

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
City Budget Office	Thomas L. Taylor	Scott Clarke

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE amending the 2014 Adopted Budget, including the 2014-2019 Capital Improvement Program (CIP); changing appropriations to various departments and from various funds in the Budget; revising project allocations for certain projects in the 2014-2019 CIP; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and background of the Legislation:

This legislation adds budget authority to a Seattle Public Utility and Retirement budget control level to address late 2014 unanticipated charges which resulted in spending to exceed their BCL's 2014 budget authority. In addition, this legislation transfers budget authority between various Seattle Public Utility and Seattle City Light projects which are necessary in order to conform to the restriction included in the adopted budget whereby spending during 2014 could not exceed the current year budget by more than \$1.0 million dollars.

This legislation will implement various adjustments to the 2014 Adopted Budget that are needed to complete the City's accounting process for the year. The proposed Bill includes discrete actions that amend the 2014 Adopted Budget and the 2014-2019 Adopted Capital Improvement Program (CIP).

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation has direct financial implications.

Budget program(s) affected:				
Estimated \$ Appropriation change:	General Fund \$		Other \$	
	2015	2016	2015	2016
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
	\$0	\$0	\$0	\$0
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
	N/A	N/A	N/A	N/A
Other departments affected:	Several departments budgets are impacted			

Appropriations Notes: Please see Attachment A to this legislation

4. OTHER IMPLICATIONS

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

The 2014 Budget would be out of compliance with the statute that requires expenditures not to exceed appropriations. Additionally, Council imposed a \$1 million dollars limit on spending above the 2014 Budget. Without this legislation, SPU would not be in compliance with those limits.

- b) **Is there financial cost or other impacts 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) **Is a public hearing required for this legislation?**

No

- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

- f) **Does this legislation affect a piece of property?**

No

- g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

This legislation carries forward appropriations previously adopted in the 2014 budget. No new issues related to RSJI are associated with this legislation.

- h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

N/A

- i) Other Issues:** None

List attachments below:

Attachment A: 2014 Exceptions Ordinance SUM Detail Table

2014 Exceptions Ordinance SUM Detail Table

Item	Title/Description	Amount/FTE
	Section 1 – Appropriation Increases	
1.1	Tolt Watershed Road Improvement Exception (Seattle Public Utilities, Water Fund (43000))	\$55,252
	<p>This item provides a retroactive appropriation increase of \$55,252 in the Watershed Stewardship BCL for Seattle Public Utilities to pay for unanticipated costs due to Tolt Watershed Road Improvements. Greater-than-anticipated expenses were due primarily to the process of decommissioning 3.9 miles of road and replacement of a failed perennial stream crossing with a 60"x70' galvanized steel pipe and placed about 2,200 cubic yards of rock on a log haul route in order to improve safety, increase drainage and decrease sediment erosion. This item has no impact on the Water Fund as costs are being absorbed by underspending in other areas. The Department will closely monitor and request appropriation through ordinance as project completes.</p> <p>The 2014 budget for this activity was \$44,465 while actual expenditures in 2015 were \$99,717, a difference of \$55,252.</p>	
1.2	Retirement Plan Investment Charges (Employee's Retirement System, Employee's Retirement System Fund (60100))	\$387,069
	<p>This item provides a retroactive appropriation increase of \$387,069 in the Personnel, Maintenance, and Operations BCL for the Retirement Department to pay unanticipated expenses due to an additional quarterly payment of investment manager fees accrued to 2014. The 2013 fourth quarter investment manager fees were paid out of the 2014 budget, instead of accruing back to 2013. When the 2014 fourth quarter investment manager fees were also paid out of the 2014 budget, approximately \$440,000, then five quarterly payments were accrued to the 2014 budget, rather than four. This resulted in \$387,069 above the 2014 budgeted levels. This item has no negative impact on the Retirement Department's fund balance since its revenues already anticipated the quarterly payments being paid by the end of 2014. No further additional expenses are expected and future quarterly payments are expected to be realigned.</p>	
	Section 2 – Appropriation Increase to comply with section 4c of the 2014 Adopted Budget Ordinance	
2.1	Ballard-Fremont-Wallingford CSO Storage Exception (Seattle Public Utilities, Drainage and Wastewater Fund (44010))	\$2,571,562
	<p>This item provides a retroactive appropriation increase of \$2,571,562 in the Combined Sewer Overflow BCL to pay unanticipated costs due to pre-construction land purchase costs related to the Ballard-Fremont-Wallingford CSO Storage project. Greater-than-anticipated expenses were due primarily to a timing issue with the purchase of the property involved in this project as land needed for the project became available earlier than expected. Initially, these increased costs were to be addressed in a separate ordinance, but purchase negotiations have pushed the land purchase timeline past 2014 and into 2015. This item has no impact on the Drainage and Wastewater Fund as costs are being absorbed by underspending in other areas. The Department has included initial costs for this project in the 2015 Capital Budget and will be pursuing appropriations through ordinance as soon as purchase negotiations are complete.</p>	
2.2	Net zero transfer between projects within the Transmission and Distribution CIP BCL in order to comply with section 4c of the 2014 Budget ordinance(Seattle City Light, City Light Fund (41000))	\$0

Item	Title/Description	Amount/FTE
	This item reallocates \$105,000 in project allocations within the Transmission and Distribution CIP BCL (SCL360). The funding was used to provide capacity in support of service connections. Funding was available because of underspending on the First Hill network.	
2.3	Net zero transfer between projects within the Customer Focused CIP BCL in order to comply with section 4c of the 2014 Budget ordinance (Seattle City Light, City Light Fund (41000))	\$0
	This item reallocates \$595,000 in allocations within the Customer Focused CIP BCL (SCL370). Funding was used to meet customer requests for accelerations of service connections. Funding was available because underspending on large services.	