



To: MID Ratepayer Advisory Board
Fr: MID Finance Committee
Re: Summary of Proposed Fiscal Year 2022/2023 Budget

The 2022/2023 budget is oriented toward supporting the ongoing post-pandemic recovery of downtown Seattle and the “Reimagining the MID” initiative in preparation for renewal efforts. Our focus for the upcoming fiscal year will be to sustain our strategic initiatives while overcoming the lingering negative impact of the pandemic shutdowns on downtown businesses, nonprofits, residents and property owners. The delayed return to downtown by workers and visitors presents historic challenges around economic recovery and our desire to maintain a vibrant, clean, and safe public realm for all.

Budget Assumptions:

- Overall:
Downtown will return to a “new normal” level with a return of office workers in a hybrid model of remote vs. in-office schedules. Progress will be made by the Regional Homelessness Authority and by evolving city policy toward reducing street crime and improving public safety. Our focus will remain on keeping the MID “Clean, Clear and Cared for” .
- Ambassador Services:
Reimagining of the MID will result in restructuring of ambassador teams and services to address changing conditions downtown.
 - Clean team will add equipment and adjust deployment strategies to provide rapid response and ensure that downtown public realm is “Clean, Clear, and Cared for”. We will continue to use contractors to supplement services as needed for pressure washing, graffiti removal, etc..
 - The new Public Realm team will continue coverage of parks and public spaces throughout the MID, addressing street disorder (scooters, e-bikes and other right-of-way impediments) providing hospitality services as well as limited outreach services to connect individuals to RHA resources. Daily programming will continue in Westlake and Occidental Parks and expand into additional public spaces; there will be a focus on weekly “signature” events in Westlake and Occidental Parks to draw downtown workers and visitors. This team will continue to work closely with SPD and the private contract security presence through the MID.
 - The Public Realm Operations team will coordinate parks and public space set-up for daily and special events and will maintain all MID assets including trucks, trikes, bikes and parks furniture and amenities.
- Advocacy, Public Policy and Economic Development and Research:
We anticipate a significant advocacy focus on public safety and revitalizing the downtown economy, along with support for the MID renewal efforts through increased ratepayer engagement.
- Operations, Administration and Employee Engagement:
We will expand our Human Resources team to include the Ambassador Support Specialist, which will give us the capacity to provide personalized outreach services and housing assistance as needed plus more robust leadership skills training and development opportunities for the MID team.
Annual pay increases budgeted at \$3.00 per hour for all ambassador positions will bring starting wages up to \$20/hour. We believe this is an important step toward

providing a livable wage to our Ambassadors. Administrative (indoor) positions are budgeted at a 4% increase. We look forward to increased travel and conference opportunities; we will also focus on providing internal training opportunities and team-building events to strengthen engagement and retention.

Revenue remains generally stable in 22/23 projections however, DBIA spending will be reduced as we will not repeat the dedicated \$3.6 million Downtown Recovery program of 21/22.

The projected \$16.6 million income represents an increase of \$443K primarily driven by:

- Assumption of 3% increase with continuing strong MID assessment collections, including voluntary assessments. \$376K
- City of Seattle parks funding flat per contract at \$100K; additional draw of Parks Foundation Core Funders income \$300K, offset by reduced private fee for service funding for security patrols by ratepayer groups and one-time Downtown Recovery funding from King County and other partners. (\$283K)
- Increase in sponsorship and registration income vs 21/22 forecast, as we return to in-person meetings and events and add a position (25% allocated to DBIA) to support fundraising and sponsorship opportunities. \$30K

The proposed 2022-2023 budget totals \$19.2 million in expenses, an overall increase of 10.5% compared to the current 21/22 year-end forecast, primarily in wages and benefits. Year over year net program expense reduction of \$368K relates to the one-time investment in 21/22 dedicated to Downtown Recovery.

The projected change in expenses reflects:

- One-time expense savings YOY vs. 21/22 Downtown Recovery and Revive Pike Pine programming \$1961K
 - Increased funding of private security patrols throughout the MID along with supplemental SPD patrols when available \$(706K)
 - \$3/hour increase in Ambassador position pay rates across the board, bringing our entry rate up to \$20 per hour \$(786K)
 - Increase in depreciation expense reflecting handover of Occidental Play Space to the City of Seattle \$(125K)
 - Addition of an Ambassador Support Specialist in HR, and 25% allocation of Sponsorship & Events Manager in Communications. \$(117K)
 - 4% annual admin wage increases; tax and 5% benefit cost increase \$(163K)
 - Full year of management and administrative positions filled (Dir. Economic Development; Sr. Mgr. Public Space Programming; Director Public Realm Operations; Communications Specialist; Sr. Mgr. Ec. Development) \$(163K)
 - Increased program costs, including trash removal, public realm activations \$(897K)
 - Additional \$25K funding to Commute Seattle in support of its Ratepayer Outreach program focus on Orca pass education among MID ratepayers.
- Operating reserves will be adjusted based on current policies DBIA Services.
 - DBIA spending includes capital investment of \$258K for 20 additional cleaning trikes and a new All-Terrain Leaf Vacuum.
 - DBIA reflects a budgeted net loss from operations for the 2022/2023 fiscal year totaling (\$2.6K) million as we continue to spend down uncommitted reserve funds.

Downtown Seattle Association

22/23 Budget

Forecast 21/22

v6.18.22

DBIA SERVICES							
PRIOR YR ACTUAL	2021/2022 FORECAST			22/23 Budget			
Prior Year 20/21	Forecast 21/22	21/22 BUDGET	Var 21/22 Fcst to Budget	22/23 Budget	\$ Variance 22/23 vs Prior Year Forecast 21/22	% of Change 22/23 Bud vs Prior Year Fcst 21/22	
INCOME							
Contribution Inc							
4000 · Assessments	11,847,459	15,274,000	15,274,000	-	15,621,979	347,979	2.3%
4010 · Voluntary	183,282	149,806	125,000	24,806	183,282	33,476	22.3%
4120 · Part Fund Unrestricted				-			#DIV/0!
4130 · Part Fund- Donor Restricted	140,000	14,066	190,000	(175,934)	320,000	305,934	2175.0%
4200 · Dues Renewals		-		-			
4210 · Dues New		-		-			
4400 · Sponsorship	169,947	214,865	75,000	139,865	215,000	135	0.1%
4410 · Event Registration		-		-			
4600 · Interest Income	379	63	100	(37)	100	37	58.7%
4620 · In-Kind Contributions	490	14,100	-	14,100		(14,100)	-100.0%
4630 · Reserve		(307,980)	(307,980)	-	(234,330)	73,650	
Total Contribution Inc	12,341,557	15,358,920	15,356,120	2,800	16,106,031	747,111	4.9%
Fees for Services							
4700 · Private FFS	273,030	266,116	476,000	(209,884)	139,700	(126,416)	-47.5%
4720 · Public FFS	275,612	560,420	245,000	315,420	382,000	(178,420)	-31.8%
4800 · Management Fees		-		-			
4810 · Staff Reimb		-		-			
4900 · Misc Income		-		-			
Total Fees for Services	548,642	826,536	721,000	105,536	521,700	(304,836)	-36.9%
TOTAL INCOME	12,890,199	16,185,456	16,077,120	108,336	16,627,731	442,275	2.7%
EXPENSES							
Salaries & Benefits							
5000 · Salaries Mgmt	1,944,392	1,599,579	1,983,169	383,590	2,008,980	(409,401)	-25.6%
5010 · Benefits Mgmt	203,378	101,108	235,378	134,270	242,973	(141,865)	-140.3%
5011 · Transit	18,992	-	14,626	14,626	11,617	(11,617)	#DIV/0!
5020 · 401k Mgmt	57,574	51,313	89,243	37,930	100,449	(49,136)	-95.8%
5030 · Salaries Line Staff	4,060,717	4,710,345	6,605,075	1,894,730	5,555,033	(844,688)	-17.9%
5040 · Benefits Line Staff	1,135,798	1,141,494	1,417,879	276,385	1,318,277	(176,783)	-15.5%
5041 · Transit Ambassadors	116,946	4,769	110,035	105,266	68,880	(64,111)	-1344.3%
5050 · 401k Retirement Line Staff	43,362	59,483	75,738	16,255	72,030	(12,547)	-21.1%
5060 · Payroll Taxes	479,412	721,383	1,082,574	361,191	1,054,420	(333,037)	-46.2%
Total Salaries & Benefits	8,060,571	8,389,474	11,613,716	3,224,242	10,432,659	(2,043,185)	-24.4%
Professional Services							
6000 · Accounting	9,625	7,642	-	(7,642)	8,000	(358)	-4.7%
6010 · Consulting	1,949	-	157,400	157,400	10,000	(10,000)	#DIV/0!
6030 · IT/ Tech Sprt / Website / Domai	210,427	236,911	204,600	(32,311)	263,248	(26,337)	-11.1%
6040 · Legal Fees		-		-			#DIV/0!
6050 · Management Services	1,442,176	1,539,900	1,539,900	-	1,562,198	(22,298)	-1.4%
6060 · Payroll Services	30,083	36,869	36,500	(369)	39,000	(2,131)	-5.8%
6070 · Temporary Staffing	60,193	26,331	20,000	(6,331)	46,000	(19,669)	-74.7%
6100 · Other Prof Services	12,851	8,197	15,000	6,803	9,300	(1,103)	-13.5%
Total Professional Services	1,767,304	1,855,850	1,973,400	117,550	1,937,746	(81,896)	-4.4%

Downtown Seattle Association

22/23 Budget

Forecast 21/22

v6.18.22

DBIA SERVICES							
PRIOR YR ACTUAL	2021/2022 FORECAST			22/23 Budget			
Prior Year 20/21	Forecast 21/22	21/22 BUDGET	Var 21/22 Fcst to Budget	22/23 Budget	\$ Variance 22/23 vs Prior Year Forecast 21/22	% of Change 22/23 Bud vs Prior Year Fcst 21/22	
General & Administrative							
7000 · Bank / Credit Card fees	3,098	5,016	2,750	(2,266)	3,900	1,116	22.2%
7010 · Computers / Technology	3,504	6,624	32,000	25,376	1,500	5,124	77.4%
7020 · Dues & Subscriptions	13,157	19,128	38,400	19,272	30,500	(11,372)	-59.5%
7030 · Employee Recognition	37,205	36,384	60,400	24,016	65,000	(28,616)	-78.6%
7040 · Insurance	58,515	69,956	68,500	(1,456)	71,357	(1,401)	-2.0%
7050 · Leasing & Maintenance	19,452	17,629	20,000	2,371	19,000	(1,371)	-7.8%
7060 · Licenses & Permits	5,282	5,951	8,550	2,599	6,950	(999)	-16.8%
7070 · Meeting & Board Exp	20,438	12,454	8,500	(3,954)	15,500	(3,046)	-24.5%
7080 · Misc	1,304	1,396	2,500	1,104	2,000	(604)	-43.3%
7100 · Maintenance & Repairs - Office	5,804	2,117	10,000	7,883	2,000	117	5.5%
7110 · Office Supplies	21,896	26,151	28,600	2,449	22,500	3,651	14.0%
7120 · Postage & Delivery	715	248	750	502	700	(452)	-182.3%
7130 · Printing & Copying	22,677	7,291	5,100	(2,191)	4,700	2,591	35.5%
7140 · Recruiting - Staff	40,482	74,930	47,000	(27,930)	79,900	(4,970)	-6.6%
7150 · Rent / Storage	313,183	398,711	413,000	14,289	408,320	(9,609)	-2.4%
7160 · Taxes	22,376	12,047	14,670	2,623	10,434	1,613	13.4%
7170 · Telephone	140,553	139,564	110,800	(28,764)	128,500	11,064	7.9%
7180 · Training	25,658	28,470	84,801	56,331	54,300	(25,830)	-90.7%
7190 · Travel	24,000	5,526	25,500	19,974	22,000	(16,474)	-298.1%
Total General & Administrative	779,299	869,593	981,821	112,228	949,061	(79,468)	-9.1%
Program Expenses							
8000 · Activation	312,342	1,559,233	1,695,000	135,767	1,223,899	335,334	21.5%
8010 · Equipment - Program	126,164	258,062	254,000	(4,062)	266,500	(8,438)	-3.3%
8020 · Marketing / Promotions	56,053	1,223,304	570,500	(652,804)	253,460	969,844	79.3%
8030 · Outreach	67,875	88,107	206,000	117,893	70,000	18,107	20.6%
8040 · Radios	1,137	24,752	30,000	5,248	10,000	14,752	59.6%
8050 · Rentals & Leasing	74,280	20,360	266,000	245,640	145,500	(125,140)	-614.6%
8060 · Security / SPD	312,739	1,175,422	564,000	(611,422)	1,881,000	(705,578)	-60.0%
8070 · Services - Program	519,547	1,172,594	1,172,000	(594)	951,000	221,594	18.9%
8080 · Supplies - Program	154,515	299,287	394,000	94,713	283,000	16,287	5.4%
8090 · Trash Removal / Water Clean-up	271,804	302,898	311,000	8,102	374,000	(71,102)	-23.5%
8100 · Uniforms	59,939	61,847	79,000	17,153	92,575	(30,728)	-49.7%
8190 · Other Program Exp	6,800	67,800	24,200	(43,600)	345,960	(278,160)	-410.3%
Total Program Expenses	1,963,195	6,253,666	5,565,700	(687,966)	5,896,894	356,772	5.7%
9900 · Depreciation Exp	134,858	196,008	197,064	1,056	322,364	(126,356)	-64.5%
TOTAL EXPENSES	12,705,227	17,564,591	20,331,701	2,767,110	19,538,723	(1,974,132)	-11.2%
OTHER INCOME AND EXPENSES							
Special Projects Inc							
4701 · Parking Inc - Low cost garage							
4709 · Market -MOHAI Inc Ped Cor							
4710 · Parking Exp - MM contract							
4711 · Shuttle program							
Total Special Projects Inc	-						
Special Projects Exp							
9001 · Parking Exp - Low cost garages							
9009 · Market to MOHAI Exp- Ped Cor							
9010 · Parking Tasks - MM contract							
9011 · Shuttle Expenses							
Total Special Projects Exp	-						
Net Other Income/Expenses	-						
CHANGE IN NET ASSETS	184,972	(1,379,135)	(4,254,581)	2,875,446	(2,910,992)	(1,531,857)	111.1%

Downtown Seattle Association

22/23 Budget

Forecast 21/22

v6.18.22

DBIA SERVICES						
PRIOR YR ACTUAL	2021/2022 FORECAST			22/23 Budget		
Prior Year 20/21	Forecast 21/22	21/22 BUDGET	Var 21/22 Fcst to Budget	22/23 Budget	\$ Variance 22/23 vs Prior Year Forecast 21/22	% of Change 22/23 Bud vs Prior Year Fcst 21/22

	Forecast 21/22	22/23 Budget
FUND BALANCE SUMMARY		
Beginning Fund Balance@ 6/30/22	6,450,241	5,064,931
Less Operating Reserve	(1,000,343)	(1,198,752)
Less increase fixed assets (net of curr yr dep)	(200,957)	(258,000)
add back depreciation	196,008	322,364
Budgeted gain (loss) @6.30.23	(1,380,361)	(2,910,992)
UNCOMMITTED RESERVE FUNDS at end of budget year 6/30/23	4,064,588	1,019,551
Calculation of Operating Reserves		
Total Expenses less dep exp		19,216,359
Less Program expenses		(5,896,894)
Exp. Net of Programs		13,319,465
Reserve requirement		1,198,752