

## **SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
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*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### **1. BILL SUMMARY**

**Legislation Title:** A RESOLUTION adopting revised financial policies for the Emergency Fund.

**Summary and background of the Legislation:** Due to the 2020 COVID-19 pandemic and related economic downturn, the City's revenues for the 2020 budget will be significantly reduced from the estimate used for the creation of the budget in November 2019. Simultaneously, the City has realized significant expenses to address the emergency that was not foreseen at the time the 2020 budget was adopted.

The Emergency Fund exists for City expenses during an emergency or expenses that could not have been anticipated during the annual budget adoption. The COVID-19 emergency has presented both challenges and the Mayor and City Council have agreed to use some of the balance of the Emergency Fund to back those expenses in 2020 and 2021.

The existing financial policies for the Emergency Fund, last adopted in 2016 during a much different economic scenario, require that the City make contributions topping off the Emergency Fund at more than \$60 million each year. Due to the severe revenue shortfall, increased expenses, and anticipated length of the COVID-19 emergency, it is not realistic to think that the City will be able to meet the fund balance requirements for the Emergency Fund in the near future. This legislation calls for the replenishment of the Emergency Fund as soon as is practically possible.

### **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes **X** No

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?** \_\_\_ Yes **X** No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

If the City were to follow the Emergency Fund policies as currently written, it would never be able to use the balance without replenishing it in less than a year. This does not reflect the reality of a longer-term emergency such as the COVID-19 pandemic.

**Is there financial cost or other impacts of *not* implementing the legislation?**

No.

#### **4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

Not directly.

**b. Is a public hearing required for this legislation?**

No.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No.

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times***

No.

**e. Does this legislation affect a piece of property?**

No.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

Not applicable.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

Not applicable.

**List attachments/exhibits below:**

Summary Attachment A – Emergency Fund Financial Policies, as redlined since adoption of Resolution 31717 in 2016.