

# 2022 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
FG	901	A	002-2022

**Budget Action Title:** Rescind FG-901-A-001, cut \$2 million CLFR Fund for a FEMA Contingency and reallocate for GF and SBT revenue replacement for food and nutrition programs and providing funding for salaries and vehicles for a staggered expansion starting in quarter two of the Community Safety Officer program

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Teresa Mosqueda

Council Members:

Staff Analyst: Aly Pennucci

Council Bill or Resolution:

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

## Summary of Dollar Effect

See the following pages for detailed technical information

	2022 Increase (Decrease)	2023 Increase (Decrease)
<b>General Fund</b>		
General Fund Revenues	\$1,055,000	
General Fund Expenditures	\$(400,000)	
Net Balance Effect	<b>\$1,455,000</b>	
<b>Other Funds</b>		
Sweetened Beverage Tax Fund (00155)		
Revenues	\$945,000	
Expenditures	\$0	
Net Balance Effect	<b>\$945,000</b>	
Coronavirus Local Fiscal Recovery Fund (14000)		
Revenues	\$0	
Expenditures	\$0	
Net Balance Effect	<b>\$0</b>	

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<b>Total Budget Balance Effect</b>	<b>\$2,400,000</b>
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## Budget Action Description:

This Council Budget Action (CBA) would rescind FG-901-A-001, and cut \$2.0 million of Coronavirus Local Fiscal Recovery (CLFR) funds from the proposed Finance General FEMA reserve for a General Fund revenue replacement to address revenue decreases identified in the November revenue forecast and cuts \$400,000 from the Seattle Police Department (SPD), assuming that hiring for the proposed expansion of the Community Service Office (CSO) program in SPD will be staggered starting in quarter two.

The effect of this CBA is to:

- Address a decrease in expected 2022 Sweetened Beverage Tax Revenues. The November revenue forecast include a \$4.5M decrease in the SBT Fund, likely due to the reduced sales of fountain and other sweetened beverages by commuters and shoppers. CBA FG-007-A-001 addressed this shortfall by transferring \$1.4 million GF to the SBT which, combined with reserved and unreserved balances, would balance the SBT Fund based on the financial plan for the SBT Fund transmitted with the Mayor's 2022 Proposed Budget. Subsequent to receiving the November update, CBO reported an error in their financial plan for the SBT which would result in the SBT Fund being \$745,000 out of budget after fully depleting the funds planning reserves. This action would transfer and additional \$945,000 GF to the SBT to fully balance the fund and leave a small planning reserve.
- Provide additional GF to address the decrease to the GF identified in the November revenue update and support other council priorities. This includes (1) retaining funding for the proposed expansion of the CSO program by providing funding for salaries and vehicles for a staggered expansion of the program starting in quarter two; and (2) ensuring there are resources to support the appropriation added in CBA CCCC-002-B-001 to develop an implementation plan and an expanded response protocol for contracted low-acuity 9-1-1 emergency response.

This CBA would: (1) rescind FG-901-A-001, (2) cut \$2.0 million of Coronavirus Local Fiscal Recovery (CLFR) funds from the proposed Finance General FEMA reserve to address revenue decreases identified in the November revenue forecast for the Sweetened Beverage Tax and the GF; and (3) reduces the Seattle Police Department (SPD) by \$400,000, assuming that hiring for the proposed expansion of the Community Service Office (CSO) program in SPD will be staggered starting in quarter two.

A verbal amendment was made to the previous version of this CBA in the Committee meeting on 11/18 to reduce the reduction to the CLFR FEMA reserve to \$1.6 million. Due to an error in balancing that did not account for a separate \$400,000 appropriation in CCCC-002-B-001, Central Staff determined that the original \$2 million cut to the CLFR FEMA reserve is necessary to balance. The combination of these actions will ensure that the spending in the proposed budget supported by SBT proceeds, the expansion of the CSO program, and the spending in the balancing package for the Community Safety and Communications Center to develop an implementation plan and an expanded response protocol for contracted low-acuity 9-1-1 emergency response, can proceed in 2022.

## Budget Action Transactions

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Transfer from CLFR		0	0	FG - FG000	FG - BR-FG-REVENUE - Finance General - Revenue	00100 - General Fund	2022	\$1,055,000	\$0
2	Transfer from CLFR		0	0	FG - FG000	FG - BR-FG-REVENUE - Finance General - Revenue	00155 - Sweetened Beverage Tax Fund	2022	\$945,000	\$0
3	Reduce funding for FEMA reserve		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	14000 - Coronavirus Local Fiscal Recovery Fund	2022	\$0	\$(2,000,000)
4	Transfer to GF		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	14000 - Coronavirus Local Fiscal Recovery Fund	2022	\$0	\$1,055,000
5	Transfer to SBT		0	0	FG - FG000	FG - BO-FG-2QA00 - Appropriation to Special Funds	14000 - Coronavirus Local Fiscal Recovery Fund	2022	\$0	\$945,000
6	Delay CSO for a staggered expansion of the program starting in quarter two.		0	0	SPD - SP000	SPD - BO-SP-P4000 - Collaborative Policing	00100 - General Fund	2022	\$0	\$(400,000)