

General Fund Subfunds

General Subfund Balance Forecast

The City's financial policies do not require a fund balance to be maintained in the General Subfund. Instead, the City funds the Emergency Subfund to the legal maximum each year and maintains a variety of dedicated reserves funds. Thus, General Subfund balances usually are carried over and spent in the following year.

The General Subfund is projected to have a negative balance of approximately \$4.4 million at the end of 2002. This shortfall is due to a delay in receiving property sale proceeds that will now be received in 2003. This temporary shortfall will be covered by use, and subsequent reimbursement, of the Emergency Subfund.

General Subfund revenues for 2002 are substantially below budgeted figures due to the continued economic slowdown. This shortfall has been offset by mid-year cuts imposed by the Mayor in February and September.

General Subfund Balance:

Unreserved Fund Balance (CAFR) - January 1, 2002	\$ 637,000
plus 2002 Revised Budget Revenue Forecast	631,432,500
less 2002 Adopted Budget Appropriations	(642,578,000)
plus Mayor's Directive for Expenditure Reductions (February)	6,629,750
less 2002 Legislated Appropriation Changes (1)	100,000
less Mid-year Supplemental Appropriations (2)	(2,570,000)
less End-of-year Supplemental Appropriations (3)	(894,500)
less Other Adjustments (4)	2,878,000
Estimated Available Fund Balance - December 31, 2002	\$ (4,365,250)

Notes:

- (1) Total reflects net appropriation change to General Subfund from legislation.
- (2) Total reflects net appropriation change to General Subfund from the mid-year supplemental Ordinance.
- (3) Total reflects likely net appropriation change to General Subfund from end-of-year supplemental.
- (4) Total reflects likely net appropriation change to General Subfund from likely 2002 savings.

Estimated Unreserved Fund Balance - January 1, 2003	\$ (4,365,250)
2003 Estimated Revenue	646,126,000
2003 Adopted Appropriations	(638,723,000)
Projected Fund Balance - December 31, 2003	\$ 3,037,750

Projected Unreserved Fund Balance - January 1, 2004	\$ 3,037,750
2004 Estimated Revenue	658,388,000
2004 Endorsed Appropriations	(661,271,000)
Projected Fund Balance - December 31, 2004	\$ 154,750

General Fund Subfunds

Cable Television Franchise Subfund

The City of Seattle entered into cable franchise agreements in 1996 with TCI and Summit Communications, Incorporated. These agreements establish a new franchise fee as compensation for the right to locate in the public right-of-way. The Cable Television Franchise Subfund (created by Ordinance 118196) shows the anticipated revenues from the franchise fee and related expenditures in the Department of Information Technology and in the Library. The subfund reserve will be retained as a hedge against future revenue shortfalls.

Summit Code	Source	2001 Actual	2002 Revised	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 610,428	\$ 3,227,988	\$ 2,276,280	\$ 1,525,904
Revenues					
421911	Cable Franchise Fees	\$ 2,475,263	\$ 2,361,205	\$ 2,423,377	\$ 2,568,780
439090	Other Contribution & Donations*	2,800,000	-	-	-
Total Revenues		\$ 5,275,263	\$ 2,361,205	\$ 2,423,377	\$ 2,568,780
Expenditures					
Community Technology					
887900	Oper Tr Out-To Other Funds (to 50440)	\$ 416,247	\$ 457,475	\$ 504,682	\$ 525,900
Cable Communications					
887900	Oper Tr Out-To Other Funds (to 50440)	1,085,110	1,077,829	1,103,950	1,133,389
TV Seattle/Democracy Portal					
887900	Oper Tr Out-To Other Funds (to 50440)	1,106,346	1,339,772	1,515,120	1,605,625
Citizen Literacy/Access					
887104	Oper Tr Out-To Library Fund (to 10410)	50,000	50,000	50,000	50,000
General Subfund					
887001	Oper Tr Out-To General Fund (to 00100)	-	387,837	-	-
Total Expenditures		\$ 2,657,703	\$ 3,312,913	\$ 3,173,752	\$ 3,314,914
Ending Fund Balance		\$ 3,227,988	\$ 2,276,280	\$ 1,525,904	\$ 779,770

*An advance payment of \$2,800,000 was made by AT&T to the City to support Public Access TV in lieu of smaller multiyear payments and will be held as subfund balance until slowly drawn upon over the next four years.

General Fund Subfunds

Cumulative Reserve Subfund

This subfund is a reserve fund authorized under State law and is used primarily for maintenance and development of City capital facilities. The subfund is currently divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account. The purposes and uses of these accounts are described below.

The **Capital Projects Account** provides funds for a wide array of capital projects. For the last few years, the vast majority of the expenditures from the Capital Projects Accounts have been devoted to maintaining and rehabilitating existing City facilities.

- ◆ The account is divided into four subaccounts that reflect different revenue sources.
 - ◆ The Real Estate Excise Tax I (REET I) Subaccount is funded by a 0.25% tax on real estate transactions. A portion of these proceeds is used to pay debt service on bonds issued in 1992 and refinanced in 1998 for low-income housing and recreation facilities. REET I revenues are also used to defease 1994 bonds and to pay debt service on \$6,751,000 in councilmanic bonds that will be issued in 2003 to pay for Seattle Center roof replacements. The subaccount continues to earn interest on the balance that would have existed without the defeasance. The remaining REET I funds are used for other capital projects.
 - ◆ The Real Estate Excise Tax II (REET II) Subaccount is funded from an additional 0.25% tax on real estate transactions and is kept separate due to different state requirements regarding the use of these funds. REET II revenues are used for a variety of capital projects.
 - ◆ The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union, investment earnings attributable to the subaccount, and other associated revenues. \$13,759,000 was transferred out of this subaccount in 2002 into the defeasance account established as part of a refinancing plan of outstanding councilmanic debt issued in 1994. The City will issue councilmanic debt in the future to pay for projects that would have been funded otherwise from the subaccount. The subaccount continues to earn interest on the balance that would have existed without the defeasance.
 - ◆ The Unrestricted Subaccount receives funding from a variety of sources, including street vacation revenues, transfers of General Fund balances, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount), and other unrestricted contributions to the Cumulative Reserve Subfund. The Unrestricted Subaccount includes the Street Vacation Compensation Fund which dedicates a portion of revenues earned from street vacations to transportation and open space capital improvements.
- ◆ The **Revenue Stabilization Account**, created in the 2000 Adopted Budget through Ordinance 119761, provides a cushion from the impact of sudden, unanticipated shortfalls in revenue due to economic downturns that could undermine City government's ability to maintain services. The account is limited by ordinance to 2.5% of the prior tax year revenues. The entire account fund balance was used to balance the 2002 budget through the adopted 2002 budget and subsequent supplemental legislation. The 2003 Adopted Budget allocates \$2.4 million in General Subfund resources to this account to re-establish this reserve.

General Fund Subfunds

2003-2004 Proposed Cumulative Reserve Subfund: Sources/Uses of Funds

	REET I Subaccount	REET II Subaccount	Unrestricted Subaccount	Street Vacation	South Lake Union	Revenue Stabilization	Total
2002 Beginning Unreserved Fund Balance	\$13,035,864	\$11,660,204	\$20,073,825	\$0	\$19,994,692	\$3,766,122	\$68,530,707
Carryover	(2,933,354)	(8,658,378)	(11,150,356)	0	(5,599,766)	0	(28,341,854)
2002 Sources							
Real Estate Excise Tax	10,250,000	10,250,000	0	0	0	0	20,500,000
Street Vacation	0	0	325,000	325,000	1,167,674	0	1,817,674
Other	(32,150)	2,953	4,200,000	0	446,400	0	4,617,203
Total Sources	\$20,320,360	\$13,254,779	\$13,448,469	\$325,000	\$16,009,000	\$3,766,122	\$67,123,730
2002 Uses							
2002 Adopted Budget Appropriations	13,634,000	9,476,000	7,885,000	0	0	0	30,995,000
Recorded Revisions	(8,040,264)	(149,872)	(1,949,580)	0	2,250,000	2,889,122	(5,000,594)
Transfer to Defeasance Account	7,016,000	0	4,977,000	0	13,759,000	0	25,752,000
Transfer to General Fund	0	0	125,000	0	0	877,000	1,002,000
Hygiene Center Reserve	0	0	800,000	0	0	0	800,000
Property Acquisition Reserve	0	0	400,000	0	0	0	400,000
Year-End Unreserved Fund Balance	7,710,624	3,928,651	1,211,049	325,000	0	0	13,175,324
Total Uses	\$20,320,360	\$13,254,779	\$13,448,469	\$325,000	\$16,009,000	\$3,766,122	\$67,123,730
2003 Sources							
2003 Beginning Unreserved Fund Balance	7,710,624	3,928,651	1,211,049	325,000	0	0	13,175,324
Real Estate Excise Tax	9,600,000	9,600,000	0	0	0	0	19,200,000
Street Vacation	0	0	300,000	300,000	0	0	600,000
Hygiene Center Reserve	0	0	800,000	0	0	0	800,000
Other	264,756	0	7,475,000	0	1,066,323	2,400,000	11,206,079
Total Sources	\$17,575,380	\$13,528,651	\$9,786,049	\$625,000	\$1,066,323	\$2,400,000	\$44,981,403
2003 Uses							
2003 Adopted Appropriations	7,766,000	11,155,000	2,802,000	625,000	0	0	22,348,000
Transfer to General Fund	0	0	4,987,000	0	0	0	4,987,000
Transfer to Defeasance Account	5,500,000	0	0	0	0	0	5,500,000
Reserve for Earthquake Local Match	1,000,000	0	0	0	0	0	1,000,000
Transfer to General Fund - Hygiene Center	0	0	800,000	0	0	0	800,000
Year-End Unreserved Fund Balance	3,309,380	2,373,651	1,197,049	0	1,066,323	2,400,000	10,346,403
Total Uses	\$17,575,380	\$13,528,651	\$9,786,049	\$625,000	\$1,066,323	\$2,400,000	\$44,981,403
2004 Sources							
2004 Beginning Unreserved Fund Balance	3,309,380	2,373,651	1,197,049	0	1,066,323	2,400,000	10,346,403
Real Estate Excise Tax	9,800,000	9,800,000	0	0	0	0	19,600,000
Street Vacation	0	0	300,000	300,000	0	0	600,000
Other	1,303,875	0	225,000	0	0	0	1,528,875
Total Sources	\$14,413,255	\$12,173,651	\$1,722,049	\$300,000	\$1,066,323	\$2,400,000	\$32,075,278
2004 Uses							
2004 Endorsed Appropriations	6,144,000	9,997,000	1,525,000	300,000	0	0	17,966,000
Transfer to Defeasance Account	4,579,000	0	0	0	0	0	4,579,000
Reserve for Neighborhood Major Maintenance	0	1,000,000	0	0	0	0	1,000,000
Reserve for Earthquake Local Match	1,000,000	0	0	0	0	0	1,000,000
Year-End Unreserved Fund Balance	2,690,255	1,176,651	197,049	0	1,066,323	2,400,000	7,530,278
Total Uses	\$14,413,255	\$12,173,651	\$1,722,049	\$300,000	\$1,066,323	\$2,400,000	\$32,075,278

General Fund Subfunds

2003 Adopted and 2004 Endorsed Cumulative Reserve Subfund

Appropriations shown below from the Cumulative Reserve Subfund (CRF) are for special purposes such as debt service payments and the City's Tenant Relocation Assistance Program. Department CRF and Street Vacation Compensation Subfund summaries are shown for informational purposes only. Actual appropriations for capital projects funded by the CRF are made in the appropriate department's section, with the exception of the Special Projects shown below. Department capital projects are fully described in the 2003-2008 Proposed Capital Improvement Program.

Appropriations	Summit Number	CRF Subaccount	2002 Adopted	2003 Adopted	2004 Endorsed
<i>Special Projects</i>					
1998B Capital Facilities Refunding	CC3002	REET I	\$ 3,024,000	\$ 3,013,000	\$ 3,004,000
Tenant Relocation Assistance Program	TRANEW	Unrestricted	179,000	179,000	179,000
Office of Housing - Tower Records	TBD	Unrestricted	-	519,000	-
Special Projects Total			\$ 3,203,000	\$ 3,711,000	\$ 3,183,000
<i>Department Summaries</i>					
Department of Parks and Recreation			\$ 12,189,000	\$ 11,023,000	\$ 9,968,000
Fleets and Facilities Department			4,918,000	2,835,000	1,136,000
Office of Arts and Cultural Affairs			120,000	120,000	120,000
Seattle Center			2,900,000	1,164,000	1,788,000
Seattle Public Library			3,150,000	156,000	371,000
Seattle Transportation(1)			4,515,000	3,339,000	1,400,000
Department Summaries Total			\$ 27,792,000	\$ 18,637,000	\$ 14,783,000
Grand Total			\$ 30,995,000	\$ 22,348,000	\$ 17,966,000

(1) Includes Street Vacation Compensation Subfund allocations.

General Fund Subfunds

Emergency Subfund

Under the authority of state law, RCW 35.32A.060, the City maintains a financial reserve called the Emergency Subfund of the General Fund. This subfund is the principal reserve for the City and is available to pay for unanticipated or unplanned expenditures that occur during the fiscal year.

City policy (Resolution 30379) directs that sufficient resources shall be appropriated to the Emergency Subfund so that its balance equals the maximum permitted by state law (37.5 cents per thousand dollars of assessed value in Seattle). The most recent estimates of assessed value (developed in October 2002) indicate that the maximum balance for the Emergency Subfund will be \$29.8 million in 2003 and \$31.1 million in 2004. These estimates reflect current laws governing the appraisal of real property values for property tax purposes.

In 2002, \$6.0 million of General Subfund resources are transferred to the Emergency Subfund to ensure that its balance is at the maximum amount permitted by law. This transfer is an increase of \$3.3 million relative to the amount projected to be transferred in the 2002 Endorsed Budget.

Projection of Emergency Subfund Balance for 2003 and 2004:

Summit Code Source	2002 Projected	2003 Adopted	2004 Endorsed
Beginning Fund Balance	\$ 22,655,000	\$ 28,655,000	\$ 29,794,000
Revenues			
Key Tower Operating Fund Transfer	\$ 2,000,000	\$ -	\$ -
General Subfund Debt Reduction-Related Transfer	4,000,000	-	-
General Subfund Contribution	-	2,139,000	1,341,000
Total Revenues	\$ 6,000,000	\$ 2,139,000	\$ 1,341,000
Expenditures			
Emergency Expenditures	\$ -	\$ 1,000,000	\$ -
Total Expenditures	\$ -	\$ 1,000,000	\$ -
Ending Fund Balance	\$ 28,655,000	\$ 29,794,000	\$ 31,135,000

General Fund Subfunds

Group Term Life Insurance Subfund

The Group Term Life Subfund contains the revenues and expenditures related to the City's group term life insurance, long-term disability insurance, and accidental death and dismemberment insurance.

Summit Code	Source	2001 Actual	2002 Adopted	2002 Projected	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 3,222,598	\$ 2,369,598	\$ 2,641,323	\$ 905,941	\$ 316,946
Revenue						
461110	Interest	\$ -	\$ -	\$ 33,497	\$ 20,000	\$ 10,000
569540	Department Contributions and Other Revenues (1)	1,102,192	1,044,851	1,192,547	613,445	922,718
Total Revenue		\$ 1,102,192	\$ 1,044,851	\$ 1,226,044	\$ 633,445	\$ 932,718
Expenditure						
720500	Premium Payout Expenditures	\$ 830,467	\$ 1,044,851	\$ 1,019,419	\$ 1,142,440	\$ 1,199,664
841111	Administration (2)	853,000	860,000	933,903	-	-
Total Expenditures		\$ 1,683,467	\$ 1,904,851	\$ 1,953,322	\$ 1,142,440	\$ 1,199,664
Group Term Life Subfund						
TBD	Use of Subfund Balance	-	-	1,008,104	80,000	-
Total Uses		\$ 1,683,467	\$ 1,904,851	\$ 2,961,426	\$ 1,222,440	\$ 1,199,664
Ending Fund Balance (3)		\$ 2,641,323	\$ 1,509,598	\$ 905,941	\$ 316,946	\$ 50,000

Notes:

- (1) A premium holiday will occur for the employer portion of the group term life expenditures in 2003 and part of 2004.
- (2) A portion of the subfund balance was used to support administrative costs of the Health Care Subfund in 2002.
- (3) A portion of the subfund balance that was being held in reserve pending completion of negotiations with labor unions was paid out in 2002; further negotiations are pending in 2003.

General Fund Subfunds

Health Care Subfund

The Health Care Subfund contains the revenues and expenditures associated with the City's medical, dental, vision insurance programs, Flexible Spending Account, Employee Assistance Program, and COBRA. Health/Dental/Vision Expenses have increased significantly compared to 2002, reflecting a nationwide increase in health care costs.

Summit Code	Source	2001 Actual	2002 Adopted	2002 Projected	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 8,904,421	\$ 8,904,421	\$ 4,681,447	\$ (7,621,090)	\$ (5,275,177)
Revenue						
461110	Interest	\$ 165,876	\$ -	\$ 38,945	\$ -	\$ -
460000	Ins. Premiums and Recoveries	932,888	-	845,666	225,392	225,392
569990	EAP Premium	330,934	329,200	329,200	355,829	380,770
569580	Health/Dental/Vision Premiums and Employee Contributions	61,822,061	65,344,667	65,968,046	86,437,948	108,189,342
541960	Employee Service Premiums (Cobra, DCAP, SHA)	-	-	18,000	71,000	71,000
	Six-fund contribution for non-reps	-	-	-	301,089	454,545
Total Revenue		\$ 63,251,759	\$ 65,673,867	\$ 67,199,857	\$ 87,391,258	\$ 109,321,049
Total Resources						
379100	Fund Balance Transfer from Group Term Life	853,000	860,000	933,903	-	-
	Use of Rate Stabilization Fund	-	-	-	662,396	1,000,000
Total Resources		\$ 64,104,759	\$ 66,533,867	\$ 68,133,760	\$ 88,053,654	\$ 110,321,049
Expenditure						
720400	Health/Dental/Vision/Employee Service Expenses	\$ 67,110,117	\$ 65,344,667	\$ 79,190,657	\$ 84,628,934	\$ 97,577,161
741190	EAP Expenses	368,860	329,200	311,737	355,829	380,770
884590	Other (DCAP, FSA, Secure Horizon, TLC)	-	-	-	60,582	60,582
841111	Administration	848,756	860,000	933,903	-	-
Total Expenditures		\$ 68,327,733	\$ 66,533,867	\$ 80,436,297	\$ 85,045,345	\$ 98,018,513
Rate Stabilization Fund						
TBD	Use of Rate Stabilization Fund	-	-	-	662,396	1,000,000
Total Uses		\$ 68,327,733	\$ 66,533,867	\$ 80,436,297	\$ 85,707,741	\$ 99,018,513
Ending Fund Balance		\$ 4,681,447	\$ 8,904,421	\$ (7,621,090)	\$ (5,275,177)	\$ 6,027,359

General Fund Subfunds

Industrial Insurance Subfund

The Industrial Insurance Subfund captures the revenues and expenditures associated with the Worker's Compensation and Safety Programs for City employees. Since 1972, the City of Seattle has been a self-insured employer as authorized under State law. The Industrial Insurance Subfund receives payments from City departments to pay medical claims, preventative care, workplace safety programs, and directly related administrative expense. The State Department of Labor and Industries requires that the Subfund maintain a minimum cash reserve level of at least 25% over the estimated total medical claims and time loss expense for the budgeted period in the Industrial Insurance Subfund.

Summit Code	Source	2001 Actual	2002 Adopted	2002 Projected	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 4,549,370	\$ 4,040,479	\$ 3,479,583	\$ 2,653,841	\$ 2,880,909
Revenue						
569550	Department Contributions	\$ 11,337,660	\$ 11,690,646	\$ 11,093,685	\$ 12,473,249	\$ 12,839,926
469990	Other Miscellaneous Revenue	520,741	295,000	200,000	150,000	150,000
485200	Insurance Refunds/Recoveries	391,829	100,000	200,000	150,000	150,000
Total Revenue		\$ 12,250,230	\$ 12,085,646	\$ 11,493,685	\$ 12,773,249	\$ 13,139,926
379100	Contributions from Subfund Balance	1,069,787	118,279	-	-	-
Total Resources		\$ 13,320,017	\$ 12,203,925	\$ 11,493,685	\$ 12,773,249	\$ 13,139,926
Expenditure						
720500	Summary - Other Insurance Benefits	\$ 1,983,171	\$ -	\$ 2,217,350	\$ 2,549,953	\$ 2,932,445
720880	Medical Claims (1)	8,227,868	7,190,815	6,713,685	7,793,249	7,959,926
741190	Services - Other Professional	402,799	2,506,221	450,000	450,000	450,000
744710	Insurance - General	183,219	-	100,000	200,000	200,000
841111	IF Services - Administrative	2,522,961	2,506,889	2,109,392	1,552,979	1,583,482
Total Expenditures		\$ 13,320,017	\$ 12,203,925	\$ 11,590,427	\$ 12,546,181	\$ 13,125,853
Use of Subfund Balance		1,069,787	618,279	500,000	-	-
Carry forward of encumbrance		-	-	229,000	-	-
Total Uses		\$ 14,389,803	\$ 12,822,204	\$ 12,319,427	\$ 12,546,181	\$ 13,125,853
Ending Fund Balance		\$ 3,479,583	\$ 3,422,200	\$ 2,653,841	\$ 2,880,909	\$ 2,894,982
Reserve Requirement (2)		\$ 2,919,225	\$ 2,330,848	\$ 2,304,977	\$ 2,771,926	\$ 2,839,844

Notes:

- (1) Medical care claim costs are paid from the Industrial Insurance Subfund; City departments reimburse the fund for claim costs.
- (2) Per State Labor & Industries, the Fund reserve requirement must be equal to 25% of the total cost of claim and time loss expense estimates. The reserve must be cash, in a dedicated and designated fund. The State required reserve amount is included in the Industrial Insurance Subfund Balance.

General Fund Subfunds

Judgment/Claims Subfund

This subfund provides for the payment of legal claims and suits brought against the City. The subfund receives appropriations from the General Subfund and the utilities to pay the judgments, settlements, claims, and other eligible expenses expected in the following year. Unused balances, if any, may reduce the contribution required in succeeding years.

Beginning in 2003, premiums are charged to General Fund-supported department for Judgment/Claims Subfund costs. The premium costs are transferred from Finance General to General Fund supported departments for departments with 2% or more of historical Judgment/Claims Subfund costs. Finance General covers premiums for departments with less than 2% of historical Judgment/Claims Subfund costs. Utilities pay their actual expenses as incurred.

Summit Code	Source	2001 Adopted	2002 Adopted	2003 Adopted	2004 Endorsed
Revenues					
709999	Reimbursable Judgments and Claims	\$ 3,250,000	\$ 3,250,000	\$ 2,750,000	\$ 2,750,000
587001	General Subfund-Operating Transfer In	8,442,000	11,000,000	-	-
587001	Finance General	-	-	801,020	801,020
544730	General Fund Departmental Transfers	-	-	10,198,980	10,198,980
Total Revenues		\$ 11,692,000	\$ 14,250,000	\$ 13,750,000	\$ 13,750,000
Use of (Contribution to) Fund Balance		-	-	500,000	-
Total Resources		\$ 11,692,000	\$ 14,250,000	\$ 14,250,000	\$ 13,750,000
Expenditures					
744730	Litigation Expense	\$ 1,150,000	\$ 1,100,000	\$ 3,030,000	\$ 3,030,000
	Claims	600,000	750,000	2,025,000	2,025,000
	Judgments/Settlements	9,942,000	12,400,000	8,695,000	8,695,000
	Operating Transfer Out	-	-	500,000	-
Total Expenditures		\$ 11,692,000	\$ 14,250,000	\$ 14,250,000	\$ 13,750,000

General Fund Subfunds

Police Support Facility Subfund

This subfund shows revenues and expenditures associated with the Police Support Facility at Park 90/5. The existing complex of buildings on Airport Way South was acquired in August 1996 as a future location for Police Department functions including evidence storage, parking enforcement, and other support functions that are currently located in the Public Safety Building. The facility also includes the Seattle Public Utilities' Water Quality Lab, which was completed in 1999. It will also house the FFD Maintenance & Operations Center, now located in the Public Safety Building, in 2003. Private tenants continue to occupy a portion of the facility. Police Department occupancy is expected to be completed by late 2004. The subfund balance will be held to cover future expenses. In 2002, FFD transitioned the operations of the facility from a private property management firm to FFD property management and maintenance staff with no staff additions. Also, in 2002, the sum of \$225,000 was appropriated to complete a new roof on Building "A".

Summit Code	Source	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 1,565,600	\$ 2,314,895	\$ 1,839,990	\$ 1,611,792
Revenues					
462500	Bldg/Other Space Rental Charge	\$ 1,647,007	\$ 1,200,000	\$ 1,168,409	\$ 1,170,334
562500	IF Building/Other Space Rental	716,141	483,682	892,393	811,878
Total Revenues		\$ 2,363,148	\$ 1,683,682	\$ 2,060,802	\$ 1,982,212
Expenditures					
741190	Services-Othr Professional/Tec	\$ 596,602	\$ 928,000	\$ 350,000	\$ 350,000
841190	IF Services-Othr Professional	41,020	50,000	566,000	585,000
887200	Oper Tr Out-To Debt Service Fu (to 20110)	976,231	1,108,100	1,373,000	1,521,000
887001	Oper Tr Out-To General Fund (to 00100)	-	72,487	-	-
Total Expenditures		\$ 1,613,853	\$ 2,158,587	\$ 2,289,000	\$ 2,456,000
Ending Fund Balance		\$ 2,314,895	\$ 1,839,990	\$ 1,611,792	\$ 1,138,004

General Fund Subfunds

Special Employment Subfund

The Special Employment Subfund captures the revenues and expenditures associated with the Special Employment Program, which includes temporary employment, work study, and internship programs.

Summit Code	Source	2001 Actual	2002 Adopted	2002 Projected	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 2,034,794	\$ 2,001,928	\$ 2,078,257	\$ 1,277,119	\$ 487,953
Revenue						
541960	Department Contributions (1)	\$ 18,022,073	\$ 28,040,198	\$ 15,001,097	\$ 13,920,000	\$ 14,380,200
441960	Total from Outside Agencies (2)	738,142	650,000	609,918	90,000	90,000
Total Revenue		\$ 18,760,215	\$ 28,690,198	\$ 15,611,015	\$ 14,010,000	\$ 14,470,200
Expenditure						
710310	Special Employment Payroll	\$ 15,680,663	\$ 28,354,882	\$ 13,572,757	\$ 12,000,000	\$ 12,070,000
720500	Benefits/Workers Comp Claims	1,196,073	-	1,027,047	1,088,000	1,093,180
744710	Insurance - General	2,821	-	3,000	3,000	3,000
820500	Unemployment/Retirement	1,100,964	-	1,031,688	1,320,918	1,369,455
841111	Administration	736,231	992,199	777,662	387,248	412,145
Total Expenditures		\$ 18,716,752	\$ 29,347,081	\$ 16,412,154	\$ 14,799,166	\$ 14,947,780
Ending Fund Balance (3)		\$ 2,078,257	\$ 1,345,045	\$ 1,277,119	\$ 487,953	\$ 10,373

Notes:

- (1) The Special Employment Program (SEP) service fee was reduced from 3.7% to 1.85% in 2002 to utilize fund balance that had accumulated from previous years. The service fee will be recalculated for 2003.
- (2) Outside agency use of SEP in 2003 and 2004 is anticipated to fall considerably due to budget reductions.
- (3) In 2002, a "payroll float" of \$600,000 was established in order to provide cash flow for payroll purposes. The fund balance will be used for this purpose in 2003 and 2004.

General Fund Subfunds

Unemployment Compensation Subfund

The City is a reimbursable employer (self-insured) with respect to the payment of unemployment compensation, which means the City is responsible for the payment of actual unemployment claims. The Unemployment Compensation Subfund contains the revenues and expenditures associated with the City's unemployment insurance costs for employees. This program is centrally administered by the Personnel Department. Since 1997, benefit eligibility and claims management and administration have been contracted out to a third party administrator.

Summit Code	Source	2001 Actual	2002 Adopted	2002 Projected	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 1,351,059	\$ 1,086,217	\$ 853,449	\$ (435,692)	\$ (235,692)
Revenue						
569570	Department Contributions	\$ 1,440,012	\$ 1,440,000	\$ 1,440,000	\$ 3,729,141	\$ 3,898,157
	Total Revenue	\$ 1,440,012	\$ 1,440,000	\$ 1,440,000	\$ 3,729,141	\$ 3,898,157
Expenditure						
720120	Claims Payments (1)	\$ 1,857,114	\$ 1,941,795	\$ 2,680,322	\$ 3,480,322	\$ 3,649,338
741190	Services - Other Prof.	15,808	-	19,319	19,319	19,319
841111	Administration	64,700	125,000	29,500	29,500	29,500
	Total Expenditures	\$ 1,937,622	\$ 2,066,795	\$ 2,729,141	\$ 3,529,141	\$ 3,698,157
Ending Fund Balance		\$ 853,449	\$ 459,422	\$ (435,692)	\$ (235,692)	\$ (35,692)

Notes:

- (1) Unemployment claims are expected to increase substantially in 2003 and 2004 due to layoffs occurring throughout the City at the end of 2002 and the current state of the region's economy. As provided by state law, the City pays a portion of these unemployment claims.

Special Funds

Key Tower Operating Subfund

The Key Tower Operating Subfund shows all revenue and expenditures associated with Key Tower, which was acquired by the City in January 1996 as a future location for many of the City's offices. The 2003 and 2004 budget assumes that private tenants will continue vacating and that the City will incrementally take occupancy in the years 2003 through 2006. The Subfund balance will be used for building improvements and maintenance, and to balance the loss of private tenant revenues as the City occupies more space in the building.

Summit Code	Source	2001 Actual	2002 Revised	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 10,709,612	\$ 10,859,831	\$ 7,295,883	\$ 4,872,862
Revenues					
462500	Bldg/Other Space Rental Charge	\$ 16,090,035	\$ 17,733,195	\$ 13,907,373	\$ 12,364,722
562500	IF Building/Other Space Rental	716,330	1,072,296	5,030,842	7,081,499
	Utility Surcharge	1,908,659	138,197	-	-
Total Revenues		\$18,715,024	\$18,943,688	\$18,938,215	\$19,446,221
Expenditures					
741190	Services-Othr Professional/Tec	\$ 10,749,589	\$ 11,437,707	\$ 9,718,604	\$ 9,965,162
841190	IF Services-Othr Professional	76,370	150,000	200,000	200,000
887200	Oper Tr Out-To Debt Service Fund (20110)	7,738,846	8,919,929	10,328,000	10,042,000
887001	Oper Tr Out-To General Fund (00100)	-	2,000,000	1,114,632	1,372,634
Total Expenditures		\$ 18,564,805	\$ 22,507,636	\$ 21,361,236	\$ 21,579,796
Ending Fund Balance		\$ 10,859,831	\$ 7,295,883	\$ 4,872,862	\$ 2,739,287

Special Funds

Municipal Civic Center Fund

The Municipal Civic Center Fund was created through Ordinance 119304 as a capital fund related to the Civic Center. The Civic Center is comprised of a number of projects that implement the Council-adopted Civic Center Master Plan and are grouped into four projects within the Fleets & Facilities Department's Capital Improvement Plan: "City Hall," "Justice Center," "Arctic Building Seismic," and "Civic Center Plan - Key Tower, Park 90/5, and other projects." The Municipal Civic Center Fund, through Ordinance 119919, is also authorized to pay: (i) certain debt service obligations related to Limited Tax General Obligation Bonds issued for the original purchase of the now privately-owned Dexter Horton building, as well as (ii) a portion of rental payments charged to City departments that will remain in the building until 2006.

Summit Code	Source	Appropriations through 2001	2002 Revised	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ -	\$ (58,700,067)	\$ (6,131,375)	\$ (10,308,656)
Revenues					
481100	Limited Tax General Obligation Debt	154,671,276	51,561,341	2,000,000	0
485110	Unrestricted Dexter Horton Sale Proceeds	21,389,504	0	0	0
485110	Restricted Dexter Horton Sale Proceeds	20,560,496	0	0	0
587170	Key Tower Operating Fund Transfer	6,100,000	0	0	0
A19003	CIP Project Transfer of Funds	500,000	0	0	0
485110	Public Safety Building Conveyance	0	0	0	8,000,000
	SPU Contribution	0	4,027,745		3,658,167
461900	Interest Earnings	5,185,550	4,035,668	1,550,000	525,000
	Total Revenues	\$ 208,406,826	\$ 59,624,754	\$ 3,550,000	\$ 12,183,167
Expenditures					
Capital Elements					
A34200-1	City Hall	72,000,000	0	0	0
A34200-1	Justice Center	92,000,000	0	0	0
ESDNP4	Arctic Seismic	9,000,000	0	0	0
A34200-2	Civic Center Plan	85,804,554	0	5,250,000	0
	Subtotal Capital	\$ 258,804,554	\$ -	\$ 5,250,000	\$ -
Non-Capital Elements					
A12938	Debt Service Transfer	2,885,550	6,066,000	1,460,000	992,000
A12939	Rental Subsidy Transfer	4,162,417	990,062	1,017,281	811,305
TBD	Fund Balance Transfer (to 00100)	1,254,372	0	0	0
	Subtotal Non-Capital	\$ 8,302,339	\$ 7,056,062	\$ 2,477,281	\$ 1,803,305
	Total Expenditures	\$ 267,106,893	\$ 7,056,062	\$ 7,727,281	\$ 1,803,305
Ending Fund Balance		\$ (58,700,067)	\$ (6,131,375)	\$ (10,308,656)	\$ 71,206

Special Funds

Parking Garage Operations Fund

The Parking Garage Operations Fund receives the revenues and pays the operating and debt service costs for the parking garage located between Sixth and Seventh Avenues and Pine and Olive Streets in downtown Seattle (Pacific Place Garage). The City took over responsibility for the Garage in November 1998. In this biennium, garage revenues and subfund balance are estimated to be sufficient to cover operating and steadily increasing debt service costs without requiring General Fund support. In 2003, parking equipment in the garage will be replaced.

Summit Code	Source	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$1,881,235	\$ 1,658,307	\$ 1,550,307	\$ 913,616
Revenues					
462300	Parking Fees	\$ 5,270,108	\$ 5,700,000	\$ 6,200,000	\$ 6,500,000
461110	Investment Interest	141,768	120,000	100,000	100,000
Total Revenues		\$ 5,411,876	\$ 5,820,000	\$ 6,300,000	\$ 6,600,000
Expenditures					
704900	Operating Expenses-Other	\$ 1,928,928	\$ 2,344,000	\$ 2,469,000	\$ 2,344,000
887200	Oper Tr Out-To Debt Service Fund (20110)	3,145,876	3,484,000	3,589,000	4,434,000
708900	Non-Operating Expenses-Other	-	-	750,000	-
841111	IF Services-Administrative Cha	100,000	100,000	128,691	129,505
887001	Oper Tr Out-To General Fund (00100)	460,000	-	-	-
Total Expenditures		\$ 5,634,804	\$ 5,928,000	\$ 6,936,691	\$ 6,907,505
Ending Fund Balance		\$ 1,658,307	\$ 1,550,307	\$ 913,616	\$ 606,111

Special Funds

2000 Parks Levy Fund

The eight-year 2000 Neighborhood Parks, Green Spaces, Trails, and Zoo Levy (2000 Parks Levy) was approved by Seattle voters in November 2000. This page displays actual revenues to the 2000 Parks Levy Fund for 2001 and anticipated revenues for 2002, 2003, and 2004. The page also displays expenditures for the Levy program's three capital program categories (Acquisition, Development, and Opportunity Fund) and one operating category (Environmental Stewardship, Maintenance, and Programming).

Appropriations from the 2000 Parks Levy Fund for the operating category of the Levy program are made on this page. The appropriated amounts are available for transfer to the Park and Recreation Fund as reimbursements for operating expenditures that are initially made from that fund source. The amounts appropriated from the 2000 Parks Levy Fund for operating purposes thus also appear as revenues to the Park and Recreation Fund in the Revenue section of the Department of Parks and Recreation's portion of this Proposed Budget.

Per City ordinance 120024, which approved the 2000 Parks Levy, all amounts appropriated from the 2000 Parks Levy Fund are available until they are expended (i.e., carry over to future years).

Summit Code	Source	2001 Actual	2002 Adopted	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ -	\$ 15,442,430	\$ 17,314,430	\$ 15,328,430
Revenue					
411100	2000 Parks Levy	\$ 22,430,032	\$ 22,874,000	\$ 24,270,000	\$ 25,600,000
	Interest Income	413,945	695,000	363,000	400,000
	Interdepartmental Payments	540,000	-	-	-
	Total Revenue	\$ 23,383,977	\$ 23,569,000	\$ 24,633,000	\$ 26,000,000
Expenditure					
Capital Elements					
	Acquisition	\$ 3,071,603	\$ 4,567,000	\$ -	\$ -
	Development	1,933,524	7,241,000	19,219,000	17,676,000 *
	Opportunity Fund	-	2,810,000	-	-
	Subtotal Capital	\$ 5,005,127	\$ 14,618,000	\$ 19,219,000	\$ 17,676,000
Operating Elements					
<u>Environmental Stewardship, Maintenance and Programming</u>					
	Environmental Stewardship	174,869	1,155,000	1,190,000	1,225,000
	Enhanced Park Maintenance	422,000	1,142,000	1,008,000	865,000
	Recreational Programming	484,367	2,122,000	2,180,000	2,250,000
	* New Park/Green Space Maintenance	-	100,000	400,000	800,000
	Zoo Programming	1,855,184	2,560,000	2,622,000	2,685,000
	Subtotal Non-Capital	\$ 2,936,420	\$ 7,079,000	\$ 7,400,000	\$ 7,825,000
	Total Expenditures	\$ 7,941,547	\$ 21,697,000	\$ 26,619,000	\$ 25,501,000
Ending Fund Balance		\$ 15,442,430	\$ 17,314,430	\$ 15,328,430	\$ 15,827,430

* Note: Capital appropriations are shown here for informational purposes. The actual appropriations are made in the Capital Improvement Program appropriations pages for the Department of Parks and Recreation and Seattle Transportation.

Special Funds

Help the Animals Fund

The purpose of this fund is to promote animal welfare. Contributions are used for activities promoting responsible pet ownership, purchasing toys and treats for animals in the shelter, providing animals carriers for low income and elderly persons, or providing special veterinary care from animals that have been subject to cruelty. While this fund has not been budgeted in the past, accounting rule changes now require a budget be approved by the Mayor and Council.

Summit Code	Source	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 350,000	\$ 350,000
Revenues			
	Donations	\$ 140,000	\$ 140,000
	Total Revenues	\$ 140,000	\$ 140,000
Expenditures			
	Operations	\$ 140,000	\$ 140,000
	Total Expenditures	\$ 140,000	\$ 140,000
Ending Fund Balance		\$ 350,000	\$ 350,000

Off-Leash Area Fund

The purpose of this fund is to help create and maintain off-leash areas in Seattle. While this fund has not been budgeted in the past, accounting rule changes now require a budget be approved by the Mayor and Council.

Summit Code	Source	2003 Adopted	2004 Endorsed
Beginning Fund Balance		\$ 38,000	\$ 39,000
Revenues			
	Donations	\$ 5,000	\$ 5,000
	Total Revenues	\$ 5,000	\$ 5,000
Expenditures			
	Operations	\$ 4,000	\$ 4,000
	Total Expenditures	\$ 4,000	\$ 4,000
Ending Fund Balance		\$ 39,000	\$ 40,000

Pet Population Control Fund

The purpose of this fund is to promote pet population control through Seattle's low cost Municipal Spay and Neuter clinic. Contributions may be used to pay for the spaying and neutering of pets owned by low income and elderly persons, to promote public awareness about the benefits and importance of spaying and neutering, or to purchase new spay and neuter technology that would help benefit the animals. While this fund has not been budgeted in the past, accounting rule changes now require a budget be approved by the Mayor and Council.

Summit Code Source	2003 Adopted	2004 Endorsed
Beginning Fund Balance	\$ 69,000	\$ 70,000
Revenues		
Donations	\$ 8,000	\$ 9,000
Total Revenues	\$ 8,000	\$ 9,000
Expenditures		
Operations	\$ 7,000	\$ 8,000
Total Expenditures	\$ 7,000	\$ 8,000
Ending Fund Balance	\$ 70,000	\$ 71,000