

December 05, 2019

MEMORANDUM

To: Finance & Neighborhoods Committee
From: Lise Kaye, Analyst
Subject: Fourth Quarter 2019 Supplemental Budget Package Summary

Summary

The Mayor has proposed Council Bills [119720](#), the 4th Quarter Supplemental Ordinance and [119721](#), the Grant Acceptance Ordinance, which together form the fourth supplemental budget package for 2019.¹ Table 1, below, shows that CB 119720, inclusive of all funds, grants and transfers, would appropriate approximately \$101.6 million, \$16.7 million (16.4%) of which would draw from the General Fund. Excluding the \$51.7 million in revenue and grant-backed appropriations, CB 119720 would authorize appropriations for operations totaling \$51.8 million, \$4.4 million (8.6%) of which would draw from the General Fund, and it would increase capital appropriations by about \$31.1 million.

Table 1. Summary of 4th Quarter Supplemental Budget Proposal			
Proposed Appropriations	Amount		
	GF	Other	Total
Appropriation Increases not backed by specific new revenue source ²	\$4,427,964	\$47,349,859	\$51,777,823
Appropriation increases backed by misc. revenue sources ³	\$3,724,343	\$7,781,341	\$11,505,684
Grant appropriation increases ⁴	\$8,643,708	\$29,777,843	\$38,421,551
Total Operating Budget Appropriations	\$16,696,015	\$84,909,043	\$101,605,058
Capital Appropriations	\$0	\$31,108,740	\$31,108,740

CB 119720 would also increase four positions from part-time to full-time status and would abrogate three positions.⁵

¹ Because CB 119720 increases the 2019 budget, state law ([RCW 35.32A.060](#)) requires approval of 3/4 of the Council.

² Appropriation increases not backed by new revenue that will not carry forward.

³ Technical corrections and revenue backed by miscellaneous revenues that carry forward.

⁴ Appropriation increases backed by accepted grant revenues that carry forward; subject to approval of CB 119721, the grant acceptance ordinance.

⁵ The Ordinance would increase from part-time to full-time 3 Police Special Recruit positions and an Administrative Staff Assistant. It would also abrogate two vacant Identification Tech positions in SPD and SFD position authority for one Counselor position; SFD provides funding to the Human Services Department to provide this staffing.

CB 119720 is contingent upon Council approval of acceptance of the grants in CB 119721, so this memo first summarizes CB 119721 and then CB 119720.

CB 119721 – Grant Acceptance Ordinance

The fourth quarter 2019 grant acceptance ordinance would authorize City departments to accept 33 grants totaling approximately \$28.3 million from external sources to support a range of purposes, as well as a \$90,000 donation from the Seattle Parks Foundation to Seattle Parks and Recreation and a \$10 million loan for Seattle Public Utilities’ Pearl Street Combined Sewer project. Table 2 lists grants over \$100,000 in the proposed ordinance.⁶

Table 2. Grants/Loans over \$100,000		
Item⁷	Grant/Loan	Amount
1.1	Traffic safety resource prosecutor funding from the U.S. Department of Transportation National Highway Traffic Safety Administration to the Law Department.	\$167,125
1.2	Naturalization Funding Increase from the Washington Department of Social and Health Services for the Office of Immigrant and Refugee Affairs.	\$262,500
1.7	Port Security grant from FEMA to the Seattle Fire Department (SFD) for Area Maritime Security Plans.	\$918,755
1.9	Urban Area Security Initiative (UASI) grant from the Federal Emergency Management Agency (FEMA) to the SFD for terrorism preparedness. The Seattle Fire Department’s portion of this grant will provide funds to enhance the City’s ability to increase and sustain structural collapse capability for rescue response.	\$709,829
1.16	US Department of Justice (DOJ) grant to the Seattle Police Department (SPD) to maintain the Northwest Regional Internet Crimes Against Children Task Force to address technology-facilitated child exploitation.	\$606,044
1.18	US DOJ Justice Assistance Grant (JAG) to the entire region, administered by SPD for programs aimed at preventing and reducing crime, providing victim services, purchasing law enforcement and investigative equipment, enhancing law enforcement training and officer safety, implementing community-based programs, providing law enforcement overtime and augmenting technology systems. SPD would receive \$261,693 to fund three existing civilian Crime Prevention Coordinator positions. (term of grant October 1, 2017 to September 30, 2021)	\$681,367
1.19	US DOJ Justice Assistance Grant (JAG) to entire region (see above description). SPD receives and uses \$257,280 to fund three existing civilian Crime Prevention Coordinator positions. (term of grant October 1, 2018 to September 30, 2022)	\$672,410

⁶ A complete list of all grants is included in [Summary Attachment A](#) to CB 119721 Summary and Fiscal Note.

⁷ Ibid

Table 2. Grants/Loans over \$100,000		
Item⁷	Grant/Loan	Amount
1.20	US Dept of Homeland Security Emergency Management Performance Grant (EMPG) TO SPD that funds three positions in the Office of Emergency Management.	\$407,038
1.21	Urban Area Security Initiative (UASI) grant from FEMA to SPD for terrorism preparedness. The grant will fund program management and sustainment; vulnerable population planning; citizen preparedness and outreach; Fusion Center intelligence analysts; a Regional Homeland Security Program Manager; the purchase of bomb suits and night vision goggles; and training.	\$2,224,707
1.22	US Dept of Homeland Security Program (SHSP) grant to SPD to fund equipment and personnel costs associated with a contract analyst and a shared Regional Law Enforcement Homeland Security Program Manager.	\$327,000
1.25	Lowman Beach Park Restoration grant from the Washington State Recreation and Conservation Office to Seattle Parks and Recreation (SPR).	\$500,000
1.26	Lowman Beach Park Beach Restoration and shoreline restoration feasibility study at Scheuerman Creek in Discovery Park funding from the King County Flood Control District to SPR.	\$525,000
1.27	Green Lake Small Crafts Center capacity expansion grant from the Washington State Recreation and Conservation Office to SPR.	\$520,000
1.28	Kubota Gardens renovations grant from Washington State Recreation and Conservation Office to SPR.	\$500,000
1.29	Lower Woodland Park Playfield synthetic turf replacement grant from the Washington State Recreation and Conservation Office to SPR.	\$350,000
1.30	South Park Drainage Conveyance Grant from the King County Flood Control District to Seattle Public Utilities (SPU), reimbursement retroactive to 2016.	\$13,100,000
1.31	Puget Way Culvert Replacement Grant (2019-2024) from the King County Flood Control District to SPU.	\$1,800,000
1.32	Broadview Stormwater Conveyance Improvement Grant from the King County Flood Control District to SPU.	\$2,359,843

CB 119720 – Supplemental Budget Ordinance

CB 119720, the fourth quarter supplemental budget ordinance of 2019, would provide expenditure authority to use the grants in the grant acceptance ordinance described above (CB 119721) and for other budget revisions requested by various City departments. As shown on Table 1 on the first page of this memo, appropriations for operations, inclusive of all funds, grants and transfers, would total approximately \$101.6 million, \$16.7 million (16.4%) of which would draw from the General Fund. Net of \$51.7 million in revenue and grant-backed appropriations, operations appropriations would total \$51.8 million, \$4.4 million (8.6%) of which would draw from the General Fund. The proposed legislation would increase capital appropriations by about \$31.1 million.

Staff identified one policy issue with this proposed ordinance, with respect to using funds from the Families, Education, Preschool, and Promise (FEPP) Levy funds to develop a new Firefighter Training Associate of Arts pathway program at the Seattle Colleges (Item 2.2. in Table 3, below). Additional information and policy options are provided at the end of this memo.

Appropriation Increases Not Backed by Specific New Revenue Sources

Table 3 below lists in two categories (human resources and personnel; and operations) the \$51.8 million of appropriation increases not backed by specific revenue. These items are funded through favorable expenditure variances in 2019, and in most cases represent the expenditure of monies that have been reserved for a specific use according to statutory requirements.

Table 3. Appropriation Increases (not backed by specific new revenue sources)		
Item⁸	Appropriation Increase	Amount
Human Resources and Personnel		
2.1	Term limited Event Service Representative position to assist in increased oversight of limited event space due to arena construction.	\$112,000
2.5	Disabilities Commission 2019 staffing needs. Ongoing funding included in Council’s adopted 2020 budget.	\$25,000
2.7	Office of Economic Development director hiring expenses.	\$46,094
2.9	Office of Planning and Community Development termination payout.	\$14,500
2.10	Workers’ Compensation charges billed by SDHR.	\$70,000
2.11	Unemployment insurance costs in excess of appropriation authority.	\$200,000
2.13	Department of Human Resources termination payouts (retirements, turnover, terminations).	\$550,370
2.15	Community Police Commission personnel costs and increased professional services for its mandated and elective work plan.	\$40,000
2.2	Development costs for New Firefighter Training Associate of Arts (AA) pathway at the Seattle Colleges. In addition to \$55,000 GF, 15,000 of the cost will come from Families, Education, Preschool, and Promise (FEPP) Levy funds.	\$55,000
2.3	Seattle Storm relocation costs, per the amended facility use agreement between the Storm and the City as approved by the Council.	\$2,600,000
Operations		
2.4	Hearing Examiner consultant contract to prepare the case management system to receive Seattle Fire Department citations appeals.	\$15,000
2.6	Indigenous People’s Day celebration funding for 2019.	\$12,000
2.8	Office of Housing appropriation authority to make short-term loans for site acquisition or directly for site acquisition. No additional revenue is necessary.	\$28,000,000

⁸ Condensed from [Summary Attachment A](#) to [CB 119430](#) Summary and Fiscal Note.

Table 3. Appropriation Increases (not backed by specific new revenue sources)		
Item⁸	Appropriation Increase	Amount
Operations		
2.12	Seattle City Light unanticipated expenditures on short-term power purchases , due to factors including low precipitation, an extended winter with colder temperatures, relatively high market prices for energy, and early depletion of snowpack.	\$15,000,000
2.14	Emergency response and services including 1st Quarter 2019 snow and ice events and Seattle Squeeze mitigation events, \$1,000,000 is funded from the General Fund and the balance is funded by Transportation Fund balance.	\$5,037,859
TOTAL		\$51,777,823

Appropriation Increases Backed by New Non-Grant Revenue

Table 4 lists the \$11.5 million appropriation increases backed by new non-grant revenue, including reimbursements consistent with memoranda of understanding (MOUs).

Table 4. Appropriation Increases Backed by Specific Revenue		
Item⁹	Appropriation Increase	Amount
Backed by Miscellaneous Revenue (e.g. MOUs, reimbursements, transfers)		
3.1	Arts in Parks program increase to MOU maximum of \$242,500 for work that engages with the community. (MOU between ARTS and SPR)	\$7,879
3.2	CBO project management work on major capital projects, reimbursed by SDOT.	\$115,000
3.3	Project change order to the Transit Regulation Improvement Project (TRIP) implementation project to develop a mobile application for enforcement. (FAS reimburses IT)	\$1,543,279
3.4	Technical correction to move cash from Cumulative Reserve Unrestricted Fund to Revenue Stabilization Fund.	\$3,850,594
3.5	Transfer from 2016 LTGO Bond fund to cover a resource shortfall in the 2018 LTGO bond fund. Funding shortfall due to reduced budgeted bond issuance amount for Summit Reimplementation project.	\$458,000
3.6	SDOT payment to OED for communications campaign during the “Seattle Squeeze.” (MOU between SDOT and OED)	\$85,000
3.7	Technical adjustment to South Lake Union Streetcar operations to align with revised accounting practices between the City and King County.	\$2,355,704
3.8	Technical adjustment to First Hill Streetcar operations to align with revised accounting practices between the City and King County.	\$984,664
3.9	US Drug Enforcement Administration Task Force reimbursement to SPD.	\$56,391
3.10	FBI reimbursement to SPD for Safe Streets Task Force participation.	\$132,746

⁹ Condensed from [Summary Attachment A](#) to [CB 119430](#) Summary and Fiscal Note.

Table 4. Appropriation Increases Backed by Specific Revenue		
Item⁹	Appropriation Increase	Amount
Backed by Miscellaneous Revenue (e.g. MOUs, reimbursements, transfers)		
3.11	FBI reimbursement to SPD for Puget Sound Joint Terrorism Task Force participation.	\$28,083
3.12	US Department of Justice (DOJ) reimbursement to SPD for Pacific Northwest Fugitive Apprehension Task Force participation.	\$50,042
3.13	FBI reimbursement to SPD for Pacific Northwest Innocence Lost Task Force participation.	\$51,817
3.14	US Department of Justice reimbursement to SPD for ATF (Bureau of Alcohol, Tobacco and Firearms) Puget Sound Regional Gun Task Force participation.	\$29,570
3.15	FBI reimbursement to SPD for Seattle Prosecutor Murder (SEPROM) Task Force participation.	\$18,344
3.16	US Secret Service reimbursement to SPD for Electronic Crimes Task Force participation.	\$51,558
3.17	Seattle Public Library backfill for paid parental leave and paid family care leave expenses.	\$124,500
3.18	SPD funding to DEEL for a loaned employee (February – September 2019).	\$104,738
3.19	Reimbursement to SPD from the King County E-911 tax levy for equipment, overtime and training needed for continued operation of E-911 call taking systems.	\$779,360
3.20	King County Sheriff's Office contracted compensation to SPD for Registered Sex Offender and Kidnapping Offender Address Verification Program.	\$115,371
Backed by grant increases, award, performance period extension, insurance reimbursement		
4.1	Increased Early Childhood Education Assistance Program grant award to Department of Education and Early Learning.	\$140,846
4.2	Vehicle Cost Recovery insurance reimbursement.	\$15,060
4.3	Innovation Fund Award from Healthier Here, a non-profit organization, to SFD to pay for a research assistant with UW Medicine/Medic One, one FTE case manager at Seattle Aging and Disability Services, purchase and set up of case management software, and provide access to data and program analysis support from King County Public Health and UW Medicine.	\$300,000
4.4	Alaska Way Viaduct Project reimbursement from WSDOT to SFD – performance period extension.	\$107,138
TOTAL		\$11,505,684

Capital Appropriations

The net capital appropriations increase in the fourth quarter supplemental is approximately \$31.1 million. In addition to providing appropriations for the previously described grant-funded projects, the ordinance transfers funds from operating to capital for three City Light projects (see items 9.4, 9.5 and 9.6 in Table 4 below) and creates three new CIP projects:

New CIP Projects

- **Seattle City Light Skagit-Facilities Energy Conservation Program (MC-CL-XS6515)** - \$7,384,000. Structural improvements to residential and commercial facilities at Skagit, to conserve energy year-round.
- **Seattle City Light Transportation Electrification Project (MC-CL-XF9239)** - \$2,000,000. Electrification infrastructure for electric vehicles (including fleets, delivery and freight), and ferry and port systems throughout Seattle City Light’s service territory and properties.
- **Battery Street Portal Park Development (MC-PR-21015)** - \$625,000. Planning and conceptual design for development of a new 1.3-acre park.

Table 5 below lists capital appropriations over \$500,000 included in the proposed ordinance.

Table 5. Capital Appropriations over \$500,000		
Item	Appropriations	Amount
Capital Appropriation and Project Allocation Increases over \$500,000		
9.1	Department of Finance and Administrative Services (FAS) customer-requested tenant improvement work in FAS-owned facilities in 2019. (reimbursed by clients)	\$ 8,500,000
9.2	Department of Finance and Administrative Services (FAS) customer-requested tenant improvement work in non-City owned facilities in 2019. (reimbursed by clients)	\$5,000,000
9.3	SCL Medium service connection costs for new customers. (reimbursed by customers)	\$2,000,000
9.4	SCL Document Management System Tracking and Reporting System additional scope elements and extension. (transfer of operating resources to capital) ¹⁰	\$1,052,000
9.5	Seattle City Light Transportation Electrification Project. (transfer of operating resources to capital) ¹¹	\$2,000,000
9.6	SCL higher than expected costs for utility-wide conservation projects such as installing programmable thermostats and upgrades to lighting at numerous SCL facilities. (transfer of operating resources to capital) ¹²	\$1,208,000

¹⁰ See item 1.1 in CB 119720 for reduced operating appropriation transferred to item 9.4

¹¹ See item 1.2 in CB 119720 for reduced operating appropriation transferred to item 9.5

¹² See item 1.3 in CB 119720 for reduced operating appropriation transferred to item 9.6

Table 5. Capital Appropriations over \$500,000		
Item	Appropriations	Amount
Capital Appropriation and Project Allocation Increases over \$500,000		
9.8	Thomas Street Greenway funding for 100% design. (funded by Landscape Conservation and Local Infrastructure Program – “LCLIP”)	\$1,100,000
9.10	Replacement of the Law Department’s Criminal Case Management System. (funded through a one-time transfer from LAW)	\$650,000
9.11	Urban Triangle Park development. (payment received from developer)	\$1,070,000
9.12	Neighborhood Parks & Playgrounds projects as Marra-Desimone Park, Victor Steinbrueck Park, Emma Schmitz Seawall, and the comfort station at Gas Works Park. (funded through excess interest earnings in the 2008 Parks Levy Fund)	\$1,569,000
9.13	Play Area Renovations. A new CIP project page will be created in the 2 nd Quarter Supplemental for the Eli’s/Burke Gilman Park Renovation Project, for which the executive intends to use \$250,000 of this appropriation. (supported by the 2013 King County parks Levy Fund)	\$600,000
9.15	SR 520 Mitigation Appropriation remaining projects, including Arboretum Waterfront Trail. (supported by excess interest earnings in the Park Mitigation & Remediation Fund)	\$794,000
Capital Appropriation and Project Allocation Increases over \$500,000 – Revenue Backed		
10.1	Burke Gilman Trail Extension, storm drain repairs and installation of trolley poles and foundations. (to be reimbursed by King County and SPU)	\$1,151,393
10.2	23 rd Avenue Corridor work requested by SCL to address an existing overflow issue. (SCL to reimburse SDOT)	\$618,984
10.3	12 th Avenue NE Sidewalk reimbursement from SPU to SDOT.	\$613,274
10.4	Heavy Haul Network Program – East Marginal Way, phase 1 and 2 design and drainage capital improvements. (previously accepted FHWA grant and MOU between SPU and SDOT)	\$1,457,249
10.7	Lowman Beach Park Beach Restoration and shoreline restoration feasibility study at Scheuerman Creek in Discovery Park funding from the King County Flood Control District to SPR. (Park and Recreation Fund)	\$525,000
10.8	Green Lake Small Crafts Center capacity expansion grant from the Washington State Recreation and Conservation Office to SPR. (Park and Recreation Fund)	\$520,000

Net Zero Transfers within the Same Fund

CB 119270 would authorize 11 net zero transfers of expenditure authority within Seattle City Light’s Light Fund; one net zero transfer within the Seattle Department of Transportation’s Transportation Fund; and one net zero transfer within the Parks and Recreation Fund.

Position Changes

The Ordinance would increase from part-time to full-time three Police Special Recruit positions and an Administrative Staff Assistant. It would also abrogate two vacant Identification Tech positions in SPD and SFD position authority for one Counselor position; SFD provides funding to the Human Services Department to provide this staffing.

Policy Issue

Item 2.2: Development costs for New Firefighter Training Associate of Arts (AA) pathway at the Seattle Colleges.

This item would provide the Department of Education and Early Learning (DEEL) with \$55,000 of additional General Fund (GF) appropriation authority in its Post-Secondary Programs budget summary level to develop a new Firefighter Training Associate of Arts pathway program at the Seattle Colleges. The pathway would be designed in partnership with the Colleges and the Seattle Fire Department with the intent of preparing local students for careers in fire service.

According to DEEL, the total cost to develop the curriculum for the pathway program is \$70,000. DEEL has proposed to supplement the GF appropriations with \$15,000 of Families, Education, Preschool, and Promise (FEPP) Levy funds from the Seattle Promise investment area. It is unclear, however, whether the development of pathway programs is an eligible use of FEPP Levy funds. According to the FEPP Levy's Implementation and Evaluation Plan, approved by [Ordinance 125807](#), the Seattle Promise investment area funds three strategies: (1) tuition for students to receive up to 90 attempted college credits; (2) an equity scholarship to assist qualifying students with non-tuition related expenses; and (3) college preparation and persistence support, such as application assistance, course planning, tutoring, and career preparation. The Implementation and Evaluation Plan does not address Seattle Promise funds being utilized to support the development of new degree pathways.

Options:

- A. Approve the 4Q Supplemental Budget as proposed, without changes to the proposed appropriation for DEEL.
- B. Amend the 4Q Supplemental Budget to increase the GF contribution to the Firefighter Training Associate of Arts pathway program by \$15,000, bringing the total GF appropriation to \$70,000. This would allow DEEL to pursue development of the pathway program with the Colleges and the Seattle Fire Department without utilizing FEPP Levy funds.
- C. Amend the 4Q Supplemental Budget to remove the appropriation authority for the Firefighter Training Associate of Arts pathway program. The Executive could be requested to seek Council approval of funding for this program at a later date when appropriate funding sources have been identified.

cc: Kirstan Arestad, Executive Director