

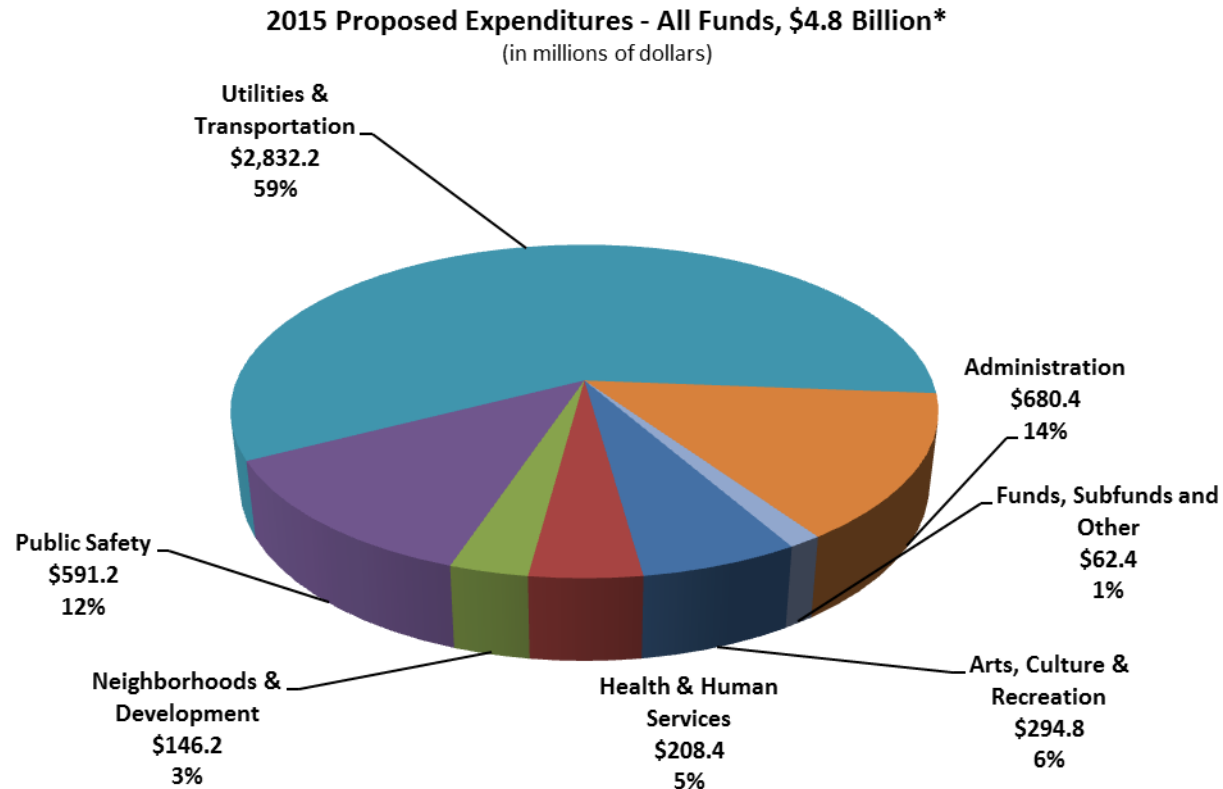


# Mayor Murray's 2015-2016 Proposed Budget

Presented to the Seattle City Council  
Ben Noble, Director, City Budget Office – October 2, 2014

# The Big Picture

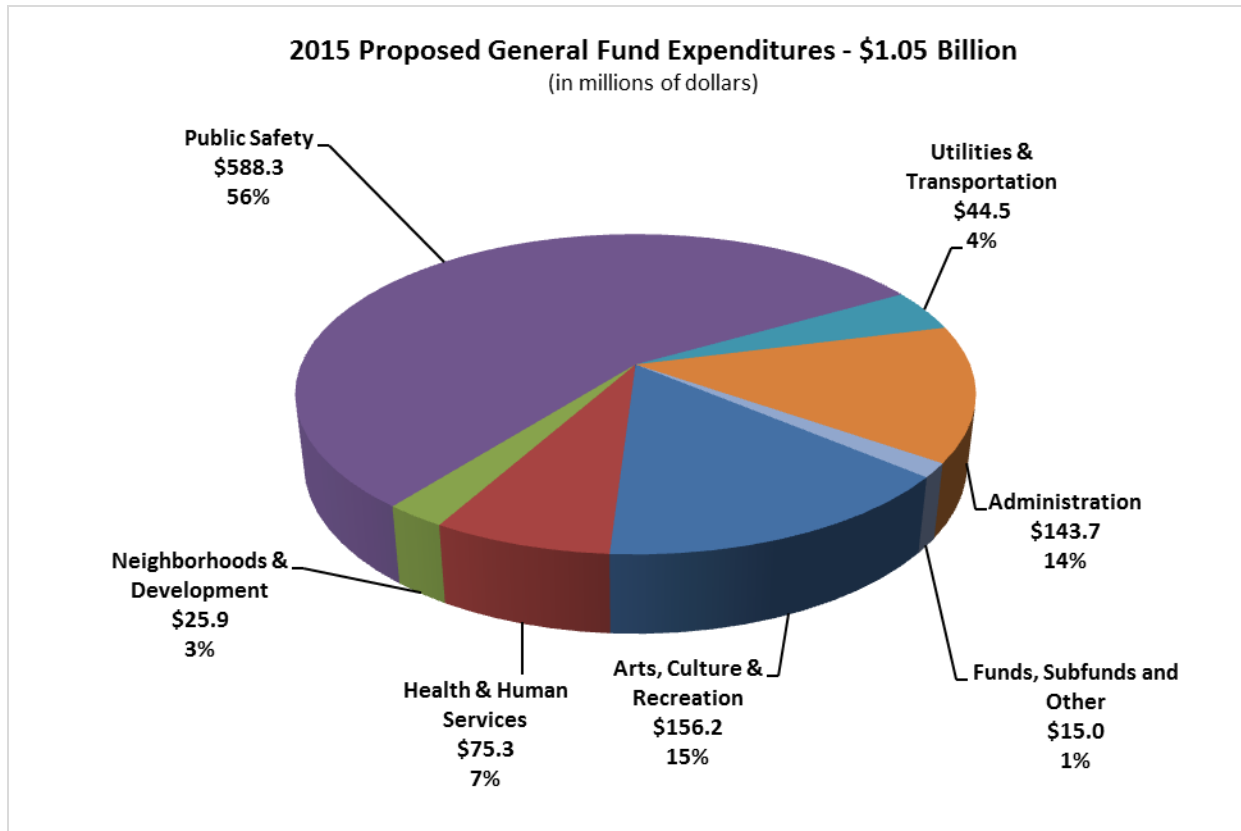
## The 2015-2016 Proposed Budget totals \$4.8 billion



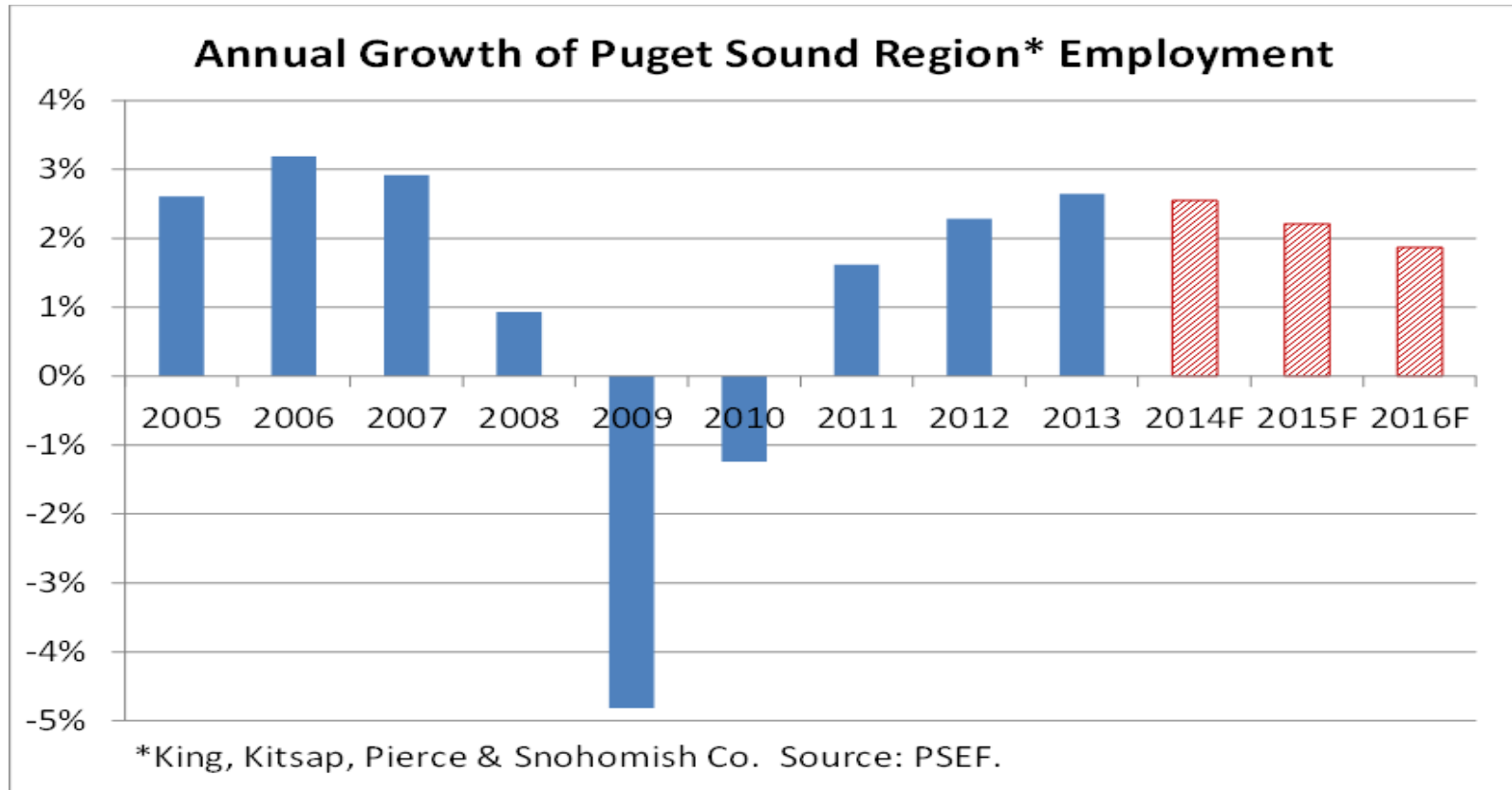
\*Includes double-appropriated

# The Big Picture (cont.)

## General Fund Budget is \$1.05 billion



# Strong Local Economy is Supporting Only Modest Revenue Growth

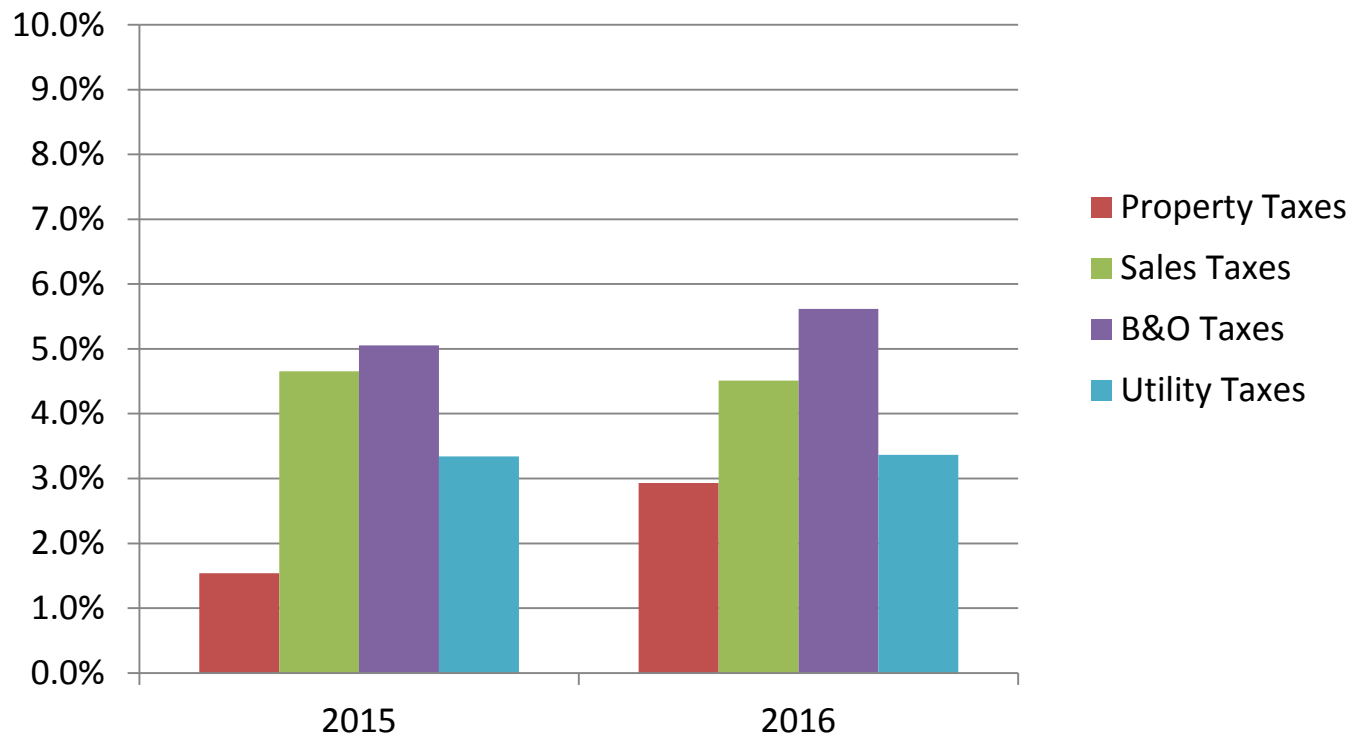


- ▶ Overall annual growth of General Fund revenues is projected at 3.5% to 4.0%.
- ▶ Construction sector is both a driver and risk.

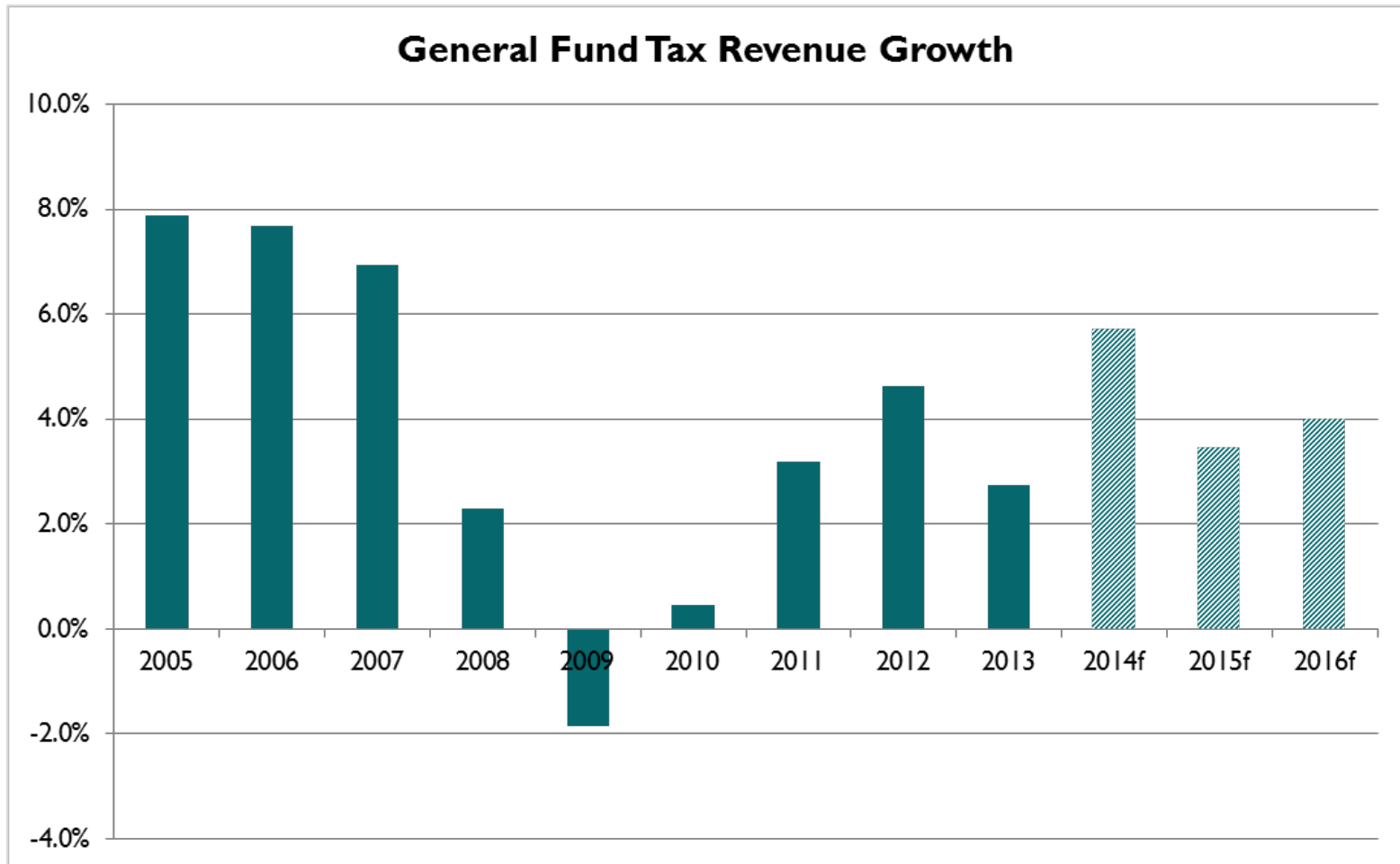
# Modest Revenue Growth Projected for All Major General Fund Sources

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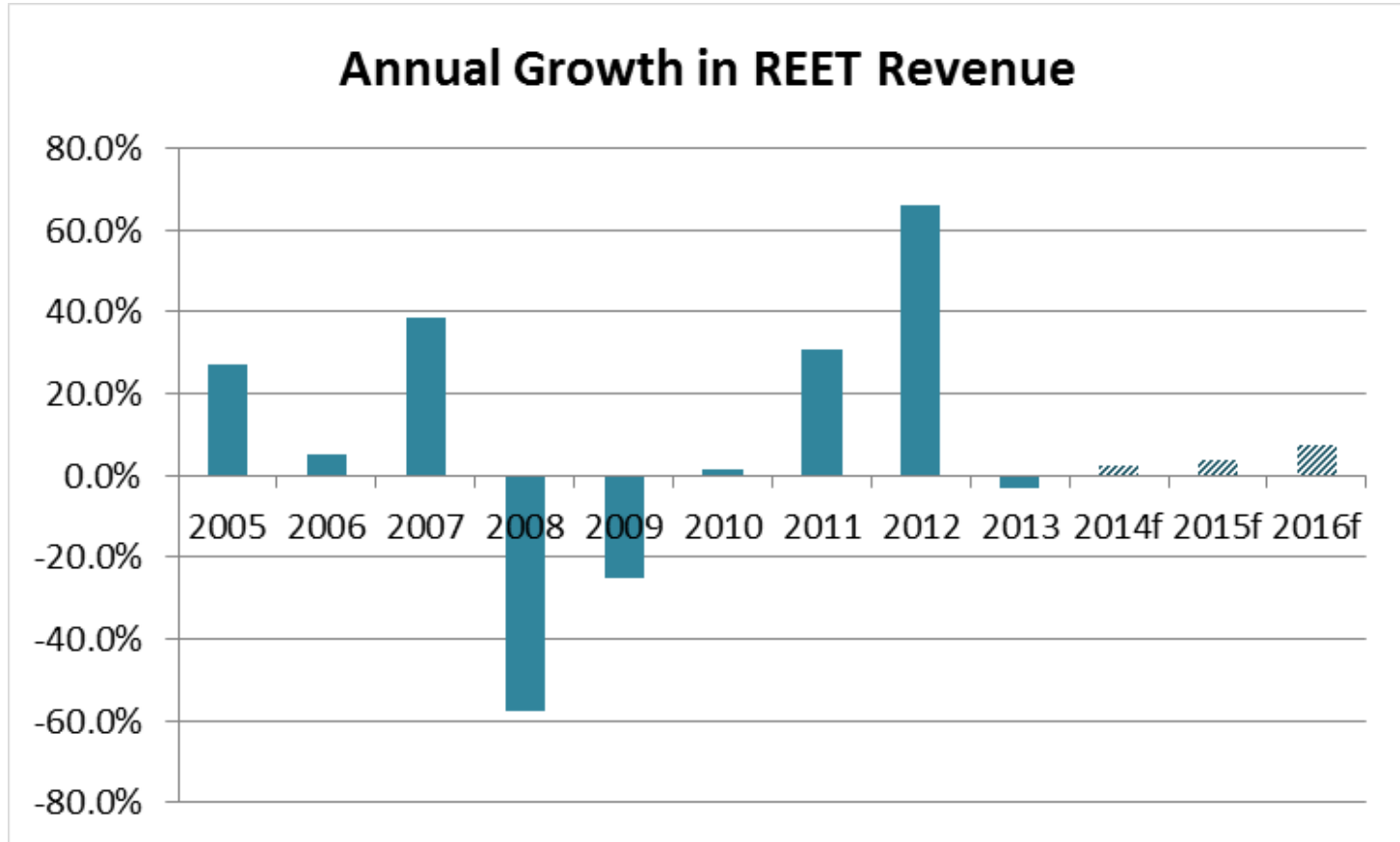
## Projected Annual Growth in Major General Fund Revenues



# Overall General Fund Forecast: Moderating Growth

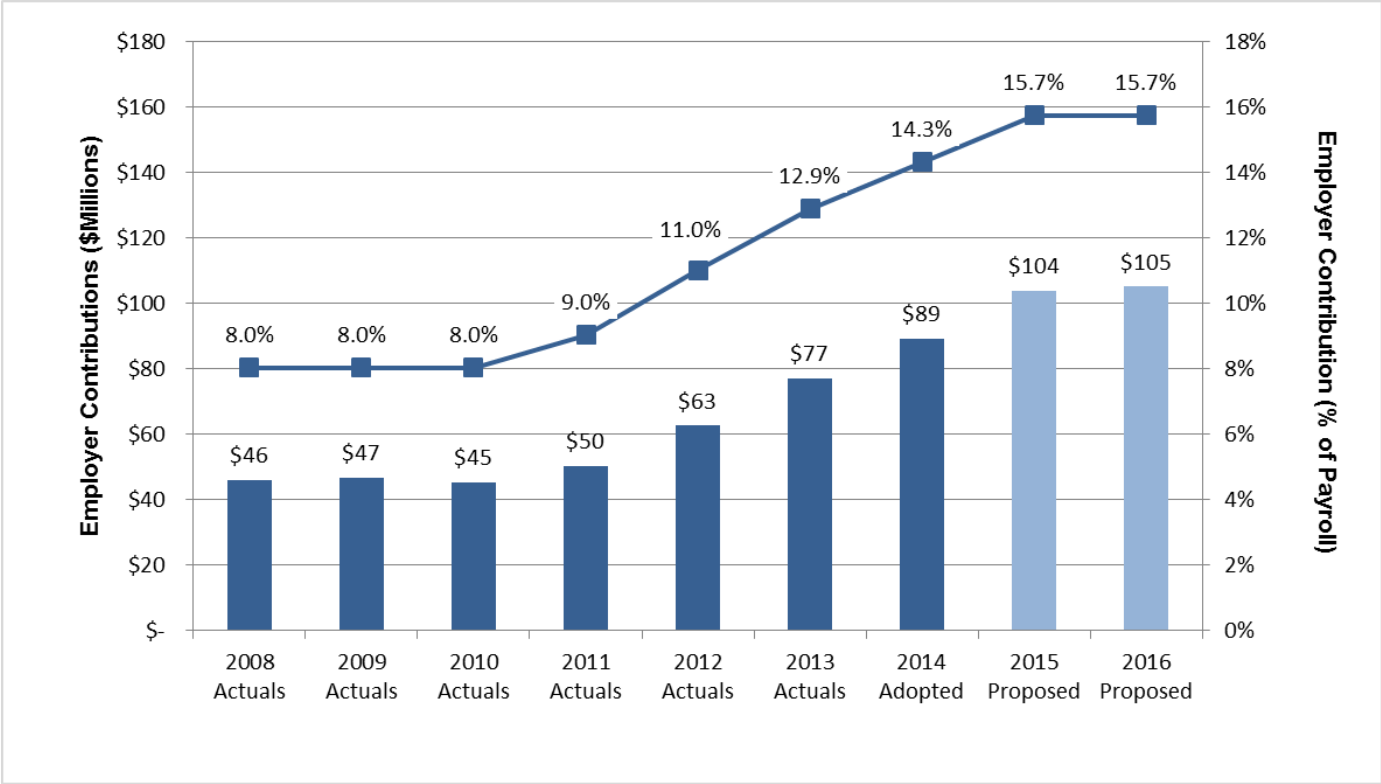


# REET Revenue: Strong and Stable



- ▶ 2014YTD through August = \$32.7 million; by year-end we expect \$49.6 million.
- ▶ Forecasting \$ 51.4 million for 2015, and \$55.3 million for 2016.

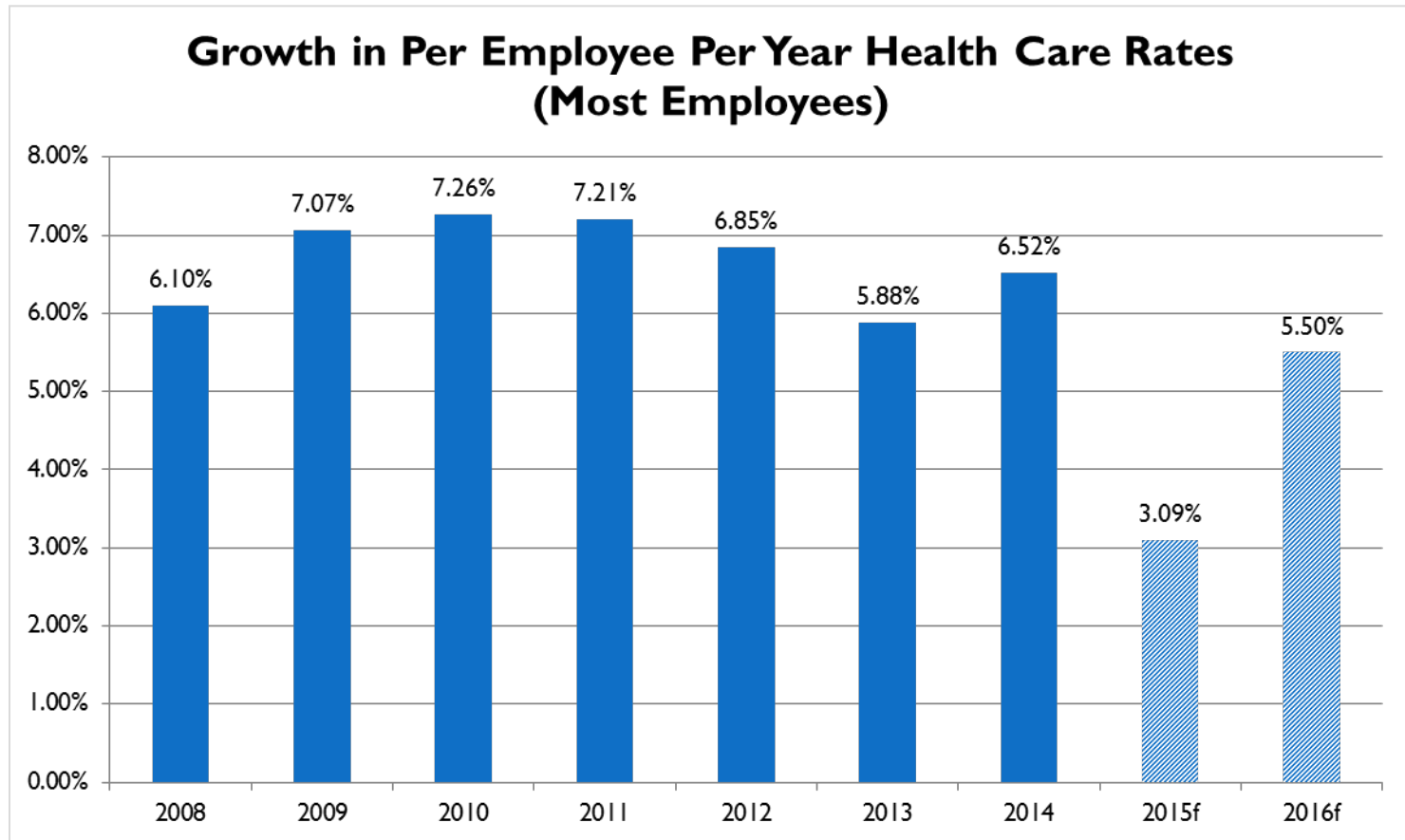
# City Pension Costs are Rising Faster than Inflation



- ▶ The SCERS Board and the City Council recently lowered expectations for investment returns and future City salary growth, which raises the required employer contribution rate to 15.7% of payroll, up from 8.0% before the crash.
- ▶ Employee contributions have risen from 8.0% to 10%.



# Health Care Costs Also Outpacing Inflation



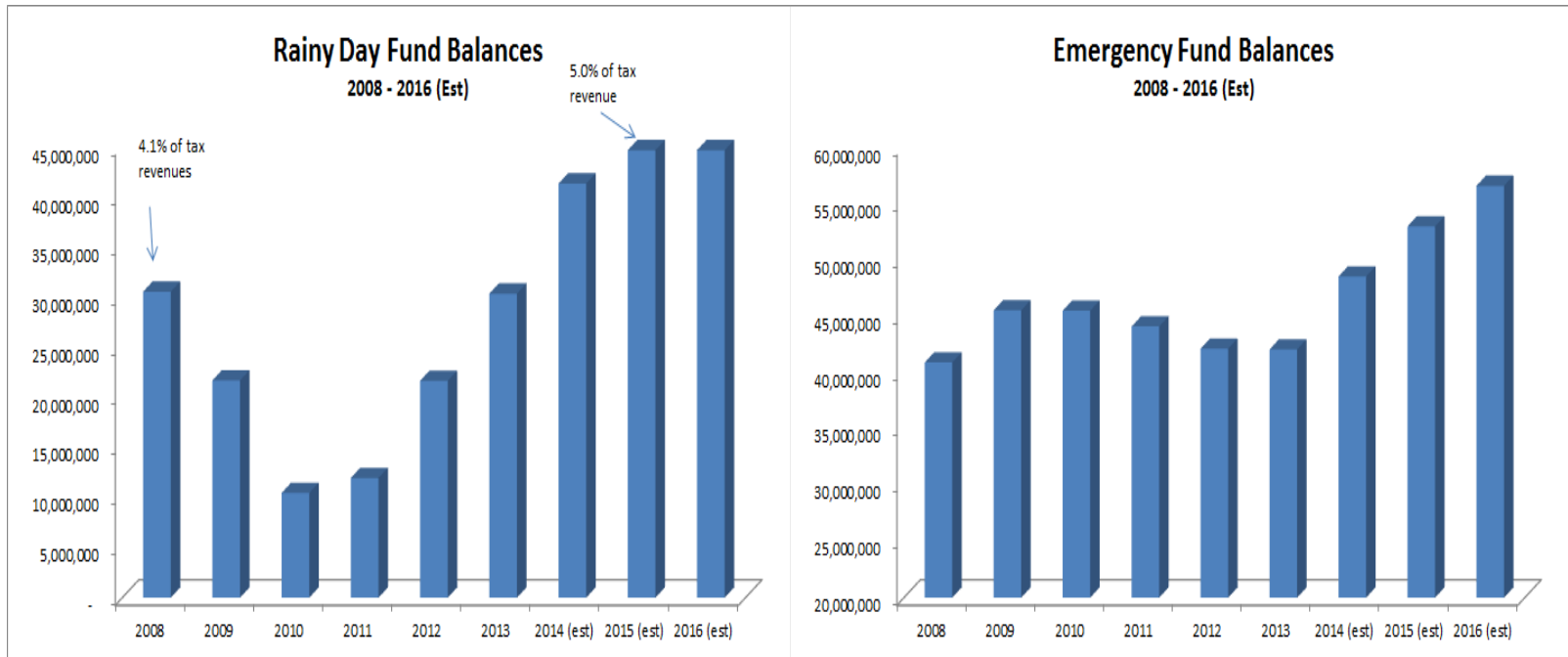
# General Fund Summary

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- ▶ Overall 2015 General Fund appropriations increase by \$25 million relative to the 2014 Adopted budget, just under 2.5%.
- ▶ The Proposed Budget adds 189.5 FTE, approximately 44 FTE are directly supported by the General Fund, at a cost of ~\$6 million.
- ▶ Overall balance relies on a 1.5% aggregate underspend of General Fund appropriations for 2015 and 2016.
  - ▶ Consistent with recent pattern of 1.5% - 2.0% underspend.
  - ▶ Will reduce financial margins and ability of departments to absorb unplanned costs.

# City Reserves to Reach Historic Highs

- ▶ Rainy Day Fund reaches 5.0% cap in 2015.
- ▶ Combined balances in the Rainy Day and Emergency Funds will surpass \$100 million level 2016.



# A Safe City

## More Effective and Efficient Police Department

- ▶ Evaluate current staffing and deployment.
- ▶ Hire additional civilian expertise - COO & CIO.
- ▶ Expand force – 1,336 fully trained officers by end of 2016. 22 added in 2015; 25 in 2016.
- ▶ Achieve full DOJ Compliance.

## Enhanced and Sustainable Fire Department

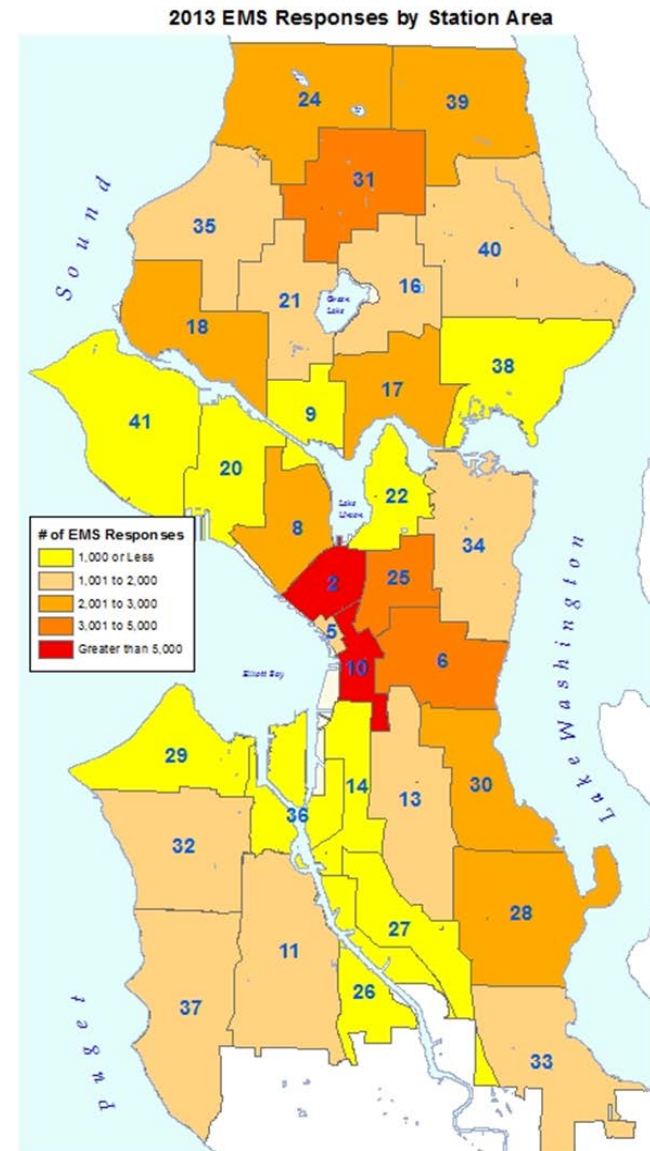
- ▶ Increase recruitment class in 2015. Decrease overtime burden on current force.
- ▶ Improve EMS response – add an aid car to station in Pioneer Square. Full staffing of aid car requires 10 new firefighters.

## Assess Public Safety Facility Needs

- ▶ FAS will work with SPD and SFD to review current facilities and identify potential needs.

## Protect Safety of Most Vulnerable

- ▶ Create Office of Domestic Violence and Sexual Assault in the Human Services Department.



# An Affordable City

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## Office of Labor Standards (~\$500K)

- ▶ Located within the Office of Civil Rights – leverage existing enforcement staff.
- ▶ Will enforce City’s labor-related legislation – Sick and Safe Leave, Job Assistance and Minimum Wage.
- ▶ Focus in 2015 will be outreach to employers and employees. Additional enforcement staff added in 2016.

## New “Ready for Work” Program (~\$450K of CDBG)

- ▶ Target residents with limited English proficiency who are unemployed or underemployed. Provide both language and job skills training.
- ▶ Coordinated by the Office of Immigrant and Refugee Affairs (OIRA), partnering with Seattle Colleges, Workforce Development Council, Neighborhood House, ACRS, OneAmerica, DSHS, SHA Goodwill and others.

## Priority Hire Program

- ▶ Increase participation of area workers on City capital projects.
- ▶ Final FAS staffing levels will depend on policy specifics approved by Council.

## Affordable Housing Agenda (~\$250K)

- ▶ Joint Executive-Council effort.
- ▶ Provide additional staffing and consultant resources in 2015.

# An Affordable City (cont.)

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## Protect the Most Vulnerable

- ▶ Leverage dollar-for-dollar match from United Way for a new program targeting “long-term stayers” at homeless shelters (\$410K).
- ▶ Expand Rapid Rehousing program (\$600K).
- ▶ Address portion of funding shortfall at the LIHI’s Urban Rest Stop (\$200K) and DESC’s Host Program (\$200K).
- ▶ Increase funding for bulk food purchases (\$100K).
- ▶ Add annual funding for Seattle-area Senior Centers (\$140K).
- ▶ Provide annual funding to prevent service reductions at Seattle-King County Public Health, including maternity support, HIV/STD education and outreach, and gun violence research (\$400K).

# A Vibrant City – Investing in Economic and Cultural Vitality

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## Implement the Seattle Park District

- ▶ \$10 million in “bridge” funding provided in 2015. Full \$48 million available in 2016.
- ▶ Look forward to working with the Park District Board (Council) to track performance and ensure accountability.



## Further Invest in Office of Arts and Culture’s Creative Advantage Initiative

- ▶ Expand arts education in Seattle Schools (\$150K).

# A Vibrant City (cont.) – Investing in Economic and Cultural Vitality

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## Improve Small Business Support

- ▶ OED will expand its existing business retention and expansion efforts targeting ethnic- and affinity-based chambers (\$210K).
- ▶ Expand “Only in Seattle” program (\$250K of CDBG).



## Enhance City’s International Profile

- ▶ Promote investment opportunities in Seattle and identify international market opportunities for Seattle businesses. New staff position in OIR (\$150K).

## Foster Environmental Equity

- ▶ Further invest in Seattle’s Equity & Environmental Initiative. Additional \$80K will support community engagement to complete an Action Agenda by the end of 2015.



# An Interconnected City

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## Provide Transportation Options

- ▶ Invest in downtown cycle-track network and greenways in 23<sup>rd</sup> Ave. corridor. (\$3+ million).
- ▶ Expand bike share program to Central District (\$600K).
- ▶ Enhance sidewalk funding - \$2 million.
- ▶ Create Transit Division at SDOT.

## Invest in Neighborhoods

- ▶ Increase annual funding for the Neighborhood Park and Street fund by \$1 million.

## Enhance Road and Bridge Maintenance

- ▶ Prioritize resurfacing and repair of City streets, \$3 million of additional funding in 2015.

## Mitigate Construction Impacts

- ▶ Expand SDOT's Access Seattle Program (\$1.4 million).

## Improve Freight Mobility.

- ▶ SDOT will install traffic cameras, upgraded signals, vehicle detection devices and fiber communication as part of an Intelligent Transportation System (ITS) in SODO.

# A City That Fosters (and practices) Innovation

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## Establish the Department of Education and Early Learning (DEEL)

- ▶ Consistent with Council direction, DEEL will consolidate the City's existing educational programming, including early learning, into one coordinated department.
- ▶ Department will also take role in developing City policy toward higher education.

## Launch File Local

- ▶ Successful multi-jurisdictional effort to streamline business tax filing.

## Advance the FINMAP Project

- ▶ The City's existing central accounting system has reached the end of its useful life. The Proposed Budget includes the funding needed to begin replacement of this system.

## Improve Customer Service within the City

- ▶ New kiosk in City Hall.
- ▶ Additional staffing at SMT customer service center.
- ▶ Enhance public disclosure staffing.



# Improve the Budget Process

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## Establish Economic and Revenue Forecast Advisory Committee

- ▶ Enhance transparency.
- ▶ Improve coordination among City forecasters.

## Review Base Budgets

- ▶ In preparing 2016 budget, CBO will target certain departments or divisions for in-depth budget review.

## Establish Public-Facing Performance Metrics

- ▶ Currently developing a pilot “dashboard” system for displaying key performance data.

## Develop a Performance-based Budgeting Approach

- ▶ Long-term, FINMAP project will provide opportunity to implement a budget system that can track both dollars and outcomes.
- ▶ But initial steps will begin in 2015 – e.g. MPD accountability and performance

# Online Budget Presentation

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- ▶ <http://www.seattle.gov/citybudget>