

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Budget Office	Ben Noble/4-8160	

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE amending Ordinance 126000, which adopted the 2020 Budget, including the 2020-2025 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; 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 will implement various adjustments to the 2020 Adopted Budget that are needed to complete the City's accounting process for the year.

The proposed legislation includes discrete actions that amend the 2020 Adopted Budget by adding budget authority to various departments to address unanticipated expenses and correct accounting errors which resulted in spending exceeding a budget control level's budget authority.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes ___ No

	General Fund \$		Other \$	
	2020	2021	2020	2021
Appropriation change (\$):	\$6,561,210	\$0	\$23,498,162	\$0
	Revenue to General Fund		Revenue to Other Funds	
	2020	2021	2020	2021
Estimated revenue change (\$):	\$0	\$0	\$0	\$0
	No. of Positions		Total FTE Change	
	2020	2021	2020	2021
Positions affected:	0	0	0	0

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
No. Please see Summary Attachment A for details on 2020 spending.

Is there financial cost or other impacts of *not* implementing the legislation?

The same objectives could not be achieved without this legislation.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

See Summary Attachment A for details on 2020 spending.

Is this change one-time or ongoing?

All are one-time.

4. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**
No.
- b. **Is a public hearing required for this legislation?**
No.
- c. **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**
No.
- d. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- e. **Does this legislation affect a piece of property?**
No.
- f. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
See Summary Attachment A for any RSJI implications.
- g. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**
Not applicable.

List attachments/exhibits below:

Summary Attachment A – 2020 Budget Exceptions Ordinance Summary Detail Table

2020 Budget Exceptions Ordinance Summary Detail Table

Item #	Title	Description	Amount/FTE
Section 1 – Appropriation Increases			
1.1	2020 Budget Exception (Office of Housing)	This item provides a retroactive appropriation increase of \$6,149,753 in the General Fund Homeownership & Sustainability BSL. This increased appropriation addresses a technical error in the 2020 Adopted Budget. This budget action is net neutral as OH did not expend any budget in their general fund BSLs related to council appropriations in order to accurately reflect Council's intention as it was clearly described in the 2020 adopted budget. This appropriation addresses a negative appropriation in the 2020 Adopted Budget. There are no on-going implications of this budget exception that will need to be addressed in the future.	\$6,149,753
1.2	2020 Budget Exception (Office of Housing)	This item provides a retroactive appropriation increase of \$425,130 in the Homeownership & Sustainability BSL. Due to the automated PeopleSoft carryforward processes, OH's budget appropriation in the Homeownership & Sustainability BSL was reduced by half from negative carryforward from the previous year. 2020 spending in this BSL followed expectations of the appropriation in the 2020 Adopted Budget. However, because of the automated carryforward adjustment, the BSL resulted in an inadequate balance of authority. This appropriation is budget neutral as the Leadership & Administration BSL inadvertently received excess appropriations through the same automated carryforward process. OH has instituted new year-end processes to that will eliminate this technical error moving forward.	\$425,130

Item #	Title	Description	Amount/FTE
1.3	2020 Budget Exception (Seattle Department of Transportation)	This item provides a retroactive appropriation increase of \$9,441,228 for the Seattle Department of Transportation to pay unanticipated costs in the Leadership & Administration BSL for higher expenses in indirect costs and equipment than were projected in the 2020 Adopted Budget, primarily due to the COVID-19 pandemic. The pandemic impacted the Leadership & Administration (L&A) BSL in two ways in 2020: 1) higher paid absence expense, and 2) less work performed in direct projects, resulting in both lower overhead recovery and lower equipment cost recovery. At the beginning of the pandemic, in order to maintain the health and safety of our front-line workforce, the City created a new paid COVID-19 Administrative Leave option for high-risk employees who did not have telework opportunities. This resulted in SDOT's Paid Absence expense in the L&A BSL being \$4.4 million higher than budgeted. In addition, the lower number of employees available to work in person, combined with the economic and safety impacts of the pandemic, reduced the amount of work done in direct projects compared to what was budgeted. Equipment cost recovery is generated by equipment use in direct projects; with less work in direct projects, equipment use dropped and equipment cost recovery was \$3.9 million lower than budgeted. There were two types of additional costs that contributed to higher than expected expenditures in the L&A BSL, beyond those caused by the pandemic. Whereas equipment costs are largely based on asset ownership and tend to be relatively steady year-to-year, actual equipment costs in 2020 were \$1.1 million higher than budgeted due to an unexpected, retroactive special billing for fleet adds in 2017-2019. In addition, approximately \$0.3 million of the appropriation increase is related to encumbrances on existing purchase orders.	\$9,441,228
1.4	2020 Budget Exception (Seattle Parks and Recreation)	This item provides a retroactive appropriation increase of \$455,229 for Seattle Parks and Recreation to correct a technical error in the Departmentwide BSL (BO-PR-30000) caused by the COVID-19 realignment of the Park Fund (10200) and the Park District (19710).	\$455,229

Item #	Title	Description	Amount/FTE
1.5	2020 Budget Exception (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$399,522 for Seattle Public Utilities to pay unanticipated expenses from the General Expense BSL for public litter can collections.	\$399,522
1.6	2020 Budget Exception (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$11,939 for Seattle Public Utilities to pay unanticipated expenses from the Leadership and Administration BSL.	\$11,939
1.7	2020 Budget Exception (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$8,358,276 for Seattle Public Utilities to pay unanticipated expenses from the Utility Services and Operations BSL for operational and maintenance costs due to COVID, specifically due to not being able to dispatch capital project crews for safety and logistical reasons.	\$8,358,276
1.8	2020 Budget Exception (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$4,818,298 amount for Seattle Public Utilities to pay unanticipated expenses from the Utility Service and Operations BSL for operations and maintenance costs incurred due to COVID, specifically due to the inability to dispatch capital project crews for safety and logistical reasons.	\$4,818,298
Section 2 – Appropriation Transfers – Capital Budgets			
2.1	Habitat Conservation Program 2020 Exception (Seattle Public Utilities)	This item provides a retroactive appropriation increase of \$501,417 for Seattle Public Utilities for the Habitat Conservation Program BSL, in order to pay unanticipated expenses from the Habitat Conservation Program for watersheds work that is shared between SPU and King County. This is funded via a corresponding retroactive transfer of \$501,417 from the from the Transmission BSL. The costs for this body of work will be reimbursed by King County.	\$0