

**CITY OF SEATTLE**  
**ORDINANCE** 126407  
COUNCIL BILL 120147

AN ORDINANCE relating to the financing of the General Fund; authorizing interfund loans up to a total amount of \$205,000,000 from multiple City Funds to the General Fund as bridge financing to be repaid from future tax proceeds and other anticipated revenues; and ratifying and confirming certain prior acts.

WHEREAS, the 2021 Adopted Budget was balanced with \$214 million of revenues from the new payroll expense tax adopted by Ordinance 126108; and

WHEREAS, Ordinance 126108 provided that in the first year the payroll expense tax payments are not due until January 31, 2022, after which the payroll expense tax will be collected on a quarterly basis; and

WHEREAS, the extension of the due date for 2021 payroll expense tax payments until 2022 has resulted in a cash flow delay to the General Fund, with the expectation that the General Fund will be in an extended negative cash flow position necessitating the authorization of an interfund loan; and

WHEREAS, Seattle Municipal Code subsection 5.06.030.C requires City Council approval by ordinance of any interfund loan for a duration of 90 days or more; and

WHEREAS, in the normal course of business the City may temporarily lend cash between funds to maintain required balances; and

WHEREAS, regarding use of the proceeds of this interfund loan for operating costs, the Director of Finance and the City Budget Director have determined that there is no viable alternative available for advancing a core City objective; and

1 WHEREAS, the Director of Finance and the City Budget Director have determined that this  
2 interfund loan request is consistent with the Debt Management Policies adopted by  
3 Resolution 31553; and

4 WHEREAS, the anticipated cash deficit in the General Fund could reach as much as \$200  
5 million during the term of the interfund loan, and no single Fund in the City Treasury  
6 maintains sufficient cash reserves both to fully fund the proposed loan and still meet  
7 regular budgeted operating needs; and

8 WHEREAS, there is sufficient cash in several City Funds to support portions of the total loan to  
9 the General Fund and still meet regular budgeted operating needs; and

10 WHEREAS, funds loaned to the General Fund pursuant to this ordinance are anticipated to be  
11 repaid from future tax proceeds and other anticipated revenues;

12 NOW, THEREFORE,

13 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

14 Section 1. The City Council finds that there is no viable alternative to meet a core City  
15 objective, and therefore the Director of Finance is authorized to make one or more revolving  
16 loans of up to \$205,000,000 total principal and interest outstanding to the General Fund from one  
17 or more of the City Funds identified in Section 2 of this ordinance. Each loan is to be repaid by  
18 no later than December 31, 2022, with interest on the loan at the rate of return of the City's  
19 Consolidated Cash Pool. The entire principal and interest amount of the loan drawn is intended  
20 to be repaid with future tax proceeds and other anticipated revenues.

1           Section 2. To implement the loans authorized in Section 1, the following City Funds may  
2 be used as the source of cash loaned to the General Fund pursuant to Section 1 of this ordinance:

- 3           A. Health Care Fund (10112),
- 4           B. Move Seattle Levy Fund (10398),
- 5           C. Families, Education, Preschool, and Promise Fund (17871),
- 6           D. Seattle Park District Fund (19710),
- 7           E. Transportation Benefit District Fund (19900),
- 8           F. REET I Capital Projects Fund (30010),
- 9           G. REET II Capital Projects Fund (30020), and
- 10          H. Construction and Inspections Fund (48100).

11           Section 3. The Director of Finance may effectuate the loans authorized in this ordinance  
12 by transferring cash to the General Fund from one or more of the City Funds identified in  
13 Section 2 of this ordinance, or by carrying the General Fund in a negative cash position, in a total  
14 amount not to exceed \$205,000,000 until no later than December 31, 2022. The Director of  
15 Finance is further authorized to establish, and modify if necessary, from time to time, a  
16 repayment plan and schedule.

17           Section 4. Any act consistent with the authority of this ordinance taken prior to its  
18 effective date is ratified and confirmed.

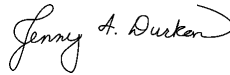
1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 9th day of August, 2021,  
5 and signed by me in open session in authentication of its passage this 9th day of  
6 August, 2021.

7 

8 President Pro Tem of the City Council

9  Approved  returned unsigned  vetoed this 12th day of August, 2021.

10 

11 Jenny A. Durkan, Mayor

12 Filed by me this 12th day of August, 2021.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)