

# Finance General

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## Department Overview

Finance General is controlled by the City Budget Office and provides a mechanism for allocating General Fund and other central resources to reserve and bond redemption funds, City departments, and certain programs where the City Council, Mayor, or City Budget Office need additional oversight.

## Budget Snapshot

	2020 Actuals	2021 Adopted	2022 Adopted
<b>Department Support</b>			
General Fund Support	222,520,452	325,990,485	223,619,550
Other Funding - Operating	55,945,006	89,644,809	199,881,239
<b>Total Operations</b>	<b>278,465,458</b>	<b>415,635,294</b>	<b>423,500,789</b>
<b>Total Appropriations</b>	<b>278,465,458</b>	<b>415,635,294</b>	<b>423,500,789</b>

## Budget Overview

Finance General serves as a central repository for ongoing City costs; including General Fund contributions to the operations of City departments, debt service payments made from centrally-managed Funds and contributions to outside organizations. It also provides a mechanism to hold appropriations temporarily until the City determines the appropriate managing department; to execute complex transfers of funds; to act as a contingency reserve to respond to unpredictable situations; and, to cover costs that vary with economic conditions.

In the 2022 Budget, Finance General is the mechanism to transfer General Fund resources to the below departments:

- Seattle Public Library;
- Office of Labor Standards;
- Police Pension;
- Fire Pension;
- Finance and Administrative Services; and
- Information Technology;

## Finance General

### Incremental Budget Changes

#### Finance General

	Dollars	FTE
<b>2021 Adopted Budget</b>	<b>415,635,294</b>	-
<b>Proposed Operating</b>		
Participatory Budgeting Reserve	30,000,000	-
Rebuilding Fiscal Reserve Funds	25,000,000	-
Arena Payments	7,373,000	-
Green New Deal Reserve	6,491,539	-
Insurance Premium Cost Increase	2,441,000	-
Human Services Department Finance Support Reserve	600,000	-
<b>Proposed Technical</b>		
Removal of One-Time Items	(211,921,879)	-
Admissions Tax Revenue Directly to Arts Fund	(11,384,500)	-
Finance General Debt Service Adjustments	(1,747,097)	-
Citywide Adjustments for Standard Cost Changes	(1,080,287)	-
Language Premium General Fund Transfer	88,800	-
State Paid Family Medical Leave Reserve Increment	481,751	-
Transfer to FAS for Equitable Communities Initiative	1,000,000	-
Use of LTGO Fund Balance for Debt Service	-	-
Coronavirus Local Fiscal Recovery Revenue Replacement - FEMA Contingency	2,000,000	-
Update Recurring Reserve Amounts	2,831,325	-
Coronavirus Local Fiscal Recovery Revenue Replacement - Workforce Development	4,500,000	-
Restore General Fund Support to Library	5,097,000	-
Cash Transfer of 2022 Tax-Exempt Bond funds to IT Fund	13,076,000	-
Finance General Appropriations to Special Funds	149,238,038	-
Revenue Adjustments	-	-
Fund Balancing Entries	-	-
<b>Council</b>		
Changes to Jumpstart Fund Expenditures, Coronavirus Local Recovery Fund Resources, and Other Community-Led Investments	(26,646,270)	-
Transfer from Finance General Reserves to HSD for Finance Team	(600,000)	-
Coronavirus Local Fiscal Recovery Revenue Replacement - Reallocate FEMA Contingency	-	-
Transfer from Finance General to ITD for Multi-factor Authentication	300,000	-
Increase Fiscal Reserves	400,000	-
Reserves for Juneteenth Holiday	620,000	-

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Reserves for Public Toilets	1,000,000	-
Recognize November Forecast Update	4,207,075	-
Realign REET, CRS-U, and GF Resources Across Departments	4,500,000	-
Fund Balancing Entries - Post Adoption	-	-
Statement of Legislative Intent - Revenue Generation Strategies	-	-
<b>Total Incremental Changes</b>	<b>\$7,865,496</b>	<b>-</b>
<b>Total 2022 Adopted Budget</b>	<b>\$423,500,789</b>	<b>-</b>

## Description of Incremental Budget Changes

### Proposed Operating

#### Participatory Budgeting Reserve

Expenditures	\$30,000,000
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The 2022 Budget includes ongoing funding for the participatory budgeting process. In 2021, the administration of the participatory budgeting process was shifted from the Department of Neighborhoods (DON) to the Office for Civil Rights (OCR). OCR’s mission is to end structural racism and discrimination through accountable community relationships and anti-racist organizing, policy development, and civil rights enforcement. Also in 2021, positions were added to the Office for Civil Rights (OCR) to develop a Request for Proposal (RFP) to select an organization to run the participatory budgeting process. The 2021 Adopted Budget included \$28.3 million for Participatory Budgeting, and \$1.05 million was transferred to the Office for Civil Rights, with the remainder held in Finance General for one-time expenditures, such as executing the process, one-time investments selected through the process, and a potential evaluation of the process when complete. The 2022 Budget amount of \$30 million in Finance General is reserved for future allocations and is intended to be ongoing to support community-selected projects with ongoing costs.

The Seattle City Council made changes to this proposed item. See “Council” section for more details.

#### Rebuilding Fiscal Reserve Funds

Expenditures	\$25,000,000
Revenues	\$25,000,000

This item begins the process of rebuilding the financial reserves in the Emergency Fund and the Revenue Stabilization Fund. In response to the pandemic, the City used reserves to continue essential services and to ensure that the City’s response was scaled for the emergency at hand. Prior to the pandemic, at the beginning of 2020, the balance in the Emergency Fund was \$65 million and the Revenue Stabilization fund was \$57.7 million. In 2020, the City transferred \$14.7 million from the Emergency Fund and \$29 million from the Revenue Stabilization Fund to the General Fund. In 2021, the Adopted budget assumes that an additional \$13.4 million is transferred from the Emergency Fund, in addition to \$5.2 million of carryforward, for a total of \$18.6 million and \$25.7 million from the Revenue Stabilization Fund. The 2022 budget includes General Fund appropriation to begin re-building reserves, with a transfer of \$10 million into the Emergency Fund and \$15 million into the Revenue Stabilization Fund. This item also captures the revenues into the fiscal reserve funds as a result of these transfers.

The Seattle City Council made changes to this proposed item. See “Council” section for more details.

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## Arena Payments

Expenditures \$7,373,000

Starting in 2022, the City may need to make Rent Adjustment payments to the Arena for certain tax (Business and Occupation Tax, Sales Tax, Admissions Tax, Commercial Parking Tax, and Leasehold Excise Tax) and parking revenues generated at the Climate Pledge Arena that exceed specific revenue thresholds. For 2021 revenues that exceed the thresholds, the City will make one payment to the Arena due June 2022. For revenues generated in 2022 and subsequent years, the City's Operating Agreement with the Arena provides for two payments, should revenues exceed the thresholds: a Tenant Advance due in December of the current tax year and a Final Rent Adjustment due in June of the following year. There will likely be variance between the estimated payment amounts and the actual payments made to the arena, especially in the first years of making the payments. Adjustments to these early estimates will need to be made via supplemental budget request in the current year.

Payments made to Arena in 2022:

- 1) June 2022 Payment: 2021 Final Rent Adjustment Payment – based on 2021 revenues
- 2) December 2022 Payment: 2022 Tenant Advance Payment – based on 2022 Q1 & Q2 revenues

For simplicity of payment, rent adjustments will be directly budgeted in Finance General in the various Funds which received the revenue. This appropriation includes the 2021 Final Rent Adjustment Payment and the 2022 Tenant Advance Payment in the Arts Fund (Admissions Tax), the Transportation Fund (Commercial Parking Tax) and the General Fund (all other revenue streams).

The November Forecast included an adjustment to the Arena Payment budgeted in the Arts Fund (Admissions Tax). See "Council" section for details.

## Green New Deal Reserve

Expenditures \$6,491,539

This Green New Deal item funds a Green New Deal (GND) Reserve. The funding set aside here will prioritize efforts to achieve a just climate transition, making Seattle climate pollutant-free by 2030, helping communities most harmed by economic, racial, and environmental injustice. The GND Oversight Board will provide recommendations for key priorities, and the internal GND interdepartmental team (IDT) and Mayor's Office will develop and submit a spending plan for subsequent legislation.

## Insurance Premium Cost Increase

Expenditures \$2,441,000

This item increases appropriations by \$2,441,000 to Finance General for increased insurance premium costs due to a tightening insurance market and increased coverage. This amount is equal to the 2021 revised budget for insurance premiums. If costs continue to rise, additional budget may be needed in a 2022 supplemental request.

## Human Services Department Finance Support Reserve

Expenditures \$600,000

This item is a reserve for finance support to the Human Services Department. The Human Services Department budget has grown dramatically in recent years and additional support is needed to ensure that the department is complying with Federal Grants requirements and City standards for accounting, budgeting and procurement processes.

The Seattle City Council made changes to this proposed item. See "Council" section for more details.

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## Proposed Technical

### Removal of One-Time Items

Expenditures	\$(211,921,879)
Revenues	\$(320,345,238)

This technical modification removes one-time revenues, expenditures and fund balancing entries from the 2022 baseline budget for Finance General.

### Admissions Tax Revenue Directly to Arts Fund

Expenditures	\$(11,384,500)
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Prior to 2022, appropriations were made out of Finance General in the General Fund to transfer Admission Tax receipts to the Arts and Culture Fund. This budget reduction is in recognition that the Admissions Tax revenues will begin being deposited directly into the Arts and Culture Fund (12400) in 2022 instead of passing through the General Fund.

### Finance General Debt Service Adjustments

Expenditures	\$(1,747,097)
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This is a technical change request to true up debt service payments for Finance General in the Cumulative Reserve Subfund, the Real Estate Excise Tax Funds, the General Fund and the Short-Term Rental Tax Fund. These are technical adjustments to budget the precise amount of debt service, which is only known after bond issuance.

### Citywide Adjustments for Standard Cost Changes

Expenditures	\$(1,080,287)
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Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for Judgement and Claims, healthcare, retirement and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

### Language Premium General Fund Transfer

Expenditures	\$88,800
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This item increases ongoing appropriation authority for language services stipends. Per the Coalition of City Unions collective bargaining agreement, City employees who are multilingual and provide language services, such as interpretation and translation, to communicate with clients and/or other employees in business-related situations are now eligible for a monthly language premium stipend. The amounts in the 2022 budget are estimates based on the eligible employees from 2021. The amounts in Finance General are appropriations in the General Fund to transfer resources in support of employees in the Seattle Public Library and the Office of Labor Standards, which do not spend funds directly out of the General Fund.

### State Paid Family Medical Leave Reserve Increment

Expenditures	\$481,751
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Prior to 2022, there was \$2 million of reserves for City Paid Parental Leave benefits appropriated in Finance General, in addition to a \$4.48 million below the line reserve held in the General Fund, for a total of \$6.48 million. The below the line reserve was being held pending agreement with the City Unions on the synchronization of the City leave benefits with the State Paid Family Medical Leave benefit. This agreement has been reached and so the below the

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line reserve is being formally appropriated in the budget. Costs that the City bears in relation to the State Paid Family Medical Leave and Paid Parental Leave are primarily for back-fill staffing costs in departments when employees are on extended leave. Prior to 2022, these funds were requested by and allocated to departments in the fourth quarter or third quarter supplemental amendment once back-fill costs in departments could be accurately projected for the current year. The largest back-fill needs have been in the public safety departments, so the 2022 Budget includes \$2 million of this reserve in each of the Seattle Fire Department Budget and the Seattle Police Department Budget, accounting for \$4 million of the \$6.48 million reserve. The Finance General portion in 2022 is the remaining \$2.48 million for all other departments, which consists of the existing \$2 million appropriation and this \$481,751 increment. If these funds are not needed in a given year, the appropriation in Finance General will lapse.

### **Transfer to FAS for Equitable Communities Initiative**

Expenditures \$1,000,000

This item increases appropriations in Finance General in order to transfer monies to the Finance and Administrative Services Fund (50300) to provide technical assistance to WMBE firms to do business with the City and support construction apprenticeship training and retention of Black and Indigenous People of Color community (BIPOC) apprentices and workers.

For more detail see the Equitable Communities Initiative item in the Department of Finance and Administrative Services section of the budget book.

The Seattle City Council made changes to this proposed item. See “Council” section for more details.

### **Use of LTGO Fund Balance for Debt Service**

Expenditures -

This is a one year technical adjustment to use remaining fund balance in completed bond funds to pay for debt service that was paid for by General Fund resources.

### **Coronavirus Local Fiscal Recovery Revenue Replacement - FEMA Contingency**

Expenditures \$2,000,000

This item reserves \$2 million of Coronavirus Local Fiscal Recovery (CLFR) Funding for a General Fund revenue replacement, if needed, pending departmental spending activity on pandemic emergency response and recovery efforts. In the 2022 Budget, full FEMA reimbursement is assumed for certain activities within the Department of Finance and Administrative Services and their Fund (50300). However, if the actual spending includes ineligible items, or new work is required which is not covered under current FEMA categories, this funding will be used as revenue replacement for the General Fund, which will then need to be appropriated to transfer to the Finance and Administrative Services Fund (50300). Currently, there is no mechanism to get General Fund to the Finance and Administrative Services Fund and additional Council action would need to be taken to get appropriations. If the contingency is not needed, this reserve could be repurposed for other things, which would also require subsequent Council action.

This item is part of a package of CLFR-funded or CLFR-enabled items comprising Seattle Rescue Plan 3 (SRP3). See the Seattle Rescue Plan section of this 2022 Budget Book for more on SRP3.

The Seattle City Council made changes to this proposed item. See “Council” section for more details.

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## Update Recurring Reserve Amounts

Expenditures \$2,831,325

The Finance General department pays a variety of recurring costs on behalf of the City each year, related to General Fund payments for election costs, fire hydrant maintenance, street lighting, debt service and other contracts. This item includes baseline budget changes to these recurring reserve amounts to maintain the same level of service.

## Coronavirus Local Fiscal Recovery Revenue Replacement - Workforce Development

Expenditures \$4,500,000

Revenues \$4,500,000

This item appropriates funds out of the Coronavirus Local Fiscal Recovery (CLFR) Fund (14000) for revenue replacement into the General Fund. The revenue replacement into the General Fund is supporting several departmental Workforce Development initiatives which are ineligible for the CLFR funds directly, but which may be funded using General Fund. These items include:

\$500,000 for Priority Hire in FAS;  
\$1,000,000 for Green Energy Apprenticeships in the Office of Sustainability and Environment;  
\$1,500,000 for Creative Industry and Artist Relief in Arts;  
\$500,000 for Maritime and Manufacturing Strategies in OED;  
\$750,000 for Housing Providers Certification Program in OH;  
\$250,000 for Immigrant Refugee Work Readiness Program in OIRA.

This item is part of a set of workforce development programming enabled by CLFR funds, and is part of Seattle Rescue Plan 3 (SRP3). The workforce development programming seeks to create strong pathways to middle wage jobs and more wealth-generating businesses in industries that will thrive in the future. Investments in economic inclusion will help Seattle recover from the pandemic and position our local economy for continued equitable growth.

The departments receiving workforce development allocations enabled by CLFR funds are: ARTS, FAS, OED, OH, OIRA, and OSE. See the Seattle Rescue Plan section of this 2022 Budget Book for more on SRP3.

The Seattle City Council made changes to this proposed item. See "Council" section for more details.

## Restore General Fund Support to Library

Expenditures \$5,097,000

This item restores most of the General Fund transfers to the Seattle Public Library which were reduced in 2020 and 2021 as both cost-saving measures and unneeded funding due to reduced operating hours. The full restoration cost is \$5.8 million, but in 2022 SPL will use \$700,000 of fund balance in 10410 Fund in lieu of General Fund transfers.

## Cash Transfer of 2022 Tax-Exempt Bond funds to IT Fund

Expenditures \$13,076,000

This is technical appropriation that is required to transfer 2022 bond proceeds into the Information Technology fund for the Criminal Justice Information Systems (MC-IT-C6304) project. The project expenditures are appropriated in the Information Technology fund.

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## Finance General Appropriations to Special Funds

Expenditures \$149,238,038

The item includes adjustments needed to maintain sufficient appropriation to execute needed General Fund transfers to the Finance and Administrative Services Fund, Information Technology Fund, Library Fund, Office of Labor Standards Fund, Police Relief and Pension Fund and the Firefighters Pension Fund, as well as transfers from the Payroll Tax Fund to the General Fund.

## Revenue Adjustments

Revenues \$510,674,987

This is a technical adjustment to align revenues with forecast revenues for the 2022 Budget. Revenue updates in Finance General include many different Funds; the General Fund, Sweetened Beverage Tax Fund, Short-Term Rental Tax Fund, Payroll Tax Fund, Real Estate Excise Tax Funds, Bond Funds, Cumulative Reserve Subfund - Unrestricted, Payroll Tax Fund and the Coronavirus Local Fiscal Recovery Fund.

## Fund Balancing Entries

Revenues \$32,954,564

This is a technical item to record a fund balancing entry for the General Fund, Payroll Tax Fund, Sweetened Beverage Tax Fund, Short-Term Rental Tax Fund, Real Estate Excise Tax Funds, Emergency Fund and Revenue Stabilization Fund, which are multi-departmental Funds without a primary custodian department.

## Council

### Changes to Jumpstart Fund Expenditures, Coronavirus Local Recovery Fund Resources, and Other Community-Led Investments

Expenditures \$(26,646,270)

Revenues \$1,803,730

The City Council amended the 2022 Proposed Budget by reallocating \$70.7 million of one-time federal Coronavirus Local Fiscal Recovery Act (CLFR) Funds to replace revenue in the General Fund. This action allows for the reallocation of funds in the Jumpstart Payroll Expense Tax (PET) Fund for purposes outlined in Ordinance 126393. Full revenue replacement details can be found in the Seattle Rescue Plan chapter of this budget book.

In Finance General, this CBA results in the following budget changes:

- reverses a \$62.4 million transfer from the Jumpstart Payroll Expense Tax Fund (PET) to the General Fund (GF) which had been intended to support GF revenue replacement;
- replaces the loss of PET resources in the General Fund with a \$64.2 million transfer of one-time federal Coronavirus Local Fiscal Recovery Act (CLFR) funds;
- reduces a transfer of PET resources to FAS for the Equitable Communities Initiative by \$750,000 assuming resources from 2021 will carry forward to offset the reduction;
- reduces General Fund for Participatory Budgeting by \$27.2 million assuming resources from 2021 will carry forward to offset the reduction;
- and changes the fund source of \$500,000 allocated for Priority Hire from GF to PET.

The above changes result in investments for Equitable Communities Initiative, Participatory Budgeting, and community safety investments shifting from ongoing to one-time. A proposed Statement of Legislative Intent complements this item, expressing Council's intent to work with the Executive to identify options for making Seattle's tax structure more equitable and generating new revenue for city priorities including the Equitable Community Initiative, Participatory Budgeting, community safety investments, and homeless services, in 2023 and

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beyond.

This Council Budget Action also imposes provisos in the Office of Economic Development and the Human Services Department. Please see the budget book sections for the following departments for impacts specific to each department: Office of Arts and Culture, Department of Education and Early Learning, Department of Neighborhoods, Finance and Administrative Services, Human Services Department, Office of Economic Development, Office of Housing, Office of Immigrant and Refugee Affairs, Office of Sustainability and Environment, Seattle Department of Transportation, and the Seattle Public Library.

## **Transfer from Finance General Reserves to HSD for Finance Team**

Expenditures	\$ (600,000)
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This Council Budget Action (CBA) transfers \$600,000 of General Fund from Finance General (FG) to the Human Services Department (HSD) to support staffing for the department's finance team.

The 2022 Proposed Budget included \$600,000 in Finance General that was reserved for finance support to HSD as the City Budget Office worked with HSD to determine what additional staffing resources are needed on HSD's finance team. HSD's budget has grown significantly in recent years and additional support is needed to ensure that the department is complying with Federal Grants requirements and City standards for accounting, budgeting and procurement processes.

Please see HSD's budget book pages for more details on how these resources will be used.

## **Coronavirus Local Fiscal Recovery Revenue Replacement - Reallocate FEMA Contingency**

Expenditures	-
Revenues	\$2,000,000

This Council Budget Action (CBA) cuts \$2 million of Coronavirus Local Fiscal Recovery (CLFR) funds from the proposed Finance General FEMA reserve and uses the funds to address revenue decreases identified in the November revenue forecast including a transfer of \$955,000 to the Sweetened Beverage Tax Fund and \$1,055,000 to the General Fund.

In addition, this CBA makes changes to the budget for the Seattle Police Department. Please see SPD's budget book changes for more details.

## **Transfer from Finance General to ITD for Multi-factor Authentication**

Expenditures	\$300,000
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This Council Budget Action would add \$300,000 GF to the Seattle Information Technology Department (ITD) for multi-factor authentication purchases and services. Multi-factor authentication is a security enhancement that requires users to present two or more pieces of evidence to log into a digital resource such as a device, application or network.

## **Increase Fiscal Reserves**

Expenditures	\$400,000
Revenues	\$400,000

The proposed budget increased General Fund appropriation to begin re-building fiscal reserves, with a transfer of \$10 million into the Emergency Fund and \$15 million into the Revenue Stabilization Fund. This item increases appropriation and revenues by an additional \$400,000 into the Revenue Stabilization Fund for a total of \$15.4 million.

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## Reserves for Juneteenth Holiday

Expenditures \$620,000

This Council Budget Action (CBA) adds \$620,000 to Finance General to fund a Juneteenth holiday for City employees; this is the estimated amount to cover direct costs of minimum staffing requirements for the additional holiday. \$500,000 is added in the General Fund, \$20,000 in Seattle City Light's Fund, \$50,000 in Seattle Public Utility's Water Fund, and \$50,000 in Seattle Public Utility's Drainage and Wastewater Fund.

In September 2021, the Council introduced Council Bill 120184, legislation that would establish Juneteenth as a legal holiday for certain City employees and a parking holiday. The legislation would automatically cover non-represented employees and would cover represented employees subject to their union's agreement. The legislation would not apply to uniformed police and fire employees as those employees establish their holidays by collective bargaining agreement.

These funds will need to be transferred to relevant departments through budget legislation in 2022.

## Reserves for Public Toilets

Expenditures \$1,000,000

This Council Budget Action adds \$1 million to Finance General (FG) Reserves for the creation of two permanent public toilets in areas of the city with the highest concentration of neighbors living unhoused, and it would also add \$400,000 GF to Seattle Public Utilities (SPU) for the temporary deployment of additional portable toilets.

The Council has requested that the Executive use the \$1 million to form an interdepartmental team to create an implementation plan for two new permanent public toilets to be deployed by the City and made available to the public in 2022. The Council also requests that the Executive provide a written status report or a presentation to the Council's Select Committee on Homelessness Strategies and Investments, or its successor committee, by June 1, 2022.

The \$400,000 is added for SPU to deploy approximately 20 additional portable toilets during the six-month period while the interdepartmental team is determining how to deploy the permanent public toilets. Please see SPU's budget book pages for more details.

## Recognize November Forecast Update

Expenditures \$4,207,075

Revenues \$3,461,003

This budget action recognizes the results from the City Budget Office's (CBO) November 2021 forecast update. In August of each year, Council receives a revenue forecast with the Mayor's budget proposal, followed by a fall update typically received in November. Details on the 2022 revenue forecast updates made in Finance General are listed below by Fund:

- **General Fund (00100):** This change reduces General Fund (GF) revenues by \$4.9 million in 2022 due to changes in parking revenues, property taxes, and the Business & Occupation Taxes. It also increases GF appropriation for a \$723,000 transfer to the Arts Fund (12400) and a \$1.4 million transfer to the Sweetened Beverage Tax Fund (00155) to backfill revenue losses as described below.
- **Payroll Expense Tax (14500):** This change reduces Payroll Expense Tax revenues by \$755,000 in 2022;
- **School Safety Traffic and Pedestrian Improvement Fund (18500):** School zone camera revenues increased by \$3.6M increase in the November forecast.
- **Transportation Fund (13000):** The November forecast reduced Commercial Parking Tax (CPT) revenues by \$3.6M driven by changes in commuting, tourist and retail shopping behavior related to COVID19.

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- **Sweetened Beverage Tax Fund (00155):** This change reduces revenues by \$1.9M, likely due to the reduced sales of fountain and other sweetened beverages by commuters and shoppers. The sweetened beverage tax decrease, if left unaddressed, would lead to a shortfall in the SBT Fund. As such, this Council Budget action transfers \$1.4 million from the General Fund to the SBT Fund which, combined with reserved and unreserved balances, balances the SBT Fund, and results in a net revenue change of \$500,000 in the Fund.
- **Arts and Culture Fund (12400):** The November forecast also updated admission tax revenues for the Arts and Culture Fund. While the admissions tax shows an increase, this is entirely due to a \$2.1 million increase in arena-generated revenues more than offsetting a \$723,000 reduction in revenues from other venues. Since the forecast has already exceeded the negotiated City tax share for the admissions tax, the increase associated with the arena will be paid back to the arena and will not create an incremental resource for the Arts fund. As such, this Council Budget Action includes both the incremental new revenue (\$1.4 million) as well as the required set-aside in Finance General reserves to make the arena rent-adjustment payment (\$2.1 million). The net result of these transactions represents a \$723,000 net reduction to resources in the Arts and Culture Fund. This Council Budget Action transfers \$723,000 from the General Fund to the Arts and Culture Fund to address this late-breaking reduction in resources.
- **Real Estate Excise Taxes (30010 and 30020):** Finally, this change increases REET revenues by \$3.8 million in both the REET I and REET II funds for a total change of \$7.6 million, driven by increased prices for both commercial properties and single-family homes.

### Realign REET, CRS-U, and GF Resources Across Departments

Expenditures	\$4,500,000
Revenues	\$4,500,000

This Council Budget Action replaces \$4.5 million of Cumulative Reserve Subfund - Unrestricted (CRS-U) funding with Real Estate Excise Tax I (REET I) funding identified in the City Budget Office's November revenue update. The funding realignment will impact Capital Improvement Program projects in the Seattle Department of Transportation (SDOT), the Seattle Parks and Recreation (SPR), and the Department of Finance and Administrative Services (FAS) as described below:

- (1) Pedestrian Master Plan - Crossing Improvements (MC-TR-C061) in SDOT: \$1,750,000
- (2) Fortson Square Redesign Implementation (MC-TR-C104) in SDOT: \$250,000
- (3) Major Maintenance Backlog and Asset Management (MC-PR-41001) in SPR: \$2,000,000
- (4) Asset Preservation - Schedule 2 Facilities (MC-FA-APSCH2FAC) in FAS: \$500,000

The General Fund (GF) will receive a \$4.5 million revenue transfer from CRS-U to allow GF resources to be used for other budget priorities. Finance General's budget reflects the expenditure and revenues associated with this transfer.

Additional information on these capital project changes can be found in the 2022 Adopted Budget book pages for SDOT, SPR, and FAS.

### Fund Balancing Entries - Post Adoption

Revenues	\$(87,184,968)
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This is a technical item to record a fund balancing entry for multi-departmental Funds without a primary custodian department including the Real Estate Excise Tax funds, Bond Funds, General Fund, Sweetened Beverage Tax Fund, Revenue Stabilization Fund, Short-Term Rental Tax Fund, Coronavirus Local Fiscal Recovery Fund, and the Payroll Expense Tax Fund. This entry is necessary to balance funds following changes made during the Council phase of the budget process.

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### Statement of Legislative Intent - Revenue Generation Strategies

This Statement of Legislative Intent (FG-002-B-001) expresses the City Council's commitment to work with the Mayor to review Seattle's tax structure and identify ways to make it more equitable and to raise new progressive revenue. Priorities in the 2022 Proposed Budget that lack an ongoing revenue source include but are not limited to the Equitable Community Initiative (ECI) investments, the Participatory Budgeting (PB) program, community safety investments previously authorized by the Council (Community Safety RFP and Community Safety Initiative), and some homeless services, in 2023 and beyond.

The commitment expressed in this Statement of Legislative Intent would be to collaborate with the Executive in 2022 to identify ways to equitably identify existing and new ongoing revenue for these investments. It is expected that this process would include empaneling a task force of community experts to develop a report listing progressive revenue options. This report would be due to the Finance and Housing Committee by July 1, 2022.

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### Expenditure Overview

Appropriations	2020 Actuals	2021 Adopted	2022 Adopted
<b>FG - BO-FG-2QA00 - Appropriation to Special Funds</b>			
00100 - General Fund	169,058,919	192,479,526	174,787,515
00164 - Unrestricted Cumulative Reserve Fund	7,000,749	3,031,892	5,716,470
00166 - Revenue Stabilization Fund	29,030,000	25,700,000	-
10102 - Emergency Fund	14,676,627	47,050,000	-
12200 - Short-Term Rental Tax Fund	2,006,419	2,010,719	2,008,577
14000 - Coronavirus Local Fiscal Recovery Fund	-	-	70,676,169
14500 - Payroll Expense Tax	-	-	85,604,651
30010 - REET I Capital Fund	2,911,386	2,930,373	1,919,194
30020 - REET II Capital Fund	319,825	5,321,825	5,318,450
35200 - 2008 Multipurpose LTGO Bond Fund	-	-	36,933
35400 - 2010 Multipurpose LTGO Bond Fund	-	-	72,164
35500 - 2011 Multipurpose LTGO Bond Fund	-	-	142,824
35700 - 2013 Multipurpose LTGO Bond Fund	-	-	90,176
35710 - 2013 LTGO Series B Taxable	-	-	42,545
36210 - 2015 Taxable LTGO Bond Fund	-	-	4,915
36310 - 2016 LTGO Taxable Bond Fund	-	-	23,517
36900 - 2022 Multipurpose LTGO Bond Fund	-	-	13,076,000
37000 - Garage Disposition Proceeds	-	-	397,115
<b>Total for BSL: BO-FG-2QA00</b>	<b>225,003,924</b>	<b>278,524,335</b>	<b>359,917,216</b>
<b>FG - BO-FG-2QD00 - General Purpose</b>			
00100 - General Fund	53,461,533	133,510,959	48,832,035
12400 - Arts and Culture Fund	-	-	7,937,000
13000 - Transportation Fund	-	-	203,000
14500 - Payroll Expense Tax	-	-	6,491,539
19900 - Transportation Benefit District Fund	-	3,600,000	-
41000 - Light Fund	-	-	20,000
43000 - Water Fund	-	-	50,000
44010 - Drainage and Wastewater Fund	-	-	50,000
<b>Total for BSL: BO-FG-2QD00</b>	<b>53,461,533</b>	<b>137,110,959</b>	<b>63,583,574</b>
<b>Department Total</b>	<b>278,465,458</b>	<b>415,635,294</b>	<b>423,500,789</b>

## Finance General

*\* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here*

### Budget Summary by Fund Finance General

	2020 Actuals	2021 Adopted	2022 Adopted
00100 - General Fund	222,520,452	325,990,485	223,619,550
00164 - Unrestricted Cumulative Reserve Fund	7,000,749	3,031,892	5,716,470
00166 - Revenue Stabilization Fund	29,030,000	25,700,000	-
10102 - Emergency Fund	14,676,627	47,050,000	-
12200 - Short-Term Rental Tax Fund	2,006,419	2,010,719	2,008,577
12400 - Arts and Culture Fund	-	-	7,937,000
13000 - Transportation Fund	-	-	203,000
14000 - Coronavirus Local Fiscal Recovery Fund	-	-	70,676,169
14500 - Payroll Expense Tax	-	-	92,096,190
19900 - Transportation Benefit District Fund	-	3,600,000	-
30010 - REET I Capital Fund	2,911,386	2,930,373	1,919,194
30020 - REET II Capital Fund	319,825	5,321,825	5,318,450
35200 - 2008 Multipurpose LTGO Bond Fund	-	-	36,933
35400 - 2010 Multipurpose LTGO Bond Fund	-	-	72,164
35500 - 2011 Multipurpose LTGO Bond Fund	-	-	142,824
35700 - 2013 Multipurpose LTGO Bond Fund	-	-	90,176
35710 - 2013 LTGO Series B Taxable	-	-	42,545
36210 - 2015 Taxable LTGO Bond Fund	-	-	4,915
36310 - 2016 LTGO Taxable Bond Fund	-	-	23,517
36900 - 2022 Multipurpose LTGO Bond Fund	-	-	13,076,000
37000 - Garage Disposition Proceeds	-	-	397,115
41000 - Light Fund	-	-	20,000
43000 - Water Fund	-	-	50,000
44010 - Drainage and Wastewater Fund	-	-	50,000
<b>Budget Totals for FG</b>	<b>278,465,458</b>	<b>415,635,294</b>	<b>423,500,789</b>

## Finance General

### Revenue Overview

#### 2022 Estimated Revenues

Account Code	Account Name	2020 Actuals	2021 Adopted	2022 Adopted
311000	Property Taxes	-	2,699,546	-
311010	Real & Personal Property Taxes	275,124,105	285,749,629	303,788,540
311020	Sale Of Tax Title Property	481	-	-
313010	Sales & Use Tax-Local Share	280,626,177	255,313,116	280,006,666
313030	Sales & Use Tax-Brkrd Nat Gas	1,131,158	1,296,343	1,137,242
313040	Sales & Use Tax-Crim Justice	25,239,943	18,637,086	23,922,033
314010	Payroll Expense Tax	-	214,283,518	-
316000	B&O Taxes	-	7,230,620	-
316010	B&O Tax	307,712,235	256,338,929	317,426,516
316020	B&O Tax-Admissions Rev	1,804,746	5,457,085	-
316070	B&O Tax-Gas Utility	9,029,809	9,854,724	10,456,714
316080	B&O Tax-Garbage Utility	1,731,622	1,500,000	1,500,000
316100	B&O Tax-Cable Tv Utility	11,854,350	13,231,506	12,436,805
316110	B&O Tax-Telephone/Graph Util	14,351,638	15,393,255	12,207,150
316120	B&O Tax-Steam Utility	1,197,509	1,160,220	1,219,649
316130	B&O Tax-Electric Utility	57,787,070	53,615,662	56,175,230
316140	B&O Tax-Water Utility	34,013,482	32,791,929	35,990,487
316150	B&O Tax-Sewer Utility	36,623,932	59,797,084	62,530,104
316160	B&O Tax-Solid Waste Utility	30,708,666	21,019,751	23,407,773
316170	B&O Tax-Drainage Utility	18,054,102	-	-
316180	B&O Tax-Trans Fee-In City	(2,774,112)	1,750,000	2,248,328
316190	B&O Tax-Trans Fee-Out City	-	4,233,022	4,233,022
317040	Leasehold Excise Tax Rev	5,731,253	5,105,913	6,440,916
317060	Gambling Excise Tax Rev	274,294	260,000	350,000
318030	Business & Occup Tax Penalties	3,247,522	-	-
318040	Business & Occup Tax Interest	402,317	-	-
318050	Admission Tx Penalties & Inter	11,424	-	-
318070	Utility Tx Penalties & Int	9,481	-	-
318110	Firearms & Ammunition Tax	157,078	85,000	85,000
318210	Heating Oil Tax	-	(89,425)	780,575
318310	Transportation Network Co Tax	-	5,022,448	9,113,051
321100	Bus Lic&Perm-Business Gen	15,654,858	15,089,826	18,047,543
322040	Nonbus Lic&Perm-Comm Park	-	2,260,000	-
322170	Nonbus Lic&Perm-Truck Overload	-	260,000	-
322220	Nonbus Lic&Perm-Strmwtr Sewer	12,000	-	-

## Finance General

322260	Nonbus Lic&Perm-Meter Hood Fee	-	4,500,000	-
331110	Direct Fed Grants	-	-	1,410,750
335010	Marijuana Enforcement	1,388,446	1,350,000	1,350,000
335030	Vessel Registration Fees	128,942	125,000	125,000
335070	Criminal Justice Hi Crm	2,635,713	2,000,000	2,000,000
335080	Criminal Justice Pop	1,589,709	1,200,000	1,200,000
335090	Criminal Justice Dcd #1	1,054,008	800,000	800,000
335120	Rev Sharing Dui-Cities	138,495	100,000	100,000
335140	Liquor Excise Tax	5,929,197	4,000,000	4,000,000
335150	Liquor Board Profits	5,998,551	5,950,000	5,950,000
337080	Other Private Contrib & Dons	100,141	-	-
341900	General Government-Other Rev	1,212,830	1,435,000	565,449
348170	Isf-Itld Alloc Rev	2,936,258	-	-
350030	Parking Infraction Penalties	-	-	(6,513,000)
350190	Nsf Check Fees	1,682	-	-
360010	Investment Interest	-	-	91,125
360020	Inv Earn-Residual Cash	-	2,124,561	2,124,561
360130	Interest On Contracts/Notes Re	390,350	375,000	225,000
360180	Penalties-Spec Assessments	36,699	-	-
360290	Parking Fees	-	24,719,186	1,835,390
360900	Miscellaneous Revs-Other Rev	2,855	889,425	971,071
397010	Operating Transfers In	47,305,180	72,750,000	159,585,820
<b>Total Revenues for: 00100 - General Fund</b>		<b>1,200,566,196</b>	<b>1,411,664,958</b>	<b>1,359,324,513</b>
400000	Use of/Contribution to Fund Balance	-	22,163,398	5,930,764
<b>Total Resources for:00100 - General Fund</b>		<b>1,200,566,196</b>	<b>1,433,828,356</b>	<b>1,365,255,277</b>
318100	Sweetened Beverage Tax	15,673,970	20,771,875	20,384,000
318120	Sweet Bev Tax Penalty and Int	20,266	-	-
397010	Operating Transfers In	17,193,689	-	2,334,075
<b>Total Revenues for: 00155 - Sweetened Beverage Tax Fund</b>		<b>32,887,925</b>	<b>20,771,875</b>	<b>22,718,075</b>
400000	Use of/Contribution to Fund Balance	-	(15,323)	(727,311)
<b>Total Resources for:00155 - Sweetened Beverage Tax Fund</b>		<b>32,887,925</b>	<b>20,756,552</b>	<b>21,990,764</b>
360010	Investment Interest	-	(1,150,000)	-
360020	Inv Earn-Residual Cash	-	2,200,000	1,400,000
360290	Parking Fees	-	150,000	-
395010	Sales Of Land & Buildings	-	2,515,000	-

## Finance General

<b>Total Revenues for: 00164 - Unrestricted Cumulative Reserve Fund</b>	-	<b>3,715,000</b>	<b>1,400,000</b>
400000 Use of/Contribution to Fund Balance	-	(446,430)	11,854,020
<b>Total Resources for:00164 - Unrestricted Cumulative Reserve Fund</b>	-	<b>3,268,570</b>	<b>13,254,020</b>
397010 Operating Transfers In	3,007,478	1	15,400,001
<b>Total Revenues for: 00166 - Revenue Stabilization Fund</b>	<b>3,007,478</b>	<b>1</b>	<b>15,400,001</b>
400000 Use of/Contribution to Fund Balance	-	25,700,000	(15,400,001)
<b>Total Resources for:00166 - Revenue Stabilization Fund</b>	<b>3,007,478</b>	<b>25,700,001</b>	<b>-</b>
360210 Oth Interest Earnings	649	-	-
397010 Operating Transfers In	1,922,482	-	(23,687,000)
397100 Intrafund Revenues	-	33,687,000	33,687,000
<b>Total Revenues for: 10102 - Emergency Fund</b>	<b>1,923,131</b>	<b>33,687,000</b>	<b>10,000,000</b>
400000 Use of/Contribution to Fund Balance	-	47,050,000	(10,000,000)
<b>Total Resources for:10102 - Emergency Fund</b>	<b>1,923,131</b>	<b>80,737,000</b>	<b>-</b>
317090 Short Term Rental Tax	6,319,405	5,775,000	9,807,381
397010 Operating Transfers In	1,631,201	-	-
<b>Total Revenues for: 12200 - Short-Term Rental Tax Fund</b>	<b>7,950,606</b>	<b>5,775,000</b>	<b>9,807,381</b>
400000 Use of/Contribution to Fund Balance	-	(1,229,356)	600,634
<b>Total Resources for:12200 - Short-Term Rental Tax Fund</b>	<b>7,950,606</b>	<b>4,545,644</b>	<b>10,408,015</b>
316020 B&O Tax-Admissions Rev	-	-	1,371,914
397010 Operating Transfers In	-	-	723,000
<b>Total Revenues for: 12400 - Arts and Culture Fund</b>	<b>-</b>	<b>-</b>	<b>2,094,914</b>
316060 B&O Tax-Commercial Parking	-	-	(3,618,331)
<b>Total Revenues for: 13000 - Transportation Fund</b>	<b>-</b>	<b>-</b>	<b>(3,618,331)</b>
331110 Direct Fed Grants	-	-	116,170,814
<b>Total Revenues for: 14000 - Coronavirus Local Fiscal Recovery Fund</b>	<b>-</b>	<b>-</b>	<b>116,170,814</b>
400000 Use of/Contribution to Fund Balance	-	-	4,930,813

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<b>Total Resources for:14000 - Coronavirus Local Fiscal Recovery Fund</b>		-	-	<b>121,101,627</b>
314010	Payroll Expense Tax	-	-	233,872,161
<b>Total Revenues for: 14500 - Payroll Expense Tax</b>		-	-	<b>233,872,161</b>
400000	Use of/Contribution to Fund Balance	-	-	(75,550)
<b>Total Resources for:14500 - Payroll Expense Tax</b>		-	-	<b>233,796,611</b>
350030	Parking Infraction Penalties	-	-	3,600,000
<b>Total Revenues for: 18500 - School Safety Traffic and Pedestrian Improvement Fund</b>		-	-	<b>3,600,000</b>
317030	Trans Ben Dist Vehicle Fees	-	3,600,000	-
<b>Total Revenues for: 19900 - Transportation Benefit District Fund</b>		-	<b>3,600,000</b>	-
360000	Miscellaneous Revs	-	1,965,571	1,965,571
<b>Total Revenues for: 20130 - LTGO Bond Interest and Redemption Fund</b>		-	<b>1,965,571</b>	<b>1,965,571</b>
311010	Real & Personal Property Taxes	-	22,764,200	22,764,200
<b>Total Revenues for: 20140 - UTGO Bond Interest Redemption Fund</b>		-	<b>22,764,200</b>	<b>22,764,200</b>
317010	Real Estate Excise Tax Reet #1	40,144,200	32,679,761	44,022,018
318080	Other Taxes Penalties & Int	1,996	-	-
<b>Total Revenues for: 30010 - REET I Capital Fund</b>		<b>40,146,196</b>	<b>32,679,761</b>	<b>44,022,018</b>
400000	Use of/Contribution to Fund Balance	-	9,498,573	22,500,455
<b>Total Resources for:30010 - REET I Capital Fund</b>		<b>40,146,196</b>	<b>42,178,334</b>	<b>66,522,473</b>
317010	Real Estate Excise Tax Reet #1	-	-	3,775,983
317020	Real Estate Excise Tax Reet #2	40,144,200	32,679,761	40,246,035
318080	Other Taxes Penalties & Int	1,996	-	-
<b>Total Revenues for: 30020 - REET II Capital Fund</b>		<b>40,146,196</b>	<b>32,679,761</b>	<b>44,022,018</b>
400000	Use of/Contribution to Fund Balance	-	933,095	22,306,712
<b>Total Resources for:30020 - REET II Capital Fund</b>		<b>40,146,196</b>	<b>33,612,856</b>	<b>66,328,730</b>
400000	Use of/Contribution to Fund Balance	-	-	36,933

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<b>Total Resources for:35200 - 2008</b>		-	-	<b>36,933</b>
<b>Multipurpose LTGO Bond Fund</b>				
400000	Use of/Contribution to Fund Balance	-	-	72,164
<b>Total Resources for:35400 - 2010</b>		-	-	<b>72,164</b>
<b>Multipurpose LTGO Bond Fund</b>				
400000	Use of/Contribution to Fund Balance	-	-	142,824
<b>Total Resources for:35500 - 2011</b>		-	-	<b>142,824</b>
<b>Multipurpose LTGO Bond Fund</b>				
400000	Use of/Contribution to Fund Balance	-	-	90,176
<b>Total Resources for:35700 - 2013</b>		-	-	<b>90,176</b>
<b>Multipurpose LTGO Bond Fund</b>				
400000	Use of/Contribution to Fund Balance	-	-	42,545
<b>Total Resources for:35710 - 2013 LTGO Series B Taxable</b>		-	-	<b>42,545</b>
400000	Use of/Contribution to Fund Balance	-	-	4,915
<b>Total Resources for:36210 - 2015 Taxable LTGO Bond Fund</b>		-	-	<b>4,915</b>
400000	Use of/Contribution to Fund Balance	-	-	23,517
<b>Total Resources for:36310 - 2016 LTGO Taxable Bond Fund</b>		-	-	<b>23,517</b>
400000	Use of/Contribution to Fund Balance	-	-	157,440
<b>Total Resources for:36500 - 2018 Multipurpose LTGO Bond Fund</b>		-	-	<b>157,440</b>
391010	G.O.Bond Proceeds	-	61,899,481	-
<b>Total Revenues for: 36800 - 2021 Multipurpose LTGO Bond Fund</b>		-	<b>61,899,481</b>	-
400000	Use of/Contribution to Fund Balance	-	(8,083,000)	-
<b>Total Resources for:36800 - 2021 Multipurpose LTGO Bond Fund</b>		-	<b>53,816,481</b>	-
391010	G.O.Bond Proceeds	-	122,837,800	-
<b>Total Revenues for: 36810 - 2021 West Seattle Bridge Repair LTGO Bond Fund</b>		-	<b>122,837,800</b>	-

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400000	Use of/Contribution to Fund Balance	-	(70,000,000)	2,881,431
<b>Total Resources for:36810 - 2021 West Seattle Bridge Repair LTGO Bond Fund</b>		-	<b>52,837,800</b>	<b>2,881,431</b>
391010	G.O.Bond Proceeds	-	-	102,925,363
<b>Total Revenues for: 36900 - 2022 Multipurpose LTGO Bond Fund</b>		-	-	<b>102,925,363</b>
400000	Use of/Contribution to Fund Balance	-	-	(100,000,000)
<b>Total Resources for:36900 - 2022 Multipurpose LTGO Bond Fund</b>		-	-	<b>2,925,363</b>
391010	G.O.Bond Proceeds	-	-	25,137,150
<b>Total Revenues for: 36910 - 2022 LTGO Taxable Bond Fund</b>		-	-	<b>25,137,150</b>
400000	Use of/Contribution to Fund Balance	-	-	397,115
<b>Total Resources for:37000 - Garage Disposition Proceeds</b>		-	-	<b>397,115</b>
<b>Total FG Resources</b>			<b>1,326,627,729</b>	<b>1,779,611,365</b>
			<b>1,957,375,444</b>	

# Finance General

## Appropriations by Budget Summary Level and Program

### **FG - BO-FG-2QA00 - Appropriation to Special Funds**

The purpose of the Appropriation to Special Funds Budget Summary Level is to appropriate General Fund and other centrally managed resources, several of which are based upon the performance of certain City revenues, to bond redemption or special purpose funds. These appropriations are implemented as operating transfers to the funds or accounts they support.

<b>Program Expenditures</b>	<b>2020 Actuals</b>	<b>2021 Adopted</b>	<b>2022 Adopted</b>
Appropriation to Special Funds	225,003,924	278,524,335	359,917,216
<b>Total</b>	<b>225,003,924</b>	<b>278,524,335</b>	<b>359,917,216</b>

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### **FG - BO-FG-2QD00 - General Purpose**

The purpose of the General Purpose Budget Summary Level is to provide appropriation authority to those programs for which there is no single appropriate managing department, or for which there is Council and/or Mayor desire for additional budget oversight.

<b>Program Expenditures</b>	<b>2020 Actuals</b>	<b>2021 Adopted</b>	<b>2022 Adopted</b>
General Purpose	53,461,533	137,110,959	63,583,574
<b>Total</b>	<b>53,461,533</b>	<b>137,110,959</b>	<b>63,583,574</b>

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