

Finance General

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Department Overview

Finance General provides a mechanism for allocating General Fund resources to reserve and bond redemption funds, City department operating funds, and certain programs where the City Council, Mayor, or City Budget Office needs additional oversight.

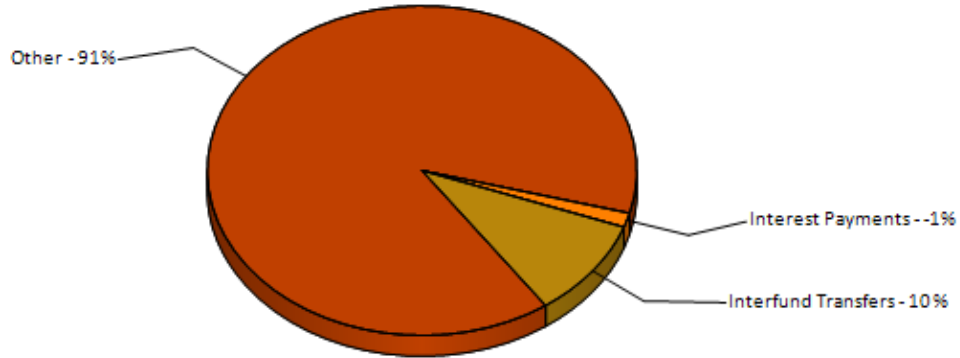
Budget Snapshot

Department Support	2018 Adopted	2019 Proposed	2020 Proposed
General Fund Support	\$226,654,485	\$197,129,446	\$201,210,391
Other Funding - Operating	\$0	\$6,157,174	\$4,631,074
Total Operations	\$226,654,485	\$203,286,620	\$205,841,465
Total Appropriations	\$226,654,485	\$203,286,620	\$205,841,465
Full-time Equivalent Total*	0.00	0.00	0.00

** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Finance General

2019 Proposed Budget - Expenditure by Category



Budget Overview

Finance General serves as a central repository to pay for ongoing City costs, General Fund contributions to the operations of City departments, and contributions to outside organizations. It also provides a mechanism to hold appropriations temporarily until the City determines the appropriate managing department; to act as a contingency reserve to respond to unpredictable situations; and, to cover costs that vary with economic conditions.

To meet the objectives of the direct funding model of the City's financial system reimplementation, the Support to Operating Funds Budget Control Level, which previously provided General Fund cash transfers to operating funds, was eliminated in 2018. Instead, operating fund departments receive General Fund support by appropriating directly out of the General Fund. Finance General appropriations will continue to provide General Fund support via cash transfers to several departments in the Appropriation to Special Funds Budget Control Level. For additional information on department-specific items, please refer to the department budget book sections.

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Incremental Budget Changes

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	2019		2020	
	Budget	FTE	Budget	FTE
2018 Adopted Budget	\$ 226,654,485	0.00	\$ 226,654,485	0.00
Baseline Changes				
Internal Service Cost Changes	-\$ 24,442,210	0.00	-\$ 25,410,274	0.00
Adjustment for One-Time Budget Additions	-\$ 3,092,000	0.00	-\$ 3,092,000	0.00
Proposed Changes				
Debt Service Changes to Realign Costs	-\$ 417,782	0.00	-\$ 823,461	0.00
Judgment and Claims Increase	\$ 5,000,000	0.00	\$ 6,600,000	0.00
Assess and Pilot Strategies to Facilitate Reentry and Coordinate with King County	\$ 250,000	0.00	\$ 0	0.00
Proposed Technical Changes				
Update Reserves for Recurring Expenses	-\$ 5,109,995	0.00	-\$ 2,372,166	0.00
Provide General Fund Support to Department Programs	\$ 4,444,122	0.00	\$ 4,284,881	0.00
Total Incremental Changes	-\$ 23,367,865	0.00	-\$ 20,813,020	0.00
2019 - 2020 Proposed Budget	\$ 203,286,620	0.00	\$ 205,841,465	0.00

Descriptions of Incremental Budget Changes

Baseline Changes

Internal Service Cost Changes - (\$24,442,210)

Citywide technical adjustments made in the baseline phase reflect changes in how Finance and Administrative Services costs were distributed to department budgets. Formerly, Finance General (FG) covered many internal service costs associated with departments to simplify department budgeting; however, this was not consistent with the City's financial policy of showing true department costs. Therefore, \$7 million was redistributed to departments. Additionally, \$18 million was removed from Finance General (FG) transfer to Seattle Information Technology Department (ITD). This change returns FG's biennial transfer to ITD to its normal ongoing level. The 2018 Adopted Budget reflected a one-time increase to pay for costs that ITD was not able to distribute to department budgets by the time 2018 budget was adopted. The one-time transfer made in 2018 will be recouped via a 2019 revenue to the General Fund based on a one-time surcharge to departments in 2019.

Adjustment for One-Time Budget Additions - (\$3,092,000)

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This item includes budget reductions for one-time additions in the 2018 Adopted Budget: Seattle retirement savings plan reserve (\$200,000); Seattle Leadership, Intervention, and Change Summit reserve (10,000); youth opportunity center and housing project (\$500,000); and, repayment of Finance and Administrative Services for set up of the Sweetened Beverage Tax collection structure (\$1,082,000); and community health engagement location reserve (\$1,300,000), which remains unspent in reserves.

Proposed Changes

Debt Service Changes to Realign Costs - (\$417,782)

Finance General's debt service budget was restructured to better align appropriations with attributable costs of department projects. Specifically, debt service costs were moved to the Department of Parks and Recreation and to Seattle Department of Transportation; thereby, allowing these departments to direct charge the General Fund for debt service costs. Also, to facilitate use of resources of the Unrestrictive Cumulative Reserve Fund, Real Estate Excise Tax I Fund and Real Estate Excise Tax II Fund, three Finance General programs were created to directly charge to these funds.

Judgment and Claims Increase - \$5,000,000

Contributions to Judgment and Claims Fund (JC) was increased by \$5 million each year to accommodate a higher trend in settlement and judgments in tort cases and use of outside counsel. The increase in budget for JC in 2019 and 2020 ramps up the appropriation based on the actuarial reports beginning with a 50% confidence level of meeting actual expenditures in 2019, a 60% confidence level in 2020 and increases of 10% each year that achieve 90% by 2023.

Assess and Pilot Strategies to Facilitate Reentry and Coordinate with King County - \$250,000

In 2015, the City Council passed Resolution 31637 establishing a workgroup to strengthen the City's efforts to assist reentry, reduce recidivism, and alleviate the negative impact of incarceration on individuals. The workgroup's final report is expected to be completed before the end of 2018. It is anticipated that the report will identify service gaps and potential new strategies and approaches to better facilitate reentry. Continuation of this work will require coordination and assessment of King County's existing portfolio of reentry services as well as deep alignment with multiple entities within the region's criminal justice system as the scope of this policy area reaches far beyond the direct authority of the City of Seattle. This funding will support further analysis and assessment of the region's approach and strategies for reentry, strengthen coordination and collaboration efforts with other criminal justice agencies, and pilot new and innovative strategies to help facilitate reentry for individuals with criminal history. The Executive will work with the Council President's Office to propose a spending plan in the first quarter of 2019 to appropriate these funds.

Proposed Technical Changes

Update Reserves for Recurring Expenses - (\$5,109,995)

This item makes changes for updated cost projections and includes non-programmatic changes that represent the latest cost estimates for recurring expenses or different financing plans to fund ongoing services.

Provide General Fund Support to Department Programs - \$4,444,122

This adjustment provides the resources needed to support department operations which receive General Fund through operating transfers. Please refer to department sections for specific program descriptions and changes.

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Expenditure Overview

Appropriations	2018 Adopted	2019 Proposed	2020 Proposed
Appropriation to Special Funds Budget Summary Level			
General Fund	181,469,845	158,434,574	161,240,679
REET I Capital Projects Fund	0	2,302,763	1,996,588
REET II Capital Projects Fund	0	1,000,000	0
Unrestricted Cumulative Reserve Fund	0	2,854,411	2,634,486
Total for BSL: BO-FG-2QA00	181,469,845	164,591,748	165,871,753

Reserves Budget Summary Level			
General Fund	45,184,640	38,694,872	39,969,712
Total for BSL: BO-FG-2QD00	45,184,640	38,694,872	39,969,712

Department Total	226,654,485	203,286,620	205,841,465
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Department Full-time Equivalent Total*	0.00	0.00	0.00
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** FTE totals are provided for information purposes only. Changes in FTEs resulting from City Council or Personnel Director actions outside of the budget process may not be detailed here.*

Budget Summary by Fund for Finance General

	2018 Adopted	2019 Proposed	2020 Proposed
00100 - General Fund	226,654,485	197,129,446	201,210,391
30010 - REET I Capital Projects Fund	0	2,302,763	1,996,588
30020 - REET II Capital Projects Fund	0	1,000,000	0
00164 - Unrestricted Cumulative Reserve Fund	0	2,854,411	2,634,486
Budget Totals for FG	226,654,485	203,286,620	205,841,465

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Appropriations By Budget Summary Level (BSL) and Program

<u>Appropriation to Special Funds Budget Summary Level</u>			
Program Expenditures	2018 Adopted	2019 Proposed	2020 Proposed
Arts and Culture Fund	10,389,485	11,549,602	11,314,590
Cumulative Reserve Subfund - Revenue Stabilization Account	3,850,594	3,688,857	2,667,960
Emergency Subfund	1,542,358	1,706,916	1,753,708
Finance and Administrative Services Fund	19,670,404	13,893,672	12,906,646
Firefighters Pension Fund	18,840,000	19,079,309	19,059,375
General Bond Interest/Redemption Fund	17,750,434	15,222,025	16,512,827
Information Technology Fund	20,666,319	3,148,841	3,167,803
Insurance	5,617,000	6,038,275	6,491,146
Judgment/Claims Fund	1,761,855	6,761,855	8,361,855
Library Fund	53,912,040	54,966,045	55,041,816
Office of Labor Standards Fund	5,698,216	6,599,133	6,657,303
Police Relief and Pension Fund	21,771,140	21,937,218	21,936,724
Total	181,469,845	164,591,748	165,871,753

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<u>Reserves Budget Summary Level</u>			
Program Expenditures	2018 Adopted	2019 Proposed	2020 Proposed
Community Health Engagement Location	1,300,000	0	0
Department of Justice Settlement Agreement/Police Accountability	1,968,400	2,259,609	2,322,241
Get Engaged: City Boards and Commissions	34,937	34,937	34,937
Police Civilian Community Liaison Services	1,800,000	0	0
Police Domestic Violence Detectives	24,000	24,000	24,000
Recurring Reserve-Election Expense	1,599,765	850,000	1,700,000
Recurring Reserve-Family Leave Program	2,000,000	2,000,000	2,000,000
Recurring Reserve-Fire Hydrants	9,540,000	9,540,000	9,540,000
Recurring Reserve-Pacific Science Center Lease Reserve	120,000	120,000	120,000
Recurring Reserve-Portable Art Rental and Maintenance	332,966	332,966	332,966
Recurring Reserve-Puget Sound Clean Air Agency	718,000	754,000	758,000
Recurring Reserve-State Examiner	878,416	878,416	878,416
Recurring Reserve-Street Lighting	13,200,000	12,800,000	13,100,000
Recurring Reserve-Tax Refund Interest	775,000	775,000	775,000
Recurring Reserve-Transit Pass Subsidy	4,454,000	4,731,826	5,043,564
Recurring Reserve-Voter Registration and Pamphlet	1,500,000	1,900,000	1,900,000
Recurring Reserve-Workers Compensation Total Disability Claims	500,000	500,000	500,000
Reentry Workforce Strategies	0	250,000	0
Seattle Indian Services Commission Debt Service Payment	454,000	444,118	440,588
Seattle Leadership, Intervention, and Change Summit	10,000	0	0
Seattle Retirement Savings Plan	200,000	0	0
Sweetened Beverage Tax Community Advisory Board Recommendation	2,775,156	0	0
Sweetened Beverage Tax Related Job Retraining	500,000	500,000	500,000
Youth Opportunity Center and Housing Project	500,000	0	0
Total	45,184,640	38,694,872	39,969,712

