

2019 Budget Exceptions Ordinance Summary Detail Table

Item	Title/Description	Amount/FTE
Section 1 – Appropriation Increases		
1.1	Increase 2019 Appropriation by \$881,757 in the Employee Benefit Management Budget Control Level of the Employees’ Retirement Fund (Seattle City Employees’ Retirement System, Employees’ Retirement Fund (61030))	\$881,757
	This item provides a retroactive appropriation increase of \$881,757 in the Employee Benefit Management BCL to pay for unanticipated costs due to higher performance-based investment management fees than were projected in the 2019 Adopted Budget. The higher fees were due primarily to better-than-expected investment performance in 2019, particularly in the 4 th quarter. These fees increase as investments perform well, so much of the increase in fees also occurred in the 4 th quarter. Investment performance, net of these fees, still exceeded SCERS’ forecast and the net position of the fund benefitted in 2019.	
1.2	Increase 2019 Appropriation by \$2,673,789 in the Mobility Operations Budget Control Level of the Transportation Benefit District Fund (Seattle Department of Transportation, Transportation Benefit District Fund (19900))	\$2,673,789
	This item provides a retroactive appropriation increase of \$2,673,789 in the Mobility Operations BSL to pay for higher expenses for King County Metro service purchases than were projected in the 2019 Adopted Budget. Expenses were greater than anticipated due to a \$3.3 million dollar reconciliation for 2018 expenses that was not accounted for in the 2019 budget. All service purchase expenses for 2019, including the reconciliation payment, were paid in the 4 th quarter. The department is working to improve its forecasting capabilities associated with transit service purchases.	
1.3	Increase 2019 Appropriation by \$2,942,001 in the Leadership and Administration Budget Control Level of the Transportation Fund (Seattle Department of Transportation, Transportation Fund (13000))	\$2,942,001
	This item provides a retroactive appropriation increase of \$2,942,001 in the Leadership and Administration BSL to pay for higher expenses for fleet maintenance during snow and ice events and for higher indirect costs than were projected in the 2019 Adopted Budget. Of this amount, approximately \$800,000 is related to encumbrances on existing purchase orders. In addition, \$1.7 million of indirect costs were charged in the final week of year-end close, too late to adjust the indirect cost recovery model. The remainder is due to higher than anticipated specialty maintenance costs from the February 2019 snow and ice event. This item will draw down fund balance; however, it will not impact the department’s ability to deliver on its 2020 commitments. The department is working to improve its forecasting capabilities associated with indirect costs.	

Item	Title/Description	Amount/FTE
1.4	Increase 2019 Appropriation by \$3,177,803 in the Maintenance Operations Budget Control Level of the Transportation Fund (Seattle Department of Transportation, Transportation Fund (13000))	\$3,177,803
	This item provides a retroactive appropriation increase of \$3,177,803 in the Maintenance Operations BSL to pay for higher expenses for emergency response, pothole repair, and SDOT Response Team than were projected in the 2019 Adopted Budget. Greater-than-anticipated expenses were due primarily to 1) larger and more frequent emergency responses to weather events, 2) Seattle Squeeze mitigation, 3) larger number of pothole complaints from citizens, and 4) larger than anticipated number of incidents requiring SDOT response. This item will draw down fund balance; however, it will not impact the department's ability to deliver on its 2020 commitments. The department is working to improve its forecasting capabilities associated with maintenance operations activities.	
1.5	Increase 2019 Appropriation by \$3,433,210 in the Health Care Services Budget Control Level of the Health Care Fund (Seattle Department of Human Resources, Health Care Fund (10112))	\$3,433,210
	This item provides a retroactive appropriation increase of \$3,433,210 in the Healthcare Services BSL to pay for unanticipated costs due to higher increases in healthcare costs than were projected in the 2019 Adopted Budget. The unanticipated costs were due primarily to having a higher than average number of large claims in 2019. This is an adjustment to appropriations only as there is sufficient cash in the fund's reserves to cover the added costs. The department will continue to take previous experience into consideration when forecasting for future budget years.	
1.6	Increase 2019 Appropriation by \$785,520 in the Supporting Safe Communities Budget Control Level of the General Fund (Human Services Department, General Fund (00100))	\$785,520
	This item provides a retroactive appropriation increase of \$785,520 for the Human Services Department in the Supporting Safe Communities BSL in order to remedy a budget exception for the 2019 Adopted Budget. Of this amount, \$165,000 was caused by an accounting error in which expenses were not recorded in the proper BCL and budget journals to correct this error were not submitted prior to the year-end deadline for such actions. The remaining \$620,520 was caused by the Mayor's Office on Domestic Violence and Sexual Assault issuing contracts in excess of available budget. The department had a contingency plan to cover these expenses using available budget in the Human Services Fund, but budget journals to execute this plan were not submitted prior to the year-end deadline for such actions. The department's finance team subsequently identified the error's cause and will prevent it from occurring in the future. The department also recently hired a new Chief Financial Officer to lead reform of the department's financial management practices.	
1.7	Increase 2019 Appropriation by \$77,998 in the Supporting Safe Communities Budget Control Level of the Human Services Fund (Human Services Department, Human Services Fund (16200))	\$77,998

Item	Title/Description	Amount/FTE
	<p>This item provides a retroactive appropriation increase of \$77,998 for the Human Services Department in the Supporting Safe Communities BSL in order to remedy a budget exception for the 2019 Adopted Budget. This exception was caused by an accounting error which overstated grant-funded expenses in the Human Services Fund. Budget journals to correct this error were not submitted prior to the year-end deadline for such actions. The department's finance team subsequently identified the error's cause and will prevent it from occurring in the future. The department also recently hired a new Chief Financial Officer to lead reform of the department's financial management practices.</p>	