

MEMORANDUM

To: Councilmember Lisa Herbold, Chair
Committee Members
Select Budget Committee

From: Erik Sund, Council Central Staff

Date: November 30, 2017

Subject: Fourth Quarter 2017 Supplemental Budget Package Summary

The Executive has proposed a second quarter supplemental budget package for 2017 in the form of Council Bills (CB) 119156 and 119157. Briefly, these bills would revise the 2017 Adopted Budget as follows:

CB 119157, the fourth grant acceptance ordinance of 2017, authorizes City departments to accept approximately \$11.7 million of funding from external sources to support a range of purposes, including:

- \$2,115,487 for the Seattle Fire Department (SFD) from the Federal Emergency Management Agency (FEMA) to support equipment and training for both regional preventative work on Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) threats and marine firefighting.
- \$2,051,577 for the Seattle Police Department (SPD) from FEMA to support terrorism/emergency prevention and response planning.
- \$1,982,068 for the Seattle Department of Transportation (SDOT) from the United States Department of Energy to assist with accelerated adoption of electric vehicles.
- \$544,247 for SFD from FEMA to reimburse the SFD for costs associated with personnel assisting with recovery efforts in the wake of Hurricanes Harvey and Irma.
- \$500,000 for SFD from the Washington State Department of Natural Resources and the Washington State Patrol to reimburse costs related to the deployment of SFD firefighters to assist with fighting wildfires throughout Washington and Oregon in 2017.

CB 119156, the fourth quarter supplemental budget ordinance of 2017, provides expenditure authority to use the grants in the grant acceptance ordinance above (CB 119157) and for other budget revisions requested by various City departments.

- The net appropriations increase in the fourth quarter supplemental, including grant-backed appropriations and double appropriations required to transfer monies between

accounts prior to use, is approximately \$55.8 million, of which \$16.0 million is General Subfund (GSF). Of the \$16.0 million GSF appropriation, about \$10.5 million is backed by new grant or reimbursement revenues. The remaining GSF appropriations are backed by Finance General or financial planning reserves. Among the expenditures authorized in CB 119156 are:

- \$15,710,00 of Finance and Administrative Services Fund (FAS Fund) appropriations to cover capital improvements at a variety of City facilities. These improvements were requested by and paid for by tenant City departments. These appropriations adjustments ensure that FAS has sufficient expenditure authority in its fund to cover the double-counting of project costs (once for the department requesting the work and again for FAS). Projects include work at the Cedar Falls Watershed Maintenance Facility (\$5 million, Seattle City Light) and renovations at the Drainage and Wastewater Building (\$1.1 million, Seattle Public Utilities).
- \$8,357,000 of Personnel Compensation Trust Subfund appropriations to City employee and retiree health care claims costs in excess of budgeted amounts. Part of these costs will be recovered through retiree premiums and the remainder will be funded through departmental contributions in 2019.
- \$5,837,700 GSF for costs related to a new six-year collective bargaining contract with the Seattle Police Management Association (SPMA), including \$3,837,700 for the SPD for retroactive pay for the period from January 1, 2014 through November 30, 2017 and \$2,000,000 for the Police Relief and Pension Fund to cover retroactive payments for benefit increases tied to the SPMA contract.
- \$2,400,000 of Seattle Center Fund expenditure authority to cover costs associated with a higher than anticipated number of events at KeyArena. These costs are covered by revenue generated by the events.
- \$2,100,00 in the Water Fund for Seattle Public Utilities (SPU) to \$1.57 million of utility tax obligations to the City and the State of Washington and \$530,000 to cover bond refunding costs. The bond expenses will be more than offset by interest savings resulting from the refunding.
- \$1,847,423 of Information Technology Fund (IT Fund) appropriations for the Seattle Information Technology Department (Seattle IT) to cover cost of living adjustments (COLAs) under the terms of the collective bargaining agreement with the IBEW Local Union Number 77 agreed to in late 2016 but signed in early 2017.
- \$1,165,952 GSF for the SFD to cover a range of personnel costs not budgeted for in the 2017 Adopted budget, including leave cash-outs for retiring employees, workers' compensation claims, and wellness incentive payments.

- \$1,094,000 of IT Fund appropriations for Seattle IT to support conversion work related to the Summit Reimplementation Project.
- Sections 11 and 12 of the bill provide for transfers of existing expenditure authority between Budget Control Levels (BCLs) and, in section 12, funds. These transfers generally reflect changes in timing or priority between projects or reorganizations within departments but do not increase total spending authority.
- Additionally, 8.0 new full-time employment positions are authorized in the bill. The newly created positions are shown in the table below:

Item	Department	New FTEs	Title(s)
7.1	Seattle City Light (SCL)	1.0	Sr. Capital Projects Coordinator (SR-99 projects)
7.2		1.0	Management Systems Analyst (waterfront projects)
7.3		1.0	Administrative Specialist II (waterfront projects)
7.4	Seattle Police Department (SPD)	1.0	Sr. Management Systems Analyst (Body Worn Video)
7.5		1.0	Administrative Staff Analyst (Body Worn Video)
7.6	Human Services Department (HSD)	1.0	Counselor (Medicaid New Freedom Program)
7.7		2.0	Counselor (Medicaid Case Management)
	Total New Positions	8.0	

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