



City of Seattle

Office of the Mayor

News

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Mayor McGinn's Proposed 2012 Budget Preserves Direct Services

Invests in infrastructure, transforms how the city does business to support core missions of government

SEATTLE - Mayor Mike McGinn today presented his Proposed 2012 budget, which preserves direct services, transforms how the city does business and invests in infrastructure and the future. The mayor's proposed budget is grounded on the principles of shared prosperity, race and social justice, effective and open government, and public safety and health. The total proposed budget is \$4.2 billion, including the city's \$910 million General Fund.

"We are working to not just balance the budget, but to take concrete action on priorities: education, jobs, transit, public safety and protecting the most vulnerable," said McGinn.

The mayor's proposed budget preserves direct services by reforming and reorganizing how the city provides services. "Our focus is on outcomes for the community, which leads us to come up with new models that reduce costs, and refocus our tax dollars where they are most effective," said McGinn.

The mayor's 2012 Proposed Budget:

- Maintains the current firefighting strength and preserves companies assigned to neighborhood fire stations.
- Supports funding to allow the Seattle Police Department to continue meeting and exceeding the goals of the Neighborhood Policing Plan, and preserves funding for victim advocates and crime prevention coordinators.

- Maintains 2011 funding levels for Human Services contracts.
- Makes modest increases in the City's community granting programs and the low-income rental assistance program by consolidation administration.
- Preserves funding and 2011 hours of operation for the Seattle Central Library and all 26 branches, and preserves the Library's collection budget at the 2012 endorsed budget level.
- Retains lifeguards on city beaches, keeps all swimming pools open and maintains 2011 service levels for wading pools.
- Preserves investments in youth and job training programs.

The 2012 budget is the second year of the 2011-2012 biennium. Today's proposed budget is 1.3 percent (\$12 million) smaller than the 2012 budget endorsed by the City Council during last year's budget review. With a projected \$18 million General Fund shortfall in 2012, McGinn's budget captures savings by reforming how the city does business and proposes new ways to deliver services, including:

- **Merging the Office of Housing and the Office of Economic Development** – the merger aligns and integrates two functions critical to developing healthy communities, for a savings in management and administration of \$338,000 – of which \$210,000 will support direct housing programs for low-income renters.
- **Changing the way community centers are staffed** – the city's 26 community centers will be managed in five geographic regions, offering varying levels of service in each area resulting in streamlined management and staffing, for a savings of \$784,000. Parks expects an additional \$446,000 in revenues based on new revenue-sharing agreements with the Associated Recreation Council, the nonprofit responsible for programming at the community centers. The savings and additional revenue bring the total to \$1.23 million in relief to the General Fund.
- **Consolidating the city's granting programs** – five city programs provide community grants through five different departments; four of them will be consolidated in the Department of Neighborhoods, and the fifth will collaborate with DON, saving \$400,000 in administrative costs. A portion of the savings will be reinvested into the community grants.
- **New long-term jail contract** – instead of facing the possibility of having to build its own jail, the city negotiated a long-term contract with the county to house

misdemeanor inmates through 2030, for a savings of \$5.3 million in the 2012 budget. Lower jail population trends save an additional \$700,000.

- **Working with Labor to reduce overtime costs** – In 2008, SDOT spent approximately \$155,000 on overtime for lane lines and crosswalk markings. For 2011, SDOT projections indicate it will spend approximately \$7,000, a 95 percent reduction in overtime use. SPU developed a 2011 budget for Water Utility overtime that is roughly 28 percent, or \$428,000, lower than 2010 actual expenses. Drainage and Wastewater overtime is expected to be reduced by about \$330,000, or 21 percent, in 2011 as compared to 2010. Further reductions are anticipated in 2012.
- **Consolidating Civil Service Commission and Public Safety Civil Service Commission Offices** – The two commissions are each overseen by a three-person panel and supported by an administrative office, composed of an executive director and support staff. This budget proposes supporting both commissions with a single administrative office for a savings of more than \$50,000.

The proposed budget reduces the number of fulltime equivalent (FTE) positions by 155, and adds 43 new FTE positions, for a net reduction of 112 FTE positions. Of these, 19 FTEs, or 17 percent, are senior level positions (executives, managers and strategic advisors). Eighty-two FTE positions are currently filled and will result in layoffs, effective Jan. 3, 2012. Reduced hours will impact an additional 13 filled FTE positions. Mayor Mike McGinn has eliminated 110 management positions since he took office in January 2010.

With an eye to preserving the city's physical assets, this budget leverages future rent from tenants to fund renovations to Magnuson Park's Building 30, which houses Parks offices and a number of nonprofit tenants, including the very popular Friends of the Library semi-annual book sale. The budget also proposes taking advantage of a 2010 insurance settlement to fund \$1.9 million for new roofs at six city-owned buildings which house nonprofit service agencies in various neighborhoods around Seattle.

The mayor recognizes the importance of stabilizing the city's financial footing, even if it means making difficult short-term decisions. The city has a reputation for strong financial management, as reflected in its AAA bond rating. This top rating keeps the city's borrowing costs low, but the rating agencies have been taking a close look at the health of the city's reserves.

To better protect city services in the event of another unexpected downturn in revenues, this budget proposes enhancing and updating the policies governing the city's rainy day fund to reflect the new economic reality. Assuming the Council adopts these policies, the mayor proposes adding \$1.95 million to the rainy day fund in 2012 and approximately \$4 million in 2013.

This budget also looks at outcomes and lays a foundation for systematically assessing whether the city's investments are achieving the intended outcomes. Such outcome-based measures are already used with the Families and Education Levy programs, the Police Department's Neighborhood Policing Plan and the city's On-Street Paid Parking Program. Metrics from these programs were instrumental in setting priorities and aligning budget dollars for 2012.

The mayor's 2012 Proposed Budget will be available online this afternoon at www.seattle.gov/financedepartment

The City Council will spend October and most of November reviewing the mayor's Proposed 2012 budget and capital improvement program (CIP). The budget and CIP must be adopted no later than Dec. 2. State law requires Seattle to adopt a balanced budget.

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