

General Subfund

Department Description

The General Subfund of the City's General Fund is the primary operating fund of the City. Appropriations and expenses for many of the services most commonly associated with the City, such as police and fire, are accounted for in the General Subfund. The Subfund is supported primarily by property, sales, business and utility taxes.

The City's financial policies do not require a fund balance to be maintained in the General Subfund. Instead, the City reserves resources for unanticipated expenses or revenue shortfalls associated with general government in the Emergency Subfund of the General Fund and in the Revenue Stabilization Account of the Cumulative Reserve Subfund. As a result of this practice, General Subfund balances usually are spent in their entirety either in the current or next fiscal years.

General Subfund

General Subfund Fund Table

The City's financial policies do not require a fund balance be maintained in the General Subfund (GSF). Instead, the City funds the Emergency Subfund to the legal maximum each year and maintains a variety of dedicated reserve funds. Thus, General Subfund balances usually are carried over and spent in the following year. Charter revenues represent 10% of certain fees and taxes that are dedicated as revenue to the Department of Parks and Recreation (DPR) under the City Charter. These Charter revenues comprise about 25-30% of the Department's budgeted revenue and the rest is provided from DPR fees and miscellaneous revenue, and from the General Subfund. In order to ensure stability in DPR budgeting, the sum of the General Subfund support and Charter revenues remains the same in a budget cycle regardless of fluctuations in Charter revenues. To implement this, the General Subfund off-sets any Charter revenue changes; thus, Charter revenues are reflected in General Subfund revenues and expenses to illustrate the full impact of Charter revenue fluctuations on the General Subfund.

	2008	2009	2010
	Revised	Proposed	Proposed
Beginning Unreserved Fund Balance	73,262,031	20,102,107	14,767,566
2007 Rainy Day Fund Deposit	(9,503,444)	-	-
2007 Expenditures Carried Forward	(8,003,933)	-	-
Total Unreserved Fund Balance	55,754,654	20,102,107	14,767,566
 <u>Revenues</u>			
GSF Revenue Forecast	853,810,007	878,083,062	903,380,928
Charter Revenue Forecast	38,214,035	39,968,777	40,887,714
Total Revenues	892,024,042	918,051,839	944,268,642
 <u>Expenses</u>			
GSF Appropriations	(888,379,042)	(879,698,920)	(911,516,764)
DPR Charter Revenues Appropriations	(37,307,792)	(39,968,777)	(40,887,714)
Subtotal-Expenses	(925,686,834)	(919,667,698)	(952,404,478)
 <u>Expenditure Adjustments</u>			
2008 1st Quarter Supplemental Ordinance	(2,862,828)	-	-
2008 2nd Quarter Supplemental Ordinance	(484,000)	-	-
2008 3rd Quarter Supplemental Ordinance	(16,681,744)	-	-
2008 4th Quarter Supplemental Ordinance	(1,800,000)	-	-
2008 Reductions	12,408,000	-	-
2008 Expected Savings	7,750,000	-	-
Total Expenses	(927,357,406)	(919,667,698)	(952,404,478)
Ending Fund Balance	20,421,290	18,486,249	6,631,730
Reserves Against Fund Balance	(319,183)	(3,718,683)	(6,587,912)
	\$ 20,102,107	\$ 14,767,566	\$ 43,818

General Subfund

General Subfund Revenue – In \$1,000s

Summit Code	Revenue	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
411100	Property Tax	196,918	200,685	202,878	207,311	212,607
411100	Property Tax-Medic One Levy	21,644	33,793	35,868	36,764	37,684
413100	Retail Sales Tax	154,695	157,951	160,373	159,610	161,142
413600	Use Tax - Brokered Natural Gas	2,742	2,818	2,983	3,033	2,946
413700	Retail Sales Tax - Criminal Justice	14,409	14,868	14,626	14,701	14,974
416100	Business & Occupation Tax (90%)	161,567	161,471	164,196	167,694	174,562
416200	Admission Tax	7,798	7,097	7,005	6,026	6,133
416430	Utilities Business Tax - Natural Gas (90%)	12,149	11,250	12,480	13,065	12,985
416450	Utilities Business Tax - Solid Waste (90%)	853	900	900	900	900
416460	Utilities Business Tax - Cable Television (90%)	12,041	11,990	12,834	13,314	13,704
416470	Utilities Business Tax - Telephone (90%)	28,924	27,590	29,665	29,214	29,116
416480	Utilities Business Tax - Steam (90%)	1,335	1,194	1,462	1,488	1,471
418200	Leasehold Excise Tax	4,428	4,300	5,150	5,150	5,150
418500	Gambling Tax	8	15	5	5	5
418550	Gambling Tax - Punchboards & Pulltabs	655	650	550	500	500
418600	Pleasure Boat Tax	183	175	175	175	175
	Total External Taxes	620,350	636,747	651,149	658,950	674,054
516410	Utilities Business Tax - City Light (90%)	31,845	30,231	32,000	31,430	31,938
516420	Utilities Business Tax - City Water (90%)	16,706	17,103	17,355	20,501	21,819
516440	Utilities Business Tax - Drainage/Waste Water (90%)	21,319	23,352	23,139	26,217	28,112
516450	Utilities Business Tax - City SWU (90%)	8,282	8,980	8,875	10,808	12,270
	Total Interfund Taxes	78,151	79,666	81,369	88,956	94,139
421600	Professional & Occupational Licenses (90%)	1,532	495	495	495	495
421790	Amusement Licenses (90%)	90	100	90	90	90
421920	Business License Fees (90%)	4,720	4,500	4,720	4,720	4,720
422190	Emergency Alarm Fees	2,794	2,365	2,365	1,988	2,038
422300	Animal Licenses (90%)	1,002	910	1,000	1,000	1,000
422450	Vehicle Overload Permits	237	200	200	734	734
422490	Street Use Permits	538	500	500	500	500
422920	Fire Permits	3,755	3,339	3,394	3,394	3,395
422940	Meter Hood Service	1,215	1,100	1,100	1,100	1,100
422990	Gun Permits and Other	18	20	10	10	10
422990	Other Non Business Licenses	35	26	26	26	26
	Total Licenses	15,936	13,555	13,900	14,057	14,108
431010	Federal Grants - Other	2,993	569	-	320	320
433010	Federal Indirect Grants - Other	4,269	-	-	-	-
434010	State Grants - Other	455	-	-	-	-
	Total Federal and State Grants	7,718	569	-	320	320

General Subfund

General Subfund Revenue – In \$1,000s

Summit Code	Revenue	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
436129	Trial Court Improvement Account	150	332	150	150	150
436610	Criminal Justice Assistance (High Impact)	1,381	1,210	1,523	1,545	1,575
436621	Criminal Justice Assistance (Population)	781	780	770	795	820
436694	Liquor Excise Tax	2,685	2,738	2,825	2,860	2,885
436695	Liquor Board Profits	4,233	4,124	4,050	4,100	4,135
	Total State Entitlements/Impact Programs	9,231	9,184	9,318	9,450	9,565
437010	Interlocal Agreement - Metro/King Co	292	-	3	-	-
437010	Interlocal Agreement - Monorail	-	-	-	-	-
437010	Interlocal Agreement - Sound Transit	792	184	246	-	-
437010	Interlocal Grant	81	-	-	-	-
	Total Interlocal Grants/Entitlements	1,165	184	250	-	-
439090	Benaroya Hall - Concession Payment	424	-	-	-	-
	Total Grants from Private Sources	424	-	-	-	-
441610	Copy Charges	147	147	135	135	134
441950	Legal Services	30	30	29	29	29
441960	Automated Fingerprint Information System (AFIS)	3,540	3,202	2,401	3,412	3,585
441960	Fire Special Events Services	981	660	782	799	814
441960	Personnel Services	1,167	849	1,117	1,131	1,143
441990	Hearing Examiner Fees	3	3	3	3	3
441990	Other Service Charges - General Government	362	412	407	527	517
441990	Vehicle Towing Revenues	356	375	375	375	375
442100	Law Enforcement Services	2,509	1,965	2,354	2,021	2,110
442100	Traffic Control Services	472	448	224	474	502
442330	Adult Probation and Parole (90%)	84	75	75	75	75
442490	Professional Inspection Fees	26	17	26	118	121
442500	E-911 Reimbursements & Cellular Tax Revenue	2,140	1,947	2,035	1,849	1,856
443930	Animal Control Fees and Forfeits	294	277	277	342	342
447400	Special Events Recovery	368	355	355	355	355
	Total External Service Charges	12,478	10,762	10,594	11,644	11,960
455900	Court Fines & Forfeitures (90%)	18,643	20,480	20,163	23,996	23,252
457300	Municipal Court Cost Recoveries (90%)	858	645	938	938	938
457400	Confiscated Funds	272	667	350	734	766
	Total Fines and Forfeitures	19,773	21,793	21,451	25,668	24,956
461110	Interest on Investments	9,671	10,764	5,914	4,884	6,400
462300	Parking Meters	17,491	18,566	19,200	22,746	25,621
462400	Key Arena Revenues	3,174	3,617	2,057	-	-
469990	Foundation Executive	-	90	-	-	-
469990	Other Miscellaneous Revenue	3,195	1,231	1,116	1,374	1,874
	Total Miscellaneous Revenues	33,531	34,268	28,287	29,004	33,895

General Subfund

General Subfund Revenue – In \$1,000s

Summit Code	Revenue	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
541990	Interfund Revenue to Executive Administration	14,682	15,121	15,121	16,046	16,749
541990	Interfund Revenue to Personnel	6,467	6,809	6,898	7,008	7,348
541990	Miscellaneous Interfund Revenue	13,041	13,164	13,112	14,863	15,428
	Total Interfund Charges	34,190	35,095	35,131	37,917	39,525
587001	Transfer from - Cumulative Reserve Subfund- unrestricted subaccount	12	-	-	-	-
587900	Transfer from - Key Arena Settlement Fund	-	-	1,430	-	-
587315	Transfer from - Transportation Fund	-	-	-	125	125
587344	Transfer from - Fire Facilities Levy	116	133	133	133	-
587400	Transfer from - Utilities for Council Oversight	604	725	725	725	725
587504	Transfer from - DOIT	1,086	64	64	-	-
587900	Transfer from - Dearborn Trust Fund	15	15	10	10	10
587900	Transfer from - Debt Service for CJ Site Planning	-	-	-	1,125	-
587900	Transfer from - HSD	-	182	-	-	-
	Total Operating Transfers	1,833	1,119	2,362	2,118	860
	Total General Subfund	834,781	842,942	853,810	878,083	903,381

Under the City Charter, 10% of certain revenues are deposited into the Parks Fund. These are noted by the 90% figures above. This requirement also applies to certain license revenues.

Totals may not add due to rounding.

Fiscal Reserves

Dwight Dively, Director

Department Description

The State of Washington permits the City to maintain two financial reserves for general government spending. Under the authority of 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 expenses that occur during the fiscal year. State law limits the amount of money the City can set aside in this reserve to 37.5 cents per \$1000 of assessed real property value within the City.

Under the authority of RCW 35.21.070 the City maintains a second financial reserve called the Revenue Stabilization Account (RSA) of the Cumulative Reserve Subfund. The purpose of the RSA is to have resources available to maintain City spending in the event of a sudden, unanticipated shortfall in revenue due to economic downturns or other factors. City code limits the amount set aside in this reserve to five percent of General Subfund tax receipts.

Proposed Policy and Program Changes

The 2009-2010 Proposed Budget contributes enough General Subfund resources to the Emergency Subfund in both 2009 and 2010 to ensure that the Subfund has a balance that equals the maximum permitted by State law. In addition, the Proposed Budget does not anticipate using any resources from this Subfund.

Item 6.3 of Ordinance 122709, commonly referred to as the First Quarter 2008 Supplemental Ordinance, transferred \$2.2 million from the Emergency Subfund to the Transportation Operating Fund. These resources were needed by the Seattle Department of Transportation to pay the costs of repairing streets that were heavily damaged from winter storms. The Proposed Budget transfers \$2.2 million in General Subfund resources in 2009 to make up for the use of Emergency Subfund resources in 2008.

The Proposed Budget does not contribute additional resources to, nor anticipates expenditures from, the RSA in either 2009 or 2010.

Fiscal Reserves

	Summit	2007	2008	2009	2010
Appropriations	Code	Actual	Adopted	Proposed	Proposed
Emergency Expenditures Budget Control Level	CE000	0	0	0	0
Revenue Stabilization Reserve Budget Control Level	2CR60	0	0	0	0
Department Total		0	0	0	0
		2007	2008	2009	2010
Resources		Actual	Adopted	Proposed	Proposed
Other		0	0	0	0
Department Total		0	0	0	0

Emergency Expenditures Budget Control Level

Purpose Statement

The purpose of the Emergency Expenditures Budget Control Level is to provide resources to pay unanticipated expenses as described in state law (RCW 35.32A.060).

Summary

The 2009-2010 Proposed Budget does not anticipate expenditures in either 2009 or 2010.

Expenditures	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Emergency Expenditures Program	0	0	0	0

Revenue Stabilization Reserve Budget Control Level

Purpose Statement

The purpose of the Revenue Stabilization Reserve Budget Control Level is to transfer resources from the Revenue Stabilization Account of the Cumulative Reserve Subfund to the General Subfund or other funds supporting the City's general government services. These appropriations are implemented as operating transfers from the Revenue Stabilization Account to the funds or subfunds they support.

Summary

The 2009-2010 Proposed Budget does not anticipate expenditures in either 2009 or 2010.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Revenue Stabilization Program	0	0	0	0

Fiscal Reserves

Cumulative Reserve Subfund, Revenue Stabilization Account (00166)

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	9,007,185	14,928,488	14,928,488	30,597,577	30,597,577
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	5,921,303	6,165,645	15,669,089	0	0
Less: Actual and Budgeted Expenditures	0	0	0	0	0
Ending Fund Balance	14,928,488	21,094,133	30,597,577	30,597,577	30,597,577
Total Reserves	0	0	0	0	0
Ending Unreserved Fund Balance	14,928,488	21,094,133	30,597,577	30,597,577	30,597,577

Fiscal Reserves

Emergency Subfund (00185)

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	35,750,589	39,514,270	39,542,270	43,189,000	50,825,000
Accounting and Technical Adjustments	5,681	0	0	0	0
Plus: Actual and Estimated Revenue	3,786,000	3,196,730	5,846,730	7,636,000	3,049,000
Less: Actual and Budgeted Expenditures	0	0	2,200,000	0	0
Ending Fund Balance	39,542,270	42,711,000	43,189,000	50,825,000	53,874,000
Total Reserves	0	0	0	0	0
Ending Unreserved Fund Balance	39,542,270	42,711,000	43,189,000	50,825,000	53,874,000

Judgment/Claims

Department Description

The Judgment/Claims Subfund provides for the payment of legal claims and suits brought against the City government. 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.

General Fund-supported departments with 2% or more of historical Judgment/Claims costs make premium payments to the subfund directly from their budgets. Finance General covers premiums for departments with less than 2% of historical Judgment/Claims costs. \$4,000,000 of revenue from the utilities is budgeted, but they only pay actual expenses as they are incurred.

Proposed Policy and Program Changes

The Judgment/Claims Subfund normally requires appropriation authority of \$15,000,000 a year. For the 2009-2010 Proposed Budget, the appropriation authority has been increased to reflect some outstanding suits and claims against the City that are expected to be resolved during this biennium. Fund balance will be used to pay for these appropriation increases.

Judgment/Claims

	Summit	2007	2008	2009	2010
Appropriations	Code	Actual	Adopted	Proposed	Proposed
Judgment Claims - General Budget Control Level	CJ000	15,363,963	19,000,000	24,000,000	17,500,000
Department Total		15,363,963	19,000,000	24,000,000	17,500,000
		2007	2008	2009	2010
Resources		Actual	Adopted	Proposed	Proposed
Other		15,363,963	19,000,000	24,000,000	17,500,000
Department Total		15,363,963	19,000,000	24,000,000	17,500,000

Judgment Claims - General Budget Control Level

Purpose Statement

The purpose of the Judgment Claims - General Budget Control Level is to provide for the payment of legal claims and suits brought against the City government. The subfund receives appropriations from the General Subfund and the utilities to pay for the judgments, settlements, claims, and other eligible expenses expected in the following year. Unused balances, if any, may reduce the contributions required in succeeding years.

General Fund-supported departments with 2% or more of historical Judgment/Claims costs make premium payments to the subfund directly from their budgets. Finance General covers premiums for departments with less than 2% of historical Judgment/Claims costs. Utilities pay their actual expenses as incurred through this budget control level.

Summary

The appropriation authority for the Judgment/Claims Subfund has been increased for the 2009-2010 Proposed Budget to reflect the expected resolution of a number of outstanding suits and claims against the City. Fund balance is the source of these appropriation increases.

Expenditures	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Judgment/Claims - General Program	15,363,963	19,000,000	24,000,000	17,500,000

Judgment/Claims

2009 - 2010 Estimated Revenues for the Judgment/Claims Subfund

Summit Code	Source	2007 Actuals	2008 Adopted	2009 Proposed	2010 Proposed
469990	Miscellaneous Revenue	3,572,539	0	0	0
544730	Payments from City-operated Utilities	9,554,486	4,000,000	4,000,000	4,000,000
544730	Payments from General Government Departments	9,620,600	9,620,600	9,681,357	9,681,357
587001	General Fund Support	1,379,400	1,379,400	1,318,643	1,318,643
Total Revenues		24,127,025	15,000,000	15,000,000	15,000,000
379100	Use of (Contribution to) Fund Balance	0	4,000,000	9,000,000	2,500,000
Total Resources		24,127,025	19,000,000	24,000,000	17,500,000

Judgment/Claims

Judgment/Claims Subfund

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	9,159,445	9,159,444	17,922,507	13,922,507	4,922,507
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	24,127,025	15,000,000	18,750,000	15,000,000	15,000,000
Less: Actual and Budgeted Expenditures	15,363,963	19,000,000	22,750,000	24,000,000	17,500,000
Ending Fund Balance	17,922,507	5,159,444	13,922,507	4,922,507	2,422,507
Total Reserves	0	0	0	0	0
Ending Unreserved Fund Balance	17,922,507	5,159,444	13,922,507	4,922,507	2,422,507

Parking Garage Operations Fund

Department Description

The Parking Garage Operations Fund receives the revenues and pays the operating and debt service costs for the Pacific Place Garage, which is located between Sixth and Seventh Avenues and Pike and Olive Streets in downtown Seattle. The City took over responsibility for the Garage in November 1998.

Proposed Policy and Program Changes

In 2009 and 2010, the Parking Garage Operations Fund will continue to collect parking fees, pay operating expenses, and pay debt service.

Parking Garage Operations Fund

	Summit	2007	2008	2009	2010
Appropriations	Code	Actual	Adopted	Proposed	Proposed
Pacific Place Garage Budget Control Level	46011	6,902,076	7,420,000	7,160,520	7,474,552
Department Total		6,902,076	7,420,000	7,160,520	7,474,552
		2007	2008	2009	2010
Resources		Actual	Adopted	Proposed	Proposed
Other		6,902,076	7,420,000	7,160,520	7,474,552
Department Total		6,902,076	7,420,000	7,160,520	7,474,552

Parking Garage Operations Fund

Pacific Place Garage Budget Control Level

Purpose Statement

The purpose of the Pacific Place Garage Budget Control Level is to provide appropriation authority for the City's expenses to operate the Pacific Place Garage, which is located between Sixth and Seventh Avenues and Pine and Olive Streets in downtown Seattle. The City took over responsibility for the Garage in November 1998.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Pacific Place Garage	6,902,076	7,420,000	7,160,520	7,474,552

Parking Garage Operations Fund

2009 - 2010 Estimated Revenues for the Parking Garage Operations Fund

Summit Code	Source	2007 Actuals	2008 Adopted	2009 Proposed	2010 Proposed
461110	Inv Earnings - Residual Cash	110,430	75,000	75,000	75,000
462300	Parking Fees	6,792,037	7,400,000	7,079,400	7,263,464
469990	Other Miscellaneous Revenue	13,392	0	0	0
	Total Revenues	6,915,859	7,475,000	7,154,400	7,338,464
379100	Use of (Contribution to) Fund Balance	(13,783)	(55,000)	6,120	136,088
	Total Resources	6,902,076	7,420,000	7,160,520	7,474,552

Parking Garage Operations Fund

Parking Garage Operations Fund

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	316,192	407,048	329,975	384,975	378,855
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	6,915,859	7,475,000	7,475,000	7,154,400	7,338,464
Less: Actual and Budgeted Expenditures	6,902,076	7,420,000	7,420,000	7,160,520	7,474,552
Ending Fund Balance	329,975	462,048	384,975	378,855	242,767
Total Reserves	0	0	0	0	0
Ending Unreserved Fund Balance	329,975	462,048	384,975	378,855	242,767

Cumulative Reserve Subfund

Department Description

The Cumulative Reserve Subfund (CRS), authorized under state law, is used primarily for maintenance and development of the City's capital facilities and infrastructure. The subfund is divided into two accounts, the Capital Projects Account and the Revenue Stabilization Account.

The Capital Projects Account provides funds for an array of capital projects, with a primary focus on maintaining and rehabilitating existing City facilities. The Capital Projects Account includes six subaccounts described below.

- The Real Estate Excise Tax I (REET I) Subaccount is supported by a 0.25% tax on real estate transactions. REET I is used for a variety of capital projects authorized by state law. 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.

- The Real Estate Excise Tax II (REET II) Subaccount is supported by an additional 0.25% tax on real estate transactions and is kept separate due to different state requirements regarding the use of these resources. State law limits the use of revenues from this additional tax to capital projects involving parks (except acquisition) and transportation.

- The Unrestricted Subaccount receives funding from a variety of sources, including a portion of street vacation revenues, transfers of General Subfund balances, property sales, investment earnings (net of investment earnings attributable to the South Lake Union Property Proceeds Subaccount and the Asset Preservation Subaccount - Fleets and Facilities), and other unrestricted contributions to the Cumulative Reserve Subfund.

- The Asset Preservation Subaccount - Fleets and Facilities receives a portion of the funds collected from space rent charges paid by tenants of Fleets and Facilities Department (FFD) facilities and interest earned on subaccount balances. Use of these funds is limited to asset preservation expenses in certain FFD facilities. Unappropriated funds in the Asset Preservation Subaccount are designated as a Large Expense Project Reserve per Resolution 30812, and are intended for future appropriation to very costly asset preservation projects.

- The Street Vacation Subaccount receives funding from a portion of street vacation revenues. In 2001, the state Legislature made major changes in the law pertaining to vacation compensation. These changes allowed cities, in certain circumstances, to charge a vacation fee that is the full-appraised value of the right-of-way and mandated that at least one half of the vacation compensation fees received be dedicated to the acquisition, improvement, development, and related maintenance of public open space or transportation capital projects within the city. This subaccount tracks those funds.

- The South Lake Union Property Proceeds Subaccount receives funding from sales of certain surplus City property located adjacent to South Lake Union and investment earnings attributable to the subaccount. The use of these funds is generally governed by Resolution 30334.

The Revenue Stabilization Account, created 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. Please see the Revenue Stabilization Reserve Budget Control Level in the Fiscal Reserves section of the Budget for more details.

Department capital projects are fully described in the 2009-2014 Proposed Capital Improvement Program (CIP). Actual appropriations for capital projects funded by the CRS are made in the appropriate department's section in the Budget, with the exception of the Seattle Department of Transportation, and some special projects that are described in the following pages of this section such as debt service payments and the City's Tenant Relocation Assistance Program.

Proposed Policy and Program Changes

The recent slowdown in the local real estate market has resulted in a significantly lower REET revenue forecast for 2008. The forecast for 2008 is now \$33 million (down from a forecast of \$51 million in the 2008 Adopted Budget), with \$36 million forecasted for 2009, and \$43 million for 2010. For more information about REET revenue, please see the Revenue Overview section of the Budget.

The 2009-2010 Proposed Budget appropriates approximately \$51 million from the CRS in 2009 and \$51 million in 2010. These appropriations include approximately \$38 million from the two REET subaccounts in 2009 and \$41 million in 2010. Individual projects and programs are described in detail in the departmental sections of the 2009-2014 Proposed CIP.

There is a \$1 million reserve from the CRS for the Neighborhood Street Fund (NSF/CRS) in 2010.

Several 2008 supplemental items decrease 2008 appropriations in the REET subaccounts in response to the lower revenue forecast. These changes are reflected in the "2008 Revised" column of each respective fund table. Recently proposed legislation transfers \$267,000 of bond interest into REET I as shown in 2008 revised revenues.

CRS

Appropriations	Summit Code	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
CRS, REET I Subaccount Appropriations					
1998B Capital Facilities Refunding REET I Budget Control Level	2CCE0-1	3,029,475	2,934,475	2,935,963	3,017,550
2007 LTGO Bond - Woodland Park Zoo Garage - REET I Budget Control Level	TBD4-CRS	471,000	871,000	0	0
CRS REET I Support to Transportation Budget Control Level					
Corridor & Intersection Improvements - REET I		828,471	200,000	0	0
Neighborhood Enhancements - REET I		0	257,000	0	0
CRS REET I Support to Transportation Budget Control Level	2EC30	828,471	457,000	0	0
Tenant Relocation Assistance Program REET I Budget Control Level	2UU51	140,428	205,000	250,000	238,000
Total CRS, REET I Subaccount Appropriations		4,469,374	4,467,475	3,185,963	3,255,550
CRS, REET II Subaccount Appropriations					
CRS REET II Support to Transportation Budget Control Level					
Bridges & Structures - REET II		3,228,893	5,311,000	967,000	2,765,000
Corridor & Intersection Improvements - REET II		2,421,378	1,021,000	0	0
Debt Service (SDOT) - REET II		2,344,814	2,762,000	2,761,000	2,765,000
Landslide Mitigation - REET II		947,670	600,000	200,000	200,000
Neighborhood Enhancements - REET II		1,371,615	1,800,000	952,000	0
New Trails and Bike Paths - REET II		2,315,237	239,000	0	0
Roads - REET II		4,548,785	3,097,000	1,895,000	1,749,000
Sidewalk Maintenance - REET II		359,794	850,000	359,000	368,000
Sidewalks & Pedestrian Facilities - REET II		757,048	1,271,000	0	0
CRS REET II Support to Transportation Budget Control Level	2ECM0	18,295,234	16,951,000	7,134,000	7,847,000
Total CRS, REET II Subaccount Appropriations		18,295,234	16,951,000	7,134,000	7,847,000

CRS

Appropriations	Summit Code	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
CRS, Street Vacation Subaccount Appropriations					
CRS Street Vacation Support to Transportation Budget Control Level					
Corridor and Intersection Improvements - CRS-SV		0	0	1,500,000	700,000
Neighborhood Enhancements - CRS-SV		0	0	740,000	0
CRS Street Vacation Support to Transportation Budget Control Level	CRS-StVac -SDOT	0	0	2,240,000	700,000
Total CRS, Street Vacation Subaccount Appropriations		0	0	2,240,000	700,000
CRS, Unrestricted Subaccount Appropriations					
Artwork Conservation - OACA - CRS-UR Budget Control Level	V2ACGM	195,000	170,000	179,000	187,000
CRS-U Support to Transportation Budget Control Level	CRS-U-SDOT	0	0	1,375,000	1,300,000
Design Commission - CRS-UR Budget Control Level	2UU50-DC	338,400	359,289	361,000	374,000
Tenant Relocation Assistance Program - CRS-UR Budget Control Level	2UU50-TA	83,500	80,000	83,000	86,000
Total CRS, Unrestricted Subaccount Appropriations		616,900	609,289	1,998,000	1,947,000
Department Total		23,381,508	22,027,764	14,557,963	13,749,550
		2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Resources					
General Subfund		0	0	0	0
Other		23,381,508	22,027,764	14,557,963	13,749,550
Department Total		23,381,508	22,027,764	14,557,963	13,749,550

CRS, REET I Subaccount Appropriations

1998B Capital Facilities Refunding REET I Budget Control Level

Purpose Statement

The purpose of the 1998B Capital Facilities Refunding REET I Budget Control Level is to pay debt service on 1998 Series B Limited Tax General Obligation bonds, which were issued to refund bonds issued in 1992 at lower interest rates.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
1998B Capital Facilities Refunding	3,029,475	2,934,475	2,935,963	3,017,550

2007 LTGO Bond - Woodland Park Zoo Garage - REET I Budget Control Level

Purpose Statement

The purpose of the 2007 LTGO Bond - Woodland Park Zoo Garage - REET I Budget Control Level is to fund debt service payment for the 700-space Woodland Park Zoo Garage (see project K732291 in the Department of Parks and Recreation's Capital Improvement Program) located on the west side of the Zoo. This BCL replaces the Woodland Park Zoo Garage Debt Service project (K732292) that was in the Department of Parks and Recreation's Capital Improvement Program (CIP). Please note that the construction of the garage was canceled resulting in no 2009 and 2010 debt service payments.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
2007 LTGO Bond - Woodland Park Zoo Garage - REET 1	471,000	871,000	0	0

CRS REET I Support to Transportation Budget Control Level**Purpose Statement**

The purpose of the CRS REET I Support to Transportation Budget Control Level is to appropriate funds from REET I to the Transportation Operating Fund to support specific capital programs. These capital programs are listed in the Seattle Department of Transportation's section of the Adopted Budget.

Program Expenditures	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Corridor & Intersection Improvements - REET I	828,471	200,000	0	0
Neighborhood Enhancements - REET I	0	257,000	0	0
Total	828,471	457,000	0	0

Tenant Relocation Assistance Program REET I Budget Control Level

Purpose Statement

The purpose of the Tenant Relocation Assistance Program REET I Budget Control Level is to allow the City to pay for relocation assistance to low income tenants displaced by development activity, as authorized by SMC 22.210 and RCW 59.18.440.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Tenant Relocation Assistance Program REET I	140,428	205,000	250,000	238,000

CRS, REET II Subaccount Appropriations

CRS REET II Support to Transportation Budget Control Level

Purpose Statement

The purpose of the CRS REET II Support to Transportation Budget Control Level is to appropriate funds from REET II to the Transportation Operating Fund to support specific capital programs, or in the case of the Debt Service Program, appropriate funds to pay debt service costs directly from the REET II Subaccount. These capital programs are listed below, and additional detail is provided in the Seattle Department of Transportation's section of the Adopted Budget.

Program Expenditures	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Bridges & Structures - REET II	3,228,893	5,311,000	967,000	2,765,000
Corridor & Intersection Improvements - REET II	2,421,378	1,021,000	0	0
Debt Service (SDOT) - REET II	2,344,814	2,762,000	2,761,000	2,765,000
Landslide Mitigation - REET II	947,670	600,000	200,000	200,000
Neighborhood Enhancements - REET II	1,371,615	1,800,000	952,000	0
New Trails and Bike Paths - REET II	2,315,237	239,000	0	0
Roads - REET II	4,548,785	3,097,000	1,895,000	1,749,000
Sidewalk Maintenance - REET II	359,794	850,000	359,000	368,000
Sidewalks & Pedestrian Facilities - REET II	757,048	1,271,000	0	0
Total	18,295,234	16,951,000	7,134,000	7,847,000

CRS, Street Vacation Subaccount Appropriations

CRS Street Vacation Support to Transportation Budget Control Level

Purpose Statement

The purpose of the CRS Street Vacation Support to Transportation Budget Control Level is to appropriate funds from the CRS Street Vacation Subaccount to the Transportation Operating Fund to support specific capital programs. These capital programs are listed in the Seattle Department of Transportation's section of the Adopted Budget.

Program Expenditures	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Corridor and Intersection Improvements - CRS-SV	0	0	1,500,000	700,000
Neighborhood Enhancements - CRS-SV	0	0	740,000	0
Total	0	0	2,240,000	700,000

CRS, Unrestricted Subaccount Appropriations

Artwork Conservation - OACA - CRS-UR Budget Control Level

Purpose Statement

The purpose of the Artwork Conservation - OACA - CRS-UR Budget Control Level is to support the Arts Conservation Program, which is administered by the Office of Arts & Cultural Affairs. This program provides professional assessment, conservation, repair, routine and major maintenance, and relocation of artwork for both the City's 400-piece, permanently sited art collection and the 2,700-piece portable artwork collection. The entire collection is an asset to the City, and while major maintenance is generally not required for the new artwork entering the collection, professional routine care and responses to vandalism are necessary to protect this investment.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Artwork Conservation - OACA	195,000	170,000	179,000	187,000

CRS-U Support to Transportation Budget Control Level

Purpose Statement

The purpose of the CRS-U Support to Transportation Budget Control Level is to appropriate funds from CRS Unrestricted Sub-account to the Transportation Operating Fund to support specific capital programs. These capital programs are listed below, and additional detail is provided in the Seattle Department of Transportation's section of the Adopted Budget.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
New Trails and Bike Paths - CRS-U	0	0	1,375,000	1,300,000

Design Commission - CRS-UR Budget Control Level

Purpose Statement

The purpose of the Design Commission - CRS-UR Budget Control Level is to support the Design Commission, which advises the Mayor, City Council, and City departments on the design of capital improvements and other projects that shape Seattle's public realm. The goals of the Commission are to ensure that public facilities and projects within the city's right-of-way incorporate design excellence, that City projects achieve their goals in an economical manner, and that they fit the City's design goals.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Design Commission - CRS-UR	338,400	359,289	361,000	374,000

Tenant Relocation Assistance Program - CRS-UR Budget Control Level**Purpose Statement**

The purpose of the Tenant Relocation Assistance Program - CRS-UR Budget Control Level is to allow the City to pay for relocation assistance to low-income tenants displaced by development activity, as authorized by SMC 22.210 and RCW 59.18.440.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Tenant Relocation Assistance Program	83,500	80,000	83,000	86,000

Cumulative Reserve Subfund, Real Estate Excise Tax I Subaccount (00163)

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	36,006,002	34,518,502	44,561,677	34,097,387	31,835,887
Accounting Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	35,362,997	25,503,000	16,757,000	18,104,500	21,451,500
Less: Actual and Budgeted Expenditures	26,807,322	34,259,500	27,221,290	20,366,000	20,956,000
Ending Fund Balance	44,561,677	25,762,002	34,097,387	31,835,887	32,331,387
Continuing Appropriations	27,175,408	19,950,000	27,000,000	27,000,000	27,000,000
Reserve for NSF/CRS/Citizen CIP Suggestion	0	500,000	0	0	0
Cash Balance Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Reserves	32,175,408	25,450,000	32,000,000	32,000,000	32,000,000
Ending Unreserved Fund Balance	12,386,270	312,002	2,097,387	(164,113)	331,387

Cumulative Reserve Subfund, Real Estate Excise Tax II Subaccount (00161)

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	35,538,808	40,049,266	42,998,862	24,619,922	25,305,422
Accounting Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	36,509,288	25,503,000	16,490,000	18,104,500	21,451,500
Less: Actual and Budgeted Expenditures	29,049,234	37,484,000	34,868,940	17,419,000	18,717,000
Ending Fund Balance	42,998,862	28,068,266	24,619,922	25,305,422	28,039,922
Continuing Appropriations	22,276,960	23,330,000	22,000,000	22,000,000	22,000,000
Reserve for NSF/CRS/Citizen CIP Suggestion	0	0	0	0	1,000,000
Cash Balance Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Reserves	27,276,960	28,330,000	27,000,000	27,000,000	28,000,000
Ending Unreserved Fund Balance	15,721,902	(261,734)	(2,380,078)	(1,694,578)	39,922

Cumulative Reserve Subfund, Unrestricted Subaccount (00164)

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	(4,406,246)	1,163,000	(3,094,408)	(4,126,626)	(5,049,626)
Accounting Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	9,340,956	9,005,425	4,523,811	6,283,500	16,968,750
Less: Actual and Budgeted Expenditures	8,029,119	5,007,000	5,556,028	7,206,500	5,661,425
Ending Fund Balance	(3,094,408)	5,161,425	(4,126,626)	(5,049,626)	6,257,699
Continuing Appropriations	10,061,387	6,590,000	10,000,000	10,000,000	10,000,000
Reserve for 12th Ave S. Improvements	0	358,000	390,857	0	0
Total Reserves	10,061,387	6,948,000	10,390,857	10,000,000	10,000,000
Ending Unreserved Fund Balance	(13,155,796)	(1,786,575)	(14,517,483)	(15,049,626)	(3,742,301)

**Cumulative Reserve Subfund, Asset Preservation Subaccount
- Fleets and Facilities (00168)**

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	5,902,011	6,048,011	8,553,258	6,247,258	6,527,258
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	4,483,187	4,000,000	4,000,000	4,000,000	4,000,000
Less: Actual and Budgeted Expenditures	1,831,940	2,506,000	6,306,000	3,720,000	3,720,000
Ending Fund Balance	8,553,258	7,542,011	6,247,258	6,527,258	6,807,258
Continuing Appropriations	6,264,071	4,240,000	6,264,000	6,264,000	6,264,000
Large Expense Project Reserve	2,289,187	3,302,011	0	263,258	543,258
Total Reserves	8,553,258	7,542,011	6,264,000	6,527,258	6,807,258
Ending Unreserved Fund Balance	0	0	(16,742)	0	0

Cumulative Reserve Subfund, Street Vacation Subaccount (00169)

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	(352,277)	(169,777)	1,493,733	1,434,364	134,614
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	1,924,225	236,000	137,500	940,250	896,500
Less: Actual and Budgeted Expenditures	78,216	0	196,869	2,240,000	700,000
Ending Fund Balance	1,493,733	66,223	1,434,364	134,614	331,114
Continuing Appropriations	196,869	275,000	0	0	0
Total Reserves	196,869	275,000	0	0	0
Ending Unreserved Fund Balance	1,296,864	(208,777)	1,434,364	134,614	331,114

**Cumulative Reserve Subfund, South Lake Union Property
Proceeds Subaccount (00167)**

	2007 Actuals	2008 Adopted	2008 Revised	2009 Proposed	2010 Proposed
Beginning Fund Balance	239,815	239,815	237,503	237,503	237,503
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	13,083	0	0	0	0
Less: Actual and Budgeted Expenditures	15,394	0	0	0	0
Ending Fund Balance	237,503	239,815	237,503	237,503	237,503
Continuing Appropriations	0	15,400	0	0	0
Total Reserves	0	15,400	0	0	0
Ending Unreserved Fund Balance	237,503	224,415	237,503	237,503	237,503

Debt Service

Dwight Dively, Director

Contact Information

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Department Description

The purpose of this Debt Service section is to provide appropriation authority for particular payments of debt service and associated costs of issuing debt that require legal appropriations. These appropriations include debt service payments to be made from the Bond Interest and Redemption Fund, Limited Tax General Obligation (LTGO) Issuance Costs, and Unlimited Tax General Obligation (UTGO) (voter approved) debt service payments.

Debt Service

	Summit	2007	2008	2009	2010
Appropriations	Code	Actual	Adopted	Proposed	Proposed
Bond Interest and Redemption Budget Control Level	DEBTBIRF	0	1,671,884	1,699,909	1,383,576
Debt Issuance Costs Budget Control Level	DEBTISSUE	0	3,079,000	3,507,646	0
UTGO Debt Service Budget Control Level	DEBTUTGO	0	20,734,000	20,247,325	17,068,000
Department Total		0	25,484,884	25,454,880	18,451,576
		2007	2008	2009	2010
Resources		Actual	Adopted	Proposed	Proposed
Other		0	25,484,884	25,454,880	18,451,576
Department Total		0	25,484,884	25,454,880	18,451,576

Bond Interest and Redemption Budget Control Level

Purpose Statement

The purpose of the Bond Interest and Redemption Budget Control Level is to create legal appropriation authority for debt service payments to be made through the Bond Interest and Redemption Fund (BIRF) from outside sources.

Summary

This budget control level creates authority to pay debt service on Benaroya Hall sound system debt issued in 2001 with money received from the concert venue. This budget control level also creates authority for debt service payments on the Park 90/5 building (now know as Airport Way Center) that are to be paid from excess insurance proceeds after the Nisqually Earthquake. In addition, this budget control level has authority to pay for remaining debt service associate with the Woodland Park Zoo Garage with interest earnings accrued from the 2007 bond issuance. The BIRF will also be used to pay for debt service related to Rainier Beach Community Center with existing fund balance. Interest earnings will be used to pay debt service on SDOT's Trails bonds, and the Pike Place Market will use the BIRF as a pass through to pay for any debt service related to the refunding of the Market's 1996 bonds.

Expenditures	2007 Actual	2008 Adopted	2009 Proposed	2010 Proposed
Bond Interest and Redemption	0	1,671,884	1,699,909	1,383,576

Debt Issuance Costs Budget Control Level

Purpose Statement

The purpose of the Debt Issuance Costs Budget Control Level is to create the appropriation authority to pay debt issuance costs related to the 2009 Multipurpose Limited Tax General Obligation (LTGO) Debt Issuance.

Summary

This budget control level creates the authority to pay for costs related to issuing debt for the 2009 Multipurpose LTGO Debt Issuance. This authority allows for payment to the City's financial advisors and others who assist in the issuing of debt. These costs are estimated to be 3% of the total issuance. 2010 issuance costs will be appropriated in the 2010 Adopted Budget.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
Debt Issuance Costs	0	3,079,000	3,507,646	0

UTGO Debt Service Budget Control Level

Purpose Statement

The purpose of the UTGO Bond Interest and Redemption Budget Control Level is to create the legal appropriations to pay debt service on outstanding Unlimited Tax General Obligation (UTGO) Bonds.

Summary

This budget control level creates the authority to pay debt service on existing Unlimited Tax General Obligation (UTGO) Bonds. The bulk of the UTGO debt service payments for the 2009-2010 budget relate to the voter approved Libraries for All capital program. The rest are for other voter approved bond measures.

	2007	2008	2009	2010
Expenditures	Actual	Adopted	Proposed	Proposed
UTGO Bond Interest and Redemption	0	20,734,000	20,247,325	17,068,000

City Debt

In addition to the regular operating budget, the City uses bonds and property tax levies to fund a variety of special capital improvement projects. The City's budget must include funds to pay interest due on outstanding bonds and to pay the principal amount of bonds at maturity. The City has issued three types of debt to finance its capital improvement programs:

Unlimited Tax General Obligation Bonds

The City may issue Unlimited Tax General Obligation (UTGO) Bonds for capital purposes if a proposition authorizing their issuance is approved by 60% of the voters in an election in which the number of voters exceeds 40% of the voters in the most recent general election. Payment of principal and interest is backed by the "full faith and credit" of the City. This means that the City commits itself to include in its property tax levy an amount that is sufficient to pay principal and interest on the bonds. Property taxes levied to pay debt service on UTGO bonds are not subject to the statutory limits in state law on the taxing authority of local governments, which is why UTGO bonds are "unlimited." However, state law does limit the amount of UTGO bonds that can be outstanding at any time to 7.5% of assessed valuation: 2.5% for open space and park facilities, 2.5% for utility purposes, and 2.5% for general purposes. As of December 31, 2007, there were approximately \$150 million in UTGO bonds outstanding; of that, \$11 million are for utility purposes.

Limited Tax General Obligation Bonds

The City Council may authorize the issuance of Limited Tax General Obligation (LTGO) Bonds, also known as Councilmanic bonds, in an amount up to 1.5% of assessed valuation, without a vote of the people. The City pledges its full faith and credit to the payment of principal and interest on LTGO bonds, but this pledge must be fulfilled within the statutory limitation on the City's taxing authority. Thus, these are "limited" general obligation bonds. The combination of UTGO bonds issued for general purposes and LTGO bonds cannot exceed 2.5% of assessed valuation. If LTGO bonds are issued up to the 1.5% ceiling, then UTGO bonds for general purposes are limited to 1% of assessed value.

The City also guarantees debt issued by its Public Development Authorities (PDAs) under certain circumstances. As of December 31, 2007, the guarantees totaled \$92 million out of \$789 million outstanding LTGO debt. Guarantees count against the City's LTGO debt capacity.

Revenue Bonds

Revenue bonds are used to provide financing for the capital programs of City Light and the three utilities, Water, Drainage and Wastewater, and Solid Waste, which are grouped together in Seattle Public Utilities. The City does not pledge its full faith and credit to the payment of debt service on revenue bonds. Payment of principal and interest on the bonds issued by each utility is derived solely from the revenues generated by the issuing utility. No tax revenues are used to pay debt service. When revenue bonds are sold, the City commits itself to set fees and charges for the issuing utility that will be sufficient to pay all costs of operations and maintenance, and all payments of principal and interest on the bonds. While the amount of revenue bonds is not subject to statutory limits, there are practical limitations in that it may not be possible to sell revenue bonds if the amount of bonds outstanding grows to the point that the financial community questions the ability of the issuing utility to make timely payments of principal and interest on the bonds.

Forms of Debt Authorized by State Law

Table 1 on the following page summarizes the conditions and limitations that apply to the issuance of the three types of debt issued by the City.

Table 1 – Summary of Conditions and Limitations for City Debt Issuances

Form of Debt	Voter Approval Required	Source of Repayment	Statutory Limitation	Current Limit*	Outstanding 12-31-07*
Unlimited Tax General Obligation Bonds (UTGO)					
Parks & Open Space	Yes	Property Tax	2.5% of AV	\$3.0 Billion	\$0
Utilities	Yes	Property Tax	2.5% of AV	\$3.0 Billion	\$11 Million
General Purposes	Yes	Property Tax	1.0 % of AV**	\$1.2 Billion	\$150 Million
Limited Tax General Obligation Bonds (LTGO)	No	Taxes and Other Revenues	1.5% of AV**	\$1.8 Billion	\$788 Million***
Utility Revenue	No	Utility Revenues	None	None	\$2.6 Billion

* As of 12/31/07, assuming the latest certified assessed value of \$122 billion, issued on February 27, 2008, for taxes payable in 2008.

** The sum of UTGO and LTGO debt for general purposes cannot exceed 2.5% of assessed valuation.

***Includes \$92 million of PDA debt guarantees.

City Debt Management Policies and Bond Ratings

The use of debt financing by the City is subject not only to state law, but also to the debt management policies adopted by the Mayor and City Council. According to these policies, a capital project should be financed with bond proceeds only under the following circumstances:

- in emergencies;
- when the project being financed will produce revenues that can be used to pay debt service on the bonds; or
- when the use of debt will result in a more equitable sharing of the costs of the project between current and future beneficiaries of the project.

It is the last of these circumstances that most often justifies the use of debt financing. Paying for long-lived assets, such as libraries or parks, from current tax revenues would place a large burden on current taxpayers, while allowing future beneficiaries to escape the burden of payment. The use of debt effectively spreads the cost of acquiring or constructing capital assets over the life of the bonds. The City’s debt management policies require that 12% of the City’s LTGO total issuance capacity be reserved for emergencies. They also state that net debt service on LTGO bonds (defined as total debt service, minus debt service paid from project revenues) should not exceed 9% of the General Fund budget, and should remain below 7% under most circumstances.

The City has earned very high ratings on its bonds as a result of a strong economy and prudent financial practices. The City’s UTGO debt is rated Aaa by Moody’s Investors Service, AAA by Fitch IBCA, and AAA by Standard & Poor’s (S&P), which are the highest possible levels. The City’s LTGO debt is rated AAA by S&P, AA+ by Fitch and Aa1 by Moody’s. In addition, the City’s utilities have very high ratings for revenue debt, reflecting sound finances and good management. Moody’s rates SPU Water and Drainage and Wastewater debt at the Aa2 level, City Light Aa3, and SPU Solid Waste Aa3. S&P rates SPU Water at AA and Drainage and Wastewater at AA+, City Light at A+ and SPU Solid Waste at AA-.

2009 Projected Bond Issue

In 2009, the City expects to issue approximately \$120.4 million of limited tax general obligation bonds for a variety of purposes. Table 2 lists the financed projects and other details of the financing plan. Bond proceeds will be deposited into the 2009 Multipurpose Bond Fund. City departments responsible for all or portions of projects in Table 2 will then draw money from this Fund as appropriated to implement the projects. The appropriations for those funds are in the respective departments’ pages of this budget book.

Debt Service

Table 2 - 2009 Multipurpose LTGO Bond Issuances - in \$1,000s

Purpose	Debt Service Funding Source	Issued Capital	Capital & Issuance Cost	Term	Rate (est.)	Debt Service Proposed 2009	Debt Service Proposed 2010
Alaskan Way Viaduct/Seawall	GF	1,770	1,823	10	4.75%	43	233
IT Servers & Storage	DoIT	2,800	2,884	3	4.25%	61	1,044
IT Software Migration & Mgt.	DoIT ⁽¹⁾	6,623	6,822	4	4.25%	145	1,890
Jail	GF	5,625	5,794	25	5.25%	152	421
North Precinct	GF	1,410	1,452	25	5.25%	38	106
Northgate Land	GF	6,340	6,530	20	5.25%	171	535
Northgate Park	GF	4,230	4,357	10	4.75%	103	557
Pike Place Market	PPMRF ⁽²⁾	18,000	18,540	5	4.50%	417	4,223
Rainier Beach Community Center	BIRF/GF ⁽³⁾	4,500	4,635	10	4.75%	110	593
Trails	BIRF/SDOT ⁽⁴⁾	7,300	7,519	5	4.50%	169	338
Arterial Asphalt & Concrete	SDOT ⁽⁵⁾	15,000	15,450	6	4.50%	348	695
Bridge Rehab	SDOT ⁽⁶⁾	14,341	14,771	20	5.25%	388	1,211
King Street Station	SDOT ⁽⁶⁾	1,714	1,765	19	5.00%	44	146
Spokane	SDOT ⁽⁶⁾	22,639	23,318	20	5.25%	612	1,224
Market 96 Refunding	BIRF ⁽⁷⁾	4,630	4,769	13	4.29%	102	486
Total		116,922	120,429			2,905	13,704

(1) DoIT to pay debt service in 2009-2010, thereafter DoIT will cost allocate the debt service.

(2) Proceeds from voter approved levy lid lift.

(3) 2009 and 2010 debt service will be paid using residual balances in BIRF, \$110,082 of GF in 2010.

(4) Interest earnings will pay debt service in 2009. \$175k from BTG and \$163k from BIRF for 2010. Thereafter, BTG and Proposition 2 will pay debt service.

(5) Debt service to be 75% BTG levy, 25% BTG employee-hours and commercial parking tax revenues.

(6) Debt service paid by BTG employee-hours and commercial parking tax revenues.

(7) Refunding of 1996 Market bonds will be depend on interest rates. Market will pay debt service.

Table 3 – 2009 Multipurpose LTGO Bond Fund Issuance Costs - \$1,000s

Issued Capital	Issuance Cost Factor	Issuance Cost Proposed 2009	Issuance Cost Proposed 2010
116,922	3%	3,508	N/A

Table 3 shows the costs of issuance for the 2009 LTGO bond issue. This money is estimated at 3% of the capital costs of the 2009 Multipurpose LTGO Bond Fund. Table 4 on the following pages displays outstanding LTGO debt service requirements sorted by issuance; Table 5 displays the funds used to pay outstanding LTGO debt service, listing issuance year and funding source; and Table 6 displays funds used to pay outstanding UTGO debt

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service. All tables in this section are for informational purposes only; legal appropriations are included elsewhere in the budget document.

**Table 4 – Outstanding Limited Tax General Obligation Bonds Debt Service - Informational Only
Payment Debt Service by Bond Issuance – In \$1,000s**

Bond Series	Issued Amount	Purpose	Proposed 2009	Proposed 2010
1996C	40,520	Seattle Municipal Tower, Police Support Facility	-	-
1996D	17,000	Seattle Municipal Tower, Police Support Facility	-	-
1998B	43,710	W. Seattle Bridge, Capital Facilities, Public Safety Facilities, Freeway Parking Garage, Historic Buildings (not refunded), Fire Apparatus, Seismic Studies, Garage Improvement	3,339	3,338
1998E	13,042	Deferred Interest Downtown Parking Garage	1,995	2,150
1999B	85,500	Civic Center, Galer St, Police Precinct, Public Safety IT	3,355	-
2001	4,950	Ballard Neighborhood Center	400	400
2001	39,965	City Hall	2,595	2,589
2001	2,395	Civic Center Plan - Seattle Municipal Tower	230	227
2001	4,970	Civic Center Plan - Park 90/5	401	401
2001	5,270	Interbay Golf Facilities	423	427
2001	39,960	Justice Center	2,590	2,589
2001	3,315	Law, Safety and Justice Information Technology Projects	-	-
2001	5,285	Miscellaneous Information Technology	-	-
2001	2,905	Police Training Facility	237	236
2001	765	Sound Amplification, Benaroya Hall	99	99
2001	8,570	Southwest Precinct	690	692
2001	6,140	Training Facilities	496	493
2002	20,630	City Hall	1,359	1,359
2002	20,630	Justice Center	1,359	1,359
2002	4,870	Seattle Municipal Tower	466	466
2002	3,855	Seattle Municipal Tower - SPU	656	-
2002	8,765	McCaw Hall	844	842
2002	5,005	Civic Center Open Space	399	404
2002	8,980	Parks - Westbridge	722	719
2002	4,335	Public Safety IT	740	-
2002	29,525	Refunding of Historic Buildings Refunding, 1992 B	1,787	1,789
2002	725	Seattle Center Kitchen	92	93
2002	2,715	South West Precinct	218	218
2002	2,000	Univ. Way (long)	255	255
2002	2,020	West Seattle Swing Bridge	261	260
2002B	14,000	Refunding of 1994 bonds	-	-
2002B	26,850	Various Capital Projects	-	-
2003	5,450	Alaskan Way Tunnel/Seawall & Mercer Corridor Project	-	-
2003	1,980	Seattle Municipal Tower Base	152	154
2003	2,275	Joint Training Facility	173	174

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Bond Series	Issued Amount	Purpose	Proposed 2009	Proposed 2010
2003	8,890	Marion Oliver McCaw Hall (long)	134	136
2003	4,055	Refunding of 1994 bonds - 2	-	-
2003	6,355	Roof/Structural Replacement and Repair	779	784
2003	2,830	SR 519	218	218
2004	16,646	Refunding Concert Hall	1,772	1,773
2004	8,906	Refunding 96A - 90/5 Acquisition	851	849
2004	66,253	Refunding 96A - Seattle Municipal Tower Acquisition	6,326	6,330
2005	18,875	Pier 59	1,505	1,507
2005	2,265	Pier 59 Entry	181	182
2005	9,825	Pay Stations (SDOT)	2,255	2,252
2005	1,820	Mercer Corridor	-	-
2005	4,720	Alaskan Way Tunnel/Seawall	376	378
2005	1,395	Fremont Bridge Approaches	112	110
2005	1,420	Bridge Way	278	281
2005	5,375	Library Garage	431	432
2005	3,290	SR519	643	645
2005	9,315	1995 Refunding	1,302	1,306
2005	10,145	1997A Refunding	1,304	1,307
2005	51,990	1999B Refunding	2,565	4,635
2006	5,220	Viaduct	392	394
2006	11,725	Park 90/5	1,068	1,068
2006	1,800	Pier 59	142	140
2006	2,475	Mercer Corridor Design	470	469
2006	1,490	SLU Streetcar	138	135
2006	2,195	Refunding 1995 - Ninth & Lenora	325	330
2007	17,175	Zoo Garage	152	152
2007	16,300	Mercer (BTG)	1,226	1,229
2007	3,005	Northgate Land Acquisition	241	241
2007	4,880	Aquarium	244	489
2007	3,275	Parking Pay Stations	754	758
2007	3,780	Alaskan Way Tunnel/Seawall	489	488
2007	4,250	Monorail	551	553
2007	60,870	Refunding 1998 F - Garage	2,882	2,882
2008	3,140	King Street Station (BTG)	252	252
2008	1,500	Bridge Seismic (BTG)	120	123
2008	3,785	Bridge Rehabilitation and Replacement (BTG)	304	304
2008	2,065	Pay Stations	478	475
2008	21,710	Fire Station Projects	5,016	5,014
2008	1,885	South Lake Union Projects	374	370
2008	8,490	Spokane (BTG)	510	665
2008	39,790	Mercer (BTG)	2,390	3,130
2008	2,595	Lander (BTG)	155	204

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Bond Series	Issued Amount	Purpose	Proposed 2009	Proposed 2010
2008	5,340	Seattle Municipal Tower, Police Support Facility	267	267
2008	40,615	Seattle Municipal Tower, Police Support Facility	2,031	2,031
2008	8,915	Seattle Municipal Tower, Police Support Facility	446	446
2009	1,823	Alaskan Way Viaduct/Seawall	43	233
2009	2,884	IT Servers & Storage	61	1,044
2009	6,822	IT Software Migration & Mgt.	145	1,890
2009	5,794	Jail	152	421
2009	1,452	North Precinct	38	106
2009	6,530	Northgate Land	171	535
2009	4,357	Northgate Park	103	557
2009	18,540	Pike Place Market	417	4,223
2009	4,635	Rainier Beach Community Center	110	483
2009		Rainier Beach Community Center - GF	-	110
2009	7,519	Trails (BTG + Prop 2) - BIRF	169	163
2009		Trails (BTG + Prop 2) - Prop2	-	175
2009	15,450	Arterial Asphalt & Concrete (BTG)	348	695
2009	14,771	Bridge Rehab (BTG)	388	1,211
2009	1,765	King Street Station (BTG)	44	146
2009	23,318	Spokane (BTG)	612	1,224
2009	4,769	Market 96 Refunding	102	486
2010	36,334	2010 Bonds (preliminary)	-	2,585
Total of All Limited Tax (Non-voted) General Obligation Bonds Debt Service			71,686	83,753

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**Table 5 – Outstanding Limited Tax General Obligation Bonds Debt Service - Informational Only
Method of Payment for Principal and Interest Listed by Funding Source - In \$1,000's**

Bond Series	Funding Source For Debt Service Appropriated in Budget	Proposed 2009	Proposed 2010
Cumulative Reserve Subfund REET I			
1998B	Capital Facilities (CRF Special Project BCL #CC3002)	2,936	3,018
2002	Parks - Westbridge	600	600
2003	Roof/Structural Replacement and Repair	779	784
2007	Northgate Land Acquisition	241	241
2008	Fire Station Projects	5,016	5,014
Subtotal - Cumulative Reserve Subfund REET I (Various Appropriations)		9,571	9,656
Cumulative Reserve Subfund REET II			
2005	Alaskan Way Tunnel / Seawall	376	378
2005	Fremont Bridge Approaches	112	110
2005	Bridge Way North	278	281
2005	SR 519	643	645
2005	Pier 59	1,505	1,507
2006	Pier 59	142	140
2006	Viaduct	392	394
2006	Mercer Corridor Design	470	469
2007	Alaskan Way Tunnel/Seawall	489	488
Subtotal - Cumulative Reserve Subfund REET II		4,408	4,412
Cumulative Reserve Subfund Unrestricted			
2002	Parks - Westbridge	82	78
2007	Monorail	551	553
Subtotal - Cumulative Reserve Subfund Unrestricted		632	630
Downtown Parking Garage Fund			
1998E	Downtown Parking Garage (FFD Parking Garage Operations BCL #46011)	1,995	2,150
1998F	Downtown Parking Garage (FFD Parking Garage Operations BCL #46011)	-	-
2007	Downtown Parking Garage (FFD Parking Garage Operations BCL #46011)	2,882	2,882
Subtotal		4,877	5,032
Fleets and Facilities Fund			
1996C	Seattle Municipal Tower	-	-
1996D	Seattle Municipal Tower	-	-
1996D	Park 90/5 Acquisition	-	-
1998B	Historic Building Debt	194	195
1998B	Seismic Fire	62	65

Debt Service

Bond Series	Funding Source For Debt Service Appropriated in Budget	Proposed 2009	Proposed 2010
1998B	Municipal Garage	38	40
1999B	City Hall	315	-
1999B	Civic Center Open Space	635	-
1999B	Justice Center	803	-
1999B	SeaPark	362	-
2001	City Hall	2,595	2,589
2001	Justice Center	2,590	2,589
2001	Seattle Municipal Tower	230	227
2001	Park 90/5	88	88
2002	City Hall	1,359	1,359
2002	Justice Center	1,359	1,359
2002	Seattle Municipal Tower	466	466
2002	Civic Center Open Space	399	404
2002	Historic Building Debt	1,787	1,789
2003	Seattle Municipal Tower Base	152	154
2004	Park 90/5 Acquisition	187	187
2004	Seattle Municipal Tower Acquisition	6,326	6,330
2005	Refunding of 1999B - City Hall	551	870
2005	Civic Center Open Space	303	778
2005	Justice Center	1,409	2,221
2005	SeaPark	177	446
2006	Park 90/5 Refinance	-	235
2008	Refunding of 1996 C - SMT, Police Support	267	267
2008	Refunding of 1996 D - SMT, Police Support	2,031	2,031
2008	Refunding of 1996 D - SMT, Police Support	98	98
	Subtotal - Fleets and Facilities Fund (Various Appropriations)	24,784	24,787
 General Fund - Finance General			
1996D	Park 90/5 Acquisition	-	-
1998B	W. Seattle Bridge	109	21
1999B	Galer St.	1,045	-
1999B	S. Precinct	194	-
2001	Ballard Neighborhood Center	400	400
2001	Park 90/5	273	273
2001	Law, Safety and Justice Information Technology Projects	-	-
2001	Police Training Facility	237	236
2001	Southwest Precinct	690	692
2001	Training Facilities	422	419
2002	McCaw Hall	844	842
2002	Public Safety IT	740	-
2002	South West Precinct	218	218
2002	Univ. Way (long)	255	255

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Bond Series	Funding Source For Debt Service Appropriated in Budget	Proposed 2009	Proposed 2010
2002	West Seattle Swing Bridge	261	260
2002B	Refunding of 1994 Bonds	-	-
2002B	Various Capital Projects	-	-
2003	Refunding of 1994 Bonds - 2	-	-
2003	Alaskan Way Tunnel/Seawall & Mercer Corridor	-	-
2003	Joint Training Facility	147	148
2004	Concert Hall (1996A)	1,772	1,773
2004	Park 90/5 Acquisition (1996A)	579	577
2005	Mercer Corridor	-	-
2005	Refunding of 95A - West Precinct	1,302	1,306
2005	Refunding of 97A - Convention Center	574	576
2005	Refunding of 97A - Sand Point	730	732
2005	Refunding of 99B - S. Precinct	125	320
2006	Park 90/5 Refinance	-	726
2006	SLU Streetcar	138	135
2006	Ref of 1995 Ninth & Lenora	325	330
2008	South Lake Union Projects	374	370
2008	Park 90/5 Acquisition	303	303
2009	Alaskan Way Viaduct/Seawall	43	233
2009	Jail	152	421
2009	North Precinct	38	106
2009	Northgate Land	171	535
2009	Northgate Park	103	557
2009	Rainier Beach Community Center	-	110
2010	2010 Bonds (preliminary)		2,500
	Subtotal - General Fund Finance General (FG BCL #Q5972010)	12,566	15,373
	Information Technology Fund		
2001	Miscellaneous Information Technology	-	-
2009	IT Servers & Storage	61	1,044
2009	IT Software Migration & Mgt.	145	1,890
	Subtotal - Information Technology Fund (DoIT BCL #D33)	206	2,935
	Pike Place Market Renovation Fund		
2009	Pike Place Market	417	4,223
	Subtotal - Pike Place Market Renovation Fund (BCL #PKLVYBCL-02)	417	4,223

Debt Service

Bond Series	Funding Source For Debt Service Appropriated in Budget	Proposed 2009	Proposed 2010
Parks and Recreation Fund			
2001	Interbay Golf Facilities	423	427
2002	Parks - Westbridge	41	42
2005	Pier 59 Entry	181	182
2007	Aquarium	244	489
Subtotal - Parks and Recreation Fund (Various Appropriations)		889	1,140
Seattle Center Fund			
2002	Seattle Center Kitchen	92	93
2003	Marion Oliver McCaw Hall (long)	134	136
Subtotal - Seattle Center Fund (Center Financial Success BCL #SC300)		226	229
Seattle Public Library			
2005	Various Purpose - Library Garage	431	432
Subtotal - Seattle Public Library Fund		431	432
SPU Drainage & Wastewater Fund			
1996D	Park 90/5 Acquisition	-	-
2001	Park 90/5	12	12
2001	Training Facilities	22	22
2002	Seattle Municipal Tower - SPU TI	197	-
2003	Joint Training Facility	8	8
2004	Refunding - Park 90-5 (1996A)	26	25
2006	Park 90/5 Refinance	-	32
2008	Refunding of 1996 D - SMT, Police Support	13	13
Subtotal - Drainage & Wastewater Fund (SPU D&W BCL #N000B)		278	113
SPU Solid Waste Fund			
1996D	Park 90/5 Acquisition	-	-
2001	Park 90/5	7	7
2001	Training Facilities	12	12
2002	Seattle Municipal Tower - SPU TI	108	-
2003	Joint Training Facility	4	4
2004	Refunding - Park 90-5 (1996A)	14	14
2006	Park 90/5 Refinance	-	18
2008	Refunding of 1996 D - SMT, Police Support	7	7
Subtotal - Solid Waste Fund (SPU SWU BCL #N000B)		153	62

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Bond Series	Funding Source For Debt Service Appropriated in Budget	Proposed 2009	Proposed 2010
SPU Water Fund			
1996D	Park 90/5 Acquisition	-	-
2001	Park 90/5	21	21
2001	Training Facilities	40	40
2002	Seattle Municipal Tower - SPU TI	351	-
2003	Joint Training Facility	14	14
2004	Refunding - Park 90-5 (1996A)	46	45
2006	Park 90/5 Refinance	-	57
2008	Refunding of 1996 D - SMT, Police Support	24	24
	Subtotal - Water Fund (SPU Water General Expense BCL #N000B)	496	201
Transportation Fund			
2003	SR 519	218	218
2005	Parking Pay Stations	2,255	2,252
2007	Parking Pay Stations	754	758
2007	2007Mercer (BTG)	1,226	1,229
2008	King Street Station (BTG)	252	252
2008	Bridge Seismic (BTG)	120	123
2008	Bridge Rehab (BTG)	304	304
2008	Pay Stations	478	475
2008	Spokane (BTG)	510	665
2008	Mercer (BTG)	2,390	3,130
2008	Lander (BTG)	155	204
2009	Trails (BTG + Prop 2) - Prop2	-	175
2009	Arterial Asphalt & Concrete (BTG)	348	695
2009	Bridge Rehab (BTG)	388	1,211
2009	King Street Station (BTG)	44	146
2009	Mercer (BTG)	-	-
2009	Spokane (BTG)	612	1,224
	Subtotal - Transportation Fund (SDOT General Expense BCL #18002)	10,052	13,059
Bond Interest and Redemption Fund			
2001	Sound Amplification, Benaroya Hall	99	99
2006	Park 90/5 Refinance	1,068	-
2007	Zoo Garage		
2007	Zoo Garage Interest Earnings	152	152
2007	Zoo Garage Operating Income	-	-

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Bond Series	Funding Source For Debt Service Appropriated in Budget	Proposed 2009	Proposed 2010
2009	Trails (BTG + Prop 2) - BIRF	169	163
2009	Market 96 Refunding	102	486
2009	Rainier Beach Community Center	110	483
	Subtotal - Bond Interest and Redemption Fund (From Non-City Entities)	1,700	1,384
	Total - Allocation of all LTGO Debt Service	71,686	83,668

Table 6 – Unlimited Tax General Obligation (UTGO) Bonds Debt Service Informational Only- In \$1,000's

Bond Series	UTGO Bond Appropriation of Debt Service for Voter-Approved Debt	Proposed 2009	Proposed 2010
	UTGO Bond Interest and Redemption Subfund		
1998A	Refunding-Sewer Improvement, Series 4; 1973-A UTGO Various Refunding, Neighborhood Improvement, Series 2, Sewer Improvement, Series 5, Neighborhood Improvement Series 3, Police/Seattle Center	4,925	1,591
1999A	Library Facilities	5,399	-
2002	Library Facilities	7,320	7,319
2007	Refunding of 1999A Library Bonds	2,603	8,158
	Total - UTGO Debt Service	20,247	17,068

