

2014 Seattle City Council Green Sheet

Ready for Notebook

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Budget Action Title: Cut \$984,000, eliminate 3 new FTE, and delete 2 projects from SPU's budget and 2014-19 CIP; add \$47,000 GSF to SDOT's Street Maintenance BCL; and impose a proviso to preserve Strategic Plan options

Has CIP Amendment: Yes Has Budget Proviso: Yes

Councilmembers: Burgess; Godden; Harrell

Staff Analyst: Meg Moorehead

Council Bill or Resolution:

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

Summary of Dollar Effect

See the following pages for detailed technical information

	2013 Increase (Decrease)	2014 Increase (Decrease)
General Subfund		
<i>General Subfund Revenues</i>	\$0	\$0
<i>General Subfund Expenditures</i>	\$0	\$47,000
<i>Net Balance Effect</i>	\$0	(\$47,000)
Other Funds		
<i>Transportation Operating Fund (10310)</i>		
<i>Revenues</i>	\$0	\$47,000
<i>Expenditures</i>	\$0	\$47,000
<i>Net Balance Effect</i>	\$0	\$0
<i>Water Fund</i>		
<i>Revenues</i>	\$0	\$0
<i>Expenditures</i>	\$0	(\$509,000)
<i>Net Balance Effect</i>	\$0	\$509,000
<i>Drainage and Wastewater Fund</i>		
<i>Revenues</i>	\$0	\$0
<i>Expenditures</i>	\$0	(\$345,000)
<i>Net Balance Effect</i>	\$0	\$345,000

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Solid Waste Fund			
Revenues		\$0	\$0
Expenditures		\$0	(\$130,000)
Net Balance Effect		\$0	\$130,000
Total Budget Balance Effect		\$0	\$937,000

Budget Action description:

This green sheet would reduce Seattle Public Utilities' (SPU's) proposed 2014 budget by \$984,000, cut 3 proposed new positions, and delete 2 new capital projects from the proposed 2014-2019 Capital Improvement Program (CIP). This green sheet also reduces SPU-funded street sweeping and reestablishes SDOT's 2013 GSF street sweeping responsibilities. This green sheet also imposes a proviso on 2 new Yesler Terrace infrastructure projects. The reductions in this green sheet are intended to reduce approval of discretionary new expenditures in 2014 so as not to prejudice the outcome of the SPU Strategic Plan and 6-year rate path currently under development with the participation of a customer review panel.

This green sheet reduces operations and maintenance spending by \$784,000 so as not to prejudice the outcome of the SPU Strategic Plan, including:

- 1) Cutting 3 new positions and \$305,000 proposed to be added to the 25 human resource positions already housed in SPU.
- 2) Reducing the proposed \$400,000 of ongoing added spending for communications to \$200,000 for 2014 only, with a 2014 focus on gaining customer input to the Strategic Plan.
- 3) Eliminating the proposed \$47,000 of added SPU-funded street sweeping and reestablishing SDOT's 2013 General Subfund (GSF) responsibility for those routes.
- 4) Cutting the proposed \$232,000 of new spending authority for expert help in improving SPU's capital project delivery. However, the expert is already working in 2013 with funding from existing appropriations and the Council expects SPU to continue to use its base appropriation for that work in 2014. There should be adequate appropriations to continue the project delivery spending given that if this green sheet is approved SPU's budget would still be \$16.3 million higher than endorsed – and \$72.8 million higher than the adopted 2013 budget.

This green sheet also reduces capital spending by \$200,000 so as not to prejudice the outcome of the SPU Strategic Plan, including:

- 1) Deleting the new Water Quality & Flow Improvements project, Project ID C3393, from SPU's Protection of Beneficial Uses BCL in the 2014-2019 CIP.
- 2) Deleting the new Environmental Stewardship project, Project ID C1301, from the Watershed Stewardship BCL in the 2014-2019 CIP and cutting the \$200,000 in appropriations for that project from the 2014 budget.

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This green sheet imposes the following proviso:

“None of the money appropriated in the 2014 budget for the Seattle Public Utilities’ Shared Cost Projects BCL may be spent for the Yesler Terrace - DWF project (#C4136-DWF) or the Yesler Terrace – WF project (#C4136-WF) until Seattle Public Utilities has made a presentation to the appropriate Council Committee describing the scope of the project, benefits for the SPU system as a whole, and the schedule for completing the projects in 2014.”

Background:

For several years, SPU has proposed rates that increase more than the Consumer Price Index. To address concerns about the affordability of SPU rates, the Council directed SPU to convene a customer panel to offer advice in the development of a Strategic Plan and 6-year (2015-2020) rate path. Plan development is underway with active participation of a customer panel and an August 2014 completion date. The panel has not yet discussed potential efficiencies that could lower costs or considered options for improving service through increased spending. This green sheet reduces discretionary new expenditures in 2014 so as not to prejudge the outcome of the SPU Strategic Plan and 6-year rate path due for completion in August 2014. New spending in 2014 adds to future rate increases addressed in the Plan. Holding off on new spending pending Strategic Plan completion follows the approach used during City Light’s Strategic Plan development. Appropriations for the activities cut in this green sheet can be proposed in future budgets if recommended and approved as part of the Strategic Plan.

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Budget Action Transactions

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#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Cut new human resources position to preserve Strategic Plan options	StratAdvsr1,General Govt - FT	-1	-1	SPU	Administration	N100B-WU	43000	2014		(\$140,000)
2	Cut new human resources position to preserve Strategic Plan options	StratAdvsr1,General Govt - FT	-1	-1	SPU	Administration	N100B-SW	45010	2014		(\$48,000)
3	Cut new human resources position to preserve Strategic Plan options	StratAdvsr1,General Govt - FT	-1	-1	SPU	Administration	N100B-DW	44010	2014		(\$117,000)
4	Reduce added communications spending				SPU	Administration	N100B-DW	44010	2014		(\$60,000)
5	Reduce added communications spending				SPU	Administration	N100B-SW	45010	2014		(\$60,000)
6	Reduce added communications spending				SPU	Administration	N100B-WU	43000	2014		(\$80,000)
7	Eliminate new spending authority for project delivery				SPU	Other Operating	N400B-DW	44010	2014		(\$108,000)
8	Eliminate new spending authority for project delivery				SPU	Other Operating	N400B-SW	45010	2014		(\$16,000)

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9	Eliminate new spending authority for project delivery				SPU	Other Operating	N400B-WU	43000	2014		(\$73,000)
10	Eliminate new spending authority for project delivery				SPU	Administration	N100B-DW	44010	2014		(\$13,000)
11	Eliminate new spending authority for project delivery				SPU	Administration	N100B-SW	45010	2014		(\$6,000)
12	Eliminate new spending authority for project delivery				SPU	Administration	N100B-WU	43000	2014		(\$16,000)
13	Cut added utility spending for street sweeping				SPU	Other Operating	N400B-DW	44010	2014		(\$47,000)
14	Delete new Environmental Stewardship capital project				SPU	Watershed Stewardship	C130B	43000	2014		(\$200,000)
15	Increase working capital to reflect reduced spending				SPU	Decrease (Increase) in Working Capital	379100	44010	2014	(\$345,000)	
16	Increase working capital to reflect reduced spending				SPU	Decrease (Increase) in Working Capital	379100	45010	2014	(\$130,000)	
17	Increase working capital to reflect reduced spending				SPU	Decrease (Increase) in Working Capital	379100	43000	2014	(\$509,000)	
18	Return flood-oriented street sweeping to a SDOT GSF responsibility				FG	Transportation Fund	Q5971039	00100	2014		\$47,000

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19	Return flood-oriented street sweeping to a SDOT GSF responsibility				SDOT	General Fund	587001	10310	2014	\$47,000	
20	Return flood-oriented street sweeping to a SDOT GSF responsibility				SDOT	Street Maintenance	17005	10310	2014		\$47,000