

**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
City Budget Office	Hall Walker 233-7065	Thomas L. Taylor 233-5032

**Legislation Title:** AN ORDINANCE amending the 2012 Adopted Budget, including the 2012-2017 Capital Improvement Program (CIP); changing appropriations to various departments and from various funds in the Budget; revising project allocations for certain projects in the 2012-2017 CIP; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary of the Legislation:**

This legislation transfers budget authority between various Parks budget control levels address a technical accounting change which resulted in a Parks BCL spending to exceed its 2012 budget authority. In addition, this legislation transfers budget authority between various Seattle City Light Projects. These transfers are necessary in order to conform to the restriction included in the adopted budget whereby spending during 2012 could not exceed the current year budget by more than \$1.0 million dollars.

**Background:**

This legislation will implement various adjustments to the 2012 Adopted Budget that are needed to complete the City’s accounting process for the year. The proposed Bill includes discrete actions that amend the 2012 Adopted Budget and the 2012-2017 Adopted Capital Improvement Program (CIP).

Please check one of the following:

**X** **This legislation has financial implications.**

**Appropriations:**

Appropriations that result from this Ordinance can be found in Attachment A to this Fiscal Note.

<b>Fund Name and Number</b>	<b>Department</b>	<b>Budget Control Level*</b>	<b>2013 Appropriation</b>	<b>2014 Anticipated Appropriation</b>
<b>TOTAL</b>				

*\*See budget book to obtain the appropriate Budget Control Level for your department.*

Appropriations Notes:

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
<b>TOTAL</b>				

Revenue/Reimbursement Notes: N/A

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
<b>TOTAL</b>							

\* 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.

Position Notes: N/A

Do positions sunset in the future? N/A

**Spending/Cash Flow:**

Fund Name & #	Department	Budget Control Level*	2013 Expenditures	2014 Anticipated Expenditures
<b>TOTAL</b>				

\* See budget book to obtain the appropriate Budget Control Level for your department.

Spending/Cash Flow Notes: N/A

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
 The 2012 Budget would be out of compliance with the statute that requires expenditures and encumbrances not to exceed appropriations.
- b) **What is the financial cost of not implementing the legislation?** The same objectives could not be achieved without this legislation.

- c) **Does this legislation affect any departments besides the originating department?**  
This legislation will be implemented by the Accounting Services Unit of the Department of Finance and Administrative Services. They have reviewed and agree with the legislation.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** The same objectives could not be achieved without this legislation.
- e) **Is a public hearing required for this legislation?** No
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No
- g) **Does this legislation affect a piece of property?** No
- h) **Other Issues:** None

**List attachments to the fiscal note below:**

Attachment A: 2012 Year End Exceptions Ordinance Fiscal Note Detail Table

**2012 Year End Exceptions Supplemental Ordinance Fiscal Note Detail Table**

<b>Report Item</b>	<b>Title/Description</b>	<b>Amount/FTE</b>
	<b><i>Section 1 – Transfer Appropriation Authority within the same Fund</i></b>	
1.1	Transfer budget authority to the Recreation Facilities and Programs BCL-Part 1 (Department of Parks and Recreation; Park and Recreation Fund (10200))	\$1,100,000
	This item transfers appropriation authority in the amount of \$1,100,000 from the Park Cleaning, Landscaping, and Restoration BCL (K320B) to the Recreation Facilities and Programs BCL (K310D). This transfer is necessary to avoid overspending within this BCL due to a change in accounting procedure for recognizing grant revenue received from the Office for Education (a Division within the Department of Neighborhoods) causing the Recreation Facilities and Programs BCL to exceed its 2012 budget authority. Revenue received from the Office of Education, which supports our Youth Violence Prevention Program (YVPP) and the Out of School Time Office (OST); was previously recorded as a negative expense. This appropriation problem has already been fixed in the 2013 budget for the OST grant revenue, and additional appropriation for 2013 will be requested in the 2013 1st Q Supplemental for the YVPP revenue. This transfer provides budget authority only, and is supported by under-spending in other BCL's.	
1.2	Transfer budget authority to the Recreation Facilities and Programs BCL-Part 2 (Department of Parks and Recreation; Park and Recreation Fund (10200))	\$300,000
	This item transfers appropriation authority in the amount of \$300,000 from the Seattle Aquarium BCL (K350A) to the Recreation Facilities and Programs BCL (K310D). This transfer is necessary to avoid overspending within this BCL due to a change in accounting procedure for recognizing grant revenue received from the Office for Education (a Division within the Department of Neighborhoods) causing the Recreation Facilities and Programs BCL to exceed its 2012 budget authority. Revenue received from the Office of Education, which supports our Youth Violence Prevention Program (YVPP) and the Out of School Time Office (OST); was previously recorded as a negative expense. This appropriation problem has already been fixed in the 2013 budget for the OST grant revenue, and additional appropriation for 2013 will be requested in the 2013 1st Q Supplemental for the YVPP revenue. This transfer provides budget authority only, and is supported by under-spending in other BCL's.	
1.3	Transfer budget authority to the Recreation Facilities and Programs BCL-Part 3 (Department of Parks and Recreation; Park and Recreation Fund (10200))	\$300,000
	This item transfers appropriation authority in the amount of \$300,000 from the Seattle Conservation Corps BCL (K320C) to the Recreation Facilities and Programs BCL (K310D). This transfer is necessary to avoid overspending within this BCL due to a change in accounting procedure for recognizing grant revenue received from the Office for Education (a Division within the Department of Neighborhoods) causing the Recreation Facilities and Programs BCL to exceed its 2012 budget authority. Revenue received from the Office of Education, which supports our Youth Violence Prevention Program (YVPP) and the Out of School Time Office (OST); was previously recorded as a negative expense. This appropriation problem has already been fixed in the 2013 budget for the OST grant revenue, and additional appropriation for 2013 will be requested in the 2013 1st Q Supplemental for the YVPP revenue. This transfer provides budget authority only, and is supported by under-spending in other BCL's.	

Report Item	Title/Description	Amount/FTE
1.4	Transfer budget authority to the Recreation Facilities and Programs BCL-Part 4 (Department of Parks and Recreation; Park and Recreation Fund (10200))	\$200,000
	This item transfers appropriation authority in the amount of \$200,000 from the Finance and Administration BCL (K390A) to the Recreation Facilities and Programs BCL (K310D). This transfer is necessary to avoid overspending within this BCL due to a change in accounting procedure for recognizing grant revenue received from the Office for Education (a Division within the Department of Neighborhoods) causing the Recreation Facilities and Programs BCL to exceed its 2012 budget authority. Revenue received from the Office of Education, which supports our Youth Violence Prevention Program (YVPP) and the Out of School Time Office (OST); was previously recorded as a negative expense. This appropriation problem has already been fixed in the 2013 budget for the OST grant revenue, and additional appropriation for 2013 will be requested in the 2013 1st Q Supplemental for the YVPP revenue. This transfer provides budget authority only, and is supported by under-spending in other BCL's.	
1.5	Clearing 2012 Timing Related Budget Exception (Seattle Department of Transportation; Transportation Operating Fund (10310))	\$50,296
	This item transfers appropriation authority in the amount of \$50,295 from the General Expense BCL (18002) to the Engineering Services BCL (17002) to clear a budget exception. The exception occurred due to a technical timing issue related to the year-end close process. The exception resulted from a contractor payment made by SDOT on behalf of Seattle City Light that SDOT was unable to transfer to City Light before the year-end books closed. City Light will reimburse SDOT for this expenditure during 2013.	
<b>Section 2 – Complex Capital Allocation Adjustments in Current Year CIP Projects – Seattle City Light</b>		
2.1	Net Zero Project Allocation Adjustments to Power Supply & Environmental Affairs CIP BCL (Seattle City Light, City Light Fund (41000))	
	<p>This item reallocates \$330 thousand of project allocations within the Power Supply &amp; Environmental Affairs – CIP BCL (SCL250) to address emerging needs and clear \$1 M limit year-end exceptions.</p> <p>Boundary Powerhouse - Unit 55 Generator Rebuild (6303) is increased by \$330,000 to cover a contract that was miscoded and encumbered under this project.</p> <p>Special Work Equipment - Generation Plant (6102) realized savings in the purchase of special work equipment because less equipment was needed than forecast.</p>	
2.2	Net Zero Project Allocation Adjustments to Customer Focused - CIP BCL (Seattle City Light, City Light Fund (41000))	

Report Item	Title/Description	Amount/FTE
	<p>This item reallocates \$690 thousand of project allocations within the Customer Focused – CIP BCL (SCL370) to address emerging needs and clear \$1 M limit year-end exceptions.</p> <p>Network Additions and Services: Broad Street Substation project (8363) is increased by \$340,000 to meet increased demands for service connections in the Denny Triangle area. Recent emerging loads, including new Amazon buildings, required additional service connections.</p> <p>Medium Overhead and Underground Services (8366) is increased by \$100,000 to provide for additional service connections. There were more customer requests for medium services than forecast, as economic activity is reviving for these customers more strongly than anticipated.</p> <p>Underground Outage Replacements (8352) is increased by \$250,000 in order to fund repairs resulting from an unanticipated major outage at Carkeek, which involved repeated failures late in the year. Work required significant cable replacement.</p> <p>Transportation Driven Relocations (8369) proceeded more slowly than forecast, resulting in less relocation work than forecast. In particular, work on Linden encountered unexpected field conditions, which required unplanned work to correct and delayed the project. Deferred work will be performed in 2013.</p>	
2.3	<p>Net Zero Project Allocation Adjustments to Transmission and Distribution - CIP BCL (Seattle City Light, City Light Fund (41000))</p>	
	<p>This item reallocates \$1.9 million of project allocations within the Transmission and Distribution – CIP BCL (SCL360) to address emerging needs and clear \$1 M limit year-end exceptions.</p> <p>Overhead Equipment Replacements (8351) is increased by \$1,900,000 because the number of overhead equipment failures exceeded forecast. In addition failures are becoming more complex and costly to repair. Additional work was also performed to replace switches identified as high priorities by operators. This increased system reliability and safety.</p> <p>Substation Capacity Additions (7751) was delayed because the clearances that were needed to perform the work could not be scheduled. A clearance is an interruption in power to de-energize a piece of equipment so it is safe to work on. Clearances need to be arranged with the System Control Center so power to customers can be rerouted via an alternate path.</p> <p>Pole Attachment Requests Preparation Work (8452) spent less than forecast. Requests for pole attachments come from customers and there were fewer requests than forecast.</p> <p>Network Maintenance Hole and Vault Rebuild (8130) encountered ongoing delays in obtaining SDOT street use permits, which caused under spending.</p>	