



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Select Budget Committee



## 2017 Capital Budget Overview

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# This overview includes:

- The City's Capital Projects and Programs
- Capital Improvement Program (CIP) Budget Process
- Capital Project Oversight
- Capital Project Prioritization

# About the City's Capital Program

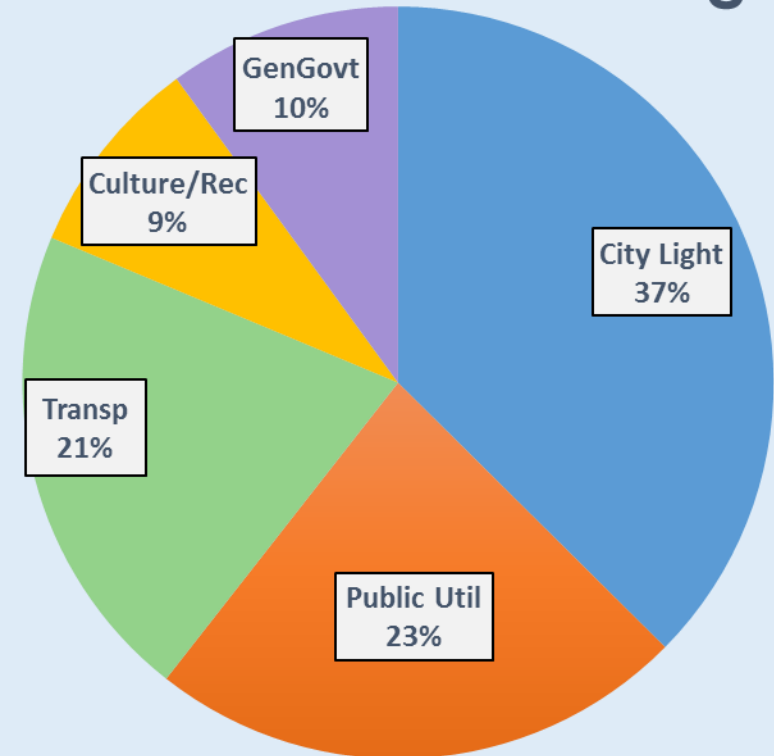
The City of Seattle builds and maintains a variety of physical assets. The City's capital infrastructure supports the City's services and programs.

- **Utilities** (electric, water, and wastewater)
- **Other City assets** (City parks, roads, bridges, office buildings, libraries, fire stations, maintenance yards, Seattle Center)
- **Technology**

# 2017-2022 Capital Projects: \$1.1B Proposed Funding in 2017

Department	# Projects Funded 2017	2017 Funding	2017-2022 Total
Seattle City Light	158	\$410 M	\$2,374 M
Seattle Public Utilities	116	\$254 M	\$1,694 M
SDOT	93	\$227 M	\$1,566 M
Parks	56	\$76 M	\$488 M
FAS (including police, fire)	24	\$68 M	\$170 M
Seattle IT	19	\$42 M	\$226 M
Seattle Center	21	\$13 M	\$47 M
Library	3	\$6 M	\$16 M
<b>Total</b>	<b>490</b>	<b>\$1.1 B</b>	<b>\$6.6 B</b>

Percent of 2017 Funding



# City Support of Partner Organizations

\$1.3M to support construction and renovation of cultural facilities:

- Nordic Heritage Museum, \$350,000
- Burke Museum, \$350,000
- Town Hall Seattle, \$350,000
- Hugo House, \$250,000

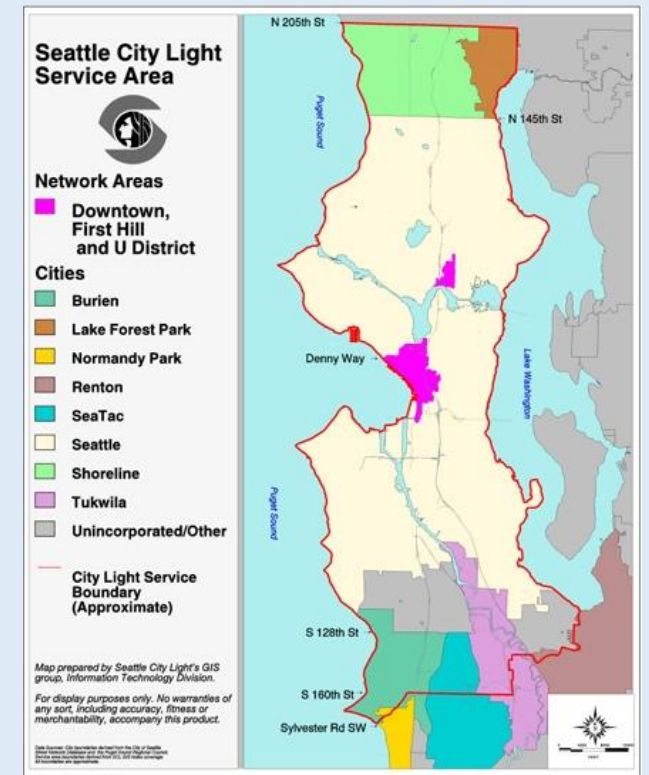
# 2017 Proposed CIP Revenues

Revenue Source	2017 Proposed (\$ in 1,000's)
Utility Funding	\$669,866
Voter-approved Funds (Sea & King Co.)	\$117,894
Bond Financed	\$96,779
Other City Funds	\$87,024
Real Estate Excise Tax	\$80,521
State Funding	\$31,370
Federal Funds	\$6,821
King County Funding	\$3,228
Private Funding	\$1,610
Other Local Government	\$901
<b>TOTAL</b>	<b>\$1.1 B</b>

# Seattle City Light (SCL)

\$410M (37% of total CIP)

- Municipal **electric utility** serving about 780,000 people in a 130-square mile area
- To serve our residents, City Light maintains capital assets worth approximately \$10 billion, including:
  - 7 dams including Boundary & Skagit
  - Over 3,000 miles of transmission and distribution lines, linked by 15 major substations
  - 100,000 power poles





# Seattle Public Utilities (SPU)

\$254M (23% of total CIP)

- Provides City drinking water, sewer, stormwater, and solid waste services.
- Two publicly-owned sources of clean drinking water: Cedar River and South Fork Tolt River watersheds
- Manage and maintain about 1,000 miles of sewer and stormwater pipeline and 68 pump stations.
- Operate two municipal solid waste transfer stations





# Seattle Department of Transportation (SDOT)

\$227M (21% of total CIP)

- Maintaining a transportation infrastructure **moving people and goods**
- Assets valued at more than \$19.8 billion
- Almost 4,000 miles of streets, sidewalks, bridges, bicycle facilities, signs, street trees, etc.
- Voter-approved \$930 million Move Seattle levy (2016-2024)



# Recreation and Culture

Parks \$76M, Seattle Center \$13M, Library \$6M  
(9% of total CIP)

- 6,200 acre park system with 465 parks and natural areas, 26 community centers
- Voter-approved **Seattle Park District** created in 2014 funds increased Parks & Rec services (\$13.6M) and capital projects (\$34.2M in 2016)
- 74-acre **Seattle Center campus** attracting 12 million visits each year
- Voter-approved 7-yr \$122M **library levy** in 2012, includes \$25 million to maintain Downtown Central Library and 26 neighborhood branches



# General Government

FAS \$68M, SealT \$42M (10% of total CIP)

- 3.2 million sq. ft. of **building space** throughout the City: **Police, Fire**, City office space, etc.
- **Technology** Infrastructure – telephone and radio networks, internet, television, data center facilities
- Some rate-based, but largely General Fund supported



# CIP Budget Process

- The 2017-2022 CIP is a **companion document** to the budget that provides information about all of the City's capital projects.
  - Capital facilities planning is required by the Growth Management Act
  - The CIP provides planned spending on capital projects for the next six years.
  - The CIP also allocates the amount of funding appropriated for each CIP project for the upcoming year (2017).
- The appropriation occurs in the **budget adoption ordinance**. The budget adoption ordinance also limits transfers between CIP projects.
- City occasionally provides financial support for capital projects it does not own. These projects do not appear in the CIP.

# Capital Project Oversight

## **FALL BUDGET PROCESS**

- Prioritizing capital projects to fund, new or existing
- Exerting oversight via budgetary controls

## **ONGOING MONITORING/OVERSIGHT**

- Oversight throughout the year via monitoring and reporting
- Supplemental budget requests

## **EXECUTIVE ROLE**

- Project delivery and day-to-day project management



# Budget Chair Recommendations

## **Increase appropriate and timely oversight and provide more transparency to the public:**

- Through the Budget Committee, Council will set specific thresholds for capital project risk assessments and heightened review and monitoring. *(King County and Fresno)*
- Risk assessment outcomes will inform placement of additional controls such as phased appropriations and ongoing review. High-risk projects will have periodic milestones with predetermined steps and review that must be completed before being allowed to continue to the next step.

# Budget Chair Recommendations

- New capital projects exception reporting standards will be implemented in early 2017 requiring CBO to identify and report quarterly to the Budget Committee on project scope, schedule or budget deviations from the Council-approved CIP.
- The Budget Committee will establish an ad hoc panel of independent experts on capital budgeting and project oversight to review current City practices and make recommendations for improvement.



# Oversight Elements for Budget

- Approval of **Scope**
- Staying on **Schedule** → Project phases:
  - Planning
  - Predesign and baseline
  - Design
  - Implementation/Construction
  - Closeout
- Staying on **Budget**
  - On-track spending, including contingency

# Prioritizing Capital Projects

- Departmental prioritization of citywide needs
- Coordinated capital investments in neighborhoods
- Bridging the two: OPCD and Capital Subcabinet

## Up Next

SDOT Overview – Calvin Chow, Central Staff

OPCD Overview – Lish Whitson, Central Staff