



City of Seattle
Mayor Jenny A. Durkan

2019 - 2020 BIENNIAL BUDGET PROPOSAL

Overview

Mayor Jenny Durkan's proposed budget for 2019-2020 focuses on the basics that our communities, our neighborhoods and our businesses rely on; addresses our crisis of affordability, housing, and homelessness without raising new taxes on residents and businesses; invests in creating a more equitable, just Seattle that protects the most vulnerable; and helps build an innovative city of the future. In each department, Mayor Durkan sought efficiencies to reprioritize spending on more services and investments in her priorities.

The 2019-2020 proposed budget is balanced, totaling \$5.9 billion. The budget reflects \$49 million in savings that Mayor Durkan identified during the budget process, including through vacancies and efficiencies at departments. The 2019 budget includes:

- \$2.6 billion for utility services like power, clean drinking water, garbage and recycling at Seattle City Light and Seattle Public Utilities;
- \$695 million for public safety, including 40 new police officers and 120 new fire recruits;
- \$609 million for transit and transportation investments; and
- \$89.5 million for homelessness across all departments without raising new taxes.

Seattle's Economy & City of Seattle Revenue

From 2010 to 2018, Seattle Metro Area (King and Snohomish Counties) employment increased by 25% from its post-recession low. Under this administration, Seattle's economy remains strong and Seattle continues to be the fastest growing city in the country, but the Seattle metro area's economy and revenues are expected to slow in 2019 and continue to slow down in 2020. While two key revenues sources for the City, sales tax and B&O tax revenue, have continued to grow 2018, they are expected to slow in 2019 and 2020. In addition to the residential market showing signs of calming, an updated forecast for construction assumes revenue will decline by 10.7% over a three-year period beginning in 2019.

A Sustainable Budget That Reprioritizes City Spending

With the local inflation rate, there will be almost no net increase in the real purchasing power of the City's underlying tax revenues for 2019, especially the City's general fund. Rather than expanding City services beyond the level than can be reliably sustained by projected growth, Mayor Durkan has taken steps to create a more sustainable budget and reprioritize spending by:

- Identifying ongoing revenue streams to pay for tens of millions of previously one-time funded activities;
- Reducing discretionary spending across all departments including travel and consultant contracts;
- Removing at least 150 primarily vacant positions;
- Reviewing departments operating and capital budgets to reprioritize projects; and
- Investing more than \$60 million in both the City's rainy-day fund and emergency sub-fund – an all-time high.