

Resolution No. 31134

A RESOLUTION relating to the City of Seattle's 2009 and 2010 budgets, acknowledging the need for immediate spending reductions, establishing the Council's highest budget priorities in the context of these reductions, and identifying potential cost savings to be considered by the Executive in preparing the 2010 proposed budget.

The City of Seattle - Legislative Department

Resolution sponsored by: Godden

Committee Action:

Date	Recommendation	Vote
5/7/09	Do pass as amended <sup>(e) LH</sup>	JG, SG, TB

Related Legislation File: \_\_\_\_\_

Date Introduced and Referred: <u>5-4-09</u>	To: (committee): <u>Finance &amp; Budget</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>5.11.09</u>	Date Presented to Mayor: <u>MAA</u>
Date Signed by Mayor: _____	Date Returned to City Clerk: <u>5.11.09</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Returned Without Concurrence:
Published in Full Text <input type="checkbox"/>	

This file is complete and ready for presentation to Full Council. \_\_\_\_\_

Full Council Action:

Date	Decision	Vote
5.11.09	Adopted	9-0

*Law Department*

**RESOLUTION** 31134

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2 immediate spending reductions, establishing the Council's highest budget priorities in the context  
3 of these reductions, and identifying potential cost savings to be considered by the Executive in  
4 preparing the 2010 proposed budget.

5 WHEREAS, on June 2, 2008 the Council adopted Resolution 31063 establishing the Council's six budget  
6 goals for the 2009-2010 biennium; and

7 WHEREAS, on November 24, 2008 the Council adopted the City's 2009 Budget, including the 2009 –  
8 2014 Capital Improvement Program, and endorsed the City's 2010 Budget; and

9 WHEREAS, since then, national, regional and local economic conditions have significantly deteriorated,  
10 with more than five million jobs lost nationally over the past 14 months, the state unemployment  
11 rate now surpassing nine percent, and King County unemployment levels recently reaching eight  
12 percent; and

13 WHEREAS, the current economic downturn and financial crisis has been associated with a significant  
14 reduction in the value of local real estate and a marked drop in the number of real estate  
15 transactions; and

16 WHEREAS, these economic conditions have had a dramatic negative impact on all of the City's major  
17 revenue sources, reducing revenues for the retail sales tax, the business and occupation tax, utility  
18 taxes, and the real estate excise tax; and

19 WHEREAS, the Department of Finance presented Council with a new biennial revenue forecast on April  
20 6, 2009 and is now predicting that General Fund revenues will fall more than \$70 million short of  
21 the levels that underlie the adopted and endorsed budgets for 2009 and 2010; and

22 WHEREAS, this revised forecast also predicts that real estate excise tax revenues will fall approximately  
23 \$20 million short of the levels assumed in the adopted 2009 and endorsed 2010 budgets; and

24 WHEREAS, on April 13 and April 20 the Department of Finance presented Council with an initial plan to  
25 underspend available 2009 budget appropriations; and

26 WHEREAS, the Council held two public hearings, the first on March 26 and the second on April 22, to  
27 receive input from the public regarding the proposed budget changes; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:**

28 Section 1. The Council acknowledges the need for significant spending reductions in 2009 and  
concurs with the general priorities reflected in the Mayor's plans to underspend the available



1 appropriation authority in the General Fund and the Cumulative Reserve Subfund, as well as to withdraw  
2 up to \$5 million from the Revenue Stabilization Account.

3 Section 2. The City Council re-affirms the six biennial budget goals established in Resolution  
4 31603: Public Safety; Human Services and Housing; Transportation; Pedestrian Safety; Environmental  
5 Stewardship; and Neighborhood Planning. While remaining committed to all these goals, within the  
6 context of the current economic downturn, the Council establishes Public Safety and Human Services and  
7 Housing as its highest priorities. In these difficult times, the City must continue to protect the health and  
8 safety of all Seattle's residents, while at the same time providing essential assistance to the most needy  
9 among them. Continued investments in bulk food purchasing and the local distribution network for  
10 emergency food are examples of the critical human services support programs that Council intends to  
11 support, and to expand if possible.

12 With respect to public safety, the Council stands firm in its commitment to provide the Seattle  
13 Police Department with sufficient uniform staffing to implement all elements of the proposed  
14 Neighborhood Policing Plan by 2010. Although resources are limited, given the Council's and Mayor's  
15 commitment to stemming youth violence, and more broadly to continued investment in Seattle's youth,  
16 the Council also supports increased funding for youth mentoring programs and encourages the Mayor to  
17 include such a proposal in his 2010 budget.

18 Section 3. Recognizing that further reductions will be needed in 2010, the Council requests that  
19 the Executive evaluate the following potential cost savings measures in developing the proposed budget  
20 for next year:

- 21  
22 a. Reduce or suspend contributions to the Fleets and Facilities Department's Asset Preservation  
23 Program and reduce internal rent charges accordingly. Are there sufficient resources to  
24 maintain critical City facilities with any existing fund balance in the program? What risks are  
25 there to lowering or eliminating contributions for a year or more?  
26

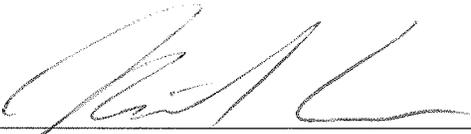


- 1           b. Increase the “span of control” within some areas of management to reduce internal costs  
2           while preserving the financial resources needed to support direct services to the public.  
3           Reductions at all levels of management may provide opportunities for savings.
- 4           c. Reduce the number of vehicles in the City’s internal fleet and/or extend the lifespan of  
5           existing vehicles. Are all current vehicles essential? Do current replacement cycles provide  
6           the most cost-effective approach to vehicle operation? Could car-sharing services or other  
7           innovative approaches help reduce the City’s vehicle costs?
- 8           d. Review fuel purchasing policies. In particular, when the full environmental impacts of bio-  
9           diesel are considered, does it really represent an environmentally sensitive and cost-effective  
10          alternative to petroleum-derived diesel and/or other fuel alternatives?
- 11          e. Evaluate the cost-effectiveness of long-term consultant contracts. If there are long-term  
12          bodies of work now being provided under consultant contracts, would it be more cost-  
13          effective to bring these services “in-house” and have them provided by City workers instead?
- 14          f. Enhance efficiency of the Department of Information Technology, the Fleets and Facilities  
15          Department, the Department of Executive Administration’s Contracting Services Division  
16          and the City’s other internal services functions. While the support provided by these  
17          functions is necessary for the City to provide critical direct services, there may be  
18          opportunities for either short-term deferrals or long-term restructurings that could reduce the  
19          cost of these internal functions.
- 20          g. Review the City’s participation in various local, regional and national organizations and the  
21          membership dues associated with this participation. While the City’s participation in such  
22          organizations can be valuable, it would be appropriate to review whether each individual  
23          membership is providing the desired benefit.  
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1 h. Review funding provided for staff training and for travel to conferences, professional  
2 meetings, etc., particularly those held outside the State, for which expenses can be  
3 considerable. Staff development and professional interactions can be very valuable, but the  
4 benefits from such expenditures must be weighed against the impacts of the current spending  
5 cuts.

6  
7 Adopted by the City Council the 11<sup>th</sup> day of May, 2009, and signed by me  
8 in open session in authentication of its adoption this 11<sup>th</sup> day  
9 of May, 2009.

10   
11 \_\_\_\_\_  
12 President \_\_\_\_\_ of the City Council

13 Filed by me this 11<sup>th</sup> day of May, 2009.

14 Carol Shenk  
15 \_\_\_\_\_  
16 Acting City Clerk

17 (Seal)



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Legislative	Ben Noble / 4-8160	NA

**Legislation Title:**

A RESOLUTION relating to the City of Seattle’s 2009 and 2010 budgets, acknowledging the need for immediate spending reductions, establishing the Council’s highest budget priorities in the context of these reductions, and identifying potential cost savings to be considered by the Executive in preparing the 2010 proposed budget.

• **Summary of the Legislation:**

This resolution acknowledges the need for 2009 spending reductions in reaction to the significant downward revision in General Fund and Cumulative Reserve Subfund revenue forecasts. In the context if these reductions, the resolution also establishes Council’s highest priorities among its original 2009-2010 budget goals. In particular, it identifies “Public Safety” and “Human Services and Housing” as the highest priorities among the six budget goals established last spring in resolution 31063. Finally, the resolution sets out a number of potential cost reduction areas and calls upon the Executive to study these issues in advance of submitting the 2010 proposed budget.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

Since the 2009-2010 biennial budget was adopted last November, the national, regional and local economies have slowed dramatically. Washington State unemployment now exceeds national levels, and the real estate bubble that had previously “burst” in many other parts of the nation has now done so in Seattle. These developments have sharply reduced the revenue forecasts for 2009 and 2010. In response, the Executive has presented Council a set of proposed spending reductions for both the General Fund and the Cumulative reserve subfund. These reductions will be implemented administratively, without any changes in legal appropriation authority. However, later this year, legislation authorizing the use of up to \$5 million from the Revenue Stabilization Account is anticipated, as is legislation that will abrogate a number of unfilled and now unfunded positions.

• *Please check one of the following:*

  X   **This legislation does not have any financial implications.** *(Stop here and delete the remainder of this document prior to saving and printing.)*

       **This legislation has financial implications.** *(Please complete all relevant sections that follow.)*

As described immediately above, this resolution acknowledges the need for significant underspending in 2009, but these budgetary changes will be administered by the Executive, without formally changing existing budget authority. Therefore, this resolution does not have any immediate legal impact on City finances or budget authority.



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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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239432  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

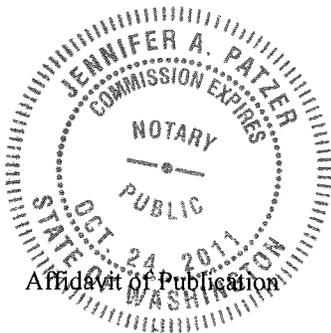
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31134 & 31135

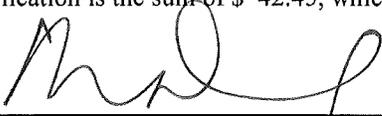
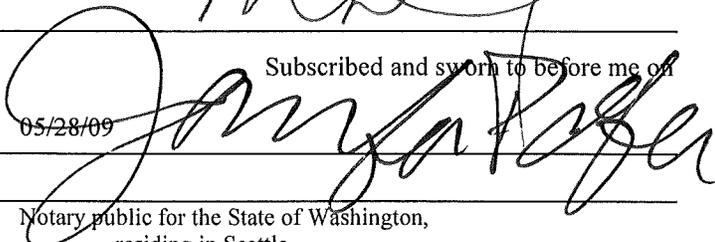
was published on

05/28/09

The amount of the fee charged for the foregoing publication is the sum of \$ 42.45, which amount has been paid in full.



Affidavit of Publication

  
\_\_\_\_\_  
Subscribed and sworn to before me on  
05/28/09   
\_\_\_\_\_  
Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle

#### TITLE-ONLY PUBLICATION

The full text of the following resolutions, passed by the City Council on May 11, 2009, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### RESOLUTION NO. 31135

A RESOLUTION outlining the strategies and actions that the City Council intends to undertake to mitigate the impacts of the current economic recession on Seattle residents and businesses, and to help promote the economic recovery of the City and region.

#### RESOLUTION NO. 31134

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Date of publication in the Seattle Daily Journal of Commerce, May 28, 2009.  
5/28(239432)

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11 \_\_\_\_\_  
12 President \_\_\_\_\_ of the City Council

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14  
15 \_\_\_\_\_  
16 City Clerk

17 (Seal)

