



Legislative Department Seattle City Council Memorandum

Date: September 28, 2017

To: City Councilmembers

From: Councilmember Lisa Herbold
Chair, Budget Committee

Subject: Fall Review Process for the 2018 Budget (September 20 - December 11)

The Council's budget planning for the 2018 budget is underway. This will be the second budget season for a majority of Councilmembers and the second in our hybrid district system. To assist you through our fall budget review process, please carefully examine this memorandum along with the attached *Calendar*.

This process and schedule maintain continuity with that developed by former Budget Chair Burgess, as explained in his memo of July 7. Since that time, additional issues have been scheduled before the Council during this time period. The Council will be meeting as the Select Committee on Civic Arenas to consider an MOU. In addition, the Council will be meeting this week to fill the Position 8 vacancy. So time will be of the essence.

The attached calendar includes the meeting dates for the Select Committee on Civic Arenas, and for meetings to fill the Position 8 vacancy. The rest of this memo duplicates the July 7 memo.

Note: There are a couple of significant changes to how we review and adopt the budget this year, primarily to give Councilmembers expanded opportunities to air budget proposals, provide more time to review balancing options, and to increase process transparency for Councilmembers and the public. Additionally, there will be Budget Committee meetings in December to address structural changes in the City budget due to the reimplementation of the City's Summit financial system. Please read below for more information.

1. BUDGET PROCESS AND SCHEDULE

Each of you is a member of the Budget Committee and should be available on all the dates indicated on the *Calendar*. Some meeting dates may be cancelled depending on our progress and workload demand. Please notify Paddy Wigren as soon as possible if you plan to be out of town during any part of the budget process.

Descriptions of each of the major phases in the budget process follow.

A. Department Budget Overviews (September 20, 26, 27)

The Budget Committee will prepare for the release of the Mayor's Proposed 2018 Budget with a series of discussions about select departments' budgets and related policy issues. These discussions will be held at the committee table in Council Chambers. Central Staff will coordinate and lead these discussions. Because these meetings will take place around the same time that the Mayor's proposal will be made public, the focus will be on exploring the issues facing each featured department and on increasing the Council's understanding of departments' "base" budgets.

These discussions will begin with overview presentations on the structure of the entire City budget and the Capital Improvement Program (CIP) to assist the Council in its oversight role. The specific agenda will be developed over the course of the next few months.

B. Mayor Transmits Proposed Budget (September 25) & CBO Budget Overview (September 28)

The Mayor's Proposed 2018 Budget will be presented to Council on Monday, September 25. The Mayor will address Council that afternoon to outline the case for his proposal. CBO Director Ben Noble will provide department-level details on the Mayor's Proposed Budget later that same week. I will ask that the heads of select departments will be available to help answer questions during this session.

C. Public Hearings (October 5 and November 1, 5:30 PM)

The Council will hold two evening public hearings to receive public comment on the City budget. These hearings are spaced further apart to provide opportunities for public comment on both the Mayor's Proposed Budget and the Chair's Initial Balancing Package (see Item F below).

D. Budget Committee Deliberations (October 12, 13, 16, 17)

This series of Budget Committee meetings will focus on Central Staff presentations highlighting potential budget issues as well as other Councilmember-driven requests. Councilmembers wishing to have any identified issues included in the Central Staff memos that will guide the presentations must submit a **Budget Proposal Worksheet for Budget Deliberations** (Form A; See Attached) to the Central Staff budget lead by noon on Monday, October 9. Committee members will have opportunities both to explore issues and to debate the merits of possible changes to the Mayor's proposed budget.

E. Green Sheet Proposal Discussions (October 23-25)

These meetings will provide Councilmembers an opportunity to further explore and make cases for proposed budget actions (Green Sheets and Statements of Legislative Intent) in advance of the development of the Chair's Initial Balancing Package (see below). Members of the Central Staff will present Green Sheets and SLIs before the Committee. In order to have proposals incorporated into these presentations, Councilmembers must submit a **Council**

Budget Action (Green Sheet/SLI) Request Worksheet (Form B; see attached) with at least three Councilmember sponsors (Prime sponsor and two CMs) to the Central Staff budget lead by 2:00 PM on Thursday, October 19.

F. Budget Chair's Initial Balancing Package (October 31)

The Central Staff Director (Kirstan Arestad) and/or I will meet with individual Councilmembers following Budget Committee Deliberations and then will present on October 31 an Initial Balancing Package of amendments to the Mayor's proposed budget to the Committee. My proposal will attempt to reflect priorities discussed in earlier Budget Committee meetings.

Because I will be developing an initial balancing package with an emphasis on priorities identified in earlier Budget Committee discussions, I expect that the need to debate budget actions that are widely supported will be reduced. Instead, the Committee will be able to focus its efforts on resolving the most complicated issues.

G. Budget Committee Discussion of Chair's Initial Balancing Package (November 7-8)

Two Budget Committee meetings are scheduled for the discussion of any further changes to my initial balancing package that Councilmembers may wish to propose. Any proposal will require sponsorship from at least three Councilmembers to be discussed by the Committee. These proposals will be discussed but not voted on. They may address any budget issues regardless of whether or not they were discussed during the Committee's earlier deliberations (see D. above). Please note: Councilmembers' proposals and the names of at least two co-sponsors for proposed budget revisions must be submitted to the Central Staff as part of a **Council Budget Action (Green Sheet/SLI) Request Worksheet** (Form B; see attached) no later than 3:00 PM on Thursday, November 2.

H. Budget Committee Discussion and Vote on Chair's Revised Balancing Package (November 14-15)

Kirstan and/or I will meet with Councilmembers individually. I will then present a revised Chair's balancing package in response to the latest round of Committee discussions. My revised balancing package will be subject to a vote in Committee on November 14 and/or 15.

Councilmembers may tee up consideration of additional budget actions modifying the revised Chair's balancing package. An affirmative vote of the majority of the Committee members present is required to amend the Committee agenda in order to consider any proposal which is not already listed on the agenda. Any proposal that increases appropriations in one area must be self-balancing at this phase, either through a reduction in appropriations in another area or by new or increased revenues. Please note that if proposed revenue increases require legislation, that legislation will need to have been introduced and referred to Budget Committee by Monday, November 13.

I. Final Budget Committee Votes and Full Council Adoption of Budget (November 20)

After Central Staff completes another round of review to catch technical errors, the Budget Committee will meet the morning of November 20 to take final votes on budget-related legislation. The Full Council will meet that afternoon to vote on the final budget package.

J. Conversion of 2018 Budget to New Summit Structure (December 4, 6, and 11)

A new (“reimplemented”) version of the City’s computerized financial system, known as Summit is scheduled to go live on January 2, 2018. Reimplementation of the system will require some changes to the City’s fund and budget structures. Due to project delays earlier in the year, the Mayor’s Proposed 2018 will not be transmitted in the new format. Instead, CBO will work to prepare a budget conversion ordinance to update the Council’s Adopted 2018 Budget for compliance with the new system before the start of the new year. The conversion ordinance will be ready for introduction by Monday, December 4, with Budget Committee consideration scheduled for Wednesday, December 6 before final Full Council action on Monday, December 10.

2. STANDING COUNCIL COMMITTEE MEETINGS AND USE OF CENTRAL STAFF RESOURCES

In order to preserve Central Staff resources for budget matters, Council’s Standing Committee meetings will be suspended from September 25 - November 20 except to review required legislative actions such as a quasi-judicial rezone. If your committee needs to meet during the suspension period for any other reason, you will need to seek pre-approval from Council President Harrell and myself. In evaluating any such requests, staff resources will be an important consideration. If approved, you will need to coordinate with Paddy Wigren to minimize conflicts.

3. INFORMATION REQUESTS

Central Staff and the CBO have developed a protocol in an attempt to provide complete and timely responses to questions from Councilmembers. Please channel all questions and information requests through the designated Central Staff budget lead (a list of assignments will be distributed in September). The lead analyst will transmit your question(s) to CBO staff, as well as track and coordinate the distribution of responses.

4. PUBLIC ACCESS TO COUNCIL BRIEFING MATERIALS

The Council’s Budget webpage will provide links to budget materials including: department presentations, issue identification papers, and budget actions developed by Central Staff and discussed at Budget Committee meetings. These documents will be posted in a timely manner. Materials will also be made available in hard copy in the Budget Review Notebook that is available to the public and the press in council chambers daily.

Please let Kirstan, Erik or me know if you have any questions about anything in this memorandum. Thank you.

Copy: Kirstan Arestad, Central Staff Director
Dan Eder, Central Staff Deputy Director
Erik Sund, Central Staff Budget Coordinator (Operating)
Amy Tsai, Central Staff Budget Coordinator (Capital)
Ben Noble, Director, City Budget Office
Anthony Auriemma, Mayor's Office Council Liaison
Legislative Assistants
Office of the City Clerk

Attachments:

- (1) Seattle City Council Budget Committee Fall 2017 Schedule (Calendar)
- (2) Budget Proposal Worksheet for Budget Deliberations (Form A)
- (3) Council Budget Action (Green Sheet/SLI) Request Worksheet (Form B)