

Utilities and Transportation

Seattle City Light

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<http://www.seattle.gov/light/>

Department by Budget Control Level



Seattle City Light

Department Overview

Seattle City Light (City Light) was created by the residents of Seattle in 1902 to provide affordable, reliable, and environmentally sound electric power to the City of Seattle and neighboring suburbs. Owned by the community it serves, City Light is a nationally recognized leader in energy efficiency, renewable resource development, and environmental stewardship.

City Light provides electric power to approximately 395,000 residential, business, and industrial customers within a 130 square-mile service area. City Light provides power to the City of Seattle and surrounding jurisdictions, including parts of Shoreline, Burien, Tukwila, SeaTac, Lake Forest Park, Renton, Normandy Park, and areas of unincorporated King County.

City Light owns about 2,000 megawatts of very low-cost, environmentally-responsible, hydroelectric generation capacity. In an average year, City Light meets about 50% of its load with owned hydroelectric generation and obtains the remainder primarily through the Bonneville Power Administration (BPA). City Light is the nation's tenth largest publicly-owned electric utility in terms of customers served.

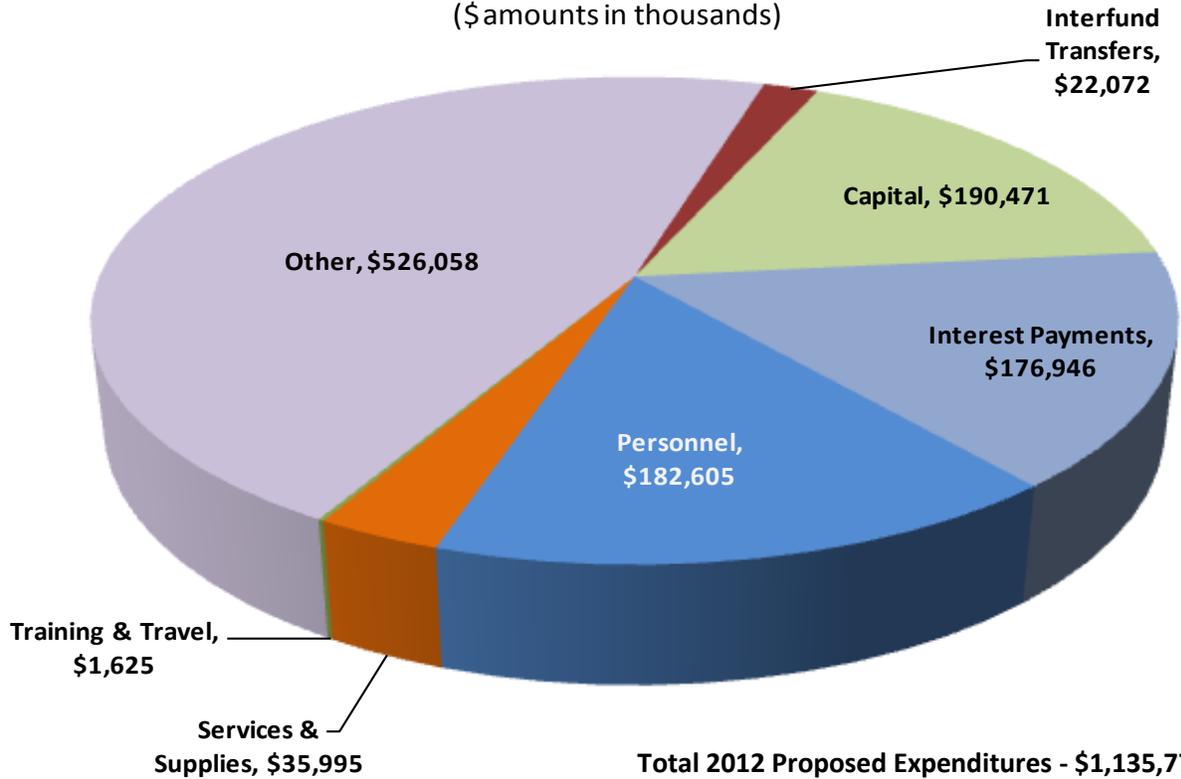
Budget Snapshot

| Seattle City Light | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|----------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| General Fund | \$0 | \$0 | \$0 | \$0 |
| Other Revenues | \$806,239,086 | \$879,423,538 | \$929,966,554 | \$914,560,390 |
| Total Revenues | \$806,239,086 | \$879,423,538 | \$929,966,554 | \$914,560,390 |
| Transfers from Construction Fund | \$200,903,392 | \$193,742,967 | \$210,909,663 | \$221,211,158 |
| Total Resources | \$1,007,142,478 | \$1,073,166,505 | \$1,140,876,217 | \$1,135,771,548 |
| Total Expenditures | \$1,007,142,478 | \$1,073,166,505 | \$1,140,876,217 | \$1,135,771,548 |
| Full-Time Equivalent * Total | 1,839.10 | 1,810.50 | 1,810.50 | 1,810.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

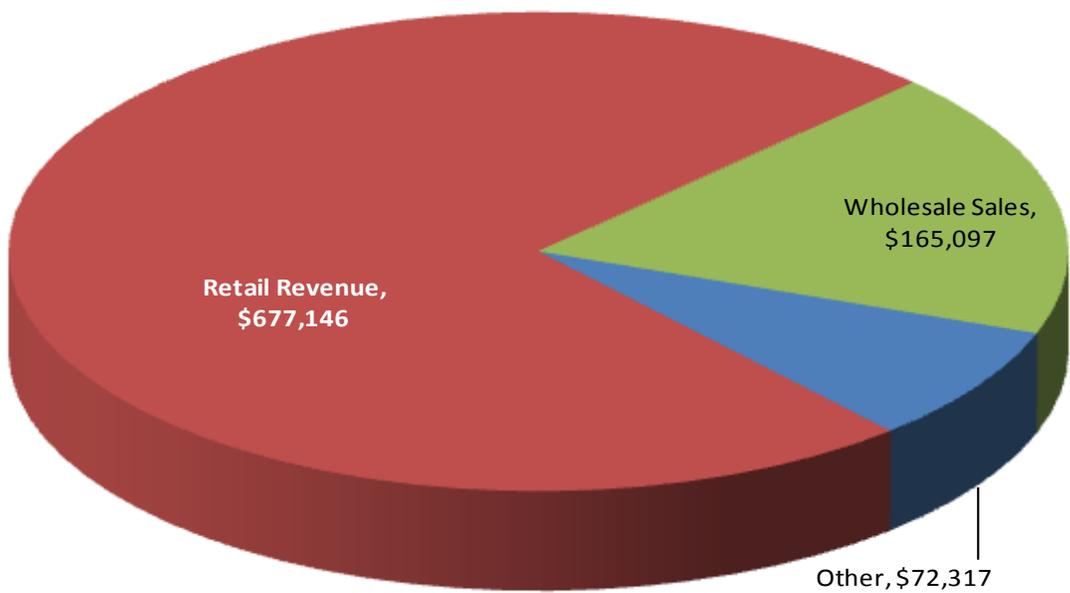
2012 Proposed Budget - Expenditure by Category

(\$ amounts in thousands)



2012 Proposed Budget - Revenues By Category

(\$ amounts in thousands)



Total 2012 Proposed Revenues - \$914,560

Seattle City Light

Budget Overview

The 2012 Proposed Budget is consistent with the previously adopted 3.2% rate increase for January 1, 2012 (Ordinance 123479), and contains only minor changes from the 2012 Endorsed Budget. City Light is currently developing a Strategic Plan to provide greater transparency and insight into Utility issues for elected officials, customers, and the public. The 2012 Proposed Budget maintains City Light's current levels of service, with the expectation that future budgets will be developed in support of the approved Strategic Plan.

In 2009 and 2010, unexpectedly depressed energy prices and unusually low precipitation levels reduced both the value and the amount of surplus energy that City Light could sell on the wholesale market. This unexpected revenue shortfall forced the Utility to cut costs, reduce spending on basic operations, and defer necessary capital investments. In response, City Council and the Mayor undertook a series of actions to help strengthen oversight and the financial management of the Utility:

- The Rate Stabilization Account was created to protect against future fluctuations in wholesale revenues.
- The City Light Review Panel was established to advise elected officials on rate and Utility issues.
- City Light was directed to develop a Strategic Plan with input from the Review Panel and the public.

By identifying key challenges and prioritizing spending for the Utility, the Strategic Plan provides a venue for engaging elected officials, customers, and the public on the future of City Light. In early 2012, the Utility will seek City Council approval of the Strategic Plan and endorsement of a six-year rate path in support of the Plan's initiatives. The endorsed rate path will provide customers with a six-year schedule of anticipated future rates. These actions will help inform and simplify the subsequent year's budget process. If the Strategic Plan is approved, the 2013-2014 Proposed Budget will be developed to pursue the Strategic Plan's objectives within the resource constraints of the endorsed rate path.

City Light intends to revisit the Strategic Plan every two years with the City Light Review Panel and City Council, extending the six-year planning window by two years each time, and refining expectations for the following biennial budget. It is hoped that the Strategic Plan becomes an integral part of the budgeting process by vetting key policy choices facing the Utility and providing a framework for establishing stable and predictable rates. The budget remains the legal authority governing spending and becomes an accountability document between elected officials and Utility management for implementing the Strategic Plan.

With minimal changes from the 2012 Endorsed Budget, the 2012 Proposed Budget continues the Utility's efforts to restore core maintenance activities that had been deferred in recent years, maintain and upgrade critical information technology systems, and respond to the evolving regulatory requirements for the transmission grid and Initiative-937 requirements for conservation and renewable resources. The 2012 Proposed Budget supports the Utility's current levels of service. Proposals for service level improvements and efficiencies will be presented in the context of the Strategic Plan and may impact future budgets.

Wholesale revenue remains a highly volatile source of revenue that is subject to fluctuations resulting from weather and economic variables impacting water levels and the price of energy. To protect against this volatility, the Rate Stabilization Account (RSA) provides a funding reserve that City Light may draw upon to make up the difference between targeted and actual net wholesale revenue on a quarterly basis. As established in Seattle Municipal Code 21.49.086, the RSA target of net wholesale revenue is the simple average of net wholesale revenues realized since 2002, subject to City Council adjustments. For purposes of triggering the use of the RSA, the 2012 net wholesale revenue target is \$102.1 million. Any surplus of net wholesale revenue above this target is deposited into the RSA.

Based on current projections for 2011, the RSA will begin 2012 fully funded at \$112.7 million. When the balance in the RSA falls below \$90 million, a 1.5% surcharge is automatically applied to base rates and used to replenish the account. This surcharge increases to 3.0% if the RSA falls below \$80 million, and increases to 4.5% if the RSA falls below \$70 million. As the RSA is replenished, the surcharge is reduced accordingly and is eliminated when the RSA reaches \$100 million.

To support the capital program and other eligible Utility costs, the 2012 Proposed Budget anticipates a 2012 bond issue of approximately \$200 million. The bond issue may also seek to refinance certain existing debt if favorable interest rates provide debt service savings.

The 2012 Proposed Budget includes three structural changes to its Budget Control Levels (BCL) that do not affect the Utility's total appropriations or position count. These changes are intended to provide more transparency and accountability into the budgeting process and include:

- Splitting the Purchased Power BCL into two separate BCLs. The Long-Term Purchased Power BCL provides appropriation authority for long-term power contracts (over 24 months) that provide the Utility's firm load. The Short-Term Purchased Power BCL provides appropriation authority for managing short-term power contracts (up to 24 months) to address yearly fluctuations in hydro conditions and market conditions. For 2012, the proposed appropriations are \$285 million for Long-Term Purchased Power and \$67 million for Short-Term Purchased Power.
- Creating a new BCL for consolidating Compliance and Security functions, to be managed by City Light's Compliance Officer. This new BCL allows the Utility to manage and track these functions in response to increasingly complex federal regulations governing the reliability and security of the regional transmission grid. The 2012 Proposed Budget transfers 14 FTE and \$2.8 million into the new BCL.
- Splitting the Customer Services and Energy Delivery – CIP BCL into two separate BCLs. The Customer Focused – CIP BCL provides appropriations for service connections, metering, billing, customer-requested work, streetlights, transportation-driven relocations, and other externally driven projects. Transmission and Distribution – CIP BCL provides appropriations for transmission towers and lines, substations, relays, feeders, radial and network distribution lines, and other projects to support the distribution system. For 2012, the proposed appropriations are \$71 million for the Customer Focused – CIP BCL and \$65 million for the Transmission and Distribution – CIP BCL.

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In addition, the 2012-2017 Proposed CIP has been reorganized to provide additional summary information and better explain capital spending in terms of power supply, transmission, distribution, externally-driven projects, and central Utility projects. These categories align with the revised Capital BCL structure and provide a clear link between CIP project allocations and appropriations in the budget.

Incremental Budget Changes

Seattle City Light

| | 2012 Dollar Amount | 2012 FTE |
|---------------------------------------|------------------------|----------------|
| 2012 Endorsed Budget | \$1,140,876,217 | 1810.50 |
| 2012 Proposed Changes | | |
| Cedar Falls Environmental Cleanup | \$3,900,000 | 0.00 |
| Taxes and Suburban Franchise Payments | \$913,000 | 0.00 |
| Purchased Power Costs | (\$3,471,377) | 0.00 |
| Capital Program Adjustments | (\$15,052,306) | 0.00 |
| Accounting Changes for Bond Expenses | \$5,037,394 | 0.00 |
| Technical Adjustments | \$3,568,620 | 0.00 |
| Total Changes | (\$5,104,669) | 0.00 |
| 2012 Proposed Budget | \$1,135,771,548 | 1810.50 |

Cedar Falls Environmental Cleanup - \$3,900,000. This proposal provides resources for environmental cleanup at the Cedar Falls remediation site and a number of superfund sites along the Duwamish River where the Utility is a potentially responsible party for contamination due to land ownership or historic use of property located along these waterways. These costs are offset by revenues from a State Model Toxics Control Act (MTCA) grant for \$3,752,659 which was not anticipated in the 2012 Endorsed Budget.

Taxes and Suburban Franchise Payments - \$913,000. This adjustment reflects \$568,000 in additional taxes, fees, and impact payments to be paid to Oregon, King County, and Pend Oreille County due to recent legislation and operating agreements. An additional \$345,000 is due to revised forecasts of payments to suburban cities as part of the Utility's franchise agreements which are fully offset by increased retail revenue from suburban ratepayers.

Purchased Power Costs - (\$3,471,377). City Light has opted not to purchase Priest Rapids Meaningful Priority Power, which reduces power costs from the 2012 Endorsed Budget. However, power costs have increased due to an additional allotment of BPA Block power to City Light based on conservation achievements, the earlier than anticipated start of operations at the King County West Point generating plant, and the final pricing for the PacifiCorp Integration Exchange Agreement which

delivers power from the Stateline Wind Project. The net result is a reduction in purchased power costs for 2012.

Capital Program Adjustments - (\$15,052,306). As part of the strategic planning effort, City Light has revised capital projections to reflect a baseline level of spending on major maintenance, equipment replacement, service connections, and other capital costs. Additional adjustments reflect project scope and schedule changes for major interdepartmental projects, including infrastructure relocations for the Alaskan Way Viaduct, Mercer Corridor, and First Hill Streetcar projects, and support for SPU's Morse Lake Pump project. The result is a net reduction in capital spending for 2012 as compared to anticipated 2012 spending levels in the 2011-2016 Adopted CIP. For a summary of City Light's capital program and more detail on project-level changes, please see the 2012-2017 Proposed CIP document.

Accounting Changes for Bond Expenses - \$5,037,394. This adjustment reflects accounting changes in accordance with Governmental Accounting Standards Board (GASB) standards to record federal subsidies and bond underwriter fees as bond expenses paid by the Utility. Previously, City Light accounted for these costs as net of bond proceeds. This is an accounting adjustment only. The increased budgeting expense is offset by recording increased bond revenue.

Technical Adjustments - \$3,568,620. Technical adjustments reflect Citywide cost adjustments, inflation adjustments, and internal department budget transfers that do not represent fundamental changes in City Light's service delivery. Citywide cost adjustments reflect changes to health care, transit benefits, retirement, workers compensation, unemployment costs, rates for DOIT and FAS services, and central cost allocated City departments. Inflation adjustments reflect COLA adjustments required by labor contracts based on observed CPI. Internal transfers include aligning the Real Estate Division under Environmental Affairs (transfer of 8 FTE), creating a Compliance and Security BCL (transfer of 14 FTE), aligning employee assignments to budget (transfer of 2.5 FTE), creating new Capital BCLs to better align with the 2012-2017 Proposed CIP, creating separate Long-term and Short-term Purchased Power BCLs, and correcting a purchased power reduction in the 2012 Endorsed Budget to the correct BCL (transfer of \$3.3 million).

Seattle City Light

Expenditure Overview

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|--------------------|---------------------|---------------------|----------------------|----------------------|
| Operations & Maintenance | | | | | |
| Office of Superintendent Budget Control Level | SCL100 | 2,767,756 | 2,876,578 | 2,916,667 | 2,923,085 |
| Power Supply O&M Budget Control Level | SCL210 | 59,695,649 | 63,200,413 | 66,225,632 | 62,449,375 |
| Conservation Resources and Environmental Affairs O&M Budget Control Level | SCL220 | 66,802,073 | 48,129,846 | 50,070,070 | 57,757,071 |
| Distribution Services Budget Control Level | SCL310 | 63,830,214 | 68,103,313 | 71,568,827 | 71,786,036 |
| Customer Services Budget Control Level | SCL320 | 26,119,347 | 27,733,445 | 28,402,473 | 26,847,557 |
| Human Resources Budget Control Level | SCL400 | 5,754,877 | 6,837,070 | 6,764,195 | 6,790,858 |
| Financial Services - O&M Budget Control Level | SCL500 | 27,719,674 | 34,981,446 | 29,155,810 | 28,988,915 |
| Compliance and Security Budget Control Level | SCL900 | 0 | 0 | 0 | 2,825,188 |
| Power Purchase | | | | | |
| Purchased Power Budget Control Level | SCL700 | 330,209,710 | 338,995,283 | 358,635,217 | 0 |
| Short-Term Purchased Power Budget Control Level | SCL710 | 0 | 0 | 0 | 67,121,923 |
| Long-Term Purchased Power Budget Control Level | SCL720 | 0 | 0 | 0 | 284,741,917 |

Seattle City Light

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------|----------------------|----------------------|----------------------|----------------------|
| General Expense | | | | | |
| General Expenses Budget Control Level | SCL800 | 64,875,152 | 68,064,440 | 71,300,685 | 76,790,566 |
| Debt Service Budget Control Level | SCL810 | 118,371,944 | 142,658,754 | 173,113,109 | 178,150,503 |
| Taxes Budget Control Level | SCL820 | 69,515,761 | 74,139,040 | 77,559,239 | 78,472,239 |
| Capital | | | | | |
| Power Supply & Environmental Affairs - CIP Budget Control Level | SCL250 | 62,610,279 | 57,845,507 | 43,973,100 | 46,196,214 |
| Customer Focused - CIP Budget Control Level | SCL370 | 0 | 0 | 0 | 71,268,536 |
| Customer Services and Energy Delivery - CIP Budget Control Level | SCL350 | 102,467,134 | 133,139,515 | 153,217,344 | 0 |
| Transmission and Distribution - CIP Budget Control Level | SCL360 | 0 | 0 | 0 | 64,871,719 |
| Financial Services - CIP Budget Control Level | SCL550 | 6,402,909 | 6,461,855 | 7,973,849 | 7,789,846 |
| Department Total | | 1,007,142,478 | 1,073,166,505 | 1,140,876,217 | 1,135,771,548 |
| Department Full-time Equivalents Total* | | 1,839.10 | 1,810.50 | 1,810.50 | 1,810.50 |

* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Revenue Overview

2012 Estimated Revenues for the City Light Fund

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|------------------------------|--|--------------------|--------------------|--------------------|--------------------|
| 443310 | Energy Sales to Customers | 613,396,765 | 648,272,869 | 688,927,974 | 671,910,329 |
| 443310 | Out of System Sales | 0 | 0 | 0 | 0 |
| 443310 | Retail Energy Revenue from Current Diversion, Un-Permitted House Rewires and No Longer Allowing Flat-Rate Billings | 0 | 2,106,000 | 2,106,000 | 2,106,000 |
| 443310 | Seattle Green Power/GreenUp/Community Solar | 1,312,407 | 330,000 | 385,000 | 3,130,000 |
| Total Retail Revenue | | 614,709,172 | 650,708,869 | 691,418,974 | 677,146,329 |
| 443310 | Sales from Priest Rapids | 6,398,276 | 0 | 9,500,000 | 4,917,295 |
| 443345 | Article 49 Sale to Pend Oreille Country | 1,579,287 | 1,696,984 | 1,738,071 | 1,669,835 |
| 443345 | Basis Sales | 972,312 | 5,712,483 | 7,289,147 | 0 |
| 443345 | Other Power Related Services | 13,107,058 | 14,683,607 | 7,667,701 | 7,319,141 |
| 443345 | Surplus Energy Sales | 109,457,304 | 137,526,911 | 151,190,694 | 151,190,694 |
| Total Wholesale Sales | | 131,514,238 | 159,619,985 | 177,385,612 | 165,096,963 |
| 431010 | Operating Grants | 2,969,721 | 300,000 | 115,000 | 3,867,659 |
| 431200 | BPA Conservation & Renewables Credit | 2,486,316 | 1,864,737 | 0 | 0 |
| 431200 | BPA Payments for Conservation Deferred | 10,303 | 4,732,690 | 0 | 4,926,389 |
| 443250 | Other O&M Revenue | 8,647,828 | 5,374,846 | 5,501,958 | 5,501,958 |
| 443250 | Revenue From Damage | 1,346,407 | 1,564,569 | 1,596,840 | 1,596,840 |
| 443345 | BPA Credit for South Fork Tolt | 3,382,401 | 3,462,462 | 3,382,347 | 3,637,892 |
| 443380 | Account Change Fees | 1,286,924 | 1,455,656 | 1,492,047 | 1,492,047 |
| 443380 | Construction & Miscellaneous Charges | 1,053 | 1,135,719 | 1,161,396 | 1,161,396 |
| 443380 | Late Payment Fees | 4,309,804 | 3,706,548 | 3,794,205 | 3,794,205 |
| 443380 | Pole Attachments | 1,635,651 | 2,024,393 | 2,073,390 | 2,073,390 |
| 443380 | Property Rentals | 2,761,543 | 1,289,963 | 1,320,470 | 1,320,470 |
| 443380 | Reconnect Charges | 249,554 | 248,395 | 254,269 | 254,269 |
| 443380 | Transmission Attach. & Cell Sites | 1,316,187 | 2,719,612 | 2,749,843 | 2,749,843 |
| 443380 | Water Heater & Miscellaneous Rentals | 160,705 | 187,680 | 192,119 | 192,119 |
| 461100 | Interest | 3,846,132 | 4,427,862 | 10,372,915 | 5,377,885 |
| 461100 | Sale of Property, Material & Equip. | 90,000 | 2,546,256 | 2,250,000 | 2,250,000 |
| 462900 | North Mountain Substation (Snohomish PUD) | 224,955 | 369,978 | 377,974 | 381,414 |
| 462900 | Transmission Sales | 2,728,472 | 1,819,226 | 1,853,497 | 3,063,776 |
| 469990 | Conservation - Customer Payments | 0 | 0 | 0 | 0 |
| 473010 | Capital Fees and Grants | 3,870,585 | 96,000 | 101,000 | 176,352 |
| 482000 | Contributions in Aid of Construction | 17,404,026 | 26,779,093 | 19,351,023 | 25,285,000 |
| 482000 | Suburban Undergrounding | 356,281 | 691,417 | 924,094 | 863,651 |
| 541830 | Reimbursement for CCSS - O&M | 930,829 | 2,297,581 | 2,297,581 | 2,350,543 |
| Total Other | | 60,015,676 | 69,094,684 | 61,161,968 | 72,317,098 |

2012 Estimated Revenues for the City Light Fund - continued

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|------------------------|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Total Revenues | | 806,239,086 | 879,423,538 | 929,966,554 | 914,560,390 |
| 379100 | Transfers from Construction Fund | 200,903,392 | 193,742,967 | 210,909,663 | 221,211,158 |
| Total Transfers | | 200,903,392 | 193,742,967 | 210,909,663 | 221,211,158 |
| Total Resources | | 1,007,142,478 | 1,073,166,505 | 1,140,876,217 | 1,135,771,548 |

Appropriation by Budget Control Level

Operations and Maintenance

Office of Superintendent Budget Control Level

The purpose of the Office of the Superintendent Budget Control Level is to provide leadership and broad departmental policy direction to ensure the effective delivery of reliable electric power, provide responsive customer service, and maintain the financial health of the utility. The Utility's communications and governmental affairs functions are included in this Budget Control Level.

| | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|------------------------------|--------------|--------------|---------------|---------------|
| Expenditures/FTE | | | | |
| Office of Superintendent | 2,767,756 | 2,876,578 | 2,916,667 | 2,923,085 |
| Full-Time Equivalents Total* | 18.75 | 18.75 | 18.75 | 17.75 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle City Light

Appropriations by Budget Control Level (BCL)

Power Supply O&M Budget Control Level

The purpose of the Power Supply O&M Budget Control Level is to provide clean, safe, economic, efficient, reliable sources of electric power for City Light customers. This Budget Control Level supports the power generation and power marketing operations of the utility. Utility-wide support services such as shops, real estate, fleet, and facility management services are also included in this Budget Control Level.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Power Supply O&M | 59,695,649 | 63,200,413 | 66,225,632 | 62,449,375 |
| Full-Time Equivalents Total* | 286.96 | 282.96 | 282.96 | 274.46 |

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Conservation Resources and Environmental Affairs O&M Budget Control Level

The purpose of the Conservation Resources and Environmental Affairs O&M Budget Control Level is to design and implement demand-side conservation measures that offset the need for additional generation resources, and to ensure that the Utility generates and delivers energy in an environmentally responsible manner. This Budget Control Level also supports the Utility's renewable resource development programs.

| | 2010 | 2011 | 2012 | 2012 |
|--|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Conservation Resources and Environmental Affairs O&M | 66,802,073 | 48,129,846 | 50,070,070 | 57,757,071 |
| Full-Time Equivalents Total* | 117.00 | 108.00 | 108.00 | 116.50 |

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Distribution Services Budget Control Level

The purpose of the Distribution Services Budget Control Level is to provide reliable electricity to customers through cost-effective operation and maintenance of City Light's overhead and underground distribution systems, substations, and transmission systems.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Distribution Services | 63,830,214 | 68,103,313 | 71,568,827 | 71,786,036 |
| Full-Time Equivalents Total* | 597.27 | 599.27 | 599.27 | 594.27 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Customer Services Budget Control Level

The purpose of the Customer Services Budget Control Level is to provide outstanding customer care and service through efficient, accurate metering and billing, and effective customer information systems.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Customer Services | 26,119,347 | 27,733,445 | 28,402,473 | 26,847,557 |
| Full-Time Equivalents Total* | 213.75 | 210.75 | 210.75 | 203.75 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Human Resources Budget Control Level

The purpose of the Human Resources Budget Control Level is to provide employee and management support services, including safety programs, organizational development, training, personnel, and labor relations.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Human Resources | 5,754,877 | 6,837,070 | 6,764,195 | 6,790,858 |
| Full-Time Equivalents Total* | 37.52 | 35.52 | 35.52 | 34.52 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Financial Services - O&M Budget Control Level

The purpose of the Financial Services - O&M Budget Control Level is to manage the Utility's financial health through prudent planning, risk mitigation, and provision of information to drive financial discipline and efficiency throughout the utility. Information technology services are also provided through this Budget Control Level to support systems and applications used throughout the Utility.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Financial Services - O&M | 27,719,674 | 34,981,446 | 29,155,810 | 28,988,915 |
| Full-Time Equivalents Total* | 197.50 | 186.90 | 186.90 | 186.90 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Appropriations by Budget Control Level (BCL)

Compliance and Security Budget Control Level

The purpose of the Compliance and Security Budget Control Level is to ensure compliance with federal electric reliability standards and secure critical utility infrastructure.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Compliance and Security | 0 | 0 | 0 | 2,825,188 |
| Full-Time Equivalents Total* | 0.00 | 0.00 | 0.00 | 14.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Power Purchase

Purchased Power Budget Control Level

The purpose of the Purchased Power Budget Control Level is to acquire power, transmission, and other services associated with wholesale power purchases in a cost-effective manner to meet the day-to-day electricity needs of City Light's retail customers. For the 2012 Proposed Budget, this Budget Control Level is replaced with the Short-term Purchased Power Budget Control Level and the Long-term Purchased Power Budget Control Level.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------|-------------|-------------|-------------|----------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Purchased Power | 330,209,710 | 338,995,283 | 358,635,217 | 0 |

Short-Term Purchased Power Budget Control Level

The purpose of the Short-Term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to manage the Utility's short-term demand given the variability of hydroelectric power. This Budget Control Level provides appropriations for planned transactions of up to 24 months in advance.

| | 2010 | 2011 | 2012 | 2012 |
|----------------------------|---------|---------|----------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Short-Term Purchased Power | 0 | 0 | 0 | 67,121,923 |

Appropriations by Budget Control Level (BCL)

Long-Term Purchased Power Budget Control Level

The purpose of the Long-term Purchased Power Budget Control Level is to acquire wholesale power, transmission, and other related services (including renewable energy credits) to meet the Utility's long-term demand for power. This Budget Control Level provides appropriations for planned transactions beyond 24 months in advance.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------------|---------|---------|----------|-------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Long-Term Purchased Power | 0 | 0 | 0 | 284,741,917 |

General Expense

General Expenses Budget Control Level

The purpose of the General Expenses Budget Control Level is to budget, track, and monitor the expenses of the Utility that, for the most part, are not directly attributable to a specific organizational unit. These expenditures include insurance, bond issue costs, bond maintenance fees, audit costs, Law Department legal fees, external legal fees, employee benefits (medical and retirement costs), industrial insurance costs, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.

| | 2010 | 2011 | 2012 | 2012 |
|------------------|------------|------------|------------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| General Expenses | 64,875,152 | 68,064,440 | 71,300,685 | 76,790,566 |

Debt Service Budget Control Level

The purpose of the Debt Service Budget Control Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.

| | 2010 | 2011 | 2012 | 2012 |
|--------------|-------------|-------------|-------------|-------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Debt Service | 118,371,944 | 142,658,754 | 173,113,109 | 178,150,503 |

Taxes Budget Control Level

The purpose of the Taxes Budget Control Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Control Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.

| | 2010 | 2011 | 2012 | 2012 |
|--------------|------------|------------|------------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Taxes | 69,515,761 | 74,139,040 | 77,559,239 | 78,472,239 |

Seattle City Light

Appropriations by Budget Control Level (BCL)

Capital

Power Supply & Environmental Affairs - CIP Budget Control Level

The purpose of the Power Supply & Environmental Affairs - CIP Budget Control Level is to provide for the capital costs of maintaining the physical generating plant and associated power license and regulatory requirements. This Budget Control Level supports capital projects identified in the Proposed 2012-2017 Capital Improvement Plan.

| | 2010 | 2011 | 2012 | 2012 |
|--|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Power Supply & Environmental Affairs - CIP | 62,610,279 | 57,845,507 | 43,973,100 | 46,196,214 |
| Full-Time Equivalents Total* | 73.26 | 73.26 | 73.26 | 73.26 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Transmission and Distribution - CIP Budget Control Level

The purpose of the Transmission and Distribution - CIP Budget Control Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the Utility's transmission and distribution systems. This Budget Control Level supports capital projects identified in the Proposed 2012-2017 Capital Improvement Plan.

| | 2010 | 2011 | 2012 | 2012 |
|-------------------------------------|---------|---------|----------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Transmission and Distribution - CIP | 0 | 0 | 0 | 64,871,719 |
| Full-Time Equivalents Total* | 0.00 | 0.00 | 0.00 | 156.06 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Customer Focused - CIP Budget Control Level

The purpose of the Customer Focused - CIP Budget Control Level is to provide for the capital costs of customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Control Level supports capital projects identified in the Proposed 2012-2017 Capital Improvement Plan.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Customer Focused - CIP | 0 | 0 | 0 | 71,268,536 |
| Full-Time Equivalents Total* | 0.00 | 0.00 | 0.00 | 132.32 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Appropriations by Budget Control Level (BCL)

Financial Services - CIP Budget Control Level

The purpose of the Financial Services - CIP Budget Control Level is to provide for the capital costs of rehabilitation and replacement of the Utility's financial systems and information technology infrastructure, and the development and implementation of large software applications. This Budget Control Level supports capital projects identified in the Proposed 2012-2017 Capital Improvement Plan.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Financial Services - CIP | 6,402,909 | 6,461,855 | 7,973,849 | 7,789,846 |
| Full-Time Equivalents Total* | 6.71 | 6.71 | 6.71 | 6.71 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Customer Services and Energy Delivery - CIP Budget Control Level

The purpose of the Customer Services and Energy Delivery - CIP Budget Control Level is to provide for the capital costs of installation, maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, services connections, and meters to meet customer demand. This Budget Control Level's capital program also coordinates the Utility's plant improvements with the efforts of other agencies involved in the implementation of large projects such as the Alaskan Way Viaduct and Seawall Replacement, North Downtown redevelopment, and Sound Transit light rail. For the 2012 Proposed Budget, this Budget Control Level is replaced with the Transmission and Distribution - CIP Budget Control Level and the Customer Focused - CIP Budget Control Level.

| | 2010 | 2011 | 2012 | 2012 |
|---|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Customer Services and Energy Delivery - CIP | 102,467,134 | 133,139,515 | 153,217,344 | 0 |
| Full-Time Equivalents Total* | 290.38 | 288.38 | 288.38 | 0.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle City Light

Fund Table

City Light Fund - 2012 Proposed Budget - Updated Sept 9, 2011

| | 2010 Actuals | 2011 Adopted | 2011 Revised | 2012 Endorsed | 2012 Proposed |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Beginning Cash Balance | 64,334,520 | 183,548,957 | 197,132,840 | 226,025,673 | 303,937,379 |
| Accounting and Technical Adjustments | 333,701,712 | 236,219,683 | 301,059,827 | 202,376,979 | 183,107,880 |
| Plus: Actual and Estimated Revenue | 806,239,086 | 879,423,538 | 878,911,217 | 929,966,554 | 914,560,390 |
| Less: Actual and Budgeted Expenditures | 1,007,142,478 | 1,073,166,505 | 1,073,166,505 | 1,140,876,217 | 1,135,771,548 |
| Ending Cash Balance | 197,132,840 | 226,025,673 | 303,937,379 | 217,492,989 | 265,834,101 |
| Less: Reserves Against Cash Balances | | | | | |
| Restricted Accounts* | 3,954,122 | 13,966,061 | 15,822,821 | 21,443,089 | 28,026,748 |
| Contingency Reserve / RSA** | 79,265,627 | 101,102,938 | 112,678,024 | 104,036,063 | 112,678,024 |
| Total Reserves | 83,219,750 | 115,068,999 | 128,500,845 | 125,479,153 | 140,704,772 |
| Ending Unreserved Cash Balance*** | 113,913,090 | 110,956,674 | 175,436,534 | 92,013,837 | 125,129,329 |

*Includes Special Deposits, Debt Service Account, and Bond Reserves. Does not include the Construction Account.

**The 2012 Proposed Budget assumes that Net Wholesale Revenue in 2012 will equal the target set by the RSA formula. Therefore, the fund table shows no drawdown of the RSA or revenue from any RSA Surcharge in 2012.

***Includes All City Light Cash other than Special Deposits, Debt Service Account, and Bond Reserve. Includes the Construction Account.

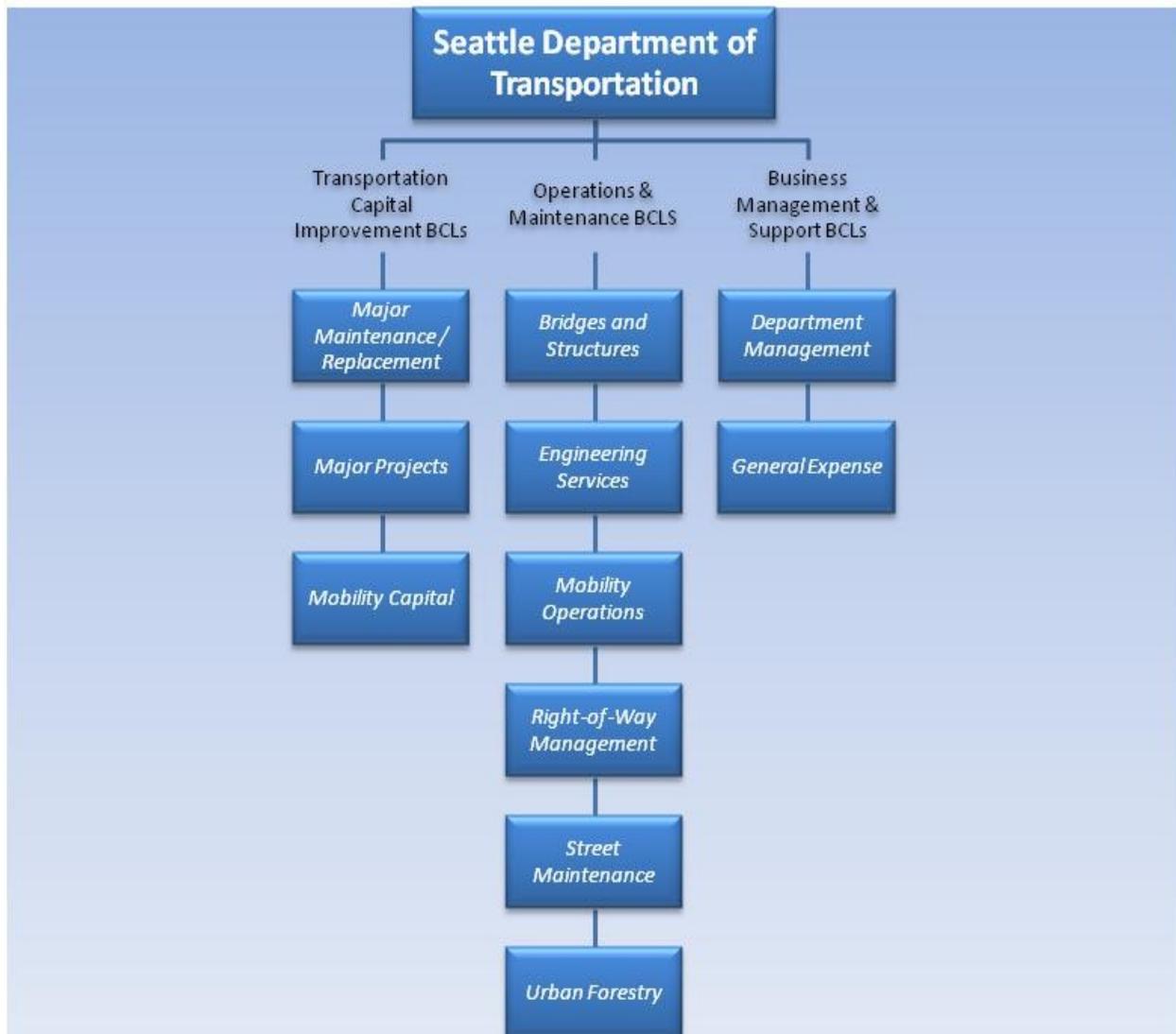
Seattle Department of Transportation

Peter Hahn, Director

Information Line: (206) 684-7623

<http://www.seattle.gov/transportation>

Department by Budget Control Level



Department Overview

The Seattle Department of Transportation (SDOT) develops, maintains, and operates a transportation system that promotes the safe and efficient mobility of people and goods, and enhances the quality of life, environment, and economy of Seattle and the surrounding region. The major assets of the

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City's transportation system are 1,540 lane-miles of arterial streets, 2,412 lane-miles of non-arterial streets, 147 bridges, 582 retaining walls, 22 miles of seawalls, 1,045 signalized intersections, 45 miles of bike trails and 223 miles of on-street bicycle facilities, 35,000 street trees, 2,200 pay stations, 300 parking meters, 26,000 curb ramps, and 1.6 million lane markers. The transportation infrastructure is valued at over \$13 billion.

The SDOT budget comprises 11 different Budget Control Levels (BCLs) grouped into three Lines of Business (LOBs):

1. The Transportation Capital Improvement Program LOB is responsible for the major maintenance and replacement of SDOT's capital assets, as well as the development and construction of additions to the City's transportation infrastructure. This LOB contains the Major Maintenance/Replacement, Major Projects, and Mobility-Capital BCLs.
2. The Operations and Maintenance LOB handles the day-to-day operations and routine maintenance to keep people and goods moving throughout the city. This LOB includes operation of the City's movable bridges, traffic signals, street cleaning, pothole repairs, permit issuance, tree maintenance, and engineering and transportation planning. The six BCLs in this area are Bridges and Structures, Engineering Services, Mobility-Operations, Right-of-Way Management, Street Maintenance, and Urban Forestry.
3. The Business Management and Support LOB provides policy direction and business support for SDOT. These services are contained in two BCLs. Departmental support is in the Department Management BCL. The General Expense BCL includes debt service, judgment and claims payments, and the allocated City central costs the department pays for overall support services it receives from other departments.

The Capital Improvement Program (CIP) comprises two-thirds of SDOT's budget with the remaining attributable to operations and maintenance and self-supporting enterprise activities such as permits, utility cut restorations, and reimbursable contract work performed at the request of developers and the city's utilities.

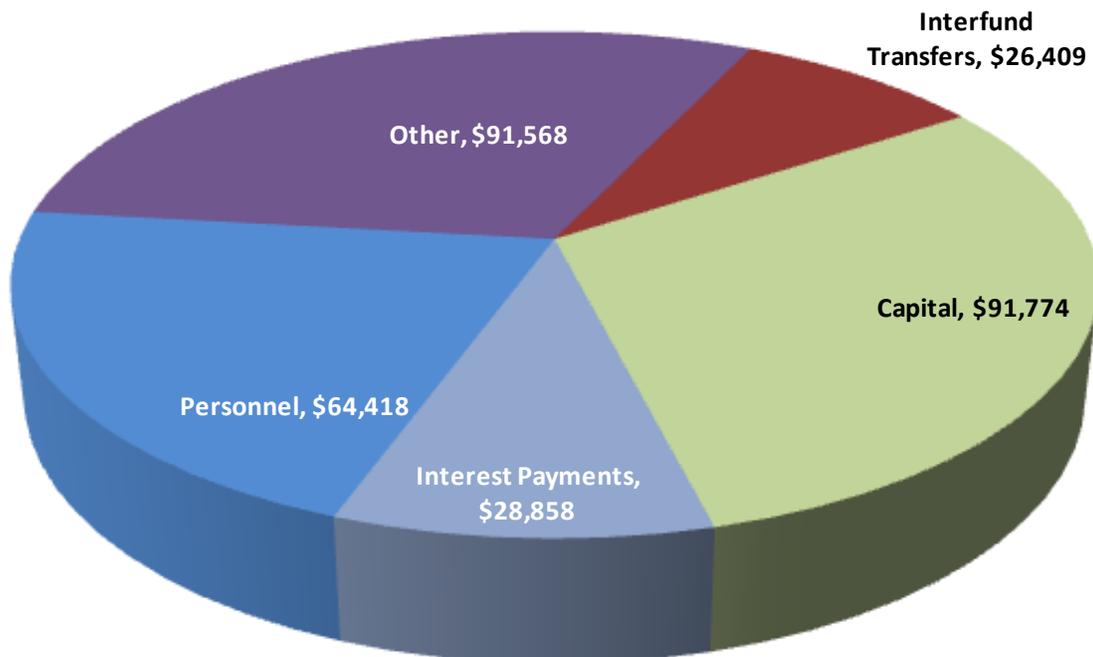
Seattle Department of Transportation

Budget Snapshot

| Seattle Department of Transportation | 2010 Actual | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------------|----------------------|----------------------|----------------------|
| General Fund | \$37,723,452 | \$38,913,576 | \$40,022,537 | \$38,007,423 |
| Other Revenues | \$232,604,287 | \$263,388,863 | \$270,289,074 | \$257,870,786 |
| Total Revenues | \$270,327,739 | \$302,302,439 | \$310,311,611 | \$295,878,209 |
| Use of (Contribution to) Fund Balance | \$9,797 | \$4,095,371 | (\$676,117) | \$7,148,277 |
| Total Resources | \$270,337,536 | \$306,397,810 | \$309,635,494 | \$303,026,486 |
| Total Expenditures | \$270,337,537 | \$306,397,810 | \$309,635,494 | \$303,026,486 |
| Full-Time Equivalent * Total | 792.00 | 768.50 | 768.50 | 714.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Proposed Budget - Expenditure by Category (\$ amounts in thousands)

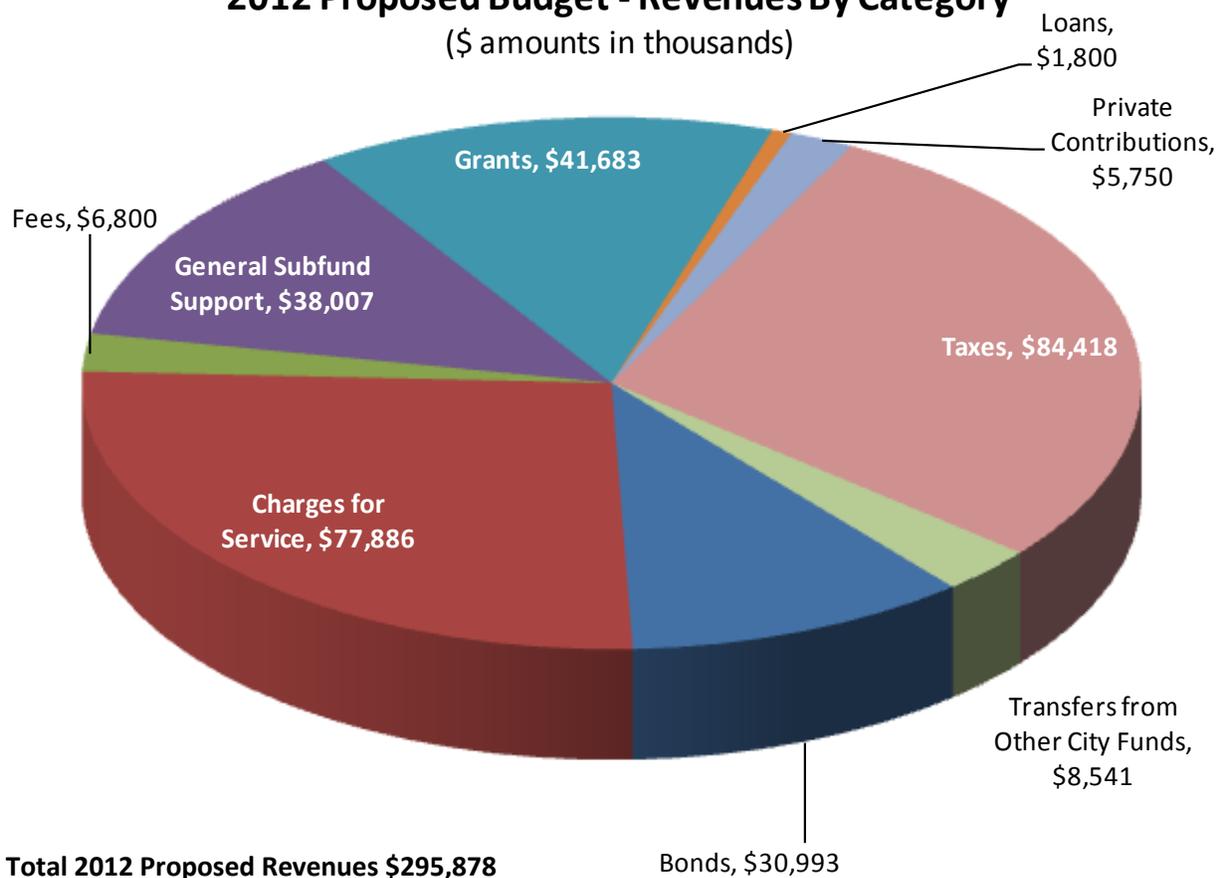


Total 2012 Proposed Expenditures - \$303,026

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2012 Proposed Budget - Revenues By Category

(\$ amounts in thousands)



Budget Overview

The Seattle Department of Transportation (SDOT) is supported by several funding sources, including bonds, federal, state and local grants, state and regional partnership agreements, Bridging the Gap property tax levy, commercial parking tax, fees for service, real estate excise taxes, street vacations, Gas Tax, and an annual allocation from the city's General Fund. Following the trend of recent years, the amount of revenue from many of these sources continues to decrease in 2012. General Fund budget pressures in 2012 and future years require that SDOT make budget reductions. SDOT is also experiencing funding decreases from other sources. Taken together with the General Fund reductions, SDOT's 2012 Proposed Budget closes a \$10 million gap. Other specific revenue shortfalls include:

- Gas Tax continues a steady decline that began in 2007. For 2012 SDOT expects to receive \$1 million less than was assumed in the 2012 Endorsed Budget.
- Reimbursable revenues in the 2012 Proposed Budget are projected to be \$2.8 million less than what was assumed in the 2012 Endorsed Budget. Most of this revenue is generated by utility cut restoration work, which has plummeted as a result of continued economic weakness. At its peak in 2008, utility cut restoration work represented \$10.6 million in inflation-adjusted dollars. For 2012, SDOT now projects only \$4.1 million in revenues from this source.

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- Street Use revenues tell a similar story. The 2012 Proposed Budget projects a \$2.5 million decrease from the 2012 Endorsed Budget. This represents a 31% decrease from the peak in 2008.

Strategic Use of Revenue

However, it is this broad mix of revenue that allows SDOT some flexibility in addressing the department's budget challenges. The City of Seattle's transportation work is bolstered by the Bridging the Gap funding package passed by voters in 2006, the \$20 Vehicle License Fee implemented in 2011, the Commercial Parking Tax, and federal and state grants. Within the constraints of each revenue stream's restrictions, SDOT took a comprehensive approach to the development of the 2012 Proposed Budget and made strategic use of revenues whenever possible in order to preserve funding for core services. This strategic approach helps SDOT preserve several core transportation services, including the major maintenance of capital assets, operation of traffic signals, operation of the City's movable bridges, pothole repairs, street cleaning, and permit issuance, during a year when SDOT's overall funding gap from all sources is approximately \$10 million.

A unique revenue source that benefits SDOT's 2012 Proposed Budget is the proceeds from the sale of the City's Rubble Yard property to the State of Washington for \$19.8 million. The revenue from the sale was received in 2011, and is an important source of one-time revenue to help address a number of key transportation needs, including street surface repair, winter storm readiness, neighborhood traffic control, and freight spot improvements.

Sustainable Reductions

Though a strategic approach to preserving funding for core services and the availability of the Rubble Yard proceeds help to minimize the reductions necessary to close SDOT's funding shortfalls, the Department still needs to make reductions in order to balance the 2012 Proposed Budget. The budget focuses on long-term solutions that support the department's financial stability beyond 2012, including efforts that will "right-size" the business to better match the reality of the economic climate.

One of SDOT's functions is performing work that is generated by other departments or companies on a reimbursable basis. For example, public and private utilities may need to access utility connections below the street in order to provide service to a new building. When this work is complete, the utility may then contract with SDOT to restore the street to its original (and often improved) condition. Restoration expenses are reimbursed by the entity that initiated the project. Because this work is largely driven by construction, and therefore by the overall state of the economy, the frequency of these requests have decreased significantly in 2011 and are expected to remain at a reduced level in 2012. As a result, SDOT is reducing staffing to reflect this lower workload. The majority of these reductions are a continuation of changes that SDOT made in mid-2011.

To the greatest extent possible, the reductions in the 2012 Proposed Budget focus on staffing efficiencies, administrative reductions, and service reductions where the impact is minor or is mitigated by other factors. For staffing reductions, SDOT identified opportunities in which an existing body of work could be divided and shared by other staff members, allowing for abrogations in the areas of office management, grants monitoring and engineering support with no negative programmatic impact. Other staffing savings were achieved by eliminating vacant positions and by addressing span of

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control issues. SDOT also found sustainable reductions in non-labor, non-programmatic expenses. These reductions include deferred software upgrades, software licenses, consultant funding, and other discretionary expenses.

After exhausting these avenues, SDOT filled its remaining budget gap by making difficult programmatic cuts, including the elimination of the “chip seal” pavement preventative maintenance program, reductions to the stairway rehabilitation program, and modest reductions to urban trail and bicycle spot improvements. The chip seal program was selected for elimination because the work program planned for 2012 had already been scaled back so significantly that the elimination of the remainder would not have a major impact. The stairway rehabilitation program cut was selected because SDOT was able to partially mitigate the impact by infusing unspent capital dollars from other projects in 2011. The urban trail and bicycle spot improvements were selected because even with these cuts, funding for various pedestrian and bicycle-related work is still increased from 2011 levels.

On-Street Parking Program

In 2011, SDOT made changes to on-street parking rates to achieve the policy objective of one to two open spaces per block-face on average throughout the day. Rates were increased in four of the City’s 23 parking districts and were reduced in 11. Measurements from a June 2011 survey indicate that parking occupancy fell in the four areas where parking rates were increased, achieving the intended effect of one to two open spaces per block-face on average. However, in the 11 areas where the parking rate was lowered, results were mixed; parking occupancy rates increased in some areas, but in the majority of areas, occupancy rates actually fell.

In addition to the June 2011 data collection, SDOT completed a comprehensive Performance-Based Parking Pricing Study to inform the 2012 rate-setting process. The study assisted SDOT in identifying ways to enhance data-driven parking management tools and evaluating various business case options for implementation. As part of the study, SDOT convened an advisory Parking Sounding Board of downtown and neighborhood business district interests and held discussions with national parking experts.

As a result of the additional work done to collect data and analyze performance-based pricing, SDOT is proposing further refinements to the rate-setting policies and process in 2012. In addition to adjusting hourly rates in some neighborhood parking areas, SDOT will also delineate parking rate boundaries on a more granular level, such as adjusting geographic boundaries to divide some parking areas into smaller areas, and extend authorized time-limits in certain locations. The refined parking management tools are particularly warranted in neighborhoods in which lowering rates in 2011 did not generate increased parking demand. In 2012, 13 neighborhoods will have rate, boundary, and/or time limit changes, under SDOT’s proposal. These proposed changes are described in more detail below. Additional information about specific neighborhood changes is available at: <http://www.seattle.gov/transportation/parking/paidparking.htm>.

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Geographic Boundaries Changes:

The University District, Ballard, South Lake Union, Belltown, Pioneer Square, Capitol Hill, and Uptown geographic boundaries will be adjusted to delineate higher demand and lower demand areas within each neighborhood. These changes will result in a more precise application of the data-driven policy objectives because rates can be set on a more granular level. In some cases, the boundaries between neighborhoods or sub-neighborhoods will be moved. In others, differentiation will be made between the neighborhood core and outer areas with lower measured demand. Following the policy objectives, rates will be applied so that lower-demand areas have a lower parking rate than higher-demand areas in each neighborhood. In some cases, lower-demand areas will also have extended time limits.

Rate Changes:

Rate adjustments in 2012 will be made in six neighborhoods in the context of the geographic boundary changes described above and the policy objective of achieving one to two open spaces per block-face. The lower-demand areas in Pioneer Square and Capitol Hill will have a rate decrease compared to 2011 levels. The higher-demand areas in the University District, Ballard, and Belltown South will have a rate increase compared to 2011. Most long-term areas in South Lake Union will be priced at \$1.50 per hour compared to \$1.25 in 2011. All other rates will remain unchanged in 2012.

Time Limits Changes:

Extended time limits will be applied in locations where measured occupancy levels are low or below the policy objective. Four-hour parking will be available in Denny Triangle North, Roosevelt, and parts of the University District, Ballard, Belltown, and Uptown. Uptown Triangle, Westlake Ave N, and some additional spaces in South Lake Union will not have a daily time limit. In some cases, time limits are extended in lieu of lowering rates because, based the June 2011 data collection, further rate decreases are not likely to generate parking demand. Extending time limits in these areas is expected to increase parking demand and support businesses that require longer stays by their customers. Longer-term paid parking has been successful in South Lake Union, where there is strong demand compared to short-term parking, and parts of Downtown near the Waterfront where a small pilot has been implemented. Paid parking hours will be extended from 6:00 PM to 8:00 PM in Denny Triangle South.

In neighborhoods where paid parking was extended to 8:00 PM in 2011, time limits after 5:00 PM will be changed from two hours to three hours in 2012. This will give evening visitors to restaurants and theaters a choice to purchase more time. Time will continue to be limited to two hours in these locations before 5:00 PM. SDOT will monitor parking occupancy and turnover in these neighborhoods to ensure people are still able to find sufficient on-street parking in the evenings.

Pay By Cell:

The 2012 Proposed Budget includes funding to implement a new program, known as pay-by-cell, which will enable citywide parking payments through cell phones and mobile devices. Pay-by-cell will be a payment option at all locations in which on-street paid parking exists. Payment through SDOT's existing pay stations will continue to be available. While requiring relatively little infrastructure investment, the new payment method is expected to provide additional convenience for customers and a variety of other practical benefits that help make Seattle more visitor-friendly. With pay-by-cell, parkers call a phone number or use a mobile smartphone application to set up an account that is linked to vehicle license plates. When reaching a pay-by-cell area, the parker logs on or calls into that account

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and purchases the needed parking time. With a smartphone, the typical application also allows the parker to remotely extend their time up to the time limit, and to be alerted before paid time expires. Parking Enforcement Officers will have access to real-time payment information. The program is expected to begin in the summer of 2012.

Revenue Impact:

Taken together, the above parking changes represent an estimated \$810,000 of added General Subfund revenue relative to the 2012 Endorsed Budget. Please see the General Subfund Revenue Overview section for more information and a broader explanation of other factors impacting parking revenues.

Improved Financial Management

In 2012, SDOT is budgeting \$200,000 to improve the Department's use of the City's Summit financial management system. Funds may be used to support staffing or consultant services. As part of the City's FinMAP program, an effort led by the Finance and Administration Department to improve the City's overall financial processes, this work will allow SDOT to more closely align its revenues, expenses and fund sources. This expense will be included in SDOT's indirect cost pool, which will be absorbed in the budgets of the Department's various operating and capital projects and charged to all eligible revenue sources. Therefore, this item does not represent a net increase in SDOT's budget.

Future Needs

Looking to the future, SDOT faces a large backlog of unfunded maintenance needs. Deferred maintenance leads to more costly repairs in the long run, and the City lags far behind industry standards for repair and replacement cycles in many functional areas. With the guidance of the Citizens Transportation Advisory Committee (CTAC 3), and the collaborative efforts of the Executive and City Council, SDOT hopes to continue the conversation of how to adequately address the transportation needs of Seattle's residents in the years to come. One important step in this direction is a public vote in November 2011 on a \$60 Vehicle License Fee (VLF) measure. This measure, which was placed on the ballot by the Seattle Transportation Benefit District Board (comprised of City Council members) and supported by the Mayor, would provide additional funding for major maintenance, transit, and bike and pedestrian facilities. These funds are not built into the 2012 Proposed Budget, and will be added to the budget by City Council action if this measure is approved.

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Incremental Budget Changes

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| | 2012 Dollar Amount | 2012 FTE |
|--|-----------------------|----------------|
| 2012 Endorsed Budget | \$309,635,494 | 768.50 |
| 2012 Proposed Changes | | |
| Right-Sizing Staffing Levels for Reimbursable Work | (\$2,814,101) | (36.00) |
| Allocating \$20 Vehicle License Fee Revenues | \$1,059,000 | 0.00 |
| Rubble Yard Proceeds | \$4,290,000 | 0.00 |
| On-Street Parking Program Changes | \$1,311,389 | (1.00) |
| Chip Seal Program Elimination | (\$565,000) | 0.00 |
| Stairway Rehabilitation Reduction | (\$208,076) | (2.00) |
| Bicycle and Pedestrian Spot Improvements Reduction | (\$311,750) | 0.00 |
| Traffic Signal Staffing Reduction | (\$777,695) | (5.00) |
| Miscellaneous Staffing Reductions | (\$901,612) | (9.50) |
| Fleet Reduction Savings | (\$28,311) | 0.00 |
| Non-Labor, Non-Programmatic Reductions | (\$579,496) | 0.00 |
| Revenue Swaps to Save General Fund | (\$378,483) | (1.00) |
| Waterfront Quiet Zone Projects | \$1,188,500 | 0.00 |
| Cost and Schedule Adjustments to Major Projects | (\$15,974,767) | 0.00 |
| Technical Adjustments | \$8,081,395 | 0.00 |
| Total Changes | (\$6,609,008) | (54.50) |
| 2012 Proposed Budget | \$303,026,486 | 714.00 |

Right-Sizing Staffing Levels for Reimbursable Work - (\$2,814,101) / (36.00) FTE. As a result of significant reductions in reimbursable work, SDOT is adjusting its staffing levels and material expenses to match this decreased workload. These changes include the elimination of two street maintenance crews and related staff in the Traffic division, as well as the reduction of equipment and materials. The majority of these adjustments are a continuation of changes that SDOT made mid-year 2011.

Allocating \$20 Vehicle License Fee Revenues - \$1,059,000. CTAC 3 was charged with recommending the 2012 allocation of the \$20 Vehicle License Fee (VLF), totaling \$6.8 million, which was approved in the 2011 Adopted Budget. The changes in this category represent the committee's recommendation, which added significant funding to pavement preservation, sidewalk safety access, transit corridors, and bicycle improvements. In some cases, however, this new funding was off-set by another necessary cut, which the committee recognized when they developed their recommendations. In those cases, the 2012 Proposed Budget moves VLF to the programmatic areas identified by CTAC 3, but also shifts non-VLF funding in order to preserve core transportation services. Without the additional VLF funds, critical SDOT programs such as street cleaning, landscape maintenance, and emergency response – and a corresponding total of 19 FTEs – would have been at risk.

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Of the full \$6.8 million, all but \$179,000 was included in the 2012 Endorsed Budget. The change here represents the programming of the \$179,000, plus the reprogramming of \$880,000 of VLF funds that are no longer needed in the projects identified in the 2012 Endorsed Budget because other revenue sources are proposed to cover those functions. This additional non-VLF revenue allows SDOT to fully implement CTAC 3's recommendations for VLF.

Rubble Yard Proceeds - \$4,290,000. The 2011 sale of the City's Rubble Yard property to the State of Washington generated \$19.8 million in proceeds to the Transportation Operating Fund. For all proposed uses of Rubble Yard funding, job preservation is a key component. Whenever possible, these funds are being used to keep a skilled workforce that otherwise would have been cut due to other declining revenues. The Mayor and SDOT are proposing the following uses for approximately \$6.7 million of these funds (as described below, approximately \$2.4 million of this total does not represent a net change in SDOT's total budget authority):

Enhanced Paving: In 2011, the Mayor and City Council supported the use of \$3 million of the funds to address critical street surface repair needs. The Proposed Budget recommends using an additional \$1.65 million of the funds to continue this work in 2012, and reserving another \$1.65 million for the continuation of enhanced paving in 2013. SDOT's projections show that other revenue sources may be available to fund this as an ongoing effort beginning in 2014.

- 2012 Proposed Budget: \$1,650,000
- Proposed Reserve for Future Years (2013): \$1,650,000

Winter Storm Preparedness: The Proposed Budget recommends using \$340,000 for one-time enhancements to the City's snow and ice readiness efforts. This includes the installation of temperature sensors on seven bridges, and the purchase and installation of equipment to make SDOT's response vehicles more effective in clearing the streets. An additional \$800,000 is proposed for SDOT's emergency response needs. Although funding for emergency services was increased in the 2011 Adopted Budget from 2010 levels, the department has often incurred expenses above that higher level due to severe winter weather. The additional funding proposed for 2012 raises SDOT's emergency response funding levels to match the actual amount spent in 2009, which was the worst storm year in recent history. With current forecasts predicting severe winter weather in 2012, this funding is critical to ensure that the City is equipped to recover quickly from winter storms.

- 2012 Proposed Budget: \$1,140,000
- Proposed Reserve for Future Years: \$0

Preserving Core Services: Despite SDOT's strategic approach to addressing their budget shortfall, a significant non-General Fund revenue gap remains. Addressing this gap with further cuts would have resulted in major reductions or elimination of core transportation services such as street cleaning, landscape maintenance, bridge painting, neighborhood traffic control, and freight spot improvements. To preserve these critical functions, the budget proposes using Rubble Yard proceeds in 2012, 2013 and 2014. Though these are ongoing services, the revenue gap for funding this work is expected to last for a limited period of time. Economic forecasts indicate that the drivers behind several of SDOT's revenue streams will have improved by 2015.

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- 2012 Proposed Budget: \$2,385,580. This does not represent any additional budget authority, as it supports programming that was included in the 2012 Endorsed Budget. This funding offsets other shortfalls in order to preserve core services.
- Proposed Reserve for Future Years (2013 and 2014): \$4,677,298

High Capacity Transit Planning: The Proposed Budget recommends a one-time use of \$1.5 million for planning related to high capacity transit in the five corridors identified in the Transit Master Plan.

- 2012 Proposed Budget: \$1,500,000
- Proposed Reserve for Future Years: \$0

Mercer Corridor Project - West Phase: In 2013, \$2 million of Rubble Yard proceeds are proposed for the Mercer Corridor West Phase project. The Mercer West project will convert Mercer Street to a two-way street between Dexter Ave and Elliott Ave West. These improvements will widen the Aurora underpass, extend vital east-west mobility improvements through the corridor, and support traffic flow adjacent to the Alaskan Way Viaduct north end bored tunnel portal.

- 2012 Proposed Budget: \$0
- Proposed Reserve for Future Years (2013): \$2,000,000

Rubble Yard Relocation: The Mayor recommends reserving the remaining \$1.8 million for the relocation of the Rubble Yard to its new permanent facility in 2013. This amount represents an initial estimate, and will be refined by SDOT in the coming year.

- 2012 Proposed Budget Impact: \$0
- Proposed Reserve for Future Years (2013): \$1,800,000

Items that are proposed for future years will be formally requested via the 2013 Proposed Budget process.

On-Street Parking Program Changes - \$1,311,389 / (1.0) FTE. The budget proposes staffing, service delivery and rate changes to the City's On-Street Parking Program in 2012. The 2012 Proposed Budget includes \$775,000 to implement on-street parking rate and policy changes described in the SDOT Budget Overview. These implementation costs include pay station programming and graphics, signage, communications, and credit card processing fees. To support the increased complexity of the City's on-street parking program, the 2012 Proposed Budget adds a 1.0 FTE Senior Transportation Planner position to work with neighborhood business districts to communicate and collaborate on the changes to pricing and time-limit changes. Also included is \$80,000 to collect annual parking duration data in 10 to 12 areas where time-limit changes will be implemented.

The 2012 Proposed Budget includes \$140,500 to implement a pay-by-cell program to enable citywide parking payments through cell phones and mobile devices. The program will be implemented at all locations in which on-street paid parking exists. As an option, parkers will be able to pay for parking by calling a phone number or by using a custom mobile application. A procurement process will begin in early 2012 to select a vendor with the goal of implementation in the summer of 2012. The vendor will be primarily responsible for signage and pay station graphics that provide instructions for using this

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new payment option. Program costs include \$86,000 for monthly service charges, system integration, and public outreach. \$63,000 is budgeted for Seattle Police Department Parking Enforcement equipment and data connection costs.

Other staffing changes include the abrogation of two parking positions: one vacant pay station technician and one vacant maintenance laborer, and related savings of \$169,733. This cut is necessary to balance SDOT's budget. As a result of these reductions, response times for sign changes or pay station repairs may not be optimal.

Additionally, the budget adds \$116,380 in recognition of revenue from Seattle Public Utilities (SPU) to pay for a Maintenance Laborer to work on abating graffiti on pay stations. This is consistent with work done by SDOT and Seattle Public Utilities in 2011 to explore options for improved graffiti control on parking pay stations.

Finally, the Proposed Budget provides \$450,000 for the costs associated with repairing or replacing pay station parts that are off-warranty. With its constrained revenues, SDOT is no longer able to absorb these costs within its base budget.

Chip Seal Program Elimination - (\$565,000). To balance the General Fund shortfall, the 2012 Proposed Budget includes a small number of difficult programmatic cuts. The "chip seal" preventative maintenance program will be eliminated, which will add to the deferred maintenance backlog for residential non-arterial streets. This change results in savings of \$565,000. These funds would have supported up to one mile of chip seal maintenance work. With this reduction, the Department's paving and street repair efforts will focus on arterials.

Stairway Rehabilitation Reduction Total - (\$208,076) / (2.0) FTE. The budget reduces funding for two positions related to stairway rehabilitation, leaving \$448,000 remaining in the program for 2012. Stairways in the worst condition and which pose the greatest safety risk to the public will continue to be reconstructed. However, there is no longer funding for SDOT to perform systematic stairway inspections throughout the city. SDOT will work from existing assessments, which have identified 252 City stairways that are in poor condition.

Bicycle and Pedestrian Spot Improvements Reduction - (\$311,750). Modest reductions are proposed to urban trail spot improvements and the installation of bicycle parking spaces. The 2012 Endorsed Budget provided funding for 15 spot improvements and the installation of 300 new bicycle parking spaces. In the 2012 Proposed Budget, the decreased funding levels reduce these deliverables to 5 spot improvements and 150 new bicycle parking spaces. However, if a \$60 Vehicle License Fee is approved by voters in November 2011, a significant portion of those funds will go toward bicycle and pedestrian spot improvements as recommended by CTAC 3.

Traffic Signal Staffing Reduction - (\$777,695) / (5.0) FTE. This cut represents the abrogation of 5.0 FTE related to traffic signals: two work on major maintenance, two on signal timing, and one on the detectors that adjust to allow only the necessary amount of green-light time. As a result of these abrogations, the frequency of signal major maintenance will be slightly reduced, the time for repairing broken detectors will be slightly extended, and each remaining staff person in the signal timing group will be responsible for 265 signals instead of 210.

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Miscellaneous Staffing Reductions - (\$901,612) / (9.5) FTE. SDOT examined staffing levels throughout the department, and offered proposals that would generate staffing efficiencies with minimal impact on service delivery. Changes in this category include the following:

- Abrogation of three positions in the areas of office management, grants monitoring, and engineering support functions. This work will be distributed among other existing positions
- Abrogation of three vacant planner positions
- Elimination of a senior-level position in the Capital Projects and Roadway Structures Division in recognition of span of control concerns. This reduces a layer of reporting for the civil engineers in that division.
- Elimination of one channelization staff, leaving 5.0 FTE remaining to do channelization layout and design work.
- Reduction of a full-time Pavement Manager to 0.5 FTE in order to adjust to the right-sizing staffing changes described earlier.
- Elimination of 1.0 FTE Senior Warehouse position, which is mitigated by the increased efficiencies generated by SDOT's consolidation of warehousing facilities.
- Holding a Commercial Vehicle Enforcement Officer (CVEO) position vacant through 2012, which leaves one remaining CVEO position. This action will limit daily enforcement of trucking laws and regulations, and reduce capacity for night escorts of large vehicles using city streets.
- Salary savings due to temporary vacancies in other positions.

Fleet Reduction Savings - (\$28,311). Based on a Citywide study assessing fleet needs and utilization, SDOT can remove seven vehicles from its fleet without negatively affecting service levels. This results in annual lease savings.

Non-Labor, Non-Programmatic Reductions - (\$579,496). To preserve core programs to the greatest extent possible, SDOT identified several non-labor administrative areas for budget reductions. Software enhancements totaling \$350,000 in the Street Use division are eliminated. Other items that are reduced include the discretionary budget of the Resource Management and Major Projects divisions; consultant funding related to the SR-520 project; and information technology (IT) professional services, such as software licenses and server support. The budget also proposes the elimination of General Fund support for project scoping and cost estimates of neighborhood-based requests for transportation improvements and changes. When possible, this work may be charged to other projects. The majority of these reductions were implemented mid-year 2011 and are continued in the 2012 Proposed Budget.

Revenue Swaps to Save General Fund - (\$378,483) / (1.0) FTE. Changes in this category represent a total of \$1.4 million in General Fund savings and \$400,000 in Real Estate Excise Tax (REET) savings. These reductions do not have any service impact as the corresponding work is fully funded by other eligible revenue sources. The \$378,000 shown here represents General Fund reductions that are being covered by other static revenues, such as existing grants. The remaining General Fund and REET savings net to zero, as they are replaced by other increased revenues. The position change represents the abrogation of 1.0 FTE in SDOT's Asset Management workgroup, and the freed-up funds are applied to higher priority functions.

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Waterfront Quiet Zone Projects - \$1,188,500. Using revenue from Street Vacations, SDOT will complete two projects to meet the Federal Railroad Administration required improvements for the Seattle Waterfront Quiet Zone.

Cost and Schedule Adjustments to Capital Projects - (\$15,974,767). Capital technical adjustments including budget adjustments in major projects reflect updates to project schedules and spending plans. The implementation of these projects spans multiple years and the 2012 Budget adjustments primarily represent schedule shifts. The overall budgets for Mercer Corridor Project, Linden Avenue North Complete Streets, and the Spokane St. Viaduct have not changed. See the 2012-2017 Proposed Capital Improvement Program for specific funding information.

Technical Adjustments - \$8,081,395. Technical adjustments include the recognition of new grant revenue, changes in debt service payments, budget-neutral internal transfers between programs, and Citywide changes to employee costs such as health care, retirement, and unemployment.

Expenditure Overview

| | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------|--------------------|------------------|------------------|------------------|
| Appropriations | | | | | |
| Bridges & Structures Budget Control Level | | | | | |
| Bridge Operations | | 2,592,864 | 2,661,292 | 2,769,466 | 2,880,642 |
| Structures Engineering | | 805,088 | 882,557 | 915,957 | 774,173 |
| Structures Maintenance | | 3,827,498 | 3,981,827 | 4,122,425 | 4,072,833 |
| Bridges & Structures Total | 17001 | 7,225,450 | 7,525,676 | 7,807,848 | 7,727,648 |
| Department Management Budget Control Level | | | | | |
| Director's Office | | 1,154,078 | 2,957,933 | 3,039,851 | 2,842,046 |
| Division Management | | 10,984,792 | 11,723,939 | 12,048,515 | 13,637,703 |
| Human Resources | | 790,116 | 1,151,829 | 1,192,612 | 1,238,631 |
| Indirect Cost Recovery - Department Management | | (28,513,816) | (27,356,862) | (28,232,282) | (29,072,775) |
| Public Information | | 588,236 | 909,994 | 940,060 | 979,424 |
| Resource Management | | 13,083,931 | 10,667,458 | 10,994,505 | 12,150,684 |
| Revenue Development | | 591,152 | 657,894 | 682,798 | 731,273 |
| Department Management Total | 18001 | (1,321,511) | 712,185 | 666,060 | 2,506,987 |
| Engineering Services Budget Control Level | 17002 | 2,320,942 | 1,891,726 | 1,967,719 | 1,625,910 |

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| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|----------------|-------------------|--------------------|--------------------|-------------------|
| General Expense Budget Control Level | | | | | |
| City Central Costs | | 7,860,166 | 11,361,817 | 11,657,439 | 12,324,795 |
| Debt Service | | 16,436,882 | 19,279,045 | 28,470,943 | 26,111,350 |
| Indirect Cost Recovery - General Expense | | (8,846,481) | (11,361,315) | (11,682,778) | (11,657,438) |
| Judgment & Claims | | 2,302,611 | 3,507,637 | 3,507,637 | 3,507,637 |
| General Expense Total | 18002 | 17,753,178 | 22,787,184 | 31,953,240 | 30,286,344 |
| Major Maintenance/Replacement Budget Control Level | | | | | |
| Bridges & Structures | | 24,571,220 | 22,992,000 | 20,058,000 | 15,032,000 |
| Landslide Mitigation | | 415,200 | 350,000 | 454,000 | 454,000 |
| Roads | | 23,446,060 | 22,831,000 | 17,333,000 | 18,732,999 |
| Sidewalk Maintenance | | 2,616,170 | 1,748,000 | 1,814,000 | 1,814,000 |
| Trails and Bike Paths | | 4,160,565 | 4,651,001 | 4,788,000 | 5,497,000 |
| Major Maintenance/Replacement Total | 19001 | 55,209,214 | 52,572,001 | 44,447,000 | 41,529,999 |
| Major Projects Budget Control Level | | | | | |
| Alaskan Way Viaduct and Seawall Replacement | | 11,735,181 | 21,765,701 | 29,707,684 | 16,627,000 |
| First Hill Streetcar | | 3,212,483 | 27,249,545 | 49,370,825 | 48,623,000 |
| Magnolia Bridge Replacement | | 3,434 | 0 | 0 | 0 |
| Mercer Corridor | | 6,624,216 | 2,252,000 | 10,854,000 | 10,854,000 |
| Mercer West | | 2,492,243 | 9,037,437 | 15,055,207 | 11,173,000 |
| Spokane Street Viaduct | | 54,146,409 | 44,526,228 | 11,815,435 | 11,815,000 |
| SR-520 | | 178,857 | 303,068 | 301,684 | 259,944 |
| Major Projects Total | 19002 | 78,392,824 | 105,133,979 | 117,104,835 | 99,351,944 |
| Mobility-Capital Budget Control Level | | | | | |
| Corridor & Intersection Improvements | | 6,806,832 | 8,405,000 | 5,023,000 | 12,043,000 |
| Freight Mobility | | 6,461,508 | 645,000 | 1,111,000 | 1,823,991 |
| Intelligent Transportation System | | 4,725,341 | 7,869 | 0 | 0 |
| Neighborhood Enhancements | | 5,138,307 | 7,046,000 | 7,606,000 | 10,264,001 |
| New Trails and Bike Paths | | 2,976,533 | 4,070,000 | 20,000 | 15,026 |
| Sidewalks & Pedestrian Facilities | | 4,666,547 | 5,917,547 | 7,117,000 | 8,041,500 |
| Transit & HOV | | 12,192,516 | 6,543,000 | 230,000 | 14,427,871 |
| Mobility-Capital Total | 19003 | 42,967,584 | 32,634,416 | 21,107,001 | 46,615,389 |

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| | Summit | 2010 | 2011 | 2012 | 2012 |
|---|--------------|--------------------|--------------------|--------------------|--------------------|
| Appropriations | Code | Actuals | Adopted | Endorsed | Proposed |
| Mobility-Operations Budget Control Level | | | | | |
| Commuter Mobility | | 8,443,735 | 13,795,646 | 13,695,642 | 11,945,342 |
| Neighborhoods | | 3,221,282 | 1,930,568 | 2,069,760 | 1,848,516 |
| Parking | | 6,916,238 | 8,616,255 | 7,947,103 | 8,553,246 |
| Signs & Markings | | 4,456,715 | 3,979,837 | 4,135,893 | 3,832,324 |
| Traffic Signals | | 7,562,683 | 8,520,592 | 8,820,105 | 8,730,092 |
| Mobility-Operations Total | 17003 | 30,600,654 | 36,842,898 | 36,668,502 | 34,909,520 |
| ROW Management Budget Control Level | 17004 | 9,881,611 | 12,134,526 | 12,536,800 | 11,535,446 |
| Street Maintenance Budget Control Level | | | | | |
| Emergency Response | | 1,655,497 | 1,621,270 | 1,647,021 | 2,710,224 |
| Operations Support | | 3,830,211 | 5,152,457 | 5,340,228 | 4,109,555 |
| Pavement Management | | 244,325 | 258,971 | 266,599 | 87,193 |
| Street Cleaning | | 4,168,379 | 3,661,962 | 3,963,100 | 4,439,699 |
| Street Repair | | 13,120,615 | 19,365,302 | 19,914,924 | 11,184,232 |
| Street Maintenance Total | 17005 | 23,019,027 | 30,059,962 | 31,131,873 | 22,530,903 |
| Urban Forestry Budget Control Level | | | | | |
| Arborist Services | | 1,370,520 | 971,598 | 1,006,039 | 970,593 |
| Tree & Landscape Maintenance | | 2,918,045 | 3,131,657 | 3,238,578 | 3,435,803 |
| Urban Forestry Total | 17006 | 4,288,564 | 4,103,255 | 4,244,617 | 4,406,396 |
| Department Total | | 270,337,537 | 306,397,810 | 309,635,494 | 303,026,486 |
| Department Full-time Equivalents Total* | | 792.00 | 768.50 | 768.50 | 714.00 |

* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

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Revenue Overview

2012 Estimated Revenues for the Transportation Operating Fund (10310)

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--------------------------------------|---|-------------------|-------------------|-------------------|-------------------|
| 481100 | G.O. Bond Proceeds | 0 | 61,686,000 | 53,554,000 | 30,992,891 |
| 587310 | OPER TR IN-2005 Multipurpose Bonds | 31 | 0 | 0 | 0 |
| 587316 | OPER TR IN-FR Transportation Bond Fund | 479 | 0 | 0 | 0 |
| 587351 | OPER TR IN-2007 Multipurpose Bonds | 37,907 | 0 | 0 | 0 |
| 587352 | OPER TR IN-2008 Multipurpose Bonds | 8,102,264 | 0 | 0 | 0 |
| 587353 | OPER TR IN-2009 Multipurpose Bonds | 10,210,802 | 0 | 0 | 0 |
| 587354 | OPER TR IN-2010 Multipurpose Bonds | 23,378,117 | 0 | 0 | 0 |
| Total Bonds | | 41,729,600 | 61,686,000 | 53,554,000 | 30,992,891 |
| 422490 | Other Street Use & Curb Permit | 5,010,412 | 6,938,241 | 7,228,421 | 5,352,435 |
| 422990 | Other Non-Business Licenses Fees | 625,377 | 805,506 | 631,830 | 917,418 |
| 442490 | Other Protective Inspection | 1,088,978 | 900,234 | 947,153 | 959,606 |
| 444100 | Street Maintenance & Repair Charges | 826,038 | 934,231 | 305,298 | 954,366 |
| 444900 | Other Charges - Transportation | 45,794,651 | 42,912,915 | 64,090,369 | 62,754,266 |
| 543210 | IF Architect/Engineering Services C | 0 | 0 | 354,000 | 354,000 |
| 544900 | IF Other Charges - Transportation | 12,512,965 | 13,411,892 | 15,273,620 | 6,593,998 |
| Total Charges for Service | | 65,858,420 | 65,903,019 | 88,830,691 | 77,886,089 |
| 419999 | Transportation Benefit District - VLF | 0 | 4,506,994 | 6,800,000 | 6,800,000 |
| Total Fees | | 0 | 4,506,994 | 6,800,000 | 6,800,000 |
| 587001 | General Fund | 37,723,452 | 38,913,576 | 40,022,537 | 38,007,423 |
| Total General Subfund Support | | 37,723,452 | 38,913,576 | 40,022,537 | 38,007,423 |
| 471010 | Federal Grants | 30,208,425 | 14,148,801 | 8,970,059 | 16,868,153 |
| 474010 | State Grants | 6,698,663 | 24,435,797 | 12,013,519 | 21,389,519 |
| 477010 | Interlocal Grants | 213,332 | 0 | 1,425,046 | 1,425,046 |
| 577010 | IF Capital Contributions & Grants | 0 | 1,364,550 | 0 | 2,000,000 |
| Total Grants | | 37,120,420 | 39,949,148 | 22,408,624 | 41,682,718 |
| 461110 | Investment Earnings on Residual Cash Balances | 161,692 | 0 | 0 | 0 |
| Total Interest Earnings | | 161,692 | 0 | 0 | 0 |
| 462500 | LT Space/Facilities Leases | 95,774 | 0 | 0 | 0 |
| Total Leases | | 95,774 | 0 | 0 | 0 |

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2012 Estimated Revenues for the Transportation Operating Fund (10310) - continued

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|---|--------------------|--------------------|--------------------|--------------------|
| 481800 | Long-Term Intergovtl Loan Proceeds | 0 | 4,200,000 | 1,800,000 | 1,800,000 |
| Total Loans | | 0 | 4,200,000 | 1,800,000 | 1,800,000 |
| 469990 | Other Miscellaneous Revenues | 564,598 | 0 | 0 | 0 |
| Total Miscellaneous | | 564,598 | 0 | 0 | 0 |
| 441930 | Private Reimbursements | 0 | 650,000 | 5,750,000 | 5,750,000 |
| Total Private Contributions | | 0 | 650,000 | 5,750,000 | 5,750,000 |
| 485110 | Rubble Yard Proceeds | 0 | 0 | 0 | 0 |
| Total Property Sales | | 0 | 0 | 0 | 0 |
| 411100 | BTG-Property Tax Levy | 39,611,574 | 40,141,000 | 40,836,000 | 40,694,000 |
| 416310 | BTG-Commercial Parking Tax | 24,172,892 | 22,387,240 | 23,199,897 | 24,607,623 |
| 418800 | BTG-Employee Hours Tax | 794,677 | 0 | 0 | 0 |
| 419997 | Commercial Parking Tax - AWV | 0 | 4,941,424 | 5,120,797 | 6,151,906 |
| 436088 | Motor Vehicle Fuel Tax - Street Improvement | 12,995,266 | 13,691,088 | 13,964,909 | 12,964,909 |
| Total Taxes | | 77,574,410 | 81,160,752 | 83,121,603 | 84,418,438 |
| 587116 | OPER TR IN-FR Cumulative Reserve Subfund - REET II | 6,649,386 | 4,232,950 | 3,550,000 | 4,071,000 |
| 587116 | OPER TR IN-FR Cumulative Reserve Subfund - Street Vacations | 1,888,492 | 300,000 | 0 | 1,188,500 |
| 587116 | OPER TR IN-FR Cumulative Reserve Subfund - Unrestricted | 0 | 0 | 1,074,156 | 1,074,150 |
| 587118 | OPER TR IN-FR Emergency Subfund | 31,572 | 0 | 0 | 0 |
| 587331 | OPER TR IN-FR Park Renov/Improv | 131,139 | 0 | 0 | 0 |
| 587338 | OP TSF IN 2000 Park Levy Fund | 633,904 | 0 | 0 | 0 |
| 587339 | OPER TR IN-FR Denny Triangle | 59,540 | 0 | 0 | 0 |
| 587410 | Oper TR IN-FR Seattle City Light Fund | 0 | 800,000 | 3,400,000 | 2,207,000 |
| 587624 | OPER TR IN-FR General Trust Fund | 105,340 | 0 | 0 | 0 |
| Total Transfers from Other City Funds | | 9,499,373 | 5,332,950 | 8,024,156 | 8,540,650 |
| Total Revenues | | 270,327,739 | 302,302,439 | 310,311,611 | 295,878,209 |
| 379100 | Use of (Contribution to) Fund Balance | 9,797 | 4,095,371 | (676,117) | 7,148,277 |
| Total Use of Fund Balance | | 9,797 | 4,095,371 | (676,117) | 7,148,277 |
| Total Resources | | 270,337,536 | 306,397,810 | 309,635,494 | 303,026,486 |

Appropriations by Budget Control Level (BCL) and Program

Transportation Capital Improvement

Major Maintenance/Replacement Budget Control Level

The purpose of the Major Maintenance/Replacement Budget Control Level is to provide maintenance and replacement of roads, trails, bike paths, bridges, and structures.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Bridges & Structures | 24,571,220 | 22,992,000 | 20,058,000 | 15,032,000 |
| Landslide Mitigation | 415,200 | 350,000 | 454,000 | 454,000 |
| Roads | 23,446,060 | 22,831,000 | 17,333,000 | 18,732,999 |
| Sidewalk Maintenance | 2,616,170 | 1,748,000 | 1,814,000 | 1,814,000 |
| Trails and Bike Paths | 4,160,565 | 4,651,001 | 4,788,000 | 5,497,000 |
| Total | 55,209,214 | 52,572,001 | 44,447,000 | 41,529,999 |
| Full-Time Equivalents Total* | 59.00 | 59.00 | 59.00 | 59.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Major Maintenance/Replacement Budget Control Level:

Bridges & Structures Program The purpose of the Bridges & Structures Program is to provide for safe and efficient use of the city's bridges and structures to all residents of Seattle and adjacent regions to ensure movement of people, goods and services throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Bridges & Structures | 24,571,220 | 22,992,000 | 20,058,000 | 15,032,000 |
| Full-Time Equivalents Total* | 21.50 | 21.50 | 21.50 | 21.50 |

Landslide Mitigation Program The purpose of the Landslide Mitigation Program is to proactively identify and address potential areas of landslide concerns that affect the right-of-way.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Landslide Mitigation | 415,200 | 350,000 | 454,000 | 454,000 |
| Full-Time Equivalents Total* | 2.00 | 2.00 | 2.00 | 2.00 |

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Appropriations by Budget Control Level (BCL) and Program

Roads Program The purpose of the Roads Program is to provide for the safe and efficient use of the city's roadways to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Roads | 23,446,060 | 22,831,000 | 17,333,000 | 18,732,999 |
| Full-Time Equivalents Total* | 18.50 | 18.50 | 18.50 | 18.50 |

Sidewalk Maintenance Program The purpose of the Sidewalk Maintenance Program is to maintain and provide safe and efficient use of the city's sidewalks to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Sidewalk Maintenance | 2,616,170 | 1,748,000 | 1,814,000 | 1,814,000 |
| Full-Time Equivalents Total* | 6.50 | 6.50 | 6.50 | 6.50 |

Trails and Bike Paths Program The purpose of the Trails and Bike Paths Program is to maintain and provide safe and efficient use of the city's trails and bike paths to all residents of Seattle and adjacent regions to ensure movement of people, goods, and services throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Trails and Bike Paths | 4,160,565 | 4,651,001 | 4,788,000 | 5,497,000 |
| Full-Time Equivalents Total* | 10.50 | 10.50 | 10.50 | 10.50 |

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Appropriations by Budget Control Level (BCL) and Program

Major Projects Budget Control Level

The purpose of the Major Projects Budget Control Level is to design, manage and construct improvements to the transportation infrastructure for the benefit of the traveling public including freight, transit, other public agencies, pedestrians, bicyclists and motorists.

| | 2010 | 2011 | 2012 | 2012 |
|---|-------------------|--------------------|--------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Alaskan Way Viaduct and Seawall Replacement | 11,735,181 | 21,765,701 | 29,707,684 | 16,627,000 |
| First Hill Streetcar | 3,212,483 | 27,249,545 | 49,370,825 | 48,623,000 |
| Magnolia Bridge Replacement | 3,434 | 0 | 0 | 0 |
| Mercer Corridor | 6,624,216 | 2,252,000 | 10,854,000 | 10,854,000 |
| Mercer West | 2,492,243 | 9,037,437 | 15,055,207 | 11,173,000 |
| Spokane Street Viaduct | 54,146,409 | 44,526,228 | 11,815,435 | 11,815,000 |
| SR-520 | 178,857 | 303,068 | 301,684 | 259,944 |
| Total | 78,392,824 | 105,133,979 | 117,104,835 | 99,351,944 |
| Full-Time Equivalents Total* | 34.75 | 32.75 | 32.75 | 32.75 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Major Projects Budget Control Level:

Alaskan Way Viaduct and Seawall Replacement Program The purpose of the Alaskan Way Viaduct and Seawall Replacement Program is to fund the City's involvement in the replacement of the seismically-vulnerable viaduct and seawall. The Alaskan Way Viaduct is part of State Route 99, which carries one-quarter of the north-south traffic through downtown Seattle and is a major truck route serving the city's industrial areas.

| | 2010 | 2011 | 2012 | 2012 |
|---|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Alaskan Way Viaduct and Seawall Replacement | 11,735,181 | 21,765,701 | 29,707,684 | 16,627,000 |
| Full-Time Equivalents Total* | 19.50 | 18.50 | 18.50 | 18.50 |

First Hill Streetcar Program The purpose of the First Hill Streetcar Program is to support the First Hill Streetcar project, which connects First Hill employment centers to the regional Link light rail system, including but not limited to the International District/Chinatown Station and Capitol Hill Station at Broadway and John Street.

| | 2010 | 2011 | 2012 | 2012 |
|----------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| First Hill Streetcar | 3,212,483 | 27,249,545 | 49,370,825 | 48,623,000 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Magnolia Bridge Replacement Program The purpose of the Magnolia Bridge Replacement Program is to evaluate possible locations and bridge types for the replacement of the Magnolia Bridge, and to ultimately replace the bridge, which was damaged by a landslide in 1997 and the Nisqually earthquake in 2001.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------|---------|---------|----------|----------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Magnolia Bridge Replacement | 3,434 | 0 | 0 | 0 |

Mercer Corridor Program The purpose of the Mercer Corridor Program is to use existing street capacity along the Mercer Corridor and South Lake Union more efficiently and enhance all modes of travel, including pedestrian mobility .

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Mercer Corridor | 6,624,216 | 2,252,000 | 10,854,000 | 10,854,000 |
| Full-Time Equivalents Total* | 8.25 | 7.25 | 7.25 | 7.25 |

Mercer West Program The purpose of the Mercer West Program is to use existing street capacity along the west portion of Mercer Street more efficiently and enhance all modes of travel, including pedestrian mobility, and provide an east/west connection between I-5, State Route 99, and Elliott Ave W.

| | 2010 | 2011 | 2012 | 2012 |
|--------------|-----------|-----------|------------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Mercer West | 2,492,243 | 9,037,437 | 15,055,207 | 11,173,000 |

Spokane Street Viaduct Program The purpose of the Spokane Street Viaduct Program is to improve the safety of the Spokane Street Viaduct by building a new structure parallel and connected to the existing one and widening the existing viaduct.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Spokane Street Viaduct | 54,146,409 | 44,526,228 | 11,815,435 | 11,815,000 |
| Full-Time Equivalents Total* | 6.50 | 6.50 | 6.50 | 6.50 |

SR-520 Program The purpose of the SR-520 Program is to provide policy, planning and technical analysis support and to act as the City's representative in a multi-agency group working on the replacement of the State Route-520 bridge.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| SR-520 | 178,857 | 303,068 | 301,684 | 259,944 |
| Full-Time Equivalents Total* | 0.50 | 0.50 | 0.50 | 0.50 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Mobility-Capital Budget Control Level

The purpose of the Mobility-Capital Budget Control Level is to help maximize the movement of traffic throughout the city by enhancing all modes of transportation including corridor and intersection improvements, transit and HOV improvements, and sidewalk and pedestrian facilities.

| | 2010 | 2011 | 2012 | 2012 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Corridor & Intersection Improvements | 6,806,832 | 8,405,000 | 5,023,000 | 12,043,000 |
| Freight Mobility | 6,461,508 | 645,000 | 1,111,000 | 1,823,991 |
| Intelligent Transportation System | 4,725,341 | 7,869 | 0 | 0 |
| Neighborhood Enhancements | 5,138,307 | 7,046,000 | 7,606,000 | 10,264,001 |
| New Trails and Bike Paths | 2,976,533 | 4,070,000 | 20,000 | 15,026 |
| Sidewalks & Pedestrian Facilities | 4,666,547 | 5,917,547 | 7,117,000 | 8,041,500 |
| Transit & HOV | 12,192,516 | 6,543,000 | 230,000 | 14,427,871 |
| Total | 42,967,584 | 32,634,416 | 21,107,001 | 46,615,389 |
| Full-Time Equivalents Total* | 58.00 | 63.00 | 63.00 | 63.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Mobility-Capital Budget Control Level:

Corridor & Intersection Improvements Program The purpose of the Corridor & Intersection Improvements Program is to analyze and make improvements to corridors and intersections to move traffic more efficiently. Examples of projects include signal timing, left turn signals and street improvements.

| | 2010 | 2011 | 2012 | 2012 |
|--------------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Corridor & Intersection Improvements | 6,806,832 | 8,405,000 | 5,023,000 | 12,043,000 |
| Full-Time Equivalents Total* | 11.75 | 11.75 | 11.75 | 11.75 |

Freight Mobility Program The purpose of the Freight Mobility Program is to help move freight throughout the city in a safe and efficient manner.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Freight Mobility | 6,461,508 | 645,000 | 1,111,000 | 1,823,991 |
| Full-Time Equivalents Total* | 1.75 | 1.75 | 1.75 | 1.75 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Intelligent Transportation System Program The purpose of the Intelligent Transportation System (ITS) Program is to fund projects identified in the City's ITS Strategic Plan and ITS Master Plan. Examples of projects include implementation of transit signal priority strategies; installation of closed-circuit television (CCTV) cameras to monitor traffic in key corridors; and development of parking guidance, traveler information, and real-time traffic control systems.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|-----------------------------------|-----------|-------|-------|-------|
| Intelligent Transportation System | 4,725,341 | 7,869 | 0 | 0 |
| Full-Time Equivalents Total* | 12.50 | 12.50 | 12.50 | 12.50 |

Neighborhood Enhancements Program The purpose of the Neighborhood Enhancements Program is to make safe and convenient neighborhoods by improving sidewalks, traffic circles, streetscape designs and the installation of pay stations.

| Expenditures/FTE | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|------------------------------|-----------------|-----------------|------------------|------------------|
| Neighborhood Enhancements | 5,138,307 | 7,046,000 | 7,606,000 | 10,264,001 |
| Full-Time Equivalents Total* | 11.00 | 11.00 | 11.00 | 11.00 |

New Trails and Bike Paths Program The purpose of the New Trails and Bike Paths Program is to construct new trails and bike paths that connect with existing facilities to let users transverse the city on a dedicated network of trails and paths.

| Expenditures/FTE | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|------------------------------|-----------------|-----------------|------------------|------------------|
| New Trails and Bike Paths | 2,976,533 | 4,070,000 | 20,000 | 15,026 |
| Full-Time Equivalents Total* | 8.25 | 8.25 | 8.25 | 8.25 |

Sidewalks & Pedestrian Facilities Program The purpose of the Sidewalk & Pedestrian Facilities Program is to install new facilities that help pedestrians move safely along the city's sidewalks by installing or replacing sidewalks, modifying existing sidewalks for elderly and handicapped accessibility, and increasing pedestrian lighting.

| Expenditures/FTE | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|-----------------------------------|-----------------|-----------------|------------------|------------------|
| Sidewalks & Pedestrian Facilities | 4,666,547 | 5,917,547 | 7,117,000 | 8,041,500 |
| Full-Time Equivalents Total* | 6.75 | 11.75 | 11.75 | 11.75 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Transit & HOV Program The purpose of the Transit & HOV Program is to move more people in less time throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|-----------|----------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Transit & HOV | 12,192,516 | 6,543,000 | 230,000 | 14,427,871 |
| Full-Time Equivalents Total* | 6.00 | 6.00 | 6.00 | 6.00 |

Operations & Management

Bridges & Structures Budget Control Level

The purpose of the Bridges and Structures Budget Control Level is to maintain the City's bridges and structures which helps provide for the safe and efficient movement of people, goods, and services throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Bridge Operations | 2,592,864 | 2,661,292 | 2,769,466 | 2,880,642 |
| Structures Engineering | 805,088 | 882,557 | 915,957 | 774,173 |
| Structures Maintenance | 3,827,498 | 3,981,827 | 4,122,425 | 4,072,833 |
| Total | 7,225,450 | 7,525,676 | 7,807,848 | 7,727,648 |
| Full-Time Equivalents Total* | 59.50 | 59.50 | 59.50 | 56.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Bridges & Structures Budget Control Level:

Bridge Operations Program The purpose of the Bridge Operations Program is to ensure the safe and efficient operation and preventive maintenance for over 180 bridges throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Bridge Operations | 2,592,864 | 2,661,292 | 2,769,466 | 2,880,642 |
| Full-Time Equivalents Total* | 28.00 | 28.00 | 28.00 | 28.00 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Structures Engineering Program The purpose of the Structures Engineering Program is to provide engineering services on all the bridges and structures within the city to ensure the safety of transportation users as they use or move in proximity to these transportation facilities.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Structures Engineering | 805,088 | 882,557 | 915,957 | 774,173 |
| Full-Time Equivalents Total* | 6.75 | 6.75 | 6.75 | 5.75 |

Structures Maintenance Program The purpose of the Structures Maintenance Program is to provide for the maintenance of all of the city's bridges, roadside structures and stairways.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Structures Maintenance | 3,827,498 | 3,981,827 | 4,122,425 | 4,072,833 |
| Full-Time Equivalents Total* | 24.75 | 24.75 | 24.75 | 22.75 |

Engineering Services Budget Control Level

The purpose of the Engineering Services Budget Control Level is to provide construction management for capital projects, engineering support for street vacations, the scoping of neighborhood projects, and other transportation activities requiring transportation engineering and project management expertise.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Engineering Services | 2,320,942 | 1,891,726 | 1,967,719 | 1,625,910 |
| Full-Time Equivalents Total* | 17.75 | 17.75 | 17.75 | 17.75 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Mobility-Operations Budget Control Level

The purpose of the Mobility-Operations Budget Control level is to promote the safe and efficient operation of all transportation modes in the city. This includes managing the parking, pedestrian and bicycle infrastructure; implementing neighborhood plans; encouraging alternative modes of transportation; and maintaining and improving signals and the non-electrical transportation management infrastructure.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Commuter Mobility | 8,443,735 | 13,795,646 | 13,695,642 | 11,945,342 |
| Neighborhoods | 3,221,282 | 1,930,568 | 2,069,760 | 1,848,516 |
| Parking | 6,916,238 | 8,616,255 | 7,947,103 | 8,553,246 |
| Signs & Markings | 4,456,715 | 3,979,837 | 4,135,893 | 3,832,324 |
| Traffic Signals | 7,562,683 | 8,520,592 | 8,820,105 | 8,730,092 |
| Total | 30,600,654 | 36,842,898 | 36,668,502 | 34,909,520 |
| Full-Time Equivalents Total* | 169.75 | 160.25 | 160.25 | 140.25 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Mobility-Operations Budget Control Level:

Commuter Mobility Program The purpose of the Commuter Mobility Program is to provide a variety of services, including enforcement of City commercial vehicle limits, transit coordination, and planning, to increase mobility and transportation options to the residents of Seattle.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Commuter Mobility | 8,443,735 | 13,795,646 | 13,695,642 | 11,945,342 |
| Full-Time Equivalents Total* | 48.00 | 46.00 | 46.00 | 44.00 |

Neighborhoods Program The purpose of the Neighborhoods Program is to plan and forecast the needs of specific neighborhoods including neighborhood and corridor planning, development of the coordinated transportation plans, traffic control spot improvements and travel forecasting. The program also constructs minor improvements in neighborhoods based on these assessments.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Neighborhoods | 3,221,282 | 1,930,568 | 2,069,760 | 1,848,516 |
| Full-Time Equivalents Total* | 14.50 | 14.50 | 14.50 | 11.50 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Parking Program The purpose of the Parking Program is to manage the City's parking resources, maintain and operate pay stations and parking meters for on-street parking, and develop and manage the City's carpool program and Residential Parking Zones for neighborhoods.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Parking | 6,916,238 | 8,616,255 | 7,947,103 | 8,553,246 |
| Full-Time Equivalents Total* | 31.75 | 34.25 | 34.25 | 33.25 |

Signs & Markings Program The purpose of the Signs & Markings Program is to design, fabricate and install signage, as well as provide pavement, curb and crosswalk markings to facilitate the safe movement of vehicles, pedestrians, and bicyclists throughout the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Signs & Markings | 4,456,715 | 3,979,837 | 4,135,893 | 3,832,324 |
| Full-Time Equivalents Total* | 28.78 | 26.75 | 26.75 | 18.75 |

Traffic Signals Program The purpose of the Traffic Signals Program is to operate the Traffic Management Center that monitors traffic movement within the city and to maintain and improve signals and other electrical transportation management infrastructure.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Traffic Signals | 7,562,683 | 8,520,592 | 8,820,105 | 8,730,092 |
| Full-Time Equivalents Total* | 46.75 | 38.75 | 38.75 | 32.75 |

ROW Management Budget Control Level

The purpose of the Right-of-Way (ROW) Management Budget Control Level is to ensure that projects throughout the city meet code specifications for uses of the right-of-way and to provide plan review, utility permit and street use permit issuance, and utility inspection and mapping services.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| ROW Management | 9,881,611 | 12,134,526 | 12,536,800 | 11,535,446 |
| Full-Time Equivalents Total* | 68.50 | 66.50 | 66.50 | 66.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Street Maintenance Budget Control Level

The purpose of the Street Maintenance Budget Control Level is to maintain the city's roadways and sidewalks. Repair and maintenance of the right-of-way promotes safety, enhances mobility and protects the environment. Through planned maintenance, cleaning, and spot repairs of streets, alleys, pathways and stairways, Street Maintenance improves the quality of life and business climate in the city.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Emergency Response | 1,655,497 | 1,621,270 | 1,647,021 | 2,710,224 |
| Operations Support | 3,830,211 | 5,152,457 | 5,340,228 | 4,109,555 |
| Pavement Management | 244,325 | 258,971 | 266,599 | 87,193 |
| Street Cleaning | 4,168,379 | 3,661,962 | 3,963,100 | 4,439,699 |
| Street Repair | 13,120,615 | 19,365,302 | 19,914,924 | 11,184,232 |
| Total | 23,019,027 | 30,059,962 | 31,131,873 | 22,530,903 |
| Full-Time Equivalents Total* | 149.00 | 148.00 | 148.00 | 120.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Street Maintenance Budget Control Level:

Emergency Response Program The purpose of the Emergency Response Program is to respond to safety and mobility issues such as pavement collapses, severe weather, landslides and other emergencies to make the right-of-way safe for moving people and goods. This program proactively addresses landslide hazards to keep the right-of-way open and safe.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Emergency Response | 1,655,497 | 1,621,270 | 1,647,021 | 2,710,224 |
| Full-Time Equivalents Total* | 2.25 | 2.25 | 2.25 | 2.25 |

Operations Support Program The purpose of the Operations Support Program is to provide essential operating support services necessary for the daily operation of SDOT's equipment and field workers dispatched from three field locations in support of street maintenance activities. These functions include warehousing, bulk material supply and management, tool cleaning and repair, equipment maintenance and repair, project accounting and technical support, and crew supervision.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Operations Support | 3,830,211 | 5,152,457 | 5,340,228 | 4,109,555 |
| Full-Time Equivalents Total* | 35.25 | 34.25 | 34.25 | 34.25 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Pavement Management Program The purpose of the Pavement Management Program is to assess the condition of asphalt and concrete pavements and establish citywide paving priorities for annual resurfacing and repair programs.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Pavement Management | 244,325 | 258,971 | 266,599 | 87,193 |
| Full-Time Equivalents Total* | 1.25 | 1.25 | 1.25 | 0.75 |

Street Cleaning Program The purpose of the Street Cleaning Program is to keep Seattle's streets, improved alleys, stairways and pathways clean, safe and environmentally friendly by conducting sweeping, hand-cleaning, flushing and mowing on a regular schedule.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Street Cleaning | 4,168,379 | 3,661,962 | 3,963,100 | 4,439,699 |
| Full-Time Equivalents Total* | 22.25 | 22.25 | 22.25 | 21.25 |

Street Repair Program The purpose of the Street Repair Program is to preserve and maintain all streets and adjacent areas such as sidewalks and road shoulders by making spot repairs and conducting annual major maintenance paving and rehabilitation programs.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Street Repair | 13,120,615 | 19,365,302 | 19,914,924 | 11,184,232 |
| Full-Time Equivalents Total* | 88.00 | 88.00 | 88.00 | 62.00 |

Appropriations by Budget Control Level (BCL) and Program

Urban Forestry Budget Control Level

The purpose of the Urban Forestry Budget Control Level is to administer, maintain, protect and expand the city's urban landscape in the street right-of-way through the maintenance and planting of new trees and landscaping to enhance the environment and aesthetics of the city. The Urban Forestry BCL maintains City-owned trees to improve the safety of the right-of-way for Seattle's residents and visitors.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Arborist Services | 1,370,520 | 971,598 | 1,006,039 | 970,593 |
| Tree & Landscape Maintenance | 2,918,045 | 3,131,657 | 3,238,578 | 3,435,803 |
| Total | 4,288,564 | 4,103,255 | 4,244,617 | 4,406,396 |
| Full-Time Equivalents Total* | 31.25 | 31.25 | 31.25 | 31.25 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Urban Forestry Budget Control Level:

Arborist Services Program The purpose of the Arborist Services Program is to maintain, protect, and preserve city street trees and to regulate privately-owned trees in the right-of-way by developing plans, policies and procedures to govern and improve the care and quality of street trees.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Arborist Services | 1,370,520 | 971,598 | 1,006,039 | 970,593 |
| Full-Time Equivalents Total* | 8.75 | 8.75 | 8.75 | 8.75 |

Tree & Landscape Maintenance Program The purpose of the Tree & Landscape Maintenance Program is to provide planning, design, construction and construction inspection services for the landscape elements of transportation capital projects, as well as guidance to developers on the preservation of city street trees and landscaped sites during construction of their projects.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Tree & Landscape Maintenance | 2,918,045 | 3,131,657 | 3,238,578 | 3,435,803 |
| Full-Time Equivalents Total* | 22.50 | 22.50 | 22.50 | 22.50 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Business Management & Support

Department Management Budget Control Level

The purpose of the Department Management Budget Control Level is to provide leadership and operations support services to accomplish the mission and goals of the department.

| | 2010 | 2011 | 2012 | 2012 |
|--|--------------------|----------------|-----------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Director's Office | 1,154,078 | 2,957,933 | 3,039,851 | 2,842,046 |
| Division Management | 10,984,792 | 11,723,939 | 12,048,515 | 13,637,703 |
| Human Resources | 790,116 | 1,151,829 | 1,192,612 | 1,238,631 |
| Indirect Cost Recovery - Department Management | (28,513,816) | (27,356,862) | (28,232,282) | (29,072,775) |
| Public Information | 588,236 | 909,994 | 940,060 | 979,424 |
| Resource Management | 13,083,931 | 10,667,458 | 10,994,505 | 12,150,684 |
| Revenue Development | 591,152 | 657,894 | 682,798 | 731,273 |
| Total | (1,321,511) | 712,185 | 666,060 | 2,506,987 |
| Full-Time Equivalents Total* | 144.50 | 130.50 | 130.50 | 126.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Department Budget Control Level:

Director's Office Program The purpose of the Director's Office Program is to provide overall direction and guidance to accomplish the mission and goals of the department.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Director's Office | 1,154,078 | 2,957,933 | 3,039,851 | 2,842,046 |
| Full-Time Equivalents Total* | 7.00 | 6.00 | 6.00 | 5.00 |

Division Management Program The purpose of the Division Management Program is to provide division leadership and unique transportation technical expertise to accomplish the division's goals and objectives in support of the department's mission.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Division Management | 10,984,792 | 11,723,939 | 12,048,515 | 13,637,703 |
| Full-Time Equivalents Total* | 42.00 | 32.50 | 32.50 | 29.50 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Human Resources Program The purpose of the Human Resources Program is to provide employee support services, safety management and other personnel expertise to the department and its employees.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Human Resources | 790,116 | 1,151,829 | 1,192,612 | 1,238,631 |
| Full-Time Equivalents Total* | 11.75 | 9.75 | 9.75 | 9.75 |

Indirect Cost Recovery – Department Management Program The purpose of the Indirect Cost Recovery - Department Management Program is to allocate departmental indirect costs to all transportation activities and capital projects and equitably recover funding from them to support departmental management and support services essential to the delivery of transportation services to the public.

| | 2010 | 2011 | 2012 | 2012 |
|--------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Indirect Cost Recovery - | (28,513,816) | (27,356,862) | (28,232,282) | (29,072,775) |

Public Information Program The purpose of the Public Information Program is to manage all community and media relations and outreach for the department, including all public information requests and inquiries from the City Council and other government agencies. Public Information also maintains the ROADS hotline and the SDOT web site for both citizens and department staff.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Public Information | 588,236 | 909,994 | 940,060 | 979,424 |
| Full-Time Equivalents Total* | 8.00 | 7.50 | 7.50 | 7.50 |

Resource Management Program The purpose of the Resource Management Program is to provide the internal financial, accounting, information technology and office space management support for all SDOT business activities.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Resource Management | 13,083,931 | 10,667,458 | 10,994,505 | 12,150,684 |
| Full-Time Equivalents Total* | 70.00 | 69.00 | 69.00 | 69.00 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Revenue Development Program The purpose of the Revenue Development Program is to identify funding, grant and partnership opportunities for transportation projects and provide lead coordination for grant applications and reporting requirements.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Revenue Development | 591,152 | 657,894 | 682,798 | 731,273 |
| Full-Time Equivalents Total* | 5.75 | 5.75 | 5.75 | 5.75 |

General Expense Budget Control Level

The purpose of the General Expense Budget Control Level is to account for certain City business expenses necessary to the overall effective and efficient delivery of transportation services. It equitably recovers funding from all transportation funding sources to pay for these indirect cost services. It also includes Judgment and Claims contributions and debt service payments.

| | 2010 | 2011 | 2012 | 2012 |
|--|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| City Central Costs | 7,860,166 | 11,361,817 | 11,657,439 | 12,324,795 |
| Debt Service | 16,436,882 | 19,279,045 | 28,470,943 | 26,111,350 |
| Indirect Cost Recovery - General Expense | (8,846,481) | (11,361,315) | (11,682,778) | (11,657,438) |
| Judgment & Claims | 2,302,611 | 3,507,637 | 3,507,637 | 3,507,637 |
| Total | 17,753,178 | 22,787,184 | 31,953,240 | 30,286,344 |

The following information summarizes the programs within the General Expense Budget Control Level:

City Central Costs Program The purpose of the City Central Costs Program is to allocate the City's general services costs to SDOT in a way that benefits the delivery of transportation services to the public.

| | 2010 | 2011 | 2012 | 2012 |
|--------------------|-----------|------------|------------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| City Central Costs | 7,860,166 | 11,361,817 | 11,657,439 | 12,324,795 |

Debt Service Program The purpose of the Debt Service Program is to meet principal repayment and interest obligations on debt proceeds that are appropriated in SDOT's budget.

| | 2010 | 2011 | 2012 | 2012 |
|--------------|------------|------------|------------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Debt Service | 16,436,882 | 19,279,045 | 28,470,943 | 26,111,350 |

Seattle Department of Transportation

Appropriations by Budget Control Level (BCL) and Program

Indirect Cost Recovery - General Expense Program The purpose of the Indirect Cost Recovery - General Expense Program is to equitably recover funding from all transportation activities and capital projects to pay for allocated indirect costs for city services that are essential to the delivery of transportation services to the public.

| | 2010 | 2011 | 2012 | 2012 |
|----------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Indirect Cost Recovery - General | (8,846,481) | (11,361,315) | (11,682,778) | (11,657,438) |

Judgment & Claims Program The purpose of the Judgment & Claims Program is to represent SDOT's annual contribution to the City's centralized self-insurance pool from which court judgments and claims against the City are paid.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Judgment & Claims | 2,302,611 | 3,507,637 | 3,507,637 | 3,507,637 |

Seattle Department of Transportation

Fund Table

Transportation Operating Fund (10310)

| | 2010 Actuals | 2011 Adopted | 2011 Revised | 2012 Endorsed | 2012 Proposed |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|
| Beginning Fund Balance | 34,155,520 | 29,620,644 | 33,136,065 | 25,525,273 | 36,324,539 |
| Accounting and Technical Adjustments | (1,009,657) | 0 | 0 | 0 | 0 |
| Plus: Actual and Estimated Revenue | 270,327,739 | 302,302,439 | 331,138,728 | 310,311,611 | 295,878,209 |
| Less: Actual and Budgeted Expenditures | 270,337,537 | 306,397,810 | 327,950,254 | 309,635,494 | 303,026,486 |
| Ending Fund Balance | 33,136,065 | 25,525,273 | 36,324,539 | 26,201,390 | 29,176,262 |
| Continuing Appropriations | 32,446,057 | 30,000,000 | 22,929,902 | 30,000,000 | 23,000,000 |
| Reserve from Rubble Yard Proceeds | | | 16,800,000 | | 10,127,298 |
| Total Reserves | 32,446,057 | 30,000,000 | 39,729,902 | 30,000,000 | 33,127,298 |
| Ending Unreserved Fund Balance | 690,008 | (4,474,727) | (3,405,363) | (3,798,610) | (3,951,036) |

Note: Through interfund loans from the City's Cash Pool, the Transportation Operating Fund is authorized by Ordinances 122603 and 122641 (as amended) to carry a negative balance of approximately \$17.5 million.

Seattle Department of Transportation

Capital Improvement Program

Capital Improvement Program Highlights

The Seattle Department of Transportation (SDOT) is responsible for maintaining, upgrading, and monitoring the use of the City's system of streets, bridges, retaining walls, seawalls, bicycle and pedestrian facilities, and traffic control devices. SDOT's Capital Improvement Program (CIP) outlines the Department's plan for repairing, improving, and adding to this extensive infrastructure. The CIP is financed from a variety of revenue sources that include the City's General Fund and Cumulative Reserve Subfund, state Gas Tax revenues, state and federal grants, Public Works Trust Fund loans, partnerships with private organizations and other public agencies, and bond proceeds.

The 2012-2017 Proposed CIP includes key infrastructure work such as support for the Alaskan Way Viaduct and Seawall Replacement Program, construction on the Mercer Corridor Project – East Phase and the Spokane Street Viaduct, continued work on the major bridge rehabilitation and retrofit projects, continued major maintenance and paving of the City's arterial and non-arterial streets, and implementation of the Pedestrian and Bike Master Plans.

The below information is somewhat technical in nature. However, more detailed information on SDOT's full capital program can be found in the 2012-2017 Proposed CIP online here: <http://www.seattle.gov/financedepartment/1217proposedcip/default.htm>

Most capital appropriations for SDOT are included within the Budget Control Level (BCL) appropriations displayed at the start of this chapter. These appropriations are funded by a variety of revenue sources, most of which do not require separate authority to be transferred to the Transportation Operating Fund (TOF). Revenue sources which do require separate authority to transfer to the TOF include the Cumulative Reserve Subfund (CRS) and Limited Tax General Obligation Bond (LTGO) proceeds.

Table 1 provides an informational display of transfers of LTGO bond proceeds to the TOF and the projects to which these proceeds will be allocated. Authority to transfer these funds to the TOF is provided by the various LTGO bond ordinances or other legislation.

CRS appropriations authorized for specific programs are listed in the CRS section of the Proposed Budget. (See the informational Table 2, "2012 Proposed SDOT Cumulative Reserve Subfund Program Detail" for a list of the specific CRS-funded projects by program.) The CRS Debt Service Program requires a separate appropriation outside of SDOT BCLs. Funding for REET Debt is not included within the SDOT BCLs, and is appropriated in the CRS section of the Budget. CRS-Unrestricted funds, backed by a transfer for the King County Proposition 2 Trail and Open Space Levy, are included in SDOT's budget and are also appropriated in the CRS section of the Proposed Budget.

Seattle Department of Transportation

Table 3, entitled “Capital Improvement Budget Control Level Outlay,” shows the portion of the various SDOT appropriations that represent the Department's CIP outlays. Consistent with RCW 35.32A.080, if any portion of these outlays remains unexpended or unencumbered at the close of the fiscal year, that portion shall be held available for the following year, except if abandoned by the City Council by ordinance. A detailed list of all programs and projects in SDOT's CIP can be found in the 2012-2017 Proposed Capital Improvement Program document.

Table 4, entitled “Central Waterfront Improvement Fund Appropriation,” is an informational display of funds appropriated from a new Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP). These funds are appropriated in the Central Waterfront Improvement Fund section of the Proposed Budget. The funding supports costs associated with the design and construction of the Central Waterfront component of the AWVSRP, costs for city administration, and costs eligible for financing by a future Local Improvement District (LID). Legislation accompanying the Proposed Budget creates the Central Waterfront Improvement Fund and authorizes an interfund loan to the Fund. The loan is anticipated to be repaid with funds from the future LID.

Seattle Department of Transportation

Table 1: Bond Transfers to the Transportation Operating Fund – Information Only

| | 2012 Endorsed | 2012 Proposed |
|--|-------------------|-------------------|
| Alaskan Way Viaduct & Seawall Replacement: TC366050 | | |
| 2011 Multipurpose LTGO Bond | 22,100,000 | 0 |
| 2012 Multipurpose LTGO Bond | 0 | 5,800,000 |
| Subtotal | 22,100,000 | 5,800,000 |
| Bridge Rehabilitation and Replacement: TC366850 | | |
| 2012 Multipurpose LTGO Bond | 8,709,000 | 0 |
| Subtotal | 8,709,000 | 0 |
| Bridge Seismic Retrofit Phase II: TC365810 | | |
| 2012 Multipurpose LTGO Bond | 1,690,000 | 3,203,223 |
| Subtotal | 1,690,000 | 3,203,223 |
| Linden Avenue N Complete Streets: TC366930 | | |
| 2012 Multipurpose LTGO Bond | 4,500,000 | 5,802,000 |
| Subtotal | 4,500,000 | 5,802,000 |
| Mercer Corridor Project: TC365500 | | |
| 2012 Multipurpose LTGO Bond | 5,000,000 | 5,000,000 |
| Subtotal | 5,000,000 | 5,000,000 |
| Mercer Corridor Project West Phase: TC367110 | | |
| 2012 Multipurpose LTGO Bond | 11,555,000 | 11,173,000 |
| Subtotal | 11,555,000 | 11,173,000 |
| Total Bond Proceeds | 53,554,000 | 30,978,223 |

Seattle Department of Transportation

Table 2: 2012 Proposed SDOT Cumulative Reserve Subfund Program Detail Information Only (\$1,000s)

| Program/Project | Project ID | Sub-Account | 2012 | 2012 |
|--|------------|-------------|--------------|--------------|
| | | | Endorsed | Proposed |
| Bridges & Structures (19001A) | | | 3,225 | 2,900 |
| Bridge Painting Program | TC324900 | REET II | 2,725 | 2,400 |
| Hazard Mitigation Program - Areaways | TC365480 | REET II | 288 | 288 |
| Retaining Wall Repair and Restoration | TC365890 | REET II | 212 | 212 |
| Debt Service (18002D) – CRS-U | | | 1,074 | 1,074 |
| Trails – debt svc | TG356590 | CRS-U | 1,074 | 1,074 |
| Debt Service (18002D) – REET II | | | 1,833 | 1,529 |
| Alaskan Way Viaduct & Seawall Replacement - debt svc | TC320060 | REET II | 1,257 | 953 |
| Fremont Bridge Approaches - debt svc | TC320060 | REET II | 110 | 110 |
| Mercer Corridor - debt svc | TC320060 | REET II | 466 | 466 |
| Freight Mobility (19003B) | | | 0 | 1,189 |
| Railroad Crossing Signal Improvements | TC367090 | Street Vac. | 0 | 1,189 |
| Landslide Mitigation (19001B) | | | 250 | 250 |
| Hazard Mitigation Program - Landslide Mitigation Proj. | TC365510 | REET II | 250 | 250 |
| Neighborhood Enhancements (19003D) | | | 0 | 921 |
| NSF/CRS Neighborhood Program | TC365770 | REET II | 0 | 921 |
| Roads (19001C) | | | 75 | 0 |
| Arterial Major Maintenance | TC365940 | REET II | 75 | 0 |
| Total CRS funding to Transportation | | | 6,457 | 7,863 |

Table 3: Capital Improvement Budget Control Level Outlay

| Budget Control Level | 2012 | 2012 |
|---|--------------------|--------------------|
| | Endorsed | Proposed |
| Major Maintenance/Replacement | 44,447,000 | 41,529,999 |
| Major Projects | 117,104,835 | 99,351,944 |
| Mobility-Capital | 21,107,001 | 46,615,389 |
| Total Capital Improvement Program Outlay | 182,658,835 | 187,497,332 |

Seattle Department of Transportation

Table 4: Central Waterfront Improvement Fund Appropriation (Information Only)

Central Waterfront Improvement Fund Support to Transportation Budget Control Level

The purpose of the Central Waterfront Improvement Fund Support to Transportation Budget Control Level is to appropriate funds from the Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Alaskan Way Viaduct & Seawall Replacement project.

| Expenditures | 2012 Endorsed | 2012 Proposed |
|--|--------------------------|--------------------------|
| Central Waterfront Improvement Fund Support To Transportation BCL | 0 | 2,000,000 |

Seattle Streetcar

Peter Hahn, Director

Information Line: (206) 684-7623
<http://www.seattle.gov/transportation/>

Department by Budget Control Level



Department Overview

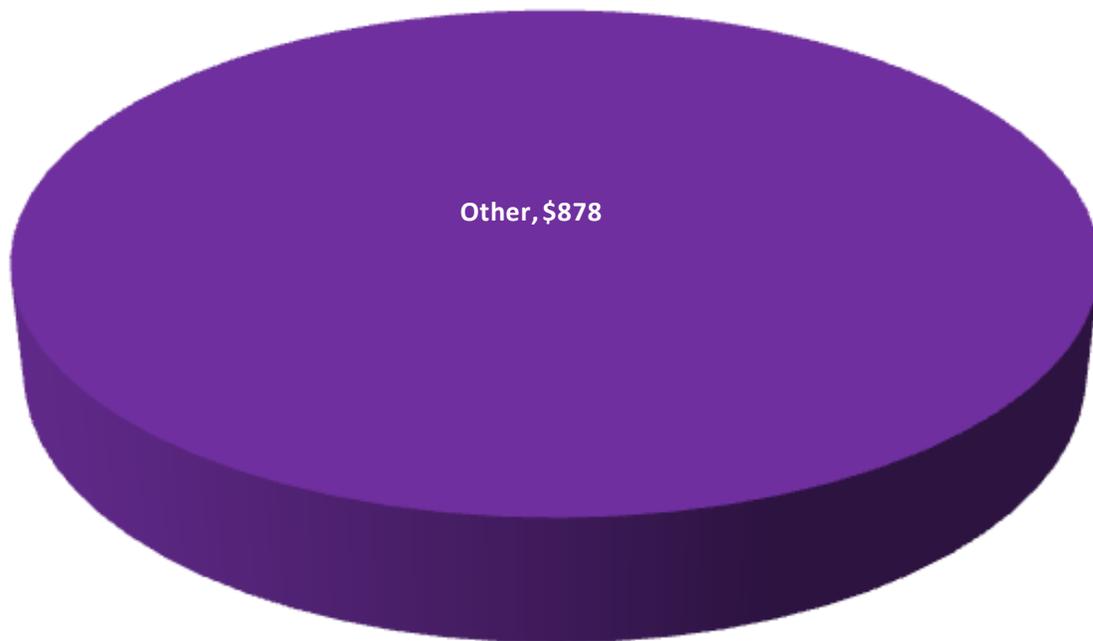
The Seattle Streetcar is part of the Seattle Department of Transportation, with the specific purpose of operating and maintaining the South Lake Union line of the Seattle Streetcar. The South Lake Union line began operation in late 2007. Three modern streetcars serve 11 stops along the 2.6 mile line and connect thousands of people to new homes, jobs, and other public transit systems including Metro buses, Sound Transit buses, light rail, and the Monorail.

Seattle Streetcar

Budget Snapshot

| Seattle Streetcar | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|------------------|------------------|------------------|------------------|
| General Fund | \$0 | \$0 | \$0 | \$0 |
| Other Revenues | \$414,119 | \$640,000 | \$640,000 | \$785,150 |
| Total Revenues | \$414,119 | \$640,000 | \$640,000 | \$785,150 |
| Use of (Contribution to) Fund Balance | \$223,269 | (\$28,284) | (\$11,277) | \$93,123 |
| Total Resources | \$637,388 | \$611,716 | \$628,723 | \$878,273 |
| Total Expenditures | \$637,388 | \$611,716 | \$628,723 | \$878,273 |

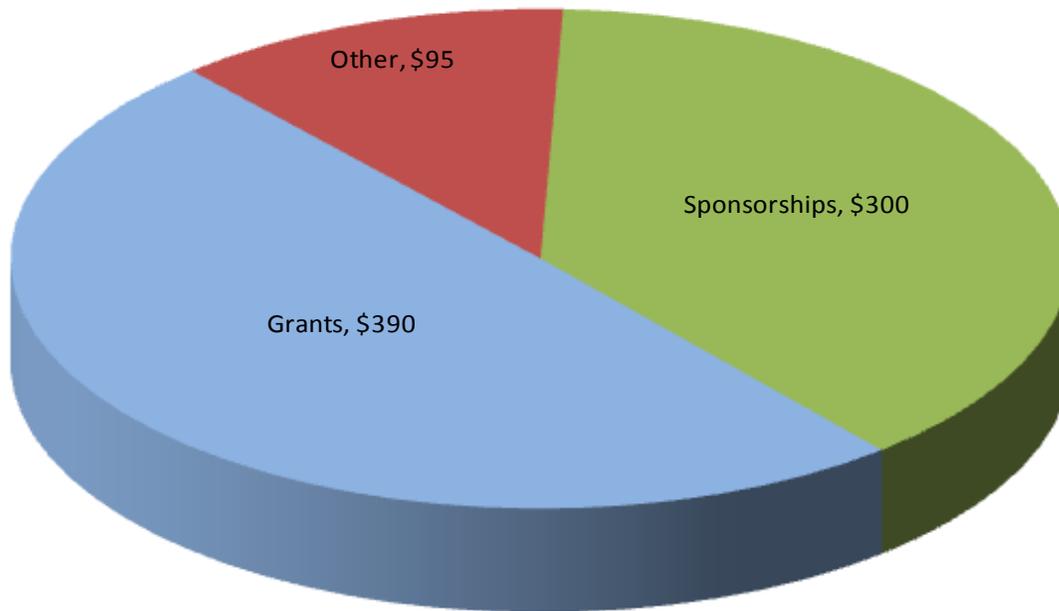
2012 Proposed Budget - Expenditure by Category (\$ amounts in thousands)



Total 2012 Proposed Expenditures - \$878

2012 Proposed Budget - Revenues By Category

(\$ amounts in thousands)



Total 2012 Proposed Revenues - \$785

Budget Overview

The City of Seattle contracts with King County Metro Transit to operate the Seattle Streetcar. King County Metro Transit contributes 75% of the Seattle Streetcar operating costs, and the City pays the remaining 25% to Metro for the operation of the Streetcar. The City relies on the following sources of revenue for its 25% share: farebox recovery from pay stations, Federal Transit Administration grants, sponsorships, and donations. Ridership continues to increase year to year, but not as significantly as forecasted when the Streetcar was first implemented in 2007. Sponsorship revenues have also come in below forecasted levels. Due to these factors, operating cash flow for the Streetcar continues to be slightly negative in 2012 projections. However, current estimates assume positive cash flow for 2013 and beyond. As a result of this negative cash position, the initial start-up period of the Streetcar is supported by an interfund loan that was authorized by the City Council in June 2007 and amended in September 2009. The loan expires in December 2018. The 2012 Proposed Budget includes a small grant-funded increase for one-time modernization expenditures.

In 2011, the City accepted \$65,000 in private donations to fund a pilot project that increased service levels to a ten-minute frequency during peak periods. The increased service levels began in June 2011 and will last for one year, through May 2012. The full grant amount was accepted in 2011. Funds needed for the first half of 2012 are carried over from the 2011 budget. Beginning in June 2012, service levels will revert back to 2010 levels unless further external funding is secured. The 2012 Proposed Budget does not assume the receipt of additional private donations to continue increased service levels beyond June 2012.

Seattle Streetcar

Incremental Budget Changes

Seattle Streetcar

| | | 2012 Dollar Amount | 2012 FTE |
|------------------------------|------------------------|-----------------------|-------------|
| 2012 Endorsed Budget | | \$628,723 | 0.00 |
| 2012 Proposed Changes | | | |
| | Federal Grant Increase | \$249,550 | 0.00 |
| Total Changes | | \$249,550 | 0.00 |
| 2012 Proposed Budget | | \$878,273 | 0.00 |

Federal Grant Increase - \$249,550. The 2012 Proposed Budget increases appropriation authority to reflect the receipt of a one-time Federal Transit Administration grant which will be used for system modernization, including the addition of ORCA card readers.

Expenditure Overview

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------|-----------------|-----------------|------------------|------------------|
| Streetcar Operations Budget Control Level | STCAR-OPER | 637,388 | 611,716 | 628,723 | 878,273 |
| Department Total | | 637,388 | 611,716 | 628,723 | 878,273 |

Revenue Overview

2012 Estimated Revenues for the Streetcar Fund (10810)

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|----------------------------------|---------------------------------------|----------------|-----------------|-----------------|----------------|
| 471010 | FTA Funds | 131,040 | 190,000 | 190,000 | 390,000 |
| Total Grants | | 131,040 | 190,000 | 190,000 | 390,000 |
| 444900 | Other Charges - Transportation | 282,966 | 0 | 0 | 95,150 |
| 544900 | IF Other Charges - Transportation | 113 | 0 | 0 | 0 |
| Total Other | | 283,079 | 0 | 0 | 95,150 |
| 439090 | Sponsorship Revenues | 0 | 450,000 | 450,000 | 300,000 |
| Total Sponsorships | | 0 | 450,000 | 450,000 | 300,000 |
| Total Revenues | | 414,119 | 640,000 | 640,000 | 785,150 |
| 379100 | Use of (Contribution To) Fund Balance | 223,269 | (28,284) | (11,277) | 93,123 |
| Total Use of Fund Balance | | 223,269 | (28,284) | (11,277) | 93,123 |
| Total Resources | | 637,388 | 611,716 | 628,723 | 878,273 |

Appropriations by Budget Control Level (BCL)

Streetcar Operations Budget Control Level

The purpose of the Streetcar Operations Budget Control Level is to operate and maintain the South Lake Union line of the Seattle Streetcar.

| Expenditures | 2010 Actual | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|----------------------|-------------|--------------|---------------|---------------|
| Streetcar Operations | 637,388 | 611,716 | 628,723 | 878,273 |

Seattle Streetcar

Fund Table

| Streetcar Fund (10810) | 2010 Actuals | 2011 Adopted | 2011 Revised | 2012 Endorsed | 2012 Proposed |
|---|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| Beginning Fund Balance | (3,241,592) | (3,023,967) | (3,465,169) | (2,995,683) | (3,459,576) |
| Accounting and Technical Adjustments | (308) | 0 | 0 | 0 | 0 |
| Plus: Actual and Estimated Revenue | 414,119 | 640,000 | 691,249 | 640,000 | 785,150 |
| Less: Actual and Budgeted Expenditures | 637,388 | 611,716 | 685,656 | 628,723 | 878,273 |
| Ending Fund Balance | (3,465,169) | (2,995,683) | (3,459,576) | (2,984,406) | (3,552,699) |

Through an interfund loan from the City's Cash Pool, the Streetcar Fund is authorized by Ordinance 123102 to carry a negative balance of approximately \$3.7 million.

Transportation - Central Waterfront Improvement Fund

Peter Hahn, Director

Information Line: (206) 684-7623

<http://www.seattle.gov/transportation/>

Central Waterfront Improvement Fund by Budget Control Level



Central Waterfront Improvement Fund Overview

The Central Waterfront Improvement Fund supports certain costs associated with the design and construction of the Central Waterfront component of the Alaskan Way Viaduct and Seawall Replacement Program, related costs for city administration, and costs eligible for financing by a future Local Improvement District (LID). Appropriations are made from the Fund to the Transportation Operating Fund for these purposes.

Transportation - Central Waterfront Improvement Fund

Budget Overview

The 2012 Proposed Budget includes an interfund loan up to \$2.4 million to the Central Waterfront Improvement Fund to support \$2,000,000 of capital and \$400,000 of future interest costs for the Central Waterfront component of the Alaskan Way Viaduct & Seawall Replacement Program. The loan is anticipated to be repaid with funds from a future Local Improvement District, if formed, and is to be repaid no later than December 31, 2016. It is anticipated that the loan will be amended in future years to support additional costs incurred prior to the formation of the LID. In 2012, the Fund includes a reserve of \$50,000 in 2012 for interest costs related to the loan.

Incremental Budget Changes

Transportation - Central Waterfront Improvement Fund

| | 2012 Dollar Amount | 2012 FTE |
|--|-----------------------|-------------|
| 2012 Endorsed Budget | \$0 | 0.00 |
| 2012 Proposed Changes | | |
| Central Waterfront Improvement Fund Support to Transportation | \$2,000,000 | 0.00 |
| Total Changes | \$2,000,000 | 0.00 |
| 2012 Proposed Changes | \$2,000,000 | 0.00 |

Central Waterfront Improvement Fund Support to Transportation - \$2,000,000. Legislation accompanying the 2012 Proposed Budget creates the Central Waterfront Improvement Fund to support certain costs related to the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP), and authorizes an interfund loan to the fund. Funding is appropriated to the Transportation Operating Fund to support pre-construction activities by the Seattle Department of Transportation on the AWVSRP's Central Waterfront component.

Expenditure Overview

| | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------|-----------------|-----------------|------------------|------------------|
| Appropriations | | | | | |
| Central Waterfront Improvement Fund Support to Transportation Budget Control Level | CWIF-CAP | 0 | 0 | 0 | 2,000,000 |
| Department Total | | 0 | 0 | 0 | 2,000,000 |

Transportation - Central Waterfront Improvement Fund

Appropriations by Budget Control Level (BCL)

Central Waterfront Improvement Fund Support to Transportation Budget

Control Level

The purpose of the Central Waterfront Improvement Fund Support to Transportation Budget Control Level is to appropriate funds from the Central Waterfront Improvement Fund to the Transportation Operating Fund for support of the Alaskan Way Viaduct & Seawall Replacement project

| Expenditures | 2010 | 2011 | 2012 | 2012 |
|---|------|------|------|-----------|
| Central Waterfront Improvement Fund Support to Transportation | 0 | 0 | 0 | 2,000,000 |

Fund Table

Central Waterfront Improvement Fund

| | 2010 Actuals | 2011 Adopted | 2011 Revised | 2012 Endorsed | 2012 Proposed |
|--|-----------------|-----------------|-----------------|------------------|--------------------|
| Beginning Fund Balance | 0 | 0 | 0 | 0 | 0 |
| Accounting and Technical Adjustments | 0 | 0 | 0 | 0 | 0 |
| Plus: Actual and Estimated Revenue | 0 | 0 | 0 | 0 | 0 |
| Less: Actual and Budgeted Expenditures | 0 | 0 | 0 | 0 | 2,000,000 |
| Ending Fund Balance | 0 | 0 | 0 | 0 | (2,000,000) |
| Interest Reserve | | | | | 50,000 |
| Total Reserves | 0 | 0 | 0 | 0 | 50,000 |
| Ending Unreserved Fund Balance | 0 | 0 | 0 | 0 | (2,050,000) |

Through an interfund loan from the City's Cash Pool, the Central Waterfront Improvement Fund will be authorized by proposed legislation accompanying the 2012 Proposed Budget to carry a negative balance of approximately \$2.4 million.

Seattle Public Utilities

Ray Hoffman, Director

Information Line: (206) 684-3000

<http://www.seattle.gov/util/>

Department by Fund and Budget Control Level



Department Overview

Seattle Public Utility's (SPU's) mission is to provide reliable, efficient, and environmentally conscious utility services to enhance the quality of life and livability in all communities SPU serves.

SPU is composed of three major direct-service providing utilities: the Water Utility, the Drainage and Wastewater Utility, and the Solid Waste Utility. All three utilities strive to operate in a cost-effective, innovative, and environmentally responsible manner.

The Water Utility provides more than 1.3 million people with a reliable supply of clean and safe water for drinking and other uses. The system extends from Edmonds to Des Moines and from Puget Sound to Lake Joy near Duvall. SPU retails water in Seattle and adjacent areas, and sells water wholesale to 21 suburban water utilities and two interlocal associations for distribution of water to their customers. The Water Utility includes 1,800 miles of pipeline, 30 pump stations, 15 treated water reservoirs, three wells, and 104,000 acres in two watersheds.

Seattle Public Utilities

The Drainage and Wastewater Utility collects and conveys sewage and stormwater. The drainage and wastewater system includes approximately 448 miles of sanitary sewers, 968 miles of combined sewers, 460 miles of storm drains, 68 pump stations, 90 permitted combined sewer overflow outfalls, 342 storm drain outfalls, 130 stormwater quality treatment facilities, 145 flow control facilities, and 38 combined sewer overflow control detention tanks/pipes. In addition to structural infrastructure, SPU regulates, plans, builds and maintains green stormwater infrastructure, an increasingly important option for managing stormwater. Appropriate approaches to managing sewage and stormwater that can carry pollutants into the region's lakes, rivers and Puget Sound are vital to preserve public health and environmental quality.

The Solid Waste Utility collects and processes recycling, compostables, and residential and commercial garbage. To fulfill this responsibility the City owns two transfer stations, two household hazardous waste facilities, a fleet of trucks and heavy equipment, and two closed landfills. In addition, SPU administers contracts with private contractors who collect household refuse, compostables, and recyclables and deliver the materials to the recycling and composting facilities and to disposal stations for its ultimate processing or disposal. The Solid Waste Capital Improvement Plan (CIP) supports the transfer stations, heavy equipment, and post-closure projects on two landfills previously used by the City.

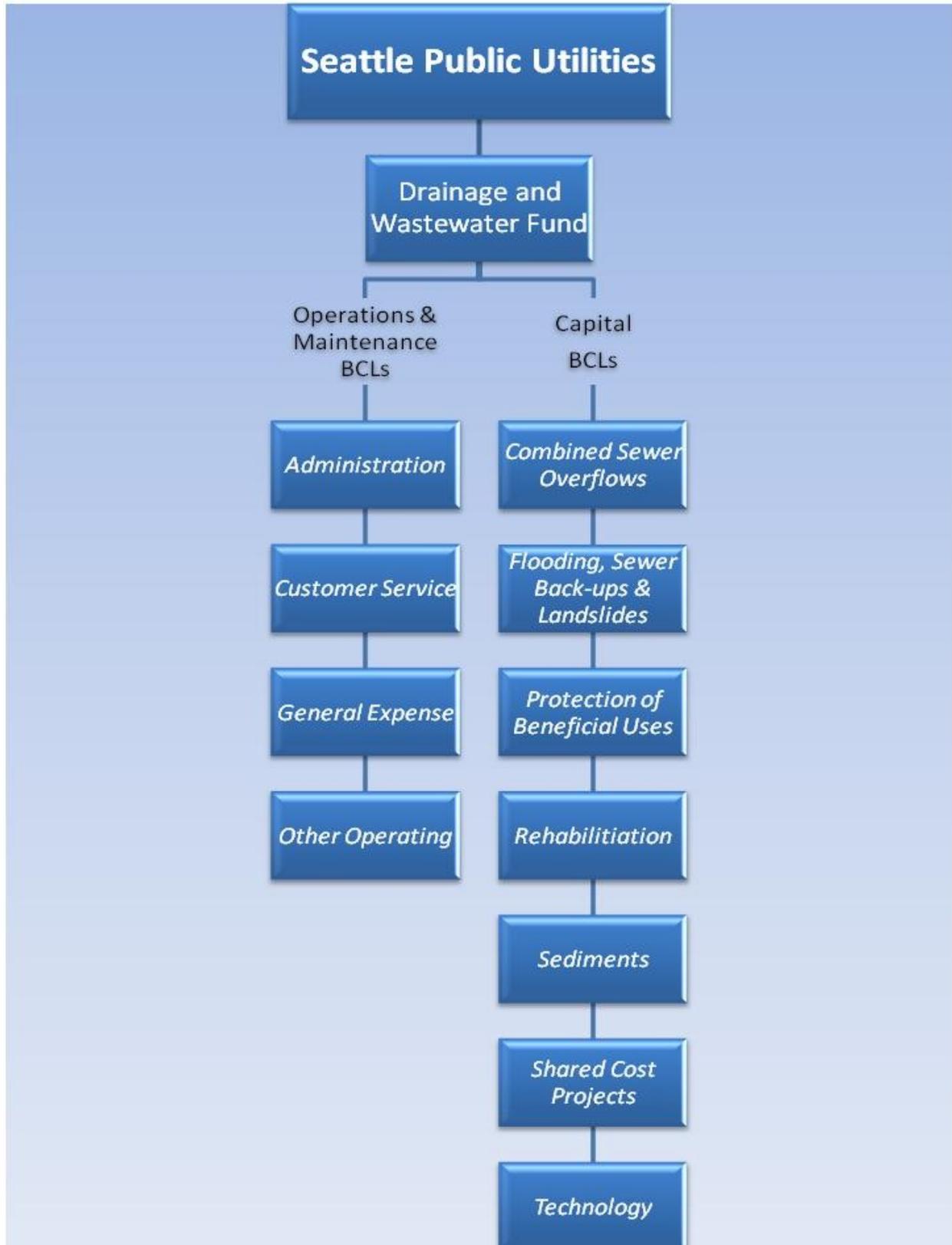
SPU operations and capital programs are funded almost entirely by fees and charges paid by ratepayers who use SPU's solid waste, drainage, wastewater, and drinking water systems. SPU also actively seeks grants to support system maintenance and improvements, and receives reimbursements from other City departments and funds for services provided to those agencies.

Rates adopted in 2010 for the period 2011-2012 inform the 2012 budgets for solid waste, drainage and wastewater included in this document. Because 2012 is the second year in an a well-defined two year rate period, the 2012 budgets for these utilities have very little programmatic change.

Water rates, in contrast, were last established in 2008 for the period 2009-2011. New water rates are proposed in conjunction with this budget for 2012-2014 to support the operating and capital service levels included in the 2012 Proposed Budget. The Water Utility budget proposed for 2012 therefore has programmatic differences from the 2012 Endorsed Budget. The 2012-2014 Water Rate proposal can be found here: <http://www.seattle.gov/util/Services/Water/WaterRates/index.asp>.

SPU monitors its funds using financial targets and employs these metrics to communicate about the financial health of its utilities with the Mayor and Council, Seattle residents and businesses, and the bond rating agencies. Financial performance metrics include net income; year-end cash balance; the amount of cash versus debt dedicated to the CIP; debt service coverage, which is the amount of cash available to pay annual debt service after day-to-day system expenses are paid; and, for the Drainage and Wastewater Fund, the debt to asset ratio. As a result of strong financial management and a commitment on the part of elected officials to establishing prudent rates, SPU has some of the strongest bond ratings of any utility in the country. SPU's Water and Drainage and Wastewater bonds are rated one notch below the highest rating by both S&P (AA+) and Moody's (Aa1), while Solid Waste bonds, which traditionally are viewed as more risky by ratings agencies, are just slightly lower and still categorized as High Grade High Quality bonds (AA and Aa3 from the two agencies, respectively). These high ratings help SPU sell revenue bonds to fund infrastructure investments at the lowest costs possible. This benefits the utilities and the rate payers they serve.

Drainage & Wastewater Utility by Budget Control Level



Seattle Public Utilities - Drainage & Wastewater Utility

Budget Snapshot

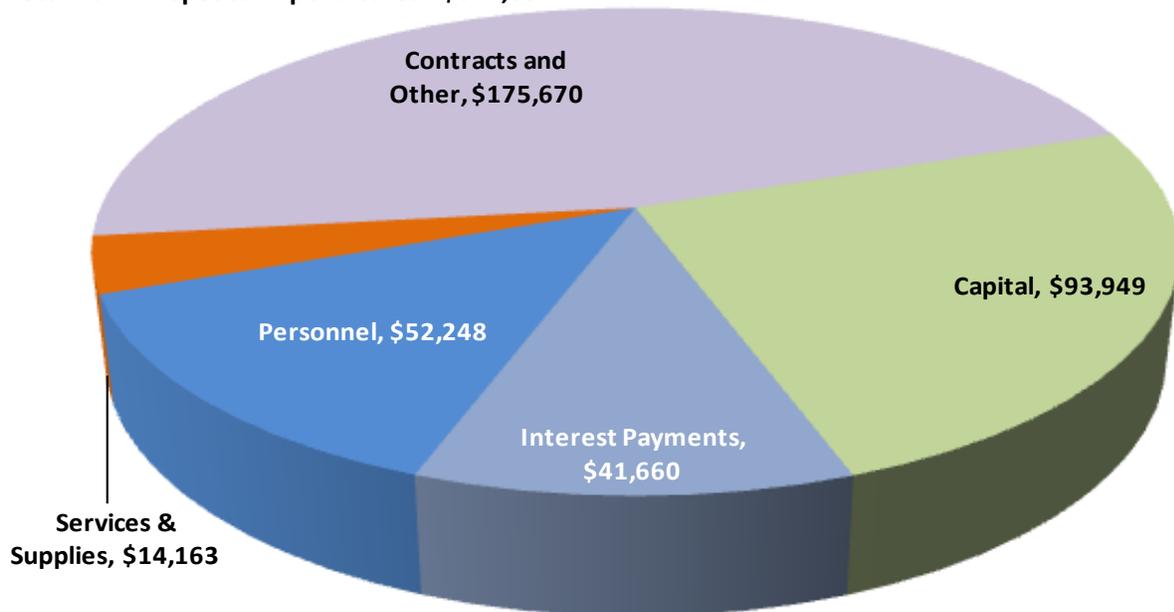
| Drainage & Wastewater Utility | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------------|----------------------|----------------------|----------------------|
| General Fund | \$1,113,601 | \$1,117,612 | \$1,145,698 | \$1,205,361 |
| Other Revenues | \$314,899,543 | \$347,914,066 | \$364,922,586 | \$372,352,392 |
| Total Revenues | \$316,013,144 | \$349,031,678 | \$366,068,285 | \$373,557,753 |
| Use of (Contribution to) Fund Balance | (\$8,317,041) | \$9,532,463 | \$5,877,087 | \$4,132,749 |
| Total Resources | \$307,696,103 | \$358,564,141 | \$371,945,372 | \$377,690,502 |
| Total Expenditures | \$307,696,103 | \$358,564,141 | \$371,945,372 | \$377,690,502 |
| Full-Time Equivalent * Total | 543.00 | 539.50 | 538.50 | 536.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

2012 Proposed Budget - Expenditure by Category

(\$ amounts in thousands)

Total 2012 Proposed Expenditures - \$377,691

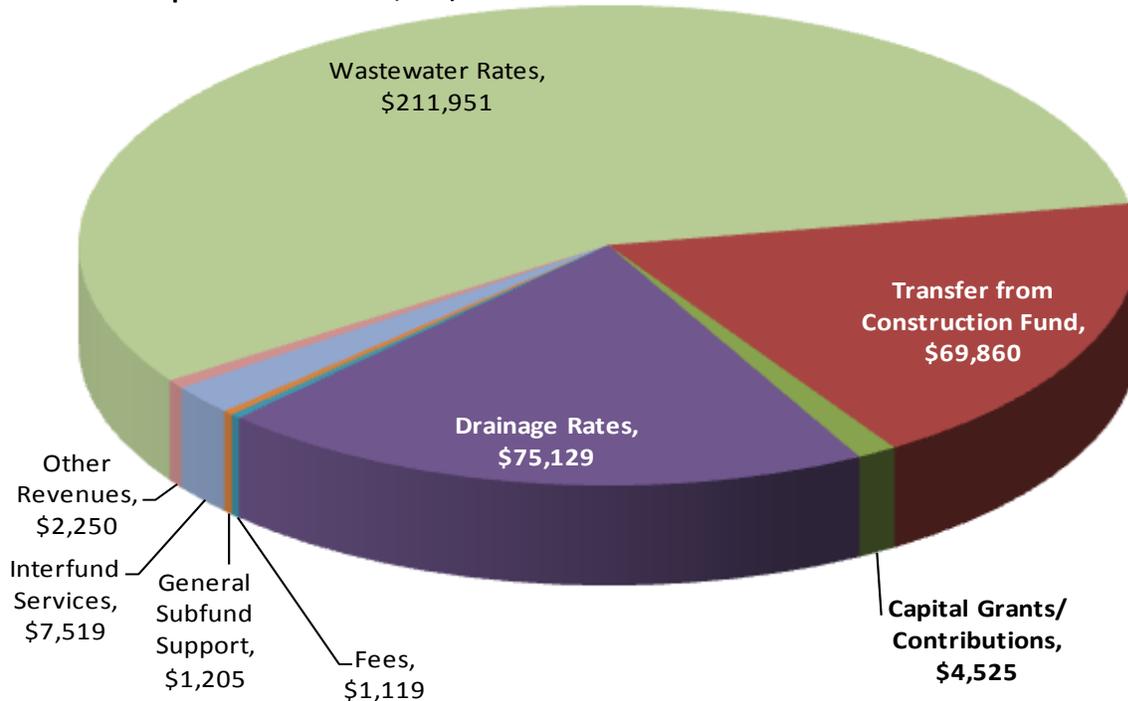


Seattle Public Utilities - Drainage & Wastewater Utility

2012 Proposed Budget - Revenues By Category

(\$ amounts in thousands)

Total 2012 Proposed Revenues - \$373,558



Budget Overview

The Drainage and Wastewater Utility budget is experiencing growth driven by federal and state regulatory requirements at a time when the Utility's revenues are impacted by the national economic slowdown.

The 2012 budget continues to fund the Utility's major services, including:

- building, operating, and maintaining the drainage and wastewater systems to ensure reliability, regulatory compliance, and public health and safety;
- protecting the environment in the Duwamish, Elliott Bay, Puget Sound, and the greater Seattle area by collecting, treating, and managing wastewater and stormwater run-off; and,
- pursuing leadership in cost-effective conservation and sustainable community living, through infrastructure projects, education, innovation, financial incentives, and rebate programs.

The City's two National Pollutant Discharge Elimination System (NPDES) permits, one for stormwater and one for the combined sewer system, guide many of the expenditures in the Utility. The City of Seattle's most recent NPDES permit for stormwater, granted by the State in 2007, introduced more prescriptive requirements to help to protect local waterways and Puget Sound from damaging pollutants and excessive runoff. Some of these requirements include business inspections, private stormwater

Seattle Public Utilities - Drainage & Wastewater Utility

detention facility inspections, detection of illicit connections, and inspections and cleaning of catch basins. These heightened NPDES requirements affect many City departments, and SPU is leading the Citywide coordination effort. In addition, SPU must comply with findings from a 2008 U.S. Environmental Protection Agency (EPA) audit of SPU's wastewater and combined sewer system. These requirements help keep local lakes and rivers clean for recreation and aquatic life, and ensure the sewer and drainage infrastructure's reliability, but they also put upward pressure on drainage and wastewater rates.

To comply with the City's combined sewer permit, the 2012-2017 Proposed CIP continues investments in the combined sewer overflow program, including the Long Term Control Plan and the Windermere, Henderson, and Genesee control projects. Combined Sewer Overflows (CSOs) can spill a mixture of raw sewage and stormwater into local waterways at 92 historic outfalls throughout the City of Seattle, primarily during periods of heavy rain. Although expensive, improving the system to prevent overflows is important. These spills violate water quality standards, raise public health concerns, and contaminate sediment and habitat for endangered species. State and federal law require SPU to achieve control of CSOs by 2025 through a Long Term Control Plan to be completed by 2015.

SPU's Proposed Budget and CIP also address major drainage issues throughout the City, including localized flooding problems in Madison Valley and South Park storm drainage and water quality issues. The CIP provides funding for utility work related to the City's voter-approved Bridging the Gap transportation investments, the Alaskan Way Viaduct/Seawall project, and the Mercer Corridor project.

Several of SPU's approaches to stormwater management have received national attention. Seattle is pioneering green stormwater infrastructure projects, including swales, and relying on this cost-effective approach to reduce overflows from the combined sewer system and to improve the water quality of stormwater runoff. The Proposed Budget and CIP also continue funding for an innovative street sweeping for water quality program begun in 2011, based on analysis that shows street sweeping is one of the most cost-effective means to keep pollutants from entering receiving waters (compared, for example, with building and maintaining detention and treatment facilities).

The Utility's revenue is generated primarily through customer charges on businesses and residents who use the drainage and wastewater infrastructure. To keep rate increases as low as possible, the Drainage and Wastewater Utility's 2011 Adopted and 2012 Endorsed Budget included reductions of \$1.9 million and 8.5 FTE. The 2012 Proposed Budget continues these reductions and makes no changes to the rates adopted in 2010 for the period 2011-2012.

The limited policy-related changes in the 2012 Proposed Budget include transfers of existing funding from Seattle City Light and the General Fund to SPU for consolidation of Seattle ReLeaf, the City's urban forest program; changes in the funding approach to certain services previously supported by the General Fund; further savings from careful management of the vehicle fleet; and a net increase of \$1.2 million in CIP spending. Increasing regulatory emphasis on protecting and improving water quality has resulted in the need for Seattle to make substantial investments in detention, treatment, and green stormwater infrastructure in the coming years. Increased CIP funding is also needed to maintain and improve the existing drainage systems so that residents experience less flooding and fewer sewage backups. These increases are partially offset by decreases to a variety of other projects, including technology projects.

Seattle Public Utilities - Drainage & Wastewater Utility

While there are few policy changes in the 2012 Proposed Budget, there are several technical changes, including shifts of labor and projects from the CIP to the O&M budget to ensure the correct accounting treatment, adjustments to equipment depreciation, and updated estimates for debt service and contracts. These technical changes add \$4.46 million to the budget.

With CIP increases of \$1.2 million, the Drainage and Wastewater Utility's 2012 Proposed Budget and CIP are \$5.7 million or 1.5% higher than the 2012 Endorsed Budget of \$371.9 million. In addition, core revenues have been adjusted downward somewhat since the 2012 Endorsed Budget, because revenues from residential accounts are tracking below forecast. Because the 2010 fiscal year ended with more cash on hand than forecast – due to underspending on the CIP and O&M budgets and changes in the timing of certain invoice payments – SPU is able to carry the cash forward and absorb these unanticipated costs while still meeting all financial targets for the Drainage and Wastewater Fund.

No changes are proposed to drainage and wastewater rates that were adopted in 2010 for 2012. The average residential customer will experience rate increases in 2012 of 11.4% or \$2.23 a month in Drainage and 3.9% or \$2.08 a month in Wastewater rates, including King County treatment costs that are passed through to Seattle customers. The growth in Seattle's rates is driven by regulatory requirements, and because the Drainage and Wastewater Utility is now absorbing a higher share of overall SPU overhead costs, given the offsetting decline in the size of the Water Utility's CIP.

Seattle Public Utilities - Drainage & Wastewater Utility

Incremental Budget Changes

Seattle Public Utilities - Drainage and Wastewater Utility

| | 2012 Dollar Amount | 2012 FTE |
|---|-----------------------|---------------|
| 2012 Endorsed Budget | \$371,945,372 | 538.50 |
| 2012 Proposed Changes | | |
| Technical Adjustments | \$2,575,684 | 0.00 |
| Technical - First Hill Street Car | \$1,883,100 | 0.00 |
| Fleet Reductions - Operating Costs | (\$3,744) | 0.00 |
| General Fund Reductions and Reallocations | (\$53,459) | 0.00 |
| Seattle ReLeaf | \$130,000 | 0.00 |
| Management Efficiencies | \$0 | (1.00) |
| Call Center Efficiencies | \$0 | (1.00) |
| Drainage and Wastewater CIP | \$1,399,541 | 0.00 |
| Technology CIP | (\$185,992) | 0.00 |
| Total Changes | \$5,745,130 | (2.00) |

| | | |
|-----------------------------|----------------------|---------------|
| 2012 Proposed Budget | \$377,690,502 | 536.50 |
|-----------------------------|----------------------|---------------|

Technical Adjustments - \$2,575,684. Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Drainage and Wastewater Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; corrections to technical errors included in the 2012 Endorsed Budget; updates to major payments, including debt service and taxes, based on latest revenue forecasts and schedules for the issue of debt; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning.

Technical - First Hill Street Car - \$1,883,100. The First Hill Street Car project is an SDOT-led transportation project that will connect major employment centers on First Hill to the regional light rail system stations on Capitol Hill and in the International District, while providing local transit connections between the Broadway, Pike/Pine, First Hill, Yesler Terrace, Little Saigon and Chinatown/International districts. The project requires SPU to relocate infrastructure including drainage and wastewater facilities, water mains, water services, and hydrants. This work is moving from the Water Fund and Drainage and Wastewater Fund Capital Budget to the Drainage and Wastewater Fund Operating Budget. SPU is not able to capitalize this work based on financial guidelines. SPU's costs will be reimbursed by the project budget and reimbursements are displayed in the Drainage and Wastewater Fund revenue table. Currently no Water CIP betterments have been identified.

Fleet Reductions – Operating Costs - (\$3,744). SPU closely manages its fleets and performs annual utilization reviews to identify ways to save money. The 2012 Proposed Budget reduces SPU's light fleet by two vehicles and heavy equipment by four, saving \$11,000 in operating costs each year in the

Seattle Public Utilities - Drainage & Wastewater Utility

department as a whole and \$3,744 in the Drainage and Wastewater Utility. There are no service level impacts, as reductions were made possible through careful management of the fleets. In previous budgets – the 2010 Adopted Budget as well as the 2011 Adopted Budget and 2012 Endorsed Budget – SPU reduced 24 light fleet vehicles and 12 pieces of heavy equipment. In addition to operating savings, fleet reductions help SPU forego vehicle replacement costs. The reduction of the four heavy vehicles proposed for 2012 allows SPU to avoid future equipment purchases of an estimated \$153,000.

General Fund Reductions and Reallocations - (\$53,459). SPU receives approximately \$1.25 million a year in General Fund resources to support programs and services that benefit the city overall. These services include staffing a hotline for abandoned vehicle complaints; education and outreach dedicated to keeping local water bodies free of pollutants (Restore our Waters); managing and maintaining the City's geographic database (Geographic Information Systems or GIS); and providing a variety of engineering services including maintaining survey records and replacing monuments and markers used by surveyors in city streets.

General Fund budget pressures in 2012 and future years require that SPU make General Fund budget reductions. The budget proposes to shift abandoned vehicles work from the General Fund to the tonnage tax, which is another general purpose revenue source. In addition, General Fund funding for Restore our Waters is eliminated, but all major eligible program activities are continued using Drainage and Wastewater funding. Finally, to correct a technical oversight, funding for appropriate overhead costs is added to the General Fund budgets for SPU's engineering services. The net change in the General Fund is a reduction of \$101,000 across all three SPU utilities, which is consistent with the General Fund reduction target of 8% for SPU.

Seattle ReLeaf - \$130,000. In June, 2011, the Mayor and Council passed legislation to consolidate the City's community tree outreach, education, and planting efforts into a single program—Seattle reLeaf—to be housed in SPU. Seattle reLeaf is consistent with the Urban Forest Management Plan, which calls for a robust public outreach effort by the City to ensure Seattle meets its goal of increasing the city's canopy cover from 23% to 30% by 2030. A robust tree canopy has a number of significant environmental benefits, including storm water management, cleaner air, and greener open spaces. In addition, SPU and the City's Office for Sustainability and Environment (OSE) determined that the program can continue to be run effectively at 80% staff time as opposed to with a full time position, and that program capacity is sufficient to plant 1,000 trees in 2012, thereby making it possible to reduce the program's General Fund funding by \$25,000 without affecting direct service levels achieved in prior years. Seattle reLeaf's 2012 budget is \$210,000, \$80,000 of which is already in SPU's baseline budget, another \$80,000 which will be transferred from Seattle City Light to SPU, and \$50,000 in General Fund resources that were in OSE's budget in 2011 and are budgeted directly in SPU in 2012. The remaining \$25,000 that was in OSE's 2012 Endorsed Budget is proposed for reduction to achieve General Fund savings.

Management Efficiencies - (1.0) FTE. During the 2011-2012 budget process, the City Council removed \$500,000 from SPU's 2012 Endorsed Budget and directed SPU to abrogate managerial and supervisory positions consistent with the \$500,000 reduction. In response, SPU's 2012 Proposed Budget eliminates three senior management positions in the department: a vacant Executive 2 in the Drainage and Wastewater Utility; a vacant Strategic Advisor 2, General Government, in the Water Utility; and, a vacant Manager 2, Utilities, in the Solid Waste Utility. There are no dollar changes proposed at this

Seattle Public Utilities - Drainage & Wastewater Utility

time, since the 2012 Endorsed Budget already included the \$500,000 reduction.

The three positions identified create savings of \$462,000. However, SPU will work with the City's Personnel Department to reclassify a number of other filled management and supervisory positions to better align position titles with job responsibilities. These reclassifications will take effect in 2012. The salary savings resulting from the reclassifications will make up the difference between the \$500,000 cut target and the \$462,000 savings outlined above.

Call Center Efficiencies - (1.0) FTE. The Joint Utility Call Center provides customers of SPU and Seattle City Light with customer care and assistance. This item abrogates a vacant 1.0 FTE Utility Account Representative I position in order to provide funding for five reclassifications that will occur outside of the budget process. The reclassified positions will provide additional analytical capacity, training, and management oversight in the Call Center. As a result, the Call Center will be better able to meet performance objectives as established by the Mayor and Council. SPU will report back to the Mayor and City Council on progress in meeting performance objectives during 2012.

Drainage and Wastewater CIP - \$1,399,541. The 2012 Proposed Budget for the Drainage and Wastewater CIP – excluding Technology CIP projects – represents an increase of roughly \$1.4 million over the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. Additional detail is provided in the 2012-2017 Proposed CIP.

Technology CIP - (\$185,992). The 2012 Proposed Budget reduces Technology CIP spending by 10%, or \$1.37 million, compared to the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The Drainage and Wastewater Utility's share of the Technology CIP reduction is 14%, or \$185,992, based on the Drainage and Wastewater Utility's share of benefit from these projects. SPU will focus technology spending on the highest priority business needs. These include utility asset management (Maximo Upgrade/Asset Data Initiative), budget and financial management (Budget Planning and Forecasting, Financial Data Mart), customer service improvements (Web Application Redesign, online chat & contact tools), and project delivery (Enterprise Project Management System). Other technology investments will be cancelled or deferred as a result of this reduction, which is part of a set of initiatives intended to contain costs across the utility. For more information on project and BCL changes, please see the 2012-2017 Proposed CIP.

Seattle Public Utilities - Drainage & Wastewater Utility

Expenditure Overview

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|-----------------|--------------------|--------------------|--------------------|--------------------|
| Administration Budget Control Level | N100B-DW | | | | |
| Administration | | 12,141,698 | 13,918,854 | 13,706,807 | 14,860,725 |
| General and Administrative Credit | | (8,261,157) | (10,816,551) | (10,922,149) | (9,165,778) |
| Administration Total | | 3,880,541 | 3,102,303 | 2,784,658 | 5,694,947 |
| Combined Sewer Overflows Budget Control Level | C360B | 16,996,370 | 17,806,875 | 25,769,534 | 26,887,630 |
| Customer Service Budget Control Level | N300B-DW | 5,976,406 | 7,089,545 | 7,026,865 | 7,425,526 |
| Flooding, Sewer Back-up, and Landslides Budget Control Level | C380B | 14,906,037 | 35,069,776 | 23,240,984 | 24,186,341 |
| General Expense Budget Control Level | N000B-DW | | | | |
| Debt Service | | 37,617,908 | 37,274,252 | 39,863,112 | 41,832,081 |
| Other General Expenses | | 127,120,776 | 141,157,439 | 141,232,653 | 139,547,999 |
| Taxes | | 32,276,515 | 36,979,272 | 38,640,160 | 38,235,239 |
| General Expense Total | | 197,015,199 | 215,410,962 | 219,735,925 | 219,615,319 |
| Other Operating Budget Control Level | N400B-DW | | | | |
| Field Operations | | 18,532,986 | 19,895,761 | 19,854,568 | 19,550,762 |
| Pre-Capital Planning & Development | | 1,023,467 | 1,989,291 | 2,069,669 | 1,551,378 |
| Project Delivery | | 8,134,888 | 9,348,989 | 9,407,616 | 11,093,977 |
| Utility Systems Management | | 14,986,506 | 17,879,199 | 18,442,069 | 18,921,042 |
| Other Operating Total | | 42,677,848 | 49,113,240 | 49,773,922 | 51,117,159 |
| Protection of Beneficial Uses Budget Control Level | C333B | 1,863,482 | 2,283,081 | 6,040,474 | 4,799,701 |
| Rehabilitation Budget Control Level | C370B | 9,525,878 | 6,471,519 | 10,526,291 | 12,622,929 |
| Sediments Budget Control Level | C350B | 4,051,291 | 6,350,146 | 5,385,277 | 5,594,648 |
| Shared Cost Projects Budget Control Level | C410B-DW | 8,346,676 | 11,804,290 | 16,660,024 | 14,930,876 |

Seattle Public Utilities - Drainage & Wastewater Utility

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|--------------------|---------------------|---------------------|----------------------|----------------------|
| Technology Budget Control Level | C510B-DW | 2,456,375 | 4,062,403 | 5,001,418 | 4,815,426 |
| Drainage and Wastewater Utility Total | | 307,696,103 | 358,564,141 | 371,945,372 | 377,690,502 |

Revenue Overview

2012 Estimated Revenues for the Drainage and Wastewater Fund

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|---|---------------------|---------------------|----------------------|----------------------|
| 408000 | Capital Grants and Contributions (excluding donated assets) | 3,173,250 | 4,923,250 | 3,073,250 | 4,524,622 |
| Total Capital Grants/Contributions | | 3,173,250 | 4,923,250 | 3,073,250 | 4,524,622 |
| 443610 | Drainage Utility Services | 58,292,349 | 67,129,364 | 74,763,545 | 75,128,643 |
| Total Drainage Rates | | 58,292,349 | 67,129,364 | 74,763,545 | 75,128,643 |
| 443691 | Side Sewer Permit Fees | 862,089 | 862,089 | 862,089 | 905,125 |
| 443694 | Drainage Permit Fees | 196,505 | 196,505 | 196,505 | 214,280 |
| Total Fees | | 1,058,594 | 1,058,594 | 1,058,594 | 1,119,405 |
| 543210 | GF - Various GIS & Eng Svcs (N4303 & N2418) | 955,457 | 881,305 | 904,665 | 1,205,361 |
| 705000 | General Subfund -- Transfer In -- Restore Our Waters | 106,761 | 183,896 | 187,574 | 0 |
| 705000 | GF Reimbursement of Abandoned Vehicles | 51,383 | 52,411 | 53,459 | 0 |
| Total General Subfund Support | | 1,113,601 | 1,117,612 | 1,145,698 | 1,205,361 |
| 437010 | Call Center Reimbursement from SCL | 1,771,877 | 1,676,405 | 1,688,806 | 1,688,806 |
| 443210 | GIS CGDB Corporate Support (N2408 and N2418) | 788,093 | 1,148,267 | 1,171,233 | 1,171,233 |
| 543210 | GIS Maps & Publications (N2409 and 2419) | 157,619 | 157,619 | 157,619 | 157,619 |
| 543210 | Parks & Other City Depts. (N4405) | 1,126,276 | 502,112 | 511,053 | 511,053 |
| 543210 | SCL for ReLeaf | 0 | 0 | 0 | 80,000 |
| 543210 | SCL Fund (N4403) | 235,403 | 337,525 | 339,176 | 339,176 |
| 543210 | SDOT Fund (N4404) | 3,692,608 | 1,630,363 | 1,670,771 | 3,570,771 |
| Total Interfund Services | | 7,771,876 | 5,452,291 | 5,538,659 | 7,518,659 |

Seattle Public Utilities - Drainage & Wastewater Utility

2012 Estimated Revenues for the Drainage and Wastewater Fund - continued

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|--|--------------------|--------------------|--------------------|--------------------|
| 461110 | Build America Bond Interest Income | 1,645,000 | 0 | 0 | 1,886,000 |
| 469990 | Other Operating Revenues | 156,453 | 159,582 | 162,774 | 48,577 |
| 479010 | Operating Grants | 300,076 | 300,076 | 300,076 | 315,042 |
| 705000 | Technical Adjustments | 0 | 960,000 | 991,400 | 0 |
| Total Other Revenues | | 2,101,529 | 1,419,658 | 1,454,250 | 2,249,619 |
| 469990 | Transfer from Construction Fund | 55,846,983 | 57,418,859 | 63,425,475 | 69,859,976 |
| Total Transfer from Construction Fund | | 55,846,983 | 57,418,859 | 63,425,475 | 69,859,976 |
| 443510 | Wastewater Utility Services | 186,654,961 | 210,512,050 | 215,608,814 | 211,951,469 |
| Total Wastewater Rates | | 186,654,961 | 210,512,050 | 215,608,814 | 211,951,469 |
| Total Revenues | | 316,013,144 | 349,031,678 | 366,068,285 | 373,557,753 |
| 379100 | Decrease (Increase) in Working Capital | (8,317,041) | 9,532,463 | 5,877,087 | 4,132,749 |
| Total Decrease (Increase) in Working Capital | | (8,317,041) | 9,532,463 | 5,877,087 | 4,132,749 |
| Total Resources | | 307,696,103 | 358,564,141 | 371,945,372 | 377,690,502 |

Seattle Public Utilities - Drainage & Wastewater Utility

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Drainage and Wastewater Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities and, more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Administration | 12,141,698 | 13,918,854 | 13,706,807 | 14,860,725 |
| General and Administrative Credit | (8,261,157) | (10,816,551) | (10,922,149) | (9,165,778) |
| Total | 3,880,541 | 3,102,303 | 2,784,658 | 5,694,947 |
| Full-Time Equivalents Total* | 62.50 | 59.75 | 59.75 | 59.75 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Administration Budget Control Level:

Administration Program The purpose of the Drainage and Wastewater Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities and, more specifically, for the Drainage and Wastewater Utility, and to provide core financial, human resource, and information technology services.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Administration | 12,141,698 | 13,918,854 | 13,706,807 | 14,860,725 |
| Full-Time Equivalents Total* | 62.50 | 59.75 | 59.75 | 59.75 |

General and Administrative Credit Program The purpose of the Drainage and Wastewater Utility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| General and Administrative Credit | (8,261,157) | (10,816,551) | (10,922,149) | (9,165,778) |

Seattle Public Utilities - Drainage & Wastewater Utility

Appropriations by Budget Control Level (BCL) and Program

Combined Sewer Overflows Budget Control Level

The purpose of the Drainage and Wastewater Utility Combined Sewer Overflow (CSO) Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan and construct large infrastructure systems, smaller retrofits, and green infrastructure for CSO control.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Combined Sewer Overflows | 16,996,370 | 17,806,875 | 25,769,534 | 26,887,630 |
| Full-Time Equivalents Total* | 30.00 | 30.00 | 30.00 | 30.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Customer Service Budget Control Level

The purpose of the Drainage and Wastewater Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Customer Service | 5,976,406 | 7,089,545 | 7,026,865 | 7,425,526 |
| Full-Time Equivalents Total* | 59.00 | 58.50 | 57.50 | 56.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Flooding, Sewer Back-up, and Landslides Budget Control Level

The purpose of the Drainage and Wastewater Utility Flooding, Sewer Back-up, and Landslides Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan, design, and construct systems aimed at preventing or alleviating flooding and sewer backups in the city of Seattle, protecting public health, safety, and property. This program also protects SPU drainage and wastewater infrastructure from landslides, and makes drainage improvements where surface water generated from the City right-of-way contributes to landslides.

| | 2010 | 2011 | 2012 | 2012 |
|---|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Flooding, Sewer Back-up, and Landslides | 14,906,037 | 35,069,776 | 23,240,984 | 24,186,341 |
| Full-Time Equivalents Total* | 25.00 | 25.00 | 25.00 | 25.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Drainage & Wastewater Utility

Appropriations by Budget Control Level (BCL) and Program

General Expense Budget Control Level

The purpose of the Drainage and Wastewater Utility General Expense Budget Control Level is to appropriate funds to pay the Drainage and Wastewater Utility's general expenses.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Program Expenditures | | | | |
| Debt Service | 37,617,908 | 37,274,252 | 39,863,112 | 41,832,081 |
| Other General Expenses | 127,120,776 | 141,157,439 | 141,232,653 | 139,547,999 |
| Taxes | 32,276,515 | 36,979,272 | 38,640,160 | 38,235,239 |
| Total | 197,015,199 | 215,410,962 | 219,735,925 | 219,615,319 |
| Full-Time Equivalents Total* | 0.50 | 0.50 | 0.50 | 0.50 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

The following information summarizes the programs within the General Expense Budget Control Level:

Debt Service Program The purpose of the Drainage and Wastewater Utility Debt Service Program is to provide appropriation for debt service on Drainage and Wastewater Utility bonds.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------|------------|------------|------------|------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Expenditures | | | | |
| Debt Service | 37,617,908 | 37,274,252 | 39,863,112 | 41,832,081 |

Other General Expenses Program The purpose of the Drainage and Wastewater Utility Other General Expenses Program is to appropriate funds for payment to King County Metro for sewage treatment, and the Drainage and Wastewater Fund's share of City central costs, claims, and other general expenses.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-------------|-------------|-------------|-------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Expenditures/FTE | | | | |
| Other General Expenses | 127,120,776 | 141,157,439 | 141,232,653 | 139,547,999 |
| | 6 | 9 | 3 | 9 |
| Full-Time Equivalents Total* | 0.50 | 0.50 | 0.50 | 0.50 |

Taxes Program The purpose of the Drainage and Wastewater Utility Taxes Program is to provide appropriation for payment of city and state taxes.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------|------------|------------|------------|------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Expenditures | | | | |
| Taxes | 32,276,515 | 36,979,272 | 38,640,160 | 38,235,239 |

Seattle Public Utilities - Drainage & Wastewater Utility

Appropriations by Budget Control Level (BCL) and Program

Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Drainage and Wastewater Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Field Operations | 18,532,986 | 19,895,761 | 19,854,568 | 19,550,762 |
| Pre-Capital Planning & Development | 1,023,467 | 1,989,291 | 2,069,669 | 1,551,378 |
| Project Delivery | 8,134,888 | 9,348,989 | 9,407,616 | 11,093,977 |
| Utility Systems Management | 14,986,506 | 17,879,199 | 18,442,069 | 18,921,042 |
| Total | 42,677,848 | 49,113,240 | 49,773,922 | 51,117,159 |
| Full-Time Equivalents Total* | 262.00 | 261.75 | 261.75 | 260.75 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Other Operating Budget Control Level:

Field Operations Program The purpose of the Drainage and Wastewater Utility Field Operations Program is to operate and maintain drainage and wastewater infrastructure that protects the public's health, and protects and improves the environment.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Field Operations | 18,532,986 | 19,895,761 | 19,854,568 | 19,550,762 |
| Full-Time Equivalents Total* | 106.00 | 105.25 | 105.25 | 105.25 |

Pre-Capital Planning & Development Program The purpose of the Drainage and Wastewater Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the drainage and wastewater system. This program will capture all costs associated with a project that need to be expensed during its life-cycle, including any post-construction monitoring and landscape maintenance.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Pre-Capital Planning & Development | 1,023,467 | 1,989,291 | 2,069,669 | 1,551,378 |

Seattle Public Utilities - Drainage & Wastewater Utility

Appropriations by Budget Control Level (BCL) and Program

Project Delivery Program The purpose of the Drainage and Wastewater Utility's Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to the Drainage and Wastewater Utility's capital improvement projects and to the managers of drainage and wastewater facilities.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Project Delivery | 8,134,888 | 9,348,989 | 9,407,616 | 11,093,977 |
| Full-Time Equivalents Total* | 69.00 | 67.00 | 67.00 | 67.00 |

Utility Systems Management Program The purpose of the Drainage and Wastewater Utility's Utility Systems Management Program is to ensure that the Drainage and Wastewater Utility systems and associated assets are properly planned, developed, operated, and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Utility Systems Management | 14,986,506 | 17,879,199 | 18,442,069 | 18,921,042 |
| Full-Time Equivalents Total* | 87.00 | 89.50 | 89.50 | 88.50 |

Protection of Beneficial Uses Budget Control Level

The purpose of the Drainage and Wastewater Utility Protection of Beneficial Uses Budget Control Level, a Capital Improvement Program funded by drainage revenues, is to make improvements to the city's drainage system to reduce the harmful effects of stormwater runoff on creeks and receiving waters by improving water quality and protecting or enhancing habitat.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|-------------------------------|-----------|-----------|-----------|-----------|
| | Actuals | Adopted | Endorsed | Proposed |
| Protection of Beneficial Uses | 1,863,482 | 2,283,081 | 6,040,474 | 4,799,701 |
| Full-Time Equivalents Total* | 15.00 | 15.00 | 15.00 | 15.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Drainage & Wastewater Utility

Appropriations by Budget Control Level (BCL) and Program

Rehabilitation Budget Control Level

The purpose of the Drainage and Wastewater Utility Rehabilitation Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to rehabilitate or replace existing drainage and wastewater assets in kind, to maintain the current functionality of the system.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Rehabilitation | 9,525,878 | 6,471,519 | 10,526,291 | 12,622,929 |
| Full-Time Equivalents Total* | 30.00 | 30.00 | 30.00 | 30.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Sediments Budget Control Level

The purpose of the Drainage and Wastewater Utility Sediments Budget Control Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to restore and rehabilitate natural resources in or along Seattle's waterways.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Sediments | 4,051,291 | 6,350,146 | 5,385,277 | 5,594,648 |
| Full-Time Equivalents Total* | 7.00 | 7.00 | 7.00 | 7.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Shared Cost Projects Budget Control Level

The purpose of the Drainage and Wastewater Utility Shared Cost Projects Budget Control Level, a Drainage and Wastewater Capital Improvement Program, is to implement the Drainage and Wastewater Utility's share of capital improvement projects that receive funding from multiple SPU funds benefiting the Utility.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Shared Cost Projects | 8,346,676 | 11,804,290 | 16,660,024 | 14,930,876 |
| Full-Time Equivalents Total* | 39.00 | 39.00 | 39.00 | 39.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Drainage & Wastewater Utility

Technology Budget Control Level

The purpose of the Drainage and Wastewater Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of recent technology advances to increase the Drainage and Wastewater Utility's efficiency and productivity.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Technology | 2,456,375 | 4,062,403 | 5,001,418 | 4,815,426 |
| Full-Time Equivalents Total* | 13.00 | 13.00 | 13.00 | 13.00 |

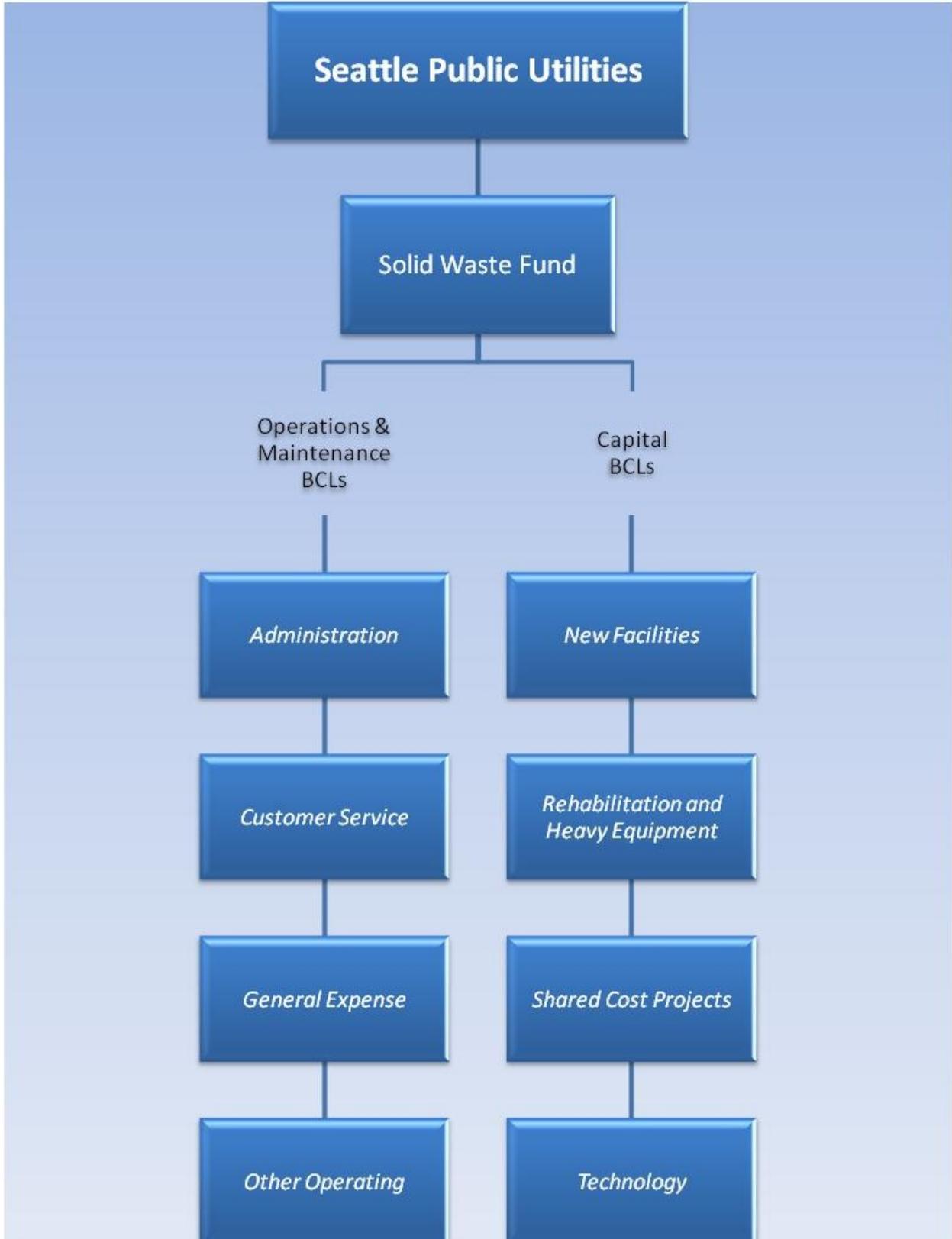
**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Fund Table

Drainage & Wastewater Fund

| | 2010 | 2011 | 2011 | 2012 | 2012 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actuals | Adopted | Revised | Endorsed | Proposed |
| Operating Cash at End of Previous Year | 23,524,844 | 12,600,733 | 30,255,508 | 10,420,796 | 21,284,777 |
| Plus: Actual and Estimated Revenue | 316,013,144 | 349,031,678 | 341,849,768 | 366,068,285 | 373,557,753 |
| Less: Actual and Budgeted Expenditures | 307,696,103 | 358,564,141 | 366,783,753 | 371,945,372 | 377,690,502 |
| CIP Accomplishment Assumptions | 0 | (8,384,809) | (8,986,635) | (9,262,400) | (9,383,755) |
| Accounting and Technical Adjustments | (1,586,377) | (1,032,283) | 6,976,619 | (3,501,609) | (15,835,783) |
| Ending Operating Cash | 30,255,508 | 10,420,796 | 21,284,777 | 10,304,500 | 10,700,000 |

Solid Waste Utility by Budget Control Level



Seattle Public Utilities - Solid Waste Utility

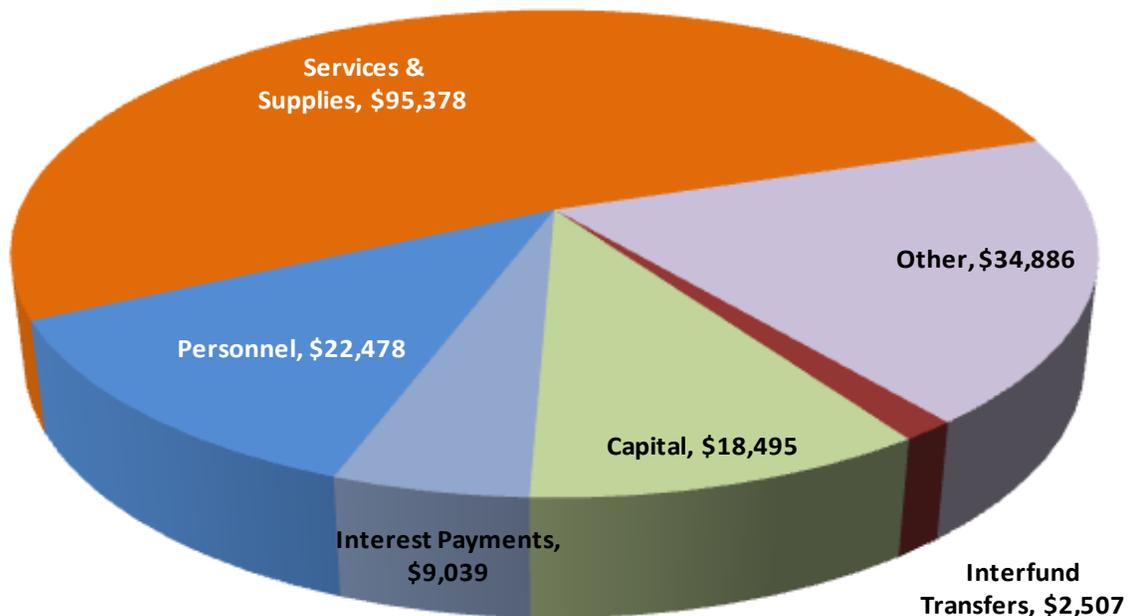
Budget Snapshot

| Solid Waste Utility | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------------|----------------------|----------------------|----------------------|
| General Fund | \$51,383 | \$52,411 | \$53,459 | \$0 |
| Other Revenues | \$173,032,821 | \$187,232,971 | \$201,239,538 | \$175,492,292 |
| Total Revenues | \$173,084,204 | \$187,285,382 | \$201,292,997 | \$175,492,292 |
| Use of (Contribution to) Fund Balance | (\$3,131,605) | \$1,745,638 | \$4,949,655 | \$7,291,811 |
| Total Resources | \$169,952,599 | \$189,031,020 | \$206,242,652 | \$182,784,103 |
| Total Expenditures | \$169,952,599 | \$189,031,020 | \$206,242,652 | \$182,784,103 |
| Full-Time Equivalent * Total | 217.06 | 210.06 | 208.06 | 205.56 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

2012 Proposed Budget - Expenditure by Category

(\$ amounts in thousands)

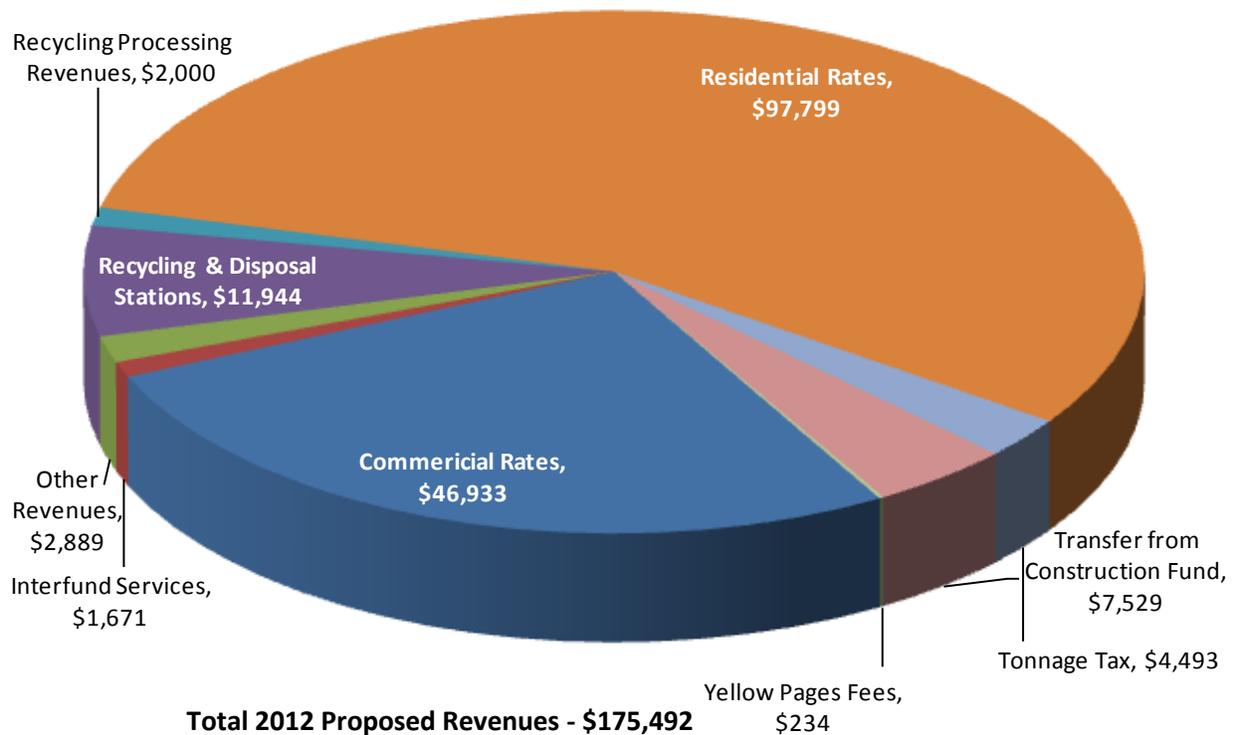


Total 2012 Proposed Expenditures - \$182,784

Seattle Public Utilities - Solid Waste Utility

2012 Proposed Budget - Revenues By Category

(\$ amounts in thousands)



Budget Overview

The Solid Waste Utility:

- collects, processes, and disposes of solid waste from residents and businesses in Seattle to support public health and safety;
- provides customer service, education, and outreach;
- complies with regulatory requirements;
- develops and implements policies and programs that promote recycling, composting, and other waste diversion, to help the City of Seattle meet its goal of diverting 60% of all waste from landfills by 2012 and 70% by 2025; and,
- manages historic landfill sites to ensure protection of human health and the environment, as required by regulation.

The Solid Waste Utility's budget includes funding to rebuild the South and North Transfer Stations. Built in the mid-1960s, both transfer stations have experienced close to half a century of hard industrial use that has worn out the buildings considerably and caused significant increases in ongoing maintenance on electrical and other systems. The current aged stations are not designed for possible future earthquakes, are overcrowded given the current size of Seattle's population, and have limited space for recycling. The new North Transfer Station will likely be completed in 2014. The new South Transfer Station will finish construction in 2012. In fact, roughly \$20 million in funding originally

Seattle Public Utilities - Solid Waste Utility

programmed for this project in 2012 was accelerated into 2011 given revised construction phasing for the project, with the result that the 2012 Proposed Budget is significantly lower than the 2012 Endorsed Budget.

The Solid Waste Utility's budget also includes funding for collection, processing and disposal of the city's waste including recyclables and compostables. After rising for seven straight years, by 2010 Seattle's recycling rate had reached an all-time high of 53.7% overall and 70.3% for single family households. Seattle is among the national leaders in municipal recycling, clearly surpassing the national recycling average of 32.1%. Part of this success is due to the Utility's program to collect compostable waste and food scraps from homes, apartments, and condominiums. Continued policy innovation will be required to meet the City's recycling goals, however, as approximately half of the city's garbage is still made up of recyclable or compostable material, including food waste, paper, and construction materials. SPU will work with the Mayor and Council on policy and program innovations in 2012 to help the City meet these goals.

The Utility's revenue is primarily generated through charges based on the amount of garbage collected from residential and commercial customers. The Solid Waste Utility has been under financial stress since 2008 as a result of the economic downturn, which curbed the volume of waste and recyclables, and caused prices for recyclable materials to dip considerably for several months. To respond to the downturn, various reductions were implemented in the 2010 and 2011 budgets, impacting customer education, community waste prevention grants, and enforcement for recycling requirements. Rate increases were instituted in 2010 for the period 2011-2012, and included increases for the average residential customer of 6.5%, or \$2.25 per month, in 2012. The rate increases were driven largely by declining volumes and replacement of the City's two transfer stations, both of which are nearing the end of their useful lives.

The 2012 Proposed Budget is largely consistent with all major policy assumptions in the 2011 Adopted Budget and 2012 Endorsed Budget. The limited policy-related changes include the transfer of resources from SPU to the Seattle Department of Transportation (SDOT) to enhance graffiti removal from parking pay stations; changes in the funding approach to abandoned vehicles response, which was previously supported by the General Fund; and adjustments to balance the Clean City program's expenditures and revenues. The Clean City program is supported by a general purpose tax on garbage transferred within City boundaries, and provides graffiti and illegal dumping clean up, litter collection, above ground rat control, and support to communities who organize to keep their streets clean and litter-free. Revenues have been lower than forecast given tonnage declines, and expenses were above forecast, which required the rebalancing.

While the 2012 Proposed Budget contains few policy changes, there are several technical changes, including the revised construction phasing on the south transfer station, which required roughly \$20 million in CIP expenditures to be moved from 2012 into 2011; a reduction in debt service costs due to a favorable bond sale; and reductions in solid waste contracts and revenue estimates due to decreasing tonnages. Overall, the O&M budget proposed for 2012 is about \$1.8 million lower than the 2012 Endorsed Budget, and core revenues are down by about \$3.0 million. The Solid Waste Fund is projected to meet all but one financial target in 2012, net income. The 2013-2014 rate proposal will ensure that all targets are again met in this fund.

Seattle Public Utilities - Solid Waste Utility

Incremental Budget Changes

Seattle Public Utilities - Solid Waste Utility

| | 2012 Dollar Amount | 2012 FTE |
|---|-----------------------|---------------|
| 2012 Endorsed Budget | \$206,242,652 | 208.06 |
| 2012 Proposed Changes | | |
| Technical Adjustments | (\$1,862,859) | 0.00 |
| Clean City Program and Tonnage Taxes | \$137,868 | (0.50) |
| General Fund Changes - Abandoned Vehicles | (\$53,459) | 0.00 |
| Graffiti Removal for Parking Pay Stations | \$0 | (1.00) |
| Management Efficiencies | \$0 | (1.00) |
| Solid Waste Community Grants Administration | (\$8,107) | 0.00 |
| Solid Waste CIP | (\$21,198,621) | 0.00 |
| Technology CIP | (\$473,371) | 0.00 |
| Total Changes | (\$23,458,549) | (2.50) |
| 2012 Proposed Budget | \$182,784,103 | 205.56 |

Technical Adjustments - (\$1,862,859). Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent policy changes in the Solid Waste Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; corrections to technical errors included in the 2012 Endorsed Budget; reductions to major payments, including debt service and taxes, based on the latest revenue forecasts and a favorable bond issue; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning. This item also moves \$150,000 that was added by Council for an every-other-week-garbage pilot into 2012, since the funding was not used in 2011. Finally, this item adds \$979,000 to reflect the actual costs of providing solid waste containers to customers.

Clean City Program and Tonnage Taxes - \$137,868 / (0.5 FTE). The City levies a tax on all tons of garbage transferred through Seattle city limits. By City policy, these revenues are directed to the Clean City Program managed by SPU, which provides graffiti abatement, litter can servicing streetside and in parks, rat control, illegal dumping response, and community services like Adopt-a-Street and Spring Clean. Tonnage tax revenues have come in well below forecast since 2009 due to the region's economic downturn. Expenditures, however, are higher than originally projected for three reasons. First, SPU recently determined that roughly \$1.3 million in litter and recycling collection costs had not been included in the Clean City Program costs. Second, this budget proposes to transfer abandoned vehicles work to tonnage tax support rather than General Fund. Third, SPU recently determined that it has not been properly applying the indirect overhead costs associated with the Clean City Program to the tonnage tax revenue.

Seattle Public Utilities - Solid Waste Utility

To help balance expenditures and revenues, this item reduces costs by \$360,000 annually. To minimize service level impacts, the reductions are spread across program services, including:

- rat control - \$50,000 reduction to align funding with current service levels;
- collection of litter from receptacles in parks and public places - \$100,000 reduction that will be implemented in part by reducing collection frequency for receptacles that are routinely well below full capacity when serviced, and eliminating service where cans are misused;
- illegal dumping investigation - reduction of \$120,000 that will eliminate funding for program development intended to incorporate enforcement activities into SPU's illegal dumping program; and,
- removal of enhancements to the City's anti-graffiti program that were added in 2011 but never implemented - reduction of \$92,000 and a part-time Public Education Program Specialist position.

Proposed legislation would also increase tonnage tax rates by 14% a year between 2012 and 2014, generating additional revenue. SPU is the largest payer of the tonnage tax in the City, and pays about 72% of this tax.

Most of the actions in this item shift costs between revenue sources within the same Budget Control Level, so there is very little net appropriation change. The \$137,868 in proposed new appropriation authority is the result of the \$360,000 programmatic reduction, an increase of roughly \$398,000 associated with SPU's share of the higher tonnage taxes, and approximately \$100,000 in new expenses associated with abandoned vehicles that had previously been funded by the General Fund and budgeted in all three SPU utilities. In addition, a half-time position that had been added in 2011 to provide enhanced anti-graffiti services is proposed for abrogation, as that work was never begun.

General Fund Changes - Abandoned Vehicles - (\$53,549). When Seattle residents seek City help in dealing with vehicles that have been abandoned on City rights of way and properties, they contact SPU's call center staff, who log the calls and provide information to the Seattle Police Department. In the 2012 Proposed Budget, funding for abandoned vehicles work is adjusted downward to match actual expenditure levels, and then transferred from the General Fund to another general purpose revenue source, the tonnage tax. The General Fund reduction is part of SPU's approach to meeting its General Fund reduction target. This item preserves current service levels.

Graffiti Removal for Parking Pay Stations - (1.0) FTE. In the 2011 Adopted Budget, the City Council took several actions related to graffiti control and abatement. These included direction that SPU and SDOT explore transferring resources from SPU to SDOT for improved graffiti control on parking pay stations. In May 2011, SPU recommended the transfer of a filled position to SDOT. SDOT presented a separate recommendation involving the use of an existing vacant SDOT pocket. After consideration, the Executive's proposal to Council includes the abrogation of one SPU position and an ongoing payment from SPU to SDOT to support an existing vacant pocket in SDOT. Parking pay stations are viewed by community stakeholders as one of the priority areas for graffiti removal.

Seattle Public Utilities - Solid Waste Utility

Management Efficiencies - (1.0) FTE. During the 2011-2012 budget process, the City Council removed \$500,000 from SPU's 2012 Endorsed Budget and directed SPU to abrogate managerial and supervisory positions consistent with the \$500,000 reduction. In response, SPU's 2012 Proposed Budget eliminates three senior management positions in the department: a vacant Manager 2, Utilities, in the Solid Waste Utility; a vacant Strategic Advisor 2, General Government, in the Water Utility; and, a vacant Executive 2 in the Drainage and Wastewater Utility. There are no dollar changes proposed at this time, since the 2012 Endorsed Budget already included the \$500,000 reduction.

The three positions identified create savings of \$462,000. However, SPU will work with the City's Personnel Department to reclassify a number of filled management and supervisory positions to better align position titles with job responsibilities. These reclassifications will take effect in 2012. The salary savings resulting from the reclassifications will make up the difference between the \$500,000 cut target and the \$462,000 savings outlined above.

Solid Waste Community Grants Administration - (\$8,107). The Waste Prevention and Recycling Grant program in SPU was created in July 2007 by City Council Resolution 30990 to encourage support for community waste reduction activities. To make the grant program as efficient as possible, SPU is transferring administration of the grant to the Department of Neighborhoods' Neighborhood Matching Subfund (NMF), whose staff already administers a wide range of community grants. SPU will pay NMF \$48,893 annually for these services, and another \$8,107 that was previously used by SPU for administration will be reduced, providing savings to solid waste rate payers. The appropriation for the awards made to community will remain within SPU's budget.

Solid Waste CIP - (\$21,198,621). The 2012 Proposed Budget for the Solid Waste CIP – excluding Technology CIP projects – represents a decrease of roughly \$21.2 million from the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The reduction is largely due to the shift of funding from 2012 into 2011 reflecting revised construction phasing for the South Transfer Station. This shift does not change total project costs, just the timing of expenditures. For more information on project level changes, please see the 2012-2017 Proposed CIP.

Technology CIP - (\$473,371). The 2012 Proposed Budget reduces Technology CIP spending by 10% or \$1.37 million compared to the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The Solid Waste Utility's share of the Technology CIP reduction is 35% or \$473,371, based on the Solid Waste Utility's share of benefit from these projects. SPU will focus technology spending on the highest priority business needs. These include utility asset management (Maximo Upgrade/Asset Data Initiative), budget and financial management (Budget Planning and Forecasting, Financial Data Mart), customer service improvements (Web Application Redesign, online chat & contact tools), and project delivery (Enterprise Project Management System). Other technology investments will be cancelled or deferred as a result of this reduction, which is part of a set of initiatives intended to continue containing costs across the utility. For more information on project and BCL changes, please see the 2012-2017 Proposed CIP.

Seattle Public Utilities - Solid Waste Utility

Expenditure Overview

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|--------------------|---------------------|---------------------|----------------------|----------------------|
| Administration Budget Control Level | N100B-SW | | | | |
| Administration | | 5,698,274 | 6,694,970 | 6,577,534 | 6,645,039 |
| General and Administrative Credit | | (991,381) | (1,531,564) | (1,637,756) | (1,425,950) |
| Administration Total | | 4,706,893 | 5,163,406 | 4,939,778 | 5,219,090 |
| Customer Service Budget Control Level | N300B-SW | 11,369,038 | 12,871,098 | 12,911,309 | 13,302,179 |
| General Expense Budget Control Level | N000B-SW | | | | |
| Debt Service | | 5,846,504 | 7,338,581 | 10,593,193 | 9,039,460 |
| Other General Expenses | | 95,198,531 | 100,478,376 | 103,346,324 | 101,829,406 |
| Taxes | | 16,698,023 | 18,123,440 | 18,692,662 | 18,663,522 |
| General Expense Total | | 117,743,057 | 125,940,398 | 132,632,180 | 129,532,388 |
| New Facilities Budget Control Level | C230B | 15,080,561 | 25,710,121 | 35,411,056 | 13,845,159 |
| Other Operating Budget Control Level | N400B-SW | | | | |
| Field Operations | | 9,994,973 | 11,711,008 | 12,011,224 | 12,428,380 |
| Pre-Capital Planning & Development | | 85,931 | 463,700 | 472,758 | 183,036 |
| Project Delivery | | 568,871 | 463,424 | 445,168 | 836,905 |
| Utility Systems Management | | 1,921,961 | 3,170,183 | 2,715,226 | 2,839,107 |
| Other Operating Total | | 12,571,736 | 15,808,315 | 15,644,376 | 16,287,429 |
| Rehabilitation and Heavy Equipment Budget Control Level | C240B | 5,843,097 | 262,140 | 270,504 | 397,000 |
| Shared Cost Projects Budget Control Level | C410B-SW | 1,650,060 | 1,860,260 | 2,295,274 | 2,536,055 |
| Technology Budget Control Level | C510B-SW | 988,156 | 1,415,282 | 2,138,175 | 1,664,804 |
| Solid Waste Utility Total | | 169,952,599 | 189,031,020 | 206,242,652 | 182,784,103 |

Seattle Public Utilities - Solid Waste Utility

Revenue Overview

2012 Estimated Revenues for the Solid Waste Fund

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|---|-------------------|-------------------|-------------------|-------------------|
| 443710 | Commercial Services | 45,279,472 | 48,848,341 | 48,610,322 | 46,933,145 |
| Total Commercial Rates | | 45,279,472 | 48,848,341 | 48,610,322 | 46,933,145 |
| 705000 | GSF - Transfer In - Aband'd Vehicle Calls | 51,383 | 52,411 | 53,459 | 0 |
| Total General Subfund Support | | 51,383 | 52,411 | 53,459 | 0 |
| 705000 | Call Center Reimbursement from SCL | 1,567,306 | 1,676,405 | 1,688,806 | 1,671,433 |
| Total Interfund Services | | 1,567,306 | 1,676,405 | 1,688,806 | 1,671,433 |
| 408000 | Other Nonoperating Revenue | 742,214 | 0 | 0 | 0 |
| 416457 | Transfer Fee | 0 | 0 | 0 | 0 |
| 437010 | Operating Fees, Contributions and Grants | 782,406 | 382,573 | 0 | 0 |
| 443745 | Comm'l Disposal (Longhaul) Charges | 416,411 | 476,360 | 476,360 | 470,954 |
| 469990 | Other Operating Revenue | 191,070 | 0 | 0 | 0 |
| 516456 | Landfill Closure Fee | 13,525 | 0 | 0 | 0 |
| 705000 | KC Reimb for Local Hzrd Waste Mgt Prgm | 2,067,076 | 2,418,262 | 2,418,262 | 2,418,262 |
| Total Other Revenues | | 4,212,703 | 3,277,195 | 2,894,622 | 2,889,216 |
| 443741 | Recycling and Disposal Station Charges | 11,979,195 | 12,752,087 | 12,827,084 | 11,943,879 |
| Total Recycling & Disposal Stations | | 11,979,195 | 12,752,087 | 12,827,084 | 11,943,879 |
| 443450 | Recycling Processing Revenues | 2,941,432 | 0 | 0 | 2,000,000 |
| Total Recycling Processing Revenues | | 2,941,432 | 0 | 0 | 2,000,000 |
| 443710 | Residential Services | 86,158,616 | 92,365,820 | 98,242,623 | 97,798,848 |
| Total Residential Rates | | 86,158,616 | 92,365,820 | 98,242,623 | 97,798,848 |
| 416458 | Transfer Fee - Out City | 159,800 | 0 | 0 | 0 |
| 516457 | Transfer Fee - In City | 3,766,372 | 4,042,780 | 4,017,254 | 4,492,514 |
| Total Tonnage Tax | | 3,926,172 | 4,042,780 | 4,017,254 | 4,492,514 |
| 481200 | Transfers from Construction Fund | 16,967,925 | 23,505,342 | 32,384,827 | 7,529,256 |
| Total Transfer from Construction Fund | | 16,967,925 | 23,505,342 | 32,384,827 | 7,529,256 |

Seattle Public Utilities - Solid Waste Utility

2012 Estimated Revenues for the Solid Waste Fund - continued

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|--|--------------------|--------------------|--------------------|--------------------|
| 466990 | Recovery Fees/Yellow Pages | 0 | 765,000 | 574,000 | 234,000 |
| Total Yellow Pages Fees | | 0 | 765,000 | 574,000 | 234,000 |
| Total Revenues | | 173,084,204 | 187,285,382 | 201,292,997 | 175,492,292 |
| 379100 | Decrease (Increase) in Working Capital | (3,131,605) | 1,745,638 | 4,949,655 | 7,291,811 |
| Total Decrease (Increase) in Working Capital | | (3,131,605) | 1,745,638 | 4,949,655 | 7,291,811 |
| Total Resources | | 169,952,599 | 189,031,020 | 206,242,652 | 182,784,103 |

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Solid Waste Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Solid Waste Utility, and to provide core financial, human resource, and information technology services.

| | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|-----------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | | | | |
| Administration | 5,698,274 | 6,694,970 | 6,577,534 | 6,645,039 |
| General and Administrative Credit | (991,381) | (1,531,564) | (1,637,756) | (1,425,950) |
| Total | 4,706,893 | 5,163,406 | 4,939,778 | 5,219,090 |
| Full-Time Equivalents Total* | 35.00 | 31.50 | 30.50 | 29.50 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

The following information summarizes the programs within the Administration Budget Control Level:

Administration Program The purpose of the Solid Waste Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Solid Waste Utility, and to provide core financial, human resource, and information technology services.

| | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|------------------------------|--------------|--------------|---------------|---------------|
| Expenditures/FTE | | | | |
| Administration | 5,698,274 | 6,694,970 | 6,577,534 | 6,645,039 |
| Full-Time Equivalents Total* | 35.00 | 31.50 | 30.50 | 29.50 |

Seattle Public Utilities - Solid Waste Utility

Appropriations by Budget Control Level (BCL) and Program

General and Administrative Credit Program The purpose of the Solid Waste Utility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| General and Administrative Credit | (991,381) | (1,531,564) | (1,637,756) | (1,425,950) |

Customer Service Budget Control Level

The purpose of the Solid Waste Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Customer Service | 11,369,038 | 12,871,098 | 12,911,309 | 13,302,179 |
| Full-Time Equivalents Total* | 91.00 | 88.00 | 87.00 | 85.50 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

General Expense Budget Control Level

The purpose of the Solid Waste Utility General Expense Budget Control Level is to provide appropriation to pay the Solid Waste Utility's general expenses.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Debt Service | 5,846,504 | 7,338,581 | 10,593,193 | 9,039,460 |
| Other General Expenses | 95,198,531 | 100,478,376 | 103,346,324 | 101,829,406 |
| Taxes | 16,698,023 | 18,123,440 | 18,692,662 | 18,663,522 |
| Total | 117,743,057 | 125,940,398 | 132,632,180 | 129,532,388 |

The following information summarizes the programs within the General Expense Budget Control Level:

Debt Service Program The purpose of the Solid Waste Utility Debt Service Program is to appropriate funds for debt service on Solid Waste Utility bonds.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Debt Service | 5,846,504 | 7,338,581 | 10,593,193 | 9,039,460 |

Seattle Public Utilities - Solid Waste Utility

Appropriations by Budget Control Level (BCL) and Program

Other General Expenses Program The purpose of the Solid Waste Utility Other General Expenses Program is to provide appropriation for payments to contractors who collect the city's solid waste, the Solid Waste Fund's share of City central costs, claims, and other general expenses.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------|------------|-------------|-------------|-------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Other General Expenses | 95,198,531 | 100,478,376 | 103,346,324 | 101,829,406 |

Taxes Program The purpose of the Solid Waste Utility Taxes Program is to appropriate funds for payment of city and state taxes.

| | 2010 | 2011 | 2012 | 2012 |
|--------------|------------|------------|------------|------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Taxes | 16,698,023 | 18,123,440 | 18,692,662 | 18,663,522 |

New Facilities Budget Control Level

The purpose of the Solid Waste Utility New Facilities Budget Control Level, a Capital Improvement Program funded by solid waste revenues, is to design and construct new facilities to enhance solid waste operations.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| New Facilities | 15,080,561 | 25,710,121 | 35,411,056 | 13,845,159 |
| Full-Time Equivalents Total* | 9.00 | 9.00 | 9.00 | 9.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Solid Waste Utility

Appropriations by Budget Control Level (BCL) and Program

Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Solid Waste Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Field Operations | 9,994,973 | 11,711,008 | 12,011,224 | 12,428,380 |
| Pre-Capital Planning & Development | 85,931 | 463,700 | 472,758 | 183,036 |
| Project Delivery | 568,871 | 463,424 | 445,168 | 836,905 |
| Utility Systems Management | 1,921,961 | 3,170,183 | 2,715,226 | 2,839,107 |
| Total | 12,571,736 | 15,808,315 | 15,644,376 | 16,287,429 |
| Full-Time Equivalents Total* | 76.06 | 75.56 | 75.56 | 75.56 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Other Operating Budget Control Level:

Field Operations Program The purpose of the Solid Waste Utility Field Operations Program is to operate and maintain the City's solid waste transfer stations and hazardous materials disposal facilities, and to monitor and maintain the City's closed landfills, so the public's health is protected and opportunities are provided for reuse and recycling.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Field Operations | 9,994,973 | 11,711,008 | 12,011,224 | 12,428,380 |
| Full-Time Equivalents Total* | 56.00 | 56.00 | 56.00 | 56.00 |

Pre-Capital Planning & Development Program The purpose of the Solid Waste Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the solid waste system. This program will capture all costs associated with a project that need to be expensed during its life-cycle, including any post-construction monitoring and landscape maintenance.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Pre-Capital Planning & Development | 85,931 | 463,700 | 472,758 | 183,036 |

Seattle Public Utilities - Solid Waste Utility

Appropriations by Budget Control Level (BCL) and Program

Project Delivery Program The purpose of the Solid Waste Utility Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to Solid Waste Fund capital improvement projects, and to solid waste facility managers.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|---------|---------|----------|----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Project Delivery | 568,871 | 463,424 | 445,168 | 836,905 |
| Full-Time Equivalents Total* | 1.00 | 0.00 | 0.00 | 0.00 |

Utility Systems Management Program The purpose of the Solid Waste Utility's Utility Systems Management Program is to ensure that the Solid Waste Utility system and associated assets are properly planned, developed, operated, and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Utility Systems Management | 1,921,961 | 3,170,183 | 2,715,226 | 2,839,107 |
| Full-Time Equivalents Total* | 19.06 | 19.56 | 19.56 | 19.56 |

Rehabilitation and Heavy Equipment Budget Control Level

The purpose of the Solid Waste Utility Rehabilitation and Heavy Equipment Budget Control Level, a Capital Improvement Program funded by solid waste revenues, is to implement projects to repair and rehabilitate the City's solid waste transfer stations and improve management of the City's closed landfills and household hazardous waste sites.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|-----------|---------|----------|----------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Rehabilitation and Heavy Equipment | 5,843,097 | 262,140 | 270,504 | 397,000 |

Seattle Public Utilities - Solid Waste Utility

Appropriations by Budget Control Level (BCL) and Program

Shared Cost Projects Budget Control Level

The purpose of the Solid Waste Utility Shared Cost Projects Budget Control Level, a Solid Waste Capital Improvement Program, is to implement the Solid Waste Utility's share of capital improvement projects that receive funding from multiple SPU funds and will benefit the Solid Waste Fund.

| | 2010 | 2011 | 2012 | 2012 |
|----------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Shared Cost Projects | 1,650,060 | 1,860,260 | 2,295,274 | 2,536,055 |

Technology Budget Control Level

The purpose of the Solid Waste Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of technology to increase the Solid Waste Utility's efficiency and productivity.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Technology | 988,156 | 1,415,282 | 2,138,175 | 1,664,804 |
| Full-Time Equivalents Total* | 6.00 | 6.00 | 6.00 | 6.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

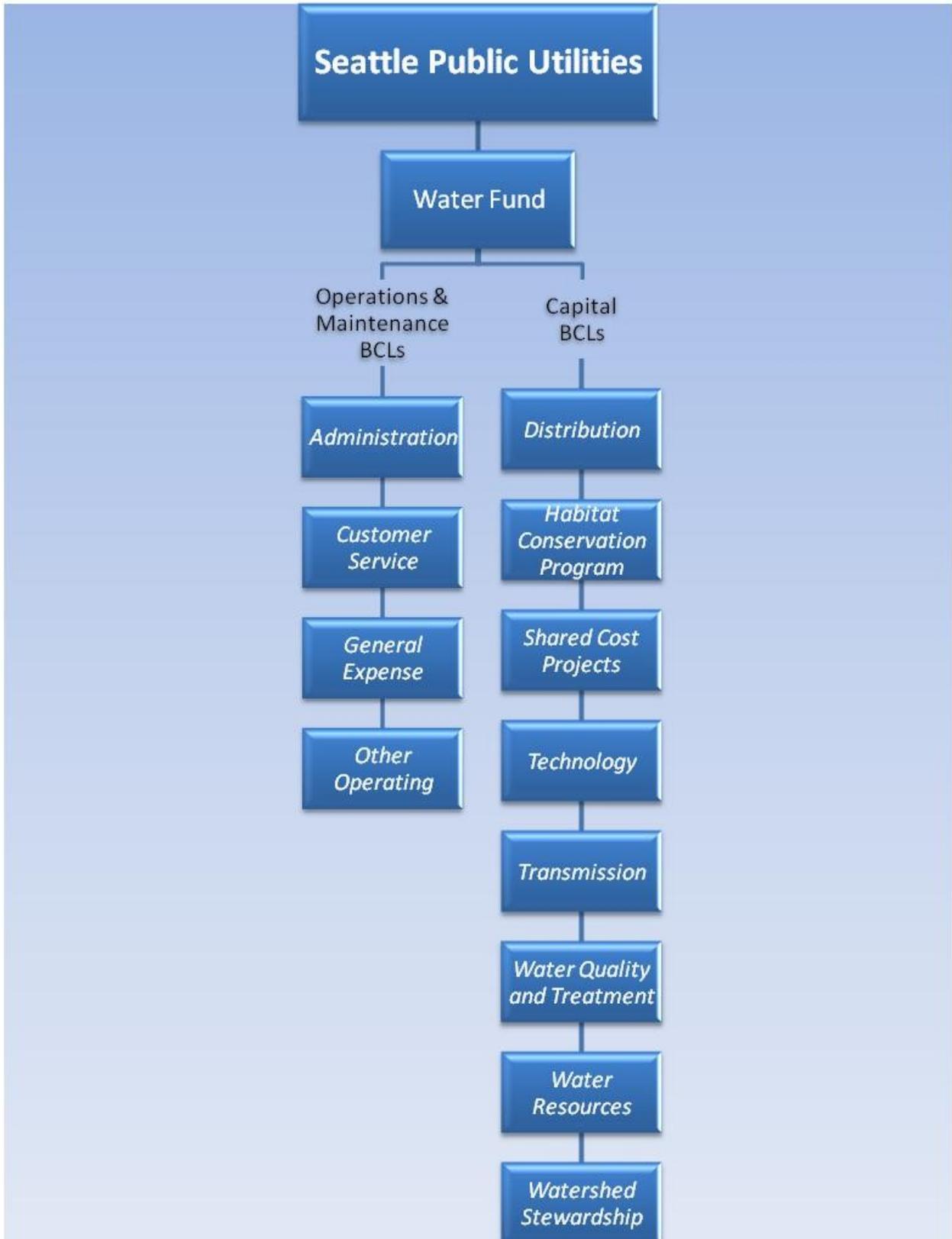
Seattle Public Utilities - Solid Waste Utility

Fund Table

Solid Waste Fund

| | 2,010 Actuals | 2,011 Adopted | 2,011 Revised | 2,012 Endorsed | 2,012 Proposed |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating Cash at End of Previous Year | 3,872,213 | 6,954,984 | 10,252,189 | 11,261,906 | 8,203,188 |
| Plus: Actual and Estimated Revenues | 173,084,204 | 187,285,382 | 197,024,420 | 201,292,997 | 175,492,292 |
| Less: Actual and Budgeted Expenditures | 169,952,599 | 189,031,020 | 210,299,059 | 206,242,652 | 182,784,103 |
| CIP Accomplishment Assumptions | 0 | (2,924,780) | (4,962,869) | (4,011,501) | (1,844,302) |
| Accounting and Technical Adjustments | 3,248,371 | 3,127,780 | 6,262,769 | 3,439,676 | 4,770,672 |
| Ending Operating Cash | 10,252,189 | 11,261,906 | 8,203,188 | 13,763,428 | 7,526,351 |

Water Utility by Budget Control Level



Seattle Public Utilities - Water Utility

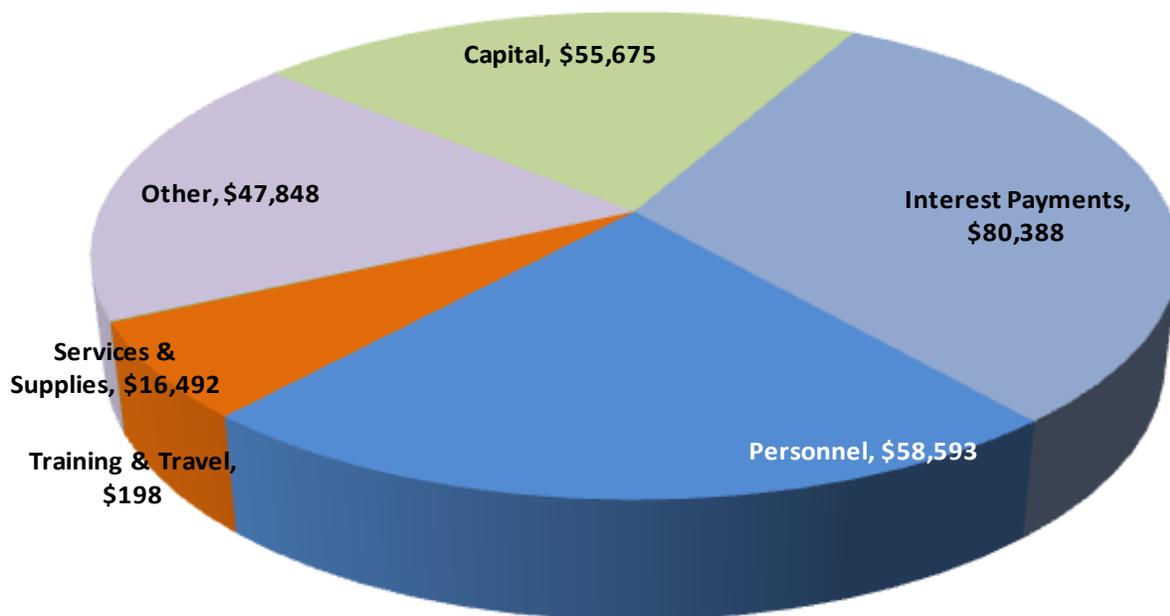
Budget Snapshot

| Water Utility | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|----------------------|----------------------|----------------------|----------------------|
| General Fund | \$52,940 | \$53,999 | \$55,079 | \$0 |
| Other Revenues | \$257,835,087 | \$268,968,158 | \$272,903,242 | \$252,423,424 |
| Total Revenues | \$257,888,027 | \$269,022,157 | \$272,958,321 | \$252,423,424 |
| Use of (Contribution to) Fund Balance | (\$3,242,610) | \$6,284,681 | \$311,517 | \$6,769,219 |
| Total Resources | \$254,645,417 | \$275,306,838 | \$273,269,838 | \$259,192,643 |
| Total Expenditures | \$254,645,417 | \$275,306,838 | \$273,269,838 | \$259,192,643 |
| Full-Time Equivalent * Total | 689.19 | 670.19 | 669.19 | 669.19 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

2012 Proposed Budget - Expenditure by Category

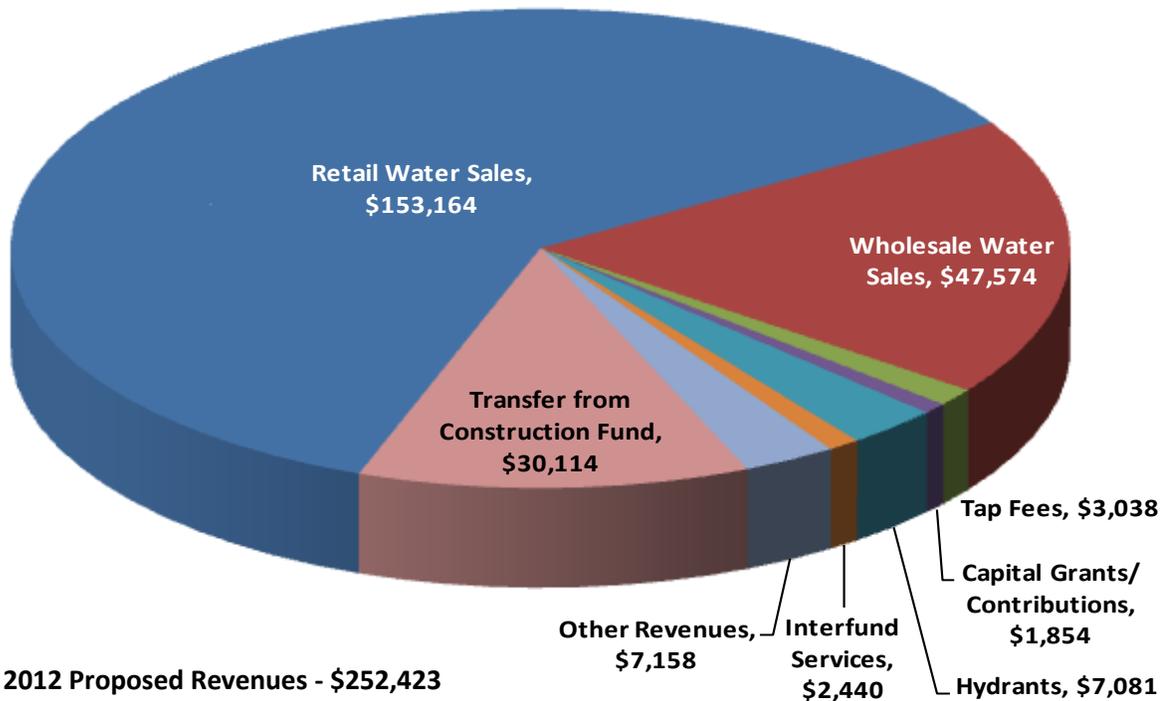
(\$ amounts in thousands)



Total 2012 Proposed Expenditures - \$259,193

Seattle Public Utilities - Water Utility

2012 Proposed Budget - Revenues By Category (\$ amounts in thousands)



Budget Overview

The Water Utility:

- builds, operates and maintains the City's water utility infrastructure to ensure system reliability and public health and safety;
- protects the environment in the Cedar Watershed by restoring habitats consistent with the City's federal obligations defined in the Cedar River Habitat Conservation Plan; and,
- provides leadership in cost-effective conservation through education and innovation.

Due to successful conservation measures by the Utility and residents throughout the region, water consumption in 2010 was 33% below 1990 levels, despite the area's growing population, and the downward trend is projected to continue. This conservation helps contribute to a sustainable future for the region, but it puts financial pressure on the Utility because fixed costs need to be distributed across fewer units of water sold. In addition, unusually cool and wet summers in 2010 and 2011 reduced water sales below estimates.

The Water Utility is in the second half of a two decade period of investments in major generational assets that respond to regulatory requirements and ensure the uninterrupted supply of pure drinking water. The investments have included new water treatment facilities for the Tolt and Cedar River sources; a second pipeline from the Tolt River source and improvements to the first Tolt pipeline after it burst in 1987; coverings for five open reservoirs in response to state requirements; and investments

Seattle Public Utilities - Water Utility

to secure the supply of water by reaching an arrangement with the federal government defining the Cedar River Watershed Habitat Conservation Program. Servicing the debt on these large capital projects at a time of declining water consumption presents a financial challenge to the Water Utility. The Water Utility's revenues come largely from rates charged to retail and wholesale customers. Recent economic conditions have adversely affected Water Utility revenues. Since water rates were last adopted in 2008, the slowdown in the economy has significantly impacted both water sales and new development-related charges (i.e. the fees that developers pay to connect to the water system). Revenues in the Water Fund were a cumulative \$56.5 million lower between 2009 and 2011 than forecast in the 2009-2011 rate study, prepared in 2008. To respond to this changing economic climate, SPU abrogated or unfunded 85 FTE across the department in 2010 and 2011, reduced programmatic spending and deferred capital investments, and identified operational efficiencies leading to savings in overtime, fleets, and other central costs.

As a result, the Executive's rate study for 2012-2014 is able to propose base O&M and capital spending for the Water Utility in 2012 that is millions of dollars *lower* than the 2011 amount projected in the 2009-2011 rate study. But rate increases are still needed, given debt service on recent capital investments, reductions in demand, reductions in development-related fees, and underlying cost growth in services. Typical monthly residential water bills are proposed to rise by roughly 8% a year between 2012 and 2014, or \$2.41 in 2012, \$2.68 in 2013, and \$2.91 in 2014. The proposed rates will strengthen the financial health of the Water Fund and allow SPU to continue providing pure drinking water to Seattle customers at less than a penny a gallon.

The 2012 Proposed Budget for the Water Utility continues the reductions implemented in prior years and includes a small amount of new funding for infrastructure maintenance and to decommission the interim fish hatchery on the Cedar River as required by regulators, as well as reductions in the General Fund-funded abandoned vehicle program, savings from reducing the size of the utility's vehicle fleet, and substantial reductions in 2012 funding for taxes, based on lower sales projections, and debt service, based on the latest schedule for bond sales.

The CIP continues funding for the reservoir undergrounding program, specifically for the completion of the Maple Leaf Reservoir project that began construction in 2009. Capital funding is also proposed for the Morse Lake Pump Plant project that will ensure reliable access to water stored in Chester Morse Lake so that enough water can be released into the Cedar River to maintain the supply of fresh drinking water in the region and sustain fish habitats. However, the 2012 expenditures proposed in the 2012-2017 Proposed CIP are roughly \$10.9 million lower than expenditures contemplated for 2012 in the Adopted 2011-2016 CIP, due to reductions and deferrals in investments in distribution, transmission, and support to various transportation projects, as described in the 2012-2017 Proposed CIP document.

Overall, the 2012 Proposed Budget for the Water Utility's operations and capital projects is \$14.1 million lower than amounts endorsed for 2012 in the 2011-2012 budget.

Seattle Public Utilities - Water Utility

Incremental Budget Changes

Seattle Public Utilities - Water Utility

| | 2012 Dollar Amount | 2012 FTE |
|---|-----------------------|---------------|
| 2012 Endorsed Budget | \$273,269,838 | 669.19 |
| 2012 Proposed Changes | | |
| Technical Adjustments | (\$3,443,920) | 1.00 |
| Fleet Reductions - Operating Costs | (\$6,927) | 0.00 |
| Management Efficiencies | \$0 | (1.00) |
| General Fund Changes - Abandoned Vehicles | (\$55,079) | 0.00 |
| Facilities Maintenance | \$178,638 | 0.00 |
| Water Main Condition Assessment | \$50,000 | 0.00 |
| Hatchery Decommissioning | \$105,000 | 0.00 |
| Water CIP | (\$10,195,629) | 0.00 |
| Technology CIP | (\$709,278) | 0.00 |
| Total Changes | (\$14,077,195) | 0.00 |

| | | |
|-----------------------------|----------------------|---------------|
| 2012 Proposed Budget | \$259,192,643 | 669.19 |
|-----------------------------|----------------------|---------------|

Technical Adjustments - (\$3,443,920) / 1.0 FTE. Technical adjustments in the 2012 Proposed Budget include departmental and citywide non-programmatic adjustments that do not represent fundamental changes in the Water Utility's programs and services. Adjustments include changes in central cost allocations, retirement, health care, workers' compensation, and unemployment costs; the distribution of overhead costs between SPU funds; corrections to technical errors included in the 2012 Endorsed Budget; reductions to major payments including debt service and taxes based on latest revenue forecasts and schedules for the issue of debt; and the shift of labor dollars from the CIP to the O&M budget based on the latest CIP planning. In addition, this action formally proposes the transfer of an Electrical Systems Supervisor from Parks to SPU and reclassifies the position to a Capital Projects Coordinator, reflecting the position's actual duties and assignment for the past 18 months.

Fleet Reductions - Operating Costs - (\$6,927). SPU closely manages its fleets and performs annual utilization reviews to identify ways to save money. The 2012 Proposed Budget for SPU reduces SPU's light fleet by two vehicles and heavy equipment by four, saving \$11,000 in operating costs each year in the department as a whole and \$7,000 in the Water Utility. There are no service level impacts, as reductions were made possible through careful management of the fleets. In previous budgets – the 2010 Adopted as well as the 2011 Adopted and 2012 Endorsed Budget – SPU reduced 24 light fleet vehicles and 12 pieces of heavy equipment. In addition to operating savings, fleet reductions help SPU forego vehicle replacement costs. The reduction of the four heavy vehicles proposed for 2012 allows SPU to avoid future equipment purchases of an estimated \$153,000.

Seattle Public Utilities - Water Utility

Management Efficiencies - (1.0) FTE. During the 2011-2012 budget process, the City Council removed \$500,000 from SPU's 2012 Endorsed Budget and directed SPU to abrogate managerial and supervisory positions consistent with the \$500,000 reduction. In response, SPU's 2012 Proposed Budget eliminates three senior management positions in the department: a vacant Strategic Advisor 2, General Government, in the Water Utility, as well as a vacant Executive 2 in the Drainage and Wastewater Utility, and a vacant Manager 2, Utilities, in the Solid Waste Utility. There are no dollar changes proposed at this time, since the 2012 Endorsed Budget already included the \$500,000 reduction.

The three positions identified create savings of \$462,000. However, SPU will work with the City's Personnel Department to reclassify a number of filled management and supervisory positions to better align position titles with job responsibilities. These reclassifications will take effect in 2012. The salary savings resulting from the reclassifications will make up the difference between the \$500,000 reduction and the \$462,000 savings outlined above.

General Fund Changes - Abandoned Vehicles - (\$55,079). When Seattle residents seek City help in dealing with vehicles that have been abandoned on City rights of way and properties, they contact SPU's call center staff, who log the calls and provide information to the Seattle Police Department. In the 2012 Proposed Budget, funding for abandoned vehicles work is adjusted downward to match actual expenditure levels, and then transferred from the General Fund to another general purpose revenue source, the tonnage tax. The General Fund reduction is part of SPU's approach to meeting its General Fund reduction target. This item preserves current service levels.

Facilities Maintenance - \$178,638. This item adds funding to the Water Utility's budget to begin addressing a backlog of deferred maintenance on Water Utility buildings and facilities. SPU has over 100 facility assets built prior to 1955 in regional sites and over 300 facility assets inside the Seattle city limits. Condition assessments of the facilities were completed in 2009, however maintenance has been deferred over the past years as a result of the budget reductions taken by SPU. Deferred maintenance contributes to increased repair and facilities operations costs. This budget therefore proposes an allocation to address high priority maintenance issues.

Water Main Condition Assessment - \$50,000. This item adds funding to the Water Utility's budget to begin assessments of large water pipes, known as water mains, located in critical areas. When water mains are located under water bodies, highways, large railroad yards, and other critical locations, their failure could cause significant damage. Approximately 58 miles (out of a total of about 1,640 miles) of SPU's direct service area water mains are in critical locations. This pilot program would perform condition assessment on approximately 10 miles of water main to determine the remaining service life. Based on the condition assessment, SPU would implement proactive water main rehabilitation and replacement using SPU's asset management principles. For more discussion of asset management in SPU, please see the 2012-2017 Capital Improvement Program.

Hatchery Decommissioning - \$105,000. In partial fulfillment of obligations prescribed by the Landsburg Mitigation Agreement, SPU is constructing a new sockeye salmon hatchery on the Cedar River at Landsburg to replace the Landsburg Interim Sockeye Hatchery. The Shoreline Management and Substantial Development Permit, issued by King County for construction of the new facility, requires construction of a habitat enhancement project on the site of the existing Interim Landsburg Hatchery. Thus the interim hatchery must be decommissioned. The project is expected to include removal of

Seattle Public Utilities - Water Utility

existing temporary facilities, re-establishment of a constructed spring-fed stream through the present interim hatchery site and associated riparian species plantings. The project is expected to cost approximately \$330,000 between 2012 and 2013. Although SPU has agreed to the work in the permit with King County, the County will still need to approve the specifics of the project. Cost estimates will be refined as the project proceeds through planning, design, and permitting.

Water CIP - (\$10,195,629). The 2012 Proposed Budget for the Water CIP – excluding Technology CIP projects – represents a decrease of \$10.2 million from the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. For more information on project level changes, please see the 2012-2017 Proposed CIP.

Technology CIP - (\$709,278). The 2012 Proposed Budget reduces technology CIP spending by 10%, or \$1.37 million, compared to the 2012 Endorsed Budget in the 2011-2016 Adopted CIP. The Water Utility's share of the Technology CIP reduction is 52%, or \$709,278, based on the Water Utility's share of benefit from these projects. SPU will focus technology spending on the highest priority business needs. These include utility asset management (Maximo Upgrade/Asset Data Initiative), budget and financial management (Budget Planning and Forecasting, Financial Data Mart), customer service improvements (Web Application Redesign, online chat & contact tools), and project delivery (Enterprise Project Management System). Other technology investments will be cancelled or deferred as a result of this proposal, which is part of a set of initiatives intended to continue restraining costs across the Utility. For more information on project and BCL changes, please see the 2012-2017 Proposed CIP.

Technical note: The Endorsed 2012 FTE count in the Field Operations program in the Water Utility's Other Operating BCL has been restated to reflect an increase of 1.0 FTE. This increase is the result of a transfer of an Office/Maintenance Aide position to SPU that occurred during 2010 but was not yet included in the 2012 Endorsed Budget that was developed during 2010. This is one of a few supported employment pockets in the City of Seattle that are loaned by the Personnel Department to other City Departments to provide a supported employment opportunity. The supported employment pockets are funded by departments with existing resources.

Seattle Public Utilities - Water Utility

Expenditure Overview

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--|--------------------|---------------------|---------------------|----------------------|----------------------|
| Administration Budget Control Level | N100B-WU | | | | |
| Administration | | 13,991,221 | 14,043,468 | 13,981,359 | 16,357,140 |
| General and Administrative Credit | | (7,045,240) | (9,906,163) | (9,912,397) | (7,499,766) |
| Administration Total | | 6,945,981 | 4,137,305 | 4,068,962 | 8,857,374 |
| Customer Service Budget Control Level | N300B-WU | 9,062,012 | 10,221,542 | 10,158,605 | 10,010,462 |
| Distribution Budget Control Level | C110B | 17,525,225 | 20,491,716 | 20,819,443 | 15,194,279 |
| General Expense Budget Control Level | N000B-WU | | | | |
| Debt Service | | 75,090,949 | 80,319,400 | 86,113,751 | 80,703,111 |
| Other General Expenses | | 19,555,540 | 22,141,567 | 23,292,383 | 21,646,530 |
| Taxes | | 36,834,240 | 32,310,846 | 36,531,293 | 34,283,388 |
| General Expense Budget Control Level | | 131,480,730 | 134,771,812 | 145,937,427 | 136,633,028 |
| Habitat Conservation Program Budget Control Level | C160B | 5,797,787 | 11,122,687 | 4,236,695 | 4,912,916 |
| Other Operating Budget Control Level | N400B-WU | | | | |
| Field Operations | | 20,706,735 | 23,038,803 | 22,686,543 | 24,003,626 |
| Pre-Capital Planning & Development | | 1,856,873 | 2,276,203 | 2,160,390 | 2,350,479 |
| Project Delivery | | 4,459,397 | 5,522,707 | 5,514,851 | 5,204,506 |
| Utility Systems Management | | 14,811,687 | 16,230,741 | 16,332,095 | 16,627,110 |
| Other Operating Total | | 41,834,692 | 47,068,454 | 46,693,879 | 48,185,721 |
| Shared Cost Projects Budget Control Level | C410B-WU | 10,002,942 | 15,047,995 | 18,481,989 | 14,640,817 |
| Technology Budget Control Level | C510B-WU | 3,331,122 | 4,770,105 | 6,067,119 | 5,357,841 |
| Transmission Budget Control Level | C120B | 1,016,864 | 1,688,100 | 3,024,443 | 1,343,332 |

Seattle Public Utilities - Water Utility

| Appropriations | Summit Code | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|--------------------|---------------------|---------------------|----------------------|----------------------|
| Water Quality & Treatment Budget Control Level | C140B | 20,970,305 | 18,329,399 | 8,115,120 | 6,613,000 |
| Water Resources Budget Control Level | C150B | 5,812,508 | 6,516,169 | 4,769,325 | 5,616,275 |
| Watershed Stewardship Budget Control Level | C130B | 865,251 | 1,141,554 | 896,831 | 1,827,598 |
| Water Utility Total | | 254,645,417 | 275,306,838 | 273,269,838 | 259,192,643 |

Revenue Overview

2012 Estimated Revenues for the Water Fund

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|--------------------|---|---------------------|---------------------|----------------------|----------------------|
| 479010 | Capital Grants and Contributions | 1,605,384 | 3,142,832 | 3,143,548 | 1,853,935 |
| | Total Capital Grants/Contributions | 1,605,384 | 3,142,832 | 3,143,548 | 1,853,935 |
| 705000 | GF Reimb Abandoned Vehicles | 52,940 | 53,999 | 55,079 | 0 |
| | Total General Subfund Support | 52,940 | 53,999 | 55,079 | 0 |
| 443420 | Water Service for Fire Protection | 5,958,484 | 6,658,755 | 7,390,816 | 7,080,851 |
| | Total Hydrants | 5,958,484 | 6,658,755 | 7,390,816 | 7,080,851 |
| 543970 | Inventory Purchased by SDOT | 708,330 | 740,540 | 755,351 | 755,351 |
| 705000 | Call Center Reimbursement from SCL | 1,637,727 | 1,727,205 | 1,739,981 | 1,684,812 |
| | Total Interfund Services | 2,346,057 | 2,467,745 | 2,495,332 | 2,440,163 |
| 408000 | Other Non-Operating Revenue | 385,003 | 243,300 | 246,342 | 379,386 |
| 408000 | Reimbursement for NS activities | 39,136 | 180,104 | 182,355 | 41,117 |
| 437010 | Operating Grants | 539,643 | 0 | 0 | 0 |
| 443450 | Facilities Charges | 242,420 | 173,259 | 346,518 | 2,199,447 |
| 461110 | Build America Bond Interest Income | 2,194,649 | 2,135,334 | 2,135,334 | 2,135,334 |
| 462500 | Rentals--Non-City | 394,820 | 391,461 | 401,247 | 414,808 |

Seattle Public Utilities - Water Utility

2012 Estimated Revenues for the Water Fund - continued

| Summit Code | Source | 2010 Actuals | 2011 Adopted | 2012 Endorsed | 2012 Proposed |
|---|---|--------------------|--------------------|--------------------|--------------------|
| 469990 | Other Operating Revenues | 1,874,959 | 1,897,186 | 1,944,615 | 1,988,254 |
| 481200 | Public Works Loan Proceeds | 9,000,000 | 0 | 0 | 0 |
| 587000 | Op Transfer In - Rev Stab Subfnd - BPA Acct | 680,000 | 80,761 | 0 | 0 |
| 587000 | Op Transfer In - Rev Stab Subfund | 3,000,000 | 1,433,700 | 0 | 0 |
| Total Other Revenues | | 18,350,630 | 6,535,104 | 5,256,411 | 7,158,346 |
| 443410 | Retail Water Sales | 136,442,800 | 141,204,240 | 157,282,204 | 153,164,441 |
| Total Retail Water Sales | | 136,442,800 | 141,204,240 | 157,282,204 | 153,164,441 |
| 443450 | Tap Fees | 2,854,564 | 4,000,000 | 4,050,000 | 3,037,500 |
| Total Tap Fees | | 2,854,564 | 4,000,000 | 4,050,000 | 3,037,500 |
| 481200 | Transfers from Construction Fund | 45,446,933 | 57,759,482 | 45,612,930 | 30,114,202 |
| Total Transfer from Construction Fund | | 45,446,933 | 57,759,482 | 45,612,930 | 30,114,202 |
| 443420 | Wholesale Water Sales | 44,830,234 | 47,200,000 | 47,672,000 | 47,573,986 |
| Total Wholesale Water Sales | | 44,830,234 | 47,200,000 | 47,672,000 | 47,573,986 |
| Total Revenues | | 257,888,026 | 269,022,157 | 272,958,320 | 252,423,424 |
| 379100 | Decrease (Increase) in Working Capital | (3,242,610) | 6,284,681 | 311,517 | 6,769,219 |
| Total Decrease (Increase) in Working Capital | | (3,242,610) | 6,284,681 | 311,517 | 6,769,219 |
| Total Resources | | 254,645,416 | 275,306,838 | 273,269,837 | 259,192,643 |

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

Administration Budget Control Level

The purpose of the Water Utility Administration Budget Control Level is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Water Utility, and to provide core financial, human resource, and information technology services.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------------|------------------|------------------|------------------|------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Administration | 13,991,221 | 14,043,468 | 13,981,359 | 16,357,140 |
| General and Administrative Credit | (7,045,240) | (9,906,163) | (9,912,397) | (7,499,766) |
| Total | 6,945,981 | 4,137,305 | 4,068,962 | 8,857,374 |
| Full-Time Equivalents Total* | 99.60 | 95.60 | 95.60 | 96.60 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

The following information summarizes the programs within the Administration Budget Control Level:

Administration Program The purpose of the Water Utility Administration Program is to provide overall management and policy direction for Seattle Public Utilities, and, more specifically, for the Water Utility, and to provide core financial, human resource, and information technology services.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Administration | 13,991,221 | 14,043,468 | 13,981,359 | 16,357,140 |
| Full-Time Equivalents Total* | 99.60 | 95.60 | 95.60 | 96.60 |

General and Administrative Credit Program The purpose of the Water Utility General and Administrative Credit Program is to eliminate double-budgeting related to implementation of capital projects and equipment depreciation.

| | 2010 | 2011 | 2012 | 2012 |
|-----------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| General and Administrative Credit | (7,045,240) | (9,906,163) | (9,912,397) | (7,499,766) |

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

Customer Service Budget Control Level

The purpose of the Water Utility Customer Service Budget Control Level is to provide customer service in the direct delivery of essential programs and services that anticipate and respond to customer expectations.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Customer Service | 9,062,012 | 10,221,542 | 10,158,605 | 10,010,462 |
| Full-Time Equivalents Total* | 88.00 | 85.00 | 84.00 | 84.00 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Distribution Budget Control Level

The purpose of the Water Utility Distribution Budget Control Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's water lines, pump stations, and other facilities.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Distribution | 17,525,225 | 20,491,716 | 20,819,443 | 15,194,279 |
| Full-Time Equivalents Total* | 78.00 | 79.00 | 79.00 | 79.00 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

General Expense Budget Control Level

The purpose of the Water Utility General Expense Budget Control Level is to appropriate funds to pay the Water Utility's general expenses.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Debt Service | 75,090,949 | 80,319,400 | 86,113,751 | 80,703,111 |
| Other General Expenses | 19,555,540 | 22,141,567 | 23,292,383 | 21,646,530 |
| Taxes | 36,834,240 | 32,310,846 | 36,531,293 | 34,283,388 |
| Total | 131,480,730 | 134,771,812 | 145,937,427 | 136,633,028 |

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

The following information summarizes the programs within the General Expense Budget Control Level:

Debt Service Program The purpose of the Water Utility Debt Service Program is to appropriate funds for debt service on Water Utility bonds.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Debt Service | 75,090,949 | 80,319,400 | 86,113,751 | 80,703,111 |

Other General Expenses Program The purpose of the Water Utility Other General Expenses Program is to appropriate funds for the Water Fund's share of City central costs, claims, and other general expenses.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Other General Expenses | 19,555,540 | 22,141,567 | 23,292,383 | 21,646,530 |

Taxes Program The purpose of the Water Utility Taxes Program is to appropriate funds for payment of City and state taxes.

| | 2010 | 2011 | 2012 | 2012 |
|---------------------|------------|------------|------------|------------|
| Expenditures | | | | |
| Taxes | 36,834,240 | 32,310,846 | 36,531,293 | 34,283,388 |

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

Habitat Conservation Program Budget Control Level

The purpose of the Water Utility Habitat Conservation Budget Control Level, a Capital Improvement Program funded by water revenues, is to manage projects directly related to the Cedar River Watershed Habitat Conservation Plan.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|------------|-----------|-----------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Habitat Conservation Program | 5,797,787 | 11,122,687 | 4,236,695 | 4,912,916 |
| Full-Time Equivalents Total* | 15.00 | 15.00 | 15.00 | 15.00 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

Other Operating Budget Control Level

The purpose of the Other Operating Budget Control Level is to fund the Water Utility's operating expenses for Field Operations, Pre-Capital Planning & Development, Project Delivery, and Utility Systems Management programs.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Program Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Field Operations | 20,706,735 | 23,038,803 | 22,686,543 | 24,003,626 |
| Pre-Capital Planning & Development | 1,856,873 | 2,276,203 | 2,160,390 | 2,350,479 |
| Project Delivery | 4,459,397 | 5,522,707 | 5,514,851 | 5,204,506 |
| Utility Systems Management | 14,811,687 | 16,230,741 | 16,332,095 | 16,627,110 |
| Total | 41,834,692 | 47,068,454 | 46,693,879 | 48,185,721 |
| Full-Time Equivalents Total* | 291.59 | 278.59 | 278.59 | 277.59 |

*FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.

The following information summarizes the programs within the Other Operating Budget Control Level:

Field Operations Program The purpose of the Water Utility Field Operations Program is to operate and maintain the infrastructure that provides the public with an adequate, reliable, and safe supply of high-quality drinking water.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Field Operations | 20,706,735 | 23,038,803 | 22,686,543 | 24,003,626 |
| Full-Time Equivalents Total* | 131.00 | 129.00 | 129.00 | 129.00 |

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

Pre-Capital Planning & Development Program The purpose of the Water Utility Pre-Capital Planning & Development Program is to support business case development, project plans, and options analysis for the water system. This program will capture all costs associated with a project that need to be expensed during the life-cycle of the project, including any post-construction monitoring and landscape maintenance.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures | Actuals | Adopted | Endorsed | Proposed |
| Pre-Capital Planning & Development | 1,856,873 | 2,276,203 | 2,160,390 | 2,350,479 |

Project Delivery Program The purpose of the Water Utility Project Delivery Program is to provide engineering design and support services, construction inspection, and project management services to the Water Utility's capital improvement projects and to the managers of water facilities.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Project Delivery | 4,459,397 | 5,522,707 | 5,514,851 | 5,204,506 |
| Full-Time Equivalents Total* | 26.50 | 24.50 | 24.50 | 24.50 |

Utility Systems Management Program The purpose of the Water Utility's Utility Systems Management Program is to assure that the Water Utility system and associated assets are properly planned, developed, operated and maintained and that asset management principles and practices are applied to achieve established customer and environmental service levels at the lowest life-cycle cost.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Utility Systems Management | 14,811,687 | 16,230,741 | 16,332,095 | 16,627,110 |
| Full-Time Equivalents Total* | 134.09 | 125.09 | 125.09 | 124.09 |

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

Shared Cost Projects Budget Control Level

The purpose of the Water Utility Shared Cost Projects Budget Control Level, which is a Water Capital Improvement Program, is to implement the Water Utility's share of capital improvement projects that receive funding from multiple SPU funds.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|------------------------------|------------|------------|------------|------------|
| | Actuals | Adopted | Endorsed | Proposed |
| Shared Cost Projects | 10,002,942 | 15,047,995 | 18,481,989 | 14,640,817 |
| Full-Time Equivalents Total* | 56.00 | 56.00 | 56.00 | 56.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Technology Budget Control Level

The purpose of the Water Utility Technology Budget Control Level, a Capital Improvement Program, is to make use of technology to increase the Water Utility's efficiency and productivity.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| | Actuals | Adopted | Endorsed | Proposed |
| Technology | 3,331,122 | 4,770,105 | 6,067,119 | 5,357,841 |
| Full-Time Equivalents Total* | 22.00 | 22.00 | 22.00 | 22.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Transmission Budget Control Level

The purpose of the Water Utility Transmission Budget Control Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's large transmission pipelines that bring untreated water to the treatment facilities, and convey water from the treatment facilities to Seattle and its suburban wholesale customers' distribution systems.

| Expenditures/FTE | 2010 | 2011 | 2012 | 2012 |
|------------------------------|-----------|-----------|-----------|-----------|
| | Actuals | Adopted | Endorsed | Proposed |
| Transmission | 1,016,864 | 1,688,100 | 3,024,443 | 1,343,332 |
| Full-Time Equivalents Total* | 5.00 | 5.00 | 5.00 | 5.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Water Utility

Appropriations by Budget Control Level (BCL) and Program

Water Quality & Treatment Budget Control Level

The purpose of the Water Utility Water Quality & Treatment Budget Control Level, a Capital Improvement Program funded by water revenues, is to design, construct, and repair water treatment facilities and remaining open-water reservoirs.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Water Quality & Treatment | 20,970,305 | 18,329,399 | 8,115,120 | 6,613,000 |
| Full-Time Equivalents Total* | 14.00 | 14.00 | 14.00 | 14.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Water Resources Budget Control Level

The purpose of the Water Utility Water Resources Budget Control Level, a Capital Improvement Program funded by water revenues, is to manage untreated water to meet anticipated demands at our supply-reliability standard and instream flow requirement, and promote residential and commercial water conservation.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Water Resources | 5,812,508 | 6,516,169 | 4,769,325 | 5,616,275 |
| Full-Time Equivalents Total* | 12.00 | 12.00 | 12.00 | 12.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Watershed Stewardship Budget Control Level

The purpose of the Water Utility Watershed Stewardship Budget Control Level, a Capital Improvement Program funded by water revenues, is to implement projects associated with the natural land, forestry, and fishery resources within the Tolt, Cedar, and Lake Youngs watersheds.

| | 2010 | 2011 | 2012 | 2012 |
|------------------------------|----------------|----------------|-----------------|-----------------|
| Expenditures/FTE | Actuals | Adopted | Endorsed | Proposed |
| Watershed Stewardship | 865,251 | 1,141,554 | 896,831 | 1,827,598 |
| Full-Time Equivalents Total* | 8.00 | 8.00 | 8.00 | 8.00 |

**FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Seattle Public Utilities - Water Utility

Fund Table

Water Fund

| | 2010 Actuals | 2011 Adopted | 2011 Revised | 2012 Endorsed | 2012 Proposed |
|---|------------------|------------------|------------------|------------------|------------------|
| Operating Cash at End of Previous Year | 8,193,588 | 7,080,178 | 8,433,609 | 7,036,100 | 7,119,558 |
| Plus: Actual and Estimated Revenue | 257,888,027 | 269,022,157 | 258,240,079 | 272,958,321 | 252,423,424 |
| Less: Actual and Budgeted Expenditures | 254,645,417 | 275,306,838 | 276,615,687 | 273,269,838 | 259,192,643 |
| CIP Accomplishment Assumptions | 0 | (7,910,772) | (8,043,166) | (6,641,097) | (8,325,909) |
| Accounting and Technical Adjustments | (3,002,588) | (1,670,170) | 9,018,391 | (5,988,528) | (1,284,574) |
| Ending Operating Cash | 8,433,609 | 7,036,100 | 7,119,558 | 7,377,152 | 7,391,674 |