

## Introduction

The City of Seattle and its more than 13,000 employees build and maintain infrastructure, provide utility service, support the needs of the city’s residents, and create recreational, cultural, and other enriching opportunities. In providing excellent service, these employees use and maintain dozens of city-owned properties, a fleet of vehicles ranging from fire trucks to golf carts, and equipment and facilities necessary to complete the City’s mission.

Budgeting for a large organization with many functions is a crucial and complex process. In order to produce a balanced budget the City relies upon solid forecasts incorporating items which are constantly changing (such as the price of fuel), analyzing economic activity (as it impacts tax revenues, among other budgetary components), and evaluating demand for services (from electric and water utility service, to parking meters, and access to parks/library services).

## City of Seattle Budget Process

In its simplest terms, the City budget is proposed by the Mayor (Executive), checked for compliance with the law (City Attorney), and amended and passed by the City Council (Legislative) before returning to the Mayor for their approval and signature.

The City of Seattle utilizes a modified biennial (two-year) budget process in which the City Council approves funding for year one while endorsing the amounts for year two. 2024 is year two of the current biennium and this book is designed to provide updates and discussion on how 2024 funding and service delivery levels differ relative to the 2024 endorsed levels.

The budget itself is composed of two main documents: the operating budget and the capital improvement program (CIP) budget. The operating budget is primarily composed of expenditures required by the City to deliver the day-to-day array of City services. The CIP budget consists of large expenditures on infrastructure and other capital projects.

Charts summarizing the City’s budget process and organization can be found at the end of this section.

### Budget Preparation

For 2024, the budget development process differs in that the beginning point for the mid-biennial budget is the 2024 Endorsed Budget.

During this process, the Office of Economic and Revenue Forecasts (OERF), in conjunction with the City Budget Office (CBO) updates and compares the revenue forecasts utilized in the 2024 Endorsed Budget relative to current economic conditions in order to determine if the endorsed budget remains in balance. In addition, costs to maintain current service levels are updated based on factors such as inflation and compared to the revised revenue forecast. If revenues are not sufficient to cover the cost of current services, the City must identify changes to close the gap – either through reductions or increased revenues or a combination of both. If the revenue forecast shows that additional resources are available, then the budget process identifies new or expanded programs to meet the evolving demands for City services. Regardless, the City is required by state law to prepare a balanced budget.

## Introduction & Budget Process

Annually, CBO provides guidance to departments regarding budget submissions in early spring. In early June, CBO receives departmental operating budget and CIP submittals, including all position (employee) changes. Mayoral review and evaluation of department submittals takes place through the end of August. CBO, in conjunction with individual departments, then finalizes the operating and CIP budgets. As 2024 is year two of a biennium, the budget updates are not intended to include any significant new budget programs or policy shifts but rather to maintain services levels and make strategic investments where appropriate.

In late September, the Mayor submits the proposed mid-biennial budget updates and CIP to the City Council. In addition to the budget documents, CBO prepares supporting legislation and other related documents.

The City Council then conducts public hearings and holds committee meetings in open session to discuss budget requests with department representatives and CBO staff. Councilmembers then recommend specific budget actions for consideration by their colleagues.

During the budget review process, the City Council may choose to explain its budget actions further by developing statements of legislative intent and budget guidance statements for future budget action. Intent statements describe the Council's expectations in making budget decisions and generally require affected departments to report back to the City Council on results.

After completing the public hearing and deliberative processes the City Council votes to adopt the budget, incorporating its desired budget changes, in late November. The Mayor can choose to approve the Council's budget, veto it, or let it become law without mayoral signature. The Mayor must veto the entire budget or none of it, as there is no line-item veto in Seattle. Copies of budget documents are available for public inspection at the CBO offices, at the Seattle Public Library, and on the Internet at <http://www.seattle.gov/budget>.

During the year, the City may have a need to change the adopted budget to respond to evolving needs. The City makes such changes through supplemental budget appropriation ordinances. A majority of the City Council may, by ordinance, eliminate, decrease, or re-appropriate any unspent appropriations during the year. The City Council, generally with a three-fourths vote, may also increase appropriations from available money to meet necessary expenditures that were not foreseeable earlier. Additional unforeseeable appropriations related to settlement of claims, emergency conditions, or laws enacted since passage of the annual operating budget ordinance require approval by a two-thirds vote of the City Council. Absent such changes, departments are legally required to stay within their annual budget appropriation.