

# 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:

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<b>Unreserved Fund Balance (CAFR) - January 1, 2002</b>	<b>\$ 637,000</b>
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
<b>Estimated Available Fund Balance - December 31, 2002</b>	<b>\$ (4,365,250)</b>

#### 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.

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

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

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

\*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
<b>2002 Beginning Unreserved Fund Balance</b>	<b>\$13,035,864</b>	<b>\$11,660,204</b>	<b>\$20,073,825</b>	<b>\$0</b>	<b>\$19,994,692</b>	<b>\$3,766,122</b>	<b>\$68,530,707</b>
Carryover	(2,933,354)	(8,658,378)	(11,150,356)	0	(5,599,766)	0	(28,341,854)
<b>2002 Sources</b>							
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
<b>Total Sources</b>	<b>\$20,320,360</b>	<b>\$13,254,779</b>	<b>\$13,448,469</b>	<b>\$325,000</b>	<b>\$16,009,000</b>	<b>\$3,766,122</b>	<b>\$67,123,730</b>
<b>2002 Uses</b>							
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
<b>Total Uses</b>	<b>\$20,320,360</b>	<b>\$13,254,779</b>	<b>\$13,448,469</b>	<b>\$325,000</b>	<b>\$16,009,000</b>	<b>\$3,766,122</b>	<b>\$67,123,730</b>
<b>2003 Sources</b>							
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
<b>Total Sources</b>	<b>\$17,575,380</b>	<b>\$13,528,651</b>	<b>\$9,786,049</b>	<b>\$625,000</b>	<b>\$1,066,323</b>	<b>\$2,400,000</b>	<b>\$44,981,403</b>
<b>2003 Uses</b>							
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
<b>Total Uses</b>	<b>\$17,575,380</b>	<b>\$13,528,651</b>	<b>\$9,786,049</b>	<b>\$625,000</b>	<b>\$1,066,323</b>	<b>\$2,400,000</b>	<b>\$44,981,403</b>
<b>2004 Sources</b>							
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
<b>Total Sources</b>	<b>\$14,413,255</b>	<b>\$12,173,651</b>	<b>\$1,722,049</b>	<b>\$300,000</b>	<b>\$1,066,323</b>	<b>\$2,400,000</b>	<b>\$32,075,278</b>
<b>2004 Uses</b>							
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
<b>Total Uses</b>	<b>\$14,413,255</b>	<b>\$12,173,651</b>	<b>\$1,722,049</b>	<b>\$300,000</b>	<b>\$1,066,323</b>	<b>\$2,400,000</b>	<b>\$32,075,278</b>

# 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.

<b>Appropriations</b>	<b>Summit Number</b>	<b>CRF Subaccount</b>	<b>2002 Adopted</b>	<b>2003 Adopted</b>	<b>2004 Endorsed</b>
<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	-
<b>Special Projects Total</b>			<b>\$ 3,203,000</b>	<b>\$ 3,711,000</b>	<b>\$ 3,183,000</b>
<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
<b>Department Summaries Total</b>			<b>\$ 27,792,000</b>	<b>\$ 18,637,000</b>	<b>\$ 14,783,000</b>
<b>Grand Total</b>			<b>\$ 30,995,000</b>	<b>\$ 22,348,000</b>	<b>\$ 17,966,000</b>

(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
<b>Beginning Fund Balance</b>	\$ 22,655,000	\$ 28,655,000	\$ 29,794,000
<b>Revenues</b>			
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
<b>Total Revenues</b>	<b>\$ 6,000,000</b>	<b>\$ 2,139,000</b>	<b>\$ 1,341,000</b>
<b>Expenditures</b>			
Emergency Expenditures	\$ -	\$ 1,000,000	\$ -
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ 28,655,000</b>	<b>\$ 29,794,000</b>	<b>\$ 31,135,000</b>

# 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
<b>Beginning Fund Balance</b>		\$ 3,222,598	\$ 2,369,598	\$ 2,641,323	\$ 905,941	\$ 316,946
<b>Revenue</b>						
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
<b>Total Revenue</b>		<b>\$ 1,102,192</b>	<b>\$ 1,044,851</b>	<b>\$ 1,226,044</b>	<b>\$ 633,445</b>	<b>\$ 932,718</b>
<b>Expenditure</b>						
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	-	-
<b>Total Expenditures</b>		<b>\$ 1,683,467</b>	<b>\$ 1,904,851</b>	<b>\$ 1,953,322</b>	<b>\$ 1,142,440</b>	<b>\$ 1,199,664</b>
<b>Group Term Life Subfund</b>						
TBD	Use of Subfund Balance	-	-	1,008,104	80,000	-
<b>Total Uses</b>		<b>\$ 1,683,467</b>	<b>\$ 1,904,851</b>	<b>\$ 2,961,426</b>	<b>\$ 1,222,440</b>	<b>\$ 1,199,664</b>
<b>Ending Fund Balance (3)</b>		<b>\$ 2,641,323</b>	<b>\$ 1,509,598</b>	<b>\$ 905,941</b>	<b>\$ 316,946</b>	<b>\$ 50,000</b>

### 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
<b>Beginning Fund Balance</b>		\$ 8,904,421	\$ 8,904,421	\$ 4,681,447	\$ (7,621,090)	\$ (5,275,177)
<b>Revenue</b>						
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
<b>Total Revenue</b>		<b>\$ 63,251,759</b>	<b>\$ 65,673,867</b>	<b>\$ 67,199,857</b>	<b>\$ 87,391,258</b>	<b>\$ 109,321,049</b>
379100	Fund Balance Transfer from Group Term Life	853,000	860,000	933,903	-	-
	Use of Rate Stabilization Fund	-	-	-	662,396	1,000,000
<b>Total Resources</b>		<b>\$ 64,104,759</b>	<b>\$ 66,533,867</b>	<b>\$ 68,133,760</b>	<b>\$ 88,053,654</b>	<b>\$ 110,321,049</b>
<b>Expenditure</b>						
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	-	-
<b>Total Expenditures</b>		<b>\$ 68,327,733</b>	<b>\$ 66,533,867</b>	<b>\$ 80,436,297</b>	<b>\$ 85,045,345</b>	<b>\$ 98,018,513</b>
<b>Rate Stabilization Fund</b>						
TBD	Use of Rate Stabilization Fund	-	-	-	662,396	1,000,000
<b>Total Uses</b>		<b>\$ 68,327,733</b>	<b>\$ 66,533,867</b>	<b>\$ 80,436,297</b>	<b>\$ 85,707,741</b>	<b>\$ 99,018,513</b>
<b>Ending Fund Balance</b>		<b>\$ 4,681,447</b>	<b>\$ 8,904,421</b>	<b>\$ (7,621,090)</b>	<b>\$ (5,275,177)</b>	<b>\$ 6,027,359</b>

# 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
<b>Beginning Fund Balance</b>		\$ 4,549,370	\$ 4,040,479	\$ 3,479,583	\$ 2,653,841	\$ 2,880,909
<b>Revenue</b>						
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
<b>Total Revenue</b>		<b>\$ 12,250,230</b>	<b>\$ 12,085,646</b>	<b>\$ 11,493,685</b>	<b>\$ 12,773,249</b>	<b>\$ 13,139,926</b>
379100	Contributions from Subfund Balance	1,069,787	118,279	-	-	-
<b>Total Resources</b>		<b>\$ 13,320,017</b>	<b>\$ 12,203,925</b>	<b>\$ 11,493,685</b>	<b>\$ 12,773,249</b>	<b>\$ 13,139,926</b>
<b>Expenditure</b>						
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
<b>Total Expenditures</b>		<b>\$ 13,320,017</b>	<b>\$ 12,203,925</b>	<b>\$ 11,590,427</b>	<b>\$ 12,546,181</b>	<b>\$ 13,125,853</b>
Use of Subfund Balance		1,069,787	618,279	500,000	-	-
Carry forward of encumbrance		-	-	229,000	-	-
<b>Total Uses</b>		<b>\$ 14,389,803</b>	<b>\$ 12,822,204</b>	<b>\$ 12,319,427</b>	<b>\$ 12,546,181</b>	<b>\$ 13,125,853</b>
<b>Ending Fund Balance</b>		<b>\$ 3,479,583</b>	<b>\$ 3,422,200</b>	<b>\$ 2,653,841</b>	<b>\$ 2,880,909</b>	<b>\$ 2,894,982</b>
<b>Reserve Requirement (2)</b>		<b>\$ 2,919,225</b>	<b>\$ 2,330,848</b>	<b>\$ 2,304,977</b>	<b>\$ 2,771,926</b>	<b>\$ 2,839,844</b>

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
<b>Revenues</b>					
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
<b>Total Revenues</b>		<b>\$ 11,692,000</b>	<b>\$ 14,250,000</b>	<b>\$ 13,750,000</b>	<b>\$ 13,750,000</b>
Use of (Contribution to) Fund Balance		-	-	500,000	-
<b>Total Resources</b>		<b>\$ 11,692,000</b>	<b>\$ 14,250,000</b>	<b>\$ 14,250,000</b>	<b>\$ 13,750,000</b>
<b>Expenditures</b>					
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	-
<b>Total Expenditures</b>		<b>\$ 11,692,000</b>	<b>\$ 14,250,000</b>	<b>\$ 14,250,000</b>	<b>\$ 13,750,000</b>

# 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
<b>Beginning Fund Balance</b>		\$ 1,565,600	\$ 2,314,895	\$ 1,839,990	\$ 1,611,792
<b>Revenues</b>					
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
<b>Total Revenues</b>		\$ 2,363,148	\$ 1,683,682	\$ 2,060,802	\$ 1,982,212
<b>Expenditures</b>					
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	-	-
<b>Total Expenditures</b>		\$ 1,613,853	\$ 2,158,587	\$ 2,289,000	\$ 2,456,000
<b>Ending Fund Balance</b>		\$ 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
<b>Beginning Fund Balance</b>		\$ 2,034,794	\$ 2,001,928	\$ 2,078,257	\$ 1,277,119	\$ 487,953
<b>Revenue</b>						
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
<b>Total Revenue</b>		<b>\$ 18,760,215</b>	<b>\$ 28,690,198</b>	<b>\$ 15,611,015</b>	<b>\$ 14,010,000</b>	<b>\$ 14,470,200</b>
<b>Expenditure</b>						
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
<b>Total Expenditures</b>		<b>\$ 18,716,752</b>	<b>\$ 29,347,081</b>	<b>\$ 16,412,154</b>	<b>\$ 14,799,166</b>	<b>\$ 14,947,780</b>
<b>Ending Fund Balance (3)</b>		<b>\$ 2,078,257</b>	<b>\$ 1,345,045</b>	<b>\$ 1,277,119</b>	<b>\$ 487,953</b>	<b>\$ 10,373</b>

### 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
<b>Beginning Fund Balance</b>		\$ 1,351,059	\$ 1,086,217	\$ 853,449	\$ (435,692)	\$ (235,692)
<b>Revenue</b>						
569570	Department Contributions	\$ 1,440,012	\$ 1,440,000	\$ 1,440,000	\$ 3,729,141	\$ 3,898,157
<b>Total Revenue</b>		<b>\$ 1,440,012</b>	<b>\$ 1,440,000</b>	<b>\$ 1,440,000</b>	<b>\$ 3,729,141</b>	<b>\$ 3,898,157</b>
<b>Expenditure</b>						
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
<b>Total Expenditures</b>		<b>\$ 1,937,622</b>	<b>\$ 2,066,795</b>	<b>\$ 2,729,141</b>	<b>\$ 3,529,141</b>	<b>\$ 3,698,157</b>
<b>Ending Fund Balance</b>		<b>\$ 853,449</b>	<b>\$ 459,422</b>	<b>\$ (435,692)</b>	<b>\$ (235,692)</b>	<b>\$ (35,692)</b>

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.