



Mayor Mike McGinn's

2011-2012 Proposed Budget

Our Approach

Seattle, like many cities across the country, is facing a new economic reality: Revenue growth has dropped substantially and it does not look like it is going to go back to the previous rates of growth any time soon, if ever.

Our once healthy General Fund revenue streams have suffered from the turmoil of the longest and deepest recession since the Great Depression. General Fund revenue is no longer increasing at a rate sufficient to maintain existing services. Most of the one-time strategies used over the past two years to balance the budget, avoid significant reductions and sustain services are now exhausted.

In addition, many of the City's non-General Fund departments, including the operating funds of the Department of Planning and Development, the Seattle Department of Transportation, Seattle City Light and Seattle Public Utilities, are experiencing fiscal stress.

In the face of these sizable financial challenges, the 2011-2012 Proposed Budget reflects Mayor McGinn's commitment to developing a budget that is aligned with available resources. Mayor McGinn has proposed a sustainable budget that prepares us for the fiscal reality of the coming years, and lays the groundwork for a longer-term transformation of City government.

The Proposed Budget puts the City on a more sustainable path and sets forth a plan to continue transforming City government over the long term to meet the priorities of Seattle residents, including:

- safe neighborhoods
- the availability of a strong safety net for our most vulnerable residents
- opportunities for Seattle's children and youth to thrive and succeed
- access to high-quality cultural and recreational opportunities
- an infrastructure system that will support healthy commerce and efficiently carry people, goods, and information

In addressing the General Fund budget shortfall, Mayor McGinn placed a high priority on direct services. He developed his proposed budget by:

- using as many ongoing cost-saving measures as possible, such as discontinuing various bodies of work and eliminating positions
- making judicious use of one-time cuts (2012 budget is balanced as well)
- finding internal and administrative savings, such as consolidating functions, renegotiating purchasing contracts and reducing discretionary costs, including travel
- streamlining management functions and eliminating or reclassifying senior-level positions
- closing two-thirds of the budget gap through cuts
- avoiding increases in general taxes, instead favoring fee increases on specific City services
- preserving reserves by funding the Emergency Subfund to the greatest amount allowed under Washington State law and increasing the total value of the Rainy Day Fund to more than \$11 million

2011-2012 Proposed Budget by the Numbers

- **2011 Proposed Budget totals \$3.9 billion**, including the City's **\$888 million General Fund**.
- 2011 Proposed Budget **eliminates a net 294 positions** or 2.67% of the City's total work force, including **64 senior level positions** or **nearly 22% of the eliminated positions**. Of the total cuts, **214 positions are currently filled** and will result in layoffs, effective January 4, 2011.
- For many employee groups, 2011 will be **another year with no salary adjustments** – **saving the City more than \$2 million**. A tentative agreement with the **City's labor unions**, which affects 6,000 City employees, would lower the cost of living increase through 2013, **saving the City nearly \$6 million**. The proposed budget also includes **savings of \$1.4 million** as a result of a **salary freeze** for members of the **firefighters** and **fire chiefs' union**.
- **By redeploying the Seattle Police Department's work force, we'll have more officers on the street**. The Proposed Budget supports an all-time high of 585 sworn officers assigned to patrol in 2011, up from the current record-high levels of 555 officers in 2010.
- Our current **firefighting strength** of **990 active personnel** is **maintained with no reductions to companies assigned to neighborhood fire stations**.
- By capturing savings in overhead costs and curtailing inflationary increases, the Human Services Department is **able to preserve funding for most contracts with community partners that deliver services**.
- We preserve funding to **keep swimming pools open and lifeguards at all of the City's public beaches**. In addition, Parks will continue to **operate 15 of the 22 wading pools**. And **20 community centers will provide the same operating hours as in 2010**. **Use of remaining six community centers will be limited**. The **Rainier Beach Community Center and Pool** will temporarily close for two years to allow for construction of a new community center and pool – a commitment made to the community in the 2010 Adopted Budget. **Five other community centers** – Alki, Ballard, Laurelhurst, Queen Anne, and Green Lake – **will have reduced operating hours**, going from 53 hours per week during the school year and 46 hours per week in the summer to 15 to 20 hours per week year-round.

2011-2012 Proposed Budget by the Numbers (continued)

- The **Library** is making 8.5% in cuts yet **keeping all current hours of operation at 2010 levels** by restructuring management of branches. The Library's systemwide one-week closure (the week before Labor Day) – first instituted in 2009 – will continue in 2011.
- **All six non-payment Neighborhood Service Centers and the West Seattle payment and information center will be closed.** Services at West Seattle site will be consolidated with the nearby Delridge Service Center. The remaining six payment sites (Delridge, University District, Central District, Lake City, Southeast, and Ballard) will remain open.
- **Seattle City Light rates will increase by 4.3% in 2011 and 4.2% in 2012.**
- **Solid Waste rates will increase by 7.5% in 2011.**
- **Drainage rates will increase by 12.8% in 2011**, or about \$2.19 per month for an average household.
- **Wastewater rates will increase by 4% in 2011**, or about \$1.87 per month for an average household, not including an anticipated pass-through from King County for wastewater treatment costs.
- **Water rates will increase approximately 3.5% in 2011.**
- Increased fees include **cat licenses**; the **Library's daily fine rate** and **rate to print from Library computers**; security system **false alarms** triggering a police response; and **fees charged at the following Parks and Recreation facilities**: Japanese Garden, Camp Long, Amy Yee Tennis Center, swimming pools, athletic fields, boat ramps, community meeting rooms and gymnasiums, special event ceremonies, picnics, and the Langston Hughes Performing Arts Center.
- The **hourly parking meter rate increases by \$1.50 an hour downtown and 50 cents in other parts of the city. Paid parking hours are extended by two hours until 8 p.m. (Monday – Saturday), and paid parking is instituted on Sundays (11 a.m. – 6 p.m.).**

2011-2012 Proposed Budget – Positions Eliminated

Department	# of Overall Positions Eliminated	# of Eliminated Positions at Senior Level
Office of Arts & Cultural Affairs	-2	0
City Budget Office	-1	-1
Seattle Center	-18	-2
Department of Information Technology	-8	-2
Department of Neighborhoods	-11	-2
Department of Planning & Development	-11	-1
Department of Parks & Recreation	-105	-7
Department of Finance & Administrative Services	-33	-5
Human Services Department	-6	-2
Legislative	-3	-1
Mayor's Office	-1	-1
Office for Civil Rights	-2	0
Office of Economic Development	1	0
Office of Housing	-1	0
Office of Intergovernmental Relations	0	0
Office of Sustainability & Environment	-1	0
Personnel Department	-10	-2
Seattle City Attorney	-3	-1
Seattle City Light	-17	-6
Seattle Department of Transportation	-30	-15
Seattle Fire Department	-5	-1
Seattle Municipal Court	-10	0
Seattle Police Department	15	-1
Seattle Public Utilities	-32	-14
Grand Total	-294	-64
Of the 294 total, 214 are filled as of September 14, 2010		

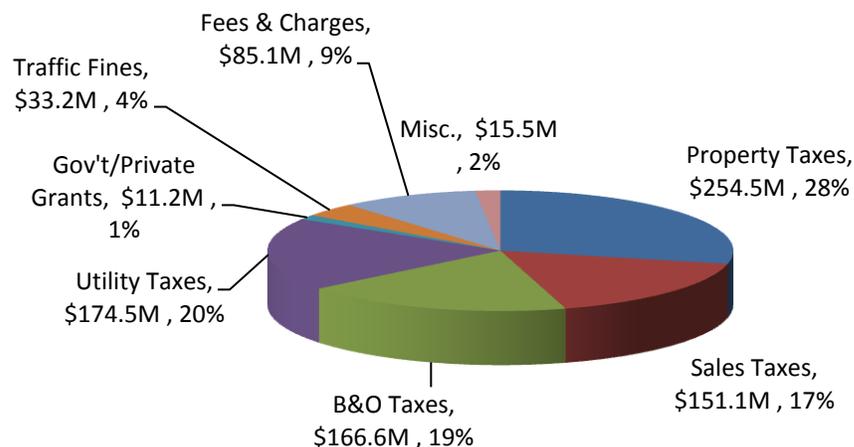
REVENUES: WHERE THE MONEY COMES FROM

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 2011, total City government revenue, including utilities, is projected to be \$4.3 billion.*

In 2011, general government revenue is projected to total \$891.7 million.

2011 General Fund Revenue Forecast - \$891.7 million
(in millions of dollars)



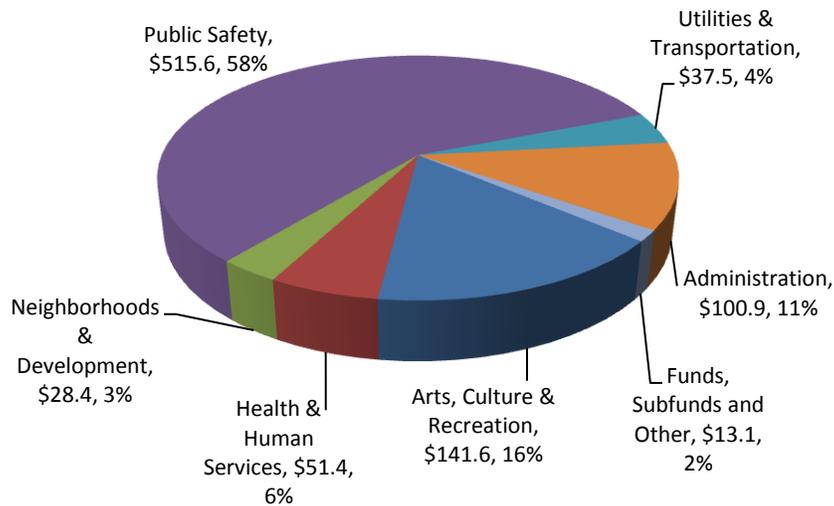
*This figure does not match total expenditures because it includes interfund transfers that do not appear in the expenditure tables on page 7 and 8.

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.

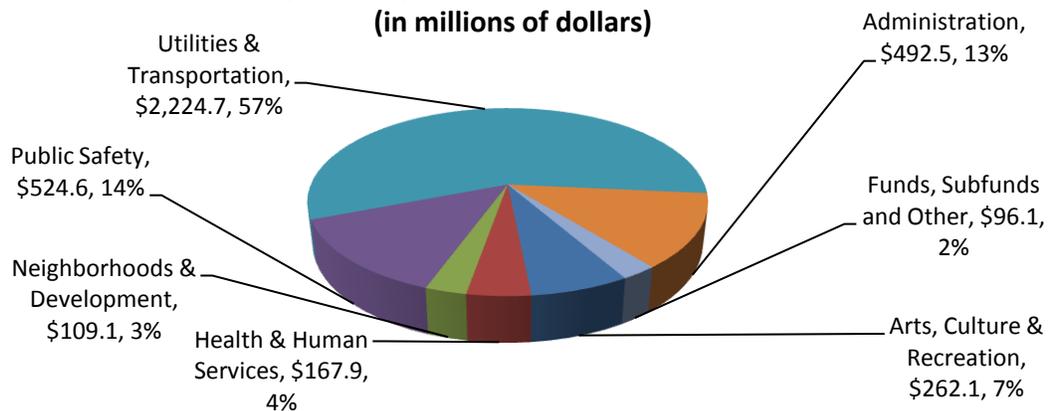
The following pie charts show total operating expenses for 2011 by major service category. The first chart represents General Fund expenses; the second the entire budget.

2011 Proposed General Fund Expenditures - \$888.4 Million*
(in millions of dollars)



*This does not include approximately \$3.8 million in reserves against fund balance.

2011 Proposed Expenditures - All Funds, \$3.9 Billion*
(in millions of dollars)



EXPENDITURE SUMMARY

(in thousands of dollars)

Department	2010 Adopted		2011 Proposed		2012 Proposed	
	General Subfund	Total Funds	General Subfund	Total Funds	General Subfund	Total Funds
Arts, Culture & Recreation						
Office of Arts and Cultural Affairs ⁽¹⁾	0	6,434	0	7,116	0	7,290
The Seattle Public Library	49,205	50,970	47,299	50,153	48,630	51,392
Department of Parks and Recreation	84,244	149,108	81,045	166,534	84,679	143,253
Seattle Center	13,057	37,770	13,229	38,334	13,305	35,238
Subtotal	146,507	244,282	141,573	262,137	146,614	237,173
Health & Human Services						
Community Development Block Grant	0	14,000	0	13,641	0	13,641
Educational and Developmental Services Levy	0	17,972	0	17,887	0	17,931
Human Services Department	52,519	147,807	51,445	136,402	51,938	134,647
SubTotal	52,519	179,778	51,445	167,930	51,938	166,219
Neighborhoods & Development						
Office of Economic Development	6,179	6,179	6,339	6,339	5,875	5,875
Office of Housing	672	44,885	650	39,869	759	38,970
Department of Neighborhoods ⁽²⁾	11,764	11,764	9,626	9,626	9,874	9,874
Neighborhood Matching Subfund	3,354	3,692	2,639	2,949	2,695	3,009
Department of Planning and Development	9,991	60,558	9,120	50,277	9,301	51,046
Subtotal	31,959	127,078	28,375	109,060	28,504	108,775
Public Safety						
Criminal Justice Contracted Services	23,902	23,902	24,194	24,194	27,558	27,558
Fire Facilities Fund	0	3,830	0	5,874	0	9,232
Firemen's Pension	17,531	21,243	17,759	20,143	19,919	20,785
Law Department	18,226	18,226	17,999	17,999	18,480	18,480
Police Relief and Pension	22,302	22,362	22,255	23,028	22,191	22,331
Public Safety Civil Service Commission	142	142	149	149	152	152
Seattle Fire Department	156,983	156,983	158,587	158,587	162,164	162,164
Seattle Municipal Court	26,736	26,736	26,073	26,073	26,539	26,539
Seattle Police Department	242,814	242,814	248,543	248,543	255,007	255,007
Subtotal	508,635	516,238	515,559	524,590	532,010	542,249
Utilities & Transportation						
Seattle City Light	0	1,089,616	0	1,087,545	0	1,148,071
Seattle Public Utilities	1,351	817,200	1,299	823,895	1,329	858,458
Seattle Transportation	38,641	310,198	36,161	313,263	37,438	316,001
Subtotal	39,993	2,217,013	37,460	2,224,703	38,767	2,322,531

EXPENDITURE SUMMARY (continued)
(in thousands of dollars)

Department	2010 Adopted		2011 Proposed		2012 Proposed	
	General Subfund	Total Funds	General Subfund	Total Funds	General Subfund	Total Funds
Department of Executive Administration ⁽²⁾	33,092	33,092	0	0	0	0
City Budget Office ⁽²⁾	0	0	4,012	4,012	4,132	4,132
Department of Finance ⁽²⁾	5,110	5,110	0	0	0	0
Department of Information Technology	2,664	56,404	4,412	48,876	4,542	49,095
Employees' Retirement System	0	11,911	0	11,760	0	11,894
Ethics and Elections Commission	611	611	687	687	655	655
Finance General	34,636	34,636	37,619	37,619	41,923	41,923
Fleets and Facilities Department ⁽²⁾	2,909	132,322	0	0	0	0
Finance and Administrative Services ⁽²⁾⁽³⁾	0	0	20,866	168,040	21,387	186,106
Legislative Department	12,183	12,183	11,262	11,262	11,580	11,580
Office of City Auditor	1,168	1,168	1,072	1,072	1,098	1,098
Office of Hearing Examiner	556	556	571	571	585	585
Office of Intergovernmental Relations	2,117	2,117	2,016	2,016	2,071	2,071
Office of Sustainability and Environment	1,416	1,416	1,192	1,192	1,233	1,233
Office of the Mayor	3,692	3,692	3,456	3,456	3,516	3,516
Personnel Compensation Trust Subfunds	0	177,419	0	188,191	0	200,771
Personnel Department	11,919	11,919	11,444	11,444	11,638	11,638
Seattle Office for Civil Rights	2,254	2,254	2,042	2,042	2,107	2,107
Subtotal	114,548	487,031	100,883	492,472	106,705	528,642
Funds, Subfunds and Other						
Bonds Debt Service ⁽⁴⁾	10,076	29,793	11,152	32,392	13,677	32,227
Cumulative Reserve Subfund ⁽⁵⁾	0	24,629	750	28,496	600	29,687
Emergency Subfund	0	0	0	750	0	100
Judgment/Claims Subfund	1,319	18,819	1,191	26,605	1,191	18,000
Parking Garage Fund	0	7,603	0	7,842	0	8,093
Subtotal	11,394	80,843	13,093	96,085	15,468	88,107
Grand Total*	905,555	3,852,264	888,388	3,876,978	920,007	3,993,695

*Totals may not add due to rounding

Notes:

- (1) Includes a dedicated amount based on receipts from Admission Tax.
- (2) Under the reorganization of several city functions proposed for 2011 and 2012, the former Department of Finance, Department of Executive Administration, Fleets and Facilities Department, and a portion of the Department of Neighborhoods are reflected in the City Budget Office and Finance and Administrative Services.
- (3) The amounts in the "Total Funds" column include appropriations from the Asset Preservation Subfund.
- (4) 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.
- (5) 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.