



# **SEATTLE CITY COUNCIL**

## **A GUIDE TO SEATTLE'S BUDGET PROCESS**



### **2012 BUDGET**



# TABLE OF CONTENTS

## Inside this issue:

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Welcome	<b>3</b>
The Roles of Mayor and Council	<b>4</b>
Understanding the City's Budget Process	<b>5</b>
Tips on Getting City Support for Your Project	<b>9</b>
Budget Review Timeline	<b>11</b>
Budget Review Calendar	<b>12</b>
Contact Us	<b>13</b>
How Can I Make My Voice Heard?	<b>14</b>
Where Can I Find More Information?	<b>15</b>



## WELCOME TO THE CITIZEN'S GUIDE TO SEATTLE'S BUDGET

**D**esigning a city budget is a mighty undertaking, one that requires a great deal of effort, a lot of time and – done right – careful ordering of priorities and considerable input from citizens.

It is with this in mind that we created this budget guide book. We want to help citizens better understand the budget, the sometimes choppy process we go through and offer tips on how to successfully influence the process by talking with councilmembers or speaking at public hearings.

While Seattle's actual budget document is the size of a large city phone book, for those who care about public policy, it is a candid picture of the city's priorities and a road map for the future.

We hope you will join us on the journey. Passage of a budget is too important to leave to just a few – it takes a village – and part of that village is you.

Thanks for taking part!

Richard Conlin  
Seattle City Council President

Jean Godden  
Finance and Budget Committee Chair



# THE ROLES OF MAYOR AND CITY COUNCIL

## Mayor Mike McGinn

[www.seattle.gov/mayor/](http://www.seattle.gov/mayor/)



**T**he mayor is the Chief Executive of the city and each year it is his responsibility to propose a balanced budget and a six-year Capital Improvement Program (CIP). The mayor must submit his proposed budget by the end of September.

Once it has been proposed, the mayor and his staff then work with the council to finalize these documents. The mayor is also responsible for ensuring that the city's various departments implement the adopted budget.

Over the course of the year, budget modifications may be necessary and these changes generally originate with the Mayor.

## City Council

[www.seattle.gov/council/](http://www.seattle.gov/council/)



**T**he council is the legislative branch of city government and in this role it considers proposed legislation and sets over-arching city policy. The council considers the mayor's proposed budget and the CIP, and can modify the authorized spending to match the council's policy priorities.

When council does make modifications, it must maintain the balance between revenues and spending. For example, any additional spending must be offset by a corresponding cut or additional revenues. The council must complete its review of the Proposed Budget by the end of November.

Before making any changes to the Proposed Budget, the council seeks input from the public. The public has the opportunity to provide direct testimony at public hearings and/or before meetings of the city's Budget Committee. Councilmembers also welcome input via e-mail, telephone, and one-on-one meetings.

Over the course of the year, the council also reviews proposed changes to the budget and solicits public input during these deliberations as well.



# UNDERSTANDING THE CITY'S BUDGET PROCESS

**The budget process is built around three key components:**

## **The Revenue Forecast**

The city must operate within a balanced budget – spending cannot exceed expected revenues. As a result, the forecast of revenues for the upcoming year defines how much funding is allocated within the budget. The initial revenue forecast is presented with the proposed budget, but must be modified if economic conditions or other factors alter the city's revenue expectations. A summary of the revenue forecast appears in the first section of the budget document.

## **The Operating Budget**

The city's operating budget allocates funding for all city departments, including the city's public utilities. In 2011, this budget totaled approximately **\$3.8 billion**. The specific department-level allocations are detailed in the budget document.



## **The Capital Improvement Program**

Each year the city adopts a six-year capital plan that forecasts capital spending for each of the city's departments. The Capital Improvement Program (CIP) is a separate document prepared in conjunction with the budget.



# THE CITY BUDGET DISTRIBUTES FOUR BASIC TYPES OF FUNDING

## General City Revenues

These revenues fund basic city taxes such as property and retail sales tax. They fund basic city functions such as police, fire, parks and human services.

## Seattle City Light

Seattle City Light is a publicly owned municipal utility that provides electricity to the residents and businesses of Seattle. The costs of operating the utility are covered by rates that are charged to these customers.

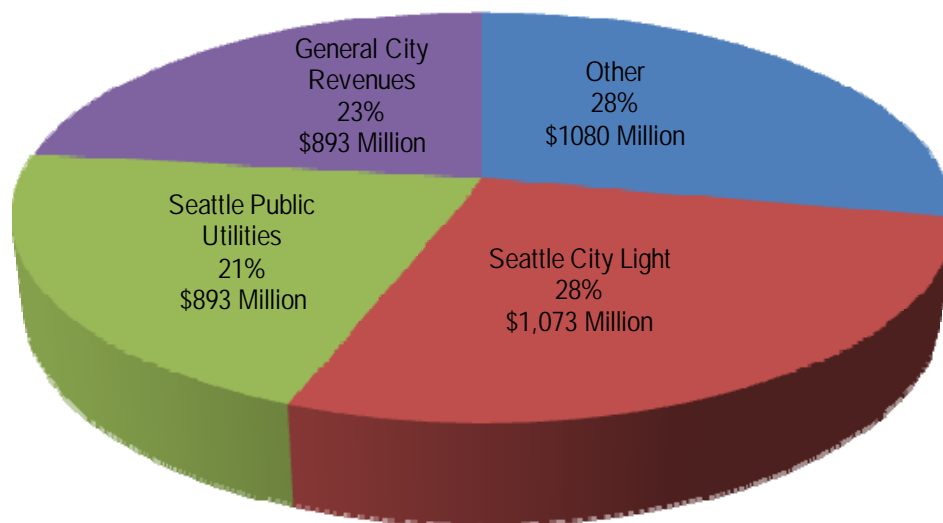
## Seattle Public Utilities

Seattle Public Utilities operates the City's water, sewer, draining and garbage collection services. Separate rates are charged for each of these services.

## Other

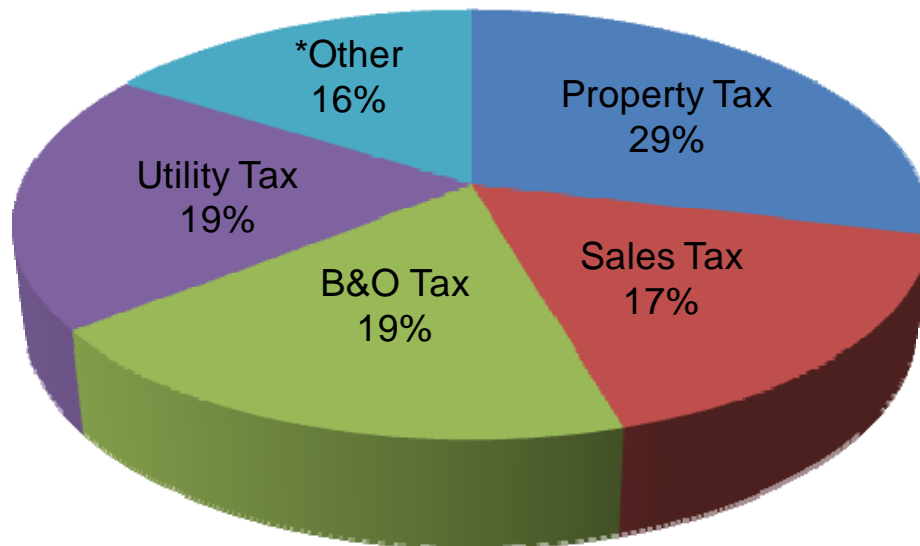
This category captures a wide range of other revenue sources. For example, the city receives significant funding from both the State of Washington and the Federal government. While some share of this funding is flexible, much of it can only be used for specific purposes. In addition, the voters of Seattle have approved several property tax measures that raise funds for specific purposes. These levies include: the Families and Education Levy; the Housing Levy; the Parks Levy; the Pike Place Market Levy; and the Bridging the Gap Transportation Levy.

## Total 2011 Adopted Budget \$3.8 Billion





## THE GENERAL FUND REVENUE SOURCES



**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.

- ◆ The property tax is the single largest source of city General Fund resources. Various government agencies, including the Port, the School District, the County and the State also collect property taxes. The city is responsible for roughly one-third of a typical property tax bill.
- ◆ Business and Occupation (B&O), Retail Sales, and Utility taxes, which represent nearly 60% of General Fund revenues, fluctuate with local economic conditions – growing well in good times but stagnating or shrinking in bad times.

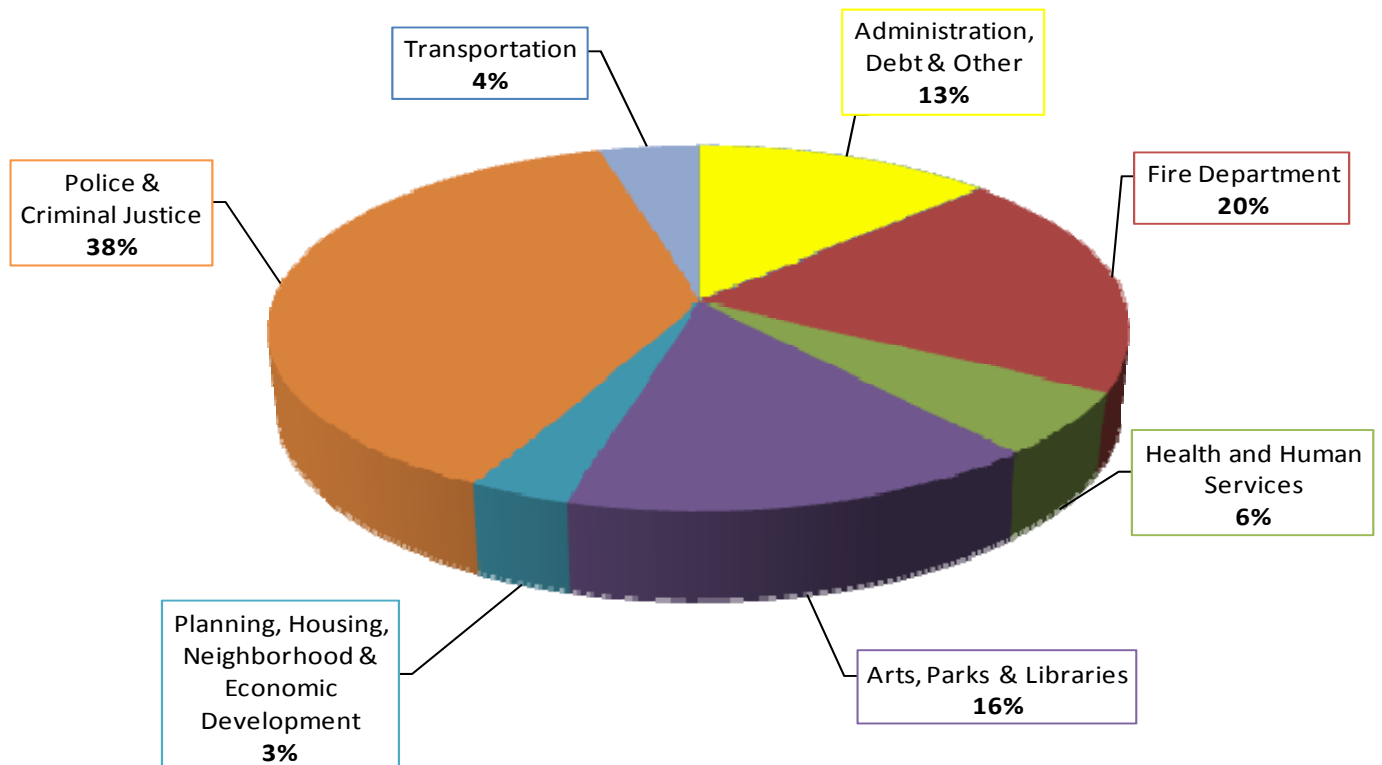


# THE USE OF GENERAL FUND

The General Fund provides financial support to a full range of city community services such as police, fire, parks and libraries.

- ◆ Note that police, criminal justice and fire account for more than 50% of General Fund spending.
- ◆ While human services and transportation are a relatively small share of General Fund spending, these activities also receive significant financial support from State and Federal sources and from voter-approved property tax levies. This additional funding is not shown in this chart.

## Use of General Fund Revenue





## TIPS ON GETTING CITY SUPPORT FOR YOUR PROJECT

The city is often interested in supporting neighborhood initiatives and projects, but resources are limited and the city simply cannot fund all worthy projects. Within these constraints, the following suggestions may prove helpful in seeking assistance from the city.

### **Review Existing Programs First**

Programs such as the Neighborhood Matching Fund and the Neighborhood Street Fund may provide opportunities for support from existing program resources. The Department of Neighborhoods, the Seattle Transportation Department, and other city agencies can help review potential eligibility for such programs.

### **Start early**

Talk to your elected leaders and department leadership about your budget request. It works best to start in spring when department heads are putting together their requests for consideration by the mayor. The mayor prepares a proposed budget during the summer for presentation to the city council in late September. During the fall budget process, the nine elected councilmembers review the mayor's budget. They make changes, adding or subtracting items. ***It's far more effective to ask the mayor for consideration of a budget item early in the process than to wait for the budget to come to council and try to add the item later.*** Since the mayor submits a balanced budget, adding anything means an equal amount must be removed, not an easy thing to do.

### **Use a fact-based argument**

When proposing a budget addition, citizens should come prepared to describe the project and present facts that support the addition or continuation of funding for that program. While anecdotal information and real-life stories are helpful, it is best to start with the facts.

### **State your goals clearly**

Be clear and specific about what you are trying to achieve and document what you are requesting from the city.



# TIPS ON GETTING CITY SUPPORT FOR YOUR PROJECT

## Show broad-based support

The broader the backing for your project, the better. Letters from supporting organizations, community councils, chambers of commerce and neighborhood district councils can provide needed momentum for your request.

## Link your request to a neighborhood plan or to a council priority

It helps immeasurably if you can show that your request relates to a specific council objective or a neighborhood plan priority.



## Show support from other sources

If you can pinpoint financial support available from other sources, it makes a far better case for your project. The opportunity to leverage other funds makes a good argument for city support. ***And once again, the best way to obtain city support is to get your request in at the beginning.***

The city supports a variety of human services programs through funding provided to the Human Services Department. As part of the annual budget process, the council and mayor appropriate funds for general program areas in the Human Services Department and generally **do not** appropriate funds to a specific organization or agency. The council considers allocations at the general programmatic level and is of course open to input about which program areas should be considered a priority. However, the Human Services Department is charged with distributing the funding that is appropriated for each program area. This is done via a request-for-proposal (RFP) process that allows all human service providers to fairly compete for city funding. Organizations that wish to obtain city support for a human services program should contact the Human Services Department to find out when the next RFP will be held for their particular program area.



# BUDGET REVIEW TIMELINE

## **April - May:**

Departments work with the City Budget Office to establish baseline budgets and identify priorities.

## **May - June:**

Working with the City Budget Office, departments develop “Budget Issue Papers” describing potential changes to the baseline budget.



## **July - September:**

Mayor reviews budget issue papers, reconciles these with revised revenue estimates and submits a balanced budget to the council by the end of September.

## **October - November:**

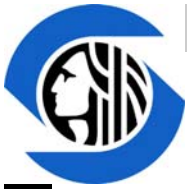
Council reviews the Mayor’s proposed budget, considers potential changes and passes a balanced budget by no later than December 1.



# BUDGET REVIEW CALENDAR FALL 2011

Mayor Presents Proposed Budget and Proposed CIP		Public Hearings and Council Budget Adoption			Budget Committee Meetings and Council Deliberations		
MEETINGS TIMES AND DATES ARE SUBJECT TO CHANGE							
SUN	MON	TUES	WED	THU	FRI	SAT	
<b>September 2011</b>							
25	26 Mayor presents 2012 Proposed Budget and 2012 - 2017 Proposed CIP	27	28	29	30		
<b>October 2011</b>							
2	3	4 Public Hearing: 5:30 p.m. (Call-ins 4:30 - 5:00 p.m.) Seattle City Hall Council Chambers 600 4th Ave, 98104	5	6	7	8	1
9	10	11	12	13	14	15	16
16	17	18	19	20	21	22	23
23	24	25	26 Public Hearing: 5:30 p.m. (Call-ins 4:30 - 5:00 p.m.) Seattle City Hall Council Chambers 600 4th Ave, 98104	27	28	29	30
30	31						
<b>November 2011</b>							
1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	1
2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17
18	19	20	21 Full Council Adopts 2012 Budget	22	23	24	25
26	27	28	29	30	31		

9/12/11 (Meeting times and dates subject to change)



## CONTACT US



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Transportation Committee, Chair



## HOW CAN I MAKE MY VOICE HEARD?

**The Seattle City Council provides many ways for you to participate in this year's budget process**

◆ **Attend** one of our two **Public Hearings**

*When:*       **Tuesday, October 4 &  
Wednesday, October 26**  
5:00 p.m. Sign-in  
5:30 p.m. Public Hearing

*Where:*       **Seattle City Hall**  
Council Chambers, 2nd floor  
600 Fourth Avenue, 98104

◆ **Watch**

Live webcast meetings at [www.seattle.gov/council/live](http://www.seattle.gov/council/live)  
Live cablecast meetings on Seattle Channel 21  
Taped meetings - call Seattle Channel at (206) 684-8824 or visit  
[www.seattlechannel.org](http://www.seattlechannel.org)

◆ **Email**

Please call or write us your feedback. Contact information can be found on page 13 of this guide.

Mailing address: PO Box 34025, Seattle, WA 98124-4025

◆ **Listen**

Live audio broadcast available at (206) 684-8566



## WHERE CAN I FIND MORE BUDGET INFORMATION?

◆ **On the Web:**

<http://www.seattle.gov/council/budget/>

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

<http://clerk.seattle.gov/~public/Budget.htm>

◆ **Hard Copies**

City Clerk, Research Room, 600 4th Avenue, Floor 3

Translated copies of this brochure are also available by calling (206) 684-8888.

Reasonable accommodations available upon request.

