

CITY OF SEATTLE

RESOLUTION 32024

A RESOLUTION adopting revised financial policies for the Emergency Fund.

WHEREAS, the Mayor and City Council are committed to maintaining high standards of financial management; and

WHEREAS, adopting and periodically updating financial policies are important actions that help to ensure consistent and rational financial planning and management; and

WHEREAS, Resolution 31717 revised financial policies for the Emergency Subfund; and

WHEREAS, as part of the City’s conversion from SUMMIT to PeopleSoft 9.2, the Emergency Subfund was renamed the Emergency Fund; and

WHEREAS, the World Health Organization (WHO) has declared that the Coronavirus Disease 2019 (COVID-19) is a global pandemic; and

WHEREAS, on February 29, 2020, the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19; and

WHEREAS, in response to outbreaks of COVID-19 in Seattle, Mayor Jenny Durkan proclaimed a civil emergency exists in Seattle in the Mayoral Proclamation of Civil Emergency dated March 3, 2020; and

WHEREAS, on March 5, 2020, the City Council adopted Resolution 31937 affirming the civil emergency, modifying orders transmitted by the Mayor related to the emergency, and establishing Council’s expectations related to future orders and reporting by the Mayor during the civil emergency; and

1 WHEREAS, on March 13, 2020, the President of the United States declared a national state of
2 emergency in response to the COVID-19 pandemic; and

3 WHEREAS, on March 23, 2020, the Governor issued a “Stay Home, Stay Healthy” order,
4 which, combined with other measures taken to prevent the transmission of COVID-19,
5 effectively closed many businesses in the state of Washington; and

6 WHEREAS, the immediate economic impacts from the COVID-19 emergency have been drastic
7 and are expected to last much longer than the civil emergency itself; and

8 WHEREAS, these impacts are being felt across all industry sectors, including retail, restaurant,
9 hospitality, transportation, logistics, arts, and culture; and

10 WHEREAS, at the end of August 2020, over 3,000 businesses in the Seattle metropolitan area
11 were closed, with an estimated 59 percent of those closures being permanent, and over
12 32,700 people in Seattle were unemployed; and

13 WHEREAS, the impacts of the COVID-19 emergency include a severe local, state, national, and
14 global economic recession, all of which impact the City’s revenue streams; and

15 WHEREAS, the Mayor and City Council used some of the resources contained in the
16 Emergency Fund to address the City’s response to the COVID-19 emergency in 2020 and
17 2021; and

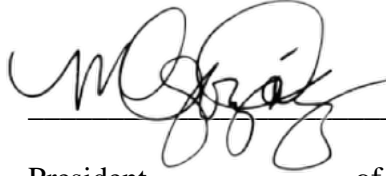
18 WHEREAS, the City will not be able to restore the balance of the Emergency Fund according to
19 the policy adopted in 2016 for several years; and

20 WHEREAS, the Mayor and City Council have reviewed the financial policies for the Emergency
21 Fund and wish to revise and update those policies; NOW, THEREFORE,

22 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
23 **MAYOR CONCURRING, THAT:**

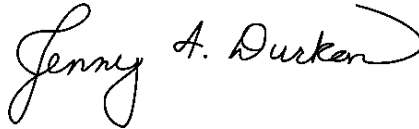
1 Section 1. Attachment A to this resolution is adopted as the Financial Policies for the
2 Emergency Fund, which were last amended by Resolution 31717.

1 Adopted by the City Council the 22nd day of November, 2021,
2 and signed by me in open session in authentication of its adoption this 22nd day of
3 November, 2021.

4 

5 President _____ of the City Council

6 The Mayor concurred the 2nd day of December, 2021.

7 

8 Jenny A. Durkan, Mayor

9 Filed by me this 2nd day of December, 2021.

10 

11 Monica Martinez Simmons, City Clerk

12 (Seal)

13 Attachments:
14 Attachment A – Emergency Fund Financial Policies

FINANCIAL POLICIES FOR THE CITY OF SEATTLE EMERGENCY FUND

Introduction

The Emergency Fund is the City’s main reserve fund and is available to pay for unanticipated or unplanned expenditures that occur during the course of the fiscal year.

Fund Structure

Policy 1. Fund structure. The City shall maintain in the City Treasury an Emergency Fund as described in RCW 35.32A.060. [Ord 125492]

Expenditures

Policy 2. Emergency expenditures. By an ordinance approved by three-fourths of all of its members, the City Council may authorize the expenditure of sufficient money from the Emergency Fund to meet the expenses or obligations:

1. Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
2. For the immediate preservation of order or public health, or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
3. In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
4. To meet mandatory expenditures required by laws enacted since the last budget was adopted. [RCW 35.32A.060, Ord 120489]

Policy 3. Other expenditures with insufficient or no appropriations. By an ordinance approved by three-fourths of all its members, the City Council may appropriate from the Emergency Fund an amount sufficient to meet the actual and necessary expenditures of the City for which insufficient or no appropriations have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget. [RCW 35.32A.060, Ord 120489] Expenditures of this type need not be appropriated from the Emergency Fund, but can be appropriated from other City funds whose purposes are consistent with the intended expenditure, provided sufficient balances are available and provided an ordinance approving the expenditure is passed by three-fourths of all the members of the City Council. [Res 30379]

Revenues/Fund Balances

Policy 4. Fund balance requirements. At the beginning of each year, sufficient funds shall be appropriated to the Emergency Fund so that its balance shall not be less than \$60,000,000 as measured in 2016 dollars and adjusted to current nominal dollars by the Seattle Consumer Price Index for All Urban Consumers (CPI-U) (per the Washington Economic Forecast Summary as prepared by the State of Washington), and, per state law, shall not exceed thirty-seven and one-half cents per thousand dollars of taxable assessed value in the city. [Res 28953, Res 31717], unless a severe or long-lasting event has resulted in a significant depletion of the Fund's resources, consistent with the purposes identified in Policy 2. [New Policy]

If such circumstances lead to deep or multiple years of spending from the fund, the City shall make contributions to satisfy the target balance within a period of five years, and sooner if practically possible. [New policy]

The City may also choose to reimburse the Emergency Fund during the year for any expenditures incurred, by transferring unexpended and unencumbered balances from another City fund, or from other reimbursements the City may receive. [Res 30379]

Planning/Reporting Requirements

Policy 5. Year-to-date appropriations. The City Council will receive with every appropriation request for emergency or other expenditures with insufficient or no appropriation a list of all such year-to-date appropriations, the fund from which they were appropriated, and the cumulative dollar total for the year. [Res 30379, Revised from Res 27206]