

2022 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
CBO	511	A	001

Budget Action Title: Pass CB 120222 CBO 2021 Amended General Fund Interfund Loan

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Tom Mikesell

Council Bill or Resolution: CB 120222

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Summary of Dollar Effect

See the following pages for detailed technical information

	2022 Increase (Decrease)	2023 Increase (Decrease)
General Fund		
General Fund Revenues	\$0	
General Fund Expenditures	\$0	
Net Balance Effect	\$0	
Total Budget Balance Effect	\$0	

Budget Action Description:

This Council Budget Action would recommend passage of CB 120222, the 2021 Amended General Fund (GF) Interfund Loan ordinance. Passed by the City Council on August 9, 2021, Ordinance (ORD) 126407 authorized a revolving interfund loan to the GF of up to \$205 million total principal and interest outstanding at any one time. Relying on support from cash balances across multiple City funds, this existing loan provides bridge financing across fiscal years due to the delayed receipt of 2021 payroll expense tax revenues, which will be received from taxpayers on February 1, 2022.

As part of its November 3, 2021 revenue forecast update to the City Council, the City Budget Office reported that the completion date for the anticipated sale of surplus City property known as the Mercer Megablock, authorized by ORD 125916 and expected in late 2021, has been delayed to 2022, resulting in an additional cash deficit of approximately \$66.5 million in property sale proceeds to the GF in 2021. If left unresolved, this change in the timing of revenues from the Mercer Megablock sale would lead to a

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cash deficit in the GF which, coupled with the delay of payroll expense tax proceeds described above, could reach \$272.5 million according to the Executive.

To address this increase in the projected cash deficit, CB 120222 would amend ORD 126407 to increase the amount of the interfund loan to \$275 million, including principal and interest. Further, CB 120222 would expand the list of lending funds, by adding the Park and Recreation Fund (10200) and the Coronavirus Local Fiscal Recovery Fund (14000) to the list of cash resources available to support the projected GF cash deficit until December 31, 2022.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
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