



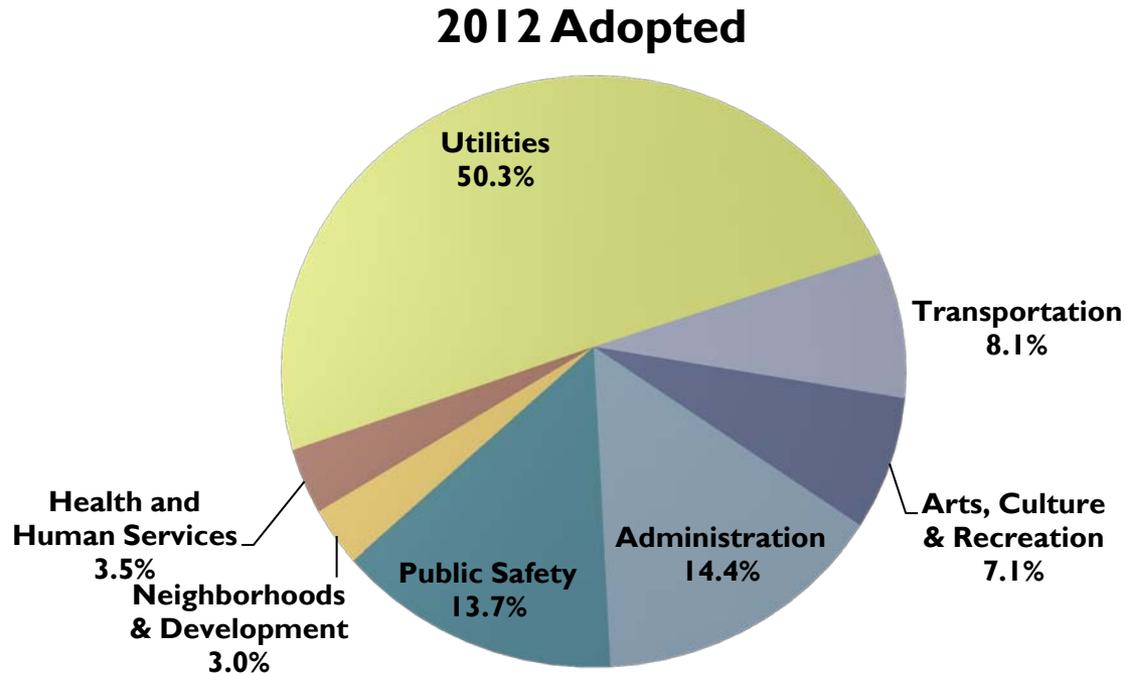
Your City Budget: Overview of the City of Seattle Budget and Budget Process

Presentation to the Community Budget Conference
Beth Goldberg, Budget Director – January 29, 2012

Overview of the 2012 Budget



- ▶ **The City's 2012 Adopted Budget totals \$3.89 billion**
 - ▶ Majority of spending is for utilities, public safety & transportation
 - ▶ General Fund represents 24% of the total budget



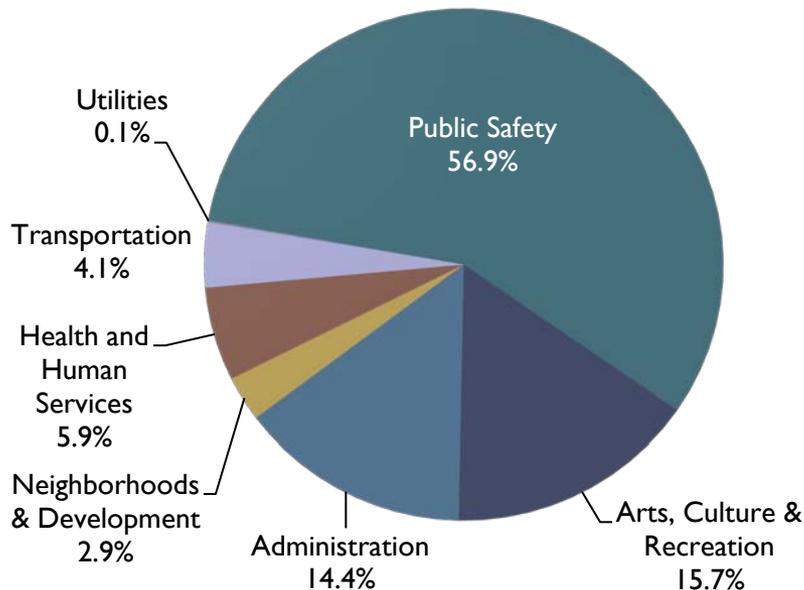
General Fund Overview



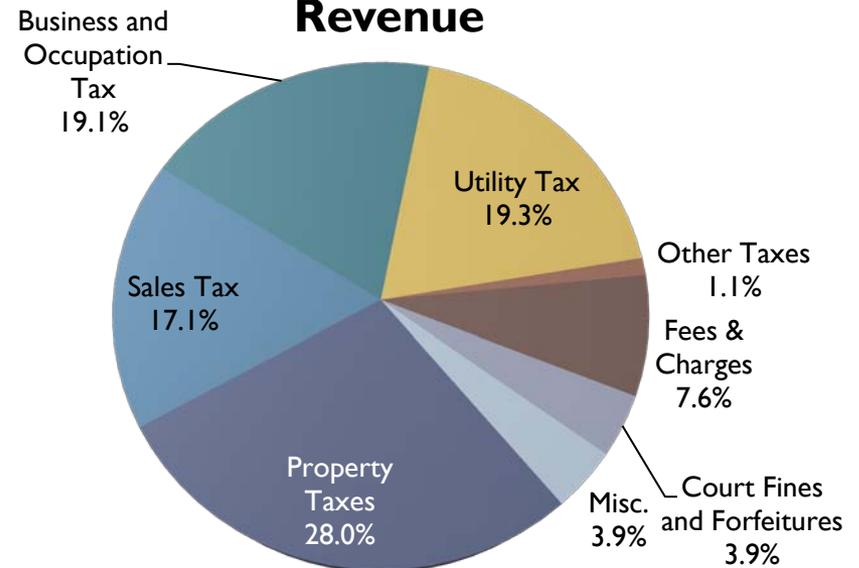
▶ The General Fund totals \$918 million

- ▶ A majority of General Fund dollars are allocated to public safety
- ▶ General Fund revenues are derived primarily from property, utility, B&O and sales taxes

Spending



Revenue



Accomplishments Since the Last CNC Budget Conference



- ▶ Seattle continues to adjust to a new budget reality
 - ▶ Making important strides to strengthen the City's long-term financial position even in times of continued budget challenges
 - ▶ Maintained the City's commitment to public safety and human services

What we have we done since 2010?

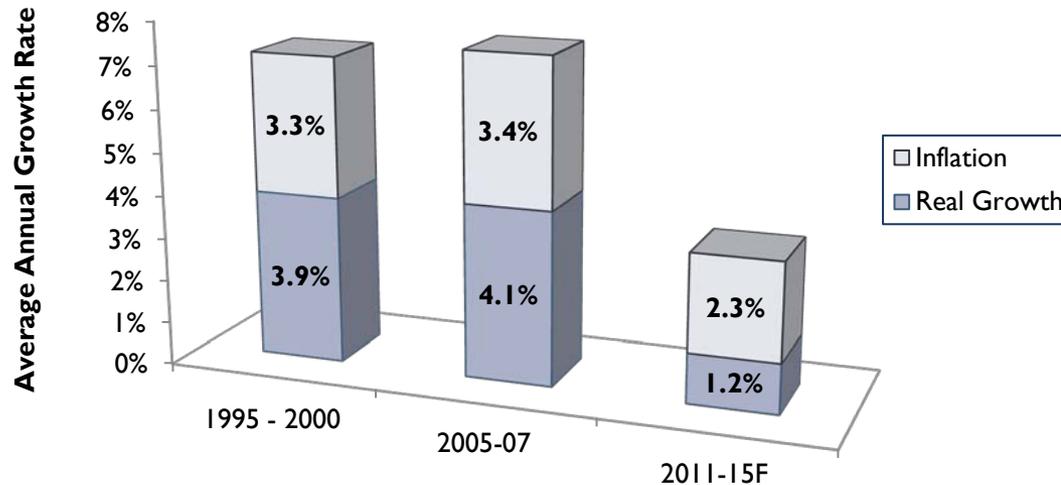
	January 2010	January 2012
Rainy Day Fund	Reduced from \$30 million to \$10.5 million	<ul style="list-style-type: none"> • Increased to \$13.2 million • Proactive funding policies established
Proactive General Fund Management	Ended 2009 \$3.5 million worse than planned	Ended 2010 \$2.5 million in the black
Pension Fund	Annual contributions inadequate to address funding shortfalls	<ul style="list-style-type: none"> • Meeting annual funding targets • New policy to adjust contributions as needed
General Fund Budget Shortfalls	\$40 million closed primarily with one-time strategies	<ul style="list-style-type: none"> • Closed \$85 million shortfall over two years • Primarily on-going changes while still preserving direct services
Labor Cost Savings	One-time furloughs in 2010: \$6.5 million	<ul style="list-style-type: none"> • One-time furloughs in 2012: \$0.6 million • Opened closed contracts to save \$12.2 million over two years, with on-going savings

Looking Ahead to the 2013-2014 Budget



- ▶ New economic reality means the City's General Fund budget challenges will persist into 2013 & 2014

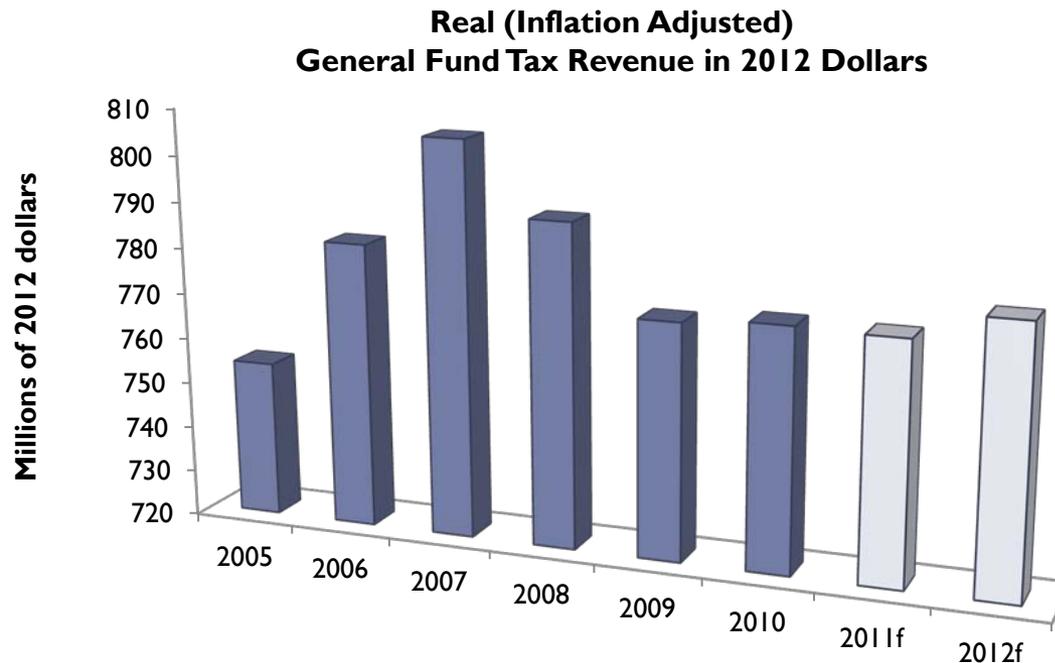
Average Annual Revenue Growth Rate in Post-Recessionary Periods



Looking Ahead to the 2013-2014 Budget



- ▶ Revenue growth has been slow to recover from the Great Recession
 - ▶ 2012 General Fund tax revenues are \$28.4 million below the peak in 2007

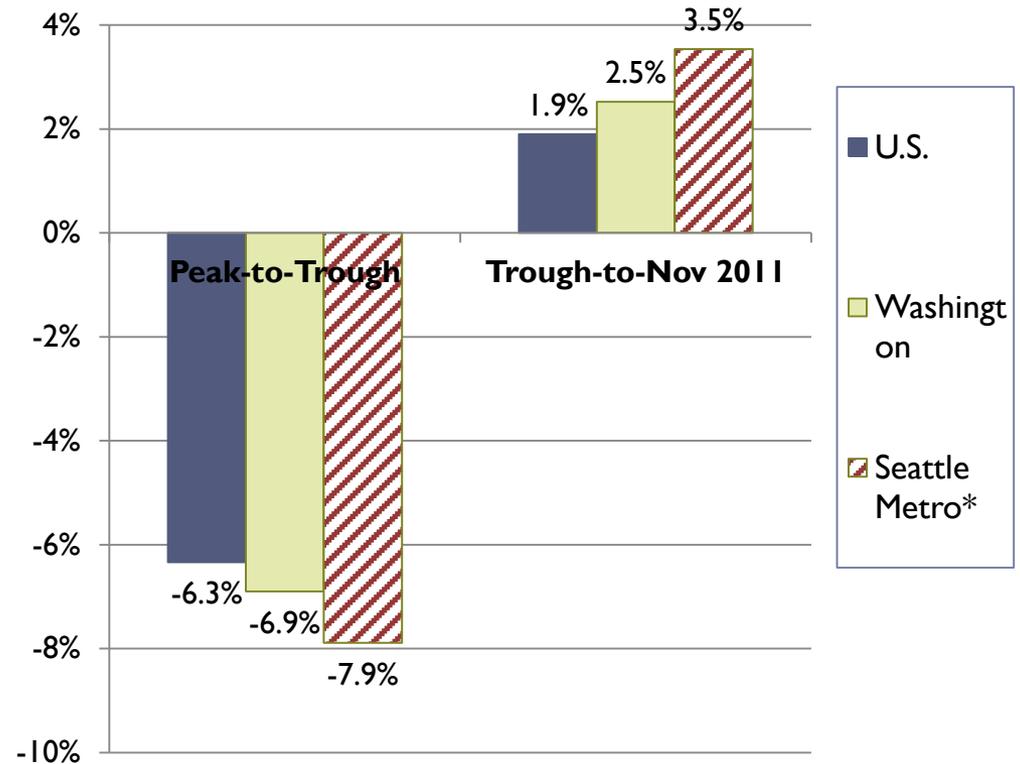


Looking Ahead to the 2013 – 2014 Budget



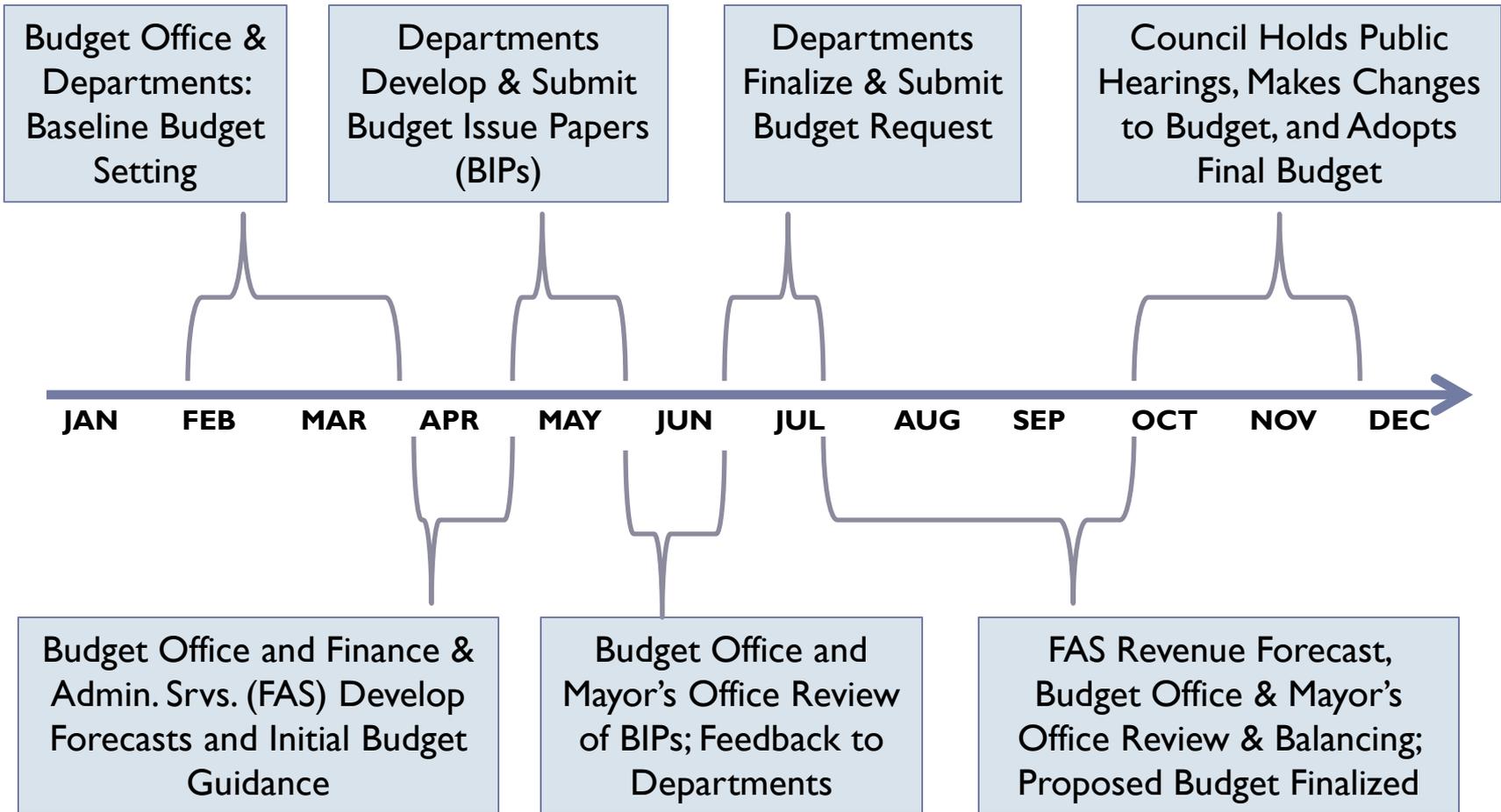
- ▶ **\$40 million shortfall forecast for 2013**
- ▶ **Upside risks:**
 - ▶ Relative strength of the local economy
 - ▶ 2011 revenues trending above forecast
- ▶ **Downside risks:**
 - ▶ State and federal budget situations
 - ▶ Global economy still vulnerable
 - ▶ DOJ Investigation

Employment Change: Recession & Recovery



*King & Snohomish Counties. Source: WA ESD, U.S. Bureau of

City Budget Process





2013 Budget Process

- ▶ Continue to proactively monitor the budget and act quickly to address changes
- ▶ Continue to prioritize long-term financial sustainability and direct services
- ▶ Continue to identify efficiencies and deploy resources to meet desired outcomes and performance standards
 - ▶ Outcome-based budgeting pilot project for the City's Youth and Family investments

Questions?

