

MEMORANDUM

To: Councilmember Tim Burgess, Chair
Councilmember Lisa Herbold, Vice Chair
Councilmember Rob Johnson, Member
Affordable Housing, Neighborhoods, and Finance Committee

From: Erik Sund, Council Central Staff

Date: August 17, 2016

Subject: Second 2016 Supplemental Budget Package

The Executive has proposed Council Bills (CBs) 118751 and 118752, which together form the second (often called “second quarter”) supplemental budget package for 2016. In briefest overview, these bills would revise the 2016 Adopted Budget as follows:

CB 118751, the second grant acceptance ordinance of 2016, authorizes City departments (notably Department of Parks and Recreation (DPR)) to accept approximately \$3.9 million of funding from external sources to support a range of purposes, including:

- \$1,920,250 from the Washington State Department of Commerce for DPR to support the Urban Forestry-Green Seattle Partnership’s efforts to preserve the West Duwamish Greenbelt.
- \$882,948 from the Department of Homeland Security for the Seattle Fire Department [only need acronym if you’ll be using the acronym later in the paper] to continue the current grant-funded Bio Watch program which includes air quality testing for dangerous biological agents as well as training to respond to biological terrorism emergencies.
- \$500,000 from the King County Flood Control District for the Drainage and Wastewater Fund for Seattle Public Utilities (SPU) as part of a total of \$4 million of reimbursements for flood control costs for the period from 2016 through 2020.

CB 118752, the second supplemental budget ordinance of 2016, provides expenditure authority to use the grants in the grant acceptance ordinance above (CB 118751) and for other budget revisions requested by various City departments.

- The total appropriations increase in the second quarter supplemental, including grant-backed and other appropriations, is approximately \$40.2 million, of which \$5.8 million is supported by the General Subfund (GSF). Among the expenditures authorized in CB 118752 are:

- A total of \$19,300,000 of additional appropriations across four utility funds (the Water, Drainage and Wastewater, Solid Waste, and City Light Funds) to cover cost increases resulting from schedule and scope changes for the joint Utility Customer Billing System/New Customer Information System projects in SPU and Seattle City Light, a project first funded in 2013. The additional \$19,300,000 in appropriations included in the second quarterly supplemental budget would bring the total project funding to \$109 million. The system is expected to begin operation in September.
- \$4,835,221 of GSF expenditure authority for the Seattle Police Department (SPD), partly backed by \$2,787,745 to be transferred from Finance General Reserves, to fund 42 new police officer positions. This is part of a proposed expansion of the police force by a total of 200 new positions. The 2016 costs of the first 25 positions funded are backed by the Finance General Reserves. The remaining 17 new police officer positions proposed in this bill would require \$2,047,476 of net new GSF and would be the first of the second 100 of proposed new positions.
- \$3,000,000 in the Transportation Operating Fund (TOF) for the Seattle Department of Transportation (SDOT) to restore a section of Western Avenue impacted by the replacement of water lines by SPU. \$2.4 million of this project is funded by SPU. The remaining \$600,000 would pay for work that is not strictly required as a result of the water line project and is backed by use of TOF fund balance.
- \$2,000,000 in the TOF for SDOT to begin design work on the South Lander Street Grade Separation Project to separate train and street traffic, which is backed by a reimbursable Connecting Washington grant.
- \$1,900,000 in the Preschool Services Fund, backed by Seattle Preschool Levy funds, for the Department of Parks and Recreation to fund the new Joint Preschool Site and Tenant Improvements Project, which is intended to renovate and develop new preschool classrooms on Parks sites.
- \$1,487,000 of Information Technology Fund (ITF) for the Seattle Information Technology Department (SEAIT) for work on the SPD's Data Analytics Platform system in 2016, a project that would support compliance with requirements of the 2012 United States Department of Justice Settlement Agreement. This appropriation is backed by a GSF appropriation for transfer to the ITF. Based on recent operational developments and a greater understanding of data disparity challenges, the project's Executive Steering Committee proposed changes to the project scope include the creation a data governance program, assess data quality, and build a platform using tools already used by SPD instead of purchasing a new data analytics suite. This budget request reflects the added project and staffing costs resulting from the scope change; the 5-year estimated total project cost is about \$14 million. There are also five position requests in the supplemental budget associated with the DAP project.
- A \$1,000,000 *decrease* in Transportation Operating Fund appropriations for the Pedestrian Master Plan – New Sidewalks project, backed by School Zone camera

ticket revenues. This adjustment would align expenditure authority with actual revenue levels, which have been lower than was forecasted.

- \$50,000 GSF for the Department of Neighborhoods (DON) to provide one-time financial support for the creation of a Chinatown/International District (CID) Public Safety Coordinator (PSC) position within a community organization to be selected through a competitive process.
- \$46,000 GSF to be transferred from Finance General Reserves to the SPD to support a 12-month term-limited community outreach position as a pilot project to work on the implementation of the 2016 Chinatown/International District Task Force Action Plan and related public safety issues in the CID. The 2017 costs of the position over the remainder of the 12-month period is estimated at \$64,000.
- Of the \$5.8 million GSF appropriation, about \$1.2 million is backed by grant or other revenues and a further \$2.8 million was previously appropriated as a Financial General Reserve, so the net new impact on GSF fund balance is approximately \$1.8 million.
- Additionally, a net increase in authorized employment positions of 79.0 full-time positions. This total includes two Management System Analyst positions in City Light, one of which was included by mistake – please see below under Issues for Committee Consideration for additional details. The newly created positions are shown in the table that follows:

New Position Authority Included in CB 118752

| Department | New FTEs | Titles |
|---|-------------|---|
| Executive | 1.0 | Administrative Staff Assistant |
| City Light (SCL) | 4.0 | Strategic Advisor 2 Management Systems Analyst, Senior (2) Planning and Development Specialist, Senior |
| Department of Construction and Inspections (SDCI) | 20.0 | Housing/Zoning Inspector Electrical Inspector, Senior (2) Land Use Planner 3 (4) Permit Technician Permit Specialist 2 Permit Specialist Supervisor Building Plans Examiner (5) Building Plans Examiner Supervisor Mechanical Plans Engineer Building Inspector, Senior Expert Noise Control Program Specialist (2) |
| Seattle Information Technology (SEAIT) | 3.0 | Information Technology Professional A (3) |
| Finance and Administrative Services (FAS) | 2.0 | Strategic Advisor 1, Exempt Manager 1, Exempt Planning and Development Specialist, Senior |
| Police (SPD) | 47.0 | Executive 3 Information Technology Professional A Information Technology Professional B Police Officer – Patrol (42) Strategic Advisor 2 (2) |
| Public Utilities (SPU) | 2.0 | Information Technology Professional A Management Systems Analyst |
| Total New Positions | 79.0 | |

The 79 new full-time employment positions that would be authorized by CB 118752 are additional to the 25 new positions created in the first 2016 supplemental budget ordinance (Ordinance 125043). The Council recently approved an increase in the City's Business & Occupation Tax rate and in the Business License Tax Certificate Fees through measures (CBs 118715 and 118716) specifically intended to help support the hiring additional police officers. Additionally, the new positions proposed for SDCI are supported by construction permit revenues. It is worth noting, however, that the other new positions would create ongoing funding needs that will need to be met in the City's 2017-18 budget if the positions are to be maintained.

Issues for Committee Consideration

City Budget Office (CBO) Director Ben Noble provided an initial briefing on the Mayor's proposed second 2016 supplemental package at the August 3 meeting of the AHNFC. The Council Central Staff has not identified specific policy issues with the legislation; however, possible technical

corrections are identified below. Additionally, it is possible that Committee members may have further proposed amendments.

1. Position Count Correction – Item 5.15 - Seattle City Light

Item 5.15 in the supplemental appropriations ordinance, CB 118752, should authorize two new Senior Management Systems Analyst positions for work on data warehousing and performance based reporting systems that is currently performed by a temporary employee. The ordinance should only add one new position (reducing the total number of new positions authorized by the ordinance to 78.0). This can be corrected by amending Item 5.15 in CB 118752 as follows:

In CB 118752, Section 5, amend Item 5.15 as follows and adjust the total for Section 5 accordingly.

| | | | | |
|------|--------------------------|----------------------|-----------|----------------------------------|
| 5.15 | Seattle City Light (SCL) | Mgmt Sys Analyst, Sr | Full-Time | ((2.0)) <u>1.0</u> |
|------|--------------------------|----------------------|-----------|----------------------------------|

2. Cross-References for Grant-Backed Appropriations Sections

Section 4 of the supplemental appropriations bill (CB 118752) authorizes expenditures backed by grant funds accepted in the grants bill (CB 118751). Because the Council Bill numbers were not known at the time the legislation was submitted for reference, Section 4 contains a blank reference to the grants bill. Similarly, the grant acceptance bill contains a blank reference to the CB 118752. The missing bill numbers can be inserted as follows:

In CB 118751, on line 19 of page 1, after “Council Bill”, strike “_____” and insert “118752”.

In CB 118752, on line 5 of page 4, after “Council Bill”, strike “_____” and insert “118751”.

cc: Kirstan Arestad, Central Staff Executive Director
 Dan Eder, Central Staff Deputy Director