

# Finance General

## Beth Goldberg, Director

### Department Description

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.

### Policy and Program Changes

The 2011 Adopted and 2012 Endorsed Budget modifies existing programs to reflect new organizational structures or funding policies, eliminates one-time programs, and adjusts recurring appropriations with updated cost information. Notable changes by program are described below:

#### Appropriations to General Fund Subfunds and Special Funds Budget Control Level:

**Arts Account - Admission Tax for Arts Programs:** Under the policy established in 2010, this appropriation provides funding to the Arts Account equal to 75% of actual admission tax receipts from two-years prior. Therefore, 2011 appropriations reflect 2009 actual receipts, and 2012 appropriations reflect estimated 2010 receipts. However, it should be noted that the actual 2009 appropriation reflects a different funding policy and the 2010 adopted appropriation was reduced to reflect one-time removals to the tax base. The 14% growth of 2012 over 2011 is due mostly to audit findings resulting in a one-time revenue increase in 2010.

**Finance and Administrative Services Fund and Fleets and Facilities Fund:** A new program is established and one eliminated to carry out the funding changes associated with the reorganization of several City functions. The Fleets and Facilities Fund program is eliminated to denote redirection of the General Fund transfer for activities performed by the former Fleets and Facilities Department. Under the reorganization, these activities are part of the operating transfer to the newly created Finance and Administrative Services Fund program. Additionally, the General Subfund transfer to the Finance and Administrative Services Fund provides for the consolidated functions previously performed in the former Department of Executive Administration, some functions of the former Department of Finance, and for the newly created Office of Constituent Services, which was previously part of the Department of Neighborhoods. For more information on the reorganization, refer to the Finance and Administrative Services section in this document.

**General Bond Interest/Redemption Fund:** The shifting of debt costs associated with Alaskan Way Tunnel and parking pay stations to the Seattle Department of Transportation (SDOT) budget reduces the level of funding from the General Bond Interest Redemption fund by approximately \$2.6 million over two years; however, this does not reduce General Fund obligation to these activities as the budget shift to SDOT is backed by General Fund dollars.

**Information Technology Fund:** In addition to ongoing General Fund support, included in the operating transfer to the Information Technology Fund is the General Subfund's portion for Microsoft Office/Exchange Enterprise licensing expenses and debt service associated with implementing upgrades for the archiving and email system.

#### Reserves Budget Control Level:

**Personnel Services Study:** The City's classification system for discretionary pay bands (APEX, Strategic Advisor, Manager, and IT Professional) are due for an evaluation. This system was implemented over ten years ago and has not been evaluated to determine whether they still meet the City's classification and compensation needs. As the City's workforce needs evolve under more constrained revenues, it is time to examine whether the current

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classification system best meets with workforce needs of the City. The 2011 Adopted and 2012 Endorsed Budget also assumes that a review of the classification system will begin in 2011.

Refugee and Immigrant Youth Program: Funding has been provided in 2012 for a program to serve the needs of refugee and immigrant youth. Planning and evaluation for this new program in the Human Services Department will occur in 2011 with implementation in 2012.

Retirement Benefit Study: \$250,000 is appropriated in 2011 for a study to evaluate the future costs of the employee retirement benefit and to design alternative plans for new hires that may be more affordable to employees and the taxpayers. This appropriation is for staff and consulting costs related to the work plan, including benefit research and actuarial scoring of alternative plan designs.

Recurring Reserve Employee Hour Tax: The Employee Hour Tax reserve has been eliminated for 2011 and 2012, due to the abolishment of the Employee Hour Tax by the City Council effective December 31, 2009. This appropriation was originally established to pay, in the following year, the obligation for General Subfund-supported City employees.

Seattle Arts and Culture Capital Award: \$300,000 is appropriated to award one-time capital project funding in 2011 to Seattle arts and cultural organizations. This capital program will be established by the Office of Arts and Cultural Affairs, in consultation with the Seattle Arts Commission.

Recurring Reserve-Election Expense: This ongoing expense, which pays for City sponsored ballot measures, accounts for primary and general elections in 2011 and a general election in 2012. No costs for special elections are assumed in 2011 or 2012.

Recurring Reserve-Fire Hydrants: This ongoing expense pays for the operation and maintenance of fire hydrants by Seattle Public Utilities. Higher expenses are driven by the number of hydrants in the city as well as increases in water utility rates.

Recurring Reserve-Legal Advertisements: This ongoing program has been closed due to the budget transfer to the Legislative Department.

Recurring Reserve-Street Lighting: This ongoing expense pays for the operation and maintenance of the street light system by Seattle City Light and reflects the anticipated City Light rate increase of 4.3% in 2011 and 3.2% in 2012.

Recurring Reserve-Transit Pass Subsidy: This appropriation was established in 2010 to provide transit passes for City employees. Higher ongoing support for this program is proposed for 2011 and 2012 based on updated participation rates.

### City Council Provisos

The City Council adopted the following budget provisos:

Of the appropriation in the 2011 budget for the Finance General Reserves BCL, \$143,000 is appropriated (and of the amount endorsed for 2012, \$145,800 is expected to be appropriated) solely for a professional services contract for an Office of Professional Accountability Auditor and may be spent for no other purpose.

None of the money appropriated in the 2011 budget to Finance General for the Office of Arts and Cultural Affairs for arts and cultural facility capital projects 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.

## Appropriation to General Fund Subfunds and Special Funds Budget Control Level

### Purpose Statement

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.

<b>Program Expenditures</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
Arts Account - Admission Tax for Art Programs	1,180,530	3,761,449	4,176,143	4,769,464
Cumulative Reserve Subfund - Capital Projects Account	0	0	0	500,000
Cumulative Reserve Subfund - Revenue Stabilization Account	0	0	750,000	100,000
Emergency Subfund	5,858,818	0	0	0
Finance and Administrative Services Fund	0	0	20,865,694	21,112,332
Fleets and Facilities Fund	3,324,736	2,909,223	0	0
General Bond Interest/Redemption Fund	12,588,593	10,075,813	11,151,647	13,677,210
Housing Operating Fund	1,823,437	671,577	520,490	629,422
Information Technology Fund	4,036,965	2,663,509	4,273,882	4,337,911
Insurance	4,100,467	4,688,142	4,725,000	4,961,250
Judgment/Claims Subfund	1,318,643	1,318,643	1,191,062	1,191,062
Transportation Fund - Parks Charter Revenue Transfer	516,957	0	0	0
<b>Total</b>	<b>34,749,145</b>	<b>26,088,356</b>	<b>47,653,918</b>	<b>51,278,651</b>

## Reserves Budget Control Level

### Purpose Statement

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.

<b>Program Expenditures</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>
Census Awareness and Participation Reserve	0	60,000	0	0
Food Policy Work Coordination	0	0	65,000	68,000
Get Engaged: City Boards and Commissions	31,780	30,720	31,334	31,961
Personnel Services Study	0	100,000	200,000	0
Recurring Reserve Employee Hour Tax	159,790	200,000	0	0
Recurring Reserve for Portable Art Rental and Maintenance	201,577	202,752	256,743	263,582
Recurring Reserve-Dues/Memberships	13,000	13,824	14,100	14,382
Recurring Reserve-Election Expense	830,044	1,200,000	1,000,000	1,000,000
Recurring Reserve-Fire Hydrants	5,490,556	5,847,005	6,605,784	7,329,089
Recurring Reserve-Health Care Reserve	121,600	1,500,000	0	1,000,000
Recurring Reserve-Industrial Insurance Pensions Payout	2,051,653	2,050,000	2,500,000	2,500,000
Recurring Reserve-Legal Advertisements	174,422	275,000	0	0
Recurring Reserve-Office of Professional Accountability Auditor	60,066	143,000	143,000	145,800
Recurring Reserve-Pacific Science Center Lease Reserve	120,000	120,000	120,000	120,000
Recurring Reserve-Puget Sound Clean Air Agency	381,116	400,000	400,000	400,000
Recurring Reserve-Shooting Review Board Civilian	0	5,000	5,000	5,000
Recurring Reserve-State Examiner	659,620	679,518	693,109	706,971
Recurring Reserve-Street Lighting	11,805,130	9,104,568	11,796,471	12,250,273
Recurring Reserve-Transit Pass Subsidy	0	2,735,000	3,135,000	3,135,000
Recurring Reserve-Voter Registration	792,846	950,000	969,000	988,380
Refugee and Immigrant Youth Program	0	0	0	150,000
Retirement Benefit Study	0	0	250,000	0
Seattle Arts and Culture Capital Award	0	0	300,000	0
SLU Mobility and Parking Partnership	0	40,000	0	0
Tax Refund Interest Reserve	296,237	365,000	365,000	365,000
<b>Total</b>	<b>23,189,437</b>	<b>26,021,387</b>	<b>28,849,542</b>	<b>30,473,438</b>

## Support to Community Development Budget Control Level

### Purpose Statement

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.

<b>Program Expenditures</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
African Chamber of Commerce	49,994	50,000	0	0
CASA Latina	53,369	0	0	0
Chief Seattle Gravesite Restoration	100,000	0	0	0
Community Renewal in SE Seattle	65,033	0	0	0
First United Methodist Church Shelter	500,000	0	0	0
National Union of Eritrean Women in Seattle	64,693	0	0	0
Puget Sound Industrial Excellence Center	150,000	0	0	0
Puget Sound Neighborhood Health Centers SE Family Dental Clinic	1,000,000	0	0	0
School District Site Reserve	5,421,500	0	0	0
School Use Advisory Committee Consultant Service	39,136	15,000	0	0
Sound Transit Local Contribution - Sales Tax Offset	858,135	0	0	0
Webster Park Acquisition	800,000	0	0	0
Wing Luke Asian Museum	0	100,000	50,000	0
<b>Total</b>	<b>9,101,861</b>	<b>165,000</b>	<b>50,000</b>	<b>0</b>

## Support to Operating Funds Budget Control Level

### Purpose Statement

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.

<b>Program Expenditures</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
	<b>Actual</b>	<b>Adopted</b>	<b>Adopted</b>	<b>Endorsed</b>
Drainage and Wastewater Fund	816,771	1,247,091	1,117,612	1,145,698
Firefighters Pension Fund	20,316,873	17,530,786	17,758,533	19,918,668
Human Services Operating Fund	53,499,134	52,519,366	51,962,950	52,121,676
Library Fund	48,164,128	49,205,188	47,299,078	48,630,097
Low Income Housing Fund	1,007,777	0	0	0
Neighborhood Matching Subfund	3,314,344	3,353,881	2,939,396	2,995,194
Parks and Recreation Fund	82,619,508	84,244,482	80,056,503	84,135,812
Planning and Development Fund	9,752,507	9,990,985	9,120,445	9,300,870
Police Relief and Pension Fund	20,230,783	22,302,034	22,255,382	22,190,500
Seattle Center Fund	14,699,842	13,056,898	13,229,236	13,305,083
Solid Waste Fund	51,769	51,383	52,411	53,459
Transportation Fund	39,966,839	38,641,232	38,913,576	40,022,537
Water Fund	10,295,006	52,940	53,999	55,079
<b>Total</b>	<b>304,735,281</b>	<b>292,196,267</b>	<b>284,759,124</b>	<b>293,874,674</b>