

Resolution Number: 31134

A RESOLUTION relating to the City of Seattle's 2009 and 2010 budgets, acknowledging the need for immediate spending reductions, establishing the Council's highest budget priorities in the context of these reductions, and identifying potential cost savings to be considered by the Executive in preparing the 2010 proposed budget.

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Committee: Finance and Budget

Sponsor: GODDEN

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#### Text

A RESOLUTION relating to the City of Seattle's 2009 and 2010 budgets, acknowledging the need for immediate spending reductions, establishing the Council's highest budget priorities in the context of these reductions, and identifying potential cost savings to be considered by the Executive in preparing the 2010 proposed budget.

WHEREAS, on June 2, 2008 the Council adopted Resolution 31063 establishing the Council's six budget goals for the 2009-2010 biennium; and

WHEREAS, on November 24, 2008 the Council adopted the City's 2009 Budget, including the 2009 - 2014 Capital Improvement Program, and endorsed the City's 2010 Budget; and

WHEREAS, since then, national, regional and local economic conditions have significantly deteriorated, with more than five million jobs lost nationally over the past 14 months, the state unemployment rate now surpassing nine percent, and King County unemployment levels recently reaching eight percent; and

WHEREAS, the current economic downturn and financial crisis has been associated with a significant reduction in the value of local real estate and a marked drop in the number of real estate transactions; and

WHEREAS, these economic conditions have had a dramatic negative impact on all of the City's major revenue sources, reducing revenues for the retail sales tax, the business and occupation tax, utility taxes, and the real estate excise tax; and

WHEREAS, the Department of Finance presented Council with a new biennial revenue forecast on April 6, 2009 and is now predicting that General Fund revenues will fall

more than \$70 million short of the levels that underlie the adopted and endorsed budgets for 2009 and 2010; and

WHEREAS, this revised forecast also predicts that real estate excise tax revenues will fall approximately \$20 million short of the levels assumed in the adopted 2009 and endorsed 2010 budgets; and

WHEREAS, on April 13 and April 20 the Department of Finance presented Council with an initial plan to underspend available 2009 budget appropriations; and

WHEREAS, the Council held two public hearings, the first on March 26 and the second on April 22, to receive input from the public regarding the proposed budget changes; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section 1. The Council acknowledges the need for significant spending reductions in 2009 and concurs with the general priorities reflected in the Mayor's plans to underspend the available appropriation authority in the General Fund and the Cumulative Reserve Subfund, as well as to withdraw up to \$5 million from the Revenue Stabilization Account.

Section 2. The City Council re-affirms the six biennial budget goals established in Resolution 31603: Public Safety; Human Services and Housing; Transportation; Pedestrian Safety; Environmental Stewardship; and Neighborhood Planning. While remaining committed to all these goals, within the context of the current economic downturn, the Council establishes Public Safety and Human Services and Housing as its highest priorities. In these difficult times, the City must continue to protect the health and safety of all Seattle's residents, while at the same time providing essential assistance to the most needy among them. Continued investments in bulk food purchasing and the local distribution network for emergency food are examples of the critical human services support programs that Council intends to support, and to expand if possible.

With respect to public safety, the Council stands firm in its commitment to provide the Seattle Police Department with sufficient uniform staffing to implement all elements of the proposed Neighborhood Policing Plan by 2010. Although resources are limited, given the Council's and Mayor's commitment to stemming youth violence, and more broadly to continued investment in Seattle's youth, the Council also supports increased funding for youth mentoring programs and encourages the Mayor to include such a proposal in his 2010 budget.

Section 3. Recognizing that further reductions will be needed in 2010, the Council requests that the Executive evaluate the following potential cost savings measures in developing the proposed budget for next year:

a. Reduce or suspend contributions to the Fleets and Facilities Department's Asset Preservation Program and reduce internal rent charges accordingly. Are there sufficient resources to maintain critical City facilities with any existing fund balance in the program? What risks are there to lowering or eliminating contributions for a year or

more?

b. Increase the "span of control" within some areas of management to reduce internal costs while preserving the financial resources needed to support direct services to the public. Reductions at all levels of management may provide opportunities for savings.

c. Reduce the number of vehicles in the City's internal fleet and/or extend the lifespan of existing vehicles. Are all current vehicles essential? Do current replacement cycles provide the most cost-effective approach to vehicle operation? Could car-sharing services or other innovative approaches help reduce the City's vehicle costs?

d. Review fuel purchasing policies. In particular, when the full environmental impacts of bio-diesel are considered, does it really represent an environmentally sensitive and cost-effective alternative to petroleum-derived diesel and/or other fuel alternatives?

e. Evaluate the cost-effectiveness of long-term consultant contracts. If there are long-term bodies of work now being provided under consultant contracts, would it be more cost-effective to bring these services "in-house" and have them provided by City workers instead?

f. Enhance efficiency of the Department of Information Technology, the Fleets and Facilities Department, the Department of Executive Administration's Contracting Services Division and the City's other internal services functions. While the support provided by these functions is necessary for the City to provide critical direct services, there may be opportunities for either short-term deferrals or long-term restructurings that could reduce the cost of these internal functions.

g. Review the City's participation in various local, regional and national organizations and the membership dues associated with this participation. While the City's participation in such organizations can be valuable, it would be appropriate to review whether each individual membership is providing the desired benefit.

h.

Review funding provided for staff training and for travel to conferences, professional meetings, etc., particularly those held outside the State, for which expenses can be considerable. Staff development and professional interactions can be very valuable, but the benefits from such expenditures must be weighed against the impacts of the current spending cuts.

Adopted by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2009, and signed by me in open session in authentication of its adoption this \_\_\_\_\_ day

of \_\_\_\_\_, 2009.

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President \_\_\_\_\_ of the City Council

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2009.

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City Clerk

(Seal)

Ben Noble; BDN

Leg. - Budget Adjust Res - as amended

May 7, 2009

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