Funds Budget Control Level					
Arts Account - Admission Tax for Art Programs		3,761,449	4,176,143	4,769,464	4,967,327
Cumulative Reserve Subfund - Capital Projects Account		0	0	500,000	500,000
Cumulative Reserve Subfund - Revenue Stabilization Account		5,225,353	750,000	100,000	1,950,000
Emergency Subfund		0	0	0	385,000
Finance and Administrative Services Fund		0	20,865,694	21,112,332	21,332,015
Fleets and Facilities Fund		2,396,223	0	0	0
General Bond Interest/Redemption Fund		10,138,686	11,151,647	13,677,210	13,091,563
Housing Operating Fund		560,097	520,490	629,422	39,472
Information Technology Fund		3,012,591	4,273,882	4,337,911	4,149,718
Insurance		3,968,698	4,725,000	4,961,250	4,961,250
Judgment/Claims Subfund		1,318,643	1,191,062	1,191,062	1,191,062
Appropriation to General Fund Subfunds and Special Funds Budget Control Level	**2QA00**	**30,381,739**	**47,653,918**	**51,278,651**	**52,567,407**
Reserves Budget Control Level					
3rd Ave Initiative Capital Improvements		0	0	0	350,000
ARRA Grant		373,061	0	0	0
Census Awareness and Participation Reserve		58,144	0	0	0
Food Policy Work Coordination		0	65,000	68,000	0
Get Engaged: City Boards and Commissions		30,720	31,334	31,961	31,961
License and Tax Portal Reserve		0	0	0	1,200,000
Paid Sick Leave Reserve		0	0	0	150,000
Personnel Services Study		0	200,000	0	0
Recurring Reserve for Portable Art Rental and Maintenance		209,535	256,743	263,582	264,186
Recurring Reserve-Dues/Memberships		13,824	14,100	14,382	0
Recurring Reserve-Election Expense		775,737	1,000,000	1,000,000	700,000
Recurring Reserve-Fire Hydrants		5,847,359	6,605,784	7,329,089	7,000,089
Recurring Reserve-Health Care Reserve		0	0	1,000,000	0
Recurring Reserve-Industrial Insurance Pensions Payout		1,385,076	2,500,000	2,500,000	2,500,000

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Recurring Reserve-Legal Advertisements		425,836	0	0	0
Recurring Reserve-Office of Professional Accountability Auditor		102,102	143,000	145,800	145,800
Recurring Reserve-Pacific Science Center Lease Reserve		120,000	120,000	120,000	120,000
Recurring Reserve-Puget Sound Clean Air Agency		394,306	400,000	400,000	408,493
Recurring Reserve-Shooting Review Board Civilian		0	5,000	5,000	5,000
Recurring Reserve-State Examiner		728,269	693,109	706,971	746,971
Recurring Reserve-Street Lighting		9,452,132	11,796,471	12,250,273	12,250,273
Recurring Reserve-Transit Pass Subsidy		2,953,445	3,135,000	3,135,000	3,100,000
Recurring Reserve-Voter Registration		872,549	969,000	988,380	988,380
Refugee and Immigrant Youth Program		0	0	150,000	0
Retirement Benefit Study		0	250,000	0	0
Seattle Arts and Culture Capital Award		0	300,000	0	0
Seattle Indian Services Commission		0	0	0	50,000
Tax Refund Interest Reserve		295,558	365,000	365,000	497,000
Transportation Reserve from Rubble Yard Proceeds		0	0	0	8,100,000
University of Washington Reserve		0	0	0	500,000
Reserves Budget Control Level	**2QD00**	**24,037,652**	**28,849,542**	**30,473,438**	**39,108,153**
Support to Community Development Budget Control Level					
African Chamber of Commerce		50,000	0	0	0
Chinese Garden Reserve		317,500	0	0	0
Rainier Vista Boys and Girls Club		250,000	0	0	0
School District Site Reserve		1,000,000	0	0	0
Sound Transit Local Contribution - Sales Tax Offset		850,446	0	0	0
Wing Luke Asian Museum		100,000	50,000	0	0
Support to Community Development Budget Control Level	**2QF00**	**2,567,946**	**50,000**	**0**	**0**

Finance General

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Support to Operating Funds Budget Control Level					
Drainage and Wastewater Fund		1,113,601	1,117,612	1,145,698	1,205,361
Firefighters Pension Fund		17,530,786	17,758,533	19,918,668	18,874,972
Housing and Economic Development Fund		0	0	0	0
Human Services Operating Fund		52,273,866	51,962,950	52,121,676	54,352,239
Library Fund		48,032,188	47,299,078	48,630,097	49,324,620
Low Income Housing Fund		3,567,911	0	0	46,462
Neighborhood Matching Subfund		3,253,265	2,939,396	2,995,194	2,779,022
Parks and Recreation Fund		82,574,576	80,056,503	84,135,812	81,463,580
Planning and Development Fund		9,727,579	9,120,445	9,300,870	9,195,693
Police Relief and Pension Fund		22,302,034	22,255,382	22,190,500	21,312,128
Seattle Center Fund		12,883,065	13,229,236	13,305,083	12,875,760
Solid Waste Fund		51,383	52,411	53,459	0
Transportation Fund		37,723,452	38,913,576	40,022,537	37,635,726
Water Fund		52,940	53,999	55,079	0
Support to Operating Funds Budget Control Level	**2QE00**	**291,086,646**	**284,759,124**	**293,874,674**	**289,065,562**
Department Total		**348,073,984**	**361,312,583**	**375,626,762**	**380,741,122**

Appropriations by Budget Control Level (BCL)

Appropriation to General Fund Subfunds and Special Funds Budget Control Level

The purpose of the Appropriation to General Fund Subfunds and Special Funds Budget Control Level is to appropriate General Subfund resources, several of which are based upon the performance of certain City revenues, to bond redemption or special purpose funds. These appropriations are implemented as operating transfers to the funds, subfunds, or accounts they support.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Arts Account - Admission Tax for Art Programs	3,761,449	4,176,143	4,769,464	4,967,327
Cumulative Reserve Subfund - Capital Projects Account	0	0	500,000	500,000
Cumulative Reserve Subfund - Revenue Stabilization Account	5,225,353	750,000	100,000	1,950,000
Emergency Subfund	0	0	0	385,000
Finance and Administrative Services Fund	0	20,865,694	21,112,332	21,332,015
Fleets and Facilities Fund	2,396,223	0	0	0
General Bond Interest/Redemption Fund	10,138,686	11,151,647	13,677,210	13,091,563
Housing Operating Fund	560,097	520,490	629,422	39,472
Information Technology Fund	3,012,591	4,273,882	4,337,911	4,149,718
Insurance	3,968,698	4,725,000	4,961,250	4,961,250
Judgment/Claims Subfund	1,318,643	1,191,062	1,191,062	1,191,062
Total	**30,381,739**	**47,653,918**	**51,278,651**	**52,567,407**

Appropriations by Budget Control Level (BCL)

Reserves Budget Control Level

The purpose of the Reserves Budget Control Level is to provide appropriation authority to those programs for which there is no single appropriate managing department, or for which there is Council and/or Mayor desire for additional budget oversight.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
3rd Ave Initiative Capital Improvements	0	0	0	350,000
ARRA Grant	373,061	0	0	0
Census Awareness and Participation Reserve	58,144	0	0	0
Food Policy Work Coordination	0	65,000	68,000	0
Get Engaged: City Boards and Commissions	30,720	31,334	31,961	31,961
License and Tax Portal Reserve	0	0	0	1,200,000
Paid Sick Leave Reserve	0	0	0	150,000
Personnel Services Study	0	200,000	0	0
Recurring Reserve for Portable Art Rental and Maintenance	209,535	256,743	263,582	264,186
Recurring Reserve-Dues/Memberships	13,824	14,100	14,382	0
Recurring Reserve-Election Expense	775,737	1,000,000	1,000,000	700,000
Recurring Reserve-Fire Hydrants	5,847,359	6,605,784	7,329,089	7,000,089
Recurring Reserve-Health Care Reserve	0	0	1,000,000	0
Recurring Reserve-Industrial Insurance Pensions Payout	1,385,076	2,500,000	2,500,000	2,500,000
Recurring Reserve-Legal Advertisements	425,836	0	0	0
Recurring Reserve-Office of Professional Accountability Auditor	102,102	143,000	145,800	145,800
Recurring Reserve-Pacific Science Center Lease Reserve	120,000	120,000	120,000	120,000
Recurring Reserve-Puget Sound Clean Air Agency	394,306	400,000	400,000	408,493
Recurring Reserve-Shooting Review Board Civilian	0	5,000	5,000	5,000
Recurring Reserve-State Examiner	728,269	693,109	706,971	746,971
Recurring Reserve-Street Lighting	9,452,132	11,796,471	12,250,273	12,250,273
Recurring Reserve-Transit Pass Subsidy	2,953,445	3,135,000	3,135,000	3,100,000
Recurring Reserve-Voter Registration	872,549	969,000	988,380	988,380
Refugee and Immigrant Youth Program	0	0	150,000	0
Retirement Benefit Study	0	250,000	0	0
Seattle Arts and Culture Capital Award	0	300,000	0	0
Seattle Indian Services Commission	0	0	0	50,000
Tax Refund Interest Reserve	295,558	365,000	365,000	497,000
Transportation Reserve from Rubble Yard Proceeds[1]	0	0	0	8,100,000
University of Washington Reserve	0	0	0	500,000
Total	**24,037,652**	**28,849,542**	**30,473,438**	**39,108,153**

[1] Unspent funds from the $8.1 million in the "Transportation Reserve" program for the Finance General Reserves Budget Control Level shall carry forward to subsequent fiscal years until they are exhausted or abandoned by ordinance.

Appropriations by Budget Control Level (BCL)

Support to Community Development Budget Control Level

The purpose of the Support to Community Development Budget Control Level is to appropriate General Subfund resources for services or capital projects that are not directly administered by a City department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
African Chamber of Commerce	50,000	0	0	0
Chinese Garden Reserve	317,500	0	0	0
Rainier Vista Boys and Girls Club	250,000	0	0	0
School District Site Reserve	1,000,000	0	0	0
Sound Transit Local Contribution - Sales Tax Offset	850,446	0	0	0
Wing Luke Asian Museum	100,000	50,000	0	0
Total	**2,567,946**	**50,000**	**0**	**0**

Support to Operating Funds Budget Control Level

The purpose of the Support to Operating Funds Budget Control Level is to appropriate General Subfund resources to support the operating costs of line departments that have their own operating funds. These appropriations are implemented as operating transfers to the funds or subfunds they support.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Drainage and Wastewater Fund	1,113,601	1,117,612	1,145,698	1,205,361
Firefighters Pension Fund	17,530,786	17,758,533	19,918,668	18,874,972
Housing and Economic Development Fund	0	0	0	0
Human Services Operating Fund	52,273,866	51,962,950	52,121,676	54,352,239
Library Fund	48,032,188	47,299,078	48,630,097	49,324,620
Low Income Housing Fund	3,567,911	0	0	46,462
Neighborhood Matching Subfund	3,253,265	2,939,396	2,995,194	2,779,022
Parks and Recreation Fund	82,574,576	80,056,503	84,135,812	81,463,580
Planning and Development Fund	9,727,579	9,120,445	9,300,870	9,195,693
Police Relief and Pension Fund	22,302,034	22,255,382	22,190,500	21,312,128
Seattle Center Fund	12,883,065	13,229,236	13,305,083	12,875,760
Solid Waste Fund	51,383	52,411	53,459	0
Transportation Fund	37,723,452	38,913,576	40,022,537	37,635,726
Water Fund	52,940	53,999	55,079	0
Total	**291,086,646**	**284,759,124**	**293,874,674**	**289,065,562**

Office of Hearing Examiner

Sue Tanner, Hearing Examiner

Information Line: (206) 684-0521
http://www.seattle.gov/examiner/

Department by Budget Control Level

Department Overview

The Office of Hearing Examiner is Seattle's quasi-judicial forum for reviewing factual and legal issues raised by the application of City Code requirements to specific people or property. As authorized by the Seattle Municipal Code, the Office conducts hearings and decides appeals in cases where citizens disagree with a decision made by a City agency. Many of the matters appealed to the Hearing Examiner relate to land use and environmental permit decisions and interpretations made by the Department of Planning and Development. The Hearing Examiner also hears appeals in many other subject areas and makes recommendations to the City Council on rezone petitions, major institution master plans, and other Council land-use actions. Pursuant to authority granted in 2004, the Hearing Examiner provides contract hearing examiner services to other local governments as well.

The Hearing Examiner, and Deputy Hearing Examiners appointed by the Hearing Examiner, handle all pre-hearing matters, regulate the conduct of hearings, and prepare decisions and recommendations based upon the hearing record and applicable law. The Code requires all examiners to be attorneys

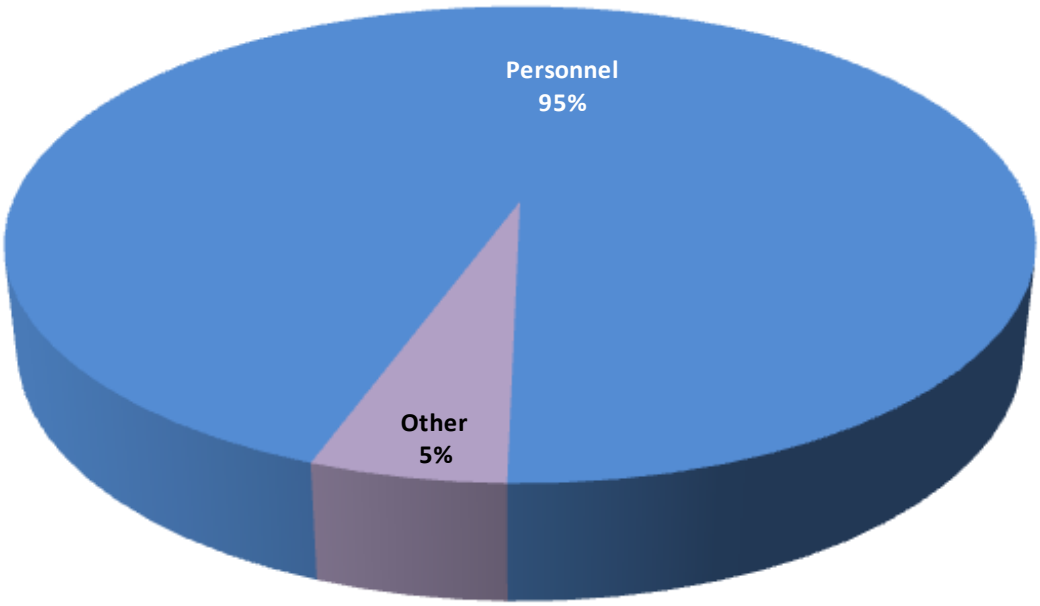
with training and experience in administrative hearings. The Hearing Examiner also appoints an administrative analyst to oversee the administrative areas of the office, a paralegal to assist with hearings and decision preparation, and an administrative specialist to support all other office positions and provide information to the public.

Budget Snapshot

Office of Hearing Examiner	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$529,726	$570,567	$585,036	$607,710
Other Revenues	$0	$0	$0	$0
Total Revenues	**$529,726**	**$570,567**	**$585,036**	**$607,710**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$529,726**	**$570,567**	**$585,036**	**$607,710**
Total Expenditures	**$529,726**	**$570,567**	**$585,036**	**$607,710**
Full-Time Equivalent * Total	4.63	4.63	4.63	4.63

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

Because of its small size and essential nature, the 2012 Adopted Budget does not recommend any reductions to the Hearing Examiner's budget.

Incremental Changes

Office of Hearing Examiner

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$585,036	4.63
2012 Proposed Changes			
	Technical Adjustments	$23,724	0.00
Total Changes		**$23,724**	**0.00**
2012 Proposed Budget		**$608,760**	**4.63**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($1,050)	0.00
Total Adjustments		**($1,050)**	**0.00**
2012 Adopted Budget		**$607,710**	**4.63**

Technical Adjustments – $23,724. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Hearing Examiner's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs. A one-time increase of $15,000 is included to fund the retirement payout of an employee planning to retire in late 2012.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($1,050). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

Office of Hearing Examiner

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Hearing Examiner Budget Control Level	**V1X00**	**529,726**	**570,567**	**585,036**	**607,710**
Department Total		**529,726**	**570,567**	**585,036**	**607,710**
Department Full-time Equivalents Total*		**4.63**	**4.63**	**4.63**	**4.63**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Office of Hearing Examiner Budget Control Level

The purpose of the Office of Hearing Examiner Budget Control Level is to conduct fair and impartial hearings in all subject areas where the Seattle Municipal Code grants authority to do so (there are currently more than 50 subject areas) and to issue decisions and recommendations consistent with applicable ordinances.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Hearing Examiner	529,726	570,567	585,036	607,710
Full-time Equivalents Total*	4.63	4.63	4.63	4.63

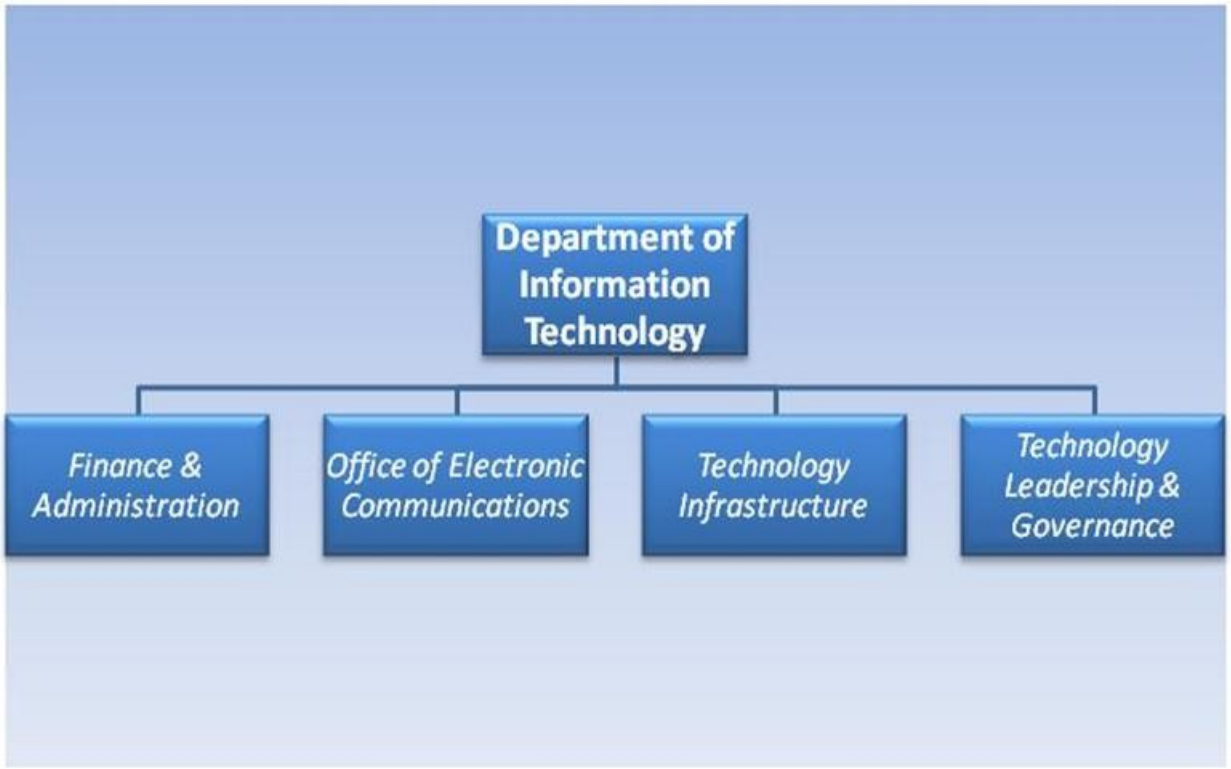
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Department of Information Technology

Bill Schrier, Director & Chief Technology Officer

Information Line: (206) 684-0600
http://www.seattle.gov/doit/

Department by Budget Control Level



Department Overview

The Department of Information Technology (DoIT) manages the City's information technology infrastructure and performs strategic information technology (IT) planning to help City government serve Seattle's residents and businesses. DoIT is organized into four major divisions: Technology Infrastructure; Technology Leadership and Governance; Office of Electronic Communications; and Finance and Administration.

The Technology Infrastructure Division builds and operates the City's communications and computing assets, which include the City's telephone, radio, and e-mail systems, and the networks and servers. The City's technology and network infrastructure, as operated by DoIT, is used by every department to deliver power, water, recreation, public safety, and human services to the people of Seattle. DoIT builds and operates a wide variety of technology tools and systems supporting the missions of every department in City government. DoIT also develops, supports, and oversees systems and policies that increase the convenience and security of the City's technology systems.

Department of Information Technology

The Technology Leadership and Governance Division provides strategic direction and coordination on technology for the City, including development of a multi-year strategic plan for Information Technology, development of common standards and architectures to deliver City services more efficiently and effectively, and IT project oversight and monitoring.

The Office of Electronic Communications Division oversees and operates the City's government-access television station (the Seattle Channel) and websites (seattlechannel.org and seattle.gov). Services provided include: new television and on-line programming, live Web streaming, indexed videos on demand, web-based applications, and other interactive services aimed at improving access to government services, information, and decision makers. It also oversees the City's cable television franchises with Comcast and Broadstripe (formerly known as Millennium Digital Media), and it manages the Department's community outreach programs which supports community efforts to close the digital divide and encourage a technology-healthy city. The Technology Matching Fund (TMF) is now a part of the Department of Neighborhood's Community Granting Division.

The Finance and Administrative Services Division provides finance, budget, accounting, human resources, administrative, and contracting services for DoIT.

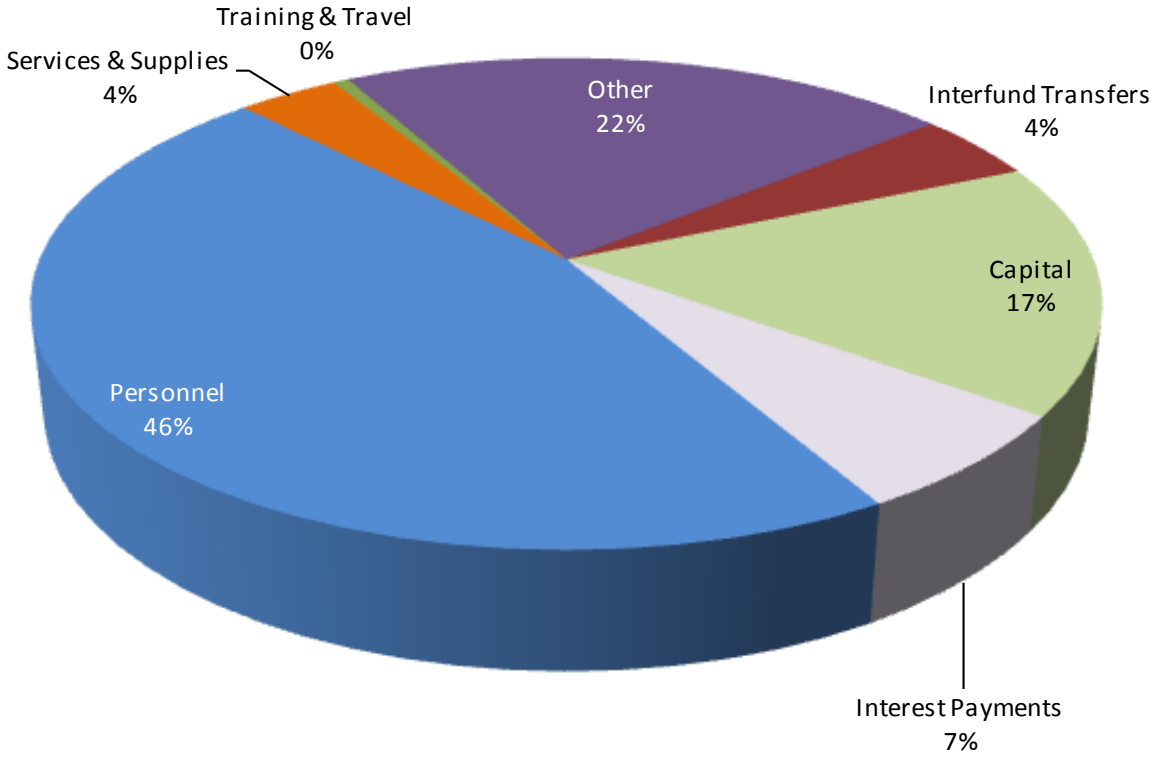
DoIT provides services to other City Departments, who, in turn, pay DoIT for those services they purchase. As such, DoIT receives revenue from most of the major fund sources within the City, including the General Fund, Seattle City Light, Seattle Public Utilities, Seattle Department of Transportation, Seattle Department of Planning and Development, and the Retirement Fund. DoIT also receives funds from the City's Cable Television Subfund, as well as from grants, and from other government agencies external to the City (e.g., the Seattle School District, the Port of Seattle, etc.) who buy DoIT services for special projects.

Budget Snapshot

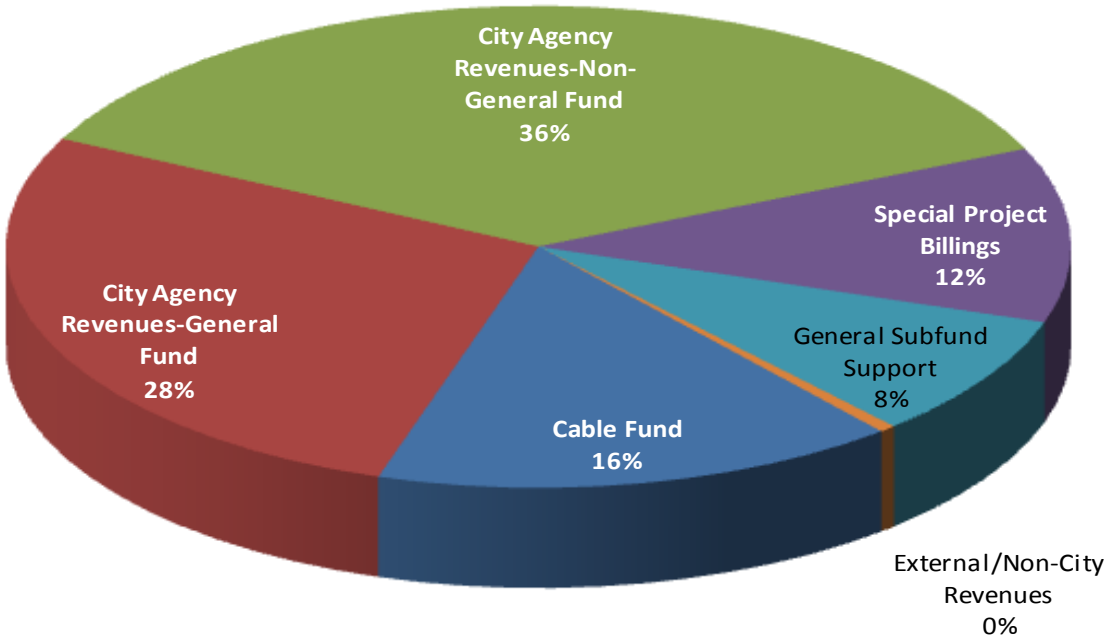
Information Technology	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$3,021,034	$4,273,882	$4,337,911	$4,149,718
Other Revenues	$44,948,515	$43,990,435	$45,864,691	$45,905,993
Total Revenues	**$47,969,549**	**$48,264,318**	**$50,202,602**	**$50,055,711**
Use of (Contribution to) Fund Balance	$2,825,428	$653,412	($1,264,386)	($904,390)
Total Resources	**$50,794,977**	**$48,917,730**	**$48,938,216**	**$49,151,321**
Total Expenditures	**$50,794,978**	**$48,917,731**	**$48,938,216**	**$49,151,321**
Full-Time Equivalent * Total	205.00	195.00	195.00	190.25

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

General Fund budget pressures in 2012 and future years have required DoIT to make budget reductions. As an internal service department, other City departments pay DoIT for the services provided. As a result, all of DoIT's operating costs are billed to customer departments. In order to help close the General Fund gap, DoIT's 2012 Adopted Budget includes operating reductions that lead to decreased charges to the General Fund and to General Fund departments. In addition, savings will also accrue to non-General Fund-supported departments.

The Department's highest priority continues to be placed on direct support for public safety services, including the ability for City government to maintain and operate core communication and computing functions during and after emergencies. Next in priority are those functions that on an ongoing basis ensure the telecommunications environment is reliable and secure. The 2012 Adopted Budget protects these key services while making reductions to internal support functions that are not by themselves part of the Department's defined mission.

Transforming How the City Does Business to Protect Funding for Core Services

DoIT continues to examine ways it can reduce expenditures while preserving its core public safety, communication, and computing services functions. As part of this effort, the Department last year eliminated its warehouse space and moved remaining equipment to a smaller space in the Seattle Municipal Tower. After further examining its inventory systems, DoIT this year worked with vendors to develop a just-in-time delivery system that eliminates the need to keep on-hand a large stock of equipment. The Department continues to review its 24-hour maintenance contracts. Therefore, the Department will reduce the 24-7 maintenance plans to 40 hour workweek options for servers which are primarily used during Monday to Friday business hours. The Department has a back-up plan for coverage in case there is a major issue in the off-hours. In a further effort to save money, DoIT in mid-year 2011 engineered a solution for upgrading the phone network through lower cost technology. This solution will move a portion of the City phone lines to Voice Over IP technology and will thereby reduce the number of phones lines the City is leasing from an outside provider.

Management Efficiencies

As part of the 2011 Adopted Budget process, DoIT was directed to identify management efficiencies that create $200,000 in savings for 2012. The department meets this target by eliminating two management positions. A manager in the Communications Technology Division will be eliminated and the spans of control for the remaining managers will increase. This change will streamline the security and network operations functions and better align the existing workload. The Major Projects Division will eliminate an executive position as the number of projects to manage has decreased due to a decline in funding from external partners.

Additional Staff Efficiencies

Over the last few years, DoIT has gradually downsized staffing through a series of efficiency initiatives. It now finds that less administrative support is necessary to manage the needs of the Human Resource division. The department will reduce one Senior Personnel Specialist and eliminate one Office Aide in this unit. The Department has also found that there are fewer funds available to spend on new technologies. In an effort to realign resources in the Technology Planning and Oversight division, a vacant part-time governance position is eliminated.

Managing Technology

In 2009, DoIT initiated a process to work with departments to identify unused or underutilized cell phones and other mobile devices. This effort was successful in producing savings by eliminating costs in department budgets. DoIT staff has noticed another uptick in the use of cellular phones and wireless air cards. Therefore, the Department will initiate another process to work with departments to again reduce the number of unused or underutilized devices. DoIT estimates that it can achieve $143,000 in savings. In an effort to control and contain device proliferation, the Department will also change its billing procedures and provide additional information and tools for Departments to use in managing their cell phone costs. In addition, DoIT is conducting a pilot on exempt employees using their personal cell phones for work-related phone calls which may further reduce ongoing costs to the departments.

Radio Reserve

The Seattle Fire Department and Police Department have over 3,000 radios that are used for daily communication. A number of years ago, a Radio Reserve Fund was established for replacement of the radios that reach end-of-life. During the last three years, the Department used this fund to replace all public safety handheld radios. A favorable vendor contract allowed DoIT to replace these radios at a lower cost than had been anticipated in the plan. The department will retain savings in the fund to help offset funding "vacations" that were taken in the 2009, 2010, and 2011 budgets. Even with this small boost, the Radio Reserve allocations will need to increase in 2013 to a total of $1.65 million annually to reach in 2020 the amounts needed for another mass replacement of public safety handhelds as the radios reach the end of their useful lifecycle. Additionally, in 2010 the Radio Reserve funds were used to replace the radios used by Parks and Seattle Center with the General Fund scheduled to repay this amount over five years. Consequently there were fewer radios to replace than forecast and the General Fund payment has been reduced by $48,000.

Transparency / Open Government

Seattle residents are more than ever using mobile devices (smart phones, tablets, notebooks, etc.) to access information and services. Consequently, the City is experiencing increasing demands to provide its information and services in mobile-friendly formats. To address this issue, DoIT is investing in technology that will allow the Seattle.gov website content to be accessible on mobile devices. This will allow citizens to easily access a variety of information including crime data, listings of City services, library hours, and park locations to name a few. The City has recently launched data.seattle.gov to offer machine-readable datasets generated by various City of Seattle departments. This technology will allow users to import data for use in many different mobile applications.

Consolidating Community Grant Award Functions

As part of an effort to streamline Citywide community grant award processes, preserve the amount of grant award dollars going out the door, and to improve community access to award programs, the 2012 Proposed Budget recommended to centralize a variety of disparate community award functions in the City into the Department of Neighborhoods' Community Granting Division. The administration of the Technology Matching Fund award process that is currently managed by DoIT was intended to be transferred to the Community Granting Division along with DoIT's Technology Fund Manager.

Under this model, the position would have been supported by cable franchise fees and by other funding sources. The primary focus would have been on providing expertise on technology-related awards and on staffing the City's Citizen Telecommunication and Technology Advisory Board's award-making process. However, under the new administrative structure within DON, the position was to also help to support various citywide grant award opportunities, including community and neighborhood grant awards, and waste management and recycling awards. The Cable Fund support for this work was to be reduced by $17,000 and the savings redirected into the Cable Fund. The transfers and fund savings from these changes was removed during the City Council review process.

Cable Television Franchise Fee

Cable Television Franchise Fund (Cable Fund) revenues are generated by franchise fees from cable television providers. Over the last several years, the Department has used Cable Fund revenues to support technology access programs previously funded by the General Fund. The 2012 Adopted Budget continues this effort by supplanting General Fund that currently supports web page design positions in the Police and Fire Departments.

The Cable Fund recently received a small bump in revenues as Comcast raised its rates on home television service. Aside from this one-time bump, the Fund is only projected to grow minimally in the near future. The Department expects that the Fund will begin to see expenditure pressures as it is called upon to fund major technology overhauls like the upgrade of the Seattle Channel to High Definition. Therefore, the SPD and SFD web positions are not included in the Department's long term financial plan for this fund. In the future, DoIT may have to propose cuts to existing programming in order to keep the fund in balance.

City Council Changes

During the City Council's review process, funding from the Cable Fund was added to the DoIT budget to increase Technology Matching Fund grants. Fund balance from the DoIT Fund was used to fund consultant services related to a Citywide review of IT systems and protocols. Finally, the proposed merger of the departmental granting units was reversed in the Adopted Budget.

Incremental Budget Changes

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$48,938,216**	**195.00**
2012 Proposed Changes			
	Management Efficiency	($3,430)	(2.00)
	Technology Efficiency	($50,000)	0.00
	Cellular Phone, Wireless Air Card and Printer Efficiencies	($250,986)	0.00
	Reduce Maintenance, Training, and Customer Support for Server Storage	($251,054)	(1.00)
	Reduce Citywide IT Strategy Support	($38,382)	(0.25)
	Reduce Human Resource Support	($111,460)	(1.50)
	Reduce Supplies and Equipment	($300,000)	0.00
	Shift Public Safety Web Staff Funding	$216,594	0.00
	Implement Mobile Device Interface	$200,000	0.00
	Budget Neutral Funding Shifts	$0	0.00
	Grant Consolidation	($17,350)	(1.00)
	Technical Adjustments	$601,760	0.00
Total Changes		**($4,309)**	**(5.75)**
2012 Proposed Budget		**$48,933,907**	**189.25**
	Technology Matching Fund Increase	$95,000	0.00
	Funding for Citywide Review of IT Systems and Protocols	$150,000	0.00
	Reverse Centralization of Community Granting Administration	$17,350	1.00
	Adjust Employer Contribution to SCERS	($44,936)	0.00
Total Adjustments		**$217,414**	**1.00**
2012 Adopted Budget		**$49,151,321**	**190.25**

Management Efficiency - ($3,430) / (2.0) FTE. As part of the 2011 Adopted Budget process, DoIT was directed to identify management efficiencies for implementation in 2012. In response, DoIT is eliminating two management positions for a $200,000 budget reduction already accounted for in the 2012 Endorsed Budget. An additional $3,000 reduction is reflected due to final adjustments. This action eliminates a manager position in the communication technologies team that supports the wireless and data/telephone network, and an executive position in charge of major projects and the fiber program.

Technology Efficiency - ($50,000). A portion of the City telephone lines will be moved to Voice Over IP technology. This will allow the City to reduce the number of leased external telephone lines from an outside provider and reduces costs.

Department of Information Technology

Cellular Phone, Wireless Air Card and Printer Efficiencies - ($250,986). DoIT manages the distribution and billing for City owned cell/smart phones and wireless air cards. This proposal reduces the number of cellular phones and wireless air cards in City departments with no active usage and reflects savings from a more cost effective cellular contracting approach for low-usage equipment. Additionally, DoIT will reduce the total number of internal printers by eliminating redundant local and network printers that are no longer necessary. This will reduce costs for paper, toner cartridges, and leases. These reductions will not impact the services provided by DoIT or other departments.

Reduce Maintenance, Training, and Customer Support for Server Storage - ($251,054) / (1.0) FTE. This proposal reduces service levels for lower-priority server hardware from 24 hours a day/7 days a week to 9am-5pm/5 days a week as the service was rarely used in the after-hours. This action is part of an ongoing effort to examine support levels for non-critical systems. As various 24-7 support contracts expire, the department is examining the risk associated with potential temporary outages of associated systems. In many cases, there is minimal risk if a system is down over the weekend as primary users may only work on weekdays and may not be working on core City issues. Additionally, some 24-7 support is discontinued entirely if the technology has evolved to a safer/ stable state. The Chief Technology Officer is reviewing these decisions on a case-by-case basis in order to minimize risks. There will also be a reduction in support for the primary storage and backup systems in the City's Data Center that is managed by the Enterprise Computing Services Team. This workload will be redistributed among the other members of the storage team and may affect response time to customer requests. Additionally, less will be spent on staff training, professional services, and research support.

Reduce Citywide IT Strategy Support - ($38,382) / (0.25) FTE. This proposal reduces staff in the Technology Planning and Oversight team, as the Department has found that there are fewer funds available to spend on new technologies. If project spending returns to historic levels, this could impact DoIT's ability to help establish Citywide strategic directions on technology and capacity to identify and lead implementation of new initiatives.

Reduce Human Resources Support - ($111,460) / (1.50) FTE. This proposal reduces internal human resources support to align with the decrease in the total number of DoIT employees in the last few years. Additionally an office aide position is transferred to the Personnel department.

Reduce Supplies and Equipment - ($300,000). This proposal aligns current practices by reducing the budget for items purchased and stocked in DoIT's supply room and the small equipment within the Data Networks Services program. There is no service impact expected from these reductions.

Shift Public Safety Web Staff Funding - $216,594. Currently, both the Seattle Fire Department and the Seattle Police Department have staff that manage and develop the content for the public safety websites that are used by the public. This proposal shifts the funding for the staff from the General Fund to the Cable Franchise Fee Subfund. This will not impact the services provided by any of the involved departments.

Implement Mobile Device Interface - $200,000. There is continued rapid growth in the use of mobile devices (smart phones, tablets, notebooks, etc.) to access information and services. The City is experiencing increasing demands to provide to the public its information and services in mobile-friendly formats. This proposal will allow DoIT to purchase and implement software that will allow the Seattle.gov website content to be accessible on mobile devices and standardize City-developed mobile applications across departments.

Radio Reserve Savings - $0. In 2010, DoIT used funds from the Radio Reserve to replace the radio handsets owned by Parks and Seattle Center with the General Fund scheduled to repay this money over a five-year period. Due to the reduced costs to the City as a result of contract changes and fewer radios replaced than originally anticipated, the annual repayment to the Radio Reserve has been reduced. This does not impact DoIT's Adopted Budget, but will provide $48,000 of savings annually to the General Fund through 2015.

Budget Neutral Funding Shifts - $0. DoIT proposed several budget neutral funding shifts from the General Fund (GF) to the Cable Franchise Fee Subfund (Cable Fund) that will not impact the services currently provided by DoIT. The first aligns current practice with the budget for a Project Manager position that has been spending 50% of their time providing project management support to DoIT's Web Team. Given the increasing importance of web-based applications and services, there are a large number of Web Team projects continuing into the foreseeable future which will require project management services. This changes the duties (half-time) of the Project Manager to the Citywide Web team and shifts the $14,000 GF portion to the Cable Fund. The second reassigns an existing Public Information Officer to provide part-time administrative support for DoIT's community outreach efforts including CTTAB support, Community Technology, and Seattle Channel outreach. This will provide needed administrative support for the outreach staff and shift the $17,000 GF portion to the Cable Fund. Lastly, DoIT currently provides a web application support service to 14 City departments with 150 applications supported that are used by the public. This will shift the $25,000 GF portion to the Cable Fund.

Grant Consolidation - ($17,350) / (1.0) FTE. As part of an effort to streamline community grant award processes, create efficiencies and provide greater access to community members, the 2012 Proposed Budget would have centralized the administration of community award functions Citywide into the Department of Neighborhood's Community Granting Division within the Neighborhood Matching Fund (NMF). DoIT's Technology Fund Manager position would have been transferred to the new Community Granting Division as part of the consolidation effort. The position would have been supported by cable franchise fees and other sources of funding in 2012. Through efficiencies gained during the consolidation process there would have been a savings of $17,000 to the Cable Fund.

Technical Adjustments - $601,760. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in DOIT's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed

Technology Matching Fund Increase – $95,000. Funding was added from the Cable Subfund unreserved fund balance to increase the 2012 Technology Matching Fund grant program, bringing the total funding level to $320,000.

Funding for Citywide Review of IT Systems and Protocols – $150,000. Funding was added from unreserved fund balance in the DoIT operating fund for consultant services for a Citywide review of IT systems and protocols to identify efficiency, effectiveness, and security improvements. The review should result in specific actionable recommendations to improve service to users, standardize systems and protocols, and achieve cost efficiencies.

Department of Information Technology

Reverse Centralization of Community Granting Administration – $17,350 / 1.0 FTE. City Council did not include the changes proposed by the Mayor for the centralization of the City's Community Granting Program Administration. As such, the transfer of the Technology Fund Manager (1.0 FTE Strategic Advisor 1) will not occur and the associated saving will be appropriated to pay for the position.

Adjust Employer Contribution Rate to SCERS – ($44,936). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

The City Council adopted the following budget provisos:

- *Of the appropriation in the 2012 budget for the Department of Information Technology's Finance and Administration BCL, $150,000 is appropriated solely for consultant services to assist with the review of information technology (IT) systems and protocols Citywide and may be spent for no other purpose.*

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance and Administration Budget Control Level					
Finance and Administration		1,819,395	2,117,502	2,176,221	2,143,359
General and Administration		465,791	3,902,766	3,809,060	4,155,674
Finance and Administration Budget Control Level	**D1100**	**2,285,186**	**6,020,268**	**5,985,281**	**6,299,033**
Office of Electronic Communications Budget Control Level					
Citywide Web Team		1,828,132	1,903,621	1,937,194	2,444,798
Community Technology		1,084,628	1,166,760	1,193,579	1,294,156
Office of Cable Communications		1,305,451	612,258	633,554	712,171
Seattle Channel		2,847,546	2,764,176	2,724,616	2,797,221
Office of Electronic Communications Budget Control Level	**D4400**	**7,065,758**	**6,446,815**	**6,488,944**	**7,248,347**
Technology Infrastructure Budget Control Level					
Communications Shop		1,565,471	1,632,413	1,666,643	1,682,100
Data Network Services		3,268,317	3,839,879	3,923,832	3,581,936
Enterprise Computing Services		7,399,143	7,852,225	7,244,401	7,076,057
Messaging, Collaboration and Directory Services		1,832,955	1,846,305	1,884,152	1,862,663
Mid-Range Computing Services		0	0	0	0
Radio Network		1,217,248	1,043,343	1,074,089	1,076,316
Service Desk		1,496,259	1,280,944	1,315,011	1,329,159
Technical Support Services		2,054,793	1,797,276	1,833,735	1,852,196
Technology Engineering and Project Management		8,028,278	4,309,397	4,423,817	4,705,933
Technology Infrastructure Grants		1,786,014	0	0	0
Telephone Services		9,654,274	9,344,829	9,528,059	9,279,955
Warehouse		943,484	1,359,693	1,383,194	1,185,848
Technology Infrastructure Budget Control Level	**D3300**	**39,246,235**	**34,306,304**	**34,276,933**	**33,632,163**
Technology Leadership and Governance Budget Control Level					
Citywide Technology Leadership and Governance		2,197,799	2,144,344	2,187,059	1,971,778
Technology Leadership and Governance Budget Control Level	**D2200**	**2,197,799**	**2,144,344**	**2,187,059**	**1,971,778**
Department Total		**50,794,978**	**48,917,731**	**48,938,216**	**49,151,321**
Department Full-time Equivalents Total*		**205.00**	**195.00**	**195.00**	**190.25**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Revenue Overview

2012 Estimated Revenues for the Information Technology Fund (50410)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
542810	Cable Fund Allocation	7,603,642	7,361,228	7,480,247	7,990,663
	Total Cable Fund	**7,603,642**	**7,361,228**	**7,480,247**	**7,990,663**
541490	Technology Allocation (GF Depts)	7,378,320	6,619,876	7,572,875	7,341,800
562210	Rates (GF Depts)	6,512,998	6,642,860	6,818,815	6,440,484
	Total City Agency Revenues-General Fund	**13,891,318**	**13,262,736**	**14,391,690**	**13,782,283**
442850	Rates	185,607	373,445	377,842	377,229
541490	Customer Rebates	0	(824,386)	(807,832)	(44,936)
541490	Technology Allocation	11,457,986	13,449,709	13,766,792	13,263,760
562210	Rates	4,240,881	4,540,848	4,657,080	4,403,929
	Total City Agency Revenues-Non-General Fund	**15,884,473**	**17,539,617**	**17,993,882**	**17,999,982**
462210	Rates	571,002	247,886	254,779	251,374
	Total External/Non-City Revenues	**571,002**	**247,886**	**254,779**	**251,374**
587001	Rates (pure GF)	658,526	0	0	0
587001	Technology Allocation (pure GF)	2,362,508	4,273,882	4,337,911	4,149,718
	Total General Subfund Support	**3,021,034**	**4,273,882**	**4,337,911**	**4,149,718**
431010	Federal Grants - Direct	(40,144)	0	0	0
433010	Federal Grants - Indirect	1,766,422	0	0	0
439090	Private Contributions & Donations	630,334	0	0	0
461110	Finance - External	201,725	0	0	0
542810	Other Miscellaneous Revenues	33,492	0	0	0
	Total Other	**2,591,830**	**0**	**0**	**0**
542810	Special Project Billings	4,294,802	5,578,969	5,744,093	5,881,692
542810	Special Project Billings (GF Depts)	111,448	0	0	0
	Total Special Project Billings	**4,406,250**	**5,578,969**	**5,744,093**	**5,881,692**
Total Revenues		**47,969,549**	**48,264,318**	**50,202,602**	**50,055,711**
379100	Use of (Contributions to) Fund Balance	2,825,428	653,412	(1,264,386)	(904,390)
	Total Use of (Contributions to) Fund Balance	**2,825,428**	**653,412**	**(1,264,386)**	**(904,390)**
Total Resources		**50,794,977**	**48,917,730**	**48,938,216**	**49,151,321**

Appropriations by Budget Control Level (BCL) and Program

Finance and Administration Budget Control Level

The purpose of the Finance and Administration Budget Control Level is to provide human resources, contracting, finance, budget, and accounting services (planning, control, analysis, and consulting) to the Department.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance and Administration	1,819,395	2,117,502	2,176,221	2,143,359
General and Administration	465,791	3,902,766	3,809,060	4,155,674
Total	**2,285,186**	**6,020,268**	**5,985,281**	**6,299,033**
Full-time Equivalents Total *	16.50	19.50	19.50	19.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Finance and Administration Program

The purpose of the Finance and Administration Program is to provide human resources, contracting, finance, budget, and accounting services (planning, control, analysis, and consulting) to the Department.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Finance and Administration	1,819,395	2,117,502	2,176,221	2,143,359
Full-time Equivalents Total	16.50	19.50	19.50	19.00

General and Administration Program

The purpose of the General and Administration Program is to provide general administrative services and supplies to the Department's internal programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General and Administration	465,791	3,902,766	3,809,060	4,155,674

Office of Electronic Communications Budget Control Level

The purpose of the Office of Electronic Communications Budget Control Level is to operate the Seattle Channel, Cable Office, Web sites, and related programs so that technology delivers services and information to residents, businesses, visitors, and employees in an effective way.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Citywide Web Team	1,828,132	1,903,621	1,937,194	2,444,798
Community Technology	1,084,628	1,166,760	1,193,579	1,294,156
Office of Cable Communications	1,305,451	612,258	633,554	712,171
Seattle Channel	2,847,546	2,764,176	2,724,616	2,797,221
Total	**7,065,758**	**6,446,815**	**6,488,944**	**7,248,347**
Full-time Equivalents Total *	35.00	34.00	34.00	35.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Citywide Web Team Program

The purpose of the Citywide Web Team Program is to provide leadership in using Web technology and a Web presence for residents, businesses, visitors, and employees so that they have 24-hour access to relevant information and City services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Citywide Web Team	1,828,132	1,903,621	1,937,194	2,444,798
Full-time Equivalents Total	12.25	12.25	12.25	12.75

Community Technology Program

The purpose of the Community Technology Program is to provide leadership, education, and funding so that all residents have access to computer technology and online information.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Community Technology	1,084,628	1,166,760	1,193,579	1,294,156
Full-time Equivalents Total	4.25	4.25	4.25	4.25

Office of Cable Communications Program

The purpose of the Office of Cable Communications Program is to negotiate with and regulate private cable communications providers so that residents receive high-quality and reasonably priced services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Cable Communications	1,305,451	612,258	633,554	712,171
Full-time Equivalents Total	2.75	2.75	2.75	2.75

Seattle Channel Program

The purpose of the Seattle Channel Program is to inform and engage residents in Seattle's governmental, civic, and cultural affairs by using television, the Web, and other media in compelling ways.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Seattle Channel	2,847,546	2,764,176	2,724,616	2,797,221
Full-time Equivalents Total	15.75	14.75	14.75	15.25

Appropriations by Budget Control Level (BCL) and Program

Technology Infrastructure Budget Control Level

The purpose of the Technology Infrastructure Budget Control Level is to build and operate the City's corporate communications and computing assets so that the City can manage information more effectively, deliver services more efficiently, and make well-informed decisions.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications Shop	1,565,471	1,632,413	1,666,643	1,682,100
Data Network Services	3,268,317	3,839,879	3,923,832	3,581,936
Enterprise Computing Services	7,399,143	7,852,225	7,244,401	7,076,057
Messaging, Collaboration, and Directory Services	1,832,955	1,846,305	1,884,152	1,862,663
Radio Network	1,217,248	1,043,343	1,074,089	1,076,316
Service Desk	1,496,259	1,280,944	1,315,011	1,329,159
Technical Support Services	2,054,793	1,797,276	1,833,735	1,852,196
Technology Engineering and Project Management	8,028,278	4,309,397	4,423,817	4,705,933
Technology Infrastructure Grants	1,786,014	0	0	0
Telephone Services	9,654,274	9,344,829	9,528,059	9,279,955
Warehouse	943,484	1,359,693	1,383,194	1,185,848
Total	**39,246,235**	**34,306,304**	**34,276,933**	**33,632,163**
Full-time Equivalents Total *	135.50	126.50	126.50	123.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Communications Shop Program

The purpose of the Communications Shop Program is to install, maintain, and repair the dispatch radio infrastructure and mobile and portable radios for City departments and other regional agencies for common, cost-effective communications.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Communications Shop	1,565,471	1,632,413	1,666,643	1,682,100
Full-time Equivalents Total	11.00	11.00	11.00	11.00

Data Network Services Program

The purpose of the Data Network Services Program is to provide data communications infrastructure and related services to City employees so that they may send and receive electronic data in a cost-effective manner, and so residents may electronically communicate with City staff and access City services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Data Network Services	3,268,317	3,839,879	3,923,832	3,581,936
Full-time Equivalents Total	13.00	13.00	13.00	11.00

Appropriations by Budget Control Level (BCL) and Program

Enterprise Computing Services

The purpose of the Enterprise Computing Services Program is to provide a reliable production computing environment that allows departments to effectively operate their technology applications, operating systems, and servers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Enterprise Computing Services	7,399,143	7,852,225	7,244,401	7,076,057
Full-time Equivalents Total	25.50	25.00	25.00	24.00

Messaging, Collaboration, and Directory Services

The purpose of the Messaging, Collaboration, and Directory Services Program is to provide, operate, and maintain an infrastructure for e-mail, calendar, directory, and related services to City employees and the general public so that they can communicate and obtain City services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Messaging, Collaboration and Directory Services	1,832,955	1,846,305	1,884,152	1,862,663
Full-time Equivalents Total	11.00	12.00	12.00	12.00

Radio Network Program

The purpose of the Radio Network Program is to provide dispatch radio communications and related services to City departments and other regional agencies so that they have a highly available means for mobile communications.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Radio Network	1,217,248	1,043,343	1,074,089	1,076,316
Full-time Equivalents Total	1.00	1.00	1.00	1.00

Service Desk Program

The purpose of the Service Desk Program is to provide an initial point of contact for technical support, problem analysis and resolution, and referral services for customers in non-utility departments.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Service Desk	1,496,259	1,280,944	1,315,011	1,329,159
Full-time Equivalents Total	13.00	11.00	11.00	11.00

Appropriations by Budget Control Level (BCL) and Program

Technical Support Services Program

The purpose of the Technical Support Services Program is to provide, operate, and maintain personal computer services for City employees so that they have a reliable computing environment to conduct City business and to provide services to other government entities and the public.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technical Support Services	2,054,793	1,797,276	1,833,735	1,852,196
Full-time Equivalents Total	17.00	13.50	13.50	13.50

Technology Engineering and Project Management Program

The purpose of the Technology Engineering and Project Management Program is to engineer communications systems and networks, to manage large technology infrastructure projects for City departments, and to facilitate reliable and cost-effective communications and technology.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technology Engineering and Project Management	8,028,278	4,309,397	4,423,817	4,705,933
Full-time Equivalents Total	7.00	7.00	7.00	7.00

Technology Infrastructure Grants Program

The purpose of the Technology Infrastructure Grants Program is to display expenditures related to technology projects funded by City and non-City sources and where appropriations for such projects are often made outside of the budget book.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Technology Infrastructure Grants	1,786,014	0	0	0

Telephone Services Program

The purpose of the Telephone Services Program is to provide, operate, and maintain a telecommunications infrastructure, and to provide related services to City employees so that they have a highly available means of communication.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Telephone Services	9,654,274	9,344,829	9,528,059	9,279,955
Full-time Equivalents Total	32.00	30.00	30.00	30.00

Appropriations by Budget Control Level (BCL) and Program

Warehouse Program

The purpose of the Warehouse Program is to acquire, store, and distribute telephone, computing, data communications, and radio components to the Department so that equipment is available when requested.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Warehouse	943,484	1,359,693	1,383,194	1,185,848
Full-time Equivalents Total	5.00	3.00	3.00	3.00

Technology Leadership and Governance Budget Control Level

The purpose of the Technology Leadership and Governance Budget Control Level is to provide departments with strategic direction and coordination on technology for their respective investment decisions.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Citywide Technology Leadership and Governance	2,197,799	2,144,344	2,187,059	1,971,778
Total	**2,197,799**	**2,144,344**	**2,187,059**	**1,971,778**
Full-time Equivalents Total *	18.00	15.00	15.00	12.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Citywide Technology Leadership and Governance Program

The purpose of the Citywide Technology Leadership and Governance Program is to establish strategic directions; identify key technology drivers; support effective project management and quality assurance; and provide information, research, and analysis to departments' business and technology managers.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Citywide Technology Leadership and Governance	2,197,799	2,144,344	2,187,059	1,971,778
Full-time Equivalents Total	18.00	15.00	15.00	12.75

Fund Table

Information Technology Fund (50410)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**29,693,914**	**11,230,993**	**20,212,919**	**10,577,580**	**12,458,010**
Accounting and Technical Adjustments	(6,655,566)	0	0	0	0
Plus: Actual and Estimated Revenue	47,969,549	48,264,318	50,115,858	50,202,602	50,055,711
Less: Actual and Budgeted Expenditures	50,794,978	48,917,731	57,870,766	48,938,216	49,151,321
Ending Fund Balance	**20,212,919**	**10,577,580**	**12,458,010**	**11,841,965**	**13,362,400**
Continuing Appropriations	2,193,175				
Reserves Against Fund Balance	15,768,459	10,244,323	11,796,403	11,038,344	12,347,686
Total Reserves	**17,961,634**	**10,244,323**	**11,796,403**	**11,038,344**	**12,347,686**
Ending Unreserved Fund	**2,251,285**	**333,257**	**661,607**	**803,621**	**1,014,714**

Department of Information Technology

Capital Improvement Program Highlights

The Department of Information Technology (DoIT) builds, manages, and maintains City government information technology infrastructure – radio, data, communications, and computer networks – used by other City departments to serve constituents. DoIT manages the Seattle Channel and the City's central data center, which houses most of the computer servers and the computing architecture that operates software applications on behalf of other departments. DoIT also directs the development of certain computer application projects on behalf of the City and other Departments. The Capital Improvement Program (CIP) supports DoIT's mission by providing for new investments, upgrades, maintenance, and improvements to the City's existing technology networks and systems.

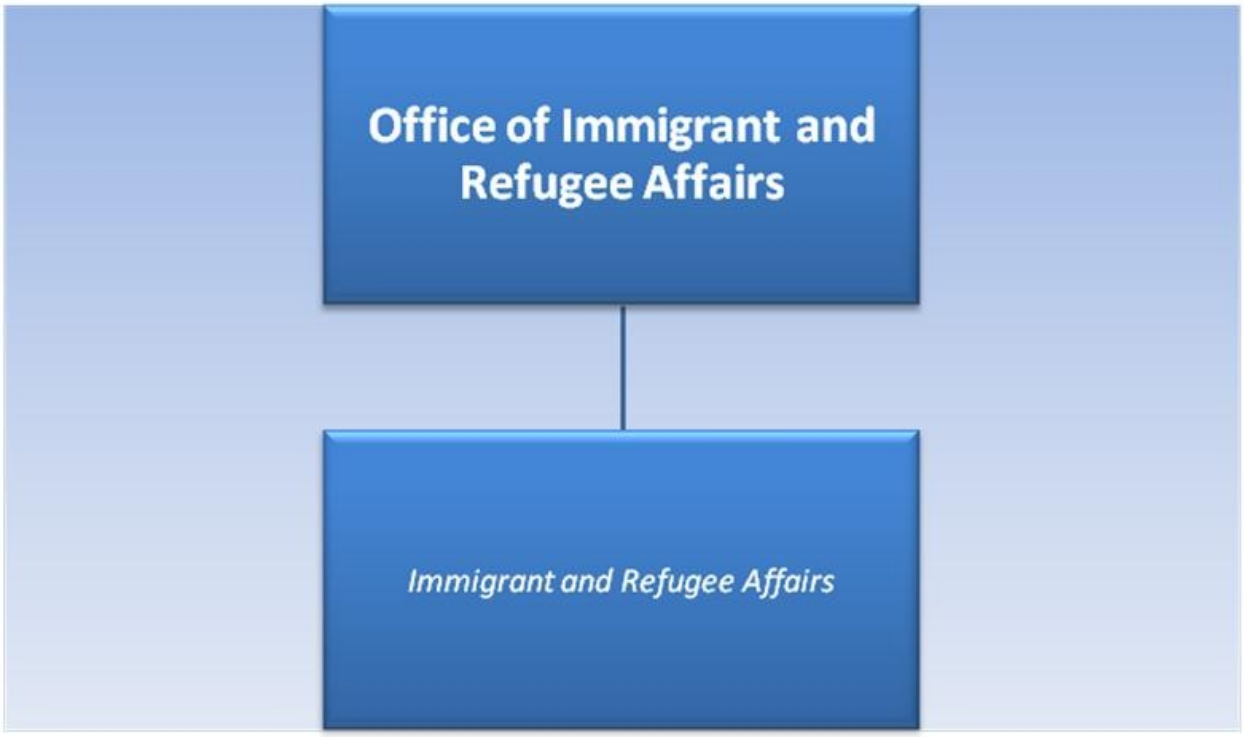
The focus of the DoIT 2012-2017 Adopted CIP is on routine maintenance, replacement, and upgrades for existing systems. The 2012 projects include upgrades to the Alternate Storage Center; installation of additional fiber optic cable links to various locations and maintenance; planning, repair, replacement, and modification of software, hardware, and electronics in the City's data and communications infrastructure; replacement and upgrades of equipment in the 800 MHz radio network program; replacement and upgrades of software and hardware in the computing services architecture environment and replacement and equipment for the Seattle Channel.

Additional information on DoIT's CIP can be found in the 2012-2017 Adopted CIP online here: http://www.seattle.gov/financedepartment/1217proposedcip/default.htm

Office of Immigrant and Refugee Affairs

Director, To Be Determined

Department by Budget Control Level



Department Overview

The purpose of the newly created Office of Immigrant and Refugee Affairs (OIRA) is to facilitate the successful integration of immigrants and refugees into Seattle's civic, economic, and cultural life, to celebrate their diverse cultures and contributions to Seattle, and to advocate on behalf of immigrants and refugees. The Office will work with the Immigrant and Refugee Commission, community partners, and City departments to define and achieve desired outcomes for City investments for immigrant and refugees, including setting specific measurable outcomes related to employment, economic development, public health, student achievement, citizenship, public safety and criminal justice, civic engagement, and protection of civil rights.

OIRA will be dedicated to improving services and better engaging immigrant and refugee communities, in partnership with other City departments, government agencies, community organizations, and the private sector, all consistent with the City's Race and Social Justice Initiative.

Office of Immigrant and Refugee Affairs

Budget Snapshot

Office of Immigrant and Refugee Affairs	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$238,000
Other Revenues	$0	$0	$0	$0
Total Revenues	**$0**	**$0**	**$0**	**$238,000**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$0**	**$0**	**$0**	**$238,000**
Total Expenditures	**$0**	**$0**	**$0**	**$238,000**
Full-Time Equivalent * Total	-	-	-	2.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Budget Overview

City Council Changes

The City Council created the Office of Immigrant and Refugee Affairs (OIRA) during its review of the 2012 Proposed Budget. The Council will propose legislation to officially name and create the Office of Immigrant and Refugee Affairs by January 31, 2012, in consultation with the Immigrant and Refugee Commission, Seattle Office for Civil Rights and other City departments, and the community. In developing this legislation, Council and the Executive will work with these stakeholders to more formally define the duties and expectations of the Office and to develop at near-term work plan of activities and actions.

Incremental Changes

Office of Immigrant and Refugee Affairs

	2012 Dollar Amount	2012 FTE
2012 Endorsed Budget	**$0**	**0.00**
2012 Proposed Changes	**$0**	**0.00**
2012 Proposed Budget	**$0**	**0.00**
Council Adjustments to Proposed Budget		
Create New Office	$238,000	2.00
Total Adjustments	**$238,000**	**2.00**
2012 Adopted Budget	**$238,000**	**2.00**

City Council Changes to the 2012 Proposed Budget

Create New Office – $238,000 / 2.0 FTE. Funding is provided to the Executive Department for the creation of a new Office of Immigrant and Refugee Affairs. This action also adds two positions to administer the daily operations of the department, provide staff support to the Immigrant and Refugee Commission, and provide policy advice to the Mayor, Council, and City departments on program issues related to immigrants and refugees.

City Council Provisos

There are no Council Provisos.

Office of Immigrant and Refugee Affairs

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Immigrant and Refugee Affairs Budget Control Level	00100-X1N00	0	0	0	238,000
Total		0	0	0	238,000
Department Total		0	0	0	238,000
Department Full-time Equivalents Total*		0.00	0.00	0.00	2.00

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Office of Immigrant and Refugee Affairs Budget Control Level

The purpose of the Office of Immigrant and Refugee Affairs Budget Control Level is to facilitate the successful integration of immigrants and refugees into Seattle's civic, economic, and cultural life, to celebrate their diverse cultures and contributions to Seattle, and to advocate on behalf of immigrants and refugees

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Immigrant and Refugee Affairs	0	0	0	238,000
Full-time Equivalents Total*	0.00	0.00	0.00	2.00

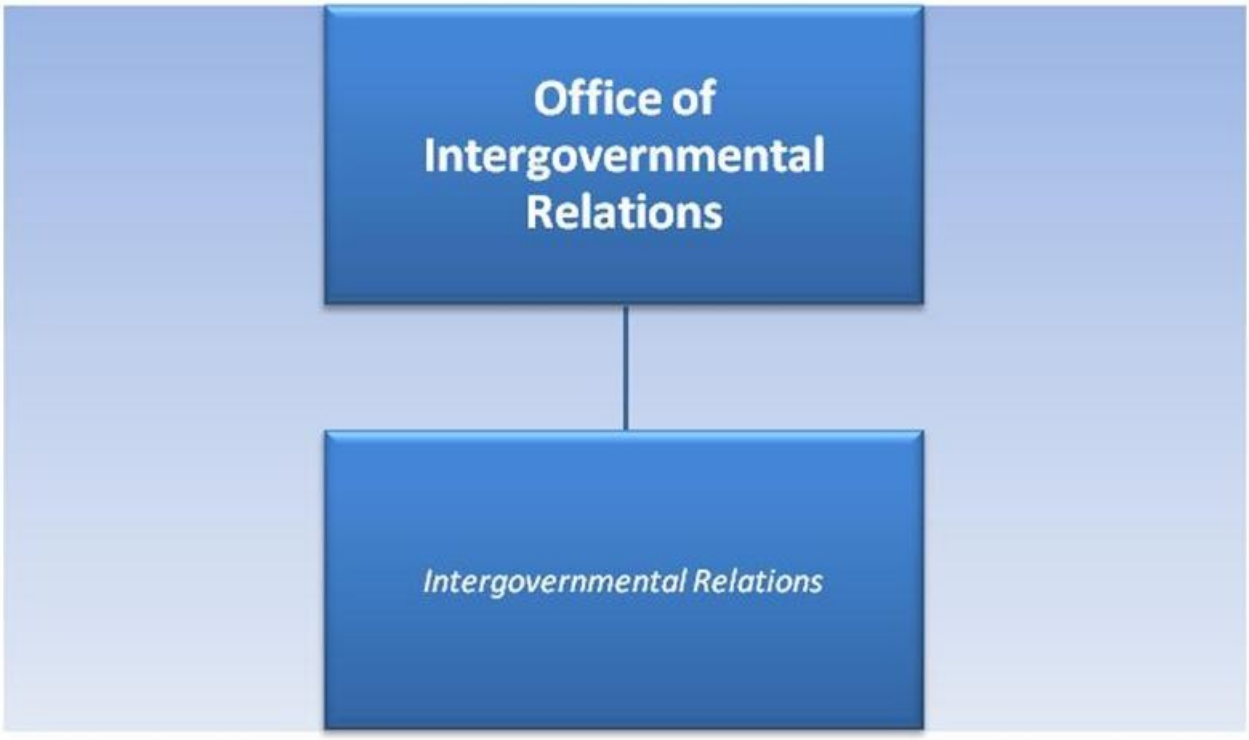
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Office of Intergovernmental Relations

Marco Lowe, Director

Information Line: (206) 684-0213
http://www.seattle.gov/oir/

Department by Budget Control Level



Department Overview

The Office of Intergovernmental Relations (OIR) provides advice and information to, and on behalf of, City elected officials, City departments, and external customers. The primary goal of these efforts is to ensure the City's interests are advanced with international, tribal, federal, state, and regional entities to enable the City to better serve the community.

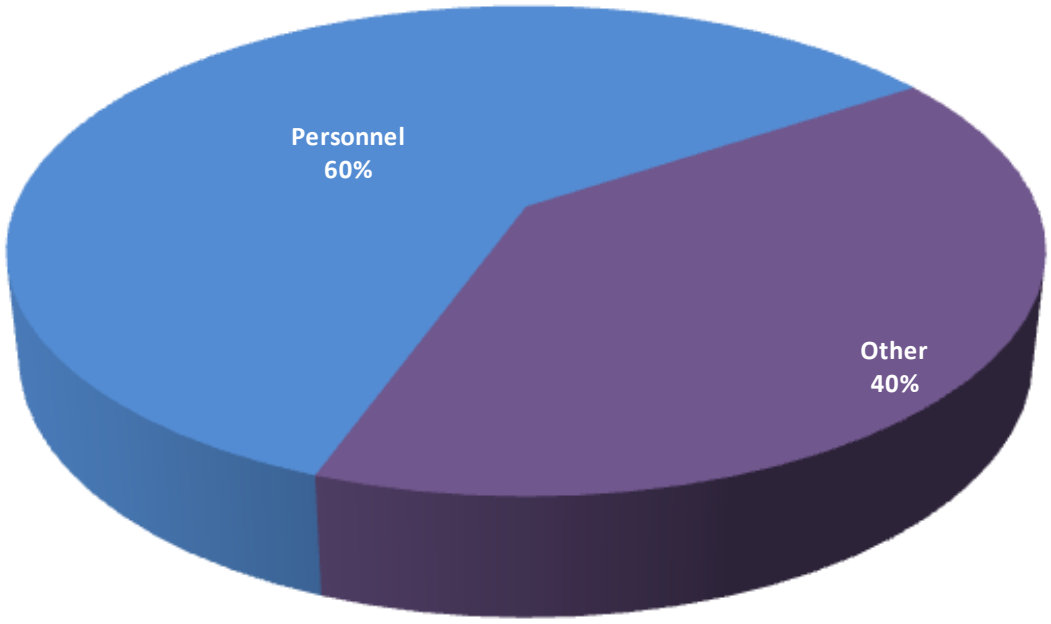
Office of Intergovernmental Relations

Budget Snapshot

Office of Intergovernmental Relations	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$1,913,846	$2,015,996	$2,070,512	$2,091,092
Other Revenues	$0	$0	$0	$0
Total Revenues	**$1,913,846**	**$2,015,996**	**$2,070,512**	**$2,091,092**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$1,913,846**	**$2,015,996**	**$2,070,512**	**$2,091,092**
Total Expenditures	**$1,913,846**	**$2,015,996**	**$2,070,512**	**$2,091,092**
Full-Time Equivalent * Total	11.50	11.50	11.50	10.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The Office of Intergovernmental Relations (OIR) is responsible for engaging with other jurisdictions and governmental entities in order to collaborate and advocate for outcomes that are in the interest of the City and region. This is a particularly difficult task given the current fiscal environment at all levels of government. It becomes even more important now to ensure external funding for critical services and programs is retained as residents and businesses in Seattle fight to recover from impacts of the Great Recession.

Even so, OIR will respond to the budget challenges facing the General Fund for 2012 with reductions in resources dedicated to policy and administrative support. The primary reduction here relates to work that had been grant funded previously and for which grant funds are not available any longer. Core OIR work with local, regional, state, and federal partners will continue.

The 2012 Proposed Budget recommended that OIR assume responsibilities related to coordination and administration of the City's various boards and commissions. These bodies are critical to providing public review, input, and oversight to many functions and programs managed by the City. Consolidating the administration and tracking of these bodies into OIR was intended to ensure a high level of public engagement in this area. OIR would also have developed and enhanced dissemination of information to the public regarding regional, state, and federal issues of importance. Funding for these changes was removed during the City Council review process.

Temporary funding will be added to support two projects. The first is a regional project led by the Puget Sound Regional Council (PSRC) to bolster local employment. The second is a result of OIR being tasked with fulfilling the City's responsibility as host of the National League of Cities Conference in 2013. Temporary funding will be required for both of these efforts, which will benefit local employment.

City Council Changes

During the City Council's review process, funding was removed from the OIR budget for the proposed centralization of coordination and administration of the City's boards and commissions. The City will continue to coordinate and administer boards and commissions with existing resources.

Incremental Budget Changes

Office of Intergovernmental Relations

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$2,070,512**	**11.50**
2012 Proposed Changes			
	Salary Reductions	($29,391)	0.00
	National League of Cities Conference Staffing	$80,000	0.00
	Support to PSRC	$50,000	0.00
	Technical Adjustments	$20,678	0.00
Total Changes		**$121,287**	**0.00**
2012 Proposed Budget		**$2,191,799**	**11.50**
Council Adjustments to Proposed Budget			
	Reverse Centralization of Commissions Administration	($98,000)	(1.00)
	Adjust Employer Contribution Rate to SCERS	($2,707)	0.00
Total Adjustments		**($100,707)**	**(1.00)**
2012 Adopted Budget		**$2,091,092**	**10.50**

Salary Reductions - ($29,391). The Office of Intergovernmental Relations (OIR) will be able to reduce salary costs resulting from several actions in 2012. Two retirements occurred in 2011 and new staff will be hired at lower compensation levels. OIR will discontinue staff work on a statewide gun violence initiative that had been largely funded with grant support through 2011. Grant funding is not available for 2012 to support this initiative, but the City continues to support local violence reduction programs through other City departments. The Proposed Budget recommended that the senior policy position be replaced with a position who would be responsible for centralized coordination/administration of City Boards and Commissions and the development and management of communication tools that track and communicate regional, state, and federal issues of importance to Seattle constituents, resulting in net salary savings. The Council modified this as described below. Additionally, salary savings are achieved by partially reducing administrative support during the state legislative session.

National League of Cities Conference Staffing - $80,000. The National League of Cities Annual Conference will be hosted by Seattle in November 2013. OIR will serve as the lead City department in organizing this event and meeting obligations as host city, including substantial fundraising and coordination of workshops. This work needs to be done well in advance of the conference and requires resources in 2012.

Support to Puget Sound Regional Council - $50,000. The Puget Sound Regional Council (PSRC) will be working in 2012 to bolster local employment by working with local businesses and focusing on retention. Employment within the region and city will be directly impacted by this effort and funds are contributed to the PSRC to support this work.

Technical Adjustments – $20,678. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Reverse Centralization of Commissions Administration – ($98,000) / (1.0) FTE. Funding was removed from the OIR budget for the proposed centralization of coordination and administration of the City's boards and commissions. This position would also have led the development and management of communication tools that track and communicate regional, state, and federal issues of importance to Seattle constituents. This additional funding is eliminated and the City will continue to administer these functions with existing resources.

Adjust Employer Contribution Rate to SCERS – ($2,707). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Intergovernmental Relations Budget Control Level	X1G00	1,913,846	2,015,996	2,070,512	2,091,092
Department Total		**1,913,846**	**2,015,996**	**2,070,512**	**2,091,092**
Department Full-time Equivalents Total*		**11.50**	**11.50**	**11.50**	**10.50**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Office of Intergovernmental Relations

Appropriations by Budget Control Level (BCL)

Intergovernmental Relations Budget Control Level

The purpose of the Intergovernmental Relations Budget Control Level is to promote and protect the City's federal, state, regional, and international interests by providing strategic advice, representation, and advocacy to, and on behalf of, City elected officials on a variety of issues. These include: federal and state executive and legislative actions; issues and events relating to the City's international and tribal relations; and jurisdictional issues involving King County, suburban cities, and regional governmental organizations.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Intergovernmental Relations	1,913,846	2,015,996	2,070,512	2,091,092
Full-time Equivalents Total*	11.50	11.50	11.50	10.50

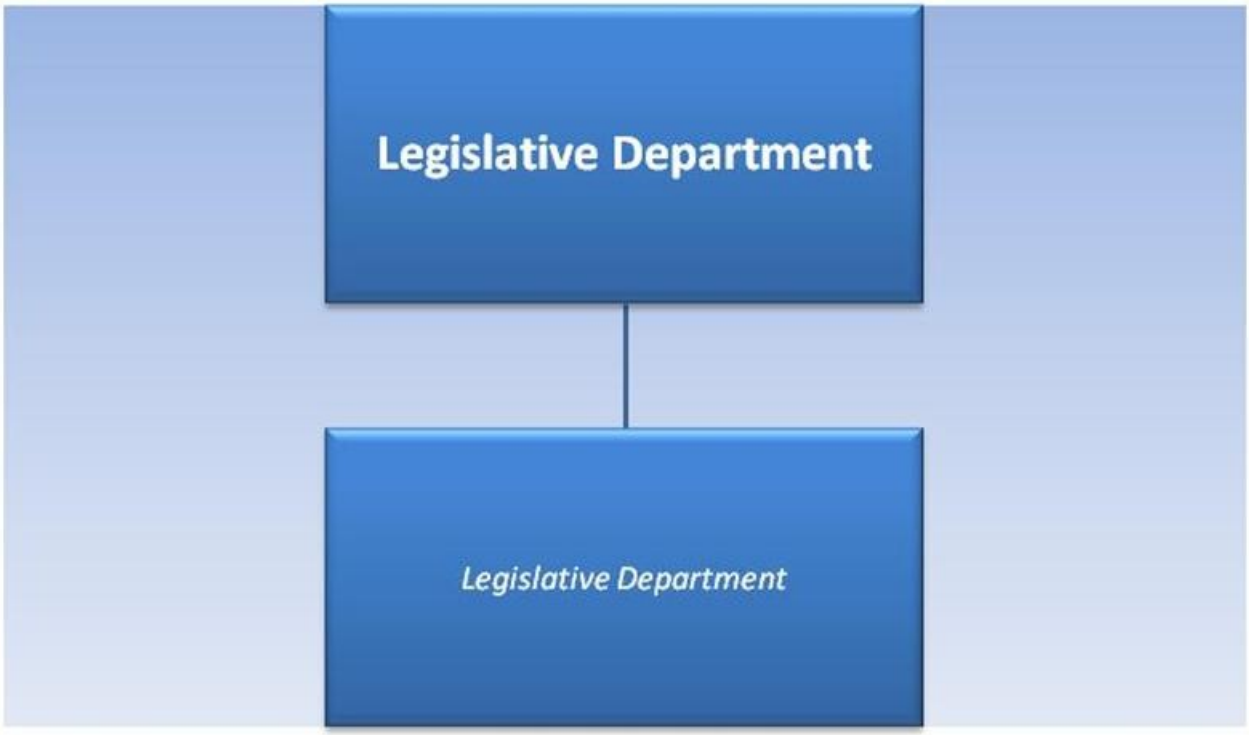
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Legislative Department

Richard Conlin, Council President

Information Line: (206) 684-8888 TTY: (206) 233-0025
http://www.seattle.gov/council

Department by Budget Control Level



Department Overview

The Legislative Department includes the Seattle City Council, the City's representative electoral body composed of nine at-large, non-partisan, elected Councilmembers. In addition to the City Council, the Legislative Department has three other divisions: the Office of the City Clerk, Central Staff, and Administrative Services. Each section of the Department supports some aspect of the representative role of the City Council, and works with citizens and City departments to develop effective and responsive public policy.

The roles of the nine Councilmembers are to establish City laws, approve the Mayor's annual operating and capital improvement budgets, provide oversight to the City's Executive departments, and create policy for the City. Each Councilmember has a staff of Legislative Assistants who help accomplish this work.

Legislative Department

The Office of the City Clerk facilitates the City's legislative process; maintains and makes publicly accessible the Council's work product; coordinates public records disclosure requests for the Legislative Department; oversees and facilitates Citywide compliance with records retention laws; and, preserves and provides access to the City's official and historical records.

Central Staff provides policy and budget analysis for Councilmembers and their staff.

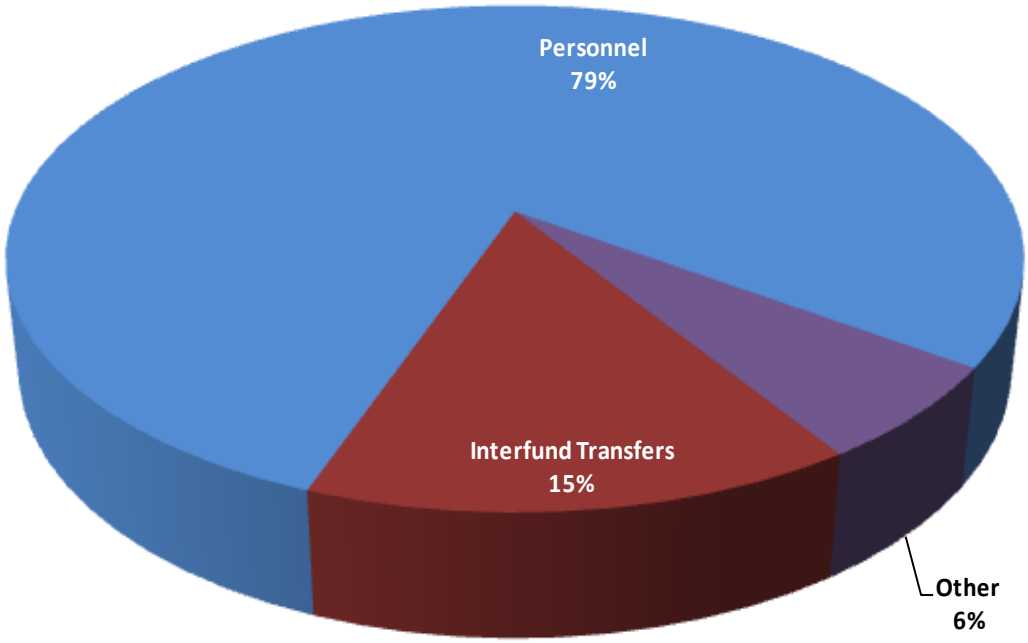
Administrative Services provides operational services, including budget and accounting, information technology, human resources, department operations, and special projects for the Legislative Department, Office of City Auditor, and the Office of Professional Accountability Review Board. The Office of Professional Accountability Review Board was created in 2002 to provide citizen oversight of the Office of Professional Accountability housed in the Police Department. Due to a recent reorganization, information technology, human resources, and department operations staff now report to the City Clerk; budget and accounting staff now report to the Central Staff Director. The budget will be realigned in 2013 to fully reflect the reorganization.

Budget Snapshot

Legislative Department	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$11,415,445	$11,542,411	$11,865,759	$11,771,024
Other Revenues	$0	$0	$0	$0
Total Revenues	**$11,415,445**	**$11,542,411**	**$11,865,759**	**$11,771,024**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$11,415,445**	**$11,542,411**	**$11,865,759**	**$11,771,024**
Total Expenditures	**$11,415,445**	**$11,542,411**	**$11,865,759**	**$11,771,024**
Full-Time Equivalent * Total	89.00	86.00	86.00	86.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The General Fund is continuing to experience pressures in 2012 and in future years, requiring reductions to General Fund supported functions. To help close this gap, the Legislative Department reduces funding for legal advertising activities to achieve budget savings.

The Department approached the 2012 Adopted Budget with the purpose of meeting General Fund reduction goals while preserving direct services. With each division of the Department either directly or indirectly supporting the City Council, the Department attempted to preserve the direct services provided by City Council to citizens and City departments to the greatest extent possible. To achieve this goal, the Department made administrative and operational changes which resulted in a decreased legal advertising budget and no service level impacts.

The 2012 Adopted Budget also reflects a series of technical adjustments including inflation, COLA, retirement, health care, workers' compensation, and unemployment.

City Council Changes

The Council adjusted the employer contribution rate to the Seattle City Employees' Retirement System (SCERS). This adjustment reduced appropriations across departments, including the Legislative Department.

Incremental Budget Changes

Legislative Department

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$11,865,759**	**86.00**
2012 Proposed Changes			
	Technical Adjustments	$100,421	0.00
	Legal Advertising Reduction	($178,000)	0.00
Total Changes		**($77,579)**	**0.00**
2012 Proposed Budget		**$11,788,179**	**86.00**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($17,155)	0.00
Total Adjustments		**($17,155)**	**0.00**
2012 Adopted Budget		**$11,771,024**	**86.00**

Technical Adjustments - $100,421. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Legislative Department's service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

Legal Advertising Reduction - ($178,000). This proposal reduces the City Clerk's legal advertising budget to reflect a change in how the City Clerk's Office publishes legislation in the *Daily Journal of Commerce*, the newspaper used by the City for publishing official legal notices. By statute, the City is legally required to publish the text or summary of such items as ordinances, initiatives, referenda, and certain types of hearings. In prior years, a large percentage of legislation was published in full text, which resulted in unpredictable and often significant costs. However, in 2011 it was determined that almost all could be published in summary form, resulting in sizeable cost savings. The complete text of all published items is available online at the Office of the City Clerk's website or in hard copy by request.

The Department reduced this budget by $76,000 in the 2011 Adopted Budget, and then by an additional $63,000 as part of the 2011 mid-year budget reduction process. Therefore, this change reflects a total reduction of $254,000 in 2012. There are no service level impacts resulting from this reduction.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS - ($17,155). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Legislative Department Budget Control Level					
Administration		3,222,529	2,965,970	2,961,321	2,911,614
Central Staff		2,352,911	2,448,166	2,519,686	2,560,270
City Clerk		1,793,946	1,963,392	2,050,670	1,899,910
City Council		4,046,059	4,164,883	4,334,082	4,399,230
Legislative Department Budget Control Level	**G1100**	**11,415,445**	**11,542,411**	**11,865,759**	**11,771,024**
Department Total		**11,415,445**	**11,542,411**	**11,865,759**	**11,771,024**
Department Full-time Equivalents Total*		**89.00**	**86.00**	**86.00**	**86.00**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL) and Program

Legislative Department Budget Control Level

The purpose of the Legislative Department Budget Control Level is to set policy, enact City laws, approve the City's budget, provide oversight of City departments, and conduct operational and administrative activities in an efficient and effective manner to support the mission of the Department.

Program Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	3,222,529	2,965,970	2,961,321	2,911,614
Central Staff	2,352,911	2,448,166	2,519,686	2,560,270
City Clerk	1,793,946	1,963,392	2,050,670	1,899,910
City Council	4,046,059	4,164,883	4,334,082	4,399,230
Total	**11,415,445**	**11,542,411**	**11,865,759**	**11,771,024**
Full-time Equivalents Total *	89.00	86.00	86.00	86.00

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Administration Program

The purpose of the Administration Program is to orchestrate and deliver a comprehensive set of systems and services that address current and future needs of the Legislative Department and its customers. Budget and accounting, technology, human resource, office systems, consultant contracting, and special projects coordination services are provided to the Legislative Department, Office of City Auditor, and the Office of Professional Accountability Review Board.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Administration	3,222,529	2,965,970	2,961,321	2,911,614
Full-time Equivalents Total	14.00	10.00	10.00	10.00

Central Staff Program

The purpose of the Central Staff Program is to support the City Council in arriving at sound public policy by providing technical and policy analysis on issues before the Council.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Central Staff	2,352,911	2,448,166	2,519,686	2,560,270
Full-time Equivalents Total	18.00	18.00	18.00	18.00

Appropriations by Budget Control Level (BCL) and Program

City Clerk Program

The purpose of the City Clerk Program is to support open government and the democratic process by preserving and maximizing public access to the City's official and historical records, promoting Citywide compliance with records retention law, coordinating public records disclosure requests for the Department, facilitating the legislative process, and overseeing compliance with the Open Public Meetings Act and the Public Records Act.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Clerk	1,793,946	1,963,392	2,050,670	1,899,910
Full-time Equivalents Total	19.00	19.00	19.00	19.00

City Council Program

The purpose of the City Council Program is to set policy; review, consider, and determine legislative action; approve the City's budget; and provide oversight of City departments. The goal of the City Council is to be an open and transparent, effective and accountable local government that is committed to the strength of our diversity and dedicated to the health of all of our neighborhoods. This program consists of the nine Councilmembers, their Legislative Assistant staff, and the Communications staff.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City Council	4,046,059	4,164,883	4,334,082	4,399,230
Full-time Equivalents Total	38.00	39.00	39.00	39.00

Office of the Mayor

Mike McGinn, Mayor

Information Line: (206) 684-4000
http://www.seattle.gov/mayor/

Department by Budget Control Level

Department Overview

The mission of the Mayor's Office is to provide honest, accessible leadership to residents, employees, and regional neighbors of the City of Seattle that is clear and responsible, in an environment that encourages ideas, civic discourse, and inclusion for the entirety of the city's diverse population, creating an even better place to live, learn, work, and play.

In the municipality of Seattle, the Mayor governs the Executive Branch as its chief executive officer. More than 25 department and office directors and commission members are appointed by the Mayor, work directly for the Mayor, and have been delegated the day-to-day authority to administer their respective departments, offices, and commissions. The many legal roles and responsibilities of the Mayor, and those working directly for the Mayor, are prescribed in the City Charter, state statutes, and municipal ordinances. Elections for this nonpartisan office are held every four years.

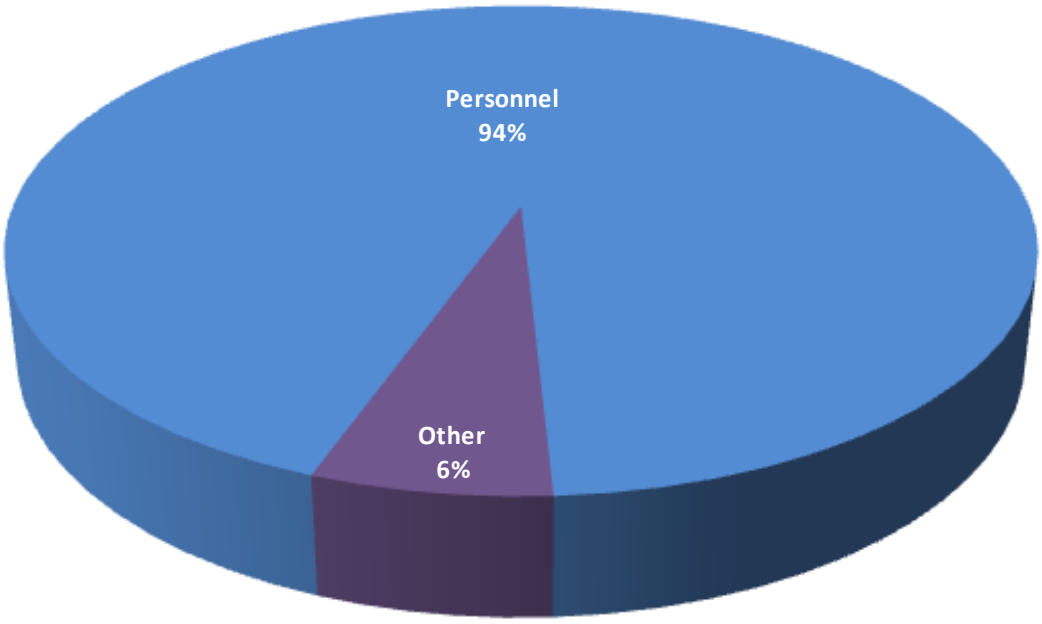
Office of the Mayor

Budget Snapshot

Mayor's Office	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$3,232,673	$3,455,957	$3,515,989	$3,498,045
Other Revenues	$0	$0	$0	$0
Total Revenues	**$3,232,673**	**$3,455,957**	**$3,515,989**	**$3,498,045**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$3,232,673**	**$3,455,957**	**$3,515,989**	**$3,498,045**
Total Expenditures	**$3,232,673**	**$3,455,957**	**$3,515,989**	**$3,498,045**
Full-Time Equivalent * Total	28.50	28.50	28.50	28.50

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

The Office of the Mayor (OM) and resources pledged to City policy development staff have experienced significant budget reductions in recent years resulting from the impacts of the Great Recession on City resources. In 2010, the City reduced staffing in the Office of the Mayor, abolished the former Office of Policy and Management (OPM), and transferred most remaining OPM resources to the Office of the Mayor. In 2011, the OM took additional reductions in order to help bridge the projected $67 million General Fund shortfall. The 2011 Adopted Budget level for the OM represented a 35% reduction from 2009 combined funding levels for the OM and OPM, after adjusting for budget transferred to other departments during the abolition of OPM. During this same timeframe, the City's total budget remained about the same.

In order to respond to this decline in resources, the Office of the Mayor has prioritized functions within the office, but also has had to rely more on staff from departments to help develop policy and to respond to community needs more directly. The Office of the Mayor remains committed to providing a high level of responsiveness and engagement to the community, despite limited resources.

Given continuing budget challenges for the General Fund in 2012, the Office of the Mayor again will make budget reductions to provide relief to the General Fund and allowing resources to be preserved for direct services. These reductions in personnel services will create sustainable salary savings.

Incremental Budget Changes

Mayor's Office

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$3,515,989**	**28.50**
2012 Proposed Changes			
	Reduction of Staffing Costs	($52,000)	0.00
	Technical Adjustments	$40,506	0.00
Total Changes		**($11,494)**	**0.00**
2012 Proposed Budget		**$3,504,495**	**28.50**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	($6,450)	0.00
Total Adjustments		**($6,450)**	**0.00**
2012 Adopted Budget		**$3,498,045**	**28.50**

Reduction of Staffing Costs – ($52,000). The Office of the Mayor's personnel services budget will be reduced creating sustainable salary savings.

Technical Adjustments – $40,506. Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in service delivery. Citywide technical adjustments reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($6,450). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of the Mayor Budget Control Level	X1A00	3,232,673	3,455,957	3,515,989	3,498,045
Department Total		**3,232,673**	**3,455,957**	**3,515,989**	**3,498,045**
Department Full-time Equivalents Total*		**28.50**	**28.50**	**28.50**	**28.50**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Office of the Mayor Budget Control Level

The purpose of the Mayor's Office Budget Control Level is to provide honest, accessible leadership to residents, employees, and regional neighbors of the City of Seattle that is clear and responsible in an environment that encourages ideas, civic discourse, and inclusion for the entirety of the city's diverse population, creating an even better place to live, learn, work, and play.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of the Mayor	3,232,673	3,455,957	3,515,989	3,498,045
Full-time Equivalents Total*	28.50	28.50	28.50	28.50

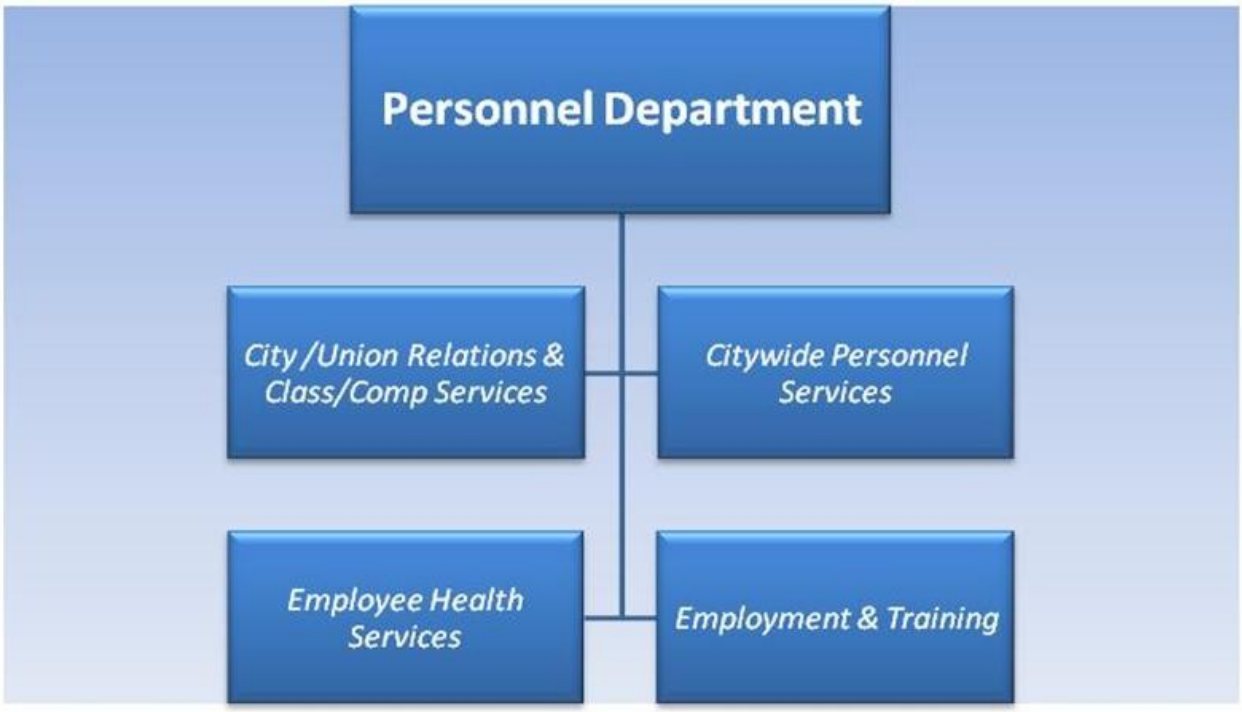
** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Personnel Department

David Stewart, Director

Information Line: (206) 684-7999
http://www.seattle.gov/Personnel

Department by Budget Control Level



Department Overview

The Personnel Department provides human resource services, tools, and expert consultative assistance to departments, policymakers, employees, and the public so the City of Seattle's diverse work force is deployed, supported, and managed fairly to accomplish the City's business goals in a cost-effective and safe manner. The Personnel Department has four primary areas of operation:

- The Employment and Training section provides staffing services, mediation, employee development opportunities, and technical assistance to all City departments so that the City can meet its hiring needs efficiently, comply with legal guidelines, and help departments and employees accomplish the City's work.

- The Employee Health Services section provides quality, cost-effective employee benefits, health care benefits, workers' compensation benefits, and safety services, all of which maintain and promote employee health and productivity, and provide a competitive non-cash compensation package. In addition, this section administers the Seattle Voluntary Deferred Compensation Plan and Trust.

Personnel Department

- The Citywide Personnel Services section establishes Citywide personnel rules and provides human resources systems, policy advice, information management, finance and accounting services, contingent work force oversight, and expert consultative assistance to departments, policymakers, and employees so that the City can accomplish its business goals in a cost-effective manner. This section includes Policy Development, Information Management, Finance and Accounting, Temporary Employment Services, Employee Giving, and other internal support services.

- The City/Union Relations and Classification/Compensation section negotiates and administers a personnel system for both represented and non-represented employees with the intention of fairly classifying and compensating the City's diverse work force.

    - ◊ The City/Union Relations staff provide labor/employee relations services to policymakers and to management staff of City departments, and establish citywide personnel policy.

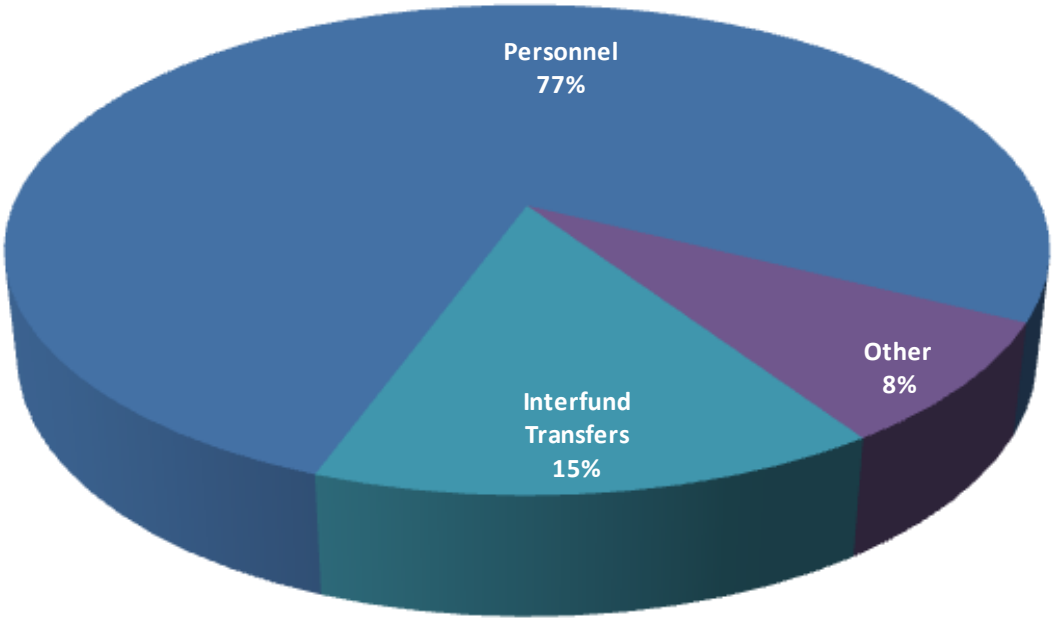
    - ◊ The Class/Comp staff develop pay programs, perform compensation analysis, and provide classification services and organizational consultation to all City departments.

Budget Snapshot

Personnel Department	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$11,950,148	$11,549,299	$11,619,874	$11,530,794
Other Revenues	$0	$0	$0	$0
Total Revenues	**$11,950,148**	**$11,549,299**	**$11,619,874**	**$11,530,794**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$11,950,148**	**$11,549,299**	**$11,619,874**	**$11,530,794**
Total Expenditures	**$11,950,148**	**$11,549,299**	**$11,619,874**	**$11,530,794**
Full-Time Equivalent * Total	115.00	104.25	104.25	103.25

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Budget Overview

General Fund budget pressures in 2012 and future years require that Personnel make budget reductions. The Department's budget is primarily comprised of labor costs. As a result, the Department has identified position reductions and staffing efficiencies as part of balancing the overall General Fund budget. These changes have been identified while prioritizing maintaining quality direct services to other City departments. In 2012, the Department will continue to perform the same core functions, and minimal impact is expected to overall levels of service.

In addition to reviewing positions and staffing efficiencies, Personnel has evaluated the funding for various staff and programs in the department, and in a limited number of cases has adjusted funding from General Fund to other fund sources, including the Health Care Subfund and the Industrial Insurance Subfund, to better tie the funding source to the services provided.

Under new Director David Stewart, Personnel is engaged in an evaluation of all components of the Department's operations. A strategic planning process is now underway that includes key initiatives around collaboration, customer focus, and reprioritization and resizing of services and programs. This process will result in the development of a strategic plan that will help guide Department policies and inform future decisions. The results of this strategic planning process will inform future budgets and provide a framework for future operational changes.

Personnel Department

The Department is also conducting an evaluation of the City's four primary discretionary pay programs that were created in 1998 and 1999, and will be developing recommendations for changes that better align this program with the City's current classification needs. The focus of the evaluation is on the classification of the discretionary pay programs and not on compensation itself. There are no 2012 budget changes associated with this work.

Incremental Budget Changes

Personnel Department

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$11,619,874**	**104.25**
2012 Proposed Changes			
	Workload Changes and Efficiencies	($49,101)	(1.00)
	Program Reductions	($40,000)	0.00
	Technical Adjustments	$17,509	0.00
Total Changes		**($71,592)**	**(1.00)**
2012 Proposed Budget		**$11,548,283**	**103.25**
Council Adjustments to Proposed Budget			
	Shift Reduction for Management Efficiencies	$0	0.00
	Adjust Employer Contribution Rate to SCERS	($17,489)	0.00
Total Adjustments		**($17,489)**	**0.00**
2012 Adopted Budget		**$11,530,794**	**103.25**

Workload Changes and Efficiencies - ($49,101) / (1.0) FTE. This change abrogates three positions: a Labor Relations Specialist, a Workers' Compensation Manager, and a Finance Analyst Assistant. The Labor Relations Specialist position was added in 2011. The assigned body of work (a review of workplace efficiencies), has been significantly smaller than expected and existing staff are able to absorb this work. The abrogation of the Workers' Compensation Manager achieves "span of control reduction" that was implemented as part of the 2012 Endorsed Budget. To mitigate the impact of this abrogation, a Senior Workers' Compensation Analyst will be moved to a Supervisor position, but will continue to perform some analyst duties as well. The workload in this area has decreased modestly over the past few years, and no impact to the processing of workers' compensation claims is expected. Due to efficiencies realized through a 2010 technology system upgrade for re-pricing workers' compensation medical bills, the Financial Services Division is reducing a Finance Analyst Assistant position. The

new technology allows for an electronic, rather than manual review and adjustment, of provider charges down to the fees allowed by the state.

In addition to the changes above, three position increases were made due to workloads that are greater than the existing staff are able perform. In the 2011 Adopted Budget, the Administrative Staff Assistant to the Director was reduced to part-time. The workload has proven to be more than can be managed in a part-time environment and so the position is restored to full-time. Further, a part-time revenue-backed position is also added to carry out work related to the Deferred Compensation Program. This workload has expanded due to changes in tax law, new audit requirements from the City's general liability reinsurer, and other participant-relations needs associated with the conditions of the national and City economies. Finally, a full-time supported employment position from DoIT is also transferred to Personnel to assist with general office work.

Program Reductions - ($40,000). This change eliminates funding for the University of Washington Fellows Program, a citywide summer internship program that began in 2007. This reduction does not impact other City internship programs and the Program has not been offered since 2009.

Technical Adjustments - $17,509. Technical adjustments in the 2012 Adopted Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in Personnel's service delivery. Salary adjustments are made to align three positions to actual costs, and net-zero changes are made between several BCLs and account groups. In addition, citywide technical adjustments were made that reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Shift Reduction for Management Efficiencies - ($0). As a technical adjustment to the 2012 Proposed Budget, this change recognizes the position reduction taken to meet the Management Efficiencies target in the 'Employee Health Services' BCL and not the 'Citywide Personnel Services' BCL. The adjustment was made through a net zero, intradepartmental transfer within the Personnel Department as part of 2012 Adopted Budget.

Adjust Employer Contribution Rate to SCERS - ($17,489). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council provisos.

Personnel Department

Expenditure Overview

Summit Appropriations	2010 Code	2011 Actuals	2012 Adopted	2012 Endorsed	Adopted
City/Union Relations and Class/Comp Services Budget Control Level	N4000	3,328,707	4,095,057	4,158,242	3,210,651
Citywide Personnel Services Budget Control Level	N3000	2,915,320	1,848,768	1,757,326	2,681,948
Employee Health Services Budget Control Level	N2000	2,915,967	2,692,054	2,741,730	2,695,531
Employment and Training Budget Control Level	N1000	2,790,155	2,913,420	2,962,576	2,942,663
Department Total		**11,950,148**	**11,549,299**	**11,619,874**	**11,530,794**
Department Full-time Equivalents Total*		**115.00**	**104.25**	**104.25**	**103.25**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

City/Union Relations and Class/Comp Services Budget Control Level

The purpose of the City/Union Relations and Classification/Compensation Services Budget Control Level (BCL) is to support the City's efforts to fairly manage and compensate its diverse work force. City/Union Relations staff provide technical and professional labor-relations services to policymakers and management staff of all City departments. The Class/Comp staff develop personnel rules, pay programs, perform compensation analysis, and provide classification services and organizational consultation to all City departments.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
City/Union Relations and Class/Comp Services	3,328,707	4,095,057	4,158,242	3,210,651
Full-time Equivalents Total*	26.00	33.50	33.50	32.50

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Citywide Personnel Services Budget Control Level

The purpose of the Citywide Personnel Services Budget Control Level (BCL) is to establish Citywide personnel rules and provide human resources systems, policy advice, information management, finance and accounting services, contingent work force oversight, and expert assistance to departments, policymakers, and employees so the City can accomplish its business goals in a cost-effective manner. This program includes Policy Development, Information Management, Finance and Accounting, Temporary Employment Services, and other internal support services.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Citywide Personnel Services	2,915,320	1,848,768	1,757,326	2,681,948
Full-time Equivalents Total*	22.50	7.25	7.25	6.75

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Employee Health Services Budget Control Level

The purpose of the Employee Health Services Budget Control Level (BCL) is to provide quality, cost-effective employee health care and other benefits, workers' compensation benefits, and safety services to maintain and promote employee health and productivity, and to provide a competitive non-cash compensation package. This program also includes administration of the Seattle Voluntary Deferred Compensation Plan and Trust.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Employee Health Services	2,915,967	2,692,054	2,741,730	2,695,531
Full-time Equivalents Total*	24.50	21.00	21.00	21.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Employment and Training Budget Control Level

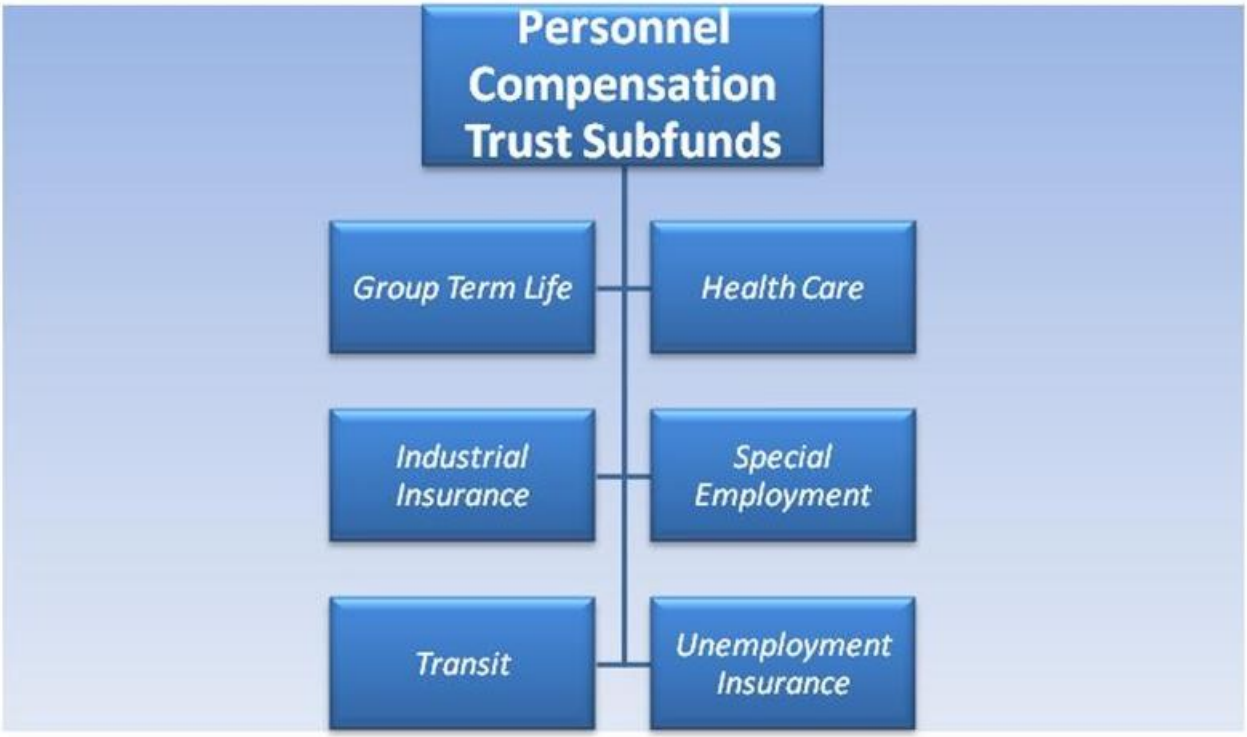
The purpose of the Employment and Training Budget Control Level (BCL) is to provide staffing services, employee-development opportunities, mediation, and technical assistance to all City departments so the City can meet its hiring needs efficiently, maintain legal compliance, and help organizations and employees accomplish the City's work in a productive and cost-effective manner. This Budget Control Level includes the Police and Fire Exams, Employment, Supported Employment, Equal Employment Opportunity, Alternative Dispute Resolution, and Career Quest units.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Employment and Training	2,790,155	2,913,420	2,962,576	2,942,663
Full-time Equivalents Total*	42.00	42.50	42.50	42.50

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Personnel Compensation Trust Subfunds

Personnel Compensation Trust Subfunds by Budget Control Level



Personnel Compensation Trust Subfunds Overview

The Personnel Compensation Trust Funds are six subfunds of the General Fund, five of which are administered by the Personnel Department and one administered by the Department of Finance and Administrative Services. These six subfunds serve as a means to manage Citywide contractual obligations on behalf of employees and City departments. The administering department collects funds from other City departments, which are then paid out to various insurance companies, service providers, and individuals. The six subfunds are the Group Term Life Insurance Subfund, the Health Care Subfund, the Industrial Insurance Subfund, the Special Employment Subfund, the Unemployment Insurance Subfund, and the Transit Benefit Subfund.

- The Group Term Life Insurance Subfund contains the revenues and expenses related to the City's group term life insurance, long-term disability insurance, and accidental death and dismemberment insurance.

- The Health Care Subfund contains the revenues and expenses related to the City's medical, dental, and vision programs; Flexible Spending Account Program; Employee Assistance Program; and COBRA continuation coverage. The City is self-insured for some of its medical and dental plans, and carries insurance for the remainder of the medical plans, dental and vision plans.

Personnel Compensation Trust Subfunds

- The Industrial Insurance Subfund captures the revenues and expenditures associated with the City's Workers' Compensation and Safety programs. Since 1972, the City of Seattle has been a self-insured employer as authorized under state law. The Industrial Insurance Subfund receives payments from City departments to pay for these costs and related administrative expenses.

- The Special Employment Subfund contains the outside agency revenues and expenditures associated with the City's temporary, intern, and work study programs. Outside agencies reimburse the City for costs. Expenses related to employees hired by City departments through the Special Employment Program are charged directly to the departments.

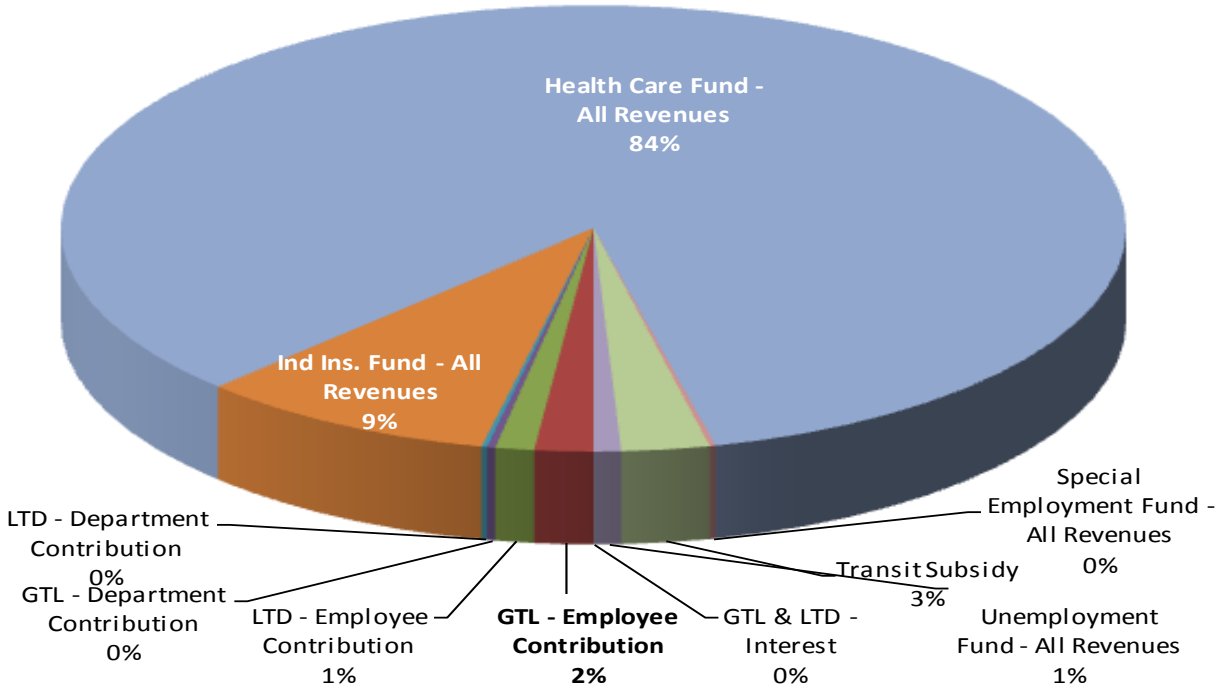
- The Unemployment Insurance Subfund contains the revenues and expenditures associated with the City's unemployment insurance costs. The City is a self-insured employer with respect to unemployment insurance.

- The Transit Benefit Subfund contains the revenues and expenditures associated with the City's transit subsidy program with King County Metro Transit.

Budget Snapshot

Personnel Compensation Trust Subfunds	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$162,959,035	$179,893,520	$195,975,893	$183,421,845
Total Revenues	**$162,959,035**	**$179,893,520**	**$195,975,893**	**$183,421,845**
Use of (Contribution to) Fund Balance	$5,982,905	$8,297,949	$4,794,945	$769,918
Total Resources	**$168,941,940**	**$188,191,469**	**$200,770,838**	**$184,191,763**
Total Expenditures	**$168,941,940**	**$188,191,469**	**$200,770,838**	**$184,191,763**

2012 Adopted Budget - Revenues By Category



Budget Overview

The following provides a summary of each of the six individual Subfunds of the General Fund that comprise the Personnel Compensation Trust Funds.

Health Care Subfund: The City provides medical, dental, vision, and other benefits to employees and their covered family members. The expenses and revenues related to these benefits are accounted for in the Health Care Subfund. Total City health care costs (medical, dental, vision) have roughly doubled from approximately $74 million in 2001 to $143 million in 2010. In 2011, the total costs are expected to be maintained at $143 million as a result of the City experiencing a leveling off of the health care costs incurred in the short term. This lower growth is partly due to a recovery from temporarily elevated health care costs in 2009, and a decrease in the overall employee enrollment in 2011. The City anticipates that health care cost growth will return to the prior average annual rate of increase of approximately 10% year over the long term.

The General Fund pays for approximately half of the City's total health care costs in 2011 and 2012. As the total costs increase for health care, the amount of General Fund resources allocated to health care benefits is increasing, thereby reducing General Fund resources available for other purposes. In early 2011, the City recognized the need to develop greater policy oversight for the City's health care benefits, given that this is a significant cost area for the City.

Personnel Compensation Trust Subfunds

In light of this, the City Budget Office (CBO) formed in early 2011 a Health Care Management Interdepartmental Team (IDT) that serves as a joint Council-Executive collaboration to evaluate the City's health plans, and develop a longer term set of strategic health care policies. The Health Care IDT's work serves to inform discussions of the City's Health Care Committee (HC2), which is comprised of representatives of the City and signatory unions of the Coalition of City Unions. This Committee addresses issues related to the health care benefits provided most City employees, including scope of coverage, and costs to the City, employees, and the Rate Stabilization Fund (for represented employees) associated with providing the benefits. The IDT also informs the discussions of the City's Labor Management Leadership Committee (LMLC) which is comprised of representatives of the City (labor relations representatives, department directors, City councilmembers, and a representative of the Executive) and representatives of unions in the Coalition of City Unions. This Committee oversees the City's labor-management partnership and addresses a broad and general range of Labor-related topics.

During 2011, the IDT evaluated a set of changes to the City's health care plans that would reduce health plan costs, without reducing actual health care benefits. The IDT identified three discrete changes to reduce overall health care plan costs beginning in 2012:

- **Eliminate purchase of stop loss insurance:** The IDT determined that it would be beneficial for the City to eliminate the purchase of stop-loss insurance, which is a supplemental insurance package that the City has purchased in past years to insure the City against cost exposure to large health care claims of $250,000 or more per individual that are incurred as part of the City's self-insured medical plan administered by Aetna. The cost for this stop loss insurance has been rising significantly year over year, and the City determined that this risk could be addressed by establishing an internal reserve within the Health Care Fund, rather than continuing to pay an external service provider approximately $1 million per year to manage this risk for the City.

- **Self Insure the City's Washington Dental Service Plan:** The IDT identified moving to self-insure the City's Washington Dental Service plan as a cost saving step that maintains the same level of dental benefits, but saves the City the cost of paying a State premium tax of approximately $200,000 per year, as well as risk charges levied by WDS.

- **Establish a new Forecast Variance Reserve within the Health Care Subfund:** The IDT identified the need to establish a new "Forecast Variance Reserve" (FVR) of $5.4 million to account for the volatility, compared to forecast, of self-insured Medical/Pharmacy and Dental claims and to address the risk assumed by eliminating stop loss insurance.

These changes were evaluated by HC2, pursuant to the agreement reached with the Coalition of City Unions in 2010, committing signatory unions to collaboratively identify ways in which the City could contain its medical costs. In mid-2011, HC2 voted to implement these three proposals as part of the 2012 health care program and rates. These changes will affect the City and employees other than those covered by IAFF Local 27. IAFF Local 27 began providing health benefits to Fire Fighters and their dependents under a union-sponsored plan, beginning January 1, 2008. The union is responsible for its plans' risk arrangements, benefits, claims experience, administrative support and costs, etc. although it abides by the City's eligibility rules and obtains a fixed contribution from the City per Fire Fighter per month.

In 2012, the first year of implementing these changes, no significant cost savings will be realized due to the fact the Forecast Variance Reserve (FVR) will be funded in large part ($4.1 million) by including this cost in the 2012 health care rates. The balance of $1.3 million to reach a total of $5.4 million by year-end 2012 is funded by reallocating reserves already existing in the Health Care Subfund. However, beginning in 2013, the City's benefits/actuarial consultant, Aon Hewitt, estimates that a reduction in costs for the overall health care plan, controlling for other issues, will be on the order of $1-$4 million annually. In addition to the cost savings to the City's health care plan, the changes are beneficial in that they reduce the administrative burden related to monitoring for, and pursuing, periodic stop loss reimbursement payments to the City. Further, the establishment of the FVR for Medical/Pharmacy claims and for Dental claims is prudent in that it addresses risks given that self insured health care claims cannot be forecasted precisely.

In 2012, the City will continue to work to pursue efficiencies within the Health Care plan, and will work with the Coalition of City Unions to evaluate and implement additional changes as part of the 2013 rate setting process.

Industrial Insurance Subfund: The City's Industrial Insurance expenses continue to grow based on increased workers' compensation claims experience and projected growth. The underlying growth in medical costs is a large driver of the costs for this expense. Medical claims costs for Industrial Insurance are expected to grow by approximately 2% over 2011. In 2012, $750,000 in unreserved fund balance in the Industrial Insurance Subfund is being used to partially subsidize the administrative costs charged to departments, including fees levied by the Washington State Department of Labor and Industries, reinsurance premiums, and the Personnel Department's administrative costs to manage the program, which are increased in 2012. These changes result in an ending unreserved fund balance for the Industrial Insurance Subfund that is considered sufficient to maintain the fund in a healthy financial position moving forward.

Unemployment Subfund: In 2012, unemployment costs are anticipated to remain roughly in line with the 2012 Endorsed Budget at a total of approximately $2 million. Unemployment costs increased significantly during the economic recession, increasing from approximately $1 million in 2008 to $3 million in 2010. In 2010, the City forecast 2011 unemployment claims to continue to increase to $5.4 million; however, an update to this forecast in mid-2011 indicates that unemployment claims are likely to stay at $3 million in 2011 due to an overall improvement in economic conditions. As a result, it is anticipated that an unreserved fund balance will accrue to the Unemployment Fund in 2011. In 2012, $1.3 million in unreserved fund balance will be used to partially subsidize all departments other than SPU and SCL, which do not participate in receiving a share of the unreserved fund balance beginning in 2011 given that billing for unemployment claims is now based on actuals for these two departments. Unemployment levels are anticipated to return to more moderate levels of $1.0-$1.5 million in 2013 and 2014. These changes result in an ending unreserved fund balance for the Unemployment Subfund that is considered sufficient to maintain the fund in a healthy financial position moving forward.

Group Term Life Subfund: The City changed its accounting practices in 2011 regarding how the revenues and expenses associated with employee-paid supplemental insurance are recognized in the SubFund. Previously, supplemental expenses were treated as a pass through transactions, and did not show up in the Group Term Life Insurance Subfund, and therefore did not require appropriation

authority. Beginning in 2011, the expense associated with supplemental insurance was recognized, which required an increase in appropriation authority for the Fund. In making this change, however, the 2012 Endorsed Budget did not fully recognize the increase in appropriation authority needed for supplemental insurance. The 2012 Adopted Budget corrects this and reflects the current accounting practice, which requires an additional $2.5 million in budget authority. This change is fully backed by the premiums employees pay for this coverage, resulting in no net change to the Subfund.

Special Employment Subfund: There are no substantive changes from the 2012 Endorsed Budget to the 2012 Adopted Budget.

Transit Benefit Subfund: The 2012 Adopted Budget assumes a 5.5 % increase in Ferry rates, no increase in Metro rates and little change in usage relative to 2012 Endorsed Budget assumptions. Offsetting this increase, the City worked throughout 2010 and early 2011 with King County Metro to enable Metro to refund unredeemed voucher payments for individual's ORCA passes and E-purses. Metro was successful and the City now receives monthly refunds of these unredeemed voucher payments. All effects combined, the 2012 Adopted Budget anticipates a reduction in total City subsidy costs of $492,000 relative to the 2012 Endorsed Budget.

Incremental Budget Changes

Health Care Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$169,626,341**	**0.00**
2012 Proposed Changes			
	Claims & Premiums Expense	($17,014,539)	0.00
	Wellness Program Funding	$0	0.00
	Seattle Housing Authority	$0	0.00
	Technical Adjustments	$0	0.00
Total Changes		**($17,014,539)**	**0.00**
2012 Proposed Budget		**$152,611,802**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$152,611,802**	**0.00**

Claims & Premiums Expense - ($17,014,539). The 2012 Adopted Budget reflects a decrease of $17 million over the total claims and premiums expense assumed in the 2012 Endorsed Budget. This is due to the underlying increase in health care costs over the 2011 Budget being less than assumed at the time of the 2012 Endorsed Budget, and in smaller part, due to the City's expected enrollment in its health care plans decreasing by approximately 200 enrollees in 2012 over 2011. This reduction in expense is reflected through technical adjustments in all City department budgets that maintain staff enrolled in the City's health care benefit plans.

Wellness Program Funding - $0. This proposal reassigns the administrative cost for the work related to the Wellness Program, a program that is reflected as part of the Health Care Subfund, from the Personnel Department budget to the Health Care Subfund. Currently, this work is equivalent to 0.5 FTE of a Senior Personnel Analyst position in the Personnel Department. In 2012, this will result in $50,000 of new costs being recognized in the Health Care Subfund; however, this increase is absorbed within the 2012 Endorsed Budget for the Wellness Program, resulting in no net change. This change better aligns the funding source to the services provided.

Seattle Housing Authority - $0. The City's Personnel Department performs the necessary administrative duties associated with the Seattle Housing Authority (SHA)'s participation in the City's health care program. The costs for this work are recognized as part of the Personnel Department budget. Beginning in 2012, the $60,000 in funding paid to the City by SHA for this service will be recognized as part of the City's General Fund instead of the Health Care Subfund to better align the revenue with costs incurred.

City Council Changes to the 2012 Proposed Budget

There are no City Council Changes to the 2012 Proposed Budget.

Personnel Compensation Trust Subfunds

Industrial Insurance Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$19,764,843**	**0.00**
2012 Proposed Changes			
	Anticipated Pension Payouts	($1,211,000)	0.00
	Anticipated Claims Activity	($908,773)	0.00
	Administration Charges	($54,070)	0.00
	Technical Adjustments	($218,260)	0.00
Total Changes		**($2,392,103)**	**0.00**
2012 Proposed Budget		**$17,372,740**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$17,372,740**	**0.00**

Anticipated Pension Payouts - ($1,211,000). This proposal reduces the City's reserve for pension payouts in 2012 from approximately $3.2 million in the 2012 Endorsed budget to approximately $2,000,000 in payouts.

Anticipated Claims Activity - ($908,773): This proposal reduces the projected growth in the workers' compensation claim experience, resulting in a budget decrease of approximately $900,000. This change is partially due to the slower than anticipated growth in health care costs, and to fewer than anticipated workers' compensation claims being opened.

Administration Charges - ($54,070). The Personnel Department administers the Industrial Insurance Subfund. As part of the 2012 Budget process, the Personnel Department reviewed the administrative charges billed to the Industrial Insurance Subfund for work performed by Personnel staff. As a result of the review, this proposal reallocates funding for $220,000 in staff related expenses from the General Fund to the Industrial Insurance Subfund to more accurately tie the funding source to the services provided. Additionally, the Personnel Department is abrogating a Manager position in the Worker's Compensation unit, and a Finance Analyst Assistant position in the Financial Services Division, that were previously billed to the Industrial Insurance Fund. The combined effect of these changes is a net decrease of $54,070 to the Industrial Insurance Subfund in 2012 as compared to the 2012 Endorsed Budget.

Technical Adjustments - ($218,260). This proposal reduces the forecasted expense for the Washington State Labor & Industries by approximately $228,000 as compared to the 2012 Endorsed Budget. In addition, this proposal increases the forecasted expense associated with a number of professional services contracts recognized as part of this Subfund by $10,000.

City Council Changes to the 2012 Proposed Budget

There are no City Council Changes to the 2012 Proposed Budget.

Unemployment Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$2,103,218**	**0.00**
2012 Proposed Changes			
	Anticipated Unemployment Claims	$715,093	0.00
	Technical Adjustments	$2,851	0.00
Total Changes		**$717,944**	**0.00**
2012 Proposed Budget		**$2,821,162**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$2,821,162**	**0.00**

Anticipated Unemployment Claims - $715,093. This proposal increases the projected expense for unemployment claims by approximately $715,000 as compared to the 2012 Endorsed Budget, resulting in a net change in total projection from $2.1 to $2.8 million. While unemployment claims payable by the City are on a downward trajectory from a peak of $3.1 million in 2010, the total is not expected to decrease to the extent that was anticipated in the 2012 Endorsed Budget.

Technical Adjustments - $2,851. This proposal increases the professional services budget within the Unemployment Subfund.

City Council Changes to the 2012 Proposed Budget

There are no City Council Changes to the 2012 Proposed Budget.

Personnel Compensation Trust Subfunds

Group Term Life Insurance Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$3,562,860**	**0.00**
2012 Proposed Changes			
	Supplemental Insurance	$2,522,363	0.00
	Technical Adjustments	$79,260	0.00
Total Changes		**$2,601,623**	**0.00**
2012 Proposed Budget		**$6,164,483**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$6,164,483**	**0.00**

Supplemental Insurance - $2,522,363. The City has recently made an accounting change regarding the approach to recognizing funds collected from employees for the purchase of supplemental insurance policies. Previously, these funds were treated as a pass through and did not show up as an expense in the Group Term Life Insurance Subfund, and therefore did not require appropriation authority.

Beginning in 2011, the City began recognizing both the revenue and expense related to this activity in the Subfund. In making this change, the 2012 Endorsed Budget did not fully recognize the increase in appropriation authority needed for supplemental insurance. This is corrected in the 2012 Proposed Budget. While this change does not change the bottom line of the fund, it does increase the amount of appropriation authority recognized.

Technical Changes - $79,260. The 2012 Adopted Budget reflects the current Long Term Disability premiums. Premiums are expected to increase by $79,260 above what was assumed in the 2012 Endorsed Budget.

City Council Changes to the 2012 Proposed Budget

There are no City Council Changes to the 2012 Proposed Budget.

Special Employment Program Subfund

There are no substantive changes from the 2012 Endorsed Budget to the 2012 Adopted Budget. The 2012 Adopted Budget is $321,576.

City Council Changes to the 2012 Proposed Budget

There are no City Council Changes to the 2012 Proposed Budget.

Transit Benefit Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$5,392,000**	**0.00**
2012 Proposed Changes			
	Refund Administration Expenses	($492,000)	0.00
Total Changes		**($492,000)**	**0.00**
2012 Proposed Budget		**$4,900,000**	**0.00**
Council Adjustments to Proposed Budget		**$0**	**0.00**
2012 Adopted Budget		**$4,900,000**	**0.00**

Refund Administration Expenses - ($492,000). The 2012 Adopted Budget reduces the budget in the Transit Benefit Subfund to $4,900,000 from the 2012 Endorsed Budget amount of $5,392,000. This change reflects King County Metro changes to refund administration of unredeemed transit vouchers.

City Council Changes to the 2012 Proposed Budget

There are no City Council changes to the 2012 Proposed Budget.

City Council Provisos

There are no Council provisos.

Personnel Compensation Trust Subfunds

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Group Term Life Budget Control Level	NA000	787,679	3,493,000	3,562,860	6,164,483
Health Care Budget Control Level	NM000	143,462,403	154,807,010	169,626,341	152,611,802
Industrial Insurance Budget Control Level	NR500	16,880,180	19,128,820	19,764,843	17,372,740
Special Employment Budget Control Level	NT000	274,855	315,580	321,576	321,576
Transit Benefit Budget Control Level	TRANSITB 1	4,446,000	5,041,000	5,392,000	4,900,000
Unemployment Insurance Budget Control Level	NS000	3,090,823	5,406,059	2,103,218	2,821,162
Department Total		**168,941,940**	**188,191,469**	**200,770,838**	**184,191,763**

Revenue Overview

2012 Estimated Revenues for the Health Care Subfund (00627)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469990	Health Care Fund - All Revenues	139,523,380	147,249,061	165,571,396	153,881,884
Total Revenues		**139,523,380**	**147,249,061**	**165,571,396**	**153,881,884**
379100	Use of (Contribution To) Fund Balance	3,939,023	7,557,949	4,054,945	(1,270,082)
	Total Health Care	**3,939,023**	**7,557,949**	**4,054,945**	**(1,270,082)**
Total Resources		**143,462,403**	**154,807,010**	**169,626,341**	**152,611,802**

2012 Estimated Revenues for the Industrial Insurance Subfund (00516)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
569550	Ind Ins. Fund - All Revenues	16,121,366	18,378,820	19,014,843	16,622,740
Total Revenues		**16,121,366**	**18,378,820**	**19,014,843**	**16,622,740**
379100	Use of (Contribution To) Fund Balance	758,814	750,000	750,000	750,000
	Total Use of Fund Balance	**758,814**	**750,000**	**750,000**	**750,000**
Total Resources		**16,880,180**	**19,128,820**	**19,764,843**	**17,372,740**

2012 Estimated Revenues for the Unemployment Insurance Subfund (00517)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
569570	Unemployment Fund - All Revenues	1,811,568	5,406,059	2,103,218	1,521,162
Total Revenues		**1,811,568**	**5,406,059**	**2,103,218**	**1,521,162**
379100	Use of (Contribution To) Fund Balance	1,279,255	0	0	1,300,000
	Total Use of Fund Balance	**1,279,255**	**0**	**0**	**1,300,000**
Total Resources		**3,090,823**	**5,406,059**	**2,103,218**	**2,821,162**

2012 Estimated Revenues for the Group Term Life Insurance Subfund (00628)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
461110	GTL & LTD - Interest	10,119	10,000	10,000	10,000
469640	GTL - Employee Contribution	704	695,000	708,900	3,247,686
469660	LTD - Employee Contribution	(455)	2,046,000	2,086,920	2,163,273
569540	GTL - Department Contribution	490,192	463,000	472,260	455,837
569560	LTD - Department Contribution	285,945	289,000	294,780	297,687
Total Revenues		**786,505**	**3,503,000**	**3,572,860**	**6,174,483**
379100	Use of (Contribution To) Fund Balance	1,174	(10,000)	(10,000)	(10,000)
	Total Use of Fund Balance	**1,174**	**(10,000)**	**(10,000)**	**(10,000)**
Total Resources		**787,679**	**3,493,000**	**3,562,860**	**6,164,483**

Personnel Compensation Trust Subfunds

2012 Estimated Revenues for the Special Employment Program Subfund (00515)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
441960	Special Employment Fund - All Revenues	270,216	315,580	321,576	321,576
Total Revenues		**270,216**	**315,580**	**321,576**	**321,576**
379100	Use of (Contribution To) Fund Balance	4,639	0	0	0
	Total Use of Fund Balance	**4,639**	**0**	**0**	**0**
Total Resources		**274,855**	**315,580**	**321,576**	**321,576**

2012 Estimated Revenues for the Transit Benefit Subfund (00410)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
520670	Interfund Transit Subsidy Revenue	4,446,000	5,041,000	5,392,000	4,900,000
	Total Transit Subsidy	**4,446,000**	**5,041,000**	**5,392,000**	**4,900,000**
Total Revenues		**4,446,000**	**5,041,000**	**5,392,000**	**4,900,000**

Appropriations by Budget Control Level (BCL)

Group Term Life Budget Control Level

The purpose of the Group Term Life Budget Control Level is to provide appropriation authority for the City's group term life insurance, long-term disability insurance, and accidental death and dismemberment insurance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Group Term Life Program	787,679	3,493,000	3,562,860	6,164,483

Appropriations by Budget Control Level (BCL)

Health Care Budget Control Level

The purpose of the Health Care Budget Control Level is to provide for the City's medical, dental, and vision insurance programs; the Flexible Spending Account; the Employee Assistance Program; and COBRA continuation coverage costs. The City is self-insured and re-insured for some medical plans, and carries insurance for other medical, dental, and vision plans.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Health Care Program	143,462,403	154,807,010	169,626,341	152,611,802

Industrial Insurance Budget Control Level

The purpose of the Industrial Insurance Budget Control Level is to provide for medical, wage replacement, pension and disability claims related to occupational injuries and illnesses, occupational medical monitoring, workplace safety programs, and related expenses. Since 1972, the City of Seattle has been a self-insured employer as authorized under state law. The Industrial Insurance Subfund receives payments from City departments to pay for these costs and related administrative expenses.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Industrial Insurance Program	16,880,180	19,128,820	19,764,843	17,372,740

Special Employment Budget Control Level

The purpose of the Special Employment Budget Control Level is to capture the expenditures associated with outside agency use of the City's temporary, intern, and work study programs. Outside agencies reimburse the City for costs. Expenses related to employees hired by City departments through the Special Employment Program are charged directly to the departments.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Special Employment Program	274,855	315,580	321,576	321,576

Personnel Compensation Trust Subfunds

Transit Benefit Budget Control Level

The purpose of the Transit Benefit Budget Control Level is to provide appropriation authority for the transit benefits offered to City employees. The Transit Benefit Subfund receives payments from Finance General and fee-supported departments to pay for reduced cost King County Metro and Washington State Ferry transit passes and related administrative expenses.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Transit Benefit Program	4,446,000	5,041,000	5,392,000	4,900,000

Unemployment Insurance Budget Control Level

The purpose of the Unemployment Insurance Budget Control Level is to provide the budget authority for the City to pay unemployment compensation expenses. The City is a self-insured employer with respect to unemployment insurance. The Unemployment Insurance Subfund contains the revenues and expenditures associated with the City's unemployment benefit costs for employees.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Unemployment Insurance Program	3,090,823	5,406,059	2,103,218	2,821,162

Fund Tables

Group Term Life Insurance Subfund (00628)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**428,774**	**436,774**	**426,354**	**446,774**	**436,354**
Accounting and Technical Adjustments	(1,246)	0	0	0	0
Plus: Actual and Estimated Revenue	786,505	3,503,000	6,053,611	3,572,860	6,174,483
Less: Actual and Budgeted Expenditures	787,679	3,493,000	6,043,611	3,562,860	6,164,483
Ending Fund Balance	**426,354**	**446,774**	**436,354**	**456,774**	**446,354**

Health Care Subfund (00627)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**37,294,823**	**28,929,798**	**33,355,800**	**21,371,849**	**36,605,454**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	139,523,380	147,249,061	146,613,326	165,571,396	153,881,884
Less: Actual and Budgeted Expenditures	143,462,403	154,807,010	143,363,672	169,626,341	152,611,802
Ending Fund Balance	**33,355,800**	**21,371,849**	**36,605,454**	**17,316,904**	**37,875,536**
Reserve - Forecast Variance Reserve	0	0	0	0	5,394,000
Reserve - Health Care Purposes	19,791,800	7,807,849	23,041,454	3,752,904	20,217,536
Reserve - State Law	13,564,000	13,564,000	13,564,000	13,564,000	12,264,000
Total Reserves	**33,355,800**	**21,371,849**	**36,605,454**	**17,316,904**	**37,875,536**
Ending Unreserved Fund Balance	**0**	**0**	**0**	**0**	**0**

Personnel Compensation Trust Subfunds

Industrial Insurance Subfund (00516)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**6,970,888**	**5,905,552**	**6,212,074**	**5,155,552**	**6,363,923**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	16,121,366	18,378,820	16,730,820	19,014,843	16,622,740
Less: Actual and Budgeted Expenditures	16,880,180	19,128,820	16,578,971	19,764,843	17,372,740
Ending Fund Balance	**6,212,074**	**5,155,552**	**6,363,923**	**4,405,552**	**5,613,923**
Reserve - State Requirement	2,886,427	3,372,580	2,782,500	3,489,943	2,960,000
Total Reserves	**2,886,427**	**3,372,580**	**2,782,500**	**3,489,943**	**2,960,000**
Ending Unreserved Fund Balance	**3,325,647**	**1,782,972**	**3,581,423**	**915,609**	**2,653,923**

Special Employment Program Subfund (00515)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**87,235**	**87,234**	**82,596**	**87,234**	**82,596**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	270,216	315,580	315,000	321,576	321,576
Less: Actual and Budgeted Expenditures	274,855	315,580	315,000	321,576	321,576
Ending Fund Balance	**82,596**	**87,234**	**82,596**	**87,234**	**82,596**

Transit Benefit Subfund (00410)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**480,832**	**0**	**0**	**0**	**0**
Accounting and Technical Adjustments	(480,832)	0	0	0	0
Plus: Actual and Estimated Revenue	4,446,000	5,041,000	5,041,000	5,392,000	4,900,000
Less: Actual and Budgeted Expenditures	4,446,000	5,041,000	5,041,000	5,392,000	4,900,000
Ending Fund Balance	**0**	**0**	**0**	**0**	**0**

Unemployment Insurance Subfund (00517)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**1,906,818**	**3,584**	**627,563**	**3,584**	**2,543,426**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	1,811,568	5,406,059	5,038,653	2,103,218	1,521,162
Less: Actual and Budgeted Expenditures	3,090,823	5,406,059	3,122,790	2,103,218	2,821,162
Ending Fund Balance	**627,563**	**3,584**	**2,543,426**	**3,584**	**1,243,426**
Reserve Against Fund Balance	500,000		500,000		500,000
Total Reserves	**500,000**	**0**	**500,000**	**0**	**500,000**
Ending Unreserved Fund Balance	**127,563**	**3,584**	**2,043,426**	**3,584**	**743,426**

Office of Sustainability and Environment

Jill Simmons, Director

Information Line: (206) 615-0817
http://www.seattle.gov/environment

Department by Budget Control Level

Department Overview

The City's Office of Sustainability and Environment (OSE) collaborates with City departments, as well as community, nonprofit, and business partners, to promote environmental sustainability in Seattle. OSE promotes environmental sustainability through three functional areas:

- **Citywide Coordination:** Coordinate interdepartmental work on environmental sustainability programs, policies, and outreach to advance the City's environmental goals and priorities.

- **Innovation & Research:** Conduct research and development for the City's next generation of environmental sustainability policies and programs. In 2012, OSE's innovation and research will focus on building energy, including: implementing Community Power Works, a $20 million federal grant program to provide energy upgrades across six building sectors in central and southeast Seattle; developing a district energy strategic partnership; and developing performance-based energy codes.

Office of Sustainability and Environment

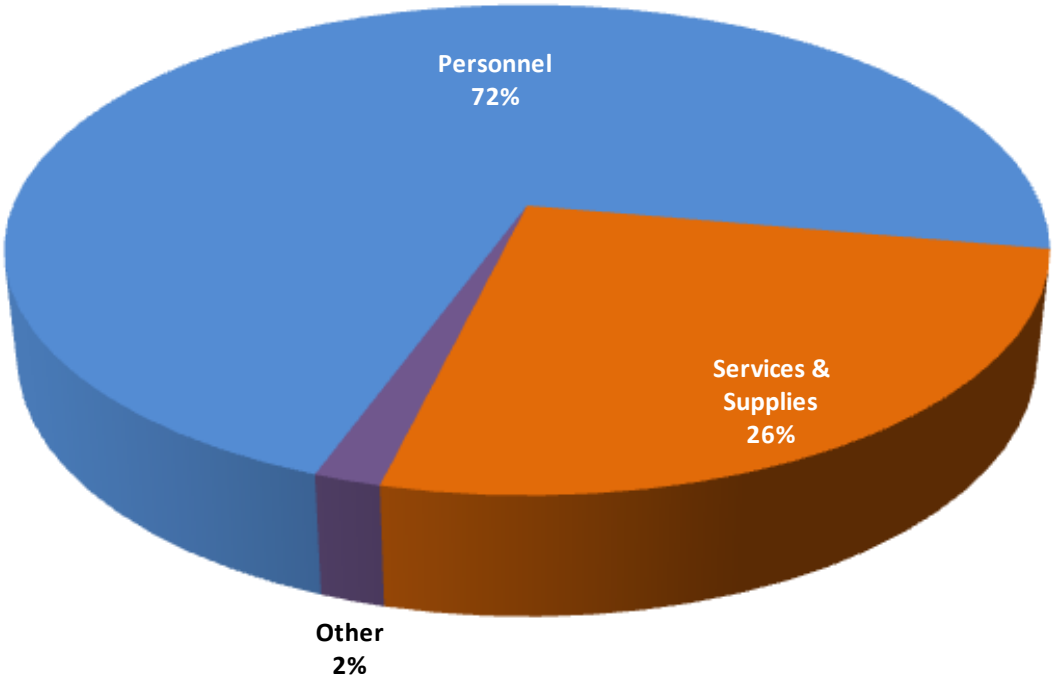
- **Climate Change Action Planning and Measurement:** Lead the development and Implementation of the Seattle Climate Action Plan (CAP), including goal assessment, action planning, community outreach, and performance measurement. The 2012 CAP will outline a strategy for moving Seattle toward a goal of carbon neutrality by establishing targets and developing short, mid, and long-term actions.

Budget Snapshot

Office of Sustainability and Environment	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$3,427,597	$1,266,923	$1,308,082	$1,820,555
Other Revenues	$0	$0	$0	$0
Total Revenues	**$3,427,597**	**$1,266,923**	**$1,308,082**	**$1,820,555**
Use of (Contribution to) Fund Balance	$0	$0	$0	$0
Total Resources	**$3,427,597**	**$1,266,923**	**$1,308,082**	**$1,820,555**
Total Expenditures	**$3,427,597**	**$1,266,923**	**$1,308,082**	**$1,820,555**
Full-Time Equivalent * Total	8.00	11.00	11.00	14.75

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Adopted Budget - Expenditure by Category



Office of Sustainability and Environment

Budget Overview

General Fund budget pressures in 2012 and future years require that the Office of Sustainability & Environment make budget reductions. In developing the 2012 Adopted Budget, the Department reviewed all program areas to identify internal efficiencies and in doing so, was able to preserve direct services to the greatest extent possible. At the same time, OSE is expanding its service delivery to implement two new programs that support the Mayor's and the City Council's shared priority to advance environmental sustainability: the Resource Conservation Management Plan and the Food Systems initiative.

The City of Seattle remains committed to climate protection and taking actions to resolve greenhouse gas emissions. During his 2011 State of the City address, Mayor McGinn announced that the City of Seattle would accept the federal Better Building challenge to achieve 20% energy savings in municipal buildings by 2020. Because the City has already made significant investments in the resource efficiency of municipal facilities, a comprehensive citywide strategy will be necessary to achieve this goal. The 2012 Adopted Budget prioritizes this work by providing additional funding in support of developing a Resource Conservation Management Plan (RCMP) to identify energy and water saving opportunities in City facilities and outline a strategy to achieve the 20% efficiency increase.

The 2012 Adopted Budget also includes additional funding to support the development and implementation of the City of Seattle's Food Systems Initiative. The Food Systems Initiative is a coordinated effort to increase access to healthy and affordable food, promote urban agriculture, and foster the growth of local food economies.

In response to a challenging fiscal environment and constrained General Fund resources, the City of Seattle examined opportunities to change the way it does business in some areas and find efficiencies that streamline operations in others. As a result of this exercise, in 2012 OSE is changing its oversight role related to two programs: the City Green Building Team, which is transferred from the Department of Planning and Development (DPD) to OSE, and the Seattle reLeaf program which is transferred from OSE to Seattle Public Utilities (SPU).

To greater facilitate collaborative efforts already underway, the 2012 Adopted Budget consolidates the policy development elements of DPD's City Green Building team within OSE, and co-locates OSE into DPD office space. This change allows OSE to play the principal role in developing and coordinating sustainability policy for the City of Seattle. The Citywide Green Building (CGB) team, which has resided in the Department of Planning and Development (DPD), has increasingly begun to focus its efforts on strategic policy development for sustainable practices. Consolidating the policy functions of the City's Green Building Program with OSE's broader sustainability policy coordination will better align staff working on complementary programs.

Beginning in 2012, Seattle reLeaf, the City's urban forestry outreach and incentive program, will operate out of SPU. This transfer of reLeaf to SPU was the result of a SLI response to City Council and a resulting ordinance which consolidates the City's community tree planting and education programs. As part of the effort to identify efficiencies across all program areas, OSE reviewed the reLeaf work plan and determined that reductions are achievable while still maintaining an effective, consolidated urban forestry program. This transfer will take advantage of SPU's outreach capabilities and will facilitate greater community engagement with the mission of increasing the City's tree canopy cover.

Incremental Budget Changes

Office of Sustainability and Environment

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$1,308,082**	**11.00**
2012 Proposed Changes			
	Climate GHG Analysis and Reduction Reporting	($79,500)	0.00
	Transfer Seattle ReLeaf Program to Seattle Public Utilities and Reduce General Fund Support	($75,000)	0.00
	Consolidate the City Green Building Team in OSE	$513,500	3.75
	Expanded Service Delivery - Food Services and Resource Conservation Management Plan	$75,000	0.00
	Technical Adjustments	$80,597	0.00
Total Changes		**$514,597**	**3.75**
2012 Proposed Budget		**$1,822,679**	**14.75**
Council Adjustments to Proposed Budget			
	Adjust Employer Contribution Rate to SCERS	(2,124)	0.00
Total Adjustments		**(2,124)**	**0.00**
2012 Adopted Budget		**1,820,555**	**14.75**

Climate GHG Analysis and Reporting Reduction - ($79,500). As part of the 2011 midyear budget process, OSE ended its membership in the Climate Registry, a nonprofit organization that verifies and publicly reports the greenhouse gas (GHG) emissions of participating members. Ending OSE's Climate Registry membership does not preclude OSE from conducting future GHG inventories, but eliminates the requirement to do so. As a result, these changes adjust OSE's GHG Inventory-related work plan by eliminating funding for the Climate Action Plan municipal intern, and decreasing costs associated with developing and publishing municipal and community GHG inventories by completing this work on a less frequent basis. OSE is retaining sufficient resources to release a GHG inventory every three years, which is in compliance with the Seattle Comprehensive Plan requirement. The impact of this reduction will be mitigated somewhat by the fact that Seattle City Light and Seattle Public Utilities maintain separate memberships in the Climate Registry.

Transfer Seattle reLeaf Program to Seattle Public Utilities and Reduce General Fund Support - ($75,000). This change reduces General Fund support by $25,000 to align funding with programmatic needs. OSE has determined that the program can continue to be run effectively at 80% staff time as opposed to a full time position, and that program capacity is sufficient to plant 1,000 trees in 2012 instead of 1,200, thereby making it possible to reduce the program's funding by $25,000 without affecting direct service levels achieved in prior years. In addition, this change transfers $50,000 from OSE to Seattle Public Utilities (SPU) for the Seattle reLeaf program. Combined, these changes result in a net reduction of $75,000 to OSE's budget, and a net savings of $25,000 to the General Fund.

Office of Sustainability and Environment

Consolidate the City Green Building Team into OSE - $513,500 / 3.75 FTE. This change consolidates the policy development elements of DPD's City Green Building (CGB) team with OSE, and co-locates OSE in DPD office space while retaining the organizational structure of the two distinct departments.

DPD is transferring 3.75 FTE and the related funding to OSE. The staff will continue to focus on strategic policy development for sustainable practices. An anticipated efficiency resulting from the program consolidation is the ability to redirect some CGB staff resources to serve as a Citywide Resource Conservation Coordinator to manage the development of the Resource Conservation Management Plan.

Expanded Service Delivery – Food Services and Resource Conservation Management Plan– $75,000. Implementation of the City of Seattle's Food Systems initiative is a priority for the Mayor and the City Council. This change transfers $68,000 from Finance General to fund a part-time Food Systems Coordinator position as well as discretionary program costs. This transfer was captured as a technical adjustment and is captured in the 2012 Endorsed Budget line item. This change also funds $75,000 in one-time professional services to develop a Resource Conservation Management Plan that will identify energy and water saving opportunities in City facilities. These resources support the broader effort to define a strategy to achieve a 20% efficiency increase by 2020 in City facilities.

Technical Adjustments – $80,597. Technical adjustments include departmental and citywide non-programmatic adjustments that do not change OSE's service delivery. Citywide technical changes reflect changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs.

City Council Changes to the 2012 Proposed Budget

Adjust Employer Contribution Rate to SCERS – ($2,124). The Council made an adjustment to the employer contribution rate for the Seattle City Employees' Retirement System (SCERS), lowering it from 11.27% of regular payroll in the 2012 Proposed Budget to the updated rate of 11.01%. This change is driven by action taken in October 2011 by the SCERS Board of Administration to adjust the interest rate paid on new contributions after January 1, 2012.

City Council Provisos

There are no Council Provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Sustainability and Environment Budget Control Level	**X1000**	**3,427,597**	**1,266,923**	**1,308,082**	**1,820,555**
Department Total		**3,427,597**	**1,266,923**	**1,308,082**	**1,820,555**
Department Full-time Equivalents Total*		**8.00**	**11.00**	**11.00**	**14.75**

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Office of Sustainability and Environment Budget Control Level

The purpose of the Office of Sustainability and Environment Budget Control Level is to develop, communicate, implement, and lead the City's Climate Protection and Green Seattle initiatives.

Expenditures/FTE	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Office of Sustainability and Environment	3,427,597	1,266,923	1,308,082	1,820,555
Full-time Equivalents Total*	8.00	11.00	11.00	14.75

** FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Funds, Subfunds, and Other

General Subfund

General Subfund Overview

The General Subfund of the City's General Fund is the primary operating fund of the City. Appropriations and expenses for many of the services most commonly associated with the City, such as police and fire, are accounted for in the General Subfund. The Subfund is supported primarily by property, sales, business, and utility taxes.

The City's financial policies do not require a fund balance to be maintained in the General Subfund. Instead, the City reserves resources for unanticipated expenses or revenue shortfalls associated with general government in the Emergency Subfund of the General Fund and in the Revenue Stabilization Account of the Cumulative Reserve Subfund. As a result of this practice, General Subfund balances usually are spent in their entirety either in the current or next fiscal years.

General Subfund

General Subfund Fund Table (00100)

The City's financial policies do not require a fund balance to be maintained in the General Subfund (GSF). Instead, the City funds the Emergency Subfund to the legal maximum each year and maintains a variety of dedicated reserve funds. Thus, GSF balances usually are carried over and spent in the following year.

Amounts in $1,000s	**2011 Revised**	**2012 Endorsed**	**2012 Adopted**
Beginning Fund Balance	7,283	4,233	6,465
Adjustment for carryforward	(4,772)		
Beginning Unreserved Fund Balance	**2,512**	**4,233**	**6,465**
Revenues			
Property Taxes	252,086	256,952	257,624
Sales Tax	155,078	157,007	157,381
Business and Occupation Tax	167,583	176,711	175,344
Utility Tax	170,630	181,755	177,073
Other Taxes	10,598	10,990	10,122
Parking Meters	30,628	41,067	33,524
Court Fines and Forfeitures	30,964	34,170	36,080
Revenue from Other Public Entities	11,271	10,802	11,059
Service Charges & Reimbursements	34,368	36,633	36,542
Subfund Balance Transfers (ERF, RSA, J&C)	9,796	663	9,807
Licenses, Permits, Interest Income and Other	16,158	16,544	15,181
Total Revenues	**889,161**	**923,295**	**919,738**
Expenditures			
Arts, Culture & Recreation	(140,805)	(146,291)	(143,884)
Health and Human Services	(51,963)	(52,122)	(54,352)
Neighborhoods & Development	(29,086)	(29,211)	(26,390)
Public Safety	(516,897)	(532,364)	(521,931)
Utilties and Transportation	(40,138)	(41,277)	(38,841)
Administration	(101,571)	(104,991)	(115,447)
Debt Service	(11,152)	(13,677)	(13,092)
General Fund Subfunds, Judgment & Claims	(1,941)	(1,791)	(4,026)
Subtotal Above Expenditures	*(893,551)*	*(921,724)*	*(917,962)*
2011 Mid-Year Reductions	8,743		
First Quarter Supplemental	(420)		
Second Quarter Supplemental	(348)		
Fourth Quarter Supplemental	(175)		
Net Other Expenditure Adjustments	544		
Total Expenditures	**(885,208)**	**(921,724)**	**(917,962)**
Ending Fund Balance	6,465	5,803	8,241
Other Reserves	(869)	(5,552)	(8,213)
Ending Unreserved Fund Balance	**5,596**	**251**	**28**

Revenue Overview

2012 Estimated Revenues for the General Subfund

Amounts in $1,000s

Summit Code	Revenue	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
411100	Property Tax	213,969	218,491	221,869	223,269
411100	Property Tax-Medic One Levy	36,462	35,164	35,083	34,355
413100	Retail Sales Tax	133,740	137,118	143,695	144,924
413600	Use Tax - Brokered Natural Gas	1,629	1,919	2,273	2,202
413700	Retail Sales Tax - Criminal Justice	11,601	12,353	13,313	12,457
416100	Business & Occupation Tax (100%)	158,213	166,636	176,711	175,344
416200	Admission Tax	6,623	5,759	5,920	5,302
416430	Utilities Business Tax - Natural Gas (100%)	11,457	10,426	10,986	11,728
416450	Utilities Business Tax - Solid Waste (100%)	1,172	850	900	900
416460	Utilities Business Tax - Cable Television (100%)	15,354	15,628	16,097	16,383
416470	Utilities Business Tax - Telephone (100%)	32,778	32,868	33,150	29,721
416480	Utilities Business Tax - Steam (100%)	1,190	1,103	1,179	1,292
418200	Leasehold Excise Tax	4,731	4,200	4,400	4,200
418500	Gambling Tax	451	500	500	450
418600	Pleasure Boat Tax	183	170	170	170
	Total External Taxes	**629,552**	**643,185**	**666,246**	**662,697**
516410	Utilities Business Tax - City Light (100%)	38,106	41,414	42,976	42,565
516420	Utilities Business Tax - City Water (100%)	29,455	23,989	26,592	25,705
516440	Utilities Business Tax - Drainage/Waste Water (100%)	29,177	33,049	34,479	34,077
516450	Utilities Business Tax - City SWU (100%)	11,332	12,621	13,123	12,502
	Total Interfund Taxes	**108,070**	**111,073**	**117,170**	**114,848**
421600	Professional & Occupational Licenses (100%)	926	-	-	-
421790	Amusement Licenses (100%)	105	-	-	-
421920	Business License Fees (100%)	5,799	5,068	5,068	4,950
422190	Emergency Alarm Fees	1,921	2,162	2,109	2,109
422300	Animal Licenses (100%)	1,110	-	-	-
422450	Vehicle Overload Permits	234	230	230	230
422490	Street Use Permits	561	450	450	600
422920	Fire Permits	3,550	4,089	4,089	3,838
422940	Meter Hood Service	1,036	1,408	1,408	1,350
422990	Gun Permits and Other	19	20	20	20
422990	Other Non Business Licenses	28	16	16	16
	Total Licenses	**15,288**	**13,443**	**13,390**	**13,113**

General Subfund

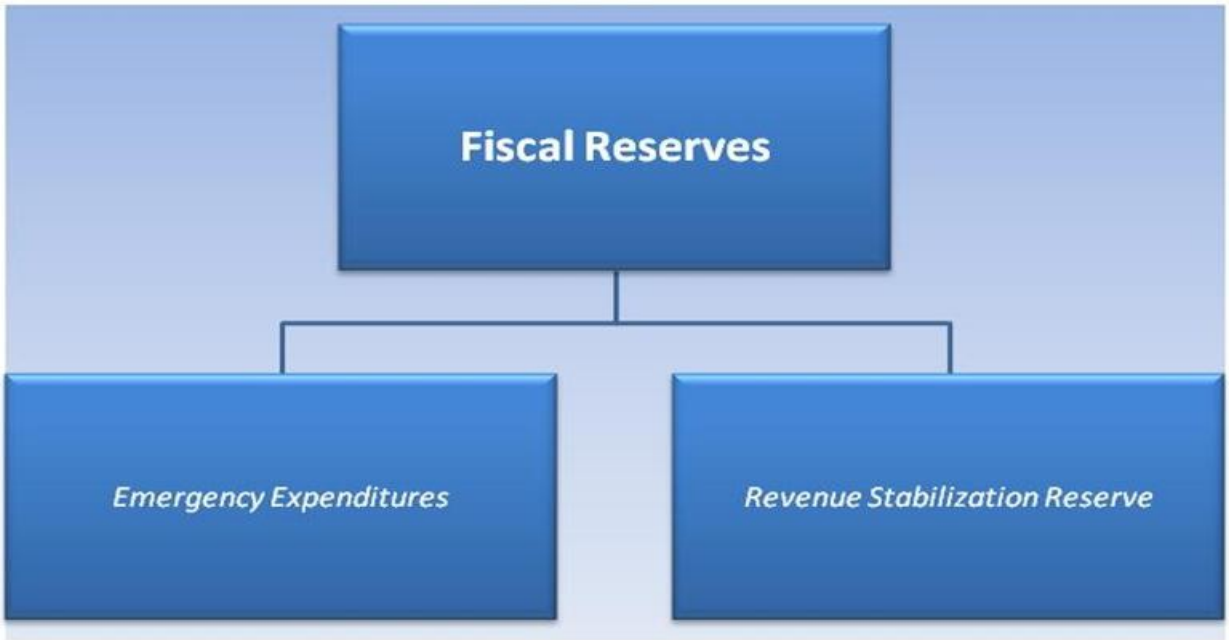
Summit Code	Revenue	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
431010	Federal Grants - Other	2,692	-	-	512
433010	Federal Indirect Grants - Other	12,368	-	-	-
434010	State Grants - Other	38	-	-	-
	Total Federal and State Grants	**15,098**	**-**	**-**	**512**
436129	Trial Court Improvement Account	228	150	150	150
436610	Criminal Justice Assistance (High Impact)	1,389	1,745	1,745	1,745
436621	Criminal Justice Assistance (Population)	1,138	725	725	725
436694	Liquor Excise Tax	2,990	3,000	3,000	2,898
436695	Liquor Board Profits	4,815	4,500	4,500	4,347
	Total State Entitlements/Impact Programs	**10,561**	**10,120**	**10,120**	**9,865**
437010	Interlocal Agreement - Sound Transit	3,019	1,110	682	682
437010	Interlocal Grant	-	-	-	-
	Total Interlocal Grants/Entitlements	**3,019**	**1,110**	**682**	**682**
441610	Copy Charges	122	119	119	118
441950	Legal Services	31	34	34	34
441960	Automated Fingerprint Information System (AFIS)	3,080	3,684	3,813	3,878
441960	Fire Special Events Services	799	661	661	590
441960	Personnel Services	1,295	1,084	1,090	1,061
441990	Hearing Examiner Fees	2	3	3	3
441990	Other Service Charges - General Government	405	334	338	270
441990	Vehicle Towing Revenues	359	350	350	350
442100	Law Enforcement Services	4,121	2,135	2,173	2,937
442100	Traffic Control Services	34	952	971	267
442330	Adult Probation and Parole (100%)	65	118	118	160
442490	Professional Inspection Fees	44	-	-	-
442500	E-911 Reimbursements & Cellular Tax Revenue	3,176	2,086	2,097	2,501
443930	Animal Control Fees and Forfeits	392	-	-	-
447400	Special Events Recovery	536	550	550	550
	Total External Service Charges	**14,460**	**12,110**	**12,318**	**12,720**
455900	Court Fines & Forfeitures (100%)	29,847	34,148	34,170	36,080
457300	Municipal Court Cost Recoveries (100%)	723	1,318	1,318	977
457400	Confiscated Funds	592	617	617	633
	Total Fines and Forfeitures	**31,163**	**36,083**	**36,105**	**37,690**

Summit Code	Revenue	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
461110	Interest on Investments	1,647	1,539	2,576	1,288
462300	Parking Meters	26,508	35,094	39,659	32,174
469990	Other Miscellaneous Revenue	1,746	1,992	1,986	2,130
	Total Miscellaneous Revenues	**29,901**	**38,625**	**44,221**	**35,592**
541990	Interfund Revenue to Executive Administration	15,894	868	896	856
541990	Interfund Revenue to Personnel	6,604	6,012	6,149	6,827
541990	Miscellaneous Interfund Revenue	14,293	14,977	15,335	14,530
	Total Interfund Charges	**36,791**	**21,858**	**22,380**	**22,212**
587001	Transfer from - Cumulative Reserve Subfund-unrestricted subaccount	5,242	8,500	-	-
587344	Transfer from - Fire Facilities Levy	110	164	168	168
587400	Transfer from - Utilities for Council Oversight	293	385	385	509
587504	Transfer from - 2000 Parks Levy	4,985	-	-	-
587612	Transfer from - Dearborn Trust Fund	10	10	10	10
587900	Transfer from - Planning and Development Fund	-	-	-	20
587900	Transfer from - Revenue Stabilization Subfund	11,255	-	-	-
587900	Transfer from - Emergency Subfund	-	750	100	-
587900	Transfer from - 2008 LTGO Bond Fund	11	-	-	-
587900	Transfer from - 2010 LTGO Bond Fund	127	-	-	-
587900	Transfer from - Municipal Jail Subfund	-	-	-	1,000
587900	Transfer from - Transportation Fund	-	-	-	8,100
	Total Operating Transfers	**22,033**	**9,809**	**663**	**9,807**
	Total General Subfund	**915,935**	**897,416**	**923,295**	**919,738**

Fiscal Reserves

Beth Goldberg, Director
Information Line: (206) 615-1962

Fiscal Reserves by Budget Control Level



Fiscal Reserves Overview

The State of Washington permits the City to maintain two financial reserves for general government spending. Under the authority of RCW 35.32A.060, the City maintains a financial reserve called the Emergency Subfund (ESF) of the General Fund. This subfund is the principal reserve for the City and is available to pay for unanticipated expenses that occur during the fiscal year. State law limits the amount of money the City can set aside in this reserve to 37.5 cents per $1,000 of assessed value of property within the city. The ESF is described in Ordinance 117977 and uses of the ESF are described in Ordinance 120489, section 6.

Under the authority of RCW 35.21.070, the City maintains a second financial reserve called the Revenue Stabilization Account (RSA) of the Cumulative Reserve Subfund (aka the Rainy Day Reserve). The purpose of the RSA is to have resources available to maintain City spending in the event of a sudden, unanticipated shortfall in revenue due to economic downturns or other factors. City code limits the amount set aside in this reserve to 5% of General Subfund tax receipts. The 2012 Adopted Budget includes enhancements to the funding of the RSA as described below. This subfund is described in the Seattle Municipal Code (SMC) 5.80.020 (B). To view this section online please see: http://clerk.ci.seattle.wa.us/~public/toc/5-80.htm.

Fiscal Reserves

The City Budget Office maintains a website that lists many City financial policies including information on these reserves. These policies can be found online here: http://www.seattle.gov/financedepartment/financial_policies.htm.

Budget Snapshot

Fiscal Reserves	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$5,225,353	$750,000	$100,000	$2,335,000
Other Revenues	$0	$0	$0	$0
Total Revenues	**$5,225,353**	**$750,000**	**$100,000**	**$2,335,000**
Use of (Contribution to) Fund Balance	$11,286,219	$0	$0	($2,335,000)
Total Resources	**$16,511,572**	**$750,000**	**$100,000**	**$0**
Total Expenditures	**$16,511,572**	**$750,000**	**$100,000**	**$0**

Budget Overview

Protecting fiscal reserves as a form of strong and prudent financial management remains a priority for the City of Seattle. This is especially important in these challenging and turbulent economic times. As anticipated in 2010, the state of the economy in 2011 continues to be uncertain. Mixed economic signals cloud revenue forecasts, but the importance of ensuring the City's ability to respond to a variety of fiscal pressures remains clearer than ever.

As has been the case over the past four years, the City finds itself, as a result of economic uncertainty, in an environment where there is risk that revenue projections may fall short of current estimates. In order to best position the City to respond to a dynamic fiscal environment, the 2012 Adopted Budget takes several proactive steps to strengthen the City's fiscal reserves:

Fully Funding the Emergency Subfund

The 2012 Adopted Budget fully funds the City's Emergency Subfund (ESF) to the maximum amount allowed under state law. This includes replenishing the ESF for temporary draws made against it in 2011, and accounts for changes in citywide Assessed Value (AV) anticipated for 2012. The 2012 Endorsed Budget had anticipated a drop in AV, which would have resulted in a required withdrawal from the ESF. That withdrawal had been directed to the Revenue Stabilization Account in the 2012 Endorsed Budget. Updated AV estimates instead result in the ability to add $385,000. This brings the total fund balance of the ESF in 2012 to $44.3 million.

Strengthening the Rainy Day Fund

Additionally, the 2012 Adopted Budget reflects adoption of the Revenue Stabilization Account (RSA or Rainy Day Fund) policy enhancements that the Mayor transmitted to the Council in July 2011. Under previous policies, the Rainy Day Fund was funded by ordinance or when actual revenues in exceed the most recent forecast for the closed fiscal year. Those policies were successful in funding over $30 million into the RSA between 2005 and 2008. Aggressive use of the RSA in 2009 and 2010 in the midst of Great Recession lowered the size of the account to $10.5 million. Given that revenue growth is projected to remain low through 2014, there was concern that the previous policies did not provide the City with sufficient mechanisms to ensure that the RSA is replenished prior to the next downturn in revenues.

To ensure that the City has sufficient mechanisms to fund the RSA, the Mayor proposed and the City Council adopted a series of policy changes to the Rainy Day Fund that are proactive in nature and more reflective of current economic realities. Specifically, the following changes have been adopted:

- Replaced the excess revenue mechanism with one that automatically directs 50% of unanticipated excess fund balance to the Rainy Day Fund;
- Created a new policy that sweeps a percentage of forecasted tax revenues (0.25% for 2012 and 0.50% each year thereafter) at the outset of the budget process to the Rainy Day Fund;
- Established a policy to suspend the funding mechanisms when absolute tax revenue growth is negative;
- Established language that requires the evaluation of out-year financial projections when developing plans to spend down the Rainy Day Fund; and
- Maintained existing policies that set the maximum funding level at 5% of tax revenue and that allow for contributions by ordinance.

Additional information regarding the changes to the Rainy Day Fund policies can be found here: http://www.seattle.gov/financedepartment/documents/RainyDayFundPresentation-FINAL.pdf

These new policies result in a proactive contribution of nearly $2 million from the General Fund into the Rainy Day Fund for 2012, and approximately $4 million in 2013. In 2012, this is marginally offset by the funds not transferred from the ESF to the Rainy Day Fund as described above.

In total, the combined level of these two reserves in 2012 will increase by $2.3 million relative to 2011 Adopted Budget levels.

These proactive measures are made possible through a reprioritization of city services and spending and help to bolster the City's ability to deal with adjustments in revenue projections and unanticipated expenditure pressure. The City will also continue to react to new information by making spending adjustments where necessary to ensure a strong financial position and the ability to fund essential services.

Fiscal Reserves

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Emergency Expenditures Budget Control Level	**AE000**	**31,572**	**750,000**	**100,000**	**0**
Revenue Stabilization Reserve Budget Control Level	**2CR60**	**16,480,000**	**0**	**0**	**0**
Department Total		**16,511,572**	**750,000**	**100,000**	**0**

Appropriations by Budget Control Level (BCL)

Emergency Expenditures Budget Control Level

The purpose of the Emergency Expenditures Budget Control Level is to provide resources to pay unanticipated expenses as described in state law (RCW 35.32A.060).

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Emergency Expenditures Program	31,572	750,000	100,000	0

Revenue Stabilization Reserve Budget Control Level

The purpose of the Revenue Stabilization Reserve Budget Control Level is to transfer resources from the Revenue Stabilization Account of the Cumulative Reserve Subfund to the General Subfund or other funds supporting the City's general government services. These appropriations are implemented as operating transfers from the Revenue Stabilization Account to the funds or subfunds they support.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Revenue Stabilization Program	16,480,000	0	0	0

Fund Tables

Cumulative Reserve Subfund, Revenue Stabilization Account (00166)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**21,723,577**	**10,468,930**	**10,468,930**	**11,218,930**	**11,218,930**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	5,225,353	750,000	750,000	100,000	1,950,000
Less: Actual and Budgeted Expenditures	16,480,000	0	0	0	0
Ending Fund Balance	**10,468,930**	**11,218,930**	**11,218,930**	**11,318,930**	**13,168,930**

Emergency Subfund (00185)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**45,532,958**	**45,286,060**	**45,501,386**	**44,536,060**	**43,921,219**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	0	0	0	0	385,000
Less: Actual and Budgeted Expenditures	31,572	750,000	1,580,167	100,000	0
Ending Fund Balance	**45,501,386**	**44,536,060**	**43,921,219**	**44,436,060**	**44,306,219**
Continuing Appropriations	235,167		0	0	0
Total Reserves	**235,167**	**0**	**0**	**0**	**0**
Ending Unreserved Fund Balance	**45,266,219**	**44,536,060**	**43,921,219**	**44,436,060**	**44,306,219**

Judgment/Claims Subfund

Judgment/Claims Subfund by Budget Control Level

Judgment/Claims Subfund Overview

The Judgment/Claims Subfund provides for the payment of legal claims and suits brought against the City government. The subfund receives appropriations from the General Subfund and the utilities to pay the judgments, settlements, claims, and other eligible expenses expected in the following year. Unused balances, if any, remain in the fund and may reduce the contribution required in succeeding years.

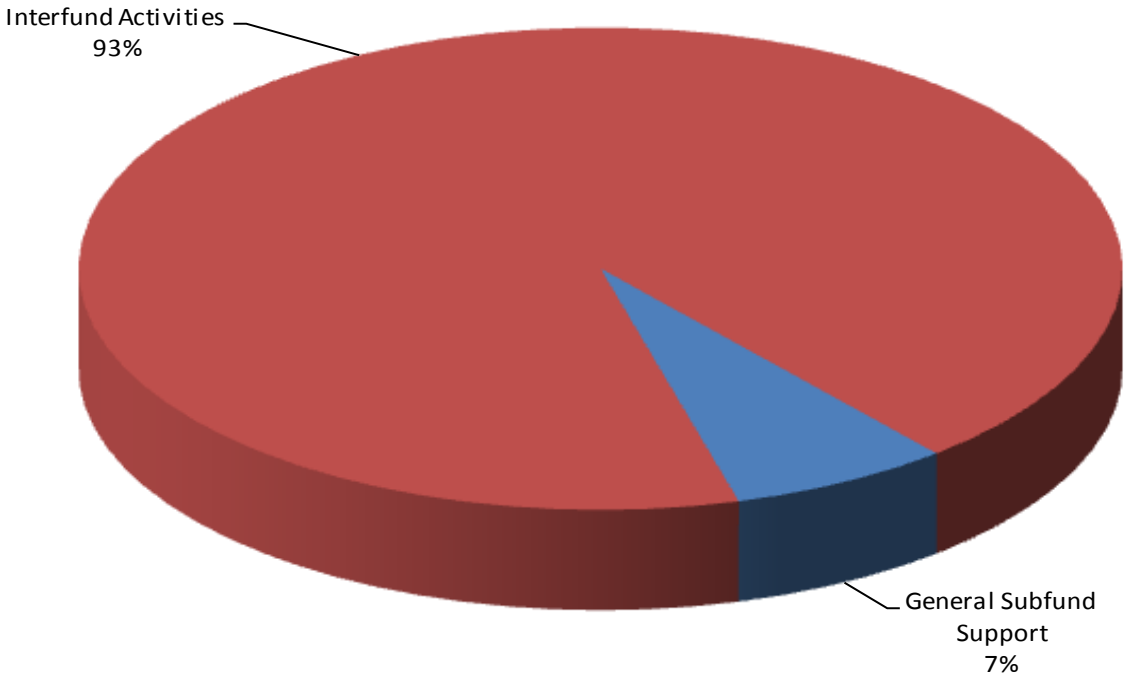
General Fund-supported departments with 2% or more of historical Judgment/Claims costs make premium payments to the subfund directly from their budgets. Finance General covers premiums for departments with less than 2% of historical Judgment/Claims costs. Revenues from the utilities are budgeted based on expected expenses, but they only pay actual expenses as they are incurred.

Judgment/Claims Subfund

Budget Snapshot

Judgment/Claims Subfund	2010 Actual	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$1,318,643	$1,191,062	$1,191,062	$1,191,062
Other Revenues	$14,627,079	$17,216,677	$16,161,677	$16,191,677
Total Revenues	**$15,945,722**	**$18,407,739**	**$17,352,739**	**$17,382,739**
Use of (Contribution to) Fund Balance	($4,856,499)	$8,027,000	$477,000	$447,000
Total Resources	**$11,089,223**	**$26,434,739**	**$17,829,739**	**$17,829,739**
Total Expenditures	**$11,089,223**	**$26,434,739**	**$17,829,739**	**$17,829,739**

2012 Adopted Budget - Revenues By Category



Budget Overview

The 2012 Judgment/Claims Adopted Budget was created by assessing the cases and claims filed against the City, their dollar value, and the likelihood of the City being required to pay out on those claims and cases. Another assessment was done to quantify the City's exposure to claims and cases not yet filed against the City. Since the adoption of the 2011 budget, the City's underlying risk exposure has not materially changed for 2011 and 2012. This has led to some stability in expenditure expectations for the Judgment/Claims Subfund. The Risk Management Division and the Law Department continue to monitor both the City's potential risk liabilities as well as the financial health of the Judgment/Claims Subfund.

Incremental Budget Changes

Judgment/Claims

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$17,829,739**	**0.00**
2012 Proposed Changes			
	No Proposed Changes	$0	0.00
Total Changes		**$0**	**0.00**
2012 Proposed Budget		**$17,829,739**	**0.00**
Council Adjustments to Proposed Budget			
	No Proposed Changes	$0	0.00
Total Adjustments		**$0**	**0.00**
2012 Adopted Budget		**$17,829,739**	**0.00**

There are no incremental changes for the Judgment/Claims Subfund in the 2012 Adopted Budget.

Judgment/Claims Subfund

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment/Claims - General Budget Control Level	**CJ000**	**11,089,223**	**26,434,739**	**17,829,739**	**17,829,739**
Department Total		**11,089,223**	**26,434,739**	**17,829,739**	**17,829,739**

Revenue Overview

2012 Estimated Revenues for the Judgment/Claims Subfund (00126) and (00127)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
587001	General Subfund Support	1,318,643	1,191,062	1,191,062	1,191,062
	Total General Subfund Support	**1,318,643**	**1,191,062**	**1,191,062**	**1,191,062**
544730	Payments from City-operated utilities	4,945,722	8,055,000	7,000,000	7,000,000
544730	Payments from General Government departments	9,681,357	9,161,677	9,161,677	9,191,677
	Total Interfund Activities	**14,627,079**	**17,216,677**	**16,161,677**	**16,191,677**
Total Revenues		**15,945,722**	**18,407,739**	**17,352,739**	**17,382,739**
379100	Use of (Contribution To) Fund Balance	(4,856,499)	8,027,000	477,000	447,000
	Total Use of Fund Balance	**(4,856,499)**	**8,027,000**	**477,000**	**447,000**
Total Resources		**11,089,223**	**26,434,739**	**17,829,739**	**17,829,739**

Appropriations by Budget Control Level (BCL)

Judgment/Claims - General Budget Control Level

The purpose of the Judgment/Claims - General Budget Control Level is to provide for the payment of legal claims and suits brought against the City government. The subfund receives appropriations from the General Subfund and the utilities to pay for the judgments, settlements, claims, and other eligible expenses expected in the following year. Unused balances, if any, may reduce the contributions required in succeeding years.

General Fund-supported departments with 2% or more of historical Judgment/Claims costs make premium payments to the subfund directly from their budgets. Finance General covers premiums for departments with less than 2% of historical Judgment/Claims costs. Utilities pay their actual expenses as incurred through this budget control level.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Judgment/Claims - General Program	11,089,223	26,434,739	17,829,739	17,829,739

Fund Table

Judgment/Claims Subfund (00126) and (00127)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**11,227,089**	**10,476,349**	**16,083,588**	**2,449,349**	**8,086,588**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	15,945,722	18,407,739	18,437,739	17,352,739	17,382,739
Less: Actual and Budgeted Expenditures	11,089,223	26,434,739	26,434,739	17,829,739	17,829,739
Ending Fund Balance	**16,083,588**	**2,449,349**	**8,086,588**	**1,972,349**	**7,639,588**

Parking Garage Operations Fund

Parking Garage Operations Fund by Budget Control Level

Parking Garage Operations Fund Overview

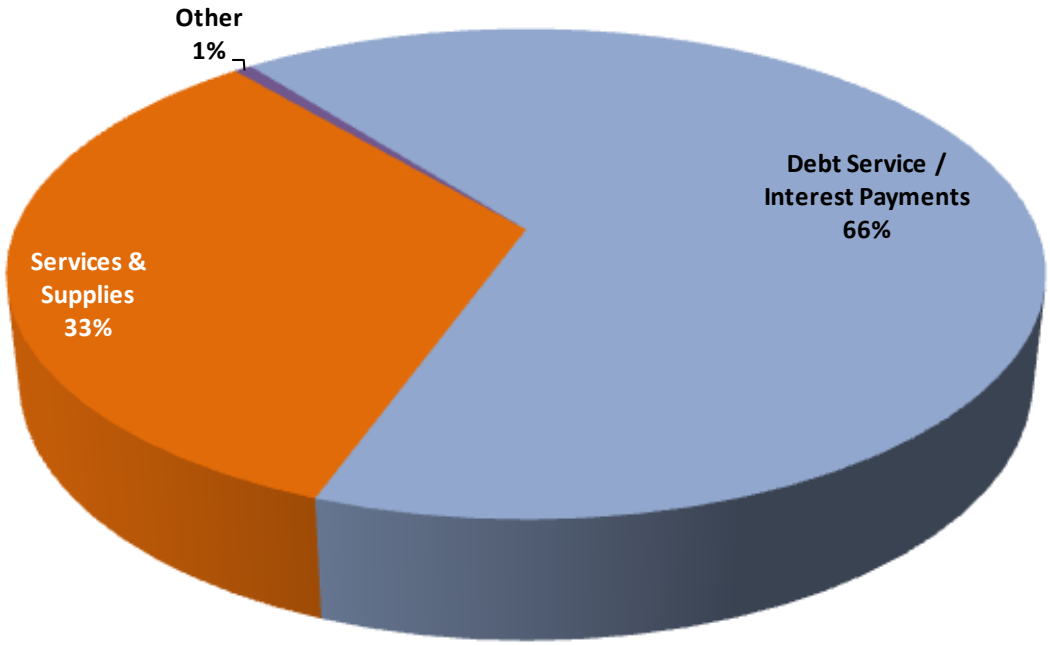
The Parking Garage Operations Fund receives the revenues and pays the operating and debt service costs for the Pacific Place Garage, which is located between Sixth and Seventh Avenues and Pike and Olive Streets in downtown Seattle. The City took over responsibility for the Garage in November 1998.

Budget Snapshot

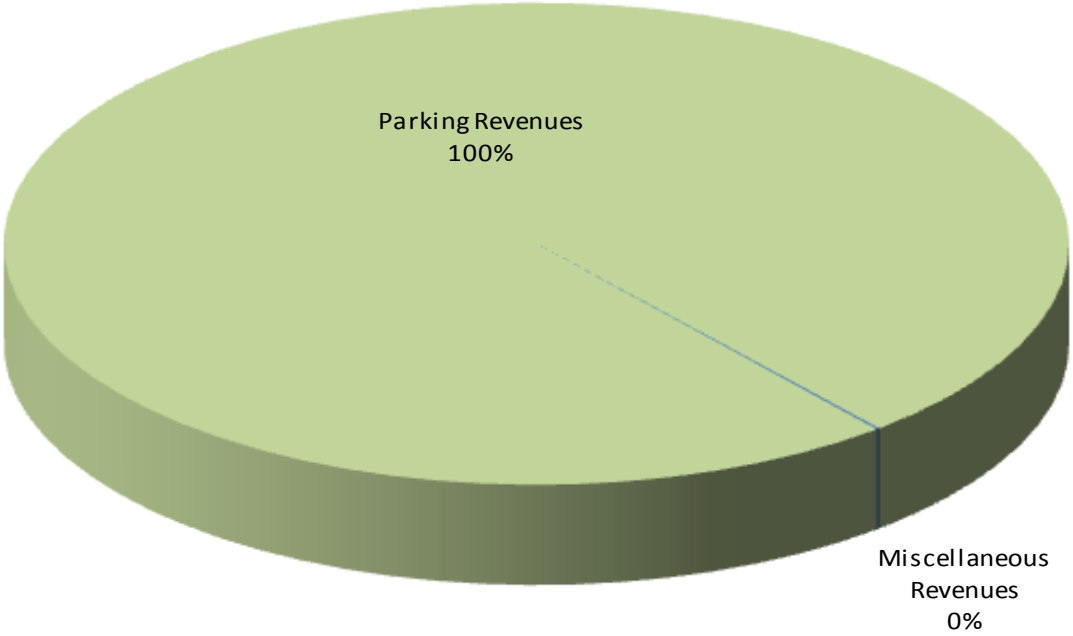
Parking Garage Operations Fund	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
General Fund	$0	$0	$0	$0
Other Revenues	$6,580,224	$7,041,108	$7,357,687	$6,252,721
Total Revenues	**$6,580,224**	**$7,041,108**	**$7,357,687**	**$6,252,721**
Use of (Contribution to) Fund Balance	$934,039	$800,787	$735,174	$1,840,140
Total Resources	**$7,514,263**	**$7,841,895**	**$8,092,861**	**$8,092,861**
Total Expenditures	**$7,514,263**	**$7,841,895**	**$8,092,861**	**$8,092,861**

Parking Garage Operations Fund

2012 Adopted Budget - Expenditure by Category



2012 Adopted Budget - Revenues By Category



Budget Overview

Until 2009, the Pacific Place Garage generated revenue sufficient to pay all of its expenses, including operating costs, equipment purchases, taxes, and debt service. However, due, in part to poor economic conditions and reduced downtown retail sales activity, the Pacific Place Garage is currently running a cash deficit. To respond to lower demand, as well as higher operating expenses for debt service and parking taxes, the City increased rates at the Garage in 2009. However, these increases did not provide sufficient revenues to pay all expenses, and the Garage fund currently has a negative cash position. Anticipating this situation in 2010, FAS received a short-term loan of $1.5 million from the City's Consolidated Cash Pool to support Garage operations, which expired in June 2011.

Current economic conditions prevent Pacific Place Garage revenues from completely covering its expenses. Another short-term loan authorized by Council in 2011 provides up to $4 million to support Garage operations while adjustments are made to its revenues and expenditures. It is recognized that the $4 million loan will not be enough in future years to keep the fund in balance and if parking revenues do not increase, other measures will have to be implemented.

In an effort to improve the financial performance of the Garage, the Department of Finance and Administrative Services (FAS) has carried out a 2011 Summer Rate Pilot to determine the impact of parking rates on demand. The data from the pilot will inform next steps for Garage operations. In addition, FAS is evaluating further ways to increase revenues and decrease expenses.

Incremental Budget Changes

Parking Garage Operations Fund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		**$8,092,861**	**0.00**
2012 Proposed Changes			
	No Proposed Changes	$0	0.00
Total Changes		$0	0.00
2012 Proposed Budget		**$8,092,861**	**0.00**
Council Adjustments to Proposed Budget			
	No Proposed Changes	$0	0.00
Total Adjustments		$0	0.00
2012 Adopted Budget		**$8,092,861**	**0.00**

There are no incremental changes for the Parking Garage Operations Fund in the 2012 Adopted Budget. The 2012 Adopted Budget contains no changes from the 2012 Proposed Budget.

Parking Garage Operations Fund

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pacific Place Garage Budget Control Level	**46011**	**7,514,263**	**7,841,895**	**8,092,861**	**8,092,861**
Department Total		**7,514,263**	**7,841,895**	**8,092,861**	**8,092,861**

Revenue Overview

2012 Estimated Revenues for the Parking Garage Operations Fund (46010)

Summit Code	Source	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
469990	Other Miscellaneous Revenue	5,749	6,000	6,000	6,000
	Total Miscellaneous Revenues	**5,749**	**6,000**	**6,000**	**6,000**
462300	Parking Fees	6,574,475	7,035,108	7,351,687	6,246,721
	Total Parking Revenues	**6,574,475**	**7,035,108**	**7,351,687**	**6,246,721**
Total Revenues		**6,580,224**	**7,041,108**	**7,357,687**	**6,252,721**
379100	Use of (Contribution to) Fund Balance	934,039	800,787	735,174	1,840,140
	Total Use of Fund Balance	**934,039**	**800,787**	**735,174**	**1,840,140**
Total Resources		**7,514,263**	**7,841,895**	**8,092,861**	**8,092,861**

Appropriations by Budget Control Level (BCL)

Pacific Place Garage Budget Control Level

The purpose of the Pacific Place Garage Budget Control Level is to provide appropriation authority for the City's expenses to operate the Pacific Place Garage, which is located between Sixth and Seventh Avenues and Pine and Olive Streets in downtown Seattle. The City took over responsibility for the Garage in November 1998.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Pacific Place Garage	7,514,263	7,841,895	8,092,861	8,092,861

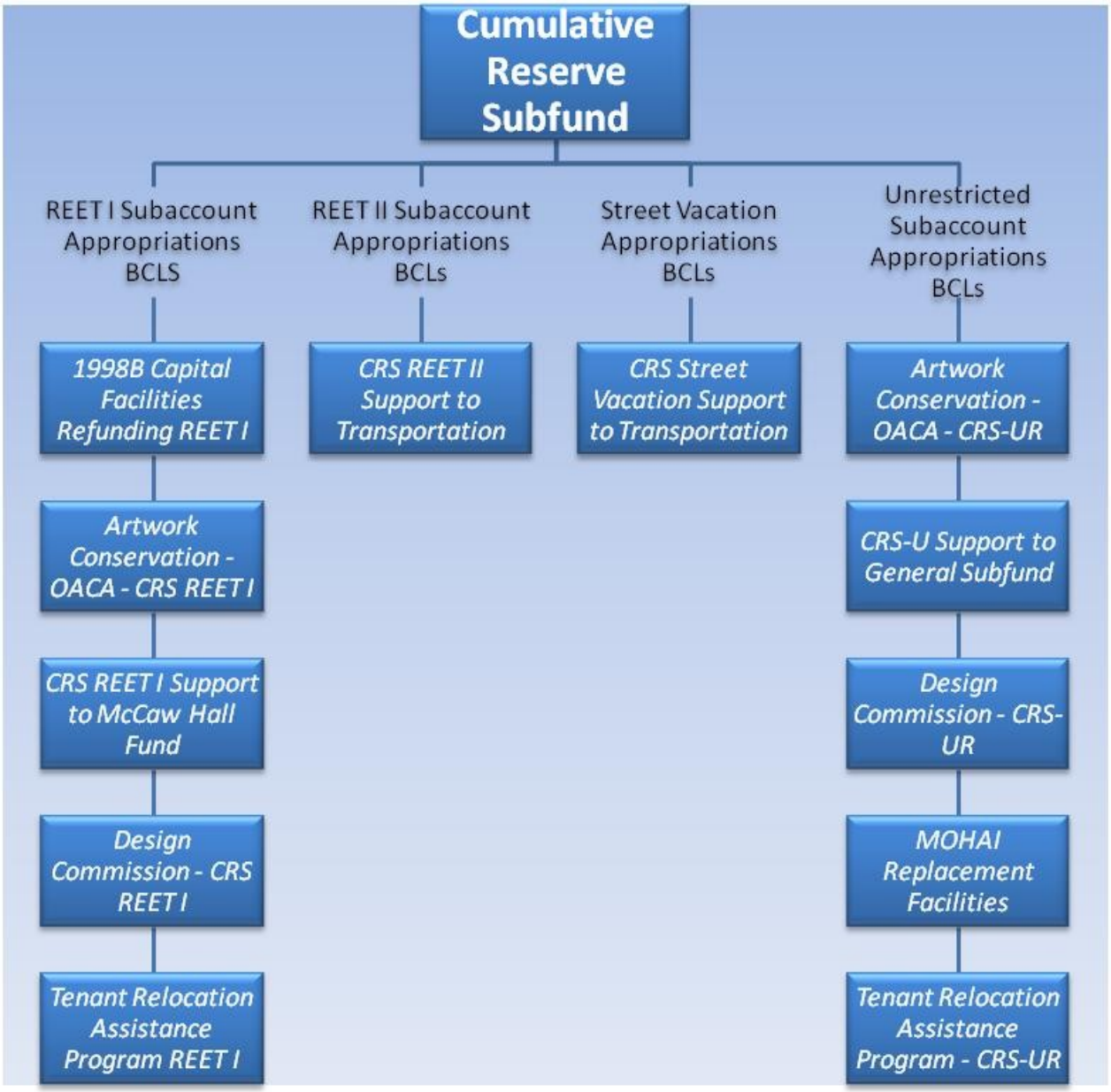
Fund Table

Parking Garage Operations Fund (46010)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**(387,863)**	**1,078,286**	**(1,321,902)**	**277,499**	**(3,255,338)**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	6,580,224	7,041,108	5,908,459	7,357,687	6,252,721
Less: Actual and Budgeted Expenditures	7,514,263	7,841,895	7,841,895	8,092,861	8,092,861
Ending Fund Balance	**(1,321,902)**	**277,499**	**(3,255,338)**	**(457,675)**	**(5,095,478)**

Cumulative Reserve Subfund

Cumulative Reserve Subfund by Budget Control Level



Cumulative Reserve Subfund Overview

The Cumulative Reserve Subfund (CRS), authorized under state law, is used primarily for maintenance and development of the City's general government capital facilities and infrastructure. The subfund is divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account.

Cumulative Reserve Subfund

The Capital Projects Account provides support for an array of capital projects, with a primary focus on maintaining and rehabilitating existing City facilities. The Capital Projects Account includes six subaccounts described below.

- The Real Estate Excise Tax I (REET I) Subaccount is supported by a 0.25% tax on real estate transactions. REET I is used for a variety of capital projects authorized by state law.

- The Real Estate Excise Tax II (REET II) Subaccount is supported by an additional 0.25% tax on real estate transactions and is kept separate due to different state requirements regarding the use of these resources. State law limits the use of revenues from this additional tax to capital projects involving parks (except acquisition) and transportation.

- The Unrestricted Subaccount receives funding from a variety of sources, including a portion of street vacation revenues, transfers of General Subfund balances, property sales, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount and the Asset Preservation Subaccount - Fleets and Facilities), and other unrestricted contributions to the Cumulative Reserve Subfund.

- The Asset Preservation Subaccount - Resources in this fund are used to support asset preservation expenditures for certain Department of Finance and Administrative Services (FAS) facilities. Unappropriated funds in this subaccount are designated as a Large Expense Project Reserve per Resolution 30812, and are intended to pay for very costly asset preservation projects in future years. Revenues supporting expenditures in this subaccount are derived from interest earnings on subaccount balances and from a portion of space rent charges paid by tenants of FAS facilities.

- The Street Vacation Subaccount receives funding from a portion of street vacation revenues. In 2001, the State Legislature made major changes in the law pertaining to vacation compensation. These changes allowed cities, in certain circumstances, to charge a vacation fee that is the full appraised value of the right-of-way, but mandated that at least one half of the revenue from these fees be dedicated to the acquisition, improvement, development, and related maintenance of public open space or transportation capital projects within the city. This subaccount tracks those funds.

- The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union and investment earnings attributable to the subaccount. The use of these funds is generally governed by Resolution 30334.

The Revenue Stabilization Account, created through Ordinance 119761, provides a cushion from the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City government's ability to maintain services. Please see the Revenue Stabilization Reserve Budget Control Level in the Fiscal Reserves section of the Budget for more details.

Department capital projects are fully described in the Capital Improvement Program (CIP) document. Actual appropriations for capital projects funded by the CRS are made in the appropriate department's section in the budget, with the exception of the Seattle Department of Transportation, and some special projects that are described in the following pages of this section, such as debt service payments and the City's Tenant Relocation Assistance Program.

Budget Overview

Spending from the Cumulative Reserve Subfund (CRS) is primarily supported by Real Estate Excise Taxes (REET), which have experienced considerable volatility in recent years. The City collected $71.8 million in 2007, as compared with only $23.6 million in 2010. REET revenues for 2011 are projected to be $29.1 million, with increases largely attributable to a number of large commercial transactions. These commercial real estate sales mask continuing overall weakness in the residential real estate market. As a result of continuing economic uncertainty, the 2012 forecast reflects a marginal decline from 2011 levels.

Cost pressures from basic major maintenance and other capital needs continue to outpace revenue trends. CRS faces additional fiscal pressure from support provided to projects in the 2003 Fire Facilities and Emergency Response Levy Program. The 2012 Adopted Budget continues this commitment despite recent resource constraints. Funds are also allocated to support projects in compliance with the Americans with Disabilities Act (ADA). Overall, the Adopted Budget appropriates approximately $44.6 million from CRS in 2012, with $33.2 million from the two REET subaccounts. Individual projects and programs supported by CRS resources are described in the departmental sections of the 2012-2017 Adopted CIP.

The 2011 Adopted budget included $17 million for asset preservation for parks, library, civic buildings, and Seattle Center. The 2012 Adopted Budget increases those amounts in these areas to a total of $24 million. Additionally, City departments that manage major capital assets are working to develop information that will feed into a broader approach to major maintenance funding. This will be integrated into an ongoing capital strategic planning process in order to develop options for addressing significant capital needs, including major maintenance funding over the long-term.

Policy 12 of Resolution 31083 states that the City will maintain fund balances of $5 million for the REET I and REET II subaccounts. This policy was relaxed in 2009 following a collapse in REET revenue streams, adjusting the minimum target balance to $1 million for each account. Given the volatility of the real estate market, maintaining healthy reserves against economic downturns is essential and the City is committed to rebuilding the target fund balance as prudently as possible. Despite continued weakness in REET revenues, $1.6 million is proposed to be added to the cash reserve balance in 2012 with the goal of restoring for the full $5 million target for both REET subaccounts by 2014.

Cumulative Reserve Subfund

The CRS-Unrestricted Subaccount remains in a negative unreserved fund balance position, supported by an interfund loan which was authorized initially in 2003 by Ordinance 121179. The loan allowed for purchase of property at what is now known as the Joint Training Facility (JTF), and was intended to be repaid through the sale of excess land. The contemplated land sale is unlikely to occur in the near-term and an alternative approach is needed to repay this loan. On a smaller scale, the account has also been out of balance in recent years because on-going expenditures in the account exceed the on-going revenues available. This further exacerbated the imbalance. The 2012 Adopted Budget continues a number of strategies implemented in the 2011 Adopted Budget. First, sufficient ongoing expenditures have been shifted to other funding sources in order to create an annual surplus of revenues over expenditures in the account. This ensures that the account does not decline further into deficit over time. Second, annual contributions beginning in 2012 from the General Subfund will bring the fund balance back into positive territory over time. Third, the interfund loan for this account was extended in 2011 to accommodate the time needed to address this issue.

In addition, the CRS-Unrestricted Subaccount was used to facilitate the distribution of the proceeds from the sale of McCurdy Park facilities formerly occupied by the Museum of History and Industry (MOHAI). In accordance with the settlement agreement between the City of Seattle and MOHAI, Ordinance 123437, the City received $20 million of sale proceeds in 2010 from the State and transferred this full amount to MOHAI. An additional $20 million of McCurdy Park facilities sale proceeds from the State was received by the City in June 2011. From this second $20 million payment, $11.5 million was appropriated for transfer to MOHAI in 2011, with the remaining $8.5 million to be paid from the City to MOHAI with the following minimum payment schedule: $2.5 million by 2013, $2.5 million by 2014, $3.5 million by 2015. The 2013 through 2015 payments are anticipated to be supported by land sale proceeds.

The Asset Preservation Subaccount, begun in 2005, preserves and extends the useful life and operational capacity of existing Finance and Administrative Services (FAS) managed facilities, and is funded by facility space rent paid by City departments. For 2012, projects planned include replacing aged and leaking roofs and envelope improvements in FAS shops and yards and at public safety facilities. The City's downtown campus buildings project initiates the Seattle Municipal Tower 5-year weatherization program which includes sealant work and 16 exterior roof replacements. This project will utilize unappropriated funds from the past several years that have accumulated in the Large Expense Project Reserve.

The Street Vacation Subaccount receives funding from a portion of street vacation revenues and provides additional funding support for the Department of Transportation overall efforts to meet the transportation needs of the city. For 2012, revenues generated from Street Vacations will help provide resources to construct railroad crossing gates and flashing lights at key railroad crossings in the Seattle Waterfront Quiet Zone. This work will be done in coordination with Burlington Northern Santa Fe (BNSF) Railroad which will install the gates and flashing lights while SDOT will install other elements including curbs and signage. In addition, SDOT will install improvements for bicycle access to the Olympic Sculpture Park and Myrtle Edwards Park at the intersection of Alaskan Way and Broad Street.

City Council Changes to CRS's 2012 Proposed Capital Allocations

In the Mayor's 2012 Proposed Budget, capital appropriations supported by CRS totaled $34.1 million. As a result of a slightly improved REET revenue forecast available for the Adopted Budget, the City Council shifted $485,000 of capital appropriations to CRS Funds thus freeing up General Fund resources for other uses. Total CRS supported capital appropriations in the 2012 Adopted Budget now total $34.6 million. Note that these capital changes are not reflected in the operating budget Incremental changes table below.

Incremental Budget Changes - Operating Budget

The below information describes changes in the Cumulative Reserve Subfund that relate to operating expenses. Additional CRS capital expenditures are described in capital department budget sections, and also in the informational table that follows the CRS Department's Appropriations by BCL section.

Cumulative Reserve Subfund

		2012 Dollar Amount	2012 FTE
2012 Endorsed Budget		$8,591,913	0.00
2012 Proposed Changes			
	Waterfront Quiet Zone Projects	$1,188,500	0.00
	Neighborhood Projects Funds	$921,000	0.00
	Support to Transportation	($400,000)	0.00
	Reduction to Debt Service	($304,000)	0.00
Total Changes		**$1,405,500**	**0.00**
2012 Proposed Budget		**$9,997,413**	**0.00**
Council Adjustments to Proposed Budget			
	Technical Adjustments	($29,860)	0.00
Total Adjustments		**($29,860)**	**0.00**
2012 Adopted Budget		**$9,967,553**	**0.00**

Street Vacation Subfund (00169)

Waterfront Quiet Zone Projects - $1,188,500. Using revenue from Street Vacations, SDOT will complete two projects to meet Federal Railroad Administration required improvements for the Seattle Waterfront Quiet Zone.

Cumulative Reserve Subfund

Cumulative Reserve Subfund – REET II (00161)

Neighborhood Projects Funds – Small projects: $921,000. Cumulative Reserve Subfunds' annual allocation to SDOT for major maintenance projects identified in neighborhood plans. Resources supporting this appropriation are held in a special reserve pending the determination of project list and subsequent appropriation in the current budget cycle.

Support to Transportation – ($400,000). Reduction in CRS support to the Department of Transportation.

Reduction to Debt Service – ($304,000). Use of residual funds from the 2007 Alaska Way Tunnel/ Seawall debt issue to cover existing debt service. These residual funds in the 2007 bond fund result from interest earnings or funds that are no longer needed.

City Council Changes to CRS's 2012 Proposed Operating Budget

Cumulative Reserve Subfund – REET I (00163)

Technical Adjustment - ($29,860). Aligns the CRS funding allocations for the Department of Planning & Development (DPD) to amounts included in DPD's Adopted Budget.

City Council Provisos

There are no Council provisos.

Expenditure Overview

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CRS, REET I Subaccount Appropriations					
1998B Capital Facilities Refunding REET I Budget Control Level	**2CCE0-1**	**3,017,550**	**3,038,138**	**1,186,763**	**1,186,763**
Artwork Conservation - OACA - CRS REET I Budget Control Level	**V2ACGM-163**	**0**	**187,000**	**187,000**	**187,000**
CRS REET I Support to McCaw Hall Fund Budget Control Level	**2SC10**	**0**	**200,000**	**200,000**	**200,000**
Design Commission - CRS REET I Budget Control Level	**2UU50-DC-163**	**0**	**374,000**	**374,000**	**302,640**
Tenant Relocation Assistance Program REET I Budget Control Level	**2UU51**	**29,335**	**113,000**	**113,000**	**154,500**
Total CRS, REET I Subaccount Appropriations		**3,046,885**	**3,912,138**	**2,060,763**	**2,030,903**
CRS, REET II Subaccount Appropriations					
CRS REET II Support to Transportation Budget Control Level					
Bridges & Structures - REET II		2,394,676	1,775,000	3,225,000	2,900,000
Debt Service (SDOT) - REET II		2,185,389	2,699,000	1,833,000	1,529,000
Landslide Mitigation - REET II		345,998	150,000	250,000	250,000
Neighborhood Enhancements - REET II		1,377,166	970,000	0	921,000
Roads - REET II		197,881	0	75,000	0
Sidewalk Maintenance - REET II		368,000	0	0	0
Sidewalks & Pedestrian Facilities - REET II		995,057	225,000	0	0
Trails and Bike Paths - REET II		411,711	0	0	0
CRS REET II Support to Transportation Budget Control Level	**2ECM0**	**8,275,878**	**5,819,000**	**5,383,000**	**5,600,000**
Total CRS, REET II Subaccount Appropriations		**8,275,878**	**5,819,000**	**5,383,000**	**5,600,000**
CRS, Street Vacation Subaccount Appropriations					
CRS Street Vacation Support to Transportation Budget Control Level					
Corridor and Intersection Improvements - CRS-SV		1,888,491	300,000	0	0
Freight Mobility		0	0	0	1,188,500
CRS Street Vacation Support to Transportation Budget Control Level	**CRS-StVac-SDOT**	**1,888,491**	**300,000**	**0**	**1,188,500**
Total CRS, Street Vacation Subaccount Appropriations		**1,888,491**	**300,000**	**0**	**1,188,500**

Cumulative Reserve Subfund

Appropriations	Summit Code	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CRS, Unrestricted Subaccount Appropriations					
Artwork Conservation - OACA - CRS-UR Budget Control Level	V2ACGM	219,529	0	0	0
CRS-U Support to General Subfund Budget Control Level	CRS-U-GSF	0	8,500,000	0	0
CRS-U Support to Transportation Budget Control Level	CRS-U-SDOT	90,645	1,112,950	1,074,150	1,074,150
Design Commission - CRS-UR Budget Control Level	2UU50-DC	274,260	0	0	0
MOHAI Replacement Facilities Budget Control Level	KMOHAI	20,000,000	11,500,000	0	0
Tenant Relocation Assistance Program - CRS-UR Budget Control Level	2UU50-TA	68,203	74,000	74,000	74,000
Total CRS, Unrestricted Subaccount Appropriations		20,652,637	21,186,950	1,148,150	1,148,150
Department Total		**33,863,891**	**31,218,088**	**8,591,913**	**9,967,553**

Appropriations by Budget Control Level (BCL)

REET I Subaccount Appropriations

1998B Capital Facilities Refunding REET I Budget Control Level

The purpose of the 1998B Capital Facilities Refunding REET I Budget Control Level is to pay debt service on 1998 Series B Limited Tax General Obligation bonds, which were issued to refund bonds issued in 1992 at lower interest rates.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
1998B Capital Facilities Refunding	3,017,550	3,038,138	1,186,763	1,186,763

Artwork Conservation - OACA - CRS REET I Budget Control Level

The purpose of the Artwork Conservation - OACA - CRS REET I Budget Control Level is to support the Arts Conservation Program, which is administered by the Office of Arts & Cultural Affairs. This program provides professional assessment, conservation, repair, routine and major maintenance, and relocation of artwork for both the City's approximately 400-piece, permanently sited art collection and the approximately 2,700-piece portable artwork collection. The entire collection is an asset to the City, and while major maintenance is generally not required for the new artwork entering the collection, professional routine care and responses to vandalism are necessary to protect this investment.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Artwork Conservation - OACA REET I	0	187,000	187,000	187,000

CRS REET I Support to McCaw Hall Fund Budget Control Level

The purpose of the CRS REET I Support to McCaw Hall Fund Budget Control Level is to appropriate resources from REET I to the McCaw Hall Fund to support major maintenance work on McCall Hall. Any capital projects related to the expenditure of this reserve are listed in Seattle Center's Capital Improvement Program.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CRS REET I Support to McCaw Hall Fund	0	200,000	200,000	200,000

Design Commission - CRS REET I Budget Control Level

The purpose of the Design Commission - CRS REET I Budget Control Level is to support the Design Commission, which advises the Mayor, City Council, and City departments on the design of capital improvements and other projects that shape Seattle's public realm. The goals of the Commission are to see that public facilities and projects within the city's right-of-way incorporate design excellence, that City projects achieve their goals in an economical manner, and that they fit the City's design goals.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Design Commission - CRS REET I	0	374,000	374,000	302,640

Appropriations by Budget Control Level (BCL)

Tenant Relocation Assistance Program REET I Budget Control Level

The purpose of the Tenant Relocation Assistance Program REET I Budget Control Level is to allow the City to pay for relocation assistance to low income tenants displaced by development activity, as authorized by SMC 22.210 and RCW 59.18.440.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Tenant Relocation Assistance Program REET I	29,335	113,000	113,000	154,500

REET II Subaccount Appropriations

CRS REET II Support to Transportation Budget Control Level

The purpose of the CRS REET II Support to Transportation Budget Control Level is to appropriate funds from REET II to the Transportation Operating Fund to support specific capital programs, or in the case of the Debt Service Program, appropriate funds to pay debt service costs directly from the REET II Subaccount.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bridges & Structures - REET II	2,394,676	1,775,000	3,225,000	2,900,000
Debt Service (SDOT) - REET II	2,185,389	2,699,000	1,833,000	1,529,000
Landslide Mitigation - REET II	345,998	150,000	250,000	250,000
Neighborhood Enhancements - REET II	1,377,166	970,000	0	921,000
Roads - REET II	197,881	0	75,000	0
Sidewalk Maintenance - REET II	368,000	0	0	0
Sidewalks & Pedestrian Facilities - REET II	995,057	225,000	0	0
Trails and Bike Paths - REET II	411,711	0	0	0
Total	**8,275,878**	**5,819,000**	**5,383,000**	**5,600,000**

Street Vacation Subaccount Appropriations

CRS Street Vacation Support to Transportation Budget Control Level

The purpose of the CRS Street Vacation Support to Transportation Budget Control Level is to appropriate funds from the CRS Street Vacation Subaccount to the Transportation Operating Fund to support specific capital programs.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Corridor and Intersection Improvements - CRS-SV	1,888,491	300,000	0	0
Freight Mobility	0	0	0	1,188,500
Total	**1,888,491**	**300,000**	**0**	**1,188,500**

Appropriations by Budget Control Level (BCL)

Unrestricted Subaccount Appropriations

Artwork Conservation - OACA - CRS-UR Budget Control Level

The purpose of the Artwork Conservation - OACA - CRS-UR Budget Control Level is to support the Arts Conservation Program, which is administered by the Office of Arts & Cultural Affairs. This program provides professional assessment, conservation, repair, routine and major maintenance, and relocation of artwork for both the City's approximately 400-piece, permanently sited art collection and the approximately 2,700-piece portable artwork collection. The entire collection is an asset to the City, and while major maintenance is generally not required for the new artwork entering the collection, professional routine care and responses to vandalism are necessary to protect this investment.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Artwork Conservation - OACA	219,529	0	0	0

CRS-U Support to General Subfund Budget Control Level

Program to transfer support to the General Subfund.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CRS-U Support to General Subfund	0	8,500,000	0	0

CRS-U Support to Transportation Budget Control Level

The purpose of the CRS-U Support to Transportation Budget Control Level is to appropriate funds from CRS Unrestricted Sub-account to the Transportation Operating Fund to support specific capital programs and pay debt service on specified transportation projects.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
CRS-U Support to Transportation	90,645	1,112,950	1,074,150	1,074,150

Design Commission - CRS-UR Budget Control Level

The purpose of the Design Commission - CRS-UR Budget Control Level is to support the Design Commission, which advises the Mayor, City Council, and City departments on the design of capital improvements and other projects that shape Seattle's public realm. The goals of the Commission are to see that public facilities and projects within the city's right-of-way incorporate design excellence, that City projects achieve their goals in an economical manner, and that they fit the City's design goals.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Design Commission - CRS-UR	274,260	0	0	0

Appropriations by Budget Control Level (BCL)

MOHAI Replacement Facilities Budget Control Level

The purpose of the MOHAI Replacement Facilities BCL is to replace the functions and facilities of the Museum of History and Industry's (MOHAI) Montlake location, including but not limited to those facilities and functions including in MOHAI's proposed project at the Lake Union Armory. The City intends to use the proceeds it receives from the Washington State Department of Transportation's purchase of the city-owned MOHAI facility at Montlake to contract with MOHAI to replace those functions and facilities.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
MOHAI Replacement Facilities	20,000,000	11,500,000	0	0

Tenant Relocation Assistance Program - CRS-UR Budget Control Level

The purpose of the Tenant Relocation Assistance Program - CRS-UR Budget Control Level is to allow the City to pay for relocation assistance to low-income tenants displaced by development activity, as authorized by SMC 22.210 and RCW 59.18.440.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Tenant Relocation Assistance Program	68,203	74,000	74,000	74,000

The tables on the following pages describe appropriations by department, broken out between capital and operating expenditures, for CRS. The CRS capital appropriations are further detailed within each individual department.

Total CRS Appropriations for 2012 Adopted Budget

For Informational Purposes Only

CRS Table 1 - Appropriations By Subfund and Department

Fund	Department	Operating	Capital	Total
Cumulative Reserve Subfund –REET I (00163)				
	Seattle Center	$0	$1,358,000	$1,358,000
	Seattle Public Library	$0	$600,000	$600,000
	Department of Parks & Recreation	$0	$814,000	$814,000
	Finance & Administrative Services Department	$0	$11,399,000	$11,399,000
	Cumulative Reserve Subfund Direct Spending	$2,030,903	$0	$2,030,903
Subtotal		**$2,030,903**	**$14,171,000**	**$16,201,903**
Cumulative Reserve Subfund –REET II (00161)				
	Seattle Department of Transportation	$5,600,000	$0	$5,600,000
	Department of Parks & Recreation		$11,069,000	$11,069,000
	Finance & Administrative Services Department		$325,000	$325,000
Subtotal		**$5,600,000**	**$11,394,000**	**$16,994,000**
Cumulative Reserve Subfund –Unrestricted (00164)				
	Seattle Center		$1,399,000	$1,399,000
	Seattle Department of Transportation	$1,074,150	$0	$1,074,150
	Department of Parks & Recreation		$2,400,000	$2,400,000
	Finance & Administrative Services Department		$23,000	$23,000
	Cumulative Reserve Subfund Direct Spending	$74,000	$0	$74,000
Subtotal		**$1,148,150**	**$3,822,000**	**$4,970,150**
Cumulative Reserve Subfund – Asset Preservation (00168)				
	Finance & Administrative Services Department		$5,220,000	$5,220,000
Subtotal		**$0**	**$5,220,000**	**$5,220,000**
Cumulative Reserve Subfund – Street Vacation (00169)				
	Seattle Department of Transportation	$1,188,500	$0	$1,188,500
Subtotal		**$1,188,500**	**$0**	**$1,188,500**
Total CRS Department		**$9,967,553**	**$34,607,000**	**$44,574,553**

Cumulative Reserve Subfund

CRS Table 2 - Appropriations By Department

Department	Operating	Capital	Total
Subtotals by Department			
Seattle Center	$0	$2,757,000	$2,757,000
Seattle Public Library	$0	$600,000	$600,000
Seattle Department of Transportation	$7,862,650	$0	$7,862,650
Department of Parks & Recreation	$0	$14,283,000	$14,283,000
Finance & Administrative Services Department	$0	$16,967,000	$16,967,000
Cumulative Reserve Subfund Direct Spending	$2,104,903	$0	$2,104,903
Total	**$9,967,553**	**$34,607,000**	**$44,574,553**

Fund Tables

Cumulative Reserve Subfund, Real Estate Excise Tax II Subaccount (00161)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**13,793,528**	**2,089,422**	**10,246,053**	**1,030,463**	**11,839,550**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	11,841,506	11,897,041	14,550,497	16,239,010	14,462,196
Less: Direct Expenditures	0	0	0	0	0
Less: Department Capital Expenditures	15,388,981	12,956,000	12,957,000	15,142,000	16,994,000
Less: Total Expenditures	15,388,981	12,956,000	12,957,000	15,142,000	16,994,000
Ending Fund Balance	**10,246,053**	**1,030,463**	**11,839,550**	**2,127,473**	**9,307,746**
Continuing Appropriations	7,857,011	0	7,915,686	0	7,845,686
Other Reserves	0		0	1,000,000	0
Cash Balance Target	1,000,000	1,000,000	1,000,000	1,000,000	1,400,000
Total Reserves	**8,857,011**	**1,000,000**	**8,915,686**	**2,000,000**	**9,245,686**
Ending Unreserved Fund Balance	**1,389,042**	**30,463**	**2,923,864**	**127,473**	**62,060**

Cumulative Reserve Subfund, Real Estate Excise Tax 1 Subaccount (00163)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**29,728,776**	**3,476,965**	**21,186,202**	**999,307**	**21,405,300**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	11,803,567	11,897,041	14,550,497	16,239,010	14,462,196
Less: Direct Expenditures	3,046,885	3,912,138	3,912,138	2,060,763	2,030,903
Less: Department Capital Expenditures	17,299,256	10,462,561	10,419,261	14,138,666	14,171,000
Less: Total Expenditures	20,346,141	14,374,699	14,331,399	16,199,429	16,201,903
Ending Fund Balance	**21,186,202**	**999,307**	**21,405,300**	**1,038,888**	**19,665,593**
Continuing Appropriations	17,319,940	0	17,316,994	0	17,316,994
Other Reserves	0		0	0	0
Cash Balance Target	1,000,000	999,307	1,000,000	1,000,000	2,250,000
Total Reserves	**18,319,940**	**999,307**	**18,316,994**	**1,000,000**	**19,566,994**
Ending Unreserved Fund Balance	**2,866,262**	**0**	**3,088,306**	**38,888**	**98,599**

Cumulative Reserve Subfund

Cumulative Reserve Subfund, Unrestricted Subaccount (00164)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**(1,240,236)**	**21,548,597**	**(4,933,203)**	**2,685,597**	**(3,912,453)**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	27,517,348	5,918,950	25,802,700	5,003,150	6,301,150
Less: Direct Expenditures	0	0	0	0	0
Less: Department Capital Expenditures	31,210,315	24,781,950	24,781,950	4,416,150	4,970,150
Less: Total Expenditures	31,210,315	24,781,950	24,781,950	4,416,150	4,970,150
Ending Fund Balance	**(4,933,203)**	**2,685,597**	**(3,912,453)**	**3,272,597**	**(2,581,453)**
Continuing Appropriations	6,087,243	7,824,639	6,087,243	7,824,639	6,087,243
Other Reserves	0	0	0	0	0
Cash Balance Target	0	0	0	0	0
Total Reserves	**6,087,243**	**7,824,639**	**6,087,243**	**7,824,639**	**6,087,243**
Ending Unreserved Fund Balance	**(11,020,446)**	**(5,139,042)**	**(9,999,696)**	**(4,552,042)**	**(8,668,696)**

Cumulative Reserve Subfund, South Lake Union Property (00167)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**308,863**	**311,063**	**311,331**	**313,063**	**313,331**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	2,468	2,000	2,000	2,000	2,000
Less: Direct Expenditures	0	0	0	0	0
Less: Department Capital Expenditures	0	0	0	0	0
Less: Total Expenditures	0	0	0	0	0
Ending Fund Balance	**311,331**	**313,063**	**313,331**	**315,063**	**315,331**
Continuing Appropriations	0	0	0	0	0
Designated for Special Purpose	311,331	313,063	313,331	315,063	315,331
Total Reserves	**311,331**	**313,063**	**313,331**	**315,063**	**315,331**
Ending Unreserved Fund Balance	**0**	**0**	**0**	**0**	**0**

Cumulative Reserve Subfund

Cumulative Reserve Subfund, Asset Preservation Subaccount (00168)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**4,786,862**	**1,053,493**	**6,139,255**	**1,373,493**	**6,469,255**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	4,063,590	4,040,000	4,050,000	4,040,000	4,050,000
Less: Direct Expenditures	0	0	0	0	0
Less: Department Capital Expenditures	2,711,197	3,720,000	3,720,000	3,720,000	5,220,000
Less: Total Expenditures	2,711,197	3,720,000	3,720,000	3,720,000	5,220,000
Ending Fund Balance	**6,139,255**	**1,373,493**	**6,469,255**	**1,693,493**	**5,299,255**
Continuing Appropriations	4,976,802	0	4,976,802	0	4,976,802
Large Expense Project Reserve	1,162,453	1,373,493	1,492,453	1,693,493	322,453
Total Reserves	**6,139,255**	**1,373,493**	**6,469,255**	**1,693,493**	**5,299,255**
Ending Unreserved Fund Balance	**0**	**0**	**0**	**0**	**0**

Cumulative Reserve Subfund, Street Vacation Subaccount (00169)

	2010 Actuals	2011 Adopted	2011 Revised	2012 Endorsed	2012 Adopted
Beginning Fund Balance	**1,331,947**	**87,947**	**86,455**	**835,947**	**955,205**
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	643,000	1,048,000	1,168,750	0	980,000
Less: Direct Expenditures	0	0	0	0	0
Less: Department Capital Expenditures	1,888,492	300,000	300,000	0	1,188,500
Less: Total Expenditures	1,888,492	300,000	300,000	0	1,188,500
Ending Fund Balance	**86,455**	**835,947**	**955,205**	**835,947**	**746,705**
Continuing Appropriations	623,896	0	623,896	0	623,896
Total Reserves	**623,896**	**0**	**623,896**	**0**	**623,896**
Ending Unreserved Fund Balance	**(537,441)**	**835,947**	**331,309**	**835,947**	**122,809**

Debt Service

Fred Podesta, Director

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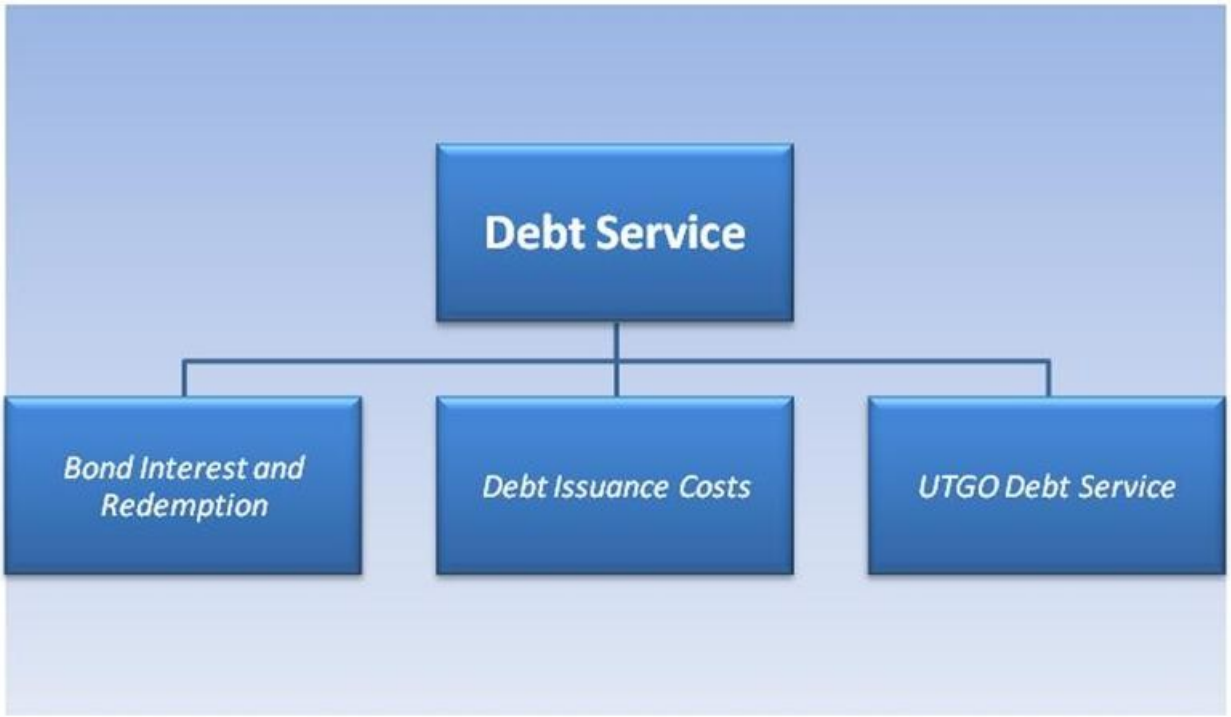
Debt Service by Budget Control Level



Debt Service Overview

The purpose of this Debt Service section is to provide appropriation authority for particular payments of debt service and associated costs of issuing debt that require legal appropriations. These appropriations include debt service payments to be made from the Bond Interest and Redemption Fund, Limited Tax General Obligation (LTGO) Issuance Costs, and Unlimited Tax General Obligation (UTGO) (voter approved) debt service payments.

Appropriations by Budget Control Level (BCL)

Bond Interest and Redemption Budget Control Level

The purpose of the Bond Interest and Redemption Budget Control Level is to create legal appropriation authority for debt service payments to be made through the Bond Interest and Redemption Fund (BIRF) from outside sources.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Bond Interest and Redemption	0	1,616,064	1,524,914	1,524,914

Debt Issuance Costs Budget Control Level

The purpose of the Debt Issuance Costs Budget Control Level is to create the appropriation authority to pay debt issuance costs related to the 2011 Multipurpose Limited Tax General Obligation (LTGO) Debt Issuance.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
Debt Issuance Costs	0	2,584,480	0	1,515,302

UTGO Debt Service Budget Control Level

The purpose of the UTGO Debt Service Budget Control Level is to create the legal appropriations to pay debt service on outstanding Unlimited Tax General Obligation (UTGO) Bonds.

Expenditures	2010 Actuals	2011 Adopted	2012 Endorsed	2012 Adopted
UTGO Bond Interest and Redemption	0	17,039,635	17,025,160	17,025,160

City Debt

In addition to the regular operating budget, the City uses bonds and property tax levies to fund a variety of special capital improvement projects. The City's budget must include funds to pay interest due on outstanding bonds and to pay the principal amount of bonds at maturity. The City has issued three types of debt to finance its capital improvement programs:

Unlimited Tax General Obligation Bonds

The City may issue Unlimited Tax General Obligation (UTGO) Bonds for capital purposes if a proposition authorizing their issuance is approved by 60% of the voters in an election in which the number of voters exceeds 40% of the voters in the most recent general election. Payment of principal and interest is backed by the "full faith and credit" of the City. This means that the City commits itself to include in its property tax levy an amount that is sufficient to pay principal and interest on the bonds. Property taxes levied to pay debt service on UTGO bonds are not subject to the statutory limits in state law on the taxing authority of local governments, which is why UTGO bonds are "unlimited" (see the "Property Tax" section of the "Revenue Overview" for a description of statutory limits on property tax rates and growth) . However, state law does limit the amount of UTGO bonds that can be outstanding at any time to 7.5% of assessed valuation of property in the city: 2.5% for open space and park facilities, 2.5% for utility purposes, and 2.5% for general purposes. As of December 31, 2010, there were approximately $123 million in UTGO bonds outstanding (less than 2% of the legal capacity); of that, $3 million are for utility purposes.

Limited Tax General Obligation Bonds

The City Council may authorize the issuance of Limited Tax General Obligation (LTGO) Bonds, also known as Councilmanic bonds, in an amount up to 1.5% of assessed valuation, without a vote of the people. The City pledges its full faith and credit to the payment of principal and interest on LTGO bonds, but this pledge must be fulfilled within the City's statutory property tax limitations. Thus, these are "limited" general obligation bonds. The combination of UTGO bonds issued for general purposes and LTGO bonds cannot exceed 2.5% of assessed property valuation. If LTGO bonds are issued up to the 1.5% ceiling, then UTGO bonds for general purposes are limited to 1% of assessed value.

The City also guarantees debt issued by the Pike Place Market Preservation and Development Authority, the Seattle Indian Services Commission, the Seattle-Chinatown International District Preservation and Development Authority, and the Museum Development Authority. As of December 31, 2010, the guarantees totaled $79.8 million out of $905.4 million outstanding LTGO debt. Guarantees count against the City's LTGO debt capacity.

Revenue Bonds

Revenue bonds are used to provide financing for the capital programs of City Light and the three utilities – Water, Drainage and Wastewater, and Solid Waste – which are grouped together in Seattle Public Utilities. The City does not pledge its full faith and credit to the payment of debt service on revenue bonds. Payment of principal and interest on the bonds issued by each utility is derived solely from the revenues generated by the issuing utility. No tax revenues are used to pay debt service.

Debt Service

When revenue bonds are sold, the City commits itself to set fees and charges for the issuing utility that will be sufficient to pay all costs of operations and maintenance, and all payments of principal and interest on the bonds. While the amount of revenue bonds is not subject to statutory limits, there are practical limitations in that it may not be possible to sell revenue bonds if the amount of bonds outstanding grows to the point that the financial community questions the ability of the issuing utility to make timely payments of principal and interest on the bonds.

Forms of Debt Authorized by State Law

Table 1 below summarizes the conditions and limitations that apply to the issuance of the three types of debt issued by the City.

Table 1 – Summary of Conditions and Limitations for City Debt Issuances

Form of Debt	Voter Approval Required	Source of Repayment	Statutory Limitation	Current Limit*	Outstanding 12-31-10*
Unlimited Tax General Obligation Bonds (UTGO)					
Parks & Open Space	Yes	Property Tax	2.5% of AV	$3.0 Billion	$0
Utilities	Yes	Property Tax	2.5% of AV	$3.0 Billion	$3 Million
General Purposes	Yes	Property Tax	1.0 % of AV**	$1.2 Billion	$120 Million
Limited Tax General Obligation Bonds (LTGO)	No	Taxes and Other Revenues	1.5% of AV**	$1.8 Billion	$883 Million ***
Utility Revenue	No	Utility Revenues	None	None	$3.1 Billion

* As of 12/31/10, assuming the latest certified assessed value of $120 billion, issued on February 16, 2011, for taxes payable in 2011.

** The sum of UTGO and LTGO debt for general purposes cannot exceed 2.5% of assessed valuation.

***Includes $80 million of PDA debt guarantees.

City Debt Management Policies and Bond Ratings

The use of debt financing by the City is subject not only to state law, but also to the debt management policies adopted by the Mayor and City Council. According to these policies, a capital project should be financed with bond proceeds only under the following circumstances:

- in emergencies;
- when the project being financed will produce revenues that can be used to pay debt service on the bonds; or
- when the use of debt will result in a more equitable sharing of the costs of the project between current and future beneficiaries of the project.

It is the last of these circumstances that most often justifies the use of debt financing. Paying for long-lived assets, such as libraries or parks, from current tax revenues would place a large burden on current taxpayers, while allowing future beneficiaries to escape the burden of payment. The use of debt effectively spreads the cost of acquiring or constructing capital assets over the life of the bonds. The City's

debt management policies require that 12% of the City's LTGO total issuance capacity be reserved for emergencies. They also state that net debt service on LTGO bonds (defined as total debt service, minus debt service paid from project revenues) should not exceed 9% of the General Fund budget, and should remain below 7% under most circumstances (currently about 6%).

The City has earned very high ratings on its bonds as a result of a strong economy and prudent financial practices. The City's UTGO debt is rated Aaa by Moody's Investors Service, AAA by Fitch IBCA, and AAA by Standard & Poor's (S&P), which are the highest possible levels. The City's LTGO debt is rated AAA by S&P, AA+ by Fitch, and Aa1 by Moody's. In addition, the City's utilities have very high ratings for revenue debt, reflecting sound finances and good management. Moody's rates Water and Drainage and Wastewater Aa1, City Light debt at the Aa2 level, and Solid Waste Aa3. S&P rates Water and Drainage and Wastewater debt at AA+, Solid Waste AA, and City Light AA-.

2012 and 2013 Projected Bond Issues

In 2012, the City expects to issue approximately $52 million of limited tax general obligation bonds for a variety of purposes. Table 2 lists the financed projects and other details of the financing plan. Bond proceeds will be deposited into the 2012 Multipurpose Bond Fund. City departments responsible for all or portions of projects in Table 2 will then draw money from this Fund as appropriated to implement the projects. The appropriations for those funds are in the respective departments' pages of this budget book. Table 3 shows a potential list of projects that may receive debt financing in 2013.

Table 2 – 2012 Multipurpose LTGO Bond Issuance – in $1,000s Information Only

Project	Capital Cost	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service Adopted 2012	Debt Service Estimated 2013	Debt Service Funding Source
Bridge Seismic (BTG)	3,203	3,299	20	5.0%	124	265	SDOT (BTG/CPT) (2)
Mercer (BTG)	5,000	5,150	20	5.0%	193	413	SDOT (BTG/CPT) (2)
Linden (BTG)	6,335	6,525	15	5.0%	245	629	SDOT (BTG/CPT) (2)
Seawall (CPT)	2,800	2,884	20	5.0%	108	231	SDOT (CPT, 2010) (3)
AWV - Parking/Prgm Mgt (CPT)	3,000	3,090	10	4.0%	93	381	SDOT (CPT, 2010) (3)
Mercer West (CPT)	11,173	11,508	20	5.0%	432	923	SDOT (CPT, 2010) (3)
Golf	6,003	6,183	20	5.0%	232	496	DPR
Rainier Beach Community Center	6,726	6,928	20	5.0%	260	556	GF
Library IT	756	779	5	2.0%	12	165	Library
Magnuson 30	5,514	5,679	12	5.0%	213	641	DPR
Total	**50,510**	**52,025**			**1,910**	**4,700**	

Debt Service

Table 3 – 2013 Multipurpose LTGO Bond Issuance – in $1,000s Information Only

Project	Capital Cost	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service Adopted 2012	Debt Service Estimated 2013	Debt Service Funding Source
Bridge Seismic (BTG)	6,243	6,430	20	5.0%	241	516	SDOT (BTG) (2)
Bridge Rehab (BTG)	1,625	1,674	20	5.0%	63	134	SDOT (BTG) (2)
Seawall (CPT)	5,800	5,974	20	5.0%	224	479	SDOT (CPT, 2010) (3)
South Park Bridge	10,500	10,815	20	5.0%	406	868	TBD
Golf	5,672	5,842	20	5.0%	219	469	DPR
Rainier Beach Community Center	6,600	6,798	20	5.0%	255	545	GF
Fire Facilities	23,925	24,643	20	5.0%	924	1,977	REET I
B&O IT	6,500	6,695	4	2.0%	151	1,801	GF (4)
Magnuson 30	4,500	4,635	12	4.0%	139	494	GF
Total	**71,365**	**73,506**			**2,621**	**7,284**	

(1) Includes 3% for costs of issuance and pricing adjustments.
(2) Proceeds from Bridging the Gap - Commercial Parking Tax receipts.
(3) Proceeds from Commercial Parking Taxes.
(4) Shared 60% GF and 40% other cities.

Table 4 - 2012 Multipurpose LTGO Fund Issuance Costs - in $1,000s Information Only

Approx. Par Amount	Issuance Costs & Pricing Adjustments	Issuance Cost Adopted 2012
52,025	3%	1,515

Table 4 shows the estimated $1.5 million of costs of issuance and pricing adjustments for the 2012 LTGO bond issue. Table 5 on the following pages displays outstanding LTGO debt service requirements sorted by issuance; Table 6 displays the funds used to pay outstanding LTGO debt service, listing issuance year and funding source; and Table 7 displays UTGO debt service. Table 8 displays appropriations for debt service to be paid from various LTGO Bond Funds' fund balances. All tables in this section are for informational purposes only with the exception of Table 8; legal appropriations are included elsewhere in the budget document.

Table 5 - Limited Tax General Obligation Bonds Debt Service by Bond Issuance In 1,000s -

	2011 Actual	2012 Adopted
1998 Bond Issue		
Historic Buildings	196	200
Housing	2,157	843
Parks	881	344
Seismic - DH Fire	38	16
Seismic Fire	62	26
1998 Bond Issue Total	**3,334**	**1,428**
1998 E Bond Issue		
Downtown Parking Garage	2,305	2,470
1998 E Bond Issue Total	**2,305**	**2,470**
2001 Bond Issue		
Ballard Neighborhood Center	242	
City Hall	940	
Interbay Golf Facilities	257	
Justice Center	940	
Park 90/5 - 2001	242	
Police Training Facilities	142	
Seattle Municipal Tower TI	179	
Sound Amplification - Benaroya Hall	100	
Southwest Precinct	420	
Training Facilities	299	
2001 Bond Issue Total	**3,759**	
2002 Bond Issue		
City Hall	999	1,000
Civic Center Open Space	244	247
Historic Buildings	1,780	1,789
Justice Center	999	1,000
McCaw Hall	659	658
Seattle Center Kitchen	94	95
Seattle Municipal Tower TI	366	368
Southwest Precinct	133	132
University Way (Long)	255	258
West Seattle Swing Bridge	260	258
Westbridge	443	442
2002 Bond Issue Total	**6,231**	**6,247**

Debt Service

	2011 Actual	2012 Adopted
2003 Bond Issue		
Joint Training Facility	175	176
McCaw Hall (long)	139	136
Roof/Structural Replacement & Repair	782	784
SMT Base	150	152
SR 519	219	219
2003 Bond Issue Total	**1,465**	**1,467**
2004 Bond Issue		
Concert Hall	1,775	1,773
Park 90/5 Police Support Acquisition	845	851
Seattle Municipal Tower Acquisition	6,331	6,331
2004 Bond Issue Total	**8,951**	**8,954**
2005 Bond Issue		
Alaskan Way Tunnel / Seawall	379	375
Aquarium Pier 59	1,508	1,506
Aquarium Pier 59 Entry	183	179
Bridge Way North	278	
City Hall	878	874
Civic Center Open Space	774	779
Convention Center	571	576
Fremont Bridge Approaches	112	110
Justice Center	2,221	2,225
Library Garage	432	431
Sandpoint	732	731
SeaPark	443	438
South Precinct	320	325
SR 519	646	
West Precinct	1,302	1,301
2005 Bond Issue Total	**10,779**	**9,850**
2006 Bond Issue		
Alaskan Way Viaduct	392	393
Aquarium Pier 59	142	138
Mercer Corridor Design	466	466
Ninth & Lenora	334	336
Park 90/5 Earthquake Repair	1,067	1,066
SLU Streetcar	136	137
2006 Bond Issue Total	**2,537**	**2,537**

	Debt Service	
	2011 Actual	2012 Adopted
2007 Bond Issue		
Alaskan Way Tunnel / Seawall	492	489
Aquarium	642	836
Downtown Parking Garage	2,882	2,882
Mercer (from zoo bonds)	1,225	1,225
Monorail	549	550
Northgate Land Acquisition	241	241
Parking Pay Stations	755	756
Zoo Garage	**151**	**151**
2007 Bond Issue Total	6,937	7,130
2008 Bond Issue		
Bridge Rehab (BTG)	303	306
Bridge Seismic (BTG)	120	118
Fire Station Projects	5,013	5,016
King Street Station (BTG)	252	252
Lander (BTG)	200	246
Mercer (BTG)	3,087	3,783
Park 90/5 Police Support Acquisition	303	303
Parking Pay Stations	475	480
Seattle Municipal Tower & Police Support	2,440	2,440
South Lake Union Projects	371	371
Spokane (BTG)	658	806
2008 Bond Issue Total	**13,221**	**14,120**
2009 Bond Issue		
Alaskan Way Tunnel / Seawall	204	203
Arterial Asphalt and Concrete	654	3,217
Bridge Rehab (BTG)	1,067	1,065
IT Servers and Storage	945	944
IT Software Migration and Mgt.	1,702	1,700
Jail	95	95
King Street Station (BTG)	130	133
Market 96 Refunding	461	470
North Precinct	95	94
Northgate Land Acquisition	472	474
Northgate Park	206	207
Pike Place Market	2,505	2,503
Rainier Beach Community Center	519	515

Debt Service

	2011 Actual	2012 Adopted
Rainier Beach Community Center (reallocated from NG)	285	286
Spokane (BTG)	2,155	2,160
Spokane (BTG) (Redirected from Jail)	286	286
Trails	1,113	1,074
2009 Bond Issue Total	**12,894**	**15,424**
2010A BAB Issue		
Alaskan Way Tunnel / Seawall	351	351
Bridge Rehab (BTG)	1,210	1,210
Bridge Seismic (BTG)	483	483
Fire Station Projects	178	178
Golf	22	22
King Street Station (BTG)	21	21
Mercer (BTG)	123	123
Mercer West (BTG)	357	357
Spokane (BTG)	270	270
2010A BAB Issue Total	**3,014**	**3,014**
2010B Bond Issue		
Alaskan Way Tunnel / Seawall	484	484
Ballard Neighborhood Center	139	364
Bridge Rehab (BTG)	167	167
Bridge Seismic (BTG)	67	67
City Hall	1,757	2,761
Civic Center Open Space	140	140
Fire Station Projects	458	458
Golf	55	54
Interactive Voice Response	167	168
Interbay Golf Facilities	148	388
Justice Center	1,767	2,755
King Street Station (BTG)	3	3
McCaw Hall	173	173
Mercer (BTG)	17	17
Mercer West (BTG)	50	50
Park 90/5 - 2001	140	370
Parking Pay Stations	421	416
Pike Place Market	1,222	1,221
Police Training Facilities	84	213
Seattle Municipal Tower TI	141	311
Southwest Precinct	318	708

	2011 Actual	2012 Adopted
Spokane (BTG)	38	38
Tier 1 SAN & Enterprise Comp.	339	340
Training Facilities	172	452
Westbridge	250	250
2010B Bond Issue Total	**8,717**	**12,365**
2011 Bond Issue		
AWV - Parking/Prgm Mgt (CPT)	45	281
Bridge Rehab (BTG)	196	733
Bridge Seismic (BTG)	37	140
Facility Energy Retrofits-CTR	9	60
Facility Energy Retrofits-DPR	9	53
Facility Energy Retrofits-FAS	13	77
Golf	39	158
King Street Station (BTG)	77	287
Mercer West (CPT)	156	581
Pike Place Market	173	378
Rainier Beach Community Center	87	322
Seattle Center House	62	381
Seawall (CPT)	238	890
Spokane (BTG)	433	1,614
2011 Bond Issue Total	**1,573**	**5,954**
2012 Bond Issue		
AWV - Parking/Prgm Mgt		93
Bridge Seismic (BTG)		124
Golf		232
Library IT		12
Linden (BTG)		245
Magnuson Bldg 30		213
Mercer (BTG)		193
Mercer West (CPT)		432
Rainier Beach Community Center		260
Seawall (CPT)		108
2012 Bond Issue Total		**1,910**
Grand Total	**85,717**	**92,871**

Debt Service

Table 6 - Limited Tax General Obligation Bonds Debt Service by Funding Source (1,000s)

	2011 Actual	2012 Adopted
Bond Interest & Redemption Fund - LTGO		
Alaskan Way Tunnel / Seawall	123	123
Bridge Rehab (BTG)	423	423
Bridge Seismic (BTG)	169	169
Fire Station Projects	62	62
Golf	8	8
King Street Station (BTG)	7	7
Market 96 Refunding	461	470
Mercer (BTG)	43	43
Mercer West (BTG)	125	125
Sound Amplification - Benaroya Hall	100	
Spokane (BTG)	94	94
Bond Interest & Redemption Fund - LTGO Total	**1,616**	**1,525**
Cumulative Reserve Subfund - REET I		
Fire Station Projects	5,586	5,590
Housing	2,157	843
Northgate Land Acquisition	241	241
Parks	881	344
Roof/Structural Replacement & Repair	782	784
Seattle Center House	62	381
Westbridge	573	572
Cumulative Reserve Subfund - REET I Total	**10,282**	**8,755**
Cumulative Reserve Subfund - REET II		
Alaskan Way Tunnel / Seawall	871	560
Alaskan Way Viaduct	392	393
Aquarium Pier 59	1,633	1,644
Bridge Way North	278	
Fremont Bridge Approaches	45	110
Mercer Corridor Design	466	466
SR 519	646	
Cumulative Reserve Subfund - REET II Total	**4,332**	**3,173**
Cumulative Reserve Subfund - Unrestricted		
Aquarium	642	836
Aquarium Pier 59 Entry	183	179
Monorail	549	550
Westbridge	80	80
Cumulative Reserve Subfund - Unrestricted Total	**1,454**	**1,644**

	2011 Actual	2012 Adopted
Downtown Garage Fund		
Downtown Parking Garage	5,187	5,352
Downtown Garage Fund Total	5,187	5,352
Fleets & Facilities Fund		
City Hall	4,574	4,635
Civic Center Open Space	1,158	1,166
Historic Buildings	1,975	1,989
Justice Center	5,927	5,980
Park 90/5 - 2001	84	81
Park 90/5 Earthquake Repair	234	234
Park 90/5 Police Support Acquisition	186	187
SeaPark	443	438
Seattle Municipal Tower & Police Support	2,396	2,396
Seattle Municipal Tower Acquisition	6,331	6,331
Seattle Municipal Tower TI	685	679
Seismic - DH Fire	38	16
Seismic Fire	62	26
SMT Base	150	152
Fleets & Facilities Fund Total	**24,241**	**24,309**
General Fund		
Ballard Neighborhood Center	381	364
Concert Hall	1,775	1,773
Convention Center	335	576
Facility Energy Retrofits-CTR	9	60
Facility Energy Retrofits-DPR	9	53
Facility Energy Retrofits-FAS	13	77
Jail	95	95
Joint Training Facility	138	150
McCaw Hall	832	830
Ninth & Lenora	187	279
North Precinct	95	94
Northgate Land Acquisition	472	474
Northgate Park	206	207
Park 90/5 - 2001	259	251
Park 90/5 Earthquake Repair	727	727
Park 90/5 Police Support Acquisition	878	881
Police Training Facilities	225	213
Rainier Beach Community Center	606	1,097
Rainier Beach Community Center (reallocated from NG)	285	286
Sandpoint	108	731

Debt Service

	2011 Actual	2012 Adopted
SLU Streetcar	136	137
South Lake Union Projects	371	371
South Precinct	320	325
Southwest Precinct	862	840
Training Facilities	400	384
University Way (Long)	39	258
West Precinct	1,302	1,301
West Seattle Swing Bridge	51	258
Zoo Garage		
General Fund Total	**11,116**	**13,092**
Information Technology Fund		
Interactive Voice Response	167	168
IT Servers and Storage	945	944
IT Software Migration and Mgt.	1,702	1,700
Tier 1 SAN & Enterprise Comp.	339	340
Information Technology Fund Total	**3,153**	**3,151**
Library Fund		
Library Garage	432	431
Library IT		12
Library Fund Total	**432**	**443**
LTGO Bond Fund - 1999B		
Ninth & Lenora	147	
LTGO Bond Fund - 1999B Total	**147**	
LTGO Bond Fund - 2001		
Southwest Precinct	7	
LTGO Bond Fund - 2001 Total	**7**	
LTGO Bond Fund - 2002		
Southwest Precinct	2	
University Way (Long)	216	
West Seattle Swing Bridge	209	
LTGO Bond Fund - 2002 Total	**427**	
LTGO Bond Fund - 2002B		
Sandpoint	624	
LTGO Bond Fund - 2002B Total	**624**	

Debt Service

	2011 Actual	2012 Adopted
LTGO Bond Fund - 2003		
Aquarium Pier 59	16	
Convention Center	154	
Fremont Bridge Approaches	67	
Joint Training Facility	10	
SR 519	79	
LTGO Bond Fund - 2003 Total	**326**	
LTGO Bond Fund - 2005		
Convention Center	82	
LTGO Bond Fund - 2005 Total	**82**	
LTGO Bond Fund - 2006		
Ninth & Lenora		57
LTGO Bond Fund - 2006 Total		**57**
LTGO Bond Fund - 2007		
Alaskan Way Tunnel / Seawall		304
Parking Pay Stations	755	195
Zoo Garage	151	151
LTGO Bond Fund - 2007 Total	**907**	**650**
LTGO Bond Fund - 2009		
Alaskan Way Tunnel / Seawall	99	
LTGO Bond Fund - 2009 Total	**99**	
Parks & Recreation Fund		
Golf	108	459
Interbay Golf Facilities	406	388
Magnuson Bldg 30		213
Westbridge	40	40
Parks & Recreation Fund Total	**554**	**1,100**
Pike Place Market Renovation Fund		
Pike Place Market	3,900	4,102
Pike Place Market Renovation Fund Total	**3,900**	**4,102**
Seattle Center Fund		
McCaw Hall (long)	139	136
Seattle Center Kitchen	94	95
Seattle Center Fund Total	**233**	**231**

Debt Service

	2011 Actual	2012 Adopted
SPU Drainage & Wastewater Fund		
Joint Training Facility	8	8
Park 90/5 - 2001	11	11
Park 90/5 Earthquake Repair	32	32
Park 90/5 Police Support Acquisition	25	26
Seattle Municipal Tower & Police Support	13	13
Training Facilities	21	20
SPU Drainage & Wastewater Fund Total	**111**	**110**
SPU Solid Waste Fund		
Joint Training Facility	4	4
Park 90/5 - 2001	6	6
Park 90/5 Earthquake Repair	17	17
Park 90/5 Police Support Acquisition	14	14
Seattle Municipal Tower & Police Support	7	7
Training Facilities	12	11
SPU Solid Waste Fund Total	**61**	**60**
SPU Water Fund		
Joint Training Facility	14	14
Park 90/5 - 2001	20	20
Park 90/5 Earthquake Repair	57	56
Park 90/5 Police Support Acquisition	45	46
Seattle Municipal Tower & Police Support	24	24
Training Facilities	38	36
SPU Water Fund Total	**198**	**196**
Transportation Fund		
Alaskan Way Tunnel / Seawall	817	915
Arterial Asphalt and Concrete	654	3,217
AWV - Parking/Prgm Mgt		93
AWV - Parking/Prgm Mgt (CPT)	45	281
Bridge Rehab (BTG)	2,520	3,058
Bridge Seismic (BTG)	538	763
King Street Station (BTG)	476	688
Lander (BTG)	200	246
Linden (BTG)		245
Mercer (BTG)	3,184	4,073
Mercer (from zoo bonds)	1,225	1,225
Mercer West (BTG)	282	282
Mercer West (CPT)	156	1,013
Parking Pay Stations	896	1,457

	2011 Actual	2012 Adopted
Seawall (CPT)	238	998
Spokane (BTG)	3,458	4,792
Spokane (BTG) (Redirected from Jail)	286	286
SR 519	140	219
Trails	1,113	1,074
Transportation Fund Total	**16,227**	**24,922**
Grand Total	**85,717**	**92,871**

Table 7 - Unlimited Tax General Obligation Bonds Debt Service ($1,000s) Informational Only

	2011 Actual	2012 Adopted
1998 A UTGO Bond Issue	1,588	1,600
2002 UTGO Bond Issue	7,321	7,320
2007 UTGO Bond Issue	8,131	8,105
Grand Total	**17,040**	**17,025**

Debt Service

Table 8 - Limited Tax General Obligation Bonds Debt Service from Fund Balances ($1,000s)
Legal Appropriation Authority

	2011 Actual	2012 Adopted
2001 Bond Issue		
Southwest Precinct	7	
2001 Bond Issue Total	**7**	
2002 Bond Issue		
Southwest Precinct	2	
University Way (Long)	216	
West Seattle Swing Bridge	209	
2002 Bond Issue Total	**427**	
2003 Bond Issue		
Joint Training Facility	10	
SR 519	79	
2003 Bond Issue Total	**89**	
2005 Bond Issue		
Aquarium Pier 59	16	
Convention Center	236	
Fremont Bridge Approaches	67	
Sandpoint	624	
2005 Bond Issue Total	**943**	
2006 Bond Issue		
Ninth & Lenora	147	57
2006 Bond Issue Total	**147**	**57**
2007 Bond Issue		
Alaskan Way Tunnel / Seawall		304
Parking Pay Stations	755	195
Zoo Garage	151	151
2007 Bond Issue Total	**907**	**650**
2009 Bond Issue		
Alaskan Way Tunnel / Seawall	99	
2009 Bond Issue Total	**99**	
Grand Total	**2,619**	**707**

Appendix

Summary of Position and Full-Time Equivalent (FTE) Changes by Department:

This table provides a summary of total position and FTE changes by department for 2010, 2011, and 2012. Position counts for a department may exceed FTE counts as position counts tally part-time positions as discrete items.

Summary of Position and Full-Time Equivalent (FTE) Changes by Department

Department	2010 Authorized *		2011 Authorized *		2011-12 Change **		2012 Estimate	
	Position Count	FTE Count	Position Count	FTE Count	Position Count	FTE Count	Position Count	FTE Count
Office of Arts and Cultural Affairs	25	23.10	23	20.60	(1)	(0.75)	22	19.85
Office of City Auditor	8	8.00	8	8.00	1	1.00	9	9.00
Department of Finance	37	36.00						
City Budget Office	-	-	29	28.50	(1)	(1.00)	28	27.50
Seattle Center	280	263.23	264	245.12	-	-	264	245.12
Civil Service Commissions	-	-	-	-	3	2.60	3	2.60
Civil Service Commission	2	1.80	2	1.80	(2)	(1.80)	-	-
Department of Information Technology	213	210.00	199	195.00	(5)	(4.75)	194	190.25
Department of Neighborhoods	95	87.50	81	74.75	(36)	(33.25)	45	41.50
Department of Planning and Development	417	413.00	402	397.75	(7)	(6.75)	395	391.00
Department of Parks and Recreation	1,106	1,011.16	993	890.89	(13)	(26.80)	980	864.09
Educational and Developmental Services Levy	-	-	-	-	8	8.00	8	8.00
Ethics and Elections Commission	6	5.20	6	5.20	1	1.00	7	6.20
Fleets and Facilities Department ***	317	314.50		-	-	-	-	-
Department of Executive Administration ***	251	248.50	-	-	-	-	-	-
Department of Finance & Administrative Services***	-	-	529	523.75	(1)	(2.00)	528	521.75
Human Services Department	339	331.35	331	323.10	(6)	(7.00)	325	316.10
Office of the Hearing Examiner	5	4.63	5	4.63	-	-	5	4.63
Office of Immigrant and Refugee Affairs	-	-	-	-	2	2.00	2	2.00
Law Department	161	156.10	160	155.10	6	5.50	166	160.60
Legislative Department	89	89.00	86	86.00	1	1.00	87	87.00
Office of the Mayor	29	28.50	29	28.50	-	-	29	28.50
Neighborhood Matching Subfund	-	-	-	-	6	6.00	6	6.00
Seattle Office for Civil Rights	24	22.50	23	21.50	1	1.00	24	22.50
Office of Economic Development	20	20.00	22	22.00	2	2.00	24	24.00
Office of Housing	42	40.50	40	38.50	(1)	(1.00)	39	37.50
Office of Intergovernmental Relations	12	11.50	12	11.50	(1)	(1.00)	11	10.50
Office of Sustainability and Environment	8	8.00	11	11.00	4	3.75	15	14.75
Personnel Department	119	116.50	107	104.25	(1)	(1.00)	106	103.25
Public Safety Civil Service Commission	1	1.00	1	1.00	(1)	(1.00)	-	-

NOTES:

* Budgeted Positions/FTEs are based on 2010/2011 Position Authorization Ordinances 123308/123626.

** 2011-12 Changes represent Supplemental Oridinances, 2012 Endorsed Changes, and the 2012 Adopted Budget changes.

*** The Deparment of Executive Administration and the Fleets and Facilities Department were merged into the Department of Finance and Administrative Services in 2011.

Summary of Position and Full-Time Equivalent (FTE) Changes by Department

Department	2010 Authorized *		2011 Authorized *		2011-12 Change **		2012 Estimate	
	Position Count	FTE Count	Position Count	FTE Count	Position Count	FTE Count	Position Count	FTE Count
Employees' Retirement System	16	15.50	16	15.50	2	2.50	18	18.00
Seattle City Light	1,881	1,872.10	1,818	1,810.75	-	-	1,818	1,810.75
Seattle Department of Transportation	797	792.50	771	768.50	(48)	(48.50)	723	720.00
Seattle Fire Department	1,178	1,156.55	1,173	1,151.55	1	1.00	1,174	1,152.55
Seattle Municipal Court	238	226.10	226	214.10	-	-	226	214.10
Seattle Police Department	1,943	1,930.25	1,951	1,938.35	(2)	(2.00)	1,949	1,936.35
Seattle Public Utilities	1,460	1,451.25	1,428	1,420.75	(8)	(7.70)	1,420	1,413.05
Total Budgeted Positions / FTEs	**11,119**	**10,895.82**	**10,746**	**10,517.94**	**(96)**	**(108.95)**	**10,650**	**10,408.99**
The Seattle Public Library ****	638	527.40	617	509.95	(1)	(1.20)	616	508.75
CityWide Positions / FTEs	**11,757**	**11,423.2**	**11,363**	**11,027.9**	**(97)**	**(110.15)**	**11,266**	**10,918**

NOTES:

* Budgeted Positions/FTEs are based on 2010/2011 Position Authorization Ordinances 123308/123626.

** 2011-12 Changes represent Supplemental Oridinances, 2012 Endorsed Changes, and the 2012 Adopted Budget changes.

*** The Deparment of Executive Administration and the Fleets and Facilities Department were merged into the Department of Finance and Administrative Services in 2011.

**** Personnel figures for The Seattle Public Library are for informational puposes only. The Library's position list is established by the Library Board of Trustees.

Fund Financial Plans:

A six-year financial plan is included for major City funds. The six-year financial plans include information about fund revenues, expenditures, reserves and fund balances, covering the following milestones: 2010 actual results, 2011 adopted, 2011 revised, 2012 adopted, and projections for 2013 – 2015. These funds allow the reader to see trends for major City funds.

Fund Financial Plans

Fund #	Fund Name	Page
00100	General Subfund	793
00140	Arts Account	794
00160	Cable Television Franchise Sub-Fund	795
00161	Cumulative Reserve Subfund, Real Estate Excise Tax II Subaccount	796
00163	Cumulative Reserve Subfund, Real Estate Excise Tax I Subaccount	797
00164	Cumulative Reserve Subfund, Unrestricted Subaccount	798
00165	Neighborhood Matching Subfund	799
00166	Cumulative Reserve Subfund - Revenue Stabilization Account	800
00168	Cumulative Reserve Subfund, - Asset Preservation Subaccount	801
00169	Cumulative Reserve Subfund, Street Vacation Subaccount	802
00185	Emergency Subfund	803
10200	Park and Recreation Fund	804
10300	Transportation Master Fund	805
10410	Library Fund	807
10810	Streetcar Fund	808
11410	Seattle Center Fund	809
15700	Planning and Development Fund	810
16200	Human Services Operating Fund	811
17856	2004 Families and Education Subfund of the Educational and Developmental Services Fund	812
17857	2012 Families and Education Subfund of the Educational and Developmental Services Fund	813
34440	2003 Fire Facilities Fund	814
41000	City Light Fund	815
43000	Water Fund	817
44010	Drainage and Wastewater Fund	819
45010	Solid Waste Fund	821
46010	Parking Garage Operations Fund	823
50300	Fleets and Facilities Fund	824
50410	Information Technology Fund	825
60200	Firemen's Pension Fund	826
60400	Police Relief and Pension Fund	827
62600	Municipal Arts Fund	828

2012 Adopted Budget Financial Plan
General Subfund (Subfund 00100)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**8,775,037**	**368,269**	**7,283,444**	**6,464,713**	**8,240,550**	**21,446,149**	**34,804,125**
Technical Adjustments	(11,199,247)	0	(4,771,654)	0	0	0	0
Beginning Unreserved Fund Balance	(2,424,210)	368,269	2,511,790	6,464,713	8,240,550	21,446,149	34,804,125
Revenues							
Property Taxes	250,430,354	253,655,000	252,086,000	257,624,000	259,938,000	264,862,000	271,462,900
Sales Tax	145,340,599	149,470,807	155,077,927	157,380,835	162,546,153	170,925,943	180,322,022
Business and Occupation Tax	158,212,727	166,635,915	167,583,367	175,344,460	183,705,723	197,783,971	212,764,611
Utility Tax	171,649,277	173,867,214	170,630,499	177,073,492	184,377,684	187,964,824	188,450,127
Other Taxes	11,988,747	10,628,558	10,597,957	10,122,176	11,193,730	11,370,819	11,553,645
Parking Meters	27,547,183	36,502,000	30,628,000	33,524,000	34,328,000	35,314,000	36,503,000
Court Fines and Forfeitures	29,847,168	34,147,500	30,964,000	36,080,000	36,843,000	36,592,000	36,597,000
Revenue from Other Public Entities	26,600,830	11,230,039	11,270,744	11,059,015	10,208,000	10,208,000	10,208,000
Service Charges & Reimbursements	54,647,778	35,903,070	34,367,568	36,541,757	36,514,466	37,305,015	37,900,534
Fund Balance Transfers (ERF, RSA, J&C, CRS-U)	22,032,693	9,809,250	9,796,251	9,806,818	898,150	725,000	725,000
Licenses, Permits, Interest Income and Other	17,246,294	15,566,504	16,158,237	15,181,437	15,579,972	16,447,972	17,425,945
Total Revenues	915,543,652	897,415,857	889,160,550	919,737,990	936,132,878	969,499,544	1,003,912,784
Expenditures							
Arts, Culture & Recreation	(147,253,821)	(140,804,818)	(140,804,818)	(143,883,961)	(156,064,526)	(162,259,753)	(168,087,971)
Health and Human Services	(52,273,866)	(51,962,950)	(51,962,950)	(54,352,239)	(55,629,616)	(57,463,669)	(59,282,449)
Neighborhoods & Development	(31,475,196)	(29,086,141)	(29,086,141)	(26,390,179)	(27,357,702)	(28,423,024)	(29,422,160)
Public Safety	(516,962,249)	(516,896,547)	(516,896,547)	(521,930,562)	(550,243,976)	(571,041,328)	(595,002,069)
Utilities and Transportation	(38,941,376)	(40,137,598)	(40,137,598)	(38,841,087)	(42,146,512)	(43,566,462)	(44,952,257)
Administration (1)	(113,446,055)	(101,570,537)	(101,570,537)	(115,446,500)	(111,146,189)	(115,515,784)	(119,756,991)
Debt Service	(10,138,686)	(11,151,647)	(11,151,647)	(13,091,563)	(13,203,054)	(14,839,681)	(14,130,979)
GF Subfunds, Judgement & Claims	(6,543,996)	(1,941,062)	(1,941,062)	(4,026,062)	(7,785,704)	(7,847,368)	(9,250,422)
Other			(733,900)				
Mid-Year Reductions			8,742,579				
Mid-Year Credits			(1,166,905)				
Carryforward Supplemental			(380,000)				
First Quarter Supplemental			(420,000)				
Second Quarter Supplemental			(348,100)				
Fourth Quarter Supplemental			(175,000)				
Anticipated Underspend	0		2,825,000	0			
Future Reductions Needed					**41,800,000**	**46,000,000**	**50,700,000**
Total Expenditures	(917,035,245)	(893,551,300)	(885,207,626)	(917,962,154)	(922,927,279)	(956,141,568)	(990,405,334)
Technical Adjustments	11,199,247						
Ending Fund Balance	7,283,444	4,232,826	6,464,713	8,240,550	21,446,149	34,804,125	48,311,575
Reserves							
Reserves for Future Deficit Reduction				0			
Reserve for FS 39 Housing Services					(950,000)	(950,000)	(950,000)
Reserves Against Fund Balance	(268,526)	(1,681,036)	(869,094)	(8,212,670)	(20,444,804)	(33,819,651)	(47,341,494)
Reserves - Technical (Carryforward)	(4,771,654)						
Ending Unreserved Fund Balance	2,243,264	2,551,790	5,595,619	27,879	51,345	34,474	20,081

Fund Financial Plans

2012 Adopted Budget Financial Plan
Arts Account (Fund 00140)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**749**	**296**	**716**	**220**	**150**	**927**	**1,046**
Accounting Adjustments	0	0	0	0	0	0	0
Beginning Unreserved Fund Balance	749	296	716	220	150	927	1,046
Revenues							
Interest Earnings	9	10	10	12	15	20	20
Interest Increase / (Decrease)	(2)	0	0	0	0	0	0
Admissions Tax Allocation to OACA	3,761	4,176	4,176	4,967	4,527	3,977	4,500
ARRA Grant	145						
Total Revenues	3,914	4,186	4,186	4,979	4,542	3,997	4,520
Expenditures							
Administrative Services	(517)	(343)	(330)	(384)	(396)	(408)	(420)
Arts Account	0	0	0	0	0	0	0
Cultural Partnerships	(2,873)	(2,609)	(3,003)	(3,043)	(2,877)	(2,963)	(3,052)
Community Development and Outreach	(450)	(451)	(415)	(478)	(492)	(507)	(522)
Contract with DPR for Arts Programming	0	(1,020)	(934)	(1,144)	0	0	0
Q1 Suplemental/Carryforward	(108)						
Total Expenditures	(3,947)	(4,423)	(4,682)	(5,049)	(3,765)	(3,878)	(3,994)
Ending Fund Balance	716	59	220	150	927	1,046	1,571
Reserves							
Operating Reserve	0	0	0	(150)	(400)	(400)	(400)
Encumbrances	(409)	0	0	0	0	0	0
Total Reserves	(409)	0	0	(150)	(400)	(400)	(400)
Ending Unreserved Fund Balance	307	59	220	0	527	646	1,171

2012 Adopted Budget Financial Plan
Cable Television Franchise Subfund (00160)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected [3]	2014 Projected [3]	2015 Projected [3]
Beginning Fund Balance	**6,079**	**4,780**	**5,068**	**4,697**	**3,994**	**3,434**	**2,782**
Accounting & Technical Adjustments	(5)						
Beginning Unreserved Fund Balance	6,074	4,780	5,068	4,697	3,994	3,434	2,782
Revenues							
Franchise Fees [1]	6,902	6,987	7,313	7,423	7,608	7,798	7,993
Misc. Revenues/Rebates [5]				9			
Interest Earnings [2]	36	61	49	46	40	31	21
Total Revenues	6,938	7,048	7,362	7,478	7,648	7,830	8,015
Expenditures[3]							
Finance and Administration	(284)	(290)	(290)	(300)	(312)	(324)	(337)
Technology Leadership and Governance	(306)	(276)	(276)	(265)	(272)	(283)	(294)
Technology Infrastructure	(916)	(1,426)	(1,426)	(1,412)	(909)	(945)	(983)
Cable Funding -- Email					(560)	(582)	(605)
Office of Electronic Communication	(6,247)	(5,369)	(5,456)	(6,014)	(5,966)	(6,157)	(6,408)
Support to Library	(190)	(190)	(190)	(190)	(190)	(190)	(190)
Other Supplemental Ordinances			(95)				
Total Expenditures	(7,944)	(7,551)	(7,733)	(8,181)	(8,209)	(8,481)	(8,818)
Ending Fund Balance	5,068	4,276	4,697	3,994	3,434	2,782	1,979
Reserves							
Designation for Cable Programs	(2,995)	(2,318)	(2,311)	(1,614)	(1,082)	(544)	0
Cash Float & Revenue Projection Reserves [4]	(1,192)	(1,133)	(1,160)	(1,227)	(1,231)	(1,272)	(1,323)
Equipment Replacement for Capital Acquisitions	(600)	(600)	(600)	(600)	(600)	(600)	(600)
Total Reserves	(4,786)	(4,051)	(4,070)	(3,441)	(2,913)	(2,416)	(1,923)
Ending Unreserved Fund Balance	282	225	627	553	521	366	56

Assumptions:

[1] Cable Franchise Fees for Revised 2011 based on YTD Jan-Jun Actuals in 2011. For future years, the model assumes Franchise Fee revenue increases 1.5% in 2012 and 2.5% thereafter.

[2] Interest rate on cash revised down to 1.0% from the 1.5% used when building the 2011 adopted/2012 endorsed budget.

[3] Estimated Expenditures for 2013, 2014 and 2015 assume a 4% inflation rate. Exceptions to this are spending of "Designation for Cable Programs" (Comcast Grant Obligations, spending finite grant funding), annual $190K Library contributions, and Office of Electronic Communication's budgeted CIP spending

[4] Cash Float and Revenue Projections Reserve calculated as 15% of Expenditures.

[5] Represents Impact from 2012 GS-72-1-A-2.

Fund Financial Plans

2012 Adopted Budget Financial Plan
Cumulative Reserve Subfund - REET II (Fund 00161)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**13,794**	**10,577**	**10,246**	**11,840**	**9,308**	**14,408**	**21,333**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	13,794	10,577	10,246	11,840	9,308	14,408	21,333
Revenues							
Real Estate Excise Taxes	11,842	11,897	14,550	14,462	16,994	19,931	22,336
Total Revenues	11,842	11,897	14,550	14,462	16,994	19,931	22,336
Expenditures							
Direct CRS Spending	(8,707)	(5,819)	(5,819)	(5,600)	(4,071)	(4,072)	(4,072)
CIP Supported Projects	(6,682)	(7,138)	(7,138)	(11,069)	(7,822)	(8,934)	(8,307)
ADA Projects				(325)			
Total Expenditures	(15,389)	(12,957)	(12,957)	(16,994)	(11,893)	(13,006)	(12,379)
Ending Fund Balance	10,246	9,517	11,840	9,308	14,408	21,333	31,290
Reserves							
Continuing Appropriation	(7,857)	(8,487)	(7,916)	(7,846)	(7,846)	(7,846)	(7,846)
Reserve for American Disabilities Act					(1,925)	(2,000)	(4,000)
Reserve for Neighborhood (NSF)					(1,000)	(2,000)	(3,000)
Reserve for Asset Preservation (SCA)						(2,675)	(2,675)
Reserve for Major Maintenance					(1,600)	(1,800)	(8,750)
Fund Balance Target Reserve	(1,000)	(1,000)	(1,000)	(1,400)	(2,000)	(5,000)	(5,000)
Total Reserves	(8,857)	(9,487)	(8,916)	(9,246)	(14,371)	(21,321)	(31,271)
Ending Unreserved Fund Balance	1,389	30	2,924	62	38	12	19

2012 Adopted Budget Financial Plan
Cumulative Reserve Subfund - REET I (Fund 00163)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**29,729**	**28,015**	**21,186**	**21,405**	**19,666**	**20,928**	**31,437**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	29,729	28,015	21,186	21,405	19,666	20,928	31,437
Revenues							
Real Estate Excise Taxes	11,804	11,897	14,550	14,462	16,994	19,931	22,336
Total Revenues	11,804	11,897	14,550	14,462	16,994	19,931	22,336
Expenditures							
Direct CRS Spending	(3,247)	(3,912)	(3,912)	(2,031)	(874)	(874)	(874)
CIP Supported Projects	(17,099)	(10,463)	(10,419)	(12,496)	(14,857)	(8,548)	(8,561)
ADA Projects				(1,675)			
Total Expenditures	(20,346)	(14,375)	(14,331)	(16,202)	(15,731)	(9,422)	(9,435)
Ending Fund Balance	21,186	25,537	21,405	19,666	20,928	31,437	44,337
Reserves							
Continuing Appropriation	(17,320)	(24,538)	(17,317)	(17,317)	(17,317)	(17,317)	(17,317)
Reserve for American Disabilities Act Projects					(1,075)	(5,500)	(6,500)
Reserve for Asset Preservation /Major Maintenance						(3,500)	(15,500)
Fund Balance Target Reserve	(1,000)	(999)	(1,000)	(2,250)	(2,500)	(5,000)	(5,000)
Total Reserves	(18,320)	(25,537)	(18,317)	(19,567)	(20,892)	(31,317)	(44,317)
Ending Unreserved Fund Balance	2,866	(0)	3,088	99	36	120	20

Fund Financial Plans

2012 Adopted Budget Financial Plan
Cumulative Reserve Subfund - Unrestricted (Fund 00164)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**(1,240)**	**21,549**	**(4,933)**	**(3,912)**	**(2,581)**	**4,648**	**2,560**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	(1,240)	21,549	(4,933)	(3,912)	(2,581)	4,648	2,560
Revenues							
Grants/Levy/Donations/Other	6,389	4,321	4,244	4,431	4,617	3,182	3,024
Misc Revenues [1]	1,129	1,598	1,559	1,370	1,409	590	590
Property Sales	20,000		20,000		8,500		
General Fund Support				500	500	500	500
Total Revenues	27,517	5,919	25,803	6,301	15,025	4,272	4,114
Expenditures							
Direct CRS Spending	(1,135)	(1,187)	(1,187)	(1,148)	(1,100)	(74)	(74)
CIP Supported Projects	(10,075)	(3,595)	(3,595)	(3,822)	(4,196)	(3,787)	(3,632)
MOHAI Payment [2]	(20,000)	(11,500)	(11,500)		(2,500)	(2,500)	(3,500)
Support to General Fund		(8,500)	(8,500)				
Total Expenditures	(31,210)	(24,782)	(24,782)	(4,970)	(7,796)	(6,361)	(7,206)
Ending Fund Balance	(4,933)	2,686	(3,912)	(2,581)	4,648	2,560	(532)
Reserves							
Continuing Appropriation	(6,087)	(7,825)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)
Total Reserves	(6,087)	(7,825)	(6,087)	(6,087)	(6,087)	(6,087)	(6,087)
Ending Unreserved Fund Balance	(11,020)	(5,139)	(10,000)	(8,669)	(1,439)	(3,527)	(6,619)

Assumptions:

1) Includes Intersest Earnings, Street Vacations, Parking Fees

2) The CRS-Unrestricted Subaccount was used to facilitate the distribution of the proceeds from the sale of McCurdy Park facilities formerly occupied by the Museum of History and Industry (MOHAI). In accordance with the settlement agreement between the City of Seattle and MOHAI, the City received $20 million of sale proceeds in 2010 from the State and transferred this full amount to MOHAI. An additional $20 million of McCurdy Park facilities sale proceeds from the State was received in 2011. From this second $20 million payment, $11.5 million was transferred to MOHAI in 2011, with the remaining $8.5 million to be paid from the City to MOHAI in three annual installments between 2013 and 2015. The 2013 through 2015 payments are anticipated to be supported by land sale proceeds.

2012 Adopted Budget Financial Plan
Neighborhood Matching Subfund (Fund 00165)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**4,198**	**3,860**	**4,284**	**4,085**	**3,771**	**3,451**	**3,124**
Accounting Adjustments	0	0	0	0	0	0	0
Beginning Unreserved Fund Balance	4,198	3,860	4,284	4,085	3,771	3,451	3,124
Revenues							
Intergov. Transfer from Finance General	3,354	2,939	2,939	2,779	2,835	2,891	2,949
Mid Year Cut	(101)		(88)				
Total Revenues	3,253	2,939	2,851	2,779	2,835	2,891	2,949
Expenditures							
Large Project Fund	(1,116)	(1,182)	(1,031)	(1,198)	(1,221)	(1,246)	(1,271)
Community Granting Division	(866)	(744)	(716)	(710)	(724)	(738)	(753)
Small and Simple Fund	(1,105)	(1,308)	(1,288)	(1,171)	(1,194)	(1,218)	(1,243)
Small Sparks Fund	(58)	(15)	(15)	(15)	(15)	(16)	(16)
Tree Fund	(23)	0	0	0	0	0	0
Total Expenditures	(3,167)	(3,249)	(3,050)	(3,093)	(3,155)	(3,218)	(3,282)
Ending Fund Balance	4,284	3,550	4,085	3,771	3,451	3,124	2,791
Reserves							
Encumbrances	(1,551)	(1,628)	(1,628)	(1,628)	(1,628)	(1,628)	(1,628)
Other Reserves	(2,425)	(1,608)	(2,033)	(2,032)	(1,706)	(1,366)	(1,013)
Total Reserves	(3,976)	(3,236)	(3,661)	(3,660)	(3,334)	(2,994)	(2,641)
Ending Unreserved Fund Balance	309	314	424	111	117	130	150

Fund Financial Plans

2012 Adopted Budget Financial Plan
Cumulative Reserve Subfund - Revenue Stabalization (00166)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**21,724**	**10,469**	**10,469**	**11,219**	**13,169**	**17,169**	**21,169**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	21,724	10,469	10,469	11,219	13,169	17,169	21,169
Revenues							
General Fund Support	5,225	750	750	1,950	4,000	4,000	4,000
Total Revenues	5,225	750	750	1,950	4,000	4,000	4,000
Expenditures							
CY Actual / Budgeted Appropriations	(16,480)						
Total Expenditures	(16,480)	0	0	0	0	0	0
Ending Fund Balance	10,469	11,219	11,219	13,169	17,169	21,169	25,169
Reserves							
Continuing Appropriation							
Total Reserves	0	0	0	0	0	0	0
Ending Unreserved Fund Balance	10,469	11,219	11,219	13,169	17,169	21,169	25,169

2012 Adopted Budget Financial Plan
Cumulative Reserve Subfund - Asset Preservation Fund (00168)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**4,787**	**5,022**	**6,139**	**6,469**	**5,299**	**5,629**	**5,959**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	4,787	5,022	6,139	6,469	5,299	5,629	5,959
Revenues							
Misc Revenue	4,064	4,040	4,050	4,050	4,050	4,050	4,050
Total Revenues	4,064	4,040	4,050	4,050	4,050	4,050	4,050
Expenditures							
Actual/Budgeted Spending	(2,711)	(3,720)	(3,720)	(5,220)	(3,720)	(3,720)	(3,720)
Total Expenditures	(2,711)	(3,720)	(3,720)	(5,220)	(3,720)	(3,720)	(3,720)
Ending Fund Balance	6,139	5,342	6,469	5,299	5,629	5,959	6,289
Reserves							
Continuing Appropriation	(4,977)	(3,968)	(4,977)	(4,977)	(4,977)	(4,977)	(4,977)
Large Expense Project Reserve	(1,162)	(1,373)	(1,492)	(322)	(652)	(982)	(1,312)
Total Reserves	(6,139)	(5,342)	(6,469)	(5,299)	(5,629)	(5,959)	(6,289)
Ending Unreserved Fund Balance	0	0	0	0	0	0	0

Fund Financial Plans

2012 Adopted Budget Financial Plan
Cumulative Reserve Subfund - Street Vacation Fund (00169)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**1,332**	**712**	**86**	**955**	**747**	**1,765**	**1,965**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	1,332	712	86	955	747	1,765	1,965
Revenues							
Misc Revenue	643	1,048	1,169	980	1,019	200	200
Total Revenues	643	1,048	1,169	980	1,019	200	200
Expenditures							
Actual/Budgeted Spending	(1,888)	(300)	(300)	(1,189)			
Total Expenditures	(1,888)	(300)	(300)	(1,189)	0	0	0
Ending Fund Balance	86	1,460	955	747	1,765	1,965	2,165
Reserves							
Continuing Appropriation	(624)	(624)	(624)	(624)	(624)	(624)	(624)
Total Reserves	(624)	(624)	(624)	(624)	(624)	(624)	(624)
Ending Unreserved Fund Balance	(537)	836	331	123	1,142	1,342	1,542

2012 Adopted Budget Financial Plan
Emergency Fund - (Fund 00185)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**45,533**	**45,286**	**45,501**	**43,921**	**44,306**	**44,746**	**46,121**
Accounting & Technical Adjustments							
Beginning Unreserved Fund Balance	45,533	45,286	45,501	43,921	44,306	44,746	46,121
Revenue							
CY Actual/Budget Contributions				385	440	1,375	2,050
Total Revenues	0	0	0	385	440	1,375	2,050
Expenditures							
CY Actual / Budgeted Appropriations	(32)	(750)	(750)				
Supplementals			(595)				
2010 Carry Forward			(235)				
Total Expenditures	(32)	(750)	(1,580)	0	0	0	0
Ending Fund Balance	45,501	44,536	43,921	44,306	44,746	46,121	48,171
Reserves							
Continuing Appropriation	(235)						
Reserve for Asset Valuation Change							
Total Reserves	(235)	0	0	0	0	0	0
Ending Unreserved Fund Balance	45,266	44,536	43,921	44,306	44,746	46,121	48,171

Fund Financial Plans

2012 Adopted Budget Financial Plan
Parks and Recreation Operating Fund (10200)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	5,541	2,630	8,110	3,784	2,148	2,148	2,148
Carry Forward / Encumbrances	0	0	0	0	0	0	0
Beginning Unreserved Fund Balance	5,541	2,630	8,110	3,784	2,148	2,148	2,148
Revenues							
Golf	9,516	9,950	9,960	9,914	10,112	10,314	10,520
Aquarium	7,227	4,713	4,346	3,883	3,494	3,145	2,830
Seattle Conservation Corps	2,838	4,073	4,088	3,916	3,995	4,074	4,156
Charges for Services	11,892	13,189	13,189	13,452	13,721	13,996	14,276
General Government Support	82,575	80,057	78,129	81,464	84,583	86,275	88,000
Intergovernmental Support	54	0	0	0	0	0	0
Miscellaneous Revenue	1,199	563	563	503	513	524	534
Transfers from City Funds	8,149	7,942	7,958	8,188	8,352	8,519	8,690
Total Revenues	123,450	120,487	118,234	121,320	124,770	126,846	129,006
Expenditures							
Enterprise	0	0	0	0	0	0	0
Environmental Learning and Programs	(3,654)	(3,518)	(3,546)	(3,747)	(3,827)	(3,903)	(3,981)
Facility and Structure Maintenance	(12,498)	(12,958)	(13,207)	(13,617)	(13,906)	(14,184)	(14,468)
Finance and Administration	(6,985)	(8,833)	(8,760)	(7,885)	(8,053)	(8,214)	(8,379)
Golf	(8,422)	(9,017)	(9,028)	(9,418)	(9,609)	(9,802)	(9,998)
Golf Capital Reserve	(824)	(435)	(435)	0	0	0	0
Judgment and Claims	(1,642)	(1,143)	(1,143)	(1,143)	(1,166)	(1,190)	(1,213)
Natural Resources Management	(6,169)	(6,318)	(6,472)	(6,599)	(6,740)	(6,875)	(7,012)
Park Cleaning, Landscaping, and Restoration	(23,429)	(24,666)	(24,564)	(26,357)	(26,911)	(27,450)	(27,999)
Planning, Development, and Acquisition	(6,003)	(6,714)	(7,219)	(6,251)	(6,387)	(6,514)	(6,645)
Policy Direction and Leadership	(3,747)	(3,735)	(3,628)	(5,000)	(5,106)	(5,209)	(5,313)
Recreation Facilities and Programs	(22,333)	(21,828)	(21,772)	(21,042)	(21,178)	(21,601)	(22,034)
Seattle Aquarium	(7,849)	(4,713)	(4,346)	(3,876)	(3,494)	(3,145)	(2,830)
Seattle Conservation Corps	(3,264)	(4,073)	(4,088)	(3,913)	(3,995)	(4,074)	(4,156)
Swimming, Boating, and Aquatics	(7,699)	(7,288)	(7,291)	(7,521)	(7,678)	(7,832)	(7,988)
Woodland Park Zoo	(6,363)	(6,484)	(6,484)	(6,588)	(6,719)	(6,854)	(6,991)
Q1 Supplemental			(511)				
Q2 Supplemental			(25)				
Total Expenditures	(120,880)	(121,724)	(122,520)	(122,956)	(124,770)	(126,846)	(129,006)
Less Capital Improvements (Westbridge Debt)		(40)	(40)				
Ending Fund Balance	8,110	1,353	3,784	2,148	2,148	2,148	2,148
Reserves							
Westbridge debt service payments	(829)	(829)	(829)	(829)	(829)	(829)	(829)
Golf Capital Reserve transfer in 1Q	0	0		0	0	0	0
Excess Charter/GF removed in 1Q	0	0	0	0	0	0	0
Total Reserves	(829)	(829)	(829)	(829)	(829)	(829)	(829)
Ending Unreserved Fund Balance	7,281	523	2,955	1,319	1,319	1,319	1,319

2012 Adopted Budget Financial Plan
Transportation Master Fund Financial Plan (103XX)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	34,155,520	29,620,644	33,136,065	0	0	0	0
Accounting/Technical Adjustments	(1,009,657)						
Beginning Unreserved Fund Balance	33,145,863	29,620,644	33,136,065	0	0	0	0
Revenues							
Interest Earnings	161,692						
BTG EHT	603,910						
IF Employee Hrs Tax Penalty	190,767						
BTG CPT	24,172,892	22,387,240	23,547,965	24,607,623	25,346,000	26,106,380	26,889,571
BTG Levy	39,611,574	40,141,000	39,982,000	40,694,000	41,487,000	42,221,000	43,005,000
CPT 2.5%		4,941,424	5,886,991	6,151,906	6,336,463	6,526,557	6,722,354
Vehicle License Fee		4,506,994	4,650,000	6,800,000	6,868,000	6,937,000	7,006,370
GF	37,723,452	38,913,576	38,723,576	37,635,725	37,927,160	39,444,246	41,022,016
Gas Tax	12,995,266	13,691,088	12,691,088	12,964,909	12,964,909	12,964,909	12,964,909
CRS - REET II	8,537,878	4,232,950	4,232,950	4,071,000	2,700,000	2,700,000	2,700,000
CRS - Street Vacation		300,000	300,000	1,188,500			
CRS - Unrestricted - Proposition 2		0	0	1,074,150	1,025,625	504,500	256,250
Other Street Use & Curb Permit	5,010,412	6,938,241	5,047,386	5,352,435	5,566,532	5,789,194	6,020,761
Other Non-Business Licenses/PE	625,377	805,506	805,506	917,418	917,418	917,418	917,418
Interlocal Grants	213,332			1,425,046			
Private Reimbursements		650,000	650,000	5,750,000	375,000		
Other Protective Inspection	1,088,978	900,234	933,173	959,606	997,990	1,037,910	1,079,426
Street Maintenance & Repair	826,038	934,231	803,961	954,366	992,541	1,032,242	1,073,532
Other Charges - Transportation	45,794,651	42,912,915	41,230,389	62,754,266	61,938,060	37,709,745	12,047,550
Federal Grants	30,208,425	14,148,801	29,283,081	16,868,153	7,048,000		
State Grants	6,698,663	24,435,797	24,835,797	21,389,519	24,420,135	27,824,159	27,627,394
LTGO Bond Proceeds	41,729,089	61,686,000	61,686,000	30,977,891	24,701,351	14,977,000	10,000
Local Improvement District Bond Proceeds							30,400,000
Long-Term Intergovernmental Loan Proceeds		4,200,000	4,200,000	1,800,000			
IF Architect/Engineering Services				354,000	690,338		
IF Other Charges - Transportation	12,512,965	13,411,892	9,039,315	6,602,429	6,857,758	7,132,068	7,417,351
IF Capital Contributions & Grants		1,364,550	1,364,550	2,000,000	12,500,000	10,400,000	
Seattle City Light Fund		800,000	800,000	2,207,000	3,531,000	1,000,000	1,000,000
Seawall Levy						81,800,000	91,200,000
To Be Determined: Capital					7,622,000	32,234,000	20,927,000
Other - Voter Approved Levies, etc.	962,007		150,000				
Loan from CPT Fund Balance	660,372						
Emergency Subfund			495,000				
Rubble Yard Property Proceeds			19,800,000				
Finance General: Rubble Yard Reserve					5,860,000	2,240,000	
Surplus Property Sales[2]					27,900,000	8,645,000	

(Continued on next page)

Notes:

1. Expenditures in the Department Management BCL in 2012 include an $8.1 million appropriation which is necessary to transfer Rubble Yard proceeds to Finance General, per Council's direction.

2. This plan assumes that certain specified property will be sold to repay the South Lake Union Streetcar Interfund capital loan in 2014, as authorized by Ordinances 122603 and 123748.

3. This plan reflects the proposal to use Rubble Yard proceeds to cover core services in 2013 and 2014. Beginning in 2015, this gap will need to be addressed either with new revenues, expenditure reductions, or a combination of the two.

Fund Financial Plans

2012 Adopted Budget Financial Plan
Transportation Master Fund Financial Plan (103XX)

(Cont'd.)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Total Revenues	270,327,740	302,302,439	331,138,728	295,499,942	326,573,281	370,143,328	340,286,903
Expenditures							
Bridges & Structures	(7,225,450)	(7,525,676)	(7,486,601)	(7,721,299)	(8,036,754)	(8,358,224)	(8,692,553)
Department Management[1]	1,321,511	(712,185)	(462,824)	(10,568,516)	(2,607,266)	(2,711,557)	(2,820,019)
Engineering Services	(2,320,942)	(1,891,726)	(1,861,726)	(1,624,523)	(1,690,946)	(1,758,584)	(1,828,928)
General Expense	(17,753,178)	(22,787,184)	(22,787,184)	(30,286,344)	(32,928,137)	(36,809,343)	(33,956,155)
Major Maintenance/Replacement (CIP)	(55,209,214)	(52,572,000)	(69,087,742)	(41,529,999)	(52,802,049)	(50,869,000)	(36,874,586)
Major Projects (CIP)	(78,393,237)	(105,133,979)	(105,159,455)	(99,351,944)	(136,293,318)	(157,951,273)	(164,781,239)
Mobility-Capital (CIP)	(42,967,917)	(32,634,416)	(44,835,722)	(46,482,389)	(16,478,476)	(21,259,950)	(19,744,875)
Mobility-Operations	(30,601,215)	(36,842,898)	(36,734,042)	(35,139,563)	(35,843,101)	(37,276,825)	(38,767,898)
ROW Management	(9,881,611)	(12,134,526)	(10,782,125)	(11,524,423)	(11,996,864)	(12,476,738)	(12,975,808)
Street Maintenance	(23,017,719)	(30,059,962)	(24,349,577)	(22,019,373)	(23,432,139)	(24,369,425)	(25,344,202)
Urban Forestry	(4,288,564)	(4,103,255)	(4,403,255)	(4,402,628)	(4,582,652)	(4,765,958)	(4,956,596)
Total Expenditures	(270,337,536)	(306,397,810)	(327,950,254)	(310,651,001)	(326,691,703)	(358,606,878)	(350,742,859)
TBD Revenue or Expenditure Reductions3							2,359,550
Ending Fund Balance	33,136,067	25,525,273	36,324,539	21,173,480	21,055,058	32,591,509	24,495,103
Reserves							
Rubble Yard Reserve			(16,800,000)	(2,057,420)			
Continuing Appropriations	(32,446,057)	(30,000,000)	(22,929,902)	(23,000,000)	(23,000,000)	(23,000,000)	(23,000,000)
Total Reserves	(32,446,057)	(30,000,000)	(39,729,902)	(25,057,420)	(23,000,000)	(23,000,000)	(23,000,000)
Ending Unreserved Fund Balance	690,008	(4,474,727)	(3,405,363)	(3,883,940)	(1,944,942)	9,591,509	1,495,103

Notes:

1. Expenditures in the Department Management BCL in 2012 include an $8.1 million appropriation which is necessary to transfer Rubble Yard proceeds to Finance General, per Council's direction.

2. This plan assumes that certain specified property will be sold to repay the South Lake Union Streetcar Interfund capital loan in 2014, as authorized by Ordinances 122603 and 123748.

3. This plan reflects the proposal to use Rubble Yard proceeds to cover core services in 2013 and 2014. Beginning in 2015, this gap will need to be addressed either with new revenues, expenditure reductions, or a combination of the two.

2012 Adopted Budget Financial Plan
The Seattle Public Library (10410)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	623	334	926	473	473	473	473
Accounting Adjustments	(7)						
Beginning Unreserved Fund Balance	616	334	926	473	473	473	473
Revenues							
Copy Services	51	75	63	60	60	60	60
Pay for Print	148	159	146	159	159	159	159
Fines/Fees	1,299	1,674	1,498	1,564	1,564	1,564	1,564
Parking - Central Library	275	300	297	300	300	300	300
Space Rental		400	150	150	150	150	150
Concessions Proceeds	4	3	3	3	3	3	3
Salvage Sales/Materials	62	50	50	50	50	50	50
Misc Revenue	5	3	5	3	3	3	3
Cable Franchise Fees	190	190	190	190	190	190	190
General Subfund Support	48,032	47,299	47,149	49,325	51,298	53,350	55,483
Total Revenues	50,067	50,153	49,550	51,804	53,777	55,829	57,962
Expenditures							
Administrative Services	(8,446)	(9,072)	(9,072)	(9,376)	(9,477)	(9,856)	(10,250)
City Librarian's Office	(1,232)	(986)	(986)	(1,030)	(982)	(1,021)	(1,062)
Human Resource	(1,115)	(1,018)	(1,018)	(1,038)	(1,056)	(1,098)	(1,142)
Public Services		0	0				
Technology and Collection Services		0	0				
Library Services Division	(36,106)	(35,857)	(35,707)	(37,118)	(39,018)	(40,578)	(42,202)
Information Technology	(2,858)	(3,221)	(3,221)	(3,242)	(3,344)	(3,478)	(3,617)
Extension of Closure Week/Staff Furlough or replacement with an Equivalent Reduction					(638)	(664)	(690)
Information Technology Infrastructure					(400)	(416)	(433)
Potential Increased Facilities Maintenance					(688)	(716)	(744)
Balancing Reduction (for unfunded inflation)					99	202	310
Balancing Reduction (for potential items)					1,726	1,795	1,867
Total Expenditures	(49,757)	(50,153)	(50,003)	(51,804)	(53,777)	(55,828)	(57,962)
Ending Fund Balance	926	334	473	473	473	473	473
Reserves							
Encumbrances							
Known Liability	(372)		(372)	(372)	(372)	(372)	(372)
Total Reserves	(372)	0	(372)	(372)	(372)	(372)	(372)
Ending Unreserved Fund Balance	554	334	101	101	101	101	101

Notes:

1. The Library has not decided to continue a week furlough beyond 2012. If the funding for the furlough is not restored in 2013, the Library may be required to implement a replacement $650,000 reduction in order to achieve the target savings.

2. The Balancing Reduction includes increments necessary to cover "Unfunded Inflation." The non-General fund revenue lines are not expected to increase from year to year, creating a gap with expenditures that are growing by 4% annually. The amounts are $99k in 2013, $202k in 2014, and $310k in 2015.

Fund Financial Plans

2012 Adopted Budget Financial Plan
Seattle Streetcar Fund (Fund 10810)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	(3,241,592)	(3,023,967)	(3,465,169)	(3,510,533)	(3,646,034)	(3,649,222)	(3,645,893)
Accounting & Technical Adjustments	(308)						
Beginning Unreserved Fund Balance	(3,241,900)	(3,023,967)	(3,465,169)	(3,510,533)	(3,646,034)	(3,649,222)	(3,645,893)
Revenues							
Sponsorship Revenues	196,775	450,000	315,000	300,000	330,000	346,500	356,895
Farebox Recovery	86,304	0	90,619	95,150	98,004	100,945	103,973
FTA Funds	131,040	190,000	285,630	390,000	195,700	201,571	207,618
TBD Revenues					55,000	100,000	35,000
Total Revenues	414,119	640,000	691,249	785,150	678,704	749,016	703,486
Expenditures							
Streetcar Operations and Maintenance	(637,388)	(611,716)	(685,656)	(878,273)	(627,998)	(690,640)	(649,791)
Total Expenditures	(637,388)	(611,716)	(685,656)	(878,273)	(627,998)	(690,640)	(649,791)
Pre-Adjustments Fund Balance	**(3,465,169)**	**(2,995,683)**	**(3,459,576)**	**(3,603,656)**	**(3,595,328)**	**(3,590,846)**	**(3,592,198)**
Interest Expense	0	(46,983)	(50,957)	(52,378)	(53,894)	(55,047)	(56,045)
Anticipated Underspend				10,000			
Ending Fund Balance	**(3,465,169)**	**(3,042,666)**	**(3,510,533)**	**(3,646,034)**	**(3,649,222)**	**(3,645,893)**	**(3,648,243)**

Notes:

Interest Expense for 2010 was included in 2010 Actual Expenditures total of $637,388, which is why the Interest Expense for 2010 shows as $0.

Through an interfund loan from the City's Cash Pool, the Seattle Streetcar Fund is authorized by Ordinance 123102 to carry a negative balance of $3.65 million.

2012 Adopted Budget Financial Plan
Seattle Center Fund (11410)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	1,208	1,208	1,874	1,874	1,898	1,923	1,949
Accounting Adjustments	(22)	0	0	0	0	0	0
Beginning Unreserved Fund Balance	1,186	1,208	1,874	1,874	1,898	1,923	1,949
Revenues							
Access (Monorail and Parking)	4,393	4,842	4,842	5,052	5,254	5,464	5,683
Administration	1,564	1,629	1,629	1,657	1,723	1,792	1,864
Campus Grounds (Rent & Leases)	1,796	2,122	2,122	2,109	2,193	2,281	2,372
Campus Commercial Events	1,100	1,275	1,275	1,302	1,354	1,408	1,465
Community Programs	73	410	410	411	427	445	462
Cultural Facilities (Rent & Leases)	1,335	1,349	1,349	1,265	1,316	1,368	1,423
Debt	137	139	139	136	141	147	153
Festivals	633	519	519	528	549	571	594
General Subfund Support	11,686	11,699	11,435	11,337	11,790	12,262	12,753
Judgment & Claims	608	932	932	932	969	1,008	1,048
KeyArena	7,067	5,265	5,265	5,807	6,039	6,281	6,532
McCaw Hall	3,766	3,797	3,797	3,950	4,108	4,272	4,443
Total Revenues	34,158	33,978	33,714	34,486	35,865	37,300	38,792
Expenditures							
Access (Monorail and Parking)	(1,057)	(1,103)	(1,103)	(1,135)	(1,181)	(1,228)	(1,277)
Administration	(6,894)	(6,963)	(6,878)	(6,921)	(7,198)	(7,486)	(7,785)
Campus Grounds	(11,763)	(11,543)	(11,414)	(11,560)	(12,023)	(12,503)	(13,004)
Campus Commercial Events	(700)	(923)	(913)	(942)	(980)	(1,019)	(1,060)
Community Programs	(2,090)	(1,979)	(1,979)	(2,037)	(2,119)	(2,204)	(2,292)
Cultural Facilities	(242)	(148)	(148)	(213)	(221)	(230)	(239)
Debt	(137)	(139)	(139)	(136)	(141)	(147)	(153)
Festivals	(750)	(823)	(823)	(715)	(744)	(774)	(805)
Judgment & Claims	(608)	(932)	(932)	(932)	(969)	(1,008)	(1,048)
KeyArena	(5,594)	(5,490)	(5,450)	(5,801)	(6,033)	(6,274)	(6,525)
McCaw Hall	(3,635)	(3,936)	(3,936)	(4,069)	(4,232)	(4,401)	(4,577)
Total Expenditures	(33,470)	(33,978)	(33,714)	(34,462)	(35,841)	(37,274)	(38,765)
Ending Fund Balance	1,874	1,208	1,874	1,898	1,923	1,949	1,975
Reserves							
McCaw Hall Reserves	(987)	(843)	(1,037)	(1,087)	(1,087)	(1,087)	(1,087)
Inventories	(259)	(272)	(259)	(259)	(259)	(259)	(259)
Capital Improvement		0	0	0	0	0	0
Total Reserves	(1,246)	(1,115)	(1,296)	(1,346)	(1,346)	(1,346)	(1,346)
Ending Unreserved Fund Balance	628	92	578	552	577	603	629
Cash Adjustments							
Leases in Arrears [1]	(1,000)	0	(1,300)	(1,300)	0	0	0
Total Cash Adjustments	(1,000)	0	(1,300)	(1,300)	0	0	0

Assumptions

[1] Through actively working to both increase revenues, and to manage expenditures in 2012, Seattle Center seeks to increase fund balance in order to move the fund out of a negative cash position, which exists due to several non-profit tenants having leases in arrears.

Fund Financial Plans

2012 Proposed Budget Financial Plan
Planning and Development Fund (15700)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**13,030**	**5,737**	**3,900**	**3,870**	**4,522**	**5,756**	**7,064**
Accounting Adjustments	(2,312)						
Beginning Unreserved Fund Balance	10,717	5,737	3,900	3,870	4,522	5,756	7,064
Revenues							
Boiler	1,081	1,211	1,272	1,285	1,134	1,145	1,215
Building Development	15,314	16,945	18,708	18,716	20,322	22,031	23,757
Contingent Revenues - Unaccessed	0	6,199	0	6,620	6,620	6,620	6,620
Cum. Reserve Subfund-REET I - TRAO	61	150	150	155	159	164	169
Cum. Reserve Subfund-Unrestricted - Design Commission	278	370	300	303	312	321	331
Cum. Reserve Subfund-Unrestricted - TRAO	37	74	62	76	79	81	83
Electrical	3,606	4,464	4,370	4,694	5,067	5,117	5,428
Elevator	2,484	2,589	2,741	2,769	2,897	2,926	3,104
General Fund	9,728	9,120	8,905	9,196	9,472	9,756	10,048
Grants/MOAs - All Else	442	281	521	412	282	288	300
Grants/MOAs - Green Building Team - SPU & SCL	541	588	619	0	0	0	0
Grants/MOAs - SPU MOA for Side Sewer & Drainage	1,070	1,350	1,126	1,137	1,171	1,207	1,243
Interest	88	100	51	50	50	50	50
Land Use	3,724	3,664	3,416	3,656	4,218	4,261	4,307
Other	1,378	1,181	1,284	1,300	1,341	1,355	1,437
Site Review	1,176	1,260	1,363	1,377	1,497	1,512	1,604
Total Revenues	41,007	49,547	44,889	51,745	54,621	56,834	59,694
Expenditures							
Annual Certification and Inspection	(3,783)	(3,968)	(3,938)	(3,980)	(4,099)	(4,222)	(4,349)
Code Compliance	(4,660)	(4,622)	(4,518)	(4,796)	(4,940)	(5,089)	(5,241)
Construction Inspections	(12,075)	(13,308)	(11,326)	(13,750)	(14,163)	(14,588)	(15,025)
Construction Permit Services	(14,633)	(17,151)	(12,918)	(17,544)	(18,071)	(18,613)	(19,171)
Department Leadership	0	0	0	0	0	0	0
Land Use Services	(4,452)	(3,728)	(4,554)	(4,258)	(4,386)	(4,517)	(4,653)
Planning	(7,264)	(6,724)	(7,005)	(5,464)	(5,628)	(5,797)	(5,971)
Process Improvements and Technology	(957)	(776)	(660)	(1,300)	(2,100)	(2,700)	(2,000)
Total Expenditures	(47,825)	(50,277)	(44,919)	(51,093)	(53,387)	(55,526)	(56,411)
Ending Fund Balance	3,900	5,007	3,870	4,522	5,756	7,064	10,347
Reserves							
Core Staffing	(1,194)	(868)	(1,099)	(754)	(1,757)	(3,762)	(6,972)
Process Improvements and Technology	(81)	16	(35)	(30)	(29)	(55)	(60)
Total Reserves	(1,276)	(852)	(1,134)	(784)	(1,786)	(3,818)	(7,032)
Ending Unreserved Fund Balance	2,624	4,154	2,736	3,738	3,970	3,246	3,316

2012 Adopted Budget Financial Plan
Human Services Opearting Fund Financial Plan (16200)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	6,698	5,169	6,438	4,274	2,815	1,327	44
Accounting Adjustments							
Beginning Unreserved Fund Balance	6,698	5,169	6,438	4,274	2,815	1,327	44
Revenues							
ARRA Grants	2,479	2,415	2,470	77	-	-	-
Contributions / Private Sources	209	169	169	92	-	-	-
Federal Grants	42,611	62,344	62,974	35,915	36,813	37,733	38,677
Fines & Penalties	51	25	50	25	50	50	50
General Fund	52,274	51,963	51,935	54,352	56,526	58,787	61,139
Housing Levy	-	-	-	850	850	850	850
Interlocal Grants	652	1,063	1,363	580	603	627	652
Investment Earnings	65	62	65	80	80	80	80
State Grants	15,147	15,887	14,597	15,276	15,887	16,523	17,183
Utility Funds	1,337	1,385	1,385	1,341	1,394	1,450	1,508
Total Revenues	114,824	135,357	135,007	108,588	112,204	116,100	120,139
Expenditures							
Self-Sufficiency	(1,976)	(1,810)	(1,810)				
Domestic and Sexual Violence Prevention	(4,646)	(4,583)	(4,670)				
Early Learning and Family Support	(13,947)	(13,673)	(13,196)				
Community Facilities	(639)	(591)	(591)				
Youth Development and Achievement	(10,438)	(10,477)	(10,598)				
Aging and Disability Services - AAA	(39,093)	(58,474)	(58,318)	(32,777)	(33,637)	(34,520)	(35,427)
Community Support and Self-Sufficiency	-	-	-	(11,850)	(12,286)	(12,738)	(13,207)
Leadership and Administration	(7,465)	(7,739)	(7,739)	(7,285)	(7,534)	(7,792)	(8,060)
Public Health Services	(11,149)	(11,142)	(11,142)	(11,870)	(12,422)	(12,919)	(13,436)
Transitional Living and Support	(25,731)	(28,430)	(29,105)	(28,820)	(29,769)	(30,750)	(31,766)
Youth and Family Empowerment	-	-	-	(17,445)	(18,043)	(18,663)	(19,306)
Total Expenditures	(115,085)	(136,920)	(137,170)	(110,047)	(113,692)	(117,383)	(121,201)
Ending Fund Balance	**6,438**	**3,606**	**4,274**	**2,815**	**1,327**	**44**	**(1,018)**
Reserves							
Continuing Appropriations (Non-Grant Funded)	(256)	-	(84)	(84)	(84)	(84)	(84)
Mandatory Reserve for Child Care Bonus Funds	(2,407)	(1,725)	(1,907)	(1,407)	-	-	-
Other Mandatory Restrictions	(2,443)	(1,663)	(1,599)	(1,066)	(1,066)	(1,066)	(1,066)
Reserve for Cash Flow and Benefits/Paid Leave	(200)	(200)	(200)	(200)	(200)	(200)	(200)
Total Reserves	(5,306)	(3,588)	(3,790)	(2,757)	(1,350)	(1,350)	(1,350)
Ending Unreserved Fund Balance	**1,132**	**18**	**484**	**58**	**(23)**	**(1,306)**	**(2,368)**

Note:

Figures beyond the 2012 adopted budget are merely projections and future adjustments will be required in order to balance.

Fund Financial Plans

2012 Adopted Budget Financial Plan
Families & Education Levy Financial Plan (17856)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected[4]	2014 Projected[4]	2015 Projected[4]
Beginning Fund Balance	**16,591**	**12,442**	**15,166**	**13,730**	**2,417**	**0**	**0**
Accounting Adjustments	(18)						
Beginning Unreserved Fund Balance	16,573	12,442	15,166	13,730	2,417	0	0
Revenues							
Property Tax	16,575	16,620	16,620	349			
Investment Earnings	186	247	247	269			
Unrealized Gains/losses of Investments	(48)						
Medicaid Match Grant Rev	170						
Supplemental Revenue-Medicaid Match			250				
Total Revenues	16,883	16,867	17,117	618	0	0	0
Expenditures							
Early Learning	(4,252)	(4,209)	(4,210)	(2,518)	(783)		
Family Support & Involvement	(3,018)	(3,083)	(2,667)	(2,096)	(49)		
Support for High Risk Youth	(1,296)	(1,327)	(1,468)	(902)	(560)		
Out of School Time	(2,975)	(2,963)	(2,963)	(1,991)	(498)		
Student Health	(4,022)	(4,083)	(4,499)	(2,776)	(300)		
Crossing Guards	(264)		(149)				
Administration & Evaluation	(852)	(747)	(780)	(506)	(83)		
Middle School Support	(1,484)	(1,420)	(1,512)	(991)	(34)		
Academic Improvement	(126)	(55)	(55)	(150)	(110)		
Revenue Backed Contracts-Medicaid Match Grant							
Q1 Supplemental-Medicaid Match			(250)				
Total Expenditures	(18,290)	(17,887)	(18,552)	(11,931)	(2,417)	0	0
Ending Fund Balance	15,166	11,421	13,730	2,417	0	0	0
Reserves							
Encumbrances[1]	(415)	(415)	(415)				
Continuing Projects[2]	(2,440)	(2,440)	(2,025)				
Reserve for out-year project spending[3]	(12,311)	(8,566)	(11,290)	(2,417)			
Total Reserves	(15,166)	(11,421)	(13,730)	(2,417)	0	0	0
Ending Unreserved Fund Balance	0	0	0	0	0	0	0

Notes:

[1] Represents unspent balances on school-year contracts. The 2011 amount represents OFE's best estimate of future encumbrance balances based on prior year information.

[2] Funding allocated to projects that are not yet encumbered.

[3] The 2004 Levy funding plan assumed excess revenue to be earned in the first year that would fund projects in the later years of the Levy.

[4] Represents OFE's best estimate for Levy expenditures beyond 2012, the Levy's last year; however final expenditures from Fund 17856 may occur beyond 2013.

2012 Adopted Budget Financial Plan
Families & Education Levy Financial Plan (17857)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance					24,383	32,571	36,878
Accounting Adjustments							
Beginning Unreserved Fund Balance	0	0	0	0	24,383	32,571	36,878
Revenues							
Property Tax				31,659	32,195	32,565	32,917
Investment Earnings				264	573	682	908
Unrealized Gains/losses of Investments							
Medicaid Match Grant Rev							
Supplemental Revenue							
Total Revenues	0	0	0	31,923	32,769	33,248	33,825
Expenditures							
Early Learning				(1,706)	(5,765)	(7,249)	(8,178)
Elementary				(1,394)	(4,610)	(5,759)	(6,965)
Middle Schools				(1,421)	(4,695)	(5,657)	(6,214)
High Schools				(831)	(2,547)	(2,605)	(2,719)
Health				(1,711)	(5,509)	(6,187)	(6,336)
Administration				(409)	(1,254)	(1,283)	(1,314)
Evaluation				(67)	(200)	(200)	(200)
Total Expenditures	0	0	0	(7,540)	(24,581)	(28,941)	(31,926)
Ending Fund Balance	**0**	**0**	**0**	24,383	32,571	36,878	38,777
Reserves							
Encumbrances							
Reserve for out-year project spending[1]				(24,383)	(32,571)	(36,878)	(38,777)
Total Reserves	0	0	0	(24,383)	(32,571)	(36,878)	(38,777)
Ending Unreserved Fund Balance	0	0	0	0	(0)	(0)	(0)

Notes:

[1]The 2011 Levy funding plan assumed excess revenue to be earned in the first year that will fund projects in the later years of the Levy.

Fund Financial Plans

2012 Adopted Budget Financial Plan
Fire Facilities Levy (Fund 34440)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	**31,245**	**22,150**	**24,442**	**32,083**	**6,891**	**2,764**	**2,764**
Accounting & Technical Adjustments	(25)						
Beginning Unreserved Fund Balance	31,220	22,150	24,442	32,083	6,891	2,764	2,764
Revenue							
Real & Personal Property Tax [1]	11,782	11,750	11,750	7,659	209		
Interest Earnings	270	176	176	115	3		
Unrealized Gains/Losses-Inv GASB31	(85)						
Parking Revenues and Reimbursement for Federal Capital Contribution/Grant-Direct			2,891		3,233		
Property Sales (anticipated)		400		1,000	1,018		
Total Revenues	11,967	12,326	14,817	8,774	4,463	0	0
Expenditures							
Neighborhood Stations	(18,683)	(5,300)	(5,017)	(28,101)	(7,874)		
Support Facilities	(17)						
Emergency Preparedness							
Marine Program	(44)	(1,873)	(2,158)	(5,865)	(716)		
Total Expenditures	(18,744)	(7,173)	(7,176)	(33,966)	(8,590)	0	0
Ending Fund Balance	24,442	27,302	32,083	6,891	2,764	2,764	2,764
Reserves							
Continuing Appropriation	(31,383)	(30,084)	(30,569)	(5,835)			
Anticipated Future Appropriation					(2,764)	(2,764)	(2,764)
Total Reserves	(31,383)	(30,084)	(30,569)	(5,835)	(2,764)	(2,764)	(2,764)
Ending Unreserved Fund Balance [2]	(6,941)	(2,782)	1,514	1,056	0	0	0

Notes:

[1] Revenues from the levy end in 2012.

[2] Ending Unreserved Fund Balance is negative as the Continuing Appropriation reserve includes up front budget authority for designated projects in future years.

2012 Adopted Budget Financial Plan
Seattle City Light (Fund 41000)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Cash Balance	**64,334,520**	**183,548,957**	**197,132,840**	**303,937,379**	**257,437,954**	**282,313,428**	**252,580,422**
Carry Forward / Encumbrances/Adjustments							
Revised Beginning Cash Balance	64,334,520	183,548,957	197,132,840	303,937,379	257,437,954	282,313,428	252,580,422
Revenues							
Retail Power Sales before Discounts	608,597,351	651,528,445	664,498,659	678,946,306	734,321,025	784,222,625	816,804,858
Revenue from RSA Surcharge	18,348,507	0	0	0	0	0	0
Wholesale Power, Net	54,151,397	96,823,607	110,552,086	60,470,941	104,253,869	101,040,761	99,096,699
Power Contracts	19,829,036	21,206,939	17,056,214	15,961,597	16,547,786	17,020,398	16,056,549
Power Marketing, Net	14,085,877	15,608,356	16,098,671	7,952,887	8,430,427	8,946,886	7,319,457
Other Outside Sources	31,379,069	30,139,990	31,306,752	34,511,897	30,380,957	31,167,967	32,236,978
Interest on Cash Accounts	3,846,132	4,514,248	5,187,343	5,377,885	6,721,373	8,188,127	10,278,225
Cash from (to) Rate Stabilization Account	(54,265,627)	(22,033,254)	(59,734,397)	41,619,061	48,053	(872,339)	(2,655,968)
Cash from Contributions	21,284,913	31,607,783	15,917,127	30,387,741	26,520,562	23,395,295	23,546,403
Cash from Bond Proceeds	175,847,865	188,296,538	153,725,502	212,761,537	235,529,652	217,765,195	162,982,681
Total Revenues	893,104,521	1,017,692,652	954,607,957	1,087,989,852	1,162,753,704	1,190,874,916	1,165,665,882
Expenditures							
Power Contracts	(268,865,453)	(272,929,250)	(257,391,495)	(266,098,516)	(295,328,398)	(307,695,370)	(317,231,130)
Production	(28,308,908)	(34,916,425)	(33,505,738)	(35,792,484)	(36,577,193)	(37,699,132)	(38,903,772)
Transmission	(7,616,076)	(9,467,918)	(8,771,647)	(9,658,979)	(9,873,939)	(10,095,015)	(10,322,566)
Distribution	(54,630,469)	(67,199,039)	(63,995,617)	(67,973,687)	(66,596,860)	(68,080,486)	(69,688,151)
Conservation	(3,215,344)	(11,031,407)	(7,183,713)	(11,572,455)	(8,247,906)	(8,455,982)	(8,646,602)
Customer Accounting	(28,106,370)	(29,999,327)	(30,034,299)	(30,600,515)	(31,239,418)	(31,935,684)	(32,689,337)
Administration	(47,557,606)	(70,222,686)	(66,166,037)	(64,926,425)	(79,789,443)	(75,591,315)	(72,422,485)
Rate Discounts	(6,410,293)	(6,826,147)	(6,948,869)	(7,011,266)	(7,604,547)	(8,078,656)	(8,403,816)
Uncollectable Accounts	(8,030,451)	(5,847,876)	(6,331,471)	(6,097,521)	(6,591,338)	(7,037,067)	(7,330,867)
Taxes and Franchise Payments	(70,380,947)	(73,622,669)	(74,900,059)	(78,044,094)	(85,107,550)	(90,315,545)	(92,694,819)
Debt Service	(118,371,944)	(142,658,754)	(142,079,534)	(172,814,672)	(177,824,443)	(196,653,223)	(206,317,621)
Capital Expenditures	(218,609,847)	(290,700,410)	(290,286,533)	(319,830,845)	(334,096,086)	(323,566,741)	(278,230,574)
Technical and Accounting Adjustments	99,797,507	40,205,971	139,791,595	(64,067,817)	998,892	(55,403,707)	7,243,794
Total Expenditures	(760,306,201)	(975,215,936)	(847,803,418)	(1,134,489,277)	(1,137,878,229)	(1,220,607,922)	(1,135,637,946)
Ending Cash Balance	197,132,840	226,025,673	303,937,379	257,437,954	282,313,428	252,580,422	282,608,358
Reserves							
Construction Account	(56,981,424)	0	(13,807,551)	0	(75,449,168)	(29,503,733)	(28,075,472)
Other Restricted Accounts	(3,954,122)	(13,966,061)	(15,822,821)	(28,026,748)	(48,811,767)	(72,538,765)	(98,276,780)
Operating Contingency Reserve	0	0	0	0	0	0	0
Rate Stabilization Account	(79,265,627)	(101,102,938)	(139,000,024)	(97,380,963)	(97,332,910)	(98,205,249)	(100,861,217)
Total Reserves	(140,201,173)	(115,068,999)	(168,630,396)	(125,407,711)	(221,593,846)	(200,247,747)	(227,213,469)
Unreserved Ending Cash Balance	56,931,666	110,956,674	135,306,982	132,030,242	60,719,582	52,332,674	55,394,889

NOTES:

The Financial Plan represents the forecasted cash flows used in the utility's Financial Planning Model (FPM) as of 8/12/11, which was used to develop the 2012 Proposed Budget. The FPM is used to evaluate City Light rate impacts, potential bond offerings, and the financial performance of the utility. The FPM is updated weekly and is expected to deviate from this Financial Plan over time.

The Financial Plan has been revised to reflect Council's budget action on the 2012 Adopted Budget. Council directed additional surplus funds into the RSA at the end of 2011 which is projected to bring the RSA to $139 million and eliminate the need for an RSA Surcharge. The Financial Plan has been revised to show an increased drawdown of the RSA, no anticipated revenue from the RSA Surcharge, and reduced balances in the Light Fund.

The Financial Plan differs from the revenue and expenses shown in the 2011 Adopted and 2012 Adopted Budget in several ways, including:

a) The Financial Plan shows Wholesale Revenue and Power Marketing Revenue as net of expenses, while the budget reflects the gross revenues and expenses of these functions.

b) The Financial Plan shows retail revenue as gross revenue, while the budget's Revenue Table shows retail revenue net of rate discounts to low-income customers.

c) The Financial Plan explicitly shows bond proceeds as a source of funds, while bond proceeds are embedded within the transfer line of the budget's Revenue Table.

(Continued on next page)

Fund Financial Plans

2012 Adopted Budget Financial Plan
Seattle City Light (Fund 41000)

(Cont'd.)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Unreserved Ending Cash Balance	**56,931,666**	**110,956,674**	**135,306,982**	**132,030,242**	**60,719,582**	**52,332,674**	**55,394,889**

NOTES:

d) The Financial Plan shows revenue from the Rate Stabilization Account (RSA) surcharge and transfer from/to the RSA, while the budget's Revenue Table shows revenues from the RSA surcharge only.

e) The Financial Plan projects 2012 net wholesale revenue based on the 8/12/11 FPM forecast, which is $41.6 million lower than the RSA target amount of net wholesale revenue. The Fund Table and Revenue Table in the 2012 Adopted Budget use the RSA target amount for net wholesale revenue and assume that there will be no drawdown of the RSA in 2012.

Financial Performance	2010 Actuals	2011 Adopted	2011 Revised	2012 Proposed	2013 Projected	2014 Projected	2015 Projected
Average System Rate before Discounts ($/MWh)	$64.70	$69.17	$68.88	$70.49	$75.88	$80.47	$83.23
Rate Change from Prior Year (Systemwide)	13.8%	4.3%	4.3%	3.2%	7.6%	6.0%	3.4%
Retail Market Information							
Average Residential Monthly Bill (before discounts)	$51.71	$53.81	$53.50	$54.97	$60.28	$63.52	$65.02
Percentage Change	17.5%	1.9%	3.5%	2.8%	9.7%	5.4%	2.4%
Cash Financing of CIP							
In-Year Percentage	20%	35%	47%	33%	30%	33%	41%
2011-2016 Average Percentage	n/a	41%	38%	38%	38%	38%	38%
Debt Service Coverage	1.78	1.80	2.09	1.79	1.80	1.80	1.80

NOTES

f) The data source for 2010 Actuals for all Financial Performance indicators except for Debt Service Coverage is the current rate forecast for 2011-2015

g) The Average Residential Monthly bill is reported as calculated in the financial forecast model Key Financial Indicators table, which assumes that average residential consumption is 710kWh

2012 Adopted Financial Plan
Water Fund (Fund 43000)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
OPERATING CASH							
Beginning Operating Cash Balance	**8,194**	**7,080**	**8,434**	**7,120**	**7,435**	**7,899**	**8,118**
Sources							
Income Statement Items (in order of IS)							
Retail Water Sales	136,443	141,204	138,909	152,537	165,648	180,251	188,785
Wholesale Water Sales	44,830	47,200	45,902	47,574	47,268	47,103	46,794
Facilities Charges	242	173	242	2,199	2,199	2,747	2,747
Water Service for Fire Protection	5,958	6,659	6,635	7,052	7,658	8,333	8,728
Tap Fees	2,855	4,000	2,400	3,038	3,075	3,114	3,153
Other Operating Revenues	1,875	1,897	1,940	1,994	2,038	2,089	2,141
Build America Bond Interest Income	2,195	2,135	2,135	2,135	2,135	2,135	2,135
Rentals--Non-City	395	391	605	415	425	436	447
Other Non-Operating Revenue	385	243	508	379	384	389	394
Capital Grants and Contributions	1,605	3,143	1,709	1,854	1,883	1,916	1,964
Operating Grants	540	0	104	0	0	0	0
Transfers from Construction Fund	45,447	57,759	53,160	30,114	38,589	28,079	33,904
Investment Income (See Construction Fund)	0	0	0	0	0	0	0
Public Works Loan Proceeds	9,000	0	0	0	0	0	0
Inventory Purchased by SDOT	708	741	741	755	770	786	802
Op Transfer In - Rev Stab Subfund	3,000	1,434	1,434	0	0	0	0
Op Transfer In - Rev Stab Subfnd - BPA Acct	680	81	0	0	0	0	0
Call Center Reimbursement from SCL	1,638	1,727	1,722	1,685	1,719	1,753	1,788
GF Reimb Abandoned Vehicles	53	54	54	0	56	57	58
Reimbursement for NS activities	39	180	40	41	42	43	44
Total Sources	**257,888**	**269,022**	**258,240**	**251,773**	**273,891**	**279,230**	**293,883**
Uses							
CIP							
Distribution	(17,525)	(20,492)	(20,492)	(15,194)	(19,778)	(20,394)	(22,751)
Habitat Conservation Program	(5,798)	(11,123)	(11,123)	(4,913)	(3,372)	(3,649)	(2,945)
Shared Cost Projects	(10,003)	(15,048)	(15,282)	(14,641)	(18,164)	(17,696)	(17,590)
Technology	(3,331)	(4,770)	(4,770)	(5,358)	(7,709)	(8,685)	(6,456)
Transmission	(1,017)	(1,688)	(1,686)	(1,343)	(3,027)	(3,076)	(3,137)
Water Quality & Treatment	(20,970)	(18,329)	(17,921)	(6,613)	(5,293)	(1,547)	(202)
Water Resources	(5,813)	(6,516)	(8,016)	(5,616)	(5,576)	(8,743)	(8,741)
Watershed Stewardship	(865)	(1,142)	(1,142)	(1,828)	(1,035)	(729)	(600)
CIP Subtotal	**(65,322)**	**(79,108)**	**(80,432)**	**(55,506)**	**(63,954)**	**(64,519)**	**(62,422)**
Accomplishment Rate Adjustment		**7,911**	**8,043**	**8,326**	**9,593**	**9,678**	**9,363**
O&M							
Administration	(6,946)	(4,137)	(5,469)	(8,743)	(9,093)	(9,457)	(9,835)
Customer Service	(9,062)	(10,222)	(10,209)	(10,010)	(10,411)	(10,827)	(11,260)
General Expense	(131,481)	(134,772)	(133,438)	(136,550)	(142,012)	(147,693)	(153,600)
Other Operating	(41,835)	(47,068)	(47,068)	(47,754)	(49,664)	(51,650)	(53,716)
O&M subtotal	**(189,323)**	**(196,199)**	**(196,184)**	**(203,058)**	**(211,180)**	**(219,627)**	**(228,412)**
Total Uses	**(254,645)**	**(267,396)**	**(268,573)**	**(250,238)**	**(265,541)**	**(274,468)**	**(281,471)**
Adjustments	(3,003)	(1,670)	9,018	*(1,219)*	*(7,885)*	*(4,544)*	(12,206)
Ending Operating Cash Balance	**8,434**	**7,036**	**7,120**	**7,435**	**7,899**	**8,118**	**8,324**

(Continued on Next Page)

Fund Financial Plans

2012 Adopted Financial Plan
Water Fund (Fund 43000) *(cont'd.)*

Amounts in $1,000s		2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
CONSTRUCTION FUND								
Beginning Construction Fund Balance		**15,646**	**77,220**	**99,124**	**33,523**	**3,457**	**42,647**	**14,642**
Bond Proceeds		132,748	33,232	0	0	81,830	0	74,468
Transfer to Bond Reserve Account		(7,748)	(1,709)	0	0	(4,175)	0	(3,799)
Transfers to Operating Fund		(45,447)	(57,759)	(53,160)	(30,114)	(38,589)	(28,079)	(33,904)
Interest		3,926	538	(12,441)	48	125	73	79
Ending Construction Fund Balance		**99,124**	**51,521**	**33,523**	**3,457**	**42,647**	**14,642**	**51,486**
RESERVES								
Bond Reserve Account		(16,684)	(18,933)	(16,904)	(17,072)	(22,673)	(23,271)	(27,104)
Revenue Stabilization Fund		(10,434)	(9,000)	(9,000)	(9,072)	(9,297)	(9,524)	(9,757)
BPA Account		(563)	0	0	0	0	0	0
Vendor Deposit		(13)	0	0	0	0	0	0
Total Reserves		**(27,694)**	**(27,933)**	**(25,904)**	**(26,144)**	**(31,971)**	**(32,795)**	**(36,860)**
FINANCIAL PERFORMANCE THROUGH END OF RATE PERIOD (2014)								
Percent Increase (SYSTEM)								
Wholesale		2.2%	-1.0%	-1.0%	18.0%	0.0%	0.0%	
Retail		7.7%	3.5%	3.5%	8.7%	8.7%	8.5%	
Typical Retail Single Family Residential								
Average Monthly Bill (5 ccf / mo) *		$30.67	$34.01	$31.70	$33.95	$36.38	$38.93	
Percent Increase		7.7%	3.3%	3.4%	7.1%	7.2%	7.0%	
	Target							
Net Income	Generally positive	$709	$2,386	($2,579)	$5,997	$7,630	$15,727	
Year End Cash Balance	1/12 Oper Exp	$8,434	$7,036	$7,120	$7,435	$7,899	$8,118	
	Target	*$6,450*	*$7,036*	*$7,125*	*$7,435*	*$7,899*	*$8,118*	
Cash Financing of CIP								
-Single Year	Min 15%	21.8%	18.5%	16.1%	38.3%	35.2%	48.6%	
-Avg of Rate Period	Min 20%		17.0%	17.7%			40.8%	
Debt Service Coverage	1.70	1.59	1.52	1.45	1.58	1.62	1.70	

* The typical customer's water use as measured per 100 cubic feet (ccf) has fallen due to conservation from 5.5 ccf in the 2009-2011 rate proposal to 5.0 ccf in the 2012-2014 rate proposal. The typical bills displayed above have been calculated using the 5.0 ccf figure.

2012 Adopted Financial Plan[1]
Drainage and Wastewater Fund (Fund 44010)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
OPERATING CASH							
Beginning Operating Cash Balance	**23,525**	**12,601**	**30,256**	**21,285**	**10,700**	**10,399**	**10,418**
Sources							
Wastewater Utility Services	186,655	210,512	206,372	211,886	232,216	230,967	226,547
Drainage Utility Services	58,292	67,129	67,204	75,129	87,049	89,175	99,444
Side Sewer Permit Fees	862	862	905	905	905	905	905
Drainage Permit Fees	197	197	214	214	214	214	214
Other Operating Revenues	156	160	68	53	49	49	49
GIS CGDB Corporate Support (N2408 and N2418)	788	1,148	1,148	1,171	1,171	1,171	1,171
GIS Maps & Publications (N2409 and 2419)	158	158	158	158	158	158	158
Parks & Other City Depts. (N4405)	1,126	502	502	511	511	511	511
SCL Fund (N4403)	235	338	338	339	339	339	339
SCL for ReLeaf	0	0	0	80	80	80	80
SDOT Fund (N4404)	3,693	1,630	1,630	3,571	1,250	1,250	1,250
GF - Various GIS & Eng Svcs (N4303 & N2418)	955	881	956	1,205	1,205	1,205	1,205
Investment Income (see Construction Fund)	0	0	0	0	0	0	0
Capital Grants & Contributions (excl. donated ass	3,173	4,923	3,916	4,525	1,700	1,700	1,700
Operating Grants	300	300	315	315	300	300	300
Call Center Reimbursement from SCL	1,772	1,676	1,671	1,689	1,689	1,689	1,689
GF - Transfer In -- Restore Our Waters	107	184	109	0	0	0	0
Transfer from Construction Fund [2]	42,217	57,419	54,403	69,860	92,413	64,709	69,282
GF Reimbursement of Abandoned Vehicles	51	52	52	0	0	0	0
Build America Bond Interest Income	1,645	0	1,886	1,886	1,886	1,886	1,886
Technical Adjustments	0	960	0	0	0	0	0
Total Sources	**302,383**	**349,032**	**341,850**	**373,498**	**423,135**	**396,308**	**406,731**
Uses							
CIP							
Combined Sewer Overflow	(16,996)	(17,807)	(18,062)	(26,888)	(53,217)	(29,496)	(35,961)
Flooding, Sewer Back-up, and Landslides	(14,906)	(35,070)	(37,870)	(24,186)	(26,294)	(19,210)	(18,283)
Protection of Beneficial Uses	(1,863)	(2,283)	(5,025)	(4,800)	(6,135)	(2,798)	(2,702)
Rehabilitation	(9,526)	(6,472)	(6,472)	(12,623)	(14,388)	(13,965)	(14,681)
Sediments	(4,051)	(6,350)	(6,350)	(5,595)	(2,102)	(1,457)	(1,207)
Shared Cost Projects	(8,347)	(11,804)	(12,025)	(14,931)	(13,289)	(12,571)	(11,141)
Technology	(2,456)	(4,062)	(4,062)	(4,815)	(7,331)	(7,551)	(5,302)
CIP Subtotal	**(58,146)**	**(83,848)**	**(89,866)**	**(93,838)**	**(122,756)**	**(87,048)**	**(89,277)**
Accomplishment Rate Adjustment	0	8,385	8,987	9,384	12,276	8,705	8,928
O&M							
General Expense	(197,015)	(215,411)	(215,546)	(219,634)	(228,400)	(237,536)	(247,037)
Administration	(3,881)	(3,102)	(3,965)	(5,594)	(5,817)	(6,050)	(6,292)
Customer Service	(5,976)	(7,090)	(7,077)	(7,426)	(7,742)	(8,052)	(8,374)
Other Operating	(42,678)	(49,113)	(50,329)	(51,117)	(53,162)	(55,288)	(57,500)
O&M Subtotal	**(249,550)**	**(274,716)**	**(276,917)**	**(283,771)**	**(295,122)**	**(306,926)**	**(319,203)**
Total Uses	**(307,696)**	**(350,179)**	**(357,797)**	**(368,225)**	**(405,602)**	**(385,270)**	**(399,553)**
Adjustments	**12,044**	**(1,032)**	**6,977**	**(15,858)**	**(17,834)**	**(11,019)**	**(7,254)**
Ending Operating Cash Balance	**30,256**	**10,421**	**21,285**	**10,700**	**10,399**	**10,418**	**10,342**

(Continued on Next Page)

Fund Financial Plans

2012 Adopted Financial Plan[1]

Drainage and Wastewater Fund (Fund 44010) *(cont'd.)*

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
CONSTRUCTION FUND							
Beginning Construction Fund Balance	**116,140**	**62,031**	**76,519**	**22,886**	**61,141**	**73,755**	**10,067**
Bond Proceeds	0	0	0	107,087	104,268	0	105,394
Transfers to Operating Fund	(42,217)	(57,419)	(54,403)	(69,860)	(92,413)	(64,709)	(69,282)
Interest	2,595	784	771	1,028	759	1,021	843
Ending Construction Fund Balance	**76,519**	**5,397**	**22,886**	**61,141**	**73,755**	**10,067**	**47,022**
RESERVES							
Bond Reserve Account	(12,757)	(12,757)	(12,757)	(19,028)	(29,455)	(29,455)	(39,994)
Bond Parity Fund	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)	(1,620)
Vendor Deposits	(745)	0	0	0	0	0	0
Total Reserves	**(15,122)**	**(14,377)**	**(14,377)**	**(20,648)**	**(31,075)**	**(31,075)**	**(41,614)**

FINANCIAL PERFORMANCE THROUGH END OF RATE PERIOD (2012)

	Target				
Percent Increase (SYSTEM)					
Wastewater		1.0%	4.1%	4.1%	4.2%
Drainage		1.9%	13.1%	13.1%	11.2%
Typical Retail Single Family Residential					
Wastewater					
Average Monthly Bill (4.3 ccf) [2]		$38.61	$44.20	$44.20	$45.92
Percent Increase		1.0%	14.5%	14.5%	3.9%
Drainage					
Average Monthly Bill		$17.17	$19.58	$19.58	$21.81
Percent Increase		1.9%	14.0%	14.0%	11.4%
Net Income	Generally positive	$5,851	$11,282	$1,000	$10,000
Year End Cash Balance	1/12 Treatment Cost	$30,256	$10,421	$21,285	$10,700
	Target	*$9,274*	*$10,421*	*$10,406*	*$10,303*
Cash Financing of CIP	25% (4 year rolling avg)	25%	25%	25%	26%
Debt Service Coverage	1.80	2.53	2.84	2.61	2.59
Debt to Asset Ratio	Less than 70%	62%	61%	61%	66%

NOTES:

1. This financial plan includes the increase in King County's sewer treatment costs that was passed through to City of Seattle customers in the 2011 Adopted and 2012 Endorsed Budget. The body of the 2011-2012 Drainage and Wastewater Rate Study did not include the King County rate increase, the impacts of which are reflected in Appendices A&B of the Rate Study.

2. The typical customer's sewer usage as measured per 100 cubic feet (ccf) has fallen commensurate with reductions in water usage, and has been adjusted downard in this presentation from 5.2 ccf to 4.3 ccf. The typical bills displayed above have been calculated using the 4.3 ccf figure.

2012 Adopted Financial Plan
Solid Waste Fund (Fund 45010)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
OPERATING CASH							
Beginning Operating Cash Balance	**3,872**	**6,955**	**10,252**	**8,203**	**7,526**	**12,975**	**15,933**
Sources							
Other Nonoperating Revenue	742	0	0	0	0	0	0
Transfer Fee - Out City	160	0	0	0	0	0	0
Operating Fees, Contributions and Grants	782	383	383	0	0	0	0
Residential Services	86,159	92,366	92,019	97,734	107,150	113,060	118,947
Commercial Services	45,279	48,848	46,664	46,933	50,474	50,079	52,512
Recycling and Disposal Station Charges	11,979	12,752	11,930	11,944	12,998	12,966	13,344
Comm'l Disposal (Longhaul) Charges	416	476	471	471	511	511	537
Other Operating Revenue	191	0	0	2	0	0	0
Recovery Fees/Yellow Pages	0	765	234	234	234	234	234
Landfill Closure Fee	14	0	0	0	0	0	0
Transfer Fee - In City	3,766	4,043	3,941	4,670	5,266	5,917	5,623
General Subfund - Operating Transfer In	0	0	0	0	0	0	0
Transfers from Construction Fund	16,968	23,505	34,231	16,946	13,179	43,197	33,292
GSF - Transfer In - Aband'd Vehicle Calls	51	52	52	0	0	0	0
KC Reimb for Local Hzrd Waste Mgt Prgm	2,067	2,418	2,418	2,418	2,418	2,418	2,418
Call Center Reimbursement from SCL	1,567	1,676	1,671	1,671	1,671	1,671	1,671
Recyling Processing Revenues	2,941	0	3,000	2,000	2,000	2,000	2,000
Total Sources	**173,084**	**187,285**	**197,015**	**185,023**	**195,902**	**232,054**	**230,578**
Uses							
CIP							
New Facilities	(15,081)	(25,710)	(45,635)	(13,845)	(11,322)	(45,822)	(36,301)
Rehabilitation and Heavy Equipment	(5,843)	(262)	(343)	(397)	(224)	(42)	(54)
Shared Cost Projects	(1,650)	(1,860)	(2,236)	(2,536)	(2,208)	(1,954)	(1,918)
Technology	(988)	(1,415)	(1,415)	(1,665)	(4,334)	(5,126)	(2,658)
CIP Subtotal	**(23,562)**	**(29,248)**	**(49,629)**	(18,443)	**(18,088)**	**(52,944)**	**(40,930)**
Accomplishment Adjustment		2,925	4,963	1,844	1,809	5,294	4,093
O&M							
Administration	(4,707)	(5,163)	(5,585)	(5,180)	(5,387)	(5,602)	(5,826)
Customer Service	(11,369)	(12,871)	(12,859)	(13,310)	(13,843)	(14,396)	(14,972)
General Expense	(117,743)	(125,940)	(126,418)	(129,668)	(134,855)	(140,249)	(145,859)
Other Operating	(12,572)	(15,808)	(15,808)	(16,464)	(17,123)	(17,808)	(18,520)
O&M Subtotal	**(146,391)**	**(159,783)**	**(160,670)**	**(164,622)**	**(171,207)**	**(178,055)**	**(185,178)**
Total Uses	**(169,953)**	**(186,106)**	**(205,336)**	**(181,221)**	**(187,487)**	**(225,705)**	**(222,015)**
Adjustments	3,248	3,128	6,272	(4,479)	(2,967)	(3,391)	(3,157)
Ending Operating Cash Balance	**10,252**	**11,262**	**8,203**	**7,526**	**12,975**	**15,933**	**21,339**

(Continued on Next Page)

Fund Financial Plans

2012 Adopted Financial Plan
Solid Waste Fund (Fund 45010) *(cont'd.)*

Amounts in $1,000s		2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
CONSTRUCTION FUND								
Beginning Construction Fund Balance		28,207	10,380	11,452	26,066	9,180	71,074	28,389
Bond Proceeds		-	63,212	48,781	-	74,643		44,104
Transfers to Operating Fund		(16,968)	(23,505)	(34,231)	(16,946)	(13,179)	(43,197)	(33,292)
Interest		213	606	64	60	430	512	242
Ending Construction Fund Balance		11,452	50,692	26,066	9,180	71,074	28,389	39,443
RESERVES								
Bond Reserve Account		-	(7,813)	(4,878)	(4,878)	(13,089)	(13,089)	(17,499)
Total Reserves		-	(7,813)	(4,878)	(4,878)	(13,089)	(13,089)	(17,499)
FINANCIAL PERFORMANCE THROUGH END OF RATE PERIOD (2012)								
Percent Increase (SYSTEM)		8.0%	6.0%	6.0%	3.5%			
Typical Retail Single Family Residential								
Average Monthly Bill		$32.70	$34.75	$34.75	$37.00			
Percent Increase		12.0%	6.3%	6.3%	6.5%			
	Target							
Net Income	Generally positive	$5,986	$171	$100	($1,928)			
Year End Cash Balance	20 days contract costs	$10,252	$11,262	$8,203	$7,526			
	Target	*$4,869*	*$4,990*	*$4,869*	*$5,036*			
Cash Financing of CIP	$2.5M (in 2003 $) or 10%	$6,594	$2,929	$7,929	$2,988			
	Target	*$3,000*	*$2,929*	*$4,467*	$2,988			
Debt Service Coverage	1.70	5.05	4.09	4.06	3.14			

2012 Adopted Budget Financial Plan
Pacific Parking Garage (Fund 46010)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	(388)	1,078	(1,322)	(3,256)	(5,096)	(7,001)	(8,873)
Accounting Adjustments							
Beginning Unreserved Fund Balance	(388)	1,078	(1,322)	(3,256)	(5,096)	(7,001)	(8,873)
Revenues							
Parking Revenue	7,856	8,582	7,201	7,621	7,849	8,085	8,327
City Parking Tax [1]	(657)	(879)	(738)	(781)	(804)	(828)	(853)
Sales Tax	(625)	(668)	(561)	(593)	(611)	(630)	(648)
Interest earning and Other	6	6	6	6	6	6	6
Total Revenues	6,580	7,041	5,908	6,253	6,440	6,633	6,831
Expenditures							
AMPCO System Parking	(1,571)	(1,800)	(1,723)	(1,780)	(1,833)	(1,888)	(1,944)
B&O Tax	(45)	(47)	(40)	(43)	(44)	(45)	(47)
Condominium fees	(518)	(531)	(534)	(549)	(566)	(583)	(601)
Other [2]	(348)	(277)	(358)	(369)	(380)	(392)	(403)
Debt Service	(5,032)	(5,187)	(5,187)	(5,352)	(5,522)	(5,597)	(5,765)
Total Expenditures	(7,514)	(7,842)	(7,842)	(8,093)	(8,345)	(8,505)	(8,760)
Ending Fund Balance	**(1,322)**	**277**	**(3,256)**	**(5,096)**	**(7,001)**	**(8,873)**	**(10,802)**
Reserves							
Reserve for Loan Repayment	0	(2,000)	0	0	0	0	
Total Reserves	0	(2,000)	0	0	0	0	0
Ending Unreserved Fund Balance	**(1,322)**	**(1,723)**	**(3,256)**	**(5,096)**	**(7,001)**	**(8,873)**	**(10,802)**

Assumptions:

[1] City Parking Tax Rate:

June 2009-Dec. 2010	10.0%
Jan. 2011-2014	12.5%

[2] Other expenditure line inludes administrative costs and credt card handling fees

[3] A loan to this fund authorizing up to $4 million was passed by Council in September 2011 (CB 117270)

Fund Financial Plans

2012 Adopted Budget Financial Plan
Finance and Administrative Services (Fund 50300)

Amounts in $1,000s	2010 Actuals*	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance		20,162	20,183	22,522	17,289	13,415	9,049
Accounting Adjustments							
Beginning Unreserved Fund Balance	0	20,162	20,183	22,522	17,289	13,415	9,049
Revenues							
External - Revenue and Consumer Affairs		1,356	1,356	1,450	1,450	1,450	1,450
External - Animal Shelter		1,279	1,279	1,279	1,279	1,279	1,279
External - Facilities		2,191	2,723	2,192	2,192	2,192	2,192
External - Fleets		960	960	956	945	945	945
External - Other Misc		230	280	672	212	212	212
External - Parking		2,086	2,086	2,091	2,091	2,091	2,091
Grants			121				
Interest		280	280	280	280	280	280
Interfund - Facilities		57,308	59,208	56,316	58,569	60,912	63,348
Interfund - Fleet		42,327	42,327	44,271	46,042	47,883	49,799
Interfund - Other Misc		1,827	1,827	1,808	3,900	4,056	4,218
Interfund - Parking		698	698	698	726	755	785
Interfund_Capital Development and Construction Management		3,312	3,312	3,486	3,626	3,771	3,922
Interfund - Risk Management		1,353	1,353	1,397	1,453	1,511	1,571
Interfund - Economics & Fiscal Management		1,377	1,377	1,555	1,618	1,682	1,750
Interfund - Financial Services		8,469	8,512	12,101	12,585	13,089	13,612
Interfund - Business Technology		9,162	9,162	8,413	8,750	9,100	9,464
Interfund - Revenue & Consumer Affairs		4,408	4,408	1,257	1,307	1,360	1,414
Interfund - Contracting & Purchasing Services		3,020	3,020	3,234	3,364	3,498	3,638
Interfund - Animal Shelter		2,127	2,127	2,265	2,355	2,450	2,548
Interfund - Office of Constituent Services		1,423	1,423	2,549	3,120	3,245	3,375
Interfund -Capital Improvements (CIP subfund 50390)**		3,500	3,500	3,500	3,500	3,500	3,500
Total Revenues	0	148,695	151,341	151,771	159,363	165,260	171,392
Expenditures							
Budget and Central Services		(5,572)	(4,014)	(3,931)	(4,095)	(4,259)	(4,429)
Facility Operations		(65,355)	(64,930)	(65,819)	(68,467)	(71,206)	(74,054)
Fleet Services		(39,723)	(39,416)	(45,705)	(47,557)	(49,459)	(51,437)
Judgment and Claims		(362)	(362)	(362)	(376)	(392)	(407)
Capital Development and Construction Management		(2,855)	(2,855)	(2,945)	(3,068)	(3,191)	(3,319)
Financial Services		(9,858)	(12,727)	(13,239)	(13,788)	(14,339)	(14,913)
Business Technology		(8,106)	(9,801)	(10,270)	(10,693)	(11,120)	(11,565)
Revenue and Consumer Affairs		(4,998)	(2,379)	(2,348)	(2,446)	(2,544)	(2,646)
City Purchasing and Contracting Services		(3,018)	(2,890)	(3,005)	(3,131)	(3,256)	(3,386)
Seattle Animal Shelter		(3,005)	(3,086)	(3,038)	(3,164)	(3,291)	(3,423)
Office of Constituent Services		(1,150)	(1,150)	(2,842)	(2,952)	(3,070)	(3,193)
Interfund transfers - Depts			(749)				
Interfund transfers - GF			(1,143)				
Capital Improvements (CIP subfund 50390)**		(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)
Total Expenditures	0	(147,503)	(149,001)	(157,004)	(163,237)	(169,626)	(176,272)
Ending Fund Balance	0	21,354	22,522	17,289	13,415	9,049	4,169
Reserves							
Continuing Appropriations							
Working Capital - Fleets			(712)	(475)			
Working Capital - Operations							
Working Capital - Financial and Technical Services							
Working Capital - Animal Shelter							
Working Capital - Constituent Services							
Total Reserves	0	0	(712)	(475)	0	0	0
		0					
Ending Unreserved Fund Balance	*0*	21,354	21,810	16,814	13,415	9,049	4,169

* The Department of Finance and Administrative Services (FAS) began operations on Jauary 01, 2011. The new deparment was created from mergering the Fleets and Faciliities Department with the Department of Executive Admistration.

**Budget authority is appropriated in the CIP (A1GM1)

2012 Adopted Budget Financial Plan
Information Technology Fund (50410)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised [7, 8]	2012 Adopted	2013 Projected [1]	2014 Projected [2]	2015 Projected [2]
Beginning Budgetary Fund Balance	29,694	11,231	20,213	12,458	13,362	15,235	16,681
Accounting Adjustments	(6,656)						
Revised Beginning Fund Balance	23,038	11,231	20,213	12,458	13,362	15,235	16,681
Revenues							
Grant Revenues	2,357		2,131				
Cable Fund Revenues	7,604	7,361	7,543	7,991	8,049	8,328	8,672
Non-City Agency Revenues	3,481	1,476	1,476	1,547	1,618	1,682	1,749
City Agency Revenues (non GF)	15,977	18,149	18,030	17,830	18,576	18,128	18,853
City Agency Revenues (GF)	16,480	17,537	17,144	17,932	19,344	19,475	20,190
Sources to be Specified/Projects/Rate Billi	1,868	4,565	4,616	4,801	5,024	5,225	5,434
Interest Earnings	202						
Other [3]		(824)	(824)	(45)	(47)	(49)	(51)
TBD [9]						753	
Total Revenues	47,970	48,264	50,116	50,056	52,564	53,543	54,848
Expenditures							
Finance & Administration BCL	(2,285)	(4,130)	(4,330)	(4,598)	(4,625)	(4,810)	(5,003)
Technology Leadership & Governance BCL	(2,198)	(2,144)	(2,144)	(1,972)	(2,051)	(2,133)	(2,218)
Technology Infrastructure BCL	(39,470)	(32,766)	(41,104)	(32,092)	(34,556)	(37,652)	(37,610)
Office of Electronic Communications BCL	(7,066)	(6,447)	(7,051)	(7,248)	(7,255)	(7,502)	(7,812)
Debt Service [4]	224	(3,431)	(3,242)	(3,242)	(2,206)		
Total Expenditures	(50,795)	(48,918)	(57,871)	(49,151)	(50,692)	(52,097)	(52,643)
Ending Fund Balance	**20,213**	**10,578**	**12,458**	**13,362**	**15,235**	**16,681**	**18,886**
Reserves							
Continuing appropriation and Encumbranc	(2,193)						
Petty Cash, Inventories, and Prepaid Exper		(457)					
Radio and Video Reserves [5]	(11,134)	(5,510)	(7,479)	(8,583)	(10,577)	(12,607)	(14,672)
Cash Float [6]	(4,635)	(4,277)	(4,318)	(3,764)	(3,891)	(3,999)	(4,041)
Total Reserves	(17,962)	(10,244)	(11,796)	(12,348)	(14,468)	(16,606)	(18,713)
Ending Unreserved Fund Balance	**2,251**	**333**	**662**	**1,015**	**766**	**75**	**173**

Assumptions:

[1] Assumes 4 % growth starting in 2013.

[2] Assumes 4 % growth starting in 2013 adjusted for one time revenues or expenditures. Also excludes GODA bond revenue collections after

[3] Represents Anticipated Customer Rebates

[4] Debt Service on Bonds Issued in 2009 and 2010 ends in 2013.

[5] Assumes collection of handset reserve for Police & Fire at $1.65 million per year beginning 2013.

[6] Internal DoIT policy establishes a cash float of approximately 90 days of reimbursable expenses .

[7] Supplementals, Abandonments, and Mid-Year Reductions are incorporated into the expenditure lines in the following amounts:

2011 Mid Year Reduction	$ (254,333)
2011 3Q Abandonments	$ (1,412,930)
2011 -- Ordinance 123618	$ 799,492
2011 -- Ordinance 123640	$ 87,000
2011 -- Council Bill 117207	$ 95,000

[8] Includes Carry Forward / Encumbrances in expenditure lines.

[9] 2014 CIP funding has not been determined yet

Fund Financial Plans

2012 Proposed Budget Financial Plan
Fire Pension Fund (Fund 60200)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	13,273	11,594	11,385	10,451	10,076	14,628	19,209
Accounting Adjustments	29						
Revised Beginning Fund Balance	13,302	11,594	11,385	10,451	10,076	14,628	19,209
Revenues							
General Subfund	17,531	17,759	17,758	18,875	23,903	23,952	24,002
Fire Insurance Premium Tax	867	867	903	939	958	977	996
Interest earnings on Actuarial Account at 1% rate					96	141	187
Total Revenues	18,398	18,625	18,661	19,814	24,957	25,070	25,186
Expenditures							
Death Benefits	(11)	(15)	(15)	(15)	(15)	(15)	(15)
Medical Benefits Paid	(10,477)	(10,700)	(10,100)	(10,700)	(11,733)	(11,788)	(11,846)
Pension Benefits Paid	(9,160)	(8,861)	(8,913)	(8,889)	(8,060)	(8,078)	(8,083)
Administration	(666)	(567)	(567)	(585)	(597)	(609)	(621)
Transfer to Actuarial Account	0	0	0	0	(4,440)	(4,422)	(4,417)
Total Expenditures	(20,314)	(20,143)	(19,595)	(20,189)	(24,845)	(24,912)	(24,982)
Ending Fund Balance	11,385	10,077	10,451	10,076	14,628	19,209	23,829
Reserves							
Contingency Reserve	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Actuarial Account	(9,577)	(9,577)	(9,577)	(9,577)	(14,128)	(18,709)	(23,329)
Total Reserves	(10,077)	(10,077)	(10,077)	(10,077)	(14,628)	(19,209)	(23,829)
Ending Unreserved Fund Balance	1,309	0	375	(0)	0	0	0

Notes: The Firefighters' Pension Fund is composed of a Contingency Reserve and the Actuarial Account Balance. City Financial Policy specifies a target fund balance of $500,000 in the Contingency Reserve. The 2011 Adopted Budget included legislation that would continue the suspension of transfers into the Actuarial Account for 2011 and 2012. Prior to the 2011 Adopted Budget, these two fund reserves were not shown separately.

2012 Adopted Budget Financial Plan
Police Pension Fund (Fund 60400)

Amounts in $1,000s	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	280	1,133	1,119	2,621	1,868	1,126	500
Accounting & Technical Adjustments	49	0	0	0	0	0	0
Beginning Unreserved Fund Balance	329	1,133	1,119	2,621	1,868	1,126	500
Revenues							
General Subfund	22,302	22,255	22,255	21,730	22,287	22,736	23,603
Police Auction Proceeds	114	140	115	120	120	120	120
Total Revenues	22,416	22,395	22,370	21,850	22,407	22,856	23,723
Expenditures							
Death Benefits	(18)	(15)	(15)	(15)	(15)	(15)	(15)
Medical Benefits Paid	(12,052)	(13,492)	(11,700)	(13,000)	(13,406)	(13,673)	(13,861)
Pension Benefits Paid	(9,034)	(9,096)	(8,668)	(9,052)	(9,181)	(9,237)	(9,278)
Administration	(522)	(425)	(485)	(536)	(547)	(558)	(569)
Total Expenditures	(21,626)	(23,028)	(20,868)	(22,603)	(23,149)	(23,483)	(23,723)
Ending Fund Balance	1,119	500	2,621	1,868	1,126	500	500
Reserves							
Contingency Reserve	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Rate Stabilization Reserve				(1,368)	(626)		
Total Reserves	(500)	(500)	(500)	(1,868)	(1,126)	(500)	(500)
Ending Unreserved Fund Balance	619	0	2,121	0	0	(0)	(0)

Fund Financial Plans

2012 Adopted Budget Financial Plan
Municipal Arts Fund (Fund 62600)

Amounts in $1,000's	2010 Actuals	2011 Adopted	2011 Revised	2012 Adopted	2013 Projected	2014 Projected	2015 Projected
Beginning Fund Balance	5,445	5,536	5,782	4,199	4,187	4,129	4,024
Accounting Adjustments	(6)	0	0	0	0	0	0
Revised Beginning Fund Balance	5,439	5,536	5,782	4,199	4,187	4,129	4,024
Revenues							
State Grant	0	0	0	0	0	0	0
Public Art Management Fees	186	186	196	186	186	186	186
Interest Earnings	58	100	55	100	100	100	100
Interest Increase / (Decrease)	(11)	0	0	0	0	0	0
1% for Art Revenues	1,903	2,407	2,300	2,018	2,018	2,018	2,018
Miscellaneous Revenues	51	9	10	9	9	9	9
Total Revenues	**2,187**	**2,702**	**2,561**	**2,312**	**2,312**	**2,312**	**2,312**
Expenditures							
Public Art Program	(1,844)	(2,693)	(3,419)	(2,324)	(2,370)	(2,418)	(2,466)
Quarterly Suplemental/Carryforward Encumbrance Payoff			(726)				
Total Expenditures	**(1,844)**	**(2,693)**	**(4,145)**	**(2,324)**	**(2,370)**	**(2,418)**	**(2,466)**
Ending Fund Balance	5,782	5,545	4,199	4,187	4,129	4,024	3,870
Reserves							
Operating Reserves	(65)						
Encumbrances	(660)	0	0	0	0	0	0
Total Reserves	(726)	0	0	0	0	0	0
Ending Unreserved Fund Balance	5,057	5,545	4,199	4,187	4,129	4,024	3,870

Cost Allocation Tables:

These tables provide information about how the City allocates internal service costs (i.e. overhead provided by City agencies to other City agencies) to customer agencies.

Central Service Departments and Commissions
2011-2012 Cost Allocation Factors

Central Service Department	Cost Allocation Factor
Office of Arts and Cultural Affairs	Negotiated MOA*
City Auditor	2008 and 2009 audit hours by department
Civil Service Commission	2005-2009 number of cases by department
Mayor's Office	100% General Fund or by MOA*
Office of Civil Rights	2009 cases filed by department
Office of Intergovernmental Relations	Staff time and assignments by department
Office of Sustainability and Environment	2011-2012 Work Plan
Office of Policy and Management	100% General Fund or by MOA*
Office of Economic Development	100% General Fund or by MOA*
Department of Finance and Administrative Services and City Budget Office	Various factors and allocations. See Appendix B(1) and Appendix B(2) for details on services, rates, and methodologies.
Department of Information Technology	Various factors and allocations. See Appendix B(3) for details on services, rates, and methodologies.
Law Department	2009 hours by department for Civil Division; Public and Community Safety Division is charged 100% to the General Fund. Administration BCL is split between Civil and Criminal and allocated accordingly.
Legislative Department	City Clerk's Office based on number of Legislative items; Central Staff and Legislative Assistants on assignments; City Council 100% General Fund or by MOA.*
Department of Neighborhoods	Customer Service Bureau estimate by staff time.
Personnel Department	Various factors and allocations. See Appendix B(4) for details on services, factors, and methodologies.
State Examiner (State Auditor)	75% by Summit rows of data; 25% by Adopted 2008 FTEs
Emergency Management	2010 Adopted Budget dollar amount

**Memorandum of Agreement (MOA) on charges*

Cost Allocation

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
BILLING METHODOLOGIES – B(1)

Service Provider	Org	Service Provided	Billing Methodology	Billing Method
Fleet Services				
Vehicle Leasing	A2212	▪ Vehicles owned by, and leased from, Fleet Services ▪ Vehicles owned directly by utility departments	▪ Calculated rate per month based on lease-rate components for vehicle replacement, routine maintenance, and overhead. ▪ Charged for overhead only as outlined in MOU with utility.	Rates Rates
Motor Pool	A2213	As needed daily or hourly rental of City Motor Pool vehicle	Actual Motor Pool-vehicle usage based on published rates. Rates vary by vehicle type and are based on time and mileage, with a set minimum and maximum daily charge.	Rates
Vehicle Maintenance	A2221	▪ Vehicle Maintenance labor ▪ Vehicle parts and supplies	▪ Actual maintenance hours used for vehicle maintenance services not included in vehicle lease rate, billed at an hourly rate for all maintenance labor. ▪ Actual vehicle parts and supplies used for vehicle maintenance services not included in vehicle lease rate, billed at cost plus a mark-up.	Rates Rates
Fueling Services	A2232	Vehicle fuel from City-operated fuel sites	Actual price per gallon of fuel consumed plus per-gallon mark-up.	Rates
Facility Services				
Real Property Management	A3322	Office & other building space	▪ Total costs of Property Management Services by sector divided by rentable square-foot by space type equals rentable square-foot rate.	Cost Allocation to Departments and General Fund
Real Property Management	A3322	Office & other building space	Service agreements with commercial tenants, building owners and/or affected departments.	Direct Charges
Building Maintenance	A3323	Crafts Services: ▪ Plumbing ▪ Carpentry ▪ HVAC systems ▪ Electrical ▪ Painting	▪ Regular maintenance built in to office space rent and provided as part of space rent. ▪ Non-routine services charged directly to service user(s) at an hourly rate.	Rates
Janitorial Services	A3324	Janitorial services	Janitorial services included in rate charges for the civic core campus, including Seattle Municipal Tower, City Hall and the Seattle Justice Center.	Rates

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
BILLING METHODOLOGIES – B(1)

Service Provider	Org	Service Provided	Billing Methodology	Billing Method
Facility Services (continued)				
Parking Services	A3340	Parking services	Monthly parking costs for City vehicles are charged to department based on actual use. Hourly parking vouchers are sold to departments in advance of use, as requested. Vouchers for private tenants and personal vehicles of City staff are sold on monthly and hourly bases, as requested.	Rates
Warehousing Service	A3342	• Surplus materials • Records storage • Material storage • Paper and handling • Data delivery • Special deliveries	• Commodity type, frequency, weighting by effort and time • Cubic feet and retrieval requests • Square-footage of space used • Paper usage by weight • Volume and frequency of deliveries • Volume, frequency, and distance of deliveries	Cost Allocation to Departments and the General Fund
Mail Messenger	A3343	Mail pick up and delivery	Actual pieces of mail delivered to client during 20+ day sample period	Cost Allocation to Six Funds
Technical Services				
Capital Programs	A3311	• Project management • Space planning and design • Move coordination	• Project management hours billed at prevailing hourly rate, determined by dividing division revenue requirement by annual forecast of project management billable hours.	Rates
Financial Services				
Economics and Forecasting	A4501	City economic forecasting	100% General Fund	Interfund transfer
Fiscal and Policy Management	A4502	City financial policy and planning	100% General Fund	Interfund transfer
Debt Management	A4503	Debt financing for the City	Number of Bond Sales	Cost allocation to SCL, SPU and the General Fund
Financial Advisor	A4504	Advisory Committee and special debt management analysis	Number of Bond Sales	Cost allocation to SCL, SPU and the General Fund
Risk Management	A4590	Provide liability claims and property/casualty program mgmt., loss prevention/ control and contract review	Percent of actual number of claims paid over the past five years	Cost Allocation to Six Funds

Cost Allocation

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
BILLING METHODOLOGIES – B(1)

Service Provider	Org	Service Provided	Billing Methodology	Billing Method
Financial Services (continued)				
Treasury Operations	A4530	Bank reconciliation, Warrant issuance	Staff time, voucher counts	Cost Allocation to Six Funds
Special Assessment District Admin.	A4530	Business Improvement Area (BIA) fiscal management	100% General Fund	Interfund transfer
Investments	A4531	Investment of City funds	Percent participation in the investment pool.	Cost Allocation to Six Funds
Remittance Processing	A4532	Processing of mail and electronic payments to Cash Receipt System	Number of Transactions	Cost Allocation to SCL, SPU and the General Fund
Parking Meter Collections	A4533	Collection of parking meter revenue	100% General Fund	Interfund transfer
Technology Capital	A4541	Desktop computers and small capital equipment	Composite percent of other cost allocations	Cost Allocation to Six Funds
Applications	A4542	Maintain and develop City Information Technology (IT) applications	Project and staff assignments	Cost Allocation to Six Funds and DOIT
Summit	A4543	Maintain and develop the City's accounting system	System data rows	Cost Allocation to Six Funds
Human Resource Information System (HRIS)	A4544	Maintain and develop the City's personnel system	Weighted number of paychecks for active employees and retiree checks per year	Cost Allocation to Six Funds
Revenue and Licensing	A4560	Collection and enforcement of City taxes and license fees	100% General Fund	Interfund transfer
Consumer Protection	A4550	• Verify accuracy of commercial weighing and measuring devices • Enforcement of Taxi Code	100% General Fund	Interfund transfer
Contracting	A4570	• Provide contracting support and admin. • Minority Business Dev. Fund admin.	• Number of Contract Awards (50%) and dollar amount of Contract Awards (50%) to major users • 100% General Fund	Cost Allocation to Departments; Interfund transfer
Purchasing	A4580	Provide centralized procurement services and coordination	Percent of staff time and assignments by department	Cost Allocation to Six Funds

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
BILLING METHODOLOGIES – B(1)

Service Provider	Org	Service Provided	Billing Methodology	Billing Method
Seattle Animal Shelter				
Animal Control	A5511	Animal care and animal control enforcement	100% General Fund	Interfund transfer
Spay and Neuter Clinic	A5512	Spay and neuter services for pets of low-income residents	100% General Fund	Interfund transfer
Office of Constituent Services				
Constituent Services	A6511	Service delivery and policy analysis, public disclosure response	Number of constituent contacts	Cost Allocation to Six Funds
Customer Service Bureau	A6512	Provide information to constituents in response to inquiry or complaint	Number of constituent contacts	Cost Allocation to Six Funds

CENTRAL BUDGET OFFICE
COST ALLOCATION METHODOLOGIES – B(2)

Service Provider	Org	Service Provided	Billing Methodology
Central Budget Office			
Central Budget Office	CZ615	City financial policies, planning, budget, and controls	Staff time and assignments

Cost Allocation

DEPARTMENT OF INFORMATION TECHNOLOGY (DOIT)
COST ALLOCATION METHODOLOGIES – B(3)

Program	Org	Allocation Formula	Departments Affected
Data Backbone	D3308	Percent of adopted budget	Six funds
Internet Services	D3308	Percent of adopted budget	Seven funds
Data Network Services	D3308	Billed on use of services; hourly rates for service changes; connection charge for all central campus offices except SCL and SPL	All departments except SCL, SPL
Enterprise Computing Services	D3301	Allocated to customer departments based on pages printed, number of operating systems, number of batch jobs, number of gigabytes, number of units of cabinet storage, number of virtual servers, number of web applications, number of CPUs, and number of SharePoint site collections. Citrix services billed based on number of Citrix accounts	All departments except SPL
Messaging, Collaboration, and Directory Services	D3302	Allocated to customer departments based on number of email addresses. Blackberry support billed based on number of Blackberry units.	All departments except SPL
Technical Support Services (Desktops)	D3304	Allocated to customer departments based on number of desktops and printers	Participants
Service Desk	D3310	Allocated to customer departments based on number of email addresses	Participants
Telephone System Services	D3305	Telephone rates; IVR: funded based on historical usage	Telephone Rates: All departments IVR: Participants
Cellular and Wireless Charges	D3305	Airtime and equipment charges for cell phones and wireless modems based on actual usage and billing from carriers.	Participants
Radio Network	D3306	Radio network access fee and reserves; monthly charge for pagers	Access fee: Participants Monthly lease charge: Participants
Communications Shop	D3307	Labor rates	Police, Fire, SPU, Seattle Center; other departments may select this service
Telecommunications Engineering & Project Management	D3311	Labor Rates	Optional
Citywide Web Team	D4401	Percent of adopted budget	Six funds (including Cable Fund)
Community Technology	D4403	Cable Subfund	Contstituents?

DEPARTMENT OF INFORMATION TECHNOLOGY (DOIT)
COST ALLOCATION METHODOLOGIES – B(3) (cont.)

Program	Org	Allocation Formula	Departments Affected
Office of Cable Communications	D4402	Cable Subfund	Constituents
Seattle Channel	D4404	Cable Subfund	Constituents
Technology Leadership and Enterprise Planning	D2201	Percent of adopted budget	Seven funds
Project Management Center of Excellence	D2201	Percent of adopted budget	Seven funds
Project Management Project Support	D2201	Percent of adopted budget	Seven funds
Department Management, including Vendor and Contract Management	D1101	Based on percent of each Fund's contribution to overall DoIT revenue recovery	Seven funds
GODA bond debt service and MS Office Licenses and Enterprise CALs	D1101	Percent of adopted budget: number of licenses	Seven funds

Cost Allocation

PERSONNEL DEPARTMENT
COST ALLOCATION METHODOLOGIES – B(4)

Service Provider	Org	Service Provided	Billing Methodology
Commercial Driver's Licenses	N1230	• CDL administration	# of CDLs by Department
Alternative Dispute Resolution	N1145	• Mediation and facilitation • Conflict resolution training	2010 Adopted Budget FTEs
Police and Fire Examinations	N1150	Administer exams for potential fire and police candidates	General Fund allocation and participant fees
Training Development and EEO (TDE)	N1160	• Administer employee training and recognition programs • Consulting	2010 Adopted Budget FTEs
Employment	N1190	Recruit for open positions	2010 Adopted Budget FTEs
Benefit Administration	N1240	Administer Citywide health care insurance programs	2010 Adopted Budget FTEs
Human Resources	N1311	Provide policy guidance for Citywide personnel issues	2010 Adopted Budget FTEs
Director's Office	N1315	Provide policy guidance for Citywide personnel issues	2010 Adopted Budget FTEs
Information Management	N1360	Maintain Citywide personnel information	2010 Adopted Budget FTEs
Contingent Workforce Program	N1370	Administer temporary, work study, and intern programs	2010 Adopted Budget FTEs
Management Services, Finance and Technology	N1390	Provide finance, budget, and technology services	2010 Adopted Budget FTEs
Classification and Compensation	N1430	• Design and maintain classification and pay programs • Determine City position titles	Number of Job Classifications
Labor Relations	N1440	• Administer labor statutes • Negotiate and administer collective bargaining agreements and MOUs	Number of Represented Positions

PERSONNEL DEPARTMENT
COST ALLOCATION METHODOLOGIES – B(4) (cont.)

Service Provider	Org	Service Provided	Billing Methodology
Personnel Department-Administered Subfunds			
Deferred Compensation	N1220	Administer deferred compensation (457 Retirement Plan) for City employees.	Service fee charged to program participants.
Industrial Insurance (Safety and Workers' Compensation)	N1230 and N1250	Collaborate with the Washington State Department of Labor and Industries; manage medical claims, time loss, preventative care, and workplace safety programs.	Supported by the Industrial Insurance Subfund, billing is based on actual usage and pooled costs are based on three years of historical usage/data.

Cost Allocation

Central Service Cost Allocations by paying funds – Informational Only

These transfers reflect reimbursements for general government work performed on behalf of certain revenue generating departments.

	2011 Adopted	2012 Endorsed	2012 Adopted
City Budget Office	868,356	896,386	855,504
Personnel	4,402,971	4,502,506	4,407,812
MISC	13,545,249	13,914,976	14,386,164
Total Interfund Transfers	**18,816,576**	**19,313,868**	**19,649,481**
Interfund Transfers to City Budget Office (CBO)			
Seattle City Light	308,607	318,569	304,040
Seattle Public Utilities	255,399	263,643	251,619
Seattle Department of Transportation	212,832	219,702	209,682
Department of Planning Development	70,235	72,502	69,195
Retirement	21,283	21,970	20,968
Total Interfund Transfers to CBO	**868,356**	**896,386**	**855,504**
Intefund Transfers to Personnel			
Seattle City Light	1,844,948	1,886,610	1,846,187
Seattle Public Utilities	1,333,940	1,363,773	1,366,722
Seattle Department of Transportation	855,089	874,744	823,401
Department of Planning Development	355,771	363,856	358,007
Retirement	13,223	13,523	13,496
Total Interfund Transfers to Personnel	**4,402,971**	**4,502,506**	**4,407,812**
Miscellaneous Interfund Transfers			
Seattle City Light	3,299,976	3,382,992	3,761,690
Seattle Public Utilities	3,335,397	3,425,517	3,596,184
Seattle Department of Transportation	4,189,304	4,306,946	4,320,975
Department of Planning Development	2,651,627	2,728,562	2,637,310
Retirement	68,944	70,961	70,005
Total Miscellaneous Interfund Transfers	**13,545,249**	**13,914,976**	**14,386,164**

Statements of Legislative Intent (SLI):

This section describes the Statements of Legislative Intent (SLIs) adopted by the City Council. SLIs provide specific direction to departments on various work plan items for 2012.

Statement of Legislative Intent – Summary by Council Committee
2012 Adopted Budget

#	SLI NO.	TITLE
Government Performance and Finance Committee		
1	SLI 32-1-A-1	Seattle Center Interfund Loan Repayment Plan
2	SLI 47-1-A-1	Inventory of staffing support provided to boards and commissions
3	SLI 58-1-A-2	Report from FAS on major maintenance of mutual and offsetting benefit lease properties
4	SLI 75-1-A-2	A review of information technology systems and protocols Citywide to identify efficiency, effectiveness, and security improvements
Housing, Human Services, Health and Culture Committee		
5	SLI 21-1-A-2	Report to examine potential City support for a new Bruce Lee Action Museum
6	SLI 35-1-A-2	Redevelopment of Fire Station 39
7	SLI 50-1-A-2	Monitoring and assessing HSD refugee and immigrant job readiness training, family support, community organizing and leadership development programs in 2012
8	SLI 53-3-A-1	Require health outcomes as part of performance pay in City contracts for uninsured medical and dental services
9	SLI 54-1-A-1	HSD utility low income customer enrollment and outreach
Library, Utilities and Center Committee		
10	SLI 7-1-A-1	SPU update of tap fees and related work processes
11	SLI 13-1-A-1	Review of SPU financial policies
12	SLI 14-1-A-2	SPU recycling work plan priorities
Parks and Neighborhoods Committee		
13	SLI 81-1-A-1	Funding options for arts-related programs at the Department of Parks and Recreation
14	SLI 83-1-A-1	Parks Long-Term Funding Options

Statement of Legislative Intent – Summary by Council Committee
2012 Adopted Budget

#	SLI NO.	TITLE
Planning, Land Use and Sustainability Committee		
15	SLI 63-1-A-1	DPD - Planning Division Work Program Development and Reporting
16	SLI 65-1-A-1	DPD report to Council on Hansen permitting software replacement or upgrade
Public Safety, Civil Rights and Technology Committee		
17	SLI 23-1-A-1	Test of body-mounted video cameras
18	SLI 24-1-A-1	Neighborhood Policing Plan Update
19	SLI 46-1-A-1	Annual reports on workforce and contracting equity
Transportation Committee		
20	SLI 114-2-A-2	Third Avenue Transit Corridor Initiative

Statement of Legislative Intent – Full Text by Council Committee
2012 Adopted Budget

GOVERNMENT PERFORMANCE AND FINANCE COMMITTEE

1. ***Seattle Center Interfund Loan Repayment Plan*** [SLI 32-1-A-1]

Statement of Legislative Intent:

In June 2011, the City Council passed Ordinance 123644, which authorized Seattle Center to borrow up to $3 million from the City's Consolidated Cash Pool. The loan was intended to place Seattle Center in a positive cash position after some of its 2010 and 2011 collected revenues fell short of budgeted amounts. In 2012, the Council requests that Seattle Center work with the City Budget Office (CBO) to develop a repayment plan for the interfund loan and provide regular updates to the Council on repayment progress. Full repayment of Seattle Center's loan is due by December 31, 2012.

It is the Council's intent that Seattle Center, with assistance from CBO, complete the following in 2012:

- By March 31, 2012, a detailed repayment plan for Seattle Center's interfund loan. The repayment plan should describe the specific actions Seattle Center expects to undertake in 2012 in order to pay off its loan and quantify the amount of revenue associated with each action.
- By August 31, 2012, an initial report on loan repayment progress. Each loan repayment progress report should identify the amount of the loan outstanding and summarize Seattle Center's progress toward achieving the specific revenue and repayment goals articulated in the repayment plan.
- By December 31, 2012, a second and final report on loan repayment progress.

The repayment plan and progress reports should be delivered to the full memberships of the Council's Government Performance and Finance Committee (GP&F) and Library, Utilities and Center Committee (LUC). A staff presentation on the content of the repayment plan will be scheduled for a GP&F Committee meeting following the Committees' receipt of the plan. Presentations on the content of the progress reports may also be requested.

Background:

The Seattle Municipal Code (SMC) authorizes the Director of Finance to carry individual City funds, such as the Seattle Center Fund, in a negative cash position for periods of up to 90 days. For periods longer than 90 days, an interfund loan must be approved via ordinance. The Seattle Center Fund reached the 90 day threshold in April 2011 and in June the Council passed Ordinance 123644, which authorized Seattle Center to borrow up to $3 million from the City's Consolidated Cash Pool. Some of the factors contributing to Seattle Center's current financial challenges include the following:

- Nonpayment of rent by nonprofit tenants affected by the economic downturn;
- Loss of title sponsorship revenue for KeyArena; and
- Reduced rent revenues for the portion of the campus previously occupied by the Fun Forest. (These revenues will increase when the Chihuly garden exhibition opens to the public in 2012.)

2012 Statements of Legislative Intent

GOVERNMENT PERFORMANCE AND FINANCE COMMITTEE

1. Seattle Center Interfund Loan Repayment Plan [SLI 32-1-A-1]

(Cont'd.)

Ordinance 123644 specifies that Seattle Center must repay its loan in full (principal and interest) by no later than December 31, 2012, and applies an interest rate equivalent to the current rate of return of the Consolidated Cash Pool (presently around 0.8%). Seattle Center currently estimates it will have to generate about $1 million in unbudgeted cash receipts during the remaining term of the loan in order to repay what it will have borrowed from the Consolidated Cash Pool.

Responsible Council Committee: Government Performance and Finance

Date Due to Council: Interfund loan repayment plan by March 31, 2012

First repayment progress report by August 31, 2012

Second repayment progress report by December 31, 2012

2. Inventory of staffing support provided to boards and commissions [SLI 47-1-A-1]

Statement of Legislative Intent:

Council requests that the Executive provide an inventory summarizing the level of staffing and financial support that is now provided to the City's various boards, commissions and comparable advisory bodies. As the City continues to face significant financial challenges, the Council is interested in understanding whether the current staffing approach is the most cost-effective possible and whether other staffing models could be developed.

Responsible Council Committee: Government Performance and Finance

Date Due to Council: June 30, 2012

3. Report from FAS on major maintenance of mutual and offsetting benefit lease properties [SLI 58-1-A-2]

Statement of Legislative Intent:

The Council requests that the Department of Finance and Administrative Services provide two reports to the Council related to major maintenance of the City's mutual and offsetting benefit (MOB) properties.

The first report, which shall be provided by March 31st, shall estimate the cost of repairs needed to building systems, including roofs, to maintain MOB properties in a tenantable condition and shall set out options for funding repairs including, but not limited to, an assessment of eligibility and availability of American Recovery and Reinvestment Act retrofit funds and uncommitted real estate excise tax revenue.

The second report, which shall be provided by June 30th, shall present a review of the present MOB situation, policies for MOB leases, and options for MOB facilities, including disposition of the property to current tenants or entities that would ensure that the buildings continue to be leased to organizations providing a public benefit. This report shall be developed with input from current tenants and shall be informed by a survey of current MOB tenants to assess their ability to pay the lesser of fair market rent or standard City rent for similar facilities.

GOVERNMENT PERFORMANCE AND FINANCE COMMITTEE

3. Report from FAS on major maintenance of mutual and offsetting benefit lease properties [SLI 58-1-A-2]

(Cont'd.)

Background:

MOB properties are buildings owned by the City and leased to tenants who provide some public service. Tenants pay fair market rent, which is divided into cash rent and service rent. Cash rent is paid in cash. Service rent is delivered in the form of services provided to the community. Examples of services provided as rent include reduced cost medical care, nutrition education, meals for the elderly, operation of foodbanks, social service referrals, and transitional housing for homeless teen mothers.

The proposed budget appropriates $1.9 million from the insurance settlement for the 2010 Sunny Jim fire for major maintenance of six mutual and offsetting benefit buildings. Lessees of these properties include: 1) the Central Area Motivation Program, 2) the Central Area Senior Center, 3) the Northwest Senior Center, 4) the Southeast Health Clinic, 5) the South Park Community Service Center, and 6) the Teen Mother Center.

Major maintenance proposed by the Department of Finance and Administrative Services (FAS) would be limited to roof replacement for each building. However, in addition to roof replacement, systems in many of these buildings also need other major maintenance. FAS has not estimated the cost of those additional repairs. The estimated cost by facility for roof replacement only, prioritized in order of deteriorated condition, is set out in the table below.

Facility Name/ (Organization)	Estimate
SE Health Clinic	$ 485,000
Central Area Senior Center (Senior Services)	$ 455,000
South Park Community Service Center (SPARC)	$ 275,000
Central Area Motivation Program (CAMP)	$ 315,000
Teen Mother Center (Goodwill Missionary Baptist Church)	$ 105,000
Northwest Senior Center in Ballard (Senior Services)	$ 265,000
Subtotal:	$ 1,900,000

Source: FAS

Leases for these buildings are governed by the *Rules Governing the City's Mutual and Offsetting Benefit (MOB) Properties* (MOB Lease Rules), which were most recently amended by the Council through Resolution 27712 in 1988. These rules state that the City "shall be responsible for all normal repairs to ***roofs***, walls, and foundations" (Emphasis Added).[1] However, the MOB Lease Rules clearly contemplate that cash rent will cover some major maintenance.

Specifically, under the MOB Lease Rules, cash rent should be a portion of the fair market rental value determined by an appraisal performed every five years and should cover the amortized major maintenance costs over a 40 year life cycle.[2] Additionally, after the third year of an initial lease, the MOB Lease Rules require that cash rent covers 50% of administrative and major maintenance costs. The remainder of the administrative and major maintenance costs are to be made up through General Fund support.[3] In 2010 the Council increased the General Fund support for major maintenance of MOB facilities from $200,000 annually to $350,000 annually. FAS estimates that with the increase and with rent from tenants, the ongoing annual needed City support for major maintenance is about $129,000 more than is currently provided.

[1] *Rules Governing the City's Mutual and Offsetting Benefit (MOB) Properties*. Section V.H.
[2] Ibid at Section IX.A and IX.B.1.
[3] Id. at Section IX.8.

3. Report from FAS on major maintenance of mutual and offsetting benefit lease properties [SLI 58-1-A-2]

Background: (Cont'd.)

Central Staff reviewed the leases for the above facilities. The oldest lease, to the Central Area Senior Center, dates to 1974. The City entered into the most recent lease, to the Goodwill Development Association for the Teen Mother Center, in 2008. Many of these leases do not appear to be consistent with MOB Lease Rules. For example, cash rents payable under the older leases do not appear to be based on recent appraisals of fair market rent and in one newer lease the City has elected to charge only service rent.

These discrepancies reflect decisions made by previous administrations and Councils that the value of services provided by the current tenants are sufficient to cover fair market rent. However, those decisions may have compounded the challenge of adequately maintaining these City-owned buildings.

Responsible Council Committee: Government Performance and Finance

Date Due to Council: March 31 (First Report), June 30 (Second Report)

4. A review of information technology systems and protocols Citywide to identify efficiency, effectiveness, and security improvements [SLI 75-1-A-2]

Statement of Legislative Intent:

The Council requests that the Executive branch conduct a review of information technology (IT) systems and protocols Citywide to identify efficiency, effectiveness, and security improvements. This review should result in specific actionable recommendations to improve service to users, standardize systems and protocols, and achieve cost efficiencies. The review should consider any reasonable recommendations that can achieve the purposes of this review, including, but not limited to, software standardization, uniform protocols for access and use of IT systems and software, department-specific applications and approval standards for such applications.

This review covers all City departments and offices, including the utilities.

This review is not designed or intended to reduce staffing levels, although the recommendations may address that possibility. If staffing reductions are recommended, it is the Council's desire to achieve these reductions through the normal process of attrition. The review should be a collaborative process that includes the active participation of employees representing departments across City government, perhaps using an Employee Involvement Committee framework with an independent facilitator.

The Executive may accept the services of interested technology companies for assistance with this review, including the development of recommendations. King County accepted the contributed services of Microsoft when a similar review of IT services was completed in 2008. If the contributed services of an interested technology company are accepted, the company must disclose at the time of being retained whether or not it has an interest in securing paid services or selling products to the City.

The Executive may also retain the services of outside consultants to assist with this review. Up to $150,000 may be used from unreserved fund balance in the Information Technology Fund to pay for these consultant services.

Responsible Council Committee(s): Public Safety, Civil Rights and Technology; Government Performance and Finance

Date Due to Council: June 1, 2012 (final report and recommendations)

HOUSING, HUMAN SERVICES, HEALTH AND CULTURE COMMITTEE

5. Report to examine potential City support for a new Bruce Lee Action Museum [SLI 21-1-A-2]

Statement of Legislative Intent:

The Council requests that the Office of Arts and Cultural Affairs (OACA), in cooperation with the Office of Economic Development (OED), the Department of Finance and Administrative Services (FAS), Department of Neighborhoods (DON), and other appropriate City departments, develop a report to Council examining the extent to which City (and other public agency) resources are available to support the creation and ongoing funding of a new museum to showcase Bruce Lee.

Bruce Lee (born Lee Jun-fan - 李 振 藩) was a notable martial arts expert and actor who lived in Seattle in the late 1950's through mid 1960's. Upon his death in 1973 his remains were interred at Lakeview Cemetery in North Capitol Hill, adjacent to Volunteer Park. In June 2011, plans for a proposed museum at his former Hong Kong residence, developed with support of his family, were abandoned. The family has now expressed interest in developing the museum in Seattle, preferably within the City's Chinatown-International District.

The Lee Family Foundation has developed a museum concept, known as the Bruce Lee Action Museum, which envisions a building housing a significant collection of Bruce Lee memorabilia that includes personal items, writings and objects of historical significance, a meeting room, a theatre and gift shop, a café, research library and a space for temporary exhibits. Council sees this as a unique opportunity for the City, one that could provide both a new cultural facility showcasing a figure in Seattle's recent history, as well as a means for providing economic development and community building opportunities for the Chinatown-International District.

Once a viable plan has been brought forward for the Bruce Lee Action Museum by the Lee Family Foundation, the Council requests that a report be prepared that analyzes the following items:

1. Suitable locations for the museum that are owned by the City, or other public agency, and that could be used to locate such a stand- alone or mixed use facility, taking into account:

- Site availability
- Proximity to other cultural facilities
- Ease of access to the transportation network
- Location in relationship to the Chinatown-International District

2. If the City or public agency does not own a suitable piece of property to house such a facility, support that could be provided by the City in assisting with private property acquisition.

3. Public and private funding strategies and sources that could provide short and long-term capital, operations and maintenance funding.

5. *Report to examine potential City support for a new Bruce Lee Action Museum* [SLI 21-1-A-2] (Cont'd.)

Statement of Legislative Intent:

4. The direct and indirect economic impact that such a facility could have on its surrounding community, in the form of:

- Job creation
- Increased access to cultural facilities
- Economic impacts on surrounding businesses.

The City Council acknowledges that the proposed August 1, 2012 reporting date may need to be extended, if there are significant delays that prevent the presentation of a final plan to OACA.

Responsible Council Committee: Housing, Human Services, Health & Culture

Date Due to Council: August 1, 2012

6. *Redevelopment of Fire Station 39* [SLI 35-1-A-2]

Statement of Legislative Intent:

The Council requests the Executive, including the Finance and Administrative Services Department and the Office of Housing, to develop a proposal for the future redevelopment at the site of the old Fire Station (FS) 39 in Lake City to include, at a minimum, long-term housing for low-income or formerly homeless individuals and/or families. The Executive is requested to involve community stakeholders in the development of a proposal for this site. This proposal may include the provision of services for homeless and/or low income individuals and families. The result of this work will be either a Request For Proposal (RFP) or Request for Qualifications (RFQ) for development of this site and legislation that would authorize the sale or transfer of the property for such development.

The plan for sale or transfer of the property should identify a strategy for addressing the need to replenish the Fire Facilities and Emergency Response Levy program, which by current City policy is to receive the proceeds from the sale of FS 39. The Fire Levy program financial plan includes an estimated revenue of $800,000 from this sale.

Background:

The development of the City owned FS 39 site as a shelter (in the short term) or as housing for homeless individuals and families (in the long term) was examined as part of the Council's report on alternatives for homeless services prepared in response to Resolution 31292. Due to the existing conditions of FS 39 and building code regulations, extensive and costly renovations of the building would have been required for its use as year-round shelter. Discussions were held with community members over the summer about the shelter proposal and suggestions for addressing concerns about this proposal were received by the Council and Mayor.

6. ***Redevelopment of Fire Station 39*** [SLI 35-1-A-2] *(Cont'd.)*

A proposal to allow FS 39 to be used as a winter only shelter with day services has been developed by the Seattle Union Gospel Mission (SUGM) and is now being evaluated by the City with input from the local community. It is possible that a time-limited use of FS 39 for this purpose would be allowed under the existing building code regulations and would not require the extensive renovations required if the entire building was used for year-round 24/7 shelter and services. The Department of Planning and Development (DPD), and Finance and Administrative Services (FAS) are exploring the feasibility of this proposal. SUGM would operate the facility at no cost to the City. The SUGM proposal does incorporate a number of the suggestions made by the community in an effort to respond to concerns raised by neighboring residents and businesses. This proposal would allow the FS 39 building to be used for this purpose only during the Winter months – November to end of March/April.

The Mayor and Council are supportive of the future redevelopment of FS 39 as long-term housing for low-income or formerly homeless individuals and/or families that may include the provision of services, as well. The Mayor has indicated his support for allocating $950,000 in the 2013 budget for the one-time capital costs for such redevelopment. If the property is redeveloped as low-income housing, Housing Levy funding could be used for the housing portions of the redevelopment. Housing Levy funding cannot be used for the service or commercial space or other space unrelated to the housing on site. As noted in the Council's report, development of this site as low-income housing for homeless individuals and families would be consistent with the Ten Year Plan to End Homelessness and could also provide housing for those on the street who do not have access to shelter or housing.

Responsible Council Committee: Housing, Human Services, Health & Culture

Date Due to Council: March 30, 2012

7. Monitoring and assessing HSD refugee and immigrant job readiness training, family support, community organizing and leadership development programs in 2012 [SLI 50-1-A-2]

Statement of Legislative Intent:

This Statement of Legislative Intent (SLI) requests the Human Services Department (HSD) to monitor and assess the impacts (if any) associated with repurposing existing funding for Immigrant and Refugee Family Support to the newly proposed Immigrant and Refugee Youth Job Readiness Training program. Recognizing that nearly 400 parents currently receive family support assistance on an annual basis, Council is interested in ensuring that to the extent possible, any loss of service delivery is mitigated through other HSD programs and potentially, if approved by voters, the Families and Education Levy (F&E Levy). In addition, HSD plans to release a Policy Advocacy and Technical Assistance Request for Investment (RFI) in 2012 that includes funding for leadership development and coalition building for people of color and refugee and immigrant communities.

7. Monitoring and assessing HSD refugee and immigrant job readiness training, family support, community organizing and leadership development programs in 2012 [SLI 50-1-A-2]

(Cont'd.)

HSD is requested to provide the Council with a report that includes the following:

- Updated inventory of HSD funded immigrant and refugee family support programming that includes any City or external funding changes for these programs. This information should include a comparison of 2011 and 2012 program funding sources (City and other). This is intended to identify whether City leverage of external funding for these programs has changed and what impacts that might have on service delivery.

- Updated information related to any F&E Levy programs that provide family support services for immigrants and refugees. This information will not be available prior to adoption of the 2012 Budget. Council will want a summary of funding and outcomes associated with the F&E Levy programs that meet the objective of providing family support services to immigrants and refugees.

- An assessment based on feedback from agencies and service providers, community stakeholders, the City's Immigrant and Refugee Commission, and any other relevant sources regarding community family support needs. This is intended to identify whether any service gaps are emerging either as a result of repurposing of City funds or occurring in the community in general due to other factors.

- An update of the results from the Job Readiness Training RFI with a summary of contracted performance outcomes and a progress report related to implementation. In addition to providing an update on the Job Readiness Training RFI, HSD is requested to work with the Office for Education (OFE) to integrate the job readiness program with the Families and Education Levy programming focused on immigrant and refugee youth and families in order to develop specific measurable outcomes and align and coordinate efforts to most effectively and strategically deploy limited resources. The department is expected to report on the outcome of this coordination with OFE as part of its update to Council.

- An update of the result of the Policy Advocacy and Technical Assistance RFI with a summary of contracted performance outcomes and progress report related to the $120,000 proposed to support people of color and refugee and immigrant communities in leadership development, coalition building and other activities.

HSD is requested to coordinate information related to this SLI and consult with the appropriate City department providing staff support to the City's Immigrant and Refugee Commission prior to developing a final report for Council review. HSD is requested to provide the Council Human Services Committee with a report on the elements of this SLI no later than August 1, 2012.

HOUSING, HUMAN SERVICES, HEALTH AND CULTURE COMMITTEE

7. Monitoring and assessing HSD refugee and immigrant job readiness training, family support, community organizing and leadership development programs in 2012 [SLI 50-1-A-2]

(Cont'd.)

Background:

In 2012, HSD intends to allocate $465,000 to service providers and agencies through a competitive RFI process for a new immigrant and refugee youth job readiness training program. The plan calls for repurposing $315,000 of existing funds allocated to agencies to provide family support services to immigrant and refugees with children in school. Given the new goal of implementing an intensive and integrated approach to family support as it relates to job readiness training, this program will more narrowly focus on families with youth in the age range of 15-20.

In addition, $120,000 has been allocated in the 2012 budget to support community organizing and leadership development efforts within communities of color and immigrant and refugee communities. This funding is intended to increase the level of civic engagement and involvement in public policy making by individuals from these communities.

As a result of new funding and policy shifts, Council is interested in monitoring general immigrant and refugee programming in the context of these changes.

Responsible Council Committee: Housing, Human Services, Health & Culture

Date Due to Council: August 1, 2012

8. Require health outcomes as part of performance pay in City contracts for uninsured medical and dental services [SLI 53-3-A-1]

Statement of Legislative Intent:

The Human Services Department (HSD) is requested to work with Public Health – Seattle & King County (Public Health) to develop and implement health outcomes as part of the performance pay in the City's contracts for medical and dental services for uninsured clients.

Background.

In 2011 the City provided $6,284,074 for primary medical and dental care services for uninsured Seattle residents, Medicaid access and outreach services, specialty care access services, and staffing and administrative costs including funding for a .75 FTE at Public Health Seattle King County who negotiates and manages the contracts with community health care clinic providers.

HSD requires performance based contracts and determines the outcomes and performance measures providers must meet in city funded programs. HSD then contracts with Public Health who in turn contracts with community health care clinic providers. In 2011 the outcomes and performance measures in the contracts were 1) the number of visits by uninsured Seattle residents, 2) the number of clients enrolled in health coverage, and 3) quality of care goals: for patients with chronic conditions such as diabetes and hypertension, those needing prenatal care, and for children who need immunizations. Additional quality of care goals may be appropriate. However, while

8. Require health outcomes as part of performance pay in City contracts for uninsured medical and dental services [SLI 53-3-A-1]

(Cont'd.)

25% of the contract funding must be earned, currently the only performance requirements tied to reimbursement are that providers meet their targeted number of visits by uninsured Seattle residents and their targeted number of enrollments in health coverage; reimbursement is not tied to quality of care goals.

HSD is currently finalizing its Healthy Families, Healthy Communities strategic plan. The strategic plan is intended to address three charges that the Mayor's Office and City Council gave to HSD in July 2010: 1) create a seamless service delivery system, 2) reorganize and redesign HSD's contracting infrastructure and process; and 3) develop a data-driven environment that guides investments. Reviewing the City's investments for uninsured medical and dental visits to more clearly identify the health outcomes the City is investing in and tying health outcomes to performance pay is aligned with the Department's work on its strategic plan.

Timeline

HSD is requested to work with Public Health in 2012 to require health outcomes as part of performance pay in the City's 2013 contracts for medical and dental services for uninsured Seattle residents. HSD is also requested to report back to the Council's Housing, Human Services, Health and Culture committee with the changes they will be making in the City's 2013 contracts for medical and dental services for uninsured Seattle residents by June 30, 2012.

Responsible Council Committee: Housing, Human Services, Health & Culture

Date Due to Council: By June 30, 2012

9. HSD utility low income customer enrollment and outreach [SLI 54-1-A-1]

Statement of Legislative Intent:

The Council requests that the Human Services Department (HSD) submit a report that reviews its Utility Discount Program (UDP) for low income customer enrollment and outreach. The report should be developed in coordination with Seattle Public Utilities (SPU) and Seattle City Light (SCL) and include the following elements relating to HSD staffing and work processes for utility low income customer enrollment and outreach programs:

1. Compare 2012 HSD staffing, work processes and costs to 2010 staffing, work processes, and costs.
2. Show how performance targets are being met after 2011 implementation of HSD's recently updated utility low income customer enrollment work processes compared to past years.
3. Identify aspects of HSD's UDP that are working well and the aspects that could be improved to better meet performance targets and reduce costs. Recommend specific further improvements, a schedule for implementing those improvements, and a timeframe within which performance targets can be met after implementation.

Responsible Council Committee: Housing, Human Services, Health & Culture

Date Due to Council: March 31, 2012

LIBRARY, UTILITIES AND CENTER COMMITTEE

10. SPU update of tap fees and related work processes [SLI 7-1-A-1]

Statement of Legislative Intent:

The Council requests that Seattle Public Utilities (SPU) submit a report that:

1. Evaluates the formula used to calculate tap fees charged when a new water service is connected to the City system, with a goal of adjusting the formula to recover to the greatest extent possible SPU's cost of providing new taps services.
2. Evaluates the work processes used to connect new water taps to the City system and identifies opportunities to conduct the work more efficiently to lower the cost of new taps services.
3. Recommends how to narrow the gap between new taps revenues and expenditures by updating the formula for calculating tap fees, reducing cost of new taps services through more efficient work processes, or both. The recommendations should seek to reduce the gap by at least $250,000 in 2013 and an additional $250,000 (for a total reduction of at least $500,000) in 2014.

Responsible Council Committee(s): Library, Utilities and Center

Date Due to Council: May 1, 2012

11. Review of SPU financial policies [SLI 13-1-A-1]

Statement of Legislative Intent:

The Council requests that Seattle Public Utilities (SPU) submit a report that reviews its financial policies, with an emphasis on drainage and wastewater policies including the policy for the cash contribution to the capital improvement program (CIP). The report should include:

1. A summary of financial policies for SPU's Funds and an explanation of why each policy target was selected.
2. A comparison of SPU financial policies and bond ratings to those of other comparable utilities and Seattle City Light.
3. An evaluation of the Drainage and Wastewater Fund cash-to-CIP policy that considers a change from a 25% CIP cash contribution to a 20% cash contribution. The evaluation should show any revenue requirement savings, the rate path through 2017 if a 20% cash-to-CIP policy were adopted and the long-term implications for debt outstanding. It also should explain any financial risks associated with such a change.

Responsible Council Committee(s): Library, Utilities and Center

Date Due to Council: January 31, 2012

2012 Statements of Legislative Intent

LIBRARY, UTILITIES AND CENTER COMMITTEE

12. SPU recycling work plan priorities [SLI 14-1-A-1]

Statement of Legislative Intent:

The Council requests that Seattle Public Utilities (SPU) submit a detailed 2012 work plan for working toward Resolution 30990's goal of 60% recycling. Although progress has been made toward the City's recycling goal, detailed 2012 activities to achieve the goal are not shown in the proposed budget. The work plan requested in this Statement of Legislative Intent (SLI) should:

1. Identify base activities and new actions that contribute to achieving the recycling goal, including an estimate of the amount of contribution (in tons and % goal achievement) for each activity and a brief explanation of the criteria used to identify the actions as priorities.
2. Show funding estimates for each action and the combination of resources (SPU staff hours, consultant contracts, etc.) assigned to the actions.
3. Compare the actions in the 2012 work plan to those recommended in the draft Seattle Solid Waste Plan 2011 Revision, and explain any differences between the 2012 work plan and draft Solid Waste Plan-recommended actions.

Responsible Council Committee(s): Library, Utilities and Center

Date Due to Council: January 15, 2012

PARKS AND NEIGHBORHOODS COMMITTEE

13. Funding options for arts-related programs at the Department of Parks and Recreation [SLI 81-1-A-1]

Statement of Legislative Intent:

The Council requests that the Department of Parks and Recreation (DPR) submit a plan that details future funding options for its three arts-related programs – Downtown Arts in Parks, Langston Hughes Performing Arts Center (LHPAC) and Outdoor Neighborhood Parks – whose funding from Admissions Tax revenues will end after December 31, 2012.

In November 2010, the Council adopted Ordinance 123460, which authorized the temporary transfer (until December 31, 2012) of 25% of Admission Tax revenues appropriated to the Office of Arts and Cultural Affairs to DPR. It is Council's understanding that beginning with the 2013-2014 Proposed budget, General Subfund (GSF) or other ongoing financial support will be needed for these programs.

The plan presented by DPR should include:

1. The estimated amount of financial support for each of these programs, starting with the 2013-2014 budget, including details on GSF or non- GSF support;

PARKS AND NEIGHBORHOODS COMMITTEE

13. Funding options for arts-related programs at the Department of Parks and Recreation [SLI 81-1-A-1]

(Cont'd.)

2. The estimated amount of financial support for each of these programs, starting with the 2013-2014 budget, including details on GSF or non- GSF support;
3. The extent of any required program or staffing reductions to support the three programs, as of January 1, 2013;
4. The extent to which public/private partnerships can provide funding for each program;
5. Options that provide long-term financial support to maintain and operate LHPAC, including:
    a. Whether expanding the use of the facility to additional arts or cultural organizations would result in greater financial stability for the facility,
    b. Whether the City should contract with a non-city organization to operate the facility,
    c. Whether the facility should be sold, leased or transferred to a group or organization to benefit arts or cultural organizations, or
    d. Other options that provide long-term financial stability to continue operation of the facility.

Responsible Council Committee: Parks and Neighborhoods

Date Due to Council: June 1, 2012

14. Funding options for arts-related programs at the Department of Parks and Recreation [SLI 83-1-A-1]

Statement of Legislative Intent:

The City Council requests that the Parks Superintendent work with the Board of Parks Commissioners andother interested community partners, the City Budget Office, the Mayor's Office, the City Attorney's Office, and Council staff in 2012 to explore potential new sources of ongoing revenue for parks operations. This work should include the preparation of two written reports for the Council's review. The written reports should include, but not be limited to: (1) information on revenue sources used to fund parks operations in other jurisdictions, (2) the pros and cons of any potential new revenue sources, (3) the amount and stability of those revenue sources, and (4) descriptions of any required changes to state or municipal law. The reports should also include a definition of parks service levels and the amount of revenue required to support those service levels. The reports should take into account the City's larger financial picture and how the options described in the reports fit in with that picture and with the city's other fiscal priorities.

Background:

Seattle voters last approved parks levies in 2000 and 2008. Under both levies, most of the revenues raised were allocated for capital expenses, including land acquisitions and the development or renovation of parks facilities and open spaces. These new investments have increased the Department of Parks and Recreation's (DPR) operational responsibilities; however, funding for parks operations has not kept pace. Additionally, DPR's largest source of revenue, the City's General Subfund (GSF), is subject to fluctuations related to changing economic

PARKS AND NEIGHBORHOODS COMMITTEE

14. Funding options for arts-related programs at the Department of Parks and Recreation [SLI 83-1-A-1]

(Cont'd.)

conditions and budgetary pressures. GSF support currently accounts for about two thirds of DPR's total annual revenues. Consequently, the Council is interested in identifying new, stable, ongoing revenue sources to support parks operations.

Responsible Council Committee: Parks and Neighborhoods

Date Due to Council: Preliminary report due by June 30, 2012.

Final report due by January 2, 2013.

PLANNING, LAND USE AND SUSTAINABILITY COMMITTEE

15. DPD - Planning Division Work Program Development and Reporting [SLI 63-1-A-1]

Statement of Legislative Intent:

The Council requests that the Department of Planning and Development report to the Council periodically on work program development for the Planning Division.

In the 2011 adopted budget the Council included Statement of Legislative Intent (SLI) 42-1-A-1 that directed DPD to develop a multi-year work program that could be used as a shared tool by the Council and Mayor to prioritize resources among projects in the Planning (Budget Control Level) BCL. Among other things, the Planning BCL contains functions in DPD that develop policy and regulations that are incorporated into the Comprehensive Plan, the Land Use Code, and other policy and regulatory documents that govern development of the built environment. Consistent with SLI 42-1-A-1, the Planning Division Director reports quarterly on work program development and briefs the Committee on the Built Environment (renamed the Planning, Land Use and Sustainability Committee in 2012) on proposed new projects. This budget action continues the required work program reporting.

The work program SLI 1) allows the Council to periodically monitor the Planning Division's work program development to ensure that it is consistent with Council priorities, 2) gives the Council an opportunity to provide input on mid-year work program changes, and 3) creates a forum for the Executive and the Council to arrive at shared priorities. If issues emerge for the Mayor and Council during the year, those initiatives can be considered with a better understanding as to what the trade-offs might be among existing priorities.

Frequency of Report:

The reports should be provided quarterly to the Council in advance of the quarterly supplemental budget and grant acceptance ordinances and never later than March 31st, June 30th, September 30th, and December 31st, 2012. The report may be provided concurrently with regularly scheduled reports by the DPD Director to the Planning, Land Use and Sustainability Committee.

PLANNING, LAND USE AND SUSTAINABILITY COMMITTEE

15. DPD - Planning Division Work Program Development and Reporting [SLI 63-1-A-1]

(Cont'd.)

Contents of Report: Each report shall contain the following:

- An up-to-date work program;
- A narrative description of any new or changed projects proposed by the Executive or Council;
- Approximate FTE assignments by project; and

A summary table identifying by project and fund source all anticipated resources likely to flow from quarterly grant acceptance and supplemental budget ordinances or from any other sources not required to be appropriated through a supplemental budget ordinance.

Consistent with Green Sheet 66-1-A-1, the first quarter report shall include a proposal for an incremental approach to the 7-year Comprehensive Plan Update required by RCW 36.70A.130 that would require no more than $150,000 be expended on the effort in 2012 and would allow for Council action by 2015.

Responsible Council Committee: Planning, Land Use and Sustainability

Date Due to Council: March 31, 2012, June 30, 2012, September 30, 2012, December 31, 2012

16. DPD report to Council on Hansen permitting software replacement or upgrade [SLI 65-1-A-1]

Statement of Legislative Intent:

The Council requests that the Department of Planning and Development (DPD) report to the Council by June 30, 2012 on options for replacing or upgrading the Hansen permitting software system. The Council further requests that DPD provide this report prior to issuing any requests for proposals to identify vendors for replacement software.

Background:

The budget appropriates $550,000 to the Process Improvement and Technology (PI&T) budget control level to review options for replacing or updating the Hansen permitting software system. This system was first put into operation in 2001 and replaced the 1980s era Permit Tracking System (PTS). The total cost over six years of making Hansen fully operational and migrating from PTS was approximately $11 million.

The current version of Hansen is reaching the end of its useful life and vendor support for the current version may soon be unavailable. Approximately $200,000 of the appropriation is to complete an upgrade to the Oracle database that began in 2011. Approximately $350,000 of the appropriation is to analyze options for future replacement of or upgrade to Hansen to ensure ongoing vendor support and compatibility with Windows 7 and Internet Explorer 9.

PLANNING, LAND USE AND SUSTAINABILITY COMMITTEE

16. DPD report to Council on Hansen permitting software replacement or upgrade [SLI 65-1-A-1]

(Cont'd.)

Information provided by DPD indicates that work products anticipated from the options analysis may include:

1. Defining current permitting system requirements and key business processes;
2. Identifying impacts to peripheral systems and other possible impacts related to Hansen upgrade or replacement;
3. Information Gathering – site visits with similar size and complexity jurisdictions to gather lessons learned and successes with their permitting systems;
4. Conducting requests for interest to identify potential vendor products that meet requirements;
5. Developing fit/gap analyses to determine feasible replacement solutions to fit requirements;
6. Conducting cost/benefit analyses for top options which may include:
    a. Upgrading to Hansen version 8,
    b. Replacement with a new vendor solution, or
    c. Replacement with an in-house developed solution;
7. Recommending an approach, which includes identifying a best scenario that meets DPD business process needs with the least amount of disruption to current business;
8. Conducting a request for proposals, if needed, to identify a vendor if a replacement option is chosen; and
9. Developing a project plan, schedule, timeline, resource requirements, etc… for an upgrade project, which might be implemented in 2012 or 2013.

Responsible Council Committee:

Date Due to Council: June 30, 2012

PUBLIC SAFETY, CIVIL RIGHTS AND TECHNOLOGY COMMITTEE

17. Test of body-mounted video cameras [SLI 23-1-A-1]

Statement of Legislative Intent:

In approving the budget for the Police Department, it is the Council's intent that the Department test the use of body-mounted video cameras by police officers, and that this test inform the Mayor's 2013 Proposed Budget.

This project will begin with a test of the cameras by officers in cars assigned to traffic enforcement. This phase will last 90 days. The next phase, also 90 days, will be a test of the cameras by patrol officers in the West Precinct. One objective of these phases is to compare the quality and content of videos recorded by the body-mounted cameras to those recorded by the cameras already installed in traffic and patrol cars. Another is to begin evaluating alternative protocols for managing the use of the cameras and recordings.

PUBLIC SAFETY, CIVIL RIGHTS AND TECHNOLOGY COMMITTEE

17. Test of body-mounted video cameras [SLI 23-1-A-1]

(Cont'd.)

It is the Council's intent that the Executive develop options for deploying body-mounted cameras soon enough to provide a basis for funding options for the 2013 Budget. The Council requests a written report from the Executive by the end of July on the results of the test. This report should describe the costs and benefits of any reasonable alternative deployments, so that the Council can evaluate this aspect of the 2013 Proposed Budget in its own deliberations.

The Council recognizes that the use of body-mounted video cameras may be subject to collective bargaining with the Seattle Police Officers' Guild.

Responsible Council Committee: Public Safety, Civil Rights and Technology

Date Due to Council: July 31, 2012

18. Neighborhood Policing Plan Update [SLI 24-1-A-1]

Statement of Legislative Intent:

In approving the budget for the Police Department, it is the Council's intent that the Department update and refine the Neighborhood Policing Plan and that the Mayor propose a 2013 budget consistent with the updated plan. The Council requests that the Department provide the updated plan no later than June of 2012.

The Council expects the updated plan to be fiscally realistic. The purpose of the plan is to show how to provide the most public safety for the resources available.

This statement of intent outlines topics the updated plan should address.

Background:

The current Neighborhood Policing Plan reflects six years of discussion among the Police Department, the Executive and the Council about increasing the ability of patrol officers to improve public safety throughout the city:

> In a 2006 Statement of Legislative Intent (SLI), the Council asked the Department to expedite the implementation of geographic based policing to better match patrol deployment with patrol workload in order to improve the Department's ability to respond to emergency calls and increase the amount of time patrol officers spend on proactive policing. In another 2006 SLI, the Council proposed that the Council and Executive jointly develop performance measures for the Department.
>
> In October 2006, Resolution 30930 asked the Mayor to recommend the appropriate number of police officers for the years 2008 through 2012 based on desired public safety outcomes and to propose a 2008 budget consistent with this plan.

18. Neighborhood Policing Plan Update [SLI 24-1-A-1]

(Cont'd.)

In March 2007, the Department issued the Neighborhood Policing Plan (NPP), which proposed to redraw patrol beats, create new patrol work shifts and add 105 patrol officers between 2008 and 2012, all to make patrol officers available when and where they are needed and to give them more time for proactive work.

In September 2007, Resolution 31014 endorsed the NPP; Resolution 30996 established performance measures for the Department; and the Mayor proposed a 2008 budget to implement the NPP. The Council approved the budget in November 2007.

In 2008 and 2009 combined the Department exceeded the hiring goals of the NPP with a net increase of 69 officers in those two years. Due to budget constraints the Department stopped hiring in mid-2010, leading to a net decrease of 44 officers in 2010 and 2011 combined. The 2012 Proposed Budget proposes no change in the number of officers. As a result, by the end of 2012, the Department will have added 25 officers over the five years covered by the NPP rather than the planned 105. Because it has not met the NPP hiring goals, it has not yet established new work shifts for patrol officers. It remains uncertain whether and when the NPP will be implemented.

Topics the updated Neighborhood Policing Plan should address:

1. Core NPP principles

The Council continues to support the core principles of the NPP:

- Patrol officers should be deployed in ways that strengthen officers' sense of ownership of the neighborhoods they serve.
- Patrol deployment should match workload by geography and time.
- Responses to 911 calls and proactive policing should be provided equitably and dependably in all parts of the city at all times.
- Proactive time should be used to achieve public safety outcomes identified by command staff and the public.

2. Measuring NPP implementation

The first three principles above imply that patrol officers in every beat in the city should have enough proactive time to address neighborhood crime problems at the times those problems can be addressed most effectively. Successful implementation of the plan should be measured in part by whether this is the case. The proactive work of specialized units within the five precincts is a valuable supplement to the proactive work of patrol officers, but is not a substitute for it.

PUBLIC SAFETY, CIVIL RIGHTS AND TECHNOLOGY COMMITTEE

18. Neighborhood Policing Plan Update [SLI 24-1-A-1]

(Cont'd.)

3. Improving patrol shifts

The plan to hire 105 additional officers assumed that meeting the objectives for 911 response and proactive time would require at least 605 patrol officers. This in turn assumed that all patrol officers would work 10-hour shifts. A shift structure combining 9-hour shifts and 10-hour shifts may be more efficient, and thus may make it possible to meet the objectives with fewer patrol officers. The Council believes such a shift structure can be beneficial to individual officers as well as to the public.

4. Roles of officers outside patrol

Because the NPP would create more time for patrol officers to investigate and otherwise address neighborhood crime problems, it implies a complementary change in the roles of precinct detectives, centralized investigation units and other centralized sworn mission specialists who also address neighborhood crime problems. The City's budget situation may require that any patrol staffing requirements be met in part by transferring officers from other units into patrol rather than only by adding officers to the Department. For these reasons an updated plan should comprehend the work of sworn mission specialists as well as patrol officers.

5. Using scientific knowledge

The goal of giving patrol officers more useful proactive time is based in part on research showing that focused problem solving by officers is among the most effective forms of policing for preventing crime. The science of what works in policing has continued to progress in the years since the plan was proposed. The Department and the City should take advantage of this knowledge on a continuing basis. The recent Drug Market Initiative and the Department's intention to explore the benefits of place-based policing are excellent examples.

6. Limiting change in the number of officers

Large fluctuations in the number of officers hired each year create inefficiency in recruiting, evaluating and training new officers. When the Department meets budget by stopping hiring entirely, the number of fully trained officers continues to decline well after hiring resumes. When Mayor and Council ask the Department to meet higher staffing goals fast, the training operation must increase fast, and the quality of recruits and the quality of the training they receive may go down. For these reasons the City and the Department should limit year-to-year changes in the number of officers hired. A reasonable target may be to limit annual hiring to a range between one-third more and one-third less than the number needed to replace the officers who leave the force in the year.

Responsible Council Committee: Public Safety, Civil Rights and Technology

Date Due to Council: June 29, 2012

2012 Statements of Legislative Intent

PUBLIC SAFETY, CIVIL RIGHTS AND TECHNOLOGY COMMITTEE

19. Annual reports on workforce and contracting equity [SLI 46-1-A-1]

Statement of Legislative Intent:

The Council requests that the Executive present the following two reports to the Energy, Technology, and Civil Rights Committee by July 10, 2012 and July 10, 2013:

1. A joint report from the Personnel Department and the Seattle Office for Civil Rights (SOCR) on workforce equity that presents an analysis of past year results, both citywide and by individual department, provides updates on new initiatives pursued over the past year, identifies both positive steps and areas needing improvement, and recommends strategies to address challenges in reaching workforce equity.

2. A joint report from Finance and Administrative Services (FAS) and SOCR on contracting equity that presents an analysis of past year results, both citywide and by individual department, provides updates on new initiatives pursued over the past year, identifies both positive steps and areas needing improvement, and recommends strategies to address challenges in reaching contracting equity.

The reports would be submitted just before the mid-year presentations by individual departments to the Council describing their efforts to advance the City's Race and Social Justice Initiative (RSJI), including workforce and contracting equity, and would inform the Council's review of department presentations.

Responsible Council Committee: Public Safety, Civil Rights and Technology

Date Due to Council: July 10, 2012 and July 10, 2013

TRANSPORTATION COMMITTEE

20. Third Avenue Transit Corridor Initiative [SLI 114-2-A-2]

Statement of Legislative Intent:

The Council requests the Executive create a task force to identify actions needed to improve the functionality, urban design, safety and security of the downtown Third Ave Transit Corridor, as well as to recommend options for addressing the impacts on tourism, economic development and social equity arising from the elimination of Metro's Ride Free Area (RFA).

Multiple City departments will need to be represented on the task force, including the Seattle Department of Transportation, Seattle Police Department, Seattle Public Utilities, Department of Planning and Development and the Office of Economic Development. Given that the impending elimination of Metro's RFA will significantly affect the corridor, King County Metro Transit will also need to be a key player in developing recommendations and a strategy for implementing those recommendations, as will representatives from the neighboring business community, the Downtown Seattle Association, non-profit service providers and other stakeholders. This effort would build on previous work conducted by the City and other agencies and stakeholders over the past few years along Third Avenue, with the goal of reassessing existing programs and previous plans in light of current conditions and the impending transit changes. The team will be tasked with identifying short term and long term actions, potential changes in policy, resource needs and possible funding sources and strategies.

TRANSPORTATION COMMITTEE

20. Third Avenue Transit Corridor Initiative [SLI 114-2-A-2]

(Cont'd.)

In support of this effort, Council plans to appropriate additional funding for regular cleaning in the corridor and set aside one-time capital funding to support appropriate infrastructure investments. The Council looks forward to recommendations from the task force about how best to invest these dollars.

The following highlights some of the key challenges to be addressed by the task force:

- Continuing coordination with King County to mitigate the impact of the elimination of the RFA (scheduled for October 2012), both with regard to concerns about social equity and impacts on transit operations;
- Improving signage, lighting and/or other physical changes that improve visitors' feelings of safety and security;
- Identifying and implementing effective means of policing the corridor and ensuring public safety, particularly in hotspots such as Third and Lenora and Third between Pike and Pine;
- Development of a pilot "hot spot" policing initiative with identifiable outcomes and strategies to track and reduce reported and on-view criminal activity within targeted zones within the Third Avenue Transit Corridor. In developing and executing this proposal, SPD should involve relevant adjacent property owners. other government agencies, including the State Department of Corrections and King County Transit Police and other relevant stakeholders. SPD should use an evidence-based hot spot problem-solving process as described in the March 29, 2011 Office of City Auditor report "Addressing Crime and Disorder in Seattle's 'Hot Spots': What Works?"
- Integrating well-maintained transit waiting areas into the streetscape in a manner that serves transit operations and improves perceptions of public safety and security, while maintaining pedestrian access to neighboring businesses;
- Engaging adjacent building owners/businesses to coordinate and improve street edges and improve stewardship of sidewalks, building entrances and retail fronts;
- Expanding existing efforts to remove trash and clean sidewalks on a daily basis;
- Promoting increased and more vibrant retail activity; and
- Engaging low-income housing operators and social service providers in their efforts to maintain security and livability near their entrances.

Background:

On August 16, 2011, the King County Council enacted Ordinance 17169, imposing a two-year congestion reduction charge of $20 on vehicle registration renewals. The County legislation also included a provision (Sec. 11) discontinuing the downtown RFA by October 2012. The County Executive has until May 2012 to submit to the County Council an implementation plan for elimination of the RFA. King County Metro has convened several work groups to develop the implementation plan. Seattle staff are participating in the two groups focused on human service impacts and bus speed and reliability.

The RFA was established in 1973 as part of an effort to revitalize downtown, but allowing riders to board downtown without payment has also allowed large masses of buses to move more quickly through downtown and to stay on schedule in the area where a huge proportion of the system's riders board or alight. Now that most riders carry Orca cards, buses board more quickly. However, with the high level of regional and local buses working their way through downtown, Metro and SDOT planners still have concerns about delays when the RFA ceases. Moreover, in the nearly 40 years the RFA has been in place, many human service providers have located within the RFA. Even though Metro plans to continue and expand a robust free and reduced fare ticket program, these service providers and advocates have expressed concerns about a loss of mobility for homeless and other vulnerable populations.

20. Third Avenue Transit Corridor Initiative [SLI 114-2-A-2]

(Cont'd.)

Additionally, Third Avenue has long had problems with poor urban design, insufficient lighting, crime, graffiti and trash on the street. A handful of storefront businesses and building entrances have become nodes for loitering, with a couple street corners in particular perceived to operate day and night as open-air drug markets. In the last few years there have been some high profile violent crimes on Third Avenue. All this, along with several empty storefronts, has created a popular perception that Third Avenue and the downtown commercial core as a whole are becoming more dangerous.

Downtown stakeholders have long recognized these problems. In 2007, the City of Seattle, King County Metro and the Downtown Seattle Association negotiated a Memorandum of Understanding to assign responsibilities for a long list of short-term improvements in the areas of Public Safety, Cleaning and Trash Collection, Lighting, Urban Design and Tracking Programs. The MOU was never executed. Department of Planning and Development also undertook development of an urban design study that produced a two-part set of recommendations on bus shelters, signage, glass canopies, landscaping, sidewalk improvements, storefront improvements and public art. That plan was never implemented although the recommendations were well received by stakeholders.

The City Auditor recently identified a growing body of criminology research that demonstrates that policing strategies focused on specific, small areas within neighborhoods are effective at reducing criminal activity and increasing safety in those areas. The report found that a majority of crime in Seattle occurs on a very limited number of block faces and that these locations of concentrated criminal activity do not materially change from year to year. Several block faces along the Third Avenue corridor in Downtown Seattle experience significant levels of criminal activity and the Council regularly hears concerns from residents, employees, and business and property owners regarding the level of illegal activity in specific areas.

Responsible Council Committees: Transportation, Public Safety, Civil Rights and Technology

Date Due to Council: Written quarterly reports or briefings due in March 31, June 30, September 30, and December 31, 2012

NOTE: *This SLI is listed under two Committees.*

Glossary:

The glossary provides definitions of terms specific to governmental budgeting that are used throughout the budget book.

Glossary

Abrogate: A request to eliminate a position. Once a position is abrogated, it cannot be administratively reinstated. If the body of work returns, a department must request new position authority from the City Council.

Appropriation: A legal authorization granted by the City Council, the City's legislative authority, to make expenditures and incur obligations for specific purposes.

Biennial Budget: A budget covering a two-year period. Under state law, a biennium begins with an odd-numbered year.

Budget - Adopted and Proposed: The Mayor submits to the City Council a recommended expenditure and revenue level for all City operations for the coming fiscal year as the Proposed Budget. When the City Council agrees upon the revenue and expenditure levels, the Proposed Budget becomes the Adopted Budget, funds are appropriated, and legal expenditure limits are established.

Budget - Endorsed: The City of Seattle implements biennial budgeting through the sequential adoption of two one-year budgets. When adopting the budget for the first year of the biennium, the Council endorses a budget for the second year. The Endorsed Budget is the basis for a Proposed Budget for the second year of the biennium, and is reviewed and adopted in the fall of the first year of the biennium.

Budget Control Level: The level at which expenditures are controlled to meet State and City budget law provisions.

Capital Improvement Program (CIP): Annual appropriations from specific funding sources are shown in the City's budget for certain capital purposes such as street improvements, building construction, and some kinds of facility maintenance. These appropriations are supported by a six-year allocation plan detailing all projects, fund sources, and expenditure amounts, including many multi-year projects that require funding beyond the one-year period of the annual budget. The allocation plan covers a six -year period and is produced as a separate document from the budget document.

Chart of Accounts: A list of expenditure, revenue, and other accounts describing and categorizing financial transactions.

Community Development Block Grant (CDBG): A U.S. Department of Housing and Urban Development (HUD) annual grant to Seattle and other local governments to support economic development projects, human services, low-income housing, and services in low-income neighborhoods.

Comprehensive Annual Financial Report of the City (CAFR): The City's annual financial statement prepared by the Department of Finance and Administrative Services.

Cost Allocation: Distribution of costs based on some proxy for costs incurred or benefits received.

Cumulative Reserve Subfund (CRS): A significant source of ongoing local funding to support capital projects in general government departments. The CRS consists of two accounts: the Capital Projects Account and the Revenue Stabilization Account. The Capital Projects Account has six subaccounts: REET I, REET II, Unrestricted, South Lake Union Property Proceeds, Asset Preservation Subaccount - Fleets and Facilities, and the Street Vacation Subaccount. The Real Estate Excise Tax (REET) is levied on all sales of real estate, with the first .25% of the locally imposed tax going to REET I and the second .25% to REET II. State law specifies how each REET can be spent.

Debt Service: Annual principal and interest payments the City owes on money it has borrowed.

Education and Developmental Services Levy (Families and Education Levy): In September 2004, voters approved a new Families and Education Levy for $116.7 million to be collected from 2005 through 2011. This is the third levy of this type, replacing ones approved in 1990 and 1997. Appropriations are made to various budget control levels grouped together in the Educational and Developmental Services section of the budget, and are overseen by the Department of Neighborhoods. Appropriations then are made to specific departments to support school- and community-based programs for children and families.

Errata: Adjustments, corrections, and new information sent by departments through the City Budget Office to the City Council during the Council's budget review as an adjunct to the Mayor's Proposed Budget. The purpose is to adjust the Proposed Budget to reflect information not available upon submittal and to correct inadvertent errors.

Full-Time Equivalent (FTE): A term expressing the amount of time for which a position has been budgeted in relation to the amount of time a regular, full-time employee normally works in a year. Most full-time employees (1.00 FTE) are paid for 2,088 hours in a year (or 2,096 in a leap year). A position budgeted to work half-time for a full year, or full-time for only six months, is 0.50 FTE.

Fund: An accounting entity with a set of self-balancing revenue and expenditure accounts used to record the financial affairs of a governmental organization.

Fund Balance: The difference between the assets and liabilities of a particular fund. This incorporates the accumulated difference between the revenues and expenditures each year.

General Fund: A central fund into which most of the City's general tax revenues and discretionary resources are pooled, and which is allocated to support many of the operations of City government. Beginning with the 1997 Adopted Budget, the General Fund was restructured to encompass a number of subfunds, including the General Fund Subfund (comparable to the "General Fund" in prior years) and other subfunds designated for a variety of specific purposes. These subfunds are listed and explained in more detail in department chapters, as well as in the Funds, Subfunds, and Other section of the budget document.

Grant-Funded Position: A position funded 50% or more by a categorical grant to carry out a specific project or goal. Seattle Municipal Code 4.04.030 specifies that "categorical grant" does not include Community Development Block Grant funds, nor any funds provided under a statutory entitlement or distribution on the basis of a fixed formula including, but not limited to, relative population.

Neighborhood Matching Subfund (NMF): A fund supporting partnerships between the City and neighborhood groups to produce neighborhood-initiated planning, organizing, and improvement projects. The City provides a cash match to the community's contribution of volunteer labor, materials, professional services, or cash. The NMF is administered by the Department of Neighborhoods.

Operating Budget: That portion of a budget dealing with recurring expenditures such as salaries, electric bills, postage, printing, paper supplies, and gasoline.

Position/Pocket Number: A term referring to the title and unique position identification number assigned to each position authorized by the City Council through the budget or other ordinances. Positions may have a common title name, but each position has its own unique identification number assigned by the Records Information Management Unit of the Personnel Department at the time position authority is approved by the City Council. Only one person at a time can fill a regularly budgeted position. An exception is in the case of job-sharing, where two people work part-time in one full-time position.

Program: A group of services within a department, aligned by common purpose.

Reclassification Request: A request to change the job title or classification for an existing position. Reclassifications are subject to review and approval by the Classification/Compensation Unit of the Personnel Department and are implemented upon the signature of the Personnel Director, as long as position authority has been established by ordinance.

Reorganization: Reorganization refers to changes in the budget and reporting structure within departments.

SUMMIT: The City's central accounting system managed by the Department of Executive Administration.

Sunsetting Position: A position funded for only a specified length of time by the budget or enabling ordinance.

Glossary

Type of Position: There are two types of budgeted positions. They are identified by one of the following characters: **F** for **F**ull-Time or **P** for **P**art-Time.

Regular Full-Time is defined as a position budgeted for 2,088 compensated hours per year, 40 hours per week, 80 hours per pay period, and is also known as one full-time equivalent (FTE).

Regular Part-Time is defined as a position designated as part time, and requiring an average of 20 hours or more, but less than 40 hours of work per week during the year. This equates to an FTE value of at least 0.50 and no more than 0.99.

Statistics:

This table provides high-level statistical information about the City of Seattle, including demographic data and historical budget data by department.

Statistics

MISCELLANEOUS STATISTICS

December 31, 2010 - Unless Otherwise Indicated

CITY GOVERNMENT

Date of incorporation	December 2, 1869
Present charter adopted	March 12, 1946
Form: Mayor-Council (Nonpartisan)	

GEOGRAPHICAL DATA

Location:	
Between Puget Sound and Lake Washington	
125 nautical miles from Pacific Ocean	
110 miles south of Canadian border	
Altitude:	
Sea level	521 feet
Average elevation	10 feet
Land area	83.1 square miles
Climate	
Temperature	
30-year average, mean annual	52.4
January 2010 average high	51.5
January 2010 average low	42.5
July 2010 average high	74.9
July 2010 average low	54.2
Rainfall	
30-year average, in inches	36.35
2010-in inches	46.99

POPULATION

Year	City of Seattle	Seattle Metropolitan Area [ab]
1910	237,194	N/A
1920	315,685	N/A
1930	365,583	N/A
1940	368,302	N/A
1950	467,591	844,572
1960	557,087	1,107,203
1970	530,831	1,424,611
1980	493,846	1,607,618
1990	516,259	1,972,947
2000	563,374	2,279,100
2001	568,100	2,376,900
2002	570,800	2,402,300
2003	571,900	2,416,800
2004	572,600	2,433,100
2005	573,000	2,464,100
2006	578,700	2,507,100
2007	586,200	2,547,600
2008	592,800	2,580,800
2009	602,000	2,613,600
2010	612,000	2,644,500
King County		1,933,400
Percentage in Seattle		32

[a] Source: Washington State Office of Financial Management.

[b] Based on population in King and Snohomish Counties.

ELECTIONS (November 2)

Active registered voters	369,451
Percentage voted last general election	72.79
Total voted	268,923

PENSION BENEFICIARIES

Employees' Retirement	5,428
Firemen's Pension	828
Police Pension	838

VITAL STATISTICS

Rates per thousand of residents	
Births (2009)	13.4
Deaths (2009)	7.0

PUBLIC EDUCATION (2010-11 School Year)

Enrollment (October 1)	46,813
Teachers and other certified employees (October 1)	3,211
School programs	
Regular elementary programs	55
Regular middle school programs	9
Regular high school programs	10
K-8 school programs	10
Alternative/Non-traditional school programs	8
Total number of school programs	92

PROPERTY TAXES

Assessed valuation (January 2010)	$123,684,314,249
Tax levy (City)	$359,800,747

EXAMPLE – PROPERTY TAX ASSESSMENTS

Real value of property	$448,500
Assessed value	$448,500

Property Tax Levied By	Dollars per Thousand	Tax Due
City of Seattle	$2.92492	$1,311.83
Emergency Medical Services	0.30000	134.55
State of Washington	2.22253	996.80
School District No. 1	1.98477	890.17
King County	1.28499	576.32
Port of Seattle	0.21597	96.86
King County Ferry District	0.00348	1.56
King County Flood Control Zone	0.10514	47.16
Totals	$9.04180	$4,055.25

PORT OF SEATTLE

Bonded Indebtedness	
General obligation bonds	$ 335,500,000
Utility revenue bonds	2,943,940,000
Passenger facility charges bonds	177,485,000
Commercial Paper	94,305,000
Waterfront (mileage)	
Salt water	13.4
Fresh water	0.7
Value of Land Facilities	
Waterfront	$2,060,540,276
Sea-Tac International Airport	$4,906,235,676

Marine Container Facilities/Capacities

4 container terminals with 11 berths covering 507 acres
2.14 million TEU's (20-ft. equivalent unit containers)
1 grain facility, 1 general cargo facility, 1 barge terminal
2 cruise terminals

Sea-Tac International Airport	
Scheduled passenger airlines	26
Cargo airlines	5
Charter airlines	3
Loading bridges	74

OPERATING INDICATORS
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2010	2009	2008	2007	2006
PUBLIC SAFETY					
Fire					
Property fire loss					
Total City	$11,021,455	$22,217,971	$16,351,377	$17,664,500	$18,340,656
Per capita	$18.11	$36.91	$27.52	$32.76	$31.69
Police					
Municipal Court filings and citations					
Non-traffic criminal filings	9,908	10,724	9,461	12,003	12,882
Traffic criminal filings	4,752	5,344	5,124	5,100	4,156
DUI filings	1,343	1,422	1,167	1,390	1,496
Non-traffic infraction filings	5,501	6,111	6,437	7,880	7,310
Traffic infraction filings	55,108	57,960	69,949	74,490	59,828
Parking infractions	600,543	568,616	477,024	430,240	385,852
ARTS, CULTURE, AND RECREATION					
Library					
Library cards in force	502,903	465,325	432,790	448,104	403,415
Parks and Recreation					
Park use permits issued					
Number	614	639	599	529	667
Amount	$302,690	$204,527	$212,403	$75,459	$217,782
Facility use permits issued including pools					
Number	27,384	26,922	24,977	23,487	N/A
Amount	$5,014,973	$4,957,236	$2,571,854	$2,374,230	N/A
Facility use permits issued excluding pools					
Number	26,661	26,190	23,577	22,113	2,314
Amount	$4,480,703	$4,469,322	$2,127,367	$1,997,402	$790,551
Picnic permits issued					
Number	3,658	3,547	3,420	3,469	3,253
Amount	$303,075	$249,110	$228,965	$229,715	$220,595
Ball field usage					
Scheduled hours	125,891	161,937	147,911	145,481	144,760
Amount	$1,909,705	$1,457,708	$1,444,393	$1,600,578	$1,413,035
Weddings					
Number	272	268	235	254	238
Amount	$89,350	$91,238	$80,955	$87,900	$82,079
NEIGHBORHOODS AND DEVELOPMENT					
Planning and Development					
Permits					
Number issued	6,287	5,917	7,890	8,865	8,576
Value of issued permits	$1,582,129,040	$1,987,486,066	$2,580,055,297	$3,097,812,568	$2,021,878,195
UTILITIES AND TRANSPORTATION					
City Light					
Customers	398,858	394,731	387,715	383,127	379,230
Operating revenues	$732,977,819	$723,128,042	$877,392,652	$832,524,784	$831,810,233
Water					
Population served	1,431,252	1,419,390	1,401,000	1,338,974	1,454,586
Billed water consumption, daily average, in gallons	110,424,484	122,038,356	117,406,451	120,690,060	124,955,842
Operating revenues	$195,203,465	$191,369,588	$164,405,030	$160,161,307	$155,175,008
Drainage and Wastewater					
Operating revenues	$249,733,795	$250,194,607	$224,109,335	$202,407,690	$186,832,412
Solid Waste					
Customers					
Residential garbage customers	165,541	167,047	166,914	166,052	165,551
Residential dumpsters customers	126,593	127,971	122,503	119,667	117,899
Commercial garbage customers	8,248	8,462	9,747	8,505	8,481
Operating revenues	$150,905,931	$135,641,160	$124,353,043	$121,930,923	$112,474,339

Statistics

OPERATING INDICATORS
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2005	2004	2003	2002	2001
PUBLIC SAFETY					
Fire					
Property fire loss					
Total City	$16,657,222	$45,790,140	$22,433,417	$27,874,071	$62,898,264
Per capita	$29.13	$80.07	$39.23	$49.48	$110.72
Police					
Municipal Court filings and citations					
Non-traffic criminal filings	12,098	10,704	10,502	10,283	12,948
Traffic criminal filings	2,098	N/A	N/A	N/A	N/A
DUI filings	1,437	N/A	N/A	N/A	N/A
Non-traffic infraction filings	7,416	6,715	17,350	17,515	24,475
Traffic infraction filings	59,120	56,556	72,104	74,076	85,001
Parking infractions	438,303	505,790	441,048	428,960	442,331
ARTS, CULTURE, AND RECREATION					
Library					
Library cards in force	454,990	386,127	352,194	377,720	494,353
Parks and Recreation					
Park use permits issued					
Number	649	658	633	736	546
Amount	$229,420	$371,419	$457,360	$327,115	$282,275
Facility use permits issued including pools					
Number	N/A	N/A	N/A	N/A	N/A
Amount	N/A	N/A	N/A	N/A	N/A
Facility use permits issued excluding pools					
Number	N/A	N/A	N/A	N/A	N/A
Amount	$567,975	$377,523	$338,630	$300,508	$324,237
Picnic permits issued					
Number	3,273	3,028	2,921	3,205	3,764
Amount	$218,045	$194,404	$175,663	$172,942	$129,018
Ball field usage					
Scheduled hours	142,360	147,482	138,976	137,127	125,371
Amount	$1,474,107	$1,236,699	$982,042	$563,629	$476,174
Weddings					
Number	197	165	160	147	108
Amount	$69,670	$36,770	$38,820	$34,065	$29,445
NEIGHBORHOODS AND DEVELOPMENT					
Planning and Development					
Permits					
Number issued	7,178	7,209	6,683	5,223	6,646
Value of issued permits	$1,681,651,482	$1,597,232,563	$1,175,475,274	$970,072,275	$1,736,681,088
UTILITIES AND TRANSPORTATION					
City Light					
Customers	375,869	372,818	365,445	360,632	350,000
Operating revenues	$748,552,561	$777,918,589	$741,761,472	$709,330,438	$632,453,970
Water					
Population served	1,350,346	1,348,200	1,330,327	1,340,012	1,327,742
Billed water consumption, daily average, in gallons	118,854,138	127,725,423	130,670,298	126,694,524	123,000,000
Operating revenues	$146,118,856	$141,313,235	$129,561,327	$118,160,130	$105,345,318
Drainage and Wastewater					
Operating revenues	$176,482,071	$162,117,805	$150,721,637	$144,485,761	$136,238,195
Solid Waste					
Customers					
Residential garbage customers	165,561	163,977	91,317	180,798	159,454
Residential dumpsters customers	115,838	155,581	111,822	110,807	108,886
Commercial garbage customers	8,697	8,618	8,710	8,856	9,092
Operating revenues	$111,230,835	$112,167,705	$111,738,282	$112,089,944	$105,510,879

CAPITAL ASSET STATISTICS
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2010	2009	2008	2007	2006
PUBLIC SAFETY					
Fire					
Boats	3	3	3	2	2
Fire-fighting apparatus	162	162	162	163	163
Stations	33	33	33	33	33
Training towers	2	2	2	1	1
Alarm center	1	1	1	1	1
Utility shop	1	1	1	1	1
Police					
Precincts	5	5	5	5	5
Detached units	7	7	7	7	7
Vehicles					
Patrol cars	270	270	270	265	252
Motorcycles	37	37	37	45	50
Scooters	63	58	58	50	53
Trucks, vans, minibuses	86	84	84	81	81
Automobiles	194	194	194	197	194
Patrol boats	10	10	10	10	10
Bicycles	154	146	146	137	137
Horses	8	8	8	8	8
ARTS, CULTURE AND RECREATION					
Library					
Central and branch libraries	27	27	27	24	24
Mobile units	4	4	4	4	4
Books, audio and video materials, newspapers, and magazines - circulated	11,376,194	11,914,050	10,025,029	9,085,490	8,661,263
Collection, print and non-print	2,280,511	2,294,601	2,446,355	2,352,381	2,273,440
Parks and Recreation					
Major parks	14	13	13	13	13
Open space acres acquired since 1989	665	663	654	638	630
Total acreage	6,188	6,185	6,171	6,155	6,036
Children's play areas	135	133	131	130	130
Neighborhood playgrounds	40	38	38	38	38
Community playfields	38	38	33	33	33
Community recreation centers	26	26	26	26	26
Visual and performing arts centers	6	6	6	6	6
Theaters	2	2	2	2	2
Community indoor swimming pools	8	8	8	8	8
Outdoor heated pools (one saltwater)	2	2	2	2	2
Boulevards	18	18	18	18	18
Golf courses (includes one pitch and putt)	5	5	5	5	5
Squares, plazas, triangles	64	64	62	62	62
Viewpoints	11	9	8	8	8
Bathing beaches (life-guarded)	9	9	9	9	9
Bathing beaches	9	9	9	9	9
Aquarium specimens on exhibit [a]	0	10,588	10,216	10,655	10,655

[a] As of 2010 the Parks and Recreation Department no longer manages aquarium specimens.

CAPITAL ASSET STATISTICS
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2005	2004	2003	2002	2001
PUBLIC SAFETY					
Fire					
Boats	2	2	2	2	2
Fire-fighting apparatus	163	163	163	170	177
Stations	33	33	33	33	33
Training tower	1	1	1	1	1
Alarm center	1	1	1	1	1
Utility shop	1	1	1	1	1
Police					
Precincts	5	5	5	5	4
Detached units	7	7	7	7	13
Vehicles					
Patrol cars	252	252	252	252	252
Motorcycles	48	48	41	41	38
Scooters	55	58	63	63	69
Trucks, vans, minibuses	79	69	67	67	62
Automobiles	189	187	181	181	173
Patrol boats	9	7	7	7	7
Bicycles	137	126	126	117	126
Horses	8	9	9	10	9
ARTS, CULTURE AND RECREATION					
Library					
Central and branch libraries	24	24	24	24	23
Mobile units	4	4	4	4	4
Books, audio and video materials, newspapers, and magazines - circulated	7,449,761	6,575,866	5,804,388	6,175,027	5,695,182
Collection, print and non-print	2,173,903	1,889,599	2,004,718	2,031,276	2,002,866
Parks and Recreation					
Major parks	13	13	13	13	13
Open space acres acquired since 1989	630	630	630	630	600
Total acreage	6,036	6,036	6,036	6,036	6,006
Children's play areas	130	130	130	130	130
Neighborhood playgrounds	38	38	38	38	38
Community playfields	33	33	33	33	33
Community recreation centers	25	25	24	24	24
Visual and performing arts centers	6	6	6	6	6
Theaters	2	2	2	2	2
Community indoor swimming pools	8	8	8	8	8
Outdoor heated pools (one saltwater)	2	2	2	2	2
Boulevards	18	18	18	18	18
Golf courses (includes one pitch and putt)	5	5	5	5	5
Squares, plazas, triangles	62	62	62	62	62
Viewpoints	8	8	8	8	8
Bathing beaches (life-guarded)	9	7	7	9	9
Bathing beaches	9	9	9	9	9
Aquarium specimens on exhibit [a]	14,600	14,577	14,577	20,825	20,825

[a] As of 2010 the Parks and Recreation Department no longer manages aquarium specimens.

CAPITAL ASSET STATISTICS
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2010	2009	2008	2007	2006
UTILITIES AND TRANSPORTATION					
City Light					
Plant capacity (KW)	1,920,700	1,920,700	1,920,700	1,920,700	1,920,700
Maximum system load (KW)	1,841,255	1,858,735	1,900,878	1,767,805	1,822,342
Total system energy (1,000 KW) (firm load)	9,865,376	10,139,898	10,323,915	10,203,415	9,990,486
Meters	406,195	402,854	394,455	391,022	385,621
Water					
Reservoirs, standpipes, tanks	27	27	30	30	29
Fire hydrants	18,503	18,473	18,436	18,398	18,347
Water mains					
Supply, in miles	187	187	224	182	182
Distribution, in miles	1,714	1,714	1,673	1,674	1,704
Water storage, in thousand gallons	338,869	302,880	370,000	377,080	377,080
Meters	188,322	188,226	187,154	185,395	183,699
Drainage and Wastewater					
Combined sewers, life-to-date, in miles	471	472	473	444	444
Sanitary sewers, life-to-date, in miles	957	956	958	985	985
Storm drains, life-to-date, in miles	473	470	473	472	472
Pumping stations	66	67	65	68	68
Solid Waste					
Transfer stations	2	2	2	2	2
Transportation					
Arterial streets, in miles	1,537	1,531	1,531	1,531	1,534
Non-arterial streets (paved and unpaved), in miles	2,411	2,412	2,412	2,412	2,412
Sidewalks, in miles	2,262	2,262	2,258	2,256	1,956
Stairways	507	498	494	482	482
Length of stairways, in feet	35,061	35,181	35,215	34,775	34,643
Number of stairway treads	24,009	23,950	23,666	23,407	23,211
Street trees					
City-maintained	40,000	40,000	40,000	35,000	34,000
Maintained by property owners	125,000	125,000	125,000	105,000	100,000
Total platted streets, in miles	1,666	1,666	1,666	1,666	1,666
Traffic signals	1,053	1,040	1,030	1,001	991
Parking meters					
Downtown	231	941	941	700	747
Outlying	85	97	97	300	353
Parking pay stations					
Downtown [a]	998	856	850	1,215	925
Outlying [a]	1,227	1,315	1,127	630	565
Bridges (movable) - City-owned and -operated	4	4	4	4	4
Bridges (fixed)					
City maintenance	90	88	88	88	84
Partial City maintenance	44	54	55	55	55
Retaining walls/seawalls	592	592	582	582	582

[a] City redefined areas starting in 2008.

CAPITAL ASSET STATISTICS
BY DEPARTMENT/OFFICE
Last Ten Fiscal Years

	2005	2004	2003	2002	2001
UTILITIES AND TRANSPORTATION					
City Light					
Plant capacity (KW)	1,920,700	1,920,700	1,920,700	1,920,700	1,920,700
Maximum system load (KW)	1,714,080	1,798,926	1,645,998	1,689,666	1,661,842
Total system energy (1,000 KW) (firm load)	9,703,046	9,560,928	9,610,856	9,610,761	9,510,504
Meters	382,436	379,599	380,828	379,257	375,953
Water					
Reservoirs, standpipes, tanks	38	68	38	32	32
Fire hydrants	18,475	18,762	18,356	18,635	18,345
Water mains					
Supply, in miles	181	181	181	173	171
Distribution, in miles	1,644	1,657	1,662	1,662	1,693
Water storage, in thousand gallons	494,080	494,080	506,570	506,570	506,570
Meters	182,037	181,038	180,149	179,268	179,330
Drainage and Wastewater					
Combined sewers, life-to-date, in miles	464	451	587	584	583
Sanitary sewers, life-to-date, in miles	968	972	908	825	906
Storm drains, life-to-date, in miles	474	467	461	461	459
Pumping stations	68	68	68	68	68
Solid Waste					
Transfer stations	2	2	2	2	2
Transportation					
Arterial streets, in miles	1,534	1,534	1,534	1,508	1,524
Non-arterial streets (paved and unpaved), in miles	2,412	2,412	2,412	2,412	2,706
Sidewalks, in miles	1,956	1,954	1,953	1,952	1,952
Stairways	482	479	479	471	471
Length of stairways, in feet	34,643	33,683	33,683	32,787	32,787
Number of stairway treads	23,211	22,471	22,471	22,108	22,108
Street trees					
City-maintained	34,000	34,000	34,000	31,000	31,000
Maintained by property owners	100,000	100,000	100,000	90,000	90,000
Total platted streets, in miles	1,666	1,666	1,666	1,741	1,658
Traffic signals	1,000	1,000	1,000	1,000	1,000
Parking meters					
Downtown	2,819	4,298	7,136	6,836	6,720
Outlying	904	1,967	1,967	1,956	2,003
Parking pay stations					
Downtown [a]	758	500	N/A	N/A	N/A
Outlying [a]	318	N/A	N/A	N/A	N/A
Bridges (movable) - City-owned and -operated	4	4	4	4	4
Bridges (fixed)					
City maintenance	84	85	85	86	86
Partial City maintenance	61	58	58	58	58
Retaining walls/seawalls	582	561	561	586	586

[a] City redefined areas starting in 2008.