



# SEATTLE CITY COUNCIL

## Finance, Native Communities, and Tribal Governments Committee

### Agenda

Wednesday, May 1, 2024

9:30 AM

Council Chamber, City Hall  
600 4th Avenue  
Seattle, WA 98104

Dan Strauss, Chair  
Maritza Rivera , Vice-Chair  
Robert Kettle, Member  
Tammy J. Morales, Member  
Sara Nelson, Member

Chair Info: 206-684-8806; [Dan.Strauss@seattle.gov](mailto:Dan.Strauss@seattle.gov)

[Watch Council Meetings Live](#) [View Past Council Meetings](#)

Council Chamber Listen Line: 206-684-8566

The City of Seattle encourages everyone to participate in its programs and activities. For disability accommodations, materials in alternate formats, accessibility information, or language interpretation or translation needs, please contact the Office of the City Clerk at 206-684-8888 (TTY Relay 7-1-1), [CityClerk@Seattle.gov](mailto:CityClerk@Seattle.gov), or visit <https://seattle.gov/cityclerk/accommodations> at your earliest opportunity. Providing at least 72-hour notice will help ensure availability; sign language interpreting requests may take longer.



**SEATTLE CITY COUNCIL**  
**Finance, Native Communities, and Tribal**  
**Governments Committee**  
**Agenda**  
**May 1, 2024 - 9:30 AM**

**Meeting Location:**

Council Chamber, City Hall , 600 4th Avenue , Seattle, WA 98104

**Committee Website:**

<https://seattle.gov/council/committees/finance-native-communities-and-tribal-governments>

---

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at

<https://www.seattle.gov/council/committees/public-comment>

Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Pursuant to Council Rule VI.C.10, members of the public providing public comment in Chambers will be broadcast via Seattle Channel.

Submit written comments to Councilmembers at [Council@seattle.gov](mailto:Council@seattle.gov)

*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

**D. Items of Business**

**1. Human Services Department Aging and Disability Services  
Renton Office Lease**

*Supporting  
Documents:* [Presentation](#)

**Briefing and Discussion** (25 minutes)

**Presenters:** Tanya Kim, Director, Mary Mitchell, and Dee Dhlamini, Human Services Department (HSD); Karen Gruen, Finance and Administrative Services (FAS); Jen LaBrecque, Council Central Staff

2. [CB 120779](#) **AN ORDINANCE** relating to public art museum facilities; authorizing a restatement of a guarantee and reimbursement agreement with the Museum Development Authority of Seattle and other parties that amends the second amended and restated guarantee and reimbursement agreement, as originally authorized by Ordinance 121950, as amended by Ordinance 122458, and as further amended by Ordinance 124429; and ratifying and confirming certain prior acts.

Attachments: [Ex A – Third Amended and Restated Guarantee and Reimbursement Agreement](#)  
[Ex B – Form of Undertaking to Provide Continuing Disclosure](#)

Supporting Documents: [Summary and Fiscal Note Presentation](#)

**Briefing and Discussion** (15 minutes)

**Presenters:** Jamie Carnell, Acting Director, and Kristi Beattie, Office of City Finance; Dan Eder, Office of the Mayor

3. [CB 120773](#) **AN ORDINANCE** amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; lifting a budget proviso; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Supporting Documents: [Summary and Fiscal Note](#)  
[Summary Att A – 2023 Budget Exceptions Ordinance Summary Detail Table](#)  
[Central Staff Memo \(5/1/24\)](#)  
[Presentation \(5/1/24\)](#)

**Briefing and Discussion** (10 minutes)

**Presenter:** Edin Sisic, Council Central Staff

4. [CB 120774](#) **AN ORDINANCE amending Ordinance 126955, which adopted the 2024 Budget, including the 2024-2029 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.**

Supporting  
Documents:

[Summary and Fiscal Note](#)  
[Summary Att A – 2023 Budget Carry Forward Ordinance Summary  
Detail Table](#)

**Briefing and Discussion** (10 minutes)

**Presenter:** Edin Sisic, Council Central Staff

5. **2019-2024 Budget Review**

Supporting  
Documents:

[Presentation \(5/1/24\)](#)  
[Central Staff Report \(5/1/24\)](#)

**Briefing and Discussion** (20 minutes)

**Presenter:** Aly Pennucci, Council Central Staff

## E. Adjournment



Legislation Text

---

**File #:** Inf 2461, **Version:** 1

---

Human Services Department Aging and Disability Services Renton Office Lease

# Human Services Department: ADS Renton Office Lease

Tanya Kim, Director, Human Services Department (HSD)

Mary Mitchell, Director, ADS Division, HSD

Dee Dhlamini, Chief Financial Officer, HSD

Karen Gruen, Director, Real Estate and Planning Services Division, Finance & Administrative Services



# Agenda

- HSD ADS Overview
- ADS in Renton
- Reasons for Office Move
- Budget for the Move
- Lease Legislation
- Timeline
- Questions



*ADS Staff with Mayor Harrell*



# HSD ADS Overview



Seattle  
Human Services



*Aging and Disability Services*  
Area Agency on Aging for Seattle and King County

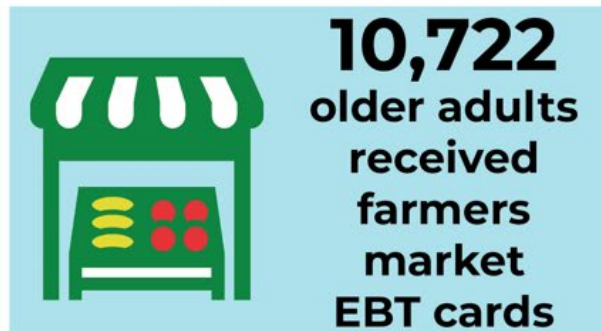
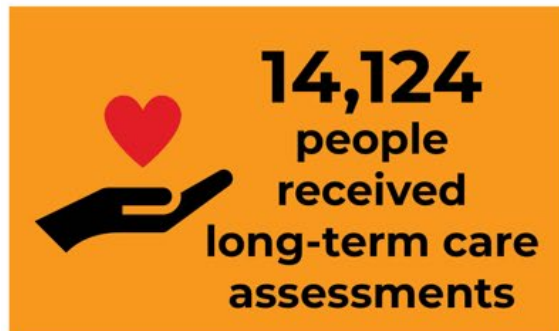
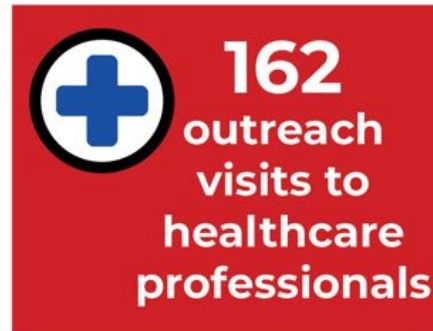
Since 1973, HSD's Aging and Disability Services (ADS) division has been the state-designated and federally-recognized Area Agency on Aging (AAA) for King County.

Staff plan, coordinate, and advocate for a comprehensive delivery system of Federal programs for older adults, caregivers, and individuals with disabilities.

- Responsible for providing aging network services to 50,000+ adult clients throughout King County (approximately 2/3 reside outside Seattle)
- Includes 14,000+ clients who receive monthly Medicaid long-term care case management services, approximately 50% in Seattle and 50% South King County



# ADS by the Numbers (2023)



# ADS in Renton

- 1993: Office opened in Kent
- 2004: Office moved to Renton (Time Square)
- Currently 103 employees at Renton office
- Why in Renton?
  - ADS Caseworkers directly serve appx. 5,000 clients in South King County
  - Medicaid, New Freedom, Medicaid Transformation Project, Nursing services, are some of the direct services provided
  - Accessible location for network training and onboarding



*Time Square offices*

# Reasons for Office Move

- Current lease ends August 31, 2024
- Increase client and employee access to transit options
- Increased safety, access to parking Trauma-informed design: promotes safety, well-being, and healing
- Fund source: Title XIX Federal Grant fund balance



*Triton Towers Three*

# Estimated 10 Year Savings of \$600K

- Expenditures for new lease and relocation will be covered by **Title XIX Federal Grant fund balance**, will not include GF
- Will result in lower annual rent compared to current expiring lease and significant savings over 10-year lease term
- Potential additional rent savings in 2024 if tenant improvements cost less than estimate
- Smaller footprint with a reduction of 6,848 Square Feet (approx. 35%)
- Move requires one-time costs in 2024 to move furniture, supplies, records, and set up City technology systems, estimated at \$386,000

TERMS	TIME SQUARE (Current)	TRITON TOWERS III (Proposed Office)
1st Year - Monthly Rent	\$49,011	\$39,795 <sup>^</sup>
1st Year – Annual Rent	\$588,130	\$491,863 <sup>*^</sup>
IT & Moving – HSD cost	N/A	\$386,000

\*Rent will increase annually by \$0.75 per square foot

<sup>^</sup> Estimate

# Office Search

- HSD requested FAS to conduct a search for new office space for Renton ADS offices
- Triton Towers Three met all of HSD's requirements
  - Office tower provides security; close to mass transit services; ample parking; amenities for clients and staff
- New location downsize approx. 65% of its current footprint
- City and Triton Towers Three landlord have reached an agreement on the final form of the lease

# Legislation Requirement

- SMC Sections 3.127.010 and 3.127.020: Leases of office space with a term of more than five years and where the premises exceed 5,000 square feet require City Council authorization for execution by the Director of Finance and Administrative Services
- New lease with Triton Towers Three:
  - 10-year initial lease term—option to extend for two terms of 5 years each
  - 12,410 square feet

# Timeline

Date	Action Item
<b>April 23</b>	Lease agreement terms finalized with Triton Towers Three
<b>May 1</b>	Presentation at Finance, Native Communities & Tribal Governments
<b>Early May (anticipated)</b>	Legislation Submitted to Council
<b>June</b>	Committee/Council Votes
<b>TBD</b>	Triton Towers Three Lease Execution (Pending Council Approval) <ul style="list-style-type: none"> <li>• Office improvements at Triton Towers Three begin (4 months)</li> <li>• Transition out of existing building begins</li> </ul>
<b>August 31</b>	Time Square Lease Ends
<b>September 1</b>	Triton Towers Three Move In (Pending Council Approval)



# Questions?



Legislation Text

---

File #: CB 120779, Version: 1

---

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

AN ORDINANCE relating to public art museum facilities; authorizing a restatement of a guarantee and reimbursement agreement with the Museum Development Authority of Seattle and other parties that amends the second amended and restated guarantee and reimbursement agreement, as originally authorized by Ordinance 121950, as amended by Ordinance 122458, and as further amended by Ordinance 124429; and ratifying and confirming certain prior acts.

WHEREAS, Ordinance 121950 authorized a City guarantee for the debt service reserve established in connection with the Museum Development Authority of Seattle’s 2005 Special Obligation Bonds (the “2005 Bonds”) (issued to pay the cost of acquiring and equipping an addition to its downtown museum facilities), pursuant to the Guarantee and Reimbursement Agreement among the City, the Museum Development Authority, and other parties, which was executed and dated as of November 1, 2005; and

WHEREAS, Ordinance 121950, as amended, prohibited various actions by City officers in connection with the Guarantee and Reimbursement Agreement without future authorization by City ordinance; and

WHEREAS, Ordinance 122458 authorized certain amendments to that Guarantee and Reimbursement Agreement, memorialized in the First Amended and Restated Guarantee and Reimbursement Agreement, which was executed and dated as of October 1, 2007; and

WHEREAS, Ordinance 123893 further authorized certain specific actions that require the approval of the City Council under the terms of Ordinances 121950 and 122458, including consent to certain lease terms and certain other clarifications, waivers, and consents; and

WHEREAS, Ordinance 124429 authorized certain additional amendments to that First Amended and Restated

Guarantee and Reimbursement Agreement to permit the refunding of the 2005 Bonds by the issuance by the Authority of its Special Obligation Refunding Bonds, 2014 (the “2014 Refunding Bonds”), for the purpose of achieving a debt service savings over the life of the bonds, and those amendments were memorialized in the Second Amended and Restated Guarantee and Reimbursement Agreement, which was executed and dated as of April 29, 2014; and

WHEREAS, the Museum Development Authority of Seattle now desires to refund its outstanding 2014 Refunding Bonds by the issuance of its Special Obligation Refunding Bonds, 2024 (the “2024 Refunding Bonds”), for the purpose of achieving additional debt service savings over the life of the bonds; and

WHEREAS, in connection with the refunding of the 2014 Refunding Bonds and the issuance of the 2024 Refunding Bonds, it is in the interest of the City to authorize, by this ordinance, certain specific revisions to the Second Amended and Restated Guarantee and Reimbursement Agreement and to allow the Director of Finance to approve these certain specific revisions in the form of a Third Amended and Restated Guarantee and Reimbursement Agreement attached to this ordinance as Exhibit A; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

**Section 1. Amendments Authorized.** The Director of Finance is hereby authorized to approve and sign the amendments to the Second Amended Guarantee and Reimbursement Agreement, as set forth in the form of a Third Amended and Restated Guarantee and Reimbursement Agreement by and among the City, the Museum Development Authority of Seattle (the “Authority”), the Seattle Art Museum (the “Museum”), U.S. Bank Trust Company, National Association, as Bond Trustee, and U.S. Bank Trust Company, National Association, as Lockbox Agent, that includes all of, and only, the amendments to the Second Amended and Restated Guarantee and Reimbursement Agreement, dated as of April 29, 2014, that are specifically shown on Exhibit A to this ordinance. The Director of Finance is also authorized to execute a continuing disclosure undertaking, in

substantially the form attached as Exhibit B to this ordinance (with such additions, changes, or deletions as the Director of Finance deems necessary), and such other certificates, documents, agreements, and instruments (including amendments to previously executed certificates, documents, agreements, and instruments to conform with the terms of this ordinance) as the Director of Finance deems necessary in order to carry out the refunding of the Authority’s Special Obligation Refunding Bonds, 2014, as described in this ordinance and in the form of the Third Amended and Restated Guarantee and Reimbursement Agreement shown in Exhibit A.

**Section 2. Authorizations.** The authorizations, directions, and limitations set forth in Ordinance 121950, as amended by Ordinance 122458, as further clarified by Ordinance 123893, and as further amended by Ordinance 124429, shall apply to actions to be taken in connection with the Third Amended and Restated Guarantee and Reimbursement Agreement authorized herein, as if it were the Guarantee Agreement, the First Amended and Restated Guarantee and Reimbursement Agreement, or the Second Amended and Restated Guarantee and Reimbursement Agreement, as applicable, referred to in each of those ordinances.

**Section 3. Ratify and Confirm.** Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

**Section 4. Effective Date.** This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2024, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_ day of \_\_\_\_\_, 2024.

---

Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Scheereen Dedman, City Clerk

(Seal)

**Attachments:**

Exhibit A - Form of Third Amended and Restated Guarantee and Reimbursement Agreement, (showing amendments to Second Amended and Restated Guarantee and Reimbursement Agreement in strikethrough/underline format)

Exhibit B - Form of Undertaking to Provide Continuing Disclosure

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

**EXHIBIT A**  
**FORM OF**  
**THIRD AMENDED AND RESTATED**  
**GUARANTEE AND REIMBURSEMENT AGREEMENT**

FORM OF AGREEMENT  
in blackline format showing changes from the  
Second Amended and Restated Guarantee and Reimbursement Agreement

[Remainder of this page blank]

**~~SECOND~~THIRD**  
**AMENDED AND RESTATED**  
**GUARANTEE AND REIMBURSEMENT AGREEMENT**  
**by and among**  
**THE CITY OF SEATTLE**  
**and**  
**THE MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE**  
**and**  
**THE SEATTLE ART MUSEUM**  
**and**  
**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**  
**as Bond Trustee**  
**and**  
**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**  
**as Lockbox Agent**  
**Museum Development Authority of Seattle**  
**~~\$44,375,000~~ Special Obligation Refunding Bonds, 20142024**  
**(refunding its Special Obligation Bonds, 2014,**  
**which refunded its Special Obligation Bonds, 2005)**

Dated as of November 1, 2005  
and amended and restated as of October 1, 2007  
and amended and restated as of April 29, 2014  
and amended and restated as of \_\_\_\_\_, 2024

*This document prepared by:*  
*Foster Pepper PLLC*  
*1111 Third Avenue Stradling Yocca Carlson & Rauth LLP*  
*601 Union Street, Suite ~~3400~~2424*  
*Seattle, Washington 98101*  
*~~(206) 447-4400~~*

**TABLE OF CONTENTS**

<b><u>ARTICLE 1. RECITALS.....</u></b>	<b><u>3</u></b>	<u>Section 5.12 Termination of MDA Lease or Condemnation of MDA Unit.....</u>	<u>40</u>
<b><u>ARTICLE 2. INCORPORATION OF DOCUMENTS; RULES OF CONSTRUCTION; DEFINITIONS.....</u></b>	<b><u>5</u></b>	<b><u>ARTICLE 6. EVENTS OF DEFAULT AND REMEDIES.....</u></b>	<b><u>41</u></b>
<u>Section 2.1 Incorporation of Documents; No Amendments.....</u>	<u>5</u>	<u>Section 6.1 Authority and Museum Defaults; Notice and Opportunity to Cure.....</u>	<u>41</u>
<u>Section 2.2 Rules of Construction.....</u>	<u>5</u>	<u>Section 6.2 Rights and Remedies of City on Authority or Museum Default.....</u>	<u>43</u>
<u>Section 2.3 Definitions.....</u>	<u>6</u>	<u>Section 6.3 City Default; Bond Trustee Default.....</u>	<u>45</u>
<b><u>ARTICLE 3. GUARANTEE OF AUTHORITY BONDS.....</u></b>	<b><u>18</u></b>	<u>Section 6.4 No Remedy Exclusive.....</u>	<u>46</u>
<u>Section 3.1 City Guarantee Provided.....</u>	<u>18</u>	<u>Section 6.5 No Implied Waiver.....</u>	<u>46</u>
<u>Section 3.2 Reimbursement Agreement.....</u>	<u>19</u>	<b><u>ARTICLE 7. MISCELLANEOUS.....</u></b>	<b><u>46</u></b>
<u>Section 3.3 Authority Obligation.....</u>	<u>20</u>	<u>Section 7.1 Governing Law; Venue.....</u>	<u>46</u>
<u>Section 3.4 Museum Obligation.....</u>	<u>21</u>	<u>Section 7.2 Notices.....</u>	<u>46</u>
<u>Section 3.5 Procedures under Guarantee.....</u>	<u>22</u>	<u>Section 7.3 Binding Effect.....</u>	<u>47</u>
<u>Section 3.6 Refunding of the 2005 Bonds.....</u>	<u>23</u>	<u>Section 7.4 Indemnification.....</u>	<u>47</u>
<b><u>ARTICLE 4. COVENANTS AND AGREEMENTS RELATING TO THE BONDS AND LEASES..</u></b>	<b><u>25</u></b>	<u>Section 7.5 Payment of City’s Costs and Attorneys’ Fees.....</u>	<u>48</u>
<u>Section 4.1 Funds and Accounts.....</u>	<u>25</u>	<u>Section 7.6 Compliance with Usury Laws.....</u>	<u>48</u>
<u>Section 4.2 Reports and Records; Notices by Authority and Museum.....</u>	<u>27</u>	<u>Section 7.7 Severability.....</u>	<u>49</u>
<u>Section 4.3 Tax Exempt Status of Bonds; Arbitrage.....</u>	<u>28</u>	<u>Section 7.8 Amendments.....</u>	<u>49</u>
<u>Section 4.4 Provisions Relating to Office Space Lease.....</u>	<u>29</u>	<u>Section 7.9 Termination of Agreement.....</u>	<u>49</u>
<u>Section 4.5 Insurance and Condemnation Proceeds</u>	<u>31</u>	<u>Section 7.10 Waivers and Consents.....</u>	<u>49</u>
<u>Section 4.6 Bond Prepayment Plans.....</u>	<u>32</u>	<u>Section 7.11 Rights Created in Third Parties.....</u>	<u>49</u>
<u>Section 4.7 No Transfer of Property.....</u>	<u>33</u>	<u>Section 7.12 Time of Essence.....</u>	<u>49</u>
<u>Section 4.8 City’s Continuing Disclosure Agreement.....</u>	<u>33</u>	<u>Section 7.13 Oral Agreements Not Enforceable.....</u>	<u>49</u>
<b><u>ARTICLE 5. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS.....</u></b>	<b><u>33</u></b>	<u>Section 7.14 Counterparts.....</u>	<u>50</u>
<u>Section 5.1 Project Description.....</u>	<u>33</u>	<b><u>EXHIBITS</u></b>	
<u>Section 5.2 Representations, Warranties and Covenants.....</u>	<u>34</u>	<u>Exhibit A-1.....</u>	<u>Bond Debt Service Schedule</u>
<u>Section 5.3 Debt Service Coverage Requirement Covenant.....</u>	<u>34</u>	<u>A-2.....</u>	<u>MDA Lease Payment Schedule</u>
<u>Section 5.4 Insurance.....</u>	<u>35</u>	<u>A-3.....</u>	<u>Office Space Lease Payment Schedule</u>
<u>Section 5.5 Maintenance and Repair.....</u>	<u>35</u>	<u>Exhibit B.....</u>	<u>Legal Descriptions of Real Property</u>
<u>Section 5.6 Additional Indebtedness.....</u>	<u>35</u>	<u>Exhibit C.....</u>	<u>Selected MDA Security Documents</u>
<u>Section 5.7 Payment of Taxes and Assessments.....</u>	<u>37</u>	<u>Exhibit D.....</u>	<u>Selected Museum Security Documents</u>
<u>Section 5.8 Additional Instruments.....</u>	<u>37</u>	<u>Exhibit E.....</u>	<u>Selected Standby Security Documents</u>
<u>Section 5.9 Authority Board.....</u>	<u>37</u>	<u>Exhibit F.....</u>	<u>Project Description</u>
<u>Section 5.10 Museum Covenants and the Standby Security Documents.....</u>	<u>37</u>	<u>Exhibit G.....</u>	<u>Forms of Notice</u>
<u>Section 5.11 Authority Covenant With Regard to Maintenance of Powers and Bankruptcy.....</u>	<u>40</u>	<u>Exhibit H-1.....</u>	<u>Authority Certificate</u>
		<u>H-2.....</u>	<u>Museum Certificate</u>
		<u>Exhibit I.....</u>	<u>Insurance Requirements</u>
		<u>Exhibit J.....</u>	<u>Lockbox Addendum</u>
		<u>Exhibit K.....</u>	<u>Insurance Dispute Resolution Procedures</u>



**SECOND~~THIRD~~ AMENDED AND RESTATED  
GUARANTEE AND REIMBURSEMENT AGREEMENT**

relating to the

**Museum Development Authority of Seattle  
\$44,375,000 Special Obligation Refunding Bonds, 2014~~2024~~  
(refunding its Special Obligation Bonds, 2014,  
which refunded its Special Obligation Bonds, 2005)**

**THIS GUARANTEE AND REIMBURSEMENT AGREEMENT** is (“Agreement”), originally dated as of November 1, 2005, ~~and~~ as amended and restated effective as of October 1, 2007, ~~and~~ as amended by the Second Amended and Restated Guarantee and Reimbursement Agreement, dated as of April 29, 2014, and as subsequently amended and restated, effective as of April 29, 2014, by this Third Amended and Restated Guarantee and Reimbursement, dated as of \_\_\_\_\_, 2024, is entered into by and among THE CITY OF SEATTLE (the “City”), a first class city organized under the laws of the State of Washington; the MUSEUM DEVELOPMENT AUTHORITY OF SEATTLE (the “Authority”), a public corporation chartered by the City to provide for the management and operation of a public art museum facility; the SEATTLE ART MUSEUM (the “Museum”), a Washington nonprofit corporation and an entity described under Section 501(c)(3) of the Code; U.S. Bank Trust Company, National Association, in its capacity as Trustee (the “Bond Trustee”) for the benefit of the owners of the Authority’s Special Obligation Refunding Bonds, ~~2014~~2024 (the “Bonds”) issued to refund its Special Obligation Bonds, ~~2005~~2014, and U.S. Bank Trust Company, National Association, in its capacity as Lockbox Agent, as defined below.

The City, the Authority, the Museum, the Bond Trustee and the Lockbox Agent agree as follows:

**ARTICLE 1.  
Recitals**

The following facts and circumstances form the background of this Agreement:

1. The City, by Ordinance 112923, passed July 7, 1986, determined that a public art museum in downtown Seattle would make the considerable collections of the Seattle Art Museum, a Washington nonprofit corporation (the “Museum”), more accessible to the public; would provide a facility capable of hosting major touring exhibitions; would include space needed for the Museum’s educational, administrative and curatorial activities; and would contribute to the economic viability and attractiveness of downtown Seattle.

2. The City chartered the Authority pursuant to RCW 35.21.730, et seq. and Seattle Municipal Code (SMC) Chapter 3.110 (Ordinance 103387, as amended) to undertake, assist with and otherwise facilitate the development and operation of a public art museum in downtown Seattle.

3. On September 16, 1986, the voters approved a measure authorizing annual taxes to fund construction of a downtown museum facility.

4. In order to facilitate the financing of construction of a new downtown museum facility, the City and the Authority entered into a Museum Cooperation Agreement dated as of December 8, 1986, pertaining to the financing, construction and operation of the downtown museum facility. That agreement enabled \$24,795,000 of the Authority's bonds to be secured by the proceeds of the 1986 voter-approved levy.

5. The construction of the downtown museum facility, defined in this Agreement as the Existing Museum Facility, was completed in late 1991. The Existing Museum Facility has been owned by the Authority and operated by the Museum, pursuant to the "Operating Agreement (Part II) for the Design, Development, Construction and Operation of a Public Art Museum" dated September 25, 1985, between the Authority and the Museum.

6. The Authority expanded the Existing Museum Facility in 2005 by the addition of the MDA Unit, as defined below. The MDA Unit is owned by the Authority and leased to the Museum, together with the Existing Museum Facility, for a term of approximately 99 years under the MDA Lease, as defined below, which is applicable to the MDA Real Estate Parcels, as defined below. The Authority, by resolution adopted by the Authority Council on September 7, 2005, and the Museum by resolution of its Board, adopted on August 24, 2005, have each authorized the MDA Lease, which was entered into and became effective as of October 1, 2005, and was amended by the Amendment to Lease, dated as of April 29, 2014.

7. The Museum simultaneously had the opportunity to provide for future expansion by owning the Museum Expansion Unit, as defined below. The Museum Expansion Unit was originally leased by the Museum to Washington Mutual Bank under an Office Space Lease, as defined below. Following rejection of that Office Space Lease, the Museum by a resolution of its Board, adopted on December 15, 2009, authorized the Museum to enter into the Nordstrom Office Space Lease, which became effective April 2, 2010. The Museum intends to apply some or all of the Office Space Lease Revenue to pay rent to the Authority under the MDA Lease.

8. The Authority, by resolution adopted by the Authority Council on November 2, 2005, authorized the issuance of \$60,720,000 principal amount of the Authority's Special Obligation Bonds, 2005 (the "2005 Bonds") for the purpose of carrying out the Project, as defined below. There~~The~~ 2005 Bonds were subsequently refunded by the issuance of the Authority's Special Obligation Refunding Bonds, 2014 (the "2014 Bonds"), which are currently outstanding in the aggregate principal amount of \$49,625,000, which are \_\_\_\_\_, and became callable on April 1, 2015~~2024. By refunding the 2005 Bonds with the proceeds of the 2014 Bonds, the Authority reduced the maximum annual debt service on the bonds from \$4,429,225 to \$3,894,875.~~

9. It now appears to the Authority that it may issue refunding bonds (the "Bonds") to carry out a ~~defeasance~~current refunding of, and ~~on April 1, 2015 to defease~~, call, pay, and redeem, ~~its~~the ~~outstanding 2005~~2014 Bonds in order to achieve a debt service savings, further reducing maximum annual debt service on the Bonds to \$ \_\_\_\_\_.

10. ~~9.~~ In addition to its other covenants, the Authority has covenanted in the Bond Resolution, as defined below, and in this Agreement: (a) to use the proceeds of the Bonds to carry out the defeasance and refunding of the outstanding ~~2005~~2014 Bonds and to pay the costs of issuance of the Bonds and the administrative costs of carrying out the refunding; and (b) to make payments at times and in the amounts necessary to pay debt service on the Bonds.

11. ~~10.~~ The Authority has agreed to maintain and fund a Reserve Account to provide additional assurances that principal of and interest on the Bonds will be paid when due. In addition, the Authority and the Museum have asked the City to facilitate the financing by providing certain additional assurances that the Reserve Requirement (as defined below) will be maintained in the Reserve Account.

12. ~~11.~~ The City, by Ordinance 121950, passed by the City Council on September 29, 2005, authorized the City to enter into the Guarantee and Reimbursement Agreement by among the Authority, the Museum, the Bond Trustee and the Lockbox Agent for the 2005 Bonds (the “Guarantee Agreement”). The Guarantee Agreement was entered into among the parties thereto as of November 1, 2005, and provides a City guarantee for the debt service reserve established in connection with the 2005 Bonds, which were issued pursuant to an Indenture of Trust, dated as of October 1, 2005, (the “2005 Indenture”) to pay the cost of acquiring and equipping an addition to the Authority’s downtown museum facilities. The Guarantee Agreement was amended and restated as of October 1, 2007, pursuant to authorization set forth in Ordinance 122458, passed by the City Council on August 13, 2007, and was further subject to clarification, waivers and revision as set forth in Ordinance 123893, passed by the City Council on May 21, 2012. The Guarantee Agreement was again amended and restated as of April 29, 2014, pursuant to Ordinance 124429 passed by the City Council on February 24, 2014, which approved the form of the Second Amended and Restated Guarantee Agreement in order to accommodate the issuance of the 2014 Bonds pursuant to an Indenture of Trust dated as of April 1, 2014 (the “2014 Indenture”) to defease and refund the 2005 Bonds.

13. ~~12.~~ The Authority now desires to defease and refund all or a portion of its outstanding ~~2005~~2014 Bonds in order to achieve a debt service savings, and has requested that the City amend and restate its guarantee to apply to the Bonds to be issued under ~~an~~the Indenture of Trust, dated as of April 1, 2014 (the “2014 Indenture”), as supplemented by the Supplemental Indenture, dated as of \_\_\_\_\_, 2024 (the “2024 Supplement” and together with the 2014 Indenture, the “Indenture”) to carry out such refunding.

14. ~~13.~~ Ordinance ~~124429~~\_\_\_\_\_, passed by the City Council on ~~February 24~~\_\_\_\_\_, ~~2014~~2024, has approved the form of this ~~Second~~Third Amended and Restated Guarantee and has authorized its execution by the ~~Director of City Finance and Administrative Services~~Director on behalf of the City.

## ARTICLE 2.

### Incorporation of Documents; Rules of Construction; Definitions

#### Section 2.1 Incorporation of Documents; No Amendments.

(a) The Bond Debt Service Schedule and the Lease Payment Schedules (all as defined

below) are attached as Exhibit A-1, A-2 and A-3, and by this reference are incorporated into this Agreement. The legal descriptions of the MDA Real Estate Parcels and other real property listed in Exhibit B are by this reference incorporated into this Agreement.

(b) So long as this Agreement is in effect, neither the Authority nor the Museum shall amend or agree to the amendment of any of the Security Documents or the Indenture, without first obtaining the written consent of the City Finance Director. Nor shall the Authority or the Museum permit any amendment to the MDA Lease, the Office Space Lease, or the Condominium Documents presented as of Bond Closing, without first obtaining the written consent of the City Finance Director, which written consent shall not be unreasonably withheld or delayed, but in no event shall the City be required to permit any amendment that would have the effect of diminishing the City’s security for reimbursement of advances it may make under this Agreement.

**Section 2.2 Rules of Construction.** The following rules shall apply to the construction of this Agreement unless the context otherwise requires:

(a) Words describing the singular number shall include the plural number and vice versa, except where otherwise indicated.

(b) All references herein to particular articles, sections or exhibits are references to articles, sections or exhibits of this Agreement, unless otherwise expressly stated.

(c) The headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

**Section 2.3 Definitions.** The following terms shall have the respective meanings set forth below for all purposes of this Agreement.

“**2005 Bonds**” means the Special Obligation Bonds, 2005 of the Authority, authorized by resolution of the Authority Council adopted on November 2, 2005, and issued in the original principal amount of \$60,720,000 for the purpose of carrying out the Project.

“**2005 Bank Reimbursement Agreement**” means the Letter of Credit Reimbursement Agreement with respect to the ~~Commission Bonds~~-2005 Commission Bonds.

“**2005 City Ordinance**” means Ordinance 121950, passed by the City Council on September 29, 2005, as subsequently amended, authorizing the City to enter into a guarantee and reimbursement agreement with the Authority, the Museum, the Bond Trustee and the Lockbox Agent for the 2005 Bonds to evidence the City’s guarantee with respect to the 2005 Bonds and approving the final forms of certain related documents.

“**2005 Commission Bonds**” means the Washington State Housing Finance Commission’s Variable Rate Demand Nonprofit Revenue Bonds (Seattle Art Museum Project), Series 2005, dated October 6, 2005, issued to make loans to the Museum for Museum purposes.

“**2005 Indenture**” means the Indenture of Trust, dated as of October 1, 2005, with respect to the 2005 Bonds, between the Bond Trustee for the 2005 Bonds and the Authority.

**“2005 Reserve Account”** means the debt service Reserve Account established in the custody of the 2005 Bond Trustee pursuant to the 2005 Indenture.

**“2014 Bonds”** means the Special Obligation Refunding Bonds, 2014 of the Authority, authorized by resolution of the Authority Council adopted on February 20, 2014, and issued in the original principal amount of \$44,375,000 for the purpose of defeasing and refunding the then-outstanding 2005 Bonds.

**“2014 “City Ordinance”** means Ordinance 124429, passed by the City Council on ~~March 3, 2014~~ February 24, 2014, authorizing the City to enter into a second amended and restated guarantee and reimbursement agreement with the Authority, the Museum, the Bond Trustee and the Lockbox Agent for the 2014 Bonds to evidence the City’s guarantee with respect to the 2014 Bonds and approving the final forms of certain related documents.

**“2014 Indenture”** means the Indenture of Trust, dated as of April 1, 2014, with respect to the 2014 Bonds, between the Bond Trustee for the 2014 Bonds and the Authority.

**“2014 “Refunding Resolutions”** means, collectively: (1) that resolution of the Museum Board, adopted on March 10, 2014 which authorizes the execution and delivery of the 2014 Lease Amendment, the Letter of Representation and the Second Amended and Restated Guarantee and Reimbursement Agreement and the carrying out by the Museum of all actions necessary to complete the transactions described therein (the “Museum 2014 Resolution”); and (2) the resolution of the Authority Council, adopted on February 20, 2014, authorizing the issuance and sale of the 2014 Bonds, and authorizing the Authority to enter into the Second Amended and Restated Guarantee and Reimbursement Agreement and the carrying out by the Authority of all actions necessary to complete the transactions described therein (the “MDA 2014 Resolutions”).

**“2014 Reserve Account”** means the debt service Reserve Account established in the custody of the 2014 Bond Trustee pursuant to the 2014 Indenture.

**“2024 City Ordinance”** means Ordinance \_\_\_\_\_, passed by the City Council on \_\_\_\_\_, 2024, as it may be amended, authorizing the City to enter into this Third Amended and Restated Guarantee and Reimbursement Agreement with the Authority, the Museum, the Bond Trustee and the Lockbox Agent to evidence the City’s commitment to replenish the Reserve Account to the Reserve Requirement, when and to the extent necessary, and approving the final forms of certain related documents.

**“2024 Indenture”** means the Supplemental Indenture, dated as of \_\_\_\_\_, 2024, with respect to the 2024 Bonds, between the Bond Trustee for the 2024 Bonds and the Authority.

**“2024 Refunding Resolutions”** means, collectively: (1) that resolution of the Museum Board, adopted on \_\_\_\_\_, 2024 which authorizes the execution and delivery of this Third Amended and Restated Guarantee and Reimbursement Agreement and the carrying out by the Museum of all actions necessary to complete the transactions described herein (the “Museum 2024 Resolution”); and (2) the Bond Resolution and each other resolution of the Authority Council, relating to the issuance of the Bonds, the execution and delivery of this Third Amended and

Restated Guarantee and Reimbursement Agreement, the 2024 Indenture, the Letter of Representation, the 2024 Refunding Escrow Agreement, and the carrying out by the Authority of all actions necessary to complete the refunding of the 2014 Bonds, as described herein and therein (the “MDA 2024 Resolutions”).

“**Agreement**” means the Guarantee and Reimbursement Agreement by and among the City, the Museum, the Authority, the Bond Trustee and the Lockbox Agent, dated as of November 1, 2005; as amended and restated by the Amended and Restated Guarantee and Reimbursement Agreement, dated as of October 1, 2007; subject to the further clarifications, waivers and consents as set forth in Ordinance 123893, adopted May 21, 2012; ~~and~~ as further amended and restated by this Second Amended and Restated Guarantee and Reimbursement Agreement; and as further amended and restated by this Third Amended and Restated Guarantee and Reimbursement Agreement.

“**Annual Debt Service**” means the amount required, as shown on the Bond Debt Service Schedule, to make the payments of principal of (including scheduled mandatory redemption payments with respect to term bonds) and interest on the Bonds during the 12-month period immediately following the date of computation. Annual Debt Service does not include any amounts to be paid in connection with the optional redemption, or other special or extraordinary redemption of Bonds.

“**Authority**” or “**MDA**” means the Museum Development Authority of Seattle or its successors, established by the City pursuant to RCW 35.21.730 et seq. and SMC Chapter 3.110, and chartered to undertake, assist with or otherwise facilitate the development and operation of a public art museum in downtown Seattle.

“**Authority Council**” means the Council of the Authority established pursuant to its Charter and Bylaws.

“**Authority Representative**” means the person or persons at the time designated by the Authority to act on behalf of the Authority by written certificate furnished to the City containing the specimen signatures of such person or persons and signed on behalf of the Authority by one of the Authority’s officers. That certificate may designate an alternate or alternates.

“**Authorizing Resolutions**” means, collectively: (1) that resolution of the Museum Board, adopted on September 14, 2005 which authorizes the execution of the Development Agreement and acquisition of the Museum Expansion Unit, the execution of the Office Space Lease, the MDA Lease, the Museum Security Documents, the Standby Security Documents and this Agreement, and the carrying out by the Museum of all actions necessary to complete the transactions described herein and therein (the “**Museum Authorizing Resolution**”); (2) the resolutions of the Authority Council, adopted on September 7, 2005 and November 2, 2005, authorizing the execution of the Development Agreement and acquisition of the MDA Unit, the execution of the MDA Lease, the MDA Security Documents, the Museum Security Documents, and this Agreement and the carrying out by the Authority of all actions necessary to complete the transactions described herein and therein (the “**MDA Authorizing Resolutions**”); ~~and~~ (3) the 2014 Refunding Resolutions; and (4) the 2024 Refunding Resolutions.

**“Available MDA Funds”** means all money, securities, revenues and receivables of the Authority from any source whatsoever, including but not limited to: (1) all rent, delinquency payments, penalties, fees and other payments received or to be received by the Authority, including but not limited to all MDA Lease Revenue and all other revenue from any lessee of any portion of the MDA Unit or the Existing Museum Facility; (2) all amounts received by the Authority under the Museum Security Documents; (3) all payments on contractors’ bonds and all insurance proceeds relating to the MDA Unit or the Existing Museum Facility; and (4) all amounts, if any, held in any Prepayment Reserve established and maintained by the Authority in accordance with a Bond Prepayment Plan.

**“Available Museum Funds”** means all funds, securities, receivables and other resources of the Museum from any source whatsoever, including but not limited to: all interest earned on the unrestricted portion of the Museum’s endowment, all income from operations, and all donations available for general Museum operating expenses. Available Museum Funds excludes donor pledges that are subject to a security interest given in connection with the Museum Bonds, and excludes amounts in the Collateral Account, as defined in the 2005 Bank Reimbursement Agreement.

~~**“Bank Reimbursement Agreement”** means the Letter of Credit Reimbursement Agreement with respect to the Commission Bonds.~~

**“Bankruptcy Recovery”** means any payment of principal of or interest on the Bonds, which has become Due for Payment and has been paid to the Bondowner by or on behalf of the Authority, but which payment has been deemed an avoidable transfer and recovered from the Bondowner pursuant to the United States Bankruptcy Code or other applicable statutory or common law, in accordance with a final, nonappealable order of a court of competent jurisdiction.

**“Bond Closing”** means the date on which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the initial purchasers thereof.

**“Bond Counsel”** means a firm of nationally recognized bond counsel selected by the Authority.

**“Bond Debt Service Schedule”** means the schedule for repayment of the Bonds attached as Exhibit A-1 to this Agreement.

**“Bond Prepayment Account”** means an account of that name to be maintained by the Bond Trustee (or other escrow agent acceptable to the City Finance Director) in connection with a Bond Prepayment Plan.

**“Bond Prepayment Plan”** means a plan to provide for the purchase, redemption, or defeasance of a principal amount of Bonds: (a) in connection with a Museum termination of all or a portion of the Office Space Lease as required under Section 4.4 of this Agreement, or (b) in relation to the damage, destruction or condemnation of the MDA Unit or the Museum Expansion Unit (or any portion of either unit) pursuant to Section 4.5.

“**Bond Resolution**” means the resolution of the Authority Council, adopted on ~~February 20, 2014~~, 2024, authorizing the issuance and sale of the Bonds, and authorizing the Authority to enter into this ~~Second~~Third Amended and Restated Guarantee and Reimbursement Agreement and to take such actions as are necessary to carry out the transactions contemplated by the Bonds and this Agreement.

“**Bond Trustee**” means U.S. Bank Trust Company, National Association of Seattle, Washington, or its successor under the Indenture.

“**Bondowner**” means any person, other than (1) the Authority, or (2) any person whose obligations constitute the underlying security or source of payment for the Bonds, who, as of the applicable record date (as defined in the Indenture), is the registered owner of a Bond.

“**Bonds**” means the \$~~44,375,000~~ \_\_\_\_\_ Special Obligation Refunding Bonds, ~~2014~~2024 of the Authority issued for the purpose of carrying out the defeasance and refunding of the ~~2005~~2014 Bonds, and any Additional Bonds issued for the purposes of refunding (or defeasing and refunding) all or a portion of the then-Outstanding Special Obligation Refunding Bonds, ~~2014–2024~~ pursuant to the Indenture and a supplement or amendment to this Agreement as provided herein.

“**Business Day**” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in Seattle or any of the cities in which is located the Principal Office of the Bond Trustee or the Lockbox Agent are authorized or required by law or executive order to close, or (c) a day on which the offices of the City are closed.

“**City**” means The City of Seattle, Washington, a city of the first class of the State of Washington.

“**City Default**” means the failure of the City to make an advance to the Bond Trustee at such time, following notice given in accordance with this Agreement, and in such amount as is required under this Agreement.

“**City Finance Director**” means the City’s Director of ~~the Department of Finance and Administrative Services of the City~~, or any such other officer who succeeds to substantially all of the responsibilities of that office.

~~“**City Ordinance**” means Ordinance 124429, passed by the City Council on March 3, 2014, as it may be amended, authorizing the City to enter into this second amended and restated guarantee and reimbursement agreement with the Authority, the Museum, the Bond Trustee and the Lockbox Agent to evidence the City’s commitment to replenish the Reserve Account to the Reserve Requirement, when and to the extent necessary, and approving the final forms of certain related documents.~~

“**Code**” means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bonds.



~~“**Commission Bonds**” means the Washington State Housing Finance Commission’s Variable Rate Demand Nonprofit Revenue Bonds (Seattle Art Museum Project), Series 2005, dated October 6, 2005, issued to make loans to the Museum for Museum purposes.~~

“**Condominium Association**” means the condominium association created pursuant to the Condominium Documents.

“**Condominium Declaration**” means that certain Condominium Declaration for the Washington Mutual – Seattle Art Museum Project, a Condominium, recorded under King County Recording No. 20060329000201, as it may be amended from time to time in accordance with its terms and upon approval by the City Finance Director.

“**Condominium Documents**” means, collectively: (a) the Condominium Declaration and all related covenants, conditions and restrictions; (b) the condominium survey maps and plans; and (c) the articles of incorporation, bylaws, rules and regulations of the Condominium Association.

“**Cost Reimbursement Agreement**” means the Cost Reimbursement Letter Agreement, dated as of ~~April 29~~ April 29, ~~2014~~2024 and accepted on ~~April 29~~ April 29, ~~2014~~2024, among the City, the Authority and the Museum.

“**Coverage Requirement**” means, in each Bond year commencing with the first full Bond year, (a) an amount of MDA Lease Revenue equal to at least 1.0 times Annual Debt Service, and (b) ~~for so long as Nordstrom is the sole Office Space Tenant, Office Space Lease Revenue at least equal to (i) for all bond years through and including the bond year ending September 30, 2015, not less than 1.0 times Annual Debt Service; (ii) for the bond years ending September 30, 2016, 2017 and 2018, not less than 1.09 times Annual Debt Service; and (iii) thereafter (and for all bond years with respect to any Office Space Lease with a tenant other than Nordstrom) an amount of Office Space Lease Revenue equal to at least 1.2 times Annual Debt Service.~~ For the purposes of calculating the Coverage Requirement, MDA Lease Revenue and Office Space Lease Revenue shall exclude landlord expense pass-throughs, if any.

“**Declaration of Default**” has the meaning given in Section 6.1 of this Agreement.

“**Defeasance Opinion**” means an opinion of Bond Counsel to the Authority to the effect that all of the outstanding ~~2005~~2014 Bonds have been legally defeased, using Seasoned Funds or the proceeds of the Bonds or amounts released from the 2014 Reserve Account ~~(or the reserve account for the 2005 Bonds)~~, and are no longer to be considered Outstanding under the ~~2005~~2014 Indenture and are no longer entitled to the benefits of the guarantee of the City under the ~~first~~Second Amended and Restated Guarantee and Reimbursement Agreement, dated as of ~~October 1~~April 29, ~~2007~~2014.

“**Development Agreement**” means the “Development Agreement” originally entered into by and among Washington Mutual Bank, the Museum and the Authority, as of October 1, 2002, as amended, restated and supplemented by: (1) the “Amended and Restated Development Agreement,” dated as of May 23, 2003; (2) the “First Amendment and Supplement to Amended and Restated Development Agreement” dated as of January 26, 2004; (3) the “Second Amendment

to Amended and Restated Development Agreement” dated as of June 3, 2004; (4) the “Third Amendment and Supplement to Amended and Restated Development Agreement” dated as of December 20, 2004; and (5) the “Fourth Amendment and Supplement to Amended and Restated Development Agreement” dated as of September 28, 2005.

“**Due for Payment**” means: (1) as to principal of the Bonds, the scheduled maturity date or mandatory redemption date for the application of a required sinking fund installment, in accordance with the Bond Debt Service Schedule; and (b) as to interest on the Bonds, the scheduled date for payment of interest in accordance with the Bond Debt Service Schedule. Due for Payment does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), other advancement of maturity.

“**Event of Default**” has the meaning given in Section 6.1 of this Agreement.

“**Existing Museum Facility**” means the art museum facility located at 100 University Street in Seattle, the legal description of which is in Exhibit B.

“**Finance Director Determined Liability**” means the aggregate amount of potential liability that, in the City Finance Director’s good faith judgment, presents a substantial enough risk of loss by the Museum that it should be treated as a Finance Director Determined Liability. The determination of risk and amount of potential liability as to each event, claim, demand or lawsuit shall be made by the City Finance Director, acting in good faith, in accordance with the following process:

- (1) The Museum shall provide written notice to the City Finance Director within 10 Business Days of each of the following:
  - (i) receipt of a complaint, demand letter, claim or other notice that a lawsuit has been or will be commenced involving the Museum (regardless of the propriety of any service of process on the Museum) where the amount in controversy (either as stated by the claimant or, for so long as no amount is stated by the claimant, an amount reasonably estimated by the Museum to be at risk), when added to the amounts in controversy (as described above) in all matters pending or threatened as described in this paragraph, against the Museum, exceeds the limits of the Museum’s primary insurance coverage (regardless of whether the Museum tenders or intends to tender the matter to its primary insurer);
  - (ii) receipt of a letter or other notice from the Museum’s primary insurer reserving rights or denying coverage with respect to the defense or indemnity of the Museum for any matter or matters where the individual or aggregate amount in controversy (as described above) exceeds 10% of the difference between (A) Museum Net Assets less the amount of previously determined Finance Director Determined Liability (if any, and only to the extent not otherwise treated by the Museum as a liability), and (B) \$90,000,000; or

- (iii) receipt of audited financial statements that disclose any event as to which unasserted claims may exist.

The notice shall describe the matter and shall include a copy of the complaint, demand letter, claim or notice (if any). The City Attorney's Office shall consult with the Museum and its counsel in order to assist the City Finance Director in reviewing the matter. The Museum and its counsel shall cooperate with and provide assistance to the City Attorney's Office in the preliminary review of the matter.

- (2) The City Finance Director, in consultation with the City Attorney's Office, shall make a preliminary assessment of the matter. If the City Finance Director makes a preliminary assessment that:
  - (i) the Museum's risk of liability for the matter is other than remote; and
  - (ii) the amount at risk exceeds 10% of the difference between (A) Museum Net Assets less the amount of previously determined Finance Director Determined Liability (if any, and only to the extent not otherwise treated by the Museum as a liability), and (B) \$90,000,000; and
  - (iii) either: (A) the Museum's primary insurance carrier has denied coverage, (B) there is a material possibility that the Museum's primary insurance carrier would deny coverage after an acceptance under reservation of rights, or (C) the Museum has not sought coverage of the matter from its primary insurer;

then the City Finance Director shall communicate with the Museum regarding the preliminary assessment. If the Museum agrees that the City Finance Director should add the full amount determined to be at risk in the City Finance Director's preliminary assessment to the amount of previously determined Finance Director Determined Liability for a new aggregate total, then there shall be no further inquiry or investigation by the City. However, if the Museum does not agree that the City Finance Director should add the preliminary assessment amount to the previously determined amount of Finance Director Determined Liability, the City Finance Director shall select outside counsel to assist the City Finance Director in further analyzing the risk of loss and in making a judgment as to the amount of such potential liability. The City Finance Director shall consult with the Museum in the selection of such outside counsel, but the City Finance Director shall retain discretion in such selection. The City Finance Director's outside counsel shall provide legal advice to the City Finance Director at the sole expense of the Museum. The Museum and its counsel shall cooperate fully with the City Finance Director's outside counsel. The records reviewed by the City Finance Director's outside counsel shall be limited to: (i) the inspection of non-privileged Museum files or documentation; and (ii) the pleadings (if any), court file (if any), and

discovery that is not subject to protective order (if any). The City Finance Director’s counsel may also make inquiries of Museum officers and staff.

- (3) Following this review, the City Finance Director shall determine, in his sole discretion, acting in good faith and in consultation with the City Finance Director’s outside counsel, the amount of potential liability as to which the risk of loss is substantial enough that it should be treated as a Finance Director Determined Liability and added to the previously determined Finance Director Determined Liability for a new aggregate total.

**“Future Museum Bonds”** means any bonds or other debt obligations incurred by the Museum after the date of this Agreement in accordance with Section 5.6 other than those obligations incurred within the limits set forth in Section 5.6(a)(1) and (2).

**“Hazardous Substances Certifications”** means, collectively, the “Certificate and Indemnity Agreements Regarding Hazardous Substances” executed by (a) the Authority, in the form attached as Exhibit C-2 (the “MDA Hazardous Substances Certification”); and (b) the Museum, in the form attached as Exhibit E-2 (the “Standby Hazardous Substances Certification”).

**“Indenture”** means, depending on context, (1) with respect to the Bonds, the 2024 Indenture of Trust, dated as of April 1, 2014, and (2) with respect to the 2014 Bonds, between the Bond Trustee and the Authority the 2014 Indenture.

**“Interest Payment Date”** means each [April 1 and October 1, commencing October 1, ~~2014~~2024].

**“Lease Default”** means the occurrence (and, in each case, expiration of any applicable cure period) of an Event of Default under the Office Space Lease or under the MDA Lease.

**“Lease Payment Schedules”** means, collectively, the schedules for the payment of rent under: (a) the MDA Lease (the “MDA Lease Payment Schedule”), attached as Exhibit A-2; and (b) the Office Space Lease to Nordstrom (the “Office Space Lease Payment Schedule”), attached as Exhibit A-3, and any such schedule established in relation to any other Office Space Lease.

**“Leases”** means, collectively, the MDA Lease and every Office Space Lease.

**“Lockbox Account”** means the account of that name created in the custody of the Lockbox Agent pursuant to Section 4.1(b), into which shall be deposited all Office Space Lease Revenue, including all amounts paid under a Tenant Payment Agreement.

**“Lockbox Addendum”** means the “Lockbox Account and Control Addendum” attached as Exhibit J and by reference incorporated into this Agreement.

**“Lockbox Agent”** means U.S. Bank Trust Company, National Association of Seattle, Washington.

**“MDA”** means the Authority.

“**MDA Deed of Trust**” means that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated May 8, 2006, as amended by the First Amendment to Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (MDA) dated April 29, 2014, as further amended by the Second Amendment to Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (MDA), dated \_\_\_\_\_, 2024, relating to the MDA Real Estate Parcels and the Museum Assignment, in the form attached as Exhibit C-1.

“**MDA Lease**” means the Lease for the Downtown Seattle Art Museum Property and Expansion Project, between the MDA and the Museum dated as of October 6, 2005 relating to the MDA Real Estate Parcels, as amended by the Amendment to Lease, dated as of April 29, 2014, and as further amended by the Second Amendment to Lease, dated as of \_\_\_\_\_, 2024.

“**MDA Lease Payment**” means a monthly payment made from the Lockbox Account to the Bond Trustee, pursuant to Section 4.1(b), in accordance with an MDA Lease Payment Schedule, in satisfaction of the Museum’s obligation to pay rent under the MDA Lease.

“**MDA Lease Revenue**” means all revenue (including but not limited to all rent, delinquency payments, penalties, fees and other payments) received or to be received by the Authority under the MDA Lease.

“**MDA Real Estate Parcels**” means the MDA Unit, and the Existing Museum Facility, the legal descriptions of which are attached as Exhibit B.

“**MDA Security Documents**” means, collectively, the MDA Deed of Trust; the MDA Subordination, Nondisturbance and Attornment Agreement; the MDA Hazardous Substances Certification; and any and all UCC filings relating to the foregoing.

“**MDA Subordination, Nondisturbance and Attornment Agreement**” means the Subordination, Nondisturbance and Attornment Agreement (MDA Lease) dated May 8, 2006, as amended by the First Amendment to Subordination, Nondisturbance and Attornment Agreement (MDA Lease) dated as of April 29, 2014, as further amended by the Second Amendment to Subordination, Nondisturbance and Attornment Agreement (MDA Lease), dated as of \_\_\_\_\_, 2024, relating to the MDA Lease.

“**MDA Unit**” means the condominium units (collectively) owned by the Authority, as described in Exhibit B.

“**Museum**” means the Seattle Art Museum, a Washington nonprofit corporation and an entity described under Section 501(c)(3) of the Code.

“**Museum Assignment**” means that certain Assignment of Rents Proceeds and Negative Pledge Agreement dated May 8, 2006, as amended by the First Amendment to Assignment of Rents Proceeds and Negative Pledge Agreement dated April 29, 2014, as further amended by the Second Amendment to Assignment of Rent Proceeds and Negative Pledge Agreement, dated \_\_\_\_\_

, 2024, relating to the proceeds of rents from the Museum Expansion Unit, in the form attached as Exhibit D-1.

“**Museum Bonds**” means the 2005 Commission Bonds and any Future Museum Bonds.

“**Museum Expansion Unit**” means the condominium units (collectively) owned by the Museum, as described in Exhibit B.

“**Museum Net Assets**” means:

- (4) the total assets of the Museum, as determined by generally accepted accounting principles applicable to nonprofit entities such as the Museum, but excluding specifically: (i) the Museum’s art collection and proceeds from the sale of art; (ii) the Capital Campaign Pledges and all amounts in the Collateral Account, as those capitalized terms are defined in the Bank Reimbursement Agreement; (iii) the amount of the OSP Endowment Pledge, as defined in the Bank Reimbursement Agreement, during the time that the amount is set aside in a separate account as required under the Bank Reimbursement Agreement; and (iv) receivables; less
- (5) the total liabilities of the Museum, as determined by generally accepted accounting principles applicable to nonprofit entities such as the Museum. Environmental claims arising out of the property at 10 Broad Street or the Olympic Sculpture Park shall not be included among the Museum’s liabilities. The Museum’s assets and liabilities shall not include assets and liabilities of any other entity (e.g., the Seattle Art Museum Foundation).

“**Museum Security Documents**” means, collectively, the Museum Assignment; the Museum Subordination, Nondisturbance and Attornment Agreement; the Tenant Payment Agreement; and any and all UCC filings relating to the foregoing.

“**Museum Subordination, Nondisturbance and Attornment Agreement**” means each “Subordination, Nondisturbance and Attornment Agreement” relating to an Office Space Lease.

“**Nonpayment**” means the failure of the Authority to have provided sufficient funds to the Bond Trustee for payment in full of all principal of and interest on the Bonds that are Due for Payment.

“**Nordstrom**” means Nordstrom, Inc.

“**Office Premises**” means all or a portion of the Museum Expansion Unit leased under an Office Space Lease.

“**Office Space Lease**” means: (1) that certain Office Space Lease between the Museum and Nordstrom, under which the Museum agrees to lease the Office Premises to Nordstrom (the “**Nordstrom Office Space Lease**”), in the form in effect as of the date hereof, with such changes hereafter as may be approved by the City Finance Director; and (2) any future agreement by the Museum, or its successor or assign, to lease out any portion of the Museum Expansion Unit.

“**Office Space Lease Revenue**” means all payments received and to be received by the Museum or its successors under an Office Space Lease.

“**Office Space Tenant**” means any tenant of any portion of the Museum Expansion Unit under an Office Space Lease.

“**Principal Office**” means: (a) with respect to the Bond Trustee, the corporate trust office of the Trustee, which at the date of this Indenture is located in Seattle, Washington, at the address shown in Section 7.2, and (b) with respect to the Lockbox Agent, the corporate trust office of the Lockbox Agent, which at the date of the Indenture is located in Seattle, Washington, at the address shown in Section 7.2.

“**Project**” means the acquisition, design, construction and equipping of the MDA Unit, including the Authority’s improvements to the MDA Unit, and the Authority’s improvements to the Existing Museum Facility in connection with the expansion of the existing downtown art museum to include the MDA Unit, as described in Exhibit F.

“**Project Costs**” means, to the extent permitted by the Code and by State law, any and all costs, including financing costs, incurred by the Authority with respect to the acquisition, construction, and equipping of the Project including, without limitation, costs for site preparation, the acquisition of real property and of tangible personal property, the removal or demolition of existing structures, and all of the Authority’s costs relating to the issuance of the Bonds, including, without limitation, the cost of consulting, accounting and legal services, other expenses directly allocable to the Project, insurance premiums, costs of surveys and appraisals, administrative and other expenses necessary or incident to the development and the financing thereof and all other costs approved by Bond Counsel.

“**Rating Agency**” means Moody’s Investors Service, Inc. (“Moody’s”) or ~~Standard and Poor’s, a division of The McGraw Hill Corporation, Inc.~~ S&P Global Ratings (“S&P”).

“**RCW**” means Revised Code of Washington.

“**Rebate Amount**” means the amount, if any, determined to be payable with respect to the Bonds in accordance with Section 148(f) of the Code.

“**Refunding Plan**” means the deposit of Bond proceeds, together with amounts, if any, released from the ~~reserve account for the 2005 Bonds~~ 2014 Reserve Account for this purpose, with the Refunding Trustee at Bond Closing in an amount ~~sufficient~~, together with interest earnings thereon, ~~(if any), sufficient~~ to defease all outstanding ~~2005~~ 2014 Bonds, and to call, pay and redeem such bonds on ~~April 1, 2015~~.

“**Refunding Resolutions**” means, collectively: (1) ~~that resolution of the Museum Board, adopted on March 10, 2014 which authorizes the execution and delivery of the Lease Amendment, the Letter of Representation and this Agreement and the carrying out by the Museum of all actions necessary to complete the transactions described herein and therein (the “Museum Refunding Resolution”);~~ and (2) ~~the Bond Resolution and each other resolution of the Authority Council,~~

~~relating to the issuance of the Bonds, the execution and delivery of this Agreement, the Indenture, the Letter of Representation and the Refunding Escrow Agreement and the carrying out by the Authority of all actions necessary to complete the transactions described herein and therein (the “MDA Refunding Resolutions”) \_\_\_\_\_, 2024.~~

“**Refunding Escrow Agreement**” means an agreement among the Authority, the City and the Refunding Trustee providing for the carrying out of the Refunding Plan.

“**Refunding Trustee**” means U.S. Bank Trust Company, National Association of Seattle, Washington, serving as trustee or escrow agent or any successor trustee or escrow agent under the Refunding Escrow Agreement.

“**Reimbursement Interest Rate**” means the interest rate established pursuant to Section 3.2(a) and stated in the Reimbursement Schedule.

“**Reimbursement Schedule**” means any schedule for reimbursing the City for advances made under this Agreement, stating the interest rate and other terms for reimbursement, subject to the approval of the City Finance Director, in accordance with Section 3.2.

“**Reserve Account**” means the Reserve Account established in the custody of the Bond Trustee pursuant to the Indenture.

“**Reserve Account Reconciliation Date**” means each March 1 and September 1, or if such date is not itself a Business Day, then in each case the preceding Business Day.

“**Reserve Assets**” means as of any calculation date, collectively, the total dollar amount of all money and investments in the Reserve Account.

“**Reserve Deficiency**” means the amount necessary, if any, to replenish the Reserve Account to the Reserve Requirement, calculated by subtracting: (1) the Reserve Assets, together with all other amounts available to the Bond Trustee under the Indenture for deposit into the Reserve Account as of the date of calculation, from (2) the Reserve Requirement.

“**Reserve Deficiency Notice**” means written notice provided by the Bond Trustee under Section 3.5, indicating the Reserve Deficiency, substantially in the form attached as Exhibit G-1.

“**Reserve Requirement**” means an amount determined as of the Bond Closing date and equal to the least of the following: (a) 10% of the original proceeds of the Bonds; (b) the Maximum Annual Debt Service on the Bonds; and (c) 1.25 times the Average Annual Debt Service on the Bonds. Maximum Annual Debt Service and Average Annual Debt Service shall be calculated with reference to the Bond Debt Service Schedule and shall otherwise be defined as provided in the Bond Resolution and the Indenture. Upon the optional redemption, open market purchase or defeasance of a portion of the outstanding principal amount of the Bonds, the Reserve Requirement shall be reduced on a pro rata basis.

“**Seasoned Funds**” means any funds (other than proceeds of the Bonds or money previously deposited in the Reserve Account or the reserve account for the 2005 Bonds) received



by the Bond Trustee from the Authority or the Museum that, in the written opinion (delivered to the City and to the Bond Trustee) of nationally recognized bankruptcy counsel practicing regularly before Federal Bankruptcy Court, are not subject to treatment as an “avoidable transfer” under any applicable section of the Federal Bankruptcy Code in the event of a Bankruptcy by the Authority or the Museum.

“**Security Documents**” means, collectively, the MDA Security Documents; the Museum Security Documents; the Standby Security Documents; and the Lockbox Addendum.

“**SMC**” means Seattle Municipal Code.

“**Standby Deed of Trust**” means the standby Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, in the form attached at Exhibit E–1, to be held by an escrow agent with instructions in the form attached as Exhibit E–3, all in accordance with Section 5.10 of this Agreement.

“**Standby Security Documents**” means, collectively, the Standby Deed of Trust, the Standby Hazardous Substances Certification, the escrow instructions relating to the Standby Security Documents, and any and all UCC filings relating to the foregoing.

“**State**” means the State of Washington.

“**Tenant Payment Agreement**” means those provisions, whether in a separate agreement or incorporated in an Office Space Lease, substantially in the form attached as Exhibit D–2, under which an Office Space Tenant agrees to remit all amounts payable to the landlord under an Office Space Lease directly to Lockbox Agent for deposit into the Lockbox Account.

“**Valuation Date**” means each January 1 and July 1.

All other capitalized terms used but not defined in this Agreement shall have the meanings assigned to them in the Bond Resolution and the Indenture.

### **ARTICLE 3.** **Guarantee of Authority Bonds**

#### Section 3.1 City Guarantee Provided.

(a) *City Guarantee.* The City agrees to provide, for the benefit of the owners of the Bonds, deposits into the Reserve Account in an amount or amounts sufficient, together with all other money deposited with the Bond Trustee and available for this purpose, to replenish the Reserve Account to the Reserve Requirement, at such time or times as may be required in accordance with the procedures and terms described in this Article 3. The City further agrees to provide, for the benefit of the owners of the Bonds, advances to the Bond Trustee for payment to Bondowners in the event of a Bankruptcy Recovery. Each instance of providing amounts to the Bond Trustee for deposit into the Reserve Account, or for payment in the event of a Bankruptcy Recovery, shall constitute an “advance.” The City’s obligation shall be enforced in accordance with Section 6.3, consistent with applicable notice and cure periods stated in Section 6.3.

(b) *Time and Amount to be Advanced.* Funds shall be advanced at such time, if any, as the amount available to the Bond Trustee to replenish the Reserve Account is insufficient to meet the Reserve Requirement, as determined in accordance with Section 3.5 of this Agreement. In the event that the Bond Trustee has notice of any Bankruptcy Recovery and sufficient funds are not otherwise available to the Bond Trustee, the City shall, upon not less than 45 days' notice from the Bond Trustee, make an advance to the Bond Trustee for payment to such Bondowner(s) in the amount of such Bankruptcy Recovery. The total amount of funds to be advanced by the City pursuant to this Agreement (including all advances made into the Reserve Account and all advances made in the event of a Bankruptcy Recovery) shall not exceed the principal amount of the Bonds issued, plus an amount necessary to make the originally scheduled interest payments on those Bonds as shown in the Bond Debt Service Schedule.

(c) *Nature of City's Obligation.* The City is entering into this Agreement in reliance upon the representations, warranties and agreements of the Authority and of the Museum contained in this Agreement. The City's obligation to advance funds to the Bond Trustee in the amounts at the times and in the manner described in this Agreement shall commence as of the date of Bond Closing, and once commenced, shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, abatement or otherwise, and shall not be relieved upon the breach of a representation or warranty, or upon a Declaration of Default or the occurrence of an Event of Default hereunder. The full faith, credit and resources of the City are pledged irrevocably for the payment to the Bond Trustee of the required advances, payable in the amounts, at the times and in the manner described herein. The City makes no express or implied warranty that any money advanced to the Authority under the provisions of this Agreement will be sufficient to pay all the amounts which may have been incurred for Project Costs or to carry out the Refunding Plan. The City's obligation under this Agreement shall terminate upon the repayment, purchase and retirement, redemption or defeasance in full of all the Bonds. Notwithstanding the foregoing and except in the case of a defeasance in accordance with the Indenture, the City shall remain obligated to make advances, payable within 45 days of demand, to the Bond Trustee in the event of a Bankruptcy Recovery.

Section 3.2 Reimbursement Agreement. The Authority and the Museum each jointly and severally agrees to reimburse the City for any amounts advanced by the City to the Bond Trustee pursuant to this Agreement, as follows:

(a) *Reimbursement Schedule.* Reimbursements, including all interest due on advances made by the City, shall be paid to the City on or before the 5<sup>th</sup> Business Day of each month, in installments according to a Reimbursement Schedule proposed by the Authority and/or the Museum and acceptable to the City Finance Director, a copy of which shall be provided to the Lockbox Agent. If no Reimbursement Schedule is in effect, the City shall be reimbursed for its advances, plus interest, from amounts deposited in the Lockbox Account consistent with Section 4.1(b)(2)(iii). The interest rate shall be determined in accordance with subsection (b) of this section, and the term for reimbursement in full (including interest) shall not exceed 36 months from the date of any advance, except that the City Finance Director may in his sole discretion permit a reimbursement term of up to 60 months from the date on which the advance is made. Each Reimbursement Schedule shall state how interest is to be calculated consistent with Subsection 3.2(b).

(b) *Interest Rate.* Each advance made under the terms of this Agreement will bear interest on the amount advanced and unreimbursed, from the date of the advance until the date such advance is reimbursed in full. Interest on the advances will be calculated on the basis of the actual number of days in the year, for the actual number of days elapsed. The rate of interest borne by each advance shall be a variable rate, determined monthly on the first Business Day of each month, based on the source of funds used by the City to fund the advance to the Bond Trustee, as follows:

- (1) If the City borrows money in order to make the advance (other than any internal or inter-fund borrowing), the interest rate shall be equal to the City’s true interest cost plus 200 basis points.
- (2) If the City makes the advance from City funds (including general funds or funds from any internal or inter-fund borrowing), then interest shall be calculated in arrears each month, on the first Business Day of the month, and shall be equal to the greater of: (i) the Federal Funds rate plus 300 basis points, or (ii) the Bank Prime Loan rate, as those rates are identified in the Federal Reserve Statistical Release H.15 on the first Business Day of each month.

The City may employ either method or both for obtaining funds from which to make each advance, may change from one to the other from time to time after making an advance, and may refund its borrowing from time to time as it sees fit. Upon making an advance, the City shall promptly inform the Lockbox Agent, the Bond Trustee, the Authority and the Museum of the amount advanced, whether the initial source of the funds advanced is the source described in clause (1) or (2) above, and the applicable initial interest rate. The City shall also provide the Authority, the Museum, the Lockbox Agent and the Bond Trustee with prompt notice of the interest rate and any change therein.

(c) *Source and Method of Reimbursement.*

- (1) For so long as a Reimbursement Schedule is in effect or the City remains unreimbursed for amounts advanced (including interest), the Lockbox Agent shall apply the money deposited into the Lockbox Account to items 4.1(b)(2)(i) through (iv) only.
- (2) Reimbursements shall be made from the following sources in the following order: (i) from the Lockbox Account in accordance with the flow of funds in Section 4.1(b)(2); (ii) from any Available MDA Funds; and (iii) from any Available Museum Funds. So long as no City Default has occurred and is continuing, the provisions of this paragraph shall not limit the City’s right to recover following a Declaration of Default, against any source of payment or revenue available to it and in any order as the City may determine.
- (3) Reimbursement amounts received by the City shall be applied first to any interest due on any advance, and then to the principal amount of each advance in the order made.

Section 3.3 Authority Obligation.

(a) *Security.* The Authority has granted to the City the security interests evidenced by the

MDA Security Documents and agrees to enforce the Authority’s rights under the MDA Lease and the Museum Security Documents in strict accordance with their terms.

(b) *Nature of Authority’s Obligation.* The Authority agrees: (1) to take all actions reasonably necessary to realize the amount of MDA Lease Revenue required to pay the principal of and interest on the Bonds and to maintain the Reserve Requirement (including, without limitation, making deposits into the Reserve Account in the amount of any Reserve Deficiency following a draw on the Reserve Account in accordance with the procedures under Section 3.5(c)) without resort to the availability of any advance from the City made pursuant to this Agreement; (2) to make available sufficient MDA Lease Revenue or Available MDA Funds to fulfill its reimbursement obligation under this Agreement; and (3) to perform and observe all other covenants and obligations on its part contained in this Agreement. The Authority’s obligations under this Agreement shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, abatement or otherwise.

The Authority’s obligations under this Agreement (including but not limited to its reimbursement obligation and its obligation under Section 7.4) shall continue in effect and shall survive the satisfaction of the Authority’s obligations under the Bonds, the Bond Resolution, and the Indenture until such time as: (1) the City has been reimbursed in full for all amounts advanced by it pursuant to this Agreement (including interest on those amounts, if applicable), together with any costs owed to the City pursuant to Section 7.5, and (2) the Authority’s obligations with regard to the Bonds have been satisfied and (i) the bankruptcy law or other applicable statutory or common law transfer avoidance period(s) applicable to all payments to Bondowners and to the City have expired without voluntary or involuntary filing of a petition in bankruptcy, for receivership or under other similar statutes or procedures involving protection from creditors with respect to the Authority, the Museum, or any Office Space Tenant, and (ii) the City has been reimbursed in full for any amounts recovered in a Bankruptcy Recovery and paid by the City (including interest on those amounts, if applicable), and (iii) the City has received an opinion from nationally recognized bankruptcy counsel that no other possibility of a Bankruptcy Recovery exists.

The Authority is not acting as the agent of the City or the Museum and its obligations under this Agreement and the Bonds do not constitute obligations of the Museum, the City or any entity other than the Authority. The Museum Development Authority of Seattle is organized pursuant to Seattle Municipal Code (SMC) 3.110 and 35.21.730-.755. RCW 35.21.750 provides as follows: “[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority.”

#### Section 3.4    Museum Obligation.

(a) *Security.* The Museum has granted to the Authority the security interests evidenced by the Museum Security Documents and agrees to enforce its rights under any Office Space Lease in strict accordance with its terms, and has deposited the executed Standby Security Documents with

an escrow agent for the benefit of the City. The Museum has further covenanted to maintain minimum Museum Net Assets and to deliver the Standby Security Documents, all as described in Section 5.10.

(b) *Nature of Museum's Obligation.* The Museum agrees: (1) to make available sufficient Office Space Lease Revenue or Available Museum Funds to make deposits into the Reserve Account in the amount of any Reserve Deficiency following a draw on the Reserve Account in accordance with the procedures under Section 3.5(c) and to fulfill its reimbursement obligation under this Agreement; and (2) to perform and observe all other covenants and obligations on its part contained in this Agreement. The Museum's obligations under this Agreement shall be absolute and unconditional, and shall not be subject to diminution by setoff, counterclaim, abatement or otherwise.

The Museum's obligations under this Agreement (including but not limited to its reimbursement obligation and its obligations under Section 7.4) shall continue in effect and shall survive the satisfaction of the Museum's obligations in connection with the MDA Lease until such time as: (1) the City has been reimbursed in full for all amounts advanced by it pursuant to this Agreement (including interest on those amounts, if applicable), together with any costs owed to the City pursuant to Section 7.5, and (2) the Museum's and the Authority's obligations with regard to the Bonds have been satisfied and (i) the bankruptcy law or other applicable statutory or common law transfer avoidance period(s) applicable to all payments to Bondowners and to the City have expired without voluntary or involuntary filing of a petition in bankruptcy, for receivership or under other similar statutes or procedures involving protection from creditors with respect to the Authority, the Museum, or any Office Space Tenant, and (ii) the City has been reimbursed in full for any amounts recovered in a Bankruptcy Recovery and paid by the City (including interest on those amounts, if applicable), and (iii) the City has received an opinion from nationally recognized bankruptcy counsel that no other possibility of a Bankruptcy Recovery exists.

***The Museum is not acting as the agent of the City or the Authority and its obligations under this Agreement and the MDA Lease do not constitute obligations of the Authority, the City or any entity other than the Museum.***

Section 3.5 Procedures under Guarantee. The following procedures shall apply for so long as the City's guarantee is in effect. All notices and communications required under this Agreement shall be given in accordance with Section 7.2. Failure by any party to provide timely notice shall not excuse any other party from performance of its obligations under this Agreement upon actual receipt of such notice.

(a) *Notice by Lockbox Agent.* The Lockbox Agent shall provide to the City, the Museum, the Authority and the Bond Trustee, by the fifth Business Day of each month, a regular monthly report of the deposits to and disbursements from the Lockbox Account. If the Lockbox Agent fails to receive, in full and when due, any Office Space Lease Payment or other payment under a Tenant Payment Agreement, the Lockbox Agent shall provide notice within two Business Days following the due date. Such notice shall be provided to the Authority, the Museum the Bond Trustee and the City, in the form attached as Exhibit G-2.

(b) *Notices by Bond Trustee.* The Bond Trustee shall provide:

- (1) Notice to the Authority, the Museum, the City and the Lockbox Agent within two Business Days (unless otherwise noted below) after each of the following events:
  - (i) On each Interest Payment Date (or within two Business Days thereafter), notice of balance in the Reserve Account;
  - (ii) Notice of the total Reserve Assets on each Valuation Date and immediately following any draw on the Reserve Account;
  - (iii) Notice of its receipt of any notice relating to any Bankruptcy Recovery requiring an advance by the City; and
- (2) Such additional notices as are required under subsections (c) and (d) of this section.

(c) *Reserve Replenishment Procedures and Notices.* Within two Business Days following any draw on the Reserve Account, the Bond Trustee shall give notice, using substantially the form attached as Exhibit G–1, of any Reserve Deficiency to the Authority, the Museum, the City, and the Lockbox Agent demanding that the Authority deposit or cause to be deposited the amount of such Reserve Deficiency. If a Reserve Deficiency exists on the Valuation Date, the Bond Trustee shall, within two Business Days, give notice to the Museum, the Authority and the City demanding that the Museum deposit or cause to be deposited the amount of such Reserve Deficiency. If the Reserve Account is not replenished to the Reserve Requirement within five Business Days after the giving of this second notice, the Bond Trustee shall, within two Business Days, give a third notice to the Museum, the Authority, and the City demanding that the Authority take all action necessary under Section 4.4 to replenish the Reserve Account to the Reserve Requirement and to realize MDA Lease Revenue sufficient to fulfill the Authority’s obligations under this Agreement and the Indenture. If at any time prior to the Reserve Account Reconciliation Date, the Bond Trustee receives funds for deposit into the Reserve Account, it shall immediately give notice to the Authority, the Museum, the City and the Lockbox Agent.

(d) *Reserve Deficiency Procedures.* If on any Reserve Account Reconciliation Date, the Bond Trustee determines, pursuant to Section 4.1(a)(2), that a Reserve Deficiency exists, the following actions shall be required:

- (1) *Reserve Deficiency Notice by Bond Trustee.* The Bond Trustee shall provide a Reserve Deficiency Notice to the Authority, the Museum and the City within two Business Days after any Reserve Account Reconciliation Date on which a Reserve Deficiency is found to exist.
- (2) *Actions by City.* After receipt of a Reserve Deficiency Notice, the City shall, no later than 10:00 a.m., Seattle time, on the Business Day prior to the next Interest Payment Date, deliver to the Bond Trustee the Reserve Deficiency for deposit into the Reserve Account.
- (3) *Actions by Authority and the Museum.* Within 20 Business Days after receipt of a Reserve Deficiency Notice, the Authority and the Museum shall provide or cause to be provided to the City: (i) an accounting of the operation of the Existing Art Museum Facility, the MDA Unit and the Museum Expansion Unit, including cash

flow information and projections; and (ii) a Reimbursement Schedule that conforms to the terms for reimbursement described in Section 3.2.

Section 3.6 Refunding of the ~~2005~~2014 Bonds.

(a) *Generally.* The proceeds of the Bonds shall be deposited with the Refunding Trustee for the benefit of the holders of the ~~2005~~2014 Bonds, and shall be used solely to carry out the Refunding Plan in accordance with the Refunding Escrow Agreement.

(b) *Bond Closing Conditions.* The City’s obligation under this Agreement shall be conditioned upon the performance at or prior to the Bond Closing, by the Authority and by the Museum, of the evidence, covenants, agreements and conditions in this subsection.

- (1) Representations and Warranties. The representations and warranties of the Authority in Exhibit H–1, and of the Museum in Exhibit H–2, shall be true, complete and correct in all material respects on the date of this Agreement, and on and as of the date of Bond Closing.
- (2) Resolutions in Effect. On the date of Bond Closing, the Refunding Resolutions shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented since the date of this Agreement except as shall have been agreed to in writing by the City Finance Director.
- (3) Reserve Fully Funded. As of the date of Bond Closing, the Reserve Account shall be funded to the Reserve Requirement.
- (4) Execution of a Tax Exemption and Nonarbitrage Certificate. On or prior to the date of Bond Closing, the Authority shall execute a certificate acceptable to the Authority’s Bond Counsel and to the City Finance Director, pertaining to certain tax exemption and arbitrage matters relating to the Bonds, including the calculation and payment of any Rebate Amount with respect to the Bonds.
- (5) [Reserved].
- (6) City Examination of Documents. On or prior to the date of Bond Closing, the following documents shall have been executed, acknowledged, delivered, recorded and filed, as applicable, and conformed copies of each document, with recording and filing information, if applicable, shall have been delivered to the City Finance Director:
  - (i) From the Authority: (A) evidence of the Authority’s incorporation and continued corporate existence; (B) the MDA Authorizing Resolutions; (C) the Refunding Resolution; and (D) the 2024 Indenture.
  - (ii) From the Museum: (A) the Museum’s Articles of Incorporation, Bylaws, and certificate of existence from the Washington Secretary of State; (B) a signed exemption letter from the Internal Revenue Service evidencing the Museum’s status as a 501(c)(3) organization pursuant to the Code; and (C) the Museum Authorizing Resolution.

- (iii) [Reserved]
- (iv) the MDA Lease and Memorandum of Lease and amendments thereto.
- (v) Certificates of insurance or other evidence in forms acceptable to the City Finance Director, demonstrating that the insurance described in Exhibit I has been obtained and is in effect with respect to the Existing Museum Facility.
- (vi) a copy of the Museum’s audited financial statements and all necessary supplemental documentation in a form that demonstrates that the Museum is in compliance with the covenants set forth in Section 5.10.
- (vii) Certified copies of the following documents, which shall be final and shall not be modified after the date of Bond Closing, except for such changes as may be approved in writing by the City Finance Director: (A) the Office Space Lease or, in lieu of a copy of such lease, written confirmation that the Office Space Lease is substantially in the form previously represented to the City and a representation to the effect that the Office Space Lease is in compliance with the terms of this Agreement and that no default or event of default under the Office Space Lease has occurred; (B) the Condominium Documents; and (C) the Security Documents.
- (viii) Legal Opinions. On or prior to the date of Bond Closing, the City Finance Director shall be provided legal opinions of counsel to the Authority and counsel to the Museum addressed to the City dated the date of Bond Closing, in form and substance acceptable to the City Finance Director, including without limitation, a Defeasance Opinion.
- (ix) The Refunding Escrow Agreement.
- (x) Such additional certificates, instruments and other documents as the City Finance Director may reasonably request to evidence the truth and accuracy, as of the date of Bond Closing, of any or all of the following: (A) the representations and warranties of the Authority and the Museum and of the Authority in Exhibits H-1 and H-2 to this Agreement, (B) the due performance by the Authority and the Museum on or prior to the date of Bond Closing of all the respective agreements then to be performed by them and the satisfaction on or prior to the date of Bond Closing of all the conditions prescribed in this section, and (C) the recording and filing of all recordable documents required to be recorded under the terms of this Agreement on or prior to the date of Bond Closing and necessary to carry out the transactions contemplated under this Agreement, the Indenture and the Security Documents.



- (7) All In Form and Substance Acceptable to City Finance Director. All of the evidence, opinions, letters, certificates, instruments and other documents referred to in this Section 3.6(b) are in form and substance acceptable to the City Finance Director.
- (c) [Reserved]

**ARTICLE 4.**  
**Covenants and Agreements Relating to the Bonds and Leases**

Section 4.1 Funds and Accounts.

(a) *Debt Service Reserve Account.* The Authority shall establish and maintain, or cause to be established and maintained, a Reserve Account to be managed and disbursed by the Bond Trustee pursuant to the Indenture. The Authority shall maintain a balance in the Reserve Account equal to the Reserve Requirement.

- (1) Draw on Reserve Account; Procedures. In accordance with the Indenture amounts in the Reserve Account shall be drawn upon and applied solely by the Bond Trustee in the event that sufficient money is not available to it to make the scheduled debt service payments on the Bonds as shown on the Bond Debt Service Schedule. Notice of any draw shall be provided as required under Section 3.5(c). Following any draw, the Reserve Account shall be replenished in accordance with Section 3.5(c) and (d).
- (2) Reserve Account Reconciliation. The Authority shall cause the Bond Trustee to determine, on each Reserve Account Reconciliation Date, whether a Reserve Deficiency exists. If a Reserve Deficiency is found to exist on the Reserve Account Reconciliation Date, the actions described under Section 3.5(d) shall be required.

(b) *Lockbox Account.* The Lockbox Account shall be established, to be held by the Lockbox Agent under the Lockbox Addendum, separate and apart from all other funds and accounts of the Museum. By acknowledging and accepting this Agreement, the Lockbox Agent accepts the terms of this Section 4.1(b) and the Lockbox Addendum, attached as Exhibit J and by this reference incorporated herein, and its responsibilities under this Agreement.

- (1) Deposits into Account. For so long as the Bonds are outstanding, any and all Office Space Lease Revenue shall be deposited in the Lockbox Account. As security for the MDA Lease, the Museum shall include a Tenant Payment Agreement in every Office Space Lease, or shall otherwise enter into an agreement requiring the tenant to remit all payments due under an Office Space Lease directly to the Lockbox Account in satisfaction of the tenant's obligation to make those payments to the Museum.
- (2) Flow of Funds in Lockbox Account. Except as provided in paragraph (3) of this subsection, for so long as the Bonds are outstanding, all amounts deposited into the Lockbox Account and all interest earned thereon shall, on the 5th Business Day of each month, be applied by the Lockbox Agent only for the following purposes in

the following order of priority:

- (i) To pay any outstanding unpaid regular Lockbox Agent fees, if any;
  - (ii) To pay to the Bond Trustee amounts equal to those shown on the MDA Lease Payment Schedule attached as Exhibit A-2, which amount shall be credited against the Museum’s obligation (if any) to pay rent under the MDA Lease.
  - (iii) If no Reimbursement Schedule under Section 3.2(a) is in effect, to the extent necessary to pay all amounts due to the City to reimburse the City for City advances to the Reserve Account, and if a Reimbursement Schedule is in effect, to pay to the City amounts due under a Reimbursement Schedule approved in accordance with Section 3.2(a) of this Agreement (which payments shall in either event be applied as set forth in Section 3.2(c)(3));
  - (iv) To pay to the Bond Trustee any monthly payment required under a Bond Prepayment Plan approved in accordance with Article IV of this Agreement; and
  - (v) Any amounts remaining after satisfaction of items (i) through (iv), including any interest earned thereon, shall be released to the Museum for any Museum purpose.
- (3) Exceptions for Particular Events and Circumstances. In each of the following circumstances and until notified by the City that the circumstance has been cured or no longer applies, the Lockbox Agent shall cease applying amounts in the Lockbox Account to items (iv) and (v), above. The Lockbox Agent shall instead apply all amounts received to items (i) through (iii), above and then, on a monthly basis, pay any amounts remaining to the Bond Trustee for deposit first, into the Reserve Account in an amount not to exceed the Reserve Deficiency (if any), and second, to the extent necessary to pay to the City for any and all amounts due in connection with an insurance reimbursement due under Section 6.2(c), and third, all remaining amounts shall be equally divided for deposit into the Principal and Interest Accounts, as defined in the Indenture. Upon receipt of a notice of failure to replenish the Reserve Account as described in the third sentence of Section 3.5(c), the Lockbox Agent shall within two Business Days, pay to the Bond Trustee any amounts remaining in the Lockbox Account and shall provide notice to the City, the Museum, and the Authority of the amount so paid. The circumstances include:
- (i) Receipt of notice given under Section 3.5(c) of a draw on the Reserve;
  - (ii) Receipt of a copy of a Reimbursement Schedule provided under Section 3.2 (unless the Reimbursement Schedule provides for payments under a Bond Prepayment Plan, in which case the Lockbox Agent shall apply to (iv) amounts available after applying funds to items (i)–(iii), above, in accordance with the

Reimbursement Schedule);

- (iii) Failure to receive a monthly Office Space Lease Payment in full when due in accordance with the schedule attached as Exhibit A-3;
- (iv) Receipt of any notice given under Section 4.2(c);
- (v) Receipt of a notice of Declaration of Default declaring a Museum or Authority default under any of subsections (1) through (5) of Section 6.1(a);
- (vi) Receipt of any insurance proceeds (whether from property or casualty insurance, rental and business interruption insurance, or any other source of insurance proceeds) or any condemnation award); and
- (vii) Receipt of a notice given under Section 6.2(c)(2) of failure to reimburse the City for amounts due relating to insurance payments.

Section 4.2 Reports and Records; Notices by Authority and Museum.

(a) *Records.* The Authority and the Museum each hereby covenants: (1) to permit the City or its duly authorized representatives, access (wherever regularly located) during normal business hours to the books, records, and any and all accounts and data of the Authority and of the Museum, respectively, pertaining to the Bonds, the Project, the MDA Unit, the Museum Expansion Unit, and every Office Space Lease, and (2) to make such books and records available for audit, copying, and inspection, at reasonable times and under reasonable conditions to the City and its duly authorized representatives.

(b) *Reports.* The Authority and the Museum each further agrees to provide to the City copies of the following:

- (1) Within ten Business Days after receipt, the Authority’s audited and unaudited financial statements;
- (2) Within ten Business Days after receipt, the Museum’s audited and unaudited financial statements, prepared according to generally accepted accounting practices applicable to nonprofit corporations;
- (3) Within three Business Days after receipt, each report provided to the Authority under Section 4.3(b) by an arbitrage rebate compliance consultant;
- (4) Within three Business Days after receipt, each report received from the Bond Trustee under the Indenture (but only in the event that the transmittal for such report does not show that the Bond Trustee has already provided the City with a copy of such report); and
- (5) At the time provided to the Bond Trustee, any and all certificates required to be given by the Museum or the Authority (as applicable) to the Bond Trustee under the Indenture.

(c) *Additional Notice of Certain Events.* In addition, the Authority and the Museum shall

each provide notice to the City, the Bond Trustee and the Lockbox Agent, within two Business Days of its knowledge after the occurrence of:

- (1) Any default under any of the Security Documents, the MDA Lease, any Office Space Lease, the Lockbox Addendum or the Indenture;
- (2) Any event which, with the passage of time or service of notice, or both, would constitute ~~an~~ default under any of the above. Such notice shall specify the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto; or
- (3) The voluntary or involuntary filing of a petition of bankruptcy, receivership or other similar status involving protection from creditors with respect to the Authority, the Museum, or any Office Space Tenant.

Section 4.3 Tax Exempt Status of Bonds; Arbitrage. It is the intention of the Authority and the City that interest on the Bonds shall be and remain excluded from gross income of the owners of the Bonds under federal tax law.

(a) The Authority therefore covenants and agrees that it has not taken or permitted to be taken and will not take or permit to be taken any action that will cause the interest on the Bonds to become included in gross income for federal tax purposes pursuant to the Code or to become “arbitrage bonds” within the meaning of Section 148 of the Code. The Authority covenants that it will not take any action, fail to take any action or make or allow any use of the Project, or the proceeds of the Bonds, which would cause the interest on any of the Bonds to be or become includable in the gross income of such bond owners for federal income tax purposes. Specifically, and without limitation, the Authority shall actively enforce the provisions of Section 18.1 of the MDA Lease regarding the use of the MDA Unit for purposes that could cause the interest on the Bonds to be or become taxable. Moreover, without limiting the generality of the foregoing, the Authority covenants and agrees that it will take such action or actions as are legally permissible and necessary in the opinion of Bond Counsel (including, without limitation, making or consenting to amendments to the Bond Resolution, the Indenture, the Security Documents or this Agreement), so that the Authority, the Project, and all subsequent owners and tenants of the MDA Unit comply fully and continuously with Sections 145 and 148 of the Code and with all applicable legislative enactments or applicable final decisions of courts of competent jurisdiction so as to maintain the exclusion from gross income of interest on the bonds.

(b) The Authority agrees to obtain, within 45 days after the first, second, fifth and tenth anniversaries of the Bond Closing and at the Authority’s expense, a report by an arbitrage rebate compliance consultant and in a form acceptable to the City Finance Director, calculating the Rebate Amount, if any, owing to the United States of America with regard to the Bonds, and further agrees to pay such Rebate Amount, if any.

(c) By virtue of the preceding agreement to comply with future laws or regulations, the Authority and the City do not intend nor shall they be deemed to waive any rights or defenses they may have, individually or collectively, to contest the application of such laws or regulations to the Project on the grounds that such application would constitute a prohibited impairment of contract or on any other applicable grounds. Nevertheless, while contesting the application of any such

laws or regulations, the Authority and the City shall take such actions deemed necessary in the opinion of Bond Counsel to maintain the exclusion from gross income of interest on the Bonds.

(d) The Authority's and the City's responsibilities under this section shall be limited to actions within each entity's respective control. None of the covenants and agreements herein contained shall require the City to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the taxation of interest on the Bonds.

Section 4.4 Provisions Relating to Office Space Lease.

(a) *Required Provisions.* The Museum shall not enter into, and the Authority shall not permit the execution of, an Office Space Lease that does not meet the Coverage Requirement under Section 5.3. Furthermore, the Museum and the Authority agree that each Office Space Lease shall include provisions regarding the termination of such Office Space Lease substantially similar to those in Section 2.4 of the Office Space Lease in effect as of October 1, 2007 and a Tenant Payment Agreement substantially similar to that attached at Exhibit D-2.

(b) *Lease Defaults.* The Museum agrees that, promptly upon notice of an Event of Default under any Office Space Lease, as defined in that Office Space Lease (and the expiration of any applicable cure period), it shall use all commercially reasonable efforts to evict a nonpaying tenant and relet the Office Premises, consistent with subsection (d) of this section.

(c) *Failure to Replenish Reserve Account.* Upon the receipt of a notice under the third sentence of Section 3.5(c), the Museum, as required by the MDA Lease, agrees to grant and the Authority agrees to accept appointment as the Museum's leasing agent and property manager with respect to the Office Premises. Upon such appointment and acceptance, the Authority shall use its best efforts to collect amounts due under the Office Space Lease and, if necessary, shall use commercially reasonable efforts to evict any non-paying tenant and to relet the Office Premises on the Museum's behalf. As leasing agent and property manager, the Authority shall have the right, in its sole discretion consistent with the remaining obligations of the Museum to the Authority under the MDA Lease, to relet the Office Premises on the Museum's behalf. The Authority agrees that upon the Authority's undertaking to act as leasing agent and property manager for the Museum, the Authority shall use all commercially reasonable efforts to relet the Office Premises. The Museum agrees to cooperate with the Authority in its re-leasing efforts and in connection with the collection of delinquent rent payments and evicting nonpaying tenants. The Museum further agrees to execute any documents requested by the Authority or the City consistent with this Agreement and in furtherance of such re-leasing efforts and to join in any litigation in connection therewith. All net proceeds of such re-leasing shall be deposited to the Lockbox Account and used as set forth in Section 4.1, above. Performance of the obligation to use commercially reasonable efforts to relet the Office Premises shall not relieve any party of any obligation under this Agreement, any Security Document or the Indenture.

(d) *Museum Takedown of Office Space Lease.* The Museum agrees that it will not take action to terminate all or any portion of any Office Space Lease except with the prior written consent of the City Finance Director, or otherwise in accordance with this subsection.

- (1) *Covenant to Redeem or Defeasance Bonds.* The Museum agrees not to terminate any or all of any Office Space Lease (other than for the purpose of ejecting a non-paying tenant and re-letting the Office Premises, as to which termination prior City consent is not required) unless it has prepaid MDA Lease Payments in an amount sufficient to purchase, redeem or defease that portion of the Bonds described in Section 4.6(b).
- (2) *Notice to City Required Prior to Lease Termination.* The Museum shall provide to the Authority and to the City written notice of the Museum’s intent to terminate all or any portion of an Office Space Lease simultaneously with any notice of termination to an Office Space Tenant given under section 2.4 of the Office Space Lease in effect as of October 1, 2007 or under provisions of any other Office Space Lease permitting termination by the Museum. The Museum covenants to include in every Office Space Lease the requirement that notice of termination by the Museum is revocable by the Museum, at its sole option and for any reason without penalty and without right of the Tenant to terminate, for at least 12 months following the giving of the termination notice.
- (3) *Bond Prepayment Plan Required; City Approval Required.* Simultaneously with the notice under subsection (b)(2), the Museum shall also submit a Bond Prepayment Plan, as described in Section 4.6, to the City Finance Director for approval, with a copy to the Authority. Included in the submission shall be information regarding cash flow expectations for the Museum, the Authority and the Lockbox Account and any request to alter the flow of funds into the Lockbox Account, which shall be subject to approval by the City Council. The submission must demonstrate to the satisfaction of the City Finance Director that no later than the date of the proposed lease termination, the Museum and/or the Authority will have set aside or caused to be set aside in a Bond Prepayment Account, amounts of Seasoned Funds sufficient for the Authority to redeem, purchase or defease a principal amount of the Bonds in the proportion described in Section 4.6(a)(2).
- (4) *Timeline for City Approval; Revocation of Termination Notice.* If the City Finance Director’s approval has not been obtained within 60 days after the Museum’s submission of a proposed Bond Prepayment Plan, such plan shall be deemed rejected, unless the City Finance Director extends such deadline in writing, for 30 days. In the case of such an extension, the plan shall be deemed rejected upon expiration of the extension unless the City Finance Director has approved the plan in writing, or has further extended the deadline. Further extensions shall be in 30–day increments to a maximum of 120 days after the date of the original notice and plan submission. On the 120th day after the Museum’s first submission of a Bond Prepayment Plan, all plans submitted shall be deemed rejected unless the City Finance Director has approved a plan in writing. After the 120th day, no further extensions shall be permitted, and the Museum shall within five Business Days revoke its termination notice to the Office Space Tenant, with copies of such revocation to the Authority and the City. The Authority agrees to take such action as may be necessary under the MDA Lease and the Museum Security Documents to enforce this section. No Bond Prepayment Plan or plan of lease termination shall

be approved under this subsection so long as any advance made by the City under this Agreement remains unreimbursed. The Authority shall not permit the Museum to terminate all or any portion of an Office Space Lease unless and until the City Finance Director’s approval has been obtained under this section and Section 4.6.

Section 4.5 Insurance and Condemnation Proceeds.

(a) *Repair and Replacement.* The Museum and the Authority each covenants to take all action within its control to cause any insurance proceeds (other than rental or business interruption insurance) and any condemnation award to be applied as set forth in Section 4.5(b) or to the repair or replacement of the Existing Museum Facility, the MDA Unit and the Museum Expansion Unit, as applicable, or the portion of either or both units that is damaged or subject to condemnation, in accordance with the Condominium Documents, the Leases and the provisions of this section and Section 4.6 of this Agreement.

(b) *No Repair or Replacement.* To the extent that property insurance proceeds or condemnation awards are not applied to repair or replacement of the facilities, the Authority shall develop a Bond Prepayment Plan to purchase, redeem or defease a principal amount of Bonds in proportion to the portion of the MDA Real Estate Parcels or the Museum Expansion Unit that will not be repaired or replaced. In addition, the Museum and the Authority shall irrevocably direct that:

- (1) All insurance proceeds (other than from rental or business interruption insurance) and condemnation awards to be paid to or on behalf of the Museum or the Authority and which are not applied to repair or replacement with respect to any of the MDA Real Estate Parcels shall be used: (i) to pay to the Bond Trustee amounts necessary to carry out a Bond Prepayment Plan (including the payment or prepayment of principal of and interest on the Bonds and any transaction costs and redemption premium, if any, associated with the purchase, redemption or defeasance of the Bonds), and (ii) for the repayment of any amounts owed to the City under this Agreement; and
- (2) All insurance proceeds (other than from rental or business interruption insurance) and condemnation awards to be paid to or on behalf of the Museum or the Authority and which are not applied to repair or replacement with respect to the Museum Expansion Unit shall be paid to the Lockbox Agent for deposit into the Lockbox Account and used in accordance with the flow of funds in Section 4.1(b).

(c) *Rental & Business Interruption Insurance Proceeds.* All rental or business interruption insurance proceeds with respect to the Museum Expansion Unit shall be paid to the Lockbox Agent for deposit into the Lockbox Account and used in accordance with the flow of funds in Section 4.1(b). All rental or business interruption insurance proceeds with respect to the MDA Real Estate Parcels shall be paid to the Bond Trustee for deposit into the Interest Account and then the Principal Account.

Section 4.6 Bond Prepayment Plans. No Bond Prepayment Plan shall become effective until approval of the City Finance Director has been obtained in writing. The Authority shall not proceed with any plan to redeem, purchase or defease any or all of the Bonds unless and until the

City Finance Director’s approval has been obtained. The Museum shall provide a copy of any approved Bond Prepayment Plan to the Authority, the Bond Trustee and the Lockbox Agent, within five Business Days of written approval by the City Finance Director.

(a) *Contents; Requirements.* Every Bond Prepayment Plan that includes defeasance shall provide for compliance with the defeasance requirements under Article XII of the Indenture and shall provide that:

- (1) The City will receive (in addition to such other certificates, reports, opinions or other documentation as the City Finance Director may require): (i) in the case of a proposed advance refunding, a verification by a nationally recognized independent certified public accounting firm acceptable to the City confirming that the maturing principal of and interest on the securities held by the Bond Trustee (or other escrow agent appointed with respect to such refunding or defeasance), in the Bond Prepayment Account (or other trust account established in connections with the refunding or defeasance), if paid when due and assuming no reinvestment thereof, together with any other cash then held by that escrow agent, will be sufficient to carry out the Bond Prepayment Plan; and (ii) an opinion of Bond Counsel that the bonds so prepaid have been legally defeased, using Seasoned Funds, funds previously deposited in the Reserve Account (but only if no amounts are due and owing to the City in respect of advances made under this Agreement), or funds available from another source (e.g., insurance proceeds, a condemnation award, grants contributions, borrowing, or a letter of credit) that are, that, in the written opinion (delivered to the City, the Bond Trustee and the refunding escrow agent, if any) of nationally recognized bankruptcy counsel practicing regularly before Federal Bankruptcy Court, are not subject to treatment as an “avoidable transfer” under any applicable section of the Federal Bankruptcy Code in the event of a Bankruptcy by the Authority or the Museum, and are no longer outstanding. The City shall be entitled to rely upon the verification and opinion described in this paragraph, and all of the City’s obligations under this Agreement with respect to the Bonds so defeased shall terminate.
- (2) The proportion of Bonds to be purchased, redeemed or defeased shall be in the same proportion to the amount of Bonds then outstanding as (i) the amount payable during the preceding calendar year under the Office Space Lease(s) and attributable on a per square foot basis to that portion of the Office Premises subject to lease termination, damaged or destroyed, bears to (ii) the total amount payable under the Office Space Lease(s) for that period.

(b) *Seasoned Funds.* The amounts set aside or to be set aside in any Bond Prepayment Account must be deposited in Seasoned Funds, funds previously deposited in the Reserve Account (but only if no amounts are due and owing to the City in respect of advances made under this Agreement), or funds available from another source (e.g., insurance proceeds, a condemnation award, grants contributions, borrowing, or a letter of credit) that are, that, in the written opinion (delivered to the City, the Bond Trustee and the refunding escrow agent, if any) of nationally recognized bankruptcy counsel practicing regularly before Federal Bankruptcy Court, are not subject to treatment as an “avoidable transfer” under any applicable section of the Federal



Bankruptcy Code in the event of a Bankruptcy by the Authority or the Museum.

**Section 4.7** No Transfer of Property. Neither the Authority nor the Museum shall voluntarily transfer or permit the voluntary transfer of all or any portion of the property or security interests described the Security Documents. Any transfer that is in violation of this Section shall not relieve the Authority or the Museum of any obligations under this Agreement and shall be an Event of Default hereunder.

**Section 4.8** City’s Continuing Disclosure Agreement. The City agrees to execute, in connection with the issuance of the Bonds, a written undertaking (the “Undertaking”) for the benefit of the holders of those bonds, as required by United States Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (the “Rule”), in a form acceptable to the City, its Counsel and the purchaser of the Bonds. For purposes of the undertaking, the term “holders of the bonds” shall have the meaning intended for such term under the Rule.

## **ARTICLE 5.**

### **Representations, Warranties, Covenants and Agreements**

**Section 5.1** Project Description. A description of the Project is shown in Exhibit F.

(a) *Project Operation.* The Authority and the Museum will furnish any money necessary to operate and maintain the Project and neither the Authority nor the Museum expects or intends to request any such money from the City. The Authority and the Museum each acknowledges that the obligation of the City under this Agreement to provide a guarantee as to the Bonds does not in any way constitute a representation, warranty, guaranty, advice or suggestion by the City as to the feasibility or viability of the Project, and may not be relied on as such by any investor, tenant, lender, or other person, for any reason.

(b) *Public Access to the Project.* The Authority and the Museum shall admit, or cause to be admitted, individuals to the Project without regard to race, sex, marital status, national origin, religious belief, creed, sexual orientation, gender identity, political ideology or the presence of any sensory, mental or physical handicap, and shall respect, permit and not interfere with the religious beliefs of persons using the Project. Except to the extent permitted by the constitution, statutes and laws of the United States and the State, the Authority and the Museum each further agrees that it will not use or permit the use of the Project as a place of religious worship or sectarian instruction. The Authority and the Museum shall provide access to the public spaces of the Project consistent with the Public Benefits set forth in Section 3.4 of the MDA Lease.

**Section 5.2** Representations, Warranties and Covenants. It is specifically understood by the Authority and the Museum that all representations and warranties are being relied upon by the City as an inducement to provide the guarantee under this Agreement, and that if any such statements, representations and warranties were materially incorrect at the time they were made or as of the Closing Date, the City may consider any such misrepresentation or breach an Event of Default.

(a) *Representations, Warranties and Covenants of the Authority.* As of the date of this Agreement and as of the Closing Date, the Authority represents and agrees that: (i) each of the

representations and warranties of the Authority set forth in Exhibit H–1 is (as of the date of this Agreement) and shall be (as of the Closing Date) true, accurate and complete and by this reference is incorporated herein; (ii) as of the Closing Date, the MDA Security Documents shall have been duly authorized, executed and delivered by the Authority, shall not have been modified, amended, superseded or rescinded, and shall be in full force and effect; (iii) as of the Closing Date, the Authority shall have complied with all agreements and covenants and satisfied all conditions contemplated by the MDA Security Documents on its part to be performed or satisfied at or prior to the Closing Date; and (iv) the insurance required to be obtained under Section 5.4 of this Agreement shall be in full force and effect as of the Closing Date.

(b) *Representations, Warranties and Covenants of the Museum.* As of the date of this Agreement and as of the Acquisition Date, the Museum represents and agrees that: (i) each of the representations and warranties of the Museum set forth in Exhibit H–2 is (as of the date of this Agreement) and shall be (as of the Closing Date) true, accurate and complete and by this reference is incorporated herein; (ii) as of the Closing Date, the Museum Security Documents: (A) shall have been duly authorized, executed and delivered by the Authority; (B) shall not have been modified, amended, superseded or rescinded; and (C) shall be in full force and effect; (iii) as of the Closing Date, the Museum shall have complied with all agreements and covenants and satisfied all conditions contemplated by this Agreement, the Museum Security Documents, the Office Space Lease and the MDA Lease on its part to be performed or satisfied at or prior to the Closing Date; and (iv) the insurance required to be obtained under Section 5.4 of this Agreement, shall be in full force and effect as of the Closing Date.

Section 5.3 Debt Service Coverage Requirement Covenant. The Authority agrees to establish such terms under the MDA Lease and to take all actions necessary to realize amounts of MDA Lease Revenue at least equal to the Coverage Requirement. The Museum agrees to establish such terms under any Office Space Lease and to take all actions necessary to realize payments into the Lockbox Account of amounts of Office Space Lease Revenue at least equal to the Coverage Requirement.

Section 5.4 Insurance. The Authority and the Museum each agrees to obtain and continuously maintain, or to cause to be obtained and continuously maintained, at the expense of the Authority and the Museum, all policies of insurance with regard to the MDA Real Estate Parcels and the Museum Expansion Unit, respectively, as described in Exhibit I. In addition to the above covenant to obtain and maintain the insurance policies described in Exhibit I, the Authority and the Museum each agrees to be bound by each of the covenants contained in Exhibit I, which exhibit is incorporated herein by reference, and to enforce all provisions of the Condominium Documents relating to such insurance.

Section 5.5 Maintenance and Repair. The Authority and the Museum each agrees to maintain, or cause to be maintained, the MDA Real Estate Parcels and the Museum Expansion Unit, during the term of this Agreement (i) in a reasonably safe condition and (ii) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

Section 5.6 Additional Indebtedness.

(a) Except for the Museum Bonds, neither the Authority nor the Museum shall issue any additional bonds, notes or other evidences of indebtedness in excess of \$1,000,000 aggregate outstanding at any given time, in the course of ordinary business, without the prior written consent of the City Finance Director, except as follows:

- (1) The Museum may incur indebtedness not to exceed an aggregate maximum of \$28,000,000 outstanding at any given time, and is not required to seek additional City consent for indebtedness issued or incurred under this ceiling. Any borrowing from or secured by endowment funds shall be included in the calculation of indebtedness under this ceiling.
- (2) If at any time, the Museum desires to incur debt in excess of this ceiling, it may do so only upon consent given in writing by the Director of Finance, acting in his sole discretion and without requiring additional authorization from the City Council, but only insofar as the aggregate amount of debt outstanding (including the proposed debt and all outstanding debt) will not exceed \$40,000,000. The consent of the Director of Finance is specific to the particular debt with respect to which the consent is given and does not act to raise the ceiling described in subsection 5.6(a)(1), above, for purposes of any other borrowing. If the aggregate amount of debt outstanding plus the debt proposed to be incurred would exceed \$40,000,000, the Director of Finance may consent only upon additional authorization by a resolution or ordinance of the City Council.
- (3) If the Authority desires to incur any additional debt at any time during which the Museum has any debt outstanding as described in subsection 5.6(a)(1) or (2), the Authority may incur such additional debt only upon consent of the Director of Finance given upon additional authorization by a resolution or ordinance of the City Council.

Nothing in this Agreement obligates the City in any way with regard to any additional bonds or refunding bonds or with respect to any waiver of ~~the~~any required redemption schedule for ~~the~~any Museum Bonds.

(b) 2005 Commission Bonds.

- (1) Capitalized terms not defined but used in this subsection shall have the meanings set forth in the 2005 Bank Reimbursement Agreement.
- (2) ~~(b) The Museum~~2005 Commission Bonds were originally authorized to be issued in one or more issues and/or series in an aggregate principal amount not to exceed \$85 million, for the purpose of financing the Museum's transformation plan (including the downtown expansion, the Olympic Sculpture Park and the Asian Art Museum), capitalizing interest, funding reserves, and paying costs of issuance of the ~~Museum~~2005 Commission Bonds and the 2005 Bonds. The terms of the ~~Museum~~2005 Commission Bonds ~~were~~ as follows: variable rate bonds with a maximum term of 30 years, subject to prepayment in accordance with the 2005 Bank Reimbursement Agreement; a tax-exempt issue and a taxable issue; optional

redemption; extraordinary redemption; mandatory tender; optional tender; open market purchase; no acceleration (except term-out provisions provided for in the 2005 Bank Reimbursement Agreement) except in accordance with the applicable trust indenture for that issue of ~~Museum~~2005 Commission Bonds, notice of which shall be provided to the City at the same time as notice is provided to the parties to those ~~Museum~~2005 Commission Bonds; and covenants to set aside the OSP Endowment Pledge to maintain liquidity during construction of the Olympic Sculpture Park and downtown expansion. ~~Each issue of Museum~~The 2005 Commission Bonds is/were enhanced by a direct pay irrevocable letter of credit for the full outstanding principal amount of that issue and a specified number of days of interest. Pursuant to the 2005 Bank Reimbursement Agreement, the Museum ~~is/was~~ required to prepay the ~~Museum~~2005 Commission Bonds pursuant to a redemption schedule.

- (3) ~~(e)~~ ~~The security to be offered in relation to the Museum~~2005 Commission Bonds may include~~included~~: a security interest in the Capital Campaign Pledges and in the Collateral Account (as those terms are defined in the 2005 Bank Reimbursement Agreement), a security interest in collateral provided by certain third party donors to secure their Capital Campaign Pledges, a springing deed of trust on the Olympic Sculpture Park property, and a general contractual obligation of the Museum to pay the 2005 Commission Bonds.

(c) Future Museum Bonds. Upon consent of the City by ordinance of the City Council, the Museum may issue Future Museum Bonds for the purpose of providing working capital or for other purposes approved by the City Council by ordinance and paying costs of issuance of such Future Museum Bonds. The terms of any Future Museum Bonds shall be subject to approval by the City Finance Director given upon future authorization by ordinance of the City Council within parameters set forth therein based upon a borrowing proposal presented by the Museum. The terms of the Future Museum Bonds and the security that may be offered in relation to those Future Museum Bonds may not have the effect of diminishing the security held by the City pursuant to this Agreement except upon approval of the Mayor and an ordinance of the City Council.

(d) Covenants with respect to Additional Indebtedness. In connection with any Additional Indebtedness under this Section 5.6, except as expressly approved by future action of the City Council and the Mayor in accordance with subsection (c):

- (1) The Authority covenants to create or permit no leasehold or subleasehold interest in the MDA Unit or the Existing Museum Facility other than the Museum's leasehold interest created by the MDA Lease and subleases permitted by the Security Documents~~;~~<sub>;</sub>
- (2) The Museum covenants to create no leasehold or subleasehold interest in the Museum Expansion Unit other than the leasehold interest of an Office Space Tenant created by an Office Space Lease that includes the Tenant Payment Provisions, and subleases permitted by the Museum Expansion Unit Assignment of Rents unless approved by the City Finance Director in connection with a Bond Prepayment Plan~~;~~<sub>;</sub>

- (3) The Museum and the Authority each covenant: (~~1a~~) to grant no deed of trust (springing or otherwise) or other consensual lien or negative pledge, and to permit no nonconsensual lien (other than nonconsensual liens being contested by the Authority or the Museum in good faith so long as adequate provision is made for payment of the same, such that the City’s security interests are not jeopardized) with regard to the Museum Expansion Unit or the MDA Unit or the Existing Museum Facility (in each case, other than the deeds of trust and pledges granted to the City or placed in escrow for the City as security for this Agreement); and (~~2b~~) to create no lien and grant no negative pledge on any other asset of the Museum or the Authority other than: (i) the Olympic Sculpture Park and related assets (e.g., fixtures, improvements, leasehold interests, etc.) for so long as the Olympic Sculpture Park and those related assets are pledged as security under the Bank Reimbursement Agreement, (ii) the Capital Campaign Pledges, and (iii) the Collateral Account.

Section 5.7 Payment of Taxes and Assessments. The Authority represents that it has filed or caused to be filed all federal, state and local tax returns or information returns which are required to be filed with respect to the MDA Real Estate Parcels, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due and payable other than those payable without penalty or interest. In addition, the Authority agrees to pay, or cause to be paid, when due, all taxes and assessments, general or special, including, without limitation, all ad valorem taxes, concerning or in any way related to the MDA Real Estate Parcels, or any part thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments. The Authority has reserved the right to contest in good faith the legality of any tax or governmental charge concerning or in any way related to the MDA Real Estate Parcels.

The Museum represents that it has filed or caused to be filed all federal, state and local tax returns or information returns which are required to be filed with respect to the Museum Expansion Unit, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due and payable other than those payable without penalty or interest. In addition, the Museum agrees to pay, or cause to be paid, when due, all taxes and assessments, general or special, including, without limitation, all ad valorem taxes, concerning or in any way related to the Museum Expansion Unit, or any part thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments. The Museum has reserved the right to contest in good faith the legality of any tax or governmental charge concerning or in any way related to the Museum Expansion Unit.

Section 5.8 Additional Instruments. The Authority and the Museum each hereby covenants to execute and deliver such additional instruments and to perform such additional acts as may be necessary, in the reasonable opinion of the City Finance Director, to carry out the transactions contemplated in the Refunding Resolution, the Authorizing Resolutions and the Indenture, or to perfect or give further assurances of any of the rights granted or provided for in this Agreement or the Security Documents.

Section 5.9 Authority Board. The Authority and the Museum each hereby covenants that for so long as this Agreement remains in effect, no more than one-third of the members of the Authority Council shall also hold positions as board members, officers or employees of the Museum or be family members or employees of Museum board members, officers or employees.

Section 5.10 Museum Covenants and the Standby Security Documents.

(a) On or prior to the Closing Date, the Museum shall have executed and placed in escrow (with an escrow agent agreed upon by the Museum and the City Finance Director) the fully executed Standby Deed of Trust for the Museum’s fee interest in the Museum Expansion Unit (subject only to the Office Space Lease and the Museum Security Documents) for the benefit of the City and to secure the Museum’s obligations hereunder, together with the other fully executed Standby Security Documents, substantially in the forms attached as Exhibit E. If at any time the City notifies such escrow agent holding the Standby Security Documents that the Museum is not in compliance with or has failed to meet the requirements of any one or more of the covenants set forth in this Section 5.10, then the escrow agent shall record, file or deliver, as applicable, the Standby Security Documents consistent with the escrow instructions. In the event of the Museum’s failure to comply with Section 5.10(b) that results solely from an increase in Finance Director Determined Liability, the City shall not give notice to the escrow agent until at least 30 days after the City has provided notice to the Museum according to the last paragraph of Section 5.10(b), below. In all other circumstances, the City need not wait nor must the City provide any notice to the Museum prior to giving notice to the escrow agent that the Museum is not in compliance with or has failed to meet the requirements of any one or more of the covenants set forth in this Section 5.10 (including Section 5.10(b)), or that an event described in Section 5.12 has occurred. The Standby Security Documents shall be deemed to have been granted by the Museum at the time of recordation, filing or delivery, as applicable. Simultaneously with the recording of the Standby Deed of Trust, the Museum shall cause to be delivered one or more lender’s extended ALTA policies of title insurance, with respect to the Standby Deed of Trust, for the benefit of the City on forms, in substance and in amounts acceptable to the City Finance Director, with such endorsements as the City Finance Director shall request, in accordance with pro forma policies approved by the City Finance Director in accordance with Section 3.6(b).

(b) *Museum Covenants With Regard to Net Assets.* The Museum covenants that, so long as any obligation under this Agreement remains in effect:

- (1) The Museum shall maintain Museum Net Assets sufficient so that when the amount of Finance Director Determined Liability (if any, and only to the extent that the Museum has not treated such amount as a liability in computing Museum Net Assets) is subtracted from Museum Net Assets, the remainder is not less than \$90,000,000.
- (2) The Museum shall cooperate with the City and shall perform all actions required of it, as described in the procedure for determining the amount of Finance Director Determined Liability (if any).
- (3) At least annually and any time a certification under subsection (4) of this Section 5.10(b) is required, the Museum shall request the City Finance Director to confirm

the amount of Finance Director Determined Liability (if any) and, based upon the amount provided by the City Finance Director, shall deliver to the City a certification signed by the Executive Director and Chair of the Board of the Museum certifying that the amount of the Museum Net Assets, less Finance Director Determined Liability (if any, and only to the extent that the Museum has not treated such amount as a liability in computing Museum Net Assets), is not less than \$90,000,000.

- (4) The Museum shall annually deliver to the City a copy of the Museum’s audited financial statements (including all necessary supplemental documentation and the above certification signed by the Executive Director and the Chair of the Museum Board). The audited financial statements and necessary supplemental documentation and certification shall be delivered within ten Business Days after the Museum’s receipt of its audited financial statements. In addition, if the City notifies the Museum that the City desires additional assurance that the Museum is in compliance with the covenants set forth in this Section 5.10(b), the Museum either shall immediately provide unaudited financial statements prepared during the previous 30 days or shall provide immediate access to the Museum’s books for review by an independent auditor appointed by the City. Such independent auditor shall be provided access in order to provide the City with a report concerning compliance with the Museum covenants set forth in this subsection, and the cost of the auditor’s review and preparation of such report shall be shared equally by the City and the Museum. In addition, the Museum shall also immediately request the City Finance Director to confirm the amount of Finance Director Determined Liability (if any) and shall immediately provide a certification signed during the previous 30 days by the Executive Director and the Chair of the Museum Board as described in Section 5.10(b)(3), above.

If, at any time, the City Finance Director determines that Museum Net Assets (as determined based on the most recent audited financial statements) less the Finance Director Determined Liability that is not treated by the Museum as a liability in its most recent audited financial statements is less than \$90,000,000, the City shall notify the Museum in writing that the City intends to cause the escrow agent to record, file and deliver, as applicable, the Standby Security Documents consistent with the escrow instructions. Upon expiration of 30 days following the giving of such notice, the City may proceed to cause the recording, filing and delivery (as applicable) of the Standby Security Documents. The recording, filing and delivery (as applicable) of the Standby Security Documents shall serve to remedy in full the Museum’s breach of its covenants set forth in this Section 5.10(b). If the Standby Security Documents are recorded, filed and delivered (as applicable), the procedure for determining Finance Director Determined Liability shall be discontinued.

(c) *Prepayment of ~~Museum~~ 2005 Commission Bonds.* The capitalized terms used in this Section 5.10(c) but not defined in this Agreement shall have the meanings assigned to them in the 2005 Bank Reimbursement Agreement. The Museum covenants that, so long as any obligation under this Agreement remains in effect, during each year from and after April 1, 2008, if and to the extent that funds are available in the Collateral Account after deducting the Budget Disbursement Amounts set forth below, the Museum shall withdraw from the Collateral Account

and deposit with the trustee for the applicable issue of Museum Bonds (or with the Bank), all amounts required in order to redeem Museum2005 Commission Bonds so that the total aggregate amount of Outstanding Museum2005 Commission Bonds (as defined in the 2005 Bank Reimbursement Agreement) will be no greater than the Maximum Outstanding Museum2005 Commission Bond Amount set forth in the table below:

<u>Year ending April 1</u>	<u>Budget Disbursement Amount</u>	<u>Maximum Outstanding Museum2005 Commission Bond Amount<sup>1</sup></u>
2008	\$2,000,000 <sup>2</sup>	\$65,000,000
2009	\$2,900,000	\$60,000,000
2010	\$5,900,000	\$50,000,000
2011	\$5,000,000	\$40,000,000
2012	\$ 0	\$30,000,000
2013	\$ 0	\$20,000,000
2014 (and all subsequent years)	\$ 0	\$10,000,000

The escrow agent with regard to the Standby Security Documents shall be instructed that upon receipt of notice from the City that the Museum has failed to comply with this covenant, the escrow agent shall take the actions described in Section 5.10(a) to record, file or deliver, as applicable, the Standby Security Documents. Such recording, filing and delivery (as applicable) of the Standby Security Documents shall serve to remedy in full the Museum’s breach of its covenants set forth in this Section 5.10(c).

Section 5.11 Authority Covenant With Regard to Maintenance of Powers and Bankruptcy. As long as any obligation under this Agreement remains in effect, the MDA shall preserve its existence under the Act, and will not be dissolved or lose its right to exist as such or lose any rights necessary to enable it to function and to maintain the MDA Lease Revenues. The MDA shall at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, or assure the assumption of its obligations under the Lease, this Agreement and this Indenture by any corporation or political subdivision succeeding to its powers, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained, specifically including, but not limited to, any voluntary filing in bankruptcy, insolvency or similar proceedings.

Section 5.12 Termination of MDA Lease or Condemnation of MDA Unit. If the MDA

<sup>1</sup> In determining the amount of Museum Bonds that the Museum is required to optionally redeem, the Museum shall be permitted to take into account all Museum Bonds previously redeemed, whether pursuant to this table, the redemption schedule set forth in Schedule II to the Bank Reimbursement Agreement, or from any funds received by the Museum from any donation, gift, contribution or bequest made subject to donor restrictions or instructions that require the use of such funds to redeem, cause the redemption of, or otherwise prepay Museum Bonds.

<sup>2</sup> All listed Budget Disbursement Amounts, including the \$0 amounts listed in years 2012 through 2014 and all subsequent years, shall be automatically deemed increased by an amount equal to the cumulative amount of authorized, but unused, Capital Campaign Budget funds from prior years.



Lease terminates due to condemnation or if the Museum withholds rent or asserts for any reason that it is not obligated to pay any amount under the MDA Lease, the City shall have the remedy described in this section in addition to any other remedies available to it. The escrow agent with regard to the Standby Security Documents shall be instructed that upon receipt of notice from the City that an event described in this section has occurred, the escrow agent shall take the actions described in Section 5.10(a) to record, file or deliver, as applicable, the Standby Security Documents. The Standby Security Documents shall be deemed to have been granted by the Museum at the time of recordation, filing or delivery, as applicable. Simultaneously with the recording of the Standby Deed of Trust, the Museum shall cause to be delivered one or more lender's extended ALTA policies of title insurance, with respect to the Standby Deed of Trust, for the benefit of the City on forms, in substance and in amounts acceptable to the City Finance Director, with such endorsements as the City Finance Director shall request, in accordance with pro forma policies approved by the City Finance Director in accordance with Section 3.6(b) of the First Amended and Restated Guarantee Agreement.

## **ARTICLE 6.**

### **Events of Default and Remedies**

#### Section 6.1 Authority and Museum Defaults; Notice and Opportunity to Cure.

(a) *Events of Default.* Each of the following shall be an Event of Default and, except as provided in subsections (b) and (c), notice of such event shall constitute a Declaration of Default:

- (1) The City has made any advance to the Bond Trustee pursuant to its receipt of a Reserve Deficiency Notice and has not, within 20 days after the date that such advance was made, either: (1) been reimbursed in full, or (2) received a Reimbursement Schedule that is acceptable to the City; or
- (2) The Authority and the Museum both fail to pay or cause to be paid amounts required to reimburse the City under a Reimbursement Schedule accepted by the City; or
- (3) Either the Authority or the Museum fails to perform or observe any of its other obligations, covenants or agreements contained in this Agreement, including but not limited to: the failure to give any notice required under Section 4.2(c)(3) of this Agreement, and the failure to repay any amounts that have been previously paid to the City but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings; or
- (4) The MDA or the Museum fails to perform one or more of its obligations under any Security Document, the MDA Lease, the Office Space Lease, the Lockbox Addendum, the Indenture or the Bond Resolution; or
- (5) Any representation or warranty of the Authority or the Museum is determined by the City Finance Director to have been materially false when made or as of the Acquisition Date.
- (6) Five business days prior to the expiration or termination date of any property or liability insurance policy, the City has not received Evidence of Insurance and/or Binders (as required by Exhibit I) and the broker opinion letter required by Exhibit

I all demonstrating to the City Finance Director’s reasonable satisfaction that the renewal/replacement policy complies with all requirements of Exhibit I.

- (7) Issuance of (i) notice of cancellation of any insurance required by Exhibit I, or (ii) notice of any change to an insurance policy submitted under the insurance covenant in Section 5.4, that: (A) reduces coverage limits below those required under Exhibit I; (B) reduces or eliminates the earthquake insurance or the terrorism insurance below what is required by Exhibit I; or (C) removes any of the following statuses with respect to any of the City, the Bond Trustee, or the Lockbox Agent: (1) additional insured, (2) loss payee, or (3) mortgagee, including provision(s) providing for waivers of subrogation benefiting the City, the Bond Trustee, and the Lockbox Agent.
- (8) Any other breach of any insurance covenant in Section 5.4 or in Exhibit I.

(b) *Notice of Default; Opportunity to Cure; Declaration of Default.* Notice of an Event of Default under paragraphs (1) through (4) of subsection (a) shall not constitute a Declaration of Default until the City Finance Director has issued a notice stating that such notice is a “Declaration of Default.” The City Finance Director shall issue a Declaration of Default under this subsection (b) only after:

- (1) The City Finance Director shall give notice to the Authority, the Museum, the Lockbox Agent and the Bond Trustee of such default specifying the same and stating that such notice is a “Notice of Default”; and
- (2) Thirty days have elapsed since the giving of such notice to correct the default and the event, condition or circumstance giving rise to the default has not been corrected. However, if the default stated in the notice is of such a nature that it cannot be completely remedied within the 30 days, the City Finance Director shall not issue a Declaration of Default hereunder so long as: (i) the applicable party institutes corrective action within 30 days and diligently pursues such action until the default is corrected (which shall extend to no more than 120 days after the date of the Notice of Default, unless an extension is obtained from the City Finance Director); and (ii) in the opinion of Bond Counsel, the failure to cure said default within 30 days will not adversely affect the exemption from federal income taxation of interest on the Bonds.

(c) *Insurance Defaults; Opportunity to Cure.* Each event described under paragraphs (6) through (8) of subsection (a) shall be an Event of Default from the time of its occurrence, and upon expiration of the applicable cure period as described in this section, shall constitute a Declaration of Default without the necessity of any notice of default or Declaration of Default being sent by the City. If any notice by the City is required under subsection (d), this requirement shall not affect the timing of an Event of Default or Declaration of Default under this section. The following cure periods shall apply from the occurrence of the default:

- (1) An insurance default under Section 6.1(a)(6) shall have a cure period that expires on the last business day prior to the expiration or termination date of the applicable property or liability insurance policy, but if the default does not relate to coverage

types and levels, and instead relates only to the form of the policy or the manner in which the parties' insured interests are identified, then the parties agree that the cure period will be extended (not to exceed 30 calendar days) to allow for completion of arbitration before an independent arbitrator as described in Exhibit K.

- (2) An insurance default under Section 6.1(a)(7) shall have a cure period that expires at the effective date and time of the reduction, cancellation or change identified in the notice.
- (3) An insurance default under Section 6.1(a)(8) shall have a 30 calendar day cure period.

All cure periods described in this subsection (c) shall run from the date of the occurrence of the Event of Default, and the cure periods (and extensions thereof) under Section 6.1(b) shall be inapplicable.

(d) If the City Finance Director determines that an insurance default under Section 6.1(a)(6), (7), or (8) has occurred, and the City Finance Director intends to pay an unpaid premium or obtain replacement insurance, the City Finance Director shall provide to the Authority, the Museum, the Lockbox Agent and the Bond Trustee notice of his intent at least one business day prior to taking such action. This notice shall not extend or otherwise affect the cure periods set forth in Section 6.1(c), which shall run from the occurrence of the Event of Default and not from the date of the notice. Failure or deficiency in the giving or receiving of notice under this paragraph shall not in any way affect the City's rights and available remedies under this Guarantee Agreement and the Security Documents, and shall not affect the City's right to exercise those remedies at the expiration of the cure periods described in Section 6.1(c).

## Section 6.2 Rights and Remedies of City on Authority or Museum Default.

(a) *Remedies Available.* Upon a Declaration of Default (including at the expiration of a cure period described in Section 6.1(c)), the City at its sole option may take any one or more of the following steps:

- (1) The City may take whatever action at law or in equity may appear necessary or desirable to collect the payments required to be made by the Authority and the Museum under this Agreement and the Security Documents, or to enforce performance and observance of any obligation or agreement of the Authority under the Security Documents.
- (2) The City may proceed to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained herein (including without limitation the enforcement of the requirement that notice of extraordinary redemption be sent), or for the enforcement of any other appropriate legal or equitable remedy, as the City may deem most effectual to protect and enforce any of its rights or interests under this Agreement and the Security Documents.
- (3) If, and only if, the Bonds are no longer outstanding, then in the case of an Event of Default resulting from the failure of both the Authority and the Museum to fulfill

their reimbursement obligations under this Agreement, the City may declare the entire principal balance of the advance (if not then due and payable) to be due and payable immediately, and upon any such declaration the principal of the advance shall become and be immediately due and payable, together with all interest accrued thereon to the date of such acceleration, anything in this Agreement to the contrary notwithstanding.

(b) *Additional Insurance Default Remedies.* In the event of a default described in Section 6.1(a)(6), (7), or (8), on the last business day of the applicable cure period under Section 6.1(c), the City, in the City Finance Director’s sole discretion and without waiving any other remedies, may:

- (1) (i) pay any unpaid premium; or (ii) procure or provide such insurance as the City Finance Director in his sole discretion deems necessary to protect the City’s interest (including insurance protecting the interests of the Bond Trustee and Lockbox Agent under this Agreement), not to exceed the requirements of Exhibit I. In so doing, the City may act at the City Finance Director’s absolute sole discretion as to the insurance carrier(s) selected, the cost paid, the terms of the policy(ies) chosen, and coverages (not to exceed the requirements of Exhibit I), and shall be under no obligation to act in a commercially reasonable manner.
- (2) During the period beginning on the fifth business day prior to the end of the applicable cure period, if the City Finance Director has a reasonable basis to conclude, based on the information available to him, that the default will not be cured, the City may proceed to arrange for replacement insurance to be placed effective no earlier than the final day of the cure period, and the Authority and the Museum shall be jointly and severally obligated to reimburse the City for any costs incurred, including interest computed in accordance with Section 3.2(b).
- (3) Any policy placed by the City under this Section 6.2(b) shall remain in effect until the City Finance Director has been satisfied that the Authority or the Museum has caused other insurance to be obtained that meets the requirements of Exhibit I, and shall be subject to cancellation (and refund of unearned premium) to permit the Authority or the Museum to place (or cause placement of) replacement insurance. To carry out the foregoing, within 5 business days after the City Finance Director’s receipt of binders and/or evidence of insurance (as applicable) submitted by the Authority or the Museum in order to demonstrate that such replacement insurance is in compliance with Exhibit I: (i) if the City Finance Director is satisfied that the Exhibit I requirements have been met, the City shall give any required notice of cancellation of the City-placed insurance; or (ii) if the City Finance Director is not satisfied that the Exhibit I requirements have been met, the City shall invoke the arbitration procedure described in Section 6.1(c)(1). If and to the extent that any reimbursement of premium to the City (from its insurance company) causes the City to have recovered in total more than the costs it incurred arising from an Event of Default under Section 6.1(a)(6), (7), or (8), the excess shall be returned to the Authority or the Museum (or credited against any amount due from the Authority or the Museum) after the City has been made whole.

(c) *Reimbursement of Insurance Payments.* The following provisions shall govern reimbursement of the City’s costs incurred in connection with the placement or procurement of replacement insurance by the City pursuant to Section 6.1(d):

- (1) The Authority and the Museum each jointly and severally agree to reimburse the City, within 5 business days after demand, for any insurance premium paid by the City hereunder (whether force-placed or otherwise) and all costs, including without limitation, any insurance premium(s), interest on such premium payment(s) and any other costs or fees the City may incur in obtaining the insurance. City costs incurred during the period described in Section 6.2(b)(2) are recoverable even if the Authority or the Museum cures the default. The obligations of the Authority and the Museum to reimburse the City under paragraph (1) of this subsection is secured by the Security Documents. This reimbursement obligation is not governed by the provisions under Section 3.2 for reimbursement of advances made to the Bond Trustee (except as reference may be made to Section 3.2(b) for calculation of appropriate interest rates on reimbursement obligations). Notice of the demand shall be sent by the City to the Authority, the Museum, the Lockbox Agent and the Bond Trustee.
- (2) If the Museum and the Authority fail to reimburse the City in full within 5 business days after demand, the City Finance Director may deliver notice to the Lockbox Agent (with copies to the Bond Trustee, the Authority and the Museum) that the Authority and the Museum have failed to reimburse City for such insurance payments, and the Lockbox Agent shall act in accordance with Section 4.1(b).

In addition to receiving the excess funds from the Bond Trustee and Lockbox Agent, the City may also pursue any and all other remedies available to it to recover reimbursement for any and all costs, including without limitation, any insurance premium(s), interest on such premium payment(s) and any other costs or fees the City may incur in obtaining replacement insurance.

(d) *Effect of Waiver in Accordance with City Ordinance.* The City (through the City Finance Director or by Council ordinance, as applicable, in accordance with the City Ordinance) may waive any Authority or Museum default and may rescind a Declaration of Default and its consequences; but no such waiver, rescission or annulment shall extend to or affect any subsequent Authority or Museum default or impair any right incident thereto.

### Section 6.3 City Default; Bond Trustee Default.

(a) *City Default.* Upon the occurrence of a City Default, the Authority or the Bond Trustee may proceed to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority or the Bond Trustee, as applicable, may deem most effectual to protect and enforce any of its rights or interests hereunder.

(b) *Default by Trustee or Lockbox Agent.* It shall constitute a default of this Agreement by the Bond Trustee or the Lockbox Agent if either, as applicable, fails to perform one or more of its obligations required under this Agreement. In the event of a default by the Bond Trustee or the Lockbox Agent, the Authority or the City may take such action to compel the Bond Trustee to

perform its defaulted obligation, including but not limited to the commencement and prosecution of appropriate legal or equitable proceedings, as the Authority or the City, as applicable, may deem most effectual to protect and enforce any of its rights or interests hereunder. Nothing in this section shall limit the City’s right to recover damages in an appropriate case.

Section 6.4 No Remedy Exclusive. No remedy conferred upon or reserved to any party by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or the Indenture or now or hereafter existing at law or in equity or by statute, and either party hereto shall be free to pursue, at the same time, each and every remedy, at law or in equity, which it may have under this Agreement, under the Indenture or otherwise.

Section 6.5 No Implied Waiver. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. For the exercise of any remedy, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

## **ARTICLE 7. Miscellaneous**

Section 7.1 Governing Law; Venue. This Agreement is governed by and shall be construed in accordance with the substantive laws of the State of Washington and shall be liberally construed so as to carry out the purposes hereof. Except as otherwise required by applicable law, any action under this Agreement shall be brought in the Superior Court of the State of Washington in and for King County.

Section 7.2 Notices. All notices, certificates or other communications shall be in writing and shall be sufficiently given and shall be deemed given (except for notices to the Bond Trustee or the Lockbox Agent, which shall be deemed given only when actually received) using the notice addresses in this section: (a) ~~for all communications 10 or fewer pages in length (including any transmittal cover sheet),~~ on the Business Day on which the same have been transmitted by ~~facsimile or~~ electronic mail with a telephone call by sender immediately to follow confirming receipt and verbal confirmation by recipient, with a hard copy to follow via a commercial messenger or courier service that guarantees next day delivery, or (b) ~~for all other communications,~~ on the Business Day following the day on which the same have been sent using same day or overnight delivery via a commercial messenger or courier service that guarantees next day delivery.

If to the City:

The City of Seattle  
~~Department~~Office of City Finance and Administrative  
Services  
600 Fourth Avenue, Sixth Floor, Debt Management  
M/S-42-80  
PO Box 94669  
Seattle, WA 98124-4747Washington 98104

Attn: Director of Debt Management  
Telephone  
Phone: (206) 684-8347  
Fax: (206) 684-8534233-0026  
Email: Kristi.beattie@seattle.gov

If to the Authority: Museum Development Authority of Seattle  
1300 First Avenue  
Seattle, WA 98101  
Attn: Chair  
Telephone: (206) 344-5260  
~~Fax: (206) 654-3135~~Email:

If to the Museum: Seattle Art Museum  
1300 First Avenue  
Seattle, WA 98101  
Attn: Chief Financial Officer  
Telephone: (206) 654-3150  
~~Fax: (206) 654-3135~~Email:

If to the Lockbox Agent: U.S. Bank Trust Company, National Association  
1420 Fifth Avenue, 7th Floor  
Seattle, WA 98101  
Attn: Corporate Trust Services  
Telephone: (206) 344-4681  
~~Fax: (206) 344-4630~~\_\_\_\_\_  
Email:

If to the Bond Trustee: U.S. Bank Trust Company, National Association  
1420 Fifth Avenue, 7th Floor  
Seattle, WA 98101  
Attn: Corporate Trust Services  
Telephone: (206) 344-4681  
~~Fax: (206) 344-4630~~\_\_\_\_\_  
Email:

Any party may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 7.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Authority, the Museum, the Bond Trustee, the Lockbox Agent and their successors. This Agreement may not be assigned, except that the Authority, acting alone, shall have the right to assign to the Bond Trustee the right to obtain performance by the City of its obligation under this Agreement for the benefit of the owners of the Bonds.

Section 7.4 Indemnification. The Authority and the Museum, jointly and severally, shall indemnify, hold harmless and defend the City, and its officers, agents and employees from and against: (i) any and all claims by or on behalf of any person arising from any cause whatsoever

in connection with this Agreement, any of the Security Documents, the financing of the Project or the making of any advance under this Agreement, other than claims established to be caused by the sole negligence or willful misconduct of the City or its officers, agents or employees; (ii) any and all claims arising from any act or omission of the Authority, the Museum, the Bond Trustee, the Lockbox Agent, the escrow agent for the Standby Security Documents, or any other agents, servants, employees or licensees of the Authority or the Museum, in connection with any advance under this Agreement, the Project or the Museum Expansion Unit; and (iii) all reasonable costs, counsel fees, or liabilities incurred in connection with any such claim or proceeding brought thereon. In the event that any action or proceeding is brought against the City, its officers, agents or employees, with respect to which indemnity may be sought hereunder, the Authority and the Museum, each upon written notice from the City, shall assume the investigation and defense thereof, including the employment of counsel selected by the City and the payment of all expenses related thereto, provided, that no settlement of a claim or proceeding against the City shall occur without the consent of the City. The rights of the City under this section shall survive final payment or defeasance of the Bonds. Notwithstanding any other provision to the contrary, the indemnification in this section does not apply to matters covered by the Hazardous Substances Certifications.

Section 7.5    Payment of City’s Costs and Attorneys’ Fees.

(a) *City Costs.* The Authority and the Museum jointly and severally agree to pay, or cause to be paid, as and when the same become due:

- (1) All amounts due to the City under the Cost Reimbursement Agreement;
- (2) Upon written notice from the City, all costs and expenses reasonably incurred by the City in connection with: (i) the making of any advance made by the City under this Agreement, and (ii) the enforcement of this Agreement or the security interests represented by the Security Documents; and
- (3) All costs incurred in connection with any federal or state tax audit or any audit or investigation or enforcement action by the Securities and Exchange Commission or other agency with respect to the Bonds.

(b) *Agreement to Pay Attorneys’ Fees and Expenses.* If a default arises under any of the provisions of this Agreement and any party hereto should employ attorneys or incur other expenses for the collection of amounts due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of the other party contained in this Agreement, on demand therefor, the nonprevailing party or parties shall pay or reimburse the prevailing party or parties for the reasonable fees of such attorneys and such other expenses so incurred.

Section 7.6    Compliance with Usury Laws. Notwithstanding any other provision of this Agreement, it is agreed and understood that in no event shall this Agreement or any Reimbursement Schedule relating to this Agreement be construed as requiring the Authority or any other person to pay interest and other costs or considerations that constitute interest under any applicable law which are contracted for, charged or received pursuant to this Agreement in an amount in excess of the maximum amount of interest allowed under any applicable law.



In the event of any acceleration of the payment of any amount advanced under this Agreement, that portion of any interest payment in excess of the maximum legal rate of interest, if any, provided for in this Agreement or related documents shall be cancelled automatically as of the date of such acceleration, or if theretofore paid, credited against the Authority's and the Museum's obligations, as applicable, under the Cost Reimbursement Agreement.

The provisions of this Section shall prevail over any other provision of this Agreement.

Section 7.7 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 7.8 Amendments. This Agreement may not be effectively amended, changed, modified or altered, except by an instrument in writing duly executed by the City, the Authority and the Museum (or their successors in title) and unless, in the opinion of Bond Counsel to the Authority, such amendment will not adversely affect the owners of the Bonds, the consent of the affected owners of the Bonds is obtained. For illustrative purposes, the parties agree that any amendment to Sections 3.1, 3.5, 4.1, 4.2, 4.6, 4.8 (except for amendments pursuant to the procedures set forth in such section), 5.11 and 6.3 shall be deemed to adversely affect the owners of the Bonds and any such amendment shall require that the consent of the affected owners of the Bonds is obtained.

Section 7.9 Termination of Agreement. This Agreement and all obligations hereunder, except for those obligations that expressly survive termination of the Agreement (including, without limitation: (i) the obligation of the City to make advances in the case of a Bankruptcy Recovery, (ii) the obligations of the Authority and the Museum to reimburse the City for all amounts advanced under this Agreement, and (iii) all instruments and agreements securing the Authority's and Museum's reimbursement obligations), shall terminate upon the full payment, purchase and retirement, redemption or defeasance of all of the Bonds.

Section 7.10 Waivers and Consents. No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults that were in existence at the time such payment or payments or performance were accepted by it.

City waivers and consents under this Agreement are effective only if given in the manner described in, and in all other respects consistent with, the City Ordinance.

Section 7.11 Rights Created in Third Parties. The terms of this Agreement are not intended to establish nor to create any rights in any persons or entities other than the City, the Authority, the Museum, the Bond Trustee, the Lockbox Agent and the respective successors and assigns of each.

Section 7.12 Time of Essence. Time and all terms and conditions shall be of the essence of this Agreement.

Section 7.13 Oral Agreements Not Enforceable. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Section 7.14 Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

**THE CITY OF SEATTLE**, a municipal corporation

By \_\_\_\_\_

**THE MUSEUM DEVELOPMENT AUTHORITY**, a public corporation

By \_\_\_\_\_

**THE SEATTLE ART MUSEUM**, a nonprofit corporation

By \_\_\_\_\_

Acknowledged and Accepted by:

**U.S. BANK TRUST COMPANY**,  
NATIONAL ASSOCIATION, as Bond  
Trustee

By \_\_\_\_\_

Acknowledged and Accepted by:

**U.S. BANK TRUST COMPANY**,  
NATIONAL ASSOCIATION, as Lockbox  
Agent

By \_\_\_\_\_

**Exhibit A**  
**Payment Schedules**

A-1..... Bond Debt Service Schedule  
A-2..... MDA Lease Payment Schedule  
A-3..... Office Space Lease Payment Schedule

[This space intentionally left blank.]

**Exhibit B**  
**Legal Descriptions of Real Property**

It is the intent of the parties that the MDA Unit will comprise approximately all of the area commonly referred to as floors 1-4, and the Museum Expansion Unit will comprise approximately floors 5-12, of the structure referred to in the Development Agreement as the “Museum Units.”

**1. The Existing Museum Facility is described as:**

Parcel A of the City of Seattle Lot Boundary Adjustment No. 2207977, as recorded under Recording No. 20030417900008, records of King County;

Situate in the City of Seattle, County of King, State of Washington.

**2. The MDA Unit is described as:**

Museum Unit One (1) of WASHINGTON MUTUAL – SEATTLE ART MUSEUM PROJECT, a Condominium, recorded in 215 of Condominiums, pages 5 through 31, according to the Declaration thereof recorded under King County Recording Number 20060329000201 and any amendments thereto;

TOGETHER WITH: An undivided interest in the common elements and limited common elements as more particularly described in the Declaration.

Situate in the City of Seattle, County of King, State of Washington.

**3. The Museum Expansion Unit is described as:**

Museum Units Two (2), Three (3), Four (4), Five (5) and Six (6) of WASHINGTON MUTUAL – SEATTLE ART MUSEUM PROJECT, a Condominium, recorded in Volume 215 of Condominiums, pages 5 through 31, according to the Declaration thereof recorded under King County Recording Number 20060329000201 and any amendments thereto;

TOGETHER WITH: An undivided interest in the common elements and limited common elements as more particularly described in the Declaration.

Situate in the City of Seattle, County of King, State of Washington.

**Exhibit C**  
**Selected MDA Security Documents**

- C-1 ..... Form of MDA Deed of Trust and First Amendment
- C-2 ..... Form of MDA Hazardous Substances Certification

[This space intentionally left blank.]

**Exhibit D**  
**Selected Museum Security Documents**

- D-1.....Form of Museum Assignment and First Amendment
- D-2.....Form of Tenant Payment Agreement

[This space intentionally left blank.]

**Exhibit E**  
**Selected Standby Security Documents**

- E-1 ..... Form of Standby Deed of Trust
- E-2 ..... Form of Hazardous Substances Agreement
- E-3 ..... Form of Escrow Instructions

[This space intentionally left blank.]

**Exhibit E-3**  
**Form of Escrow Instructions**  
with regard to the Standby Security Documents

We hereby deposit with you in escrow:

[Insert list of Standby Security Documents]

You are authorized to:

1. Record the Standby Deed of Trust with the King County Recorder.
2. File the Financing Statement with the Washington State Department of Licensing, Uniform Commercial Code Division.
3. Record the Standby SNDA Agreement with the King County Recorder.
4. Deliver the Standby Environmental Indemnity to the City.
5. \_\_\_\_\_.

WHEN AND ONLY WHEN, you have received a notice from the City that the Museum has failed to keep any one or more of the covenants described in Section 5.10 of the Guarantee Agreement, or an event described in Section 5.12 has occurred, you shall take the actions listed in 1-5 above within one business day of receiving such notice. After taking the actions listed in 1-5 above, you shall notify all parties hereto that you have done so.

You shall act solely at the direction of the City with respect to the above, and need not, and shall not, obtain or attempt to obtain the concurrence of any other party before acting.

This escrow may be terminated only with the written consent of all parties hereto.

**THE CITY OF SEATTLE**, a municipal  
corporation

By \_\_\_\_\_

**THE SEATTLE ART MUSEUM**, a nonprofit  
corporation

By \_\_\_\_\_

Acknowledged and Accepted by:  
**[Escrow Agent]**

By \_\_\_\_\_



**Exhibit F**  
**Project Description**

The Project consisted of the acquisition, equipping and furnishing of a condominium (the “MDA Unit”) and related improvements to the existing downtown art museum to accommodate the expansion of the existing downtown art museum. The condominium was constructed as part of a joint development by a limited liability company of which the MDA, the Museum and WAMU were members. The development is on the east side of the block bounded by First and Second Avenues and University and Union Streets in downtown Seattle.

The MDA acquired the MDA Unit for lease to the Museum for museum expansion space. The MDA Unit consists of four floors of new construction, totaling approximately 118,000 square feet, roughly doubling the size of the downtown museum space when combined with the existing downtown art museum facility designed by Venturi, Scott, Brown & Associates. Other condominiums in the development were acquired by the Museum for future museum expansion (to be leased in the interim period pursuant to a long-term lease). The MDA Unit was completed for acquisition in February, 2006, and the expanded museum opened in 2007.

**Exhibit G**  
**Forms of Notices**

- G-1 ..... Form of Bond Trustee’s Notice
- G-2 ..... Form of Lockbox Agent’s Notice

[This space intentionally left blank.]

**Exhibit G-1-1**  
**Form of Bond Trustee’s Notice**

Under Section 3.5 of the Guarantee and Reimbursement Agreement  
relating to the  
**Museum Development Authority of Seattle**  
\$ \_\_\_\_\_ **Special Obligation Refunding Bonds, 20142024**

**DATE OF NOTICE:** \_\_\_\_\_

**GIVEN TO:**

<p>The City of Seattle <del>Department</del><u>Office of City Finance</u> <del>600 Fourth Avenue, Sixth Floor</del> <del>P.O., Debt Management</del> <del>M/S-42-80</del> <del>PO Box 9474794669</del> <del>Seattle, WA 98124-4747</del><u>Washington 98104</u> Attn: <u>Director of Debt Management</u>  Telephone: (206) 684-8347 Fax: (206) 684-8534 Phone: (206) 233-0026 Email: <u>Kristi.beattie@seattle.gov</u></p>	<p>U.S. Bank <u>Trust Company</u>, National Association 1420 Fifth Avenue, 7th Floor Seattle, WA 98101 Attn: Corporate Trust Services  Telephone: (206) 344-4681 <del>Fax: _____</del> Email: (206) 344-4630</p>
--	--

<p>Museum Development Authority of Seattle 1300 First Avenue Seattle, WA 98101 Attn: Chair  Telephone: (206) 344-5260 Fax&gt;Email: (206) 654-3135</p>	<p>Seattle Art Museum 1300 First Avenue Seattle, WA 98101 Attn: Chief Financial Officer  Telephone: (206) 654-3150 Fax&gt;Email: (206) 654-3135</p>
--	---

**NOTICE OF RESERVE ACCOUNT BALANCE**

**NOTICE** is hereby given that as of the date set forth above, the Bond Trustee has determined the balance in the Reserve Account, as shown below, pursuant to the Indenture and the Guarantee and Reimbursement Agreement.

Reserve Account Balance as of    /    /20    :    \$

**NOTICE OF DRAW ON RESERVE ACCOUNT & RESERVE REPLENISHMENT  
(to be given in event of Draw on Reserve)**

**NOTICE** is hereby given that on the Interest Payment Date set forth above, a draw was made on the Reserve Account in the amount of \$ \_\_\_\_\_ for the purpose of paying principal of and/or interest on the Bonds. The amount of the draw was determined pursuant to the Indenture.

**A REQUEST** is hereby made for payment by the Authority to the Bond Trustee of [Insert the amount necessary to replenish the Reserve Account to the Reserve Requirement] on or before 5:00 p.m., Seattle time, on [insert date of next succeeding Valuation Date], in accordance with the Guarantee and Reimbursement Agreement.

**NOTICE RE: RESERVE REPLENISHMENT (to be given on Valuation Date)**

**NOTICE** is hereby given that on the Valuation Date (as defined in the Guarantee Agreement), the Bond Trustee has not received payment from the Authority in the amount necessary to replenish the Reserve Account to the Reserve Requirement.

**A REQUEST** is hereby made for payment by the Museum to the Bond Trustee of [Insert the amount necessary to replenish the Reserve Account to the Reserve Requirement] on or before 5:00 p.m., Seattle time, on the date that is 5 Business Days after the date of this Notice, in accordance with the Guarantee and Reimbursement Agreement.

**NOTICE RE: RESERVE REPLENISHMENT**

**NOTICE** is hereby given that on the date that was 5 Business Days following the giving of a 2nd notice requesting Reserve Replenishment, the Bond Trustee has not received payment from the Museum in the amount necessary to replenish the Reserve Account to the Reserve Requirement.

**A REQUEST** is hereby made for the Authority take action under Section 4.4 of the Guarantee and Reimbursement Agreement and under Section 3.2 of the MDA Lease.

**NOTICE OF RESERVE DEPOSIT**

**NOTICE** is hereby given that as of the date written below, the Bond Trustee has received the amount written below for deposit into the Reserve Account.

Date of Reserve Deposit: \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Reserve deposit amount: \$ \_\_\_\_\_

**NOTICE OF RESERVE DEFICIENCY**

**NOTICE** is hereby given that on the Interest Payment Date set forth below, payment from the City in the amount equal to the Reserve Deficiency is due. The Reserve Deficiency has been determined pursuant to the above-referenced Guarantee and Reimbursement Agreement.

**A REQUEST** is hereby made for payment by the City of such Reserve Deficiency, at or before 10:00 a.m., Seattle time, on the Business Day prior to the Interest Payment Date set forth below, in accordance with the Guarantee and Reimbursement Agreement.

Reserve Account Reconciliation Date: \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Interest Payment Date: \_\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Reserve Requirement: \$ \_\_\_\_\_

Less: Total Reserve Assets: (\$ \_\_\_\_\_)

**Reserve Deficiency:** \$ \_\_\_\_\_

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE**

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit G-2**  
**Form of Lockbox Agent’s Notice**

Under Section 3.5 of the Guarantee and Reimbursement Agreement  
relating to the

**Museum Development Authority of Seattle**  
**\$ \_\_\_\_\_ Special Obligation Refunding Bonds, 20142024**

**DATE OF NOTICE:** \_\_\_\_\_

**GIVEN TO:**

\_\_\_\_\_

~~The City of Seattle~~  
~~Department of Finance~~  
~~600 Fourth Avenue, Sixth Floor~~  
~~P.O. Box 94747~~  
~~Seattle, WA 98124-4747~~  
~~Attn: Director~~  
  
~~Telephone: (206) 684-8347~~  
~~Fax: (206) 684-8534~~

~~Seattle Art Museum~~  
~~1300 First Avenue~~  
~~Seattle, WA 98101~~  
~~Attn: Chief Financial Officer~~  
  
~~Telephone: (206) 654-3150~~  
~~Fax: (206) 654-3135~~

**GIVEN TO:**

~~Museum Development Authority~~~~The City~~  
~~of Seattle~~  
~~1300 First Avenue~~~~Office of City Finance,~~  
~~Debt Management~~  
~~M/S-42-80~~  
~~PO Box 94669~~  
~~Seattle, WA 98101~~~~Washington 98104~~  
~~Attn: Chair~~~~Director of Debt Management~~  
  
~~Telephone: (206) 344-5260~~  
~~Fax: (206) 654-3135~~~~Phone: (206) 233-0026~~  
~~Email: [Kristi.beattie@seattle.gov](mailto:Kristi.beattie@seattle.gov)~~

~~U.S. Bank Trust Company, National~~  
~~Association~~  
~~1420 Fifth Avenue, 7th Floor~~  
~~Seattle, WA 98101~~  
~~Attn: Corporate Trust Services~~  
  
~~Telephone: (206) 344-4681~~  
~~Fax~~~~Email: (206) 344-4630~~

Museum Development Authority of Seattle  
1300 First Avenue  
Seattle, WA 98101  
Attn: Chair

Telephone: (206) 344-5260  
Email:

[Office Space Tenant]  
[Notice Address]

Seattle Art Museum  
1300 First Avenue  
Seattle, WA 98101  
Attn: Chief Financial Officer

Telephone: (206) 654-3150  
Email:

**NOTICE OF FAILURE TO RECEIVE OFFICE SPACE LEASE PAYMENT**

**NOTICE** is hereby given that the undersigned Lockbox Agent did not receive payment in full on *[insert date]* of amounts scheduled for payment and due on that date. The amount that remains due and owing as of the date of this Notice is \$ \_\_\_\_\_. This notice is sent in accordance with Section 3.5(a) of the Guarantee and Reimbursement Agreement.

**A REQUEST** is hereby made for immediate payment by the Office Space Tenant of the amount remaining due and unpaid, in accordance with the Office Space Lease and the Tenant Payment Agreement.

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS LOCKBOX AGENT**

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit H**  
**Certificates regarding**  
**Representations and Warranties**

H-1 ..... Form of Authority Certificate  
H-2 ..... Form of Museum Certificate

[This space intentionally left blank.]

**Exhibit H-1**  
**Form of**  
**AUTHORITY CERTIFICATE**

With respect to the ~~Second~~Third Amended and Restated Guarantee and Reimbursement Agreement, dated as of ~~April 29~~\_\_\_\_\_, ~~2014~~2024 (the “Guarantee Agreement”) by and among The City of Seattle (the “City”), the Museum Development Authority of Seattle (the “Authority”), the Seattle Art Museum (the “Museum”), U.S. Bank Trust Company, National Association, as Bond Trustee, and U.S. Bank Trust Company, National Association, as Lockbox Agent, regarding the Museum Development Authority of Seattle’s \$44,375,000\_\_\_\_\_ Special Obligation Refunding Bonds, ~~2014~~2024 (the “Bonds”) and for the benefit of the City, the owners of the Bonds and U.S. Bank Trust Company, National Association, in its capacity as Trustee for the Bonds (the “Bond Trustee”), the Authority makes the following certifications, representations, and warranties. Bond Counsel is specifically entitled to rely on the factual representations herein for the purposes of such firm’s opinions given in connection with the Guarantee Agreement.

All terms not otherwise defined herein are given the meanings and definitions contained in the Guarantee Agreement. The term “Authority Documents” as used in this certificate means, collectively, the Indenture, the Guarantee Agreement, the MDA Lease, the forms of the MDA Security Documents and all other documents delivered and to be delivered by the Authority to which it is or will be a party in connection with the requirements of the Guarantee Agreement.

1. I am the duly appointed Chair of the Authority Council and as such am authorized to provide this certification in connection with the Guarantee Agreement.
2. The Authority is a public corporation duly chartered by the City pursuant to RCW 35.21.730 et seq. and Seattle Municipal Code Chapter 3.110, qualified to transact business in the State of Washington. The corporate purpose of the Authority permits acquiring, constructing, equipping, owning, financing, refinancing and operating the MDA Unit.
3. The Authority Council has authorized, in a resolution adopted on \_\_\_\_\_, ~~2014~~2024 (the “MDA Authorizing Resolution”), the issuance of the Bonds for the purpose of refinancing the Project by carrying out a refunding of the Authority’s outstanding Special Obligation Bonds, ~~2005~~2014. The MDA Authorizing Resolution is in effect and constitutes a legal, valid, and binding obligation of the Authority, and has not been amended since adoption.
4. The Authority has full legal right, power and authority under its charter and the laws of the State to issue the Bonds, and to execute and deliver the Authority Documents, to be bound by the terms of those documents and to consummate the transactions described therein, and to take any and all such action as may be required of the Authority to carry out, give effect to and consummate the transactions contemplated thereby.
5. The Authority has duly authorized, executed and delivered the Authority Documents. The Authority has duly authorized the performance by the Authority of its obligations and the



consummation of the transactions contemplated under the Authority Documents.

6. The Authority Documents constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
7. Neither the execution and delivery of the Authority Documents, nor the consummation of the transactions contemplated therein, or the compliance with the provisions thereof, conflicts with, or constitutes on the part of the Authority a violation of, or a breach of or default under the Authority's organizational documents, or any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Authority is a party or by which the Authority is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of the Authority's activities or properties.
8. As required by Section 3.6(b) of the Guarantee Agreement, copies of the documents described in that section have been provided to and have been approved by the City Finance Director.
9. The Authority has complied with all agreements and covenants to be undertaken by the Authority and satisfied all conditions required under the Authority Documents on its part to be performed or satisfied prior to the Closing Date.
10. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of the Authority's knowledge, threatened, against or affecting the Authority or the actions taken or contemplated to be taken by the Authority, nor, to the best of the Authority's knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would: (i) affect or seek to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the execution and delivery of the Authority Documents; (ii) affect or question the validity or enforceability of the Bonds, or the Authority Documents, (iii) question the tax-exempt status of the Bonds, (iv) question the power or authority of the Authority to carry out the transactions contemplated by, or to perform its obligations under the Authority Documents, or the powers of the Authority to own, acquire, construct, equip, operate or lease the MDA Unit and to take assignment of rights with respect to the Museum Expansion Unit; or (v) materially affect the business, financial condition or operations of the Authority or the validity or enforceability of, any Authority Document, or which would in any way jeopardize the tax-exempt status of the interest on the Bonds.
11. No event has occurred and no condition exists which, with the passage of time, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an Event of Default under any Authority Document.
12. The Authority is not in material default under any document, instrument or commitment to which the Authority is a party or to which it or any of its property is subject which default would or could materially adversely affect the ability of the Authority to carry out its obligations under the Authority Documents.

13. The Authority will cause the proceeds of the Bonds received by it, if any, to be applied as provided in and subject to all of the terms and provisions of the Indenture and will observe all covenants in the Authority Documents.
14. The Authority will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by the Authority Documents, and will notify the City of any material adverse change in the Refunding Plan occurring before the Closing Date.
15. The Authority will not take any action or permit any action to be taken on the Authority's behalf, or cause or permit any circumstance within the Authority's control to arise or continue, if such action would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.
16. Except as identified in Section 5.6 of the Guarantee Agreement, the Authority has not and will not offer or issue any bonds, notes or other obligations for borrowed money. Additionally, the Authority has not incurred and will not incur any material liabilities, direct or contingent, or enter into any material transaction, which could reasonably be expected to affect payment of principal and interest on the Bonds.
17. There has been no material adverse change in the operations or condition, financial or physical, of the Authority or its properties since the date of the most recent audited financial statements.
18. The Authority will operate the facilities acquired or improved as part of the Project, or cause those facilities to be operated, either as governmental facilities or as facilities meeting all the requirements of Section 145 of the Code for so long as required by that section.
19. To the best of the Authority's knowledge, the Project and the operation of the facilities acquired or improved as part of the Project do not and will not conflict with any zoning, water, environmental or air pollution or other ordinance, order, law or regulation applicable thereto; the Authority has or will cause to be established an ongoing program to maintain the Project's compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality; and the Authority has not failed to obtain (or will obtain when required) and maintain in effect any material licenses, permits, franchises or other governmental authorizations necessary for the carrying out of the Project and the operation of facilities acquired or improved as part of the Project.
20. The Authority agrees that for so long as any provision of the Guarantee Agreement remains in effect, it will (subject to the provisions of SMC 3.110 and the Authority's Charter) maintain its existence as a public corporation under RCW 35.21.730 et seq. and continue to be duly qualified to do business in the State, and that will neither dispose of all or substantially all of its assets nor consolidate with or merge into another entity, unless (i) the City shall have first received from Bond Counsel an opinion to the effect that such disposal of assets, consolidation or merger will not cause the interest on the Bonds to become subject to federal income taxation; (ii) the acquirer of its assets or the entity with which it shall consolidate or into which it shall merge shall be a governmental entity or a nonprofit corporation organized and existing under

the laws of the United States of America or one of the states of the United States of America and shall be qualified and admitted to do business in the State; and (iii) such acquiring or remaining entity shall assume in writing all of the obligations of the Authority under the MDA Security Documents, subject to all of the limitations of liability applicable to the Authority.

21. Not more than one-third of the members of the Authority Council hold positions as board members, officers or employees of the Museum, or are family members or employees of persons who hold positions as board members, officers, or employees of the Museum.
22. The Authority has obtained or will timely obtain all consents, approvals, permits, authorizations and orders of any governmental or regulatory agency that are required to be obtained by the Authority that are required for the carrying out of the Project and the operation of the facilities acquired or improved as part of the Project.
23. Any certificate signed by any officer of the Authority and delivered to the City shall be deemed a representation and warranty by the Authority to the City as to the truth of the statements therein contained.

DATED as of ~~April 29~~ \_\_\_\_\_, ~~2014~~2024

THE MUSEUM DEVELOPMENT AUTHORITY  
OF SEATTLE

---

Chair of the Authority Council

**Exhibit H-2**  
**Form of**  
**MUSEUM CERTIFICATE**

With respect to the ~~Second~~Third Amended and Restated Guarantee and Reimbursement Agreement, dated as of ~~April 29~~\_\_\_\_, ~~2014~~2024 (the “Guarantee Agreement”) by and among The City of Seattle (the “City”), the Museum Development Authority of Seattle (the “Authority”), the Seattle Art Museum (the “Museum”), U.S. Bank Trust Company, National Association, as Bond Trustee, and U.S. Bank Trust Company, National Association as Lockbox Agent, regarding the Museum Development Authority of Seattle’s \$44,375,000\_\_\_\_\_ Special Obligation Refunding Bonds, ~~2014~~2024 (the “Bonds”) and for the benefit of the City, the owners of the Bonds and U.S. Bank Trust Company, National Association, in its capacity as Trustee for the Bonds (the “Bond Trustee”), the Museum makes the following certifications, representations, and warranties. Bond Counsel is specifically entitled to rely on the factual representations herein for the purposes of such firm’s opinions given in connection with the Guarantee Agreement.

All terms not otherwise defined herein are given the meanings and definitions contained in the Guarantee Agreement. The term “Museum Documents” as used in this certificate means, collectively, the Guarantee Agreement, the MDA Lease, the form of Office Space Lease, the forms of the Museum Security Documents, and all other documents delivered and to be delivered by the Museum to which it is or will be a party in connection with the requirements of the Guarantee Agreement.

24. I am the duly appointed Chair of the Board of Trustees of the Museum and as such am authorized to provide this certification in connection with the Guarantee Agreement.
25. The Museum is a nonprofit corporation duly and validly created and is validly existing under the laws of the State of Washington, described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”), and has all necessary licenses, approvals and permits required to operate its facilities and to implement the transactions contemplated under the Museum Documents.
26. The Museum has full legal right, power and authority: to acquire, lease and manage the Museum Expansion Unit; to lease and operate the MDA Unit; to enter into and carry out the transactions contemplated under the Museum Documents.
27. The Museum has duly authorized, executed and delivered the Museum Documents that are required to be executed and delivered on or as of Bond Closing, and has duly authorized and delivered forms of the Museum Documents that are required to be executed and delivered on or as of the Closing Date. The Museum has duly authorized the performance by the Museum of its obligations and the consummation of the transactions contemplated under the Museum Documents.
28. Upon execution and delivery, the Museum Documents constitute or will constitute legal, valid and binding obligations of the Museum enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
29. The execution and delivery by the Museum of the Museum Documents and the compliance with the obligations on its part contained therein or herein does not conflict with or constitute a breach of or a default under the articles of incorporation or bylaws of the Museum, or under ch. 24.03

- RCW (the “Washington Nonprofit Corporation Act”), or any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Museum is a party or to which the Museum or any of its properties or other assets is otherwise subject, nor does any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Museum or under the terms of any such law, regulation or instrument, except as provided or permitted by the Museum Documents.
30. Under its articles of incorporation, its bylaws and the Washington Nonprofit Corporation Act, no approval, consent or order of any governmental authority, legislative body, board, agency, or commission is required for the Museum to duly authorize the execution of the Museum Documents.
  31. The Museum has complied with all agreements and covenants to be undertaken by the Museum and satisfied all conditions required under the Museum Documents on its part to be performed or satisfied at or prior to Bond Closing.
  32. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of the Museum’s knowledge, threatened, against or affecting the Museum or the actions taken or contemplated to be taken by the Museum, nor, to the best of the Museum’s knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would: (i) affect or seek to prohibit, restrain or enjoin the execution and delivery of the Museum Security Documents; (ii) affect or question the validity or enforceability of the Museum Security Documents, (iii) question the power of the Museum to carry out the transactions contemplated by, or to perform its obligations under the Museum Security Documents, or the powers of the Museum to own, acquire, construct, equip, operate or lease the Museum Expansion Unit and to assign its rights with respect to the Museum Expansion Unit; or (iv) materially affect the business, financial condition or operations of the Museum or the validity or enforceability of, any Museum Security Document, or which would in any way jeopardize the tax-exempt status of the interest on the Bonds.
  33. No event has occurred and no condition exists which, with the passage of time, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an Event of Default under any Museum Document.
  34. The Museum is not in material default under any document, instrument or commitment to which the Museum is a party or to which it or any of its property is subject which default would or could materially adversely affect the ability of the Museum to carry out its obligations under the Museum Documents.
  35. The Museum will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated under the Museum Documents, and will notify the City of any material adverse change in the Refunding Plan occurring before the Closing Date.
  36. The Museum will not take any action or permit any action to be taken on the Museum’s behalf, or cause or permit any circumstance within the Museum’s control to arise or continue, if such action would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.
  37. Except as permitted pursuant to Section 5.6 of the Guarantee Agreement, the Museum has not and will not offer or issue any bonds, notes or other obligations for borrowed money. Additionally, the Museum has not incurred and will not incur any material liabilities, direct or contingent, or enter

into any material transaction, which could reasonably be expected to affect payment of principal and interest on the Bonds.

38. There has been no material adverse change in the operations or condition, financial or physical, of the Museum or its properties since the date of the most recent audited financial statements.
39. The Museum will operate the facilities acquired or improved as part of the Project, or cause those facilities to be operated, either as governmental facilities or as facilities meeting all the requirements of Section 145 of the Code for so long as required by that section.
40. As of the date of this certificate, the Museum is not insolvent and maintains Museum Net Assets sufficient so that when the amount of Finance Director Determined Liability (if any, and only to the extent that the Museum has not treated such amount as a liability in computing Museum Net Assets) is subtracted from Museum Net Assets the remainder is not less than \$90,000,000 (as those amounts are determined and terms are defined in the Guarantee Agreement). The Museum has: (a) disclosed to the City Finance Director all potential liabilities that are unresolved as of the date hereof and that meet the criteria that would require their disclosure to the City under the definition of Finance Director Determined Liability in Section 2.3 of the Guarantee Agreement if such claim, event, demand or lawsuit had arisen at a time when the Guarantee Agreement was in effect, (b) reached an agreed determination with the City Finance Director as to the amount at risk, and (c) treated such amount as the Finance Director Determined Liability and considered such Finance Director Determined Liability in making the calculation described in this paragraph.
41. The Museum has obtained or will timely obtain all consents, approvals, permits, authorizations and orders of any governmental or regulatory agency that are required to be obtained by the Museum that are required for the carrying out of the Project and the operation of the facilities acquired or improved as part of the Project.
42. Any certificate signed by any officer of the Museum and delivered to the City shall be deemed a representation and warranty by the Museum to the City as to the truth of the statements therein contained.

DATED as of ~~April 29~~ \_\_\_\_\_, ~~2014~~2024

THE SEATTLE ART MUSEUM

---

Chairman, Board of Trustees, Seattle Art Museum

**Exhibit I**  
**Insurance Requirements**

(b) *Property and Liability Insurance.* The Authority and the Museum shall establish and maintain, or cause to be established and maintained by the Washington Mutual–Seattle Art Museum Condominium Owners Association (the “Condominium Association”), or another entity, as appropriate, minimum insurance coverages and limits as specified below:

- (1) **Property Insurance.** Property insurance shall cover all risks of direct physical loss and/or damage to the MDA Real Estate Parcels and the Museum Expansion Unit including tenant improvements and betterments but excluding the business or personal property or Objects d’Art of the Museum (“Insured Property”). Such property insurance shall incorporate the following provisions:
  - (i) The City of Seattle, the Bond Trustee and the Lockbox Agent shall be endorsed on the property insurance policy(ies) as additional insureds and loss payees subject to a mortgagee clause with a waiver of subrogation as their interests may appear on the direct physical loss coverages on the MDA Real Estate Parcels (and at such time if any as the Standby Deed of Trust on the Museum Expansion Unit is recorded, on the Museum Expansion Unit as well) and on the time element coverages on the Museum Expansion Unit, all in form acceptable to the City. The limit of liability on initial placement of the direct physical loss coverages shall not be less than the actual cost of the Insured Property and thereafter shall be based on a replacement cost basis as established by the evaluation made by the Museum’s and the Authority’s professional insurance advisors, as applicable, prior to each annual anniversary of the property insurance coverage policies.
  - (ii) Coverage shall include the perils of earthquake and flood that shall not have sublimits of liability less than the Probable Maximum Loss of the Insured Property from said perils as established by an industry recognized natural hazards analysis (such as Risk Link) on not less than five year intervals.
  - (iii) Coverage with respect to the Museum Expansion Unit and the MDA Unit shall include the perils of loss and/or damage by terrorism, including certified and non-certified acts of terrorism (or such other terminology as may be employed by the insurance industry in the future to describe such acts) to a sublimit of liability of \$100 million, or such lesser amount as is available in the marketplace and subject to such availability. Coverage with respect to the Existing Museum Facility shall include the perils of loss and/or damage by terrorism, including certified and non-certified acts of terrorism (or such other terminology as may be employed by the insurance industry in the future to describe such acts) to a sublimit of liability of \$65 million,

or such lesser amount as is available in the marketplace and subject to such availability. Nevertheless, in no event shall the Museum and the Authority be required to spend on the terrorism coverage described in this subparagraph (iii), in the aggregate, more than (A) \$25,000 per year as to the Museum Expansion Unit and the MDA Unit and (B) \$12,000 as to the Existing Museum Facility (both such premium caps being increased by the greater of 1% per year or the percentage increase over the prior year in the cost of the property insurance exclusive of terrorism coverage).

(iv) Coverage shall be extended to include time element coverage, including extra expense and rental value, for the Museum Expansion Unit with a separate limit of liability equal to twenty four (24) months rent under the Office Space Lease. The City must be named as loss payee.

(2) Liability Insurance. The Authority and the Museum shall maintain Commercial General Liability (CGL) insurance with a minimum limit of liability of not less than \$15,000,000 combined single limit each occurrence bodily injury and property damage. Such liability insurance shall provide coverage for premises and operations risks within and about the Insured Property and shall incorporate the following provisions:

(i) Coverage shall include contractual liability.

(ii) The City of Seattle shall be an additional insured for primary and noncontributory limits of liability subject to a separation of insureds clause.

(c) *Terms and Conditions.* The property and CGL insurance specified in paragraph (a) shall incorporate the following terms and conditions:

(1) As respects the City of Seattle, the Bond Trustee and the Lockbox Agent, coverage may not be cancelled or coverage or limits of liability reduced below the minimum coverages and/or limits specified herein until sixty (60) days after notice is given as specified in Article 7, Section 7.2 of the Agreement, except as follows:

(i) A provision for 10 days' notice of cancellation for nonpayment of premium is acceptable if the premium for such policy or renewal is paid on an annual basis (not on an installment basis) without the use of "premium financing" arrangements. In that event, the Museum and the Authority shall be obligated as follows:

(A) No later than the 31<sup>st</sup> day after any policy or renewal policy is bound, the Authority or the Museum provides evidence satisfactory to the City Finance Director that the premium has been paid for the full year of the policy term, and

(B) The Authority and the Museum shall provide to the City copies of each notice received with regard to insurance within three business



days after receipt of such notice.

- (ii) The 60 days' notice of reduction in coverage may be provided by the Authority, the Museum or the Association or other entity maintaining insurance on behalf of the Museum and the Authority or directly by the insurance carrier, so long as the restriction on reducing coverage as respects the City, the Bond Trustee and the Lockbox Agent is incorporated into the policy (in the body or in an endorsement to the policy). Neither the Authority nor the Museum shall consent to or permit a reduction in coverage below the levels specified in this Exhibit I and each shall take all action within its control to ensure that no request for a reduction in coverage below such levels is submitted to the insurance carrier.

(2) Insurance carriers shall have a minimum A.M. Best's rating of A- VII.

(d) *Certification of Coverage.*

(1) True and certified copies of the current property and CGL insurance policies shall be provided to the City that document compliance in all respects with the provisions of this Exhibit I to the City's satisfaction, expressly including documentation that:

- (i) the City, the Bond Trustee and the Lockbox Agent are additional insureds and loss payees as their interests may appear subject to a mortgagee clause with a waiver of subrogation, as stated in (a)(1)(i) above, and
- (ii) the City is, as respects CGL insurance, an additional insured for primary and noncontributory limits of liability subject to a separation of insureds clause, as stated in (a)(2)(ii) above.

If true and certified copies of the current property and CGL insurance policies are not available, Acord Evidence of Commercial Property Insurance forms and binders of liability insurance may be substituted so long as such Evidence of Commercial Property Insurance forms and binders of liability insurance are current and document compliance with the provisions of this Exhibit I. Certificates of insurance, whether on the Acord form or otherwise, may not be substituted for such Evidence of Commercial Property Insurance forms and binders of liability insurance.

(2) Annually, in addition to true and certified copies of the current property and CGL insurance policies, or temporarily in lieu thereof (but only for the temporary period during which each policy is unavailable), Acord Evidence of Commercial Property Insurance forms and binders of liability insurance as specified in (c)(1), the Authority's and the Museum's firms of professional insurance brokers shall submit broker's opinion letters to the City that certify that the insurance currently in force is compliant with the provisions of this Exhibit I. Such broker's opinion letter or letters shall be provided at the time of and with respect to each policy renewal or replacement.

- (3) As used in this Exhibit I, a “true and certified copy” of an insurance policy means a copy of the policy (including any endorsements in effect) certified by the insurance carrier to be in effect and binding on it in accordance with its terms. Immediately upon binding of each policy or replacement policy, the Authority and the Museum shall submit (or cause to be submitted) a request to the insurance carrier for “true and certified copies” of such policy or policies to be sent directly to the City, the Authority, and the Museum (as well as other insureds). Further, the Authority and the Museum each shall provide the City with copies of all specimens, agreed-upon endorsements and other documents that purport to describe policy or policies procured to comply with Section 5.4 of the Guarantee Agreement and each shall certify that the same are to be true and correct copies of the documents reviewed by the Authority and the Museum in procuring such insurance or causing it to be procured.

The Authority and the Museum shall provide to the City annually within three business days after either the Authority or the Museum receives the same, a “true and certified copy” (as defined in this subsection) of each insurance policy for the MDA Real Estate Parcels and the Museum Expansion Unit. If a certified copy of a policy that is in effect has already been provided to the City, the Authority or the Museum may provide an index referring to the date(s) of such certified cop(ies), indicating that the policy remains in effect as of such date.

(e) *Notice.* Notice to the City required under this Exhibit I shall be given as specified in Article 7, Section 7.2 (“Notices”).

(f) *Application of Proceeds.*

- (1) All proceeds of time element insurance coverage (i.e., the business interruption insurance) required to be maintained and to be paid to the Museum or the Authority pursuant to this Exhibit I shall be paid to the Lockbox Account and held, used, applied and disposed in accordance with the provisions of Section 4.1(b) of the Guarantee and Reimbursement Agreement and the Lockbox Addendum (Exhibit J to the Guarantee and Reimbursement Agreement).
- (2) With respect to the Museum Expansion Unit and the MDA Unit, the rebuilding shall take place, if at all, and the proceeds shall be held and disbursed, in accordance with the provisions of the Condominium Documents. To the extent that the Authority and the Museum have the right to vote in the condominium association whether or not to rebuild the Museum Expansion Unit or the MDA Unit, they shall not vote to not rebuild if there are insufficient net proceeds to repay the Bonds in such event. Any proceeds not used for the rebuilding under this subparagraph (i.e., any actual cash value payment) and paid to the Authority or the Museum shall be held, used, applied and disposed of in accordance with Section 4.5 of the Guarantee and Reimbursement Agreement.
- (3) All direct physical loss and/or damage Property Insurance proceeds with respect to the Existing Museum Facility shall be used to rebuild such property, if feasible and if sufficient proceeds are available. With regard to the Existing Museum Facility,

the proceeds in excess of \$50,000 shall be held by a third party insurance trustee acceptable to the City (the “Insurance Trustee”) and disbursed in accordance with the procedures customarily employed for large commercial construction loans, which procedures shall include monitoring of the construction by an independent consultant acceptable to the City and a requirement that any shortfall between the amount required to rebuild and the amount of available insurance proceeds be deposited with the Insurance Trustee and disbursed prior to any disbursements of insurance proceeds. Any proceeds under this subparagraph (i.e., any actual cash value payment) not used for rebuilding shall be held, used, applied and disposed of in accordance with Section 4.5 of the Guarantee and Reimbursement Agreement.

## **Exhibit J**

### **LOCKBOX ACCOUNT AND CONTROL AGREEMENT ADDENDUM**

The parties to this Lockbox Account and Control Agreement Addendum (the “Addendum”) are: the City, the Authority, the Museum, and the Lockbox Agent, all of whom have agreed to be bound by the provisions of this Addendum by signing the ~~Second~~Third Amended and Restated Guarantee and Reimbursement Agreement (the “Guarantee and Reimbursement Agreement”) and by signing this Addendum.

This Addendum is attached to the Guarantee and Reimbursement Agreement as Exhibit J and constitutes a part of such Guarantee and Reimbursement Agreement. All capitalized terms that are not defined in this Addendum shall have the meanings given to them in the Guarantee and Reimbursement Agreement.

### **RECITALS**

A. The Museum is the Landlord and \_\_\_\_\_ is the Tenant under that certain lease (the “Nordstrom Office Space Lease”) dated \_\_\_\_\_, which lease demises space (the “Office Premises”) in Unit \_\_\_ of WM-SAM Project, a condominium, pursuant to Declaration recorded under Auditor’s File No. \_\_\_\_\_, Records of King County, Washington (the “Museum Expansion Unit”).

B. The Nordstrom Office Space Lease and any future leases demising space in the Museum Expansion Unit are sometimes hereinafter referred to collectively as the “Office Space Leases.” The rent and other payments received and to be received by the Museum or its successors under any Office Space Lease are sometimes hereinafter referred to collectively as the “Office Space Lease Revenues”

C. The Museum, the Authority, and the City are parties to a ~~Second~~Third Amended and Restated Guarantee and Reimbursement Agreement dated as of \_\_\_\_\_, ~~2014~~2024 (the “Guarantee and Reimbursement Agreement”), which has been executed in connection with the Authority’s issuance of its Special Obligation Refunding Bonds, ~~2014~~2024, in an aggregate principal amount of \$\_\_\_\_\_,000 (the “Bonds”).

D. Pursuant to the Guarantee and Reimbursement Agreement, and as security for certain obligations of the Museum to the Authority, as more particularly described in Section 1.4 below, the Museum has executed and delivered to the Authority an Assignment of Rents Proceeds and Negative Pledge Agreement (the “Museum Assignment”) dated \_\_\_\_\_, a memorandum of which was recorded with Auditor’s File No. \_\_\_\_\_, Records of King County, Washington. The Museum Assignment operates to assign to the Authority all cash proceeds of the Office Space Lease Revenues (the “Office Space Lease Revenue Proceeds”).

E. Also pursuant to the Guarantee and Reimbursement Agreement, and as security for certain obligations of the Authority to City, as more particularly described in Section 1.5 below, the Authority has granted a security interest in its rights under the Museum Assignment to the City pursuant to a deed of trust, security agreement, assignment of leases and rents and fixture filing

(the “MDA Security Document”) dated \_\_\_\_\_ and recorded under Auditor’s File No. \_\_\_\_\_, Records of King County, Washington.

F. And also pursuant to the Guarantee and Reimbursement Agreement, a lockbox account (the “Lockbox Account”) has been established with Lockbox Agent, in which all Office Space Lease Revenues are to be deposited directly by the tenants under the Office Space Leases and held, used, applied and disposed of in accordance with the provisions of the Guarantee and Reimbursement Agreement.

G. The Lockbox Account is Deposit Account No. \_\_\_\_\_ at the \_\_\_\_\_ Branch of Lockbox Agent. The Lockbox Account is in the name of the Museum and is subject to the security interests in favor of the Authority and the City created by this Addendum. Lockbox Agent has also agreed to establish and maintain for the Museum, Post Office Box Number \_\_\_\_\_ (the “Lockbox Address”) and to perform the services listed on Schedule 1 hereto, which include receiving mail at the Lockbox Address, processing it and depositing checks and other payment instructions (“Checks”) into the Lockbox Account, as well as making certain disbursements as contemplated by the Guarantee and Reimbursement Agreement (the “Lockbox Services”).

H. Under certain circumstances, as more particularly described in the Guarantee and Reimbursement Agreement, the Museum is obligated to grant the City a “Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing” (the “Standby Deed of Trust”) encumbering the Museum’s fee interest in the Museum Expansion Unit and all right, title and interest of the Museum in the Office Space Leases and the Office Space Lease Revenues. If and when granted, the Standby Deed of Trust will secure the Museum’s obligations to the City under the Guarantee and Reimbursement Agreement. The Standby Deed of Trust is deposited in escrow with a third party escrow agent. The escrow agent has been instructed to record the Standby Deed of Trust upon the happening of certain events, as more particularly described in the Guarantee and Reimbursement Agreement. The Standby Deed of Trust shall be deemed to have been granted by the Museum at the time of recordation.

I. The parties wish to define certain of their rights and obligations in connection with the funds deposited into the Lockbox Account.

#### TERMS CONCERNING THE LOCKBOX

##### 1. Grant of Security Interest; Control.

1.1 This Addendum evidences the Authority’s control over the Lockbox Account and the transfer of that control from the Authority to the City. Lockbox Agent agrees not to commingle the amounts held, or designated to Lockbox Agent for deposit, in the Lockbox Account with any other amounts held on behalf of any party to this Addendum or any third party. Notwithstanding anything to the contrary in the deposit agreement between Lockbox Agent and the Museum governing the Lockbox Account, Lockbox Agent will comply solely with the provisions of this Addendum and any instructions received from the City directing the disposition of funds in the Lockbox Account without further consent of the Museum or the Authority.

1.2 The Museum represents and warrants to the Authority, the City, and Lockbox Agent that it has not assigned or granted a security interest in the Lockbox Account or any Check deposited in the Lockbox Account, except to the Authority and the City pursuant to this Addendum and the Museum Assignment.

1.3 Except as set forth in Section 1.6 below, the Museum will not cause or permit the Lockbox Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than the security interests in favor of the Authority and the City referred to in Section 1.2 above.

1.4 As security for the MDA Lease Obligations (as hereinafter defined) the Museum hereby pledges, transfers, assigns and sets over to the Authority, and grants to the Authority a continuing security interest in and to, the Lockbox Account, all money deposited therein from time to time, and all profits and proceeds thereof. The Museum agrees to execute, acknowledge, deliver, file or do, at its sole expense, all other acts, assignments, notices, agreements or other instruments as the Authority or the City may reasonably require in order to perfect the foregoing security interest, pledge and assignment or otherwise to fully effectuate the rights granted to the Authority by this Section 1.4. This Addendum constitutes a “security agreement” with respect to the security interests created by this Section 1.4 and the Lockbox Account constitutes a “deposit account” within the meaning of Article 9 of the UCC. In addition to all other rights and remedies provided for herein or otherwise available at law or in equity, the Authority shall have all rights of a secured party under Article 9 of the UCC with respect to the Lockbox Account and the funds deposited therein. The term “MDA Lease Obligations” shall mean those obligations of the Museum to the Authority that are secured by the Museum Assignment.

1.5 As security for the MDA Guarantee and Reimbursement Obligations (as hereinafter defined) the Authority hereby pledges, transfers, assigns and sets over to the City, and grants to the City a continuing security interest in and to, all rights of the Authority as secured party under Section 1.4 and other applicable provisions of this Addendum. The Authority agrees to execute, acknowledge, deliver, file or do, at its sole expense, all other acts, assignments, notices, agreements or other instruments as the City may reasonably require in order to perfect the foregoing security interest, pledge and assignment or otherwise to fully effectuate the rights granted to the City by this Section 1.5. This Addendum constitutes a “security agreement” with respect to the security interests created by this Section 1.5 within the meaning of Article 9 of the UCC. In addition to all other rights and remedies provided for herein or otherwise available at law or in equity, the City shall have all rights of a secured party under Article 9 of the UCC with respect to the security interests created hereby. And in addition, the Authority hereby transfers its right to control the Lockbox Account to the City and appoints the City as its attorney in fact to enforce any and all rights of the Authority under this Addendum and the Museum Assignment. This appointment shall be deemed to be coupled with an interest and may not be revoked until the MDA Guarantee and Reimbursement Obligations have been fully satisfied. The term “MDA Guarantee and Reimbursement Obligations” shall mean those obligations of the Authority to the City under the Guarantee and Reimbursement Agreement that are secured by the MDA Security Document.

1.6 As security for the Museum Guarantee and Reimbursement Obligations (as hereinafter defined), but effective only as of the date, if any, that the Standby Deed of Trust is

recorded, the Museum, in addition to and not in lieu of the security interest grants in Section 1.4 above, hereby pledges, transfers, assigns and sets over to the City, and grants to the City a continuing security interest in and to, the Lockbox Account, all money deposited therein from time to time, and all profits and proceeds thereof. The Museum agrees to execute, acknowledge, deliver, file or do, at its sole expense, all other acts, assignments, notices, agreements or other instruments as the City may reasonably require in order to perfect the foregoing security interest, pledge and assignment or otherwise to fully effectuate the rights granted to the City by this Section 1.6. This Addendum constitutes a “security agreement” with respect to the security interests created by this Section 1.6 within the meaning of Article 9 of the UCC and confers upon the City “control” over the Lockbox Account and the funds therein. In addition to all other rights and remedies provided for herein or otherwise available at law or in equity, the City shall have all rights of a secured party under Article 9 of the UCC with respect to the security interests created hereby. The term “Museum Guarantee and Reimbursement Obligations” shall mean those obligations of the Museum to the City under the Guarantee and Reimbursement Agreement that are secured by the Standby Deed of Trust.

2. Disposition of Funds. Lockbox Agent shall prevent the Museum or the Authority from making any withdrawals from the Lockbox Account. Lockbox Agent shall disburse the funds in the Lockbox Account at the times and in the manner set forth in Section 4.1(b) of the Guarantee and Reimbursement Agreement.

3. Waiver of Offset Rights. The Lockbox Agent agrees it shall not offset, charge, deduct or otherwise withdraw funds from the Lockbox Account, except as permitted by Section 4.

4. Lockbox Agent Rights to Charge Lockbox Account. The Lockbox Agent may charge the Lockbox Account for only the following items:

(a) for its fees and charges relating to the Lockbox Account or associated with the Lockbox Services and this Addendum, as set forth in the fee schedule attached hereto as Schedule 2; and

(b) to reverse the entry for any Check deposited into the Lockbox Account that is returned unpaid for any reason.

If the balances in the Lockbox Account are not sufficient to compensate Lockbox Agent for any fees or charges due the Lockbox Agent in connection with the Lockbox Account, the Lockbox Service or this Addendum, or for the face amount of any returned Check plus bank fees incurred on account of the returned check, the Museum agrees to pay the Lockbox Agent on demand the amount due the Lockbox Agent.

5. Reporting. Within five (5) business days of the close of each calendar month, the Lockbox Agent will send the other parties to this Addendum a report in the form attached hereto as Exhibit A showing all receipts and disbursements from the Lockbox Account for the applicable calendar month. The Lockbox Agent will also advise the parties immediately in the manner set forth in Section 9.6 below and using the form of notice attached to the Guarantee and Reimbursement Agreement as Exhibit G-2 in the event that a Check deposited into the Lockbox

Account is returned unpaid for any reason, or if all Office Space Lease Revenues due to be deposited for a particular calendar month have not been received by the Lockbox Agent by the third (3rd) business day of the month. In addition to the original bank statement for the Lockbox Account provided to the Museum, the Lockbox Agent will provide both the Authority and the City with a duplicate of such statement.

6. Exculpation. Lockbox Agent will not be liable for any expense, claim, loss, damage or cost (“Damages”) arising out of or relating to its performance under this Addendum other than those Damages which result directly from its acts or omissions constituting negligence or intentional misconduct. Lockbox Agent shall have no duty to inquire or determine whether the MDA Lease Obligations, the MDA Guarantee and Reimbursement Obligations, or the Museum Guarantee and Reimbursement Obligations are in default. Lockbox Agent may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party, but Lockbox Agent shall follow only the City’s instructions with respect to the Lockbox Account notwithstanding any conflicting instruction from any other party hereto.

7. Termination. This Lockbox Addendum shall terminate only at such time as the City has notified the other parties hereto in writing that all of the MDA and the Museum Guarantee and Reimbursement Obligations have been fully discharged and satisfied, and that as a consequence, the City authorizes termination of this Addendum. The City shall also have the right to terminate this Addendum upon a substitution of a new Lockbox Agent and establishment of a new Lockbox Account with the substitute Lockbox Agent, if such substitution is permitted by the Guarantee and Reimbursement Agreement and the documentation regarding the Bonds.

8. Warranties. Each party hereto represents and warrants to the other parties that (i) this Addendum constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Addendum and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its organizational documents or charter, as applicable, or the provisions of any material contract to which it is a party or by which it is bound or (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Addendum and the transactions contemplated hereunder have been obtained.

9. Miscellaneous.

9.1. This Addendum may be amended only by writing signed by all parties hereto, except that the Lockbox Agent’s charges are subject to change by the Lockbox Agent upon thirty (30) days’ prior written notice to all other parties hereto.

9.2. This Addendum may be executed in counterparts; all such counterparts shall constitute but one and the same agreement.

9.3. The prevailing party shall be entitled to its reasonable attorneys’ fees and other costs and expenses in any action to enforce or interpret this Addendum.



9.4. This Addendum shall be governed by and construed in accordance with the internal laws of the State of Washington.

**9.5 PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

9.6 Any notice or other written communication to be given under this Addendum shall be given in the manner set forth in Section 7.2 of the Guarantee and Reimbursement Agreement.

[The Remainder of This Page Is Intentionally Left Blank]

In witness whereof, the parties hereto have executed this Addendum by their duly authorized officers as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION

By:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(“Lockbox Agent”)

SEATTLE ART MUSEUM

By:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(“the Museum”)

THE MUSEUM DEVELOPMENT AUTHORITY  
OF SEATTLE

By:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(“the Authority”)

THE CITY OF SEATTLE

By:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(“the City”)

**Schedule 1**  
**to Lockbox Account and Control Addendum**  
**Standard Terms and Conditions**

The Lockbox Service involves processing Checks that are received at a Lockbox Address. The tenants under the Office Space Leases have each executed an Office Space Lease containing the Tenant Payment Provisions or a separate Tenant Payment Agreement (as those terms are defined in the Guarantee and Reimbursement Agreement) whereby they have agreed to pay all Office Space Lease Revenues to the Lockbox Account at the Lockbox Address. The Lockbox Agent picks up mail at the Lockbox Address according to its mail pick-up schedule. The Lockbox Agent will have unrestricted and exclusive access to the mail directed to the Lockbox Address. The Lockbox Agent will also provide tenants under the Office Space Leases with the ability to remit Office Space Lease Revenues to the Lockbox Account via wire transfer.

If the Lockbox Agent receives any mail containing the Museum’s lockbox number at Lockbox Agent’s lockbox operations location (instead of the Lockbox Address), Lockbox Agent may handle the mail as if it had been received at the Lockbox Address.

**PROCESSING**

The Lockbox Agent will handle Checks received at the Lockbox Address according to the applicable deposit account agreement, as if the Checks were delivered by the Museum to Lockbox Agent for deposit to the Lockbox Account, except as modified by these Terms and Conditions.

The Lockbox Agent will open the envelopes picked up from the Lockbox Address and remove the contents. Checks contained in the envelopes will be inspected and handled in the manner specified in this Addendum. Other documents contained in the envelopes will be copied and a copy provided to all parties to this Addendum. Lockbox Agent will endorse all Checks Lockbox Agent processes on the Museum’s behalf.

If the Lockbox Agent processes an unsigned Check, and the check is paid, but the account owner does not authorize payment, the Museum agrees to indemnify the Lockbox Agent, the drawee bank (which may include the Lockbox Agent) and any intervening collecting bank for any liability or expense incurred by such indemnitee due to the payment and collection of the Check.

The Lockbox Agent shall not process any Check bearing a handwritten or typed notation “Payment in Full” or words of similar import on the face of the Check, without the permission of the City. The Lockbox Agent warrants and represents that it has adopted procedures designed to detect Checks bearing such notations.

**RETURNED CHECKS**

The Lockbox Agent will re-clear a Check once which has been returned and marked “Refer to Maker,” “Not Sufficient Funds” or “Uncollected Funds.” Notwithstanding that the Check has been re-submitted, the Lockbox Agent will notify the parties in accordance with Section 9.6 when the check is first returned. If the Check is returned for any other reason or if the Check is returned a second time, the Lockbox Agent will debit the Lockbox Account and return the Check to the

Museum, with a copy to the other parties hereto, and notify the parties that it has done so in accordance with Section 9.6.

ACCEPTABLE PAYEES

For purposes of processing Checks, Lockbox Agent may treat as an Acceptable Payee any variation of the Museum's name that Lockbox Agent deems to be reasonable.

**Schedule 2**  
**to Lockbox Account and Control Agreement Addendum**

**Lockbox Agent Fee Schedule**

[to be inserted]

**Exhibit A**  
**to Lockbox Account and Control Agreement Addendum**

**Form of Monthly Lockbox Agent Report**

[to be inserted]

## **Exhibit K**

### **Procedures for Insurance Arbitration under Section 6.1(c)(1)**

The following arbitration procedure is available only as described in §6.1(c)(1) and only if the default does not relate to coverage types and levels, and instead relates only to the form of the policy or the manner in which the parties' insured interests are identified. Cure periods and remedies shall be governed by Sections 6.1 and 6.2 of the Agreement.

1. On or before the last business day prior to the expiration or termination date of the applicable property or liability insurance policy, the Museum or the Authority may call for arbitration by providing notice to the City Finance Director. A call for arbitration shall extend the cure period until 3 business days after the arbitrator issues a written determination, but in no event beyond 30 calendar days after the expiration or termination date of the policy. The arbitration shall be limited to the issue of whether the form of the policy and the manner in which the parties' insured interests are identified therein satisfies the requirements set forth in Exhibit I. Regardless of who prevails, the City shall pay half the cost of the compensation for the arbitrator and the Authority and the Museum shall together pay the other half.
2. Within two business days following the giving of notice calling for arbitration, the Authority or the Museum shall deliver to the City: (A) a package including all materials the Museum and the Authority deem necessary to demonstrate that it has cured the default (the "Museum Materials"); and (B) a list of 3 independent arbitrators acceptable to the Authority and the Museum, who shall have substantial experience in insurance claims handling and/or underwriting, and shall be a practicing or retired commercial insurance broker, attorney, judge or risk manager. The Museum or the Authority shall confirm prior to submission of its list that each proposed arbitrator is available to hear the dispute and make a determination in the timeframe set forth in this Exhibit K.
3. No later than 3 business days following the City Finance Director's receipt of the Museum Materials, the City shall provide to the Authority and the Museum a written response and any other materials the City Finance Director deems necessary to explain why it believes that the requirements of Exhibit I have not been met (the "City Materials"). At the same time, the City Finance Director shall either identify an acceptable arbitrator from the list provided or provide with its response a list of 3 independent arbitrators acceptable to the City Finance Director who possess the above-identified qualifications and are confirmed as available to hear the dispute and make a determination in the timeframe set forth in this Exhibit K. If the City does not choose an arbitrator from the list provided by the Authority and the Museum, then within one business day after the City provides its list to the Museum and the Authority, the City Finance Director and one representative acting on behalf of both the Authority and the Museum shall confer and, if no arbitrator can be agreed upon, the parties' representatives shall flip a coin, and the coin toss winner shall choose from the coin toss loser's list.

4. Immediately upon selection of an arbitrator, that arbitrator shall be contacted by the party that first identified that person as a potential arbitrator. The arbitrator shall hold a hearing within 5 business days of being chosen, at which hearing each side ((a) the City and (b) the Museum and the Authority) shall present its position based on the previously-submitted City Materials and Museum Materials (together, the “Materials”). No additional written materials shall be submitted, no discovery shall be conducted and the formal rules of evidence shall not apply. The arbitrator shall determine such rules of procedure, if any, as are necessary for the conduct of the hearing. The arbitrator shall consider the Materials and the positions as presented at the hearing and shall provide a written determination within 3 business days after the hearing, but in no event more than 25 calendar days after the date of the original notice calling for arbitration. The arbitrator’s determination shall state whether the Materials demonstrate that the form of the policy and the manner in which the parties’ insured interests are named satisfies the requirements of Exhibit I.
5. If the arbitrator concludes that the that the form of the policy or the manner in which the parties’ insured interests are named in the Museum Materials satisfies the requirements of Exhibit I, then the default shall be deemed cured.
6. If the arbitrator concludes that the form of the policy or the manner in which the parties’ insured interests are named in the Museum Materials does not satisfy the requirements of Exhibit I, then the arbitrator shall provide a brief explanation as to his or her conclusion.



**EXHIBIT B**  
**FORM OF**  
**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

**The City of Seattle, Washington**  
**with regard to the**  
**Museum Development Authority of Seattle**  
**\$\_\_\_\_\_ Special Obligation Refunding Bonds, 2024**

The City of Seattle, Washington (the “City”) as an “obligated person” under Rule 15c2-12 makes the following written Undertaking for the benefit of the owners of the Special Obligation Refunding Bonds, 2024 (the “Bonds”) of the Museum Development Authority of Seattle (the “Authority”), for the sole purpose of assisting the underwriter in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used by not defined below shall have the meanings given in the Third Amended and Restated Guarantee and Reimbursement Agreement, dated as of \_\_\_\_, 2024, by and among the City, the Authority and other parties.

(a) Undertaking to Provide Annual Financial Information. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB, annual financial information described in subsection (b) of this section (“annual financial information”), and timely notice of a failure by the City to provide such annual financial information on or before the date specified in subsection (b)(ii).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in subsection (a) of this section:

(i) Shall consist of (1) annual financial statements of the City prepared in accordance with applicable generally accepted accounting principles applicable to governmental units (except as otherwise noted therein), as such principles may be changed from time to time and

1 as permitted by applicable state law; (2) a statement of outstanding general obligation debt of the  
2 City; (3) the assessed value of the property within the City subject to ad valorem taxation; and  
3 (4) ad valorem tax levy rates and amounts and percentages of taxes collected;

4 (ii) Shall be provided not later than the last day of the ninth month after the end  
5 of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year  
6 may be changed as required or permitted by State law, commencing with the City’s fiscal year  
7 ending December 31, 20\_\_; and

8 (iii) May be provided in a single or multiple documents, and may be  
9 incorporated by specific reference to documents available to the public on the Internet website of  
10 the MSRB or filed with the SEC.

11 (c) Amendment of Undertaking. The Undertaking is subject to amendment after the  
12 primary offering of the Bonds without the consent of any holder of any Bond, or of any broker,  
13 dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under  
14 the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the  
15 MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief  
16 statement of the reasons for the amendment. If the amendment changes the type of annual financial  
17 information to be provided, the annual financial information containing the amended financial  
18 information will include a narrative explanation of the effect of that change on the type of  
19 information to be provided.

20 (d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit  
21 of the City and any owner of Bonds, and shall not inure to the benefit of or create any rights in any  
22 other person.

1           (e)     Termination of Undertaking. The City’s obligations under this Undertaking shall  
2 terminate upon the legal defeasance of all of the Bonds. In addition, the City’s obligations under  
3 this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the City to  
4 comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason,  
5 as confirmed by an opinion of Bond Counsel delivered to the City, and the City provides timely  
6 notice of such termination to the MSRB.

7           (f)     Remedy for Failure to Comply with Undertaking. As soon as practicable after the  
8 City learns of any failure to comply with the Undertaking, the City will proceed with due diligence  
9 to cause such noncompliance to be corrected. No failure by the City or other obligated person to  
10 comply with the Undertaking shall constitute a default in respect of the Bonds. The sole remedy  
11 of any holder of a Bond shall be to take action to compel the City or other obligated person to  
12 comply with the Undertaking, including seeking an order of specific performance from an  
13 appropriate court.

14           (g)     Designation of Official Responsible to Administer Undertaking. The Director of  
15 Finance of the City (or such other officer of the City who may in the future perform the duties of  
16 that office) or his or her designee is authorized and directed in his or her discretion to take such  
17 further actions as may be necessary, appropriate or convenient to carry out the Undertaking in  
18 accordance with Rule 15c2-12, including, without limitation, the following actions:

19                   (i)     Preparing and filing the annual financial information undertaken to be  
20 provided;

21                   (ii)    Selecting, engaging and compensating designated agents and consultants,  
22 including but not limited to financial advisors and legal counsel, to assist and advise the City in  
23 carrying out the Undertaking; and

1 (iii) Effecting any necessary amendment of the Undertaking.

2 Dated \_\_\_\_\_, 2024.

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Office of City Finance	Kristi Beattie	Caleb Wagenaar

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to public art museum facilities; authorizing a restatement of a guarantee and reimbursement agreement with the Museum Development Authority of Seattle and other parties that amends the second amended and restated guarantee and reimbursement agreement, as originally authorized by Ordinance 121950, as amended by Ordinance 122458, and as further amended by Ordinance 124429; and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:** This legislation authorizes the Director of Finance to approve and sign a Third Amended and Restated Guarantee and Reimbursement Agreement, which amends the Second Amended Guarantee and Reimbursement Agreement among the City, the Museum Development Authority of Seattle (“MDA”), the Seattle Art Museum (the “Museum”), and other parties (as amended and restated, the “Agreement”), as shown in the form of agreement attached as Exhibit A to this ordinance.

The MDA currently has \$22.8 million in outstanding MDA Bonds (defined below) guaranteed by the City that are eligible to be refinanced in 2024. City authorization by ordinance is required to approve revisions to the Agreement to accommodate the refunding (i.e., refinancing). The refinancing is in the City’s interest because it would reduce the annual debt service that is the subject of the City’s guarantee, thus reducing the City’s potential exposure. The refunding is sensitive to market rates and savings resulting from the refunding will be determined at the time the MDA bonds are refunded.

This ordinance authorizes the City’s guarantee of the refunding bonds and provides flexibility to respond to proposals to address future financing needs of SAM and MDA as they arise. Specifically, it:

- Authorizes the City to guarantee the 2024 Refunding Bonds to be issued by the MDA as part of refinancing the MDA’s 2014 Refunding Bonds (the “MDA Bonds”) that are guaranteed by the City’s full faith and credit; and
- Maintains the current legal and financial arrangements that secure the City’s rights to be reimbursed by MDA and/or SAM if the City is required to make any advances to MDA to pay debt service on the MDA Bonds; and
- Provides flexibility for the City to consider, on a case-by-case basis, a request by the MDA or SAM in the future to propose borrowing for operational needs or other purposes approved by Council. If any consent or amendment is requested that would diminish the City’s security for reimbursement of advances made in respect of the MDA Bonds, such request would be subject to future Mayoral approval and Council approval by ordinance.

**Additional Background:** In 2005, the Museum undertook the simultaneous expansion of its downtown facilities and the Olympic Sculpture Park project. As part of this capital program, the City guaranteed \$61 million in bonds issued by the MDA in 2005. These 2005 Bonds were refinanced by the issuance of the MDA Bonds in 2014. The 2014 Bonds are now eligible for refinancing for additional savings.

The debt service on the MDA Bonds is paid by the MDA consistent with the terms of the Guarantee and Reimbursement Agreement among the City, the MDA, the Museum, and other parties. MDA uses lease revenues received from SAM, which revenues are in turn derived from lease revenues that SAM receives from its tenants in the 8 floors of office space located immediately above the current SAM galleries. The master tenant in the office space is currently Nordstrom, Inc., which replaced Washington Mutual Bank (“WaMu”) as the master tenant following the bank’s collapse in 2008. The lease term currently extends through the maturity of the MDA Bonds in 2031. As required by the City’s Guarantee, the City previously approved Nordstrom’s annual lease payment schedule, which currently exceeds the minimum 1.2x coverage ratio of net annual rent to debt service on the MDA Bonds. As of the time of this ordinance, the debt service on the MDA Bonds is approximately \$3.9 million annually.

The form of the Third Amended and Restated Guarantee and Reimbursement Agreement between the City, the MDA, SAM, and other parties, which is provided as Exhibit A to this ordinance, retains the terms of the City’s guarantee of the MDA Bonds as described in the Agreement as last authorized by Council in Ordinance 124429. Any changes to the security or any other terms of the City’s guarantee of the MDA Bonds would be subject to authorization by separate ordinance in the future.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**  Yes  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation have financial impacts to the City?**  Yes  No

Although this legislation does not have a direct financial impact to the City, it does have an indirect impact through the guarantee provided by the City. The principal of and interest then due on guaranteed bonds counts against the City’s general obligation bond debt capacity. This guarantee has been evaluated for consistency with the City’s debt policies regarding City guarantees of public development authority debt, and has been reviewed by DMPAC. The refinancing of the MDA Bonds will provide annual debt service savings for MDA and reduce the amount of the City’s exposure.

**4. OTHER IMPLICATIONS**

**a. Please describe how this legislation may affect any departments besides the originating department.**

N/A

- b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**  
No City property is affected; this legislation does pertain to property owned by the MDA and other property owned by the nonprofit Seattle Art Museum. The City has rights to exercise interests in both the MDA and SAM properties as security for reimbursement of amounts advanced pursuant to the City’s guarantee of the MDA Bonds.
- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**
- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**
  - ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**
  - iii. What is the Language Access Plan for any communications to the public?**  
N/A
- d. Climate Change Implications**
- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**
  - ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**  
N/A
- e. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**  
N/A

## 5. CHECKLIST

- Is a public hearing required?**  
No

- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**  
No
  
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**  
N/A
  
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**  
No

## 6. ATTACHMENTS

**Summary Attachments:**

None



# City of Seattle Guarantee of Museum Development Authority (MDA) Refunding Bonds - 2024

Finance, Native Communities, and Tribal Governments Committee  
May 1, 2024



# Agenda

1. About Office of City Finance (OCF)
2. Overview of Museum Development Authority (MDA) as a PDA of the City
3. City Guarantee of MDA Bonds
4. Questions

# About Office of City Finance (OCF)



# Office of City Finance (OCF)

## OCF roles and responsibilities across the City include:

- ① Citywide financial operations -- including financial control functions, enterprise reporting, and providing financial direction and policies to City departments working with CBO
- ② Citywide debt management function, including issuing bonds for general government and Utility capital needs
- ③ Engaging with City's Public Development Authorities (PDAs) on financial matters

# Overview of Museum Development Authority (MDA) as a PDA of the City

# Public Development Authorities (PDAs)

## What are they?

- Public corporations formed by cities, towns or counties to carry out a specific function
- City PDAs are chartered by the City pursuant to RCW 35.21.730, et seq., and Seattle Municipal Code (SMC) Chapter 3.110
- PDA purposes vary:
  - Museum
  - Housing
  - Economic development
  - Public markets

## Examples of City of Seattle PDAs



Museum Development Authority  
of Seattle

# Museum Development Authority of Seattle (MDA) Overview

- Chartered by the City in 1985
- Provides for the management and operation of public art museum facilities through agreements with the **Seattle Art Museum (SAM)**, an **independent non-profit entity** – including the Seattle Art Museum facility, Olympic Sculpture Park, and Seattle Asian Art Museum (SAAM)
- Owns the downtown Seattle Art Museum facility and leases it to the Seattle Art Museum (the non-profit)

## MDA

PDA of the City and owner of the Seattle Art Museum facility



## Seattle Art Museum

Independent non-profit entity that leases the Seattle Art Museum facility from MDA



# City Guarantee of MDA Bonds

SEATTLE  
CITY HALL



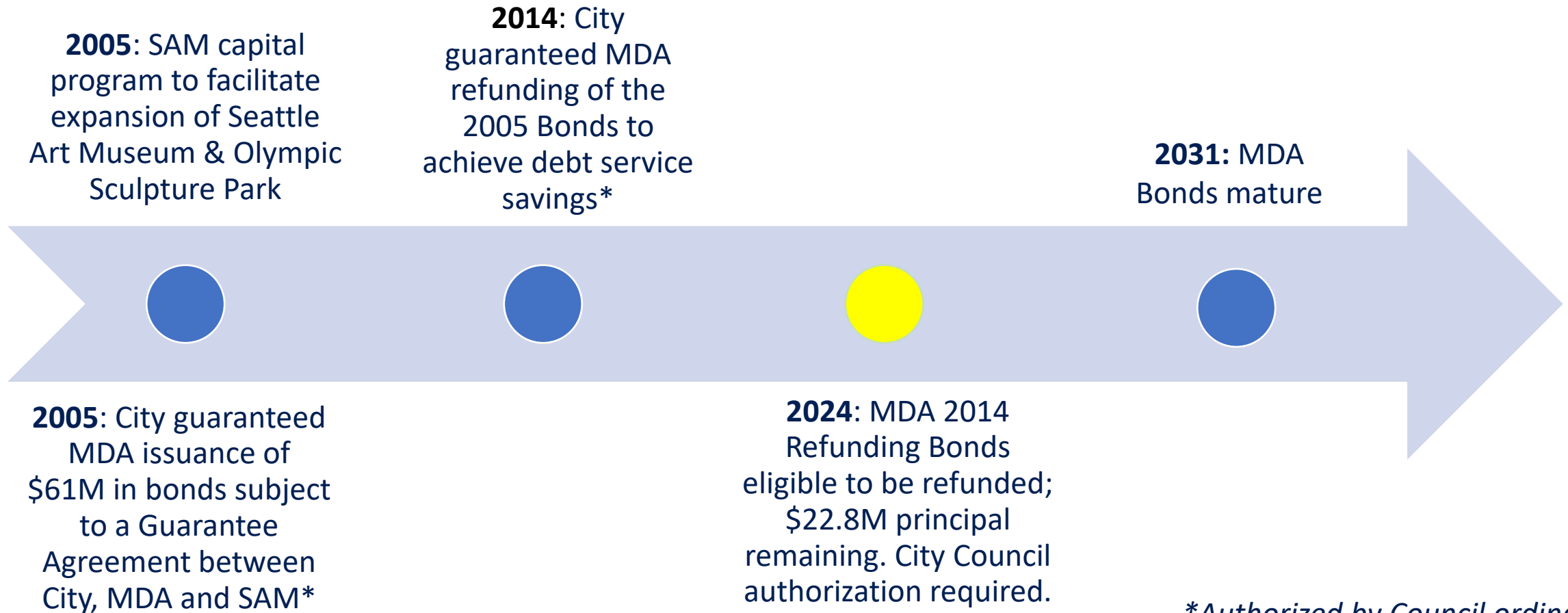


# Overview of MDA Refunding Legislation

Authorizes the City's Director of Finance to approve and sign a *Third Amended and Restated Guarantee and Reimbursement Agreement* ("Agreement") which:

1. Authorizes the City's guarantee of the MDA Refunding Bonds in 2024
2. Increases the City's flexibility to respond to future proposals addressing financing needs of SAM and MDA
3. Retains terms of the current Agreement:
  - Ensures the City has a right to be reimbursed if required to make any advances pursuant to its guarantee
  - Requires future changes to the Agreement be subject to Council approval by ordinance

# Timeline of MDA Bonds issued with City's guarantee



*\*Authorized by Council ordinance*

# Payment of Debt Service on MDA Bonds

MDA owns the downtown museum and leases it to SAM, the nonprofit museum operator.



SAM leases out the 8 floors of office space above the art galleries to generate lease revenues. SAM uses these lease revenues to pay the debt service on the MDA bonds.



Lease revenues are deposited in full each month with a lockbox agent/bond trustee and applied to pay annual debt service of \$3.9M.

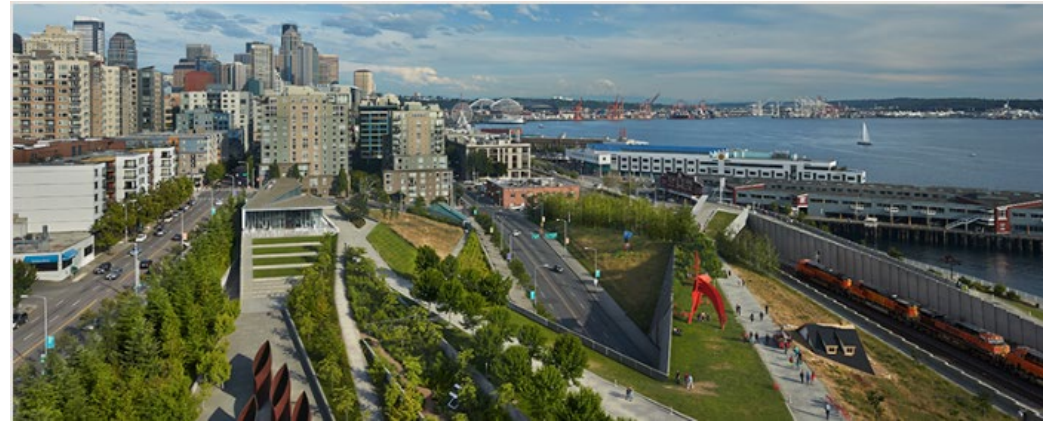
Any excess funds are returned to SAM each month to be used for operating the museum.



# Refunding the MDA 2014 Refunding Bonds

## Refunding benefits the MDA and SAM

- ✓ Savings from the refunding will flow back to SAM; lower debt service means that more excess funds will be available to SAM for museum operations



## Refunding also reduces risk for the City

- ✓ Lower debt service on the MDA bonds reduces the City's exposure under the guarantee

# Timing & Next Steps

## Timing

- Reviewed by City's Debt Management Policy and Advisory Committee (DMPAC) in March 2024
- Council authorization by ordinance is required for the City to guarantee the 2024 MDA Refunding Bonds; savings maximized by refunding the bonds in 2024

## Next Steps

- If approved by Council, the City will work with MDA to accomplish the refunding, anticipated to occur in mid-2024

# MDA Legislation For Council Consideration

**Does the Council authorize the City's guarantee of the MDA Refunding Bonds to be issued in 2024?**

## **If the legislation is approved:**

- ✓ The refunding will proceed.
- ✓ The amount of the debt service will be reduced, and the City's exposure will be reduced.
- ✓ Any future changes to the underlying security agreements would require separate legislation.

## **If the legislation is not approved:**

- ✓ The refunding will not occur.
- ✓ The debt service on the MDA bonds will not be reduced, and the City will retain its current exposure under the 2014 Bonds.
- ✓ The current Agreement will remain in place.

# Questions?

SEATTLE  
CITY HALL





Legislation Text

File #: CB 120773, Version: 1

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

AN ORDINANCE amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; lifting a budget proviso; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2023, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2023 Budget, appropriations for the following items in the 2023 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
1.1	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Facilities Services (50300-BO-FA-FACILITY)	\$729,487
1.2	Ethics and Elections Commission	General Fund (00100)	Ethics and Elections (00100-BO-ET-V1T00)	\$52,887
1.3	Seattle Department of Human Resources	Industrial Insurance Fund (10110)	Industrial Insurance Services (10110-BO-HR-INDINS)	\$8,290,867
1.4	Seattle Public Utilities	Drainage and Wastewater Fund (44010)	Sediments (44010-BC-SU-C350B)	\$297,836
1.5	Seattle Public Utilities	Solid Waste Fund (45010)	General Expense (45010-BO-SU-N000B)	\$3,317,566



1.6	Seattle Public Utilities	Water Fund (43000)	Utility Service and Operations (43000-BO-SU-N200B)	\$128,411
<b>Total</b>				<b>\$12,817,054</b>

Section 2. The restrictions imposed by the following budget proviso are removed and they are no longer restrictions for any purpose including for subsection 1(b) of Ordinance 126725.

Item	Department	Council Budget Action	Proviso	Budget Summary Level
2.1	Finance and Administrative Services	FAS-003-A-002-2023	“No more than \$18,539,147 of the money appropriated in the 2023 budget for Finance and Administrative Services may be spent for jail services until authorized by future ordinance. Council anticipates that such authority will not be granted until the Mayor’s Office provides to the Chair of the Public Safety and Human Services Committee a finalized agreement between the City and the County addressing how funds from decreased jail bed usage will be used or a statement that no agreement between the City and County was reached.”	Jail Services (BO-FA-JAILSVCS)

Section 3. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 4. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by a 3/4 vote of all the members of the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2024, and signed by me in open session in authentication of its passage this

\_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Scheereen Dedman, City Clerk

(Seal)

**SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
City Budget Office	Caleb Wagenaar	Caleb Wagenaar

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE amending Ordinance 126725, which adopted the 2023 Budget, including the 2023-2028 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; lifting a budget proviso; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary and Background of the Legislation:** This legislation will implement various adjustments to the 2023 Adopted Budget that are needed to complete the City’s accounting process for the year.

The proposed legislation includes discrete actions that amend the 2023 Adopted Budget by adding budget authority to various departments to address unanticipated expenses and correct accounting errors which resulted in spending exceeding a budget control level’s budget authority.

The legislation also removes budget proviso FAS-003-A-002 on the Jail Services BSL in the Department of Finance and Administrative Services. Adequate appropriations to pay the City’s contractual obligation to King County exist in the 2023 Jail Services BSL, but a previous Council placed a partial proviso on the funds based on the 2023 increase over 2022 for contract inflation. The proviso requested the Executive to negotiate an agreement between the City and King County addressing how funds from decreased jail bed usage would be used or a statement that no agreement was reached. That formal agreement did not materialize in 2023 and the proviso needs to be lifted in order for the City to have the legal budget to meet its contractual obligation. The Executive continues to work with King County on these jail issues.

**2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project?  Yes  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation have financial impacts to the City?  Yes  No

<b>Expenditure Change (\$);</b>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>
<b>General Fund</b>	\$52,887	\$0	\$0	\$0	\$0
<b>Expenditure Change (\$);</b>	<b>2023</b>	<b>2024 est.</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>
<b>Other Funds</b>	\$12,764,167	\$0	\$0	\$0	\$0

Revenue Change (\$);	2023	2024 est.	2025 est.	2026 est.	2027 est.
General Fund	\$0	\$0	\$0	\$0	\$0
Revenue Change (\$);	2023	2024 est.	2025 est.	2026 est.	2027 est.
Other Funds	\$0	\$0	\$0	\$0	\$0

**3.a. Appropriations**

This legislation adds, changes, or deletes appropriations.

**Appropriations Notes:**

See Summary Attachment A for details on 2023 spending.

**3.d. Other Impacts**

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

No. Please see Summary Attachment A for details on 2023 expenditures.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

The same objectives could not be achieved without this legislation.

**4. OTHER IMPLICATIONS**

**a. Please describe how this legislation may affect any departments besides the originating department.**

This legislation provides retroactive budget appropriations for the Department of Finance and Administrative Services, Ethics and Elections Commission, Seattle Department of Human Resources, and Seattle Public Utilities to cover unanticipated spending above previously authorized 2023 appropriations.

**b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No

- c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**
- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**
  - ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**
  - iii. What is the Language Access Plan for any communications to the public?**  
See Summary Attachment A for any associated implications.
- d. Climate Change Implications**
- i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**
  - ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**  
See Summary Attachment A for any associated implications.
- e. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**  
See Summary Attachment A for any associated implications.

## 5. CHECKLIST

- Is a public hearing required?
- Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?
- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?

## 6. ATTACHMENTS

### **Summary Attachments:**

Summary Attachment A – 2023 Budget Exceptions Summary Detail Table

**2023 Budget Exceptions Ordinance Summary Detail Table**

<b>Item #</b>	<b>Title</b>	<b>Description</b>	<b>Amount/FTE</b>
<b>Section 1 – Appropriation Increases</b>			
1.1	Facilities Exception (Department of Finance and Administrative Services)	This item provides a retroactive appropriation increase of \$729,487 amount for the Department of Finance and Administrative Services to pay unanticipated expenses from the Finance & Admin Services Fund, Facilities Services Budget Control Level (50300-BO-FA-FACILITY) for various emergent projects, mostly repairs, that have become increasingly frequent due to buildings falling behind on maintenance and expensive due to inflation and deferred asset management. Emergent maintenance projects increasing expenditures in 2023 include repair of water intrusion at harbor patrol, HVAC motors at City Hall, elevator recall issues at City Hall, and replacement of a control unit at Airport Way. Aside from emergent repairs, FAS was also tasked with building out office space for the CARE response team in SMT. This will be funded by 50300 fund balance as these expenditures were due to general maintenance and repairs and thus not billable to tenants for the additional expense. The Department will continue to closely monitor available resources and prioritize ongoing maintenance and repair needs as they emerge.	\$729,487
1.2	Exception for Labor Costs (Ethics and Elections Commission)	This item provides a retroactive appropriation increase of \$52,887 for Ethics and Elections to pay unanticipated costs in the Ethics and Elections BSL due to labor cost increases. These include overtime costs to prepare for the special election in 2024 that will occur due to the departure of a councilmember; a reclassification of one position that increased costs; two pay raises to align the Strategic Advisors I pay rates within the department; and two part time positions that have high hourly rates due to their length of service with the City.	\$52,887
1.3	Budget Exception for Industrial Insurance Fund (Seattle Department of Human Resources)	This item provides a retroactive appropriation increase of \$8,290,867 for the Industrial Insurance Fund (IIF) in Seattle Human Resources to pay unanticipated costs due to high volumes of pension payouts from the fund.	\$8,290,867

Item #	Title	Description	Amount/FTE
1.4	Budget Exception for Sediments Capital Program in SPU (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$297,836 for Seattle Public Utilities to pay unanticipated costs in the Drainage and Wastewater Fund Sediments Budget Control Level due to increased engineering requirements from the EPA. This will not have an impact on the Drainage and Wastewater fund due to underspending in other capital projects. In the future, the budget in this BCL will be adjusted more conservatively in order to avoid exceptions.	\$297,836
1.5	Budget Exception for General Expense in Seattle Public Utilities (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$3,317,566 for Seattle Public Utilities to pay unanticipated costs in the Solid Waste Fund General Expense Budget Control Level due to inflationary adjustments to the Solid Waste Major Service contracts. This impact has been taken into account for the Solid Waste fund and will not impact its performance on its financial policies. In the future, the budget in this BCL will be adjusted more conservatively in order to avoid exceptions.	\$3,317,566
1.6	Budget Exception for Utility Services and Operations in Seattle Public Utilities (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$128,411 for Seattle Public Utilities to pay unanticipated costs in the Water Fund Utility Services and Operations Budget Control Level due to reimbursable work projected to take place in 2022 that was delayed into 2023. This will not impact the Water Fund as services are being reimbursed. This budget line item will be examined in the future to determine if an increase is needed to avoid future exceptions.	\$128,411
<b>Section 2 – Proviso Removal</b>			
2.1	2023 Proviso Lift on Jail Funds (Finance and Administrative Services)	This item provides a retroactive proviso lift of \$1,070,000 for Finance and Administrative Services (FAS) in the Jail Services Budget Control Level (FAS-BO-FA-JAILSVCS) related to a 2023 proviso FAS-003-A-002. Adequate appropriations to pay the City’s contractual obligation to King County exist in the 2023 Jail Services BSL. The proviso requested the Executive to negotiate an agreement between the City and King County addressing how funds from decreased jail bed usage would be used or a statement that no agreement was reached. That formal agreement did not materialize in 2023 and the proviso needs to be lifted in order for the City to have the legal budget to meet its contractual obligation. The Executive continues to work with King County on these jail issues.	





April 26, 2024

## MEMORANDUM

**To:** Finance, Native Communities & Tribal Governments Committee  
**From:** Edin Sisic, Analyst  
**Subject:** Council Bill 120774: 2023 Carryforwards & Council Bill 120773: 2023 Exceptions

---

On Wednesday, May 1, 2024, the Finance, Native Communities & Tribal Governments Committee will discuss and possibly vote on Council Bill (CB) 120773 and 120774. CB 120774 would amend the 2024 Adopted Budget, appropriating a portion of select department's unspent 2023 appropriations, and CB 120773 would retroactively provide additional 2023 expenditure authority for department spending above approved 2023 levels.

This memo provides (1) background on the budget adjustment process and describes all approved adjustments since January 1 of this year; (2) describes the CBs and highlights notable increases proposed in the legislation; (3) describes next steps in the budget adjustment process for 2024.

### **Background - Budget Adjustment Process**

The following describes how spending authority in the adopted budget is modified during the year with a combination of unspent appropriations from prior years, and new 'emergency' funding requests during the current year.

#### **I. Adopted Budget**

Pursuant to [RCW 35.32A.050](#), in late November of every year the City Council passes an ordinance that establishes the City's budget for the upcoming year, covering the period from January 1<sup>st</sup> through December 31<sup>st</sup>. This ordinance is the 'Adopted Budget' for the fiscal year and sets spending levels for the next year's operations and provides one year's worth of investments in the City's six-year capital improvement program. Passed by the City Council on November 21, 2023, [Ordinance 126955](#) authorized a 2024 Adopted Budget from all sources of \$7.8 billion.

#### **II. Automatic Carryforward**

Consistent with the provisions in [RCW 35.32A.080](#), most unspent annual operating budget appropriations expire, or 'lapse', at the end of the year, while capital appropriations continue into future years until they are either spent, or formally abandoned by ordinance. In addition, if explicitly authorized in ordinance, operating budget appropriations can also be 'non-lapsing' and continue until spent or abandoned. This is common in the instance of grants, for which non-lapsing spending authority is necessary until the grant is fully expended or the appropriation is abandoned. Finally, to cover promises to pay for services provided by outside vendors per contract or purchase order, amounts can be encumbered and may carry into the next year.

According to City financial data, at the end of 2023 there was a total of \$1.8 billion of unspent prior-year budget authority that has been automatically added to the 2024 Budget. As noted, this largely represents prior year capital projects funding, grant-backed spending, other spending authorized by legislation to continue beyond the first year, and carryforwards for encumbrances. Since these appropriations were adopted with non-lapsing provisions in prior years or are otherwise encumbered to satisfy external obligations, no further Council authorization is necessary for this budget authority to continue until completely spent. Table 1 shows, for funds with significant automatic carryforward, by fund and type (capital and operating), the amount of prior years’ budget authority that is added to the 2024 Adopted Budget. This spending authority is largely backed by revenues that have already been deposited in the City treasury, although in some cases, particularly in instances involving grants accepted late in 2023, the cash has not yet been received.

*Table 1<sup>1</sup>. Funds with Significant Automatic Carryforward*

Fund	Carryforward Type (\$ millions)		
	Capital	Operating	Total
Light Fund	\$263.6	\$37.6	\$301.2
Transportation Fund	\$159.6	\$4.7	\$164.3
REET I Capital Fund	\$134.7	\$0.0	\$134.7
General Fund	\$5.0	\$118.1	\$123.1
Payroll Expense Tax	\$3.2	\$100.2	\$103.3
Drainage and Wastewater Fund	\$76.7	\$1.0	\$77.7
Human Services Fund	\$0.0	\$71.8	\$71.8
Seattle Park District Fund	\$70.2	\$0.0	\$70.2
Park And Recreation Fund	\$63.3	\$0.0	\$63.3
All Others	\$427.7	\$308.9	\$736.6
<b>Total:</b>	<b>\$1,204.1</b>	<b>\$642.2</b>	<b>\$1,846.3</b>

As shown in the table, approximately two thirds of this automatic carryforward spending authority is in capital project budgets.

<sup>1</sup> Data from Citywide Financial Pivot Report as of 4/17/2024.

### III. Supplementals

After the Adopted Budget is passed, as provided by [RCW 35.32A.060](#), it may be modified during the following year by way of 'supplemental' spending legislation, which allows the Council, with a three-fourths approval threshold, to appropriate:

“from the emergency fund, or other designated funds, an amount sufficient to meet the actual necessary expenditures of the city for which insufficient or no appropriations have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget”<sup>2</sup>

The approval threshold for supplemental budget legislation is two-thirds of the Council if the new spending is necessary to address a specific emergency, including those:

- Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
- For the immediate preservation of order or public health or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
- In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
- To meet mandatory expenditures required by laws enacted since the last budget was adopted.<sup>3</sup>

If the new spending accompanies the addition of new grant revenue, or if the new spending is fully offset by an equivalent reduction elsewhere in the budget, and total appropriation authority is not increased, the approval threshold is a simple majority. Supplemental appropriation legislation can either be 'standalone' and add funding for a single discrete City program, or more 'comprehensive', increasing several City departments and funds in a single bill.

---

<sup>2</sup> RCW 35.32.A.060.

<sup>3</sup> Ibid.

Comprehensive supplemental budget legislation that revises several City departments budgets takes one of two forms, as follows:

- **Annual Carryforward:** Typically one of the first comprehensive supplemental bills introduced in a year, this legislation requests that a portion of select department's unspent prior year budget be reappropriated in the current year to continue or to complete a discrete program or project for which the funding was originally provided, but which could not be fully completed for reasons that vary specific to the request. Distinct from the automatic carryforward, the budget authority for each requested item has lapsed at the end of the prior fiscal year – each carryforward request essentially asks that the budget authority given in the prior year be reapproved for the current year. This bill is produced through a periodic submittal and review process covering all departments and is centrally managed by the City Budget Office (CBO).
- **Supplemental and Grant Appropriations:** Received at regular intervals during the year, these supplemental budget requests form the bulk of City departments' requests for additional spending authority. Together with requests to spend dollars generated through year-end fund reconciliation and revenue forecast updates, these bills provide spending authority for grant and other non-City revenues. In prior years, the appropriation of grants was authorized via a supplemental appropriations ordinance, while grants were accepted through a separate, grant acceptance ordinance. Starting in 2023, Council Central Staff, in partnership with the Law Department and City Budget Office, created a standalone grant acceptance and appropriation ordinance to improve grant legislation processes and enhance fiscal transparency. These bills are produced through a periodic submittal and review process covering all departments that are centrally managed by CBO.

As of April 17, 2024, the City Council has passed one standalone and one comprehensive supplemental bill that revise 2024 appropriations, including:

*Standalone Legislation:*

- [Ordinance 127002 – WA State Department of Commerce Grant](#): \$50,000 GF grant appropriation increase to the Office of Economic Development for Wing Luke Museum repairs. On September 14, 2023, the Wing Luke Museum on South King Street in Seattle was targeted in an apparent hate crime that resulted in significant property damage. The City and State of Washington Department of Commerce have jointly committed \$100,000 to assist in repairs to the Museum.

*Comprehensive Legislation*

- [Ordinance 127011 – CBO First Quarter Grant Acceptance and Appropriations](#): The first comprehensive legislation transmitted by the Executive in 2024, authorizing City departments to appropriate the expenditure of \$7.3 million from external funding sources. All of the grants that were accepted and appropriated in this bill are described in [Attachment A](#) to the summary and fiscal note submitted by the Executive.

#### IV. Exceptions

The final type of budget adjustment legislation is the exceptions ordinance. Typically introduced several months after the fiscal year-end, this bill provides retroactive budget authority to the prior-year's budget for spending that has exceeded the revised budget after all automatic and legislated appropriation increases.

Table 2 summarizes the City's 2024 Revised Budget at a high level, starting from the Adopted Budget and accounting for all automatic and legislated changes to date.

*Table 2. 2024 Revised Budget-to-Date (\$ in millions)*

Fund	2024 Adopted	Auto Carryforward	Standalone Bills	2024 Revised	% Increase
General Fund	\$1,701	\$123	\$3	\$1,827	7%
All Other	\$6,116	\$1,723	\$5	\$7,844	28%
<b>Total</b>	<b>\$7,817</b>	<b>\$1,846</b>	<b>\$8</b>	<b>\$9,671</b>	<b>24%</b>

As shown in the table, automatic and legislated increases to date result in a 24 percent increase compared to the 2024 Adopted Budget. The bulk of this is automatic carryforward authority from prior years, and as shown in Table 1, much of this automatic carryforward is for ongoing capital projects. This information is shown at the department level in Attachment 1 to this memo.

#### **CB 120774 – 2023 Carryforward**

CB 120774, the 2023 Carryforward bill, requests approval for a total 2024 budget increase of \$201.4 million from several City funds. As described in this memo, these carryforward increases are intended to support activities that were budgeted, but not completed in 2023. Attachment 1 to this memo shows each department's aggregate carryforward request as a percentage of the Revised Budget.

As shown in Attachment 1 select department's total carryforward requests represent significant percentages compared to their 2024 Revised budget, as follows:

- **Office of Planning and Community Development (OPCD):** A \$53.5 million (107 percent) overall increase across multiple funds, \$19.7 million of which is GF, and \$26.3 million of which is from the JumpStart Payroll Expense Tax Fund (JumpStart Fund). \$51.4 million of the total carryforward request is for Equitable Development Initiative (EDI) awards that have not yet been contracted. The contracting process for these long-term projects often takes multiple years and funds do not always get contracted within the year of the associated EDI Request for Proposals.

Another notable item includes \$1.9 million of JumpStart Fund to continue the Duwamish Valley Program work, which includes investments in community assets such as the South Park Community Center, South Park Neighborhood Center, Georgetown gathering spaces, and community-supported development at the Unity Electric site. OPCD and OSE continue to work closely with the South Park and Georgetown communities to implement these multi-faceted projects.

- **Office of Housing (OH):** A \$72 million (13 percent) overall increase, \$71.5 million of which is JumpStart Fund related to Multifamily Housing. These funds have been awarded to specific projects but have not yet been encumbered in the City's financial system due to the timing of loan closings for funded projects.
- **Finance General (FG):** A \$28.6 million (8 percent) increase across multiple funds, \$27.3 million of which is for GF supported reserves for Participatory Budgeting. The recommendations for using this funding were not completed last year, and are expected to be completed by June 2024. The remaining \$1.3 million in the 2021 Multipurpose LTGO Bond Fund to allow for billing of ITD projects against bond proceeds received to support them in 2023.
- **Community Assisted Response and Engagement (CARE):** A 2.1 million (eight percent) GF increase, including \$1.5 million to implement the 911 Call Data Recorder, which will provide users with search capabilities through the integration of the call data recording and computer aided dispatch systems. This funding increment could not be spent in 2023 due to the necessary sequencing of related IT projects. In addition, \$400,000 is requested to support the purchase, customization, outfitting, and lease costs of three dedicated vehicles for the six-person Crisis Care Responder team. Vehicles currently in use are on loan to CARE from other departments. The Executive's initial concept and budget for a Crisis Care Responder team included only one vehicle, and expansion to three vehicles per team will increase the City's future cost to provide this response.

Other notable items include:

- **Childcare Bonus Fund:** A \$5 million Human Services Fund increase in the Human Services Department (HSD) for implementing childcare facility development contracts in Seattle. Due to project delays, this budget was not encumbered in 2023 and is required to support three identified childcare facility projects backed by Childcare Bonus Fund revenue. The three projects include El Centro de la Raza-Columbia City (\$2.5M), Bellwether Housing-Rose St. (\$1M), and Tiny Tots in Seattle Children's Hospital (\$1.5M). Budget authority for these projects was added as one-time appropriation in the 2023 mid-year supplemental budget.
- **Seattle Transportation Planning:** A \$3 million Transportation Fund increase in the Seattle Department of Transportation, \$2 million of which is for the Seattle Transportation Plan – a multi-year effort to revise and unify all of the existing modal plans (bike, pedestrian, transit, freight) into a single comprehensive document. The remaining unspent funding from 2023 is needed to complete this work in 2024. STP is being developed in coordination with the 2024 Comprehensive Plan update in advance of the proposed levy renewal. The remaining \$1 million is requested for the Transportation Technology Plan, which assesses Seattle Department of Transportation (SDOT's) information technology capacity and needs for managing the transportation system.

- **Judgement & Claims:** A \$10 million Judgement & Claims Fund increase in the Department of Finance and Administrative Services (FAS) for the payment of legal claims and suits brought against the City. The related settlements were not concluded in 2023 and are anticipated to settle this year.
- **AiPACE Community Facility:** A \$1.5 million GF increase in HSD to continue the construction of a new senior care facility (“AiPACE”), that expands International Community Health Services’ (ICHS) Program for All-Inclusive Care for the Elderly (PACE) and increases capacity to serve seniors. ICHS signed a purchase and sale agreement with the Seattle Chinatown International District Preservation and Development Authority (SCIDpda) and acquired a 25,000 square-foot space in SCIDpda’s Beacon Pacific Village for this new facility.
- **Rainier Valley Early Learning Campus (RVELC):** A \$5 million JumpStart Fund increase in HSD to support the development of the Rainier Valley Early Learning Campus – a joint childcare facility investment with the State of Washington, King County, federal government, and philanthropy. Due to project delays, this funding was not spent in 2023, and is anticipated to be spent this year instead.
- **Climate Resilience Hubs:** A \$1.5 million JumpStart Fund increase in the Office of Sustainability and Environment (OSE) to support community-led efforts to develop [resilience hubs](#), prioritizing projects that are currently underway, which will include a location in South Beacon Hill. In 2023, OSE was still working on a resilience hub plan so were not ready to expend funds last year.
- **Generational Wealth Initiative:** A \$1.6 million JumpStart Fund increase in the Department of Neighborhoods to continue the work of the Generational Wealth Initiative, which was started in 2021 to identify and fund community-centered solutions to the City’s longstanding racial wealth gap. The 2023 budget included provisos on most of the funding for the Generational Wealth Initiative, pending DON’s publication of a final [report](#) on the Initiative, which was released on schedule in September of 2023. The remaining unspent funding is required to continue the implementation of the report.
- **Evergreen Treatment Services Program Expansion:** A \$1 million GF increase in HSD to contract with Evergreen Treatment Services (ETS) to support the expansion of its Treatment in Motion (TIM) program. This funding was added in 2023 to allow ETS to expand TIM’s coverage area to the Pioneer Square area (to a specific area to be identified in consultation with the City). TIM has operated in Belltown since May 2022, serving those with opioid use disorder through the provision of medical treatment including buprenorphine (Suboxone) prescription, counseling, and nurse consultation services at a mobile medical van and the dispensation of methadone at a mobile medication unit. TIM’s ongoing costs are supported by Medicaid reimbursements and grant funding; however, these revenues are not sufficient to fund operating costs on an ongoing basis.

These and all other requested items are described in in Attachment A to the summary and fiscal note submitted by the Executive. The bill requires approval by ¾ of the City Council to pass.



### CB 120773 – 2023 Exceptions Ordinance

CB 120773, the 2023 Exceptions bill, requests approval for a total 2023 budget increase of \$12.8 million. These appropriations increases are intended to resolve instances where departments overspent their revised 2023 Budget allocations. Over 90 percent of the total requested amount is for exception items in the Seattle Department of Human Resources (SDHR) and Seattle Public Utilities (SPU), including:

- \$8.3 million Industrial Insurance Fund exception request in SDHR to pay for unanticipated costs due to a high number of pensionable claims. These are large payouts (\$800,000 average in 2023) made to WA Labor & Industries to seed pension accounts for claimants who are unable to return to work or die due to workplace injury. Departments will reimburse the fund for a portion of these excess claims, while a sufficient fund reserve balance exists to cover the remaining payouts.
- \$3.3 million Solid Waste Fund exception request in SPU. The exception was driven by higher-than-expected inflationary adjustments to SPU’s major service contracts with Solid Waste collectors, and relatedly, taxes due on the Solid Waste line of business. Given that the Solid Waste contracts budget is approximately \$130 million, this \$3.3 million exception represents less than three percent of the total budget.

These and all other requested items are described in [Attachment A](#) to the summary and fiscal note submitted by the Executive. The bill requires approval by three-fourths of the City Council to pass.

For historical context, Table 3 shows a six-year history of past budget exception ordinances by department and includes CB 120773 for comparison.

*Table 3. Five-Year History of Budget Exception Ordinances by Department*

\$ in 000s	2018	2019	2020	2021	2022	2023
	O-125893	O-126127	O-126471	O-126587	O-126826	CB-120773
OH	-	-	\$6,575	-		
SDOT	\$1,063	\$8,794	\$9,441	\$6,774	\$2,783	
SPR	-	-	\$455	-		\$3,744
SPU	-	-	\$13,588	-		
SCERS	-	\$882		-		
SDHR	\$95	\$3,433	-	\$6,542		\$8,291
HSD	-	\$864	-	-		
SPD	\$199	-	-	-		
FAS	\$12,136	-	-	-	\$2,052	\$729
SEEC					\$45	\$53
<b>Total</b>	<b>\$13,493</b>	<b>\$13,972</b>	<b>\$30,059</b>	<b>\$13,316</b>	<b>\$4,879</b>	<b>\$12,817</b>

As shown in the table, the total amount of budget exceptions has varied over the years. The departments requesting retroactive budget authority have also varied from year-to-year.

## **Budget Development - Next Steps**

Based on information to date, and recent practice, there will likely be additional proposed standalone and comprehensive supplemental appropriations bills. While proposed standalone bills are not known at this time, additional comprehensive appropriation bills could include:

- Mid-year Supplemental: Typically introduced in July, this bill would represent the second comprehensive supplemental appropriations bill.
- Mid-year and Year-end Grant Acceptance and Appropriation: Introduced along with the supplemental legislation in July and September, respectively, these bills accept and provide spending authority for grants and other non-City revenues.
- Year-end Supplemental: Introduced during the deliberative process for the next year's budget bill, which runs from October through the budget bill's final passage in late November, this bill would represent the second comprehensive, citywide budget increase request from the Executive. Considering this bill during the fall budget process allows the City Council to consider the full picture of the City's finances during the 2024 mid-biennium budget review and adjustment process.

## **Attachments:**

1. 2023 Budget Adjustments through April 17, 2024.

cc: Ben Noble, Director  
Aly Pennucci, Deputy Director

**Attachment 1. 2024 Budget Adjustments Through April 17, 2024**

Department	Adopted Budget	Automatic Carryforward	Approved Supplementals (as of 4/17)	Revised Budget	CB 120774	CB 120774 % Increase to Revised Budget
Office of Arts and Culture	\$ 22,903,564	\$ 7,406,351	\$ -	\$ 30,309,915	\$ 1,330,000	4%
City Auditor Department	\$ 2,329,573	\$ 273,258	\$ -	\$ 2,602,831	\$ -	0%
City Budget Office Department	\$ 8,959,111	\$ 1,774,895	\$ -	\$ 10,734,006	\$ -	0%
Civil Service Commissions	\$ 881,534	\$ -	\$ -	\$ 881,534	\$ 95,000	11%
Community Assisted Response and Engagement	\$ 26,343,050	\$ 328,372	\$ 395,439	\$ 27,066,861	\$ 2,056,732	8%
Community Police Comm Department	\$ 2,112,770	\$ 40,600	\$ -	\$ 2,153,370	\$ -	0%
Seattle Department of Construction and Inspections	\$ 117,667,383	\$ 2,506,346	\$ 27,960	\$ 120,201,689	\$ 1,681,008	1%
Department of Education and Early Learning	\$ 156,798,353	\$ 65,767,919	\$ -	\$ 222,566,272	\$ 594,446	0%
Department Of Neighborhoods	\$ 18,723,879	\$ 7,848,308	\$ -	\$ 26,572,187	\$ 1,581,105	6%
Seattle Department of Transportation	\$ 711,293,366	\$ 428,113,273	\$ -	\$ 1,139,406,639	\$ 3,015,000	0%
Econ & Revenue Forecasts Department	\$ 835,712	\$ -	\$ -	\$ 835,712	\$ -	0%
Employees' Retirement System	\$ 10,656,304	\$ 252,629	\$ -	\$ 10,908,933	\$ 531,000	5%
Ethics And Elections Department	\$ 4,305,873	\$ -	\$ -	\$ 4,305,873	\$ -	0%
Department of Finance and Administrative Services	\$ 450,799,506	\$ 119,394,008	\$ -	\$ 570,193,513	\$ 10,491,363	2%
Finance General	\$ 342,025,906	\$ 862,626	\$ -	\$ 342,888,532	\$ 28,557,959	8%
Seattle Fire Department	\$ 282,575,015	\$ 6,744,426	\$ 1,509,474	\$ 290,828,915	\$ 127,616	0%
Firefighter's Pension	\$ 23,037,831	\$ -	\$ -	\$ 23,037,831	\$ 860,000	4%
Hearing Examiner Department	\$ 1,218,519	\$ 5,205	\$ -	\$ 1,223,724	\$ -	0%
Human Services Department	\$ 341,028,165	\$ 128,989,012	\$ 176,873	\$ 470,194,050	\$ 13,589,209	3%
Immigrant & Ref Affairs Department	\$ 6,404,121	\$ 1,924,222	\$ -	\$ 8,328,343	\$ -	0%
Intergovernment Relations Department	\$ 3,124,456	\$ -	\$ -	\$ 3,124,456	\$ -	0%
Law Department	\$ 40,780,772	\$ 462,190	\$ -	\$ 41,242,962	\$ 70,000	0%
Legislative Department	\$ -	\$ 524,790	\$ -	\$ 524,790	\$ -	0%
Seattle Public Library	\$ 95,777,023	\$ 21,985,137	\$ -	\$ 117,762,160	\$ 108,000	0%
Mayors Office Department	\$ 11,865,768	\$ 573,542	\$ -	\$ 12,439,311	\$ -	0%
Seattle Municipal Court	\$ 43,279,980	\$ (71,163)	\$ -	\$ 43,208,817	\$ 82,600	0%
Off Inspect Gen For Pub S Department	\$ 4,700,173	\$ 225,915	\$ -	\$ 4,926,088	\$ -	0%
Office of Emergency Management	\$ 2,922,504	\$ 1,940,746	\$ 402,567	\$ 5,265,817	\$ -	0%
Off Of Labor And Stand Department	\$ 9,041,478	\$ 338,703	\$ -	\$ 9,380,181	\$ -	0%
Office Of Civil Rights Department	\$ 7,986,095	\$ 2,540,384	\$ -	\$ 10,526,479	\$ -	0%
Office of Economic Development	\$ 37,241,269	\$ 27,557,633	\$ 50,000	\$ 64,848,902	\$ 315,000	0%
Office of Empl Ombud Department	\$ 1,154,216	\$ -	\$ -	\$ 1,154,216	\$ -	0%
Office Of Housing	\$ 339,334,973	\$ 214,549,971	\$ 580,000	\$ 554,464,944	\$ 71,952,068	13%
Office of Planning and Community Development	\$ 35,891,221	\$ 14,123,923	\$ 50,000	\$ 50,065,144	\$ 53,462,803	107%
Parks Department	\$ 320,716,190	\$ 220,583,309	\$ -	\$ 541,299,498	\$ -	0%
Seattle Police Department	\$ 395,794,770	\$ 19,707,553	\$ 53,896	\$ 415,556,219	\$ -	0%
Police Relief And Pension Department	\$ 26,748,732	\$ -	\$ -	\$ 26,748,732	\$ -	0%
Seattle Center	\$ 55,525,563	\$ 50,398,705	\$ -	\$ 105,924,267	\$ 1,701,222	2%
Seattle City Light	\$ 1,531,412,532	\$ 301,217,441	\$ -	\$ 1,832,629,973	\$ 776,156	0%
Seattle Department Of HR	\$ 409,546,688	\$ 11,000	\$ -	\$ 409,557,688	\$ -	0%
Seattle Information Technology Department	\$ 302,496,108	\$ 43,468,509	\$ -	\$ 345,964,617	\$ 4,983,580	1%
Seattle Public Utilities	\$ 1,580,692,614	\$ 133,775,565	\$ 4,500,000	\$ 1,718,968,180	\$ 352,108	0%
Office of Sustainability and Environment	\$ 30,585,488	\$ 20,122,013	\$ 75,000	\$ 50,782,501	\$ 3,093,390	6%
<b>Grand Total</b>	<b>\$7,817,518,147</b>	<b>\$1,846,267,314</b>	<b>\$7,821,209</b>	<b>\$9,671,606,670</b>	<b>\$201,407,365</b>	<b>2%</b>



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# **2023 Carryforward (CB 120774) & Exceptions (CB 120773) Legislation**

---

EDIN SISIC, ANALYST

FINANCE, NATIVE COMMUNITIES & TRIBAL GOVERNMENTS COMMITTEE

MAY 1, 2024

# Overview

---

## 1. Background on Budget Adjustment Process

- Adopted budget
- Automatic carryforwards (administrative)
- Supplementals
- Exceptions

## 2. Council Bill 120774 – 2023 Carryforward (Legislated)

- Add funding back for 2023 budgeted activities that were not completed in 2023

## 3. Council Bill 120773 – 2023 Exceptions

- Retroactively adjust 2023 budget to account for spending that has exceeded the revised budget after all automatic and legislated appropriation increases.

## 4. Next Steps

# Background - Budget Adjustment Process

---

## Adopted Budget

- [RCW 35.32A.050](#) - late November of each year City Council passes annual budget
- Passed on November 21, 2023, [Ordinance 126955](#) authorized a 2024 Adopted Budget from all sources of \$7.8 billion
- One-year of capital improvements program investments

# Background - Budget Adjustment Process (Cont'd)

---

## Automatic Carryforward

- [RCW 35.32A.080](#) – non-lapsing capital appropriations
- Grants and administrative
- Encumbrances
- Total of \$1.8B of automatic carryforward into 2024 across all funds, two thirds of which is in capital budget lines

# Background - Budget Adjustment Process (Cont'd)

---

## Supplementals & Exceptions

- Authority provided by [RCW 35.32A.060](#)
  - Standalone – Specific/single subject
  - Comprehensive – Affects multiple funds and departments
    - Carryforward
    - Exceptions
    - Mid-year/Year-end
    - Grant Acceptance & Appropriation



# CB 120774 – 2023 Carryforward

---

Total requested carryforward of \$201.4 million across all funds, including:

- **Office of Planning and Community Development:** \$53.5 million (107 percent) increase\* across several funds, \$51.4 million of which is for Equitable Development Initiative awards that have not yet been contracted
- **Office of Housing:** \$72 million (13 percent) overall increase, \$71.5 of which is JumpStart Fund for Multifamily Housing
- **Finance General:** \$28.6 million (8 percent) increase across several funds, \$27.3 million of which is a GF appropriation for Participatory Budgeting program

*\*Increase compared to the 2024 Adopted Budget. This is essentially transferring 2023 budget authority into 2024.*

# CB 120773 – 2023 Exceptions

---

Total requested increase of \$12.8 million. Notable items include:

- **Department of Human Resources (SDHR):** A \$8.3 million Industrial Insurance Fund request in SDHR to pay for unanticipated costs due to high volumes of pensionable claims
- **Seattle Public Utilities (SPU):** \$3.3 million Solid Waste Fund request driven by higher-than-expected inflationary adjustments to SPU's major service contracts with Solid Waste collectors

# Next Steps

---

**May 15:** Second Committee hearing (Select Budget Committee) and possible vote on CB 120773 & CB 120774

- Amendment requests are due by May 6<sup>th</sup>

Additional upcoming comprehensive supplementals

- Mid-year supplemental
- Mid-year and year-end grant acceptance and appropriation
- Year-end supplemental

# Questions?



Legislation Text

File #: CB 120774, Version: 1

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

AN ORDINANCE amending Ordinance 126955, which adopted the 2024 Budget, including the 2024-2029 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2024 Budget, appropriations for the following items in the 2024 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
1.1	Community Assisted Response and Engagement	General Fund (00100)	911 Call Response (00100-BO-CS-10000)	\$1,461,965
1.2	Community Assisted Response and Engagement	General Fund (00100)	Community Assisted Response and Engagement (00100-BO-CS-40000)	\$394,462
1.3	Community Assisted Response and Engagement	General Fund (00100)	911 Call Response (00100-BO-CS-10000)	\$169,123
1.4	Community Assisted Response and Engagement	General Fund (00100)	911 Call Response (00100-BO-CS-10000)	\$31,182
1.5	Department of Education and Early Learning	Families Education Preschool Promise Levy (17871)	K-12 Programs (17871-BO-EE-IL200)	\$594,446

1.6	Department of Finance and Administrative Services	Judgment/Claims Fund (00126)	Judgment & Claims Claims (00126-BO-FA-CJ000)	\$4,097,621
			Judgment & Claims Litigation (00126-BO-FA-JR000)	\$5,165,335
			Judgment & Claims Police Action (00126-BO-FA-JR020)	\$749,098
1.7	Department of Finance and Administrative Services	Finance and Administrative Services Fund (50300)	Citywide Admin Services (50300-BO-FA-0002)	\$479,309
1.8	Employees' Retirement System	Employees' Retirement Fund (61030)	Employee Benefit Management (61030-BO-RE-R1E00)	\$531,000
1.9	Finance General	2021 Multipurpose LTGO Bond Fund (36800)	Appropriation to Special Funds (36800-BO-FG-2QA00)	\$558,046
		2023 Multipurpose LTGO Bond Fund (37100)	Appropriation to Special Funds (37100-BO-FG-2QA00)	\$749,913
1.10	Finance General	General Fund (00100)	General Purpose (00100-BO-FG-2QD00)	\$27,250,000
1.11	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-BO-HS-H1000)	\$1,500,000
1.12	Human Services Department	Human Services Fund (16200)	Supporting Affordability and Livability (16200-BO-HS-H1000)	\$5,000,000
1.13	Human Services Department	Payroll Expense Tax (14500)	Supporting Affordability and Livability (14500-BO-HS-H1000)	\$5,000,000
1.14	Human Services Department	Opioid Settlement Proceed Fund (14510)	Promoting Public Health (14510-BO-HS-H7000)	\$289,209
1.15	Executive (Office of Arts and Culture)	Arts and Culture Fund (12400)	Cultural Space (12400-BO-AR-VA170)	\$950,000

1.16	Executive (Office of Arts and Culture)	Arts and Culture Fund (12400)	Arts and Cultural Programs (12400-BO-AR-VA160)	\$70,000
1.17	Executive (Office of Arts and Culture)	Arts and Culture Fund (12400)	Arts and Cultural Programs (12400-BO-AR-VA160)	\$310,000
1.18	Executive (Office of Housing)	Payroll Expense Tax (14500)	Homeownership & Sustainability (14500-BO-HU-2000)	\$842,262
			Multifamily Housing (14500-BO-HU-3000)	\$70,624,628
1.19	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership and Administration (16600-BO-HU-1000)	\$485,178
1.20	Executive (Office of Planning and Community Development)	General Fund (00100)	Equitable Development Initiative (00100-BO-PC-X2P40)	\$19,539,606
		Payroll Expense Tax (14500)	Equitable Development Initiative (14500-BO-PC-X2P40)	\$24,405,263
		Short-Term Rental Tax Fund (12200)	Equitable Development Initiative (12200-BO-PC-X2P40)	\$7,437,666
1.21	Executive (Office of Planning and Community Development)	Payroll Expense Tax (14500)	Planning and Community Development (14500-BO-PC-X2P00)	\$1,854,880
1.22	Executive (Office of Planning and Community Development)	Payroll Expense Tax (14500)	Planning and Community Development (14500-BO-PC-X2P00)	\$44,895
1.23	Executive (Office of Planning and Community Development)	General Fund (00100)	Planning and Community Development (00100-BO-PC-X2P00)	\$180,493
1.24	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$1,000,000
1.25	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$84,320

1.26	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$359,070
1.27	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$150,000
1.28	Executive (Office of Sustainability and Environment)	Payroll Expense Tax (14500)	Office of Sustainability and Environment (14500-BO-SE-X1000)	\$1,500,000
1.29	Seattle Center	Seattle Park District Fund (19710)	Waterfront (19710-BO-SC-61000)	\$1,701,222
1.30	Seattle City Light	Light Fund (41000)	Customer Care (41000-BO-CL-CUSTCARE)	\$776,156
1.31	Seattle Department of Construction and Inspections	Construction and Inspections (48100)	Process Improvements & Technology (48100-BO-CI-U2800)	\$1,681,008
1.32	Seattle Department of Transportation	Transportation Fund (13000)	Leadership and Administration (13000-BO-TR-18001)	\$2,015,000
1.33	Seattle Department of Transportation	Transportation Fund (13000)	Leadership and Administration (13000-BO-TR-18001)	\$1,000,000
1.34	Seattle Fire Department	General Fund (00100)	Leadership and Administration (00100-BO-FD-F1000)	\$127,616
1.35	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$359,070
1.36	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$127,616
1.37	Seattle Information Technology Department	Information Technology Fund (50410)	Technology Infrastructure (50410-BO-IT-D0300)	\$600,000
1.38	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$31,182



1.39	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$1,461,965
1.40	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$479,309
1.41	Seattle Information Technology Department	Information Technology Fund (50410)	Applications (50410-BO-IT-D0600)	\$1,485,178
1.42	Seattle Information Technology Department	Information Technology Fund (50410)	Frontline Services and Workplace (50410-BO-IT-D0400)	\$217,000
1.43	Seattle Information Technology Department	Payroll Expense Tax (14500)	Applications (14500-BO-IT-D0600)	\$222,260
1.44	Seattle Municipal Court	General Fund (00100)	Court Operations (00100-BO-MC-2000)	\$82,600
1.45	Seattle Public Utilities	General Fund (00100)	Utility Service and Operations (00100-BO-SU-N200B)	\$352,108
1.46	Department of Neighborhoods	Payroll Expense Tax (14500)	Community Building (14500-BO-DN-I3300)	\$1,560,351
			Leadership and Administration (14500-BO-DN-I3100)	\$20,754
1.47	Executive (Office of Economic Development)	Payroll Expense Tax (14500)	Leadership and Administration (14500-BO-ED-ADMIN)	\$315,000
1.48	Civil Service Commissions	General Fund (00100)	Civil Service Commissions (00100-BO-VC-V1CIV)	\$95,000
1.49	Law Department	General Fund (00100)	Criminal (00100-BO-LW-J1500)	\$70,000
1.50	Firefighter's Pension	Fireman's Pension Fund (61040)	Firefighters Pension (61040-BO-FP-R2F01)	\$860,000
1.51	Seattle Public Library	Library Fund (10410)	The Seattle Public Library (10410-BO-SPL)	\$108,000
1.52	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-BO-HS-H1000)	\$800,000

1.53	Human Services Department	General Fund (00100)	Promoting Public Health (00100-BO-HS-H7000)	\$1,000,000
<b>Total</b>				<b>\$201,407,365</b>

Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by a 3/4 vote of all the members of the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2024, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_

Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Scheereen Dedman, City Clerk

(Seal)

**SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
City Budget Office	Caleb Wagenaar	Caleb Wagenaar

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE amending Ordinance 126955, which adopted the 2024 Budget, including the 2024-2029 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary and Background of the Legislation:** This legislation appropriates unexpended non-capital appropriations from the 2023 Budget to the 2024 Budget.

RCW 35.32A.080 states: “The whole or any part of any appropriation provided in the budget for operating and maintenance expenses remaining unexpended or unencumbered at the close of the fiscal year shall automatically lapse, except any such appropriation as the city council shall continue by ordinance.” This legislation requests continuances for unexpended 2023 appropriations for non-capital purposes in the amount of \$201.6 million. Appropriations were made in the 2023 Budget for these expenditures but for various reasons, spending was not initiated or completed during the 2023 fiscal year. This ordinance re-appropriates these funds, which lapsed at the end of 2023, in most cases for the same purposes that the funds were dedicated to in 2023.

**2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project?  Yes  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation have financial impacts to the City?  Yes  No

<b>Expenditure Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>General Fund</b>	\$53,054,155				
<b>Expenditure Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Other Funds</b>	\$148,353,210				

<b>Revenue Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>General Fund</b>	\$0				
<b>Revenue Change (\$);</b>	<b>2024</b>	<b>2025 est.</b>	<b>2026 est.</b>	<b>2027 est.</b>	<b>2028 est.</b>
<b>Other Funds</b>	\$0				

### 3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

**Appropriations Notes:** See Summary Attachment A for details.

### 3.d. Other Impacts

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

No. Please see Summary Attachment A for details.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

Please see Summary Attachment A for details.

**Please describe any financial costs or other impacts of *not* implementing the legislation. The objectives supported by these resources could not be achieved without this legislation.**

## 4. OTHER IMPLICATIONS

**a. Please describe how this legislation may affect any departments besides the originating department.**

Yes, this legislation impacts most departments' 2024 budgets. The budget appropriation contained in this legislation provides appropriation authority to cover unanticipated spending above previously authorized during 2023.

**b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.**

No

**c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

**i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

iii. **What is the Language Access Plan for any communications to the public?**

See Summary Attachment A for any associated implications.

**d. Climate Change Implications**

i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

See Summary Attachment A for any associated implications.

e. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

See Summary Attachment A for any associated implications.

**5. CHECKLIST**

**Is a public hearing required?**

**Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**

**If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

**Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

**6. ATTACHMENTS**

**Summary Attachments:** Summary Attachment A – 2023 Budget Carry Forward Ordinance  
Summary Detail Table

**2023 Budget Carry Forward Ordinance Summary Detail Table**

<b>Item #</b>	<b>Title</b>	<b>Description</b>	<b>Amount/FTE</b>
<b>Section 1 – Appropriation Increases</b>			
1.1	911 Call Data Recorder (Community Assisted Response and Engagement)	This item increases appropriation authority by \$1,461,965 in the General Fund, BO-CS-10000 Budget Control Level and provides resources to the CARE department to provide users with search capabilities for 9-1-1 related audio recordings by integrating the NICE Call-Data Logging and Recording System with the CARE Versaterm Computer Aided Dispatch system. This program will allow the analyst to find recordings in one system rather than searching different databases (CAD, RMS, etc). This work was to begin in 2023 but was delayed to 2024 due to the Versaterm CAD 7.6 upgrade which needs to be completed before this integration work can begin.	\$1,461,965
1.2	Dual Dispatch Program Vehicles and Equipment (Community Assisted Response and Engagement)	This item increases appropriation authority by \$394,462 in General Fund, BO-CS-40000 Budget Control Level and provides resources to CARE for procuring vehicles and equipment not completed in 2023. This funding covers 3 additional vehicles along with equipment for the vehicles such as radios, AEDs and other necessary items for the CARE teams. This additional appropriation cannot be absorbed within the current 2024 Adopted Budget.	\$394,462
1.3	Dual Dispatch - Strategic Advisor position (Community Assisted Response and Engagement)	This item increases appropriate authority by \$169,123 to General Fund, BO-CS-10000 Budget Control Level and provides resources to CARE for the Dual Dispatch program. This appropriation supports a term-limited Strategic Advisor position that is working on setting up dual dispatch protocol and community outreach to educate organizations/constituents about the CARE team. This additional appropriation cannot be absorbed within the current 2024 Adopted Budget.	\$169,123

Item #	Title	Description	Amount/FTE
1.4	Criteria Based Dispatch System (Community Assisted Response and Engagement)	This item increases appropriation authority by \$31,182 to General Fund, BO-CS-10000 Budget Control Level and provides resources to CARE and ITD for completing work on the Criteria Based Dispatch System. This additional appropriation is for the Corti project that will finish in 2024. The Corti project will reduce variances that might occur between call takers in CARE 911 center and improve quality assurance by transcribing all the calls. This will result in searchable data to ensure proper procedures were followed in certain situations and scenarios. This additional appropriation cannot be absorbed within the current 2024 Adopted Budget.	\$31,182
1.5	K-12 Families, Education, Preschool, and Promise (FEPP) Levy Carryforward (Department of Education and Early Learning)	This item increases appropriation authority by \$594,446 to the Department of Education and Early Learning (DEEL) in the FEPP Levy Fund, K-12 Budget Control Level (17871-BO-EE-IL200). This item provides resources for DEEL to support the 2023-24 school year Memorandum of Agreement (MOA) with Seattle Parks and Recreation (Parks) for Sports and Transportation and multi-year contracts which could not be encumbered by the end of 2023. \$337,000 of this amount is for the MOA with Parks; MOA funding is not encumbered in PeopleSoft and requires legislated carryforward. \$257,446 of this funding also supports multi-year contracts awarded in 2023 through RFIs for Opportunities & Access, Youth Leadership, and Educator Diversity.	\$594,446
1.6	Judgment & Claims Carryforward (Department of Finance and Administrative Services)	This item increases appropriation authority by \$5,165,335 to the Judgement and Claims Litigation Budget Control Level (BO-FA-JR000), \$4,097,621 to the Claims Budget Control Level (BO-FA-CJ000), and \$749,098 to the Police Action Budget Control Level (BO-FA-JR020) - a total of \$10,012,054 - to provide resources to the City to cover known settlements that must be paid in 2024 as well as anticipated settlements and legal expenses that will likely continue to be higher than the historical norm.	\$10,012,054



Item #	Title	Description	Amount/FTE
1.7	Online Business Directory and E-Procurement (Department of Finance and Administrative Services)	This item increases appropriation authority by \$479,309 to the Department of Finance and Administrative Services (FAS) Citywide Admin Services Budget Control Level (50300-BO-FA-0002). The request is to support the needed spending authority for a Citywide enterprise electronic procurement system for all goods, services and consultant contracts as well as a replacement online business registration for firms that want to do business with the City. The project was expected to complete in 2023 but had a delayed start and now expected to complete in 2024. This appropriation is needed as a companion to Seattle IT's carryforward request for the project.	\$479,309
1.8	Carryforward Unexpended 2023 (Employees' Retirement System)	This item increases appropriation authority by \$531,000 in the Employees' Retirement Fund Employee Benefit Management Budget Control Level (61030-BO-RE-R1E00) to allow for 2024 expensing of service hours already paid for in 2023. Hours are expensed as used.	\$531,000
1.9	LTGO Bond Carryforward for ITD Projects (Finance General) (Finance General)	This item increases appropriation authority by \$558,046 in the 2021 Multipurpose LTGO Bond Fund's Appropriation to Special Funds BCL (36800-BO-FG-2QA00) and by \$749,913 in the 2023 Multipurpose LGTO Bond Fund's Appropriation to Special Funds BCL (37100-BO-FG-2QA00) in Finance General to carry forward funds for the Seattle Information Technology Department (ITD). Finance General occasionally holds bond proceeds on behalf of ITD and the department bills the bond fund as costs are incurred. These funds support projects that are still in process for Seattle Municipal Court and the Law Department.	\$1,307,959

Item #	Title	Description	Amount/FTE
1.10	Participatory Budgeting (Finance General) (Finance General)	This item increases appropriation authority by \$27,250,000 in Finance General's General Fund (00100) Reserves Budget Summary Level (BO-FG-2QD00) to carry forward funding for Participatory Budgeting. Recommendations for using this funding were not completed in 2023. They are expected to be completed in the Spring of 2024.	\$27,250,000
1.11	AiPACE Carryforward (Human Services Department)	This item increases appropriation authority by \$1,500,000 in the General Fund Supporting Affordability & Livability Budget Control Level (00100-BO-HS-H1000) and provides resources for the Human Services Department to fund the AiPACE community facility project. This budget was initially added in the 2022 Adopted Budget and was not implemented due to project delays. Carryforward budget is required to provide funding in 2024. The funding is for constructing a new senior care facility named “AiPACE” that expands International Community Health Services’ (ICHS) PACE program and increases capacity to serve seniors. PACE (Program of All-Inclusive Care for the Elderly) is a nationally-recognized model of care that enables low-income, nursing-home eligible adults to live independently at home or in the community. ICHS is a non-profit federally qualified community health center that provides culturally- and linguistically-appropriate health and wellness services to people of all ages. ICHS signed a purchase and sale agreement with Seattle Chinatown International District Preservation and Development Authority (SCIDpda) and acquired a 25,000 square-foot space in SCIDpda’s Beacon Pacific Village.	\$1,500,000

<b>Item #</b>	<b>Title</b>	<b>Description</b>	<b>Amount/FTE</b>
1.12	Childcare Bonus Fund Carryforward (Human Services Department)	This item increases appropriation authority by \$5,000,000 in the Human Services Fund Supporting Affordability & Livability Budget Control Level (16200-BO-HS-H1000) and provides resources for the Human Services Department to fund childcare facility development. This budget backed by Childcare Bonus revenue was initially added in 2023 and was not implemented due to project delays. Carryforward budget is required to provide funding in 2024.	\$5,000,000
1.13	Rainier Valley Early Learning Campus Carryforward (Human Services Department)	This item increases appropriation authority by \$5,000,000 in the Payroll Tax Fund Supporting Affordability & Livability Budget Control Level (14500-BO-HS-H1000) and provides resources for the Human Services Department to fund the Rainier Valley Early Learning Center. This budget was initially added in the 2023 adopted budget and was not implemented due to project delays. Carryforward budget is required to provide funding in 2024.	\$5,000,000
1.14	Opioid Settlement Fund Drug User Health Program (Human Services Department)	This item increases appropriation authority by \$289,209 in the Opioid Settlement Fund Promoting Public Health Budget Control Level (14510-BO-HS-H7000) and provides resources for the Human Services Department to provide funding for drug user health programs. This budget was originally added the year-end supplemental is implemented in HSD's contract with King County Public Health in 2024.	\$289,209

Item #	Title	Description	Amount/FTE
1.15	Seattle International Film Festival Cinerama Grant (Office of Arts and Culture)	This item increases appropriation authority by \$950,000 to the Office of Arts & Culture in the Arts and Culture Fund, Cultural Space Budget Control Level (12400-BO-AR-VA170) to provide one-time funding to the Seattle International Film Festival (SIFF). The public benefits package required to purchase SIFF was not negotiated in time and the funds could not be encumbered before the end of the year. The appropriation which was initially included in the 2023 mid-year supplemental budget will provide a grant to the Seattle International Film Festival (SIFF) for the purchase of a building in Belltown which housed the former Cinerama movie theatre and to support SIFF’s programs and services intended to contribute to building community through the arts.	\$950,000
1.16	Event Booking Software Purchase (Office of Arts and Culture)	This item increases appropriation authority by \$70,000 to the Office of Arts & Culture in the Arts and Culture Fund, Arts and Cultural Programs Budget Control Level (12400-BO-AR-VA160). ARTS will use the funds to purchase an event booking software for their two cultural facilities, Langston Hughes Performing Arts Institute (LHPAI) and ARTS at King Street Station (KSS). ARTS has begun this work and identified a proposed vendor, however, was not able to sign the contract before the end of 2023. The software will allow the facilities to book events electronically and accept payments by credit or debit cards, which currently they are not able to, increasing the rentability and usability of the space.	\$70,000

Item #	Title	Description	Amount/FTE
1.17	Langston Hughes Performing Arts Institute Equipment Updates (Office of Arts and Culture)	This item increases appropriation authority by \$310,000 to the Office of Arts & Culture in the Arts and Culture Fund, Arts and Cultural Programs Budget Control Level (12400-BO-AR-VA160) for equipment upgrades at the Langston Hughes Performing Arts Institute. The systems upgrades started last year but were delayed due to staffing levels and interrelated system dependencies. These system updates will reduce electrical grid burden, improve ability to rent and activate the space, and ensure the facility can continue to serve Seattle as a leading cultural arts center, elevating and celebrating local African American culture.	\$310,000
1.18	PET Capital Carryforward (Office of Housing)	This item increases appropriation authority in the Office of Housing by \$70,624,628 in the Payroll Expense Tax Fund Multifamily Housing Budget Control Level (14500-BO-HU-3000) and by \$842,262 in the Payroll Expense Tax Fund Homeownership & Sustainability Budget Control Level (14500-BO-HU-2000). This request is necessary to support capital awards and investments in agency services that have been awarded or otherwise committed but have not yet been encumbered in the City's accounting system.	\$71,466,890
1.19	OH Data Management Carryforward (Office of Housing)	This item increases appropriation authority in the Office of House by \$485,178 in the Office of Housing Fund Leadership & Administration Budget Control Level (16600-BO-HU-1000) and provides resources necessary for continued implementation of the Office of Housing's Data Management Upgrade project in partnership with Seattle IT. The total budget for this project in 2024 is \$1,485,178 and the Office of Housing Fund has adequate balance to cover this amount and specific reserves for this project. However, due to technical accounting issues the full amount was not available to carryforward into 2024. The remaining \$1,000,000 in appropriation authority will be provided to the Office of Housing as part of a future supplemental budget action.	\$485,178

Item #	Title	Description	Amount/FTE
1.20	Equitable Development Initiative Awards (Office of Planning and Community Development)	This item increases appropriation authority by \$51,382,535 to the Office of Planning and Community Development in the Equitable Development Initiative BCL (BO-PC-X2P40) and provides resources for Equitable Development Initiative (EDI) projects that have been awarded to organizations but have not yet been contracted. Of the total amount, \$19.5 million is from the General Fund (00100) including \$16.8 million from the Mercer Megablock and \$1.7 million from the Civic Square Block. \$7.4 million is from Short-Term Rental Tax (Fund 12200), and \$24.4 million is from Payroll Expense Tax (Fund 14500). While these funds have all been committed to community-based organizations, the contracting process for these long-term projects often takes multiple years and funds do not always get contracted within the year of the associated EDI RFP and budget.	\$51,382,535
1.21	Duwamish Valley Program (Office of Planning and Community Development)	This item increases appropriation authority by \$1,854,880 to the Office of Planning and Community Development in the Payroll Expense Tax Fund Planning and Community Development BCL (14500-BO-PC-X2P00) and provides resources to continue the department's Duwamish Valley Program work. This work includes investments in community assets such as the South Park Community Center, South Park Neighborhood Center, Georgetown gathering spaces, and community-supported development at the Unity Electric site. Funding for this work was appropriated in the 2022 Adopted Budget as part of the Green New Deal funding package.	\$1,854,880

Item #	Title	Description	Amount/FTE
1.22	Regional Subarea Growth Planning (Office of Planning and Community Development)	This item increases appropriation authority by \$44,895 to the Office of Planning and Community Development in the Payroll Expense Tax Planning and Community Development Budget Control Level (14500-BO-PC-X2P00) and provides resources to continue a multi-year planning effort for regional growth center subarea plans. This item carries forward funding from the 2023 Adopted Budget and is part of a four-year funding plan for the subarea planning work required by the Puget Sound Regional Council.	\$44,895
1.23	Comprehensive Plan Major Update (Office of Planning and Community Development)	This item increases appropriation authority by \$180,493 to the Office of Planning and Community Development in the General Fund Planning and Community Development Budget Control Level (00100-BO-PC-X2P00) and provides resources to continue a multi-year update to the City's One Seattle Comprehensive Plan Major Update as well as the associated implementation work. Combined with \$130,000 in the 2024 Adopted Budget, the carry-forward funding will support the EIS appeal contingency; the online digital engagement platform; draft plan workshops; outreach and engagement expenses such as designing materials and conducting public meetings; and printing and production expenses.	\$180,493

Item #	Title	Description	Amount/FTE
1.24	Clean Energy Apprenticeship Funding Carryforward (Office of Sustainability and Environment)	This item increases appropriation authority by \$1,000,000 to 14500 Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to the Office of Sustainability & Environment to carryforward funding provided in the 2023 Adopted budget to invest in Clean Energy Pre-Apprenticeship Scholarships for clean energy workforce job training program. The Office of Sustainability & Environment (OSE) contributes funding to support two RFP's administered by the Department of Finance and Administrative Services (FAS) to support pre-apprenticeship and job readiness training for clean and renewable energy trades. Due to the timing of staff onboarding and delayed BEPS legislation, this work was underway, but not encumbered before year end; the RFP's to award the funds was published in 2023 and contracts will be awarded in Q2 2024 to utilize 2023 and 2024 budget allocations.	\$1,000,000
1.25	BEPS Rulemaking Temporary Assignment Carryforward (Office of Sustainability and Environment)	This item increases appropriation authority by \$84,320 to 14500 Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to the Office of Sustainability & Environment to carryforward funding for a temporary position to support the rulemaking process for the new Building Emissions Performance Standards policy passed in December 2023. This budget authority for this 12 month position was appropriated in the 2023 and 2023 Adopted Budget with 9 months of funding in 2023 and 3 months in 2024. Due to the delayed passage of legislation, this position instead started in January 2024 and this request will carryforward the unused budget from 2023 to cover the remaining duration of the assignment in 2024.	\$84,320



Item #	Title	Description	Amount/FTE
1.26	BEPS Technology Application Carryforward (Office of Sustainability and Environment)	This item increases appropriation authority by \$359,070 to 14500 Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to the Office of Sustainability & Environment and the Information Technology Department to carryforward budget for a technology solution for Building Emissions Performance Standards (BEPS) compliance. The work originally planned for 2023 started late due to policy legislation delays, but is now underway with a target go-live date in 2026.	\$359,070
1.27	Tree Canopy Equity and Resilience Plan Carryforward (Office of Sustainability and Environment)	This item increases appropriation authority by \$150,000 to 14500 Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to the Office of Sustainability & Environment to carryforward one-time funding to support a canopy equity and resilience assessment and plan. This work was delayed in 2023 due to consultant delays in delivering the now published Canopy Cover Assessment but is now underway. The budget authority for this project was added as a one-time appropriation in the 2023 Adopted Budget.	\$150,000
1.28	Carryforward for Climate Resilience Hubs (Office of Sustainability and Environment)	This item increases appropriation authority by \$1,500,000 to 14500 Office of Sustainability & Environment Budget Control Level (BO-SE-X1000) and provides resources to the Office of Sustainability & Environment to carryforward one-time funding to support community-led efforts to develop resilience hubs. This funding supports the creation of a Citywide Resilience Hub Plan and will also fund early implementation actions as well as funding for a South Beacon Hill Resilience Hub.	\$1,500,000

Item #	Title	Description	Amount/FTE
1.29	Waterfront MPD Fund Carryover (Seattle Center)	This item increases appropriation authority by \$1,701,222 to MPD Waterfront Budget Control Level (19710-BO-SC-61000) and provides resources to Seattle Center for operations and maintenance of the Waterfront. The waterfront operations transferred from Seattle Parks and Recreation to CEN in July 2023; projects for Waterfront Operations Facilities were not able to be completed in 2023, including development of the SR99/Atlantic storage space, the Overlook Walk maintenance space, water fountains, and electrical capacity change orders. A portion will also be used to hire security staff needed for Overlook Walk and vehicle purchases.	\$1,701,222
1.30	GreenUp Renewable Energy Credits (Seattle City Light)	This item increases appropriation authority by \$776,156 in Seattle City Light, in the Light Fund, Customer Care Budget Control Level (41000-BO-CL-CUSTCARE).The increase is a carryforward of 2023 funds for the RCW-mandated voluntary green power program. It is self-funded and dedicated to the purchase of Renewable Energy Credits on behalf of program participants. Of the 18 GreenUp community projects expected to be completed in 2023, seven projects totaling \$776,156 were delayed due to supply chain backlog for solar projects throughout the state. The carryforward funds will be used to complete payments in 2024 for the seven local solar projects and acquire Renewable Energy Credits for use by the Green Up program. If not approved, the program will be left underfunded, unable to meet its obligations, and unable to purchase the related Renewable Energy Credits. GreenUp Community Solar Projects were not budgeted in 2024 as these projects were expected to be completed in 2023.	\$776,156

Item #	Title	Description	Amount/FTE
1.31	Process Improvement & Technology Projects (Seattle Department of Construction and Inspections)	This item increases appropriation authority by \$1,681,008 to the Seattle Department of Construction and Inspections in the Construction and Inspections Fund Process Improvement & Technology Budget Control Level (48100-BO-CI-U2800) and provides resources to complete projects that were budgeted in 2023 but were not completed due to other priorities, scope increases, legacy server upgrades, limited availability of Seattle IT developers, Accela SaaS migration, and the opening of walk-in services at the Seattle Municipal Tower. Projects that were delayed include Customer Support Modernization, Permit History Research, Accela/PeopleSoft Integration (APSI), and Accela Enhancements.	\$1,681,008
1.32	Transportation Funding Plan Carryforward (Seattle Department of Transportation)	This item increases the appropriation authority by \$2,015,000 in the Seattle Department of Transportation in the Transportation Fund Leadership and Administration Budget Control Level (13000-BO-TR-18001) and provides carry forward funding for the Transportation Funding Plan. This work is a multi-year effort, with a multi-year funding plan, to update the City's transportation plan for future transportation projects and programs. The effort seeks to coordinate all the City's modal plans into a unified transportation plan. The fund requested in this Change Request specifically will support communication Consultant contract, staffing, and outreach/communications support for the Transportation Funding Plan.	\$2,015,000
1.33	Transportation Technology Plan Carryforward (Seattle Department of Transportation)	This item increases the appropriation authority by \$1,000,000 in the Seattle Department of Transportation in the Transportation Fund Leadership and Administration Budget Control Level (13000-BO-TR-18001) and provides carry forward funding for the Transportation Technology Plan (TTP), which addresses current Departmental technology needs and helps to prepare the Department for managing 21st century transportation infrastructure.	\$1,000,000

Item #	Title	Description	Amount/FTE
1.34	Emergency Medical Dispatch IT Project (Seattle Fire Department)	This item increases appropriation authority by \$127,616 in the Seattle Fire Department in the Leadership and Administration BSL (00100-BO-FD-F1000). The budget carryforward is necessary for ITD to support the SFD's Emergency Medical Dispatch Project. This work has been delayed due to limited resource availability. The costs associated with this project will be direct billed to SFD.	\$127,616
1.35	OSE IT Initiatives: OSE Bldg Perform Standards App (Seattle Information Technology Department)	This item increases appropriation authority by \$359,070 in the IT Operating Fund in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to support the OSE Bldg Perform Standards App Project. This work has been delayed due to limited resource availability. The costs associated with this project will be direct billed to OSE.	\$359,070
1.36	SFD IT Initiatives: Emergency MED Dispatch Prot (Seattle Information Technology Department)	This item increases appropriation authority by \$127,616 in the IT Operating Fund in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to support the SFD's Emergency Medical Dispatch Project. This work has been delayed due to limited resource availability. The costs associated with this project will be direct billed to SFD.	\$127,616
1.37	PSERN Operator Service (Seattle Information Technology Department)	This item increases appropriation authority by \$600,000 in the IT Operating Fund in the Technology and Infrastructure BSL (50410-BO-IT-D0300). The budget carryforward is necessary for ITD to pay the PSERN (Puget Sound Emergency Radio Network) Operator, which took over as the regional emergency radio dispatch system. Payments have been delayed due to a delayed go-live date for the network.	\$600,000
1.38	CARE IT Initiatives: Criteria Based Dispatch System (Seattle Information Technology Department)	This item increases appropriation authority by \$31,182 in the IT Operating Fund in the Applications BSL (50410-BO-IT-D0600). This budget carryforward is necessary for ITD to continue work on the Criteria Based Dispatch System project. The costs associated with this work will be direct billed to CARE.	\$31,182

<b>Item #</b>	<b>Title</b>	<b>Description</b>	<b>Amount/FTE</b>
1.39	CARE IT Initiatives: 911 Call Data Recorder Integration (Seattle Information Technology Department)	This item increases appropriation authority by \$1,461,965 in the IT Operating Fund in the Applications BSL (50410-BO-IT-D0600). This budget carryforward is necessary for ITD to continue work on the 911 Call Data Recorder Integration project. The costs associated with this work will be direct billed to CARE.	\$1,461,965
1.40	FAS IT Initiatives: Replace Online Business Directory (OBD) (Seattle Information Technology Department)	This item increases appropriation authority by \$479,309 in the IT Operating Fund in the in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to support the FAS Online Business Directory (OBD) project. The project was delayed due to resource constraints, and the project started during late of 2023. The cost associated with this work will be direct billed to FAS.	\$479,309
1.41	OH IT Initiatives: Housing Data Management System (Seattle Information Technology Department)	This item increases appropriation authority by \$1,485,178 in the IT Operating Fund in the Applications BSL (50410-BO-IT-D0600). The budget carryforward is necessary for ITD to continue to support the Office of Housing Data Management system project. The costs associated with this work will be direct billed to OH.	\$1,485,178
1.42	Cable Franchise Renewal Consultant Costs (Seattle Information Technology Department)	This item increases appropriation authority by \$217,000 in the Frontline Services & Workplace BSL (50410-BO-IT-D0400). This is for due diligence, audits, and ascertainment/community engagement associated with franchise renewal. The cable office is required to negotiate a franchise renewal, and our budget in the PCTech Digital Equity project is not sufficient for this work.	\$217,000

Item #	Title	Description	Amount/FTE
1.43	PET Fund Carryforward for CiviForm (Seattle Information Technology Department)	This item increases appropriation authority by \$222,260 in the Affordable Seattle Program within the IT Applications BSL (14500-BO-IT-D0600). This budget carryforward is necessary to complete needed platform integrations between CiviForm and department-specific customer relationship management tools. This work allows residents to have one point of entry to apply to all City benefit and discount programs while decreasing the administrative burden on staff processing applications. Costs associated with this work include one-time vendor support and internal ITD staff support to complete the platform integrations.	\$222,260
1.44	2024 TCIA Carryforward (Seattle Municipal Court)	This item increases appropriation authority by \$82,600 to Seattle Municipal Court in the General Fund, Court Operations Budget Control Level (00100-BO-MC-2000) to carryforward the remainder of unspent funds related to the Trial Court Improvement Account (TCIA). The funds will provide additional trainings and improvements for fiscal staff with the launch of the new Municipal Court Information System (MCIS 2.0).	\$82,600
1.45	SPU Carryforward for HSD Graffiti Contract Spending (Seattle Public Utilities)	This action would carry forward unspent SPU General Fund dollars in order to cover costs associated with a graffiti remediation contract held by HSD.	\$352,108

Item #	Title	Description	Amount/FTE
1.46	Generational Wealth Initiative Carryforward (Department of Neighborhoods)	This item increases appropriation authority by \$1,560,351 in the Department of Neighborhoods in the Payroll Expense Tax Fund Community Building Budget Control Level (14500-BO-DN-I3300) and by \$20,754 in the Payroll Expense Tax Fund Leadership and Administration Budget Control Level (14500-BO-DN-I3100) and provides resources for the Generational Wealth Initiative. In 2023, the Council appropriated \$1,850,000 one-time in the Department of Neighborhoods for the Generational Wealth Initiative. This item carries forward unspent portions of this funding.	\$1,581,105
1.47	DAP Carry Forward Request (Office of Economic Development)	This item increases appropriation authority in the Office of Economic Development by \$315,000 in the Payroll Expense Tax Fund Leadership and Administration Budget Control Level (14500-BO-ED-ADMIN) and provides resources for the continued implementation of Downtown Activation Plan initiatives, such as lighting projects in Downtown City parks and other one-time capital expenses in Downtown. The Downtown Activation Plan did not officially launch until late June 2023 and there are several outstanding work items which the department was not able to complete in the first six months of the project. This request carries forward underspend from one-time appropriations made in 2023.	\$315,000
1.48	2023 Carryforward Civil Service Vaccine Mandate Appeals (Civil Service Commissions)	This item increases appropriation authority by \$95000 to the BO-VC-VICIV Civil Service Commissions BSL. These resources will be used to increase the department's capacity for appeals and hearing related to vaccine mandate separations and impacts of the vaccine mandate being lifted, both for the Civil Service Commission (CSC) and Public Safety Civil Service Commission (PSCSC). The budget authority for this project was added as a one-time appropriation in the 2022 amended budget and carried forward in 2023. The project is not complete and may not be complete for several more years.	\$95,000

<b>Item #</b>	<b>Title</b>	<b>Description</b>	<b>Amount/FTE</b>
1.49	Law Timesheets Application (Law Department)	This item increases appropriation authority by \$70,000 to the Law Department in the General Fund, Criminal Budget Control Level (00100-BO-LW-J1500) for purchase of a Timesheets application. This is an application that is under contract by Seattle IT with a purchase order in place. The costs will flow through ITD and ultimately be paid by the Law Department.	\$70,000
1.50	Firefighters' Pension Fund Carryforward (Firefighter's Pension)	This item increases appropriation authority by \$860,000 in the Firefighters' Pension Budget Control Level (BO-FP-R2F01) in Fund 61040. It carries forward unused appropriation authority to help meet rising medical and long-term care costs, as well as the costs associated with pension increases resulting from the collective bargaining process. This authority is backed by existing fund balance.	\$860,000
1.51	Union Training Fund (Seattle Public Library)	This item increases appropriation authority by \$108,000 to the Human Resources Division (B5HRS). These funds are related to unspent resources designated for use by the Librarian's union (Local 2083). Carry-forward of these funds is stipulated in the Library & AFSCME labor contract – Article 25, Section 4.	\$108,000
1.52	Seattle Indian Health Board Carryforward (Human Services Department)	This item increases appropriation authority by \$800,000 in the General Fund Supporting Affordability & Livability Budget Control Level (00100-BO-HS-H1000) and provides resources for the Human Services Department to fund the Seattle Indian Center Detox Facility. This budget was initially added in the 2023 adopted budget and was not implemented due to project delays. Carryforward budget is required to provide funding in 2024.	\$800,000
1.53	Evergreen Treatment Services Facility Funding (Human Services Department)	This item increases appropriation authority by \$1,000,000 in the General Fund Promoting Public Health Budget Control Level (00100-BO-HS-H7000) and provides resources for the Human Services Department to provide funding for Evergreen Treatment Services facilities. This budget was originally added in the 2023 mid-year supplemental and is contracted to ETS through HSD's contract with King County Public Health in 2024.	\$1,000,000







Legislation Text

---

**File #:** Inf 2462, **Version:** 1

---

2019-2024 Budget Review



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# 2019-2024 BUDGET REVIEW

---

ALY PENNUCCI, DEPUTY DIRECTOR  
FINANCE, NATIVE COMMUNITIES, AND TRIBAL GOVERNMENTS COMMITTEE  
MAY 1, 2024

# 2019-2024 Budget Review Document

---



**Citywide budget changes over a five-year period (2019-2024)**

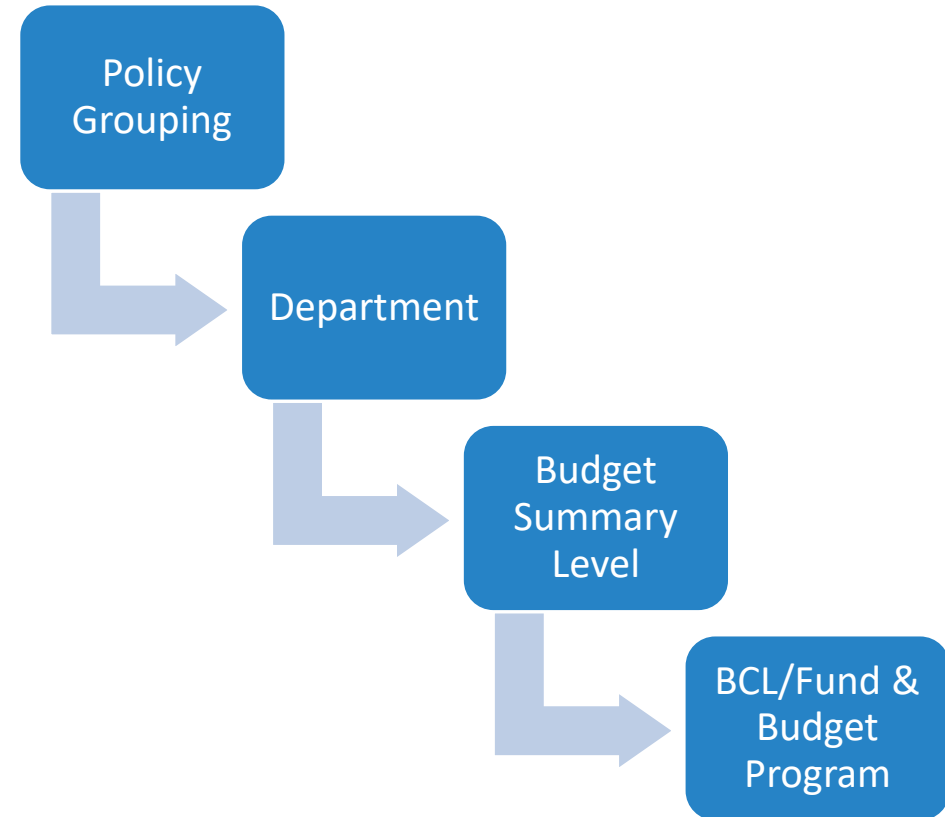


**Review of every City department's budget at the Budget Summary Level (BSL), fund, expense category, and Budget Program level (for most); highlighting budget changes between 2019 and 2024**

# 2019-2024 Budget Review – by Department

## Department summaries include the following\*

- Summary table that highlights growth over the past five-year period at the Budget Summary Level (BSL).
- Cost category and an FTE table which compares the labor, non-labor and FTE changes.
- Bar chart that visually portrays the BSL and fund changes; focus on the GF and JSF.
- High-level summary to highlight the main drivers of budget growth beyond standard inflationary increases.
- Review of changes at the budget program level



\*This document was produced by the entire CS team hence department narratives will vary in writing style, and the level of detail and information provided will vary based on how individual analysts determines what best describes and highlights key information about that department's budgets.

# Policy Areas

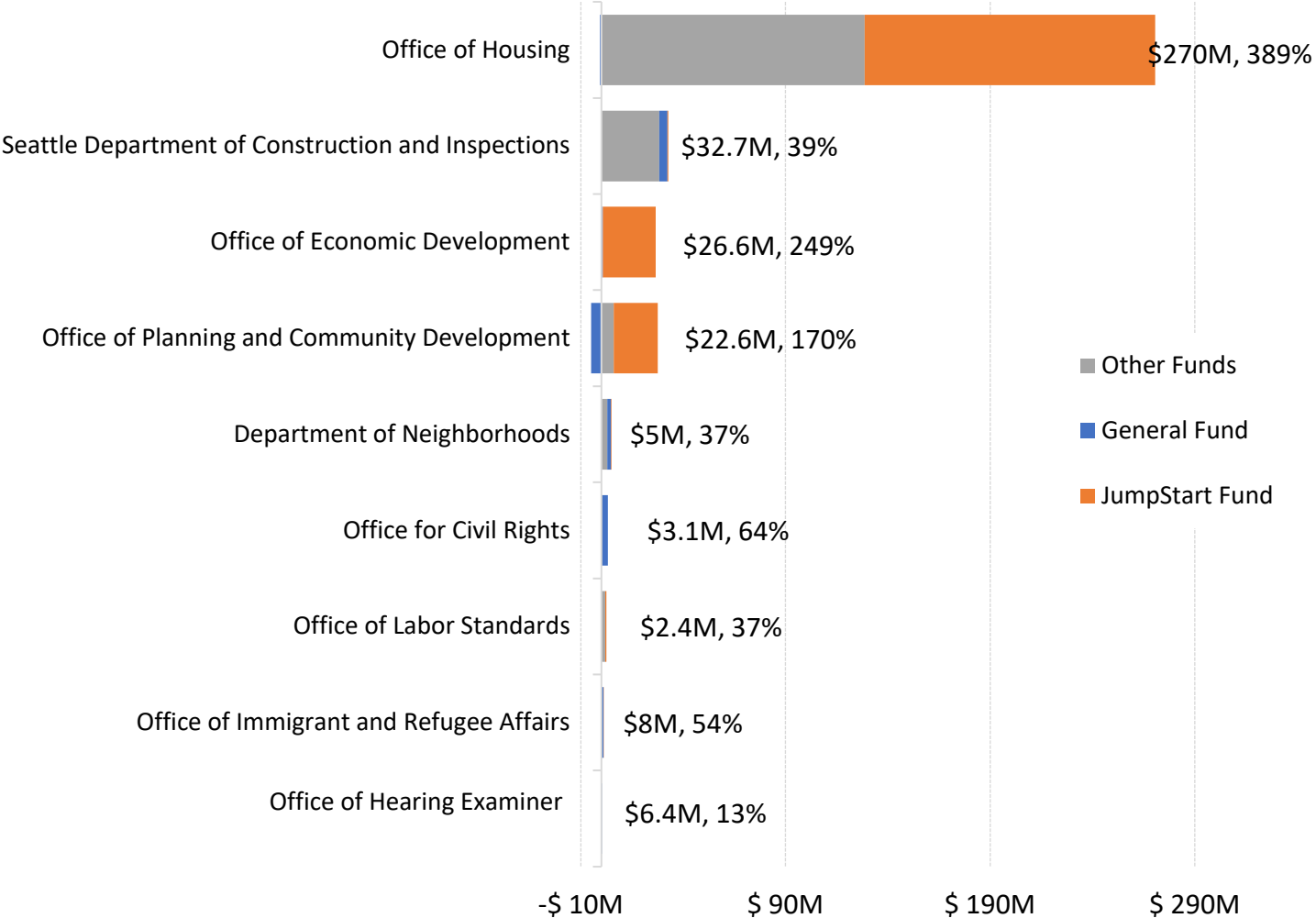
---

The Executive presents the annual budget with departments grouped into six policy areas. For ease of reference between documents, department pages in the *2019-2024 Budget Review* document are organized using the same groupings (presented alphabetically within the policy area):

1. Administration
2. Arts, Culture & Recreation
3. Education & Human Services
4. Livable & Inclusive Communities
5. Public Safety
6. Utilities, Transportation & Environment

# Livable & Inclusive Communities

Adopted budget growth in the Livable and Inclusive Communities policy area since 2019



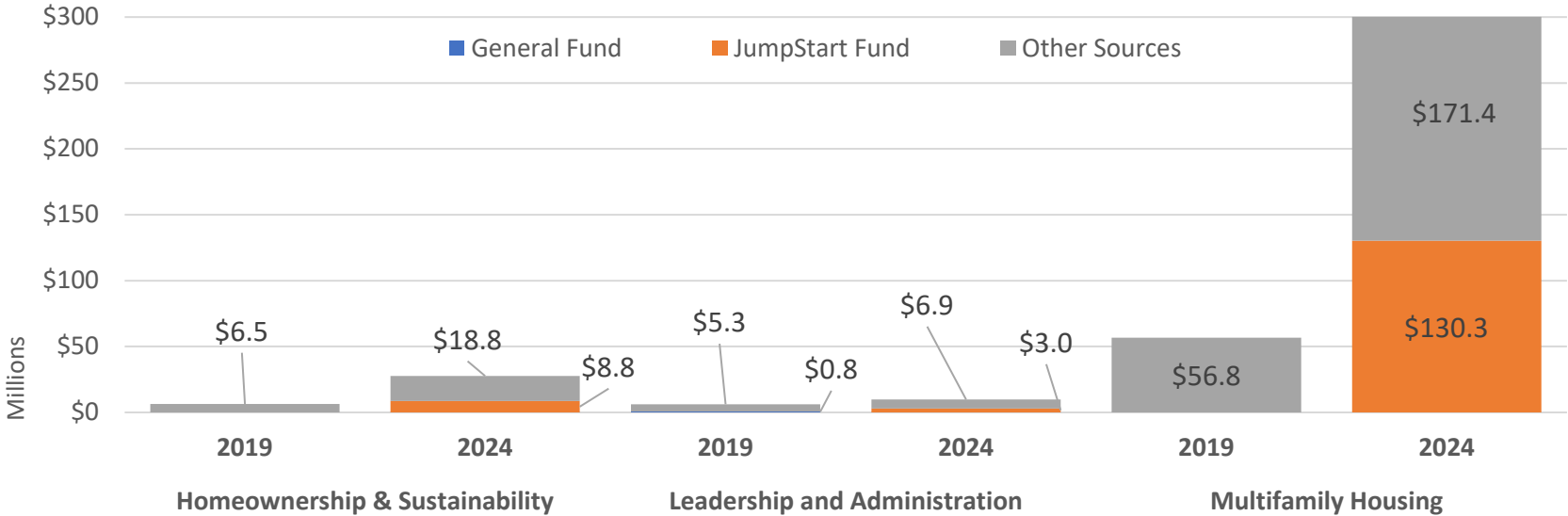
# OFFICE OF HOUSING (OH)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TRACI RATZLIFF

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Homeownership & Sustainability	6.5M	27.6M	21.2M	327%
Leadership and Administration	6.1M	10.0M	3.8M	63%
Multifamily Housing	56.8M	301.7M	245.0M	432%
<b>Total</b>	<b>69.4M</b>	<b>339.3M</b>	<b>270.0M</b>	<b>389%</b>





DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

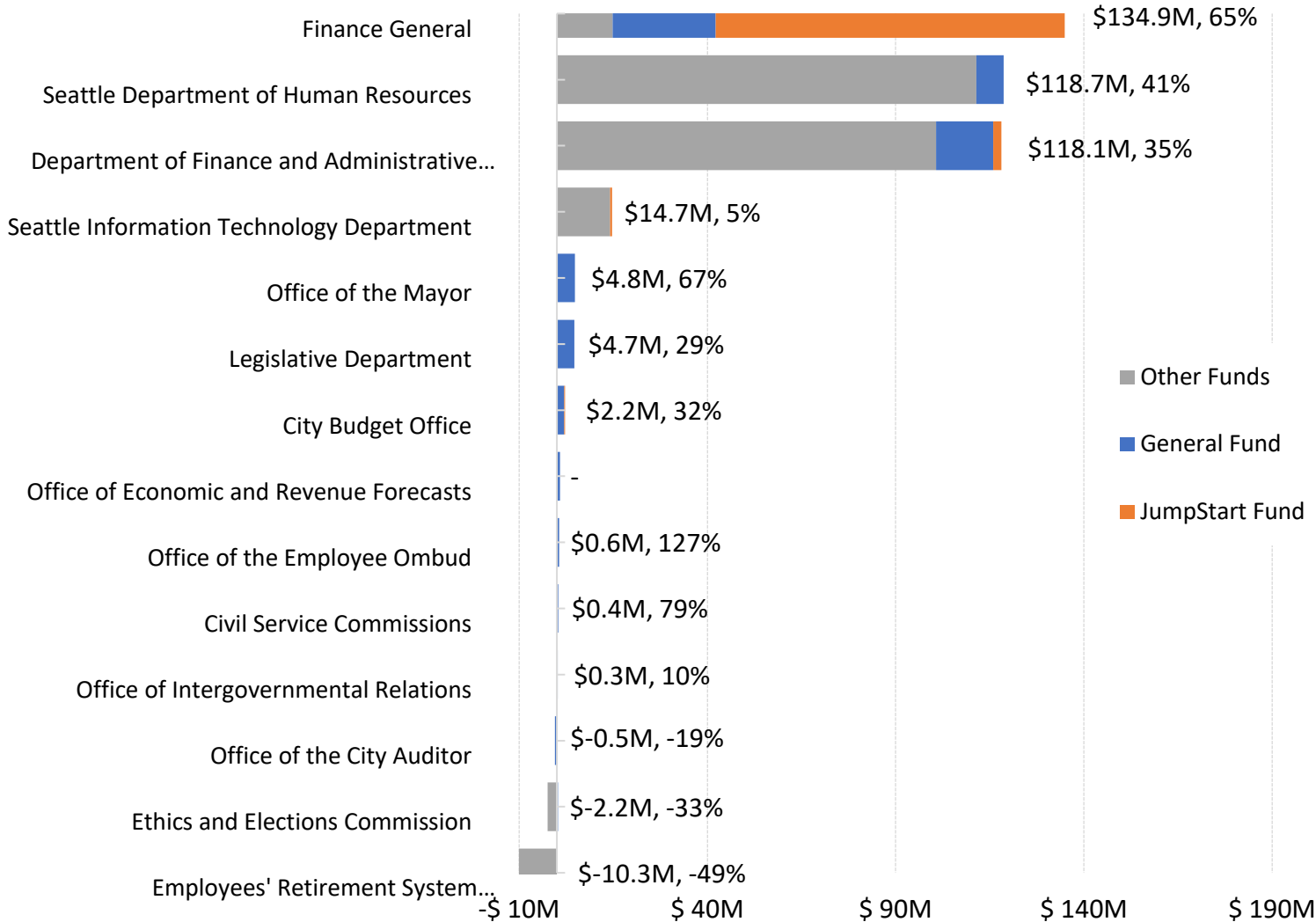
<b>BSL</b>	<b>Homeownership &amp; Sustainability</b>
<b>Purpose</b>	The purpose of the Homeownership & Sustainability Budget Summary Level is to provide loans, grants, and other types of assistance to affordable housing providers and low-income Seattle residents in order to support permanently affordable homeownership, address displacement risks, provide health and safety home repair needs, and implement energy efficiency improvements for qualifying properties.

<b>BUDGET PROGRAM</b>	<b>HOME OWNERSHIP</b>			
Purpose	The purpose of the Home Ownership program is to support first-time homebuyers and existing low-income homeowners through down payment assistance loans, subsidies for permanently affordable homes, and foreclosure prevention loans.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	1.6M	9.2M	7.5M	458%
JumpStart Fund	-	7.0M	7.0M	n/a
<b>Total</b>	<b>1.6M</b>	<b>16.2M</b>	<b>14.5M</b>	<b>883%</b>

<b>BUDGET PROGRAM</b>	<b>HOME REPAIR</b>			
Purpose	The purpose of the Home Repair program is to provide grants or no- to low-interest loans to assist low-income homeowners with critical home repairs.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	0.7M	1.4M	0.7M	96%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.7M</b>	<b>1.4M</b>	<b>0.7M</b>	<b>100%</b>

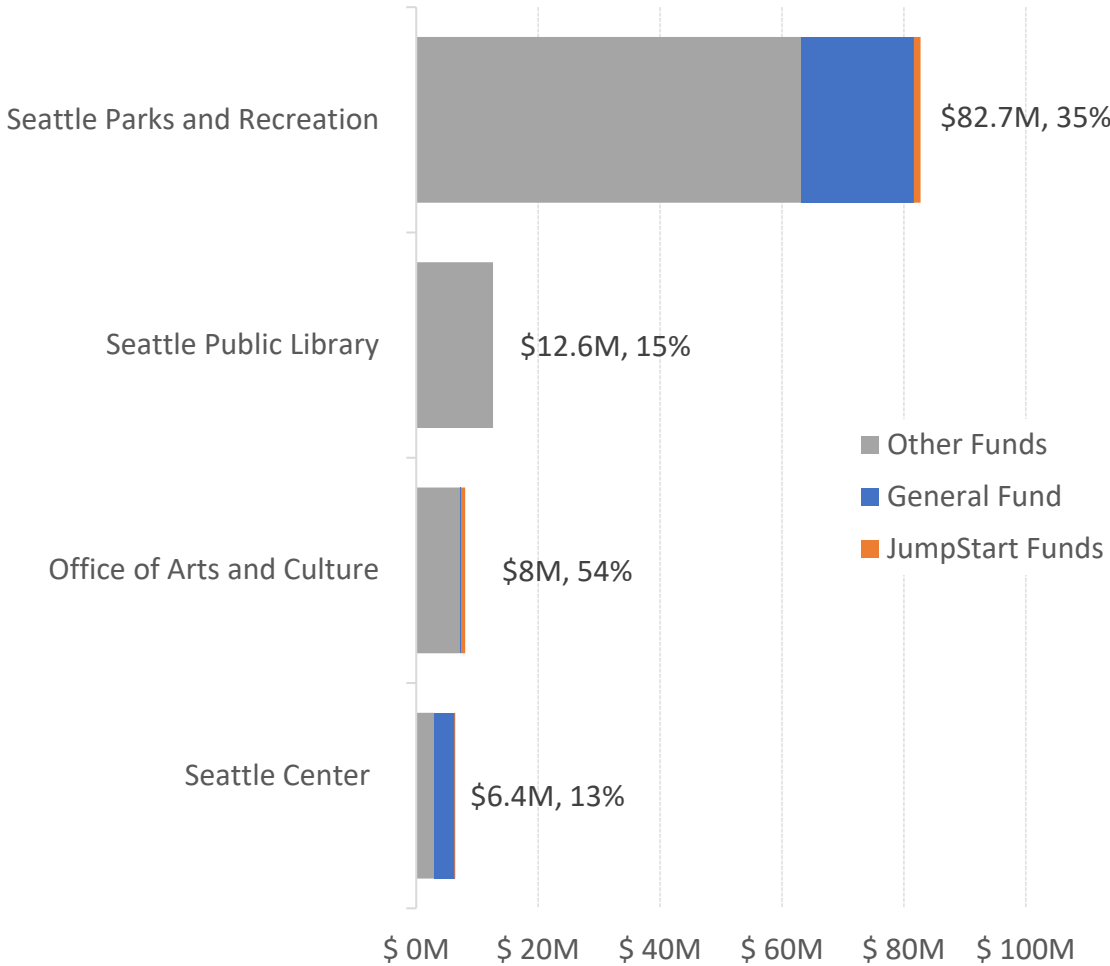
# Administration

Adopted budget growth in the Administration policy area since 2019



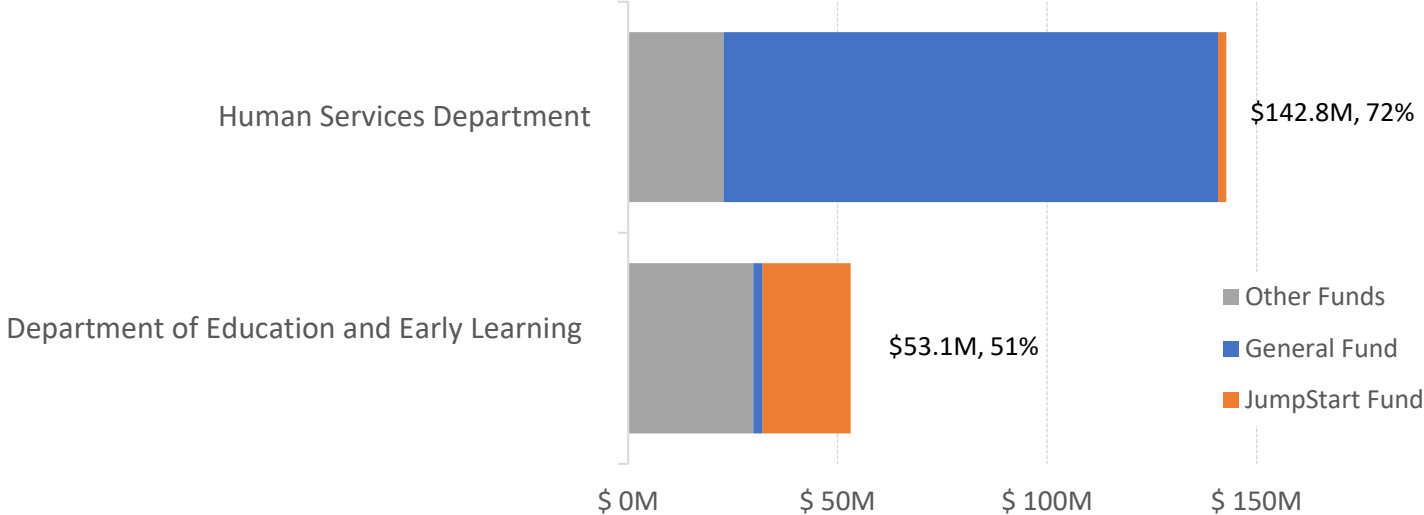
# Arts, Culture & Recreation

Adopted budget growth in the Arts, Culture & Recreation policy area since 2019



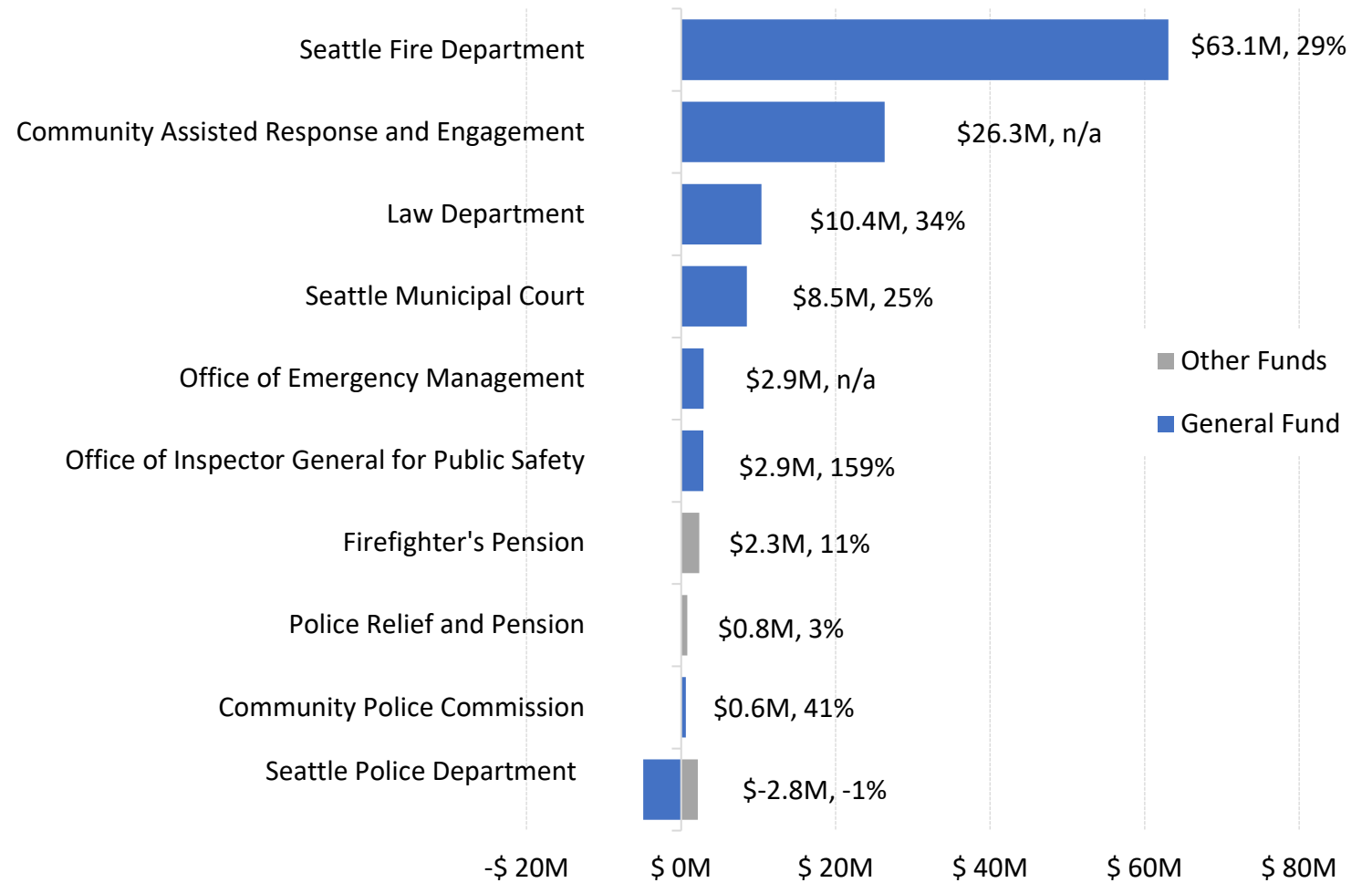
# Education & Human Services

Adopted budget growth in the Education & Human Services policy area since 2019



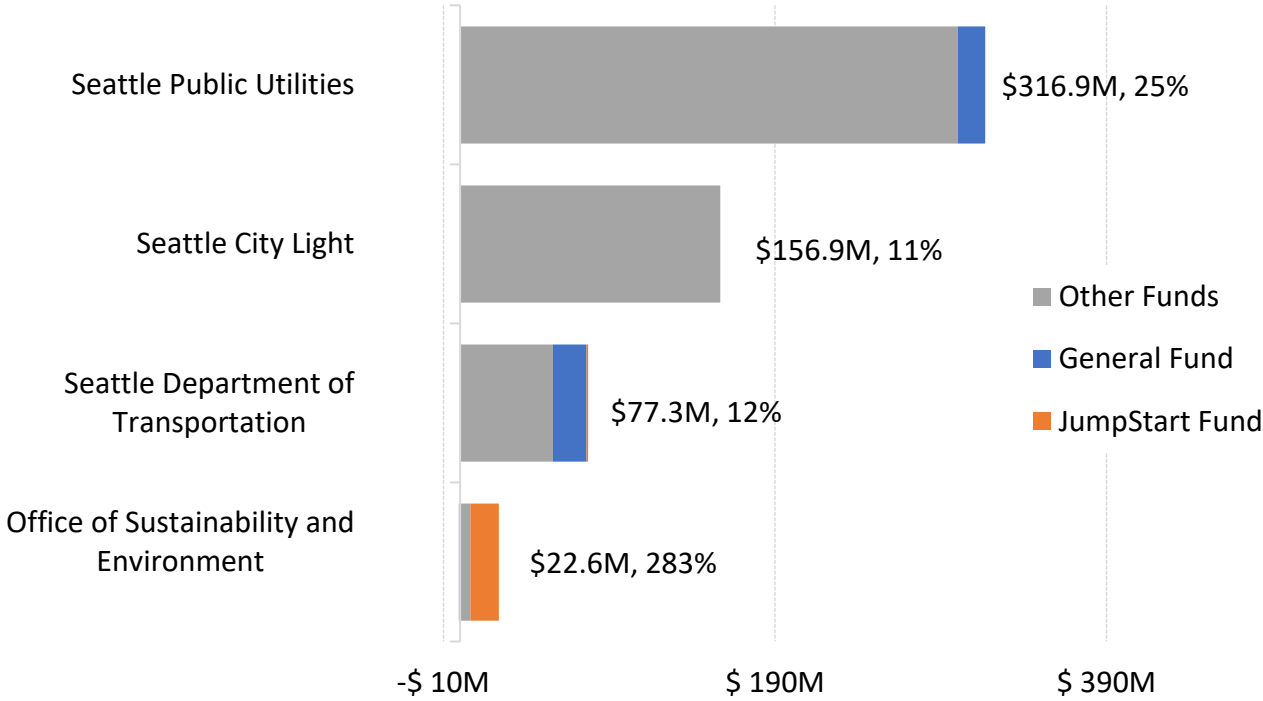
# Public Safety

Adopted budget growth in the Public Safety policy area since



# Utilities, Transportation & Environment

Adopted budget growth in the  
Utilities, Transportation &  
Environment policy area since 2019



# Questions?

# City of Seattle City Council 2019-2024 Budget Review



Photo Credit: [Item 108525](#), Fleets and Facilities Department Imagebank Collection (Record Series 0207-01), [Seattle Municipal Archives](#)

**Version 2:** April 26, 2024



## TABLE OF CONTENTS

---

<b>Readers Guide</b> .....	<b>4</b>
<b>Citywide Summary</b> .....	<b>7</b>
<b>Departments by Policy Area</b>	
Administration .....	14
City Budget Office (CBO).....	17
Civil Service Commissions (CIV).....	19
Department of Finance and Administrative Services (FAS).....	21
Employees' Retirement System (SCERS).....	34
Ethics and Elections Commission (SEEC) .....	36
Finance General (FG) .....	38
Legislative Department (LEG) .....	41
Office of Economic and Revenue Forecasts (OERF).....	44
Office of Intergovernmental Relations (OIR) .....	46
Office of the City Auditor (AUD) .....	48
Office of the Employee Ombud (OMBUD) .....	50
Office of the Mayor .....	52
Seattle Department of Human Resources (SDHR).....	54
Seattle Information Technology Department (ITD) .....	59
Arts, Culture & Recreation.....	66
Office of Arts and Culture (ARTS) .....	67
Seattle Center (SC).....	72
Seattle Parks and Recreation (SPR).....	80
Seattle Public Library (SPL) .....	87
Education & Human Services.....	92
Department of Education and Early Learning (DEEL) .....	93
Human Services Department (HSD) .....	97
Livable & Inclusive Communities.....	111
Department of Neighborhoods (DON) .....	112
Office for Civil Rights (OCR) .....	119
Office of Economic Development (OED) .....	122
Office of Hearing Examiner (HXM) .....	125
Office of Housing (OH).....	127
Office of Immigrant and Refugee Affairs (OIRA).....	132
Office of Labor Standards (OLS).....	134
Office of Planning and Community Development (OPCD) .....	137
Seattle Department of Construction and Inspections (SDCI) .....	140

Public Safety .....	148
Community Assisted Response and Engagement (CARE).....	149
Community Police Commission (CPC) .....	152
Firefighter's Pension .....	153
Law Department (LAW) .....	155
Office of Emergency Management (OEM) .....	158
Office of Inspector General for Public Safety (OIG).....	160
Police Relief and Pension.....	161
Seattle Fire Department (SFD).....	163
Seattle Municipal Court (SMC) .....	171
Seattle Police Department (SPD).....	174
Utilities, Transportation & Environment.....	186
Office of Sustainability and Environment (OSE) .....	187
Seattle City Light (SCL).....	190
Seattle Department of Transportation (SDOT) .....	197
Seattle Public Utilities (SPU) .....	207
<b>Appendices .....</b>	<b>218</b>

## Readers Guide

---

To facilitate the Council’s review and examination of the City’s budget Central Staff produced this ‘2019-2024 Budget Review’ document. It provides details on each department’s budget and describes the relevant programmatic expenditure changes (focusing on key drivers of growth) that occurred between 2019 and 2024.

The intent is to provide councilmembers with a concise but detailed overview of the City’s budget ahead of the Council’s upcoming 2025-2026 budget deliberations and adoption process. The document summarizes the budget by policy areas and then by department to better understand how city resources are allocated and how the budget has grown over the last five years. Because of the projected deficit in the City’s General Fund (GF) and because the Mayor and the Council are reviewing the JumpStart Payroll Expense Tax Fund (JSF or JumpStart Fund) polices to determine if that will be continue to be used to help balance the GF, the focus of this analysis is on the GF and the JSF; in most cases this budget document groups all “other funds” together.<sup>1</sup> The goal is to help the Council identify and refine priorities and determine whether current funding levels for the City’s programs and services, with a focus on the GF and JSF, are set at the appropriate levels, whether reductions could occur to help address the structural deficit in the GF or where funding levels may need to be increased to address community needs.

This document may be updated with additional detail in response to questions from councilmembers or if we identify errors in the data – it is meant to inform 2024 budget conversations and identify areas of most interest for additional analysis within the City’s \$7.8 billion budget. Questions about the information presented in this document should be directed to Central Staff. If updates or corrections are made, we will note what was changed when releasing new versions.

### Organization and Components of the Budget Review Document

The ‘2019-2024 Budget Review’ document provides: (1) a Citywide overview of changes to the City budget over the past five years; and (2) an overview of changes for every City department at the fund, expense category, budget summary, and (for some but not all departments) budget program levels.

For ease of comparison, this budget document is organized similarly to the [annual budget book](#) that is produced by the Executive, but recasts information in a different format and shows growth starting from the 2019 Adopted Budget compared to the 2024 Adopted Budget to highlight budget changes over the five-year period. Like the Executive’s annual budget book, this document groups departments into policy areas (or functional clusters), then by department, budget summary level (BSL),<sup>2</sup> and budget program.

Each policy area includes several individual department budgets. Departments are composed of one or more BSL, which includes one or more Budget Control Level (BCL) and may be composed of one or more budget program. The BCL reflects the BSL purpose and fund and is the level at which the City Council makes appropriations. Figure 1 illustrates this budget structure.

While the legal appropriation levels are set at the BCL, the Budget Program level data for some departments better illustrates how the department invests its resources.<sup>3</sup> This level of detail may be imperfect at times, the intent is to

---

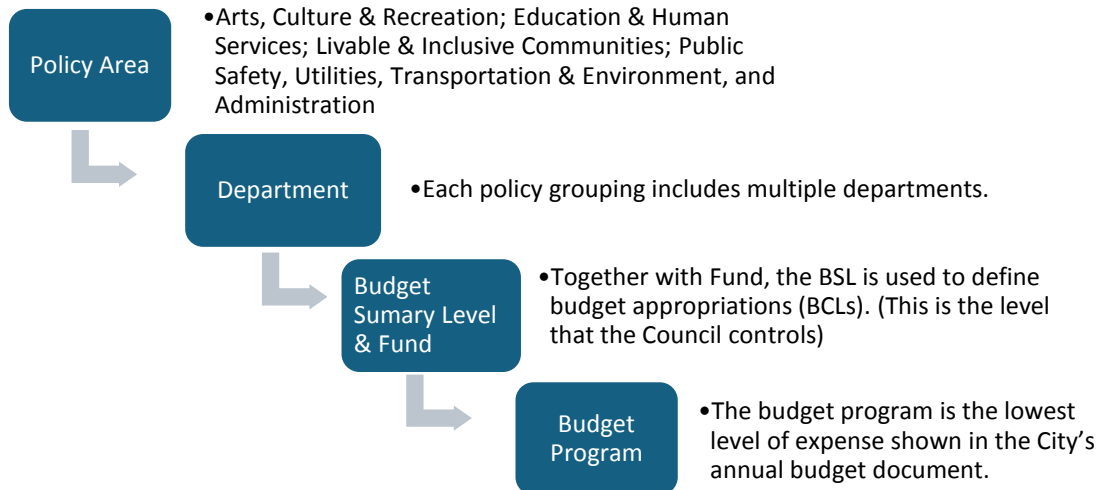
<sup>1</sup>The City accounts for its revenues and expenditures according to a system of funds. Funds are established to account for specific revenues and permitted expenditures associated with those revenues. See Appendix 1 for a table listing all City funds.

<sup>2</sup>BSL: A subset of a department’s budget that encompasses all resources dedicated to a common purpose (e.g., fire prevention). BSLs are broken into Budget Control Levels (BCLs). Each BCL represents appropriations by fund within the BSL; this is the level at which Council controls / appropriates funds to departments.

<sup>3</sup> While displaying the data consistently (at the BSL and Budget Program level) works for most departments, information for certain departments is displayed differently in order to fit the departmental budget structure or if the analyst determined it was a clearest way to describe that departments budget.

prompt follow-up questions and promote dialogue at the very least for areas that councilmembers may be interested in learning more or exploring further.

Figure 1



### Fund Distinctions

The City budget is comprised of separate ‘funds’ which can be thought of as distinct checking accounts that control resources with a common legal or policy purpose. Throughout this document, tables and graphs group financial data using the following three fund groupings:

- General Fund, or GF: The charter fund that controls resources that are not legally or otherwise designated for control by another City fund.
- JumpStart Fund, or JSF: The JumpStart Fund, which is a special revenue fund created by [ORD 126393](#) to control resources generated by an excise tax on large private business payrolls.
- Other Funds, or OF: All other City funds, including enterprise funds that control utility resources, special revenue funds that control resources for a distinct legal purpose, fiduciary funds, internal services funds, etc.

As discussed above, these groupings are used given the context of the ongoing GF budget deficit, and the review of JSF policies that govern resources in the special revenue fund. Appendix 1 provides a table showing the 2019-2024 Adopted Budgets by Fund.

### Citywide Summary

The Citywide Summary section highlights overall growth in the City’s budget over the last five years and illustrates at a high level what has driven that growth.

### Policy Areas

The Executive presents the annual budget by department, grouped into six policy areas:

1. Administration
2. Arts, Culture & Recreation
3. Education & Human Services
4. Livable & Inclusive Communities

5. Public Safety
6. Utilities, Transportation & Environment

Each policy area comprises several departments sharing a related functional focus. The department pages are presented alphabetically within their assigned policy area.

Appendix 2 provides summary charts showing the 2019-2024 Adopted Budgets by policy area and fund.

### Department Pages

Each department summary contains the following components:

- Summary table that highlights budget changes over the past five-year period at the Budget Summary Level (BSL). Where applicable, these tables are broken out by operating and capital BSLs.
- Cost category and an FTE table which compares the labor, non-labor, and FTE changes.
- Bar chart that visually portrays the BSL and fund changes between 2019 and 2024, with a focus on the GF and JSF.<sup>4</sup>
- High-level summary to highlight the main drivers of budget growth beyond standard inflationary increases.
- Review of changes at the budget program level for each BSL, highlighting key changes which may include a more details about the program and main drivers of increases or decrease, with a focus on the GF and JSF.<sup>5</sup>

Appendix 3 provides a summary table showing the total budget by department and fund, and growth over the five-year period.

---

<sup>4</sup> Charts were excluded or portrayed differently for certain departments, typically those with a high number of BSLs.

<sup>5</sup> This document was produced by the entire CS team hence department narratives will vary in writing style, and the level of detail and information provided will vary based on individual analysts determination on how to best describe that department's budgets.

## Citywide Summary

Fund	2019 Budget	2024 Budget	5-Year Growth	Percent Growth
<b>Operating</b>				
General Fund	1,363.7M	1,717.7M	354.0M	26%
JumpStart Fund	-	328.6M	328.6M	n/a
Other Sources	3,508.8M	4,355.3M	846.5M	24%
<i>Operating Subtotal</i>	<i>4,872.5M</i>	<i>6,401.6M</i>	<i>1,529.1M</i>	<i>31%</i>
<b>Capital</b>				
General Fund	2.1M	4.5M	2.4M	113%
JumpStart Fund	-	1.0M	1.0M	n/a
Other Sources	1,218.6M	1,431.5M	212.8M	17%
<i>Capital Subtotal</i>	<i>1,220.7M</i>	<i>1,436.9M</i>	<i>216.2M</i>	<i>18%</i>
<b>Grand Total</b>	<b>6,093.2M</b>	<b>7,838.5M</b>	<b>1,745.3M</b>	<b>29%</b>

Since 2019, the City's budget increased by \$1.7 billion (a 29 percent increase), which represents an average annual increase of approximately \$350 million (5.8 percent). This is primarily driven by baseline and technical adjustments responding to historically high inflation rates (average CPI growth during this period was five percent).

Most of the budget growth occurred in the budgets for the Seattle Public Utilities (SPU), Office of Housing (OH), Seattle City Light, and Human Services Department. The primary drivers of growth in this five-year period are:

- Inflationary adjustments that impact the cost of delivering City programs, services, and capital investments. This includes increases in personnel costs including wages, healthcare, and industrial insurance (workers' compensation), internal service costs (e.g., IT support, facilities, and fleet services). Inflation adjustments (or baseline and technical adjustments) account for about 79 percent of the growth in the GF budget (see further discussion in the "Citywide Overview – GF Deficit" section later in this chapter).
- New and expanded programs supported by new sources of revenue. For example, in 2024, the Payroll Expense Tax revenues that fund expenditures from the JSF account for 19 percent of the \$1.7 billion growth in the city budget in the five-year period.
- Spending supported by one-time revenues that are set to expire at the end of 2024.

## Citywide Summary – Labor / Non-labor

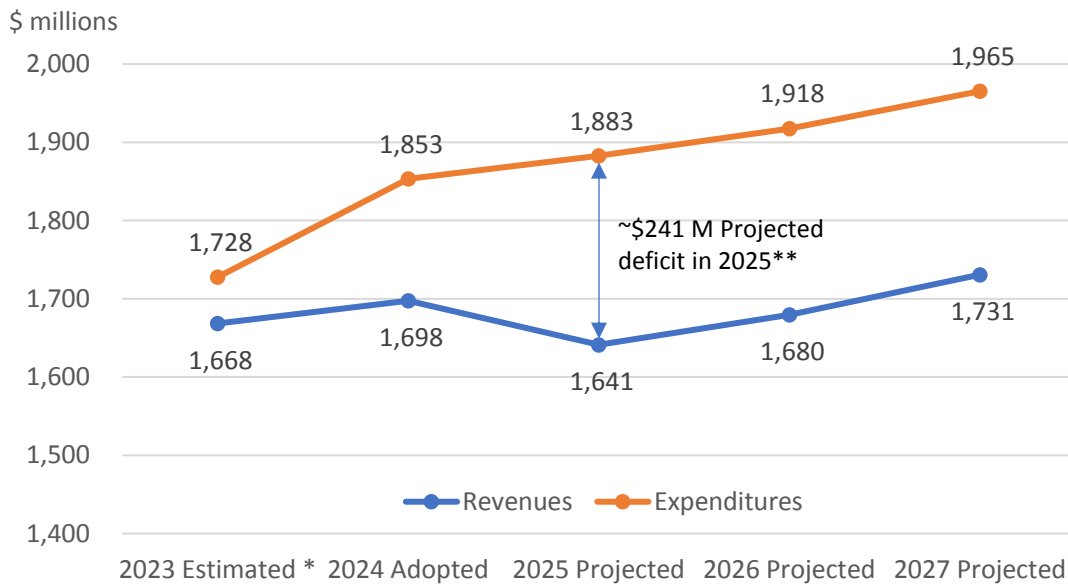
Most of the programs and services provided by the city rely on workers to deliver those services, and particularly programs and services that are funded by the GF. The personnel costs for city workers across all funds comprise about 32 percent of the 2024 Adopted Budget and over half (about 52 percent) of the \$1.7 billion GF budget. This excludes costs associated with a position, such as the cost of purchasing and maintaining vehicles for positions that require access to a city car.

Much of the “non-labor” budget across all funds is for contracted services with organizations whose workers deliver key services (e.g., contracts with the King County Regional Homelessness Authority and human service organizations that deliver most services related to the city’s homelessness response).

Expense Category by Fund	2019 Budget	2024 Budget	5-Year Growth	Percent Growth
<b>Operating</b>				
<b>Labor</b>				
General Fund	803.1M	890.4M	87.3M	11%
JumpStart Fund	-	9.6M	9.6M	n/a
Other Sources	1,126.9M	1,550.4M	423.5M	38%
<i>Labor Subtotal</i>	<i>1,930.0M</i>	<i>2,450.4M</i>	<i>520.4M</i>	<i>27%</i>
<b>Non-Labor</b>				
General Fund	560.6M	827.3M	266.6M	48%
JumpStart Fund	-	319.0M	319.0M	-
Other Sources	2,381.9M	2,804.9M	423.0M	18%
<i>Non-Labor Subtotal</i>	<i>2,942.5M</i>	<i>3,951.2M</i>	<i>1,008.7M</i>	<i>34%</i>
<b>Operating Subtotal</b>	<b>4,872.5M</b>	<b>6,401.6M</b>	<b>1,529.1M</b>	<b>31%</b>
<b>Capital</b>				
<b>Labor</b>				
General Fund	-	0.1M	0.1M	-
JumpStart Fund	-	-	-	-
Other Sources	29.2M	82.7M	53.5M	184%
<i>Labor Subtotal</i>	<i>29.2M</i>	<i>82.8M</i>	<i>53.6M</i>	<i>184%</i>
<b>Non-Labor</b>				
General Fund	2.1M	4.4M	2.3M	110%
JumpStart Fund	-	1.0M	1.0M	-
Other Sources	1,189.5M	1,348.8M	159.3M	13%
<i>Non-Labor Subtotal</i>	<i>1,191.6M</i>	<i>1,354.2M</i>	<i>162.6M</i>	<i>14%</i>
<b>Capital Subtotal</b>	<b>1,220.7M</b>	<b>1,436.9M</b>	<b>216.2M</b>	<b>18%</b>
<b>Grand Total</b>	<b>6,093.2M</b>	<b>7,838.5M</b>	<b>1,745.3M</b>	<b>29%</b>
<b>Total FTE</b>	<b>12,479</b>	<b>13,070</b>	<b>591</b>	<b>5%</b>

## Citywide Summary – GF Deficit

As has been reported by Central Staff in the last two budget cycles, the GF has a structural budget deficit, whereby ongoing revenues are insufficient to support ongoing costs. As shown in the following graph, based on the 2024 Adopted Budget, and recently passed legislation related to city wages, the GF structural deficit is projected to grow to \$241 million by 2025.



\* Excludes carryforwards.

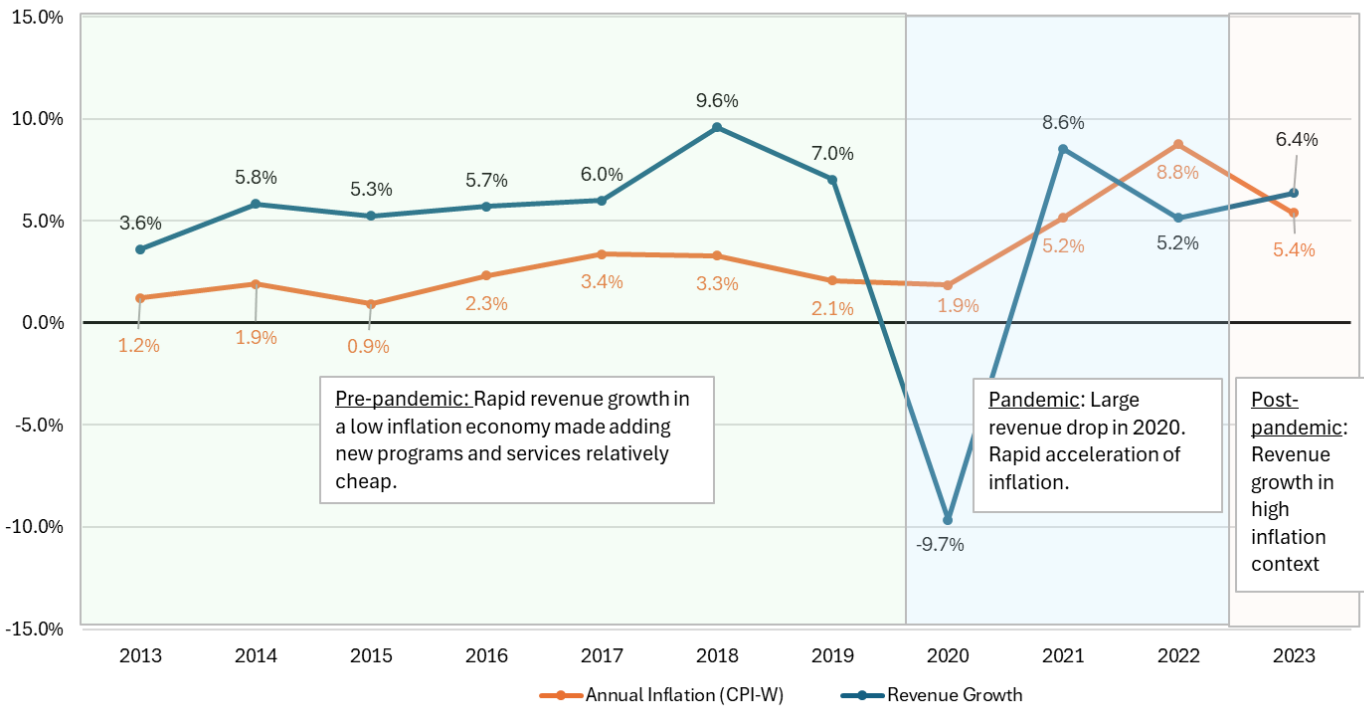
\*\* Projected deficit does not include full impacts from pending labor contracts (e.g., SPOG)

In 2023 and 2024 the deficit is balanced using one-time fund balances generated by actual spending coming in below budget and actual revenues exceeding forecasts in prior years. The deficit grows larger in 2025 due to the expiration of other one-time balancing measures, particularly the transfer of \$85 million from the JSF, and baseline revenue growth lagging baseline expenditure growth. While the temporary nature of the intra-fund support will be reviewed in the context of the 2025 budget development, this chart reflects current law regarding this interfund transfer.

The roots of this budget deficit were largely laid in the prior decade, with the problem being unearthed as key expenditure and revenue growth trajectories were reversed because of economic factors during the pandemic. To illustrate, the following chart displays inflation (which is a key cost driver), measured by CPI-W, and ongoing GF revenue growth during three distinct phases: the pre-pandemic period from 2013 to 2019; the pandemic period from 2020 through 2022; and the first post-pandemic year (2023).



**Growth Trends: Revenues and Inflation 2013 to 2023**



As shown in the chart, from 2013 through 2019, annual revenue growth ranged from 3.6 percent to 9.6 percent (6.2 percent on average), and in each year exceeded cost inflation, which ranged from 0.9 percent to 3.4 percent (2.2 percent on average), by several hundred basis points. This low inflation/high revenue growth environment made adding new services relatively cheap, fostering rapid expansion of the GF budget.

As shown in the next phase in the chart, the 2020 onset of the pandemic resulted in a 9.7 percent drop in ongoing GF revenue in that year, while inflation continued consistent with the prior years’ average. While revenue growth was rapid in 2021, it was still slightly lower than the prior year’s drop. In essence, revenues were ‘running in place’ over that two-year period. In the meantime, federal fiscal stimulus programs injected consumer demand into an economy that was ill-suited to meet that demand due to supply chain constraints, causing price inflation to rise to levels not seen in decades. Given the persistence of these economic factors, inflation remained very high going into 2022 (8.8 percent year over year) which more than offset the real fiscal effect of the 5.2 percent revenue growth in that year. Put another way, the rapid revenue growth in that year was mostly due to inflation, which also inflated costs.

In 2023, the first post-pandemic year shown in the chart, revenue growth was high, but so was inflation. In simple terms, this means that real revenue growth (i.e., adjusted for inflation) was minimal. The persistently high inflation has mitigated the effect of revenue growth, making it difficult to rebound from the impacts of the pandemic.

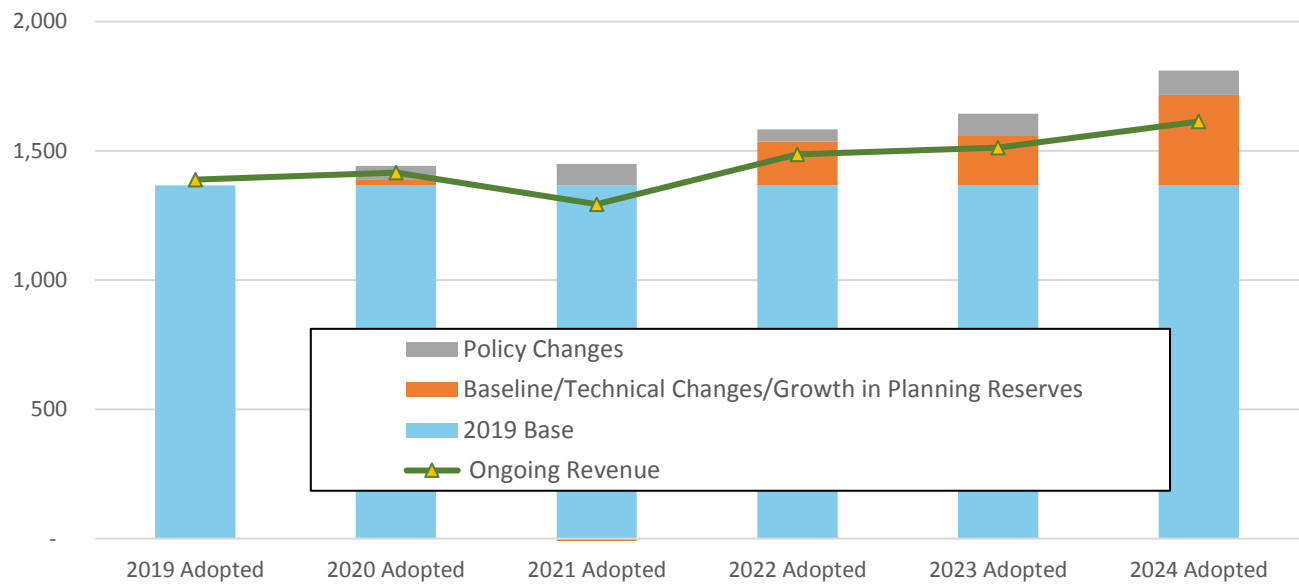
The budget impacts of these shifts in the economy can be seen in the history of adopted budgets and revenues since 2019, which tells the story of how the city transitioned from a balanced 2019 budget to an imbalanced projection for 2025 and 2026. The next chart shows the growth in ongoing GF expenditures (including growth in planning reserves, which are unbudgeted but planned expenditures) and revenues since 2019. The chart excludes fund balances and one-time fund transfers and other intermittent resources and excludes appropriations for one-time purposes.

In the chart, the green line tracks revenues that were forecasted at the time of budget adoption in each year, and the vertical bars track adopted GF expenditure budgets plus reserve growth grouped into three categories, mirroring groupings used by the Executive in its annual budget submission, including:

- **2019 base budget**, shown in light blue.
- **Baseline, technical and planning reserve changes:** Shown in orange, this category represents the budget changes due to annual wage increases, judgement and claims, fuel inflation, IT, SDHR and FAS internal service cost growth, and other technical adjustments as determined by the executive.
- **Policy changes:** Shown in grey, this category represents policy choices, such as adding or expanding programs, made by the council and executive.

*2019 to 2024 Revenue and Expenditure Budget Growth, Excluding One-time Sources and Uses*

\$ millions



As shown in the chart, the bulk of the budget growth is in baseline and technical category, as the City’s budgets that existed pre-2019 were annually adjusted for the historically high inflation rates experienced during and after the pandemic. Cumulative through 2024, this category roughly represents 79 percent of the growth in the GF budget, with the remainder from policy choices. It is worth noting that a portion of the amount in the ‘Policy Changes’ category (about \$46.6 million) is for human services provider contract inflationary increases, a policy choice influenced by the same rapid inflation growth impacting city costs.

## Central Service Costs

Central service costs, also referred to as “indirect costs” or “overhead costs”, account for support services that are provided by multiple departments, including the Department of Finance and Administrative Services (FAS), Seattle Information Technology Department (ITD), Seattle Department of Human Resources (SDHR), and centrally managed cost for healthcare, retirement, and industrial insurance charges.

Through a [cost allocation plan](#), the city identifies and distributes these central service costs across all departments and funds to ensure that the departments and funds are fairly and accurately charged for the services they are projected to receive. Under this model, the \$7.8 billion total city budget “double counts” these costs because it includes both the appropriation for the service departments as well as the discrete amounts in each ‘customer’ department to ‘pay’ the internal service department for the services it receives. For example, based on their usage, all departments contribute to maintaining the City’s fleet that FAS manages, and the FAS budget includes the total cost to provide the fleet services for the city.

Since 2019, internal service costs have increased by \$304 million (or 50 percent). Looking just at the GF, since 2019 internal service costs increased by \$108 million or 44 percent. The overall growth is primarily driven by increased rates for healthcare, workers compensation, and Judgement and Claims. The remaining increases are driven by inflationary and technical changes, including the recent restructuring of the FAS budget. These costs are included in the baseline and technical changes to the GF budget previously noted.

While certain central service cost changes in the budget are easy to track (i.e., retirement and healthcare related costs), comprehensive analysis of all central costs is difficult to navigate. In particular, it is difficult to track and tie the various central costs to the budget changes in individual departments and city funds, and to understand the budget impacts and cost implications of certain internal service costs. That makes it difficult for the Council to determine if this is the appropriate funding level necessary to support the delivery of city services, or if these rates could be reduced without significant impact, freeing up resources for other investments. To enhance understanding for the public and the Council on the central rate-setting process, including understanding central costs by department and by fund, amount charged, and how that amount is determined, in Section 7 of [Resolution 32116](#) the Council the executive provide a detailed joint briefing to the Council’s Finance Committee on the city’s cost allocation plan, estimates of central rates, and indirect cost changes, for the 2025-2026 biennium.

### *Leadership and Administration Budget Summary Levels Overview*

Many of the city departments have a ‘Leadership and Administration’ (L&A) BSL to capture citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. While the budget management of this BSL varies between departments, centralized leadership/administration and central cost expenses make up the bulk of the budget in these BSLs. Therefore, programmatic, or service-based reductions in other BSLs within a department should also generate savings within the Leadership & Administration BSLs.<sup>1</sup>

The following table summarizes the five-year change in Leadership and Administration BSLs by major fund category.

Fund	2019 Budget	2024 Budget	5-Year Growth	Percent Growth
General Fund	177M	234M	57M	32%
JumpStart Fund	-	7M	7M	-
Other Sources	272M	475M	202M	74%
<b>Total</b>	<b>450M</b>	<b>715M</b>	<b>266M</b>	<b>59%</b>

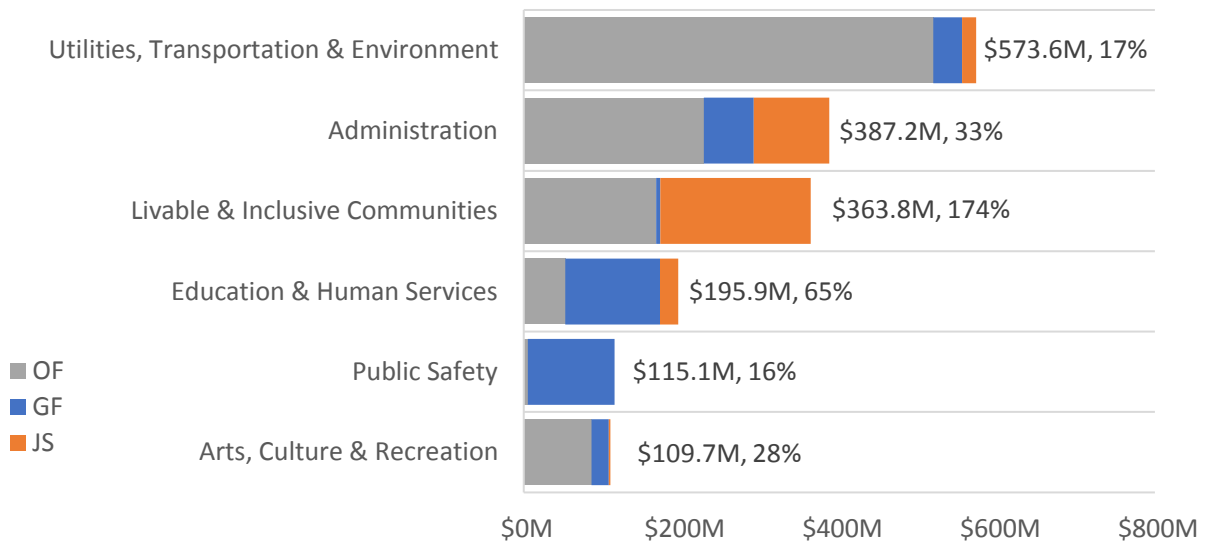
<sup>1</sup> A minor reduction in a programmatic BSL will not necessarily have an associated reduction in the L&A BSL.

While the table above shows a 59 percent overall increase in L&A budgets, it is important to note that most of that growth is due to technical changes within Seattle City Light (SCL) and FAS (as part of the departments' budget restructuring efforts). After accounting for the impact of budget transfers to the L&A BSL from other BSL's within SCL and FAS budgets, the overall increase between 2019-2024 is approximately 20 percent and primarily reflects inflationary cost changes. Over 80 percent of the overall budget in these BSL's is dedicated to labor costs for various positions across the city. Most of the remaining non-labor budget consists of internal service charges and to cover the costs associated with supporting the positions, such as professional training, software and other equipment purchases, operating supplies, and various indirect overhead expenses.

### 2019-2024 Budget Increases by Policy Area

The Chart below illustrates the growth by policy area since 2019 including all departments and funds. Departments included in the Livable & Inclusive Communities increased more than any other policy area (174 percent); this is primarily due to the introduction of the spending from the JSF that supports increased investments in programs and services managed by the Office of Housing, Office of Economic Development, and the Office of Planning and Community Development. This is followed by a 65 percent increase in the Education and Human Services policy area; that growth is primarily driven by increased investments in the city's homelessness response services and programs (including inflationary increases applied to contracted services), the 2019 Families, Education, Preschool, and Promise (FEPP) Levy, and \$21 million from the JSF for investments for student health services.

*Adopted budget growth by policy area since 2019 (includes all departments and funds)*



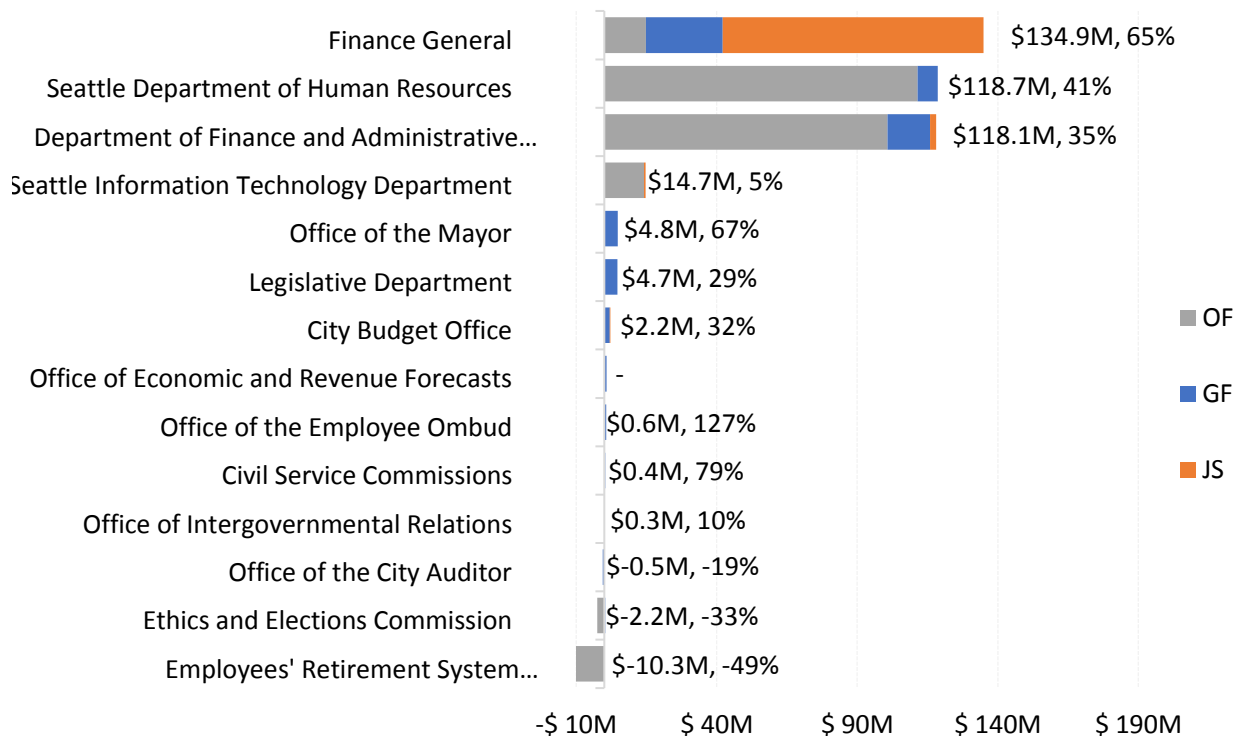
# Policy Area: Administration

The Administration policy area includes the following departments:

- City Budget Office
- Civil Service Commissions
- Department of Finance and Administrative Services
- Employees' Retirement System
- Ethics and Elections Commission
- Finance General
- Legislative Department
- Office of Economic and Revenue Forecasts
- Office of Intergovernmental Relations
- Office of the City Auditor
- Office of the Employee Ombud
- Office of the Mayor
- Seattle Department of Human Resources
- Seattle Information Technology Department

Since 2019, the department budgets within this policy area increased overall by 33 percent. The chart below illustrates total growth in department budgets within this policy area since 2019. The subsequent department specific summaries provide more detail about what has driven this growth.

*Adopted budget growth by the Administration policy area since 2019 (all funds)*

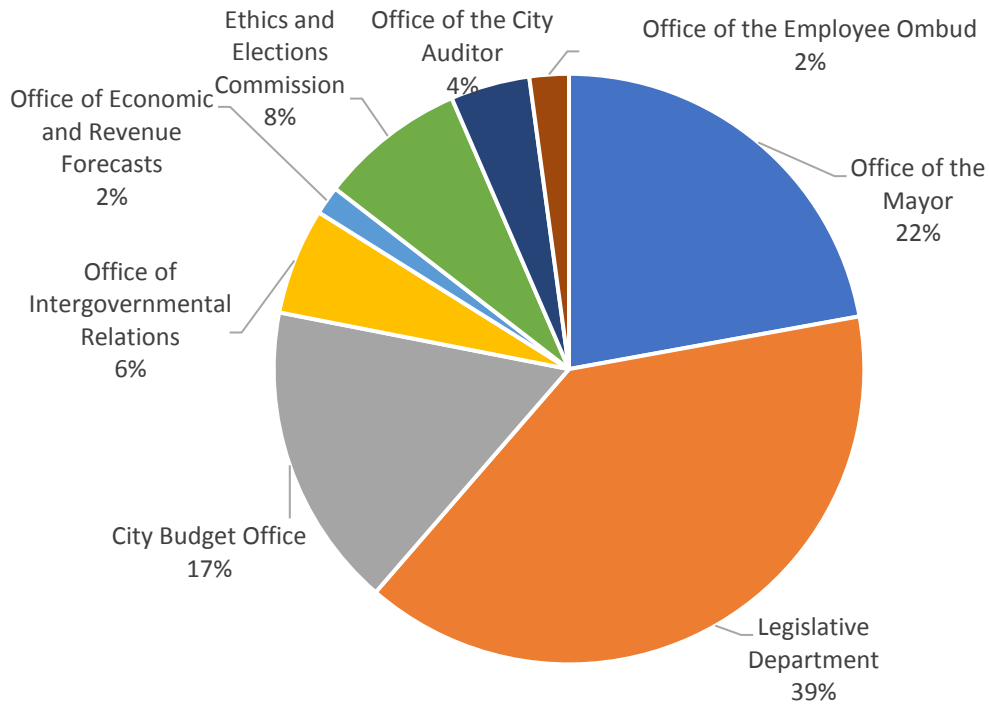


The Administration policy area includes departments that can be further split into three subgroups: Policy and Oversight, Non-Departmental, and Internal Services.

**The Policy and Oversight** subgrouping includes departments that set policy, lead the execution of functions across government, and review the processes and outcomes of City programs and processes, and includes:

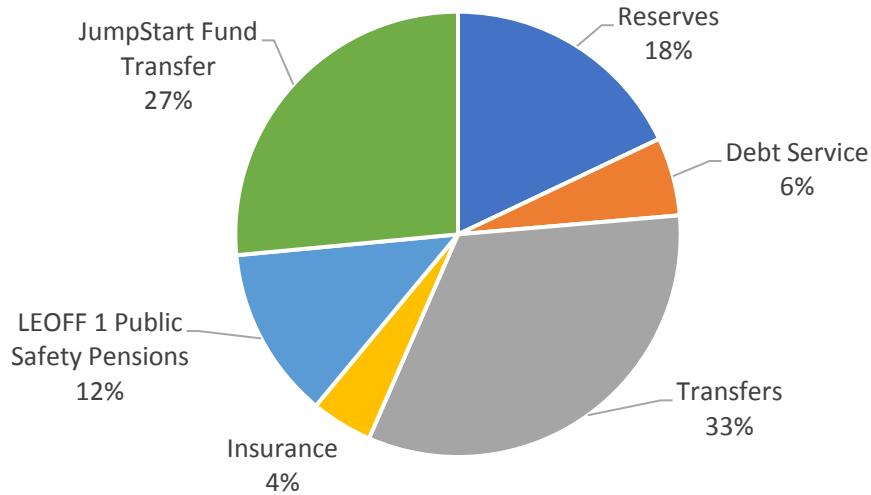
- City Budget Office
- Ethics and Elections Commission
- Legislative Department
- Office of Economic and Revenue Forecasts
- Office of Intergovernmental Relations
- Office of the City Auditor
- Office of the Employee Ombud
- Office of the Mayor

The total funding for these departments is \$54 million in 2024, of which \$50 million is GF. The following chart displays each department's share of the total in the 2024 Adopted budget.



**The Non-departmental subgrouping** includes the Finance General (FG) budget, which includes monies for reserves, insurance premiums, debt service payments, transfers between funds, payments to public safety pensions, and other costs that support the flow of resources across government but are not easily aligned to any specific department.

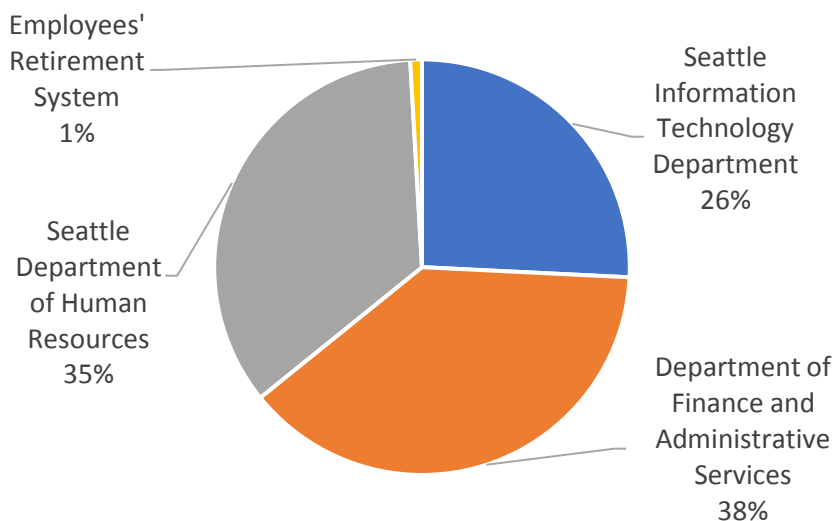
The total funding for FG is \$342 million in 2024, of which \$228 million is GF. As shown in the chart, the largest component of the 2024 FG budget is the JSF transfer to the GF.



**Finally, the Internal Services subgrouping** includes the budgets for departments that provide services to all other City departments, funded largely by charges that are budgeted in the customer departments, including:

- Department of Finance and Administration
- Employee’s Retirement System
- Seattle Department of Human Resources
- Seattle Information Technology

Given the internal charge methodology deployed for allocating the cost of these services, the budget amounts for these departments are double counted in the total budget; both as an expenditure from the internal services department (e.g. FAS) to provide services, and as the line items in all the customer departments to pay for the services provided.



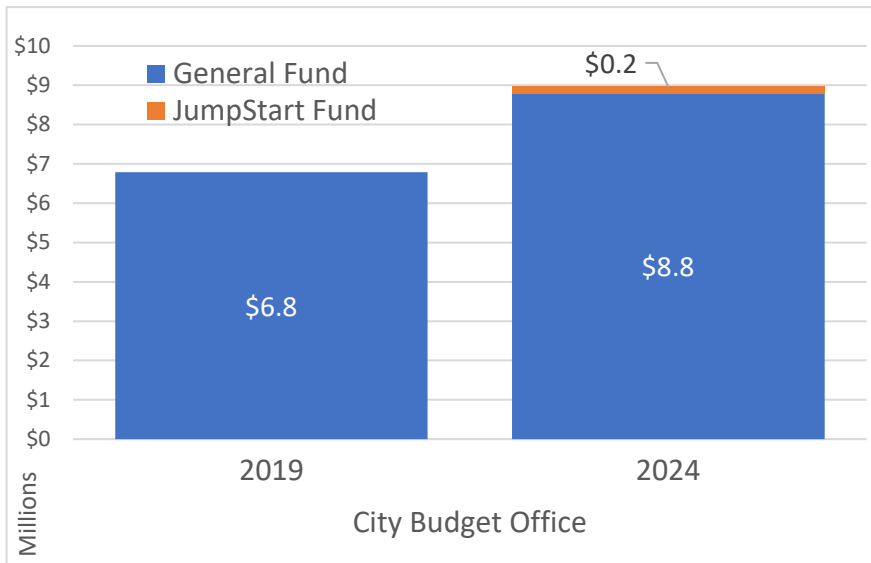
# CITY BUDGET OFFICE (CBO)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ALY PENNUCCI

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 ADOPTED BUDGET	2024 ADOPTED BUDGET	5-YEAR GROWTH	PERCENT GROWTH
City Budget Office	6.8M	9.0M	2.2M	32%
<b>Total</b>	<b>6.8M</b>	<b>9.0M</b>	<b>2.2M</b>	<b>32%</b>



Between 2019 and 2024 the City Budget Office’s (CBO) budget increased by \$2.2 million (a 32 percent increase). The main cost drivers include:

- \$820,000 GF for 3 new GF positions that are backed by administrative transfers from the JumpStart Fund;
- \$763,000 GF for annual wage increases;
- \$505,000 GF for standard charges from Seattle IT, FAS, and Seattle Human Resources

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	5.5M	7.4M	1.9M	34%
Non-Labor	1.3M	1.6M	0.3M	25%
<b>Total</b>	<b>6.8M</b>	<b>9.0M</b>	<b>2.2M</b>	<b>32%</b>
<b>Total FTE</b>	<b>36.0</b>	<b>45.0</b>	<b>9.0</b>	<b>25%</b>



**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>City Budget Office</b>
<b>Purpose</b>	The purpose of the City Budget Office Budget program is to develop and monitor the budget, carry out budget-related functions, oversee financial policies and plans, support and advance Citywide innovation and performance measurement, and provide financial and other strategic analysis.

<b>BUDGET PROGRAM</b>	<b>CITY BUDGET OFFICE</b>			
Purpose	The purpose of the City Budget Office Budget program is to develop and monitor the budget, carry out budget-related functions, oversee financial policies and plans, support and advance Citywide innovation and performance measurement, and provide financial and other strategic analysis.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	6.8M	8.8M	2.0M	29%
Other Sources	-	-	-	-
JumpStart Fund	-	0.2M	0.2M	n/a
<b>Total</b>	<b>6.8M</b>	<b>9.0M</b>	<b>2.2M</b>	<b>32%</b>

Between 2019 and 2024 the CBO budget across all funds increased by \$2.2 million (a 32 percent increase). The main drivers include:

- \$820,000 GF for 3 new GF positions, and for 2 positions currently funded by expiring federal grants. These positions are backed by administrative transfers from the JS Fund to the GF.
- \$763,000 GF for cumulative annual wage increases.
- \$505,000 GF for cumulative standard charges from Seattle IT, FAS, and Seattle Human Resources; and,
- \$175,000 JS Fund to swap funding for a position that was added in 2022 with temporary funding from federal CLFR grants.

In 2022 CBO received funding support for 7 new, term-limited positions, backed by \$3.8 million of one-time, non-lapsing federal CLFR monies. These positions were requested to manage and evaluate the large one-time grants received through the federal American Rescue Plan Act (ARPA). In line with the rationale for the proposal in 2022, these positions were expected to sunset on 12/31/2024, consistent with the depletion of the federal grant funds and the end of the positions’ original purpose.

As noted in the bullets above, subsequent adopted budget changes have shifted funding for 3 of the temporary federally funded positions to the JSF either through direct appropriation, or by way of administrative transfer to the GF. As such, the funding for 3 of the original sunset positions is included in the base budget. However, the base budget does not currently include funding for the remaining 4.0 positions, which are planned to sunset on 12/31/2024.

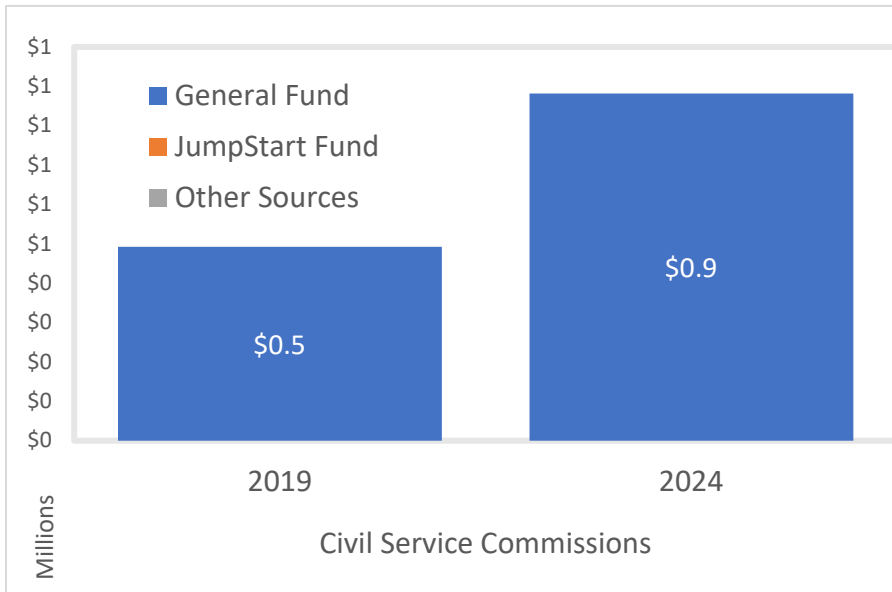
# CIVIL SERVICE COMMISSIONS (CIV)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KARINA BULL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 ADOPTED BUDGET	2024 ADOPTED BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Civil Service Commissions	0.5M	0.9M	0.4M	79%
<b>Total</b>	<b>0.5M</b>	<b>0.9M</b>	<b>0.4M</b>	<b>79%</b>



Between 2019 and 2024, the Civil Service Commission budget increased by \$400,000 (a 79 percent increase). The main driver of growth beyond standard inflationary adjustments is the addition of 1.0 FTE to help support the SPD staffing shortages, increased accountability in policing, and to manage the increased number of requests and appeals received by the commissions.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	0.4M	0.6M	0.3M	81%
Non-Labor	0.1M	0.2M	0.1M	73%
<b>Total</b>	<b>0.5M</b>	<b>0.9M</b>	<b>0.4M</b>	<b>79%</b>
<b>Total FTE</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>50%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Civil Service Commissions</b>
<b>Purpose</b>	<p>The purpose of the Civil Service Commissions Budget Summary Level is to support, advise, and execute the work of two independent commissions, the Public Safety Civil Service Commission (PSCSC) and the Civil Service Commission (CSC).</p> <p>The PSCSC administers entry and promotional civil service exams for ranks in the Seattle Police and Fire departments, and conducts hearings on sworn police and uniformed firefighter employee appeals of discipline and other employment matters.</p> <p>The CSC conducts hearings on employment-related appeals filed by non-PSCSC civil service covered employees, investigates allegations of political patronage in hiring, and advises on the administration of the City’s personnel system.</p>

<b>BUDGET PROGRAM</b>	<b>CIVIL SERVICE COMMISSIONS</b>			
Purpose	See BSL purpose statement above			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.5M	0.9M	0.4M	79%
JumpStart Fund	-	-	-	-
Other Sources	-	-	-	-
<b>Total</b>	<b>0.5M</b>	<b>0.9M</b>	<b>0.4M</b>	<b>79%</b>

- The Civil Service Commissions department serves more than 9,500 City employees in classified civil service and public safety civil service positions through outreach and education, adjudications of disciplinary and other appeals, investigations of political patronage, oversight of the public safety civil service entry-level and promotional exams and the public safety classification system.
- In addition to the standard inflationary cost increases, the primary growth driver in CSC is the addition of 1.0 FTE in the 2023 Adopted Budget. Serving as the deputy to the Executive Director, the body of work for this position includes project management, development of policies and rulemaking, and providing additional capacity for CSC to balance the increasing needs of the commissions and employee members of the civil services. This 5-year sunseting position increased the number of employees in SCS to 3.0 FTE.

# Department of Finance and Administrative Services (FAS)

## 2019-2024 Budget Summary

CENTRAL STAFF ANALYST: EDIN SISIC

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Bond Interest and Redemption	2.4M	1.5M	- 0.9M	-39%
UTGO Debt Service	22.8M	16.2M	- 6.6M	-29%
Debt Issuance Cost - LTGO	1.6M	2.5M	0.9M	54%
Fleet Capital Program	21.8M	32.9M	11.0M	51%
Indigent Defense Services	9.6M	13.6M	4.0M	42%
Jail Services	18.5M	22.4M	3.9M	21%
Judgment & Claims BSL's	21.6M	46.4M	24.8M	115%
Citywide Admin Services	14.7M	17.8M	3.1M	21%
Office of City Finance	30.0M	35.0M	5.0M	17%
Other FAS Services	4.1M	3.8M	- 0.3M	-8%
Public Services	21.1M	24.2M	3.1M	15%
Transit Benefit	6.7M	5.2M	- 1.5M	-22%
Leadership & Administration	122.5M	169.5M	47.0M	38%
<b>Operating Subtotal:</b>	<b>297.4M</b>	<b>390.8M</b>	<b>93.4M</b>	<b>31%</b>
<b>Capital Budget</b>				
ADA Improvements	0.8M	0.6M	- 0.2M	-20%
Asset Preservation - Schedule 1 Facilities	11.8M	8.5M	- 3.3M	-28%
Asset Preservation - Schedule 2 Facilities	3.4M	2.0M	- 1.5M	-43%
FAS Oversight-External Projects	2.5M	1.5M	- 1.0M	-40%
FAS Project Delivery Services	3.5M	3.5M	0.0M	0%
Garden of Remembrance	0.0M	0.0M	0.0M	15%
General Government Facilities - General	8.7M	2.4M	- 6.2M	-72%
Information Technology	1.3M	4.9M	3.6M	268%
Neighborhood Fire Stations	3.4M	5.8M	2.4M	71%
Public Safety Facilities Police	-	4.6M	4.6M	n/a
Public Safety Facilities Fire	-	26.2M	26.2M	n/a
<b>CIP Subtotal:</b>	<b>35.4M</b>	<b>60.0M</b>	<b>24.7M</b>	<b>70%</b>
<b>Grand Total:</b>	<b>332.7M</b>	<b>450.8M</b>	<b>118.1M</b>	<b>35%</b>

Between 2019 and 2024, the budget for the Department of Finance and Administrative Services (FAS) increased by 118.1 million (35 percent). Its operating budget, which accounts for over 85 percent of FAS’s overall budget, increased by \$93.4 million, and the capital budget increased by \$24.7 million.

Main drivers of growth include:

- Judgement & Claims related increases, which account for over 20 percent of the Department’s overall increase
- The City’s fleet replacement costs have increased by 51 percent over the past 5-year
- Addition of Fire station 31 replacement and Police Facilities Environmental Remediation CIP projects
- Various Citywide systems upgrades and replacements, building acquisition and renovation projects, as well as programmatic enhancements and new initiatives such as Green Fleet Action Plan Initiatives, Drive Clean Seattle, and other projects and programs managed by the Department

As one of the City’s three primary internal service providers, over \$230 million of FAS’s total 2024 Adopted Budget is tied to central cost allocations. Through a cost allocation plan, FAS distributes central service costs across all departments and funds to ensure that FAS’s services are fairly and accurately paid for by the departments receiving the services. For example, based on their usage of the fleet, all departments contribute to maintaining the City’s fleet that FAS manages.

See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter of 2019-2024 Budget Review document for additional information.

#### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	179.0M	232.7M	53.7M	30%
Non-Labor	1,084.8M	1,348.0M	263.2M	24%
<b>Total</b>	<b>1,263.8M</b>	<b>1,580.7M</b>	<b>316.9M</b>	<b>25%</b>
<b>Total FTE</b>	<b>590</b>	<b>638</b>	<b>48</b>	<b>8%</b>

## OPERATING BUDGET

### DEPARTMENT OVERVIEW – BY BSL & FUND

BSL	Office of City Finance			
Purpose	The purpose of the Office of City Finance Budget Summary Level is to provide management of the Citywide financial services such as fiscal policy, debt issuance, and financial monitoring.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
FAS Fund	24.2M	26.3M	2.1M	9%
General Fund	5.8M	8.6M	2.8M	49%
<b>Total</b>	<b>30.0M</b>	<b>35.0M</b>	<b>5.0M</b>	<b>17%</b>

- The GF growth in the Office of City Finance is primarily driven by added administrative and systems support for the City’s initiatives such as the Transportation Network Company Tax (TNC) implementation, Social Housing Public Development Authority start-up costs, and the addition of two tax auditors for the Payroll Expense Tax.

BSL	Citywide Admin Services			
Purpose	The purpose of the Citywide Admin Services Budget Summary Level is to provide Citywide administrative services such as customer services, purchasing and contracting services, and mail services.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
FAS Fund	14.7M	16.1M	1.4M	10%
General Fund	-	0.4M	0.4M	n/a
Payroll Expense Tax	-	1.3M	1.3M	n/a
<b>Total</b>	<b>14.7M</b>	<b>17.8M</b>	<b>3.1M</b>	<b>21%</b>

- This BSL supports administrative services including, emergency and policy response services, warehousing, purchasing, contracting, mailing, and customer service centers. Changes in Citywide Admin Services are due to standard cost increases and technical changes.

BSL	Administration & Citywide Operational Services BSLs			
Purpose	The purpose of the Citywide Operational Services Budget Summary Level is to provide Citywide asset management services including facility maintenance and fleet management.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
FAS Fund	122.5M	169.4M	46.9M	38%
General Fund	0.0M	0.1M	0.1M	n/a
<b>Total</b>	<b>122.5M</b>	<b>169.5M</b>	<b>47.0M</b>	<b>38%</b>

- This table combines multiple BSL's to align with FAS's current budget structure that was reorganized in the 2024 Adopted Budget. The appropriations in these BSL's primarily cover the costs of internal-facing divisions within FAS, such as, facility operations, fleet management, accounting and budget services, real estate services, and logistics and emergency management. In addition, leadership and administrative costs related to department stewardship (i.e. public disclosure, Director's Office, RSJI), debt service and various other internal service charges are included in the table above. Changes in these BSL's are due to standard cost increases and technical changes to align the BSL's with FAS's new project structure.
- In addition, a vacancy rate for mechanic positions was removed in the 2024 Adopted Budget, adding \$600,000 to fund mechanic positions. According to FAS, 25 percent of the City's fleet is overdue for preventative maintenance and industry standards indicate that the Fleet Division requires an increase of 10.0 FTE to be fully staffed based on the size of the City's fleet.

BSL	Other FAS Services			
Purpose	The purpose of the Other FAS Services Budget Summary Level is to provide appropriation for program specific support outside of the direct operations for Finance and Administrative Services.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Central Waterfront Improvement Fund	2.0M	-	- 2.0M	-100%
FileLocal Agency Fund	0.4M	0.5M	0.1M	15%
FAS Fund	0.0M	0.7M	0.7M	n/a
Wheelchair Accessible Fund	1.6M	2.6M	1.0M	59%
<b>Total</b>	<b>4.1M</b>	<b>3.8M</b>	<b>- 0.3M</b>	<b>-8%</b>

- The primary change in this BSL is a \$1.4 million increase in the Wheelchair Accessible Fund, added in the 2024 Adopted Budget to support the implementation of Seattle and King County Mobilization of Accessible Rides with Taxis and TNCs (SMART), a dispatch program for wheelchair accessible vehicles that aims to improve access to transportation for community members. This is funded through a \$0.10 surcharge paid on each transportation network company (TNC), taxicab and flat-rate/for-hire vehicle trip originating within the Seattle city limits. [Ordinance 12454](#) (2014) established the surcharge and the WAS Fund to offset the higher operational costs for owners and operators of wheelchair accessible taxis, helping to ensure the economic sustainability of these services.

BSL	Public Services			
Purpose	The purpose of the Public Services Budget Summary Level is to provide public services such as consumer protection and animal control services.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
FAS Fund	6.7M	4.8M	-1.9M	-28%
General Fund	14.4M	18.4M	4.1M	28%
Payroll Expense Tax	0.0M	0.9M	0.9M	n/a
<b>Total</b>	<b>21.1M</b>	<b>24.2M</b>	<b>3.1M</b>	<b>15%</b>

- This BSL includes appropriations related to the [Seattle Animal Shelter](#) and for public support services, such as [priority hire](#), [WMBE compliance](#), and [consumer protection](#), which includes [regulating 21 specific business types](#) (i.e. short-term rentals, adult entertainment, cannabis... etc.). Changes in Public Services BSL are due to standard cost increases and technical adjustments.

BSL	Fleet Capital Program			
Purpose	The purpose of the Fleet Capital Program Budget Summary Level is to manage City of Seattle Fleet Replacement, including the purchase and disposal of vehicles owned by the Department of Finance and Administrative Services (FAS) and the administration of the Fleet Replacement Capital Reserve.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Fleet Capital Fund	21.8M	32.9M	11.0M	51%
<b>Total</b>	<b>21.8M</b>	<b>32.9M</b>	<b>11.0M</b>	<b>51%</b>

- The Fleet Capital Program is a vehicle replacement program which functions as a sinking fund, where central rates charged to departments annually are set to be stable, while expenditure appropriation will vary from year-to-year based on market changes and vehicle life cycle. The 2024 Adopted Budget of \$32.9 million includes inflationary increases as well as funding for early replacement and early encumbrance costs due to supply chain issues for fire engines.

BSL	Indigent Defense Services			
Purpose	The purpose of the Indigent Defense Services Budget Summary Level is to secure legal defense services, as required by State law, for indigent people facing criminal charges in Seattle Municipal Court. Funding is also provided for a pilot program offering civil legal representation to indigent defendants.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	9.6M	13.6M	4.0M	42%
<b>Total</b>	<b>9.6M</b>	<b>13.6M</b>	<b>4.0M</b>	<b>42%</b>

- Indigent Defense Services for the City are administered by the King County Department of Public Defense pursuant to an Interlocal Agreement (ILA) between the jurisdictions, which was renewed in 2022, effective 2023 through 2027. The Indigent Defense ILA specifies the methodology for establishing a cost estimate which King County provides to the City annually. Indigent Defense Services costs per the ILA are based primarily on agreed upon staff compensation rates, caseloads, and certain eligible actual costs associated with cases, as well as inflationary factors. Increases to Indigent Defense Services costs during this period were driven by adjustments made during renewal of the 2023-2027 ILA which decreased maximum allowable caseload for public defense attorneys, increased attorney FTEs, and



increased use of mitigation specialists to better reflect the complexity of cases and need for social services engagement with clients.

BSL	Jail Services			
<b>Purpose</b>	The purpose of the Jail Services Budget Summary Level is to provide for the booking, housing, transporting, and guarding of City inmates. The jail population, for which the City pays, are adults charged with or convicted of misdemeanor crimes alleged to have been committed within the Seattle city limits.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	18.5M	22.4M	3.9M	21%
<b>Total</b>	<b>18.5M</b>	<b>22.4M</b>	<b>3.9M</b>	<b>21%</b>

- Jail services for the City are administered by the King County Department of Adult and Juvenile Detention pursuant to an Interlocal Agreement (ILA) between the jurisdictions, effective 2012 through 2030, which specifies the rates and cost methodologies for fees and charges associated with these services. These contractually obligated costs are determined by the application of annual inflation calculations to fees and charges for jail operations described in the Jail ILA. This predetermined inflationary fee schedule has driven cost increases over this period. Per the Jail ILA, the base fees and charges for jail costs were due to be re-set on a five-year schedule in 2022, however that re-set did not occur and is the subject of ongoing negotiation between the City and King County as of March 2024. Annual jail services costs are determined, in part, by the City’s utilization of jail beds. However, the portion of the cost associated with inmate population is governed by a secure ‘floor’ which sets a minimum annual billable bed figure irrespective of actual jail bed utilization by the City.

BSL	Judgment & Claims BSLs			
<b>Purpose</b>	There is established in the City Treasury a Judgment/Claims Fund, where funds are provided for judgments, claims payments, advance claims payments, and litigation expenses. There are several BSLs within FAS to capture costs from various departments related to J&C expenses.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Judgment/Claims Fund	21.6M	46.4M	24.8M	115%
<b>Total</b>	<b>21.6M</b>	<b>46.4M</b>	<b>24.8M</b>	<b>115%</b>

- The City annually budgets funds to cover expected eligible litigation, claims and settlement costs for GF Departments. Utilities budget separately for anticipated legal expenses and pay actual expenses as they are incurred. Consistent with policies adopted in 2018 by Resolution 31847, the budget for the JCF is intended to provide funding sufficient to meet an actuarially based 90 percent confidence level, meaning that sufficient funds should be available to cover expenses in nine out of ten years based on historical data.
- Costs in this BSL have increased because the latest actuarial study incorporates claims and litigation data from 2022, which show an extraordinary level of outside counsel and settlement expenses primarily associated with lawsuits resulting from the racial justice protests of 2020 and actual costs have steadily increased. In addition to costs related to litigation, claims and settlements paid by the JCF, the City at times budgets separately for certain costs related to actual or potential litigation.

BSL	Transit Benefit			
Purpose	The purpose of the Transit Benefit Budget Summary Level is to pay for the transit benefits offered to City employees. The Transit Benefit Fund receives payments from Finance General and fee supported departments to pay for reduced cost King County Metro and other regional transit passes and related administrative expenses.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Transit Benefit Fund	6.7M	5.2M	- 1.5M	-22%
<b>Total</b>	<b>6.7M</b>	<b>5.2M</b>	<b>- 1.5M</b>	<b>-22%</b>

- The Transit Benefit Fund is a pass-through fund established to pay Metro Transit for City employee transit usage. The annual total expected costs are appropriated in the fund and payments are made on a pay-as-you-use basis from SCL, SPU, SDCI and in Finance General for all other City employees. The overall employee transit ridership costs have decreased since the beginning of the COVID-19 pandemic, which explains the reduced budget in this BSL between 2019 and 2024.

### City Bond Issuance and Debt Service

The City uses bonds to fund a variety of capital improvement projects. The City's budget must include funds to pay interest and principal on outstanding and proposed bonds. The City has issued three types of debt to finance its capital improvement programs: Limited Tax General Obligation (LTGO) bonds, Unlimited Tax General Obligation (UTGO), and revenue bonds<sup>1</sup>. See the 2024 Adopted Budget Book's chapter about [bond issuance and debt service](#) for more information.

BSL	Debt Issuance Cost - LTGO			
Purpose	The purpose of the Debt Issuance Costs - LTGO Budget Summary Level is to pay debt issuance costs related to Multipurpose Limited Tax General Obligation (LTGO) Debt Issuance.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
2019 LTGO Taxable Bond Fund	0.3M	-	- 0.3M	-100%
2019 Multipurpose LTGO Bond Fund	1.3M	-	- 1.3M	-100%
2024 Multipurpose LTGO Bond Fund	0.0M	2.5M	2.5M	n/a
<b>Total</b>	<b>1.6M</b>	<b>2.5M</b>	<b>0.9M</b>	<b>54%</b>

- The City Council may authorize the issuance of LTGO bonds, also known as Councilmanic bonds, in an amount up to 1.5 percent of assessed valuation, without a vote of the people. The City pledges its full faith and credit to the payment of principal and interest on LTGO bonds, but this pledge must be fulfilled within the City's statutory property tax limitations. Thus, these are "limited" general obligation bonds.
- This BSL provides funding for the cost of issuing debt for LTGO bonds (typically around 3 percent of the capital cost) and pricing adjustments related to the 2024 Multipurpose LTGO Bond Issuance Costs. Spending on capital projects and programs will vary from year to year, based on the status and schedule of the individual projects.

<sup>1</sup> Revenue bonds are used to provide financing for the capital programs of City Light and the three other utilities -Water, Drainage and Wastewater, and Solid Waste - which are grouped together in Seattle Public Utilities. Costs associated with those bonds are reflected in SCL and SPU's budgets and will vary from year to year.

BSL	UTGO Debt Service			
Purpose	The purpose of the UTGO Debt Service Budget Summary Level is to create the legal appropriations to pay debt service on outstanding Unlimited Tax General Obligation (UTGO) Bonds.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
UTGO Bond Interest Redemption Fund	22.8M	16.2M	- 6.6M	-29%
<b>Total</b>	<b>22.8M</b>	<b>16.2M</b>	<b>- 6.6M</b>	<b>-29%</b>

- UTGO Bonds are repaid by property taxes and may be issued with 60 percent voter-approval. As of December 31, 2022, there were approximately \$232.6 million in UTGO bonds outstanding, which is approximately one percent of the current limit. While the City has significant unused debt capacity remaining, it has limited revenues with which to service new debt. Issuance of new UTGO debt is contingent on the voter’s willingness to approve new excess property taxes.

BSL	Bond Interest and Redemption			
Purpose	The purpose of the Bond Interest and Redemption Budget Summary Level is to make certain debt service payments through the Bond Interest and Redemption Fund (BIRF).			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
LTGO Bond Interest and Redemption Fund	2.4M	1.5M	- 0.9M	-39%
<b>Total</b>	<b>2.4M</b>	<b>1.5M</b>	<b>- 0.9M</b>	<b>-39%</b>

- Bond interest and redemption budget fluctuates annually, based on general obligation debt service payments.

## CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

BSL	ADA Improvements			
Purpose	The purpose of the ADA Improvements - FAS Budget Summary Level is to update or modify facilities for compliance with the standards contained in the American with Disabilities Act.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
REET I Capital Fund	0.8M	0.6M	- 0.2M	-20%
<b>Total</b>	<b>0.8M</b>	<b>0.6M</b>	<b>- 0.2M</b>	<b>-20%</b>

- In response to declining Real Estate Excise Tax (REET) revenues over the last several years, REET funded projects were either reduced or delayed in the 2024 Adopted Budget. Facility improvements in support of the Americans with Disabilities Act (ADA) at FAS-owned and operated facilities projects were delayed through years 2025 and 2026 of the 6-year CIP cycle. Past work has included reconfiguration of internal space, amenities, and public access routes.

BSL	Asset Preservation - Schedule 1 Facilities			
Purpose	This purpose of the Asset Preservation - Schedule 1 Facilities Budget Summary Level is to provide for long term preservation and major maintenance to the Department of Finance and Administration's schedule 1 facilities. Schedule 1 facilities consist of existing and future office buildings located in downtown Seattle, including but not limited to City Hall, the Seattle Municipal Tower and the Justice Center. Typical improvements may include, but are not limited to, energy efficiency enhancements through equipment replacement, upgrades/repairs to heating/ventilation/air conditioning systems, upgrades/repairs to electrical systems, upgrades/repairs to fire suppression systems, roof repairs or replacement, and structural assessments and repairs. This work ensures the long-term preservation of the operational use of the facilities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
2019 Multipurpose LTGO Bond Fund	3.5M	0.0M	- 3.5M	-100%
2024 Multipurpose LTGO Bond Fund	0.0M	6.3M	6.3M	n/a
Facility Asset Preservation Fund	2.2M	2.2M	0.0M	0%
REET I Capital Fund	6.1M	0.0M	- 6.1M	-100%
<b>Total</b>	<b>11.8M</b>	<b>8.5M</b>	<b>- 3.3M</b>	<b>-28%</b>

- Asset preservation program for downtown Seattle City facilities funds major maintenance for the City’s downtown core properties, including SMT, City Hall, and the Justice Center. The Schedule 1 Asset Preservation Program was reduced in the 2023-2024 Adopted Budget due to reduced REET revenue forecast.

<b>BSL</b>	<b>Asset Preservation - Schedule 2 Facilities</b>			
<b>Purpose</b>	This purpose of the Asset Preservation - Schedule 2 Facilities Budget Summary Level is to provide for long term preservation and major maintenance to the Department of Finance and Administration's schedule 2 facilities. Schedule 2 facilities comprise existing and future structures, shops and yard located throughout Seattle, including but not limited to City vehicle maintenance facilities at Haller Lake and Charles Street, Finance and Administrative Services shops located at Airport Way S., fire stations, police precincts including the animal shelter, and other FAS managed facilities used for City Services. Typical improvements may include, but are not limited to, energy efficiency enhancements through equipment replacement, upgrades/repairs to heating/ventilation/air conditioning systems, upgrades/repairs to electrical systems, upgrades/repairs to fire suppression systems, roof repairs or replacement, and structural assessments and repairs. This work ensures the long-term preservation of the operational use of the facilities.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Facility Asset Preservation Fund	1.8M	1.8M	0.0M	0%
REET I Capital Fund	1.6M	0.1M	- 1.5M	-93%
<b>Total</b>	<b>3.4M</b>	<b>2.0M</b>	<b>- 1.5M</b>	<b>-43%</b>

- Typical asset preservation projects of City facilities outside of the downtown core include heating and electrical system upgrades, roof replacements and structural repairs. The Schedule 2 Asset Preservation Program was reduced in the 2023-2024 Adopted Budget due to reduced REET revenue forecast.

<b>BSL</b>	<b>FAS Oversight-External Projects</b>			
<b>Purpose</b>	The purpose of the FAS Oversight-External Projects Budget Summary Level is to provide a structure for debt financing projects, including information technology projects, for City departments that lack their own capital program.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
REET I Capital Fund	2.5M	1.5M	- 1.0M	-40%
<b>Total</b>	<b>2.5M</b>	<b>1.5M</b>	<b>- 1.0M</b>	<b>-40%</b>

- The funding in this BSL supports the Energy Efficiency for Municipal Buildings program, which is an ongoing program that delivers energy efficiency work across City facilities, managed by the Office of Sustainability and Environment (OSE). Typical work includes building tune-ups, facility improvements, building energy upgrades, and energy efficiency measures.
- The budget decrease is primarily driven by the Municipal Energy Efficiency Program budget transfer to SC and SPR in 2020. Previously, this funding was budgeted centrally in the FAS capital budget.

BSL	FAS Project Delivery Services			
Purpose	The purpose of the FAS Project Delivery Services Budget Summary Level is to execute capital projects in general government facilities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
FAS Fund	3.5M	3.5M	0.0M	0%
<b>Total</b>	<b>3.5M</b>	<b>3.5M</b>	<b>0.0M</b>	<b>0%</b>

- The BSL supports the Customer Requested Tenant Improvement program, which provides pass-through budget authority for FAS to provide tenant improvement work, as requested by City departments, at facilities that are managed or leased by FAS. Typical improvements include tenant space remodels, security system upgrades and equipment replacement.

BSL	Garden of Remembrance			
Purpose	The purpose of the Garden of Remembrance Budget Summary Level is to provide City support for replacing components of the memorial located at the Benaroya Concert Hall.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Unrestricted Cumulative Reserve Fund	0.03M	0.03M	0.00M	15%
<b>Total</b>	<b>0.0M</b>	<b>0.0M</b>	<b>0.0M</b>	<b>15%</b>

- This BSL supports an ongoing contribution to a capital renewal fund for the Garden of Remembrance, located next to Benaroya Hall, per an agreement with Benaroya Hall Music Center (BHMC), a private, non-profit affiliate of the Seattle Symphony. This project pays for major maintenance and replaces garden installations such as irrigation equipment, landscaping, electrical/lighting fixtures, and mechanical water features. The project is managed by the BHMC and is displayed within FAS' CIP for informational purposes only. The changes in the funding are inflationary adjustments.

BSL	General Government Facilities - General			
Purpose	The purpose of the General Government Facilities - General Budget Summary Level is to execute capital projects in general government facilities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
2003 Fire Facilities Levy Fund	0.4M		- 0.4M	-100%
2024 Multipurpose LTGO Bond Fund	-	1.0M	1.0M	n/a
General Fund	0.1M	0.0M	- 0.1M	-100%
REET I Capital Fund	8.1M	1.4M	- 6.7M	-82%
<b>Total</b>	<b>8.7M</b>	<b>2.4M</b>	<b>- 6.2M</b>	<b>-72%</b>

- The adopted budget fluctuates annually in this BSL to align the budget with the planned annual expenditures for individual CIP projects, as well as aligning debt service with the planned bond issuances.

<b>BSL</b>	<b>Information Technology</b>			
<b>Purpose</b>	The purpose of the Information Technology Budget Summary Level is to replace, upgrade or maintain FAS information technology systems to meet the evolving enterprise activities of the City.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
2019 Multipurpose LTGO Bond Fund	1.3M	0.0M	- 1.3M	-100%
2024 Multipurpose LTGO Bond Fund	0.0M	4.0M	4.0M	n/a
FAS Fund	0.0M	0.9M	0.9M	n/a
<b>Total</b>	<b>1.3M</b>	<b>4.9M</b>	<b>3.6M</b>	<b>268%</b>

- This BSL funds the replacement of FAS IT systems that are at the end of their useful lives, accommodate new programmatic and operational needs, and allow the department to function efficiently. The increased funding in this BSL is driven by the replacement of the City’s HR timekeeping and payroll system.

<b>BSL</b>	<b>Neighborhood Fire Stations</b>			
<b>Purpose</b>	The purpose of the Neighborhood Fire Stations Budget Summary Level is to replace and renovate fire stations and other emergency response facilities as part of the Fire Facilities and Emergency Response Levy program.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
REET I Capital Fund	3.4M	4.8M	1.4M	42%
Unrestricted Cumulative Reserve Fund	0.0M	1.0M	1.0M	n/a
<b>Total</b>	<b>3.4M</b>	<b>5.8M</b>	<b>2.4M</b>	<b>71%</b>

- This BSL funds the Fire Station Improvement Debt Service project, which provides funding for the payment of debt service on bonds issued to cover a portion of the costs associated with the 2003 Fire Facilities and Emergency Response Levy and associated asset preservation expenses.

<b>BSL</b>	<b>Public Safety Facilities Police</b>			
<b>Purpose</b>	The purpose of the Public Safety Facilities - Police Budget Summary Level is to renovate, expand, replace, or build police facilities.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
REET I Capital Fund	0.0M	4.6M	4.6M	n/a
<b>Total</b>	<b>0.0M</b>	<b>4.6M</b>	<b>4.6M</b>	<b>n/a</b>

- This BSL provides funding for capital improvements at Seattle Police Facilities; the 2024 Budget is for environmental remediation work of the Seattle Police Department’s shooting range in Tukwila, added in the 2023-2028 Adopted CIP cycle. These costs relate to a potential enforcement action by the City of Tukwila for alleged grading without a permit.

<b>BSL</b>	<b>Public Safety Facilities Fire</b>			
<b>Purpose</b>	The purpose of the Public Safety Facilities - Fire Budget Summary Level is to renovate, expand, replace, or build fire facilities.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
2024 Multipurpose LTGO Bond Fund	0.0M	26.0M	26.0M	n/a
REET I Capital Fund	0.0M	0.2M	0.2M	n/a
<b>Total</b>	<b>0.0M</b>	<b>26.2M</b>	<b>26.2M</b>	<b>n/a</b>

- This BSL provides funding for a new Fire Station 31, which was adopted as part of the 2020-2025 CIP process.



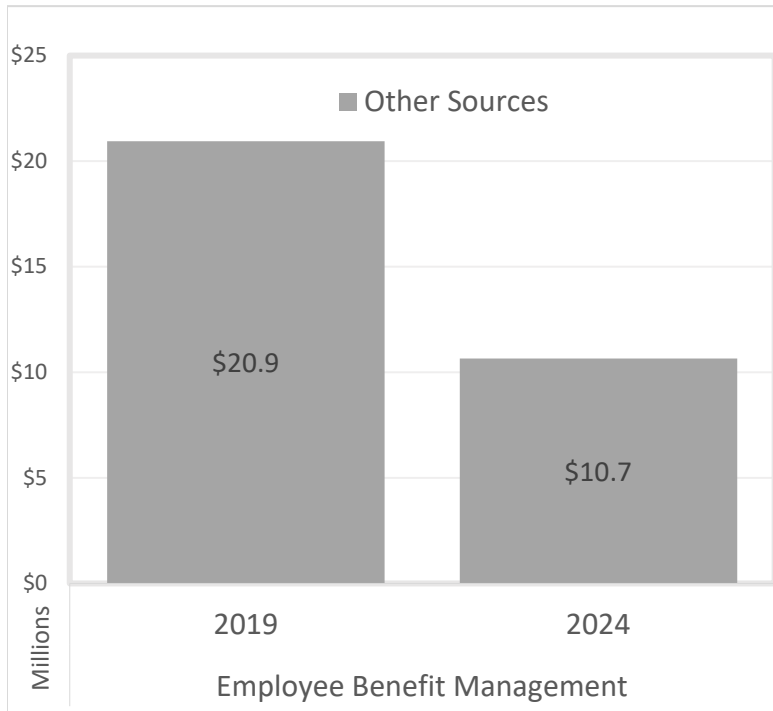
# SEATTLE EMPLOYEES' RETIREMENT SYSTEM (SCERS)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TOM MIKESELL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Employee Benefit Management	20.9M	10.7M	- 10.3M	-49%
<b>Total</b>	<b>20.9M</b>	<b>10.7M</b>	<b>- 10.3M</b>	<b>-49%</b>



Governed by a seven-member Board of Administration, the Seattle City Employees' Retirement System (SCERS) is responsible for the operation and maintenance of Seattle's defined benefit pension program for eligible employees. For the benefit of 9,300 active employee members, 7,500 retired members, and 3,500 deferred members, the SCERS staff invests over \$4 billion of Retirement Fund assets and administers pension benefit payments and member services. Revenues to the Retirement Fund include City employer and employee payroll contributions, determined as a percentage of covered payroll each year, and the fund's investment earnings. The rate of payroll contributions is ultimately determined by the City Council during the budget process and is informed by the Board of Administration's recommendation based on an annual actuarial study.

The City's employer contributions are budgeted in all departments with covered employees.

Between 2019 and 2024 the Seattle Employees Retirement System (SCERS) budget decreased by \$10.3 (a 49 percent decrease). The main reason for this decrease was the decision in 2021 to make investment management fees (totaling \$12.8 million in 2021) no longer subject to appropriation in the budget. Since 2021, these investment fees have been netted against the Retirement Fund's investment earnings.

This decrease more than offsets a \$2.8 million combined Retirement Fund increase to add 8 new positions to support the implementation of a new pension administration system and improve member services.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	4.2M	5.8M	1.6M	39%
Non-Labor	16.8M	4.8M	- 11.9M	-71%
<b>Total</b>	<b>20.9M</b>	<b>10.7M</b>	<b>- 10.3M</b>	<b>-49%</b>
<b>Total FTE</b>	<b>23</b>	<b>31</b>	<b>8</b>	<b>33%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Employee Benefit Management</b>
<b>Purpose</b>	The purpose of the Employees' Retirement Budget Summary Level is to manage and administer retirement assets and benefits.

<b>BUDGET PROGRAM</b>	<b>EMPLOYEE BENEFIT MANAGEMENT</b>			
Purpose	The purpose of the Employees' Retirement program is to manage and administer retirement assets and benefits.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	20.9M	10.7M	- 10.3M	-49%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>20.9M</b>	<b>10.7M</b>	<b>- 10.3M</b>	<b>-49%</b>

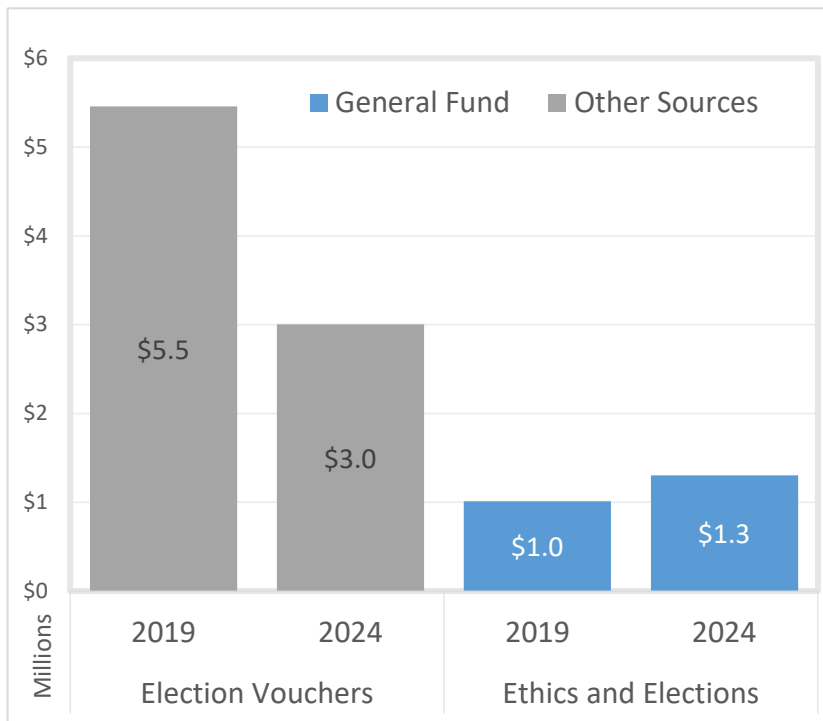
# SEATTLE ETHICS AND ELECTIONS COMMISSION (SEEC)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: LISH WHITSON

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Election Vouchers	5.5M	3.0M	- 2.5M	-45%
Ethics and Elections	1.0M	1.3M	0.3M	29%
<b>Total</b>	<b>6.5M</b>	<b>4.3M</b>	<b>- 2.2M</b>	<b>-33%</b>



The Seattle Ethics and Election Commission (SEEC) budget has large swings between election years and non-election years due to the Democracy Voucher program. Changes to funding for the Democracy Voucher program between 2019 and 2024 reflect the difference between seven district Council seats being up for election compared to one Citywide Council seat. Between 2019 and 2024 the base Ethics and Elections budget increased by \$0.3 million (a 29 percent increase), generally related to central cost increases and one new position.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	1.3M	1.5M	0.3M	22%
Non-Labor	5.2M	2.8M	- 2.4M	-47%
<b>Total</b>	<b>6.5M</b>	<b>4.3M</b>	<b>- 2.2M</b>	<b>-33%</b>

<b>Total FTE</b>	<b>6</b>	<b>9</b>	<b>4</b>	<b>59%</b>
------------------	----------	----------	----------	------------

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Election Vouchers</b>			
<b>Purpose</b>	The purpose of the Election Voucher Budget Summary Level is to pay costs associated with implementing, maintaining and funding a program for providing one hundred dollars in vouchers to eligible Seattle residents that they can contribute to candidates for City office who qualify to participate in the Election Voucher program enacted by voters in November 2015.			
<b>BUDGET PROGRAM</b>	<b>ELECTION VOUCHERS</b>			
Purpose	See BSL purpose above.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	5.5M	3.0M	- 2.5M	-45%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>5.5M</b>	<b>3.0M</b>	<b>- 2.5M</b>	<b>-45%</b>

- The Democracy Voucher program is funded through a dedicated levy, which raises \$3 million a year for Democracy Voucher funding for local campaigns. The budgeted amount for the program is generally approximately \$0.9 million a year in years when there are not elections. In 2023, the program had a budget of \$6.7 million to pay for the program’s administrative costs and the value of the vouchers.
- In 2024, the budget is higher than typical in an off-year, in order to pay for Democracy Vouchers that may be redeemed during the citywide Council election for Position 8.

<b>BSL</b>	<b>Ethics and Elections</b>			
<b>Purpose</b>	The purpose of the Ethics and Elections Budget Summary Level is to: 1) audit, investigate, and conduct hearings regarding non-compliance with, or violations of, Commission-administered ordinances; 2) advise all City officials and employees of their obligations under Commission-administered ordinances; and 3) publish and broadly distribute information about the City's ethical standards, City election campaigns, campaign financial disclosure statements, and lobbyist disclosure statements.			
<b>BUDGET PROGRAM</b>	<b>ETHICS AND ELECTIONS</b>			
Purpose	See BSL purpose above.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.0M	1.3M	0.3M	29%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.0M</b>	<b>1.3M</b>	<b>0.3M</b>	<b>29%</b>

- The Ethics and Elections budget manages the remainder of the SEEC’s programs and is funded through the General Fund.
- Between 2019 and 2024, one position was added to the SEEC staff to oversee the lobbyist registration program.
- Other increases to the budget are due to central cost changes.

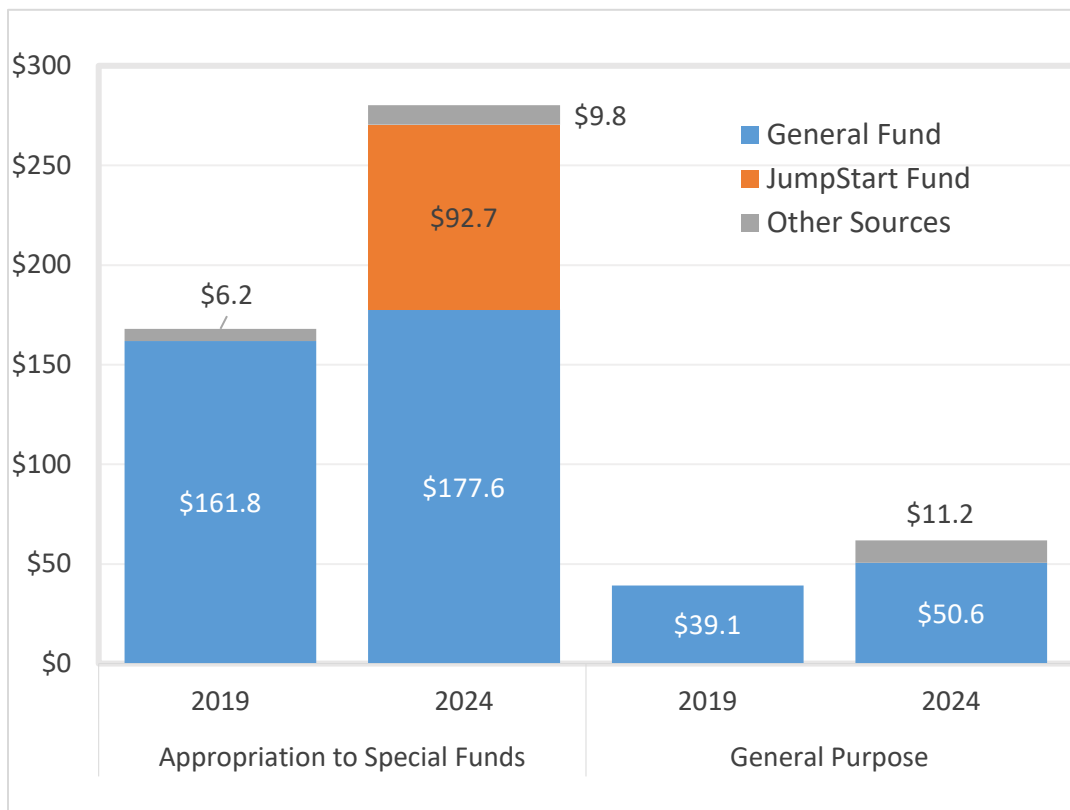
# FINANCE GENERAL (FG)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TOM MIKESELL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 ADOPTED BUDGET	2024 ADOPTED BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Appropriation to Special Funds	168.0M	280.2M	112.2M	67%
General Purpose	39.1M	61.8M	22.7M	58%
<b>Total</b>	<b>207.1M</b>	<b>342.0M</b>	<b>134.9M</b>	<b>65%</b>



Between 2019 and 2024 the Finance General (FG) budget increased by \$135 million (a 65 percent increase). The main drivers of growth include:

- \$90.6 million JumpStart Fund (JSF) transfer to the GF, of which \$85 million is for temporary revenue backfill in 2024, with the remainder to support ongoing GF administrative costs. This is a new transfer added during this five-year period to support GF spending given slow revenue growth.
- \$14 million increase, of which \$3.3 million is for admissions tax rent adjustments consistent

with the Climate Pledge Arena agreement due to higher admissions tax revenue collections.

- \$12.5 million GF increase for transfers to the Emergency Fund, to replenish the fund to its policy target after uses during the Covid-19 pandemic. Adopted in 2021, [RES 32024](#) allows for these uses to be repaid over a five year period. This higher transfer level will decrease to policy maintenance levels in 2026, based on the currently published GF financial plan.
- \$11.6 million GF decrease to reflect the budgeting of admissions tax revenues directly in the Arts and Culture Fund, rather than depositing them in the GF and transferring them to the Arts and Culture Fund.
- \$9.5 million GF increase to incorporate annual wage increases and standard cost increases in the annual transfer to the Library Fund.
- \$9 million GF increase for the GF's share of higher City insurance premium costs.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	49.3M	45.3M	- 4.1M	-8%
Non-Labor	157.8M	296.8M	139.0M	88%
<b>Total</b>	<b>207.1M</b>	<b>342.0M</b>	<b>134.9M</b>	<b>65%</b>
Total FTE	n/a	n/a	n/a	n/a

As shown in the table above, the FG budget does not include any FTE, but the 2024 Adopted Budget includes \$45 million for Labor expenditures. This apparent inconsistency is largely explained by the presence of two large regular transfer amounts from the GF to pay for public safety pension costs. In 2024 these include \$22.6 million to the Police Relief and Pension Fund and \$20.1 million to the Firefighters Pension Fund, to support legacy public safety pensions for public safety personnel hired prior to 1977. The remainder of the \$45 million labor portion of the budget is \$3.6 million GF for transit pass subsidies for City employees.

## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

BSL	Appropriation to Special Funds
Purpose	The purpose of the Appropriation to Special Funds Budget Summary Level is to appropriate General Fund and other centrally managed resources, several of which are based upon the performance of certain City revenues, to bond redemption or special purpose funds. These appropriations are implemented as operating transfers to the funds or accounts they support.

BUDGET PROGRAM	Appropriation to Special Funds			
Purpose	The purpose of the Appropriation to Special Funds program is to appropriate General Fund and other centrally managed resources, several of which are based upon the performance of certain City revenues, to bond redemption or special purpose funds. These appropriations are implemented as operating transfers to the funds or accounts they support.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	161.8M	177.6M	15.8M	10%
Other Sources	6.2M	9.8M	3.7M	60%
JumpStart Fund	0.0M	92.7M	92.7M	n/a
<b>Total</b>	<b>168.0M</b>	<b>280.2M</b>	<b>112.2M</b>	<b>67%</b>

This program includes transfers for debt service and transfers between funds for programmatic purposes, including from the GF to the Library Fund, the Office of Labor Standards Fund, the Police Relief and Pension Fund, the Firefighter’s Pension Fund, the Emergency Fund and the Revenue Stabilization Fund. This program also includes the GF’s central insurance costs, and transfers to the Judgement and Claims Fund. Many of these transfers are structural and ongoing in nature and grow due to inflation and other technical reasons, such as increasing liability claims.

The most significant increase in this program over the last five years is the \$90.6 million JSF transfer to the GF, of which \$85 million is for temporary revenue backfill, with the remainder budgeted to support ongoing administrative costs funded through the GF. Also of note is a \$9 million increase in the GF share of insurance costs, representing a 150 percent increase since 2019. This is related to the GF transfer to the Judgement and Claims Fund, which is for known and potential liability claims payments, which is budgeted at \$9 million in 2024, reflecting 32 percent growth over the 2019 Adopted Budget amount.

<b>BSL</b>	<b>General Purpose</b>
<b>Purpose</b>	The purpose of the General Purpose Budget Summary Level is to provide appropriation authority to those programs for which there is no single appropriate managing department, or for which there is Council and/or Mayor desire for additional budget oversight.

<b>BUDGET PROGRAM</b>	<b>General Purpose</b>			
<b>Purpose</b>	The purpose of the General Purpose Budget Program is to provide appropriation authority to those programs for which there is no single appropriate managing department, or for which there is Council and/or Mayor desire for additional budget oversight.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	39.1M	50.6M	11.5M	29%
Other Sources	0.0M	11.2M	11.2M	N/A
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.0M</b>	<b>61.8M</b>	<b>61.8M</b>	<b>N/A</b>

This program includes funding for several non-departmental expenses and serves as a repository for funds reserved for a specific programmatic use, with expenditures contingent on future authorization by the City Council and Mayor. These reserved funds do not include the City’s fiscal reserves for emergencies or revenue stabilization: those monies are held in an unbudgeted status in separate funds. The largest components of this program in the 2024 Adopted Budget include \$14.7 million GF to pay the utility bill for city streetlights, \$12.3 million GF to pay utility charges for water hydrants in the city, and \$14 million, of which \$10.4 million is from the Arts and Culture Fund and \$3.3 million from the GF, for rent adjustment payments stipulated in the Climate Pledge Arena agreement. Smaller, but notable, ongoing reserved amounts include:

- \$3.6 million GF for transit pass subsidies
- \$2.4 million GF for voter registration and publicity pamphlets
- \$2.5 million GF for a paid family leave reserve
- \$2.2 million GF for election expenses
- \$1.6 million GF for alternative response to 911
- \$798,000 GF for a trial court improvement account reserve
- \$713,000 GF for a police accountability/ Department of Justice reserve
- \$500,000 GF for a King County elections reserve
- \$500,000 GF for a waterfront operations and maintenance reserve
- \$445,000 GF for Seattle Indian Services Center debt service payments
- \$400,000 GF for a high barrier workgroup reserve.

Due to their ongoing nature, the reserves listed above are regularly replenished in the budget process. Other smaller, one-time reserved amounts included in this program in the 2024 Adopted Budget include:

- \$1.8 million GF for potential higher Finance and Administrative Services’ fleet vendor maintenance costs
- \$816,000 GF for the potential relocation of Rosie’s Village
- \$490,000 FAS Fund for a City Hall security reserve

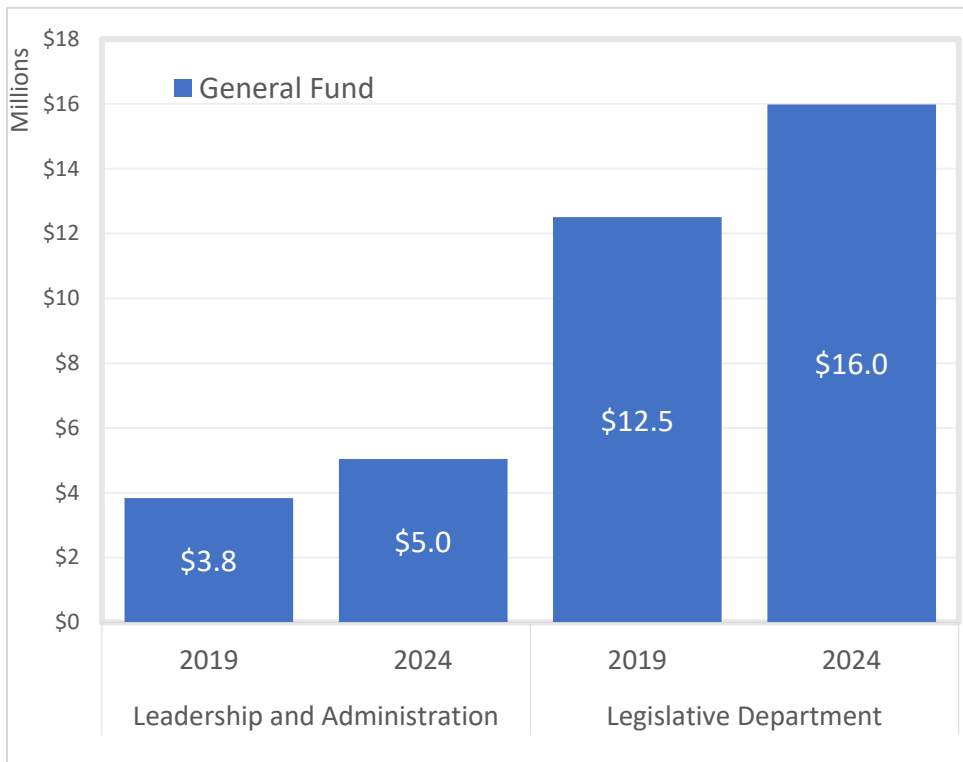
# LEGISLATIVE DEPARTMENT (LEG)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ALY PENNUCCI

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Leadership and Administration	3.8M	5.0M	1.2M	31%
Legislative Department	12.5M	16.0M	3.5M	28%
<b>Total</b>	<b>16.3M</b>	<b>21.0M</b>	<b>4.7M</b>	<b>29%</b>



Between 2019 and 2024 the LEG budget increased by \$4.7 million (a 29% increase). The main drivers of growth include:

- \$1.8 million for standard cost increases
- \$2 million for annual wage adjustments
- \$850,000 for pay equity and to prepare council chambers for hybrid meetings.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	13.5M	16.8M	3.3M	24%
Non-Labor	2.9M	4.2M	1.4M	48%
<b>Total</b>	<b>16.3M</b>	<b>21.0M</b>	<b>4.7M</b>	<b>29%</b>
<b>Total FTE</b>	<b>101</b>	<b>102</b>	<b>1</b>	<b>1%</b>



**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Leadership and Administration</b>			
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the department.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	3.8M	5.0M	1.2M	31%
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>3.8M</b>	<b>5.0M</b>	<b>1.2M</b>	<b>31%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	2.7M	3.2M	0.5M	20%
Departmental Indirect Costs	1.2M	1.8M	0.7M	57%
<b>Total</b>	<b>3.8M</b>	<b>5.0M</b>	<b>1.2M</b>	<b>31%</b>

- The changes in this budget program are due to standard cost increases and technical adjustments.
- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. Please see the “Leadership and Administration Budget Summary Levels Overview” section in the 2019-2024 Budget Review document for additional information at the Citywide level.

<b>BSL</b>	<b>Legislative Department</b>
<b>Purpose</b>	The purpose of the Legislative Department Budget Summary Level is to set policy, enact City laws, approve the City's budget, provide oversight of City departments, and support the mission of the Council.

<b>BUDGET PROGRAM</b>	<b>CENTRAL STAFF</b>			
<b>Purpose</b>	The purpose of the Central Staff Program is to provide high-quality, objective research and analysis to the Council and its individual members on a variety of policy and budget issues, as well as consultant contract services for the Legislative department.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	3.4M	3.9M	0.5M	16%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.4M</b>	<b>3.9M</b>	<b>0.5M</b>	<b>16%</b>

From 2019 through 2024, the Central Staff budget program grew by approximately \$536,000, due to the following changes:

- \$467,000 for annual wage increases
- \$99,000 for other standard cost increases
- \$200,000 for additional policy and legal staff support for the City Council
- \$200,000 for JSF administration support
- (\$428,000) reduction for GF budget savings

<b>BUDGET PROGRAM</b>	<b>CITY CLERK</b>			
Purpose	The purpose of the City Clerk Program is to support and facilitate the City's legislative process in compliance with the Open Public Meetings Act; manage the City's Records Management Program and ensure public access to the City's records; preserve the City's official and historical records in compliance with the Public Records Acts; manage the City's Boards and Commissions Registry; serve as the City's ex officio elections officer; and provide information technology, administrative and operational support to the Legislative Department.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	3.6M	4.0M	0.4M	12%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.6M</b>	<b>4.0M</b>	<b>0.4M</b>	<b>12%</b>

From 2019 through 2024, the City Clerk budget program grew by approximately \$442,000 due to the following changes:

- \$468,000 for annual wage increases
- \$142,000 for other standard cost increases
- \$49,000 to cover increased salary for conversion of a position to a Deputy City Clerk position
- (\$220,000) reduction for GF budget savings

<b>BUDGET PROGRAM</b>	<b>CITY COUNCIL</b>			
Purpose	The purpose of the City Council Program is to set policy; review, consider and determine legislative action; approve the City's budget; and provide oversight of City departments. The goal of the City Council is to be transparent, effective and accountable, as well as to promote diversity and health of all neighborhoods. This program consists of the nine Councilmembers, their Legislative Assistants and the Communications staff.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.5M	8.0M	2.5M	45%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>5.5M</b>	<b>8.0M</b>	<b>2.5M</b>	<b>45%</b>

From 2019 through 2024, the City Council budget program grew by approximately \$2.5 million due to the following changes:

- \$962,000 for annual wage increases
- \$850,000 to preserve staffing, address pay equity, and prepare Council Chambers for hybrid in-person and virtual meetings
- \$178,000 for standard cost changes
- \$500,000 to restore GF budget reductions

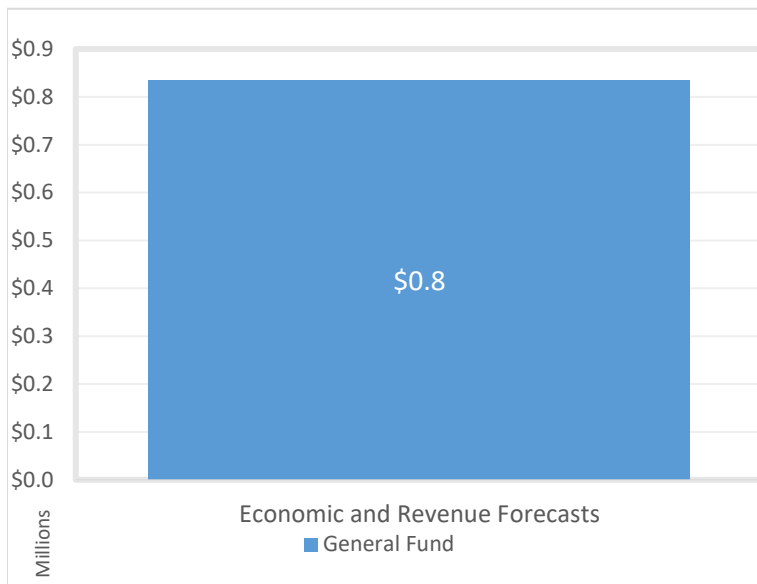
# OFFICE OF ECONOMIC AND REVENUE FORECASTS (FORECAST OFFICE)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: EDIN SISIC

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Economic and Revenue Forecasts	-	0.8M	0.8M	n/a
<b>Total</b>	<b>-</b>	<b>0.8M</b>	<b>0.8M</b>	<b>n/a</b>



Created in 2021 through a Council sponsored Ordinance ([ORD 126395](#)), the Forecast Office serves as an independent source for the economic and revenue forecasts that underlie the City's annual budget process. Prior to its creation, the work purview had been housed within the City Budget Office and the Council did not receive forecast updates on the same timeframe as the Executive.

The Forecast Office reports to the Economic and Revenue Forecast Council, which includes equal representation from the Legislative and Executive branches of City government. All of the Office's 2024 budget allocations are intended to support 3 FTE positions.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	-	0.6M	0.6M	n/a
Non-Labor	-	0.2M	0.2M	n/a
<b>Total</b>	<b>-</b>	<b>0.8M</b>	<b>0.8M</b>	<b>n/a</b>
<b>Total FTE</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>n/a</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Economic and Revenue Forecasts</b>
<b>Purpose</b>	The purpose of the Economic and Revenue Forecasts Budget Summary Level is to provide support to the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program.

<b>BUDGET PROGRAM</b>	<b>ECONOMIC AND REVENUE FORECASTS</b>			
<b>Purpose</b>	The purpose of the Economic and Revenue Forecasts Budget Program is to provide support to the Forecast Council, perform economic and revenue forecasts, conduct special studies at the request of the Forecast Council, and provide ad hoc analytical support on economic and revenue estimation for legislative and executive staff consistent with the work program.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	0.8M	0.8M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	-	<b>0.8M</b>	<b>0.8M</b>	<b>n/a</b>

- The Forecast Office’s entire budget is funded by the GF and supports 3 FTEs – two of which were new FTE pockets, created in 2021. The third FTE (a Senior Economist) was gained via a transfer from the City Budget Office, which in turn received funding to fill a vacant, unfunded pocket to perform the work of an economist.

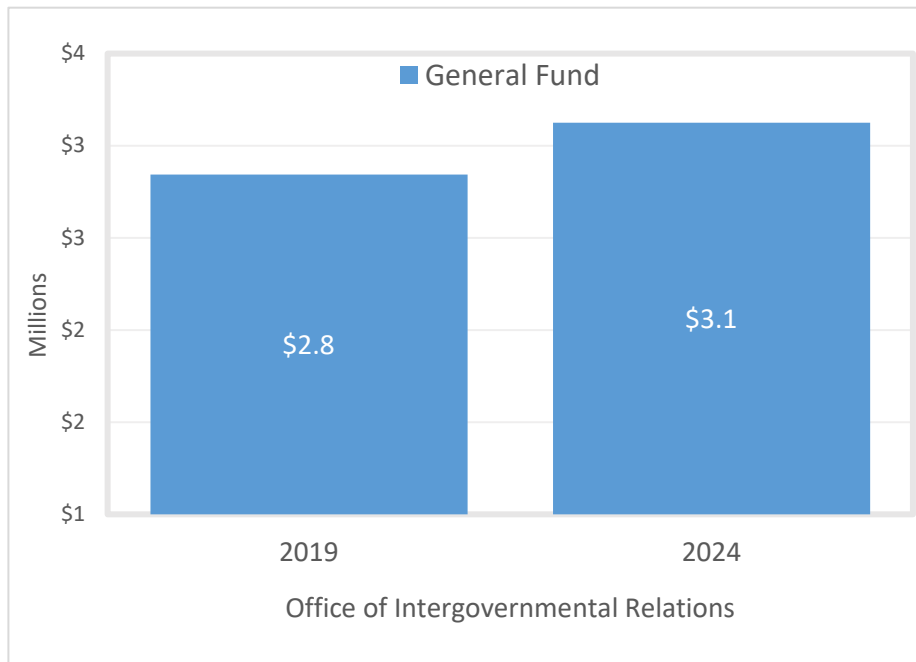
# OFFICE OF INTERGOVERNMENTAL RELATIONS (OIR)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KARINA BULL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Intergovernmental Relations	2.8M	3.1M	0.3M	10%
<b>Total</b>	<b>2.8M</b>	<b>3.1M</b>	<b>0.3M</b>	<b>10%</b>



Between 2019 and 2024 the Office of Intergovernmental Relations' (OIR) budget increased by \$0.3 million (a 10 percent increase). The main drivers of growth are inflationary increases related to the costs of doing business.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	1.7M	1.9M	0.2M	11%
Non-Labor	1.2M	1.3M	0.1M	8%
<b>Total</b>	<b>2.8M</b>	<b>3.1M</b>	<b>0.3M</b>	<b>10%</b>
<b>Total FTE</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of Intergovernmental Relations</b>
<b>Purpose</b>	The purpose of the Intergovernmental Relations Budget Summary Level is to promote and protect the City's federal, state, regional, tribal, and international interests by providing strategic advice, representation, and advocacy to, and on behalf of, City elected officials on a variety of issues. These include: federal and state executive and legislative actions; issues and events relating to the City's tribal and international relations; and jurisdictional issues involving King County, suburban cities, and regional governmental organizations.

<b>BUDGET PROGRAM</b>	<b>Office of Intergovernmental Relations</b>			
Purpose	See BSL Purpose Statement above			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	2.8M	3.1M	0.3M	10%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.8M</b>	<b>3.1M</b>	<b>0.3M</b>	<b>10%</b>

- This program is entirely funded through the General Fund. Increases to the program’s funding are due to standard cost changes.

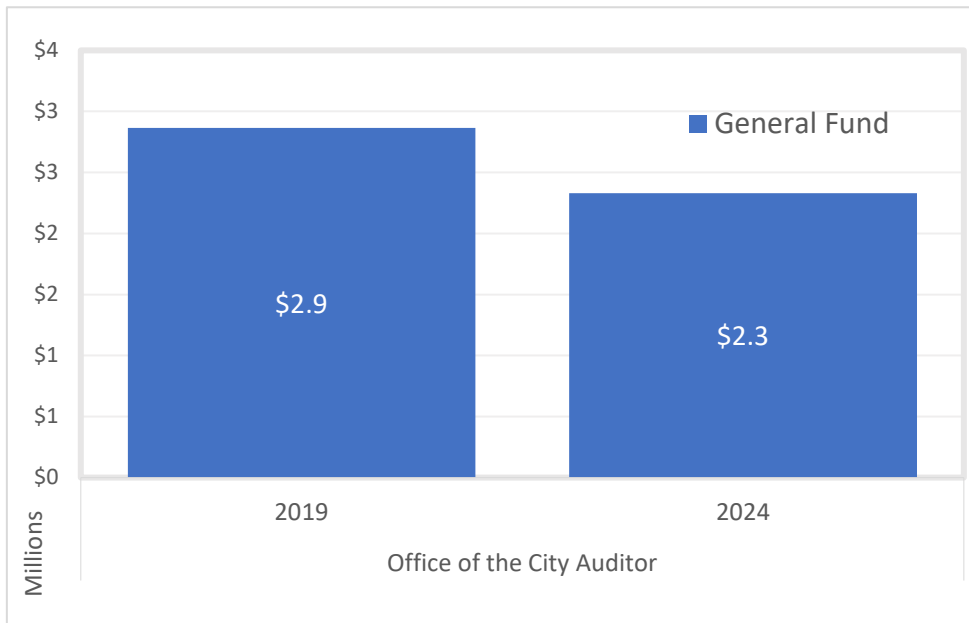
# OFFICE OF CITY AUDITOR (AUD)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KARINA BULL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of the City Auditor	2.9M	2.3M	- 0.5M	-19%
<b>Total</b>	<b>2.9M</b>	<b>2.3M</b>	<b>- 0.5M</b>	<b>-19%</b>



Between 2019 and 2024 the Office of City Auditor's (AUD) budget decreased by \$0.5 million (a 19 percent decrease). This was mainly due to a reduction in the AUD's 2022 budget by \$500,000 to remove funding to evaluate the Sweetened Beverage Tax. The AUD received the equivalent of \$500,000 each year from 2017 - 2021 per Ordinance 125324 section 5B and in 2022 that funding ended.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	1.6M	2.0M	0.4M	24%
Non-Labor	1.2M	0.3M	- 0.9M	-75%
<b>Total</b>	<b>2.9M</b>	<b>2.3M</b>	<b>- 0.5M</b>	<b>-19%</b>

<b>Total FTE</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0%</b>
------------------	-----------	-----------	----------	-----------

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of the City Auditor</b>
<b>Purpose</b>	The purpose of the Office of City Auditor Budget Summary Level is to provide unbiased analyses and objective recommendations to assist the City in using public resources more equitably, efficiently and effectively in delivering services to the public.

<b>BUDGET PROGRAM</b>	<b>OFFICE OF THE CITY AUDITOR</b>			
Purpose	See BSL purpose above			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	2.9M	2.3M	- 0.5M	-19%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.9M</b>	<b>2.3M</b>	<b>- 0.5M</b>	<b>-19%</b>

- This program is entirely funded through the GF. Decreases to the program’s funding are primarily due to the removal of funding for the 5-year evaluation of the Sweetened Beverage Tax. The increase in labor is due to standard cost increases.



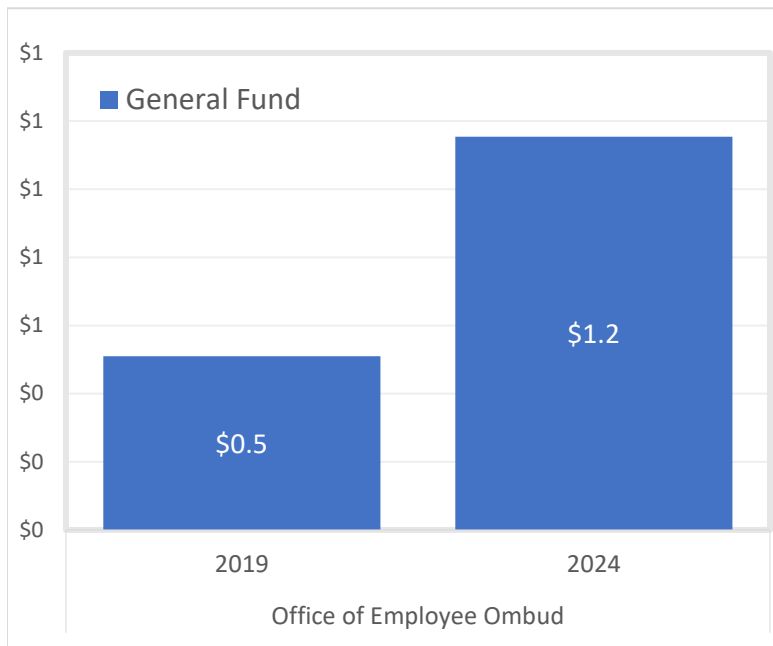
# OFFICE OF THE EMPLOYEE OMBUD (OEO)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KARINA BULL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Employee Ombud	0.5M	1.2M	0.6M	127%
<b>Total</b>	<b>0.5M</b>	<b>1.2M</b>	<b>0.6M</b>	<b>127%</b>



The Office of the Employee Ombud was newly created in 2019. Between 2019 and 2024 the OEO budget increased by \$650,000, or a \$130,000 average annual increase. The main drivers of growth beyond standard inflationary increases were the addition of new staff to address workload and the new areas of work.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	0.4M	1.0M	0.6M	168%
Non-Labor	0.1M	0.2M	-	17%
<b>Total</b>	<b>0.5M</b>	<b>1.2M</b>	<b>0.6M</b>	<b>127%</b>

Total FTE	3	6	3	100%
-----------	---	---	---	------

- Since the OEO was created in 2019, three staff have been added.
  - Funding and two positions were added in 2020 to increase case management capacity due to anticipated demand for services. One unfilled position was subsequently cut in 2021 to address budget shortfalls citywide.
  - In 2022, two positions were added, one to provide anti-hate crimes training capacity and the second to provide administrative support to the office.

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of Employee Ombud</b>
<b>Purpose</b>	The purpose of the Office of Employee Ombud (OEO) Budget Summary Level is to support City of Seattle employees in navigating the City's conflict management system, including processes related to harassment, discrimination, and misconduct. OEO provides recommendations to the Mayor and City Council on policies and procedures that can help create an inclusive and respectful workplace environment.

<b>BUDGET PROGRAM</b>	<b>EMPLOYEE OMBUD OFFICE</b>			
Purpose	This Program's purpose statement is the same as the BSL purpose statement			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.5M	1.2M	0.6M	127%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.5M</b>	<b>1.2M</b>	<b>0.6M</b>	<b>127%</b>

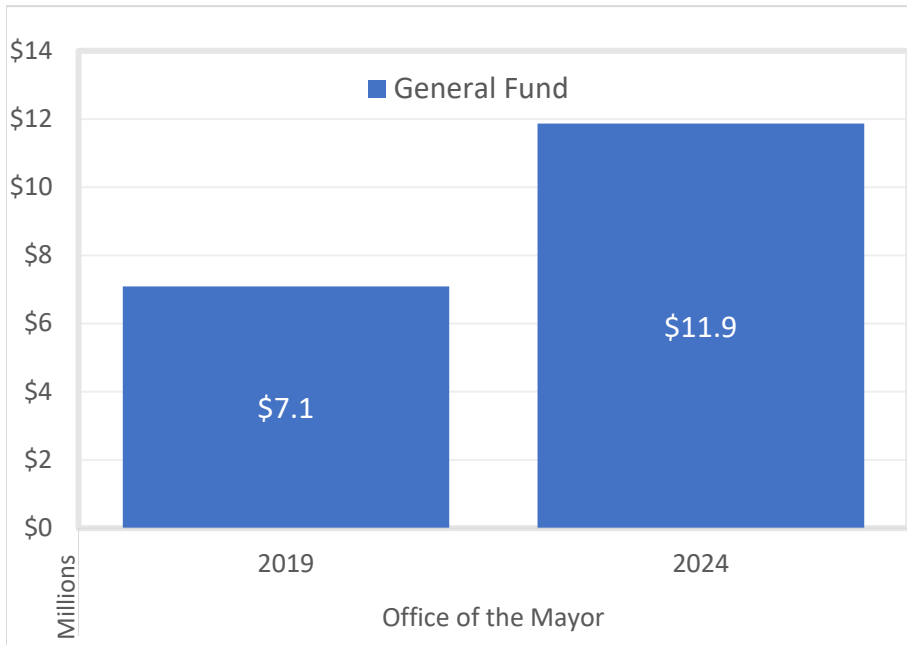
# OFFICE OF THE MAYOR (MO)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ALY PENNUCCI

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of the Mayor	7.1M	11.9M	4.8M	67%
<b>Total</b>	<b>7.1M</b>	<b>11.9M</b>	<b>4.8M</b>	<b>67%</b>



Between 2019 and 2024 Mayor’s Office (MO) budget increased by \$4.8 million annually (a 67 percent increase). The most significant driver of growth beyond standard inflationary adjustments is the addition of \$2.6 million in Judgement and Claims costs to the Mayor’s Office 2023-2024 budgets. In addition, some of the notable changes in MO’s budget include:

- \$1 million in one-time grant funding from a Casey Family Programs grant to support 3 temporary positions for research, planning, and implementation of programming related to public safety.
- \$200k to support the increased public records requests workload.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	5.6M	7.4M	1.8M	33%
Non-Labor	1.5M	4.5M	3.0M	196%
<b>Total</b>	<b>7.1M</b>	<b>11.9M</b>	<b>4.8M</b>	<b>67%</b>
<b>Total FTE</b>	<b>38</b>	<b>41</b>	<b>3</b>	<b>8%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of the Mayor</b>
<b>Purpose</b>	The purpose of the Office of the Mayor Budget Summary Level is to provide executive leadership to support City departments, engage and be responsive to residents of the city, develop policy for the City, and provide executive administrative and management support to the City.

<b>BUDGET PROGRAM</b>	<b>OFFICE OF THE MAYOR</b>			
Purpose	See BSL purpose statement above.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	7.1M	11.9M	4.8M	67%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>7.1M</b>	<b>11.9M</b>	<b>4.8M</b>	<b>67%</b>

- Over half of the overall \$4.8 million budget increase in MO is driven by increased Judgement and Claims costs. The Mayor's Office became an eligible payer of Judgment and Claims costs in 2023, as a result of defense costs for litigation related to matters that occurred in 2020. Additional details related to Judgement and Claims are provided in the budget summary for FAS.
- MO received a \$500k grant from Casey Family Programs in 2023 and 2024 for three temporary positions to support research, planning, and implementation of programming related to public safety.
- \$200k was added in the 2020 Adopted Budget to support the significantly increased number of public records requests (PDRs) received by the Mayor's Office. This included a position transfer from FAS as well as one new FTE to align PDR staff with department work.

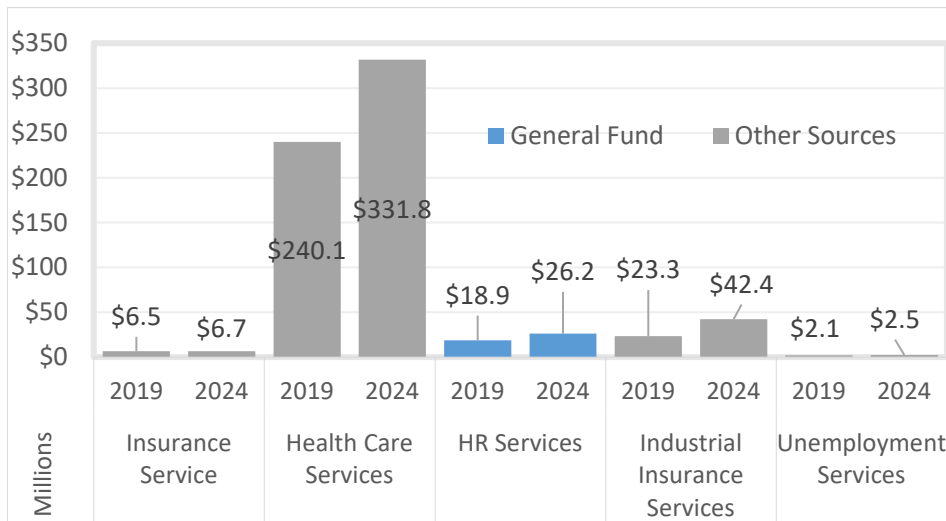
# SEATTLE DEPARTMENT OF HUMAN RESOURCES

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KARINA BULL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
HR Services	18.9M	26.2M	7.3M	39%
Health Care Services	240.1M	331.8M	91.8M	38%
Industrial Insurance Services	23.3M	42.4M	19.1M	82%
Unemployment Services	2.1M	2.5M	0.4M	18%
GTL/LTD/AD&D Insurance Service	6.5M	6.7M	0.1M	2%
<b>Total</b>	<b>290.9M</b>	<b>409.5M</b>	<b>118.7M</b>	<b>41%</b>



Between 2019 and 2024 the Seattle Department of Human Resources' (SDHR) budget increased by \$118.7 million (a 41 percent increase). As one of the City's three primary internal service providers, SDHR's \$409 million 2024 Adopted Budget is almost entirely tied to centrally managed costs for healthcare, retirement, industrial insurance, and other Citywide human resource functions performed by the Department (\$405M of the \$409M budget).

The primary driver of growth between

2019 and 2024 are healthcare and industrial insurance (workers' compensation) costs that account for \$111 million of the \$119 million increase in SDHR's budget over the past five years.

While SDHR's budget does include a relatively small amount of funding from the GF, the bulk of the funding is from the Healthcare Fund, which collects employer and employee health care premiums includes contributions from most City funds to pay total City contracted healthcare costs. The largest expenditure category in the graph, 'Health Care Services', primarily represents expenditures from the Health Care Fund.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	267.0M	376.3M	109.3M	41%
Non-Labor	23.8M	33.2M	9.4M	39%
<b>Total</b>	<b>290.9M</b>	<b>409.5M</b>	<b>118.7M</b>	<b>41%</b>
<b>Total FTE</b>	<b>112.5</b>	<b>118</b>	<b>5.5</b>	<b>4.8%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>HR Services</b>
<b>Purpose</b>	The purpose of the HR Services Budget Summary Level is to provide Citywide strategic and technical human resources support while incorporating workforce equity strategies. This BSL administers employee benefits including health care and workers’ compensation, the voluntary deferred compensation plan, and absence management; provides recruitment and staffing services; delivers employee training and development services; and negotiates and implements collective bargaining agreements. Other functions include safety, compensation/classification, supported employment programs, and Citywide human resources information management services.

<b>BUDGET PROGRAM</b>	<b>HR INVESTIGATIONS</b>			
<b>Purpose</b>	The unit’s purpose is to respond to and thoroughly investigate employee allegations of harassment, discrimination, retaliation, and harassment-related misconduct.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	1.5M	1.5M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.5M</b>	<b>1.5M</b>	<b>n/a</b>

- HR Investigations Unit (HRIU) was established in 2019, following a Mayor’s 2018 Executive Order to address employee concerns about harassment and discrimination. The unit includes a director (overseeing accountability and learning programs) and 5 FTE positions. These positions support the transition to in-scope department intake and investigations to HRIU. These positions also work closely with the Office of Employee Ombud to ensure that the City addresses employee concerns of workplace misconduct.

<b>BUDGET PROGRAM</b>	<b>HR SERVICE DELIVERY</b>			
<b>Purpose</b>	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.6M	2.2M	0.6M	37%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.6M</b>	<b>2.2M</b>	<b>0.6M</b>	<b>37%</b>

- HR Service Delivery provides HR support to executive offices and direct HR services to 20 departments; strategic alignment with department HR leaders and staff; and a consistent network for HR practitioners across the City. Growth in HR Service Delivery is driven by:
  - New staffing funded from a transfer from the JSF, recognizing the increased HR services related to positions in other departments added to implement and administer new programs and services supported by the JSF;
  - Staff costs transferred from other SDHR program areas; and
  - The reallocation of certain indirect costs from the Leadership & Administration BSL.

BUDGET PROGRAM		HR SHARED/ADMIN SERVICES		
Purpose		Purpose statement not provided		
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	7.7M	11.1M	3.4M	44%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>7.7M</b>	<b>11.1M</b>	<b>3.4M</b>	<b>44%</b>

- This program supports shared administrative costs performed by SDHR on behalf of the City, including topics related to benefits, deferred compensation, information management systems, safety, and compensation classification.
- The primary budget change in this program is a \$1.1 million (one-time) add for the first phase of a multi-year, comprehensive review of the citywide Classification and Compensation Program. The purpose of the added funding is to address the City’s lack of a clear, comprehensive job classification structure on which to base promotional and career ladders; performance evaluations, expectations and management, and fair and equitable compensation.

BUDGET PROGRAM		HR WORK FORCE EQUITY		
Purpose		Purpose statement not provided		
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	3.3M	1.1M	- 2.2M	-68%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.3M</b>	<b>1.1M</b>	<b>- 2.2M</b>	<b>-68%</b>

- This program supports the City’s Workforce Equity Initiative, which addresses gender and race wage equity for City employees as part of the City's commitment to eliminate racial disparities and achieve equity for employees. The changes in this program are due to intradepartmental transfers of positions and budget, as part of SDHR’s internal reorganization efforts.

BUDGET PROGRAM		RECRUIT RETENT		
Purpose		Purpose statement not provided		
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	1.6M	5.7M	4.0M	243%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.6M</b>	<b>5.7M</b>	<b>4.0M</b>	<b>243%</b>

- The primary add in this program is the transfer of 4.0 FTE from SPD to SDHR in 2022, to support police officer recruitment and retainment efforts. The remaining changes in this program are due to intradepartmental transfers of positions and budget, as part of HR’s structure realignment efforts. SDHR has indicated that the 4.0 FTE supporting police officer recruitment and retainment efforts will be transferred back to SPD in 2024.

BUDGET PROGRAM		LABOR RELATIONS		
Purpose		Purpose statement not provided		
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.3M	2.8M	0.4M	17%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.3M</b>	<b>2.8M</b>	<b>0.4M</b>	<b>17%</b>

- Labor Relations program provides technical and professional services to policy makers and City department managers, to advance effective, respectful and fair labor relations. This enhances the City's delivery of quality public services. Changes in this program are due to standard cost increases and technical changes.

BUDGET PROGRAM	TRAINING/ORG EFFECTIVENESS			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.3M	1.9M	- 0.4M	-17%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.3M</b>	<b>1.9M</b>	<b>- 0.4M</b>	<b>-17%</b>

BSL	Health Care Services
Purpose	The purpose of the Health Care Budget Summary Level is to provide for the City's medical, dental, and vision insurance programs; the Flexible Spending Account; the Employee Assistance Program; and COBRA continuation coverage costs.

BUDGET PROGRAM	HEALTH CARE SERVICES			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	240.1M	331.8M	91.8M	38%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>240.1M</b>	<b>331.8M</b>	<b>91.8M</b>	<b>38%</b>

- Health Care Services program provides for payments to the vendors that provide employee dental, vision, and health insurance benefits. Growth in the program is due to growth in these benefit programs, commensurate with the addition of new staff positions as well as allowed contract increases. These costs are paid from City employer and employee premium payments across all department payrolls.

BSL	Industrial Insurance Services
Purpose	The purpose of the Industrial Insurance Budget Summary Level is to provide for medical, wage replacement, pension, and disability claims related to occupational injuries and illnesses, occupational medical monitoring, workplace safety programs, and related expenses.

BUDGET PROGRAM	INDUSTRIAL INSURANCE SERVICES			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	23.3M	42.4M	19.1M	82%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>23.3M</b>	<b>42.4M</b>	<b>19.1M</b>	<b>82%</b>

- Industrial Insurance Services covers the cost of providing wage and disability benefits for injured workers, as well as medical treatment of workplace injuries and illnesses. Growth since 2019 is due to higher administrative costs resulting from increased assessments of self-insured employers performed by Washington State Department of Labor and Industries and increases in medical and time-loss claims due to first responder use of time-loss claims during COVID related quarantine and delayed medical procedures causing delayed recovery. This program is funded through the central cost allocations for workers compensation reflected in each department budget.



<b>BSL</b>	<b>Unemployment Services</b>
<b>Purpose</b>	The purpose of the Unemployment Insurance Budget Summary Level is to provide the budget authority for the City to pay unemployment compensation expenses.

<b>BUDGET PROGRAM</b>	<b>UNEMPLOYMENT SERVICES</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	2.1M	2.5M	0.4M	18%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.1M</b>	<b>2.5M</b>	<b>0.4M</b>	<b>18%</b>

- Changes in this program are due to standard cost increases and technical changes.

<b>BSL</b>	<b>GTL/LTD/AD&amp;D Insurance Service</b>
<b>Purpose</b>	The purpose of the Group Term Life Budget Summary Level is to provide appropriation authority for the City's group term life insurance, long-term disability insurance, and accidental death and dismemberment insurance.

<b>BUDGET PROGRAM</b>	<b>GTL/LTD/AD&amp;D INSURANCE</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	6.5M	6.7M	0.1M	2%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>6.5M</b>	<b>6.7M</b>	<b>0.1M</b>	<b>2%</b>

- Changes in this program are due to standard cost increases and technical changes.

# SEATTLE INFORMATION TECHNOLOGY (SEATTLE IT)

## 2020<sup>1</sup>-2024 Budget Summary

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2020 BUDGET <sup>1</sup>	2024 BUDGET	4-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Applications	106.9M	110.8M	3.9M	4%
Cable Franchise	7.3M	7.2M	-0.1M	-2%
Client Solutions	5.8M	5.8M	0.1M	1%
Digital Security and Risk	5.3M	8.2M	2.9M	55%
Frontline Services and Workplace	42.9M	49.8M	6.9M	16%
Leadership and Administration	32.9M	30.2M	-2.7M	-8%
Technology Infrastructure	48.6M	66.0M	17.3M	36%
<b>Operating Subtotal:</b>	<b>249.8M</b>	<b>278.0M</b>	<b>28.2M</b>	<b>11%</b>
<b>Capital Budget</b>				
Capital Improvements Projects	32.0M	24.5M	-7.5M	-24%
<b>CIP Subtotal:</b>	<b>32.0M</b>	<b>24.5M</b>	<b>-7.5M</b>	<b>-24%</b>
<b>Grand Total:</b>	<b>281.8M</b>	<b>302.5M</b>	<b>20.7M</b>	<b>7%</b>

In 2019, after the appointment of a new Chief Technology Officer, the Seattle Information Technology Department (Seattle IT) implemented a reorganization of its internal division structure and the composition of its BSLs. This reorganization makes comparisons between 2019 and 2024 difficult and potentially misleading. Rather than providing inaccurate comparisons, this summary compares Seattle IT's 2020 Adopted Budget with its 2024 Adopted Budget. For context, however, Seattle IT's 2019 Adopted budget totaled \$287.8 million, and its 2020 Adopted budget totaled \$281.8 million, a decrease of \$6 million, or 2.1 percent.

Between 2020 and 2024, the budget for Seattle IT increased by \$20.7 million, or approximately 7 percent. Its operating budget, which accounts for approximately 90 percent of the overall budget, increased by a little more than \$28 million, and the capital budget decreased by about \$7.5 million. Most of the modifications to the department's budget during this time were technical changes related to inflation, routine contract cost increases, and realigning divisional budgets to appropriately reflect where work is occurring. See the "Leadership and Administration Budget Summary Levels Overview" section in the 2019-2024 Budget Review document for additional information at the Citywide level.

Similar to Finance and Administrative Services (FAS) and the Seattle Department of Human Resources (SDHR), Seattle IT is one of the City's three primary internal service providers and its budget is largely tied to central cost allocations. Through a cost allocation plan, Seattle IT distributes central service costs across all departments and funds to ensure that IT services are fairly and accurately paid for by the departments receiving the services. In addition, Seattle IT bills departments directly, outside of the cost allocation process, for certain projects or services that are unique to a specific department's needs.

<sup>1</sup> Due to a budget reorganization that occurred in 2019, the financial tables in this document compare 2020 to 2024, rather than 2019 to 2024.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2020 BUDGET	2024 BUDGET	4-YEAR GROWTH	PERCENT GROWTH
Labor	122.9M	128.8M	5.9M	5%
Non-Labor	158.9M	173.7M	14.8M	9%
<b>Total</b>	<b>281.8M</b>	<b>302.5M</b>	<b>20.7M</b>	<b>7%</b>
<b>Total FTE</b>	<b>701</b>	<b>678</b>	<b>(23)</b>	<b>-3%</b>

## OPERATING BUDGET

### DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

BSL	Applications			
<b>Purpose</b>	The Applications Services Budget Summary Level designs, develops, and supports application solutions for both individual business and enterprise platform needs. In addition, it advances several IT functions, practices, and services such as vendor management, enterprise architecture, automation, quality assurance and analytics.			
<b>APPROPRIATIONS BY FUND</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Information Technology Fund	106.9M	110.2M	3.4M	3%
JumpStart Fund	-	0.6M	0.6M	N/A
<b>Total</b>	<b>106.9M</b>	<b>110.8M</b>	<b>3.9M</b>	<b>4%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Business Applications	28.3M	27.0M	-1.3M	-5%
Department Initiatives	49.1M	44.6M	-4.5M	-9%
Platform Applications	18.1M	26.2M	8.1M	45%
Service Modernization	11.4M	13.0M	1.6M	14%
<b>Total</b>	<b>106.9M</b>	<b>110.8M</b>	<b>3.9M</b>	<b>4%</b>

- The Applications BSL's budgetary levels are heavily influenced by department-specific projects and initiatives that are outside the scope of the capital program. For example, within the Department Initiatives program, the 2021 budget added \$13.2 million in appropriation authority for technology projects specific to Seattle City Light. In the following budget year, the program decreased by about \$8.7 million in the same area. The same sorts of swings happen for Seattle Public Utilities' technology projects as well, meaning that the decreases shown between 2020 and 2024 are indicative of the particular mix of projects being pursued in a given year, rather than indicating a trend.
- The increases in the Platform Applications program includes items such as additional term-limited FTEs to support the Accela permitting applications, increased staffing and contractor costs related to the City's new contract management system, and software application costs related to implementation of building performance standards.
- The approximately \$600,000 in JumpStart Fund appropriations funds work related to the [Affordable Seattle program, including the CiviForm application](#).
- The budget for this BSL also increased by almost \$3 million through an item included in the 2023 budget to cover additional maintenance costs for newly implemented technologies and increases to existing contracts. Related maintenance and contract increases are present in the Digital Security and Risk BSL and the Technology Infrastructure BSL.

BSL	Cable Franchise			
<b>Purpose</b>	The purpose of the Cable Fee Support to Information Technology Fund Budget Control Level is to authorize the transfer of resources from the Cable Television Franchise Fund to the Seattle Information Technology Department's Information Technology Fund. These resources are used by the department for a variety of programs consistent with Resolution 30379.			
<b>APPROPRIATIONS BY FUND</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Cable TV Franchise Fund	7.3M	7.2M	-0.1M	-2%
<b>Total</b>	<b>7.3M</b>	<b>7.2M</b>	<b>-0.1M</b>	<b>-2%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Cable Franchise for Info Tech	7.3M	7.2M	-0.1M	-2%
<b>Total</b>	<b>7.3M</b>	<b>7.2M</b>	<b>-0.1M</b>	<b>-2%</b>

- Cable franchise funds can be spent for the following types of activities: administration of the Cable Customer Bill of Rights and access costs the City is obligated to fund under the terms of the cable franchise agreements, support for the Seattle Channel, programs promoting technology literacy and access, and use of interactive technology to provide ways for residents to access City services.
- Franchise fee revenues are expected to decline over time as more people cancel cable service and switch to online streaming services.

BSL	Client Solutions			
<b>Purpose</b>	The Client Solutions Budget Summary Level provides account management and support for Seattle IT customers, which includes services that build and mature relationships, support and facilitate strategic planning, guide technology learning and decisions through customer innovation labs, establish standards for Project Management and Business Analysis services for all IT projects, facilitate IT project intake analysis, and support consistent communication and customer service practices across all customer-facing divisions.			
<b>APPROPRIATIONS BY FUND</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Information Technology Fund	5.8M	5.8M	0.1M	1%
<b>Total</b>	<b>5.8M</b>	<b>5.8M</b>	<b>0.1M</b>	<b>1%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Client Solutions	5.8M	5.8M	0.1M	1%
<b>Total</b>	<b>5.8M</b>	<b>5.8M</b>	<b>0.1M</b>	<b>1%</b>

- This BSL has seen very little change over the last four years, with budgetary modifications being primarily technical changes related to inflation and realigning budgets to appropriately reflect where work is occurring.

<b>BSL</b>	<b>Digital Security and Risk</b>			
<b>Purpose</b>	The Digital Security and Risk Budget Summary Level provides security and risk mitigation services for the City's computing environments, and develops, applies, and monitors compliance with technology policies and procedures. This Budget Summary Level also includes the department's Emergency Management team.			
<b>APPROPRIATIONS BY FUND</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Information Technology Fund	5.3M	8.2M	2.9M	55%
<b>Total</b>	<b>5.3M</b>	<b>8.2M</b>	<b>2.9M</b>	<b>55%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Digital Security and Risk	5.3M	8.2M	2.9M	55%
<b>Total</b>	<b>5.3M</b>	<b>8.2M</b>	<b>2.9M</b>	<b>55%</b>

- This BSL has grown by almost \$3 million over the last four years, primarily as a result of increased costs related to cybersecurity.
- In 2021, the budget increased by approximately \$2.2 million to fund the acquisition of three cybersecurity tools to strengthen the security posture of the City, increase staffing by five FTEs to support these new tools and other security technologies, and fund the increasing costs of cybersecurity insurance.
- The budget for this BSL also increased by almost \$1 million through a couple of items included in the 2023 and 2024 budgets to cover additional maintenance costs for newly implemented technologies and increases to existing contracts. Related maintenance and contract increases are present in the Applications BSL and the Technology Infrastructure BSL.

<b>BSL</b>	<b>Frontline Services and Workplace</b>			
<b>Purpose</b>	The Frontline Services and Workplace Budget Summary Level develops, maintains, and manages all client support services, including incident resolution, end-user equipment and software deployment, device maintenance, operating system configuration and management, digital tools that enable everyday work, public-facing communications software development, and support. This Budget Summary Level also includes the Seattle Channel as the public-facing entity of the department and the Broadband and Community Technology programs.			
<b>APPROPRIATIONS BY FUND</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Information Technology Fund	42.9M	49.8M	6.9M	16%
<b>Total</b>	<b>42.9M</b>	<b>49.8M</b>	<b>6.9M</b>	<b>16%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Community Technology & Broadband	1.9M	1.7M	-0.2M	-11%
Digital Workplace	11.9M	13.7M	1.8M	15%
Frontline Digital Services	29.2M	34.4M	5.2M	18%
<b>Total</b>	<b>42.9M</b>	<b>49.8M</b>	<b>6.9M</b>	<b>16%</b>

- A couple of significant projects within the Digital Workplace program accounted for much of its budgetary increase over the last four years, including increases in 2022 and 2023 for the trial and implementation of the RecordPoint records management system, a system that will enable the City to manage, retrieve, and dispose of electronic records in compliance with state law.

- Another significant increase in the Digital Workplace program, almost \$2 million annually, relates to the contracts with Microsoft and Adobe to maintain the City’s current usage of those platforms and services.
- The Frontline Digital Services program increased during the past four years, largely a result of accounting for inflation and the realignment of services and maintenance costs to the appropriate programs with the department.
- There was also a large swing in the Frontline Digital Services program related to the lifecycle replacement program for laptops and desktops during this time period. In 2022, the replacement program had a significant budget increase due to a surge of new computing devices in 2017 and 2018. In the 2023 and 2024 budgets, however, in response to Citywide direction for budget reductions, the replacement program for GF-funded departments was reduced by over \$1 million annually. The impact of this is that devices in GF-funded departments are not being replaced on the desired five-year cycle, as they are for non-GF departments.

BSL	Technology Infrastructure			
Purpose	The Technology Infrastructure Budget Summary Level develops, maintains, and manages core IT services including communications and data networks, data center and cloud computing infrastructure, and database systems.			
APPROPRIATIONS BY FUND	2020 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Information Technology Fund	48.6M	66.0M	17.3M	36%
<b>Total</b>	<b>48.6M</b>	<b>66.0M</b>	<b>17.3M</b>	<b>36%</b>
APPROPRIATIONS BY PROGRAM	2020 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Business Advancement Team	0.2M	-	-0.2M	-100%
Communications Infrastructure	9.2M	4.2M	-5.0M	-54%
Database Systems	2.0M	2.8M	0.7M	37%
Enterprise Computing	-	0.2M	0.2M	N/A
Enterprise Services	2.7M	3.4M	0.7M	26%
Infrastructure Tools	3.6M	4.9M	1.2M	34%
Middleware	-	2.8M	2.8M	N/A
Network Operations	8.0M	8.3M	0.3M	4%
Radio Management	2.5M	6.2M	3.7M	148%
Systems Engineering	6.0M	5.4M	-0.6M	-10%
Telephone Engineering	5.5M	15.1M	9.6M	174%
Windows Systems	9.0M	12.8M	3.8M	43%
<b>Total</b>	<b>48.6M</b>	<b>66.0M</b>	<b>17.3M</b>	<b>36%</b>

- A significant portion of the reduction in the Communications Infrastructure program between 2020 and 2024 relates to savings that were realized by Seattle IT through the abrogation of positions that became vacant due to retirements.
- Two significant additions in the Radio Management program include increased costs associated with participation in an updated Puget Sound Emergency Radio Network (PSERN) system that became operational in 2023, and a “one-time” increase in appropriations (\$2.5 million in 2023 and \$2.5 million in 2024) to transfer excess public safety radio reserves out of the Information Technology Fund back to the GF.
- Telephone Engineering is the program with the largest increase during this time period and, in addition to many technical adjustments such as fixing project cost allocations to the appropriate programs and updating the item counts used in the cost recovery model, the increase includes about \$2.5 million annually for the City’s new unified communications project (the replacement for the legacy telephone system).
- The budget for this BSL also increased by over \$3 million through a couple of items included in the 2023 and 2024 budgets to cover additional maintenance costs for newly implemented technologies and increases to existing contracts. Related maintenance and contract increases are present in the Applications BSL and the Digital Security and Risk BSL.

<b>BSL</b>	<b>Leadership and Administration</b>			
<b>Purpose</b>	The Leadership and Administration Budget Summary Level provides executive, community, financial, human resource, and business support to Seattle IT.			
<b>APPROPRIATIONS BY FUND</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Information Technology Fund	32.9M	30.2M	-2.7M	-8%
<b>Total</b>	<b>32.9M</b>	<b>30.2M</b>	<b>-2.7M</b>	<b>-8%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2020 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Chief of Staff	12.8M	-	-12.8M	-100%
Chief Privacy Officer	0.6M	-	-0.6M	-100%
Citywide Indirect Costs	14.1M	8.3M	-5.8M	-41%
CTO/Executive Team	3.8M	-	-3.8M	-100%
Departmental Indirect Costs	-	22.1M	22.1M	N/A
Executive Advisor	1.8M	-	-1.8M	-100%
Pooled Benefits and PTO	-0.2M	-0.2M	-	-
<b>Total</b>	<b>32.9M</b>	<b>30.2M</b>	<b>-2.7M</b>	<b>-8%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter of 2019-2024 Budget Review document for additional information.

## CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

BSL	Capital Improvement Projects			
Purpose	The Capital Improvement Projects Budget Summary Level provides support for citywide or department-specific IT projects and initiatives within Seattle IT's Capital Improvement Program (CIP).			
APPROPRIATIONS	2020 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Information Technology Fund	32.0M	24.5M	-7.5M	-24%
<b>Total</b>	<b>32.0M</b>	<b>24.5M</b>	<b>-7.5M</b>	<b>-24%</b>

- One of the large capital IT projects that has seen budgetary shifts over the last four years is the replacement project for the [Seattle Municipal Court’s legacy Municipal Court Information System \(MCIS\)](#). MCIS is a critical piece of technology for the Court, and it provides a continuing, permanent record of all case events, dates, and outcomes. The system also provides the record of court-ordered sanctions and their fulfillment, and allows the larger justice community to access local offender case histories and provide the required data transmission and exchanges with City, regional, state, and federal stakeholders.
- Another large project that has experienced funding swings during the last four years is the effort to replace the City’s 30-year-old legacy telephone system, known as the Unified Communications System project. Overall, when completed the project will have replaced approximately 14,900 phones lines across 280 locations, and upgraded the 48 Contact Center environments that the City operates.



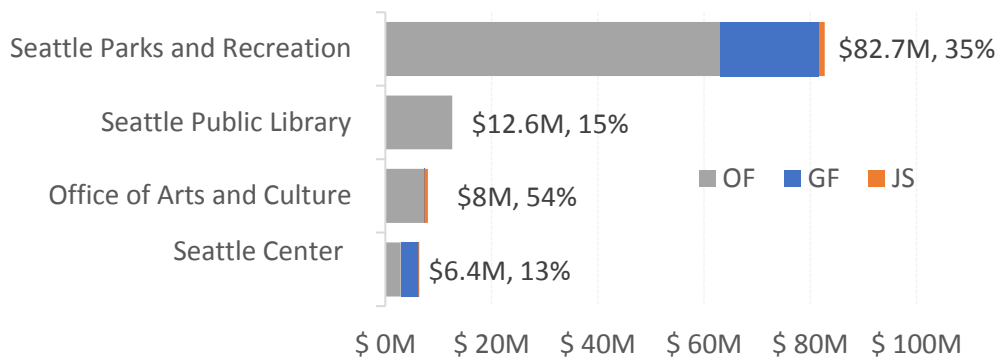
# Policy Area: Arts, Culture & Recreation

The Arts, Culture & Recreation policy area includes the following departments:

- Office of Arts and Culture (ARTS)
- Department of Parks and Recreation (SPR)
- Seattle Center (SC)
- Seattle Public Library (SPL)

Since 2019, the department budgets within this area increased overall by 28 percent. The chart below illustrates total growth in department budgets within this policy area since 2019. The subsequent department specific summaries provide more detail about what has driven this growth.

*Adopted budget growth in the Arts, Culture & Recreation policy area since 2019 (all funds)*



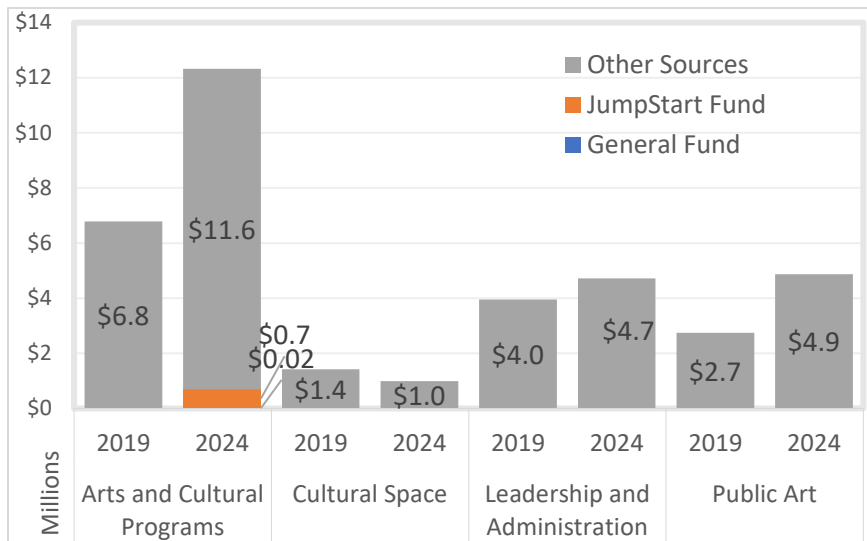
# OFFICE OF ARTS AND CULTURE (ARTS)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: JASMINE MARWAHA

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Arts and Cultural Programs	6.8M	12.3M	5.5M	81%
Cultural Space	1.4M	1.0M	- 0.4M	-30%
Leadership and Administration	4.0M	4.7M	0.8M	19%
Public Art	2.7M	4.9M	2.1M	78%
<b>Total</b>	<b>14.9M</b>	<b>22.9M</b>	<b>8.0M</b>	<b>54%</b>



Between 2019 and 2024 ARTS’ budget increased by \$8 million (54%). The main drivers of growth beyond standard inflation increases include:

- Increasing revenues from the Admissions Tax, funding one-time expenditures totaling \$5.2 million for 2024, including but not limited to activities supporting the Downtown Activation Plan, Seattle Center programming, bridge funding for institutions still in pandemic recovery, and graffiti prevention strategies.
- The Admissions Tax is a five percent tax on each ticket for venues that charge admission. There are a number of

exceptions and caveats, as detailed in [Chapter 5.40](#) of the Seattle Municipal Code. Revenues from the Admissions Tax go into the Arts and Culture Fund to support specific purposes, outlined in [SMC 5.40.120](#). As Seattle continues to recover from the pandemic, revenues are seeing significant growth. ARTS is currently undergoing a strategic planning process and stakeholder engagement to better inform ongoing investments.

- [Public Art](#) funded by the Municipal Arts Fund, reflecting a \$2.1 million increase from the 2019 budget. One percent of the budget for eligible capital projects is appropriated to the Municipal Arts Fund. The Office of Arts and Culture expends the funds for projects as prescribed by the Municipal Arts Plan. The funding for public art is limited by the departments from where the funds originate – the public art paid for by a department’s capital expenditure must relate in some way to that department’s purpose or projects.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	4.2M	6.5M	2.3M	54%
Non-Labor	10.7M	16.5M	5.7M	54%
<b>Total</b>	<b>14.9M</b>	<b>22.9M</b>	<b>8.0M</b>	<b>54%</b>
<b>Total FTE</b>	<b>35</b>	<b>41</b>	<b>6</b>	<b>18%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Arts and Cultural Programs</b>
<b>Purpose</b>	The purpose of the Arts and Cultural Programs Budget Summary Level is to invest in Seattle's arts and cultural community.

<b>BUDGET PROGRAM</b>	<b>ACTIVATIONS EQUITY AND YOUTH DEVELOPMENT</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	2.3M	3.4M	1.2M	50%
JumpStart Fund	-	0.7M	0.7M	n/a
<b>Total</b>	<b>2.3M</b>	<b>4.1M</b>	<b>1.8M</b>	<b>80%</b>

- This budget program comprises of special areas of focus implemented by ARTS staff including, but not limited to, creative economy strategies, equity initiatives, and youth development, as well as designated programs such as [Creative Advantage](#) and [LANGSTON Seattle](#).
- The growth in budget reflects, among other items, \$650,000 in bridge funding for institutions still in pandemic recovery, \$760,000 in one-time funds for Seattle Center programming, and \$675,000 JumpStart funds for activation at the Seattle Storm training facility in Interbay.
- This budget program was recently combined with the Funding, Programs and Partnership budget program in the department’s organizational structure.

<b>BUDGET PROGRAM</b>	<b>COMMUNICATION OUTREACH AND EVENTS</b>			
Purpose	This budget program supports the promotion of ARTS’ grants opportunities, City- and department-sponsored events, and art installations and events hosted by ARTS grant recipients.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	0.2M	0.7M	0.5M	224%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.2M</b>	<b>0.7M</b>	<b>0.5M</b>	<b>224%</b>

- The 2024 budget reflects \$150,000 one-time, and \$25,000 ongoing funds, for the redesign of ARTS’ website, to elevate the work of City-supported artists and cultural institutions, many of whom do not have the capacity to effectively market their events or showcase their work online.
- The remaining increase between 2019 and 2024 beyond standard inflationary increases is \$300,000 on ongoing funding added in 2020 for 2.0 FTE::
  - FTE Assessment Strategic Advisor I to develop data collection and analysis informing program assessment
  - FTE Community outreach and engagement Strategic Advisor II to address results from using the Racial Equity Toolkit finding the need for more dedicated support to reach communities of color, refugees, and others who have not historically benefited from ARTS’ programs

BUDGET PROGRAM	CULTURAL FACILITIES OPERATIONS			
Purpose	The cultural facilities budget program is intended to foster artistic opportunities and representation within underserved communities by offering artists and producers below-market rental space and facility grants.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	0.8M	2.1M	1.3M	150%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.8M</b>	<b>2.1M</b>	<b>1.3M</b>	<b>150%</b>

- This funding is primarily for the operations of two cultural facilities: the [Langston Hughes Performing Arts Institute](#), and ARTS at [King Street Station](#). ARTS at King Street Station opened to the public in 2019. The increased budget primarily reflects a \$1 million one-time allocation for activations at King Street Station, as part of the Downtown Activation Plan.

BUDGET PROGRAM	FUNDING PROGRAMS & PARTNERSHIP			
Purpose	This budget program develops and implements 12 grant programs on behalf of the City of Seattle to support arts and culture.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	0.02M	0.02M	-
Other Sources	3.4M	5.30M	1.90M	56%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.4M</b>	<b>5.30M</b>	<b>1.92M</b>	<b>56%</b>

- ARTS' grant programs focus on addressing racial equity, providing access to arts and cultural experiences for all residents, and supporting a stronger creative youth culture. The 2024 open grant funding opportunities are [available here](#). In addition to the 2024 list, the [Centering Art and Racial Equity \(C.A.R.E.\)](#) grant is one of ARTS' biggest grant programs. In 2023, the C.A.R.E. program awarded over \$1.9 million in multi-year funding to 241 Seattle-based arts, heritage, and cultural organizations. These funded programs engaged more than 25,000 volunteer and paid artists serving an audience of over 3.5 million people.
- The growth of this budget program primarily reflects \$1 million one-time funding to continue the Hope Corps program, intended to put artists to work with a focus on downtown activation, as well as approximately \$400,000 ongoing to provide inflation adjustments to grants awards. The 2024 budget also reflects \$450,000 in one-time funds allocated by Council Budget Actions for special projects.

BSL	Cultural Space
Purpose	The purpose of the Cultural Space Budget Summary Level is to fund the development of new cultural spaces, the retention of crucial cultural anchors, and physical space improvements in existing cultural institutions.

BUDGET PROGRAM	CULTURAL SPACE			
Purpose	The programs associated with Cultural Space exist to preserve, create and activate cultural spaces in the city of Seattle.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	1.4M	1.0M	- 0.4M	-30%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.4M</b>	<b>1.0M</b>	<b>- 0.4M</b>	<b>-30%</b>

- The reduced budget reflects the fact that must some of this work that has shifted to the [Cultural Space Agency](#) Public Development Authority. The remaining funding continues to support the City's [Arts and Cultural Districts](#) program.

<b>BSL</b>		<b>Leadership and Administration</b>		
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, financial, human resource, and business support to the Office and to support the Seattle Arts Commission, a 16-member advisory board that advises the Office, Mayor, and City Council on arts programs and policy.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	4.0M	4.7M	0.8M	19%
<b>Total</b>	<b>4.0M</b>	<b>4.7M</b>	<b>0.8M</b>	<b>19%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	1.0M	1.1M	0.2M	18%
Departmental Indirect Costs	1.9M	2.1M	0.2M	11%
Pooled Benefits and PTO	1.1M	1.5M	0.4M	34%
<b>Total</b>	<b>4.0M</b>	<b>4.7M</b>	<b>0.8M</b>	<b>19%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter in the 2019-2024 Budget Review document for additional information.

<b>BSL</b>		<b>Public Art</b>		
<b>Purpose</b>	The purpose of the Public Art Budget Summary Level is to fund the Public Art Program, which develops art pieces and programs for City facilities, and the Artwork Conservation Program, which maintains the City's permanent art collection.			

<b>BUDGET PROGRAM</b>	<b>ARTWORK CONSERVATION</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	0.2M	0.4M	0.2M	130%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.2M</b>	<b>0.4M</b>	<b>0.2M</b>	<b>130%</b>

- The growth in the Artwork Conservation budget program is driven by (1) adding 0.5 FTE in 2022 and ongoing funding for to make half-time position full-time to increase staffing for maintenance work and (2) a \$150,000 add in 2024 using higher than higher-than-anticipated Admissions Tax revenues for a two-year temporary position to work with the Mayor’s Office on graffiti prevention strategies.

<b>BUDGET PROGRAM</b>	<b>PUBLIC ART</b>			
Purpose	The Public Art program (also known as the 1% for Arts program) stewards the City's civic collection and partners with the City's capital departments to create art opportunities for the public through artwork commissions, purchases, and installations, and through gallery exhibits at ARTS at King Street Station, Seattle Municipal Tower, and City Hall.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	2.6M	4.4M	1.9M	74%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.6M</b>	<b>4.4M</b>	<b>1.9M</b>	<b>74%</b>

- The growth in the Public Art budget program is consistent with the Municipal Arts Fund financial plan from previous years. The current fund balance is approximately \$10 million.

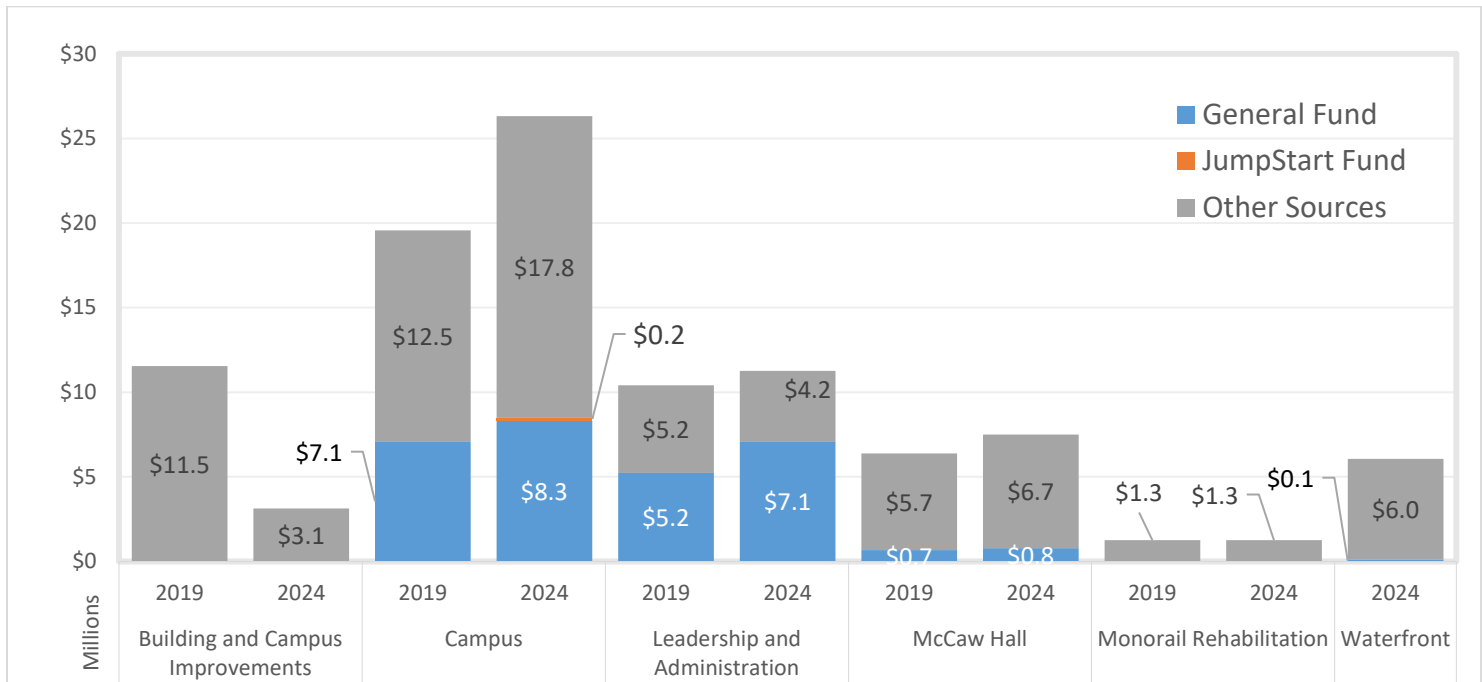
# Seattle Center (SC)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

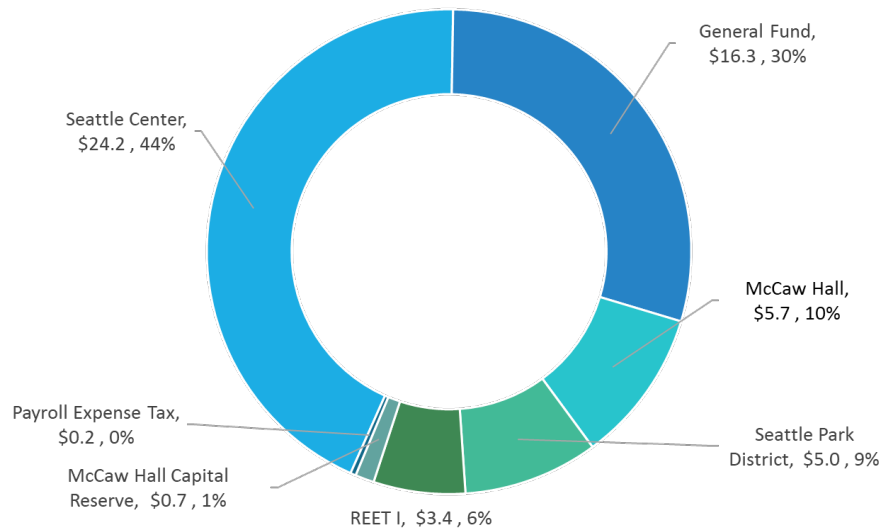
BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Campus	19.6M	26.3M	6.8M	35%
Leadership and Administration	10.4M	11.3M	0.9M	8%
McCaw Hall	5.7M	6.8M	1.1M	18%
Waterfront	-	6.1M	6.1M	N/A
<b>Operating Subtotal:</b>	<b>35.7M</b>	<b>50.5M</b>	<b>14.7M</b>	<b>41%</b>
<b>Capital Budget</b>				
Building and Campus Improvements	11.5M	3.1M	- 8.4M	-73%
McCaw Hall Capital Reserve	0.6M	0.7M	0.1M	17%
Monorail Rehabilitation	1.3M	1.3M	-	0%
<b>CIP Subtotal:</b>	<b>13.4M</b>	<b>5.1M</b>	<b>- 8.4M</b>	<b>-62%</b>
<b>Grand Total:</b>	<b>49.2M</b>	<b>55.5M</b>	<b>6.4M</b>	<b>13%</b>



Between 2019 and 2024 Seattle Center’s (SC) budget increased by \$6.4 million (a 13 percent increase). In 2023, the City transferred jurisdiction of the Waterfront Parks and Public Spaces (Waterfront Park) from SPR to Seattle Center and the related \$6.1 million appropriation followed in the 2024 Adopted Budget. This \$6.1 million increase accounts for the majority of the increase in SC’s budget from 2019 to 2024.

Capital appropriations decreased by \$5.1M compared to 2019 with most of the reduction in the 2024 Adopted Budget. Compared to 2023, SC's CIP budget is down \$3.1M due to reduced REET I support in the Building and Campus improvements capital BSL based on the City's expectation of lower, future REET I revenues.

Seattle Center is funded by a combination of tax dollars from the GF and revenue earned from commercial operations. Major sources of commercial revenue include facility rentals, parking fees, long-term leases to for-profit and non-profit organizations, sponsorships, concession sales, and monorail fares. The earned revenues are deposited and spent from the Seattle Center Fund generally and from the Seattle Center McCaw Hall Fund for revenues generated at this facility.



2024 Adopted Budget Book

In 2018, [Ordinance 125717](#) authorized an interfund loan of up to \$5 million to the Seattle Center Fund from the Unrestricted Cumulative Reserve Fund to support Seattle Center operations during the renovation of KeyArena to Climate Pledge Arena. In 2020, recognizing the economic impact of the COVID-19 pandemic, the City extended the time to repay the interfund loan from the end of 2026 to the end of 2033 and increased the maximum amount to \$18 million via [Ordinance 126218](#). This legislation also changed the loan fund to the REET II Capital Projects Fund. Seattle Center currently owes about \$15.7M and budgets \$500,000 annually to service this debt.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	27.2M	34.8M	7.7M	28%
Non-Labor	22.0M	20.7M	-1.3M	-6%
<b>Total</b>	<b>49.2M</b>	<b>55.5M</b>	<b>6.4M</b>	<b>13%</b>
<b>Total FTE</b>	<b>229</b>	<b>249</b>	<b>20</b>	<b>9%</b>

Most of the change in FTEs from 2019 to 2024 was due to the incremental change between 2023 and 2024. The Adopted Budget booked the transfer of 11.5 positions from SPR and six new positions to operate and maintain the Waterfront Park: 17.5 FTEs total. Otherwise, the change in FTEs over this five-year period is basically flat.



## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

<b>BSL</b>	<b>Campus</b>
<b>Purpose</b>	The purpose of the Campus Budget Summary Level is to manage and operate Seattle Center’s Campus events, grounds and facilities.

<b>BUDGET PROGRAM</b>	<b>Access</b>			
<b>Purpose</b>	The purpose of the Access Program is to provide the services needed to assist visitors in coming to and traveling from the campus, while reducing congestion in adjoining neighborhoods. Program services include operating parking services, maintaining parking garages, managing the Seattle Center Monorail, and encouraging use of alternate modes of transportation.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Seattle Center Fund	1.2M	2.2M	1.0M	79%
<b>Total</b>	<b>1.2M</b>	<b>2.2M</b>	<b>1.0M</b>	<b>79%</b>

- Beyond standard inflationary adjustments, the increases in this program are due to a \$610,000 increase in expenditure authority to pay Climate Pledge Arena for incremental parking revenue according to a contractual obligation (revenue share).

<b>BUDGET PROGRAM</b>	<b>Campus Grounds</b>			
<b>Purpose</b>	The purpose of the Campus Grounds Program is to provide gathering spaces and open-air venues in the City's urban core. Program services include landscape maintenance, security patrols and lighting, litter and garbage removal, recycling operations, hard surface and site amenities maintenance, management of revenues associated with leasing spaces, and food service operations at the Armory.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	4.5M	5.8M	1.3M	30%
Seattle Center Fund	7.8M	11.3M	3.5M	45%
<b>Total</b>	<b>12.3M</b>	<b>17.1M</b>	<b>4.8M</b>	<b>39%</b>

- Beginning in 2022, the Campus Grounds program was increased by about \$865,000 annually through 2031 to cover the debt service on new Campus signage. Ordinance 120006 approved the issuance of \$8,000,000 in bonds to pay for this package.
- Other increases reflect technical adjustments to how certain revenues and expenditures are accounted for in SC’s budget.

<b>BUDGET PROGRAM</b>	<b>Commercial Events</b>			
<b>Purpose</b>	The purpose of the Commercial Events Program is to provide the spaces and services needed to accommodate and produce a wide variety of commercial events, both for profit and not for profit, and sponsored and produced by private and community promoters.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Seattle Center Fund	1.9M	1.9M	-	-
<b>Total</b>	<b>1.9M</b>	<b>1.9M</b>	<b>-</b>	<b>-</b>

BUDGET PROGRAM	Community Programs			
<b>Purpose</b>	The purpose of the Community Programs Program is to produce free and affordable programs that connect diverse cultures, create learning opportunities, honor community traditions, and nurture artistry, creativity, and engagement.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.5M	2.4M	- 0.1M	-4%
Seattle Center Fund	-	0.4M	04M	n/a
<b>Total</b>	<b>2.5M</b>	<b>2.8M</b>	<b>0.3M</b>	<b>12%</b>

- The minor increase in this budget program is due to a temporary agreement between Seattle Center and ArenaCo which includes \$350,000 per year of financial support from ArenaCo for the Seattle-King County Clinic (SKCC) in lieu of the City's use of Climate Pledge Arena for 2024 through 2028.

BUDGET PROGRAM	Cultural Facilities			
<b>Purpose</b>	The purpose of the Cultural Facilities Program is to provide spaces for performing arts and cultural organizations to exhibit, perform, entertain, and create learning opportunities for diverse local, national, and international audience.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.1M	0.1M	-	-
Seattle Center Fund	0.2M	0.2M	-	-
<b>Total</b>	<b>0.3M</b>	<b>0.3M</b>	<b>-</b>	<b>-</b>

BUDGET PROGRAM	Festivals			
<b>Purpose</b>	The purpose of the Festivals Program is to provide a place for the community to hold major festival celebrations.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Seattle Center Fund	1.3M	1.9M	0.6M	46%
JumpStart Fund	-	0.2M	0.2M	n/a
<b>Total</b>	<b>1.3M</b>	<b>2.0M</b>	<b>0.7M</b>	<b>54%</b>

- The 0.2 million increase from the JumpStart Fund is a result of a Council ongoing add in 2023 and ongoing in 2024 for the Bumbershoot Workforce Development Program (BWDP) in conjunction with the annual Bumbershoot Arts and Music Festival held at the Seattle Center. The funding supports teaching about 20 young people, ages 17 to 25 years-old, the skills of concert and event promotion.
- For 2024, there was a one-time increase of ARTS' ongoing support of Seattle Center's Festal programming, bringing the total financial support to Seattle Center in 2024 to \$1.2 million, up from \$460,000 ongoing. ARTS will reimburse Center for programming costs including funds to support community organizations operating at these cultural festivals and operating and marketing costs.

<b>BSL</b>	<b>McCaw Hall</b>
<b>Purpose</b>	The purpose of the McCaw Hall Budget Summary Level is to operate and maintain McCaw Hall.

<b>BUDGET PROGRAM</b>	<b>Debt Service</b>			
<b>Purpose</b>	The purpose of the Debt Program is to provide payments and collect associated revenues related to the debt service for McCaw Hall.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.1M	-	- 0.1M	-100%
Seattle Center McCaw Hall Fund	0.1M	-	- 0.1M	-100%
<b>Total</b>	<b>0.1M</b>	<b>-</b>	<b>- 0.1M</b>	<b>-100%</b>

- The City has retired this debt from bond sales for the construction of McCaw Hall so this budget program is no longer used.

<b>BUDGET PROGRAM</b>	<b>McCaw Hall</b>			
<b>Purpose</b>	The purpose of the McCaw Hall Program is to operate and maintain McCaw Hall.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.6M	0.8M	0.2M	33%
Seattle Center Fund	-	-	-	-
Seattle Center McCaw Hall Fund	4.7M	5.7M	1M	21%
REET I Capital Fund	0.3M	0.3M	0	0%
<b>Total</b>	<b>5.6M</b>	<b>6.8M</b>	<b>1.2M</b>	<b>21%</b>

- The increases in this budget program are due to standard inflationary increases.

<b>BSL</b>	<b>Waterfront</b>
<b>Purpose</b>	The purpose of the Waterfront Budget Summary Level is to fund and track the annual operation and maintenance costs of the Seattle Waterfront.

<b>BUDGET PROGRAM</b>	<b>Waterfront O&amp;M</b>			
<b>Purpose</b>	The purpose of the Waterfront O&M Program is to fund and track the annual operation and maintenance costs of the Seattle Waterfront			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	0.1M	-	-
Seattle Center Fund	-	0.9M	-	-
Seattle Park District Fund	-	5.0M	-	-
<b>Total</b>	<b>-</b>	<b>6.1M</b>	<b>-</b>	<b>-</b>

- This budget program provides funding for the Friends of the Waterfront support for public safety staffing; this included \$945,000 in 2024.
- In 2023, the City transferred jurisdiction of the Waterfront Parks and Public Spaces (Waterfront Park) from SPR to SC and the related appropriations followed for the 2024 Adopted Budget.

BSL	Leadership and Administration			
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the department.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	3.8M	5.0M	1.2M	31%
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>3.8M</b>	<b>5.0M</b>	<b>1.2M</b>	<b>31%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Citywide Indirect Costs	2.7M	3.2M	0.5M	20%
Departmental Indirect Costs	1.2M	1.8M	0.7M	57%
<b>Total</b>	<b>3.8M</b>	<b>5.0M</b>	<b>1.2M</b>	<b>31%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter of the 2019-2024 Budget Review document for additional information.

## CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

BSL	Building and Campus Improvements			
Purpose	The purpose of the Building and Campus Improvements Budget Summary Level is to provide for improvements throughout the Seattle Center campus, including buildings and building systems, open spaces, public gathering places, utility infrastructure, and long-range planning.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
REET I Capital Fund	11.2M	3.1M	- 8.1M	-72%
Seattle Center Fund	0.3M	-	- 0.3M	-100%
Unrestricted Cumulative Reserve Fund	0.1M	-	- 0.1M	-77%
<b>Total</b>	<b>11.5M</b>	<b>3.1M</b>	<b>- 8.4M</b>	<b>-73%</b>

- Over the last five years, the City allocated \$9.5M in REET I to SC for capital improvement and major maintenance. The allocations stepped down by \$832,000 in 2023. For 2024, the REET I support is \$2.1M. To address with declining REET revenues, Seattle Center postponed and phased (deferred) some projects: the CIP includes phasing and postponing including replacement of turf and equipment for the popular Artists at Play playground, campus repaving, parking garage deck reseal, Food Hall grease interceptor installation, replacement of the Armory heat exchanger, replacement of leaking mechanical fittings throughout the campus, and security bollard repair.
- The Memorial Stadium Redevelopment project, estimated to cost up to \$150M, is budgeted within the Building and Campus Improvements BSL. Seattle Public Schools (SPS) owns Memorial Stadium. In addition to the \$66.5 million SPS levy money and \$4 million from the State capital budget, Seattle Center’s Adopted 2024-2029 CIP includes the City’s expected \$40 million contribution to the project. SC’s 2024 Adopted Budget in this BSL includes \$1M REET I funds for this project. Additional funding is proposed to be provided from various private and philanthropic sources. Council will consider legislation related to the agreement to redevelop Memorial Stadium in 2024.

BSL	McCaw Hall Capital Reserve			
Purpose	The purpose of the McCaw Hall Capital Reserve Fund Budget Summary Level is to maintain and enhance the McCaw Hall facility.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
McCaw Hall Capital Reserve	0.6M	0.7M	0.1M	17%
<b>Total</b>	<b>0.6M</b>	<b>0.7M</b>	<b>0.1M</b>	<b>17%</b>

- The resources that primarily support and are appropriated from the McCaw Hall Capital Reserve include REET I and private funding and donations.
- For 2019 through 2023, annual REET I allocations for McCaw Hall asset preservation were matched 100 percent by the resident tenants of McCaw Hall, the Seattle Opera and Pacific Northwest Ballet to carry out the McCaw Hall Capital Renewal/Major Maintenance Plan, under the direction of the McCaw Hall Operating Board.
- For 2024, there is no City support (REET I) to the McCaw Hall Capital Reserve.

<b>BSL</b>	<b>Monorail Rehabilitation</b>			
<b>Purpose</b>	The purpose of the Monorail Rehabilitation Budget Summary Level is to provide for the renovation and maintenance of the Seattle Center Monorail, including the two trains, the two stations, and the guideways that run in between.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Seattle Center Fund	1.3M	1.3M	-	0%
<b>Total</b>	<b>1.3M</b>	<b>1.3M</b>	<b>-</b>	<b>0%</b>

# SEATTLE DEPARTMENT OF PARKS AND RECREATION (SPR)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYSTS: YOLANDA HO & TRACI RATZLIFF

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Departmentwide Programs <sup>1</sup>	10.8M	20.1M	9.2M	86%
Golf Programs	11.7M	14.0M	2.4M	20%
Leadership and Administration	32.2M	48.4M	16.2M	50%
Parks and Facilities Maintenance and Repairs <sup>2</sup>	62.2M	88.4M	26.2M	42%
Recreation Facility Programs	39.4M	47.4M	8.0M	20%
Zoo and Aquarium Programs	7.1M	9.0M	1.9M	26%
<i>Operating Subtotal:</i>	<i>163.3M</i>	<i>227.3M</i>	<i>63.9M</i>	<i>39%</i>
<b>Capital Budget</b>				
Building For the Future	25.9M	39.2M	13.3M	52%
Debt and Special Funding	6.0M	6.0M	- 0.1M	-1%
Fix It First	42.4M	47.7M	5.3M	12%
Maintaining Parks & Facilities	0.3M	0.6M	0.3M	86%
<i>CIP Subtotal:</i>	<i>74.6M</i>	<i>93.5M</i>	<i>18.8M</i>	<i>25%</i>
<b>Grand Total:</b>	<b>238.0M</b>	<b>320.7M</b>	<b>82.7M</b>	<b>35%</b>

Between 2019 and 2024 the Seattle Parks and Recreation (SPR) budget increased by \$82.7 million (35 percent). The operating budget increased by \$63.9 million (39 percent), and the capital budget increased by \$18.8 million (25 percent). The main drivers of growth beyond standard inflationary increases include:

- Approval of the six-year \$780 million Seattle Park District Funding Plan by the Park District’s Governing Board in 2022, doubling the annual funding support provided by the Park District. Funding increased from about \$52 million in 2019 to \$122 million in 2024. In 2014, Seattle voters approved the creation of the Seattle Parks District, which has the same boundaries as the City of Seattle. The district has a governing board consisting of all nine Councilmembers, and provides funding for City parks and recreation, including maintaining parklands and facilities, operating community centers and recreation programs, and developing new neighborhood parks on previously acquired sites.
- General Fund (GF) support has increased from \$100.9 million in 2019 to \$119.4 million in 2024 (18 percent). Under the terms of the [Interlocal Agreement](#) (ILA) governing the operation of the Park District, the City is required to provide a base level of GF support, adjusted annually by the annual percent change in the Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bellevue area (“CPI”) unless otherwise stated in the agreement.<sup>3</sup>

<sup>1</sup> Between 2019 and 2024, the Seattle Conservation Corps BSL was merged into Departmentwide Programs BSL.

<sup>2</sup> Between 2019 and 2024, the Parks and Open Space BSL was merged into Parks and Facilities Maintenance BSL.

<sup>3</sup> The City Council can by resolution with a ¾ vote determine that a natural disaster or exigent economic circumstances prevents the Council from maintaining this level of GF support as required under the ILA. The City has met and often exceeded the required level of GF support over the last 10 years, except in 2021 due to significant impact of the pandemic to City revenues. In addition, the CPI required percentage was adjusted in 2024 adopted budget due to the historically high inflationary period that General Fund revenues could not support.

Related to this growth, SPR also increased the number of FTEs by 20 percent, largely to support Park District Plan implementation (both programmatic and capital investments) and address encampment cleanups

**DEPARTMENT OVERVIEW – LABOR / NON-LABOR**

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	121.4M	152.5M	31.1M	26%
Non-Labor	116.6M	168.2M	51.6M	44%
<b>Total</b>	<b>238.0M</b>	<b>320.7M</b>	<b>82.7M</b>	<b>35%</b>
<b>Total FTE</b>	<b>927</b>	<b>1132</b>	<b>205</b>	<b>22%</b>

**OPERATING BUDGET**

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

BSL	Departmentwide Programs			
<b>Purpose</b>	The purpose of the Department-Wide Services Budget Summary Level is to provide management and operations of services that span across multiple lines of business within Seattle Parks and Recreation such as partner relationship management, emergency operations, security services, athletic and event scheduling, and the Seattle Conservation Corps.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	3.6M	4.7M	1.0M	28%
Parks and Recreation Fund	5.6M	8.2M	2.6M	47%
Seattle Park District Fund	1.5M	7.2M	5.7M	371%
King County Parks Levy Fund	0.07M	-	-0.07M	-100%
<b>Total</b>	<b>10.8M</b>	<b>20.1M</b>	<b>9.2M</b>	<b>86%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Departmentwide Other	1.7M	6.2M	4.5M	258%
Partnerships – Departmentwide	5.2M	8.3M	3.1M	60%
Seattle Conservation Corps	3.9M	5.6M	1.7M	42%
<b>Total</b>	<b>10.8M</b>	<b>20.1M</b>	<b>9.3M</b>	<b>86%</b>

The 86 percent increase between 2019 and 2024 in the Departmentwide Programs BSL reflects:

- Increase of \$1.7 million in the Seattle Conservation Corps Budget Program (previously its own BSL). This program provides training, counseling, and employment to formerly homeless and unemployed people with the goal that they acquire skills and experience leading to long-term employment and stability. This program received \$3.9 million in 2019 and is primarily supported by the Parks and Recreation Fund.
- Expansion of the Park Ranger program (included in the Departmentwide Other Budget Program) in 2023 with the addition of \$3.0 million from the Seattle Park District Fund. Park Rangers encourage voluntary compliance with SPR’s rules and are intended to deter negative activity in parks. Prior to the expansion, the program was limited to two Park Rangers that served only parks in downtown.



BSL	Golf Programs			
Purpose	The purpose of the Golf Budget Summary Level is to manage the City's four golf courses at Jackson, Jefferson, West Seattle, and Interbay to provide public golf courses and related programs.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.01M	0.03M	0.02M	491%
Parks and Recreation Fund	11.6M	14.0M	2.3M	20%
<b>Total</b>	<b>11.6M</b>	<b>14.0M</b>	<b>2.4M</b>	<b>21%</b>

- The Golf Programs BSL grew 21 percent between 2019 and 2024. Since the pandemic, the golf programs have experienced an increase in demand that generates net income (i.e., the revenue generated by golf programs is more than enough to cover the costs to administer the programs). SPR anticipates that the golf programs will generate net income of almost \$2.4 million in 2024. A small portion of these net proceeds (3.5 percent) are distributed to the Parks and Recreation Fund that supports parks programs.

BSL	Leadership and Administration			
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology, and business support to the department.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	28.2M	40.6M	12.4M	44%
Parks and Recreation Fund	1.6M	1.0M	-0.6M	-35%
Seattle Park District Fund	2.3M	6.7M	4.4M	196%
King County Parks Levy Fund	0.2M	-	-0.2M	-100%
JumpStart Fund	-	0.08M	0.08M	n/a
<b>Total</b>	<b>32.2M</b>	<b>48.4M</b>	<b>16.2M</b>	<b>50%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Citywide Indirect Costs	15.4M	19.5M	4.1M	26%
COVID Planning 2021	-	1.5M	1.5M	n/a
Departmental Indirect Costs	9.3M	15.3M	6.0M	64%
Divisional Indirect Costs	8.2M	14.2M	5.9M	72%
Pooled Benefits	2.9M	4.1M	1.2M	40%
<b>Total</b>	<b>32.2M</b>	<b>48.4M</b>	<b>16.1M</b>	<b>50%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments' missions. See the "Leadership and Administration Budget Summary Levels Overview" section in the Citywide Summary chapter in 2019-2024 Budget Review document for additional information.

BSL	Parks and Facilities Maintenance and Repairs			
Purpose	The purpose of the Parks and Facilities Maintenance and Repairs Budget Summary Level is to repair and maintain parks, park buildings, and park infrastructure.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	21.2M	55.4M	34.2M	162%
Parks and Recreation Fund	4.8M	5.0M	0.1M	3%
Seattle Park District Fund	11.8M	28.0M	16.2M	137%
King County Parks Levy Fund	-	0.01M	0.01M	n/a
<b>Total</b>	<b>37.8M</b>	<b>88.4M</b>	<b>50.5M</b>	<b>134%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
CIP Cost Recovery Offset	-	-1.0M	-1.0M	n/a
M&R Grounds Crews	23.3M	52.2M	28.9M	124%
M&R Shops Crews	10.1M	27.2M	17.1M	170%
M&R Specialty Crews	4.5M	10.1M	5.6M	124%
<b>Total</b>	<b>37.8M</b>	<b>88.4M</b>	<b>50.5M</b>	<b>134%</b>

The 134 percent increase between 2019 and 2024 in the Parks and Facilities Maintenance and Repairs BSL reflects:

- Addition of funding previously appropriated to the Parks and Open Space BSL (\$23.4 million in 2019) for parks maintenance.
- Increased funding through the Seattle Park District to support maintenance of park buildings, infrastructure, and grounds. Activities funded through this BSL included the maintenance of Waterfront Park until 2023 but funding is now appropriated to the Seattle Center which has responsibility for providing maintenance of Waterfront Park.

BSL	Recreation Facility Programs			
Purpose	The purpose of the Recreation Facility Programs Budget Summary Level is to provide active and passive recreation services to Seattle residents through the direct management, maintenance, and operation of programs and facilities and by leveraging partnerships.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	19.7M	15.9M	-3.8M	-19%
Parks and Recreation Fund	10.9M	10.5M	-0.4M	-4%
Seattle Park District Fund	8.8M	19.9M	11.1M	127%
King County Parks Levy Fund	-	0.7M	0.7M	n/a
Sweetened Beverage Tax Fund	-	0.3M	0.3M	n/a
<b>Total</b>	<b>39.4M</b>	<b>47.4M</b>	<b>8.0M</b>	<b>20%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Aquatic & Swimming Programs	8.4M	10.4	2.1M	25%
Partnerships - Recreation	1.1M	1.3M	0.3M	25%
Rec Programs & Facility Ops	30.0M	35.7M	5.7M	19%
<b>Total</b>	<b>39.4M</b>	<b>47.4M</b>	<b>8.0M</b>	<b>20%</b>

- The Recreation Facility Programs BSL grew 20 percent between 2019 and 2024. SPR's programs (and associated revenues which are received by the Parks and Recreation Fund) were severely impacted by the pandemic and are gradually rebounding. Funding in this BSL supports management, staffing, and programming for the City's 26 neighborhood community centers and recreation facilities, including the Amy Yee Tennis Center, the largest public tennis center facility in the Puget Sound area.

<b>BSL</b>	<b>Zoo and Aquarium Programs</b>			
<b>Purpose</b>	The purpose of the Zoo and Aquarium Budget Summary Level is to support contracted non-profit partners ability to provide services to the community through operations of the Woodland Park Zoo and the Seattle Aquarium.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.1M	2.9M	- 2.1M	-42%
Parks and Recreation Fund	0.1M	1.0M	4.0M	865%
Seattle Park District Fund	1.9M	5.1M	3.1M	161%
<b>Total</b>	<b>7.1M</b>	<b>9.0M</b>	<b>1.9M</b>	<b>26%</b>

- This BSL supports the operations for the Woodland Park Zoo, and the City’s funding obligation established by an agreement approved by the Council in December 2021 via [Ordinance 126511](#). The ORD generally requires the City to provide ongoing operational support of \$7.6 million (2022 dollars) and major maintenance support (\$2.1 million in 2022), adjusted annually by CPI-U for the Seattle-Tacoma-Bellevue area. The 865 percent increase in the Parks and Recreation Fund is largely due to inflation, resulting in the one-time addition of \$795,000 of fund balance in 2024.
- No funding is provided to the Seattle Aquarium via this BSL. The City provides about \$1.5 million to the Seattle Aquarium for major maintenance in SPR’s Capital Improvement Program through the Aquarium Major Maintenance project (MC-PR-41004), per the City’s agreement with the Seattle Aquarium Society authorized by [Ordinance 123205](#) in 2009.

## CAPITAL BUDGET

During the annual budget process, the Council adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Capital spending will vary from year to year based on the status and schedule of individual projects. Additionally, some CIP projects are discrete, with a beginning and end date for planned expenditures, while others are ongoing programs to support maintenance of facilities, grounds, and natural areas. Changes in appropriations do not necessarily reflect policy shifts (e.g., as construction of the Waterfront nears completion, funding for this discrete project will decline as the City’s investments shift towards ongoing maintenance and programming). Budgetary changes over time, in some cases, may reflect new areas of focus guided by the adopted six-year Seattle Park District Funding Plan or regulatory requirements.

Prior to the pandemic, SPR relied on Real Estate Excise Tax (REET) II revenue to fund capital projects when REET revenues were in a period of extended growth between 2007 and 2014. However, REET II revenue has sharply declined due to rising interest rates and fewer commercial real estate transactions, reducing resources for all capital departments. REET is revenue source that is inherently difficult to predict and has a history of large and sudden drops in collections. In response, the City has reduced REET II appropriations in the near term and reallocated this funding in the out years, anticipating that revenue will begin to recover in a few years.

BSL	Building For the Future			
Purpose	The purpose of the Building for the Future Budget Summary Level is to develop new parks and facilities, to acquire new park land, and to improve existing parks and facilities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Central Waterfront Improvement Fund	4.8M	13.2M	8.4M	174%
Waterfront LID #6751	-	9.1M	9.1M	n/a
King County Parks Levy Fund	0.5M	-	- 0.5M	-100%
Park and Recreation Fund	3.3M	0.3M	- 3.0M	-91%
JumpStart Fund	-	1.0M	1.0M	n/a
REET I Capital Fund	2.3M	-	- 2.3M	-99%
REET II Capital Fund	3.0M	-	- 3.0M	-100%
Seattle Park District Fund	11.9M	15.6M	3.7M	31%
<b>Total</b>	<b>25.9M</b>	<b>39.2M</b>	<b>13.3M</b>	<b>52%</b>

- Key projects include seismic upgrades for the Waterfront Park and Pier 62/63 public park facilities that provide public access to Elliott Bay and host a range of public events, markets and performances. Both piers need a full seismic upgrade to meet current life safety codes, and Waterfront Park needs significant access improvements. These improvements in the 2024 budget are funded by the Central Waterfront Improvement Fund (\$13.2 million) and the Waterfront Local Improvement District (LID)<sup>4</sup> (\$9.1 million).

<sup>4</sup> As part of the Waterfront Seattle funding plan, City Council passed Ordinance 125760 establishing a LID on January 22, 2019.

BSL	Debt and Special Funding			
Purpose	The purpose of the Debt and Special Funding Budget Summary Level is to meet debt service obligations on funds borrowed to meet the Department of Parks and Recreation’s capital expenditure requirements and to accomplish unique projects with special funding sources.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.0M	-	- 2.0M	-100%
King County Parks Levy Fund	1.5M	1.1M	- 0.4M	-26%
Park and Recreation Fund	0.2M	0.2M	-	-4%
REET I Capital Fund	0.8M	3.0M	2.2M	285%
REET II Capital Fund	1.5M	1.7M	0.1M	7%
<b>Total</b>	<b>6.0M</b>	<b>6.0M</b>	<b>- 0.1M</b>	<b>-1%</b>

BSL	Fix It First			
Purpose	The purpose of the Fix It First Budget Summary Level is to provide for major maintenance, rehabilitation, and preservation of parks, forests, facilities, and related infrastructure.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Beach Maintenance Fund	0.03M	-	- 0.03M	-100%
General Bond Interest and Redemption Fund	-	2.4M	2.4M	n/a
King County Parks Levy Fund	-	1.0M	1.0M	n/a
Park and Recreation Fund	3.4M	1.0M	- 2.4M	-72%
REET I Capital Fund	1.9M	2.1M	0.2M	12%
REET II Capital Fund	20.5M	6.4M	- 14.1M	-69%
Seattle Park District Fund	16.1M	34.7M	18.7M	116%
Unrestricted Cumulative Reserve Fund	0.5M	-	- 0.5M	-93%
<b>Total</b>	<b>42.4M</b>	<b>47.7M</b>	<b>5.3M</b>	<b>12%</b>

- Notable projects include \$2.2 million for play area renovations, \$2.5 million for public restroom renovations, and \$2.2 million for the Green Seattle Partnership, a collaborative effort between the public, private, and non-profit sectors to enhance and maintain forested areas in Seattle’s parks.

BSL	Maintaining Parks and Facilities			
Purpose	The purpose of the Maintaining Parks and Facilities Budget Summary Level is to improve existing P-Patches and dog off-leash areas as set forth in the six-year funding plan of the Seattle Park District.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Seattle Park District Fund	0.3M	0.6M	0.3M	77%
<b>Total</b>	<b>0.3M</b>	<b>0.6M</b>	<b>0.3M</b>	<b>77%</b>

- Planned projects for 2024 include Cascade Park, Paradise P-Patch (Summit Slope Park), Westcrest P-Patch, Oxbow P-Patch (with additional funding provided by the Office of Planning and Community Development’s Duwamish Valley Program), and John C. Little Park. Each year SPR develops a list of P-Patch projects informed by (1) the original MPD Cycle 1 plan; (2) feedback from the Department of Neighborhoods, who operates the P-Patches, engages directly with P-Patch gardeners, and helps identify emergent needs; and (3) SPR landscape design staff who conduct site visits to refine project scope.

# SEATTLE PUBLIC LIBRARY (SPL)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Administrative/Support Service	16.6M	13.9M	- 2.7M	-16%
Chief Librarian's Office	0.5M	0.7M	0.2M	40%
Human Resources	1.9M	2.6M	0.7M	37%
Institutional & Strategic Advancement	1.6M	1.9M	0.3M	19%
Library Program and Services	59.3M	70.8M	11.5M	19%
<b>Operating Subtotal:</b>	<b>80.0M</b>	<b>89.8M</b>	<b>9.9M</b>	<b>12%</b>
<b>Capital Budget</b>				
Capital Improvements	3.2M	5.9M	2.7M	84%
<b>CIP Subtotal:</b>	<b>3.2M</b>	<b>5.9M</b>	<b>2.7M</b>	<b>84%</b>
<b>Grand Total:</b>	<b>83.2M</b>	<b>95.8M</b>	<b>12.6M</b>	<b>15%</b>

The five-member Library Board of Trustees (Board), who are appointed by the Mayor and confirmed by the City Council, govern Seattle Public Libraries (SPL). The Revised Code of Washington (RCW 27.12.240) and the City Charter (Article XII, Section 5) grant the Board "exclusive control of Library expenditures for Library purposes." In terms of oversight of SPL's budget, that means that the Council only has authority to allocate resources annually at the fund level. The Council does not approve SPL's budget by BCL unlike the budget approval for other City departments. Also, unlike for other City departments, Council does not approve staffing (number of FTE) changes for SPL. The power to make these decisions is held by the Board. The Library Board adopts an annual Operations Plan in December to allocate funds to specific programs after the City Council adopts the annual budget. Therefore, this summary includes a table of how SPL's board has allocated funds to BSLs but the summary is higher level.

Between 2019 and 2024 SPL's budget increased by \$12.6 million (a 15 percent increase). The operating budget increased by \$9.9 million (12 percent). While the changes by BSL vary according to SPL's appropriation decisions across service areas, the overall increase results primarily from standard inflationary increases on SPL's cost of providing services. The Capital budget increased by \$2.7 million (84 percent). Capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department's strategic plans or activities driven by regulatory requirements and compliance. The 84 percent change in capital appropriations for SPL from 2019 to 2024 is better understood in this context.

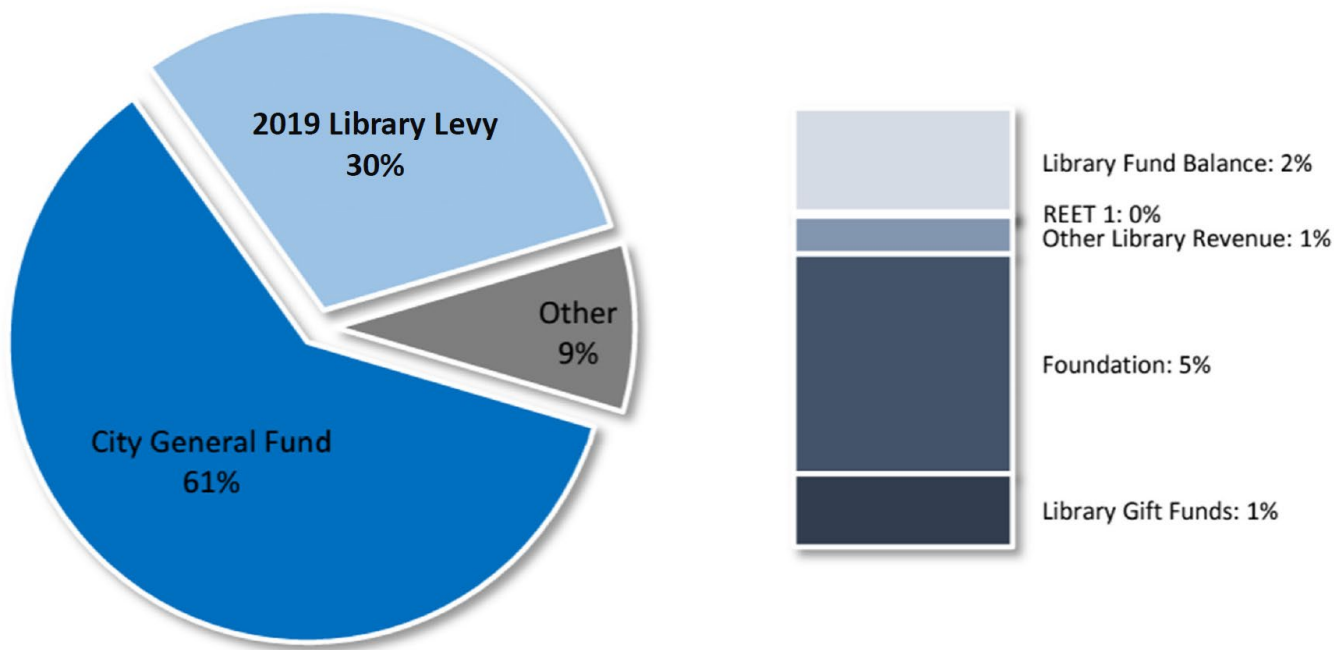
Consider that if the period for comparing SPL's capital appropriations shifted back one year, from 2018 to 2023, then the respective budget of \$7.5M (2018) and \$10.8M (2023) would differ by \$3.8M and the percent change over the period would be 50 percent.

*Overview by Fund Source*

The Council has the power to propose Library levies through the City’s taxing authority as approved by voters. In August 2019, Seattle voters approved a seven-year, \$219.1 million property tax levy lift to maintain and enhance Library services from 2020 through 2026, renewing the seven-year, 2012 Library Levy. The 2019 Library Levy funding for 2024 is budgeted at \$30M.

Council also determines the amount of GF, REET, and other funding as part of the Adopted and Endorsed Budgets but it is not a direct appropriation to SPL. There are no legal or policy constraints on the City’s funding support to SPL, separate from the maximum tax allowed by the 2019 Library Levy. The City transfers General Fund support to the Library Fund as an appropriation to special funds. In the tables below, General Fund dollars are included in the Library Fund amounts. Council approves the annual levy amount as authorized by the 2019 Library Levy as part of the annual tax ordinance each year alongside the annual budget approval ordinance. SPL reports annually to the Council regarding performance on achieving the goals of the 2019 Library Levy.

In the 2024 Adopted Budget, the Council approved \$62 million GF that is combined with funding from the 2019 Library Levy, REET I, Library Foundation, gifts, fund balance and other Library revenues (such as parking and space rental) to support SPL.



Source: [Presentation: Seattle Public Library Overview, Libraries, Education, and Neighborhoods Committee, March 14, 2024](#)

**DEPARTMENT OVERVIEW – LABOR / NON-LABOR**

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	57.0M	71.2M	14.3M	25%
Non-Labor	26.2M	24.5M	- 1.7M	-6%
<b>Total</b>	<b>83.2M</b>	<b>95.8M</b>	<b>12.6M</b>	<b>15%</b>
<b>Total FTE**</b>	<b>556</b>	<b>609</b>	<b>53</b>	<b>10%</b>

\*Informational only. The council does not have the authority to approve staffing levels for SPL.

For informational purposes only. The council does not have the authority to approve SPL's budget at the BSL Level.

## OPERATING BUDGET BY BSL AND FUND

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

Budget Summary Level (BSL)	Administrative Services Program			
Purpose	The purpose of the Administrative Services Program is to support the delivery of library services to the public through providing services such as financial services, capital and operating budget planning and management, facilities maintenance and landscaping, and security services.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Library Fund	9.0M	10.2M	1.2m	13%
2012 Library Levy Fund	7.6M	-	-\$7.6	-100%
2019 Library Levy Fund	-	3.6M	3.6	n/a
<b>Total</b>	<b>16.6M</b>	<b>13.9M</b>	<b>-2.7M</b>	<b>-16%</b>

BSL	Chief Librarian's Office			
Purpose	The purpose of the Chief Librarian's Office is to provide leadership for the Library in implementing the policies and strategic direction set by the Library Board of Trustees, and in securing the necessary financial resources to operate the Library in an effective and efficient manner. The Chief Librarian's Office serves as the primary link between the community and the Library, and integrates community needs and expectations with Library resources and policies. (no change from 2019 Purpose Statement)			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Library Fund	.4M	0.6M	0.2M	50%
2012 Library Levy Fund	0.1M	-	-0.1M	n/a
2019 Library Levy Fund	-	0.1M	0.1M	n/a
<b>Total</b>	<b>0.5M</b>	<b>0.7M</b>	<b>0.2M</b>	<b>40%</b>

BSL	Human Resources			
Purpose	The purpose of <b>Human Resources</b> is to provide responsive and equitable services, including human resources policy development, recruitment, classification and compensation, payroll, labor and employee relations, volunteer services, and staff training services so that the Library maintains a productive and well-supported work force			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Library Fund	1.9M	2.6M	0.7M	37%
2012 Library Levy Fund	-	-	n/a	n/a
2019 Library Levy Fund	-	-	n/a	n/a
<b>Total</b>	<b>1.9M</b>	<b>2.6M</b>	<b>0.7M</b>	<b>37%</b>



<b>BSL</b>	<b>Institutional &amp; Strategic Advancement</b>			
<b>Purpose</b>	The purpose of the Institutional and Strategic Advancement division is to provide planning and support functions, including strategic analysis, government relations, community partnerships and external and internal communication, to help the City Librarian shape the strategic direction, work and culture of the Library in pursuit of its mission. The division ensures that the public is informed about services and programs offered by the Library. (single program)			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Library Fund	1.0M	1.2M	0.2M	20%
2012 Library Levy Fund	0.6M	-	-0.6M	n/a
2019 Library Levy Fund	-	0.7M	0.7M	n/a
<b>Total</b>	<b>1.6M</b>	<b>1.9M</b>	<b>0.3M</b>	<b>19%</b>

<b>BSL</b>	<b>Library Program and Services</b>			
<b>Purpose</b>	The purpose of the Library Programs and Services Division is to provide services, materials, and programs that benefit and are valued by Library patrons. Library Programs and Services provides technical and collection services and materials delivery systems to make Library resources and materials accessible to all patrons.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Library Fund	50.2M	50.1M	-0.1M	Less than 1%
2012 Library Levy Fund	9.1M	-	-9.1M	n/a
2019 Library Levy Fund	-	20.7	20.7M	n/a
<b>Total</b>	<b>59.3M</b>	<b>70.8M</b>	<b>11.5M</b>	<b>19%</b>

## CAPITAL BUDGET

The Adopted 2024 – 2029 CIP for SPL relies on 2019 Library Levy funds (\$20.8M) and on REET I support (\$3.5M) to fund major maintenance. SPL also applies for and has received grant awards to support specific capital improvements such as the \$1.8 million Washington State Department of Commerce grant for the Green Lake branch seismic retrofit in 2023.

SPL has identified increasing costs of materials and equipment, aging buildings and infrastructure (such as mechanical and HVAC systems), seismic retrofits, and adapting to climate change as significant challenges for capital investments. Regarding climate change adaptations, in 2023 the City appropriated \$1M JumpStart to SPL for decarbonization and electrification. SPL has also applied for a Federal Emergency Management Agency grant to fund air-conditioning for seven non-air-conditioned branches.

For 2024, SPL has capital appropriations in the following projects, in the shown amounts by funding source:

- **Library Major Maintenance:** Includes the 363,000 square foot Central Library and 26 branch libraries as well as storage/shops facilities. Typical improvements may include, but are not limited to, structural and mechanical repairs or improvements, safety and security upgrades, lighting and signage improvements, wall and floor surface repairs, landscape and exterior hard surface repairs, energy efficiency upgrades and projects that enhance service delivery or facilitate operational cost-savings at our libraries.
- **IT Infrastructure:** System-wide Information Technology (IT) Infrastructure improvements for The Seattle Public Library, including enterprise equipment upgrades and integrated library system (ILS) replacement.

BSL	Capital Improvements			
Purpose	The purpose of The Seattle Public Library Capital Improvements Budget Summary Level is to provide major maintenance to Library facilities, which include the Central Library and all branch libraries, to help ensure building integrity and improve functionality for patrons and staff.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
2012 Library Levy Fund	2.7M	-	-2.7M	
2019 Library Levy Fund	-	5.9M	5.9M	n/a
REET I Capital Fund	0.6M	0.1M	- 0.5M	-86%
<b>Total</b>	<b>3.2M</b>	<b>5.9M</b>	<b>2.7M</b>	<b>84%</b>

# Policy Area: Education & Human Services

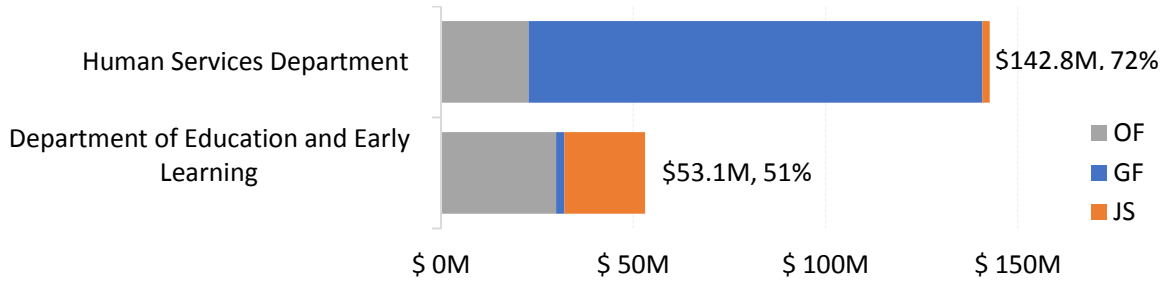
---

The Education & Human Services policy area includes the following departments:

- Department of Education and Early Learning
- Human Services Department

Since 2019, the budgets within this area increased overall by 65 percent. The chart below illustrates total growth in department budgets within this policy area since 2019. The subsequent department specific summaries provide more detail about what has driven this growth.

*Adopted budget growth in the Education & Human Services policy area since 2019 (all funds)*



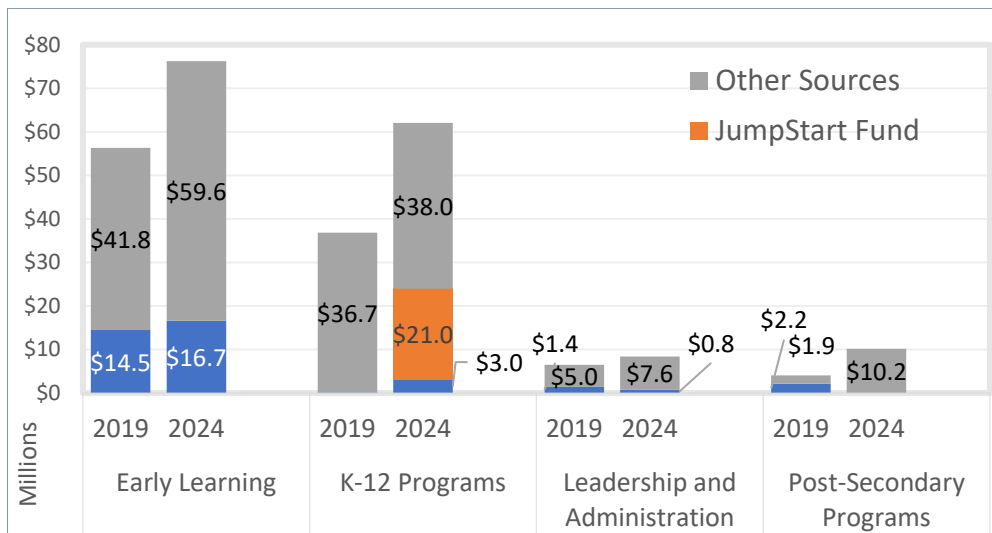
# DEPARTMENT OF EDUCATION AND EARLY LEARNING (DEEL)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: JASMINE MARWAHA

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Early Learning	56.3M	76.2M	19.9M	35%
K-12 Programs	36.8M	62.0M	25.2M	69%
Leadership and Administration	6.5M	8.4M	1.9M	29%
Post-Secondary Programs	4.1M	10.2M	6.1M	148%
<b>Total</b>	<b>103.7M</b>	<b>156.8 M</b>	<b>53.1M</b>	<b>51%</b>



Between 2019 and 2024 DEEL's budget increased by \$53 million (a 51 percent increase). The main drivers of growth beyond standard inflation increases include:

- The 2019 Families, Education, Preschool, and Promise (FEPP) Levy, a seven-year, \$619 million-dollar investment that combined, renewed, and expanded two expiring education levies, increasing investments in early learning and K-12 programs, and added the Promise program. The

levy investments were designed to grow over the life of the levy, so this growth was expected.

- Beginning in 2023, the City increased investments from the JumpStart Fund for school-based K-12 educational supports, prioritizing services that improve mental health outcomes. This includes \$20 million of ongoing spending from the JumpStart fund in 2024 for this purpose. Before this can be fully implemented a change to the JumpStart Fund spending policies is required.
- Planning and stakeholder engagement is currently underway for the renewal of the FEPP Levy, which expires at the end of 2025. The Council anticipates taking up the Mayor's proposed renewal of the FEPP levy in early 2025.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	12.1	18.7	6.6	55%
Non-Labor	91.6	138.1	46.5	51%
<b>Total</b>	<b>103.7</b>	<b>156.8</b>	<b>53.1</b>	<b>51%</b>
<b>Total FTE</b>	<b>98</b>	<b>122</b>	<b>24</b>	<b>24%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Early Learning</b>
<b>Purpose</b>	The purpose of the Early Learning Program is to help children enter school ready to succeed, providing preschool teachers with resources and training, and assist Seattle families with gaining access to early learning resources.

BUDGET PROGRAM	Early Learning			
Purpose	Same purpose as BSL purpose statement.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	14.5M	16.7M	2.2M	15%
Other Sources	41.8M	59.6M	17.7M	42%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>56.3M</b>	<b>76.2M</b>	<b>19.9M</b>	<b>35%</b>

- This budget program includes (but is not limited to) funding for: the [Child Care Assistance Program \(CCAP\)](#), [Seattle Preschool Program \(SPP\)](#), [Nurse-Family Partnership](#), prenatal-to-three programs, and other investments to support increased kindergarten readiness and reduce the disparities in outcomes for young children and families based on race, gender, or other socioeconomic factors.<sup>1</sup>
- The increase in GF spending is primarily driven by a one-time investment included in the 2024 Adopted Budget to provide financial support to childcare workers.
- \$5 million of GF reflects grant funding from the state to administer the Early Childhood and Education Assistance ([ECEAP](#)) Program.
- The “other sources” of funds for early learning investments in 2024 include \$52.4M from the FEPP Levy and \$7.2M from the Sweetened Beverage Tax Fund (SBT Fund). The increased spending from other sources is primarily driven by the FEPP Levy investments in the expanded SPP that was designed to grow over the life of the levy.

<b>BSL</b>	<b>K-12 Programs</b>
<b>Purpose</b>	The purpose of the K-12 Programs Program is to manage K-12 investments.

BUDGET PROGRAM	K-12 Programs			
Purpose	The purpose of the K-12 Programs Program is to manage K-12 investments.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.1M	3.0M	2.9M	2124%
Other Sources	36.7M	38.0M	1.4M	4%
JumpStart Fund	-	21.0M	21.0M	N/A
<b>Total</b>	<b>36.8M</b>	<b>62.0M</b>	<b>25.2M</b>	<b>69%</b>

- The majority of this budget program funds: [School-Based Investments](#), [Culturally Specific and Responsive, Opportunity & Access](#), [Wraparound Services](#), and [School Health](#)—primarily funded by the FEPP Levy investments
- While the state primarily funds basic K-12 education, the FEPP Levy supplements services and programs in, and out, of schools to support student achievement (the City’s investments in this area date back to the 1990, when voters first passed the Families and Education Levy.

<sup>1</sup> Learn more about DEEL’s investments in their annual report (most recent report is from 2022): [2022 DEEL Annual Report WEB\\_Release070623.pdf \(seattle.gov\)](#)

- The increased GF spending in the budget program is primarily driven by continued funding for: Programming for Black Girls and Young Women, Black Queer and Trans Youth (\$375,000 in 2023 and 2024); Restorative Justice (\$800,000 in 2023 and 2024), Expanded Mental Health Services in Schools (\$500,000 in 2023 and 2024) and Culturally Responsive After-School Programming (\$500,000 in 2023 and 2024).
- The most significant growth in this budget program is the \$21M from the JumpStart fund for expanded mental health services. In November 2023, the Council increased the rates for the payroll expense tax to generate an additional \$20 million annually. (Additional legislative action is necessary to implement this \$20M of spending in 2024; a permanent change to the JumpStart Fund policies is necessary to make this an ongoing expenditure from the JumpStart Fund.)

<b>BSL</b>	<b>Post-Secondary Programs</b>
<b>Purpose</b>	The purpose of the Post-Secondary Budget Summary Level is to help achieve the goal of the City’s Education Action Plan that 70 percent of all student groups in Seattle Public Schools will go on to attain a post-secondary credential by the year 2030.

<b>BUDGET PROGRAM</b>	<b>Post-Secondary Programs</b>			
Purpose	The purpose of the Post-Secondary Budget Summary Level is to help achieve the goal of the City’s Education Action Plan that 70 percent of all student groups in Seattle Public Schools will go on to attain a post-secondary credential by the year 2030.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	2.2M	-	- 2.2M	-100%
Other Sources	1.9M	10.2M	8.2M	428%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>4.1M</b>	<b>10.2M</b>	<b>6.1M</b>	<b>148%</b>

- This budget program supports the [Seattle Promise](#) program. In 2024, this program is supported entirely by the FEPP Levy. This program was designed to grow over the life of the levy. This program was initially funded by the GF but is now supported only by the FEPP levy.

<b>BSL</b>	<b>Leadership and Administration</b>
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Department of Education and Early Learning.

<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.4M	0.8M	- 0.7M	-47%
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	5.0M	7.6M	2.6M	51%
<b>Total</b>	<b>6.5M</b>	<b>8.4M</b>	<b>1.9M</b>	<b>29%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	2.0M	2.4M	0.4M	19%
Departmental Indirect Costs	0.0M	0.2M	0.2M	n/a
Divisional Indirect Costs	4.5M	5.8M	1.3M	30%
<b>Total</b>	<b>6.5M</b>	<b>8.4M</b>	<b>1.9M</b>	<b>29%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. see the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter in the 2019-2024 Budget Review document for additional information.

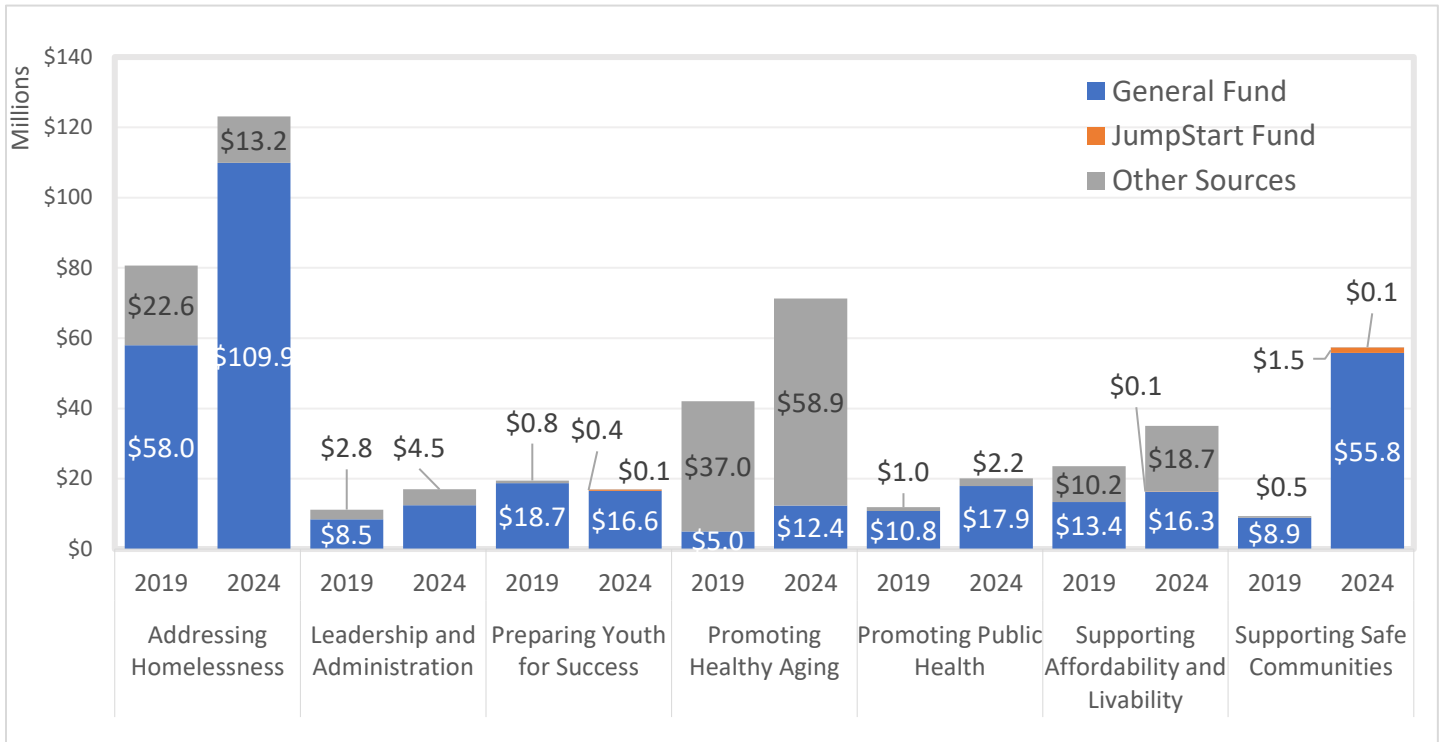
# HUMAN SERVICES DEPARTMENT

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYSTS: JENNIFER LABRECQUE & ANN GORMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Addressing Homelessness	80.6M	123.1M	42.5M	53%
Leadership and Administration	11.2M	17.0M	5.8M	51%
Preparing Youth for Success	19.5M	17.0M	- 2.5M	-13%
Promoting Healthy Aging	42.0M	71.3M	29.2M	70%
Supporting Affordability and Livability	23.6M	35.1M	11.5M	49%
Supporting Safe Communities	9.4M	57.4M	48.0M	511%
Promoting Public Health	11.9M	20.1M	8.2M	69%
<b>Total</b>	<b>198.3M</b>	<b>341.0M</b>	<b>142.8M</b>	<b>72%</b>



Between 2019 and 2024, HSD’s budget increased by \$142.8 million (a 72percent increase). The main drivers of growth beyond standard inflationary increases include:

#### ***Inflationary Adjustments and Provider Pay Increases***

- In 2019, the City Council passed Ordinance 125865 (codified as [Seattle Municipal Code \(SMC\) Section 3.20.060](#)) which required an annual inflationary adjustment for contracts administered by HSD, with limited exceptions. Contracts funded with general funds and federal and state funded contracts for services within Seattle city limits are subject to the required inflationary adjustment.



- According to a CBO analysis in the response to [SLI HSD-300-A-002-2023](#), the cumulative cost between the 2019 adopted budget and the 2024 proposed budget of implementing this requirement was \$46.6 million. Additionally, the final 2024 adopted budget provided an additional \$2.3 million in inflationary adjustment for other human services contracts not included in the Mayor’s proposed budget. This represents about a third of HSD’s overall growth between 2019-2024.
- The 2024 adopted budget also includes \$5 million for a 2 percent provider pay increase to HSD administered contracts.
- The cost of the inflationary adjustments and 2 percent provider pay increase is spread across all BSLs, relative to the proportion of contracts in each BSL.

**Supporting Safe Communities**

- HSD’s Safe and Thriving Communities (STC) division, which is contained in the Supporting Safe Communities BSL, was established in 2021 with the intent of consolidating HSD’s investments related to safety and violence prevention and response. The BSL has grown substantially since 2019 due to existing funding transferred from other HSD BSLs, existing funding transferred from other City departments, new funding for new or existing programs and additional new FTEs.
- While Preparing Youth for Success appears to have declined, this change in funding amount relates to the movement of some funds from the Preparing Youth for Success BSL to the Supporting Safe Communities BSL.

**Increase in Services**

- Adopted budgets have provided funding for new or expanded investments in homelessness services, food and nutrition and youth development. See sections below for more detail.

**Increase in Grants**

HSD received about \$20 million in increase Medicaid Title XIX funding during this time period. See the Aging and Disability Section below for more information.

**DEPARTMENT OVERVIEW – LABOR / NON-LABOR**

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	44.7M	58.8M	14.1M	32%
Non-Labor	153.6M	282.2M	128.7M	84%
<b>Total</b>	<b>198.3M</b>	<b>341.0M</b>	<b>142.8M</b>	<b>72%</b>
<b>Total FTE</b>	<b>382</b>	<b>434</b>	<b>52</b>	<b>14%</b>

- The 12 percent growth in FTE disguises more intense fluctuations between 2019-2024, including the reduction of HSD staff working on homelessness contracts as those functions moved to KCRHA, the addition of new granted-funded case manager positions with a \$20 million increases in funding from the state for the Aging and Disability Services Division and increase staff in the Safe and Thriving Communities division.
- Most of the growth in HSD’s budget is related to non-labor expenditures, which is reflective of increased investment in services and the impact of the required inflationary adjustment.

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Addressing Homelessness</b>
<b>Purpose</b>	The purpose of the Addressing Homelessness Budget Summary Level is to support programs that provide resources and services to Seattle’s low-income and homeless residents to reduce homelessness.

**City Investments in Homelessness Services Prior to KCRHA**

<b>BUDGET PROGRAM</b>	<b>HOMELESSNESS PREVENTION AND SUPPORT/SHELTERS &amp; HOUSING</b>			
Purpose	The purpose of the Homelessness Prevention and Support Program and the Shelter and Housing Program is to provide outreach and support services to homeless individuals and prevention programs which assist those at risk of homelessness so they remain housed. The purpose of the Shelters and Housing Program is to support homeless individuals in moving to permanent housing through temporary safe sleeping spaces and supportive housing programs. Both budget programs are no longer in use as of the 2021 Proposed Budget.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	56M	-	- 56M	-100%
Other Sources	22.6M	-	- 18.8	-100%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>78.6M</b>	<b>-</b>	<b>- 78.6M</b>	<b>-100%</b>

- This table combines two budget programs that are no longer used in HSD’s budget (the Homelessness Prevention and Support budget program and the Shelter and Housing budget program). Combined, these programs provide a picture of the City’s investments in homelessness programs prior to the creation of the King County Regional Homelessness Authority. The 2024 amounts are blank because these two budget programs sunset upon the creation of KCRHA. In the 2019 adopted budget, the City invested about \$79 million in homelessness services such as outreach, shelter, day centers, diversion and prevention programs.

**City Investments in Homelessness Services After KCRHA**

<b>BUDGET PROGRAM</b>	<b>CITY-MANAGED HOMELESSNESS PROGRAMS</b>			
Purpose	The purpose of the City-Managed Homelessness Programs Budget Program is to provide funding for homeless services and provider contracts managed directly by the City and not under the purview of the King County Regional Homelessness Authority.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	6.5M	6.5M	n/a
Other Sources	-	3.6M	3.6M	n/a
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10.1M</b>	<b>10.1M</b>	<b>n/a</b>

BUDGET PROGRAM	KING COUNTY REGIONAL HOMELESSNESS AUTHORITY			
Purpose	The purpose of the King County Regional Homelessness Authority budget program is to provide funding to support the operations and programs of organization responsible for supporting those experiencing homelessness in the Seattle/King County region.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	99.8M	99.8M	n/a
Other Sources	-	9.5M	9.5M	n/a
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>109.3M</b>	<b>109.3M</b>	<b>n/a</b>

- Taken together, the KCRHA budget program and the city-managed homelessness program reflect the City’s investments in homelessness services after the creation of KCRHA and the transition of most of the City’s homelessness services contracts to KCRHA in 2022.
- Investments in homelessness services grew by almost \$40 million between 2019 to 2024, (increasing from \$80 million to \$119 million). That growth can be attributed to:
  - Required inflationary adjustments and 2 percent contract increase for purposes of provider pay.
  - New or expanded investments in shelter, including paying for the creation and ongoing operating costs at new Tiny House Villages.
  - New or expanded investments to add or maintain services, such as pilot RV storage, behavioral health services, outreach and safe parking programs, both for RVs and cars.

**City-managed response to unsanctioned encampments and RVs**

BUDGET PROGRAM	NAVIGATION TEAM & HOMELESS OUTREACH AND PROVIDER ECOSYSTEM (HOPE) TEAM			
Purpose	The purpose of the Navigation Team program is to coordinate a response to unauthorized homeless encampments by referring individuals to safe sleeping programs and addressing the environmental issues in the encampment areas. This budget program is no longer in use as of the 2021 proposed budget. The purpose of the HOPE team budget program is to provide funding for the City’s work to conduct outreach and mitigate the impacts of those living unsheltered.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.0M	2.5M	.5M	25%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.0M</b>	<b>2.5M</b>	<b>.5M</b>	<b>25%</b>

- The Navigation Team was operated out of HSD prior to 2021. The main function of the Navigation Team was to coordinate the City’s response to encampments, including responding to complaints, assessing conditions, managing the storage of belongings and centrally managing shelter vacancies. During the summer of 2020, the Council repurposed funding for the Navigation Team to increase funding for contracted homelessness outreach providers.
- Through the 2021 Adopted Budget, the Navigation Team was replaced with the smaller Homelessness Outreach and Provider Ecosystem (HOPE Team). This action reduced the number of positions associated with assessing and addressing site conditions and called for a team that coordinated outreach and shelter referral among homelessness outreach providers. However, because contracted outreach providers expressed opposition to being present when encampments were removed, HOPE Team staff continued to be the only people consistently present during the posted removal period who made final offers of shelter.

- During 2022, the HOPE Team was incorporated into a new, multi-departmental effort called the Unified Care Team (UCT), which brought together HSD, several other City departments and KCHRA to coordinate activities addressing unsheltered homelessness and city cleaning and maintenance. The Executive has indicated that they no longer use the nomenclature “HOPE Team” and instead refer to the HSD staff specifically assigned to support the UCT, including those providing outreach and coordination functions.
- The 2023 Adopted Budget added \$1.3 million and eight new positions to HSD to support the UCT. According to [HSD-035-C-001-2023](#), HSD staff dedicated to the UCT now include two program coordinators, two data support positions and ten regional coordinators.
- While HSD has staff that are assigned to support the UCT, HSD does not oversee the UCT. That role is provided through the Mayor’s Office. For more information on all the departments involved in the UCT, including budget information, see Attachment 1.

BUDGET PROGRAM	CONTRACT OVERSIGHT AND ADMINISTRATION			
Purpose	The purpose of the Contract Oversight and Administration budget program is to fund staff responsible for managing contracts and outcomes with the City's homelessness providers, including the City's contract with the King County Regional Homelessness Authority.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	1.1M	1.1M	n/a
Other Sources	-	0.1M	0.1M	n/a
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.2M</b>	<b>1.2M</b>	<b>n/a</b>

- This budget program was created after KCRHA was established. Most staff costs associated with managing homelessness service contracts are with KCRHA and are paid for with the funding that KCRHA receives from the City (\$109 million in 2024.)

BSL	Preparing Youth for Success
Purpose	The purpose of the Preparing Youth for Success Budget Summary Level is to support programs that help youth and young adults develop and succeed.

BUDGET PROGRAM	FAMILY SUPPORT			
Purpose	The purpose of the Family Support Program is to focus on strengthening and empowering families, through systems navigation support and family management, so that youth in Seattle successfully transition into adulthood.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	5.3M	7.2M	1.9M	36%
Other Sources	-	0.1M	0.1M	724%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>5.3M</b>	<b>7.3M</b>	<b>2.0M</b>	<b>38%</b>

- The Family Support budget program has grown by \$2 million between 2019 and 2024, a 38 percent increase. This was due mainly to the required inflationary adjustments and the 2 percent contract increase for purposes of provider pay.

BUDGET PROGRAM	YOUTH DEVELOPMENT			
Purpose	The purpose of the Youth Development Program is to provide youth with strength-based experiences and employment and training which helps them to become more socially, culturally, emotionally, physically and cognitively competent.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	6.7M	9.4M	2.6M	39%
Other Sources	0.7M	-	- 0.7M	-100%
JumpStart Fund	-	0.4M	0.4M	n/a
<b>Total</b>	<b>7.5M</b>	<b>9.7M</b>	<b>2.3M</b>	<b>30%</b>

- The Youth Development budget program has grown by \$2.3 million between 2019 and 2024, a 30 percent increase.
- A portion of this increase is due to required inflationary adjustments and 2 percent contract increase for purposes of provider pay.
- There have also been new or expanded investments in legal services for homeless youth, youth diversion, community building and education programs, youth employment and job readiness programs, workforce development for youth experiencing homelessness and programming for Native American Youth.

BUDGET PROGRAM	SAFETY			
Purpose	The purpose of the Safety Program is to support youth and adults at risk of involvement with the criminal justice system through violence prevention, intervention and re-entry supports to foster successful transitions to adulthood and safe communities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	6.7M	-	- 6.7M	-100%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>6.7M</b>	<b>-</b>	<b>- 6.7M</b>	<b>-100%</b>

- In 2021, funds in the Safety budget program were transferred to the new Safe and Thriving Communities BSL. Please see the Safe and Thriving Communities section for more information on these funds.

BSL	Promoting Healthy Aging			
Purpose	The purpose of the Promoting Healthy Aging Budget Summary Level is to provide programs that improve choice, promote independence, and enhance the quality of life for older people and adults with disabilities.			
BUDGET PROGRAM	CARE COORDINATION, CASE MANAGEMENT AND HEALTHY AGING			
Purpose	The purpose of the Care Coordination Program is to support unpaid family caregivers with respite care and other services to enable them to continue caregiving. The purpose of the Case Management Program is to support older adults and adults with disabilities with in-home services to enable them to live independently in the community. The purpose of the Healthy Aging Program is to provide older adults with resources and activities that promote social engagement and good health.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	4.9M	12.4M	7.4M	151%
Other Sources	37M	58.9M	21.8M	59%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>\$41.9</b>	<b>71.3M</b>	<b>29.2M</b>	<b>44%</b>

- The Promoting Healthy Aging is primarily comprised of state and federal funding. The BSL has grown by \$29.2 million between 2019-2024. About \$20 million of that increase is attributable to increased Medicaid Title XIX funding.
- Counselors and peer-support staff who support the Seattle Fire Department’s Health One program, including its Health 99 pilot that focuses on overdose response, are housed in this budget program. 5.0 FTE have been added since 2019.
- Because HSD’s Aging and Disability Services Division is designated by the state and federal governments as the Area Agency on Aging for both Seattle and King County, some contracts pay for services outside of the City of Seattle.
- Some state or federally funded contracts for contracts that provide services within Seattle are subject to the required inflationary adjustment under SMC 3.20.060, although contracts supported only with state Medicaid funds or funds appropriated by Title XIX of the Social Security Act are exempt. Some portion of the \$7.4 million in general fund growth between 2019 and 2024 is due to due to required inflationary adjustments and 2 percent contract increase for purposes of provider pay.

<b>BSL</b>	<b>Supporting Affordability and Livability</b>
<b>Purpose</b>	The purpose of the Supporting Affordability & Livability Budget Summary Level is to support programs that promote affordability to Seattle residents with low incomes.

<b>BUDGET PROGRAM(S)</b>	<b>ACCESS TO SERVICES</b>			
Purpose	The purpose of the Access to Services Program is to provide information and access to community resources that support affordability and livability, including utility payment assistance to low income residents in the City of Seattle.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.8M	3.4M	1.7M	94%
Other Sources	2.1M	3.1M	1.0M	48%
JumpStart Fund	-	0.1M	0.1M	n/a
<b>Total</b>	<b>3.8M</b>	<b>6.6M</b>	<b>2.8M</b>	<b>72%</b>

- The Access to Services budget program area grew by \$2.8 million, an increase of 72 percent.
- A portion of this increase is due to required inflationary adjustments and 2 percent contract increase for purposes of provider pay.
- Other reasons for the increase beyond standard inflation increases are additional staff to support the Utility Discount Program and funding for United Way’s Tax Preparation program.
- Other increases appear to be mostly technical in nature (e.g., moving funds between BSLs).

<b>BUDGET PROGRAM</b>	<b>COMMUNITY FACILITIES</b>			
Purpose	The purpose of the Community Facilities Program is to support the construction of facilities that are primarily for the benefit of low-income people in Seattle, including childcare facilities.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.0M	0.5M	- 0.5M	-52%
Other Sources	2.5M	3.0M	0.5M	18%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.5M</b>	<b>3.4M</b>	<b>- 0.1M</b>	<b>-2%</b>

- Funding for this budget program is both through Community Development Block Grant funding from the federal Department of Housing and Urban Development and from Incentive Zoning in-lieu fees specifically for the purpose of funding capital investments for childcare facilities.

- While funding levels are consistent between 2019 and 2024 that does obscure that there can be variation in funding from Incentive Zoning fees available from year to year. HSD usually collects in-lieu fees over the course of multiple years until there is a sufficient balance to do a Request for Proposals.

BUDGET PROGRAM	EMERGENCY PREPAREDNESS AND PROGRAM ADMINISTRATION			
Purpose	The Emergency Preparedness & Program Administration line of business is designated as "other priority". The items funded here provide important HSD functions and community supports, but are not as closely tied to community wellbeing when compared to other HSD direct service programs.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.8M	0.7M	- 0.1M	-12%
Other Sources	0.1M	-	- 0.1M	-100%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.9M</b>	<b>0.7M</b>	<b>- 0.2M</b>	<b>-24%</b>

- Examples of what this budget program supports includes an Emergency Strategic Advisor position responsible for serving as a liaison with the Emergency Operations Center and emergency preparation and funding for the Aging & Disability Services division director (HSD is looking at transferring this to a better location in their budget).

BUDGET PROGRAM	FOOD & NUTRITION			
Purpose	The purpose of the Food & Nutrition Program is to provide access to nutritious, affordable, and culturally relevant food and education to children in childcare programs and other settings, older adults, and individuals with low incomes.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	9.8M	11.7M	1.9M	20%
Other Sources	5.5M	12.6M	7.1M	128%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>15.3M</b>	<b>24.3M</b>	<b>9.0M</b>	<b>59%</b>

- Between 2019-2024 there was significant fluctuation in funding amounts due to federal COVID relief funding and one-time local funding to help temporarily sustain programs as federal funding ended.
- The 2021 Adopted Budget included \$18.2 million for food and nutrition programs. During 2021, an additional \$9.1 million was added to these programs, primarily using one-time COVID relief funds. The 2022 budget added \$5.0 million of general funds to help sustain 2021 funding levels through August of 2022 as federal funds ended.
- The 2024 budget is \$9 million, or 59 percent greater than the 2019 budget despite the ending of funding related to COVID relief. Increases are due to on-going funding added for food banks, one-time funding in the 2024 budget for food banks and meal programs and required inflationary adjustments and the 2 percent contract increase for purposes of provider pay.

<b>BSL</b>	<b>Supporting Safe Communities</b>
<b>Purpose</b>	The purpose of the Supporting Safe Communities Budget Summary Level is to support programs that help reduce instances of individuals experiencing trauma, violence, and crisis.

- This BSL houses the Safe and Thriving Communities (STC) division. This division was established in 2021 with the intent of consolidating HSD’s investments related to safety and violence prevention and response. As an example, the budget of the Youth and Family Empowerment BSL’s Safety budget program was transferred into Safe and Thriving Communities.
- Prior to 2021, the division’s work focused more narrowly on gender-based violence. Various 2021 structural changes expanded STC’s ambit, notably into community-based safety and violence prevention programs. Three budget programs that provided funding to address or ameliorate the impacts of gender-based violence were folded into a single, new budget program, and the Community Safety budget program was created.
- STC houses the Mayor’s Office on Domestic Violence and Sexual Assault and the Crime Survivor Services unit. The latter work unit was transferred from SPD to HSD in 2021, and it directs and oversees various investments and programs that support youth, adults, and families harmed by the criminal legal system.
- When STC was established in 2021, the BSL’s initial budget was \$32.1 million, nearly a threefold increase from the 2020 level of \$10.8M. In addition to base funding from other budget programs within HSD, this included a one-time transfer of \$10 million from the Equitable Communities initiative to fund community-led solutions to increase safety in Black, Indigenous, and People of Color (BIPOC) communities. In 2022, Council added \$4 million for a community safety program that became known as the Seattle Community Safety Initiative (SCSI).
- In 2023 the executive provided ongoing funding for SCSI, at the \$4.3 million level, and \$1.5 million GF ongoing for the King County Regional Peacekeepers (RPKC) to support a gun-violence intervention and referral program at Harborview Medical Center. A \$1.5 million transfer from SPD in 2022 initially supported RPKC, and ongoing funding for RPKC and additional community safety investments in HSD is offset by an ongoing reduction of \$2.5M to SPD’s budget.
- From 2021 to 2024, the BSL’s budget increased by \$25.3 million (227 percent). Programmatic growth has been concentrated in the Community Safety (\$19.5 million total increase) and Gender-Based Violence Services (\$3.7 million total increase) budget programs. Smaller budget increases in the Safe Communities Division Administration and Victim Advocacy BSLs reflect, respectively, FTE adds to manage an increasing grant portfolio and to increase victim advocacy staffing consistent with a Mayoral Executive Order.

<b>BUDGET PROGRAM</b>	<b>ADVOCACY, PREVENTION &amp; INTERVENTION, SUPPORT SERVICES</b>			
Purpose	The purpose of the Advocacy Program is to provide survivors of domestic violence and sexual assault with client-centered services to support their safety. The purpose of the Prevention and Intervention Program is to support survivors and those at risk of domestic violence and sexual assault with education and therapeutic services to maintain their safety. The purpose of the Supportive Services Program is to provide services to survivors of domestic violence and sexual assault including shelter, housing, support groups, and legal services. These budget programs are no longer in use as of the 2021 proposed budget.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	8.8M	-	- 8.8M	-100%
Other Sources	0.5M	-	- 0.5M	-100%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>9.3M</b>	<b>-</b>	<b>- 9.3M</b>	<b>-100%</b>

- Until 2021, HSD made funding allocations from these budget programs to organizations that supported each one’s purpose. In 2021 funding was transferred to the new Gender-Based Violence Services budget program.



BUDGET PROGRAM	COMMUNITY SAFETY			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	34.5M	34.5M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	1.5M	1.5M	n/a
<b>Total</b>	-	<b>36.0M</b>	<b>36.0M</b>	<b>n/a</b>

- The Community Safety budget program funds organizations other than those with a gender-based violence focus that support the BSL’s purpose. When the STC division was established in 2021, its funding level in this budget program was \$16.6 million, so the 2024 budget reflects a 217 percent increase. This budget program contains the majority (63 percent) of the BSL’s budget. HSD also retains a portion of this budget program’s budget for the personnel costs of staff who support contract administration.
- Much of this growth is because the City’s contract with the Purpose. Dignity. Action. (PDA) for its project-management of the Law Enforcement Assisted Diversion (LEAD) and Co-LEAD programs. In 2022, base funding of \$6.5 million for PDA programs was transferred into this budget program from the Addressing Homelessness BSL. Council added an additional \$3.9 million, for a total of \$10.4 million. HSD and PDA have not yet finalized a 2024 contract, but prior to an inflationary adjustment funding for the PDA will be approximately \$15.2 million, of which \$13.2 million will be housed in this budget program (see note below in Gender-Based Violence Services).
- In 2023 the Executive provided ongoing funding for the Seattle Community Safety Initiative in 2023, at the \$4.3 million level, and \$1.5 million ongoing for the King County Regional Peacekeepers to support a gun-violence intervention and referral program at Harborview Medical Center. The latter was initially supported by a transfer from the Seattle Police Department (SPD) in 2022, and SPD’s budget remains decremented by this amount.
- Investments in restorative justice, re-entry programs, and pre-arrest diversion are also included in this budget program’s budget. Council has often made such investments on a one-time basis. In 2023 the Executive added Payroll Expense Tax funding of \$1.5 million ongoing for contracted re-entry services to BIPOC populations.
- Increase in this budget program area is also due to required inflationary adjustments and 2 percent contract increase for purposes of provider pay.

BUDGET PROGRAM	GENDER-BASED VIOLENCE SERVICES			
Purpose	The purpose for the Gender-Based Violence Services Program is to support survivors and those at risk of gender-based violence with community-based services to support and maintain their safety.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	16.0M	16.0M	n/a
Other Sources	-	0.1M	0.1M	n/a
JumpStart Fund	-	-	-	-
<b>Total</b>	-	<b>16.1M</b>	<b>16.1M</b>	<b>n/a</b>

- This budget program was established in 2021 to consolidate various investments related to gender-based violence that until that time were housed in three discrete budget programs (Advocacy, Prevention & Intervention, and Support Services). HSD makes contract funding allocations from this budget program to organizations that support survivors of gender-based violence or that seek to mitigate the effects of this violence.
- In 2021, funding in this budget program was \$10 million. Net of the one-time LEAD funding referenced above, the 40 percent increase from 2021 to 2024 reflects a higher level of programmatic investment. The increase includes ongoing funding of \$2.4 million GF added in 2022: \$875,000 added by the Executive to address a shortfall in fees and fines collected from gender-based violence offenders and \$1.5 million added by Council for contracted mobile advocacy services with flexible financial assistance. Collectively these two adds increased funding in the budget program by 24 percent.

- The increase from 2021 to 2024 also includes the impact of various one-time allocations made by Council, such as \$259,000 in one-time appreciation pay for service providers (2022), \$250,000 for mobile advocacy services with flexible financial assistance in 2023 and \$200,000 in 2024, and \$250,000 for culturally specific service provision to particularly vulnerable communities (2024).
- The 2024 Adopted Budget includes \$2 million GF of one-time funding allocated by Council for the Let Everyone Advance with Dignity (LEAD) program.

BUDGET PROGRAM	SAFE COMMUNITIES DIVISION ADMINISTRATION			
Purpose	The purpose of the Safe Communities Division Administration Program is to provide leadership, contract administration, and strategic planning support for the City's safety work.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	2.7M	2.7M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.7M</b>	<b>2.7M</b>	<b>n/a</b>

- This budget program was established in 2021, with a budget of \$4.3 million and 15.0 FTE, to house the administrative and policy staff of the new Safe and Thriving Communities division. This budget included a one-time \$2.0 million transfer from SPD to support community-led public safety investments. The following year this budget program's baseline was \$2.1 million. Two positions added since 2021 support financial and program oversight for the division's expanding work program.

BUDGET PROGRAM	VICTIM ADVOCACY			
Purpose	The purpose of the Victim Advocacy Program is to provide direct support to survivors of gender-based violence through coordination with the Seattle Police Department, legal system navigation, and social services support to maintain their safety.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	2.6M	2.6M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.6M</b>	<b>2.6M</b>	<b>n/a</b>

- The Victim Advocacy budget program was established in 2021 to house the Crime Survivor Services unit, which provides advocacy services to survivors of 11 types of crime and coordinates the service of volunteer responders to scenes of domestic violence and sexual assault. Many FTE in this program are Crime Victim Advocates, who are co-located with SPD investigative units and who were SPD employees until 2021. Others provide case management and systems navigation for crime survivors.
- In 2021 this budget program's budget was \$1.3 million. Much of the 94 percent increase since that time reflects the addition of 6.0 FTE in the Crime Survivor Services unit. Four of these positions were added so that HSD could fulfill the requirements of Mayor Harrell's Executive Order 2022-05, which expanded support services for crime victims and survivors.

<b>BSL</b>	<b>Promoting Public Health</b>
<b>Purpose</b>	The purpose of the Promoting Public Health Budget Summary Level is to provide programs that give access to chemical and dependency services and reduce the disparities in health among the Seattle population.

<b>BUDGET PROGRAM</b>	<b>HIV MANAGEMENT</b>			
Purpose	The purpose of the HIV Management Program is to support low-income individuals living with HIV with case management services to improve their quality of life and to provide education to prevent HIV transmission.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.0M	1.3M	0.2M	21%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.0M</b>	<b>1.3M</b>	<b>0.2M</b>	<b>21%</b>

- The budget increase in this program from 2019 to 2024 largely reflects inflationary adjustments. This funding supports contracted services provided by Seattle – King County Public Health and the King County Department of Community Health. Those services include case management that assists HIV-positive city residents in gaining and retaining access to medical and dental care or that prepares incarcerated people for release from the correctional system.

<b>BUDGET PROGRAM</b>	<b>PHYSICAL HEALTH CARE</b>			
Purpose	The purpose of the Physical Health Care Program is to improve access to medical care and other health resources to vulnerable populations in Seattle including homeless individuals, families, and adults.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	9.8M	16.6M	6.8M	70%
Other Sources	1.0M	2.2M	1.2M	114%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>10.8M</b>	<b>18.9M</b>	<b>8.0M</b>	<b>74%</b>

- HSD makes contract funding allocations from the Physical Health Care budget program to organizations that support the program’s purpose. These investments are classified by project category, and examples of project category include Medical and Dental Primary Care, Health Care Access and Outreach, and Access to Drug and Alcohol Treatment.
- King County receives by far the largest amount of contract funding from this budget program – \$9.5 million in 2019 (88 percent of the total) and \$14 million (90 percent) of a \$15.5 million total in 2023. 2024 contract details are not yet available.
- Beginning in 2021, HSD increased its aggregate contract funding across projects in the Health Care Access and Outreach category, especially to King County. For King County, 2019 funding was \$131,000, and 2020 funding was \$2.6 million. Some projects in this category aim to increase access to child care and early learning programs and programs such as Apple Health, Medicaid, the Basic Food Program, and other publicly sponsored benefits. Other projects help Seattle residents to find medical and dental providers and to address barriers that impede their access to services. Across all organizations receiving Health Care Access and Outreach funding in this budget program, HSD allocated \$4.0 million in 2023 (inclusive of \$1.25 million added by Council to support increased access to abortion), a sharp increase from the 2019 base of \$131,000.

- Beginning in 2024, the City will program most if not all revenues from State-level settlements with companies that fueled the opioid crisis. The use of these revenues, which is consistent with the purpose of this budget program, is prescribed and uses must address in some way the opioid public health emergency. HSD has allocated revenues for the continuation of existing programs that focus on drug user health and harm reduction, to support the operational costs of a future post-overdose stabilization facility, for administrative purposes as required by settlement agreements, and for costs associated with the addition of 2.0 FTE peer navigators to SFD’s pilot Health 99 program and 1.0 FTE administrative staff in HSD. Total revenues are \$1.3 million in 2024. This amount will rise to \$1.6 million in 2029 and 2030, then begin to decline through 2039.
- Other than the programmatic increase described above, budget changes since that time largely reflect inflationary adjustments.

<b>BSL</b>	<b>Leadership and Administration</b>			
<b>Purpose</b>	The purpose of the Leadership & Administration Budget Summary Level is to provide executive, community, financial, human resource, technology, and business support to the Human Services Department.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	8.5M	12.4M	4.0M	47%
JumpStart Fund	-	-	-	-
Other Sources	2.8M	4.5M	1.8M	64%
<b>Total</b>	<b>11.2M</b>	<b>17.0M</b>	<b>5.8M</b>	<b>51%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Departmental Indirect Costs	11.2M	17.0M	5.8M	51%
<b>Total</b>	<b>11.2M</b>	<b>17.0M</b>	<b>5.8M</b>	<b>51%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter of 2019-2024 Budget Review document for additional information.

## HUMAN SERVICES DEPARTMENT

### Attachment A: Unified Care Team Summary

DEPARTMENT	2024 BUDGET AMOUNT	DESCRIPTION
Human Services Department	\$2.4 million	Includes 10 Regional Coordinators
Finance and Administrative Services	\$900,000	Removal of recreational vehicles and two customer service representatives
Department of Transportation	\$4.7 million	18 staff for cleaning, resolving encampments, site visit and inspections
Seattle Police Department	\$2.1 million	SPD officers and Parking Enforcement Officers with time dedicated to UCT activities.
Parks and Recreation	\$9.1 million	30 FTE for cleaning, resolving encampments, site visits, inspections and community engagement
Information Technology	\$270,000	Cost for GIS technology needs
Seattle Public Utilities	\$6.5 million	Cleaning, RV remediation and purple bag program.
<b>Total</b>	<b>\$26.6 million</b>	

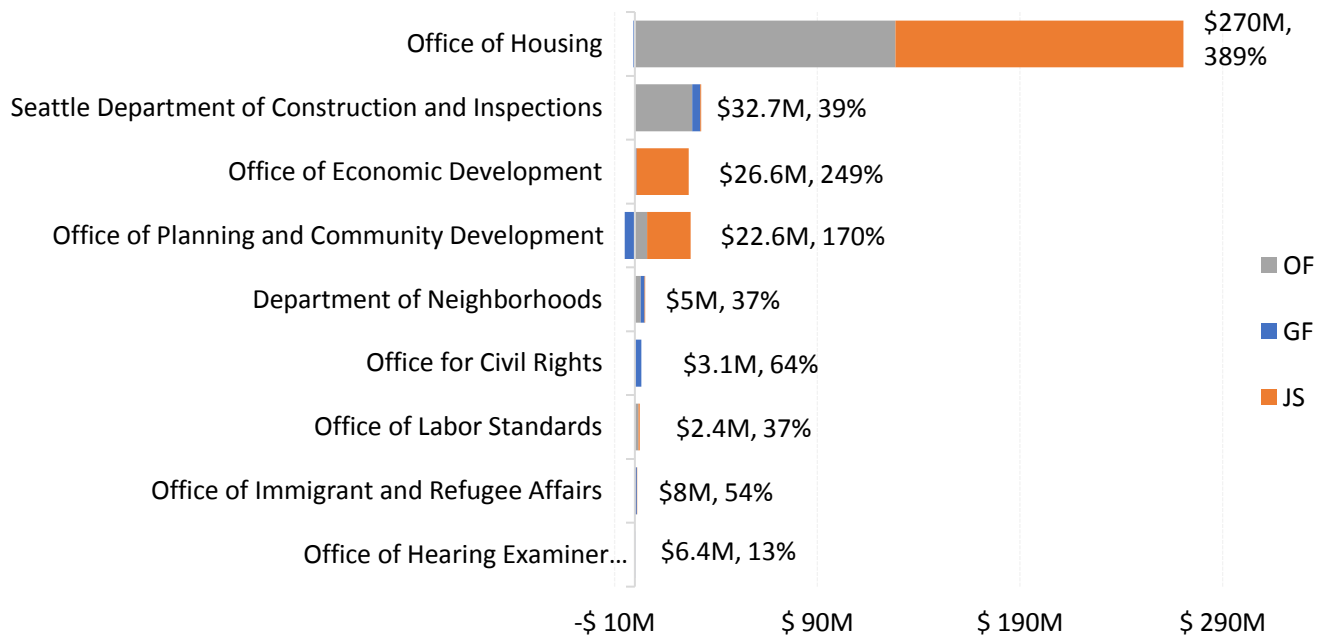
# Policy Area: Livable & Inclusive Communities

The Livable & Inclusive Communities policy area includes the following departments:

- Office of Hearing Examiner
- Office of Immigrant and Refugee Affairs
- Office of Labor Standards
- Office for Civil Rights
- Department of Neighborhoods
- Office of Planning and Community Development
- Office of Economic Development
- Seattle Department of Construction and Inspections
- Office of Housing

Since 2019, the budgets within this policy area increased overall by 174 percent. The chart below illustrates total growth in department budgets within this policy area since 2019. The subsequent department specific summaries provide more detail about what has driven this growth.

*Adopted budget growth in the Livable and Inclusive Communities policy area since 2019 (all funds)*



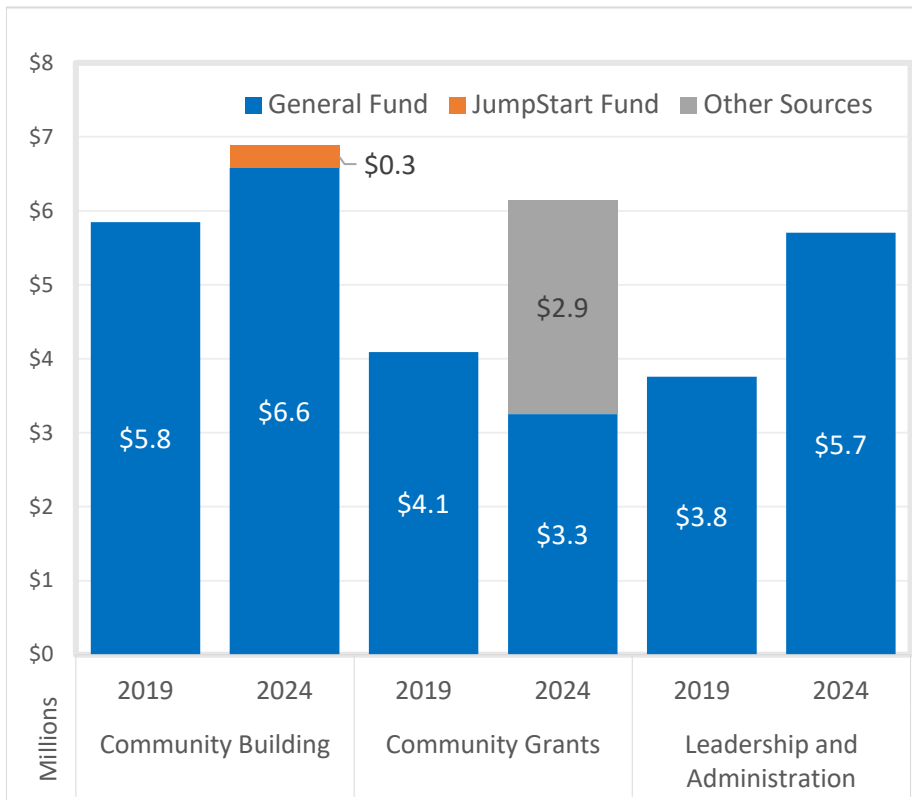
# DEPARTMENT OF NEIGHBORHOODS (DON)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ASHA VENKATARAMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Community Building	5.8M	6.9M	1.0M	18%
Community Grants	4.1M	6.1M	2.0M	50%
Leadership and Administration	3.8M	5.7M	1.9M	52%
<b>Total</b>	<b>13.7M</b>	<b>18.7M</b>	<b>5.0M</b>	<b>37%</b>



Between 2019 and 2024 the Department of Neighborhoods (DON) budget increased by \$5 million (a 37 percent increase). The main drivers of growth beyond standard inflationary increases include:

- \$3M in Sweetened Beverage Tax (SBT) funds (ongoing) for the Food Equity Fund in the Community Grants BSL. This fund provides grants for community programs to increase equitable access to healthy, affordable, and culturally relevant foods. \$500,000 of the \$3M was transferred from the Food Opportunity Fund in the Human Services Department (HSD) to DON in the 2021 Adopted Budget.
- Moving \$518,000 GF from HSD to DON in support for the Rainier Beach: A Safe Place for Youth program in the 2021 Adopted Budget in the Community Building BSL.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	7.3M	10.0M	2.7M	37%
Non-Labor	6.4M	8.7M	2.3M	37%
<b>Total</b>	<b>13.7M</b>	<b>18.7M</b>	<b>5.0M</b>	<b>37%</b>
<b>Total FTE</b>	<b>50</b>	<b>74</b>	<b>24</b>	<b>48%</b>

About half of the FTE growth is due to positions added in 2020, 2021 and 2022 to provide outreach and engagement support for other City departments such as SDOT and SPU; funding for those positions is provided by SPU and SDOT. The remaining increase in positions is related to the food equity fund and generational wealth building.

The increase in the labor budget is due to standard cost increases (e.g., inflationary adjustments, healthcare cost increases, etc.).

## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

<b>BSL</b>	<b>Community Building</b>
<b>Purpose</b>	The purpose of the Community Building Budget Summary Level is to deliver technical assistance, support services, and programs in neighborhoods to strengthen local communities, engage residents in neighborhood improvement, leverage resources, and complete neighborhood-initiated projects.

DON’s budget was reorganized in the 2024 Adopted Budget to improve organizational alignment and financial reporting. This included shifting budget authority from existing budget programs to several new budget programs.

BUDGET PROGRAM	CIVIC ENGAGEMENT & LEADERSHIP DEVELOPMENT			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	0.4M	0.4M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.4M</b>	<b>0.4M</b>	<b>n/a</b>

- This budget program includes resources for the data visualization for civic engagement work, new district outreach and engagement, and the People’s Academy for Community Engagement (PACE). PACE is a civic education program that offers leadership development and advocacy skills for emerging leaders in a culturally relevant, participatory environment.
- The 2024 Adopted Budget amount reflects a transfer of resources from the PACE and Participatory Budgeting (your voice your choice) budget programs as part of the department’s budget reorganization in 2024, and a one-time add in 2024 of \$100,000 for a deliberative Representative Assembly to advance the “Space Needle Ideas” for areas outside of Downtown.

BUDGET PROGRAM	COMMISSIONS			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	0.2M	0.2M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.2M</b>	<b>0.2M</b>	<b>n/a</b>

- DON supports the Indigenous Advisory Council (IAC) with one staff position and program expenses added after 2019. The Community Involvement Commission, Seattle Youth Commission, and Seattle Renters Commission are also included in this budget program.
- The 2024 Adopted Budget amount reflects a transfer of resources from the Community Engagement Coordinators Budget program in the Adopted Budget as part of the department’s budget reorganization.



BUDGET PROGRAM	COMMUNITY ENGAGEMENT COORDINATORS			
Purpose	The purpose of the Community Engagement Coordinators Program is to provide a range of technical assistance and support services for residents and neighborhood groups to develop a sense of partnership among neighborhood residents, businesses, and City government.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.0M	0.7M	- 1.3M	-64%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.0M</b>	<b>0.7M</b>	<b>- 1.3M</b>	<b>-64%</b>

- This budget program supports engagement coordinators in different geographical regions of the City: North, Central, Southeast, and West Seattle & South Park.
- The 64% decrease between 2019 and 2024 reflects transfers of positions and resources to newly created budget programs in the 2023 and 2024 budgets.

BUDGET PROGRAM	COMMUNITY LIAISONS			
Purpose	The purpose of the Community Liaisons Program is to provide equitable outreach and engagement in a culturally competent manner to historically underserved communities. This is done for City departments through independent contractors who serve as resources and liaisons for community members, provide quality translations and interpretations and advise on best practices for engaging with their communities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.84M	0.78M	- 0.1M	-7%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.84M</b>	<b>0.78M</b>	<b>- 0.1M</b>	<b>-7%</b>

- This budget program supports close to 50 liaisons representing 25 languages and many cultural communities. Liaisons partner with City departments on projects, programs, and initiatives, involving transportation, utilities, food justice, technical assistance, economic recovery, emergency support, community safety, and more.

BUDGET PROGRAM	COMMUNITY SAFETY			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	1.0M	1.0M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.0M</b>	<b>1.0M</b>	<b>n/a</b>

- This budget program supports programming such as Rainier Beach: A Beautiful Safe Place for Youth, which is a community-led, place-based youth crime prevention and intervention initiative.
- The 2024 Adopted Budget amount reflects a transfer of resources from the Community Engagement Coordinators Budget program in the Adopted Budget as part of the department's budget reorganization.

BUDGET PROGRAM	DUWAMISH RIVER OPPORTUNITY FUND			
Purpose	The purpose of the Duwamish River Opportunity Fund Program is to support new and existing small-scale programs focused on the challenges faced by communities in the Duwamish River area.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.3M	-	- 0.3M	-100%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.3M</b>	<b>-</b>	<b>- 0.3M</b>	<b>-100%</b>

- This program was transferred to the Office of Sustainability and Environment in the 2023 Adopted Budget.

BUDGET PROGRAM	HISTORIC PRESERVATION			
Purpose	The purpose of the Historic Preservation Program is to provide technical assistance, outreach, and education to the general public, owners of historic properties, government agencies, and elected officials to identify, protect, rehabilitate, and re-use historic properties			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	1.1M	0.9M	- 0.3M	-23%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.1M</b>	<b>0.9M</b>	<b>- 0.3M</b>	<b>-23%</b>

- This budget program supports the designation and protection of more than 450 historic structures, sites, objects, and vessels, as well as eight historic districts throughout Seattle.

BUDGET PROGRAM	MAJOR INSTITUTIONS AND SCHOOLS			
Purpose	The purpose of the Major Institutions and Schools Program is to coordinate community involvement in the development, adoption, and implementation of Major Institution Master Plans, and to facilitate community involvement in school re-use and development.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.2M	0.2M	-	0%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.2M</b>	<b>0.2M</b>	<b>-</b>	<b>0%</b>

- This budget program supports coordination of public involvement for each Major Institution and School's plan development, which is overseen by a City-appointed community advisory committee and staffed by DON.

BUDGET PROGRAM	PARTICIPATORY BUDGETING (YOUR VOICE YOUR CHOICE)			
Purpose	The purpose of the Participatory Budgeting (Your Voice Your Choice) Program is to provide a process in which Seattle residents democratically decide how to spend a portion of the City's budget.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.2M	-	- 0.2M	-100%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.2M</b>	<b>-</b>	<b>- 0.2M</b>	<b>-100%</b>

- The Participatory Budgeting (Your Voice Your Choice) budget program sunset in 2023.

BUDGET PROGRAM	PEOPLE'S ACADEMY FOR COMMUNITY ENGAGEMENT (PACE)			
Purpose	The purpose of the People's Academy for Community Engagement (PACE) Program is to provide leadership development and skill building of emerging leaders in a multicultural, participatory adult learning environment where participants learn hands-on strategies for community building, inclusive engagement, and accessing governments from experts in the field			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.1M	-	- 0.1M	-100%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.1M</b>	<b>-</b>	<b>- 0.1M</b>	<b>-100%</b>

- This budget program was reorganized into the Civic Engagement and Leadership budget program.

BUDGET PROGRAM	P-PATCH COMMUNITY GARDENING			
Purpose	The purpose of the P-Patch Community Gardening Program is to provide community gardens, gardening space, and related support to Seattle residents while preserving open space for productive purposes, particularly in high-density communities			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.9M	0.8M	- 0.1M	-8%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.9M</b>	<b>0.8M</b>	<b>- 0.1M</b>	<b>-8%</b>

- This budget program supports about 90 community-managed open spaces across Seattle. The eight percent reduction reflects technical adjustments.

BUDGET PROGRAM	RE-IMAGINATION AND RECOVERY			
Purpose	The purpose of the Re-imagination and Recovery program is to provide transformational, people- centered programming and services informed by data and best practices that enhance and expand government support in under-served communities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	0.8M	0.8M	n/a
Other Sources	-	-	-	-
JumpStart Fund	*	0.3M	0.3M	n/a
<b>Total</b>	<b>*</b>	<b>1.1M</b>	<b>1.1M</b>	<b>n/a</b>

- This budget program provides resources for generational wealth work and community capacity building, including 2.5 FTE added in the 2023 Adopted Budget. It is anticipated that this body of work and the positions will move to OED in future years.
- In 2024, \$300,000 from the JSF was added one-time to support community capacity building in Chinatown-International District.

BUDGET PROGRAM	STRATEGIC PARTNERSHIPS			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	0.9M	0.9M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	-	<b>0.9M</b>	<b>0.9M</b>	<b>n/a</b>

- This budget program includes positions added in the 2020, 2021, and 2022 Adopted Budgets that work with other departments (SDOT and SPU) to advise on equitable outreach and engagement. The 2024 Adopted Budget amount reflects a transfer of resources from the Community Engagement Coordinators budget program in the Adopted Budget as part of the department’s budget reorganization.

BSL	Community Grants
Purpose	The purpose of the Community Grants Budget Summary Level is to provide support to local grassroots projects within neighborhoods and communities by providing funding to implement community-based self-help projects.

BUDGET PROGRAM	HEALTHY FOOD FUND			
Purpose	The purpose of the Healthy Food Fund Program is to support community-based projects and programs that are food-related consistent with the overarching goal of the Sweetened Beverage Tax of improving public health.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	-	2.9M	2.9M	N/A
JumpStart Fund	-	-	-	-
<b>Total</b>	-	<b>2.9M</b>	<b>2.9M</b>	<b>N/A</b>

- This budget program was established in the 2021 Adopted Budget based on a recommendation of the Sweetened Beverage Tax Community Advisory Board (SBT CAB). At that time, \$500,000 of SBT fund resources were transferred to DON.
- The SBT CAB recommended investments in more community-led activities and support for investments in infrastructure to capacity that increased resources for the. This increase has driven much of the department’s growth since 2019.

BUDGET PROGRAM	NEIGHBORHOOD MATCHING			
Purpose	The purpose of the Neighborhood Matching Program is to support local grassroots projects within neighborhoods and communities. The Neighborhood Matching Fund provides funding to match community contributions of volunteer labor, donated professional services and materials, or cash, to implement community-based self-help projects.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	4.1M	3.3M	- 0.8M	-21%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>4.1M</b>	<b>3.3M</b>	<b>- 0.8M</b>	<b>-21%</b>

- In 2021, funding for the Neighborhood Matching Fund was reduced by \$830,000 and 2.5 FTE. The positions were transferred to the Healthy Food Fund/Food Equity Fund budget program.

<b>BSL</b>	<b>Leadership and Administration</b>
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Department of Neighborhoods.

APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	3.8M	5.7M	1.9M	52%
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>3.8M</b>	<b>5.7M</b>	<b>1.9M</b>	<b>52%</b>

APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Citywide Indirect Costs	1.5M	3.2M	1.7M	111%
Departmental Indirect Costs	2.2M	2.5M	0.2M	11%
Divisional Indirect Costs	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>3.8M</b>	<b>5.7M</b>	<b>1.9M</b>	<b>52%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary Chapter in the 2019-2024 Budget Review document for additional information.

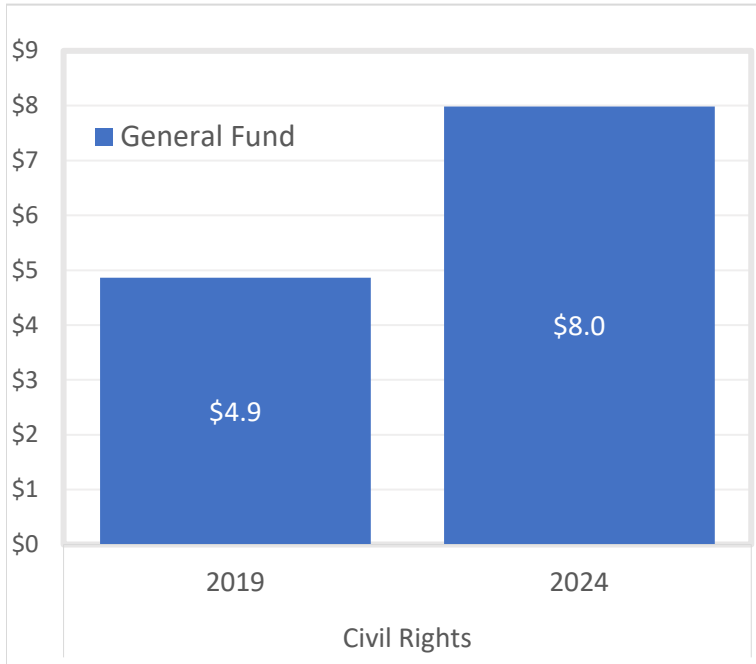
# OFFICE FOR CIVIL RIGHTS (OCR)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TAMASO JOHNSON

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Civil Rights	4.9M	8.0M	3.1M	64%
<b>Total</b>	<b>4.9M</b>	<b>8.0M</b>	<b>3.1M</b>	<b>64%</b>



Between 2019 and 2024 OCR's budget increased by \$3.1 million (a 64% increase). This increase, beyond standard inflationary increases, is primarily driven by:

- 2 positions for enforcement of civil rights protections
- 1 position to support the Commission for People with DisAbilities (SCPD), and the Seattle LGBTQ Commission

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	3.7M	5.0M	1.3M	34%
Non-Labor	1.1M	3.0M	1.8M	165%
<b>Total</b>	<b>4.9M</b>	<b>8.0M</b>	<b>3.1M</b>	<b>64%</b>
<b>Total FTE</b>	<b>31</b>	<b>39</b>	<b>8</b>	<b>26%</b>

In 2021, through a standalone supplemental budget ordinance ([ORD 126360](#)), \$1.1 million was transferred from Finance General to OCR's budget for the Participatory Budgeting Process. This was a one-time transfer that automatically carries forward in subsequent years as OCR has continued to complete that work. That funding is not reflected in either the 2019 or 2024 budget numbers presented in this analysis, but the positions that sunset in 2024 are reflected in the FTE numbers in the table above. If the Council continues that program in future years ongoing funding would be needed and subsequently would expect to see OCR's ongoing budget increase to provide staffing support to that program.

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Civil Rights</b>
<b>Purpose</b>	The purpose of the Civil Rights Budget Summary Level is to encourage and promote equal access and opportunity, diverse participation, and social and economic equity in Seattle. OCR works to eliminate discrimination in employment, housing, public accommodations, contracting, and lending in Seattle through enforcement, and policy and outreach activities. In addition, OCR is responsible for directing the Race and Social Justice Initiative, which leads other City departments to design and implement programs that help eliminate institutionalized racism.

<b>BUDGET PROGRAM</b>	<b>CIVIL RIGHTS ENFORCEMENT</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.1M	1.8M	1.8M	64%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.1M</b>	<b>1.8M</b>	<b>1.8M</b>	<b>64%</b>

- This budget program increased by 1.8M between 2019 and 2024 (a 64% increase). Beyond standard inflationary increases, this is mainly due to the addition of 2 FTEs added in the 2020 budget to address capacity needs for civil rights enforcement investigations. The 2020 Adopted Budget renamed the Civil Rights budget program to Civil Rights Enforcement. To accurately reflect how this budget program has changed the data is combined for this analysis.
- In addition, the 2020 Adopted Budget transferred \$150,000 from the Leadership and Administration program to the Civil Rights Enforcement program for the testing program that utilizes testers to identify discriminatory practices and bias in access to Seattle’s housing market and employment.

<b>BUDGET PROGRAM</b>	<b>COMMUNITY INVESTMENTS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	1.1M	1.1M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.1M</b>	<b>1.1M</b>	<b>n/a</b>

- The Community Investments BSL was established in OCR’s 2023 Adopted Budget. In 2021, the Council added back ongoing funding (\$1.1 million) that the Executive had proposed to cut in OCR’s Policy Budget Program for community alternatives to incarceration and policing; in 2023 this funding was transferred to this new budget program.

BUDGET PROGRAM	POLICY			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.8M	1.4M	0.6M	76%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.8M</b>	<b>1.4M</b>	<b>0.6M</b>	<b>76%</b>

- Beyond standard inflationary increase, the 0.6 million increase in this budget program (a 76% increase) is primarily due to the position and funding for the Boards and Commissions supported by OCR.

BUDGET PROGRAM	RSJI			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	1.1M	1.6M	0.5M	50%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.1M</b>	<b>1.6M</b>	<b>0.5M</b>	<b>50%</b>

- Beyond standard inflationary increase, the 50% increase in this budget program is primarily attributable to increased translation and interpretation funds to increase accessibility of OCR work, and additional resources for RSJI training capacity (this includes transferring \$60,000 from the Leadership and Admin budget program for the Racial Equity Fund to this budget program; that fund is no longer active).

BUDGET PROGRAM	LEADERSHIP AND ADMINISTRATION			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	1.9M	2.1M	0.3M	13%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.9M</b>	<b>2.1M</b>	<b>0.3M</b>	<b>13%</b>

- The changes in this budget program include standard cost increases and technical adjustments.
- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments' missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. Please see the "Leadership and Administration Budget Summary Levels Overview" section in the 2019-2024 Budget Review document for additional information at the Citywide level.



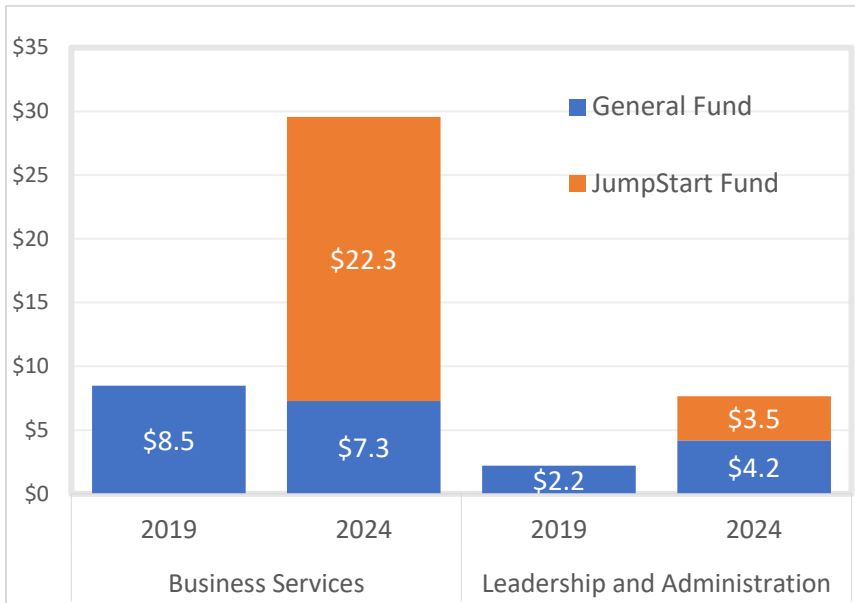
# OFFICE OF ECONOMIC DEVELOPMENT (OED)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: JASMINE MARWAHA

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Business Services	8.5M	29.6M	21.1M	249%
Leadership and Administration	2.2M	7.7M	5.5M	249%
<b>Total</b>	<b>10.7M</b>	<b>37.2M</b>	<b>26.6M</b>	<b>249%</b>



Between 2019 and 2024, OED’s budget increased by \$26.6 million (a 249 percent increase). The main driver of growth beyond standard inflationary increase is the introduction of JSF revenue. According to the [JSF policies](#), 15 percent of JSF revenues are to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce. The bulk of that fifteen percent (\$25.8 million in 2024) goes to OED, supporting a range of projects and programs guided by [the Future of Seattle Economy \(FSE\) strategic framework](#). The FSE framework was developed over 18 months in consultation with community stakeholders, including 80 organizations across the city. It was further informed by successful

pilots funded by Coronavirus Local Fiscal Recovery (CLFR) funds, such as the [Tenant Improvement Fund](#), the [Business Community Ownership Fund](#), and [Seattle Restored](#). See the Business Service BSL section for more information on the FSE investments.

As the programmatic services and number of contracts funded by OED increased dramatically, the department’s leadership and administration budget has correspondingly increased. In addition, approximately \$2 million of JumpStart Fund in the Leadership and Administration BSL is slated for Downtown Activation Plan implementation and outreach. See the Leadership and Administration BSL section for more details.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	4.9M	8.9M	4.1M	84%
Non-Labor	5.8M	28.3M	22.5M	386%
<b>Total</b>	<b>10.7M</b>	<b>37.2M</b>	<b>26.6M</b>	<b>249%</b>
<b>Total FTE</b>	<b>36</b>	<b>61</b>	<b>25</b>	<b>69%</b>

## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

In general, the fact that OED only has only two BSLs and no specific budget programs within its Business Services BSL makes it somewhat difficult to track its programs and services over time. For example, because general “activation” activities within the Downtown Activation Plan do not provide direct services to business or workforce development, it has been categorized in the leadership and administration BSL, which may give a false impression or OEDs administrative overhead spending.

<b>BSL</b>	<b>Business Services</b>
<b>Purpose</b>	The purpose of the Business Services Budget Summary Level is to promote economic development in the City.

<b>BUDGET PROGRAM</b>	<b>BUSINESS SERVICES</b>			
Purpose	The purpose of the Business Services Program is to provide direct services to businesses and to support a healthy business environment that empowers businesses to develop, grow, and succeed. The Business Services Program provides assistance navigating government services, facilities access to capital and building management expertise, and invests in workforce development services focused on building skills that benefit individual job-seekers and support employers in key industry sectors.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	8.5M	7.3M	-1.2M	-14%
Other Sources	-	-	-	-
JumpStart Fund	-	22.3M	22.3M	n/a
<b>Total</b>	<b>8.5M</b>	<b>29.6M</b>	<b>29.6M</b>	<b>248%</b>

- The JumpStart investments in the Business Services program have been built around the five pillars outlined in the Future of Seattle Economy framework:
  1. Investing in Diverse Talent and Building Our Workforce (\$3.3 million) which supports paid work-based learning opportunities, partnerships with the Seattle-King County Workforce Development Council, and wraparound support services for participants in city-supported workforce development programs.
  2. Supporting WMBE and Small Business Enterprises (\$0.8 million), including City navigation support, technical assistance, and connection to other services. Many of the other pillars overlap with this, so the total amount solely devoted to this pillar may not be indicative of the support for WMBEs and small businesses generally.
  3. Creating BIPOC Community Wealth (\$10.8 million), including increased access to affordable capital (\$2.8 million), as well as commercial affordability programs such as the Tenant Improvement Fund, Seattle Restored and the Business community Ownership Fund (\$8 million).
  4. Investing in Neighborhood Business Districts (\$4.5 million), including support for downtown and neighborhood economic recovery, retail analyses and outreach for neighborhood business needs, expanding/strengthening Business Improvement Areas and programs supporting other business districts such as the Only in Seattle program.
  5. Growing Businesses and Key Industries. (\$2.9 million), including support for key industry leaders and groups, small grant opportunities and/or service contracts with industry associations, and \$1 million for green economy strategies. The “Key industries” focus includes maritime, logistics, manufacturing, construction, healthcare, tech, and life sciences industries, as well as green economy and creative economy sectors.

- The JumpStart investments are a complex mix of ongoing and one-time programming, because during the 2023 and 2024 budget development, the FSE strategies were not yet fully developed. In recognition of the engagement work still to be finished, the Executive proposed most of the investments as one-time for 2023 and 2024. The FSE resolution adopting the pillars as Seattle’s economic development policy was passed in Summer of 2023. The 2024 mid-biennial budget adjustments included more ongoing investments, and the Executive may propose to transition many of the one-time investments to ongoing in the proposed budget for 2025-2026.
- General fund reductions have generally resulted from offsetting increases from the JumpStart fund, shifting administrative functions and positions to the Leadership and Administration program, and reductions in vacant positions in 2020 and 2021.
- The General Fund investments remaining primarily align with the FSE framework, including: workforce development programs (\$1.3 million), resource navigation and policy development for small businesses (\$0.8 million); supporting BIPOC-owned businesses (\$1.1 million); supporting Business Improvement Areas and other business districts (\$2.4 million); and sector-specific growth strategies in key industries (\$1.4 million). In addition, in 2024 the Council added \$150,000 ongoing to support a Ballard Ambassador program.

<b>BSL</b>	<b>Leadership and Administration</b>				
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Office of Economic Development.				
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>	
General Fund	2.2M	4.2M	2.0M	90%	
JumpStart Fund	0.0M	3.5M	3.5M	n/a	
Other Sources	0.0M	0.0M	0.0M	n/a	
<b>Total</b>	<b>2.2M</b>	<b>7.7M</b>	<b>5.5M</b>	<b>249%</b>	
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>	
Citywide Indirect Costs	0.7M	0.9M	0.2M	27%	
Departmental Indirect Costs	0.9M	6.0M	5.1M	557%	
Pooled Benefits	0.6M	0.8M	0.2M	33%	
<b>Total</b>	<b>2.2M</b>	<b>7.7M</b>	<b>5.5M</b>	<b>249%</b>	

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter in the 2019-2024 Budget Review document for additional information.

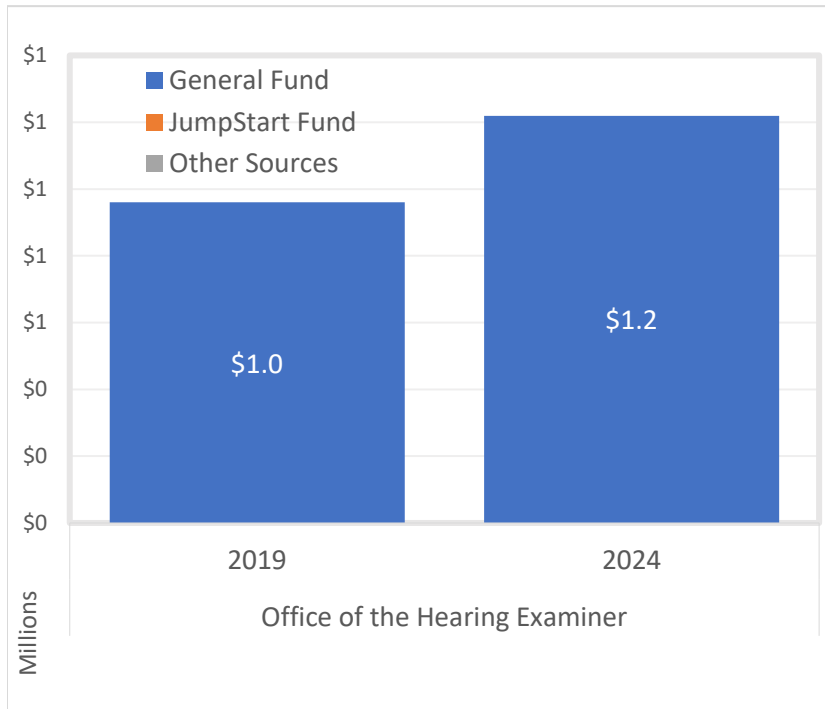
# OFFICE OF HEARING EXAMINER (HXM)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KETIL FREEMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of the Hearing Examiner	0.96m	1.22M	0.26M	27%
<b>Total</b>	<b>1.0M</b>	<b>1.2M</b>	<b>0.26M</b>	<b>27%</b>



Between 2019 and 2024 Office of the Hearing Examiner (HXM) budget increased by \$0.26 million (a 27 percent increase). The main drivers of growth are inflationary increases related to the costs of doing business.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	0.67M	0.84M	0.17M	25%
Non-Labor	0.29M	0.38M	0.09M	31%
<b>Total</b>	<b>0.96M</b>	<b>1.22M</b>	<b>0.26M</b>	<b>27%</b>
<b>Total FTE</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of the Hearing Examiner</b>
<b>Purpose</b>	The purpose of the Office of Hearing Examiner Budget Summary Level is to conduct fair and impartial hearings in all subject areas where the Seattle Municipal Code grants authority to do so (there are currently more than 75 subject areas) and to issue decisions and recommendations consistent with applicable law.

<b>BUDGET PROGRAM</b>	<b>OFFICE OF THE HEARING EXAMINER</b>			
Purpose	The purpose of the Office of Hearing Examiner program is to conduct fair and impartial hearings in all subject areas where the Seattle Municipal Code grants authority to do so (there are currently more than 75 subject areas) and to issue decisions and recommendations consistent with applicable law.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.0M	1.2M	0.3M	27%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.0M</b>	<b>1.2M</b>	<b>0.3M</b>	<b>27%</b>

This program is entirely funded through the General Fund. The 27 percent increase in this budget program is primarily due to baseline cost increases, such as increases in: labor costs, internal service costs (e.g., employee healthcare, facilities and fleet maintenance, and information technology services), and other inflationary increases to the cost of goods and services.

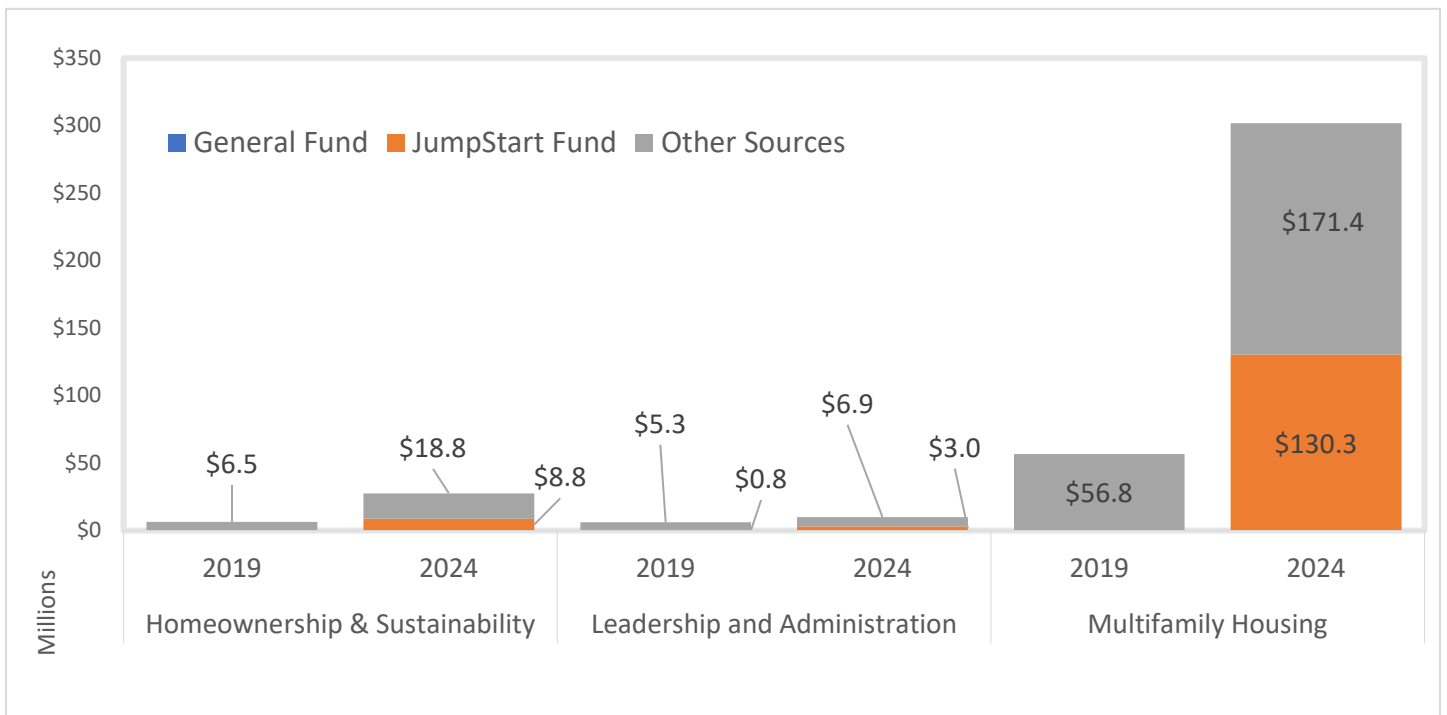
# OFFICE OF HOUSING (OH)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TRACI RATZLIFF

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Homeownership & Sustainability	6.5M	27.6M	21.2M	327%
Leadership and Administration	6.1M	10.0M	3.8M	63%
Multifamily Housing	56.8M	301.7M	245.0M	432%
<b>Total</b>	<b>69.4M</b>	<b>339.3M</b>	<b>270.0M</b>	<b>389%</b>



Between 2019 and 2024, the budget for the Office of Housing (OH) increased by \$270 million (a 389 percent increase). The main drivers of growth include:

- Beginning in 2022, City investments from the JumpStart Fund provided significant support to OH’s Multifamily Housing and Homeownership and Sustainability programs (\$99.4 million JumpStart Fund in 2022, increasing to \$142 million in 2024). JumpStart funding is used in concert with funding from the Housing Levy, the Mandatory Housing Affordability program, and other fund sources to support the development and ongoing operations and maintenance of multifamily rental and homeownership housing affordable to low-income households.
- The 2023 Housing Levy, a seven-year \$970 million initiative provides \$139 million annually to existing OH programs (Multifamily Housing and the Homeownership and Sustainability) and several new programs. (The 2023 levy reflects an over threefold increase compared to the 2016 Housing Levy). The new programs funded in the 2023 Levy include: a workforce stabilization program for permanent supportive housing projects that serve homeless and formerly homeless individuals with significant medical and service needs; and funding to the program that supports expanded services in non-permanent supportive housing projects for low-income residents with a variety of service needs.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	5.8M	10.2M	4.5M	77%
Non-Labor	63.6M	329.1M	265.5M	418%
<b>Total</b>	<b>69.4M</b>	<b>339.3M</b>	<b>270.0M</b>	<b>389%</b>
<b>Total FTE</b>	<b>45</b>	<b>66</b>	<b>21</b>	<b>47%</b>

- The Increase in labor and non-labor budgets is, as described above, due to the significant addition of funding from the JumpStart Fund and the 2023 Housing Levy.
- The majority of the increase in FTE's that occurred between 2019 and 2024 (13.5 FTEs) is related to the addition of a significant amount of ongoing JumpStart funding that was provided to OH beginning in 2022. Expansion of funding for the Multifamily Lending program, including the new JumpStart Acquisition and Preservation Program, the Homeownership program for low-income households, and the new program to convert single family homes from oil or gas to heat, increased the need for staff support to these new and expanded programs.

## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

<b>BSL</b>	<b>Homeownership &amp; Sustainability</b>
<b>Purpose</b>	The purpose of the Homeownership & Sustainability Budget Summary Level is to provide loans, grants, and other types of assistance to affordable housing providers and low-income Seattle residents in order to support permanently affordable homeownership, address displacement risks, provide health and safety home repair needs, and implement energy efficiency improvements for qualifying properties.

<b>BUDGET PROGRAM</b>	<b>HOME OWNERSHIP</b>			
Purpose	The purpose of the Home Ownership program is to support first-time homebuyers and existing low-income homeowners through down payment assistance loans, subsidies for permanently affordable homes, and foreclosure prevention loans.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	1.6M	9.2M	7.5M	458%
JumpStart Fund	-	7.0M	7.0M	n/a
<b>Total</b>	<b>1.6M</b>	<b>16.2M</b>	<b>14.5M</b>	<b>883%</b>

- The increase in “other sources” from 2019 to 2024 reflects funding from the 2023 Housing Levy that provides over \$7 million annually to enable low-income households to become homeowners and a small amount of funding to prevent existing homeowners from losing their homes to foreclosure.
- Beginning in 2022, \$7 million of ongoing funding from the JumpStart Fund was added to this budget program to support the development of affordable homeownership units for low-income homebuyers, with a particular focus on areas at high risk for displacement. In 2024, \$7 million in Jumpstart funding continues to support this program.

<b>BUDGET PROGRAM</b>	<b>HOME REPAIR</b>			
Purpose	The purpose of the Home Repair program is to provide grants or no- to low-interest loans to assist low-income homeowners with critical home repairs.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	0.7M	1.4M	0.7M	96%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.7M</b>	<b>1.4M</b>	<b>0.7M</b>	<b>100%</b>

- The “other sources” of funds for the Home Repair Program include 2023 Housing Levy funds, program income generated from the repayment of prior years’ home repair loans, and one-time funding from the Drainage and Wastewater Fund provided by Seattle Public Utilities (SPU) in 2022 and 2023 for a side sewer repair pilot loan program that ends in December of 2024. The increase from 2019 to 2024 reflects a small amount of increased funding from the 2023 Housing Levy and the one-time funding from SPU which is carryforward from earlier appropriations that much be expended by the end of 2024.



BUDGET PROGRAM	WEATHERIZATION			
Purpose	The purpose of the Weatherization program is to provide grants to increase energy efficiency and lower utility costs for low-income residents in both single-family and multifamily properties.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	4.1M	8.3M	4.2M	101%
JumpStart Fund	-	1.8M	1.8M	n/a
<b>Total</b>	<b>4.1M</b>	<b>10.0M</b>	<b>5.9M</b>	<b>144%</b>

- The “other sources” of funds for the weatherization program include federal funds from the Bonneville Power Administration and Department of Energy and a smaller amount of state weatherization funding. The increase from 2019 to 2024 reflects an increase in funding from the federal fund sources.
- Beginning in 2022, \$1.5 million of ongoing funding from the JumpStart Fund’s Green New Deal spending category was added to this budget program for a new program that converts single family homes from gas or oil to electric heat. In the 2024 Adopted Budget, funding from the JumpStart Fund increased to \$1.8 million.

BSL	Leadership and Administration
Purpose	The purpose of the Leadership & Administration Budget Summary Level is to provide centralized leadership, strategic planning, program development, financial management, and administrative support services to the office.

APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.8M	0.0M	- 0.7M	-94%
JumpStart Fund	0.0M	3.0M	3.0M	n/a
Other Sources	5.3M	6.9M	1.6M	29%
<b>Total</b>	<b>6.1M</b>	<b>10.0M</b>	<b>3.8M</b>	<b>63%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Citywide Indirect Costs	1.2M	2.1M	0.8M	69%
Departmental Indirect Costs	2.9M	5.2M	2.3M	82%
Policy & Planning	1.1M	3.3M	2.2M	203%
Pooled Benefits	0.9M	- 0.6M	- 1.6M	-167%
<b>Total</b>	<b>6.1M</b>	<b>10.0M</b>	<b>3.8M</b>	<b>63%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter 2019-2024 for additional information at the Citywide level.

<b>BSL</b>	<b>Multifamily Housing</b>
<b>Purpose</b>	The purpose of the Multifamily Housing Budget Summary Level is to support the development, preservation, and acquisition of multifamily rental housing, as well as the long-term stewardship and monitoring of that housing, and to support affordable housing providers and low-income residents.

<b>BUDGET PROGRAM</b>	<b>MULTIFAMILY LENDING</b>			
Purpose	The purpose of the Multifamily Lending program is to employ the Housing Levy and other federal and local funding to make low-interest loans to developers to develop or preserve affordable multifamily rental housing.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	52.6M	157.3M	104.6M	199%
JumpStart Fund	-	97.6M	97.6M	n/a
<b>Total</b>	<b>52.6M</b>	<b>254.9 M</b>	<b>202.2M</b>	<b>384%</b>

- This budget program includes funding for: the Multifamily Rental Production and Preservation Program (MRPP), and the JumpStart Acquisition and Preservation Program (JAPP) that provides short-term funding to community-based organizations for property acquisition for development of low-income housing and preservation of existing low-income housing. For a description of these programs see the Housing Funding Policies: .
- The increase in “other sources” from 2019 to 2024 reflects funding from the 2023 Housing Levy that provides over \$100 million annually for the MRPP.
- Beginning in 2022, \$81 million of ongoing funding from the JumpStart Fund was added to the Multifamily lending programs (\$66.1 for MRPP and \$15.7 million JAPP). In 2024, JumpStart funding increased to \$95.7 million (\$78.1 million for MRPP and \$17.6 million) with additional funding of over \$1 million added in 2022 for staff to support the expansion of these programs.

<b>BUDGET PROGRAM</b>	<b>ASSET MANAGEMENT</b>			
Purpose	The purpose of the Asset Management program is to monitor the housing portfolio to ensure that the policy objectives of the City are achieved and the units remain in good condition.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	4.1M	14.2M	10.0M	243%
JumpStart Fund	-	33.0M	33.0M	n/a
<b>Total</b>	<b>4.1M</b>	<b>47.2M</b>	<b>43 M</b>	<b>1051%</b>

- This budget program includes funding for the Operating, Services and Maintenance Program, the Workforce Stabilization Program, and the Resident Services Program. In addition, this funding is used for monitoring the health and safety of all existing City-funded housing units developed over the last 40 years.
- The increase in “other sources” from 2019 to 2024 reflects the increased funding from the 2023 Housing Levy (\$14 million in funding for the Asset Management Programs).
- Beginning in 2022, \$7.3 million in ongoing funding from the JumpStart Fund was added to this program. In the 2024 Adopted Budget, JumpStart funding increased to \$33.5 million for these programs.

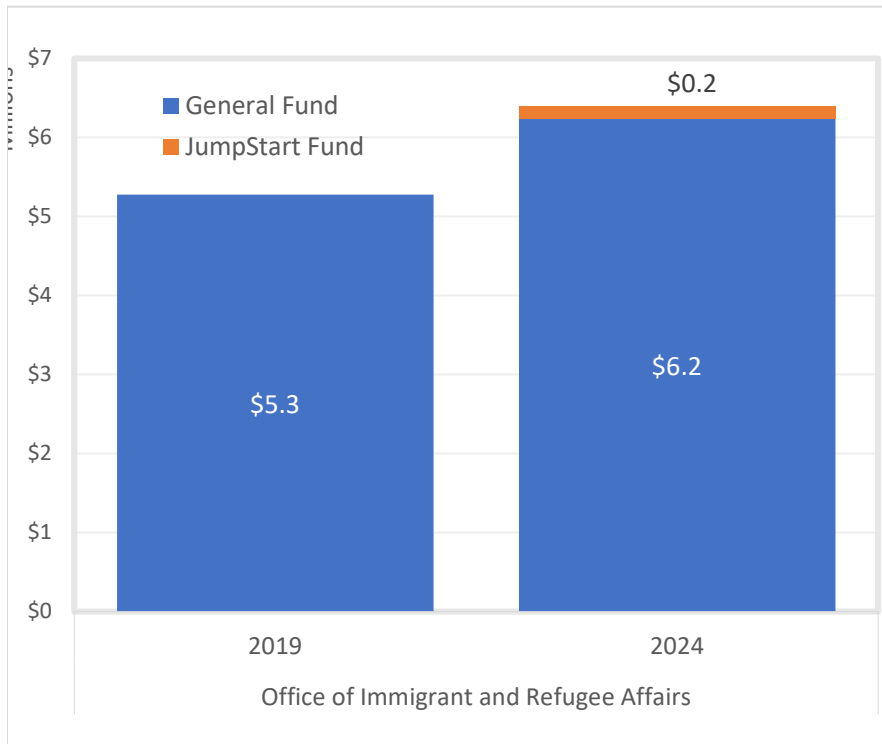
# OFFICE OF IMMIGRANT AND REFUGEE AFFIARS (OIRA)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: JASMINE MARWAHA

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Immigrant and Refugee Affairs	5.3M	6.4M	1.1M	21%
<b>Total</b>	<b>5.3M</b>	<b>6.4M</b>	<b>1.1M</b>	<b>21%</b>



Between 2019 and 2024 OIRA’s budget increased by \$1.1 million (a 21 percent increase). The main drivers of growth beyond standard inflationary adjustments include:

- Support for the New Citizens Program, a means-tested program within the New Citizen Campaign that provides free naturalization legal assistance, citizenship classes, and related case management services to low-income immigrants and refugees. \$866,000 GF for this program is grant funding from the Washington Department of Social and Health Services (DSHS);
- Ongoing General Fund support for the Immigrant Safety and Access Network (\$150K); and
- Addition of a workforce policy and partnerships manager, added in 2023 and funded by the JumpStart Fund (\$163K).

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	1.2M	2.0M	0.7M	60%
Non-Labor	4.0M	4.4M	0.4M	10%
<b>Total</b>	<b>5.3M</b>	<b>6.4M</b>	<b>1.1M</b>	<b>21%</b>
<b>Total FTE</b>	<b>10</b>	<b>13</b>	<b>3</b>	<b>30%</b>

- The increase in positions support the Legal Defense Network, language access, and workforce policy and partnerships.

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of Immigrant and Refugee Affairs</b>
<b>Purpose</b>	The purpose of the Office of Immigrant and Refugee Affairs Budget Summary Level is to facilitate the successful integration of immigrants and refugees into Seattle's civic, economic, and cultural life and to advocate on behalf of immigrant and refugee communities so that the City's programs and services better meet the unique needs of these constituents.

<b>BUDGET PROGRAM</b>	<b>OFFICE OF IMMIGRANT AND REFUGEE</b>			
<b>Purpose</b>	The purpose of the Office of Immigrant and Refugee Affairs Program is to facilitate the successful integration of immigrants and refugees into Seattle's civic, economic, and cultural life; to celebrate their diverse cultures and contributions to Seattle; and to advocate on behalf of immigrants and refugees.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.3M	6.2M	1.0M	18%
Other Sources	-	-	-	-
JumpStart Fund	-	0.2M	0.2M	n/a
<b>Total</b>	<b>5.3M</b>	<b>6.4M</b>	<b>1.1M</b>	<b>21%</b>

- In addition to the ongoing increases described in the overall summary, the 2024 Adopted Budget includes a one-time add of \$200,000 GF to OIRA to support migrants and asylum seekers.

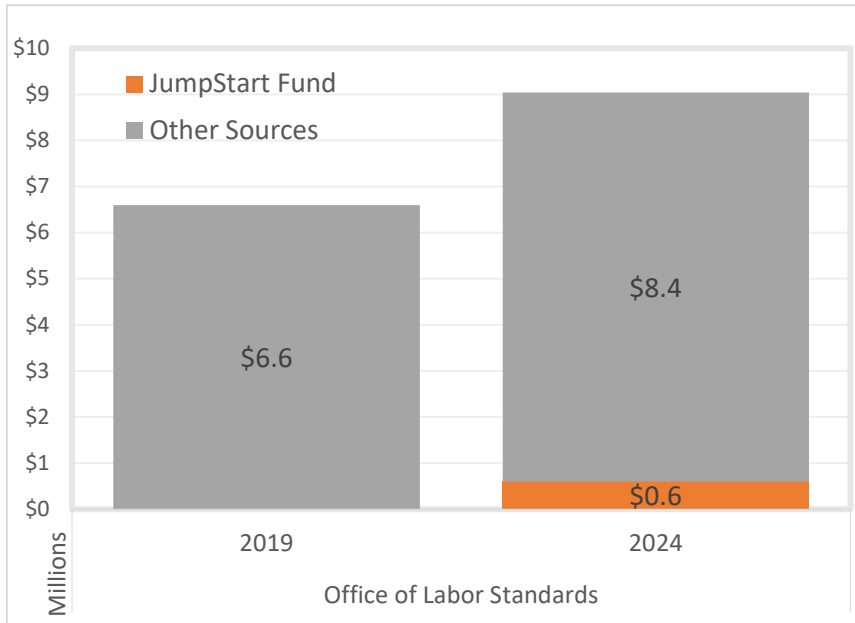
# OFFICE OF LABOR STANDARDS (OLS)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: KARINA BULL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Labor Standards	6.6M	9.0M	2.4M	37%
<b>Total</b>	<b>6.6M</b>	<b>9.0M</b>	<b>2.4M</b>	<b>37%</b>



Between 2019 and 2024 OLS’s budget increased by \$2.4 million (a 37 percent increase). Growth beyond standard inflationary increases is driven by increased responsibility and staffing related to new labor standards. In particular the addition of the [App-Based Worker Minimum Payment](#) and [Deactivation Rights Ordinances](#) (ABWDRO) led to a budgetary increase of over \$1.5 million and 10 additional FTE in 2023 and 2024.

Other significant changes include the addition of a Deputy Director and Outreach Manager. In 2024, Council added one-time JumpStart funding to support the ABWDRO and policy development related to portable paid-time-off benefits for domestic workers.

Because the OLS budget is appropriated from a separate fund (Office of Labor Standards Fund), it appears that this department is not supported by the General Fund. However, pursuant to [SMC Section 3.15.007](#), the OLS Fund is supported primarily by a regularly budgeted transfer of business license tax revenues, which are collected in the GF. As such, the portion budgeted from the OLS Fund can largely be considered a GF expenditure.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	3.3M	5.2M	1.9M	57%
Non-Labor	3.3M	3.8M	0.5M	17%
<b>Total</b>	<b>6.6M</b>	<b>9.0M</b>	<b>2.4M</b>	<b>37%</b>
<b>Total FTE</b>	<b>28</b>	<b>43</b>	<b>15</b>	<b>54%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of Labor Standards</b>
<b>Purpose</b>	The purpose of the Office of Labor Standards Budget Summary Level is to implement labor standards for workers performing work inside Seattle’s city limits. This includes investigation, remediation, outreach and education, and policy work related to existing labor standards and those that the City may enact in the future.

<b>BUDGET PROGRAM</b>	<b>OFFICE OF LABOR STANDARDS</b>			
Purpose	The purpose of the Office of Labor Standards Program is to develop and implement labor standards that advance workplace equity for employees working inside Seattle's city limits. This includes enforcement outreach and education, and policy work.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	6.6M	6.3M	- 0.3M	-4%
JumpStart Fund	-	-	0.6	n/a
<b>Total</b>	<b>6.6M</b>	<b>6.9M</b>	<b>0.3M</b>	<b>5%</b>

- In the 2022 Adopted Budget the department created new budget programs that provide a more detailed view of their budget and allows for better tracking and oversight. This resulted in transferring \$600,000 to a separate budget program for the Business Outreach and Education program, and \$1.5M transferred to a separate budget program for the Community Outreach and Education program.
- After accounting for that technical change to OLS’s budget, between 2019 and 2024 the OLS budget program increased by about 25 percent. The main drivers of this growth outside of standard inflationary adjustments include:
  - From 2019 to 2024, budget authority added for 20 FTE to support the implementation of 12 new labor standards (total of 43 FTE to implement 19 labor standards).
  - In 2022, \$172,417 was added for a Deputy Director and \$488,262 and two positions were added to support the implementation of Independent Contractor Protections Ordinance. Note, the 2023 Adopted Budget reduced funding for community outreach related to the Independent Contractor Protections Ordinance by \$144,000.
  - In 2023, \$526,000 and three positions were added to implement the App-Based Workers Minimum Payment Ordinance.
  - In 2024, \$500,000 JSF and 7.0 FTE added to implement the App-Based Worker Deactivation Rights Ordinance, and \$100,000 JSF was added for the development of a portable paid-time-off policy for domestic workers.

<b>BUDGET PROGRAM</b>	<b>BUSINESS OUTREACH &amp; EDUCATION</b>			
Purpose	The purpose of the Business Outreach and Education program is to facilitate assistance and outreach to small businesses owned by low-income and historically disenfranchised communities, who typically are not served by traditional outreach methods, to increase awareness and compliance with Seattle's labor standards.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	-	0.6M	0.6M	n/a
JumpStart Fund	-	-	-	-
<b>Total</b>	-	<b>0.6M</b>	<b>0.6M</b>	<b>n/a</b>

- A separate budget program for the Business Outreach and Education program was established in the 2022 Adopted Budget (see the Office of Labor Standards Program for more details). Funding has remained stable since that time.

<b>BUDGET PROGRAM</b>	<b>COMMUNITY OUTREACH &amp; EDUCATION</b>			
Purpose	The purpose of the Community Outreach and Education program is to strengthen the collaboration between OLS and the community by funding community-based organizations and enhancing their capacity to increase awareness and understanding of Seattle's labor standards among populations and industries with low-wage jobs and that experience high-incidents of workplace violations including: female-identifying workers, workers of color, immigrant and refugee workers, LGBTQ workers, workers with disabilities, veterans and youth workers.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	-	1.5M	1.5M	n/a
JumpStart Fund	-	-	-	-
<b>Total</b>	-	<b>1.5M</b>	<b>1.5M</b>	<b>n/a</b>

- The Community Outreach and Education program was created out of existing funding in the 2022 Adopted Budget. Initially, the 2015 Adopted Budget included \$1 million to OLS to establish the Community Outreach and Education Fund as a two-year contract cycle with community-based organizations. The 2017 Adopted Budget included approximately \$1.5 million to the Community Outreach and Education Fund. Since then, funding for this program has remained the same per year.

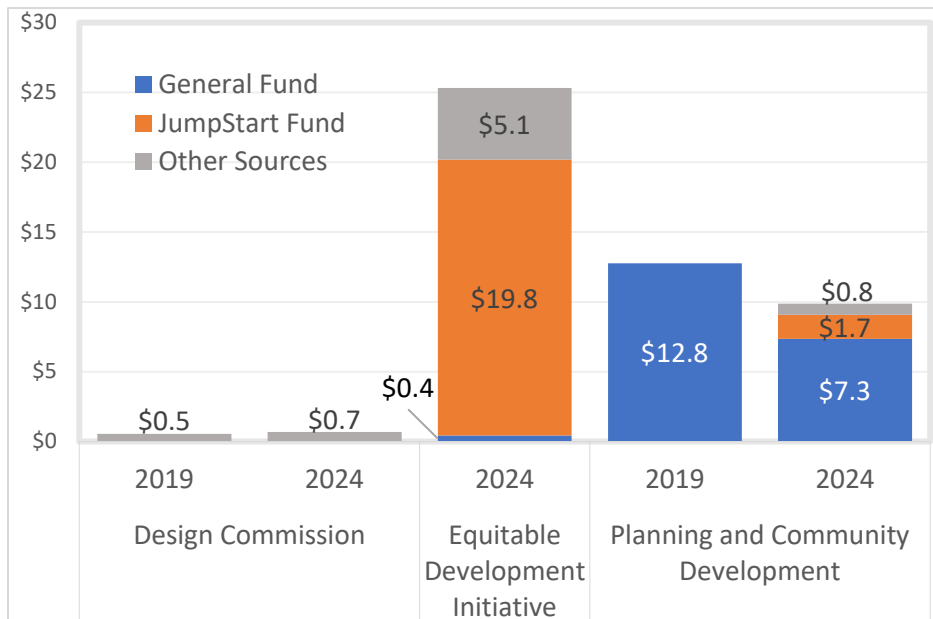
# OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT (OPCD)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: LISH WHITSON

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Design Commission	0.5M	0.7M	0.1M	25%
Planning and Community Development	12.8M	9.9M	-2.9M	-23%
Equitable Development Initiative	-	25.3M	25.3M	N/A
<b>Total</b>	<b>13.3M</b>	<b>35.9M</b>	<b>22.6M</b>	<b>170%</b>



Between 2019 and 2024 OPCD’s budget increased by \$22.6 million (a 170 percent increase). The main driver of growth beyond standard inflationary increases has been growth in funding for the Equitable Development Initiative (EDI), which provides grants to Community Based Organizations to support equitable development projects.

In 2024, EDI’s funding level reflects funding based on the [JumpStart Fund policies](#) (\$19.8 million). This BSL also receives funding from the Short-Term Rental Tax (STRT) (\$5.1 million) and Federal Community Development Block Grants (CDBG) (\$0.4 million). In

2019, the EDI budget was included under the Planning and Community Development BSL (\$1.4 million from the CDBG and \$4 million from proceeds of the sale of City-owned property). 2019 was the first year that the STRT collected revenue, and \$1 million of STRT were allocated to the EDI program that year.

Funding for planning functions has been reduced over this period. One time JSFs allocated to support planning work on Regional Growth Centers planning, Comprehensive Planning, and the Downtown Activation Plan was added for 2023 and 2024 only.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	6.4M	8.5M	2.1M	33%
Non-Labor	6.9M	27.3M	20.4M	296%
<b>Total</b>	<b>13.3M</b>	<b>35.9M</b>	<b>22.6M</b>	<b>170%</b>
<b>Total FTE</b>	<b>44</b>	<b>52</b>	<b>8</b>	<b>18%</b>



**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Design Commission</b>
<b>Purpose</b>	The purpose of the Design Commission Budget Summary Level is to give advice to the Mayor, City Council, and City Departments, concerning City-funded Capital Improvement Projects, projects that seek long-term use of the right-of-way, or major transportation projects.

<b>BUDGET PROGRAM</b>	<b>DESIGN COMMISSION</b>			
<b>Purpose</b>	The purpose of the Design Commission is to promote civic design excellence in capital improvement projects that are located on City land, in the City right-of-way, or constructed with City funds. The Seattle Design Commission advises the Mayor, the City Council, and City departments on the design of capital improvements and other projects and policies that shape Seattle's public realm. The commission provides recommendations on aesthetic, environmental and design principles and policies, and promotes interdepartmental/interagency coordination.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	0.5M	0.7M	0.1M	25%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.5M</b>	<b>0.7M</b>	<b>0.1M</b>	<b>25%</b>

- The Seattle Design Commission (SDC) receives funding from Real Estate Excises Tax (REET) revenues to support the Commission’s review of capital projects. All changes to SDC funding are due to standard cost increases.

<b>BSL</b>	<b>Planning and Community Development</b>
<b>Purpose</b>	The purpose of the Leadership & Administration Budget Summary Level is to provide centralized leadership, strategic planning, program development, financial management, and administrative support services to the office.

<b>BUDGET PROGRAM</b>	<b>PLANNING</b>			
<b>Purpose</b>	The purpose of the Planning Program is to manage a coordinated vision for growth and development in the City of Seattle that is consistent with Seattle's Comprehensive Plan, and to inform and guide growth related decisions for future development.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	12.2M	6.6M	- 5.5M	-45%
Other Sources	-	0.8M	0.8M	n/a
JumpStart Fund	-	1.7M	1.7M	n/a
<b>Total</b>	<b>12.2M</b>	<b>9.2M</b>	<b>- 3.0M</b>	<b>-25%</b>

- The move of the Equitable Development Initiative (EDI) into its own budget program (see below), reductions in funding for non-labor items (particularly consultant support and travel), and backfilling of positions with grant funding, have all reduced General Fund support for the Planning program in OPCD. This has been partially offset by standard cost increases.

- One-time JumpStart funding was allocated in 2024 to support the OneSeattle update to the Comprehensive Plan, Downtown Activation Plan implementation, and planning for the City’s Regional Growth Centers.
- The “other sources” of funding for the Planning program include overhead for the EDI program, which is paid for through Short-Term Rental Tax revenues.

BUDGET PROGRAM	PLANNING COMMISSION MANAGEMENT			
Purpose	The purpose of the Planning Commission is to advise the Mayor, the City Council and City departments on broad planning goals, policies and plans for the physical development of the city. The commission also provides independent analysis and promotes issues vital to livability.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.6M	0.7M	0.1M	24%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.6M</b>	<b>0.7M</b>	<b>0.1M</b>	<b>24%</b>

- The City Planning Commission is required by [Article XIV of the City’s Charter](#). Increases in this budget program reflect standard inflationary increases.

BSL	Equitable Development Initiative
Purpose	The purpose of the Equitable Development Initiative Budget Summary Level is to foster community leadership and support organizations that promote equitable access to housing, jobs, education, parks, cultural expression, healthy food, and other community needs and amenities. The goal of the Equitable Development Initiative is to address displacement and the unequal distribution of opportunities in order to sustain a diverse Seattle.

BUDGET PROGRAM	EQUITABLE DEVELOPMENT INITIATIVE			
Purpose	See BSL purpose statement.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	0.4M	0.4M	n/a
Other Sources	-	5.1M	5.1M	n/a
JumpStart Fund	-	19.8M	19.8M	n/a
<b>Total</b>	<b>-</b>	<b>25.3M</b>	<b>25.3M</b>	<b>n/a</b>

- In the 2019 budget \$5.6 million General Fund was allocated to the EDI program including grant funding and staffing.
- EDI became a separate budget program in the 2021 budget. At that time, that resulted in moving the \$5.6 million of ongoing budget authority for grant awards (\$5 million Short-Term Rental Tax and \$430,000 of Federal Community Development Block Grant) from the Planning and Community Development BSL to this new EDI BSL, and \$134,948 GF General Fund for EDI consultants,
- This budget program was significantly increased beginning in 2022, to implement the JumpStart Fund spending policies. In 2024, \$19.8 million JumpStart is available for equitable development grants.

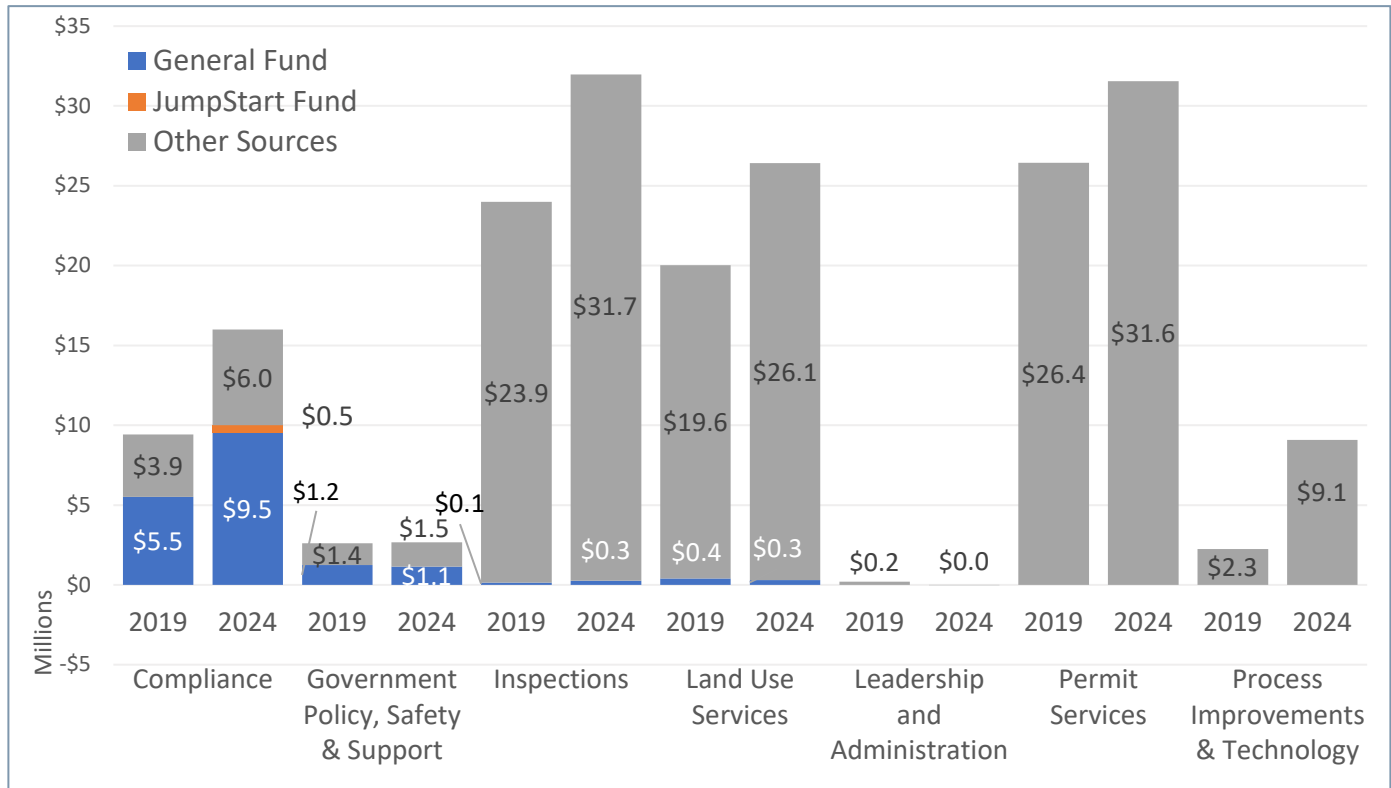
# SEATTLE DEPARTMENT OF CONSTRUCTION & INSPECTIONS (SDCI)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYSTS: ASHA VENKATARAMAN & KETIL FREEMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Compliance	9.4M	16.0M	6.6M	70%
Government Policy, Safety & Support	2.6M	2.7M	0.1M	2%
Inspections	24.0M	32.0M	8.0M	33%
Land Use Services	20.0M	26.4M	6.4M	32%
Leadership and Administration	0.2M	-	-0.2M	-115%
Permit Services	26.4M	31.6M	5.1M	19%
Process Improvements & Technology	2.3M	9.1M	6.8M	303%
<b>Total</b>	<b>84.9M</b>	<b>117.7M</b>	<b>32.7M</b>	<b>39%</b>



Between 2019 and 2024 the Seattle Department of Construction and Inspections (SDCI) budget increased by \$32.7 million (a 39 percent increase). SDCI is an operating fund department, and most department activities are funded through fees for regulatory services, which are deposited into the Construction and Inspections Fund. Statutory limitations on fee revenue make use of those funds non-fungible and they must only be used to fund SDCI’s regulatory function. A small portion of SDCI’s activities, generally less than 10 percent annually, are supported by the General Fund (GF). GF support primarily funds activities that cannot be supported by fee revenue, such as initial investigations related to complaints of code violations and development of some new regulations. In the last several years GF support has also funded tenant services grants and contracts, which similarly cannot be funded through fee revenue. The main drivers of growth include the following:

- Increased appropriations for personnel and associated costs related to SDCI’s permitting and regulatory functions due to increased permit application volumes, such as additional civil and geotechnical engineers, land use planners, site inspectors, and other personnel that review and approve permit applications and make other associated construction inspections to ensure that new development complies with current codes.
- Increased appropriations for information technology personnel and associated costs related to customization and improvements to the Accela permitting software system. The City transitioned from the prior Hansen permitting system to Accela in 2018.
- Increased non-fee funded appropriations for: (1) personnel and associated costs; and (2) tenant and landlord services contracts, including education and outreach and eviction legal defense, in SDCI’s Compliance program.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	52.8M	71.6M	18.8M	36%
Non-Labor	32.2M	46.1M	13.9M	43%
<b>Total</b>	<b>84.9M</b>	<b>117.7M</b>	<b>32.7M</b>	<b>39%</b>
<b>Total FTE</b>	<b>412</b>	<b>482</b>	<b>70</b>	<b>17%</b>

In the seven-year period since 2016, Seattle has added approximately 77,000 new housing units. In the twenty years prior to 2016 Seattle added approximately 84,000 housing units. Among other things, SDCI has added staff in the last several years to accommodate increased permit volumes. In 2023 SDCI issued permits for 13,184 residential units, which exceeds the number of permitted units in any year during the 2016 – 2023 period. Because of the time needed to hire and train staff, staffing needs typically lag demand. To mitigate the lag SDCI has contingent budget and position authority to fill term-limited positions to meet some increased demand. Some hires in recent years have been through contingent budget authority.

Permit volumes in 2024 are lower, so far, than prior years. SDCI staffing needs may decrease in 2024 and future years as permit volumes decrease. This could result in staffing reductions. Because most positions at SDCI are fee-funded, those reductions would not result in significant General Fund savings. For 2024, SDCI has 28 filled sunset positions, the majority of which are construction permit review and inspection positions.

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Compliance</b>
<b>Purpose</b>	The purpose of the Compliance Budget Summary Level is to ensure land and buildings are developed, used and maintained according to applicable code standards, reduce deterioration of structures and properties, enforce tenant protections, and support outreach and education for landlords and tenants in coordination with other departments and community organizations.

<b>BUDGET PROGRAM</b>	<b>COMPLIANCE</b>			
Purpose	The purpose of the Compliance Program is to investigate and respond to violations of code standards for the development, use, maintenance, and management of land and buildings, facilitate compliance by property owners and other responsible parties, pursue enforcement actions against violators through the legal system, reduce the deterioration of structures and properties to reduce blight, and manage the adoption of administrative rules and response to claims. The program also supports outreach and education for landlords and tenants, working in coordination with other departments and community organizations.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.5M	8.0M	2.5M	46%
Other Sources	1.9M	3.6M	1.7M	90%
JumpStart Fund	-	0.5M	0.5M	n/a
<b>Total</b>	<b>7.4M</b>	<b>12.1M</b>	<b>4.7M</b>	<b>63%</b>

- This budget program investigates and responds to complaints about alleged violations of codes applicable to use of private property.
- In the mid-2010s the administration of contracts for tenant services, such as case management and counseling, was transferred from the Human Services Department to SDCI to better align City functions related to ensuring that residential property is maintained in habitable condition and tenant protections.
- Since 2019, this budget program has increased by 63 percent, reflecting: (1) new and increased GF and JumpStart Fund appropriations for tenant services contracts that are administered by SDCI, such as eviction legal defense, language access, and tenant education; and (2) additional personnel to administer those contracts and provide education and outreach.
- Other increases in this program include increased appropriations of Real Estate Excise Tax (REET) 1 for tenant relocation assistance. Tenant relocation assistance, which is an authorized use of REET 1, partially funds the relocation of very-low income tenants who are displaced by demolition or substantial rehabilitation of a structure.

<b>BUDGET PROGRAM</b>	<b>COMPLIANCE RESOURCES</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	1.5M	1.5M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.5M</b>	<b>1.5M</b>	<b>n/a</b>

- This program was added in 2023 to track resources added by the Council for tenant services, including rental assistance to be administered in conjunction with eviction legal defense. Appropriations in this BSL are one-time and, without further action by the Mayor or Council, will not continue in 2024.

<b>BUDGET PROGRAM</b>	<b>RENTAL HOUSING</b>			
Purpose	The purpose of the Rental Housing Program is to improve the quality of the rental housing stock in Seattle and investigate and respond to violations of tenant protection regulations. By registering and inspecting all rental housing properties the program helps ensure key life, health and safety standards are met. The program provides assistance to property owners and tenants regarding relocation assistance, just cause eviction, and other duties and responsibilities of owners and tenants.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	2.0M	2.4M	0.4M	20%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.0M</b>	<b>2.4M</b>	<b>0.4M</b>	<b>20%</b>

- Increases in the Rental Housing Program were primarily driven by increases in overhead and citywide adjustments to standard costs and a one-time appropriation in 2024 of \$200,000 of Construction and Inspections Fund revenue for consultant support to improve Rental Registration Inspection program compliance.

<b>BSL</b>	<b>Government Policy, Safety &amp; Support</b>
Purpose	The purpose of the Government Policy, Safety & Support Budget Summary Level is to develop and update land use code and technical code regulations, and provide appropriate support for disaster preparation, mitigation, response, and recovery services.

<b>BUDGET PROGRAM</b>	<b>GOVT POLICY, SAFETY &amp; SUPPORT</b>			
Purpose	The purpose of the Government Policy, Safety & Support Program is to develop and update land use code and technical code regulations, manage the public disclosure of documents, and provide appropriate support for disaster preparation, mitigation, response, and recovery services.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.2M	1.1M	- 0.09M	-7%
Other Sources	1.4M	1.5M	0.14M	10%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.6M</b>	<b>2.7M</b>	<b>0.05M</b>	<b>2%</b>

- SDCI Government Policy, Safety, and Support program develops legislation for consideration by the Council and Mayor. Legislation developed by this program can include updates to environmental and land use legislation required by state law, such the Critical Areas Ordinance and the Shoreline Master Program; technical updates to the Land Use Code to facilitate administration; and discretionary regulatory changes requested by the Council and Mayor. Adjusting for inflation, appropriation to the Government, Policy Safety and Support program have declined since 2016.

<b>BSL</b>	<b>Inspections</b>
<b>Purpose</b>	The purpose of the Inspections Budget Summary Level is to provide on-site inspections of property under development, inspections of mechanical equipment at installation and on an annual or biennial cycle, and certification of installers and mechanics.

<b>BUDGET PROGRAM</b>	<b>INSPECTIONS</b>			
Purpose	The purpose of the Inspections Program is to provide timely on-site inspections of property under development at predetermined stages of construction; work closely with project architects, engineers, developers, contractors, and other City of Seattle departments to approve projects as substantially complying with applicable City codes, ordinances, and approved plans; and to issue final approvals for occupancy.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.1M	0.3M	0.1M	93%
Other Sources	21.1M	29.0M	7.9M	37%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>21.3M</b>	<b>29.2M</b>	<b>8.0M</b>	<b>38%</b>

- Increased appropriations reflect personnel and associated costs related to SDCI’s permitting and regulatory functions due to increased permit application volumes, such as additional civil and geotechnical engineers, land use planners, site inspectors, and other personnel that review and approve permit applications and make other associated construction inspections to ensure that new development complies with current codes.

<b>BUDGET PROGRAM</b>	<b>INSPECTIONS SERVICES CBA</b>			
Purpose	The purpose of the Inspections Services CBA Program is to display the amount of Contingent Budget Authority (CBA) that has not been accessed within the Inspections BCL for construction inspections and electrical inspections with plan review. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	2.7M	2.7M	-	0%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.7M</b>	<b>2.7M</b>	<b>-</b>	<b>0%</b>

- SDCI has Contingent Budget Authority (CBA) to increase resources, within a limit, for permit review and other regulatory functions when there is demand for SDCI’s regulatory services that exceeds existing resources. CBA allows SDCI to hire term-limited staff to meet demand without seeking additional appropriation or position authority from the Council. Revenue for CBA added positions comes from permit fees, not the General Fund.

<b>BSL</b>	<b>Land Use Services</b>
<b>Purpose</b>	The purpose of the Land Use Services Budget Summary Level is to provide land use permitting services.

<b>BUDGET PROGRAM</b>	<b>LAND USE SERVICES</b>			
Purpose	The purpose of the Land Use Services Program is to provide land use permitting services to project applicants, City of Seattle departments, public agencies, and residents. Land Use staff provide permit process information and regulatory expertise to inform pre-application construction project design. Land Use staff also review development concepts as part of a developer's permit application. The Land Use review process includes eliciting public input and facilitating public meetings and design review board meetings. It may also include coordination with various city and county agencies, defending project decisions during appeal to the Hearing Examiner or coordinating the department recommendation for a development application through the City Council approval process. These services are intended to ensure that development proposals are reviewed in a fair, reasonable, efficient, and predictable manner, and to ensure that the plans substantially comply with applicable codes, legal requirements, policies, and community design standards.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.4M	0.3M	- 0.1M	-24%
Other Sources	18.0M	24.4M	6.5M	36%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>18.4M</b>	<b>24.8M</b>	<b>6.4M</b>	<b>35%</b>

- Increased appropriations reflect personnel and associated costs related to SDCI's permitting and regulatory functions due to increased permit application volumes, such as additional civil and geotechnical engineers, land use planners, site inspectors, and other personnel that review and approve permit applications and make other associated construction inspections to ensure that new development complies with current codes.

<b>BUDGET PROGRAM</b>	<b>LAND USE SERVICES CBA</b>			
Purpose	The purpose of the Land Use Services CBA Program is to display the amount of unallocated Contingent Budget Authority (CBA) in the Land Use Services BSL that has not been accessed. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	1.7M	1.7M	-	0%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.7M</b>	<b>1.7M</b>	<b>-</b>	<b>0%</b>

- SDCI has Contingent Budget Authority (CBA) to increase resources, within a limit, for permit review and other regulatory functions when there is demand for SDCI's regulatory services that exceeds existing resources. CBA allows SDCI to hire term-limited staff to meet demand without seeking additional appropriation or position authority from the Council. Revenue for CBA added positions comes from permit fees, not the General Fund.



<b>BSL</b>	<b>Leadership and Administration</b>
<b>Purpose</b>	The purpose of the Leadership & Administration Budget Summary Level is to lead and direct department employees, provide policy guidance, and oversee relationships with the community.

APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.2M	0.0M	- 0.2M	-115%
<b>Total</b>	<b>0.2M</b>	<b>0.0M</b>	<b>- 0.2M</b>	<b>-115%</b>

APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Citywide Indirect Costs	21.2M	29.3M	8.1M	38%
Departmental Indirect Costs	3.5M	5.1M	1.6M	48%
Divisional Indirect Costs	2.9M	4.4M	1.5M	54%
Indirect Cost Recovery Offset	- 27.3M	- 38.8M	- 11.5M	42%
<b>Total</b>	<b>0.2M</b>	<b>0.0M</b>	<b>- 0.2M</b>	<b>-115%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter for additional information.

<b>BSL</b>	<b>Permit Services</b>
<b>Purpose</b>	The purpose of the Permit Services Budget Summary Level is to facilitate the review of development plans and processing of permits.

BUDGET PROGRAM	PERMIT SERVICES			
Purpose	The purpose of the Permit Services Program is to facilitate the review of development plans and processing of permits.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
Other Sources	22.8M	27.9M	5.1M	22%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>22.8M</b>	<b>27.9M</b>	<b>5.1M</b>	<b>22%</b>

- Increased appropriations reflect personnel and associated overhead costs related to SDCI’s permitting and regulatory functions due to increased permit application volumes, such as additional civil and geotechnical engineers, land use planners, site inspectors, and other personnel that review and approve permit applications and make other associated construction inspections to ensure that new development complies with current codes.

<b>BUDGET PROGRAM</b>	<b>PERMIT SERVICES CBA</b>			
Purpose	The purpose of the Permit Services CBA Program is to display the amount of unallocated Contingent Budget Authority (CBA) in the Permit Services BSL that has not been accessed for construction plan review and peer review contracts. In contrast, CBA that is accessed is appropriated in the programs in which it will be spent.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	3.7M	3.7M	-	0%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.7M</b>	<b>3.7M</b>	<b>-</b>	<b>0%</b>

- SDCI has Contingent Budget Authority (CBA) to increase resources, within a limit, for permit review and other regulatory functions when there is demand for SDCI’s regulatory services that exceeds existing resources. CBA allows SDCI to hire term-limited staff to meet demand without seeking additional appropriation or position authority from the Council. Revenue for CBA added positions comes from permit fees, not the General Fund

<b>BSL</b>	<b>Process Improvements &amp; Technology</b>
Purpose	The purpose of the Process Improvements and Technology Budget Summary Level is to allow the department to plan and implement continuous improvements to its business processes, including related staff training and equipment purchases. The purpose includes ensuring the Department's major technology investments are maintained, upgraded, or replaced when necessary.

<b>BUDGET PROGRAM</b>	<b>PROCESS IMPROVEMENTS AND TECH</b>			
Purpose	The purpose of the Process Improvements and Technology Program is to allow the department to plan and implement continuous improvements to its business processes, including related staff training and equipment purchases. The purpose includes ensuring the Department's major technology investments are maintained, upgraded, or replaced when necessary.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
Other Sources	2.3M	9.1M	6.8M	303%
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.3M</b>	<b>9.1M</b>	<b>6.8M</b>	<b>303%</b>

- Increased appropriations for information technology reflects personnel and associated costs related to customization and improvements to the Accela permitting software system. The City transitioned from the prior Hansen permitting system to Accela in 2018.

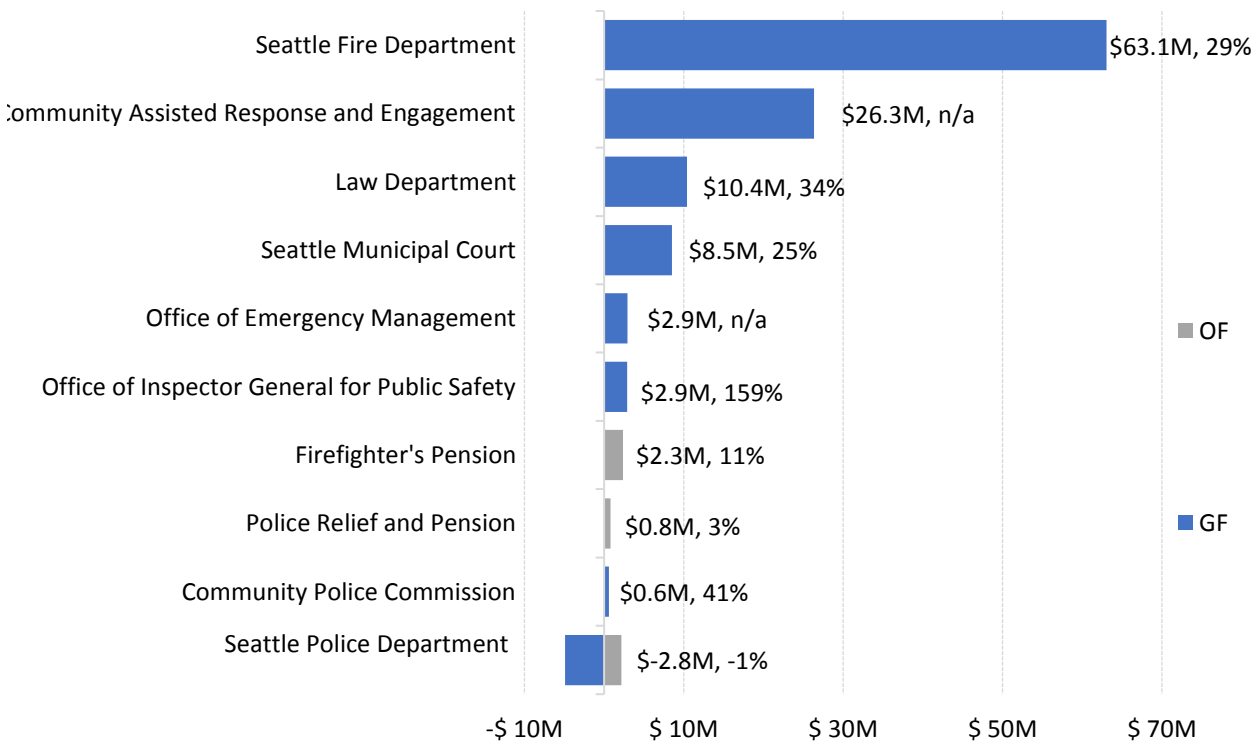
# Policy Area: Public Safety

The Public Safety policy area includes the following departments:

- Community Assisted Response and Engagement
- Community Police Commission
- Firefighter's Pension
- Law Department
- Office of Emergency Management
- Office of Inspector General for Public Safety
- Police Relief and Pension
- Seattle Fire Department
- Seattle Municipal Court
- Seattle Police Department

Since 2019, the budgets within this area increased overall by 16 percent. The chart below illustrates total growth in department budgets within this policy area since 2019. The subsequent department specific summaries provide more detail about what has driven this growth.

*Adopted budget growth in the Public Safety policy area since 2019 (all funds)*



*Note: The reduction in SPD's budget between 2019-2024 is due to transfers of programs and personnel out of SPD into departments (e.g., the transfer of the 911 Call Center to the newly created CARE Department). After accounting for these transfers, SPD's budget has increased by approximately \$25 million (a 6 percent increase) between 2019 and 2024.*

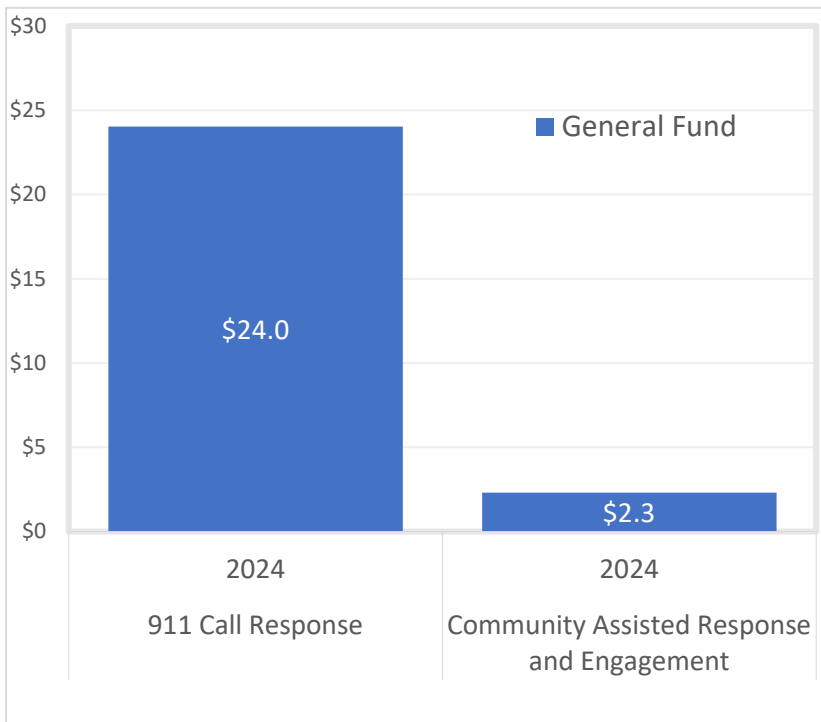
# COMMUNITY ASSISTED RESPONSE AND ENGAGEMENT (CARE)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ANN GORMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
911 Call Response	-	24.0M	24.0M	N/A
Community Assisted Response and Engagement	-	2.3M	2.3M	N/A
<b>Total</b>	-	<b>26.3M</b>	<b>26.3M</b>	<b>N/A</b>



The Community Assisted Response and Engagement (CARE) Department was established as an independent department in 2021 with a budget of \$17.9 million. Prior to that time, its work purview had been housed within the Seattle Police Department.

In 2024 CARE's budget is \$26.3 million, an \$8.4 million (47%) compared to 2021. In addition to standard inflationary adjustments, the main drivers of growth include:

- The 2023 launch of the City's first Crisis Care response unit.
- The addition of executive and administrative staff.
- The addition of call-taker and dispatcher staff at the City's 9-1-1 call center.
- Costs associated with information technology projects to enhance call-taking efficiency and help enable the dual dispatch of SPD and non-SPD response units.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	-	21.2M	21.2M	N/A
Non-Labor	-	5.1M	5.1M	N/A
<b>Total</b>	-	<b>26.3M</b>	<b>26.3M</b>	<b>N/A</b>
<b>Total FTE</b>	-	<b>163</b>	<b>163</b>	<b>N/A</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Community Assisted Response and Engagement</b>
<b>Purpose</b>	The purpose of the Community Assisted Response and Engagement Budget Summary Level is to develop and implement programs that address behavioral issues and substance abuse, share information across departments, and respond to non-emergent, low-risk community calls for service.

<b>BUDGET PROGRAM</b>	<b>DUAL DISPATCH</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	2.3M	2.3M	N/A
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.3M</b>	<b>2.3M</b>	<b>N/A</b>

- 2024 is the first year that CARE’s budget includes a discrete Dual Dispatch budget program. This budget program includes position costs for the 1.0 FTE Manager and the 6.0 FTE Crisis Care Responders who direct and provide mobile response consistent with established geographical parameters and agreement with the Seattle Police Officers Guild. Also included here are position costs for a deputy department director, a public information officer, and an executive assistant. All of these positions were made permanent in the 2024 Adopted Budget.
- This budget program also includes ongoing operational costs for the pilot provision of mobile crisis response, such as for supplies and vehicle lease and maintenance.
- Funding for the current dual dispatch pilot was provided by a 2023 transfer from the Seattle Fire Department of costs foregone when the Executive declined to pursue its proposed Triage One program (\$1.2 million; this funding was itself transferred from the Seattle Police Department (SPD) in 2022) and a Finance General reserve funded by SPD salary savings (\$709,000).
- The 2024 budget for this budget program assumes the status quo continuation of the City’s dual dispatch pilot.

<b>BSL</b>	<b>911 Call Response</b>
<b>Purpose</b>	The purpose of the 911 Call Response Budget Summary Level is to answer 911 calls, dispatch City public safety responses, facilitate reporting of minor incidents; and respond to community safety requests.

<b>BUDGET PROGRAM</b>	<b>COMMUNICATIONS CENTER</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	24.0M	24.0M	N/A
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>24.0M</b>	<b>24.0M</b>	<b>N/A</b>

- The 911 Call Response budget program houses the City's 9-1-1 Call Center. Because the dual dispatch program began in 2023, the CARE Department's 2021 budget of \$17.9 million is a reasonable proxy for the current 911 Call Response budget program. Before that time, call center operations were one component of SPD's Administrative Operations Budget Summary Level, and it is not possible to derive a 2019 baseline for this function alone. On the basis of this imperfect comparison, costs for the current Communications Center budget program increased by \$6.1 million or 34% from 2021 to 2024.
- In 2021 CSCC staff included 142.0 FTE, most of them in the Call Taker and Dispatcher classification series. In 2024 there are 153.0 FTE, an increase of almost eight percent. Since 2016 a series of analyses have found that the Call Center is significantly understaffed.
- Some of this budget program's growth since 2021 has been to support operations as an independent department. A director position was added in 2021. In 2022, a deputy director position, an additional 4.0 FTE, and incremental budget were added to support recruitment and administrative functions (\$956,000).

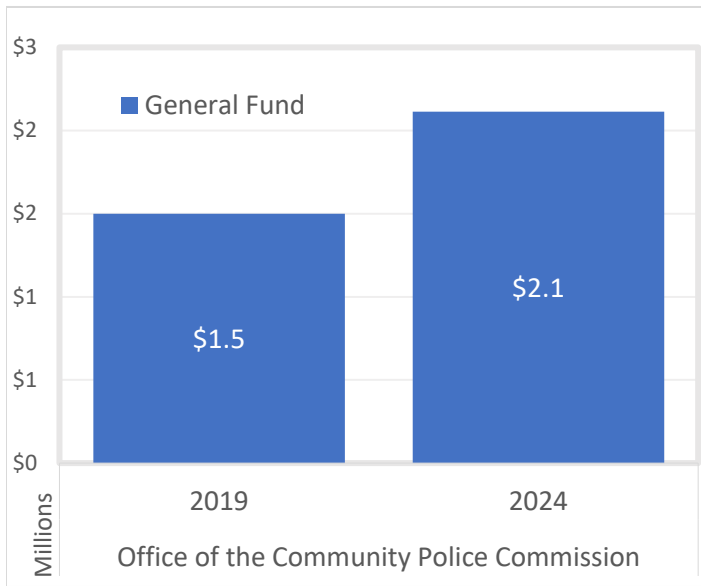
# COMMUNITY POLICE COMMISSION

## 2019-2024 BUDGET SUMMARY

STAFF ANALYST: GREG DOSS

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of the Community Police Commission	1.5M	2.1M	0.6M	41%
<b>Total</b>	<b>1.5M</b>	<b>2.1M</b>	<b>0.6M</b>	<b>41%</b>



The purpose of the Office of the Community Police Commission (CPC) is to leverage the ideas, talents, experience, and expertise of the community to provide ongoing community input into the development of the Seattle Police Department reforms, the establishment of police priorities, and facilitation of police/community relationships necessary to promote public safety. There is only one Budget Summary Level for the CPC. Therefore, all the changes to the department budget are captured below. Between 2019 and 2024 the Community Police Commission budget increased by \$0.6 million, (a 41 percent increase).<sup>1</sup> The main drivers of growth beyond standard inflation increases include:

- \$80,000 for the retention of outside legal services for independent legal advice and representation in policing-related matters, particularly with relation to United States v. Seattle, before the U.S. District Court of Western Washington.
- \$109,000 for position reclassifications made prior to 2020, including - Strategic Advisor 2, Exempt to an Executive 3 - Strategic Advisor 1, Exempt to a Strategic Advisor 2, Exempt - Public Relations, Sr to a Strategic Advisor 1, Exempt - Planning and Development, Supervising to a Strategic Advisor 1, Exempt.
- \$192,000 for a Deputy Director position that is added in 2023 to assist in managing the operations of the office, and to facilitate strategic planning.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	1.1M	1.6M	0.5M	43%
Non-Labor	0.4M	0.5M	0.1M	35%
<b>Total</b>	<b>1.5M</b>	<b>2.1M</b>	<b>0.6M</b>	<b>41%</b>

<b>Total FTE</b>	<b>9</b>	<b>10</b>	<b>1</b>	<b>11%</b>
------------------	----------	-----------	----------	------------

<sup>1</sup> Reductions or increases have not been inflated from the year in which the budget action occurred. Programs / personnel may cost more in 2024 due to labor and benefit cost increases. This is also true for programs funded with sworn salary savings.

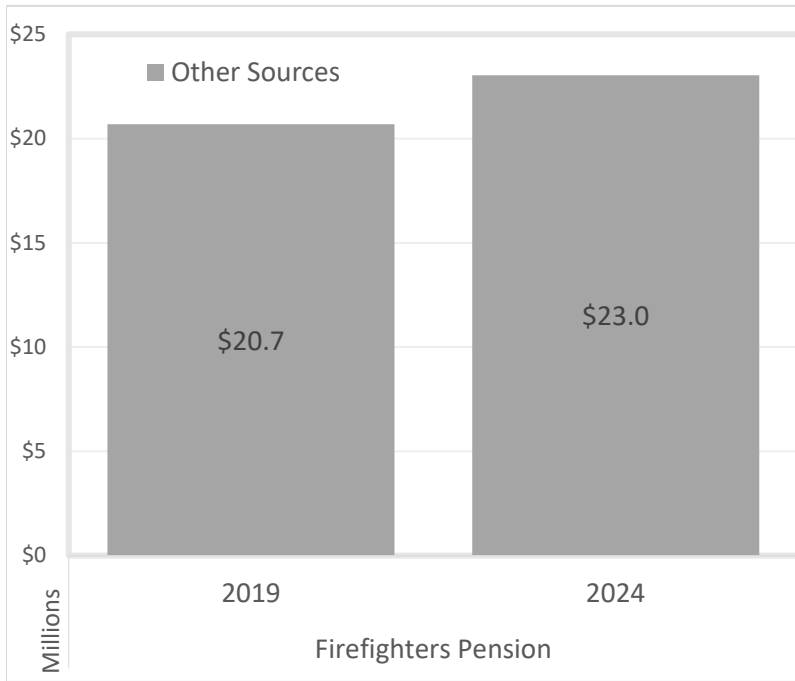
# FIREFIGHTER'S PENSION

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TOM MIKESELL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Firefighters Pension	20.7M	23.0M	2.3M	11%
<b>Total</b>	<b>20.7M</b>	<b>23.0M</b>	<b>2.3M</b>	<b>11%</b>



Governed by a five-member board that is chaired by the Mayor or their designee, the Firefighter's Pension (FPEN) provides pension and medical benefit services to eligible firefighters, and their beneficiaries, that were hired before October 1, 1977. Firefighters hired after that date receive pension benefits through the state's Law Enforcement Officers Firefighters (LEOFF 2) plan.

Between 2019 and 2024 the FPEN budget increased by \$2.3 million (an 11 percent increase). The main drivers of growth were pension payments, which grew by \$1.7 million since 2019, and medical benefits payments, which grew by \$500,000.

FPEN is funded primarily through annual contributions from City property taxes that are collected in the GF and transferred to FPEN (\$20.3 million in 2024) in the FG budget, supplemented

by receipts from the state's fire insurance premium tax (\$1.4 million in 2024) and minor miscellaneous other revenues. Given this funding profile, FPEN can be considered largely a GF expenditure.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	20.4M	21.6M	1.2M	6%
Non-Labor	0.3M	1.4M	1.1M	399%
<b>Total</b>	<b>20.7M</b>	<b>23.0M</b>	<b>2.3M</b>	<b>11%</b>
<b>Total FTE</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>0%</b>

- The bulk of the FPEN budget is for pension and medical payments to beneficiaries. As shown in the table above, non-labor costs have grown by \$1.1 million since 2019. This is due to a required technical transfer to an actuarial account, mandated by [ORD 125190](#), that balances the current year's revenues and expenditures with future pension funding obligations. In effect, the amount of revenues that exceed actuarially required expenditures is set aside to pay future obligations.



**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Firefighters Pension</b>
<b>Purpose</b>	The purpose of the Firefighters' Pension Budget Summary Level is to provide benefit services to eligible active and retired firefighters and their lawful beneficiaries.

<b>BUDGET PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
<b>Leadership and Administration</b>	0.9M	1.0M	0.1M	13%
<b>Death Benefits</b>	0.02M	0.02M	-	0%
<b>Medical Benefits</b>	12.0M	12.5M	0.5M	4%
<b>Pensions</b>	7.8M	9.5M	1.7M	22%
<b>Total</b>	<b>0.02M</b>	<b>0.02M</b>	-	<b>0%</b>

- As described in the overview, and detailed in the table above, FPEN growth since 2019 has largely been in pension and medical payments to plan beneficiaries.

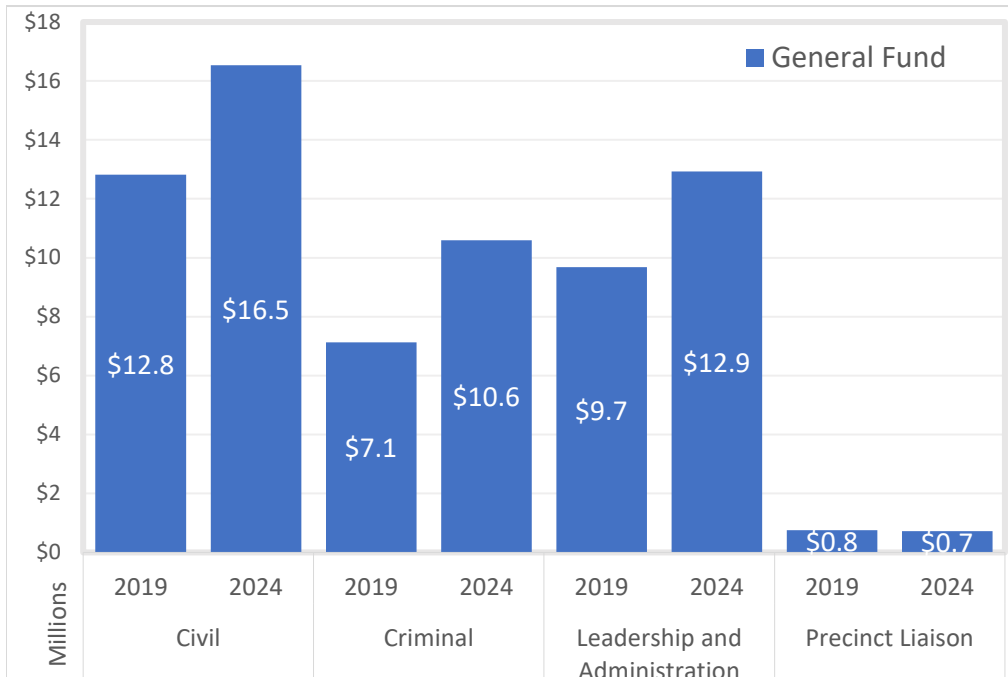
# CITY ATTORNEY'S OFFICE (LAW)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TAMASO JOHNSON

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Civil	12.8M	16.5M	3.7M	29%
Criminal	7.1M	10.6M	3.5M	49%
Leadership and Administration	9.7M	12.9M	3.3M	34%
Precinct Liaison	0.8M	0.7M	-0.03M	-4%
<b>Total</b>	<b>30.4M</b>	<b>40.8M</b>	<b>10.4M</b>	<b>34%</b>



Between 2019 and 2024 the City Attorney's Office budget increased by \$10.4 million (a 34 percent increase). The main drivers of growth beyond standard inflation increases (e.g., increased labor and rent costs) are due to the addition of specialized staffing.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	24.9M	33.4M	8.5M	34%
Non-Labor	5.5M	7.3M	1.9M	34%
<b>Total</b>	<b>30.4M</b>	<b>40.8M</b>	<b>10.4M</b>	<b>34%</b>
<b>Total FTE</b>	<b>196</b>	<b>210</b>	<b>14</b>	<b>7%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Civil</b>
<b>Purpose</b>	The purpose of the Civil Budget Summary Level is to provide legal advice to the City's policy-makers, and to defend and represent the City, its employees, and officials before a variety of county, state, federal courts, and administrative bodies.

<b>BUDGET PROGRAM</b>	<b>CIVIL</b>			
Purpose	(See BSL purpose statement)			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	12.8M	16.5M	3.7M	29%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>12.8M</b>	<b>16.5M</b>	<b>3.7M</b>	<b>29%</b>

- The budget program has increased by 3.7 million since 2019 (a 29 percent increase). Beyond standard inflationary impacts, this is primarily attributable to changes included in the 2022 Adopted Budget to restore funding for two Assistant City Attorney positions and the addition of funding for three new positions to address capacity issues and reduce the need for, and costs associated with, engaging outside council. Some of this funding was then reduced in the 2023 and 2024 budgets to address the GF deficit, therefore the Civil division has continued to have capacity issues and a need to engage outside council.

<b>BSL</b>	<b>Criminal</b>
<b>Purpose</b>	The purpose of the Criminal Budget Summary Level includes prosecuting ordinance violations and misdemeanor crimes, maintaining case information and preparing effective case files for the court appearances of prosecuting attorneys, and assisting and advocating for victims of domestic violence throughout the court process.

<b>BUDGET PROGRAM</b>	<b>CRIMINAL</b>			
Purpose	See BSL purpose statement above			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	7.1M	10.6M	3.5M	49%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>7.1M</b>	<b>10.6M</b>	<b>3.5M</b>	<b>49%</b>

- The budget program has increased by 3.5 million since 2019 (a 49 percent increase). Beyond standard inflationary impacts, this is primarily attributable to changes included in the 2022 Adopted Budget for specialized programmatic and staffing costs (LEAD, victim advocacy, domestic violence, diversion, firearms). Some of the ongoing funding added in 2022 was then reduced in the 2024 Adopted Budget to the GF deficit.

<b>BSL</b>	<b>Precinct Liaison</b>
<b>Purpose</b>	The purpose of the Precinct Liaison Budget Summary Level is to support a program where attorneys work in each of the City’s five precincts, providing legal advice to police and other City departments. In helping to address a variety of neighborhood and community problems, the precinct liaison attorneys coordinate with the Civil and Criminal divisions with the goal of providing a consistent, thorough and effective approach.

<b>BUDGET PROGRAM</b>	<b>PRECINCT LIAISON</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.8M	0.7M	-	-4%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.8M</b>	<b>0.7M</b>	<b>-</b>	<b>-4%</b>

- Beginning in 2017, the LAW provided a fifth Precinct Liaison Attorney to SPD under a MOA, which expired at the end of 2020. The 4 percent decrease in this budget program is attributable to the elimination of one Precinct Liaison position in 2021 (offset by standard inflationary increases for the remaining positions).

<b>BSL</b>	<b>Leadership and Administration</b>
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, financial, technological, administrative and managerial support to the Department.

<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	9.7M	12.9M	3.3M	34%
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>9.7M</b>	<b>12.9M</b>	<b>3.3M</b>	<b>34%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	2.1M	6.2M	4.1M	197%
Departmental Indirect Costs	4.5M	2.8M	-1.8M	-39%
Pooled Benefits	3.1M	4.0M	0.9M	30%
<b>Total</b>	<b>9.7M</b>	<b>12.9M</b>	<b>3.3M</b>	<b>34%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter for additional information at the Citywide level.

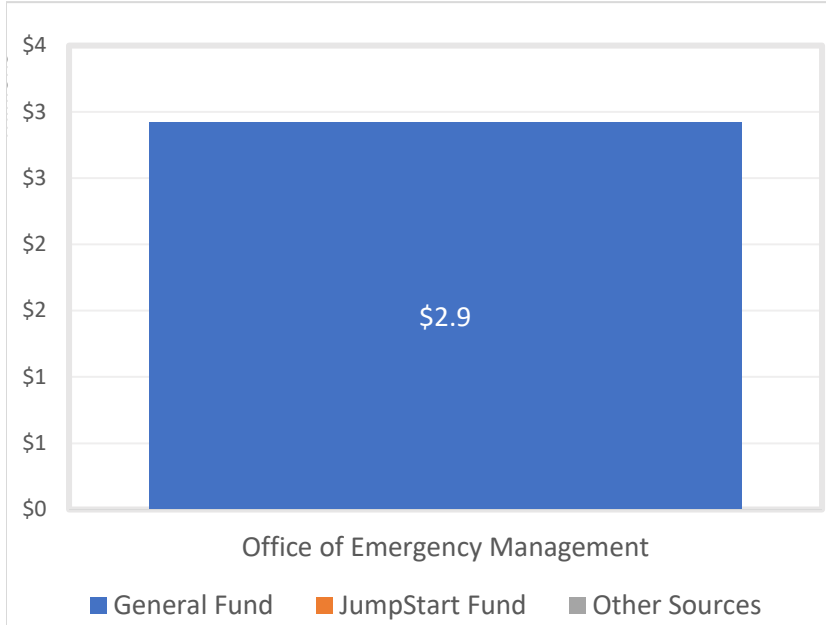
# OFFICE OF EMERGENCY MANAGEMENT (OEM)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ANN GORMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Emergency Management	0.0M	2.9M	2.9M	n/a
<b>Total</b>	<b>0.0M</b>	<b>2.9M</b>	<b>2.9M</b>	<b>n/a</b>



The independent Office of Emergency Management was established via the 2021 budget process to lead the Citywide emergency management program, with an initial budget of \$2.5 million transferred from SPD, where this function was previously housed.

Since 2021 OEM has not added staff, expanded programmatically, or incurred significant new expenditures. The 0.4 million (16 percent increase) reflects standard inflationary adjustments.

Costs associated with the EOC’s technological infrastructure – its testing, maintenance, integration, and lifecycle replacement – are included in Seattle Information Technology’s budget.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	-	2.1M	2.1M	n/a
Non-Labor	-	0.8M	0.8M	n/a
<b>Total</b>	<b>-</b>	<b>2.9M</b>	<b>2.9M</b>	<b>n/a</b>
<b>Total FTE</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>n/a</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Office of Emergency Management</b>
<b>Purpose</b>	The purpose of the Office of Emergency Management Budget Summary Level is to manage citywide emergency planning, hazard mitigation, disaster response and recovery coordination, community preparedness, and internal and external partnership building.

<b>BUDGET PROGRAM</b>	<b>Office of Emergency Management</b>			
<b>Purpose</b>	The purpose of the Office of Emergency Management Budget Program is to manage citywide emergency planning, hazard mitigation, disaster response and recovery coordination, community preparedness, and internal and external partnership building.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
<b>General Fund</b>	-	2.9M	2.9M	n/a
<b>Other Sources</b>	-	-	-	-
<b>JumpStart Fund</b>	-	-	-	-
<b>Total</b>	-	<b>2.9M</b>	<b>2.9M</b>	<b>n/a</b>

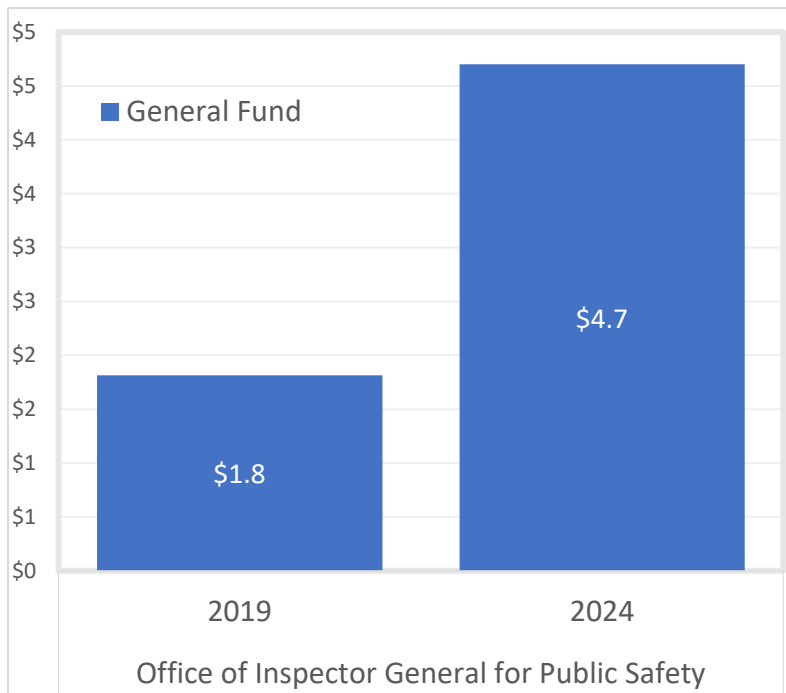
# OFFICE OF INSPECTOR GENERAL FOR PUBLIC SAFETY (OIG)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: GREG DOSS

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Inspector General for Public Safety	1.8M	4.7M	2.9M	159%
<b>Total</b>	<b>1.8M</b>	<b>4.7M</b>	<b>2.9M</b>	<b>159%</b>



The Office of Inspector General for Public Safety provides civilian oversight of management and operations of the Seattle Police Department (SPD) and Office of Police Accountability (OPA) as well as civilian review of criminal justice system operations and practices that involve SPD or OPA. The OIG has only one Budget Summary Level. Therefore, all changes to the department budget are captured below.

Between 2019 and 2024 DEPT budget increased by \$2.9 million annually (a 159% increase). The main drivers of growth include:

- \$440,000 to fund additional personnel to support the administrative functions of OIG, including funding for an Operations Manager, outside legal counsel, a Community Engagement Specialist and a half-time Public Disclosure Officer. These positions provide basic agency support and were not included in the OIG start-up costs.

- \$650,000 for additional personnel as audit and investigative work has increased, including two Auditor positions and a Senior Auditor position.
- \$607,000 for additional personnel to staff audits as required by the Surveillance Ordinance (Ord 125679), including two Auditors/ Investigators and consultant funding for assessments of whether surveillance technology is being used consistent with department policies and whether technologies have a potential for impacting civil liberties.
- \$596,000 for additional personnel that will assume the investigative and reporting duties that are currently provided by the Seattle Police Monitor and required under the 2012 Consent Decree, including three Auditor / Investigator positions and one half-time Community Engagement Specialist.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	1.4M	3.8M	2.5M	179%
Non-Labor	0.4M	0.9M	0.4M	97%
<b>Total</b>	<b>1.8M</b>	<b>4.7M</b>	<b>2.9M</b>	<b>159%</b>
<b>Total FTE</b>	<b>10</b>	<b>23</b>	<b>13</b>	<b>125%</b>

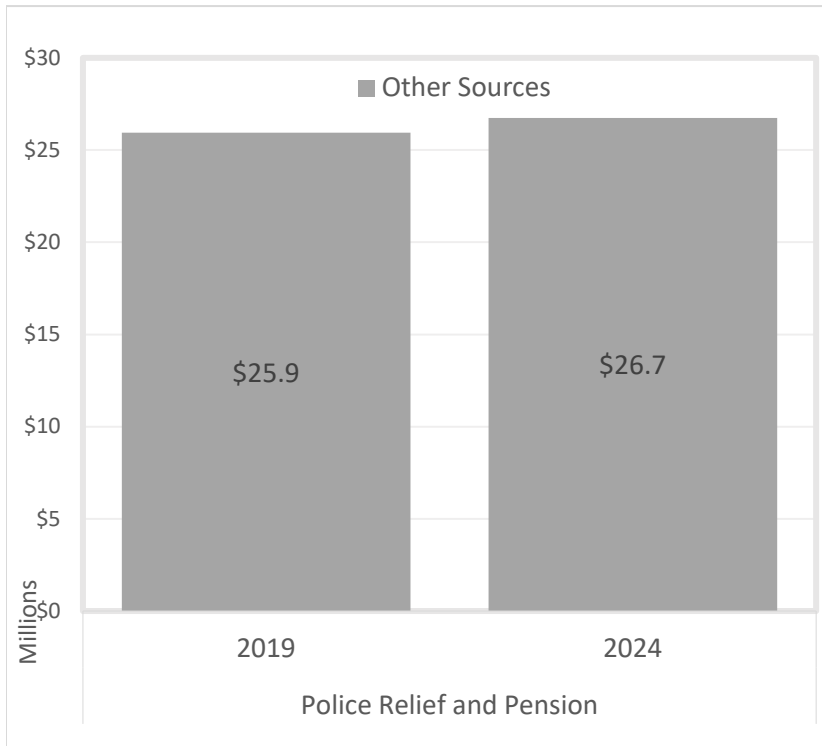
# POLICE RELIEF AND PENSION

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TOM MIKESELL

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 ADOPTED BUDGET	2024 ADOPTED BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Police Relief and Pension	25.9M	26.7M	0.8M	3%
<b>Total</b>	<b>25.9M</b>	<b>26.7M</b>	<b>0.8M</b>	<b>3%</b>



Governed by a seven-member board that is chaired by the Mayor or their designee, the Police Relief and Pension (PPEN) budget provides pension and medical benefit services to eligible police officers, and their beneficiaries, that were hired before October 1, 1977. Police officers hired after that date receive pension benefits through the state’s Law Enforcement Officers Firefighters (LEOFF 2) plan.

Between 2019 and 2024 the PPEN budget increased by \$0.9 million (a 3 percent increase). The main drivers of growth was member pension benefit payments, which grew by \$0.7 million since 2019. FPEN is funded primarily through annual contributions from the City’s GF in the Finance General budget. As such, PPEN can be considered a GF expenditure.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	25.7M	26.6M	0.8M	3%
Non-Labor	0.2M	0.2M	-	0%
<b>Total</b>	<b>25.9M</b>	<b>26.7M</b>	<b>0.8M</b>	<b>3%</b>
<b>Total FTE</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>0%</b>

- The bulk of the PPEN budget is for labor expenditures, specifically pension and medical payments to beneficiaries. PPEN has maintained a consistent staffing level of three positions to administer the benefit program since 2019.



**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Police Relief and Pension</b>
<b>Purpose</b>	The purpose of the Police Relief and Pension Budget Summary Level is to provide responsive benefit services to eligible active-duty and retired Seattle police officers.

<b>BUDGET PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
<b>Leadership and Administration</b>	0.8M	1.0M	0.2M	19%
<b>Death Benefits</b>	0.02M	0.02M	-	0%
<b>Medical Benefits</b>	15.4M	15.4M	-	0%
<b>Pensions</b>	9.7M	10.4M	0.7M	22%
<b>Total</b>	<b>25.9M</b>	<b>26.8M</b>	<b>0.9M</b>	<b>3%</b>

- As described in the overview, and detailed in the table above, PPEN growth has been minimal since 2019, and has largely been in pension and medical benefits. It is worth noting that recent actuarial reports have indicated that medical and long-term care costs will increase over the next 15 to 20 years due to PPEN's aging membership and annual trend rates for medical and long-term care costs.

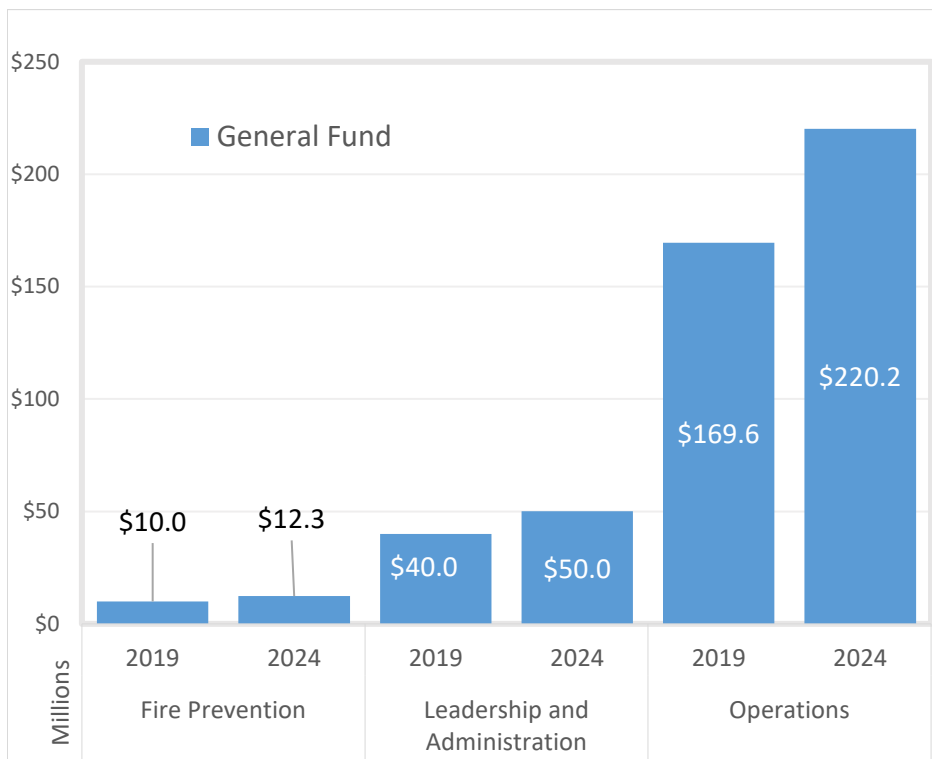
# SEATTLE FIRE DEPARTMENT (SFD)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ANN GORMAN

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Fire Prevention	10.0M	12.3M	2.4M	24%
Leadership and Administration	40.0M	50.0M	10.1M	25%
Operations	169.6M	220.2M	50.6M	30%
<b>Total</b>	<b>219.5M</b>	<b>282.6M</b>	<b>63.1M</b>	<b>29%</b>



Between 2019 and 2024, the Seattle Fire Department’s (SFD’s) budget increased by a total of \$63.1 million (29%), an average of approximately six percent per year.

Firefighters comprise about 90 percent of SFD’s work force, and the majority of the department’s budget supports the response they provide, both in terms of labor costs and in areas like training, equipment, and vehicle maintenance.

Annual wage increases for firefighters are not included in SFD’s budget starting in 2022. The City of Seattle and the International Association of Fire Fighters, Local 27, signed a collective bargaining agreement (CBA) in late 2023, retroactive to 2022, and the Council authorized execution of the CBA in December 2023. Details of the agreement are available in the fiscal

note and staff memo to [Ordinance 126974](#). Funding for both retroactive payments and the additional resources needed in 2024 will be appropriated this year. The City’s CBA with the International Association of Fire Chiefs, Local 2898, expired at the end of 2021.

When the West Seattle Bridge closed for repairs in 2020, the Executive funded temporary supplemental resources to ensure timely service provision to affected communities, at a cost of \$4.2 million. In the 2024 budget, Council made these resources ongoing (\$4.7 million). Please see below for details.

The main non-programmatic drivers of SFD’s overall budget increase from 2019 through 2024 are inflationary cost increases for goods and services, central cost adjustments administered by the City Budget Office (CBO), and annual wage increases for SFD employees not represented by Local 27 or Local 2898.

SFD’s Fire Prevention work unit collects fees that offset some of the costs associated with providing fire prevention services to direct service users. These fees, for services and permits, are adjusted biannually via ordinance. In 2024, revenue from these fees is anticipated to be over \$6 million.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

(\$ IN 000'S)	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	183.8M	231.7M	47.9M	26%
Non-Labor	35.7M	50.9M	15.1M	42%
<b>Total</b>	<b>219.5M</b>	<b>282.6M</b>	<b>63.1M</b>	<b>29%</b>
<b>Total FTE</b>	<b>1,167</b>	<b>1,204</b>	<b>37</b>	<b>3%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Fire Prevention</b>
<b>Purpose</b>	The purpose of the Fire Prevention Budget Summary Level is to provide Fire Code enforcement to help prevent injury and loss from fire and other hazards.

<b>BUDGET PROGRAM</b>	<b>CODE COMPLIANCE</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.5M	0.8M	0.3M	51%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.5M</b>	<b>0.8M</b>	<b>0.3M</b>	<b>51%</b>

- This budget program resolves code compliance violations that are identified in inspections performed by SFD staff. The budget program also ensures code compliance with respect to shelters, encampments, and vacant/derelict buildings, and it inspects all high-rise buildings in Seattle and participates on the City's Joint Enforcement Team (JET), which is coordinated by the Department of Finance and Administrative Services (FAS).
- Because this budget program's base budget is so small, a one-time correction made by the City Budget Office in 2021 (\$133,000) has an outsized impact on the budget percentage change from 2019 through 2024.

<b>BUDGET PROGRAM</b>	<b>FIRE INVESTIGATIONS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.4M	1.7M	0.3M	18%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.4M</b>	<b>1.7M</b>	<b>0.3M</b>	<b>18%</b>

- The Fire Investigations budget program houses SFD's investigative unit. When homes and apartments are damaged in fire or in case of fatality from a fire, SFD investigates the fire's cause and origin. The work unit's determination is required before insurance will reimburse the victims and may also be required in various civil and criminal procedures. This unit also investigates arson and other criminal activities, and it partners with the Seattle Police Department's Arson Bomb Squad.

<b>BUDGET PROGRAM</b>	<b>OFFICE OF THE FIRE MARSHALL</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	1.6M	1.8M	0.2M	15%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>1.6M</b>	<b>1.8M</b>	<b>0.2M</b>	<b>15%</b>

- The Office of the Fire Marshal develops and implements regulations related to fire and life safety, including those that address hazardous materials (see SMC 22.600.025). It also develops Fire Code enforcement policy, manages the Fire Code Advisory Board, develops permit and fee regulations, and performs mandatory reporting to federal and state agencies. Increases in this program reflect standard inflationary adjustments.

<b>BUDGET PROGRAM</b>	<b>REGULATING CONSTRUCTION</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	3.5M	4.4M	1.0M	28%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.5M</b>	<b>4.4M</b>	<b>1.0M</b>	<b>28%</b>

- This budget program houses the plan review, inspections, and certification functions that are mandatory for city residents and businesses prior to the undertaking of construction or remodeling projects. Requirements governing this approval process are included in the Seattle Fire Code and the Seattle Municipal Code.

<b>BUDGET PROGRAM</b>	<b>SPECIAL EVENTS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.6M	1.0M	0.4M	67%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>0.6M</b>	<b>1.0M</b>	<b>0.4M</b>	<b>67%</b>

- Residents and businesses in Seattle are legally required to obtain permits and inspections from the Seattle Fire Marshal's Office for concerts, fireworks displays, and special events that bring large numbers of people together in one space. This budget program also provides food truck permitting and approvals.
- The increase in this budget program between 2019 and 2024 reflects standard inflationary increases and an increase in the overtime budget for EMS and Fire Guard Services required for special events. The amount of special event activity has increased Citywide and requires more emergency medical and fire guard services. These services are reimbursed by the venue/event promoter.

<b>BUDGET PROGRAM</b>	<b>SPECIAL HAZARDS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	2.4M	2.6M	0.2M	9%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>2.4M</b>	<b>2.6M</b>	<b>0.2M</b>	<b>9%</b>

- When businesses perform hazard processes (e.g., welding and dry cleaning) or store hazardous materials, they are required by law to follow the Fire Code and must receive permission and inspections from the SFD. The purpose of the Special Hazards Program is to enforce Fire Code requirements for the safe storage, handling, transport, and use of flammable or combustible liquids and other hazardous materials to reduce the dangers that such materials pose to the public.

<b>BSL</b>	<b>Operations</b>
<b>Purpose</b>	The purpose of the Operations Budget Summary Level is to provide emergency and disaster response capabilities for fire suppression, emergency medical needs, hazardous materials, weapons of mass destruction, and search and rescue. In addition, reduce injuries by identifying and changing practices that place firefighters at greater risk and provide communication services.

- SFD groups its response units into six administrative entities, called battalions. With the exception of Battalion 3, each of these battalions has its own Chief, who is responsible for the operations of the fire stations within that battalion.
- When the West Seattle Bridge closed in 2020, SFD sought to preserve timely response to West Seattle by adding a temporary ladder truck response unit at Fire Station 37 and a temporary medic response unit at Fire Station 26, at a cost of \$4.2 million. These resources – i.e., funding for additional overtime shifts and the costs of maintaining SFD backup vehicles in regular service – were continued through 2023. Council included funding (\$4.7 million; additional one-time costs will be reflected in 2025) and 24.0 FTE in 2023 to make permanent the supplemental service, recognizing that it was being provided in an area that the Office of Planning and Community Development’s (OPCD’s) Racial and Social Equity Index had previously identified as one of higher disadvantage and higher priority for planning, program, and investment. Because the incremental service was provided via overtime through 2023, 2024 position costs associated with the permanent service expansion are still reflected in this BSL’s Operations Activities budget program, rather than in the Battalion 7 budget program. SFD is currently engaged in its annual rebalancing process, which will move Battalion’s 7 new costs into that budget program.
- The department’s base budget includes funding for the hiring and training of 60 new firefighter recruits per year. SFD’s recruit hiring and training budget is allocated across the Leadership and Administration BSL and the Operations BSL. Personnel costs for the recruits in training are budgeted in Operations. See above for a description of recruit classes that were included incremental to the base-budget funding.

<b>BUDGET PROGRAM</b>	<b>BATTALION 2</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	28.1M	33.0M	4.9M	17%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>28.1M</b>	<b>33.0M</b>	<b>4.9M</b>	<b>17%</b>

- Battalion 2 serves the city’s downtown core.

<b>BUDGET PROGRAM</b>	<b>BATTALION 3 MEDIC ONE</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	13.7M	17.7M	4.0M	30%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>13.7M</b>	<b>17.7M</b>	<b>4.0M</b>	<b>30%</b>

- Unlike other battalions, Battalion 3 is not geographically constituted. This battalion is the organizational structure for the specialized firefighter-paramedics who staff medic units that respond from various fire stations located throughout the city.
- In 2024, personnel costs are included in this budget program for the new 8.0 FTE firefighter-paramedic positions added to support Medic Unit 26 in West Seattle.

<b>BUDGET PROGRAM</b>		<b>BATTALION 4</b>		
Purpose		Purpose statement not provided		
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	27.3M	35.0M	7.7M	28%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>27.3M</b>	<b>35.0M</b>	<b>7.7M</b>	<b>28%</b>

- Battalion 4 serves the northwest part of the city.

<b>BUDGET PROGRAM</b>		<b>BATTALION 5</b>		
Purpose		Purpose statement not provided		
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	25.8M	32.7M	6.9M	27%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>25.8M</b>	<b>32.7M</b>	<b>6.9M</b>	<b>27%</b>

- Battalion 5 serves the southeast part of the city.

<b>BUDGET PROGRAM</b>		<b>BATTALION 6</b>		
Purpose		Purpose statement not provided		
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	24.2M	29.7M	5.6M	23%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>24.2M</b>	<b>29.7M</b>	<b>5.6M</b>	<b>23%</b>

- Battalion 6 serves the northeast part of the city.

<b>BUDGET PROGRAM</b>		<b>BATTALION 7</b>		
Purpose		Purpose statement not provided		
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	21.6M	26.1M	4.5M	21%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>21.6M</b>	<b>26.1M</b>	<b>4.5M</b>	<b>21%</b>

- Battalion 7 serves West Seattle.

<b>BUDGET PROGRAM</b>		<b>COMMUNICATIONS</b>		
Purpose		Purpose statement not provided		
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.2M	6.8M	1.7M	33%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>5.2M</b>	<b>6.8M</b>	<b>1.7M</b>	<b>33%</b>

- This budget program houses the Fire Alarm Center (FAC), which is the City's secondary Public Safety Answering Point (PSAP), receiving calls that are transferred from the primary PSAP in the CARE Department for fire, medical, or rescue response. Firefighter/Dispatchers dispatch appropriate SFD response units and subsequently monitor them for safety.
- In 2022 SFD added a 1.0 FTE Firefighter/Dispatcher Training Coordinator in this budget program.

BUDGET PROGRAM	OFFICE OF THE OPERATIONS CHIEF			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	7.2M	9.9M	2.7M	37%
<b>Total</b>	<b>7.2M</b>	<b>9.9M</b>	<b>2.7M</b>	<b>37%</b>

- The purpose of the Office of the Operations Chief Program is to provide planning, leadership, and tactical support to maximize emergency fire, disaster, and rescue operations. The cost increase for the administration and oversight of this body of work has exceeded cost increases in many of SFD's other budget programs.
- Expenditures for a wide range of activities are funded in this budget program. As an example, in 2022, \$383,000 (one time) was added for the purchase of medical devices and personal protective equipment, and \$150,000 ongoing was added for crisis counseling services for firefighters, which are provided through a partnership with Local 27.

BUDGET PROGRAM	OPERATIONS ACTIVITIES			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	15.3M	27.2M	11.9M	78%
<b>Total</b>	<b>15.3M</b>	<b>27.2M</b>	<b>11.9M</b>	<b>78%</b>

- This budget program houses SFD's budgeted costs for overtime associated with minimum staffing, as well as (minimally) for other activities performed in the BSL.
- A budget increase of \$4.2 million in 2020, rising to \$4.7 million in 2024, funded the temporary operation of additional ladder truck and medic response units serving West Seattle. Budget adjustments currently in process by the Executive will transfer that budget into the Battalion 7 budget program, because Council made the expanded services permanent in the 2024 Adopted Budget.
- During the pandemic, SFD's overtime costs increased due to a combination of lower staffing levels, higher response levels, and firefighters' role in Covid testing and vaccine provision.

BUDGET PROGRAM	SAFETY AND RISK MANAGEMENT			
Purpose	Purpose statement not provided			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	1.4M	2.1M	0.7M	55%
<b>Total</b>	<b>1.4M</b>	<b>2.1M</b>	<b>0.7M</b>	<b>55%</b>

- The purpose of the Safety and Risk Management budget program is to reduce injuries and health problems by identifying practices that place firefighters at risk during an emergency incident, providing services to enhance firefighter health and safety and citywide disaster preparedness.
- Because this budget program's base budget is so small, a one-time operating adjustment in 2023 (\$301,000) has outsize impact on the budget percentage change from 2019 through 2024.



<b>BSL</b>		<b>Leadership and Administration</b>		
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide strategy and policy, public outreach and education, information and personnel management, recruitment and training of uniformed staff; allocate and manage available resources; and provide logistical support needed to achieve the Department's mission.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	40.0M	50.0M	10.1M	25%
JumpStart Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>40.0M</b>	<b>50.0M</b>	<b>10.1M</b>	<b>25%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	27.4M	35.1M	7.7M	28%
Departmental Indirect Costs	12.5M	14.9M	2.4M	19%
<b>Total</b>	<b>40.0M</b>	<b>50.0M</b>	<b>10.1M</b>	<b>25%</b>

- SFD's Leadership and Administration Budget Summary Level houses the Office of the Fire Chief and the department's administrative functions, including finance, human resources, public affairs, and strategic planning. It also includes the Fire Alarm Center and the Mobile Integrated Health Program, the parent organization for the Health One program.
- The department's base budget includes funding for the hiring and training of 60 new firefighter recruits per year. SFD's recruit hiring and training budget is allocated across the Leadership and Administration BSL (which coordinates and administers the recruit academy and incurs hiring-process costs such as psychological and medical exams) and the Operations BSL.
- The department's actual need for new recruits is variable depending on the number of recruits who successfully completed training in previous years and the separations from service of incumbent firefighters. When SFD's staffing level is low, firefighters must cover additional shifts on an overtime basis to ensure that every position in this BSL is staffed every day. The Executive included funding for an additional class of 20 recruits in 2022 (\$1.5 million) and 30 recruits (\$2.2 million) in 2023. Council provided funding in 2020 to augment the recruit class by nine recruits (\$600,000) and in 2021 it restored recruit-class funding (\$1.6 million) that the Executive had proposed for reduction.
- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments' missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. Please see the "Leadership and Administration Budget Summary Levels Overview" section in the Citywide Summary chapter for additional information at the Citywide level.

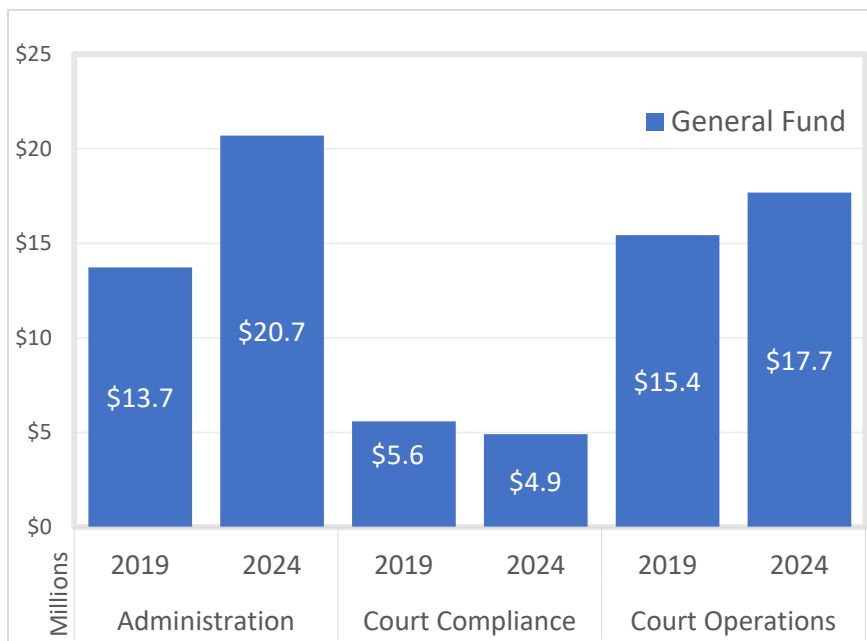
# SEATTLE MUNICIPAL COURT (SMC)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: TAMASO JOHNSON

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Administration	13.7M	20.7M	7.0M	51%
Court Compliance	5.6M	4.9M	-0.7M	-12%
Court Operations	15.4M	17.7M	2.2M	15%
<b>Total</b>	<b>34.8M</b>	<b>43.3M</b>	<b>8.5M</b>	<b>25%</b>



Between 2019 and 2024 SMC’s budget increased by \$8.5 million (a 25 percent increase). The main drivers of growth include: labor costs and standard citywide cost adjustments within the areas of Administration and Court Operations.

A restructuring of the Court’s probation program resulted in cost savings from the elimination of 13 positions in 2021, resulting in decreased expenses in the area of Court Compliance. Other operational savings were realized in 2023 primarily through the elimination of vacant staff positions.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	24.4M	26.7M	2.2M	9%
Non-Labor	10.3M	16.6M	6.3M	61%
<b>Total</b>	<b>34.8M</b>	<b>43.3M</b>	<b>8.5M</b>	<b>25%</b>
<b>Total FTE</b>	<b>215</b>	<b>202</b>	<b>-13</b>	<b>-6%</b>

**DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM**

<b>BSL</b>	<b>Administration</b>
<b>Purpose</b>	The purpose of the Administration Budget Summary Level is to provide administrative controls, develop and provide strategic direction, and provide policy and program development.

This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the Citywide Summary chapter 2019-2024 for additional information at the Citywide level.

BUDGET PROGRAM	CITYWIDE INDIRECT COSTS			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	7.9M	12.6M	4.7M	59%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>7.9M</b>	<b>12.6M</b>	<b>4.7M</b>	<b>59%</b>

- Ongoing increase due to standard citywide cost changes.

BUDGET PROGRAM	DEPARTMENTAL INDIRECT COSTS			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.8M	8.1M	2.3M	39%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>5.8M</b>	<b>8.1M</b>	<b>2.3M</b>	<b>39%</b>

- Ongoing increase primarily due to labor costs, standard citywide cost changes, and costs related to improvements in court information systems.

<b>BSL</b>	<b>Court Compliance</b>
<b>Purpose</b>	The purpose of the Court Compliance Budget Summary Level is to help defendants understand the Court's expectations and to assist them in successfully complying with court orders.

BUDGET PROGRAM	COURT COMPLIANCE			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	5.6M	4.9M	- 0.7M	-12%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>5.6M</b>	<b>4.9M</b>	<b>- 0.7M</b>	<b>-12%</b>

- The overall reduction in compliance costs is due to the Court’s restructuring of this programming consistent with their ‘Probation Evolution Project’ resulting in a reduction of 13 probation positions in 2021. New programmatic compliance costs were added in 2022 related to electronic home monitoring diversion technology and a court resource center.

<b>BSL</b>	<b>Court Operations</b>
<b>Purpose</b>	The purpose of the Court Operations Budget Summary Level is to hold hearings and address legal requirements for defendants and others who come before the Court. Some proceedings are held in formal courtrooms and others in magistrate offices, with the goal of providing timely resolution of alleged violations of City ordinances and misdemeanor crimes committed within the Seattle city limits.

<b>BUDGET PROGRAM</b>	<b>COURT OPERATIONS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	15.4M	17.7M	2.2M	15%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>15.4M</b>	<b>17.7M</b>	<b>2.2M</b>	<b>15%</b>

– Ongoing increase primarily due to labor costs and standard citywide cost changes.

# SEATTLE POLICE DEPARTMENT (SPD)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: GREG DOSS

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Chief of Police	10.3M	14.5M	4.2M	41%
Collaborative Policing	-	12.6M	12.6M	N/A
Compliance and Professional Standards Bureau	3.5M	5.2M	1.7M	47%
Criminal Investigations	13.0M	43.0M	30.0M	230%
East Precinct	29.0M	19.8M	- 9.2M	-32%
Leadership and Administration	73.8M	95.2M	21.4M	29%
Narcotics Investigations	6.0M	-	- 6.0M	-100%
North Precinct	39.6M	29.6M	- 10.0M	-25%
Office of Police Accountability	4.2M	5.7M	1.5M	36%
Patrol Operations	15.4M	13.3M	- 2.1M	-14%
School Zone Camera Program	-	2.2M	2.2M	N/A
South Precinct	21.2M	20.6M	- 0.6M	-3%
Southwest Precinct	18.7M	15.6M	- 3.1M	-17%
Special Investigations	9.6M	-	- 9.6M	-100%
Special Operations	57.0M	63.9M	6.9M	12%
Special Victims	7.9M	-	- 7.9M	-100%
Technical Services	43.0M	31.0M	- 12.0M	-28%
Violent Crimes	9.6M	-	- 9.6M	-100%
West Precinct	36.8M	23.7M	- 13.0M	-35%
<b>Total</b>	<b>398.6M</b>	<b>395.8M</b>	<b>- 2.8M</b>	<b>-1%</b>

Between 2019 and 2024 Seattle Police Department (SPD) budget decreased by \$2.8 million (a one percent reduction). In this 5-year period, there have been a series of changes that while overall appearing to show a decrease in funding, there have been funding increases and repurposing of existing funding to support the SPD's operations. If you exclude reductions in SPD's budget that resulted from transferring programs and personnel out of SPD (e.g., the transfer of the 911 Call Center), SPD's budget would show an approximately six percent increase (\$25 million)<sup>1</sup> between 2019 and 2024. Therefore, rather than providing a summary by BSL or budget program, Central Staff summarized the main drivers of change overall (the summary tables by BSL and budget program are provided for reference following the summary). The details at the BSL and program level are provided by the description of changes is summarized below.

<sup>1</sup> This includes standard inflationary increases due to sworn labor settlements and citywide standard increases in this five-year period but excludes labor contracts still under negotiation.

- **A series of intra-department reorganizations, highlights of which include:**
  - Transfer of smaller investigative programs (Narcotics, Special Victims, Special Investigation, Violent Crimes) into the Criminal Investigations BSL.
  - Transfer of sworn support and crime data programs (Wellness Unit, Public Affairs Unit, and Performance Analytics & Research Unit) into the Chief of Police BSL.
  - Transfer of some sworn and civilian community response programs (Community Service Officer unit, Outreach units, Crisis Response unit, Mayor’s security) into a new Collaborative Policing BSL.
  - Consolidation of department indirect costs into the Leadership and Administration BSL.
  - Creation of a School Zone Camera program.
  
- **Ongoing Reductions that reflect movement of funds and personnel out of the Seattle Police Department:<sup>2</sup>**
  - \$19.9 million reduction to transfer the 911 Call Center out of SPD and to create the CARE Department – (142.0 FTEs).
  - \$11.0 million reduction to support citywide General Fund expenditures.
  - \$3.7 million reduction to transfer to the Seattle Fire Department (SFD) and Human Services Department (HSD) to fund community safety investments in the Triage Team (SFD) and the Regional Peacekeepers Collective (HSD).
  - \$2.5 million reduction to transfer the Office of Emergency Management (OEM) out of SPD and establish a new department (OEM) – (15.0 FTEs).
  - \$450,000 reduction to transfer the contract for the Crisis Response Unit’s mental health providers (MHPs) to HSD.
  - \$1.3 million reduction to transfer the department’s Victim Advocates to HSD.
  - \$292,000 reduction to fund additional services in the Seattle Neighborhood Group contract in HSD.
  - \$240,000 reduction to fund dedicated phone line crisis prevention and intervention services for first responders in HSD and to fund floatplane zone awareness training.
  
- **Ongoing inter-departmental repurposing of unneeded sworn salary funding that became available as the sworn force incurred a net loss of approximately 337 trained officers between 2020 to 2023.**
  - \$15.0 million repurpose of sworn salary funding to the overtime budget between 2019 and 2024. The majority of the \$15M is reflected in the Patrol Operations and Criminal Investigations BSLs. Part of the increase is due to funding that increases Seattle Police Officer Guild compensation rates in 2020.
    - much of which is reflected in an increase to the Special Operations BSL.
  - \$7.0 million repurpose of sworn salary funding to increase discretionary account spending (e.g., professional services, training), between 2019 and 2024, including ongoing funding necessary to support technology costs such as the department’s Data Analytics Platform (DAP) and Computer Aided Dispatch system, and police equipment. These accounts are spread among several BSLs, including the Technical Services BSL which contains funding for data systems’ support.
  - \$3.8 million repurpose of sworn salary funding to fund hiring incentives and the department’s recruitment and retention program, primarily funded in the Leadership and Administration BSL.
  - \$2.4 million repurpose of sworn salary funding to expand the Community Service Officer Program, located in the Collaborative Policing BSL.
  - \$1.8 million repurpose of sworn salary funding to pay for fleet-wide expansion of Automated License Plate Reader technology and the Executive’s Technology Assisted Crime Prevention Pilot, which uses CCTV and Automated Gunshot locator technology to deter crime and augment violent crime investigations. This funding is reflected in an increase in the Technical Services BSL.
  - \$930,000 repurpose of sworn salary funding to create a sworn mental health program (\$486,000) and Relational Policing / Before the Badge program (\$442,000), which are funded in the Chief of Police BSL.
  - \$496,000 repurpose of sworn salary funding to fund four public disclosure positions that are required due to increased work in the legal section, which is funded in the Chief of Police BSL.

– **Other increases in funding to SPD:**

- \$6.0 million increase in federal and state grant backed funding moved into the 2024 Adopted Budget. These grants had been funded on a one-time basis in the Supplemental Grants Ordinance, primarily funding programs that are located in the Leadership and Administration and Chief of Police BSLs.
- \$6.8 million net increase in funding to pay for citywide rate increases between 2019 and 2024, including FAS rates (Fleets and Facilities), IT rates, centralized human resources rates (SDHR allocation) and Judgement and Claim Fund costs, the majority of which located in the Leadership and Administration BSL.3
- \$4.5 million increase in funding in 2024 to fund Special Event Shift Premiums as agreed to in an MOU with the Seattle Police Officer’s Guild. This funding comes from Finance General Reserves and was held for anticipated labor agreements. The appropriation for these funds is in the Special Operations BSL.
- \$2.2 million increase in funding between 2019 and 2024 from the School Zone Safety funding to the School Zone Camera Program.
- \$860,000 increase to fund additional personnel in the Office of Police Accountability. Increased funding covers the addition of four positions: Deputy Director, Assistant Council / Legal Writer, Investigations Supervisor, Civilian Investigator 4.
- \$292,000 increase in funding for the transfer of two positions from the Law Department to SPD for consent decree and employment claims work in the Chief of Police BSL.

**DEPARTMENT OVERVIEW – LABOR / NON-LABOR**

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	319.7M	291.5M	- 28.3M	-9%
Non-Labor	78.9M	104.3M	25.5M	32%
<b>Total</b>	<b>398.6M</b>	<b>395.8M</b>	<b>- 2.8M</b>	<b>-1%</b>
<b>Total FTE</b>	<b>2,172</b>	<b>1,826</b>	<b>-346</b>	<b>-16%</b>

<sup>2</sup> Reductions or increases have not been inflated from the year in which the budget action occurred. Programs / personnel may cost more in 2024 due to labor and benefit cost increases. This is also true for programs funded with sworn salary savings.

<sup>3</sup> It is possible that some of the funding for rate increases came indirectly from salary savings that were cut for General Fund balancing purposes, or from other account redistributions internal to SPD. However, most reductions to SPD’s labor budget were one-time and do not represent an ongoing decrease.

<sup>4</sup> It is possible that some of the funding for appropriation increases came indirectly from salary savings that were cut for General Fund balancing purposes.

## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

<b>BSL</b>	<b>Chief of Police</b>
<b>Purpose</b>	The purpose of the Chief of Police Budget Summary Level is to lead and direct department employees and to provide policy guidance and oversee relationships with the community, with the goal that the department provides the City with professional, dependable, and respectful public safety services.

<b>BUDGET PROGRAM</b>	<b>CHIEF OF POLICE</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	10.3M	14.5M	4.2M	41%
Other Sources	-	-	-	n/a
JumpStart Fund	-	-	-	n/a
<b>Total</b>	<b>10.3M</b>	<b>14.5M</b>	<b>4.2M</b>	<b>41%</b>

<b>BSL</b>	<b>Collaborative Policing</b>
<b>Purpose</b>	The purpose of the Collaborative Policing Budget Summary Level is to centralize the department's efforts to collaborate and partner with the community on public safety issues. The BSL is a combination of the department's community engagement and outreach elements including the new Community Service Officers (CSO) program, Navigation Team, and Crisis Intervention Response Team.

<b>BUDGET PROGRAM</b>	<b>COLLABORATIVE POLICING</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	12.6M	12.6M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>12.6M</b>	<b>12.6M</b>	<b>n/a</b>

<b>BSL</b>	<b>Compliance and Professional Standards Bureau</b>
<b>Purpose</b>	The purpose of the Compliance and Professional Standards Bureau Budget Summary Level is to investigate and review use of force issues. It includes the Department's Force Investigation Team and Use of Force Review Board as well as Compliance and Professional Standards Administration.

<b>BUDGET PROGRAM</b>	<b>COMPLIANCE &amp; PROF. STANDARDS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	3.5M	5.2M	1.7M	47%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>3.5M</b>	<b>5.2M</b>	<b>1.7M</b>	<b>47%</b>



<b>BSL</b>	<b>Criminal Investigations</b>
<b>Purpose</b>	The purpose of the Criminal Investigations Budget Summary Level is to investigate potential criminal activity.

<b>BUDGET PROGRAM</b>	<b>COORDINATED CRIMINAL INVESTIGATIONS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	5.4M	5.4M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5.4M</b>	<b>5.4M</b>	<b>n/a</b>

<b>BUDGET PROGRAM</b>	<b>CRIMINAL INVESTIGATIONS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	13.0M	2.6M	- 10.5M	-80%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>13.0M</b>	<b>2.6M</b>	<b>- 10.5M</b>	<b>-80%</b>

<b>BUDGET PROGRAM</b>	<b>MAJOR INVESTIGATIONS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	15.4M	15.4M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>15.4M</b>	<b>15.4M</b>	<b>n/a</b>

<b>BUDGET PROGRAM</b>	<b>SPECIAL VICTIMS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	6.5M	6.5M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6.5M</b>	<b>6.5M</b>	<b>n/a</b>

<b>BUDGET PROGRAM</b>	<b>VIOLENT CRIMES</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	13.1M	13.1M	n/a
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>13.1M</b>	<b>13.1M</b>	<b>n/a</b>

<b>BSL</b>	<b>East Precinct</b>
<b>Purpose</b>	The purpose of the East Precinct Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the East Precinct, to promote safety in their homes, schools, businesses, and the community at large.

<b>BUDGET PROGRAM</b>	<b>EAST PRECINCT</b>			
Purpose	The purpose of the East Precinct Budget Program is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the East Precinct, to promote safety in their homes, schools, businesses, and the community at large.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	29.0M	19.8M	- 9.2M	-32%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>29.0M</b>	<b>19.8M</b>	<b>- 9.2M</b>	<b>-32%</b>

<b>BSL</b>	<b>Leadership and Administration</b>
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Department of Education and Early Learning.

<b>BUDGET PROGRAM</b>	<b>CITYWIDE INDIRECT COSTS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	26.4M	20.7M	- 5.7M	-22%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>26.4M</b>	<b>20.7M</b>	<b>- 5.7M</b>	<b>-22%</b>

<b>BUDGET PROGRAM</b>	<b>DEPARTMENTAL INDIRECT COSTS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	29.9M	57.8M	27.8M	93%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>29.9M</b>	<b>57.8M</b>	<b>27.8M</b>	<b>93%</b>

<b>BUDGET PROGRAM</b>	<b>DIVISIONAL INDIRECT COSTS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	17.4M	16.7M	- 0.8M	-4%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>17.4M</b>	<b>16.7M</b>	<b>- 0.8M</b>	<b>-4%</b>

<b>BSL</b>	<b>Narcotics Investigations</b>
<b>Purpose</b>	Purpose statement not provided

<b>BUDGET PROGRAM</b>	<b>NARCOTICS INVESTIGATIONS</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	6.0M	-	- 6.0M	-100%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>6.0M</b>	<b>-</b>	<b>- 6.0M</b>	<b>-100%</b>

<b>BSL</b>	<b>North Precinct</b>
<b>Purpose</b>	The purpose of the North Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the North Precinct, to promote safety in their homes, schools, businesses, and the community at large.

<b>BUDGET PROGRAM</b>	<b>NORTH PRECINCT</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	39.6M	29.6M	- 10.0M	-25%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>39.6M</b>	<b>29.6M</b>	<b>- 10.0M</b>	<b>-25%</b>

<b>BSL</b>	<b>Office of Police Accountability</b>
<b>Purpose</b>	The purpose of the Office of Police Accountability Budget Summary Level is to investigate and process complaints involving officers in the Seattle Police Department.

<b>BUDGET PROGRAM</b>	<b>POLICE ACCOUNTABILITY</b>			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	4.2M	5.7M	1.5M	36%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>4.2M</b>	<b>5.7M</b>	<b>1.5M</b>	<b>36%</b>

<b>BSL</b>	<b>Patrol Operations</b>
<b>Purpose</b>	The purpose of the Patrol Operations Budget Summary Level is to provide public safety and order maintenance.

<b>BUDGET PROGRAM</b>	PATROL OPERATIONS			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	15.4M	13.3M	- 2.1M	-14%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>15.4M</b>	<b>13.3M</b>	<b>- 2.1M</b>	<b>-14%</b>

<b>BSL</b>	<b>School Zone Camera Program</b>
<b>Purpose</b>	The purpose of the School Zone Camera Program Budget Summary Level is to support operations and administration for the School Zone Camera program

<b>BUDGET PROGRAM</b>	SCHOOL ZONE CAMERA PROGRAM			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.0M	0.0M	0.0M	n/a
Other Sources	0.0M	2.2M	2.2M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>0.0M</b>	<b>2.2M</b>	<b>2.2M</b>	<b>n/a</b>

<b>BSL</b>	<b>South Precinct</b>
<b>Purpose</b>	The purpose of the South Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services with the goal of keeping residents of, and visitors to, the South Precinct, safe in their homes, schools, businesses, and the community at large.

<b>BUDGET PROGRAM</b>	SOUTH PRECINCT			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	21.2M	20.6M	- 0.6M	-3%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>21.2M</b>	<b>20.6M</b>	<b>- 0.6M</b>	<b>-3%</b>

<b>BSL</b>	<b>Southwest Precinct</b>
<b>Purpose</b>	The purpose of the Southwest Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the Southwest Precinct, to promote safety in their homes, schools, businesses, and the community at large.

<b>BUDGET PROGRAM</b>	SOUTHWEST PRECINCT			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	18.7M	15.6M	- 3.1M	-17%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>18.7M</b>	<b>15.6M</b>	<b>- 3.1M</b>	<b>-17%</b>

<b>BSL</b>	<b>Special Investigations</b>
<b>Purpose</b>	Purpose statement not provided

<b>BUDGET PROGRAM</b>	SPECIAL INVESTIGATIONS			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	9.6M	0.0M	- 9.6M	-100%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>9.6M</b>	<b>0.0M</b>	<b>- 9.6M</b>	<b>-100%</b>

<b>BSL</b>	<b>Special Operations</b>
<b>Purpose</b>	The purpose of the Special Operations Budget Summary Level is to deploy specialized response units in emergencies and disasters. The Bureau provides crowd control, special event, search, hostage, crisis, and marine-related support to monitor and protect critical infrastructure to protect lives and property, aid the work of uniformed officers and detectives, and promote the safety of the public.

<b>BUDGET PROGRAM</b>	SPECIAL OPERATIONS			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	57.0M	63.9M	6.9M	12%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>57.0M</b>	<b>63.9M</b>	<b>6.9M</b>	<b>12%</b>

<b>BSL</b>	<b>Special Victims</b>
<b>Purpose</b>	Purpose statement not provided

<b>BUDGET PROGRAM</b>	SPECIAL VICTIMS			
<b>Purpose</b>	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	7.9M	0.0M	- 7.9M	-100%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>7.9M</b>	<b>0.0M</b>	<b>- 7.9M</b>	<b>-100%</b>

<b>BSL</b>	<b>Technical Services</b>
<b>Purpose</b>	The purpose of the Technical Services Budget Summary Level is to provide technical support to the Seattle Police Department, including items such as the Internet Telephone Reporting, Data Driven Policing, Forensic Support Services and Technology Integration Programs.

<b>BUDGET PROGRAM</b>	ADMINISTRATIVE OPERATIONS			
<b>Purpose</b>	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	43.0M	0.0M	- 43.0M	-100%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>43.0M</b>	<b>0.0M</b>	<b>- 43.0M</b>	<b>-100%</b>

<b>BUDGET PROGRAM</b>	TECHNICAL SERVICES			
<b>Purpose</b>	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	0.0M	31.0M	31.0M	n/a
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>0.0M</b>	<b>31.0M</b>	<b>31.0M</b>	<b>n/a</b>

<b>BSL</b>	<b>Violent Crimes</b>
<b>Purpose</b>	Purpose statement not provided

<b>BUDGET PROGRAM</b>	VIOLENT CRIMES			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	9.6M	0.0M	- 9.6M	-100%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>9.6M</b>	<b>0.0M</b>	<b>- 9.6M</b>	<b>-100%</b>

<b>BSL</b>	<b>West Precinct</b>
<b>Purpose</b>	The purpose of the West Precinct Patrol Budget Summary Level is to provide the full range of public safety and order maintenance services to residents of, and visitors to, the West Precinct, to promote safety in their homes, schools, businesses, and the community at large.

<b>BUDGET PROGRAM</b>	WEST PRECINCT			
Purpose	Purpose statement not provided			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	36.8M	23.7M	- 13.0M	-35%
Other Sources	0.0M	0.0M	0.0M	n/a
JumpStart Fund	0.0M	0.0M	0.0M	n/a
<b>Total</b>	<b>36.8M</b>	<b>23.7M</b>	<b>- 13.0M</b>	<b>-35%</b>

<b>BSL</b>	<b>Leadership and Administration</b>			
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide executive, community, financial, human resource, technology, and business support to the Seattle Police Department. It includes the Finance and Planning unit; Grants and Contracts unit; Fleet and Facilities Management; and the Administrative Services, Information Technology, and Human Resources programs. The Audit, Policy and Research Program and Education and Training Program are also included in this Budget Summary Level.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	73.8M	95.2M	21.4M	29%
Other Sources	-	-	-	-
JumpStart Fund	-	-	-	-
<b>Total</b>	<b>73.8M</b>	<b>95.4M</b>	<b>21.4M</b>	<b>29%</b>
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	26.4M	20.7M	- 5.7M	-22%
Departmental Indirect Costs	29.9M	57.8M	27.8M	93%
Divisional Indirect Costs	17.4M	16.7M	- 0.8M	-4%
<b>Total</b>	<b>73.8M</b>	<b>95.2M</b>	<b>21.4M</b>	<b>29%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments' missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the "Leadership and Administration Budget Summary Levels Overview" section in the Citywide Summary chapter for additional information at the Citywide level.



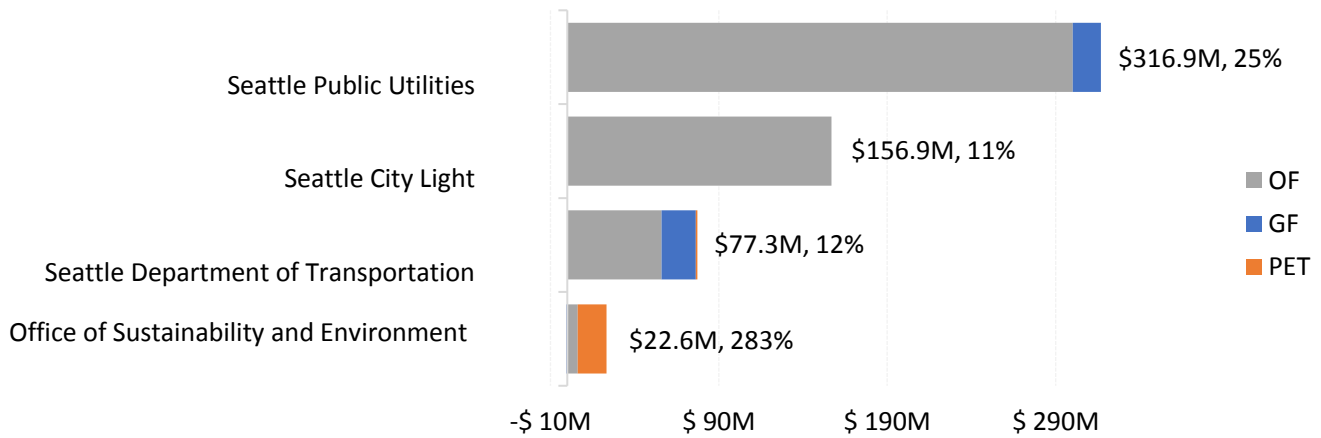
# Policy Area: Utilities, Transportation & Environment

The Utilities, Transportation & Environment policy area includes the following departments:

- Office of Sustainability and Environment
- Seattle Department of Transportation
- Seattle City Light
- Seattle Public Utilities

Since 2019, the budgets within this area increased overall by 17 percent. The chart below illustrates total growth in department budgets within this policy area since 2019. The subsequent department specific summaries provide more detail about what has driven this growth.

*Adopted budget growth in the Utilities, Transportation & Environment policy area since 2019 (all funds)*



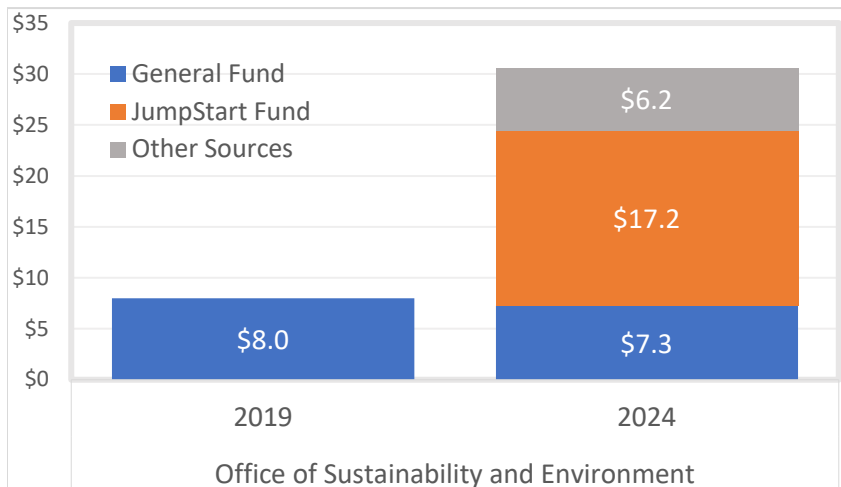
# OFFICE OF SUSTAINABILITY AND ENVIRONMENT (OSE)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: YOLANDA HO

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Office of Sustainability and Environment	8.0M	30.6M	22.6M	283%
<b>Total</b>	<b>8.0M</b>	<b>30.6M</b>	<b>22.6M</b>	<b>283%</b>



Between 2019 and 2024, OSE’s budget increased by \$22.6 million (283 percent). The main drivers of growth beyond standard inflationary increases include:

- Addition of resources from the Sweetened Beverage Tax (\$6 million in 2024) to expand access to healthy and affordable food with an equity focus. The City began collecting the tax in 2018 and established a fund to separately track the revenue in 2020.
- Addition of resources from the JumpStart Payroll Expense Tax (\$17 million in 2024) to fund programs that accelerate the elimination of climate pollutants and support

a just transition for workers guided by [Resolution 31895](#) (adopted in 2019), establishing a Green New Deal for Seattle. Beginning in 2022, nine percent of the JumpStart Fund (about \$20 million) has been dedicated to this purpose across various departments, per SMC 5.38.055.

### DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	3.8M	7.1M	3.3M	86%
Non-Labor	4.2M	23.5M	19.3M	461%
<b>Total</b>	<b>8.0M</b>	<b>30.6M</b>	<b>22.6M</b>	<b>283%</b>

Total FTE	27	50	23	85%
-----------	----	----	----	-----

Since 2019, OSE has added a total of 23 positions (an 85 percent increase) primarily to support initiatives that accelerate the reduction of building emissions and advance climate and environmental justice, in accordance with the goals of the Green New Deal for Seattle. Below are highlights of some of these additions (related programs are described in more detail later):

- 10.0 FTE to develop and implement policies and programs that reduce building energy demand and emissions (including those of municipal buildings), of which 6.0 FTE are for Building Emissions Performance Standard program.
- 7.0 FTE to develop and implement policies and programs and provide administrative support for OSE’s climate and environmental justice efforts, such as the Environmental Justice Fund and green workforce development.
- 3.0 FTE to administer and implement the \$12 million U.S. Department of Agriculture’s Forest Service grant.

## DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

<b>BSL</b>	<b>Office of Sustainability and Environment</b>
<b>Purpose</b>	The purpose of the Office of Sustainability and Environment Budget Summary Level is to coordinate interdepartmental environmental sustainability initiatives, identify and develop next generation policies and programs, and lead the City's climate change action planning to move towards carbon neutrality.

BUDGET PROGRAM	OFFICE OF SUSTAINABILITY AND ENVIRONMENT			
Purpose	See BSL purpose statement above.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	8.0M	7.3M	- 0.7M	-9%
Sweetened Beverage Tax Fund	-	6.2M	6.2M	n/a
JumpStart Fund	-	17.2M	17.2M	n/a
<b>Total</b>	<b>8.0M</b>	<b>30.6M</b>	<b>22.6M</b>	<b>283%</b>

OSE's budget is organized to include only one BSL and one budget program.

As described above, OSE's 283 percent increase since 2019 is primarily drive by introduction of spending from the JSF and the Sweetened Beverage Tax Fund. OSE's GF appropriations have decreased about nine percent between 2019 and 2024 as new revenue sources have been established to support and expand existing programs, and create new programs in alignment with OSE's mission. The following programs (categorized by OSE's lines of business) are tied to some of the largest areas of growth over this time period:

### Food Policy & Planning

- **Fresh Bucks:** Fresh Bucks vouchers provide households at or below 80 percent AMI with \$40 per month to purchase fresh fruits and vegetables at Safeway, farmers markets, and other retailers throughout Seattle. Sweetened Beverage Tax (SBT) Fund appropriations (\$5.2 million) augment GF support (\$1.4 million) for this program, allowing the City to offer 12,000 vouchers per year.
- **Healthy Food in Schools:** SBT revenue also funds Healthy Food in Schools, a partnership with Seattle Public Schools, to provide students with more fresh, nutritious, sustainable, and culturally relevant foods.

### Buildings & Energy

- **Building Emissions Performance Standard (BEPS) and Clean Buildings Accelerator:** [Ordinance 126959](#), passed in 2023, mandated that all buildings over 20,000 square feet gradually achieve net zero greenhouse gas emissions by 2050. The JumpStart Fund provides a mix of ongoing and one-time appropriations for staff, consultant services, and financial assistance for non-profit and affordable housing buildings. The associated Clean Buildings Accelerator initiative provides no-cost technical support and training for nonprofits and under-resourced building owners to help them comply with BEPS. Total appropriations for this program in 2024 are \$7.8 million JumpStart Fund (including development of a technology platform), of which \$270,000 is one-time funding for BEPS compliance education and language access services.
- **Clean Heat Program:** Since 2014, OSE has provided funding for manufacturer rebates to homeowners converting from oil heat to electric heat pumps, with the goal of reducing building emissions and increasing community climate resilience (heat pumps provide air conditioning and filtration). Originally funded with \$200,000 GF, this program is now solely supported by \$800,000 JumpStart Fund. Related, the Office of Housing receives \$1.7 million JumpStart Fund to fully cover the costs of converting from oil heat to an electric heat pump for households at or below 80 percent AMI.

## Climate & Environmental Justice

- **Environmental Justice (EJ) Fund:** The EJ Fund is a grant program that supports community-led efforts that respond to impacts of climate change and work towards achieving environmental justice. Originally funded in the 2017 Adopted Budget with \$100,000 GF, funding for the EJ Fund has increased to \$2 million JumpStart Fund in 2024. Of this amount, \$1.2 million is one-time.
- **Indigenous-led sustainability projects:** Based on the recommendation of the Green New Deal Oversight Board (Board), the Council made one-time appropriations of \$3.7 million JumpStart Fund in 2023 and \$2.5 million JumpStart Fund in 2024 to support Indigenous-led sustainability projects. This new program area required extensive tribal consultation throughout 2023, and OSE plans to contract with the Seattle Foundation to award both the 2023 and 2024 funding to eligible projects.
- **Resilience hubs:** The Council appropriated to OSE initial funding of \$430,000 JumpStart Fund (one-time) in 2022 to conduct community engagement and develop the City’s strategy for community resilience hubs, as recommended by the Board. These are facilities that provide shelter in the event of an extreme weather event or natural disaster and also offer community-oriented services. The Council appropriated \$1.5 million JumpStart Fund one-time in 2023 to support implementation of the plan. OSE is still in the process of developing the strategy and expects to identify community-led resilience hub projects for the implementation funding before the end of the year.
- **Green workforce development:** In 2022, OSE launched a new construction and clean energy pre-apprenticeship and job training program in partnership with the Department of Finance and Administrative Services (FAS) with \$1 million JumpStart Fund (and is now an ongoing JumpStart Fund allocation). This funding is used to support programs created by organizations that seek to bring more women, people of color and others with social and economic disadvantages into these fields. OSE also hired a Climate & Workforce Development Advisor in 2023 to support its efforts to ensure a just transition for workers who jobs rely on fossil fuels, in accordance with the Green New Deal for Seattle.
- **Duwamish Valley Program:** The City released the Duwamish Valley Action Plan in 2018 and OSE has been working to implement the recommended actions in partnership with the Office of Planning and Community Development, Seattle Parks and Recreation, and the Seattle Department of Transportation. OSE’s 2024 budget includes a total of \$1.2 million JumpStart Fund to support youth leadership, greening of industrial areas, workforce development, and business support in the Duwamish Valley.

## Transportation Emissions Reductions

- **Heavy-duty vehicle electrification:** In 2022, OSE launched a new program with \$1 million JumpStart Fund to offer incentives for heavy-duty electric vehicles (e.g., drayage trucks, school buses, other industrial and commercial fleets) to advance the goals of Seattle's Transportation Electrification Blueprint. This was piloted in South Park and Georgetown through the Duwamish Valley Program and ongoing funding is being used to expand the program citywide.

## Urban Forestry

- Though OSE’s urban forestry work is a relatively small part of its budget, it has a key role in supporting the Urban Forestry Commission, convening other departments engaged in managing Seattle’s urban forest, and leading development of the City’s Tree Canopy Equity and Resilience Plan (anticipated completion in early 2025).
- Council created a Senior Urban Forestry Policy Advisor position, supported by the JumpStart Fund, in the 2023 Adopted Budget and added \$80,000 of one-time funds to OSE in 2024 for urban forestry related efforts. Specifically, the Council provided an additional \$30,000 JumpStart Fund for the Tree Canopy Equity and Resilience Plan (for a total of \$180,000 JumpStart Fund for the plan) and \$50,000 GF for community engagement related to urban forestry generally.
- The City was awarded a five-year \$12 million U.S. Department of Agriculture’s Forest Service grant in 2023. This funding will be used to enhance forested spaces in parks, near public housing, and around public schools; additionally, it will support community planning and tree stewardship in the Chinatown/International District and Beacon Hill, and youth workforce development efforts. Note that this grant was appropriated to OSE in the Year-End Supplemental Ordinance, and thus is not included in the 2024 Adopted Budget.

# SEATTLE CITY LIGHT (SCL)

## 2022-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: ERIC MCCONAGHY

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2022 BUDGET <sup>1</sup>	2024 BUDGET	4-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Customer Care	39.1 M	54.4 M	15.4 M	39%
Debt Service	245.8 M	255.2 M	9.4 M	4%
Leadership and Administration	150.4 M	167.3 M	17. M	11%
Power Supply O&M	328.7 M	344.3 M	15.6 M	5%
Taxes	114.3 M	120.6 M	6.2 M	5%
Utility Operations O&M	129.5 M	143.4 M	14. M	11%
<b>Operating Subtotal:</b>	<b>1007.8 M</b>	<b>1085.4 M</b>	<b>77.6 M</b>	<b>8%</b>
<b>Capital Budget</b>				
Conservation & Environmental - CIP	42.7 M	50.2 M	7.4 M	17%
Customer Focused - CIP	108.5 M	99.3 M	-9.2 M	-8%
Power Supply - CIP	127 M	92. M	-35. M	-28%
Transmission and Distribution - CIP	179.6 M	204.6 M	25.1 M	14%
CIP Subtotal:	457.7 M	446. M	-11.7 M	-3%
<b>Grand Total:</b>	<b>1,465.5 M</b>	<b>1,531.4 M</b>	<b>65.9 M</b>	<b>5%</b>

In the 2022 Adopted Budget Seattle City Light’s (SCL) budget was reorganized, changing the number and compositions of its BSLs to correspond with a reorganization of the utility. This new budget structure makes comparisons between 2019 and 2024 by BSL difficult and confusing. Rather than providing inaccurate comparisons, this summary compares SCL’s 2022 Adopted Budget with its 2024 Adopted Budget with two exceptions. First, the table below shows SCL appropriations for operating and capital expenses for each year 2019 through 2024 and annual totals as a point of reference. Second, the labor/non-labor and FTE data are tabulated to show the change from 2019 to 2024 because the data are not grouped by BSL.

Between 2022 and 2024 Seattle City Light (SCL) budget increased by \$65.9 million (a 5 percent increase). The operating budget increased by \$77.6 million (8 percent), and the capital budget decreased by \$11.7 million (3 percent). For context, SCL’s 2019 Adopted budget totaled \$1,375 million, and its 2022 Adopted budget totaled \$1,466 million, an increase of \$91 million, or 7 percent.

<sup>1</sup> Due to a budget reorganization that occurred in 2022, the financial tables in this document compare 2022 to 2024, rather than 2019 to 2024.

SCL Appropriations, Adopted Budgets 2019 – 2024

Appropriation type	2019	2020	2021	2022	2023	2024
Operating	1,023.1 M	1,054.9 M	995.9 M	1,007.8 M	1,023.7 M	1,085.4 M
Capital	351.4 M	378. M	361.8 M	457.9 M	484.4 M	446. M
Total	1,374.5 M	1,433. M	1,357.8 M	1,465.7 M	1,508. M	1,531.4 M
<b>Total</b>	<b>1,023.1 M</b>	<b>1,054.9 M</b>	<b>995.9 M</b>	<b>1,007.8 M</b>	<b>1,023.7 M</b>	<b>1,085.4 M</b>

Consistent with [RES 31383](#), since 2012, SCL has developed and updated every two-years a full [Strategic Plan](#) every six years to outline the key strategies that guide their work. Every two-years the plan is updated, re-evaluating the remaining four years and revising the subsequent, six-year rate path. The rate path is the planned change in average retail rates for each of six years.

Following the guidelines of RES 31383, every two years the Council and Mayor typically adopt an updated City Light Strategic Plan and associated rate path by resolution in advance of passing an ordinance to establish new retail rates in the Seattle Municipal Code for all classes of customers later in the same year. City Light prepares its budget based on the codified rates.

In 2022, Council adopted the [2023 – 2028 Strategic Plan](#) and rate path via [RES 32056](#) and codified rates for 2023 and 2024 via [ORD 126677](#). Council will consider SCL’s updated Plan and rate path for the next period this spring or early summer with the expectation of codifying rates for 2025 and 2026 by ordinance. The proposed SCL Budget for 2025-2026 will then be constrained and guided by the rates fixed by that ordinance.

Governmental functions are those we normally associate with government: taxing, permitting or prohibiting certain activities, policing, zoning, and so on. But municipal corporations can also engage in proprietary activities that are more in the nature of a service for a fee or charge. Examples of proprietary functions are those performed by City Light and Seattle Public Utilities.

The City of Seattle has a legal obligation to ensure revenues from utility use charges (rates) are spent on costs specifically associated with providing utility services. As a result, each of the City-operated utilities has its own fund. The dollars in the Light Fund must be spent for purposes directly benefiting City Light’s rate payers (proprietary functions). SCL receives its revenues and funds its activities via its enterprise fund, the Light Fund.

**DEPARTMENT OVERVIEW – LABOR / NON-LABOR**

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	177.9M	290.0M	112.2M	63%
Non-Labor	1,196.6M	1,241.4M	44.7M	4%
<b>Total</b>	<b>1,374.5M</b>	<b>1,531.4M</b>	<b>156.9M</b>	<b>11%</b>
<b>Total FTE</b>	<b>1,791</b>	<b>1,810</b>	<b>19</b>	<b>1%</b>

## OPERATING BUDGET

### DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

BSL	Customer Care			
Purpose	The purpose of the Customer Service Budget Summary Level is to provide customer experience support specific to customer information systems and to implement demand-side conservation measures that offset the need for additional generation resources.			
APPROPRIATIONS BY PROGRAM	2022 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Conservation Expenses	2.2 M	5.0 M	2.9 M	133.9%
Customer Accounts and Services	36.9 M	49.4 M	12.5 M	33.8%
<b>Total</b>	<b>39.1 M</b>	<b>54.4 M</b>	<b>15.4 M</b>	<b>39%</b>

- The Conservation Expenses program provides Operations and Maintenance (O&M) funding for demand-side conservation measures that offset the need for additional generation resources.
- The Customer Accounts and Services program provides O&M funding for customer experience support.
- The 39 percent in this BSL is primarily driven by technical adjustments for 2023 and 2024 dealing with transportation electrification incentives and standard inflationary adjustments.

BSL	Debt Service (single program)			
Purpose	The purpose of the Debt Service Budget Summary Level is to meet principal repayment and interest obligations on funds borrowed to meet City Light's capital expenditure requirements.			
APPROPRIATIONS BY PROGRAM	2022 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
<b>Debt Service</b>	245.8 M	255.2 M	9.4 M	4%
<b>Total</b>	<b>245.8 M</b>	<b>255.2 M</b>	<b>9.4 M</b>	<b>4%</b>

- As part of the 2024 budget process, the Council included in the annual bond authorization ordinance authority to issue up to \$400 million of bonds to fund \$250 million of capital expenditures for SCL's capital expenditures outlined in the proposed 2024-2029 Capital Improvement Plan (CIP) and to fund up to \$150 million of borrowing for potential debt optimization. Increases in this budget program reflect funding necessary to cover debt service on bonds issued and 2024 and in previous years.

BSL	Power Supply O&M			
Purpose	The purpose of the Power Supply O&M Budget Summary Level is to support transportation electrification, solar, and other technologies; implement demand-side conservation measures that offset the need for additional generation resources; and monitor compliance with federal electric reliability standards. The power marketing operations of the utility are also included in this Budget Summary Level.			
APPROPRIATIONS BY PROGRAM	2022 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Purchased Power/Power Supply	328.7 M	344.3 M	15.6 M	4.8%
<b>Total</b>	<b>328.7 M</b>	<b>344.3 M</b>	<b>15.6 M</b>	<b>4.8%</b>

- Increases in this budget program reflect standard inflationary adjustments.

<b>BSL</b>	<b>Taxes</b>			
<b>Purpose</b>	The purpose of the Taxes Budget Summary Level is to pay City Light's legally required tax payments for state, city, and local jurisdictions. This Budget Summary Level includes funding for franchise contract payments negotiated with local jurisdictions in City Light's service territory.			
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2022 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
<b>Taxes</b>	114.3 M	120.6 M	6.2 M	5.5%
<b>Total</b>	<b>114.3 M</b>	<b>120.6 M</b>	<b>6.2 M</b>	<b>5.5%</b>

- SCL pays taxes, like SPU, to state and local governments including the City of Seattle based on the amount of revenue that SCL generates. Therefore, as SCL revenues rise over time, the amount that SCL pays in taxes increases as well. The City levies a 6 percent tax on SCL revenue from retail sales and the tax revenue goes to General Fund (SMC 5.48.050).

<b>BSL</b>	<b>Utility Operations O&amp;M</b>			
<b>Purpose</b>	The purpose of the Utility Operations O&M Budget Summary Level is to provide reliable electricity to customers through operation and maintenance of City Light's power production facilities, substations, transmission systems, and overhead and underground distribution systems in a clean, safe, efficient, reliable, and environmentally responsible manner. The utility's energy delivery engineering, power production engineering, generation operations, asset management, power system functions, renewable resource development programs, hydroelectric relicensing, and real estate are also included in this Budget Summary Level.			
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2022 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
<b>Distribution O&amp;M</b>	72.9 M	83.2 M	10.3 M	14.2%
<b>Generation O&amp;M</b>	33.7 M	36. M	2.3 M	6.8%
<b>Transmission O&amp;M</b>	22.8 M	24.2 M	1.3 M	5.8%
<b>Total</b>	<b>129.5 M</b>	<b>143.4 M</b>	<b>14. M</b>	<b>11%</b>

- The Distribution Operations and Maintenance program funds the operation and maintenance of City Light's overhead and underground distribution systems
- The Generation Operations and Maintenance program funds the operation and maintenance of City Light's power production facilities
- The Transmission Operations and Maintenance program funds the operation and maintenance of City Light's substation and transmission systems.



<b>BSL</b>	<b>Leadership and Administration</b>
<b>Purpose</b>	The purpose of the Leadership and Administration Budget Summary Level is to provide overall management and policy direction for Seattle City Light and to provide core management and administrative services such as communications, finance, human resources, facility management and IT program support. This BSL is also utilized to provide for the general expenses of the utility that are not attributable to a specific organizational unit such as insurance and bond issue costs, legal fees, indirect costs related to employee benefits and PTO, general claims costs, and services provided by the City's internal services departments through the central cost allocation mechanism.

APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	-
JumpStart Fund	-	-	-	-
Other Sources	79.8M	167.3M	87.5M	110%
<b>Total</b>	<b>79.8M</b>	<b>167.3M</b>	<b>87.5M</b>	<b>110%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Admin Services & Admin O&M	18.7M	0.0M	- 18.7M	-100%
City Allocations	60.8M	0.0M	- 60.8M	-100%
City Indirect Costs	0.0M	48.8M	48.8M	n/a
Current Year Inventory	0.0M	8.0M	8.0M	n/a
Department GA Indirect Recovery	0.0M	- 49.9M	- 49.9M	-100%
Department-wide Costs	20.5M	0.0M	- 20.5M	-100%
Departmental Indirect Costs	0.0M	127.5M	127.5M	n/a
Divisional Indirect	0.0M	26.8M	26.8M	n/a
Financial Services O&M	18.6M	0.0M	- 18.6M	-100%
Indirect Cost Recovery	- 29.7M	0.0M	-29.7M	-100%
Indirect Cost Recovery Offset	- 12.5M	0.0M	-12.5M	-100%
Pooled Benefits and PTO	3.4M	0.0M	- 3.4M	-100%
PTO and Benefits Indirect Costs	0.0M	6.1M	6.1M	n/a
<b>Total</b>	<b>79.8M</b>	<b>167.3M</b>	<b>87.5M</b>	<b>110%</b>

- This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the *Citywide Summary chapter* for additional information.

## CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

The rate path for City Light establishes the limits on City Light rates over the six-year period and, therefore, constrains capital spending over the same time frame to match expected revenue. City Light manages increases in spending for particular capital projects with reductions or deferrals in other capital projects.

BSL		Conservation & Environmental - CIP		
Purpose		The purpose of the Conservation & Environmental - CIP Budget Summary Level is to provide for the costs of conservation incentives and other energy efficiency programs. This Budget Summary Level also supports the utility's renewable resource development programs, hydroelectric relicensing, and real estate.		
APPROPRIATIONS	2022 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Light Fund	42.7 M	50.2 M	7.4 M	17%
<b>Total</b>	<b>42.7 M</b>	<b>50.2 M</b>	<b>7.4 M</b>	<b>17%</b>

BSL		Customer Focused - CIP		
Purpose		The purpose of the Customer Focused - CIP Budget Summary Level is to provide for the capital costs of rehabilitation and replacement of the utility's financial systems and information technology infrastructure, the development and implementation of large software applications, customer service connections, meters, and other customer-driven projects, including large inter-agency projects requiring utility services or relocations. This Budget Summary Level supports capital projects identified in the department's Capital Improvement Plan.		
APPROPRIATIONS	2022 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Light Fund	108.5 M	99.3 M	-9.2 M	-8%
<b>Total</b>	<b>108.5 M</b>	<b>99.3 M</b>	<b>-9.2 M</b>	<b>-8%</b>

BSL		Power Supply - CIP		
Purpose		The purpose of the Power Supply - CIP Budget Summary Level is to provide for the capital costs of electrification, facility improvements, maintaining the physical generating plant and associated power licenses, and regulatory requirements. This Budget Summary Level supports capital projects identified in the department's Capital Improvement Plan.		
APPROPRIATIONS	2022 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Light Fund	127. M	92. M	-35. M	-28%
<b>Total</b>	<b>127. M</b>	<b>92. M</b>	<b>-35. M</b>	<b>-28%</b>

<b>BSL</b>	<b>Transmission and Distribution - CIP</b>			
<b>Purpose</b>	The purpose of the Transmission and Distribution - CIP Budget Summary Level is to provide for the capital costs of installation, major maintenance, rehabilitation, and replacement of transmission lines, substations, distribution feeders, transformers, and other elements of the utility's transmission and distribution systems. This Budget Summary Level supports capital projects identified in the department's Capital Improvement Plan.			
<b>APPROPRIATIONS</b>	<b>2022 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Light Fund	179.6 M	204.6 M	25.1 M	14%
<b>Total</b>	<b>179.6 M</b>	<b>204.6 M</b>	<b>25.1 M</b>	<b>14%</b>

# SEATTLE DEPARTMENT OF TRANSPORTATION (SDOT)

## 2019-2024 BUDGET SUMMARY

CENTRAL STAFF ANALYST: CALVIN CHOW

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
Bridges & Structures	47.0M	16.6M	- 30.4M	-65%
Maintenance Operations	37.2M	55.6M	18.M	49%
Mobility Operations	115.5M	106.4M	- 9.0M	-8%
ROW Management	36.3M	50.7M	14.3M	39%
First Hill Streetcar Operations	12.1M	9.8M	- 2.3M	-19%
South Lake Union Streetcar Operations	2.8M	4.6M	1.8M	66%
Waterfront and Civic Projects	-	34.8M	34.8M	n/a
General Expense	37.6M	59.2M	21.6M	57%
Leadership and Administration	-	- 0.5M	- 0.5M	n/a
<b>Operating Subtotal:</b>	<b>288.5M</b>	<b>337.2M</b>	<b>48.6M</b>	<b>17%</b>
<b>Capital Budget</b>				
Major Maintenance/ Replacement	101.7M	93.1M	- 8.6M	-8%
Mobility-Capital	185.0M	243.4M	58.4M	32%
Major Projects	58.8M	2.0M	- 56.8M	-97%
Central Waterfront	-	35.6M	35.6M	n/a
<b>CIP Subtotal:</b>	<b>345.5M</b>	<b>374.1M</b>	<b>28.7M</b>	<b>8%</b>
<b>Grand Total:</b>	<b>634.0M</b>	<b>711.3M</b>	<b>77.3M</b>	<b>12%</b>

Between 2019 and 2024 the Seattle Department of Transportation (SDOT) budget increased by \$72.3 million (a 12 percent increase). The operating budget increased by \$48.6 million (17 percent), and the capital budget increased by \$28.7 million (8 percent). In general, the overall growth in SDOT’s operating budget is primarily due to baseline cost increases, such as increases in labor, internal services (e.g., employee healthcare, facilities and fleet maintenance, and information technology services), and other inflationary impacts to the cost of goods and services. SDOT’s capital budget typically varies from year-to-year based on project status and schedule, and these changes do not necessarily reflect policy shifts in capital spending.

SDOT’s funding comes from multiple sources, including dedicated transportation revenues (such as the Move Seattle Levy and the Seattle Transit Measure) and more fungible resources (such as the General Fund and the Real Estate Excise Tax). Transportation revenues were depressed during the pandemic and have yet to recover to 2019 levels. These include reduced revenue from commercial parking tax, gas tax, street use fees, traffic camera fines, and Seattle Transit Measure sales tax. SDOT also receives a significant amount of grant funding and payments for reimbursable work.

SDOT’s 2024 Adopted Budget includes \$63.4 million of General Fund and \$1 million of JumpStart Fund. This JumpStart funding is one-time and supports right-of-way management activities as part of the Mayor’s Downtown Activation Plan.

In recent years, with the decline of other SDOT revenues (notably the Commercial Parking Tax and Real Estate Excise Tax), General Fund support for SDOT operations has increased.

The following table shows SDOT appropriations by fund source. Note that appropriations authorize SDOT spending and do not necessarily reflect the revenues raised from a specific funding source (e.g., Move Seattle Levy Fund).

### DEPARTMENT OVERVIEW – TRANSPORTATION FUNDING

APPROPRIATIONS BY FUND SOURCE	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
General Fund	43.2M	63.4M	20.2M	47%
JumpStart Fund	-	1.0M	1.0M	n/a
Transportation Fund	293.8M	324.4M	30.6M	10%
Move Seattle Levy Fund	147.8M	131.3M	- 16.5M	-11%
Transportation Benefit District Fund	70.6M	96.9M	26.4M	37%
Seattle Streetcar Operations	14.9M	14.4M	- 0.5M	-3%
School Safety Traffic and Pedestrian Improvement Fund	17.9M	13.6M	- 4.3M	-24%
Unrestricted Cumulative Reserve Fund	0.1M	-	- 0.1M	-100%
REET I Capital Fund	2.2M	6.9M	4.7M	217%
REET II Capital Fund	17.4M	24.3M	6.9M	40%
LTGO Bond Fund(s)	21.2M	28.7M	7.5M	35%
Waterfront LID #6751	-	0.4M	0.4M	n/a
<b>Total</b>	<b>634.0M</b>	<b>711.3M</b>	<b>77.3M</b>	<b>12%</b>

The primary increases in General Fund appropriations from 2019 to 2024 include:

- Increased debt service and claims in the General Expense BSL (\$7.7 million difference).
- Increased support for the Structures Major Maintenance CIP project (\$3.1 million difference) and Pedestrian Master Plan – School Safety CIP project (\$1.4 million difference).
- Increased support for the Maintenance Operations BSL (\$2.3 million difference) and Mobility Operations BSL (\$5.0 million difference). This can largely be attributed to increased GF support for the Clean Cities Initiative and increased budget to respond to emergency events (e.g., snow events, civil disturbance, major traffic incidents, etc).

The Move Seattle Levy included a “no supplantation” clause that requires a minimum General Fund contribution to transportation in order to collect the levy. For 2024, this minimum required contribution was \$49.3 million. In the 2024 Adopted Budget, the Move Seattle Levy accounted for 18.5 percent of SDOT’s total budget and funds both capital projects and on-going operations. The levy will expire at the end of 2024; voter-approval of a levy renewal will largely determine SDOT’s capital spending over the course of the renewal term.

The Real Estate Excise Tax I/II (REET I/II) is a tax on the sale of real estate; Seattle collects a 0.5 percent tax on these transactions. State law restricts the use of REET revenues for specific uses, including transportation capital projects, parks capital projects, and public facilities. Because REET revenues fluctuate with the development cycle, REET is typically budgeted for one-time expenses (capital); although in recent years, the City has shifted more REET revenues towards debt service for capital projects. In the past, when REET revenues have exceeded projections, REET has been used to help balance other funding sources in SDOT and other capital project departments.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	103.4M	178.5M	75.1M	73%
Non-Labor	530.6M	532.8M	2.2M	0.4%
<b>Total</b>	<b>634.0M</b>	<b>711.3M</b>	<b>77.3M</b>	<b>12%</b>
<b>Total FTE</b>	<b>932</b>	<b>1,114</b>	<b>182</b>	<b>20%</b>

From 2019 to 2024, SDOT’s labor budget increased by \$75.1 million (a 73% increase) and SDOT’s employee count increased by 182 Full Time Equivalent (FTE) positions (a 19 percent increase). Many of these added positions were related to delivery of Move Seattle Levy projects. In the early years of the levy, SDOT relied on temporary labor to ramp up staffing. Per the City’s personnel rules, temporary positions can only last for 3 years. From 2019 to 2024, approximately 104 temporary positions (though not all directly related to the Move Seattle Levy) were converted to permanent positions in SDOT’s budget. This reclassification of temporary positions to permanent positions is reflected in both the increased FTE count and labor budget.

Other major increases in SDOT’s personnel count include adding 19 positions related to Sound Transit’s Ballard and West Seattle Link Extension projects (partially reimbursable) and 18 positions to enhance SDOT staffing for the Clean City Initiative (supporting clean up services in coordination with the Department of Parks and Recreation, Seattle Public Utilities, and Human Services Department). SDOT’s labor budget also increased in line with the City’s overall costs of labor.

## OPERATING BUDGET

### DEPARTMENT OVERVIEW – BY BSL

BSL	Bridges & Structures			
Purpose	The purpose of the Bridges and Structures Budget Summary Level is to maintain the City’s bridges and structures which helps provide for the safe and efficient movement of people, goods, and services throughout the City. Additionally, the BSL provides general construction management, engineering support for street vacations, scoping of neighborhood projects, and other transportation activities requiring engineering oversight.			
BUDGET PROGRAMS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Bridge Operations	3.7M	4.2M	0.5M	13%
Engineering & Ops Support	35.0M	0.9M	- 34.1M	-97%
Structures Engineering	1.0M	1.8M	0.8M	85%
Structures Maintenance	7.3M	9.7M	2.4M	33%
<b>Total</b>	<b>47.0M</b>	<b>16.6M</b>	<b>-30.4M</b>	<b>-65%</b>

This BSL supports SDOT’s operational programs, including bridge operations for four moveable bridges and routine maintenance of SDOT’s bridges, roadside structures, and stairways. Capital funding for bridges is included in the Major Maintenance/ Replacement BSL (for major maintenance programs and existing facilities such as the Bridge Painting Program, Structures Major Maintenance program, and Northlake Retaining Wall project) and Mobility-Capital BSL (for new facilities such as the John Lewis Memorial Bridge and S. Lander St. Grade Separation project).

In 2020, the Office of City Auditor released a [report](#) on SDOT’s bridge maintenance. SDOT is in the process of completing all of the audit recommendations. The reduction in the Engineering & Ops program follows an auditor’s recommendation to reduce the amount of reimbursable engineering and inspections work on non-City owned structures (Recommendation 2). A portion of this reduction (\$8.1 million) was transferred to the new Waterfront and Civic Projects BSL in the 2020 Adopted Budget. Excluding this policy change, total spending in this BSL increased by \$3.7 million from 2019 to 2024.

BSL	Maintenance Operations			
Purpose	The purpose of the Maintenance Operations Budget Summary Level is to maintain the City’s roadways and sidewalks; maintain, protect, and expand the City’s urban landscape in the street right-of-way through the maintenance and planting of new trees and landscaping to enhance the environment and aesthetics of the city; and manage and administer street parking rules and regulations in the right-of-way.			
BUDGET PROGRAMS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Emergency Response	4.6M	10.1M	5.4M	117%
Operations Support	4.8M	10.1M	5.3M	110%
Pavement Management/Repair	14.3M	19.4M	5.1M	35%
Street Cleaning	7.6M	9.2M	1.6M	21%
Tree & Landscape Maintenance	5.8M	6.9M	1.0M	18%
<b>Total</b>	<b>37.1M</b>	<b>55.6M</b>	<b>18.4M</b>	<b>49%</b>

This BSL funds regular SDOT operations and maintenance activities. The Emergency Response program provides budget to respond to snow events, civil disturbances, and major traffic incidents; the \$10.1 million identified in the 2024 Adopted Budget reflects actual yearly expenses in recent years. The increase in Operations Support includes \$3.6 million of General Fund for the Clean Cities Initiative. Other growth this BSL is largely tied to baseline/wage increases.

BSL	Mobility Operations			
Purpose	The purpose of the Mobility-Operations Budget Summary Level is to promote the safe and efficient operation of all transportation modes in the city. This includes managing the parking, pedestrian, and bicycle infrastructure; implementing neighborhood plans; encouraging alternative modes of transportation; and maintaining and improving signals and the non-electrical transportation management infrastructure.			
BUDGET PROGRAMS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Commuter Mobility	31.1M	20.1M	- 11.0M	-35%
Neighborhoods	1.1M	0.7M	- 0.4M	-39%
Parking & Curbspace	13.7M	17.0M	3.4M	25%
Signs & Markings	4.0M	5.0M	1.0M	26%
Traffic Signals	9.4M	11.9M	2.5M	27%
Transit Operations	52.1M	47.2M	- 5.0M	-10%
Urban Planning	4.1M	4.5M	0.4M	10%
<b>Total</b>	<b>115.5M</b>	<b>106.4M</b>	<b>- 9.1M</b>	<b>-8%</b>

This BSL includes the Transit Operations program that purchases additional transit service from King County Metro for Seattle routes with funding from the Seattle Transit Measure.<sup>1</sup> Other major programs include Commuter Mobility (which funds commuter mode shift incentive programs) and the Parking & Curbspace program. While SDOT manages on-street parking, on-street parking revenues are deposited into the General Fund. In the 2024 Adopted Budget, approximately \$7.7 million of General Fund supports the Commuter Mobility program and \$11.2 million of General Fund supports the Parking & Curbspace program.

BSL	ROW Management			
Purpose	The purpose of the (Right-of-Way) ROW Management Budget Summary Level is to review projects throughout the city for code compliance for uses of the right-of-way and to provide plan review, utility permit and street use permit issuance, and utility inspection and mapping services.			
BUDGET PROGRAMS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
St Use Permit & Enforcement	36.3M	49.7M	13.3M	37%
Street Use Contingent Budget	-	1.0M	1.0M	n/a
<b>Total</b>	<b>36.3M</b>	<b>50.7M</b>	<b>14.3M</b>	<b>39%</b>

This BSL covers permitting, inspection, and regulation of the right-of-way. Expenditures are fully funded through permit fees and penalties. The Council periodically updates the Street Use Fee Schedule in coordination with the budget.

BSL	First Hill Streetcar Operations			
Purpose	The purpose of the First Hill Streetcar Operations Budget Summary Level is to operate and maintain the First Hill Seattle Streetcar.			
BUDGET PROGRAMS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
First Hill Streetcar Ops	12.1M	9.8M	- 2.3M	-19%
<b>Total</b>	<b>12.1M</b>	<b>9.8M</b>	<b>- 2.3M</b>	<b>-19%</b>

<sup>1</sup> In 2014, Seattle voters approved a 0.1 percent sales tax and \$60 vehicle license fee for transit that expired in 2020. In 2020, Seattle voters approved a 0.15 percent sales tax for transit that expires in 2027.



<b>BSL</b>	<b>South Lake Union Streetcar Operations</b>			
<b>Purpose</b>	The purpose of the South Lake Union Streetcar Operations Budget Summary Level is to operate and maintain the South Lake Union Seattle Streetcar.			
<b>BUDGET PROGRAMS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
S Lake Union Streetcar Ops	2.8M	4.6M	1.8M	66%
<b>Total</b>	<b>2.8M</b>	<b>4.6M</b>	<b>1.8M</b>	<b>66%</b>

The First Hill and South Lake Union Streetcar Operations BSLs support the operation of the City’s streetcar lines. The streetcars are operated by King County Metro. While streetcar fares and ORCA card revenues offset operational costs, the streetcar lines require on-going subsidy. For 2024, the required operating subsidy from the City is \$10.2 million (shown in the General Expense BSL, below). Much of the budgeted variation between the First Hill Streetcar Operations (a 19 percent decrease) and South Lake Union Streetcar Operations (a 66 percent increase) is related to a change in accounting practices and operational agreements with King County Metro. Taken together, SDOT’s budget for the two streetcar lines has decreased by approximately \$500,000 from 2019 to 2024; this reflects a slight reduction in streetcar operations (both in frequency and span of service) that went into effect after the pandemic.

<b>BSL</b>	<b>Waterfront and Civic Projects</b>			
<b>Purpose</b>	The purpose of the Waterfront and Civic Projects Summary Level is to pay for expenses related to reimbursable design and construction services provided by the Central Waterfront program for other City departments and external partners. Additionally, the BSL provides planning and leadership support for other Civic Projects.			
<b>BUDGET PROGRAMS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Waterfront and Civic Projects	-	34.8M	34.8M	n/a
<b>Total</b>	<b>-</b>	<b>34.8M</b>	<b>34.8M</b>	<b>n/a</b>

This BSL was established in the 2020 Adopted Budget and supports the Office of the Waterfront and Civic Projects (an organizational unit within SDOT). This BSL provides for reimbursable work for Seattle Parks, Seattle City Light, Seattle Public Utilities, Washington State Ferries and private utilities in support of the Waterfront project. A portion of these costs (\$8.1 million) were previously reflected in the Bridges & Structures BSL in the 2019 Adopted Budget.

<b>BSL</b>	<b>General Expense</b>			
<b>Purpose</b>	The purpose of the General Expense Budget Summary Level is to pay for general business expenses necessary to the overall delivery of transportation services, such as Judgment and Claims contributions and debt service payments.			
<b>BUDGET PROGRAMS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Initiatives	-	10.2M	10.2M	n/a
Debt Service	35.0M	41.7M	6.6M	19%
Judgement & Claims	2.6M	7.3M	4.7M	183%
<b>Total</b>	<b>37.6M</b>	<b>59.2M</b>	<b>21.6M</b>	<b>57%</b>

The Citywide Initiatives program represents the on-going subsidy for continued operation of the South Lake Union Streetcar and First Hill Streetcar. The Debt Service line pays interest on capital projects funded through bonds. The increase in debt service between 2019 and 2024 is primarily due to bonds issued for the West Seattle Bridge repair. The Judgement & Claims line pays for court judgements and claims against the City.

<b>BSL</b>	<b>Leadership and Administration</b>			
<b>Purpose</b>	The purpose of the Leadership & Administration Budget Summary Level is to provide executive, community, financial, human resource, technology and business support to the Seattle Department of Transportation.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
General Fund	-	-	-	-
JumpStart Fund	-	-	-	-
Other Sources	-	- 0.5M	- 0.5M	-
<b>Total</b>	-	<b>- 0.5M</b>	<b>- 0.5M</b>	-
<b>APPROPRIATIONS BY PROGRAM</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Citywide Indirect Costs	39.9M	59.2M	19.3M	48%
Departmental Indirect Costs	17.3M	23.5M	6.2M	36%
Divisional Indirect Costs	13.1M	14.3M	1.2M	9%
Indirect Cost Recovery Offset	- 70.2M	- 97.0M	- 26.8M	-38%
Pooled Benefits and PTO	0.0M	- 0.5M	- 0.5M	n/a
<b>Total</b>	<b>0.0M</b>	<b>- 0.5M</b>	<b>- 0.5M</b>	<b>n/a</b>

This BSL covers centralized department costs such as City governance, SDOT management, IT charges, and fleet and facility charges. SDOT recovers these costs through an overhead rate applied to SDOT labor and charged to projects (shown as the Indirect Cost Recovery Offset in the chart). Citywide Indirect Costs are assigned centrally by the City Budget Office. See the “Leadership and Administration Budget Summary Levels Overview” section in the *Citywide Summary chapter for additional information*.

## CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

SDOT’s CIP includes both discrete projects (such as the Madison BRT – RapidRide G Line) and capital programs (such as the Bridge Painting Program). The budget for discrete projects may span multiple years and is based on each project’s anticipated delivery schedule. For capital programs, SDOT manages a portfolio of smaller projects to the overall program budget.

SDOT’s capital spending will vary from year to year, based on the status and schedule of the individual projects. These changes do not necessarily reflect policy shifts. During the 2019 to 2024 period, SDOT’s CIP has focused on delivery of the Move Seattle Levy projects. The Move Seattle Levy will expire at the end of 2024, and any proposal to renew the levy will be a primary driver of SDOT’s future CIP decisions.

BSL	Major Maintenance/Replacement			
Purpose	The purpose of the Major Maintenance/Replacement Budget Summary Level is to provide maintenance and replacement of roads, trails, bike paths, bridges and structures.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	3.1M	3.1M	n/a
Move Seattle Levy Fund	64.2M	55.0M	- 9.3M	-14%
REET I Capital Fund	0.6M	1.0M	0.4M	68%
REET II Capital Fund	9.0M	8.4M	- 0.7M	-8%
School Safety Traffic and Pedestrian Improvement Fund	2.0M	0.3M	- 1.7M	-86%
Transportation Benefit District Fund	0.8M	2.2M	1.5M	188%
Transportation Fund	25.0M	23.1M	- 1.9M	-8%
<b>Total</b>	<b>101.7M</b>	<b>93.1M</b>	<b>- 8.6M</b>	<b>-8%</b>

Projects in this BSL support the rehabilitation and replacement of transportation assets. Changes in budget between 2019 and 2024 reflect the project delivery schedules of individual capital projects and do not necessarily imply policy shifts. Examples of CIP projects in this BSL include the 35<sup>th</sup> Ave SW Paving project, Arterial Major Maintenance program, Bridge Seismic program, Sidewalk Safety Repair program, and West Seattle Bridge Immediate Response project.

BSL	Mobility-Capital			
Purpose	The purpose of the Mobility-Capital Budget Summary Level is to help maximize the movement of traffic throughout the city by enhancing all modes of transportation including corridor and intersection improvements, transit and HOV improvements, and sidewalk and pedestrian facilities.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	1.4M	1.4M	n/a
Move Seattle Levy Fund	72.8M	65.6M	- 7.2M	-10%
REET I Capital Fund	1.6M	5.9M	4.3M	274%
REET II Capital Fund	7.5M	5.7M	- 1.8M	-24%
School Safety Traffic and Pedestrian Improvement Fund	12.0M	12.6M	0.6M	5%
Transportation Benefit District Fund	14.3M	26.7M	12.4M	86%
Transportation Fund	76.6M	125.5M	48.9M	64%
Unrestricted Cumulative Reserve Fund	0.1M	-	- 0.1M	-100%
<b>Total</b>	<b>185.0M</b>	<b>243.4M</b>	<b>58.4M</b>	<b>32%</b>

Projects in this BSL support improvements to the transportation system. Changes in budget between 2019 and 2024 reflect the project delivery schedules of individual capital projects and do not necessarily imply policy shifts. Examples of CIP projects in this BSL include the Madison BRT – RapidRide G Line project, Northgate Bridge and Cycle Track project (John Lewis Memorial Bridge), Pedestrian Master Plan - New Sidewalks program, and Vision Zero program.

BSL	Major Projects			
Purpose	The purpose of the Major Projects Budget Summary Level is to design, manage and construct improvements to the transportation infrastructure for the benefit of the traveling public including freight, transit, other public agencies, pedestrians, bicyclists and motorists.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
2019 LTGO Taxable Bond Fund	1.0M	-	- 1.0M	-100%
2019 Multipurpose LTGO Bond Fund	20.2M	-	- 20.2M	-100%
Central Waterfront Improvement Fund	5.0M	-	- 5.0M	-100%
Transportation Fund	32.5M	2.0M	- 30.6M	-94%
<b>Total</b>	<b>58.8M</b>	<b>2.0M</b>	<b>- 56.8M</b>	<b>-97%</b>

- Projects in this BSL typically involve partnerships and reimbursement from external agencies. Future work with Sound Transit in support of the West Seattle Link Extension project is anticipated.
- In 2019, spending in this BSL was related to the Alaskan Way Main Corridor and Viaduct Replacement in coordination with WSDOT, which has since been recategorized under the Central Waterfront BSL. If combined, the decrease in spending in this area would be a 36 percent budget decrease between 2019 and 2024; however, this mostly reflects the anticipated project delivery schedule and cash flow, with these projects anticipated to be substantially complete in 2024.

<b>BSL</b>	<b>Central Waterfront</b>			
<b>Purpose</b>	The purpose of the Central Waterfront Budget Summary Level is to design, manage, and construct improvements to the transportation infrastructure and public spaces along the Central Waterfront.			
<b>APPROPRIATIONS BY FUND</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
2024 Multipurpose LTGO Bond Fund	-	28.7M	28.7M	n/a
Central Waterfront Improvement Fund	-	6.0M	6.0M	n/a
Transportation Fund	-	0.5M	0.5M	n/a
Waterfront LID #6751	-	0.4M	0.4M	n/a
<b>Total</b>	-	<b>35.6M</b>	<b>35.6M</b>	<b>n/a</b>

This BSL was established in the 2020-2025 Adopted CIP and supports the Office of the Waterfront and Civic Projects (an organizational unit within SDOT). This BSL includes the Alaskan Way Main Corridor and Overlook Walk CIP projects. Previously, these projects were included in the Major Projects BSL. These projects are anticipated to be substantially complete in 2024.

# SEATTLE PUBLIC UTILITIES (SPU)

## 2019-2024 Budget Summary

CENTRAL STAFF ANALYST: BRIAN GOODNIGHT

### DEPARTMENT OVERVIEW – BY BUDGET SUMMARY LEVEL (BSL)

BSL	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
<b>Operating Budget</b>				
General Expense	611.0M	761.7M	150.8M	25%
Leadership and Administration	130.1M	162.7M	32.6M	25%
Utility Service and Operations	162.5M	228.4M	65.9M	41%
<b>Operating Subtotal:</b>	<b>903.6M</b>	<b>1,152.9M</b>	<b>249.3M</b>	<b>28%</b>
<b>Capital Budget</b>				
<b>Drainage &amp; Wastewater</b>				
Combined Sewer Overflows	71.3M	111.8M	40.5M	57%
Flooding, Sewer Backup & Landslide	16.0M	12.2M	- 3.8M	-24%
Protection of Beneficial Uses	15.6M	36.7M	21.1M	136%
Rehabilitation	45.3M	61.2M	16.0M	35%
Sediments	3.6M	10.7M	7.1M	195%
<b>Solid Waste</b>				
New Facilities	3.5M	24.2M	20.6M	582%
Rehabilitation & Heavy Equipment	0.3M	2.3M	1.9M	595%
<b>Water</b>				
Distribution	36.2M	44.1M	7.9M	22%
Habitat Conservation Program	3.0M	3.7M	0.7M	22%
Transmission	11.9M	13.5M	1.6M	14%
Water Quality & Treatment	1.7M	6.5M	4.8M	289%
Water Resources	8.4M	16.7M	8.3M	100%
Watershed Stewardship	1.2M	4.9M	3.7M	310%
<b>Shared (Drainage &amp; Wastewater, Solid Waste, and Water)</b>				
Shared Cost Projects	129.3M	66.2M	- 63.1M	-49%
Technology	12.9M	13.2M	0.3M	2%
<b>CIP Subtotal:</b>	<b>360.2M</b>	<b>427.8M</b>	<b>67.6M</b>	<b>19%</b>
<b>Grand Total:</b>	<b>1,263.8M</b>	<b>1,580.7M</b>	<b>316.9M</b>	<b>25%</b>

Between 2019 and 2024, the budget for Seattle Public Utilities (SPU) increased by \$316.9 million (25 percent). Its operating budget, which accounts for approximately 70 percent of SPU’s overall budget, increased by almost \$250 million (28 percent), and the capital budget increased by \$67.6 million (19 percent). Overall, the increases between 2019 and 2024 are primarily due to baseline cost increases, such as: labor costs, internal service costs (e.g., employee healthcare, facilities and fleet maintenance, and information technology services, etc.), other inflationary impacts to capital projects and programs, and shifting timelines in the capital program.

SPU’s budgets are guided by a six-year Strategic Business Plan and by utility rates that are established by the Council via ordinance. Strategic business plans describe priorities and guide service delivery and business strategy for the department’s three utilities: drainage and wastewater, solid waste, and water. The current 2021–2026 Strategic Business Plan was adopted by Council in May 2021 ([RES 32000](#)), and the Council is expected to consider an updated business plan in 2024 that would cover the 2024–2029 time period. The Council typically considers rate-setting legislation for one of SPU’s three utilities each year, with rates being set for a three-year period. The most recent updates occurred in 2021 for drainage and wastewater ([ORD 126432](#), [ORD 126433](#)), in 2022 for solid waste ([ORD 126689](#)), and in 2023 for water ([ORD 126909](#)). The Council is expected to consider legislation in 2024 to establish drainage and wastewater rates for 2025–2027.

Each of the three SPU utilities receives its revenues and funds its activities via enterprise funds: the Drainage and Wastewater Fund, the Solid Waste Fund, and the Water Fund. SPU bills customers for the services they receive, and the revenues from those customers may only be used for utility-related work. Activities that are for the benefit of the general public (e.g., public litter and recycling cans, graffiti abatement, etc.) must be paid for with other funds – typically the General Fund (GF).

In the 2024 Adopted Budget, SPU’s total GF appropriation is \$26.7 million, or 1.7 percent of SPU’s overall budget of \$1,580.7 million. The GF appropriations fund the suite of programs that have been historically known as Clean City programs, including activities that address litter, graffiti, illegal dumping, sharps collections, rodent abatement, and abandoned vehicles. The GF budget also funds the Trees for Neighborhoods program, public hygiene program, and miscellaneous engineering services, such as the City’s records vault and the maintenance of standard specifications and plans.

## DEPARTMENT OVERVIEW – LABOR / NON-LABOR

	2019 BUDGET	2024 BUDGET	5-YEAR GROWTH	PERCENT GROWTH
Labor	179.0M	232.7M	53.7M	30%
Non-Labor	1,084.8M	1,348.0M	263.2M	24%
<b>Total</b>	<b>1,263.8M</b>	<b>1,580.7M</b>	<b>316.9M</b>	<b>25%</b>
<b>Total FTE</b>	<b>1,415</b>	<b>1,507</b>	<b>92</b>	<b>7%</b>

## OPERATING BUDGET

### DEPARTMENT OVERVIEW – BY BSL & BUDGET PROGRAM

BSL	General Expense			
Purpose	The purpose of the General Expense Budget Summary Level is to provide for the Utility's general expenses such as debt service, taxes and major contracts.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	2.0M	2.3M	0.3M	15%
Drainage & Wastewater Fund	302.6M	360.3M	57.7M	19%
Solid Waste Fund	160.1M	247.4M	87.3M	55%
Water Fund	146.3M	151.8M	5.5M	4%
<b>Total</b>	<b>611.0M</b>	<b>761.7M</b>	<b>150.8M</b>	<b>25%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Budget Reserves	4.9M	14.1M	9.2M	188%
Capital Purchases	0.2M	0.3M	-	22%
Debt Service	179.9M	233.9M	54.0M	30%
Major Contracts	288.6M	348.5M	59.9M	21%
Taxes and Fees	137.3M	165.0M	27.7M	20%
<b>Total</b>	<b>611.0M</b>	<b>761.7M</b>	<b>150.8M</b>	<b>25%</b>

- One of the larger increases in this BSL for 2024 relative to 2019 is found in the Debt Service program and should disappear in future years, as it is a one-time increase. The 2024 Adopted Budget contains \$60 million of additional appropriations to allow the use of existing fund balance in the Solid Waste Fund to pay off long-term debt. Although this maneuver increases the size of the budget in the short-term, it will ultimately lead to long-term savings for the Solid Waste Fund.
- Two large contracts also drive increases in this BSL over this time: the wastewater treatment contract and the solid waste disposal contract. For example, the wastewater treatment contract with King County makes up about 35 percent of expenditures from the Drainage and Wastewater Fund and accounts for about 55 percent of an SPU customer's monthly wastewater bill. County increases to the treatment rate typically occur on an annual basis and show up in the Major Contracts program.
- Lastly, SPU pays a variety of state and local taxes that are based on the amount of revenue that SPU generates. Therefore, as SPU revenues rise over time, the amount that SPU pays in taxes increases as well. For example, the City imposes utility business and occupation taxes on SPU's utility services, currently ranging from 11.5 percent on drainage revenues to 15.54 percent on water revenues.



BSL	Leadership and Administration			
Purpose	The purpose of the Leadership and Administration Budget Summary Level is to provide overall management and policy direction for Seattle Public Utilities and to provide core management and administrative services like finance, human resources, and facility management.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	-	-	-	N/A
Drainage & Wastewater Fund	54.6M	75.7M	21.0M	38%
Solid Waste Fund	19.5M	19.5M	-	0%
Water Fund	56.0M	67.6M	11.6M	21%
<b>Total</b>	<b>130.1M</b>	<b>162.7M</b>	<b>32.6M</b>	<b>25%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Citywide Indirect Costs	60.5M	81.1M	20.6M	34%
Departmental Indirect Costs	80.5M	94.3M	13.8M	17%
Divisional Indirect Costs	1.3M	0.9M	-0.3M	-26%
Indirect Cost Recovery Offset	-22.9M	-23.7M	-0.8M	4%
Paid Time Off Indirect Costs	5.0M	5.4M	0.4M	7%
Pooled Benefits Indirect Costs	5.8M	4.7M	-1.1M	-19%
<b>Total</b>	<b>130.1M</b>	<b>162.7M</b>	<b>32.6M</b>	<b>25%</b>

This BSL covers citywide central costs and centralized leadership, policy and strategic direction, administrative, and logistical support costs needed to achieve the Departments’ missions. In addition, some departments capture indirect costs related to employee benefits and paid time off as well as general expenses which are not attributable to any specific program, such as legal fees, technology, and financial management costs. Citywide Indirect Costs are assigned centrally by the City Budget Office. Please see the “Leadership and Administration Budget Summary Levels Overview” section in the 2019-2024 Budget Review document for additional information at the Citywide level.

BSL	Utility Service and Operations			
Purpose	The purpose of the Utility Service and Operations Budget Summary Level is to fund the direct delivery of essential Customer Service programs and the operating expenses for Pre-Capital Planning & Development, Project Delivery, Drainage and Wastewater, Solid Waste, Water and General Fund programs.			
APPROPRIATIONS BY FUND	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
General Fund	8.0M	24.4M	16.4M	203%
Drainage & Wastewater Fund	66.0M	83.3M	17.3M	26%
Solid Waste Fund	29.6M	40.8M	11.2M	38%
Water Fund	58.9M	79.9M	21.0M	36%
<b>Total</b>	<b>162.5M</b>	<b>228.4M</b>	<b>65.9M</b>	<b>41%</b>
APPROPRIATIONS BY PROGRAM	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Customer Service	26.1M	27.4M	1.3M	5%
Drainage System	10.1M	10.4M	0.3M	3%
DWW Facilities & Equipment	0.3M	1.0M	0.7M	278%
DWW System Operations	22.7M	36.7M	14.0M	62%
Emergency Response	2.1M	2.9M	0.8M	38%
Engineering	7.0M	19.1M	12.1M	171%
Pre-Capital Planning	4.1M	4.6M	0.5M	11%
SW Facilities & Equipment	5.5M	6.5M	1.0M	18%
Solid Waste Operations	25.4M	44.7M	19.4M	76%
Wastewater System	15.6M	14.9M	-0.7M	-4%
Water Distribution System	15.9M	17.7M	1.8M	11%
Water Facilities & Equipment	3.2M	3.0M	-0.2M	-6%
Water Supply & Transmission	5.7M	5.2M	-0.5M	-9%
Water System Operations	18.8M	34.3M	15.5M	83%
<b>Total</b>	<b>162.5M</b>	<b>228.4M</b>	<b>65.9M</b>	<b>41%</b>

- The Drainage and Wastewater System Operations program in this BSL has experienced relatively steady increases throughout the last five years. In addition to the typical annual technical adjustments, some of the larger increases are related to the expansion of the Recreation Vehicle (RV) Wastewater program, development and implementation of the Side Sewer Assistance program, study efforts in collaboration with King County to determine if systems controls or new infrastructure can provide benefits in combined sewer overflow areas, and term-limited staff to lead Citywide flood response and climate adaptation work in the Duwamish Valley.
- One of the largest drivers in the Engineering program was an increase of more than \$6 million for the department’s Public Hygiene program that began in spring 2020 in response to the pandemic. The program provides hygiene stations (portable toilets and handwashing stations) and shower trailers for unsheltered individuals. The 2024 Adopted Budget has appropriations sufficient to support 15 hygiene stations and three shower trailers.
- Of the increases to the Solid Waste Operations program over the last five years, many are related to the City’s effort to address unsheltered individuals. SPU’s 2023 budget was increased by approximately \$2 million for increased litter pickup and cleaning services associated with the creation of the Unified Care Team, and the 2021 budget included the transfer of a \$1.3 million encampment cleanup contract from Finance and Administrative Services (FAS) to SPU. Various other Clean City program-related expenditures were increased during this period, including costs for waste disposal and service to additional Encampment Trash program sites.
- The increases to the Water System Operations program are largely technical adjustments to salaries and consultant costs, as well as increases related to the transfer of information technology staff to SPU to support SPU-specific applications.

## CAPITAL BUDGET

During the annual budget process, the Council also adopts a six-year Capital Improvement Program (CIP) that describes anticipated capital investments over that timeframe. The authorized spending for the first year of the six-year CIP is appropriated in the annual budget, but many individual capital projects also include continuing appropriations from prior years. This “carryforward” of appropriations from prior years means that a department’s efforts on capital projects may not be fully encapsulated in the annual budget amounts.

Additionally, capital spending will vary from year to year based on the status and schedule of the projects being pursued; these changes do not necessarily reflect policy shifts. Budgetary changes over time, however, may represent new areas of focus determined by a department’s strategic plans or activities driven by regulatory requirements and compliance.

SPU’s capital program is separated into four parts: (1) Drainage and Wastewater, (2) Solid Waste, (3) Water, and (4) Shared Projects. The first three categories include capital projects pursued for the benefit of only one of the utilities, whereas the fourth category contains capital projects that provide benefits for, and are funded jointly by, all three of the utilities.

### DRAINAGE & WASTEWATER

The Drainage and Wastewater portion of the capital program is the largest of SPU’s utilities and has grown modestly over the last five years. When considering the overall six-year adopted CIP, the program has only grown by approximately \$8.2 million between the 2019–2024 Adopted CIP and the 2024–2029 Adopted CIP. The 2024 Adopted CIP for Drainage and Wastewater includes four discrete capital projects and 15 ongoing capital programs for a six-year total of a little more than \$1.2 billion.

BSL	Combined Sewer Overflows			
Purpose	The purpose of the Combined Sewer Overflow (CSO) Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan and construct large infrastructure systems, smaller retrofits, and green infrastructure for CSO Summary.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage & Wastewater Fund	71.3M	111.8M	40.5M	57%
<b>Total</b>	<b>71.3M</b>	<b>111.8M</b>	<b>40.5M</b>	<b>57%</b>

- Most of the capital projects in this BSL are required under SPU’s consent decree with the U.S. Department of Justice, U.S. Environmental Protection Agency, and the Washington State Department of Ecology, and they are focused on reducing the number of overflows caused by combined sewer and drainage systems.
- The largest capital project in this area is the Ship Canal Water Quality Project, a joint project between SPU and the King County Department of Natural Resources and Parks. The project will construct a 2.7-mile tunnel between Ballard and Wallingford to capture and store approximately 30 million gallons of untreated stormwater and sewage during times of heavy rain until the treatment plant is ready for it. Planning for the project began in 2013 and the approved project budget is \$570 million.
- Annual budgetary swings in this BSL are often the result of shifting timelines and project stages for the Ship Canal Water Quality Project.

BSL	Flooding, Sewer Backup & Landslide			
<b>Purpose</b>	The purpose of the Flooding, Sewer Back-up, and Landslides Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to plan, design and construct systems aimed at preventing or alleviating flooding and sewer backups in the City of Seattle, protecting public health, safety, and property. This program also protects SPU drainage and wastewater infrastructure from landslides, and makes drainage improvements where surface water generated from City rights-of-way contributes to landslides.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage & Wastewater Fund	16.0M	12.2M	- 3.8M	-24%
<b>Total</b>	<b>16.0M</b>	<b>12.2M</b>	<b>- 3.8M</b>	<b>-24%</b>

- A significant project in this BSL is the South Park Stormwater Program, a project intended to address frequent flooding in the South Park neighborhood. The project includes building roadways and stormwater conveyance pipes, a pump station to enable the stormwater pipes to drain during high tides, and a stormwater quality treatment facility to clean water before it is discharged into the Duwamish River.
- Construction of the roadway, stormwater pipes, and pump station are complete, but the most expensive portion of the project, the stormwater quality facility, is still in an options analysis phase. Budgetary shifts in this BSL are often due to shifting schedules for this project.

BSL	Protection of Beneficial Uses			
<b>Purpose</b>	The purpose of the Protection of Beneficial Uses Budget Summary Level, a Capital Improvement Program funded by drainage revenues, is to make improvements to the City's drainage system to reduce the harmful effects of storm water runoff on creeks and receiving waters by improving water quality and protecting or enhancing habitat.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage & Wastewater Fund	15.6M	36.7M	21.1M	136%
<b>Total</b>	<b>15.6M</b>	<b>36.7M</b>	<b>21.1M</b>	<b>136%</b>

- Changes in this BSL over time reflect increased investment in Green Stormwater Infrastructure (GSI), an ongoing program within the separated stormwater system that includes water quality treatment retrofits in the right-of-way, the RainWise program, and Natural Drainage System projects.

BSL	Rehabilitation			
<b>Purpose</b>	The purpose of the Rehabilitation Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to rehabilitate or replace existing drainage and wastewater assets in kind, to maintain the current functionality of the system.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage & Wastewater Fund	45.3M	61.2M	16.0M	35%
<b>Total</b>	<b>45.3M</b>	<b>61.2M</b>	<b>16.0M</b>	<b>35%</b>

- This BSL funds the repair, rehabilitation, and renewal of infrastructure such as pipes, pump stations, and outfalls.
- Some of the increases over time are the result of shifting departmental priorities towards the programs in this category, as well as a reflection of schedule delays from previous years and inflationary increases in construction costs.

BSL	Sediments			
Purpose	The purpose of the Sediments Budget Summary Level, a Capital Improvement Program funded by drainage and wastewater revenues, is to restore and rehabilitate natural resources in or along Seattle's waterways.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage & Wastewater Fund	3.6M	10.7M	7.1M	195%
<b>Total</b>	<b>3.6M</b>	<b>10.7M</b>	<b>7.1M</b>	<b>195%</b>

- This BSL only contains one capital project, known as Sediment Remediation, which provides funding for the City’s participation in the cleanup of contaminated sediment sites at multiple locations.
- Some of the cost increases over time are due to the City’s involvement in the Duwamish Sediment Remediation and the East Waterway Remediation projects.

## SOLID WASTE

The Solid Waste portion of the capital program is the smallest of SPU’s utilities and has grown moderately over the last five years. When considering the overall six-year adopted CIP, the program has grown by approximately \$27.6 million between the 2019–2024 Adopted CIP and the 2024–2029 Adopted CIP. The 2024 Adopted CIP for Solid Waste includes three discrete capital projects and four ongoing capital programs for a six-year total of approximately \$105 million.

BSL	New Facilities			
Purpose	The purpose of the New Facilities Budget Summary Level, a Capital Improvement Program funded by solid waste revenues, is to design and construct new facilities to enhance solid waste operations.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Solid Waste Fund	3.5M	24.2M	20.6M	582%
<b>Total</b>	<b>3.5M</b>	<b>24.2M</b>	<b>20.6M</b>	<b>582%</b>

- The increases in 2024 are largely due to several transfer station maintenance projects that SPU will be pursuing, including rebuilding the South Transfer Station tipping floor, new compactors and the North Transfer Station, and drainage and wastewater improvements at both stations.
- The South Park Landfill remediation project also has significant funding in 2024 after previous project delays.

BSL	Rehabilitation & Heavy Equipment			
Purpose	The purpose of the Rehabilitation and Heavy Equipment Budget Summary Level, a Capital Improvement Program funded by solid waste revenues, is to implement projects to repair and rehabilitate the City's solid waste transfer stations and improve management of the City's closed landfills and household hazardous waste sites.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Solid Waste Fund	0.3M	2.3M	1.9M	595%
<b>Total</b>	<b>0.3M</b>	<b>2.3M</b>	<b>1.9M</b>	<b>595%</b>

- Increased spending in this BSL is primarily related to work at the Midway Landfill site to remove waste in the Washington State Department of Transportation right-of-way to allow construction of additional lanes on Interstate 5 and the Sound Transit Federal Way Link project.

## WATER

The Water portion of the capital program has almost doubled over the last five years. When considering the overall six-year adopted CIP, the program has grown by approximately \$330.8 million between the 2019–2024 Adopted CIP and the 2024–2029 Adopted CIP. The 2024 Adopted CIP for Water includes six discrete capital projects and 33 ongoing capital programs for a six-year total of approximately \$695 million.

BSL	Distribution			
<b>Purpose</b>	The purpose of the Distribution Budget Summary Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's water lines, pump stations, and other facilities.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Water Fund	36.2M	44.1M	7.9M	22%
<b>Total</b>	<b>36.2M</b>	<b>44.1M</b>	<b>7.9M</b>	<b>22%</b>

- Much of the increase in this BSL between 2019 and 2024 is due to increasing investment in rehabilitating and replacing aging water mains because more of this asset class is reaching the end of its service life.

BSL	Habitat Conservation Program			
<b>Purpose</b>	The purpose of the Habitat Conservation Budget Summary Level, a Capital Improvement Program funded by water revenues, is to manage projects directly related to the Cedar River Watershed Habitat Conservation Plan.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Water Fund	3.0M	3.7M	0.7M	22%
<b>Total</b>	<b>3.0M</b>	<b>3.7M</b>	<b>0.7M</b>	<b>22%</b>

- The fluctuations in this BSL over time are largely due to the Downstream Fish Habitat Protection Program, which uses resources for land acquisition and restoration to improve salmon habitat as part of the Cedar River Habitat Conservation Program.

BSL	Transmission			
<b>Purpose</b>	The purpose of the Transmission Budget Summary Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade the City's large transmission pipelines that bring untreated water to the treatment facilities, and convey water from the treatment facilities to Seattle and its suburban wholesale customers' distribution systems.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Water Fund	11.9M	13.5M	1.6M	14%
<b>Total</b>	<b>11.9M</b>	<b>13.5M</b>	<b>1.6M</b>	<b>14%</b>

- The changes in this BSL over time are primarily due to changes in spending on transmission pipelines rehabilitation and cathodic protection.
- The ongoing program to rehabilitate pipelines has increased over time as the department upgrades water pipes and associated structures to provide agreed-upon pressure and flow to wholesale customers, limit water supply outages, and meet regulatory requirements.
- Cathodic protection projects install corrosion protection systems on buried water transmission pipelines to extend their life.

<b>BSL</b>	<b>Water Quality &amp; Treatment</b>			
<b>Purpose</b>	The purpose of the Water Quality & Treatment Budget Summary Level, a Capital Improvement Program funded by water revenues, is to design, construct, and repair water treatment facilities and remaining open-water reservoirs.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Water Fund	1.7M	6.5M	4.8M	289%
<b>Total</b>	<b>1.7M</b>	<b>6.5M</b>	<b>4.8M</b>	<b>289%</b>

- The growth in this BSL is attributable to cost increases in the Treatment Facility/Water Quality Improvements program.
- The department is continuing to perform treatment plant improvements as these plants shift from being managed under design/build/operate contracts to being managed by SPU.

<b>BSL</b>	<b>Water Resources</b>			
<b>Purpose</b>	The purpose of the Water Resources Budget Summary Level, a Capital Improvement Program funded by water revenues, is to repair and upgrade water transmission pipelines and promote residential and commercial water conservation.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Water Fund	8.4M	16.7M	8.3M	100%
<b>Total</b>	<b>8.4M</b>	<b>16.7M</b>	<b>8.3M</b>	<b>100%</b>

- The significant increases in this BSL are largely due to scope changes in the Tolt Reservoir Log Boom Improvement and Tolt Warning System Upgrade Projects in the Dam Safety capital program, which are projects needed to comply with Federal Energy Regulatory Commission requirements.

<b>BSL</b>	<b>Watershed Stewardship</b>			
<b>Purpose</b>	The purpose of the Watershed Stewardship Budget Summary Level, a Capital Improvement Program funded by water revenues, is to implement projects associated with the natural land, forestry, and fishery resources within the Tolt, Cedar, and Lake Youngs watersheds.			
<b>APPROPRIATIONS</b>	<b>2019 BUDGET</b>	<b>2024 BUDGET</b>	<b>AMOUNT CHANGE</b>	<b>PERCENT CHANGE</b>
Water Fund	1.2M	4.9M	3.7M	310%
<b>Total</b>	<b>1.2M</b>	<b>4.9M</b>	<b>3.7M</b>	<b>310%</b>

- Increases in this BSL are primarily for the replacement of current infrastructure on Siwash Creek with fish passable structures in the South Fork Tolt River Watershed, which is required to satisfy state regulatory requirements.

## SHARED PROJECTS

The Shared Projects portion of the capital program is the only category that has decreased over the last five years. When considering the overall six-year adopted CIP, the program has decreased by approximately \$104.9 million between the 2019–2024 Adopted CIP and the 2024–2029 Adopted CIP. The 2024 Adopted CIP for Shared Projects includes two discrete capital projects and 16 ongoing capital programs for a six-year total of approximately \$357 million.

BSL	Shared Cost Projects			
Purpose	The purpose of the Shared Cost Projects Budget Summary Level, which is a Capital Improvement Program, is to implement the Water, Drainage and Wastewater, and Solid Waste Utility's share of capital improvement projects that receive funding from multiple SPU funds.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage and Wastewater Fund	77.7M	19.4M	- 58.3M	-75%
Solid Waste Fund	2.6M	2.2M	- 0.3M	-12%
Water Fund	49.1M	44.6M	- 4.5M	-9%
<b>Total</b>	<b>129.3M</b>	<b>66.2M</b>	<b>- 63.1M</b>	<b>-49%</b>

- The decreases in this project are largely related to capital projects that occur in coordination with other departments, such as Move Seattle Levy projects, the Alaskan Way Viaduct project, streetcar-related projects, and other transportation projects.
- The department’s contribution to these efforts shifts over time depending upon project schedules and in response to external changes.

BSL	Technology			
Purpose	The purpose of the Technology Budget Summary Level, a Capital Improvement Program, is to make use of technology to increase the Water, Drainage and Wastewater, and Solid Waste Utility's efficiency and productivity.			
APPROPRIATIONS	2019 BUDGET	2024 BUDGET	AMOUNT CHANGE	PERCENT CHANGE
Drainage and Wastewater Fund	5.3M	5.4M	0.2M	4%
Solid Waste Fund	2.1M	2.4M	0.3M	15%
Water Fund	5.5M	5.3M	- 0.2M	-4%
<b>Total</b>	<b>12.9M</b>	<b>13.2M</b>	<b>0.3M</b>	<b>2%</b>

- The funding allocated in this BSL is used for technology projects that benefit all three utilities, such as work related to the Customer Contact and Billing system, contributions to enterprise-wide projects like human resources system replacement projects, and other miscellaneous information technology infrastructure projects, such as the Geographical Information System (GIS) and the Integrated Security System.



# 2019-2024 Budget Review

## APPENDICES

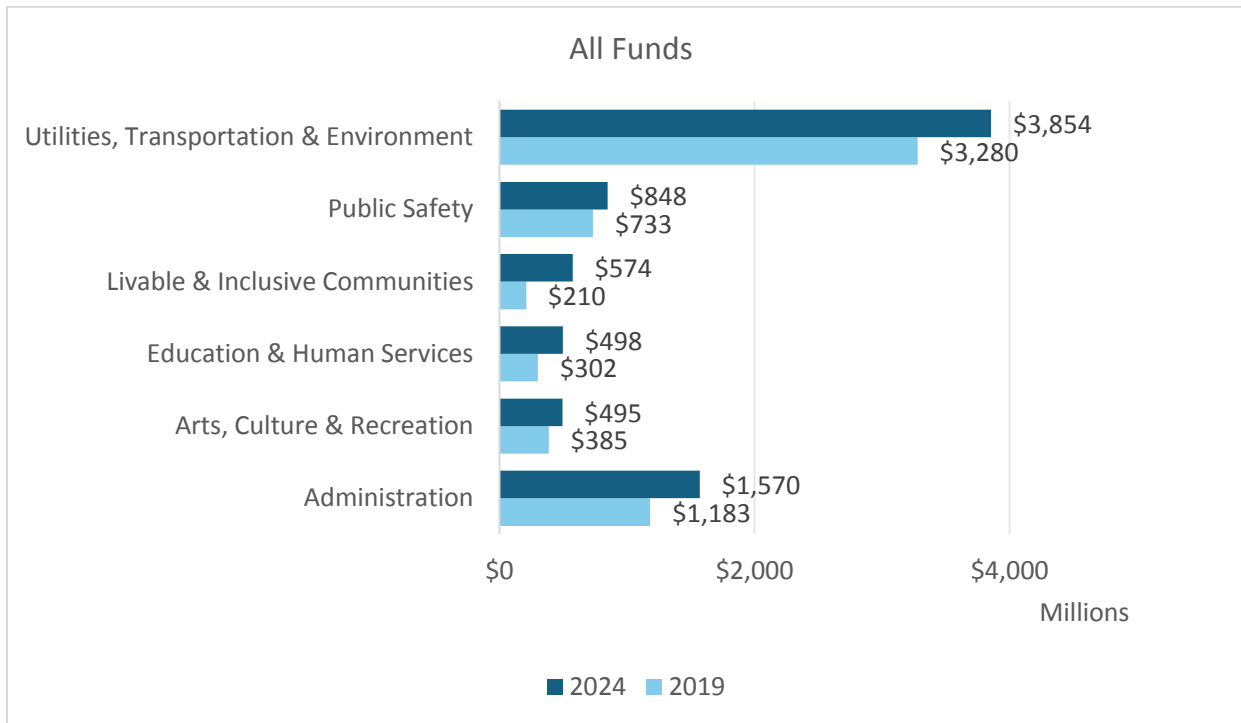
### Appendix 1: 2019-2024 Adopted Budgets by Fund

Fund	2019 Budget	2024 Budget	Amount Change	Percent Change
2003 Fire Facilities Levy Fund	\$ .4 M	-	-\$ .4 M	-
2011 Families and Education Levy	\$28.5 M	\$ .0 M	-\$28.5 M	-
2012 Library Levy Fund	\$20.0 M	\$ .0 M	-\$20.0 M	-
2019 Library Levy Fund	\$ .0 M	\$31.0 M	\$31.0 M	-
2019 LTGO Taxable Bond Fund	\$1.3 M	-	-\$1.3 M	-
2019 Multipurpose LTGO Bond Fund	\$26.3 M	-	-\$26.3 M	-
2024 Multipurpose LTGO Bond Fund		\$73.2 M	\$73.2 M	-
Arts and Culture Fund	\$11.5 M	\$26.8 M	\$15.3 M	134%
Beach Maintenance Fund	\$ .03 M	-	\$ .0 M	-
Cable TV Franchise Fund	\$10.2 M	\$7.2 M	-\$3.0 M	-29%
Central Waterfront Improvement Fund	\$11.9 M	\$19.2 M	\$7.3 M	62%
Construction and Inspections	\$77.2 M	\$105.5 M	\$28.3 M	37%
Coronavirus Local Fiscal Recovery Fund		\$ .0 M	\$ .0 M	-
Drainage and Wastewater Fund	\$657.9 M	\$776.8 M	\$118.8 M	18%
Election Vouchers Fund	\$5.5 M	\$3.0 M	-\$2.5 M	-45%
Employees' Retirement Fund	\$20.9 M	\$10.7 M	-\$10.3 M	-49%
Facility Asset Preservation Fund	\$4.0 M	\$4.0 M	\$ .0 M	-
Families Education Preschool Promise Levy	\$40.5 M	\$107.6 M	\$67.1 M	166%
FileLocal Agency Fund	\$ .4 M	\$ .5 M	\$ .1 M	15%
Finance and Administrative Services Fund	\$171.6 M	\$222.3 M	\$50.7 M	30%
Fire Fighters Healthcare Fund		\$2.0 M	\$2.0 M	-
Fireman's Pension Fund	\$20.7 M	\$23.0 M	\$2.3 M	11%
Fleet Capital Fund	\$21.8 M	\$32.9 M	\$11.0 M	51%
General Bond Interest & Redemption Fund	-	\$2.4 M	\$2.4 M	-
General Fund	\$1,365.9 M	\$1,722.2 M	\$356.3 M	26%
Group Term Life Fund	\$6.5 M	\$6.7 M	\$ .1 M	2%
Health Care Fund	\$240.1 M	\$329.8 M	\$89.8 M	37%
Human Services Fund	\$74.9 M	\$86.5 M	\$11.6 M	15%
Industrial Insurance Fund	\$23.3 M	\$42.4 M	\$19.1 M	82%
Information Technology Fund	\$277.6 M	\$294.7 M	\$17.1 M	6%
Judgment/Claims Fund	\$21.6 M	\$46.4 M	\$24.8 M	115%
King County Parks Levy Fund	\$2.2 M	\$2.9 M	\$ .7 M	29%
Library Fund	\$62.7 M	\$64.7 M	\$2.1 M	3%
Light Fund	\$1,374.5 M	\$1,531.4 M	\$156.9 M	11%
Low Income Housing Fund	\$60.6 M	\$185.4 M	\$124.8 M	206%
LTGO Bond Interest and Redemption Fund	\$2.4 M	\$1.5 M	-\$ .9 M	-39%
McCaw Hall Capital Reserve	\$ .6 M	\$ .7 M	\$ .1 M	9%
Move Seattle Levy Fund	\$147.8 M	\$131.3 M	-\$16.5 M	-11%
Municipal Arts Fund	\$3.4 M	\$5.8 M	\$2.4 M	68%

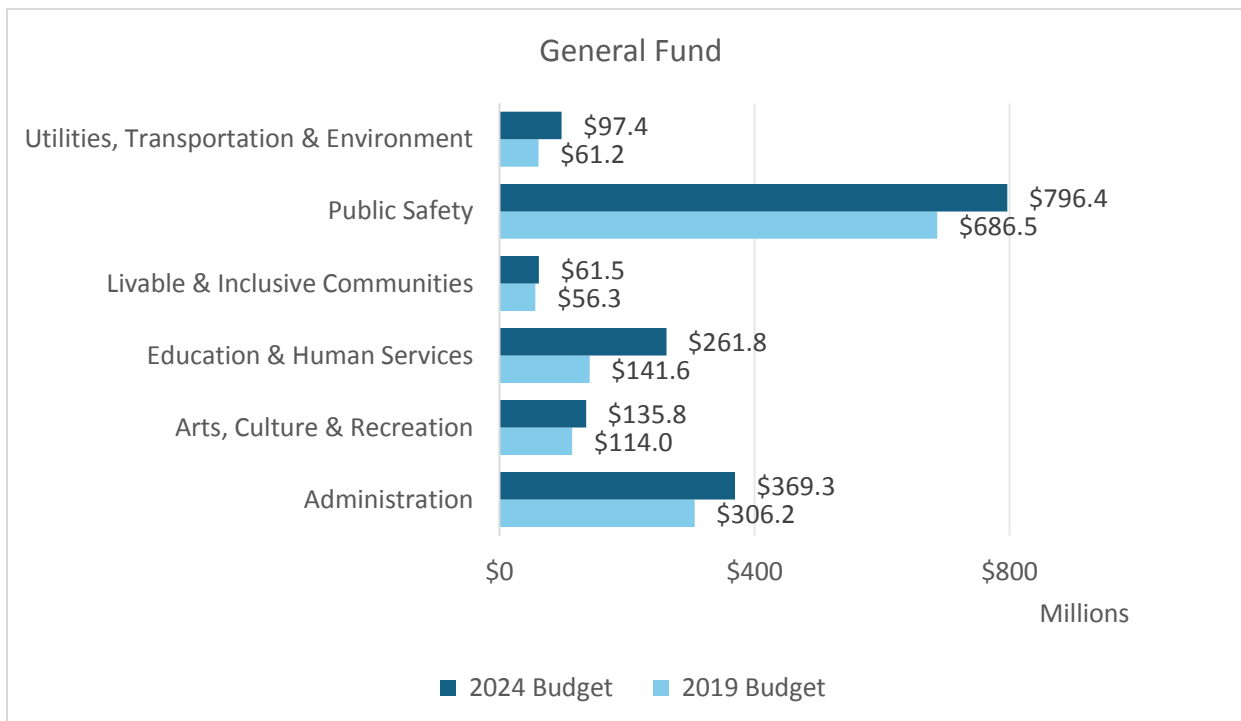
Fund	2019 Budget	2024 Budget	Amount Change	Percent Change
Office of Housing Fund	\$7.9 M	\$11.8 M	\$3.8 M	48%
Office of Labor Standards Fund	\$6.6 M	\$8.4 M	\$1.8 M	28%
Opioid Settlement Proceed Fund	-	\$2.2 M	\$2.2 M	-
Park And Recreation Fund	\$44.7 M	\$41.1 M	-\$3.5 M	-8%
Payroll Expense Tax	-	\$329.6 M	\$329.6 M	-
Police Relief & Pension Fund	\$25.9 M	\$26.7 M	\$.8 M	3%
REET I Capital Fund	\$44.9 M	\$29.9 M	-\$15.0 M	-33%
REET II Capital Fund	\$43.4 M	\$32.3 M	-\$11.1 M	-26%
School Safety Traffic and Pedestrian Improvement Fund	\$17.9 M	\$15.7 M	-\$2.2 M	-12%
Seattle Center Fund	\$19.1 M	\$24.2 M	\$5.1 M	26%
Seattle Center McCaw Hall Fund	\$4.8 M	\$5.7 M	\$.9 M	19%
Seattle Park District Fund	\$54.7 M	\$122.9 M	\$68.2 M	125%
Seattle Preschool Levy Fund	\$16.5 M		-\$16.5 M	-
Seattle Streetcar Operations	\$14.9 M	\$14.4 M	-.5 M	-3%
Short-Term Rental Tax Fund	-	\$11.7 M	\$11.7 M	-
Solid Waste Fund	\$217.7 M	\$338.7 M	\$121.0 M	56%
Sweetened Beverage Tax Fund	-	\$22.4 M	\$22.4 M	-
Transit Benefit Fund	\$6.7 M	\$5.2 M	-\$1.5 M	-22%
Transportation Benefit District Fund	\$70.6 M	\$96.9 M	\$26.4 M	37%
Transportation Fund	\$293.8 M	\$324.7 M	\$30.9 M	11%
Unemployment Insurance Fund	\$2.1 M	\$2.5 M	\$.4 M	18%
Unrestricted Cumulative Reserve Fund	\$3.8 M	\$4.3 M	\$.6 M	15%
UTGO Bond Interest Redemption Fund	\$22.8 M	\$16.2 M	-\$6.6 M	-29%
Water Fund	\$378.1 M	\$438.5 M	\$60.3 M	16%
Waterfront LID #6751	-	\$9.5 M	\$9.5 M	-
Wheelchair Accessible Fund	\$1.6 M	\$2.6 M	\$1.0 M	59%
<b>Total</b>	<b>\$6,093.2 M</b>	<b>\$7,838.5 M</b>	<b>\$1,745.3 M</b>	<b>29%</b>

**Appendix 2: 2019-2024 Adopted Budgets by Policy Area and Fund**

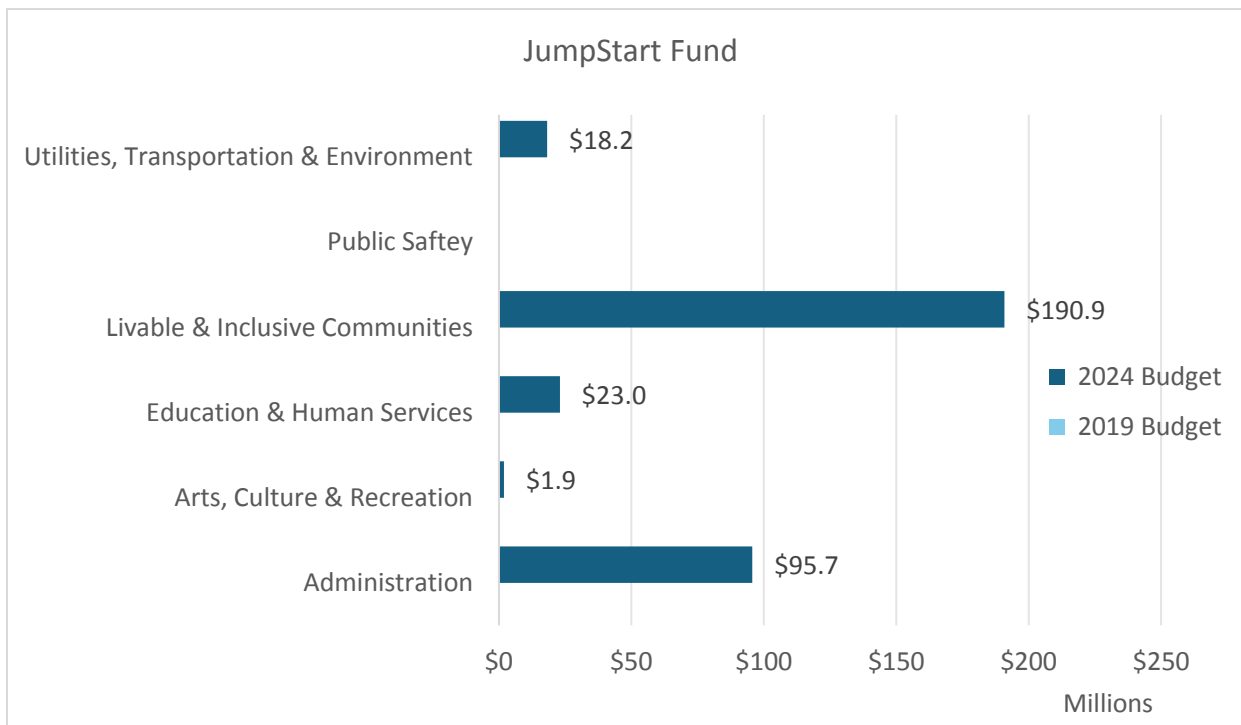
*2019-2024 Adopted Budgets by Policy Grouping – All Funds*



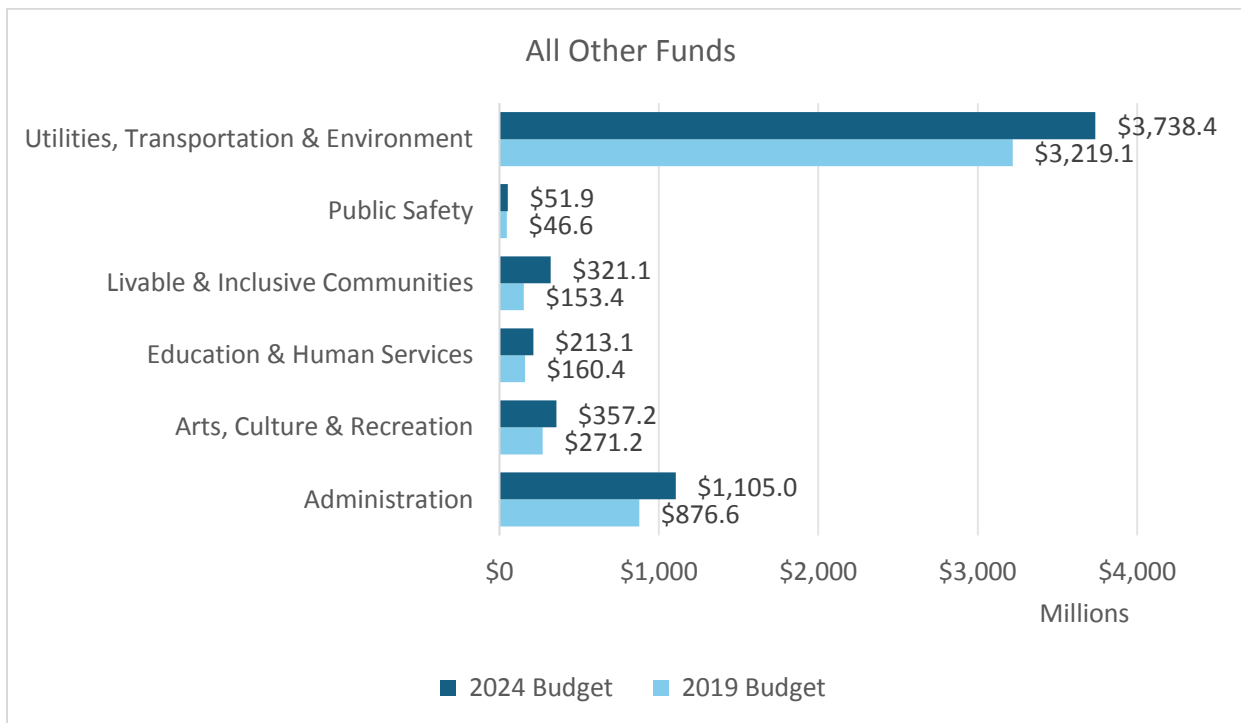
*2019-2024 Adopted Budgets by Policy Grouping – General Fund*



2019-2024 Adopted Budgets by Policy Grouping – JumpStart Fund



2019-2024 Adopted Budgets by Policy Grouping – Other Funds



Appendix 3: 2019-2024 Adopted Budgets by Department and Fund

Department	2019				2024				GF 5-Year Change		5-Year Change (all funds)	
	GF	JSF	OF	Total	GF	JSF	OF	Total	GF \$ Change	% Change	\$ Change	% Change
<b>Administration</b>												
City Budget Office	\$6.8			\$6.8	\$8.8	\$2.2	\$0.0	\$9.0	\$2.0	29.3%	\$2.2	32%
Civil Service Commissions	\$5.5			\$5.5	\$9.9			\$9.9	\$0.0	0.0%	\$4.4	79%
Department of Finance and Administrative Services	\$48.4		\$284.3	\$332.7	\$63.6	\$2.2	\$385.0	\$450.8	\$15.2	31.3%	\$118.1	35%
Employees' Retirement System			\$20.9	\$20.9			\$10.7	\$10.7	\$0.0	n/a	-\$10.3	-49%
Ethics and Elections Commission	\$1.0		\$5.5	\$6.5	\$1.3		\$3.0	\$4.3	\$0.3	29.0%	-\$2.2	-33%
Finance General	\$201.0		\$6.2	\$207.1	\$228.3	\$92.7	\$21.0	\$342.0	\$27.3	13.6%	\$134.9	65%
Legislative Department	\$16.3			\$16.3	\$21.0			\$21.0	\$4.7	28.6%	\$4.7	29%
Office of Economic and Revenue Forecasts				\$0.0	\$0.8			\$0.8	\$0.8	n/a	\$0.8	n/a
Office of Intergovernmental Relations	\$2.8			\$2.8	\$3.1			\$3.1	\$0.3	9.9%	\$0.3	10%
Office of the City Auditor	\$2.9			\$2.9	\$2.3		\$0.0	\$2.3	-\$0.5	-18.7%	-\$0.5	-19%
Office of the Employee Ombud	\$0.5			\$0.5	\$1.2			\$1.2	\$0.0	0.0%	\$0.6	127%
Office of the Mayor	\$7.1			\$7.1	\$11.9			\$11.9	\$4.8	67.4%	\$4.8	67%
Seattle Department of Human Resources	\$18.9		\$272.0	\$290.9	\$26.2		\$383.4	\$409.5	\$7.3	38.4%	\$118.7	41%
Seattle Information Technology Department			\$287.8	\$287.8	\$0.0	\$0.6	\$301.9	\$302.5	\$0.0	n/a	\$14.7	5%
<b>Arts, Culture &amp; Recreation</b>												
Office of Arts and Culture			\$14.9	\$14.9	\$0.0	\$0.7	\$22.2	\$22.9	\$0.0	n/a	\$8.0	54%
Seattle Center	\$13.0		\$36.1	\$49.2	\$16.3	\$0.2	\$39.0	\$55.5	\$3.3	25.4%	\$6.4	13%
Seattle Parks and Recreation	\$101.0		\$137.0	\$238.0	\$119.5	\$1.1	\$200.2	\$320.7	\$18.5	18.3%	\$82.7	35%
Seattle Public Library			\$83.2	\$83.2	\$0.0		\$95.8	\$95.8	\$0.0	n/a	\$12.6	15%
<b>Education &amp; Human Services</b>												
Department of Education and Early Learning	\$18.2		\$85.5	\$103.7	\$20.4	\$21.0	\$115.4	\$156.8	\$2.2	12.0%	\$53.1	51%

Department	2019				2024				GF 5-Year Change		5-Year Change (all funds)	
	GF	JSF	OF	Total	GF	JSF	OF	Total	GF \$ Change	% Change	\$ Change	% Change
Human Services Department	\$123.3		\$74.9	\$198.3	\$241.4	\$2.0	\$97.7	\$341.0	\$118.0	95.7%	\$142.8	72%
<b>Livable &amp; Inclusive Communities</b>												
Department of Neighborhoods	\$13.7			\$13.7	\$15.5	\$3.0	\$2.9	\$18.7	\$1.8	13.4%	\$5.0	37%
Office for Civil Rights	\$4.9			\$4.9	\$8.0			\$8.0	\$0.0	0.0%	\$3.1	64%
Office of Economic Development	\$10.7			\$10.7	\$11.5	\$25.8	\$0.0	\$37.2	\$0.8	7.3%	\$26.6	249%
Office of Hearing Examiner	\$1.0			\$1.0	\$1.2			\$1.2	\$0.0	0.0%	\$0.3	27%
Office of Housing	\$0.8		\$68.6	\$69.4	\$0.1	\$142.1	\$197.2	\$339.3	-\$0.7	-93.4%	\$270.0	389%
Office of Immigrant and Refugee Affairs	\$5.3			\$5.3	\$6.2	\$0.2		\$6.4	\$1.0	18.2%	\$1.1	21%
Office of Labor Standards			\$6.6	\$6.6		\$0.6	\$8.4	\$9.0	\$0.0	n/a	\$2.4	37%
Office of Planning and Community Development	\$12.8		\$0.5	\$13.3	\$7.8	\$21.5	\$6.6	\$35.9	-\$5.0	-39.0%	\$22.6	170%
Seattle Department of Construction and Inspections	\$7.3		\$77.6	\$84.9	\$11.3	\$0.5	\$106.0	\$117.7	\$0.0	0.0%	\$32.7	39%
<b>Public Safety</b>												
Community Assisted Response and Engagement				\$0.0	\$26.3			\$26.3	\$0.0	n/a	\$26.3	n/a
Community Police Commission	\$1.5			\$1.5	\$2.1			\$2.1	\$0.6	40.9%	\$0.6	41%
Firefighter's Pension			\$20.7	\$20.7			\$23.0	\$23.0	\$0.0	n/a	\$2.3	11%
Law Department	\$30.4			\$30.4	\$40.8			\$40.8	\$10.4	34.2%	\$10.4	34%
Office of Emergency Management				\$0.0	\$2.9		\$0.0	\$2.9	\$2.9	n/a	\$2.9	n/a
Office of Inspector General for Public Safety	\$1.8			\$1.8	\$4.7			\$4.7	\$2.9	159.3%	\$2.9	159%
Police Relief and Pension			\$25.9	\$25.9			\$26.7	\$26.7	\$0.0	n/a	\$0.8	3%
Seattle Fire Department	\$219.5			\$219.5	\$282.6			\$282.6	\$63.1	28.7%	\$63.1	29%
Seattle Municipal Court	\$34.8			\$34.8	\$43.3			\$43.3	\$8.5	24.5%	\$8.5	25%
Seattle Police Department	\$398.6			\$398.6	\$393.6		\$2.2	\$395.8	-\$4.9	-1.2%	-\$2.8	-1%

Department	2019				2024				GF 5-Year Change		5-Year Change (all funds)	
	GF	JSF	OF	Total	GF	JSF	OF	Total	GF \$ Change	% Change	\$ Change	% Change
<b>Utilities, Transportation &amp; Environment</b>												
Office of Sustainability and Environment	\$8.0			\$8.0	\$7.3	\$17.2	\$6.2	\$30.6	-\$0.7	-9.1%	\$22.6	283%
Seattle City Light			\$1,374.5	\$1,374.5			\$1,531.4	\$1,531.4	\$0.0	n/a	\$156.9	11%
Seattle Department of Transportation	\$43.2		\$590.8	\$634.0	\$63.4	\$1.0	\$646.9	\$711.3	\$20.2	46.8%	\$77.3	12%
Seattle Public Utilities	\$10.0		\$1,253.8	\$1,263.8	\$26.7		\$1,554.0	\$1,580.7	\$16.7	166.0%	\$316.9	25.1%