

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.

	2006 Actual	2007 Revised	2008 Adopted
Beginning Unreserved Fund Balance		53,845,439	54,645,857
2006 Rainy Day Fund Deposit		(5,921,303)	-
Total Unreserved Fund Balance		47,924,136	54,645,857
 Revenues			
GSF Revenue Forecast		814,341,584	842,941,987
Charter Revenue Forecast		36,095,360	37,307,792
Total Revenues		850,436,944	880,249,779
 Expenses			
GSF Appropriations		(806,532,224)	(888,379,042)
DPR Charter Revenues Appropriations		(34,458,977)	(37,307,792)
Subtotal-Expenses		(840,991,201)	(925,686,835)
<u>Expenditure Adjustments</u>			
2007 1st Quarter Supplemental Ordinance		(1,958,425)	-
2007 2nd Quarter Supplemental Ordinance		(615,000)	-
2007 3rd Quarter Supplemental Ordinance		(2,035,748)	-
2007 4th Quarter Supplemental Ordinance		(1,802,618)	-
2007 Other Ordinances		(2,158,558)	-
2007 Expected Savings		7,538,000	-
Total Expenses		(842,023,550)	(925,701,173)
Ending Fund Balance	53,845,439	56,337,529	9,208,800
Reserves Against Fund Balance	-	(1,691,672)	(9,188,000)
Ending Unreserved Fund Balance	\$ 53,845,439	\$ 54,645,857	\$ 20,800

General Subfund

General Subfund Revenue – In \$1,000s

Summit Code	Revenue	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
411100	Property Tax	188,884	194,918	196,035	199,452	200,685
411100	Property Tax-Medic One Levy	20,814	21,185	21,508	21,856	33,793
413100	Retail Sales Tax	139,391	147,805	152,196	154,558	157,951
413600	Use Tax - Brokered Natural Gas	2,799	2,944	2,787	2,818	2,818
413700	Retail Sales Tax - Criminal Justice	13,121	13,856	14,347	14,490	14,868
416100	Business & Occupation Tax (90%)	147,593	150,582	156,646	158,932	144,732
416101	Business & Occupation Square Footage Tax (90%)	-	-	-	-	16,738
416200	Admission Tax	7,003	7,201	7,183	7,399	7,097
416430	Utilities Business Tax - Natural Gas (90%)	11,054	12,036	11,961	11,521	11,250
416450	Utilities Business Tax - Solid Waste (90%)	1,162	1,229	900	1,260	900
416460	Utilities Business Tax - Cable Television (90%)	11,700	10,920	11,940	11,220	11,990
416470	Utilities Business Tax - Telephone (90%)	28,746	26,035	29,010	25,733	27,590
416480	Utilities Business Tax - Steam (90%)	1,134	1,032	1,326	1,011	1,194
418200	Leasehold Excise Tax	4,086	3,900	4,300	3,900	4,300
418500	Gambling Tax	15	25	15	25	15
418550	Gambling Tax - Punchboards & Pulltabs	681	900	650	900	650
418600	Pleasure Boat Tax	175	170	183	170	175
	Total External Taxes	578,356	594,739	610,986	615,246	636,747
516410	Utilities Business Tax - City Light (90%)	31,404	29,617	31,203	30,188	30,231
516420	Utilities Business Tax - City Water (90%)	16,117	15,514	17,124	16,346	17,103
516440	Utilities Business Tax - Drainage/Waste Water (90%)	19,727	21,291	21,349	22,031	23,352
516450	Utilities Business Tax - City SWU (90%)	7,535	8,264	8,254	8,813	8,980
	Total Interfund Taxes	74,782	74,686	77,930	77,378	79,666
421600	Professional & Occupational Licenses (90%)	1,497	810	1,495	545	495
421790	Amusement Licenses (90%)	101	110	100	110	100
421920	Business License Fees (90%)	4,455	4,500	4,500	4,500	4,500
422190	Emergency Alarm Fees	1,539	2,401	3,401	2,365	2,365
422300	Animal Licenses (90%)	900	910	910	910	910
422450	Vehicle Overload Permits	227	120	200	124	200
422490	Street Use Permits	546	450	500	464	500
422920	Fire Permits	3,354	3,339	3,339	3,339	3,339
422940	Meter Hood Service	1,275	1,000	1,100	1,030	1,100
422990	Gun Permits and Other	20	18	20	18	20
422990	Other Non Business Licenses	33	26	26	26	26
	Total Licenses	13,946	13,684	15,591	13,430	13,555

2008 Adopted Budget

General Subfund

General Subfund Revenue – In \$1,000s

Summit Code	Revenue	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
431010	Federal Grants - Other	4,591	-	-	-	569
433010	Federal Indirect Grants - Other	4,606	-	-	-	-
434010	State Grants - Other	601	-	-	-	-
	Total Federal and State Grants	9,798	-	-	-	569
436129	Trial Court Improvement Account	19	138	138	138	332
436610	Criminal Justice Assistance (High Impact)	1,229	1,250	1,210	1,300	1,210
436621	Criminal Justice Assistance (Population)	991	980	780	980	780
436694	Liquor Excise Tax	2,509	2,450	2,645	2,500	2,738
436695	Liquor Board Profits	3,718	3,800	3,973	3,800	4,124
	Total State Entitlements/Impact Programs	8,466	8,618	8,746	8,718	9,184
437010	Interlocal Agreement - Metro/King Co	446	586	350	53	-
437010	Interlocal Agreement - Monorail	57	-	-	-	-
437010	Interlocal Agreement - Sound Transit	2,025	500	500	184	184
437010	Interlocal Grant	60	-	-	-	-
	Total Interlocal Grants/Entitlements	2,588	1,085	850	237	184
439090	Benaroya Hall - Concession Payment	706	610	483	610	-
	Total Grants from Private Sources	706	610	483	610	-
441610	Copy Charges	155	138	147	138	147
441950	Legal Services	26	30	30	30	30
441960	Automated Fingerprint Information System (AFIS)	2,641	3,101	3,100	3,203	3,202
441960	Fire Special Events Services	765	660	660	660	660
441960	Personnel Services	933	861	861	849	849
441990	Hearing Examiner Fees	4	3	3	3	3
441990	Other Service Charges - General Government	435	435	400	442	412
441990	Vehicle Towing Revenues	367	410	375	410	375
442100	Law Enforcement Services	1,326	773	1,972	687	1,965
442100	Traffic Control Services	1,581	1,382	438	1,417	448
442330	Adult Probation and Parole (90%)	110	75	75	75	75
442490	Professional Inspection Fees	17	10	17	10	17
442500	E-911 Reimbursements & Cellular Tax Revenue	853	1,547	2,283	1,547	1,947
443930	Animal Control Fees and Forfeits	296	287	277	287	277
447400	Special Events Recovery	361	310	355	310	355
	Total External Service Charges	9,870	10,021	10,993	10,067	10,762

General Subfund

General Subfund Revenue – In \$1,000s

Summit Code	Revenue	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
455900	Court Fines & Forfeitures (90%)	16,750	16,981	17,849	16,261	20,480
457300	Municipal Court Cost Recoveries (90%)	822	410	645	410	645
457400	Confiscated Funds	989	450	677	450	667
	Total Fines and Forfeitures	18,560	17,841	19,171	17,121	21,793
461110	Interest on Investments	6,004	4,598	9,673	4,051	10,764
462300	Parking Meters	15,826	17,288	17,288	18,566	18,566
462400	Key Arena Revenues	-	3,743	3,744	3,618	3,617
462400	Other Miscellaneous Income	-	12	-	12	-
469990	Foundation Executive	-	-	44	-	90
469990	Other Miscellaneous Revenue	1,198	1,159	1,122	1,244	1,231
	Total Miscellaneous Revenues	23,029	26,800	31,871	27,490	34,268
541990	Interfund Revenue to Executive Administration	13,301	14,682	14,682	15,121	15,121
541990	Interfund Revenue to Personnel	5,447	6,637	6,637	6,809	6,809
541990	Miscellaneous Interfund Revenue	9,984	13,127	13,022	13,269	13,164
	Total Interfund Charges	28,732	34,447	34,342	35,200	35,095
587001	Transfer from - Cumulative Reserve Subfund-unrestricted subaccount	35	785	785	-	-
587102	Transfer from - Parks and Recreation Department	155	-	640	-	-
587344	Transfer from - Fire Facilities Levy	87	128	128	133	133
587400	Transfer from - Utilities for Council Oversight	346	725	725	725	725
587503	Transfer from - Fleets and Facilities Fund	-	-	-	-	-
587504	Transfer from - DOIT	-	1,086	1,086	64	64
587900	Transfer from - Dearborn Trust Fund	15	15	15	15	15
587900	Transfer from - Judgment/Claims Subfund	-	-	-	-	-
587900	Transfer from - Seattle Center Operating Fund	-	-	-	-	-
587000	Transfer from - HSD	-	-	-	-	182
	Total Operating Transfers	637	2,739	3,379	937	1,119
	Total General Subfund	769,470	785,269	814,342	806,434	842,942

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 primary financial reserves. 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 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 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 set aside resources in the event of sudden, unanticipated shortfalls in revenue due to economic downturns or other factors.

Policy and Program Changes

Ordinance 122557, passed by Council with the 2008 Budget, increases the limit on the amount the City can set aside in the Revenue Stabilization Account (RSA). Prior to this change, the Seattle Municipal Code limited the amount in the RSA to two and one-half (2.5) percent of the City's General Subfund tax revenue. Beginning in 2008, this limit is 5 percent of City tax revenues, which currently equates to \$32.7 million.

The 2008 Adopted Budget transfers \$6.2 million of General Subfund resources into the RSA, increasing the expected 2008 balance to \$21.1 million. These resources would be available to reduce the impact on City services of a revenue shortfall resulting from an economic downturn.

The 2008 Adopted Budget also ensures that the balance of the Emergency Subfund (ESF) is at the maximum amount permitted by law for 2008. The Budget transfers \$3.2 million from the General Subfund to the ESF to reflect estimates that assessed property value will increase by approximately 8.0 percent for 2008, slightly less annual growth than was anticipated in the 2007 Adopted Budget. With this contribution, the ESF balance will equal \$42.7 million.

City Council Provisos

There are no Council provisos.

Fiscal Reserves

	Summit	2006	2007	2008	2008
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Emergency Expenditures Budget Control Level	CE000	2,563,119	0	0	0
Revenue Stabilization Reserve Budget Control Level	2CR60	0	0	0	0
Department Total		2,563,119	0	0	0
		2006	2007	2008	2008
Resources	Actuals	Adopted	Endorsed	Adopted	
Other	2,563,119	0	0	0	
Department Total	2,563,119	0	0	0	

Fiscal Reserves

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).

Expenditures	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
Emergency Expenditures Program	2,563,119	0	0	0

Fiscal Reserves

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.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Revenue Stabilization Program	0	0	0	0

Fiscal Reserves

2008 Estimated Revenues for the Cumulative Reserve Subfund, Revenue Stabilization Account

Summit Code	Source	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
587001	Contribution from General Subfund	5,456,396	0	0	6,165,645
Total Revenues		5,456,396	0	0	6,165,645

Fiscal Reserves

2008 Estimated Revenues for the Emergency Subfund

Summit Code	Source	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
587001	Support from General Subfund	4,930,000	3,030,000	3,324,000	3,196,730
Total Revenues		4,930,000	3,030,000	3,324,000	3,196,730

Fiscal Reserves

Emergency Subfund

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	33,383,705	32,912,668	35,750,586	35,942,668	39,514,270
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	4,930,000	3,030,000	3,786,000	3,324,000	3,196,730
Less: Actual and Budgeted Expenditures	2,563,119	0	22,316	0	0
Ending Fund Balance	35,750,586	35,942,668	39,514,270	39,266,668	42,711,000

Fiscal Reserves

Cumulative Reserve Subfund, Revenue Stabilization Account

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	3,550,789	9,007,185	9,007,185	9,007,185	14,928,488
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	5,456,396	0	5,921,303	0	6,165,645
Less: Actual and Budgeted Expenditures	0	0	0	0	0
Ending Fund Balance	9,007,185	9,007,185	14,928,488	9,007,185	21,094,133

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. Utilities pay their actual expenses as incurred.

Policy and Program Changes

Estimates of the City's financial obligations for legal claims in 2008 have increased by \$4 million over the past year. As a result, the appropriation authority for this Subfund for 2008 is increased from \$15 million to \$19 million.

City Council Provisos

There are no Council provisos.

Judgment/Claims

	Summit	2006	2007	2008	2008
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Judgment Claims - General Budget	CJ000	27,748,270	15,000,000	15,000,000	19,000,000
Control Level					
Department Total		27,748,270	15,000,000	15,000,000	19,000,000
		2006	2007	2008	2008
Resources		Actuals	Adopted	Endorsed	Adopted
Other		27,748,270	15,000,000	15,000,000	19,000,000
Department Total		27,748,270	15,000,000	15,000,000	19,000,000

Judgment/Claims

Judgment Claims - General Budget Control Level

Purpose Statement

The purpose of the Judgment/Claims Subfund 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.

Expenditures	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
Judgment/Claims - General Program	27,748,270	15,000,000	15,000,000	19,000,000

Judgment/Claims

2008 Estimated Revenues for the Judgment/Claims Subfund

Summit Code	Source	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
469990	Miscellaneous Revenue	105,390	0	0	0
544730	Payments from City-operated Utilities	7,991,881	4,000,000	4,000,000	4,000,000
544730	Payments from General Government Departments	10,065,039	9,620,600	9,620,600	9,620,600
587001	General Fund Support	484,961	1,379,400	1,379,400	1,379,400
Total Revenues		18,647,271	15,000,000	15,000,000	15,000,000
379100	Use of (Contribution to) Fund Balance	9,100,999	0	0	4,000,000
Total Resources		27,748,270	15,000,000	15,000,000	19,000,000

Judgment/Claims

Judgment/Claims Subfund

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	18,260,443	10,442	9,159,444	10,442	9,159,444
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	18,647,271	15,000,000	15,000,000	15,000,000	15,000,000
Less: Actual and Budgeted Expenditures	27,748,270	15,000,000	15,000,000	15,000,000	19,000,000
Ending Fund Balance	9,159,444	10,442	9,159,444	10,442	5,159,444

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 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.

Policy and Program Changes

In 2008, the Parking Garage Operations Fund will continue to collect parking fees, pay operating expenses, and pay debt service costs.

The bonds issued to acquire the Garage were refinanced in early 2007 to capture lower interest rates. This saved about \$370,000 in 2007. The present value of the debt services savings over the life of the bonds is about \$4.3 million. Rates may be adjusted in 2008 to pay for a new commercial parking garage tax. The parking tax rate started at 5% effective July 1, 2007, and will increase to 7.5% on July 1, 2008. The 2007 effect of the tax is covered by debt service savings. Rates were last adjusted in early 2006, and may be adjusted in the future based on updated financial information.

City Council Provisos

There are no Council provisos.

Parking Garage Operations Fund

	Summit	2006	2007	2008	2008
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Pacific Place Garage Budget	46011	6,860,538	7,185,000	7,420,000	7,420,000
Control Level					
Department Total		6,860,538	7,185,000	7,420,000	7,420,000
		2006	2007	2008	2008
Resources		Actuals	Adopted	Endorsed	Adopted
Other		6,860,538	7,185,000	7,420,000	7,420,000
Department Total		6,860,538	7,185,000	7,420,000	7,420,000

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 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.

Summary

There are no substantive changes from the 2008 Endorsed Budget.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Pacific Place Garage	6,860,538	7,185,000	7,420,000	7,420,000

Parking Garage Operations Fund

2008 Estimated Revenues for the Parking Garage Operations Fund

Summit Code	Source	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
461110	Inv Earn-Residual Cash	72,000	75,000	75,000	75,000
462300	Parking Fees	6,608,000	7,200,000	7,400,000	7,400,000
469990	Other Miscellaneous Revenue	10,586	0	0	0
	Total 46011 PGF-Parking Garage Oper	6,690,586	7,275,000	7,475,000	7,475,000
	Total Revenues	6,690,586	7,275,000	7,475,000	7,475,000
379100	Use of (Contribution to) Fund Balance	169,952	(90,000)	(55,000)	(55,000)
	Total Use of (Contribution to) Fund Balance	169,952	(90,000)	(55,000)	(55,000)
	Total Resources	6,860,538	7,185,000	7,420,000	7,420,000

Parking Garage Operations Fund

Parking Garage Operations Fund

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	487,000	315,977	317,048	405,977	407,048
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	6,690,586	7,275,000	7,275,000	7,475,000	7,475,000
Less: Actual and Budgeted Expenditures	6,860,538	7,185,000	7,185,000	7,420,000	7,420,000
Ending Fund Balance	317,048	405,977	407,048	460,977	462,048

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 funded 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 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 resources. State law limits the use of revenues from this additional tax to capital projects involving parks (except acquisition) and transportation.

- 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. Guidance on the use of these funds is generally governed by Resolution 30334.

- 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 certain 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 are 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 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. Beginning in 2008, the Revenue Stabilization Account of the Cumulative Reserve Subfund is displayed in the Fiscal Reserves section of the Budget Book. Please see the Revenue Stabilization Reserve Budget Control Level for more details.

Department capital projects are fully described in the 2008-2013 Adopted Capital Improvement Program (CIP). Actual appropriations for capital projects funded by the CRS are made in the appropriate department's section in the Budget Book, 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.

Policy and Program Changes

Mayor Proposes New Cumulative Reserve Subfund Policies

As part of the 2007 Proposed and 2008 Endorsed Budget submittal, the Mayor proposed new financial policies to govern the use of the Cumulative Reserve Subfund, including REET revenue:

- Beginning in 2007, at least \$30 million per year from the Cumulative Reserve Subfund Capital Project Account shall be allocated for asset preservation. This amount shall be adjusted annually for inflation. Although far from a revised annual target of \$44 million as recommended by the Executive's 2002 Asset Preservation Study, funding at this level is in keeping with the City's major maintenance policies, adopted by Resolution 30365. In the 2008 Adopted Budget, there is nearly \$40 million of CRS dedicated to asset preservation for Fleets and Facilities, Department of Parks and Recreation, Seattle Public Library, and Seattle Center.
- SDOT will receive at least \$9 million in 2007 and \$5 million annually thereafter, in addition to level funding for the NSF/CRS program and existing debt service. In 2008, SDOT will receive \$17.4 million from CRS to support transportation capital projects, which includes \$1.25 million for NSF/CRS selected projects.
- The CRS will cover the gap between actual costs and originally committed funds for the Fire Facility and Emergency Response Levy Program. Some debt will be needed to match the timing of expenditures to the availability of CRS funds. The term of the debt will match the term of the original Levy.
- Beginning in 2007, and excluding prior commitments and the fire facilities projects described above, no new debt service for new facilities shall be charged to Real Estate Excise Tax revenues.
- In order to protect the City from downside risk in years when REET revenues do not meet forecast, the Executive proposes continuing the City's practice of maintaining a projected cash balance reserve of approximately \$5 million in each of the REET I and REET II subaccounts. As part of the 2008 CRS balancing, there is a total of \$10 million projected cash balance reserve for the two REET subaccounts combined.
- Beginning in 2007 and except for transportation projects described above, REET revenues will not be used for future voter-approved projects or levy programs.
- In keeping with the City's commitment to maintaining its existing infrastructure, the highest priority use for any revenues received above forecast will be enhanced asset preservation.

The City Council continues to review these proposed policies, and is expected to act on them in 2008.

2008 Cumulative Reserve Subfund Allocations

Continued strength in the local real estate market has resulted in a much higher REET revenue forecast of over \$65 million in 2007 and \$51 million in 2008. This amount is over \$16 million higher than the 2007 Adopted REET forecast, and \$1.4M higher than the 2008 Endorsed REET forecast.

Approximately \$79 million is appropriated from the CRS in the 2008 Adopted Budget, including \$72 million from the two REET subaccounts. Individual projects and programs are described in detail in the departmental sections of the 2008-2013 Adopted Capital Improvement Program. In addition, funds have been held in reserve for several specific uses. For example, in 2008, \$500,000 is reserved to fund capital projects identified by communities through the CIP Suggestion Process. DOF will work with departments to refine the requests and select proposed projects for funding through supplemental legislation in 2008.

There is a \$1 million reserve from the CRS for the Neighborhood Street Fund (NSF/CRS) in each year of the biennium. In addition, \$500,000 of reserves from the 2007 Adopted Budget for the CIP Suggestion Process carries forward into the 2008 Adopted Budget, and is transferred to the NSF/CRS program in order to fund more NSF/CRS projects in 2008. This is a one-time transfer based on the large number of requests for neighborhood-scale transportation projects. The selection process for the total \$1.7 million of CRS funding for the 2008 NSF/CRS program was completed in August 2007, and as a result \$243,000 of CRS was added to the Parks' CIP and \$1.2 million of CRS was added to SDOT's CIP.

A 2008 Endorsed reserve for \$125,000 to support the potential purchase of the Phinney Neighborhood Center and the University Heights Neighborhood Center through a councilmanic debt issuance has been eliminated. Funding for these projects and three other surplus schools is now included in the General Subfund in 2008. Please see Finance General Reserves BCL for more details. Additionally in 2008, the City will forego its share of revenues from City-owned parking lots operated by the Pike Place Market Preservation Development Authority (PDA). These revenues, estimated at \$191,000, will be retained by the PDA to assist in paying for the costs of pre-development planning for renovation of the Pike Place Market in anticipation of a 2008 levy.

Beginning in 2008, the CRS section of the 2008 Adopted Budget Book has been restructured to improve the organization and display of several CRS appropriations and BCL descriptions. Debt service for the Woodland Park Zoo (\$871,000) is now paid directly from the CRS. Previously, this expense had been included in the Department of Parks and Recreation's CIP budget. The Revenue Stabilization Account of the Cumulative Reserve Subfund is now displayed in the Fiscal Reserves section of the Budget. CRS appropriations for the Seattle Department of Transportation's (SDOT) capital projects have been included in this section, and are summarized at the CRS Subaccount Budget Control Level (BCL). Historically, SDOT's CRS appropriations have been displayed as transfers to the Transportation Operating Fund at the program level in SDOT's section of the Budget. More details on individual SDOT projects within each BCL and Program are referenced in SDOT's Budget section, Capital Improvement Program Highlights.

City Council Provisos

There are no Council Provisos.

CRS

Appropriations	Summit Code	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
CRS, REET I Subaccount Appropriations					
1998B Capital Facilities Refunding REET I Budget Control Level	2CCE0-1	2,946,013	2,941,000	2,934,500	2,934,475
2007 LTGO Bond - Woodland Park Zoo Garage - REET I Budget Control Level	TBD4-CRS	0	471,000	871,000	871,000
CRS REET I Support to Transportation Budget Control Level					
Corridor & Intersection Improvements - REET I		0	0	0	200,000
Neighborhood Enhancements - REET I		0	0	0	257,000
CRS REET I Support to Transportation Budget Control Level	2EC30	0	0	0	457,000
Other Drainage CIP REET I Budget Control Level	C335B-CR F	0	103,000	0	0
Reserve for Neighborhood Centers Budget Control Level	2CCE0-2	0	0	125,000	0
Tenant Relocation Assistance Program REET I Budget Control Level	2UU51	0	200,000	205,000	205,000
Total CRS, REET I Subaccount Appropriations		2,946,013	3,715,000	4,135,500	4,467,475
CRS, REET II Subaccount Appropriations					
CRS REET II Support to Transportation Budget Control Level					
Bridges & Structures - REET II		2,261,715	2,023,000	1,913,000	5,311,000
Corridor & Intersection Improvements - REET II		1,012,675	3,004,000	121,000	1,021,000
Debt Service (SDOT) - REET II		1,525,807	2,361,000	2,794,000	2,762,000
Landslide Mitigation - REET II		358,538	200,000	200,000	600,000
Neighborhood Enhancements - REET II		1,263,283	823,000	13,000	1,800,000
New Trails and Bike Paths - REET II		109,783	1,766,000	1,971,000	239,000
Roads - REET II		6,980,024	2,285,000	1,984,000	3,097,000
Sidewalk Maintenance - REET II		360,433	800,000	464,000	850,000
Sidewalks & Pedestrian Facilities - REET II		912,884	341,000	350,000	1,271,000
CRS REET II Support to Transportation Budget Control Level	2ECM0	14,785,142	13,603,000	9,810,000	16,951,000
Total CRS, REET II Subaccount Appropriations		14,785,142	13,603,000	9,810,000	16,951,000

CRS

Appropriations	Summit Code	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
CRS, Unrestricted Subaccount Appropriations					
Artwork Conservation - OACA - CRS-UR Budget Control Level	V2ACGM	118,352	195,000	170,000	170,000
Design Commission - CRS-UR Budget Control Level	2UU50-DC	0	350,526	359,289	359,289
Tenant Relocation Assistance Program - CRS-UR Budget Control Level	2UU50-TA	179,000	80,000	80,000	80,000
Transfer to General Fund Budget Control Level	2CU50	0	785,000	0	0
Total CRS, Unrestricted Subaccount Appropriations		297,352	1,410,526	609,289	609,289
Department Total		18,028,507	18,728,526	14,554,789	22,027,764

Resources	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
General Subfund	0	0	0	0
Other	18,028,507	18,728,526	14,554,789	22,027,764
Department Total	18,028,507	18,728,526	14,554,789	22,027,764

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.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
1998B Capital Facilities Refunding	2,946,013	2,941,000	2,934,500	2,934,475

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).

Summary

The base amount for this BCL is set at \$871,000, which was the amount shown in the Department of Parks and Recreation's 2007-2012 Adopted CIP budget for 2008.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
2007 LTGO Bond - Woodland Park Zoo Garage - REET 1	0	471,000	871,000	871,000

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

	2006	2007	2008	2008
	Actuals	Adopted	Endorsed	Adopted
Corridor & Intersection Improvements - REET I	0	0	0	200,000
Neighborhood Enhancements - REET I	0	0	0	257,000
Total	0	0	0	457,000

Other Drainage CIP REET I Budget Control Level**Purpose Statement**

The purpose of the Other Drainage CIP REET I Budget Control Level is to fund a retrofit assessment on City facilities. The assessment includes a review of City facilities to identify capital investments and changes to operational procedures related to stormwater management. Seattle Public Utilities is reimbursed by the Cumulative Reserve Subfund for this project.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Other Drainage CIP BCL Program	0	103,000	0	0

Reserve for Neighborhood Centers Budget Control Level

Purpose Statement

The purpose of the Reserve for Neighborhood Centers Budget Control Level is to support the potential purchase of the Phinney Neighborhood Center and the University Heights Neighborhood Center through a councilmanic debt issuance of \$5 million. This reserve is not intended as a commitment to purchase either center or to this specific funding and/or financing approach, but provides resources should an opportunity arise and appropriate agreements are reached among the City, the School District and the neighborhood stakeholders.

Summary

Eliminate a \$125,000 reserve from the CRS 2008 Endorsed Budget as this is an ineligible expense for CRS in 2008. However, funding to help non-profit organizations acquire four surplus school sites and for the City to acquire Webster Park is now included in the General Subfund. Please see Finance General Reserves Budget Control Level for more details.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Reserve for Neighborhood Centers	0	0	125,000	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.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Tenant Relocation Assistance Program REET I	0	200,000	205,000	205,000

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	2006 Actuals	2007 Adopted	2008 Endorsed	2008 Adopted
Bridges & Structures - REET II	2,261,715	2,023,000	1,913,000	5,311,000
Corridor & Intersection Improvements - REET II	1,012,675	3,004,000	121,000	1,021,000
Debt Service (SDOT) - REET II	1,525,807	2,361,000	2,794,000	2,762,000
Landslide Mitigation - REET II	358,538	200,000	200,000	600,000
Neighborhood Enhancements - REET II	1,263,283	823,000	13,000	1,800,000
New Trails and Bike Paths - REET II	109,783	1,766,000	1,971,000	239,000
Roads - REET II	6,980,024	2,285,000	1,984,000	3,097,000
Sidewalk Maintenance - REET II	360,433	800,000	464,000	850,000
Sidewalks & Pedestrian Facilities - REET II	912,884	341,000	350,000	1,271,000
Total	14,785,142	13,603,000	9,810,000	16,951,000

CRS, Unrestricted Subaccount Appropriations

Artwork Conservation - OACA - CRS-UR Budget Control Level

Purpose Statement

The purpose of this BCL 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.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Artwork Conservation - OACA	118,352	195,000	170,000	170,000

Design Commission - CRS-UR Budget Control Level

Purpose Statement

The purpose of this BCL 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.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Design Commission - CRS-UR	0	350,526	359,289	359,289

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.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Tenant Relocation Assistance Program	179,000	80,000	80,000	80,000

Transfer to General Fund Budget Control Level**Purpose Statement**

The purpose of this BCL is to transfer cash from the Unrestricted Subaccount to the General Subfund.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Transfer to General Subfund	0	785,000	0	0

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

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	29,666,175	30,290,175	36,006,002	22,080,588	34,518,502
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	27,053,875	24,283,388	32,605,500	24,801,845	25,503,000
Less: Actual and Budgeted Expenditures	20,714,047	32,492,975	34,093,000	24,384,500	34,259,500
Ending Fund Balance	36,006,002	22,080,588	34,518,502	22,497,933	25,762,002
Continuing Appropriations	19,949,327	15,454,000	19,950,000	15,954,000	19,950,000
Reserve for Library Major Maintenance	0	0	0	1,000,000	0
Reserve for NSF/CRS/Citizen CIP Suggestion	0	500,000	0	500,000	500,000
Cash Balance Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Reserves	24,949,327	20,954,000	24,950,000	22,454,000	25,450,000
Ending Unreserved Fund Balance	11,056,675	1,126,588	9,568,502	43,933	312,002

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

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	32,617,337	27,741,527	35,538,808	23,928,915	40,049,266
Accounting Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	26,639,750	24,283,388	32,605,500	24,801,845	25,503,000
Less: Actual and Budgeted Expenditures	23,718,279	28,096,000	28,095,042	26,476,000	37,484,000
Ending Fund Balance	35,538,808	23,928,915	40,049,266	22,254,760	28,068,266
Continuing Appropriations	23,330,941	16,720,000	23,330,000	16,720,000	23,330,000
Reserve for NSF/CRS/Citizen CIP Suggestion	0	0	0	1,000,000	0
Cash Balance Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Reserves	28,330,941	21,720,000	28,330,000	22,720,000	28,330,000
Ending Unreserved Fund Balance	7,207,867	2,208,915	11,719,266	(465,240)	(261,734)

Cumulative Reserve Subfund, Unrestricted Subaccount (00164)

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	(5,319,810)	(5,137,810)	(4,406,246)	6,030,164	1,163,000
Accounting and Technical Adjustments	492,833	0	0	0	0
Plus: Actual and Estimated Revenue	10,332,714	14,430,500	15,258,481	7,860,000	9,005,425
Less: Actual and Budgeted Expenditures	9,911,983	3,262,526	9,689,235	4,955,289	5,007,000
Ending Fund Balance	(4,406,246)	6,030,164	1,163,000	8,934,875	5,161,425
Continuing Appropriations	6,590,108	5,392,000	6,590,000	5,392,000	6,590,000
Reserve for Capehart	0	3,417,000	0	3,417,000	0
Reserve for 12th Ave S. Improvements	0	0	0	0	358,000
Total Reserves	6,590,108	8,809,000	6,590,000	8,809,000	6,948,000
Ending Unreserved Fund Balance	(10,996,353)	(2,778,836)	(5,427,000)	125,875	(1,786,575)

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

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	325,996	325,996	239,815	325,996	239,815
Accounting and Technical Adjustments	3,129	0	0	0	0
Plus: Actual and Estimated Revenue	11,737	0	0	0	0
Less: Actual and Budgeted Expenditures	101,047	0	0	0	0
Ending Fund Balance	239,815	325,996	239,815	325,996	239,815
Continuing Appropriations	15,394	116,440	15,400	116,440	15,400
Total Reserves	15,394	116,440	15,400	116,440	15,400
Ending Unreserved Fund Balance	224,421	209,556	224,415	209,556	224,415

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

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	4,261,130	4,261,130	5,902,011	4,407,130	6,048,011
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	2,890,000	4,000,000	4,000,000	4,000,000	4,000,000
Less: Actual and Budgeted Expenditures	1,249,119	3,854,000	3,854,000	2,506,000	2,506,000
Ending Fund Balance	5,902,011	4,407,130	6,048,011	5,901,130	7,542,011
Continuing Appropriations	4,242,011	2,603,000	4,240,000	2,603,000	4,240,000
Total Reserves	4,242,011	2,603,000	4,240,000	2,603,000	4,240,000
Ending Unreserved Fund Balance	1,660,000	1,804,130	1,808,011	3,298,130	3,302,011

Cumulative Reserve Subfund, Street Vacation Subaccount (00169)

	2006 Actuals	2007 Adopted	2007 Revised	2008 Endorsed	2008 Adopted
Beginning Fund Balance	(236,326)	394,674	(352,277)	577,174	(169,777)
Accounting and Technical Adjustments	0	0	0	0	0
Plus: Actual and Estimated Revenue	86,250	182,500	182,500	236,000	236,000
Less: Actual and Budgeted Expenditures	202,201	0	0	0	0
Ending Fund Balance	(352,277)	577,174	(169,777)	813,174	66,223
Continuing Appropriations	275,084	458,300	275,000	458,300	275,000
Total Reserves	275,084	458,300	275,000	458,300	275,000
Ending Unreserved Fund Balance	(627,361)	118,874	(444,777)	354,874	(208,777)

Debt Service

Dwight Dively, Director

Contact Information

Department Information Line: (206) 233-0031

City Of Seattle General Information: (206) 684-2489 TTY: (206) 615-0476

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, LTGO Issuance Costs, and UTGO (voter approved) debt service payments.

Debt Service

	Summit	2006	2007	2008	2008
Appropriations	Code	Actuals	Adopted	Endorsed	Adopted
Bond Interest and Redemption Budget Control Level	DEBTBIRF	0	1,161,754	1,164,904	1,671,884
Debt Issuance Costs Budget Control Level	DEBTISSU E	0	1,594,020	0	3,079,000
UTGO Debt Service Budget Control Level	DEBTUTG O	0	26,346,000	21,313,000	20,734,000
Department Total		0	29,101,774	22,477,904	25,484,884
		2006	2007	2008	2008
Resources		Actuals	Adopted	Endorsed	Adopted
Other		0	29,101,774	22,477,904	25,484,884
Department Total		0	29,101,774	22,477,904	25,484,884

Bond Interest and Redemption Budget Control Level

Purpose Statement

The Bond Interest and Redemption Budget Control Level creates legal appropriation authority for debt service payments to be made through the Bond Interest and Redemption Fund from outside sources.

Summary

This budget control level creates the authority to pay debt service on Benaroya Hall 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 known 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 debt service on the Woodland Park Zoo Garage, which includes revenue from the Woodland Park Zoo Society and bond interest earnings.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Bond Interest and Redemption	0	1,161,754	1,164,904	1,671,884

Debt Issuance Costs Budget Control Level

Purpose Statement

The Debt Issuance Costs Budget Control Level creates the appropriation authority to pay debt issuance costs related to the 2008 Multipurpose Limited Tax General Obligation (LTGO) Debt Issuance.

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
Debt Issuance Costs	0	1,594,020	0	3,079,000

UTGO Debt Service Budget Control Level

Purpose Statement

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

	2006	2007	2008	2008
Expenditures	Actuals	Adopted	Endorsed	Adopted
UTGO Bond Interest and Redemption	0	26,346,000	21,313,000	20,734,000

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, 2006, there were approximately \$178 million in UTGO bonds outstanding; of that, \$14 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, 2006, the guarantees totaled \$93 million out of \$790 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.

Debt Service

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 12-31-06*
Unlimited Tax General Obligation Bonds (UTGO)					
Parks & Open Space	Yes	Property Tax	2.5% of AV	\$2.7 Billion	\$0
Utilities	Yes	Property Tax	2.5% of AV	\$2.7 Billion	\$14 Million
General Purposes	Yes	Property Tax	1.0 % of AV**	\$1.1 Billion	\$164 Million
Limited Tax General Obligation Bonds (LTGO)	No	Taxes and Other Revenues	1.5% of AV**	\$1.6 Billion	\$790 Million***
Utility Revenue	No	Utility Revenues	None	None	\$2.6 Billion

* As of 12/31/06, assuming the latest certified assessed value of \$106 billion, issued on February 27, 2007, for taxes payable in 2007.

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

***Includes \$93 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 A+.

2008 Projected Bond Issue

In 2008, the City expects to issue approximately \$36.6 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. The Mayor and City Council may add debt for one or more major transportation projects in the first quarter of 2008. Bond proceeds will be deposited into the 2008 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 - 2008 Various Purpose LTGO Bond Issuances - In \$1,000s

Purpose	Debt Service Funding Source	Issued Capital	Capital & Issuance Cost	Term (yrs.)	Rate (est.)	Debt Service Adopted 2008
King Street Station*	SDOT	2,941	3,029	20	5.5%	83
Bridge Seismic*	SDOT	1,574	1,621	20	5.5%	45
Bridge Rehabilitation and Replacement*	SDOT	3,965	4,084	20	5.5%	112
Pay Stations	SDOT	2,175	2,240	5	4.0%	45
Fire Station Projects	REET I	22,900	23,587	5	4.0%	472
South Lake Union Projects	GF	2,000	2,060	6	4.0%	41
Total		35,555	36,622			798

* The funding sources for these transportation projects are the parking and employee tax revenues associated with the Bridging the Gap program.

Totals may not add correctly due to rounding

Table 3 – 2008 Multipurpose LTGO Bond Fund Issuance Costs – In \$1,000s

Issued Capital	Issuance Cost Factor	Issuance Cost Adopted 2008	Issuance Cost Proposed 2009
102,633	3%	3,079	N/A

Table 3 shows the costs of issuance for the 2008 LTGO bond issue. This money is estimated at 3% of the capital costs of the 2008 Multipurpose LTGO Bond Fund. An allowance has been made for additional bonds the Mayor and City Council may approve in the first quarter of 2008 for major transportation projects. 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 service. All tables in this section are for informational purposes only; legal appropriations are included elsewhere in the budget document.

Debt Service

**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	Revised 2007	Adopted 2008
1996C	40,520	Seattle Municipal Tower, Police Support Facility	336	336
1996D	17,000	Seattle Municipal Tower, Police Support Facility	2,537	2,337
1997A	26,670	Sand Point, Convention Center, Transportation	2,042	-
1998B	43,710	W. Seattle Bridge, Capital Facilities, Public Safety Facilities, Freeway Parking Garage, Historic Buildings (not refunded), Fire Apparatus, Seismic Studies, Garage Improvement	3,357	3,347
1998E	13,042	Deferred Interest Downtown Parking Garage	1,700	1,845
1998F	60,805	Downtown Parking Garage	-	-
1999B	85,500	Civic Center, Galer St, Police Precinct, Public Safety IT	3,335	3,341
2001	4,950	Ballard Neighborhood Center	400	400
2001	39,965	City Hall	2,634	2,620
2001	2,395	Civic Center Plan - Seattle Municipal Tower	230	233
2001	4,970	Civic Center Plan - Park 90/5	401	401
2001	5,270	Interbay Golf Facilities	424	424
2001	39,960	Justice Center	2,629	2,625
2001	3,315	Law, Safety and Justice Information Technology Projects	568	567
2001	5,285	Miscellaneous Information Technology	899	903
2001	2,905	Police Training Facility	233	233
2001	765	Sound Amplification, Benaroya Hall	96	98
2001	8,570	Southwest Precinct	694	692
2001	6,140	Training Facilities	495	493
2002	20,630	City Hall	1,359	1,355
2002	20,630	Justice Center	1,359	1,355
2002	4,870	Seattle Municipal Tower	466	468
2002	3,855	Seattle Municipal Tower - SPU	659	660
2002	8,765	McCaw Hall	840	840
2002	5,005	Civic Center Open Space	401	402
2002	8,980	Parks - Westbridge	723	721
2002	4,335	Public Safety IT	740	742
2002	29,525	Refunding of Historic Buildings Refunding, 1992 B	1,778	1,781
2002	725	Seattle Center Kitchen	93	95
2002	2,715	South West Precinct	217	217
2002	2,000	Univ. Way (long)	258	259
2002	2,020	West Seattle Swing Bridge	259	259
2002B	3,710	Refunding of 1993 bonds	805	-
2002B	14,000	Refunding of 1994 bonds	1,612	1,608
2002B	26,850	Various Capital Projects	3,096	3,085
2003	5,450	Alaskan Way Tunnel/Seawall & Mercer Corridor Project	671	671

Debt Service

Bond Series	Issued Amount	Purpose	Revised 2007	Adopted 2008
2003	1,980	Seattle Municipal Tower Base	153	150
2003	2,275	Joint Training Facility	175	176
2003	8,890	Marion Oliver McCaw Hall (long)	451	169
2003	4,055	Refunding of 1994 bonds - 2	499	500
2003	6,355	Roof/Structural Replacement and Repair	783	784
2003	2,830	SR 519	217	217
2004	16,646	Ref Concert Hall	1,772	1,771
2004	8,906	Ref 96A - 90/5 Acquisition	850	852
2004	66,253	Ref 96A - Seattle Municipal Tower Acquisition	6,330	6,329
2005	18,875	Pier 59	1,506	1,506
2005	2,265	Pier 59 Entry	183	179
2005	9,825	Pay Stations (SDOT)	2,252	2,253
2005	1,820	Mercer Corridor	416	418
2005	4,720	Alaskan Way Tunnel/Seawall	375	378
2005	1,395	Fremont Bridge Approaches	112	109
2005	1,420	Bridge Way	278	277
2005	9,105	City Light Refund	4,872	-
2005	5,375	Library Garage	427	428
2005	3,290	SR519	645	644
2005	9,315	1995 Refunding	1,300	1,303
2005	10,145	1997A Refunding	497	1,312
2005	51,990	1999B Refunding	2,568	2,569
2006	5,220	Viaduct	391	394
2006	11,725	Park 90/5	1,066	1,067
2006	1,800	Pier 59	138	140
2006	2,475	Mercer Corridor Design	466	471
2006	1,490	SLU Streetcar	134	136
2006	2,195	Refunding 1995 - Ninth & Lenora	324	320
2007	17,175	Zoo Garage	355	1,379
2007	3,005	Northgate Land Acquisition	62	240
2007	4,880	Aquarium	101	244
2007	3,275	Parking Pay Stations	68	759
2007	3,780	Alaskan Way Tunnel/Seawall	78	489
2007	4,250	Monorail	88	553
2007	60,870	Refunding 1998 F - Garage	2,773	2,882
2008	3,790	King Street Station (BTG)	-	83
2008	1,621	Bridge Seismic (BTG)	-	45
2008	4,084	Bridge Rehabilitation and Replacement (BTG)	-	112
2008	2,240	Pay Stations	-	45
2008	23,587	Fire Station Projects	-	472
2008	2,060	South Lake Union Projects	-	41
Total of All Limited Tax (Non-voted) General Obligation Bonds Debt Service			71,048	67,608

2008 Proposed Budget

Debt Service

**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	Revised 2007	Adopted 2008
Cumulative Reserve Subfund REET I			
1998B	Capital Facilities (CRF Special Project BCL #CC3002)	2,941	2,934
2002	Parks - Westbridge	600	600
2003	Roof/Structural Replacement and Repair	783	784
2005	Pier 59	1,506	1,506
2006	Pier 59	138	140
2007	Northgate Land Acquisition	62	240
2007	Zoo Garage	267	872
2008	Fire Station Projects	-	472
Subtotal - Cumulative Reserve Subfund REET I (Various Appropriations)		6,296	7,548
Cumulative Reserve Subfund REET II			
2005	Alaskan Way Tunnel / Seawall	375	378
2005	Fremont Bridge Approaches	112	109
2005	Bridge Way North	278	277
2005	SR 519	645	644
2006	Viaduct	391	394
2006	Mercer Corridor Design	466	471
2007	Alaskan Way Tunnel/Seawall	78	489
Subtotal - Cumulative Reserve Subfund REET II		2,345	2,762
Cumulative Reserve Subfund Unrestricted			
2002	Parks - Westbridge	84	81
2007	Monorail	88	553
Subtotal - Cumulative Reserve Subfund Unrestricted		172	634
Downtown Parking Garage Fund			
1998E	Downtown Parking Garage (FFD Parking Garage Operations BCL #46011)	1,700	1,845
1998F	Downtown Parking Garage (FFD Parking Garage Operations BCL #46011)	-	-
2007	Downtown Parking Garage (FFD Parking Garage Operations BCL #46011)	2,773	2,882
Subtotal		4,473	4,727
Fleets and Facilities Fund			
1996C	Seattle Municipal Tower	336	336
1996D	Seattle Municipal Tower	2,116	1,916
1996D	Park 90/5 Acquisition	93	93
1998B	Historic Building Debt	201	198
1998B	Seismic Fire	65	65

Debt Service

Bond Series	Funding Source For Debt Service Appropriated in Budget	Revised 2007	Adopted 2008
1998B	Municipal Garage	39	40
1999B	City Hall	313	314
1999B	Civic Center Open Space	631	634
1999B	Justice Center	799	800
1999B	SeaPark	359	359
2001	City Hall	2,634	2,620
2001	Justice Center	2,629	2,625
2001	Seattle Municipal Tower	230	233
2001	Park 90/5	88	88
2002	City Hall	1,359	1,355
2002	Justice Center	1,359	1,355
2002	Seattle Municipal Tower	466	468
2002	Civic Center Open Space	401	402
2002	Historic Building Debt	1,778	1,781
2003	Seattle Municipal Tower Base	153	150
2004	Park 90/5 Acquisition	187	187
2004	Seattle Municipal Tower Acquisition	6,330	6,329
2005	Refunding of 1999B - City Hall	554	552
2005	Civic Center Open Space	303	303
2005	Justice Center	1,410	1,412
2005	SeaPark	177	177
2006	Park 90/5 Refinance	-	-
	Subtotal - Fleets and Facilities Fund (Various Appropriations)	25,010	24,790
 General Fund - Finance General			
1996D	Park 90/5 Acquisition	286	286
1997A	Convention Center	362	-
1997A	Sand Point	462	-
1997A	Transportation	1,218	-
1998B	W. Seattle Bridge	110	110
1999B	Galer St.	1,042	1,042
1999B	Southwest Precinct	191	193
2001	Ballard Neighborhood Center	400	400
2001	Park 90/5	273	273
2001	Law, Safety and Justice Information Technology Projects	568	567
2001	Police Training Facility	233	233
2001	Southwest Precinct	694	692
2001	Training Facilities	421	419
2002	McCaw Hall	840	840
2002	Public Safety IT	740	742
2002	Southwest Precinct	217	217
2002	Univ. Way (long)	258	259

Debt Service

Bond Series	Funding Source For Debt Service Appropriated in Budget	Revised 2007	Adopted 2008
2002	West Seattle Swing Bridge	259	259
2002B	Refunding of 1993 bonds	805	-
2002B	Refunding of 1994 Bonds	1,612	1,608
2002B	Various Capital Projects	3,096	3,085
2003	Refunding of 1994 Bonds - 2	499	500
2003	Alaskan Way Tunnel/Seawall & Mercer Corridor	671	671
2003	Joint Training Facility	148	150
2004	Concert Hall (1996A)	1,772	1,771
2004	Park 90/5 Acquisition (1996A)	578	579
2005	Mercer Corridor	416	418
2005	City Light Refund	4,872	-
2005	Refunding of 95A - West Precinct	1,300	1,303
2005	Refunding of 97A - Convention Center	218	578
2005	Refunding of 97A - Sand Point	278	733
2005	Refunding of 99B - S. Precinct	125	125
2006	Park 90/5 Refinance	-	-
2006	SLU Streetcar	134	136
2006	Refunding of 1995 Ninth & Lenora	324	320
2008	South Lake Union Projects	-	41
	Subtotal - General Fund Finance General (FG BCL #Q5972010)	25,423	18,551
	Information Technology Fund		
2001	Miscellaneous Information Technology	899	903
	Subtotal - Information Technology Fund (DoIT BCL #D33)	899	903
	Parks and Recreation Fund		
2001	Interbay Golf Facilities	424	424
2002	Parks - Westbridge	39	40
2005	Pier 59 Entry	183	179
2007	Aquarium	101	244
	Subtotal - Parks and Recreation Fund (Various Appropriations)	747	887
	Seattle Center Fund		
2002	Seattle Center Kitchen	93	95
2003	Marion Oliver McCaw Hall (long)	451	169
	Subtotal - Seattle Center Fund (Center Financial Success BCL #SC300)	544	264
	Seattle Public Library		
2005	Various Purpose - Library Garage	427	428
	Subtotal - Seattle Public Library Fund	427	428

Debt Service

Bond Series	Funding Source For Debt Service Appropriated in Budget	Revised 2007	Adopted 2008
SPU Drainage & Wastewater Fund			
1996D	Park 90/5 Acquisition	13	13
2001	Park 90/5	12	12
2001	Training Facilities	22	22
2002	Seattle Municipal Tower - SPU TI	198	198
2003	Joint Training Facility	8	8
2004	Refunding - Park 90/5 (1996A)	26	26
2006	Park 90/5 Refinance	-	-
Subtotal - Drainage & Wastewater Fund (SPU D&W BCL #N000B)		278	278
SPU Solid Waste Fund			
1996D	Park 90/5 Acquisition	7	7
2001	Park 90/5	7	7
2001	Training Facilities	12	12
2002	Seattle Municipal Tower - SPU TI	109	109
2003	Joint Training Facility	4	4
2004	Refunding - Park 90/5 (1996A)	14	14
2006	Park 90/5 Refinance	-	-
Subtotal - Solid Waste Fund (SPU SWU BCL #N000B)		153	153
SPU Water Fund			
1996D	Park 90/5 Acquisition	23	23
2001	Park 90/5	21	21
2001	Training Facilities	40	40
2002	Seattle Municipal Tower - SPU TI	353	353
2003	Joint Training Facility	14	14
2004	Refunding - Park 90-5 (1996A)	45	46
2006	Park 90/5 Refinance	-	-
Subtotal - Water Fund (SPU Water General Expense BCL #N000B)		496	497
Transportation Fund			
2003	SR 519	217	217
2005	Parking Pay Stations	2,252	2,253
2007	Parking Pay Stations	68	759
2008	Various Purpose - King Street Station	-	83
2008	Various Purpose - Bridge Seismic	-	45
2008	Various Purpose - Bridge Rehabilitation and Replacement	-	112
2008	Various Purpose - Pay Stations	-	45
Subtotal - Transportation Fund (SDOT General Expense BCL #18002)		2,536	3,514

Debt Service

Bond Series	Funding Source For Debt Service Appropriated in Budget	Revised 2007	Adopted 2008
Bond Interest and Redemption Fund			
2001	Sound Amplification, Benaroya Hall	96	98
2006	Park 90/5 Refinance	1,066	1,067
2007	Zoo Garage	89	291
2007	Zoo Garage Interest Earnings	-	216
2007	Zoo Garage Operating Income	-	-
Subtotal - Bond Interest and Redemption Fund (From Non-City Entities)		1,251	1,672
Total - Allocation of all LTGO Debt Service		71,048	67,608

Debt Service

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

Bond Series	UTGO Bond Debt Service for Voter-Approved Debt	Revised 2007	Adopted 2008
UTGO Bond Interest and Redemption Subfund			
1968A	Fire Station/Shops	471	478
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	4,884	4,904
1999A	Library Facilities	8,639	5,432
2002	Library Facilities	7,320	7,317
2002	Refunding of 1993 bonds	5,032	-
2007	Refunding of 1999A Library Bonds	-	2,603
Total - UTGO Debt Service		26,346	20,734