



SEATTLE CITY COUNCIL  
CENTRAL STAFF

## SELECT BUDGET COMMITTEE

# CITY BUDGET OVERVIEW FALL 2017

ERIK SUND, BUDGET COORDINATOR, COUNCIL CENTRAL STAFF  
SEPTEMBER 20, 2017

# ADOPTION OF THE BUDGET

## **Mayor:**

Must propose a balanced budget no later than 90 days before the end of the year (by October 3 for 2017)

# ADOPTION OF THE BUDGET

## **Council:**

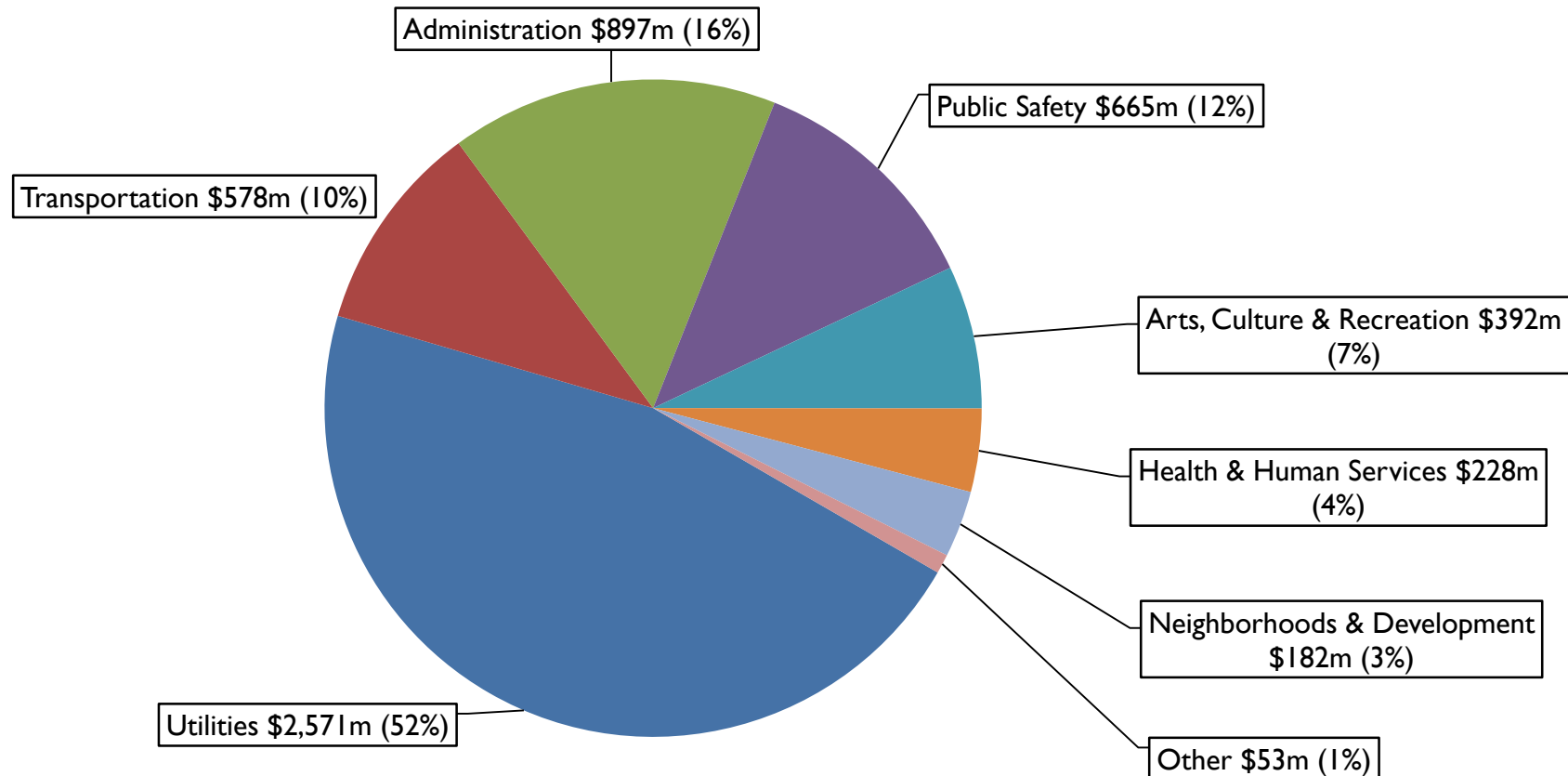
- Must appropriate all funds before expenditure
- Must adopt a balanced budget by December 2nd
- Approve any changes to the Municipal Code, organization, and financial policies to establish the framework for financial management of the City

# BASIC BUDGET FACTS

- In even-numbered years, Council approves a “biennial” budget package.
  - First budget year sets spending limits (Adopted)
  - Second budget year is a plan (Endorsed)
- In odd-numbered years, such as 2017, Council adopts a one-year (2018) budget, using the Endorsed budget as a point of reference.
- Council also adopts a Capital Improvement Program (CIP) each year, outlining long-term plans for capital investments.

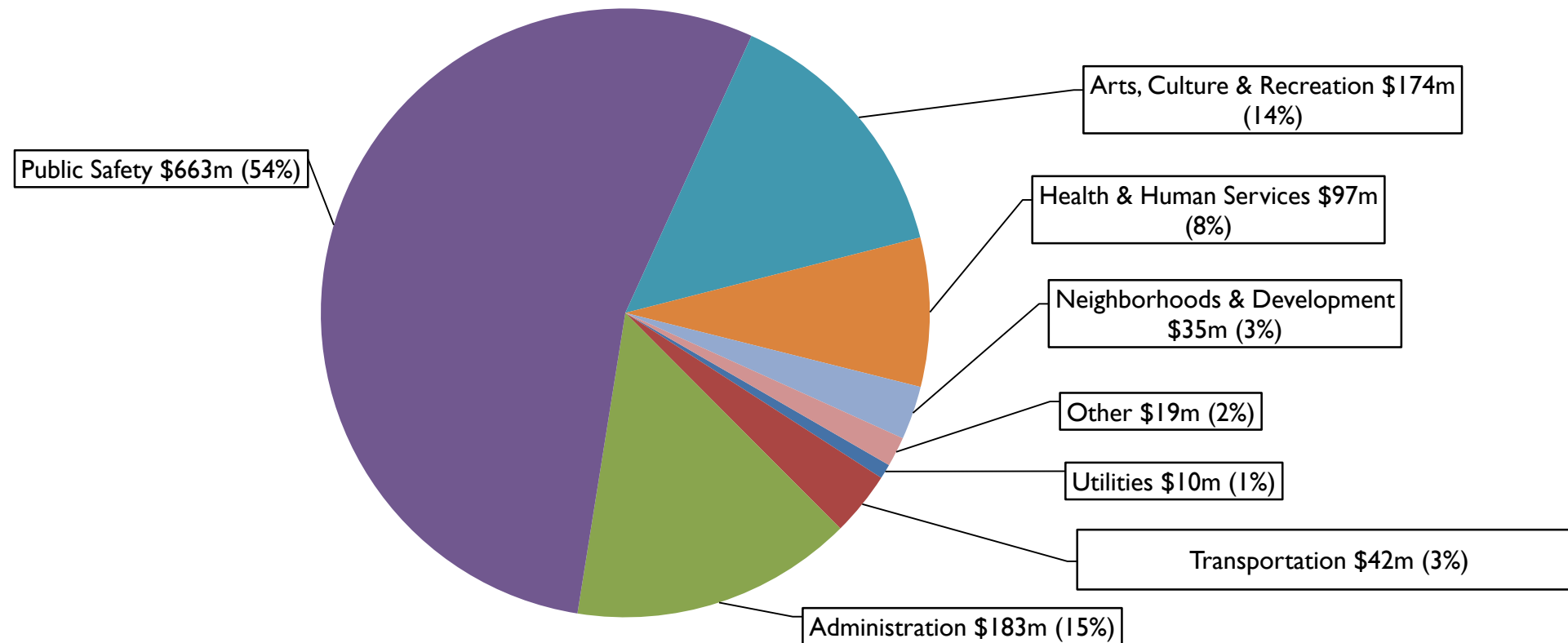
# SCOPE AND SCALE OF THE CITY BUDGET ALL FUNDS

## TOTAL 2018 ENDORSED BUDGET BY SERVICE AREA \$5.6 BILLION



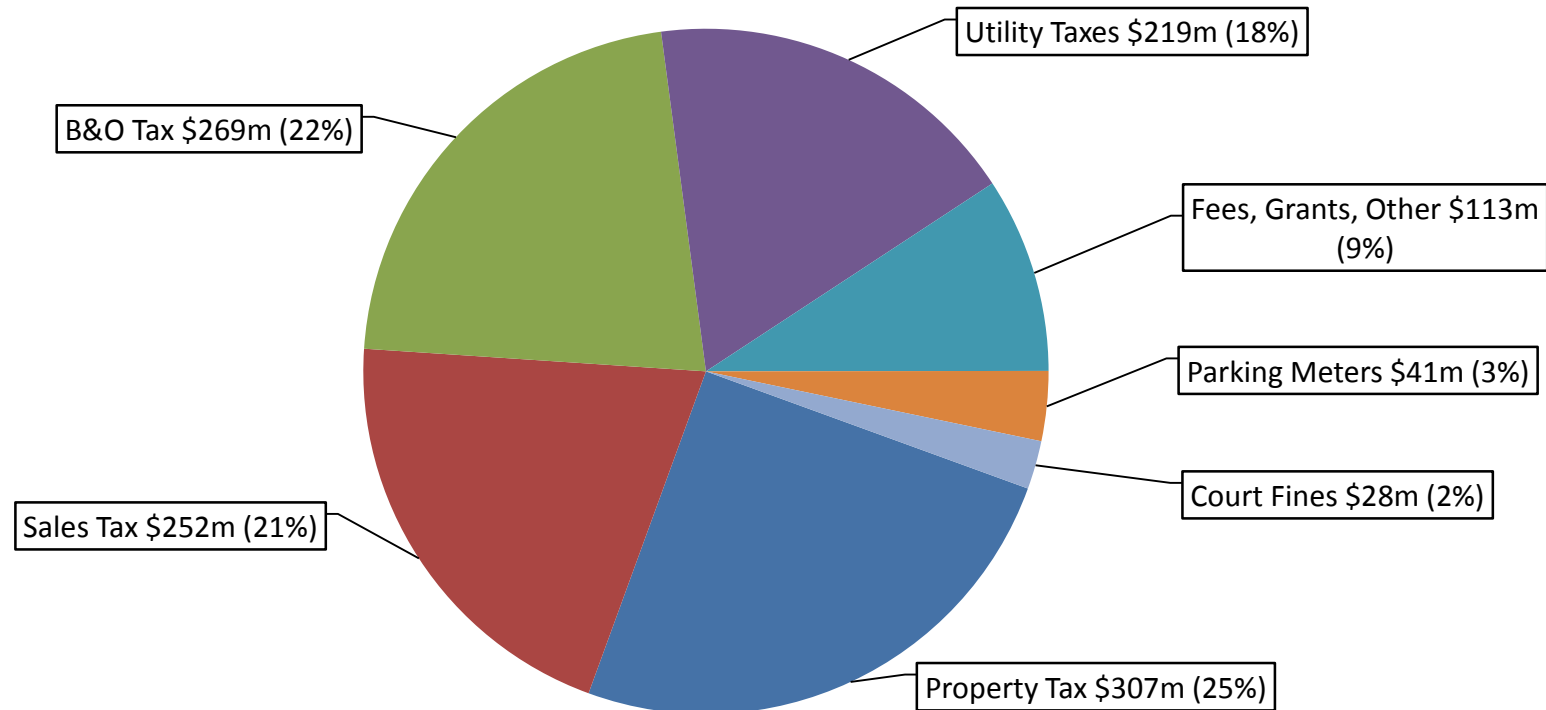
# SCOPE AND SCALE OF THE CITY BUDGET GENERAL FUND

## GENERAL FUND 2018 ENDORSED BUDGET BY SERVICE AREA \$1.2 BILLION



# CITY REVENUE SOURCES – GENERAL FUND

## FORECAST 2018 GENERAL FUND REVENUE BY SOURCE



(April 2017 Forecast)

# CITY REVENUE SOURCES – NON GENERAL FUND

Additional revenues come from numerous sources, many of which are dedicated to specific uses, such as

- Utility billing
- Commercial Parking Tax
- Fees for services (inspections, permits, etc.)



# REAL ESTATE EXCISE TAXES (REET)

- Two separate 0.25% taxes (REET I & REET II) on the transfer of ownership of real property
  - REET I may be used for capital projects and for housing relocation assistance for low-income tenants
  - REET II may be used only for transportation or utility capital projects and for parks construction and maintenance
- Total REET revenues in 2016 were \$76.4 million, but collections are more volatile than most City revenues

# **SWEETENED BEVERAGE TAX – ORD 125324**

- To be collected beginning January 1, 2018
- Estimated to generate \$15 million of revenue in the first year
  - Revenues to be deposited in the General Fund but are dedicated to specific purposes
  - A Sweetened Beverage Tax Community Advisory Board was established to make recommendations on the use of Sweetened Beverage Tax funds

# HIGH EARNERS INCOME TAX – ORD 125339

- Applies to income earned beyond certain levels on or after January 1, 2018
- Estimated to generate around \$140 million in 2019, to be deposited in the General Fund
- First payments are due April 15, 2019

# COUNCIL PROCESS TO ADOPT THE 2018 BUDGET

<b>Oct. 12 – 17:</b>	Budget Deliberations
<b>Oct. 23 – 25:</b>	Green Sheet Proposals
<b>Oct. 31:</b>	Chair Presents Initial Balancing Package
<b>Nov. 7 – 8:</b>	Discussion of Proposed Changes to Initial Balancing Package
<b>Nov. 14 – 15:</b>	Committee Vote on Revised Balancing Package (V)
<b>Nov. 20:</b>	Final Committee & Full Council Vote on the 2018 Budget (V)
<b>Dec. 11:</b>	Vote on technical changes to align with City accounting system changes planned for 2018 (V)

*Note: Further details about the Council's 2018 budget process can be found in the Budget Process Guidelines memo and fall 2017 budget calendar*

(V) – Committee or Full Council Vote

# DISCUSSION AND QUESTIONS

## CONTACTS

Erik Sund, Budget Coordinator, Council Central Staff

[erik.sund@seattle.gov](mailto:erik.sund@seattle.gov)

206-684-8368

Kirstan Arestad, Director, Council Central Staff

[kirstan.arestad@seattle.gov](mailto:kirstan.arestad@seattle.gov)

206-615-0054