



Mayor Mike McGinn's

# 2012 Proposed Budget

## Our Approach

When it comes to budgeting, it is clear that the City of Seattle 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 new needs. Rather than continue making incremental reductions on the margins and running the real risk of degrading the quality of the services provided, the 2012 Proposed Budget reflects a concerted effort to reform, reorganize and reinvent how the City does business.

Last year, Mayor Mike McGinn worked with his staff, department heads, and the community to set principles to guide his budget decisions. He applied these principles when developing his 2012 Proposed Budget:

- **Shared Prosperity.** Our budget decisions must support programs that not only create jobs, but create good family wage jobs, opening new doors for everyone in Seattle to find the economic security they seek.
- **Race and Social Justice.** With significant inequalities based on one's racial and/or ethnic background, our budget decisions must not only be conscious of injustice, they must help us end it and produce a more just and equal society.
- **Effective and Open Government.** Now more than ever, government must operate as efficiently as possible to allow us to spend more money in the community.
- **Public Safety and Health.** Safe and healthy communities mean effective police and fire departments, but it also means our roads, bridges and buildings are safe and well maintained, we focus on youth development and we have communities that look out for each other.

This is by no means an "all cuts budget." Rather, the Mayor's 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 shows that the City is achieving its performance objectives.
- It preserves and/or redirects funding to other priority areas.
- It invests in the future by preserving City infrastructure and adding to the Rainy Day Fund.
- It preserves direct services.

The information on the following pages highlights the Mayor's 2012 Proposed Budget.

## 2012 Proposed Budget by the Numbers

- **2012 Proposed Budget totals \$4.2 billion**, including the City's **\$910 million General Fund**.
- 2012 is the second year of the 2011-2012 biennium and the 2012 Proposed Budget reflects changes to the 2012 Endorsed Budget, which was adopted by the City Council in November 2010. **The 2012 Proposed General Fund Budget is \$12 million (1.3%) smaller than the 2012 Endorsed Budget.**
- 2012 Proposed Budget **eliminates 155 FTE** and **adds 43 new FTE**, for a **total net reduction of 112 FTE** or 1.1% of the City's total workforce. The cuts include a net **19 senior level FTE** or **17% of the net eliminated FTE**. Since Mayor McGinn took office in 2010, **the City's management ranks have shrunk by 110 FTE**. Of the total cuts, **82 FTE are currently filled** and will result in layoffs, effective January 3, 2012. **Reduced hours** will impact an **additional 13 filled FTE**.
- **A 2011 agreement with the City's labor unions**, which affects 6,000 City employees, lowered the cost of living increase through 2013, and **will save the City nearly \$12.2 million in 2011 and 2012**.
- Crime rates in Seattle are at historic lows and response times exceed performance objectives. The 2012 Proposed Budget supports funding levels that will allow the Seattle Police Department to **continue meeting the goals of the Neighborhood Policing Plan** and **preserves funding for Victim Advocates and Crime Prevention Coordinators**.
- Our current **firefighting strength of 990 active personnel** is maintained with **no reductions to companies assigned to neighborhood fire stations**.
- **Consolidating community grant programs** allows us to **increase grant awards** from \$6.2 million in 2011 **to \$6.4 million in 2012** by **reducing our administrative costs** from \$1.5 million (23.5%) in 2011 **to \$1.1 million (17.8%)** in 2012. That 17.8% ratio of overhead to grants is much closer to 15% or less nonprofits seek.
- We preserve funding to **keep swimming pools open, lifeguards at all of the City's public beaches** and **15 wading pools operating as they did in 2011**.
- **A new long-term jail contract** with King County **saves the City \$5.3 million in 2012**, while **lower jail population trends** save an additional **\$700,000**.
- **Preserves investments in youth and job training programs**.

## 2012 Proposed Budget by the Numbers (continued)

- Based on input from the City Council and the community, the 2012 Proposed Budget **transforms the community center staffing model to serve more people.** Community centers are divided into five geographic regions, increasing hours for at least one center per geographic region and at all five 2011 limited-use sites. **At least one center in each region will be open for up to 70 hours per week, an increase from the current 51 hours per week.**
- We **preserve funding and 2011 hours of operation** for the Central Library and all 26 branches of **The Seattle Public Library**, as well as the Library's **collections budget at the 2012 Endorsed Budget level.**
- **Merging the Office of Housing and the Office of Economic Development into the Department of Housing and Economic Development** aligns and integrates two functions critical to developing healthy communities: access to affordable housing and centers of employment. This **merger generates \$338,000 in managerial and administrative savings**, \$310,000 of which goes to the General Fund – **\$210,000 of this General Fund savings will support direct housing programs for low-income renters.**
- **Consolidating the Civil Service Commission and Public Safety Civil Service Commission** offices' administrative functions **eliminates 0.2 FTE and saves more than \$50,000.**
- **Adjusting Seattle Department of Transportation street crews' work schedules reduces overtime costs for street markings** (e.g., lane lines and crosswalk markings) **by 95%** compared to 2008, preserving funding for other services. Similarly, **Seattle Public Utilities' 2011 budget for overtime in its Water Operations is 28% lower** than 2010 expenditures and the **budget for overtime in Drainage and Wastewater operations is 21% lower.** Further reductions are anticipated in 2012.
- A 2010 insurance settlement will fund **\$1.9 million of new roofs at six City-owned buildings housing nonprofits.** **Savings of \$9.8 million** from 2008 Parks Levy projects bids **will be reinvested in 17 park asset preservation projects.** Future building rent revenue will be leveraged to **renovate Magnuson Park's Building 30.**
- Enhancing the **City's Rainy Day Fund Policies** to prepare the City to weather future storms includes a **\$1.95 million contribution for 2012.**

## 2012 Proposed Budget – Change in Full-Time Equivalents (FTEs)

Department	Net Change in FTEs	Net Change in FTEs at Senior Level
City Budget Office	(1.00)	(1.00)
Civil Service Commission	(1.80)	(0.80)
Civil Service Commissions	2.60	1.00
Dept. of Finance & Administrative Services*	(2.00)	(2.50)
Department of Information Technology	(5.75)	(3.00)
Department of Neighborhoods*	(34.50)	(8.50)
Neighborhood Matching Fund	7.00	1.00
Education Levy	9.00	6.00
Department of Parks & Recreation	(26.18)	(3.75)
Department of Planning & Development	(4.75)	(3.00)
Ethics and Elections	1.00	1.00
Housing & Economic Development*	61.50	24.00
Human Services Department	(8.00)	-
Office for Civil Rights	(0.20)	-
Office of Arts & Cultural Affairs	(0.75)	-
Office of Economic Development*	(22.00)	(12.00)
Office of Housing*	(38.50)	(11.00)
Office of Sustainability & Environment	3.75	2.00
Personnel Department	(1.00)	(1.00)
Public Safety Civil Service Commission	(1.00)	(1.00)
Seattle City Attorney	0.50	-
Seattle City Employees Retirement System	2.20	1.00
Seattle Department of Transportation	(54.50)	(5.50)
Seattle Fire Department	1.00	-
Seattle Police Department	6.00	1.00
Seattle Public Utilities	(4.50)	(3.00)
<b>Grand Total</b>	<b>(111.88)</b>	<b>(19.05)</b>

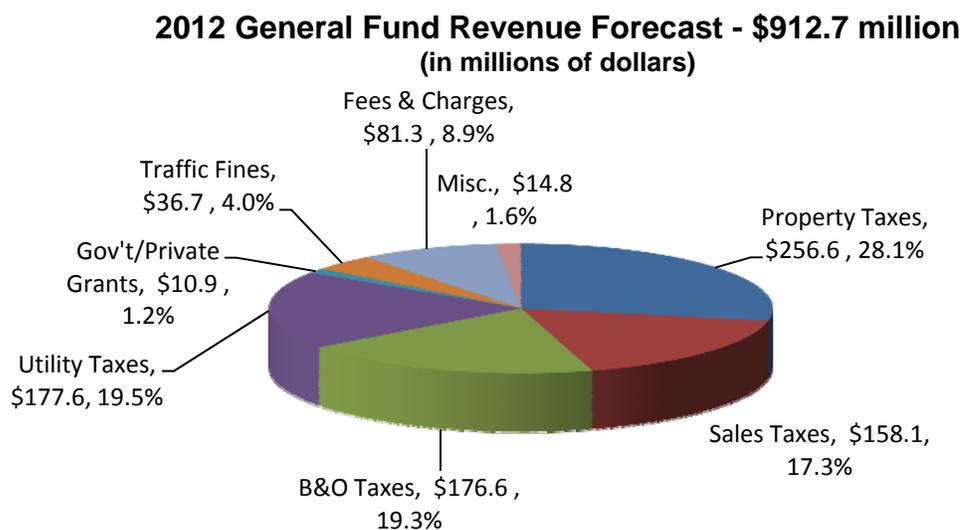
\*Note: Portions (or all) of these FTE impacts are the result of shifts among departments.

# REVENUES: WHERE THE MONEY COMES FROM

Seattle City government has four main sources of revenue supporting the services and programs the City provides its residents:

- **Taxes, license fees and fines** support activities typically associated with City government, such as police and fire services, parks, and libraries.
- **Fees for services, regulatory fees and dedicated property tax levies** partially or completely support certain City activities. Examples of City activities funded in whole or in part with fees include Seattle Center, parks and recreational facilities, and building inspections.
- **Grants from private, state and federal agencies** support a variety of City services, including social services, street and bridge repair, and targeted police services.
- **Charges to customers for services** fund City utilities (electricity, water, drainage and wastewater, and solid waste).
- In 2012, total City government revenue, including utilities, is projected to be \$4.2 billion.

In 2012, general government revenue is projected to total \$912.7 million.

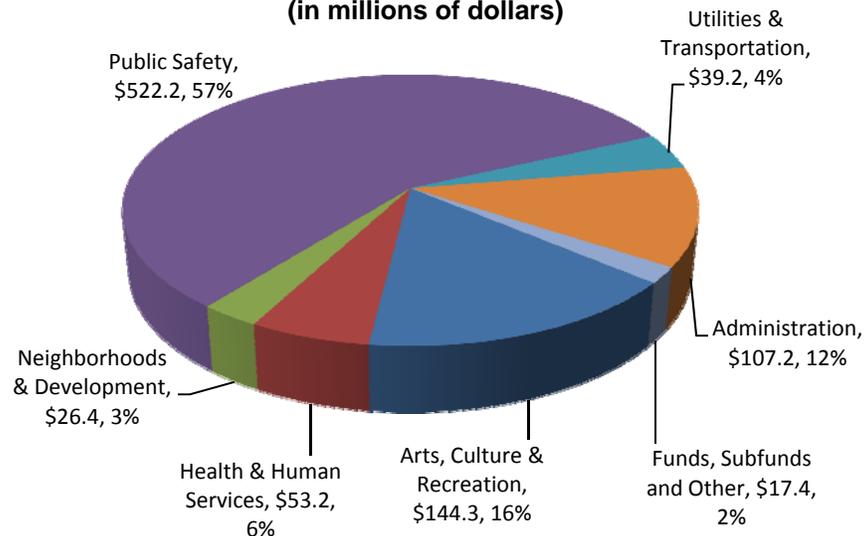


# EXPENDITURES: WHERE THE MONEY GOES

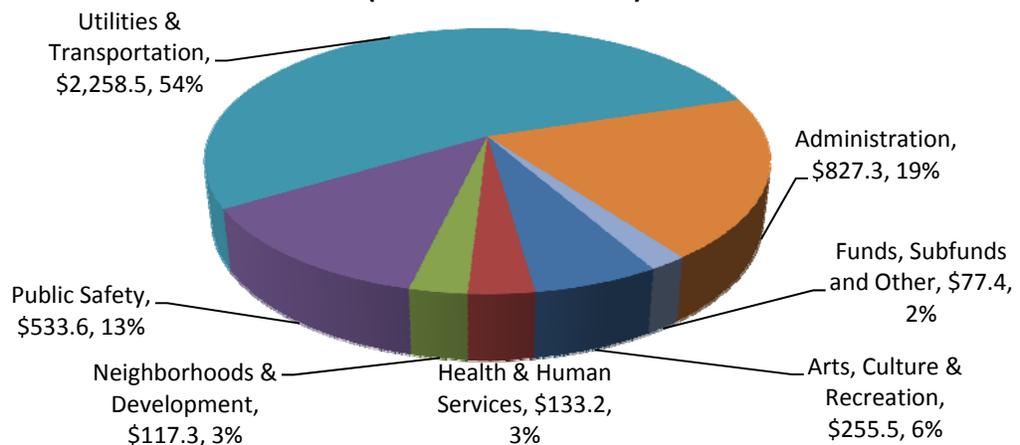
The Mayor and Council have the most discretion over operating expenditures associated with the General Fund, which pays for services such as police, fire, parks and libraries.

The following pie charts show total operating expenses for 2012 by major service category. The first chart represents General Fund expenses; the second the entire budget.

**2012 Proposed General Fund Expenditures  
\$909.9 Million  
(in millions of dollars)**



**2012 Proposed Expenditures - All Funds\*  
\$4.2 Billion\*  
(in millions of dollars)**



\*Approximately \$230 million of the \$4.2 billion expenditures are double-appropriated.

**EXPENDITURE SUMMARY**  
(in thousands of dollars)

Department	2011 Adopted		2012 Endorsed		2012 Proposed	
	General Subfund	Total Funds	General Subfund	Total Funds	General Subfund	Total Funds
<b>Arts, Culture &amp; Recreation</b>						
Office of Arts and Cultural Affairs <sup>(1)</sup>	0	7,116	0	7,290	0	7,077
The Seattle Public Library <sup>(2)</sup>	47,519	50,373	48,850	51,612	49,616	53,073
Department of Parks and Recreation <sup>(2)</sup>	80,057	166,567	84,136	142,896	81,759	161,170
Seattle Center	13,229	38,334	13,305	35,238	12,889	34,900
<b>SubTotal</b>	<b>140,805</b>	<b>262,390</b>	<b>146,291</b>	<b>237,037</b>	<b>144,265</b>	<b>256,220</b>
<b>Health &amp; Human Services</b>						
Community Development Block Grant Educational and Developmental Services Levy	0	13,641	0	13,641	0	0
Human Services Department	51,963	136,920	52,122	134,831	53,189	113,743
<b>SubTotal</b>	<b>51,963</b>	<b>168,448</b>	<b>52,122</b>	<b>166,402</b>	<b>53,189</b>	<b>133,214</b>
<b>Neighborhoods &amp; Development</b>						
Office of Economic Development <sup>(3)</sup>	6,339	6,339	5,875	5,875	0	0
Office of Housing <sup>(3)</sup>	520	39,739	629	38,840	0	0
Department of Housing and Economic Development <sup>(3)</sup>	0	0	0	0	5,878	50,450
Department of Neighborhoods	10,167	10,167	10,411	10,411	8,423	8,423
Neighborhood Matching Subfund	2,939	3,249	2,995	3,309	2,891	3,219
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	9,206	51,149
<b>SubTotal</b>	<b>29,086</b>	<b>130,431</b>	<b>29,211</b>	<b>113,637</b>	<b>26,397</b>	<b>117,343</b>
<b>Public Safety</b>						
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	18,754	18,754
Police Relief and Pension	22,255	23,028	22,191	22,331	21,730	22,603
Public Safety Civil Service Commission <sup>(3)</sup>	149	149	152	152	0	0
Seattle Fire Department	158,587	158,587	162,014	162,014	160,972	160,972
Seattle Municipal Court	26,107	26,107	26,585	26,585	26,673	26,673
Seattle Police Department	249,295	249,295	254,911	254,911	252,432	252,432
<b>SubTotal</b>	<b>516,897</b>	<b>525,928</b>	<b>532,364</b>	<b>542,603</b>	<b>522,178</b>	<b>533,597</b>
<b>Utilities &amp; Transportation</b>						
Seattle City Light	0	1,073,167	0	1,140,876	0	1,135,772
Seattle Public Utilities	1,224	822,902	1,254	851,458	1,205	819,667
Seattle Transportation	38,914	306,398	40,023	309,635	38,007	303,026
<b>SubTotal</b>	<b>40,138</b>	<b>2,202,466</b>	<b>41,277</b>	<b>2,301,970</b>	<b>39,213</b>	<b>2,258,465</b>

Department	2011 Adopted		2012 Endorsed		2012 Proposed	
	General Subfund	Total Funds	General Subfund	Total Funds	General Subfund	Total Funds
<b>Administration</b>						
Civil Service Commission <sup>(3)</sup>	233	233	238	238	0	0
Civil Service Commissions <sup>(3)</sup>	0	0	0	0	329	329
City Budget Office	4,012	4,012	4,132	4,132	4,036	4,036
Department of Information Technology	4,274	48,918	4,338	48,938	4,150	48,934
Employees' Retirement System	0	11,760	0	11,894	0	12,260
Ethics and Elections Commission	687	687	655	655	761	761
Finance General	37,801	37,801	40,204	40,204	41,316	378,769
Finance and Administrative Services <sup>(2)(4)</sup>	20,866	162,166	21,112	185,606	21,751	163,159
Legislative Department	11,542	11,542	11,866	11,866	11,788	11,788
Office of City Auditor	1,072	1,072	1,098	1,098	1,116	1,116
Office of Hearing Examiner	571	571	585	585	609	609
Office of Intergovernmental Relations	2,016	2,016	2,071	2,071	2,192	2,192
Office of Sustainability and Environment	1,267	1,267	1,308	1,308	1,823	1,823
Office of the Mayor	3,456	3,456	3,516	3,516	3,504	3,504
Personnel Compensation Trust Subfunds	0	188,191	0	200,771	0	184,192
Personnel Department	11,549	11,549	11,620	11,620	11,548	11,548
Seattle Office for Civil Rights	2,226	2,226	2,248	2,248	2,315	2,315
<b>SubTotal</b>	<b>101,571</b>	<b>487,466</b>	<b>104,991</b>	<b>526,750</b>	<b>107,238</b>	<b>827,336</b>
<b>Funds, Subfunds and Other</b>						
Bonds Debt Service <sup>(5)</sup>	11,152	32,392	13,677	32,227	13,404	20,065
Cumulative Reserve Subfund <sup>(6)</sup>	750	45,931	600	29,902	2,450	31,039
Emergency Subfund	0	750	0	100	385	385
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
<b>SubTotal</b>	<b>13,093</b>	<b>113,350</b>	<b>15,468</b>	<b>88,152</b>	<b>17,430</b>	<b>77,412</b>
<b>Grand Total*</b>	<b>893,551</b>	<b>3,890,479</b>	<b>921,724</b>	<b>3,976,550</b>	<b>909,911</b>	<b>4,203,587</b>

\*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 of several city functions proposed for 2012, the former Department of Economic Development and Office of Housing are reflected in the Department of Housing and Economic Development; the Public Safety Civil Service Commission and Civil Service Commission are reflected 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 Cumulative Reserve Subfund-supported appropriations for Seattle Department of Transportation (SDOT) because they are included in the SDOT appropriations, and does not include appropriations from the Asset Preservation Subfund because they are included in the Finance and Administrative Services appropriations.

The 2012 Proposed Budget is available online on the City Budget Office's website:

<http://www.seattle.gov/financedepartment/>